

H EU Report

Europe



SEPTEMBER 2020



ANALYSIS OF HOTEL RESULTS – SEPTEMBER 2020

The European hotel industry falls back

After a slightly better summer, European tourist activity fell back again in September due to limited demand from corporate and individual business customers and to muted MICE & events activity.

After KPIs climbed slightly closer to 2019 standards in August (-36.5 points in OR; RevPAR down -54.6%), September's hotel activity once again slowed down. The occupancy rate was 44.1 points lower than in September 2019 and RevPAR went down by 68.0%. Business and event demand, which usually picks up in September, is in fact much more affected by COVID-19 than the leisure tourism that dominates in summer months.

In September, all European countries posted the first month-on-month decline in hotel performances since the end of their lockdowns. As its RevPAR fell by 60.3% from September 2019 marks, Germany converged with France, which retained its position as one of the most resilient destinations.

Indeed, the three countries that post the lowest decline compared to 2019 standards remain the same as in summer: months France with an OR decline by -33.5 points and RevPAR fall by -59.4%, Germany with -38.4 in OR and -60.3% in RevPAR and Poland with -42.0 points in OR and -63.9% in RevPAR. These three countries are significantly ahead of their peers: Greece is a distant #4, with a RevPAR evolution of -68.3% from September 2019. These 3 countries, which have large domestic markets, maintained their position ahead of other European destinations that suffered from the absence of major international events. These countries still benefit from the leisure demand from tourists who went on holiday in September in the shoulder season (retired people, working people without children, students with a late start to their school years...).

European cities that usually host the highest number of MICE events (congresses and trade fairs) are those that posted the biggest drop in RevPAR compared to last year's records. The cities that stand among the top 20 European cities in terms of hosting MICE events, according to the ICCA ranking, are those that suffered from the steepest year-on-year declines, whereas secondary towns in the same country (such as Dresden in Germany, Rouen in France...) are far more resilient.

In addition to the absence of events, the restrictive measures recently put in place by European governments to prevent a second wave of the pandemic will not encourage the resumption of travel: the relapse thus seems poised to worsen in October.

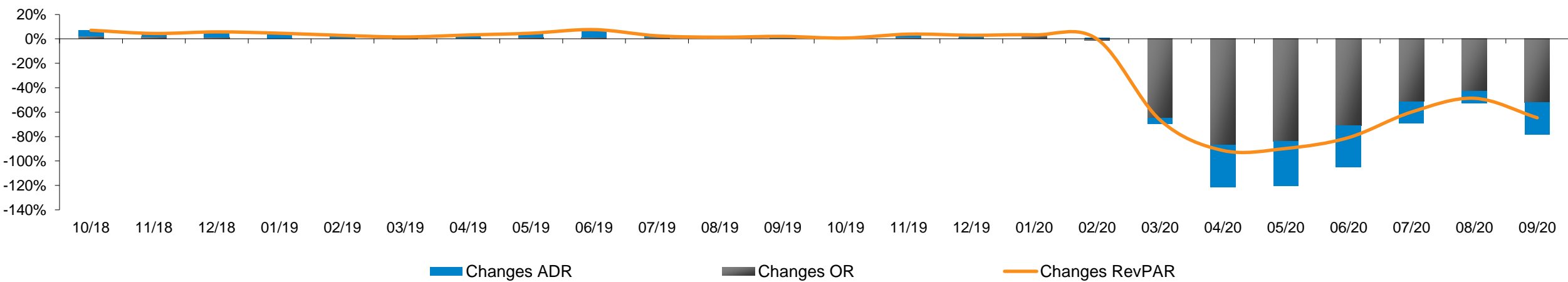
HOTEL RESULTS BY SEGMENT IN EUROPE – SEPTEMBER 2020

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-33,1	-17,2%	-51,4%
3*	-39,1	-20,7%	-59,3%
4*	-47,9	-27,0%	-69,9%
5*	-50,0	-17,7%	-68,4%
Global	-41,8	-26,4%	-64,6%

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-30,4	-8,4%	-47,1%
3*	-33,1	-9,6%	-51,0%
4*	-38,4	-12,4%	-58,3%
5*	-40,4	-6,0%	-58,4%
Global	-34,7	-13,1%	-54,7%

Note : The indicators are compared to the same period of previous year, i.e. SEPTEMBER 2020 vs SEPTEMBER 2019

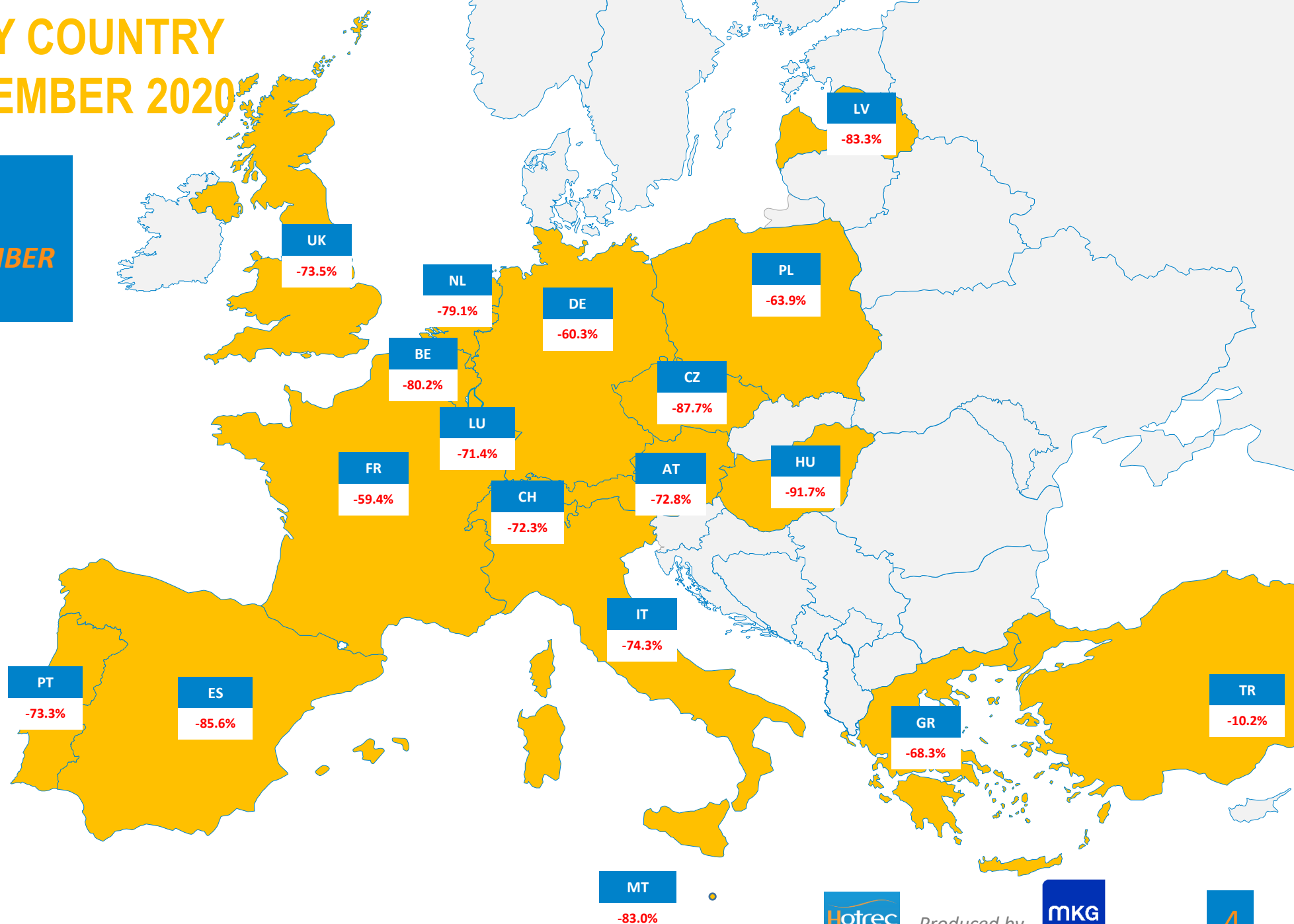
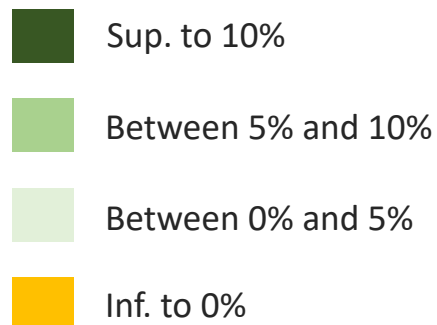
OR, ADR and RevPAR change - Last 24 months



HOTEL RESULTS BY COUNTRY IN EUROPE – SEPTEMBER 2020

*Monthly Results - RevPAR
change by country
SEPTEMBER 2020 vs SEPTEMBER
2019*

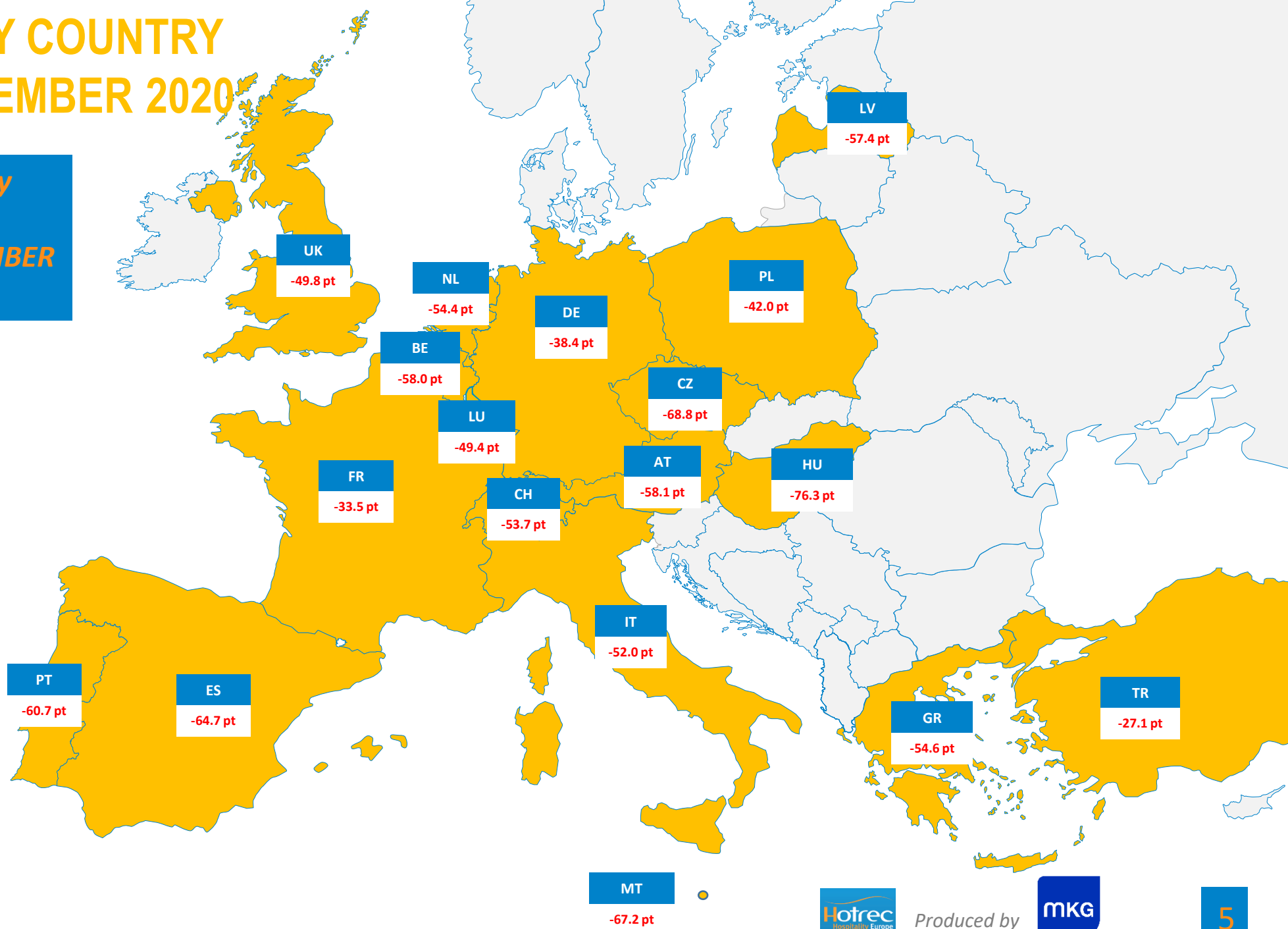
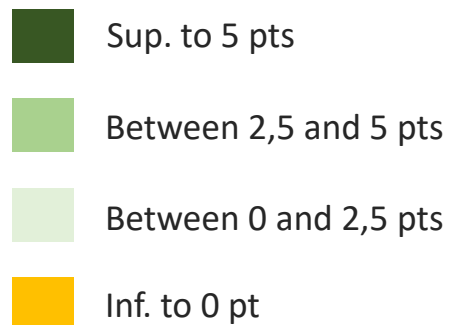
European
average
-64.6%



HOTEL RESULTS BY COUNTRY IN EUROPE – SEPTEMBER 2020

*Monthly Results – Occupancy
Rate change by country
SEPTEMBER 2020 vs SEPTEMBER
2019*

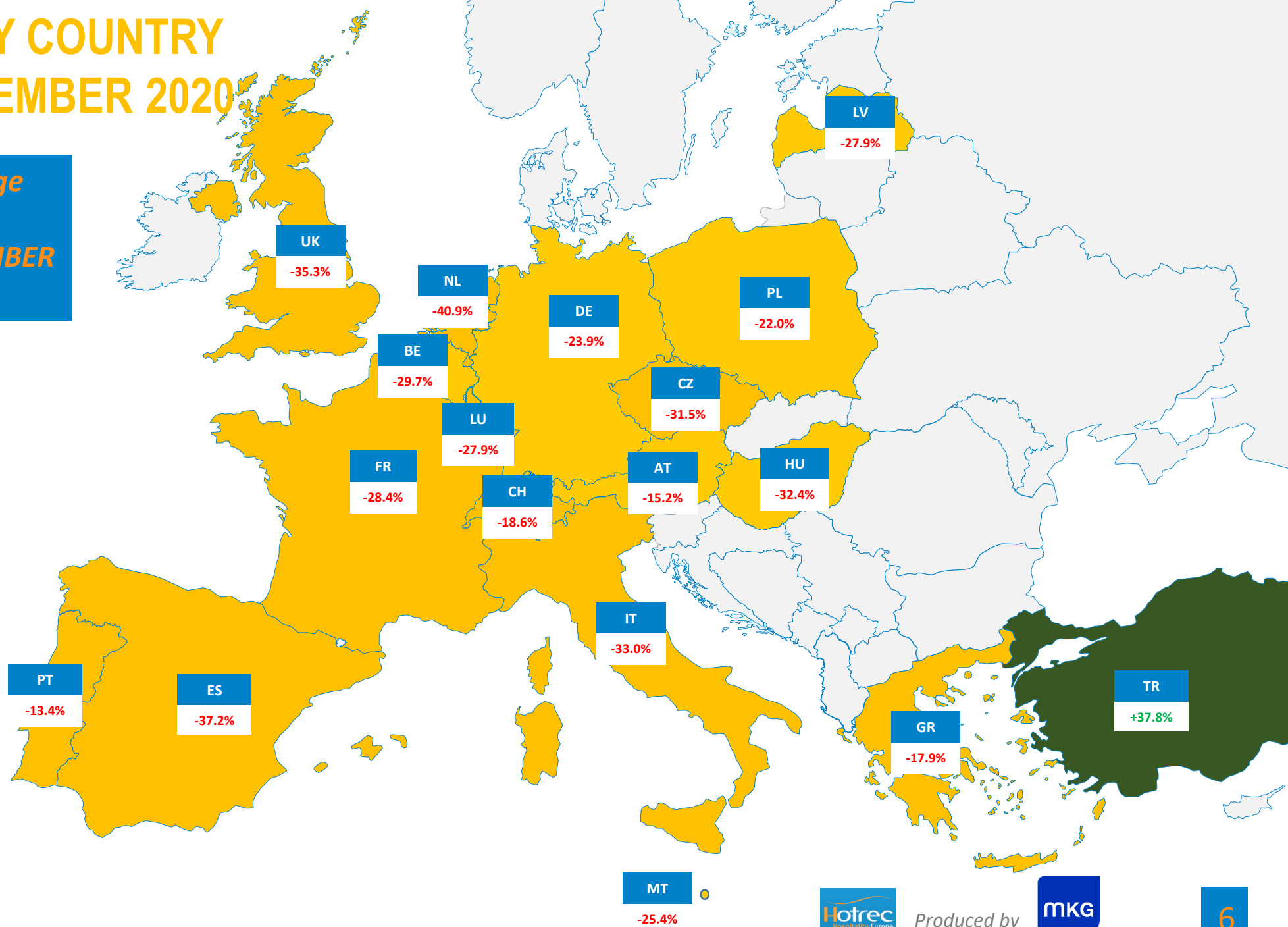
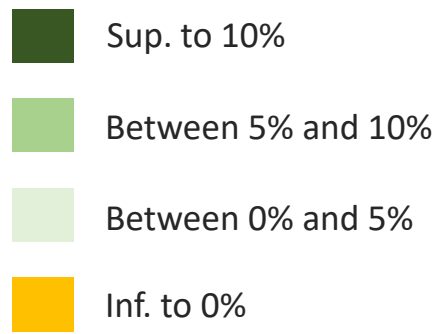
European
average
-41.8 pt



HOTEL RESULTS BY COUNTRY IN EUROPE – SEPTEMBER 2020

*Monthly Results - ADR change
by country
SEPTEMBER 2020 vs SEPTEMBER
2019*

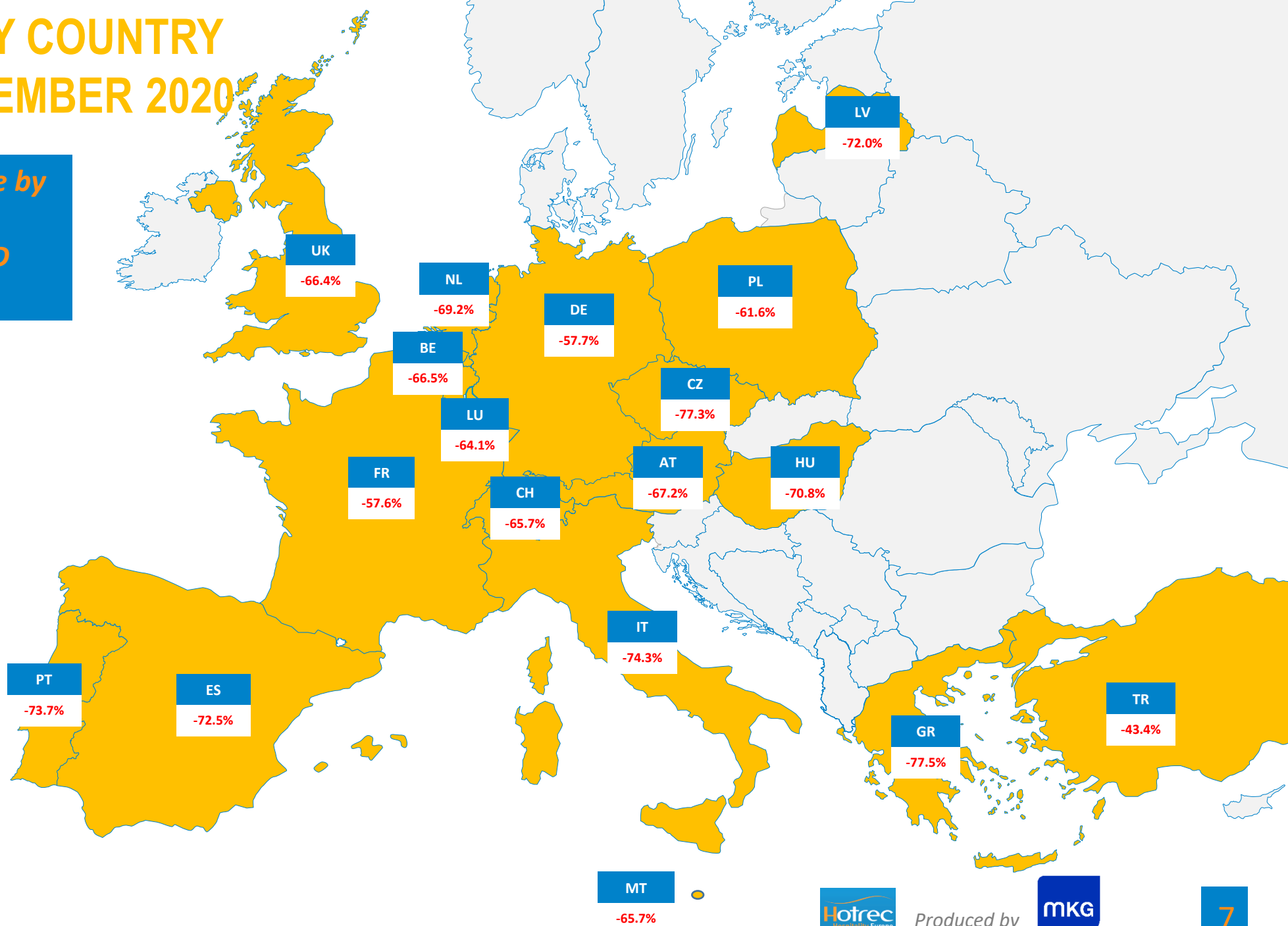
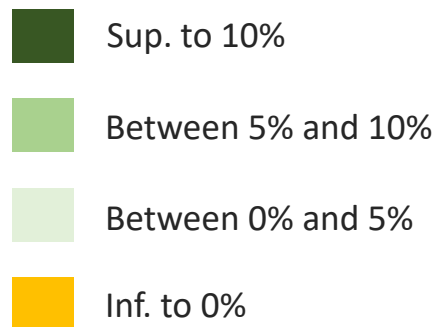
European
average
-26.4%



HOTEL RESULTS BY COUNTRY IN EUROPE – SEPTEMBER 2020

*YTD Results - RevPAR change by
country
YTD SEPTEMBER 2020 vs YTD
SEPTEMBER 2019*

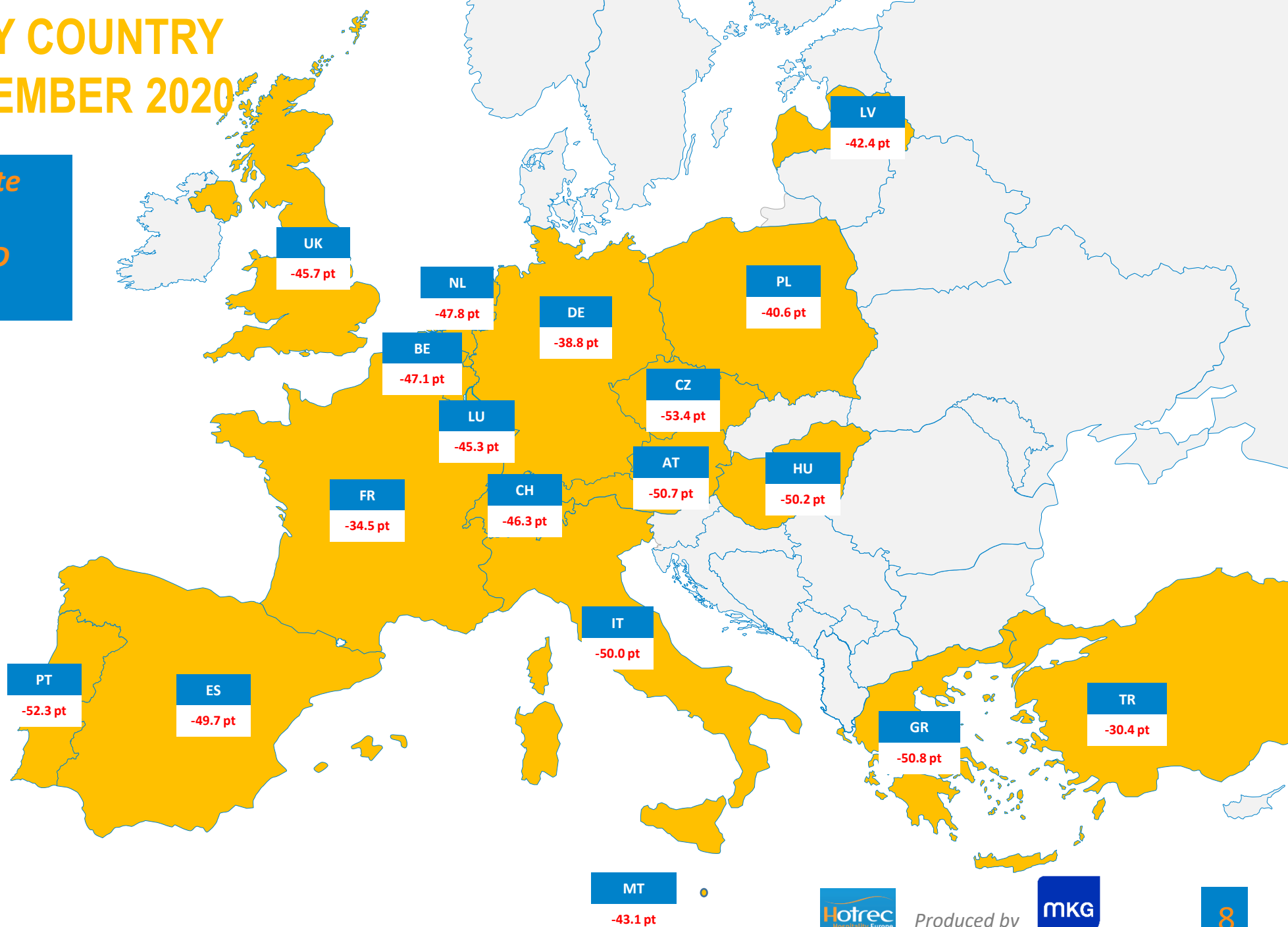
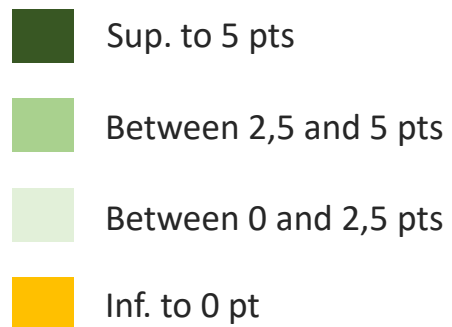
European
average
-54.7%



HOTEL RESULTS BY COUNTRY IN EUROPE – SEPTEMBER 2020

*YTD Results – Occupancy Rate
change by country
YTD SEPTEMBER 2020 vs YTD
SEPTEMBER 2019*

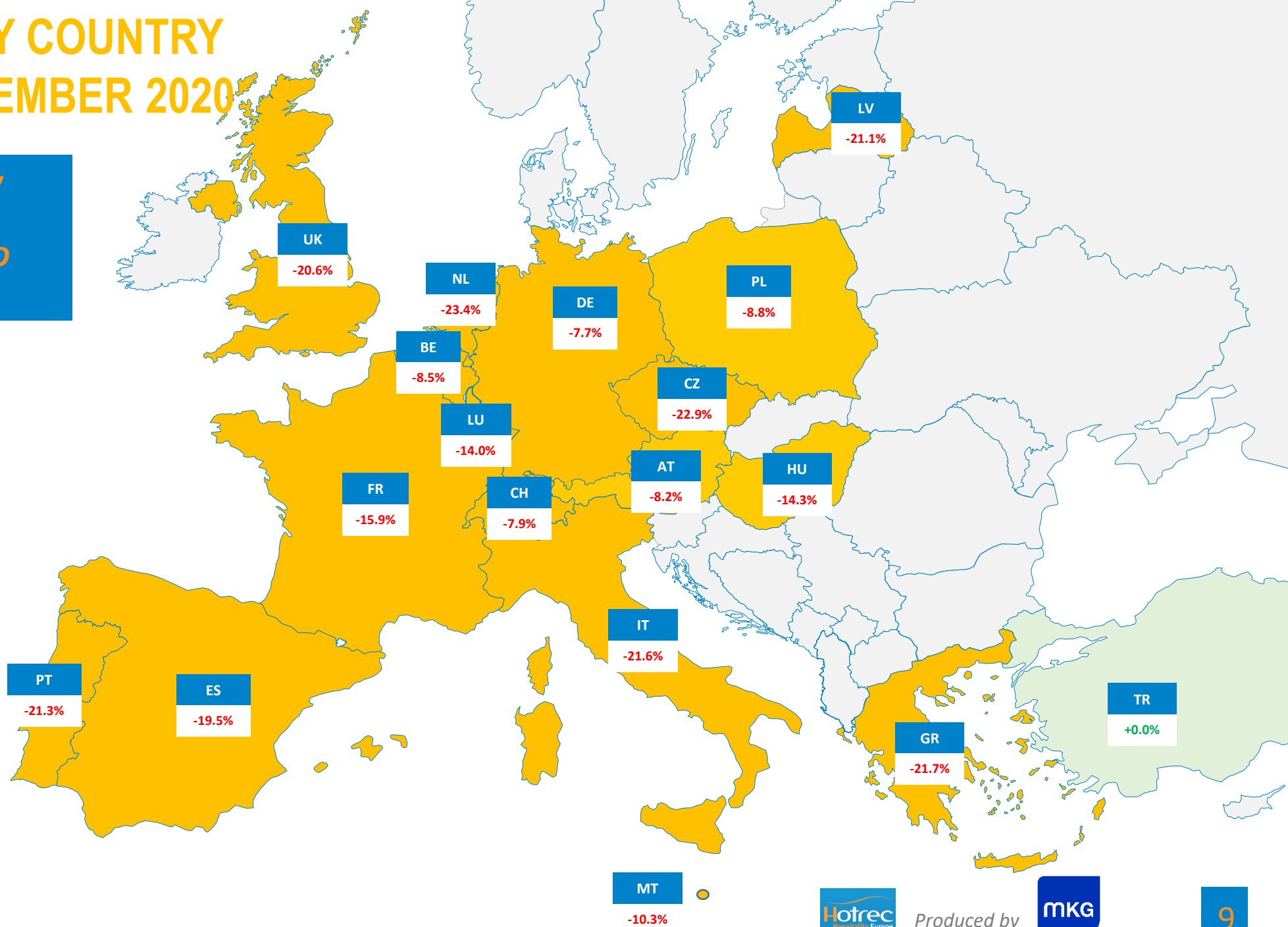
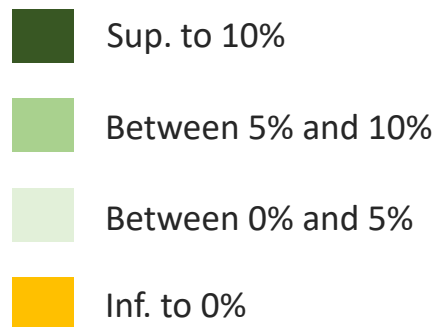
European
average
-34.7 pt



HOTEL RESULTS BY COUNTRY IN EUROPE – SEPTEMBER 2020

*YTD Results - ADR change by
country
YTD SEPTEMBER 2020 vs YTD
SEPTEMBER 2019*

European
average
-13.1%



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.)

