

## ANDOVER – HOTEL PERFORMANCE 2006-2007\*

### 2/3 Star Hotels

#### Occupancy and Achieved Room Rates

- Average annual room occupancies for Andover 2/3 star hotels are estimated as follows for 2006 and 2007:

**Andover 2/3 Star Hotels<sup>1</sup>**  
**Average Annual Room Occupancy and Achieved Room Rates 2006-2007**

	Average Annual Room Occupancy %	Average Annual Achieved Room Rate £
2006	67	43.53
2007	70	47.34

Note:

1. Sample: Quality, Danebury, White Hart

- Andover 2/3 star hotel occupancies were broadly in line with the county 3 star average in 2006 and slightly above the county average in 2007.
- Achieved room rates are very low for Andover 2/3 star hotels.
- Occupancies and achieved room rates grew in 2007.
- Compared to the 2004, 2/3 star hotel occupancies in Andover have reduced. This is likely to be due to the opening of the Premier Inn in Andover.

#### Weekday/ Weekend Occupancies and Seasonality

- Weekday occupancies are high for Andover 2/3 star hotels – typically 90-100%. Thursday occupancies are slightly weaker for one hotel.
- Weekend occupancies are low however. Friday and Saturday occupancies are typically around 40-50%, although can be higher in the summer. Sunday occupancies are generally around 20%.

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\* Source: Hampshire Hotel Trends Survey 2006-2007, Hotel Solutions, April 2008

## **Market Mix**

- The market mix for Andover 2/3 star hotels is 70-77% business, 23-30% leisure.
- Business demand is a broadly even mix of local corporate and contractor demand.
- Residential conferences are a very small market for one hotel.
- Weddings and other family functions are the key leisure market.
- Andover hotels attract good business from the Thruxton motor racing circuit 5-6 times a year.
- Two hotels attract leisure break business primarily through special offer rates promoted through the Internet.
- One hotel takes some coach tours. This is very low-rated business however.
- One hotel attracts business from fishing and golf parties.
- Two hotels attract some business from overseas tourists.

## **Market Trends**

- Demand has increased from the contractors market for one hotel.
- Weddings business has grown for one hotel.
- Corporate demand appears to be largely static.
- Leisure break business has reduced for one hotel.

## **Denied Business**

- Andover 2/3 star hotels regularly deny business on Monday to Wednesday nights, but not to a significant extent – typically up to 2-5 rooms.
- Weekend denials are much less common other than for Thruxton weekends.

## **Prospects for 2008**

- Andover 2/3 star hotels are generally positive about their prospects for 2008 and expect to see growth in occupancy and achieved room rates. There are some concerns about the economic climate and the prospect of further hotels opening in the town.

## **Longer Term Prospects**

- There could be potential for growth in corporate demand for hotel accommodation in Andover given the proposed development of the Andover Airfield Business Park and the expansion and regeneration of the Walworth Industrial Estate as a state-of-the-art site for business development. Much will depend on the extent to which office users and high-tech companies are attracted to these sites, as opposed to logistics and distribution uses (which are also mooted).
- There is likely to be growth in demand from the weddings and functions market as Andover's population increases.
- Andover is unlikely to develop as a strong leisure break destination, although its improved arts and entertainment offer and developing events programme may start to generate weekend demand for hotels in the town.

## Budget Hotels

### Occupancy

- Average annual room occupancies for Andover budget hotels are estimated as follows for 2006 and 2007:

**Andover Budget Hotels<sup>1</sup>**  
**Average Annual Room Occupancy 2006-2007**

	Average Annual Room Occupancy %
2006	76
2007	76

Note:

1. Sample: Premier Inn Andover, Travelodge Barton Stacey

- Andover budget hotels achieved high occupancies in 2006 and 2007, although not as high as in other parts of Hampshire.

### Weekday/ Weekend Occupancies and Seasonality

- Weekday occupancies are very high for one Andover budget hotel but not so high for the other.
- Friday and Saturday occupancies are strong (typically 75-95%), particularly in the summer.
- Sunday occupancies are lower – typically running at 40-50%.

### Market Mix

- The market mix for Andover budget hotels is biased towards business demand, although much more so for one hotel than the other.
- Business demand is a mix of corporate and contractor demand. Corporate demand comes from Andover and to some extent also Basingstoke and Salisbury.
- People attending weddings and other family functions and visiting friends and relatives in the area are the main leisure markets for Andover budget hotels.
- They also attract good business from the Thruxton motor racing circuit.
- One hotel reported attracting good business from the Middle Wallop Air Show.
- Andover budget hotels also attract some business from transient UK and overseas tourists stopping off en-route to the West Country. These are minor markets however.

### Market Trends

- Contractor business has increased from contractors working on the pipeline project near Barton Stacey.

### **Denied Business**

- Andover budget hotels regularly deny business on Monday to Thursday nights, to a significant extent for one hotel.
- They also occasionally deny business on Saturdays in the summer.

### **Prospects for 2008**

- Budget hotels in the Andover area expect to see growth in their occupancy levels in 2008.

### **Longer Term Prospects**

- Corporate demand for budget hotel accommodation in Andover is likely to increase as the town's economy develops and new companies are attracted to town's business parks and industrial estates as they develop.
- Demand is also likely to increase from the contractors market given the level of construction and development work that will be taking place in the town.
- Weekend demand from the visiting friends and relatives and weddings and functions markets should grow as the town's population increases.

# HOTEL DEVELOPMENT OPPORTUNITIES

Standard/ Type of hotel that could be developed	Commentary
3 star	<ul style="list-style-type: none"> <li>▪ Possible scope for a new 3 star hotel at the Andover Airfield Business Park, depending on the level and nature of corporate demand that the business park delivers</li> </ul>
2/3 star – upgrading of existing hotels	<ul style="list-style-type: none"> <li>▪ Scope for upgrading existing 3 star hotels</li> </ul>
Budget Upper-tier Budget	<ul style="list-style-type: none"> <li>▪ Potential for a further budget hotel – or possibly upper-tier budget hotel</li> <li>▪ High budget hotel occupancies + significant denials</li> <li>▪ Budget hotels planned as part of the Ford Cottage development and possibly as part of the Andover Airfield business park scheme</li> </ul>