

Profit Drop Marks Realignment at Amsterdam Hotels After Success of SAIL in August 2015

Top and bottom line performance at hotels in Amsterdam realigned this month after a boost in demand fuelled significant year-on-year growth this time last year thanks to the quinquennial SAIL event hosted by the city, according to the latest data from HotStats.

The SAIL event is one of the biggest attractions in the Amsterdam calendar, with more than 600 ships sailing into the North Sea Canal to moor in Amsterdam's IJhaven, but only takes place every five years. In August 2015 the event fuelled a 33.5% surge in profit per room, to €80.40. In contrast, the absence of demand associated with this event in August 2016 has meant that top and bottom line performance has fallen backwards and is now closer to August 2014 levels.

Whilst hotels in Amsterdam were able to limit their losses in average room rate, which dropped by 6.6% to €156.35, which is well above the rate achieved during the same period in 2014 at €142.27, the Dutch city suffered a 6.7 percentage point decline in occupancy. As a result, at €125.76 RevPAR (Revenue per Available Room) this month was only slightly above the same period in August 2014 (€121.23).

In addition to the movement in revenue, a realignment of costs, which included a 3.0 percentage point increase in payroll as a percentage of total revenue, contributed to year-on-year profit per room declining by 22.7% this month to €62.14. Despite this decline, profit per room at Amsterdam hotels remains 3.2% above the performance in the same period in 2014 at €60.22.

Profit Conversion at Barcelona Hotels Smashes 50% in August

Hotels in Barcelona achieved a profit conversion of 52.8% this month as the Catalan city recorded yet another strong month of growth in top and bottom line performance.

Buoyant occupancy levels, which peaked at 89.9% this month, have enabled hoteliers in the city to leverage average room rate to drive top line performance, which has included an increase in achieved average room rate of more than €20.00 over the last 24 months, to €214.39 in the 12 months to August 2016 from €193.74 during the same period in 2013/14.

In addition, hotels in Barcelona have successfully grown ancillary spend to drive a €32.00 increase in TRevPAR (Total Revenue per Available Room) to €256.09 in the 12 months to August 2016.

Following 36 months of almost consistent growth, profit per room at hotels in Barcelona has increased by 38.1% in the 12 months to August 2016 to €125.96. Furthermore, proving that it is not just a one off, in the eight months to August 2016, hotels in Barcelona have recorded a profit conversion of 50.0% of total revenue and are now amongst the most profitable in Europe.

Leisure Segment Helps Boost Budapest Hoteliers Profit Performance

Hotels in Budapest recorded a 0.4% increase in profit per room in August with demand from the leisure segment driving the highest occupancy levels of the year so far.

Despite recording a 3.4 percentage point decline this month, occupancy remained strong in Budapest at 89.1%, which enabled hoteliers in the city to drive average room rate, recording a 5.5% year-on-year increase, to €96.92 and secure a 1.6% uplift in RevPAR.

The market mix at Budapest hotels was dominated by the individual and group leisure segments in August, which accounted for 55.0% of accommodated roomnights, compared to 41.0% year-to-date. In contrast, commercial volume fell back to just 23.3% of total demand this month from 39.7% of total demand for the eight months to August 2016.

Despite a 0.6% increase in payroll on a per available room basis, a 3.3% saving in overhead costs enabled hotels in Budapest to record a 0.4% increase in profit per room to €44.40.

The month of August 2016

€ Euros	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amsterdam	80.4	156.35	125.76	166.83	31.0	62.14
Barcelona	90.9	238.25	216.61	298.25	19.2	157.62
Budapest	89.1	96.92	86.32	112.69	24.4	44.40

European City Markets achieved REVPAR, TREVPAR and GOPPAR August 2016



Editor's Notes

The hotels profiled in this report are drawn from the HotStats database and reflect the portfolios and distribution of the hotel chains that we survey and which operate primarily in the full-service sector.

Please note: The data samples are reviewed and rebased each year to reflect the changes in the HotStats survey base. As a result, performance ratios published last year may differ from those contained within this report.

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HotStats provides two reporting tools to hoteliers:

- Our unique profit and loss benchmarking service enables monthly comparison of hotels' performance against a competitive set. It is distinguished by the fact that it provides in excess of 100 performance metrics covering 70 hotel performance, revenue, cost and profit statistics providing the deepest insight available into hotel operations.
- Our latest innovation in daily revenue intelligence, MORSE. Amongst its reporting are daily and highly granular market segmentation metrics as well as distribution channel and source of booking analysis. It takes daily market intelligence to a whole new level.

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The month of August 2016

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
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Calendar year to August 2016

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
	80.0	176.11	140.91	194.06	28.7	79.46
	78.2	222.69	174.06	264.56	21.6	132.39
	78.4	102.81	80.59	112.99	25.1	44.03

Twelve months to August 2016

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
	80.3	179.62	144.31	199.32	28.1	83.13	Amsterdam
	77.0	214.39	165.07	256.09	22.3	125.96	Barcelona
	78.7	103.65	81.57	116.28	24.6	46.82	Budapest

The month of August 2015

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
Amsterdam	87.1	167.39	145.83	191.91	27.9	80.40
Barcelona	89.9	225.66	202.85	277.44	20.3	143.66
Budapest	92.5	91.87	84.94	113.39	24.1	44.21

Calendar year to August 2015

	Occ%	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR
	81.3	168.18	136.72	188.65	29.0	75.94
	78.1	207.74	162.31	243.95	22.8	118.03
	79.5	95.77	76.14	109.66	25.8	40.89

Twelve months to August 2015

	Occ %	ARR	RevPAR	TRevPAR	Payroll %	GOP PAR	
	80.9	169.05	136.74	190.31	28.4	78.08	Amsterdam
	76.6	200.02	153.16	235.32	23.4	111.69	Barcelona
	79.4	95.03	75.47	110.27	25.3	41.61	Budapest

Movement for the month of August

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
Amsterdam	-6.7	-6.6%	-13.8%	-13.1%	-3.0	-22.7%
Barcelona	1.0	5.6%	6.8%	7.5%	1.1	9.7%
Budapest	-3.4	5.5%	1.6%	-0.6%	-0.3	0.4%

Movement for the calendar year to August

	Occ Change	ARR Change	RevPAR Change	TRevPAR Change	Payroll Change	GOP PAR Change
	-1.3	4.7%	3.1%	2.9%	0.4	4.6%
	0.0	7.2%	7.2%	8.4%	1.2	12.2%
	-1.1	7.4%	5.8%	3.0%	0.7	7.7%

Movement for the twelve months to August

	Occ Change	ARR Change	RevPAR Change	TrevPAR Change	Payroll Change	GOP PAR Change	
	-0.5	6.3%	5.5%	4.7%	0.4	6.5%	Amsterdam
	0.4	7.2%	7.8%	8.8%	1.1	12.8%	Barcelona
	-0.7	9.1%	8.1%	5.5%	0.7	12.5%	Budapest