

THE FRENCH HOTEL MARKET WILL BENEFIT FROM THE EXCELLENT SEASONS 2023 AND 2024



According to KPMG's annual study on the French hotel industry, the hotel market is expected to remain dynamic in 2023 and 2024. This is a very good 2022. This trend is expected to be supported by major sporting events. Despite unfavorable weather at the beginning of summer, domestic travel in France is in perfect shape. The international travel market is doing even better. In July and August, North and South American travelers returned to France (up by 5% and 8% respectively), as did those from the Asia-Pacific region (up by 81%). Experts estimate several factors, including the resumption of business tourism, favorable weather, and the Rugby World Cup, to extend the season until the All Saints' Day holidays. Business tourism returns to exciting performance levels, even with fewer trips.

Experts estimate that despite challenges such as inflation, weather phenomena, and budget cuts, the tourism sector is expected to plateau in 2024 and 2025. The Olympics and the popularity of France as a tourist destination will aid this. This is expected to attract visitors throughout the year following the event. A study has identified 125 new hotel projects, representing around 16,000 rooms, expected to be completed by 2026.

In the budget hotel sector, the situation is slightly different. Hostels could be the optimal solution for budget-conscious travelers. However, only 32 new hostels have been opened in France over the past six years. Hostels cater to those seeking a unique accommodation experience in the city's heart. The study indicates that there are too few hostels in France, with only around forty properties currently available. Considering the interest of investors in this concept and the high number of hostels in other European countries, there is a significant potential for growth in this segment.

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