

HOTEL OCCUPANCY IN FRANCE DROPPED BY 64% IN Q4 2020



After a relative upturn last summer, French hotels are suffering from travel restrictions for non-residents and especially from the second phase of confinement. According to INSEE (The French National Institute of Statistics and Economic Studies), hotel occupancy has been falling, particularly in upscale hotels.

Ile-de-France is once again more affected than the rest of the metropolitan territory, with non-resident and professional tourism being particularly important. In December, occupancy also declined sharply in hotels in the highlands.

Hotel Occupancy Affected by the 2nd Phase of Confinement

The hotel occupancy reached 16.9 million overnight stays in the fourth quarter of 2020. **It declined by 64% compared to the same period in 2019.** Tourism had picked up in July and August 2020: the number of overnight stays by resident tourists had almost returned to the level of July and August 2019, but this did not compensate for the decline in overnight stays by non-resident tourists. In September 2020, visitation declined for residents and collapsed for non-residents. Overall, the number of overnight stays declined by 34% in the third quarter of 2020 compared to the third quarter of 2019, almost entirely as a result of the decline in non-resident clientele.

Sharp Decline in October

The decline was more pronounced in the fourth quarter. Overnight stays dropped by 49% in October compared to the previous year. Overnight stays by non-residents were very low, accounting for one-third of overnight stays in October 2019. The occupancy by residents is 29% lower than in October 2019. After a mild October, November suffers the full impact of the second round of confinement. The hotel occupancy was 76% lower than in November 2019. The decline was also significant in December (-69%), due to the confinement and then the curfew and instructions to limit events related to the holiday season.

The decline in occupancy of upscale hotels (classified 4 and 5 stars) was much greater (-75%) than that of unclassified hotels (-54%).

Île-de-France More Affected

Similar to the first confinement, the decline in occupancy was highest in Île-de-France: the region lost 80% of hotel nights in the fourth quarter compared with the same quarter in 2019. Île-de-France accounted for half of the national decline in attendance. The region reported a sharp decline in overnight stays by non-resident tourists as well as the cancellation of a large number of trade shows and other business events. The development of teleworking is contributing to the reduction in business tourism in the capital. In the provincial urban area, the drop was 56%.

Visitor Number in Mountain Resorts Decreased

In the fourth quarter of 2020, the ski lifts in winter sports resorts remained closed. The drop in overnight stays in the mountain resorts was comparable to that observed throughout the country

(-63%). In December, the attendance declined more sharply (-83% compared with December 2019).

In the mountain resorts, as in all other areas with the exception of provincial urban areas, **one out of two hotels anticipated the absence of tourists by remaining closed in December.**

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