



Rooms Division

Option

Formulas



Definition

Key Performance Indicators (KPI)

“Indexes used to evaluate the financial situation of a business and maximize its revenue”

Revenue Formulas

Occupancy

OCC

Average Daily
Rate

ADR

Revenue Per
Available Room

RevPAR

Revenue Per
Occupied Room

RevPOR

Average Room
Rate

ARR

$$\frac{\text{Rooms Occupied}}{\text{Rooms Available}} \times 100$$

Room Revenue

Rooms Occupied

Room Revenue

Rooms available

Room Revenue

Rooms Occupied

Total Rooms Revenue

Total Rooms
Occupied

Occupancy (OCC)



$$\frac{\text{Rooms Occupied}}{\text{Rooms Available}} \times 100$$

- It shows how full your hotel is
- It provides insight into the high and low seasons.
- Rooms available = Total rooms – OCC

Example



Total Room:	150
Occupied:	100

Occupancy

$$\frac{100}{150} \times 100 = 66.67\%$$

Total Room:	150
Occupied:	100
OOO:	5

Occupancy

$$\frac{100}{145} \times 100 = 68.97\%$$

Exercises



- Calculate the occupancy of hotels A, B and C

Hotel A

Total rooms: 236

Occupied: 187

Occ: ?

Hotel B

Total rooms: 155

Occupied: 46

OOO: 6

Occ: ?

Hotel C

Total rooms: 88

Occupied: 82

OOO: 7

Occ: ?

Exercises - Results



- Calculate the occupancy of hotels A, B and C

Hotel A

Total rooms: 236

Occupied: 187

$$187/236*100=79,24$$

Occ: 79,24%

Hotel B

Total rooms: 155

Occupied: 46

OOO: 6

$$46/(155-6)*100=30,87$$

Occ: 30.87%

Hotel C

Total rooms: 88

Occupied: 82

OOO: 7

$$82/(88-7)*100=101,23$$

Occ: 101.23%

Average Daily Rate (ADR)



Room Revenue

Rooms sold

- Calculate the daily average rate per room sold.
- Complimentary rooms are not included in rooms sold, as they do not generate a revenue.

Example



Total Revenue: 11'450 CHF
Rooms sold: 88

ADR

$$11450 / 88 = 130.11 \text{ CHF}$$

Total Revenue: 19'526 CHF
Rooms sold: 100
Comp: 2

ADR

$$19526 / 100 = 195,26 \text{ CHF}$$

Exercises 1



- Calculate the ADR of Hotel A and B

HOTEL A

Total Room Revenue: 21'657.00 CHF

Total Rooms: 185

Rooms sold: 155

ADR: ?

21'657/155= 139,72

HOTEL B

Total Room Revenue: 30'210.00 CHF

Total Rooms: 210

Rooms sold: 155

Comp: 3

ADR: ?

30'210/155=194,90

Exercises 2 - Results



- Calculate the total Revenue of Hotel C

HOTEL C

Total Room Revenue: ?

Total Rooms: 149

Rooms occupied: 103

Comp: 2

ADR: 154.25 CHF

ADR = Total Room Revenue/Rooms sold

Room sold: $103 - 2 = 101$

$154,25 = X/101$

$X = 154,25 * 101 = 15579,25$

Revenue Per Available Room (RevPAR)



Room Revenue

Rooms Available

- It shows the revenue generated per room regardless of the rooms being occupied or not.
- Rooms available → Total rooms – OOO

Example



Total Revenue:	58'450 CHF
Total Rooms:	176
Occupied Rooms:	88

RevPAR

$$58'450 / 176 = 332.10 \text{ CHF}$$

Total Revenue:	29'723 CHF
Total Rooms:	120
Occupied Rooms:	59
OOO:	4

RevPAR

$$\begin{aligned} \text{Available rooms: } & 120 - 4 = 116 \\ 29'723 / 116 & = 256.23 \text{ CHF} \end{aligned}$$

Exercises 1



- Calculate the RevPAR of Hotel A and B

HOTEL A

Total Room Revenue: 18'350.00 CHF

Total Rooms: 50

Rooms sold: 40

Comp: 2

OOO: 0

$$18350/50=367$$

RevPAR: 367.00 CHF

HOTEL B

Total Room Revenue: 45'500.00 CHF

Total Rooms: 250

Rooms occupied: 180

Rooms sold: 177

Comp: 3

OOO: 2

$$45500(/250-2) = 183,47$$

RevPAR: 183.47 CHF

Exercises 2 - Results



- Calculate the total Rooms of Hotel C

HOTEL C

Total Room Revenue: 35'200.00 CHF

Total Rooms: 234

Rooms occupied: 120

Comp: 0

OOO: 3

RevPAR: 152,38 CHF

RevPAR=Room Revenue/Rooms available

$$152,38 = 35200 / (x - 3)$$

$$X - 3 = 35200 / 152,38 = 231$$

$$X = 231 + 3 = 234$$

Revenue Per Occupied Room (RevPOR)



Room Revenue

Rooms Occupied

- It measures the revenue made by all occupied rooms.
- Complimentary rooms are included in the rooms occupied.

Example



Total Revenue: 23'711 CHF

Total Rooms: 113

Rooms occupied: 66

Comp: 0

RevPOR

$$23'711 / 66 = 359.26 \text{ CHF}$$

Total Revenue: 34'531 CHF

Total Rooms: 150

Rooms sold: 77

Comp: 6

RevPOR

$$\begin{aligned} \text{Occupied rooms: } 77 + 6 &= 83 \\ 34'531 / 83 &= 416.03 \text{ CHF} \end{aligned}$$

Exercises 1



- Calculate the RevPOR of Hotel A and B

HOTEL A

Total Room Revenue: 35'555.00 CHF

Total Rooms: 200

Rooms occupied: 103

Comp: 0

OOO: 0

$$35555/103=345,19$$

HOTEL B

Total Room Revenue: 15'126.00 CHF

Total Rooms: 85

Rooms sold: 66

Comp: 2

OOO: 0

$$15126/(66+2) \rightarrow 15126/68=222,44$$

Exercises 2



- Calculate the total rooms occupied of Hotel C

Hotel C

Total Room Revenue: 42'200.00 CHF

Total Rooms: 220

Rooms occupied: ?

Comp: 5

OOO: 3

RevPOR: 219,77 CHF

RevPOR = Revenue/occupied rooms

$$219,77 = 42200/x$$

$$X = 42200/219,77 = 192$$

Average Room Rate (ARR)



Total Rooms Revenue

Total Rooms sold

- Rooms sold = Occupied room – complimentary.
- It calculates the average room rate based on a specific period of time (1 month, 1 year, 2 weeks, ...)
- ADR vs ARR → same metric but used in slightly different situation:
ADR → when looking at a specific day.
ARR → when looking at an average over a week, a month or season.

Example

April												
Date	Standard		Deluxe		Junior Suite		Suite		Total Daily		ADR	ARR 1-15
	CHF	Room Sold	CHF	Room Sold	CHF	Room Sold	CHF	Room Sold	CHF	Room Sold		
1	154	5	0	0	254	2	387	3	2439	10	243.90	217.09
2	149	7	198	3	0	0	388	2	2413	12	201.08	
3	139	8	202	4	255	3	0	0	2685	15	179.00	
4	151	4	0	0	266	2	401	1	1537	7	219.57	
5	199	1	211	3	279	4	411	1	2359	9	262.11	
6	132	6	200	5	0	0	399	2	2590	13	199.23	
7	131	9	209	4	288	1	0	0	2303	14	164.50	
8	146	3	215	1	249	2	404	3	2363	9	262.56	
9	147	1	221	1	0	0	405	2	1178	4	294.50	
10	166	2	0	0	244	3	0	0	1064	5	212.80	
11	123	3	0	0	289	1	419	1	1077	5	215.40	
12	139	4	233	2	0	0	429	1	1451	7	207.29	
13	147	6	210	4	281	4	0	0	2846	14	203.29	
14	133	5	213	1	292	5	0	0	2338	11	212.55	
15	161	2	219	4	273	4	399	3	3487	13	268.23	



Option

Any Questions?



Thank you

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