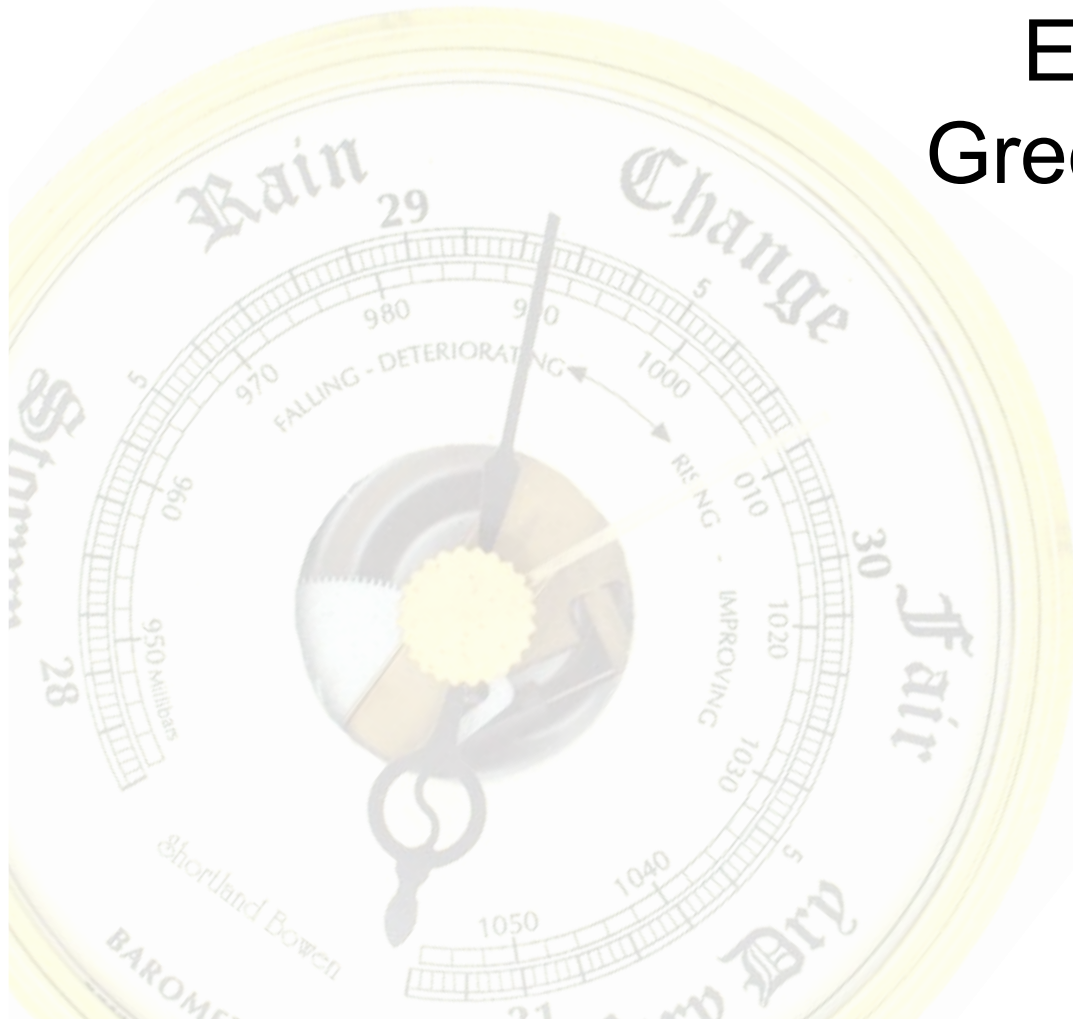


Tourism Barometer

2011 Q4

Expectations of the Greek Hospitality Sector



gbr
consulting

October 2011

Survey characteristics

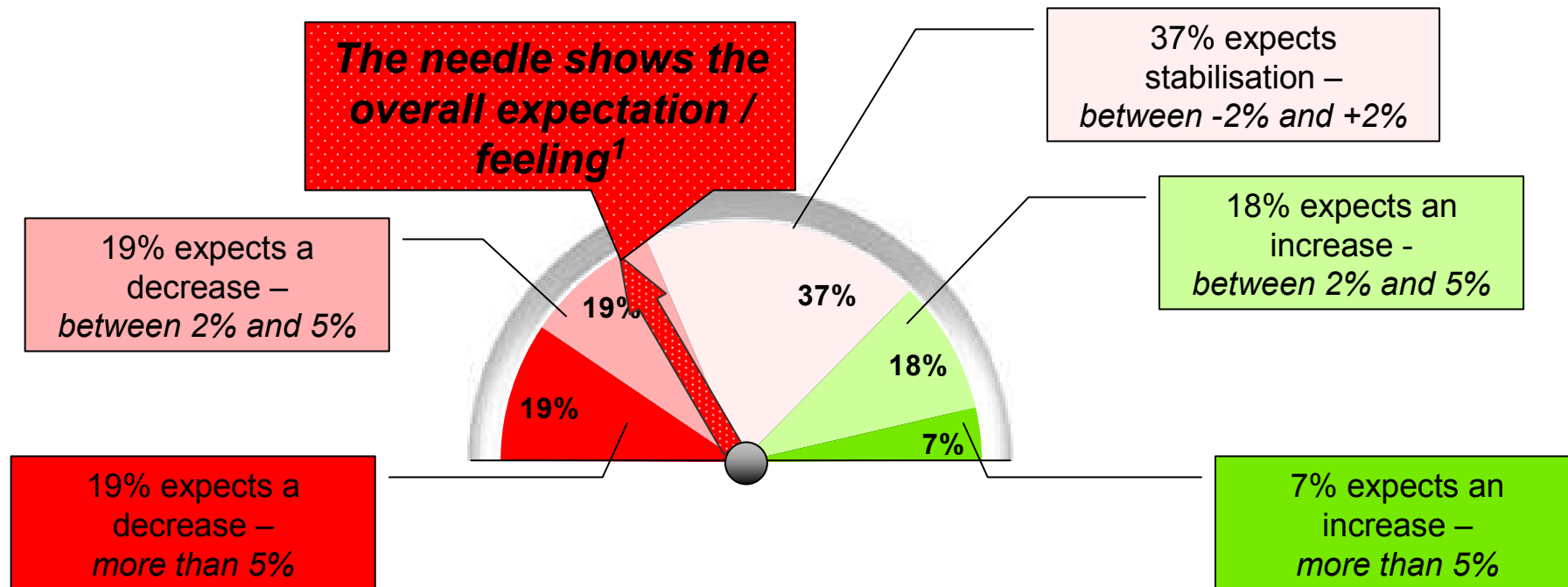
- The Q4 Survey ran from 19 – 31 October 2011, among hotels of all hotel categories (1 – 5*) all over Greece;
- The survey was anonymous and 222 hotels completed the online questionnaire, of which 175 fully. The distribution of those was as follows:
 - 44% are city hotels and 56% resort hotels;
 - 25% are 5*, 34% 4*, 22% 3*, 16% 2* and 2% 1* hotels.
- The survey includes results for both 2011 Q4 (city hotels) and for the next season / 2012 (city & resort). The results are presented in separate sections.
- Survey results are published in the press and on www.gbrconsulting.gr/barometer

Main Conclusions

- The city hotels are pessimistic for the last quarter of 2011, where the Athenian hoteliers are extremely pessimistic with 72% expecting falling occupancy levels and rooms rates of 2% and more, both for themselves and the market.
- On the other hand hoteliers in Thessaloniki expect mild increases in occupancy this quarter, but also falling room rates.
- Expectations for next season show a mixed picture. Resort hotels are clearly optimistic for 2012 with expected increases in both occupancy and ARR levels. The 5 and 4 star hoteliers contributed most to this result as 3 and 2 star hotels expect a stable performance for next year for both occupancy and room rates.
- The city hotels overall expect stabilising occupancy levels and decreasing room rates for themselves, while they expect those rates for the market in general to drop severely. Also in this segment the 5 star hoteliers are the most optimistic for both measured items, while the 4 star hotels expect drops for both occupancy and ARR.

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



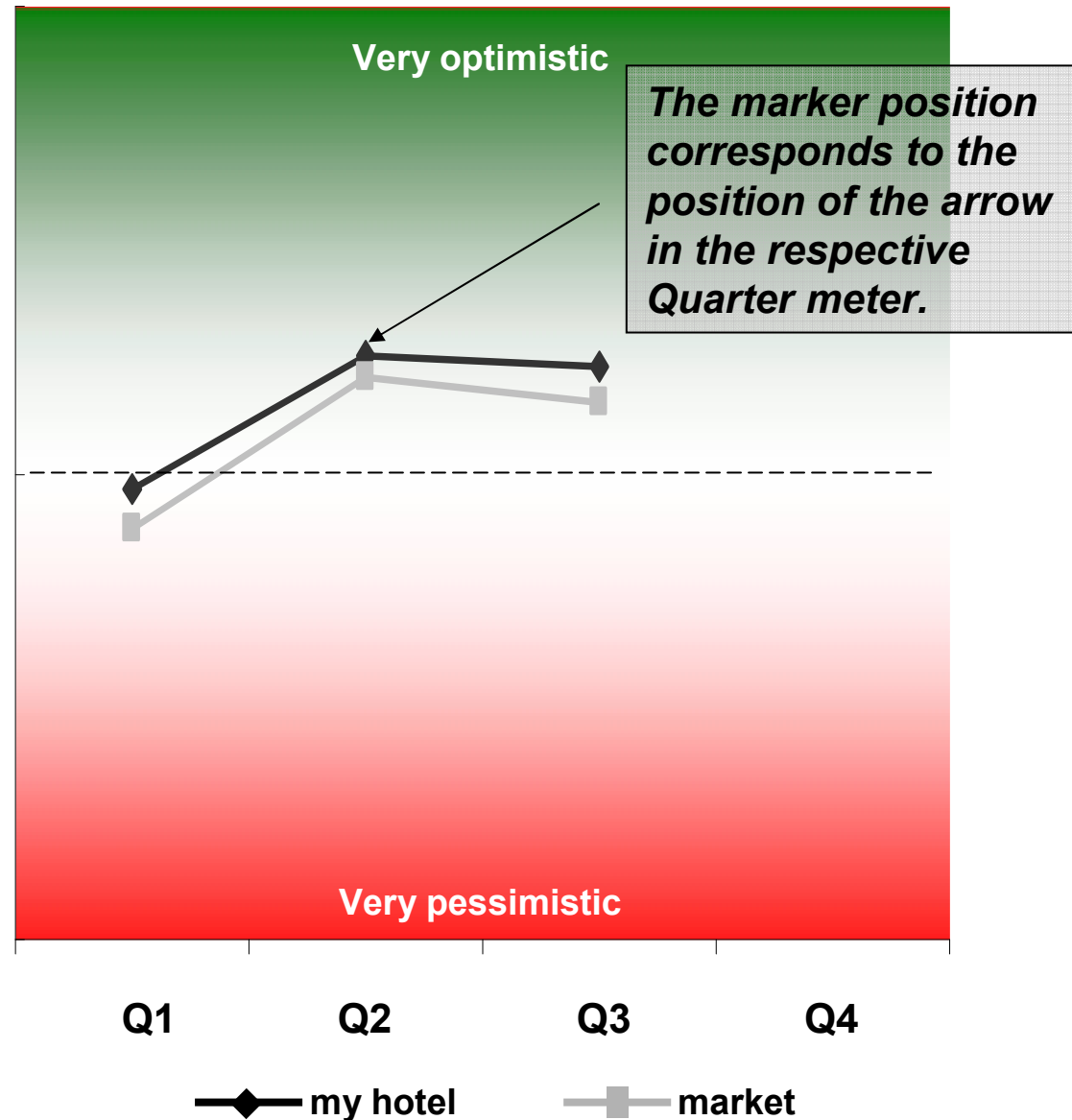
¹ The position of the arrow is based on the weighted average of the projections for increases and decreases, where the increases / decreases of more than 5% have a weight twice as high as the increases / decreases of between 2% and 5%

How to read the Trend graphs

In the green zone, hoteliers are rather optimistic; the more we move into the green zone the more optimistic they become.

At this point, hoteliers' expectations are neutral.

In the red zone, hoteliers are rather pessimistic; the more we move into the red zone, the more pessimistic they become



Expectations for 2011 Q4

City Hotels

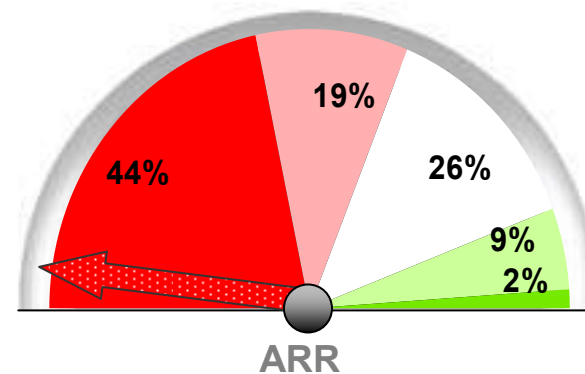
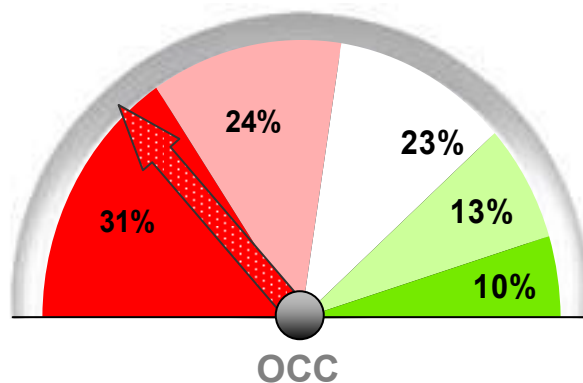


«MY HOTEL»

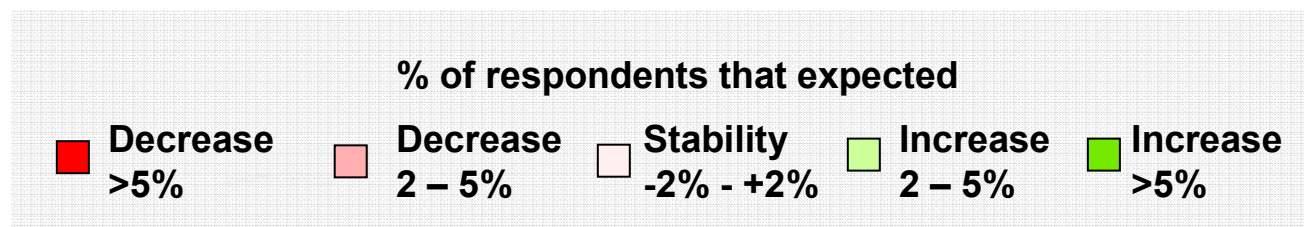
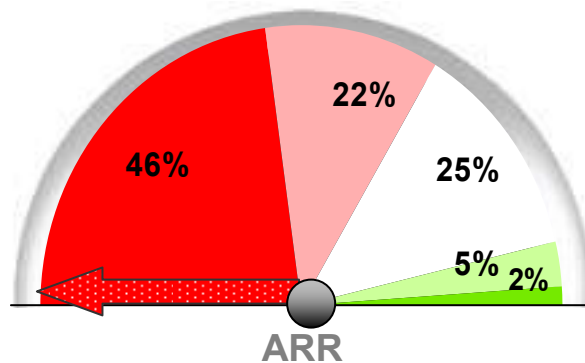
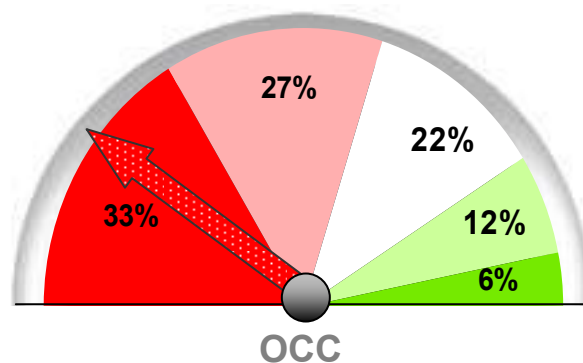
City hotels

City hoteliers are clearly very pessimistic for the last quarter of 2011 with only a few hoteliers expecting increases in Occupancy and ARR for their own hotel as well as for the market as a whole.

As data will show, the Athens hoteliers are the most pessimistic for Q4 following the many protests and riots in Q3.



«MARKET IN GENERAL»



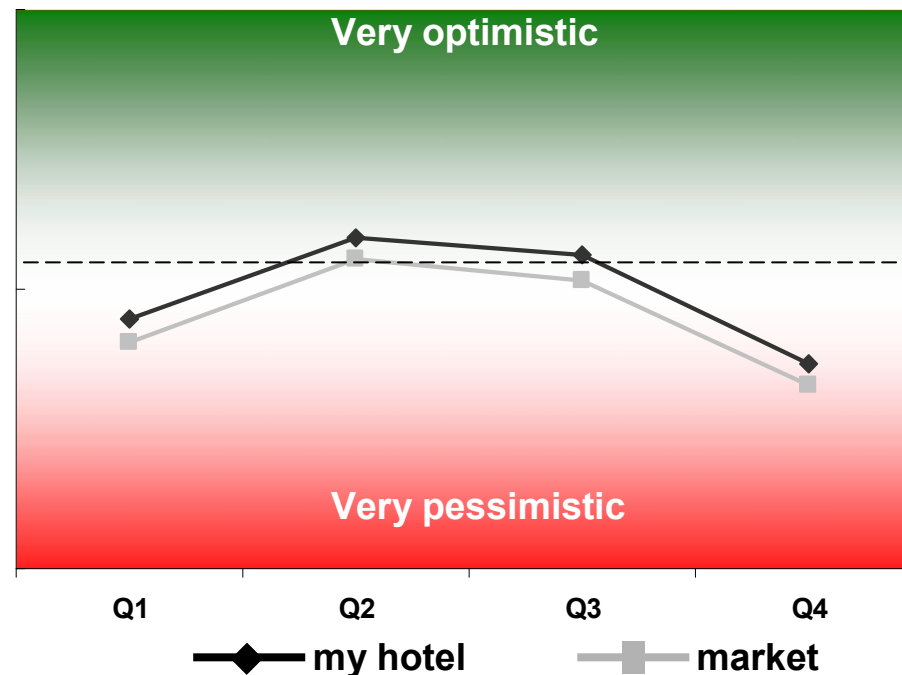


City hotels

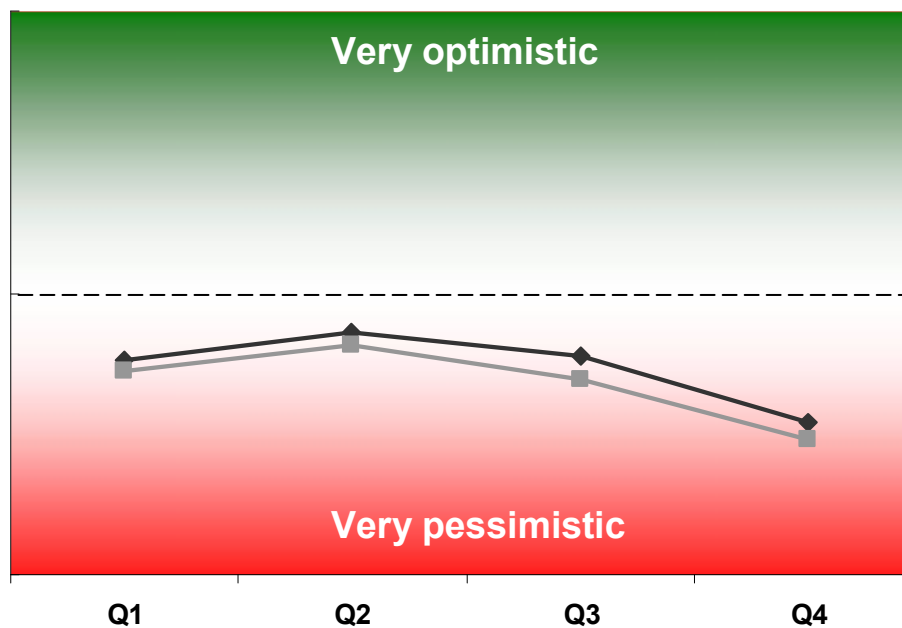
After stable expectations for occupancy development in Q2 and Q3 hoteliers have turned very negative with respect to Q4.

For ARR development hoteliers were always slightly pessimistic, but expectations for Q4 show a clear drop.

Occupancy



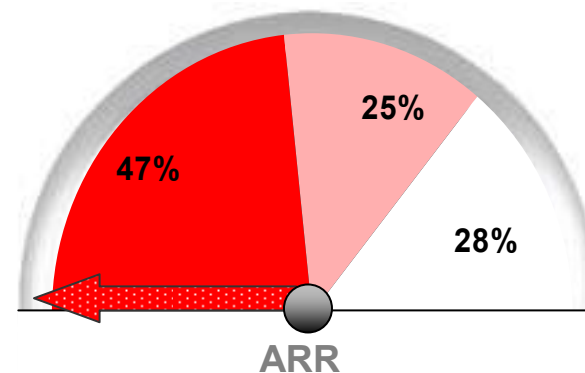
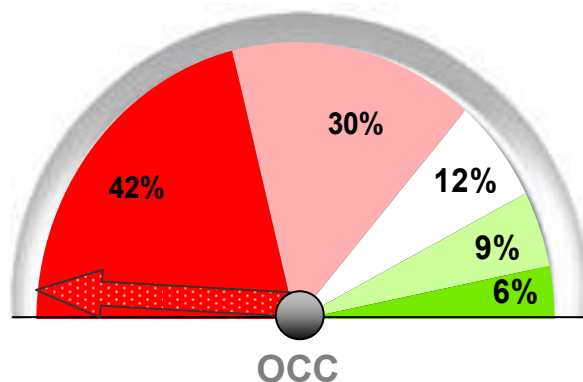
ARR



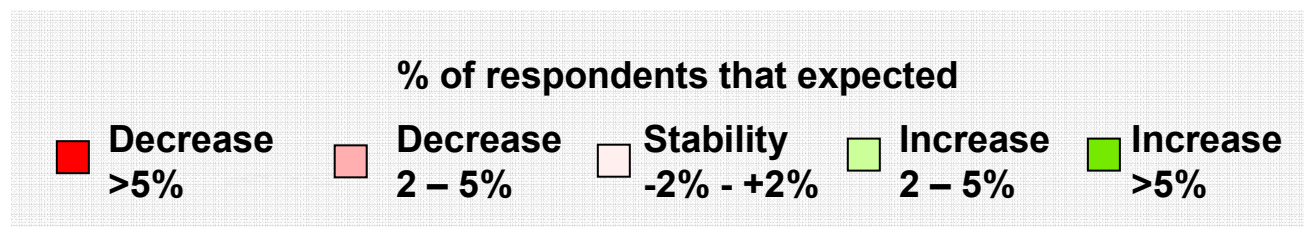
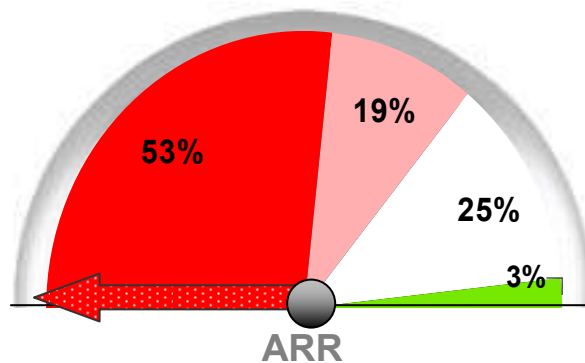
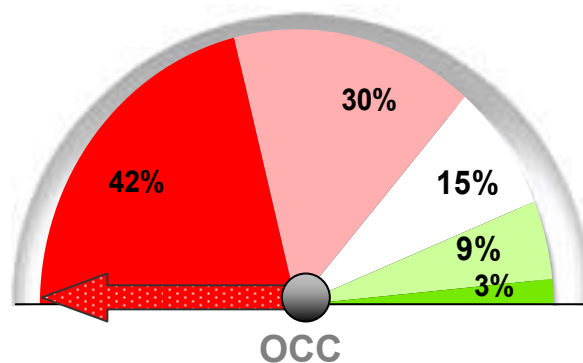
«MY HOTEL»

Athens hotels

The barometers of the Athens hotels speak for themselves: on all aspects, for their own hotel as well as for the market in general, hoteliers expect severe drops. About 42% expect drops of more than 5% in terms of occupancy while about half of the hoteliers expect drops of 5% or more in the ARR of their own hotel as well as for the market compared to Q4 of last year.



«MARKET IN GENERAL»

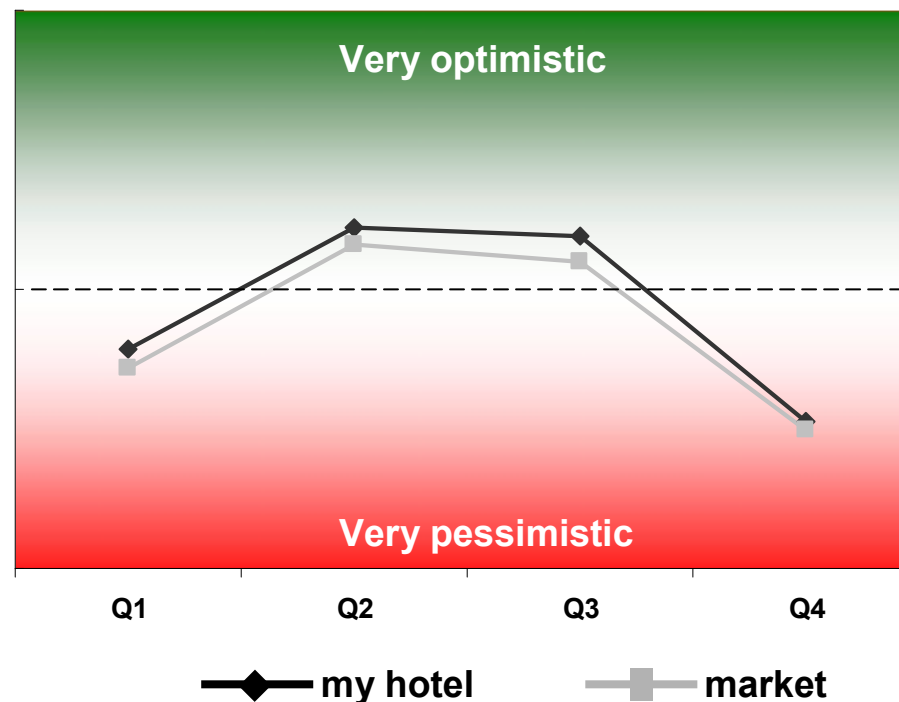


Athens hotels

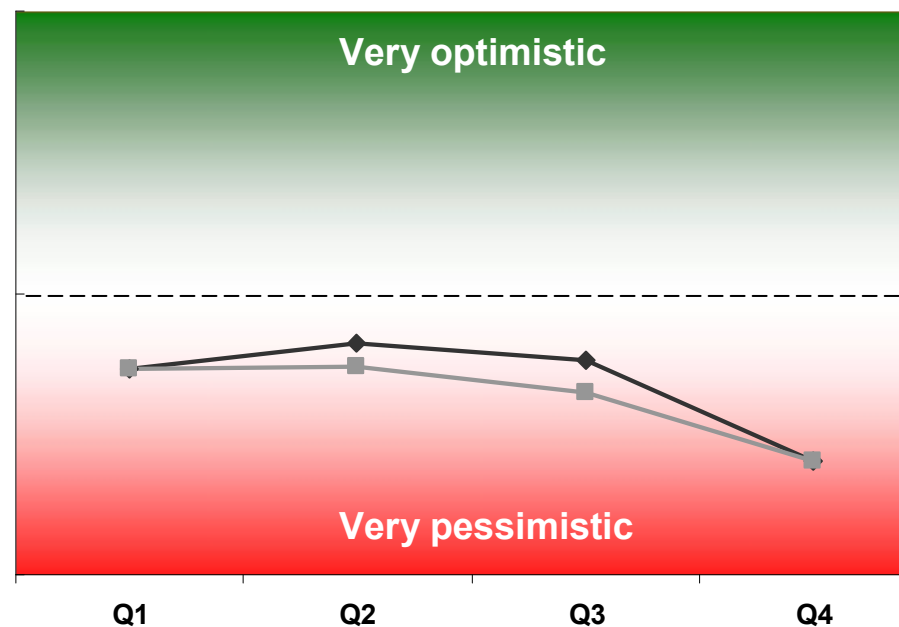
Expectations for occupancy dropped from slightly optimistic to clearly negative in Q4.

In terms of ARR hoteliers were never very optimistic, but the outlook for Q4 has reached the red zone, indicating severe drops in ARR for Q4.

Occupancy



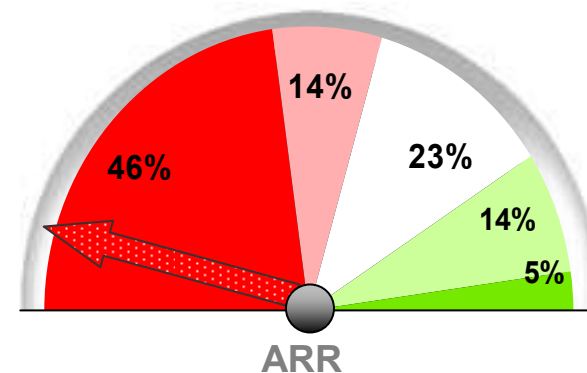
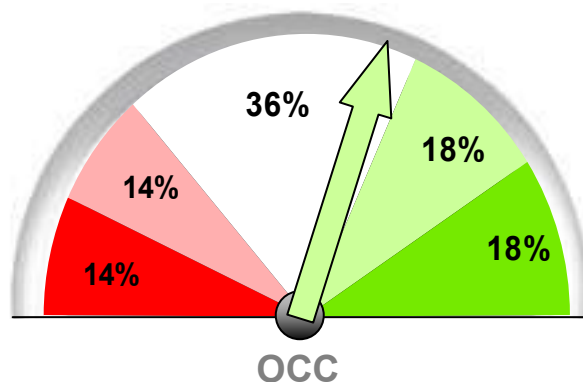
ARR



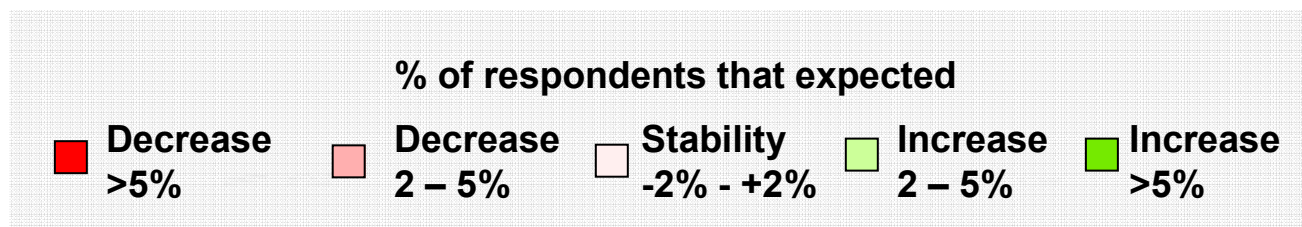
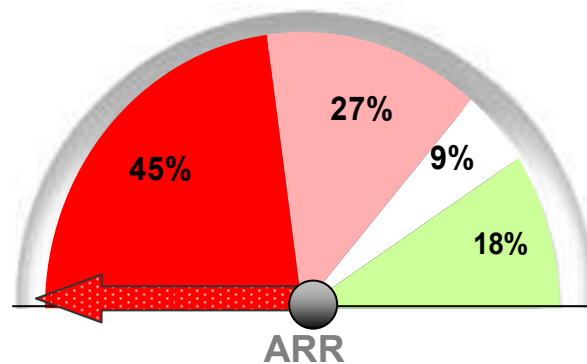
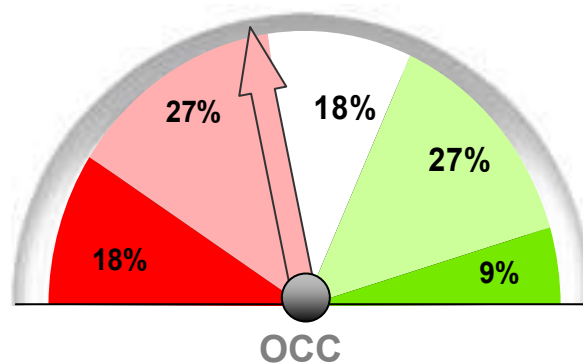
**Thessaloniki
hotels**

Contrary to the Athens hotels, hoteliers in Thessaloniki are cautiously optimistic regarding the development of occupancy for their own hotel in Q4, while for the market as a whole they expect a small decrease. The outlook for ARR developments are not good at all though. Around 45% expect a drop of 5% or more for both their own hotel and for the market.

«MY HOTEL»



«MARKET IN GENERAL»



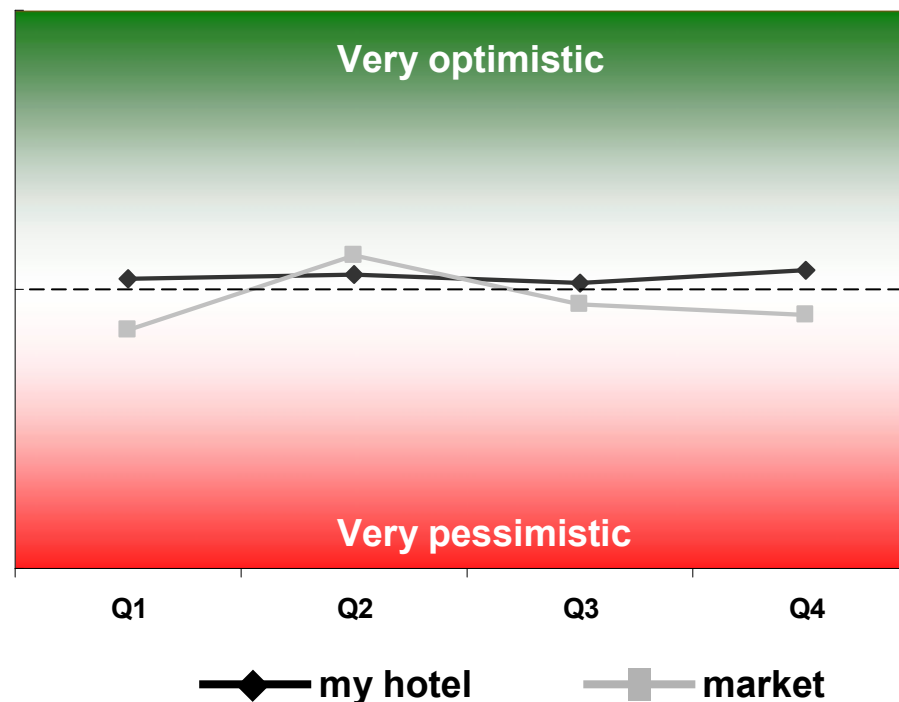


Thessaloniki hotels

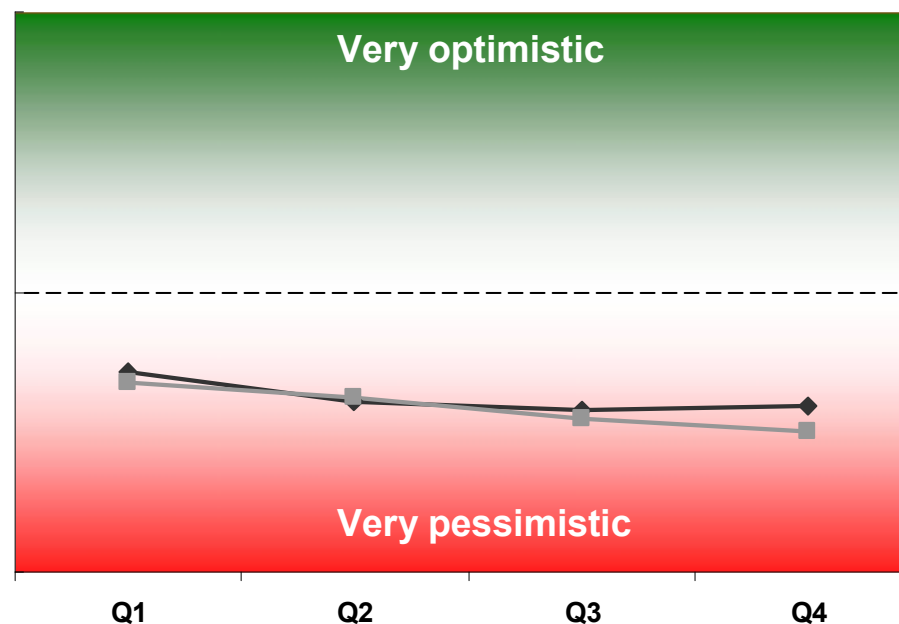
The forecasts throughout the 4 quarters of 2011 show a stabilising occupancy level in comparison with 2010.

The room rates continue their negative trend, with also a pessimistic outlook for the fourth quarter, in line with the first three quarters of the year.

Occupancy



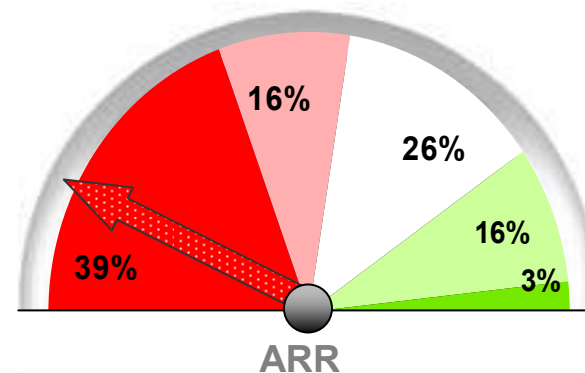
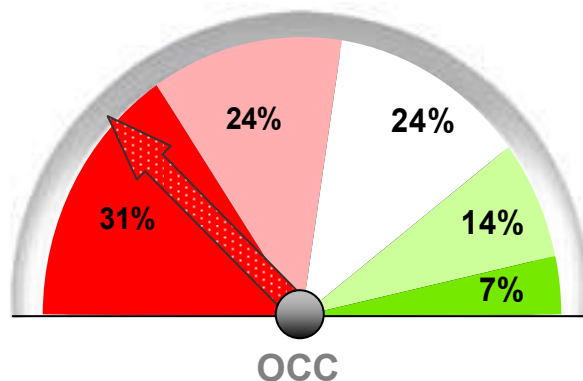
ARR



«MY HOTEL»

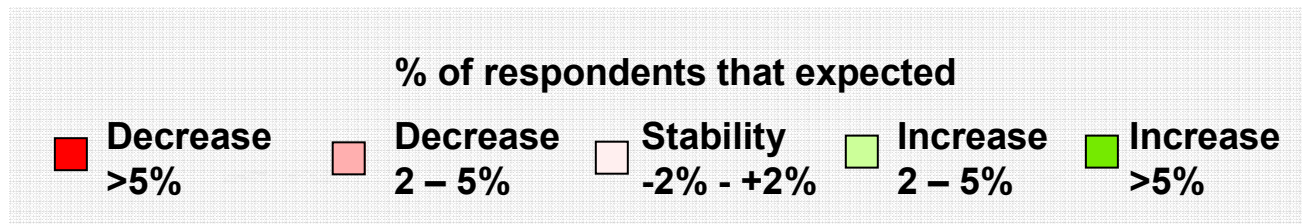
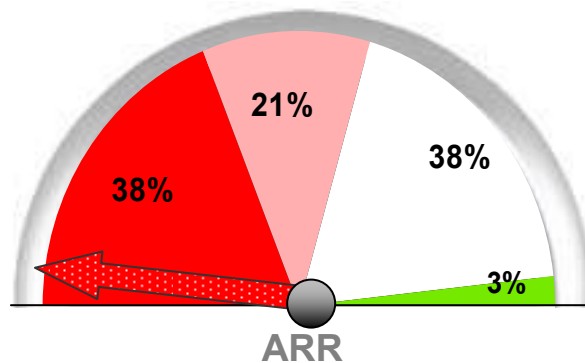
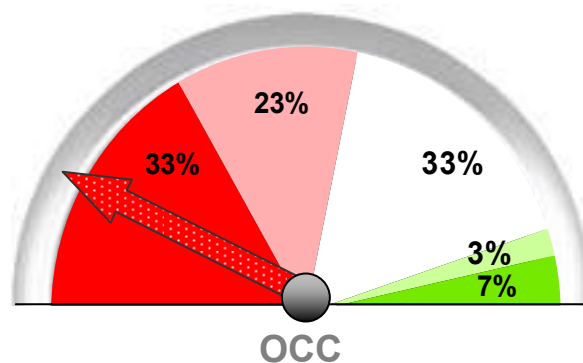
Other city hotels

The hoteliers operating their hotels outside Athens and Thessaloniki are very pessimistic overall for this fourth quarter.



«MARKET IN GENERAL»

More than a third expect decreases of 5% and more for both measured items, for their own hotel as well as for the market in general. Very few hotels are expected increases, especially more than 5%.

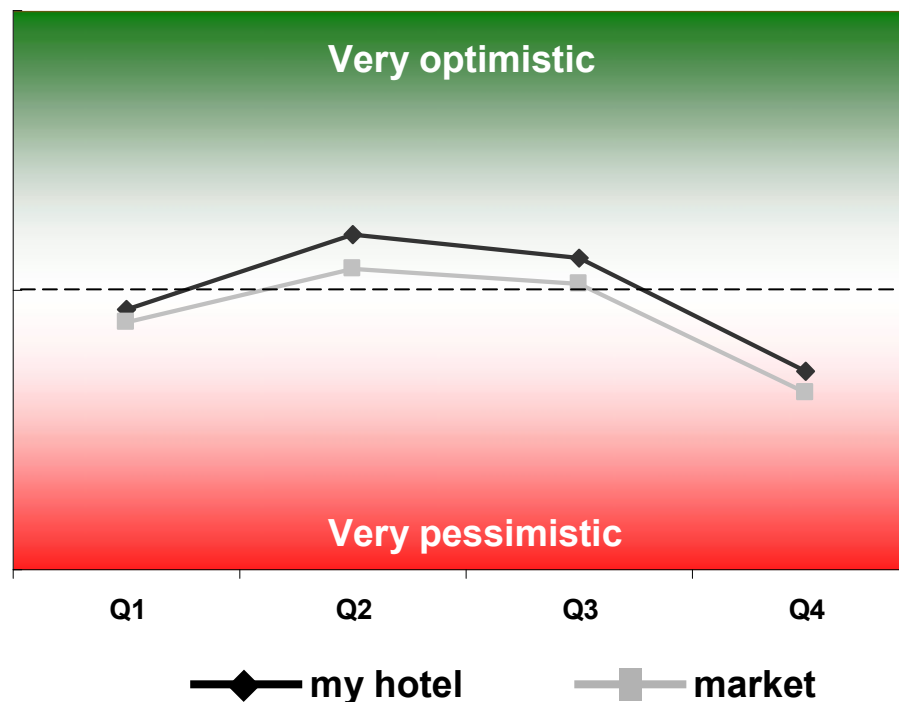


Other city hotels

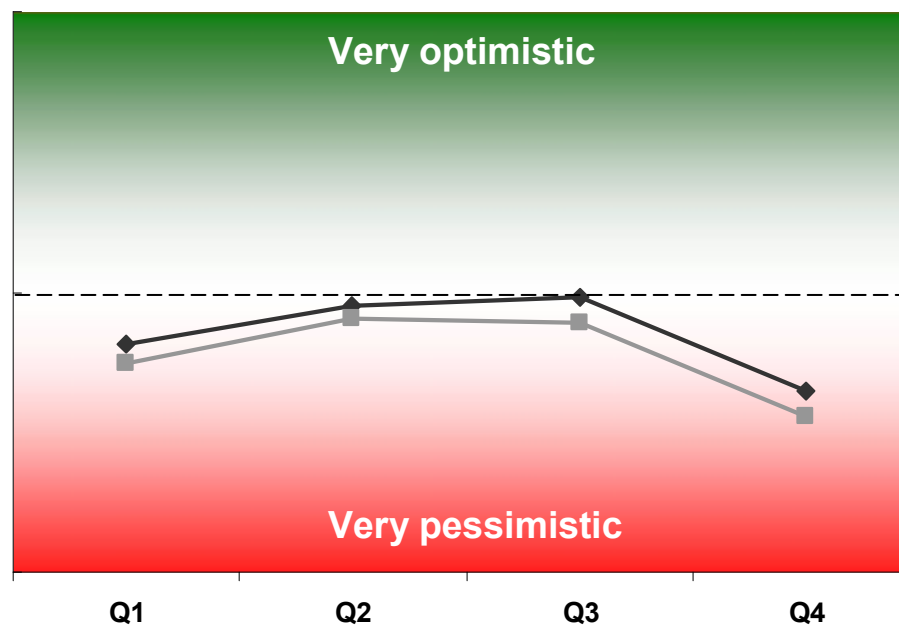
While hoteliers became more optimistic for improved occupancy levels in the second quarter and remained so in the third quarter, it shows clearly that expectations for the fourth quarter diminished.

Also the outlook for the room rates dived into the red zone for the fourth quarter.

Occupancy



ARR



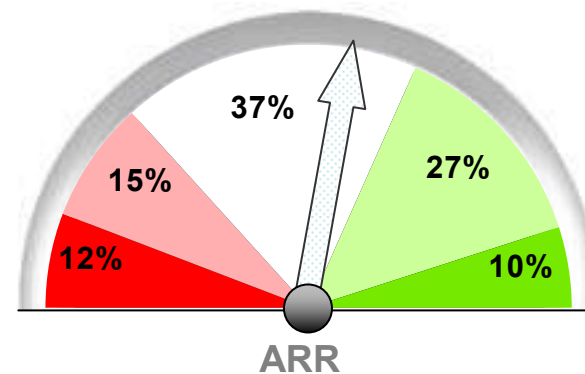
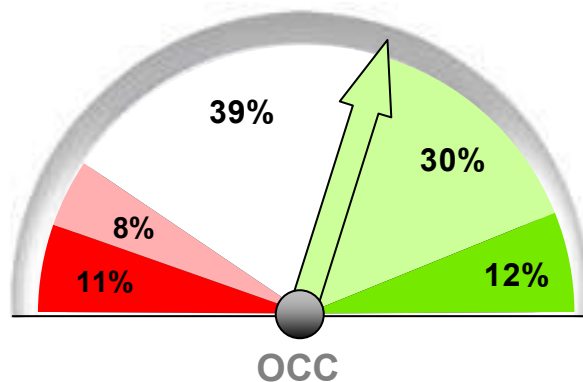
Expectations for 2012 / next season



«MY HOTEL»

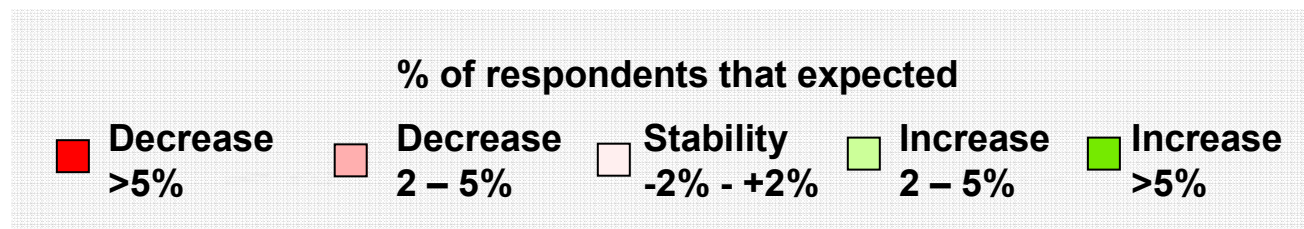
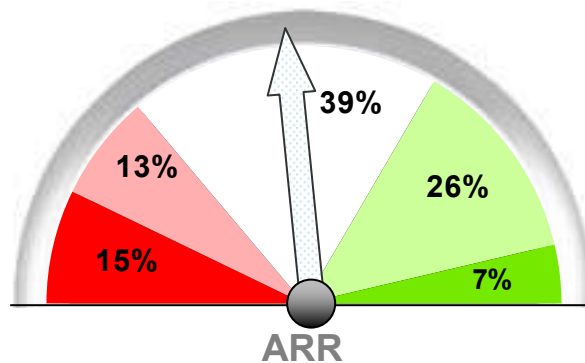
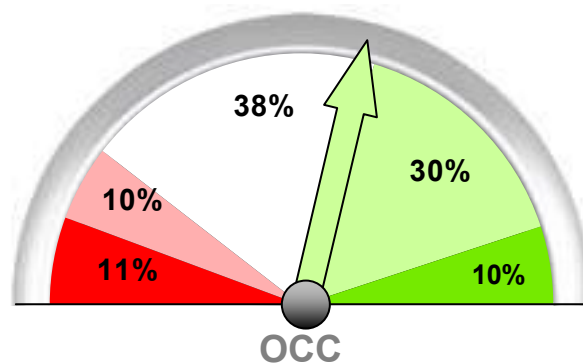
All hotels

In general one may conclude that the hotel sector is expecting improving occupancy performance for 2012 compared to this year with a stabilising room rate.



«MARKET IN GENERAL»

However, when we further isolate the various segments of our industry, clear differences in terms of expectations for next year are revealed.

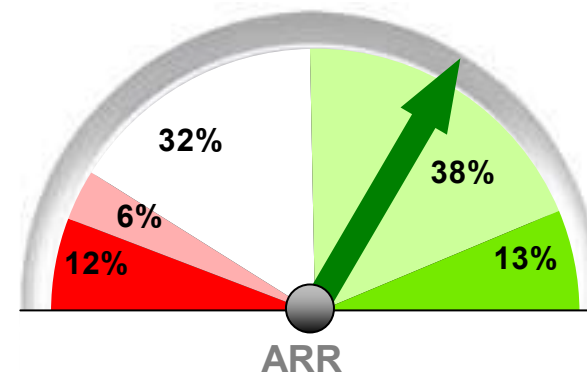
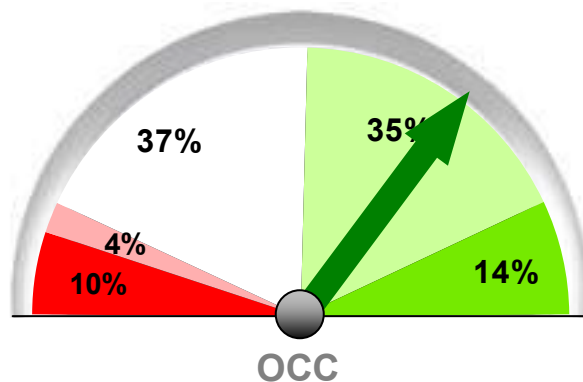


«MY HOTEL»

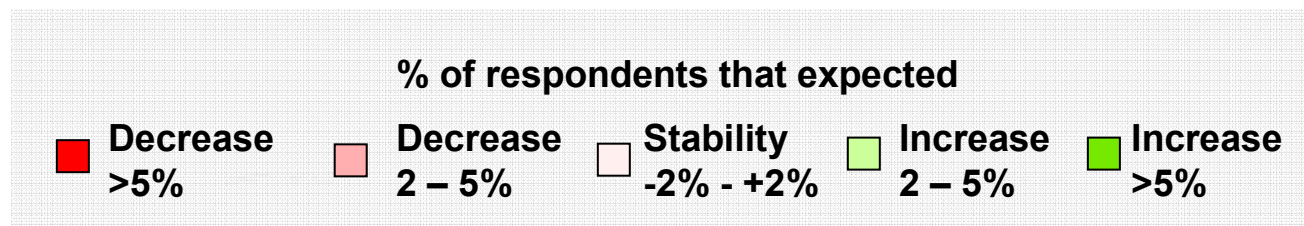
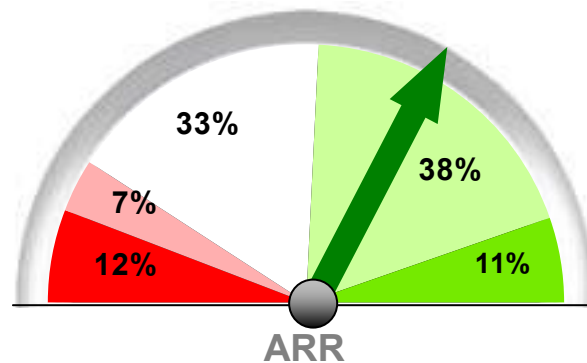
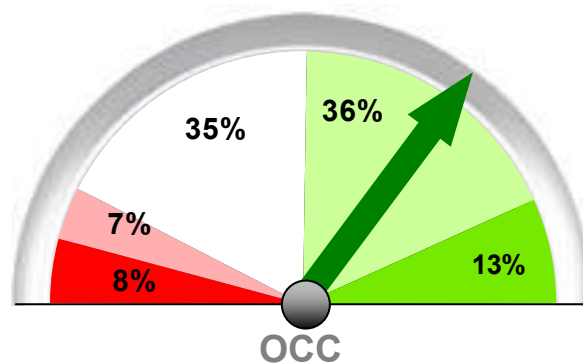
Resort hotels

The resort hoteliers are overall very optimistic for next season. The fast majority expects stabilising to big increases both in terms of occupancy and room rate development for their own hotel as well as for the market as a whole.

It is remarkable that the expectations of their own hotel and for the market are very similar, showing the overall positive atmosphere among resort hoteliers



«MARKET IN GENERAL»

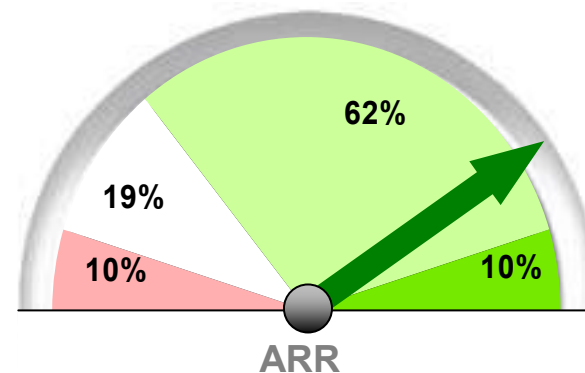
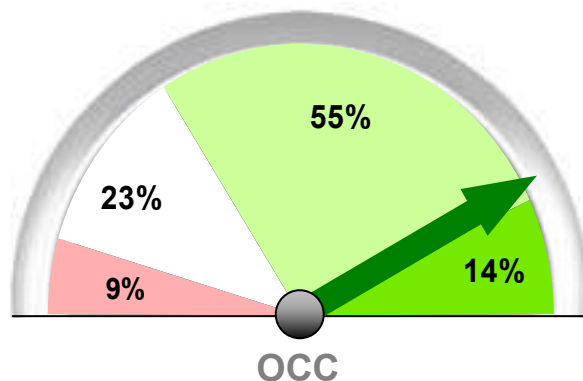


**5 star
resort hotels**

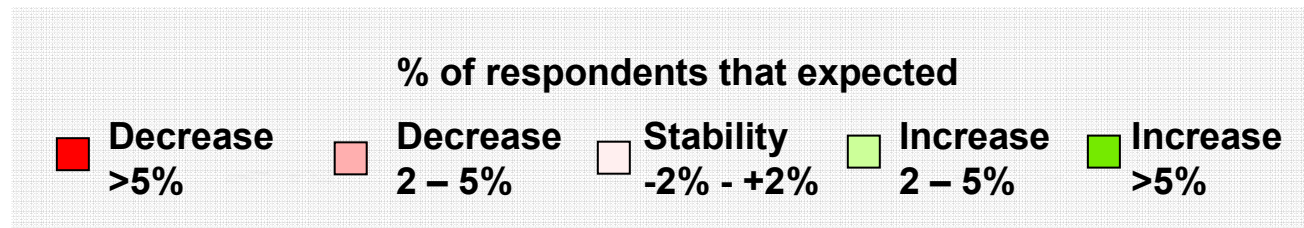
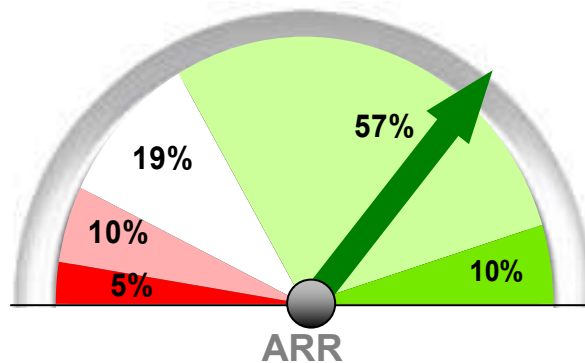
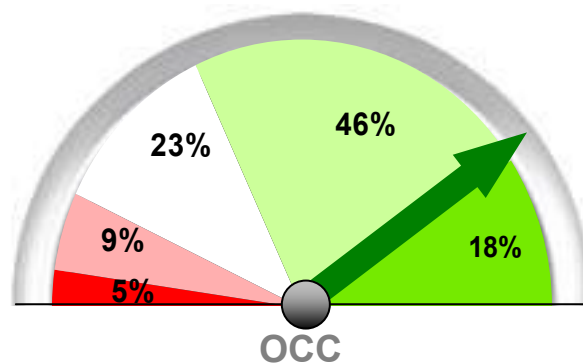
Within the resort sector the 5 star category hotels are the most optimistic in their forecasts for 2012. In all items the large majority expects improvements of more than 2%.

On the other end of the scale very few expect large drops. In fact none of the hoteliers is expecting drops of more than 5% for their own property and very few for the market as a whole.

«MY HOTEL»



«MARKET IN GENERAL»

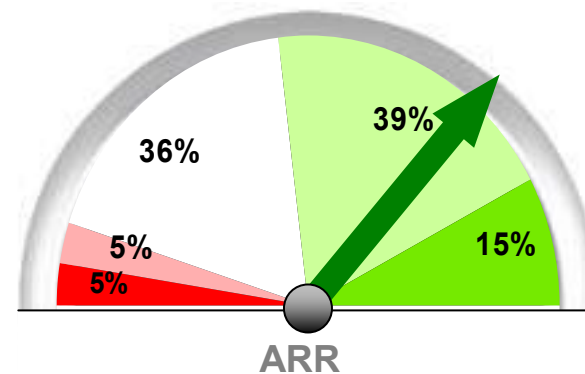
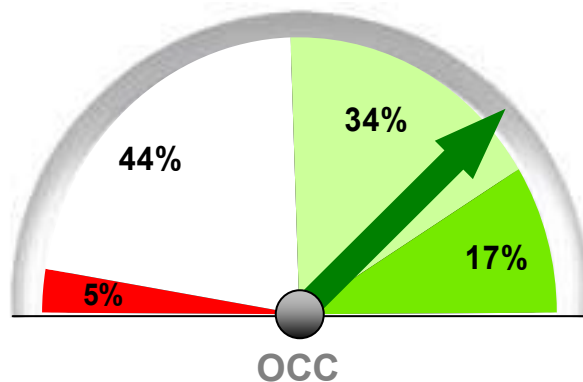


4 star resort hotels

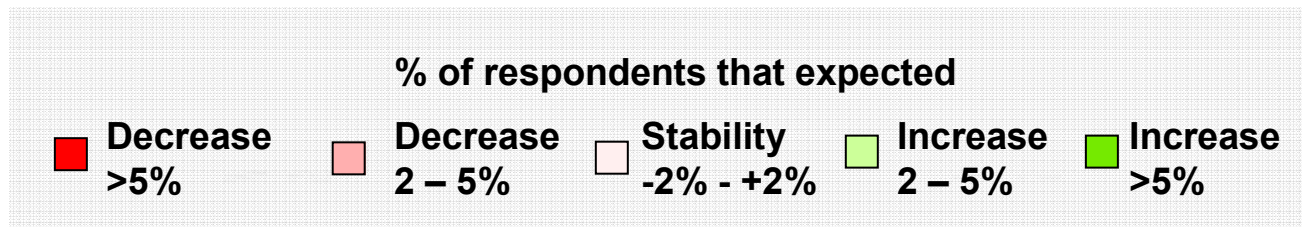
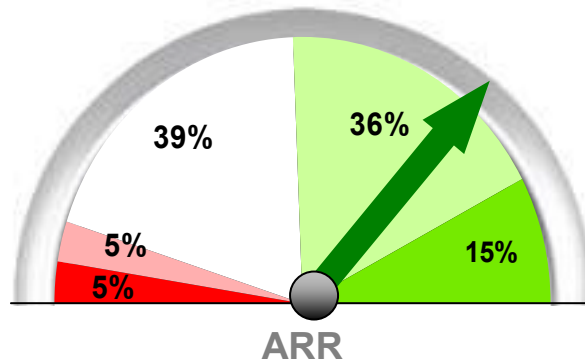
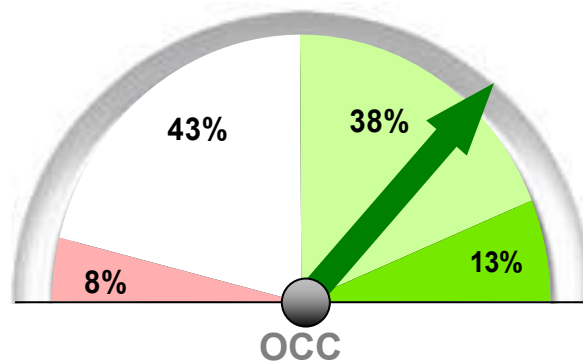
Also the four star resort hoteliers believe that the new season will bring increases both in terms of occupancy and ARR. And not only do they believe that their own hotel will perform well, but also the 4 star segment as a whole.

In fact nobody has forecasted decreases higher than 5% regarding occupancy for the market in general, while we have seen such forecasts for their own hotel.

«MY HOTEL»

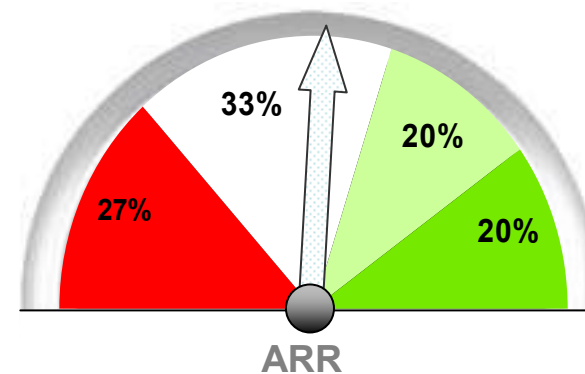
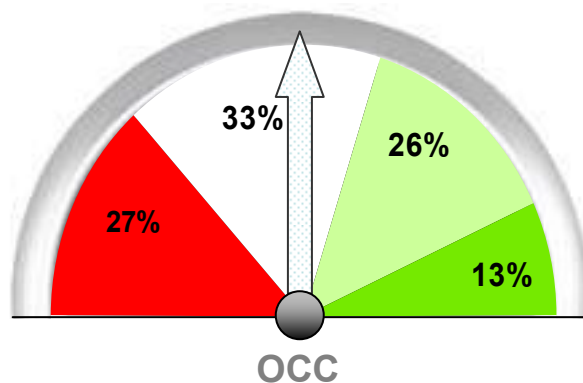


«MARKET IN GENERAL»



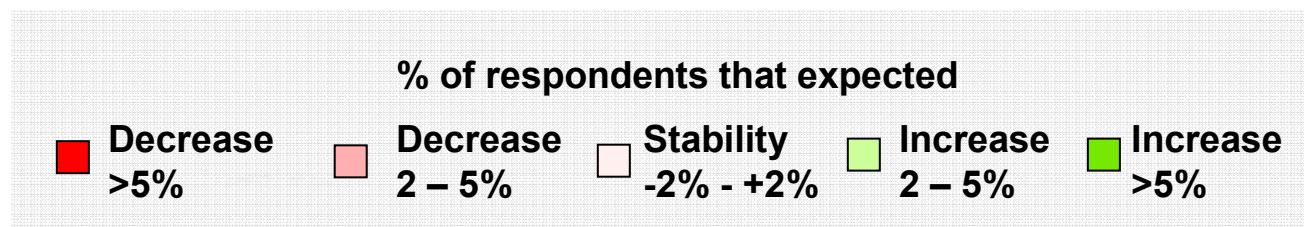
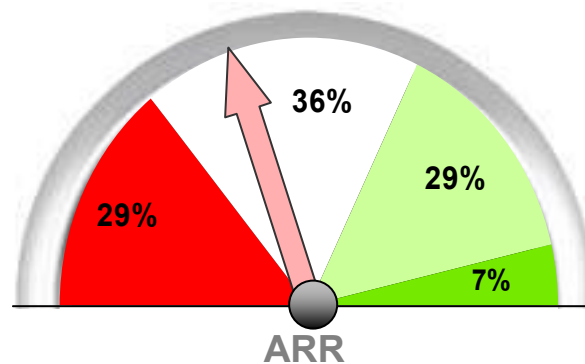
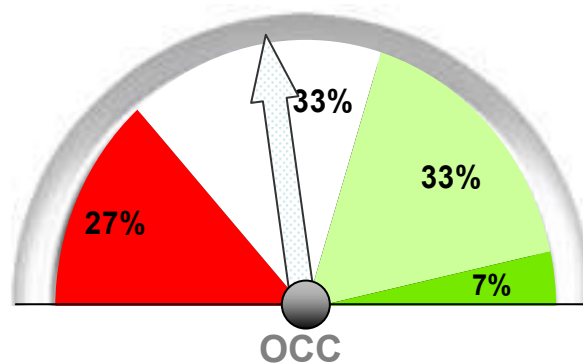
**3 star
resort hotels**

The three star hotels expect to operate in 2012 at a similar level as this year in terms of occupancy and room rate.



«MARKET IN GENERAL»

They do expect slight decreases in room rates for the market in general, but overall the barometers show a balanced picture: neither much improvement, nor regression.



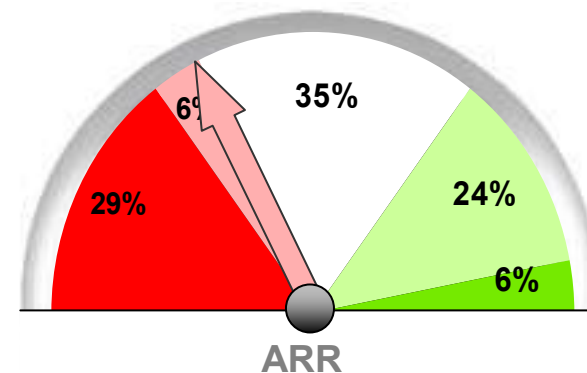
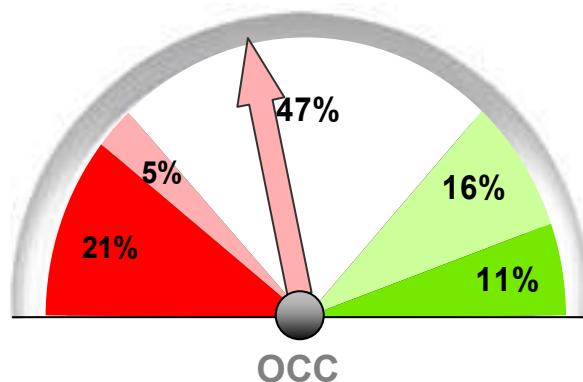
2 star resort hotels

The hotels with a two star category are the most pessimistic for next season of the resort sector.

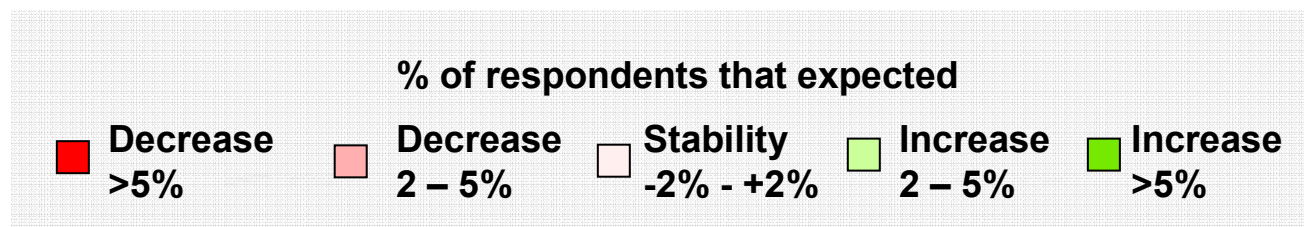
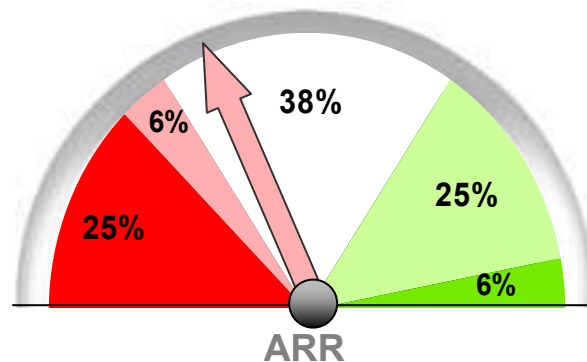
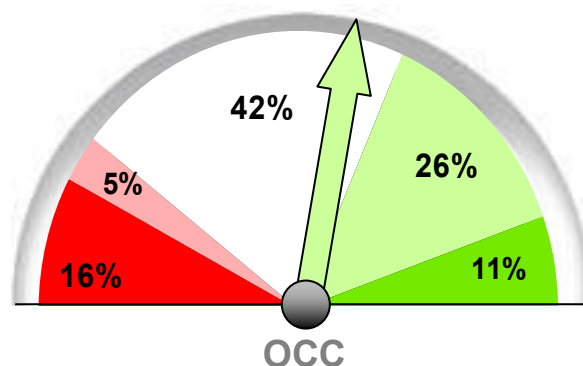
It is remarkable that they expect decreases in occupancy for their own hotel, while they believe that the market in general will improve in terms of occupancy.

With respect to ARR development a drop is expected. About one third expects a drop of 2% or more.

«MY HOTEL»



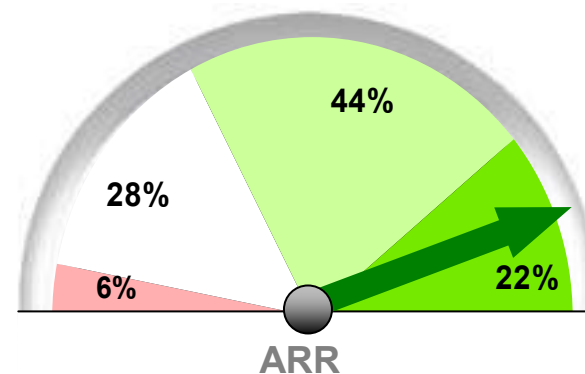
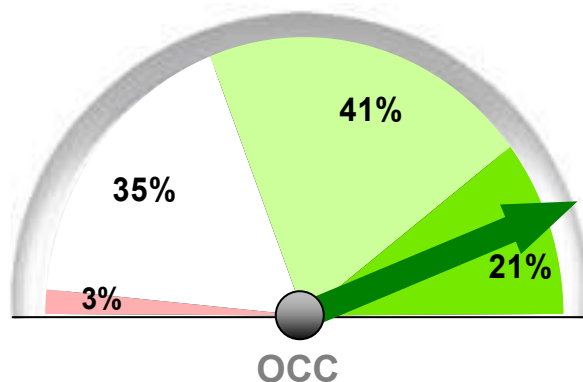
«MARKET IN GENERAL»



«MY HOTEL»

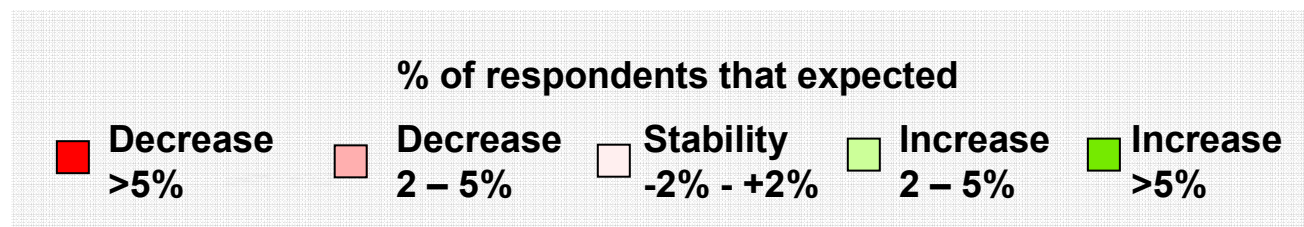
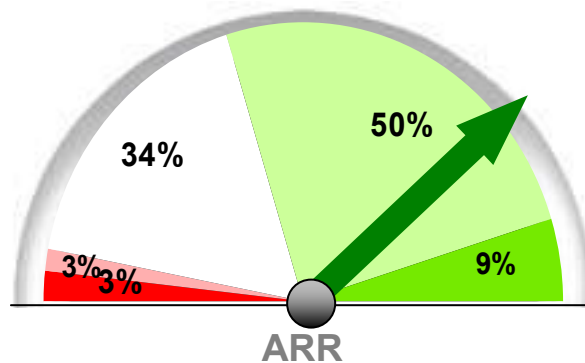
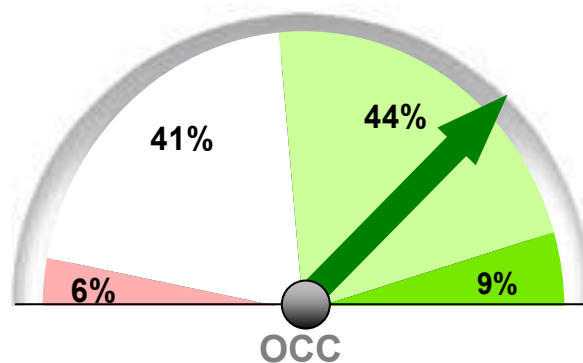
Resort hotels
in Crete

The resort hotels in Crete were throughout 2011 positive on their performance and they remain so for next season.



«MARKET IN GENERAL»

For their own hotels two third of the hoteliers expect increases of more than 2% for both occupancy and ARR. For the market in general fewer hoteliers are that positive, but still a majority. Very few expect decreases.

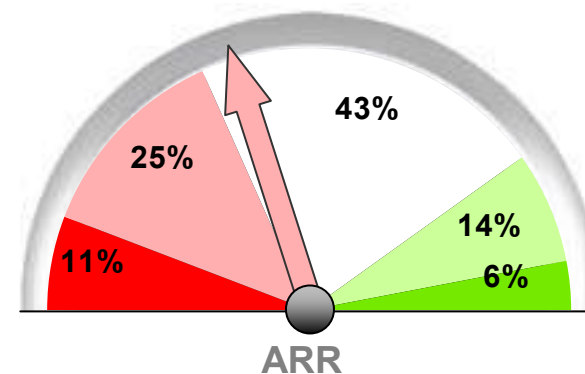
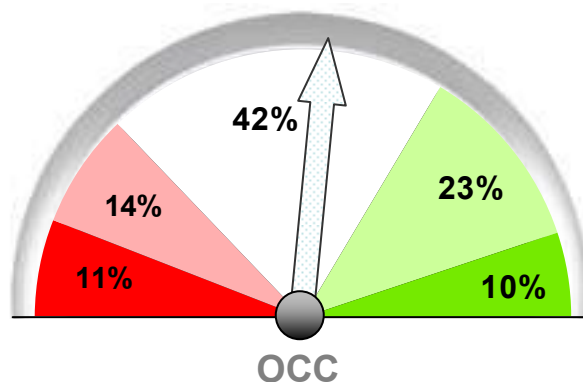


City hotels

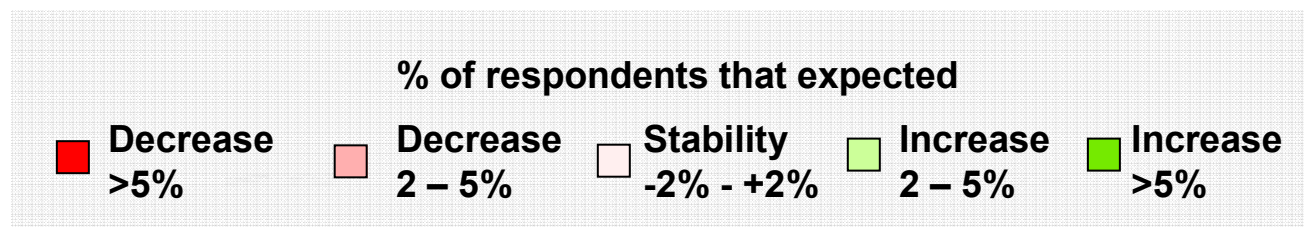
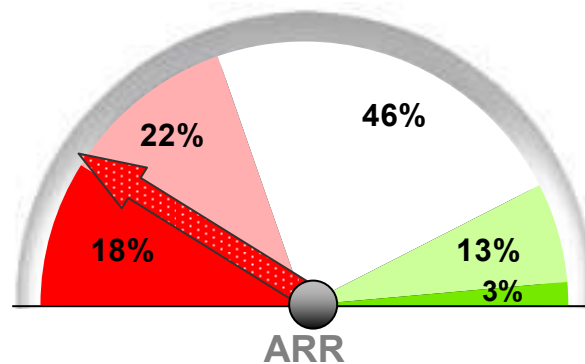
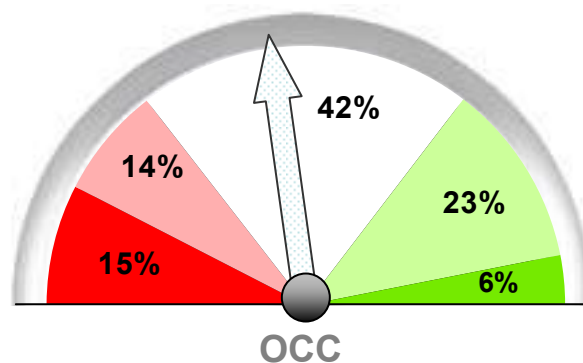
Contrary to the resort hotels, the hoteliers of the city hotels are less optimistic and expect for their own hotels in 2012 stabilising occupancy levels and decreasing room rates.

Hoteliers expect to outperform the market as their forecast is worse for the market than their own hotel with sharp declines room rates .

«MY HOTEL»



«MARKET IN GENERAL»



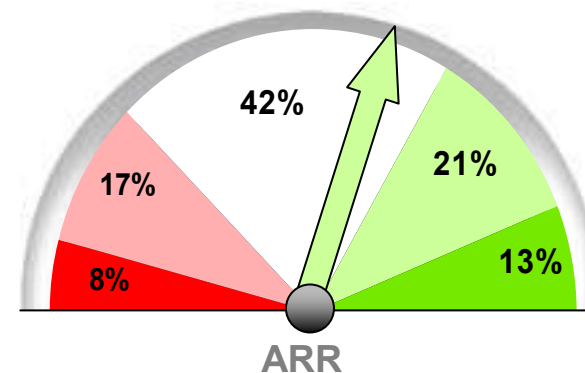
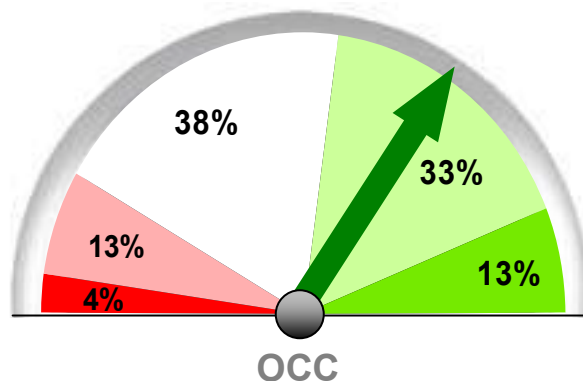
**5 star
city hotels**

Like the resort hotels, also the 5 star city hotels are the most optimistic of their segment.

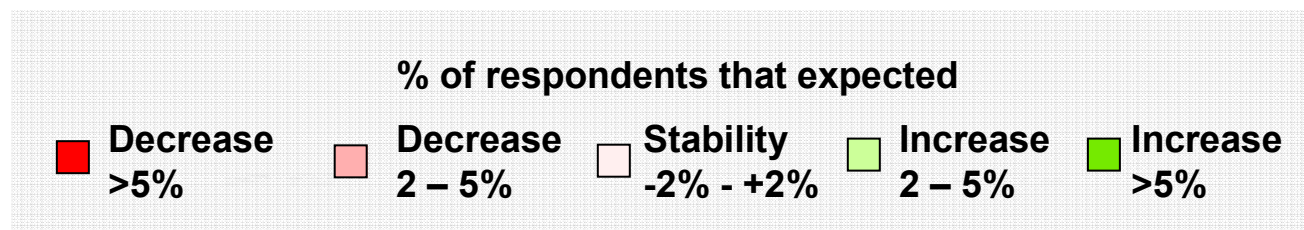
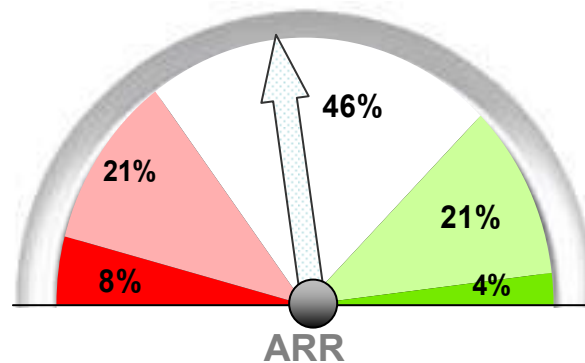
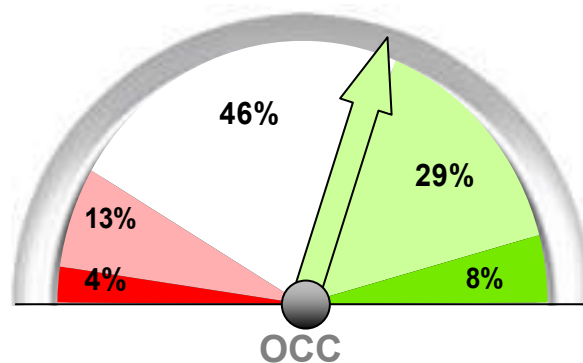
About 46% expect occupancy increases of 2% and more for their own hotel as well as increasing room rates.

Also for the market as a whole they are positive in terms of occupancy development, but with stabilising ARR's.

«MY HOTEL»



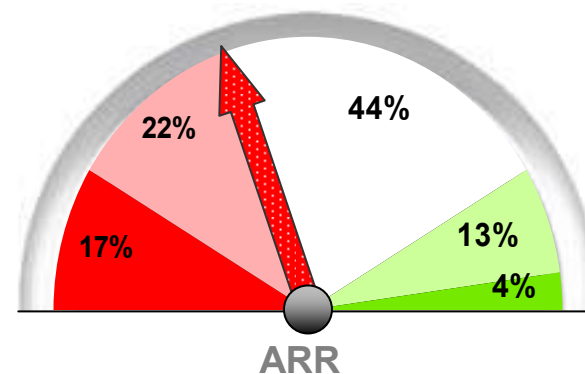
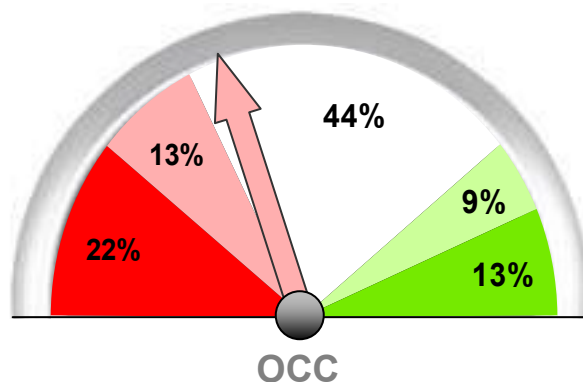
«MARKET IN GENERAL»



«MY HOTEL»

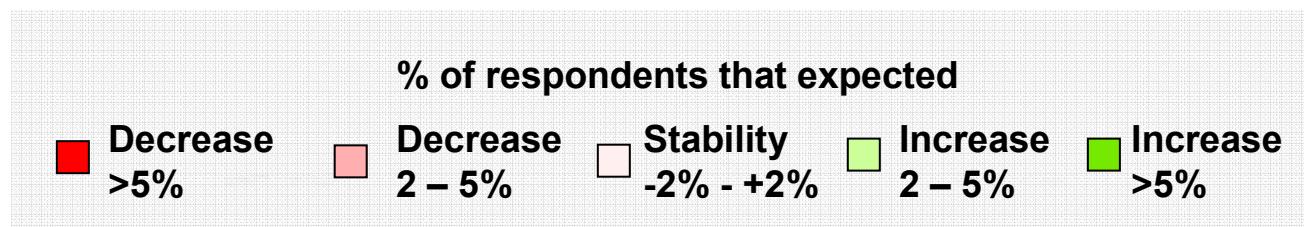
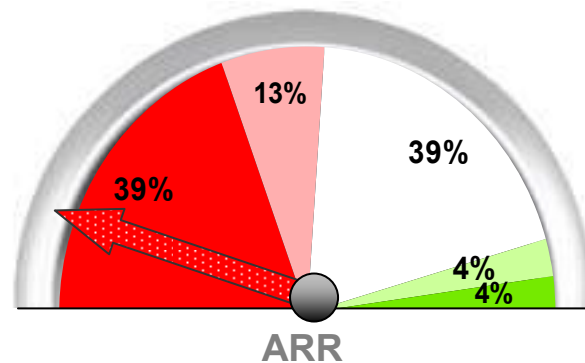
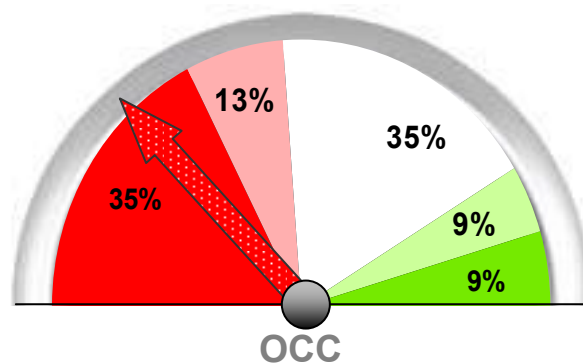
**4 star
city hotels**

The barometers of the four star city hotels are predominantly coloured red and pink indicating declining occupancy levels and rooms rates.



«MARKET IN GENERAL»

Expectations for the market are worse than the forecasts of their own hotels, where the expected decrease in occupancy is milder. For the market in general 48% expect drops of 2% and more for occupancy and 52% expect drops of 2% and more for ARR development.

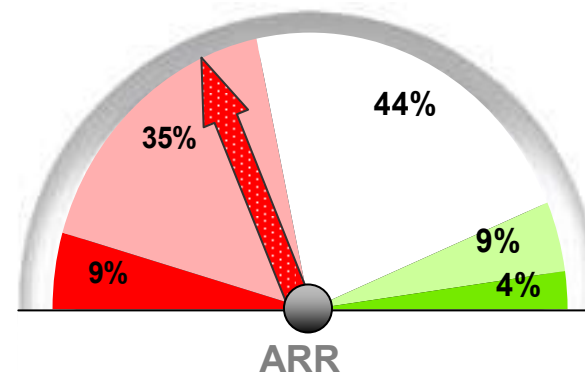
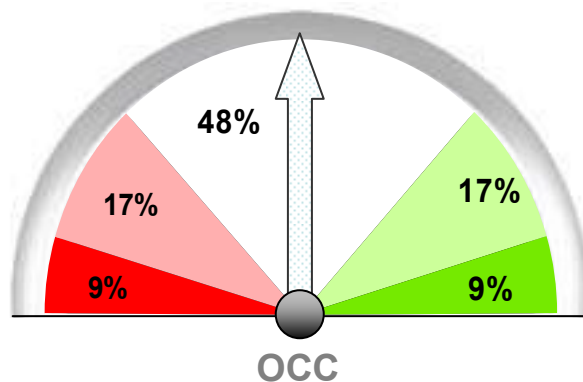


**3 star
city hotels**

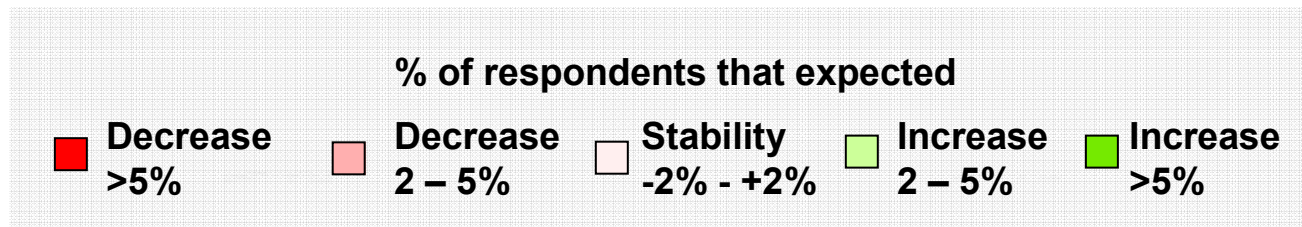
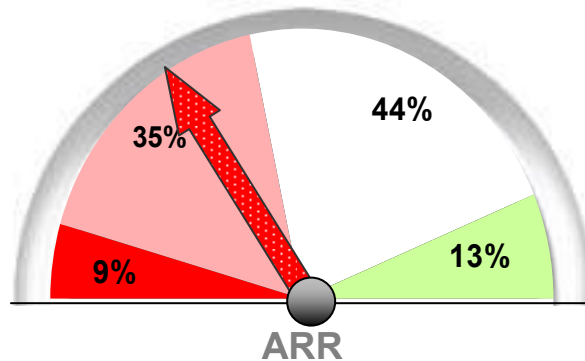
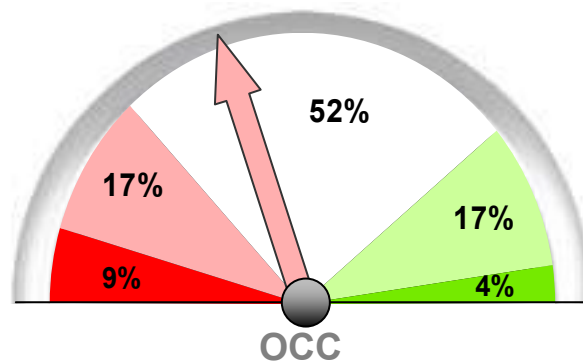
The three star hoteliers believe that occupancy levels will stabilise in 2012 for their own hotels, while for the market they expect a small decrease.

Expectations for room rates are negative for both their own hotels and the market in general, as for both 44% expect drops of more than 2%.

«MY HOTEL»



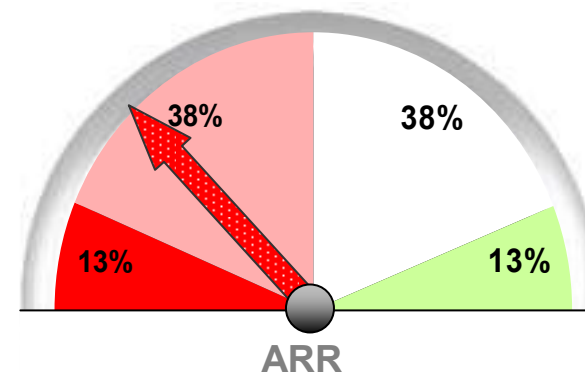
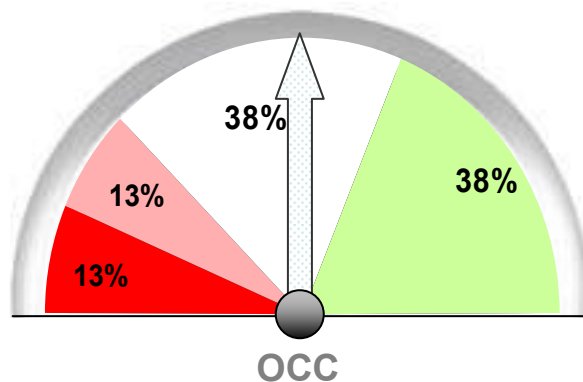
«MARKET IN GENERAL»



«MY HOTEL»

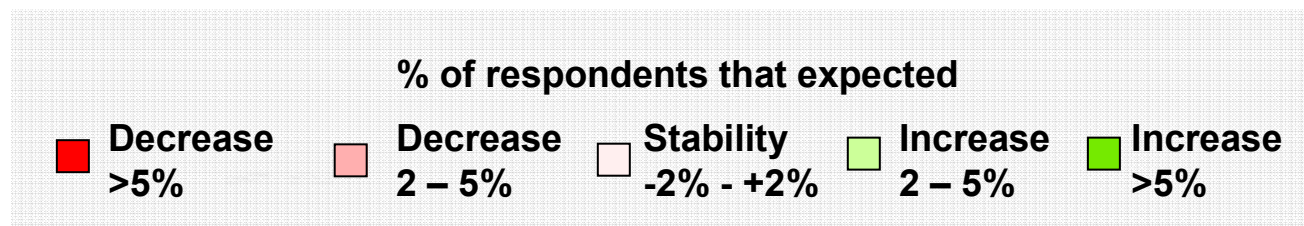
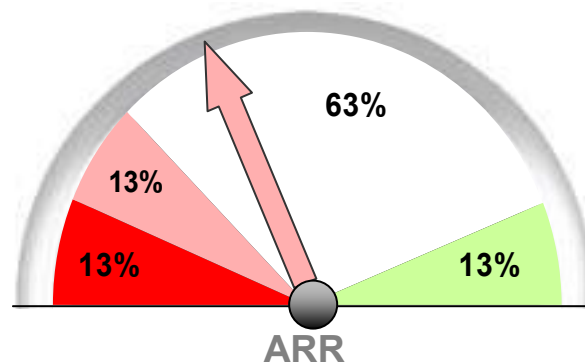
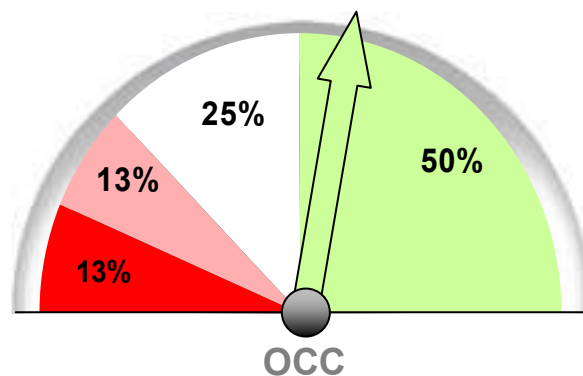
2 star
city hotels

The two star hotels show a similar picture as the 3 star hotels: stabilising occupancy levels and falling room rates in 2012.



«MARKET IN GENERAL»

Remarkably though is that hoteliers are more optimistic for the market than for their own hotels, both in terms of occupancy and ARR.

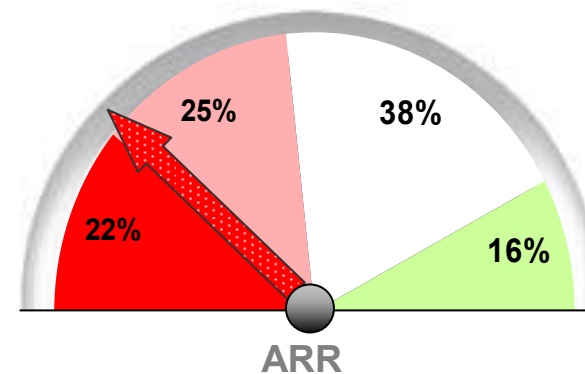
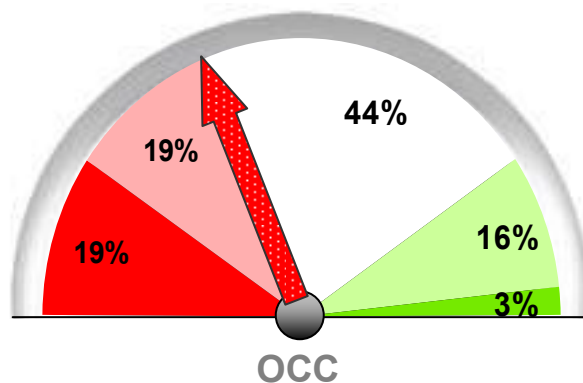


«MY HOTEL»

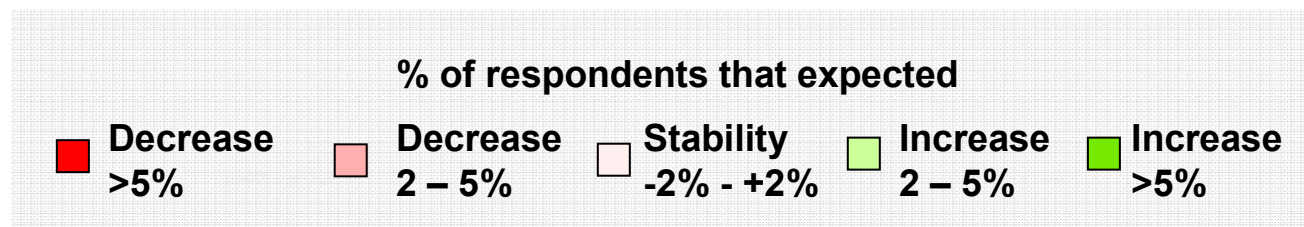
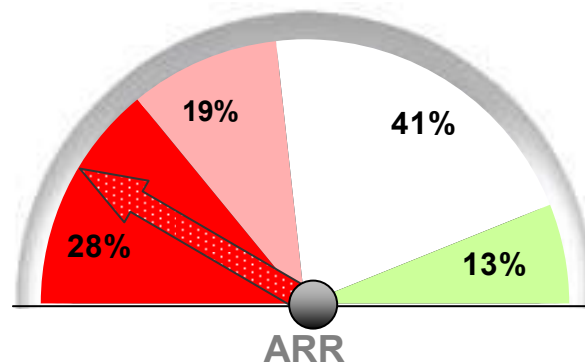
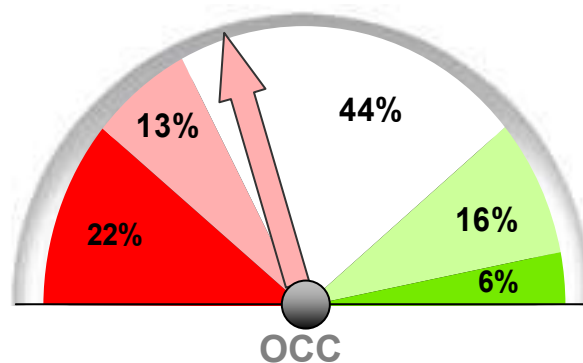
Athens hotels

The Athenian hoteliers are clearly pessimistic for 2012. Obviously the Athens hotels suffer most from continuous protests, riots, strikes, waste etc. and this clearly influenced the forecasts for Q4 and also here in the outlook for 2012.

Falling occupancy levels and ARR are expected and for the market as a whole even worse. Very few hoteliers expect substantial increases.



«MARKET IN GENERAL»

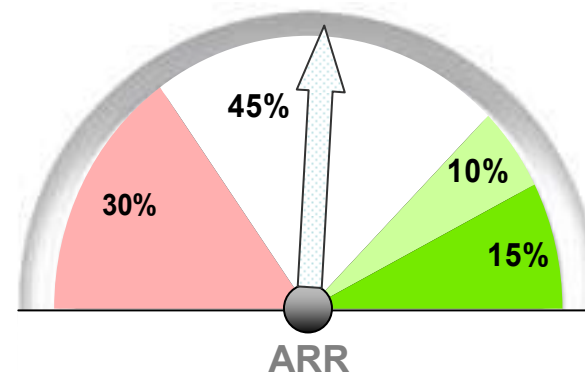
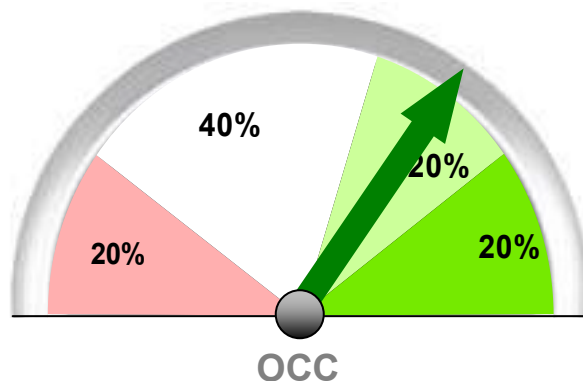


**Thessaloniki
hotels**

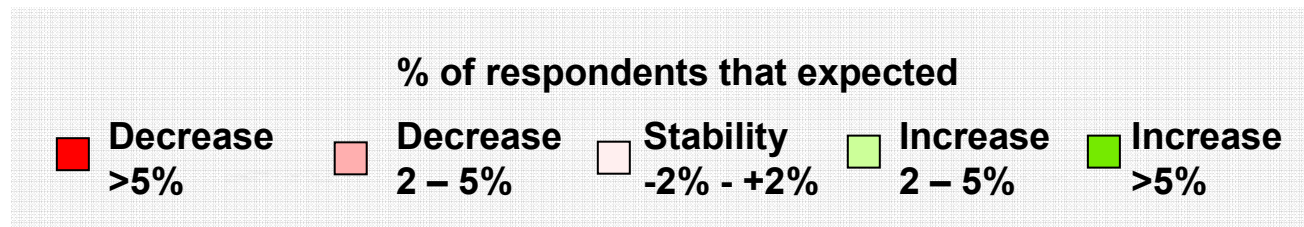
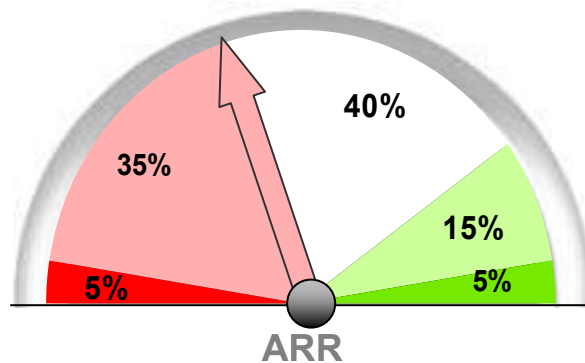
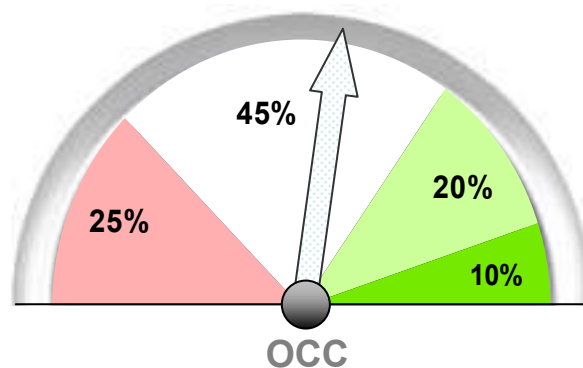
Contrary to Athens the Thessaloniki hoteliers are optimistic for next season. Occupancy levels are expected to increase. None of the hoteliers expect decreases of 5% and more. In terms of ARR they expect stabilising rates .

Hoteliers expect to outperform the market as forecasts are less optimistic, but still in the range from stabilising occupancy and slightly decreasing ARR.

«MY HOTEL»



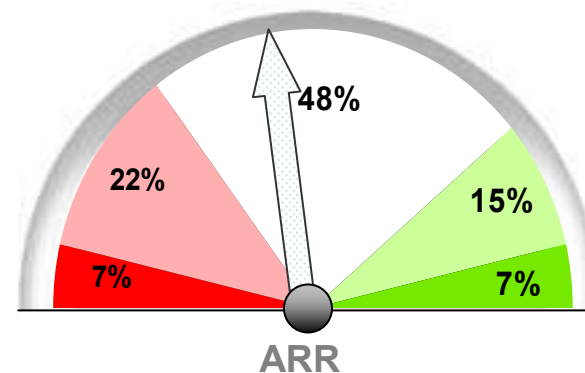
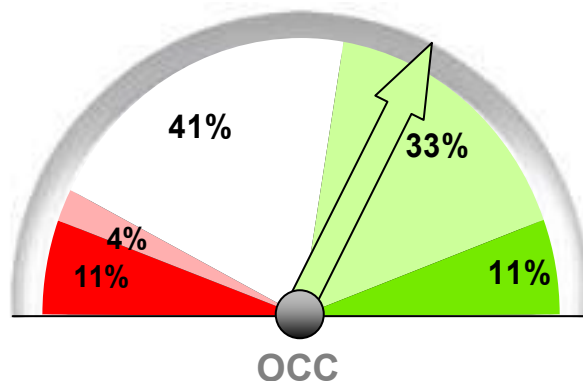
«MARKET IN GENERAL»



«MY HOTEL»

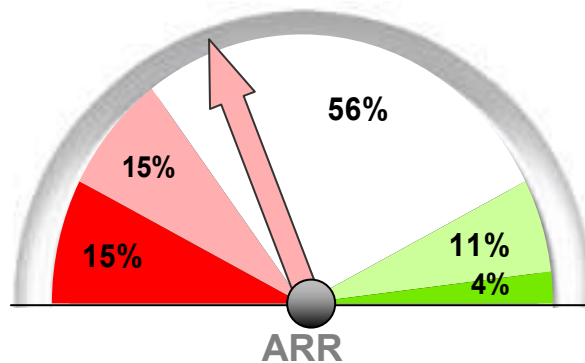
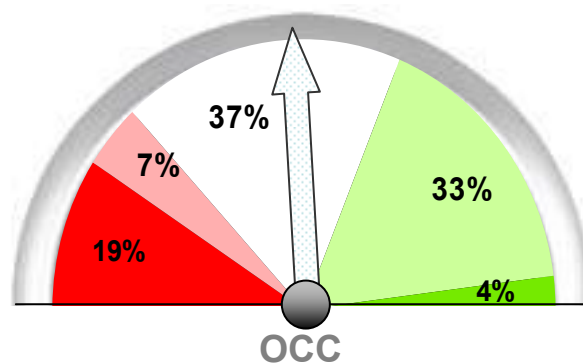
Other city hotels

City hotels outside Athens and Thessaloniki expect overall stabilising occupancy levels and room rates.

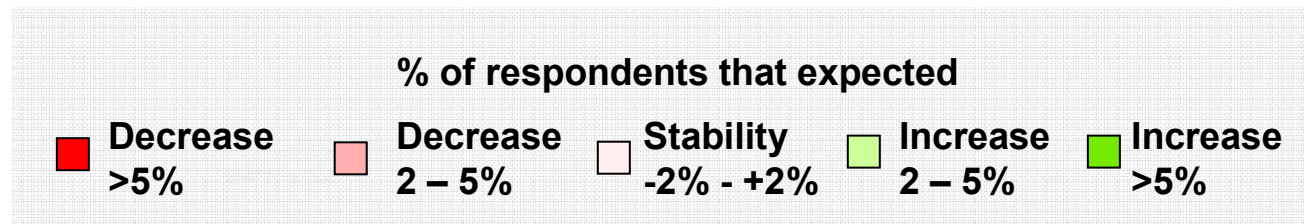


For their own hotels they are a bit more optimistic on occupancy and for the market in general slightly more pessimistic on ARR development.

«MARKET IN GENERAL»



Overall though a similar performance is expected in 2012 in comparison with 2011.



Tourism Barometer

2011 Q4

Expectations Greek Hospitality Sector



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