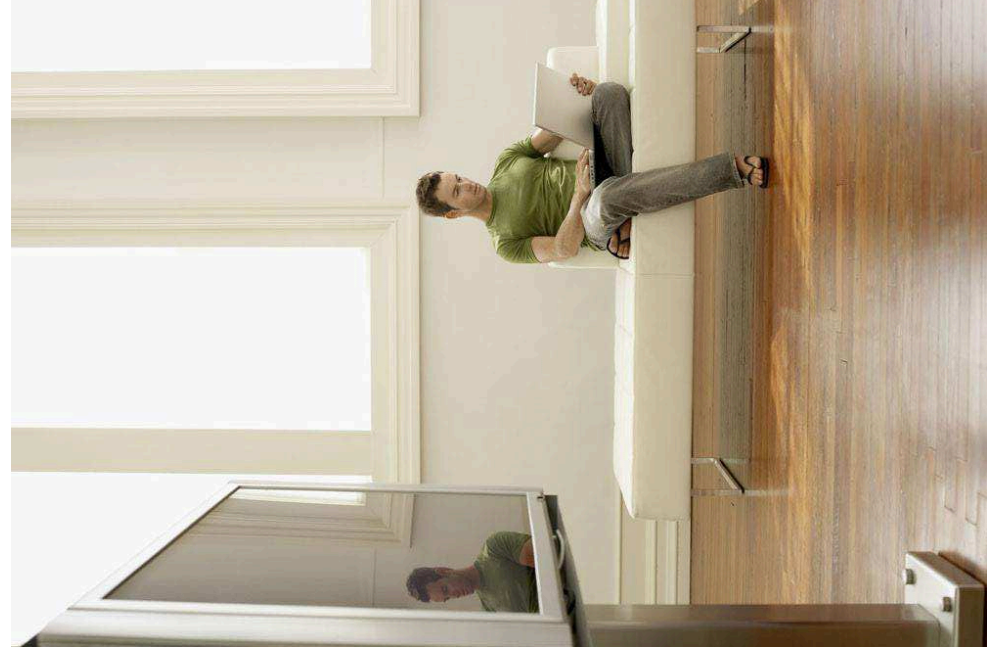


# French Hotel Industry Performance

December 2015



## Our news

Consulting, Valuations and Transactions

# In Extenso TCH wishes you a very Happy New Year!

In Extenso Tourism Culture & Hospitality, member of Deloitte, groups 25 full-time consultants providing tailor-made advice at all stages of your strategic reflection or project, whether in France or abroad. See a comprehensive description of our service offer at [www.inextenso-tch.com](http://www.inextenso-tch.com)

## Recent references

**Football club (L-1)**

Analysis of the F&B activity and recommendations on organisation and service quality

Regional France

**In Extenso**  
tourisme, culture & hôtellerie

**Investor**

Feasibility study for a boutique hotel (9th district)

Paris

**In Extenso**  
tourisme, culture & hôtellerie

**Owner**

Valuation of a portfolio of around 15 three and four star hotels

Regional France

**In Extenso**  
tourisme, culture & hôtellerie

**Developer**

Investor & operator search

Upscale hotel project, over 100 rooms, spa and wellness area, and meeting rooms

Haute Normandie

**Transaxio**  
hôtellerie

**In Extenso**  
tourisme, culture & hôtellerie

**Owner**

Sales mandate for a 3 star hotel-restaurant, over 70 rooms

Meeting rooms, parking

Freehold

Oise

**Transaxio**  
hôtellerie

**In Extenso**  
tourisme, culture & hôtellerie

**Owner**

Sales mandate for a 3 star, branded hotel, over 50 rooms, bar, parking

City centre

Freehold

Orne

**Transaxio**  
hôtellerie

**In Extenso**  
tourisme, culture & hôtellerie

**SMIT**

Feasibility study for the development of a Dino Parc in the province of Azilal

Azilal - Morocco

**In Extenso**  
tourisme, culture & hôtellerie

**Local authority (87)**

Assistance in showcasing the relics of the Saint-Marial abbey and in constructing a visitors' centre (understanding the architecture and heritage)

**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

[Travel Weekly Insight Annual Report 2015 - Analysis of the UK travel market](#)

Graham Pickett & Alistair Pritchard, Lead Partners | 2015

[Never without my smartphone: the French are more connected than ever](#)

Arnaud Le Pestipon, Senior Manager Customer Management | Technology and Innovation | 04/01/2016

[COP21: Ambitious objectives and difficult challenges ahead](#)  
Sébastien Soleille, Director, BIO by Deloitte | Society | 07/01/2016

See all our news at [www.inextenso-tch.com](http://www.inextenso-tch.com) and [www.transaxio.fr](http://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 FLORENT DANIEL (+33 (0)5 61 94 11 40 OR [sacha.fournier@inextenso.fr](mailto:sacha.fournier@inextenso.fr))  
In Extenso Tourism, Culture & Hospitality - 7 rue Ernest Renan - 92136 Issy Les Moulineux - France



# The year ends in the red

As unfortunately feared, the month of December failed to reverse the trend observed throughout 2015, which ended on a mixed note. Occupancy dropped sharply in all categories in Paris and the Ile-de-France region as a whole, as the impacts of the terrorist attacks were strongly felt. The final month of the year was also challenging elsewhere in France. However, the relative weighting of December compared to the rest of the year meant that the overall good performances achieved up till then in regional France held.

Although the major events hosted in Ile-de-France throughout November and December doubtless helped limit the damage, the November 13<sup>th</sup> attacks had a brutal impact on hotel demand in Ile-de-France in December. Occupancy dropped by between -15,4% and -24,3% depending on the category in Paris, and in most of the Ile-de-France region, too – except in those areas able to take advantage of COP21. The majority of hoteliers reasonably decided not to slash prices. However, although average rates remained generally stable over the period, the decline in occupancy automatically dragged down RevPAR. Consequently, with two terrorist episodes and a rather lacklustre summer, notably for Midscale hotels, Paris finished the year on a low note, with a fairly significant drop observed in all categories. The Upscale segment was the only one able to generally maintain Rooms Revenue, with a drop of 0,7% “only”.

Relatively speaking, the same situation could be observed throughout the rest of France in December. The Côte d’Azur and other regions saw a fall in RevPAR, essentially due to a drop in average rates. Upscale hotels on the Côte d’Azur were the only ones to record a rise in RevPAR, thanks to a significant increase in occupancy. In one way or another, these observations must be put into perspective: on the one hand, December 2014 was a generally good month on the Côte d’Azur and in regional France; and on the other, occupancy is generally low in December, compared to the summer months. December did not, then, call into question the encouraging results previously recorded. The Côte d’Azur saw an increase in RevPAR of between +4,1% and +13,5% depending on the category. RevPAR in regional France also grew.

Lastly, Super-budget hotels managed to maintain rate growth throughout the year, which compensated for the VAT hike introduced at the start of 2014 that was not passed onto guests at the time. However, in a strongly competitive environment, this resulted in a drop in occupancy, and consequently in RevPAR (-1%) in 2015.

## Monthly performance

December	Luxury	Upscale	Midscale	Budget Super Budget
OR 2015	48,0%	51,7%	50,6%	54,0%
Var. /n-1	<b>-11,1%</b>	<b>-6,9%</b>	<b>-8,7%</b>	<b>-5,0%</b>
ADR 2015	317 €	162 €	100 €	65 €
Var. /n-1	<b>-9,2%</b>	<b>-0,2%</b>	<b>0,7%</b>	<b>2,9%</b>
RevPAR 2015	152 €	84 €	50 €	35 €
Var. /n-1	<b>-19,3%</b>	<b>-7,1%</b>	<b>-8,1%</b>	<b>-2,3%</b>

## Year To Date performance

Jan. to December	Luxury	Upscale	Midscale	Budget Super Budget
OR 2015	65,6%	67,9%	65,2%	66,4%
Var. /n-1	<b>-0,1%</b>	<b>0,4%</b>	<b>-0,2%</b>	<b>0,8%</b>
ADR 2015	420 €	184 €	103 €	64 €
Var. /n-1	<b>0,0%</b>	<b>1,3%</b>	<b>-0,2%</b>	<b>-0,7%</b>
RevPAR 2015	275 €	125 €	67 €	43 €
Var. /n-1	<b>-0,1%</b>	<b>1,7%</b>	<b>-0,5%</b>	<b>0,1%</b>

## 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 FLORENT DANIEL (+33 (0)5 61 94 11 40 OR [sacha.fournier@inextenso.fr](mailto:sacha.fournier@inextenso.fr))  
 In Extenso Tourism, Culture & Hospitality - 7 rue Ernest Renan - 92136 Issy Les Moulineaux - France