Self-Catering Accommodation

Note: Please note that although this report is based on the latest statistics available, there is some information that is several years out of date. Readers should be advised that in light of FMD and other industry changes, recent trends in the self-catering sector might be slightly different than they have been described here.

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Definition

According to the United Kingdom Tourist Survey, self-catering accommodation normally includes rented flats and apartments; houses, chalets, villas, bungalows and cottages without any meals provided; holiday camps and villages; camping; towed and static caravans. Other definitions also sometimes include static caravans that are owned; second homes or timeshares; and hostels, universities or schools. [7]

Market Size

Self-catering accounts for about 14% of all domestic trips, 21% of nights and 16% of spending. [7] According to UKTS 2003, this equated to about 15.7 million trips, 80.8 million nights and £3,214.9 million in spend. [6] When broken down into categories, rented houses, flats and chalets accounted for 6% of domestic trips and 9% of spending in 2003, camping accounted for 3% of trips and 2% of spending, and towed caravans contributed 2% of trips and spending. [6] Although self-catering rented accommodation is used less frequently than serviced accommodation and friends and relatives' homes in general, self-catering trips are normally longer and slightly above average in spending.

Self-catering accommodation has a much higher importance in the countryside, where it accounts for more than double the gross expenditure related to serviced accommodation. This importance is even more pronounced for longer trips, where self-catering accounts for around 63% of spending. [2] In 2000, 56% of all self-catering facilities and 70% of holiday parks were located in the countryside. Farm accommodation accounted for 15% of self-catering holiday homes in the countryside. [2]

The largest self-catering sectors - Holiday Cottages, Parks and Centres - are described in more detail below.

Holiday Cottages

Holiday cottages include a range of self-catering accommodation facilities, including cottages, bungalows, farm buildings, flats, apartments and homes. The UKTS classifies them as rented houses, chalets, villas and bungalows or rented flats and apartments. Although predominantly found in rural and seaside locations, holiday cottages may also be found in urban areas. Under half of the holiday cottages for let in the UK are handled by agencies, with the remainder being let directly by the owner. [5]

Holiday cottages represent a relatively small proportion of the domestic holiday market (8% of all holiday trips in 1999). This equated to 6 million holiday cottage trips, which produced 38.4 million nights and £1,663.8 million in spending. An additional 900,000 business and VFR trips were made to self-catering holiday cottages in 1999 as well. [5]

Cottage holidays are longer than the average UK holiday (6.4 nights compared with 4.2), but short breaks of 1-3 nights at holiday cottages are growing faster than longer trips and constituted almost a quarter of all domestic cottage holidays in 1999. Spending is also higher for cottage holidays, with an average of £277 per trip in 1999 compared to £147 for UK holidays in general. [5]

There was a relatively flat level of demand in the years leading up to 1999, but spending did increase over the same period. Some reasons for this flat demand included the strong

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pound, discounted holiday packages abroad and poor summer weather in the UK. However, some companies stated that certain holiday cottage products were actually growing and continue to do so. The international demand in particular seems to be increasing, although foreign visitors still represent a small percentage of users. [5]

Holiday cottage users tend to be younger families with children, although couples without children, pensioners, those in search of activity holidays and ABC1 groups have all shown strong growth. [5]

Seasonality is a problem for holiday cottages and most lettings take place between April and October. [5]

The Internet is becoming increasingly important for both large and small holiday cottages and Classic Cottages reported that 56% of their new business and 23% of all business could be attributed to the Internet. [5]

Holiday Parks & Centres

Holiday Parks

Holiday parks can include rented or privately owned caravan holiday homes, touring caravans and motor homes, camping holidays on park pitches, stays at holiday camps and villages or a combination of any of these. Most parks are independently owned and operated by family businesses and many were developed as a diversification from agriculture. Loyalty and repeat business play an important role in generating income for this sector. [3]

Contrary to the assumption that holiday parks cater to those concerned with good value rather than high quality, it is mainly ABC1 groups that go camping or use touring caravans and motor homes in holiday parks. Parks and caravans are also often thought to cater specifically to older, mature visitors. However, camping, for example, is more popular amongst 20-24 year olds than any other age group and families with younger children account for just under half of visitors. [3] Pre-family and empty nesters account for most of the remainder. Caravan and motor home facilities draw younger crowds as well, with 13% being under the age of 20, largely due to younger parents (under the age of 50) making the decision to take this type of holiday. Those in the family lifestage also make up the largest portion (27%) of those who rent caravan holiday homes. [3] Families often look for other types of holidays once the children reach adolescence, since teenagers do not think of parks and caravans as 'cool' and would rather travel abroad. Parks and caravans often do not cater sufficiently for teenagers as well. [4]

Although value for money is still an important factor in deciding to take a park holiday, the industry has been increasingly focusing on quality standards and improving their image in order to attract a younger, newer generation of holidaymakers who are looking for more than just a budget option. These people want a holiday that is flexible, allows them to participate in special interest activities and provides a high level of quality. [3]

The motivation for taking a park holiday can include 'freedom for everyone to do what they want, when they want', 'relaxing and informal environment', 'good locations – seaside, scenery', 'social environment – children can make friends easily', 'less expensive than cottages, serviced accommodation or going abroad', 'ability to keep occupied, even when it is raining', 'enjoyment of the outdoors' and 'the pleasures of the caravan itself'. [3; 4]

There are also drawbacks, however, to a park holiday. Of those who use caravans, the disadvantages include 'conditions can be cramped', 'British climate is unreliable', 'caravans are situated too close together and there is little privacy', 'you have to do everything yourself', 'it can be very cold in the morning and hot and stuffy at night', 'one can get lost on large parks', 'not always economical' and 'dogs are allowed on some parks'. Some

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were embarrassed as well by the fact that they rent caravans, even though the industry has made significant improvements recently and facilities are of a much higher quality standard. [4]

The sector's 'reinvention' has undoubtedly spurred the increase in trips that was observed after the FMD crisis. Trips grew 11% to 18.2 million in 2002 and the volume of nights increased 7% to 82.5 million. Although the touring caravan market is not forecast to grow substantially, mostly due to road congestion, safety regulations and 'green' trends, there is considerable growth in camping and rented caravan holiday homes. [3,4] It is crucial to heighten public awareness of the recent improvements in caravan and parks to ensure that the sector continues to grow and will remain strong and stable. [3]

Holiday Centres

Holiday centres provide a complete holiday package, including accommodation (serviced or self-catering) and central facilities. They can range from holiday villages to coastal caravan parks to hotels based in historic properties. The major companies that provide such self-catering facilities are Center Parcs, Haven, Butlins and Pontins. [1]

Center Parcs opened in the late 1960s as a new type of self-catering holiday village, complete with heated bungalows, covered swimming pools, open fires, central heating and colour TVs. In 1987, Center Parcs opened in Sherwood Forest and had established itself as a distinct and unique sector, which focuses on the UK domestic short break market and targets ABC1 groups. They have had a large impact on the short break market – in the early 1990s, it was estimated that around 400,000 holidays would have been taken abroad or not taken at all if Center Parcs had not opened its holiday villages. [1]

Center Parcs boasts high levels of occupancy year round (over 90%), has high quality design and facilities, pays attention to environmental issues, contributes to employment and the economy and continuously reviews and renews its product. The woodland setting at Center Parcs gives it a unique image, which is enhanced by their commitment to environmental standards and ecology. [1]

Haven is the major caravan parks operator in the UK and has over 60 sites, some of which include lodge accommodation. Haven serves three key market segments through their Action Centres, Family Parks and Character Family Villages. They target mostly B, C and D socio-economic groups. Their focus is on quality and choice and they provide a variety of accommodation styles and facilities, such as bars, club rooms, retailing and adventure play. [1]

Butlins underwent many changes in the early 1990s in response to public demand and the increasing needs of the short break market. They improved and replaced accommodation and upgraded quality standards in order to maintain loyalty. In the late 1990s, they additionally planned to create more all-weather facilities, make major improvements to the accommodation and put an emphasis on entertainment in order to attract the short break and longer holiday markets throughout the year. [1]

Pontins has 16 sites in the UK and, like Butlins, have responded to market demand for better quality and choice by upgrading accommodation and facilities. They have also improved the choice of holidays by offering large family centres as well as smaller villages, with some targeted specifically at senior citizens. They target C2, D and E groups, as does Butlins, but unlike Butlins, Pontins is a very seasonal operation and is not open to day visitors. [1]

Conclusion

Although self-catering accommodation accounts for only a small percentage of domestic trips overall and there are continued threats from the popularity of overseas holidays, the self-catering industry has made many changes in the past decade that have helped attract

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a new generation of holidaymakers. They have been adapting in response to the growing short break market, for example, and many self-catering facilities can now be booked for short or long stays. This type of accommodation is also a good option for those concerned about expenses, and with the recent increased focus on quality standards, most self-catering facilities provide a good 'value for money' option. Many visitors may prefer serviced accommodation or luxury breaks, but there will likely always be families (particularly ABC1) who seek flexible holidays where there are activities for the children and holiday cottages, parks and centres can provide just such a holiday. [2]

Sources

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