

ACCOMMODATION | HOLIDAY PARK SECTOR

NEW ZEALAND | SERIES A4 | MAY 2007



INTRODUCING THE HOLIDAY PARK SECTOR

Holiday parks are a vital part of the tourism infrastructure network in New Zealand providing 38% of the commercial accommodation capacity and 19% of guest nights. While traditionally more popular with domestic visitors, the number of international visitors using this form of accommodation is growing steadily.

Holiday parks provide a range of accommodation types which include primarily caravan parks and camping grounds. Some also provide secondary accommodation such as cabins, tourist flats and backpacker style accommodation. Caravan parks provide powered sites for caravans and campervans with shared toilet, shower and laundry facilities. Camping grounds predominantly provide sites for campers and include commercial camping grounds as well as national parks where a site charge is levied.

The holiday park establishments referred to in this report include primarily those that are GST registered, with an annual turnover of at least \$30,000. Some small operators that earn below the threshold or are not GST registered are not covered by these official statistics¹. It is estimated that around 90% of this sector is covered here.

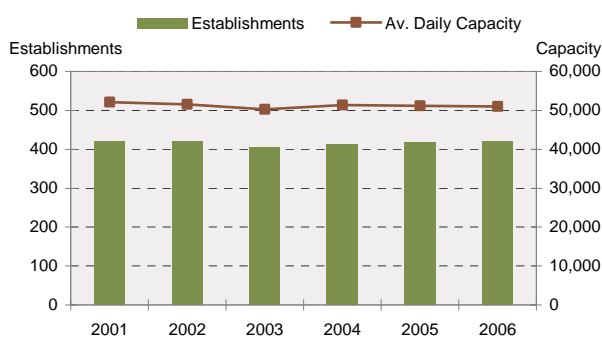
This report provides an overview of the holiday park sector covering various supply, demand and user characteristics.

SUPPLY OF HOLIDAY PARK ACCOMMODATION

How big is the holiday park sector?

In 2006, there were 419 holiday parks in New Zealand. The numbers have remained relatively stable over the last six years (Figure 1). Some holiday parks do not operate all year round and 6-10% close during the winter months.

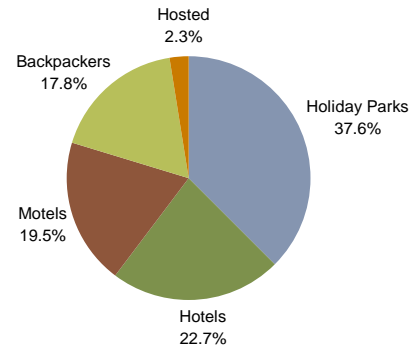
Figure 1: Holiday Park Establishments and Capacity, 2006^{*1}



The total capacity (available sites or 'stay units') of holiday parks has dropped slightly from 52,100 in 2001 to 51,000 in 2006. This is a decrease of 1,100 sites or 2.1% over the period. Nevertheless, holiday parks still supplied 37.6% of the commercial accommodation capacity in 2006 (Figure 2).



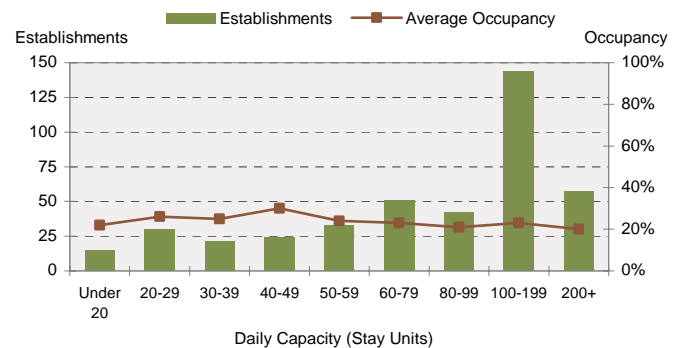
Figure 2: Share of Accommodation Capacity, 2006^{*1}



What is the distribution of holiday parks by capacity?

Holiday parks vary widely in their capacity. Over half of the holiday park establishments (219 or 52%) are small with fewer than 99 sites. Another one-third (144 or 34%) are medium sized with 100-199 sites. The remaining 14% (57 holiday parks) are large with 200 or more sites or stay units. Occupancy rates are generally low for holiday parks although smaller parks enjoy slightly higher rates (Figure 3).

Figure 3: Holiday Parks and Occupancy Rates by Capacity, December, 2006^{*1}



How many people are employed in the holiday park sector?

The holiday park sector employed 1,930 people in 2006. This is a 46% increase from 1,320 in 2001. Thirty nine percent of holiday parks (171 establishments) were run by self-employed operators without employees. A further 35% (153) employed between one and five people with the remaining 26% (117) employing 6 or more people (Figure 4).

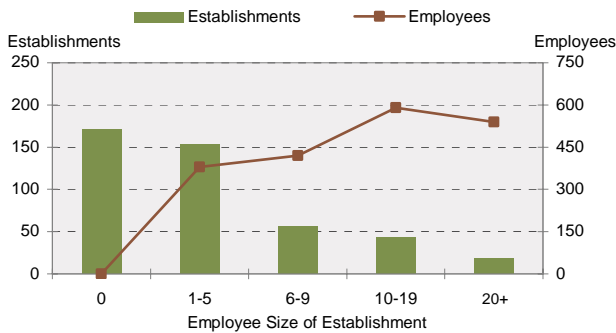
In 2006 larger holiday parks (with 20+ employees each) represented only 4% of holiday parks but employed 28% of holiday park employees. The average number of people employed by a holiday park is 4.4 up from 3.1 in 2001.

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Figure 4: Holiday Park Establishments and Employees by Employment Size, February 2006⁵



What is the nature of holiday park ownership?

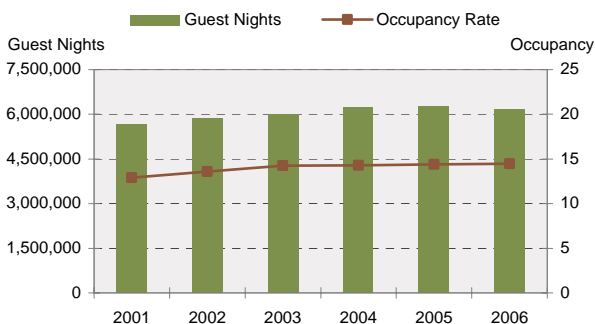
Holiday parks are mostly privately owned though some operate on leased land and some belong to the Department of Conservation. DOC campsites and huts are not registered separately as accommodation businesses and therefore are not captured in the accommodation statistics¹.

DEMAND FOR HOLIDAY PARK ACCOMMODATION

How many guest nights are spent in holiday parks each year?

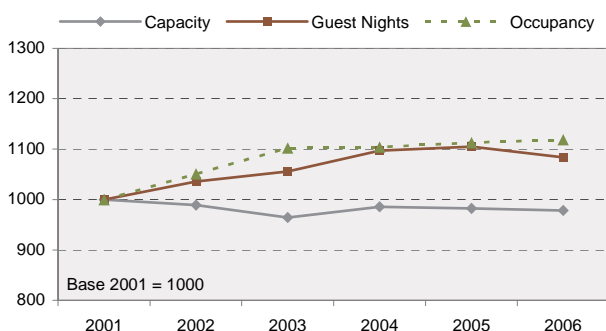
Holiday parks hosted 6.15 million guest nights in 2006, up from 5.67 million in 2001 (Figure 5). This was an increase of 8.3% or 473,000 guest nights over this period. The average annual growth rate was 1.6% compared with 3.2% for total guest nights.

Figure 5: Holiday Park Guest Nights and Occupancy¹



Holiday parks receive the lowest annual occupancy of all accommodation types averaging 14.5% in 2006. This compares with hotel occupancy at 55.1%, motels (54.6%), backpackers (43.7%) and hosted accommodation (26.2%). Holiday park occupancy has increased by 11.9% over the five years 2001-2006, owing to increasing guest nights while capacity remained relatively stable (Figure 6).

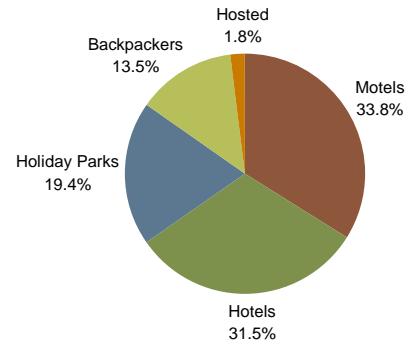
Figure 6: Holiday Park Indices¹



What is the market share of holiday park guest nights?

In 2006, holiday parks hosted 19.4% of the mainstream commercial accommodation guest nights. This compares with 33.8% of guest nights are hosted by motels and 31.5% by hotels (Figure 7).

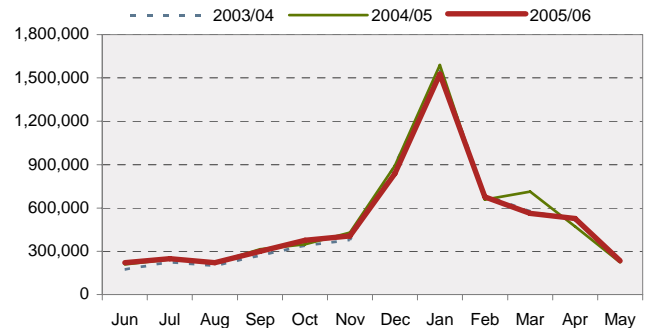
Figure 7: Share of Guest Nights by Accommodation Type 2006¹



What seasonality does the holiday park sector experience?

The period of higher demand for holiday park accommodation is from November to April and lower demand from May to October. Holiday parks show dramatic seasonal variation with the summer peak being much more pronounced than in other forms of accommodation. Occupancy is highest in January at 34% (compared with an annual average of 14.5%). Figure 8 shows how this pattern of seasonality has been consistent over the last three years.

Figure 8: Holiday Park Guest Nights by Month¹



How long do holiday park guests stay?

Guests stay an average of 2.0 nights in a holiday park. This length of stay has been decreasing slightly over the last 5 years from 2.2 nights in 2001, but is longer than for any other accommodation type with hotels and motels at 1.8 nights and backpackers and hosted accommodation at 1.9 nights.

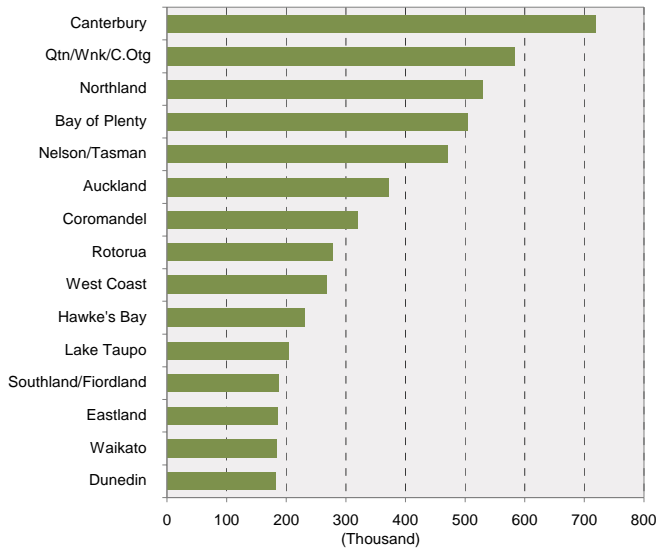
Length of stay varies across regions. Holiday park guests stayed longer than average in the Bay of Plenty (2.94) Nelson/Tasman region (2.84 nights), Eastland (2.73) and Hawke's Bay (2.42). The shortest stay was in the West Coast region (1.38 nights) (Table 2).

How is demand for holiday park guest nights spread among the regions?

In 2006, 46% of holiday park guest nights were spent in Canterbury, Queenstown/Wanaka/Central-Otago, Northland, Bay of Plenty and Nelson/Tasman RTO areas. This reflects their popularity as summer holiday destinations. The top 15 RTOs hosted 85% of holiday park guest nights (Figure 9 & Table 2).

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Figure 9: Holiday Park Guest Nights, top 15 RTO Regions 2006^{*1}

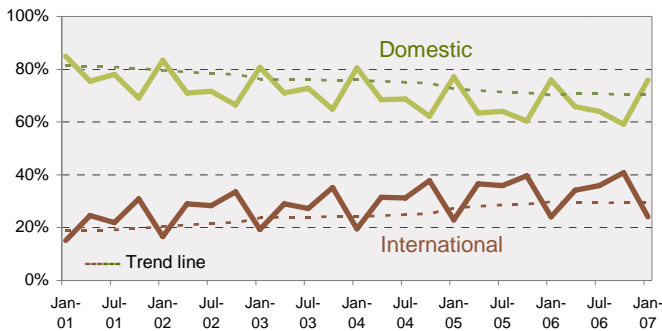


CHARACTERISTICS OF TRAVELLERS STAYING IN HOLIDAY PARKS

Where do holiday park guests come from?

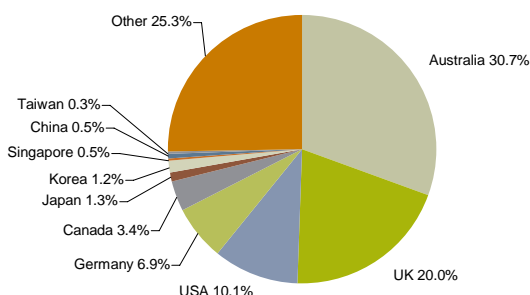
In 2006, 70% of holiday park guest nights were used by Kiwis and 30% by international visitors. International share has increased significantly from 20% in 2001. The proportions vary seasonally, with international share being highest in October (41%) and lowest in January (24%). Conversely, domestic share is lowest in October (59%) and highest in January (76%) (Figure 10).

Figure 10: Proportion of Holiday Park Guest Nights by Origin and Month^{*1}



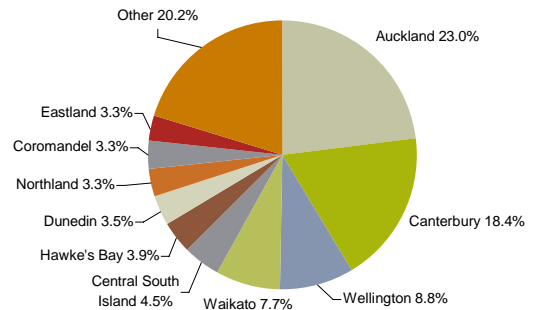
Of the international visitors staying in holiday parks the largest group are Australians representing 30.7% in 2005 followed by visitors from the United Kingdom (20%), the United States (10.1%) and Germany (6.9%) (Figure 11).

Figure 11: Origin of International Visitors Staying in Holiday Parks 2005^{*2}



Fifty eight percent of New Zealanders staying in holiday parks come from the main population regions of Auckland, Canterbury, Wellington and the Waikato (Figure 12).

Figure 12: Origin of Domestic Visitors Staying in Holiday Parks 2005^{*3}

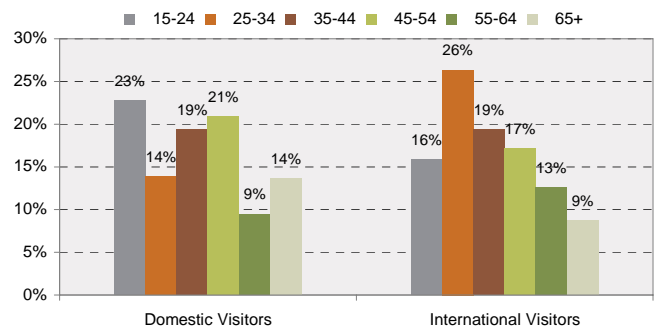


What is age-sex profile of holiday park guests?

International holiday park guests in 2005 comprised 55% females and 45% males, while domestic guests comprised more males (55%) than females (45%).

Most domestic visitors to holiday parks are in the 15-24 and 35-54 age groups. The latter reflects mostly families with children under 15 years (not shown in graph). Holiday parks appeal more to younger international visitors, particularly in the 25-34 age group (Figure 13).

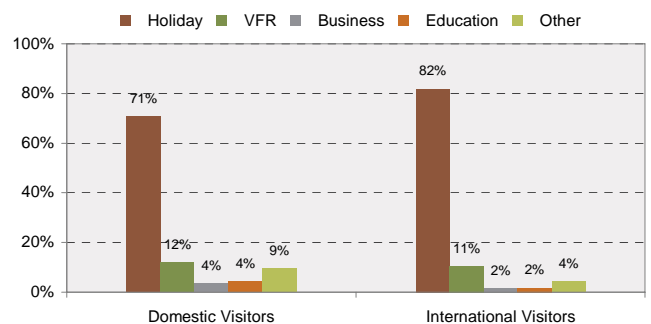
Figure 13: Holiday Park Visitors by Age 2005^{*2*3}



What are the main purposes of travel of holiday park guests?

Eighty two percent of international and seventy one percent of domestic visitors staying in holiday parks are on holiday. People visiting friends and relatives make up the next most prevalent group at 11% and 12% respectively (Figure 14).

Figure 14: Holiday Park Visitors by Purpose of Travel 2005^{*2*3}

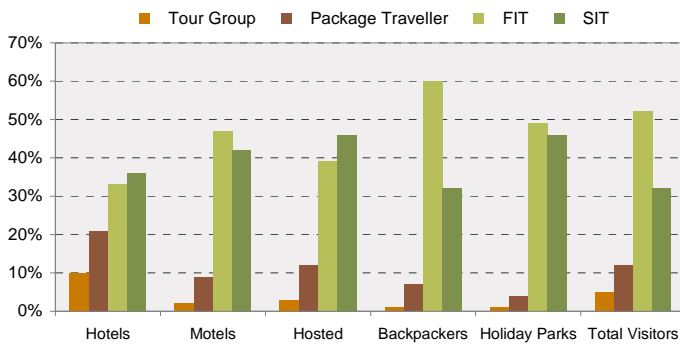


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What are the travel styles of international holiday park guests?

The majority of international visitors to New Zealand are either semi-independent (SIT) or fully independent travellers (FIT). Accordingly, these two groups make up 95% of the visitors to holiday parks. Package travellers and tour groups represent only 4% and 1% of holiday park guests respectively (Figure 15).

Figure 15: Travel Styles of International Visitors within each Accommodation Type, 2005²

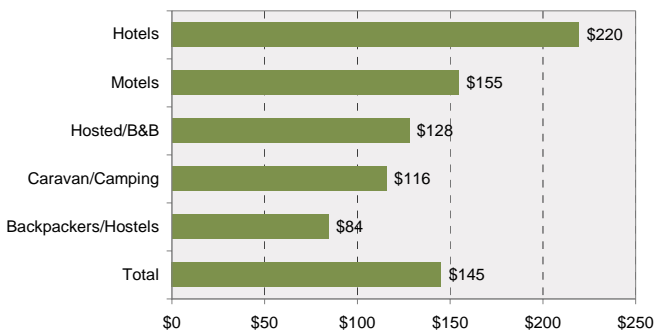


FIT: made all NZ travel purchases after arrival (e.g. dom. airfares, lodging, activities etc.)
SIT: made at least one travel associated purchase before arrival in NZ

How much do international holiday park guests spend?

In 2005, international holiday park guests spent an average of \$116 per night on all trip expenses such as accommodation, transport and meals etc. This is more than the average spend per night by visitors staying in backpacker accommodation, but less than those staying in hotels, motels and holiday parks (Figure 17).

Figure 16: Average Spend per Night in NZ by International Guests, 2005²



How satisfied are visitors with their holiday park stay?

The majority of international and domestic visitors are satisfied with their holiday park experience. International guests are slightly more satisfied (rating their satisfaction as 7.7 out of 10 on average) than domestic guests (rated 7.6). In comparison, satisfaction levels are higher for serviced apartments, B&B's and hotels but lower for motels and backpackers.

Figure 17: Visitor Satisfaction - Accommodation, Nov05-Sep06⁴

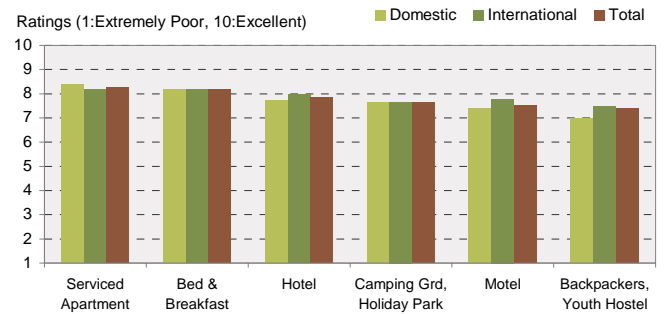


Table 1: Holiday Park Trends^{*1}

KEY INDICATORS	2001	2002	2003	2004	2005	2006
Supply (December month)						
Establishments	421	419	405	412	418	419
Ave. Daily Capacity ⁽¹⁾	52,105	51,525	50,239	51,371	51,193	50,991
Ave. Capacity/Est. ⁽²⁾	124	123	124	125	122	122
Employees (in February)	1,320	1,460	1,630	1,670	1,710	1,930
Demand (annual)						
Guest Nights (000)	5,672	5,876	5,988	6,221	6,266	6,145
Occupancy (%) ⁽³⁾	12.9	13.6	14.2	14.3	14.4	14.5
Ave. nights stayed	2.22	2.17	2.07	2.08	2.06	2.04

(1) Total stay units or rooms available for booking (2) Average stay units or rooms per est.
 (3) Proportion of available capacity used

Table 2: Holiday Park Statistics by RTO 2006^{*1}

Top 15 RTOs (by guest nights)	Establishments ⁽³⁾	Average Stay Units Per Est.	Average Daily Capacity	Guest Nights (000)	Occupancy Rate %	Average Nights Stayed
Total NZ	419	122	50,991	6,145	14	2.04
Canterbury	44	111	4,873	719	17	1.93
Qtn/Wnk/C.Otg ⁽¹⁾	22	208	4,586	583	15	2.14
Northland	49	122	5,980	530	10	2.12
Bay of Plenty	26	150	3,905	505	16	2.94
Nelson/Tasman	22	178	3,911	471	13	2.84
Auckland	23	125	2,870	372	17	2.19
Coromandel	23	87	2,010	320	18	1.97
Rotorua	14	117	1,643	277	19	2.05
West Coast	16	82	1,319	267	25	1.38
Hawke's Bay	16	101	1,609	231	16	2.42
Lake Taupo	9	145	1,305	203	21	1.75
Southland/Fld ⁽²⁾	15	113	1,691	187	15	1.67
Eastland	16	126	2,012	185	10	2.73
Waikato	21	88	1,841	184	14	1.86
Dunedin	14	70	986	182	22	1.61

(1) Queenstown/Wanaka/Central Otago

(2) Southland/Fiordland

(3) Establishments that are GST registered with turnover \$30,000+

DATA SOURCES

¹ CAM: Commercial Accommodation Monitor (Statistics NZ)

² IVS: International Visitor Survey (Ministry of Tourism)

³ DTS: Domestic Travel Survey (Ministry of Tourism)

⁴ RVM: Regional Visitor Monitor (Ministry of Tourism)

⁵ BD: Business Demography (Statistics NZ)

IMAGE CREDITS

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Southern Traverse – Michael Jacques, www.karapoti.co.nz

Wai-O-Tapu Champagne Pool – Destination Rotorua, www.rotoruaNZ.com

Lake Taupo Lodge – www.laketaupolodge.co.nz

Martinborough Village Camping- www.MartinboroughCamping.com