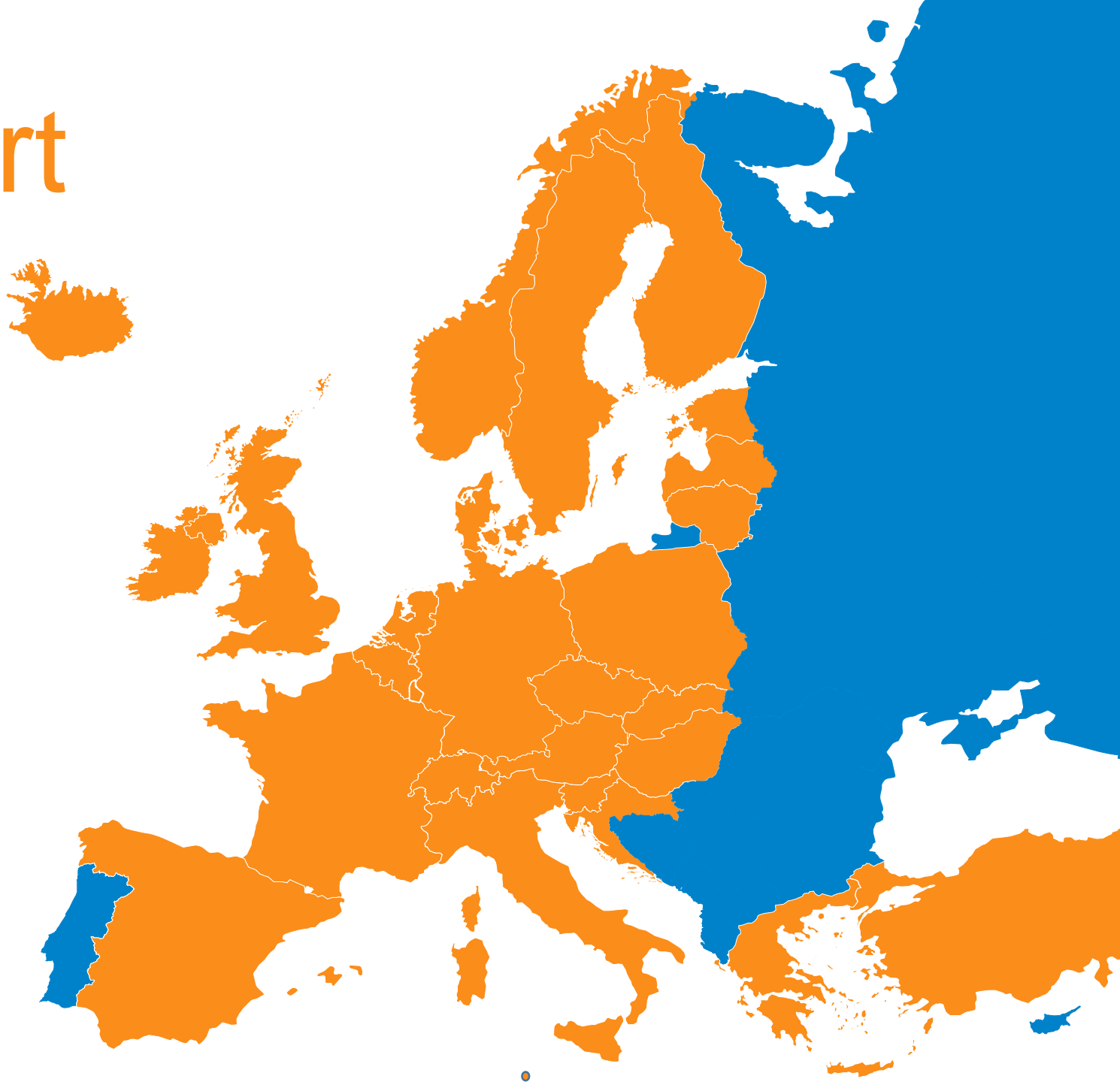# H EU Report

Europe

Hotrec
Hospitality Europe

DECEMBER 2017

ANALYSIS OF HOTEL RESULTS – DECEMBER 2017

Europe's hotel industry closes the year on a high note

Despite gloomy weather, Europe's hotel industry is looking up: the new impetus at the beginning of the year continued through the end of 2017.

After an encouraging October with a RevPAR up +5.2%, a gratifying November with an increase in its RevPAR by +6.9%, December 2017 presented further growth in the global RevPAR by +6.3%.

Overall, this increase in the RevPAR may be explained by a +2.3 point change in occupancy rate over December 2016 bringing it up to 61.8% together with increase in average daily rates by +2.4% from 96 to 99 euros.

Favorable performances were reported across all hotel categories. The 5* stands out nonetheless with the strongest growth in comparison to the other categories. Its RevPAR increased by +8.6% thanks to an occupancy rate up by +2.2 points to reach 61.2% and average daily rates up by +4.6%.

Portugal posts a RevPAR that is flirting with +20% growth. Its occupancy rate remains moderate with an increase from 48.3% to 52.6% on the period, for a +4.3 points increase. Likewise, averaged daily rates rose from 69.7 to 76.7 euros, or a 10.0% increase. One of the "trendy" destinations for 2017 is the city of Lisbon, which boosted Portugal's tourist arrivals.

Belgium follows a similar positive dynamic with growth in its RevPAR by +17.3%. This outcome is the result of an increase in occupancy rate by +4.3 points and in average daily rates by +9.9%. Brussels is rising back out of the aftermath of the terrorist attacks and Belgium is benefiting from it. On New Years Eve, the Belgian capital recorded an occupancy rate of 93.1%. It also showed strong growth in its RevPAR by +36.5% from 2015 to 2016 and +20.5% from 2016 to 2017 on the last day of those years.

Prime European tourist destinations are often in the lead when it comes to occupancy rates. Austria, driven by Vienna during year-end celebrations, saw its RevPAR increase by just +0.3% but has the highest occupancy rate at 76.4%. The United Kingdom also posts slight growth in its RevPAR by +1.5% while its occupancy rate rose to 71.6%. Luxembourg, with an occupancy rate of 70.5%, experienced an increase in its RevPAR by +11.5% thanks to an increase in average daily rates by 9.5%.

Latvia, meanwhile, reveals a RevPAR up by +9.8% thanks to occupancy rate alone that grew by +5.5 points from 55.5% to 61.0%.
This year was favorable to Europe's hotels and this month of December closes 2017 honorably. We can only hope that this dynamic continues in 2018.
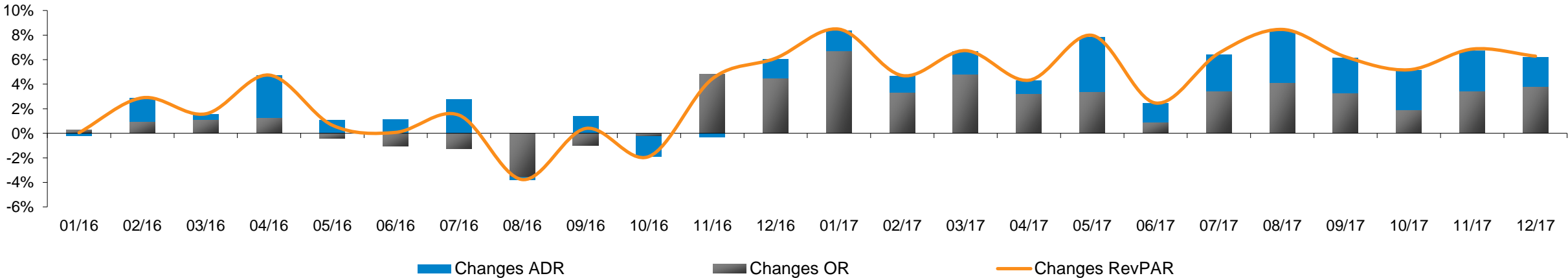
HOTEL RESULTS BY SEGMENT IN EUROPE – DECEMBER 2017

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

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

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

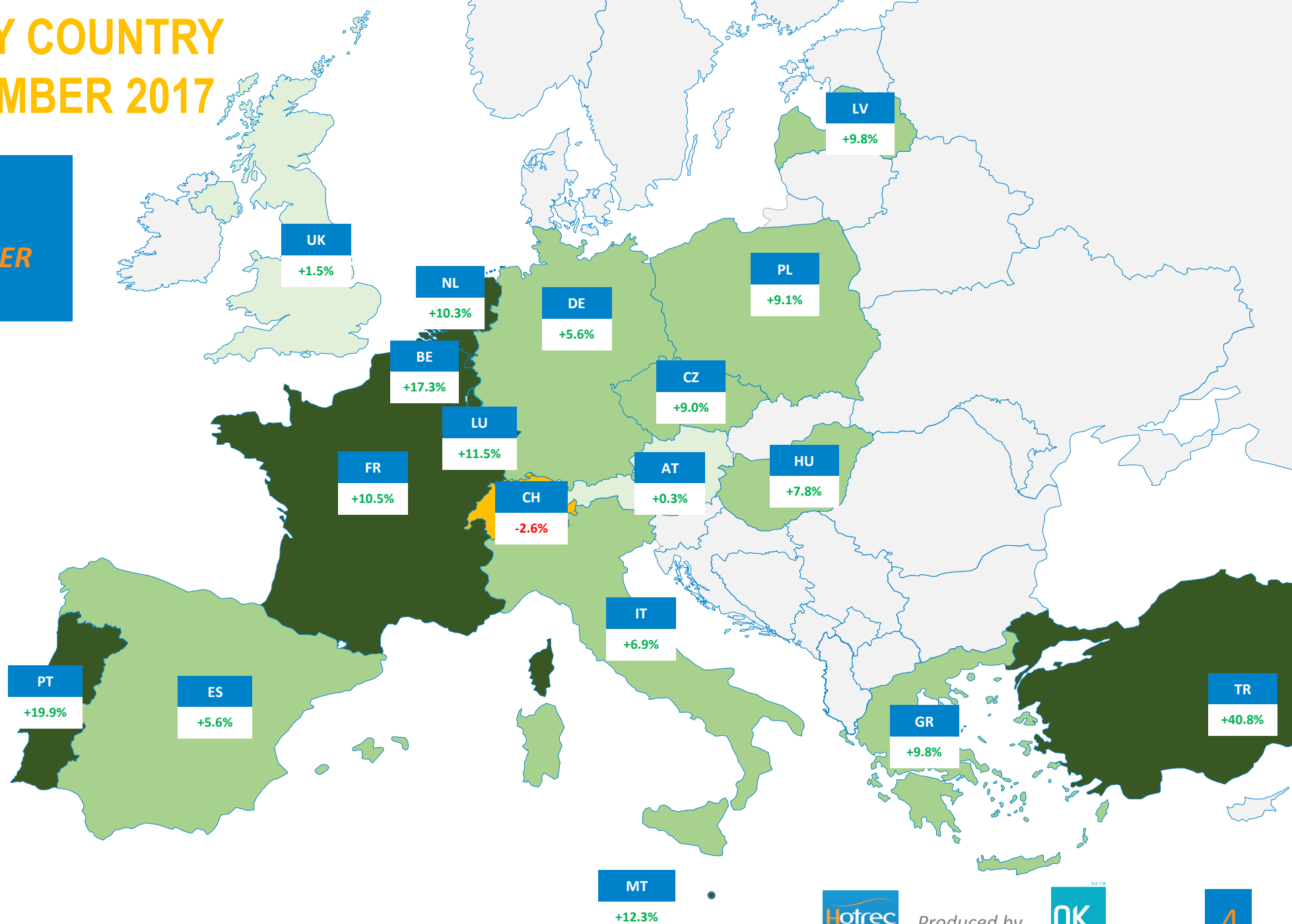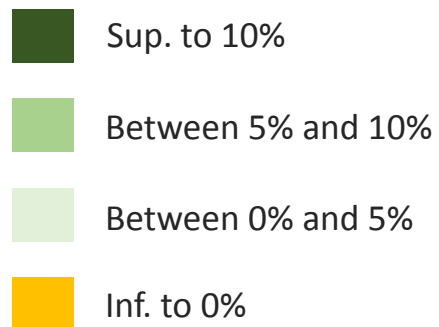## OR, ADR and RevPAR change - Last 24 months

Legend: Changes ADR, Changes OR, Changes RevPAR

HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2017

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

European average +6.3%

Country	Value
LV	+9.8%
UK	+1.5%
NL	+10.3%
DE	+5.6%
PL	+9.1%
BE	+17.3%
CZ	+9.0%
LU	+11.5%
FR	+10.5%
AT	+0.3%
HU	+7.8%
CH	-2.6%
IT	+6.9%
PT	+19.9%
ES	+5.6%
GR	+9.8%
TR	+40.8%
MT	+12.3%

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

Hotrec Hospitality Europe

Produced by OK OLA KALA
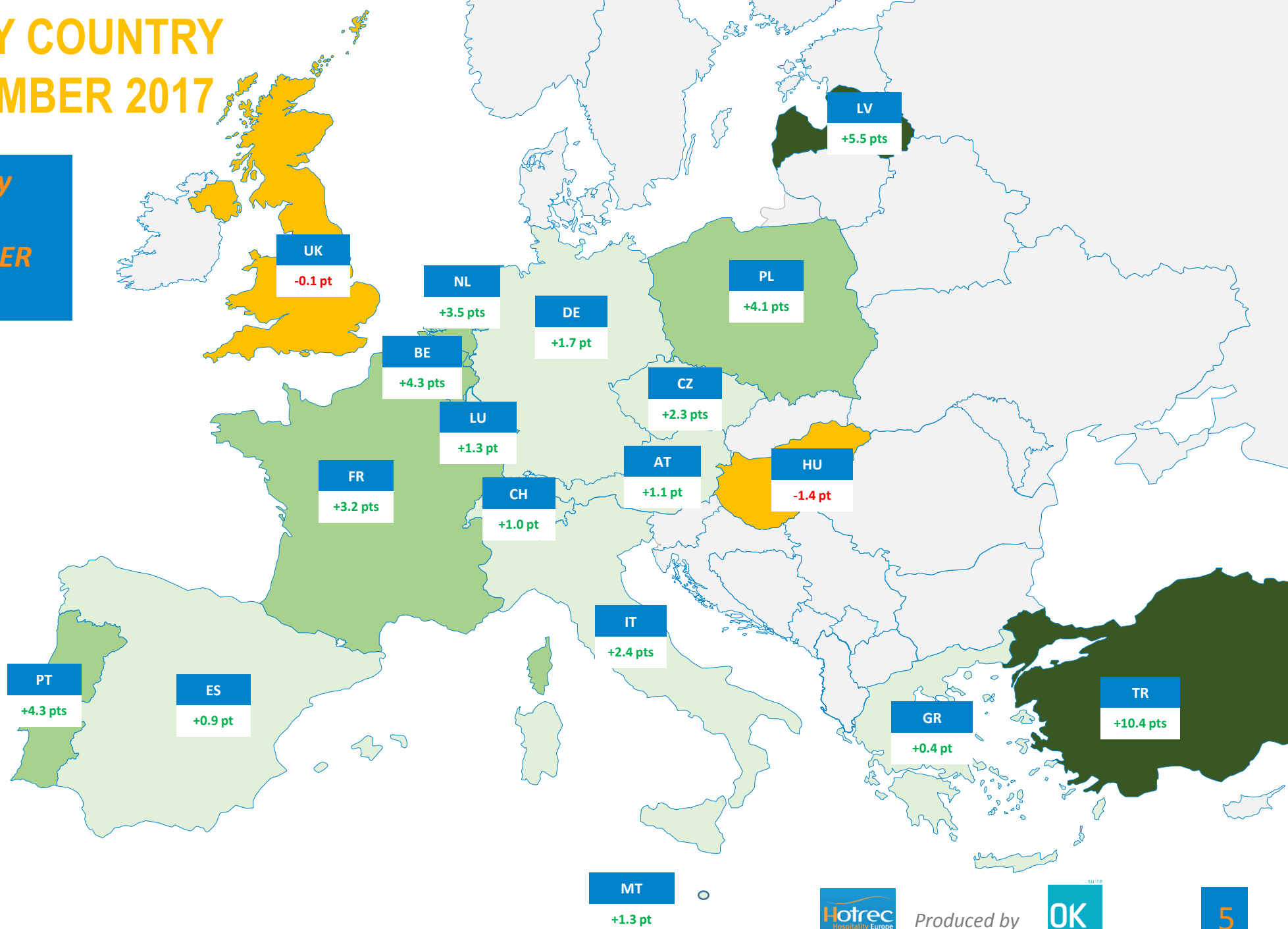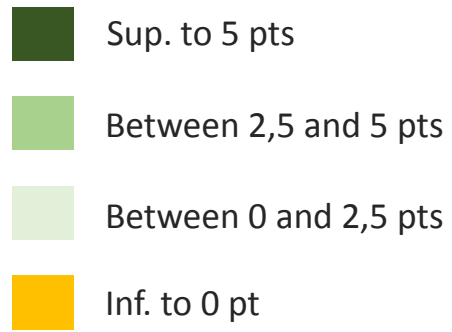
HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2017

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

European average
+2.3 pts

LV
+5.5 pts

UK
-0.1 pt

NL
+3.5 pts

DE
+1.7 pt

PL
+4.1 pts

BE
+4.3 pts

CZ
+2.3 pts

LU
+1.3 pt

AT
+1.1 pt

HU
-1.4 pt

FR
+3.2 pts

CH
+1.0 pt

IT
+2.4 pts

PT
+4.3 pts

ES
+0.9 pt

GR
+0.4 pt

TR
+10.4 pts

MT
+1.3 pt

Sup. to 5 pts

Between 2,5 and 5 pts

Between 0 and 2,5 pts

Inf. to 0 pt

Hotrec Hospitality Europe

Produced by OK OLA KALA
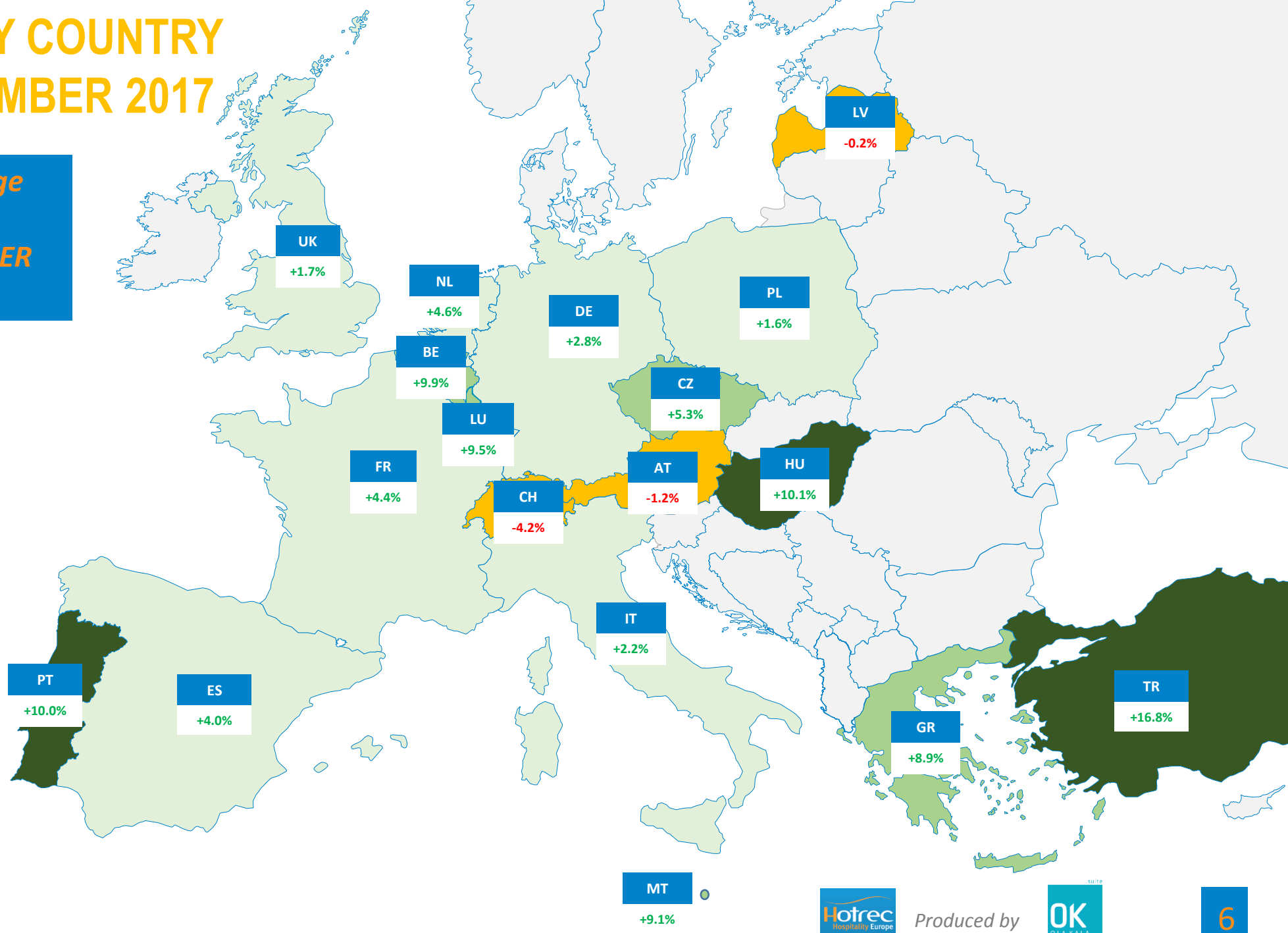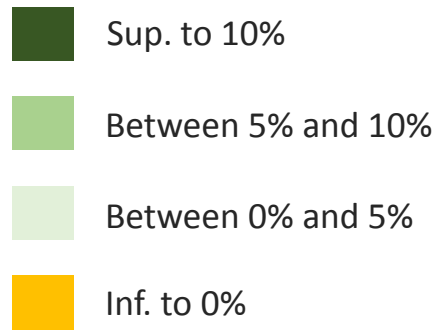
HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2017

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

European average
+2.4%

LV	-0.2%
UK	+1.7%
NL	+4.6%
DE	+2.8%
PL	+1.6%
BE	+9.9%
CZ	+5.3%
LU	+9.5%
AT	-1.2%
HU	+10.1%
FR	+4.4%
CH	-4.2%
IT	+2.2%
TR	+16.8%
PT	+10.0%
ES	+4.0%
GR	+8.9%
MT	+9.1%

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

Hotrec Hospitality Europe

Produced by OK OLA KALA
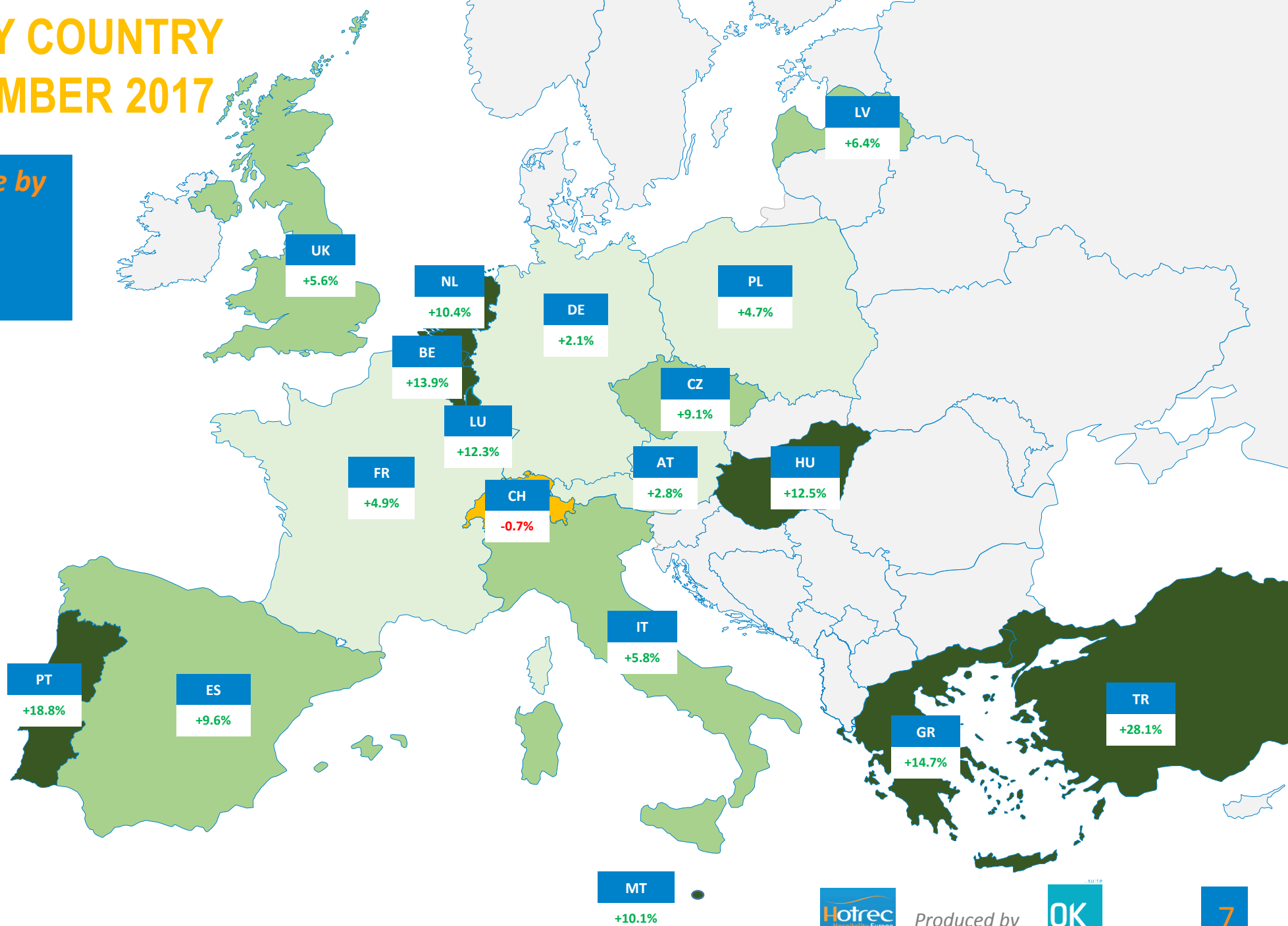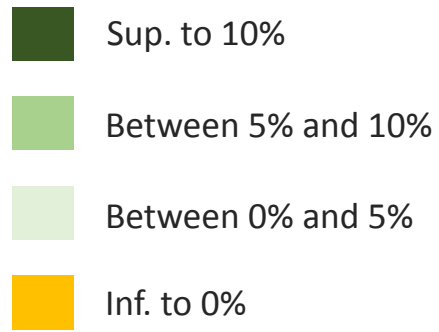
HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2017

YTD Results - RevPAR change by country
YTD DECEMBER 2017 vs YTD DECEMBER 2016

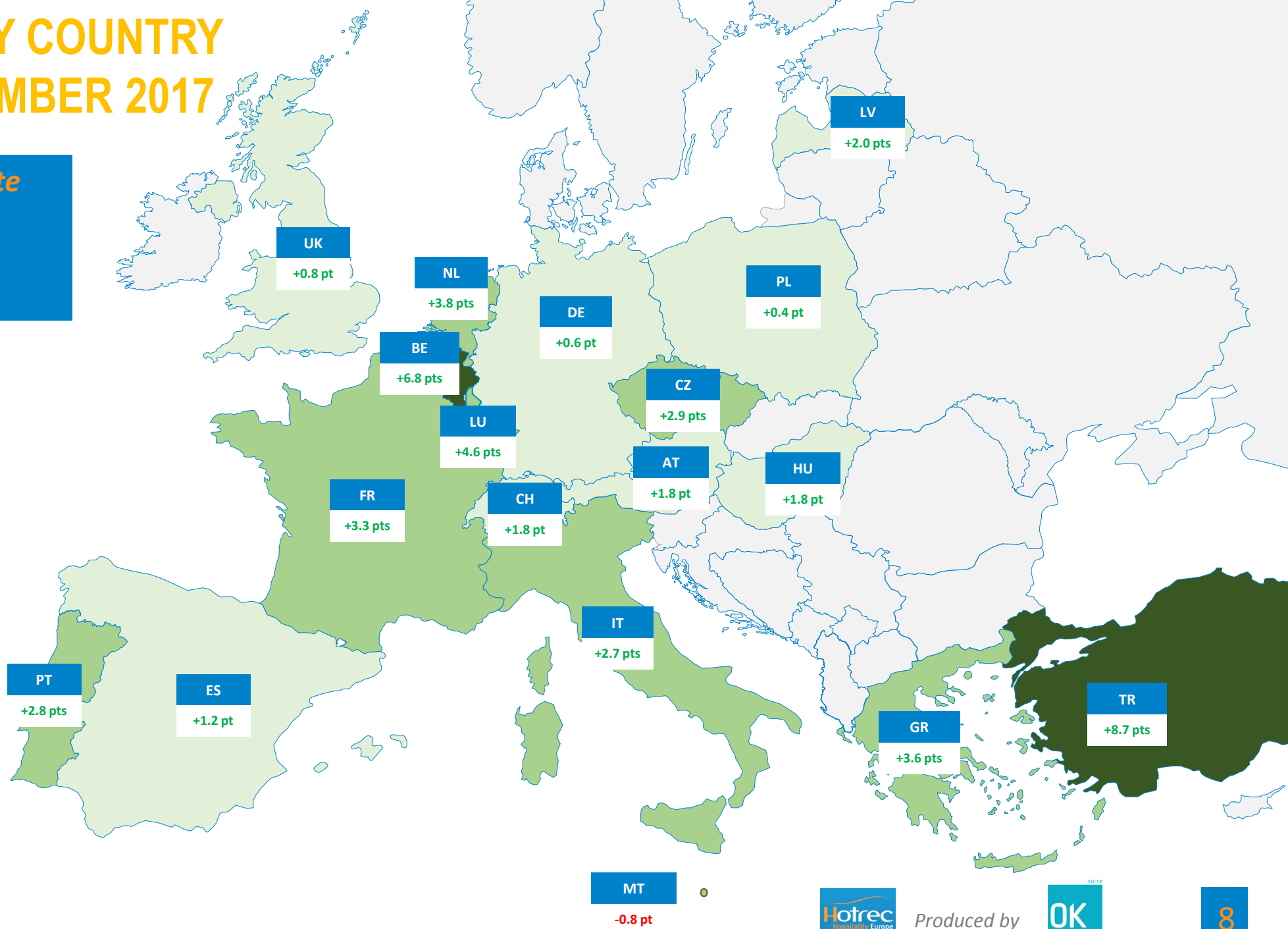**European average**
+5.8%

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

Country	Value
LV	+6.4%
UK	+5.6%
NL	+10.4%
DE	+2.1%
PL	+4.7%
BE	+13.9%
CZ	+9.1%
LU	+12.3%
AT	+2.8%
HU	+12.5%
FR	+4.9%
CH	-0.7%
IT	+5.8%
PT	+18.8%
ES	+9.6%
GR	+14.7%
TR	+28.1%
MT	+10.1%

HEU Report

Hotrec Hospitality Europe

Produced by OK OLA KALA
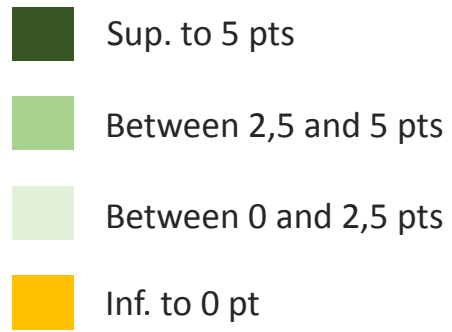
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HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2017

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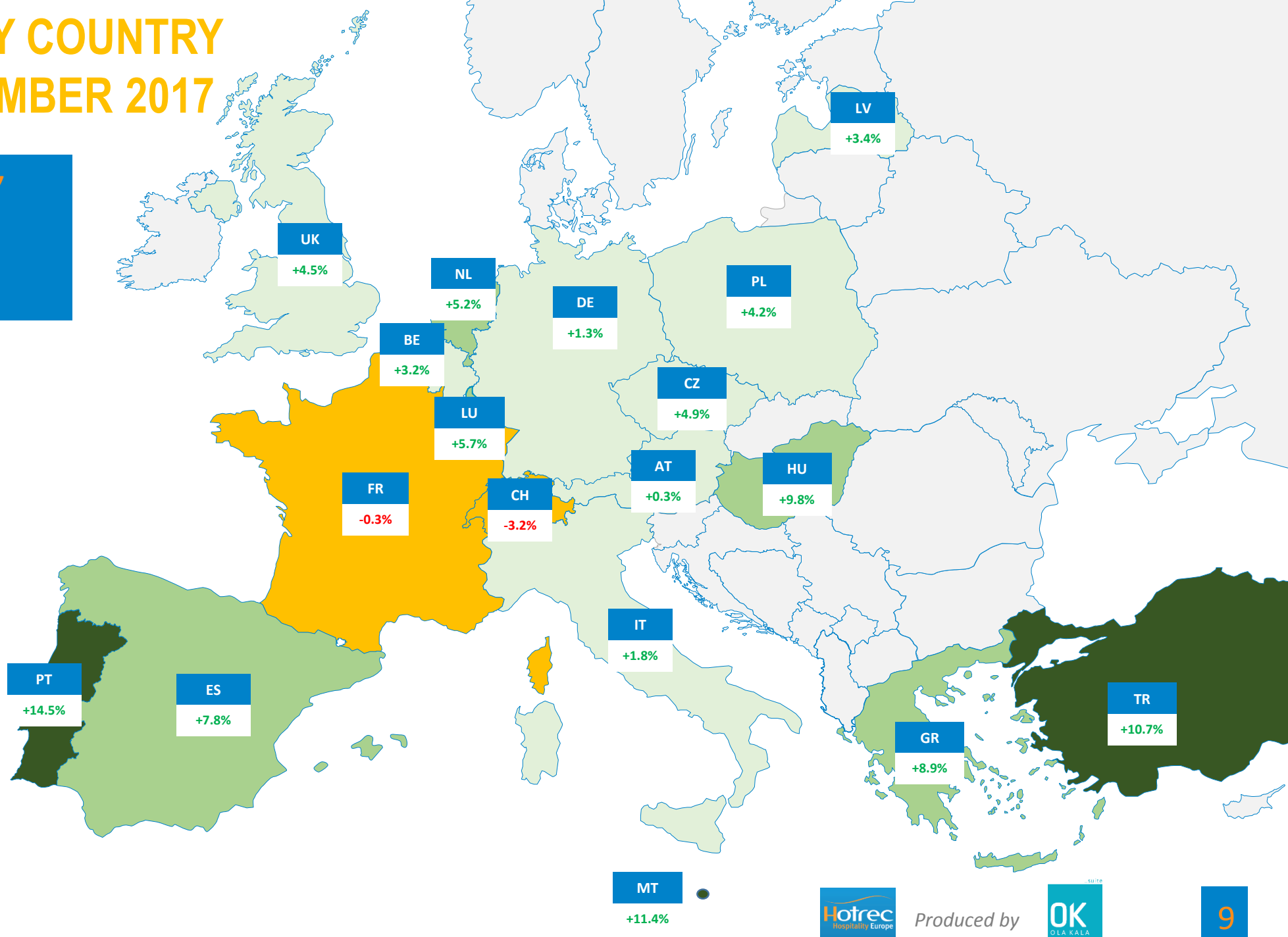*YTD DECEMBER 2017 vs YTD DECEMBER 2016*

European average
+2.3 pts

LV
+2.0 pts

UK
+0.8 pt

NL
+3.8 pts

PL
+0.4 pt

DE
+0.6 pt

BE
+6.8 pts

CZ
+2.9 pts

LU
+4.6 pts

AT
+1.8 pt

HU
+1.8 pt

FR
+3.3 pts

CH
+1.8 pt

IT
+2.7 pts

PT
+2.8 pts

ES
+1.2 pt

GR
+3.6 pts

TR
+8.7 pts

MT
-0.8 pt

Legend:
- Sup. to 5 pts
- Between 2,5 and 5 pts
- Between 0 and 2,5 pts
- Inf. to 0 pt
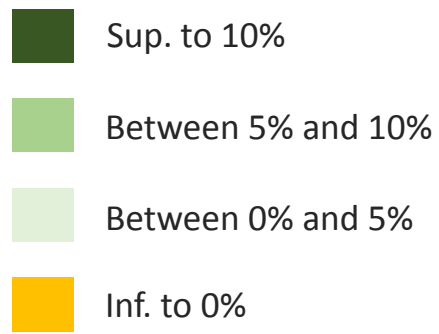
HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2017

YTD Results - ADR change by country
YTD DECEMBER 2017 vs YTD DECEMBER 2016

European average
+2.4%

LV
+3.4%

UK
+4.5%

NL
+5.2%

DE
+1.3%

PL
+4.2%

BE
+3.2%

CZ
+4.9%

LU
+5.7%

AT
+0.3%

HU
+9.8%

FR
-0.3%

CH
-3.2%

IT
+1.8%

PT
+14.5%

ES
+7.8%

GR
+8.9%

TR
+10.7%

MT
+11.4%

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

Hotrec Hospitality Europe

Produced by OK OLA KALA

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.)

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