In Extenso

Tourisme, Culture & Hôtellerie

French Hotel Industry Performance

February 2017

Deloitte.

Deloitte. | In Extenso

France | Tourisme, Hôtellerie et Services | Mars 2017

Les Tendances de l'hôtellerie
Vidéo de la conférence du 24 février 2017

Dear Madam or Sir,

You can now view the video of our annual conference, "Hospitality Trends" that took place on the 24th February. The video is available on In Extenso Tourisme, Culture et Hôtellerie's website, under News.

The video can also be directly accessed via the following link:

Accéder à la vidéo

Yours sincerely,

Joanne Dreyfus
THL Lead Partner, Deloitte

Philippe Gauguier, Olivier Petit
Partners, In Extenso Tourisme, Culture et Hôtellerie

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See all our news on www.inextenso-tch.com and http://www.transaxio-hotel.com/

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Our News

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Tourisme, Culture & Hôtellerie

Consulting, Valuations and Transactions

Owner

Assistance in negotiating two management contracts for an upscale hotel and an apart-hotel

France

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Owner

Estimation of lease-management fees that should be paid for the operation of F&B services In a 5 star hotel

Paris

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Owner

Repositioning analysis of a historical building

Paris region

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Developer

Investor-operator search for a 3 star hotel project > 150 rooms Restaurant and parking

Paris region

Transaxio Hôtel

Owner

Freehold sales instruction 3 star, branded hotel-restaurant 80 renovated rooms

Côte d'Azur (06)

Transaxio Hôtel

Developer

Upscale apart-hotel project > 90 apartments

Ile de la Réunion

Transaxio Hôtel

Côtes d'Armor department

Tourism development opportunity for the "Base de Plein Air de Guerlédan"

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Montpellier Méditerranée Métropole

Strategic positioning of the archaeological site of Castellas

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CULTURE AND TOURISM:
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Publications

Hospitality Trends 2017
Managing change in a shifting environment
The latest edition of Hospitality Trends, organised in partnership with In Extenso, delivers an update on the key evolutions affecting the tourism, cultural, hospitality and leisure sector. Faced with significant structural changes linked to the evolution of new technologies and client expectations, the industry has to adapt, revisit its models and anticipate as far as possible future emerging trends.
Philippe Gauguier, Olivier Petit & Joanne Dreyfus | Partners, Deloitte & In Extenso Tourisme, Culture et Hôtellerie | 2017

Download the study : Download

Articles

Human capital – an issue of attractiveness for the tourism industry
Philippe Burger, Consulting Partner, Deloitte | March 2017

Digital Predictions 2017
Phil Neal, Digital Transformation Lead, Consumer and Industrial Products | Deloitte | February 2017

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Occupancy growth is being confirmed

Occupancy grew in February 2017 in all categories except the Luxury segment throughout most of France. The Luxury and Budget sectors were the only ones to record a drop in RevPAR in February alone, although all categories posted higher RevPAR over the first two months of the year – nearly +7% higher for Midscale hotels and over +6% for Upscale hotels.

On a national scale, categories at the lower end of the spectrum posted a drop in ADR in February, although Midscale and Super-budget hotels compensated for this by recording higher occupancy. For Luxury hotels, the opposite was true – although occupancy dropped (-3,7%), the rise in average rates limited the decline in RevPAR. The Upscale category was the only one to see growth – albeit moderate – in both occupancy and average rates. Ultimately, February finished on a balanced note, although over the first two months of the year, RevPAR grew steadily in all segments. Hotels at the higher end of the scale (Midscale and Upscale) kicked off 2017 with encouraging performances – RevPAR increased by +6,3% and +6,8%, respectively, thanks to significantly higher occupancy and stable or slightly higher ADR.

The Côte d'Azur is struggling

The Côte d'Azur is without contest the zone that is suffering the most at the start of the year. Upscale hotels – that posted good results in February – were the only ones to record growth over the first two months of 2017 (RevPAR growth of +2,9%). In all other categories, the drop in activity was significant, with steep occupancy declines bringing down RevPAR. However, this observation can be qualified by the Budget and Midscale segments that finished 2016 on a very encouraging note. Conversely, the situation is more worrying for Super-budget hotels on the Côte d'Azur: further to a -5,1% drop in RevPAR at the end of February 2016, these hotels recorded a decline of almost -15% over the past two periods.

Paris and Regional France reaffirm

Further to a month of January that offered a glimmer of hope, Paris confirmed these promising results in February, recording growth as the year kicked off. Although average rates were still down, higher occupancy boosted RevPAR, up to +11,5% for the Midscale segment, for example. At the end of February, RevPAR had grown in all categories, and this recovery is particularly good news in light of the previous two very challenging periods.

Regional France confirmed the positive momentum on which we commented at the end of 2016. Results at the end of February were heartening – very much so for superior categories (+9% and +10,1% growth in RevPAR for Luxury and Upscale hotels, respectively). Large regional cities – with Lyon currently in the lead – clearly appear to be driving the regional hotel industry.

Monthly performance

February	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2017	44,5%	53,1%	55,1%	57,1%	57,8%
Var. /n-1	**-3,7%**	**2,5%**	**4,5%**	**0,4%**	**0,6%**
ADR 2017	284 €	157 €	95 €	61 €	40 €
Var. /n-1	**2,5%**	**0,1%**	**-0,9%**	**-1,7%**	**-0,4%**
RevPAR 201	127 €	83 €	53 €	35 €	23 €
Var. /n-1	**-1,3%**	**2,6%**	**3,5%**	**-1,4%**	**0,2%**

Year To Date performance

Jan. to February	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2017	45,9%	55,0%	54,7%	56,2%	54,6%
Var. /n-1	**-0,1%**	**5,3%**	**6,5%**	**3,2%**	**2,1%**
ADR 2017	286 €	163 €	98 €	62 €	40 €
Var. /n-1	**1,9%**	**1,0%**	**0,2%**	**-0,7%**	**-0,2%**
RevPAR 201	131 €	89 €	54 €	35 €	22 €
Var. /n-1	**1,8%**	**6,3%**	**6,8%**	**2,5%**	**1,9%**

Definitions

OR = Occupancy Rate

ADR = Average Daily Rate

RevPAR = Revenue per available room

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