ERBID How's Business Survey

July 2024

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Executive Summary

Compared to July 2023 businesses reported that:

July 2024 Visitor levels:
Increased 28% / Stayed the same 17% / Decreased 55%
Estimated actual change in visitors -11%

July 2024 Turnover levels:
Increased 29% / Stayed the same 13% / Decreased 58%
Estimated actual change in turnover -11%

August 2024 Outlook is:
Better than last year 26% / Same as last year 28% / Not as good as last year 46%

September 2024 Outlook is:
Better than last year 20% / Same as last year 22% / Not as good as last year 58%

October 2024 Outlook is:
Better than last year 17% / Same as last year 9% / Not as good as last year 74%

Optimism:
Optimism score is 5.00 out of a possible 10

July 2024 – Key results

The majority of all businesses experienced decreased visitors/customers (55%) and turnover (58%) compared with July 2023 with both representing decreases of -11% each compared with the same time last year and a similar performance to the region overall.

54% of accommodation businesses anticipate level or increased bookings for August compared with 2023 levels, whilst 58% anticipate decreased bookings for September and 74% said the same for October (compared with 2023 levels) at the time of writing this report, although these figures may change as we collect data for each of these months.

At 80%, businesses are currently most concerned about decreasing visitor numbers/booking levels (an increase of 1% compared with last month), followed by the increase in the cost of living generally (74%, an increase of 2% compared with last month), increases in other business costs e.g. food and other business supplies etc. (59%, a decrease of -3% compared with last month) and rising energy costs (58%, an increase of 10% compared with last month).

However, at 5.00 out of 10.00, the optimism score has increased back up to the halfway mark for the first time since November 2023 as we entered the peak period and compares with 4.70 last month.

May – July 2024 – General performance

The months of May to July have seen a gradual improvement in the performance of the majority of English Riviera businesses as the proportions reporting decreased visitors and turnover have gradually decreased from 74% in each case in May (heavily impacted by the start of the Cryptosporidium outbreak in Brixham) to 55% and 58% respectively in July (South West Water announced on the 8th July that the last 2,500 homes affected by the boil water notice were now able to safely use their tap water once again). However, the majority of businesses were still reporting decreases in both visitors and turnover compared with the same time last year throughout this period.

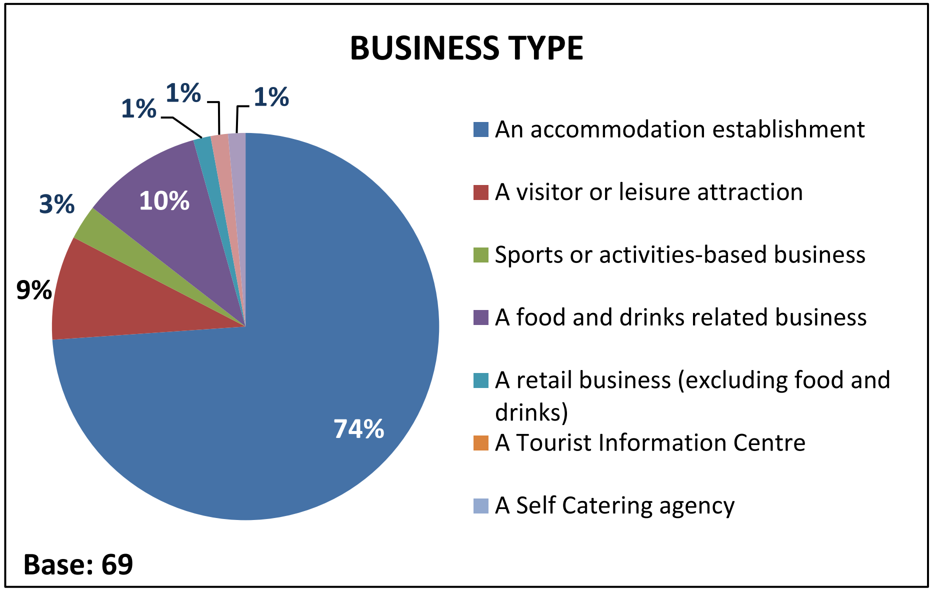
Looking ahead, for the first time in months the largest proportion of businesses anticipate level or increased bookings for the month ahead (August) so there is a small glimmer of hope that the main school holiday period will see a better performance in the Bay than was anticipated earlier in the year. It remains to be seen however whether the wet and generally unsettled weather during August is likely to impact this, along with the continuing economic uncertainty. With the new Labour government appointed in early July we wait to see if things will start to settle down and if a bit more consumer confidence is restored in the months ahead.

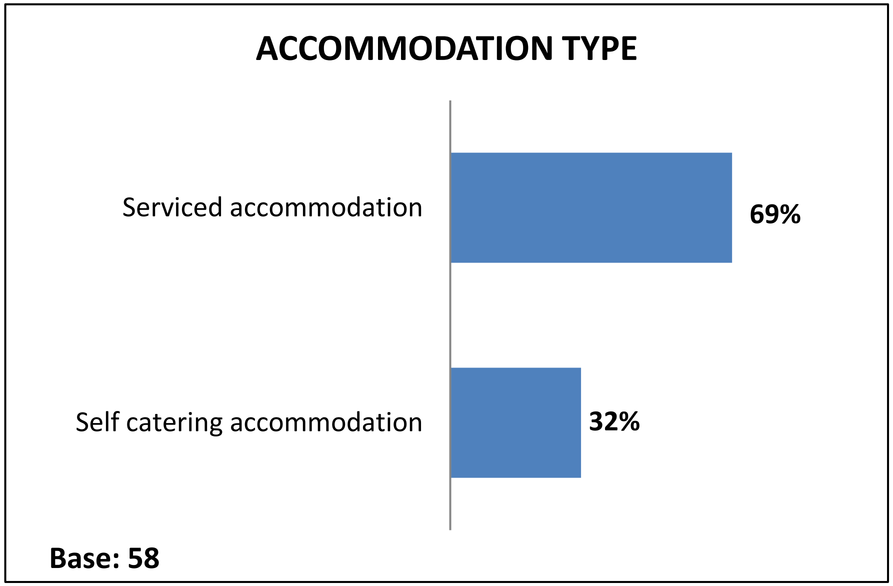
Many businesses continue to comment on the increasing homelessness problem in the Bay which is impacting on the visitors' experience when visiting the area and the ongoing roadworks along the seafront and empty shops. There has been an increase in shorter stays which impact on business costs and reduce profit overall.

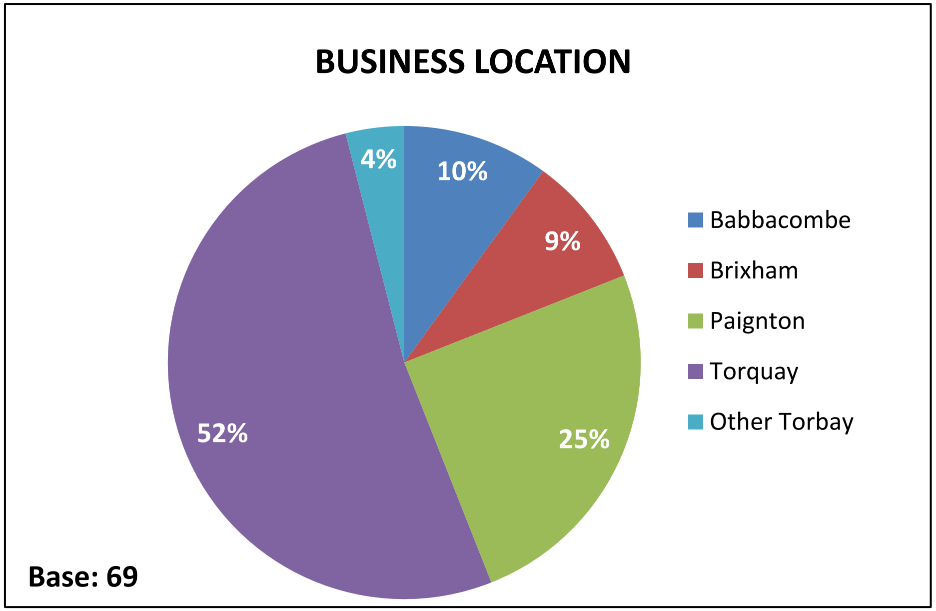
A handful of businesses have reported a more positive July and a more reasonable summer performance than was initially anticipated, for some this was as a result of adapting their product and offering more activities when the weather was unsettled.

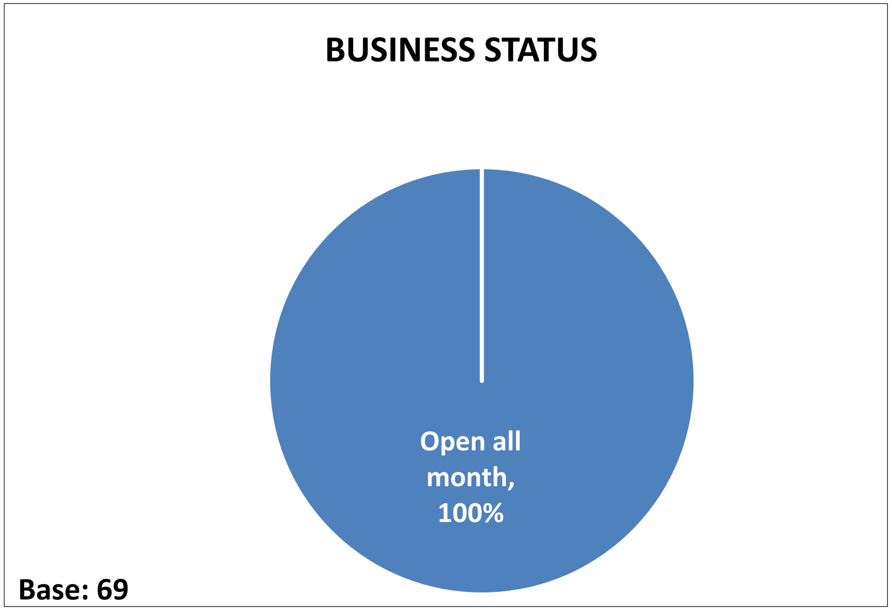
A total of 69 businesses took part in the survey this month.

Sample profile, business location and status

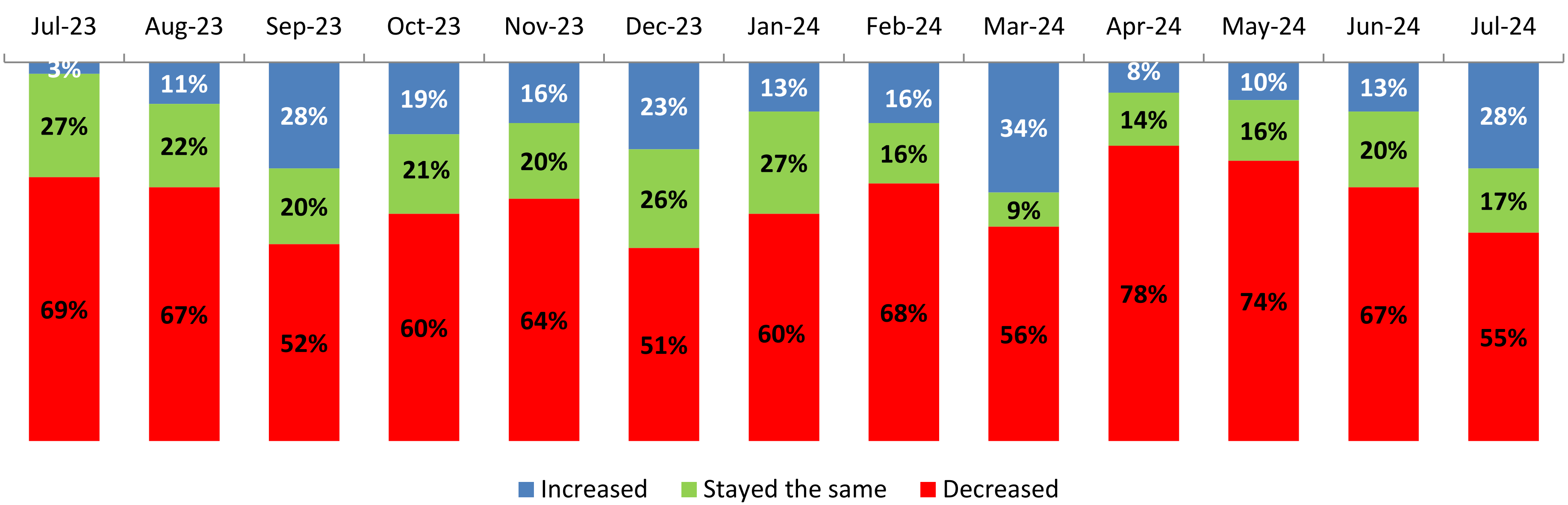


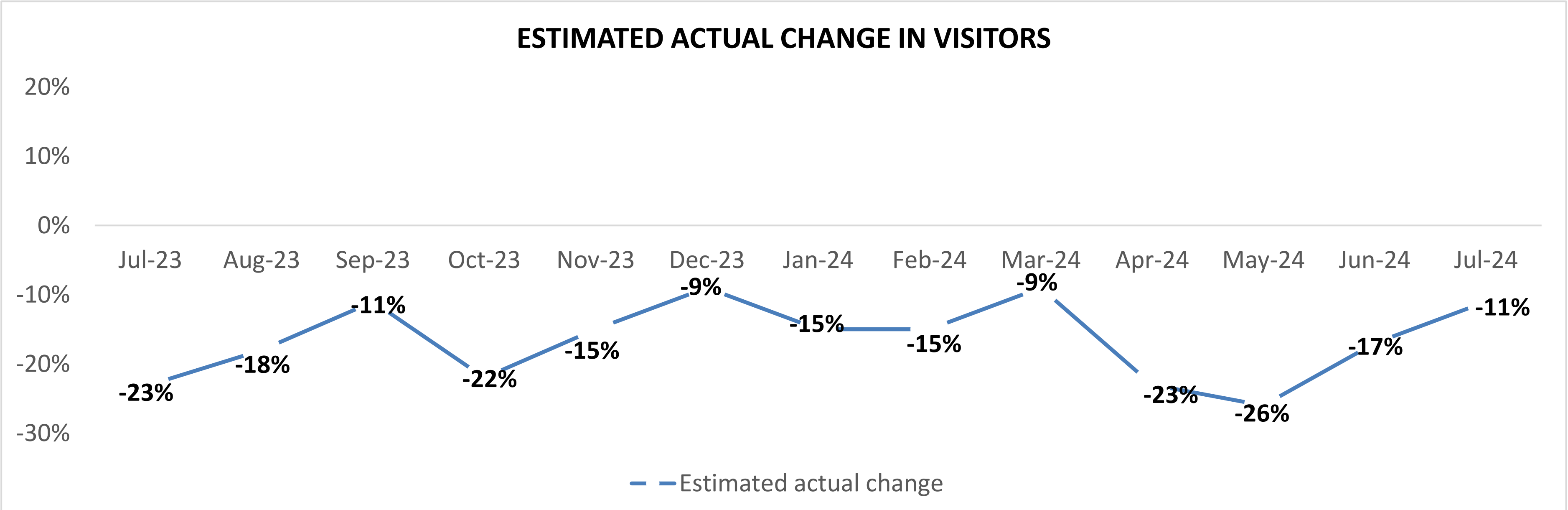




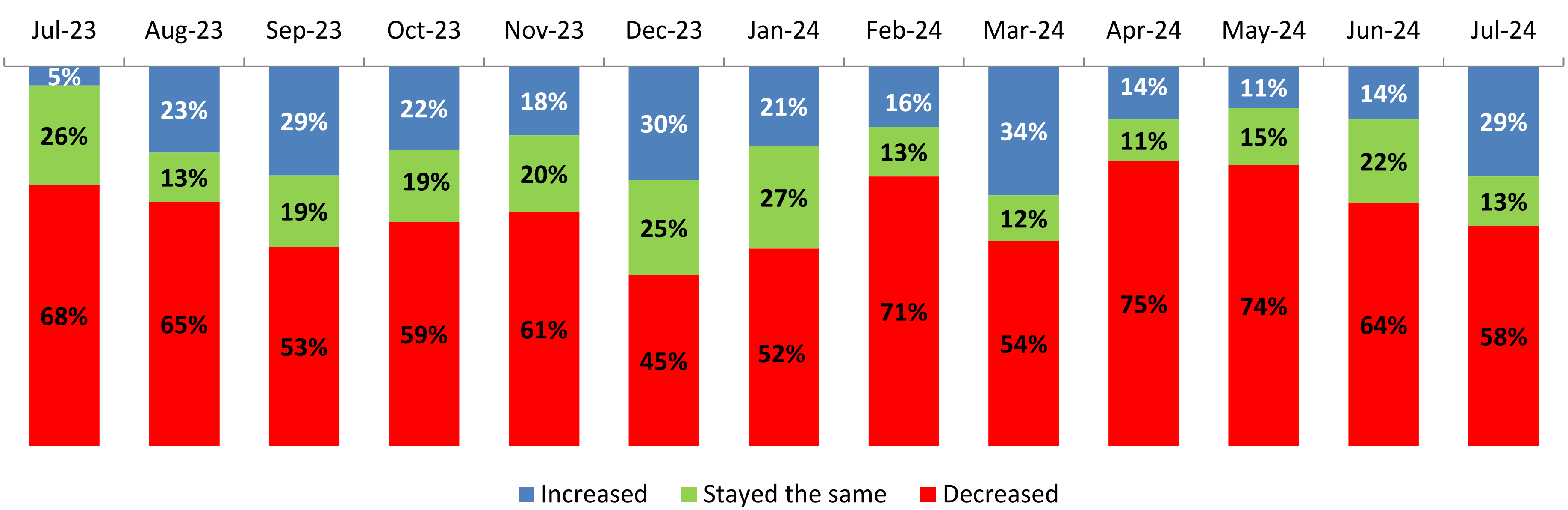


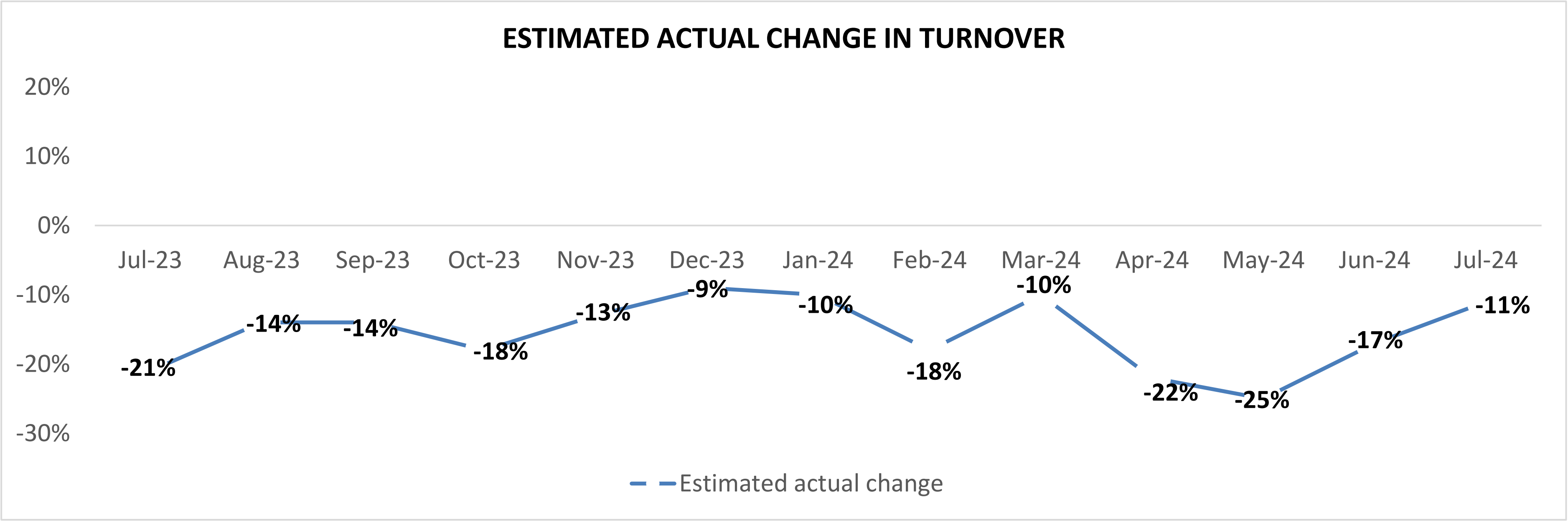
Performance – Number of visitors compared to previous year



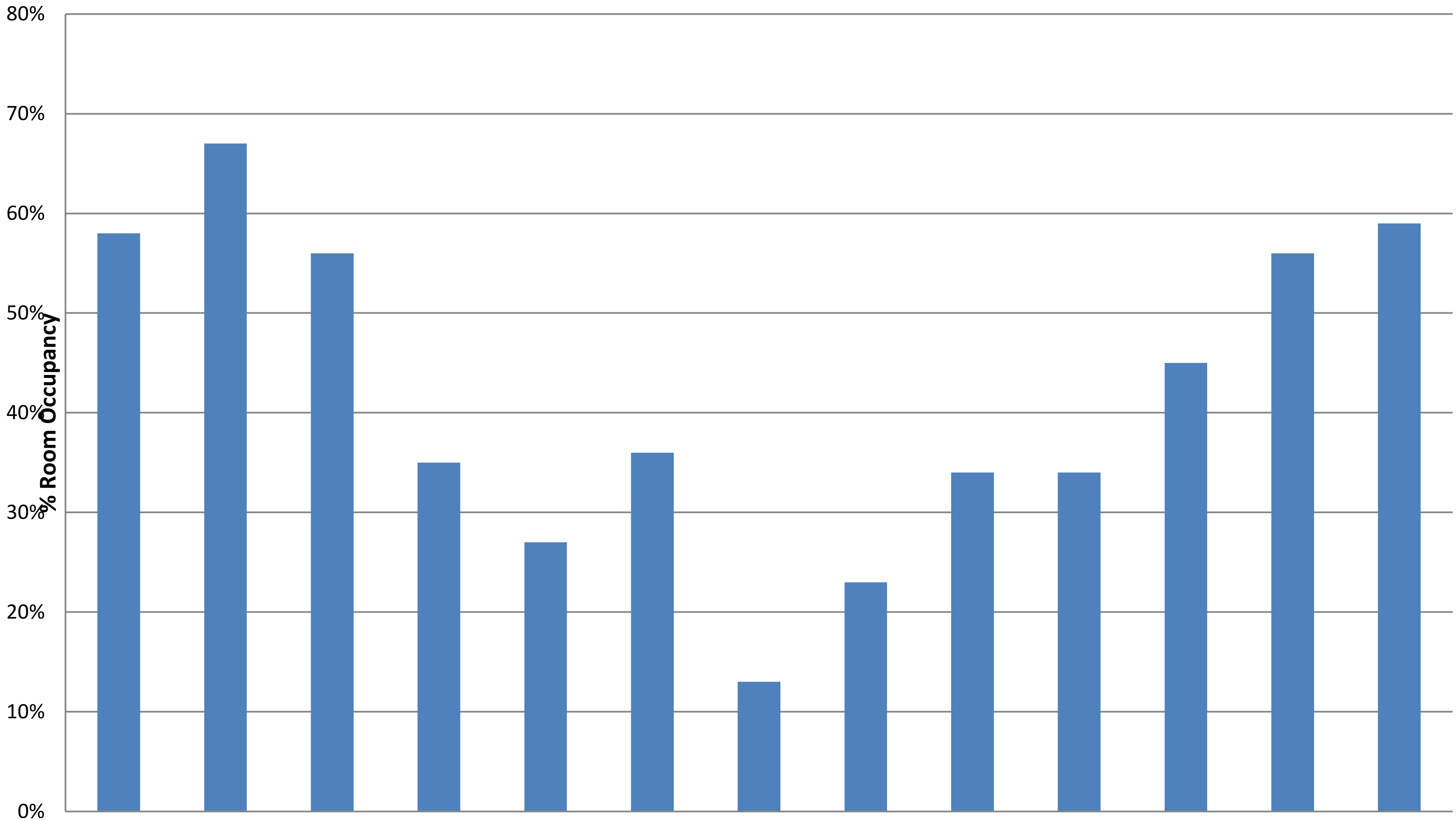


Performance – Turnover compared to previous year





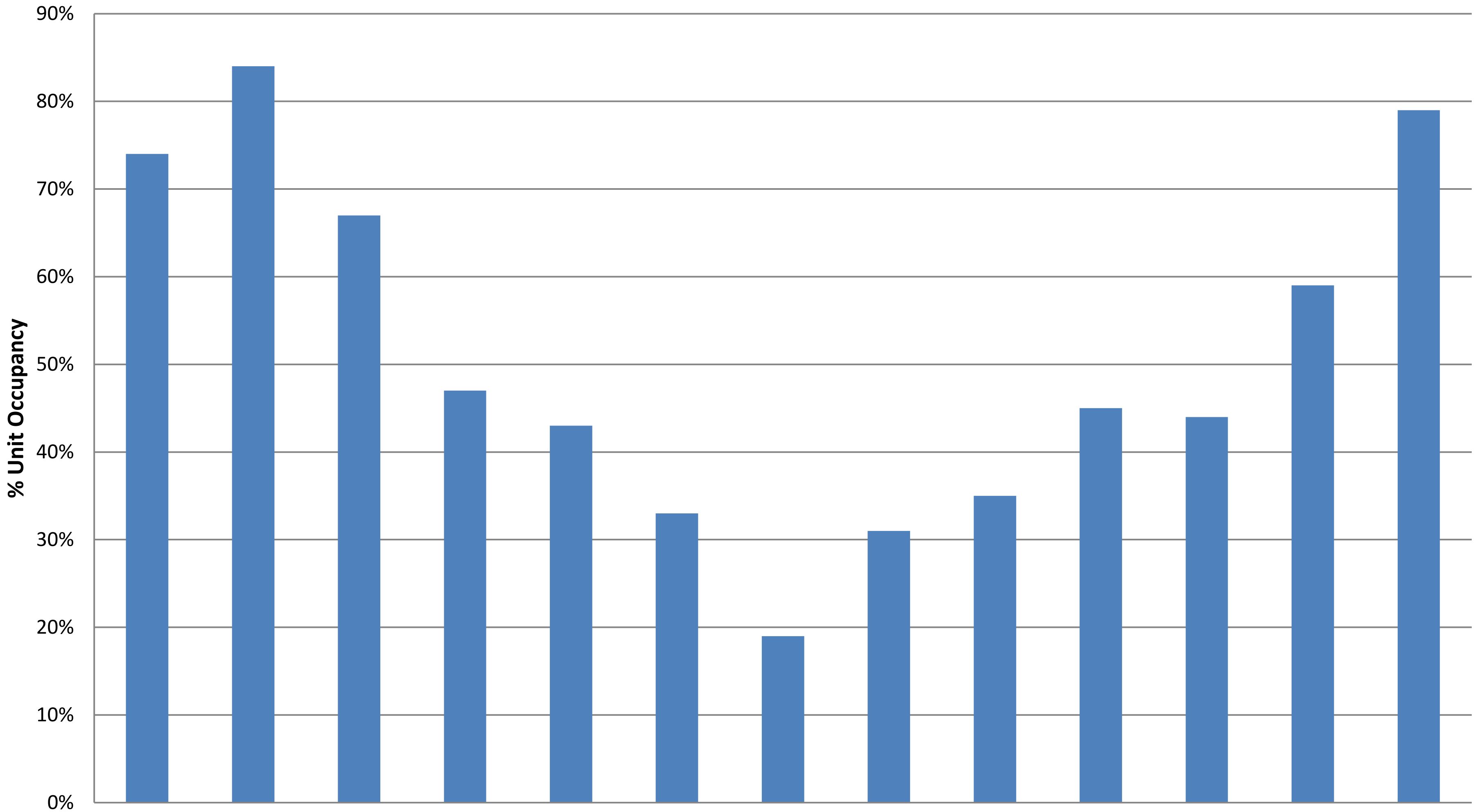
Performance – Serviced Room Occupancy



	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
ER	58%	67%	56%	35%	27%	36%	13%	23%	34%	34%	45%	56%	59%

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



	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
ER	74%	84%	67%	47%	43%	33%	19%	31%	35%	45%	44%	59%	79%

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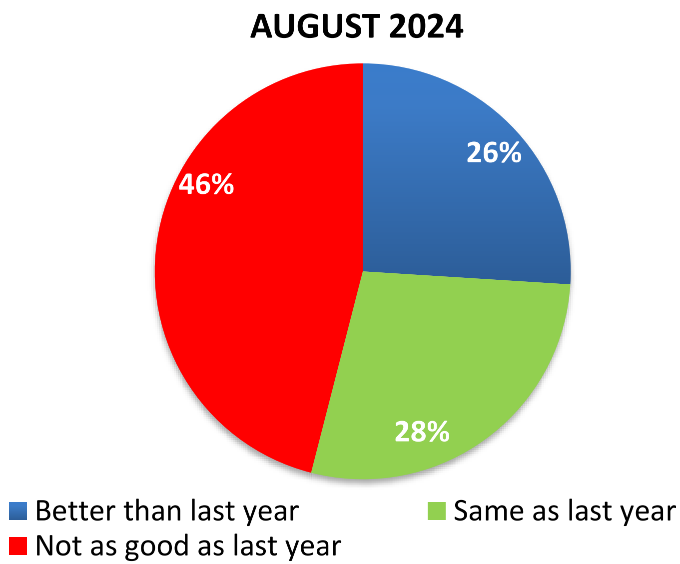
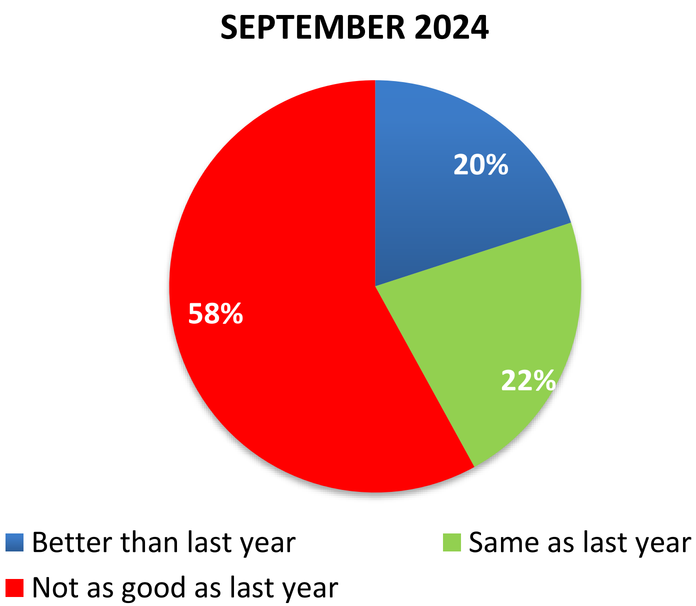
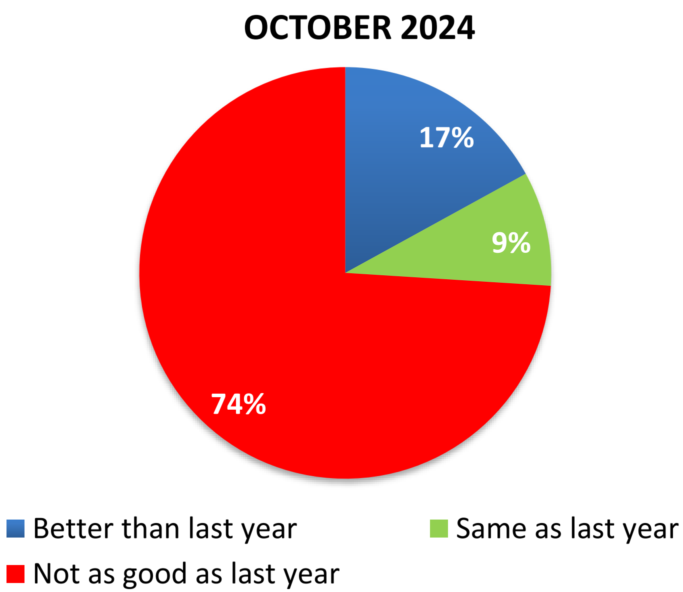
Outlook – Based upon forward booking levels



Base: 50

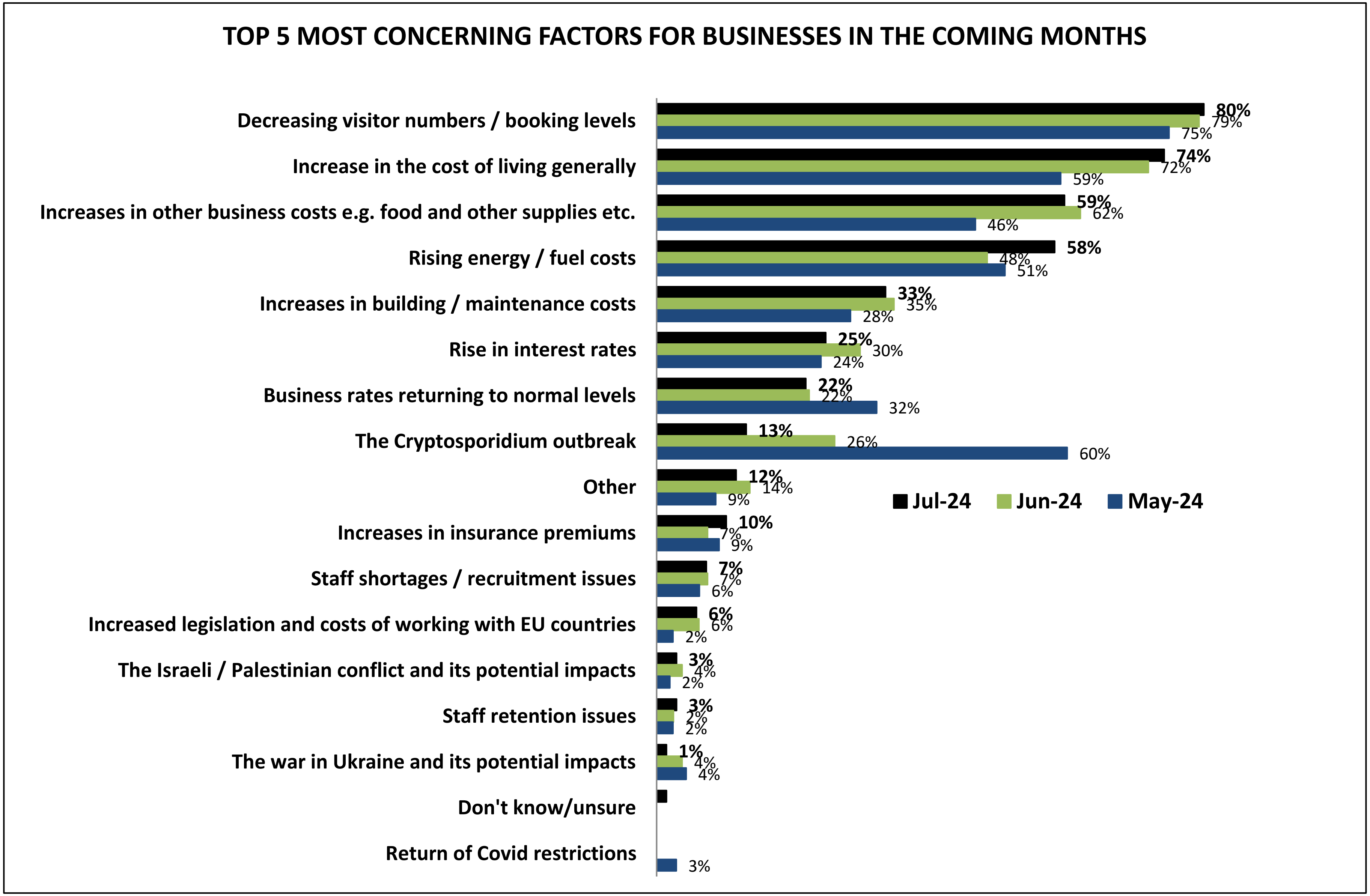


Base: 50

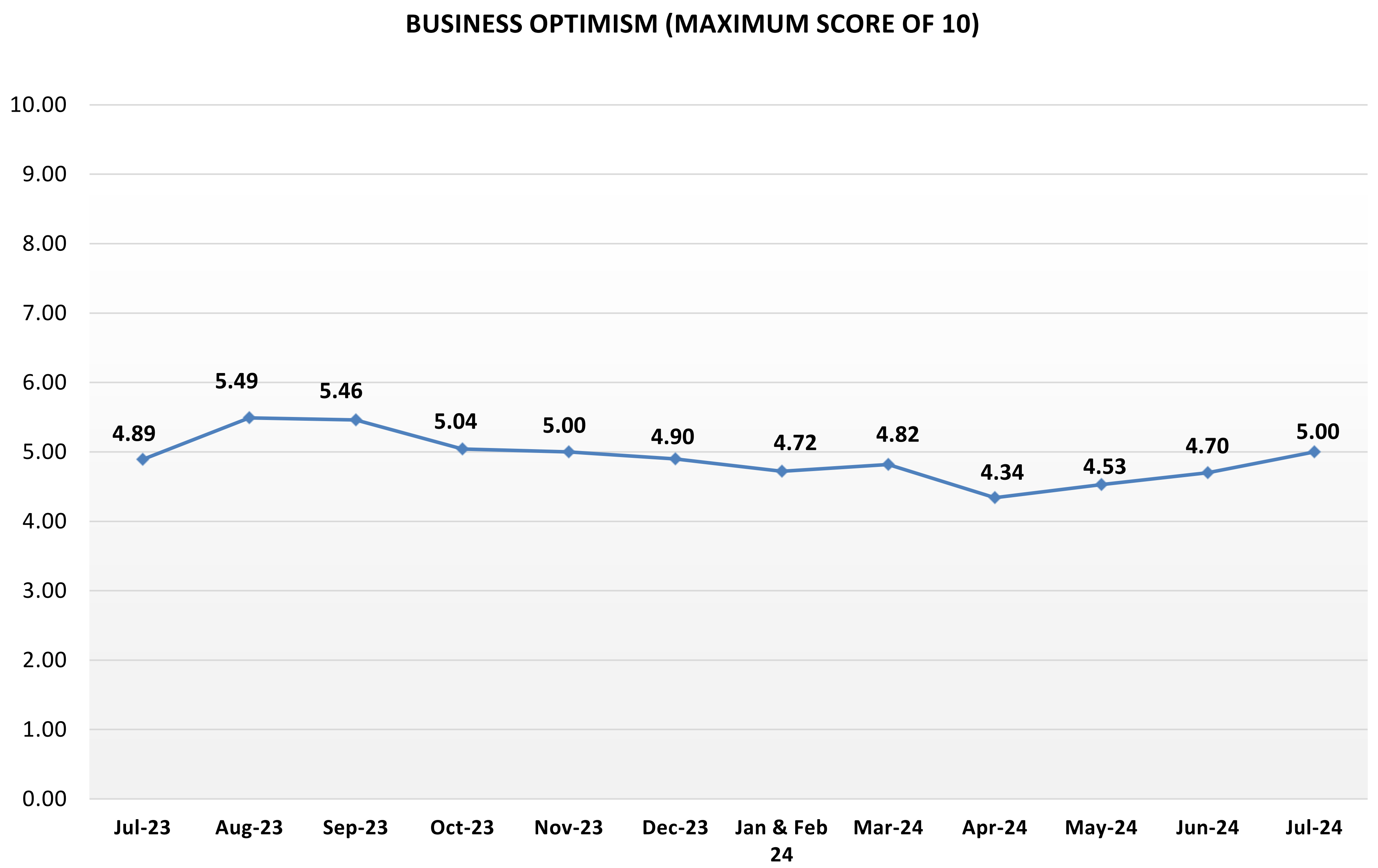


Base: 46

Top 5 business concerns (pre-defined list)



Business optimism



Key results – Sample of other comments on impacts

July 2023 was particularly poor weather, we were busier this year. Noticeable drop in trade when England playing football. Crypto impact is less noticeable now. Tourists around in good numbers and many (by no means all) of them happy to be spending money on food.

We are getting more and more negative comments about the drug addicts and drunkards in the town centre.

It's dire. Never known it so bad. I think the town is becoming more and more unsightly and that a lot of this will impact on next year. The Pavilion, Oldway and the harbourside and soon Debenhams are a real mess and our Council just don't seem to be able to see the wood for the trees.

It seems to be an awful summer. Less people booking, everything is too expensive and lack of parking.

Business is dreadful empty rooms including family rooms in August - the downhill slide continues.

Terrible season people cannot afford to holiday with the horrendous prices people are charging and lack of parking.

Increased homeless people setting up tents in highly visible public areas and the council's inability to move them on. Increased drinking on the streets and drug use, I thought there were new exclusion zones to stop this, obviously these are not being enforced. These things are seriously impacting the local area and deterring guests from wanting to return. The high costs of eating out and visiting attractions are also not helping us attract visitors to the area. Large hotels selling rooms cheap. All these things are affecting our business.

Please add attractors: Free public conveniences, free short stay car parking.
And remove detractors: Tents, Travellers, Rough Sleepers (we must find them a safe place to reside and be fed - not reliant on begging outside supermarkets and sleeping in doorways).

Business conditions remain very tough. July in particular was well down on previous years. In August we just about struggled to remain on par with much discounting and the late bookings with reasonable weather.

We have had to drop our prices considerably to increase our occupancy. Prices are at the lowest point possible and price management has been the biggest contribution towards our increased occupancy. The problem is that our prices are going down and the cost of providing the accommodation have all gone up considerably, cleaning, food, utilities, interest rates etc. It is becoming more and more difficult for small businesses to survive in the current climate, which is being seen by the number of properties on the market and the without a major increase in the VAT limit the turnover of the businesses is not great enough to support the mortgages now needed to purchase a holiday accommodation property. This means more and more properties in Torbay will change to HMO's increasing the decline in the area.

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