ERBID How’s Business Survey

February 2025

Published by The South West Research Company Ltd

April 2025

Sample and supporting information

This month's survey has a sample of 54 businesses, representing a minimum sample of approximately 58 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 English Riviera 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 the four major short-term rental platforms are tracked: Airbnb, Booking.com, Vrbo and Tripadvisor. Listings data is deduplicated when the same property is advertised on more than one platform.

The content of this document is researched, verified and provided exclusively by the South West Research Company Ltd. and is for general use only and is not intended to amount to advice on which you should rely. The South West Research Company do not accept any liability for any loss or damage arising from the use of, or reliance on the information.

** 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 – February 2025

Compared to February 2024 businesses reported that:

February 2025 Visitor levels:

Increased 19% / Stayed the same 28% / Decreased 53%

Estimated actual change in visitors -8%

February 2025 Turnover levels:

Increased 22% / Stayed the same 25% / Decreased 53%

Estimated actual change in turnover -7%

March 2025 Outlook is:

Better than last year 14% / Same as last year 14% / Not as good as last year 72%

April 2025 Outlook is:

Better than last year 16% / Same as last year 21% / Not as good as last year 63%

May 2025 Outlook is:

Better than last year 13% / Same as last year 24% / Not as good as last year 63%

Optimism:

Optimism score is 4.89 out of a possible 10

February 2025 Key results

February 2025 saw 53% of all businesses in each case experiencing decreased visitors/customers and turnover compared with the same time last year – representing decreases of -8% and -7% respectively compared with February 2024.

Occupancy levels for serviced accommodation, at 26%, have increased compared with February 2024 (23%) whilst self catering occupancy, at 20%, has decreased compared with February 2024 (31%).

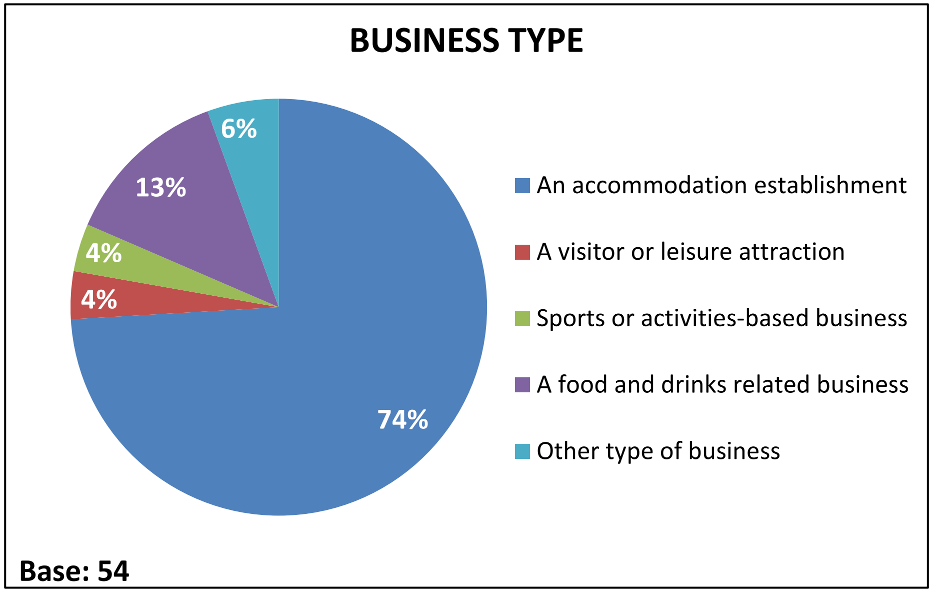
63% of businesses currently anticipate a decreased business performance for April 2025 (when the Easter holidays fall) based on their forward bookings at the time of completing the survey. For the two-week Easter period at a regional level, we currently anticipate UK staying visitors to be down on last year and overseas staying visitors slightly up which will see staying trips down overall. However, we anticipate increased day visitor activity which will lead to the period overall being slightly up on last year which we would usually expect with the later holiday period this year compared to last. The weather will be a key factor in this!

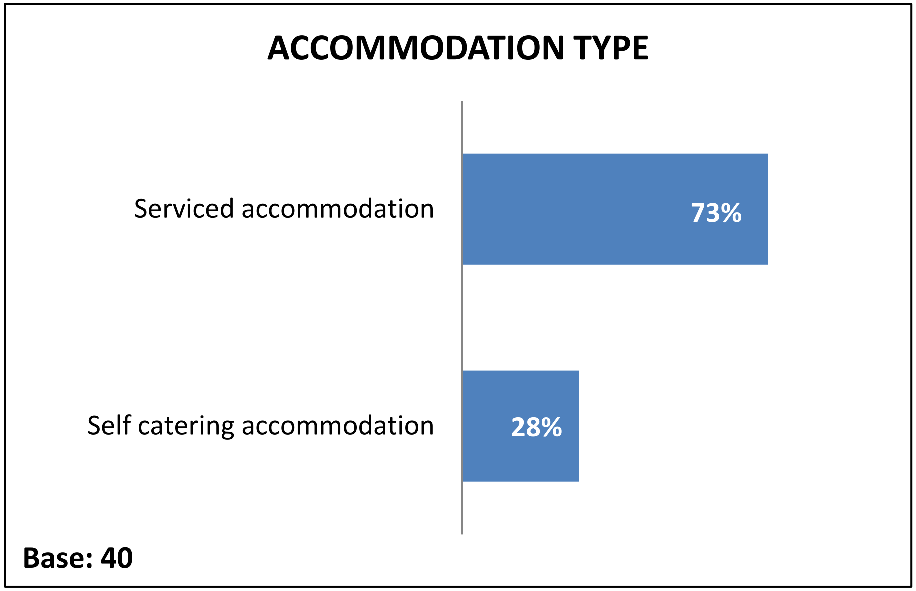
At 70% each, businesses are currently most concerned about rising energy costs (an increase of 13% compared with October 2024) and decreasing visitor numbers/booking levels (an increase of 11% compared with October 2024), increases in other business costs e.g. food and other business supplies etc. (67%, an increase of 15% compared with October 2024) and increases in the cost of living generally (67%, a decrease of -3% compared with October 2024).

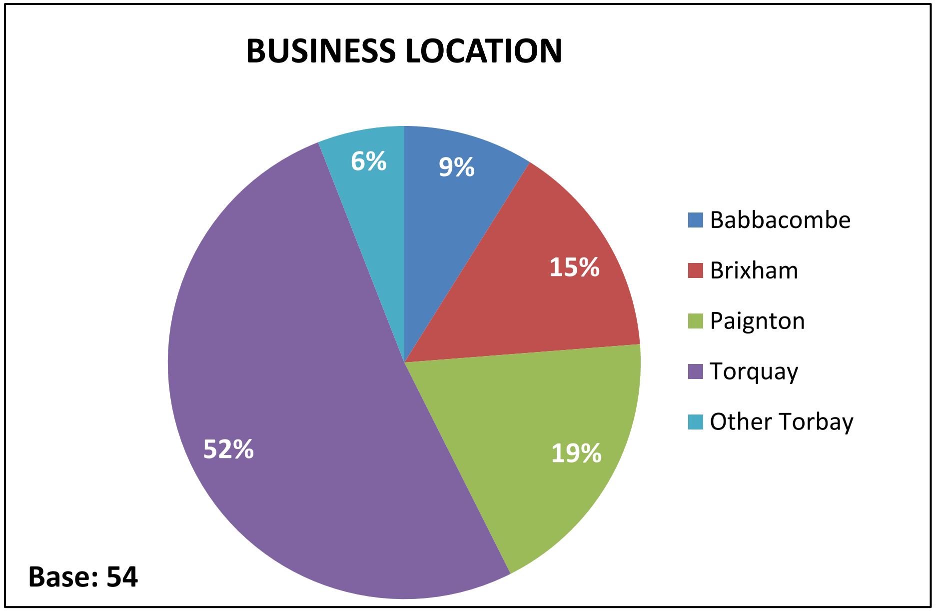
At 4.89 out of 10.00 the optimism score has increased considerably since the end of the year (4.49 Nov/Dec 2024) and to its highest level since July 2024 (5.00).

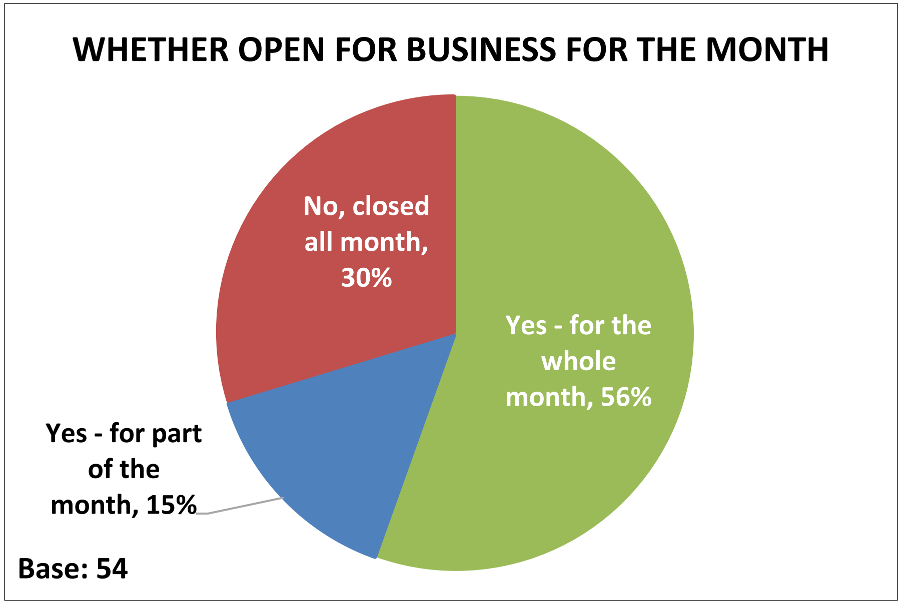
Whilst times remain very challenging for businesses, particularly as the changes to employers NI contributions/thresholds and the increase in the national minimum wage and national living wage have now come into effect in April, performance has remained relatively consistent again this month with much lower decreases in visitors/customers and turnover compared with February 2024 and, encouragingly, performance has remained relatively steady over the last four months. Occupancy levels for serviced accommodation have increased compared with February 2024 and business optimism has also increased to its highest level for six months.

Sample profile, business location and status

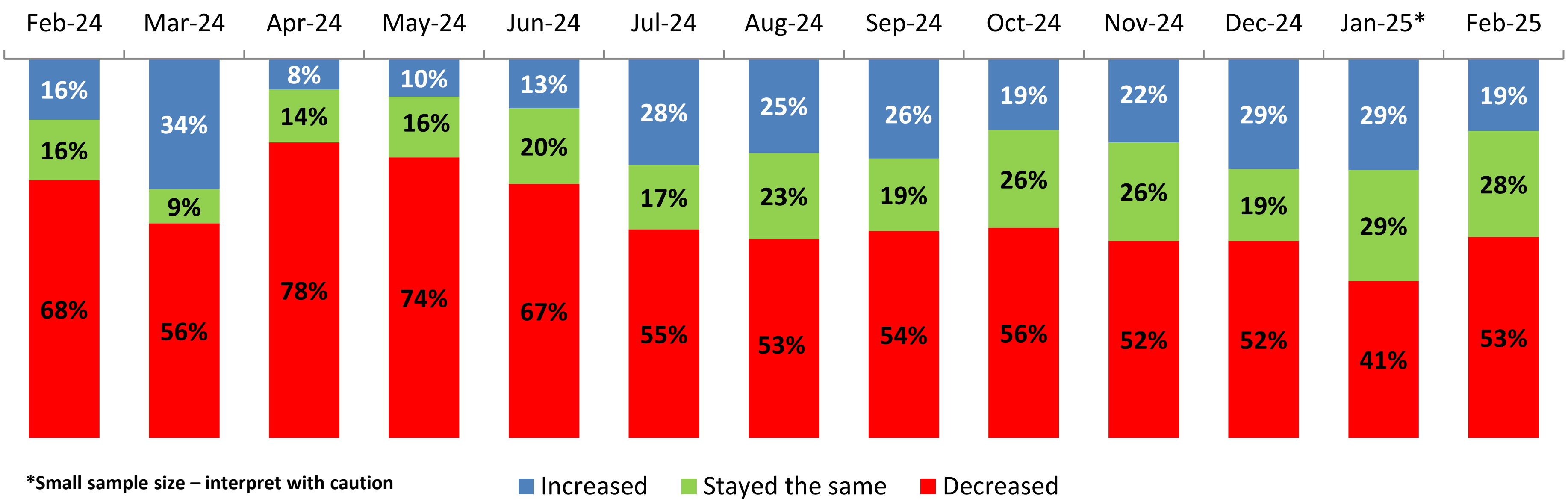




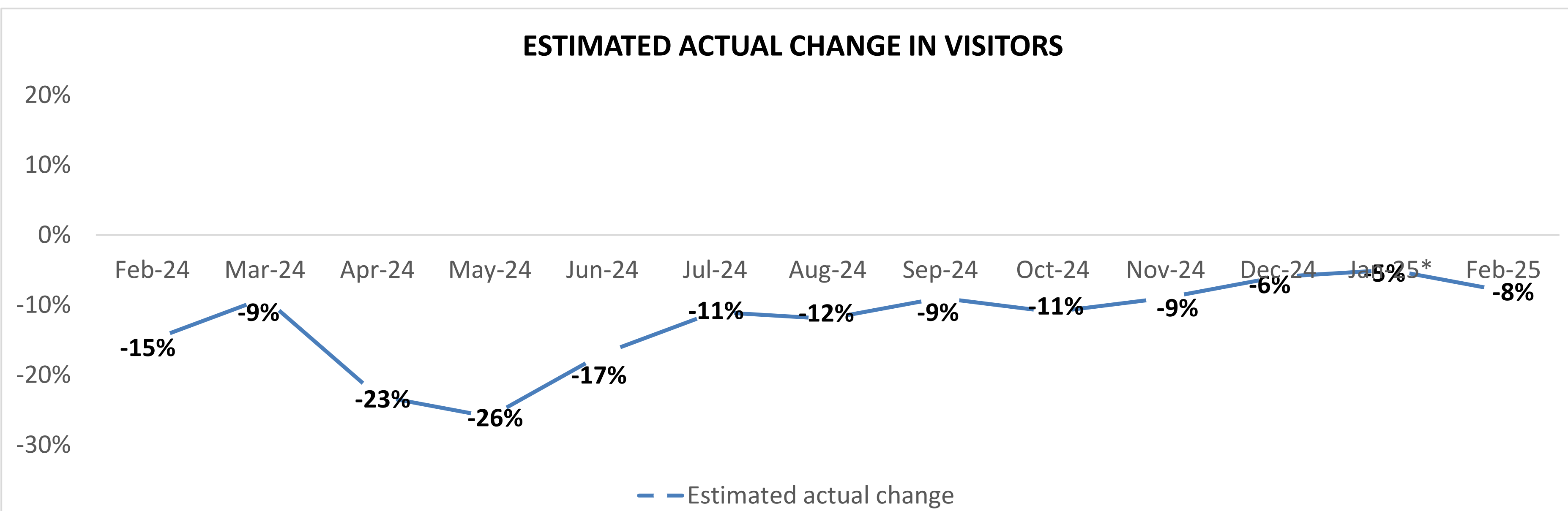




Performance – Number of visitors compared to previous year

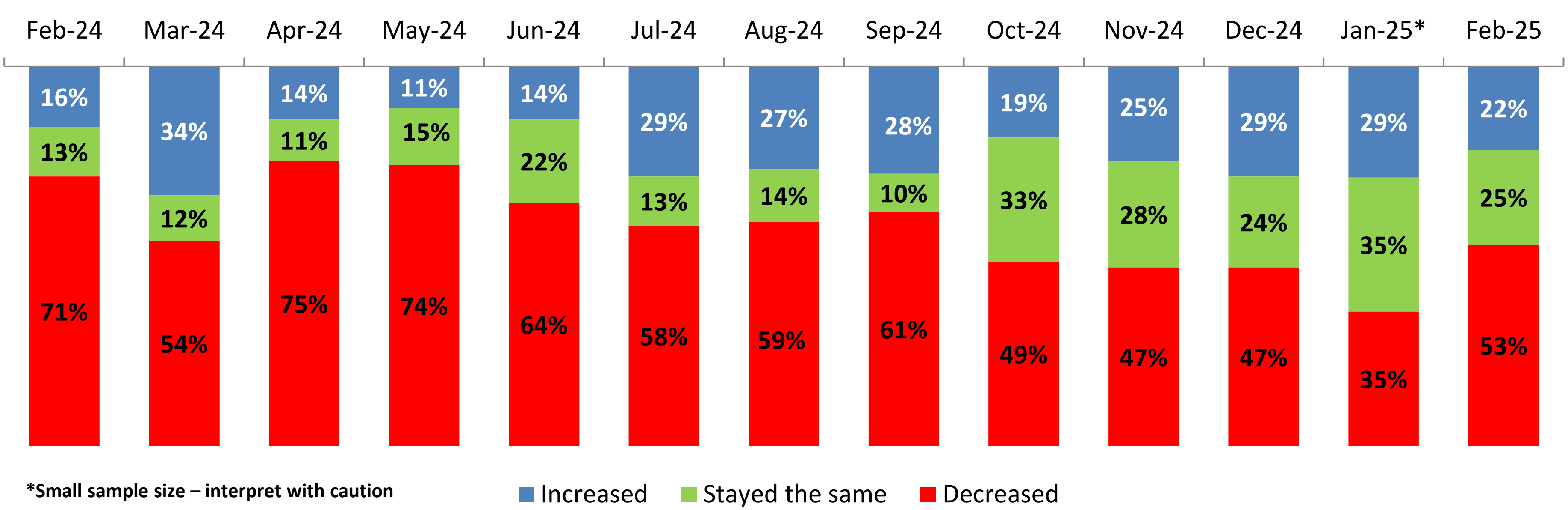


*Small sample size – interpret with caution

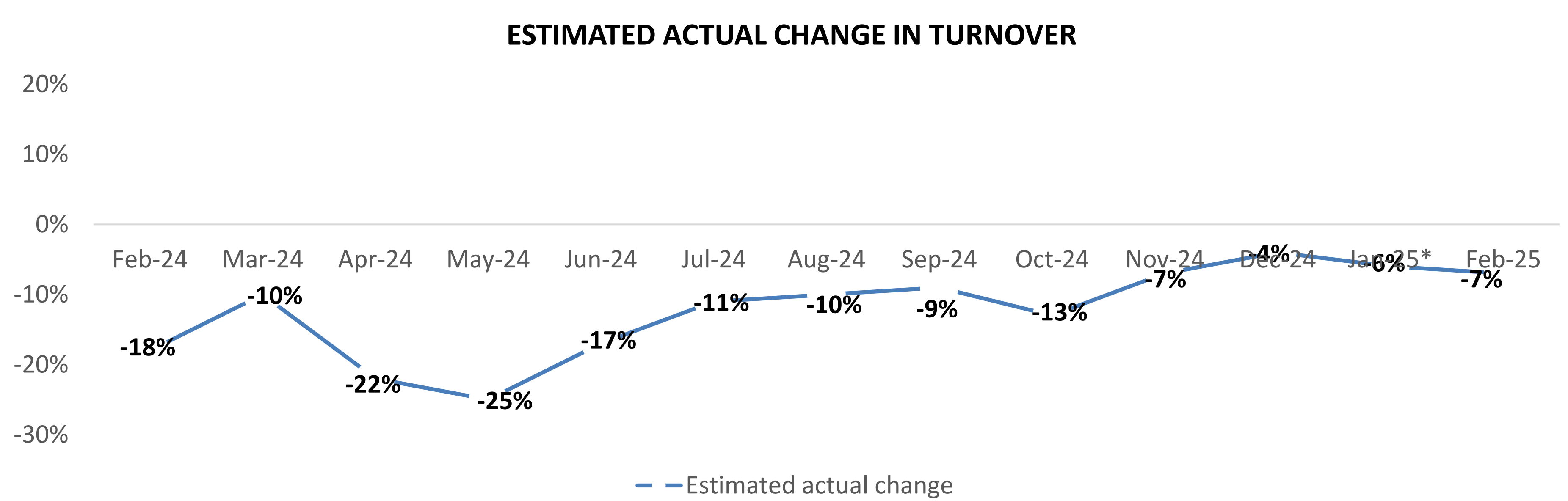


*Small sample size – interpret with caution

Performance – Turnover compared to previous year

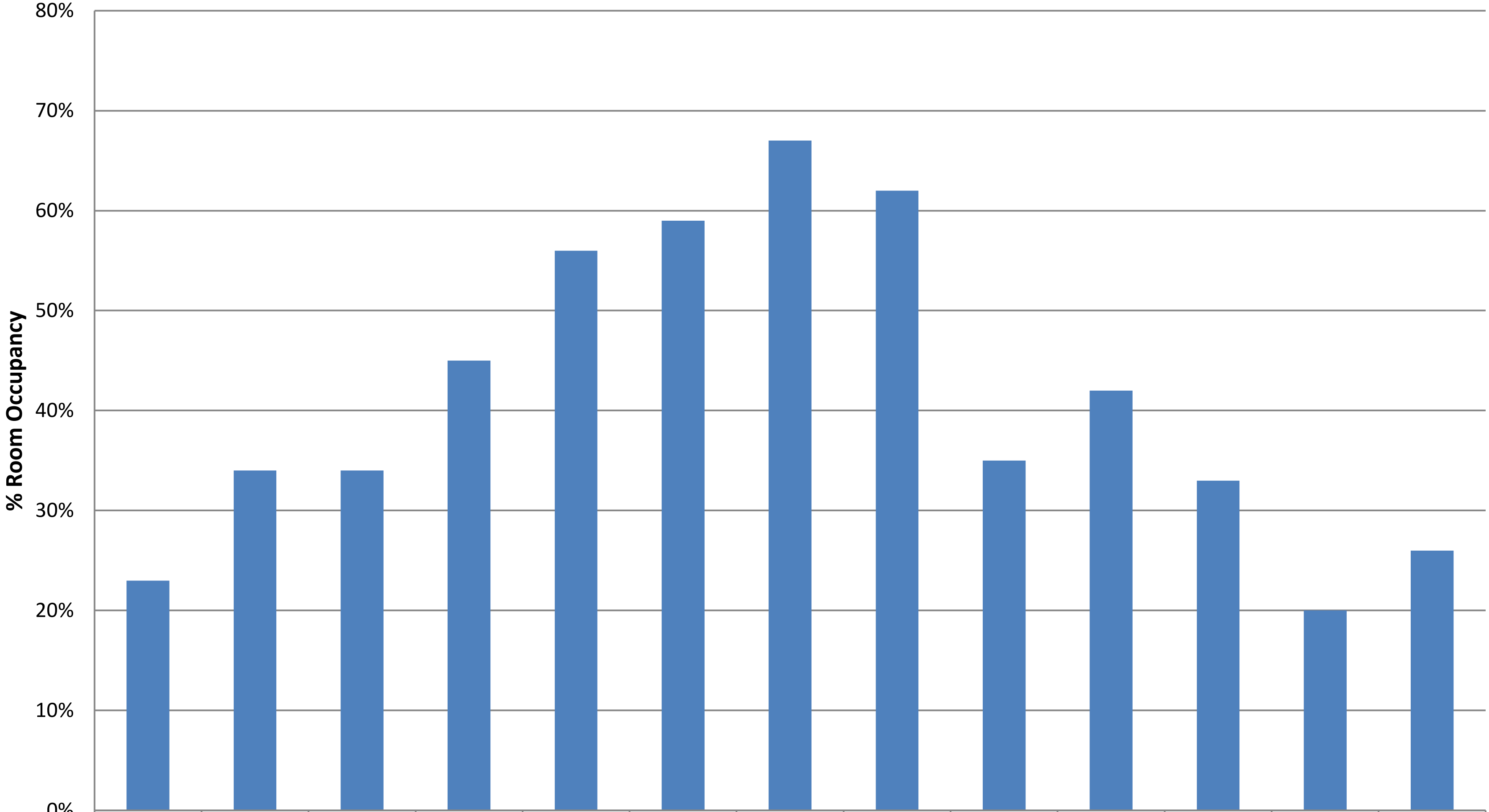


*Small sample size – interpret with caution



*Small sample size – interpret with caution

Performance – Serviced Room Occupancy

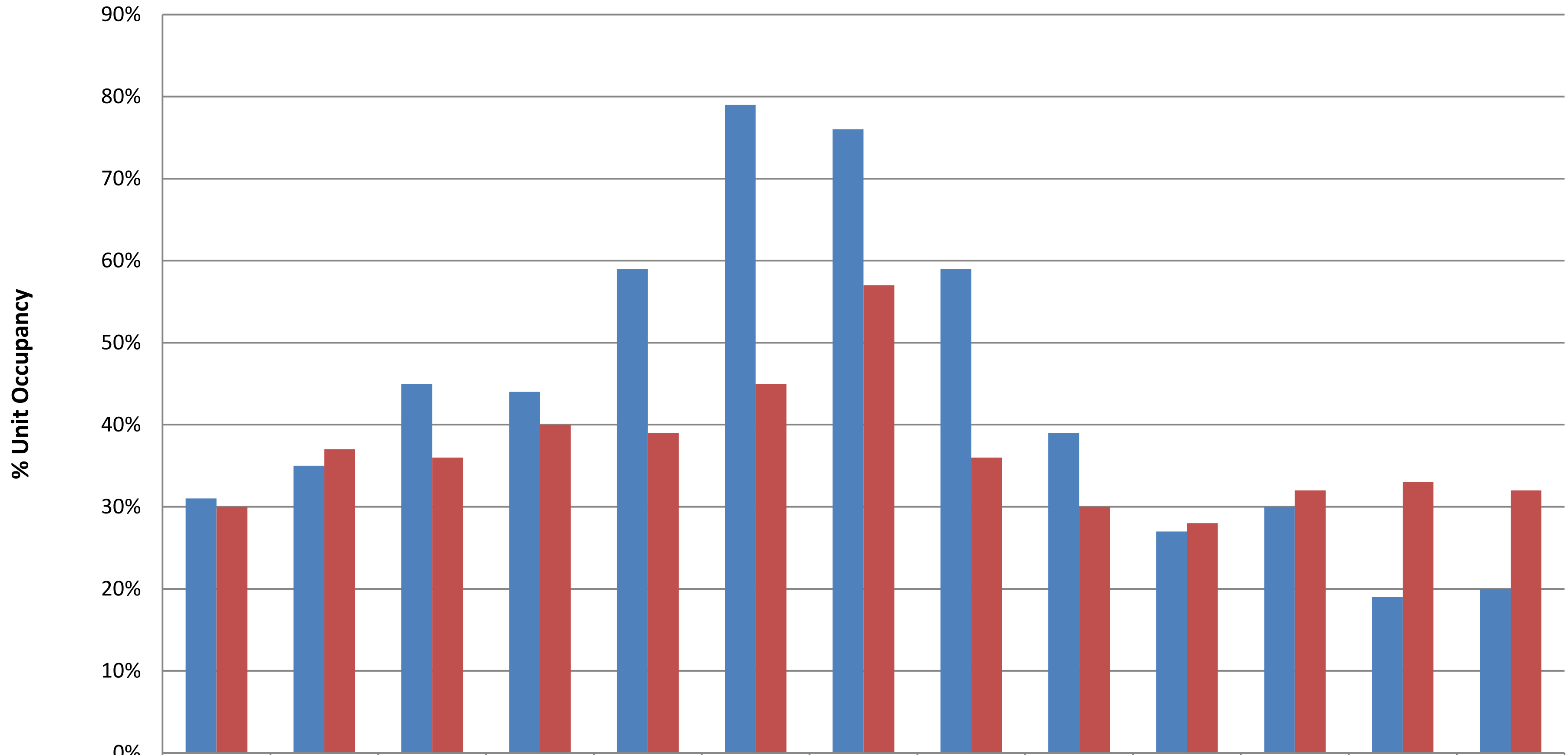


	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25*	Feb-25
ER	23%	34%	34%	45%	56%	59%	67%	62%	35%	42%	33%	20%	26%

***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



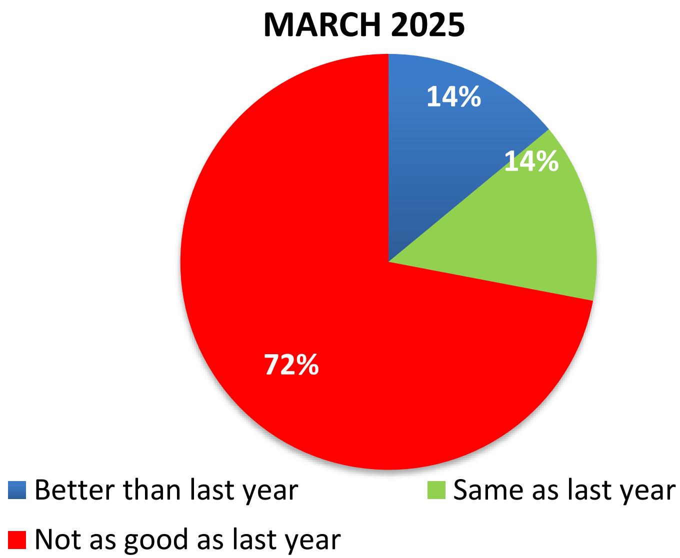
	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25*	Feb-25
ER	31%	35%	45%	44%	59%	79%	76%	59%	39%	27%	30%	19%	20%
Lighthouse	30%	37%	36%	40%	39%	45%	57%	36%	30%	28%	32%	33%	32%

***Small sample size – interpret with caution**

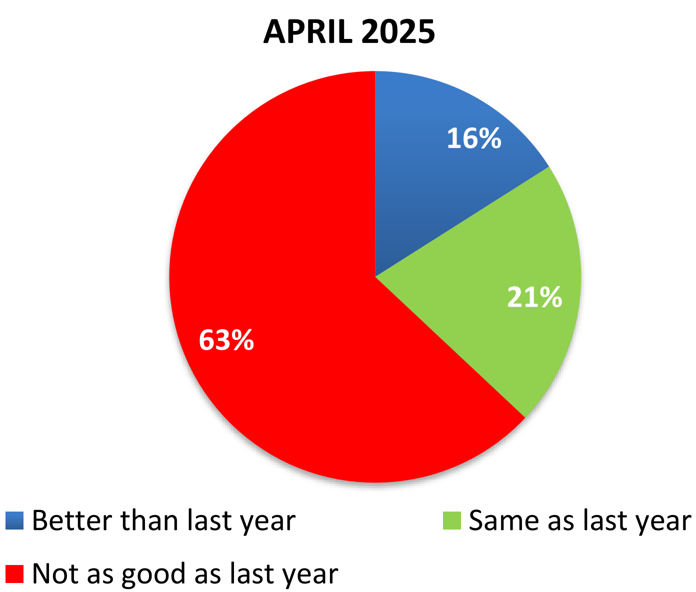
It should be noted that the HB figures provided represent the occupancy rates for those self catering businesses responding to this survey and the results are not weighted to represent regional accommodation stocks.

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

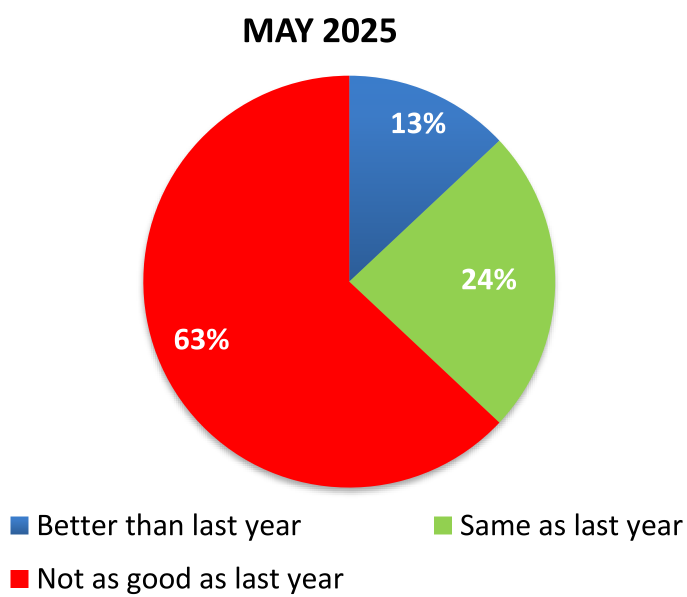
Outlook – Based upon forward booking levels



Base: 36

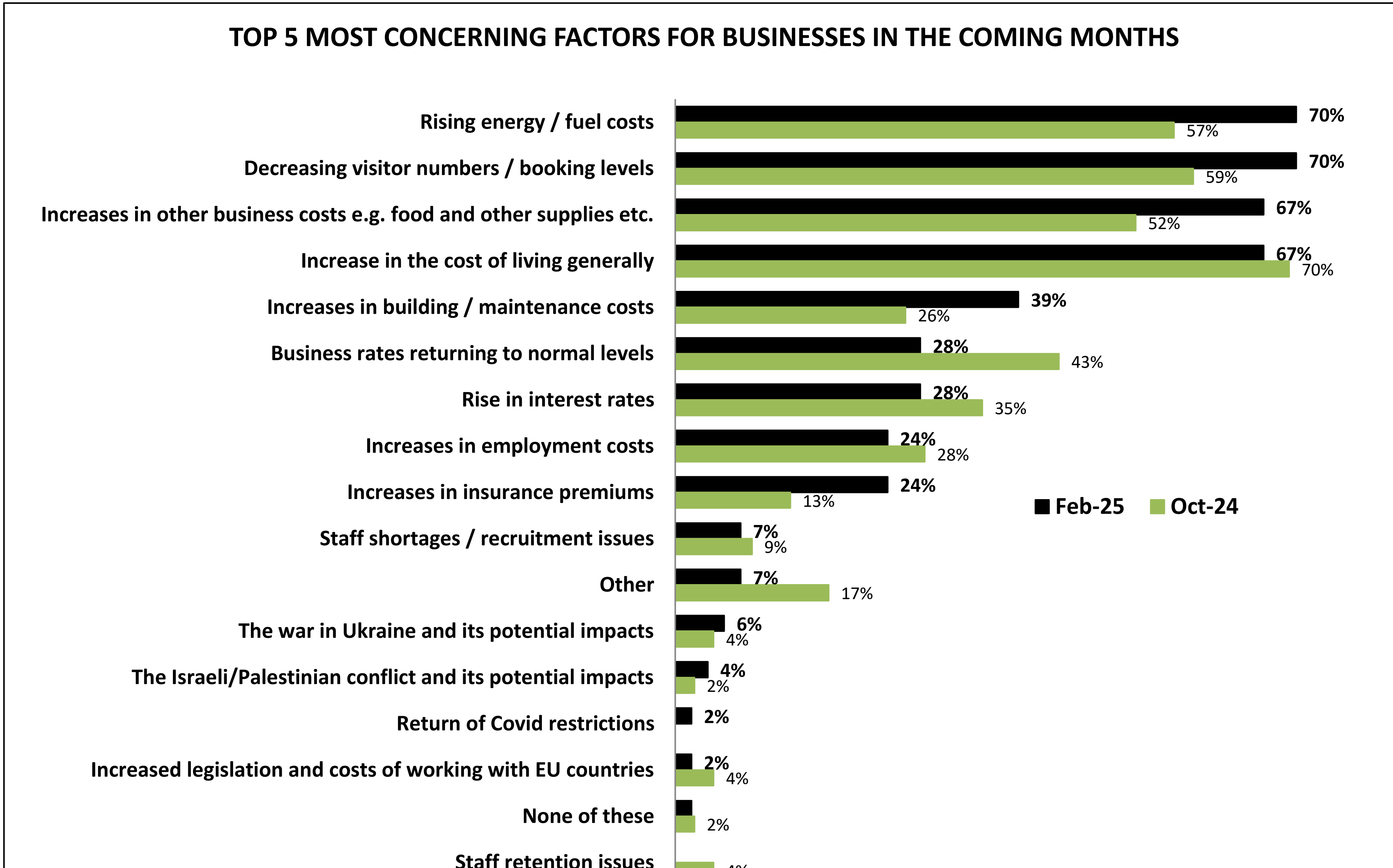


Base: 38



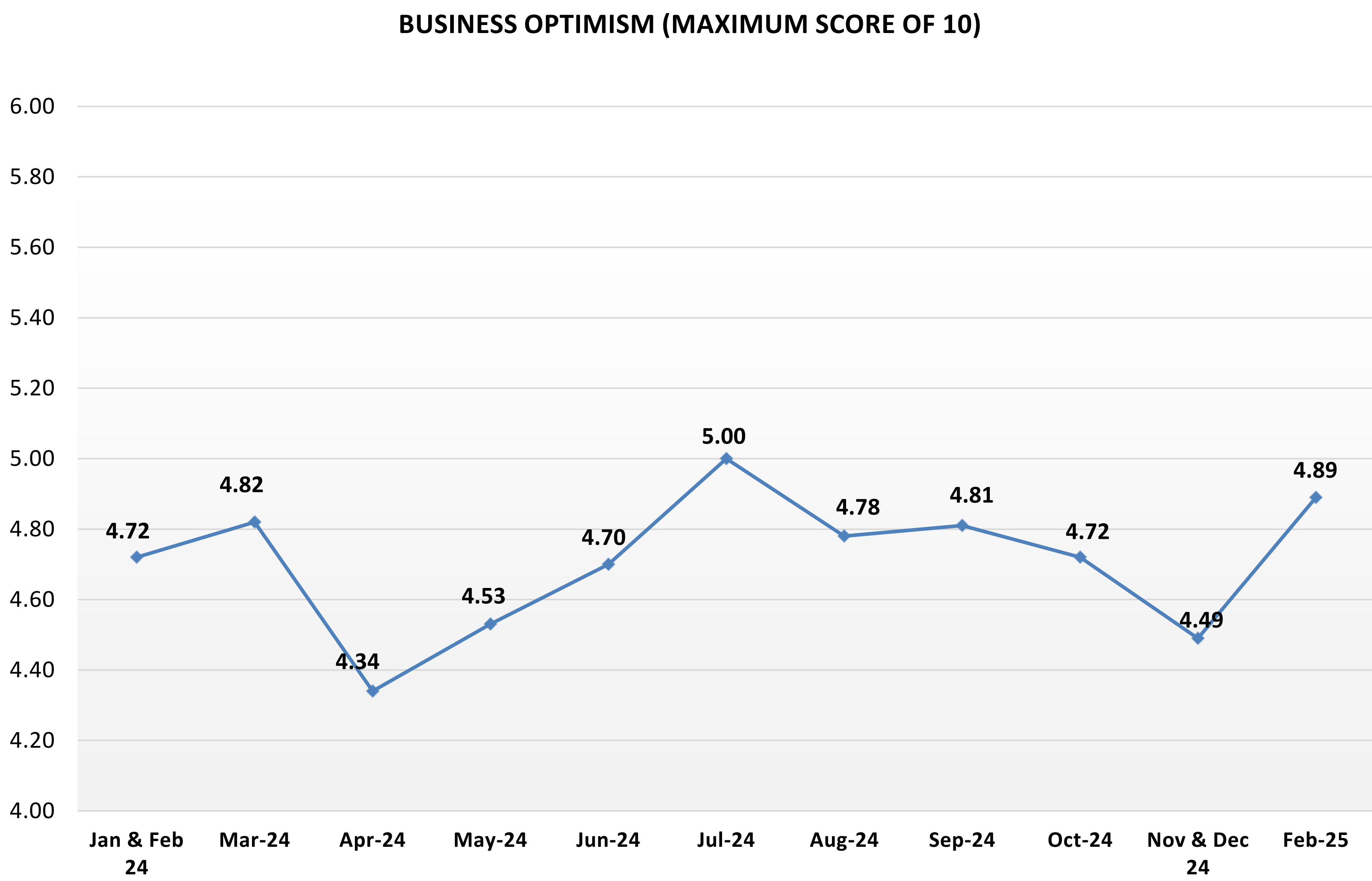
Base: 38

Top 5 business concerns (pre-defined list)



*Small sample size – interpret with caution

Business optimism



Key results – Sample of other comments on impacts

The 2 new hotels on Paignton seafront have made a huge difference to bookings, with low prices, most guests go on price, it's impossible to provide a self catering unit at low prices.

Most guests are complaining about the car and motorbikes street racing along esplanade road outside the Victorian buildings by esplanade hotel. Most of these offenders use it as a 0-60mph test track. Guests are finding the seafront quite dangerous in the evenings.

Very worried about everything to do with my business and I am hoping to sell it due to the worry going forward.

We are constantly reviewing pricing...doing offers etc. Happy to accept one night stays. It seems quieter...however Feb ended up better than last year in occupancy!
At the moment March is 50% DOWN on last year- this I attribute to Easter being later but also people are struggling financially and they are mindful of how, when and where they are spending any disposable income.

I truly believe 2025 summer season is going to be as bad as 2024, if not worse. Nothing is going to get any better in this country until the interest rates are lowered so that people have more money to themselves to spend.

We are beating the downward trend in business with investment, increased offering to our guests and heavy promotion. However, we are being affected by the general malaise of neighbouring dilapidating hotels. The council needs to stop illegal use of hotels as HMO's. Owners get paid above market rates by the government and have no regard to their residents or neighbourhoods and see no value in re-investing. With the huge inward investments in the Bay, these businesses should not be allowed to drag us back down.

Advance bookings for the summer are down significantly for the third year running; even more concerningly bookings for March, April and May are well down and we are running out of time to correct that. Many of our peers seem to be closing or partially closing and selling up. The demand for bed and breakfast style accommodation seems to be collapsing. It is quite a worrying outlook overall. We feel that the economic situation is meaning that potential visitors are cutting back heavily on short breaks to places like Torquay (while probably still preserving their main - overseas - family holiday).

We always have rooms off in February for refurbishment (or storing the furniture from the rooms being fully refurbished), so really only had 4 out of 8 available. That said, bookings for the 4 that were available were still poor. Bookings in general (or lack thereof) for 2025 is concerning. We only had about half the number of summer bookings we would normally see coming through in February, and so far for March the forward bookings being made is worse still. I do analyse search data for Torquay in general (Tripadvisor, Booking.com, Expedia etc.) and can see that year on year it is falling well short. This leaves an issue of too few travellers and too much accommodation! This is very disheartening especially with another big hotel due to come online soon.

ERBID How's Business Survey

February 2025

ENGLISH RIVIERA BID COMPANY

The South West Research Company