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For Tourism

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ΕΛΛΗΝΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ ΕΣΤΙΑΣ
HELLENIC CHAMBER OF HOTELS



THE IMPACT of Covid-19 Pandemic on the Hotel Sector in 2020

Athens, 18 January 2021

TITLE	The Impact of Covid-19 Pandemic on the Hotel Sector in 2020
ASSIGNING BODY	Hellenic Chamber of Hotels (HCH)
CONDUCTING BODY	Research Institute for Tourism (RIT)
REFERENCE YEAR	2020
SURVEY TIME PERIOD	5 November – 10 December 2020
DELIVERABLE DATE	18 December 2020
POPULATION	Greek Hotels
STATISTICAL UNIT	Hotel unit
REGISTRAR	HCH Registrar
CLASSIFICATIONS	NACE, Hotel Categories
SAMPLING METHOD	Stratified sampling
WEIGHTING	Triple (Category, Region, Size)
SAMPLE/POPULATION SIZE	n=1.358/ N=10.070
COLLECTION METHOD	Electronic questionnaire – Email

Hotels operating in 2020

A total of **9.971** hotels operated in 2019 in Greece :
3.965 year-round and 6.098 seasonal

According to the June 2020 pandemic effects survey,
84%
of hotels intended to open

67% of Greek hotels issued health protocols

In the November
2020 survey
conducted by ITEP, it
transpired that 60%
of hotels actually
managed to open

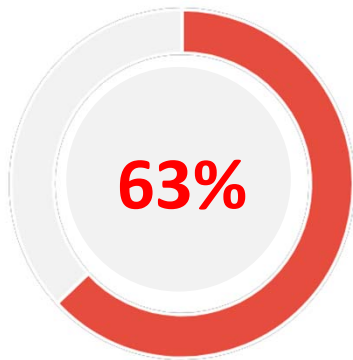
**60% of hotels
actually operated**

Year-round operating hotels in 2020



Of the 3.965 year-round operating hotels in the country, 59% re-opened after the 1st lockdown (2.328 hotels)

Of those 2.328 year-round operating hotels:



Were forced to close again before the end of the year

By the end of 2020, 863 hotels remained open, which equates to 22% of all year-round operating hotels.

As a result, by the end of 2020, 1 in 5 of year-round operating hotels were open as compared to 2019

Hotel Operating Period in 2020

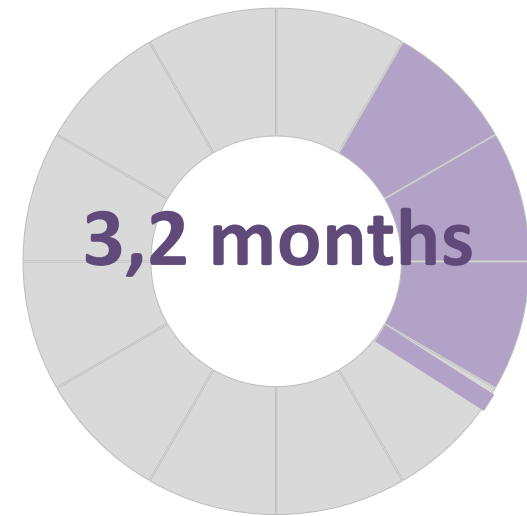


The unprecedented situation that prevailed in the country due to the pandemic also greatly affected the operating period of hotels.
As such, hotels operated for :

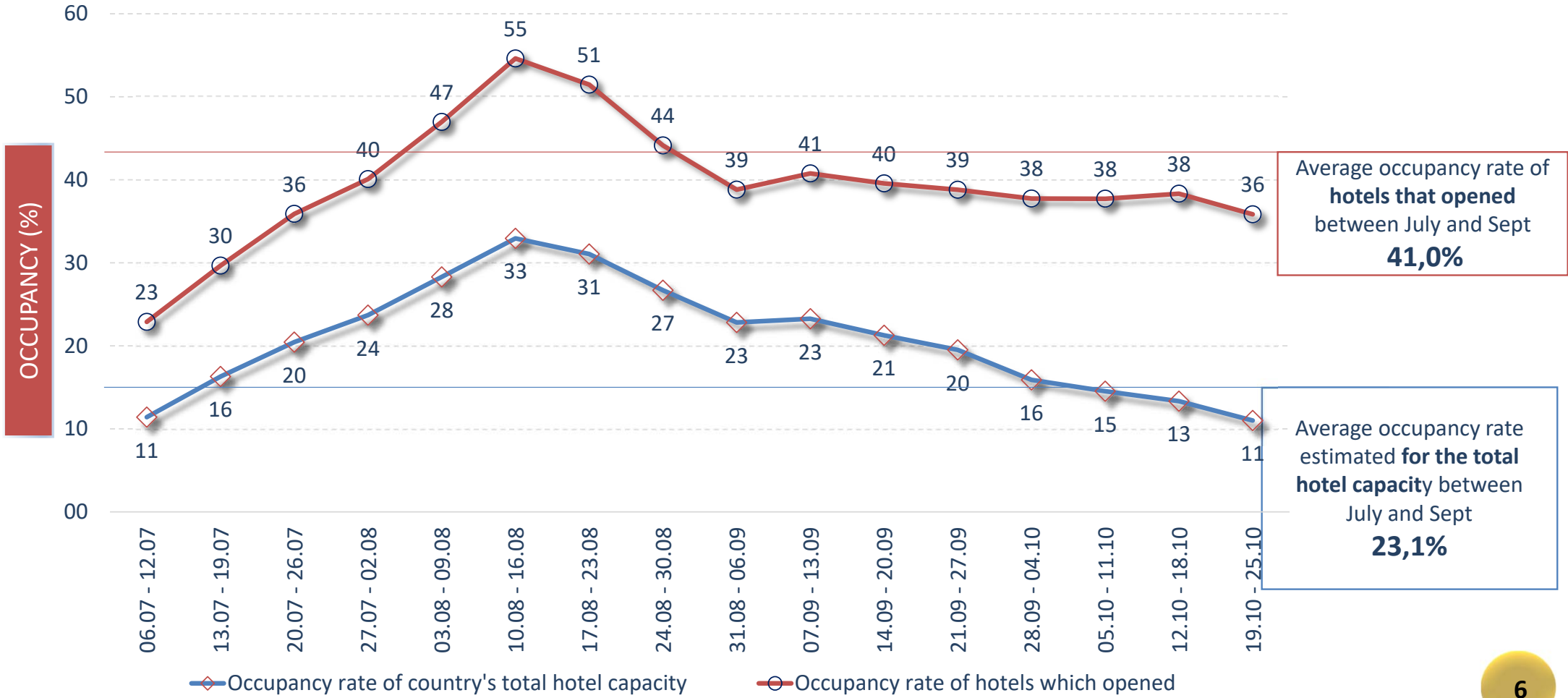
Year-round operating hotels



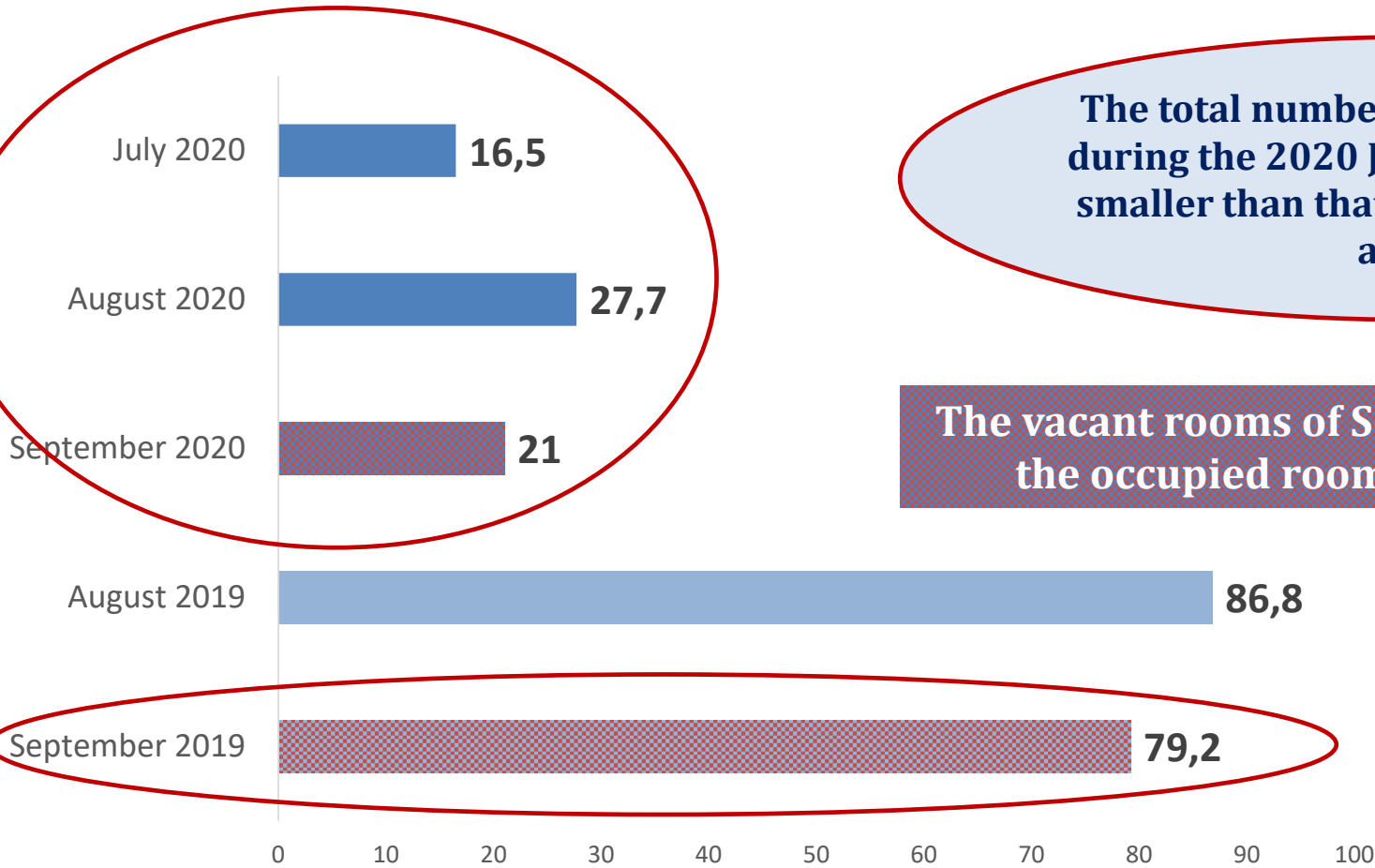
Seasonal hotels



Weekly Evolution of Occupancy Rate



Monthly evolution of Occupancy Rate

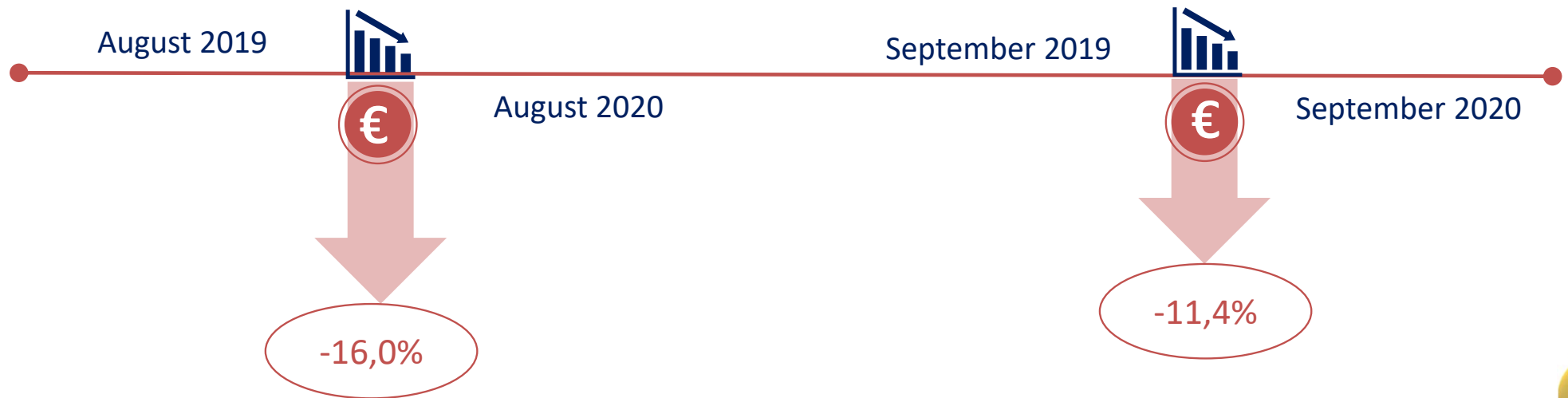


The total number of occupied rooms during the 2020 July-Sept trimester is smaller than that of September 2019 alone

The vacant rooms of September 2019 equate to the occupied rooms of September 2020

Percentage change in average room rates, by category

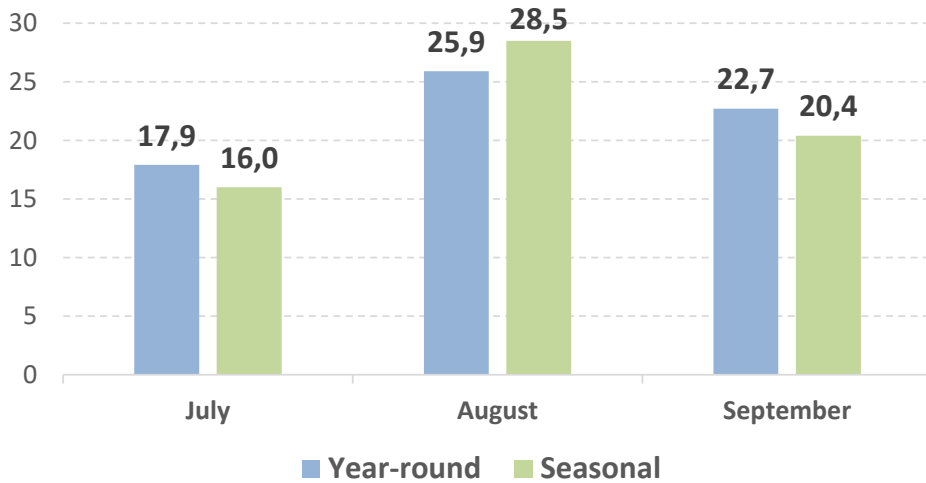
August 2019	August 2020	September 2019	September 2020
100,0€	84,0€	79,0€	70,0€
-16,0%		-11,4%	



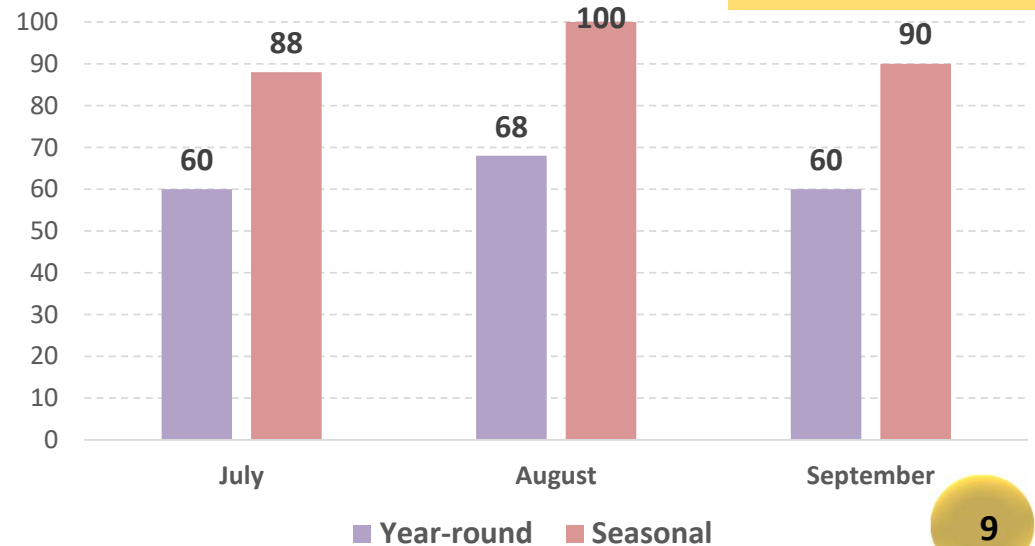
Occupancy rate and average room rate (ARR) of hotels, per operating category

Month	Occupancy		Average Room Rate	
	Year-round	Seasonal	Year-round	Seasonal
July	17,9%	16,0%	60,0€	88,0€
August	25,9%	28,5%	68,0€	100,0€
September	22,7%	20,4%	60,0€	90,0€

Occupancy (%)



ARR (€)



Turnover of Greek Hotels 2019-2020

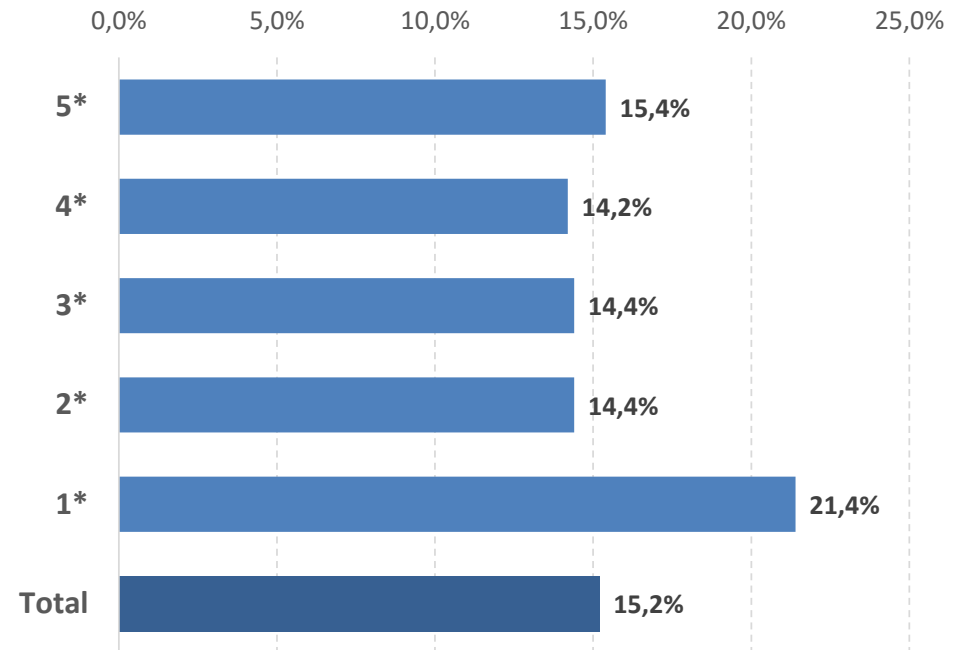
Category	2019	2020	D% 2020/2019
5*	3.007.494.439	719.325.978	-76,1%
4*	2.830.655.326	637.844.486	-77,5%
3*	1.344.389.350	240.625.973	-82,1%
2*	1.038.334.014	176.388.840	-83,0%
1*	136.793.970	57.168.669	-58,2%
Total	8.357.667.099	1.831.353.945	-78,1%

The turnover of hotels in 2020 was down by 78% as compared to 2019



Payable Turnover 2020

Category	%	Amount
5*	15,4%	110.766.811
4*	14,2%	90.578.883
3*	14,4%	34.652.040
2*	14,4%	25.401.386
1*	21,4%	12.234.766
Total	15,2%	278.365.800



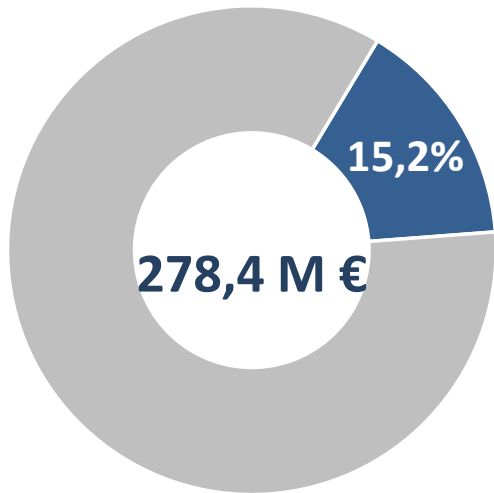
15,2% of the year's turnover is not yet paid to Hotels

Decrease of down payments in Greek Hotels 2021

Category	Down payments in a typical year	Down payments 2021	% variation
5*	333.322.331	67.955.030	-79,6%
4*	230.317.031	21.363.511	-90,7%
3*	105.518.253	17.290.685	-83,6%
2*	47.489.719	13.065.636	-72,5%
1*	27.098.421	4.205.409	-84,5%
Total	743.745.755	123.880.271	-83,3%

Loss of Liquidity for Greek Hotels 2020

Rate of payable turnover
2020



Reduction rate
in down payments



With a **15,2%** payable turnover in 2020 and a reduction of **83%** in down payments, hotels are totaling **900 M Euro** of loss in liquidity (in addition to operational losses)

	August 2019	August 2019 <i>(employment in 60% of hotels)</i>	August 2020	% distribution August 2020
# Actively employed	-		78.523	73,2%
# Suspended contracts	-		28.736	26,8%
Total employment	186.575	111.945	107.260	100,0%

Taking into consideration that:

- ❖ In 2020, only 60% of hotels operated
- ❖ Turnover decreased by 78%
- ❖ There was a significant loss in liquidity due to rate of payable turnover and reduction in down payments

The number of employees within the hotel sector were kept relevantly close to that of 2019.

With the support of job assistance programs, employment in the hotels that managed to operate in 2020 was kept relevantly at same level as those of 2019

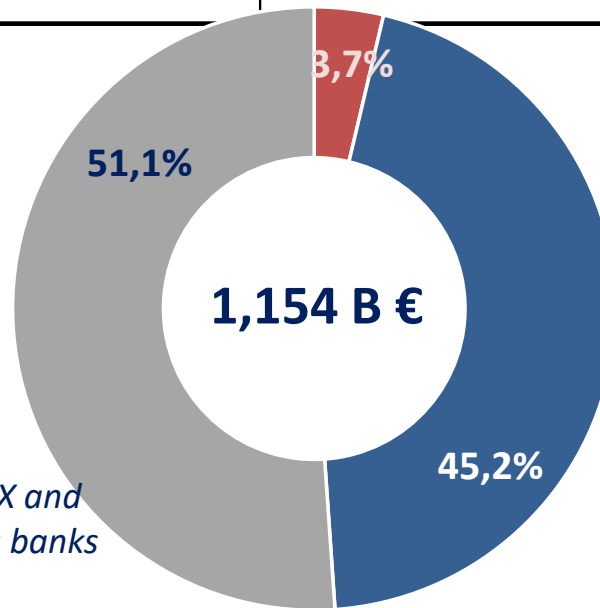


Financial Assistance Schemes, Distribution of approved amounts per financial scheme (*)

	Refundable deposits 1 st round	Refundable deposits 2 nd round	Refundable deposits 3 rd round	TEPIX I	TEPIX II	Guarantee I	Guarantee II	Total
Approved sum (€)	73.213.165	194.088.819	254.898.694	9.395.400	33.140.776	479.500.183	110.175.808	1.154.412.845
Cumulative sum per scheme (€)		522.200.678			42.536.176		589.675.991	1.154.412.845

(*) A 4th round of Refundable deposits was not activated at time of survey. According to recent data from the Ministry of Finance, 290 M € have been approved for the Hotel sector on top of the previous ones.

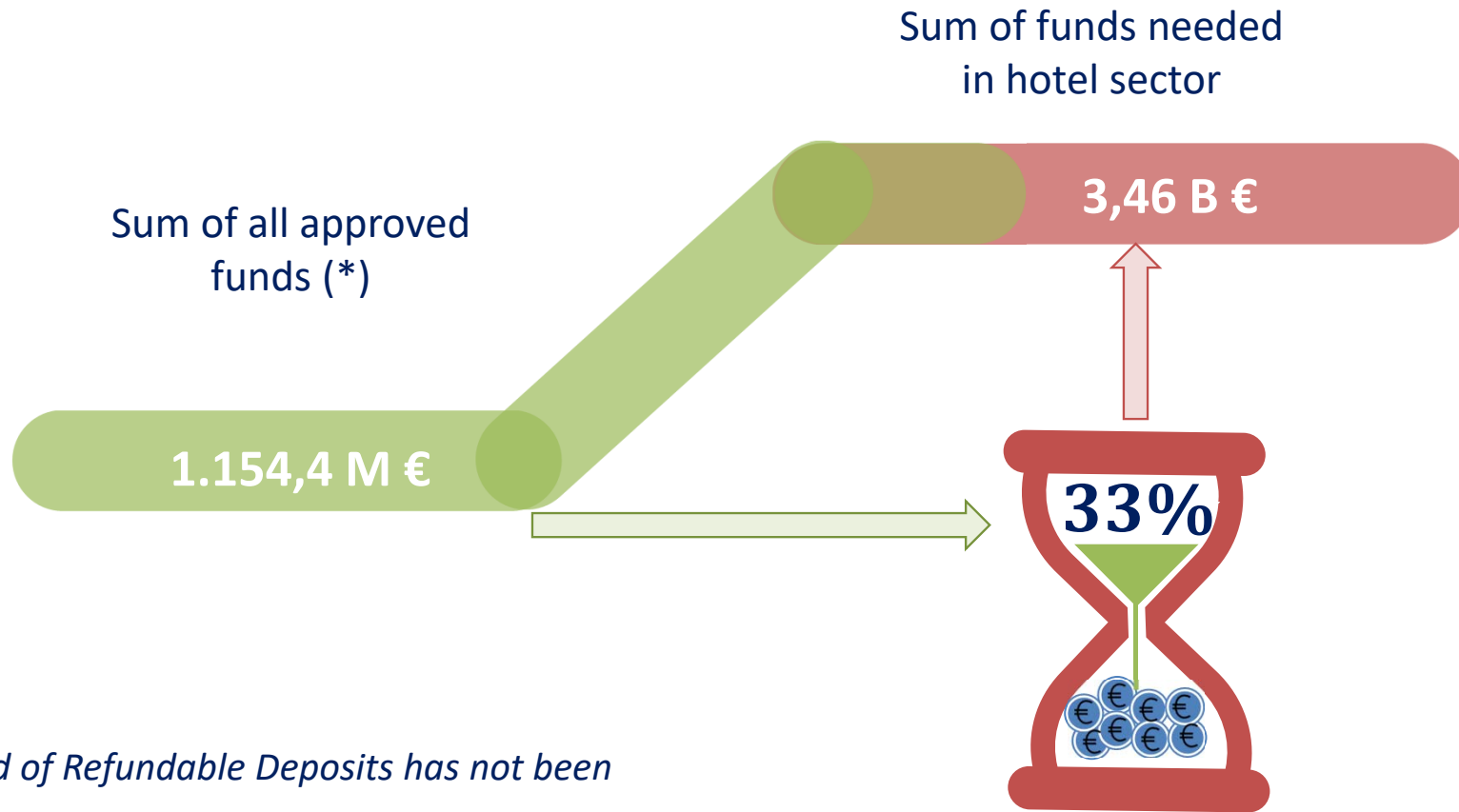
Refundable deposits are a direct state aid. TEPIX and "Guarantee" programs are run by the country's banks and backed by a public guarantee.



- TEPIX I-II (Entrepreneurship Fund)**
- Refundable Deposits - 3 cycles**
- Guarantee I-II (Guarantee Fund)**

The funds that were allocated through the different financial assistance schemes covered on average **33%** of the liquidity needs of hotels

Category	% Coverage
5*****	47%
4*****	43%
3***	35%
2**	30%
1*	18%



(*) The 4th round of Refundable Deposits has not been included.

- **1** in **5** year-round operating hotels managed to remain open as compared to 2019.
- Seasonal hotels operated on average **3,2** months whilst year-round hotels operated on average **7** months.
- Hotel turnover in 2020 was down by **78%** as compared to 2019.
- During the 2020 July-Sept trimester less rooms were sold than in September of 2019 alone.
- Thanks to the implementation of employment assistance programs, Greek Hotels managed to maintain employment rates at good levels.
- The financial schemes for supporting the hotel sector covered **1/3** of the sector's liquidity needs on average.
- Hotel liquidity will be short of an additional 900 M € due to the payable turnover of 2020 and the significant reduction in down payments of 2021.

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