

EAST HAMPSHIRE –HOTEL PERFORMANCE 2006-2007*

Alton 3 Star Hotels

- The sample of participating 3 star hotels in Alton for the Hampshire Hotel trends Survey 2006-2007 was not sufficient to allow the publication of occupancy and achieved room rate data for the town. The following points provide an insight into the hotel market in this part of the county based on the hotel manager interviews conducted here.
- Occupancies and achieved room rates appear to have dropped significantly for Alton 3 star hotels in 2006 and 2007, and were well below the county 3 star averages. This appears to have been primarily as a result of a downturn in the weddings market.
- Midweek occupancies remain strong, although appear to have reduced. Tuesday and Wednesday nights are the strongest. Alton hotels do not appear to be consistently filling on these nights. Monday and Thursday occupancies are much lower.
- Weekend occupancies are very low and have reduced with the downturn in the weddings market.
- The local corporate market remains the primary source of midweek business for Alton hotels. They also pick up some overspill corporate business from Basingstoke on Tuesday and Wednesday nights. The local corporate market appears to have remained largely static in the last two years, but has become more competitive on rate.
- Alton hotels attract very little residential conference business.
- Weddings are still the main source of weekend business for Alton hotels. They have however started to target leisure break business through Internet marketing and offers.
- Alton 3 star hotels rarely deny business.
- Hotels in the town do not expect to see any improvement in their trading performance in 2008.

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

East Hampshire Budget Hotels

Occupancy

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

**East Hampshire Budget Hotels¹
Average Annual Room Occupancy 2006-2007**

	Average Annual Room Occupancy %
2006	n/a
2007	81

Note:

1. Sample: Premier Inn Petersfield, Travelodge Liphook, Travelodge Alton Four Marks

- Budget hotel occupancies were high in East Hampshire in 2007, although not quite as high overall as for budget hotels in other parts of the county. One of the area’s budget hotels achieved very high occupancies in 2007 however.
- Compared to 2004, budget hotel occupancies have increased significantly in East Hampshire, even with the increased budget hotel supply in the area.

Weekday/ Weekend Occupancies and Seasonality

- East Hampshire budget hotels achieved very high weekday occupancies in 2007, generally filling on weekdays in most cases.
- Saturday occupancies were also very high, with two of the area’s budget hotels consistently filling on this night throughout the year and the other filling on Saturday nights between March and October.
- Friday occupancies were lower (at around 60%), although one hotel reported consistently filling on Friday nights in 2007.
- Sunday occupancies were very low.

Market Mix

- The market mix for East Hampshire budget hotels is estimated at 70% business demand, 30% leisure demand for 2007.
- Contractors are the main source of business-related demand – accounting for 50-70% of business roomnights for the area's budget hotels.
- The local corporate market is the other key source of business demand.
- One hotel reported attracting overspill corporate and contractor demand from Basingstoke. East Hampshire budget hotels are no longer getting displaced business from Portsmouth and Guildford however, since the development of new budget hotels in these locations.
- People attending weddings and family functions in the area are the main source of leisure business for East Hampshire budget hotels.
- Other leisure markets are people visiting friends and relatives in the area and people attending events.
- Key events that generate business for East Hampshire budget hotels are Goodwood motor and horse racing events, the Jalsa Salana Muslim event at Oakland Farm near Alton, Farnborough Air Show, Southampton Boat Show, Guilfest and the Great South Run.
- One hotel reported attracting some business from leisure break guests and overseas tourists.

Market Trends

- Demand for budget hotel accommodation in East Hampshire has grown from the contractors market, particularly from contractors working on the construction of the Hindhead Tunnel.

Denied Business

- East Hampshire budget hotels regularly deny business on Monday to Thursday nights, especially during the summer. Midweek denials can be significant.
- The area's budget hotels also regularly deny business on Saturday nights. Saturday denials can be significant during the summer.

Prospects for 2008

- East Hampshire budget hotels expect to maintain or increase their occupancy levels in 2008, primarily as a result of the growth in contractor demand.

HOTEL DEVELOPMENT OPPORTUNITIES

Standard/ Type of hotel that could be developed	Commentary
<p>3 star – upgrading of existing hotels</p> <hr/> <p>Budget</p>	<ul style="list-style-type: none"> ▪ Scope for upgrading existing 3 star hotels ▪ Potential for further budget hotels ▪ High budget hotel occupancies + significant weekday and Saturday denials ▪ Red Lion, Petersfield has planning permission for a 31-bedroom budget hotel extension