

FAREHAM – HOTEL PERFORMANCE 2006-2007*

- Average annual room occupancies and achieved room rates for Fareham 3/4 star hotels are estimated as follows for 2006 and 2007:

Fareham 3/4 Star Hotels¹ Average Annual Room Occupancy and Achieved Room Rates 2006-2007

	Average Annual Room Occupancy %	Average Annual Achieved Room Rate £
2006	61	71.30
2007	66	73.20

Note:

1. Sample: Solent, Holiday Inn, Red Lion, Lysses House

- Fareham 3/4 star occupancies are well below the national average for provincial 3/4 star chain hotels. Achieved room rates are slightly above the national average. Occupancies and achieved room rates vary significantly between hotels however:
 - 4 star hotel occupancies are relatively low, due primarily to low weekend occupancies. Achieved room rates are high however, well above the county 4 star average and national average for provincial 3/4 star chain hotels.
 - 3 star occupancies are stronger, either on a par of above the county 3 star average. Achieved room rates are low for two 3 star hotels, but relatively strong for the third.
- Compared to 2004, 3/4 star occupancies have remained largely static in Fareham, while achieved room rates have steadily increased. Occupancies dropped significantly for one 3 star hotel in 2006 as a result of major refurbishment work.
- Budget hotel occupancies remain very high in Fareham
- Midweek occupancies are strong, particularly for budget and 3 star hotels.
- Weekend occupancies are much lower other than for budget hotels. Sunday occupancies are very low.
- Corporate demand is strong and growing.
- Residential conferences are a secondary weekday market for budget hotels.
- Key leisure markets are leisure breaks, weddings and functions and events. People visiting friends and relatives in the area and ferry passengers are also important markets for budget hotels.
- Key events that generate business for Fareham hotels are Goodwood motor and horse racing events, the Southampton Boat Show, Cowes Week and the Great South Run.

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

- Fareham hotels regularly deny business on Tuesday and Wednesday nights. Budget hotel denials are very high for all four weekday nights.
- Hotels reported occasional weekend denials in 2007, but not so far in 2008.
- Leisure demand has reduced so far in 2008 due to the Credit Crunch. Two hotels expect to see occupancies reduce as a result. One hotel expects to see some occupancy and rate growth however, due to the continued expansion of the corporate market with the ongoing development of the Solent Business Park.

HOTEL DEVELOPMENT OPPORTUNITIES

Standard/ Type of hotel that could be developed	Commentary
3/4 star – expansion of existing hotels Budget Upper-tier Budget	<ul style="list-style-type: none"> ▪ Scope for existing hotels to expand and/or upgrade ▪ Corporate demand set to increase as the Solent Business Park continues to develop ▪ Potential for a new budget/upper-tier budget hotel ▪ High budget hotel occupancies + significant weekday denials