



INTELLIGENCE UPDATE

Research & Intelligence - Keeping you in the picture

TOURISM
SOUTH EAST

OCTOBER 2010 EDITION

Latest facts & figures

Domestic overnight trip volume sustained

Following a booming domestic market in 2009 and a strong start to the year with Q1 results from the United Kingdom Tourism Survey (UKTS) showing a 17% increase in domestic overnight visitors and a 10% increase in trip expenditure, there was reason to be optimistic about how the next few months would pan out. Disappointingly, the latest results from UKTS for Q2 show a 9% drop in volume and almost twice that per cent drop in overall trip expenditure compared to last year.

Taking all the figures together for the first half of the year, the picture is more positive. Overall, volume has remained on par with 2009, and is in fact 3% higher than 2008. British holiday makers are spending less though. Average trip per head for this period dropped from £138.24 per trip in 2009 to £127.17 this year.

Table 1: Domestic trips taken to the South East - January to June year-on-year

	Trips (Millions)			Expenditure (£ Millions)		
	2009	2010	% Change	2009	2010	% Change
South East Total						
Jan—Mar	2.889	3.377	+17%	£365	£401	+10%
Apr—Jun	5.097	4.636	-9%	£739	£618	-16%
Jan—Jun	7.986	8.013	+<1%	£1,104	£1,019	-8%

Source: UKTS

Compared to a number of other English regions which experienced a drop in volume and a double digit drop in trip expenditure, the South East has performed relatively well, coming very closely behind the South West as the most visited region between January to June this year.

Table 2: Domestic trips taken to England by region - January to June year-on-year

Jan-Jun	Trips (Millions)			Expenditure (£ Millions)		
	2009	2010	% Change	2009	2010	% Change
England Total	46.155	45.145	-2%	£7,741	£7,190	-7%
East	4.786	4.379	-9%	£589	£605	+3%
East Midlands	3.354	3.679	-7%	£475	£479	+1%
London	5.461	5.530	+1%	£1,189	£1,192	+<1%
North East	1.662	1.711	+3%	£241	£302	+25%
North West	5.906	5.824	-1%	£1,097	£1,034	-8%
South East	7.986	8.013	+<1%	£1,104	£1,019	-8%
South West	9.073	8.273	-9%	£1,729	£1,427	-17%
West Midlands	3.952	3.635	-8%	£556	£489	-12%
Yorks & Humb	4.872	4.716	-3%	£732	£603	-18%

Source: UKTS

Half year results for trips taken to the South East by overseas travellers will not be available from the International Passenger Survey (IPS) until October 2010. In the meantime we can get a good picture of the inbound market from volume and value at the national level. According to IPS, 4% fewer visitors came to the UK between January to June when compared to the same period a year earlier. Spending over the first 6 months of the year was 1% lower in nominal terms.

[To view the latest domestic and inbound visitors figures for the South East click here](#)

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Business Confidence

Latest results from Tourism South East's How's Business Monitor reveals that more businesses this year reported that overall performance for the first half of the year remained similar to that achieved over the same period the year before.

Thirteen per cent more businesses this year compared to last year expect performance for the rest of the year to remain at the same level as the year before.

Table 3: South East Performance for January to June

	Performance to date			Performance expectations		
	2009	2010	% Change	2009	2010	% Change
Better	33%	36%	-3%	28%	35%	-7%
Same	42%	34%	+8%	58%	45%	+13%
Worse	25%	30%	-5%	14%	20%	-6%

Source: Tourism South East How's Business Monitor

[To view the latest How's Business Survey Monitor report click here](#)

Hotels on recovery track

Following a bumpy year in 2009, the region's hotel sector is showing a steady recovery. So far this year, each month has shown improvements in all three metrics of performance (room occupancy, average daily rate and revpar). The most recent data for August based on the performance of a sample of 320 hotels reveals that occupancy increased 4.0% to 74.1%, average day rate increased 10.4% to £77.30, and revenue per available room ended the month up by 16.8% to £57.60.

Table 4: South East Hotel Performance August, year -on-year

	2010	2009	% Change
Occupancy	74.1%	70.1%	+ 4.0%
ADR	£77.30	£70.00	+ 10.4%
RevPAR	£57.60	£49.30	+ 16.8%

Source: STR Global, Hotel survey based on sample of 320 hotels

[To view the latest regional occupancy trends click here](#)

News from around the region

Berkshire

Merlin Entertainments will open a themed hotel next to its Legoland theme park in Windsor in time for Easter 2012. The 150-bedroom themed hotel is part of Merlin's £30m investment programme for the park, designed to turn it into a short-break destination for families with young children.

Buckinghamshire

A restoration project on the Grade II-listed Langley Park in Buckinghamshire has been completed. The work to restore 190 acres of parkland began in 2009 and has taken more than 15 months to finish. The project included the creation of a new visitor centre and upgrading of lakeside walks. The project was made possible through a £1.9m grant from the Heritage Lottery Fund.

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Hotel group Best Western has announced that six hotels across the UK, including Chilworth Manor, have been added to its portfolio over the last two months. The addition of these hotels will see more than 350 new bedrooms added to Best Western's existing UK portfolio of 15,000, as well as additional leisure and conference provision.

Isle of Wight

Isle of Wight Council has confirmed plans for a new town square in Ryde, which is to be created as part of an ongoing scheme to improve the area's public realm. Work is due to commence on 11 October and will see the square, which will include benches and trees, built at the junction of High Street and John Street. The project is expected to take up to eight weeks to complete.

Kent

Canterbury City Council has launched a six-week consultation to allow local residents to comment on a draft master plan for the regeneration of Herne Bay. The plan includes building a new hotel in addition to retail units and homes.

Oxfordshire

A new seven-screen digital cinema and restaurants are among the facilities to be created as part of a scheme to overhaul the centre of Bicester. It is hoped that the scheme will deliver a greater retail and leisure offer and should attract more people in, which will help the rest of the retailers in the town.

Surrey

Guildford Borough Council has invited residents to comment on draft plans for a new heritage centre and tourist attraction incorporating the town's museum and castle. The proposals have been on display at Guildford Museum since 13 September. The Council is also seeking comments on a proposed Heritage Lottery Fund bid for £1m towards the cost of the scheme, which would still require a further £2m (£250,000 of which will be provided by the council).

Sussex

Rother District Council has named Kent-based Neilcott Construction as lead contractors on a £3.5m refurbishment project in Bexhill, East Sussex. Part of the Next Wave scheme to regenerate the town's seafront, the work will include the construction of a new rowing club boathouse, the creation of a new terraced open space adjacent to the De La Warr Pavilion and the extension and refurbishment of the Grade II listed Colonnade on the town's West Parade.

Contact Us

If you have any queries regarding the *Intelligence Update*, or require any additional Market Intelligence, please contact Parves Khan (Head of Research) by email (pkhan@tourismse.com) or phone (02380 625459).

To view all the latest market intelligence visit <http://www.tourismsoutheast.com/marketintelligence>

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