

Wales Accommodation Occupancy Survey: January - March 2023



Social Research Number:
80/2023

Publication Date 10/08/2023

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Digital ISBN: 978-1-83504-474-2



Mae'r ddogfen yma hefyd ar
gael yn Gymraeg.
This document is also available
in Welsh.

Why is this research conducted?

- Key insight into tourism performance across Wales
- Informs Welsh Government decision-making for tourism sector
- Informs local authority planning for tourism sector



How is this research conducted?

- Relunched in Aug 2022 following hiatus during Covid years
- SRI appointed by Visit Wales to manage survey
- Data collected monthly by two methods:
 - Telephone
 - Online
- Data compiled on *Ribos* – bespoke occupancy software
- <https://wales.ribos.co.uk/>



What data is included in this report?

- This report includes data from three sources:
 - The Wales Accommodation Occupancy Survey (WAOS) conducted by SRI, a research company based in Wales.
 - CoStar Ltd, a property management systems company that provide data on serviced hotels, and
 - Transparent, a web-scraping company that provide data on Short Term Lets

How is this data comprised?

- Full details of the sample, selection criteria and limitations are provided on pages 4, 5, and 6.

Sampling - WAOS

| | January | | | February | | | March | | |
|----------------------|---------|--------|-------|----------|--------|-------|-------|--------|-------|
| | Open | Closed | Total | Open | Closed | Total | Open | Closed | Total |
| Serviced | 138 | 148 | 286 | 139 | 128 | 267 | 146 | 104 | 250 |
| Self Catering | 743 | 129 | 872 | 669 | 167 | 836 | 712 | 116 | 828 |
| Hostels | 21 | 12 | 33 | 22 | 10 | 32 | 20 | 9 | 29 |

What is included in serviced?

- Independent hotels*
- Guesthouses / B&Bs

What is included in self catering?

- Agencies submitting data by block return
- Independent cottages / apartments

* Larger chain hotels are covered in separate research by STR Global

What about Camping and Caravans?

- Due to seasonal closures Camping and Caravan sites were not asked about occupancy during this period.

What is included in hostels?

- Associations submitting data by block return
- Independent tourist hostels

Transparent

- Short term let data provided by [Transparent](#) is used to calculate occupancy for the short term let sector and is reported as part of the self-catering section of this report.
- This data differs from the other data presented in this report as it comprises web-scraped and independently verified data covering all advertised short-term lets on a pre-defined set of OTAs (AirBnB, Booking.com, Vrbo, and TripAdvisor), whereas the WAOS is based on a sampling methodology that estimates overall sector occupancy from a smaller sub-set of participants.
- For further information on this data please see Transparent's [website](#) or contact the author of this report.

STR Global

- Some serviced accommodation data (reported separately within the relevant section of the report) is drawn from [STR Global](#)
- This data is supplied by STR to Visit Wales and is based on a fixed panel of participants that report occupancy on a daily or monthly basis. This data is independently verified by STR.

Transparent

Data provided via Transparent is delivered through an online dashboard with filtering options to define what data is included.

For the purposes of analysis in this report data was filtered by the following criteria:

- Only whole properties were assessed, this excluded private and share rooms, this serves as the definition for a short term let for the purposes of analysis within this report.
- Only properties correctly identified with a specific region were included, as some properties were not given identifying data they could not properly be accounted for on a regional basis and as such were excluded.

| | North | Mid | South East | South West |
|----------|--------|-------|------------|------------|
| January | 10,364 | 4,140 | 3,652 | 7,778 |
| February | 10,368 | 4,110 | 3,685 | 7,726 |
| March | 10,522 | 4,156 | 3,761 | 7,879 |

STR Global

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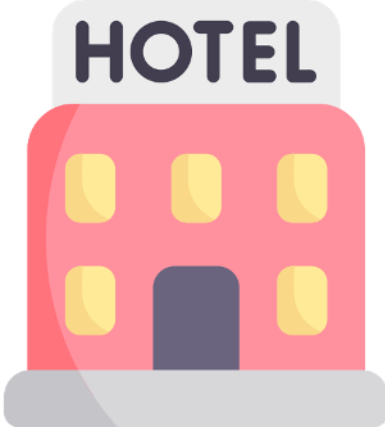
| | Open | Closed |
|----------|------|--------|
| January | 130 | 19 |
| February | 131 | 18 |
| March | 132 | 17 |

Weighting

- Results for each sector weighted by region (North / Mid / SW / SE Wales) on basis of estimated bed space capacity using Visit Wales' most recent bed stock survey
- Weighting therefore corrects any imbalances by region within each sector
- Results are naturally weighted by property size because occupancy is calculated by dividing overall rooms/beds sold by overall rooms/beds available in the sector



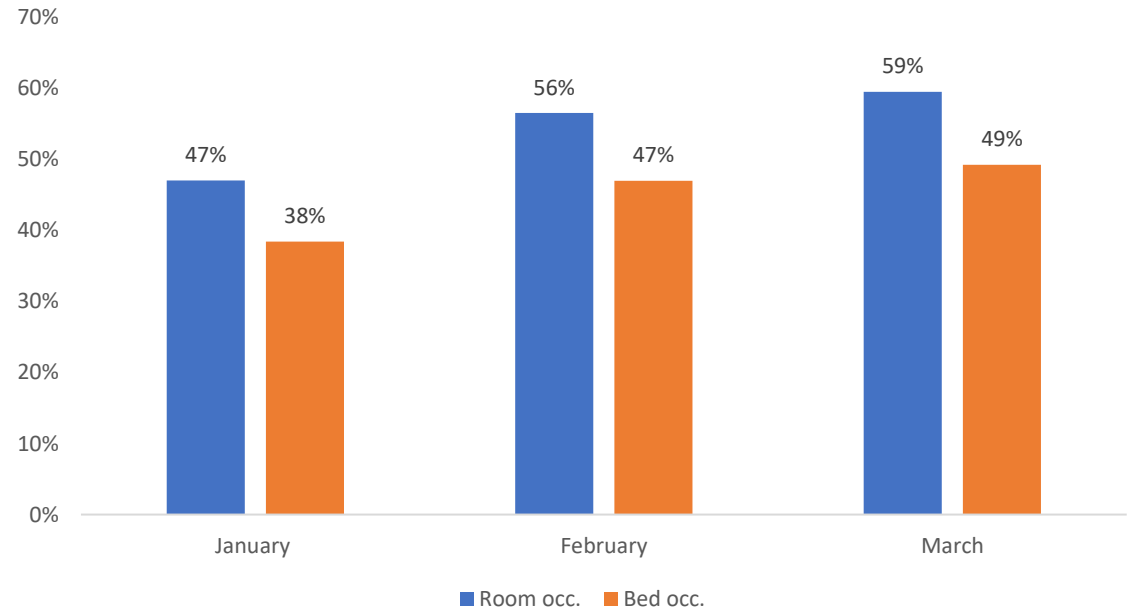
Serviced sector



Occupancy Rising Steadily

- Occupancy rose steadily through Q1
- No directly comparable data exists for 2022 to compare year on year

Overall Occupancy



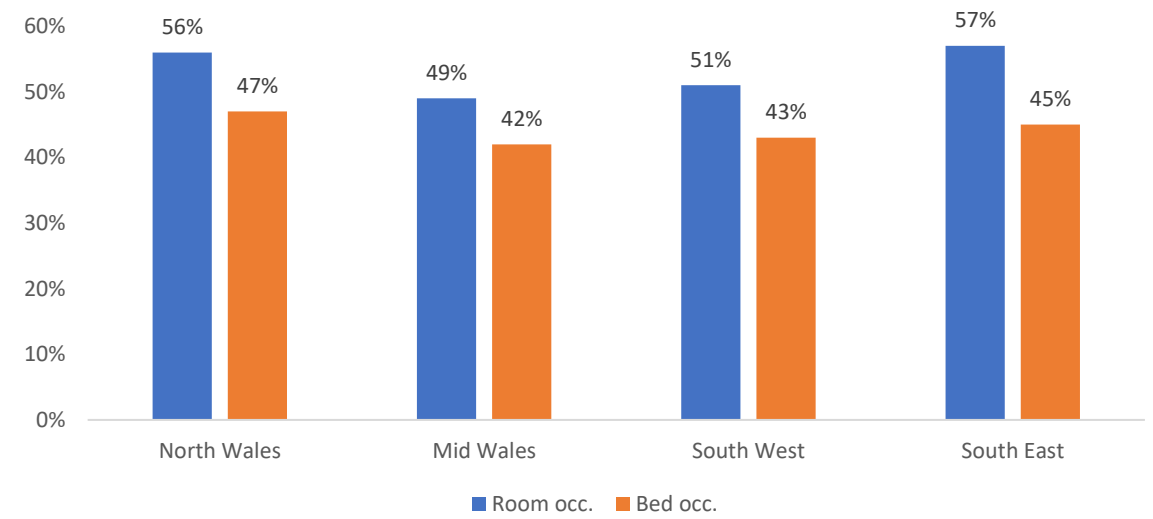
Some differentiation by region

- North Wales and South East ahead on room occupancy
- Mid Wales behind South West but only marginally

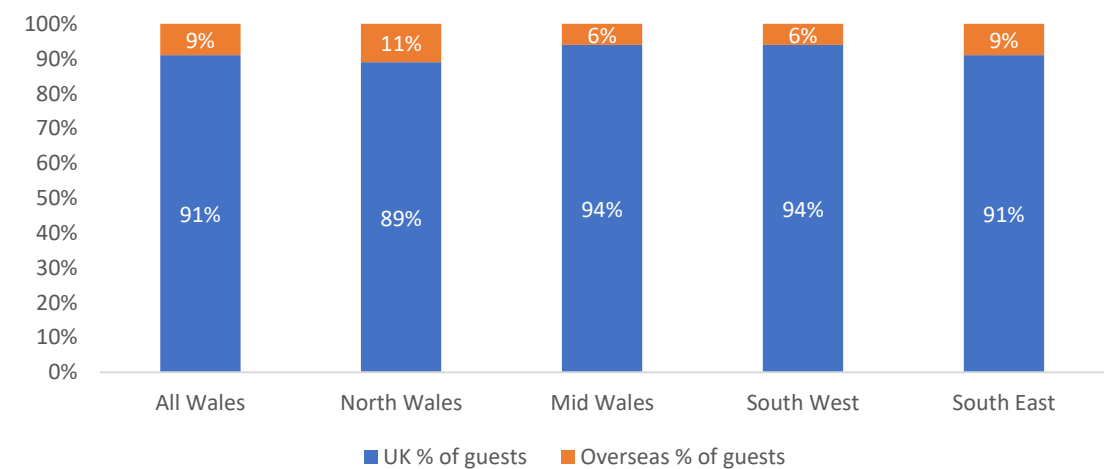
Higher proportion of overseas visitors in North Wales

- At this early point in the year visitors are predominantly from the UK
- No pre-Covid data available for comparisons

Serviced Occupancy By Region (January – March, 2023)



Serviced bed nights by visitor origin January – March, 2023



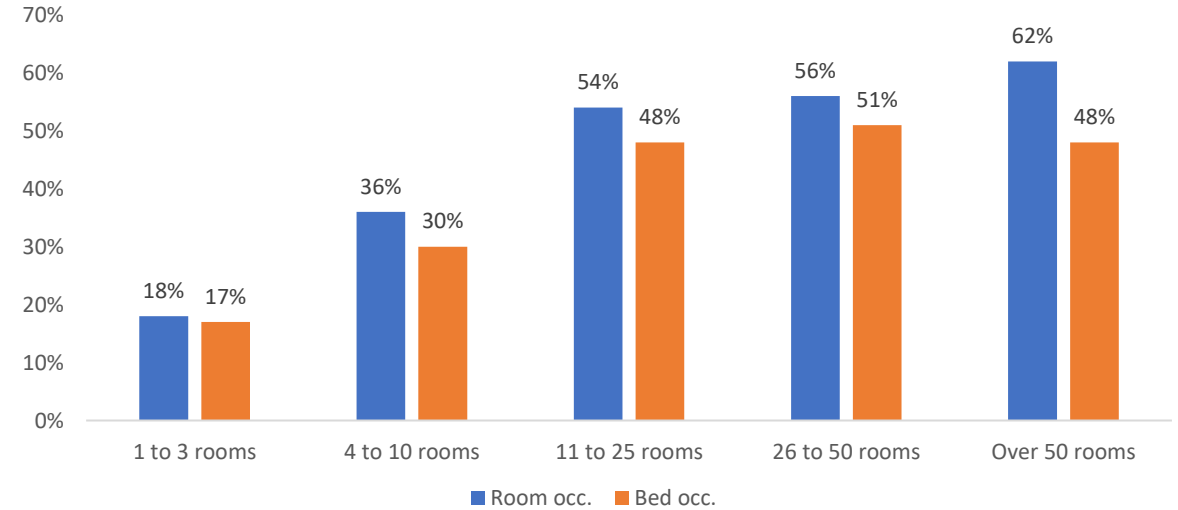
Larger properties fill the beds better

- Watershed above / below about 10 rooms
- Serviced sector in Wales comprises many micro-businesses, so although larger businesses outperform smaller, they make up a relatively smaller share of the overall market

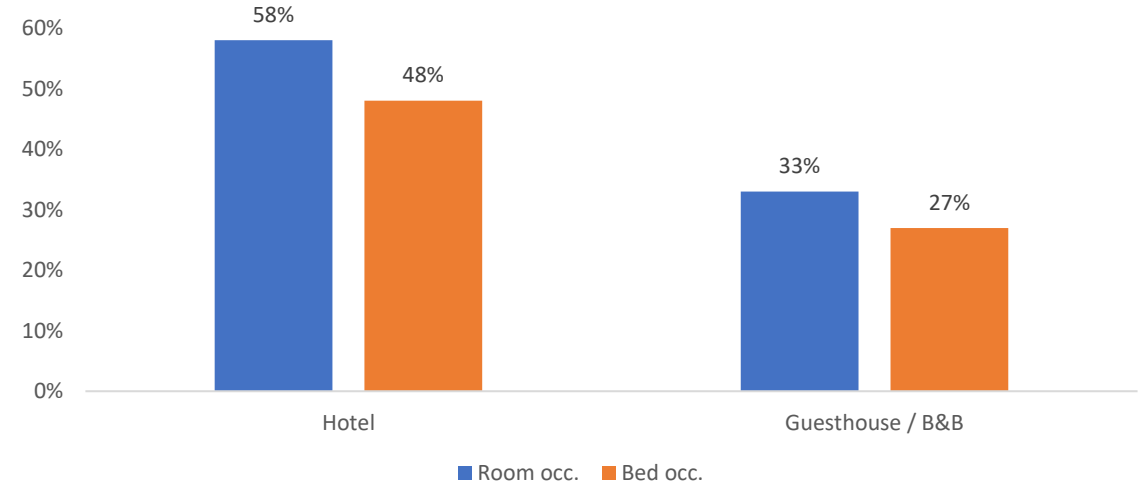
Split by property type consistent with split by size

- Hotels generally have larger numbers of rooms and so outperform Guesthouse's and B&Bs
- Results show clear differences in occupancy between the two property types

Serviced Occupancy by property size (January – March, 2023)



Serviced occupancy by property type (January – March, 2023)



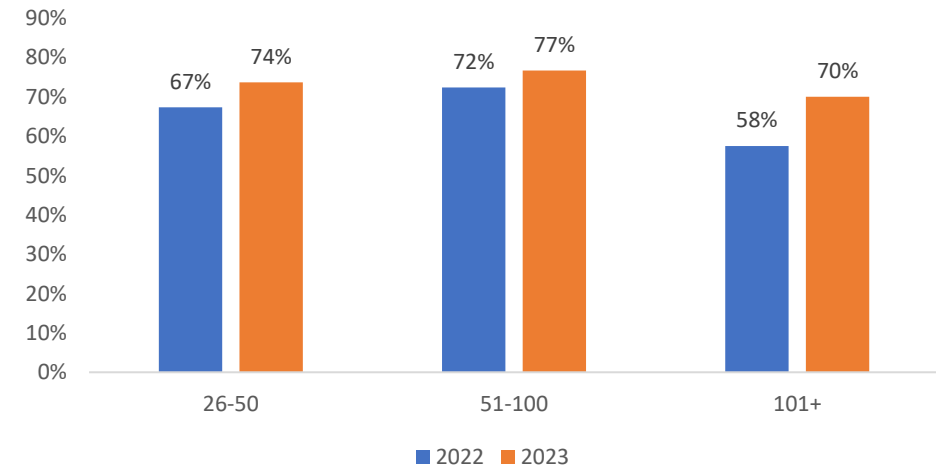
Larger Hotels Recovering

- STR Data shows larger hotels (most likely to be chain hotels) are still improving Occupancy year on year, with properties in the 51-100 room size doing the best
- Large hotels (101+ rooms) have increased year on year occupancy for the Q1 period by the largest margin however suggesting they may just be recovering more slowly.

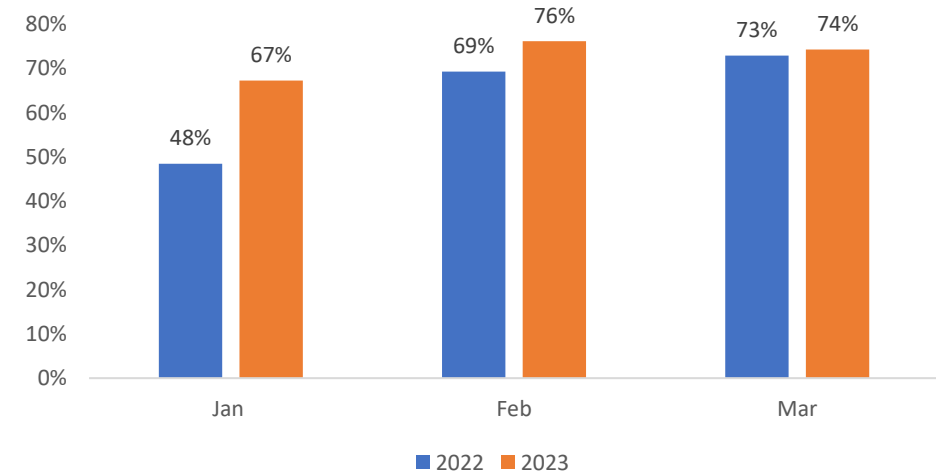
Steady rise

- As in the data reported above there is a steady rise in occupancy but from a higher base.
- As there is 2022 data available for comparison, we can see that there is a general improvement year on year, most pronounced in January

Occupancy By Room Size (January – March, 2023)

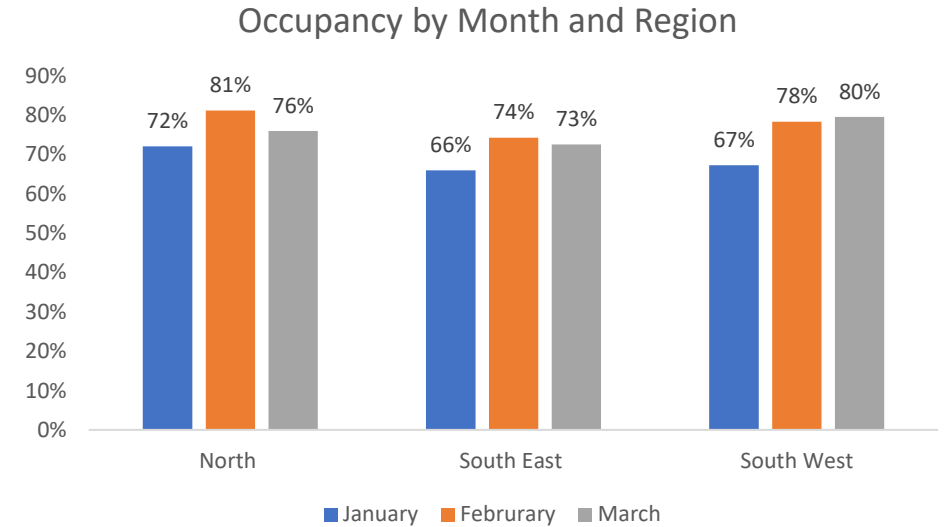


Occupancy by Month



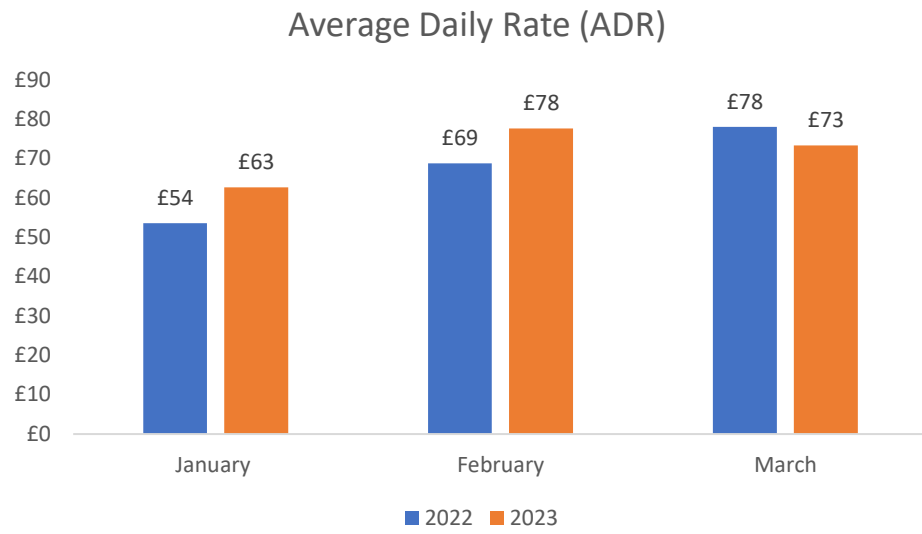
Regional Variation

- Looking at occupancy broken down by month and region we see that the South-West has increased occupancy month on month for 2023 so far, though North Wales has reported the highest overall occupancy levels in February (81%).
- Both North Wales and South-East report a slight drop in March as compared to January and February though in general Occupancy remains high in these properties as compared to the results reported earlier as conducted by the Wales Accommodation Occupancy Survey.



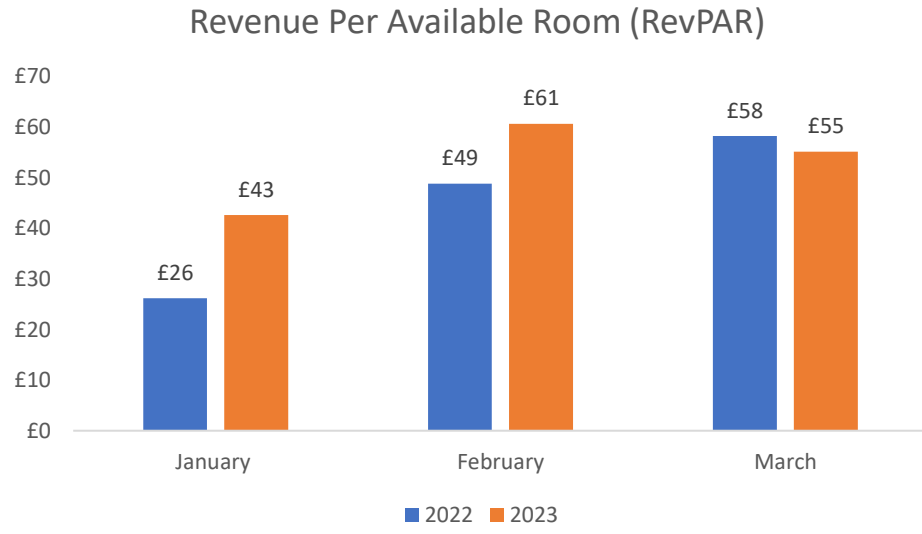
ADR up on last year

- Average Daily Rate peaked in February and was higher year on year for January and March but dropped below 2022 levels in March.



RevPAR also up

- Revenue per available room (The measurement is calculated by multiplying a hotel's average daily rate (ADR) by its occupancy rate) shows a general increase similar to ADR above, with a concomitant drop in value in March below 2022 levels.
- There is a more pronounced difference year on year than with ADR, most notably January.



Regional Variation

- Analysis at the regional level shows some variation across regions but relatively little between years.
- The South-East outperforms the North and South-West, though the South West shows the largest change year on year.

Larger Differences

- RevPAR shows larger differences than ADR but the pattern is similar with the South-East out-performing the North and South-West.
- This shows a slightly larger increase year on year for the South-East compared to the other two regions, with North Wales showing the smallest increase.

ADR by Region



RevPAR by Region

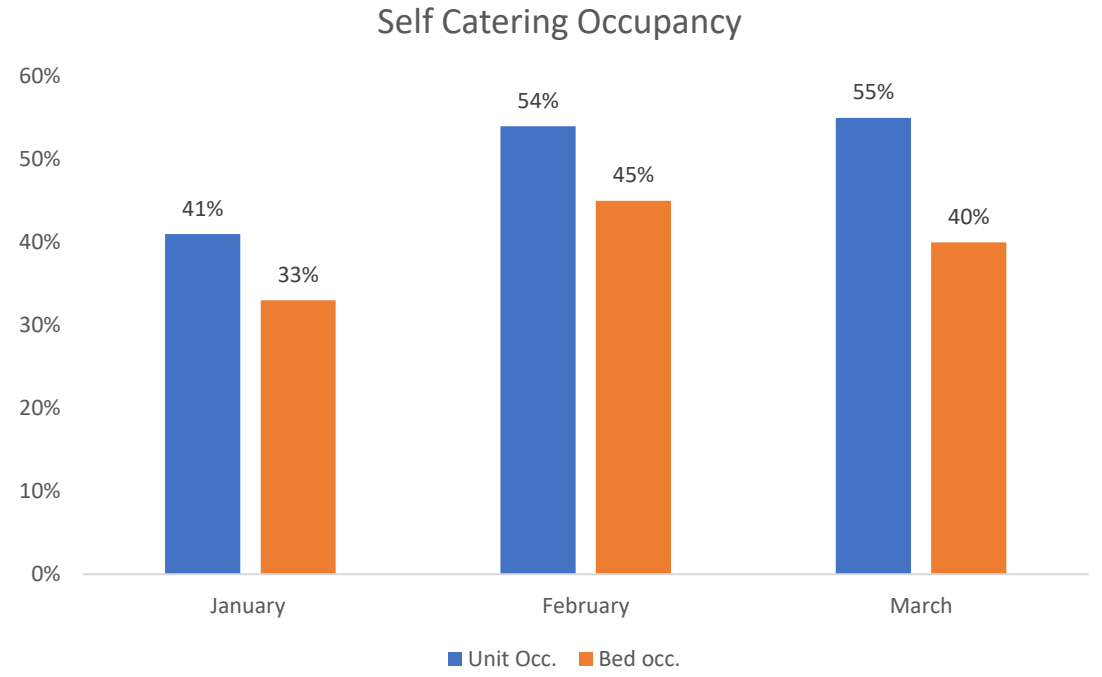


Self catering sector



Steady rise

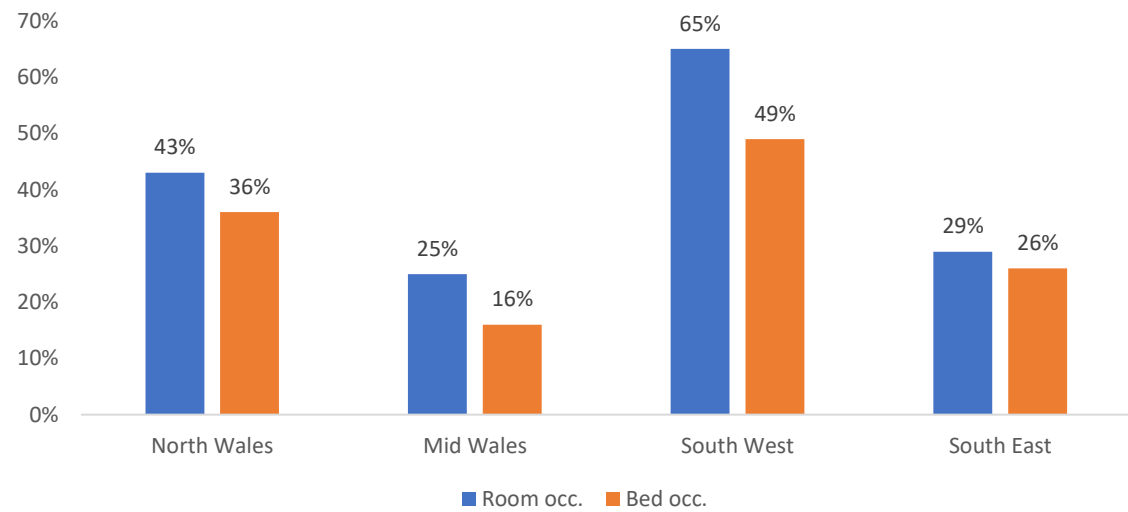
- Unit occupancy rose steadily month on month but bed occupancy dipped slightly in March
- Occupancy levels recorded through the WAOS are higher than those recorded by Transparent (see page X) this is likely due to larger, more established businesses being sampled in the WAOS survey, while Transparent data is more likely to capture smaller, individual owners letting out properties.



Strong performance in South West

- South-West Wales occupancy well ahead of North, Mid and South-East Wales.
- There are strong regional differences recorded here which are influenced by large agencies and businesses influencing overall regional averages.

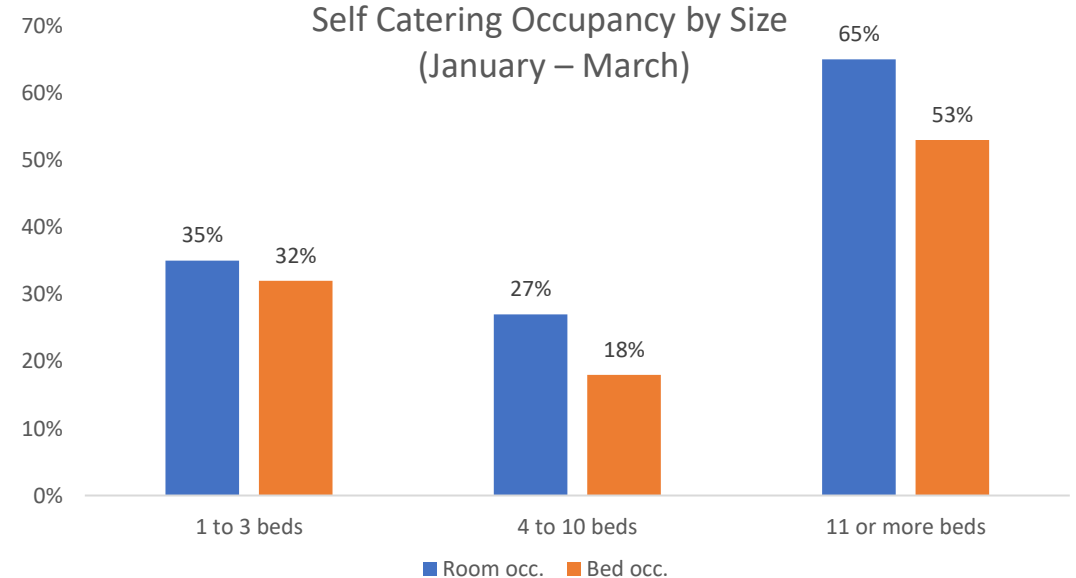
Self Catering Occupancy by Region (January – March)



Larger businesses achieve better % occupancy

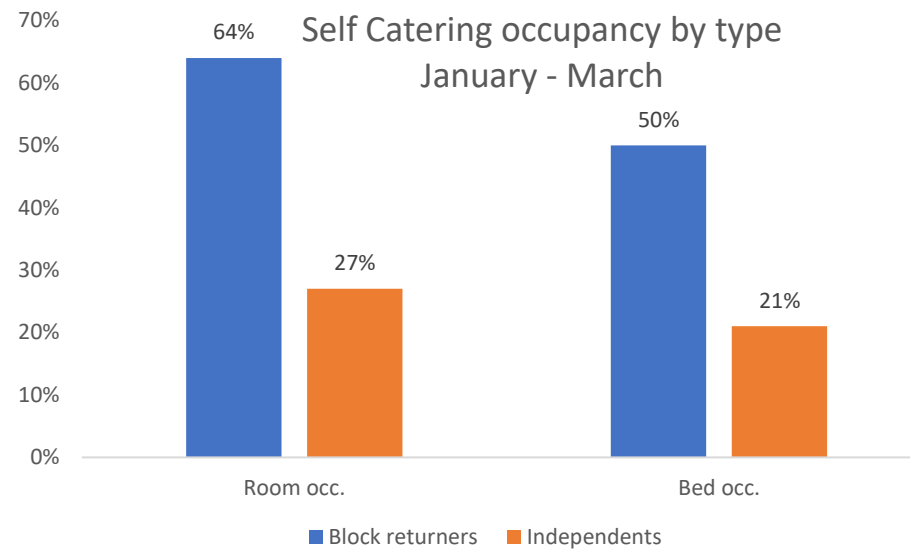
- Businesses with more than 10 beds (across one or more units) were much fuller during January – March.
- Larger businesses also perform well above average in terms of occupancy
- Same finding as in serviced sector

Self Catering Occupancy by Size (January – March)



Agency businesses achieve better % occupancy

- Self Catering respondents to the WAOS are split into “block returners” and “independents”. Block returners represent large organisations with multiple units whereas independents own one or a very small number of units.
- Businesses which are part of an agency or collective group achieved 64% room occupancy – significantly higher than independent businesses (27%)



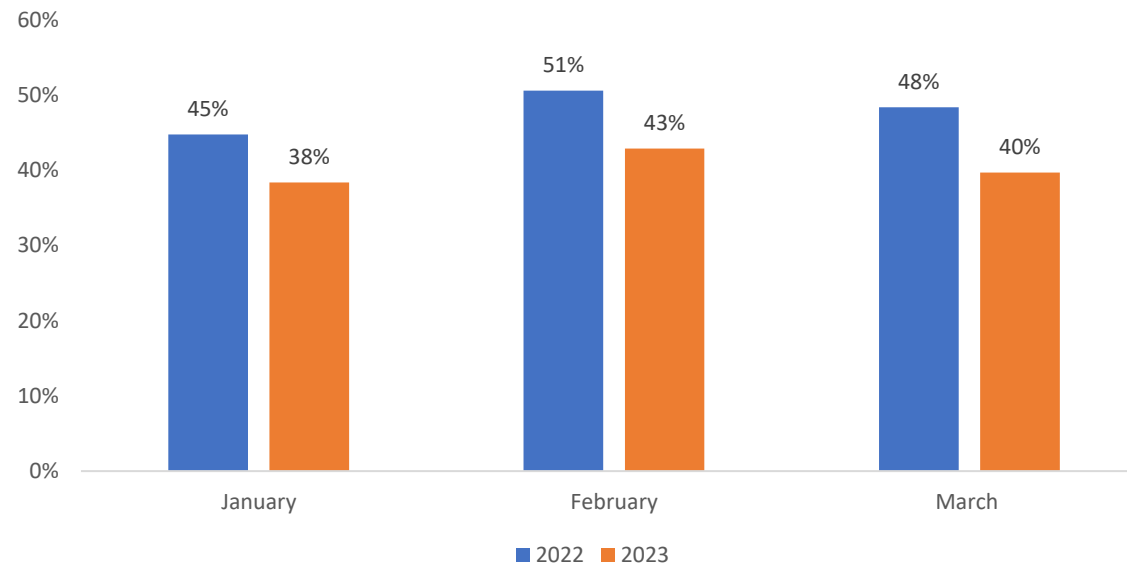
Low variation

- Occupancy across the months shows low variation month on month and is consistently below 2022 levels for the same period.
- These figures are lower than those reported in the WAOS for sampled businesses.

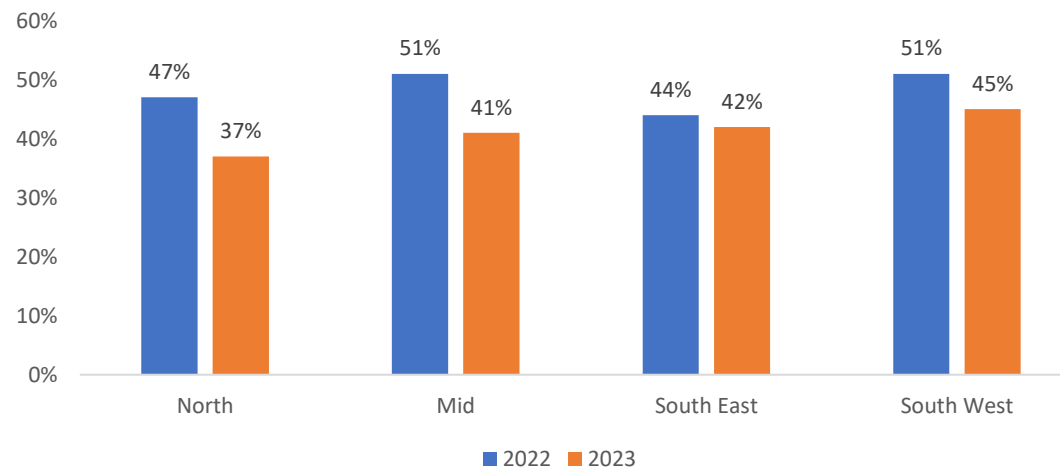
Regional Variation

- There is more variation at the regional level than between months but not by much, with Mid Wales and the South West reporting the highest figures.
- Though like the month on month data all regions performed worse in 2023 compared to 2022, with south east showing the least regression, but while also reporting from the lowest 2022 levels.

Occupancy by Month



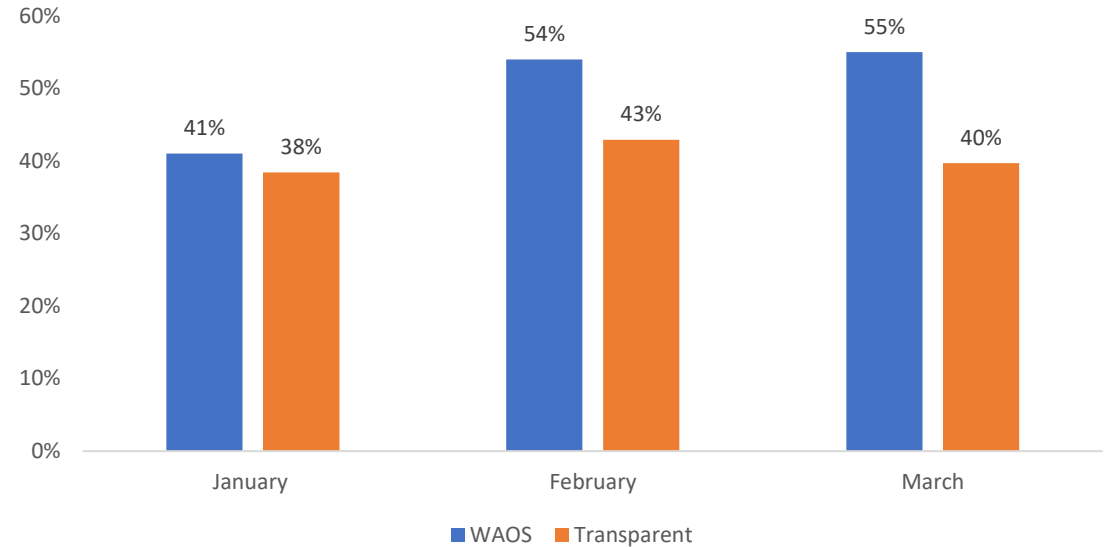
Occupancy by Region (January – March)



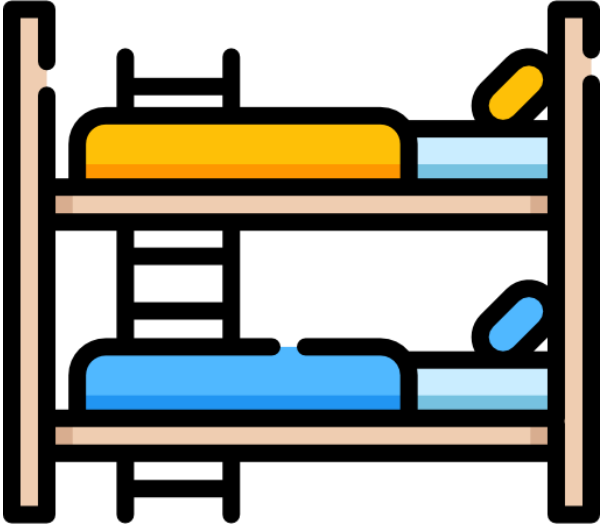
Comparison

- Like for like comparison for the January to March period between Transparent and the Wales Accommodation Occupancy Survey show a much more pronounced difference in February and March than in January
- Consistently the WAOS reports higher overall occupancy levels and a steady overall increase, while Transparent data shows a slight dip in March

WAOS vs Transparent comparison January to March



Hostel sector



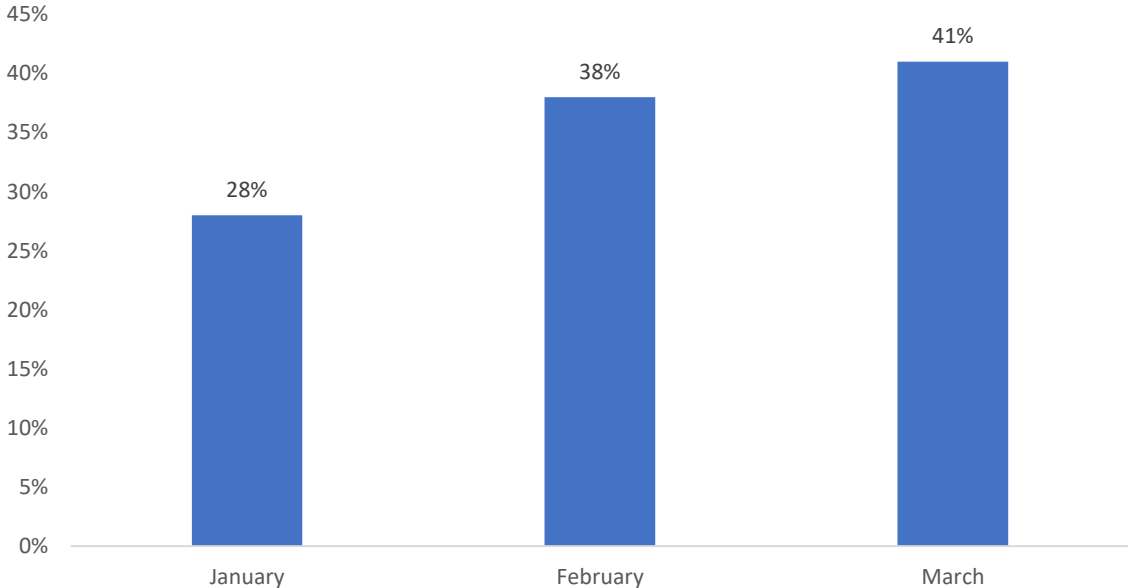
Comparable performance

- The hostel sector showed month on month increases in occupancy with levels somewhat below but comparable to other sectors reported here.

UK vs overseas split

- 99% of visitors to Hostels in January to March came from UK; 1% from overseas
- Comparable to split of the serviced sector

Hostel Bed Occupancy by Month



Implications



Third Party Data (STR and Transparent) show interesting results

- Data from STR on larger serviced accommodation shows a stronger overall performance compared to smaller serviced and some other sectors.
- These properties tend to be large chain hotels which might explain this high performance
- Data from Transparent on Short Term Let properties show lower levels of performance than those captured in the Accommodation Occupancy survey

Overall

- Data from 2023 so far show an accommodation sector broadly managing to maintain performance in the post-COVID economic environment.
- However as noted in the latest [Tourism Barometer](#) many businesses are struggling with higher costs and reduced margins so lower overall occupancy levels have a much large economic impact on businesses.
- There are some differences between sectors in terms of performance, though often regional differences are the most marked with different regions performing strongly depending on sector.
- Caution should be taken when interpreting these results as the Q1 period January to March is a quiet time for many accommodation providers and as such numbers will be suppressed