Visit Wales Accommodation Occupancy Survey Annual Report 2021

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Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

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the research solution

Acknowledgements

We would like to acknowledge the support and assistance from the operators in the accommodation sector who submit their data to the Visit Wales Occupancy Survey each month. Without their contribution, the data shown in this report would not be possible.

Introduction

An occupancy survey has been continuously undertaken amongst graded hotel accommodation providers since 1972 to monitor levels of demand for hotel rooms and beds in Wales. To comply with the requirements of the EU Directive on Tourism Statistics, the survey was extended in 1997 to cover all serviced accommodation, including guest houses, bed and breakfast establishments and non-graded serviced accommodation. The Visit Wales Accommodation Occupancy Survey forms a vital part of tourism intelligence gathering in Wales and is used to monitor performance, shape business plans and inform marketing strategy.

The self-catering survey has been conducted in varying formats since 1987. The survey covers self-catering accommodation, caravan holiday homes, touring caravan and camping parks. In addition, in 2008, hostels and bunkhouses were also included within the coverage of the survey.

This is a summary report of the 2021 Visit Wales Accommodation Occupancy Survey with comparisons to previous years where available, taking into account the temporary closure of many accommodation businesses during several months throughout the year [1]. A full set of data tables showing trends over the last 10 years is available as an appendix to this report.

[1] See weighting information on slide 10

Introduction

The key objectives of the occupancy survey are to monitor and evaluate accommodation performance trends and to inform national and regional tourism planning and development for Visit Wales and other tourism stakeholders. Furthermore, the survey provides business intelligence for accommodation providers and other tourism businesses to assist with their growth and development. Benchmarking reports showing comparisons with other accommodation providers are available to all participants returning their data each month and provides insightful information for businesses.

Change in Occupancy Reporting

In January 2014, a change was made to hotel occupancy data with the inclusion of syndicated data for about 100 larger hotels (with 100+ rooms) provided by STR in the overall Wales hotel occupancy calculation. This data has been included since 2014. The inclusion of this data makes the survey more robust but impacts on trends before 2014. The hotel section shown within this report has been written by STR for inclusion in the overall annual report.

Introduction

TERMINOLOGY

Room Occupancy - The number of rooms occupied during the month expressed as a percentage of the total number of rooms available during the month (taking into account any temporary closures or increases in the number of rooms available each night).

Bedspace Occupancy - The number of overnight stays during the month expressed as a percentage of the total number of bedspaces available during the month (taking into account any temporary changes in the number of beds available each night).

Unit Occupancy - is measured by relating the number of units let to the total number available for let during that time.

Context

2021 started with temporary closures across businesses in the accommodation sector with COVID-19 lockdown restrictions in place. There continued to be a significant impact on both domestic and international tourism. In Wales, accommodation was affected across all sub sectors although not to the extent seen in 2020.

The first three months of 2021 saw accommodation closed with the exception of essential workers. On 27 March 2021 – Wales became the first UK nation to lift travel restrictions within its borders and self-contained tourist accommodation without shared services were permitted to re-open.

Visitor accommodation with shared services was allowed to reopen on 17th May and visitors were once again able to travel and stay overnight in Wales.

The summer months saw an upturn in staycation holidays with international travel restrictions still in place across many countries, helping **some** accommodation businesses to return to levels seen before the pandemic.

With a new variant of COVID-19 detected (Omicron) during November, many businesses saw bookings cancelled during December. Across all sectors, the impact was felt and further restrictions and COVID-19 alert level 2 in place from 26 December 2021, restricting the number of people at social gatherings, and a return of two metre social distancing.

Context (continued)

It should be noted that due to the effects of the lockdowns on data collection, not all of the charts within each section are based on the same periods or metrics and this report includes data based on periods of 8 or 12 months, depending on the base sizes of available data. In the hotel sector, it was not possible to show 12 months' analysis for 2021. In some of the breakdowns there were data gaps in January, February and March for one or more of the analysis categories. In other sectors, the charts are based on a full 12 months' average even though establishments were closed for some parts of the year, as the yearly occupancy average weights equally all data submitted throughout the year for those establishments that were open.

The data in this report is based on net occupancy which refers only to those businesses that were open and who provided data during this period. This means that the data may be less reliable than in previous years and caution should be taken when interpreting the results. However, this analysis is important for understanding patterns and trends in occupancy in during the year.

Methodology

The Research Solution Ltd have been collating data for the Visit Wales Accommodation Occupancy Survey since 2013, with additional hotel data supplied by STR, incorporated into the overall totals for hotel accommodation. The survey is an online monthly survey using data collected via RIBOS, the online web portal. Data is also received via email in Excel/Word, by post and over the telephone. A number of large agencies provide data for self-catering and data is also provided by the Caravan and Camping Club and the YHA.

At the start of each month an email is sent to all online and email participants with follow-up reminders via email or telephone 2 weeks after the initial contact. Information requested varies by sector as follows:

Serviced
Arrivals
Guests (including business)
Rooms occupied
Additional beds and rooms used (if any)
Number of overseas guests
RevPAR

Self-Catering
Units
Number of nights let
Tariff
Party size

Caravan/Camping Parks
Number of pitches
Pitches let
Tariff per pitch

Hostels
Arrivals UK/Overseas
Guests (UK/Overseas)
Additional beds used (if any)

Due to a change in methodology in 2020, hotel and guesthouse/B&B data cannot be compared with previous years. Please see Slide 11 for further information.

Methodology

Once the monthly data is received, the data is then analysed and aggregated results are available for all participating establishments to view their own results along with the option to compare with other accommodation providers in their peer group.

Although the average sample in the serviced sector has remained fairly consistent the self-catering sector has witnessed a decline of over 50% as a result of one large agency not providing data during 2021. This has greatly impacted the sample in this sector and in particular, across South East Wales. This is covered in more detail in the self-catering section within this report. A full monthly breakdown of sample sizes by sector is shown is Appendix 2.

The overall annual average sample for each sector is shown below:

Sector	Annual Average	
Hotels	132	(29 via RIBOS, 103 provided by STR)
B&Bs/Guesthouses	11	
Self-Catering Units	243	16% Independents and 84% supplied by large agencies
Touring & Static Caravans	24	May to October (includes camping pitches)
Hostels/Bunkhouses	15	

Completed forms are returned to The Research Solution for analysis at the end of the month. Data for the whole of 2021 was re-run following the end of the year to include additional hotel data received from STR and any data forms returned after the monthly analysis was complete.

The figures reported are based on the annual re-run and therefore may vary from those initially produced in the quarterly reports.
Please note that the relatively small sample sizes across some of the sectors shown within this report, along with monthly variations in those providing data, should be considered when comparing data.

Change in Weighting

During several months of 2020 and 2021, a significant number of hotels, and guesthouses/B&B's were not open due to COVID-19 restrictions resulting in only a small number of hotels and guesthouse/B&B's providing data, which impacted the weightings. Weighting of occupancy data is designed to adjust for different levels of response across regions and size bands but when the sample size is small the effect of the weighting for certain regions or size bands can be exaggerated. In the months of COVID-19 lockdown when sample sizes in some regions were in single figures, it would have had the effect of making individual establishments dominate the results. Therefore, the data in 2020 and 2021 is presented unweighted and only reflects occupancy levels of responding hotels and guesthouse/B&B's which were open in the relevant month. Due to this, it should be noted that the hotel and guesthouse/B&B occupancy data shown in this report for 2020 and 2021 cannot be interpreted as representing the serviced accommodation market as a whole, and given the methodological differences, is not comparable to 2018 and 2019 data shown within the hotel and guesthouse/B&B sections of this report.

Serviced Accommodation

This section presents a summary of performance for Hotels and B&B/Guesthouse accommodation

Room Occupancy - The number of rooms occupied during the month expressed as a percentage of the total number of rooms available

Bedspace Occupancy - The number of overnight stays during the month expressed as a percentage of the total number of bedspaces available

Wales in the UK Context

Hotels in Wales achieved higher room and bedspace occupancy in 2021 compared with 2020 as the overall impacts of the COVID-19 pandemic were less severe.

In 2021, room occupancy overall was 64%. Meanwhile, bedspace occupancy, the proportion of available bedspaces sold, was 44%. These levels were below pre-pandemic levels of performance but marked a significant improvement compared with 2020. More specifically, room and bedspace occupancy both increased by 42% in relative terms compared with 2020.

Hotels in Wales outperformed those in England in terms of room and bedspace occupancy. This finding was a reversal of historical trends as hotels in England have traditionally achieved higher room and bedspace occupancy than those in Wales. Stronger domestic tourism due to international travel restrictions and the increased appeal of rural destinations, among other factors, will have contributed to these results.

The data in this report is based on net occupancy which refers only to those businesses that were open and who provided data during this period.

UK - Hotel Occupancy (Annual)[1]

	2020	2021[2]
Scotland – room occupancy	24%	-
Scotland – bedspace occupancy	15%	-
Northern Ireland – room occupancy	27%	-
Northern Ireland – bedspace occupancy	22%	-
England – room occupancy	41%	54%
England – bedspace occupancy	29%	39%
Wales – room occupancy	45%	64%[3]
Wales – bedspace occupancy	31%	44%[3]

[1]Sources: Northern Ireland Statistics and Research Agency (NISRA), VisitScotland, VisitEngland.
[2]Data that was not publicly available when producing this report is indicated with '-'.
[3]The average annual room and bedspace occupancy is calculated using all data received for the whole year but sample sizes for each month will vary.

Wales in the UK Context - Revenue

In 2021, hotels in England and Wales achieved growth in two important hotel performance metrics – average daily rate (ADR) and revenue per available room (RevPAR) – compared with 2020 as the sector recouped some of the losses due to significant and prolonged muted demand and multiple national lockdowns in 2020.

Overall, in Wales ADR was £66.23 in 2021 which compared with £52.84 in 2020. This marked an increase in relative terms of 25% compared with 2020. Meanwhile, RevPAR, a particularly important hotel performance metric based on room revenue and available rooms, increased by 87% from £22.71 in 2020 to £42.38 in 2021.

Hotels in England grew ADR and RevPAR less steeply in 2021 compared with those in Wales. This was likely due, at least in part, to a less steep increase in demand and higher existing ADR and RevPAR in England compared with Wales. Overall, hotels in England achieved ADR growth of 16% and RevPAR growth of 52% compared with 2020.

UK - Hotel ADR & RevPAR (Annual)[4]

	2020	2021
England – ADR	£73.69	£85.55
England – RevPAR	£30.05	£45.81
Wales – ADR[6]	£52.84	£66.23
Wales – RevPAR[6]	£22.71	£42.38

[4]Sources: VisitEngland. Note: Hotel ADR and RevPAR data for Scotland and Northern Ireland is not available.
[5]Average daily rate (ADR) is calculated by dividing room revenue by the number of rooms sold. Revenue per available room (RevPAR) is calculated by dividing room revenue by the number of rooms available. RevPAR is regularly considered the most powerful hotel performance measure as it calculates a yield based on all hotel rooms (either sold or unsold) for any time period.
[6]The annual average of ADR and RevPAR is based on an arithmetic mean over a 12-month period.

Broader European Context – Occupancy & Revenue

A similar trend was evident among hotels across Europe as 2021 proved to be a less disruptive but still a challenging year compared with 2020. Occupancy across the region in 2021 stood at 43% which was a 31% increase in relative terms compared with 2020.

ADR and RevPAR increased too compared with 2020, increasing by 10% and 44%, respectively.

Due to continued severe and significant impacts of COVID-19, these levels of performance remained well below pre-pandemic levels.

Individual country performance varied as the pandemic impacted countries differently and governments implemented their own approaches to minimise infection risks. Russia, Turkey and the UK were the only countries among 27 countries monitored to achieve over 50% room occupancy during the year.[8] Meanwhile, hotels in Slovakia and Czech Republic noted the weakest performance achieving room occupancy of under 30%.

Almost all of the 27 countries achieved room occupancy growth compared with 2020, the only exception being Slovakia, and most achieved ADR growth. As a result, most European countries recorded strong double digit RevPAR growth compared with 2020. Hotels in Malta and Croatia performed particularly well achieving RevPAR growth close to or above 100% compared with 2020.

Europe - Hotel Occupancy, ADR & RevPAR (Annual)[7]

	2020	2021
Europe – Room Occupancy	33%	43%
Europe – ADR	£80.69	£88.91
Europe – RevPAR	£26.72	£38.49

[7]Source: STR European Hotel Review December 2021.
[8]Note: UK hotel data is based on STR's sample of UK-based hotels which differs from the UK hotel data shared elsewhere in this report.

Wales Overall - Hotel Occupancy Trends

This section outlines national and regional hotel room and bedspace occupancy trends over the last five years. These metrics enable an understanding of tourism levels in destinations over time. They can also highlight opportunities to drive tourism growth at different stages of the year through campaigns and events.

Hotel room and bedspace occupancy rebounded in 2021 following a devastating drop in demand in 2020 due to COVID-19.

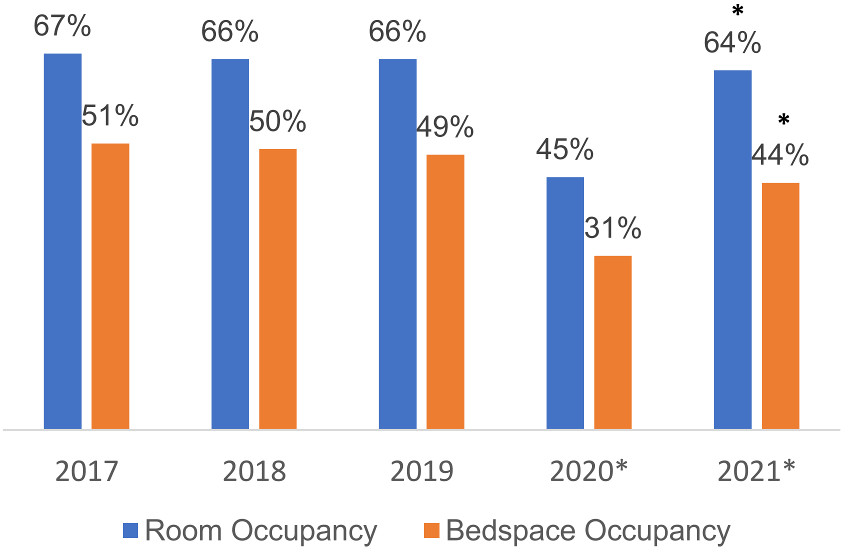
Overall room and bedspace occupancy sat at 64% and 44%, respectively, which represented an increase of over 40% in relative terms compared with 2020.

This level of performance remained below the levels recorded before the pandemic as room occupancy was between 65% and 70% and bedspace occupancy was around 50% from 2017 to 2019.

However, bearing in mind that a national lockdown and extensive travel restrictions were in place for multiple months in 2021, occupancy performance fared well compared with 2019 and preceding years.

The data reported in this report is based on net occupancy which refers only to those businesses that were open and who provided data during this period.

Wales Overall – Hotel Occupancy (Annual)



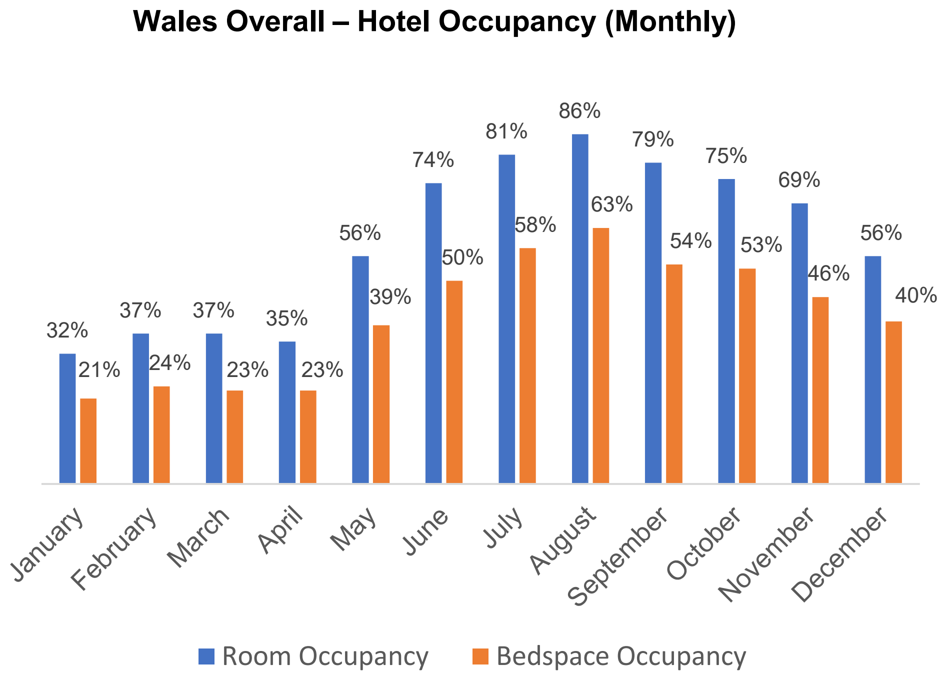
* Note: Due to the impact of COVID-19, the Wales 2020 and 2021 occupancy data is unweighted whilst the Wales 2017 to 2019 data is based on a weighted sample methodology also used in previous years. Due to this change in methodology during 2020, the hotel data shown within this report cannot be compared with previous years.

Wales Overall - Hotel Occupancy Trends

Travel restrictions, including a ban on domestic tourism until 27th March and reduced leisure and hospitality operations, during the first four months of the year led to a prolonged period of low occupancy of under 40% for hotels that remained open and provided data.

Hotels benefitted from an increase in demand as restrictions were eased from late April. This was particularly buoyed in mid-May as indoor hospitality was re-opened and international travel was resumed. Occupancy peaked in August as room occupancy reached 86% and bedspace occupancy hit 63%.

The trend from May 2021 onwards reflected a more typical pattern of demand seen before COVID-19 as seasonality led to increased occupancy during the summer months and then declining occupancy during the last four months of the year. However, in December Alert Level 2 restrictions were reimposed to minimise the spread of the Omicron variant. This led to reduced trading and room occupancy of 56% during the month.



* Note: Due to the impact of COVID-19, the Wales 2020 and 2021 occupancy data is unweighted whilst the Wales 2017 to 2019 data is based on a weighted sample methodology also used in previous years. Due to this change in methodology during 2020, the hotel data shown within this report cannot be compared with previous years.

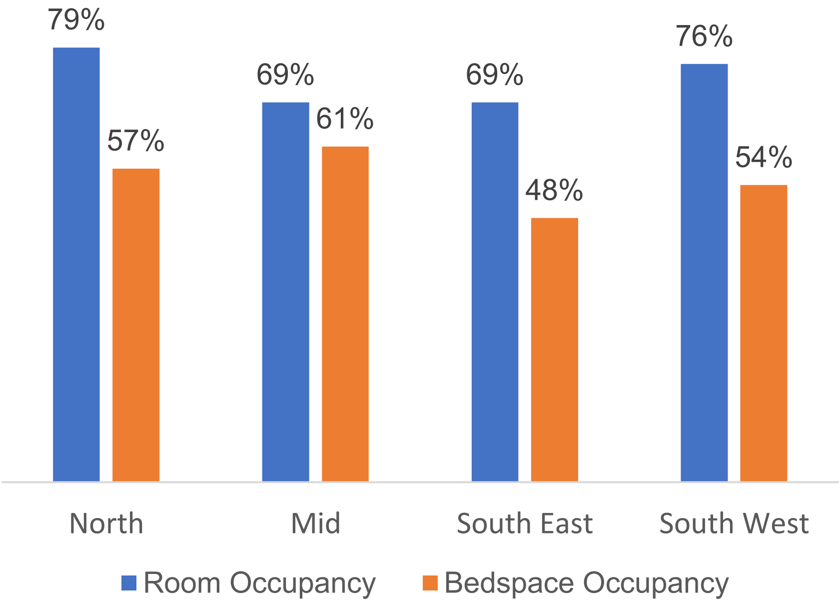
Welsh Regions - Hotel Occupancy Trends

Looking at an eight-month time period – May to December 2021 – in which there is comparable data, the highest performing regions were North and South West Wales achieving room occupancy of 79% and 76%, respectively.

Meanwhile, hotels in Mid Wales and South East Wales achieved the lowest room occupancy of 69%. For the latter, these hotels achieved the lowest bedspace occupancy of 48% among the four regions across the eight-month period in 2021. The lack of corporate meetings, incentive, conferences and exhibitions (MICE) demand continued to weigh down the performance of hotels in Cardiff in 2021 which, among other factors, likely led to this result.

The overall trend in 2021 was consistent with 2020, as last year hotels in North and South West Wales achieved the highest room occupancy and, conversely, Mid and South East Wales hotels recorded the lowest room occupancy.

Wales Regions – Hotel Occupancy (8-Month Period By Welsh Region)



Note: Chart excludes January to April 2021 data to enable a consistent comparison across regions.
Due to the impact of COVID-19, the Wales 2021 occupancy data is unweighted

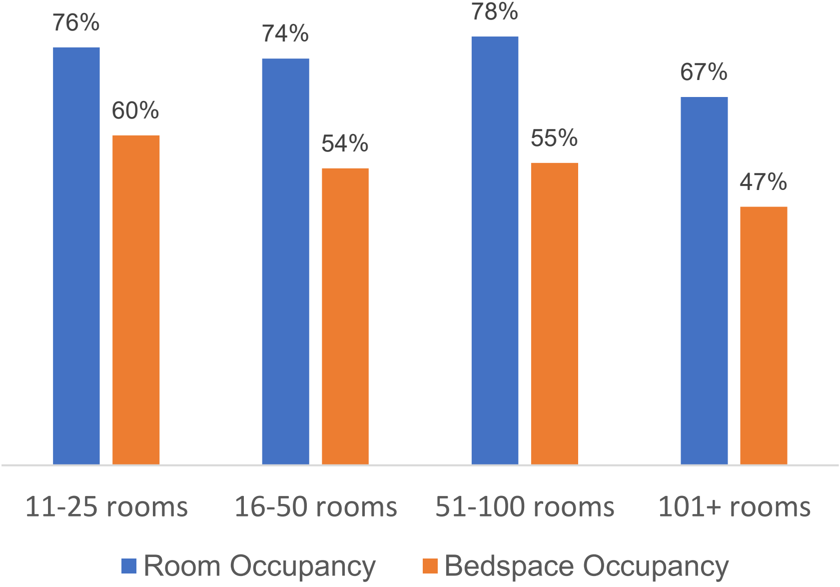
Wales Overall- Hotel Occupancy Trends

Larger hotels with over 100 rooms achieved lower room and bedspace occupancy compared to smaller hotels with 100 rooms or less.

There was little to separate the performance of hotels with 11-25 rooms, those with 26-50 rooms and those with 51-100 rooms, although the latter marginally achieved the highest room occupancy of 78%, based on an eight-month time period from May to December 2021.

Hotels with 11-25 rooms achieved the highest bedspace occupancy of 60% which implies that they were more likely to attract leisure segments, who typically stay in groups of two or more. Meanwhile, the lowest bedspace occupancy was achieved by hotels with over 100 rooms. These hotels more commonly attract corporate and business guests, who tend to travel alone, compared with smaller hotels which helps to explain this result.

Wales Overall – Hotel Occupancy (8-Month Period By Size of Hotel)



Note: Chart excludes January to April 2021 data to enable a consistent comparison across regions.
Due to the impact of COVID-19, the Wales 2021 occupancy data is unweighted

Wales Overall - Hotel Revenue Trends

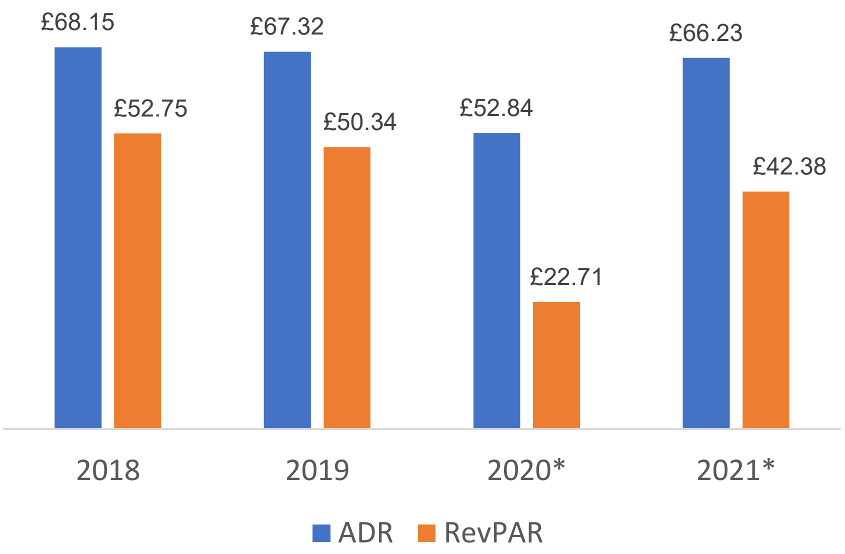
This section outlines Welsh hotel performance trends in terms of two key financial performance measures used by hotel operators: average daily rate (ADR) and revenue per available room (RevPAR).

ADR increased from £52.84 in 2020 to £66.23 in 2021 as hotels benefitted from stronger demand compared with 2020 due to less stringent travel restrictions and improved consumer sentiment, among other aspects.

However, ADR was still below pre-pandemic levels. In addition, when factoring in the impact of inflation, which finished the year at over 5%, the real value of ADR in 2021 was even further below pre-pandemic rates.

RevPAR, an important hotel performance metric based on room revenue and rooms available, was £42.38 in 2021. This was nearly double the 2020 rate but was again well below pre-pandemic levels.

Wales Overall – Hotel ADR & RevPAR (Annual)



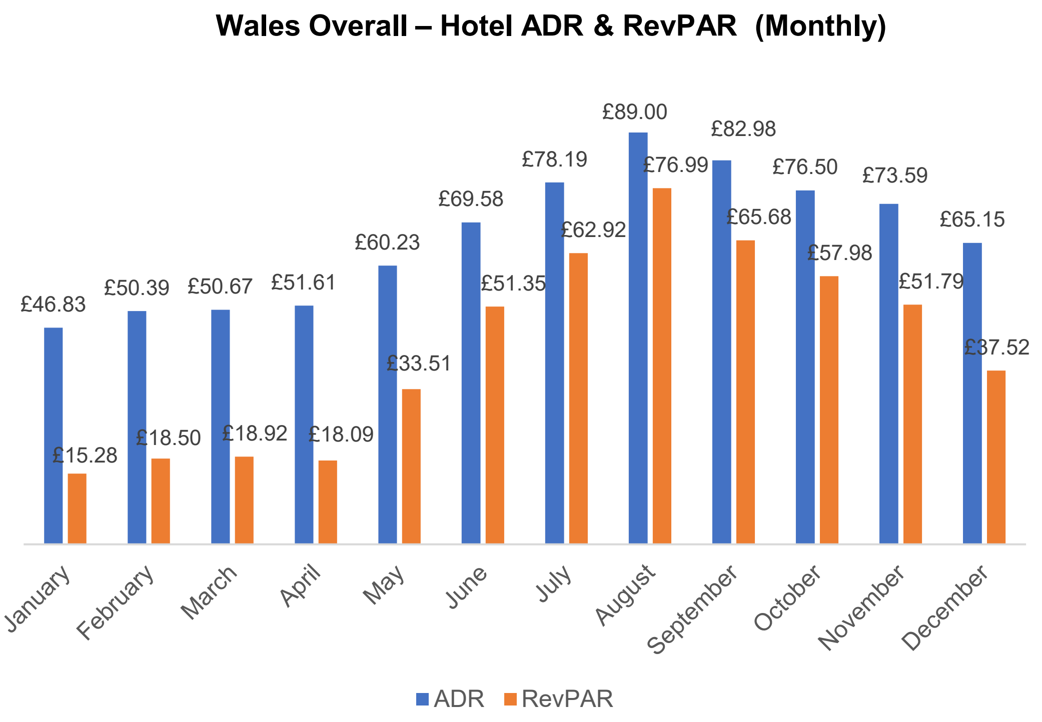
* Note: Due to the impact of COVID-19, the Wales 2020 and 2021 occupancy data is unweighted whilst the Wales 2017 to 2019 data is based on a weighted sample methodology also used in previous years. Due to this change in methodology during 2020, the hotel data shown within this report cannot be compared with previous years.

Wales Overall - Hotel Revenue Trends

Consistent with the trend discussed earlier for room and bedspace occupancy, revenue performance was lowest among the hotels that were open and trading during the first four months of the year. This was due to the national lockdown which was eased from late March 2021.

Hotels noted an uptick in performance as restrictions eased during the year. Revenue performance peaked in August as ADR was £89.00 and RevPAR was £76.99.

ADR and RevPAR performance declined on a month-by-month basis during the final four months of the year. This was due to reduced demand as a result of seasonality. Furthermore, the reimposing of restrictions due to the spread of the Omicron variant led to a decline in performance in December 2021 as ADR and RevPAR finished the year at £65.15 and £37.52, respectively.



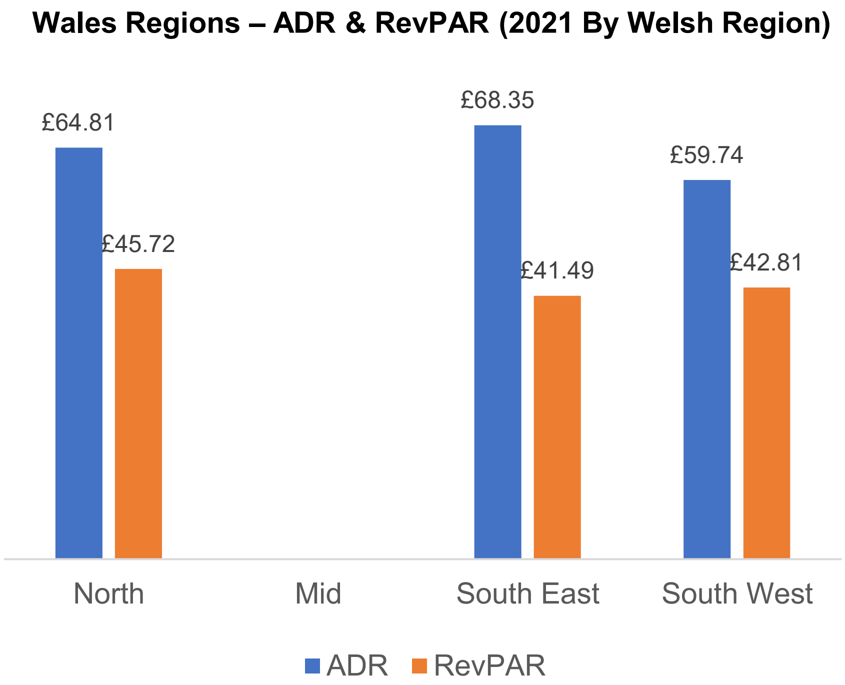
Welsh Regions - Hotel Revenue Trends

Hotels in South East Wales achieved higher room rates than those in North and South West Wales (£68.35 versus £64.81 and £59.74, respectively).

However, the higher occupancy achieved by hotels in North and South West Wales contributed to drive up RevPAR more than for those in South East Wales. As a result, North Wales hotels recorded the highest RevPAR of £45.72 followed by those in South West Wales (£42.81) and, lastly, those in South East Wales (£41.49).

These findings were consistent with last year as looking at a nine-month period in 2020 North and South West Wales hotels marginally outperformed those in South East Wales in RevPAR, despite South East hotels achieving the highest ADR.

There is insufficient hotel revenue data for reporting purposes for Mid Wales.



Note: Missing data series indicates that there is insufficient data for reporting purposes.

Guest Houses/B&B's

This section presents a summary of performance for bed and room occupancy levels for Guest Houses/B&B's

Due to the low monthly sample size in the Guesthouse/B&B survey (ranging between 12 - 26), results in this section should be viewed with caution.

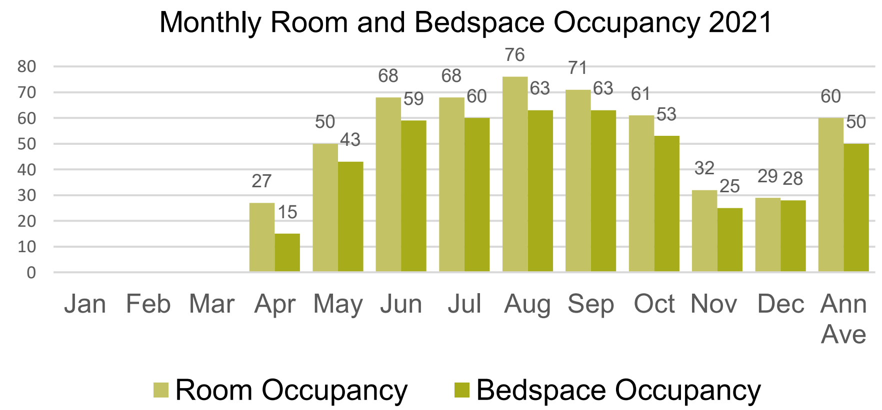
Wales Guest House/B&B Trends

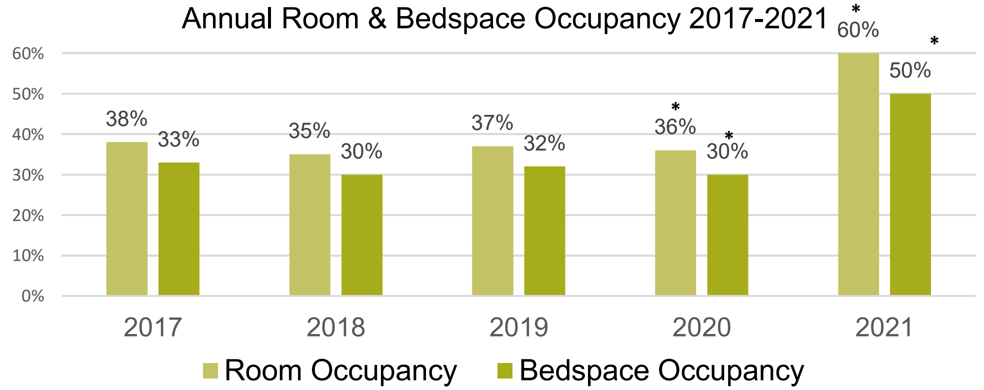
Occupancy

The annual room and bedspace occupancy across the guesthouse/B&B sector was 60% and 50% respectively, almost double that seen in 2020. The third quarter of the year, saw room occupancy across the months of August and September peak at 76% and 71% respectively. The final quarter of the year saw lower levels of occupancy, although still not at the levels in 2020.

Due to the continued restrictions at the beginning of 2021 and the temporary closure of accommodation businesses, occupancy data was not available for January, February and up to the 27 March when travel restrictions within Wales were lifted. It should be noted that sample sizes in 2021 were very small and therefore caution should be used when using these results. The data for 2020 and 2021 is presented unweighted and should not be directly compared to weighted figures for previous years.

Wales – Guest House/B&B's Occupancy (Annual)*



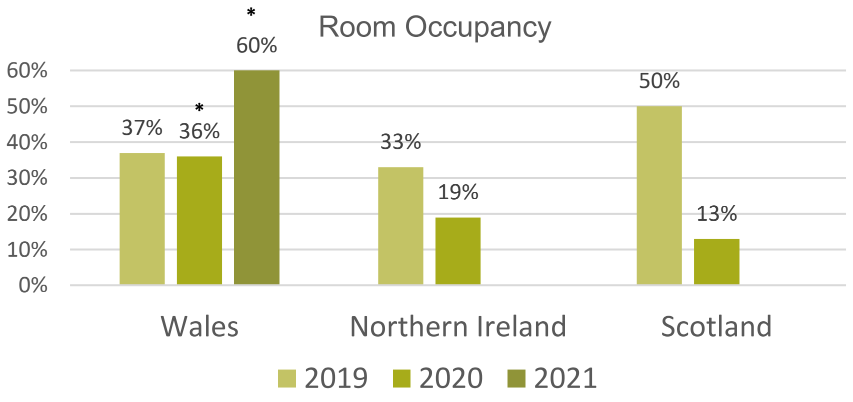


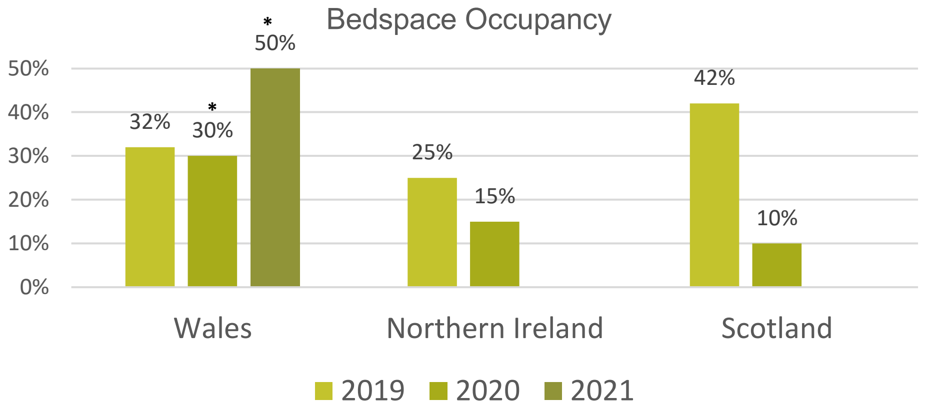
* Due to a change in methodology in 2020, guesthouse/B&B data cannot be compared with previous years

Wales in the UK Context

Occupancy
As noted on slide 23, the annual room and bedspace occupancy across the guesthouse/B&B sector was 60% and 50% respectively, almost double that seen in 2020. It should be noted that sample sizes in 2021 were very small and therefore caution should be used when using these results.

UK – Guest House/B&B's Occupancy (Annual) [1]





* Due to a change in methodology in 2020, guesthouse/B&B data cannot be compared with previous years

[1]Sources: figures for Scotland and Northern Ireland were not available at time of compiling this report

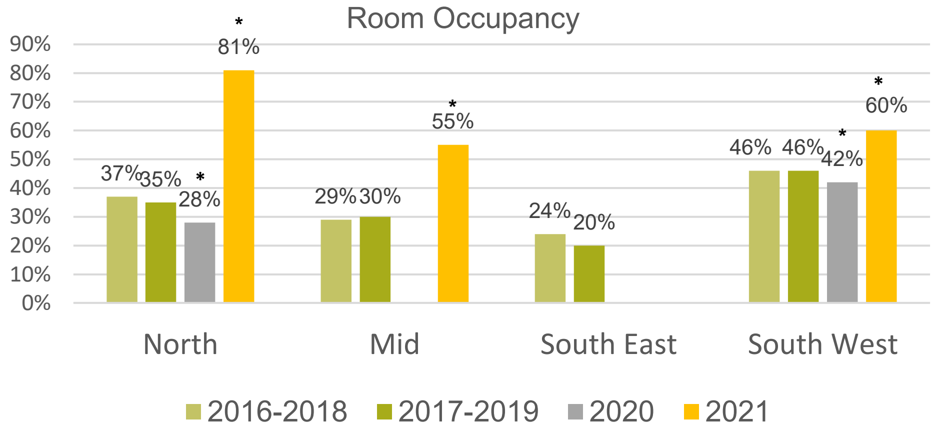
Welsh Regions – Annual & 3 Year Average

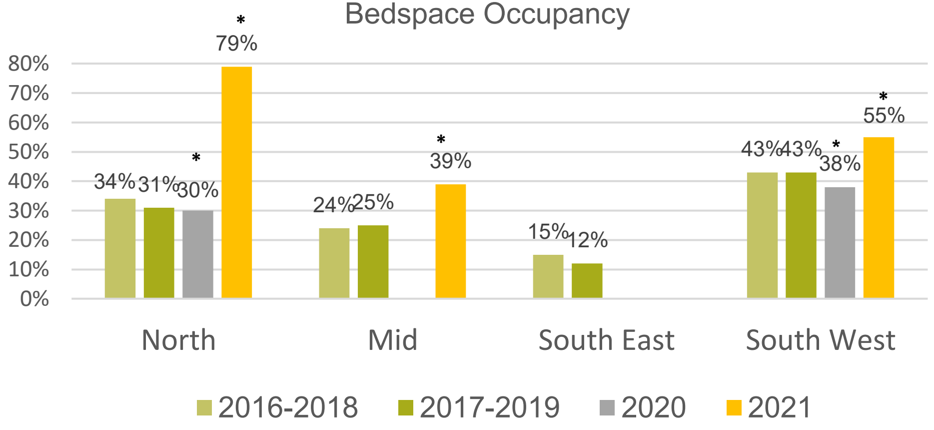
Wales – Guest House/B&B's Regional Occupancy (Annual and 3 Year Average)

During 2021, room occupancy levels in North Wales were higher (81%) than all other regions, followed by South West Wales (60%) and Mid Wales (55%). Bedspace occupancy followed a similar pattern across the regions. Results for South East Wales are not shown due to an insufficient sample size.

From 2016 to 2019, both room and bedspace occupancy were consistent across each of the regions. With the temporary closure of accommodation businesses during the first three months of 2021, the sample size across the guesthouse/B&B sector is small and data is presented unweighted as a single year for 2020 and 2021 rather than 3-year average, therefore caution should be used when interpreting these results.

Wales – Guest House/B&B's Trends and 3-year Averages





* Due to a change in methodology in 2020 and 2021, guesthouse/B&B data cannot be compared with previous years

Self Catering Accommodation

This section presents a summary of performance for self-catering accommodation, including cottages, bungalows, lodge / chalets, houses and flats and summarises the information obtained from a sample of verified independent operators and agencies offering accommodation of this type. The sample was designed to be largely representative of the range of furnished accommodation let through such operators. There has been a decline in the number of agencies supplying data and therefore a degree of caution should be applied when interpreting these results.

Occupancy is measured at the individual property level by expressing the number of weeks let each month as a proportion of the weeks and units available to rent.

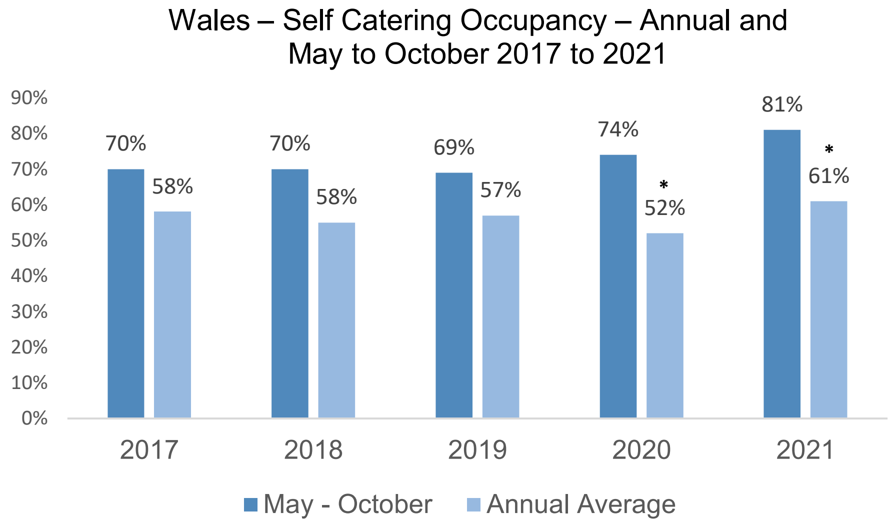
Wales - Self Catering Occupancy Trends

This section outlines national and regional self-catering unit occupancy trends over a 12-month period.

Wales (Overall)

In contrast to the hotels and guesthouse/B&B's, occupancy levels in the self-catering sector during 2021 continued to record high levels of occupancy. Unit occupancy was 61%, an upturn of 9 percentage points on the previous year.

The average unit occupancy between May and October was 81%, a rise of 7 percentage points on 2020. However, it should be noted that the 2020 figures are based on a smaller number of months (4) than previous years and may account for the increase of 5 percentage points on 2019.

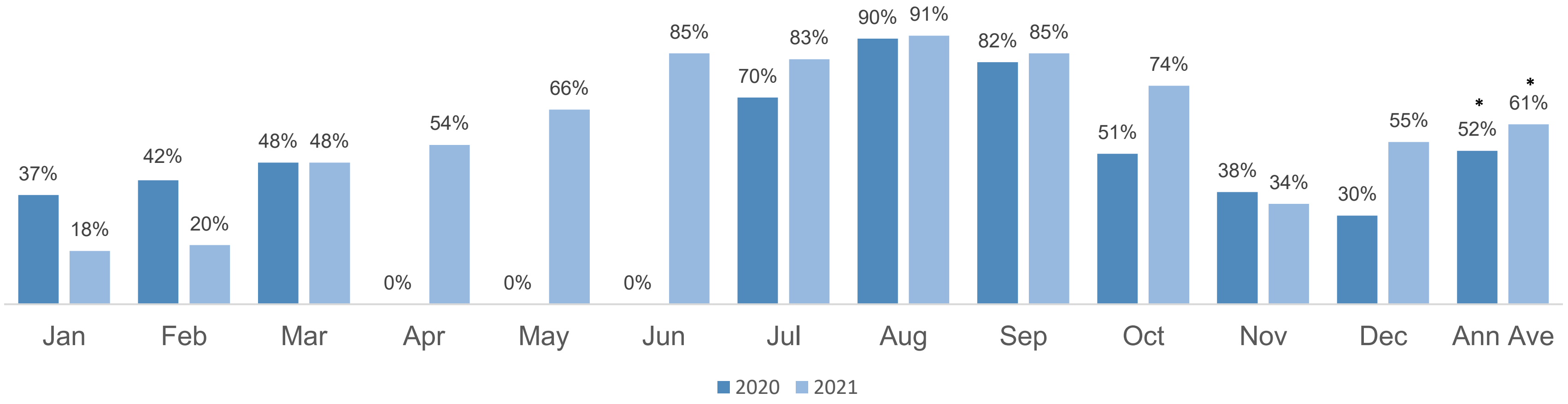


*Based on a full 12 months average given that self-catering properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

Self Catering – Unit Occupancy Trends

With restrictions still in place during January, February and the majority of March 2021, the self-catering sector recovered well once restrictions had been lifted. High levels of occupancy were recorded during the peak periods of June, July, August and September. The summer months of 2021 saw the highest occupancy levels, and in particular August (91%), on a par with 2020. October fared well with unit occupancy at 74% a rise of 23 percentage points compared with the same month in 2020. During the final quarter of the year, occupancy levels were lowest in November (34%), but reaching 55% in December. With the impact of COVID-19 still evident in 2021, the high levels of occupancy achieved during the peak periods of the year, provide evidence of the importance of the summer months and seasonal trends in Welsh self-catering occupancy.

Wales – Self Catering Average Unit Occupancy (monthly) 2020 & 2021 *

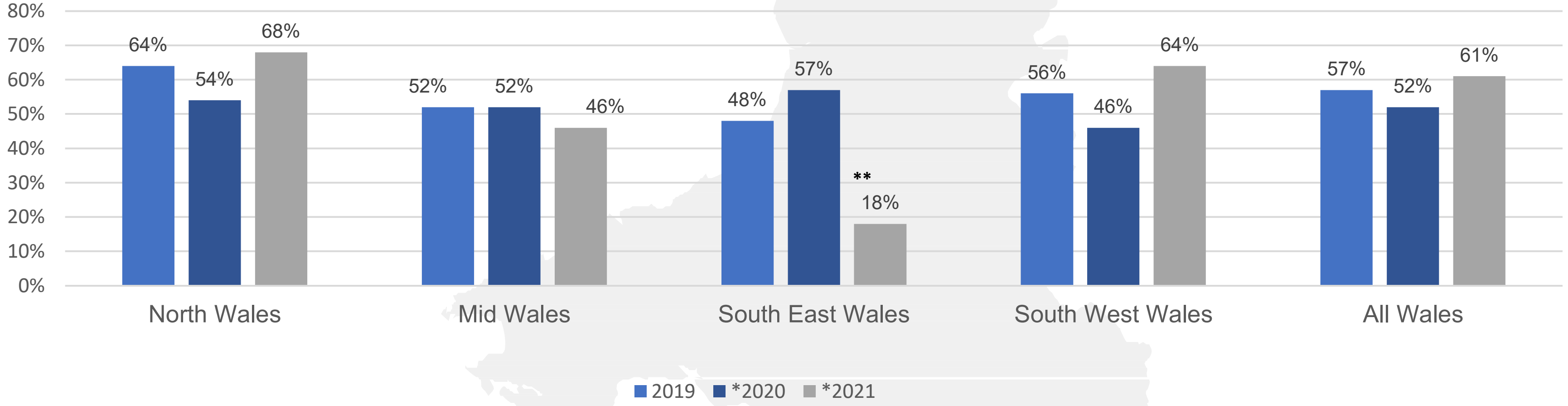


*Based on a full 12 months average given that self-catering properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

Welsh Regions

Across the regions, North Wales achieved the highest unit occupancy at 68%, up 14 percentage points on 2020, closely followed by South West Wales, up from 46% in 2020 to 64% this year. Mid Wales saw a down turn in unit occupancy, from 52% to 46%. Meanwhile, the lowest unit occupancy was recorded in South East Wales (18%). However, the fall in unit occupancy in South East Wales is down to the withdrawal of data from one agency during 2021 and has skewed the results. Therefore, the South East Wales results are not comparable to the other regions in 2021. In general, the self-catering sector continued to perform better than most other sectors.

Welsh Regions - Self Catering Unit Occupancy (Annual) 2021*



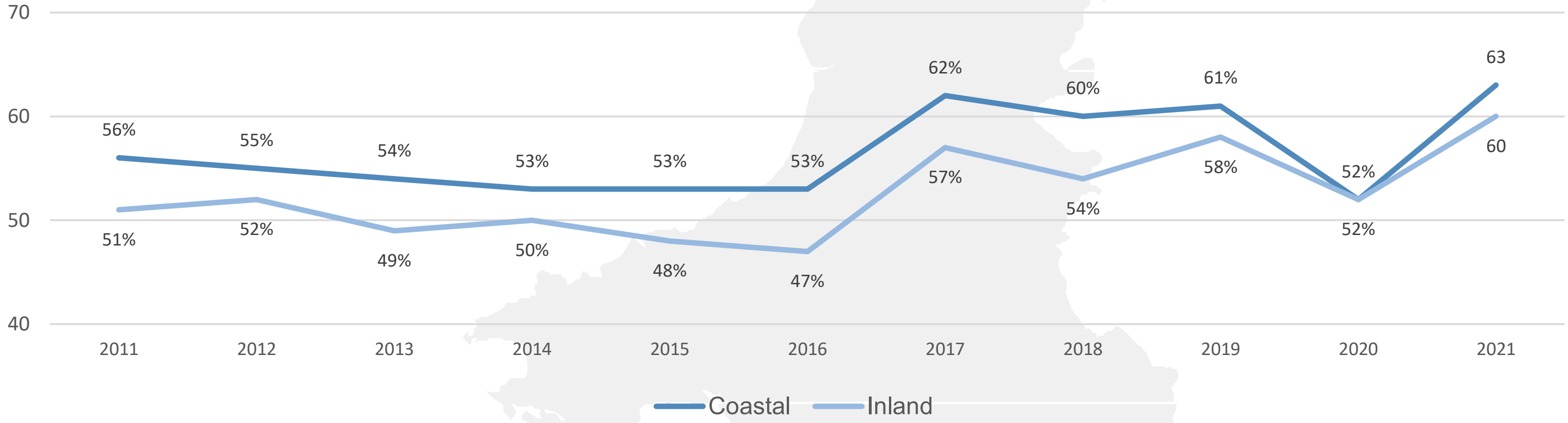
**Due to the change in ownership of a large self-catering agency during 2021, data was not provided for part of the year and this is reflected in the occupancy levels in South East Wales.

*Based on a full 12 months average given that self-catering properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

Welsh Regions

The annual average unit occupancy in coastal locations has been consistently higher than inland locations over the past 10 years with 2020 the exception to this when both inland and coastal recorded an average unit occupancy of 52%. Self-catering unit occupancy in 2021 rose in both locations, with coastal locations up by 11 percentage points and inland locations rising by 8 percentage points compared with 2020.

Self-Catering Occupancy by Location - Annual Average – 2011 - 2021



*Based on a full 12 months average given that self-catering properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

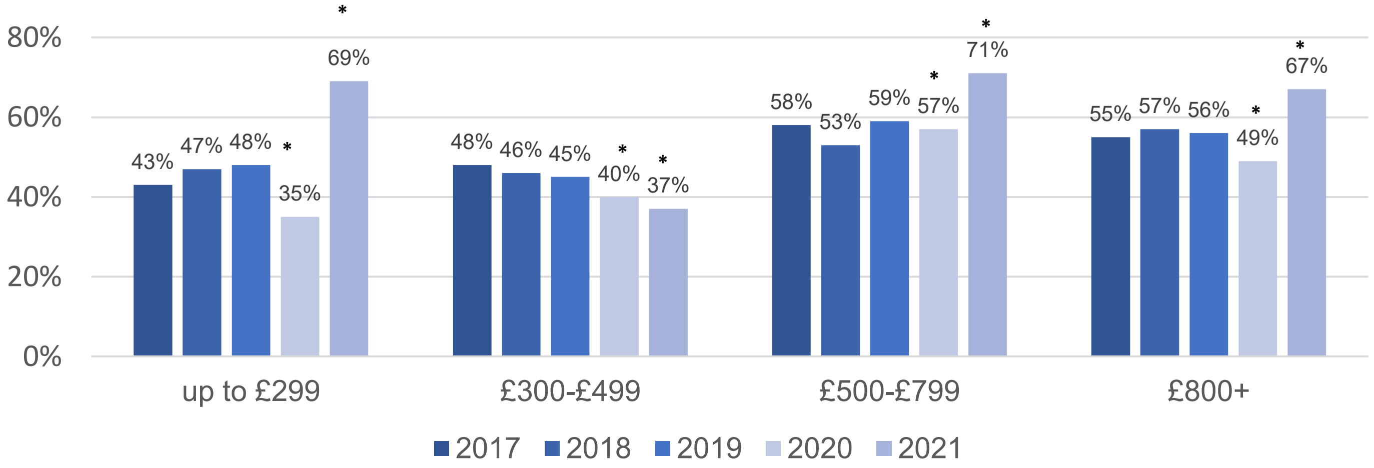
Wales Self-Catering Occupancy by Tariff

This section of the report outlines annual average unit occupancy rates by tariff for the period between 2017 and 2021.

Wales (Overall) - Annual Average – 2017 - 2021

Properties in the tariff band £500-£799 achieved the highest annual average unit occupancy rate (71%) in 2021, the highest across all five years and a rise of fourteen percentage points from 2020. The lowest price band (up to £299) saw a significant increase in 2021, with unit occupancy almost double that in 2020. The lowest annual average unit occupancy rate (37%) was found in those charging between £300-£499 –3 percentage points below the figure recorded in 2020 with a steady decline in unit occupancy since 2017. With the exception of the £300-£499 price band, all other bandings saw a significant upturn in unit occupancy during 2021.

Wales Self-Catering Occupancy by Tariff – Annual Average – 2017 - 2021



This section of the report outlines annual average unit occupancy rates by weekly / 7-night tariff for the period between 2017 and 2021

*Based on a full 12 months average given that self-catering properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

Holiday park and campsite sector

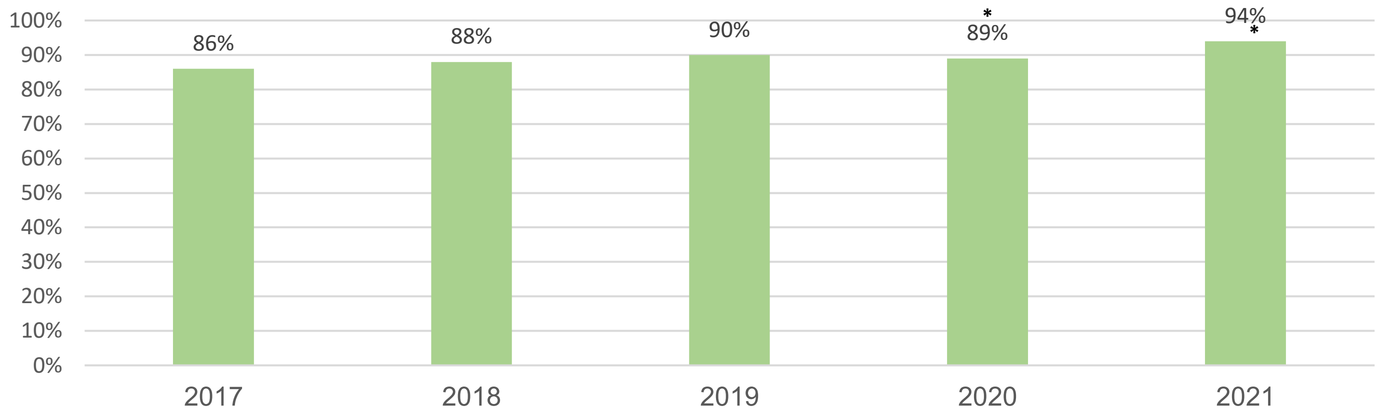
This section presents a summary of performance for the holiday park and campsite sector, including static caravans, holiday homes, touring caravans, motorhomes and tents.

Occupancy is measured by relating the number of units let during the reporting period (May to October) to the total number available for let during that time.

Static Caravan and Holiday Homes – May - October Unit Occupancy –Trend Data (2017 – 2021)

Taking into account the restrictions imposed during the COVID-19 pandemic, the static caravan and holiday homes sector has seen continued growth over the past five years. In 2021 the seasonal average (May – October) for static caravans and holiday homes reached 94%, up 5 percentage points on 2020 (89%) and the highest level achieved over in the period under review.

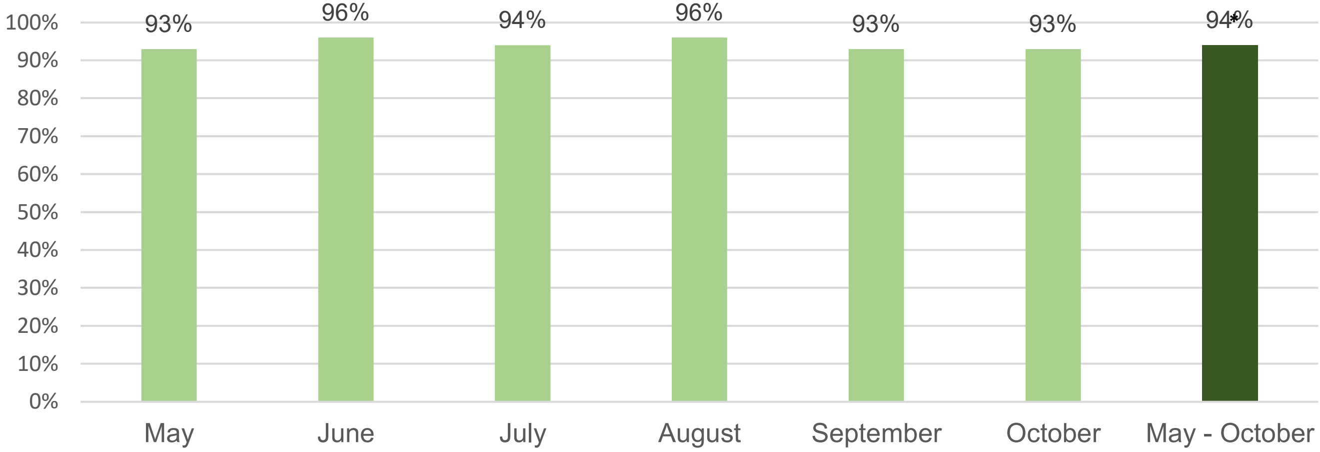
Wales Static Caravan and Holiday Homes – Seasonal Unit Occupancy – 2017 - 2021



Static Caravan and Holiday Homes – Monthly and Unit Occupancy – May-Oct 2021

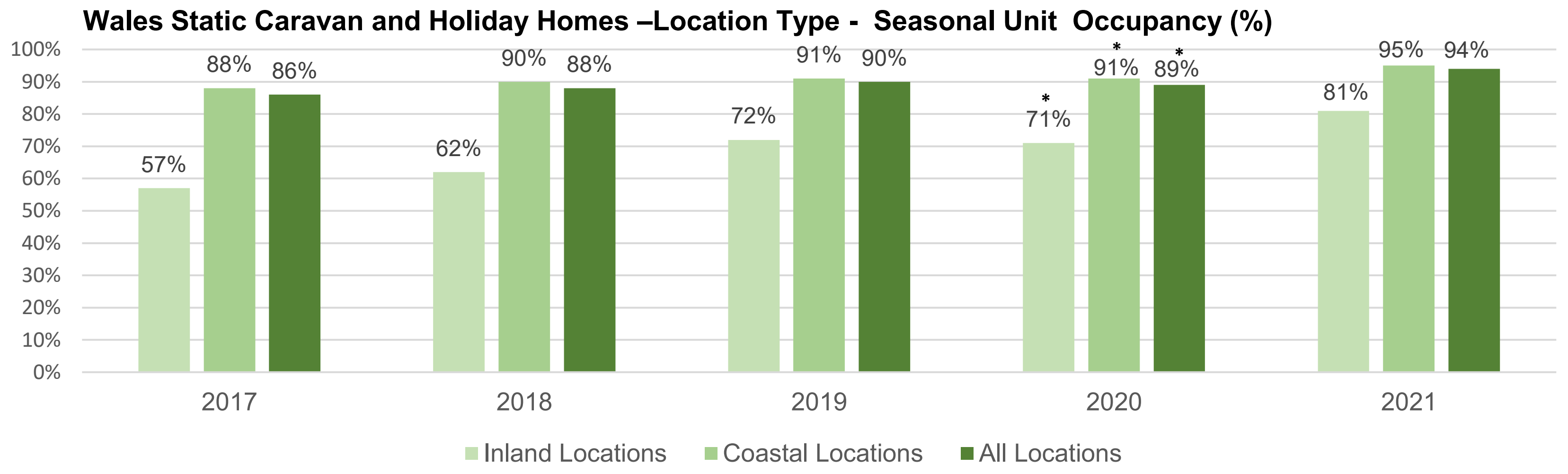
The average unit occupancy for the reporting period (May to October) was 94%, a small increase on the previous year. As with the other sectors, restrictions on travelling abroad, saw more visitors staying in the UK, initiating a rise in the number of holidays taken across Wales. Across the May to October period, June and August saw occupancy levels for static caravan and holiday homes reach a high of 96% with all other months also performing well.

Wales Static Caravan and Holiday Homes - Monthly Unit Occupancy – 2021



Static Caravan and Holiday Homes – May - October Unit Occupancy – Location (2017 – 2021)

Occupancy rates for static caravans and holiday homes in coastal locations have consistently been between one and two percentage points higher than the average for all units. The 2021 seasonal average (May – October) for static caravans and holiday homes in coastal locations was 95%, the highest level in the past five years. Since 2017, there has been a steady rise in unit occupancy in inland locations rising from 57% to 81% in 2021, an increase of 24 percentage points.

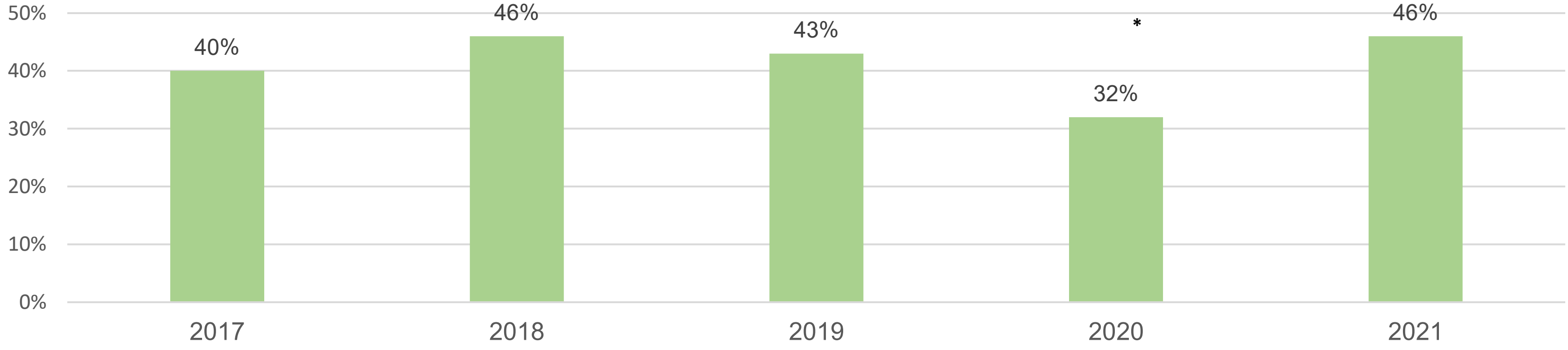


Touring Caravans and Camping - Pitch Occupancy - Trend Data May – October (2017 – 2021)

This section of the report features parks offering touring caravan and camping pitches in Wales. The 2021 average pitch occupancy for the reporting period (May to October) was 46%.

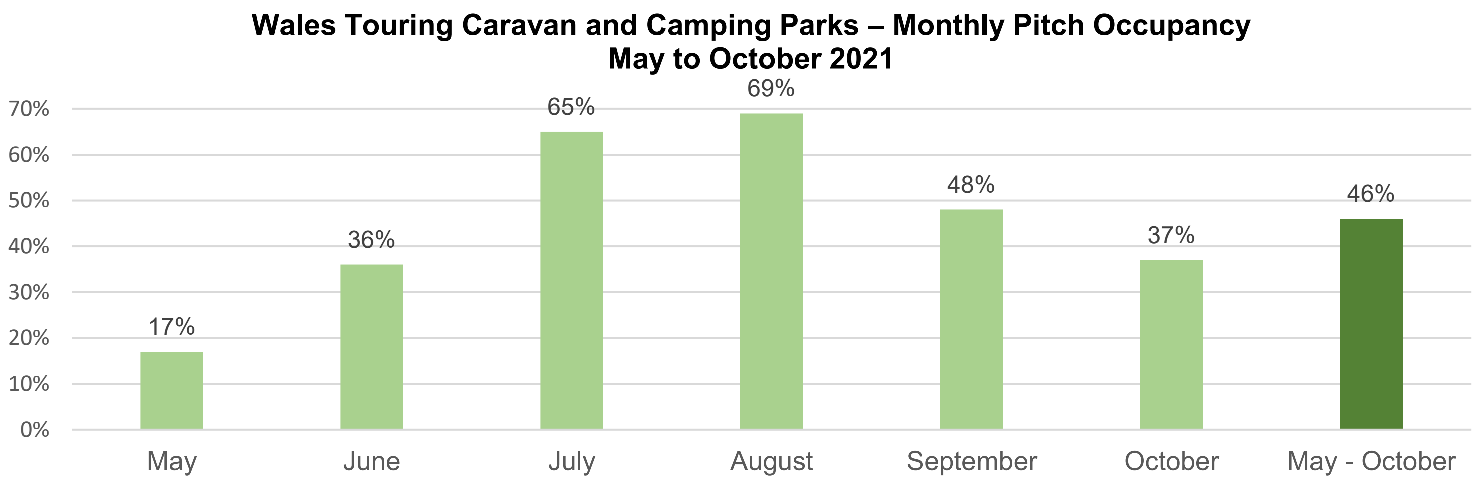
In 2021, the seasonal pitch occupancy average for touring caravans & camping parks was 46%, an increase of 14 percentage points when compared with the same period in 2020. The temporary closure of caravan and camping parks due to COVID-19 in 2020 is evident, with previous pitch occupancy in the range of 40%-46% from 2017 to 2019.

Wales Touring Caravans and Camping Parks – Seasonal Pitch Occupancy – May – October 2017 - 2021



Touring Caravan and Camping - Pitch Occupancy - May to October 2021

Pitch occupancy for the month of May saw occupancy levels at 17%, with June pitch occupancy double this at 36%. August saw the largest pitch occupancy across the six months of May to October, peaking at 69% for touring caravan and camping pitches. This was followed by July (65%) with September also performing well (48%).

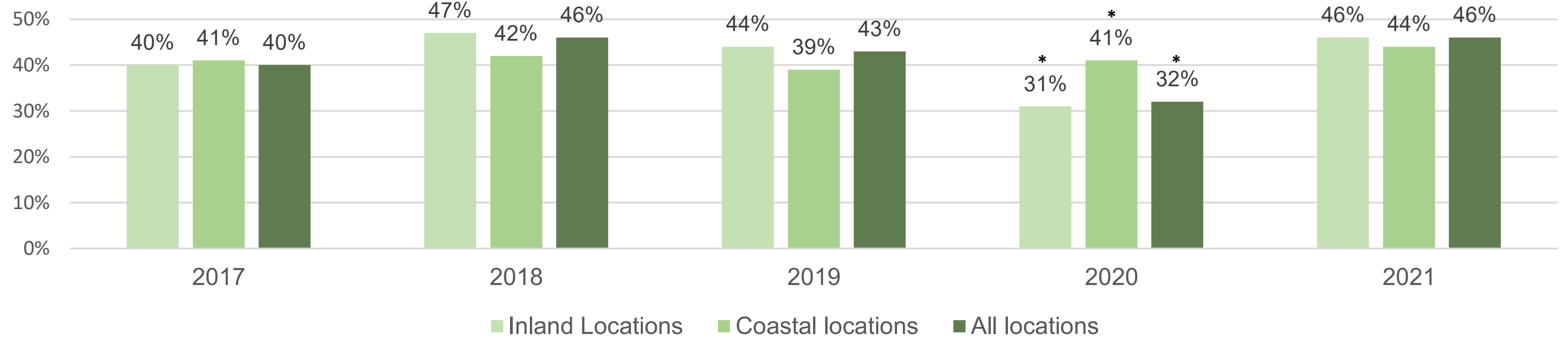


Touring Caravan and Camping Occupancy - Location – May – October (2017 – 2021)

Occupancy data for touring caravan and camping parks is split between coastal and inland locations. The chart shows the comparisons of May to October average between inland and coastal locations for the period 2017-2021.

Inland locations achieved slightly higher levels of pitch occupancy in 2021 (46%) than those based on the coast (44%), in comparison to the previous year when the reverse was seen across the different locations. The average pitch occupancy for touring caravan and camping parks in 2021 was 46%, a rise of 14 percentage points on the previous year and the highest since 2018. Across the five year period under review, inland locations have generally performed above those in coastal locations.

Wales Touring Caravan and Camping Parks – Pitch Occupancy by location – May – October (2017 – 2021)



Wales Hostels and Bunkhouses

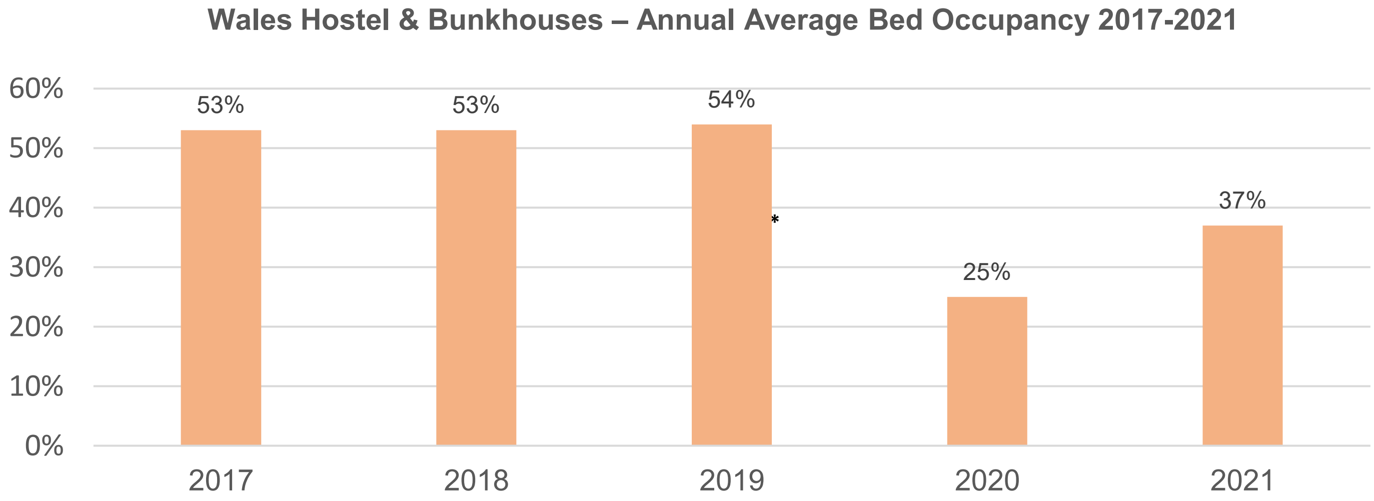
This section presents the monthly and annual bed occupancy performance for hostels and bunkhouses across Wales in 2021

Occupancy levels for hostels and bunkhouses are measured by relating the number of beds let during the year to the total number of beds available during that time.

Hostels and Bunkhouses – Wales Bed Occupancy Trend Data (2017 – 2021)

This section presents a summary of hostels and bunkhouses performance trends in 2021.

The annual average bedspace occupancy in 2021 was 37% an increase in occupancy levels of 12 percentage points when compared to 2020 (25%). However, although the sector had started to see some improvement in 2021, occupancy levels in the hostels and bunkhouse sector were still not at the levels seen in the three years before the COVID-19 pandemic.

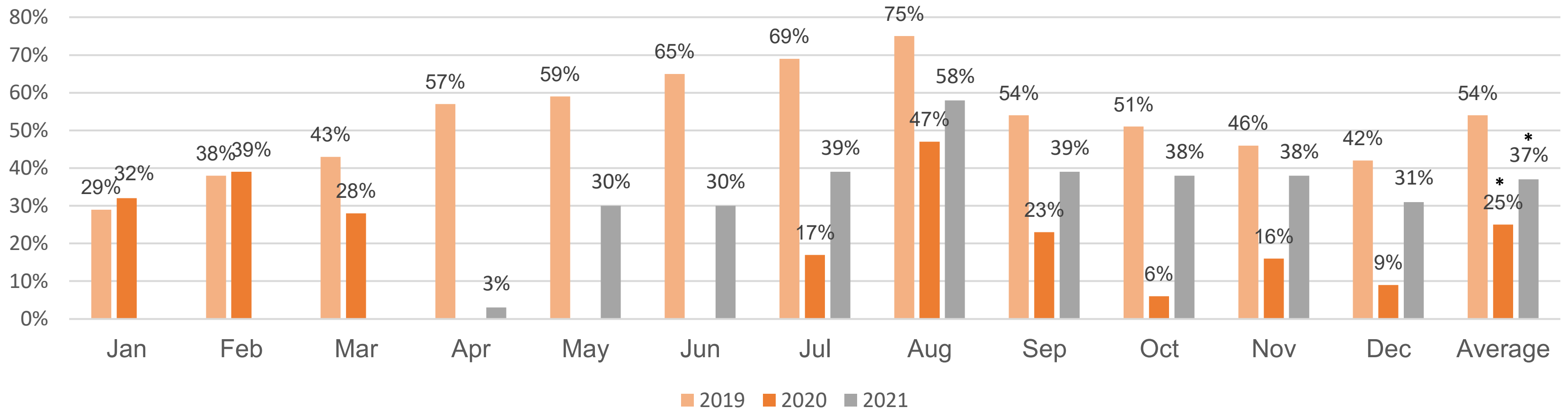


*Based on a full 12 months average given that hostel and bunkhouse properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

Hostels and Bunkhouses – Monthly and Annual Bed Occupancy – 2021

The average bedspace occupancy in the hostel and bunkhouse sector in 2021 performed better than the previous year, up from 25% to 37%, an increase of 12 percentage points, but still not at as high in 2019 (54%). August saw the highest occupancy levels, peaking at 58%, but the effects of the COVID-19 pandemic can be seen across the sector with occupancy levels consistently lower across all months of the year when compared with 2019.

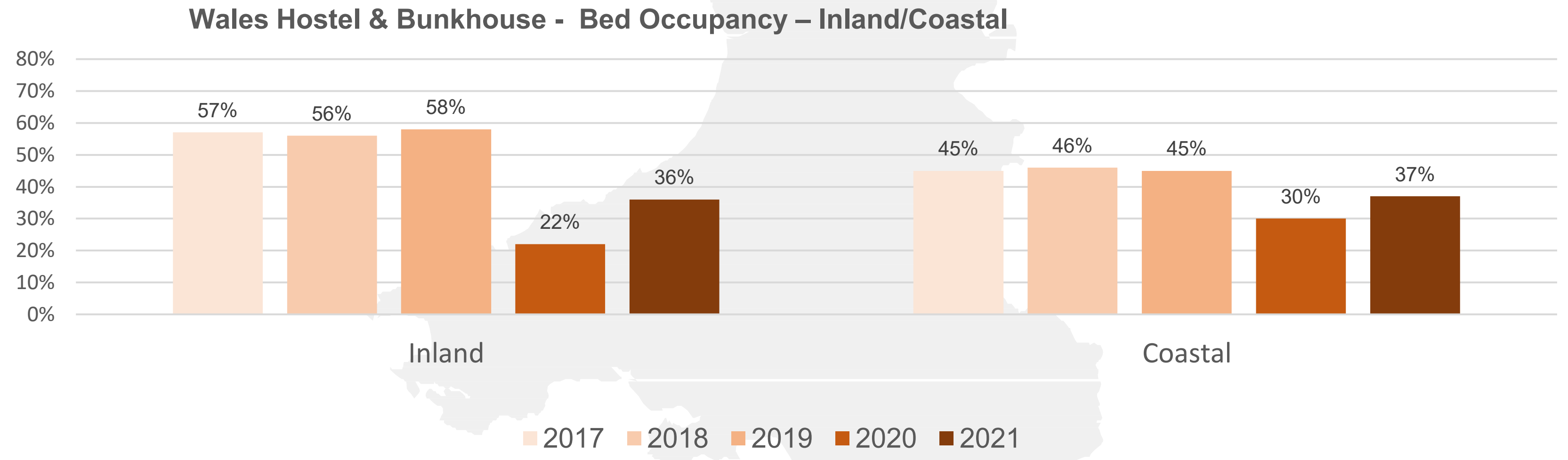
Wales Hostels and Bunkhouses – Monthly and Annual Bed Occupancy – 2021*



*Based on a full 12 months average given that hostel and bunkhouse properties were closed for some parts of the year. The yearly occupancy average takes into account all data submitted throughout the year for those establishments that were open.

Hostels and Bunkhouses – Bed Occupancy – By Location (2017 – 2021)

Bed occupancy levels in inland locations had consistently fared better than those in coastal locations up to 2019, but the roles were reversed in 2020, with bed occupancy in coastal locations at 30%, higher than inland locations (22%). In 2021, both inland and coastal locations performed on an equal level with bed occupancy in hostels and bunkhouses 36% and 37% respectively. Over the past two years, the hostel and bunkhouse sector has felt the severe impact of the restrictions imposed due to COVID-19 more than any other sector.



Conclusions

COVID-19 continued to inflict difficulties for hotels in Wales and elsewhere in the UK and beyond in 2021. Travel restrictions impacted performance in the first four months of the year and other factors, such as subdued international travel and consumer anxiety regarding the virus, created a challenging backdrop for hoteliers during the rest of the year.

However, hotels in Wales rebounded strongly in 2021 as occupancy increased to near, albeit below, pre-pandemic levels. This was aided at least in part by strong domestic demand as many UK holidaymakers chose to explore rural regions of the UK instead of undertaking international travel. This trend helped to support ADR growth too as hotels capitalized on strong summer seasonal demand, although overall ADR and RevPAR performance was below pre-pandemic levels.

Hotels in South East Wales benefitted less from increased staycations compared with other regions. Performance in the region was impacted due to its traditional reliance on business travellers and a shift in consumer behaviour as travellers continued to largely shy away from urban destinations during the year.

Repeating a trend observed last year, larger hotels with more than 100 rooms achieved significantly lower occupancy than their counterparts with fewer rooms. It will be interesting to monitor the performance of different sized hotels along with regional trends in 2022 and beyond as consumers continue to adapt with living with the virus.

Conclusions

The guesthouses/B&B sector performed much better in 2021 when compared with the previous year with room occupancy levels almost double that seen in 2020. With restrictions still in place for part of the year and the new variant of COVID-19 (Omicron) at the end of 2021, many smaller establishments such as guesthouse/B&B's were hit hard by the restrictions with many visitors cancelling trips during the month of December resulting in businesses closing for the winter earlier than usual.

The self-catering sector continue to fare much better overall than the serviced sector with record levels of occupancy. Unlike the serviced sector, self-catering units benefited due to its self-contained nature and families and friends could stay together. With restrictions on international travel, the rise in popularity of the staycation helped the industry to recover some of the losses in 2020 with more people holidaying in Wales during the year.

Similarly, the above also benefitted the industry with both static caravans, holiday homes, touring caravans and parks performing well during 2021 and achieving the highest levels recorded over the past five years.

The hostel and Bunkhouses sector felt the effects of the COVID-19 pandemic more than any other sector due to the restrictions on the number of guests from different households able staying in hostel rooms, reflected in the fall in occupancy over the past two years.

Appendix 1 – 2021 timeline

- Lockdown restrictions (alert level 4) continue in January and February 2021.
- 27 March 2021 – Wales becomes the first UK nation to lift travel restrictions within its borders. Self-contained tourist accommodation without shared services are permitted to re-open.
- 12 April – People from Wales are allowed to travel to other parts of the UK, and UK visitors are allowed to visit Wales.
- 26 April 2021 - outdoor swimming pools, outdoor attractions, organised outdoor activities for up to 30 people and wedding receptions for up to 30 people can take place along with the reopening of outdoor hospitality.
- 17 May 2021 – visitor accommodation with shared services, and indoor hospitality is reopened with pubs and restaurants allowed to serve drinks. Galleries and museums are also reopened.
- 7 August 2021 - With some exceptions, such as compulsory mask wearing in certain settings, most remaining COVID-19 related restrictions are lifted in Wales and Alert level 0 is now in place.
- 26 December 2021 – Wales moves to COVID Alert Level 2,where restrictions on the number of people at social gatherings, and two metre social distancing return.

Appendix 2: Monthly Sample By Sector

Table 1: Monthly Sample Size by Sector – January – December 2021								
HOTELS	***Open***	***Closed***	**GH/B&B**	***Open***	***Closed***	**SELF-CATERING**	***Open***	***Closed***
Jan	50	*131*	**Jan**	3	*25*	**Jan**	69	533
Feb	59	*124*	**Feb**	3	*25*	**Feb**	34	568
Mar	68	*115*	**Mar**	4	*24*	**Mar**	230	326
Apr	129	*43*	**Apr**	4	*11*	**Apr**	275	28
May	155	*18*	**May**	14	*3*	**May**	306	6
Jun	157	*18*	**Jun**	15	*3*	**Jun**	306	4
Jul	158	*1*	**Jul**	15	*2*	**Jul**	303	0
Aug	164	*2*	**Aug**	14	*2*	**Aug**	308	0
Sep	167	*1*	**Sep**	15	*2*	**Sep**	307	2
Oct	162	*1*	**Oct**	14	*2*	**Oct**	305	2
Nov	161	*3*	**Nov**	12	*5*	**Nov**	223	83
Dec	158	*4*	Dec	11	*7*	Dec	251	55

Monthly Sample by Sector

Table 1: Monthly Sample Size by Sector – January – December 2021

STATIC	*Open*	*Closed*	TOURING	*Open*	*Closed*	HOSTELS	*Open*	*Closed*
Jan	0	*19*	**Jan**	0	*25*	**Jan**	0	*22*
Feb	0	*19*	**Feb**	0	*25*	**Feb**	0	*21*
Mar	0	*19*	**Mar**	0	*25*	**Mar**	2	*20*
Apr	15	*2*	**Apr**	8	*7*	**Apr**	5	*15*
May	16	*1*	**May**	12	*1*	**May**	18	*1*
Jun	17	*0*	**Jun**	13	*0*	**Jun**	19	*0*
Jul	18	*0*	**Jul**	13	*0*	**Jul**	18	*0*
Aug	18	*0*	**Aug**	12	*1*	**Aug**	18	*0*
Sep	19	*0*	**Sep**	11	*1*	**Sep**	19	*0*
Oct	16	*3*	**Oct**	9	*6*	**Oct**	19	*0*
Nov	12	*7*	**Nov**	4	*12*	**Nov**	16	*0*
Dec	0	*19*	**Dec**	0	*16*	**Dec**	19	*0*