

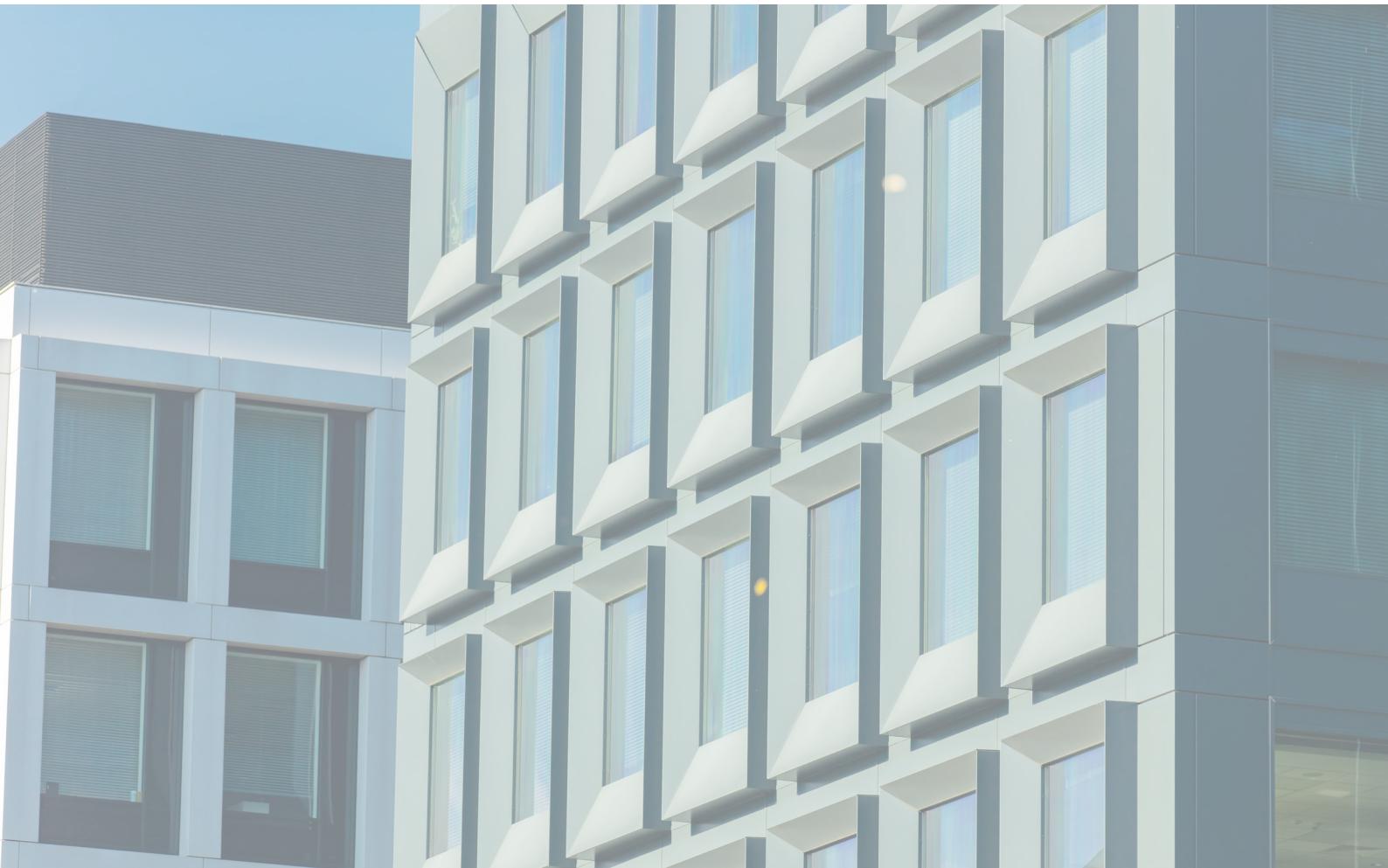


Forward Pricing Report



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Author's Note

As we delve into the latest insights regarding forthcoming hotel prices, it's imperative to navigate through the intricate landscape shaped by a myriad of economic factors and market dynamics. This author's note aims to contextualise our findings, offering a nuanced perspective on the anticipated trends and their implications for stakeholders in the hospitality sector.

1. Price Stability: Our analysis indicates very limited evidence of price inflation in the UK and Ireland hotel market during H1 2024. While there are seasonal increases similar to previous years, significant year-on-year price hikes have not been observed.

2. Easter Trend Reversal: We saw a reversal of the typical Easter trend, likely driven by pressures on consumer finances. This trend is projected to continue through the summer months of 2024. Data suggests that Gateway locations with globally renowned tourist attractions will maintain their pricing, while prices in other areas are expected to be weaker.

3. Autumn Market Confidence: The UK hotel market shows low confidence for the Autumn months, which are typically bolstered by corporate stays. This is a notable shift from 2023 data, which showed forward price increases into October.

For buyers, this is encouraging news. The inflationary pressures of last year appear to be behind us, and the forward outlook supports cost-saving strategies that many of our clients are considering. As we approach the corporate RFP rate negotiation period, now is an opportune time to collaborate with Roomex to plan your demand through 2025.

Keith Watson

Chief Operating Officer



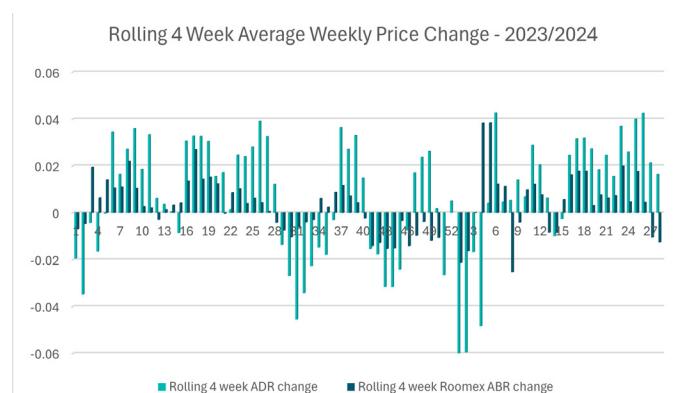
We are normally thinking about leisure demand as we try to assess forward pricing across the summer months in UK & I. This year feels like a smorgasbord of competing pressures of varying weights that are likely to have some sort of impact. The UK has a new government which has slowed some government travel and projects. Rail infrastructure projects bumped over into a new 5 year Control Period in the spring. Inflation is cooling, but high costs of living continue. This mix makes forward visibility difficult. Being now some years away from travel restrictions and post the high inflation of 2023, but still being in the midst of an unresolved cost of living squeeze - powerful pressures on leisure demand and its pressure on price. It's a much more nuanced picture through Q3 2024.

Introduction

Leisure trade in the summer period usually provides a strong upward pressure on Average Daily Rate (ADR) in the UK market, but 2024 looks weaker. In the summers immediately after the pandemic the market got used to experiencing rapid price rises into the holiday weeks supported by highly compressed availability. This is unlikely to play out again this year. Easter which normally provides the hotel industry with a boost in terms of price, this year saw the reverse with a market wide price decline of -1.9%, and Roomex Average Booked Rate drop of -2.7% into Easter. The public holidays in May also showed drops -3.1% market wide for the first weekend and a smaller drop for the second. Holiday trade and Visiting Friends and Family business is weaker which in the context of the macro environment makes sense.

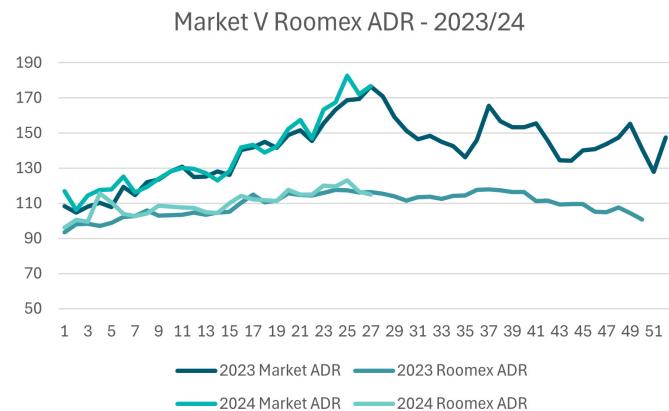
So the backdrop looks soft, but the business environment is also mixed. In May the UK registered a positive GDP growth figure and

appears to have made its way out of a shallow recession. April, May and June Construction Purchasing Managers Index all registered above 50 pointing to a more positive outlook and growth. Although June was down on May. So in summary the environment is generally positive but mixed which from a price creates some uncertainty.



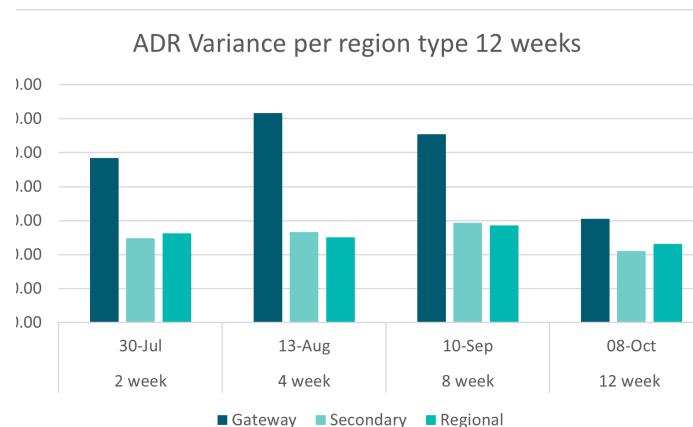
As to be expected the Rolling 4 Week UK ADR started to soften in week 27. This approximately correlates with 2023, but in 2024 the H1 ADR development was not as strong. Average Booked Rate for Roomex clients was +11.9% higher in June than January. In 2023 this was +19.7%. Roomex Average Booked Rate between weeks 25-28 was limited to +0.56% higher in 2024 compared

to 2023. The market has a whole increased on the same basis +2.0%. The price gains in H1 have been seasonal not inflationary.



Looking at 2023 data, what lies immediately ahead is price easing. Perhaps more markedly than in previous recent years. Prices increased +1.7% over Easter in 2023. Price increases over this holiday period have become trend post pandemic. 2024 saw a reversal of previous positive Easter rate trends with a drop of -2.7% which is likely indicative of soft forward outlook. Assuming this leisure weakness continues it will provide a strong downward rate pressure. By region (Gateway, Secondary and Regional) there is very strong peak in August in Gateway locations. No surprise that London and particularly Edinburgh lead the charge in offering high rates with robust tourism business to support them. Outside of these locations where leisure contributes less, the picture is weaker.

Comparison of London prices in July to October is -18.8%. The market is nervous about business demand. In regional locations this drop is contained to -12.0%, but underscores uncertain demand. It is also worth noting the UK general election is behind us and whilst there was impact on Government business and investment certainty in the run up to voting, government related uncertainty is receding.



In terms of day-of-week demand, Regional destinations show strong Wednesday demand but noticeably weak shoulder nights. This weakness is not evident in Gateway locations – to be expected across the summer months when hotel business mix will support weekday and weekend occupancy.

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About the Data

Sample set of 50,000 price points used from UK and Ireland Hotels. All data is from 3 star hotels only to reflect Workforce travel requirements

Research and Analysis

Sarah Stenson

What are Roomex Rates?

Roomex Rates provides customers with access to a unique set of rates. They are rates that Roomex negotiates for all of our clients to benefit from. Roomex clients often travel to out of the way places, small towns and rural locations fitting services and repairing infrastructure. For this reason, rather than just being in key locations for corporate travel we source price reductions across a wide range of different locations. And not just in big chain hotels. You will often find discounts in small independent hotels where it's the best option in that area.

Look for the Exclusive Roomex Rate logo on your platform:



Exclusive Roomex Rate



795

Cities/Locations



1897

Hotels



11.75%

Avg. Discount on
BAR

June Roomex Rate Sample:

Location	Roomex Rate Avg. Discount	Public Rate	Avg. Savings
Birmingham	12.6%	£147.43	£28.24
Leeds	11.9%	£134.74	£23.54
Manchester	12.7%	£129.18	£7.78
London	11.8%	£230.74	£47.02
Dublin	11.2%	£218.43	£14.45
Southampton	12.2%	£120.87	£8.21
Glasgow	12.8%	£178.71	£31.06
Exeter	13.6%	£116.65	£8.36
Belfast	11.4%	£249.31	£57.46
Milton Keynes	13.8%	£118.09	£25.48
Swindon	13.1%	£116.22	£9.29
Oxford	11.4%	£180.56	£63.49
Cork	11.3%	£220.78	£54.40
Bath	12.1%	£198.35	£62.93
Nottingham	11.0%	£107.03	£12.07
Northampton	15.3%	£115.24	£33.46
Aberdeen	11.1%	£142.16	£31.63
Warwick	15.4%	£227.04	£20.27
Coventry	13.2%	£161.03	£66.60
Galway	11.5%	£222.74	£68.70

Reach out to us now:

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