



"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: fourth quarter 2007)

By Maria Grazia De Maglie

Research Department

Giuseppe Panzeri
Head of Department

Maria Grazia De Maglie
Macroeconomy and service sector

Andrea Fioni
Social issues and labour market

Edoardo Della Torre
Labour market

Valeria Negri
Macroeconomy and industrial sector

www.assolombarda.it
stud@assolombarda.it
main tel: 02.58370.328

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

In the last three months of 2007 the hotel industry sector consolidated the growth of the last quarters. On the whole, in the year just concluded, the sector experienced very good performance in almost all indicator analysed. Particularly, the positive revenue trend was caused by an increased use of hotels and not from a rise of the rent room price, which showed a reduction.

The short-term trend represented in the graphs again confirmed the relationship with the Italian industrial production trends (graphic 3), even if the sector growth seemed to run counter to the October and November Istat data.

At the single indicator level, the survey showed these results:

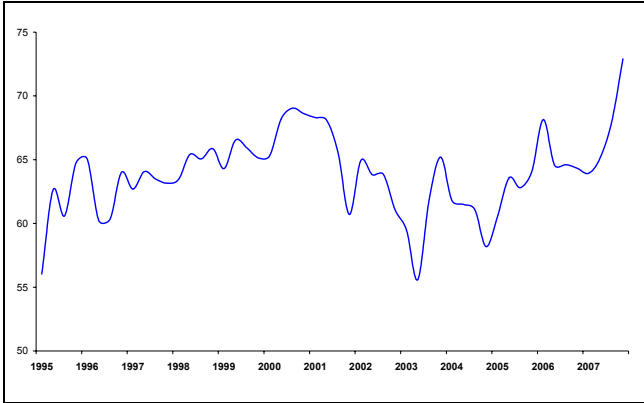
- The **room occupancy rate** (seasonally-adjusted data) rose and reached the highest result registered since the survey began; the index moved from 67.9 to 72.9, with a short-term change equal to 7.3%. – graphic 1, table 1.
- The **hotel arrivals index** (seasonally-adjusted data) increased for the third quarter and moved to 157.5 from 149.1, with a short-term change equal to 5.6%. – graphic 2, table 2.
- **Room revenue**, in spite of a small contraction, confirmed the very good result reached in the previous quarter: the seasonally-adjusted index moved to 181.9 from 183.6 with a short-term change equal to -0.9%. – graphic 4, table 3.
- The trend of **total revenue** was positive again; the seasonally-adjusted index was equal to 185.3 compared to 182.3 in the previous period and with a rise equal to 1.6%. – graphic 5, table 4.
- The **average room rate (ARR)**¹ decreased for the second time falling to the level of the end of 2006: 138.9 euro (the short-term change was equal to -6.7% and the long term change was equal to 2.2%). – graphic 6, table 5.
- On the other hand, the **revenue per available room (REVPAR)**² showed a slight rise to 100.2 euro from 99.8 in the previous quarter (the short-term change was equal to +0.4% and a long-term change equal to 6.2%. – graphic 6, table 6.

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

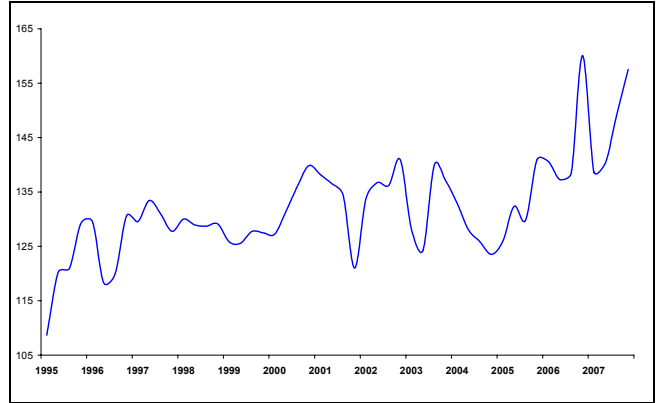
² The number of available rooms is calculated by the number of hotel room multiplied by the number of reference month day. The revenue per available room is obtained by the ratio between the rooms revenue and the number of available rooms.

1 Graphs

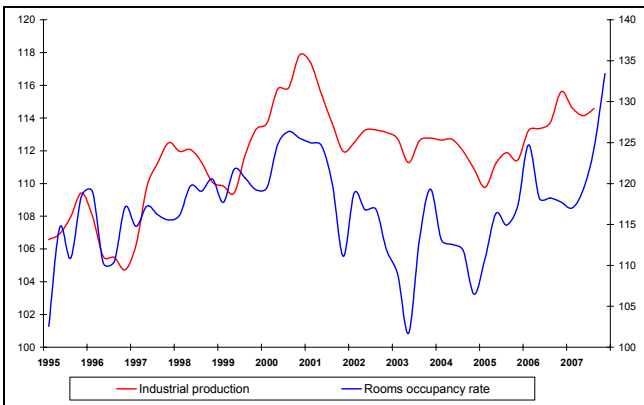
Graph 1 – Room occupancy rate (seasonally adjusted data)



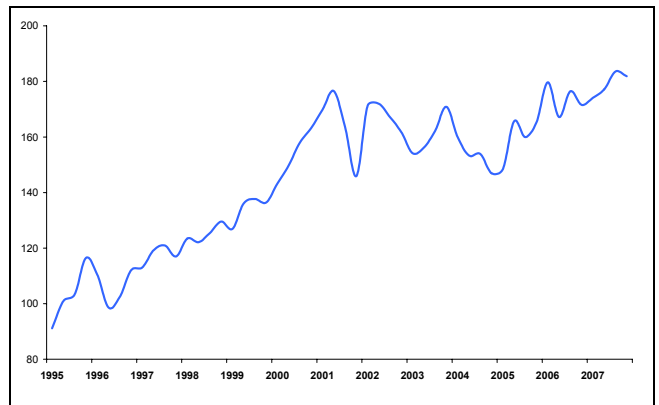
Graph 2 – hotel arrivals (seasonally adjusted data – first quarter 1992=100)



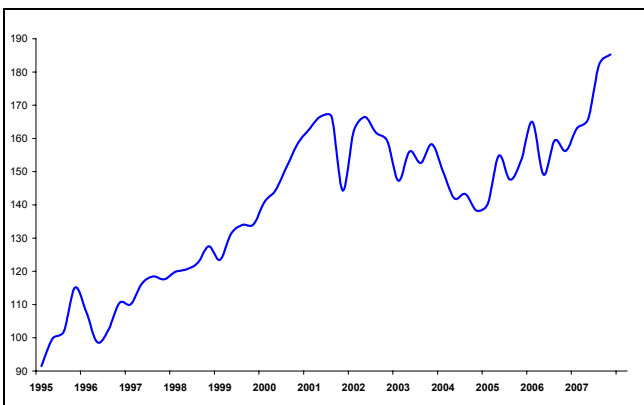
Graph 3 – Room occupancy rate and industrial production (seasonally adjusted data – first quarter 1992=100)



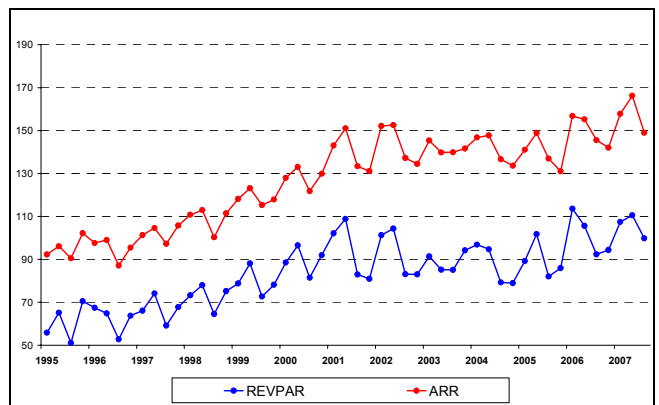
Graph 4 – Room revenue (seasonally adjusted data – first quarter 1992=100)



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)
Fourth quarter 2006	64.7	0.6	64.3	-0.4
First quarter 2007	66.7	-6.0	63.9	-0.6
Second quarter 2007	68.1	0.7	65.1	1.9
Third quarter 2007	61.7	5.6	67.9	4.3
Fourth quarter 2007	73.4	13.4	72.9	7.3

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

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
Fourth quarter 2006	158.8	14.7	160.1	15.6
First quarter 2007	135.7	-1.5	138.7	-13.3
Second quarter 2007	145.1	1.6	140.3	1.2
Third quarter 2007	139.3	6.0	149.1	6.3
Fourth quarter 2007	153.4	-3.4	157.5	5.6

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

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	Rate	change % (b)
Fourth quarter 2006	156.3	4.4	171.6	-2.8
First quarter 2007	174.5	-4.0	174.1	1.5
Second quarter 2007	184.1	5.0	177.7	1.7
Third quarter 2007	160.2	5.1	183.6	3.6
Fourth quarter 2007	167.9	7.4	181.9	-0.9

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

Reference period	Raw data		Seasonally adjusted data	
	rate	change % (a)	rate	change % (b)
Fourth quarter 2006	148.2	2.3	156.3	-2.0
First quarter 2007	161.3	-1.8	163.1	4.4
Second quarter 2007	172.7	11.4	165.9	1.7
Third quarter 2007	153.3	12.3	182.3	9.9
Fourth quarter 2007	180.8	22.0	185.3	1.6

Table 4 - Revenue per available room (REVPAR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
Fourth quarter 2006	94.3	9.8	2.1
First quarter 2007	107.4	-5.5	13.9
Second quarter 2007	110.6	4.7	2.9
Third quarter 2007	99.8	8.0	-9.8
Fourth quarter 2007	100.2	6.2	0.4

Table 5 - Average room rate (ARR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
Fourth quarter 2006	142.0	8.4	-2.4
First quarter 2007	157.8	0.6	11.1
Second quarter 2007	166.2	7.1	5.3
Third quarter 2007	149.0	2.3	-10.4
Fourth quarter 2007	138.9	-2.2	-6.7

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.

Documento: IV trim 07 alberghi_inglese.doc