

PARIS 2024

Analyzing the impact of the Olympic Games on Paris's hospitality market

A playbook to unlocking event-driven success for
travel & hospitality professionals



The road to hospitality gold



Paris, the romantic and cultural capital of the world, will soon take center stage in the sporting arena when it hosts the 2024 Olympic Games.

But what does this mean for a city that's already a major player in the tourism industry? Can an event of the magnitude of the Olympics move the needle in a tourism behemoth the scale of Paris?

Paris consistently ranks among the top destinations globally for both visitors and spending. It proudly claimed the top spot in the WTTC rankings for 2022, earning the title of 'the world's most powerful tourism city'. Given this peak, can Paris aim even higher?

The answer is a resounding 'YES!'

Our data predicts that the upcoming **2024 Paris Olympics will set new revenue records in the City of Lights.** And by using this major global event as an example, we will demonstrate how you can compete effectively for bookings during events in your own market.



What to look for in the report

- ✓ A study of **how hotel and short-term rental prices are evolving** in the lead-up to the 2024 Paris Olympic Games
- ✓ An **analysis of the forward-looking demand trends** for flights and OTA and Meta hotel searches to Paris
- ✓ Examining **the ripple effect that the Olympics will have on the wider French market**
- ✓ **How to implement revenue strategies for events in your market** by identifying and acting on demand and pricing trends in the lead-up to events

An Olympic flame ignites Paris: hotel and short-term rental prices set to soar

There's a reason that cities bid furiously to host the Olympics: it brings one of the world's greatest spectacles to town and everything that comes with it.

Paris takes center stage on July 26th, 2024, as over 10,000 athletes compete in 30+ sports across hundreds of events, captivating billions of viewers worldwide and potentially attracting over a million visitors to the city.

Olympic city preparations may come at a high cost and raise questions about their long-term impact, but they undeniably boost a city's global profile and lure a massive wave of tourists, driving up tourism and related economic activity.

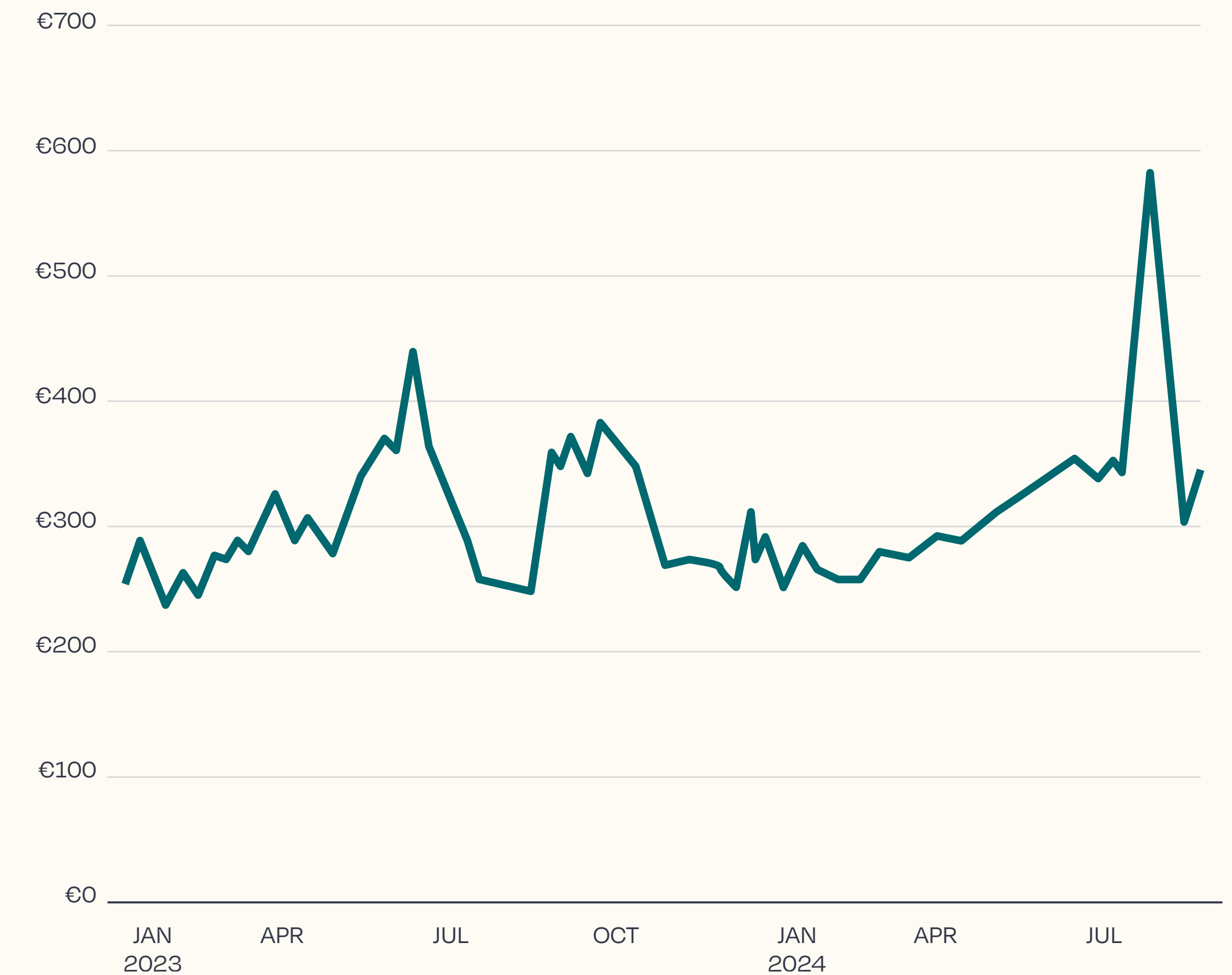
So, when the city in question is arguably the world's most famous destination for leisure tourism, what kind of impact can we expect?

Lighthouse data shines a light on a substantial surge in critical lodging metrics, that fall far in advance of the standard booking period.

And this surge isn't limited to the Olympic period but extends throughout the year and beyond Paris city limits.

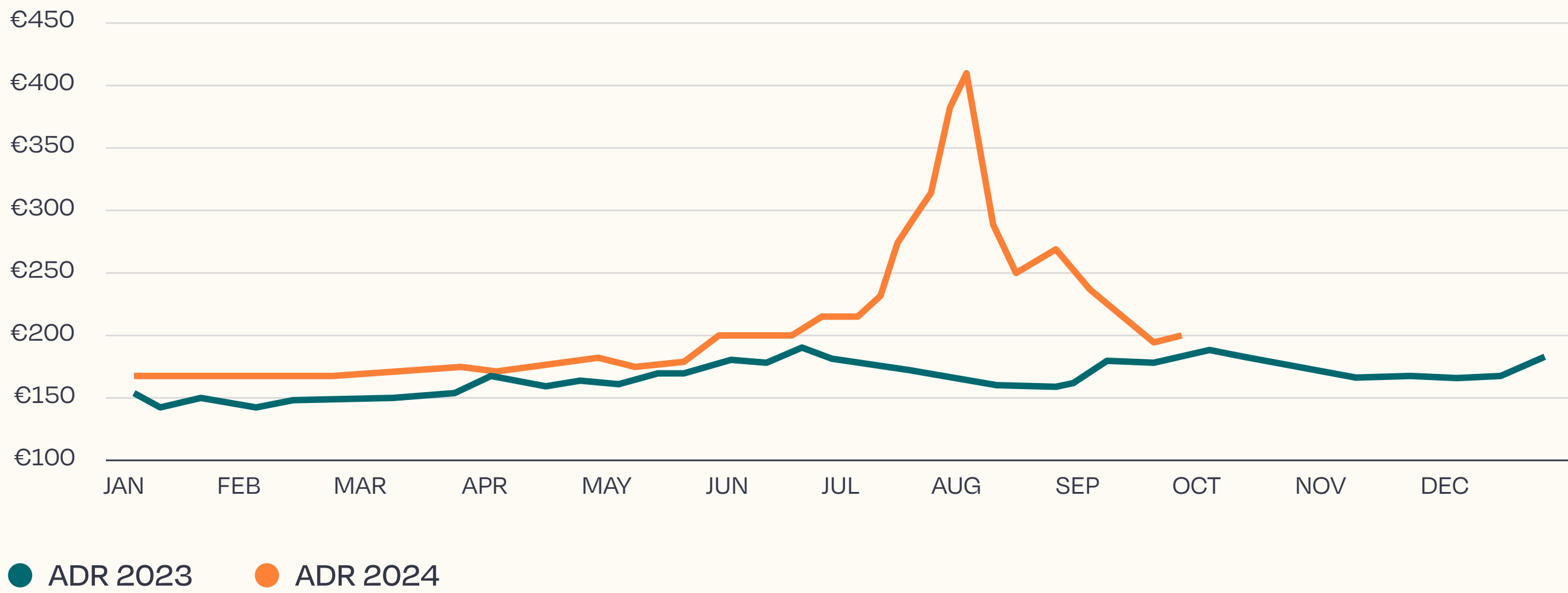


Average daily hotel room rate in Paris

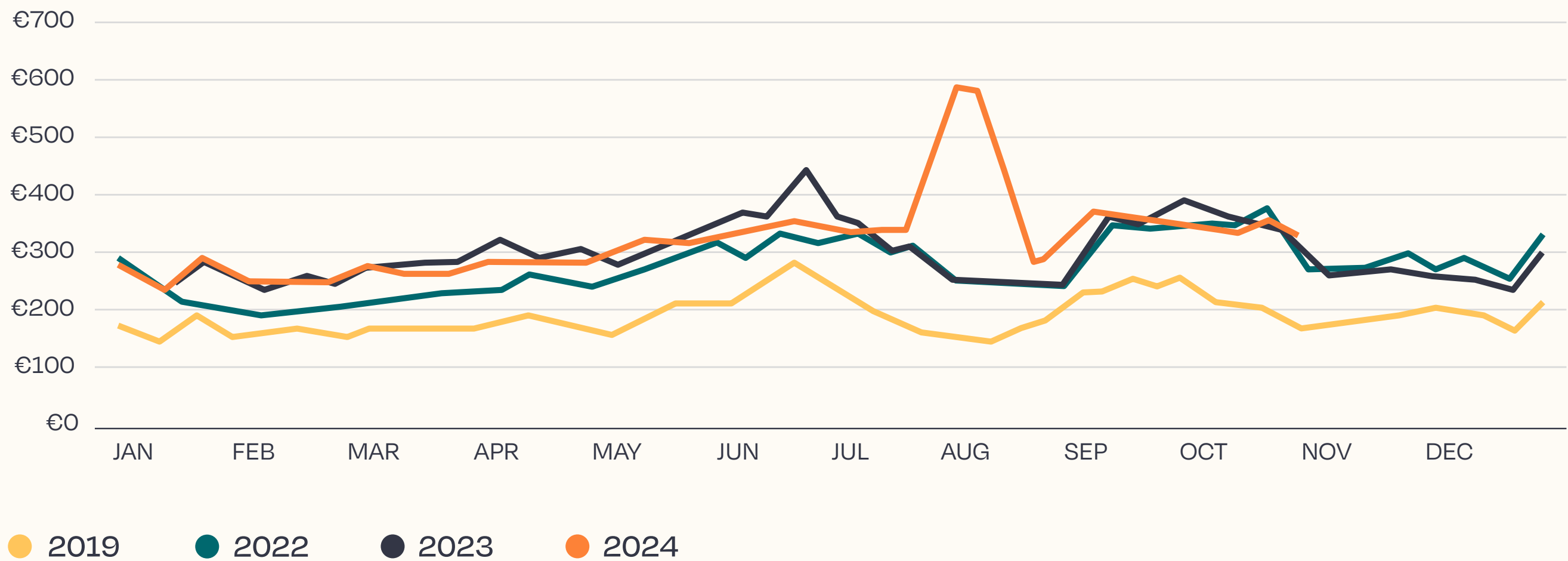


● Hotel room rates

ADRs for entire-home short term rentals in Paris, 2023 and 2024



Hotel room rate comparison 2019, 2022, 2023, and 2024



Let's begin by examining how pricing will change over the next year.



At first glance, it is immediately clear there are significant spikes in prices during the period when the Olympics are taking place. These spikes correspond exactly with the opening ceremony on July 26th and run until the event concludes on August 11th.

Hotel pricing peaks in the final week of the Olympics, hitting €574 for the average room and €401 for a short-term rental.

These price hikes represent a significant departure from the typical rates observed throughout the rest of the year, as well as in previous years. In fact, the average advertised rate during the 2 week period is 89% higher than the same two weeks in 2023.

For hotel rooms, the six weeks following the start of the Olympics are seeing prices soar by 69% compared to the same period in 2023, while rentals have surged by an impressive 86% year-over-year.



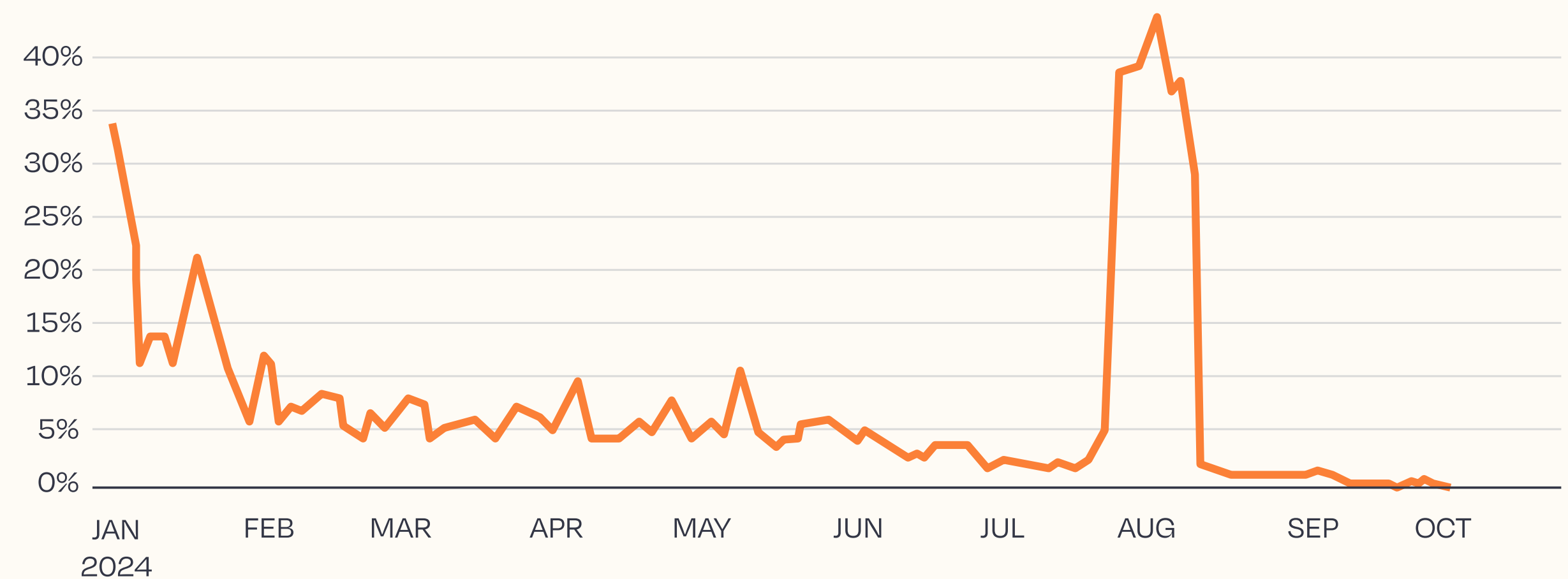
An even more striking indicator for the Olympics effect in action is current On-The-Books (OTB) data for Paris, which has hit stratospheric levels given how far out we are from the actual event.

As of the time of writing, **75% of Parisian hotels have either a LOS restriction in place for the duration of the Olympics or are already sold out**, while average market occupancy is above 40% for the two-week period, and climbing.

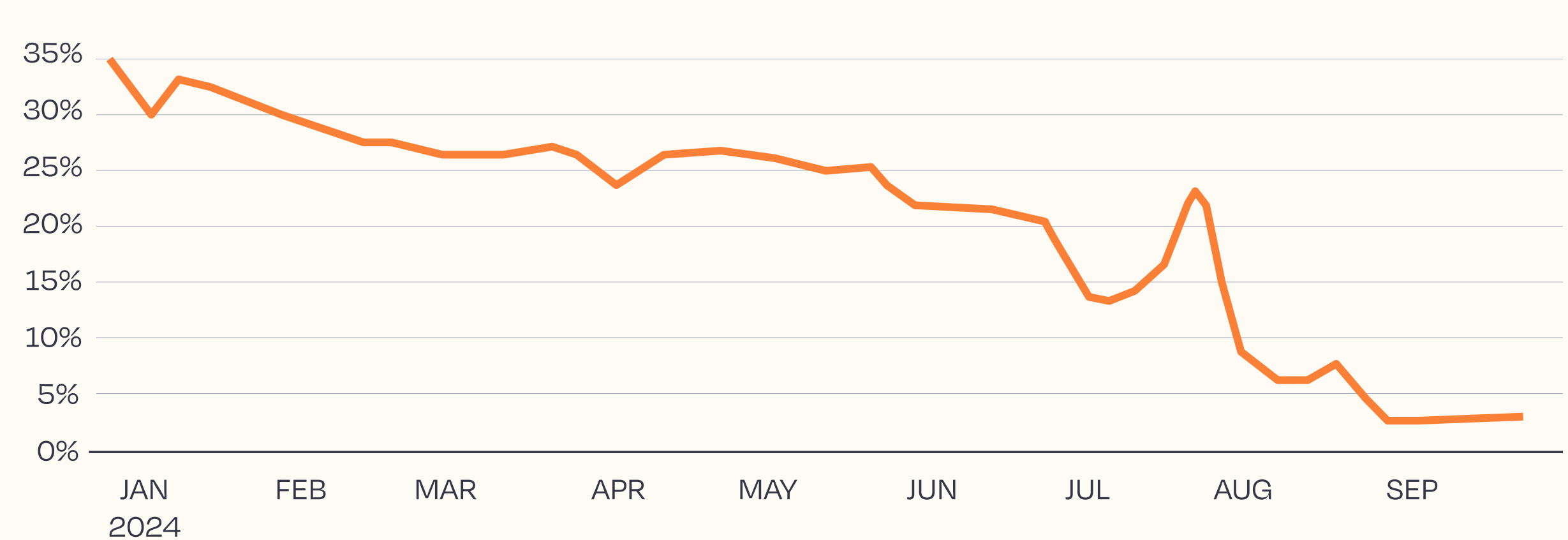
Short-term rentals, typically booked earlier and at a greater volume than hotels, have a less pronounced bump. However, there is still a clear spike, with guests booking up 23% of available entire-home rentals in the opening week of the Olympics.

When comparing this to the usual booking curve for a major European city, **it's clear that the number of hotel bookings made in Paris is much higher than what we would typically expect until one-to-two months before. This highlights the atypical nature of this market behavior and underscores the significant impact of this caliber of event.**

Market on-the-books occupancy rates for hotels in Paris



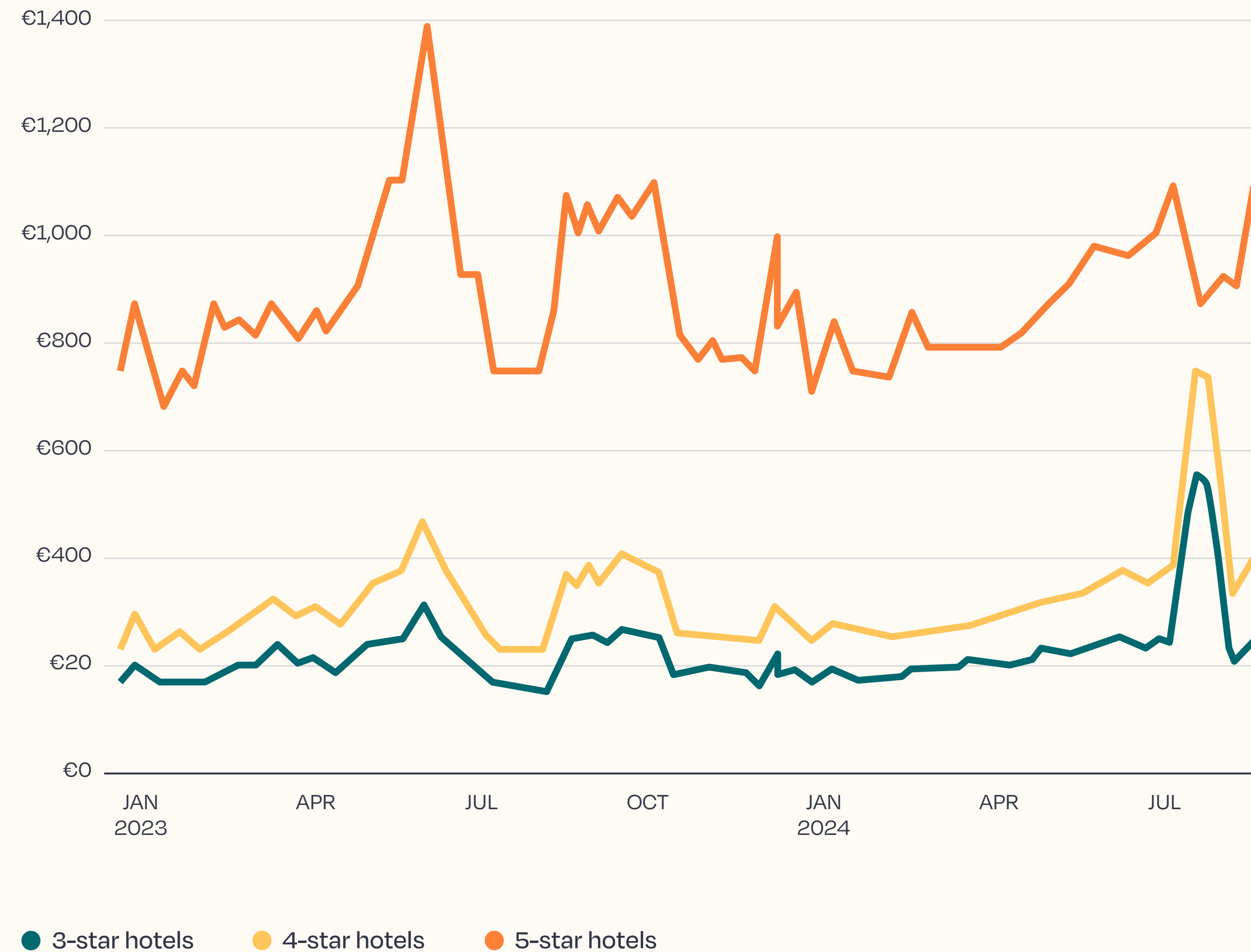
Market on-the-books occupancy rates for entire-home short-term rentals in Paris



● Occupancy on-the-books



Average daily hotel room rate for three, four and five star hotels in Paris



An interesting wrinkle we have uncovered in our data is that the “Olympics effect” is not equally occurring in all hotel categories.

So far, **there’s a much more pronounced bounce in pricing in three- and four-star hotels**, compared to the top of the market.

When we extract pricing for 2023 and 2024 up to the end of September, **the Olympics represent by far and away the peak for room rates in three- and four-star hotels, reaching highs of €556 for the former and €760 for the latter.**

Five-star hotels, on the other hand, are showing far different pricing patterns.

In this segment, pricing peaks in the week starting July 23rd at €1,114, earlier than for lower-rated hotels and with a less significant bump.



These prices represent similar levels to the Rugby World Cup, which ran from early September to October of this year, but are well below the peak registered in June 2023 of €1,396.

This may be attributed to several factors, including the relatively abundant supply of five-star rooms in Paris compared to other global destinations and variations in booking behavior among consumers in this segment.

It's likely that more budget-conscious travelers are securing their rooms earlier to avoid future price hikes. At the upper end of the market, such incentives may have less impact, resulting in less accelerated booking rate for five-star hotels.

As we approach the Olympics, we anticipate a shift in this pattern, with **the emergence of more aggressive pricing strategies**. This could lead to five-star rates surpassing their current levels.





Key lessons for hospitality professionals everywhere



- **Major events such as the Olympics disrupt demand curves** and create unique situations for the local travel and hospitality industry. Hoteliers and short-term rental owners need to be matching prices to true demand in their market.
- **If prices are too low, money is left on the table** as rooms sell out early and are under-priced compared to the level that the market will support.
- **Overestimate the demand generated by the event and you are likely to lose bookings** to the competition and diminish your market share, while potentially damaging brand image long-term.
- The rapid growth of short-term rentals has a significant impact on hotel demand and pricing. It is a Comp Set you can longer afford to ignore. **It is crucial to consider short-term rental data when strategizing for events** to have a comprehensive market view and stay competitive.
- Real-time rate intelligence allows you to align your pricing strategy with market demand. By leveraging this data, you can **strategically adjust pricing and promotional efforts in response to market conditions, ultimately optimizing revenue.**

Why not try? The hospitality industry's #1 ranked rate shopping platform, [Rate Insight](#), this solution combines hotel and short-term rental pricing data in a single platform, so you can see your full competitive landscape and get the edge over your Comp Set.

Are you an independent hotelier? Then take a look at [Pricing Assistant](#). Built specifically for independent hotels, AI-driven room price recommendations, tailored specifically to your hotel so you never miss out on revenue opportunities again.



Lookers and bookers continue to place Paris top of their lists

The recent surge in travel bookings, especially in Paris, shows no signs of slowing down.

Our forward-looking search metrics indicate a sustained increase in demand, with both flight and hotel searches showing remarkable growth since early 2021.

Taking average relative search volume scores for Q2 in 2021, 2022 and 2023, there is an increase each year.

Volumes for hotel searches in Q2 2023 were **3.9 times higher than in 2021** and **7.4 times** what they were two years ago for flights.

Flight and hotel search evolution index for Paris, 2021 to to year-to-date 2023





In addition, our projection based on the composite demand index for the next year leading up to the Olympics reveals that the event is already the most sought-after in that period. Search trends are building on this robust base, promising a surge in future bookings.

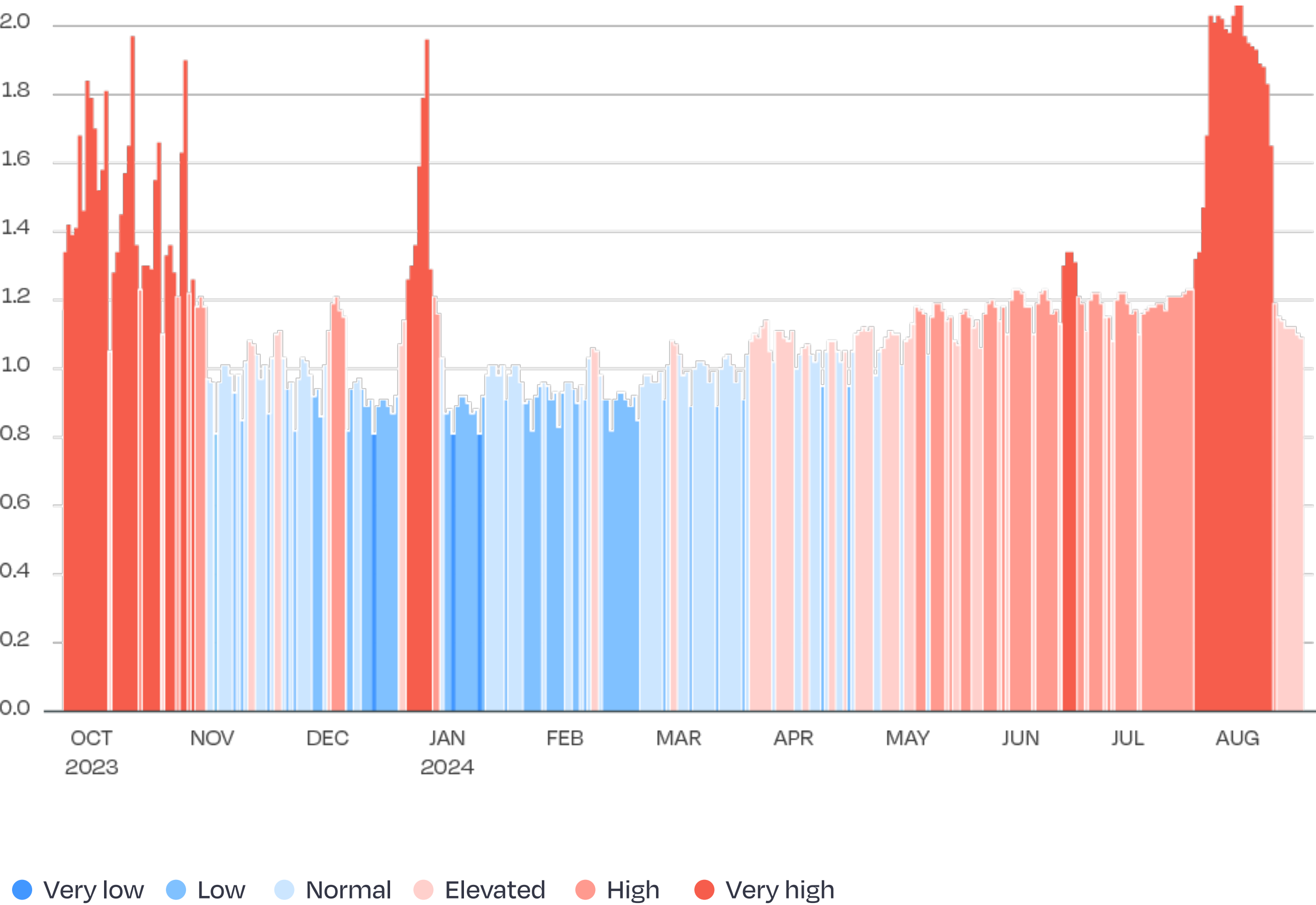
The index shown in the chart below, which takes a variety of demand indicators for each future stay date, shows gradually increasing interest in the city throughout 2023, before rising to exceptional peaks during the Olympics in 2024.

Each day of the event shows very high demand signals, according to the index.

One of the core components for this measure is search volume, which is also extremely high comparative to surrounding stay dates.

When we break out Meta/OTA hotel searches, which measures searches being made in the seven days prior to the point of data extraction, **volumes are around 400% higher during the Olympics than in the weeks immediately preceding and following.**

Daily market demand level in Paris





Key lessons for hospitality professionals everywhere



- With major events like the Olympics, **your usual demand forecasts are out of the window.**
- Rather than relying on historical trends, **adopting a forward-looking approach with predictive market intelligence that can accurately forecast shifts in demand** is essential if you are hoping to truly maximize on an event's potential.
- **In order to outperform your competition, you should aim to have segmented demand insights** such as, the length of stays that guests may be interested in, intended travel dates, and the geographical location where the demand originates from.

Why not try? [Market Insight](#), the industry's first predictive market intelligence solution that uses real-time forward-looking search data to forecast demand, enabling you to understand market trends before bookings are made.

It also provides valuable insights on guest stay patterns and the origin of demand, allowing you to create targeted marketing campaigns for specific dates, length of stay, and source countries, when guests are still in the inspiration phase of the customer journey.



The wider hospitality picture for 2024 looks strong for Paris and France overall

The data is abundant and unanimous in showing incredibly high demand for the Olympics. But what about the wider picture across the year and beyond the Paris region?

Our data shows that there is even more positive news. Unlike typical events that mainly affect the host city, the Olympics are generating widespread interest.

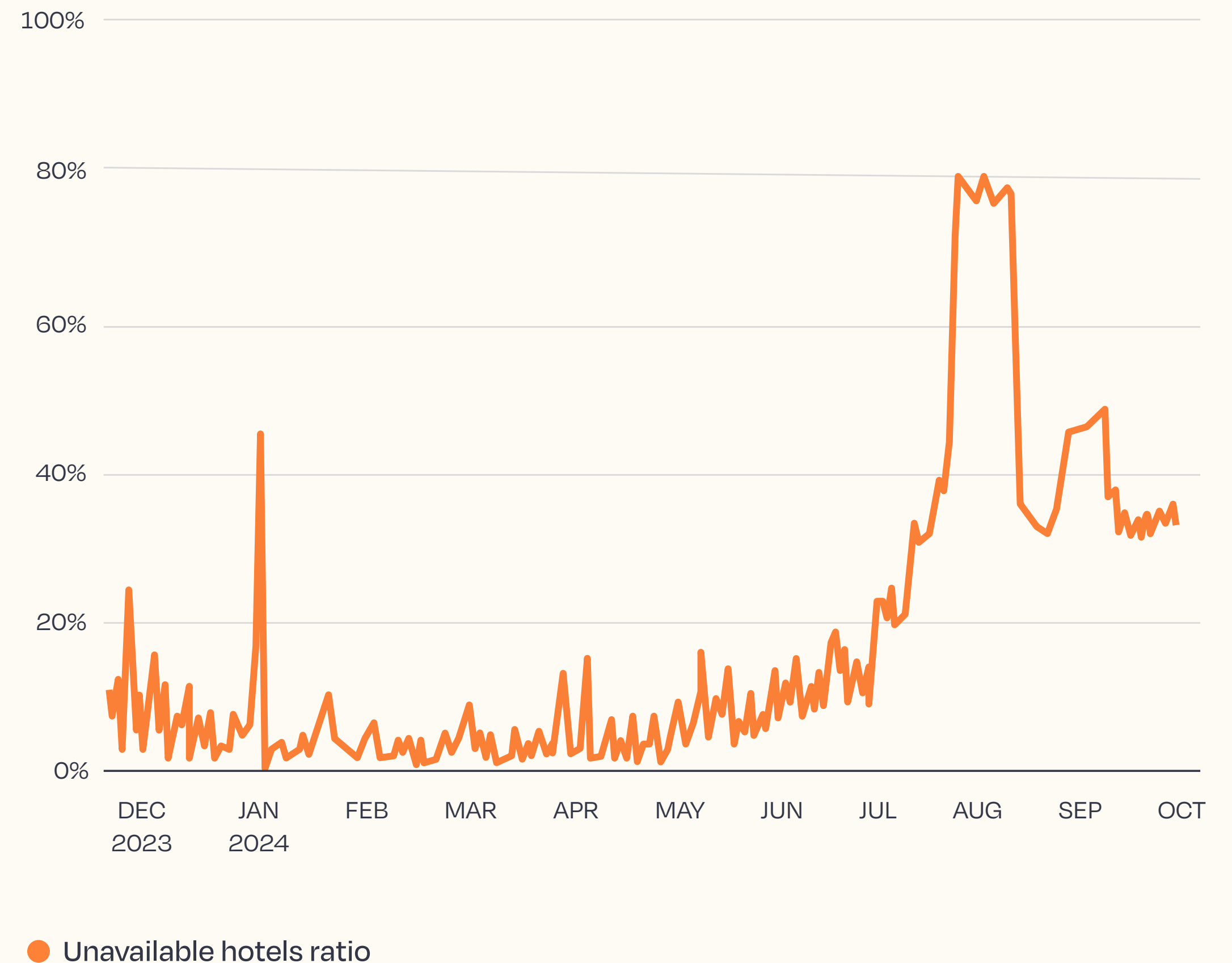
While the graph of unavailable hotels in the Paris region is most striking for its enormous peak during the Olympics itself, indicating hotels being fully booked or setting aside inventory during this time, and therefore elevated demand, there is also a broader pattern of this measure rising throughout 2024.

Analysis of hotel availability in the Paris region shows a dramatic peak during the Olympics, with over 80% of hotels being unavailable.

However, this trend isn't limited to the event itself.

There's a gradual increase in hotel unavailability throughout 2024, **rising from 12% in May to 19% in June, and reaching 51% by July**, just before the Olympics start on July 26th.

Unavailable hotels in Paris



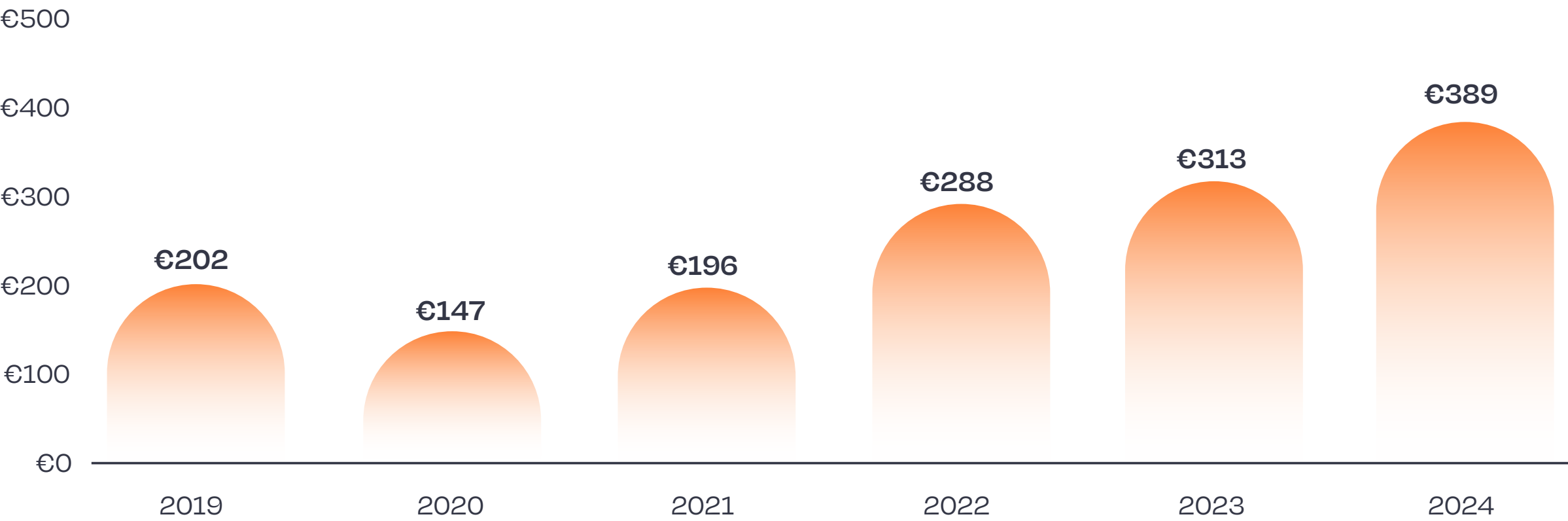
This is, once again, unusual behavior and indicates that hotels in the market are seeing strong demand across the wider typical peak period and not just during the event itself.

Demand is also manifesting itself in strong pricing overall with hotel room rates in Paris for the peak tourism period of June-to-August, 24% above where they were in 2023 in nominal terms and 92% higher than 2019.

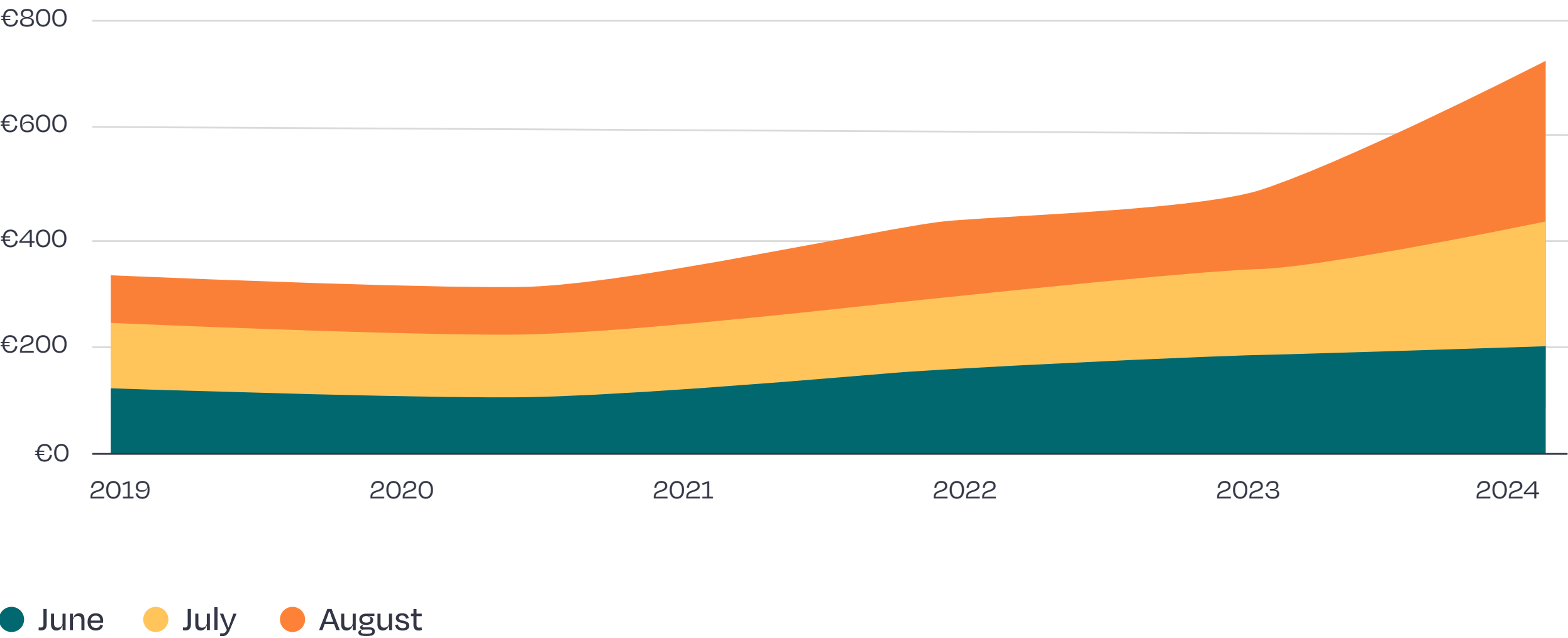
That pattern holds when we look across at short-term rentals.

Rates for a one-bedroom rental in Paris **are 50% more expensive in this period than in 2022**, led by a near-doubling in August, with prices up 98% at the time of writing.

Hotel room rates for Paris, 2019 to 2024 (June-August)



Evolution of yearly ADR for entire-home short-term rentals, 2019 to 2024 (June-August)



The 2024 Olympics are not only boosting tourism in Paris but **also sparking increased interest in other major French cities.**

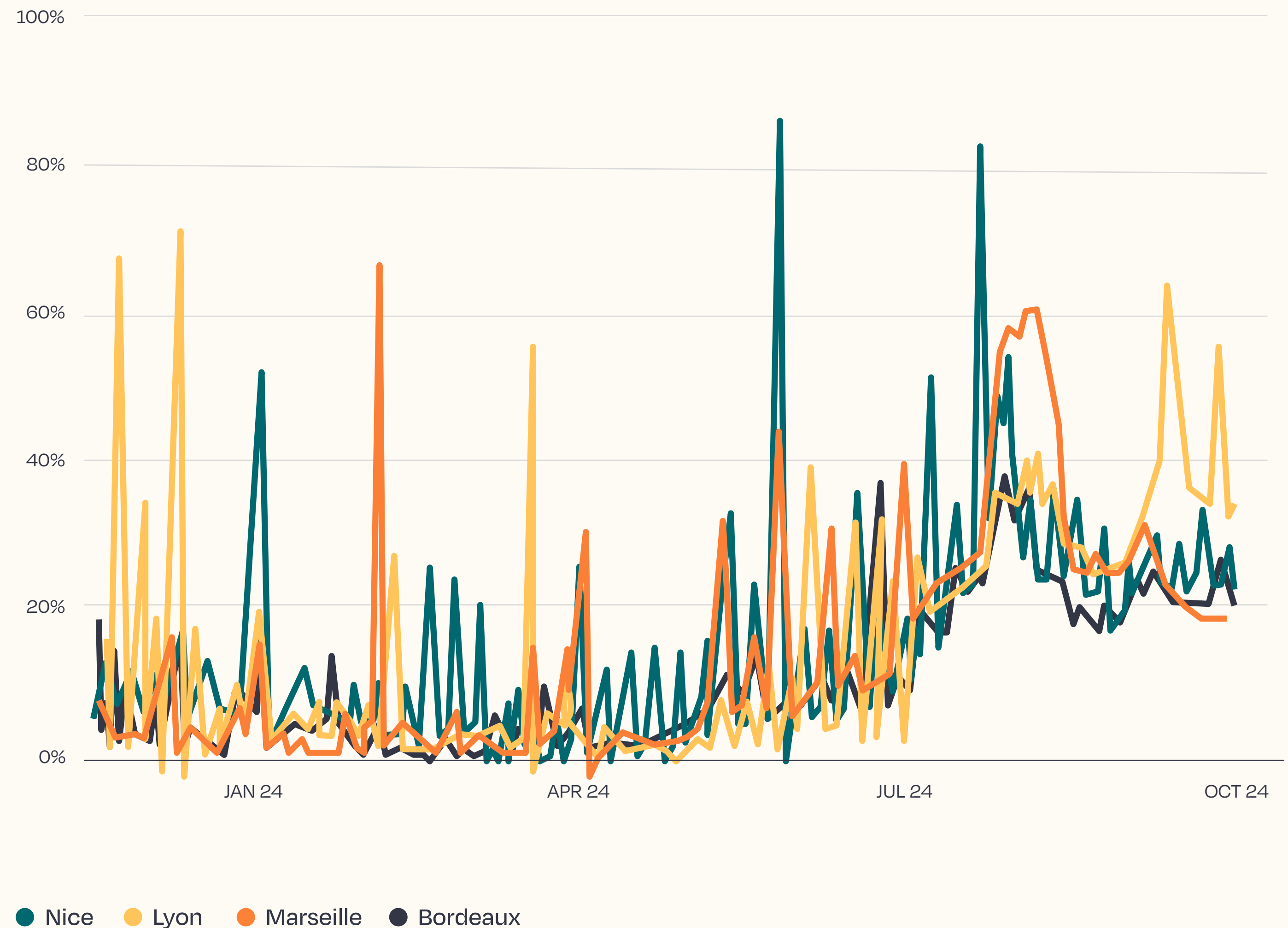
During the Olympics, the average advertised hotel rates in Nantes have skyrocketed to €251, marking a 181% increase compared to the same week in 2023. They are also up by 120% in Marseille, averaging €328 per night. In Lille, the average advertised rate is also €328 during the week of July 31, 2024 - a significant jump from the €95 per night offered during the same week in 2023.

Turning again to unavailable hotels as a proxy to sense demand, the overall trend lines are similar, if less pronounced, than Paris.

The rate of unavailable hotels shifts upwards throughout 2024 in Bordeaux, Lyon, Marseille and Nice, typically peaking at the same time as Paris in early August.

For a rough comparison, taking a simple mean average across the four cities averages out at 15% of hotels currently listed as unavailable in May, 16% in June, and 34% in July, correlating with overall market behavior in Paris.

Unavailable hotels in Bordeaux, Lyon, Marseille and Nice



Short-term rentals present a more nuanced picture, but there too are shared characteristics.

In **Lyon and Bordeaux**, the proportion of entire-home rentals marked as unavailable is noticeably higher during and just after the Olympic period compared to 2023, even at this early stage of bookings.

Marseille is also experiencing increased demand, particularly notable in the week following the Olympics' conclusion.

This suggests that the 2024 Olympics could be one of the most beneficial for tourism events in a host country to date, with spillover demand and more visitors considering French destinations for visits in 2024.

For Paris itself, the data suggests that we will hit max occupancy during the event with a steady stream of bookings coming up to the weeks of the event and that this could represent an absolute maximum demand-generating event possible.





Maximizing market demand during events in your market



Unsurprisingly, the 2024 Olympic Games remain highly popular at a global level.

As a hospitality professional, the extreme peaks of demand provided by large scale events present a unique opportunity to generate revenue for your property.

Real-time market intelligence that takes into account both competitor pricing and demand, is essential to building a robust commercial strategy that fully capitalizes on events in your market.

The success of your commercial strategy hinges on the quality of your data. With accurate and comprehensive data, you can seamlessly elevate your performance. Conversely, a lack of reliable data could cause you to strategize incorrectly and allow your competitors to take market share.

The final piece to the puzzle when strategizing around events is analyzing your business performance to make sure your strategies are working to best effect and then benchmarking against your competitors.

You can do this by employing a business intelligence solution and then using a tool designed specifically for instant Comp Set performance analysis.

Business Intelligence by Lighthouse leverages your Property Management System (PMS) data into performance insights such as where your business is coming from, how you are tracking against KPIs, and how your pricing and promotional framework is performing.

This empowers you to make informed decisions, refine your strategy, and drive additional revenue.

Benchmark Insight by Lighthouse enables you to immediately understand occupancy, ADR, and RevPAR performance versus your competition - so you know where to find opportunities and where to act to grow your market share, especially in times of heightened competition.



Final takeaway

Events like the Olympics are golden opportunities for property owners, general managers, revenue, and sales & marketing teams to generate exceptional revenue.

To stay ahead in dynamic market conditions a platform that uncovers your market's nuanced trends is vital. This is where Lighthouse comes into play.

At [Lighthouse](#), our mission is to reimagine commercial strategy for the travel & hospitality industry. By illuminating new insights that help hotels and short-term rentals make quick decisions, our commercial platform empowers you to make smarter revenue, distribution and marketing decisions.

If you would like to learn how you can maximize revenue around events in your market, we invite you to look to Lighthouse.

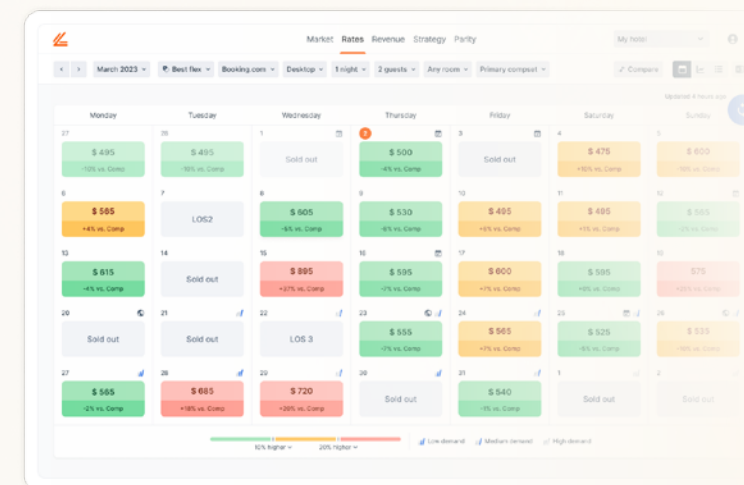
Speak to one of our experts

Contact sales

About our Commercial Platform



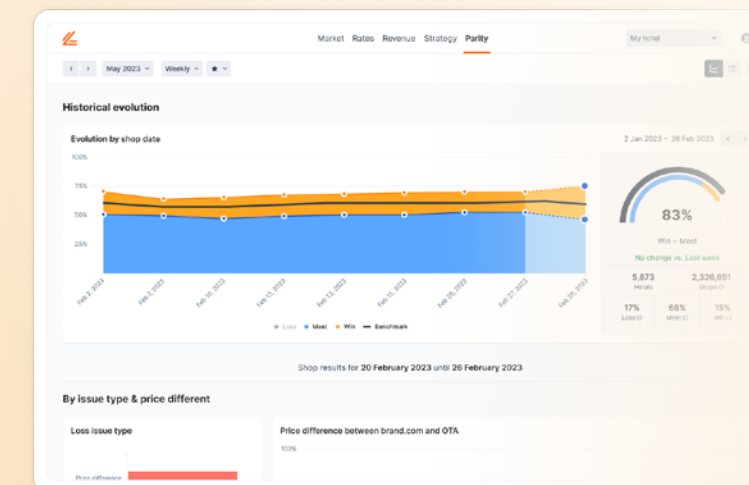
You too can access the largest source of hotel pricing and short-term rental data in the world by using our industry leading, cloud-based data intelligence platform.



Rate Insight

Track competitor pricing to maximize revenue

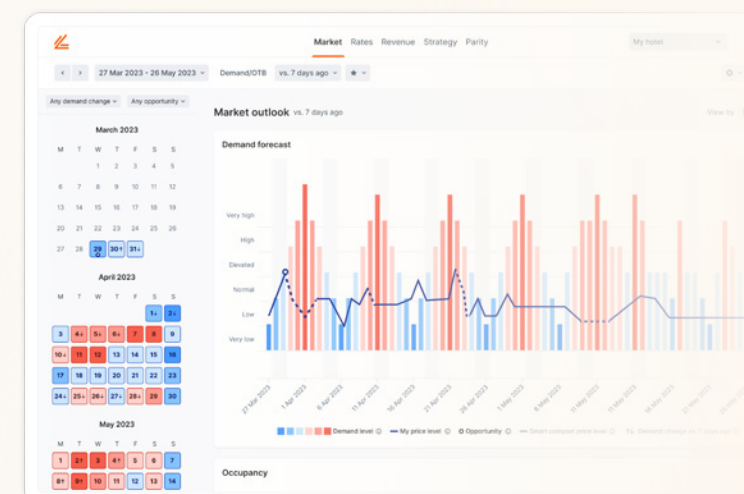
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Parity Insight

Identify and solve parity issues portfolio wide

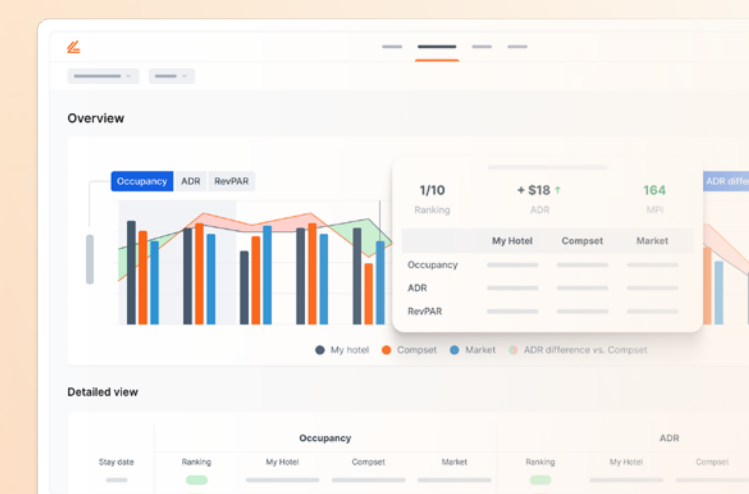
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Market Insight

Accurately predict future market demand

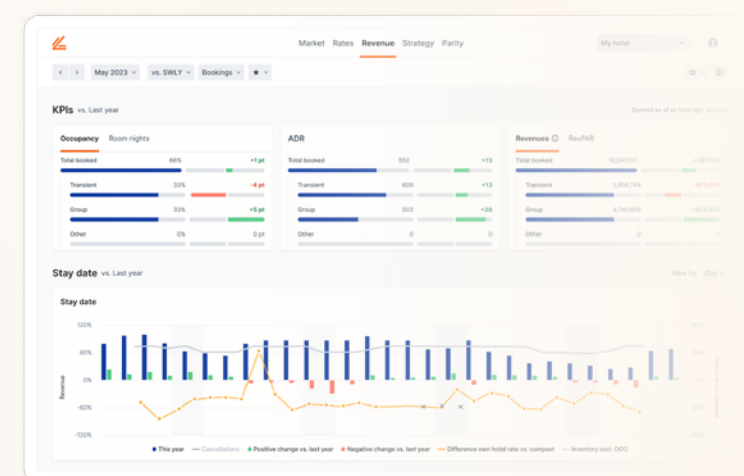
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Benchmark Insight

Effectively navigate competitive performance trends

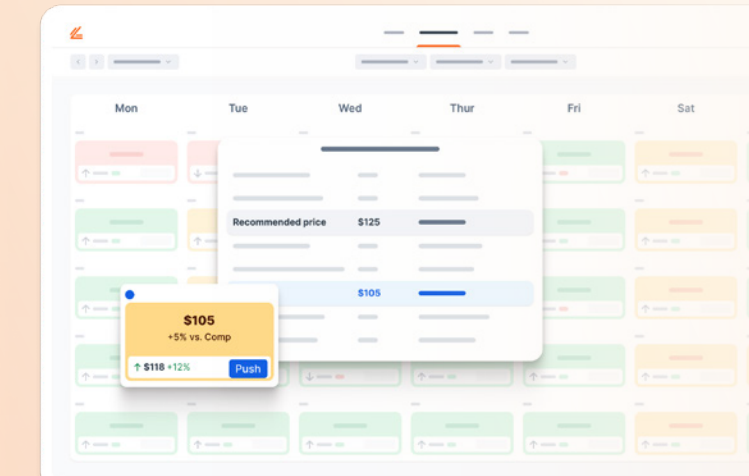
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Business Intelligence

Monitor, optimize, and report on your performance

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Pricing Assistant

Boost revenue with AI-driven room price recommendations

Start a free trial



About Lighthouse

Lighthouse (formerly OTA Insight) is the leading commercial platform for the travel & hospitality industry.

We transform complexity into confidence
by providing actionable market insights,
business intelligence, and pricing tools that
maximize revenue growth.

We continually innovate to deliver the best platform for hospitality professionals to price more effectively, measure performance more efficiently, and understand the market in new ways.

Trusted by over 65,000 hotels in 185 countries, Lighthouse is the only solution that provides real-time hotel and short-term rental data in a single platform. We strive to deliver the best possible experience with unmatched customer service. We consider our clients as true partners—their success is our success.



Lighthouse is the global leader in cloud-based **market intelligence** for the travel & hospitality industry.



