

H EU Report

Europe



OCTOBER 2018



ANALYSIS OF HOTEL RESULTS – OCTOBER 2018

All European countries are in the black

This October 2018, indicators were in the black overall for European hoteliers. With an OR up by +1.6 points, European hoteliers also saw their average daily rates progress by +4.9% overall allowing for the RevPAR to increase by 7.1% compared with October 2017.

The 5* hotels reported the best performance in terms of occupancy rate with +2.1 points, the average daily rates increased by +6.3% for 3* and 5* hotels, it is also on these categories that the RevPAR posts the best results with growth by +9.2% for 3* hotels and +9.4% for 5* hotels.

The trend year to date is also positive, confirming the good health of the sector on the old continent: the occupancy rate posted growth by +0.9 point overall, average daily rates progress by +2.7% and the RevPAR by +4.1%.

Austria, Hungary and France produced the best results and were already taking the lead in September.

+18.2% for the RevPAR in Hungary to reach 74.7€ thanks to an occupancy rate up +2.7 points and average daily rates up 14.4% to reach 87.9€. Austria which progressed by 17.5% in its RevPAR to reach 89.8€ with an average daily rate up by +13.4% to reach an OR up 2.9 points. France continues to achieve good results with a RevPAR up by +12.4% to 73.4€ driven by an increase in average daily rates by 9.6% and an occupancy rate up by +1.8 point or 73.3%.

Belgium increases its RevPAR by +10.4% with an average daily rate up +7% and an occupancy rate at +2.5 points thanks to Brussels which does extremely well, contrary to Antwerp and Ghent which are down. Latvia produces a RevPAR up by +8.1%. After 6 months of negative results (except for July) Spain improves with a RevPAR up 7.9% to 77.5€ driven by average daily rates up by +5% combined with an occupancy rate up +2.1 points. Madrid improves by +23%, Bilbao +18.9%, Barcelona regains a positive trend with +5.7%.

The United Kingdom, Germany and Luxembourg post RevPARS up +6.9%, +6.4% and +6% respectively. Greece and the Netherlands, meanwhile, have RevPARS up +4.6%. Business destinations are driving results in the Netherlands, while Amsterdam's occupancy is down -3.3 points resulting in a slight drop in the city's RevPAR by -0.1%.

Italy shows 3.3% growth in its RevPAR with an average daily rate up by 2.5% and an occupancy rate that remains stable at +0.6 points. Bologna and Rome perform very well with +10.8% and 15.7% growth in their RevPAR. Poland and the Czech Republic stagnate at +1% and +0.5% in their RevPAR.

The only country not following suit is Portugal, which underperforms with all its indicators in the red following a decline that began in September combined with growth in its hotel supply (up +5.0% in number of independent and chain operated rooms between 2017 and 2018). The RevPAR fell -2.3% due to an occupancy rate down -0.8 points and an average daily rate down by -1.4%. Lisbon posts a drop in its RevPAR by -11.6%, Porto remains positive with +6.8%.

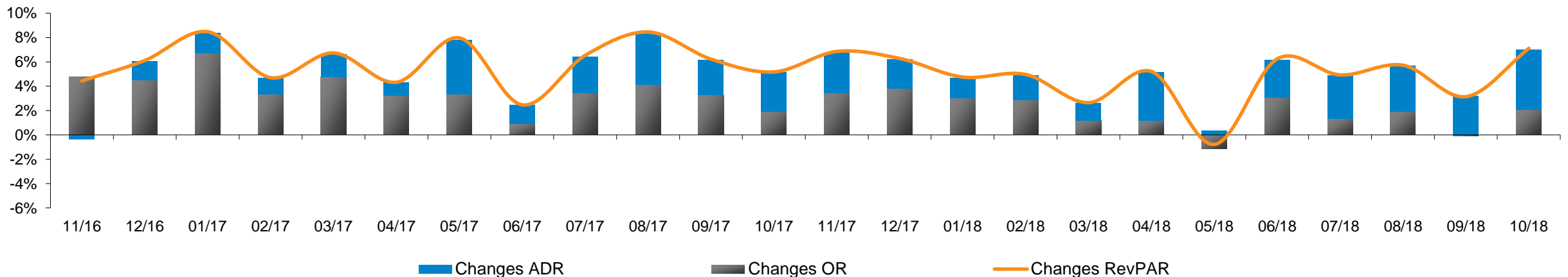
HOTEL RESULTS BY SEGMENT IN EUROPE – OCTOBER 2018

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	1,5	4,7%	6,8%
3*	2,0	6,3%	9,2%
4*	1,6	3,7%	5,8%
5*	2,1	6,3%	9,4%
Global	1,6	4,9%	7,1%

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	0,8	2,6%	3,7%
3*	1,2	3,3%	5,1%
4*	1,0	1,5%	2,9%
5*	2,0	4,6%	7,5%
Global	0,9	2,7%	4,1%

Note : The indicators are compared to the same period of previous year, i.e. OCTOBER 2018 vs OCTOBER 2017

OR, ADR and RevPAR change - Last 24 months

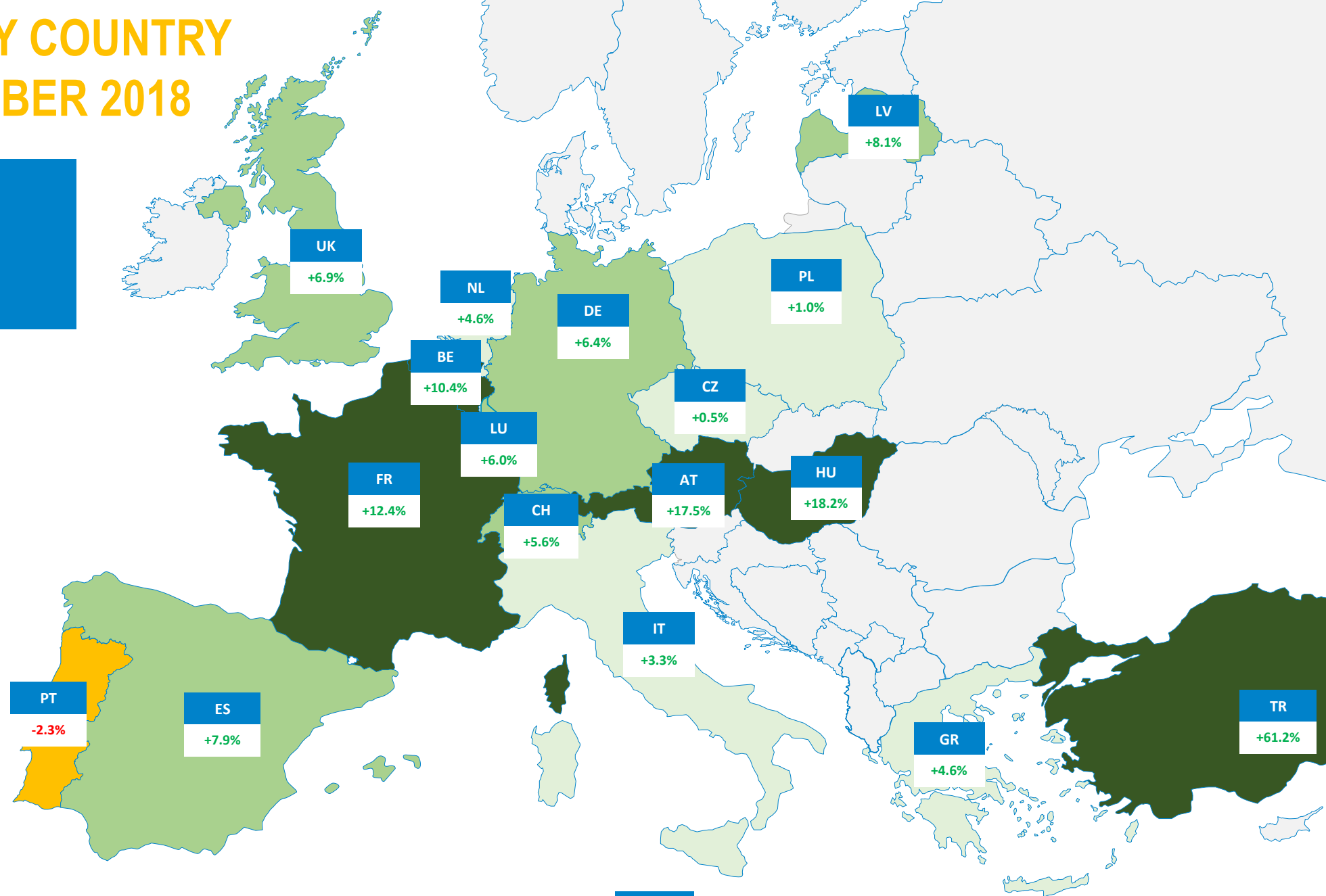


HOTEL RESULTS BY COUNTRY IN EUROPE – OCTOBER 2018

Monthly Results - RevPAR
change by country
OCTOBER 2018 vs OCTOBER
2017

European
average
+7.1%

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%

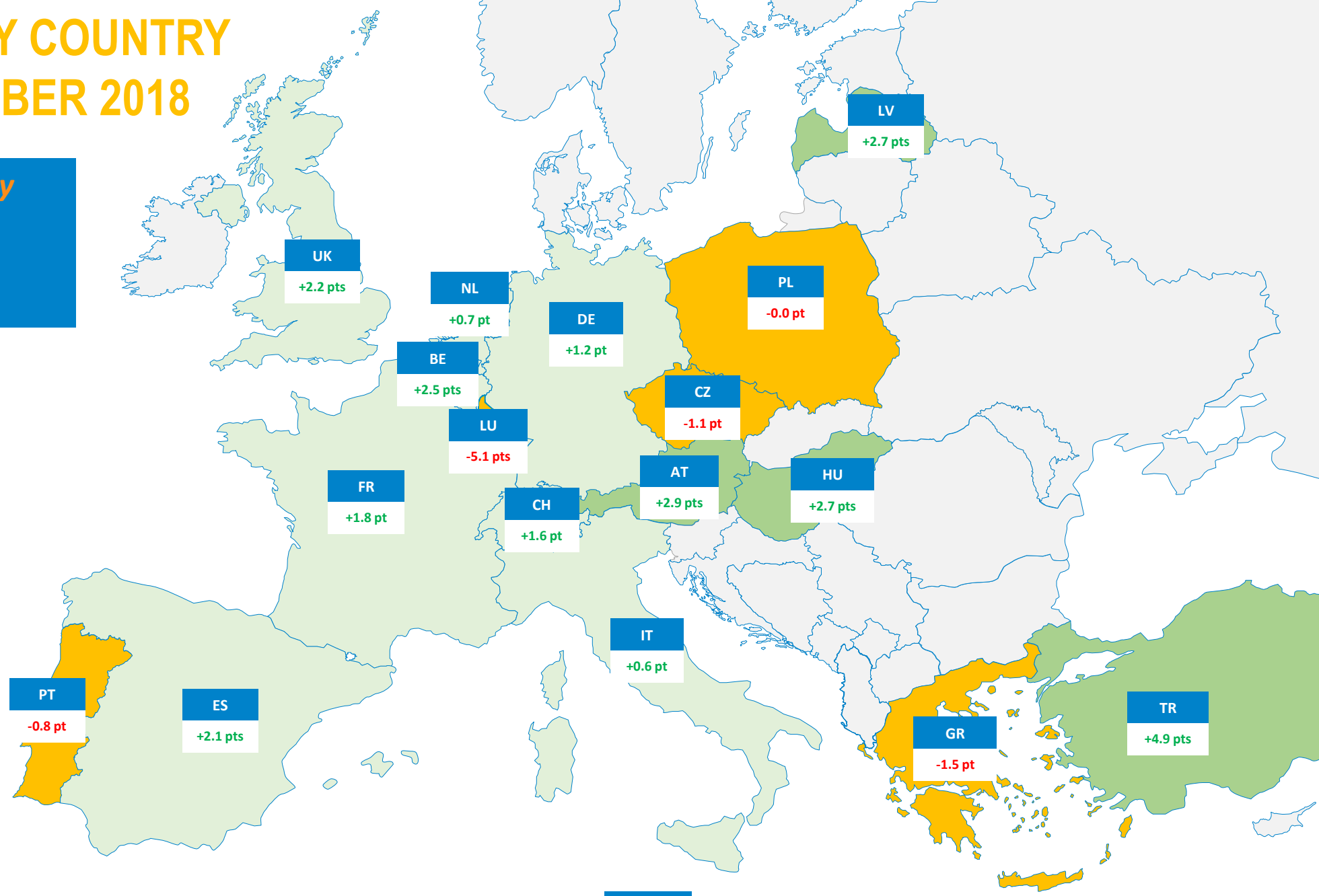


HOTEL RESULTS BY COUNTRY IN EUROPE – OCTOBER 2018

Monthly Results – Occupancy
Rate change by country
OCTOBER 2018 vs OCTOBER
2017

European
average
+1.6 pt

- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt

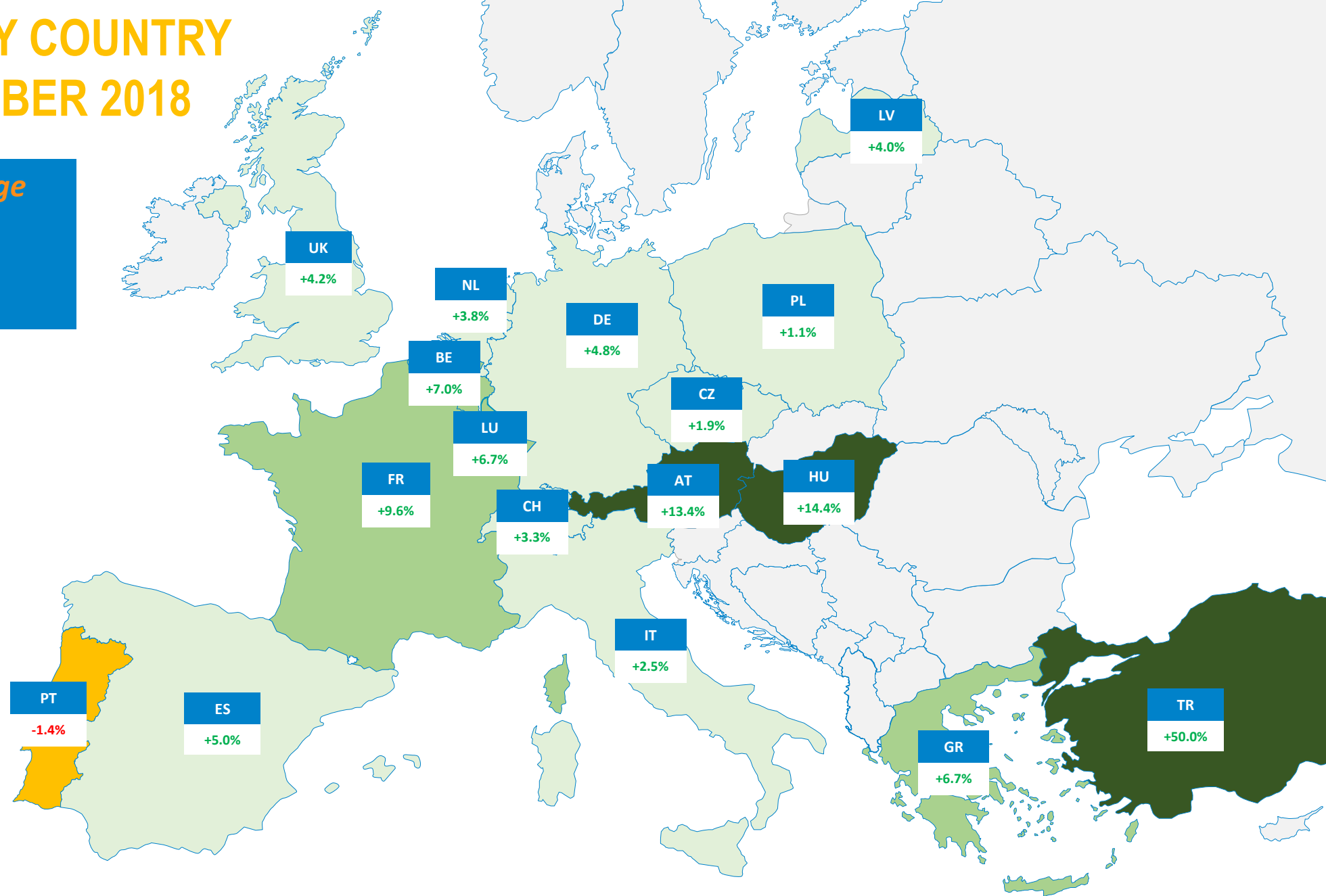


HOTEL RESULTS BY COUNTRY IN EUROPE – OCTOBER 2018

Monthly Results - ADR change
by country
OCTOBER 2018 vs OCTOBER
2017

European
average
+4.9%

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%

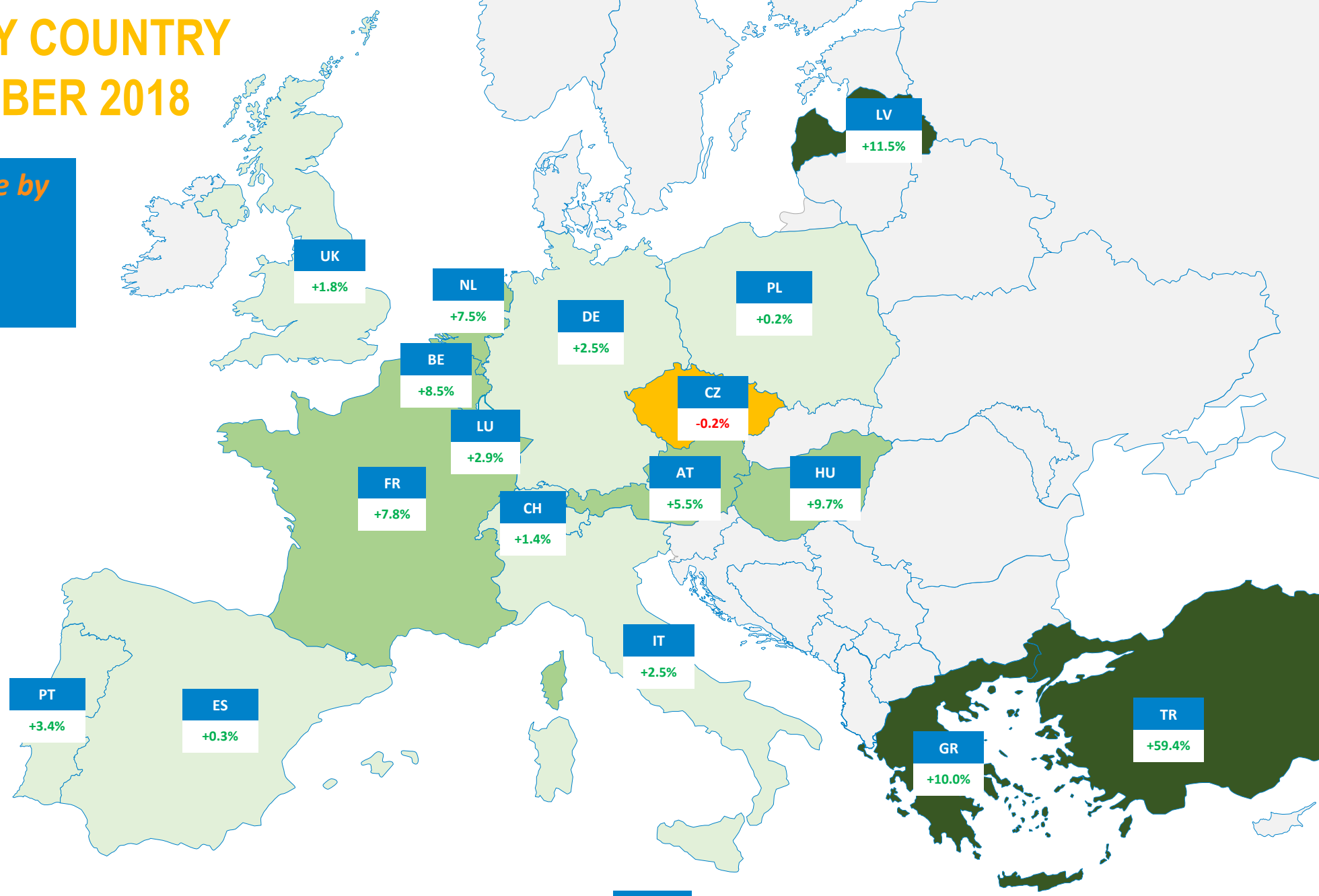


HOTEL RESULTS BY COUNTRY IN EUROPE – OCTOBER 2018

**YTD Results - RevPAR change by
country
YTD OCTOBER 2018 vs YTD
OCTOBER 2017**

European
average
+4.1%

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%

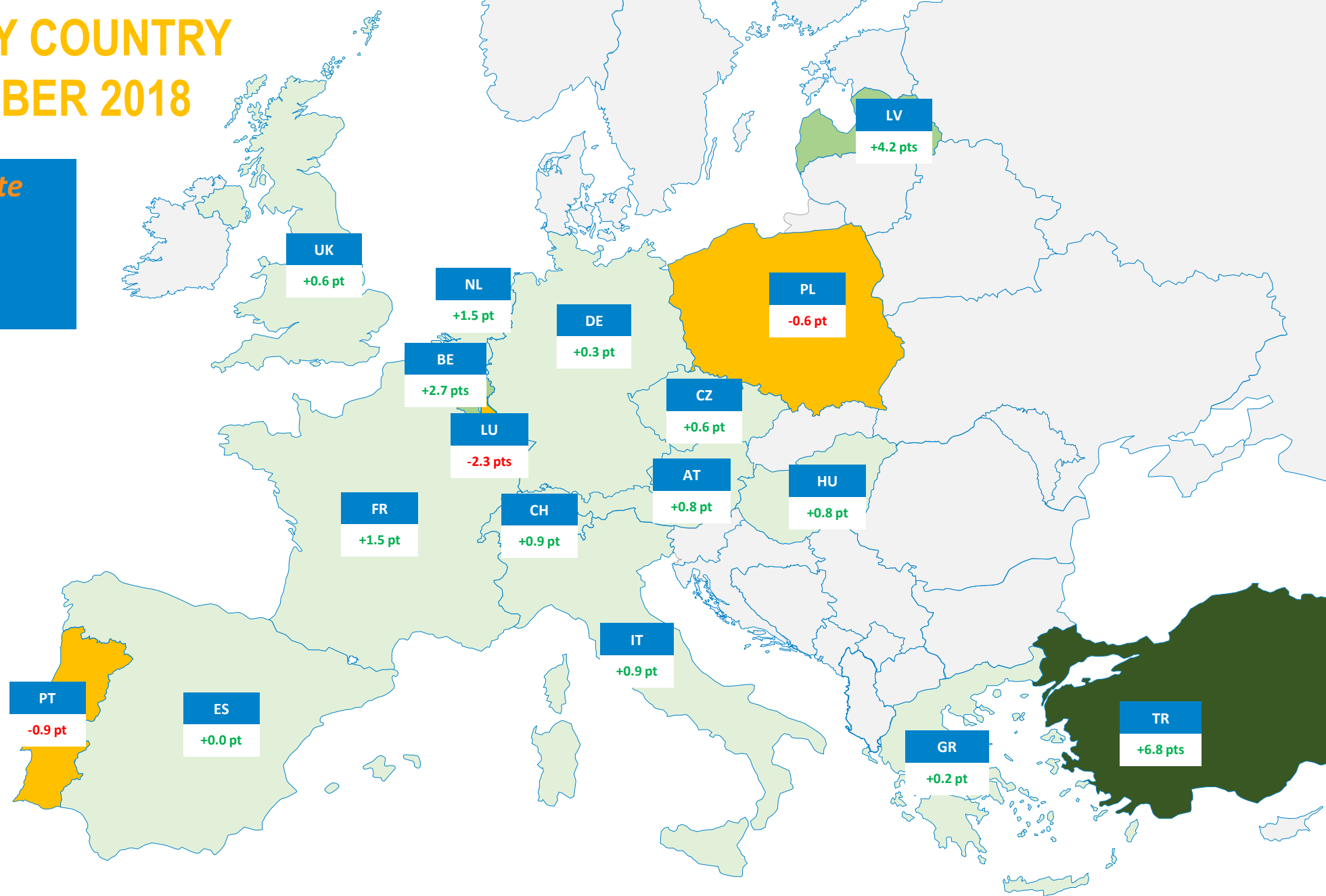


HOTEL RESULTS BY COUNTRY IN EUROPE – OCTOBER 2018

*YTD Results – Occupancy Rate
change by country
YTD OCTOBER 2018 vs YTD
OCTOBER 2017*

European
average
+0.9 pt

- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt

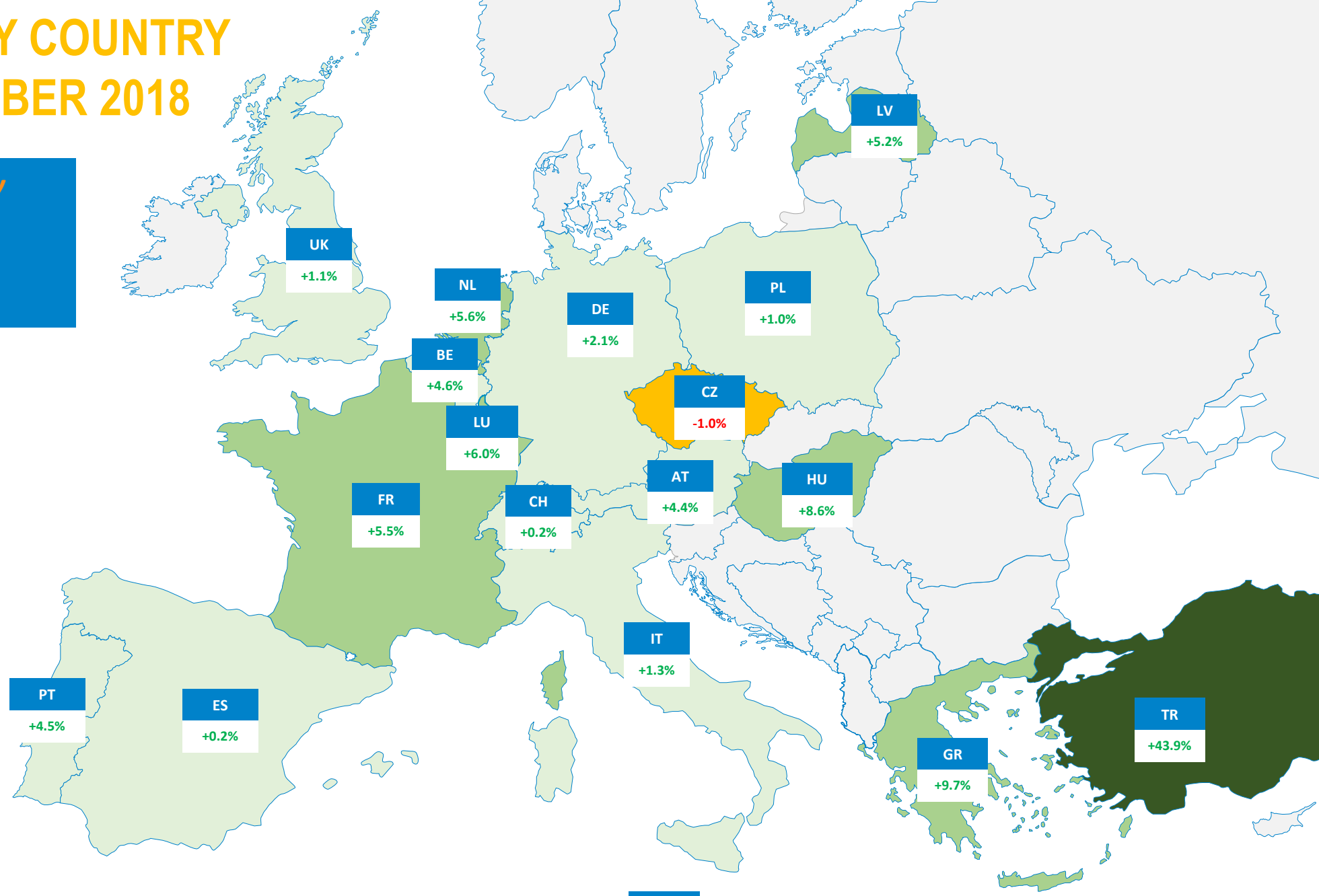


HOTEL RESULTS BY COUNTRY IN EUROPE – OCTOBER 2018

*YTD Results - ADR change by country
YTD OCTOBER 2018 vs YTD
OCTOBER 2017*

European average
+2.7%

- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%



METHODOLOGY

1 Conventions

The report presents the results of corporate brand hotels in Europe. The sample consists of a total of more than 6,500 hotels, representing more than 800,000 rooms. The breakdown by segment is as follows: 30% for Budget and Economic hotels, 30% for midscale hotels and 40% for upscale hotels.

Hotels are classified according to the hotel star system: from 1* to 5*. The category of corporate chain hotels are allocated individually according to MKG Hospitality's market expertise and reflect the "marketing classification" in complement to the official rating system(s) of the country (if any). The category breakdowns for global supply are taken from MKG Hospitality's database and from information provided by statistical and/or hotel industry institutions (e.g. associations, unions).

2 Glossary

- **Occupancy rate:** Number of sold rooms divided by number of available rooms
- **Average daily rate:** Room revenue divided by number of sold rooms
- **RevPAR:** Occupancy rate x average daily price or room revenue divided by available rooms
- **Available rooms:** Capacity x number of operating days (within a month)
- **Sold rooms:** Capacity x number of operating days x occupancy rate
- **Room revenue:** Room revenue expressed net of VAT (excluding other types of revenue such as food and beverage, etc.)

