

SURREY – HOTEL MARKET PERFORMANCE

The performance of hotels in Surrey varies by location and standard of hotel. Typically 3-4 star occupancies are around 70%, rising to 75-80% around Gatwick, whilst budget occupancies are in the 85-95% range. Patterns of demand show very high weekday occupancies and high Saturday occupancies. Most hotels regularly deny corporate business mid-week, whilst budget hotels deny rooms across the week.

Surrey Hotels – Average Annual Room Occupancy 2002-2004

| Type/ Standard of Hotel | Average Annual Room Occupancy % | | |
|--|---------------------------------|------|-------------------|
| | 2002 | 2003 | 2004 ¹ |
| Large 4 Star – North Surrey | 67 | 69 | 71 |
| Surrey Gatwick 3/4 Star | n/a | n/a | 75-80 |
| Country House Hotels/ Country Club Resorts | 69 | 66.5 | 70 |
| 3 Star | 62 | 63 | 68 |
| Budget | 86 | 87 | 88 |

Achieved room rates are very high, above national averages, and are particularly high for country house hotels – in excess of £100, and for large 4 star hotels (£85-£90).

Surrey Hotels – Average Annual Achieved Room Rates 2002-2004

| Type/ Standard of Hotel | Average Annual Achieved Room Rate £ | | |
|--|-------------------------------------|--------|-------------------|
| | 2002 | 2003 | 2004 ¹ |
| Large 4 Star – North Surrey | 86.17 | 86.60 | 87.25 |
| Surrey Gatwick 3/4 Star | n/a | n/a | 40-50 |
| Country House Hotels/ Country Club Resorts | 108.83 | 101.98 | 108.10 |
| 3 Star | 69.32 | 66.46 | 68.44 |
| Budget | n/a | n/a | 46.80 |

Market mix is biased towards business demand, typically 60-70%; corporate demand is not highly localised, and there is a lot of movement in corporate business between different parts of the county. Gatwick hotels and country house hotels have a stronger leisure element to their market mix. Chain-operated hotels generate good leisure break business, with key attractions being Legoland, Thorpe Park, Chessington, Wisley, Hampton Court, and events such as Wimbledon, the Hampton Court Flower Show, Farnborough Air Show and racing at Kempton Park and Sandown.

The Surrey hotel market is linked to some extent with the London, Heathrow and Gatwick hotel markets, with overspill from each being served by nearby Surrey hotels.

In terms of trends, levels of denials, occupancy and room rates in Surrey hotels are all increasing.