

# SPANISH HOTELS DOUBLE THEIR AVERAGE OCCUPANCY RATE



More data pointing towards the recovery of tourism. On this occasion, the average occupancy rates of Spanish hotels provide confidence in the travel sector. At least, according to the data revealed by a report of the Hotel Sector in Spain which analyzes the first quarter of the year.

The report, prepared jointly by STR and Cushman & Wakefield, shows a positive balance for the first three months of 2022. Despite the fact that this period was still marked by the consequences of the pandemic, specifically, the omicron strain, which has affected the industry. **In any case, it was possible to get closer to figures from before the global health crisis.** Thus, the recovery seems to have accelerated.

In terms of the main indicators, Spain has achieved an average hotel occupancy rate of 51% during this period. Perhaps at first glance, it does not seem much, but it should be taken into account that this percentage is 121% higher than during the same period in 2021. Actually, it is quite close to the first usual quarter figures prior to 2019.

The ADR (Average Daily Rate) stood at €104. This means that the average daily price has increased by almost 40% more than in the same period last year. Finally, RevPAR also benefited from higher occupancies. Thus, revenue per available room reached €53, 209% more than in the first quarter of 2021.

## The Canary Islands at the Forefront

Before analyzing the data further, it should be noted that, traditionally, the first quarter has the lowest occupancy in Spain in general. But in the Canary Islands, the recovery of international air transport has made the occupancy rate reach 66%. This is equivalent to an increase of 206% over the first quarter of last year when the effects of the pandemic were very noticeable.

Other destinations with good figures considering the context have been coastal cities such as Malaga (62%), Alicante (60%) and Valencia (54%). The Andalusian cities of Seville and Cordoba also showed good figures with 55% each. Occupancy in Madrid stood at 51%, while in Barcelona it was 47%. The lowest occupancies were recorded in Bilbao and the Balearic Islands.

According to experts, the data for the first quarter confirms the expectations of a staggering recovery with different behaviors depending on the destination. Destinations with a strong holiday leisure component are the ones that are behaving best at the moment, as seen in the Canary Islands and Andalusia.

This is very positive news, as pre-pandemic levels are approaching. Regarding the vacation destinations, 2022 could be the year of full recovery. Little by little, we will also see how the activity is recovering in Madrid and Barcelona, where the weight of corporate and MICE tourism is very important.

## ADR Stands at €104 Nationwide

As for the ADR, in the first quarter, it stood at €104. This has surpassed the €103 obtained in the first quarter of 2019. Some of the destinations with the highest ADR are Marbella (171€), followed by the Canary Islands (134€). In the case of the locations with the cheapest hotels, we find Zaragoza (€58) and Bilbao (€66). Meanwhile, the highest ADR increase compared to the first quarter of 2021 has been recorded in Barcelona, with a 61% increase.

The pricing strategy is also being affected by inflation and energy prices. At the moment, it is difficult to pass this price increase on to the hotel products so as not to affect demand. But the evolution in the coming months needs to be analyzed further.

### **RevPAR increases by 209%.**

The first quarter is traditionally a low season in most destinations in Spain. Nevertheless, RevPAR is growing exponentially compared to last year in destinations such as Alicante (+392%), Malaga (+293%) and Valencia (+258%). The same trend can also be observed in large cities with a RevPAR of 56€ in Madrid (+200%) and 53€ in Barcelona (+255%).

**Revenue per available room also confirmed its recovery thanks to the improvement in occupancy rates.** Once again, the Canary Islands lead this block with a RevPAR of €89. It is followed by Marbella with €74 and Malaga with €61. Therefore, the data analyzed in the Hotel Sector Report indicates that in the high season months the so longed stability in the Spanish hotels sector could be reached.

Date: 2022-05-02

Article link:

<https://www.tourism-review.com/spanish-hotels-report-growing-tourism-numbers-news12519>