

*"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: January – March 2007)**

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*The aim of the Hotel Industry Quarterly Observatory is to offer a periodical analysis on the trends of 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). Assolombarda Research Department prepares the seasonally-adjusted elaboration and the quarterly report on the sector economic trends; besides, the department takes care of updating the macroeconomic indicators then uploaded in the Assolombarda website at the page:*

*[http://www.assolombarda.it/contenuti/84044\\_15\\_12\\_99.asp](http://www.assolombarda.it/contenuti/84044_15_12_99.asp).*

## 1 Survey results

The first quarter of 2007 showed both a slowdown in hotels activity in term of rooms occupancy rate and hotel arrival and a rise in revenue and in rent rooms price. Almost all indicator highlighted that the business cycle reached the highest level in the first quarter of 2006.

The short term trend represented in the graphs confirmed the relationship with the Italian economic tendency and in particular with the industrial production movement.

At single indicator level, the survey showed these results:

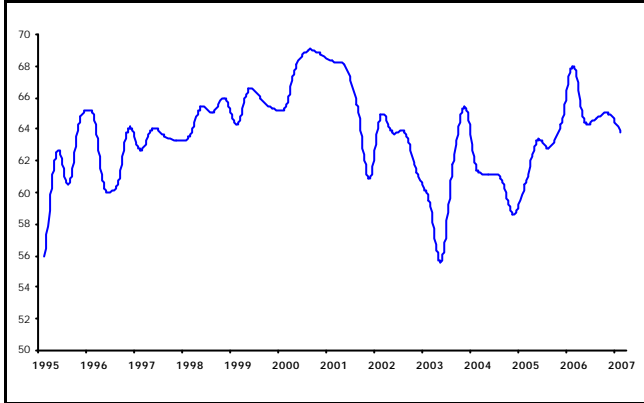
- The **rooms occupancy rate** (seasonally-adjusted data) showed a contraction equal to 1.8% compared with the previous quarter: the index reached the value of 63.8 from 65 of the last period.– graphic 1, table 1 .
- The **hotel arrivals index** decreased and moved from 205.1 to 162.6, with a short term changes equal to 20.7%. – graphic 2, table 2.
- The **rooms revenue** returned to increase after the negative result of the last quarter: the seasonally-adjusted index moved from 174.3 to 176.5 with a short term changes equal to 1.4%. – graphic 4, table 3.
- The same trend is observed for the **total revenue**; in fact, the seasonally-adjusted index was equal to 166.8 compared to 160.7 of the previous period and with a rise equal to 3.8%. – graphic 5, table 4.
- In the **average room rate (ARR)<sup>1</sup>** a rise was registered after three quarter in decrease reaching 151.8 euro (the short term change was equal to 10.5%). – graphic 6, table 5.
- The **revenue per available room (REVPAR)<sup>2</sup>** registered an increase; the indicator reached 103.3 euro from 91.3 of the previous quarter with a short term changes equal to 13.2%. – graphic 6, table 6.

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

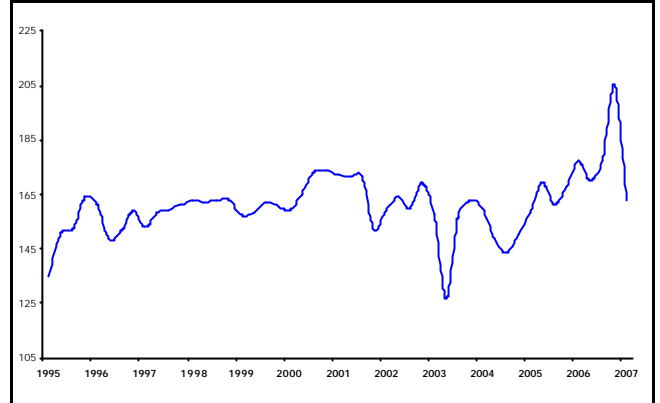
<sup>2</sup> The number of available rooms is calculated by the number of hotel room multiplied by the number of reference month day. The revenue per available room is obtained by the ratio between the rooms revenue and the number of available rooms.

## 1 Graphs

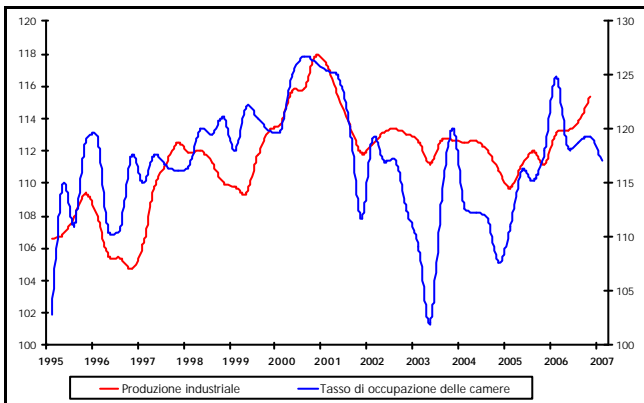
**Graph 1 – Rooms occupancy rate**  
(seasonally adjusted data)



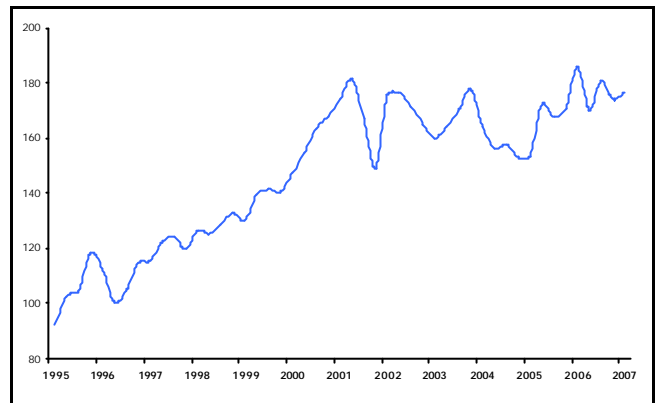
**Graph 2 – hotel arrivals** (seasonally adjusted data – first quarter 1992=100)



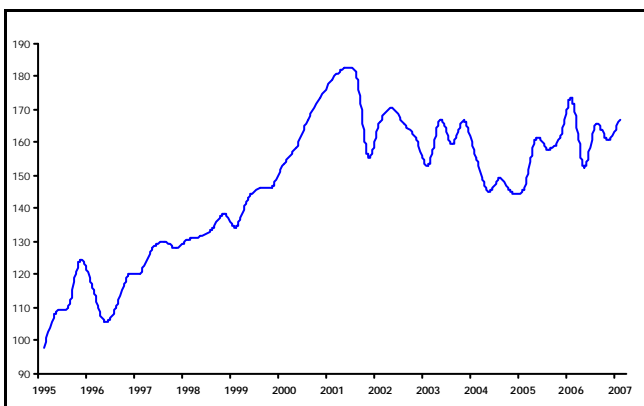
**Graph 3 – Rooms occupancy rate and industrial production** (seasonally adjusted data – first quarter 1992=100)



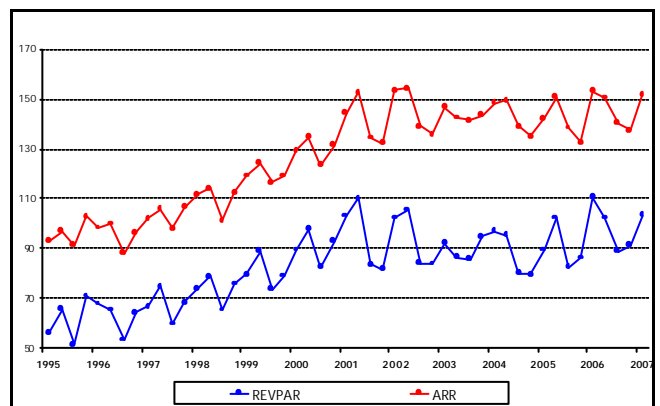
**Graph 4 – Rooms revenue** (seasonally adjusted data – first quarter 1992=100)



**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 - Rooms occupancy rate**

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
First quarter 2006	70.9	14.4	68.0	5.7
Second quarter 2006	67.7	-0.2	64.4	-5.3
Third quarter 2006	58.6	3.4	64.7	0.5
Fourth quarter 2006	64.9	1.1	65.0	0.4
First quarter 2007	66.7	-5.9	63.8	-1.8

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

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
First quarter 2006	174.3	12.3	177.3	5.7
Second quarter 2006	173.9	0.1	169.9	-4.2
Third quarter 2006	160.3	9.6	177.2	4.3
Fourth quarter 2006	200.6	23.0	205.1	15.7
First quarter 2007	158.7	-8.9	162.6	-20.7

**Table 3 - Rooms revenue (first quarter 1992=100)**

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
First quarter 2006	189.1	23.4	185.8	8.9
Second quarter 2006	178.3	-0.5	170.2	-8.4
Third quarter 2006	154.5	6.3	180.7	6.1
Fourth quarter 2006	159.1	2.7	174.3	-3.7
First quarter 2007	177.6	-6.1	176.5	1.4

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

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
First quarter 2006	172.7	20.1	173.3	7.4
Second quarter 2006	157.8	-5.4	152.7	-11.9
Third quarter 2006	138.5	3.9	165.6	8.5
Fourth quarter 2006	151.8	0.1	160.7	-2.9
First quarter 2007	165.6	4.1	166.8	3.8

**Table 4 - Average room rate (ARR)**

Reference period	Raw data		
	euro	change % (a)	change % (b)
First quarter 2006	110.6	23.5	28.1
Second quarter 2006	102.4	0.2	-7.4
Third quarter 2006	89,0	7.8	-13.1
Fourth quarter 2006	91.3	5.8	2.6
First quarter 2007	103.3	-6.6	13.2

**Table 5 - Revenue per available room (REVPAR)**

Reference period	Raw data		
	euro	change % (a)	change % (b)
First quarter 2006	153.0	7.6	15.5
Second quarter 2006	150.4	-0.1	-1.7
Third quarter 2006	140.4	1.4	-6.7
Fourth quarter 2006	137.3	3.6	-2.1
First quarter 2007	151.8	-0.8	10.5

**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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