

NEW FOREST – HOTEL PERFORMANCE 2006-2007*

3 Star Hotels

Occupancy and Achieved Room Rates

- Average annual room occupancies and achieved room rates for New Forest 3 star hotels are estimated as follows between 2003 and 2007:

New Forest 3 Star Hotels¹
Average Annual Room Occupancy and Achieved Room Rates 2003-2007

	Average Annual Room Occupancy %	Average Annual Achieved Room Rate £
2003 ²	58.6	52.19
2004 ²	57.0	52.71
2005	n/a	n/a
2006	60.3	56.12
2007	60.1	59.23

Note:

1. Sample 2006/2007: Balmer Lawn, Master Builder's House, South Lawn, Forest Lodge, Stanwell House, New Forest Hotels, Passford House, Lyndhurst Park, Crown, Burley Manor, Forest Park

2. Source: Hampshire Hotel Trends Survey 2003-2004, ACK Tourism/ Tourism Solutions, April 2005

- Occupancies for New Forest 3 star are generally lower than for 3 star hotels in other parts of the county and well below the county 3 star average overall. This is primarily due to the lack of midweek corporate business for hotels in the New Forest.
- Occupancies vary significantly by location however, with hotels in Lyndhurst generally achieving higher occupancies than hotels in other parts of the New Forest due to corporate demand from Southampton.
- New Forest 3 star occupancies were large static in 2007. Some hotels reported a drop in occupancy in 2007 due to the poor summer weather or a change in business strategy to drive rate rather than occupancy. Others reported a slight increase in occupancy.
- Compared to 2003-2004 occupancies have increased for New Forest hotels, primarily as a result of increased leisure break business that hotels have been able to drive through Internet marketing.

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

- Achieved room rates are comparatively low for New Forest 3 star hotels and below the county 3 star average. Some hotels achieve higher average room rates (£75-79) however.
- Compared to 2003-2004 achieved room rates have steadily increased for New Forest 3 star hotels.

Weekday/ Weekend Occupancies and Seasonality

- Weekday occupancies are relatively low for New Forest 3 star hotels (typically averaging around 50-60%) and fluctuate from week to week depending on residential conference business. Weekday occupancies are stronger for hotels in Lyndhurst.
- Weekday occupancies are stronger in the summer and can be very low in the winter.
- Friday and Saturday occupancies are much stronger. New Forest 3 star hotels generally fill on Friday and Saturday nights high during the summer and achieve good Friday and Saturday nights throughout the rest of the year.
- Sunday occupancies are usually very low – typically 20-30%.

Market Mix

- New Forest 3 star hotels attract a fairly even mix of business and leisure demand overall.
- Leisure demand is the main source of business for most New Forest hotels, other than for some hotels in Lyndhurst that attract good corporate demand from Southampton.
- Residential conferences are a key source of business demand - typically accounting for 40-60% of business roomnights for many New Forest 3 star hotels.
- Weekend and midweek leisure breaks and weddings are the main sources of leisure business for New Forest 3 star hotels. Hotels generally achieve good weekend break rates during the summer. Leisure break business is more rate driven during the winter and midweek periods.
- One hotel reported attracting week-long leisure stays in the peak summer months.
- The Southampton Boat Show, Cowes Week, New Forest Show and Beaulieu Boat and Auto Jumbles generate business for New Forest hotels.
- One hotel in Lyndhurst reported attracting cruise passengers, although not to any great extent.
- Overseas tourists are a minor market for New Forest hotels. There were mixed views about how important it is for the New Forest to target overseas tourist business.

Market Trends

- Many New Forest 3 star hotels have successfully grown their leisure break business in the last 2-3 years through Internet marketing, particularly in terms of the promotion of leisure break offers. There appears to have been a general trend towards more one-night stays at the weekend instead of two-night breaks, a growth in last minute booking of leisure breaks and a move more towards B&B terms rather than half board terms for breaks.
- Some hotels reported a downturn in leisure break business in 2007 as a result of the poor summer weather.
- Leisure break business has reduced significantly so far in 2008 due to the Credit Crunch and poor Spring weather.
- Corporate demand for hotel accommodation in the New Forest appears to have been largely static or slightly down.
- Residential conference demand appears to have been largely static. Some hotels reported a drop in residential conference business.
- One hotel in Lyndhurst has started to attract cruise passengers as this market has grown in Southampton.
- The weddings market appears to have remained steady for New Forest hotels but has become more price sensitive.

Denied Business

- Most New Forest hotels rarely deny business during the week, other than when they have a large residential conference in or possibly in the peak summer months. One Lyndhurst hotel regularly denies business on Tuesday and Wednesday nights, but not to any significant extent.
- Many New Forest 3 star hotels regularly deny business at weekends during the summer, particularly on Saturday nights, but not generally to a significant extent. Others only occasionally deny business at weekends during the summer.

Prospects for 2008

- New Forest 3 star hotels are generally expecting their occupancy levels to remain static or possibly down in 2008. Leisure break business has reduced significantly for New Forest hotels so far in 2008. Two hotels expect to see occupancy and rate growth in 2008 however.

HOTEL DEVELOPMENT OPPORTUNITIES

Standard/ Type of hotel that could be developed	Commentary
3/4 star – expansion and upgrading of existing hotels	<ul style="list-style-type: none"> ▪ Scope for existing 3 and 4 star hotels to expand, develop spa and conference facilities and/or upgrade