

HOTEL PRICES DROP IN CANARY AND BALEARIC ISLANDS



The average income per available room (RevPAR) grew by 1.4% in Spain during the first quarter of this year, compared to the same period in 2018, according to the last Barometer by STR and Cushman & Wakefield. The data reflect falls in occupancy, hotel prices and income per room in the Canary and Balearic Islands.

The archipelagos have reported drops in the three indicators, mainly due to the diversion of demand to other recently recovered competitors, such as Turkey or Egypt, **with drops in hotel prices of 5% in the Canary Islands and 4.2% in the Balearic Islands for the first quarter.**

The occupation during the first quarter, which already fell last year, was 4.2% lower in Canary Islands and 4.4% lower in Balearic Islands. Fuerteventura has been the destination with the greatest impact of the drop in occupancy with 17% fewer occupied rooms, while in the Balearic Islands it has not had so much impact since it is the low season.

Thus, the RevPAR has registered a fall of 8.8% in the Canary Islands and 8.4% in the Balearic Islands, with the strongest declines in Fuerteventura (-19.8%) and the island of Mallorca (-17.7%).

Besides, the ADR (average price per occupied room) has also been reduced in the two archipelagos, up to 119.49 Euros in Canary Islands and 84.99 Euros in Balearic Islands.

At the national level, the results of the RevPAR in the peninsular territory have been "positive" or "very positive". Barcelona, as a sign of its recovery as a destination after the independence crisis, has led these positive figures with a growth of 12.6%, while in Madrid it was 8.4%.

The increase of the RevPAR is motivated by the growth in occupancy (+ 0.8%) of the average price per occupied room (ADR), which increased by 0.6%.

As for occupation, it has been driven by the positive figures of urban destinations. Córdoba (+ 8.3%), Barcelona (+ 7.1%) and Seville (+ 5.7%) were the cities with the highest growth in the percentage of occupancy compared to the first quarter of 2018.

As for the ADR, the highest hotel prices were recorded in Barcelona (132.87 euros), Marbella (126.77 euros) and Canarias (119.49 euros). The highest percentage growth occurred in Alicante, Madrid and Barcelona, while **Granada, the Canary Islands (-5%) and the Balearic Islands (-4.2%) recorded the smallest growth rates.**

In the rest of destinations there have been slight decreases in ADR in Malaga (-0.9%), Seville (-1.4%),

Bilbao (-0.2%) and (-2.5%), despite registering increases in occupation.

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