

# H EU Report

Europe



NOVEMBER 2022



# ANALYSIS OF HOTEL RESULTS – NOVEMBER 2022

## European hotel industry slows down its recovery

After a still "summery" October that resulted in strong performances, the recovery momentum seems to be losing steam slightly in November. Although a number of countries managed to post RevPAR levels above 2019, others such as Germany, Austria and the Benelux countries even slipped back into the red this month. Flu epidemics, the return of Covid, geopolitical instability, the timid return of foreign customers, the change of season; could the health of the European hotel industry be under threat once again? Overall, the European hotel industry posted higher RevPAR in November than before the crisis, with growth of +8.0%, a positive result but one that had been more encouraging recently. Momentum continues to be driven by average daily rates: the ADR change versus the pre-Covid period shows a +16.5% difference in November versus November 2019. The occupancy rate also remains correct on a European scale with a gap of only -5.2 points compared to November 2019. And in this month of November, Hungary shows the strongest increase in activity (+14.6% in terms of RevPAR relative to November 2019) explained by the ADR up 38.5% skewed by the inflation rate that reached 22.5% in November, one of the highest in Europe. Its proximity to Ukraine may also have played "in favor" of the Hungarian hotel industry. Similarly, Poland posted +13.3% RevPAR growth this month vs. 2019 driven by +19.5% ADR growth. Compared to Hungary, which is still more than 13 points away from pre-COVID levels, Poland is only 3.7 points away from its standards.

With the exception of Hungary, Southern Europe is still posting the best recovery performances with Portugal also posting a 14.6% increase in RevPAR this month compared to the pre-COVID period due to a 24.2% increase in ADR, while Greece posted a 14.2% increase thanks to a 12.2% increase in ADR. However, it should be noted that Greece is also the only country to have achieved better occupancy rates than before COVID, with an OR up 1.1 points vs. November 2019. Spain and Italy are less ahead of the curve, with RevPAR up 8.6% and 5.4%, respectively, compared to pre-COVID, driven by ADRs up 18.7% and 16.9%, while occupancy rates are still 4.3 points below pre-crisis standards in Spain and 8 points below pre-crisis standards in Italy. The United Kingdom performed particularly well this month, with RevPAR at +12.6%. While, as elsewhere, the ADRs supports this increase, the UK's occupancy rate is also close to 2019 levels (a difference of only 2.1 points). France is also more or less back on track in November, with a similar difference from 2019 as the UK (-2.6 points). However, the country had managed in previous months to exceed pre-COVID levels and is therefore not performing as well this month (vs. 2019). While November is still marked by lower hotel performance relative to the rest of the year, the All Saints' Day vacation and the extended weekends could have had a stronger impact, two years after Covid.

But France is not to be pitied compared to its neighbors: whether it be the Benelux countries, Austria or Germany, none of them managed to recover their activity in November. Germany still shows a gap of -8.8% in terms of RevPAR compared to November 2019, Austria -0.9% while the Netherlands and Belgium show declines of -0.2% and -5.8% respectively. Luxembourg is one of the European countries still suffering the most with an estimated RevPAR gap of -13.8%. While occupancy rates are still lagging (approximately -10 points compared to November 2019) due to the dependence of these countries on international and business customers, average prices have not grown significantly either: only +0.4% in Luxembourg and 6.4% in Germany. On the other hand, they were more significant in Austria and Belgium, at around 15%.

# HOTEL RESULTS BY SEGMENT

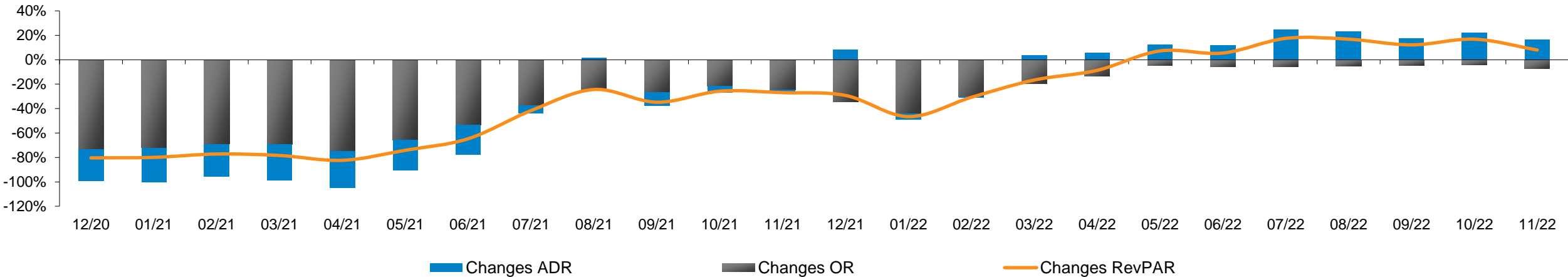
## IN EUROPE – NOVEMBER 2022 vs NOVEMBER 2019

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-3,4	12,4%	7,0%
3*	-3,6	16,3%	10,4%
4*	-7,1	13,9%	3,0%
5*	-6,3	37,4%	24,5%
Global	-5,2	16,5%	8,0%

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-5,0	10,1%	2,5%
3*	-7,1	12,6%	1,7%
4*	-11,4	13,0%	-4,3%
5*	-12,0	32,0%	10,3%
Global	-8,8	13,6%	0,1%

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

OR, ADR and RevPAR change - Last 24 months

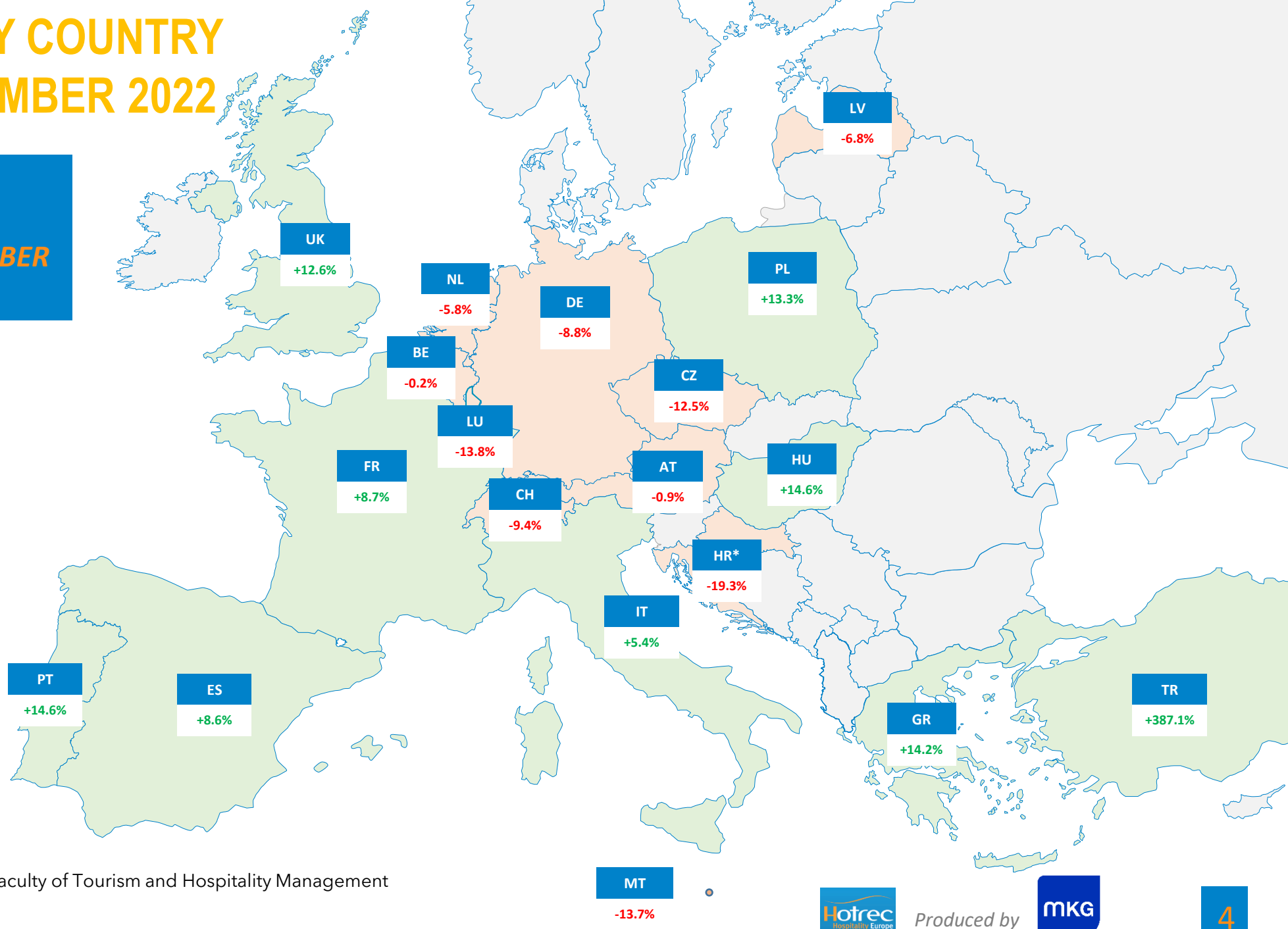
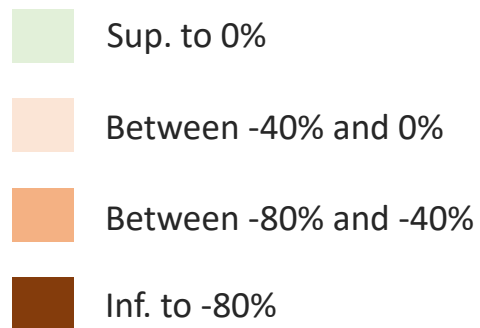


Note: starting from March 2021, the variation is compared to Y-2

# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2022

*Monthly Results - RevPAR  
change by country  
NOVEMBER 2022 vs NOVEMBER  
2019*

European  
average  
**+8.0%**



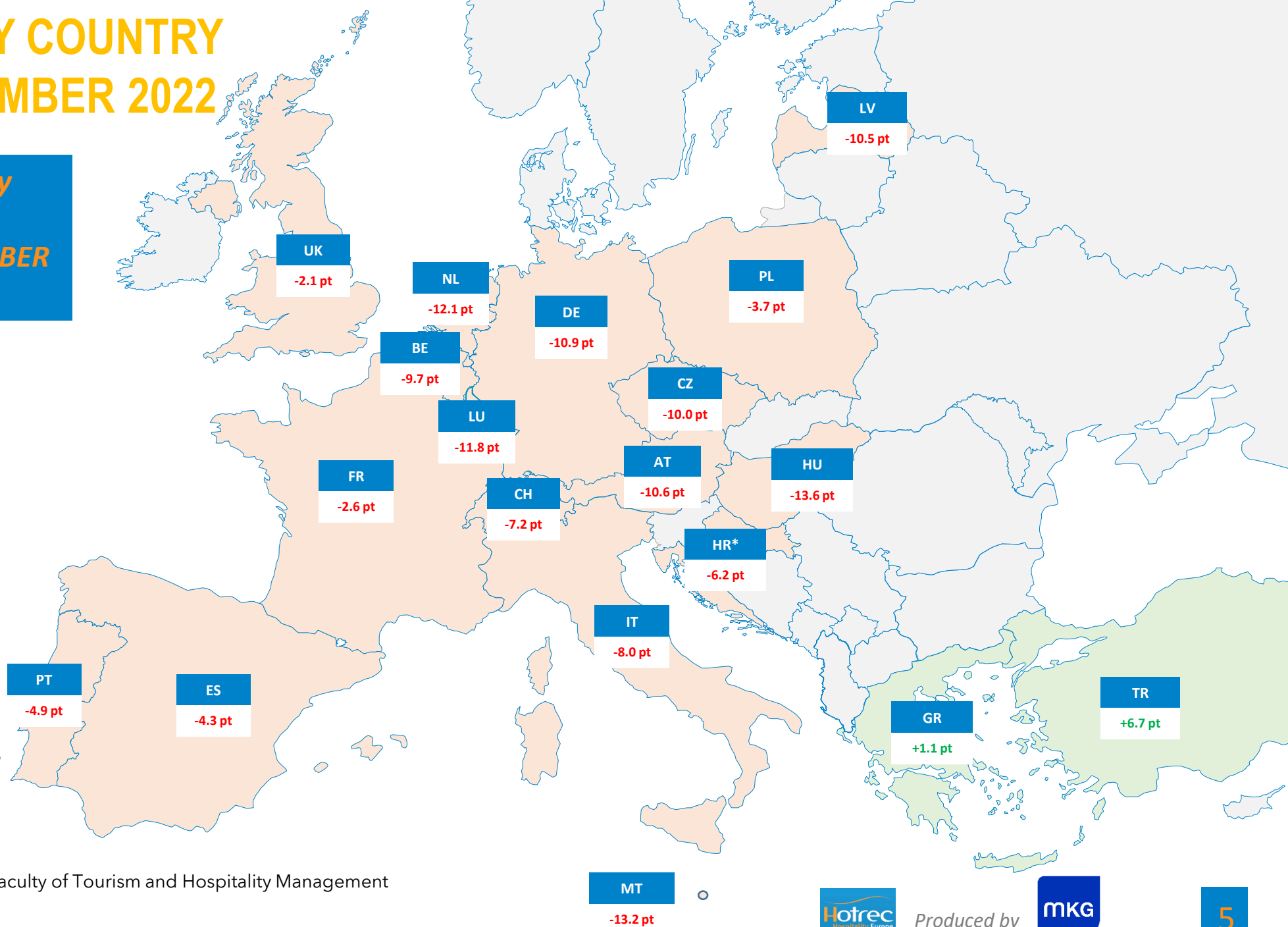
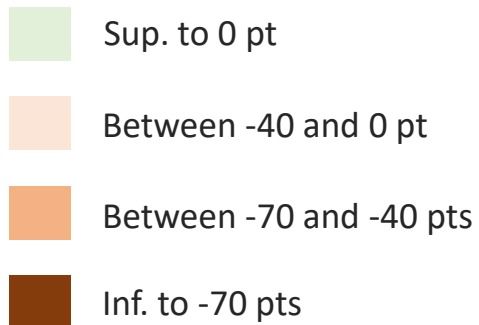
\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2022

*Monthly Results – Occupancy  
Rate change by country  
NOVEMBER 2022 vs NOVEMBER  
2019*

European  
average

**-5.2 pt**

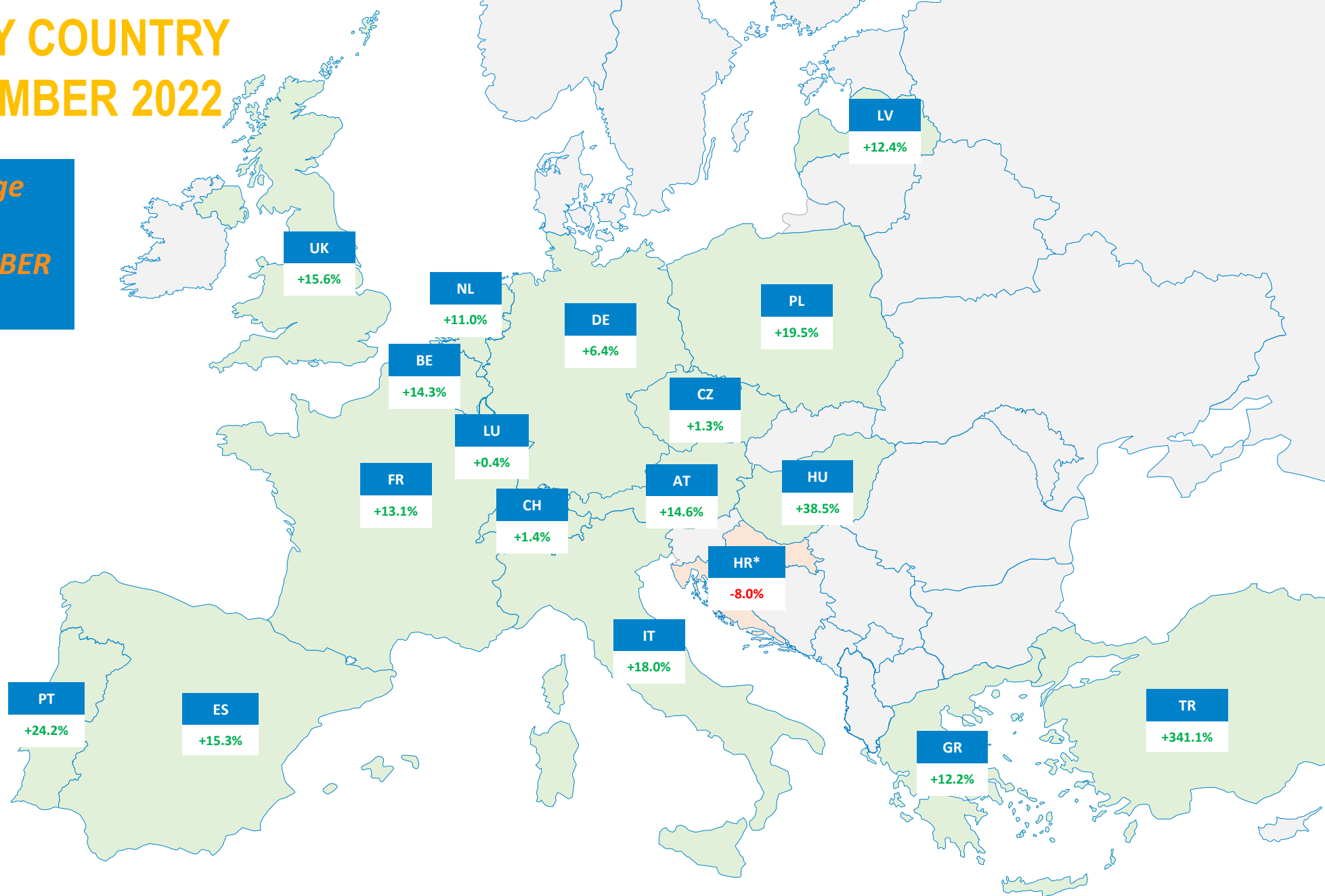
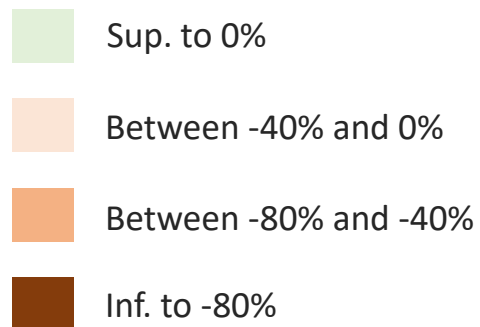


\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2022

*Monthly Results - ADR change  
by country  
NOVEMBER 2022 vs NOVEMBER  
2019*

European  
average  
**+16.5%**

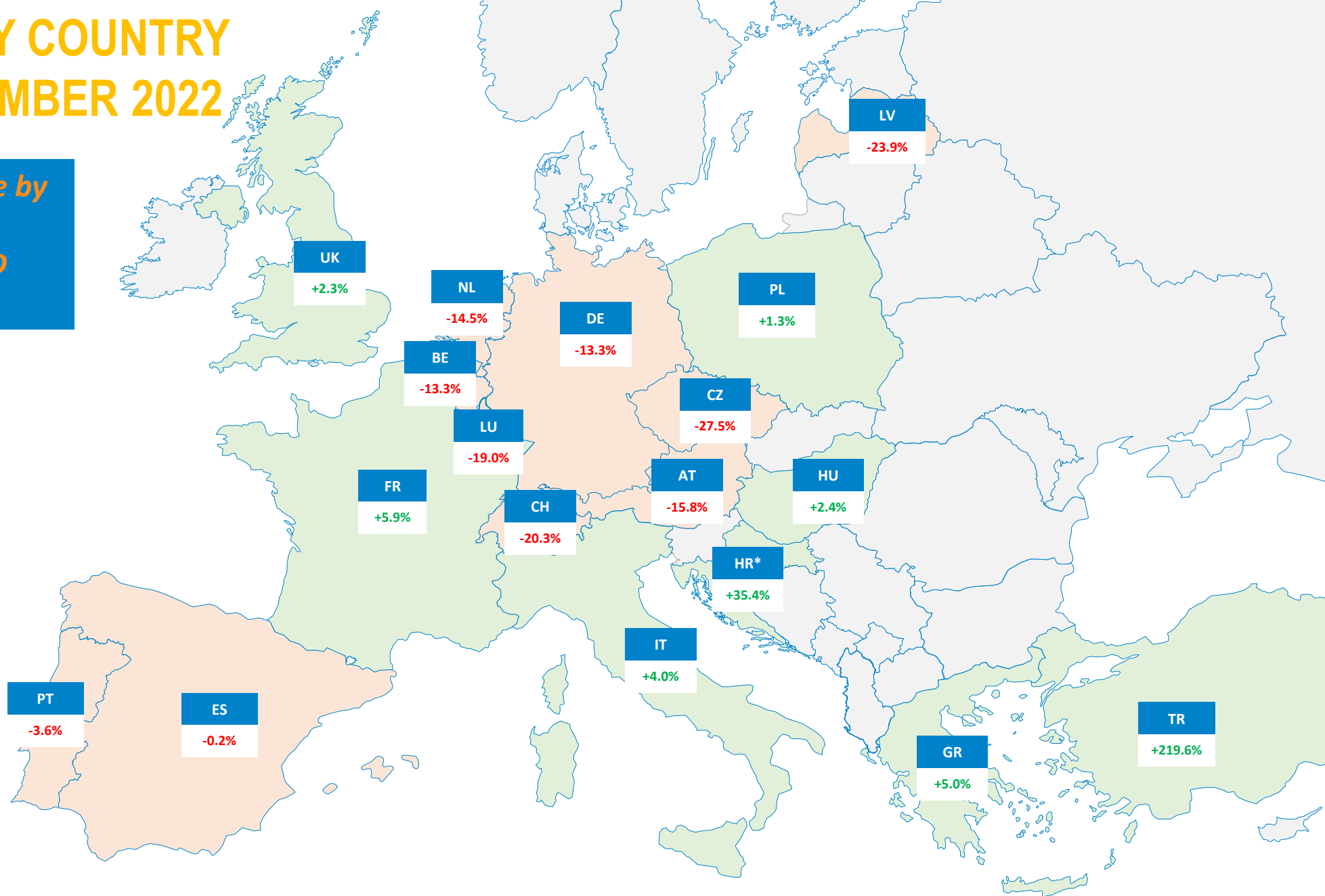
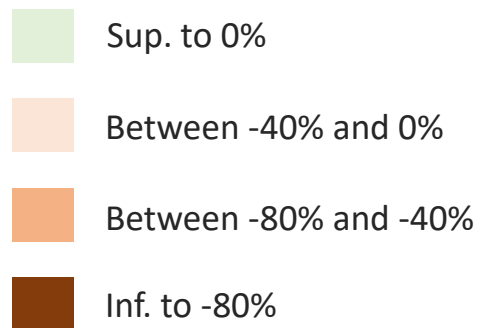


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# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2022

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

European  
average  
**+0.1%**

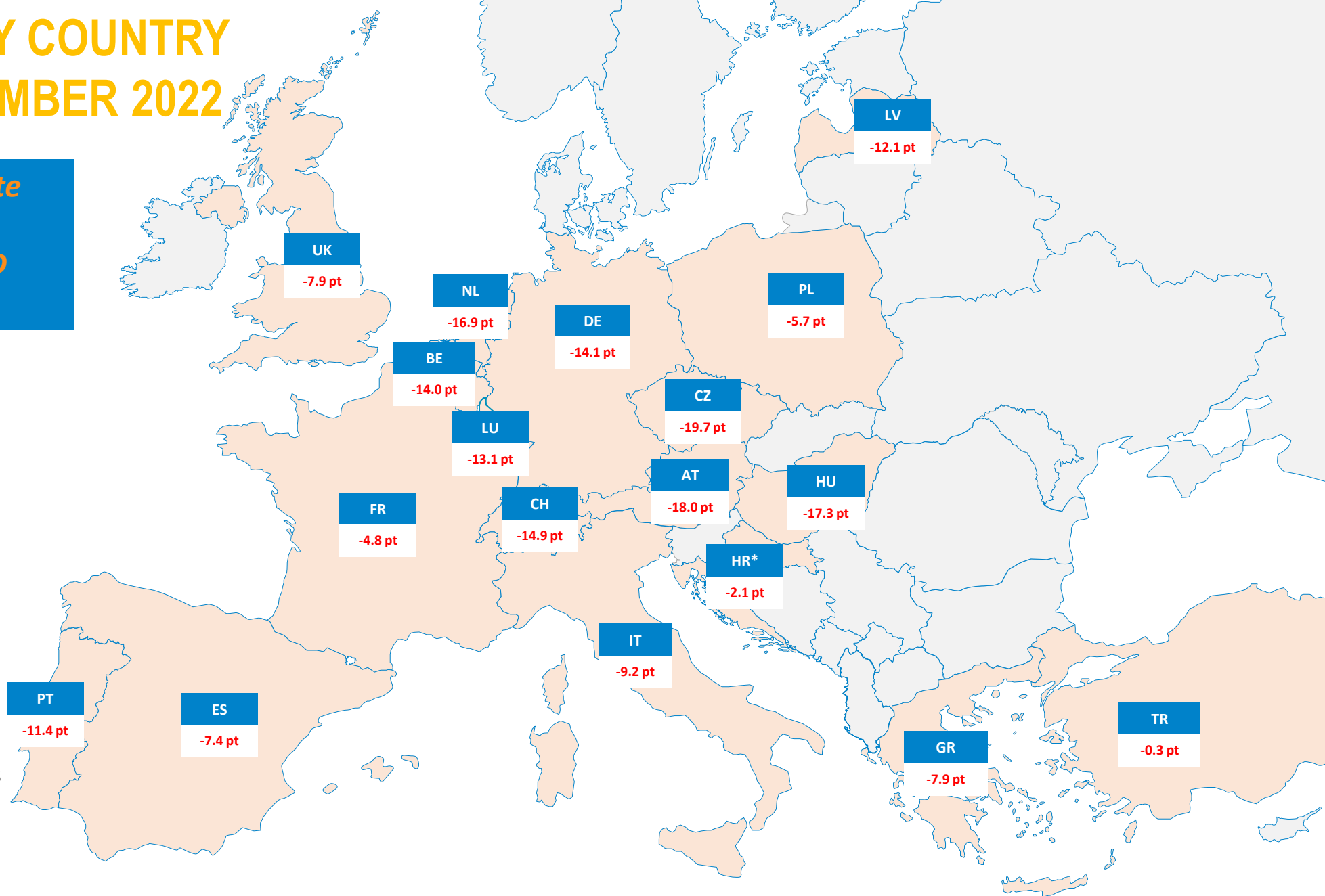
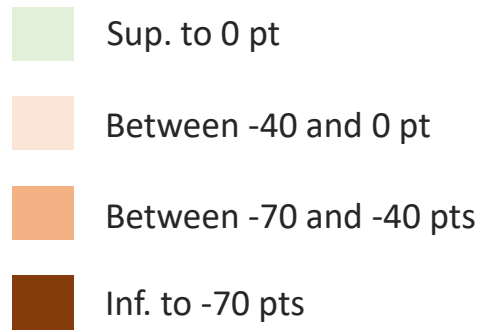


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# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2022

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

European  
average  
**-8.8 pt**



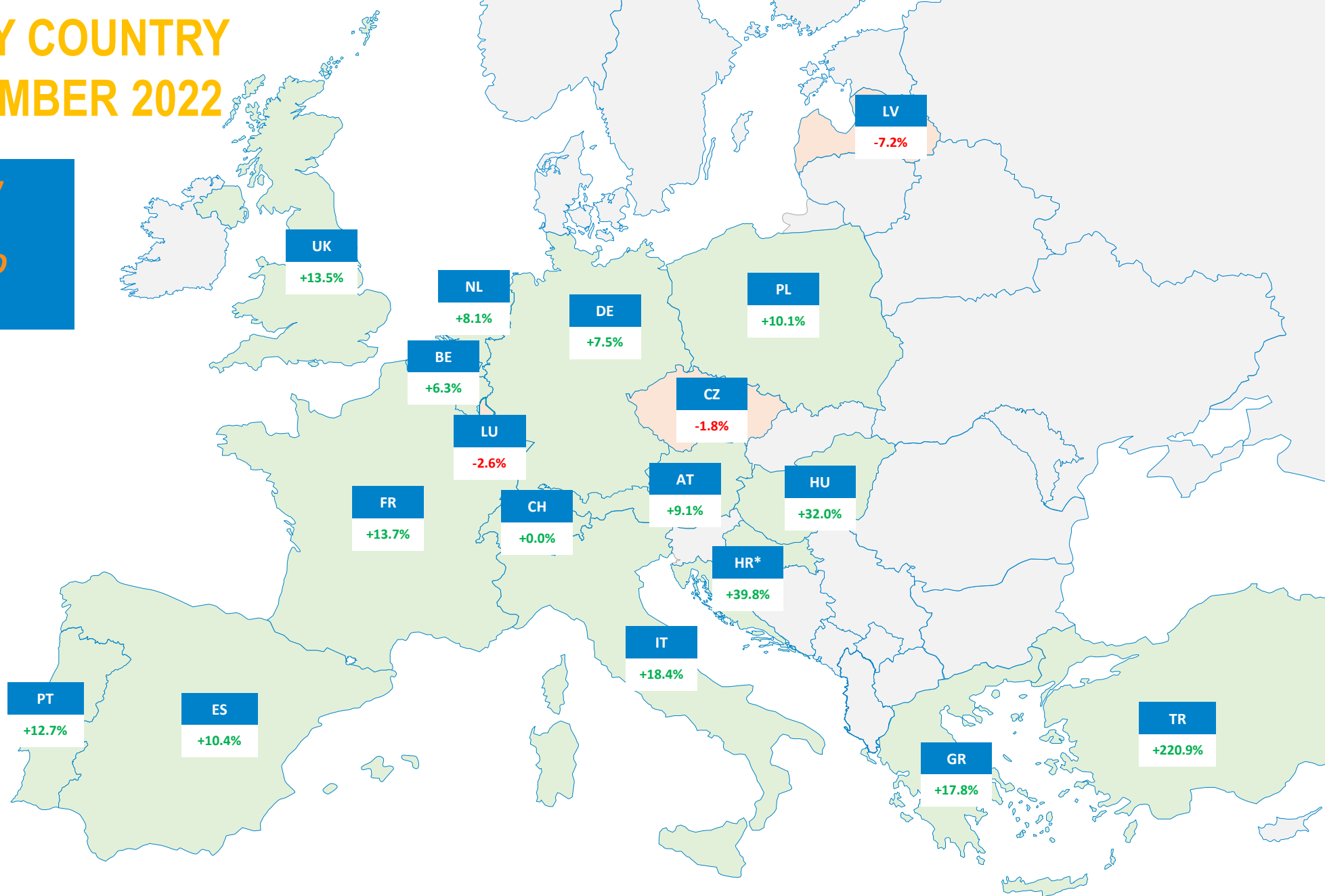
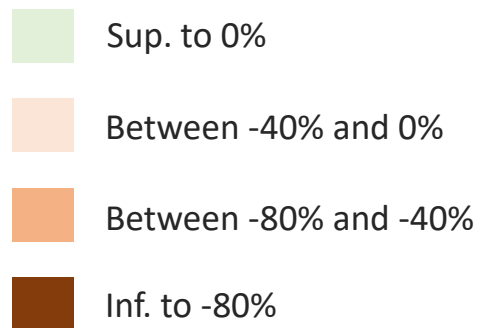
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# HOTEL RESULTS BY COUNTRY IN EUROPE – NOVEMBER 2022

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

European  
average  
**+13.6%**



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# 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.)

