H EU Report

Europe

Hotrec
Hospitality Europe

APRIL 2022

ANALYSIS OF HOTEL RESULTS – APRIL 2022

An air of revenge travel over the European hotel industry

After several years of frustration due to the global pandemic, European tourists are getting back to their habits as the summer season approaches. European tourism is on the rise again, despite the war in Ukraine. With a more favourable health context, sanitary restrictions behind and a desire to travel again, the European hotel industry posted a RevPAR of only -8.6% in April, whereas the gap was still -16.6% last month (relative to March 2019). While the ADR is being higher than 2019-levels on a European scale (+5.9%), the occupancy rate (although 10.0 points below 2019 levels) is also on a catch-up dynamic.

With the exception of Poland and Hungary, which had reached positive activity levels last month due to the impact of the Ukrainian crisis, relative to the previous month (March 2022 vs. March 2019), all countries have seen their activity gap tightening in April 2022 relative to April 2019.

And the summer season is almost there: Spain is exceeding its pre-COVID levels. Indeed, the country is posting a RevPAR this month at +4.9% relative to April 2019 thanks to an average daily rate that has increased by 11.8% and a rate of occupancy only -4.6 points from its norms. Portugal is also showing a great recovery (with a +8.8% increase in its ADR and occupancy at only -8.5 points) while Greece and Italy show a -7.0% and -11.5% of their RevPAR level. The start of the season does indeed generally tend to start later.

But France and the UK are also performing very well with a recovery in their activity: only -2.2% and -0.2% difference with the 2019 level. With international customers coming back and the spring holidays, both countries can look forward to a good summer.

On the contrary, although the situation is improving compared to last month, Germany and the Benelux countries are still significantly behind in their performance: hotel activity is still fluctuating between -27.0% and -20.3% compared to 2019. This delay is explained by both a lesser importance of leisure customers (unlike in the south of Europe) and by the importance of domestic customers who are now allowed to travel across borders since the end of health restrictions.

But it is Austria and the Czech Republic that are struggling the most to return to a normal situation with respective deviations of -35.5% and -37% of their RevPAR in April compared to 2019. Latvia (-27.1%) is also suffering due to the absence of Russian customers, which are traditionally important there while Hungary has the highest average price growth, due to the crisis in Ukraine and the associated travel.

And with the return of international customers, all ranges are now improving their resultats: the top end of the market is catching up with a gap of only -12.1% in RevPAR compared to 2019 when the budget range is showing a -5.7% gap.

So, after several summer seasons in slow motion, will the European hotel industry face a "travel frenzy" this summer?
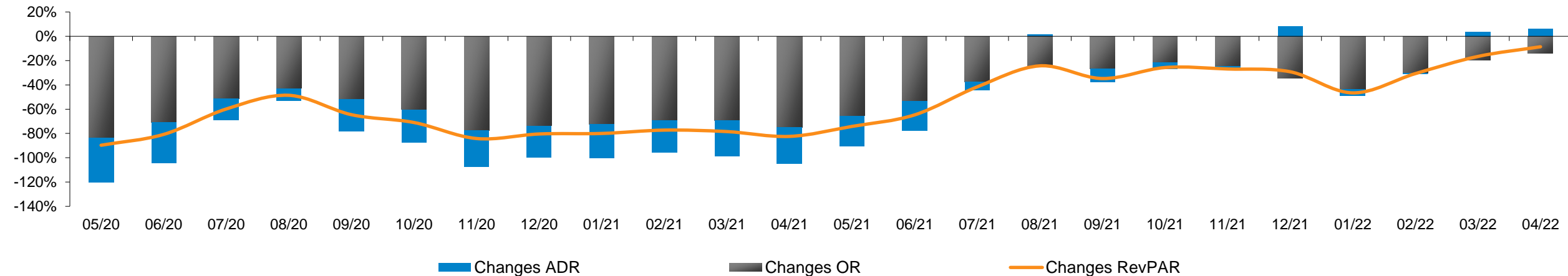
HOTEL RESULTS BY SEGMENT
IN EUROPE – APRIL 2022 vs APRIL 2019

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excL)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-5,8	3,5%	-4,7%
3*	-9,0	6,1%	-7,0%
4*	-11,8	4,9%	-12,0%
5*	-13,8	20,8%	-2,6%
Global	**-10,0**	**5,9%**	**-8,6%**

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excL)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-11,1	-0,5%	-17,3%
3*	-14,6	1,6%	-20,7%
4*	-20,6	1,4%	-29,6%
5*	-21,1	24,1%	-16,4%
Global	**-16,9**	**1,6%**	**-24,2%**

Note : The indicators are compared to the same period of 2019, i.e. APRIL 2022 vs APRIL 2019

OR, ADR and RevPAR change - Last 24 months

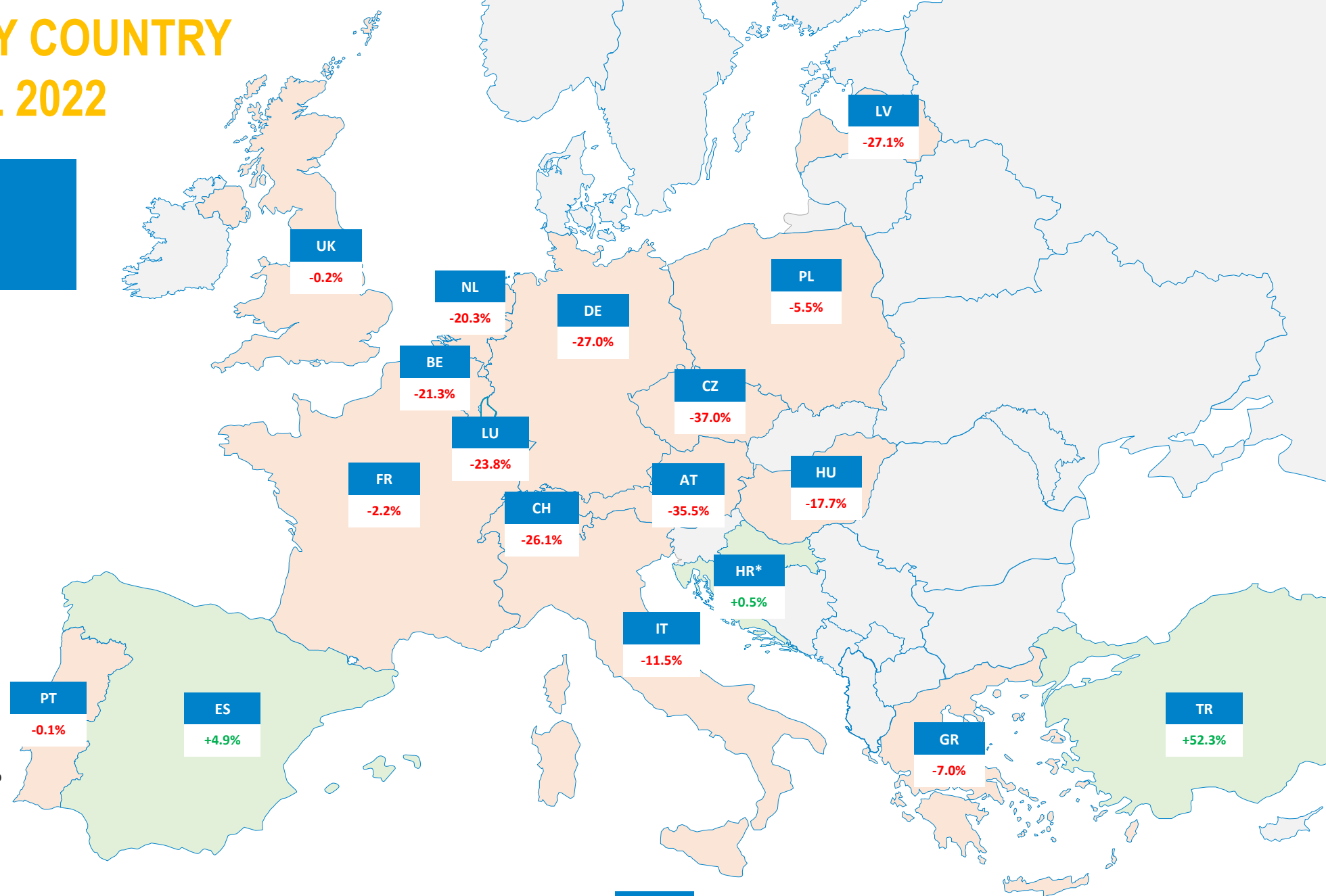Changes ADR ■ Changes OR ■ Changes RevPAR ——

Note: starting from APRIL 2021, the variation is compared to Y-2

HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2022

Monthly Results - RevPAR change by country APRIL 2022 vs APRIL 2019

European average
-8.6%

LV
-27.1%

UK
-0.2%

NL
-20.3%

DE
-27.0%

PL
-5.5%

BE
-21.3%

CZ
-37.0%

LU
-23.8%

AT
-35.5%

HU
-17.7%

FR
-2.2%

CH
-26.1%

HR*
+0.5%

IT
-11.5%

PT
-0.1%

ES
+4.9%

TR
+52.3%

GR
-7.0%

MT
-29.7%

Sup. to 0%

Between -40% and 0%
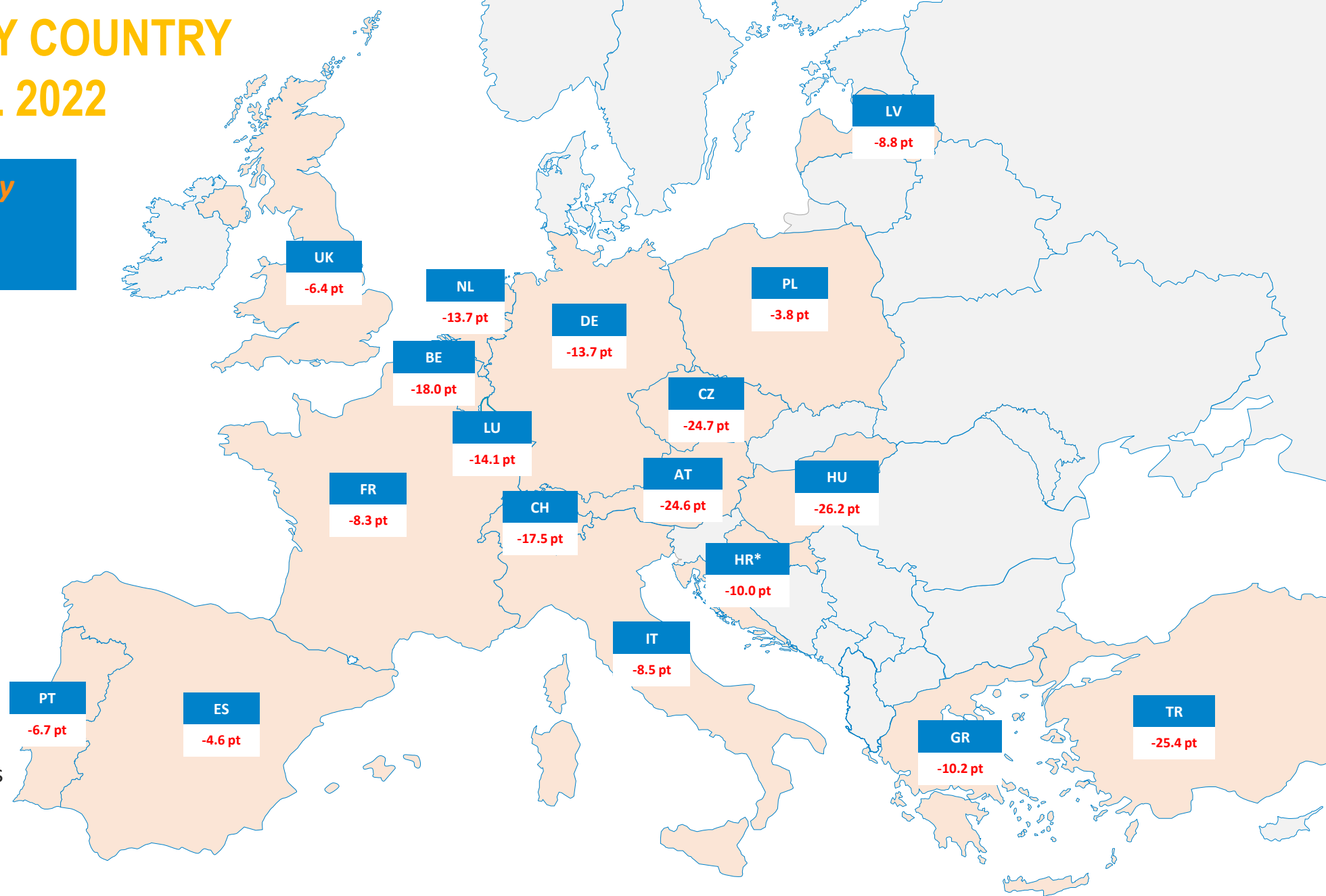
Between -80% and -40%

Inf. to -80%

*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2022

Monthly Results – Occupancy Rate change by country APRIL 2022 vs APRIL 2019

European average
-10.0 pt

LV
-8.8 pt

UK
-6.4 pt

NL
-13.7 pt

PL
-3.8 pt

DE
-13.7 pt

BE
-18.0 pt

CZ
-24.7 pt

LU
-14.1 pt

AT
-24.6 pt

HU
-26.2 pt

FR
-8.3 pt

CH
-17.5 pt

HR*
-10.0 pt

IT
-8.5 pt

PT
-6.7 pt

ES
-4.6 pt

GR
-10.2 pt

TR
-25.4 pt

MT
-22.3 pt

Sup. to 0 pt

Between -40 and 0 pt

Between -70 and -40 pts

Inf. to -70 pts

*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HEU Report

Hotrec Hospitality Europe

Produced by MKG

5

HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2022

Monthly Results - ADR change by country APRIL 2022 vs APRIL 2019

European average
+5.9%

LV
-16.1%

UK
+8.8%

NL
-5.2%

DE
-9.0%

PL
+0.2%

BE
+2.3%

CZ
-7.4%

LU
-7.3%

FR
+10.7%

AT
-8.6%

HU
+22.8%

CH
+0.2%

HR*
+19.7%

IT
-0.5%

PT
+9.3%

ES
+11.8%

TR
+124.7%

GR
+9.3%

MT
+0.8%

Sup. to 0%

Between -40% and 0%
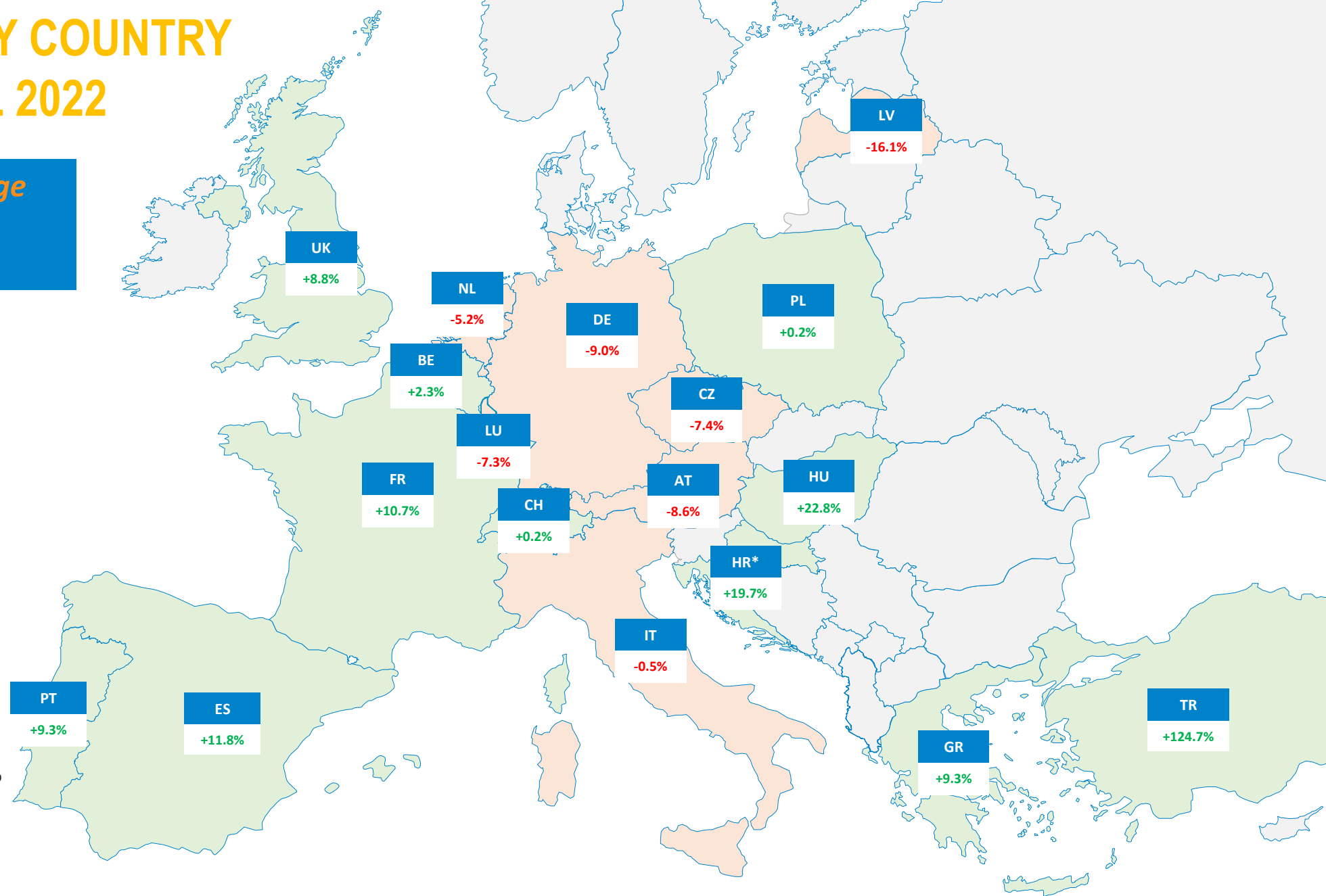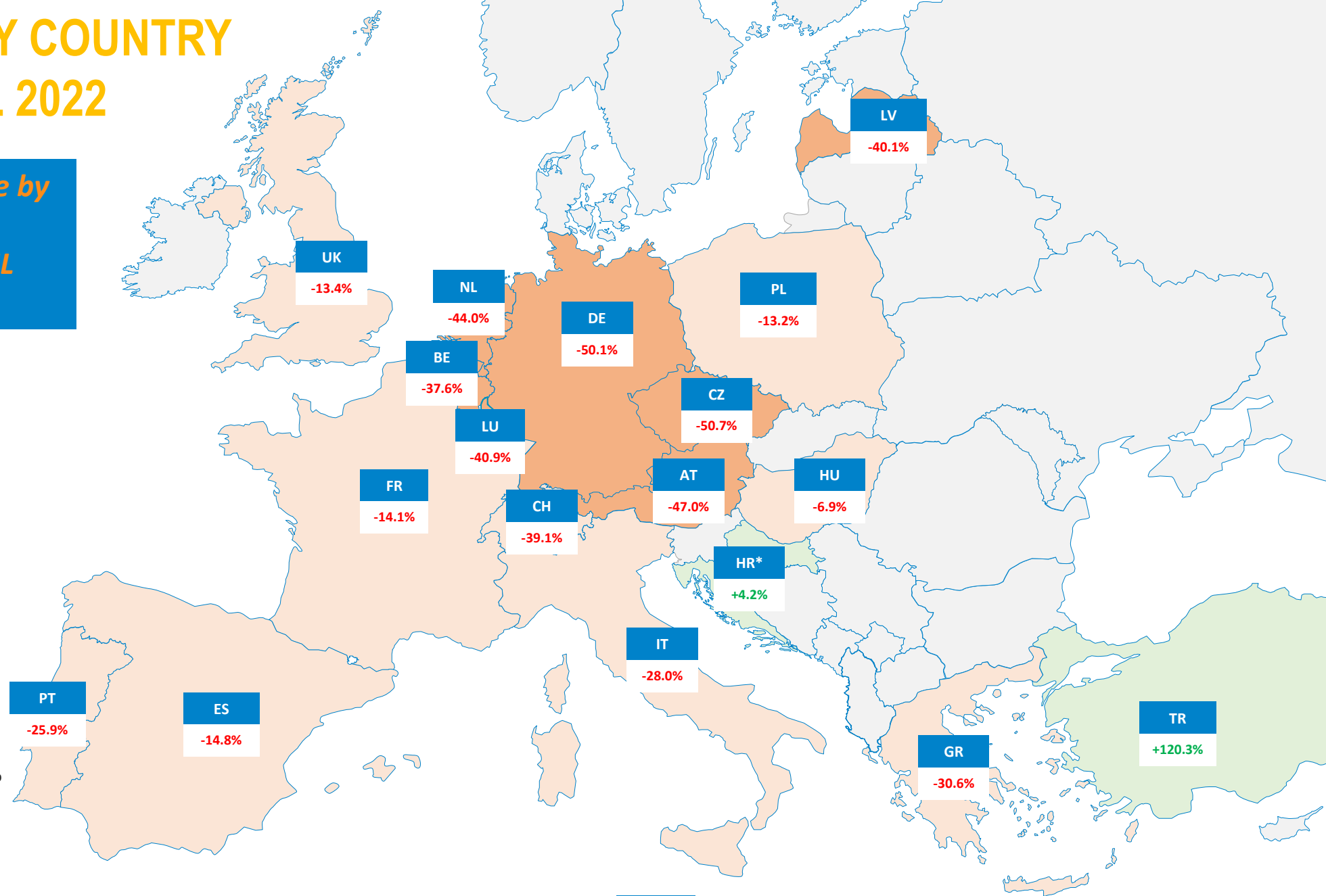
Between -80% and -40%

Inf. to -80%

*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2022

YTD Results - RevPAR change by country
YTD APRIL 2022 vs YTD APRIL 2019

European average
-24.2%

LV
-40.1%

UK
-13.4%

NL
-44.0%

PL
-13.2%

DE
-50.1%

BE
-37.6%

CZ
-50.7%

LU
-40.9%

AT
-47.0%

HU
-6.9%

FR
-14.1%

CH
-39.1%

HR*
+4.2%

IT
-28.0%

PT
-25.9%

ES
-14.8%

TR
+120.3%

GR
-30.6%

MT
-45.7%

Sup. to 0%

Between -40% and 0%

Between -80% and -40%

Inf. to -80%

*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HEU Report

Hotrec Hospitality Europe

Produced by mKG

7

HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2022

YTD Results – Occupancy Rate change by country
YTD APRIL 2022 vs YTD APRIL 2019

European average
-16.9 pt
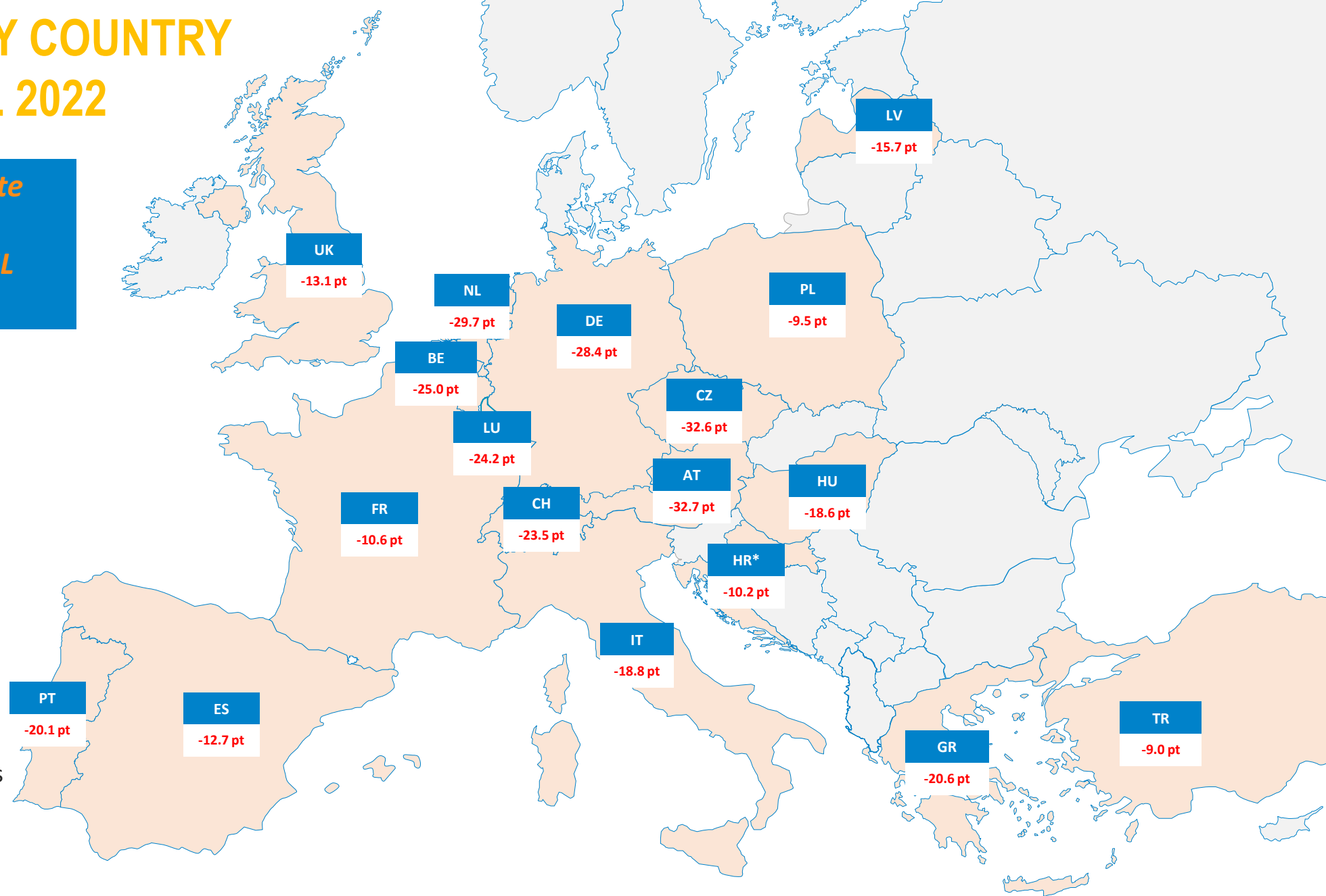
LV -15.7 pt

UK -13.1 pt

NL -29.7 pt

DE -28.4 pt

PL -9.5 pt

BE -25.0 pt

CZ -32.6 pt

LU -24.2 pt

AT -32.7 pt

HU -18.6 pt

FR -10.6 pt

CH -23.5 pt

HR* -10.2 pt

IT -18.8 pt

PT -20.1 pt

ES -12.7 pt

TR -9.0 pt

GR -20.6 pt

MT -23.6 pt

Sup. to 0 pt

Between -40 and 0 pt

Between -70 and -40 pts

Inf. to -70 pts

*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HEU Report

Hotrec Hospitality Europe

Produced by MKG

8

HOTEL RESULTS BY COUNTRY IN EUROPE – APRIL 2022

YTD Results - ADR change by country
YTD APRIL 2022 vs YTD APRIL 2019

European average
+1.6%

LV	-16.6%
UK	+5.2%
NL	-6.9%
PL	+2.2%
DE	-13.1%
BE	-3.0%
CZ	-1.6%
LU	-11.6%
AT	+0.3%
HU	+31.2%
FR	+3.2%
CH	-3.7%
HR*	+29.4%
IT	-0.7%
PT	+7.0%
ES	+4.5%
TR	+153.8%
GR	+5.6%
MT	-4.5%

Legend:
- Sup. to 0%
- Between -40% and 0%
- Between -80% and -40%
- Inf. to -80%

*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HEU Report

Hotrec
Hospitality Europe

Produced by MKG

9
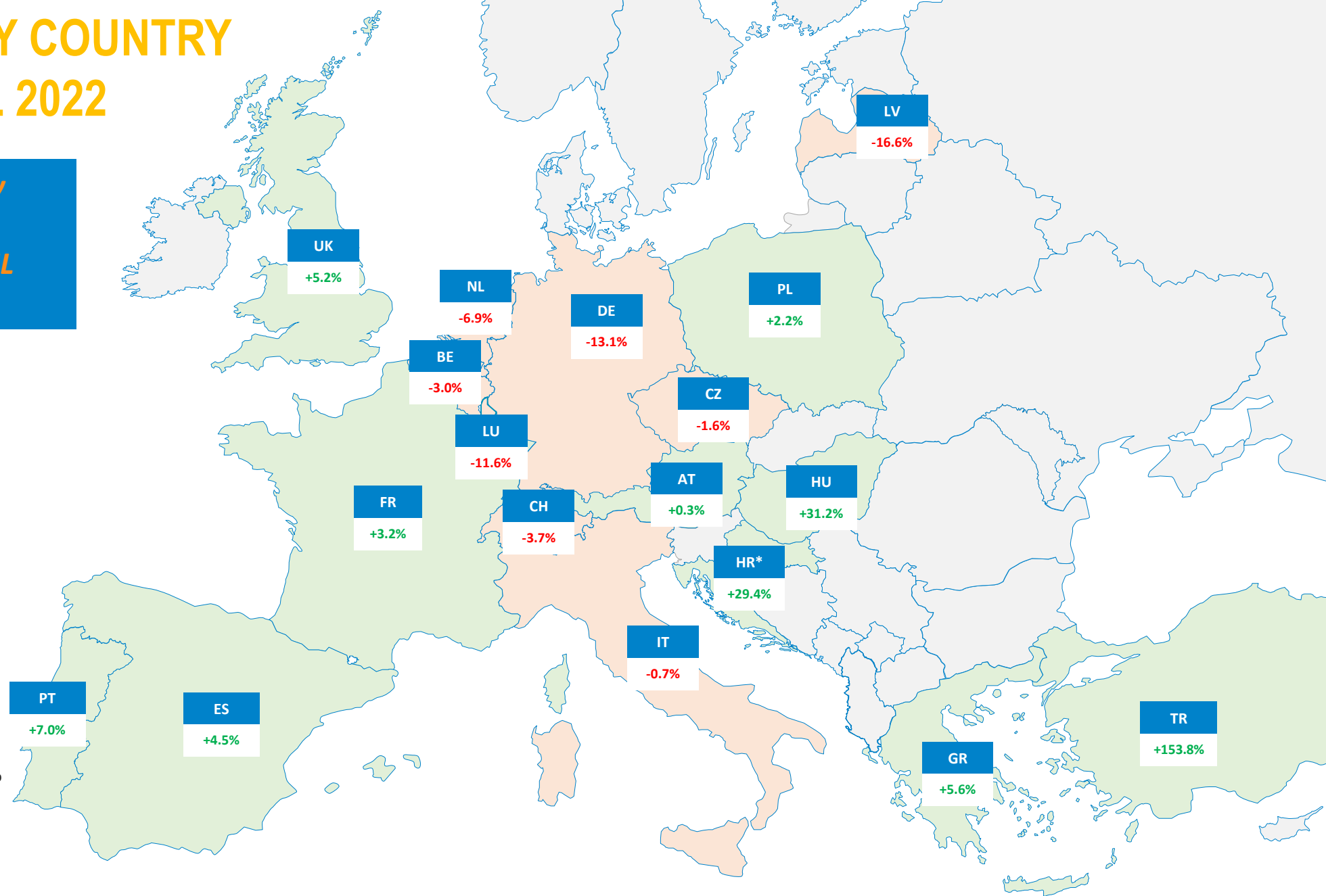
METHODOLOGY

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.)

Hotrec
Hospitality Europe

Produced by MKG