Performance of Tourism Accommodation January – September 2018p

Fāilte Ireland Research

December 2018

Headlines

This is a brief snapshot of tourism accommodation performance in Ireland up to September 2018, based on preliminary results from Fáilte Ireland's accommodation occupancy survey. The analysis gives us an opportunity to see beyond topline indicators to get a more nuanced view of tourism demand in the first nine months of the year.

Occupancy in Dublin remains much higher than in the rest of the country – 69% bed occupancy compared to 49% outside Dublin. This supports other feedback from industry that there are capacity issues in Dublin at busy times of the year.

While Ireland's Ancient East was launched later than the Wild Atlantic Way, overall occupancy rates there have now caught up.

Hotels and guesthouses have seen stable room occupancy this year but declining bed occupancy. This suggests an increase in single occupancy in rooms.

B&Bs have seen a decline in both room and bed occupancy. The relative weakness of the UK market has hit the B&B sector quite hard.

The self-catering sector would benefit from greater regional spread in demand, as Dublin properties are close to capacity, unlike other regions. Unit occupancy in Dublin has increased 6 percentage points compared to the same period last year.

Caravan & campsites welcome the largest proportion of domestic visitors of any sector – 60% (up from 52% in 2017). The fine summer weather has been a major factor in this boost to business.

Accommodation Trends 2016-2018p[1]

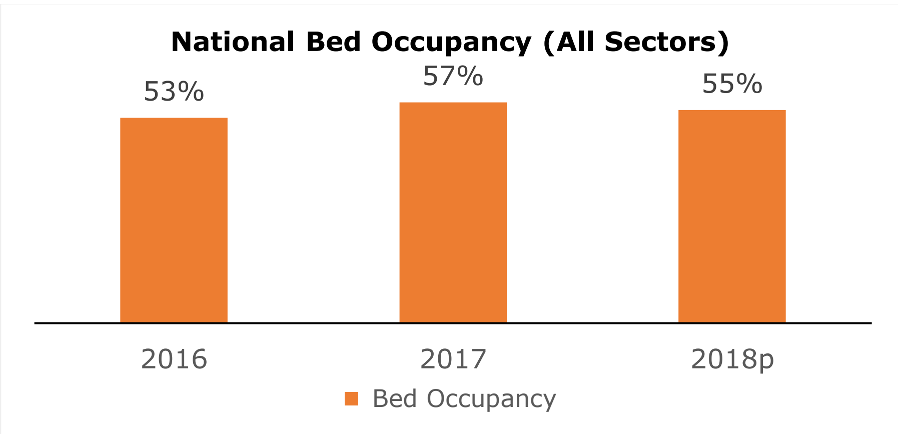

Figure 1: Bed occupancy in tourist accommodation January-September 2016-2018p

Across all sectors combined, there is evidence of a slight drop in bed occupancy rates, however, they are still above those recorded for the same period in 2016 and could indicate a higher level of single room occupancy rather than a drop in guestnights. Furthermore, room/unit occupancy in most sectors is on a par or up on 2017 in many cases.

1 2018p = preliminary data, subject to change as additional responses are received.

Occupancy in Ireland's Ancient East is on a par with Wild Atlantic Way

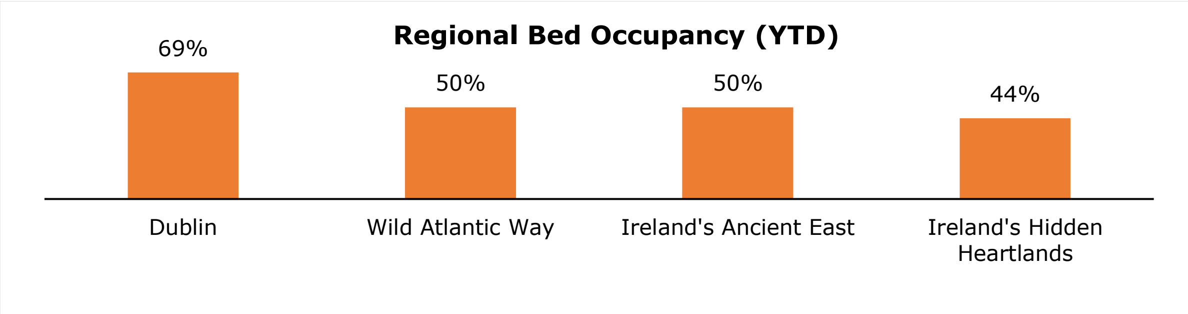

Figure 2: Occupancy by region/programme area January-September2018p

While Ireland's Ancient East was developed later than the Wild Atlantic Way, occupancy rates are on a par. Ireland's Hidden Heartlands was launched earlier this year, and it will be important to see its impact on occupancy rates over time.

Occupancy in Dublin remains much higher than in the rest of the country. This underpins feedback from the trade regarding capacity issues in Dublin at the busy times of year. Current research with Irish DMCs shows that French and German buyers of incentive trips want their clients to stay in Dublin for at least some of their itinerary because it is their main access point into the country.

Seasonality similar to recent years

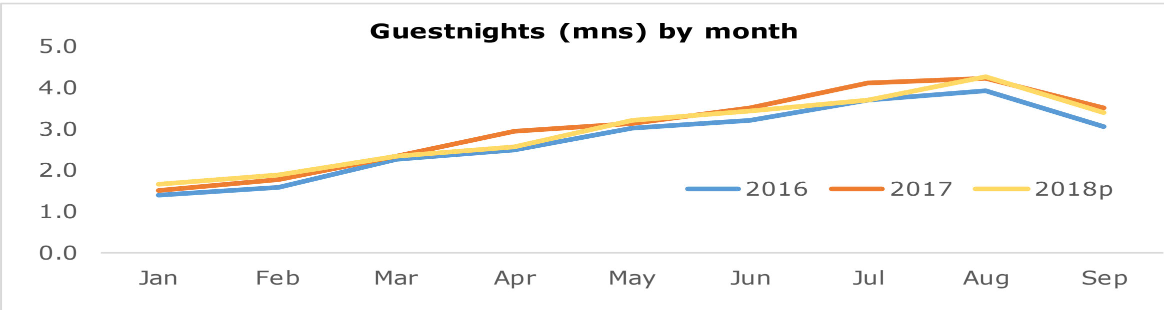

Figure 4: Bednights (millions) by month January-September2016-2018p

The seasonal fluctuation in guestnights to date this year is similar to 2016 and 2017. June and July were slightly weaker than 2017 but there is evidence that guestnights were on a part with 2017 in August and September.

Easter Sunday dates: 2016 - 27th March; 2017-16th April; 2018 - 1st April

Steady proportion of international visitors all year round

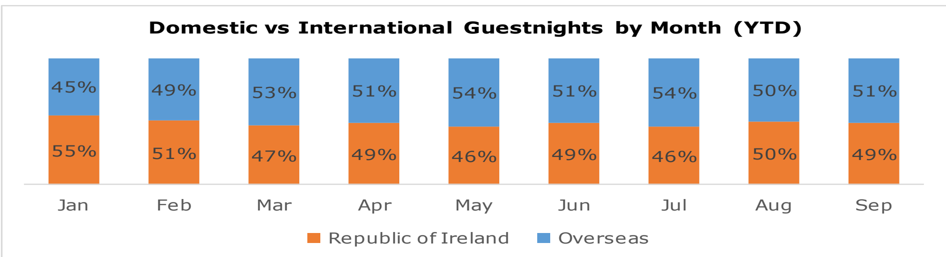

Figure 4: Market share of bed nights January-September2018p

Businesses attract a steady proportion of overseas visitors all year round, even in winter. However, accommodation providers are more dependent on the domestic market in the off peak months.

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YTD **Hotel** Performance in 2018p

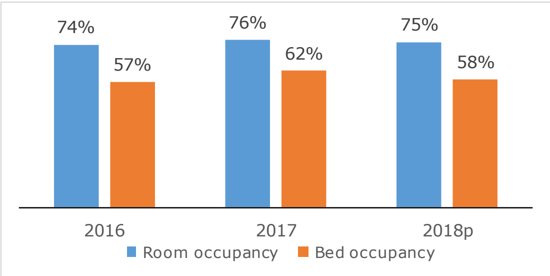

Figure 5: Hotel room and bed occupancy January-September2016-2018p

Hotel room occupancy has remained relatively stable in the last three years. However, bed occupancy has declined slightly since 2017, perhaps a result of more rooms being occupied by individual guests.

YTD Regionality 2018p

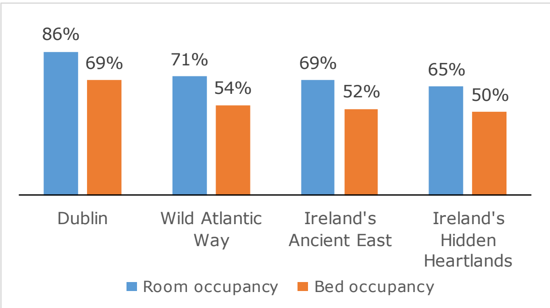

Figure 6: Room and Bed occupancy by region/programme area January-September2018p

Dublin hotels continue to operate fairly close to capacity, and healthy occupancy rates in other regions over the summer have given Ireland a reasonable spread of hotel occupancy in the first nine months.

YTD Market Share 2018p

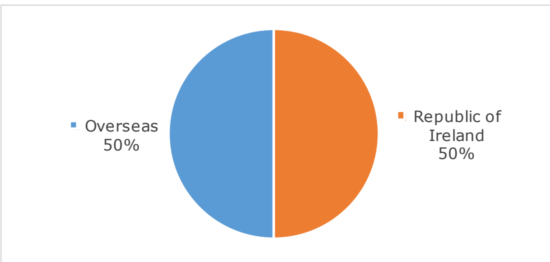

Figure 7: Market share of hotel bednights January-September2018p

Hotel market share for the first nine months of the year was evenly split between domestic and overseas markets. Domestic visitors staying for leisure have increased for 52%[2] of hotels compared to the same period last year.

[2] Fáilte Ireland Tourism Barometer September 2018

YTD **Bed & Breakfast** Performance in 2018p

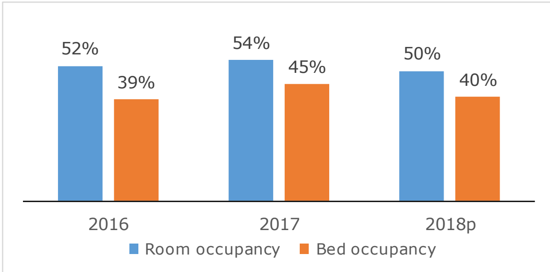

Figure 8: B&B room and bed occupancy January-September2016-2018p

Bed and breakfast room and bed occupancy has dropped from 2017. The decline in UK guests has hit the B&B sector quite hard. 45% reported a decline in visitors from Britain, and 52% reported a decline from Northern Ireland.[3]

YTD Regionality 2018p

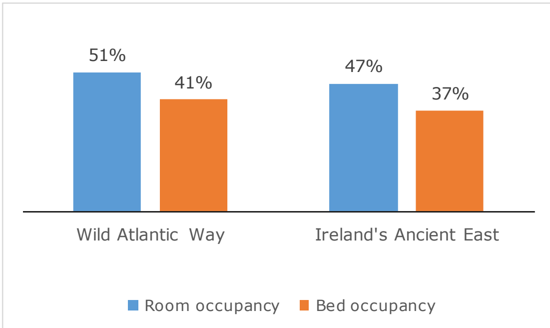

Figure 9: Room and Bed occupancy by region/programme area January-September2018p

B&Bs along the Wild Atlantic Way saw half of their rooms occupied in the year to September. B&Bs in both of regions have welcomed increased occupancy over the peak season.

Average monthly response rates from B&Bs in Dublin and Ireland's Hidden Heartlands are too low for analysis.

YTD Market Share 2018p

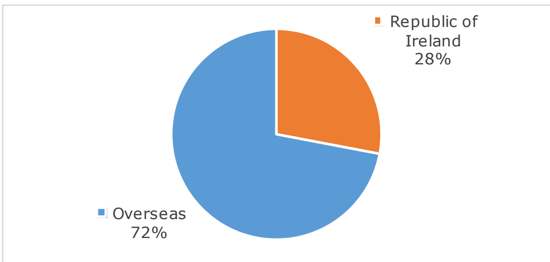

Figure 10: Market share of B&B bednights January-September2018p

Bed and Breakfasts attract more overseas guests than domestic visitors. Forty-five percent saw an increase from Germany in the first nine months of 2018.[4]

[3] Fáilte Ireland Tourism Barometer September 2018
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December 2018

YTD **Guesthouse** Performance in 2018p

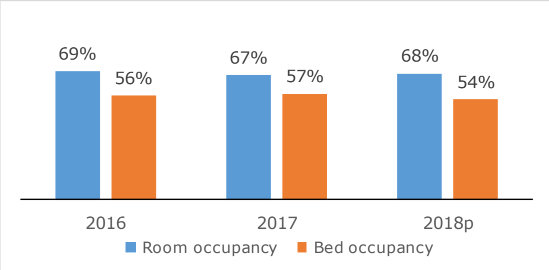

Figure 11: Guesthouse room and bed occupancy January-September2016-2018p

Guesthouse room occupancy has hardly changed in the past three years, but as with hotels, bed occupancy has declined, suggesting more single occupancy in rooms.

YTD Regionality in 2018p

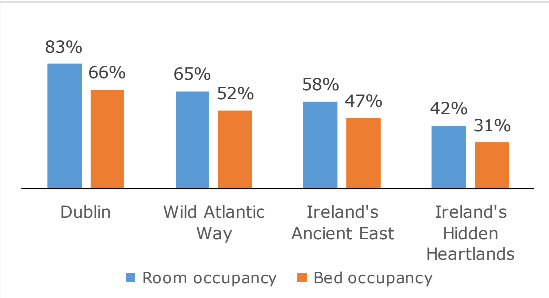

Figure 12: Guesthouse occupancy by region/programme area January-September2018p

The differences in occupancy rates by region for guesthouses are greater than for hotels. Guesthouses in Dublin have achieved occupancy levels close to that of hotels in the region.

YTD Market Share 2018p

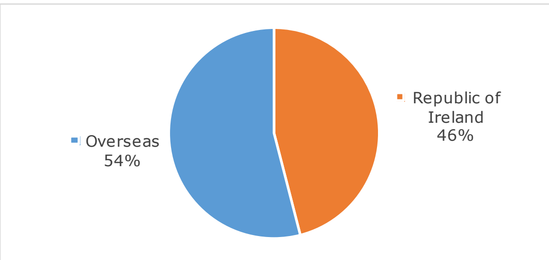

Figure 13: Market share of guesthouse bednights January-September2018p

While B&Bs attract most of their visitors from overseas, the domestic/overseas split for guesthouses is more evenly balanced, albeit still weighted towards overseas guests.

YTD **Hostel** Performance in 2018p

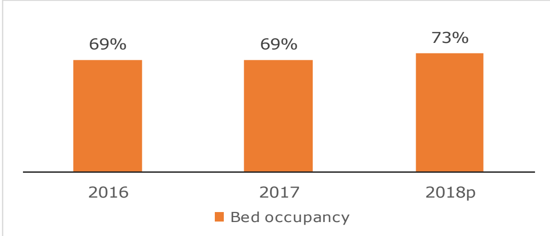

Figure 14: Hostel Bed occupancy January-September2016-2018p

Hostels have performed very strongly so far in 2018, with the highest bed occupancy reported in any sector. Almost three quarters of hostel beds were occupied over the January-September period.

YTD Regionality in 2018p

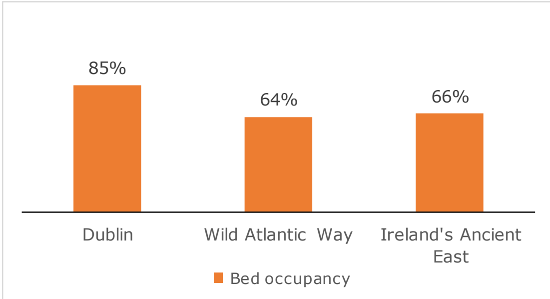

Figure 15: Hostel occupancy by region/programme area January-September2018p

Dublin hostels are having a prosperous year, with the majority of bedspaces occupied. Other regions are also performing well. 73% of hostels in the Wild Atlantic Way reported this brand initiative was a positive factor affecting their business in 2018.[5]

Average monthly response rates from B&Bs in Ireland's Hidden Heartlands are too low for analysis.

YTD Market Share 2018p

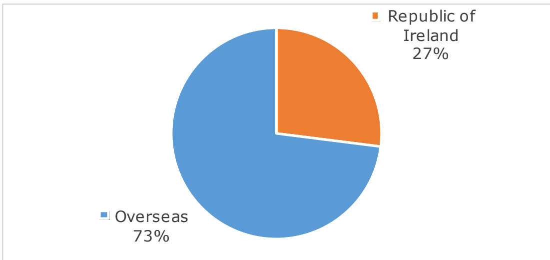

Figure 16: Market share of hostel bednights January-September2018p

Hostels are particularly popular among overseas tourists and have the highest proportion of overseas demand of any sector.

[5] Fáilte Ireland Tourism Barometer September 2018

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YTD **Self-catering** Performance in 2018p

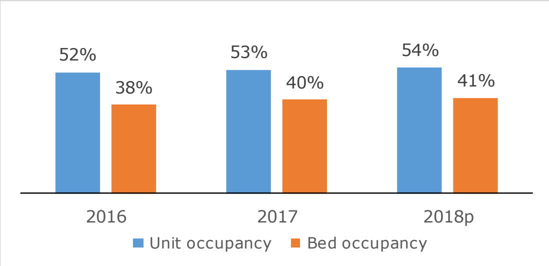

Figure 17: Self-catering unit and bed occupancy January-September2016-2018p

Self-catering properties have experienced slight but steady growth over the past three years. Repeat visitors are very important in bringing stability to this sector.

YTD Regionality in 2018p

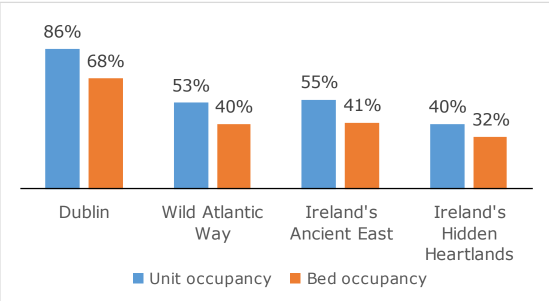

Figure 18: Self-catering occupancy by region/programme area January-September2018p

Properties in Dublin have experienced particularly high occupancy levels, perhaps driven by the general demand for accommodation in the region coupled with a relatively low level of registered/listed self-catering accommodation. Unit occupancy in Dublin has increased 6 percentage points compared to the same period last year. There is a noticeable spread across other regions in terms of performance.

YTD Market Share 2018p

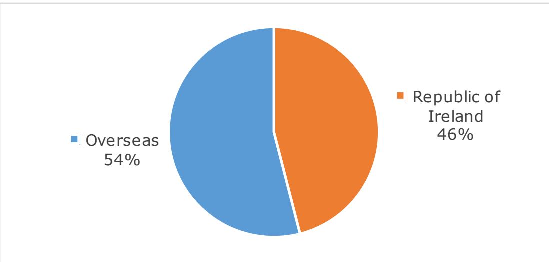

Figure 19: Market share of self-catering bednights January-September2018p

The market share is a little more balanced this year, with self-catering properties welcoming 8 percentage points more domestic guests (as a proportion of all visitors) than they did in the same period last year.

YTD **Caravan & Camping** Performance in 2018p

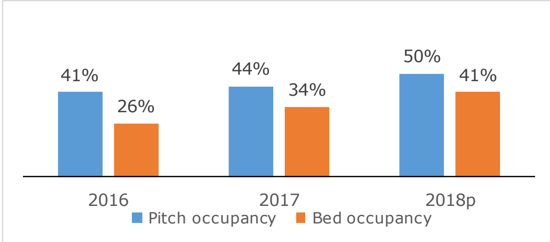

Figure 20: Caravan and Camping occupancy January-September2016-2018p

Caravan and campsites are highly dependent on good weather for business, and the fine summer weather this year has been very rewarding. This sector is the only one apart from hostels to experience significantly higher bed occupancy rates in 2018.

YTD Regionality 2018p

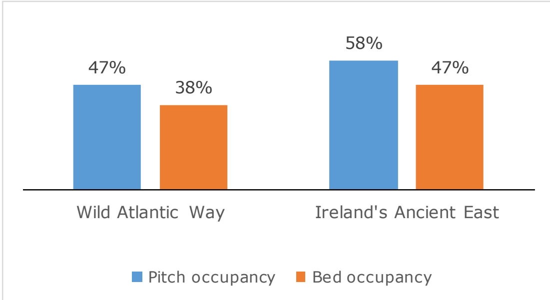

Figure 21: Occupancy by region/programme area January-September2018p

Caravan and campsites in Ireland's Ancient East are doing particularly well this year with more than half of pitches occupied. Domestic visitors account for this strong performance.

Average monthly response rates from B&Bs in Dublin and Ireland's Hidden Heartlands are too low for analysis.

YTD Market Share 2018p

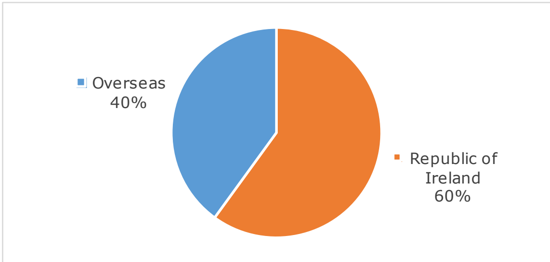

Figure 22: Market share of caravan/camping bednights January-September2018p

This year caravan & campsites have seen the largest proportion of domestic visitors of any sector – 60% (up from 52% in 2017). The fine summer weather has no doubt driven this upsurge in demand from the domestic market.