

Fáilte Ireland Hotel Survey

March 2023 Summary Report



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Executive Summary

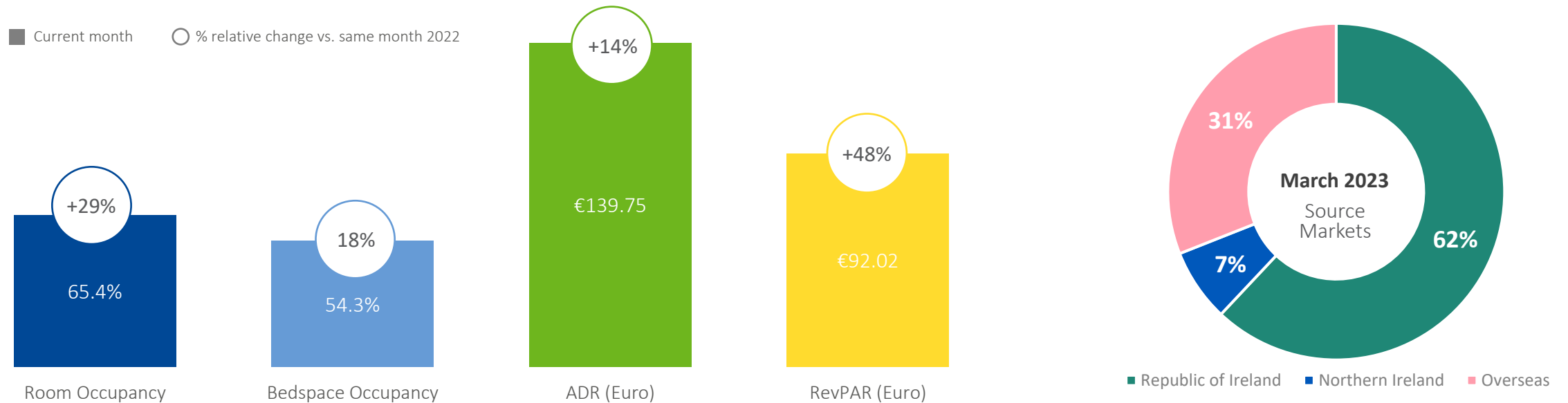
As Q1 draws to a close, March 2023 showcased many positives for the Irish hotel sector with performance metrics improving compared to 2022. One example of such improvement was growth in demand of 29.3% this year versus the same time last year. Demand also grew compared to February, up 6.8%.

March commanded strong rates at both a national and a county level. Across the country hotels recorded an average daily rate of €139.75 for the month, a 13.9% uplift from March 2022. As was the case with demand, the increase from February 2023 to March was slower at €5.80.

In relation to the origin of visitors, the key story for March was the return of overseas visitors. Overseas guests accounted for 31.2% of heads in beds in March 2023, compared to 22.7% in February 2023.

At a regional level, all counties observed year-on-year growth in demand, benefitting both urban and rural areas. Leading the way with occupancy was Limerick (83.4%) and not far behind was Dublin at (80.8%).

Key Performance Indicators



Ireland Room & Bedspace Occupancy: March 2023

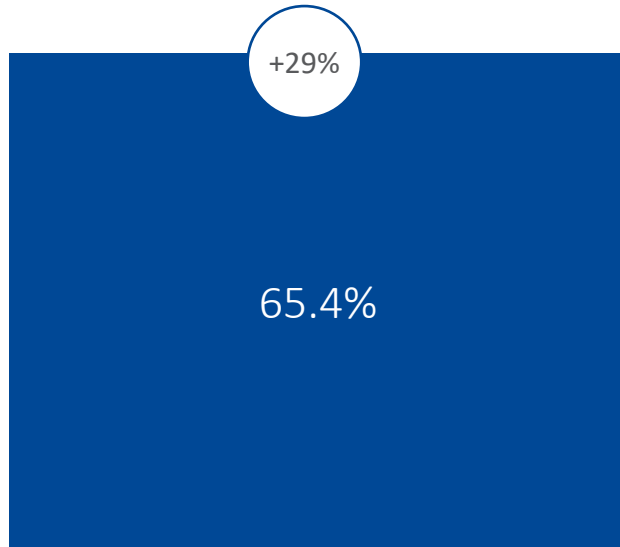


March brought increased demand at a national level across both rooms and bedspaces. Bedspace occupancy grew 18% compared to March 2022 and the same can be seen relative to the previous month (+11.8%). As previously mentioned, room occupancy also increased from March 2022 by 29.3%. As we move further into the high season, it is likely that occupancy will continue to grow.

The increasing occupancy rates can be attributed in part to a buoyant return of business travel with several conferences taking place. Furthermore, leisure travel has remained strong, bolstered in particular by the appeal of St. Patrick's Festival to overseas tourists.

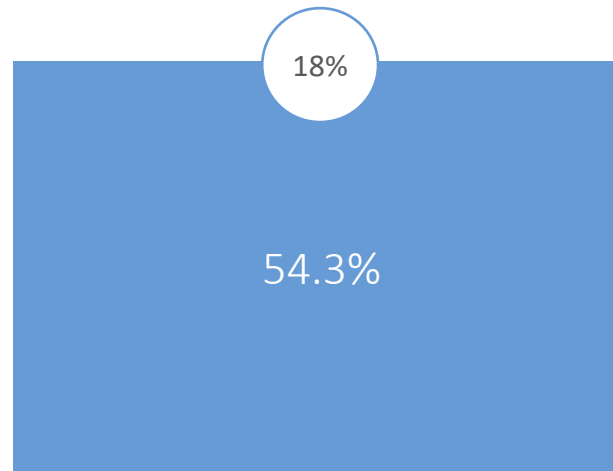
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



Mar-23

Bedspace Occupancy



Mar-23

Highest room occupancy in March

92.3%

Friday 17th Mar 2023

Highest / lowest performing days of the month

Saturdays (86.9%) / Sundays (61.3%)

Ireland ADR & RevPAR: March 2023

Average daily rates increased year-on-year for all counties in Ireland. As was the case in February, March experienced a positive year-on-year percentage increase, coming in 13.9% up compared to March 2022, resulting in this month's rates averaging €139.75.

Uncertainty continues with ADR performance. Global factors such as rising costs due to inflationary pressures and the energy crisis appear to be driving up ADR. Meanwhile increased competition with international markets, a return to pre-pandemic business mix (as hotels secure more group and corporate contracts), among other factors, may curtail this trend over time.

Revenue per available room, the gold standard hotel performance metric, grew from €82.46 in February 2023 to €92.02 in March, an 11.6% increase. These rates are likely to continue to rise as we move out of the shoulder season and into the high demand summer period when visitors arrive in abundance to occupy hotels across the country.

■ Current month ○ % relative change vs. same month 2022



Highest RevPAR in March
€ 234.38
Saturday 18th March 2023

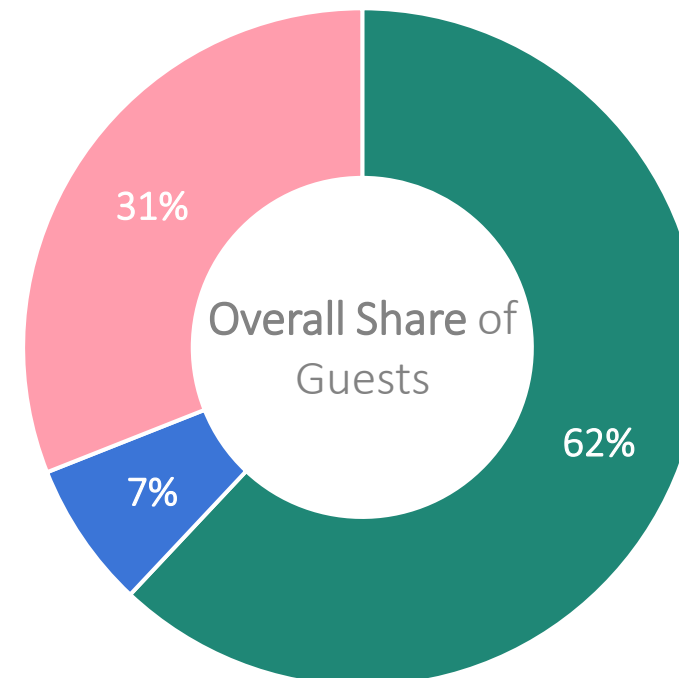
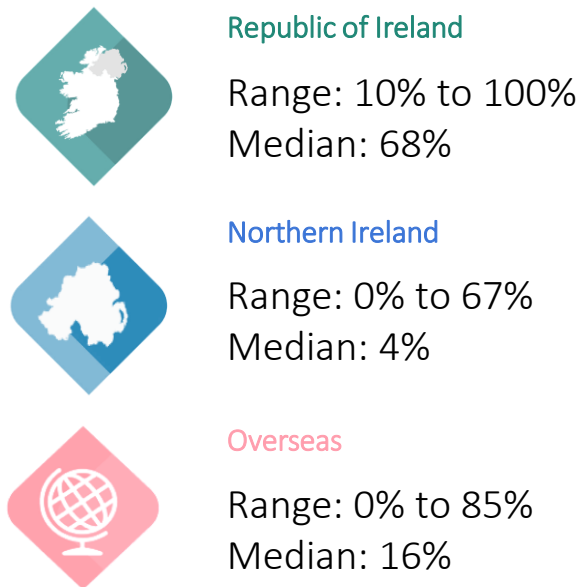
Highest / lowest (RevPAR) performing days of the month
Saturdays (€176.62) / Sundays (€85.09)

Note: Average Daily Rate (ADR) is the average room rate (excluding taxes) charged by hotels.
Note: Revenue Per Available Room (RevPAR) is the total room revenue divided by the total number of available rooms.

Ireland Source Markets: March 2023

In order to accurately target the right audience, it is vital for sales and marketing teams to understand the origin of their visitors. In doing so hoteliers can effectively engage and attract their desired guest type. The pattern observed in this month's analysis is broadly in line with February, with the domestic market accounting for the majority of bedspaces sold, 61.5%, followed by overseas visitors, 31.2% and Northern Ireland guests at 7.3%.

The origin of visitors can also have an impact as to the property type that they are likely to choose. In March 2023 visitors from overseas showed a slight preference for 5-star hotels, 33.9%, whilst 3-star properties followed closely behind at 32.1%. Guests from the Republic of Ireland show a slight preference for 4-star properties at 67.4%.



Note: Range is the lowest and highest share of guests stated by hotels.

Note: Median is the value separating the higher half from the lower half of the data, sometimes referred to as the "middle" value. A median value can also be the lowest or highest value and so may also be represented in the range.

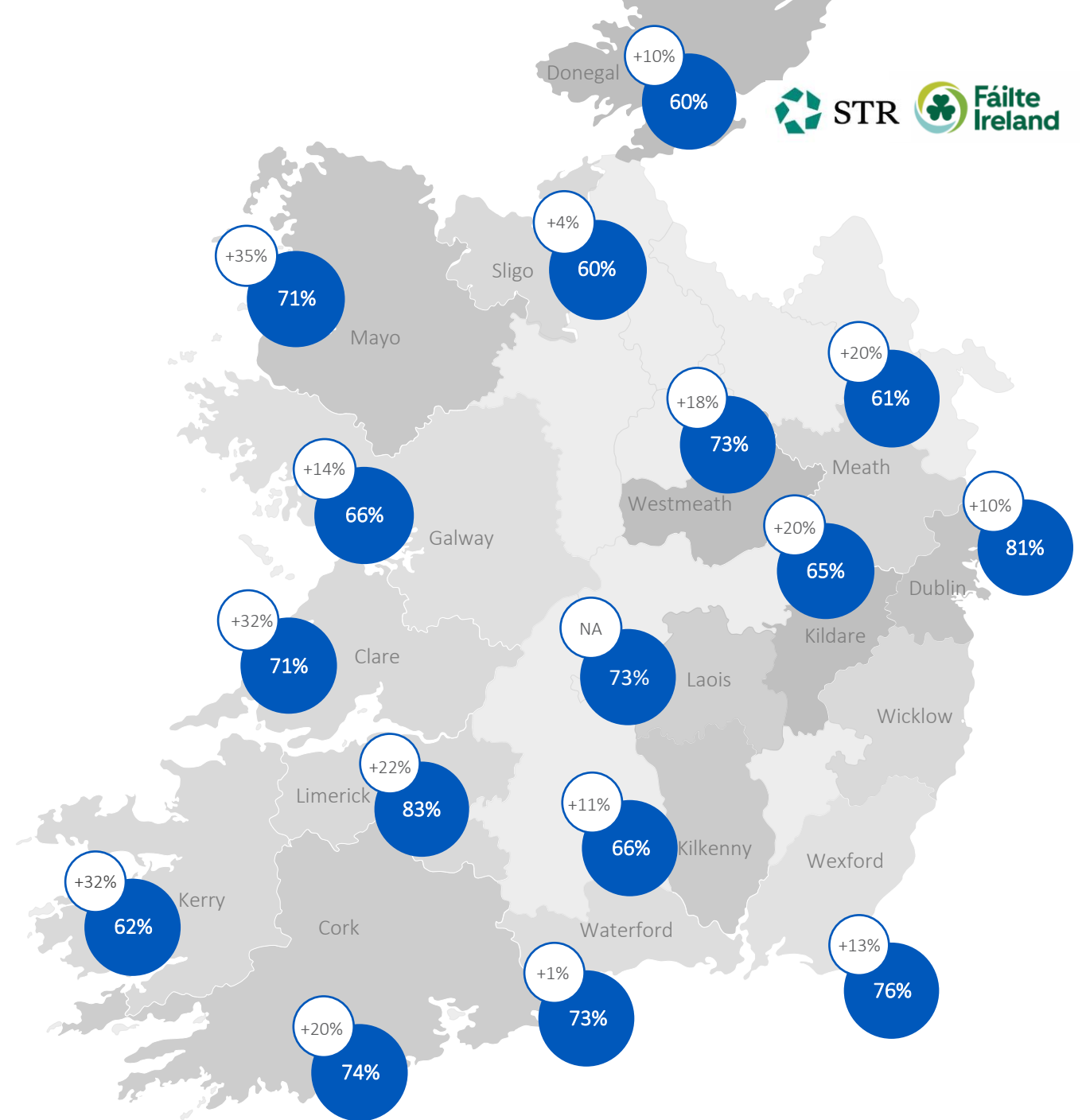
County Occupancy

● Current month room occupancy ○ % relative change vs. same month 2022

Occupancy was not only promising at a national level but also at a county level. Out of the 15 counties with comparable year on year data, all noted higher occupancy rates than March 2022.

Limerick enjoyed another successful month achieving 83.4% room occupancy in March 2023, up 15.2% on February 2023. Following very closely behind this month was Dublin, filling 80.8% of all available rooms, a significant improvement on February 2023 when it ranked 5th highest.

At the opposite end of the spectrum were Donegal (59.9%), Sligo (60.5%) and Meath (61.1%), however, these localities experienced growth compared to March 2022.



Note: There are 16 counties with sufficient room occupancy data in March 2023. These are displayed and reported here.

County ADR & RevPAR

● ADR ● RevPAR ○ % relative change vs. same month 2022

Average Daily Rate (ADR)

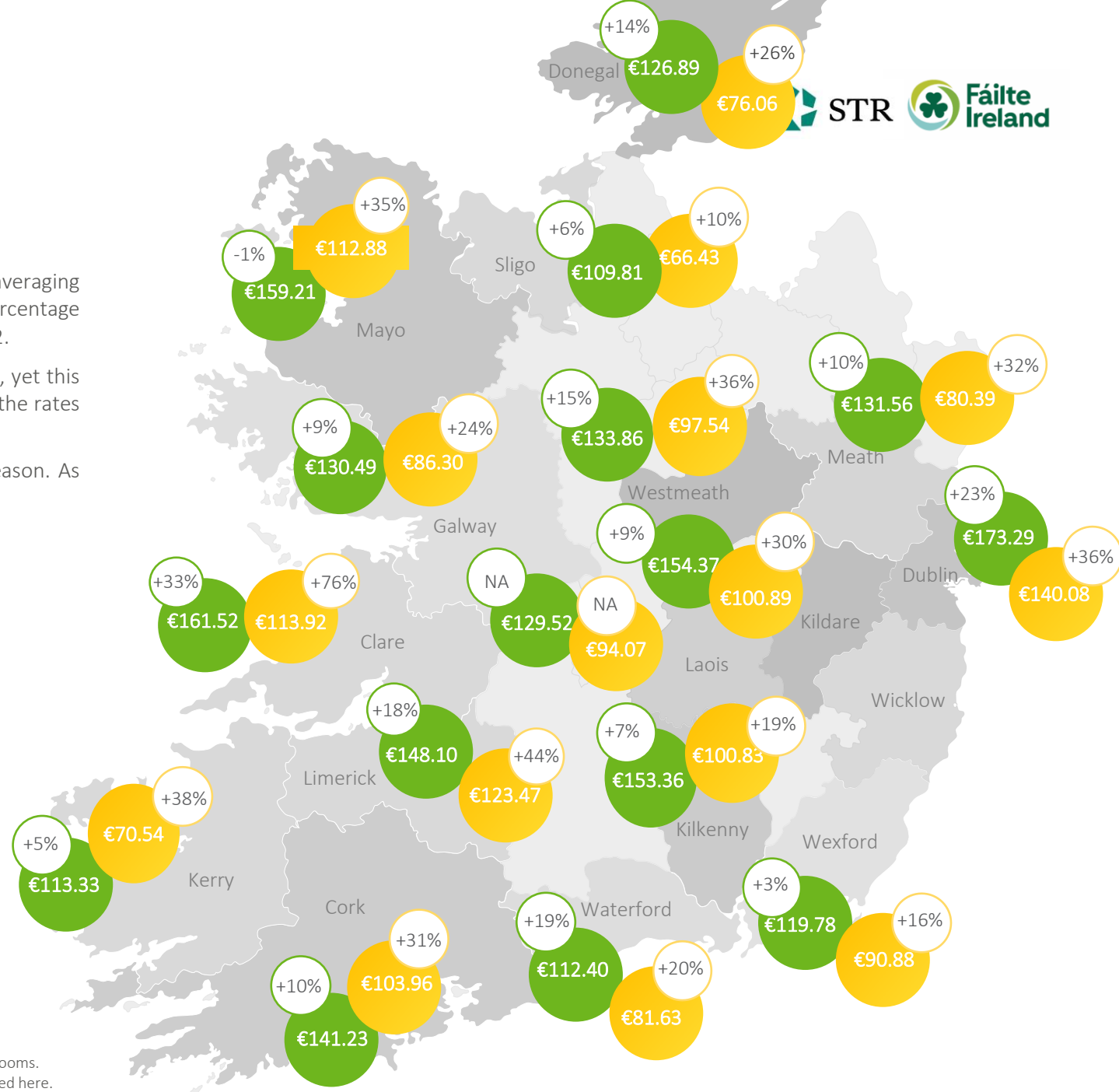
As is so often the case Dublin secured the highest average daily rate in March averaging €173.29 up 23.2% from March 2022. The most significant year-on-year percentage change was recorded in Clare with an increase of 33.3% versus same time in 2022.

For many hoteliers across Ireland rates were up in March compared to February, yet this was not the case for all counties. Some counties witnessed a slight decline from the rates reported in February including Kerry (-€2.30) and Donegal (-€2.82).

Rates will likely continue to climb further as we make our way into the high season. As cost pressures continue, this will also likely have an impact on ADR levels.

Revenue Per Available Room (RevPAR)

RevPAR in Dublin experienced a significant jump in March rising from €107.64 in February 2023 to €140.08, the highest performing county for this metric. This growth was driven by increases in both occupancy and ADR. In many counties, double digit growth in RevPAR has been driven by strong growth in occupancy coupled by more moderate ADR increases. Overall, in March all counties had a positive percentage change of 10% or more compared to month of March 2022.



Note: Average Daily Rate (ADR) is the average room rate (excluding taxes) charged by hotels.
 Note: Revenue Per Available Room (RevPAR) is the total room revenue divided by the total number of available rooms.
 Note: There are 16 counties with sufficient ADR and RevPAR data in March 2023. These are displayed and reported here.
 Note: -/+0% indicates decline/growth of less than 1%.



County Source Markets

For most counties, the share of guests originating from the Republic of Ireland was lower in March compared to the same time the previous year. This was mainly due to the continued return of visitors from overseas markets to restriction free environment and the appeal of the St. Patrick's Week Festival to overseas tourists. Kildare and Dublin were the outliers as each county welcomed a larger share of visitors from the Republic of Ireland (84.5% vs 78.2% and 46.7% vs 40.5% respectively) in March 2022. The increased share of domestic guests in both of these counties may be driven in part by a major sporting event in the capital in March 2023.

Donegal remains the destination of choice for Northern Irish visitors (43.6%) due to the county's proximity to the border. In March 2023 Mayo also welcomed a significant share of visitors from Northern Ireland (16.2%).

For those travelling from overseas Dublin remained the most attractive location with a share of 47.5%. Beyond the capital, overseas guests accounted for 46.7% of Galway's hotel visitors. In March 2022 overseas tourists to Galway made up 29.6% of total guest night share.



County	Republic of Ireland	Northern Ireland	Overseas
Cavan	63%	20%	17%
Clare	72%	0%	28%
Cork	62%	5%	33%
Donegal	48%	44%	9%
Dublin	47%	6%	48%
Galway	51%	2%	47%
Kerry	75%	6%	18%
Kildare	85%	10%	5%
Limerick	68%	4%	28%
Mayo	74%	16%	10%
Wexford	89%	1%	11%
Wicklow	65%	5%	30%

Performance By Grade



As was the case in February, 3-star hotels led the way with occupancy in March 2023 achieving an occupancy of 79.3%, followed closely by 4-star hotels at 75.5% and 5-star hotels at 61.6%. All these property types grew their occupancies compared to March 2022.

Naturally given their service offerings it was 5-star properties that reported the highest daily rate in March 2023 averaging €303.82. However, 3-star hotels' ADR increased the most (25.3%) compared to the same month last year. While this may be an indicator that these property types are becoming increasingly popular as consumers become more cost conscious due to growing inflationary pressures, some of this growth may be also attributed to the corresponding cost implications for hotels and scarcity of supply in some geographic areas.

The story is very similar for Revenue Per Available Room with 5-star hotels generating €187.27 followed by 4-star and 3-star at €109.88 and €105.39 respectively. It was 3-star properties that recorded the greatest year on year percentage change at 42.5%, driven by increases in both occupancy and ADR.

	5 Star	4 Star	3 Star
Occupancy	61.6%	75.5%	79.3%
ADR	€ 303.82	€145.57	€132.94
RevPAR	€187.27	€109.88	€105.39

Methodology Statement

In June 2021, Fáilte Ireland re-launched its Hotel Survey in partnership with STR, a leading global hospitality data benchmarking, analytics and insights provider.

The new survey collects the following information per month based on two data collection systems:

Rooms Data (collected on an ongoing basis using STR's proprietary systems)

- Total number of available rooms
- Number of sold occupied rooms
- Net rooms revenue

This data is used to calculate the three most relevant metrics within the accommodation industry namely: Room Occupancy, Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR).

Bedspaces Data (collected by monthly online survey administered by STR)

- Bedspaces sold to key markets (Republic of Ireland, Northern Ireland and Overseas)
- Total number of available bedspaces

This data is used to calculate bedspace occupancy, which is the proportion of available bedspaces sold each month, and share of guests by the key markets.

Additional Notes

- Where applicable in this report, data is compared with the same data of 2022.
- Ireland room occupancy, bedspace occupancy, ADR and RevPAR for the current month and for the same month in 2022 are calculated using a weighted average methodology to reflect the supply of hotel accommodation in the regions of Ireland. No other data points in this report are based on weighted averages.
- The classification system referred to in this report is [Fáilte Ireland's hotel classification](#) as prescribed under Section 39 of the Tourist Traffic Act.
- The samples of participants in the two data collection systems are different. Therefore, some data points may not appear consistently throughout the report.
- All units given throughout this report represent a positive number, unless stated otherwise.
- Percentage change figures are expressed in relative terms (not in absolute terms), unless stated otherwise.
- "n/a" or blank spaces in this report indicate insufficient data to enable reporting of a data point. This is done to protect the anonymity of responses and ensure full data confidentiality.

- Data in these reports is not consistent with previous reports published by Fáilte Ireland prior to the July 2021 report.
- The sample for this month's report: (Rooms Data n =261, Bedspace/ Source Market Data n=206, Overall Universe of Hotels n =832).
- STR methodology provides for humanitarian use of hotel rooms in the following ways:
 - Data from hotels that are exclusively accommodating beneficiaries of temporary protection are excluded from STR reporting. The hotel is marked as temporarily closed in our system.
 - Data from hotels that continue to operate their business while accommodating beneficiaries of temporary protection is included in our reporting. For these hotels, our reporting includes data relating to the rooms 'sold' for both purposes unless accommodation for beneficiaries of temporary protection has been donated by the hotel, in which case the room is treated as 'complimentary' and, thus, excluded.
- Further details about STR's hotel data methodology can be found [here](#).

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