

# In Extenso

tourisme, culture & hôtellerie

## French Hotel Industry Performance

May 2015



Membre de **Deloitte**.

# Our Tourism, Culture & Hospitality News

Consulting, Valuations, Transactions

**In Extenso**  
tourisme, culture & hôtellerie

Le marché français des résidences de tourisme urbaines  
2015 - 9<sup>ème</sup> édition



Membre de **Deloitte**

## Annual Study: The French Urban Residence Market

The 9th edition of In Extenso TCH's annual study on French urban residences offers a comprehensive analysis of the market:

- Profile of supply and evolutions over five years
- Breakdown of supply in France
- Key players in the market, brand characteristics
- General trading levels + focus on main markets

### **STUDY AVAILABLE: 800 € EXC. VAT**

For further information and orders, please contact:  
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## Recent references

| Client    | Description   |
|-----------|---|
| Operator  | Repositioning of a portfolio of three upscale resorts, France                       |
| Owner     | Analysis of the reconversion potential of an office building into a hotel, Paris 55 |
| Investor  | Valuation of a portfolio of 3* and 4* hotels, France                                |
| Developer | Review of the business plan for developing a 4* hotel (>100 rooms), Paris           |

### CONSULTING AND VALUATIONS

[PHILIPPE GAUGUIER](#), ASSOCIATE MRICS

[OLIVIER PETIT](#), ASSOCIATE

### CULTURE AND TOURISM

[DOMINIQUE LECEA](#), DIRECTOR

[ANNE RAVARD](#), DEPUTY DIRECTOR

## Transaxio Hôtel sales instructions

| Scope                          | Description  |
|--------------------------------|--|
| Freehold, Hauts de Seine       | Portfolio of three independent 3* and 4* hotels, total capacity of c.120 rooms |
| Freehold, Nord                 | 3*, independent hotel + restaurant, > rooms, meeting rooms, fitness            |
| Off-plan / VEFA, Pas-de-Calais | 3* branded hotel + restaurant project, meeting rooms                           |

### TRANSAXIO HÔTEL

[GUY BOULO](#), DIRECTOR

## Articles

### [New generations attracted by the lasting nature of a family business](#)

Christophe Saubiez, Audit Associate, Deloitte Family

### [Travel Consumer 2015](#)

Alistair Pritchard, UK Lead Partner, Deloitte

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# May: Dull in Paris and mixed elsewhere

**A mixed bag in May: some regional destinations post real growth in RevPAR, with Paris, Lille, Marseille and others recording a drop. Does the explanation lie in the bank holidays or the timing of the school holidays?**

In May, the French hotel industry was laughing one day and crying the next. Results varied widely throughout France, with some destinations recording sharp drops in RevPAR and others strong growth.

Paris posted a significant drop in all categories, with occupancy declining between -1% and -7%. Luxury and Midscale hotels were particularly affected. The continual fall in occupancy in the capital is beginning to worry industry players who are hoping for a better month of June, given the impact of the Air Show. This concern is all the more legitimate since average rates are down on last year – with the exception of Upscale hotels and Standard Midscale hotels.

In contrast, regional hotels tended to see RevPAR grow – all except Budget hotels who recorded a 1% drop. Growth was modest for Super-budget hotels (+1%) and Midscale hotels (+1%), but much stronger in the Upscale and Luxury categories (+6% and +11%, respectively).

However, behind these general performances for regional France, real differences exist depending on the destination observed. The Atlantic coast did rather well in May, as did cities such as Lyon, Grenoble or Nancy. Conversely, Avignon, Lille and Marseille posted significant declines compared to the same period last year.

Can this be explained by the May bank holidays? Philippe Gauguier – Associate, In Extenso TCH – rejects this somewhat simplistic explanation, emphasising that last year's calendar tended to favor long bank holidays. The 1st and 8th of May fell on a Thursday last year, and a Friday this year. Logically, then, this year's bank holidays should have led to a rise in activity for Business destinations. Olivier Petit – Associate, In Extenso TCH – confirms that the explanation lies in the school year calendar. Those destinations that recorded a sharp increase in business are those where last year's spring holidays carried on into May, unlike this year.

Yet, the drop in occupancy in Paris appears less cyclical – let's hope that June gets trading back on track.

## Monthly performance

| May         | Luxury | Upscale | Midscale | Budget | Super Budget |
|-------------|--------|---------|----------|--------|--------------|
| OR 2015     | 70,7%  | 73,4%   | 68,9%    | 69,5%  | 64,8%        |
| Var. /n-1   | 1,2%   | 1,5%    | -0,7%    | 0,4%   | -0,8%        |
| ADR 2015    | 508 €  | 206 €   | 102 €    | 63 €   | 40 €         |
| Var. /n-1   | -3,0%  | 0,4%    | -1,5%    | -1,4%  | 1,1%         |
| RevPAR 2015 | 359 €  | 151 €   | 70 €     | 44 €   | 26 €         |
| Var. /n-1   | -1,8%  | 1,9%    | -2,2%    | -1,0%  | 0,3%         |

## Year To Date performance

| Jan. to May | Luxury | Upscale | Midscale | Budget | Super Budget |
|-------------|--------|---------|----------|--------|--------------|
| OR 2015     | 55,8%  | 62,1%   | 59,8%    | 62,6%  | 60,3%        |
| Var. /n-1   | -3,0%  | 2,4%    | 0,6%     | 1,2%   | -1,6%        |
| ADR 2015    | 375 €  | 170 €   | 98 €     | 63 €   | 40 €         |
| Var. /n-1   | -4,0%  | -0,2%   | 0,2%     | -0,9%  | 1,2%         |
| RevPAR 2015 | 209 €  | 106 €   | 59 €     | 39 €   | 24 €         |
| Var. /n-1   | -6,8%  | 2,2%    | 0,9%     | 0,3%   | -0,4%        |

### Definitions

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

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