Tourism trends quarterly bulletin
Serviced Accommodation Statistics: Autumn 2008

Introduction

This bulletin reports on the accommodation used in the autumn period 2008 (September 1st to December 31st). It includes use of accommodation reported by visitors (taken from the ferry research) and occupancy levels in serviced and self catering accommodation on the Island together with comparisons with the mainland (from the occupancy survey amongst accommodation providers).

The serviced accommodation occupancy is now based on a constant sample in order to improve comparisons over time. This is available for 2006, 2007 and 2008. Prior to this the sample differs slightly.

Overview

The tourism monitor, issued recently, noted a significant decline in domestic staying visits, down by 19%, and a decline in estimated demand for bednights. Coach accompanied travel in particular was down on last year, accounting for some of the loss in short breaks/holidays. There are only two hotels which serve the coaching market included in the occupancy survey, hence this decline is not reflected.

The sample included in this occupancy report has experienced a very mixed trading period, with some sectors performing very well whilst others saw a drop in business.

Use of accommodation reported by visitors

Since 2004 staying visitors have been asked about the type of accommodation they have used or intend to use whilst on the Island.

Choice of accommodation by different groups of visitors varies considerably:

- Most VFR visitors stayed with friends or relatives; this year the proportion doing so increased slightly (89%); a minority used hotels (6%) and B&B's/guesthouses (3%).
- Business visitors: this was one market where demand is estimated to have increased. The number of visitors was in line with 2007 but length of stay was up slightly hence estimated demand for bednights was up by over 20%. Business visitors were most likely to use serviced accommodation: the majority stayed in a hotel (45%; some used guesthouses/B&B's (17%). A small proportion 8% rented a house/flat and 3% used a second home, both these are down versus last year.

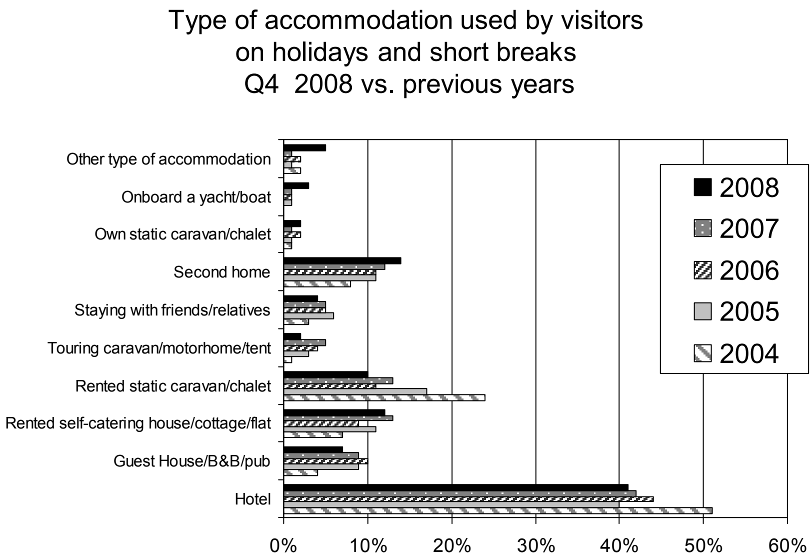
The following chart illustrates accommodation used by those ***on holidays and short breaks***, this autumn versus recent years.

Serviced accommodation remains the most popular type of accommodation amongst those on short breaks/holidays but there has been a steady decline in the use of this since 2004. Almost half chose to stay in serviced accommodation, the majority used a hotel, 41%, the remainder, 7%, stayed in a guesthouse B&B.

Use of static sites (static caravans and chalets) was down slightly versus last year. Over the longer term, use of rented caravans/chalets has declined due to closures of rental sites.

Rented cottages/houses/flats use was at a similar level to last year.

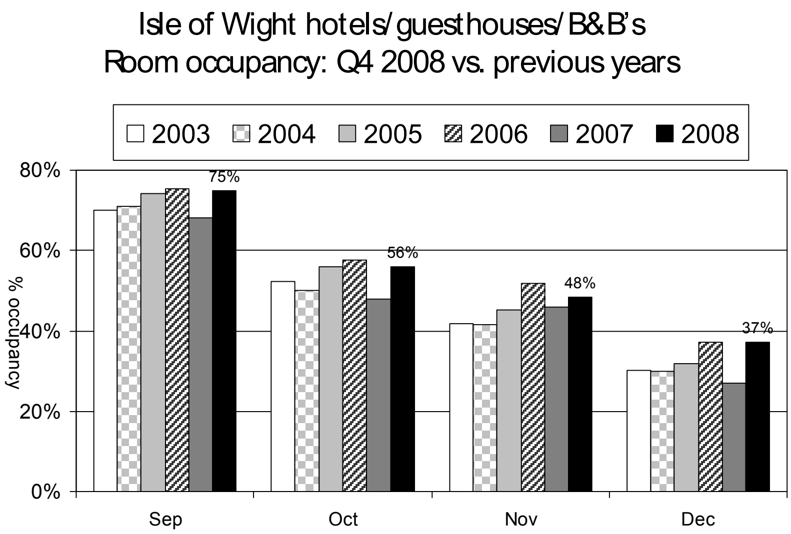
Use of second homes moved up marginally, as it has done each year: these were used for 14% of short breaks/holidays. This is up from 8% in 2004.



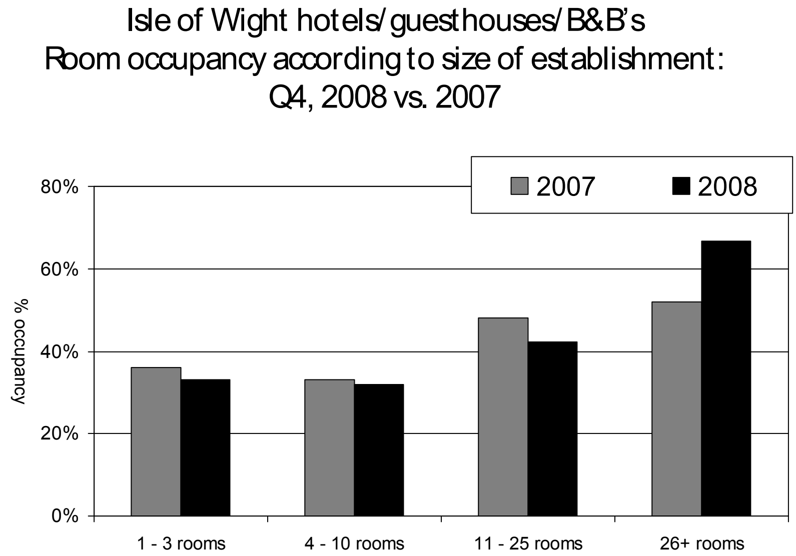
Room Occupancy in hotels/guesthouses/B&B's

During the autumn period, room occupancy averaged 56%. This ranged from a high of 75% in September down to 37% in December.

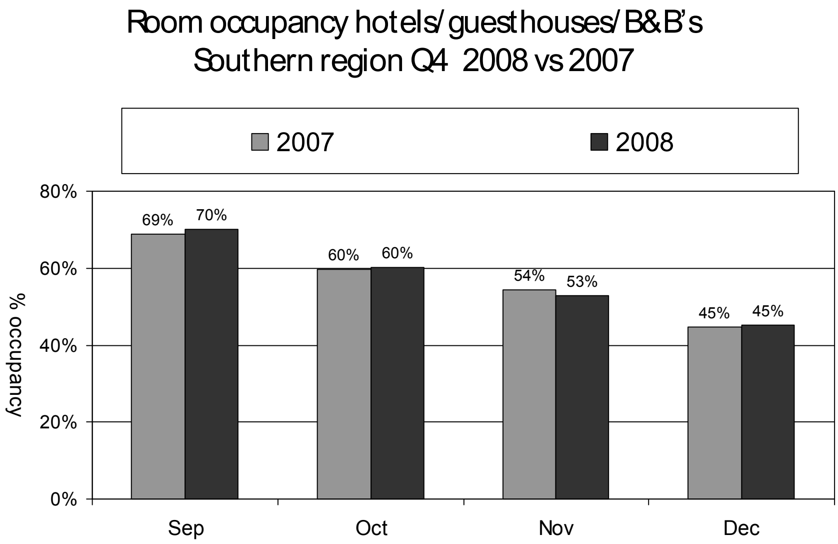
Average monthly occupancy was up on last year, but 2007 had seen a downturn in room occupancy each month. This year it returned to the levels seen in 2006.



Performance varied considerably according to the size of establishment: the largest hotels (26+ rooms) achieved better occupancy than last year but all other categories fared less well with declines in occupancy occurring particularly amongst B&B's and 11 – 25 rooms; guesthouses (4 - 10 rooms) achieved a similar occupancy to last year.

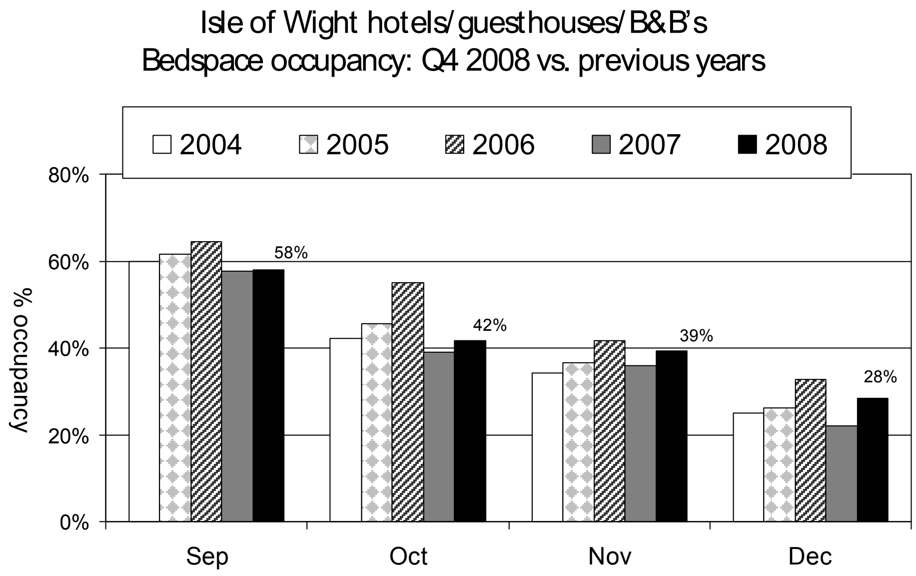


Looking at the regional data, room occupancy across the whole Southern region versus autumn 2007 has been more or less level with last year throughout the autumn period, as shown below.

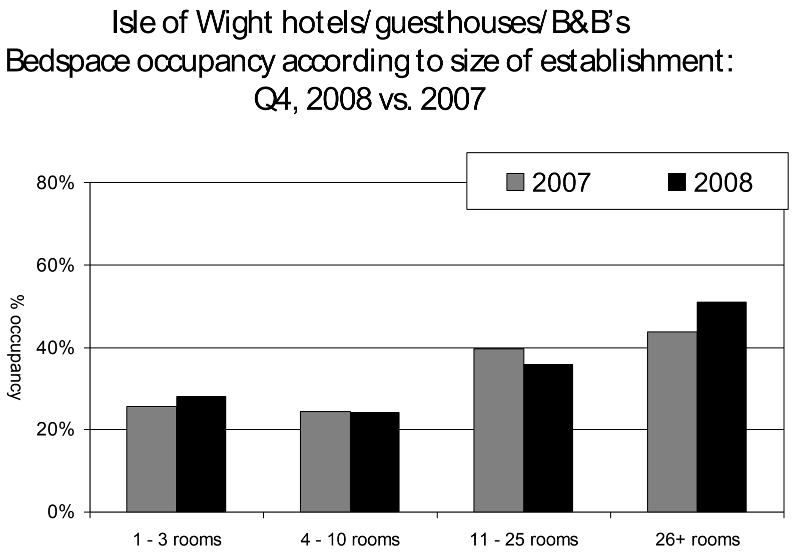


Bedspace Occupancy in hotels/guesthouses/B&B's

Bedspace occupancy averaged 43% during the autumn period, up from the low point seen last autumn but still below 2006. This ranged from 58% in September, when it was level with last year, down to 28% in December. October to December were ahead of last year.


Isle of Wight hotels/guesthouses/B&B's
Bedspace occupancy: Q4 2008 vs. previous years
2004
2005
2006
2007
2008
80%
60%
40%
20%
0%
% occupancy
58%
42%
39%
28%
Sep
Oct
Nov
Dec

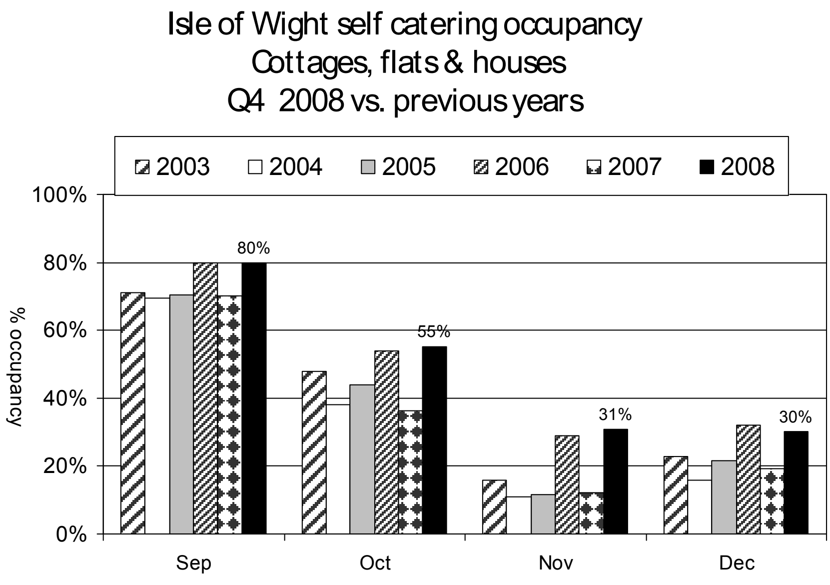
As with room occupancy, year on year comparisons of bedspace occupancy reveal that these increases were due primarily to gains achieved by the larger hotels.



Occupancy in self catering cottages, houses and flats

Occupancy reached 80% in September, slightly below that seen in August (87%). This sector continued to perform well throughout the rest of the autumn, with 55% occupancy in October, falling to around 30% in November and December.

The falls seen in self catering occupancy last year were reversed and occupancy was in line with 2006, itself a very good year for this sector.



Occupancy in static caravan/chalets

Extremely low response rates for this sector mean that occupancy cannot be reported for the Autumn.