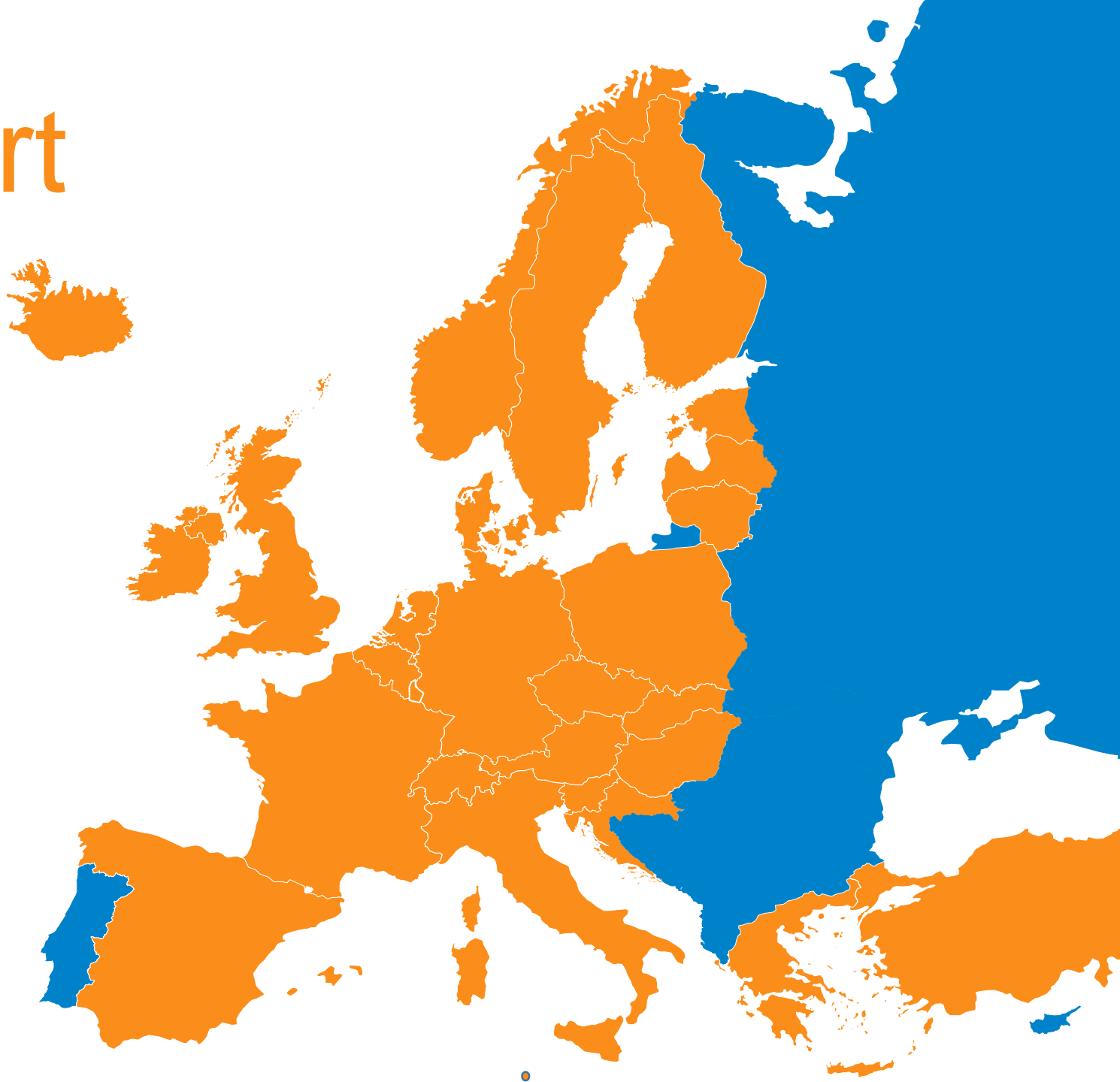# **H**EU Report

Europe

Hotrec
Hospitality Europe

MAY 2018

ANALYSIS OF HOTEL RESULTS – MAY 2018

European hotel industry stopped in its tracks?

While it started the year off well, the European hotel industry is being held back by a declining RevPAR this month.

After recording a positive change in RevPAR by +2.6% in March and +5.2% in April, the European hotel industry is facing an initial mild blow by posting -0.8% on the indicator.

All segments saw a decline in their occupancy rate, leading to an overall drop by -0.9 point. The 4* hotels were the most affected: they recorded respective decreases by -1.4 points in their occupancy rate, resulting in RevPARs down by -2.4%. Average daily rates remained slightly down for the 4* (-0.6%). The 3* and 5* hotels, with a stabilization in occupancy rate (-0.2 point) saw its prices increase by +1.5%, resulting in a RevPAR up +1.3%.

May was not a good month for Germany, which saw a significant decline in performance: -14.4% due to a combined decline in occupancy (-6.6 points) and average daily rates (-6.5%). Its neighbors the Czech Republic and Austria follow the same trend but at a lower intensity. Austria recorded a -3.1% decline in RevPAR, due to a -4.2 point drop in occupancy rates, while the Czech Republic suffered a 6.2% drop in average daily rates, explaining the -6.6% decline in RevPAR.

Portugal, Hungary and Greece, on the other hand, posted notable performances with more than 6% growth in RevPAR, due solely to a rise in average daily rates for Hungary (+9.3%) and Portugal (+7.3%), which saw a massive influx of foreign investors, while Greece owes its growth to the rise in occupancy rate (+2.5 points) and average daily rates (+5.5%).

Both France and the Netherlands expect average growth in RevPAR by +4.3% each thanks to a combined increase in the other two indicators. While French growth in performance is weaker than a month ago when we saw impressive growth in RevPAR (+7.1%), France has weathered the episode of strikes and long weekends rather well. Spain was impacted by a -1.1 point decrease in the occupancy rate, resulting in a -1.1% decline in RevPAR. The United Kingdom, meanwhile, posted timid growth in RevPAR (+0.4%) thanks to an occupancy rate up +1.5 points.
At the top of the table, Latvia shows dynamism with +14.8% growth in its RevPAR thanks to +3.6 points growth in occupancy rate and +9.6% in prices.
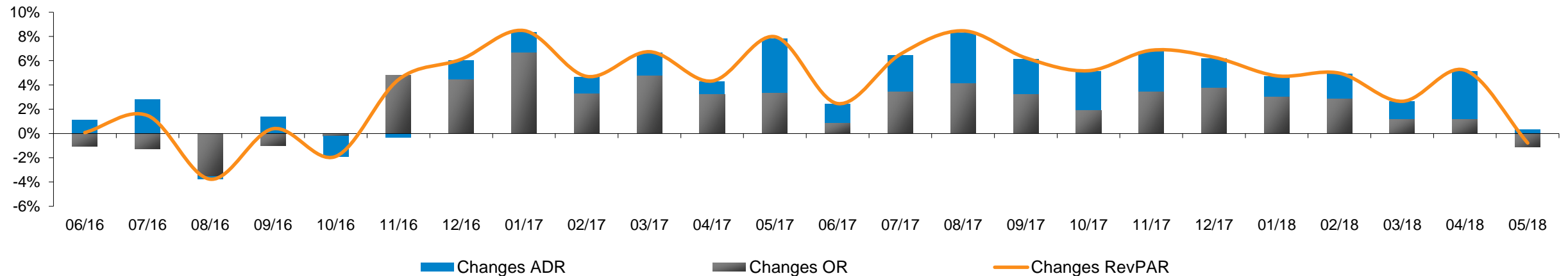
HOTEL RESULTS BY SEGMENT IN EUROPE – MAY 2018

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

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

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

OR, ADR and RevPAR change - Last 24 months

Legend: Changes ADR — Changes OR — Changes RevPAR
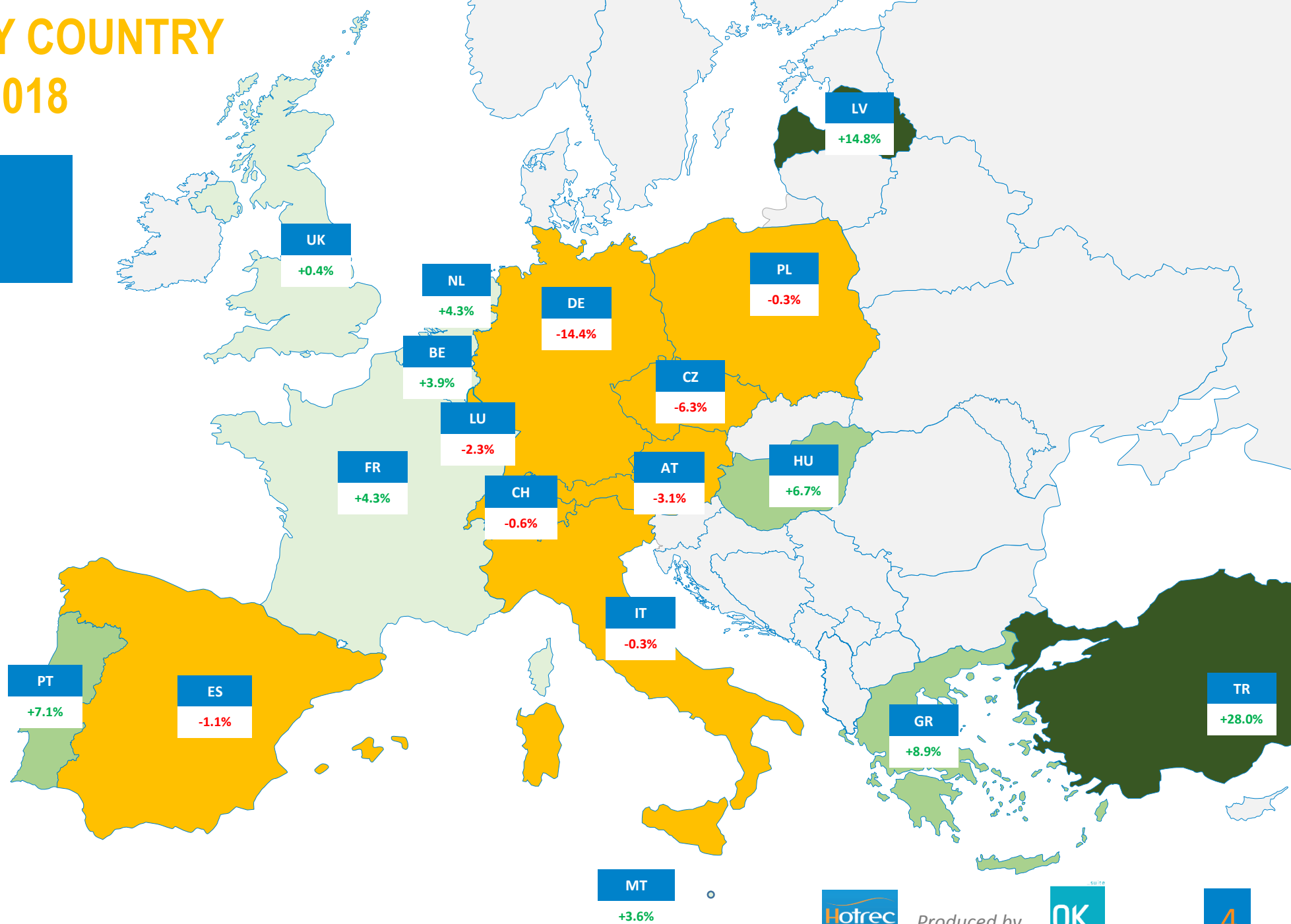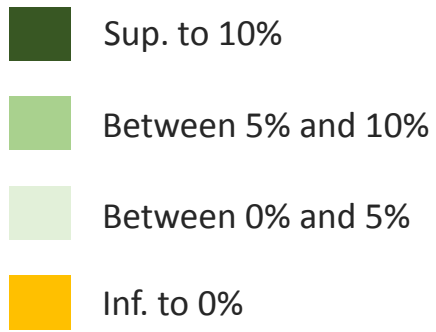
HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2018

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

European average
-0.8%

LV +14.8%

UK +0.4%

NL +4.3%

DE -14.4%

PL -0.3%

BE +3.9%

CZ -6.3%

LU -2.3%

FR +4.3%

CH -0.6%

AT -3.1%

HU +6.7%

IT -0.3%

PT +7.1%

ES -1.1%

GR +8.9%

TR +28.0%

MT +3.6%

Sup. to 10%

Between 5% and 10%

Between 0% and 5%

Inf. to 0%

HEU Report

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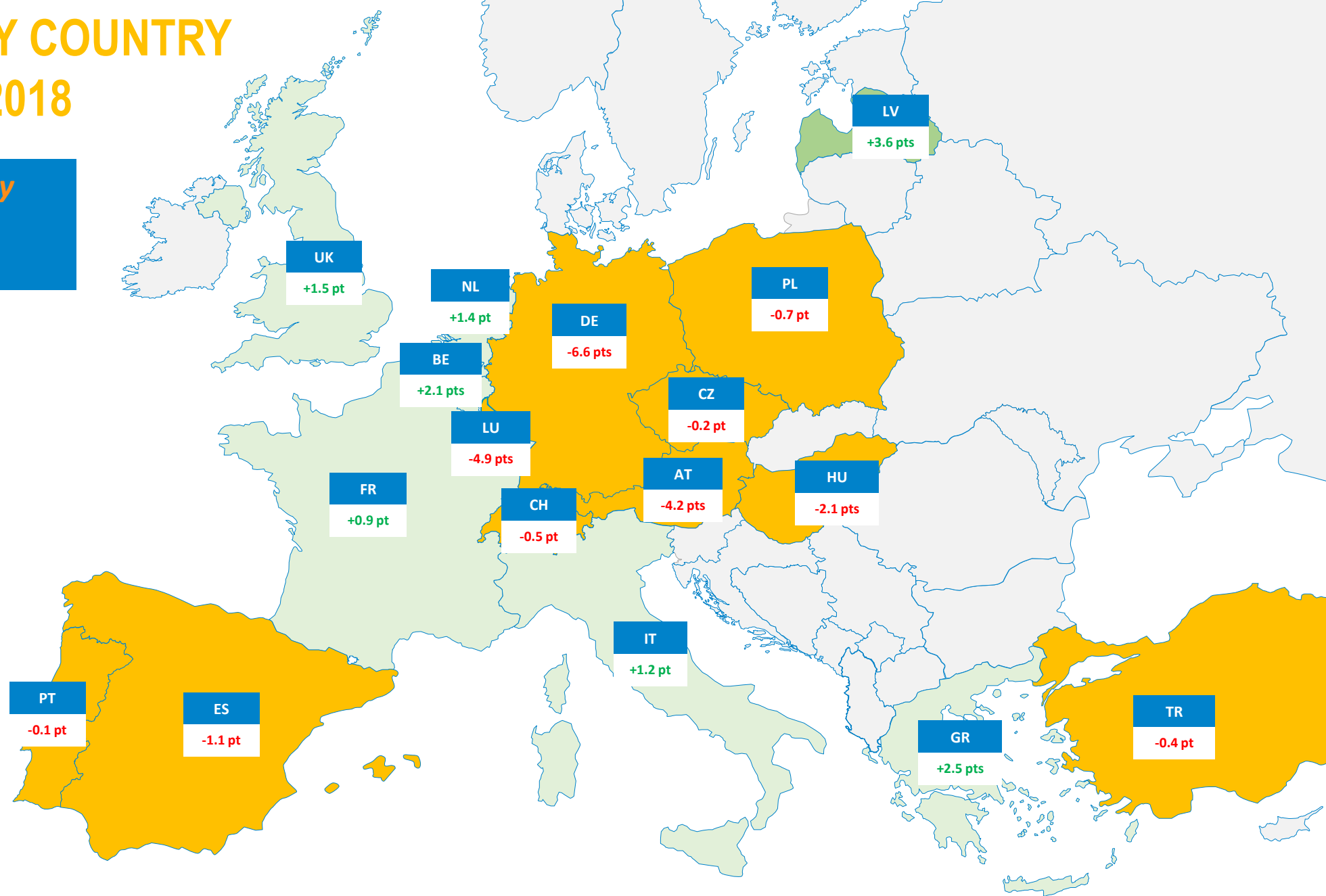
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HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2018

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

European average
-0.9 pt

Country	Value
LV	+3.6 pts
UK	+1.5 pt
NL	+1.4 pt
DE	-6.6 pts
PL	-0.7 pt
BE	+2.1 pts
CZ	-0.2 pt
LU	-4.9 pts
AT	-4.2 pts
HU	-2.1 pts
FR	+0.9 pt
CH	-0.5 pt
IT	+1.2 pt
PT	-0.1 pt
ES	-1.1 pt
GR	+2.5 pts
TR	-0.4 pt
MT	-0.3 pt

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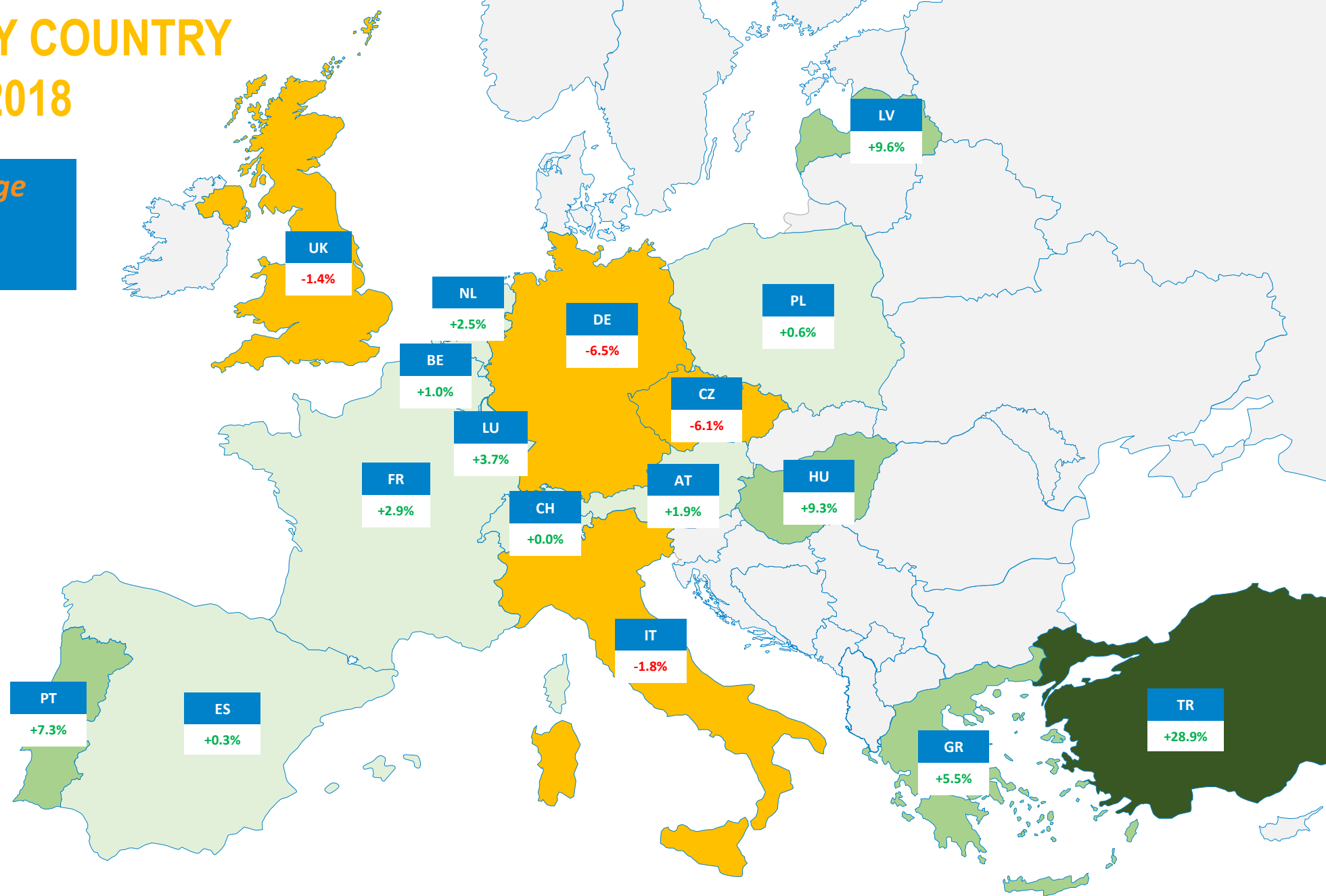
HEU Report

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HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2018

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

European average
+0.4%

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

LV +9.6%
UK -1.4%
NL +2.5%
DE -6.5%
PL +0.6%
BE +1.0%
CZ -6.1%
LU +3.7%
FR +2.9%
CH +0.0%
AT +1.9%
HU +9.3%
IT -1.8%
PT +7.3%
ES +0.3%
GR +5.5%
TR +28.9%
MT +4.0%

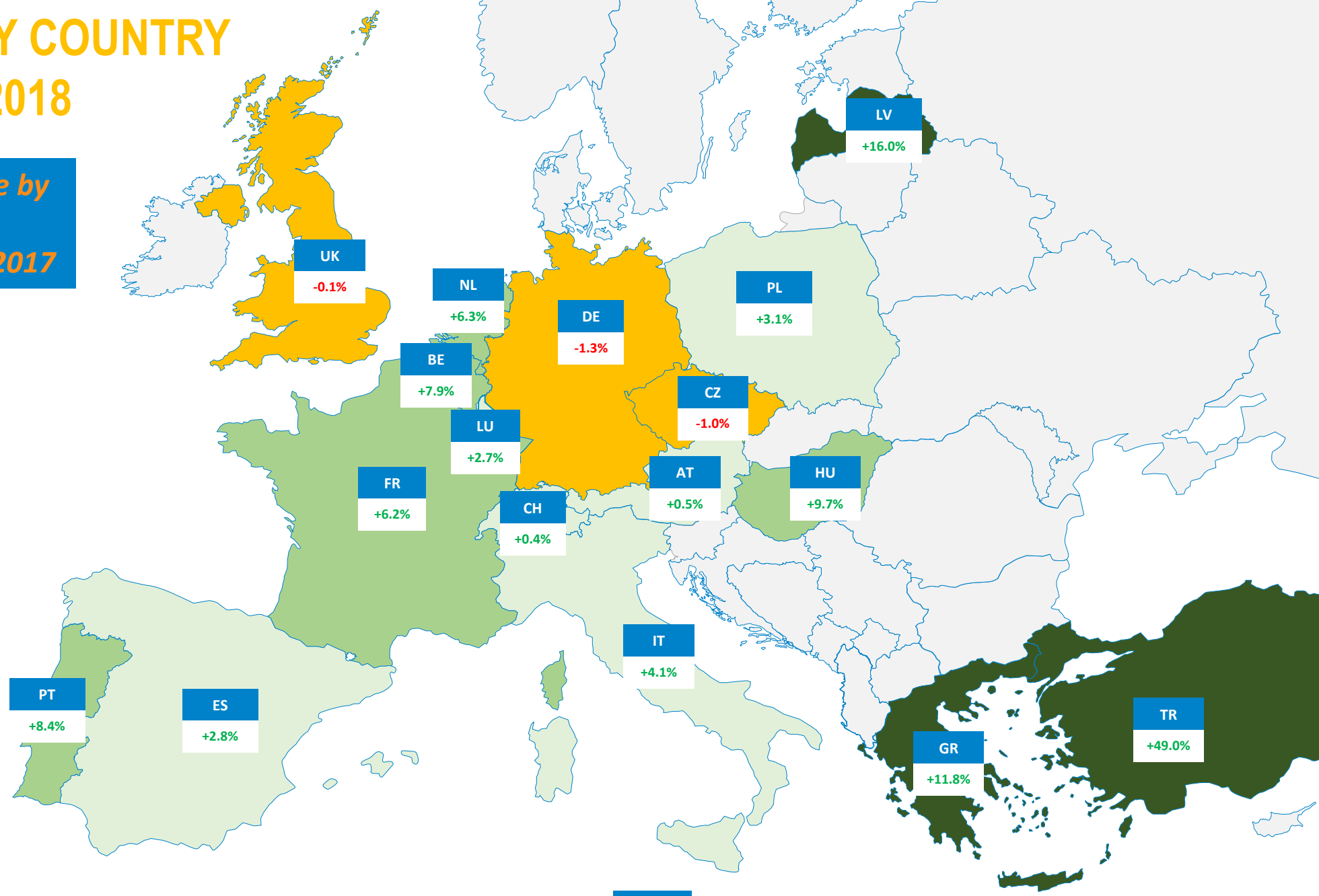Hotrec Hospitality Europe   Produced by   OK OLA KALA

HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2018

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

European average
+2.7%

LV
+16.0%

UK
-0.1%

NL
+6.3%

DE
-1.3%

PL
+3.1%

BE
+7.9%

CZ
-1.0%

LU
+2.7%

FR
+6.2%

AT
+0.5%

HU
+9.7%

CH
+0.4%

IT
+4.1%

PT
+8.4%

ES
+2.8%

TR
+49.0%

GR
+11.8%

MT
-2.2%

Sup. to 10%

Between 5% and 10%

Between 0% and 5%

Inf. to 0%

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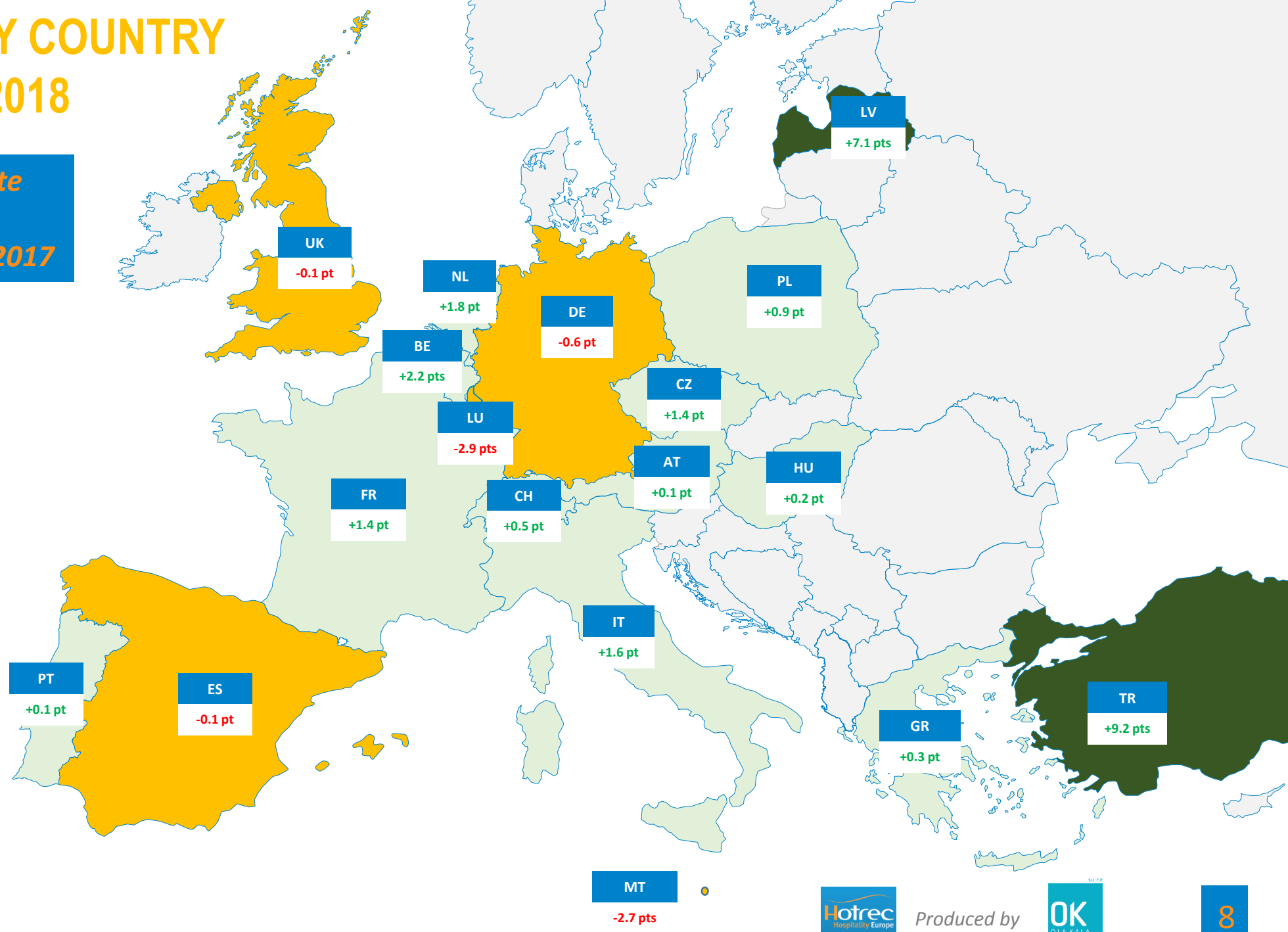
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HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2018

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

European average
+0.7 pt

LV
+7.1 pts

UK
-0.1 pt

NL
+1.8 pt

DE
-0.6 pt

PL
+0.9 pt

BE
+2.2 pts

CZ
+1.4 pt

LU
-2.9 pts

AT
+0.1 pt

HU
+0.2 pt

FR
+1.4 pt

CH
+0.5 pt

IT
+1.6 pt

PT
+0.1 pt

ES
-0.1 pt

TR
+9.2 pts

GR
+0.3 pt

MT
-2.7 pts

Sup. to 5 pts

Between 2,5 and 5 pts

Between 0 and 2,5 pts

Inf. to 0 pt

HEU Report

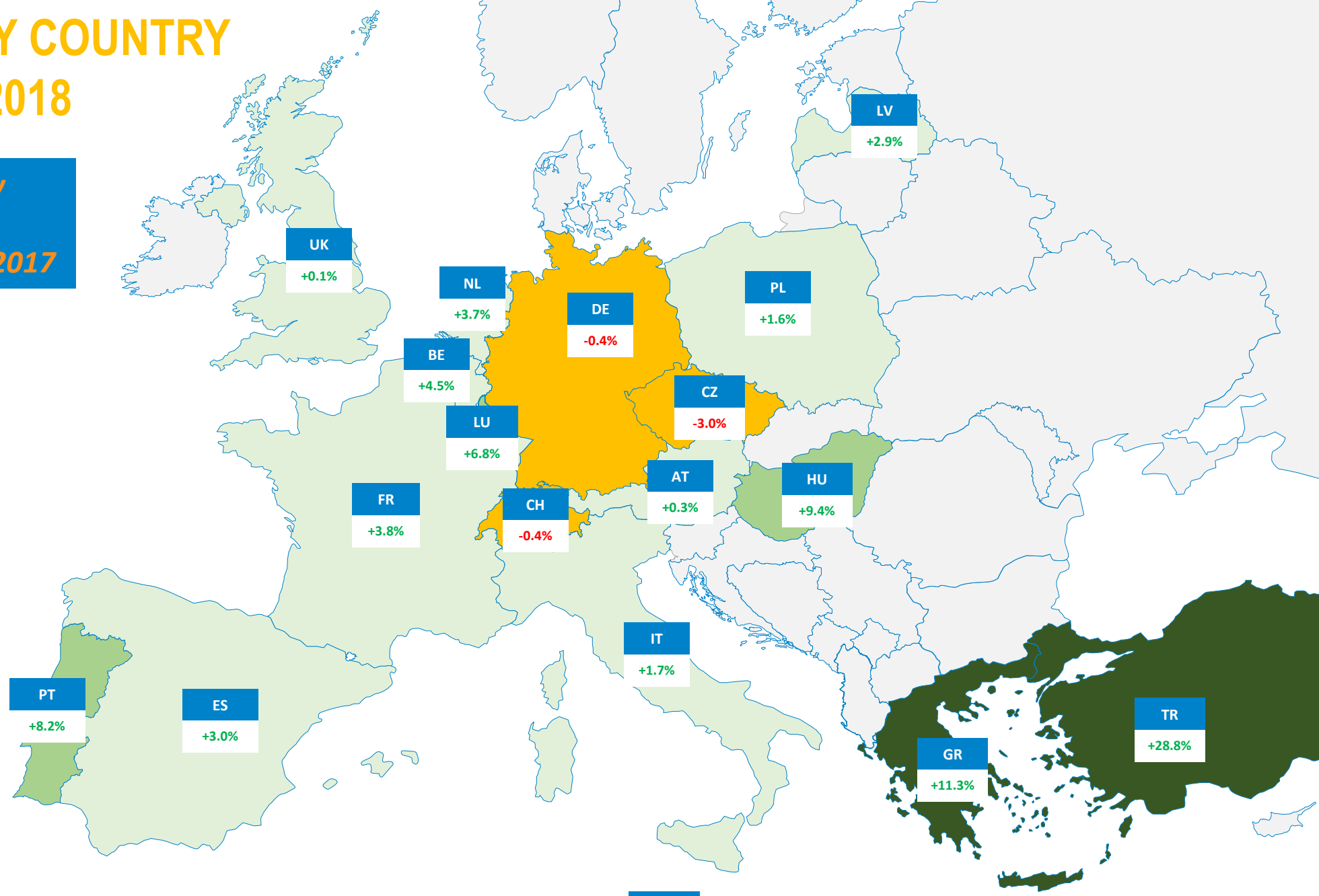Hotrec
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OK
OLA KALA

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HOTEL RESULTS BY COUNTRY IN EUROPE – MAY 2018

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

European average
+1.6%

LV +2.9%
UK +0.1%
NL +3.7%
DE -0.4%
PL +1.6%
BE +4.5%
CZ -3.0%
LU +6.8%
AT +0.3%
HU +9.4%
FR +3.8%
CH -0.4%
IT +1.7%
PT +8.2%
ES +3.0%
TR +28.8%
GR +11.3%
MT +1.9%

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

- **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.)