

Fáilte Ireland Hotel Survey

July 2023 Summary Report



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Executive Summary

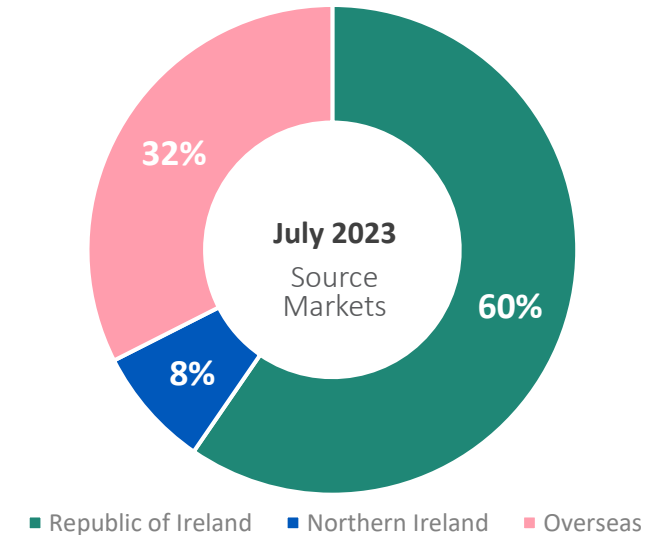
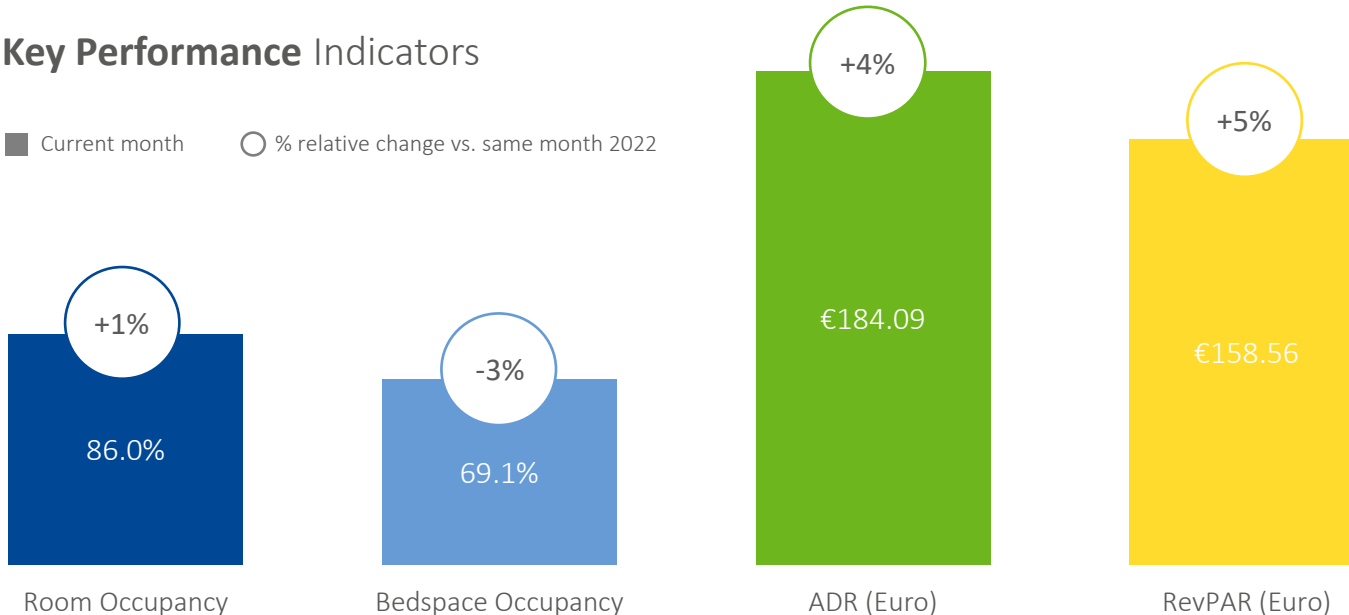
July 2023 - tourism in Ireland appears to be very much back to pre-covid times for some businesses. Room demand reached 86.0% which was above last year's level although slightly down compared to last month. This step back is in line with historical patterns. For the three years prior to the pandemic, July recorded a slightly lower occupancy compared to June. Next month we expect to see a month on month increase in occupancy following historical patterns. Another sign of the readjustment is a decline in bedspace demand, an indication that the mix of traveler types is normalising with the return of business and conference travel which is generally made up of solo travelers.

Average daily rate across the Irish hotel sector at €184.09 continues to reflect a year-on-year increase, albeit more muted compared to the increases seen over recent months, again an indication of a return to normal trading conditions. Revenue per available room, the gold standard measurement of the industry which combines room demand and rate, was €158.56, an increase of 5.3% year-on-year.

Regionally, strong performance was seen across the country with all but two counties posting a year-on-year increase in revenue per available room and over half (9 out of 17) of all counties exceeding the country's average revenue per available room increase.

Key Performance Indicators

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



Ireland Room & Bedspace Occupancy: July 2023



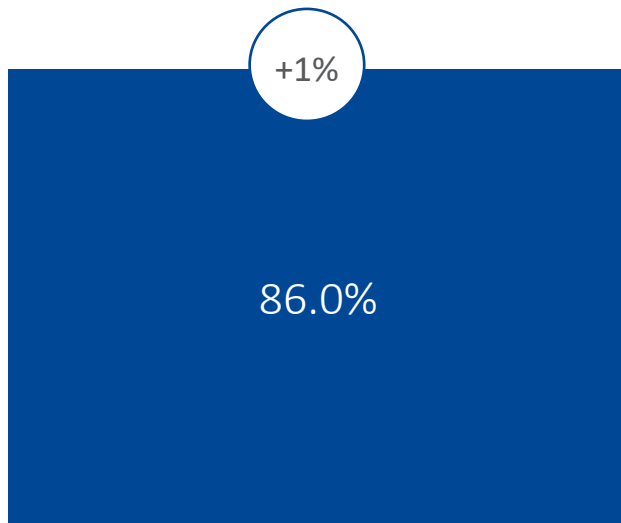
July recorded a slight uptick in room demand (+0.8%) and a decline in bedspace demand (-2.9%) compared to the same month last year. This pattern of room demand increasing whilst bedspace demand declines occur with a reduction in travel party size. This is most likely due to the increase in business and conference travel as business travelers tend to travel alone.

Room demand year-on-year increased nationally and for almost all counties with sufficient data to report on. Most counties recorded increases, however, three counties, Dublin, Galway, and Limerick posted decreases, an indication that business tourism is recovering as business travelers tend to favor these locations.

Compared to last month, bedspace occupancy decreased by 1.2 percentage points (ppts) and room occupancy fell by 1.5 ppts. This step back in July occupancy compared to June is not unusual. For the three years prior to the pandemic, a similar small step back in occupancy occurred, only to ramp back up again in August.

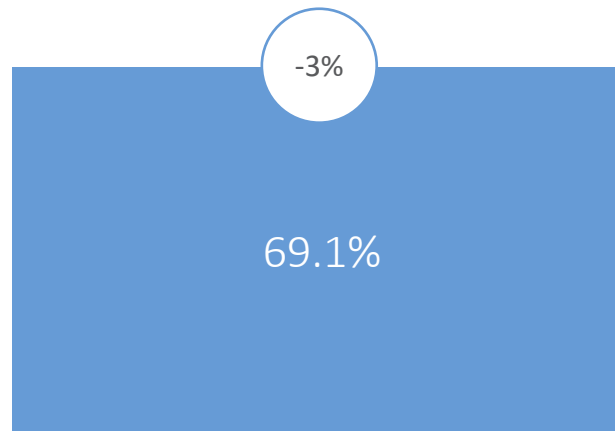
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



July 2023

Bedspace Occupancy



July 2023

Highest room occupancy in July

94.1%

Saturday 29th July 2023

Highest / lowest performing days of the month

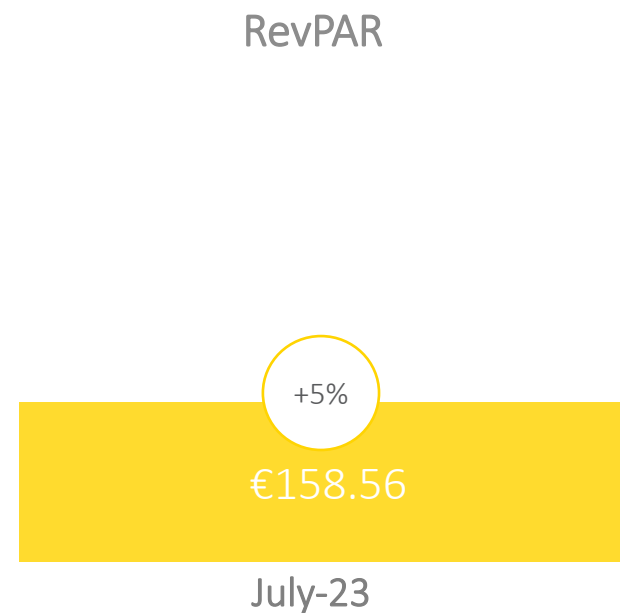
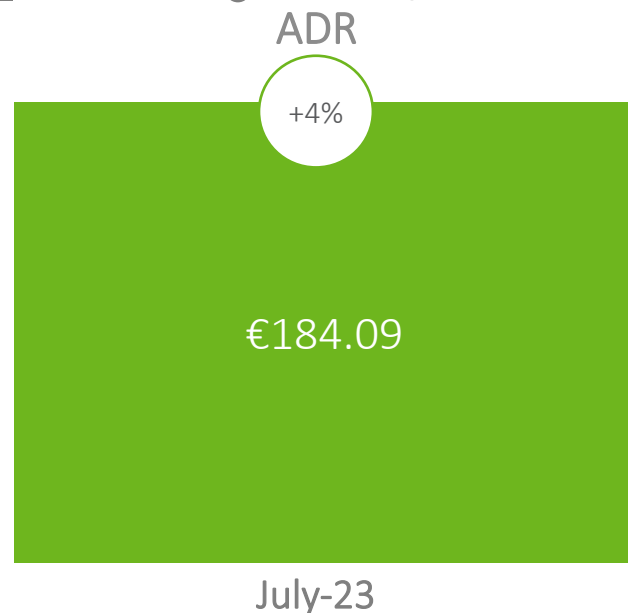
Saturday (92.2%) / Sundays (79.4%)

Ireland ADR & RevPAR: July 2023

July's Average Daily Rate performance was muted across Ireland compared to last month whilst continuing to post year-on-year increases for all but one county. July's ADR of €184.09 was down by €2.05 compared to last month's rate. Year on year growth was 4.5% in July compared to 9.4% in June. This most recent month-on-month decline combined with shrinking year-on-year increases recorded over the past few months indicates that ADR performance is starting to soften, a signal perhaps that the hotel sector's ability to maintain such growth is changing. Economic factors such as rising costs due to inflationary pressure and high energy costs appeared to drive up ADR since the easing of the pandemic. Now, it seems that increasing competition with international markets, a return to a pre-pandemic business mix (as hotels secure more group and corporate contracts which may be at a lower rate), among other factors, may be starting to curtail this trend.

Furthermore, the current economic climate is prompting consumers to be more price conscious while travelling. Revenue per available room, a combination of occupancy and rate, increased 5.3%, however this was the first month in 2023 that did not see a double-digit increase. Rate and occupancy drive RevPAR - the declining occupancy and slowing ADR resulted in this reduced RevPAR performance. RevPAR at €158.56 was €4.96 below June's RevPAR of €163.52. RevPAR is expected to pick up again in August and then slow in line with normal seasonal patterns as school begins for families and the industry moves into the Autumn and Winter months.

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



Highest RevPAR in July

€ 210.92

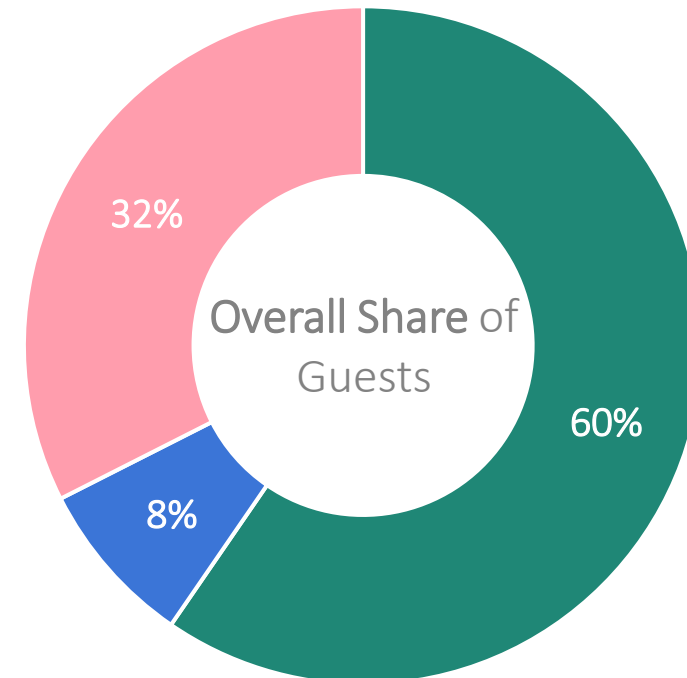
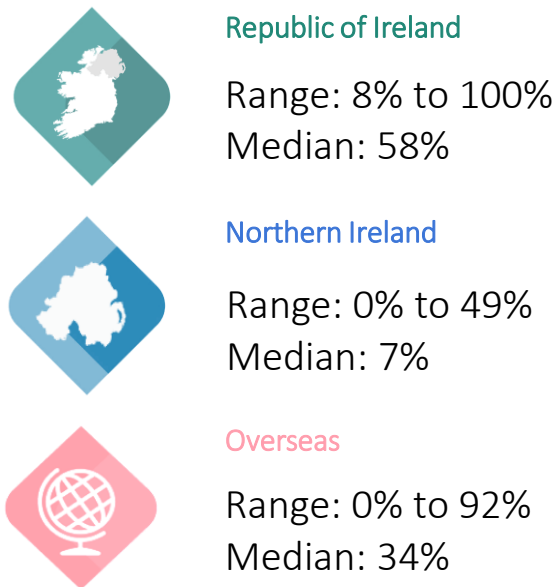
Saturday 1st July 2023

Highest / lowest (RevPAR) performing days of the month

Saturdays (€203.19) /
Sundays (€140.87)

Ireland Source Markets: July 2023

Travel patterns returning to normal across the globe highlights the importance of understanding where guests are coming from. Domestic customers account for most bedspaces sold in Ireland at 59.6%, followed by overseas visitors at 32.5% and guests from Northern Ireland at 8.0%. Whilst this metric is broadly in line with the past few months, there was an increased share of domestic guests (+5.3ppts) and guests from Northern Ireland (+2.5ppts) and a decline in the share of international guests (-7.8ppts) compared to the previous month.



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 July also be represented in the range.

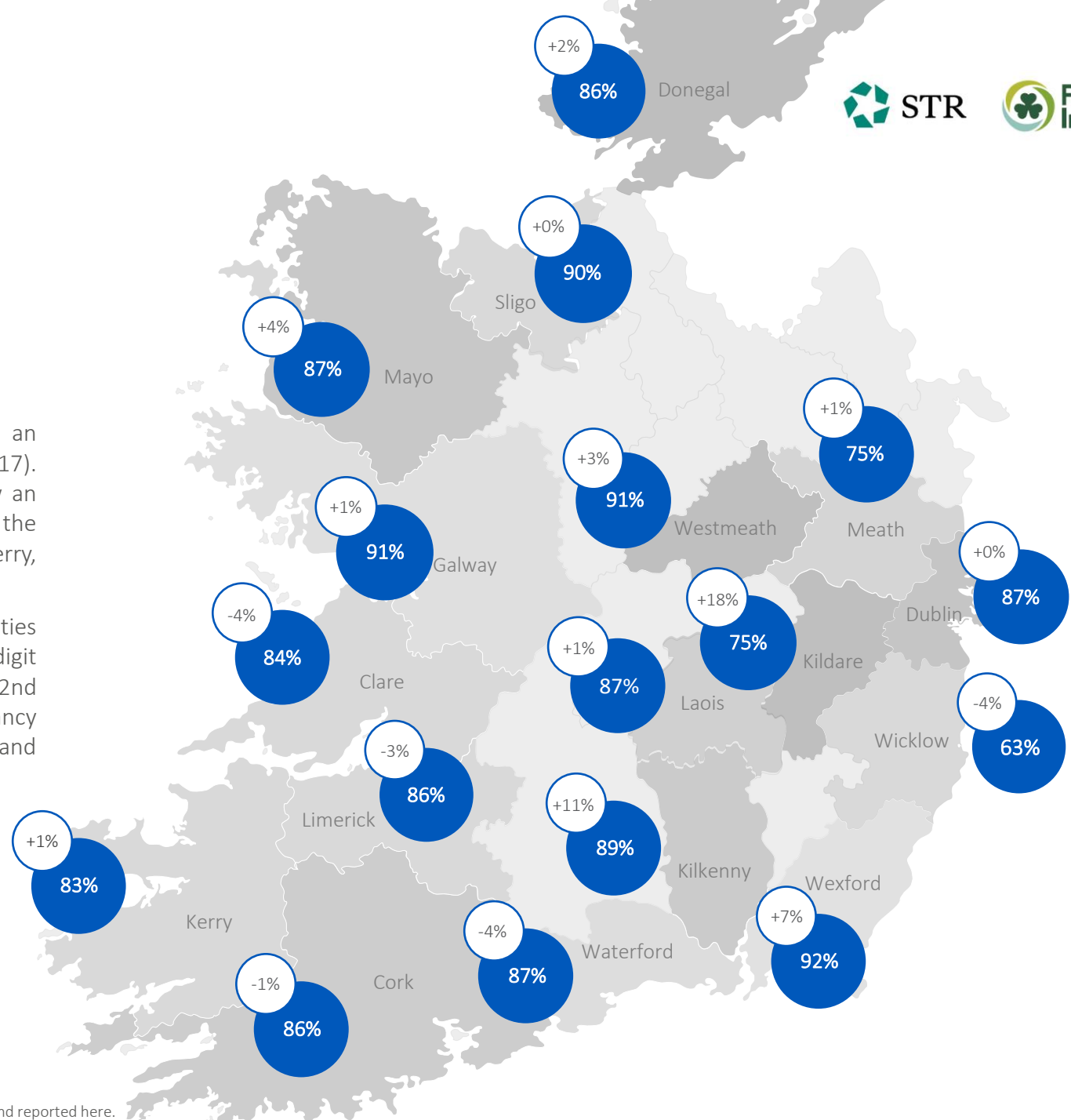
County Occupancy



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

Following the national trend, most counties in Ireland posted an increase in occupancy compared to July last year (12 out of 17). Unlike the national trend, a slight majority of counties also saw an increase compared to the prior month (9 out of 17). Some of the larger counties recorded month on month decreases including Kerry, Kildare, Limerick, and Dublin, all experiencing declines of plus 4%.

Wexford recorded the highest occupancy across all reporting counties at 92.0%, up 3.9ppts from last month. Counties with double-digit occupancy increases compared to last year were Kildare (for the 2nd month in a row) and Kilkenny. Year-on-year declines in occupancy were seen in five counties: Clare, Cork, Limerick, Waterford, and Wicklow with all but Wicklow posting occupancy above 84%.



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

County ADR & RevPAR

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

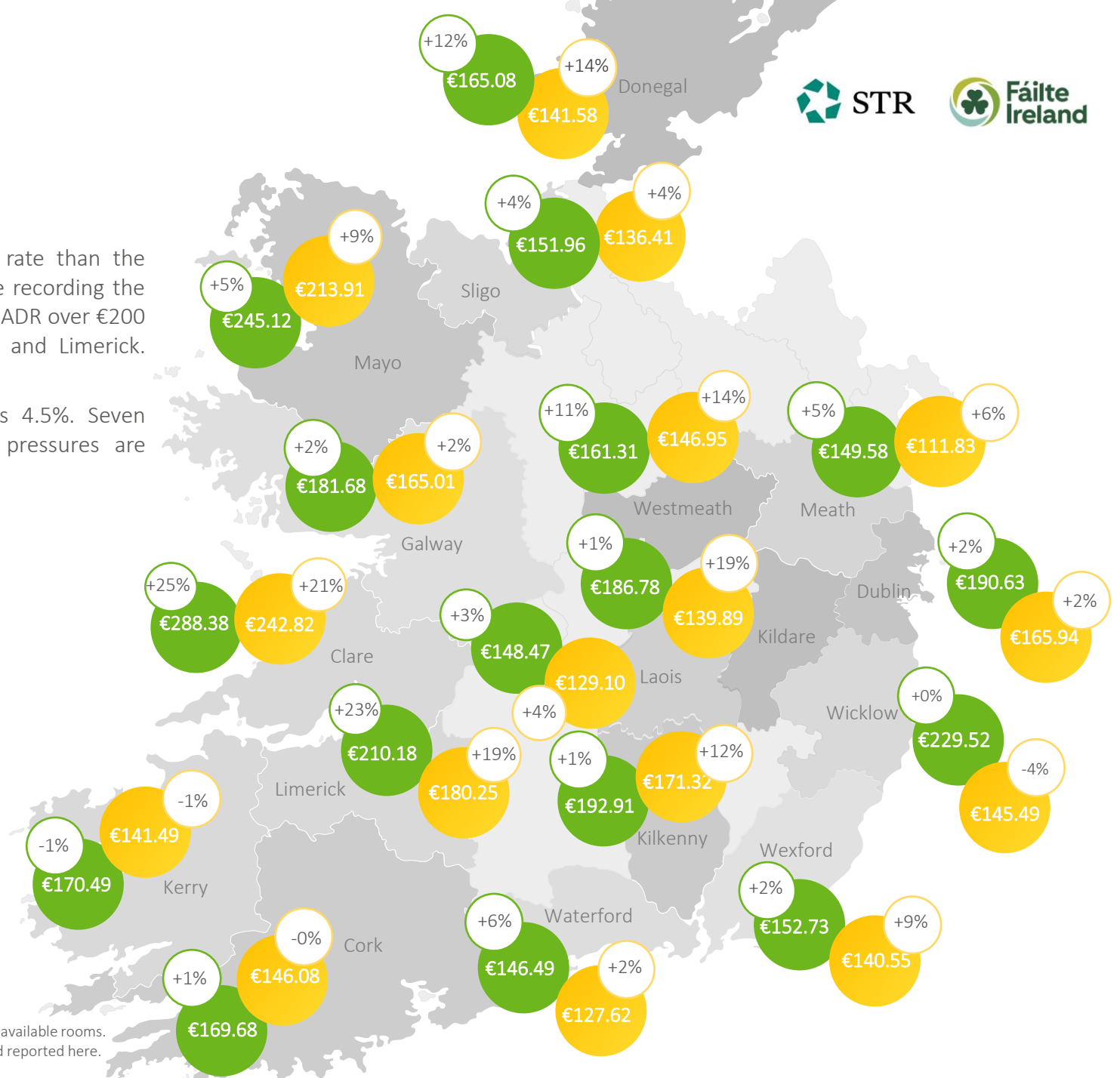
Average Daily Rate (ADR)

Average Daily Rates across the counties increased at a slower rate than the previous month. ADR ranged from €146.49 to €288.38, with Clare recording the highest ADR for the 4th month in a row. Three other counties with ADR over €200 and showing a month-on-month increase were Mayo, Wicklow, and Limerick. Dublin at €190.63 was €20.74 below last month's ADR.

The average year-on-year rate increase across the country was 4.5%. Seven counties exceeded this average. Inflation and operating cost pressures are expected to continue to have an impact on ADR levels.

Revenue Per Available Room (RevPAR)

Nine out of the 17 counties with sufficient data posted year-on-year RevPAR increases above the national average of 5.3%. Clare experienced the highest RevPAR in July 2023 of €242.82 driven entirely by the increase in ADR given that occupancy declined. Three counties Wicklow, Cork and Kerry posted year-on-year declines in RevPAR, albeit the changes were marginal in Cork and Kerry.



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 July 2023. These are displayed and reported here.
 Note: -/+0% indicates decline/growth of less than 1%.

County Source Markets



Republic of Ireland



Northern Ireland



Overseas

In July 2023, sufficient data on the profile of guests was gathered from hotels across nine counties. As in previous months, domestic guests accounted for the most arrivals at 59.6%. Dublin continues to play host to the greatest proportion of overseas guests while Donegal, given its location, welcomes the highest share of Northern Irish guests.

	Republic of Ireland	Northern Ireland	Overseas
Cork	59%	8%	33%
Donegal	49%	23%	27%
Dublin	43%	8%	49%
Galway	59%	2%	39%
Kerry	58%	2%	40%
Limerick	88%	3%	9%
Mayo	75%	11%	14%
Meath	82%	1%	17%
Sligo	66%	19%	15%

Performance By Grade



July occupancy was highest in 3-star properties at 89.1% followed by 4-star properties at 86.9%. ADR for both property types is significantly lower than their 5-star counterparts and quite likely contributes to their popularity. Lower grade properties have shown greater pricing elasticity over previous months. This is seen when evaluating rate change compared to last year, the lower the grade, the greater the ADR increase. Occupancy for 5-star hotels was at a lower level of 77.0% with a rate of €388.32, that is more than twice the rate of the other two property types. The service offerings at these properties is significantly higher which helps explain the rate difference.

Evaluation of the revenue per available room metric demonstrates that RevPAR is increasing the most at 4-star properties (+6.0%) followed by 3-star properties (+4.3%) with a smaller increase (+2.0%) among 5-star properties. All increases are lower than the previous month indicating a return to more normal year-on-year shifts.

	5 Star	4 Star	3 Star
Occupancy	77.0%	86.9%	89.1%
ADR	€ 388.32	€168.44	€151.20
RevPAR	€298.89	€146.36	€134.71

Methodology Statement

In July 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 July 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=265, Bedspace / Source Market Data n=194, 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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