Methodology Statement

1. Sample Coverage
   Please see below for the total number of properties included within the data in the England Occupancy Survey report. Based off of STR’s England census records, these properties account for nearly 45% of all hotel stock and 70% of all room stock within the country.

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total England</td>
<td>3,045</td>
</tr>
<tr>
<td>East England</td>
<td>275</td>
</tr>
<tr>
<td>East Midlands</td>
<td>208</td>
</tr>
<tr>
<td>Greater London</td>
<td>618</td>
</tr>
<tr>
<td>Northeast England</td>
<td>123</td>
</tr>
<tr>
<td>Northwest England</td>
<td>394</td>
</tr>
<tr>
<td>Southeast England</td>
<td>569</td>
</tr>
<tr>
<td>Southwest England</td>
<td>329</td>
</tr>
<tr>
<td>West Midlands</td>
<td>301</td>
</tr>
<tr>
<td>Yorkshire &amp; Humberside</td>
<td>228</td>
</tr>
<tr>
<td>1 - 25 Rooms</td>
<td>224</td>
</tr>
<tr>
<td>26 - 50 Rooms</td>
<td>536</td>
</tr>
<tr>
<td>51 - 100 Rooms</td>
<td>1,067</td>
</tr>
<tr>
<td>101+ Rooms</td>
<td>1,218</td>
</tr>
</tbody>
</table>

* Please note sample counts are as at 01/07/2017

2. Data Collection and Processing
   STR collects the following performance metrics from participating properties either on a daily or monthly basis through a variety of methods (e.g. Online platform, excel form submission, FTP transfers, Data Feeds and centralised reservation system connections).

   - Number of rooms available
   - Number of rooms sold
   - Total room revenue

   The data that accommodation providers submit has strict data reporting guidelines in place. Please see Appendix A of this document for an overview of the guidelines.

   The “raw data” submitted by properties is always processed in order to calculate the three most relevant metrics within the accommodation industry, namely: Occupancy, Average Daily Rate and Revenue per Available Room. The chart on the following page illustrates the relationship between the various pieces of data collected.
In return for providing their daily or monthly figures, properties can either subscribe to one of the following two benchmarking reports.

a. Survey: Free benchmarking report received for providing data which compares property performance to sub-market and class across Occupancy, ADR, RevPAR.
b. STAR: Paid for benchmarking report received for providing data which compares property performance to a competitive set across Occupancy, ADR, RevPAR.

3. Bedspace Occupancy Model

As bedspace figures are not collected by STR, a model was created in order to allow bedspace occupancy to be estimated on a monthly basis. The following methodology was used in order to build the model.

I. STR collected over 150 individual daily bedspace and room occupancy data from across England for the months of March and April 2017.

II. Additionally, STR analysed daily bedspace and occupancy data from January 2011 until October 2013 across twelve different markets in England obtained by STR (formerly known as LJ Research).

III. This data was processed in order to obtain the ratio which sleeper occupancy has to room occupancy across the different segments reported on within the England Occupancy Survey.

IV. The sleeper data was then segmented across the following different types of days.

a. NWD – Normal Weekdays  
b. NWE – Normal Weekends  
c. SWD – School Holiday Weekdays  
d. SWE – School Holiday Weekends  
e. BH – Bank Holidays
V. A comparison between the types of days between 2011-2013 was carried out compared to the 61 days of March and April 2017. The margin of difference between the ratios from 2011-13 compared to the data from 2017 was deemed insignificant at less than 5% difference. This means that the various types of day recorded during March and April 2017 are representative of similar types of days through the year.

VI. With the ratios established across the various segments, bedspace occupancy can be estimated via a weighted average which is based on the number of types of days in each month. A repository of types of days for 2014 through to 2018 has been built which will be consulted every month in order to provide the best possible year on year comparisons.
APPENDIX A: Data reporting guidelines

**Rooms Available**
- Notify STR if there are any permanent changes to the room inventory (additional rooms and removed rooms).
- Full room night availability must be reported (no adjustments if rooms are temporarily Out Of Order for renovation).

**Renovations**
- Notify STR if all rooms are removed for more than 1 month.

**Extended Closed Rooms**
- Notify STR if rooms are closed for more than 6 months due to a natural or man-made disaster.

**Seasonally Closed**
- Notify STR when all operations of a hotel are closed for a minimum of 30 days consistently at the same time each year.

**Room Revenue**
- **Include**
  - No-shows
  - Surcharges and service charges (only if mandatory and if not required to be passed on to a 3rd party (e.g., employee or government))
  - Day and partial day use
  - Early/late departure fees
  - Rollaway bed/crib rentals
  - Additional room revenue:
    - Net room revenue from wholesale and “pay when booked” should be reported to STR
    - Gross room revenue should be reported to STR for “pay later” interest rate
- **Exclude**
  - Resort fees
  - Group commissions and fees
  - Surcharges and service charges (if discretionary or if required to be passed on to a 3rd party (e.g., employee or government))
  - Product or service related refunds
  - Group attrition or cancellation fees
  - Food & beverage and ancillary fees
  - City tax and non-mandatory service charges
  - Pet/smoking fees

**Rooms Sold**
- **Include**
  - Revenue generating rooms sold
  - Day use and partial day rooms sold
  - Rooms occupied without charge in connection with a promotion or contract (e.g., “Stay 2 nights, get one free”)
- **Exclude**
  - Complimentary and house use
  - No-shows
  - Owner occupied