

# H EU Report

Europe



DECEMBER 2020

# ANALYSIS OF HOTEL RESULTS – DECEMBER 2020

## European hotels stabilize at a depressed level

After a month of November that continued to be marked by a relapse, and the tightening of sanitary measures, December proved to be also a difficult month for the hotel industry in Europe. Still dealing with the "second wave" of the COVID-19 pandemic, the continent remained under strict sanitary measures, although the effects and severity of these policies have somewhat stabilized across the region.

In Europe, hotels' occupancy rates continued to be very low yet slightly higher than in the previous month, reaching 16.2% (-45.6 points compared to December 2019). The average daily rate slightly increased from November as it reached €77 excluding taxes (-25.3% compared to the previous year). European RevPAR thus amounted to only €12.6 excluding VAT, a drop of 80.4% compared to the level recorded in December 2019.

Among the segments, 5\* hotels continue to post the steepest loss, followed by 4\*hotels: their occupancy rates declined by 51.4 points (to 9.6%) and 50.4 points (to 12.2%), respectively. Their average daily rates also fell by 16.2% (€175.3 excluding taxes) and 14.0% (€112.7 excluding taxes), respectively, leading to a drop in RevPAR of 86.8% and 83.3% compared to 2019.

The 3\* and 2\* hotels, albeit the most resilient, saw their occupancy rates fell to 17.9% (-43.6 points) and 22.6% (-39.5 points), respectively. With average daily rates falling by 18.4% (€62.0 excluding taxes) and 16.6% (€50.8 excluding taxes), respectively, RevPAR fell to €11.1 excluding taxes (-76.2%) in 3\* hotels and to €11.5 excluding taxes (-69.7%) in 2\* hotels.

Whereas some destinations fared better before the onset of the winter season, especially those with a dynamic domestic market, over the course of December all markets stabilized at a depressed level. Switzerland (-47.0 OR pts. / -72.6% RevPAR), France (-35.3 OR pts / -73% RevPAR), Croatia (-24.0 OR pts / -76% RevPAR) and Luxemburg (-50.4 OR pts. / -81% RevPAR) were only slightly less affected by the general downtrend.

Conversely, countries such as Austria (-75.5 OR pts. / -94.3% RevPAR), Belgium (-60.7 OR pts. / -89.0% RevPAR) and the Netherlands (-55.4 OR pts. / -88.4% RevPAR) were among the biggest losers in the zone. Czechia (-96.1% RevPAR) and Hungary (-92.2% RevPAR), whose hospitality markets rely strongly on foreign demand, were even more impacted -as they have been throughout 2020.

Whereas some countries such as France somewhat loosened restrictions in December, others such as Germany and the UK stepped up their sanitary measures. Hopes of recovery for the hotel industry have been pushed back once again.

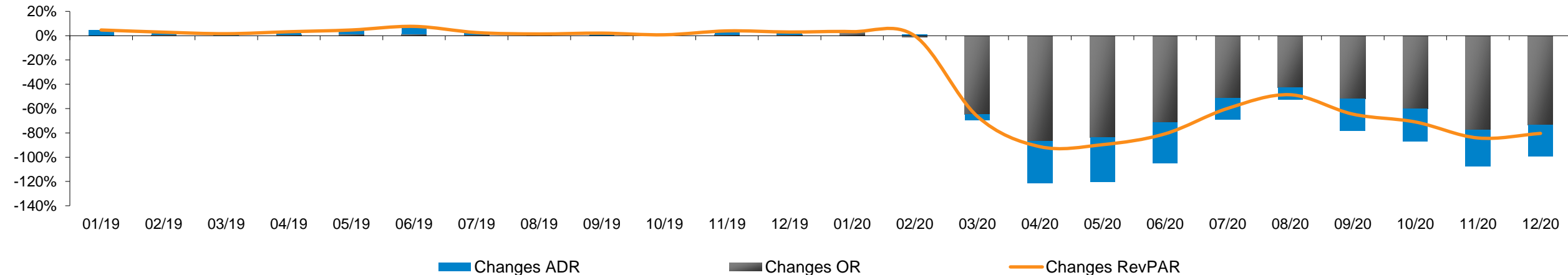
# HOTEL RESULTS BY SEGMENT IN EUROPE – DECEMBER 2020

MONTHLY RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-39,4	-17,4%	-69,9%
3*	-43,6	-19,0%	-76,4%
4*	-50,4	-14,3%	-83,3%
5*	-51,3	-16,8%	-86,9%
Global	<b>-45,6</b>	<b>-25,8%</b>	<b>-80,5%</b>

YTD RESULTS			
	Occupancy Rate	Average Daily Rate (€ VAT excl)	RevPAR (€ VAT excl)
	(pts)	(%)	(%)
2*	-37,3	-10,7%	-57,1%
3*	-41,7	-12,0%	-63,0%
4*	-47,2	-12,6%	-69,1%
5*	-50,3	-9,1%	-72,8%
Global	<b>-43,4</b>	<b>-16,6%</b>	<b>-66,7%</b>

Note : The indicators are compared to the same period of previous year, i.e. DECEMBER 2020 vs DECEMBER 2019

## OR, ADR and RevPAR change - Last 24 months

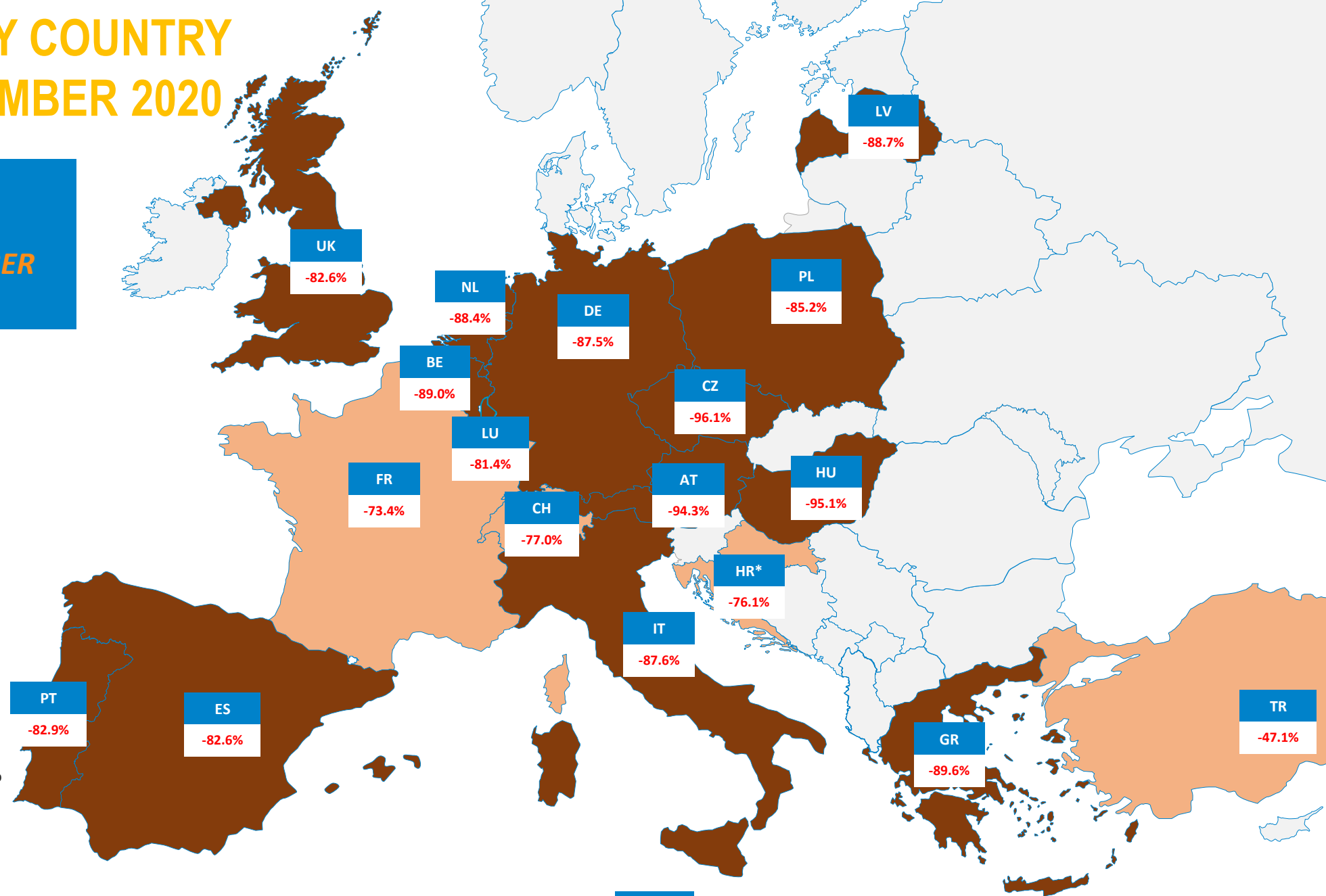


# HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2020

Monthly Results - RevPAR  
change by country  
DECEMBER 2020 vs DECEMBER  
2019

European  
average  
**-80.4%**

- Sup. to 0%
- Between -40% and 0%
- Between -80% and -40%
- Inf. to -80%



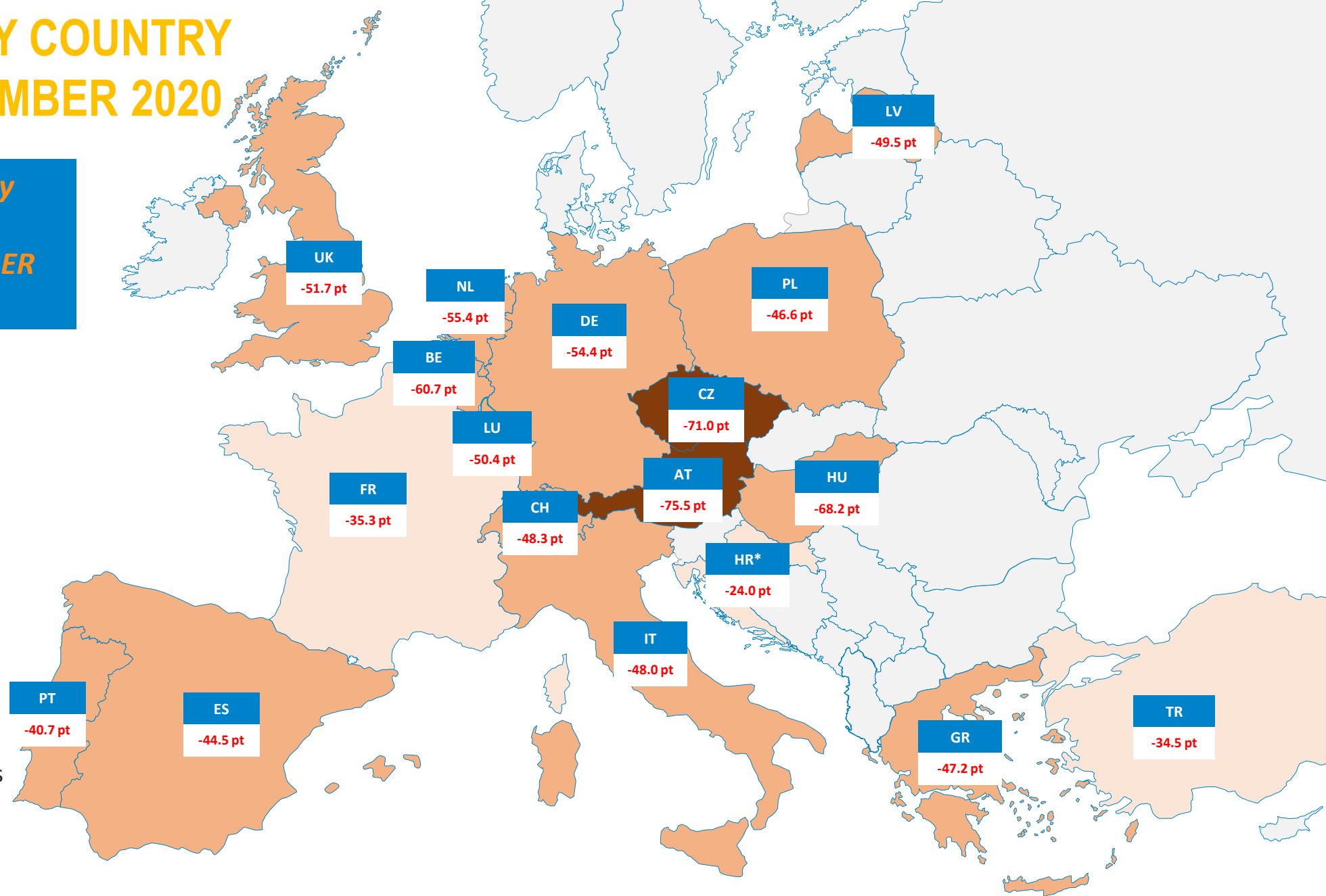
\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2020

Monthly Results – Occupancy Rate change by country  
DECEMBER 2020 vs DECEMBER 2019

European average  
**-45.6 pt**

- Sup. to 0 pt
- Between -40 and 0 pt
- Between -70 and -40 pts
- Inf. to -70 pts



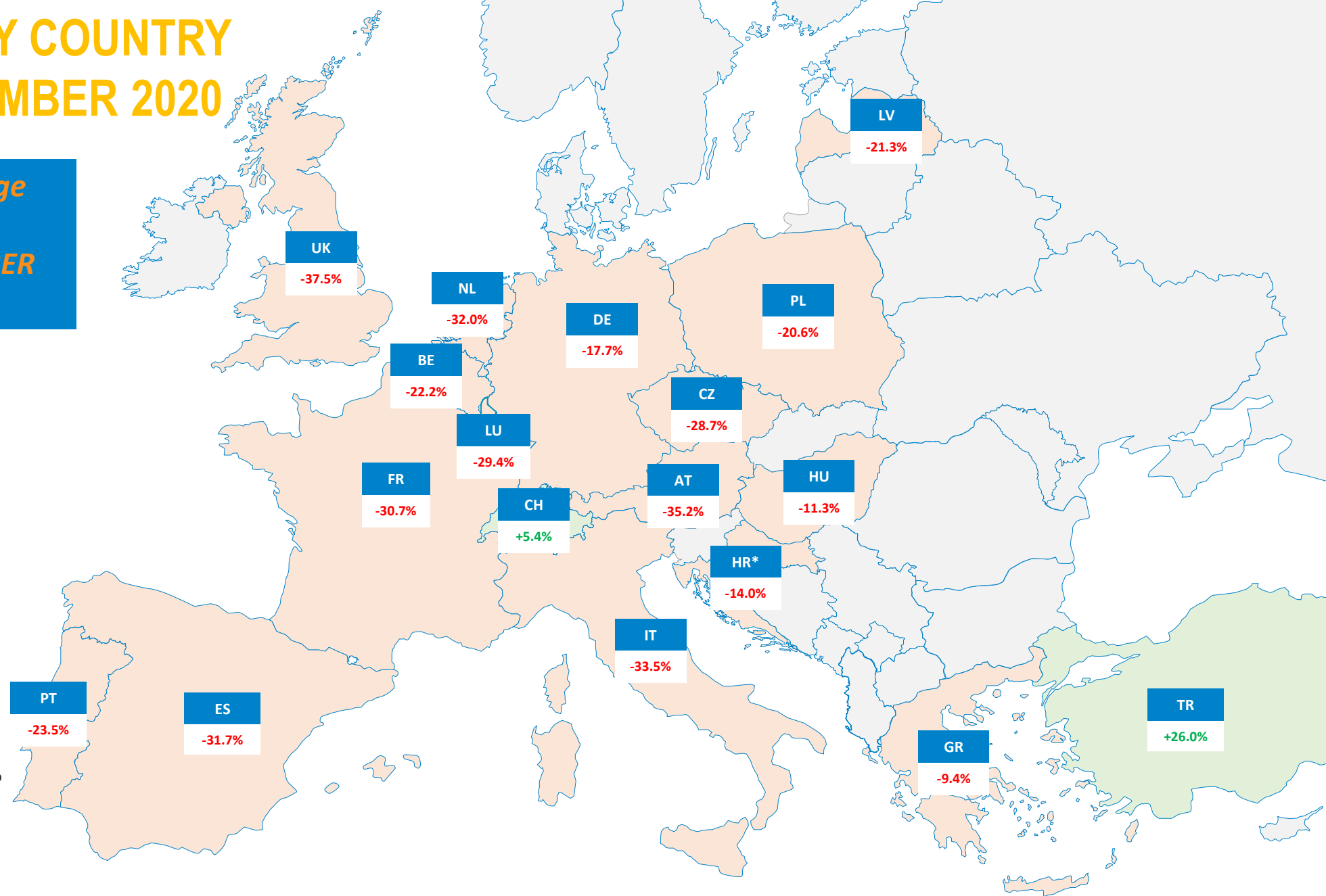
\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2020

Monthly Results - ADR change by country  
DECEMBER 2020 vs DECEMBER 2019

European average  
**-25.3%**

- Sup. to 0%
- Between -40% and 0%
- Between -80% and -40%
- Inf. to -80%



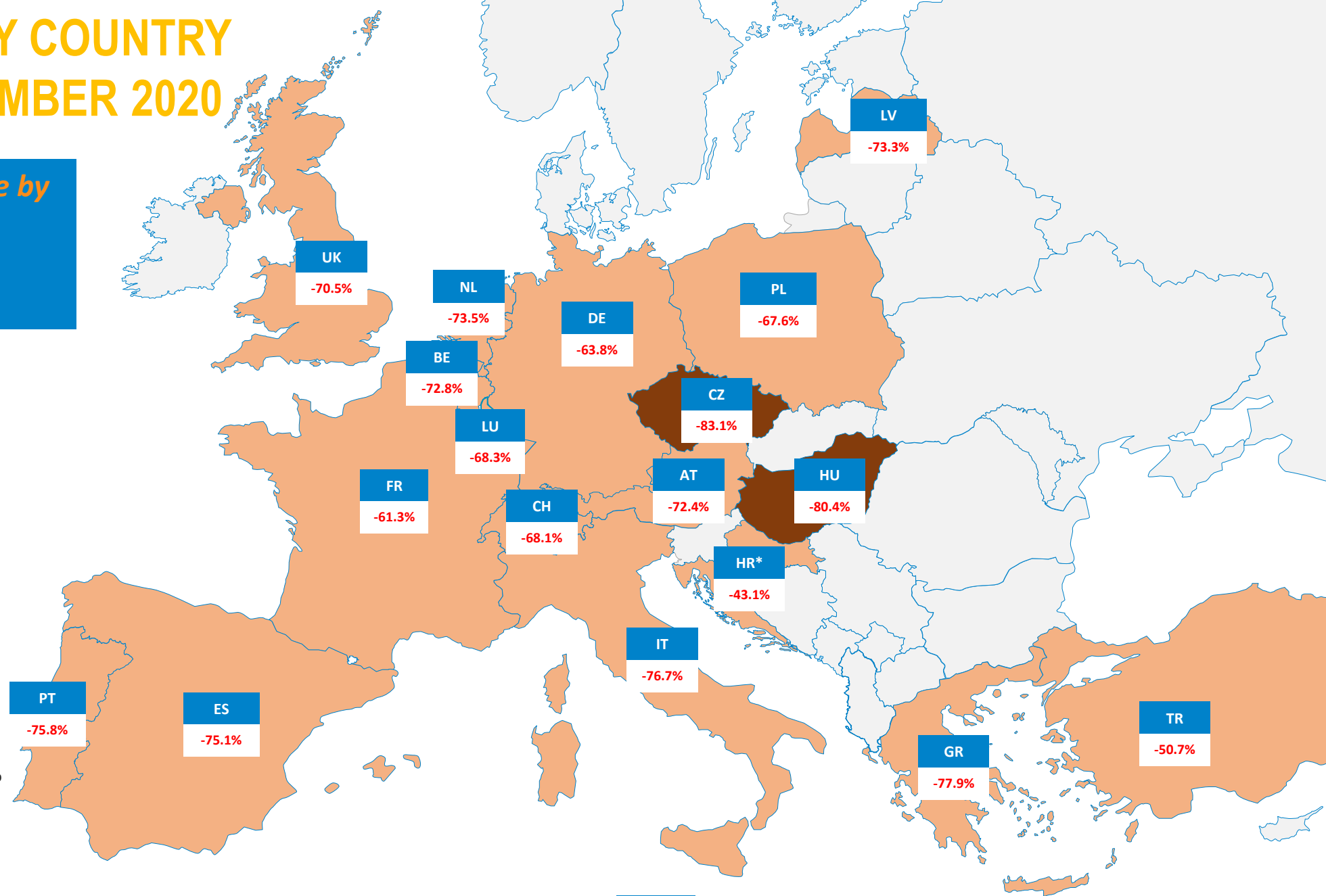
\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2020

**YTD Results - RevPAR change by country**  
**YTD DECEMBER 2020 vs YTD DECEMBER 2019**

European average  
**-66.7%**

- Sup. to 0%
- Between -40% and 0%
- Between -80% and -40%
- Inf. to -80%



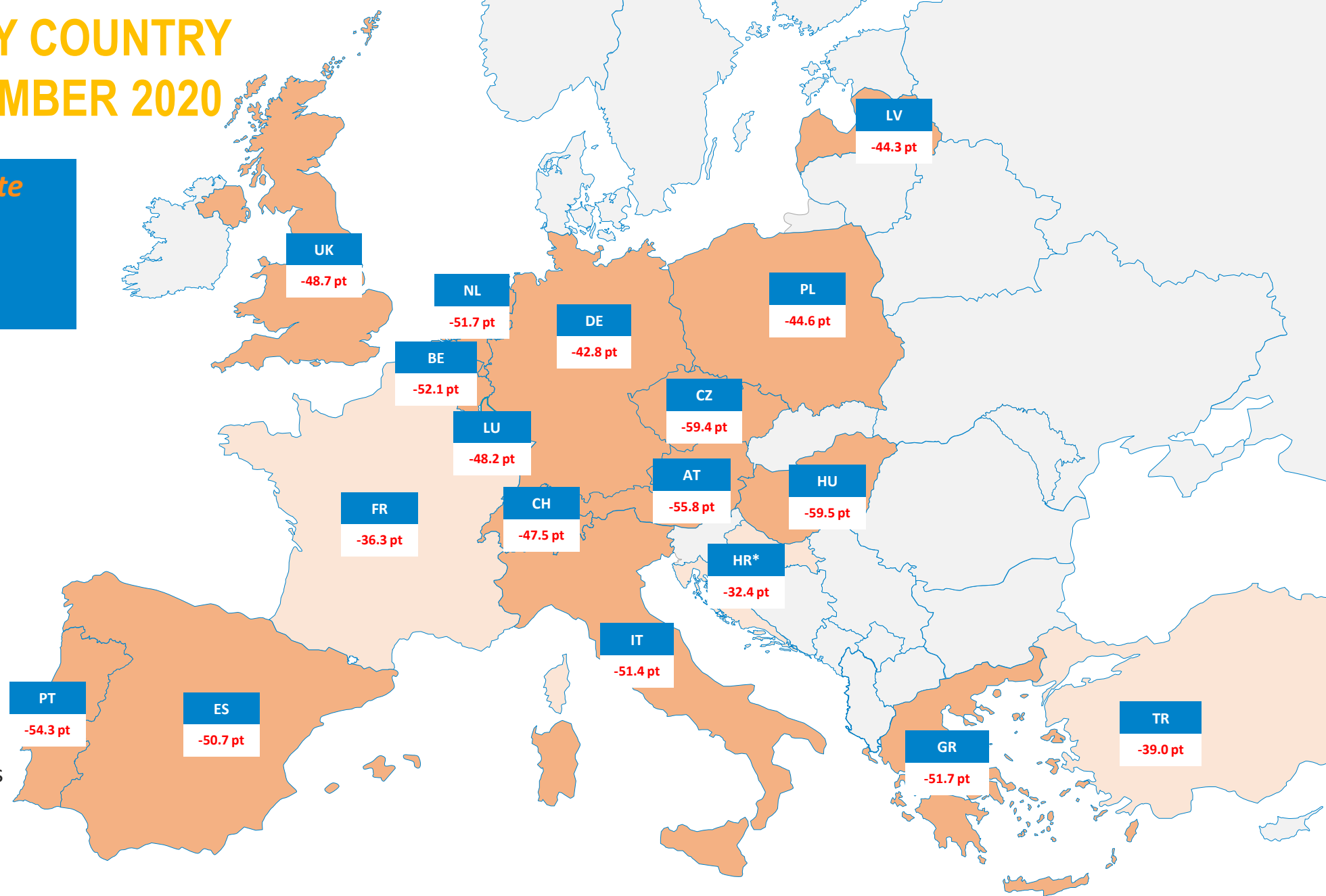
\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2020

*YTD Results – Occupancy Rate  
change by country  
YTD DECEMBER 2020 vs YTD  
DECEMBER 2019*

European  
average  
**-43.4 pt**

- Sup. to 0 pt
- Between -40 and 0 pt
- Between -70 and -40 pts
- Inf. to -70 pts



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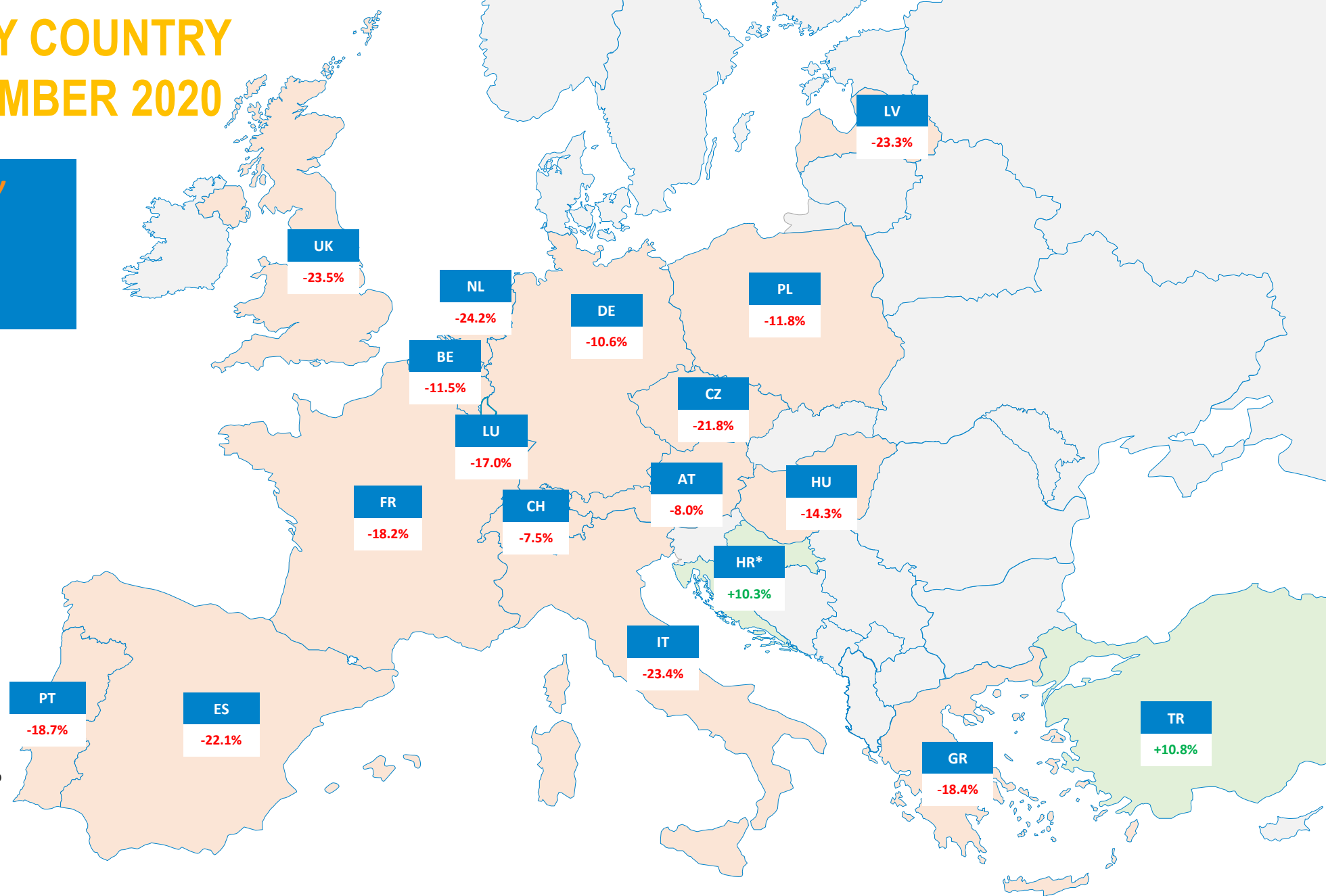


# HOTEL RESULTS BY COUNTRY IN EUROPE – DECEMBER 2020

YTD Results - ADR change by country  
YTD DECEMBER 2020 vs YTD DECEMBER 2019

European average  
**-16.4%**

- Sup. to 0%
- Between -40% and 0%
- Between -80% and -40%
- Inf. to -80%



\*provided by the University of Rijeka, Faculty of Tourism and Hospitality Management

# METHODOLOGY

## 1 Conventions

The report presents the results of corporate brand hotels in Europe. The sample consists of a total of more than 6,500 hotels, representing more than 800,000 rooms. The breakdown by segment is as follows: 30% for Budget and Economic hotels, 30% for midscale hotels and 40% for upscale hotels.

Hotels are classified according to the hotel star system: from 1\* to 5\*. The category of corporate chain hotels are allocated individually according to MKG Hospitality's market expertise and reflect the "marketing classification" in complement to the official rating system(s) of the country (if any). The category breakdowns for global supply are taken from MKG Hospitality's database and from information provided by statistical and/or hotel industry institutions (e.g. associations, unions).

## 2 Glossary

- **Occupancy rate:** Number of sold rooms divided by number of available rooms
- **Average daily rate:** Room revenue divided by number of sold rooms
- **RevPAR:** Occupancy rate x average daily price or room revenue divided by available rooms
- **Available rooms:** Capacity x number of operating days (within a month)
- **Sold rooms:** Capacity x number of operating days x occupancy rate
- **Room revenue:** Room revenue expressed net of VAT (excluding other types of revenue such as food and beverage, etc.)

