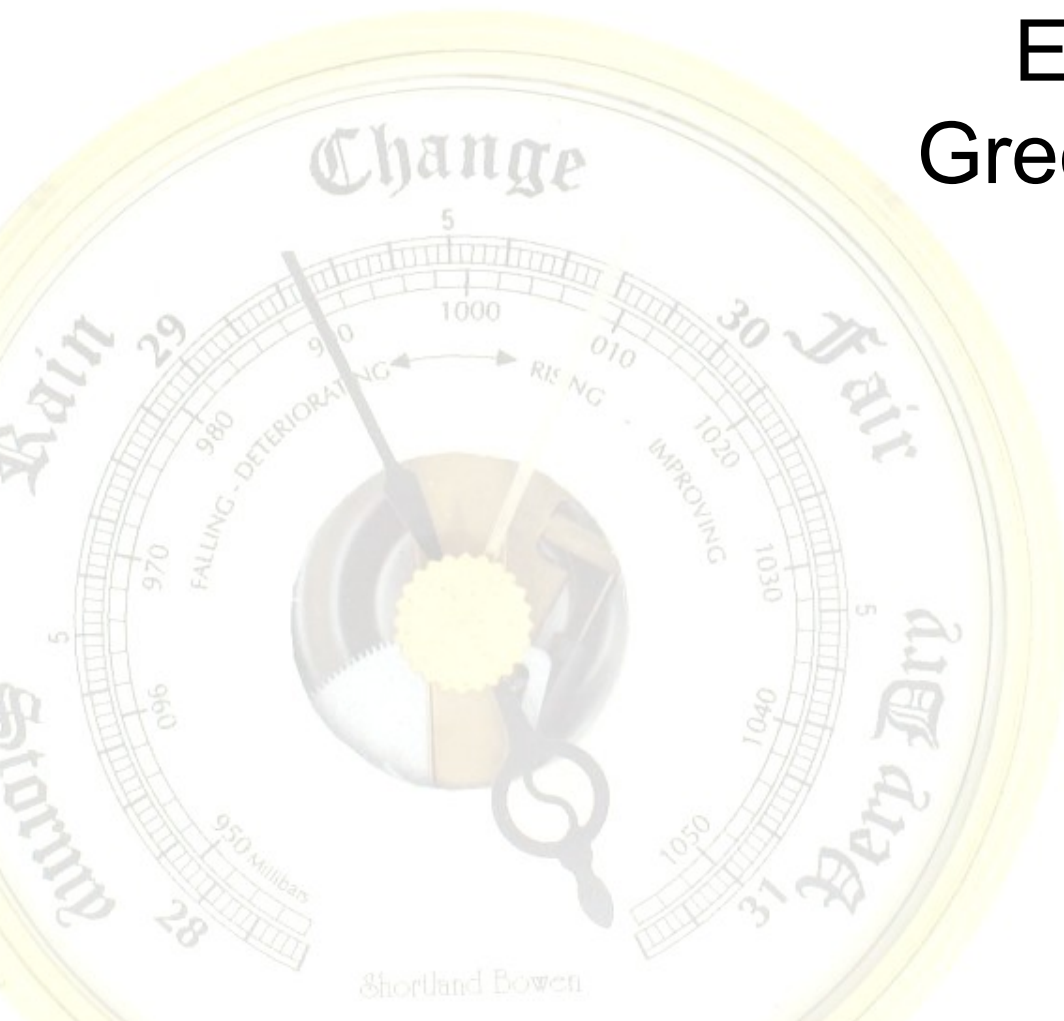


Tourism Barometer Snapshot Q2 2014

Expectations of the Greek Hospitality Sector



gbr
consulting

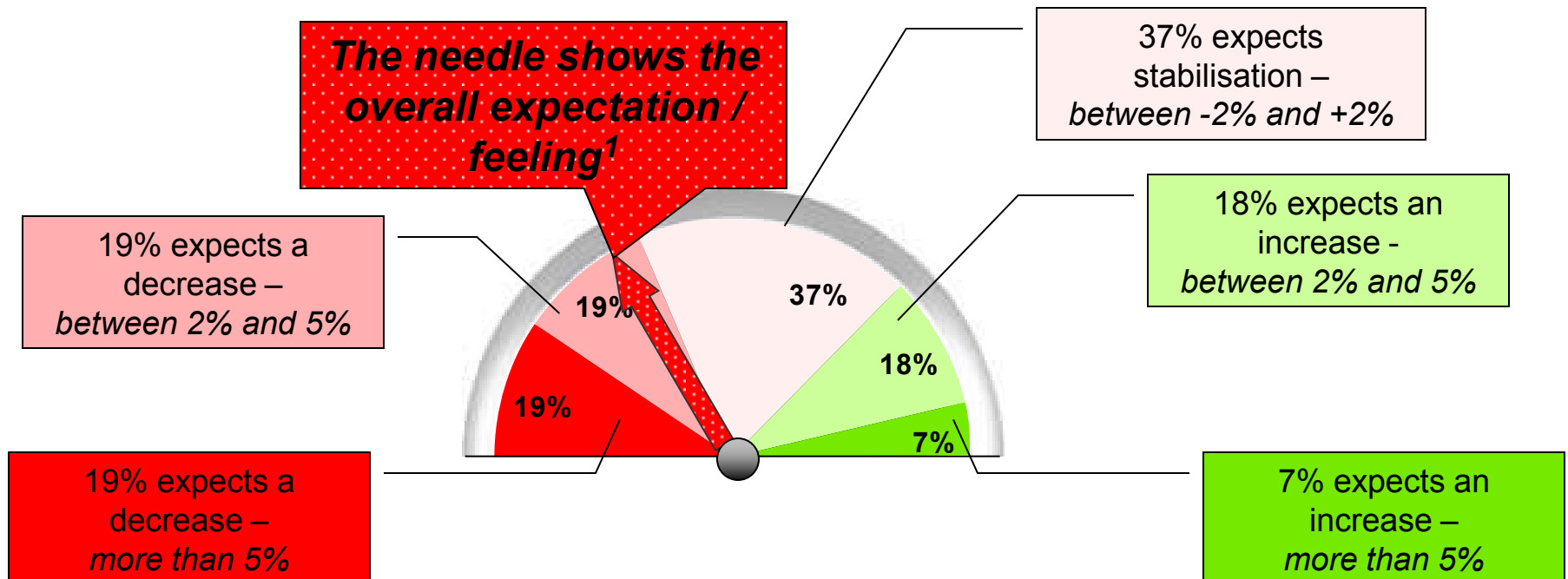
March 2014

Barometer Snapshot Q2 2014

- Together with a very optimistic forecast for the upcoming Q2 of 2014, the Greek hotel sector remains very optimistic for 2014 as a whole with significant improvements in occupancy levels and to a lesser extent in room rates.
- City and resort hoteliers are equally optimistic for the second quarter and for 2014 overall with significant improvements on all levels compared to last year.
- However, our analysis shows a difference per hotel category:
 - The 4 and 5 star hotel sectors are very positive on the coming quarter as well as for 2014 as a whole. The 4 star hoteliers are the most positive hotel segment as none of them is expecting a decrease in neither occupancy nor room rates, not for their own hotels and also not for the market in general for the coming second quarter.
 - The 3 star segment overall expects for 2014 improvements at all levels, but almost 2 out of 10 hoteliers is expecting significant drops in both occupancy and room rates, which tempers the overall climate in this segment for 2014.
 - The 2 star hotel sector is expecting improvements in occupancy for 2014, while room rates are forecasted to stabilise.

How to read the Quarter meters

- All the meters reflect the hoteliers' projections for current Quarter with respect to Occupancy (OCC) and the Average Room Rate (ARR) for:
 - their Own Hotels, in the top half of each page
 - the Market Overall, in the bottom of each page

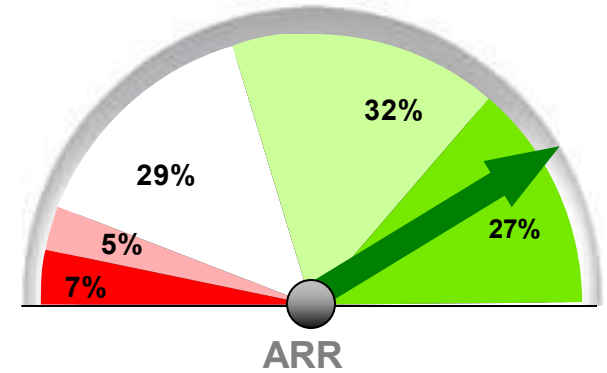
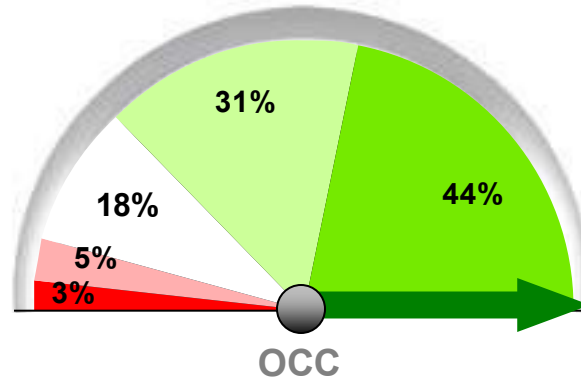


¹ The position of the arrow is based on the weighted average of the projections for increases and decreases, where the increases / decreases of more than 5% have a weight twice as high as the increases / decreases of between 2% and 5%

Expectations for 2014 Q2

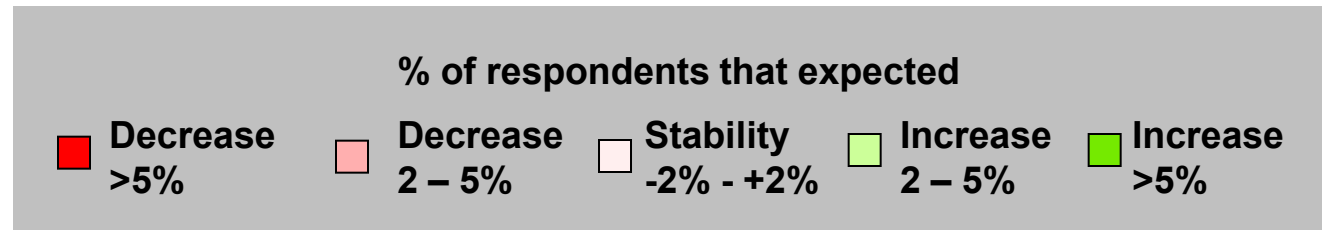
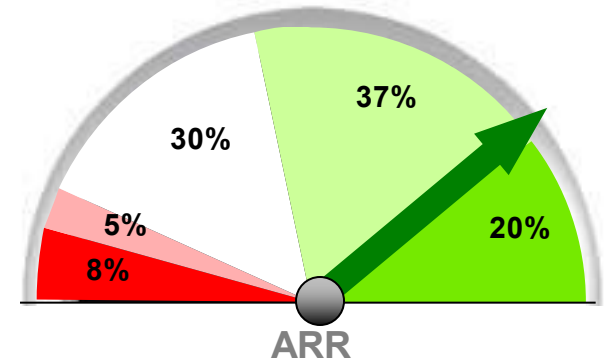
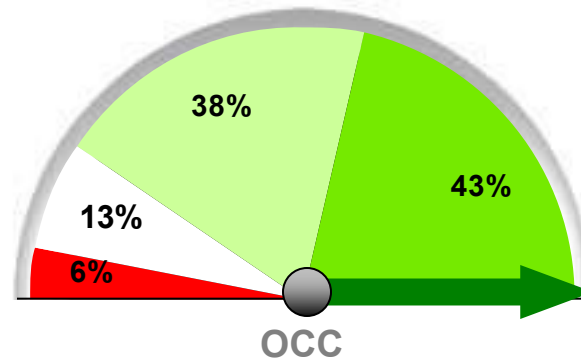
«MY HOTEL»

All hotels



Also for the second quarter of 2014 there is optimism on the hotel performance. The vast majority of hoteliers expect significant improvements in occupancy levels the coming quarter compared to the same quarter last year. In terms of room rates there is optimism as well, albeit a bit more cautious. A very small group expects decreases in occupancy and ARR.

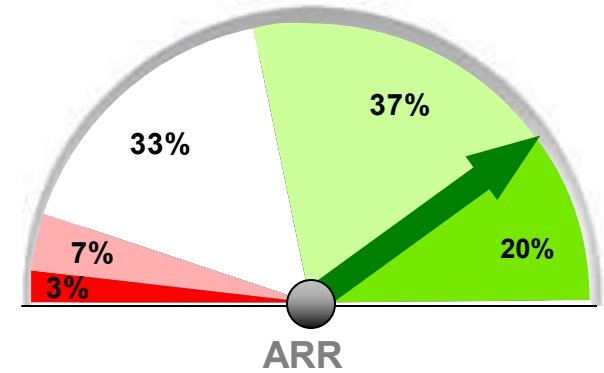
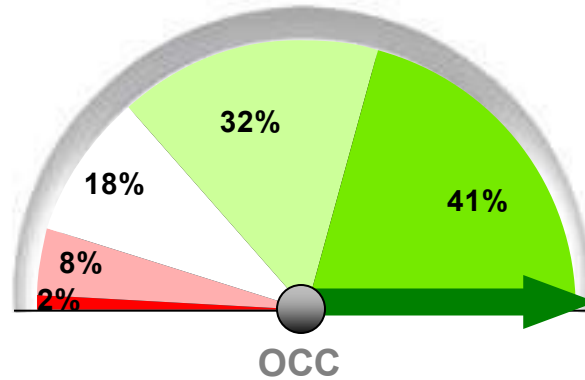
«MARKET IN GENERAL»



Expectations for 2014 as a whole

«MY HOTEL»

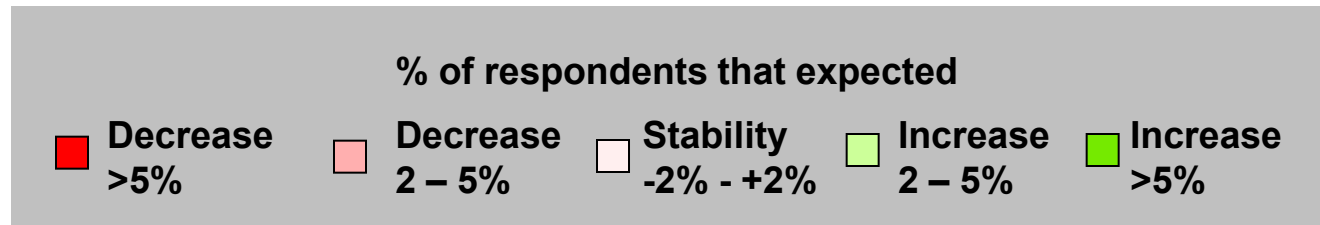
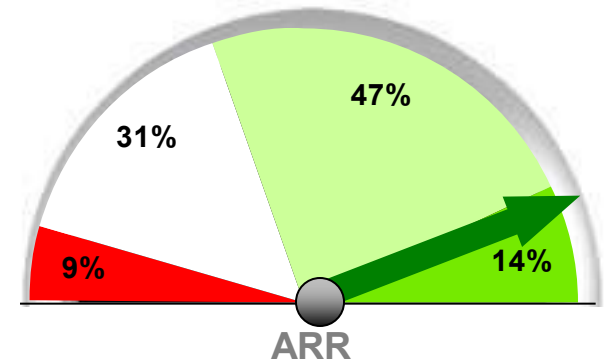
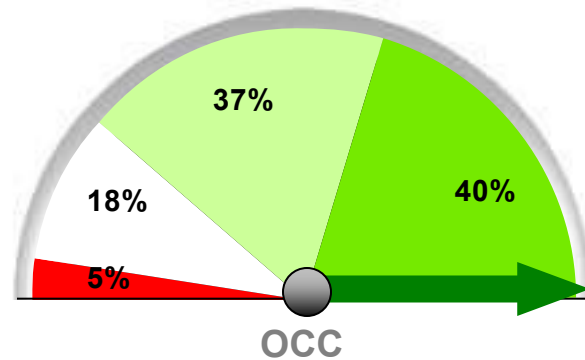
All hotels



For the year 2014 as a whole the hotel sector is very optimistic. Significant improvements in occupancy levels are forecasted. Two out of ten hoteliers expect stabilising occupancy levels, while a very small group expects emptier hotels this quarter compared to last year.

With respect to ARR six out ten expects significant increases of 2% and more.

«MARKET IN GENERAL»



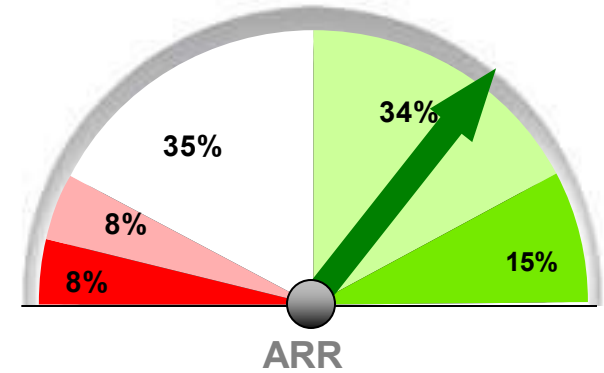
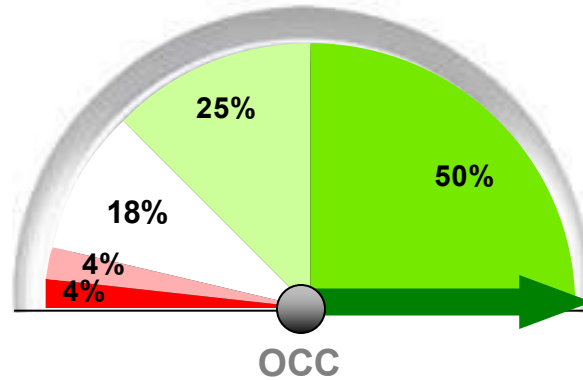
Expectations for 2014 Q2

«MY HOTEL»

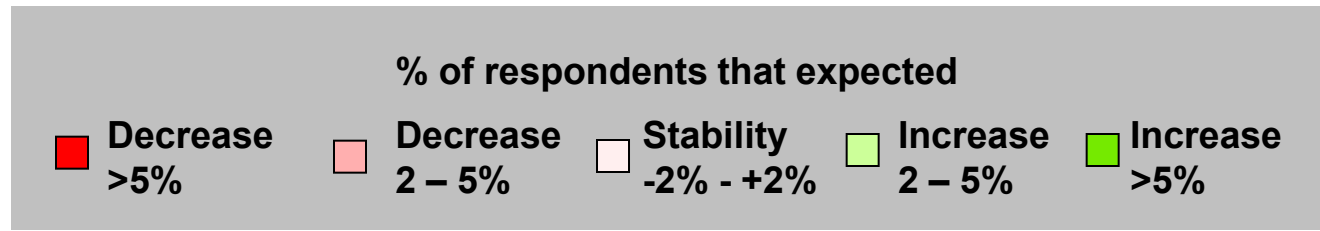
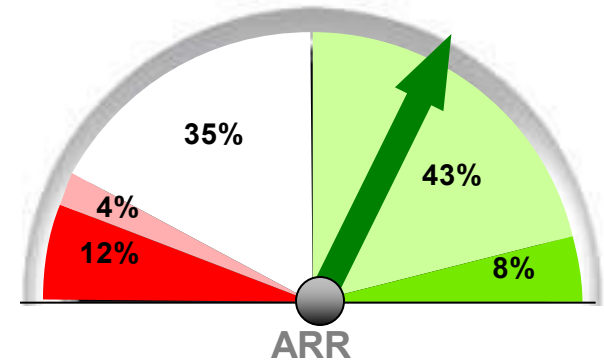
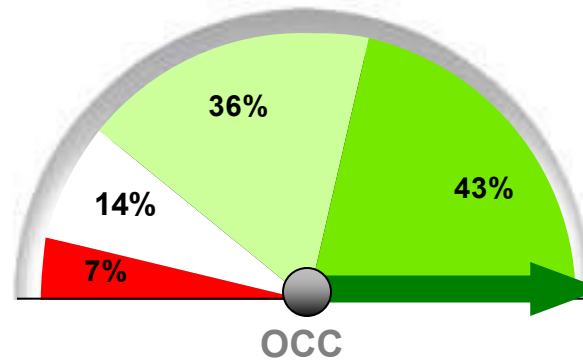
City hotels

For 2014 also the city hoteliers are optimistic. Half of the hotels expect occupancy increases of at least 5% and room rate improvements of 2% and more comparing Q2 of this year with last year.

The trends for their own hotel units are very similar than the trends for the city hotel market as a whole. Hoteliers are more cautious though on ARR development than on occupancy levels.



«MARKET IN GENERAL»

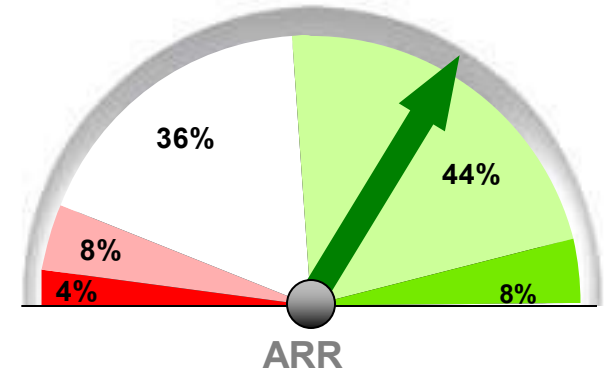
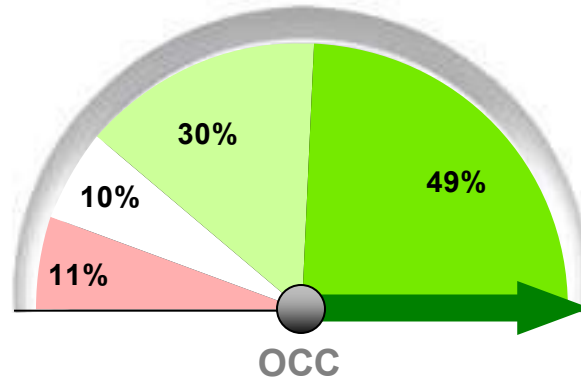


Expectations for 2014 as a whole

«MY HOTEL»

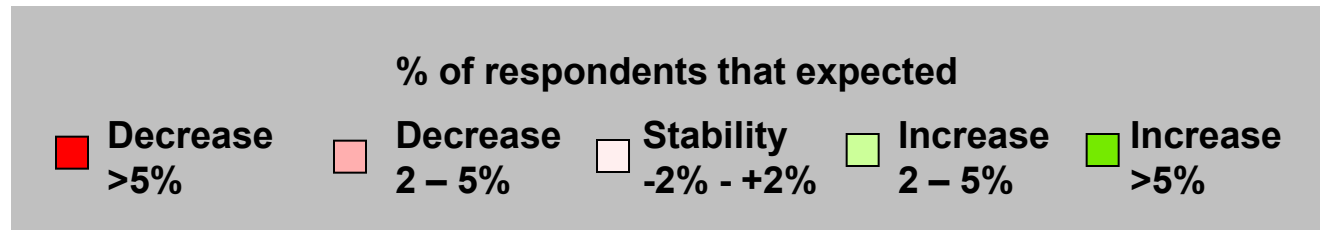
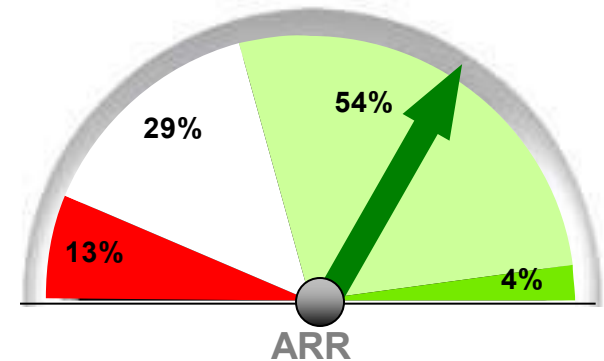
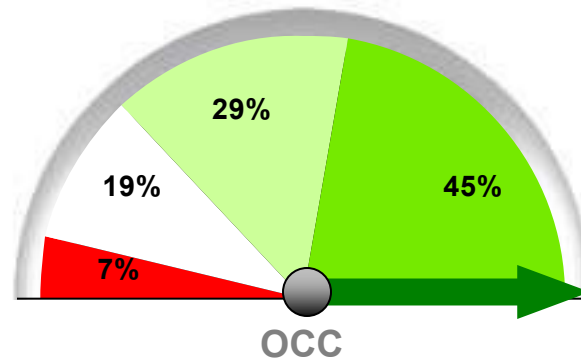
City hotels

For the entire year the city hoteliers are just as optimistic as for Q2 with significant improvements on all barometers.



However, for the market in general a group of hotels is expecting sharp decreases in occupancy levels and room rates. Our analysis shows that these are mainly hotels of lower categories, namely 2 and 3 star hotel units.

«MARKET IN GENERAL»

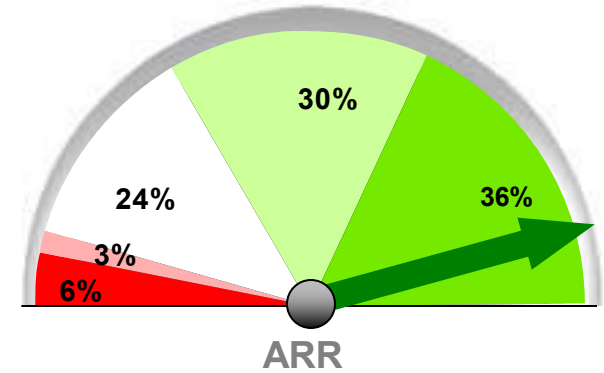
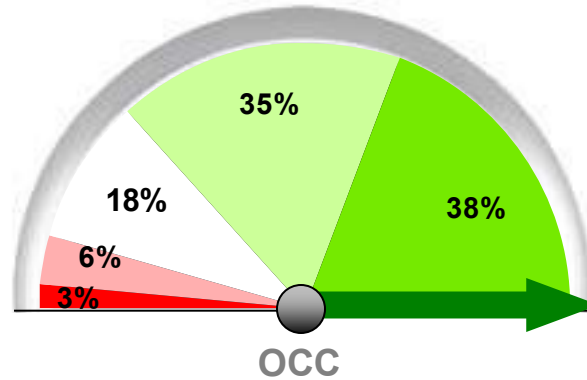


«MY HOTEL»

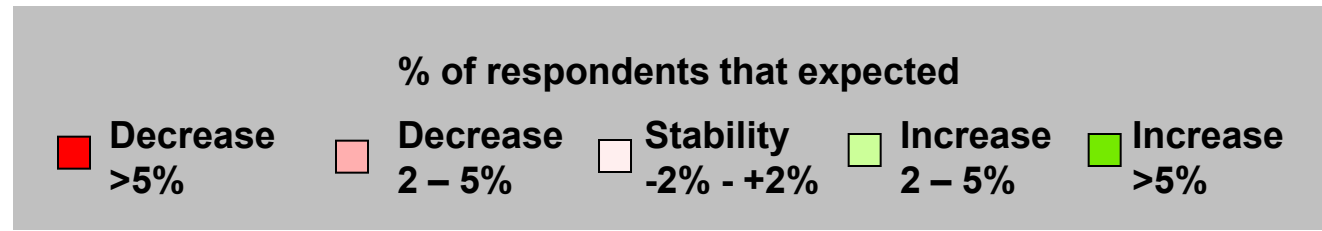
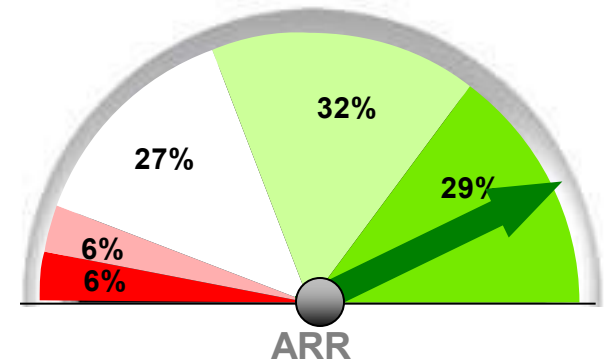
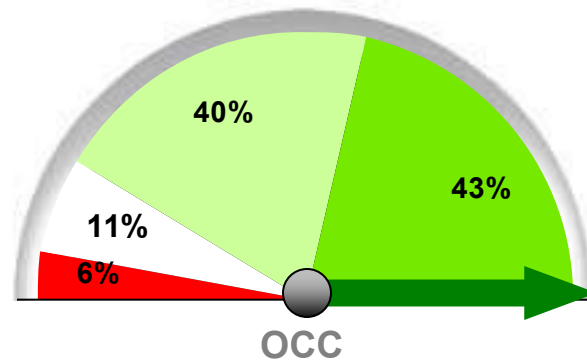
Resort hotels

The resort hotels continue to be very optimistic, also for the coming second quarter. A stunning 83% is expecting increases of 2% and more in occupancy levels for the market in general, while this percentage is 73% for their own hotel units.

In terms of room rates about 2/3 of the hoteliers are forecasting similar improvement levels in room rates.



«MARKET IN GENERAL»

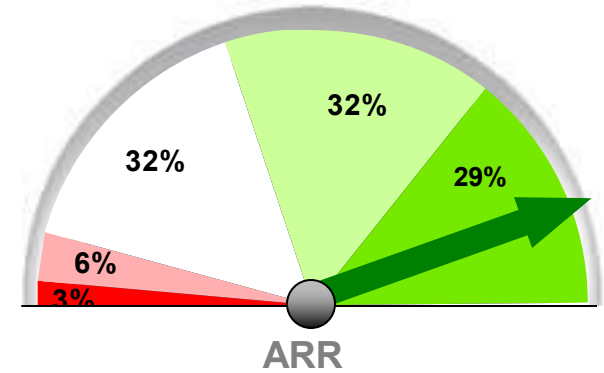
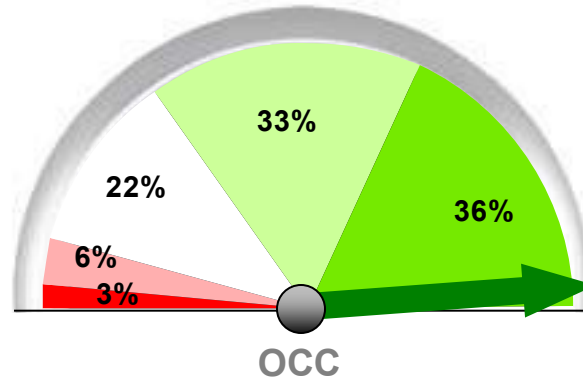


Expectations for 2014 as a whole

«MY HOTEL»

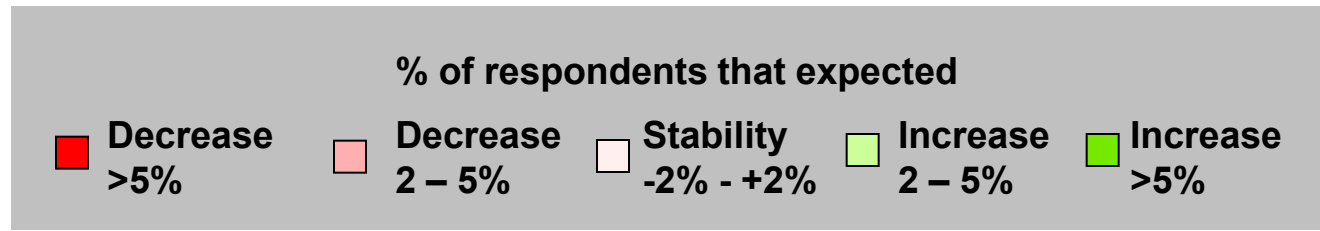
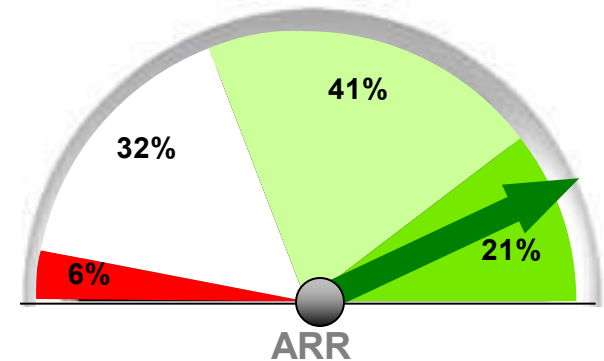
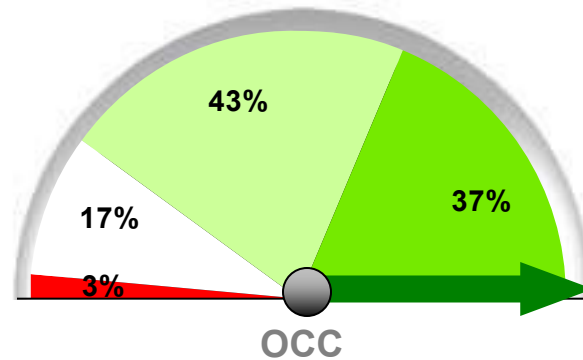
Resort hotels

Following a very positive outlook for the second quarter of this year, it comes to no surprise that the resort hotel sector expects overall another very good year.



«MARKET IN GENERAL»

They believe though that occupancy will improve at a higher level than room rates. Still, a majority is expecting room rates improvements of 2% and more.



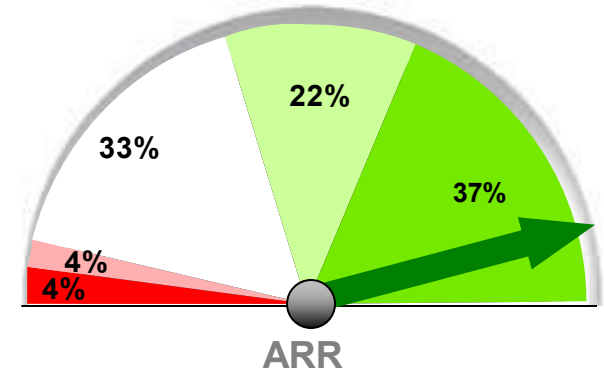
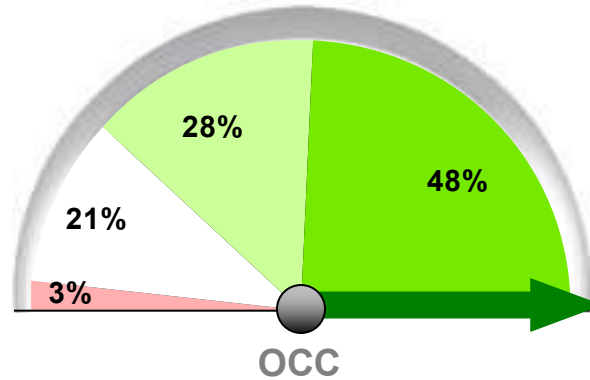
Expectations for 2014 Q2

«MY HOTEL»

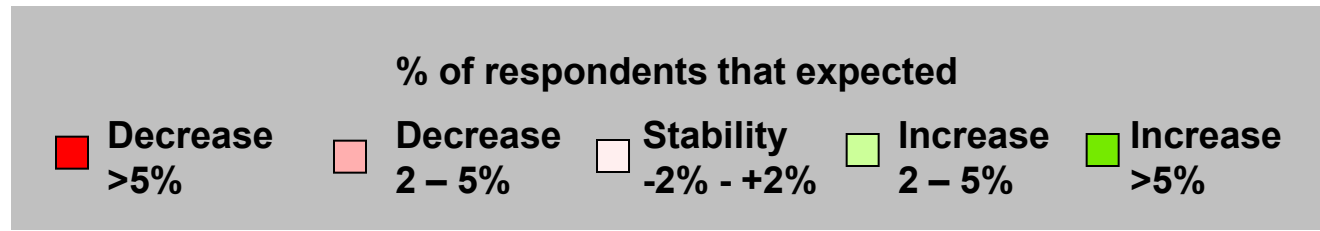
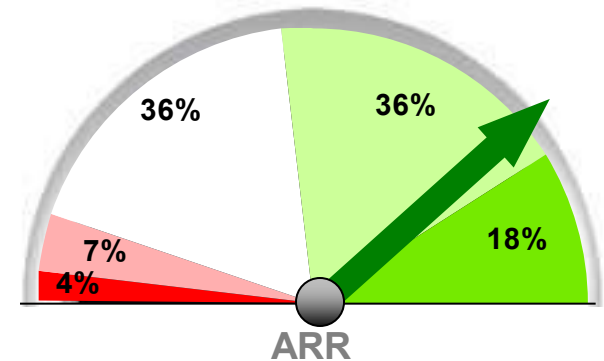
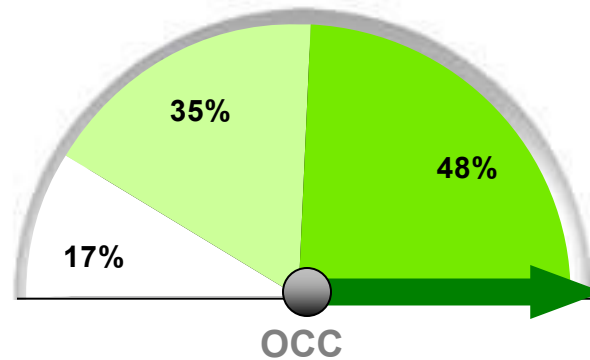
5* hotels

The 5 star hoteliers are very optimistic for the coming second quarter. While their expectations of the previous quarter were still cautious in terms of room rates, this second quarter they expect room rates to improve significantly.

Only 1 out of 10 hoteliers has a pessimistic outlook this quarter for ARR development, as they expect falling room rates.



«MARKET IN GENERAL»

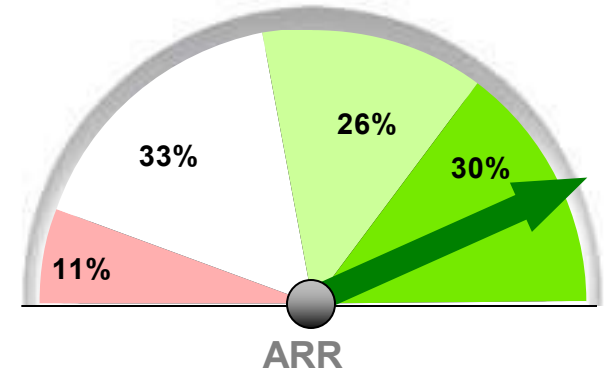
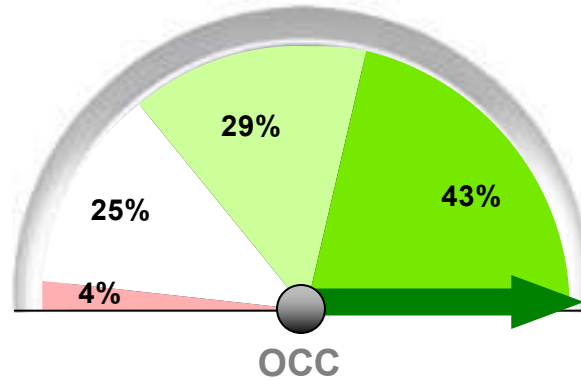


Expectations for 2014 as a whole

«MY HOTEL»

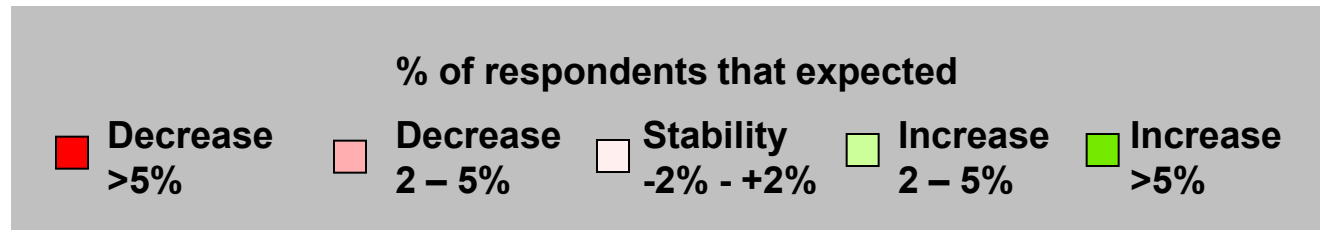
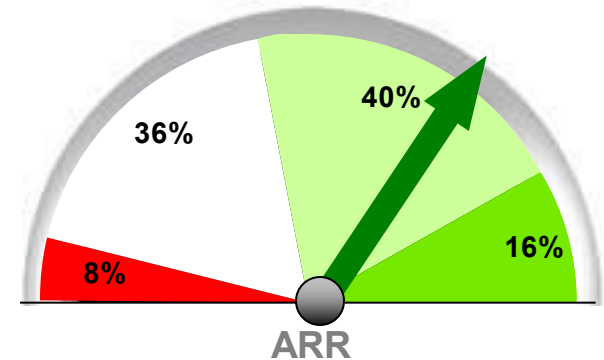
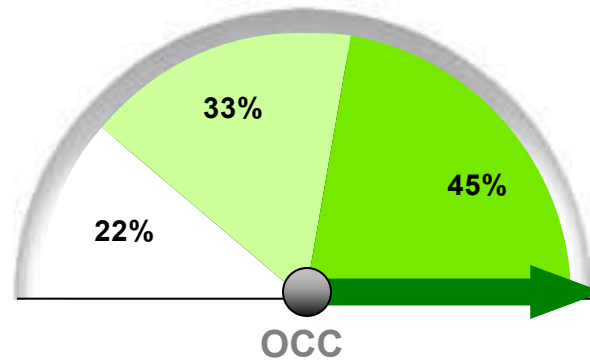
5* hotels

For the year of 2014 as a whole the 5 star segment seems to agree that they will have a much better performance than last year.



«MARKET IN GENERAL»

Occupancy is expected to improve much, while also the room rates are forecasted to be higher than last year, although the expected increase will not be as high as the occupancy.

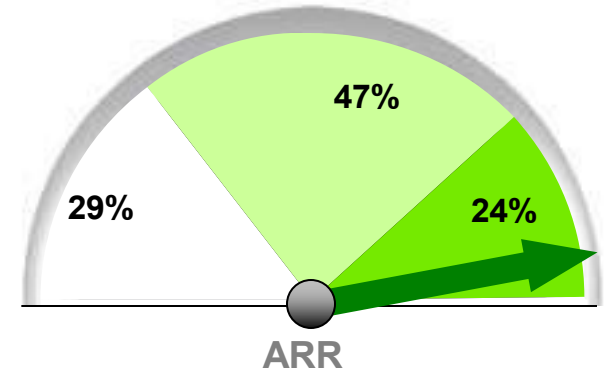
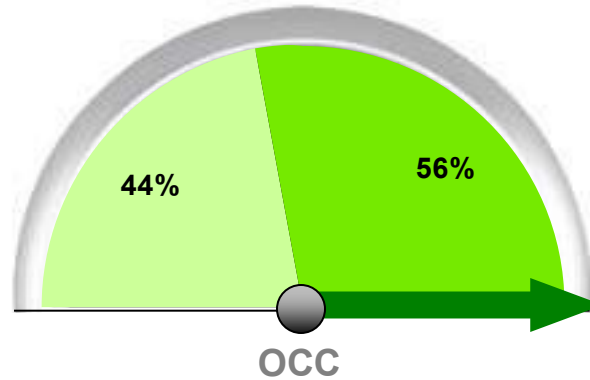


Expectations for 2014 Q2

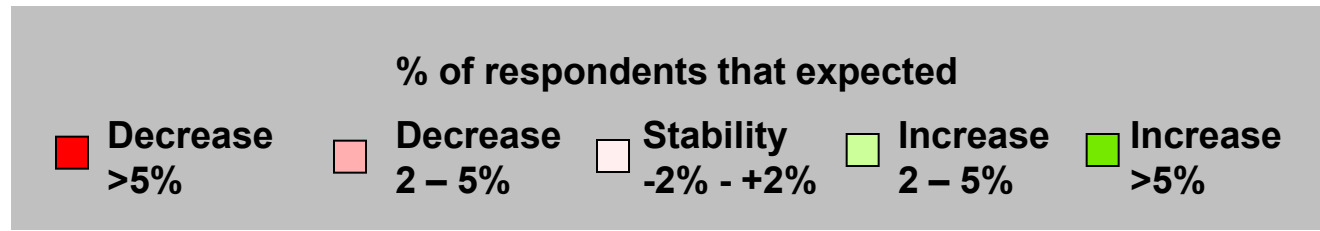
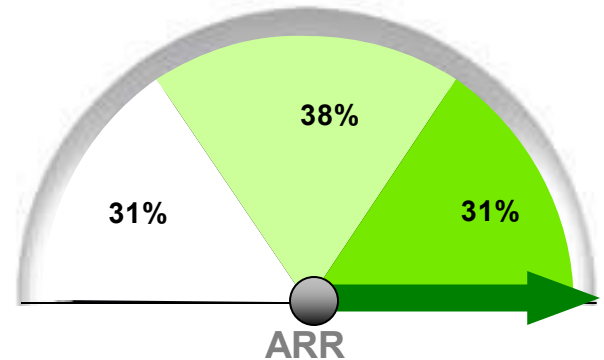
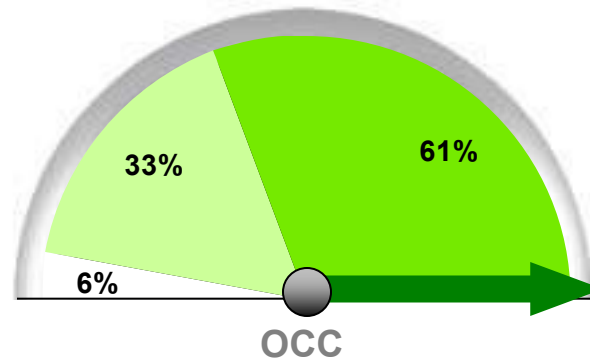
«MY HOTEL»

4* hotels

The 4 star hotels are the most positive hotel segment. None of the 4 star hoteliers is expecting a decrease in neither occupancy nor room rates, not for their own hotels and also not for the market in general. All hoteliers are expecting significant rises in occupancy; for room rates less than a third is forecasting stabilising rates, while the others expect significant improvements.



«MARKET IN GENERAL»

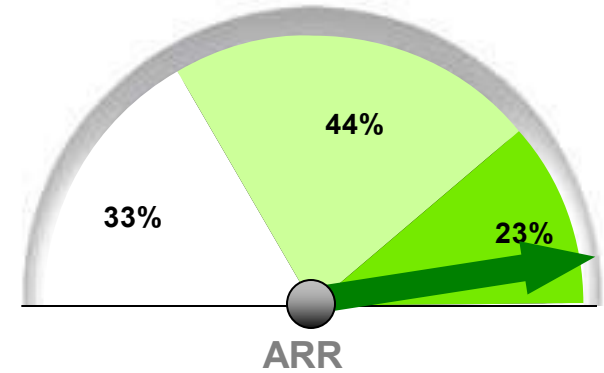
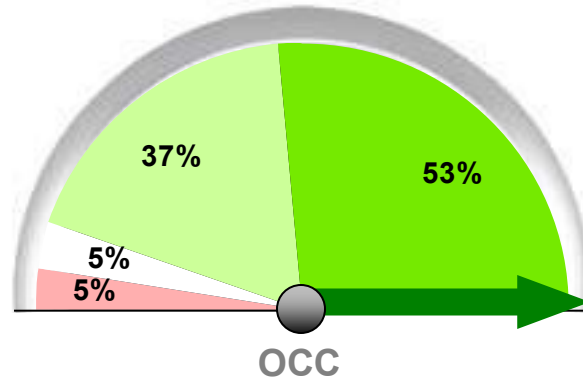


Expectations for 2014 as a whole

«MY HOTEL»

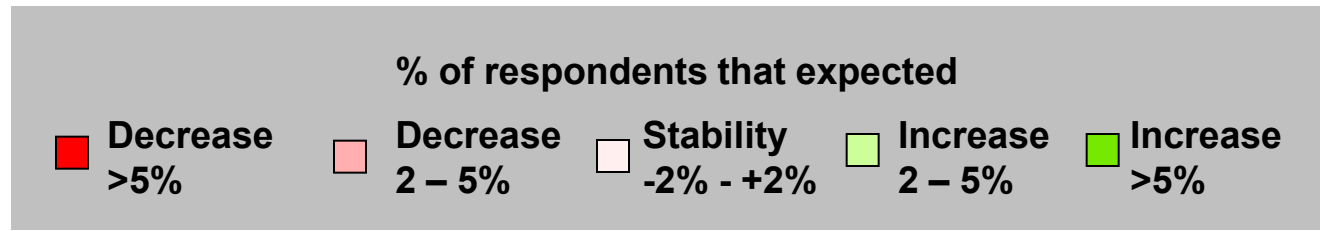
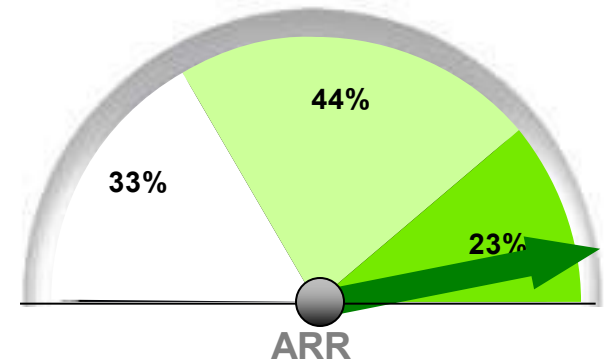
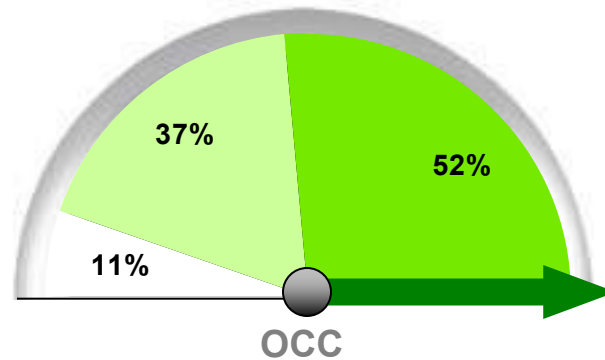
4* hotels

Following the forecast of the second quarter, the 4 star hoteliers are very positive for 2014 as a whole.



For the market in general 52% expects increases in occupancy of more than 5% and 37% between 2 – 5%, while only 11% forecasts similar occupancy levels as last year. Regarding room rates the largest group expects improvements in the order of 2 – 5%.

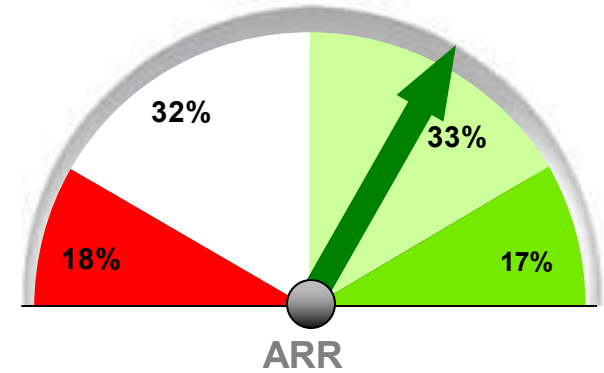
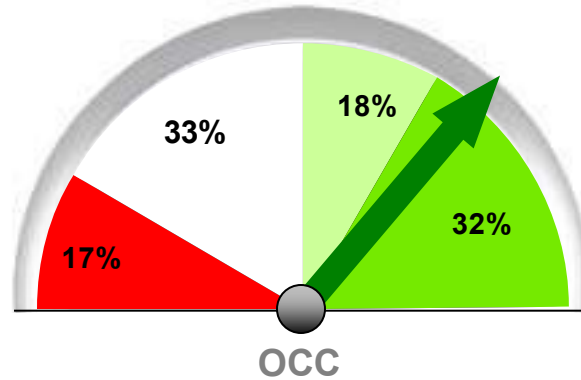
«MARKET IN GENERAL»



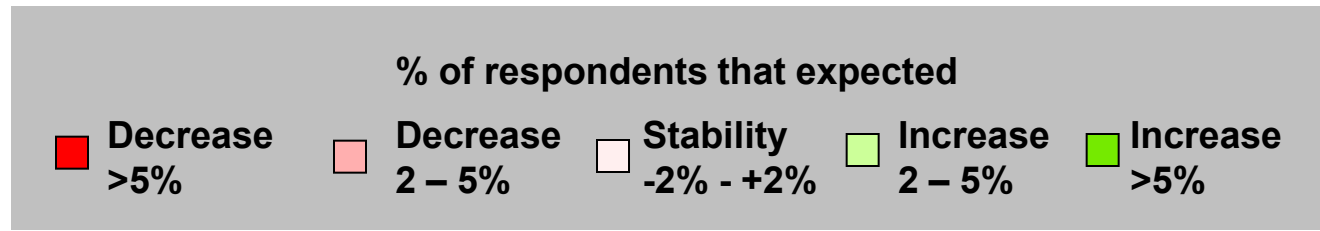
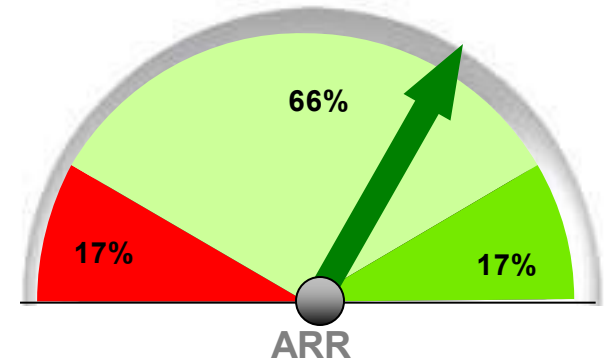
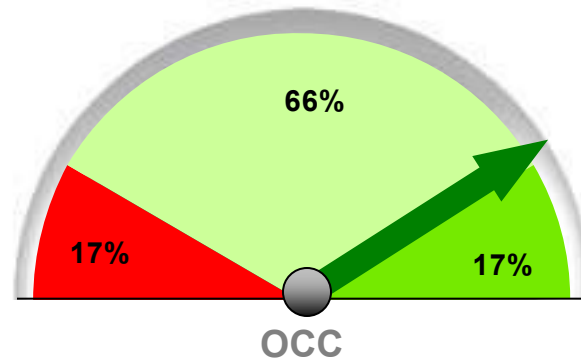
«MY HOTEL»

3* hotels

In the 3 star hotel segment there is a group of 17% – 18% who is very pessimistic for the coming second quarter. They expect significant drops in occupancy levels and rooms rates compared to same quarter last year for their own hotel units as well as for the market overall. The other 83% - 84% is optimistic, especially for the market in general as all of them are forecasting increases in both measured items.



«MARKET IN GENERAL»

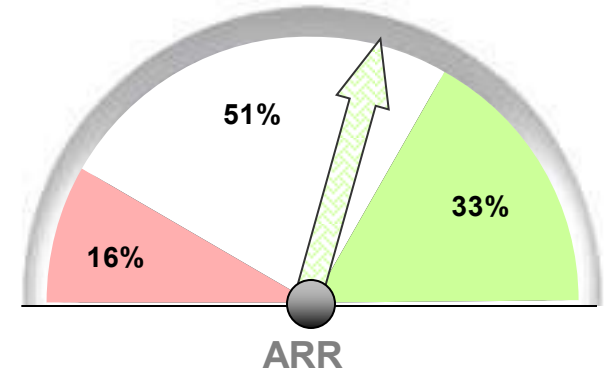
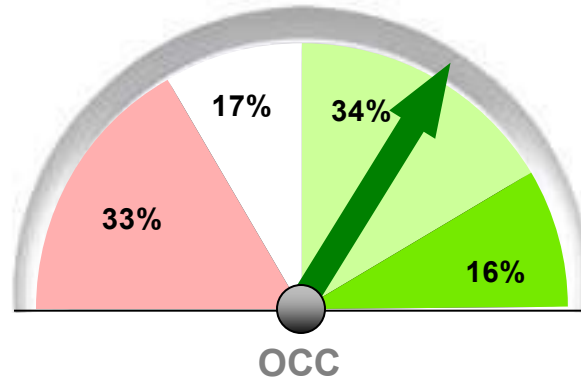


Expectations for 2014 as a whole

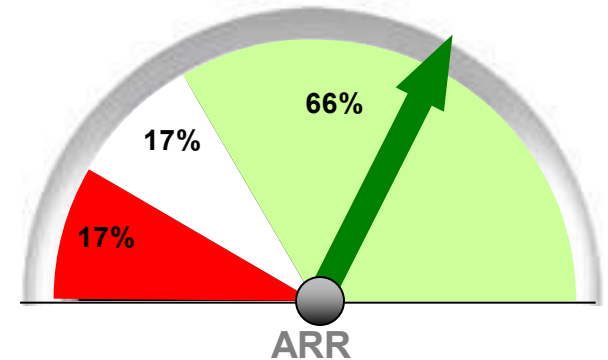
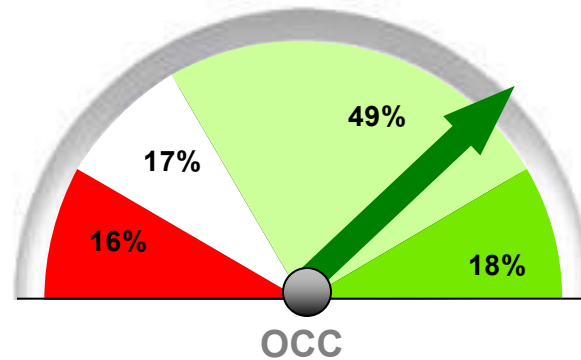
«MY HOTEL»

3* hotels

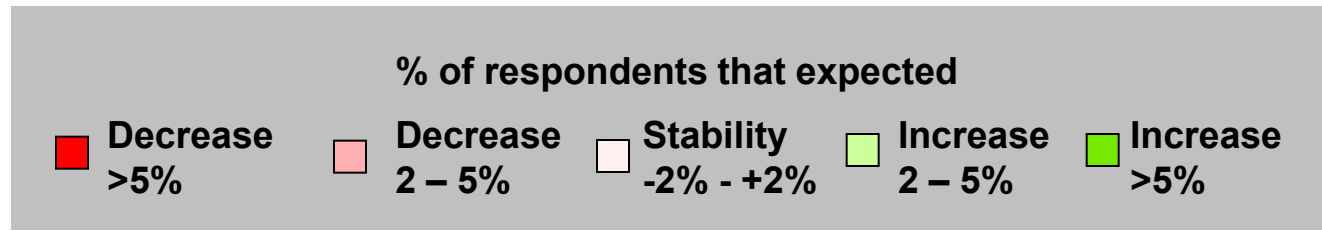
For the entire year the forecast of the 3 star hoteliers differs to a great extent from the forecast of the second quarter. For their own hotel units about half of them is expecting increasing occupancy levels, while a third is expecting this for their room rates. Sharp decreases of more than 5% are not expected.



«MARKET IN GENERAL»



However, for the market in general there is again a group of 16% – 17%, who expects sharp drops.

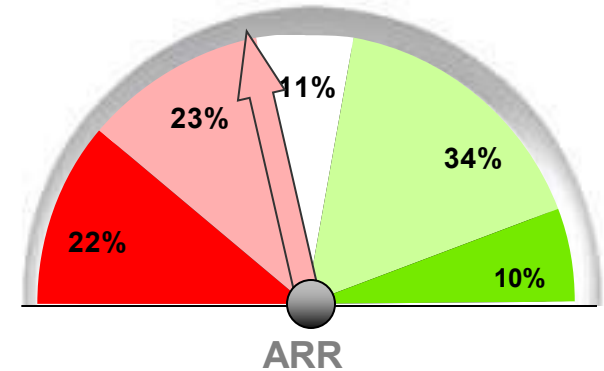
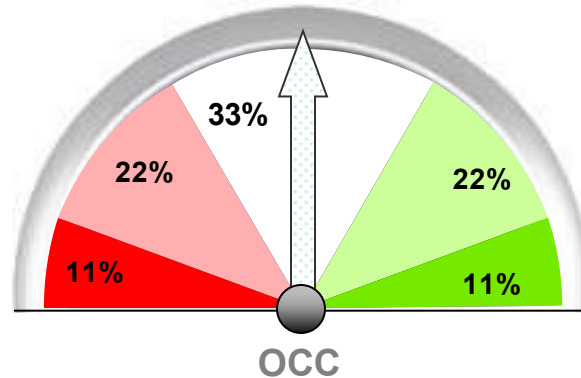


«MY HOTEL»

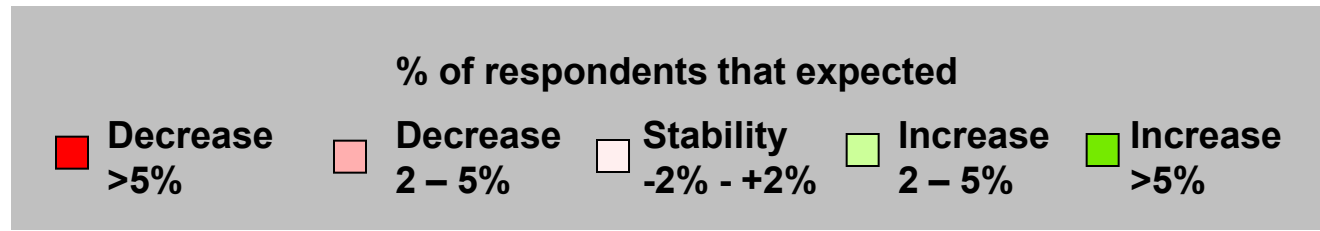
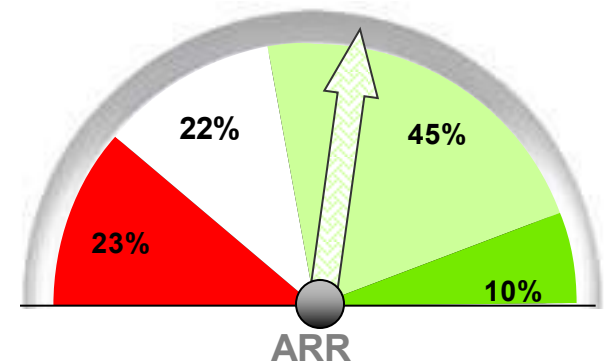
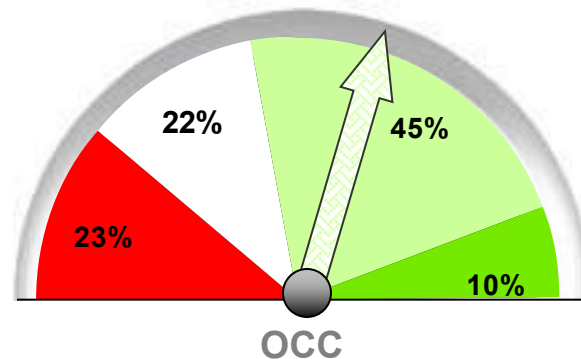
2* hotels

The 2 star hotels are the most pessimistic of the Q2 survey. About a third is expecting falling occupancy levels, a third stabilising levels and another third improvements with respect to their own hotel units. Regarding ARR 45% is expecting deteriorating levels compared to last years, while a similarly large group is expecting improvements.

Overall, also for the market in general, the 2 star hoteliers are forecasting only small improvements this Q2.



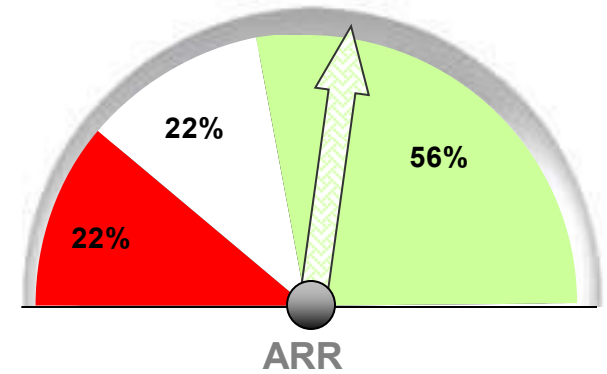
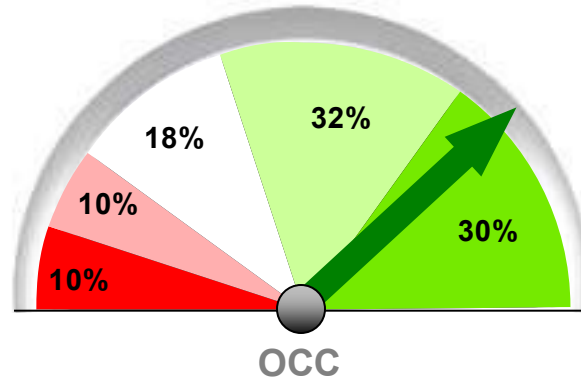
«MARKET IN GENERAL»



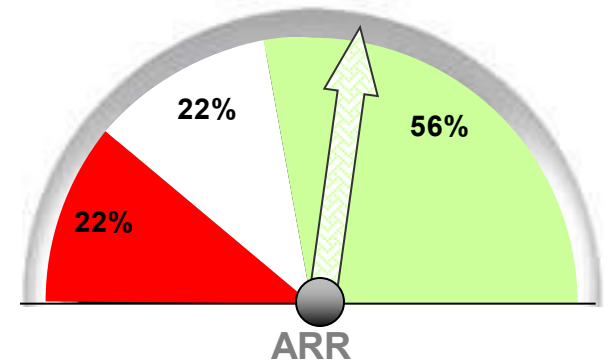
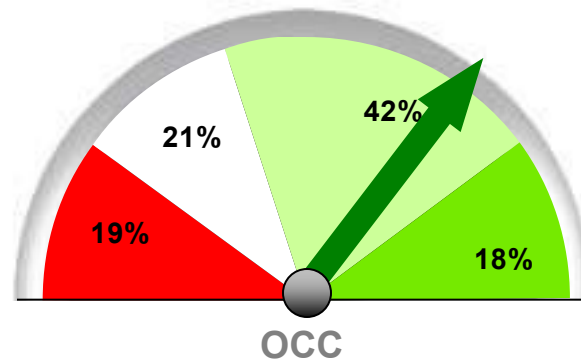
Expectations for 2014 as a whole

«MY HOTEL»

2* hotels



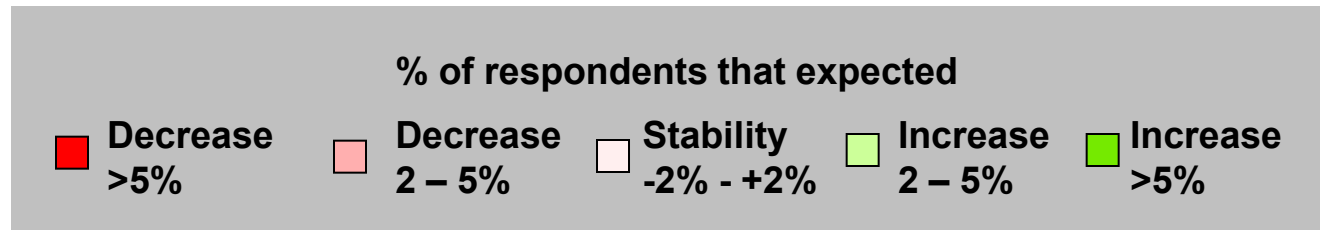
«MARKET IN GENERAL»



For 2014 as a whole the forecasts for their own hotels are very similar to the forecasts for the market in general.

Improvements in occupancy are expected, while room rates are forecasted to stabilise.

This means that the hoteliers are expecting improvements in occupancy in Q3 and Q4, as the forecast of Q2 was still at a stabilising level.



Tourism Barometer

2014 Q2

Expectations Greek Hospitality Sector



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