



28/06/2017

Hotel industry in Europe is overall positive during first quarter of 2017



The latest ECM-MKG European Destinations Observatory report* reveals that in European cities, in Q1 2017, the Revenue Per Available Room (RevPAR)** grew by 7.7% compared to Q1 2016. The Occupancy Rate*** increased by 3.1 pts and the Average Daily Rate (ADR)**** by 2.5%. For the first time in a long period, growth can be observed for all the European countries of the report.

« Brexit » still has not turned visitors away from the United Kingdom

Brexit did not lead to catastrophic results in the British hotel industry and the RevPAR grew by 10%. London, Liverpool and Edinburgh are in the top 5 of the best occupancy rate in Europe.

Most central and Eastern European destinations are also growing

Germany, meanwhile, also has a positive growth trend: +8.3% for the RevPAR. Only Nuremberg, in spite of a strong business activity, experienced a downturn trend, while Düsseldorf, Cologne or Stuttgart recorded a RevPAR increase respectively by 26.8%, 19.5% or 9.7%.

Warsaw posted a RevPAR up by 17.4% thanks to several international conventions or conferences.

Budapest, thanks to several business events, started a good year with a RevPAR increase by 4.5%. Vienna recorded a slight RevPAR increase (+0.5%). Prague with many conventions and conferences also had a RevPAR improvement (+3.7%). However, we can note that while the occupancy rate rose by +4.3 points, the ADR decreased by 3.2% compared to 2016.

The Iberian Peninsula followed its 2016 trend with strong RevPAR increase

In the Iberian Peninsula, tourist arrivals continue to grow as a result 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

(+8.3%) and Portugal (+15.6%) gained a strong RevPAR increase, for example Bilbao or Barcelona (hosting many international business meetings this year), respectively by 21.5% and 10.6%. San Sebastian despite being European Capital of Culture in 2016, recorded the only RevPAR decrease in this area (-0.8%). Lisbon, where only a few international conventions were organised in this first part of the year, posted a RevPAR change by +22.4%.

Benelux, France and Italy are increasing their performances

Belgium observes an increase in its hotel performances, with a RevPAR that went up by 4%. Brussels' RevPAR rose by 2.8%, mostly due to a 4 points increase in occupancy rate. Antwerp (+5.5%) and Ghent (+12.1%) are on positive trend too. Luxembourg, knew a RevPAR increase (+14.6%), while Amsterdam after the organization of international business events, recorded a RevPAR increase of 7%.

France (+5.1%), remains a strong touristic pole: Paris had a 5.8 points increase compared to 6.8% last year. Other large cities like Bordeaux (16.3%), Marseille (+15%) and Lyon (13%) recorded a strong RevPAR growth. Only Nice observed a decrease since the beginning of the year 2017 with a RevPAR change by -10.2%, the trend remaining negative since the attack in July 2016.

Italy, after a difficult year in 2016, posts an increase in its RevPAR (+5.1%), this positive change can be explained by good results recorded in Florence (+14.7%), Bologna (+9.6%) or Turin (+6.8%).

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.

***Occupancy Rate: Number of rooms sold divided by number of 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 **OlaKala_suite**, the largest industry database in Europe, representing all hotel segments. OlaKala_suite, brings together all operational marketing tools in 3 major products:

* OlaKala_destination: Observatories (formerly HotelCompSet)

* OlaKala_marketshare: Competitive Set, market reports, price tracking (formerly HotelCompSet)

* OlaKala_host: Satisfaction surveys, eReputation, quality audit.

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