

The eviivo Accommodation Index

April / May / June 2010

Introduction

“Welcome to this new publication produced by eviivo in the UK. eviivo was established in January 2004 and its core product, eviivo frontdesk® is installed in 4,000 small and medium-sized accommodation businesses across the UK. eviivo frontdesk® is a fully integrated property management and online distribution software product that is putting SMEs on an even footing with larger hotel chains when it comes to selling rooms online.

As the majority of eviivo's customers use eviivo frontdesk® to manage both their online and offline bookings, eviivo has one of the most complete and comprehensive views of the metrics that give a picture of the performance of the independent serviced accommodation sector in the UK.

The publication will specifically focus on Occupancy Rates, Average Room Rate (ARR) and RevPAR, all of which are key measures in the accommodation sector.

It is our intention to publish the summary information on a quarterly basis in order to build the profile of this extremely important segment of the UK tourism industry. Each publication will look at the UK as a whole and then will highlight the performance of the sector in different regions.

This data is not collected through a sample survey, but is drawn directly from 4,000 businesses utilising eviivo's products and services based on stay (check-in date). The average room size of eviivo's customer base is 9.2 rooms.

Further information about eviivo can be sourced from www.eviivo.com.”

Nigel David
Chief Executive Officer
eviivo Ltd.

First Quarter: April / May / June 2010 – UK Highlights

This quarter was set against a backdrop of continued economic uncertainty with some extraordinary natural and man-made events making it difficult to see the real impact of a depressed economy on the independent accommodation sector.

May's General Election, the Icelandic Ash Cloud, the World Cup and the ongoing industrial dispute between BA and its cabin crew undoubtedly all impacted on the sector as did the timing of the half-term and bank holidays and of course the sunny weather experienced during this quarter.

Occupancy Rates were up 3 percentage points over the same period last year ending the quarter at 49% although the ARR across eviivo's portfolio was flat at £56.

This isn't a bad achievement considering that the larger hotel groups undertook aggressive price-led strategies in regional locations which is reflected in the slight decline in the ARR for larger hotels.

Flat ARR but slightly higher occupancy has seen RevPAR for the quarter rise marginally from £26 in 2009 to £27 in 2010.

The outlook for the July to September quarter continues to be cautiously optimistic, although we do expect to see continued downward pressure on room rates as customers continue to seek better value for money.

ARR	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£61	0%	£61	-2%	£62	1%	£61	0%
ARR (Offline)	£54	-2%	£54	-2%	£57	3%	£54	-1%
ARR (All)	£56	-1%	£56	-1%	£57	1%	£56	-1%

Definitions:

ARR = average room rate

YOY = year-on-year

(See end of document for full definitions)

Occupancy	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	45%	10%	49%	2%	54%	8%	49%	7%

RevPAR	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£27	10%	£30	0%	£33	9%	£30	6%
RevPAR (Offline)	£24	8%	£26	1%	£31	11%	£27	5%
RevPAR (All)	£25	9%	£27	1%	£31	10%	£27	6%

Definitions:

RevPAR = revenue per available room

YOY = year-on-year

(See end of document for full definitions)

Forward Booking Patterns

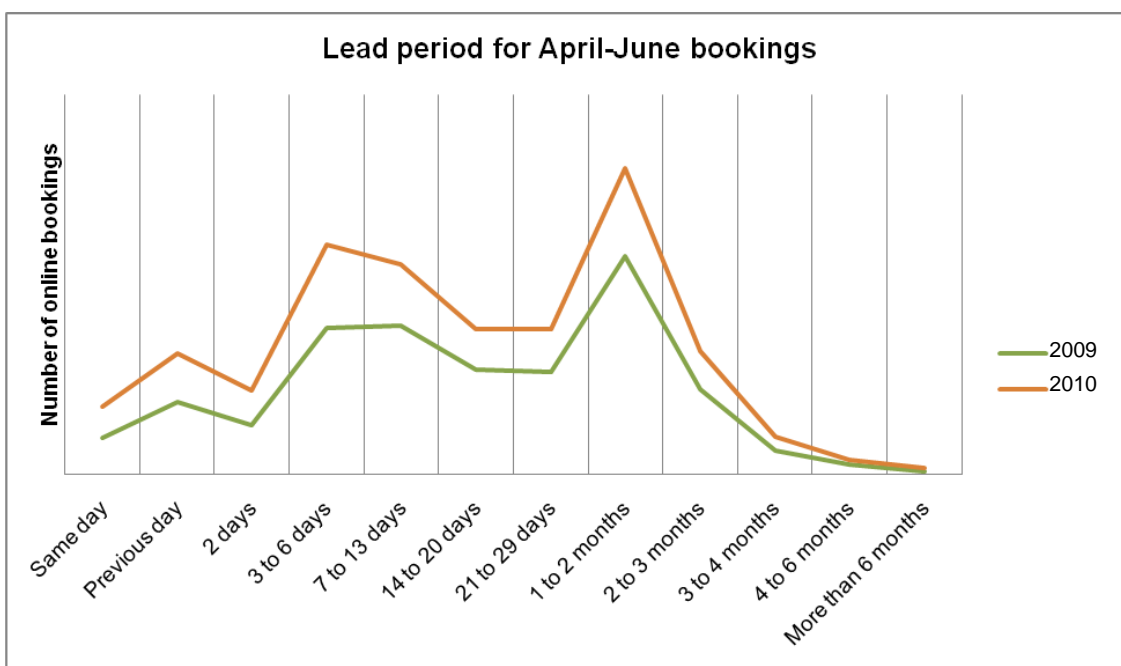
There has been much chatter about late booking patterns being characteristic of the current market, however the figures for online bookings in the April-June quarter tell a slightly different story. The following graph shows the monthly comparisons for each of April, May and June against the same month in 2009.

Interestingly, the booking profile across eviivo's portfolio shows no discernable change in the forward booking patterns of online bookings between 2009 and 2010 with the key

booking periods being either 3 to 6 days in advance and 1 to 2 months in advance.

The late booking pattern might be a characteristic of offline bookings with consumers shopping around and waiting until the last minute to see if they can barter on rates.

We will closely monitor the booking patterns in the next quarter to see if there has been any discernable shift in online.



First Quarter: April / May / June 2010 – Regional Highlights

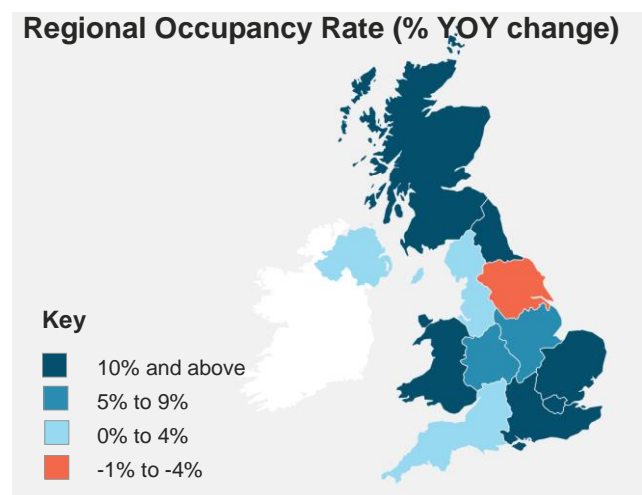
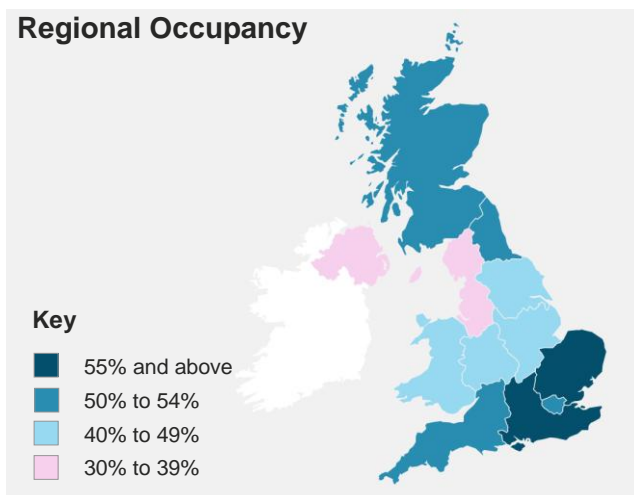
Occupancy Rates

The South East, East of England and Scotland recorded the highest occupancy rates across the UK¹ achieving 57%, 55% and 54% respectively. The South East and Scotland both enjoyed a healthy 7 percentage points increase above the same period in 2009.

The North East and South West of England both saw occupancy rates grow year on year sitting above the 50%.

The only decline in occupancy was seen in Yorkshire and Humber where the comparative year-on-year rate fell one percentage point to 45%.

¹ Isle of Man excluded due to small customer base.



Average Room Rate & RevPAR

With the exception of London, Wales and the West Midlands, all of the regions showed at best flat ARR and at worst declines in ARR although Scotland still recorded the highest ARR across the UK at £61. The West Midlands returned an ARR of £60, while the South East of England achieved an ARR of £59.

eviivo's London properties showed the biggest increase in ARR, albeit marginal, up £3 to £53 although this was still lower than most other regions.

This is likely a reflection of eviivo's mix of properties in London, the bulk of which operate in the highly competitive budget segment.

Given the general increase in occupancy rates, RevPAR either increased or was flat, with no region recording a decline in RevPAR over the comparative period.

Definitions

ARR (average room rate) = sum of the average accommodation revenue per night for each booking divided by the total rooms. eviivo has ARR for both online and offline bookings, however the commentary is based on the combined figure.

RevPAR (revenue per available room) = ARR multiplied by occupancy rate.

Disclaimer

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For information, please contact:
johanna.reder@eviivo.com

eviivo
4th Floor, Horatio House
77 Fulham Palace Road
London W6 8JA
T: 020 8576 5600
E: info@eviivo.com

First Quarter: April / May / June 2010 – London

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£57	-6%	£58	-5%	£60	-3%	£58	-4%
ARR (Offline)	£50	6%	£51	11%	£53	13%	£51	10%
ARR (All)	£52	2%	£53	6%	£55	9%	£53	6%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	47%	12%	51%	19%	55%	17%	51%	16%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£27	6%	£30	13%	£33	14%	£30	11%
RevPAR (Offline)	£24	18%	£26	32%	£29	33%	£26	27%
RevPAR (All)	£24	14%	£27	26%	£30	28%	£27	23%

First Quarter: April / May / June 2010 – East Midlands

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£57	-4%	£56	-7%	£56	-7%	£56	-6%
ARR (Offline)	£52	-4%	£52	-4%	£52	-1%	£52	-3%
ARR (All)	£53	-4%	£53	-4%	£53	-3%	£53	-4%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	43%	0%	46%	10%	51%	13%	47%	9%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£25	-4%	£26	2%	£28	5%	£26	3%
RevPAR (Offline)	£22	-4%	£24	5%	£26	12%	£24	5%
RevPAR (All)	£23	-4%	£24	5%	£27	10%	£25	5%

First Quarter: April / May / June 2010 – East of England

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£60	2%	£61	2%	£62	2%	£61	2%
ARR (Offline)	£57	0%	£55	0%	£53	-4%	£55	-2%
ARR (All)	£58	0%	£56	1%	£55	-3%	£56	-1%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	50%	16%	53%	4%	62%	15%	55%	10%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£30	19%	£32	6%	£38	17%	£34	12%
RevPAR (Offline)	£29	16%	£29	5%	£33	10%	£30	8%
RevPAR (All)	£29	17%	£30	5%	£34	11%	£31	9%

First Quarter: April / May / June 2010 – North East

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£60	0%	£59	-2%	£60	-1%	£60	-1%
ARR (Offline)	£46	-3%	£47	0%	£49	3%	£48	0%
ARR (All)	£50	-2%	£50	0%	£52	2%	£51	0%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	48%	20%	49%	0%	58%	7%	52%	11%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£29	20%	£29	-2%	£35	6%	£31	9%
RevPAR (Offline)	£22	16%	£23	0%	£29	11%	£25	11%
RevPAR (All)	£24	18%	£25	0%	£30	10%	£26	11%

First Quarter: April / May / June 2010 – Northern Ireland

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£56	19%	£54	-2%	£56	14%	£55	10%
ARR (Offline)	£53	-6%	£58	-4%	£52	-6%	£54	-5%
ARR (All)	£55	3%	£56	-5%	£54	2%	£55	-1%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	25%	79%	36%	-12%	37%	3%	32%	3%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£14	112%	£19	-14%	£21	17%	£18	13%
RevPAR (Offline)	£13	68%	£21	-15%	£19	-3%	£17	-2%
RevPAR (All)	£14	84%	£20	-16%	£20	4%	£17	3%

N.B:

For Northern Ireland, the number of businesses using eviivo frontdesk® increased by 300% Y.O.Y.

First Quarter: April / May / June 2010 – North West

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£55	-1%	£52	-2%	£53	3%	£53	0%
ARR (Offline)	£47	-6%	£48	-1%	£47	-1%	£47	-3%
ARR (All)	£49	-4%	£49	-1%	£49	1%	£49	-2%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	38%	0%	38%	-7%	38%	6%	38%	0%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£21	-1%	£28	-9%	£20	9%	£20	0%
RevPAR (Offline)	£18	-6%	£18	-9%	£18	5%	£18	-3%
RevPAR (All)	£19	-4%	£19	-8%	£19	6%	£19	-2%

First Quarter: April / May / June 2010 – Scotland

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£65	3%	£66	2%	£69	5%	£67	3%
ARR (Offline)	£58	-7%	£59	-9%	£61	-9%	£59	-8%
ARR (All)	£60	-4%	£61	-6%	£63	-6%	£61	-5%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	46%	31%	56%	4%	59%	11%	54%	15%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£30	36%	£37	5%	£41	16%	£36	19%
RevPAR (Offline)	£27	23%	£33	-5%	£36	1%	£32	5%
RevPAR (All)	£28	26%	£34	-3%	£37	5%	£33	9%

First Quarter: April / May / June 2010 – South East

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£65	-2%	£65	-4%	£65	-2%	£65	-3%
ARR (Offline)	£57	-5%	£57	-5%	£57	-2%	£57	-4%
ARR (All)	£59	-4%	£59	-4%	£59	-2%	£59	-3%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	51%	19%	56%	10%	62%	13%	57%	14%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£33	16%	£37	5%	£40	10%	£37	11%
RevPAR (Offline)	£29	13%	£32	5%	£35	10%	£32	9%
RevPAR (All)	£30	14%	£33	5%	£37	11%	£34	10%

First Quarter: April / May / June 2010 – South West

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£62	1%	£62	-1%	£63	1%	£62	0%
ARR (Offline)	£55	-1%	£54	-3%	£56	-1%	£55	-2%
ARR (All)	£57	0%	£56	-2%	£58	0%	£57	-1%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	47%	4%	51%	0%	59%	5%	52%	2%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£29	5%	£32	-1%	£37	6%	£32	2%
RevPAR (Offline)	£26	3%	£27	-3%	£33	4%	£28	0%
RevPAR (All)	£27	5%	£29	-2%	£34	5%	£30	1%

First Quarter: April / May / June 2010 – Wales

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£62	-4%	£62	-2%	£62	5%	£62	0%
ARR (Offline)	£58	5%	£56	5%	£56	1%	£56	4%
ARR (All)	£59	3%	£57	4%	£57	3%	£58	4%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	45%	22%	49%	2%	53%	13%	49%	11%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£28	17%	£30	0%	£33	18%	£30	11%
RevPAR (Offline)	£26	28%	£27	7%	£30	14%	£28	16%
RevPAR (All)	£26	26%	£28	6%	£30	16%	£28	16%

First Quarter: April / May / June 2010 – West Midlands

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£68	4%	£65	-2%	£65	1%	£66	1%
ARR (Offline)	£58	5%	£59	3%	£58	10%	£58	6%
ARR (All)	£61	6%	£61	3%	£60	8%	£60	5%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	41%	14%	49%	11%	45%	-2%	45%	7%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£28	18%	£32	9%	£29	-1%	£30	8%
RevPAR (Offline)	£24	20%	£29	15%	£26	7%	£26	14%
RevPAR (All)	£25	21%	£30	14%	£27	6%	£27	13%

First Quarter: April / May / June 2010 – Yorkshire and the Humber

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
ARR (Online)	£60	-3%	£58	-2%	£59	2%	£59	-1%
ARR (Offline)	£57	2%	£57	0%	£57	-1%	£57	0%
ARR (All)	£58	1%	£57	0%	£57	0%	£57	0%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
Occupancy rate	42%	2%	44%	-6%	49%	0%	45%	-2%

	April	% YOY change	May	% YOY change	June	% YOY change	Quarter 1	% YOY change
RevPAR (Online)	£25	0%	£26	-8%	£29	2%	£27	-3%
RevPAR (Offline)	£24	5%	£25	-6%	£28	-1%	£26	-2%
RevPAR (All)	£24	3%	£25	-7%	£28	0%	£26	-2%