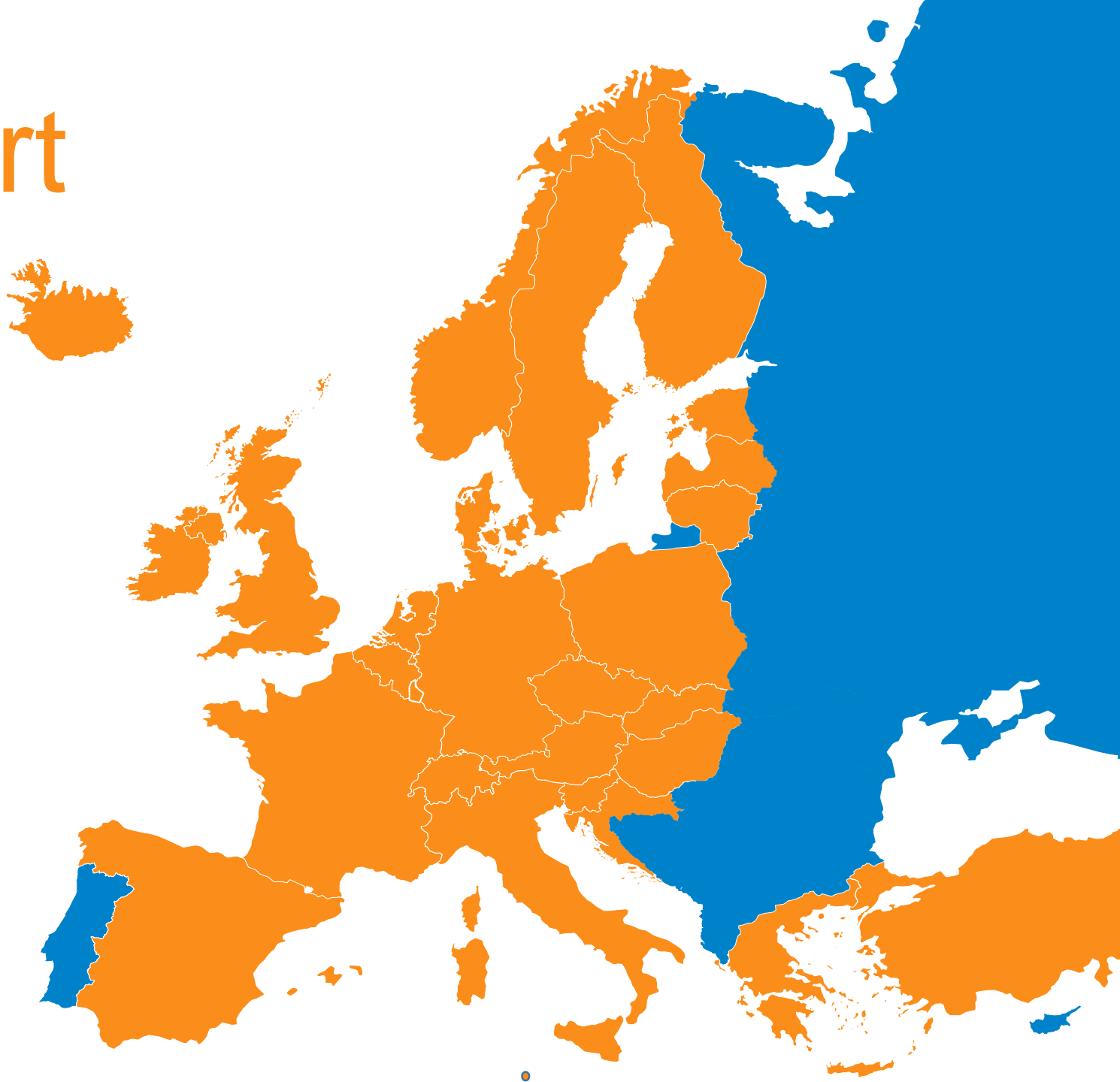# H EU Report

Europe

APRIL 2018

ANALYSIS OF HOTEL RESULTS – APRIL 2018

The business supply in full expansion in Europe's hotel industry

For the fourth consecutive month, the European hotel business recorded an increase in RevPar compared to the same period last year: +5.3% in April, after 2.6% increase in March and 5.0% in February.

This growth is mainly explained by prices, which rose sharply (+3.9% on average), from 101.1€ to 105.1€, while the occupancy rate increased slightly (+0.9 point).

The 3* hotels benefited the most from April, with a 6.1% increase in RevPAR, thanks in particular to a 4.8% increase in ADR, while the 2* hotels recorded the smallest increase (+4.7%), however results remained very positive. The lower growth in occupancy rates for the other segments explains their more modest performances.

Despite overall positive results, the European hotel business posted mixed performances in April. Austria posted a 5.8% decline in RevPAR, the largest decline in the Union, while Greece, Spain and the United Kingdom were also down on the previous year (-2.5%, -1% and -0.5% respectively). Austrian performance was negative at all levels, with the average price falling by 5.3% and the occupancy rate falling by 0.4 points. The occupancy rate fell by 5.3 points in Greece and the rest of the Mediterranean region (-2 points in Portugal, -1.2 points in Spain), which can be explained by the calendar shift of the Easter holidays, with customer peaks recorded in March. Spain also saw the Holy Week held in late March, explaining the difference between the years 2017 and 2018.

Belgium and Germany are the growth drivers in terms of RevPAR, both recording growth above 12% and performances up both in occupancy (+3.3 and +2.8 points) and rates (+7.6% and +7.4%), followed by Latvia and Luxembourg (+10.1% and +9.9% of RevPAR). In particular, business destinations are in better shape than the previous year over the same period, a trend explained by holidays in March instead of April: leisure customers having returned from holidays, business tourism is driving RevPAR up in business destinations.

France has again seen a strong increase in its RevPAR, +7.1% compared to last year, boosted by an average price 6.8% higher, reaching almost €90 excluding tax. Every month since the beginning of the year, the country has outperformed 2017. In view of the events of May (multiple bank holidays, strikes, Paris attack), we can wonder about the durability of these positive performances.

Hotrec Hospitality Europe

Produced by

OK OLA KALA

HOTEL RESULTS BY SEGMENT IN EUROPE – APRIL 2018

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

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

Note : The indicators are compared to the same period of previous year, i.e. APRIL 2018 vs NOVEMBER 2016
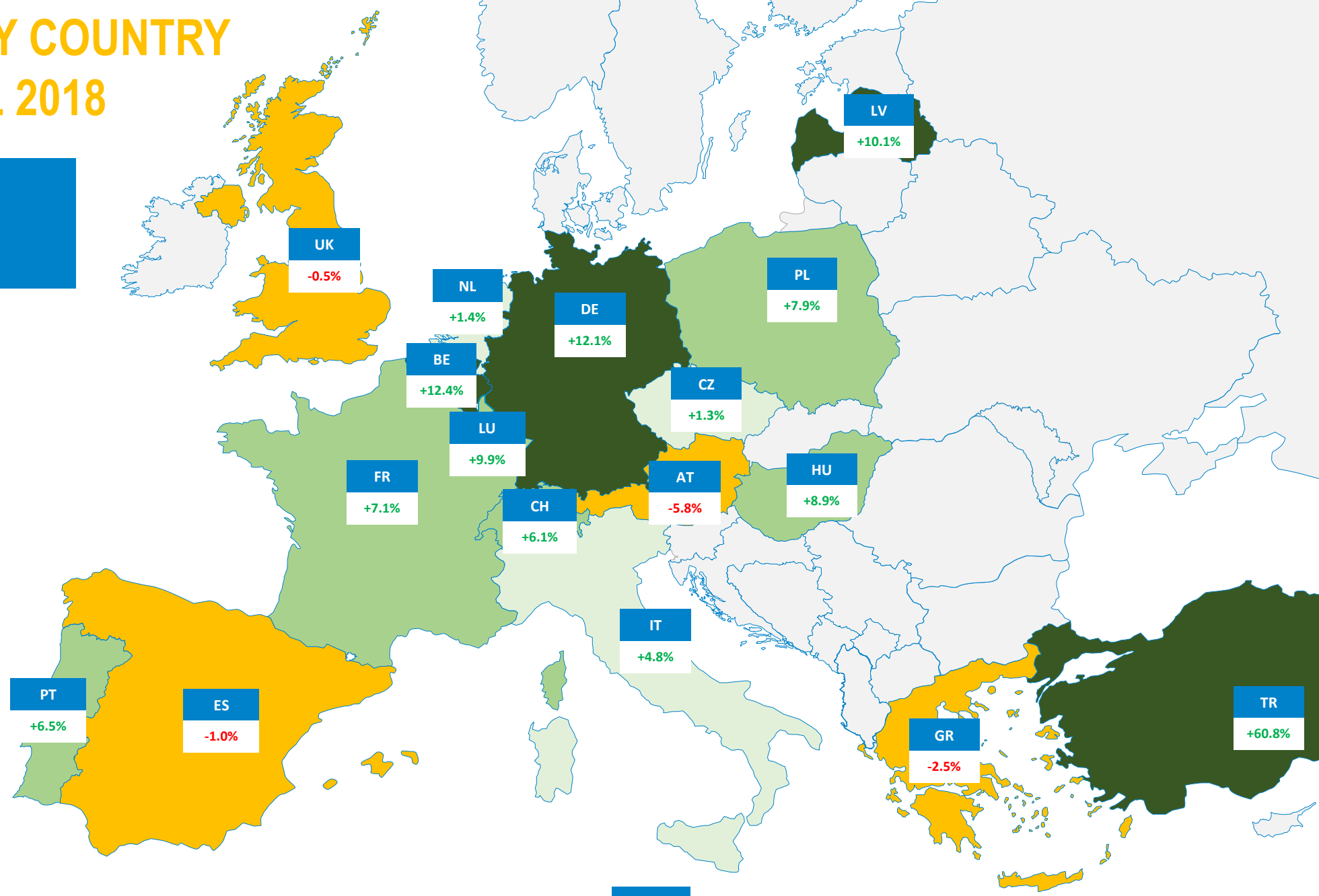
OR, ADR and RevPAR change - Last 24 months

HEU Report
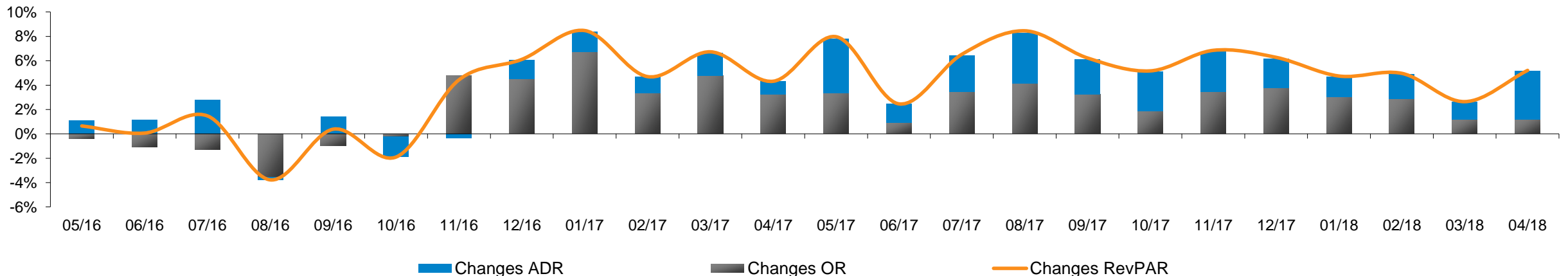
HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2018

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

European average
+5.2%

LV	+10.1%
UK	-0.5%
NL	+1.4%
PL	+7.9%
DE	+12.1%
BE	+12.4%
CZ	+1.3%
LU	+9.9%
FR	+7.1%
AT	-5.8%
HU	+8.9%
CH	+6.1%
IT	+4.8%
TR	+60.8%
PT	+6.5%
ES	-1.0%
GR	-2.5%
MT	-12.6%

Legend:
- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%
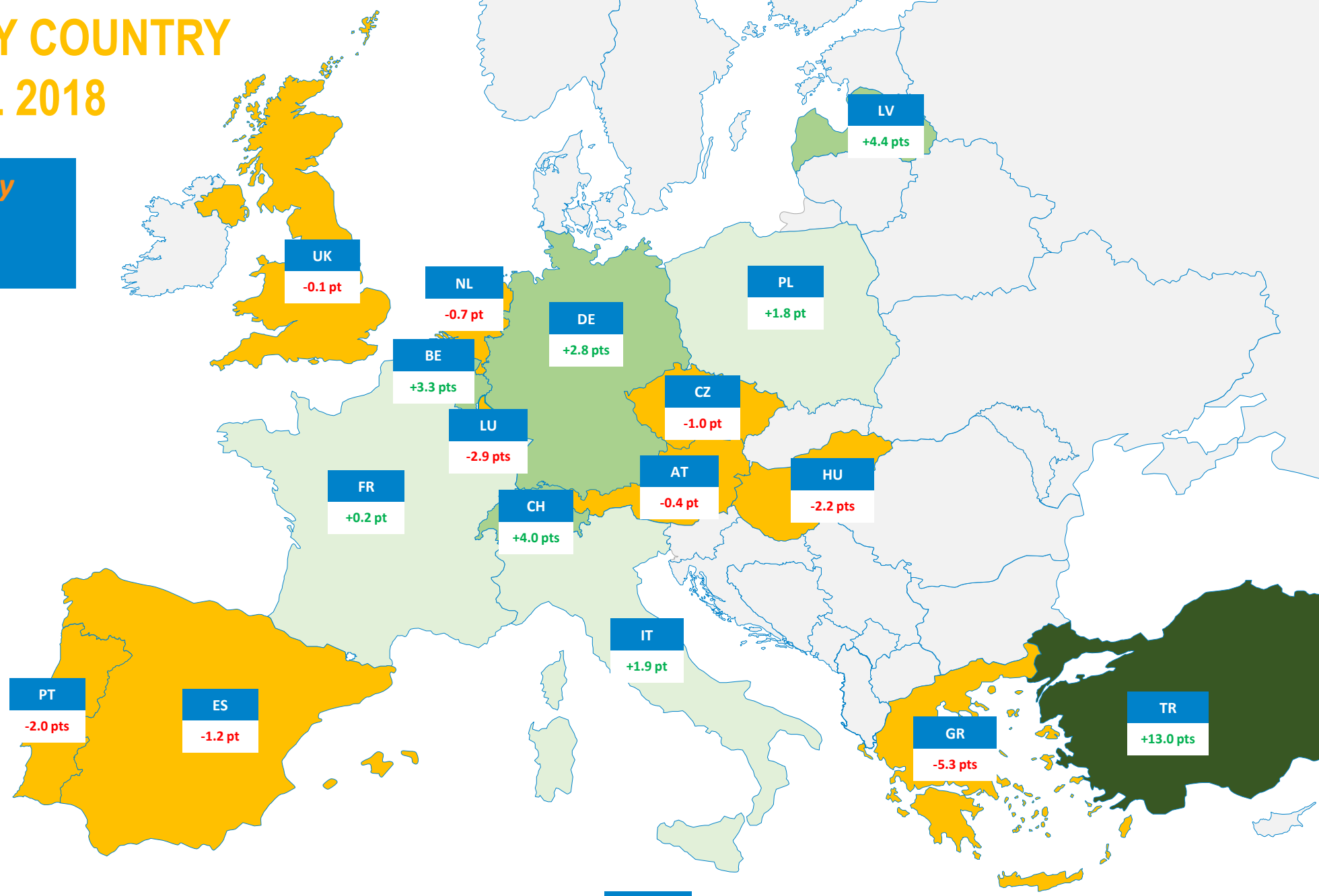
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HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2018

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

European average
+0.9 pt

Country	Value
LV	+4.4 pts
UK	-0.1 pt
NL	-0.7 pt
PL	+1.8 pt
DE	+2.8 pts
BE	+3.3 pts
CZ	-1.0 pt
LU	-2.9 pts
AT	-0.4 pt
HU	-2.2 pts
FR	+0.2 pt
CH	+4.0 pts
IT	+1.9 pt
PT	-2.0 pts
ES	-1.2 pt
TR	+13.0 pts
GR	-5.3 pts
MT	-7.1 pts

Legend:
- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt
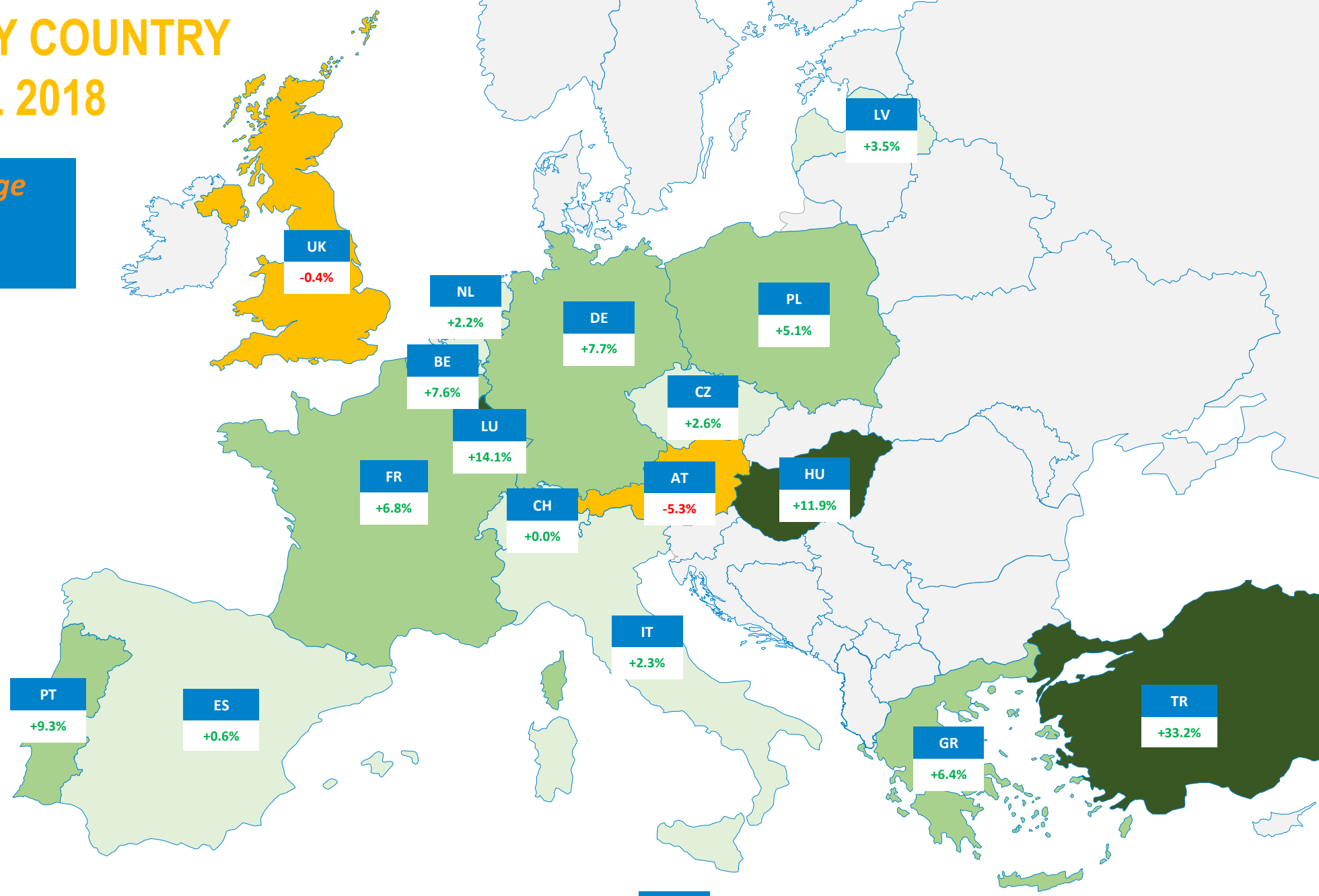
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HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2018

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

European average
+3.9%

LV	+3.5%
UK	-0.4%
NL	+2.2%
DE	+7.7%
PL	+5.1%
BE	+7.6%
CZ	+2.6%
LU	+14.1%
FR	+6.8%
AT	-5.3%
HU	+11.9%
CH	+0.0%
IT	+2.3%
TR	+33.2%
PT	+9.3%
ES	+0.6%
GR	+6.4%
MT	-3.9%

Legend:
- Sup. to 10%
- Between 5% and 10%
- Between 0% and 5%
- Inf. to 0%
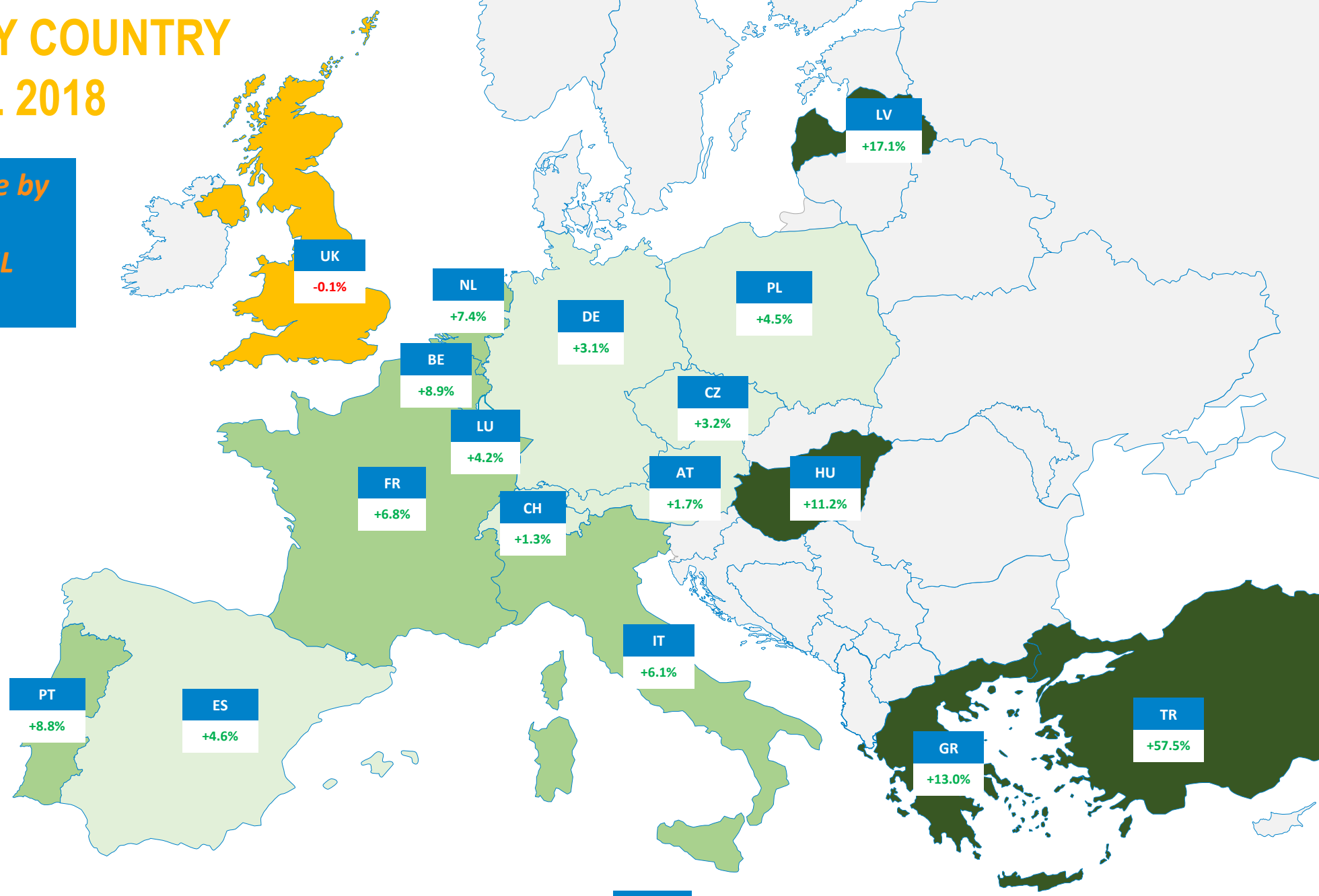
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HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2018

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

European average
+4.2%

LV
+17.1%

UK
-0.1%

NL
+7.4%

DE
+3.1%

PL
+4.5%

BE
+8.9%

CZ
+3.2%

LU
+4.2%

FR
+6.8%

CH
+1.3%

AT
+1.7%

HU
+11.2%

IT
+6.1%

PT
+8.8%

ES
+4.6%

GR
+13.0%

TR
+57.5%

MT
-5.7%

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

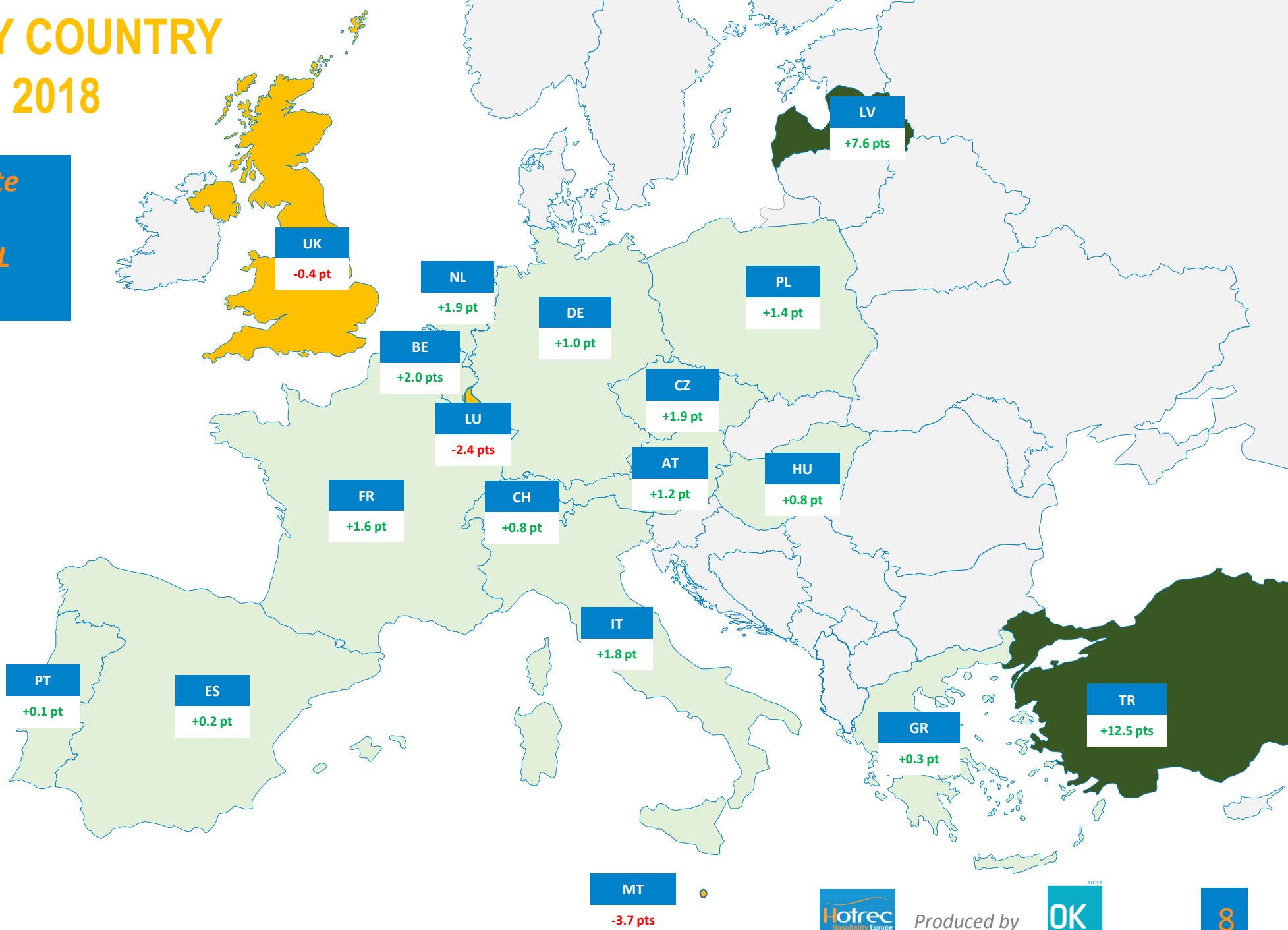Hotrec Hospitality Europe

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HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2018

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

European average
+1.3 pt

LV
+7.6 pts

UK
-0.4 pt

NL
+1.9 pt

DE
+1.0 pt

PL
+1.4 pt

BE
+2.0 pts

CZ
+1.9 pt

LU
-2.4 pts

FR
+1.6 pt

CH
+0.8 pt

AT
+1.2 pt

HU
+0.8 pt

IT
+1.8 pt

PT
+0.1 pt

ES
+0.2 pt

TR
+12.5 pts

GR
+0.3 pt

MT
-3.7 pts

Legend
- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt
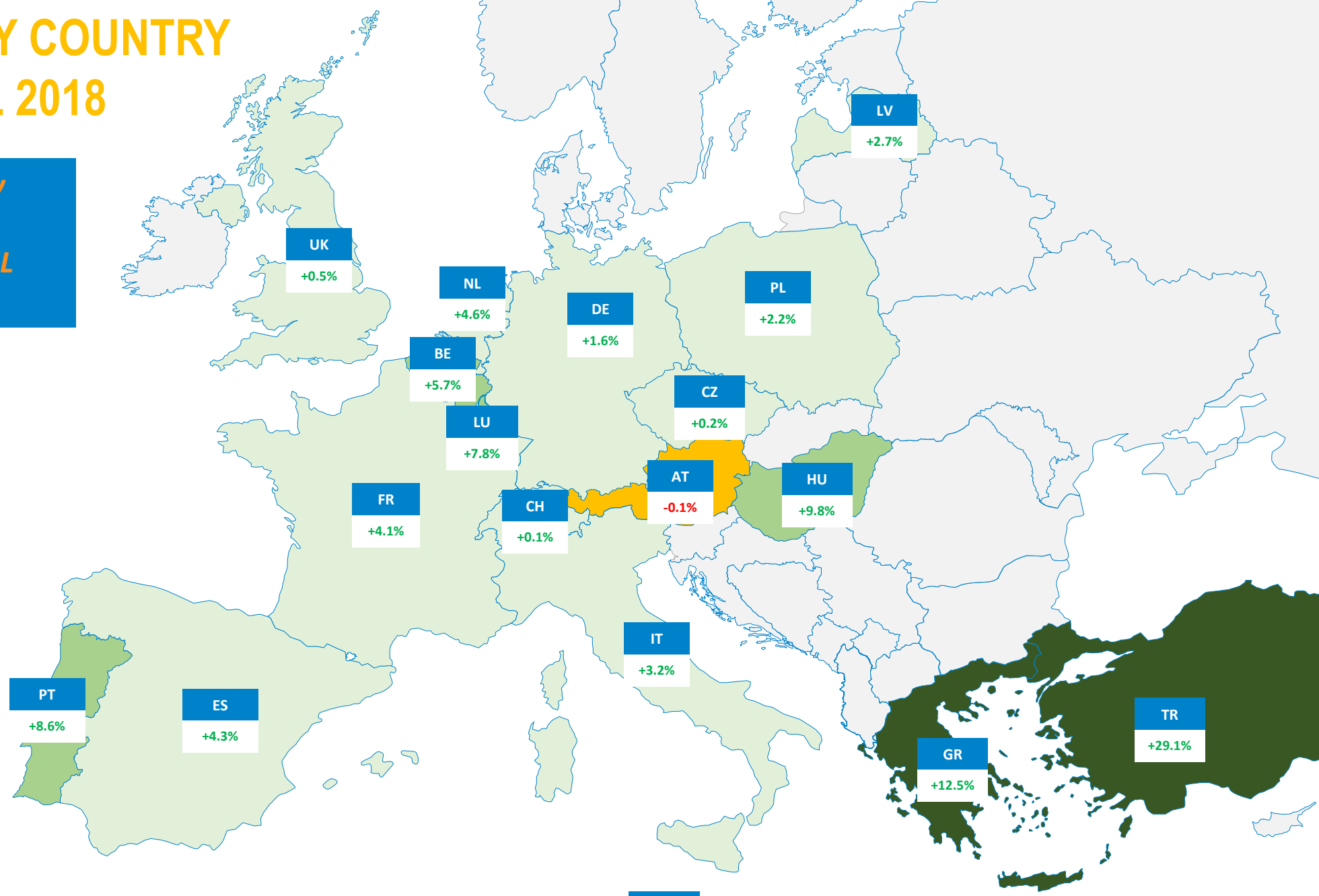
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HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2018

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

European average
+2.2%

LV +2.7%
UK +0.5%
NL +4.6%
DE +1.6%
PL +2.2%
BE +5.7%
CZ +0.2%
LU +7.8%
AT -0.1%
HU +9.8%
FR +4.1%
CH +0.1%
IT +3.2%
PT +8.6%
ES +4.3%
GR +12.5%
TR +29.1%
MT +0.1%

Sup. to 10%

Between 5% and 10%

Between 0% and 5%

Inf. to 0%

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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

- **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.)