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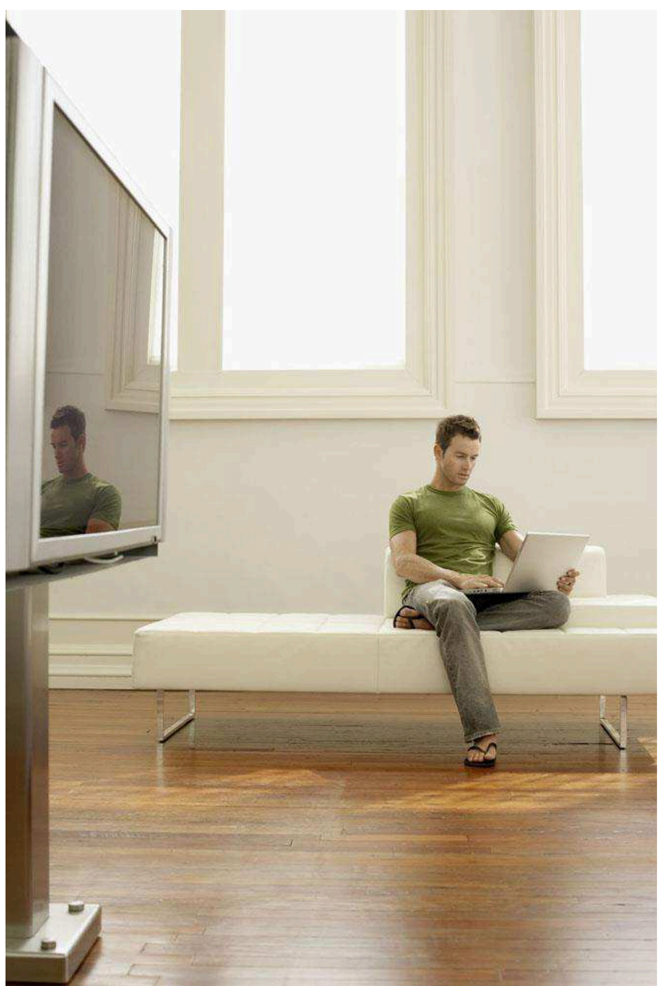
tourisme, culture & hôtellerie

French Hotel Industry Performance

August 2015



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August: An upbeat mood on the coast; more disparate elsewhere

After two months of recovery, August showed mixed results depending on category and location. While “intermediary” categories (Midscale, Upscale) resisted well thanks to higher average rates, Super-budget hotels confirmed declines in RevPAR. For higher-end hotels, August’s results varied from region to region, resulting in an overall drop in occupancy and rates. Despite all this, August’s results must be put in perspective when compared with August 2014 – a particularly good month – and year-to-date growth, which remains positive.

Undoubtedly, the Côte d’Azur posted the best results in France. All categories experienced an upswing in trading, and as in July, higher-end hotels recorded the highest growth (increases of 6,5% and 6,8% in RevPAR for Upscale and Luxury categories, respectively). Year-to-date results at the end of the summer period (RevPAR growth of around 15%!), will secure the year-end result, should this trend swing back.

Results were also encouraging (keeping everything in perspective) for higher-end categories in Ile de France (2,7% growth in RevPAR). Although overall performance of the Luxury segment suffered in France during August, this was essentially due to the disappointing results recorded by regional hotels who posted a fairly significant drop in average rates in August (-3,8%).

The pattern was the exact opposite for the Midscale segment. Midscale hotels in Paris saw a drop in business (occupancy declines of 5,9%), but posted encouraging results in regional France and on the Côte d’Azur (RevPAR growth of 4% and 1,8%, respectively).

The solid performances of Bordeaux, Nancy and Lyon (albeit to a lesser extent) should be noted: all categories presented good results, confirming the growth recorded since the beginning of the year.

Month after month, the Super-budget category presents the same phenomenon. Occupancy declined (-2,4%), and the pricing adjustments undertaken since the start of the year to offset the consequences of 2014’s VAT hike, are insufficient to make up for the drop in demand. RevPAR at the end of August thus stood at -0,8%.

Monthly performance

August	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2015	81,9%	78,6%	71,0%	69,5%	70,0%
Var. /n-1	*-0,9%*	*-1,9%*	*-0,1%*	*0,6%*	*-4,3%*
ADR 2015	536 €	198 €	92 €	57 €	43 €
Var. /n-1	*-0,3%*	*4,6%*	*0,6%*	*-1,5%*	*2,2%*
RevPAR 2015	439 €	155 €	66 €	39 €	30 €
Var. /n-1	*-1,2%*	*2,6%*	*0,5%*	*-0,9%*	*-2,2%*

Year To Date performance

Jan. to August	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2015	66,0%	69,1%	65,7%	66,9%	64,1%
Var. /n-1	*-0,1%*	*2,2%*	*1,1%*	*1,5%*	*-2,4%*
ADR 2015	442 €	186 €	100 €	63 €	41 €
Var. /n-1	*0,8%*	*2,3%*	*0,5%*	*-0,6%*	*1,7%*
RevPAR 2015	292 €	129 €	65 €	42 €	26 €
Var. /n-1	*0,7%*	*4,6%*	*1,6%*	*0,9%*	*-0,8%*

Definitions

OR = Occupancy Rate
ADR = Average Daily Rate
RevPAR = Revenue per available room

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