H EU Report

Europe

Hotrec
Hospitality Europe

AUGUST 2019

ANALYSIS OF HOTEL RESULTS – AUGUST 2019

Mixed performance for European hoteliers

The second summer month reflects a less dynamic tourist season than in 2018. However, it should be noted that the summer of 2018 was a period of strong performance compared to 2017. So while the dynamic slows down, it nonetheless remains positive for 10 of the 15 countries monitored. The overall RevPAR is up +1.4%, and this increase is mainly driven by the 5* hotels (+3.3%). While the 3* hotels grew +2.0% of RevPAR also thanks to the increase in ADR (+1%), 4* properties experienced a decline in OR by -0.6 point, for an overall stagnation at +0.1 points.

Prices showed continued slight growth in all segments in European destinations: +1.0% for 3*, +1.2% for 4*, +3.0% for 5*. Year to date, RevPAR increased by +3.2%. European hoteliers increased their prices by +2.7% since the beginning of the year, while ORs increased by +0.4 points. Only two destinations posted double-digit growth in RevPAR.

Austria saw its RevPAR take off by +14.9% (€86.8 excluding tax) thanks to OR up by 3.1 percentage points combined with a +10.7% increase in prices. Occupancy gained three percentage points in upscale hotels. Since November 2018, with the exception of June 2019, OR at Austria's hotels has been increasing. The occupancy rate for the upscale Polish market outperformed in all major destinations in the country. OR up +3.4 points for average daily rates up +5.8% resulting in a +10.5% increase in RevPAR (€50.70 including tax).

Hungarian hoteliers were able to rely on the Sziget music festival, which welcomes nearly 500,000 festival goers to the capital early each August, to boost their prices by +14.2% (90€ excluding tax). Occupancy rates, on the other hand, are down -4.4 percentage points on average (2nd lowest performance on the panel). August ended with a RevPAR up +8.8% compared to August 2018 (€79.3 excluding tax). Behind Austria and Poland, Spain (+2 points) then the Netherlands and Greece (+1.2 points) posted the strongest increases in OR. In Spain, all segments are green, with the midscale segment showing the best growth (+2.8 points). It should be noted that Malaga, a seaside destination, loses visitors in the peak of the high season. Seville and Bilbao also see occupancy rates down. However, Spanish hoteliers maintained their prices slightly up +0.5% to preserve a +3% increase in RevPAR (€95.1 excluding tax).

Dutch hoteliers cut their prices by -0.5% in August, maintaining a +1.2 point increase in OR. The upscale segment saw its occupancy erode by -0.5 points. It is the midscale segment that performs best in terms of occupancy with +2.1 points growth. Greece took full advantage of the summer season with +5 percentage points for its OR in Athens. RevPAR increased by +6.8% to €154.30 excluding tax. Belgian and French hoteliers also did well, with occupancy remaining steady at +0.4 percentage points in Belgium and stagnating at 0 in France. In Belgium, it is the economy segment that maintains a positive trend. Antwerp and Ghent increased their occupancy rates (+4.5 and +1.4 percentage points), while Brussels (-1.1 points), and especially Liège (-4.1 points), saw their number of customers erode.

Portugal, the Czech Republic, the United Kingdom and Luxembourg all maintain a positive RevPAR thanks to rising prices. It should be noted that the number of arrivals throughout Portugal is negative (-1.3 points).

Italy, Latvia and Germany saw their occupancy rates and RevPAR drop. All segments in Germany were affected by this decline that includes average daily rates. Germany lost -6% of its RevPAR. In Italy, while the Economy segment pursued +3.2 percentage points growth in its OR, the Upscale segment lost -2.5 percentage points. Renewed arrivals for MICE associated with the beginning and end of the summer season will convey the health of European hoteliers in September.
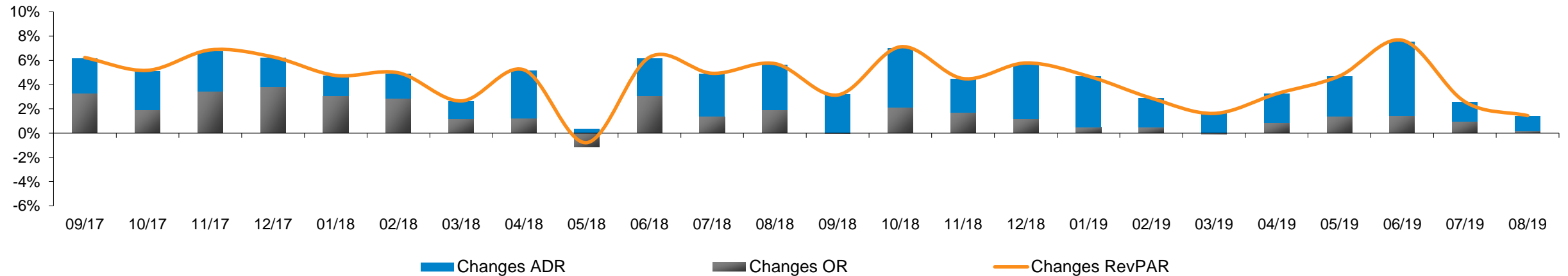
HOTEL RESULTS BY SEGMENT IN EUROPE – AUGUST 2019

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

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

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

OR, ADR and RevPAR change - Last 24 months

Changes ADR — Changes OR — Changes RevPAR

HOTEL RESULTS BY COUNTRY IN EUROPE – AUGUST 2019

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

European average +1.4%

Country	Value
LV	-4.1%
UK	+0.8%
NL	-0.6%
PL	+10.5%
DE	-6.0%
BE	+3.6%
CZ	+1.0%
LU	+0.6%
AT	+14.9%
HU	+8.8%
FR	+2.9%
CH	-2.9%
IT	-1.4%
PT	+1.2%
ES	+3.0%
TR	+13.1%
GR	+6.8%
MT	+2.0%

Legend

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

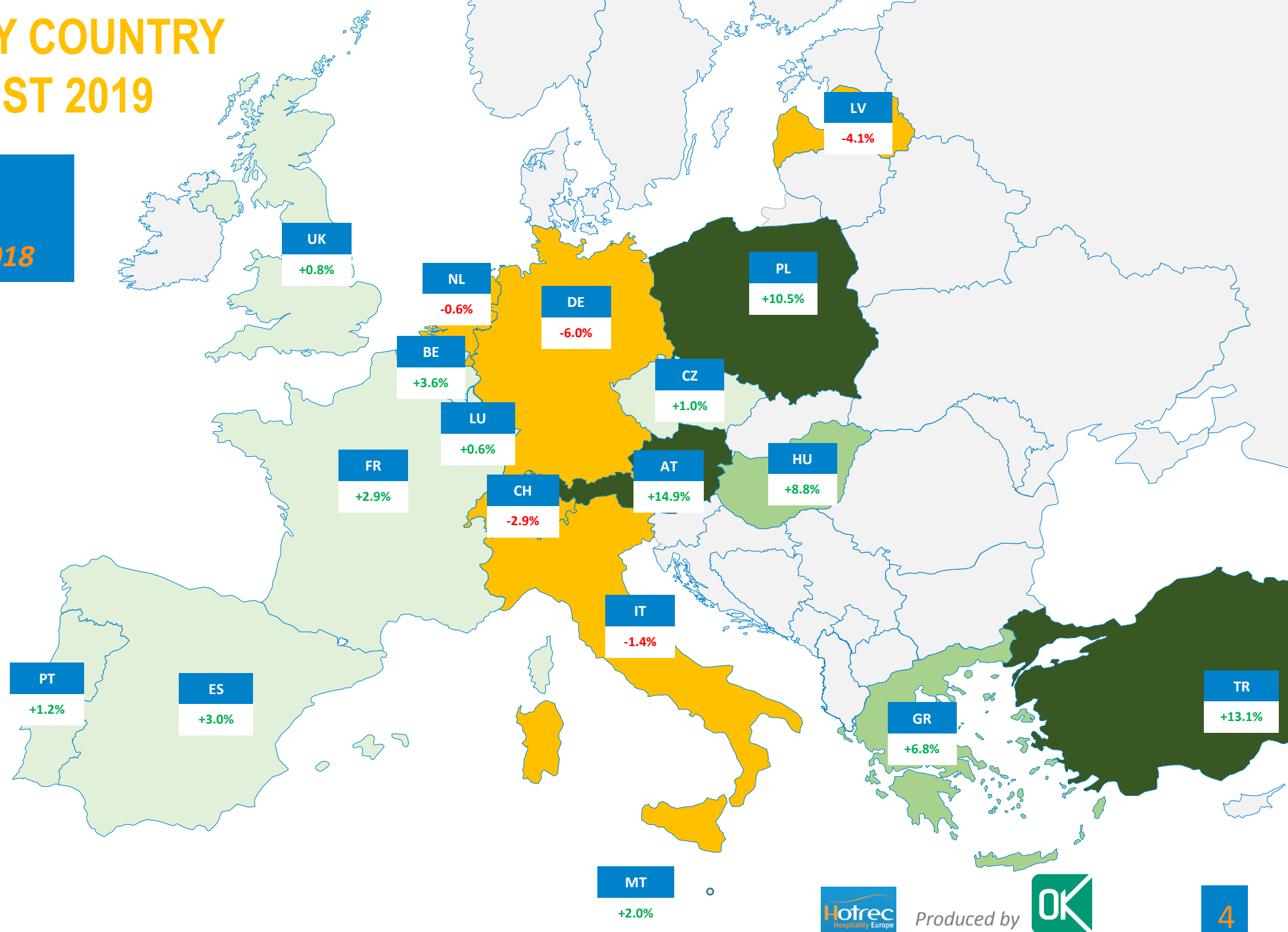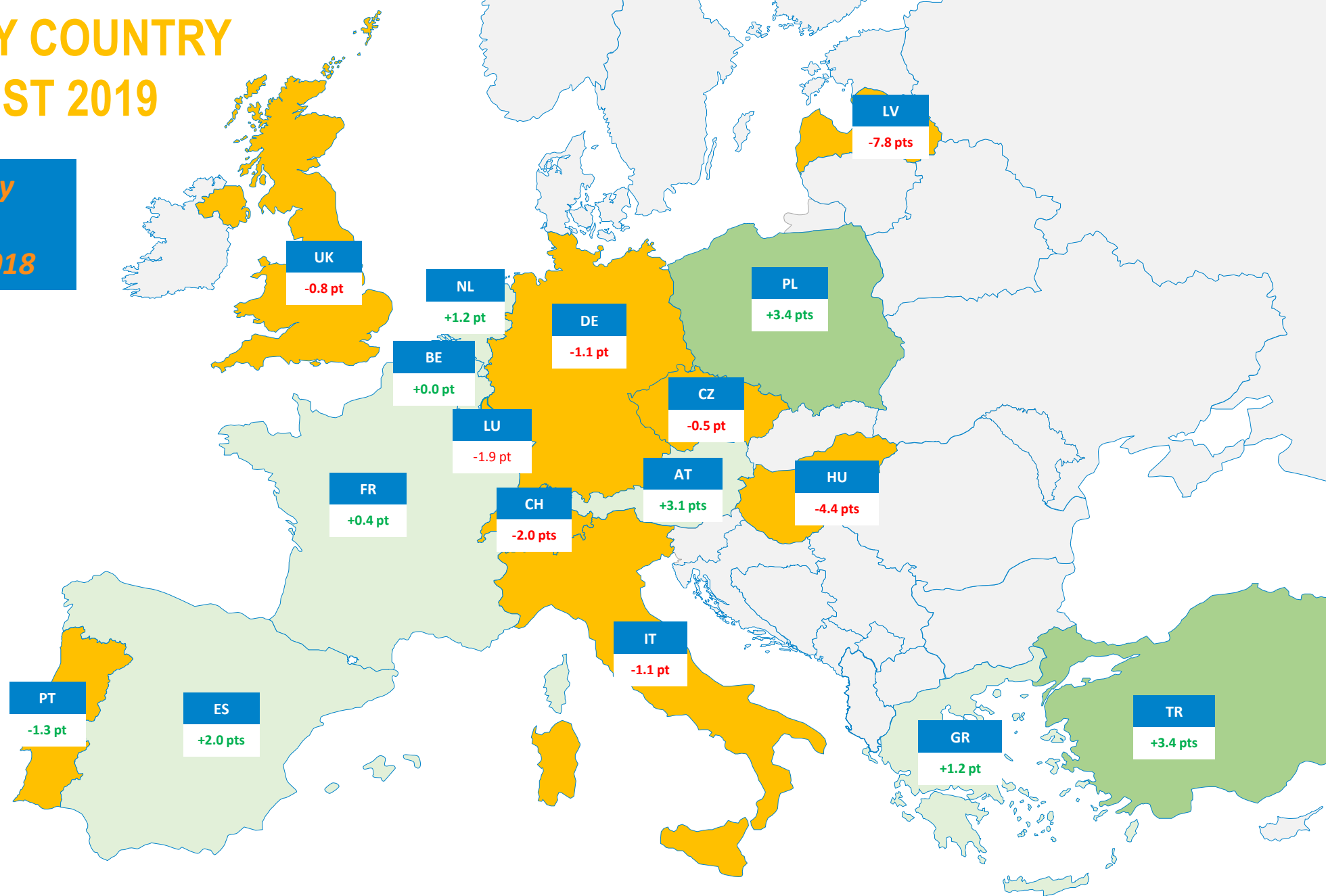HEU Report

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4

HOTEL RESULTS BY COUNTRY IN EUROPE – AUGUST 2019

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

European average
+0.1 pt

LV -7.8 pts

UK -0.8 pt

NL +1.2 pt

PL +3.4 pts

BE +0.0 pt

DE -1.1 pt

CZ -0.5 pt

LU -1.9 pt

AT +3.1 pts

HU -4.4 pts

FR +0.4 pt

CH -2.0 pts

IT -1.1 pt

PT -1.3 pt

ES +2.0 pts

GR +1.2 pt

TR +3.4 pts

MT +0.6 pt

Legend

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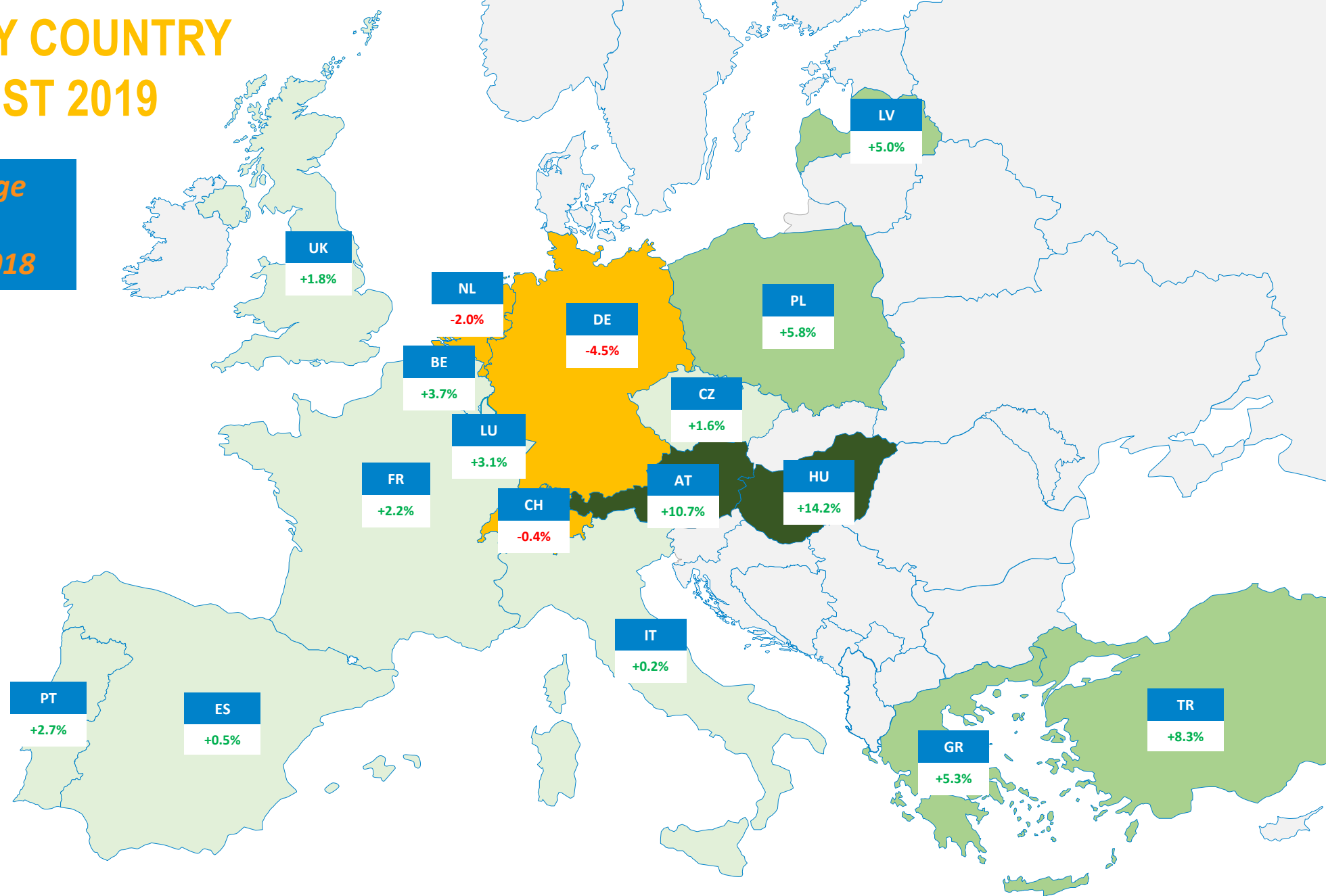- Inf. to 0 pt

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HOTEL RESULTS BY COUNTRY IN EUROPE – AUGUST 2019

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

European average
+1.3%

LV
+5.0%

UK
+1.8%

NL
-2.0%

PL
+5.8%

DE
-4.5%

BE
+3.7%

CZ
+1.6%

LU
+3.1%

FR
+2.2%

CH
-0.4%

AT
+10.7%

HU
+14.2%

IT
+0.2%

TR
+8.3%

PT
+2.7%

ES
+0.5%

GR
+5.3%

MT
+1.3%

Sup. to 10%

Between 5% and 10%

Between 0% and 5%

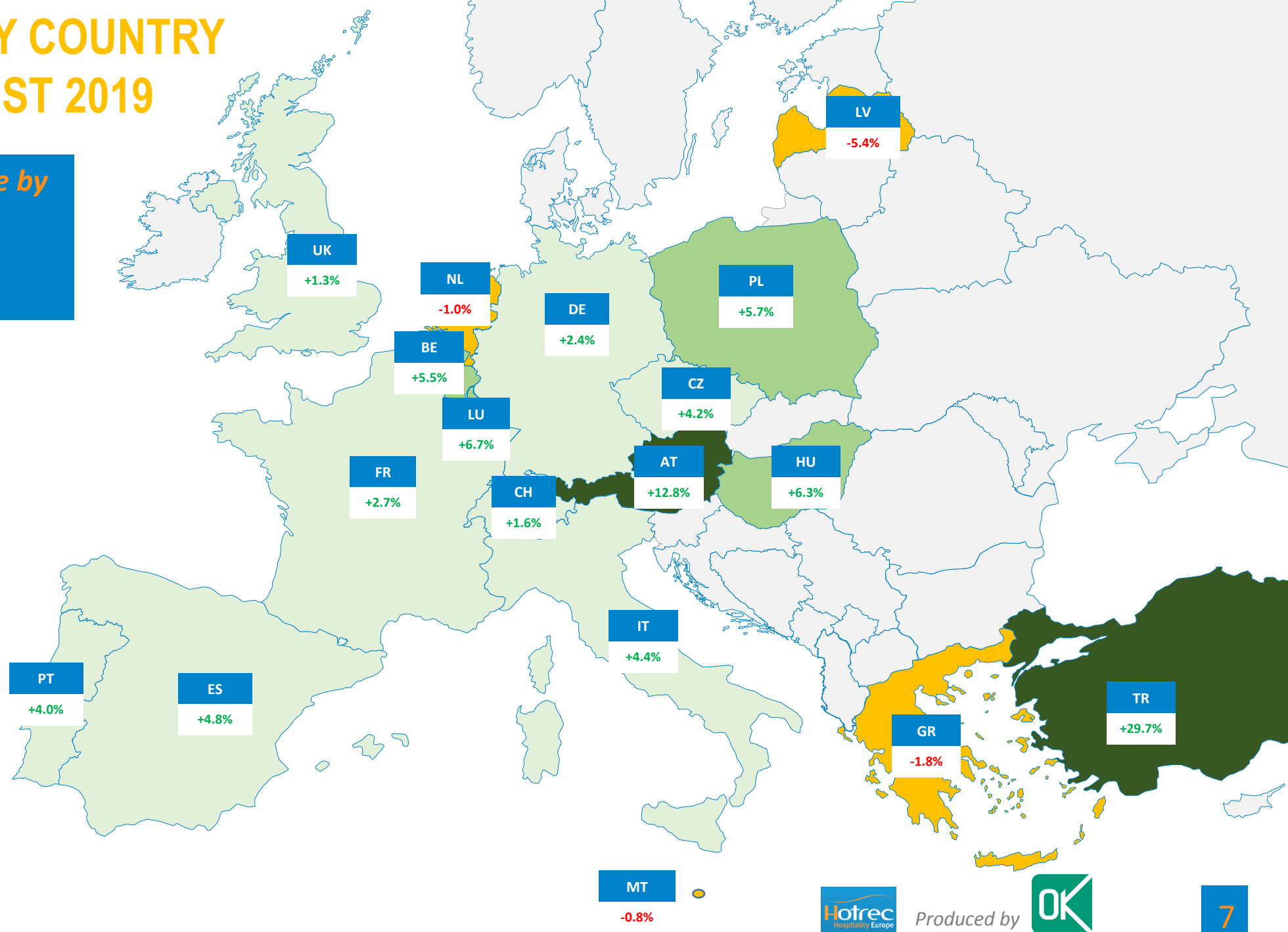Inf. to 0%

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HOTEL RESULTS BY COUNTRY IN EUROPE – AUGUST 2019

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

European average
+3.2%

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

LV **-5.4%**

UK **+1.3%**

NL **-1.0%**

PL **+5.7%**

DE **+2.4%**

BE **+5.5%**

CZ **+4.2%**

LU **+6.7%**

AT **+12.8%**

HU **+6.3%**

FR **+2.7%**

CH **+1.6%**

IT **+4.4%**

PT **+4.0%**

ES **+4.8%**

TR **+29.7%**

GR **-1.8%**

MT **-0.8%**

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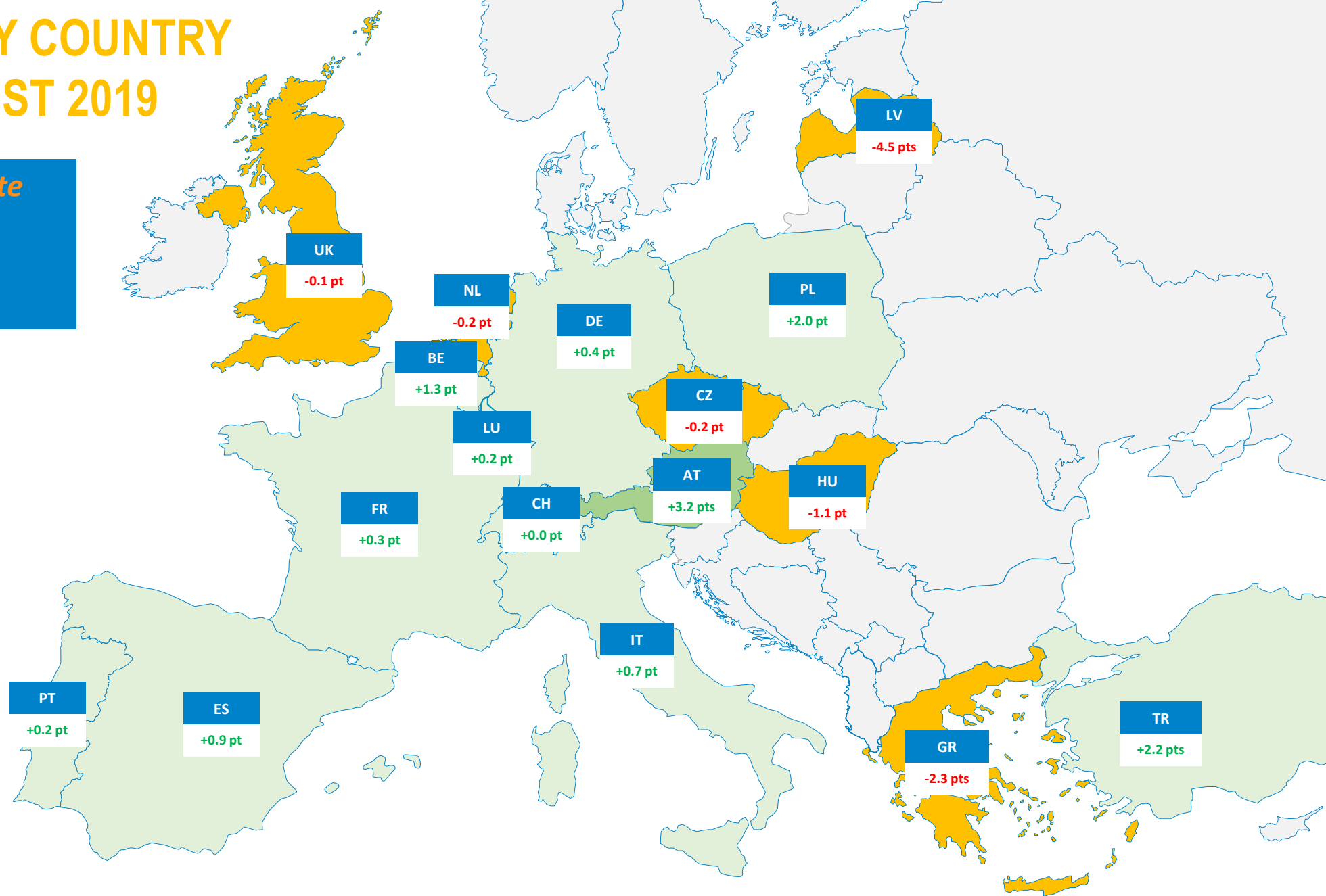Hospitality Europe

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7

HOTEL RESULTS BY COUNTRY IN EUROPE – AUGUST 2019

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

European average
+0.4 pt

Sup. to 5 pts

Between 2,5 and 5 pts

Between 0 and 2,5 pts

Inf. to 0 pt

LV
-4.5 pts

UK
-0.1 pt

NL
-0.2 pt

DE
+0.4 pt

PL
+2.0 pt

BE
+1.3 pt

CZ
-0.2 pt

LU
+0.2 pt

AT
+3.2 pts

HU
-1.1 pt

FR
+0.3 pt

CH
+0.0 pt

IT
+0.7 pt

PT
+0.2 pt

ES
+0.9 pt

TR
+2.2 pts

GR
-2.3 pts

MT
-0.5 pt

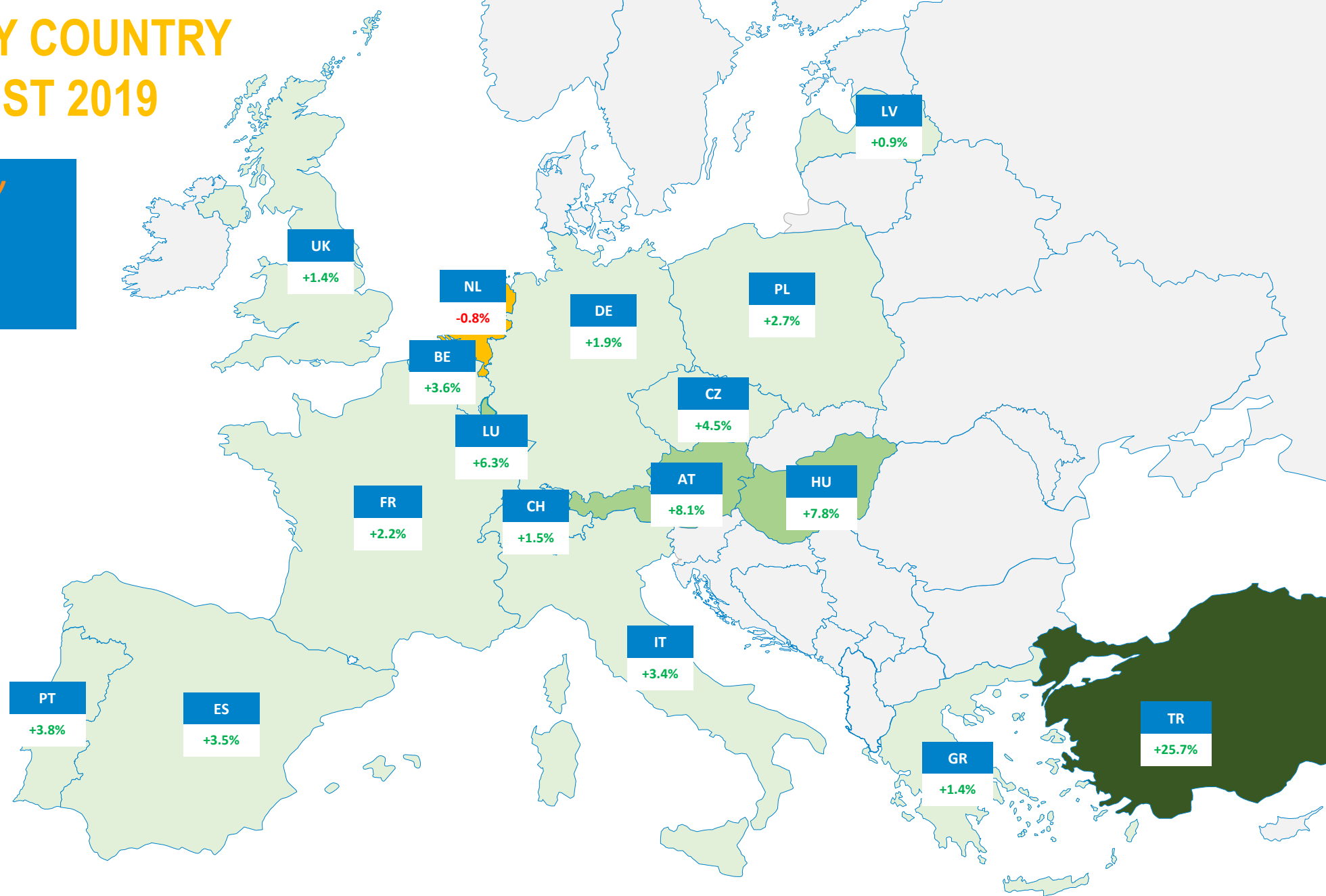H EU Report

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8

HOTEL RESULTS BY COUNTRY IN EUROPE – AUGUST 2019

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

European average
+2.7%

Country	Value
LV	+0.9%
UK	+1.4%
NL	-0.8%
DE	+1.9%
PL	+2.7%
BE	+3.6%
CZ	+4.5%
LU	+6.3%
AT	+8.1%
HU	+7.8%
FR	+2.2%
CH	+1.5%
IT	+3.4%
PT	+3.8%
ES	+3.5%
TR	+25.7%
GR	+1.4%
MT	-0.1%

Legend:
- 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.)