Performance of Tourism Accommodation January-June 2018p

Fāilte Ireland Research

September 2018

Headlines

This is a brief snapshot of tourism accommodation performance in Ireland in the first six months of 2018, based on preliminary results from Fáilte Ireland's accommodation occupancy survey (covering hotels, guesthouses, bed & breakfasts, self-catering, hostels and caravan and campsites). The research gives us an opportunity to see beyond topline indicators to get a more nuanced view of tourism demand in the first half of the year.

Across all accommodation types, on average one in two bedspaces were occupied in the first six months of the year.

Dublin has experienced much higher bed occupancy (67%) in the first six months of the year than the rest of the country.

Hotel room occupancy has remained relatively stable in the last three years. In the first six months of the year more than half (55%) of available hotel bedspaces were occupied.

Demand in B&Bs, self-catering properties and hostels has been driven by international markets in the year to date, while demand is split relatively evenly between international and Republic of Ireland markets for hotels and guesthouses. Caravan & Campsites are marginally more dependent on the Republic of Ireland market.

Bedspaces (000s) in tourist accommodation by type 2018

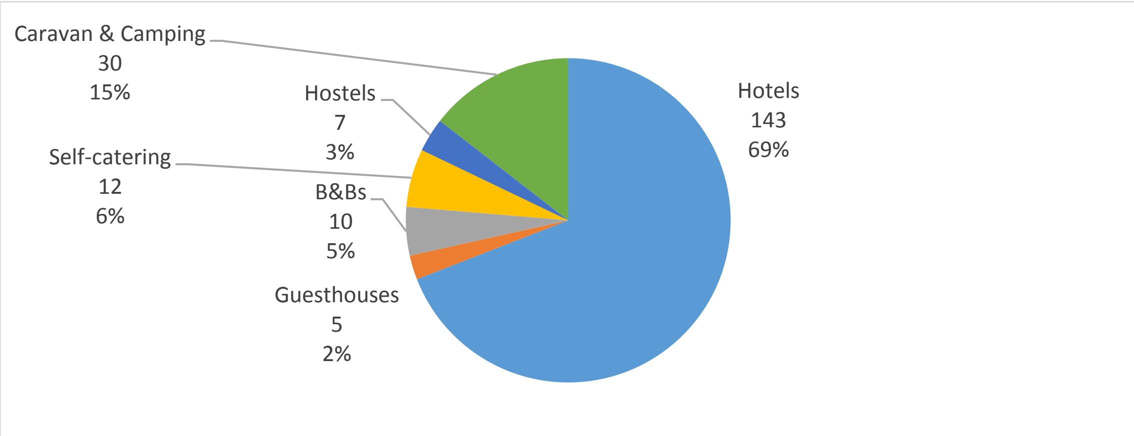

Figure 1: Bedspaces in tourist accommodation by type 2018

Accommodation Performance in 2018p[1]

Across all accommodation types, on average 50% of bedspaces were occupied in the first six months of the year. There appeared to be a marginal drop in occupancy year on year. However, the difference is marginal and subject to change as more data is submitted.

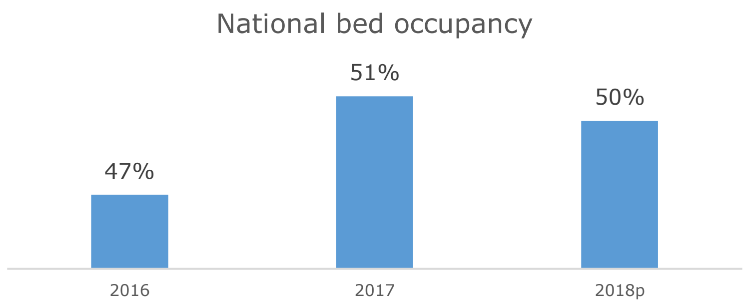

Figure 2: Bed occupancy in tourist accommodation January-July 2016-2018p

1 2018p = preliminary data, subject to change as additional responses are received.

Regionality year to date (YTD) 2018p

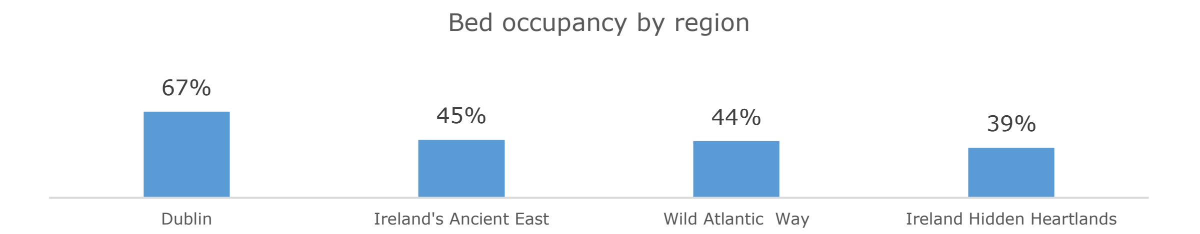

Figure 3: Bed occupancy by region/programme area January-July 2016-2018p

Dublin has experienced much higher bed occupancy in the first six months of the year than the rest of the country. The gap should narrow as the holiday season progresses. Dublin, as an urban destination and the primary point of access for overseas tourists to Ireland, is less vulnerable to seasonal fluctuations in demand than other regions.

YTD Seasonality 2018p

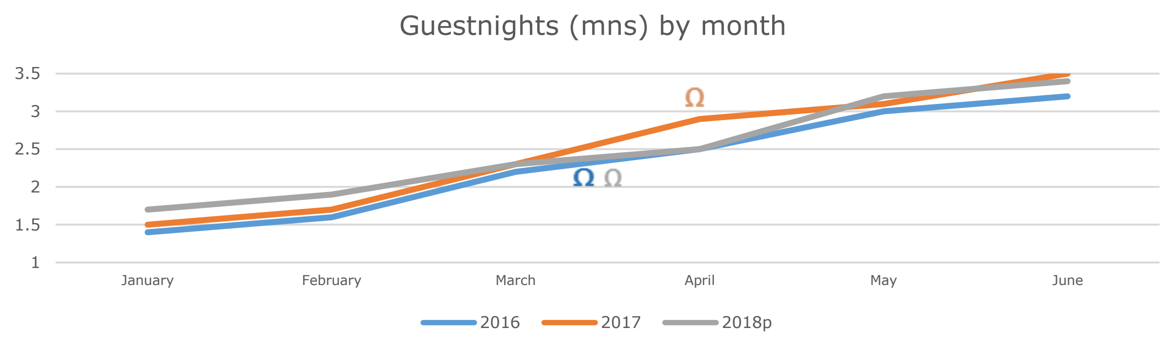

Figure 4: Bednights (millions) by month January-July 2016-2018p

There has been steady month on month growth over the last four years (notwithstanding the Easter factor). However compared to 2017, June performance was relatively flat.

Easter Sunday dates:

Ω	2016	27th March
Ω	2017	16th April
Ω	2018	1st April

YTD Market Share 2018p

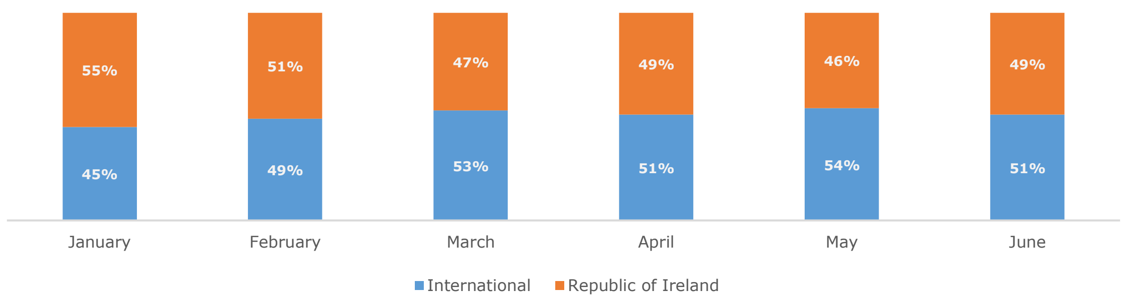

Figure 5: Market share of bed nights January-July 2016-2018p

In the first two months of the year, guests from the Republic of Ireland take a slight majority of bed spaces. However, as the tourist season kicks in, in March, international markets become more important.

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YTD **Hotel** Performance in 2018p

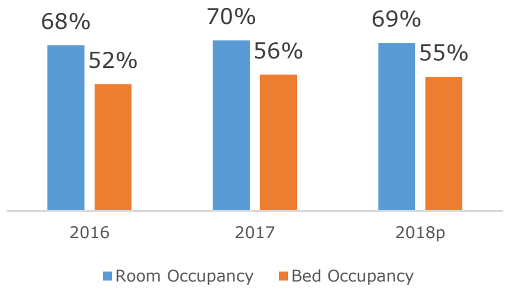

Figure 6: Hotel room and bed occupancy January-July 2016-2018p

Hotel room occupancy has remained relatively stable in the last three years. In the first six months of the year more than half of available hotel bedspaces were occupied.

YTD Regionality 2018p

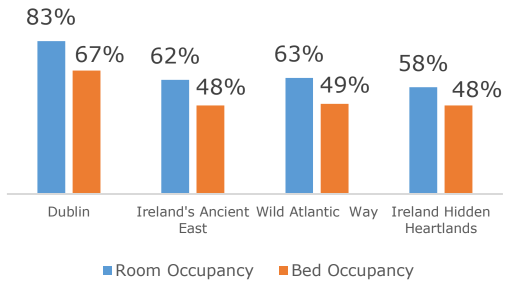

Figure 7: Room and Bed occupancy by region/programme area January-July 2016-2018p

While the strong performance of Dublin hotels has been widely discussed in the media, hotels in the rest of Ireland are also experiencing good occupancy, with about six in ten rooms occupied in the first six months of the year in Ireland's Ancient East and along the Wild Atlantic Way.

YTD Market Share 2018p

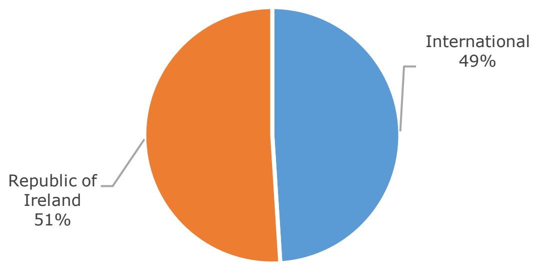

Figure 8: Market share of hotel bednights January-July -2018p

In the first six months of the year, hotel bednights originate in equal measure from the Republic of Ireland and international markets. Hotels reported[2] that Republic of Ireland corporate business, in particular, performed well in Q1 compared to 2017.

YTD **Bed & Breakfast** Performance in 2018p

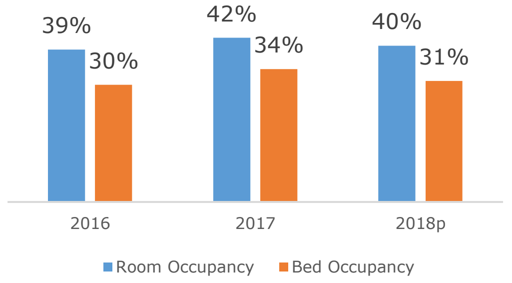

Figure 9: B&B room and bed occupancy January-July 2016-2018p

Bed and breakfast room and bed occupancy has been relatively stable over the last three years. The mix of overseas guests in B&Bs tends more towards holidaymakers (53%) and those visiting friends/relatives (35%).[3]

YTD Regionality 2018p

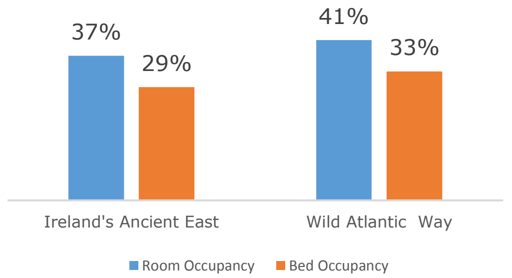

Figure 10: Room and Bed occupancy by region/programme area January-July 2016-2018p

Two in five rooms were occupied in Bed and Breakfasts along the Wild Atlantic Way in the first half of the year. This form of accommodation is likely to achieve higher occupancy rates over the peak season.

Average monthly response rates from B&Bs in Dublin and Ireland's Hidden Heartlands are too low to allow analysis.

YTD Market Share 2018p

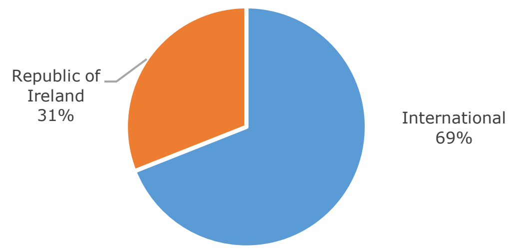

Figure 11: Market share of B&B bednights January-July -2018p

Demand in B&Bs is driven by international markets – they are particularly popular among Mainland European and US tourists.

[2] Fáilte Ireland's Tourism Barometer, April 2018

[3] Fáilte Ireland's Survey of Overseas Travellers 2017

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YTD **Guesthouse** Performance in 2018p

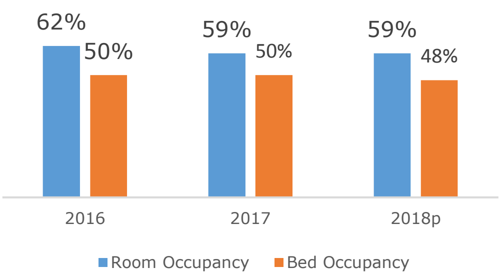

Figure 12: Guesthouse room and bed occupancy January-July 2016-2018p

More than half of guesthouse rooms were occupied in the first six months of the year and a similar proportion of rooms.

YTD Regionality in 2018p

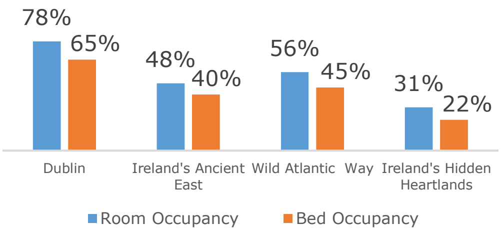

Figure 13: Guesthouse room and bed occupancy by region/programme area January-July 2016-2018p

Guesthouses in Dublin have benefited from high levels of demand with three-quarters of rooms occupied in the first six months of the year. Guesthouses along the Wild Atlantic Way have also performed well - two in five guesthouse properties are located in the region.

YTD Market Share 2018p

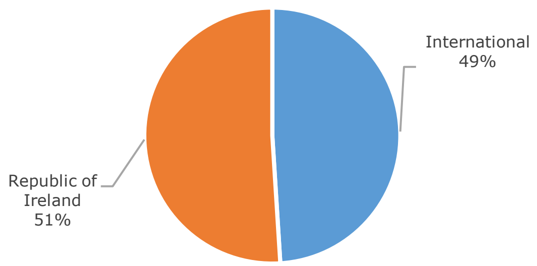

Figure 14: Market share of guesthouse bednights January-July -2018p

Guesthouses are equally popular among Republic of Ireland and international tourists. In the first half of the year, slightly more Republic of Ireland than international tourists stayed in guesthouses. While most overseas guesthouse guests are on holiday (47%) or visiting friends and/or relatives (31%), a significant share (16%) are in Ireland on business.

YTD **Hostel** Performance in 2018p

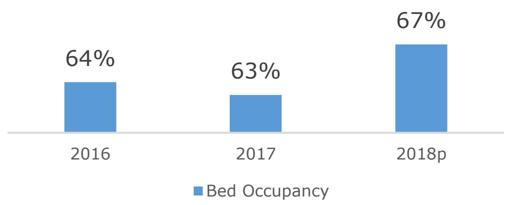

Figure 15: Hostel Bed occupancy January-July 2016-2018p

Hostels have performed very strongly so far in 2018. More than two thirds of bedspaces were occupied in the first six months of the year. The fact that two in five hostel bedspaces (42%) are located in Dublin no doubt contributes to this strong performance. When Galway is taken into account, these two hotspot counties accounted for 58% of all hostel bedspaces in Ireland.

YTD Regionality in 2018p

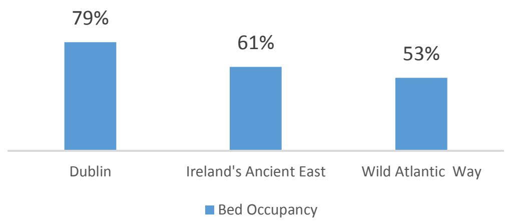

Figure 16: Hostel bed occupancy by region/programme area January-July 2016-2018p

Dublin hostels are having a bumper year so far in 2018, with four in five bedspaces occupied. That said, hostels in other regional/programme areas are also experiencing high occupancy levels in the year to June.

YTD Market Share 2018p

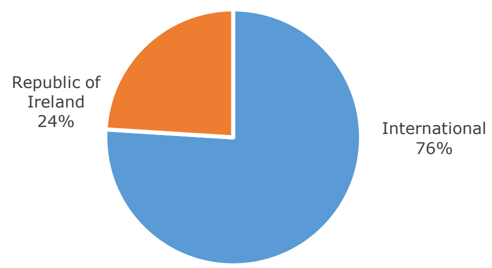

Figure 17: Market share of hostel bednights January-July -2018p

Hostels are particularly popular among overseas tourists who took up three-quarters of bedspaces in the year to June. Overseas hostel guests are young, almost half are aged under 25 years.[4]

[4] Fáilte Ireland's Survey of Overseas Travellers 2017

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YTD **Self-catering** Performance in 2018p

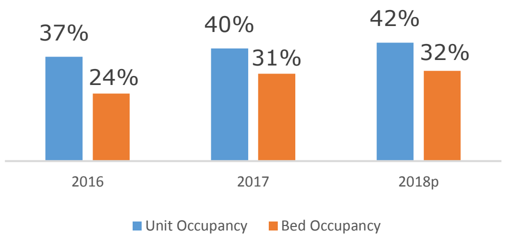

Figure 18: Self-catering unit and bed occupancy January-July 2016-2018p

Self-catering properties are performing well so far this year and have reported their highest unit occupancy rate in three years with bed occupancy also up.

YTD Regionality in 2018p

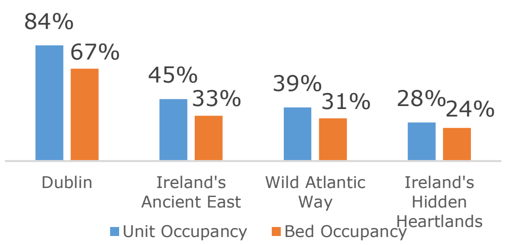

Figure 19: Self-catering unit and bed occupancy by region/programme area January-July 2016-2018p

Consistent with the high levels of demand experienced in Dublin, self-catering properties in the region are reporting exceptional take up, demonstrating that other non-hotel style accommodation is benefitting from Dublin's success.

YTD Market Share 2018p

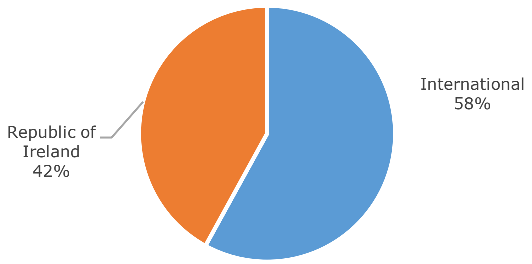

Figure 20: Market share of self-catering bednights January-July -2018p

In the first six months of the year, international tourists spend more nights in self-catering than Republic of Ireland tourists. Overseas tourists who stay in self-catering accommodation tend to stay longer than others (11.4 nights), due in part to a mixed purpose of visit, while two in five are here on holidays, more than 10% are on business and a similar proportion are studying in Ireland.[5]

YTD **Caravan & Camping** Performance in 2018p

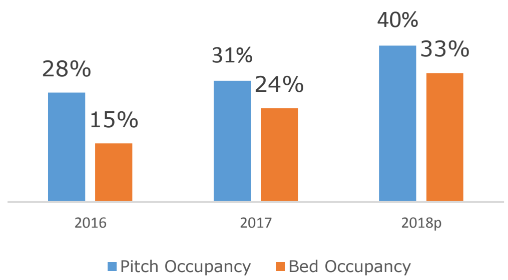

Figure 21: Caravan and Camping pitch and bed occupancy January-July 2016-2018p

Even in the year to June, Caravan and Campsites saw the benefits of an exceptional summer. Occupancy rates were significantly higher than in previous years in a sector which is highly seasonal and very weather dependent.

YTD Regionality 2018p

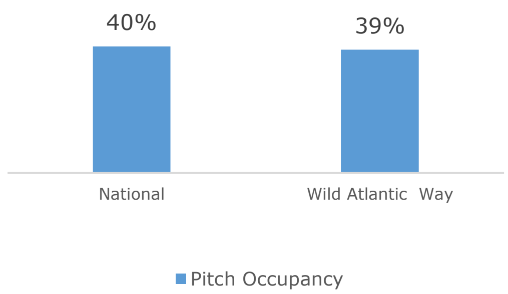

Figure 22: Bed occupancy by region/programme area January-July 2016-2018p

Caravan and Campsites along the Wild Atlantic Way performed close to the national average. No doubt, the sunny weather drew users to the coast.

YTD Market Share 2018p

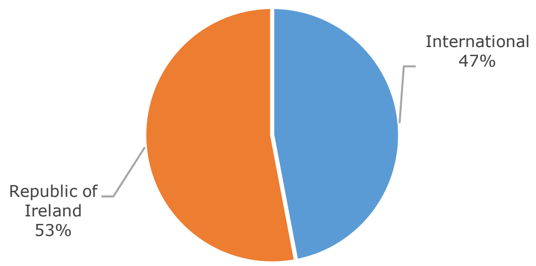

Figure 22: Market share of caravan/camping bednights January-July -2018p

Not surprisingly, the Republic of Ireland market has driven improved performance for Caravan and Campsites as Irish residents took to their tents to make the most of the exceptional summer weather.

[5] Fáilte Ireland Survey of Overseas Travellers 2017