

Deloitte

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Yorkshire hotels continue to show improvement

Hotels in Yorkshire, along with those across much of the UK, are continuing to show revenue per available room (RevPAR) remaining steady. Research from business advisory firm Deloitte shows that in the third quarter, hotels in Sheffield were among those showing the greatest improvement throughout the UK, while York remained steady and Leeds saw a slight fall.

Sheffield reported a rise in RevPAR of almost 10 per cent to £31 during the first nine months of 2010, partly due to improved occupancy which increased to 64 per cent, close to the national average of 68 per cent in regional UK. In York, RevPAR remained stable at £52, well above the average RevPAR across the regions of £42 partly due to high occupancy rates of 79 per cent (regional average 68 per cent); and Leeds saw a 2 per cent fall in RevPAR to £36 although occupancy remained close the regional average.

Martin Jenkins, hospitality partner in the Leeds office of Deloitte, commented: "Once more, hoteliers in London have turned in outstanding results for Q3, building upon the strong growth reported during the first half of the year. Hotels in regional UK also showed resilience achieving RevPAR growth of 6.6 per cent to £47 during Q3; a pleasing result as average room rates are now reporting growth after seven consecutive quarters of decline.

"Sheffield has recovered well after being amongst the cities with the lowest RevPAR last year; while York has continued to perform strongly, remaining a popular tourist destination for both UK and overseas visitors alike, and Leeds has maintained its position as one of the leading business centres in the North."

However, how long these results will hold up remains to be seen. In the latest issue of Hotel Market Outlook (a quarterly report produced by Deloitte using STR Global forecasts for London and Regional UK hotels) the outlook for hotels in the capital for the remainder of 2010 looks strong, but the outlook for 2011 is not encouraging with a fall in RevPAR expected for London hotels.

Mr Jenkins continues: "On the flip side, forecasts from STR Global predict that hotels in regional UK will see RevPAR gains in 2011, rising 4.5 per cent to £46 with both occupancy and average room rates experiencing growth. However, the headwinds of job cuts in the public sector combined with



media relations and profile

the increase in the rate of VAT, are likely to play a part in suppressing demand and margins particularly in the early part of next year.”

-- Ends --

Notes to editor:

All analysis in GBP

All data is monthly STR Global data covering the period from 1 January – 30 September 2010