

# H EU Report

Europe



MARCH 2019



# ANALYSIS OF HOTEL RESULTS – MARCH 2019

## Where are the clients of European hoteliers?

European hotel results in March 2019 are illustrated by a perfectly stable occupancy rate. With a few notable exceptions, prices are what keep RevPAR afloat. What developments can we expect in April after three consecutive months of stagnant performances? Will Easter celebrations and periods of fair weather combined with the resumption of festivals help boost performances? We'll have a response next month. In the meantime, back to March which was as gloomy as the previous two months.

Overall, European countries in the panel report a RevPAR at +1.6% compared to March 2018 driven by a +1.7% increase in prices. The 2\* hotels maintain a price increase by +0.9% for a stable RevPAR, the 3\* segment posts prices at +1.3% for a RevPAR at +1.3%. For the 4\* segment, the RevPAR is up +2.1% driven by prices up +1.8% and an OR at +0.2 point. The 5\* segment progresses by +1.1% with ADRs up by +2.8% and the OR down by -1.1 pt.

This less than encouraging trend needs to be qualified because some continue to do well.

Austria is in the spotlight with a RevPAR that jumped +15.5% driven by an increase in OR by +5.5 points and average daily rates that increased by +7.7%. Vienna posted a RevPAR of +17.3%. Luxembourg also posted a good month of March with a RevPAR up 9.3% this time driven up by average daily rates (+6.1%) while OR increased by 2.2 points. Poland follows with a RevPAR up +7.9% with an OR up +3.5 points (second best growth in the panel) and ADR up +2.4%.

In the second part of the panel, Belgium posts a RevPAR up +5.4% with +2 points growth in OR and 2.5% for ADRs. Only Liège under performs with the RevPAR down -13.1%. In the Czech Republic the RevPAR is up +4.7% with an OR that is stagnating with +0.7 point and ADR up +3.7% encouraging a prudent outlook for the months to come. Spain follows +3.9% for the RevPAR and Germany with a RevPAR 3.6%. While Spain posts an OR up 2.5 points, Germany stagnates at +0.5 points.

Italy, Portugal and the United Kingdom flirt with stagnation with RevPAR up by just +0.8%, 0.4% and +0.3% respectively. While the United Kingdom and Italy remain positive in terms of occupancy rates, Portugal is losing -0.6 points (OR in Porto fell -4.3 points).

France opens the ball of under performing destinations with a RevPAR down -1.2% and an OR down -1.8 points. Hungary also lost clients with an OR down -1.1 point, leading to a drop in RevPAR by -1.5%. The Netherlands post a RevPAR driven down -3.7% in ADR by -5.1% despite an OR that is stable at +1.2 point.

Latvia loses -6.8% in its RevPAR with an OR down -2.3 points and average daily rates down -3.0%. Finally, Greece loses -7.7% in its RevPAR despite average daily rates up +2.6% the drop in OR by -6.9 points pulls performances down.

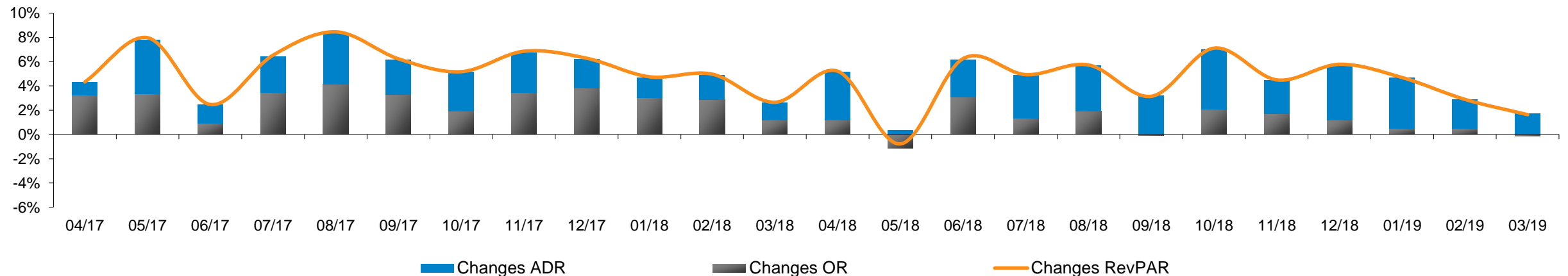
# HOTEL RESULTS BY SEGMENT IN EUROPE – MARCH 2019

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

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	0,4	1,5%	2,1%
3*	0,2	2,5%	2,9%
4*	0,1	2,2%	2,4%
5*	-0,8	2,7%	1,4%
Global	<b>0,1</b>	<b>2,2%</b>	<b>2,3%</b>

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

## OR, ADR and RevPAR change - Last 24 months

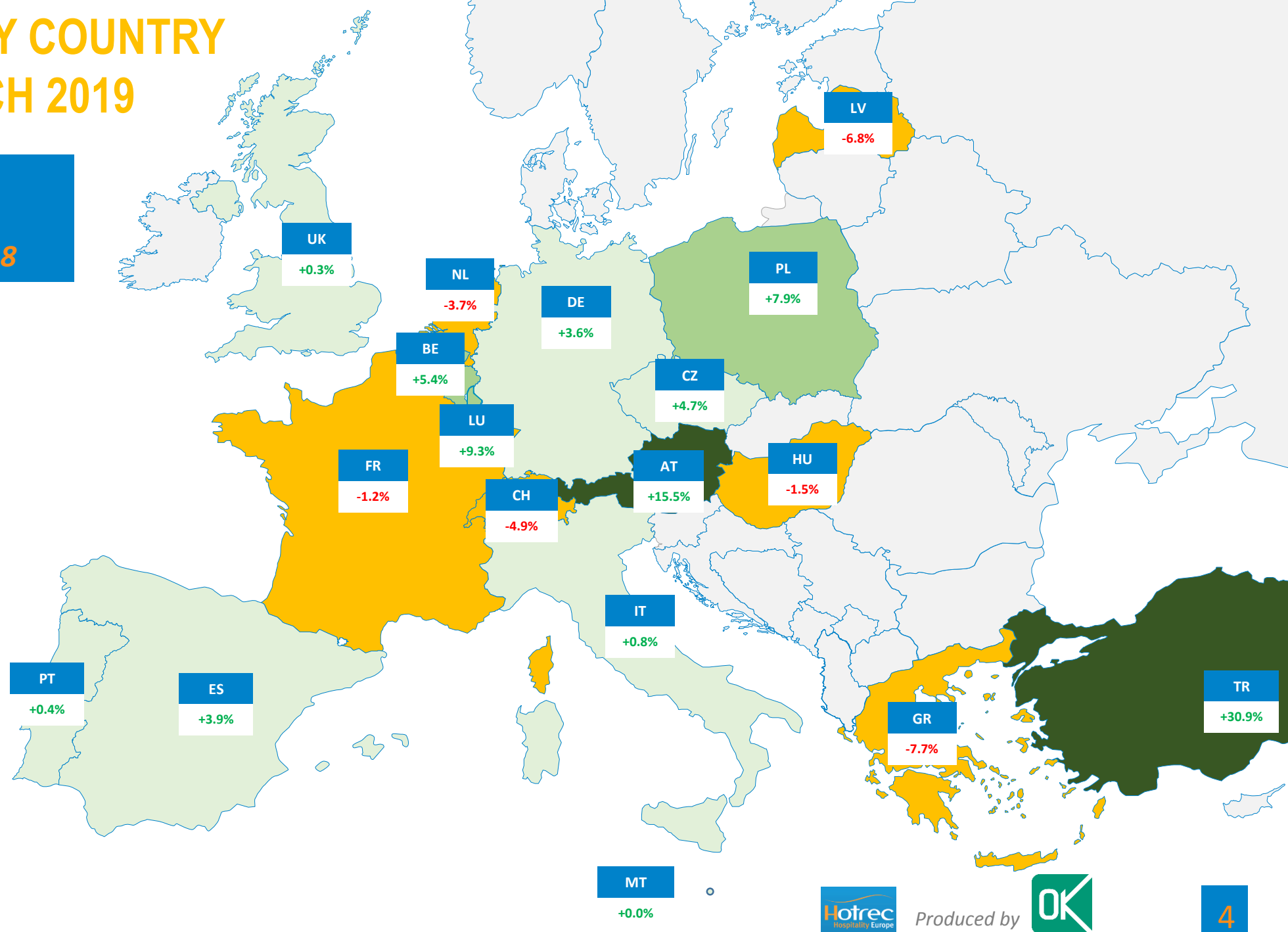


# HOTEL RESULTS BY COUNTRY IN EUROPE – MARCH 2019

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

European  
average  
**+1.6%**

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

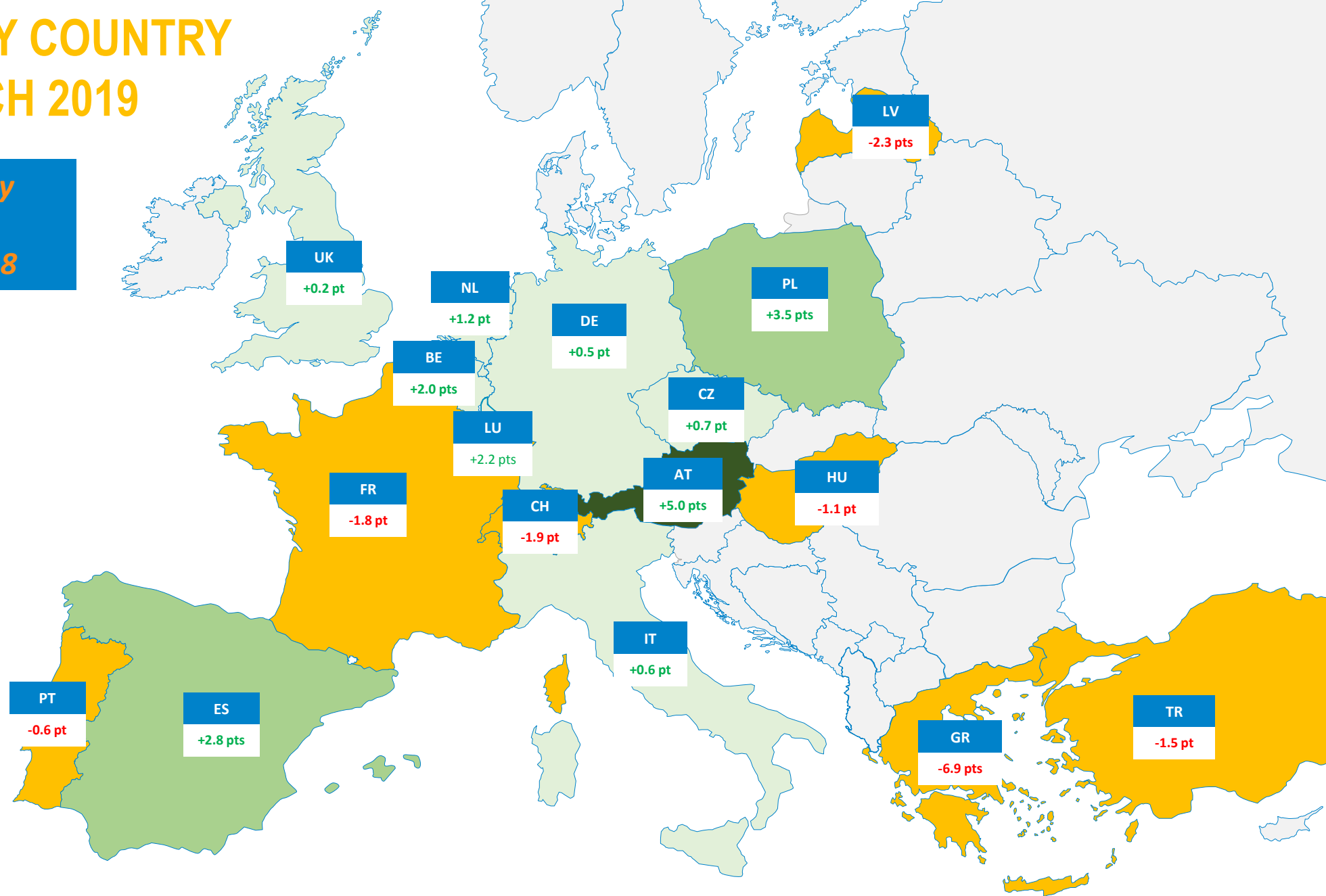


# HOTEL RESULTS BY COUNTRY IN EUROPE – MARCH 2019

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

European  
average  
**-0.1 pt**

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

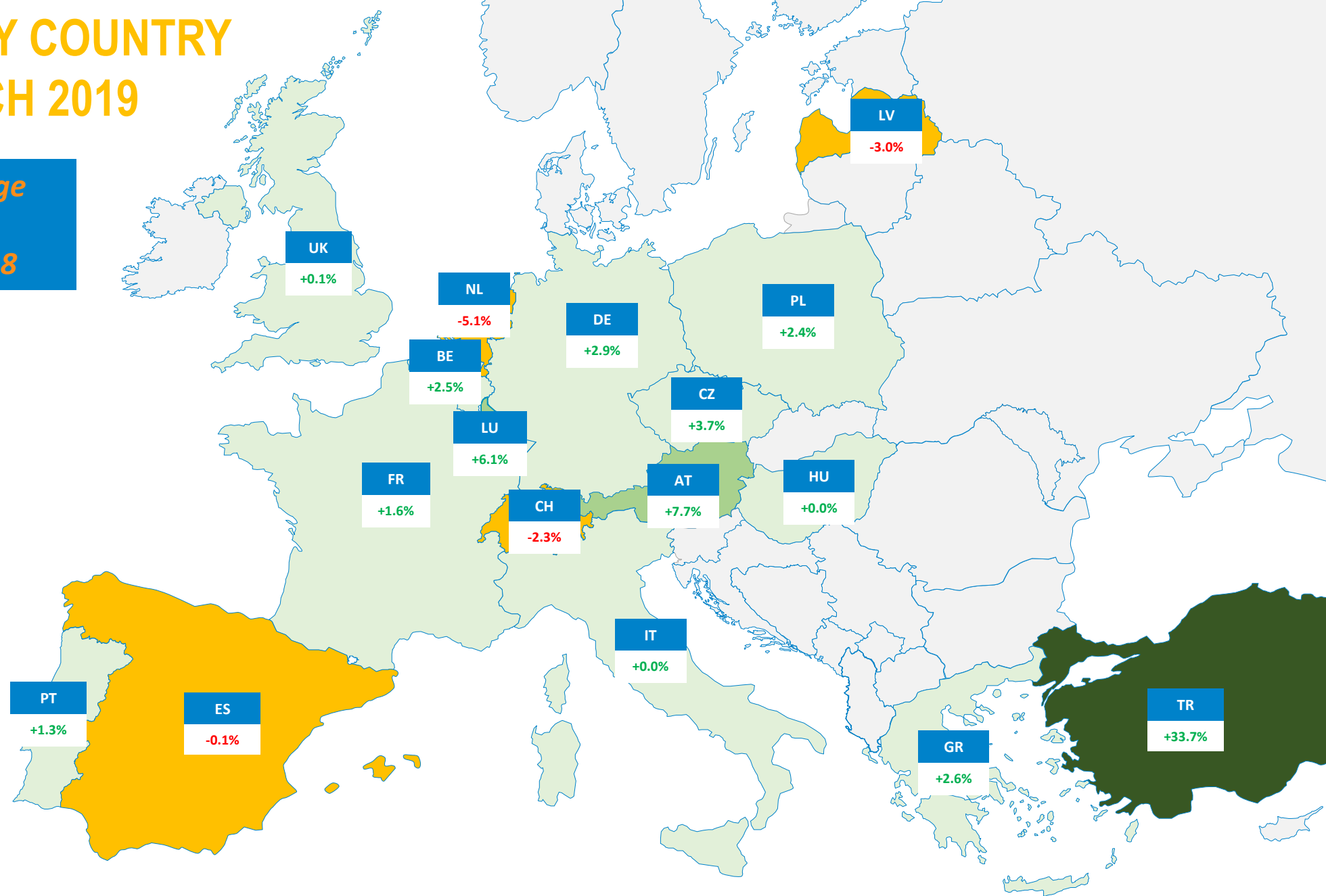


# HOTEL RESULTS BY COUNTRY IN EUROPE – MARCH 2019

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

European  
average  
**+1.7%**

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

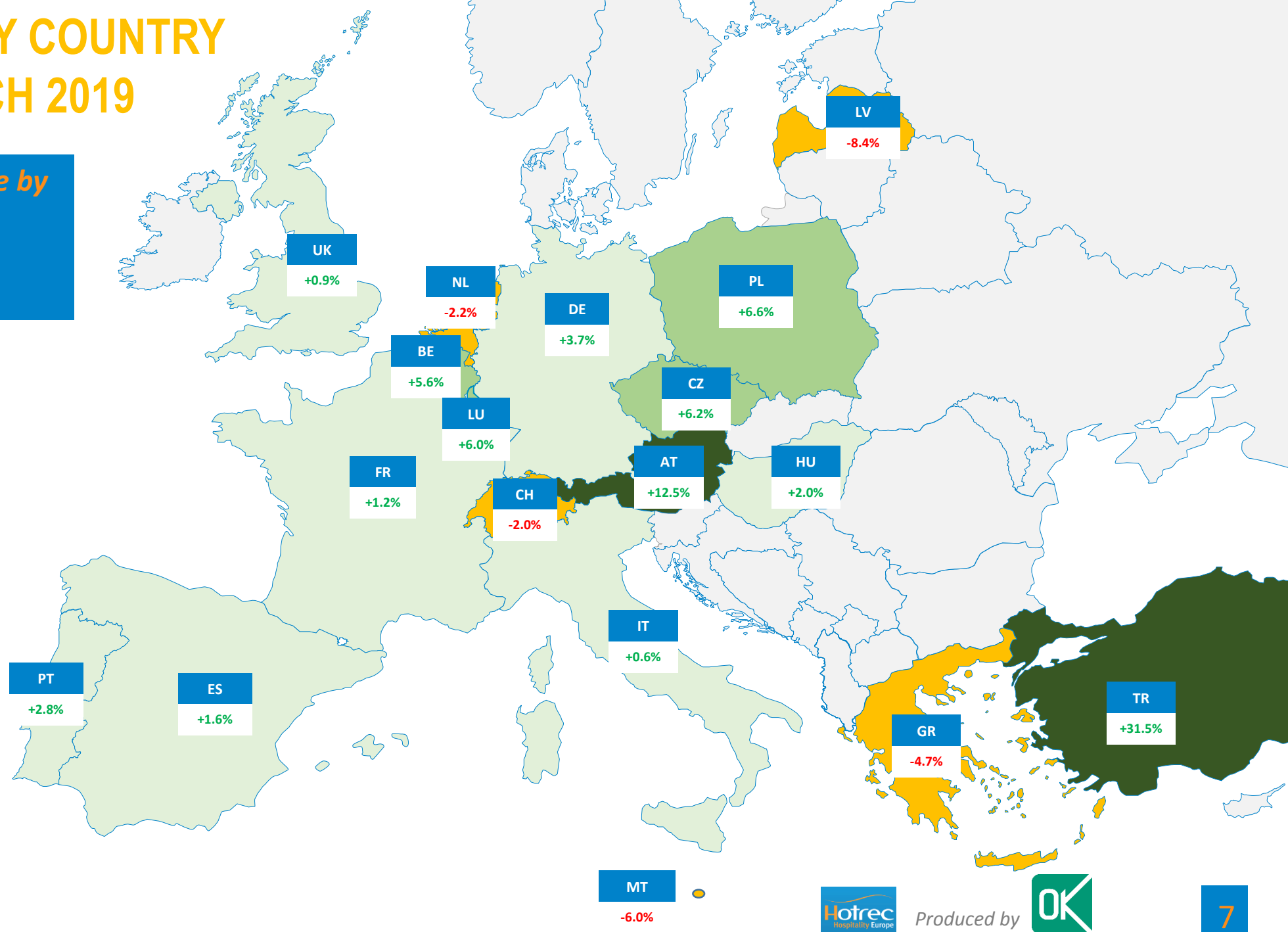


# HOTEL RESULTS BY COUNTRY IN EUROPE – MARCH 2019

*YTD Results - RevPAR change by country*  
*YTD MARCH 2019 vs YTD MARCH 2018*

European average  
**+2.3%**

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

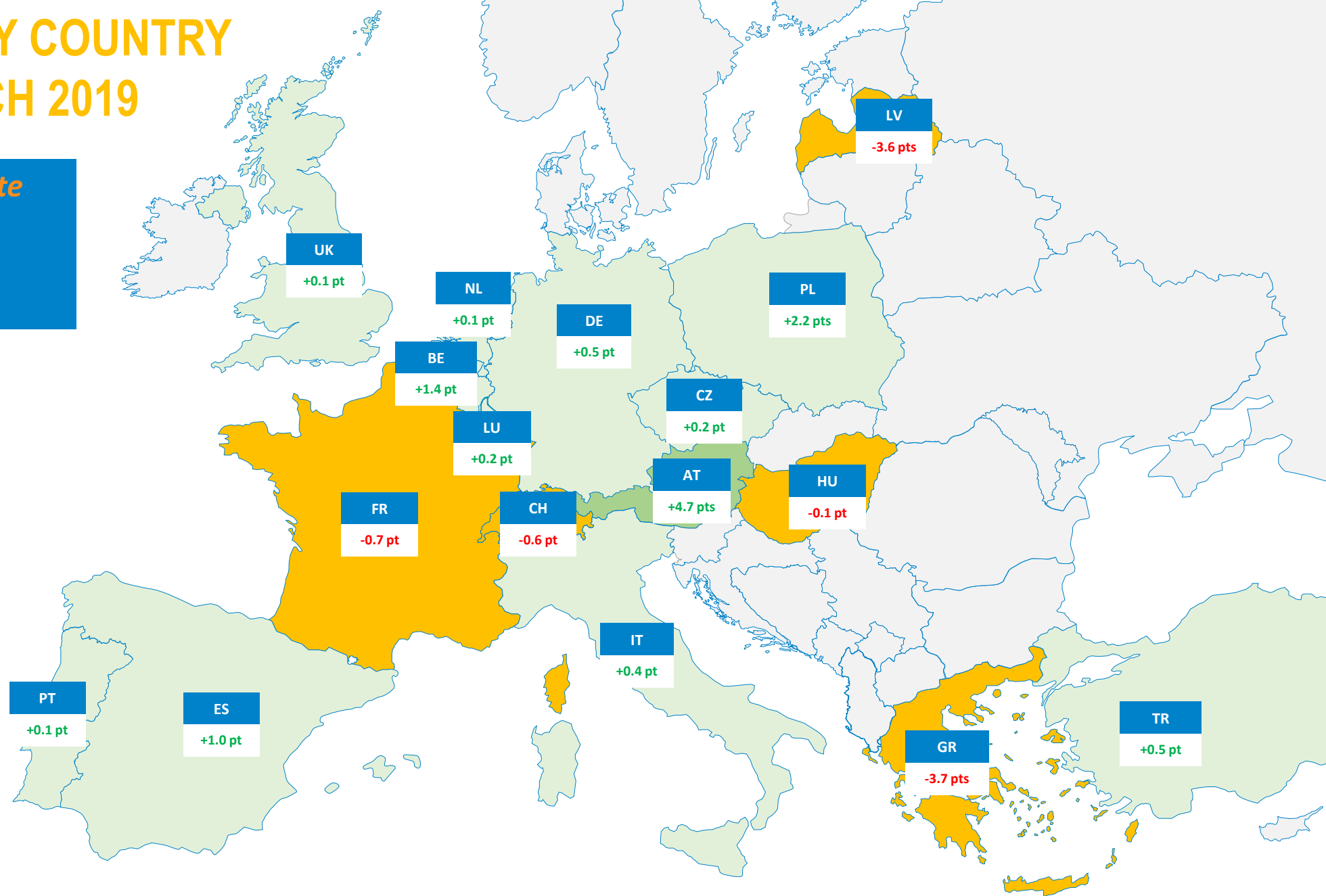


# HOTEL RESULTS BY COUNTRY IN EUROPE – MARCH 2019

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

European  
average  
**+0.1 pt**

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



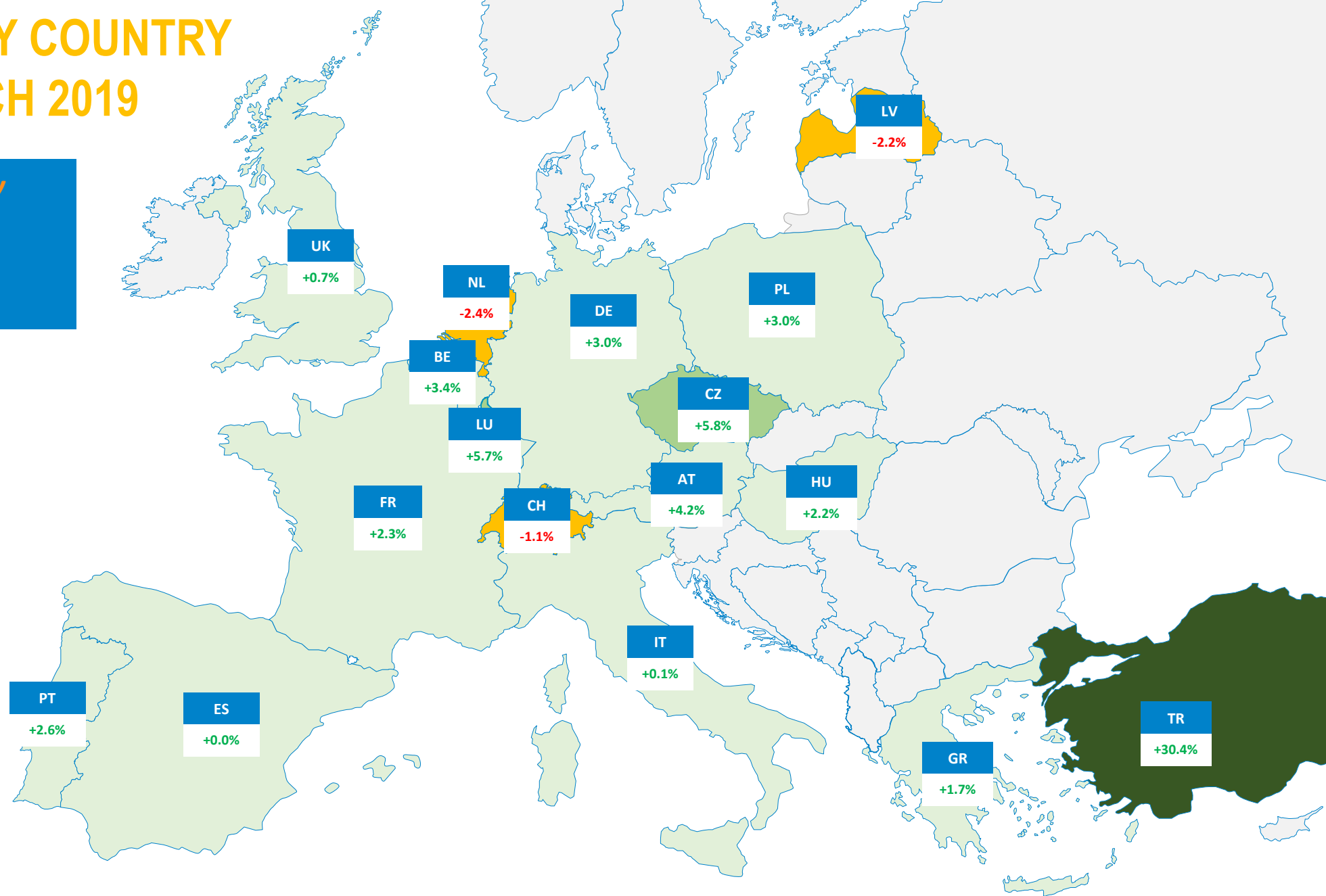


# HOTEL RESULTS BY COUNTRY IN EUROPE – MARCH 2019

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

European  
average  
**+2.2%**

- 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.)

