

Fáilte Ireland Hotel Survey

June 2023 Summary Report



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Executive Summary

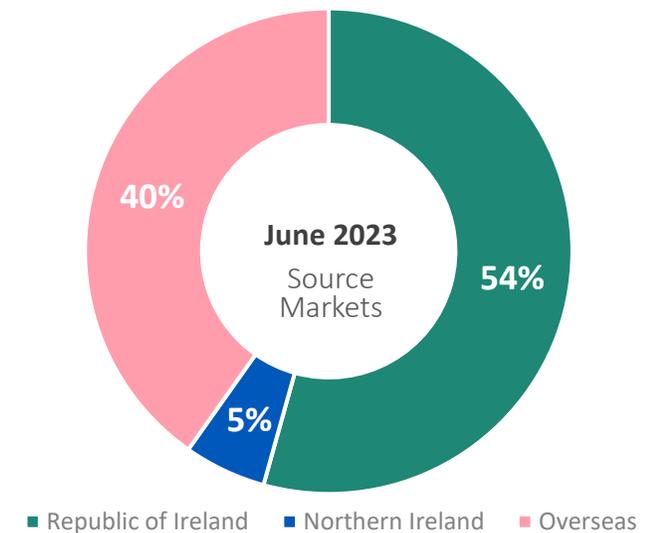
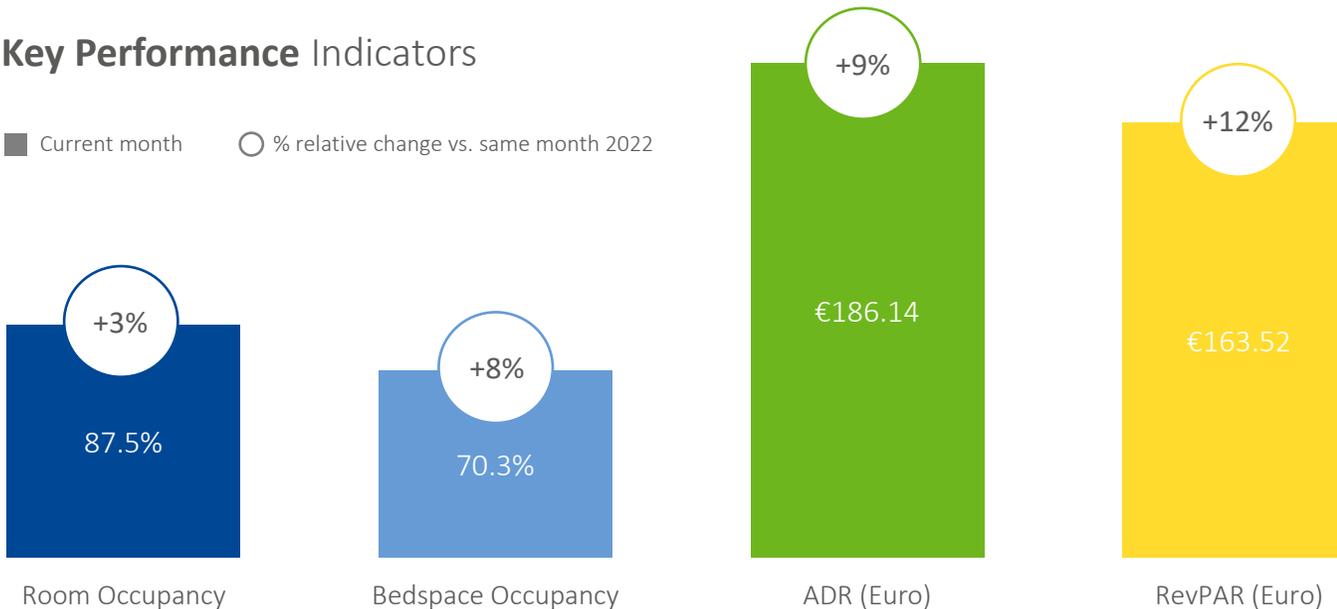
As Summer 2023 kicks off, it is clear to see we are very much back to normal pre-covid times. Room demand reached 87.5%, the highest level since the survey restarted in June 2021. June 2023 demand increased 3.2% year-on-year as the industry entered the peak summer season. Bedspace demand also recorded a year-on-year increase of 7.6%, a sign of strong leisure travel by both domestic and international guests.

An average daily rate of €186.14 across the Irish hotel sector is further evidence of normal high seasonal summer trends. And while rates are strong, the year-on-year increases have dropped to single digits for the first time which is another example 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 €163.52, an increase of 12.5% year-on-year.

Regionally, strong performance was seen across the country with all, but one county posting a year-on-year increase in revenue per available room and over half (10 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: June 2023

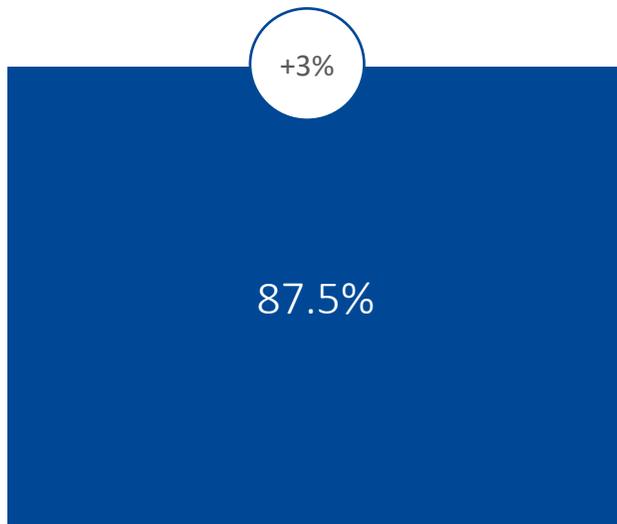


June experienced an increase in room demand (+3.2%) and an even higher increase in bedspace demand (+7.6%) compared to the same month last year. Bedspace demand increasing at a faster rate than room demand is a clear indication of an increase in leisure travelers who are more likely to have multiple people in their travel party and multiple room occupants. This is not surprising given the summer season has now begun in earnest.

Room demand year-on-year increased at a national level and for almost all counties across Ireland. Year-on-year bedspace demand increased for all reporting counties apart from Limerick. Compared to last month, bedspace occupancy increased by 8.6 percentage points (ppt) and the number of occupied rooms increased 3.4 ppt, an expected increase as the high season continues.

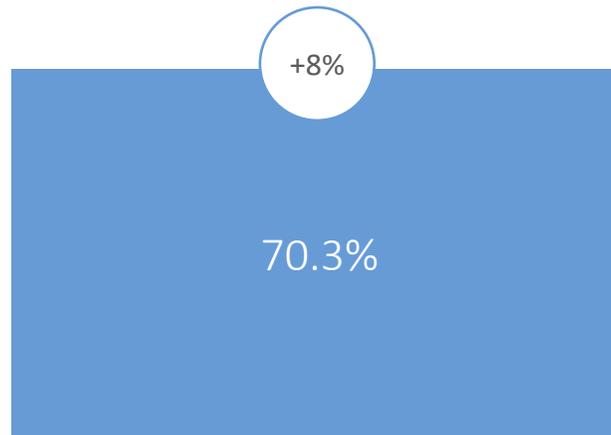
■ Current month ○ % relative change vs. same month 2022

Room Occupancy



Jun-23

Bedspace Occupancy



Jun-23

Highest room occupancy in June

96.0%

Saturday 24th June 2023

Highest / lowest performing days of the month

Wednesdays (92.5%) /
Sundays (80.7%)

Ireland ADR & RevPAR: June 2023

June's Average Daily Rate performance is reflective of the peak travel season across Ireland. ADR increased year-on-year for all counties. Nationally, June's performance is evident in ADR of €186.14 which is €11.49 higher compared to last month's rate. Year on year growth was 9.4% in June compared to 14.3% in May. The year-on-year increases recorded over the past few months are shrinking indicating 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 appear to have been 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 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, has increased by double digits each month in 2023. Both rate and occupancy have driven this growth, however these increases are slowing. RevPAR increased 12.5% year-on-year in June to €163.52 compared to May when RevPAR increased 19.5%. RevPAR is expected to peak in the coming months in line with normal seasonal patterns and will then start to decline as the season ends and we move into the Autumn and Winter months.

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



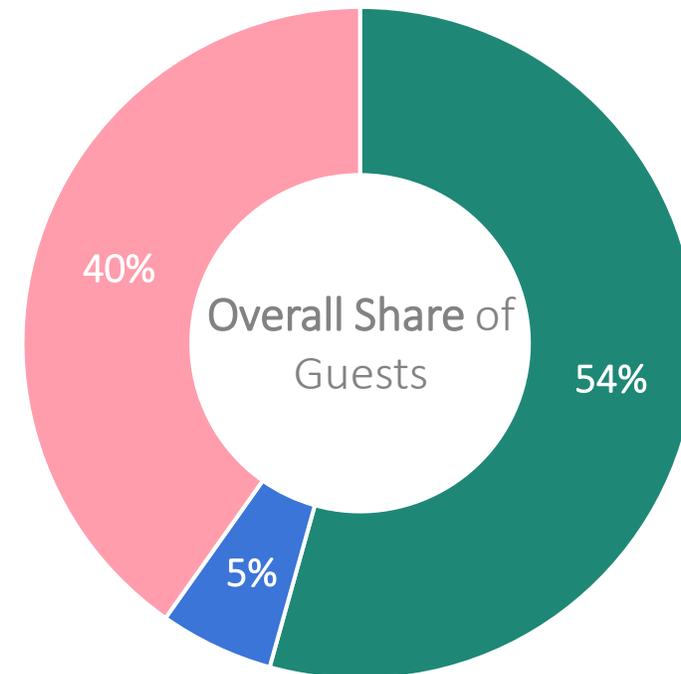
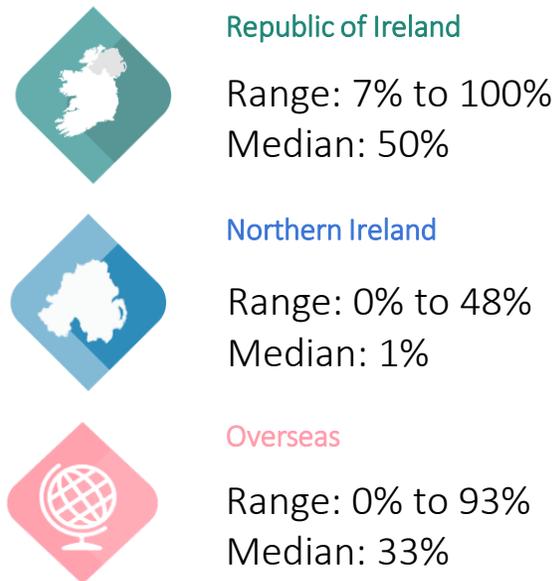
Highest RevPAR in June
€ 234.23
Saturday 24th June 2023

Highest / lowest (RevPAR) performing days of the month
Saturdays (€206.65) /
Mondays (€144.80)

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: June 2023

Understanding the origin of visitors is vital for sales and marketing teams to accurately target the right audience. Domestic customers account for the majority of bedspaces sold at 54.3%, followed by overseas visitors at 40.2% and guests from Northern Ireland at 5.5%. Whilst this metric is broadly in line with the past few months, there was an uptick in the share of international guests in June compared to May (36.1%) highlighting the strength of the international traveler during the summer season. The mix of guests this June compared to the same month last year is almost identical.



Note: Range is the lowest and highest share of guests stated by hotels.

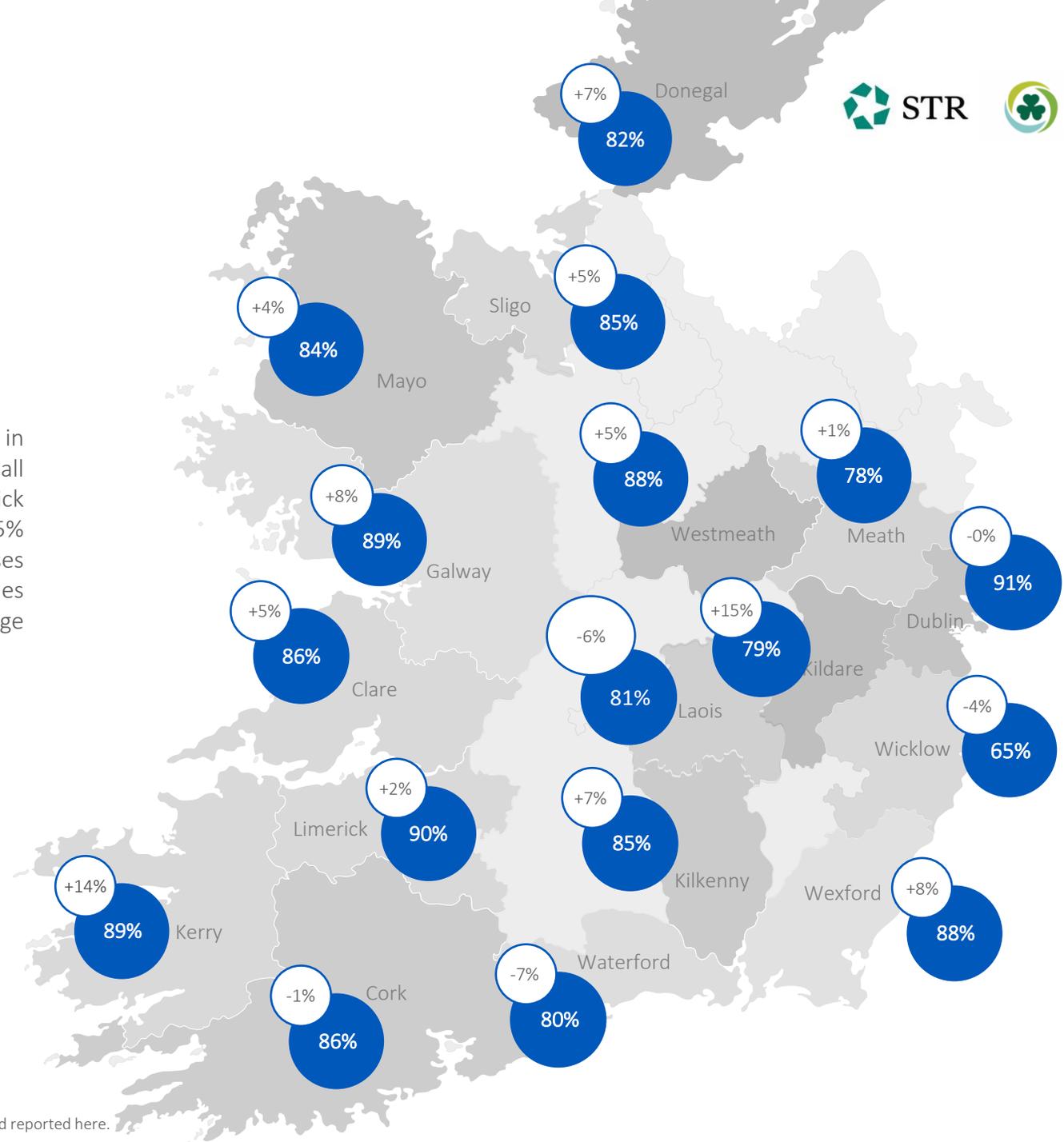
Note: Median is the value separating the higher half from the lower half of the data, sometimes referred to as the “middle” value. A median value can also be the lowest or highest value and so June also be represented in the range.

County Occupancy



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

In June 2023, most counties in Ireland posted an increase in occupancy compared to the previous June (12 out of 17) and all counties increased compared to the prior month. Dublin and Limerick recorded occupancy over two percentage points above the 87.5% national average. Counties with double-digit occupancy increases compared to last year were Kerry and Kildare. Year-on-year declines in occupancy ranged from just 0.1ppt (Dublin) to -7 percentage points in Waterford.



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

County ADR & RevPAR



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

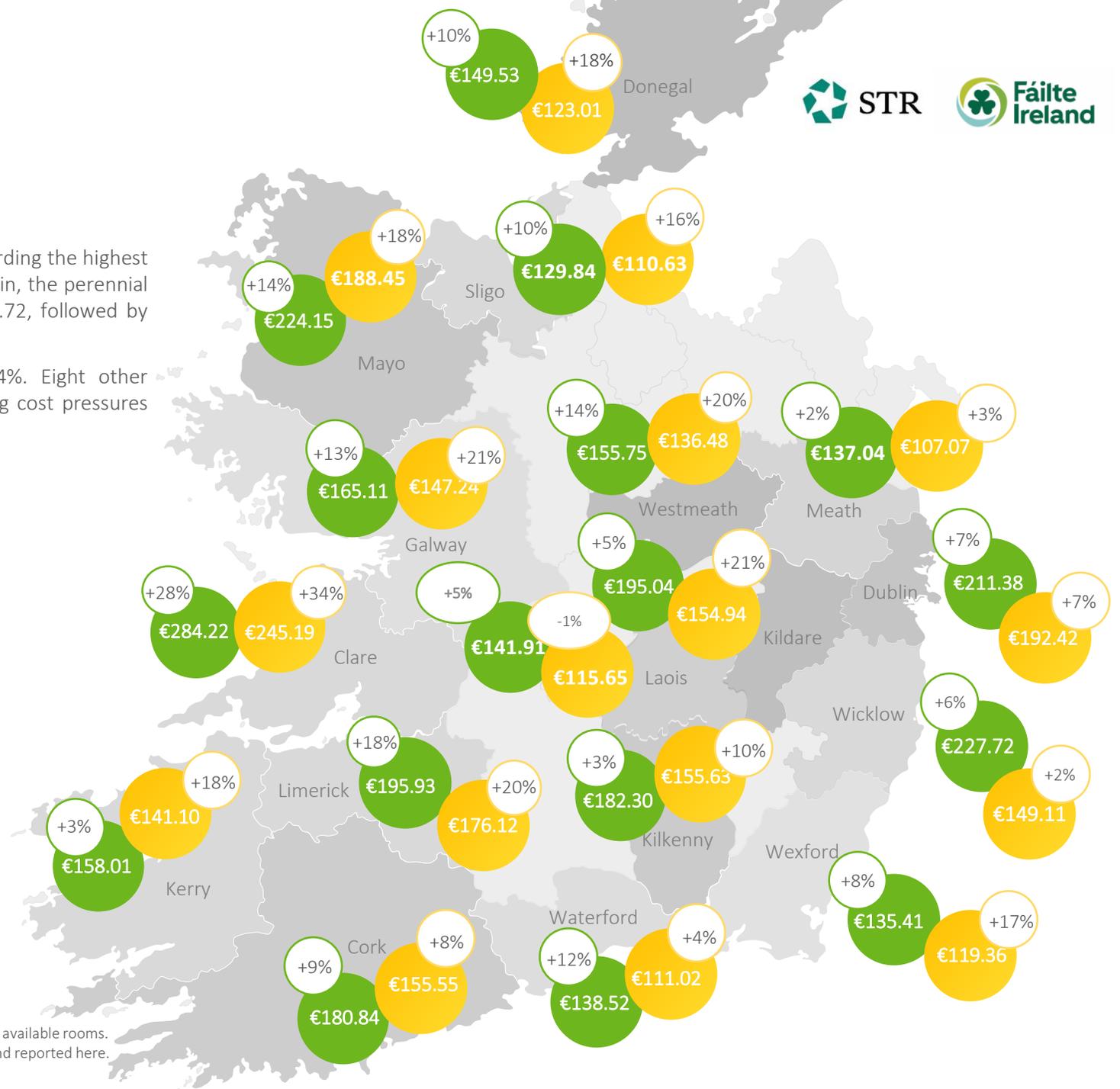
Average Daily Rate (ADR)

ADR across the country ranged from €129.84 to €284.22 with Clare recording the highest ADR. As happened last summer, Clare surpassed the ADR posted in Dublin, the perennial rate leader. Wicklow's rate took second position with an ADR of €227.72, followed by Mayo at €224.15. Dublin was ranked fourth with an ADR of €211.38.

The average year-on-year rate increase across the country was 9.4%. Eight other counties, including Clare, exceeded this average. Inflation and operating cost pressures are expected to continue to have an impact on ADR levels.

Revenue Per Available Room (RevPAR)

Ten out of the 17 counties with sufficient data posted a year-on-year RevPAR increase at a rate above the 12.5% country average. It is no surprise that Clare, with the highest occupancy and highest average daily rate, experienced the highest RevPAR in June 2023 of €245.19. Dublin followed at €192.42. All but one county, Laois, posted a positive RevPAR percentage change year-on-year.



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 June 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 June 2023, sufficient data on the profile of guests was gathered from hotels across seven counties. As has been seen in previous months, domestic guests accounted for the majority of arrivals in June 2023 at 54.3%. However, in Clare almost three quarters (73.3%) of guests came from overseas which was a significant jump on the same month last year when 68% of all arrivals to Clare came from overseas. Kerry also recorded a majority of overseas visitors this month at 63.6%, a substantial increase on the same month last year when overseas guests were at 33.5%. As travel patterns return to normal it is useful to highlight the year-on-year change in guest composition across the counties.

	Republic of Ireland	Northern Ireland	Overseas
Clare	26%	1%	73%
Cork	58%	3%	39%
Dublin	48%	5%	48%
Galway	54%	1%	46%
Kerry	36%	1%	64%
Limerick	87%	4%	10%
Mayo	71%	10%	20%

Performance By Grade



Continuing the trend of the past several months, June occupancy was highest in 3-star and 4-star properties at 89.9% and 89.0% respectively. The significantly lower ADR of these property types quite likely contributes to their popularity. This pattern was seen both in Dublin and across the rest of Ireland. Lower star properties have shown greater pricing elasticity over previous months. This is seen when evaluating rate change compared to last year with the lower the star level, the greater the ADR increase. 3-star properties increased the most followed by 4-star and 5-star. Occupancy for 5-star hotels was at a lower albeit healthy level of 81.1% with a rate of €396.26 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 at a similar rate among 4-star (+12.5%) and 3-star (+11.7%) properties with a smaller increase (+9.4%) 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	81.1%	89.0%	89.9%
ADR	€ 396.26	€174.61	€154.72
RevPAR	€321.51	€155.33	€139.15

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 June 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=267, Bedspace / Source Market Data n=169, 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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