In Extenso
tourisme, culture & hôtellerie

French Hotel Industry Performance

March 2016

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Consulting, Valuations and Transactions

Recent references

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Owner *Sales instruction for the freehold of a 3* branded and renovated hotel, > 90 rooms, meeting rooms* *Orange*	**Owner** *Sales instruction for the freehold of a 3* unbranded hotel, > 70 rooms, meeting rooms, private parking* *Oise*	**Amiens Métropole (80)** *Programming study and Project Management assistance for the extension and development of a zoo*	**Communauté de Communes (57)** *Definition and strategic orientations for the reorganisation of the Château de Fénétrange*

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Articles and publications

2016 Travel and Hospitality Industry Outlook - Interview with Guy Langford

Fresh off the back of a robust and dynamic 2015, many travel and hospitality (T&HL) companies are heading into 2016 with strong momentum for continued success. But this success is not a given: T&H organizations will need to proactively and effectively respond to a set of evolving challenges around customer and market expectations, data use and integration, recruitment and retention, competitive dynamics, and risk management.

Download the study: Download

2016 tourism and hospitality trends – A new lease of life

The Paris terrorist attacks in June and November doubtless had an impact in 2015, yet other phenomena should also be considered when analysing the year's results: the maturing of new hotel and apart-hotel supply, the repercussions of the school calendar, the political situation in competitor destinations, etc. Given this, the year turned out very differently from one region or hotel category to another, as our 2016 study shows.

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The first trimester ends on a positive note

No doubt we will have to wait to see what the real trend is, but March's results were generally positive. Regional France, and the Côte d'Azur in particular, showed a good start to the year, with the Luxury segment leading the way. Even though Paris and Ile-de-France were still recording lower performances, the declines are lessening. Note that for the first time in a long time, Super-budget hotels saw simultaneous growth in occupancy and average rates.

It is still too early to start celebrating, since Paris and the Ile-de-France region are not yet back in the black. However, given the very sharp drops recorded since December of last year, posting declines of under 10% in March could almost be construed as hopeful – particularly since March 2015 was a very good month for this zone. Occupancy rates were generally above 70%, with Upscale Boutique Hotels even recording an increase (+1,1%).

Throughout the rest of France, the trend detected in January and February was confirmed in March, with solid growth observed. This was particularly the case for the Luxury segment, whose RevPAR rose by almost 30% in the regions and over 20% on the Côte d'Azur. In these areas, all categories recorded substantial increases in March – again, compared against a good month in 2015.

Further to a long period of decline, the Super-budget category finally managed to lift up its head, posting simultaneous increases in occupancy (+1,6%) and average rates (+0,8%). Whilst the underlying trend has not yet been reversed, this rare encouraging result is still good news!

Note to our readers

Numerous branded and independent hotels joined our benchmark in 2015, and we would like to thank them for the trust they have placed in us. As well as incorporating these new participants, we have recently revised a number of our samples in order to:

- *Integrate recently-opened hotels that have now become established on their respective markets.*
- *Better present Parisian performances by refining the segmentation of supply, so that participants can more easily identify their own market.*

The statistical data presented in this document is evidently still based on constant samples.

For questions concerning our benchmarks or to speak with one of our consultants, please contact Sacha Fournier or Grégory Fortems:

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Monthly performance

March	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2016	46,1%	52,2%	52,6%	56,2%	57,8%
Var. /n-1	*11,9%*	*0,7%*	*-3,9%*	*-3,1%*	*-2,0%*
ADR 2016	287 €	156 €	97 €	62 €	39 €
Var. /n-1	*-6,7%*	*-2,8%*	*-0,9%*	*0,2%*	*0,0%*
RevPAR 2016	132 €	81 €	51 €	35 €	23 €
Var. /n-1	*4,4%*	*-2,1%*	*-4,8%*	*-2,9%*	*-2,0%*

Year To Date performance

Jan. to March	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2016	45,8%	52,3%	51,4%	54,1%	54,0%
Var. /n-1	*13,9%*	*-0,9%*	*-3,1%*	*-1,1%*	*-2,2%*
ADR 2016	290 €	161 €	99 €	62 €	39 €
Var. /n-1	*-8,2%*	*-2,9%*	*-2,2%*	*-1,1%*	*0,0%*
RevPAR 2016	133 €	84 €	51 €	34 €	21 €
Var. /n-1	*4,6%*	*-3,8%*	*-5,2%*	*-2,2%*	*-2,2%*

Definitions

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

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