



Luxury Hotel Benchmarking

Yearly Report: 2022

July 2024

BRC.
BlueRock Consulting

Summary

- **Key trends in the luxury hotel segment**
 - **The luxury segment has fully recovered from COVID-19 impact and is back to 2019 levels**
 - The recovery has been driven by a significant **price increase (5%-30%)** while **occupancy is still behind (16%-19%)**
 - **The luxury and upscale segment has outperformed other** hotel segments in most large-scale hotel companies
 - Accor's Southern Europe luxury & upscale segment had 7 p.p. higher RevPAR growth than its portfolio average
 - **Major hotel companies are planning to increase the share of its luxury hotel portfolio**
 - Analyzing the hotel portfolio of 3 major global hotel companies, we see an increasing share of luxury properties in the pipeline (15%-24% of the total pipeline) in comparison to the current structure (9%-13% of the total portfolio)
- **Selected findings from the Luxury Hotel Benchmark:**
 - The average **total revenue per available room (TRevPAR)** of Luxury hotels in 2022 amounts to **184k EUR**
 - For most properties¹, the **key performance indicators range between the following:**
 - **Revenue per available room (RevPAR):** 62k – 118k EUR
 - **Average daily rate (ADR):** 479 – 761 EUR
 - **Yearly occupancy rates:** 30% -51%
 - The analysis has also identified **ultra-performers with Average daily rates up to 2.000 EUR**, however, these are outliers within the total sample with a strong variety of differentiating factors (unique positions, strong brands, etc.)
 - Most properties in the sample **are not year-round hotels** – the average **number of operating days is 228**
- **Analyzing selected best practices within the sample we have identified the following performance indicators and patterns:**
 - **Food & Beverage (F&B) revenues are the key secondary revenue source with 36%-40% total participation in revenues**
 - **Gross Operating Profits (GOP)** typically range from **46% to 49%**
 - **Labor costs** vary between **35% and 38% of total revenue**, while **investments in marketing** range from **3,5% to 5,7%**
 - During the high season, the number of **employees per room** typically falls between **2 and 2,4**

1) The range is defined as the values between the Q1 and Q3 quartiles within the respondents

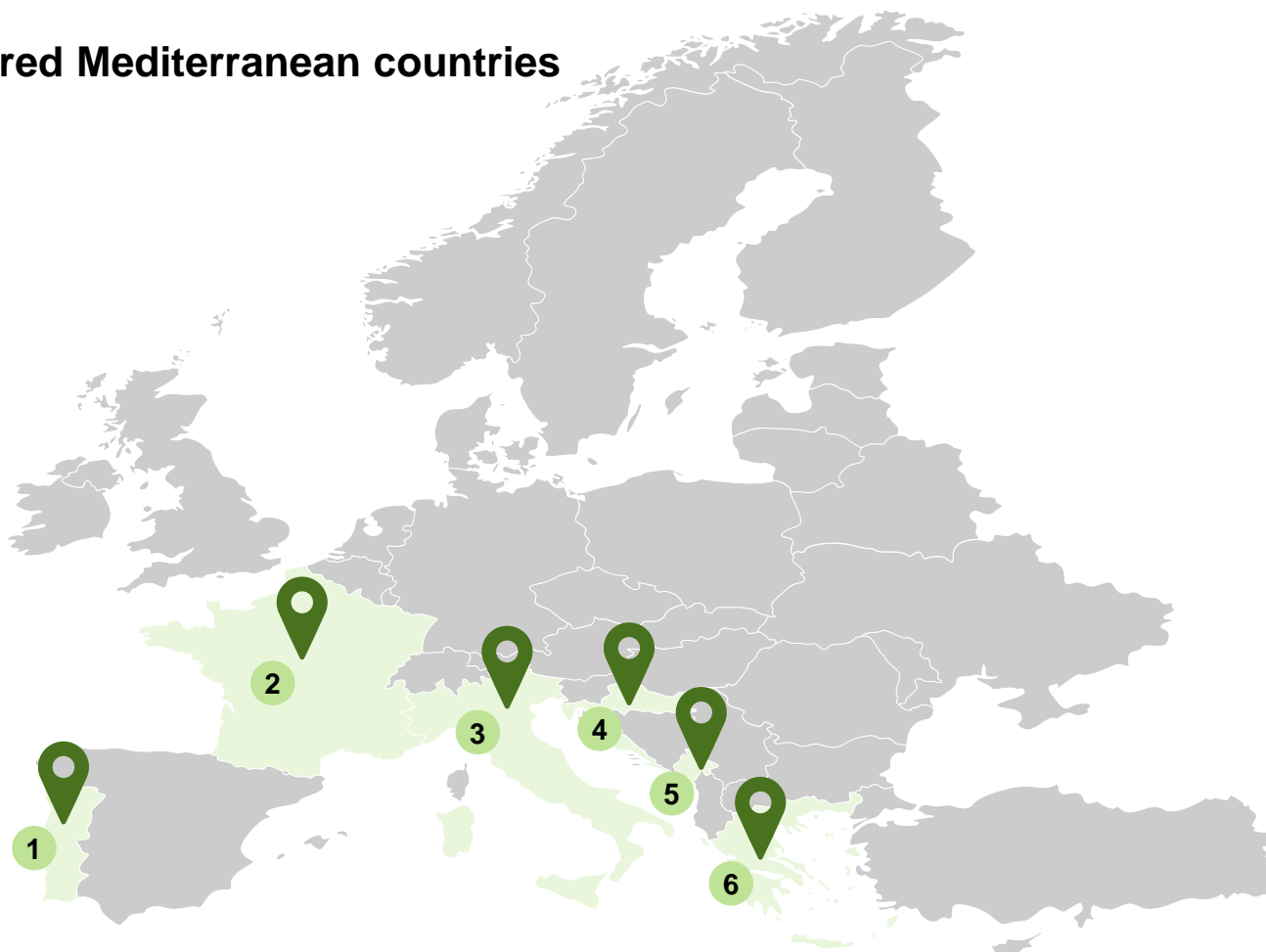
01

Methodology & Project Approach



With the Luxury Hotel Benchmarking we have covered most of Mediterranean countries

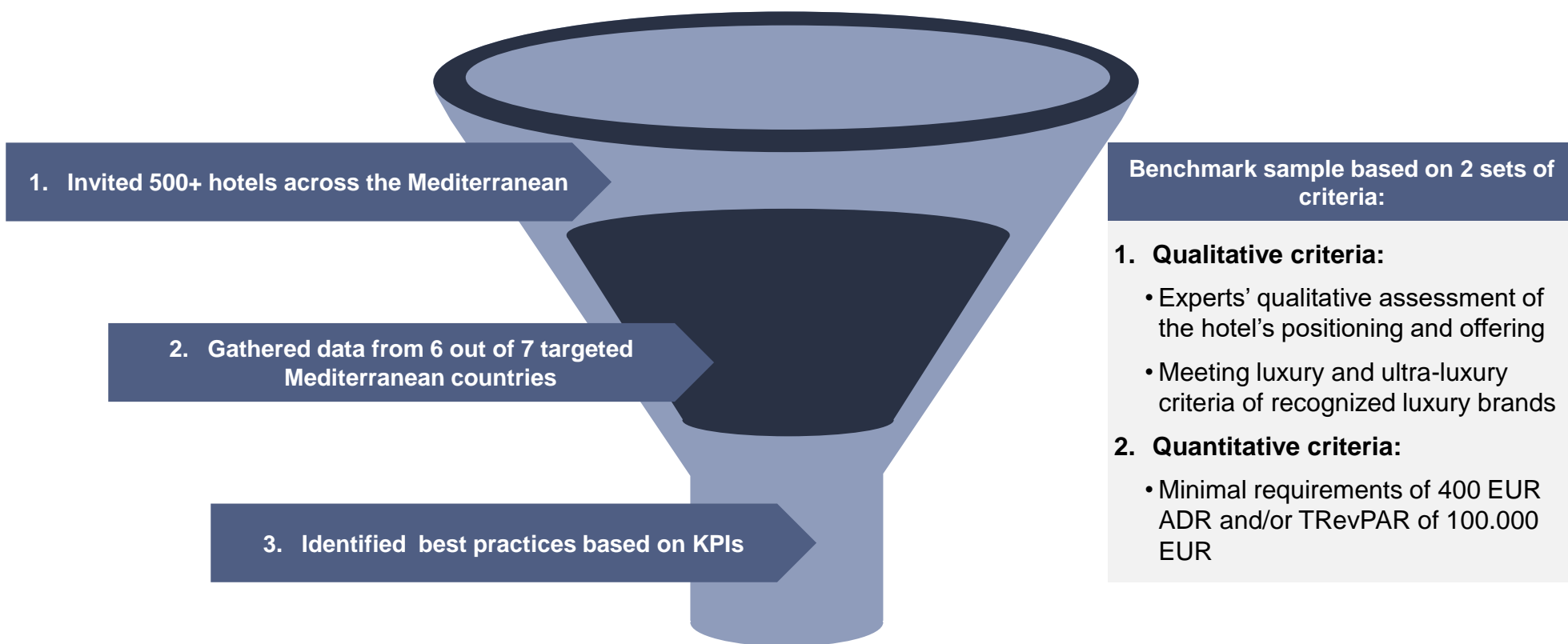
Map of covered Mediterranean countries



<u>Legend</u>		
1	Portugal	
2	France	
3	Italy	
4	Croatia	
5	Montenegro	
6	Greece	

We have conducted a detailed analysis through our comprehensive approach

Approach and methodology



Glossary: ADR = Average Daily Rate; TRevPAR = Total Revenue per Available Room; RevPAR = Revenue per Available Room; p.p. = percentage point; GOP = Gross Operating Profit

Source: BlueRock Consulting

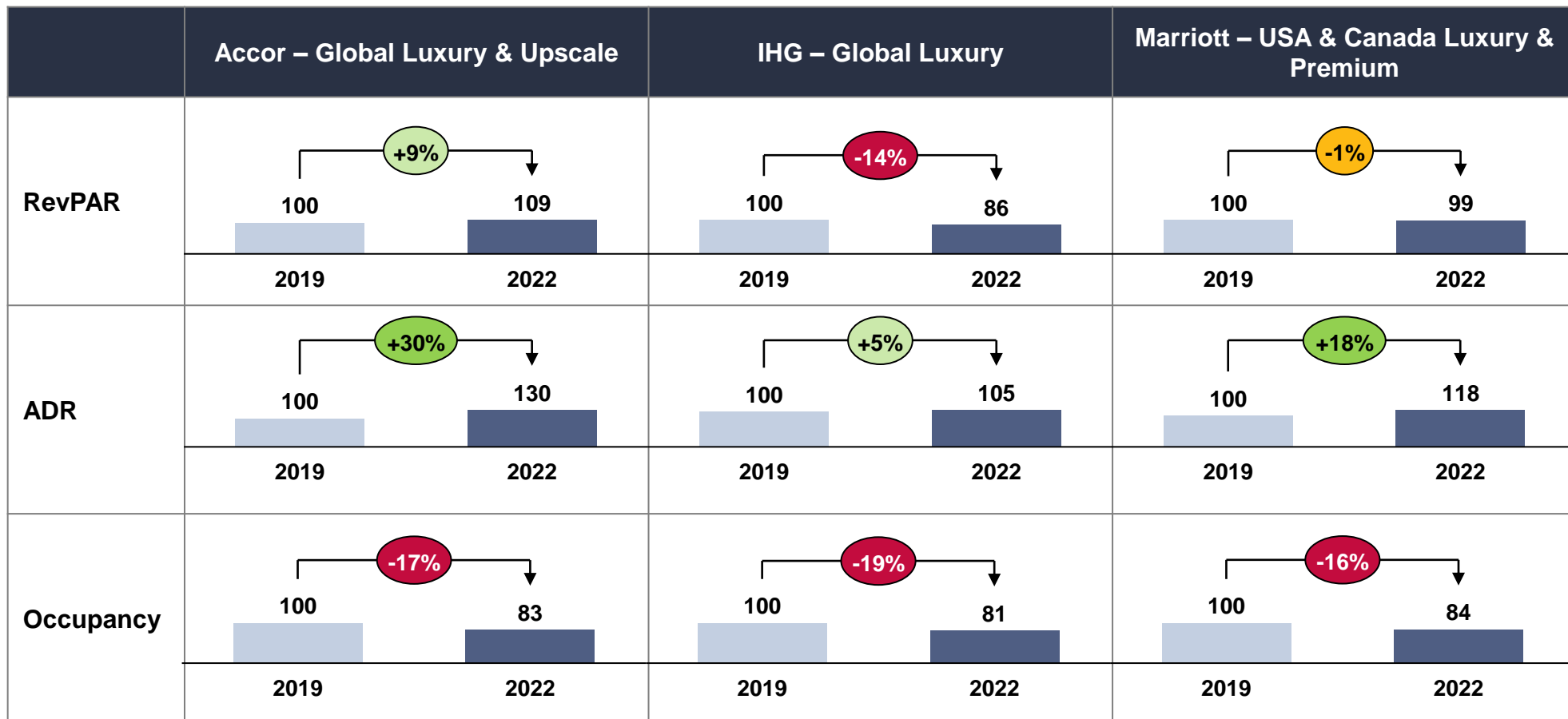
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Trends in the Luxury Hotel Segment



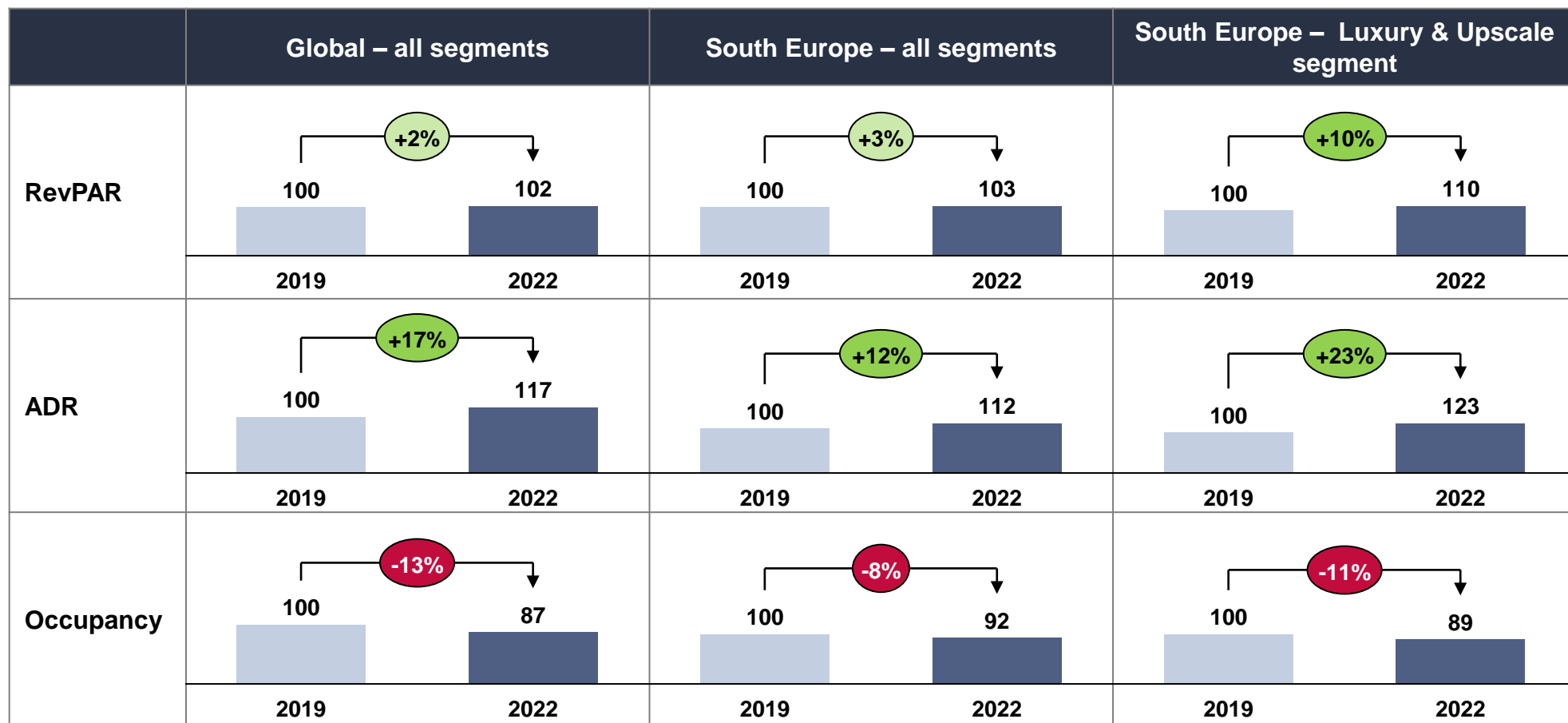
The luxury segment RevPAR hasn't fully recovered, due to lower occupancy of 16%-19%, compared to 2019

Luxury segment KPI's, index, 2019-2022

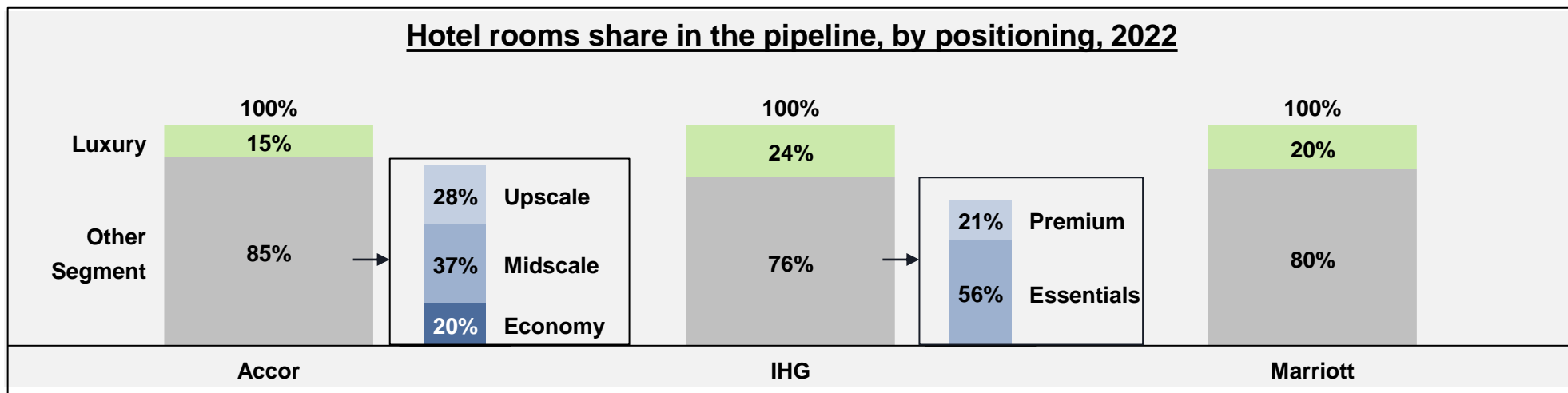
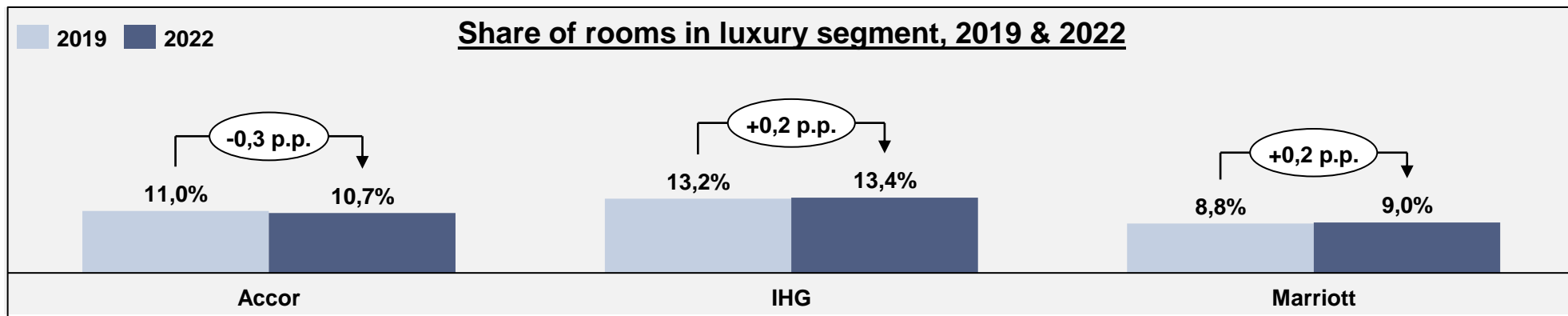


Accor's Southern Europe luxury & upscale segment had 7 p.p. higher RevPAR growth than its portfolio average

Accor KPI's, index, 2019-2022



The share of the luxury segment in observed global companies is expected to grow



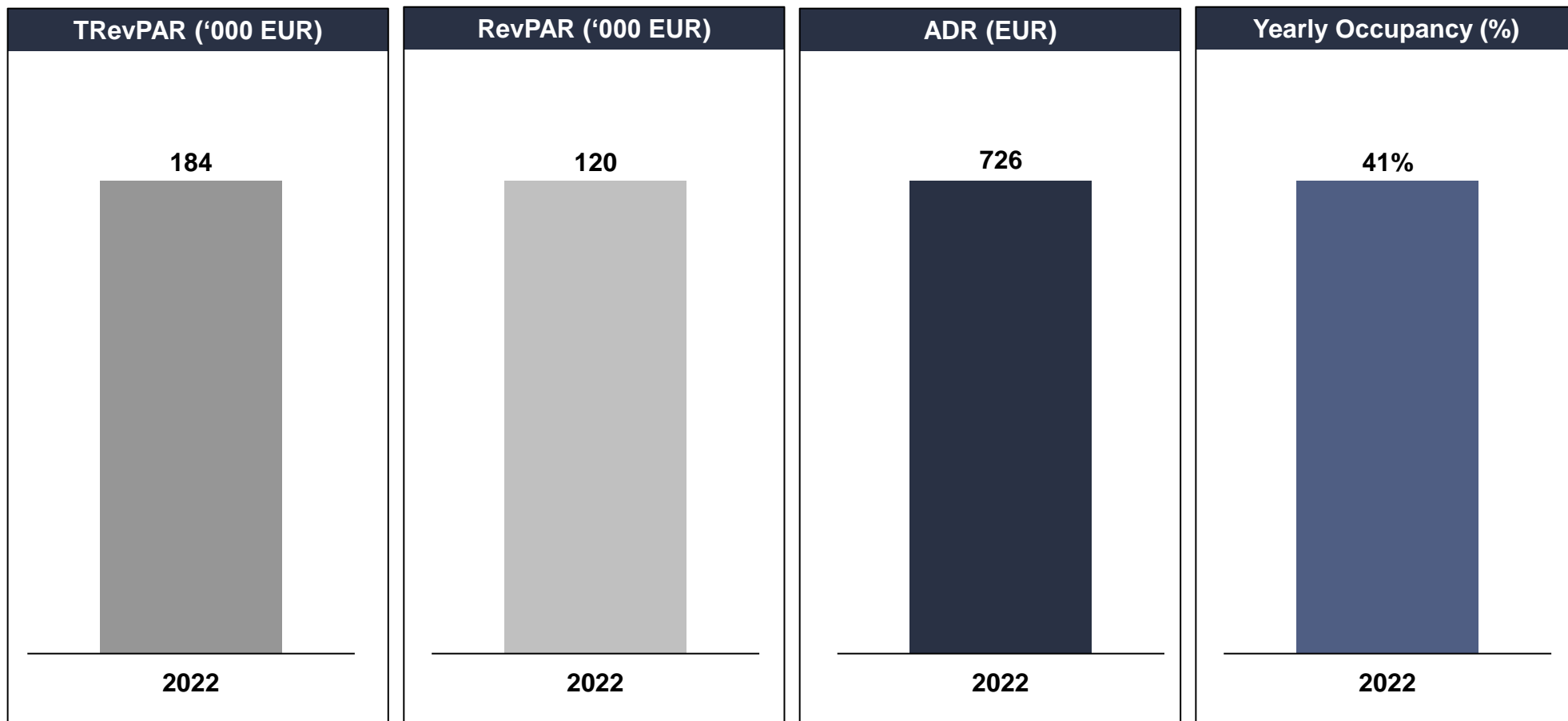
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Luxury Hotel Benchmarking



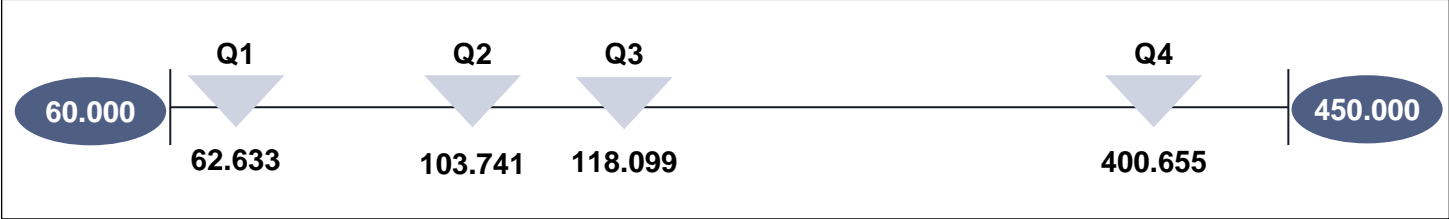
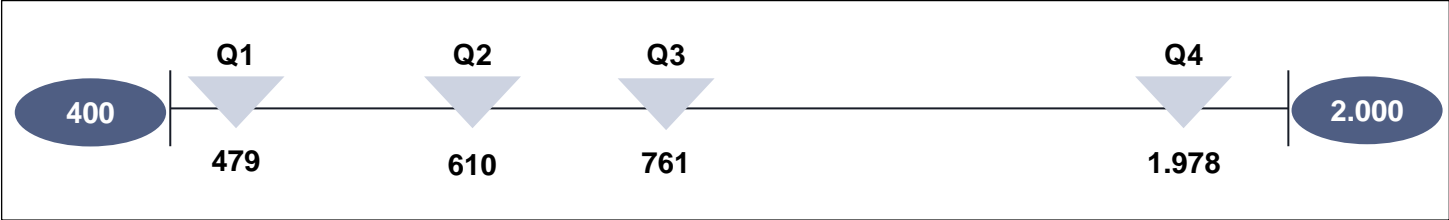
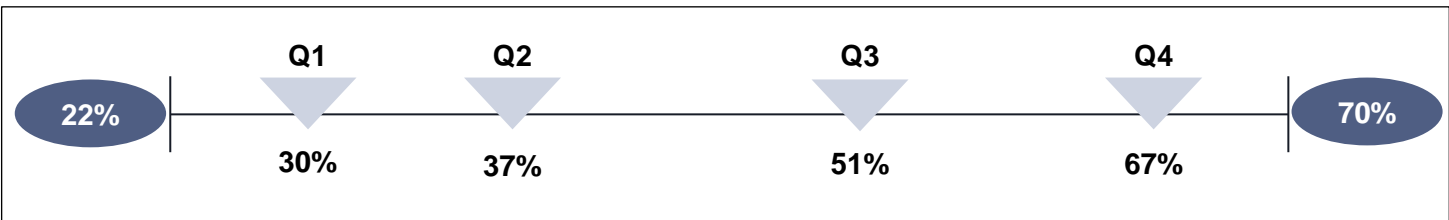
The average ADR of Luxury hotels in 2022 was 726 EUR, with an annual occupancy of 41%

Average KPI's of benchmarked Luxury Hotels, 2022



ADR ranges from 479 to 761 EUR, with an occupancy rate between 30% and 51%

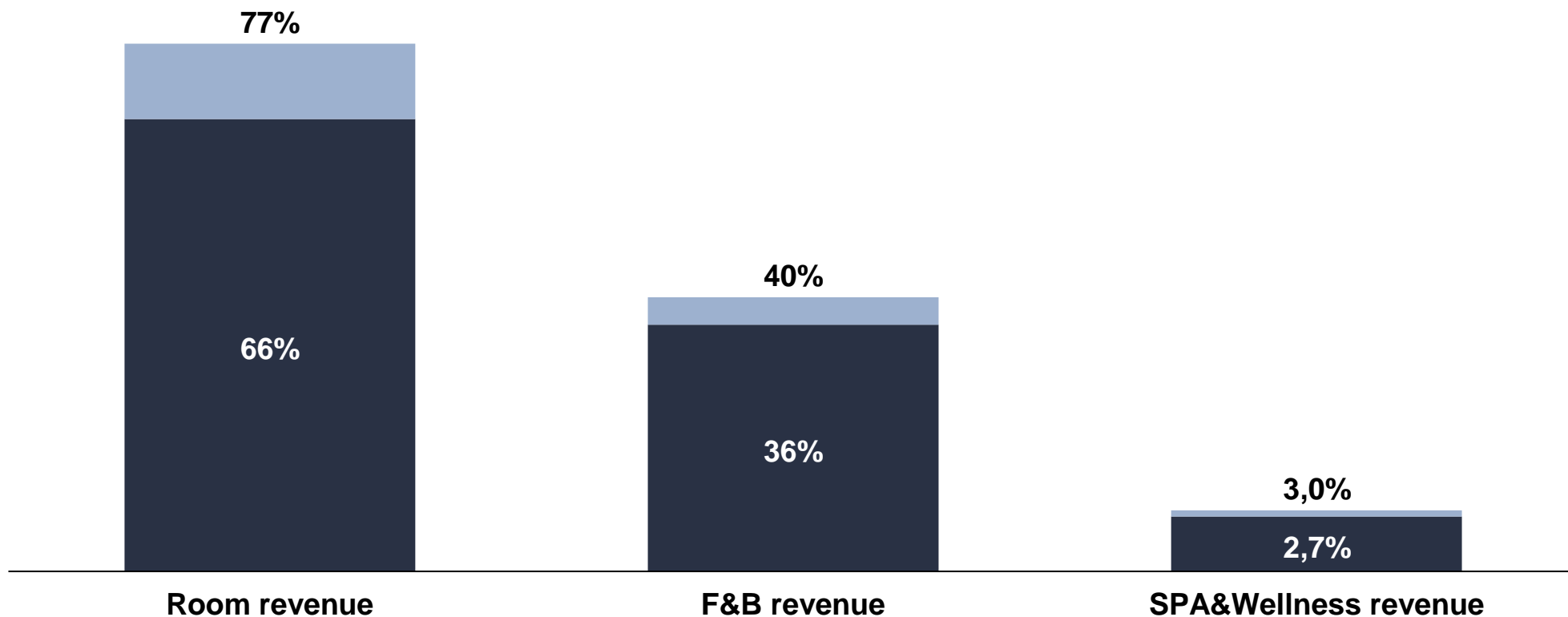
KPI range of benchmarked Luxury Hotels, 2022

KPI	Range
RevPAR (EUR)	 <p>A horizontal line chart representing the RevPAR range. The x-axis is labeled with Q1, Q2, Q3, and Q4. Below the line, the values are 62.633, 103.741, 118.099, and 400.655. On the far left and right ends of the line, there are blue ovals containing the values 60.000 and 450.000, respectively. Light blue downward-pointing triangles are positioned above the line at each quartile.</p>
ADR (EUR)	 <p>A horizontal line chart representing the ADR range. The x-axis is labeled with Q1, Q2, Q3, and Q4. Below the line, the values are 479, 610, 761, and 1.978. On the far left and right ends of the line, there are blue ovals containing the values 400 and 2.000, respectively. Light blue downward-pointing triangles are positioned above the line at each quartile.</p>
Occupancy (%)	 <p>A horizontal line chart representing the Occupancy range. The x-axis is labeled with Q1, Q2, Q3, and Q4. Below the line, the values are 30%, 37%, 51%, and 67%. On the far left and right ends of the line, there are blue ovals containing the values 22% and 70%, respectively. Light blue downward-pointing triangles are positioned above the line at each quartile.</p>

Note: The range is defined as the values between the Q1 and Q3 quartiles within the respondents
 Source: BlueRock Consulting

Room revenue accounts for 66%-77% of total revenue, F&B 36%-40% and share of SPA&Wellness revenue is amounted to 2,7%-3,0%

Best practices share of Room, F&B & SPA&Wellness revenue in total revenue, range, 2022



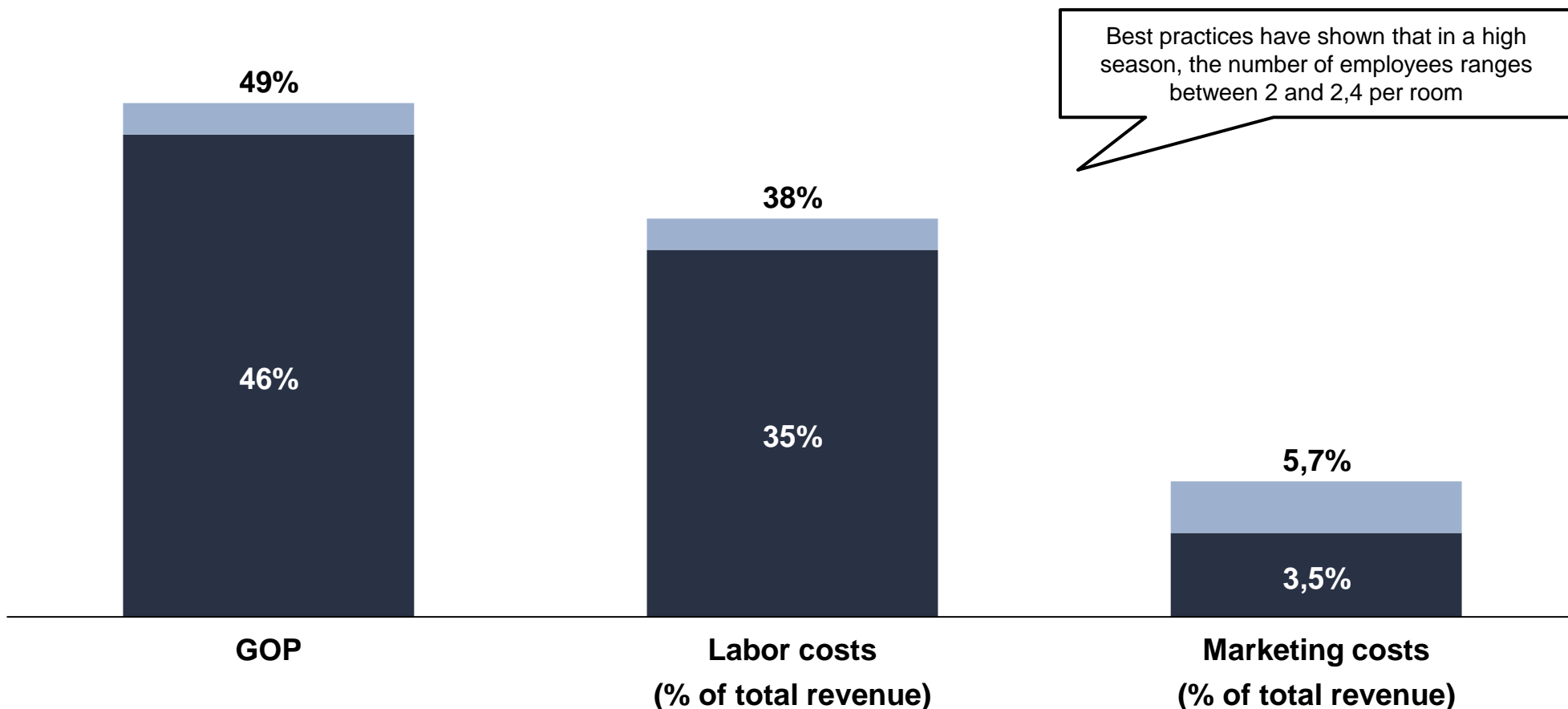
Note: F&B – Food and Beverage

Best practices – This involves selecting hotels that serve as prime examples, implying the potential for improvement.

Source: BlueRock Consulting

Best practices have GOP 46%-49%, with an investment in marketing between 3,5% and 5,7% of total revenue

Best practices GOP, Labor & Marketing costs and no of employees, range, 2022



Thank you note and call to action

- **Thank you note:**

- We sincerely thank all the esteemed hotels that actively participated in the Luxury Hotel Benchmarking project.
- Your commitment and contribution have been invaluable, and we greatly appreciate your dedication to excellence.
- We look forward to continuing our collaboration with participating hotels.

- **Invitation to New Hotels:**

- New hotels are warmly invited to join our project and contribute to the future of luxury hospitality. We believe that by working together, we can collectively shape the future of the luxury hotel industry.
- Your involvement is crucial, and we encourage all eligible hotels to seize this opportunity to be at the forefront of innovation.
- Participation is free of charge, join our growing community.

- **Thank you once again for your dedication and support. We look forward to the exciting journey ahead!**



BERLIN

LJUBLJANA

PODGORICA

VENICE

VIENNA

ZAGREB
