

Edinburgh enjoying modest growth in demand for hotel rooms



A report from the tourism market research specialists LJ Research shows that there is some overall growth in Edinburgh and Glasgow although Aberdeen hoteliers continued to show decreasing profitability.

In Edinburgh room occupancy was just under 60%, a slight fall on last year, but demand for hotel rooms in Aberdeen and Glasgow, which also fell a little since 2014, enjoyed occupancy rates of 63.5%.

Sustained revenue growth has not gone unnoticed by hotel developers with various hotels such as De Vere Urban Village, Ibis Styles and Motel One having properties in the pipeline. In Edinburgh we have examples of all three groups in the city centre and at Crewe Toll where the Urban Village is proving very popular with locals as well as visitors to the city.

Looking to the future, a noteworthy uptake in the number of bookings for the next three months was apparent with, in particular, signs of strong demand throughout February as forward bookings were 5% above those recorded a year ago.

Commenting on the positive forward bookings performance **Paul Wakefield, Director of Marketing and Commercial at Marketing Edinburgh** said: "Overall feedback from Marketing Edinburgh's members indicates bookings for February and March are performing well. Along with the mass appeal of the Six Nations bringing UK and international visitors to the city, Edinburgh is also hosting a number of high profile conventions in the coming weeks. For example, the Scottish Renewables Conference

and Exhibition 2015 and National Association of Pension Funds (NAPF) will bring in a combined 2,300 delegates to the city in March, generating an estimated £2.7m for the local economy and over 2,300 room bookings in Edinburgh's hotels."

Sean Morgan, Managing Director at LJ Research, said: "2014 was a remarkable year for tourism across Scotland and it is perhaps quite surprising to see rather muted hotel performance in Scotland's three key cities to start the year. Whilst the trend of steeply falling oil prices appears to have abated, our LJ Forecaster results highlight challenges currently impacting on North Sea oil and gas production and looking to the next few months there are indications of decreasing accommodation demand in Aberdeen.

"Serviced apartments have been identified as a particularly strong performer this month with operators in Edinburgh starting the year buoyantly. It will be interesting to see how performance pans out in the coming months; this will enable better understanding of the extent of the positive momentum carried through from 2014."

Commenting on performance **John Neil, Director of Fountain Court Apartments**, Edinburgh said: "The continued growth in demand for serviced apartments within the city reflects the increasing awareness and understanding now prevalent in the UK market of what exactly our sector offers. Savvy leisure and corporate visitors coming to Edinburgh appreciate the advantages serviced apartments provide in comparison to hotel bedrooms, offering more freedom and flexibility than a hotel and in many cases a more cost effective option, without compromising on service or quality."