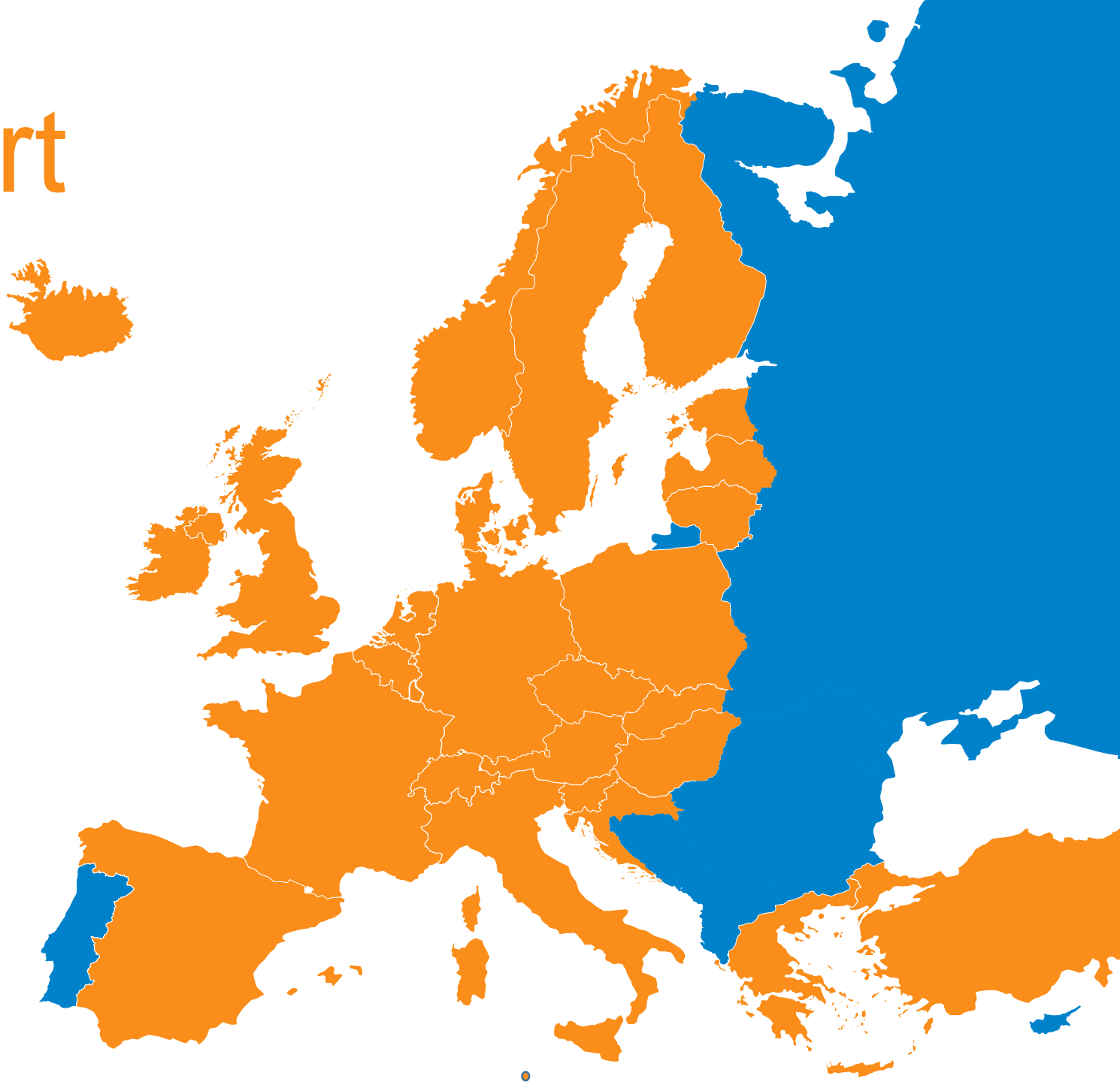


# H EU Report

Europe



NOVEMBER 2017



# ANALYSIS OF HOTEL RESULTS – NOVEMBER 2017

## The recovery continues for Europe's hotel industry

For several months now, the hotel business has been progressing well in most of Europe and continues along its trajectory at the end of 2017, a year that also began well.

After a promising month of September with a RevPAR up by +6.2%, which growth continued in October with a RevPAR of +5.2%, the month of November confirms the trend remarkably with an increase in the RevPAR by +6.9%.

This result may be explained by a more significant increase in occupancy rate, or 2.3 points more than in November 2016 and even 1.4 point more than in October 2017. The growth in average daily rates remains pretty much the same with prices up +3.3% (versus +3.2% last October).

In terms of occupancy, the 3\* hotels increased significantly once again by 2.9 points, although the 70.4% occupancy rate in November 2017 remains lower than on other segments. The increase in occupancy rate is real, but weakens with the rise in range. The 2\* and 4\* hotels each post occupancy rates of more than 71% with identical growth by more than +2 pts. The 5\* hotels produced the weakest growth across all segments with +2.0 pts.

This growth is experienced in many European countries. Only Latvia has a RevPAR that is down (-1.2%) due to a drop in average daily rates by 6.9%. The RevPAR in Germany and Austria are stable, at +0.9% and 0.0%, respectively.

Following the terrorist attacks in Belgium in 2016, the country recovered with an occupancy rate up by 5.2 points and average daily rates up by 5.1%, resulting in double-digit growth in the RevPAR (12.8%). France is the country in the European Union with the strongest growth in occupancy rate (+4.8 pts). Western Europe has the strongest concentration of the highest occupancy rates with the United Kingdom (80.1%), Luxemburg (79.6%), the Netherlands (78.1%) and Belgium (75.7%). The United Kingdom, Germany and Greece nonetheless filled their hotels less than the previous year.

Countries in Eastern and Southern Europe post generally strong growth in their RevPAR such as Spain (10.3%), Portugal (13%), Poland (11.9%), Hungary (14.3%), Greece (8.1%) and the Czech Republic (9.9%). These countries all experienced a significant increase in average daily rates: Spain (6.9%), Portugal (8%), Poland (5.8%), Hungary (13.2%), Greece (8.1%), and Czech Republic (5.9%). It should be noted that in terms of results, Spain remains attractive despite current socio-political tension that penalized Barcelona, where the RevPAR has been down for several weeks.

The month of November 2017 is characterized by positive results for most European countries and offers hope as we move into the new year.

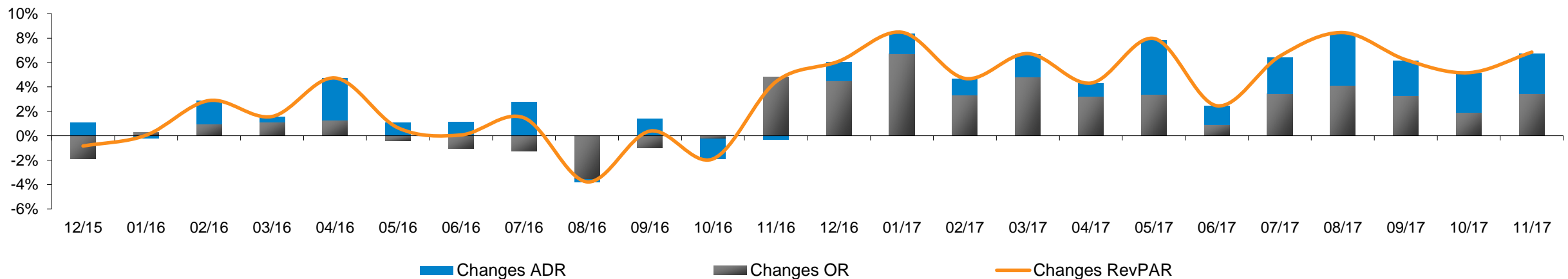
# HOTEL RESULTS BY SEGMENT IN EUROPE – NOVEMBER 2017

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

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

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

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

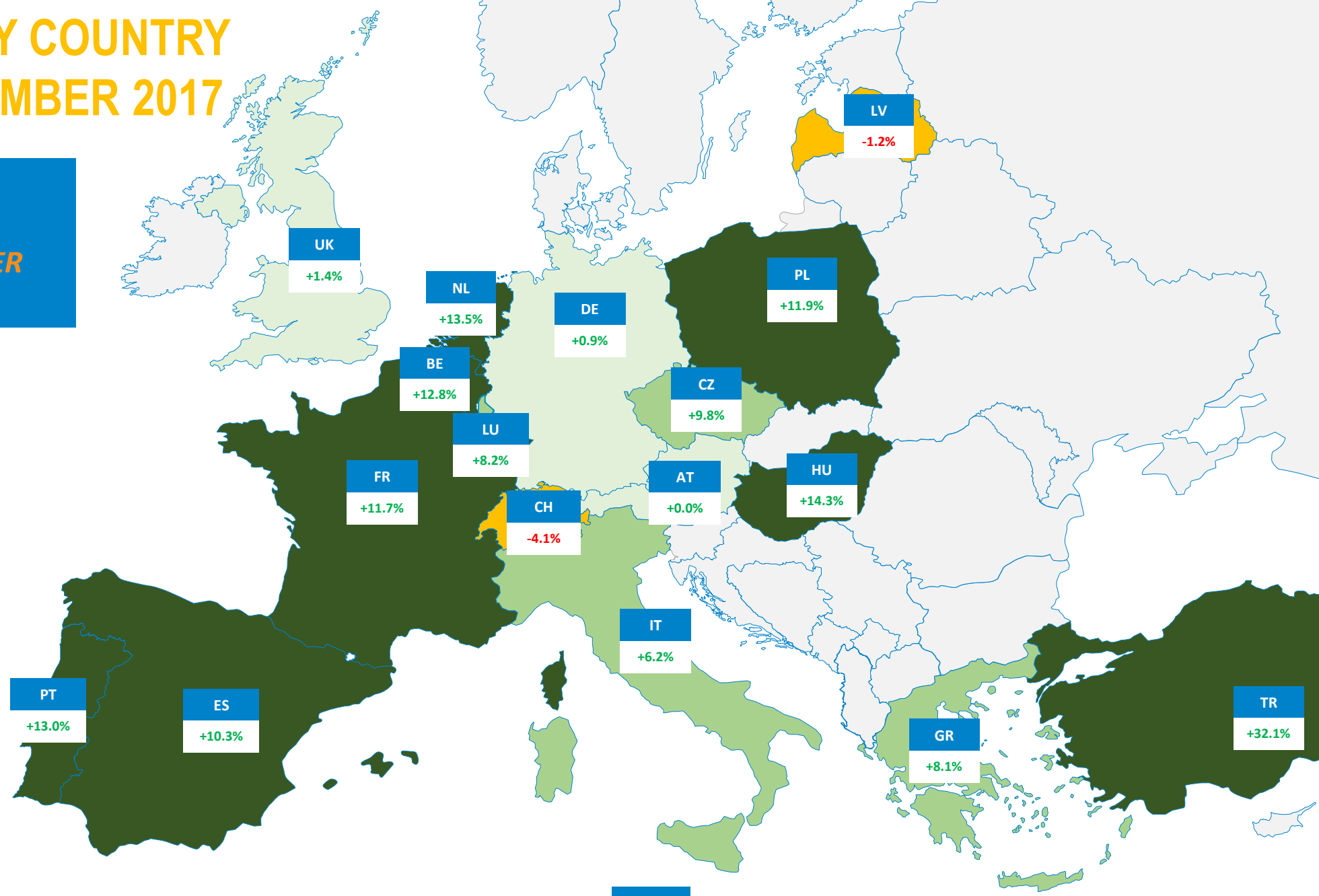


# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2017

Monthly Results - RevPAR  
change by country  
NOVEMBER 2017 vs OCTOBER  
2016

European  
average  
**+6.9%**

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

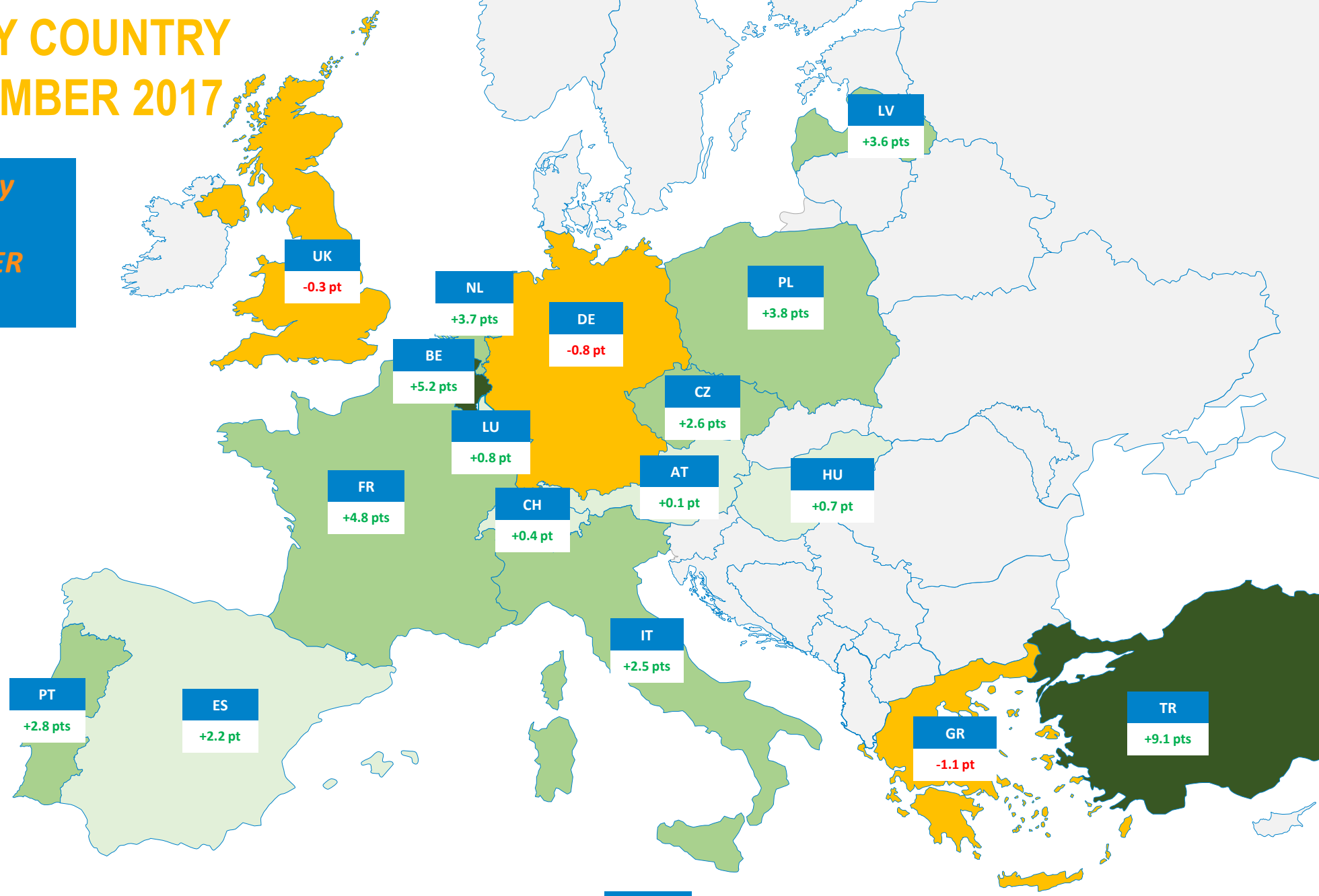


# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2017

Monthly Results – Occupancy  
Rate change by country  
NOVEMBER 2017 vs OCTOBER  
2016

European  
average  
**+2.3 pts**

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

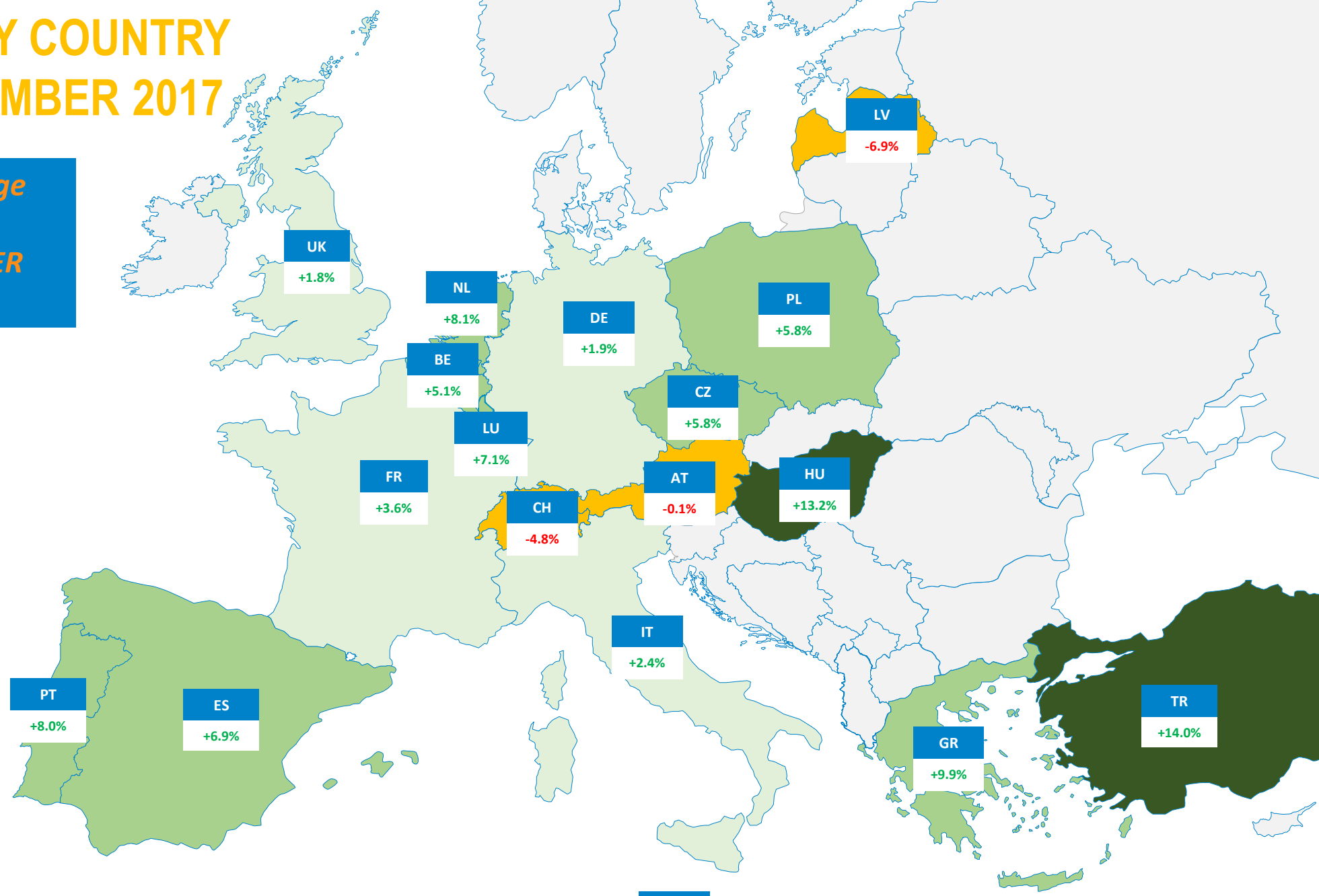


# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2017

Monthly Results - ADR change  
by country  
NOVEMBER 2017 vs OCTOBER  
2016

European  
average  
**+3.3%**

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

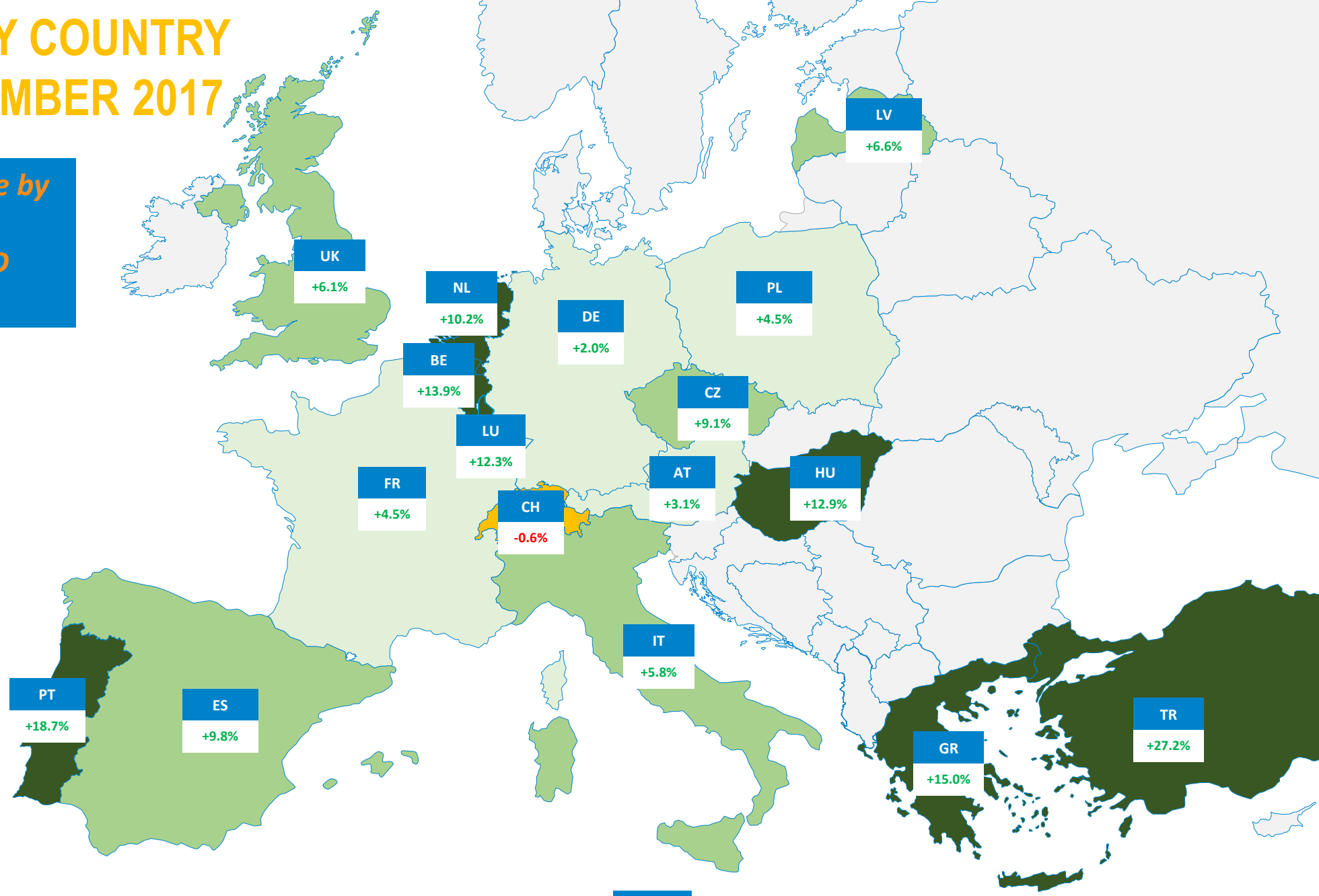


# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2017

*YTD Results - RevPAR change by  
country  
YTD NOVEMBER 2017 vs YTD  
OCTOBER 2016*

European  
average  
**+5.7%**

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

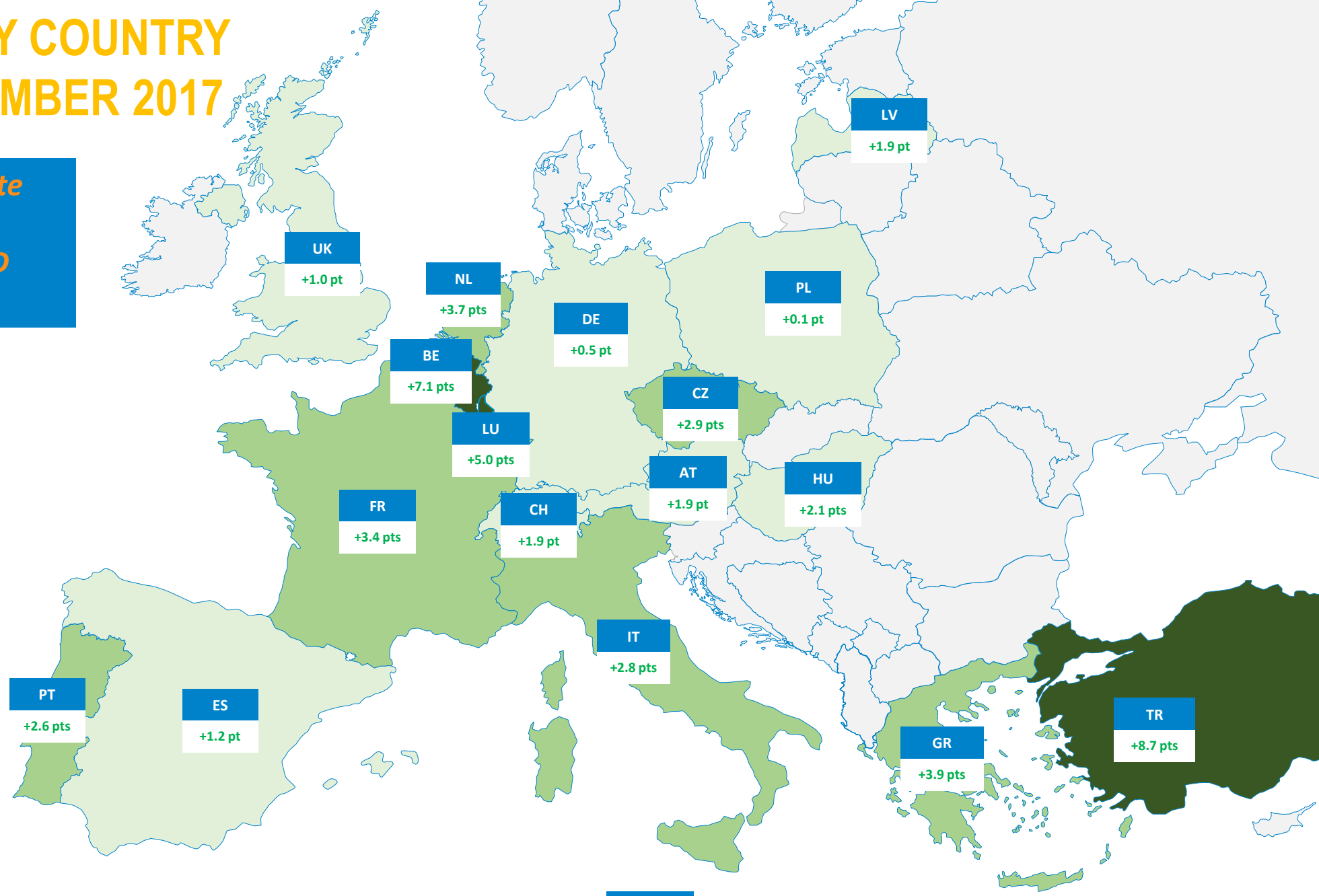


# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2017

YTD Results – Occupancy Rate  
change by country  
YTD NOVEMBER 2017 vs YTD  
OCTOBER 2016

European  
average  
**+2.3 pts**

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



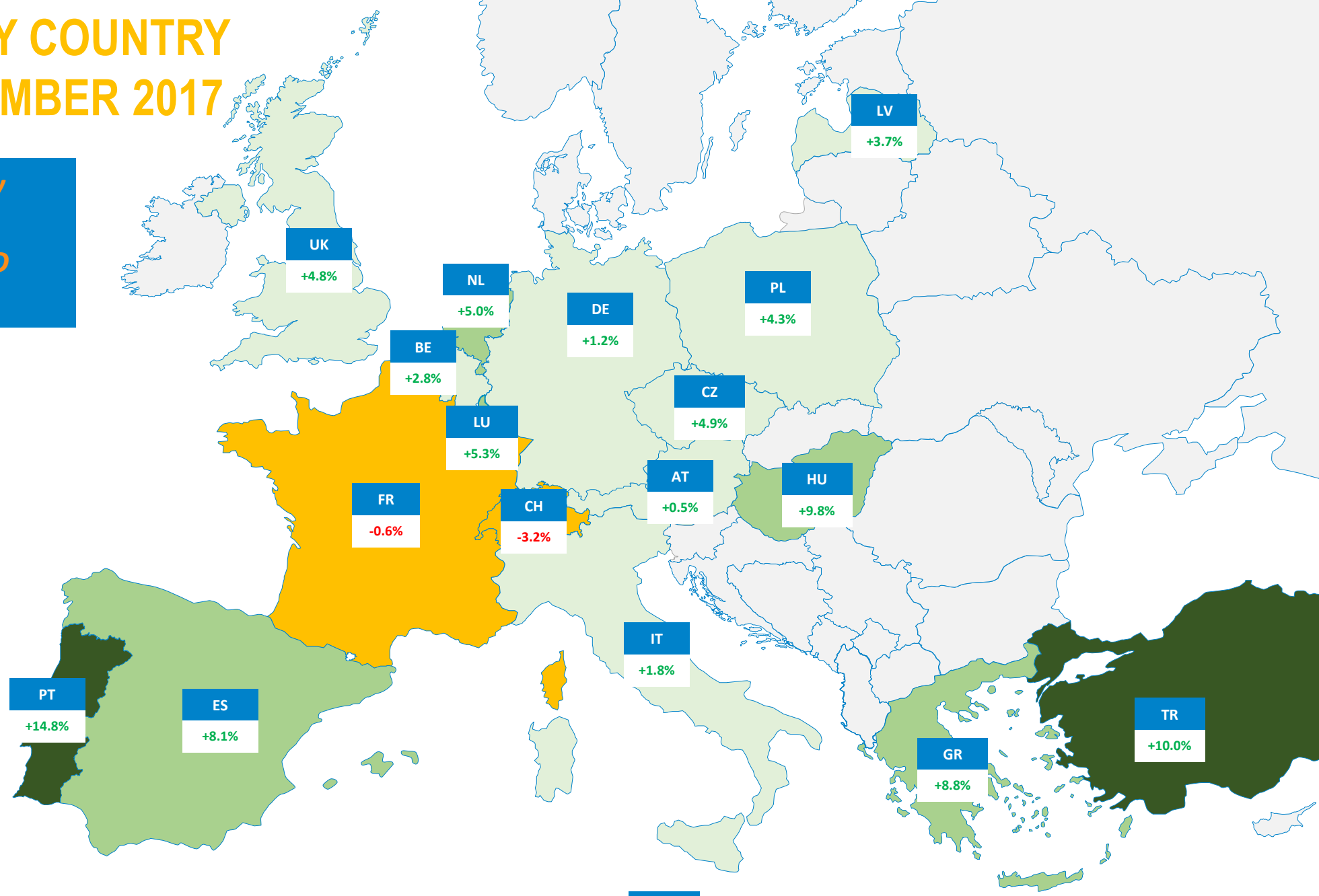


# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2017

**YTD Results - ADR change by country**  
**YTD NOVEMBER 2017 vs YTD OCTOBER 2016**

European average  
**+2.4%**

- 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.)