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Europe's hotel industry still observe disparities between cities for first 9 months of 2016



The latest ECM-MKG European Destinations Observatory report* points out that for the first nine months of 2016, the Revenue Per Available Room (RevPAR)** experienced slight growth by 0.4% compared to the same period in 2015. The Occupancy Rate is nonetheless slightly down (-0.5 point), but growth is driven by the Average Daily Rate (ADR)*** that is up 1.1%. The disparities observed in recent months between European cities continue with significant evolutions in performances.

Cities from the Iberian Peninsula, Poland and Germany led the hotel industry in Europe for the first 9 months of 2016

Overall, growth has been timid but allows the continent to post results that are generally positive, thanks to the Iberian Peninsula, Poland and Germany in particular.

Warsaw posts a RevPAR up by 8.9% thanks to the organisation of NATO summit in July, POLMUN and Codemotion in September.

On the Iberian Peninsula, tourist arrivals continue to grow under the effect of their internal dynamics (improved economic context) and carryovers of visitors from Mediterranean destinations affected by terrorist attacks in recent months (Turkey, French Riviera, Egypt, Maghreb...). All cities in Spain (+14.2%) and Portugal (+8.7%) gained a strong RevPAR growth, for example Madrid knew an increase in this indicator by 8.1%, Barcelona and Bilbao by 12%, San Sebastian by 17.6% and Lisbon by 3.8%.

Germany, meanwhile, is following a positive growth trend, +4.5% of the RevPAR. However, in spite of a strong business activity, Berlin, Cologne, Dresden and Frankfurt are on a downturn

trend, while Düsseldorf, Nuremberg and Leipzig recorded an increase by 18.7%, 17.9% and 9.6% respectively.

Hotel industry decreased in Italian, Belgian and French cities

Italy (-4.5%), meanwhile, posts a drop in its RevPAR compared to 2015 when activity was sustained by Expo Milano and the Biennale di Venezia. These two cities record respectively a RevPAR drop by 17.8% and 7.5%.

Belgium observed a drop in its hotel performances, with a RevPAR down by 14.8%. Brussels dropped by 22.1%, mostly due to a 15.9 points decrease in Occupancy Rate, aftermath of attacks in March. The RevPAR in Antwerp (-7.8%) and Ghent (-2.9%) is on negative trend too.

France knew a RevPAR decrease by 5.8%, driven by the two strong touristic poles (Paris and Nice) that had respectively a 8.9 and 4.4 points drop in Occupancy Rate compared to last year. The context of insecurity that has pervaded Belgium and France since the attacks continues to hurt tourist arrivals.

Brexit doesn't seem to have impacted the UK hotel Industry

No catastrophe followed "Brexit" in the United Kingdom: the RevPAR grew by 1.4%. Edinburgh and London keep on getting the best Occupancy Rate in Europe.

All ECM members have exclusive access to the complete ECM-MKG European Destinations Observatory report with all the graphs and analysis.

*ECM-MKG European Destinations Observatory report: A report produced by MKG Hospitality and released several times a year by ECM that presents the development of key performance indicators for ECM member cities.

**RevPAR: Revenue per Available Room - occupancy rate x average price or room revenue divided by available rooms.

***ADR: Average Daily Rate - room revenue divided by number of sold rooms.

***European Cities Marketing** is a non-profit organisation improving the competitiveness and performance of leading cities of Europe by providing a platform for convention, leisure and city marketing professionals to exchange knowledge, best practice and widen their network to build new business. European Cities Marketing is promoting and linking the interests of members from more than 100 major cities in 36 countries.

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*Established nearly 30 years ago, **MKG Group®** has built a solid reputation for business expertise and substantial European-based know-how in the tourism, hotel and hospitality sector. MKG provides a unique savoir-faire in market research, consulting, financial feasibility studies, individual property and portfolio asset valuations, as well as quality control campaigns. The foundation of knowledge and resource is **HotelCompSet**, the largest industry database in Europe, representing all hotel segments.

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