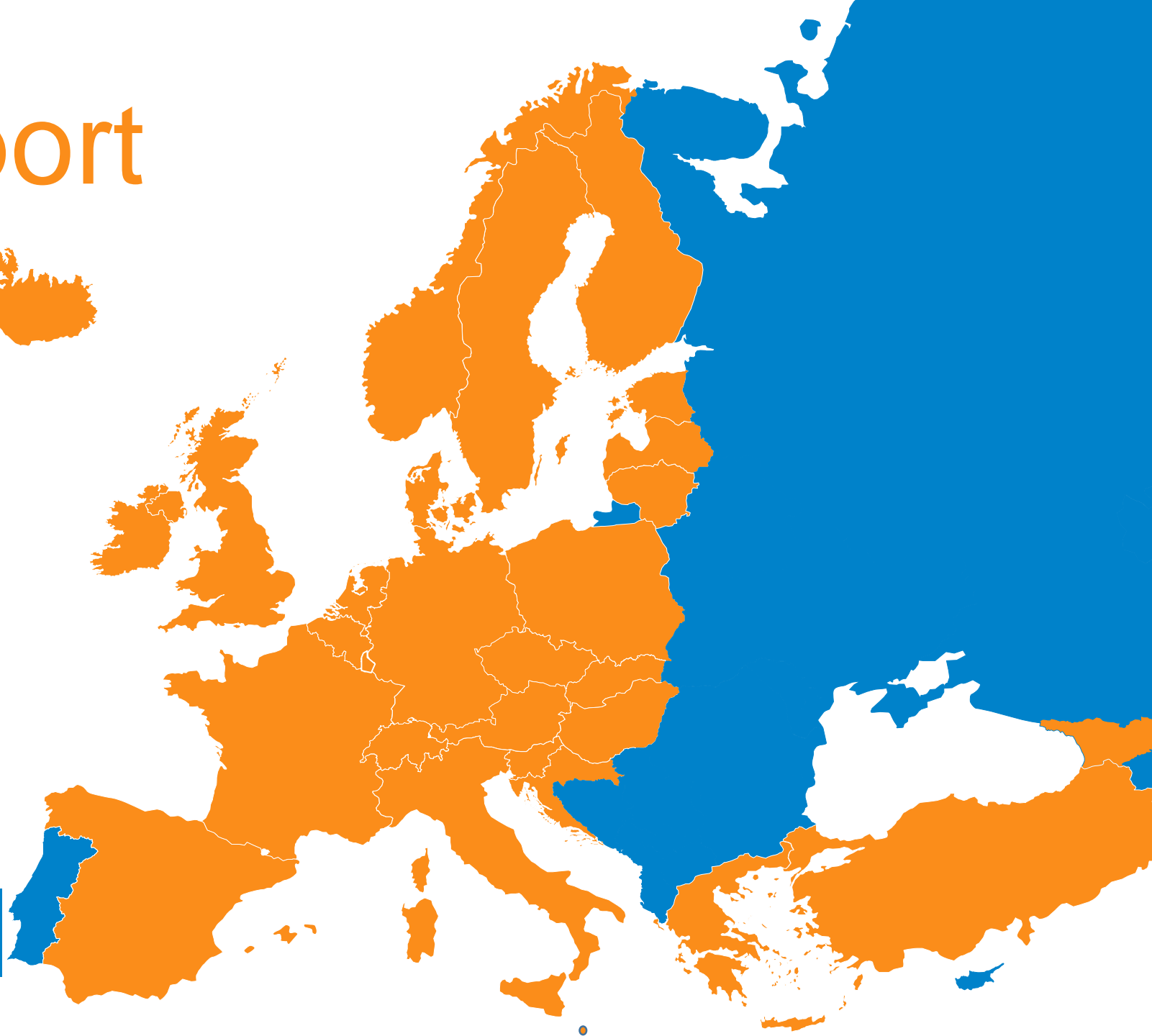# **H** EU Report

Europe

Hotrec
Hospitality Europe

FEBRUARY 2019

ANALYSIS OF HOTEL RESULTS – FEBRUARY 2019

Results settle for European hoteliers

The month of February was satisfactory for European hoteliers, but nothing to get excited about. While the trend may be positive, average daily rates are what is driving the RevPAR up and growth is far from being spectacular. The RevPAR is up +2.9% (60.70€ ex-VAT) compared with February 2018 and the occupancy rate progressed slightly on all segments by +0.3 point while prices continued to grow by +2.4%.

Brexit is weighing on the atmosphere in Europe… filling the markets with uncertainty. In addition to the chilling effect on businesses, which are adopting a wait and see attitude, the drop in the Pound Sterling handicaps British clientele who are among the top supply markets for their European neighbors.

It is the 3* hotels that comes out on top with a RevPAR at +3.4% driven by slight growth in the OR (+0.3 point) an especially the increase in ADR by +2.9%. Year to date it is also the segment that performs the best with +4.1%. The 2* hotels posts a RevPAR of +2.6% thanks to average daily rates up by +1.4% and an OR up by 0.8 point. The 4* and 5* hotels show stable occupancy rate, but nonetheless maintains growth in their RevPAR by +2.6% thanks to average daily rates up +2.7% for 5* and +2.4% for 4*.

The Czech Republic is the only European destination on the panel to report double-digit growth in its RevPAR +12.4% (36.4€ ex-VAT). This is the result of strong growth in the average daily rate (+9.7%) combined with an OR up 1.4 points.
The RevPAR in Poland is up +7.8% (34.50€ ex-VAT) with an increase in average daily rates by +5.3% while the OR is up 1.4 points.

Austria reports good results since Fall 2018 and the best growth in OR by +2.7 points. Prices continue to climb at hotels by +2.2%. Thus, the RevPAR posts growth by +6.8% (55.70€ ex-VAT) while it was already up by +20% in February 2018 compared with February 2017.

Luxembourg, Belgium and Hungary all post RevPARs up by +6.7% (93.90€ ex-VAT), + 6.4% (70.80€ ex-VAT) and +6.2% (35.2€ ex-VAT) respectively. Of the three destinations, Hungary posts the best growth in occupancy with +2.2 points, followed by Belgium +1.3 points and Luxembourg +0.7 point. Brussels is the only destination in Belgium with an OR that is up (+2.2 points), Ghent and Liege are in the red while Antwerp's RevPAR is stable thanks to an increase in the average daily rate.

In the middle of the table, Portugal maintains a RevPAR that is positive +2.7% (40€ ex-VAT) despite a stagnating OR. France's dynamic is identical with +2.6% for its RevPAR (51.10€ ex-VAT) for details see France trends. Italy is also positive with +2.4% for its RevPAR (62.80€ ex-VAT) while the OR simmers at +0.6 point and average daily rates are up just +1.5%. Germany maintains a RevPAR at +2.2% with a wavering OR at +0.3 point.

The United Kingdom, the Netherlands and Spain all show growth in their RevPAR below 1%. London, Manchester, Cardiff and Leeds Bradford remain in the green while Birmingham, Edinburgh and Glasgow underperform. In the Netherlands, The Hague pulls results down while Amsterdam just barely maintains its RevPAR with a -0.6 point drop in OR. In Spain, only the upscale segment is down with a RevPAR down -2.2% and an immobile OR.

The RevPAR in Greece lost -0.6% as hoteliers slightly decreased prices by -0.9% to maintain the OR at +0.2 point.
Finally, Latvia's exceptional performances in 2018 (RevPAR +11.4% in February 2018 driven by the OR) are offset and its RevPAR lost -5.1% despite average daily rates maintained at +1.8%, while the occupancy rate is down by -3.7 points (the biggest drop in the panel)
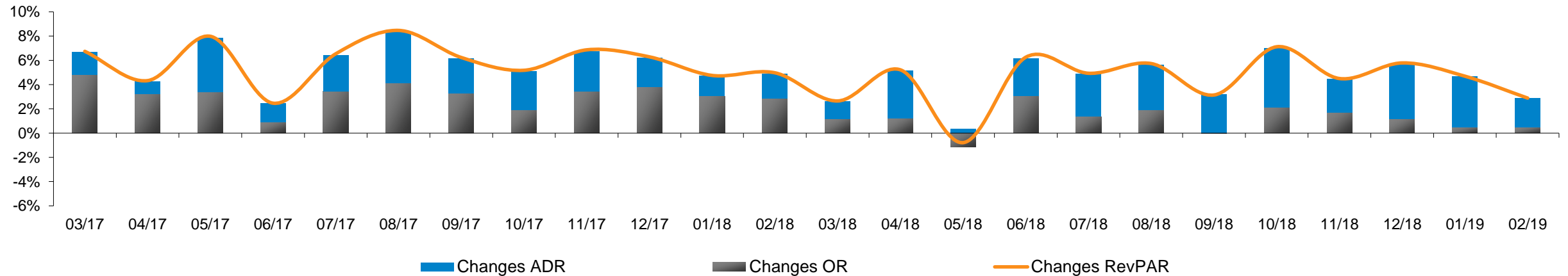
HOTEL RESULTS BY SEGMENT
IN EUROPE – FEBRUARY 2019

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

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

Note : The indicators are compared to the same period of previous year, i.e. FEBRUARY 2019 vs FEBRUARY 2018
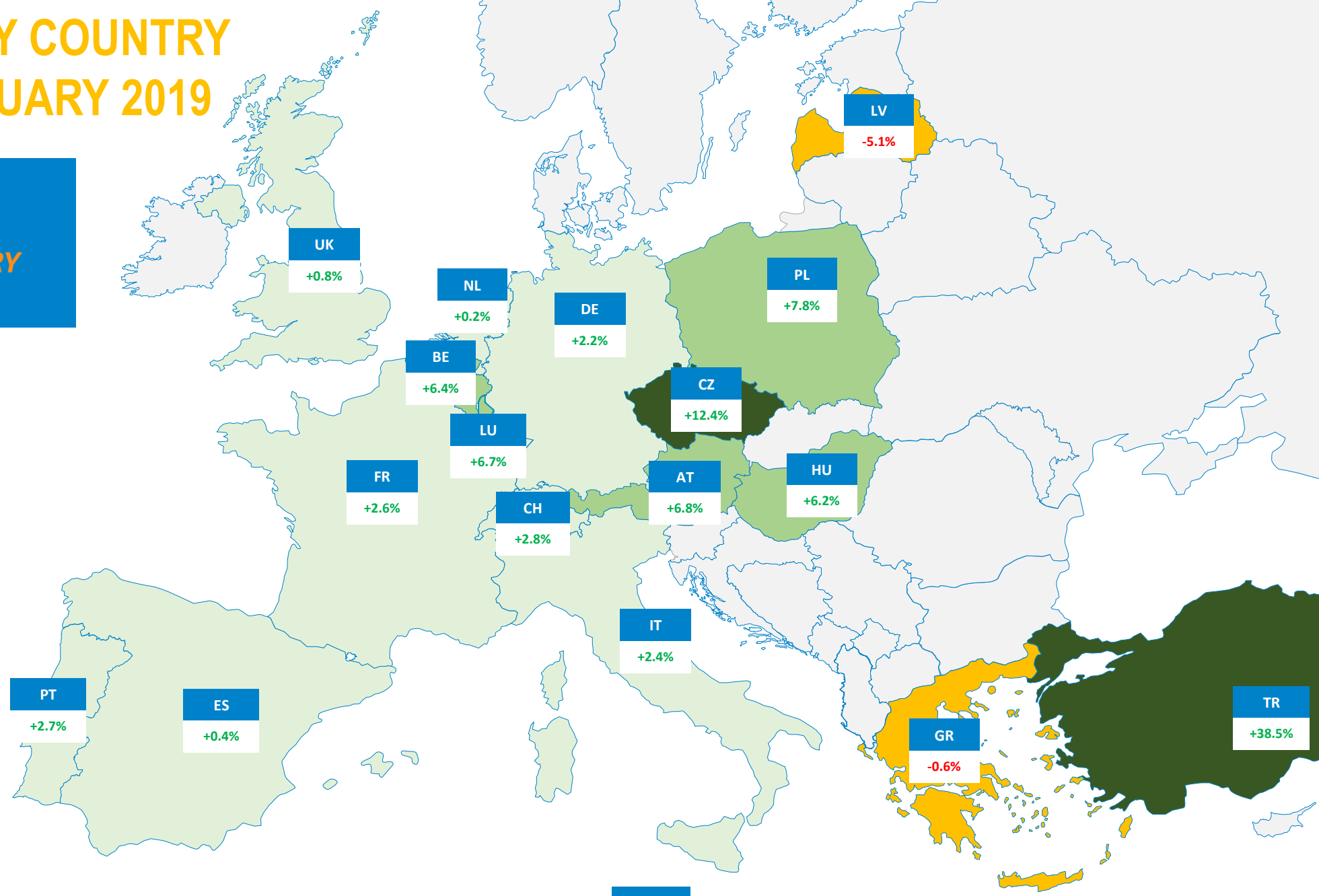
OR, ADR and RevPAR change - Last 24 months

Changes ADR · Changes OR · Changes RevPAR

HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2019

Monthly Results - RevPAR change by country FEBRUARY 2019 vs FEBRUARY 2018

European average +2.9%

Country	RevPAR change
LV	-5.1%
UK	+0.8%
NL	+0.2%
DE	+2.2%
PL	+7.8%
BE	+6.4%
CZ	+12.4%
LU	+6.7%
FR	+2.6%
AT	+6.8%
HU	+6.2%
CH	+2.8%
IT	+2.4%
PT	+2.7%
ES	+0.4%
TR	+38.5%
GR	-0.6%
MT	+12.8%

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

HEU Report

Hotrec Hospitality Europe
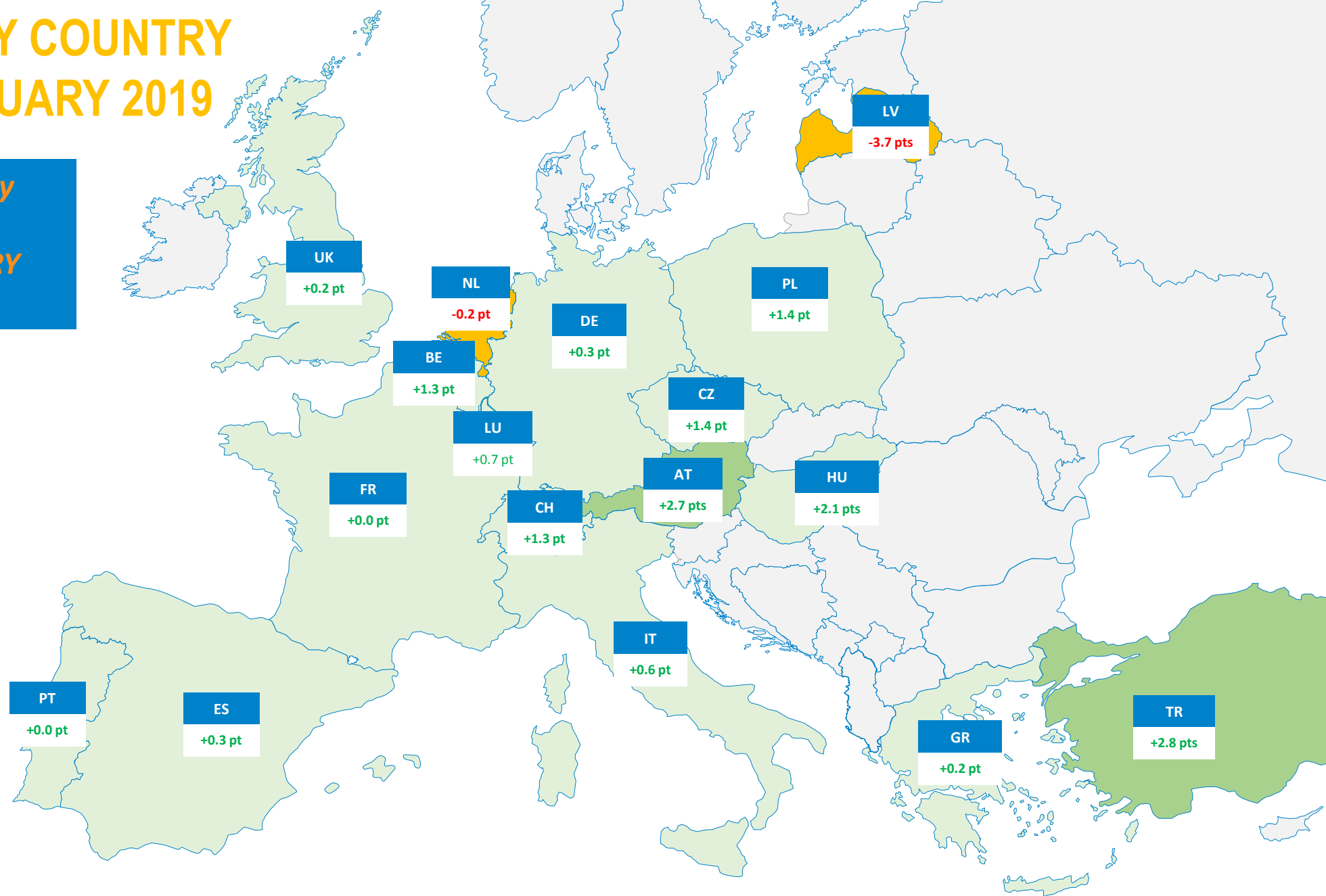
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HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2019

Monthly Results – Occupancy Rate change by country FEBRUARY 2019 vs FEBRUARY 2018

European average +0.3 pt

Country	Value
LV	-3.7 pts
UK	+0.2 pt
NL	-0.2 pt
PL	+1.4 pt
DE	+0.3 pt
BE	+1.3 pt
CZ	+1.4 pt
LU	+0.7 pt
AT	+2.7 pts
HU	+2.1 pts
FR	+0.0 pt
CH	+1.3 pt
IT	+0.6 pt
PT	+0.0 pt
ES	+0.3 pt
TR	+2.8 pts
GR	+0.2 pt
MT	+3.4 pts

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

HEU Report

Hotrec Hospitality Europe
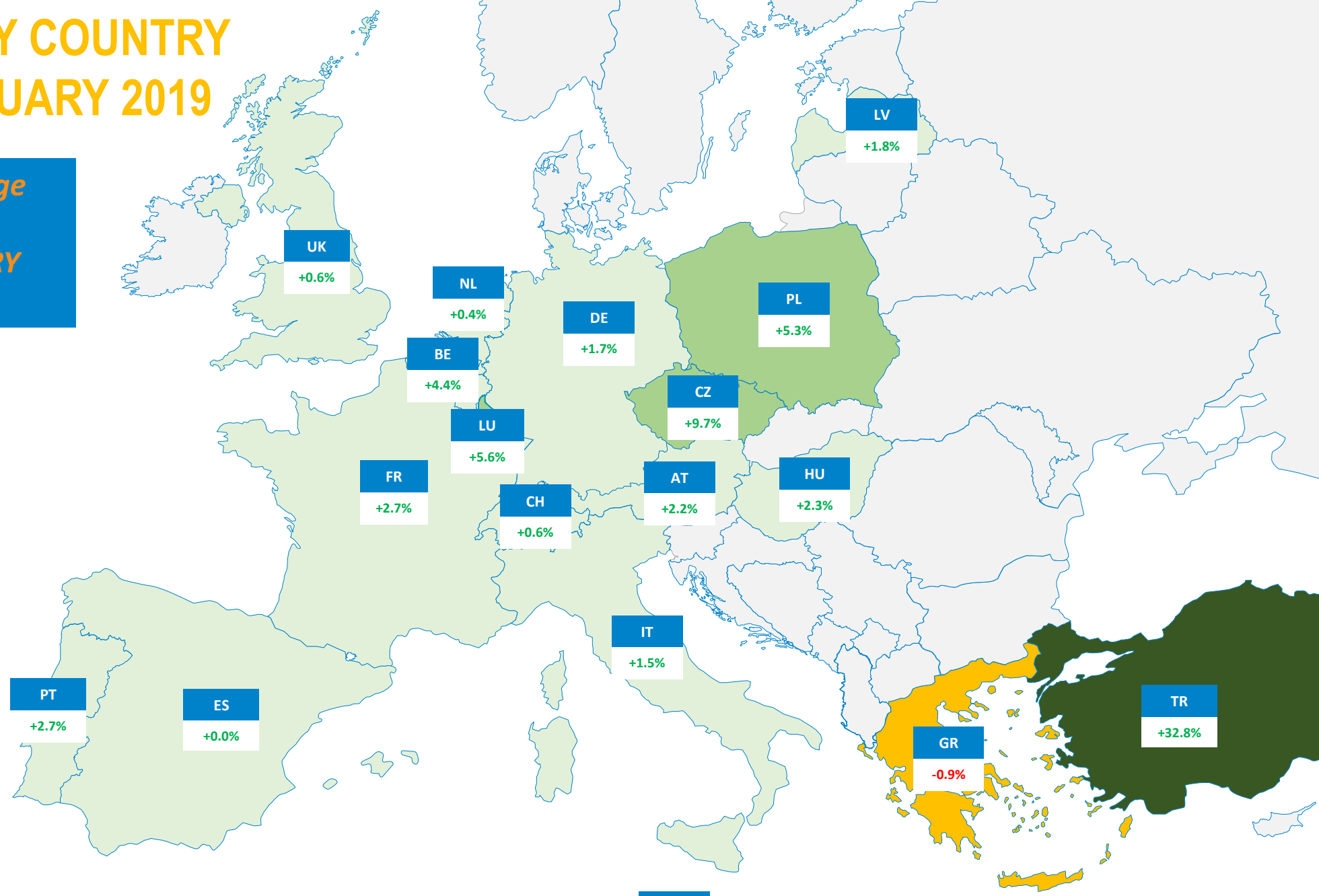
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HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2019

Monthly Results - ADR change by country
FEBRUARY 2019 vs FEBRUARY 2018

European average
+2.4%

LV +1.8%

UK +0.6%

NL +0.4%

DE +1.7%

PL +5.3%

BE +4.4%

CZ +9.7%

LU +5.6%

FR +2.7%

CH +0.6%

AT +2.2%

HU +2.3%

IT +1.5%

PT +2.7%

ES +0.0%

TR +32.8%

GR -0.9%

MT +4.7%

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

Hotrec Hospitality Europe
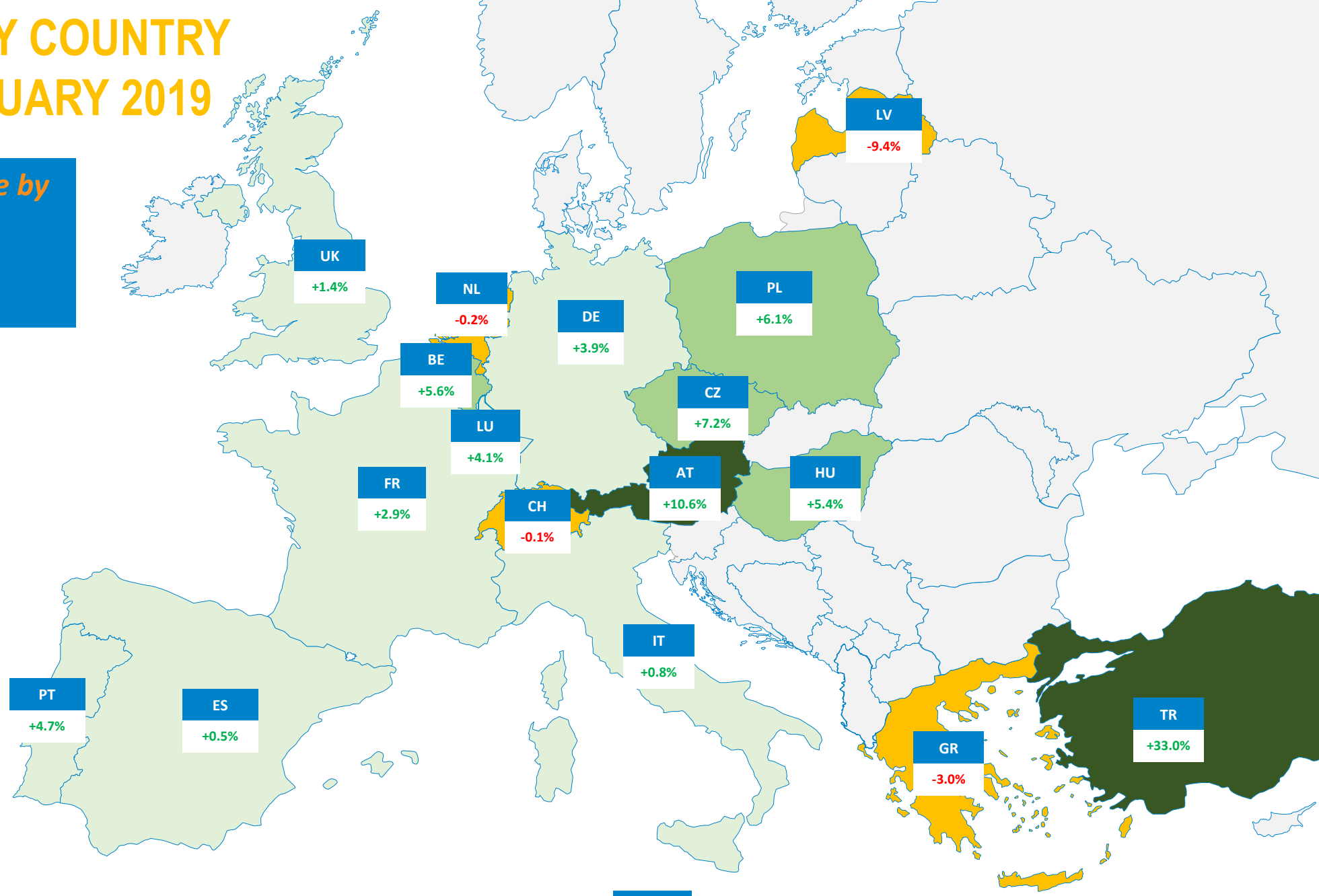
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HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2019

YTD Results - RevPAR change by country
YTD FEBRUARY 2019 vs YTD FEBRUARY 2018

European average
+3.0%

LV
-9.4%

UK
+1.4%

NL
-0.2%

PL
+6.1%

DE
+3.9%

BE
+5.6%

CZ
+7.2%

LU
+4.1%

AT
+10.6%

HU
+5.4%

FR
+2.9%

CH
-0.1%

IT
+0.8%

TR
+33.0%

GR
-3.0%

PT
+4.7%

ES
+0.5%

MT
-9.9%

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

Hotrec Hospitality Europe
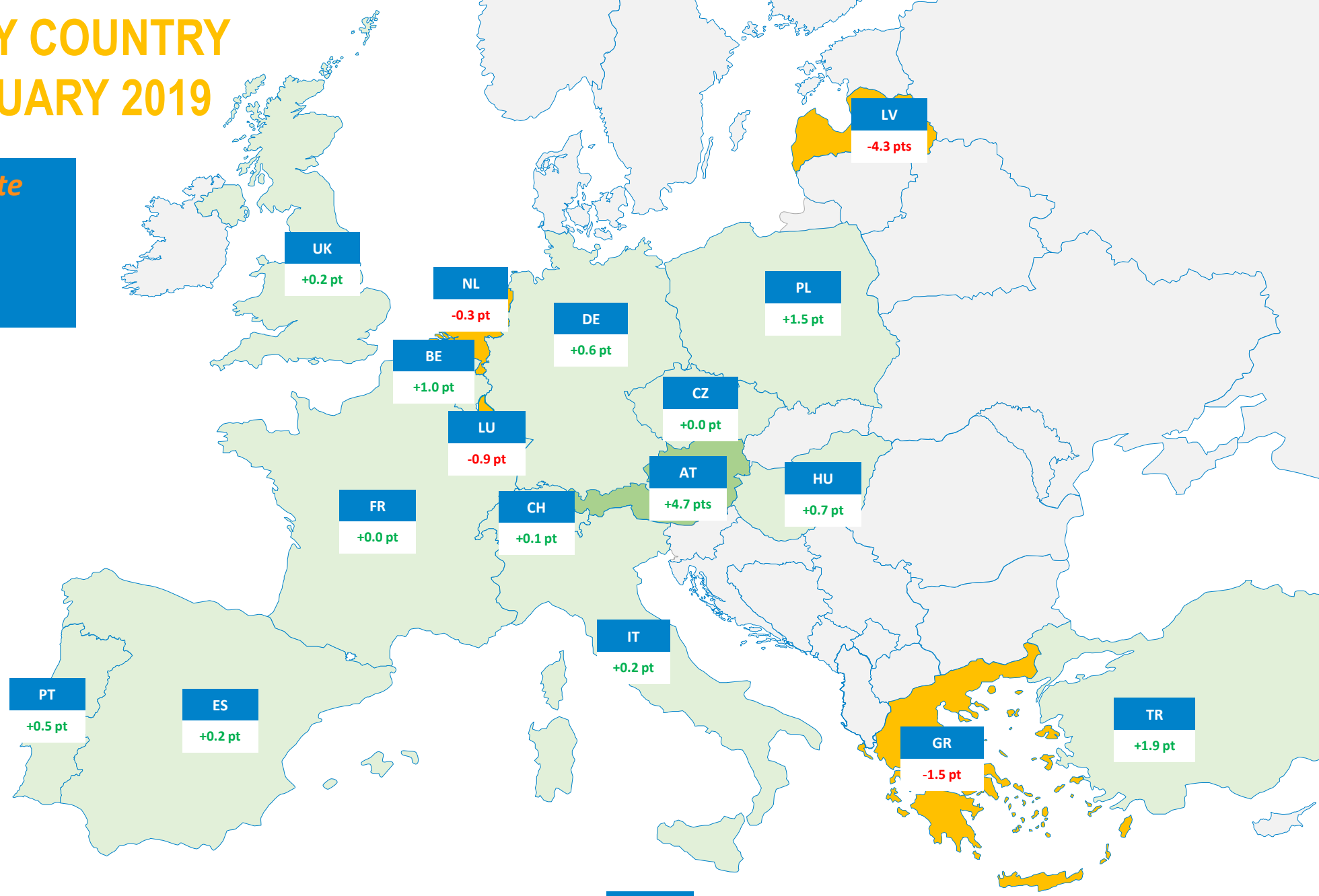
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HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2019

YTD Results – Occupancy Rate change by country
YTD FEBRUARY 2019 vs YTD FEBRUARY 2018

European average
+0.3 pt

LV
-4.3 pts

UK
+0.2 pt

NL
-0.3 pt

DE
+0.6 pt

PL
+1.5 pt

BE
+1.0 pt

CZ
+0.0 pt

LU
-0.9 pt

AT
+4.7 pts

HU
+0.7 pt

FR
+0.0 pt

CH
+0.1 pt

IT
+0.2 pt

PT
+0.5 pt

ES
+0.2 pt

GR
-1.5 pt

TR
+1.9 pt

MT
-3.8 pts

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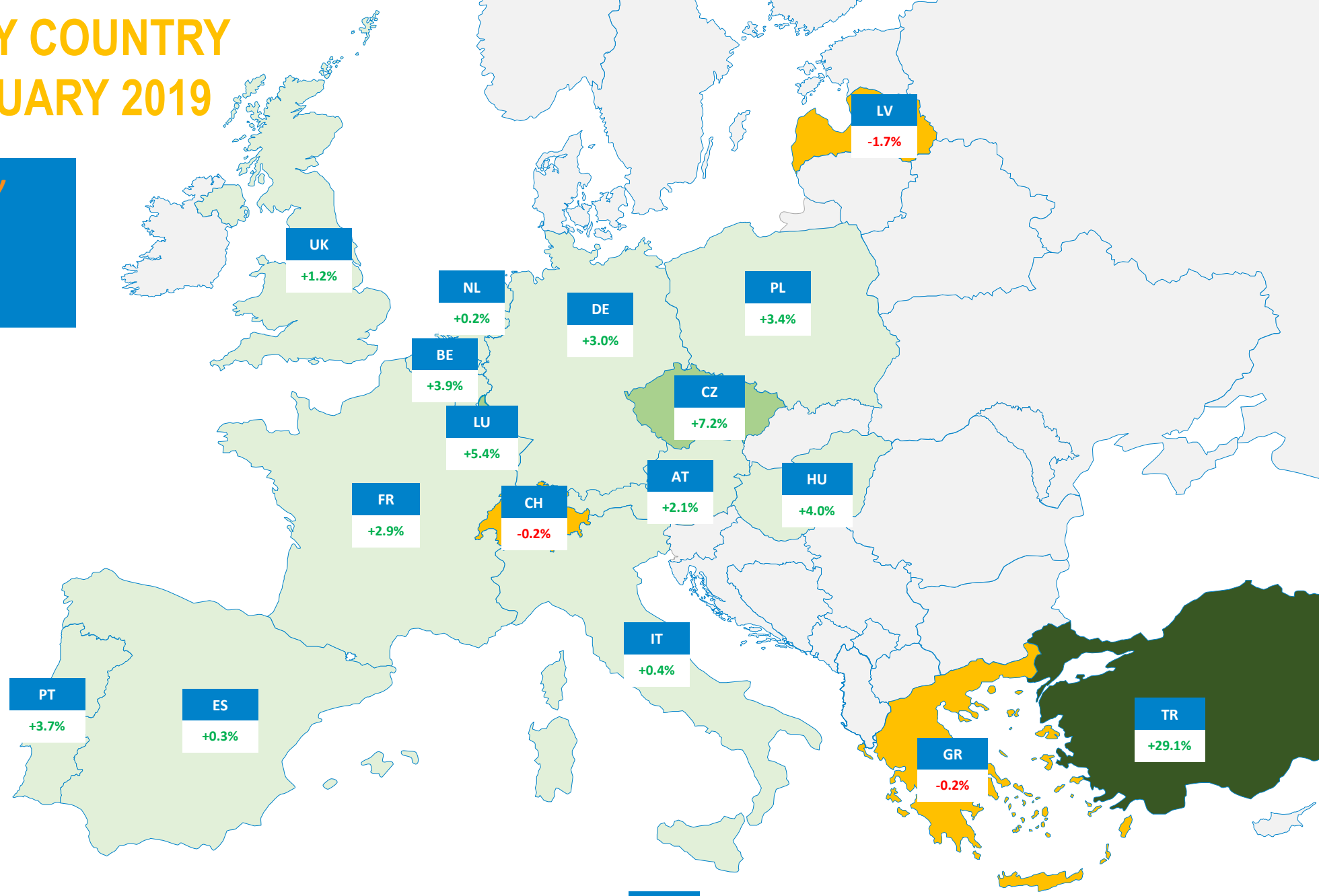- Between 0 and 2,5 pts
- Inf. to 0 pt

HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2019

YTD Results - ADR change by country
YTD FEBRUARY 2019 vs YTD FEBRUARY 2018

European average
+2.5%

LV -1.7%

UK +1.2%

NL +0.2%

DE +3.0%

PL +3.4%

BE +3.9%

CZ +7.2%

LU +5.4%

AT +2.1%

HU +4.0%

FR +2.9%

CH -0.2%

IT +0.4%

PT +3.7%

ES +0.3%

GR -0.2%

TR +29.1%

MT -1.7%

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

Hotrec
Hospitality Europe

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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

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

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