

# HotStats™

## Europe Chain Hotels Market Review - August 2007

### Paris room sales take first place

Paris led the field in both rate and revpar during August, but London was not far behind, according to the latest TRI Hospitality Consulting European HotStats survey.

Revenue per available room in the French capital rose by 15.7 per cent to Eu163.53, driven largely by the highest average rate in the survey at Eu210.29, up 6.6 per cent.

With occupancy flat, London's 9.7 per cent uplift in rate to Eu184.27 led to revpar up 9.9 per cent to Eu160.31, just Eu3.22 behind Paris. Amsterdam occupied third place with revpar up 11.2 per cent to Eu127.39.

### Prague packs them in with the highest occupancy in Europe.

Although occupancy in Paris was up 6.2 points to 77.8 per cent, in absolute terms it remained fourth from bottom above Moscow, Berlin and Hamburg.

The fullest hotels were found in Prague where a four point improvement took occupancy to 90.5 per cent. Yet, despite such high levels of demand, Prague experienced negative rate and revpar movement. Average rate was down by 6.2 per cent to Eu93.14 resulting in a 1.9 per cent drop in revpar to Eu84.26.

“Revpar is a delicate balancing act between optimising volume and rate. Despite having the fullest hotels in our survey, Prague's average rate did not improve, leaving revpar in the red. In Paris, comparatively low occupancy did not deter its hoteliers from eschewing cheap business, resulting in strong revpar growth,” said David Bailey, director, TRI Hospitality Consulting.

### Moscow and Vienna show impressive rate growth

The most aggressive example of rate growth in spite of low volume was found in Moscow where average rate was up 20.3 per cent to Eu171.58, the third highest in the survey. Occupancy in the Russian capital crept up 1.1 points to 63.8 per cent, but remained at the bottom of the table.

Vienna also experienced a notable increase in average rate, up by 18.9 per cent to Eu136.29, contributing to revpar growth of 17.5 per cent to Eu114.46.

“Our unique HotStats profit and loss performance survey tells us that Vienna’s hoteliers also increased profit per available room by an impressive 29 per cent, while reducing payroll costs too,” said Bailey.

### **Berlin enjoys a revpar surge**

The surprise success story of the month was Berlin, where revpar soared by 22.3 per cent to Eu87.75, the result of solid improvements in both rate and occupancy.

“Poor weather meant more domestic visitors choosing Berlin’s wealth of cultural attractions rather than a trip to the beach. This was one contributing factor to Berlin’s success in August,” said Bailey.

Elsewhere in Germany, Munich put in a good performance with improved occupancy pushing revpar up 13.2 per cent to Eu80.21. Hamburg was the only city in the survey to experience across-the-board negative movement in August.

“Often criticized for its oversupply and low average rates, Berlin now looks set to overtake Munich as Germany’s most dynamic hotel market. Indeed it would be a superlative achievement for Berlin if 2007 beats its World Cup-fuelled performance in 2006,” said Bailey.

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# HOTSTATS BRIEFING DATA

European Chain Hotels - Performance report

## The month of August 2007

Occ %	ARR	RevPAR
85.9	148.31	127.39
75.0	117	87.75
81.6	113.01	92.20
75.1	93.37	70.13
87.0	184.27	160.31
63.8	171.58	109.44
81.5	98.48	80.21
77.8	210.29	163.53
90.5	93.14	84.26
84.0	136.29	114.46

Amsterdam  
Berlin  
Budapest  
Hamburg  
London  
Moscow  
Munich  
Paris  
Prague  
Vienna

## The 08 months to August 2007

Occ %	ARR	RevPAR
82.7	161.92	133.88
69.7	135.2	94.25
68.5	105.12	72
69.6	104.34	72.59
83.8	197.65	165.65
65.9	205.74	135.66
75.5	115.86	87.49
79.5	205.76	163.6
71.7	114.79	82.25
73.0	146.16	106.62

## The month of August 2006

Occ%	ARR	RevPAR
85.3	134.3	114.51
68.1	105.35	71.77
78.9	116.43	91.90
77.4	93.42	72.28
86.8	167.94	145.81
62.7	142.64	89.43
71.0	99.79	70.85
71.6	197.33	141.32
86.5	99.28	85.86
85.0	114.6	97.44

Amsterdam  
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## The 08 month to August 2006

Occ%	ARR	RevPAR
82.3	154.31	126.95
67.7	143.54	97.2
70.1	106.95	74.92
72.0	108.53	78.15
83.9	178.82	150.01
64.8	162.28	105.15
71.7	111.11	79.69
75.1	191.09	143.54
75.6	118.8	89.83
74.0	136.75	101.21

## Movement for the month of August

Occ Change	ARR Change	RevPAR Change
0.6	10.4%	11.2%
6.9	11.1%	22.3%
2.6	-2.9%	0.3%
-2.3	-0.1%	-3.0%
0.2	9.7%	9.9%
1.1	20.3%	22.4%
10.5	-1.3%	13.2%
6.2	6.6%	15.7%
4.0	-6.2%	-1.9%
-1.0	18.9%	17.5%

Amsterdam  
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## Movement for the 08 month to August

Occ Change	ARR Change	RevPAR Change
0.4	4.9%	5.5%
2.0	-5.8%	-3.0%
-1.6	-1.7%	-3.9%
-2.4	-3.9%	-7.1%
-0.1	10.5%	10.4%
1.1	26.8%	29.0%
3.8	4.3%	9.8%
4.4	7.7%	14.0%
-4.0	-3.4%	-8.4%
-1.1	6.9%	5.3%

### EDITORS NOTES:

The European Chain Hotels currency within this report is shown in Euros

Hotels contained within these samples operate primarily in the three, four and five star sectors.

TRI Hospitality Consulting provides a wide range of services to clients in the hotels, tourism and leisure sectors. It has offices in London and Dubai.

### Definitions:

**Occupancy** is that proportion of the bedrooms available during the period which are occupied during the period.

**Room rate** is the total bedroom revenue for the period divided by the total bedrooms occupied during the period.

**Room Revpar** is the total bedroom revenue for the period divided by the total available rooms during the period

**Payroll %** is the payroll for all hotels in the sample as a percentage of total revenue.

**IBFC PAR** is the Income Before Fixed Charges shown per available room.