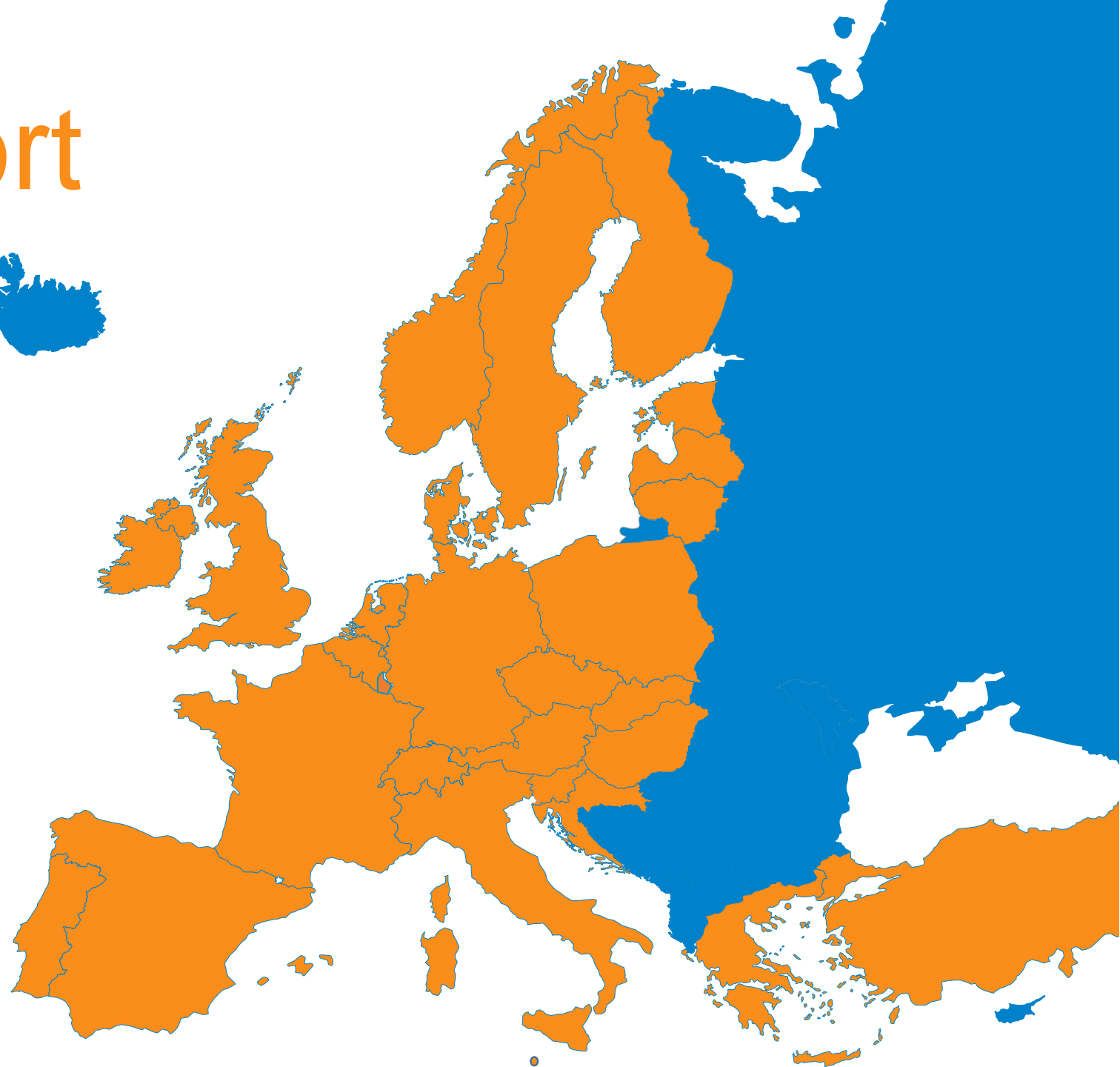


# H EU Report

Europe



FEBRUARY 2017



# ANALYSIS OF HOTEL RESULTS – FEBRUARY 2017

## The growth dynamic continues for European hoteliers

In February 2017, hospitality professionals posted improved results across Europe. They enjoyed a benefic combination of occupancy rates and average daily rates. All the countries post an increase in arrivals, attesting to a positive structural dynamic.

Throughout Europe, hotel sector professionals post results that are up significantly, with a RevPAR (revenue per available room) up by +4.7% compared to the same period last year. This may be explained by occupancy rates up by +2.0 points and an average daily rate also up by +1.4%. All categories benefit from this improvement in results, especially the 4\* hotels (RevPAR: +5.5%). 2\* and 3\* properties also show strong growth (RevPAR: +4.2% for 2\* and +4.5% for 3\*). For 5\* hotels, if the ADR registered a negative variation (-1.0%), the increase of occupancy (+2.6 pts) allow the RevPAR to grow about +3.4%.

On the other hand, an increase in occupancy rate has been observed in all the countries, and across all segments. This factor attests to the structural progression of hotel occupancy throughout Europe, and the renewed appeal of certain destinations that suffered in 2016 due to the terrorist attacks. This is especially applicable to France and Belgium, where the occupancy rate is also up (+2.7 and +1.5 points, respectively).

In February 2017, with exception to Belgium and Luxembourg which are stagnating, all European countries post an increase in their results. The best growth with respect to February 2016 could be observed in: Portugal (RevPAR: +21.8%), Greece (RevPAR: +17.8%), Hungary (RevPAR: +15.4%), the Netherlands (RevPAR: +11.6%) and Czech Republic (RevPAR: +11.2%). Spain, Poland and the United Kingdom present indicators up by +7.3%, +7.2% and 6.7% respectively. However, Germany (RevPAR: +3.9%), France (+3.3%) and Austria (RevPAR: +3.1%) strengthen their indicators in a positive growth dynamic.

On the other hand, Belgian hoteliers have experienced further degradation of their performance indexes, but it is relatively moderate nonetheless. Their RevPAR is down slightly by -0.3% due to an average daily rate down by -2.6% that enabled a rebound in the occupancy rate by +1.5 points. France, Luxembourg and Austria also report average daily rates down by -1.5%, -1.4% and -0.3% respectively. French hoteliers are more returning to their pre-crisis standards.

On the first two months of the year, European hotel professionals present growth by +6.6% over February 2016. This may be explained by an increase in their occupancy rate by +2.7 points combined with an average daily rate up by +1.8%. The 4\* segment continues to report the best results with a RevPAR up by +7.2%. Four countries post double digit growth; Greece (RevPAR: +18.7%), Portugal (+18.0%), and the Netherlands (+10.2%). With exception to Belgium and Switzerland, all the countries benefit from results that are up on the first two months of the year. Properties benefit from the combined increase in occupancy rate and average daily rates.

February 2017 pursues the trajectory begun in January that was characterized by globally favorable indicators throughout the territory. Growth appears solid and certain countries, particularly those on Europe's periphery, benefit significantly. Of course this dynamic may be explained in part by the shift of clientele away from capitals in the heart of Europe, Maghreb countries and Turkey, which are currently more exposed to security risks. Nonetheless, this generally widespread uptrend testifies to the existence of a favorable structural dynamic in Europe.

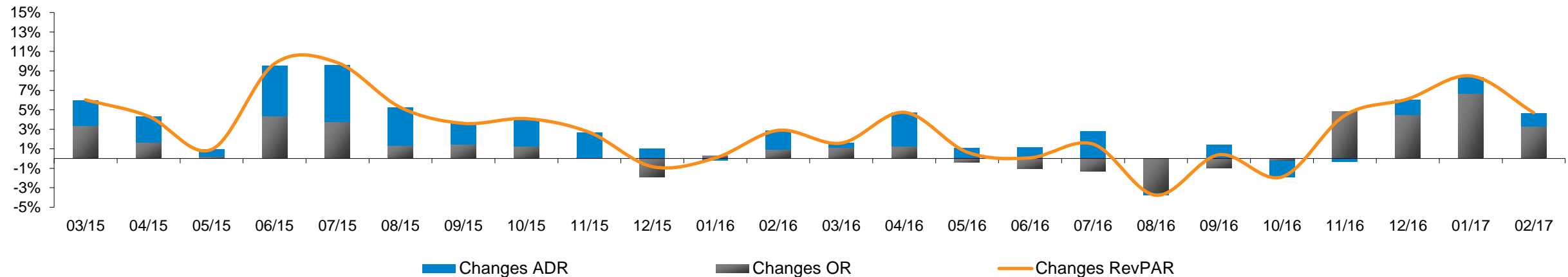
# HOTEL RESULTS BY SEGMENT IN EUROPE – FEBRUARY 2017

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

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

Note : The indicators are compared to the same period of previous year, i.e. FEBRUARY 2017 vs FEBRUARY 2016

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

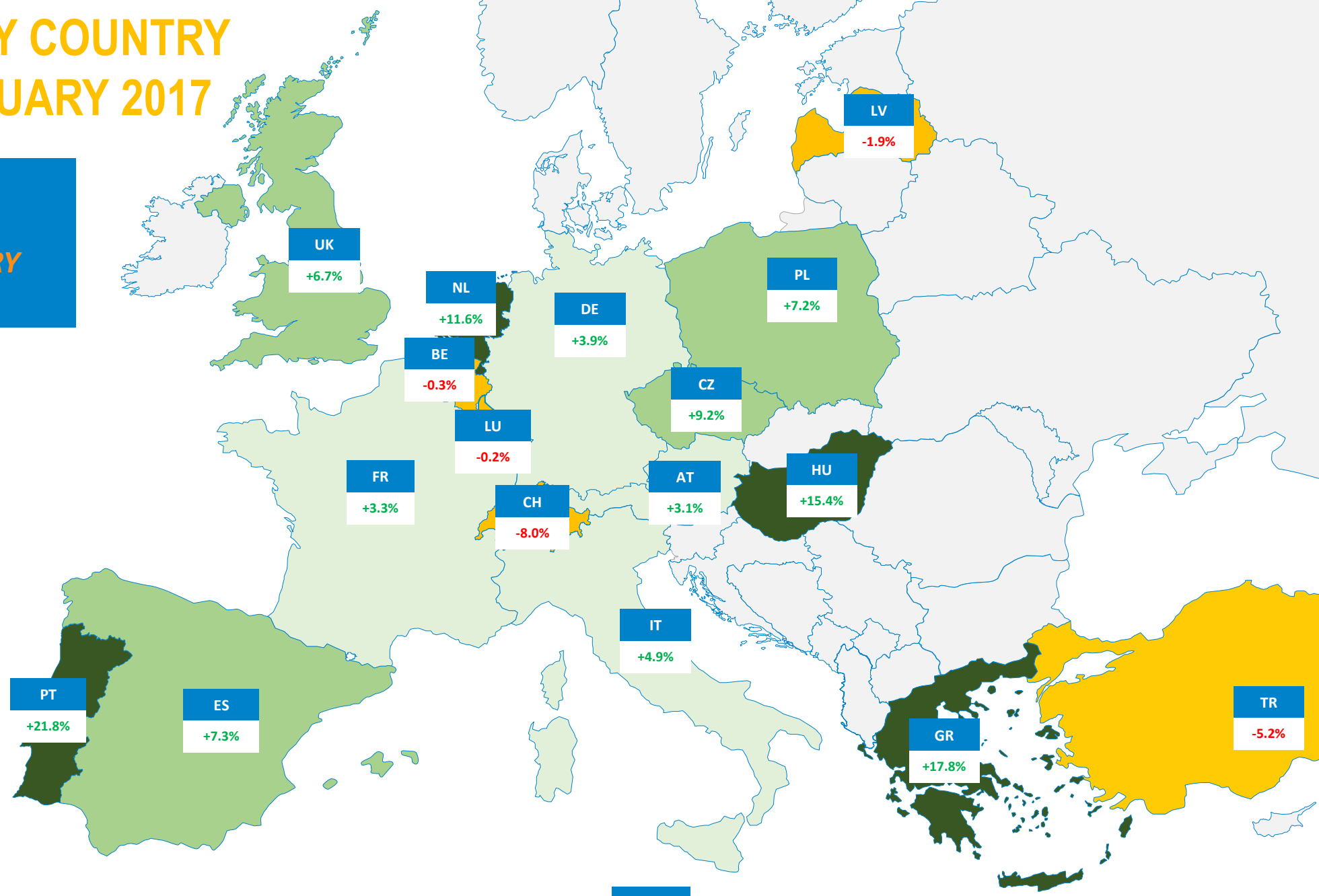


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2017

Monthly Results - RevPAR  
change by country  
FEBRUARY 2017 vs FEBRUARY  
2016

European  
average  
**+4.7%**

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

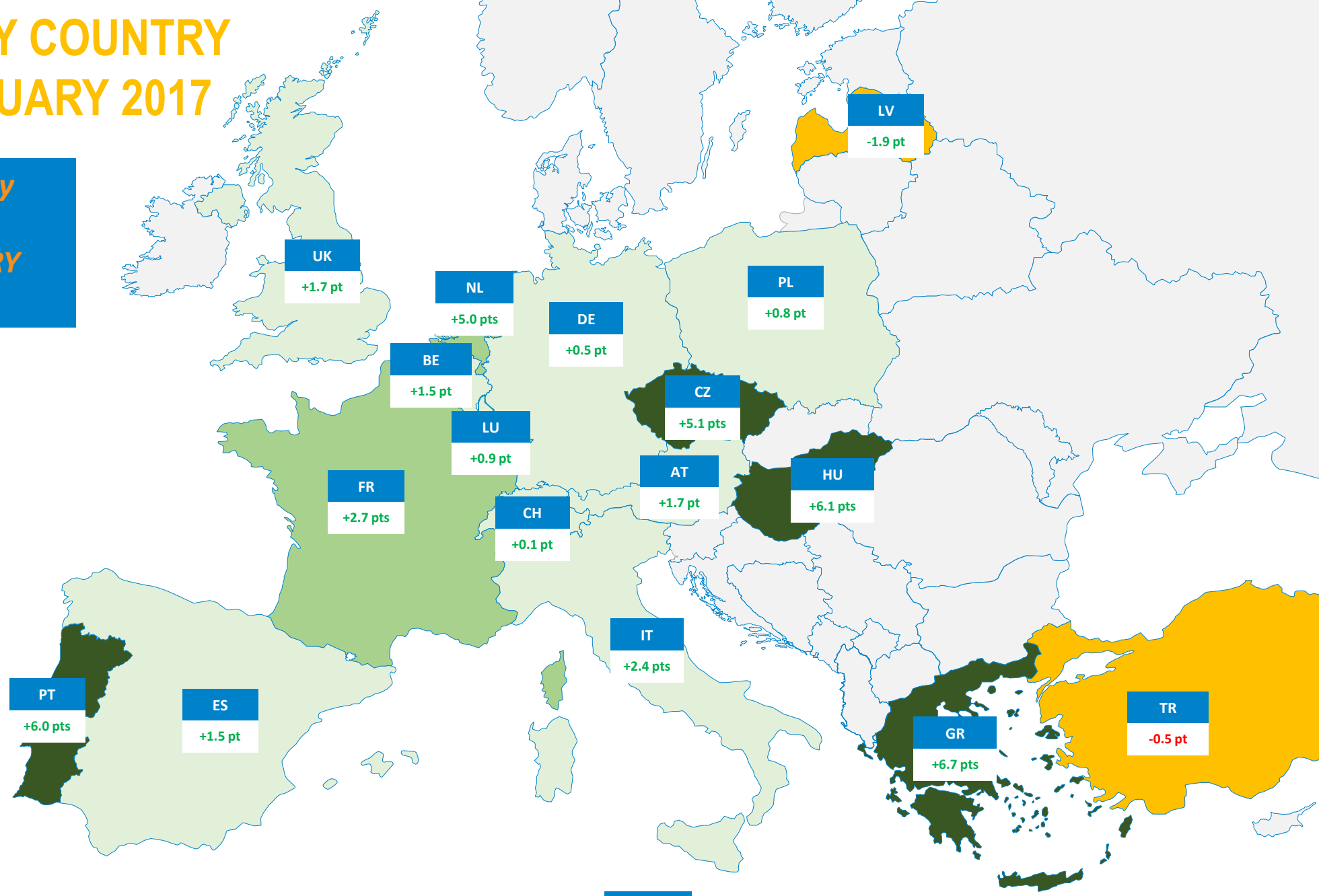


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2017

Monthly Results – Occupancy  
Rate change by country  
FEBRUARY 2017 vs FEBRUARY  
2016

European  
average  
**+2.0 pts**

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

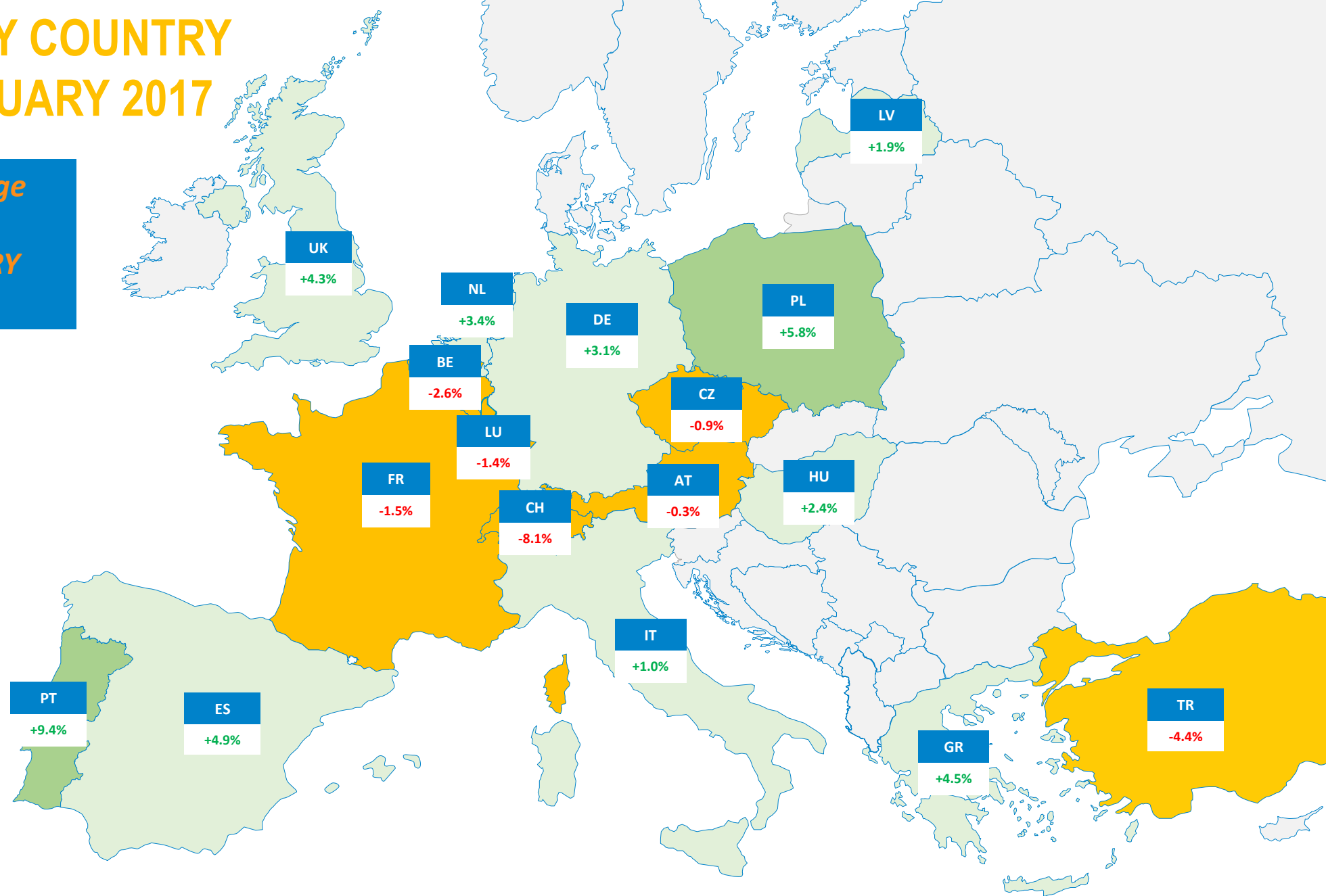


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2017

Monthly Results - ADR change  
by country  
FEBRUARY 2017 vs FEBRUARY  
2016

European  
average  
**+1.4%**

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

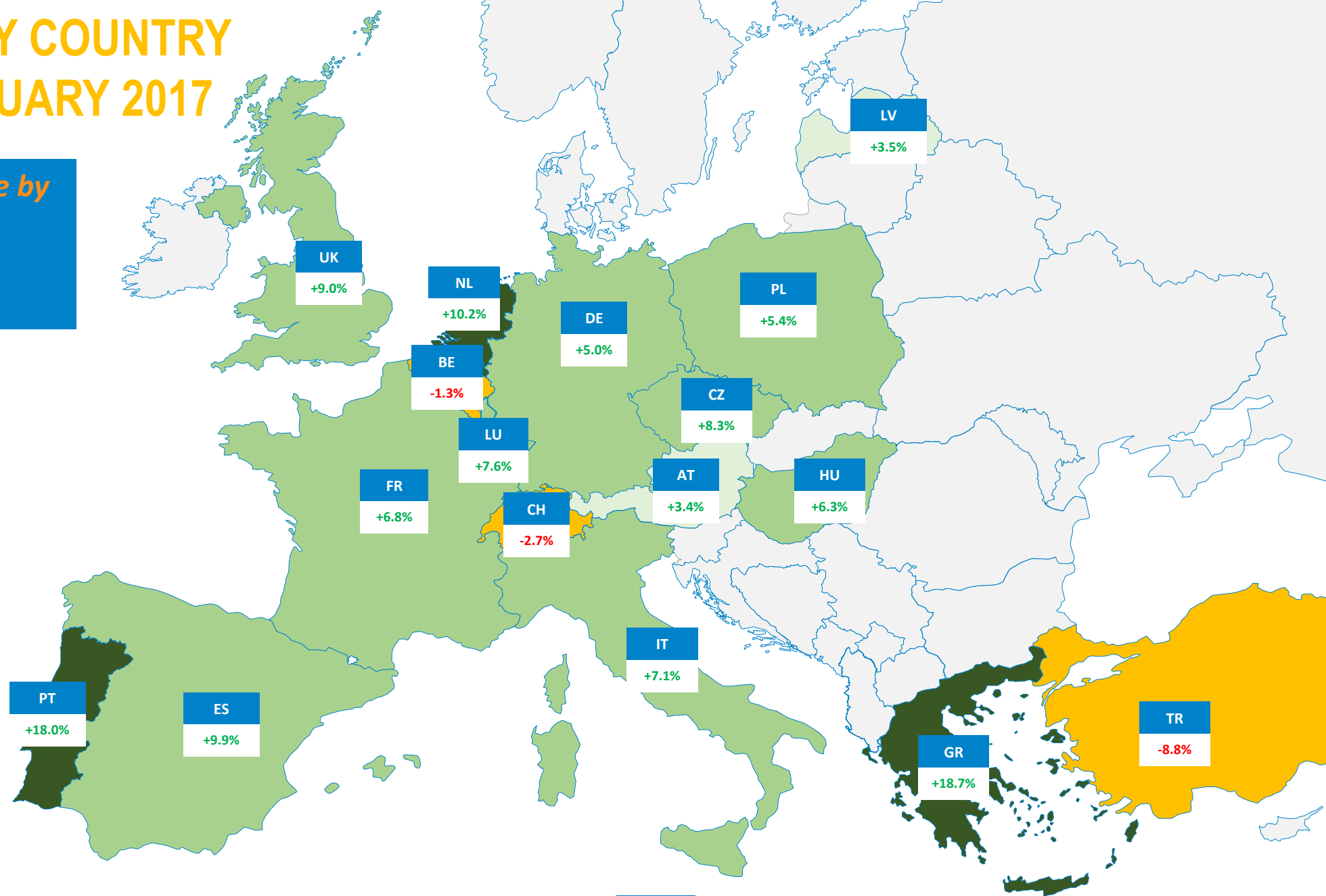


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2017

*YTD Results - RevPAR change by  
country  
YTD FEBRUARY 2017 vs YTD  
FEBRUARY 2016*

European  
average  
**+6.6%**

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

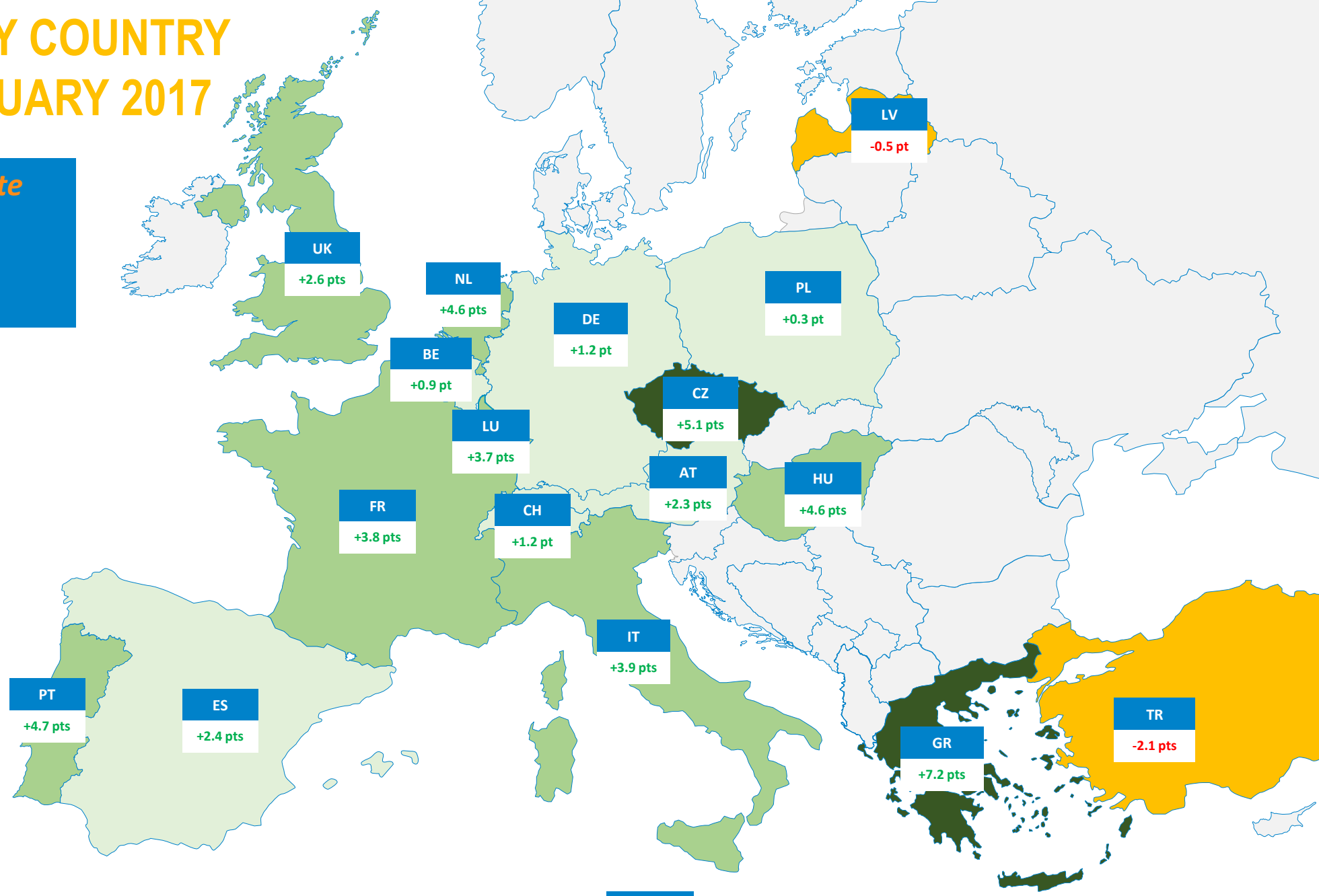


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2017

*YTD Results – Occupancy Rate  
change by country  
YTD FEBRUARY 2017 vs YTD  
FEBRUARY 2016*

European  
average  
**+2.7 pts**

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



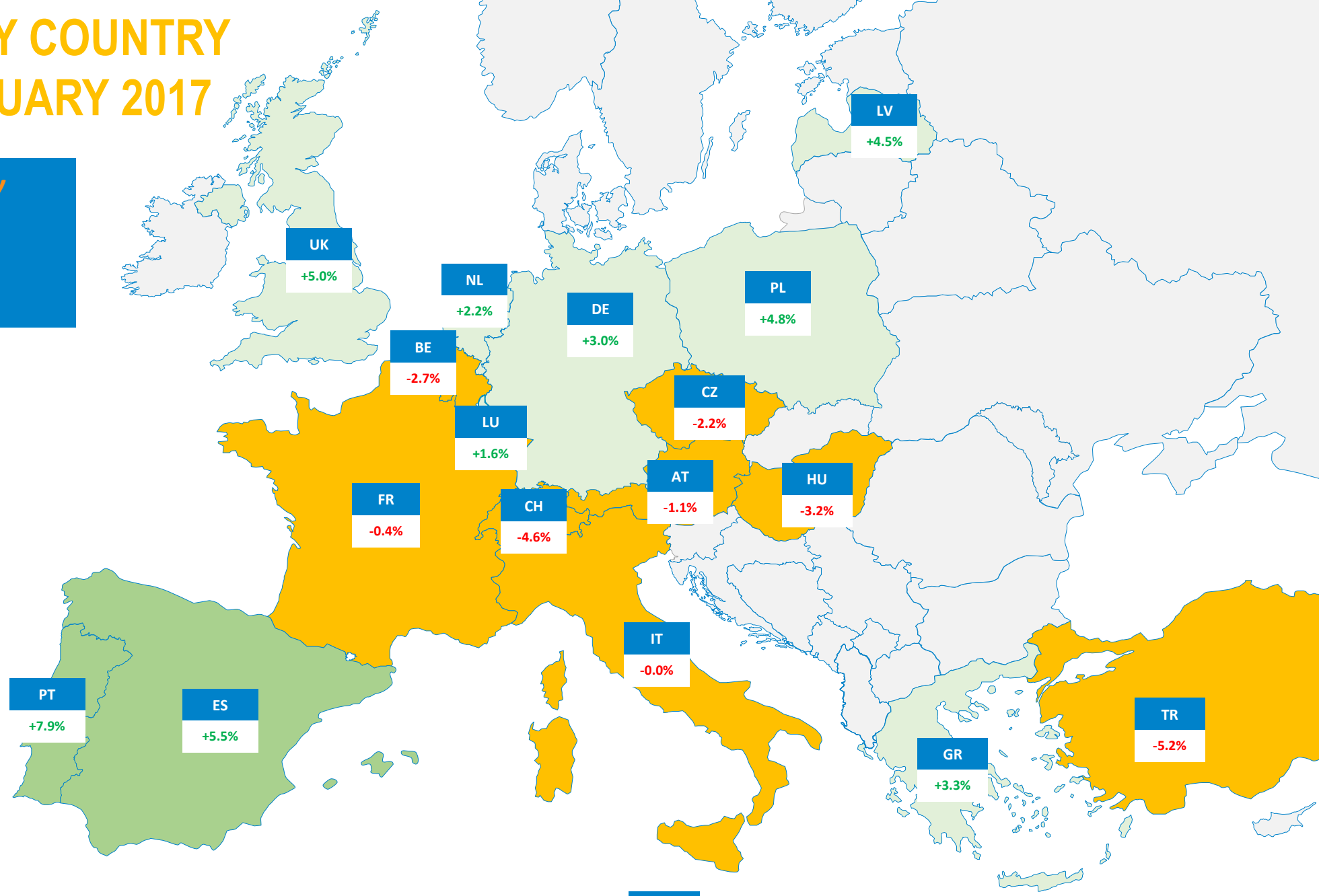


# HOTEL RESULTS BY COUNTRY IN EUROPE – FEBRUARY 2017

**YTD Results - ADR change by country**  
**YTD FEBRUARY 2017 vs YTD FEBRUARY 2016**

European average  
**+1.8%**

- 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.)

