

ERBID How's Business Survey

December & Full Year 2025



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Sample and supporting information

This month's survey has a sample of 66 businesses, representing a minimum sample of approximately 80 businesses when respondents representing multiple businesses, outlets or sites are also considered.

This latest report also includes data produced by Lighthouse (formerly Transparent Intelligence) for Visit Britain looking at the short term rental* market. This provides useful data across the South West region and provides a good comparison to the data produced through the How's Business survey moving forward. Our thanks go to Lighthouse and Visit Britain for making this data freely available for the tourism industry. Lighthouse tracks over 35 million vacation rental listings worldwide and maintains a proprietary database of hundreds of thousands of reservations tracked by month. Listings on three major short-term rental platforms are tracked: Airbnb, Booking.com and Vrbo. Listings data is deduplicated when the same property is advertised on more than one platform.

From September 2025 onwards, Lighthouse has made a change to their methodology. Since November 2024, Tripadvisor has stopped supporting direct bookings for short-term rental properties, instead redirecting users to other platforms. This firstly means that some listings remained searchable but not bookable, and additionally, redirects to other platforms have created duplicates in Lighthouse's supply database. Therefore, Tripadvisor listings have been removed from all historical data, retaining only Airbnb, Booking.com and Vrbo ensures a more reliable view of the bookable short-term rental market. The occupancy data provided in this report has been updated accordingly as a result.

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** The UK Government defines a short-term rental property as 'a dwelling, or part of a dwelling, provided by a host to a guest, for use as accommodation other than the guest's only or principal residence, in return for payment, in the course of a trade or business carried on by the host'.*

At a glance – December 2025

Compared to December 2024 businesses reported that:

December 2025 Visitor levels:

Increased 28% / Stayed the same 28% / Decreased 44%

Estimated actual change in visitors -5%

December 2025 Turnover levels:

Increased 40% / Stayed the same 26% / Decreased 34%

Estimated actual change in turnover -2%

January 2026 Outlook is:

Better than last year 33% / Same as last year 21% / Not as good as last year 46%

February half term 2026 Outlook is:

Better than last year 18% / Same as last year 18% / Not as good as last year 64%

February 2026 Outlook is:

Better than last year 21% / Same as last year 14% / Not as good as last year 66%

Optimism:

Optimism score is 5.48 out of a possible 10

December 2025 Key results

In December 2025, 56% of all businesses reported level or increased visitor/customer numbers compared to December 2024, whilst 66% said the same for their turnover. The estimated actual decreases for visitors/customers and turnover were -5% and -2% respectively. This is the first time since August 2025 that level/increased visitors/customers and turnover have exceeded decreases.

Looking ahead, business sentiment continues to remain cautious. Whilst for January 2026, 54% of respondents expect booking levels to be level or better than the previous year, in contrast 64% and 66% of businesses respectively for February half term and February as a whole expect them to be worse than during 2024. At 5.48 out of 10.00 however, the overall optimism score for the month increased to its highest level for the last 12 months.

Concerns over increases in other business costs, declining visitor numbers and the increase in the cost of living generally, cited by 73%, 67% and 67% of businesses respectively, were the top three concerns amongst businesses during the month with the increase in the cost of living increasing by 10% compared with last month but with increases in other business costs and declining visitor numbers remaining level. At 59%, rising energy/fuel costs was the fourth highest ranked factor for concern amongst businesses (an increase of 2% compared with last month), followed by business rates returning to normal (48%, a 5% increase compared with last month).

Across the comments this month, a small number of businesses highlighted positive aspects of the year, noting that good weather boosted trade, footfall was up and some said they had a reasonably good year. Some self-catering providers reported returning guests and stable or improved performance and a few businesses described better trading than 2024. Generally speaking, larger establishments seem to be performing better than smaller establishments within Torbay.

However, the majority of businesses consistently reported weaker trading than during 2024, with many describing December as “not as good as last year,” “challenging,” or marked by sharply reduced visitor numbers. A dominant theme was rising operating costs, especially energy, food, supplies, insurance, maintenance and employment costs, alongside the return of full business rates. Many operators highlighted decreasing visitor numbers or booking levels, a highly price-sensitive market and the need to have to discount heavily just to maintain their occupancy levels, eroding any profit margins.

2025 overall

2025 Overall visitor levels (compared to 2024):

Increased 39% / Stayed the same 21% / Decreased 39%

Estimated actual change in visitors 0%

2025 Overall turnover levels (compared to 2024):

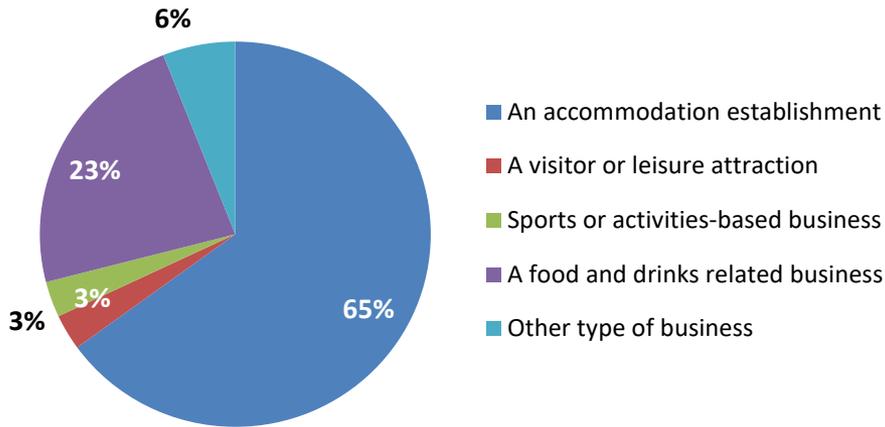
Increased 44% / Stayed the same 23% / Decreased 33%

Estimated actual change in turnover +1%

- Accommodation businesses said that overall, for 2025, 85% of their businesses came from British visitors and 15% from overseas visitors.
- They also said that 79% of their overall business for 2025 came from leisure visitors, 9% from business customers and 12% from other customers.
- Compared to 2024 as a whole, 53% of business reported increased staffing costs for 2025 (on average by +16%), 86% reported increased cost of goods, supplies and services required to operate (on average by +15%) and 42% reported increasing their business charges to their customers (on average by +3%).
- Average length of stay and average spend per person both decreased compared with 2024.

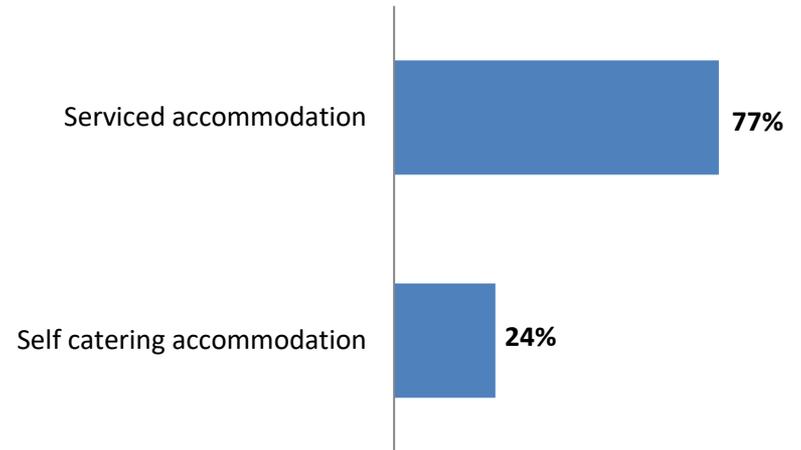
Sample profile, business location and status

BUSINESS TYPE



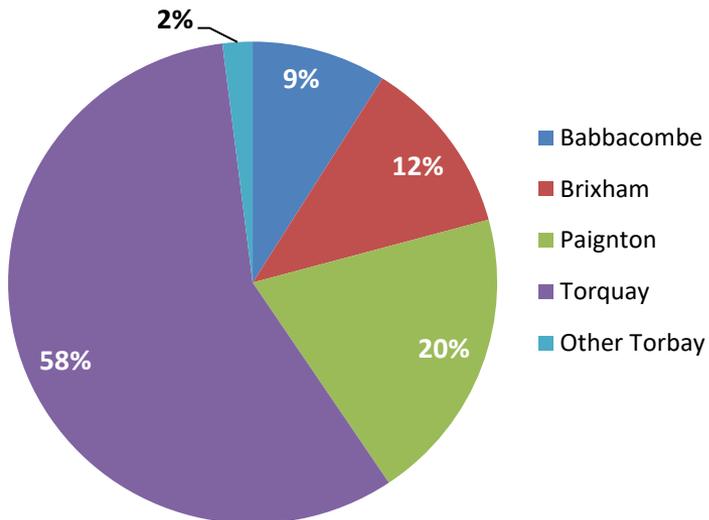
Base: 66

ACCOMMODATION TYPE



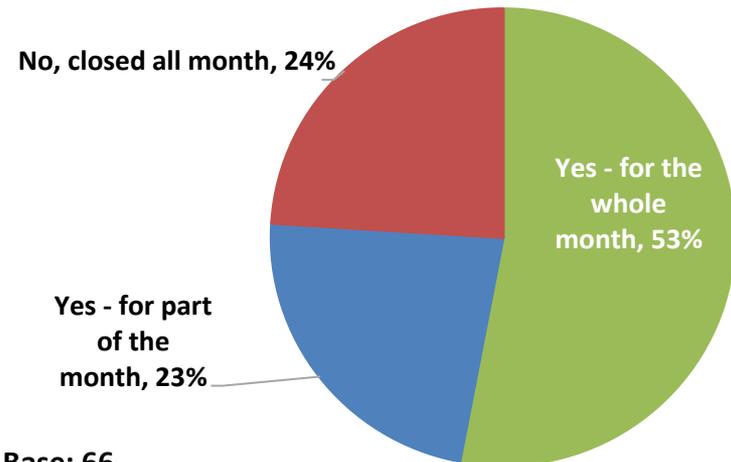
Base: 43

BUSINESS LOCATION



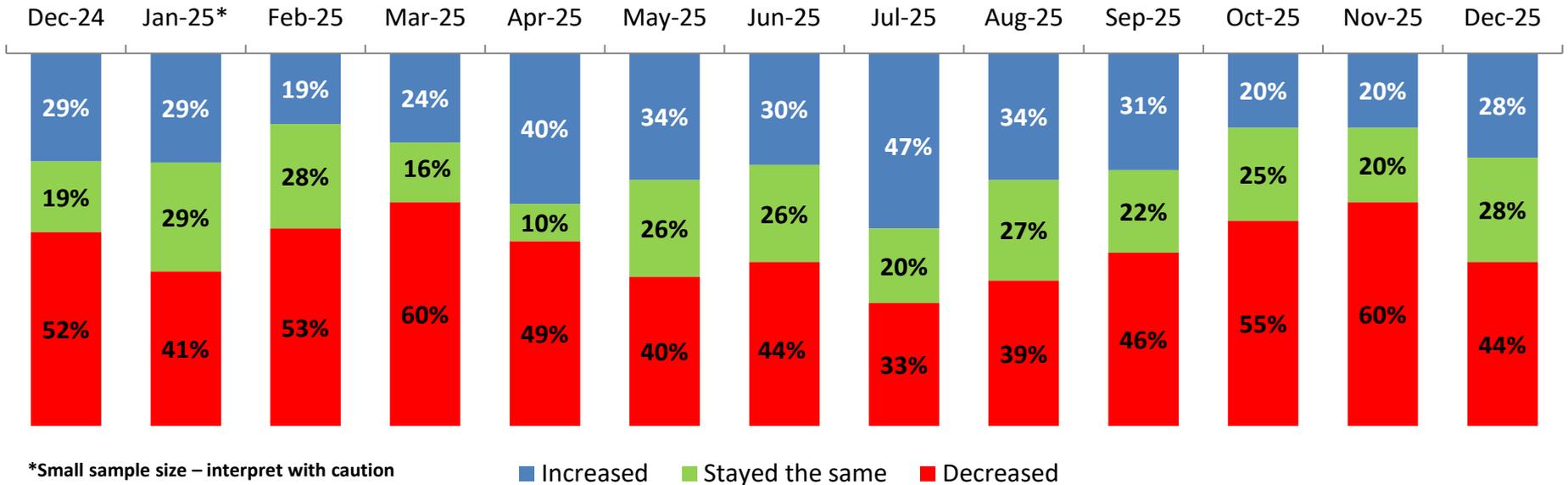
Base: 66

WHETHER OPEN FOR BUSINESS FOR THE MONTH

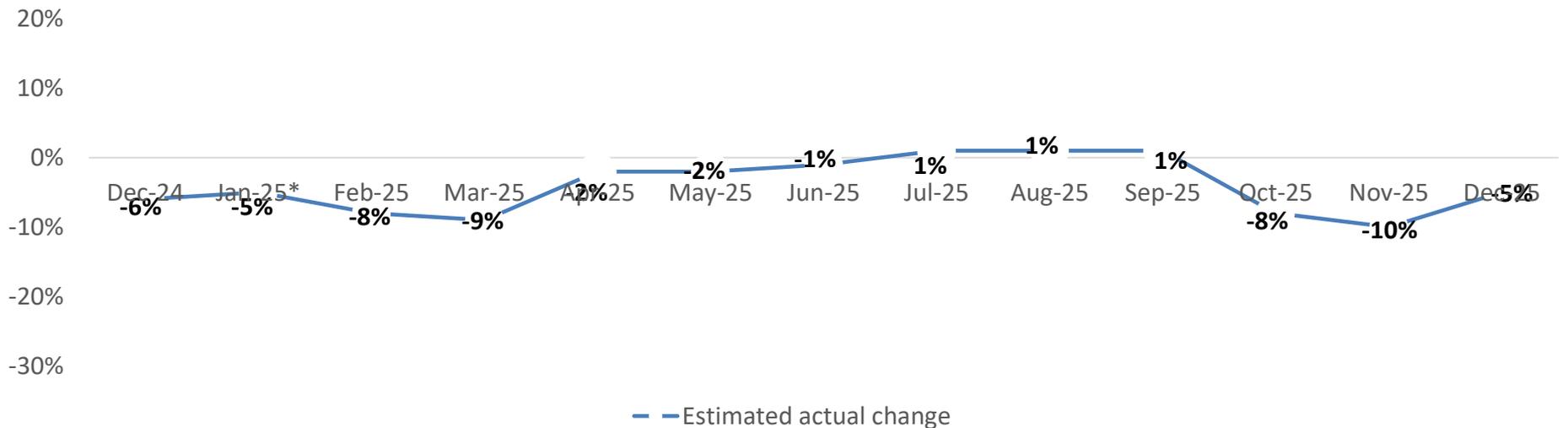


Base: 66

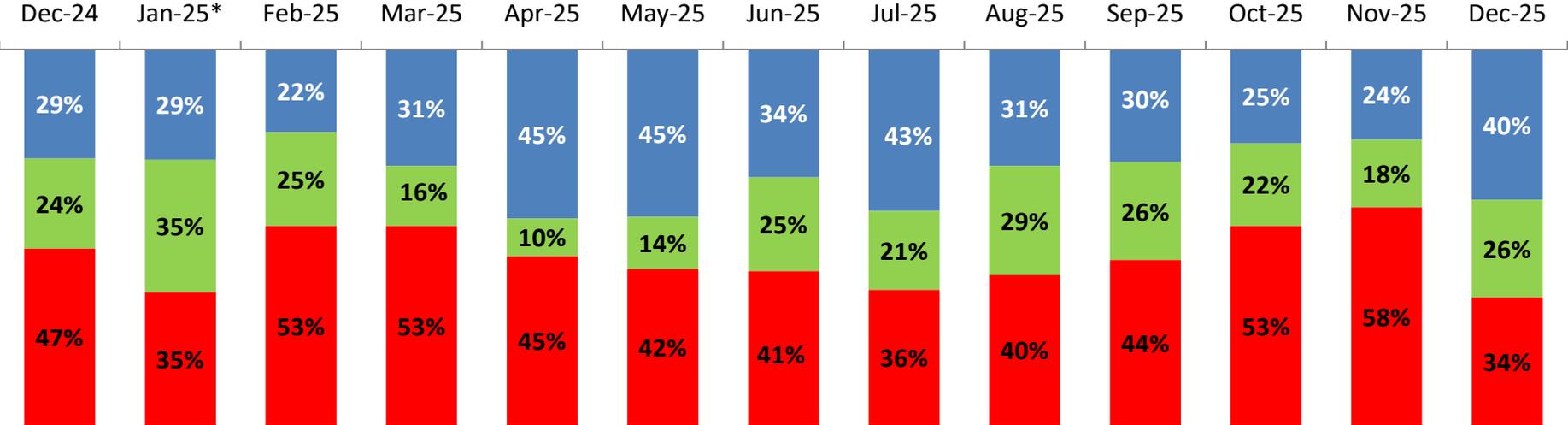
Performance – Number of visitors compared to previous year



ESTIMATED ACTUAL CHANGE IN VISITORS



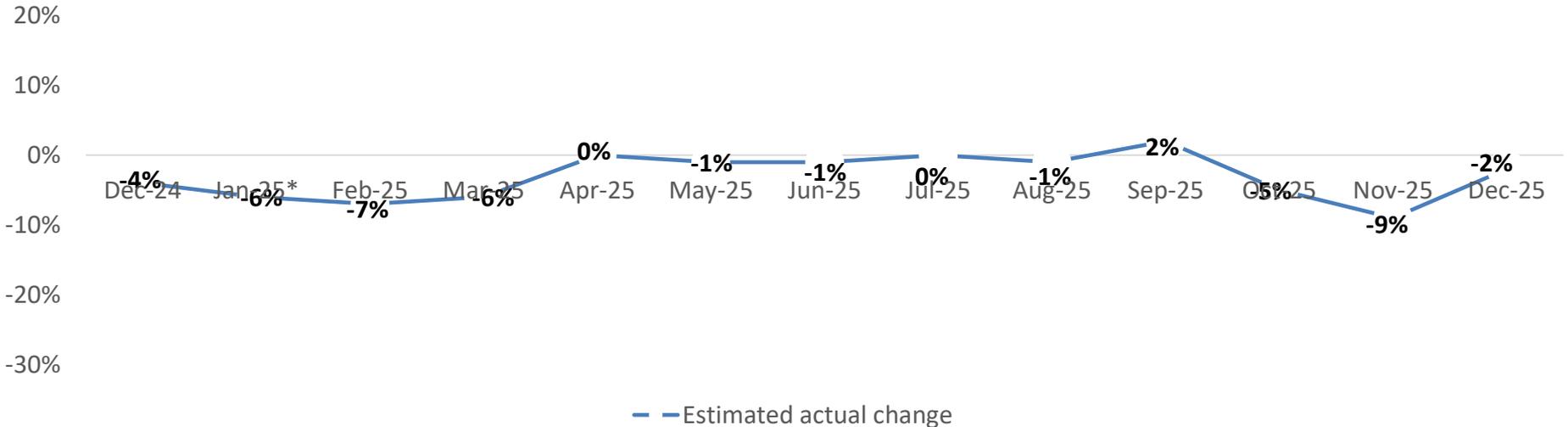
Performance – Turnover compared to previous year



*Small sample size – interpret with caution

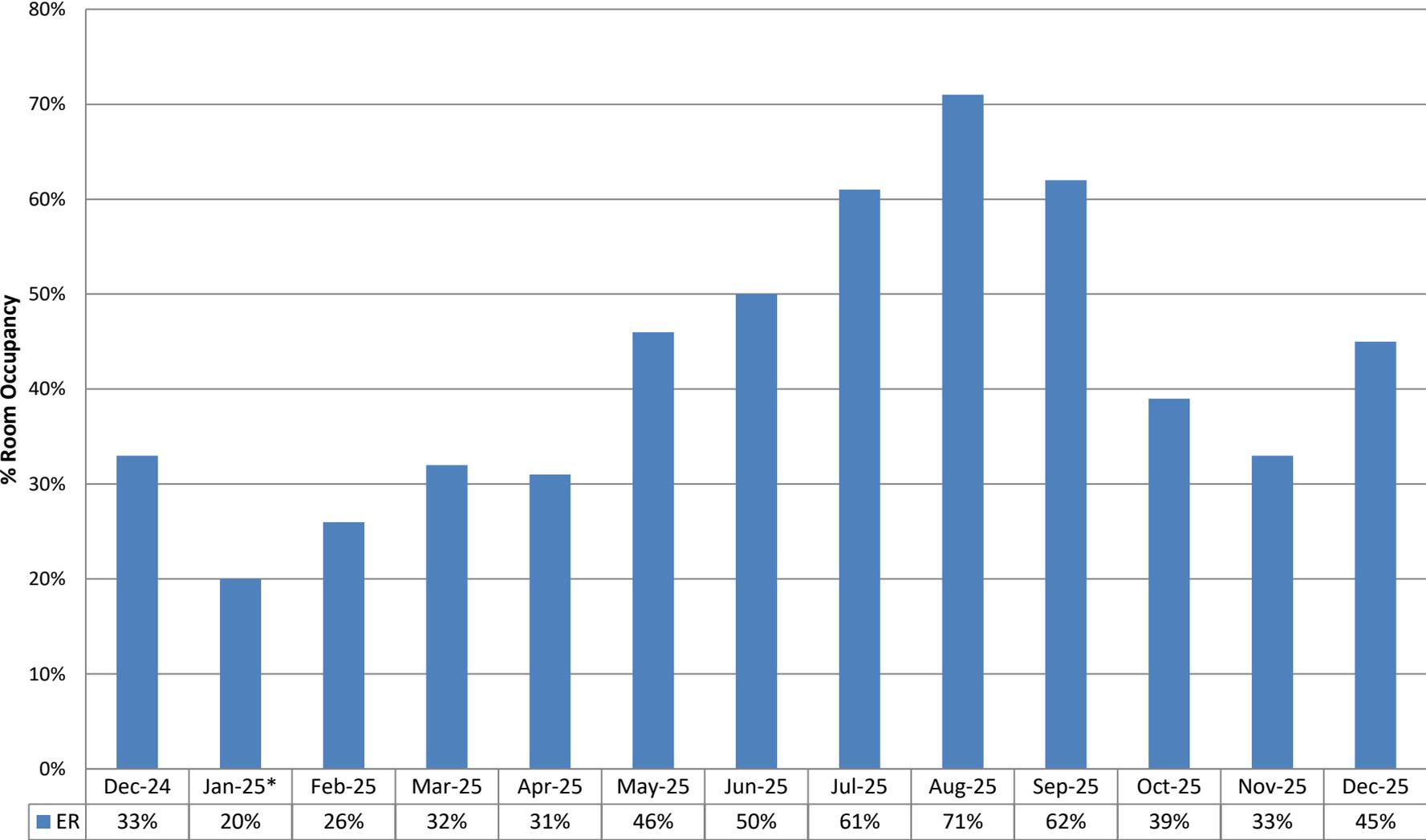
■ Increased ■ Stayed the same ■ Decreased

ESTIMATED ACTUAL CHANGE IN TURNOVER



*Small sample size – interpret with caution

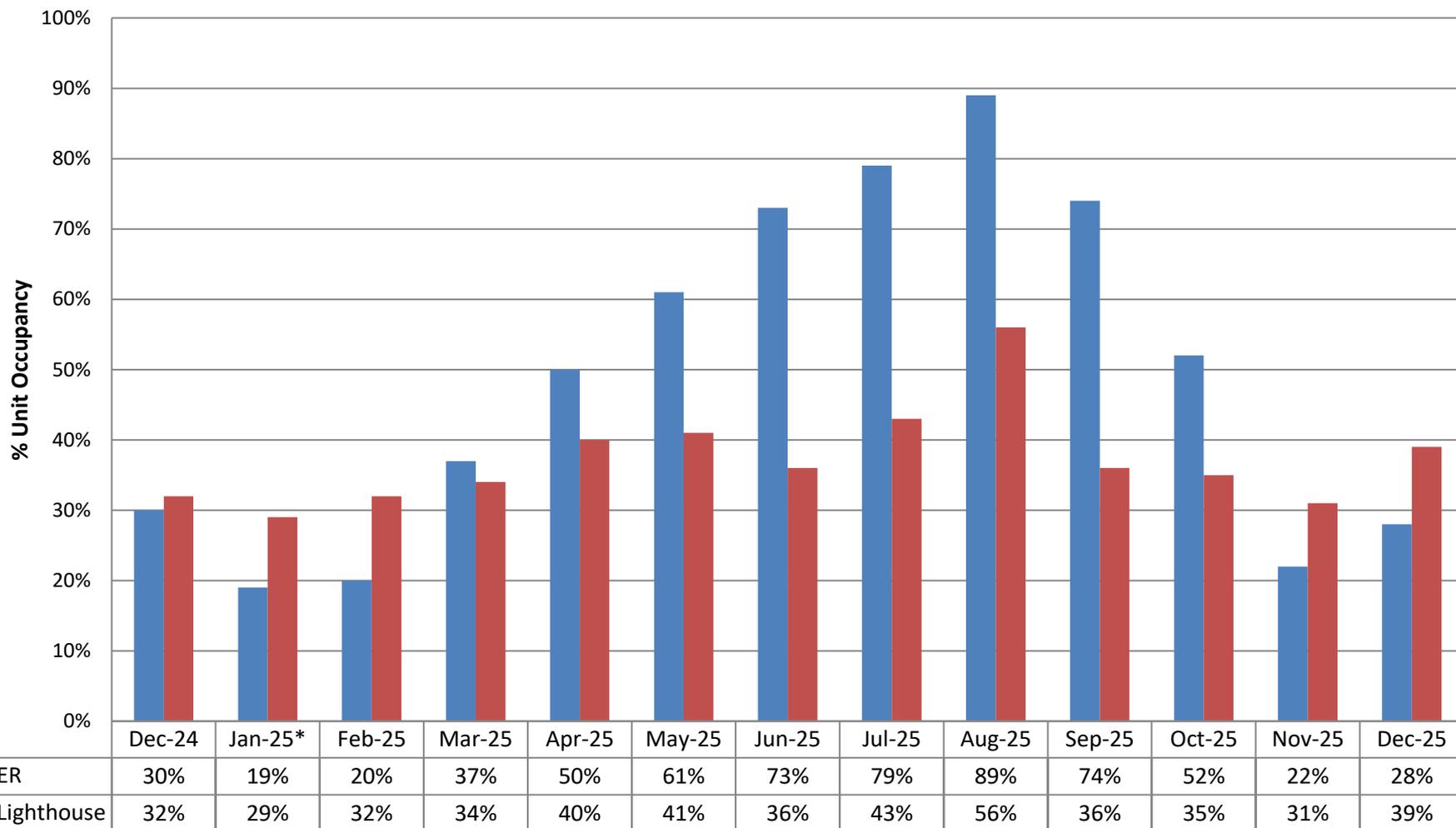
Performance – Serviced Room Occupancy



*Small sample size – interpret with caution

It should be noted that the figures provided represent the occupancy rates for those responding to this survey and the results are not weighted to represent regional and county accommodation stocks.

Performance – Self Catering Unit Occupancy

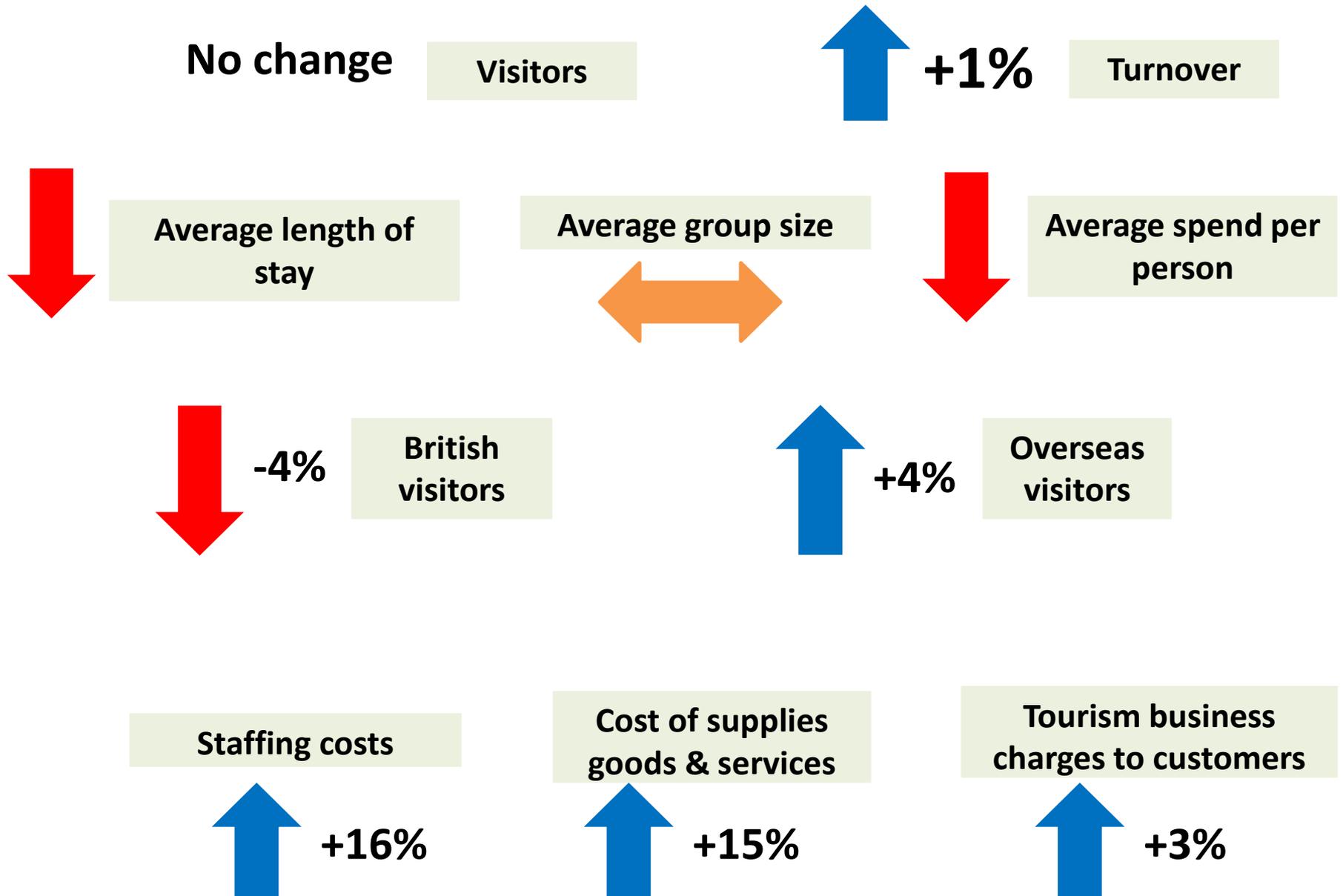


*Small sample size – interpret with caution

It should be noted that the HB figures provided represent the occupancy rates for those self catering businesses responding to this survey and the results are not weighted to represent regional accommodation stocks.

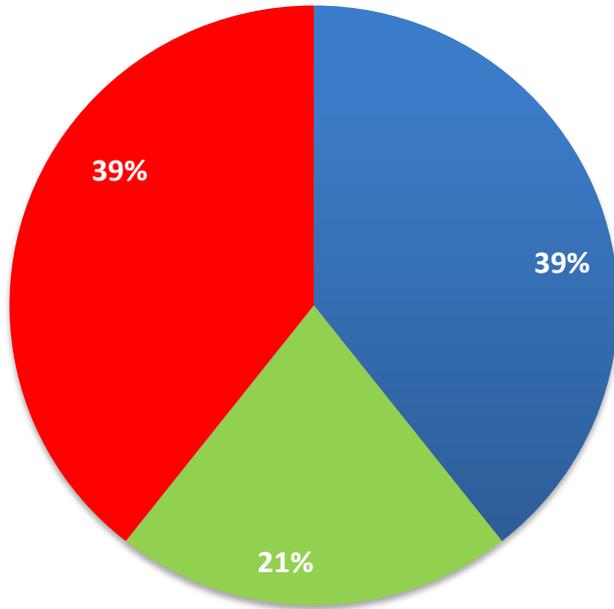
Lighthouse data represents the short term rental market on the English Riviera.

2025 v 2024 - Key indicators for the South West



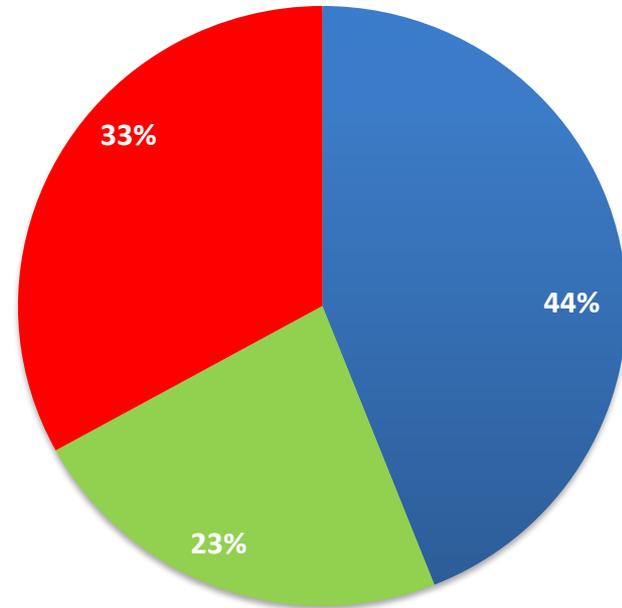
Annual performance – 2025 compared to 2024

**NUMBER OF VISITORS
2025 VS 2024**



■ Increased ■ Stayed the same ■ Decreased

**TURNOVER
2025 VS 2024**



■ Increased ■ Stayed the same ■ Decreased

ESTIMATED ACTUAL CHANGE IN VISITORS
0%

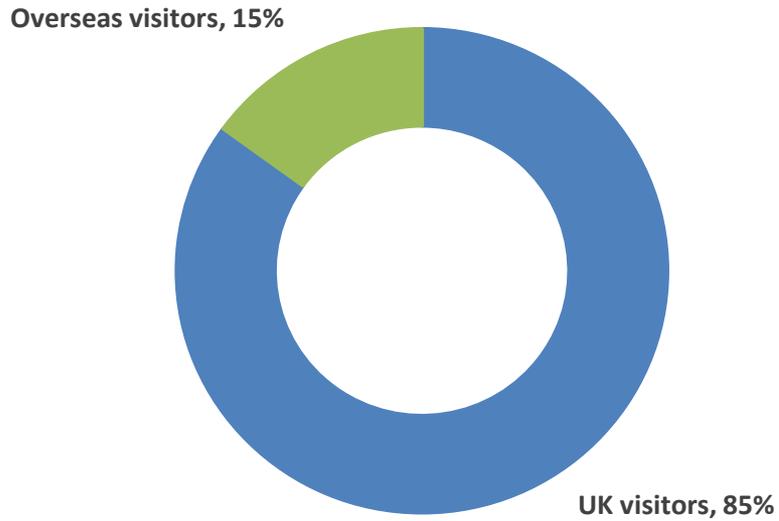
Base: 66

ESTIMATED ACTUAL CHANGE IN TURNOVER
+1%

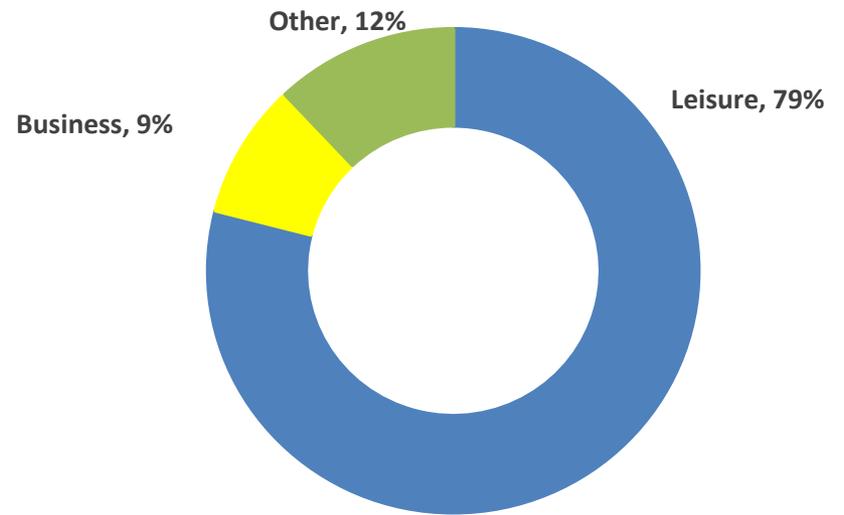
Base: 66

Annual performance – Visitor profiles for the English Riviera 2024

VISITOR ORIGIN

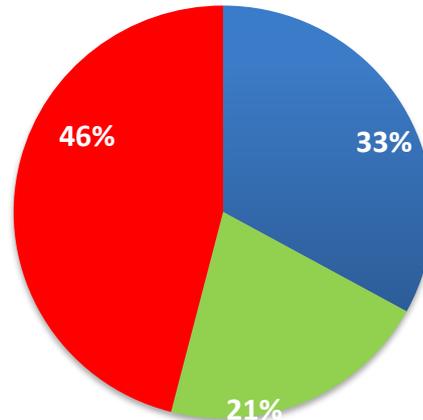


VISITOR TYPE



Outlook – Based upon forward booking levels

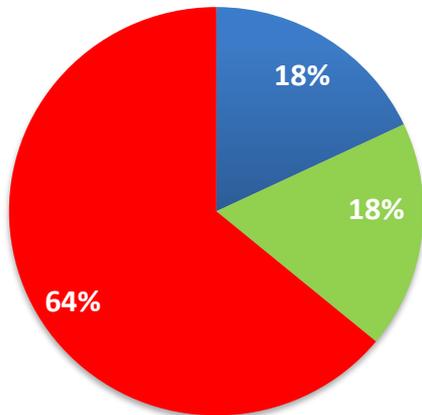
JANUARY 2026



■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 24

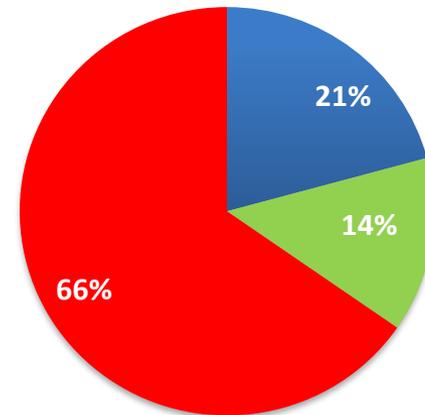
FEBRUARY HALF TERM 2026



■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 28

FEBRUARY 2026

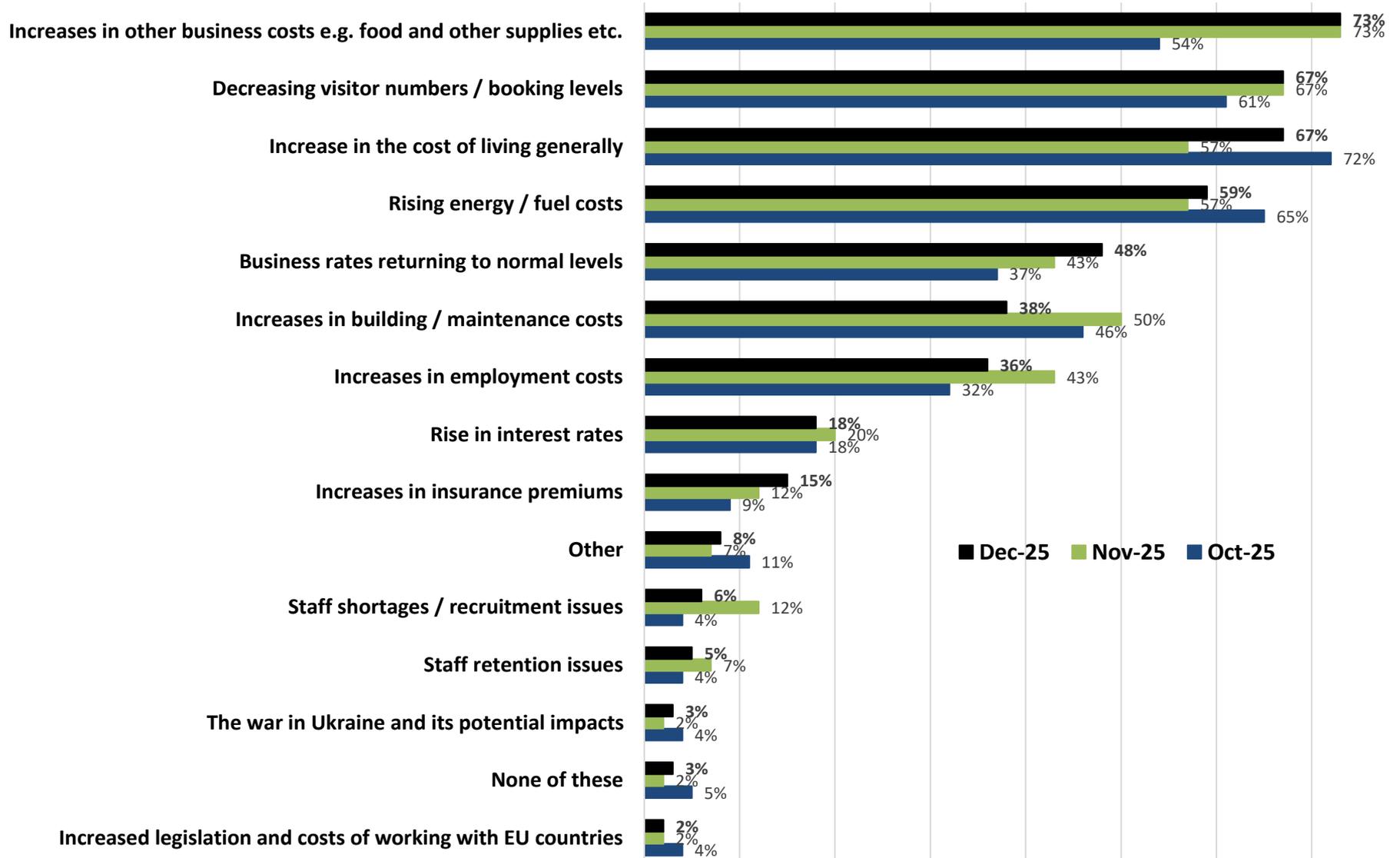


■ Better than last year ■ Same as last year
■ Not as good as last year

Base: 29

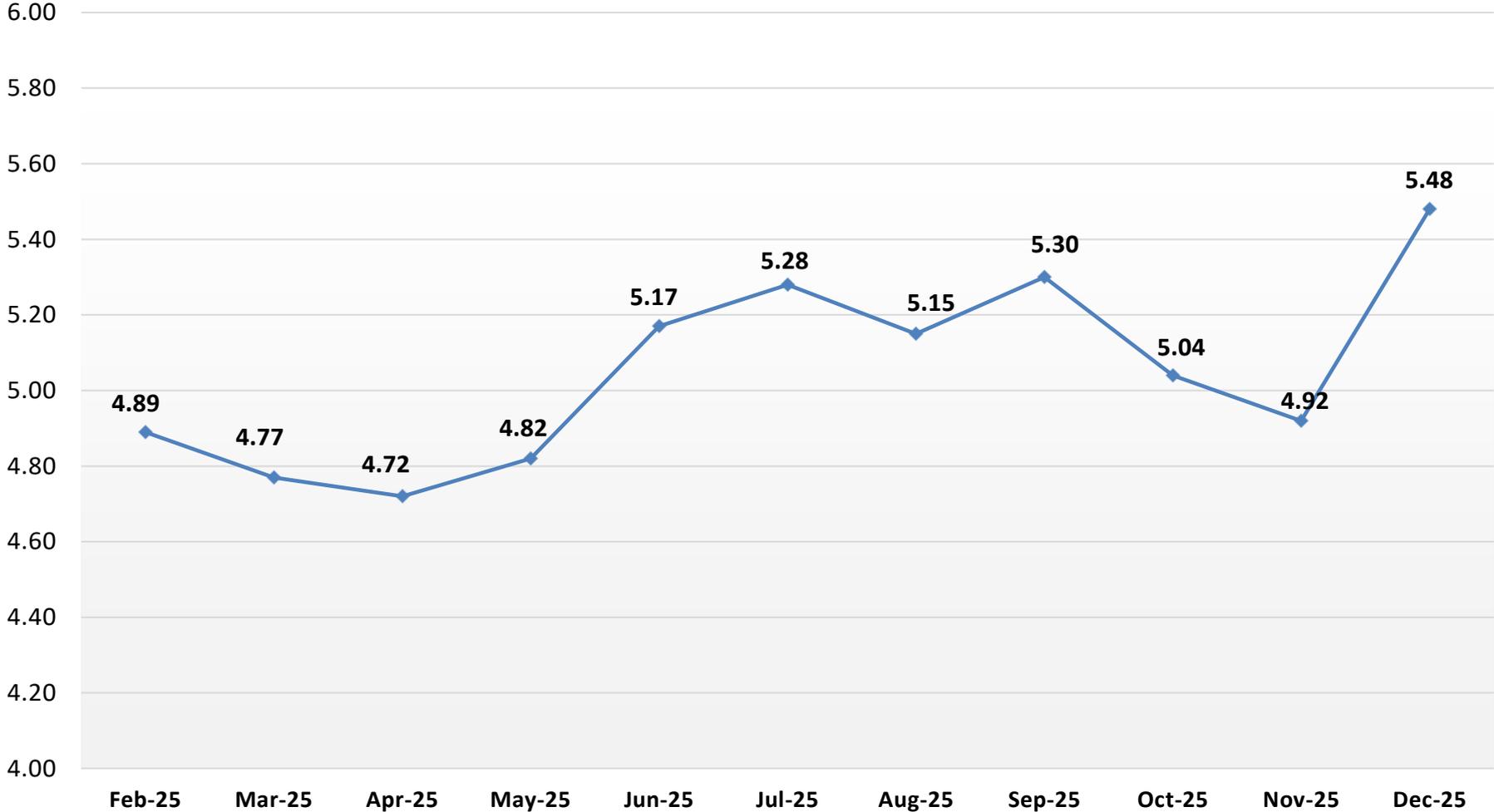
Top 5 business concerns (pre-defined list)

TOP 5 MOST CONCERNING FACTORS FOR BUSINESSES IN THE COMING MONTHS



Business optimism

BUSINESS OPTIMISM (MAXIMUM SCORE OF 10)



Key results – Sample of other comments on impacts

Guest numbers are down year-on-year. Customers are increasingly value-conscious and more selective about their spending.

A good year trading

2025 was a very challenging year.

Hospitality no longer an attractive business sector for the small players.

The English Riviera Bid Company is vital for tourism in Torbay.

Reasonably good year.

Business was generally better in 2025 than 2024. More custom, helped by the better weather. Although turnover was up, business costs, mainly staffing and utility bills, have dramatically increased.

Struggling to cover my monthly costs i.e. mortgage, utilities etc. with costs continuing to rise.

Overall, a very satisfying year.

Footfall was up and really noticeable and we increased our prices slightly.

Hospitality is in the worst state it's ever been in. Something big needs to change or happen this cant go on.

We have been in hospitality 25 years serving Torquay....this was the worst year ever.

While 2022 was exceptionally busy, 2023 saw visits drop by nearly 50% and 2025 has seen numbers fall even further.

The business, like many others, has had to increase its prices at the menu board to accommodate the increased costs the business is seeing. We are hit heavily with staffing costs from government hikes.

The increase in large, branded hotels has had an impact on winter occupancy rates.

The market appears to be very price sensitive.

We need more events to attract more people to Torquay.

Having to discount to maintain occupancy.

Better than 2024, but still lower than 2021.

Overall, 2025 was a very poor year and we do find it impossible to compete with the chain hotels.

Businesses (particularly small ones) can't continue to service massive increases in mortgage, energy, materials, staffing costs while fewer guests are spending less.

Anyone with family would rather spend their money abroad in Greece or Spain for the same price.

The weather especially through the spring and early summer was fantastic which led to a really strong season.

We worked much harder to hold the same position as last year.

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