# 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.