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May 2016

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A sunny month of May for regional France

Following a month of April when all regions recorded losses, the contrast in May's performance from one zone to the next was striking. Unfortunately, Ile-de-France continued to pay the heavy price of the terrorist attacks of early 2015 and in Brussels. All client segments were affected and while recovery should be on the cards, it has yet to make itself known. The situation was noticeably different in regional France: somewhat mixed on the Côte d'Azur, but very encouraging in regional France.

The end of the first semester is nearly upon us, and Ile-de-France is yet to show signs of recovery. It's difficult to predict how long this situation will last, and whether we'll see any positive results in 2016. The succession of terrorist attacks – Paris, Brussels, Istanbul – perturbed and paralysed all client segments. Price wars failed to ease the situation, and as in previous months, it was the combined drop in occupancy and average rates that dragged down rooms revenue. Cumulatively, RevPAR fell by around 15% for all categories, with no sign of recovery evident.

However, May's calendar was auspicious for the return of the business segment, with no school holidays programmed, and bank holidays mainly falling at weekends. Paris was unable to take advantage of this, unlike main regional cities – many of whom recorded encouraging or even excellent results. Nantes (that also benefited from a busy events schedule), Lyon, Lille, Bordeaux…all these cities boosted by business visitor numbers, recorded very positive performances in all segments. For Euro 2016 host cities, no doubt June will confirm these promising results, as indeed demonstrated by the daily statistics published by our peer, STR. Although performances were less impressive elsewhere in regional France, May remained a good month – for all hotel categories, including the Super-budget segment that recorded growth from 2,1% to over 10% in rooms revenue over the month.

The situation was not so heartening on the Côte d'Azur. Although the Luxury segment continued to do well, recording higher occupancy (+9,7% YTD in May), performances for other categories remained stable or declined.

Just this once, note that the best performing segment in the whole of France in May was the Super-budget category.

Monthly performance

May	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2016	66,4%	72,3%	69,8%	70,4%	66,7%
Var. /n-1	***1,2%***	***-1,0%***	***-0,5%***	***0,6%***	***2,9%***
ADR 2016	587 €	219 €	111 €	65 €	41 €
Var. /n-1	***1,9%***	***-4,5%***	***0,3%***	***1,4%***	***1,1%***
RevPAR 2016	390 €	158 €	77 €	46 €	27 €
Var. /n-1	***3,1%***	***-5,4%***	***-0,2%***	***2,1%***	***4,1%***

Year To Date performance

Jan. to May	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2016	54,6%	61,0%	59,1%	61,6%	59,6%
Var. /n-1	***9,9%***	***-1,3%***	***-2,8%***	***-1,9%***	***-1,1%***
ADR 2016	397 €	180 €	103 €	63 €	40 €
Var. /n-1	***-4,4%***	***-4,6%***	***-1,5%***	***-1,1%***	***0,5%***
RevPAR 2016	217 €	110 €	61 €	39 €	24 €
Var. /n-1	***5,0%***	***-5,8%***	***-4,2%***	***-3,1%***	***-0,6%***

Definitions

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

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