

H EU Report

Europe



APRIL 2019



ANALYSIS OF HOTEL RESULTS – APRIL 2019

The sun rises on European hoteliers

In April 2019, hoteliers are smiling again in Europe. Overall, with a RevPAR at +5.3%, no indicator is in the red. The 3* segment performed best with +4.7% in RevPAR, driven by steady price increases +2.7% and an increase in occupancy rate. The OR increased by +1.4 points.

Hoteliers thus see their indicators progress by +0.6 points in terms of OR, +2.4% for average daily rates for a RevPAR up by +3.3%. Spring school holidays were beneficial to them

Year to date, the trend is also positive with a RevPAR up +2.4% for average daily rates up +2.1% and an OR that is steady at +0.2 point. The ranking of RevPAR growth is led by the 3* (+3.3%) followed by the 4* (+2.3%), 2* (+2.1%) and 5* (+1.2%).

Once again, Austria posted impressive performances with a RevPAR up +18.2% over the last 12 months, with this indicator performing +11.7%. However, after several months of maintaining average daily rates, hoteliers are increasing their rates as they did in March, for a +14.7% increase. The occupancy rate rose a further 2.5 points to 82.5%. However, it should be noted that there was a slight drop in OR in the mid scale hotel, with a 0.5 point decline in April 2019. April was a busy month at Easter with the Vienna market, exceptional concerts and also the marathon in the capital. In addition to this leisure calendar, the International Liver Congress was held from 10 to 14 April and also provided the MICE nights. The Netherlands returns to the growth track after a few mediocre months. The drop in average daily rates in March was not prolonged and instead ADR were up +5.1% to revive the RevPAR which rose +6%. The OR rose a timid 0.7 point. France progressed one again with the strongest growth in OR across the board with +2.8 points, for 71.5%. The RevPAR gained ground with +4.1%.

Hoteliers were prudent and kept their ADRs so stimulate leisure clientele to visit the destination during the holiday period. Once again, a symposium, the Congress of General Practice France which was held April 4 to 6 and other professional fairs such as Produrable have also provided hoteliers in the Ile de France with MICE clientele. Hungary, Luxembourg, Portugal, Czech Republic Greece and Italy all post a that is up, nonetheless, while some OR and ADR are up, for others the growth is more fragile.

April marks the return of growth in arrivals in Greece with an +2.8 points or 65.6 % (best increase in OR on the panel with France). The beginning of the year was sluggish, and the RevPAR returned to growth at +3.3%, with Greek hotels maintaining slightly lower prices at -1.1%. Luxembourg also saw its occupancy rate grow by +2.7 points to 78.4%. Prices stabilized with +0.3 point (after 11 consecutive months of growth in ADR) leading to a RevPAR up by +3.9%. The Czech Republic grew in occupancy by +1.3 point (77.1%) with ADR up by +1.8% for a RevPAR up +3.6%. Italy also maintains its occupancy rate at +0.9 point with ADR up by +1.7% for a RevPAR up +3.0%. Destinations that maintain their revenues by increasing prices follow. Hungary loses -1.6 points for its occupancy rate (80.3%) with average daily rates up by +6.0% the second strongest growth in the panel. The RevPAR thus grew in April by +3.9%. The same is true for Portugal where the occupancy stagnates at -0.3 point (73.5%) with growth in the ADR by +4.1% for a RevPAR up +3.7%. Occupancy down -1.2 point (73.5%) and +2.5% for the ADR make it possible to maintain the RevPAR at +0.9% in Spain. The economy segment comes out with +2 points occupancy rate while the midscale is down -1.8 point and the upscale slips -1.7 point for poorer results in April. It comes as no surprise that the capital of Madrid shows the strongest drop in RevPAR by -12.3%.

Germany is also in the green thanks to prices up +4.3%, occupancy is down -1.8 point (69.7%) for a RevPAR at +1.7%. All segments are affected by this drop with -2.6 points for the midscale, -1.6 point for economy and -0.1 point for upscale.

Timid performances for the United Kingdom with stagnation in occupancy by -0.4 point despite a slight drop in prices by -0.2% / The RevPAR thus lost -0.7%. All segments are impacted by this slight drop in RevPAR, with occupancy up slightly in the upscale by +0.1 point while there is a slight slump in the economy segment which is down -0.5 points and the midscale which is down -0.2 point. Poland and Latvia lose -2.3% and -4.2% in their RevPAR respectively, with a drop in occupancy by -1.7 point in Poland and -3.4 points in Latvia. Average daily rates remain stable at +0.6% in Latvia and +0.1% in Poland.

Belgian hoteliers continue to see their ADR drop by -8.1% despite a recovery in terms of occupancy rate by +1.9 point. The RevPAR thus thus lost -5.9%. Occupancy dropped in Antwerp whereas it grew in Brussels, Ghent and Liege. Occupancy rates across all segments are up. A positive month of April suggests the recovery should be confirmed in the weeks and months to come after an already satisfying year 2018 in terms of performances.

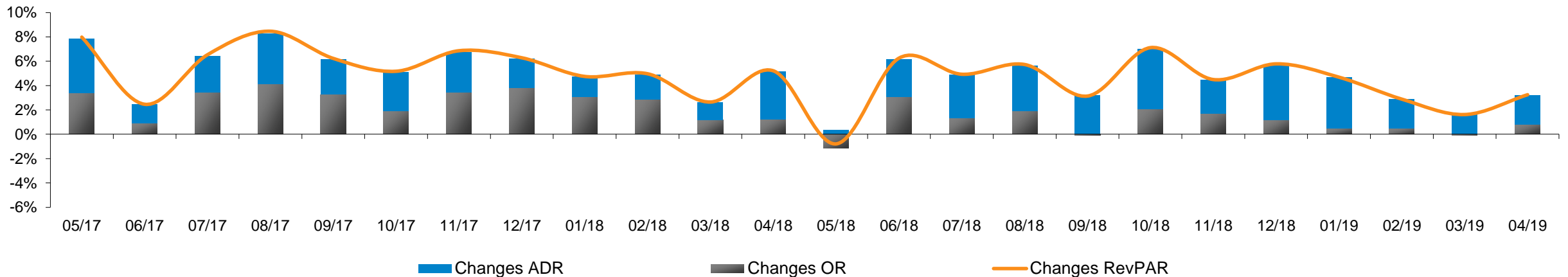
HOTEL RESULTS BY SEGMENT IN EUROPE – APRIL 2019

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

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

Note : The indicators are compared to the same period of previous year, i.e. APRIL 2019 vs APRIL 2018

OR, ADR and RevPAR change - Last 24 months

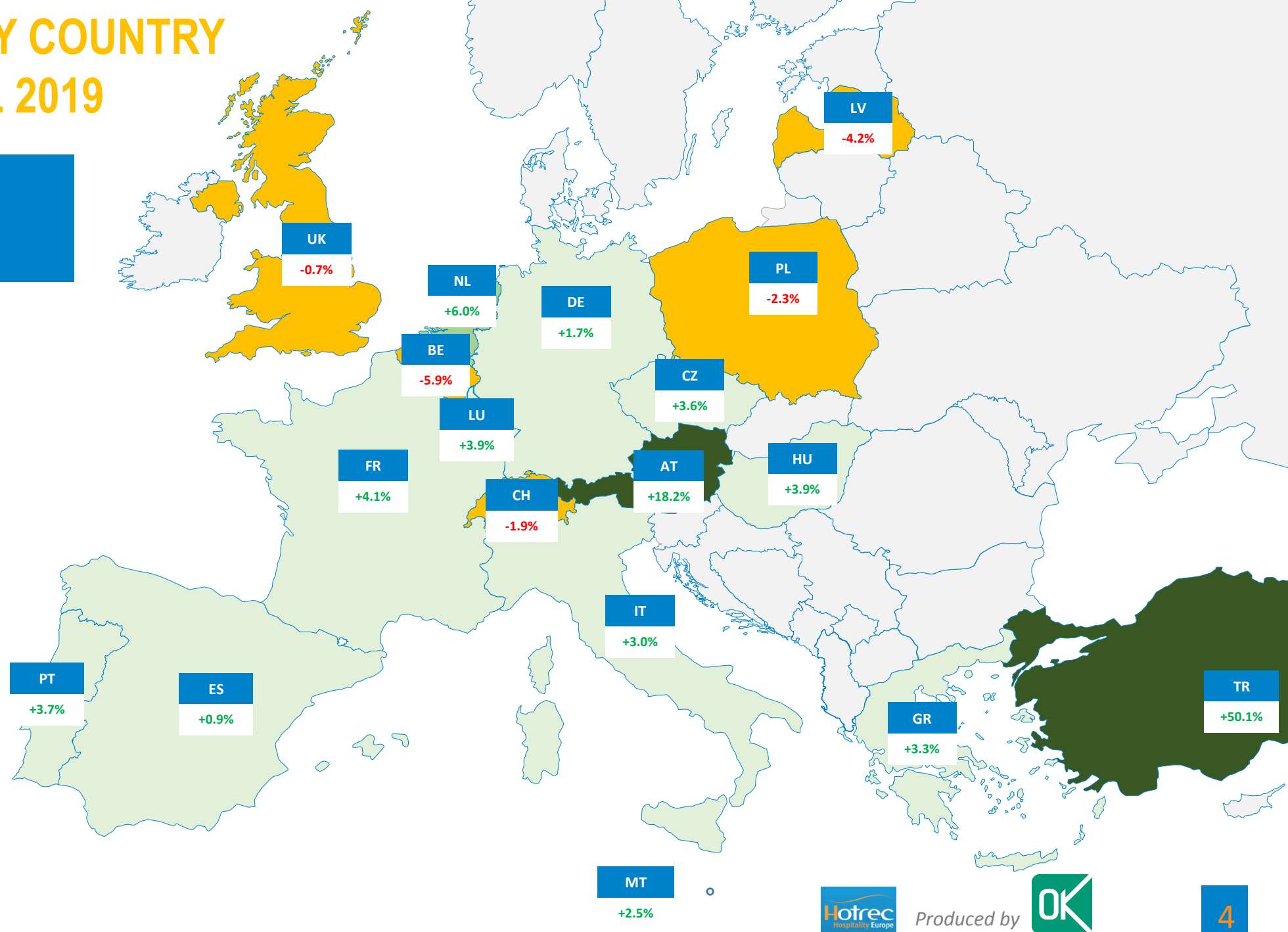


HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2019

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

European
average
+3.3%

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

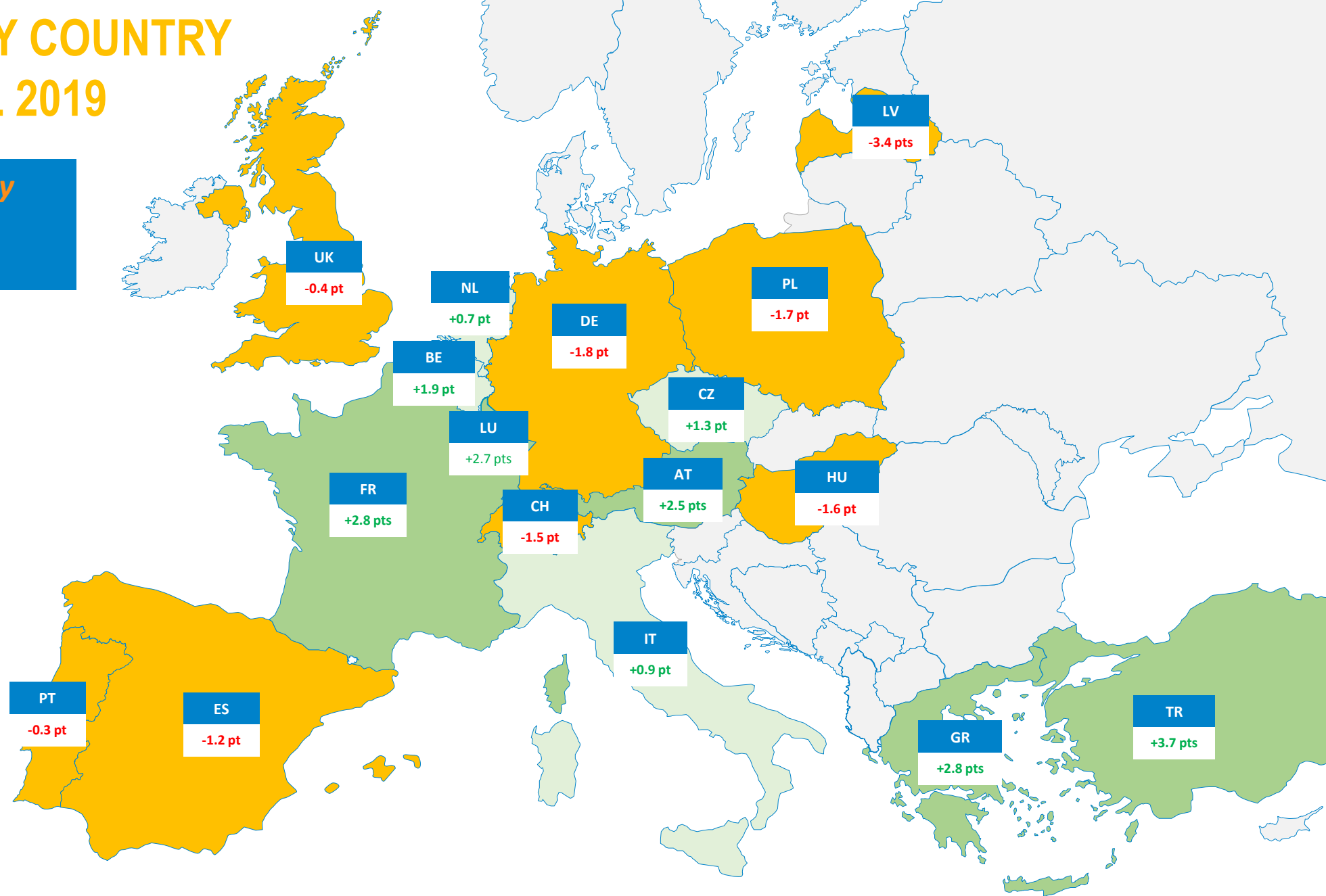


HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2019

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

European
average
+0.6 pt

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

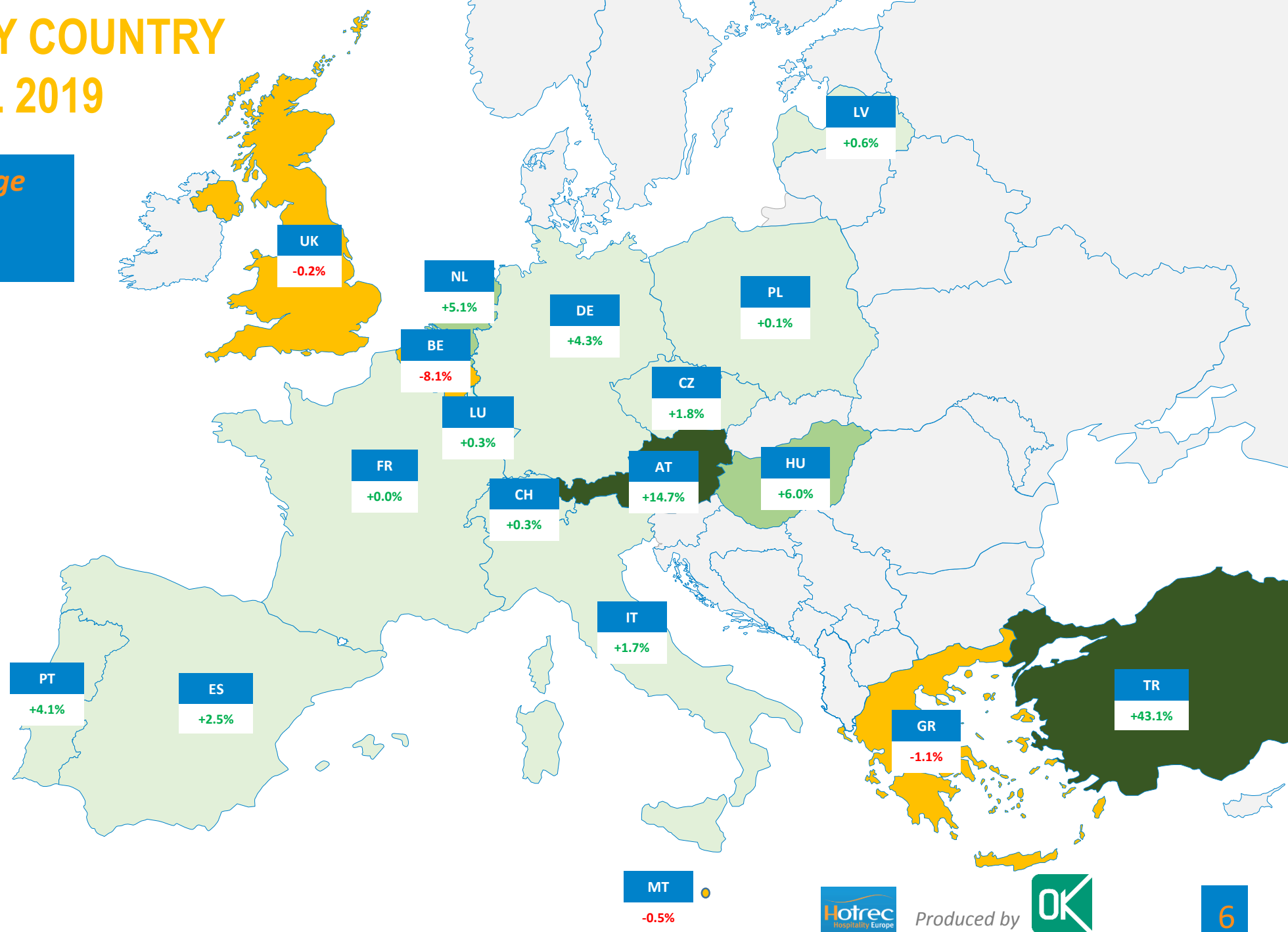


HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2019

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

European
average
+2.4%

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

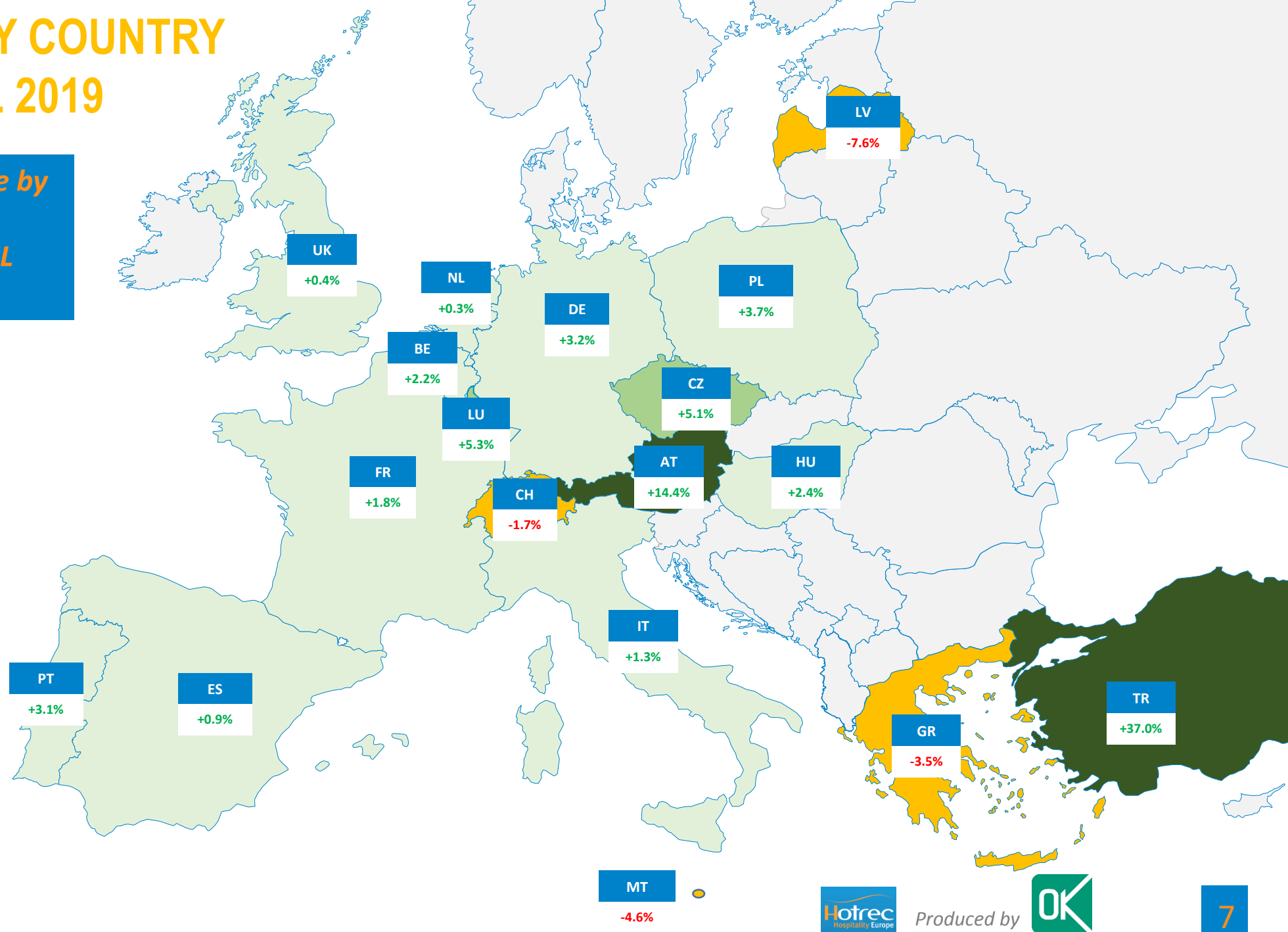


HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2019

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

European average
+2.4%

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

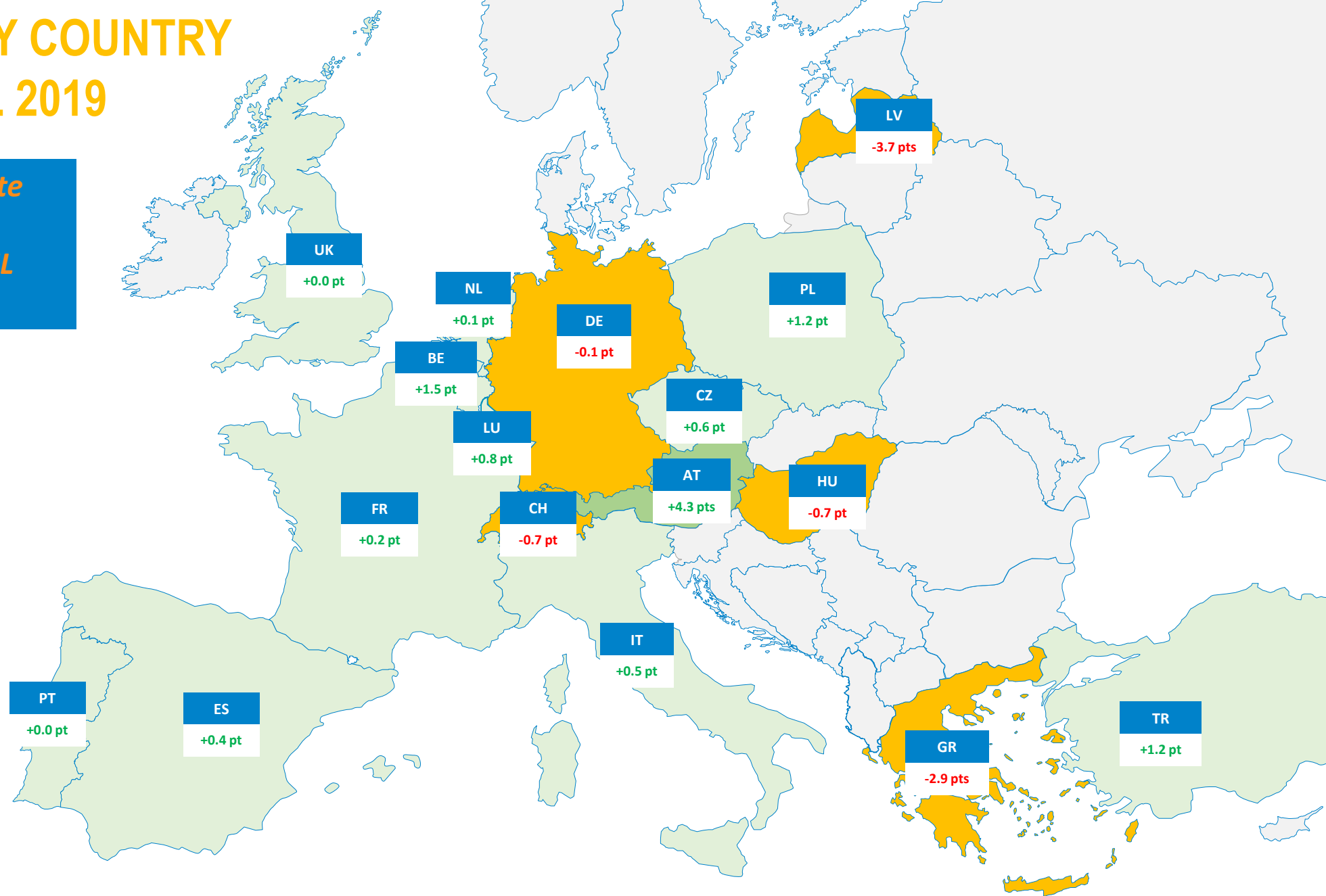


HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2019

*YTD Results – Occupancy Rate
change by country
YTD APRIL 2019 vs YTD APRIL
2018*

European
average
+0.2 pt

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

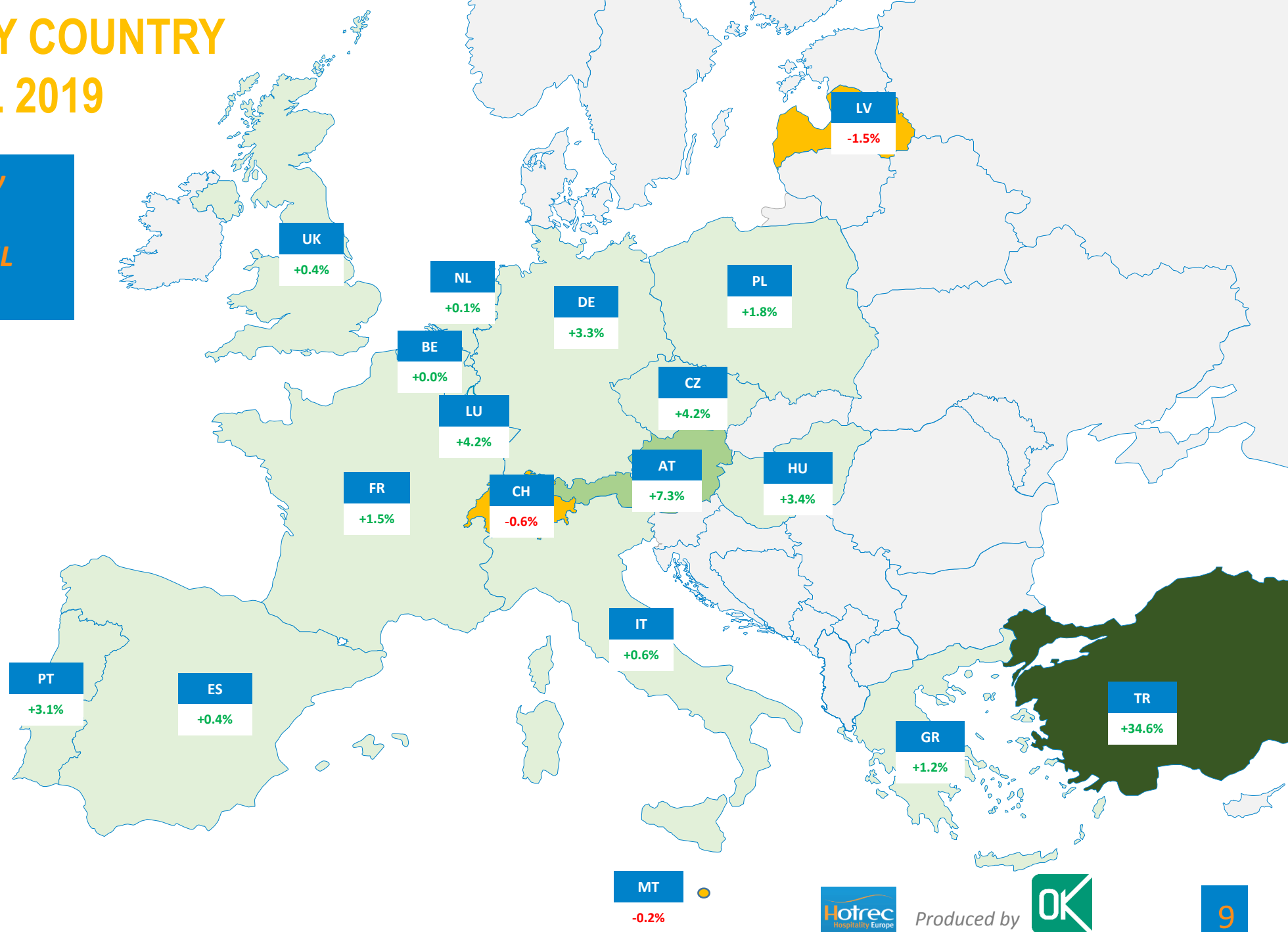


HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2019

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

European average
+2.1%

- 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.)

