



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

Assolombarda quarterly Survey on the Hotel Industry

(reference period: fourth quarter 2009)

by Maria Grazia De Maglie

Research Department

Andrea Fioni
Managing Director

Maria Grazia De Maglie
Macroeconomy and Service Sector

Edoardo Della Torre
Social Issues and Labour Market

Valeria Negri
Macroeconomy and Industrial Sector

<http://www.assolombarda.it/>
<mailto: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 fourth quarter of 2009, the survey showed signs of recovery in all indices except the room occupancy rate. As a matter of fact, the number of nights effectively paid and the revenue both increased. The price of rented rooms showed a slight rise, even if the values stayed far from the high level reached in past years.

According to the first estimate of the World Tourism Barometer, international tourist arrival declined by 4% in 2009. In Europe the same indicator decreased by about 6%. The 2010 forecasts on international tourist arrival showed a rise between 3% and 4% thanks to consumers' confidence recovery.

As usual, the activity of the sector was in line with Italian industrial production, for which the Confindustria Research Department estimated a slight gradual recovery (in December +0.3% short term change) (graphic 3).

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

- The **room occupancy rate** (seasonally-adjusted data) decreased to 64.1 with a short term change equal to +6.9%. In any case, the index remained equal to the values at the end of 2008 - graphic 1, table 1.
- The **number of nights effectively paid** (seasonally-adjusted data) increased for the third consecutive quarter reaching its highest value since the survey started: 161.1 from 156 in the previous quarter, with a short-term change equal to +3.2% - graphic 2, table 2.
- The sample hotels **average stay** (ratio of number of nights' stay to number of visitors arriving) was stable and equal to 2.0 days - table 7.
- The **room revenue** increased for the third consecutive quarter with a short time change equal to 5.7%: the seasonally-adjusted index was equal to 164.4 from 155.5 change equal to +0.3% - graphic 4, table 3.
- The **total revenue** trend was in line with the room revenue: the seasonally-adjusted index was equal to 157.7 compared to 151 in the previous period, with a positive short-term change equal to +3.1% - graphic 5, table 4.
- The **average room rate (ARR)**¹ started to rise again, even if the value was lower than the end of the 2008 level. As a matter of fact, the index moved to 115.5 euro from 112.7 in the previous quarter. The short-term change was equal to +2.5% and the long-term change was negative and equal to -5.3% - graphic 6, table 5.
- Even the **revenue per available room (REVPAR)**² increased to 77.6 euro from 68.7 (the short-term change was equal to +13.1% and the long-term change was equal to +2%) - graphic 6, table 6.

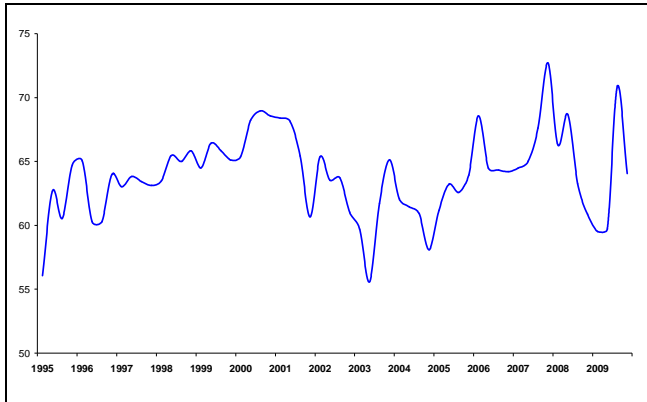
¹ The average room rate is calculated by the ratio between the rooms' revenue and the number of occupied rooms.

² The number of available rooms is calculated by the number of hotel rooms multiplied by the number of days in that month. The revenue per available room is obtained by the ratio between the rooms' revenue and the number of available rooms.

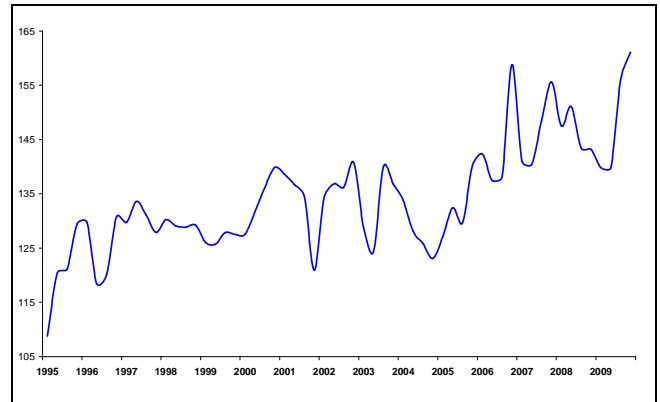


1 Graphs

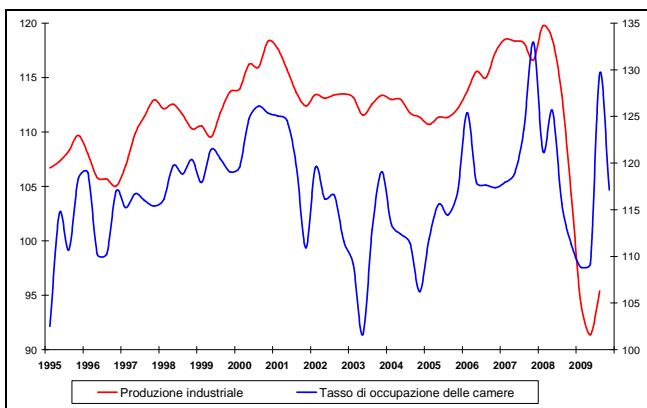
Graph 1 – Room occupancy rate
(seasonally-adjusted data)



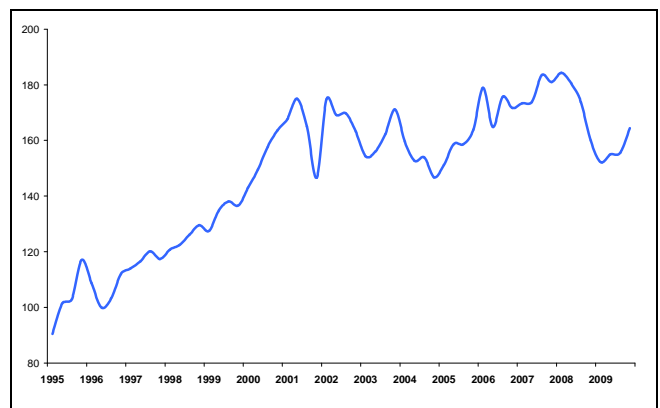
Graph 2 – Number of nights' stay in hotel
(seasonally-adjusted data – first quarter 1992=100)



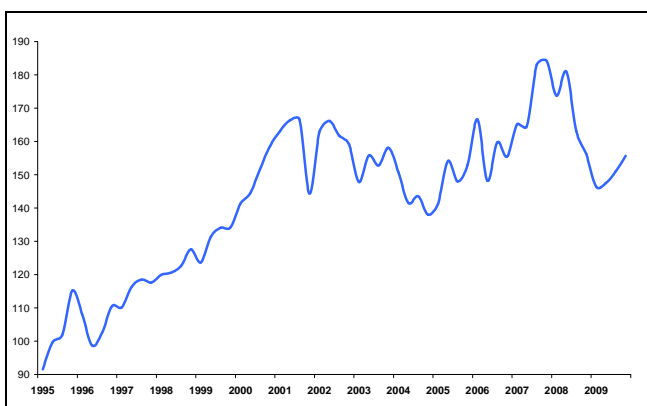
Graph 3 – Room occupancy rate and industrial production
(seasonally-adjusted data – first quarter 1992=100)



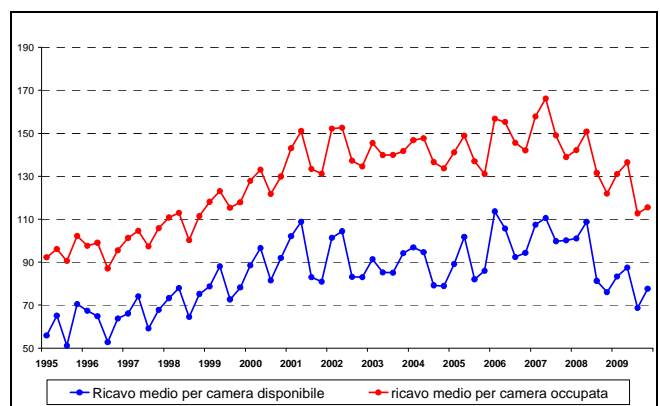
Graph 4 – Room revenue
(seasonally-adjusted data – first quarter 1992=100)



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 2008	61.6	-16.1	60.9	-3.8
first quarter 2009	61.5	-7.9	59.5	-2.2
second quarter 2009	62.8	-14.5	59.7	0.3
third quarter 2009	65.1	13.4	70.9	18.7
fourth quarter 2009	64.8	5.2	64.1	-9.6

Table 2 - Number of nights stay in hotel (first quarter 1992=100)

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	rate	change % (b)
fourth quarter 2008	142.7	-7.0	143.2	-0.2
first quarter 2009	134.0	-5.0	139.8	-2.3
second quarter 2009	144.2	-7.7	139.8	0.0
third quarter 2009	144.4	6.3	156.0	11.6
fourth quarter 2009	153.3	7.4	161.1	3.2

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

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	Rate	change % (b)
fourth quarter 2008	146.1	-13.0	159.9	-8.0
first quarter 2009	153.9	-14.4	152.2	-4.8
second quarter 2009	166.8	-15.5	155.0	1.8
third quarter 2009	133.9	-12.5	155.5	0.4
fourth quarter 2009	152.2	4.2	164.4	5.7

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

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	rate	change % (b)
fourth quarter 2008	148.8	-17.7	156.2	-4.2
first quarter 2009	143.7	-15.1	146.4	-6.3
second quarter 2009	156.1	-17.4	147.5	0.7
third quarter 2009	126.2	-9.4	151.0	2.4
fourth quarter 2009	149.9	0.7	155.7	3.1

Table 5 - Revenue per available room (REVPAR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
fourth quarter 2008	76.1	-24.0	-6.4
first quarter 2009	83.4	-17.5	9.5
second quarter 2009	87.4	-19.6	4.9
third quarter 2009	68.7	-15.5	-21.5
fourth quarter 2009	77.6	2.0	13.1

Table 6 - Average room rate (ARR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
fourth quarter 2008	121.9	-12.2	-7.3
first quarter 2009	131.0	-7.8	7.4
second quarter 2009	136.5	-9.5	4.2
third quarter 2009	112.7	-14.3	-17.4
fourth quarter 2009	115.5	-5.3	2.5

Table 7 Average stay (ratio of number of nights' stay to number of visitors arriving)

Reference period	Raw data
fourth quarter 2008	2.0
first quarter 2009	2.1
second quarter 2009	2.1
third quarter 2009	2.1
fourth quarter 2009	2.0

Methodological note

The Assolombarda Sector Group receives monthly data from a sample group of hotels (category 4, 5 and 5 Luxury).

The panel is composed of 30 hotels. They directly upload their data to the Assolombarda web site.

The Research Department presents the seasonally-adjusted data every quarter on its web page. In order to correctly evaluate short term economic movements, every quarter we extract all relevant seasonal elements from the raw data provided monthly.

The seasonal adjustment of data is elaborated using Demetra, Tramo-Seats graphic interface.