ERBID How's Business Survey

November 2023

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January 2024

Executive Summary

Compared to November 2022 businesses reported that:

November 2023 Visitor levels:
Increased 16% / Stayed the same 20% / Decreased 64%
Estimated actual change in visitors -15%

November 2023 Turnover levels:
Increased 18% / Stayed the same 20% / Decreased 61%
Estimated actual change in turnover -13%

December 2023 Outlook is:
Better than 2022 12% / Same as 2022 27% / Not as good as 2022 61%

January 2024 Outlook is:
Better than 2022 8% / Same as 2022 35% / Not as good as 2022 58%

February 2024 Outlook is:
Better than 2022 5% / Same as 2022 24% / Not as good as 2022 71%

Optimism:
Optimism score is 5.00 out of a possible 10

November 2023 – Key results

November saw the majority of all businesses (64%) experiencing a decrease in visitors/customers and a similar proportion (61%) reporting a decrease in their turnover – representing decreases of -15% and -13% respectively compared with the same time during 2022. 61% of businesses anticipated decreased bookings for December 2023 compared with 2022 levels and 58% and 71% anticipated decreased bookings for January and February 2024 respectively (compared with 2023), although this may change as we collect data for these months. Businesses continue to be most concerned about rising energy/fuel costs (78%), the increase in the cost of living generally and decreasing visitor numbers/booking levels (63% each) and increases in other business costs e.g., food and other supplies etc. (60%), all of which have decreased compared with last month.

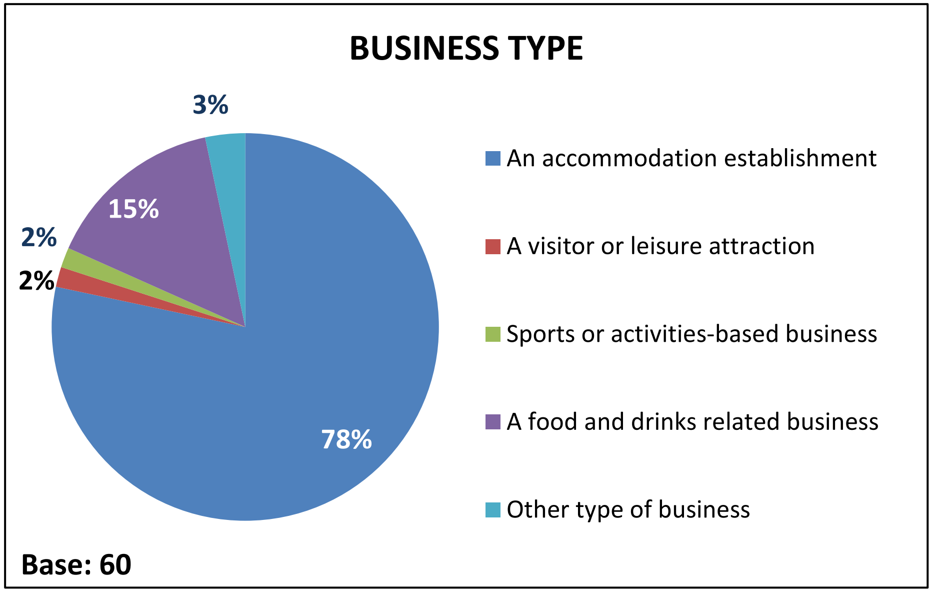
This month's survey has a sample of 60 businesses.

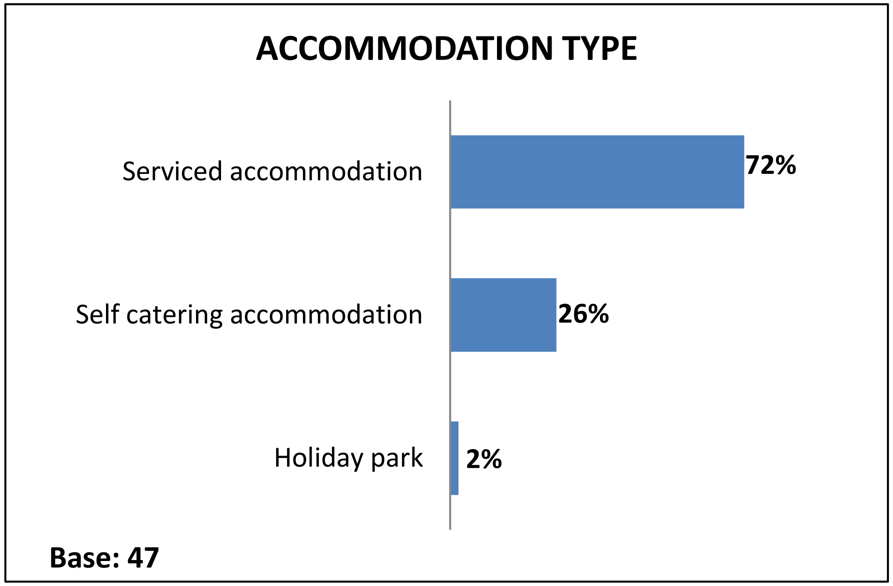
September to November 2023 general performance

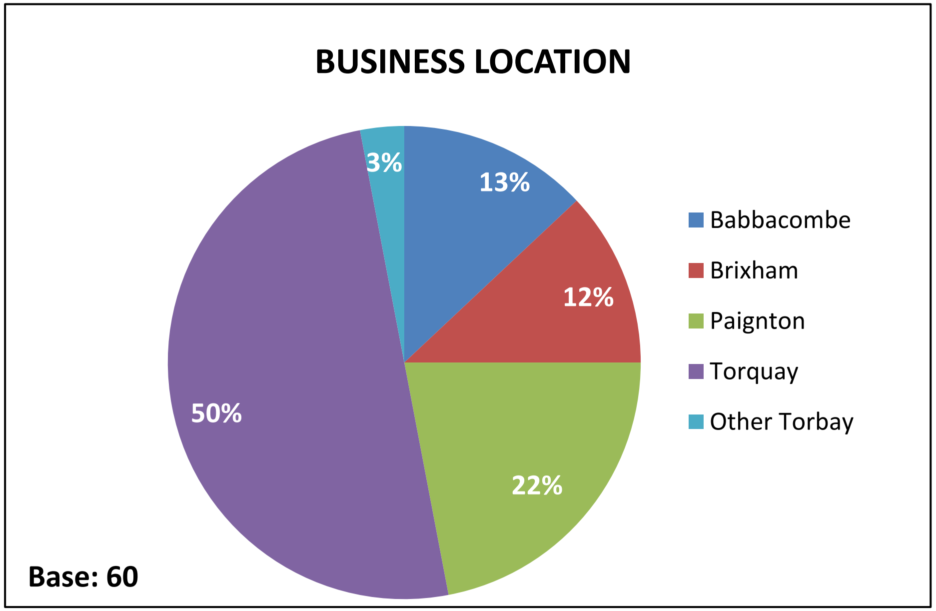
October and November unfortunately didn't follow September's lead (when 53% of businesses reported increased or similar visitors and turnover) and remained very challenging months for the majority of English Riviera tourism businesses ahead of the run up to the festive period with 59% or more of businesses reporting both decreased visitors and turnover in both months. Business patterns continue to remain very unpredictable at present as bookings are often very last minute as customers wait to see how much they have left to spend and what the weather is doing. It also continues to be a very competitive market place so businesses are having to think outside the box to differentiate their offer from everyone else's to get bookings and retain their business levels moving forward. On a more positive note, there are some businesses reporting a positive outcome for the year despite the dire economic conditions and uncertainty and they are largely achieving this as a result of closely managing their costs, offering a high quality product, along with excellent customer service.

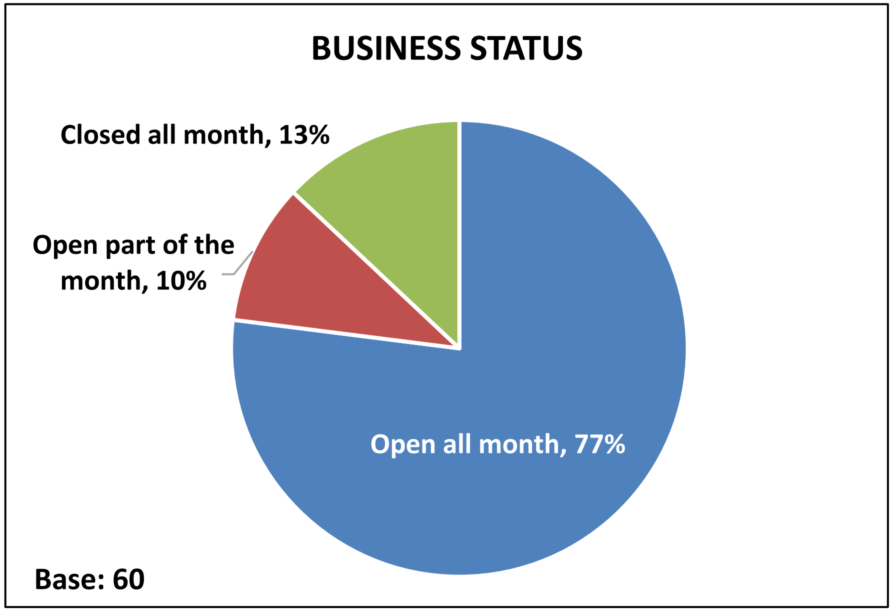
Our thanks go to all businesses that have taken part in the survey this month and to those organisations that have assisted us with the promotion of the survey. It's very much appreciated.

Sample profile, business location and status

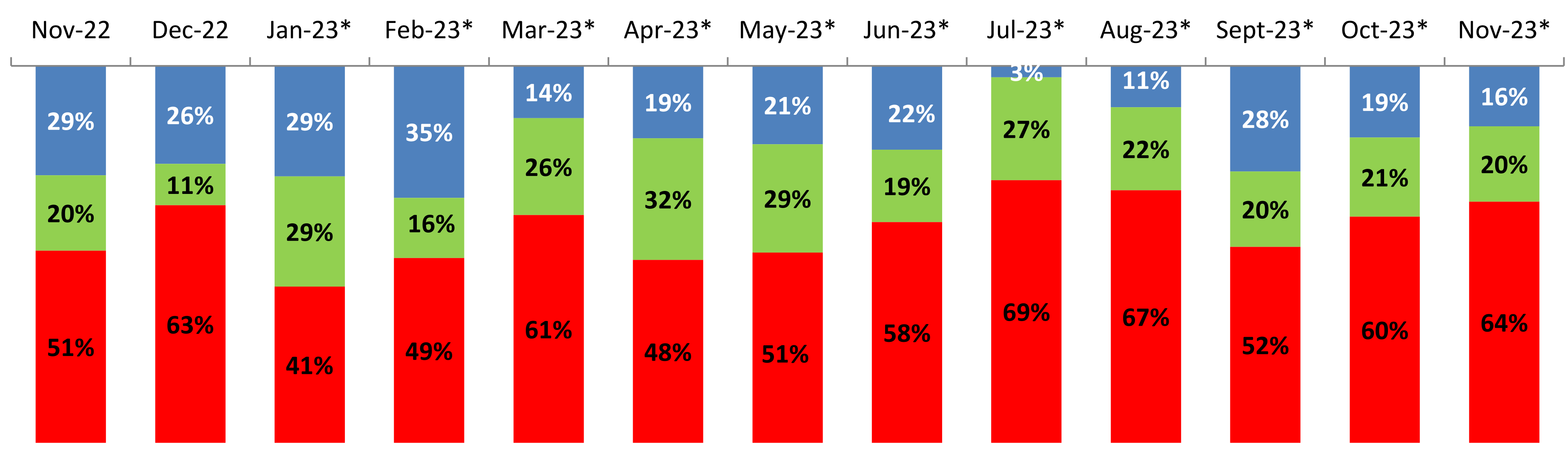




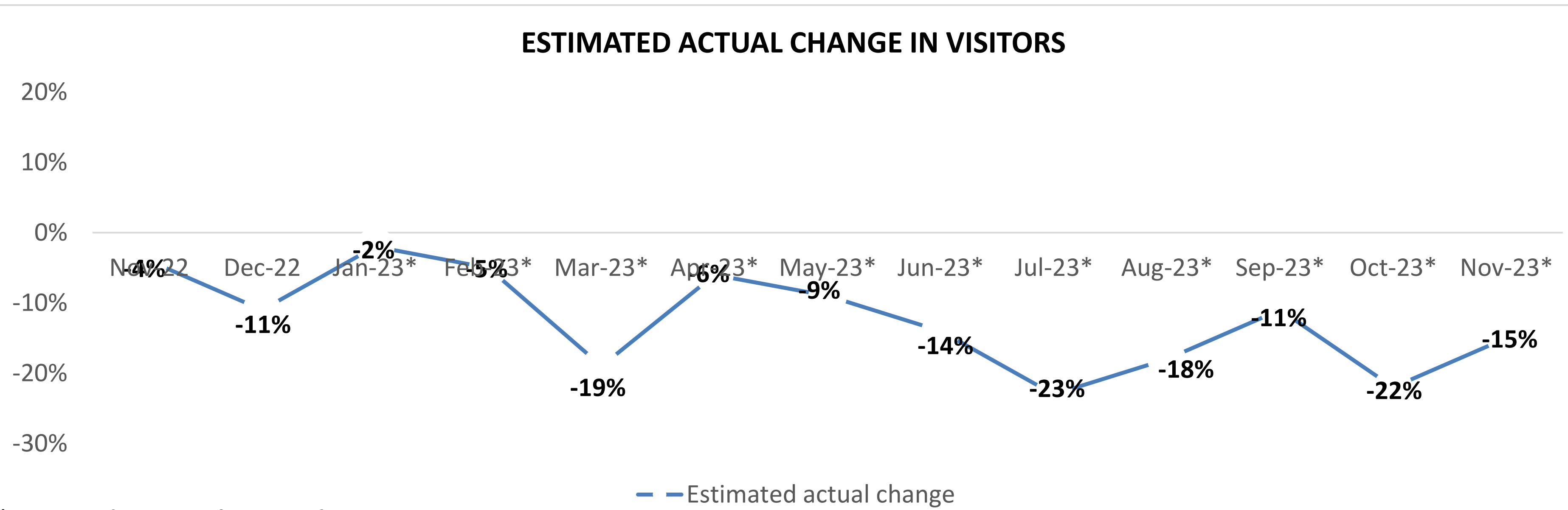




Performance – Number of visitors compared to 2019/2022*

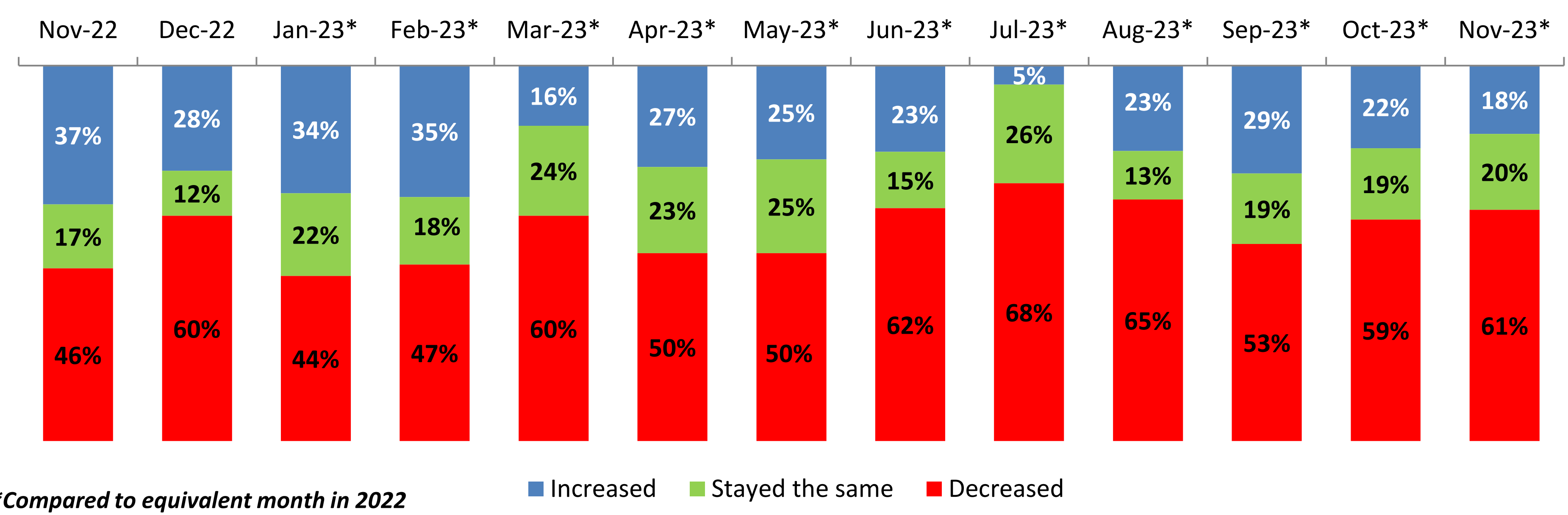


Compared to equivalent month in 2022

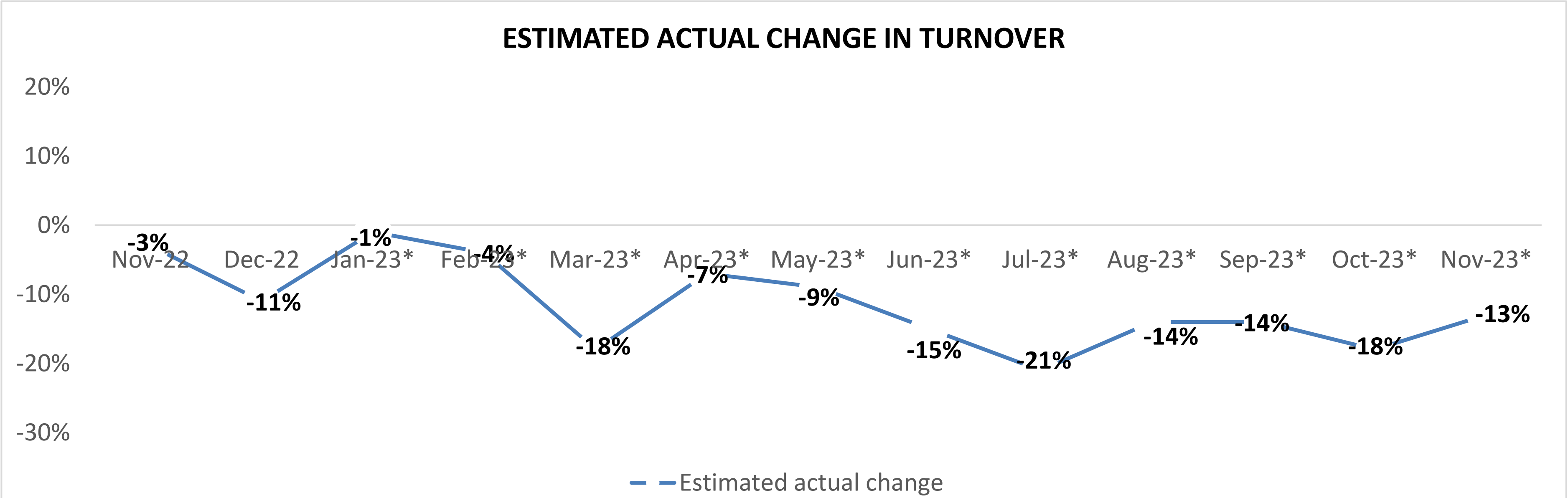


Compared to equivalent month in 2022

Performance – Turnover compared to 2019/22*

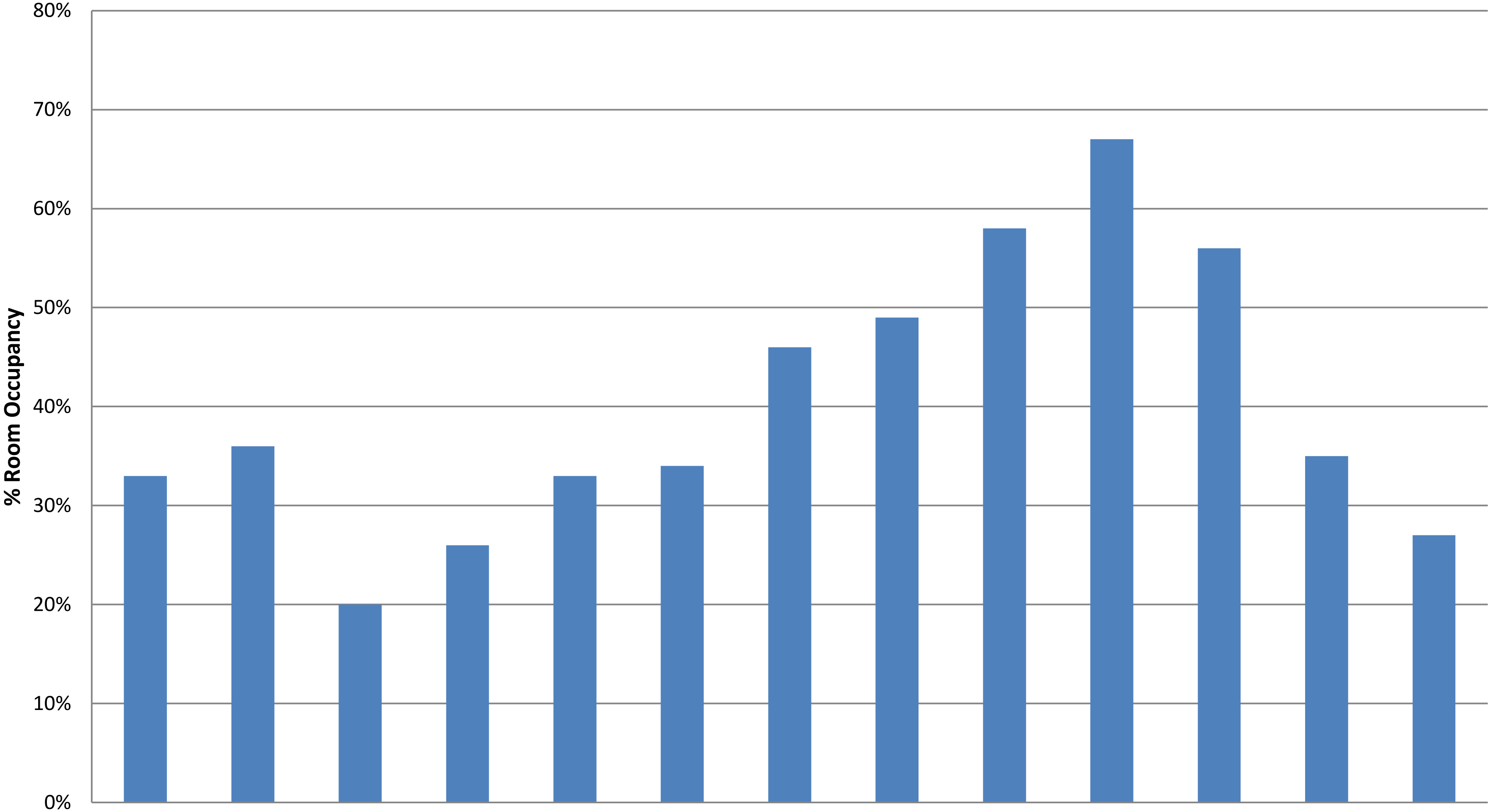


Compared to equivalent month in 2022



Compared to equivalent month in 2022

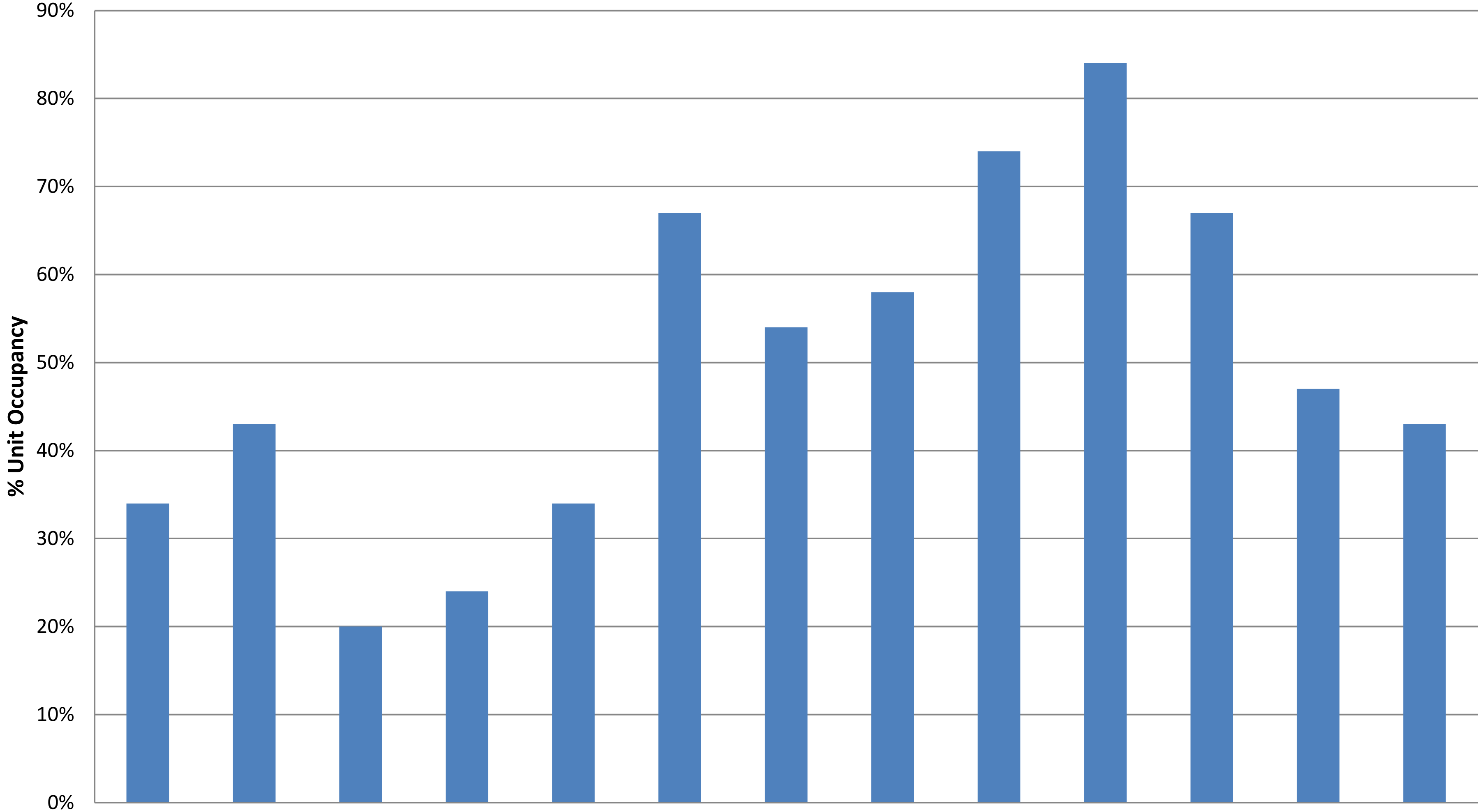
Performance – Serviced Room Occupancy



	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
ER	33%	36%	20%	26%	33%	34%	46%	49%	58%	67%	56%	35%	27%

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.

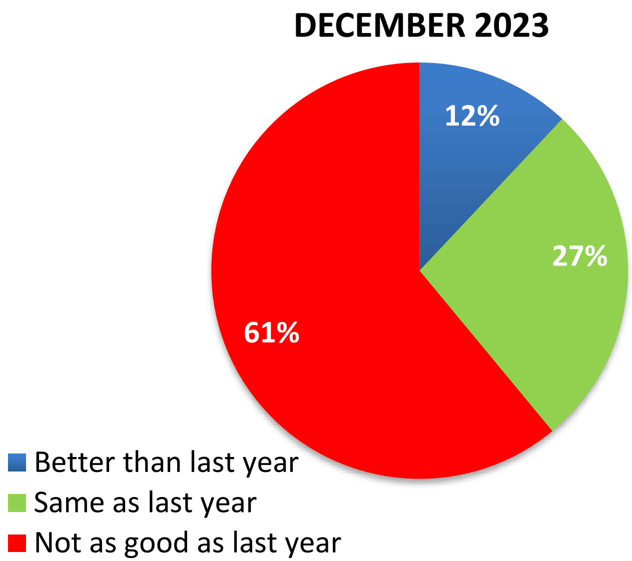
Performance – Self Catering Unit Occupancy



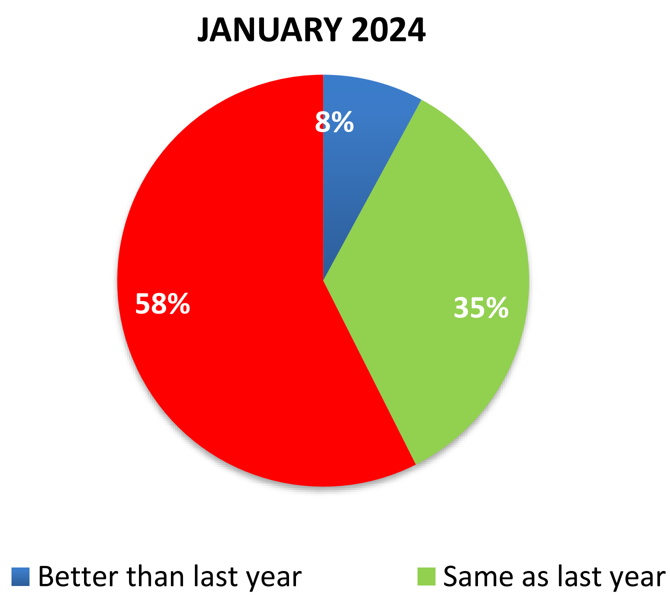
	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23
ER	34%	43%	20%	24%	34%	67%	54%	58%	74%	84%	67%	47%	43%

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.

Outlook – Based upon forward booking levels



Base: 41



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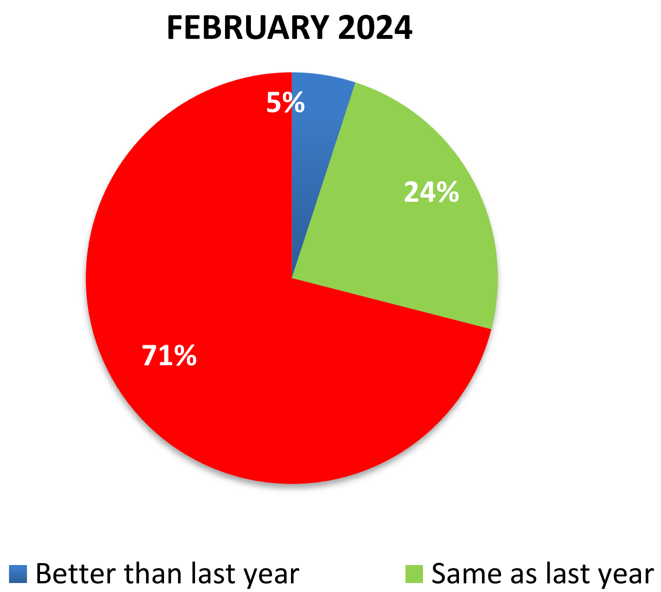
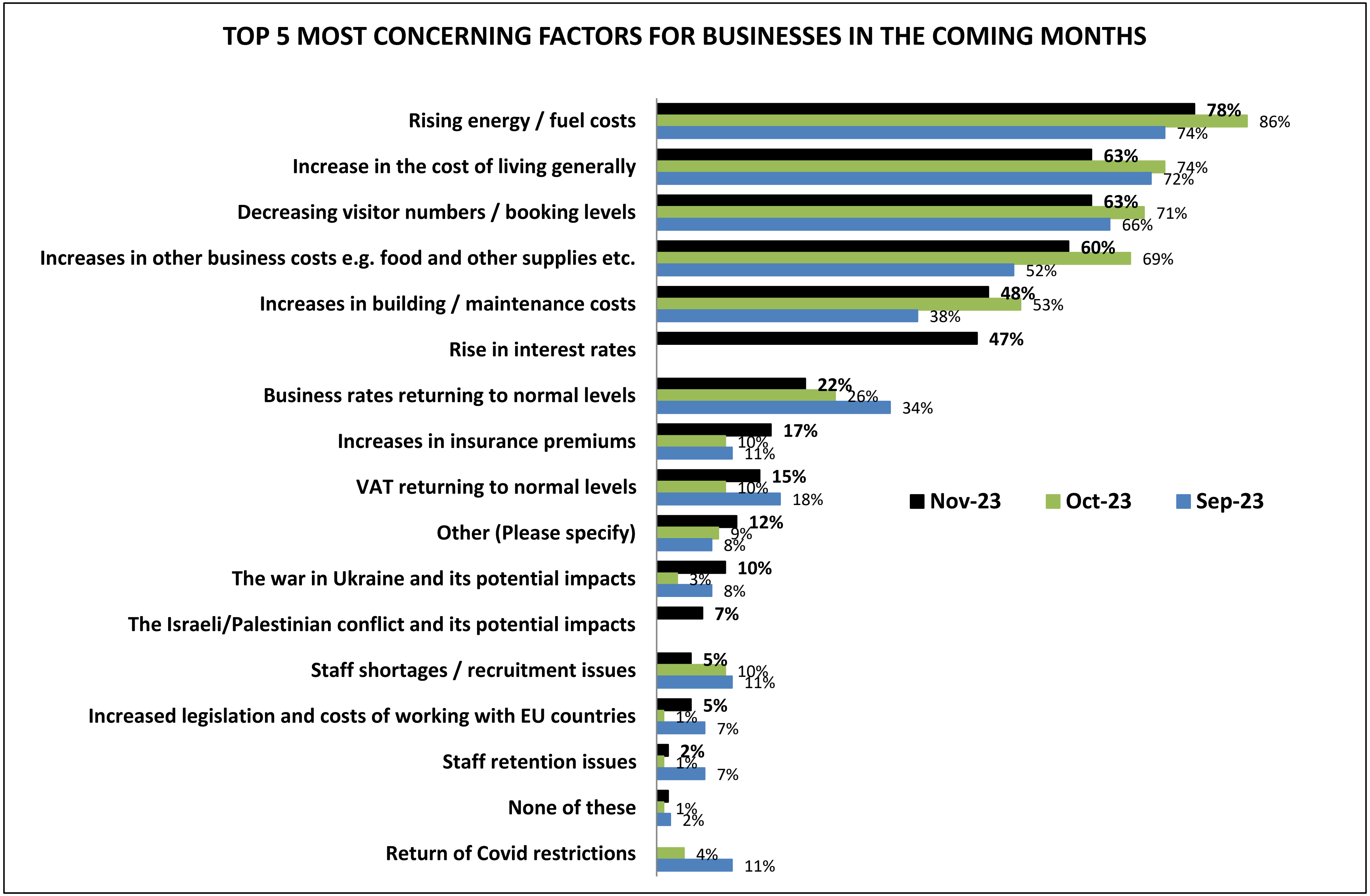
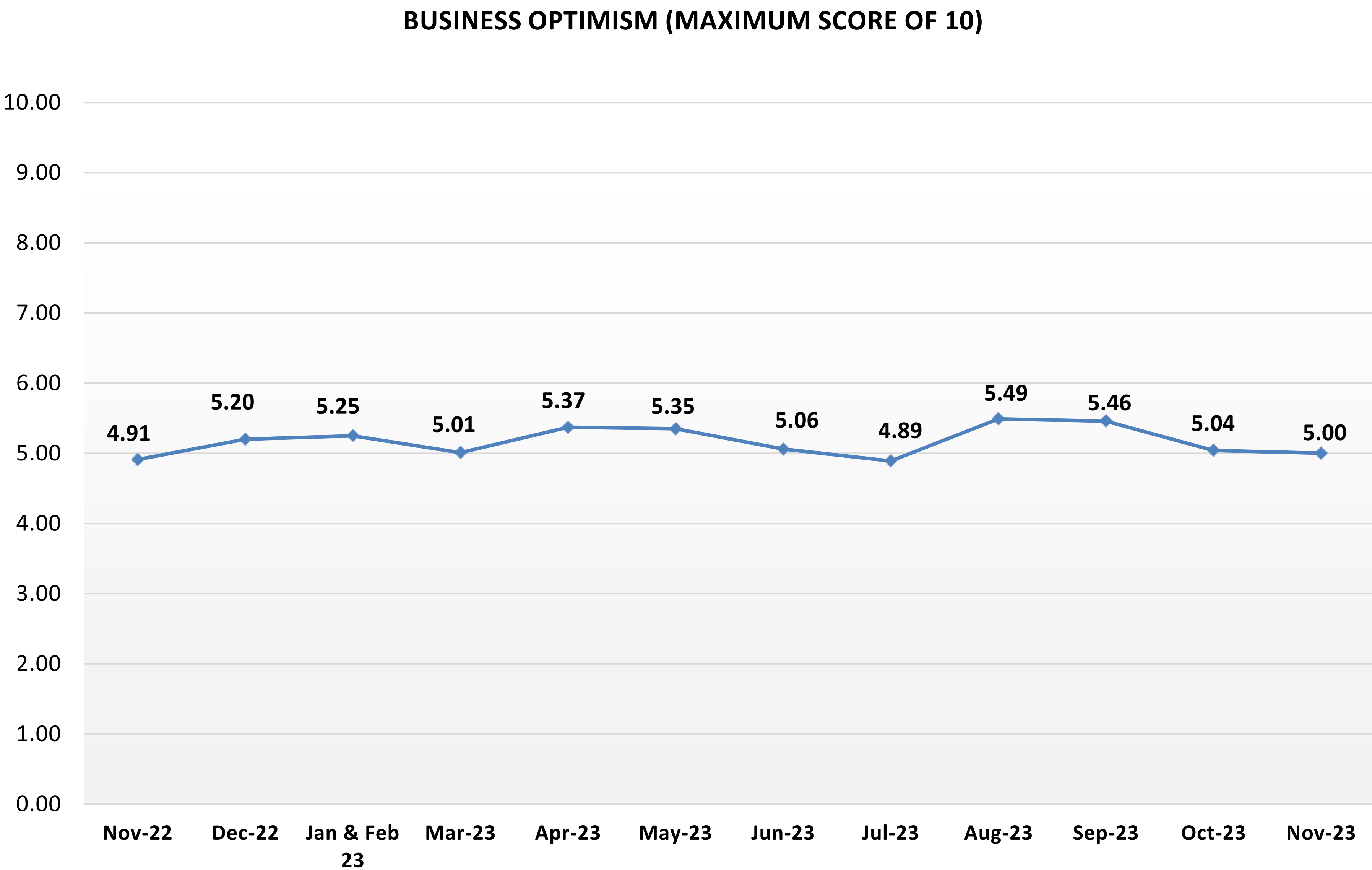


Base: 41

Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

It has been a very challenging year for our business, both in terms of visitor numbers and turnover, plus our profitability, due to the rising cost of everything and rising interest rates. With no rise in the VAT threshold, we are being squeezed from every side. How are we supposed to be able to cover the increasing costs to survive, without being able to generate any more turnover? With business levels decreasing as they have been for 2023, going over the VAT threshold is just not an option - we cannot close the gap from £85k to circa £105k (at least) to make it worth doing. We may well be able to survive this winter, but we believe there are many businesses that may not. The Bay has become a very challenging place to operate a small accommodation business, for many reasons, and we don't see 2024 being any easier. There needs to be a major step change and, unfortunately, this current council seem unable to do anything, but in-fight, as has happened in the past and saw a decline in tourism in The Bay. Let's hope we are wrong, and they can turn things around!

Bookings are all last minute if they do come at all! No bookings for next year much, leaving it all to the last minute and the weather!!!

In November, we took in slightly more money than last year with about the same occupancy but any extra income was wiped out by the massive increases in utility costs that have now really begun to bite. Looking ahead, it is depressing to consider the months of disruption at the harbour going right into the summer. And all for what? More pedestrianised areas which look great in the plans and pictures, but which in reality will be poorly maintained in years to come and which will provide resident druggies and yobs even more space to spread out. They've had two goes at Fleet Street, one big go at Medeira Walk, a go at the Banjo since we've been here and despite the hundreds of thousands spent things are worse than ever before. We need tougher policing or we'll lose the visitors we want.

Battling hard against the tide of vagrancy. Customers are intimidated and are not returning. Many comments about the degrading of our local area.

I dropped my prices by 30% or would not have had bookings

Get the rough sleepers and beggars off the streets. Pass a bye law allowing the police to move them on. It's the main reason we voted for a Tory council.

I close for the winter months. However, a number of guests this year commented on how sad they are to see the state of the Pavilion. They have also spent a lot of time around the harbour and love it. They would be puzzled by the amount of money being spent on changing the harbour area and the Torre Abbey Gardens but nothing seemingly being spent on the Pavilion.

Closed for the winter due to uneconomic energy supply contract (same as last year).

Forward bookings looking positive for next year.

Key results – Sample of other comments on impacts

Need mortgage rates to come down so guests have more money.

Not enough support for small businesses eg- tax/interest rates. High street needs cleaning up not just the harbour.

We are constantly reinvesting keeping up to date, but with less enquiries nowadays there is less to convert to bookings.

We have closed our business end of October, there is no point keeping the doors open through the winter months , the summer was diabolical, so nothing is coming to Torquay in the winter, there is absolutely nothing down Torquay centre that would even encourage people to come Christmas shopping here.
For our business to survive until Easter we will have to use our savings!!!!!

Save the Pavillion. Help the homeless is top of conversation we now have with our guests. We have been here for 11 years and it has definitely gotten worse.

The two hotels which have been built on the sea front have seriously affected the business of bed & breakfast establishments generally for Paignton.

We have forward bookings for next year but all from regulars. It is only our loyal following that is keeping us going. We had a loss last year and this end of year account period will be similar, if not worse.

Unable to open from November - March due to unsustainable energy costs. Due to VAT threshold being frozen, we have no ability to earn extra revenue to mitigate increased business costs.

Planned works around the harbourside will be a real issue for tourists next Summer. Let's hope the Council demolish Debenhams at the same time.
Close the top end of Torquay town and move those shops down to Fleet Street, make Castle Circus and the top part of Union Street into housing.

Our business is still not likely to survive until the summer unless we have a really strong April/May. Can't afford to open in Feb or March as too few visitors and heating costs too high to have it on!

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