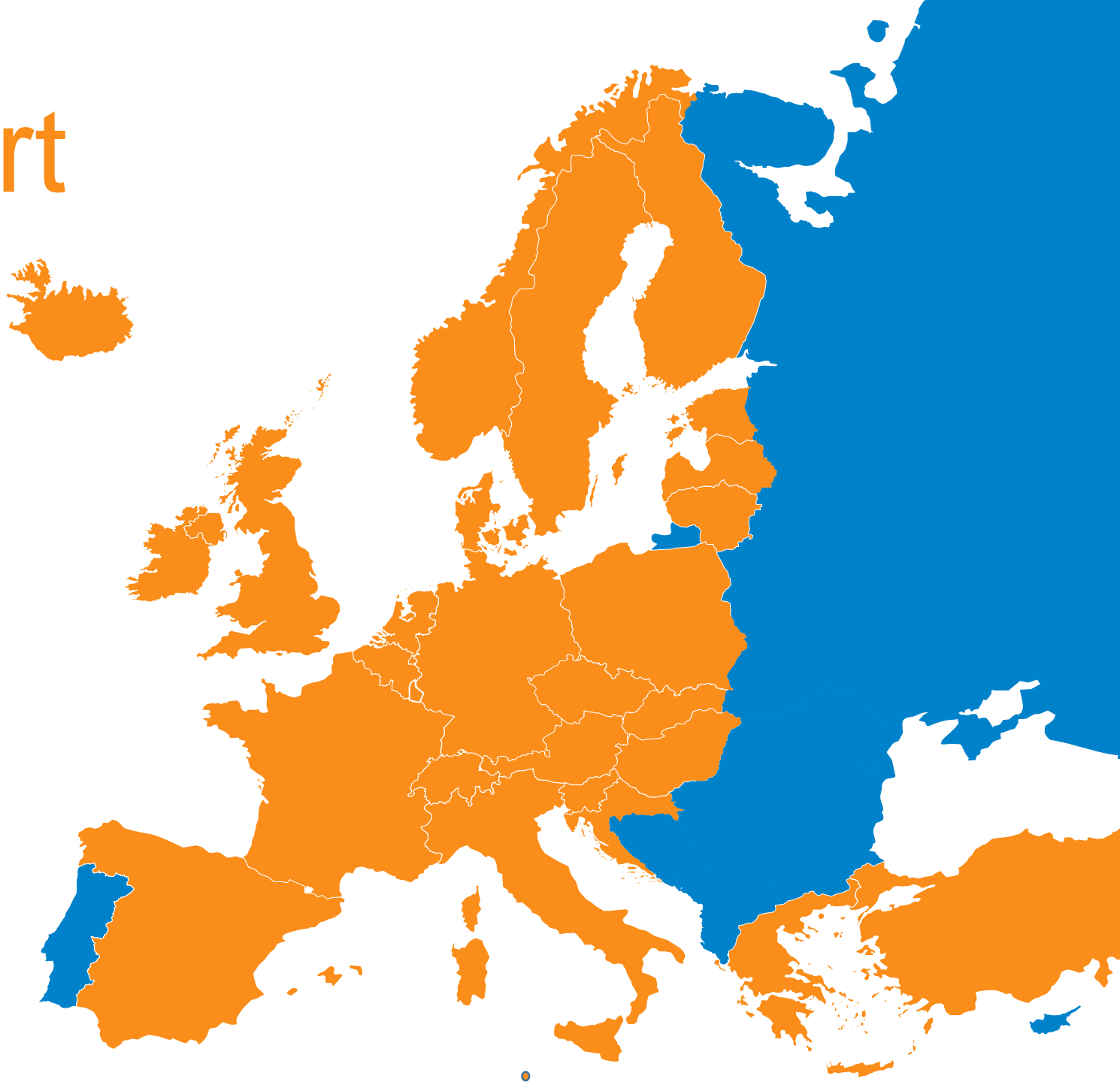# H EU Report

Europe

JUNE 2018

ANALYSIS OF HOTEL RESULTS – JUNE 2018

The sun is shining on Europe's hotel industry

Following a slump in May 2018, the hotel industry is holding course in the majority of European countries.

After growth in the RevPAR by +5.2% in April followed by a -0.8% decline in May, all of Europe's hotel industry is distinctly improving with overall growth in the RevPAR by +6.3%. The month of June boosts the cumulated result for the first semester to settle at +3.4%.

While all the segments saw a drop in their occupancy rate resulting in an overall slump by -0.9 point last month, this shift into lower gear was quickly absorbed by renewed dynamism and +2.4 points on the indicator.

The 5* hotels performed particularly well this month with a RevPAR up +10.7% primarily due to a +5.4% increase in average daily rates followed by growth in occupancy rate by +3.7 points. Each of the other segments followed suit and also progressed on the three indicators.

With its RevPAR up +20.3%, the Netherlands benefited from an occupancy rate up +5.1 points and average daily rates up by +13.3%. Amsterdam hosted the 22nd triennial World Congress of Psychotherapy and the The Hague hosted the 5th European IRPA Congress at the Dutch Society for Radiation Protection at the beginning of June. In second place with a RevPAR up +16%, Greece posts an increase in prices by +14% and hosted the 5th World Congress of Dermoscopy in Thessalonica as well as the 17th World Congress in Fetal Medicine in Athens.

With rich cultural events programming including a new one in particular – the first Brussels International Film Festival lasting 10 days, Belgium posts a RevPAR up +13.5%, which may be explained by combined increases in occupancy rate (+5.1 points) and average daily rate (+6.3%).

Germany and Latvia also posted growth in their RevPAR by more than 10% thanks to increases in occupancy and average daily rates.

Spain saw average daily rates drop by -2.7% and the slight increase in its occupancy rate (+0.5 points) which resulted in a RevPAR down -2.0%. With a RevPAR down -1.6%, the Czech Republic experienced a different scenario: its occupancy rate dropped by -1.9% while its average daily rates stabilized at +0.7%.
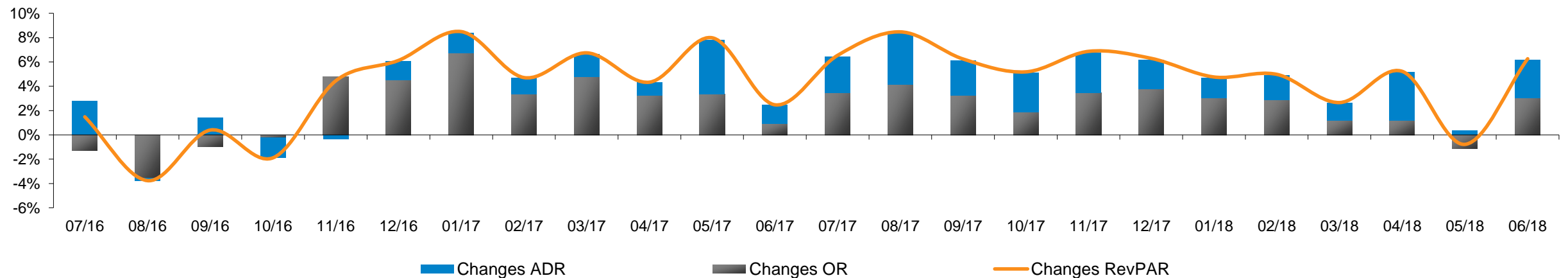
HOTEL RESULTS BY SEGMENT IN EUROPE – JUNE 2018

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excL)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	2,9	3,8%	7,7%
3*	2,4	3,8%	7,0%
4*	2,2	1,7%	4,6%
5*	3,7	5,4%	10,7%
Global	**2,4**	**3,1%**	**6,3%**

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

Note : The indicators are compared to the same period of previous year, i.e. JUNE 2018 vs JUNE 2017
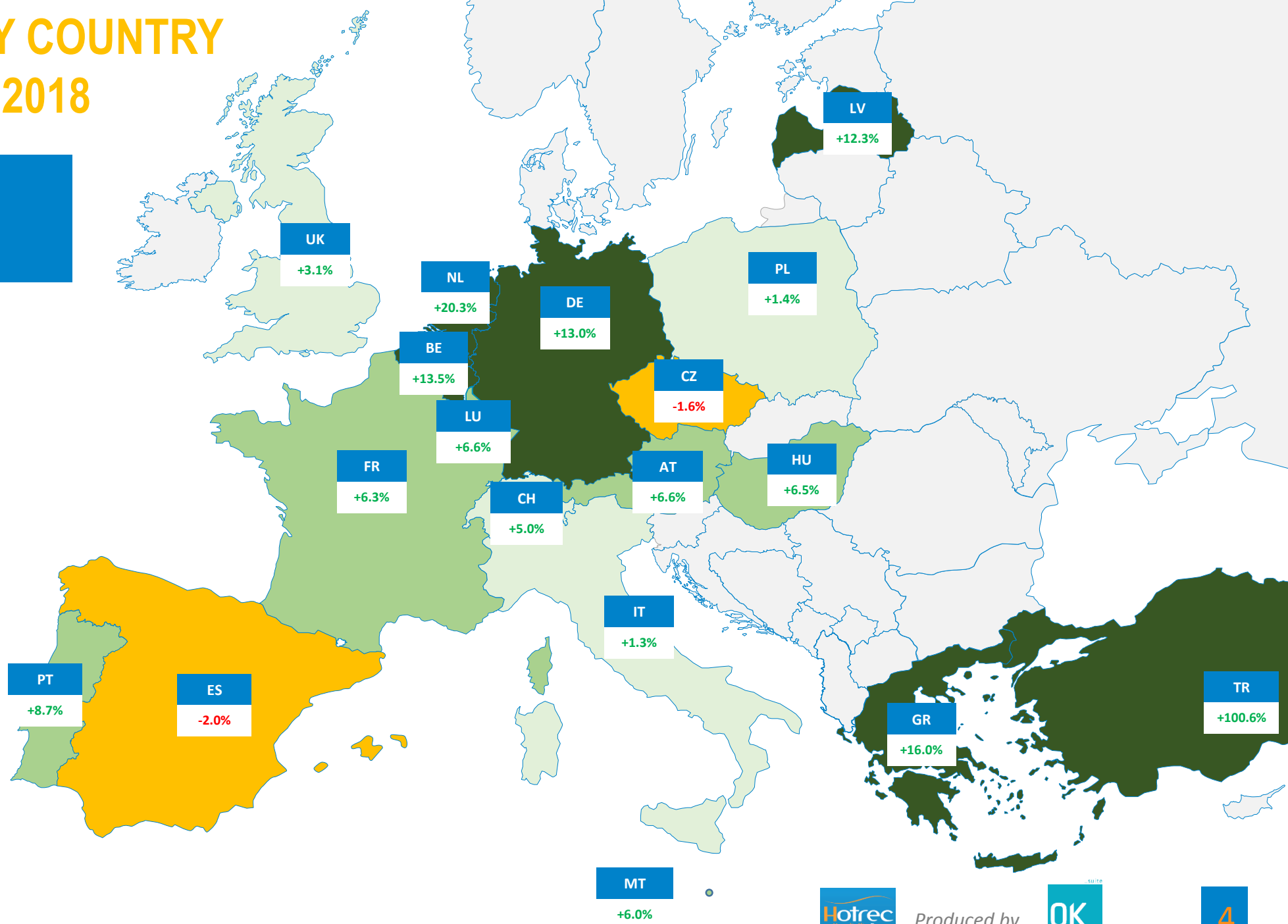
OR, ADR and RevPAR change - Last 24 months

Changes ADR   Changes OR   Changes RevPAR

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2018

**Monthly Results - RevPAR change by country
JUNE 2018 vs JUNE 2017**

**European average
+6.3%**

LV +12.3%

UK +3.1%

NL +20.3%

DE +13.0%

PL +1.4%

BE +13.5%

CZ -1.6%

LU +6.6%

FR +6.3%

AT +6.6%

HU +6.5%

CH +5.0%

IT +1.3%

PT +8.7%

ES -2.0%

TR +100.6%

GR +16.0%

MT +6.0%

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

Hotrec Hospitality Europe
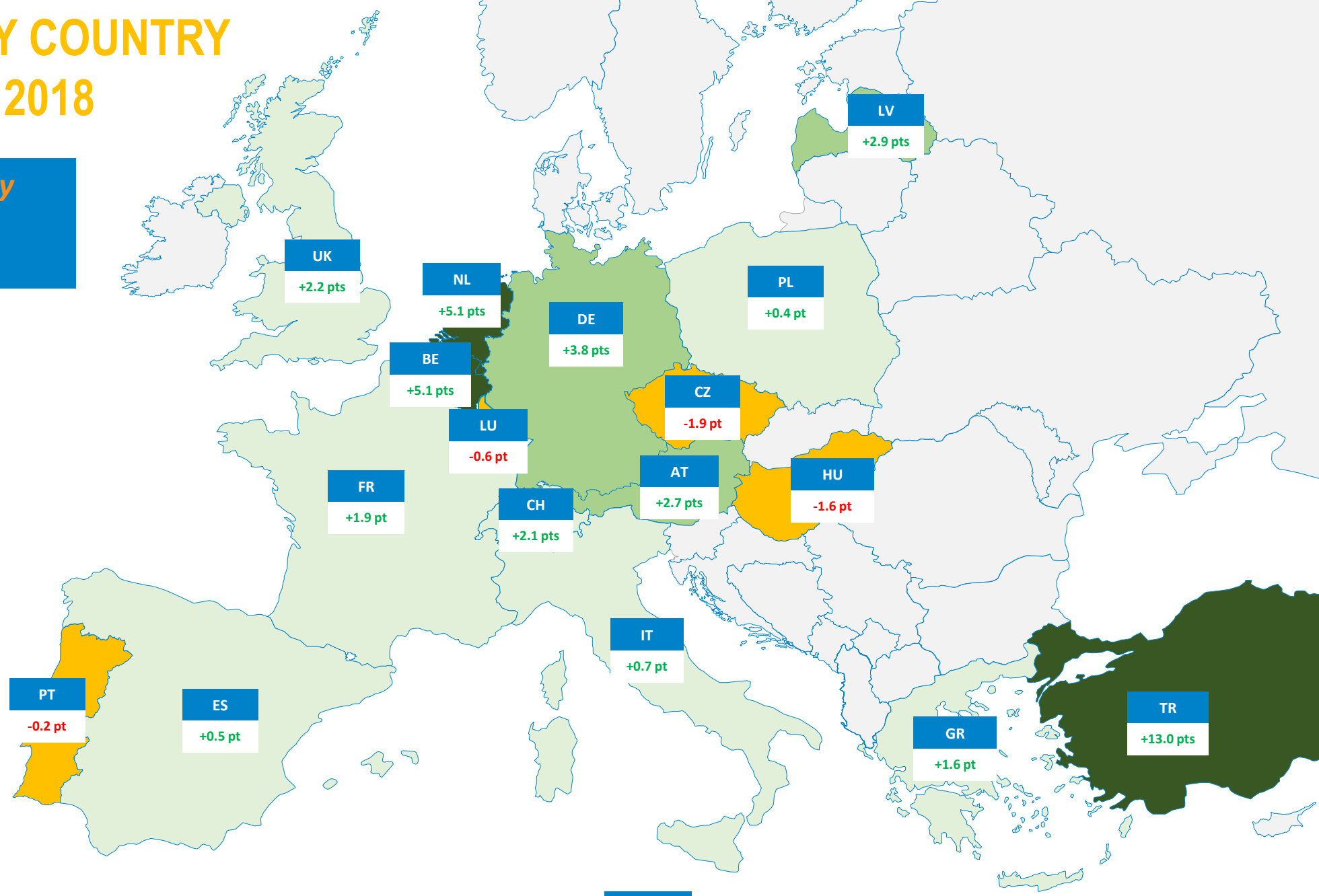
Produced by OK OLA KALA

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2018

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

European average
+2.4 pts

LV
+2.9 pts

UK
+2.2 pts

NL
+5.1 pts

PL
+0.4 pt

DE
+3.8 pts

BE
+5.1 pts

CZ
-1.9 pt

LU
-0.6 pt

AT
+2.7 pts

HU
-1.6 pt

FR
+1.9 pt

CH
+2.1 pts

IT
+0.7 pt

PT
-0.2 pt

ES
+0.5 pt

GR
+1.6 pt

TR
+13.0 pts

MT
+1.6 pt

Sup. to 5 pts

Between 2,5 and 5 pts

Between 0 and 2,5 pts

Inf. to 0 pt
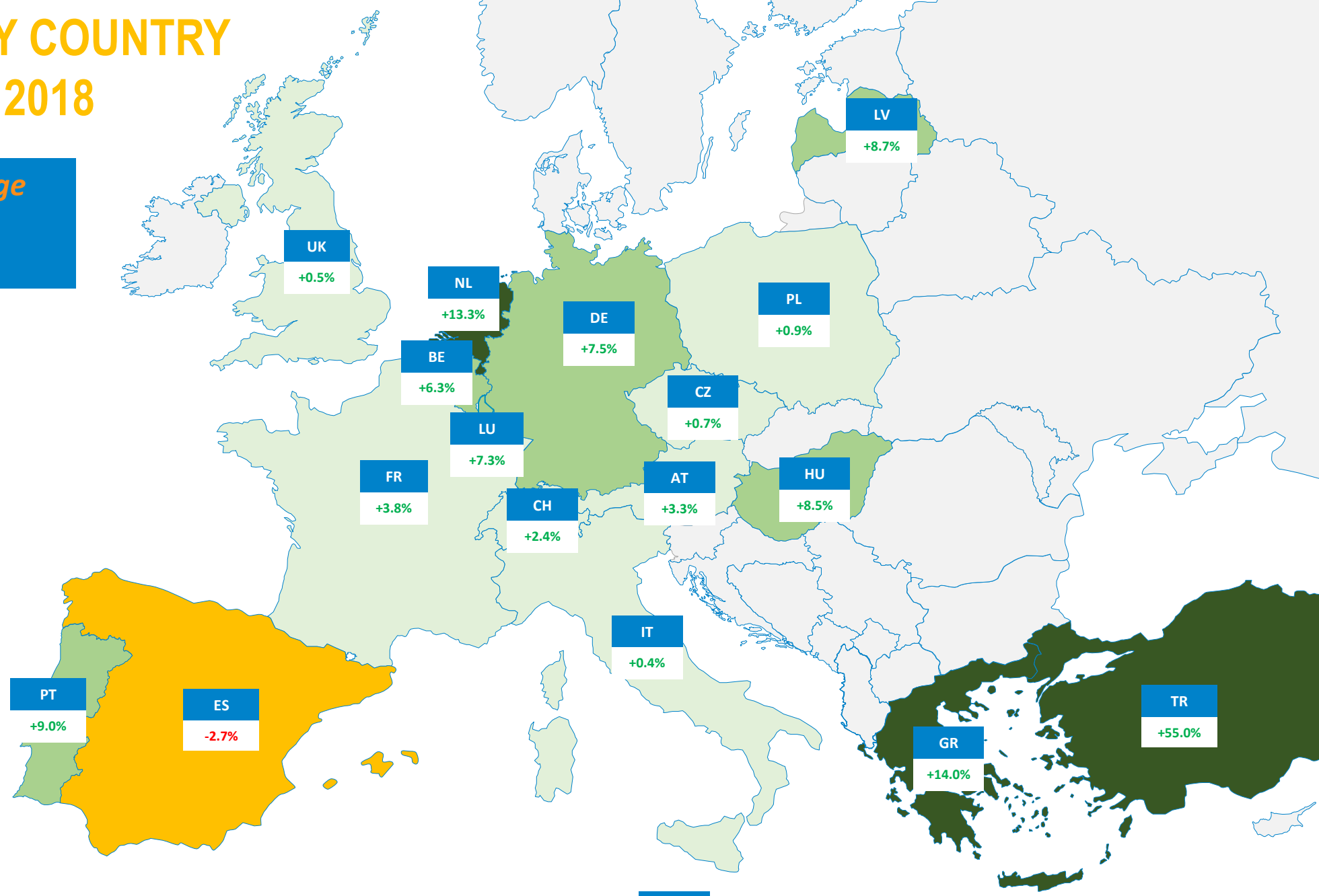
Hotrec Hospitality Europe

Produced by

OK OLA KALA

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2018

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

European average
+3.1%

LV +8.7%

UK +0.5%

NL +13.3%

DE +7.5%

PL +0.9%

BE +6.3%

CZ +0.7%

LU +7.3%

FR +3.8%

AT +3.3%

HU +8.5%

CH +2.4%

IT +0.4%

PT +9.0%

ES -2.7%

GR +14.0%

TR +55.0%

MT +3.9%

Legend

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

Hotrec Hospitality Europe
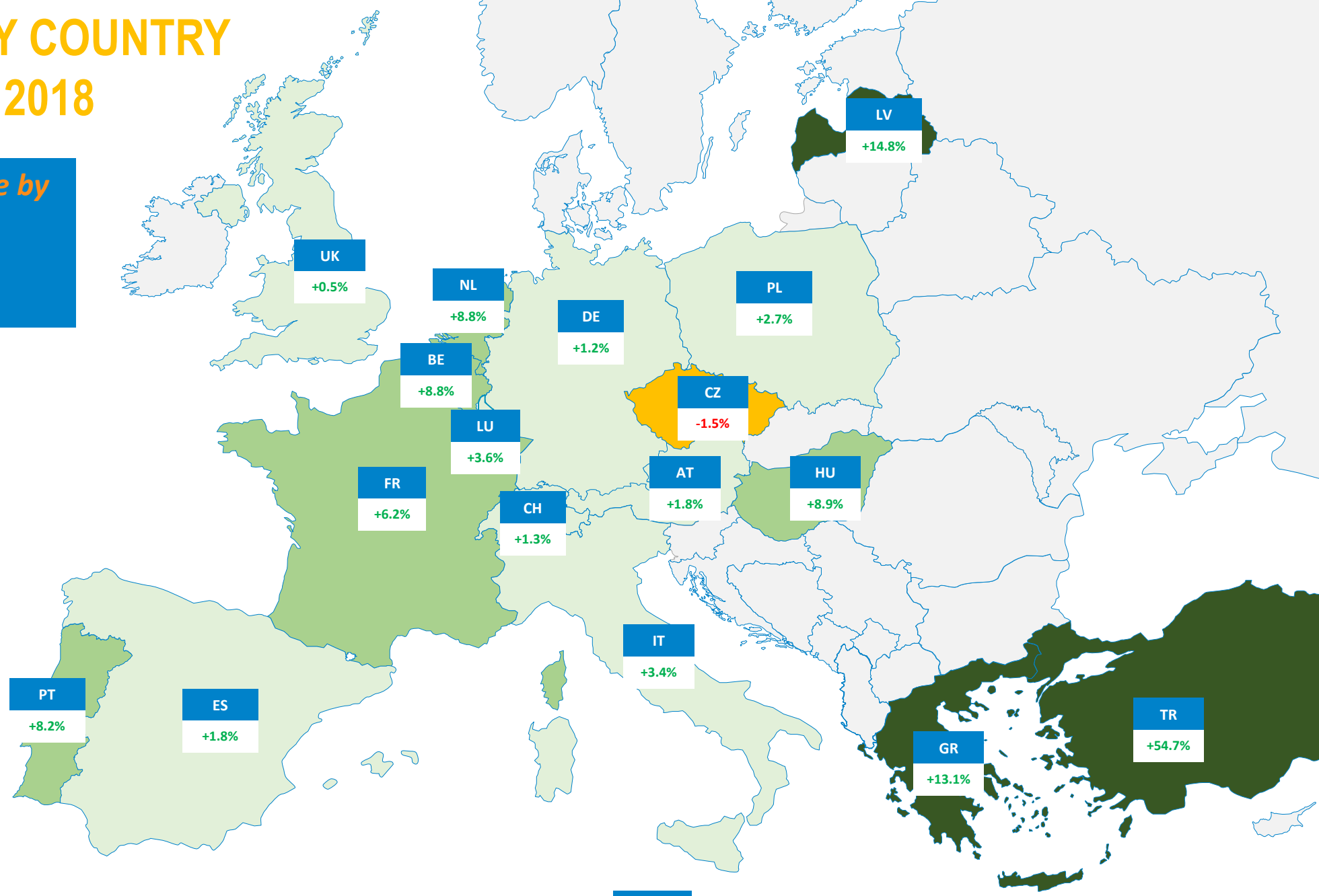
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HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2018

YTD Results - RevPAR change by country
YTD JUNE 2018 vs YTD JUNE 2017

European average
+3.4%

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

Map values:

- LV +14.8%
- UK +0.5%
- NL +8.8%
- DE +1.2%
- PL +2.7%
- BE +8.8%
- CZ -1.5%
- LU +3.6%
- FR +6.2%
- CH +1.3%
- AT +1.8%
- HU +8.9%
- IT +3.4%
- PT +8.2%
- ES +1.8%
- TR +54.7%
- GR +13.1%
- MT +0.4%

Hotrec Hospitality Europe
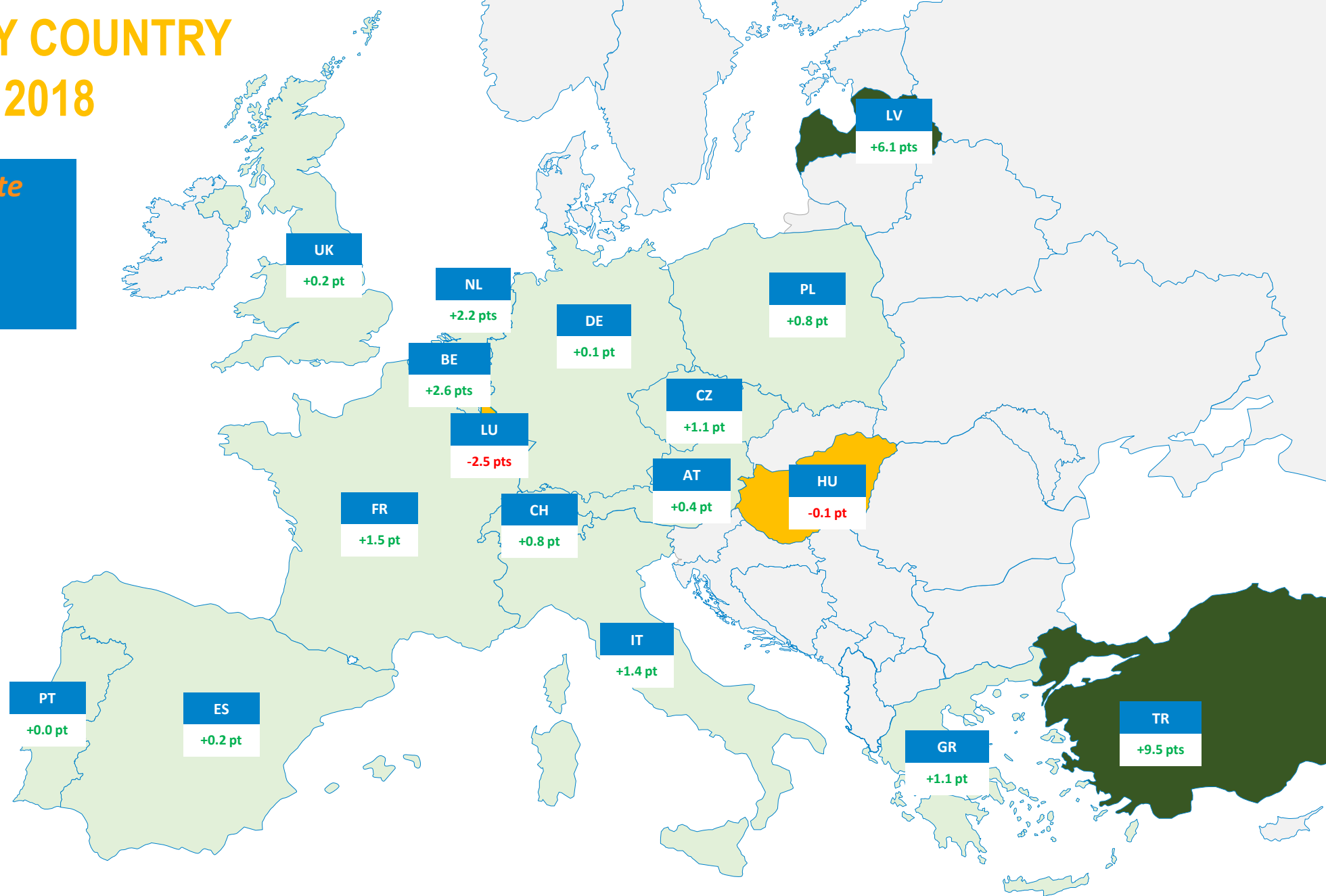
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HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2018

YTD Results – Occupancy Rate change by country
YTD JUNE 2018 vs YTD JUNE 2017

European average
+1.0 pt

LV +6.1 pts

UK +0.2 pt

NL +2.2 pts

DE +0.1 pt

PL +0.8 pt

BE +2.6 pts

CZ +1.1 pt

LU -2.5 pts

AT +0.4 pt

HU -0.1 pt

FR +1.5 pt

CH +0.8 pt

IT +1.4 pt

PT +0.0 pt

ES +0.2 pt

GR +1.1 pt

TR +9.5 pts

MT -1.8 pt

Legend

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

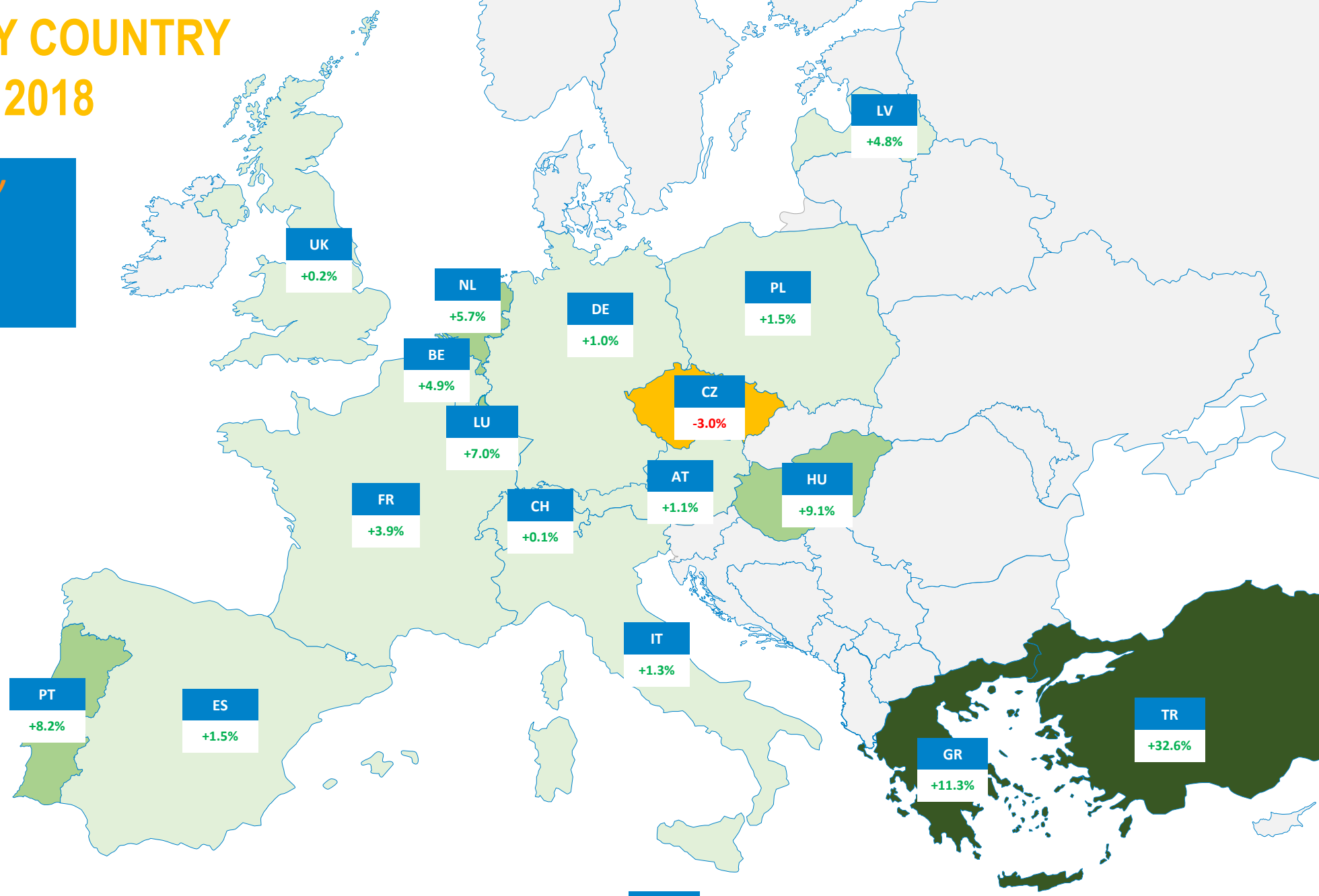Hotrec Hospitality Europe

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HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2018

YTD Results - ADR change by country
YTD JUNE 2018 vs YTD JUNE 2017

European average
+1.9%

LV
+4.8%

UK
+0.2%

NL
+5.7%

DE
+1.0%

PL
+1.5%

BE
+4.9%

CZ
-3.0%

LU
+7.0%

AT
+1.1%

HU
+9.1%

FR
+3.9%

CH
+0.1%

IT
+1.3%

PT
+8.2%

ES
+1.5%

TR
+32.6%

GR
+11.3%

MT
+3.1%

Sup. to 10%

Between 5% and 10%

Between 0% and 5%

Inf. to 0%

HEU Report

Hotrec Hospitality Europe

Produced by

OK OLA KALA

9

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.)