

French Hotel Industry Performance

September 2015



Our news

Consulting, Valuations, Transactions

In Extenso Tourisme Culture & Hôtellerie, member of Deloitte, employs 25 full-time consultants. Our team provides tailor-made assistance at all stages of your project, whether in France or abroad.

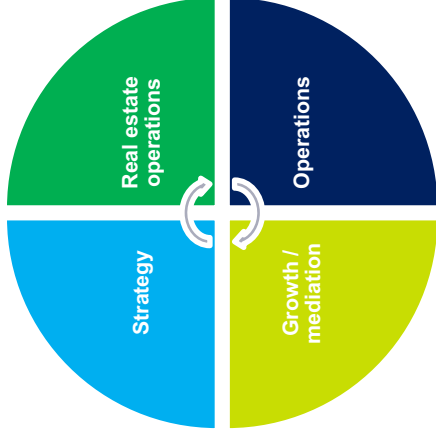
See our complete range of services at www.inextenso-tch.com

Recent references

Caisse des Dépôts - France Investissement Tourisme (FIT)

Assistance in estimating the investment required for tourist lodging in French winter sports resorts, coastal destinations and wine-tourism regions
Financial and legal assistance for structuring the fund

Deloitte. | **In Extenso**
tourisme, culture & hôtellerie



Our services:

Operator

Valuation of the hotel business (goodwill) and estimation of eviction compensation

Paris
In Extenso
tourisme, culture & hôtellerie

Pays du Bessin au Virois

Analysis of the cultural offer of the Pays du Bessin au Virois

Bayeux et Vire
In Extenso
tourisme, culture & hôtellerie

Communauté Urbaine de Dunkerque

Study to promote and develop the tourist interest of "contemporary conflict" memorial sites in the agglomeration of Dunkirk

In Extenso
tourisme, culture & hôtellerie

Investor

Feasibility study for an upscale resort project in Tangier

Morocco
In Extenso
tourisme, culture & hôtellerie

Owner

Valuation of a portfolio of five hotels in regional France

In Extenso
tourisme, culture & hôtellerie

Sales instruction

3* hotel-restaurant > 45 rooms, meeting rooms, terrace

Sale of the freehold
Gard

Transaxio
hotel | **In Extenso**
tourisme, culture & hôtellerie

VEFA (off-plan)

Hotel-restaurant > 100 rooms, spa, wellbeing, meeting rooms

Haute Normandie
Transaxio
hotel | **In Extenso**
tourisme, culture & hôtellerie

Sale

2* hotel, 39 rooms, bar, breakfast room

Business Metz
Transaxio
hotel | **In Extenso**
tourisme, culture & hôtellerie

Your contacts

CONSULTING AND VALUATION

[PHILIPPE GAUGUIER](#), ASSOCIATE MRICS

[OLIVIER PETIT](#), ASSOCIATE

TRANSAXIO HÔTEL

[GUY BOULLO](#), DIRECTOR

CULTURE AND TOURISM

[DOMINIQUE LECEA](#), DIRECTOR

[ANNE RAVARD](#), DEPUTY DIRECTOR

Articles

Working effectively with your damages expert

Anthony Charlton, Partner international disputes and arbitration, Deloitte

Environmental impacts: quantifying the cost of environmental externalities is starting to interest companies

Sébastien Soleille, Director BIO, Deloitte

See all our news on www.inextenso-tch.com and www.transaxio.fr

Reproduction or distribution in whole or part without written permission of In Extenso TC&H is prohibited and subject to legal action

FOR FURTHER INFORMATION, PLEASE CONTACT SACHA FOURNIER (sacha.fournier@inextenso.fr)

In Extenso Tourism, Culture & Hospitality - 7 rue Ernest Renan - 92136 Issy Les Moulineaux - France

Ile-de-France's hotels are struggling

September was encouraging for hotels on the Côte d'Azur and in regional France as they continued to post growth in occupancy and average rates. On the other hand, having stagnated, or even declined, in recent months, Parisian hotels struggled. Although year-to-date performances at the end of September are slightly higher than last year, the final trimester is important in determining 2015's end result.

Hotels in Ile-de-France posted a net decline in RevPAR in all categories. Without exception, this was the case for all major poles in the region. This discouraging outcome, which confirms or even aggravates August's year-to-date performances, is the result of the combined drop in occupancy and (to a greater extent) average rates. Upscale categories were the worst affected in September (decline of -5,4% in RevPAR in Paris). Although the increase in upper-end average rates since the start of the year has helped buoy up RevPAR (a slight year-to-date increase in September), this head start is starting to topple.

Conversely, regional hotel performance remains on the whole encouraging: year-to-date RevPAR performance is significantly up on last year, given substantially higher occupancy.

As in previous months, the Côte d'Azur recorded vigorous performances in all categories, with all indicators pointing upwards. At the end of September, RevPAR had progressed by 3% to over 14% depending on the category, with performances improving as one moves up the scale.

Regional French hotels also benefited from this trend, particularly in the Upscale category whose hotels recorded a +5,1% increase in occupancy in September or a +6% increase since the start of the year. This pattern was repeated throughout most of regional France, with the exception of the Northern coastline and several agglomerations who occasionally posted poorer results. Year-to-date results remain, however, generally encouraging.

The French hotel industry, particularly in Ile-de-France, would perhaps be performing better if the positive trends in tourist arrivals were reflected to a greater extent in hotel performance. Although yet to be fully determined, the impact of the collaborative economy (Airbnb, HomeAway, Housetrrip, etc.) on the tourist lodging sector is challenging certain business models and unquestionably goes some way to explaining the currently-observed hotel trends.

Monthly performance

September	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2015	80,0%	81,6%	78,3%	76,7%	69,8%
Var. /n-1	2,0%	0,7%	1,5%	3,4%	-2,0%
ADR 2015	404 €	197 €	109 €	70 €	41 €
Var. /n-1	-6,5%	0,1%	-0,6%	-1,9%	1,3%
RevPAR 2015	323 €	161 €	85 €	53 €	29 €
Var. /n-1	-4,7%	0,8%	0,8%	1,4%	-0,7%

Year To Date performance

Jan. to September	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2015	67,6%	70,5%	67,1%	68,0%	64,7%
Var. /n-1	0,2%	1,9%	1,2%	1,7%	-2,4%
ADR 2015	437 €	187 €	101 €	64 €	41 €
Var. /n-1	-0,2%	1,9%	0,3%	-0,8%	1,6%
RevPAR 2015	295 €	132 €	68 €	43 €	26 €
Var. /n-1	0,0%	3,9%	1,5%	1,0%	-0,8%

Definitions

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

Reproduction or distribution in whole or part without written permission of In Extenso TC&H is prohibited and subject to legal action
For FURTHER INFORMATION, PLEASE CONTACT SACHA FOURNIER (sacha.fournier@inextenso.fr)
In Extenso Tourism, Culture & Hospitality - 7 rue Ernest Renan - 92136 Issy Les Moulineaux - France