France, Benelux and Portugal led the European hotel industry growth during first semester of 2018



The latest ECM-MKG European Destinations Observatory report* points out that, in European cities, the Revenue Per Available Room (RevPAR)** experienced a 3.6% growth after 6 months in 2018. The Occupancy Rate*** increased by 0.9 points

and the Average Daily Rate (ADR)**** by 2.3%. Midscale and Upscale/Upper Upscale are on a dynamic trend with a RevPAR that rose respectively by 4.3% and 3.1% compared to last year. Overall, a growth can be observed throughout Europe, especially in France, Benelux and Portugal.

The RevPAR in Benelux and France grew healthily during the first 6 months of 2018

Belgium and the Netherlands observed an increase in their hotel performances, (+8.8%) and for their RevPAR. Brussels' RevPAR rose by 8.9%, mostly thanks to a 4.9% increase in its Average Daily Rate. Ghent (+4%) is on a positive trend too. In this Benelux area, Luxembourg, had a RevPAR increase (+3%), while Amsterdam after the organization of international business events, recorded a RevPAR increase of 7.9% and the second highest occupancy rate among this sample of cities. France showed a growth (+8.1%) thanks to its strong touristic pole: Paris, knew a 2.8-point increase in occupation rate, and a RevPAR rise of 8.1%. Other cities like Nice (+13.5%) Montpellier (+7.7%) and Dijon (2.8%) also recorded a RevPAR increase. Biarritz/Bayonne is on a negative trend (RevPAR: -6.1%), as Lyon and Marseille (respectively -1.3% and -1.2%).

In the United Kingdom and Germany, the RevPAR is on a slight positive trend

London (2nd), Hamburg (5th) and Liverpool (7th) are in the top 10 of the best occupancy rates in Europe. In Germany, some cities are on a downward trend (Düsseldorf, Cologne and Hannover), in spite of a strong business activity, while Nuremberg, Stuttgart and Dresden recorded a RevPAR increase of 9.8%, 7.9% and 6.3% respectively.

Italy posts an increase in its RevPAR (+3.4%). This positive change can be explained by the good results recorded in Milan (+6.1%), Bologna (+2.8%) or Rome (+2.1%). Venice continues to be on a negative trend (RevPAR: -8.8%) but the occupancy rate increased compared to last year.

On the Iberian Peninsula, tourist arrivals continue to grow

Under the effect of Spain and Portugal's internal dynamics (improved economic context) and carryovers of visitors from Mediterranean destinations affected by different events since a few years. All cities in Spain (+1.8%) and Portugal (+8.2%) gained a strong RevPAR increase for the beginning of year. For example, Madrid noted an increase of 1.6% following the hosting of many international business meetings this year. On the other hand, Barcelona recorded a RevPAR decrease by 6.6%. Other cities had an improvement in their RevPAR: Zaragoza, Valencia and Seville knew a RevPAR increase between 8.5% and 14%. Lisbon, which organized a few international conventions in this first part of the year, also posted a RevPAR increase of 6.3%.

Eastern Europe's performances are heterogeneous

Warsaw posted a stable RevPAR (-0.4%) in spite of a rise in Average Daily Rate (+2.4%). Budapest, thanks to its solid business activity, is off to a good start this year, counting a RevPAR increase of 9.3%. Vienna recorded a stable RevPAR but Prague, which hosted many congresses and conferences, also noted a RevPAR improvement (+1.9%): the occupancy rate rose by +1.6 point and the Average Daily Rate is stable (-0.2%) 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.