

## September - A Month Of Growth For The French Hotel Industry

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In Paris like in the other French regions, hotel markets have benefitted from an increase in the RevPAR.

This is especially true for the Parisian hotels, with growth rates ranging from 7.3% for the 2 star hotels up to 15.5% for the upscale category. Even if the increase in room revenue for the regional hotel markets is less strong, local hoteliers can still proud themselves on a growth rate between 2.1% for the 2 star hotels and 4.7% for the 4 star hotels.

Thanks to the business clientele, still enhanced by the presence of the leisure travellers, Parisian hotels were almost fully booked in September, showing an average occupancy rate of 90%. The large number of events taking place during this month in Paris are the main cause for this extraordinary performance, reinforced by several bi-annual events such as Editeurs de la Décoration or Equipmag. In addition, Paris has benefitted from the visitor success of international trade fairs, like the Prêt à Porter and Première Vision.

Although demand is considerably rising for the upscale market with an occupancy rate of +3.7% compared to the same period in 2005, growth is principally tied to the rise of the average rates. September being a traditional month of high occupancy levels, the hoteliers of the upscale segment in Paris have managed to further increase average rates. The RevPAR has thus progressed by 11.4% on average for the 4 star category, of which the 4 star superior branch has noted the best performances of progression.


Regarding the midscale market, the rise of the RevPAR has mainly been generated by the double effect of growth in occupancy rate and ADR. Both indicators show similar growth trends.

Expectations for the month of October in Paris are just as positive, thanks to large events like the the Fashion Week, the International Trade Fair SIAL and the World Automobile Show.

Even if the growth in room revenue for the regional hotel markets is slightly less than that of Paris, performances have still been satisfying. These hotels have also benefited from the dynamic in the business traveller segment.

A more detailed analysis of RevPAR growth shows very different strategies from one category to the other. Regarding 4 star hotels, the rise in room revenue has mainly been generated by the active demand. As for the 3 star hotel market, the rise in the RevPAR has been achieved thanks to the double increase of both the occupancy rate (2.0%) and the ADR (2.2%). Last but not least, the rise in the average rate has been the principal engine of growth for the 2 star segment.

While Parisian hotels have managed to surpass their performances of June 2006, the hotels of the other regions did not lag behind either, but only just managed to attain similar levels of performance as in June.

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