



"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: first 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 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 gradual recovery of the 2009, in the first quarter of 2010, the survey showed again signs of slowdown. As a matter of fact, the occupancy rate, the number of nights effectively paid and the revenue decreased. The price of rented rooms showed a slight rise again, even if the values stayed far from the high level reached in the 2006 and in the 2007.

The World Tourism Organization forecasted a world tourism recovery in the second part of the year that allowed to estimate a growth of 3.2% in the 2011. Although the China increase and the Asia hold out, in the 2010 the sector growth will be due to the developed Countries.

The hotel activity showed an opposite trend compared to the Italian industrial production: the Confindustria Research Department indicated a short-term increase equal to 1.7% in the first quarter of 2010, after the positive change of 1% in the last quarter of the 2009 (graphic 3).

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

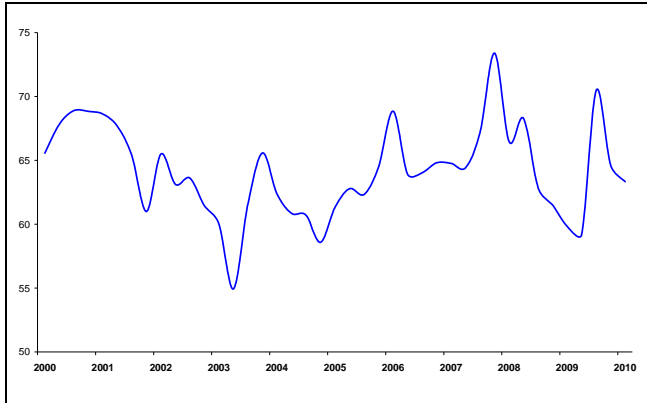
- The **room occupancy rate** (seasonally-adjusted data) decreased again with a short-term equal to 2%; the index was 63.3. In any case, the index remained above to the values at the end of 2008 - graphic 1, table 1.
- The **number of nights effectively paid** (seasonally-adjusted data) went down after three quarters of increase: the value was equal to 147.1 from 161.2 in the previous quarter (the highest value since the survey started). The short-term change was -8,4% - graphic 2, table 2.
- The sample hotels **average stay** (ratio of number of nights' stay to number of visitors arriving) decreased to 1.8 days from 2.0 days in the last quarter of 2009 - table 7.
- The **room revenue** dropped, after three quarter of recovery, with a short-term change equal to 6.5%: the seasonally-adjusted index fell to 156.1 from 167 - +0.3% – graphic 4, table 3.
- The **total revenue** trend substantially stayed stable on the level of the previous quarter: the seasonally-adjusted index was 155.2 that compared to 155.1 in the previous period, showed a short-term change equal to +0.1% – graphic 5, table 4.
- The **average room rate (ARR)**¹ rose again, even if the value was lower than the high level of the years 2006 and 2007. As a matter of fact, the index moved to 120.5 euro from 115.5 in the previous quarter. The short-term change was +4.3% and the long-term change was negative and equal to -8% – graphic 6, table 5.
- Even the **revenue per available room (REVPAR)**² increased to 80.2 euro from 77.6 (the short-term change was +3.3% while the long-term change was -3.8%) – graphic 6, table 6.

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

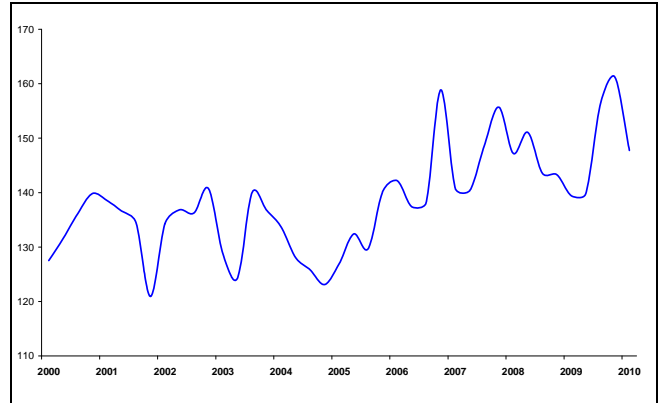
² The number of available rooms is calculated by the number of hotel rooms multiplied by the number of days in that month. The revenue per available room is obtained by the ratio between the rooms' revenue and the number of available rooms.

1 Graphs

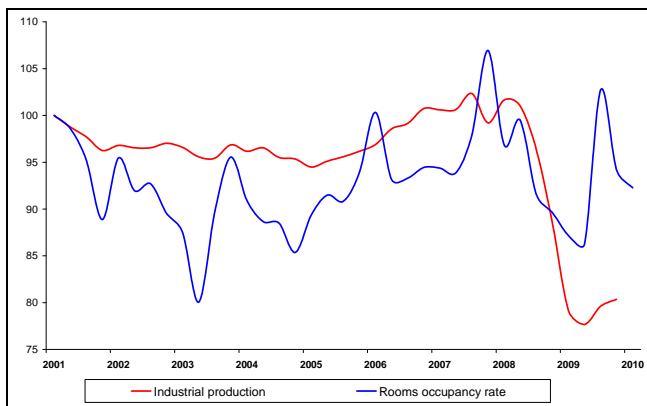
Graph 1 – Room occupancy rate
 (seasonally-adjusted data)



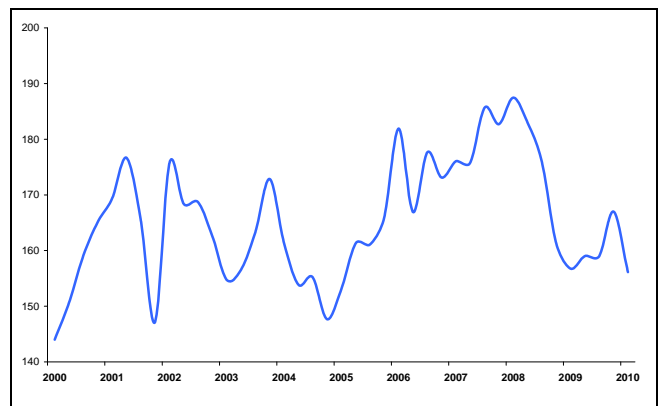
Graph 2 – Number of nights' stay in hotel
 (seasonally-adjusted data – first quarter 1992=100)



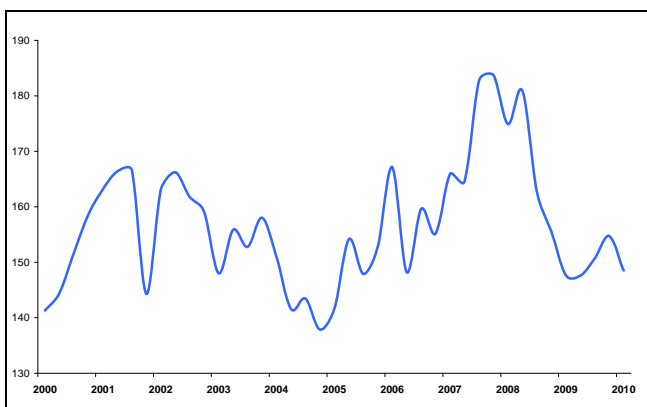
Graph 3 – Room occupancy rate and industrial production
 (seasonally-adjusted data – first quarter 1992=100)



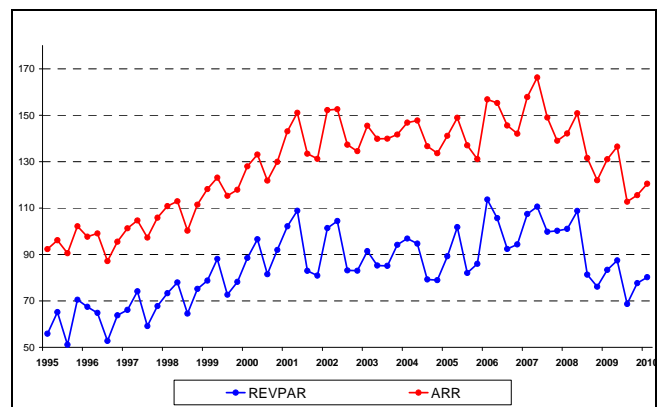
Graph 4 – Room revenue
 (seasonally-adjusted data – first quarter 1992=100)



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)
first quarter 2009	61.5	-7.9	59.8	-2.7
second quarter 2009	62.8	-14.5	59.2	-1.1
third quarter 2009	65.1	13.4	70.5	19.1
fourth quarter 2009	64.8	5.2	64.6	-8.3
first quarter 2010	64.2	4.4	63.3	-2.0

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)
first quarter 2009	134.0	-5.0	139.4	-2.7
second quarter 2009	144.2	-7.7	139.8	0.3
third quarter 2009	144.4	6.3	156.3	11.7
fourth quarter 2009	153.3	7.4	161.2	3.2
first quarter 2010	141.9	5.9	147.8	-8.4

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

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	Rate	change % (b)
first quarter 2009	153.9	-14.4	156.7	-2.8
second quarter 2009	166.8	-15.5	159.0	1.4
third quarter 2009	133.9	-12.5	159.0	0.0
fourth quarter 2009	152.2	4.2	167.0	5.0
first quarter 2010	151.1	-1.8	156.1	-6.5

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

Reference period	Raw data		Seasonally-adjusted data	
	rate	change % (a)	rate	change % (b)
first quarter 2009	143.7	-15.1	155.5	-3.9
second quarter 2009	156.1	-17.4	154.3	-0.8
third quarter 2009	126.2	-9.4	155.1	0.5
fourth quarter 2009	149.9	0.7	155.1	0.0
First quarter 2010	143.6	-0.1	155.2	0.1

Table 5 - Revenue per available room (REVPAR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
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
first quarter 2010	80.2	-3.8	3.3

Table 6 - Average room rate (ARR)

Reference period	Raw data		
	euro	change % (a)	change % (b)
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
first quarter 2010	120.5	-8.0	4.3

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

Reference period	Raw data
first quarter 2009	2.1
second quarter 2009	2.1
third quarter 2009	2.1
fourth quarter 2009	2.0
first quarter 2010	1.8

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.