Cape Town Accommodation Performance Review & Forecast Report

In respect of December 2024

Published February 2025

TABLE OF CONTENTS

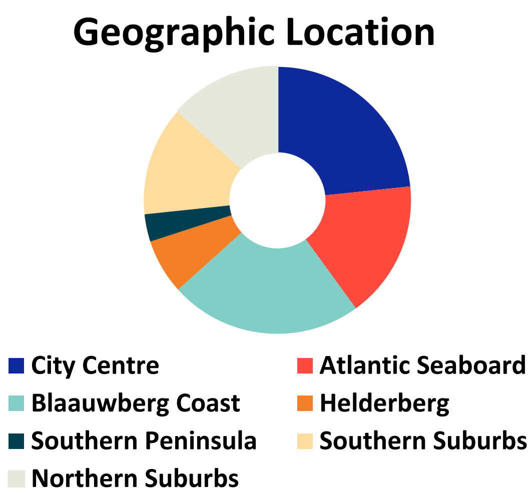
INTRODUCTION

We are pleased to present this edition of the Accommodation Performance Review & Forecast Report in respect of performance recorded in the month of December 2024. The Report that follows provides insight into the Cape Town Metropole and Cape Winelands accommodation sectors' performance trends over the period in addition to anticipated demand for the two months of January 2025 and February 2025

In total 30 accommodation members representing accommodation establishments situated within the Cape Town Metropole participated in the survey representing approximately 72 420 available room nights in respect of the month under review. This Report summarizes the outcome of the Cape Town Tourism Accommodation Performance Review and Forecast survey conducted in January 2025 detailing the aggregate result for each indicator.

In light of the number of participants in this month's survey, in addition to aggregate performance, we are able to share detailed results segmented by accommodation type (Hotel), and in respect of all establishments of a 4-STAR standard in this edition of the Accommodation Performance Review & Forecast Report.

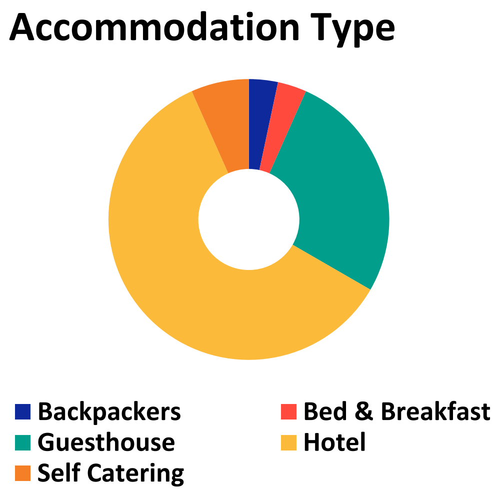
The majority of the 30 participants represented establishments located in the City Centre, which includes the Foreshore and V&A Waterfront as well as those establishments located along the Blaauwberg Coast (approximately 23 percent respectively), followed by establishments situated along the Atlantic Seaboard (approximately 17 percent).



A further approximately 14 percent of the responses received were provided by those participants representing establishments located in the Southern Suburbs and Northern Suburbs respectively. Participation by representatives of establishments located in the Helderberg accounted for approximately 6 percent of the responses received with the remaining approximately 3 percent of responses received from participants representing establishments located in the Southern Peninsula.

No responses were received from members situated on the Cape Flats.

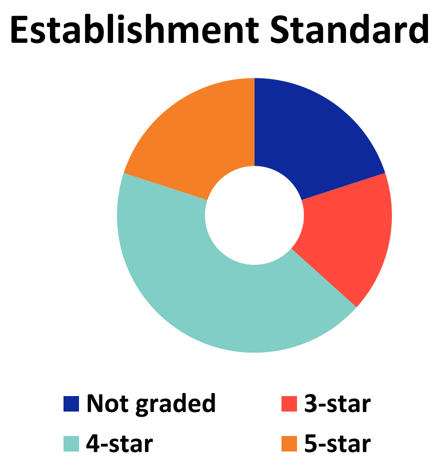
Approximately 61 percent of the responses received were provided by participants representing the Hotels accommodation type followed by responses received from participants representing the Guesthouse accommodation type (approximately 27 percent).



A further approximately 6 percent of the responses were received from participants representing Self Catering establishments whereas responses received from representatives of Backpacker and Bed & Breakfast establishments accounted for approximately 3 percent respectively.

No responses were received from members representing Lodges.

Approximately 43 percent of responses were received from participants representing establishments of a 4-Star standard with a further approximately 20 percent of the responses received from participants representing establishments of a 5-Star standard as well as those establishments not formally graded respectively.



The remaining approximately 17 percent of responses were received from representatives of establishments of a 3-Star standard.

The performance review data presented in respect of the Cape Winelands was shared by the Cape Winelands Accommodation Performance Review in which 78 accommodation members participated representing approximately 24 428 available rooms.

We would like to thank all the Cape Town Tourism and FEDHASA Cape accommodation members who participated in the survey and look forward to their continued support. As always, 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)

ACTUAL PERFORMANCE | DECEMBER 2024

Demand for accommodation across the Cape Town Metropolitan area in December 2024 yielded a better Average Room Rate than expected, yet weaker Occupancy and resultant Revenue per Available Room. This trend was replicated when comparing performance registered in December 2024 with performance recorded in December 2023.

The overall aggregate performance reported by participating members in respect of the month of December 2024 is detailed below:

- Occupancy: 60.6 percent compared to forecast demand of 69.8 percent
  -9.2 percentage points (December 2023 | 76.7 percent ↓ 16.1 percentage points)
- Average room rate: R3 071 compared to a forecast Average Room Rate of R2 820
  approximately + 8.9 percent (December 2023 | R2 845 ↑ approximately 8.0 percent)
- Revenue per available room: R1 862 compared to anticipate RevPAR of R1 968
  approximately -5.4 percent (December 2023 | R2 182 ↓ approximately 14.7 percent))

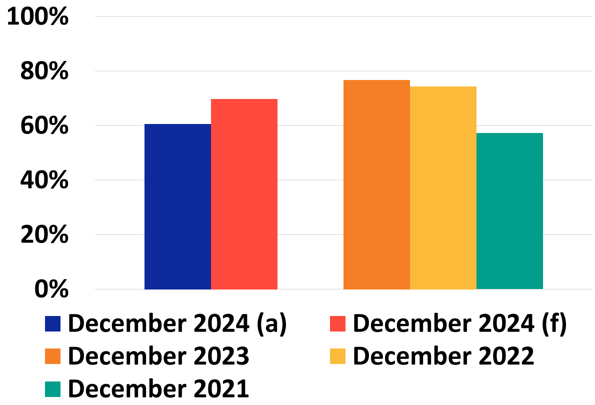
The aggregate performance reported in each of the three performance indicators segmented by accommodation type (Hotel) and accommodation standard (all establishments of a 4-Star standard) is detailed below:

	Occupancy	Average Room Rate	RevPAR
HOTEL	61.5%	R3 216	R1 978
4-STAR	54.6%	R2 499	R1 364
OVERALL AVERAGE	60.6%	R3 071	R1 862

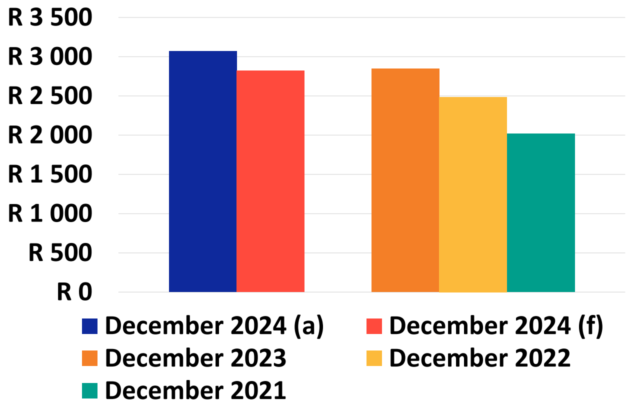
Actual performance registered in December 2024 compared to actual performance reported by those members who participated in the survey in respect of the month of December in 2023, in 2022, and in 2021 is illustrated below.

SUMMARY OF RESULTS

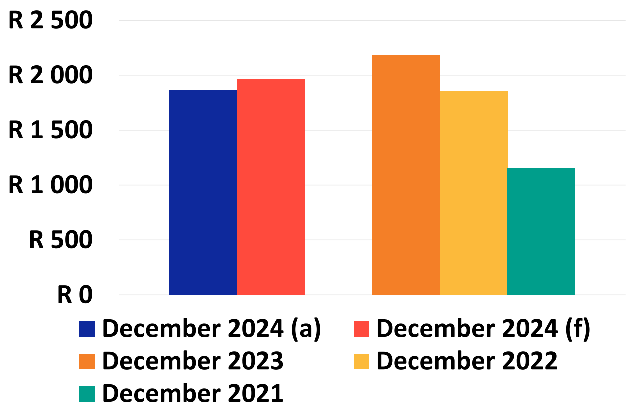
Occupancy



Average Room Rate



Revenue per Available Room



We draw your attention to the fact that the samples used in each of the aforementioned four-year periods are not absolute comparatives.

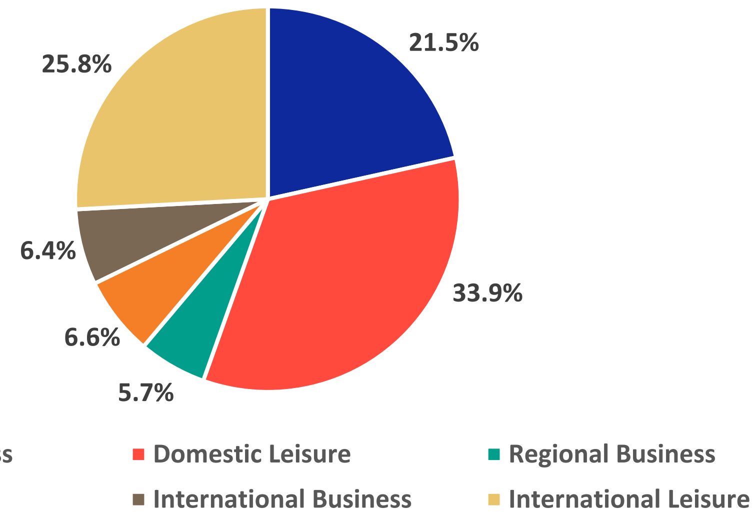
Some samples used for each of the aforementioned years were drawn from accommodation establishment members representing accommodation establishments located in the Cape Town Metropolitan area only, whereas other samples also included a small number of accommodation establishments located in the Cape Winelands (Stellenbosch/ Franschhoek/ Paarl). In addition, the participating members in each year were not the exact same set of members.

MARKET SEGMENTATION | DECEMBER 2024

The Domestic market segment accounted for approximately 55.5 percent of room night demand registered in December 2024 whereas the International market demand segment accounted for approximately 32.2 percent of all room nights sold over the month.

The proportion of room nights sold to Regional travelers originating from within the African Continent declined further in December 2024 representing approximately 12.3 percent of all the room nights sold in the month.

SUMMARY OF RESULTS | PROPORTION OF ROOM NIGHTS SOLD



In terms of purpose of travel, feedback from participants suggests demand remained stronger among South African leisure travelers in December 2024 with approximately 61.2 percent of all room nights sold to the Domestic market demand segment sold to leisure guests.

A similar trend was reported in respect of both Reginal and International travellers in December 2024. Leisure travellers outpaced demand from business travellers across the Regional and International market demand segments with the majority of room nights sold to the Regional (approximately 53.7 percent) and International (approximately 80.2 percent) leisure guess in December 2024.

Demand for room nights segmented by market demand segment and detailed by accommodation type (Hotel), accommodation location (Blaauwberg Coast), and accommodation standard (all establishments of a 4-Star standard) is provided below.

	DOMESTIC		REGIONAL		INTERNATIONAL	
	BUSINESS	LEISURE	BUSINESS	LEISURE	BUSINESS	LEISURE
HOTEL	55.2%		12.8%		32.0%	
	36.7%	63.3%	48.3%	51.7%	22.2%	77.8%
4-STAR	58.3%		14.9%		26.8%	
	36.6%	63.4%	52.2%	47.8%	36.5%	63.5%
OVERALL AVERAGE	55.5%		12.3%		32.2%	
	38.8%	61.2%	46.3%	53.7%	19.8%	80.2%

OUTLOOK FOR JANUARY 2025 AND FEBRUARY 2025

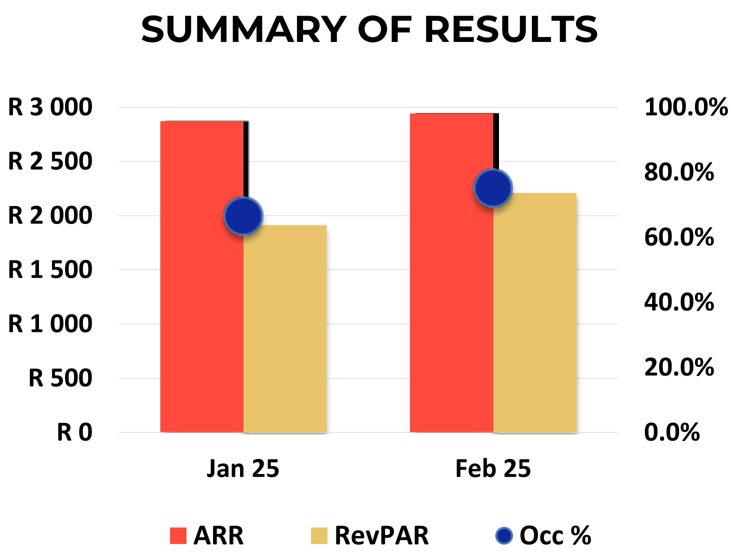
Anticipated performance for the two-month period of January 2025 and February 2025 is summarized below:

January 2025

- Occupancy: 66.6 percent compared to 67.9 percent projected a month ago;
- Average room rate: R2 872 compared to R2 811 projected average room rate registered a month ago; and
- Revenue per available room: R1 913 compared to R1 908 projected a month ago.

February 2025

- Occupancy: 75.1 percent;
- Average room rate: R2 943; and
- Revenue per available room: R2 209.



Expectations registered by participating members segmented by accommodation type (Hotel), and accommodation standard (all establishments of a 4-Star standard) is illustrated below:

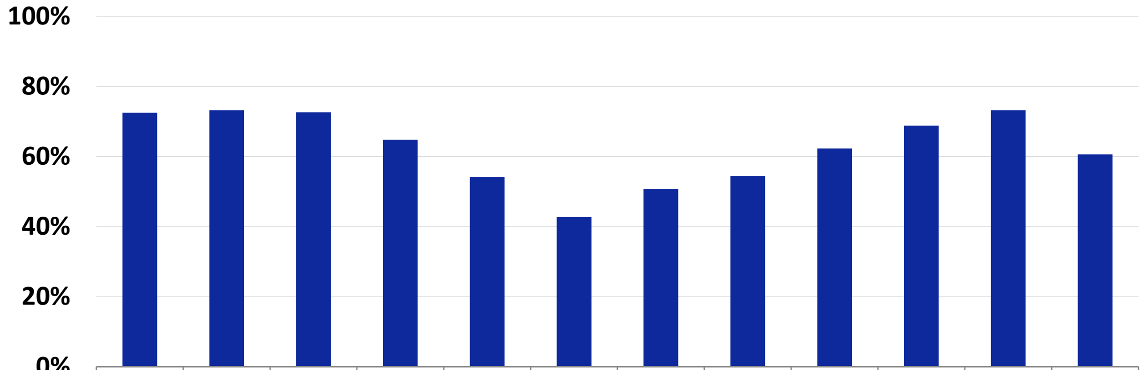
JANUARY 2025	Occupancy	Average Room Rate	RevPAR
HOTEL	66.0%	R2 912	R1 922
4-STAR	63.8%	R2 167	R1 381
OVERALL AVERAGE	66.6%	R2 872	R1 913

FEBRUARY 2025	Occupancy	Average Room Rate	RevPAR
HOTEL	74.6%	R2 984	R2 226
4-STAR	70.2%	R2 363	R1 660
OVERALL AVERAGE	75.1%	R2 943	R2 209

ROLLING TWELVE MONTH PERFORMANCE

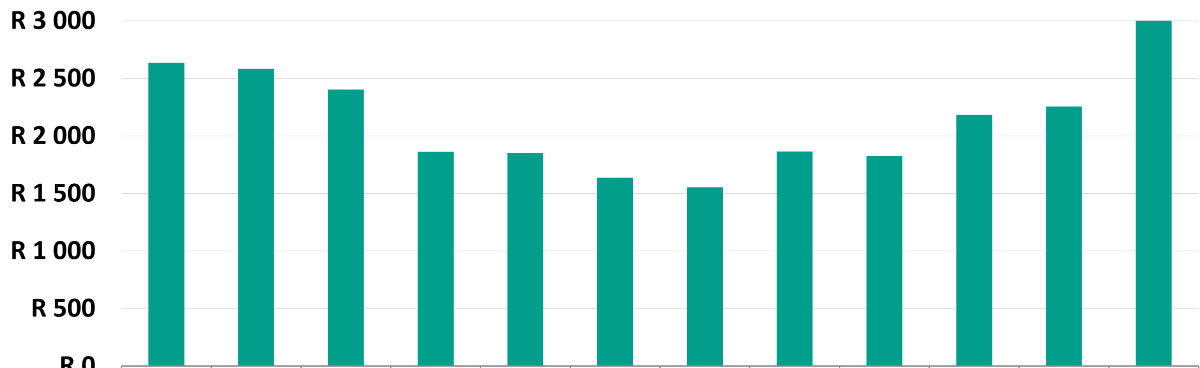
The charts below illustrate actual performance registered in each month over a rolling twelve month period.

Occupancy



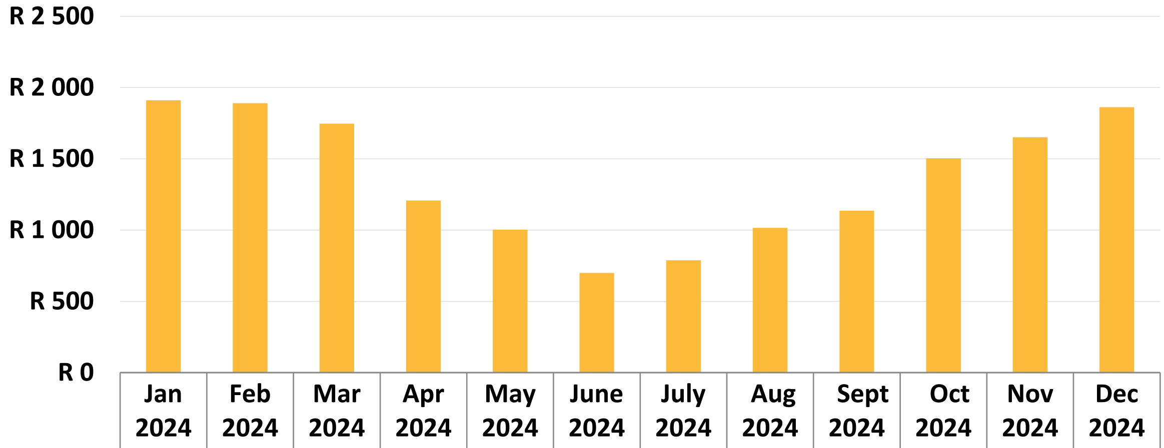
	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024
Occ (%)	72.5%	73.2%	72.6%	64.8%	54.2%	42.7%	50.7%	54.5%	62.3%	68.8%	73.2%	60.6%

Average Room Rate



	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024
ARR	R2 635	R2 583	R2 404	R1 863	R1 850	R1 638	R1 553	R1 864	R1 824	R2 184	R2 256	R3 071

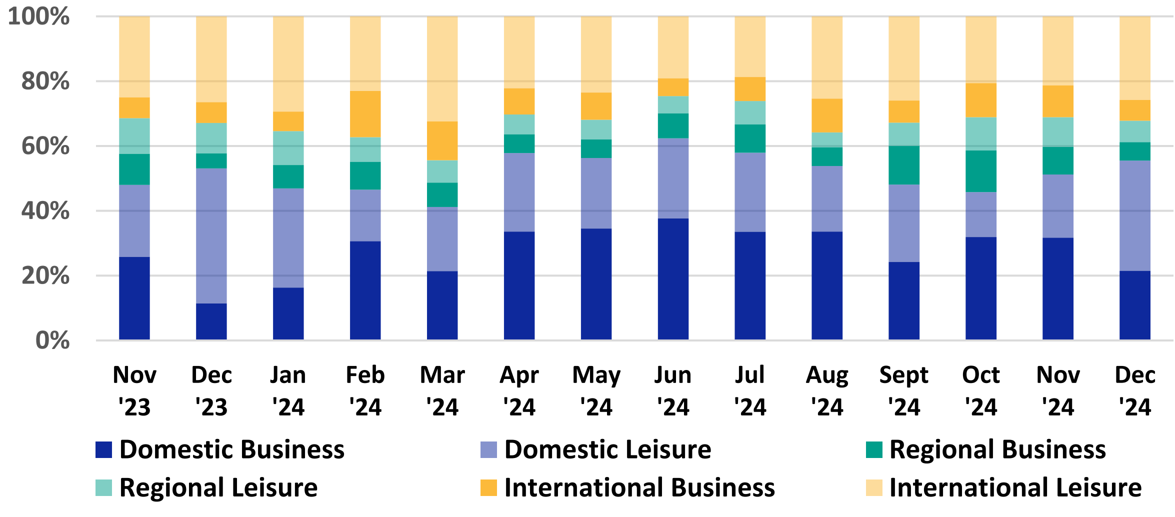
Revenue per Available Room



	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	June 2024	July 2024	Aug 2024	Sept 2024	Oct 2024	Nov 2024	Dec 2024
RevPAR	R1 910	R1 890	R1 747	R1 207	R1 003	R699	R788	R1 015	R1 136	R1 503	R1 651	R1 862

The chart below illustrates actual performance segmented by market demand segment registered in each month over the rolling twelve month period.

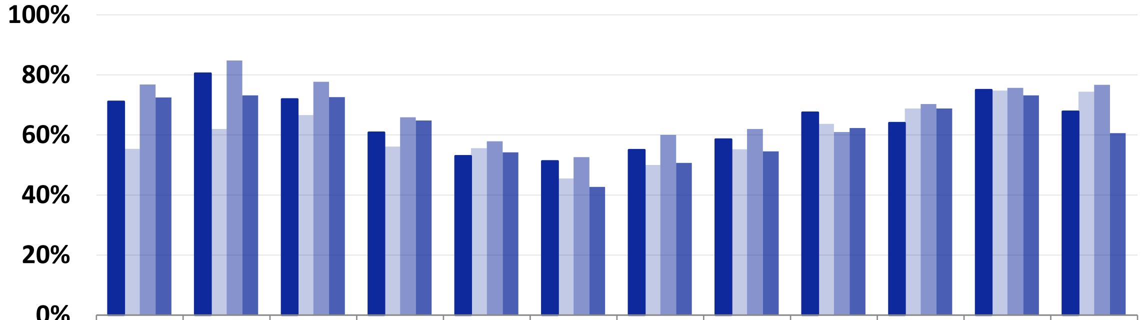
Market Segmentation



ANNUAL PERFORMANCE | 2024/ 2023/ 2022/ 2019

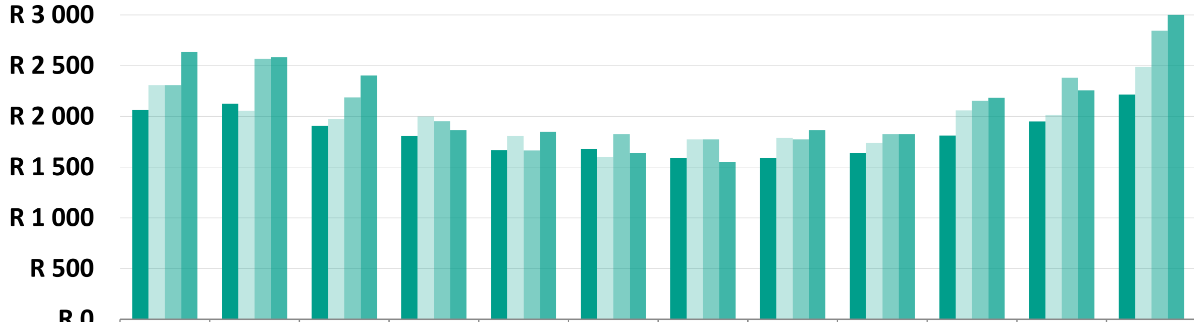
The charts below illustrate actual performance registered in each month per calendar year.

Occupancy



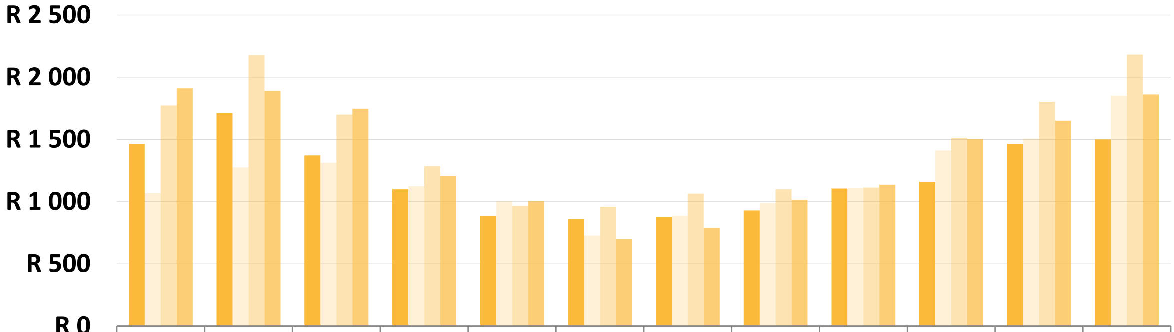
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2019	71.1%	80.5%	71.9%	60.8%	53.0%	51.3%	55.0%	58.5%	67.5%	64.0%	75.0%	67.8%
2022	55.4%	62.0%	66.6%	56.1%	55.6%	45.5%	50.0%	55.2%	63.7%	68.8%	74.8%	74.4%
2023	76.8%	84.8%	77.7%	65.9%	57.9%	52.6%	60.0%	62.0%	61.0%	70.3%	75.7%	76.7%
2024	72.5%	73.2%	72.6%	64.8%	54.2%	42.7%	50.7%	54.5%	62.3%	68.8%	73.2%	60.6%

Average Room Rate



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2019	R2 062	R2 126	R1 908	R1 807	R1 666	R1 677	R1 590	R1 591	R1 637	R1 812	R1 951	R2 215
2022	R2 308	R2 056	R1 972	R2 000	R1 806	R1 601	R1 774	R1 790	R1 740	R2 060	R2 013	R2 488
2023	R2 308	R2 567	R2 188	R1 952	R1 665	R1 824	R1 774	R1 773	R1 824	R2 154	R2 382	R2 845
2024	R2 635	R2 583	R2 404	R1 863	R1 850	R1 638	R1 553	R1 864	R1 824	R2 184	R2 256	R3 071

Revenue per Available Room



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
2019	R1 465	R1 711	R1 372	R1 099	R883	R860	R875	R930	R1 105	R1 160	R1 463	R1 500
2022	R1 069	R1 275	R1 313	R1 123	R1 004	R728	R887	R989	R1 108	R1 412	R1 507	R1 852
2023	R1 773	R2 178	R1 700	R1 286	R965	R959	R1 065	R1 099	R1 113	R1 513	R1 802	R2 182
2024	R1 910	R1 890	R1 747	R1 207	R1 003	R699	R788	R1 015	R1 136	R1 503	R1 651	R1 862

CAPE WINELANDS DISTRICT PERFORMANCE

The Cape Winelands Accommodation Performance Review includes participation by accommodation members representing establishments situated in the following thirteen geographic locations/ towns: Breedekloof, Ceres, Franschhoek, Hex Rivier Valley, McGregor, Montagu-Ashton, Paarl, Stellenbosch, Robertson, Tulbagh, Wellington, Wolseley, and Worcester.

Below is a summary of actual performance recorded in the Cape Winelands District over the month of December 2024.

DECEMBER 2024	Occupancy	Average Room Rate	RevPAR
CAPE WINELANDS DISTRICT	64.6%	R3 424	R2 211
CAPE TOWN	60.6%	R3 071	R1 862

DECEMBER 2024	DOMESTIC	REGIONAL	INTERNATIONAL
CAPE WINELANDS DISTRICT	44.4%	5.4%	50.2%
CAPE TOWN	55.5%	12.3%	32.2%

Expectations among participating Cape Winelands District accommodation members in respect of likely demand in January 2025 and in February 2025 is illustrated below:

JANUARY 2025	Occupancy	Average Room Rate	RevPAR
CAPE WINELANDS DISTRICT	70.2%	R3 619	R2 541
CAPE TOWN	66.6%	R2 872	R1 913

FEBRUARY 2025	Occupancy	Average Room Rate	RevPAR
CAPE WINELANDS DISTRICT	69.7%	R3 770	R2 628
CAPE TOWN	75.1%	R2 943	R2 209

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.

Total Revenue

The sum of income generated from operating departments presented net of Government taxes such as VAT.

Gross Operating Profit (GOP)

Operational result before management fees and fixed charges.

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 among 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(s) and in respect of forecast period(s), 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, where such segmentation of data was possible, 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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