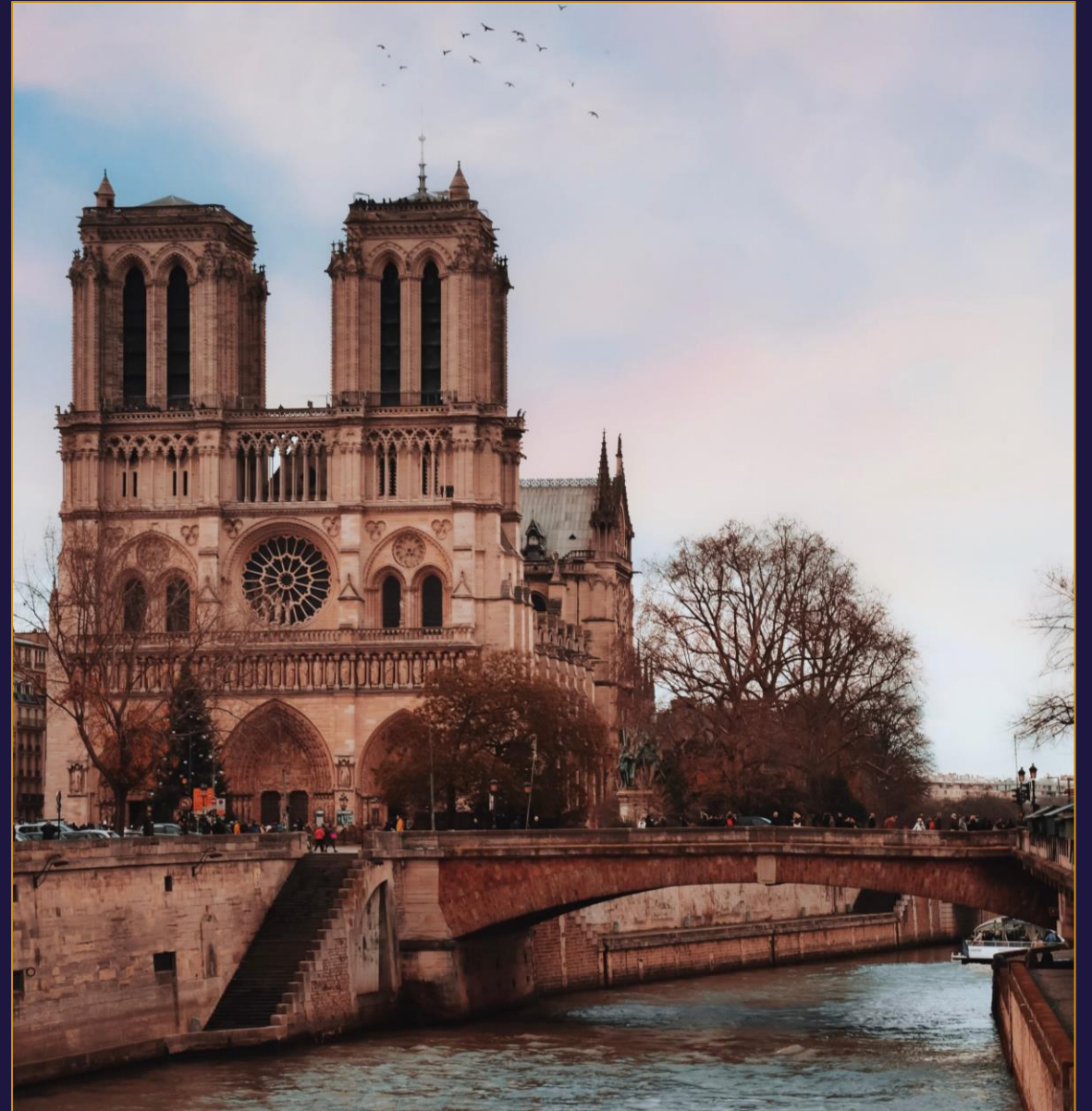


# PARIS HOTEL MARKET SPOTLIGHT

YE DEC 2024 vs YE DEC 2023

Better never settles



## OVERVIEW

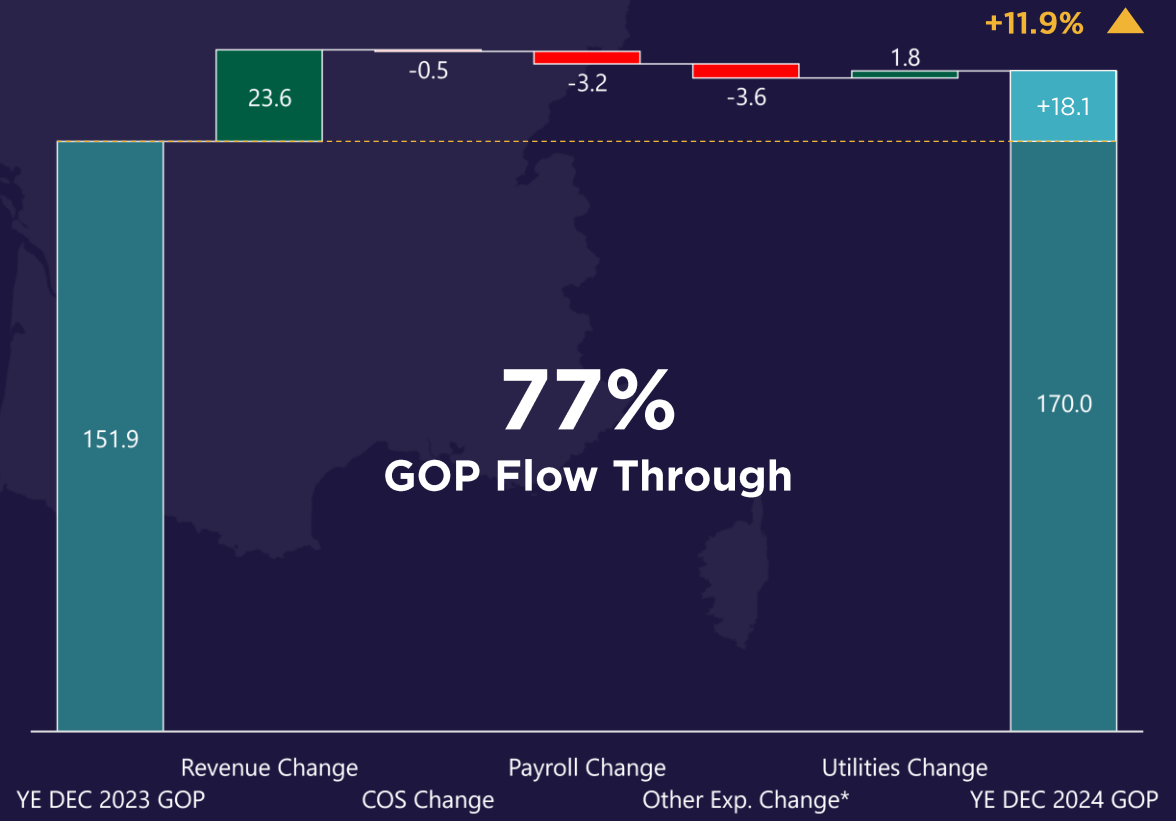
- The sample of branded full-service hotels in Paris recorded a notable increase in profit over the full year 2024. The GOP per available room (PAR) increased by 11.9% driven by a 5.9% revenue increase, notably outpacing expense growth (+2.2%).
- Rooms revenue increased by 4.1%, resulting from a 3.6% rise in occupancy and a 0.6% growth in ADR. F&B revenue increased by 9.9%, reaching €77 per occupied room (POR).
- Fueled by the 2024 Paris Olympics, RevPAR experienced strong growth, rising by 1.7% in July and an impressive 47.7% in August. This surge was driven by a significant increase in ADR, which reached €543 in July (+11.4%) and €540 in August (+33.7%).
- Occupancy rates were boosted in February, March and December with +11.1%, +13.2% and +13.2% growth, respectively compared to the same time last year. This was due to increasing demand and a constrained supply, with only 1043 new rooms opening during 2024, resulting in a marginal 1.1% increase.
- The primary driver for expense growth was the Other Expenses (+€3.6 PAR), followed by Payroll (+€3.2 PAR).
- Overall, 77% of revenue growth flowed through to the bottom line, increasing GOP margin from 38.1% to 40.3%.

### KPI SUMMARY

	YE DEC 2024	% Change
ADR (€)	452.3	0.6%
Occupancy %	77.9%	3.6%
Rooms Revenue (PAR)	352.2	4.1%
F&B Revenue (PAR)	60.0	9.9%
Total Op. Revenue (PAR)	422.3	5.9%
Total Op. Expenses (PAR)	252.3	2.2%
GOP (PAR)	170.0	11.9%
GOP %	40.3%	+2.2pp

## REVENUE GROWTH SURPASSING EXPENSES AND DRIVING PROFIT

(per available room per day - EUR)



## COST OF SALES

- Total COS increased by €0.40 PAR (+1.6%), driven predominantly by a rise in the Rooms department (+€0.66 PAR).

## PAYROLL COSTS

- Total Payroll costs increased by 2.6%, from €125 to €128 PAR. This is partly due to the increases in the minimum wage implemented on January 1<sup>st</sup> (+1.13%) and on November 1<sup>st</sup> (+2%).
- The largest increase in Payroll was in the Rooms department (+€3.2 PAR), followed by a decrease in the F&B department (-€1.1 PAR).

## OTHER EXPENSES (excl. Utilities)

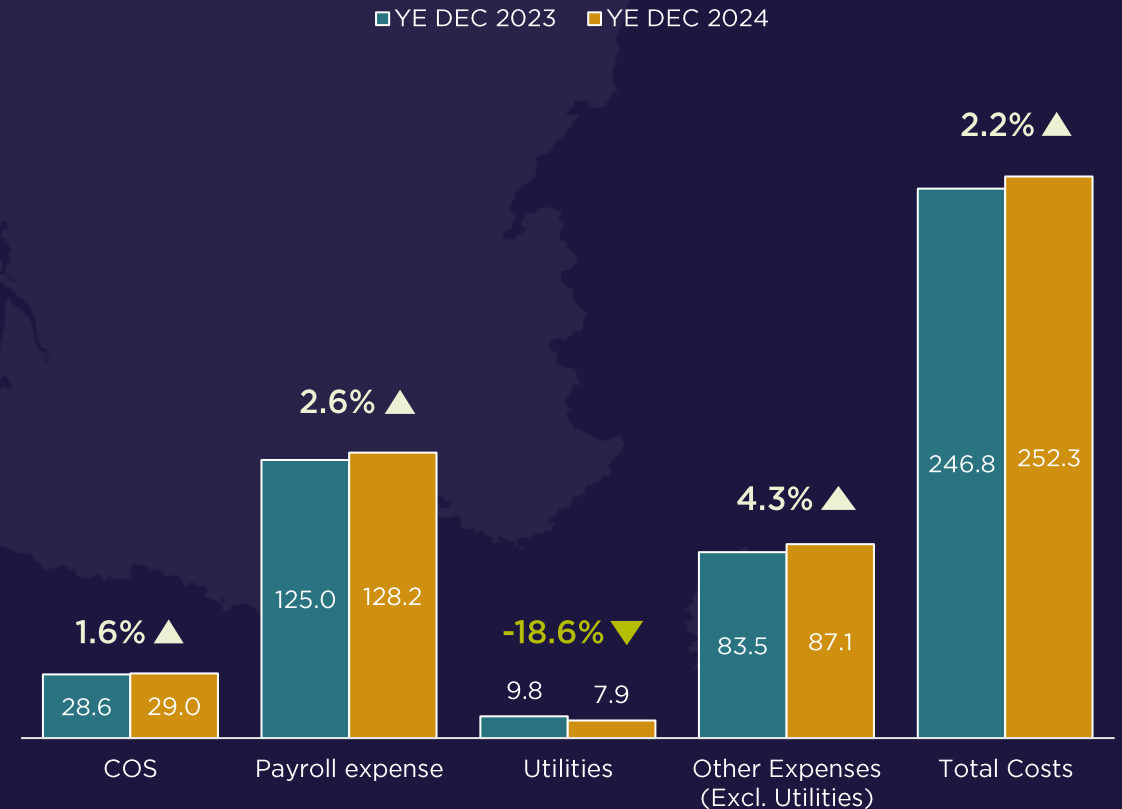
- Other Expenses registered the highest nominal growth compared to last year, rising by 4.3% from €84 to €87 PAR. This increase was driven by a rise in Other Expenses in the S&M department (+€2.1 PAR) and in the Rooms department (+€1.7 PAR).

## UTILITY COSTS

- Utility costs decreased by €1.9 PAR (-18.6%), driven by a reduction of electricity expense (-€1.5 PAR).

## TOTAL EXPENSE GROWTH DRIVEN BY OTHER EXPENSES AND PAYROLL

(per available room per day - EUR)



# PARIS

YE DEC 2024 vs YE DEC 2023  
CITY CENTRE FULL-SERVICE BRANDED HOTELS

## PARIS OLYMPICS

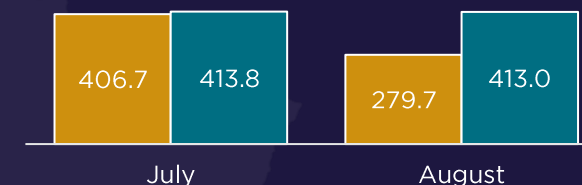
- The Paris Summer Olympics, held from July 26<sup>th</sup> to August 11<sup>th</sup> 2024, had a notable positive impact on the hotel market. The hotels in the city recorded substantial ADR growth, particularly in August, with a 33.7% (YoY) increase. Occupancy rates showed a mixed trend, with a slight dip in July (-7.3% YoY) but a 7.2% rise in August. Overall, RevPAR increased by 19.2% over the two-month period (compared to same time last year). The F&B revenue increased by 53.2% and miscellaneous income rose by €32 PAR during the 2-month period, boosting the total operating revenue that rose by 32.2% YoY.
- The Games also influenced operating expenses that surged by +1.3% (July-August, YoY). Despite these rising costs, GOP grew by an impressive 157% YoY in August, and 69.8% for the 2-month period, with the GOP margin reaching 50.4%, up from 38% in July-August last year. These results highlight the Olympics' substantial contribution to both revenue generation and profitability, even amid higher operational costs.

### KPI SUMMARY

	Jul-24	Change	Aug-24	Change	Jul-Aug-24	Change
Total Op. Revenue (PAR)	529.0	14.5%	506.9	57.8%	518.0	32.2%
Total Op. Expenses (PAR)	261.1	14.2%	252.6	56.2%	256.8	1.3%
GOP (PAR)	267.9	28.4%	254.4	156.8%	261.1	69.8%
GOP %	50.6%	+5.5pp	50.2%	+19.4pp	50.4%	+12.4pp

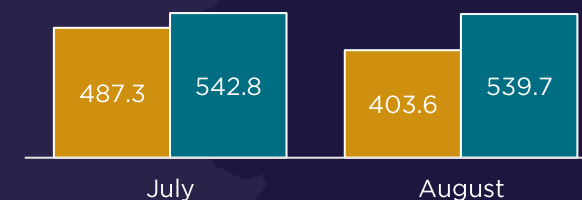
### RevPAR (€)

■ 2023 ■ 2024



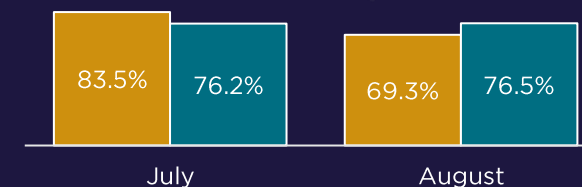
### ADR (€)

■ 2023 ■ 2024



### Occupancy (%)

■ 2023 ■ 2024

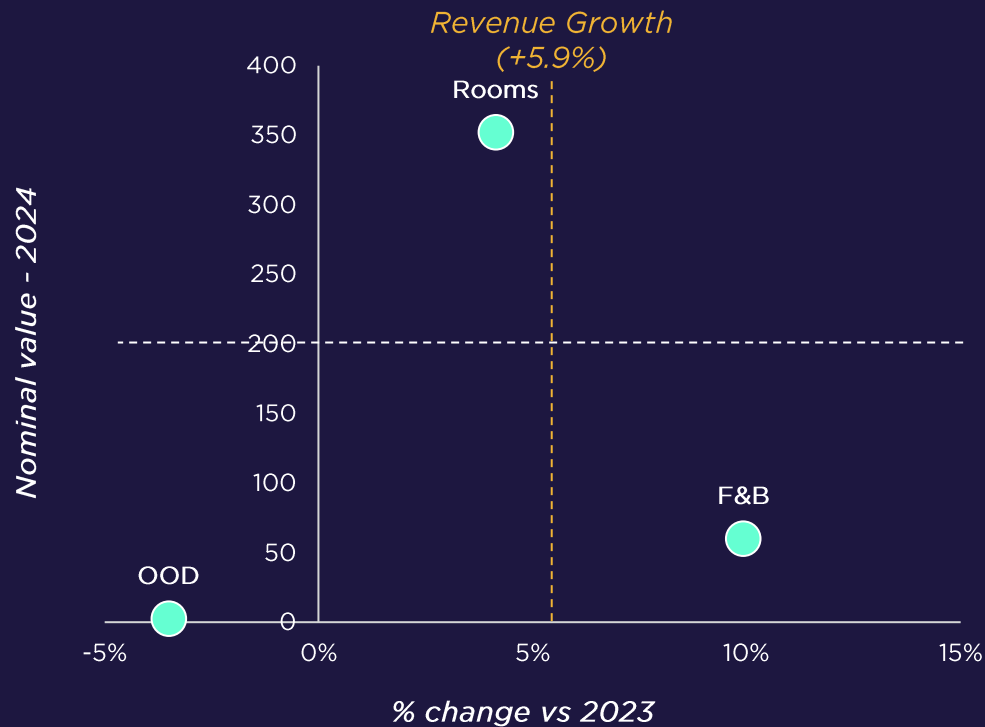


The Rooms department contributed 59% of the overall revenue growth (+€17 PAR).

Expenses growth driven by the Rooms and S&M departments (+€5.6 PAR, +€1.5 PAR, respectively).

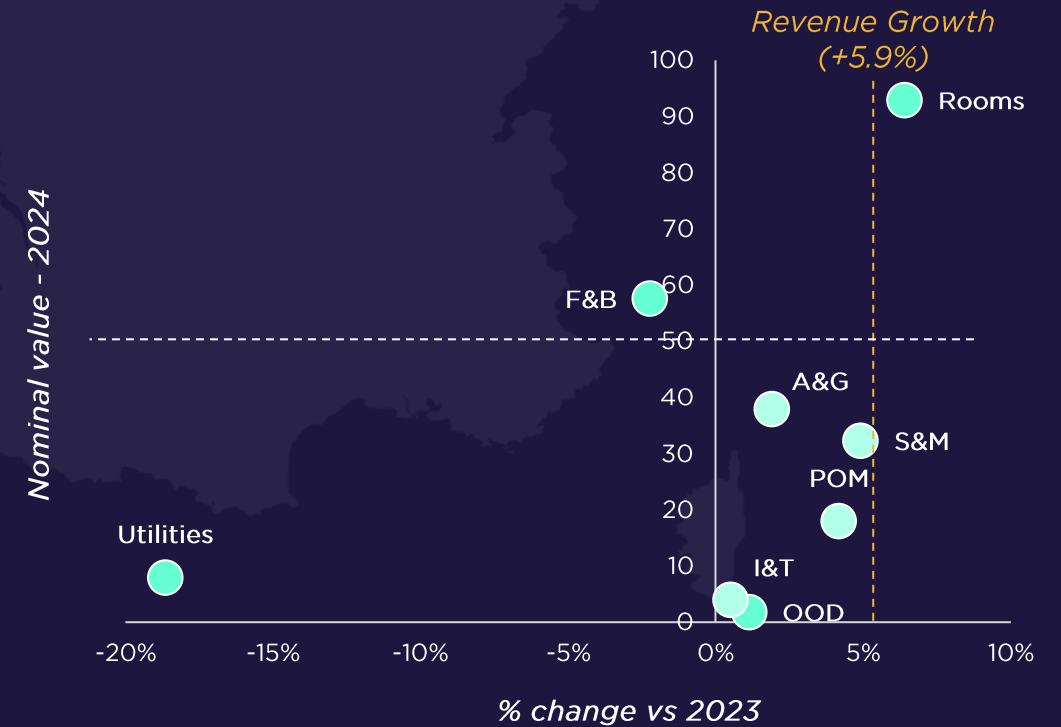
## DEPARTMENTAL REVENUES

(per available room per day - EUR, YE December)



## DEPARTMENTAL & UNDISTRIBUTED EXPENSES

(per available room per day - EUR, YE December)



# KEY CONTACTS

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## ABOUT CUSHMAN & WAKEFIELD

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