

Fáilte Ireland Hotel Survey

May 2023 Summary Report



Table of Contents

- 1 Executive Summary
- 2 Ireland Room & Bedspace Occupancy
- 3 Ireland ADR & RevPAR
- 4 Ireland Source Markets
- 5 County Occupancy
- 6 County ADR & RevPAR
- 7 County Source Markets
- 8 Performance by Grade
- 9 Methodology Statement

Executive Summary

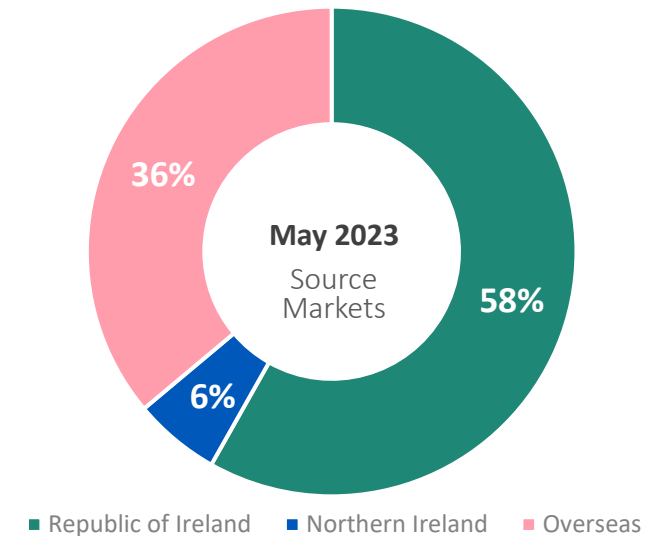
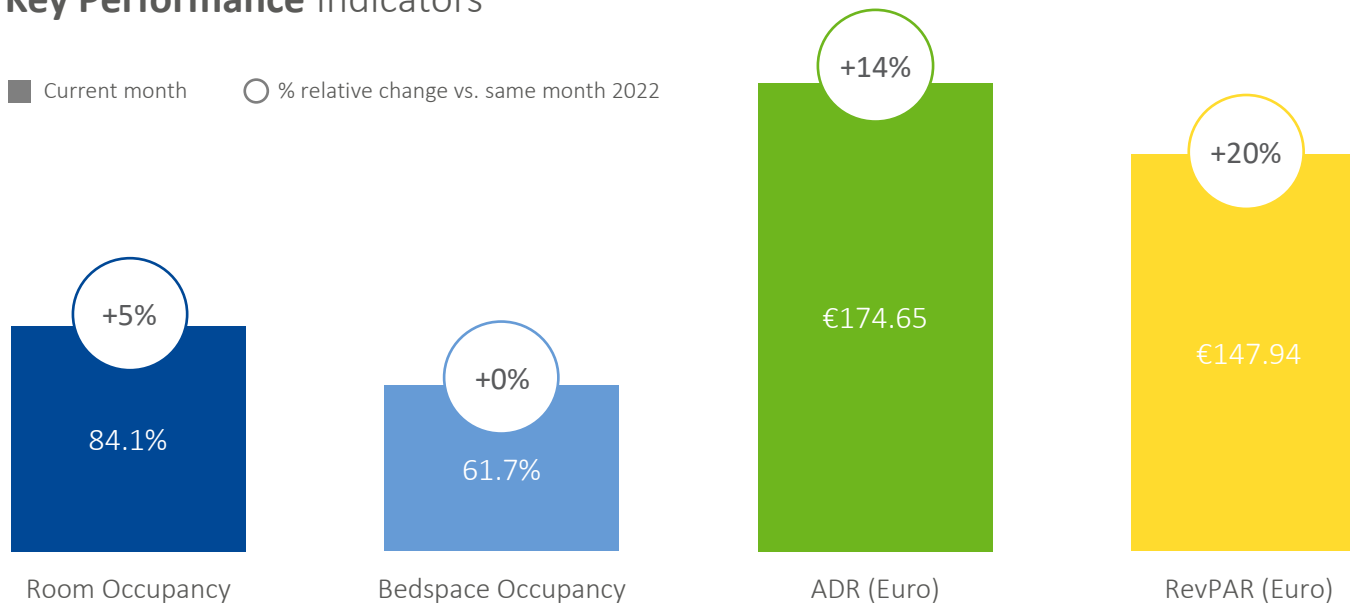
The Irish tourist season began in earnest in May 2023, reflecting a return to normal trading conditions. Room demand increased 4.8% year on year to 84.1% whilst bedspace demand remained unchanged indicating strong leisure travel coupled with increasing business and conference travel. Bedspace demand did however grow in May 2023 compared to April 2023, albeit nominally, moving from 61.1% in April to 61.7% in May. Business travel typically results in slower bedspace occupancy growth due to the solo nature of such travel.

The start of the tourist season is also evident with average daily rate of €174.65 recorded across the Irish hotel sector. This represents 14.3% growth from May 2022 and is €12.82 ahead of last month's rate. Revenue per available room, the gold standard measurement for the industry which combines room demand and rate, was €147.94 and 19.5% above the same time last year.

Regionally, performance was positive across the country with all 15 counties measured posting a 7% plus increase in revenue per available room and half of those exceeding the country's average growth in revenue per available room.

Key Performance Indicators

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



Ireland Room & Bedspace Occupancy: May 2023

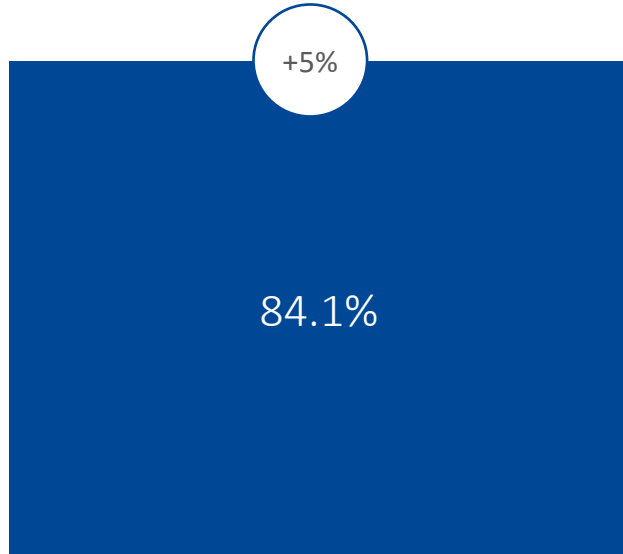


May brought growth in room demand (+4.8%) and no change in bedspace demand compared to the same month last year. This pattern of room demand increasing whilst bedspace demand remains unchanged occurs with a reduction in travel party size. This is most likely due to the increase in business and conference travel. Business travelers tend to be solo travelers and therefore single occupants of hotel rooms.

Room demand year-on-year increased at both a national level and for almost all counties across Ireland. Year-on-year bedspace demand was mixed across counties with most recording increases, however, two counties, Dublin and Clare posted decreases. The significant decrease in bed occupancy in Dublin, a major business tourism destination reinforces the assumption that the recovery of this segment is under way.

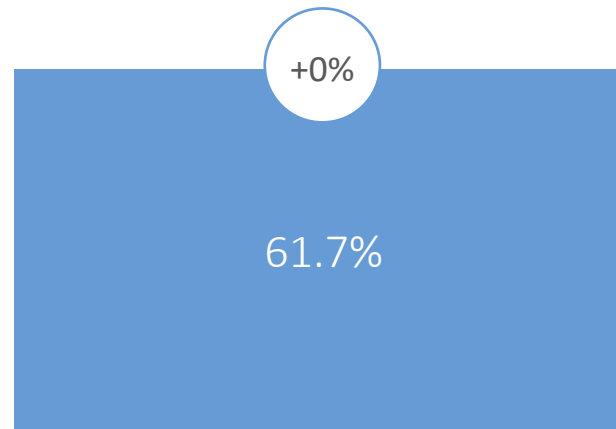
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



May-23

Bedspace Occupancy



May-23

Highest room occupancy in May

95.9%

Saturday 20th May 2023

Highest / lowest performing days of the month

Saturdays (92.3%) / Sundays (78.0%)

Ireland ADR & RevPAR: May 2023

May's financial performance reflects a continuation of the trend experienced by the industry throughout the year. Average daily rates were up year-on-year for all counties in Ireland. Nationally, rates were 14.3% ahead in May which was slightly higher than the growth experienced in April of 12.8%. May's ADR of €174.65 is €12.82 higher compared to last month's rate. That said, this April to May rate difference is lower than the €22.06 change seen from March to April indicating that whilst ADR performance has been strong, it is starting to normalize, a signal that the hotel sector's ability to maintain this level of ADR is changing.

Economic factors such as rising costs due to inflationary pressure and high energy costs 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 which may be lower rated), among other factors, may curtail this trend over time. 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, grew from €92.02 in March to €130.15 in April to €147.94 in May. Both rate and occupancy impacted this growth. Revenue per available room increases are likely to continue into June as the summer season kicks into full gear.

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



Highest RevPAR in May
Saturday 20th May 2023
€232.81

Highest / lowest (RevPAR) performing days of the month
Saturdays (€207.83) / Monday (€129.39)

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: May 2023

It is vital for sales and marketing teams to understand the origin of their visitors in order to accurately target the right audience. In doing so, hoteliers can effectively engage and attract their desired guest type. Domestic visitors accounted for the highest share of bedspaces sold in May at 58.2%, followed by overseas guests at 36.1% and travelers from Northern Ireland at 5.7%. This pattern is broadly in line with recent months. Overseas visitors made up more than a third of hotel arrivals highlighting the strength of international travelers as the summer season approaches. Events, especially concerts, also attracted more visitors to Ireland in May 2023. Bruce Springsteen played five nights in Dublin's RDS attracting nearly 52,000 fans each night whilst Michael Bublé welcomed 20,000 fans over two nights to the Three Arena on Dublin's North Wall Quay. The 2023 Heineken Champions Cup and EPCR Challenge Cup finals also drove strong demand into the city on the 19th and 20th May 2023 with over 105,000 rugby fans descending on the Aviva Stadium over the 2 days.



Republic of Ireland

Range: 6% to 100%
Median: 60%



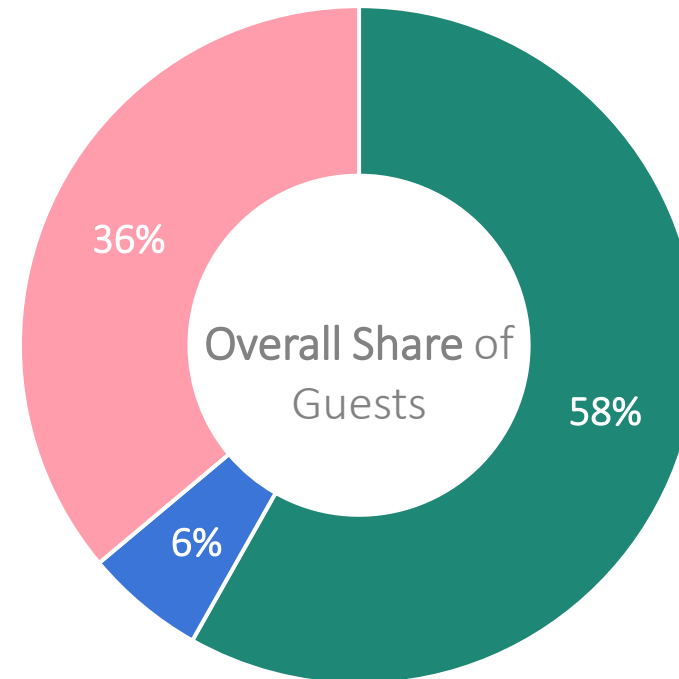
Northern Ireland

Range: 0% to 45%
Median: 1%



Overseas

Range: 0% to 94%
Median: 32%



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.

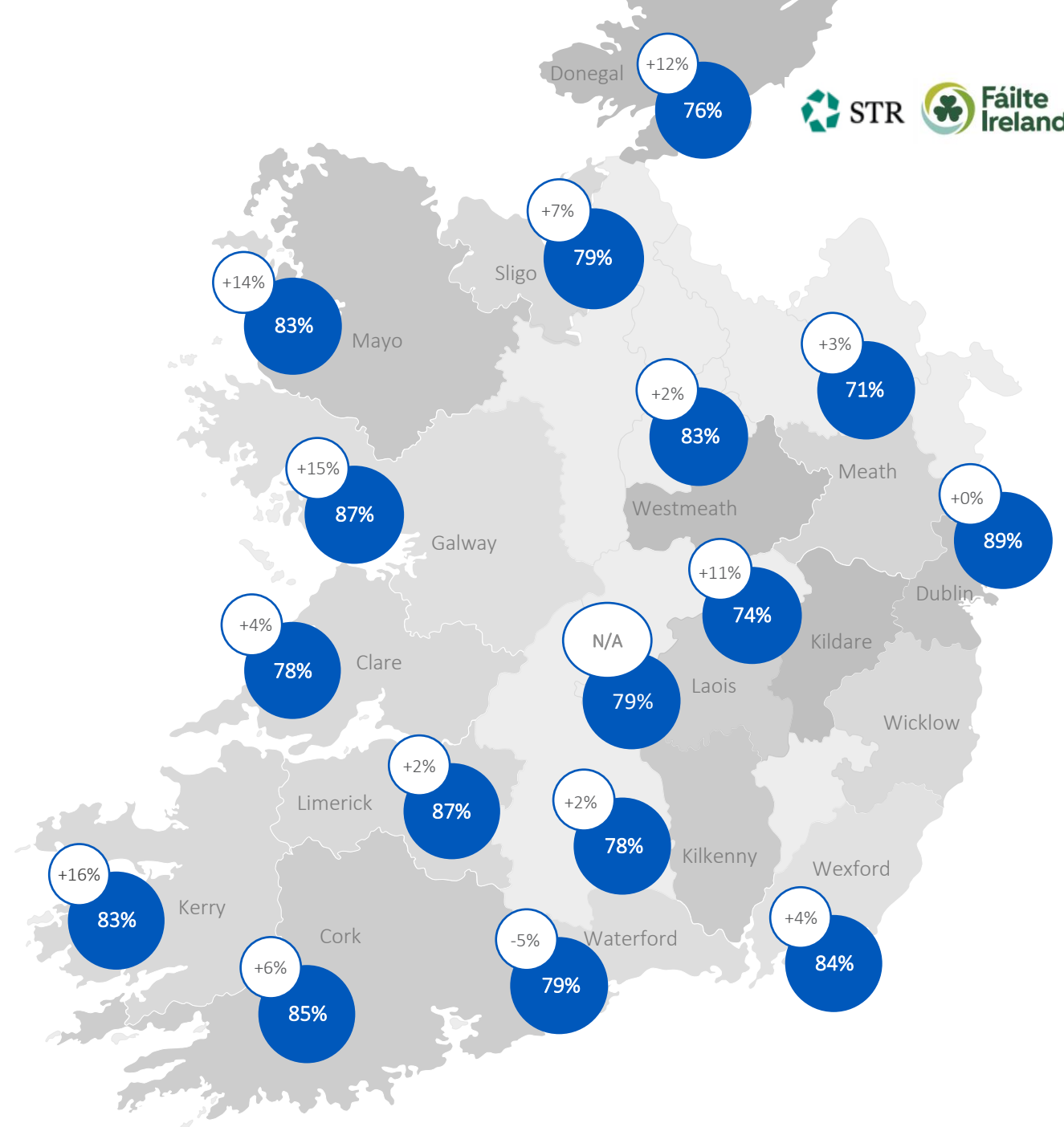
County Occupancy



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

In May 2023, fourteen of the 15 counties with comparable year-on-year data, recorded a higher occupancy percentage both for the same month the year prior and last month.

Four counties recorded an occupancy level above the 84.1% national average. These counties were Dublin, Limerick, Galway, and Cork. Counties with double-digit occupancy increases over last year were Donegal, Galway, Kerry, Kildare, and Mayo. At the other end of the scale, Waterford at 78.5% room occupancy experienced the only reportable year-on-year decline (-5.4%) whilst Dublin's increase was a scant 0.3%.



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

County ADR & RevPAR

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

Average Daily Rate (ADR)

While all counties with sufficient data to report year on year performance recorded ADR growth compared to May 2022, increases ranged from 5.0% to 24.4%.

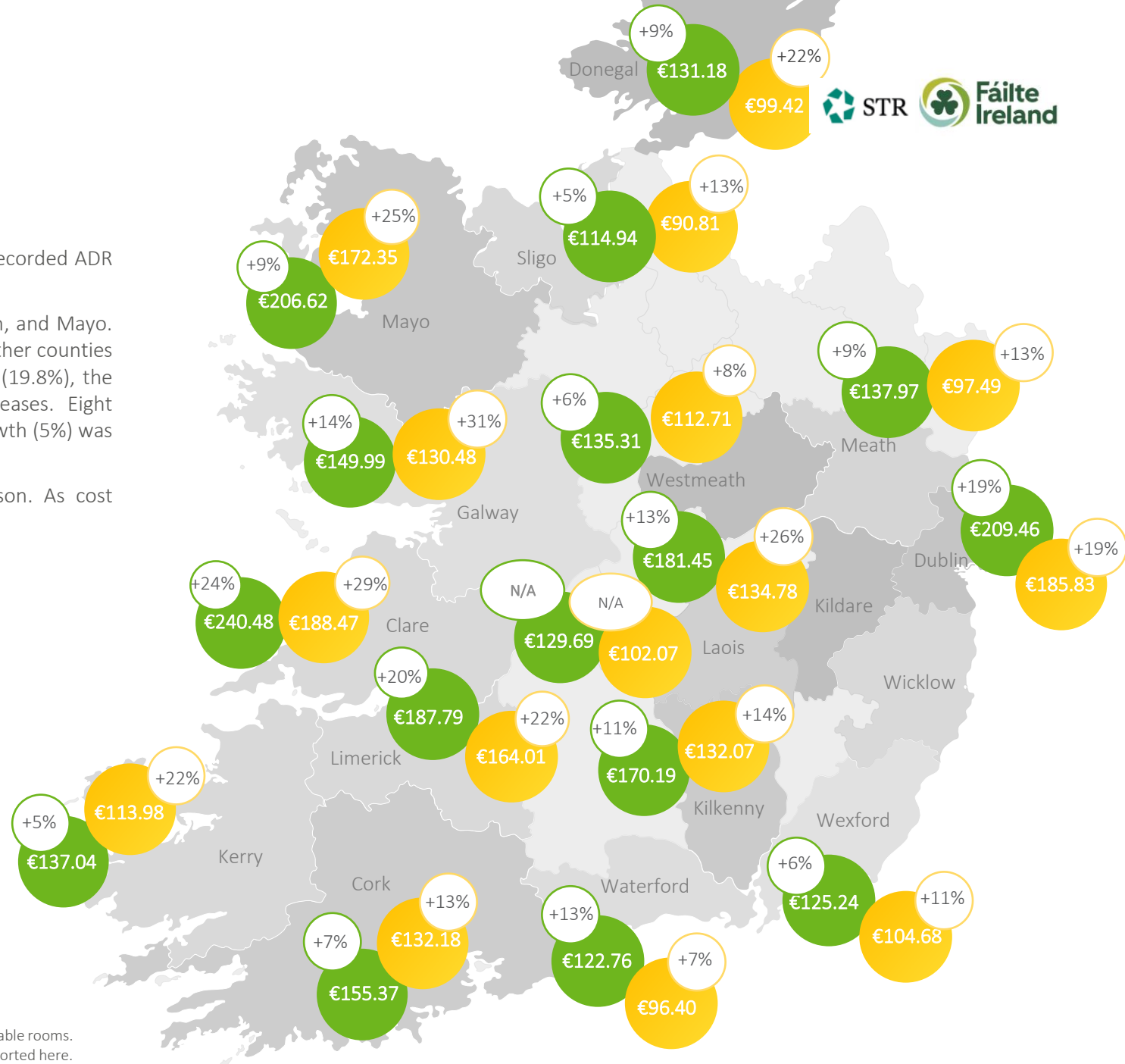
Three counties recorded ADR in excess of €200 in May 2023 – Clare, Dublin, and Mayo. The average year-on-year rate increase across the country was 14.3%. Two other counties besides Clare (24.4%) exceeded this average - Dublin (18.9%) and Limerick (19.8%), the 2nd month in a row in which Limerick recorded one of the highest rate increases. Eight counties recorded ADR growth of less than 10% year on year, the lowest growth (5%) was reported in Sligo and Kerry.

Rates will likely continue along this same pattern into the summer season. As cost pressures persist, this may also have an impact on ADR levels.

Revenue Per Available Room (RevPAR)

With the highest occupancy and highest rate, it is no surprise that Clare and Dublin experienced the highest RevPAR in May 2023 of €188.47 and €185.83 respectively. Galway recorded the highest RevPAR increase of 30.8% buoyed by growth in both occupancy and average daily rate.

Four counties reported RevPAR under €100 – Sligo (€90.81), Waterford (€96.40), Meath (€97.49) and Donegal (€99.42). All 15 counties measured posted a positive percentage change of 7% or more compared to the month of May 2022 and half of all counties exceeded the average country revenue per available room increase.



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

County Source Markets

As is typical throughout the year, the Republic of Ireland accounted for the majority of hotel guests across the country. In May 2023 there were two counties where domestic guests were not the majority: Clare and Donegal. Clare hosted the highest share of international guests (63.5%) driven in particular by visiting American guests. Donegal, as in previous months, attracted the largest proportion of guests from Northern Ireland (22%). Similar to Clare, Donegal also welcomed a larger percentage of overseas guests compared to previous months (41%), many of whom were also arrivals from America. Dublin and Kerry followed Clare and Donegal in attracting a high proportion of international guests.

As travel patterns return to normal, it is even more useful to highlight the source markets of guests across the counties. Almost 93% of all guests in Wexford hotels in May 2023 came from the Republic of Ireland, a pattern that is likely to continue through the summer.



Republic of Ireland



Northern Ireland



Overseas

County	Republic of Ireland	Northern Ireland	Overseas
Clare	36%	0%	64%
Cork	65%	1%	34%
Donegal	37%	22%	41%
Dublin	49%	4%	47%
Galway	66%	1%	33%
Kerry	51%	2%	47%
Kildare	62%	19%	19%
Limerick	81%	2%	16%
Mayo	71%	9%	20%
Wexford	93%	0%	7%

Performance By Grade



In May occupancy was highest in 3-star hotels at 87.5%, continuing the trend seen over recent months. This popularity is possibly influenced by the fact that 3-star properties are the most economical with an ADR of €147.32. Almost as popular are the 4-star hotels with May occupancy of 86.4% and an average rate of €167.40.

While achieving the lowest occupancy of 73.7%, 5-star hotels posted the highest rate (€383.82) in May 2023 which is not surprising given their level of service offerings. Notable is a trend seen over the past months showing greater pricing scope across lower graded properties. This is seen when evaluating rate change compared to last year, the lower the grade, the greater the ADR increase. That is, 3-star properties increased the most followed by 4-star and 5-star.

Evaluation of the revenue per available room metric demonstrates that RevPAR is increasing among 4-star (21.5%) and 3-star (20.7%) properties more quickly than among 5-star properties.

	5 Star	4 Star	3 Star
Occupancy	73.7%	86.4%	87.5%
ADR	€ 383.82	€167.40	€147.32
RevPAR	€283.02	€144.70	€128.85

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=262, Bedspace / Source Market Data n=196, 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](#).

