

The eviivo Accommodation Index

January / February / March 2011

Introduction

“Welcome to the fourth issue of the eviivo Accommodation Index. eviivo is the market leader in the UK independent accommodation sector, with frontdesk installed in over 4,700 small and medium-sized serviced and non-serviced accommodation businesses across the UK. Frontdesk is a fully integrated property management and online distribution software that helps smaller properties compete effectively 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 over 4,700 businesses utilising eviivo’s products and services based on stay (check-in date). The majority of our partners have 20 rooms or less and the average room size of eviivo’s customer base is 9 rooms.

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



Nigel David
Chief Executive Officer - eviivo Ltd.

First Quarter: January / February / March 2011 – UK Highlights

Whilst the UK experienced some challenging weather conditions this winter, and while this was also the case the previous winter, less disruption to travel arrangements was suffered compared to 2010. This is one of the factors that helped contribute to a healthier picture for the first quarter of this year as compared to the previous year.

Taking the averages of the UK as a whole, it was a positive result in terms of both average room rates and occupancy, but especially the latter, which resulted in significantly improved RevPar (revenue per available room) at +13% year on year.

This quarter habitually suffers the lowest occupancies of the year, not benefitting from any peak demand periods such as Christmas, Easter or school holidays.

January has the lowest occupancy of the year at 35%, with February and March at 39% and 40%. However, the country showed a healthy 12% occupancy growth year-on-year.

Whilst 2011 has started quite well and the independent accommodation sector was in a much stronger position in this first quarter, than in 2010, consumer confidence continues to be very fragile on the back of slow economic growth, the impact of public sector spending cuts that kicked in from the beginning of April and inflationary cost pressures.

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£56	-1%	£60	0%	£58	1%	£58	0%
ARR (Offline)	£49	2%	£53	2%	£52	2%	£51	2%
ARR (All)	£50	2%	£55	1%	£53	2%	£53	1%

Definitions:

YOY = year-on-year

(See page 3 for full definitions and a note in relation to ARR)

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	35%	14%	39%	11%	40%	11%	38%	12%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£20	14%	£23	11%	£23	12%	£22	12%
RevPAR (Offline)	£17	17%	£21	12%	£21	13%	£19	14%
RevPAR (All)	£18	16%	£21	12%	£21	13%	£20	13%

Definitions:

YOY = year-on-year

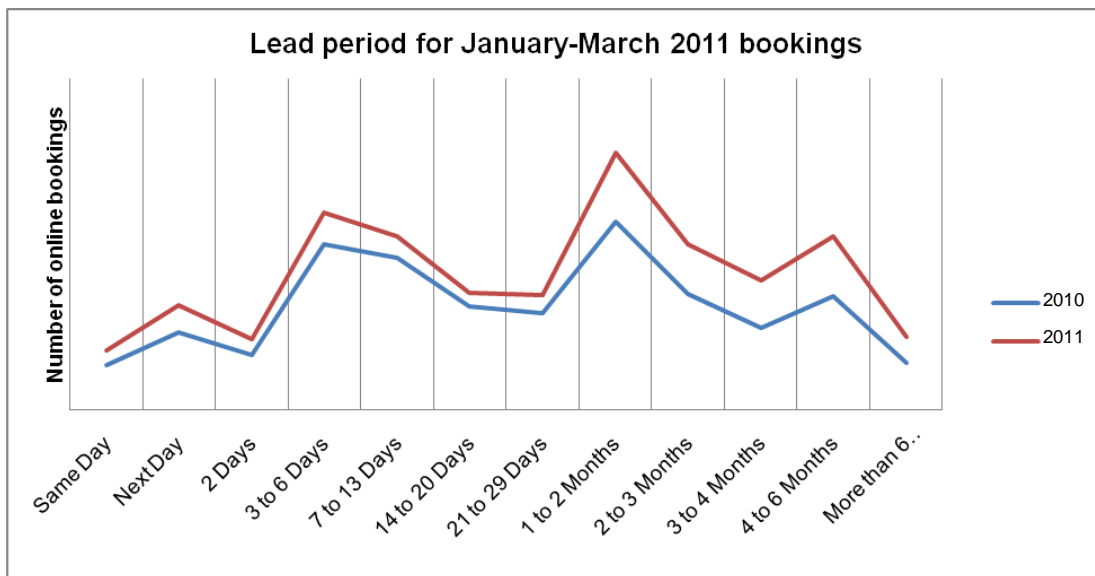
(See page 3 for full definitions and a note in relation to ARR)

Forward Booking Patterns

The following graph shows the monthly comparisons for the booking period January to March against the same months in 2010.

The pattern in booking lead times has remained fairly consistent with the previous year.

There is still a significant number of bookings made more than three or four months in advance and it is important that independent accommodation businesses continue to keep their advance prices updated and rooms available online to take advantage of this key booking pattern.



First Quarter: January / February / March 2011 – Regional Highlights

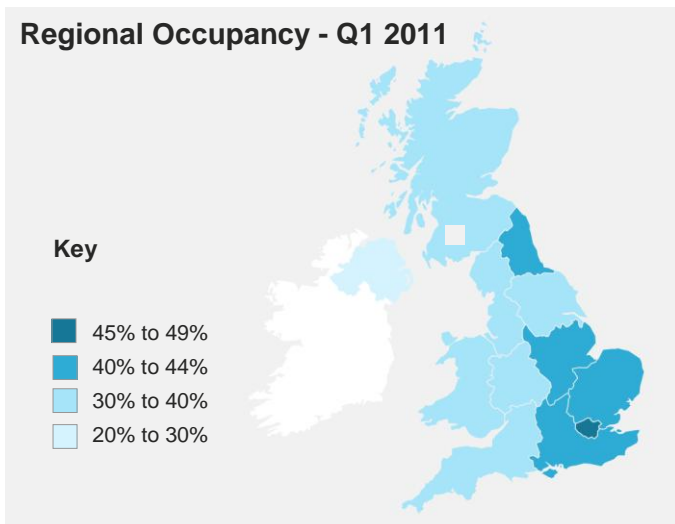
Occupancy Rates

Generally, all UK regions reported occupancy growth over the comparative quarter in 2010, although this was slower than in previous quarters in Scotland and the West Midlands.

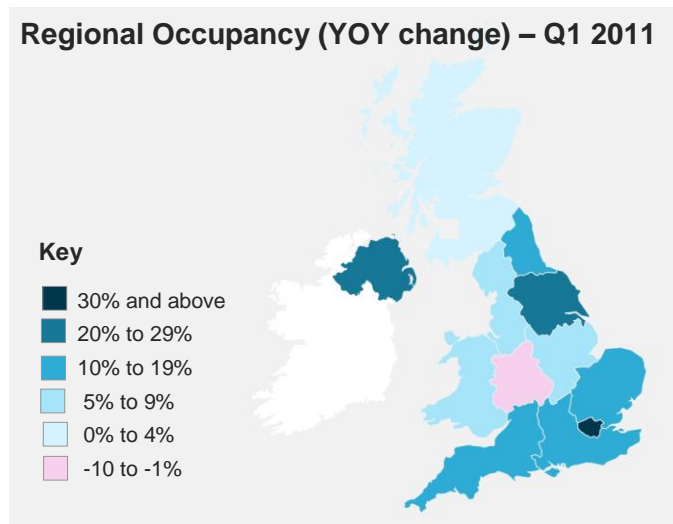
London and the South East enjoyed the highest occupancies at 48% and 42% respectively, with the East of England, East Midlands and North East all around the 40% mark.

Wales and the North West had the lowest occupancies with 33% and 32%, due to a high level of seasonal business in areas such as the seaside resorts of Llandudno and Blackpool.

Regional Occupancy - Q1 2011



Regional Occupancy (YOY change) – Q1 2011



Average Room Rate & RevPAR

In many areas of the UK, the average room rate was slightly lower year-on-year, the South East, East of England, Yorkshire, North East, Scotland, Wales and Northern Ireland all suffered a small decrease in rates.

Exceptions to this included the West and East Midlands as well as the South West which saw small increases in rates as compared to last year.

The South West was one of the few regions that enjoyed an increase in all of the key areas – average room rate +5%, occupancy rate +12%, resulting in a double-digit increase in RevPar 17%.

However, the overall pattern was for the decreases in room rate to stimulate occupancy, and thus resulting in better RevPar during this first quarter.

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.

Disclaimer

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First Quarter: January / February / March 2011 – South West

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£55	-2%	£60	3%	£59	1%	£59	1%
ARR (Offline)	£48	6%	£54	6%	£53	5%	£52	6%
ARR (All)	£50	5%	£55	6%	£54	4%	£54	5%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	36%	11%	39%	11%	40%	13%	38%	12%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£20	9%	£24	14%	£23	15%	£22	13%
RevPAR (Offline)	£17	19%	£21	18%	£21	20%	£20	18%
RevPAR (All)	£18	17%	£22	17%	£22	18%	£20	17%

First Quarter: January / February / March 2011 – South East

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£60	0%	£65	1%	£64	4%	£63	2%
ARR (Offline)	£51	-1%	£54	-6%	£53	-2%	£53	-3%
ARR (All)	£53	-1%	£57	-4%	£56	0%	£55	-2%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	38%	21%	44%	20%	45%	14%	42%	18%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£23	21%	£29	20%	£28	19%	£27	20%
RevPAR (Offline)	£19	19%	£24	13%	£24	13%	£22	14%
RevPAR (All)	£20	19%	£25	14%	£25	14%	£23	15%

First Quarter: January / February / March 2011 – London

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£63	16%	£64	10%	£63	12%	£63	10%
ARR (Offline)	£52	10%	£55	9%	£55	9%	£54	9%
ARR (All)	£54	12%	£57	9%	£57	10%	£56	10%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	40%	32%	48%	32%	57%	44%	48%	36%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£25	53%	£30	45%	£36	61%	£30	52%
RevPAR (Offline)	£21	45%	£26	44%	£32	57%	£26	48%
RevPAR (All)	£22	48%	£27	44%	£32	58%	£27	49%

First Quarter: January / February / March 2011 – East of England

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£55	-2%	£60	0%	£57	1%	£58	0%
ARR (Offline)	£49	-3%	£52	-2%	£49	-6%	£50	-4%
ARR (All)	£50	-3%	£54	-1%	£51	-5%	£51	-3%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	34%	9%	42%	11%	44%	14%	40%	12%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£19	7%	£25	11%	£25	15%	£23	11%
RevPAR (Offline)	£17	5%	£22	9%	£22	7%	£20	7%
RevPAR (All)	£17	5%	£22	9%	£22	8%	£20	8%

First Quarter: January / February / March 2011 – East Midlands

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£56	3%	£59	2%	£57	3%	£58	3%
ARR (Offline)	£51	4%	£54	1%	£52	-1%	£52	1%
ARR (All)	£52	3%	£55	2%	£53	0%	£54	1%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	37%	10%	43%	2%	44%	5%	41%	5%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£21	13%	£26	5%	£25	8%	£24	8%
RevPAR (Offline)	£19	14%	£23	4%	£23	4%	£22	6%
RevPAR (All)	£19	13%	£24	4%	£23	5%	£22	7%

First Quarter: January / February / March 2011 – West Midlands

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£63	4%	£69	5%	£66	2%	£66	3%
ARR (Offline)	£51	1%	£58	7%	£55	1%	£55	3%
ARR (All)	£53	1%	£60	6%	£57	1%	£57	2%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	33%	-1%	40%	-6%	41%	-11%	38%	-6%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£21	10%	£27	6%	£27	-4%	£25	2%
RevPAR (Offline)	£17	6%	£23	12%	£23	-4%	£21	3%
RevPAR (All)	£17	7%	£24	10%	£24	-4%	£22	3%

First Quarter: January / February / March 2011 – North West

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£50	-2%	£53	-4%	£52	0%	£52	-2%
ARR (Offline)	£47	12%	£51	11%	£49	9%	£49	10%
ARR (All)	£48	8%	£52	16%	£50	6%	£50	6%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	32%	15%	33%	4%	31%	2%	32%	7%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£16	13%	£17	0%	£16	2%	£16	5%
RevPAR (Offline)	£15	28%	£17	16%	£15	11%	£16	17%
RevPAR (All)	£15	24%	£17	11%	£15	9%	£16	14%

First Quarter: January / February / March 2011 – Yorkshire and the Humber

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£55	-3%	£59	-4%	£55	-3%	£57	-3%
ARR (Offline)	£49	-7%	£54	-4%	£53	-3%	£52	-4%
ARR (All)	£51	-6%	£56	-4%	£53	-3%	£53	-4%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	36%	28%	39%	17%	41%	16%	39%	20%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£20	24%	£23	13%	£23	13%	£22	16%
RevPAR (Offline)	£18	20%	£21	12%	£22	13%	£20	15%
RevPAR (All)	£18	21%	£22	13%	£22	13%	£21	15%

First Quarter: January / February / March 2011 – North East

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£52	-7%	£56	-3%	£54	-1%	£54	-3%
ARR (Offline)	£43	1%	£45	-3%	£44	-3%	£44	-2%
ARR (All)	£44	-1%	£47	-4%	£46	-3%	£46	-3%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	36%	27%	41%	17%	42%	11%	40%	18%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£19	17%	£23	13%	£23	10%	£22	14%
RevPAR (Offline)	£16	28%	£18	13%	£19	8%	£17	15%
RevPAR (All)	£16	26%	£19	12%	£19	8%	£18	14%

First Quarter: January / February / March 2011 – Scotland

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£53	-5%	£59	-4%	£57	-7%	£57	-6%
ARR (Offline)	£47	-7%	£53	-2%	£52	-4%	£51	-5%
ARR (All)	£48	-7%	£55	-2%	£54	-5%	£53	-5%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	34%	-4%	41%	8%	39%	8%	38%	4%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£18	-9%	£24	3%	£22	1%	£22	-2%
RevPAR (Offline)	£16	-11%	£22	5%	£21	4%	£19	-1%
RevPAR (All)	£16	-10%	£22	5%	£21	3%	£20	-1%

First Quarter: January / February / March 2011 – Wales

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£52	1%	£59	-4%	£57	0%	£57	-2%
ARR (Offline)	£51	-4%	£55	-7%	£52	-1%	£53	-4%
ARR (All)	£51	-3%	£56	-6%	£53	-1%	£54	-3%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	31%	14%	32%	-3%	37%	10%	33%	8%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£16	16%	£19	-7%	£21	10%	£19	6%
RevPAR (Offline)	£16	9%	£17	-9%	£19	9%	£18	4%
RevPAR (All)	£16	11%	£18	-9%	£20	9%	£18	4%

First Quarter: January / February / March 2011 – Northern Ireland

Average Room Rate	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
ARR (Online)	£48	-9%	£48	-4%	£51	-2%	£49	-4%
ARR (Offline)	£54	17%	£51	-11%	£49	-2%	£50	-1%
ARR (All)	£52	6%	£50	-7%	£49	-2%	£50	-2%

Occupancy	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
Occupancy rate	28%	48%	27%	22%	27%	9%	27%	25%

RevPAR	Jan.	%YOY change	Feb.	%YOY change	Mar.	%YOY change	Quarter 1	%YOY change
RevPAR (Online)	£13	36%	£13	17%	£14	7%	£13	20%
RevPAR (Offline)	£15	74%	£14	9%	£13	7%	£14	23%
RevPAR (All)	£15	58%	£13	14%	£13	7%	£14	22%