

*"Studi e Analisi" presents surveys
and analysis carried out by the
Research Department in its areas
of interest*

Assolombarda quarterly Survey on Hotel Industry

(reference period: July – September 2007)

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*The aim of the Hotel Industry Quarterly Observatory is to
offer a periodic analysis of the trends in this sector.*

*Since 1992 the Assolombarda Sector Group has processed
the data provided by associated hotels on a monthly basis
(category 4, 5 and 5L). The Assolombarda Research
Department prepares the seasonally-adjusted data and
the quarterly report on the economic trends of the sector.*

1 Survey results

After the short decline observed in the first quarter of 2007, the hotel industry showed another improvement of all indicators. Particularly, the revenues reported a record high from the beginning of the statistical survey in spite of the reduction of hotel room prices. The observed good performance is connected to the general slow-down of the main Milan economy sectors (manufacturing, business services and industrial trade sector). The short-term trend represented in the graphs confirmed again the relationship with general Italian economic trends and, in particular, with trends in industrial production. At single indicator level, the survey showed these results:

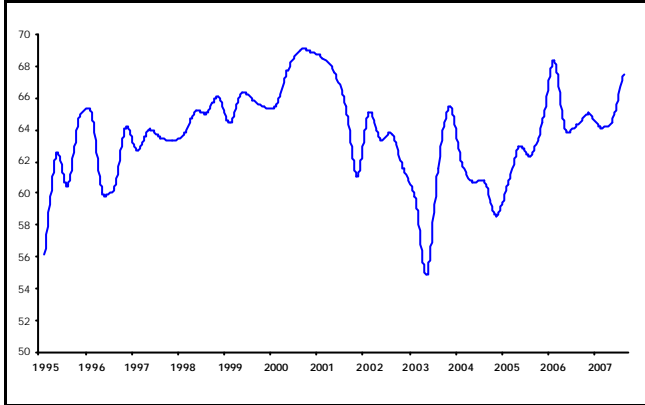
- The **room occupancy rate** (seasonally-adjusted data) rose and it came back to the beginning of 2006 level: the index moved from 64.5 to 67.5, with a short-term changes equal to 4.7%. – graphic 1, table 1.
- The **hotel arrivals index** (seasonally-adjusted data) increased for the second quarter and moved to 204,3 from 188,1, with a short-term change equal to 8.6%. – graphic 2, table 2.
- The **room revenue** showed new growth; the indicator consolidated the excellent result registered in the early months of 2006: the seasonally-adjusted index moved from 175.2 to 181.1 with a short-term change equal to 3.4%. – graphic 4, table 3.
- The trend of **total revenue** was the most dynamic; in fact, the seasonally-adjusted index was equal to 177 compared to 161.7 of the previous period and with a rise equal to 9.4%. – graphic 5, table 4.
- The **average room rate (ARR)**¹ registered a drop after two quarters of increase and returned to the level of the last months of 2006: 149 euro (the short-term change was equal to -10.4% and the long term change was equal to 2.3%). – graphic 6, table 5.
- Even the **revenue per available room (REVPAR)**² registered a drop; the indicator was equal to 99.8 euro from 110.6 of the previous quarter with a short-term change equal to -9.8% and a long-term change equal to 8%. – graphic 6, table 6.

¹ The average room rate is calculated by the ratio between the rooms revenue and the number of occupied rooms.

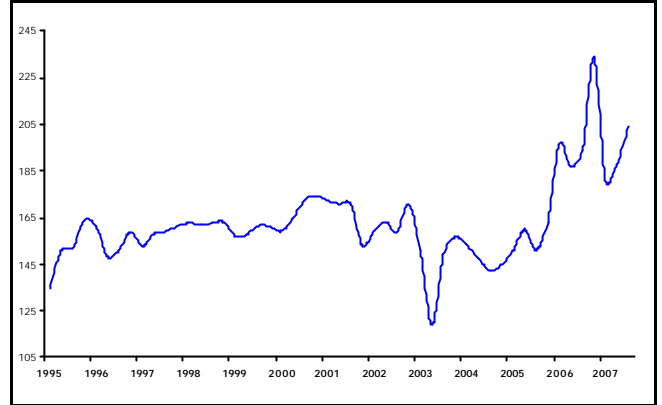
² The number of available rooms is calculated by the number of hotel room multiplied by the number of reference month day. The revenue per available room is obtained by the ratio between the rooms revenue and the number of available rooms.

1 Graphs

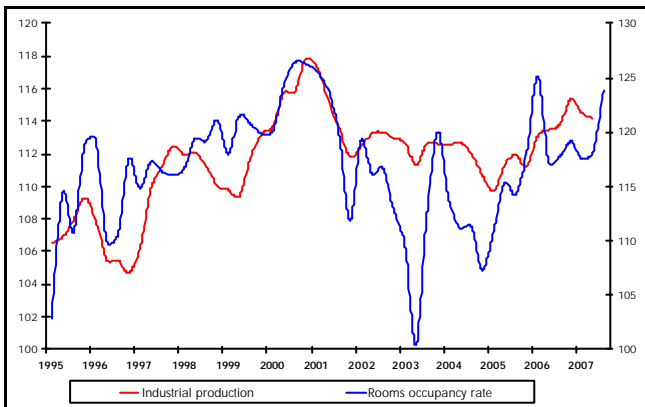
Graph 1 – Room occupancy rate
(seasonally adjusted data)



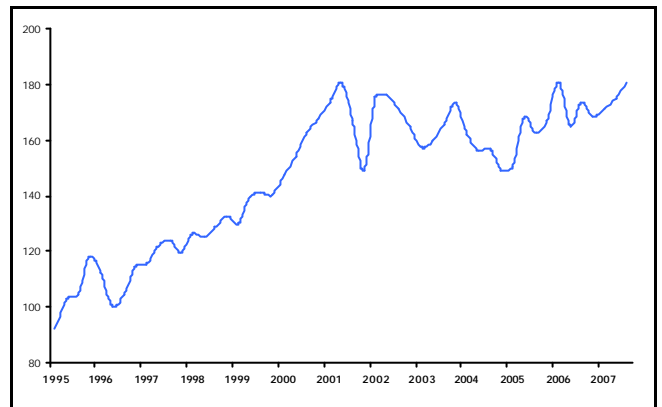
Graph 2 – hotel arrivals (seasonally adjusted data – first quarter 1992=100)



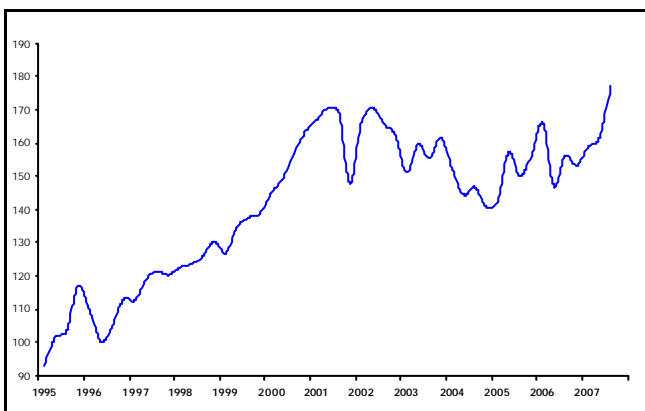
Graph 3 – Room occupancy rate and industrial production (seasonally adjusted data – first quarter 1992=100)



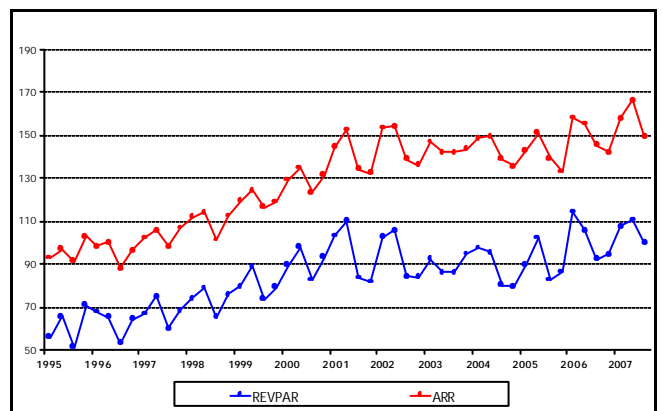
Graph 4 – Room revenue (seasonally adjusted data – first quarter 1992=100)



Graph 5 – total revenue (seasonally adjusted data – first quarter 1992=100)



Graph 6 – Average room rate (ARR) and revenue per available room (REVPAR) (raw data in euro)



3 TABLES
(a = annual change; b = short term change)
Table 1 - Room occupancy rate

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
Third quarter 2006	58.4	3.4	64.3	0.5
Fourth quarter 2006	64.7	0.9	65.0	1.2
First quarter 2007	66.7	-5.9	64.2	-1.3
Second quarter 2007	68.1	0.7	64.5	0.5
Third quarter 2007	61.7	5.6	67.5	4.7

Table 2 - Hotel arrivals (first quarter 1992=100)

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
Third quarter 2006	177.6	28.1	193.3	3.6
Fourth quarter 2006	224.0	44.2	233.6	20.8
First quarter 2007	175.9	-9.2	180.4	-22.8
Second quarter 2007	193.3	0.2	188.1	4.3
Third quarter 2007	187.4	5.5	204.3	8.6

Table 3 - Room revenue (first quarter 1992 = 100)

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	Rate	change % (b)
Third quarter 2006	150.4	5.5	173.8	5.1
Fourth quarter 2006	154.3	1.6	168.6	-3.0
First quarter 2007	172.3	-6.5	171.3	1.6
Second quarter 2007	181.7	5.0	175.2	2.3
Third quarter 2007	158.1	5.1	181.1	3.4

Table 4 - Total revenue (first quarter 1992 = 100)

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
Third quarter 2006	134.2	3.3	156.3	6.3
Fourth quarter 2006	145.7	-1.4	153.3	-1.9
First quarter 2007	158.5	-4.8	158.7	3.5
Second quarter 2007	169.8	11.4	161.7	1.9
Third quarter 2007	150.7	12.3	177.0	9.4

Table 4 - Revenue per available room (REVPAR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
Third quarter 2006	92.4	11.7	-15.5
Fourth quarter 2006	94.3	9.1	2.1
First quarter 2007	107.4	-6.1	13.9
Second quarter 2007	110.6	4.7	2.9
Third quarter 2007	99.8	8.0	-9.8

Table 5 - Average room rate (ARR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
Third quarter 2006	145.6	4.6	-6.2
Fourth quarter 2006	142.0	6.9	-2.4
First quarter 2007	157.8	-0.1	11.1
Second quarter 2007	166.2	7.1	5.3
Third quarter 2007	149.0	2.3	-10.4

Methodological note

The Assolombarda Sector Group receives monthly the data by an hotels sample (category 4, 5 e 5 Luxury).

The panel is composed by 30 hotel; they put in directly their data on the Assolombarda web site.

The Department Research presents the seasonally adjusted data every quarter on his web site page. It is right to remove from raw data all seasonal element that may be found in every month for valuing correctly the short term economic moving.

The seasonally adjustment of data is elaborated with Demetra, Tramo-Seat graphic interfaces.

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