

HAVANT/ HAYLING ISLAND – HOTEL PERFORMANCE 2006 - 2007*

Havant - 3/4 Star Hotels

Occupancy

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

Havant 3/4 Star Hotels¹
Average Annual Room Occupancy 2006-2007

	Average Annual Room Occupancy %
2006	68
2007	68

Note:

1. Sample: Bear, Havant; Brookfield, Emsworth; Langstone, Hayling Island (estimated figures)
- Havant 3 star hotel occupancies were below the county average in 2006 and 2007 – at around 64-65%.
 - 4 star occupancies were on a par with the county 4 star average, but below the Portsmouth 4 star average.
 - Occupancies increased slightly in 2007.
 - 3 star occupancies have reduced in the area since 2004. This is likely to be due to the expansion of the Langstone and the opening of the Portsmouth Tulip Inn (now the Premier Inn Portsmouth – Port Solent) in 2004.

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

Achieved Room Rates

- Achieved room rates were very low for Havant 3 star hotels in 2006 and 2007 – averaging £48 in 2006 and £52 in 2007 (compared to the county 3 star averages of £59.07 in 2006 and £61.27 in 2007). There was a significant variation in achieved room rate performance between hotels however: one hotel trades at very low achieved room rates, the other achieves room rates well above the county 3 star average and saw significant rate growth in 2007. Differences in the quality of the two hotels appear to be the key reason for their varying achieved room rate performance.

Weekday/ Weekend Occupancies and Seasonality

- Weekday occupancies were typically running at around 70-75% for Havant 3 star hotels in 2006 and 2007. Tuesday and Wednesday occupancies were the strongest with 3 star hotels frequently filling on these nights. Monday, and especially Thursday nights were quieter. Midweek occupancies dip during school holiday periods.
- Weekend occupancies were much lower and more variable and seasonal – averaging around 45-55% for the year. Saturday nights were stronger. Sunday nights were very quiet.
- These occupancy patterns were very similar to the patterns recorded in the 2003-2004 Hampshire Hotel Trends Survey

Market Mix

- The market mix for Havant 3 star hotels is 70-80% business, 20-30% leisure.
- The local corporate market in Havant is the primary source of business demand for hotels.
- Residential conferences are a very minor weekday market for one hotel.
- Weddings and functions are the primary source of leisure business for Havant 3 star hotels.
- One hotel attracts some leisure break business through the marketing of special offer leisure break rates through the Internet.
- One hotel takes some coach groups. This is very low-rated business.
- One hotel attracts some special interest groups for bird watching and bowls.
- One hotel attracts some business from overseas ferry passengers on their way from or to Portsmouth and saw this as an important market to be targeted for the area.
- Goodwood motor and horse racing events generate good business for the area's hotels. One hotel also reported attracting business from the Southampton Boat Show.
- The market mix and key markets for Havant 3 star hotels has not changed since 2004.

Market Trends

- The corporate market in Havant appears to have grown in 2007.
- Residential conference demand has reduced as companies have developed their own in-house conference and training facilities and cut back on meeting and training budgets.
- One hotel has seen growth in its leisure break business through the marketing of special offer rates through the Internet. This remains a small market for it however.
- Weddings business has reduced for one hotel.
- Demand from overseas tourists has reduced.

Denied Business

- One Havant 3 star hotel regularly denies some business on Tuesday and Wednesday nights, but not to a significant extent. The other rarely denies business during the week.
- Weekend denials are rare, other than during major event weekends.

Prospects for 2008

- One hotel expects to see occupancy and rate growth in 2008 following refurbishment. The other is much more pessimistic about its prospects for 2008.

Longer Term Prospects

- Corporate demand for hotel accommodation is likely to increase significantly in the future in the Havant area, with the planned development of business parks in the area including:
 - the Dunsbury Hill Farm business park
 - the Waterlooville Business Area (as part of the West of Waterlooville Major Development Area);
 - the further development of the Broadmarsh area, including the expansion of the Langstone Technology Park and Penner Road Business Park.
- The development of the area's economy could result in increased demand for residential conferences as new companies are attracted to the area. A new 3 or 4 star hotel with good conference facilities may also be able to attract additional residential conference business depending on the strength of its brand in this market.
- There is likely to be strong growth in demand, primarily for budget hotel accommodation, from the contractors market, given the level of construction work planned in the area over the next 5-10 years.
- A new 3 or 4 star hotel (if developed) might be able to drive leisure break business through corporate leisure break marketing activity, depending on the strength of its brand in this market.
- The planned regeneration of Hayling Island seafront could attract increased leisure break business to Hayling Island depending on the scale of development and the mix of facilities that are developed. New hotels (if developed here) could attract additional leisure break business depending on the appeal of their offer to leisure guests and how they are marketed.

Budget Hotels

Occupancy

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

**Havant Budget Hotels¹
Average Annual Room Occupancy 2006-2007**

	Average Annual Room Occupancy %
2006	81
2007	82

Note:

1. Sample: Premier Inn Havant, Travelodge Chichester Emsworth, Innkeeper's Lodge Portsmouth North, Rowlands Castle (in East Hampshire District)

- Budget hotel occupancies were high in the Havant area in 2006 and 2007. Occupancies vary significantly between hotels however: two hotels achieve very high occupancies, while the third achieves much lower occupancies.
- Occupancies increased for one hotel in 2007.

Weekday/ Weekend Occupancies and Seasonality

- Two of the budget hotels in the Havant area are usually full from Monday to Thursday. Weekday occupancies are lower and more variable for the area's other budget hotel however.
- Friday and Saturday occupancies are strong, particularly in the summer, when the area's budget hotels frequently fill.
- Sunday nights are much quieter for the area's budget hotels.

Market Mix

- The market mix for Havant budget hotels is 60-70% business, 30-40% leisure.
- Business-related demand is a fairly even mix of business from contractors and the local corporate market.
- People attending weddings and other family gatherings, or visiting friends and relatives in the area are the main leisure markets for Havant budget hotels.
- One hotel attracts business from ferry passengers travelling en-route to Portsmouth.
- One hotel attracts leisure break business through leisure break offers that its company promotes.
- Overseas tourists are a minor leisure market for one hotel.
- Havant budget hotels attract business from Goodwood motor and horse racing events and the Great South Run in Portsmouth.

Market Trends

- Corporate and contractor demand increased for Havant budget hotels in 2006 and 2007. One hotel reported a downturn in these market so far in 2008 however.
- One hotel reported a downturn in leisure business in 2007 and into 2008.

Denied Business

- Two Havant budget hotels regularly deny significant business during the week.
- All three budget hotels in the area regularly deny significant business on Saturday nights, especially during the summer.

Prospects for 2008

- Havant budget hotels expect to maintain their high occupancies in 2008. They do not appear to have been affected by the opening of the Premier Inn at Horndean. One of the area's budget hotels reported a slow start so far to 2008 however.

Longer Term Prospects

- The anticipated growth in the local corporate market in the Havant area is likely to generate increased demand for budget hotel accommodation.
- Demand from the contractors market should also increase significantly given the level of new development planned in the area.

Hayling Island - Adult Only Hotel Resorts

- Warner Leisure Hotels has two adult only hotel resorts on Hayling Island – the Sinah Warren Hotel (250 bedrooms) and the Lakeside Classic Resort (226 bedrooms). Both hotels achieve extremely high occupancy levels trading purely in the leisure break market. They are full for most of the year. They offer 3 or 4 night half board leisure break packages including evening entertainment and use of a wide range of sports and leisure facilities. Demand is very strong at weekends. Midweek business is more rate driven. Both hotels also take coach groups during the week to boost quieter midweek periods. This market accounts for around 20% of their total roomnights. The hotels enjoy high levels of repeat business. Midweek guests tend to be retired or semi-retired. Weekend guests are primarily in the 40-50 age group.

HOTEL DEVELOPMENT OPPORTUNITIES

Location	Standard/ Type of hotel that could be developed	Commentary
Havant Area	3 star 3 star – upgrading of existing hotels Budget Upper-tier Budget	<ul style="list-style-type: none"> Possible scope for a 3 star hotel at the Dunsbury Hill Farm business park depending on the level and nature of corporate demand that the business park delivers. Scope for upgrading existing 3 star hotels Potential for a further budget or upper-tier budget hotel High budget hotel occupancies + significant midweek and Saturday denials
Hayling Island	Boutique	<ul style="list-style-type: none"> Possible scope for a small food-led boutique hotel as part of the regeneration of the seafront