CAPE TOWN ACCOMMODATION

Performance Review & Forecast Report

January 2017

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Report compiled in cooperation with Cape Town Tourism members

INSIDE THIS ISSUE:

We are pleased to present the Cape Town Accommodation Performance Review Report in respect of the month of January 2017 and Forecast Report for the coming two month period of February 2017 and March 2017.

The Report aims to reflect the performance of the accommodation sector within the Cape Town metropole on a monthly basis. For the purposes of this analysis, Cape Town Tourism's accommodation members were asked to share actual performance at their respective accommodation establishments in respect of the month of January 2017 as well as forecast their respective accommodation establishment's performance in terms of likely market demand in the coming two month period.

In total 85 accommodation members participated in the analysis. This Report summarizes the outcome of the Survey. The results are segmented by accommodation type and geographic location, which should provide for interesting benchmarking opportunities.

Of the 85 participants, approximately 25 percent represented establishments located in the City Centre whereas participants representing establishments situated along the Atlantic Seaboard, in the Helderberg, and Northern Suburbs accounted for a further approximately 13 percent respectively. Participants representing establishments located along the Blaauwberg Coast and Southern Peninsula accounted for approximately 12 percent of the responses received respectively. Approximately 11 percent of responses were contributed by member establishments situated in the Southern Suburbs. No responses were received from member establishments located on the Cape Flats and a little more than 1 percent of the responses were discarded.

The majority of participants represented guesthouses (approx. 38 percent) followed by hotels (approx. 28 percent), self catering establishments (approx. 13 percent), bed & breakfast establishments (approx. 9 percent), backpacker establishments (approx. 8 percent), and Lodges (approx. 1 percent). No responses were received from members representing camping/ caravan parks; hostels; or resorts.

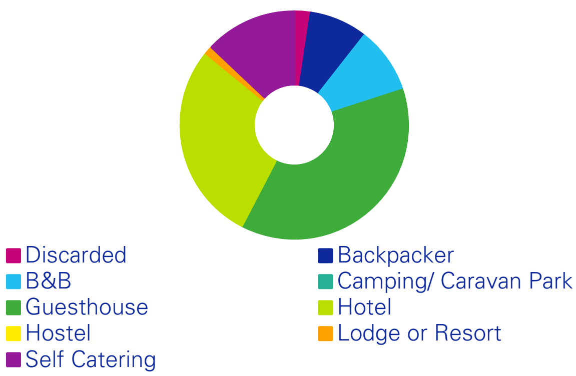
We would like to thank all the Cape Town Tourism accommodation members who participated and look forward to their continued support. We welcome any comments and suggestions that will make the Report more relevant and helpful to the Cape Town accommodation sector.

Sincerely,

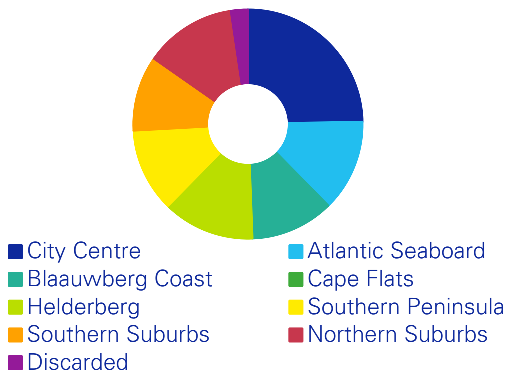
Michelè de Witt | Director, Horwath HTL (South Africa)

SHARE OF PARTICIPANTS:

Accommodation Type



Geographic Location



SUMMARY OF RESULTS:

Overall, the Cape Town accommodation market registered positive growth across all three performance indicators in January 2017 when compared to the same month last year.

- Occupancy: 77.1 percent compared to 75.9 percent last year ~ + 1.2 percentage point;
- Average room rate: R2 048 compared to R1 797 last year ~ + 13.9 percent; and
- Revenue per available room: R1 578 compared to R1 364 last year ~ + 15.7 percent.

When compared to market-wide expectations registered a month ago, actual room night demand for the month of January 2017 was marginally higher than expectations registered as was actual average room rate achieved (+3.3 percent) and actual RevPAR (+3.8 percent).

On aggregate, feedback received indicates that approximately 30.0 percent of room nights sold in January 2017 were sold to the domestic market with regional/ African source markets accounting for a further approximately 11.6 percent of room nights sold during the month. International source markets accounted for approximately 58.4 percent of room nights sold in January 2017.

Anticipated performance for the coming two months:

February 2017:

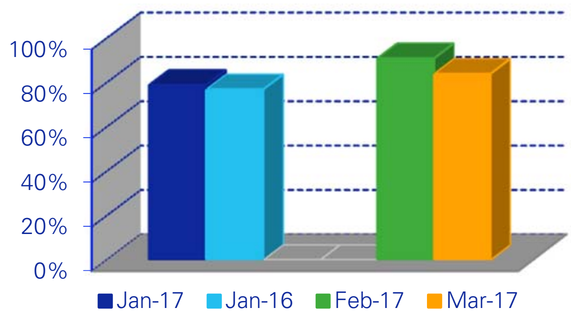
- Occupancy: 86.9 percent compared to 85.6 percent forecast last month;
- Average room rate: R2 124 compared to R1 961 forecast last month; and
- Revenue per available room: R1 846 compared to R1 679 forecast last month.

March 2017:

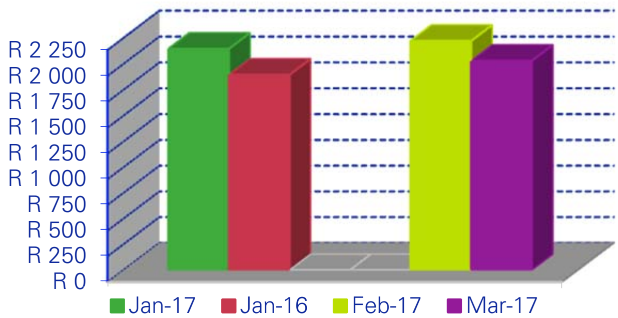
- Occupancy: 80.1 percent;
- Average room rate: R1 932; and
- Revenue per available room: R1 548.

SUMMARY OF RESULTS:

Occupancy



Average Room Rate (ARR)

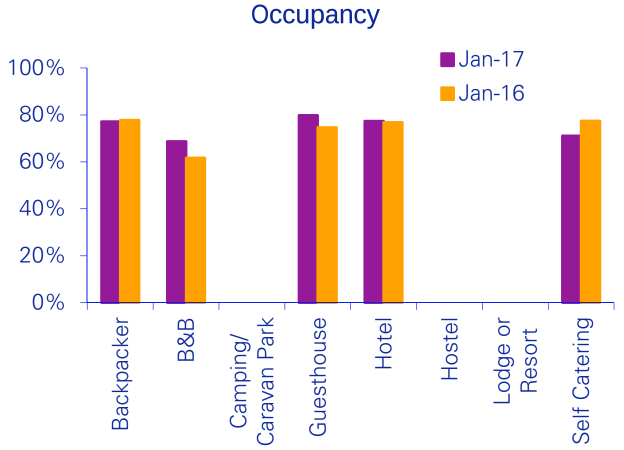


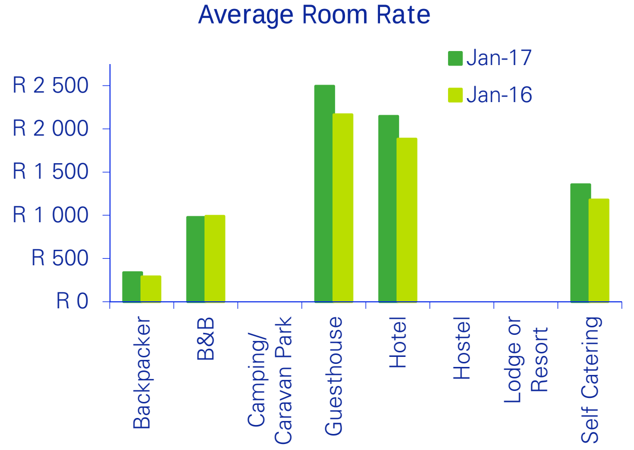
ACTUAL PERFORMANCE BY ACCOMMODATION TYPE:

Occupancy: January	2017	2016	Percentage Point Change
Overall Average	77.1%	75.9%	+ 1.2%
Backpacker	77.2%	77.8%	- 0.6%
Bed & Breakfast	68.7%	61.7%	+ 7.0%
Camping/ Caravan Park	-	-	-
Guesthouse	79.8%	74.7%	+ 5.1%
Hotel	77.4%	76.8%	+ 0.6%
Hostel	-	-	-
Lodge or Resort	*	*	*
Self Catering	71.1%	77.5%	- 6.3%

Average Room Rate: January	2017	2016	Percentage Point Change
Overall Average	R2 048	R1 797	+ 13.9%
Backpacker	R337	R289	+ 16.6%
Bed & Breakfast	R977	R990	- 1.3%
Camping/ Caravan Park	-	-	-
Guesthouse	R2 495	R2 165	+ 15.2%
Hotel	R2 145	R1 883	+ 13.9%
Hostel	-	-	-
Lodge or Resort	*	*	-
Self Catering	R1 354	R1 178	+ 14.9%

ACTUAL PERFORMANCE BY ACCOMMODATION TYPE:





* Where data received was insufficient to allow for reasonable comparison, it was omitted

RevPAR: January	2017	2016	Percentage Point Change
Overall Average	R1 578	R1 364	+ 15.7%
Backpacker	R260	R225	+ 15.7%
Bed & Breakfast	R672	R611	+ 9.9%
Camping/ Caravan Park	-	-	-
Guesthouse	R1 991	R1 617	+ 23.1%
Hotel	R1 661	R1 446	+ 14.8%
Hostel	-	-	-
Lodge or Resort	*	*	*
Self Catering	R963	R913	+ 5.6%

Source Market Analysis: January 2017	Domestic	Regional/ Africa	International
Overall Average	30.0%	11.6%	58.4%
Backpacker	15.8%	4.4%	79.8%
Bed & Breakfast	60.4%	1.0%	38.6%
Camping/ Caravan Park	-	-	-
Guesthouse	30.0%	3.9%	66.1%
Hotel	28.7%	14.0%	57.3%
Hostel	-	-	-
Lodge or Resort	*	*	*
Self Catering	56.2%	1.2%	42.6%

Average Number of Guests per Room Night Sold: January 2017	Domestic	Regional/ Africa	International
Overall Average	1.8	1.7	2.0
Backpacker	1.8	1.5	1.8
Bed & Breakfast	1.9	1.5	2.0
Camping/ Caravan Park	-	-	-
Guesthouse	1.6	1.5	1.9
Hotel	1.6	1.7	2.0
Hostel	-	-	-
Lodge or Resort	*	*	*
Self Catering	2.3	2.3	2.4

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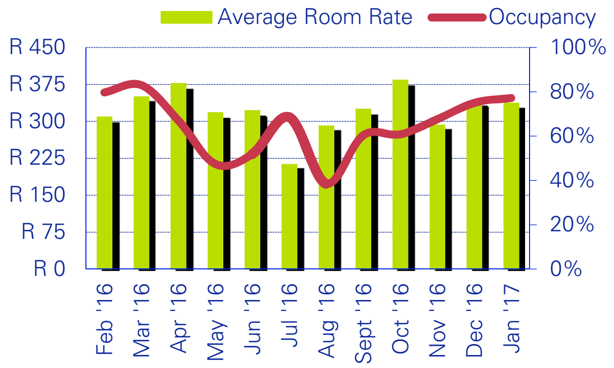
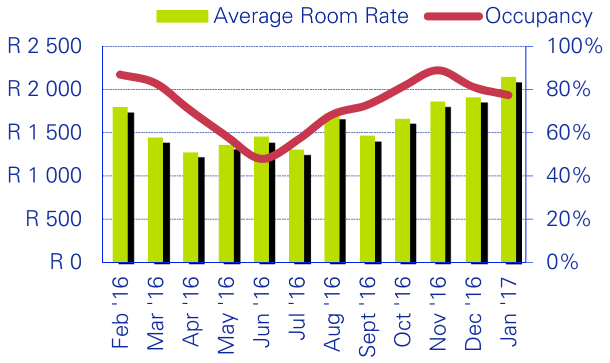
12-Month Performance Review

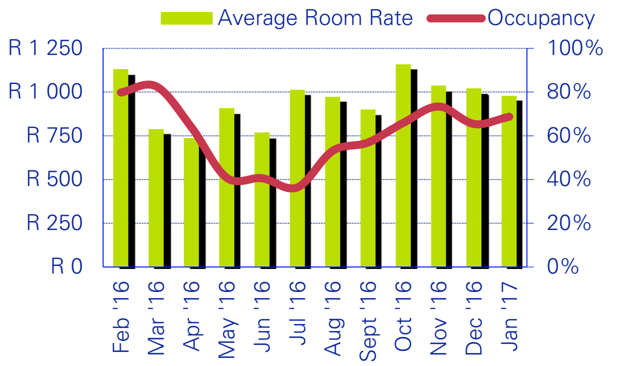
BACKPACKER



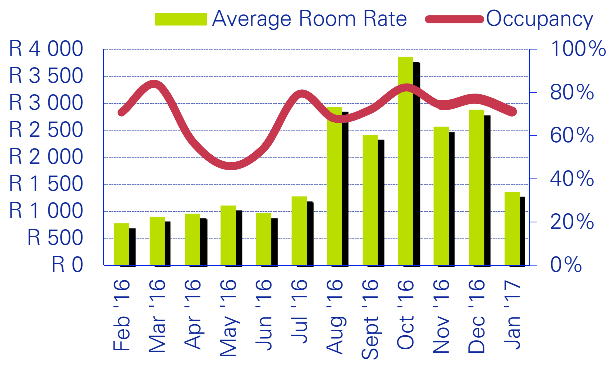
HOTEL



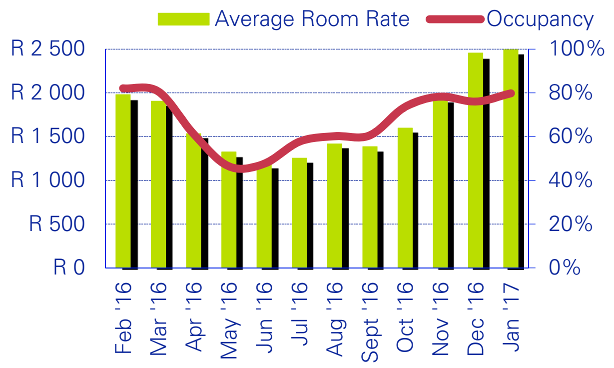
BED & BREAKFAST



SELF CATERING



GUESTHOUSE

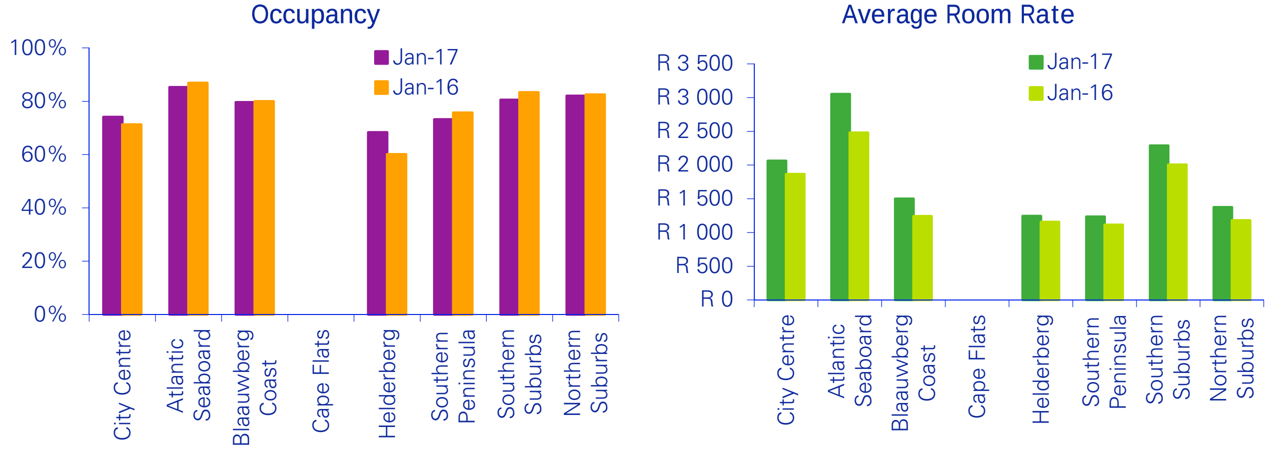


ACTUAL PERFORMANCE BY GEOGRAPHIC LOCATION:

	Occupancy: January 2017	Occupancy: January 2016	Percentage Point Change
Overall Average	77.1%	75.9%	+ 1.2%
City Centre	74.1%	71.3%	+ 2.8%
Atlantic Seaboard	85.3%	86.9%	- 1.6%
Blaauwberg Coast	79.6%	80.0%	- 0.4%
Cape Flats	-	-	-
Helderberg	68.3%	60.1%	+ 8.2%
Southern Peninsula	73.2%	75.7%	- 2.5%
Southern Suburbs	80.5%	83.3%	- 2.8%
Northern Suburbs	82.0%	82.5%	- 0.5%

	Average Room Rate: January 2017	Average Room Rate: January 2016	Percentage Point Change
Overall Average	R2 048	R1 797	+ 13.9%
City Centre	R2 063	R1 867	+ 10.5%
Atlantic Seaboard	R3 053	R2 481	+ 23.0%
Blaauwberg Coast	R1 499	R1 242	+ 20.8%
Cape Flats	-	-	-
Helderberg	R1 244	R1 155	+ 7.7%
Southern Peninsula	R1 234	R1 113	+ 10.8%
Southern Suburbs	R2 287	R2 006	+ 14.0%
Northern Suburbs	R1 374	R1 181	+ 16.4%

ACTUAL PERFORMANCE BY GEOGRAPHIC LOCATION:



* Where data received was insufficient to allow for reasonable comparison, it was omitted

RevPAR: January	2017	2016	Percentage Point Change
Overall Average	R1 578	R1 364	+ 15.7%
City Centre	R1 528	R1 330	+ 14.9%
Atlantic Seaboard	R2 603	R2 155	+ 20.8%
Blaauwberg Coast	R1 193	R993	+ 20.2%
Cape Flats	-	-	-
Helderberg	R850	R694	+ 22.4%
Southern Peninsula	R903	R843	+ 7.1%
Southern Suburbs	R1 841	R1 671	+ 10.2%
Northern Suburbs	R1 127	R974	+ 15.6%

Source Market Analysis: January 2017	Domestic	Regional/ Africa	International
Overall Average	30.0%	11.6%	58.4%
City Centre	30.7%	14.8%	54.5%
Atlantic Seaboard	24.3%	3.9%	71.8%
Blaauwberg Coast	36.5%	3.2%	60.3%
Cape Flats	-	-	-
Helderberg	35.7%	0.0%	64.3%
Southern Peninsula	25.1%	2.1%	72.8%
Southern Suburbs	20.1%	19.3%	60.6%
Northern Suburbs	49.3%	5.2%	45.5%

Average Number of Guests per Room Night Sold: January 2017	Domestic	Regional/ Africa	International
Overall Average	1.8	1.7	2.0
City Centre	1.6	1.8	2.0
Atlantic Seaboard	1.8	1.6	2.0
Blaauwberg Coast	2.1	1.8	2.0
Cape Flats	-	-	-
Helderberg	1.8	0.0	2.0
Southern Peninsula	2.1	1.5	2.0
Southern Suburbs	1.5	1.6	2.1
Northern Suburbs	1.5	1.5	2.0

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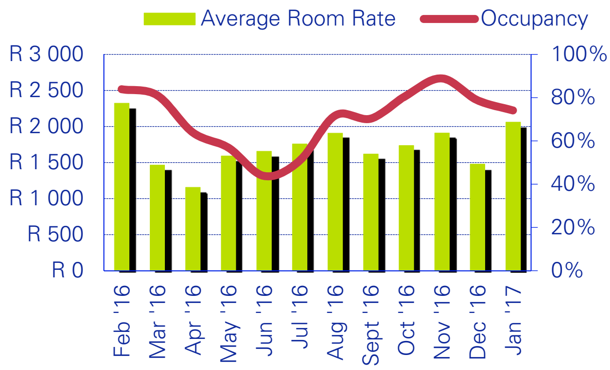
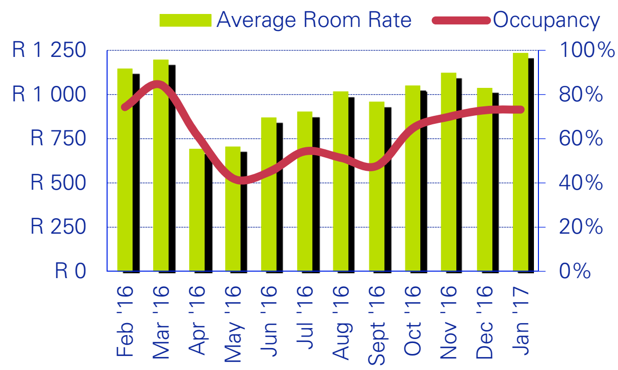
12-Month Performance Review

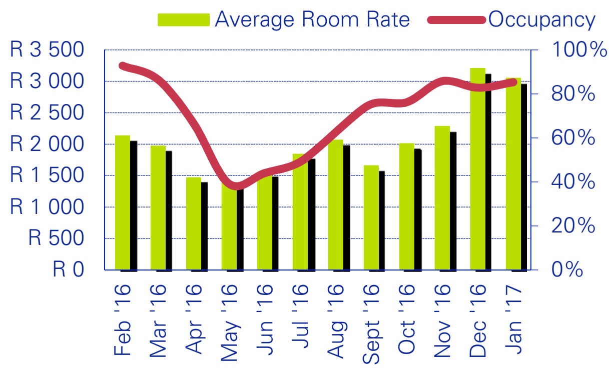
CITY CENTRE



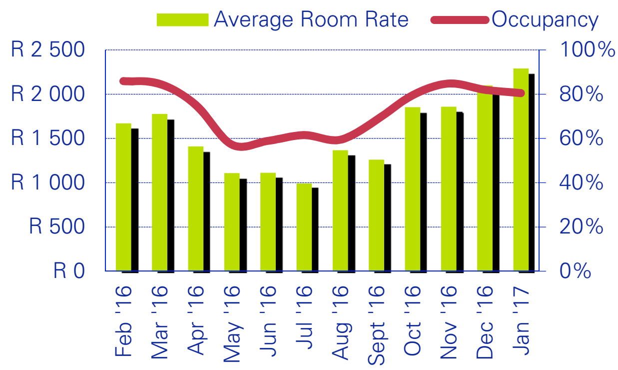
SOUTHERN PENINSULA



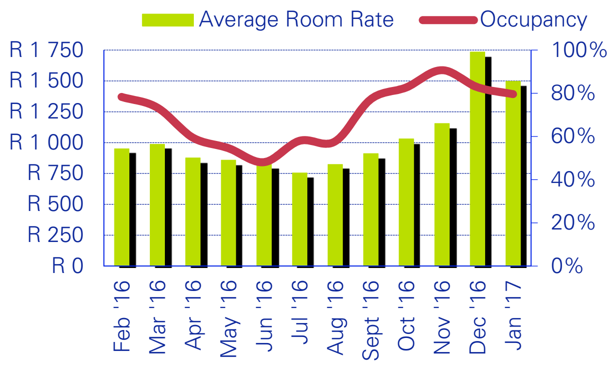
ATLANTIC SEABOARD



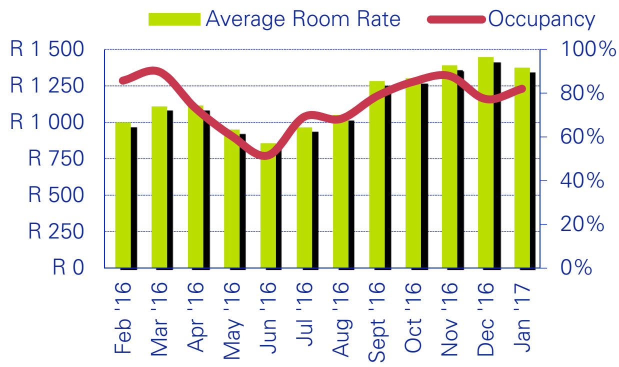
SOUTHERN SUBURBS



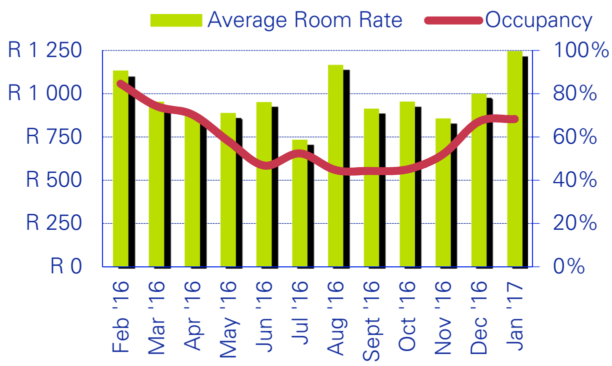
BLAAUWBERG COAST



NORTHERN SUBURBS



HELDERBERG



ANTICIPATED PERFORMANCE BY ACCOMMODATION TYPE:

Forecast Occupancy	February 2017	March 2017
Overall Average	86.9%	80.1%
Backpacker	80.1%	62.6%
Bed & Breakfast	80.4%	76.2%
Camping/ Caravan Park	-	-
Guesthouse	85.7%	75.5%
Hotel	88.0%	82.1%
Hostel	-	-
Lodge or Resort	*	*
Self Catering	74.5%	60.2%

Forecast Average Room Rate	February 2017	March 2017
Overall Average	R2 124	R1 932
Backpacker	R346	R356
Bed & Breakfast	R974	R872
Camping/ Caravan Park	-	-
Guesthouse	R2 434	R2 325
Hotel	R2 249	R2 019
Hostel	-	-
Lodge or Resort	*	*
Self Catering	R1 291	R1 285

Forecast RevPAR	February 2017	March 2017
Overall Average	R1 846	R1 548
Backpacker	R277	R223
Bed & Breakfast	R784	R665
Camping/ Caravan Park	-	-
Guesthouse	R2 086	R1 755
Hotel	R1 979	R1 657
Hostel	-	-
Lodge or Resort	*	*
Self Catering	R962	R773

* Where data received was insufficient to allow for reasonable comparison, it was omitted

ANTICIPATED PERFORMANCE BY GEOGRAPHIC LOCATION:

Forecast Occupancy	February 2017	March 2017
Overall Average	86.9%	80.1%
City Centre	83.1%	78.0%
Atlantic Seaboard	90.5%	78.1%
Blaauwberg Coast	89.0%	82.1%
Cape Flats	-	-
Helderberg	87.0%	77.6%
Southern Peninsula	79.7%	60.3%
Southern Suburbs	93.0%	89.3%
Northern Suburbs	87.2%	81.8%

Forecast Average Room Rate	February 2017	March 2017
Overall Average	R2 124	R1 932
City Centre	R2 242	R2 028
Atlantic Seaboard	R2 883	R2 736
Blaauwberg Coast	R1 540	R1 378
Cape Flats	-	-
Helderberg	R1 294	R1 132
Southern Peninsula	R1 275	R1 268
Southern Suburbs	R2 375	R2 120
Northern Suburbs	R1 574	R1 447

Forecast RevPAR	February 2017	March 2017
Overall Average	R1 846	R1 548
City Centre	R1 864	R1 582
Atlantic Seaboard	R2 610	R2 138
Blaauwberg Coast	R1 371	R1 131
Cape Flats	-	-
Helderberg	R1 126	R878
Southern Peninsula	R1 015	R765
Southern Suburbs	R2 208	R1 893
Northern Suburbs	R1 374	R1 184

* Where data received was insufficient to allow for reasonable comparison, it was omitted

EXPLANATION OF TERMS:

OCCUPANCY

The term Occupancy refers to the number of room nights sold, divided by the number of room nights available in respect of a defined period in time, expressed as a percentage.

AVERAGE ROOM RATE

The term Average Room Rate is an accommodation establishment's net accommodation revenue per room night sold. The Average Room Rate excludes meals and any other items that may be included in the Rack Rate and accounts for all discounts and the incidence of multiple occupancy.

REVPAR

Revenue per Available Room (RevPAR) is a conceptual link between average occupancy rates and Average Room Rates; it is the net accommodation revenue per day, per available room.

DOMESTIC SOURCE MARKET

Domestic tourism refers to residents of South Africa travelling within South Africa.

REGIONAL/ AFRICAN SOURCE MARKET

Regional/ African tourism refers to residents from a country on the African Continent travelling to South Africa.

INTERNATIONAL SOURCE MARKET

International tourism refers to residents from a country in one region of the world (e.g.: Europe), excluding Africa, travelling to South Africa.

SURVEY METHODOLOGY:

As with all studies of this kind, a random sample of data collection methodology was used to enlist participants for this report. Therefore, while we believe the results to be the most accurate available, they are still subject to non-sampling errors. In addition, although the information in this report has been obtained from sources which we believe to be reliable and accurate, we do not guarantee its accuracy since it is submitted by third parties.

The values presented in the report, both for the current month and in respect of the same period last year, are averages of the responding establishments' data. We feel this calculation to be most reflective of the industry segments.

This report is not intended to represent the rendering of legal, accounting, or professional services. The values presented should not be considered a standard for any accommodation type or geographic location, but only as a guideline for comparison with the performance results of your establishment. They are not an attempt by the publisher of this report to set or conform prices or operating standards for the accommodation sector within the Cape Town metropole.

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