In Extenso
Tourisme, Culture & Hôtellerie

French Hotel Industry Performance

September 2016

Deloitte.

Our News

In Extenso
Tourisme, Culture & Hôtellerie

Trade shows - events

OUR CONFERENCES – WORKSHOPS, 16H30

- Monday 7/11: **Warning points and subtleties in commercial leases– In Extenso AVOCATS**
- Tuesday 8/11: **The hotel of tomorrow** - Transaxio Hôtel and Deloitte
- Wednesday 9/11: **How can a restaurant boost your attraction?** – In Extenso TCH

In Extenso TCH is pleased to share with you the *Chambre Origine* project, that will be presented at the Equip Hôtel event:

Deloitte. La Chambre Origine INNOVANTE - DURABLE 6-10 nov. EQUIPHOTEL 2016

See us at the Equip Hotel show – Pavilion 7.1 Stand L82

At In Extenso

ANNE EPINAT
& CHRISTOPHER BOINET
JOIN IN EXTENSO AVOCATS

By joining the firm, Anne Epinat and Christopher Boinet, specialists in real estate law and hospitality law, can now offer their clients the services of a professional multi-disciplinary practice in alignment with their ever-changing needs. Their clients will also benefit from the expertise of the Transaxio Hotel and In Extenso Tourism Culture & Hospitality practices.

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

For further information, please contact Sacha Fournier (sacha.fournier@inextenso.fr)
In Extenso Tourism, Culture & Hospitality - 63 Avenue Edouard Vaillant - 92100 Boulogne-Billancourt - France

Our News

In Extenso
Tourisme, Culture & Hôtellerie

Consulting, Valuations and Transactions

Developer

Market study for the development of a hotel in Roissy

In Extenso

Investor

Feasibility study and assistance for the development of hotel projects in La Réunion

In Extenso

Investor

Advice on designing and creating an International Culinary Arts Centre

Isère

In Extenso

Developer

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

Ile-de-France

Transaxio

Owner

Sales instruction
Freehold
3 hotel-restaurant unbranded*
> 65 rooms
Meeting rooms

Bouches-du-Rhône

Transaxio

Owner

Sales instruction
Freehold
4 hotel without restaurant*
International brand
> 40 rooms

Paris centre

Transaxio

PETR (76)

Strategy for promoting and structuring tourism in the Pays de Bray

In Extenso

Château (33)

Development of a tourist and cultural offer around 3 axes: Toulouse Lautrec, wine estates and architectural heritage

In Extenso

Contacts

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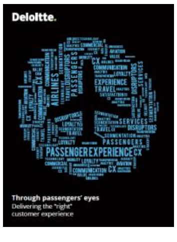
Publications



Through passengers' eyes - Delivering the "right" customer experience
Ashley Reichheld | Principal | Deloitte Consulting LLP |
From varied seating choices to chef-designed meals, airlines have made great strides in improving the passenger experience. However, passengers report that they are still often left looking for more. In a world where the customer has the power, how can the airline industry appeal to the next-generation passenger and improve customer experience?

Télécharger

The restaurant of the future - Creating the next-generation customer experience
Andrew Feinberg | US Consulting Leader | Restaurants & Food Service
For restaurants to evolve, understanding the next generation customer is critical. And the next generation customer is already here. What can restaurants bring to the table to appeal to this ever-evolving tech-savvy customer? Our recent survey of restaurant customers and executives unveiled some crucial improvements restaurants can make to drive customer loyalty, guest check, and a differentiated experience.

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Articles

Who's buying your pricing strategy? Applying behavioral insights to understand the psychology of pricing
Timothy Murphy, Richard Hayes | Deloitte Consulting | July 2016

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No Indian summer for French hotels

September saw a decline in occupancy and average rates for all categories, with all major areas in France affected. Ile-de-France, the Côte d'Azur, and even Regional France, recorded lower RevPAR in all segments, with the exception of Luxury. However, given the solid performances recorded since early 2016, year-to-date results for Regional France are still up on last year's performances. Yet given the underlying trend, certain hoteliers have been forced to scale down their Q4 forecasts.

Parisian hotels are still suffering, with Q3 finishing on a negative note. RevPAR dropped over the past month, given the absence of international visitors, with the Luxury segment logically the most affected (RevPAR declines of -22% at the end of September). However, some hoteliers operating in business districts or close to major headquarters are starting to see the green shoots of recovery, with the return of loyal corporate guests present at large-scale events (e.g. *Maisons et Objets, Salon des Véhicules de Loisirs, La Biennale,* Fashion Week, etc.). That said, the events calendar is quieter in an even-numbered year, with performances that are naturally lower. For example, Upscale hotels in La Défense recorded an occupancy rate of 75% in September 2016, compared to 90% over the same period in previous years. The security threat has taken a strong hold, and the tendency for both business and leisure guests to book at the last minute creates uncertainty. As a result, hoteliers are finding it difficult to forecast, but do anticipate deteriorating performances for the end of the year.

In contrast to Paris, Luxury hotels in Regional France (excluding the Côte d'Azur) achieved encouraging results in September, finishing Q3 with RevPAR growth of +12%. All other categories, however, posted lower rooms revenue in September, but have nonetheless recorded positive RevPAR growth at the end of the quarter. The respectable performance of hotels located on the French coastline can also be noted, with hoteliers making the most of autumn, achieving significantly higher results.

On the Côte d'Azur, business appears to be slowly getting back to normal, with the return of business visitors who are boosting mid-week occupancy, even if weekend trading is still quieter. Given this, the Luxury segment benefited from several events, notably the Monaco Yacht Show and the Cannes Yachting Festival. The presence of business guests can go some way towards making up for the lack of leisure visitors, and Q4 could finish on a positive note thanks to the events calendar – assuming events still go ahead. The opposite complicates the job for hoteliers, as illustrated in Lille, for example, by the cancellation (in early August) of the *Grande Braderie.*

Monthly performance

September	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2016	75,6%	80,3%	74,9%	73,1%	69,1%
Var. /n-1	**-0,1%**	**-2,2%**	**-5,2%**	**-5,5%**	**-1,3%**
ADR 2016	408 €	205 €	115 €	68 €	41 €
Var. /n-1	**-4,4%**	**-5,9%**	**-2,0%**	**-3,9%**	**-1,1%**
RevPAR 201	308 €	164 €	86 €	49 €	28 €
Var. /n-1	**-4,6%**	**-7,9%**	**-7,1%**	**-9,2%**	**-2,4%**

Year To Date performance

Jan. to September	Luxury	Upscale	Midscale	Budget	Super Budget
OR 2016	62,7%	68,2%	64,1%	65,3%	64,4%
Var. /n-1	**0,1%**	**-3,8%**	**-5,9%**	**-4,5%**	**-0,7%**
ADR 2016	469 €	198 €	107 €	64 €	41 €
Var. /n-1	**-3,4%**	**-5,0%**	**-0,7%**	**-0,8%**	**0,6%**
RevPAR 201	294 €	135 €	69 €	42 €	27 €
Var. /n-1	**-3,2%**	**-8,7%**	**-6,6%**	**-5,3%**	**-0,1%**

Definitions

OR = Occupancy Rate

ADR = Average Daily Rate

RevPAR = Revenue per available room

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