



"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: second quarter 2010)

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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 3, 4, 5 and 5L). The Assolombarda Research Department prepares the seasonally-adjusted data¹ and the quarterly report on the economic trends of the sector.

¹ In the second quarter of 2010 the Assolombarda Research Department updated and extended the sample of hotels. All the data series were calculated again, so the data are different respect the same published in the first quarter.



1 Survey results

The second quarter of 2010 showed again signs of uncertainty about the recovery of the high level hotel activity in the Milan area. As a matter of fact, the occupancy rate, the number of nights effectively paid and the rooms revenue decreased, while the total revenue stayed stable on the first quarter value. The price of rented rooms showed a rise again, even if the values stayed on the low level of the beginning of the 2009.

Even the Federturismo Confindustria and Ciset survey showed the same uncertainty. In fact, in the period of May–October 2010, the foreign arrivals in Italy will decrease of 0.8% and the number of night effectively paid reduced of 1.4%. The Italian flows are predicted to remain stable: -0.4% the reduction of the arrivals and +1.1 the number of night effectively paid.

Compared to the last years, the Italian industrial production trend is different from the hotel activity: the Confindustria Research Department indicated a short-term increase equal to 2.5% in the second quarter of 2010 (graphic 3).

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

- The **room occupancy rate** (seasonally-adjusted data) decreased again with a short-term equal to 0.7% and was 62.9. In any case, the index remained above to the low values of the first six months of 2009 - graphic 1, table 1.
- The **number of nights effectively paid** (seasonally-adjusted data) went down of the 0.6% and remained on the level of the end of 2009. The value was equal to 127.7 from 128.6 in the previous quarter - graphic 2, table 2.
- The sample hotels **average stay** (ratio of number of nights' stay to number of visitors arriving) stayed stable on the value of 1.8 days - table 7.
- The **room revenue** diminished with a short-term change of 1.2% leading the adjusted index to 141.7 from 143.4. This is the second consecutive reduction after the progressive increase noticed in the 2009 – graphic 4, table 3.
- The **total revenue** trend substantially stayed stable on the level of the previous quarter: the seasonally-adjusted index was 136.1 compared to 135.4 in the previous period, with a short-term change equal to +0.5% – graphic 5, table 4.
- The **average room rate (ARR)**² rose for the third consecutive quarter, even if the value remained on the low level of the beginning of 2009. As a matter of fact, the index moved to 123.1 euro from 117.1 in the previous quarter. The short-term change was +5.2% and the long-term change was negative and equal to -7.8% – graphic 6, table 5.
- Even the **revenue per available room (REVPAR)**³ increased to 85.4 euro from 78.4 (the short-term change was +8.9% while the long-term change was -1.2%) – graphic 6, table 6.

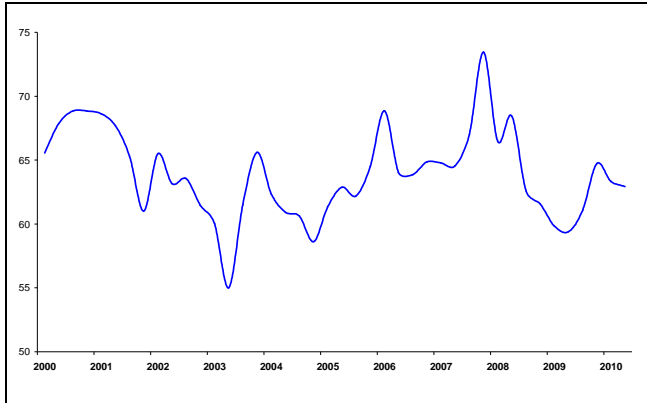
² The average room rate is calculated by the ratio between the rooms' revenue and the number of occupied rooms.

³ 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.

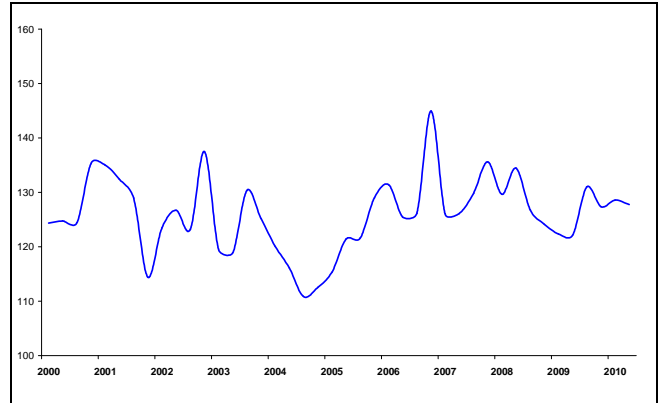


1 Graphs

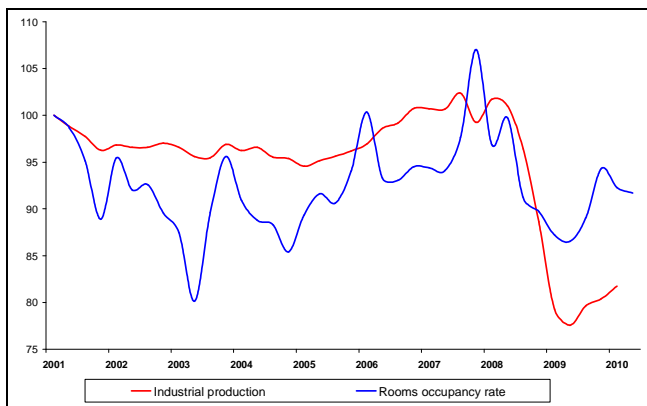
Graph 1 – Room occupancy rate
(seasonally-adjusted data)



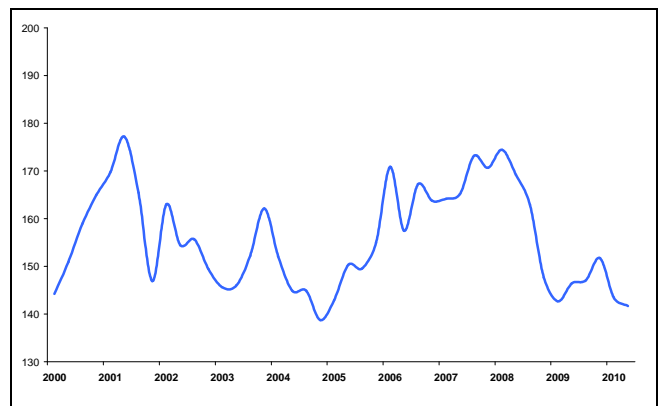
Graph 2 – Number of nights' stay in hotel
(seasonally-adjusted data – first quarter 1992=100)



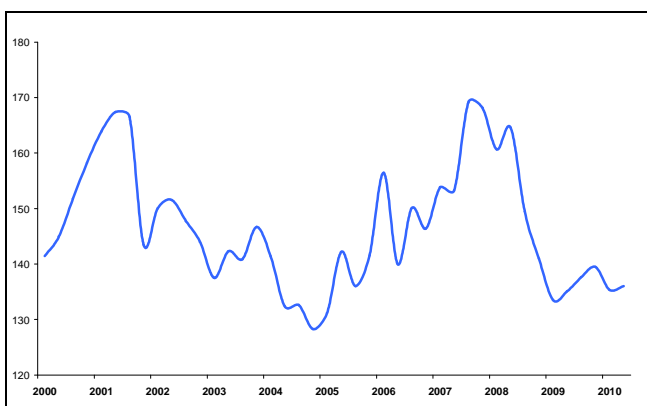
Graph 3 – Room occupancy rate and industrial production
(seasonally-adjusted data – first quarter 1992=100)



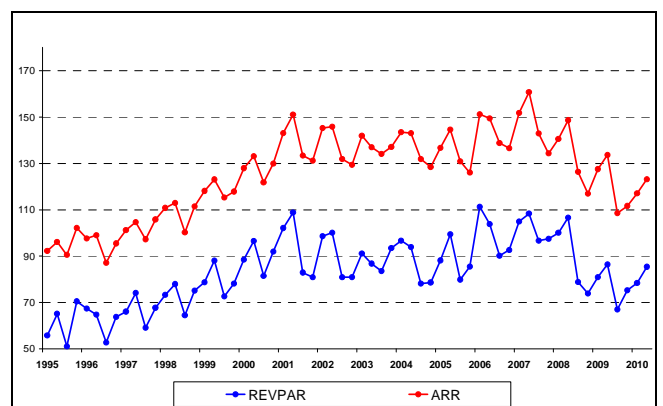
Graph 4 – Room revenue
(seasonally-adjusted data – first quarter 1992=100)



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)
second quarter 2009	62.8	-14.5	59.4	-0.8
third quarter 2009	56.0	-2.4	61.1	2.8
fourth quarter 2009	64.8	5.2	64.7	6.0
first quarter 2010	64.2	4.4	63.3	-2.1
second quarter 2010	67.0	6.7	62.9	-0.7

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)
second quarter 2009	125.5	-9.2	122.2	-0.2
third quarter 2009	127.6	3.4	131.0	7.2
fourth quarter 2009	126.5	2.5	127.4	-2.7
first quarter 2010	123.2	4.8	128.6	0.9
second quarter 2010	130.7	4.1	127.7	-0.6

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

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	Rate	change % (b)
second quarter 2009	153.2	-16.0	146.4	2.7
third quarter 2009	123.1	-12.4	147.1	0.4
fourth quarter 2009	137.7	3.4	151.7	3.2
first quarter 2010	139.8	-0.7	143.4	-5.5
second quarter 2010	151.3	-1.3	141.7	-1.2

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

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	rate	change % (b)
second quarter 2009	142.8	-17.0	135.1	1.2
third quarter 2009	115.2	-9.5	137.6	1.9
fourth quarter 2009	134.3	0.1	139.5	1.3
First quarter 2010	131.9	1.0	135.4	-2.9
second quarter 2010	142.7	-0.1	136.1	0.5

Table 5 - Revenue per available room (REVPAR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
second quarter 2009	86.4	-18.9	6.8
third quarter 2009	67.0	-15.0	-22.4
fourth quarter 2009	75.3	1.9	12.3
first quarter 2010	78.4	-3.1	4.1
second quarter 2010	85.4	-1.2	8.9

Table 6 - Average room rate (ARR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
second quarter 2009	133.6	-10.1	4.8
third quarter 2009	108.5	-14.1	-18.8
fourth quarter 2009	111.6	-4.5	2.9
first quarter 2010	117.1	-8.2	4.9
second quarter 2010	123.1	-7.8	5.2

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

Reference period	Raw data
second quarter 2009	2.1
third quarter 2009	2.1
fourth quarter 2009	2.0
first quarter 2009	1.8
second quarter 2009	1.8

Methodological note

The Assolombarda Sector Group receives monthly data from a sample group of hotels (category 3, 4, 5 and 5 Luxury).

The panel is composed of more than 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.