

H EU Report

Europe



JUNE 2022



ANALYSIS OF HOTEL RESULTS – JUNE 2022

The European hotel industry is back on track

At the dawn of the summer of 2022, the European hotel industry is turning the page on the Covid years, ready to enter a new chapter: many countries have finished recovering from the health crisis, while others are finishing off their backlog.

With the first holidays starting, the European hotel industry is doing well with RevPAR 5.5% above its pre-Covid level. This performance is driven by an increase in the average price (+12.1% compared to June 2019), while the occupancy rate, which is only 4.7 points below its pre-crisis level, is recovering more slowly but surely. This trend of RevPAR driven by average price despite occupancy rates still slightly or moderately below 2019 levels is a trend that concerns all European countries.

Southern Europe is once again in the spotlight this month, with Italy and Greece posting RevPAR increases of over 20% compared to 2019. Portugal is also ahead of the game with a RevPAR 6.5% higher than June 2019. For its part, Northern Europe is finally experiencing sunnier days with, in particular, a return of Germany, which is gaining 9.0% ahead of its 2019 RevPAR. The United Kingdom maintains its growth with a RevPAR of 3.6% above its 2019 level, supported by the return of American customers, and the Netherlands continues to get closer to its pre-crisis level.

Eastern Europe remains impacted by the conflict in Ukraine, which is reflected in the difficulties that persist (-29.2% in Latvia, -19.1% in the Czech Republic and -3.5% in Hungary). These are the only three European countries that have not seen their prices increase compared to 2019.

In addition, all European hotel ranges are now benefiting from growth in their RevPAR. As with the geographic criterion, this growth is being driven by price increases while occupancy is still lagging slightly. The top and mid-range segments are more exposed to this difference in occupancy rates, but the top segment, thanks to a 17.2% increase in the average price, manages to post the most sustained growth (+7.4% compared to its 2019 level). The budget and economy segments are less affected by the occupancy lag (-3.1 and -3.2 points), but their average price increases of 7.8% and 9.2% enable them to post RevPAR growth of 3.7% and 5.0%.

It is now clear that the heavyweights of European tourism (France (+4.5%), Spain (+0.9%), Germany, the United Kingdom and Italy) have turned the page on the health crisis. These countries can look to the future and the new trends, those born of the Covid years, which will structure the hotel industry of tomorrow.

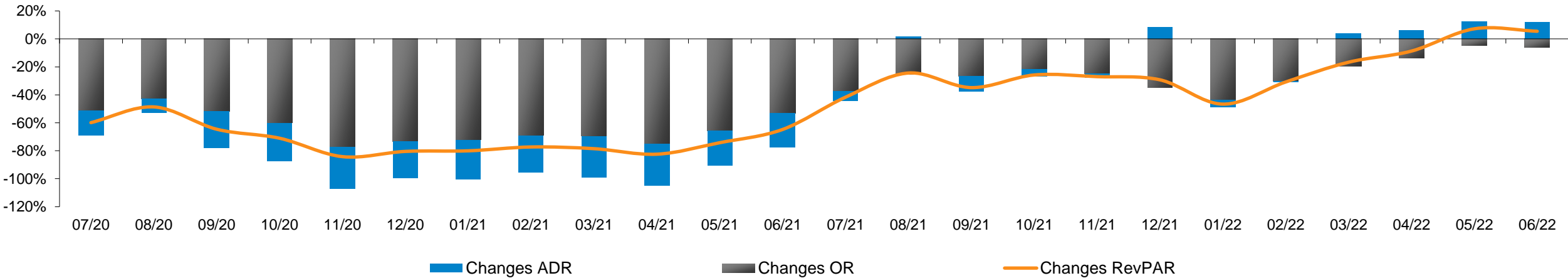
HOTEL RESULTS BY SEGMENT IN EUROPE – JUNE 2022 vs JUNE 2019

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-2,4	9,7%	6,4%
3*	-3,7	10,3%	5,2%
4*	-6,4	11,2%	2,5%
5*	-5,4	22,8%	14,6%
Global	-4,7	12,1%	5,5%

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-7,6	3,4%	-8,0%
3*	-10,6	5,8%	-10,2%
4*	-15,8	6,8%	-16,8%
5*	-16,0	26,5%	-2,8%
Global	-12,6	6,9%	-12,2%

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

OR, ADR and RevPAR change - Last 24 months

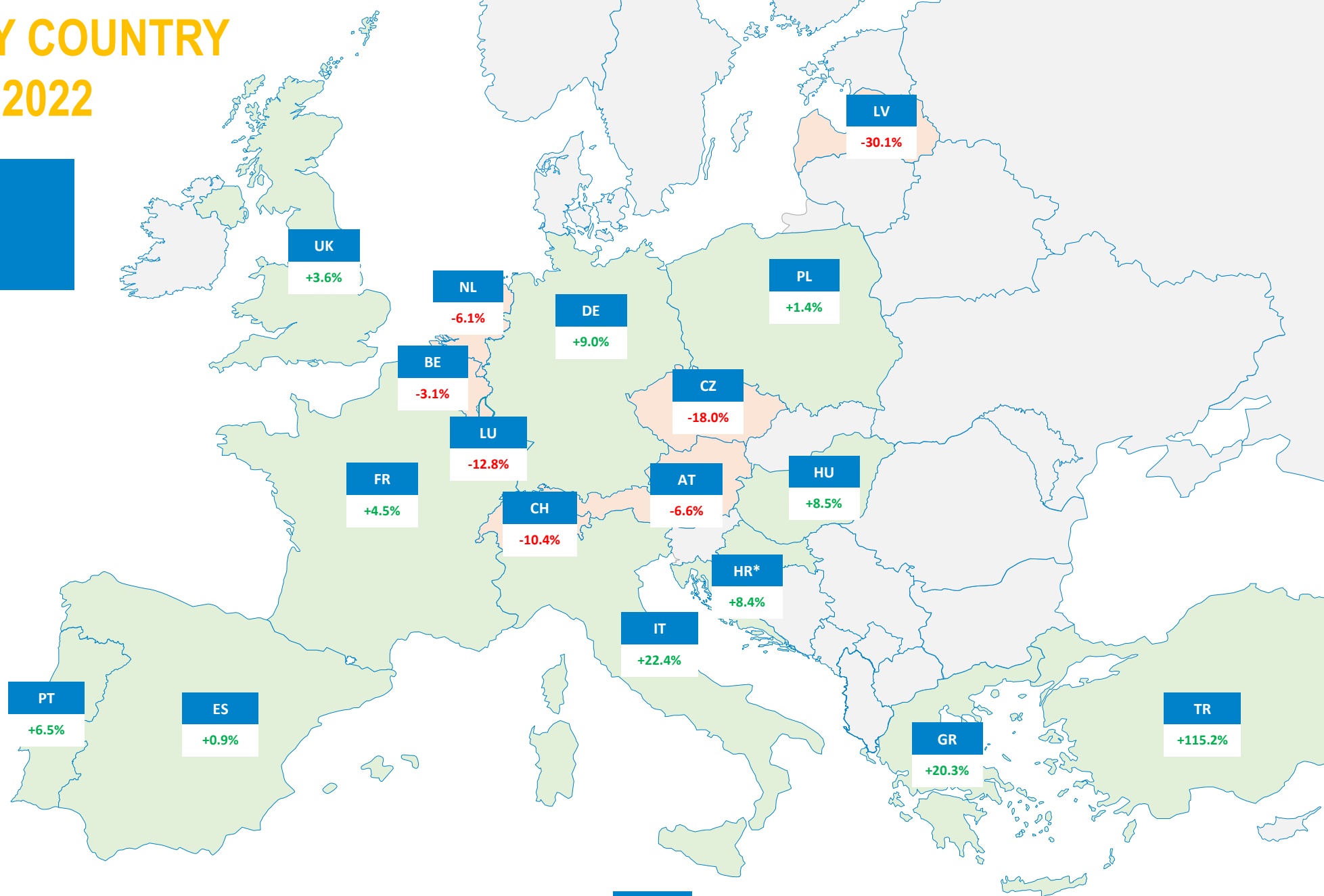
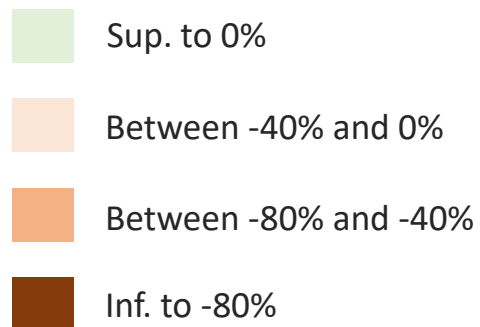


Note: starting from March 2021, the variation is compared to Y-2

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2022

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

European
average
+5.5%



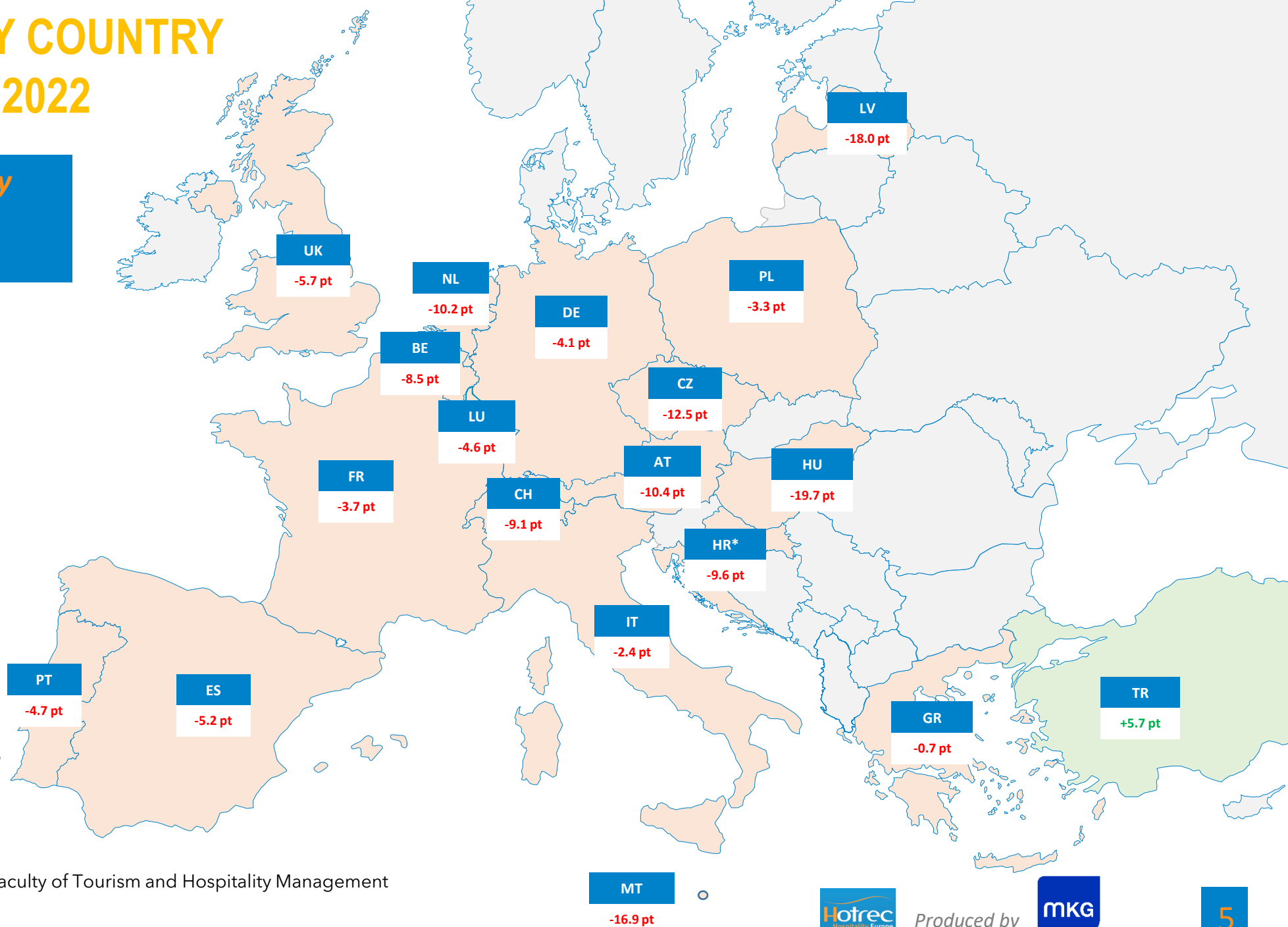
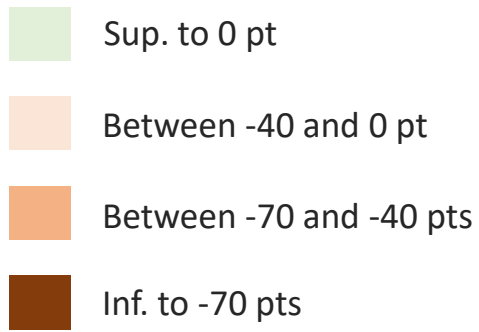
*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2022

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

European
average

-4.7 pt

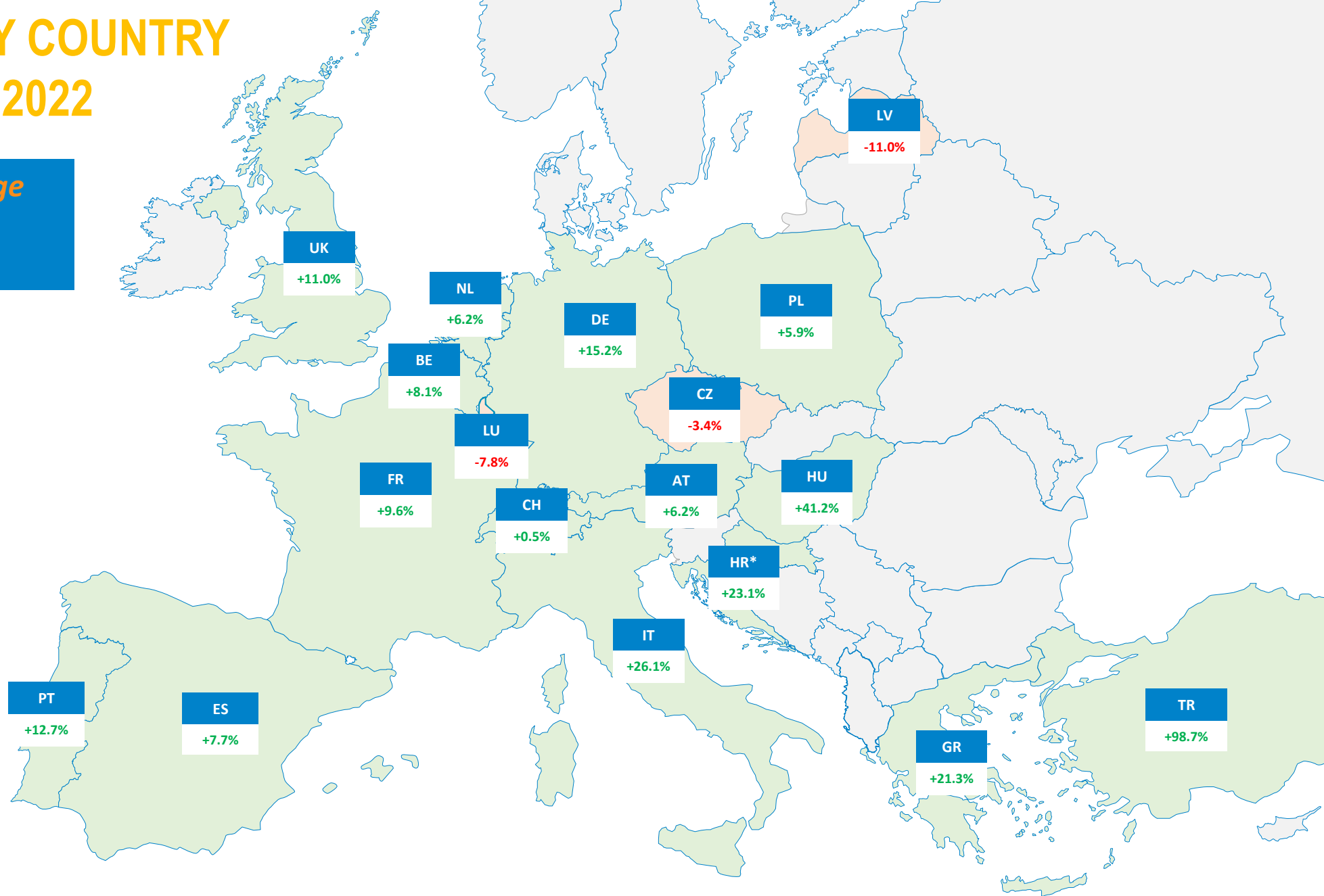
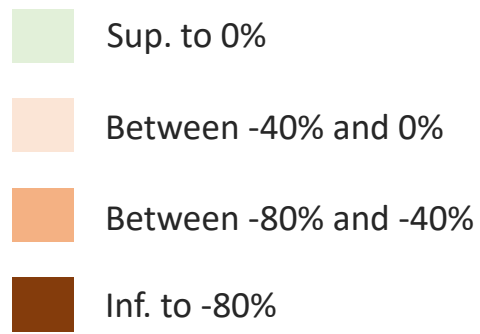


*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2022

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

European
average
+12.1%



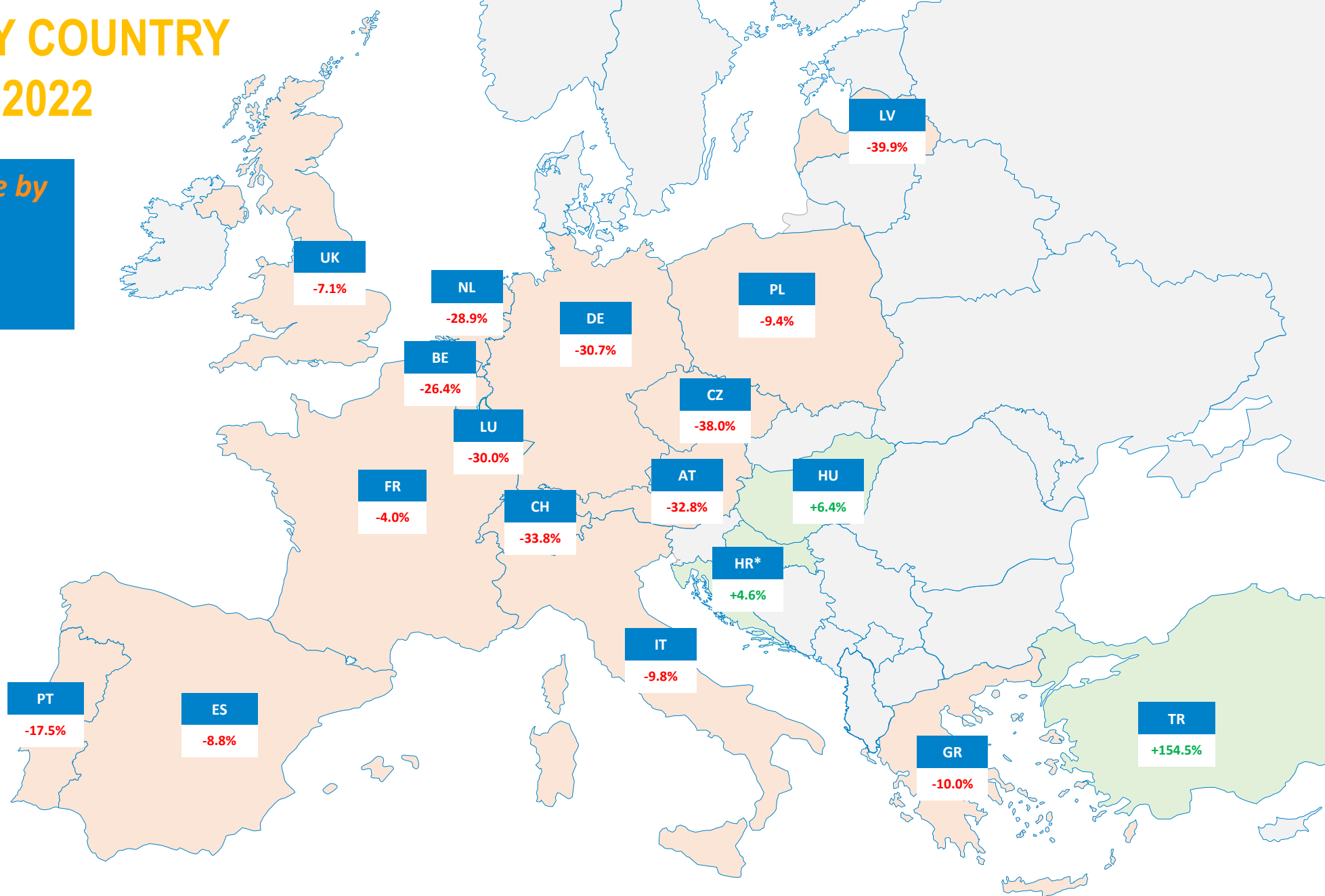
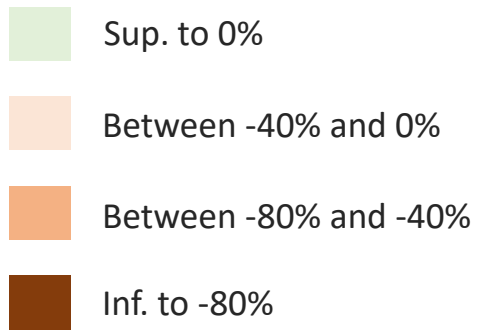
*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2022

*YTD Results - RevPAR change by
country
YTD JUNE 2022 vs YTD JUNE
2019*

European
average

-12.2%

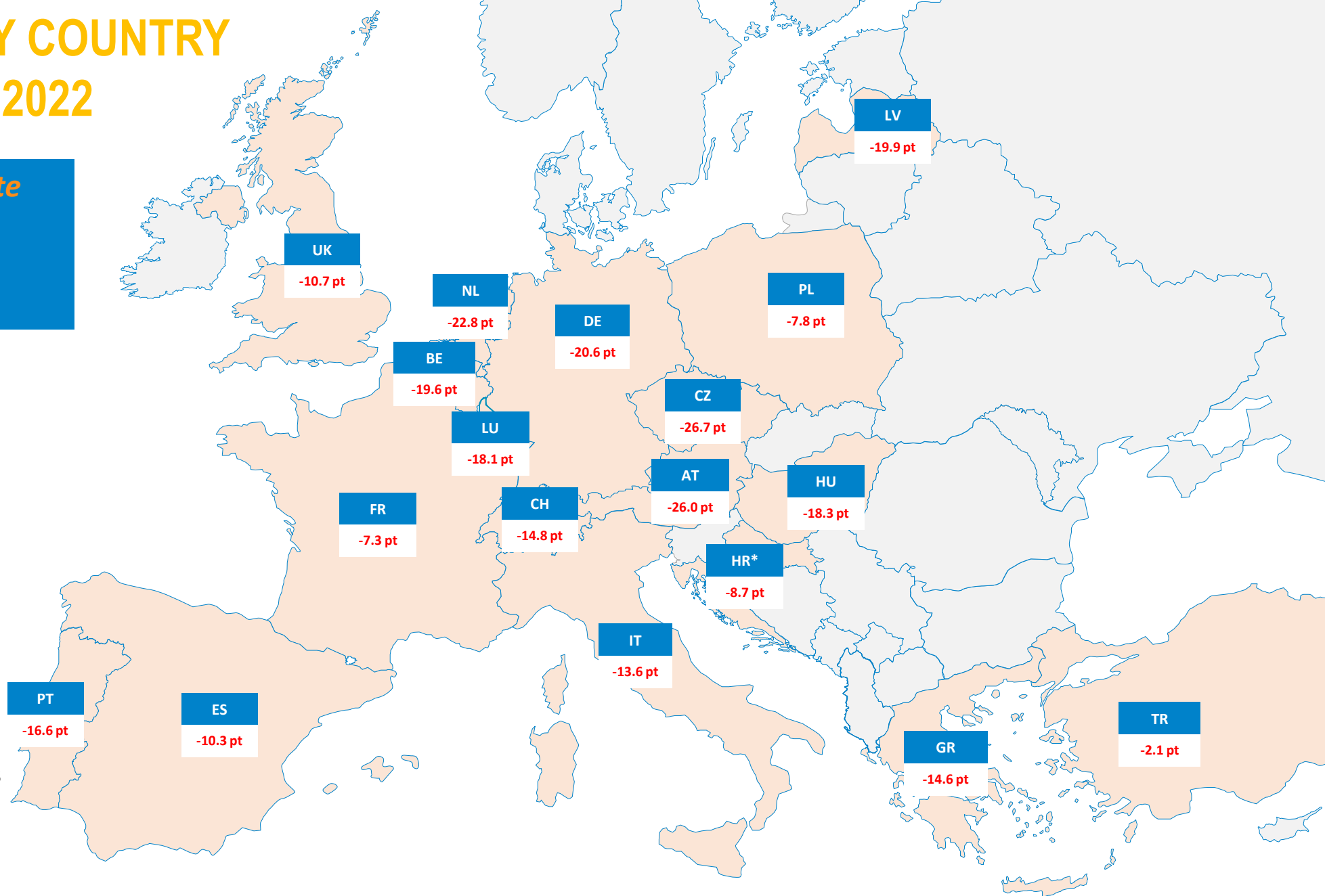
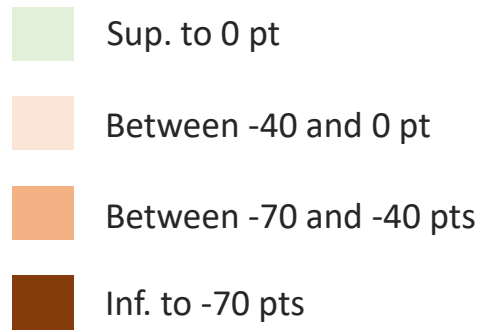


*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2022

*YTD Results – Occupancy Rate
change by country
YTD JUNE 2022 vs YTD JUNE
2019*

European
average
-12.6 pt

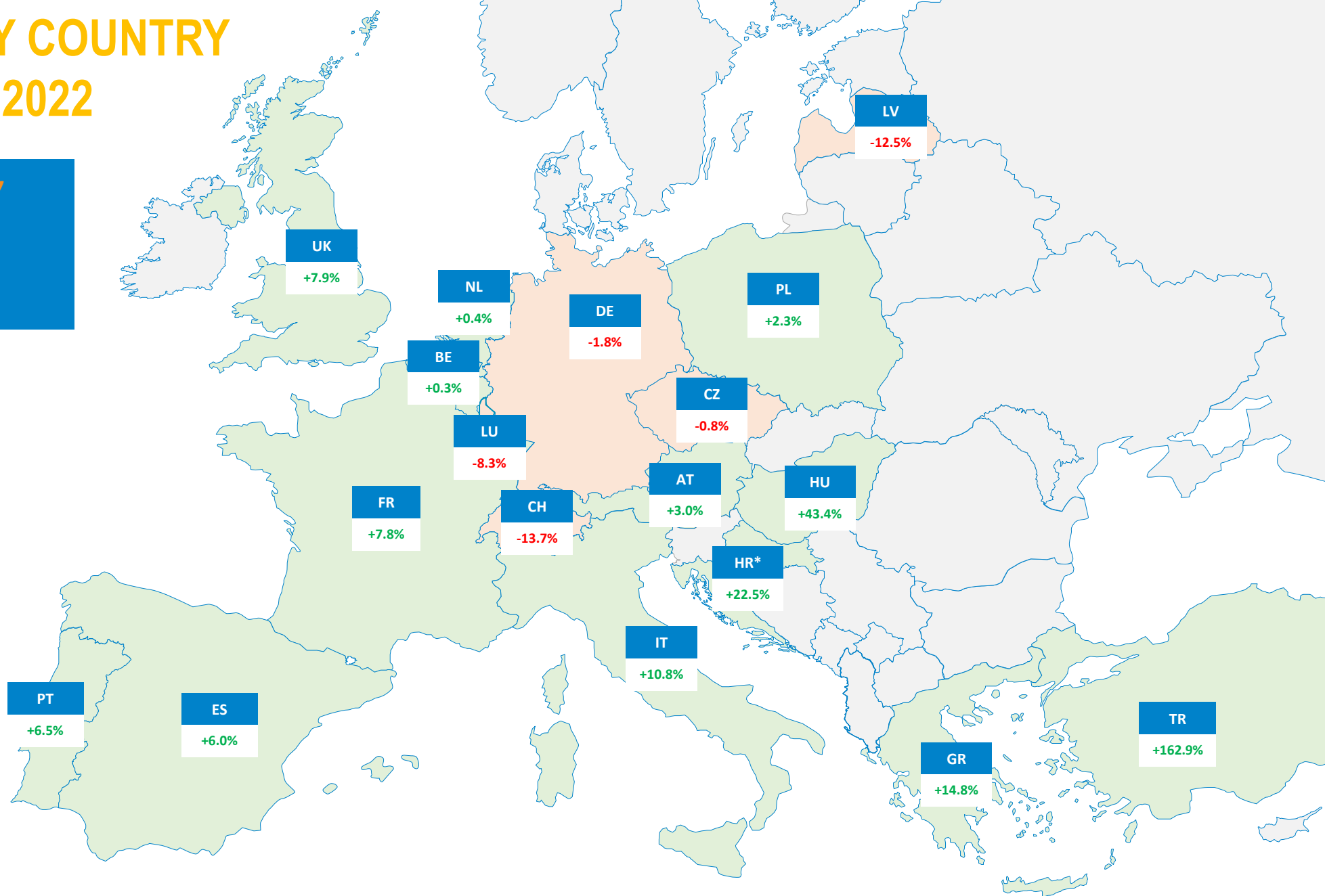
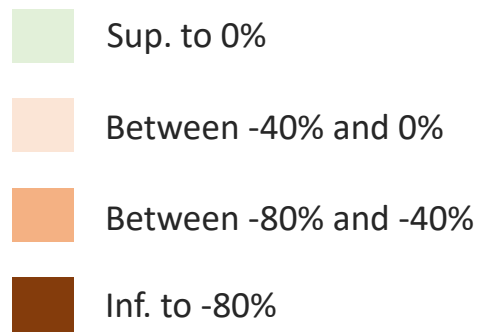


*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

HOTEL RESULTS BY COUNTRY IN EUROPE – JUNE 2022

*YTD Results - ADR change by
country
YTD JUNE 2022 vs YTD JUNE
2019*

European
average
+6.9%



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

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.)

