

Fáilte Ireland Hotel Survey

February 2023 Summary Report



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Executive Summary



Irish hotels began to see occupancy levels edge upwards as we entered into the 2nd month of 2023. Despite being a long way off from the high season there are still numerous factors that help to bolster demand during this month across Ireland, the commencement of the 6 Nations rugby championships and the new February Bank Holiday to name a few. At a country level demand sat at 61.2% up from 43.6% the year prior, and up 9% on January 2023.

Average daily rates in February also observed improvements compared to February 2022, with a positive percentage change of 13.5%. However noticeably this was the metric with the lowest growth. RevPAR for Ireland as a whole averaged €82.46, rising considerably from the €51.50 achieved for the same time in 2022. These increased rates may be attributed in part to the combination of increased demand levels as well as growing financial pressures on the hotel sector such as increased utility costs.

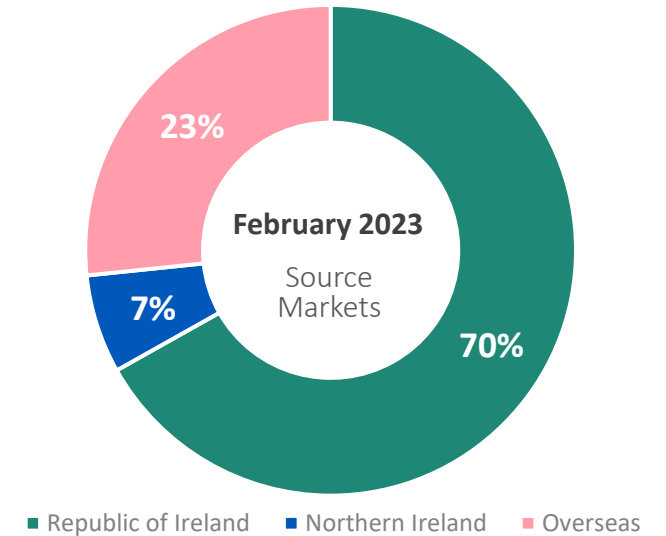
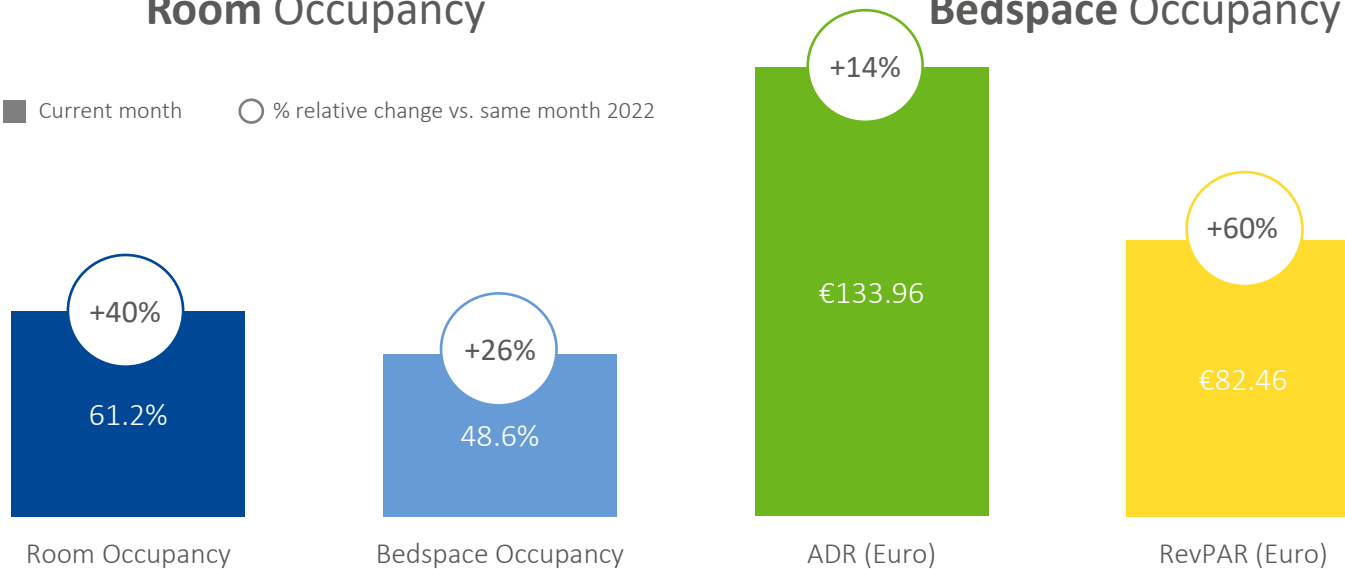
Source markets shifted once again in February, with visitors arriving from overseas accounting for 22.7% in February 2023 whilst they accounted for only 16.5% in February 2022. Those originating from within the Republic of Ireland came in at 70.2% compared to 76.2% in February of the previous year.

Demand was positive across the country, with some counties, (Wexford and Westmeath) outperforming Dublin in terms of room occupancy .

Key Performance Indicators Room Occupancy

Bedspace Occupancy

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



Ireland Room & Bedspace Occupancy: February 2023

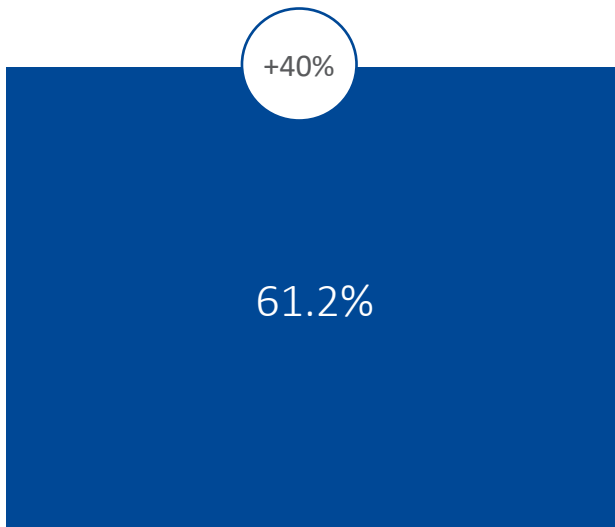


February occupancy levels witnessed year on year increases across both rooms and beds. Room demand rose to 61.2% up from 43.6% in 2022. A similar picture can be seen with beds which climbed from 38.6% to 48.6% in the space of 12 months. These levels also show improvements compared to the month of January with each category seeing a positive percentage increase.

These increased levels of demand stem from a strong return of leisure travellers, many of whom will be embarking on their first getaway of the new year following the festive period. Event driven demand also has a part to play in increased occupancy with occasions such as the 6 Nations Rugby Championship along with the February Bank Holiday Weekend, drawing in large crowds of domestic and overseas visitors.

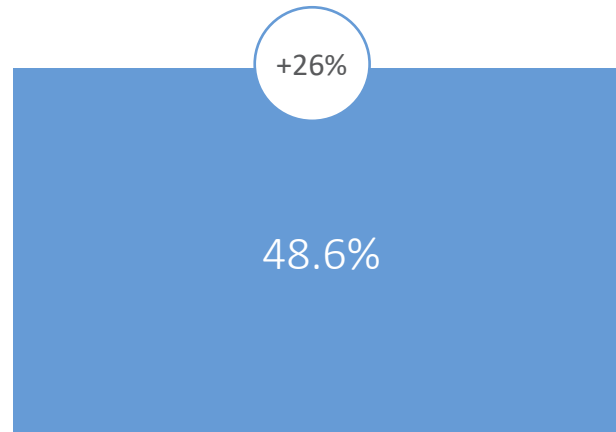
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



Feb-23

Bedspace Occupancy



Feb-23

Highest room occupancy in February

85.9%

Saturday 11th February 2023

Highest / lowest performing days of the month

Saturdays (84.2%) / Sundays (58.0%)

Ireland ADR & RevPAR: February 2023

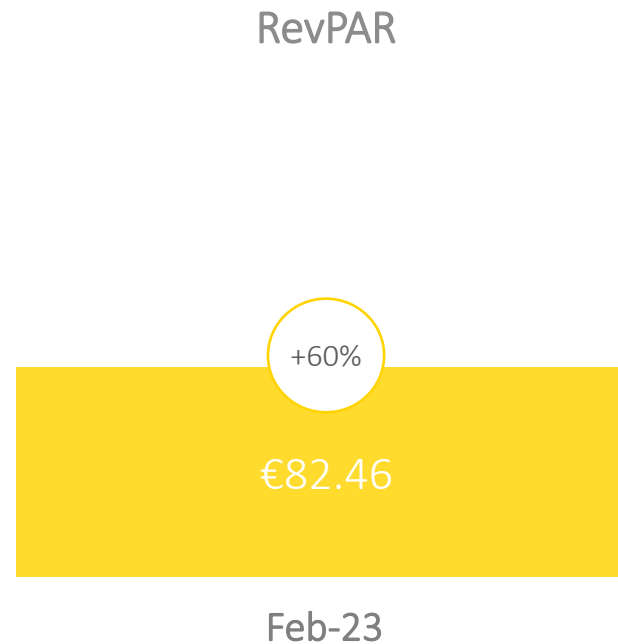
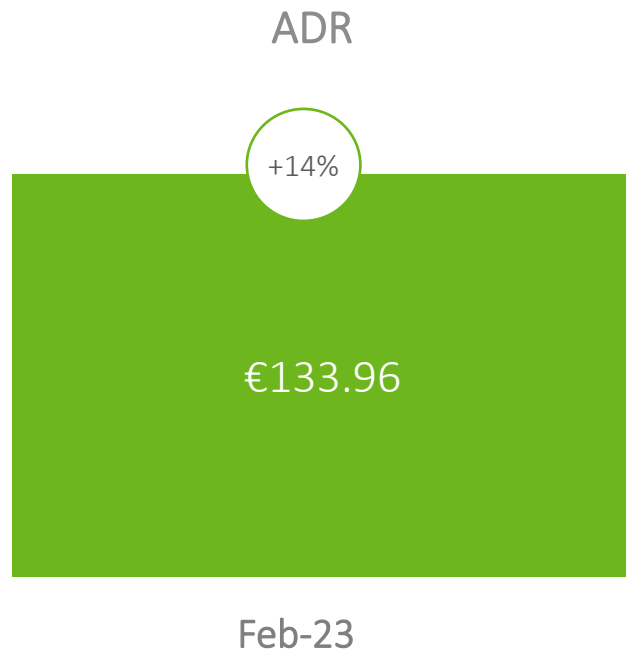


As was the case in January, rates have been steadily rising when compared against the same month in 2022. At a country level ADRs experienced an increase of €15.95 year on year for February. As has been previously mentioned the ADR metric experienced the lowest percentage change out of the 3-core metrics tracked in this report (Occupancy, ADR, RevPAR), however the percentage change remained positive at 13.5%.

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, was up from month to month rising from €69.60 in January to €82.46 in February.

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



Highest RevPAR in February

€ 178.24

Saturday 11th February 2023

Highest / lowest (RevPAR)
performing days of the month

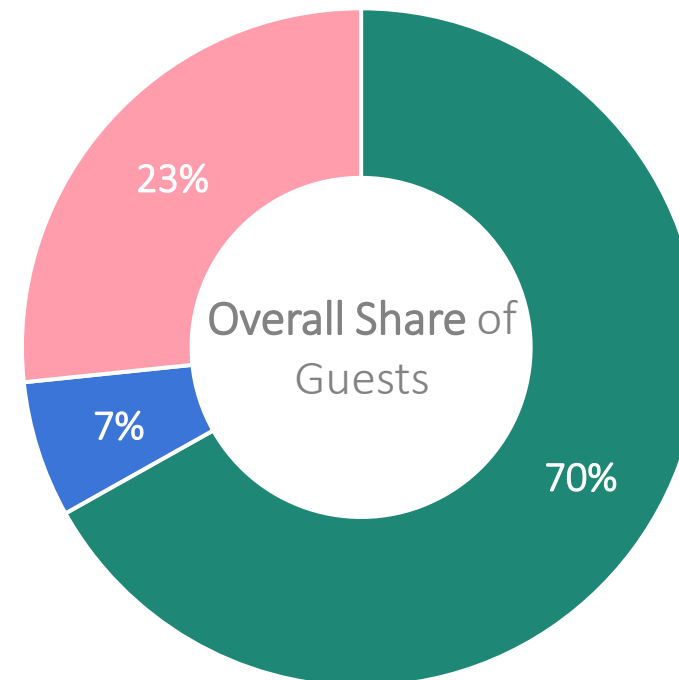
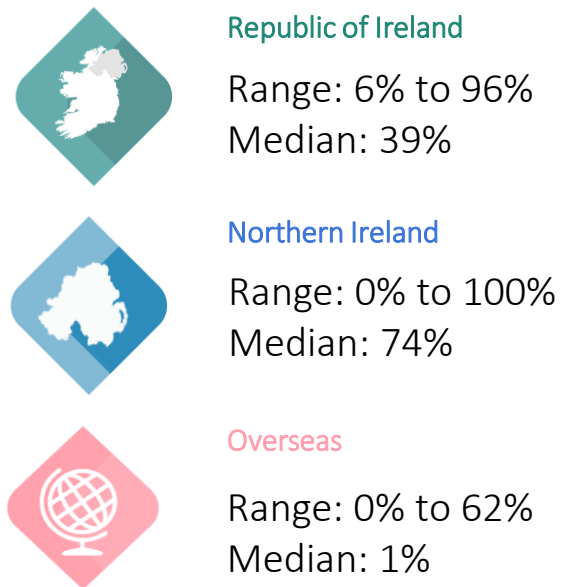
Saturdays (€152.82) / Mondays (€72.97)

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: February 2023

Possessing a strong knowledge of visitor source markets, where guests are travelling from, remains an integral element to any hotel's sales and marketing strategy. In February overseas guests accounted for 22.7% of beds sold. The share of travellers originating from the Republic of Ireland stood at 70.2% in February 2023 compared to 76.2% in the same month in 2022. There was a marginal shift in the share of Northern Ireland guests, accounting for 7.1% of hotel arrivals in February 2023 compared to 7.3% in February 2022.

When broken down by grade, one interesting observation is the swing in share for 5-star properties. In February 2022 the percentage of guests staying in 5-star hotels from the Republic of Ireland was 96% whereas in February 2023 this sat at 78.3%. Overseas visitors in February 2022 accounted for 3.5% of guests staying at these hotels whereas this has now risen to 18.9%.



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

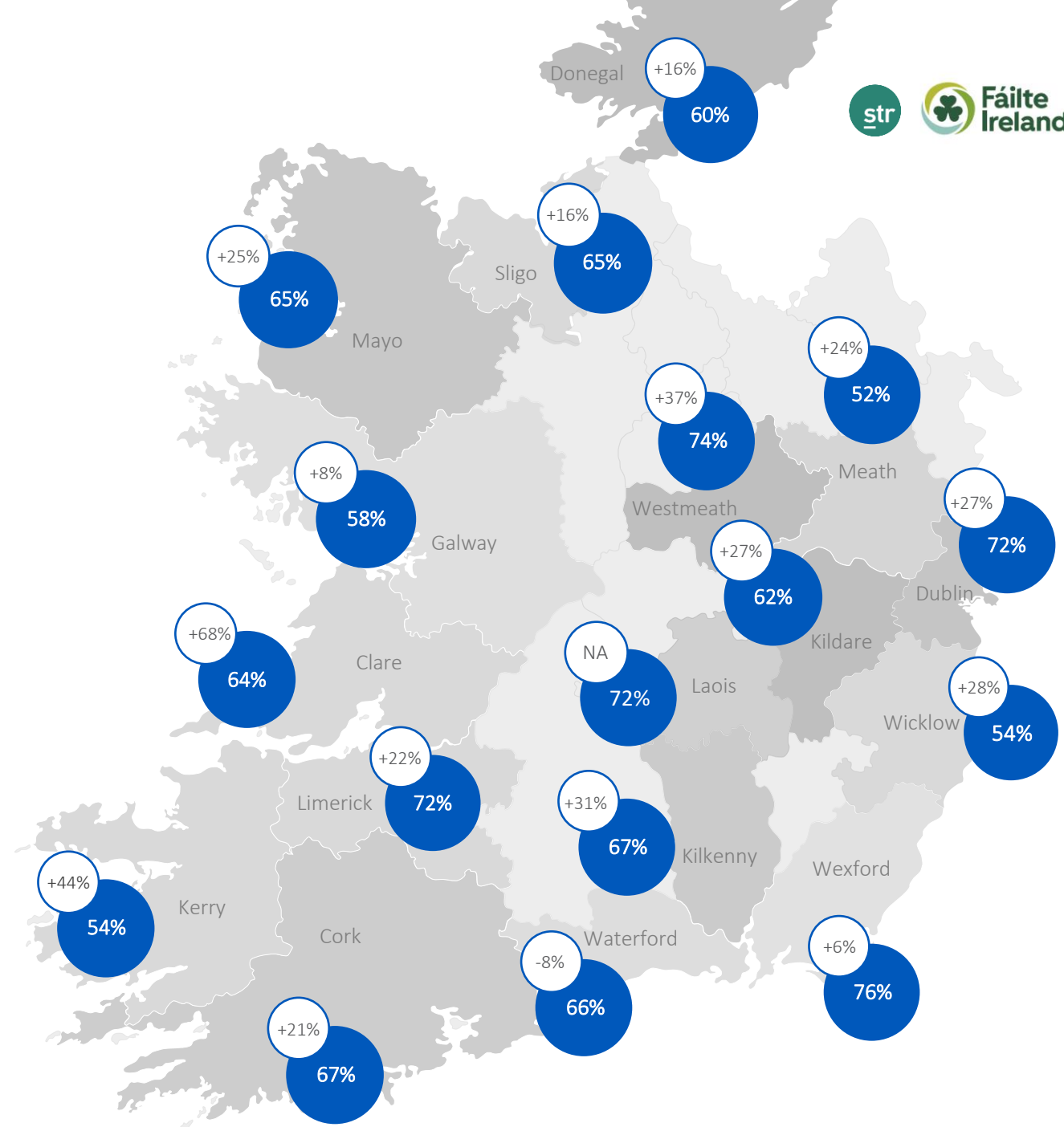


● Current month room occupancy ○ % relative change vs. same month 2022

Year on year occupancy variance was positive for all bar one county, with Waterford the outlier at -8%. The strongest performing county when compared against the same month in 2022 was Clare.

In February Wexford (75.8%) and Westmeath (74.2%) led the way in terms of room occupancy. When observing occupancy by source market guests from ROI drove demand in Wexford with 90.3% of heads in beds originating from the domestic market.

Dublin, usually a top performer in this category, ranked 5th highest. The novelty of a new Bank Holiday may have encouraged Irish residents to travel domestically while Dublin hotels have yet to see a full recovery in overseas demand.



Note: There are 17 counties with sufficient room occupancy data in February 2023. These are displayed and reported here.

County ADR & RevPAR

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



Average Daily Rate (ADR)

Despite the fact that Dublin posted lower than usual demand in February, the capital's ADRs ranked second highest at €149.81, an increase of €11.20 from the previous month. It also experienced the largest percentage change compared to 2022 at +22.9%. As was the case in January, Wicklow once again achieved the highest rates at a county level of €197.90.

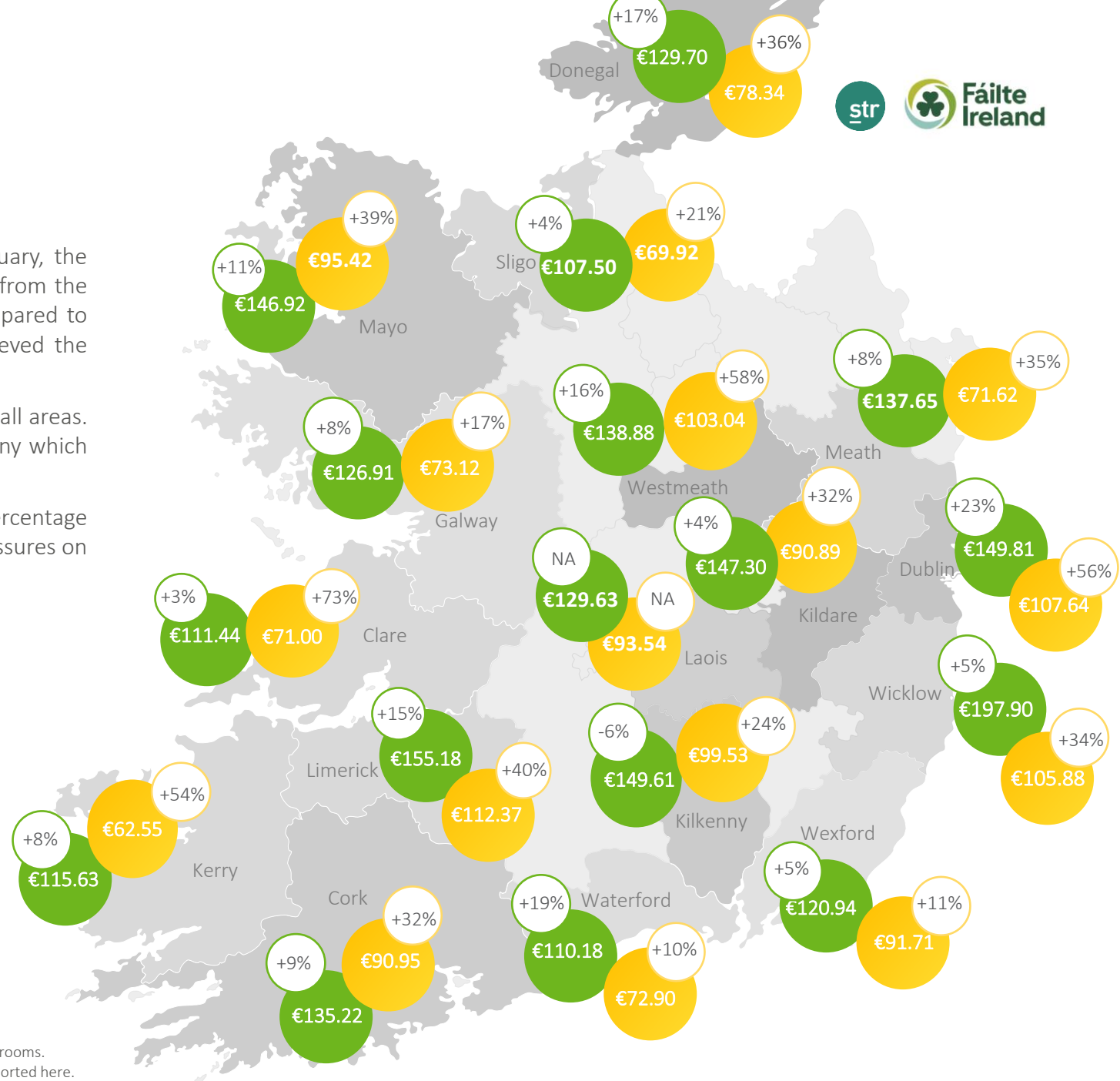
Although rates grew in most counties in February, this cannot be said for all areas. The one negative outlier when it came to percentage change was Kilkenny which experienced a decline of -5.6%.

Rates achieved vary by grade. This month, the strongest year on year percentage change took place in 3 star hotels, an indication of growing economic pressures on consumers who are now searching for lower rates.

Revenue Per Available Room (RevPAR)

In January it was Dublin that led in the RevPAR metric with Limerick following closely behind whereas in February the roles reversed with Limerick leading the way with €112.37 whilst Dublin sat at €107.64.

These increases in both revenues and rates are a result of increased levels of demand across the country. However consideration must be given to the growing cost pressures for hotels of all grades, which may also be a factor in these increases.



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 17 counties with sufficient ADR and RevPAR data in February 2023. These are displayed and reported here.
 Note: -/+0% indicates decline/growth of less than 1%.

County Source Markets

The Republic of Ireland accounted for 70.1% of hotel guests in February 2023.

As is so often the case Donegal remains the destination of choice for Northern Irish visitors due to the county's proximity to the border. Donegal welcomed 38.2% of its guests from Northern Ireland compared to 42.1% in January 2023.

For those travelling from further afield it was Dublin that held the greatest appeal (42.4% of guests in Dublin arrived from overseas). This demand is likely to be driven by large scale events such as the 6 Nations Championship and the return of demand from transatlantic visitors.



Republic of Ireland



Northern Ireland



Overseas

	Republic of Ireland	Northern Ireland	Overseas
Clare	70%	0%	30%
Cork	84%	5%	11%
Donegal	55%	38%	6%
Dublin	52%	6%	42%
Galway	81%	4%	14%
Kerry	84%	3%	13%
Kildare	62%	18%	20%
Mayo	87%	8%	5%
Meath	89%	6%	5%
Wexford	90%	3%	7%

Performance By Grade



Analysing performance by grade, 3 star properties continued to lead the way in February with an average room occupancy of 73.1%, up from 65.4% last month. However, upon examination of year on year percentage change, the largest occupancy increase came for 5 star hotels at +29.2%.

As is to be expected 5-star properties achieved the highest daily rate averaging €268.98. This was however a decline from January where 5 star hotels achieved an average rate of €282.07. As was the case in January, 3-star hotels achieved the highest year on year growth of 27.7%. Much of this growth may be attributed to growing inflationary pressures, the corresponding cost implications for hotels and scarcity of supply in some geographic areas

Revenues generated per available room experienced increases across all grades in February compared to the previous month. 5-star hotels rose by €25.50, 4-star properties increased by €18.53 and 3- star hotels observed an increase of €15.05.

	5 Star	4 Star	3 Star
Occupancy	54.9%	68.1%	73.1%
ADR	€268.98	€134.73	€118.33
RevPAR	€147.67	€91.80	€86.49

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.

- (Rooms Data n=257, Bedspace / Source Market Data n=225, 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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