

FRENCH HOTEL SECTOR PERFORMANCE ACCELERATED



French hotel sector performance indicators continued to improve during March, confirming the positive trend observed for the entire first quarter of 2022.

Although still down from March 2019 performance, occupancy increased eight points compared to February 2022, reaching 56%. RevPAR also showed a slight increase during March, but it remains down 3% from 2019 performance. **Only the average revenue per room rented confirmed its increase compared to 2019, posting an 8% increase to €95 in March 2022.**

This first quarter's performance, better than that of 2021, also confirms a faster recovery of the French hotel sector in the regions and the Côte d'Azur, compared to the Parisian hotel stock, whose RevPAR remains down 24%.

However, while encouraging for the coming months and the sector's recovery, this upward trend is likely to be impacted by continued inflation, rising wages and energy prices due in particular to the war in Ukraine.

Paris and Ile-de-France: Performance up, but still far from pre-crisis levels

Parisian hotels did record an above-average occupancy rate compared to the Regions and the French Riviera, reaching 71% during the month of March, but the gap compared to 2019 remains significant (-9%).

The average price also increased to €164, up 7% compared to 2019. It was strongly boosted by Luxury and Palaces hotels, which recorded a 23% increase in their GCR. However, revenue remained down across all categories, except for Luxury and Palaces, and stood at €116.

It should be remembered, however, that the performance of the Paris hotel industry had been impacted in February 2019 by the "yellow vests" crisis, and was already downgraded across all categories. The gap to be closed in the coming months will be relatively larger.

French regions (excluding the Côte d'Azur) buoyed by the loyalty of domestic customers

In March 2022, performance was slightly higher for hotels in the regions than on the Côte d'Azur, driven in particular by the loyalty of domestic customers and the return of foreign customers. However, the pace of recovery remains uneven across the metropolitan areas. Hotels that depend on business and convention guests continue to be penalized by the health crisis.

While the average revenue per room rented recorded an increase across all categories to €81 - up 8% compared to 2019 - RevPAR continues to narrow the gap with 2019, reaching €43, or -1% compared to the pre-crisis performance. The occupancy rate also rises, although it remains down 8% from 2019.

Côte d'Azur: The return of events has boosted business performance

After a mixed start of the year, the Côte d'Azur hotel industry managed to turn things around in February. **Indeed, the return of seminars and trade shows has boosted the sector and accelerated its recovery.** In fact, some professionals took the opportunity of the MIPIM trade show, which took place in Cannes in mid-March, to reopen their establishments.

However, the occupancy rates of the hotel sector are still down 16% compared to 2019 performance, while MCR increased significantly during March, reaching €151, up 20% from 2019. RevPAR, meanwhile, stabilized at €74, up 1% compared to 2019.

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