

BH&HPA

UK Holiday Parks - Economic Impact Summary



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ECONOMIC IMPACT OF THE UK HOLIDAY PARKS INDUSTRY

UK Holiday Parks Industry - Headline Figures

- 496,000 holiday park units / pitches – 277,760 owned statics, 49,600 rented statics and 168,640 touring pitches
- 53,000 direct and indirect jobs in the UK

Each year:

- £4 billion total turnover and visitor expenditure
- £1.4 billion Gross Value Added (GVA) contribution
- 19.5 million visitors and 168 million visitor days

- 1 This overview of the economic impact of the UK holiday parks industry was commissioned from Roger Tym & Partners (RTP) in January 2012 by the British Holiday Home & Park Association (BH&HPA). Its purpose is to extrapolate the findings of a 2011 study into the holiday parks industry in Wales to cover the whole of the UK.

Background

- 2 The Wales study was jointly funded by BH&HPA and Visit Wales to provide independent, evidence based understanding of the direct and indirect economic impact / contribution of the holiday park sector in Wales from the different types of accommodation unit¹ provided in holiday parks.
- 3 The study took place in 2011 and included extensive fieldwork throughout Wales. We interviewed a representative selection of park owners (covering 43 parks in total) and carried out face to face visitor surveys with 517 people at 21 parks at three different times in the season. This fieldwork was backed up by desk research and interviews with key stakeholders to understand the past, current and future trends in the industry and the catalytic economic impacts.
- 4 While the results of any study based on surveys and sampling must be considered indicative rather than absolute, we believe that we obtained sufficient information for the results to give a reasonably accurate and interesting picture of the industry in Wales. The BH&HPA subsequently commissioned RTP to extrapolate the results of the Wales study to cover the whole of the UK.

¹ For the purposes of the study, accommodation provided at holiday parks was categorised as 'tourers' or 'statics'. Tourers included caravans, tents, motorhomes and trailer tents that were brought to the park and then moved on at the end of the holiday. Statics covered all accommodation in the park that remained there all season and included caravans, lodges, chalets, cottages etc.. The statics category was subdivided into 'owned' and 'rented', ie those that were privately owned and those that were owned by the park and rented out for holidays throughout the season.

UK Economic Impact

- 5 Most of the results set out below have been calculated using the key findings from the Wales study, along with assumptions provided by the BH&HPA on the number of different types of accommodation units throughout the UK. These findings and assumptions are appended to this report. In addition, for the calculations of the total turnover, visitor expenditure, GVA and total jobs figures, we have used the RTP Econ IA model (as explained in paragraph 16)

Total Economic Impact

- 6 The total turnover and visitor expenditure as a result of the UK holiday park industry is approximately £4 billion per annum. Its total economic impact to the UK has been calculated as a Gross Value Added (GVA) contribution of £1.4 billion per annum supporting a total of 53,000 direct and indirect jobs in the UK. A fuller explanation of how these total figures were derived is given in paragraphs 14 – 16 and Table 2 below.
- 7 The estimated total park and visitor expenditure and GVA by accommodation type is assumed to be the same as for the Wales Study, and is shown in the following table

Table 1 Expenditure & GVA by Accommodation Type per annum

	Accommodation Type		
	Owned Static Unit	Rented Static Unit	Touring Pitch
Park expenditure per unit	£3,625	£5,900	£200
Visitor expenditure per unit	£3,900	£9,400	£2,600
Total spend per unit per annum	£7,525	£15,300	£2,800
Total GVA per unit per annum	£3,390	£6,900	£1,340

- 8 As noted in the Wales report, the difference between expenditure (and therefore GVA) between accommodation types is not surprising given the required expenditure by parks on rented static units such as marketing, cleaning, additional maintenance and more frequent unit replacement than is the case with owned units. Visitor expenditure is also higher for rented static units due to their higher occupancy rates than owned static units. Touring pitches require the least amount of park expenditure and had the lowest occupancy rates, reflecting the generally shorter season for tourers

Accommodation Unit Numbers

- 9 There are 496,000 holiday park units / pitches in the UK of which 56% are owned static units (ie caravans, lodges, chalets etc), 10% are rented static units and 34% are touring pitches (for caravans, tents, trailer tents and motor homes).

Visitor Numbers

- 10 The UK holiday park industry attracts approximately 19.5 million visitors per annum, who spend a total of 168 million visitor days in static and touring accommodation.

- Of these 19.5 million visitors, 11.7 million stay in static owned units, 4 million stay in rented static units and 3.8 million stay in tourers
- Of the 168 million visitor days, 100.5 million are spent staying in static owned units, 35 million in rented static units and 32.5 million in touring caravans and tents.

Park Spend on Goods and Services

- 11 UK parks spend £1.338 billion per annum on goods and services. Of that total, £642 million (48%) is spent on new and secondhand static units and £696 million on other items (maintenance, utilities, rates, equipment, stock for owned on-park shops, etc.)

Direct Staff Numbers, Costs

- 12 The UK holiday park industry supports 26,500 FTE direct jobs at an average wage per FTE job of £18,500

Visitor spend

- 13 Total spend by all holiday park visitors in the UK was calculated at approximately £2 billion per annum.

Total Economic Impact (Gross)

- 14 To estimate the total economic impacts of holiday parks in the UK, we draw on some of the findings from the Wales study. Specifically, these relate to ratios of holiday park turnover, operators' spending and employment by accommodation unit type (i.e. static owned, static rented and touring), along with the park visitor spending and assumptions for second round multiplier effects. After applying these figures and assumptions to the UK's figures for trips to holiday parks (by unit type), we estimate that holiday parks in the UK will generate a turnover of some £4 billion to the UK economy.
- 15 A simple RTP EconIA model approach converts the turnover figures for UK holiday parks into output (GVA) and jobs (FTEs) using ONS (ABI 2009) data about the UK economy at sector level. This simple model estimates that UK holiday parks will contribute to some £1.4 billion GVA to the national economy, supporting some 53,000 FTE jobs. Further analysis of these figures is given in Table 2.

Table 2 Summary of Output, GVA and Jobs in UK Holiday Park Industry

	Parks / Site			Visitor Expenditure				Total
	On Site	Multiplier Effects	Total Park	Static Owned	Static Rented	Touring	Total Visitors	
Turnover £m	£1,338	£612	£1,950	£986	£637	£395	£2,017	£3,967
GVA £m	£533	£327	£860	£269	£187	£124	£579	£1,439
FTE Jobs	26,479	9,433	35,912	7,753	5,719	3,543	17,015	52,927

Source: RTP (derived from Wales Study and ONS (ABI) data)

- 16 The figures in Table 2 are derived from a different and somewhat basic approach to those presented for Wales using the Tourism Impact Model (TIM) for the simple reason that the

TIM model was not available for the UK and no additional primary research was undertaken. Consequently, these UK based estimates should be treated with more caution. Further, these figures give the gross impacts by accounting for direct, indirect and secondary round of multipliers but with no allowance for leakage (although at the national level we would expect this to be very small), displacement or deadweight loss – i.e. it reports economic impact gross of these factors.

Other Benefits

- 17 The following additional benefits were noted in the Wales Study and will also apply to the holiday home industry UK-wide

Catalytic Impacts

- The holiday park sector is very important part of the UK visitor economy, because of its size and its apparent resilience in the recent economic downturn
- The sector impacts on other parts of economies local to individual parks – for example many local shops, garages, visitor attractions etc survive because of trade from visitors staying at the holiday parks
- The sector was felt to have changed considerably over the last decade in particular enhancements to parks' landscaping and the improved image of the sector

Social and Environmental Benefits

- 18 The Parks also provide a wide range of social and environmental benefits to their local communities (into which most appear to be well integrated):
- Social benefits – for example charity fund raising (some have raised hundreds of thousands of pounds over the last ten years), support for local sports teams (e.g. funds for kit or travelling expenses), support to community infrastructure (one park had donated £25,000 towards the building of a new village hall), the use of park facilities by local people (e.g. swimming pool, tennis courts, shops), and additional public transport services laid on due to demand from park users which also benefit local inhabitants.
 - Environmental benefits – Environmental management on site, for example providing and maintaining wildlife areas, wetlands and woodland walks, or in one case maintaining a Site of Special Scientific Interest (SSSI) within the park boundary. Also support to off-site projects such as joint ventures with local environmental groups such as county Wildlife Trusts, maintenance of local footpaths and coastal paths, providing a ranger for protected sand dunes, repairing sea defences, and providing information boards for areas of local environmental interest.

APPENDIX ONE

Assumptions (from the BH&HPA's knowledge of their membership)

- Results from the Wales study are deemed to represent an industry average, as results from Scotland, Northern Ireland and northern England (where the colder weather and other circumstances might suggest a shorter season) are likely to balance out those from the warmer areas of southern England
- Across the UK, 85% of static units are privately owned and the remaining 15% are rented out as part of the park's letting fleet. The rented sector proportion is assumed to be slightly higher than for the Wales study in 2011 (11.5%) as the difficult UK (and global) economic circumstances increase the 'staycation' phenomenon which raises demand for domestic holiday lets while also making tougher times for the sale of privately-owned statics. The BH&HPA is also seeing increased sub-letting of owned units (i.e. owners renting out to holidaymakers either directly or through the park) which also supports our use of the 15% rented figure

Accommodation Type Totals

- BH&HPA members own and manage 75% of all static unit pitches (owned and rented) and 60% of all touring pitches in the UK.
- From BH&HPA membership figures we estimate there are 496,000 holiday park units / pitches in the UK of which 56% are owned static units (ie caravans, lodges, chalets etc), 10% are rented static units and 34% are touring pitches (for caravans, tents, trailer tents and motor homes).

Findings from the Wales Study applied to the UK-wide Study

Park Owners' Expenditure

- Park owners' spend on all goods and services averages £2,890 per unit / pitch. Highest spend is on rented static units (average £5,900 per rented static unit) followed by £3,625 per owned static unit and £200 per touring pitch. Excluding purchases of new and used static units, the average expenditure per unit / pitch was reduced to £1,500.

Direct Staff – Numbers and Costs

- The number of staff working on the parks fluctuates throughout the season with many jobs being part time and / or temporary (some for just a few hours a week).
- One FTE job is created for every 15 static units and every 36 touring pitches
- The average wage per FTE job on park is £18,500 and the median wage £16,000 (i.e. there are more lower paid jobs e.g. cleaners and maintainers than higher paid jobs e.g. managers and accountants)

Stay Characteristics (from Visitor Surveys)

Length of Stay

- The average length of stay of all visitors per holiday is 8.6 days. Longest average stay is by visitors in owned static units (10.2 days), followed by touring visitors (7.6 days) and then visitors to rented static units (6.2 days).
- The average number of days that owners expect to use their unit per year is 83.5. In addition, owners allow other people (eg family and friends) to stay an average of 25 days per annum, making a total average of 108.5 days usage per owned static unit

Group Size

- The average size of group in all types of accommodation is 3.49 people comprising an average of 2.21 adults and 1.28 children. Groups in owned static units average 3 people, in rented static units average 4.82 people and in tourers 3.54 people

Visitor Spend

- The average spend per group while away from home is £337 or an average of £11.25 per person per day. Highest category of expenditure is eating and drinking out (30%, split between 16% on park and 14% off park) followed by purchasing food and drink (for self catering) at off park shops (26%), and transport (14%)
- Visitors in rented static units appear to spend slightly more (£13.20) a day than the average visitor spend, while visitors in touring units spend £12 and those in owned static units spend £11

- 19 Static unit owners incur additional expenditure (insurance and maintenance) averaging £418 per unit per annum