

## The eviivo Accommodation Index

July / August / September 2010

### Introduction

“Welcome to the second issue of the eviivo Accommodation Index. eviivo frontdesk® is now installed in over 4,000 small and medium-sized accommodation businesses across the UK. 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 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.

This publication provides details on Occupancy Rates, Average Room Rate (ARR) and RevPAR, all of which are key measures in the accommodation sector.

We continue to publish the summary information on a quarterly basis in order to help build the profile of this extremely important segment of the UK tourism industry.

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 9.5 rooms.

Further information about eviivo can be sourced from [www.eviivo.com](http://www.eviivo.com).”

Nigel David  
Chief Executive Officer  
eviivo Ltd.

### Third Quarter: July / August / September 2010 – UK Highlights

A better summer weather-wise than the corresponding period in 2009 and the legacy of travel disruption from the previous quarter saw healthy increases in occupancy and RevPAR although the ARR struggled as downward pressure on price continued to characterise the market.

Occupancy Rates were up almost 9% percentage points over the same period last year ending the quarter at 62% although the total ARR (online & offline) across eviivo’s portfolio was virtually flat at £59 for the quarter.

Flat ARR but stronger occupancy has seen RevPAR for the quarter rise to £36 - an increase of almost 9% over the same quarter last year.

The outlook for the October–December period is expected to be weaker due to the cuts announced in the Government’s Comprehensive Spending Review and continued uncertainty over whether the UK will experience a double-dip recession.

Budget hotel chains such as Premier Inn and Travelodge continue to focus on price-led marketing strategies, in some cases to support their expansion strategy. Small and medium-sized accommodation businesses are encouraged to focus on harnessing the value of the online environment to promote their uniqueness and value-added offers to maintain and build market share.

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	61%	9.7%	66%	7.6%	60%	9.5%	62%	8.8%

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£63	0%	£64	-0.5%	£60	-0.6%	£63	-0.3%
ARR (Offline)	£57	-0.2%	£59	0%	£55	-0.4%	£57	-0.3%
ARR (All)	£59	0.3%	£60	0.2%	£56	-0.2%	£59	0.1%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£39	9.7%	£42	7.1%	£36	8.8%	£39	8.4%
RevPAR (Offline)	£35	9.5%	£38	7.6%	£33	9.0%	£35	8.5%
RevPAR (All)	£36	10%	£40	7.8%	£34	9.3%	£36	8.9%

**Definitions:**

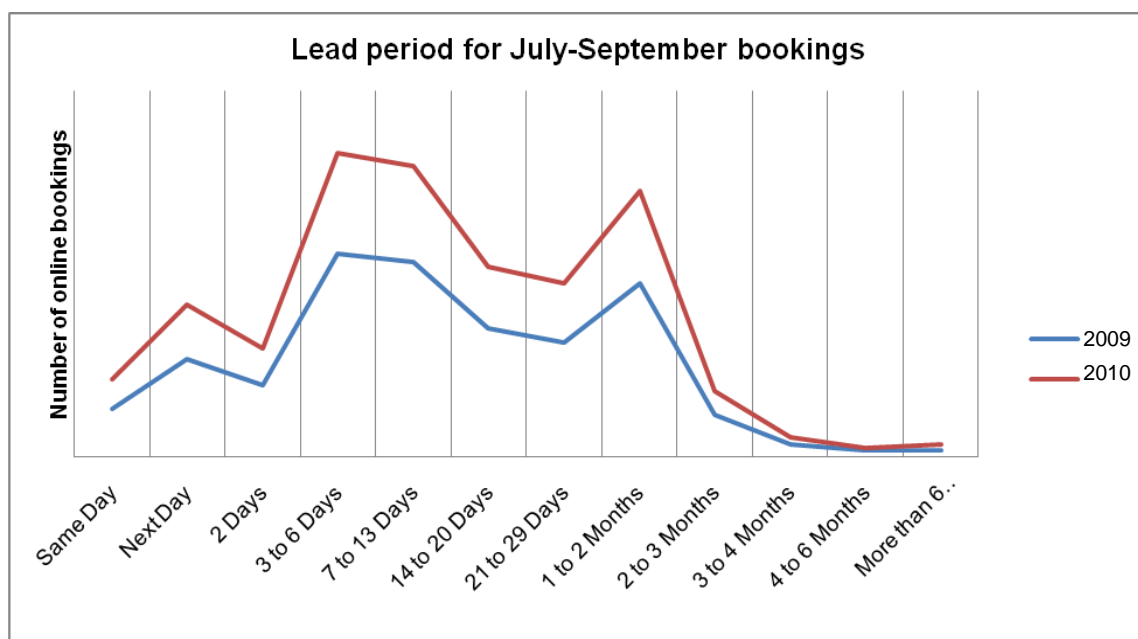
YOY = year-on-year  
 (See end of document for full definitions and a note in relation to ARR)

### Forward Booking Patterns

The following graph shows the monthly comparisons for the booking period July–September against the same months in 2009.

for 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.

Interestingly, the booking profile across eviivo’s portfolio shows no discernable change in the forward booking patterns



## Third Quarter: July / August / September 2010 – Regional Highlights

### Occupancy Rates

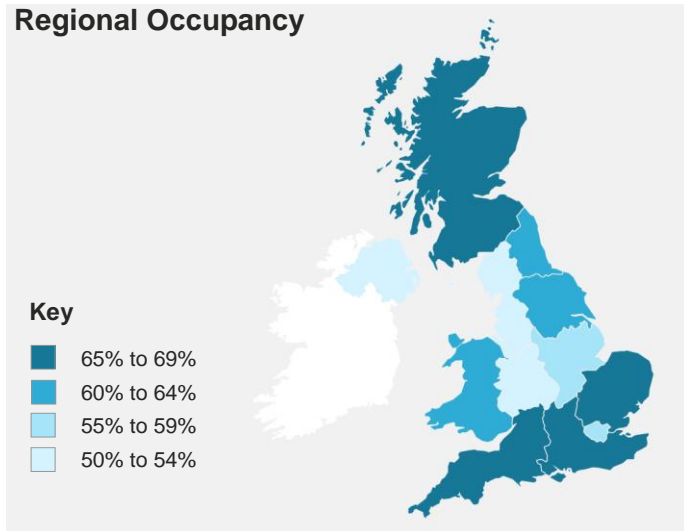
All UK regions reported occupancy growth over the comparative quarter in 2009.

The South East, South West and Scotland recorded the highest occupancy rates across the UK<sup>1</sup> achieving 69%, 67% and 65% respectively. The South East and Scotland both enjoyed a healthy double digit increase above the same period in 2009.

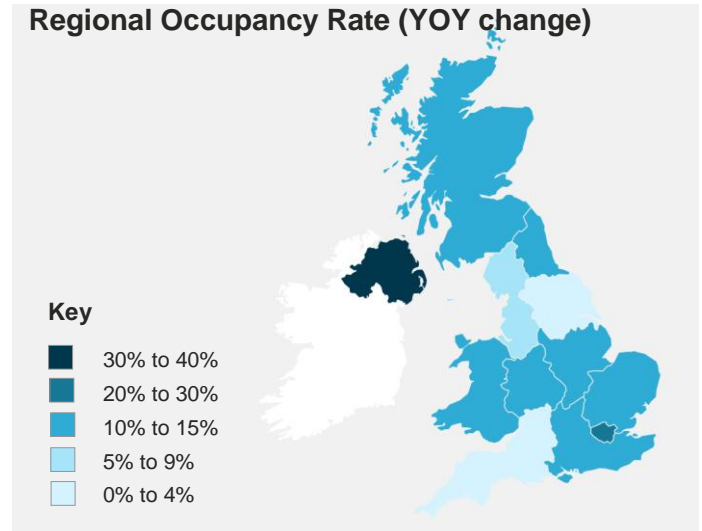
It should be noted that the Northern Ireland increase is off a small base and the mix of London properties this year, compared to last year, has resulted in a potential distortion in the comparative occupancy increase.

<sup>1</sup> Isle of Man excluded due to small customer base.

### Regional Occupancy



### Regional Occupancy Rate (YOY change)



### Average Room Rate & RevPAR

London, Northern Ireland, the North East, the South West, Wales, West Midlands and Yorkshire & Humber all showed positive improvements in ARR compared to the same quarter in 2009. The remaining five regions all showed declines in ARR.

eviivo's London properties again showed the biggest increase in ARR, which rose to £54 although this was still lower than most other regions with the exception of the East Midlands

which also achieved an ARR of £54.

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

Given the good increase in occupancy rates, RevPAR increased across all regions, including London.

#### 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. It should be noted that the relative mix between online and offline bookings results in an ARR (All) that may not look logical at first sight, although it is mathematically correct.

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

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*N.B.: Issue 1 of the eviivo Accommodation Index referred to the April/May/June 2010 period as Q1 of the 2010/11 financial year. Subsequent issues will now refer to calendar year quarters.*

**Third Quarter: July / August / September 2010 – London**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£60	-2%	£59	-3%	£60	3%	£60	-1%
ARR (Offline)	£54	16%	£52	13%	£53	12%	£53	14%
ARR (All)	£55	10%	£53	9%	£55	10%	£54	10%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	65%	18%	54%	20%	59%	37%	59%	26%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£39	16%	£32	16%	£36	42%	£35	24%
RevPAR (Offline)	£35	37%	£28	36%	£31	54%	£31	43%
RevPAR (All)	£36	31%	£29	30%	£32	51%	£32	38%

**Third Quarter: July / August / September – East Midlands**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£59	-2%	£57	-7%	£55	0%	£57	-3%
ARR (Offline)	£53	1%	£53	-2%	£50	-6%	£52	-3%
ARR (All)	£55	0%	£55	-3%	£52	-4%	£54	-3%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	54%	6%	57%	16%	57%	16%	56%	12%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£32	4%	£33	8%	£32	16%	£32	8%
RevPAR (Offline)	£29	7%	£30	14%	£29	10%	£29	9%
RevPAR (All)	£30	6%	£31	12%	£29	12%	£30	9%

**Third Quarter: July / August / September – East of England**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£62	1%	£65	5%	£59	-1%	£62	2%
ARR (Offline)	£55	-7%	£58	-4%	£54	-8%	£56	-6%
ARR (All)	£57	-5%	£60	-2%	£55	-6%	£57	-4%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	72%	20%	70%	13%	66%	12%	69%	15%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£45	21%	£46	18%	£39	10%	£43	17%
RevPAR (Offline)	£39	11%	£41	8%	£35	3%	£38	8%
RevPAR (All)	£41	14%	£42	11%	£36	5%	£39	10%

**Third Quarter: July / August / September – North East**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£62	-1%	£64	1%	£60	2%	£62	1%
ARR (Offline)	£51	3%	£53	3%	£51	1%	£52	2%
ARR (All)	£55	2%	£56	3%	£53	2%	£55	2%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	59%	9%	61%	11%	60%	15%	60%	11%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£36	9%	£39	12%	£36	18%	£37	12%
RevPAR (Offline)	£30	12%	£32	14%	£30	17%	£31	14%
RevPAR (All)	£32	12%	£34	14%	£32	18%	£33	14%

**Third Quarter: July / August / September – Northern Ireland**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£58	-1%	£57	2%	£54	-3%	£57	0%
ARR (Offline)	£59	33%	£59	11%	£57	12%	£58	17%
ARR (All)	£59	23%	£58	8%	£56	7%	£57	12%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	53%	43%	55%	20%	44%	29%	51%	31%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£31	42%	£31	22%	£24	26%	£29	31%
RevPAR (Offline)	£31	91%	£32	33%	£25	45%	£30	53%
RevPAR (All)	£31	77%	£32	29%	£25	38%	£29	46%

**Third Quarter: July / August / September – North West**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£51	0%	£52	-2%	£53	-3%	£52	-2%
ARR (Offline)	£48	0%	£49	1%	£48	1%	£48	1%
ARR (All)	£49	0%	£50	0%	£49	0%	£50	0%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	48%	14%	57%	8%	51%	6%	52%	8%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£25	14%	£30	5%	£27	3%	£27	6%
RevPAR (Offline)	£23	14%	£28	9%	£24	8%	£25	9%
RevPAR (All)	£23	14%	£29	8%	£25	7%	£26	8%

**Third Quarter: July / August / September – Scotland**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£70	0%	£72	-3%	£66	-1%	£70	-2%
ARR (Offline)	£65	-11%	£68	-8%	£60	-9%	£64	-10%
ARR (All)	£66	-8%	£69	-7%	£61	-7%	£66	-7%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	63%	11%	69%	8%	63%	15%	65%	12%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£44	10%	£50	4%	£42	13%	£46	10%
RevPAR (Offline)	£41	-1%	£47	-1%	£38	4%	£42	1%
RevPAR (All)	£42	2%	£48	1%	£39	6%	£43	4%

**Third Quarter: July / August / September – South East**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£67	-2%	£68	0%	£64	-2%	£67	-1%
ARR (Offline)	£60	-1%	£60	-5%	£56	-4%	£59	-4%
ARR (All)	£62	-1%	£63	-3%	£58	-4%	£61	-3%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	72%	18%	69%	11%	67%	12%	69%	13%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£48	16%	£47	11%	£43	9%	£46	12%
RevPAR (Offline)	£43	16%	£41	6%	£38	7%	£40	9%
RevPAR (All)	£45	17%	£43	8%	£39	8%	£42	10%

**Third Quarter: July / August / September – South West**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£64	0%	£66	0%	£62	-1%	£64	0%
ARR (Offline)	£58	-1%	£61	2%	£56	1%	£59	1%
ARR (All)	£60	0%	£63	1%	£58	1%	£60	1%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	67%	5%	72%	1%	63%	2%	67%	2%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£43	4%	£48	1%	£39	1%	£43	1%
RevPAR (Offline)	£39	4%	£44	3%	£36	3%	£39	2%
RevPAR (All)	£40	4%	£45	3%	£37	2%	£41	2%

**Third Quarter: July / August / September – Wales**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£62	1%	£64	-2%	£60	-2%	£62	-1%
ARR (Offline)	£58	2%	£60	1%	£57	6%	£59	3%
ARR (All)	£60	2%	£61	1%	£58	4%	£60	2%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	61%	13%	70%	13%	61%	15%	64%	12%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£38	14%	£44	11%	£37	13%	£40	11%
RevPAR (Offline)	£36	15%	£42	14%	£35	22%	£37	15%
RevPAR (All)	£36	15%	£43	14%	£35	20%	£38	15%

**Third Quarter: July / August / September – West Midlands**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£69	8%	£67	-2%	£64	-2%	£66	1%
ARR (Offline)	£59	8%	£61	5%	£57	0%	£59	4%
ARR (All)	£51	8%	£63	3%	£59	0%	£61	3%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	48%	12%	53%	10%	58%	12%	53%	10%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£33	20%	£35	8%	£37	9%	£35	12%
RevPAR (Offline)	£28	20%	£33	16%	£33	12%	£31	15%
RevPAR (All)	£30	20%	£33	14%	£34	11%	£32	14%

**Third Quarter: July / August / September – Yorkshire and the Humber**

Average Room Rate	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
ARR (Online)	£60	0%	£61	0%	£59	2%	£60	1%
ARR (Offline)	£58	2%	£60	3%	£54	-1%	£57	2%
ARR (All)	£59	2%	£60	2%	£56	0%	£58	2%

Occupancy	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
Occupancy rate	57%	2%	66%	3%	58%	2%	60%	2%

RevPAR	July	% YOY change	Aug.	% YOY change	Sept.	% YOY change	Quarter 3	% YOY change
RevPAR (Online)	£34	2%	£40	3%	£34	4%	£36	2%
RevPAR (Offline)	£33	4%	£39	6%	£31	1%	£34	3%
RevPAR (All)	£34	4%	£40	5%	£32	2%	£35	3%