Llywodraeth Cymru
Welsh Government

Wales Accommodation Occupancy Survey 2023

YMCHWIL GYMDEITHASOL Y LLYWODRAETH
GSR
GOVERNMENT SOCIAL RESEARCH






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Visit Wales
Croeso Cymru

Mae’r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

STRATEGIC
RESEARCH & INSIGHT

Method and Objectives

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?

- Relaunched in August 2022 following hiatus during Covid
- 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/

Sampling and Composition

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
  - Lighthouse, 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 from pages 4 to 7

Sampling – WAOS

Sector / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Serviced	138	146	284	139	126	265	145	104	249	147	26	173	136	13	149	155	20	175
Self catering	729	128	857	656	165	821	698	115	813	942	36	978	934	23	957	951	23	974
Caravan & campsites	-	-	-	-	-	-	-	-	-	-	-	-	52	1	53	40	0	40
Hostels	20	12	32	21	10	31	19	9	28	29	2	31	23	4	27	26	3	29

Sector / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Serviced	151	18	169	144	17	161	137	18	155	149	75	224	136	89	225	128	107	235
Self catering	187	8	195	161	8	169	185	6	191	174	31	205	135	28	163	128	32	160
Caravan & campsites	47	1	48	46	0	46	35	3	38	31	36	67	-	-	-	-	-	-
Hostels	28	2	30	27	4	31	27	4	31	23	7	30	20	9	29	20	8	28

- Further breakdowns on sample size by region and property type are in the appendices

Sampling – WAOS

What is included in serviced?

- Independent hotels*
- Guesthouses / B&Bs

What is included in caravan & campsites?

- Large park groups submitting data by block return
- Independent caravan & campsites

What is included in self catering?

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

What is included in hostels?

- Associations submitting data by block return
- Independent tourist hostels

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

Third Party Data – Lighthouse and STR

Lighthouse

- Short term let data provided by Lighthouse 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 Lighthouse's website or contact the author of this report.

STR Global / CoStar

- 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.

Third Party Data – Lighthouse and STR

Lighthouse

Data provided via Lighthouse 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.

	January	February	March	April	May	June	July	August	September	October	November	December
Properties	29,204	29,161	29,691	29,496	29,888	30,222	32,264	31,137	31,532	31,577	31,361	31,567

Third Party Data – Lighthouse and STR

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.

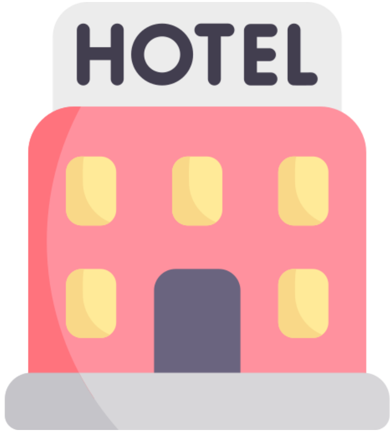
	January	February	March	April	May	June	July	August	September	October	November	December
Open	131	132	133	132	132	131	131	131	130	130	130	129
Closed	19	18	17	18	18	19	19	19	20	20	20	21

Weighting – WAOS

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

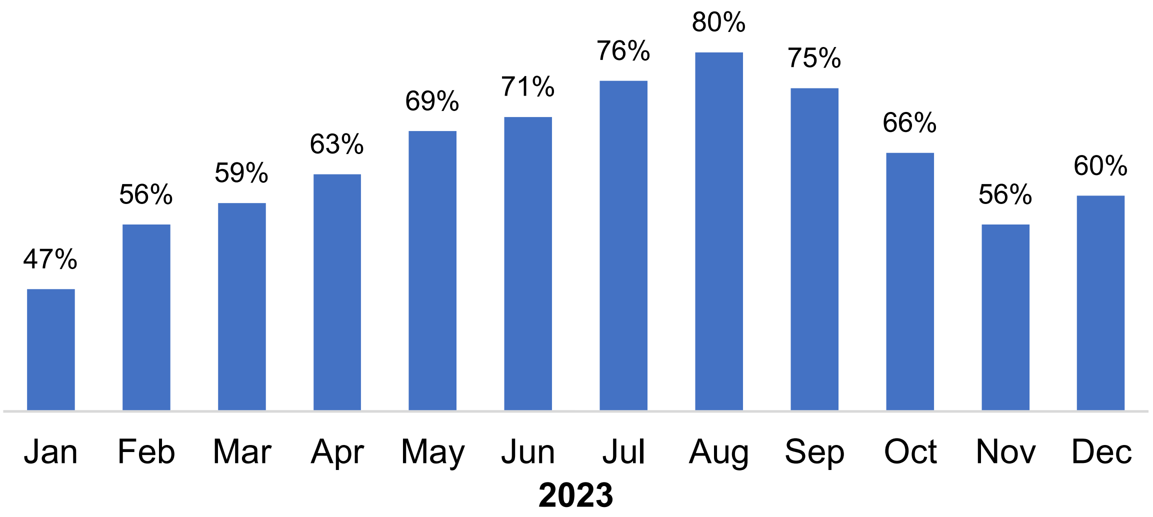


Serviced Sector

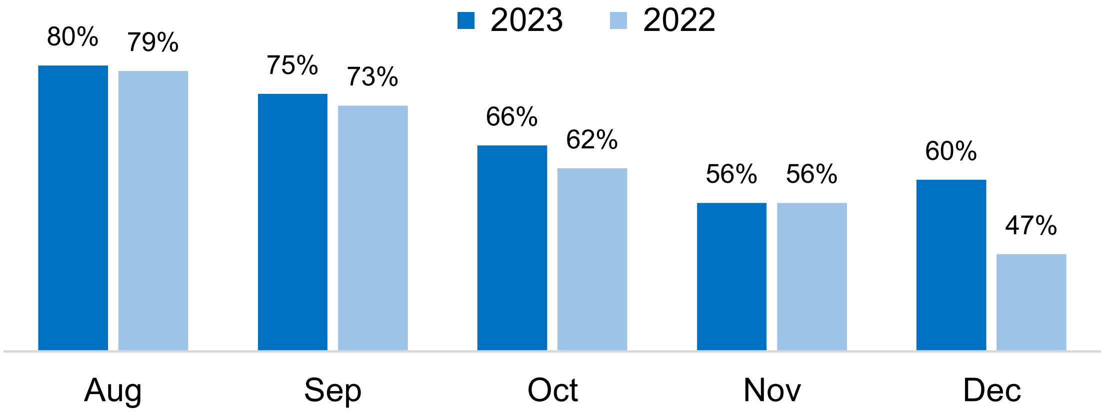
Similar performance to 2022

- In height of tourism season in August, serviced sector reached 80% room occupancy
- Where comparisons are possible (last five months), occupancy in 2023 was similar to 2022, except in December
- Recent barometer reported that 29% of serviced businesses received more guests in 2023 vs 2022, which was similar with those receiving fewer guests (30%)

Serviced overall room occupancy by month



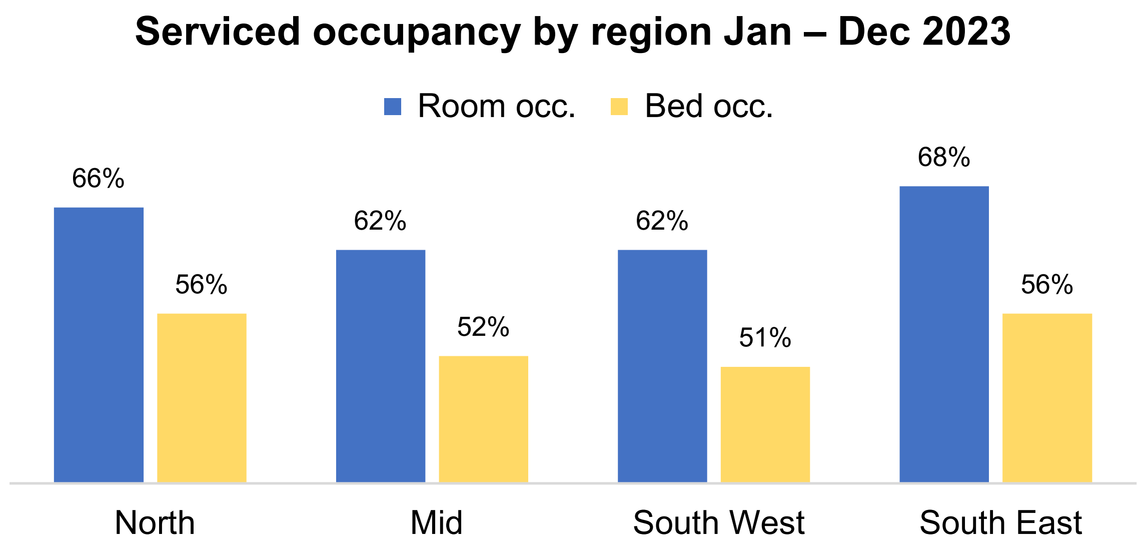
Year-on-year comparison of serviced room occupancy by month



Serviced Sector

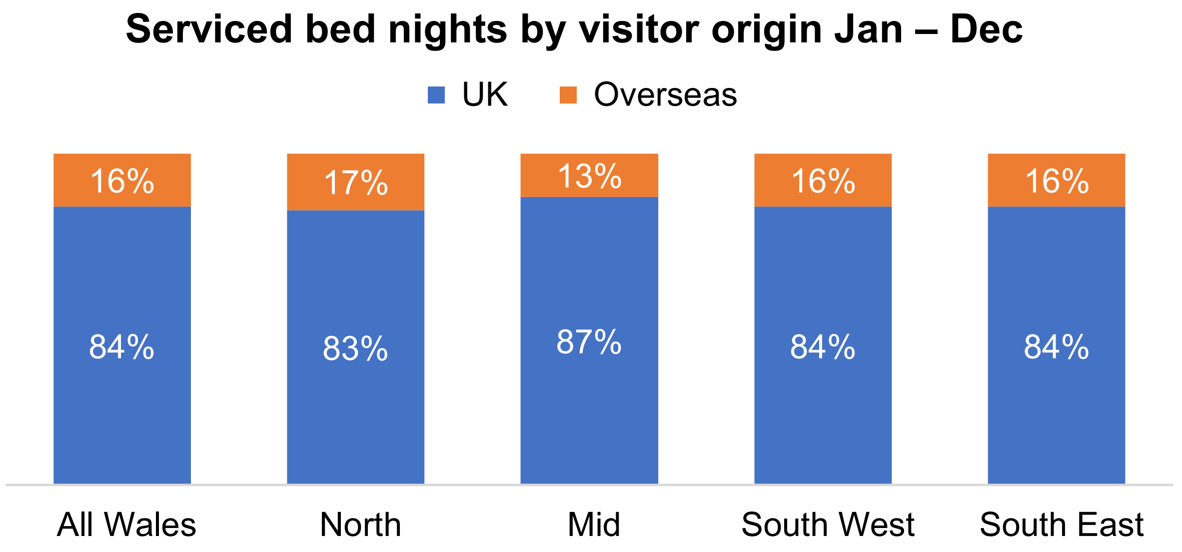
Some differentiation by region

- South East Wales fared better than South West & Mid Wales, with North Wales in between



Consistent visitor profile across four regions

- Profile of visitors overall about 5/6ths UK and 1/6th overseas
- Comparing like-for-like for August, proportion of overseas visitors increased from 14% in 2022 to 20% in 2023
- No significant differences by region
- No chain hotels in sample may influence result for South East (with chain hotels included, its proportion of overseas visitors may be higher than shown here)
- Barometer findings suggest level of overseas visitors in 2024 expected to be up on 2023 for serviced

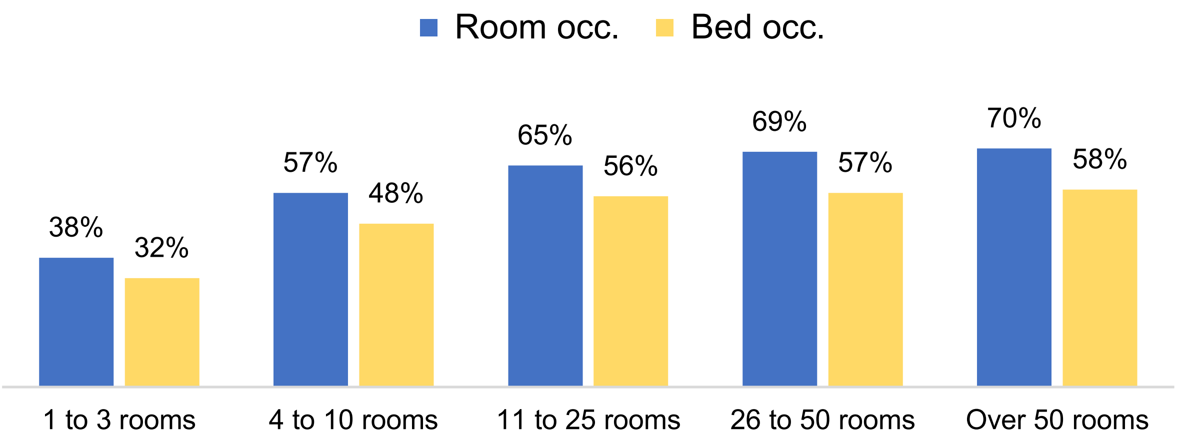


Serviced Sector

Larger properties fill the beds better

- Large jump in % occupancy between 1-3 room and 4-10 room properties
- Properties with 11+ rooms performed better than those with 4-10 rooms
- Data from larger hotel chains gathered by STR Global separately is on the following slides

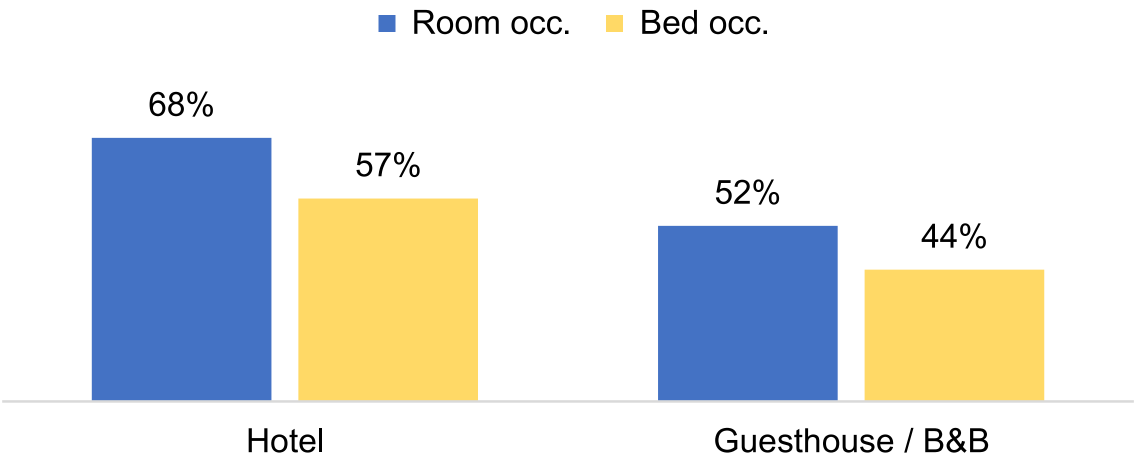
Serviced occupancy by property size Jan – Dec



Split by property type consistent with split by size

- Chart opposite shows split by property type, which is similar to splitting by size
- Results show clear differences in occupancy between the two property types

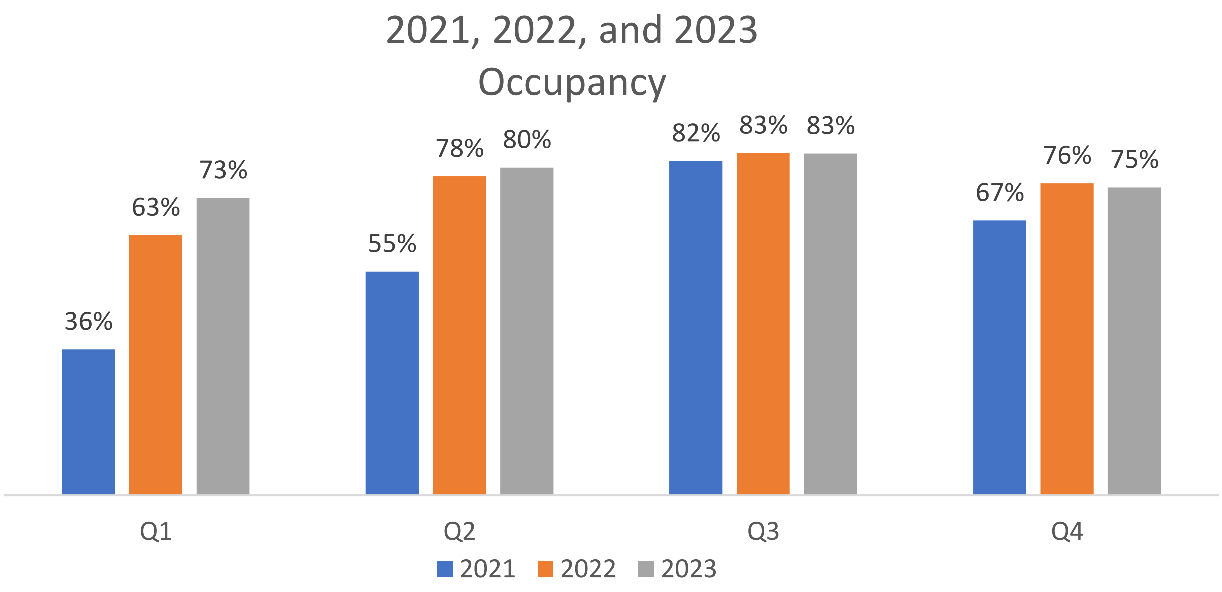
Serviced occupancy by property type Jan – Dec



STR Global – Hotel Data

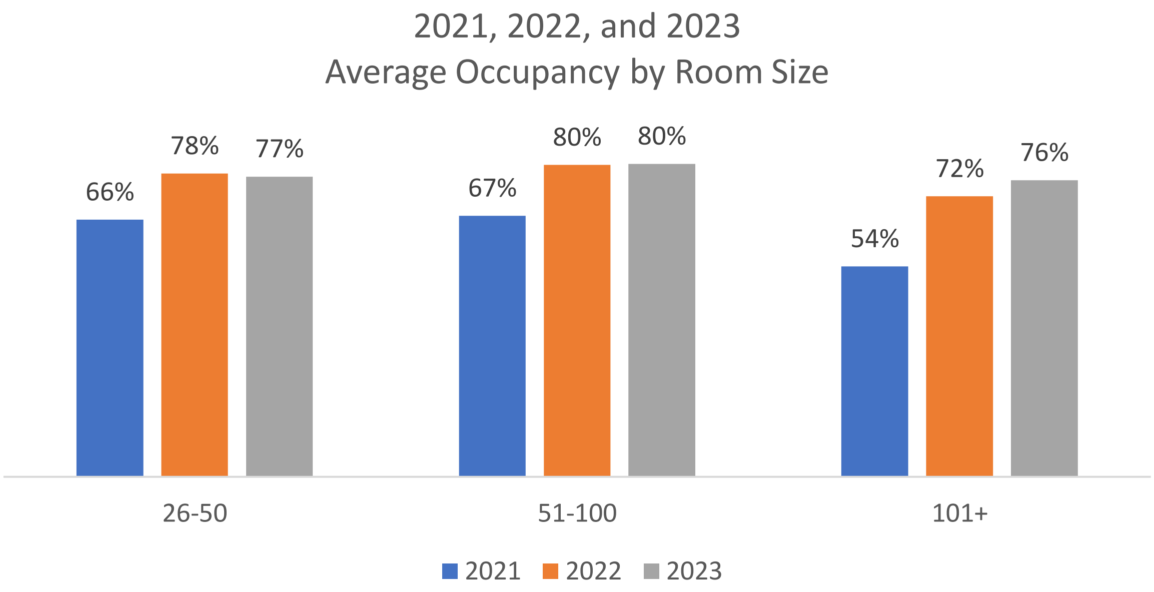
Quarterly Analysis

- When viewed quarterly across all property sizes there is a peak in occupancy levels in Q3 (July – September) at 83% which matches 2021 and 2022 data.
- Q1 (73%) and Q2 (80%) both outperformed 2022 figures, but Q4 is down 1 percentage point on 2022 at 75%. This seasonal pattern matches other sectors of the accommodation economy.
- By comparison, the trend since 2021 is increases across Q1, Q2, and Q4 with Q3 remaining relatively flat (but higher than the other time periods).



Room Size

- STR Data shows, similar to the data gathered by SRI, that properties with 51-100 rooms outperform smaller sized properties (80% occupancy)
- Very large hotels (101+ rooms, 76% occupancy) perform slightly worse than smaller properties (77% occupancy) suggesting there is a “sweet spot” for size of serviced accommodation in Wales.
- Since 2021 all room categories have shown growth suggesting a post-COVID recovery.

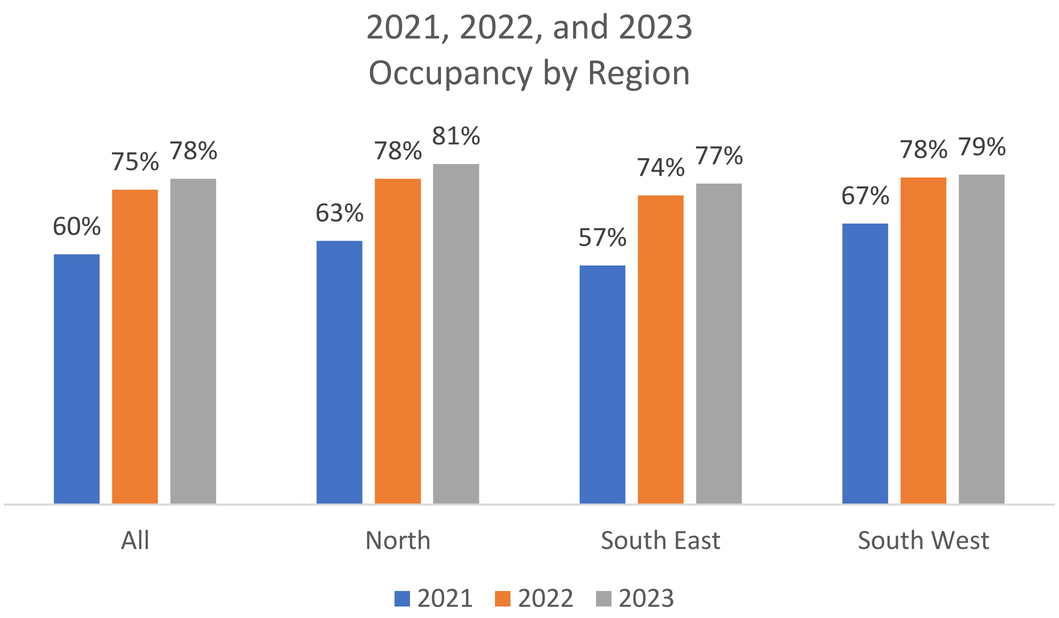


STR Global – Hotel Data

Regional Variation

- When we look at a regional split against the total (titled All in the graph) we can see that the average across all regions for 2023 (78%) belies some variation across regions with the North (at 81%) compared to the South East (at 77% occupancy) and the South West (79%).

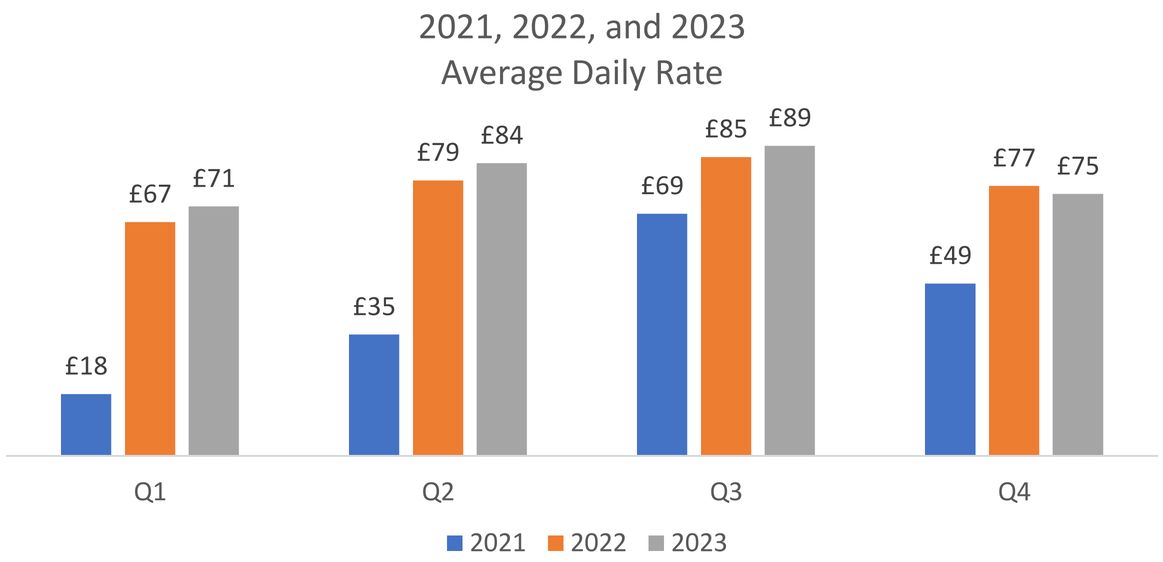
- Looking at the trend since 2021 we can see growth in all regionals year on year with the South East showing the largest growth gaining 20 percentage points from 2021 to 2023.



STR Global – Hotel Data

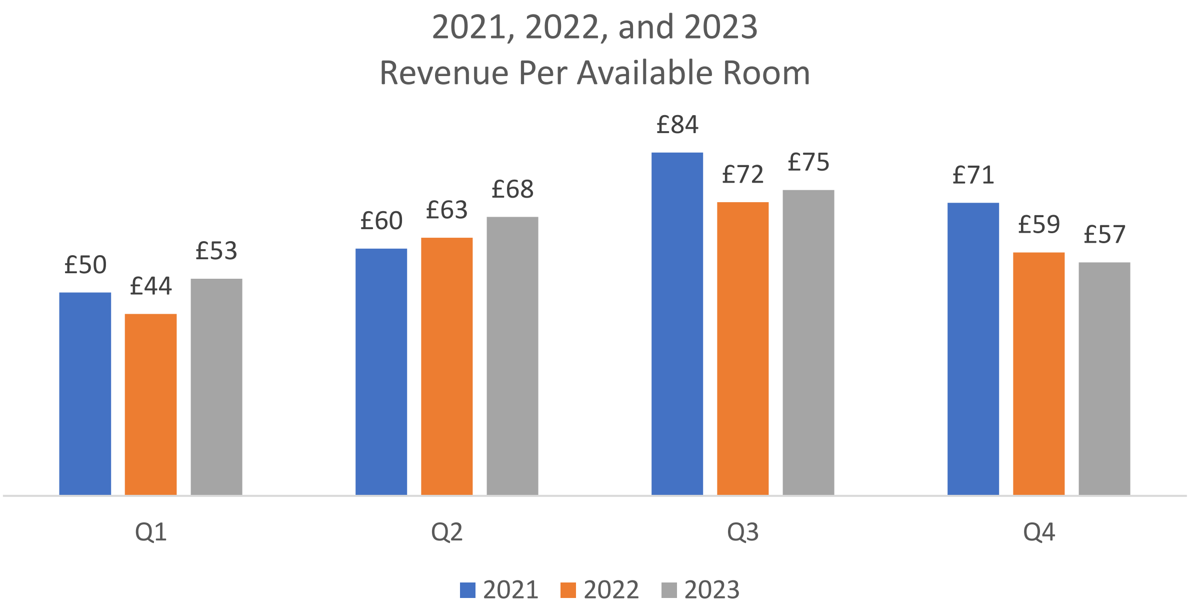
Average Daily Rate

- An analysis of Average Daily Rate shows a similar seasonal spread to Occupancy, notably that prices peak in August (£89) but unlike with occupancy data prices remained higher in Q4 (£75) compared to Q1 (£71), Q2 at £84 shows a steady rise in prices toward the summer.
- The trend since 2021 shows sizeable increase in ADR from 2021 to 2022 across the whole year and a lesser rise from 2022 to 2023 with Q1, Q2, and Q3 showing a slight decrease in Q4.



Revenue Per Available Room

- 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 year on year, showing a similar pattern of rising in Q1 (£53) to Q2 (£68) and peaking in Q3 with £75, similarly Q4 showed a decline (£57) but not as low as Q1
- The trend since 2021 shows a consistent in-year pattern of RevPAR rising through the year to Q3 then falling slightly in Q4.



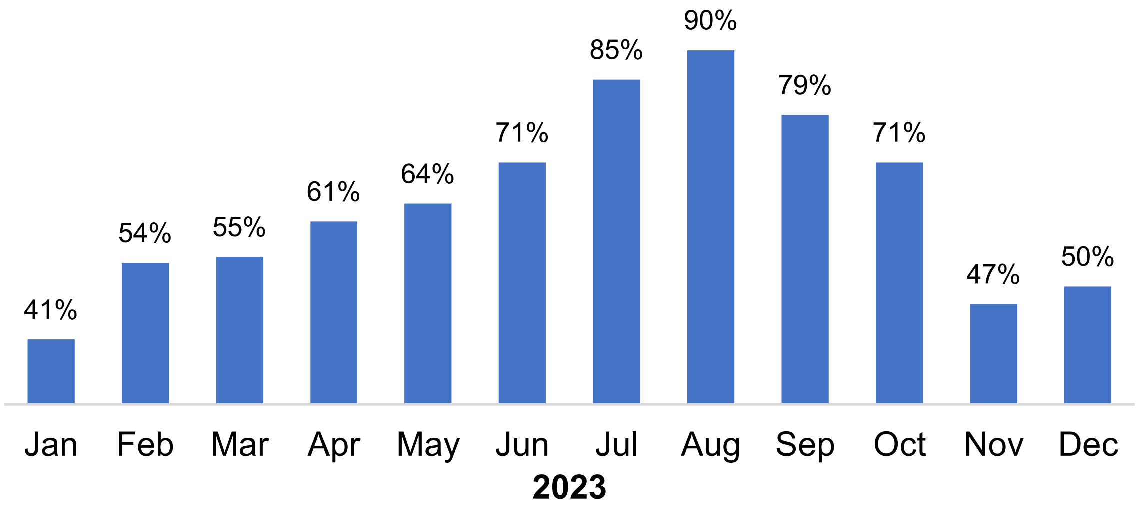
Self catering sector

Self Catering Sector

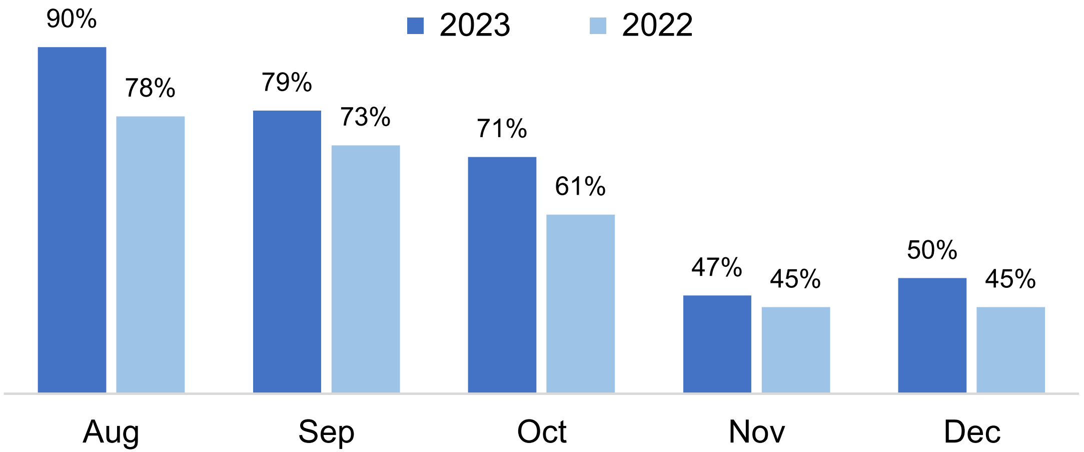
Better 2023 performance vs 2022 where comparable

- Where comparisons can be made (Aug – Dec), occupancy in 2023 was significantly higher than 2022, peaking at 90% in August.
- Recent barometers reported more self catering businesses were down than up in summer (38% down vs 11% up) and overall in 2023 compared to 2022 (42% down vs 19% up)
- Difference between research results is explained by barometer measuring *% of businesses* rather than *occupied % of available units in sector* – therefore the occupancy survey results are naturally weighted by business size

Self catering overall unit occupancy by month



Year-on-year comparison of self catering unit occupancy by month



Self Catering Sector

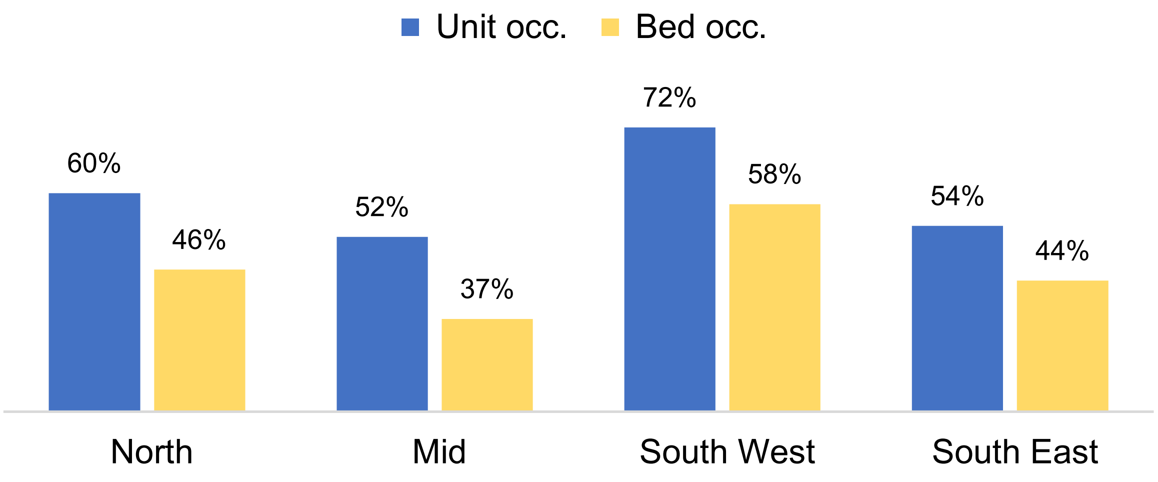
Strong performance in South West

- South West Wales occupancy in 2023 was well ahead of other regions (72%) – as was the case where data is available for 2022

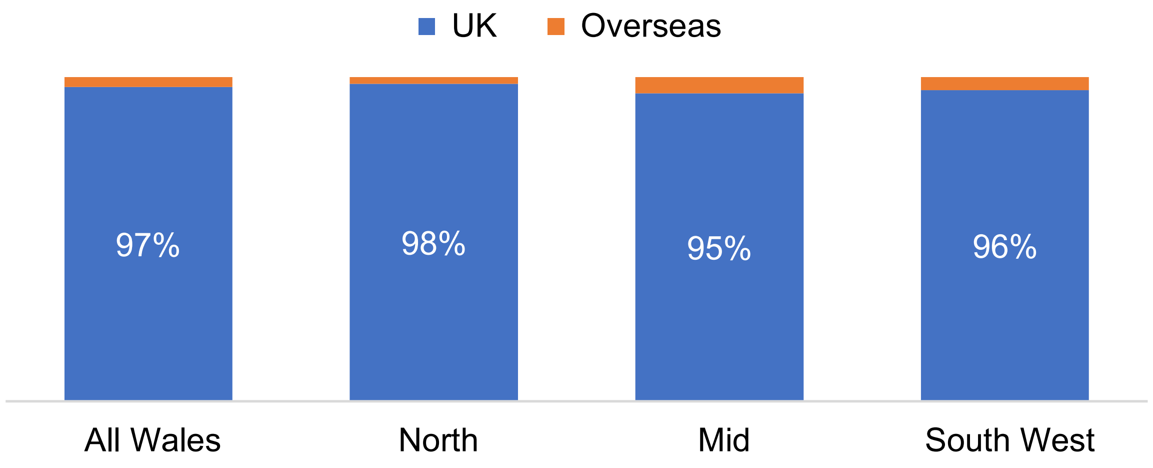
Nearly all domestic visitors for self catering

- Highest proportion (97%) of UK guests of any sector

Self catering occupancy by region Jan – Dec



Self catering bed nights by origin Jan – Dec



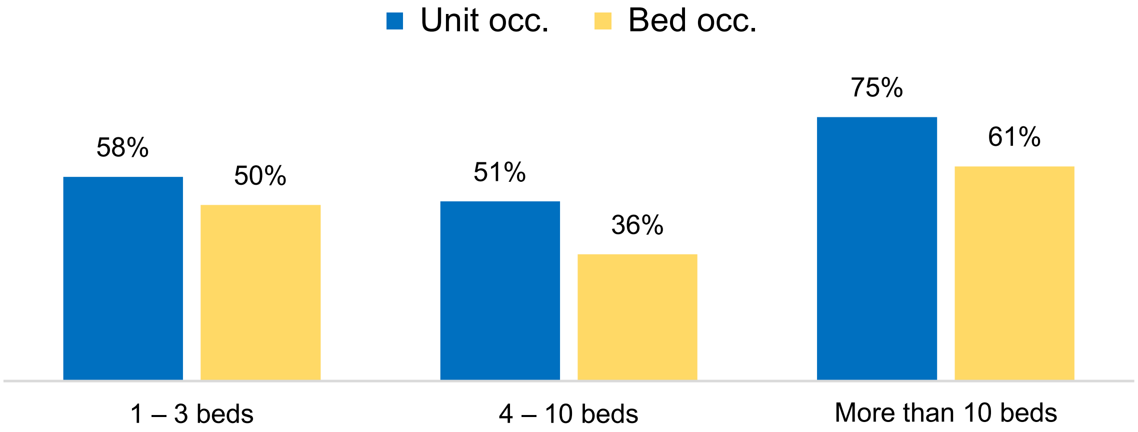
South East sample size too small to show split

Self Catering Sector

Larger businesses achieve better % occupancy

- Much lower occupancy in smaller properties explains why barometer reported more businesses down than up vs 2022, but overall sector occupancy of units & beds is up on 2022
- This is because occupancy survey results are naturally weighted by business size
- Businesses with more than 10 beds (across one or more units) were much fuller during 2023

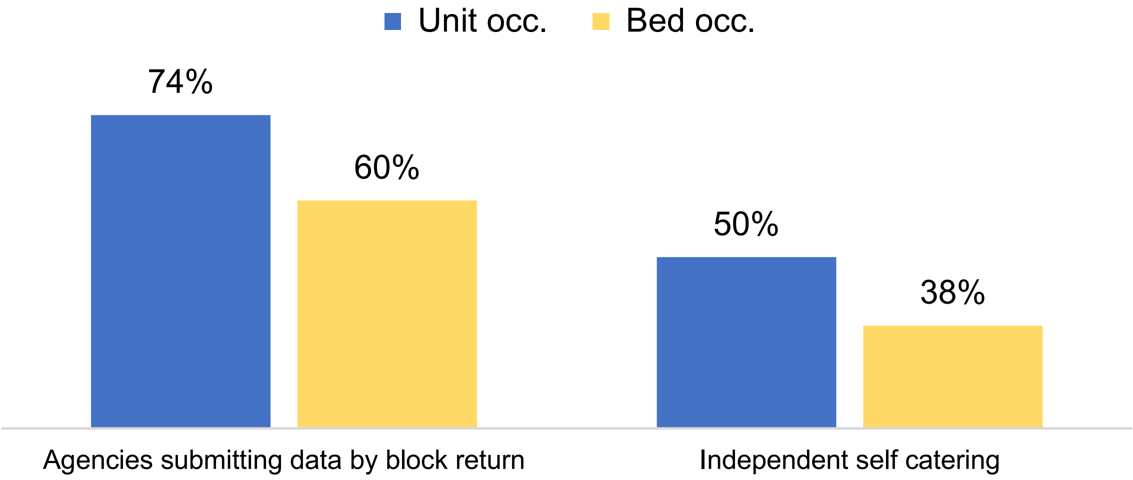
Self catering occupancy by size Jan – Dec



Agency businesses achieve better % occupancy

- Businesses which are part of an agency or collective group achieved 74% unit occupancy – significantly higher than independent businesses (50%)

Self catering occupancy by type Jan – Dec

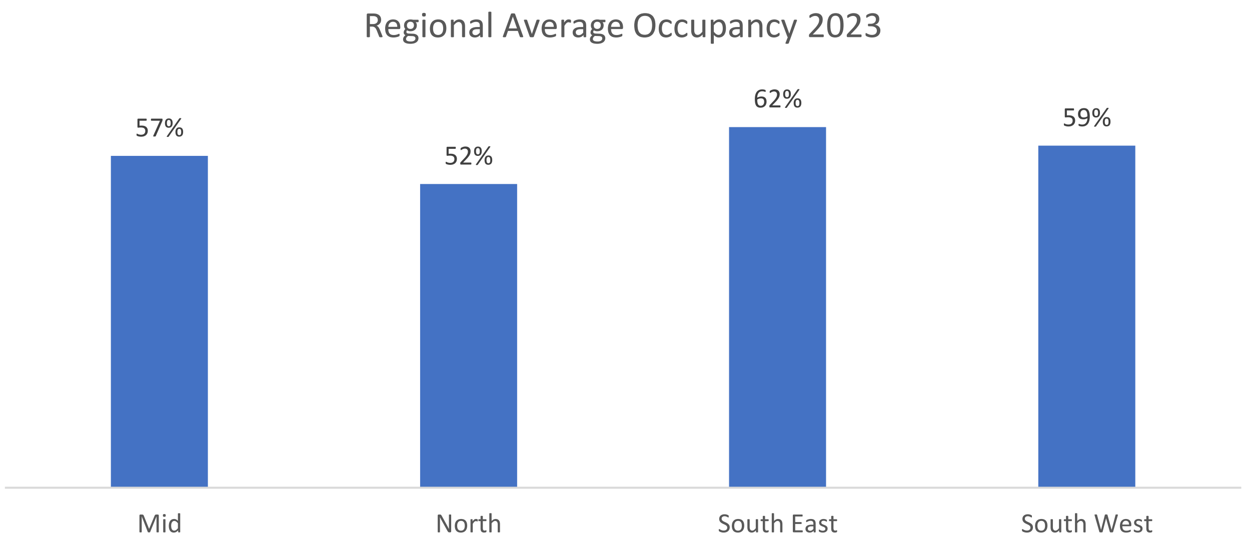


Lighthouse Intelligence – Short Term Let Data

Regional Variation

- Full year regional data from Lighthouse show a strong performance in the South East (62%) which is likely due to the high number of agency owned properties in the region.

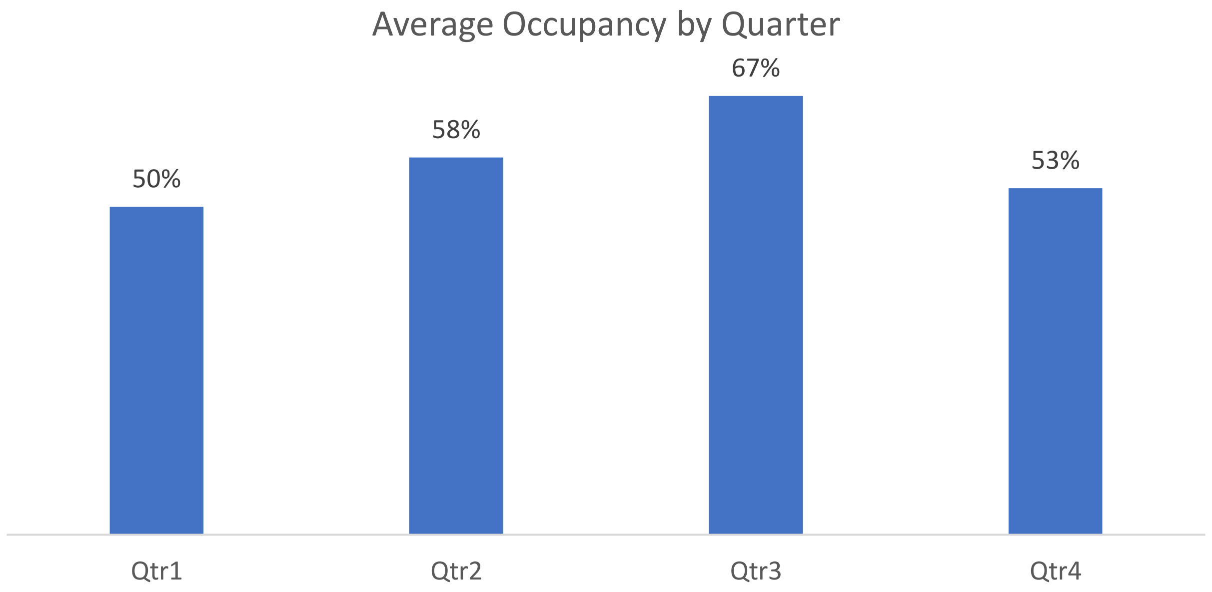
- The South West (59%) and Mid Wales (57%) region performed similarly well however the North had the lowest overall occupancy levels at 52%.



Seasonal Variation

- Analysis by quarter shows an expected pattern of rising occupancy into the summer (Q3) period peaking at 67%. Q1 (50%) and Q4 (53%) perform similarly with a steady rise into Q2 (58%).

- All regions operated within the range of averages from throughout the year.

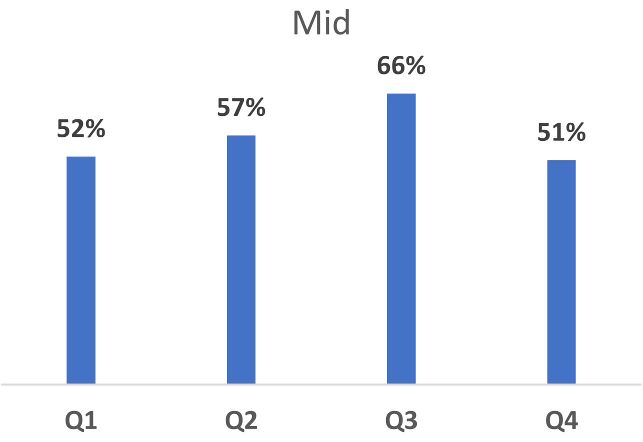


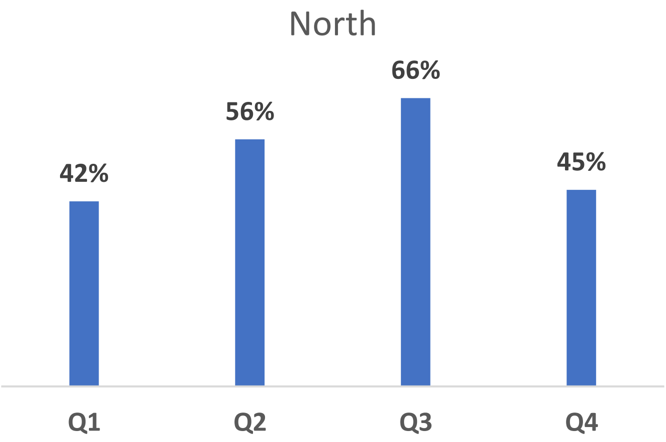
Lighthouse Intelligence – Short Term Let Data

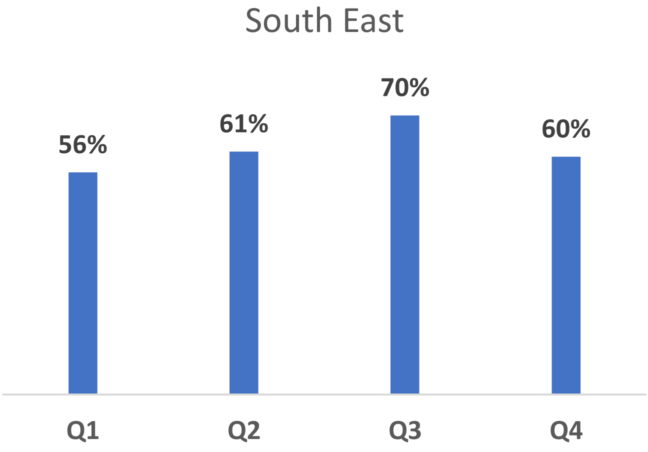
Regional / Seasonal Comparisons

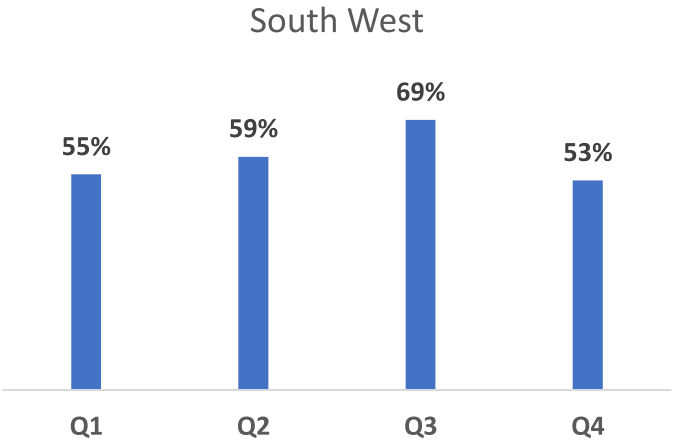
- When looked at together we can see that each region follows a similar pattern, with all regions peaking in Q3, with the South East recording the highest (70%)

- North Wales had the largest variation from 42% in Q1 to 66% in Q3 (a range of 24 percentage points) suggesting a much stronger seasonal market whereas Mid, South East and South West Wales both report relatively flat ranges (14, 14 and 16 percentage points respectively)

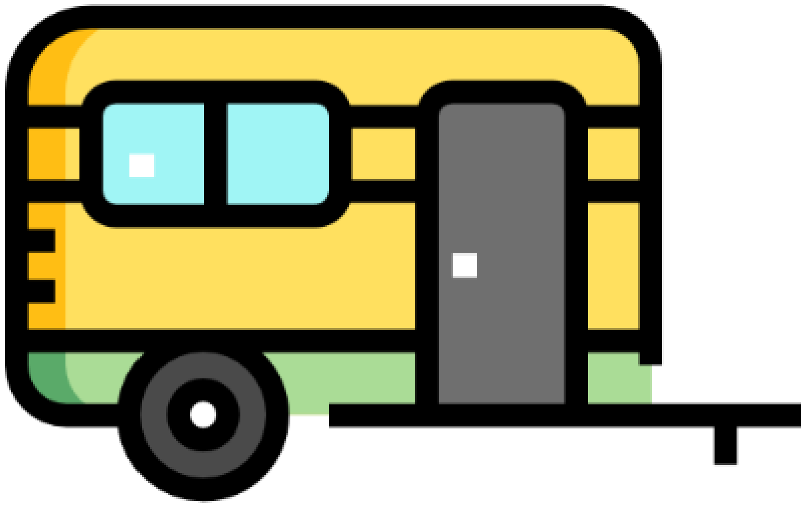








Caravan & camping sector



Caravan & Camping Sector

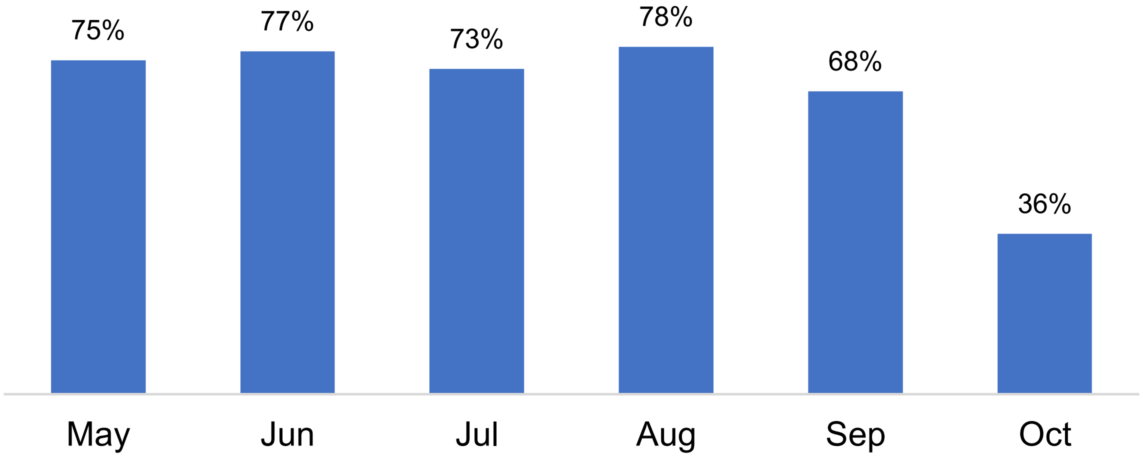
Key summer period blighted by bad weather

- Pitch occupancy achieved good levels in May (75%) & June (77%)
- But then occupancy saw no significant increase in key months of July (73%) & August (78%)
- August 2022 was much busier by comparison
- Summer 2023 Barometer reported far more caravan & campsites to be down on visitors during summer compared to those reporting to be up
- Bad weather in early weeks of school summer holiday had a significant effect on business
- Sharp difference in Oct 2023 vs 2022 is due to absence of one key operator in sample which normally performs well in shoulder season

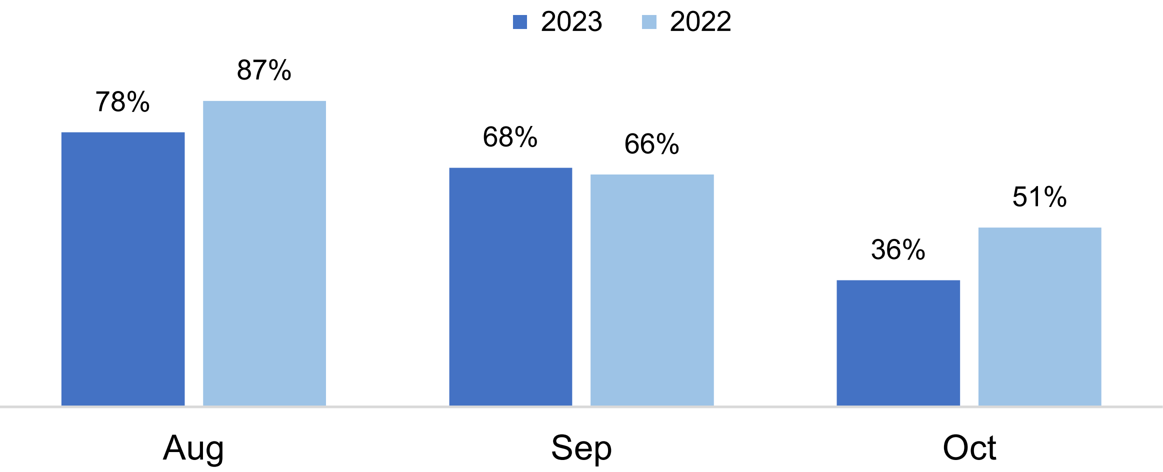
Return of overseas visitors

- 18% of visitors between May & October 2023 came from overseas
- Between August & October 2022, only 5% were overseas

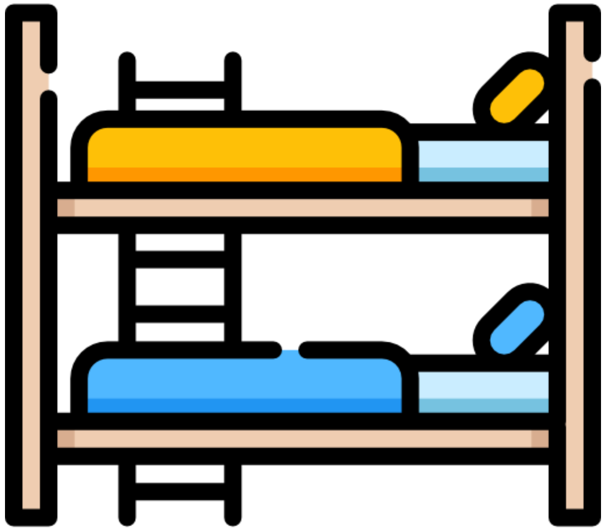
Caravan & camping pitch occupancy by month



Year-on-year comparison of caravan & camping pitch occupancy by month



Hostel sector



Hostel Sector

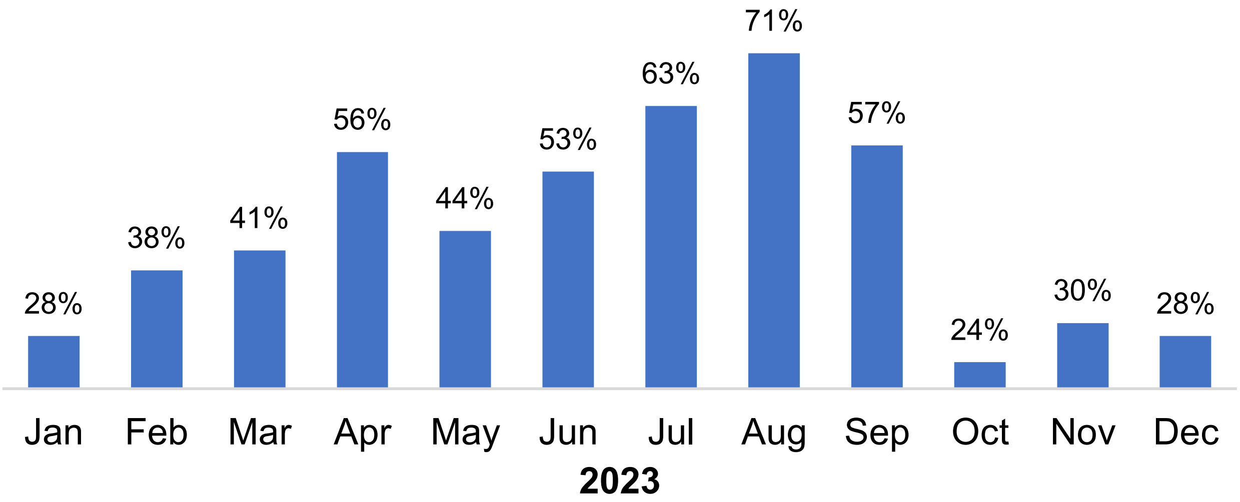
Strong seasonal variation

- Bed occupancy peaked at 71% in August 2023 – similar to August 2022
- Sector experienced strong monthly variation in 2023, with September occupancy (57%) much higher than September 2022 (43%), but then occupancy fell sharply to 24% in October (43% in 2022)
- Monthly sample size for hostels is small and therefore subject to quite wide fluctuation sometimes

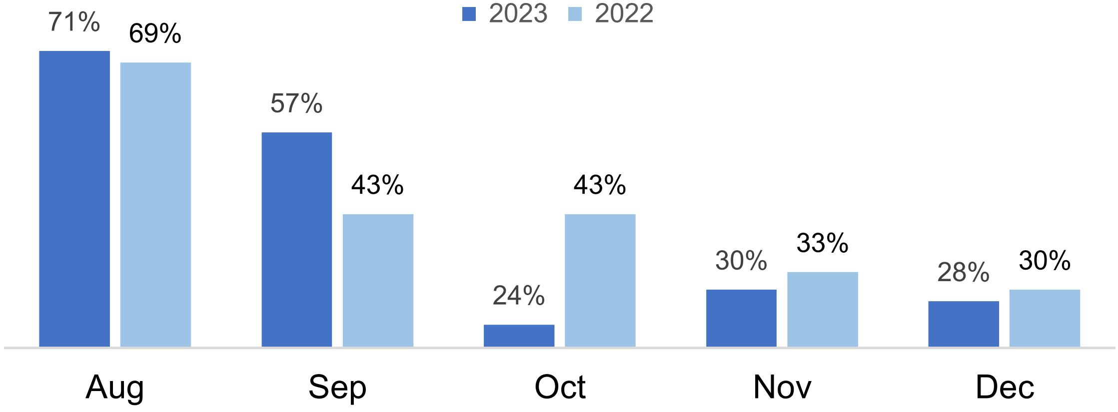
UK vs overseas split

- 90% of visitors in 2023 from UK; 10% from overseas
- Comparable to last year where data is available

Hostels bed occupancy by month



Year-on-year comparisons of hostels bed occupancy by month



Implications

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Implications for Visit Wales and Partners

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Where is support needed the most?

- As in 2022, there remains a clear divide in % occupancy levels between larger and smaller operators, and between block returners and independents suggesting the larger, more 'corporate' accommodation providers are outperforming the smaller and/or independently owned properties.
- Comments in barometer surveys during the past few years often show that small independent operators rely on either repeat customers (especially in self catering) or reluctantly signing up to dominant OTAs and sacrificing a lot of margin for volume
- Visit Wales' support on how to compete would therefore be appreciated by many smaller operators
- Broadly speaking the accommodation sector has now recovered in terms of volume; however high prices and decreased spending power have affected the profitability of organisations. As mentioned above, the Wales Tourism Business Barometer shows shrinking margins and a perceived difficult operating environment.

STR and Lighthouse Data

- STR data continues to show larger chain hotels outperform smaller, independent serviced accommodation
- Lighthouse data continues to show that Short Term Lets achieve somewhat lower occupancy levels and many independently owned properties are likely to be affected by the "182" rule impacting payment of Council Tax premiums

Appendices

Sampling – Serviced Sector by Type

Serviced sector by type

Sector / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	138	146	284	139	126	265	145	104	249	147	26	173	136	13	149	155	20	175
Hotels	69	34	103	72	25	97	70	20	90	58	7	65	49	5	54	61	11	72
Guesthouse / B&B	69	112	181	67	101	168	75	84	159	89	19	108	87	8	95	94	9	103

Sector / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	151	18	169	144	17	161	137	18	155	149	75	224	136	89	225	128	107	235
Hotels	71	8	79	68	6	74	66	6	72	79	22	101	78	22	100	73	30	103
Guesthouse / B&B	80	10	90	76	11	87	71	12	83	70	53	123	58	67	125	55	77	132

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Sampling – Serviced Sector by Region

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Serviced sector by region

Sector / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	37	59	96	37	49	86	44	36	80	53	6	59	40	2	42	52	6	58
Mid	38	31	69	39	27	66	38	24	62	31	5	36	29	3	32	35	2	37
South West	44	44	88	46	39	85	46	32	78	47	13	60	55	6	61	54	10	64
South East	19	12	31	17	11	28	17	12	29	16	2	18	12	2	14	14	2	16

Sector / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	55	3	58	53	4	57	49	4	53	58	30	88	48	46	94	44	56	100
Mid	39	3	42	36	2	38	35	2	37	34	11	45	33	10	43	32	12	44
South West	44	9	53	43	8	51	41	9	50	37	29	66	37	26	63	35	29	64
South East	13	3	16	12	3	15	12	3	15	20	5	25	18	7	25	17	10	27

Sampling – Self Catering Sector by Type

Self catering sector by type

Type / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	729	128	857	656	165	821	698	115	813	942	36	978	934	23	957	951	23	974
Block return	611	113	724	571	153	724	617	107	724	818	19	837	831	16	847	847	12	859
Independ-ent	118	15	133	85	12	97	81	8	89	124	17	141	103	7	110	104	11	115

Type / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	187	8	195	161	8	169	185	6	191	174	31	205	135	28	163	128	32	160
Block return	108	0	108	101	0	101	105	0	105	97	0	97	66	0	66	62	0	62
Independ-ent	79	8	87	60	8	68	80	6	86	77	31	108	69	28	97	66	32	98

Sampling – Self Catering Sector by Region

Self catering sector by region

Sector / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	32	6	38	24	3	27	24	2	26	127	7	134	125	2	127	131	3	134
Mid	345	54	399	308	82	390	329	59	388	387	19	406	391	9	400	393	8	401
South West	354	67	421	328	80	408	350	53	403	421	10	431	411	10	421	420	10	430
South East	12	2	14	9	2	11	9	2	11	7	0	7	7	2	9	7	2	9

Sector / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	122	5	127	115	6	121	125	2	127	117	15	132	81	15	96	76	17	93
Mid	25	1	26	21	2	23	29	1	30	24	6	30	23	5	28	20	8	28
South West	34	2	36	20	0	20	21	3	24	8	1	9	7	1	8	7	1	8
South East	6	0	6	5	0	5	10	0	10	25	9	34	24	7	31	25	6	31

Sampling – Caravan & Camping Sector by Type and Region

Caravan & camping sector by type

Sector / Month	May sample			Jun sample			Jul sample			Aug sample			Sep sample			Oct sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	52	1	53	40	0	40	47	1	48	46	0	46	35	3	38	31	36	67
Block return	5	0	5	5	0	5	5	0	5	5	0	5	5	0	5	0	0	0
Independ-ent	47	1	48	35	0	35	42	1	43	41	0	41	30	3	33	31	36	67

Caravan & camping sector by region

Sector / Month	May sample			Jun sample			Jul sample			Aug sample			Sep sample			Oct sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	11	0	11	10	0	10	13	0	13	13	0	13	10	1	11	9	18	27
Mid	16	0	16	15	0	15	13	0	13	13	0	13	7	1	8	8	6	14
South West	15	1	16	6	0	6	13	0	13	12	0	12	11	1	12	10	10	20
South East	10	0	10	9	0	9	8	1	9	8	0	8	7	0	7	4	2	6

Sampling – Hostel Sector by Type

Hostel sector by type

Type / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	20	12	32	21	10	31	19	9	28	29	2	31	23	4	27	26	3	29
Block return	-	-	-	-	-	-	-	-	-	11	0	11	11	0	11	11	0	11
Independ-ent	20	12	32	21	10	31	19	9	28	18	2	20	12	4	16	15	3	18

Type / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
Overall	28	2	30	27	4	31	27	4	31	23	7	30	20	9	29	20	8	28
Block return	11	0	11	11	0	11	11	0	11	10	0	10	6	0	6	4	0	4
Independ-ent	17	2	19	16	4	20	16	4	20	13	7	20	14	9	23	16	8	24

Sampling – Hostel Sector by Region

Hostel sector by region

Sector / Month	Jan sample			Feb sample			Mar sample			Apr sample			May sample			Jun sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	6	3	9	6	2	8	7	0	7	13	0	13	9	0	9	9	0	9
Mid	2	3	5	3	2	5	3	2	5	5	1	6	3	1	4	4	0	4
South West	8	3	11	8	2	10	6	3	9	9	0	9	9	1	10	10	1	11
South East	4	3	7	4	4	8	3	4	7	2	1	3	2	2	4	3	2	5

Sector / Month	Jul sample			Aug sample			Sep sample			Oct sample			Nov sample			Dec sample		
	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total	Open	Closed	Total
North	10	0	10	9	1	10	9	1	10	8	2	10	7	4	11	6	3	9
Mid	4	0	4	4	0	4	4	0	4	5	1	6	4	1	5	4	1	5
South West	12	1	13	12	1	13	12	1	13	9	1	10	8	1	9	1	3	4
South East	2	1	3	2	2	4	2	2	4	1	3	4	1	3	4	9	1	10