



17/12/2018

European hotel industry growth still led by France, Benelux and Portugal for first 9 months of 2018



The latest ECM-MKG European Destinations Observatory report* points out that, in European cities, the Revenue Per Available Room (RevPAR)** experienced a 3.9% increase in the first 9 months of 2018. The Occupancy Rate*** increased by 0.9 points and the Average Daily Rate (ADR)**** by 2.6%. Midscale and Upscale/Upper Upscale are on a dynamic upward trend with a RevPAR increasing by 4.5% and 3.4% respectively, compared to last year. Overall, growth is observed throughout Europe, especially in France, Benelux and Portugal enduring the trend of the first semester of 2018.

Benelux and France's RevPAR after 9 months are still growing healthily

Belgium and the Netherlands detected an increase in their hotels' RevPAR performances (+8.3% and +8% respectively). Brussels' RevPAR rose by 11.3%, mostly thanks to a 4.6-point increase in its occupancy rate. Ghent (+6.1%) is on a positive trend too. In this Benelux area, Luxembourg, experienced a lower RevPAR increase (+1.6%), while Amsterdam, having organised international business events, recorded a RevPAR increase of 7.2% and the third highest occupancy rate among this sample of cities. France experienced a 7.2% augmentation thanks to its strong touristic pole: Paris saw a 3.5-point increase in occupancy rate, and a RevPAR rise of 11%. The other cities like Nice (+9.5%) Montpellier (+5.6%) and Cannes (+7%) also recorded RevPAR increases. Biarritz/Bayonne is on a negative trend (RevPAR: -2%), as are Toulouse and Marseille (-2.3% and -1.5% respectively).

UK, Germany and Italy's RevPAR are on a slight positive trend

Edinburgh (1st), London (2nd), Liverpool (9th) and Hamburg (10th) are in the top 10 of cities with the best occupancy rate in Europe. In the United Kingdom (+1.2%) and Germany (2.1%), the RevPAR is on slight positive trend. In Germany, some cities are, in spite of a strong business activity, on a downward trend (Düsseldorf, Cologne, Hamburg and Leipzig), while Nuremberg, Stuttgart, Berlin and Dresden recorded RevPAR increases of 13.7%, 4.9%, 6.5% and 3.6% respectively. Italy also saw an increase in its RevPAR (+2.4%). This positive change can be explained by good results recorded in Turin (+3.8%), Milan (+2.6%), Bologna (+1.9%) and Rome (+1.4%). Venice continues to experience a negative RevPAR trend (-5.2%) but the occupancy rate increased (+1.3 points) compared to last year.

Portugal is the winner on the Iberian Peninsula

On the Iberian Peninsula, tourist arrivals continue to grow due to the effect of their internal dynamics (improved economic context) and carryovers of visitors from Mediterranean destinations affected by different events in the last few years but business events are on a downtrend (especially in Barcelona that recorded a RevPAR decrease of 9.3%). Almost all cities in Spain (-0.7) and Portugal (+4.3%) gained a strong RevPAR increase for a beginning of year. Madrid, following the hosting of many international business meetings this year, noted a stable RevPAR. The other cities experienced RevPAR rises: Zaragoza, Valencia and Bilbao saw RevPAR increase by between 9.2% and 12%. Lisbon, which organised a few international conventions in this first part of the year, also posted a RevPAR increase of 1.8%.

Eastern Europe's performances are still mixed

Warsaw posted a slight RevPAR decrease (-1.5%) in spite of a rise in average daily rate (+2.7%). Budapest, thanks to its solid business activity, is off to a good start this year, with an 8.8% RevPAR increase. Vienna recorded a RevPAR increase (+2.4%) and Prague, which hosted many congresses and conferences, also noted a RevPAR rise of 2% increase, coupled with the occupancy rate rising by +0.6 points and the average daily rate rising by 1.3% compared to 2017.

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 110 major cities in 38 countries.

For more information and pictures, please contact:

Flavie Baudot, press@europeancitiesmarketing.com, +33 380 56 02 00

*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.

ECM Head Office
29D rue de Talant | 21000 Dijon | France
Tel: +33 380 56 02 04
Fax: +33 380 56 02 05
press@europeancitiesmarketing.com



ECM Head Office, 29D rue de Talant, 21000 Dijon, France