



# Europe hotel performance update

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# Questions we will look to answer today

Based on insights from high-quality actual achieved and business on the books data from 70,000 hotels around the world



**1** Where is the world in the recovery cycle?

**2** Can Europe save it's summer season?



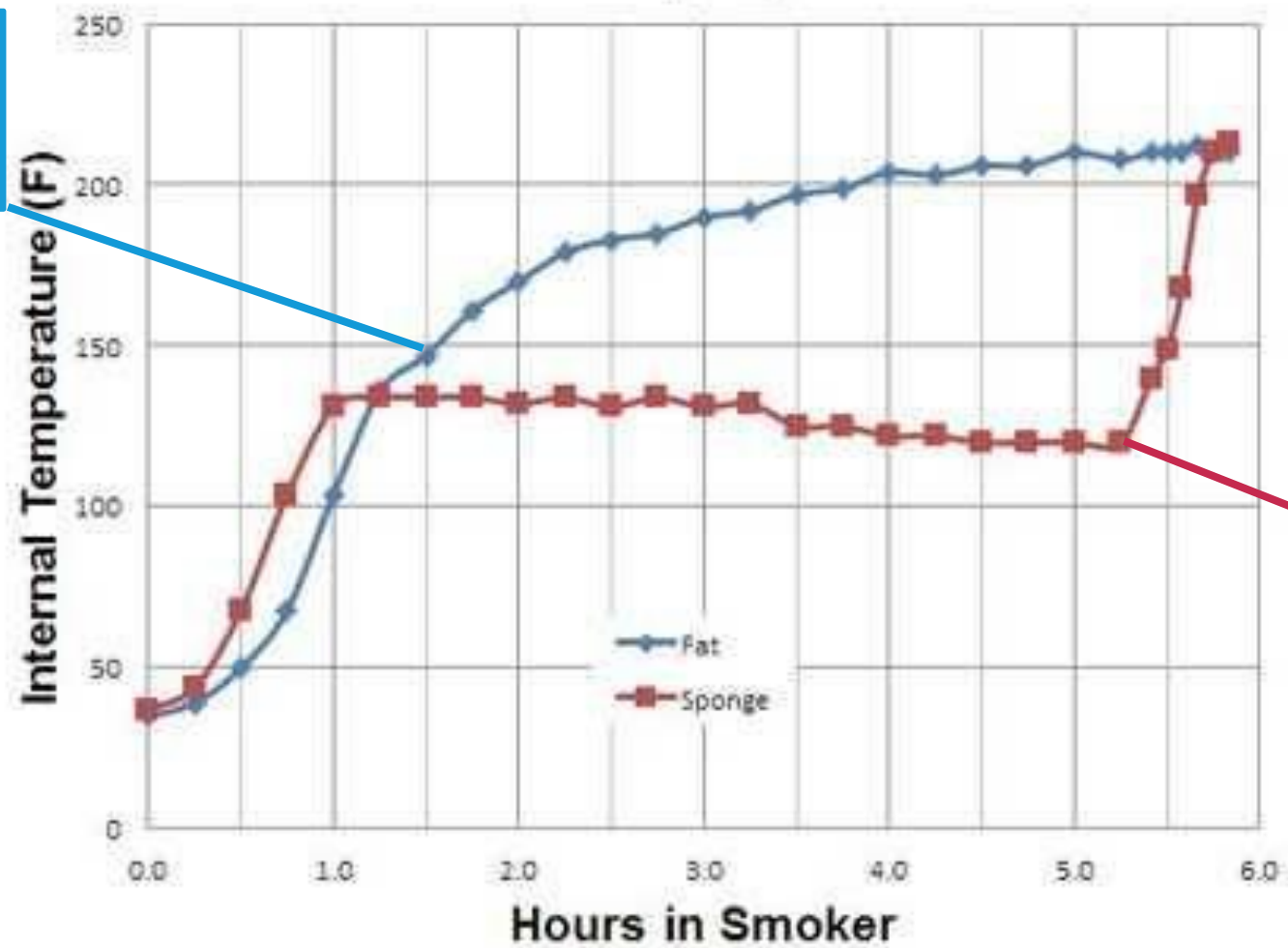
# Where is the world in the recovery cycle?

# Slow-BBQ'ing meat gives us insight into the shape of hotels recovery



After an initial recovery, demand seems likely to plateau until a 'cure' is found for COVID-19

### Stall- Sponge vs Fat

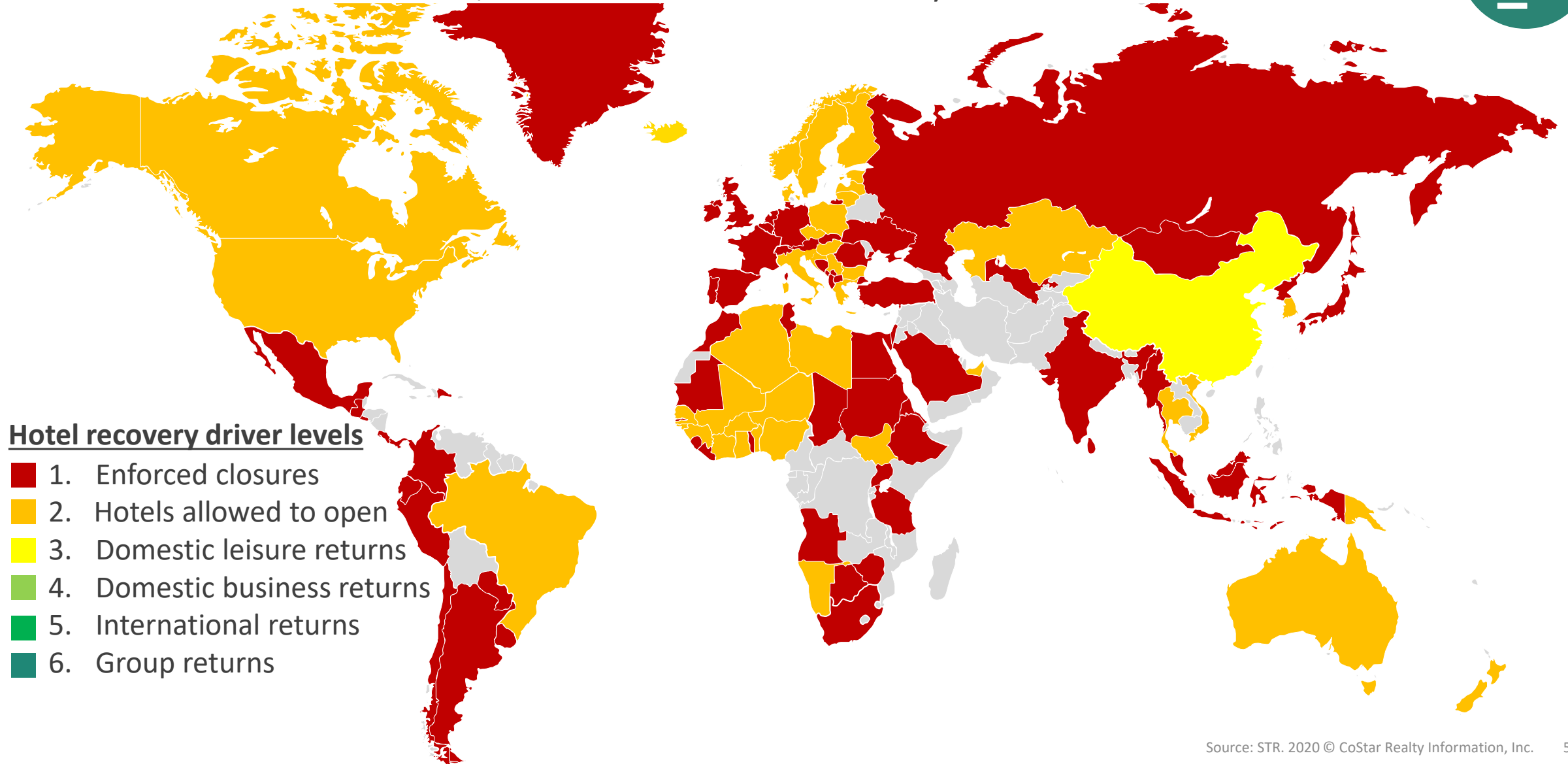


Typical recovery shape

COVID-19 recovery shape

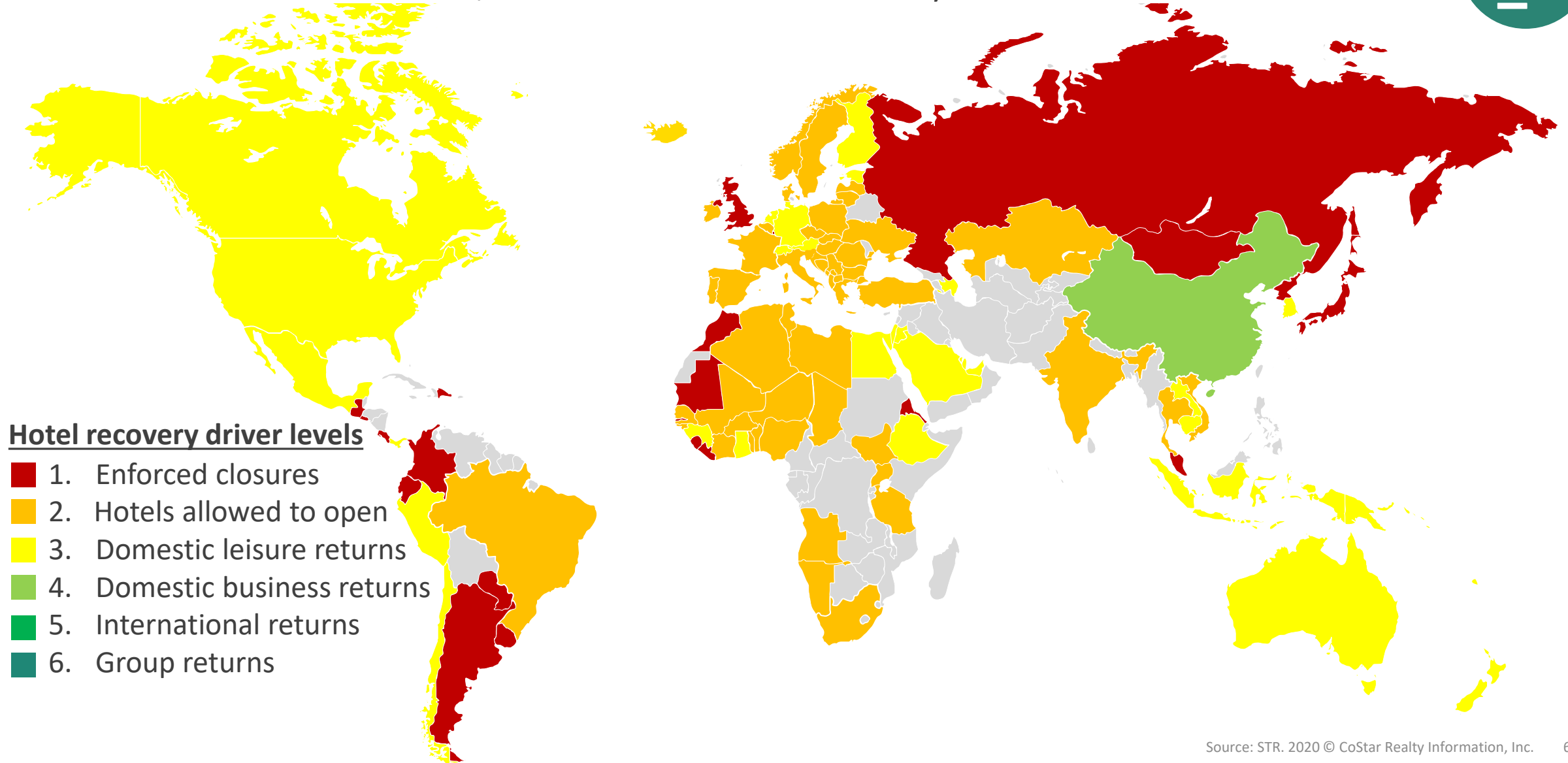
# Half way through May most of the world still had restrictions

Level of restrictions on hotels / hotel demand drivers as at May 17



# By the end of May things had started to ease

Level of restrictions on hotels / hotel demand drivers as at May 31

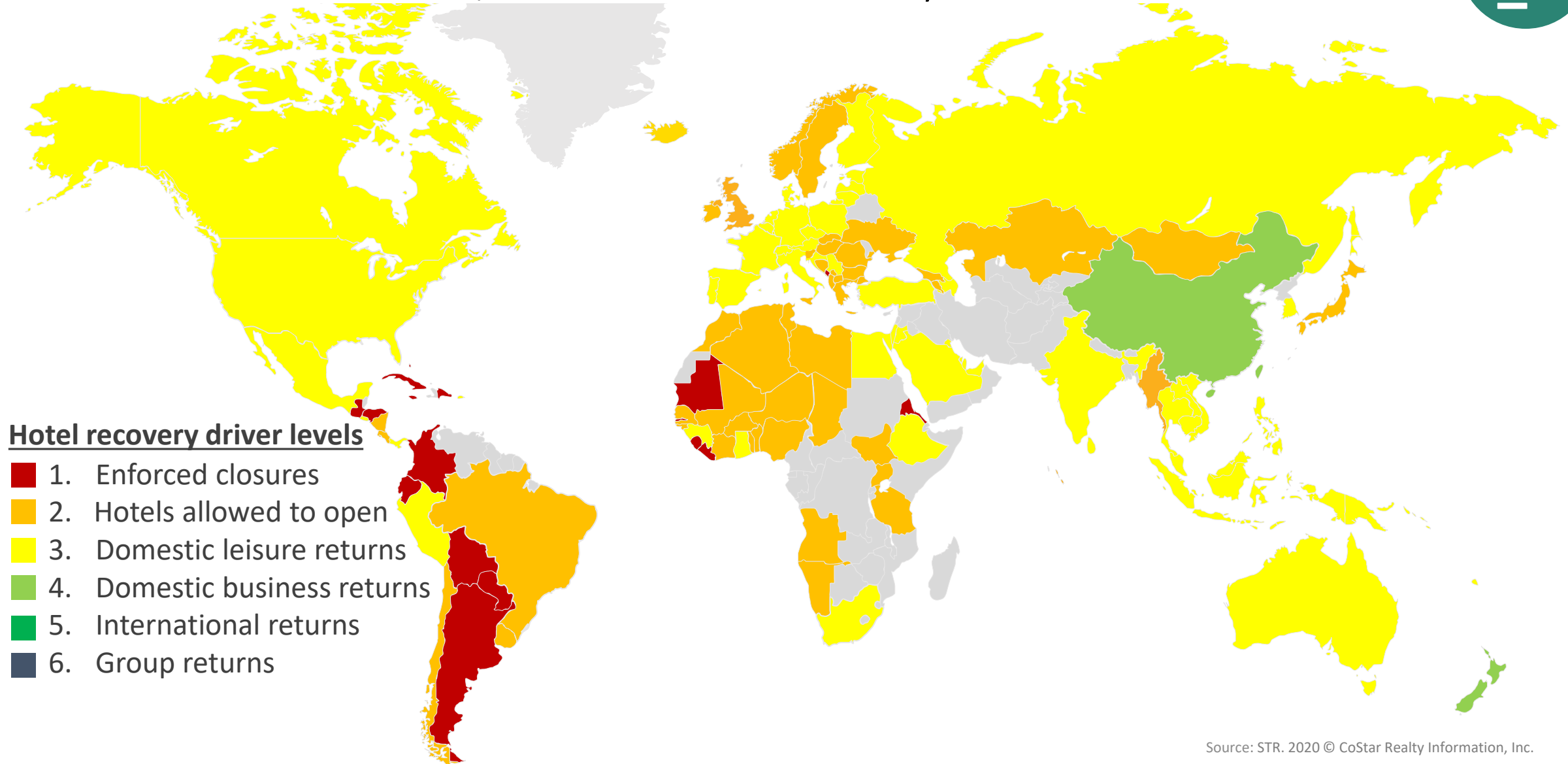


## Hotel recovery driver levels

- 1. Enforced closures
- 2. Hotels allowed to open
- 3. Domestic leisure returns
- 4. Domestic business returns
- 5. International returns
- 6. Group returns

# Now just a handful of countries with enforced hotel closures

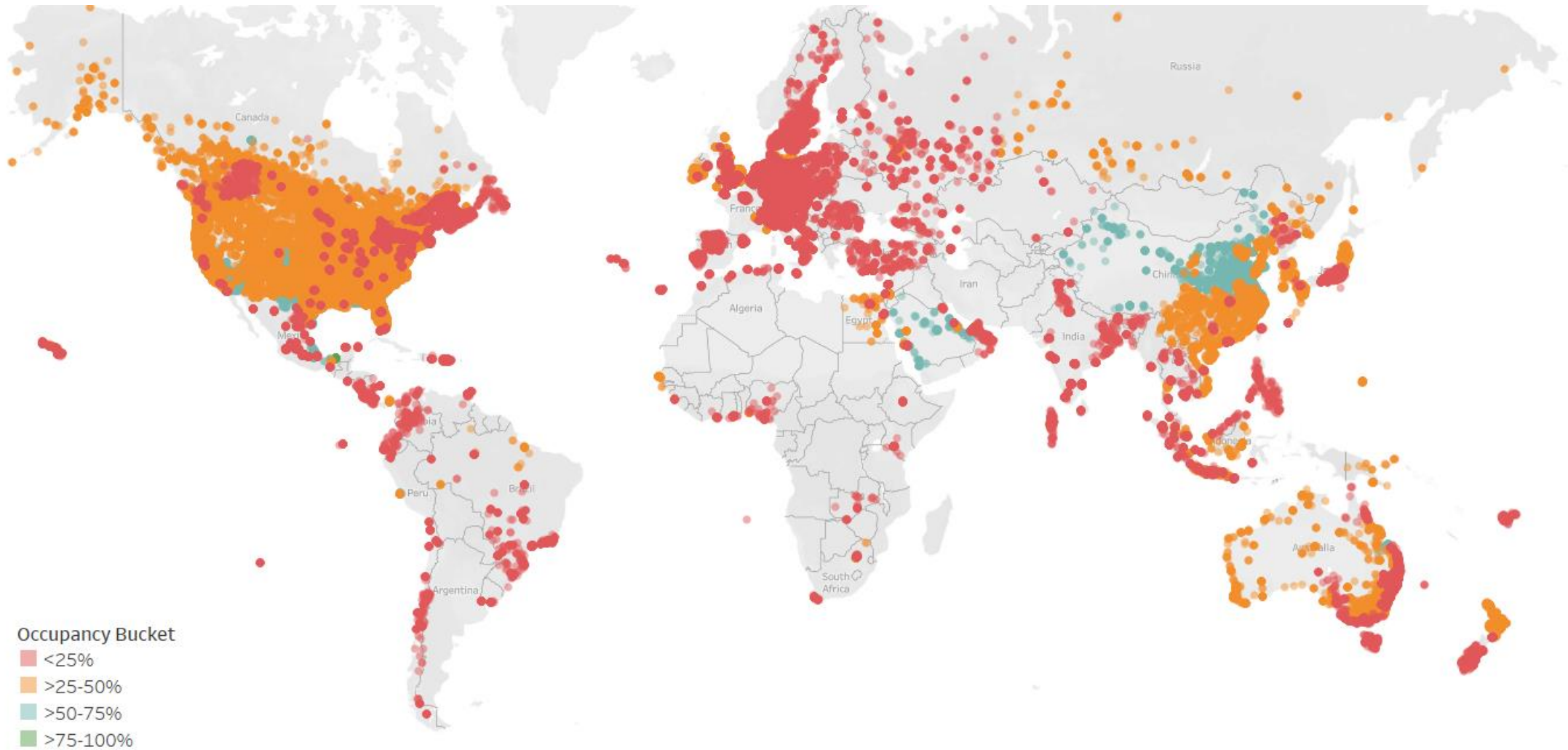
Level of restrictions on hotels / hotel demand drivers as at July 13th





# A month ago Europe in red, US emerging and China mixed

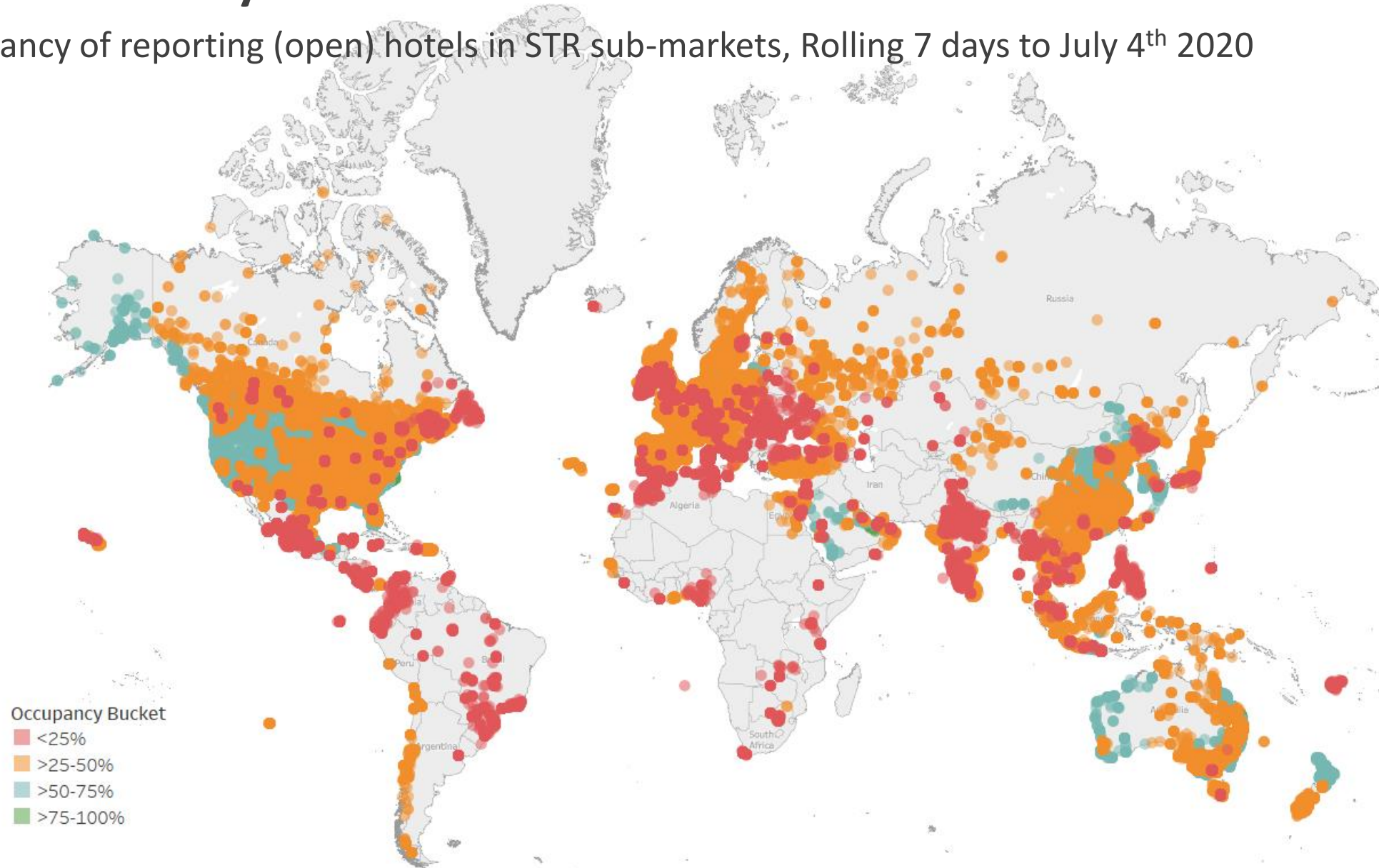
Occupancy of reporting (open) hotels in STR sub-markets. Rolling 7 days to 30 May 2020





# Global Recovery

Occupancy of reporting (open) hotels in STR sub-markets, Rolling 7 days to July 4<sup>th</sup> 2020

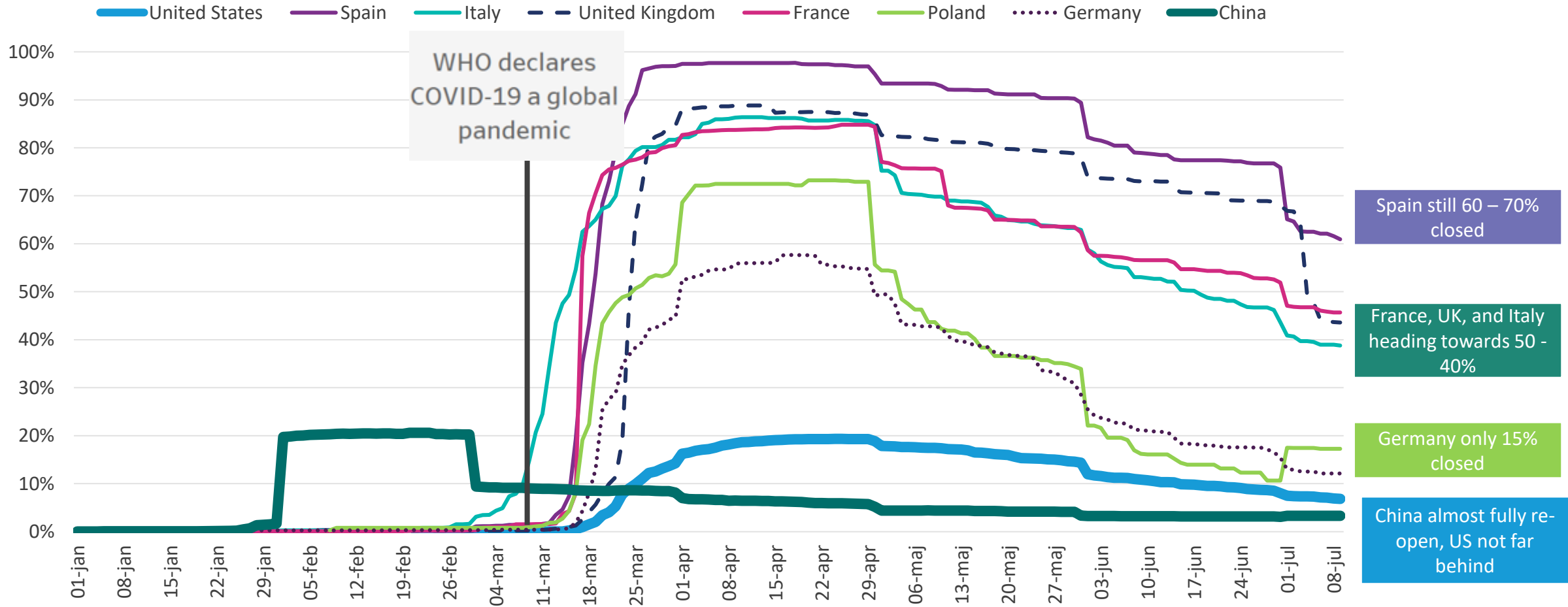


Occupancy Bucket

- <25%
- >25-50%
- >50-75%
- >75-100%

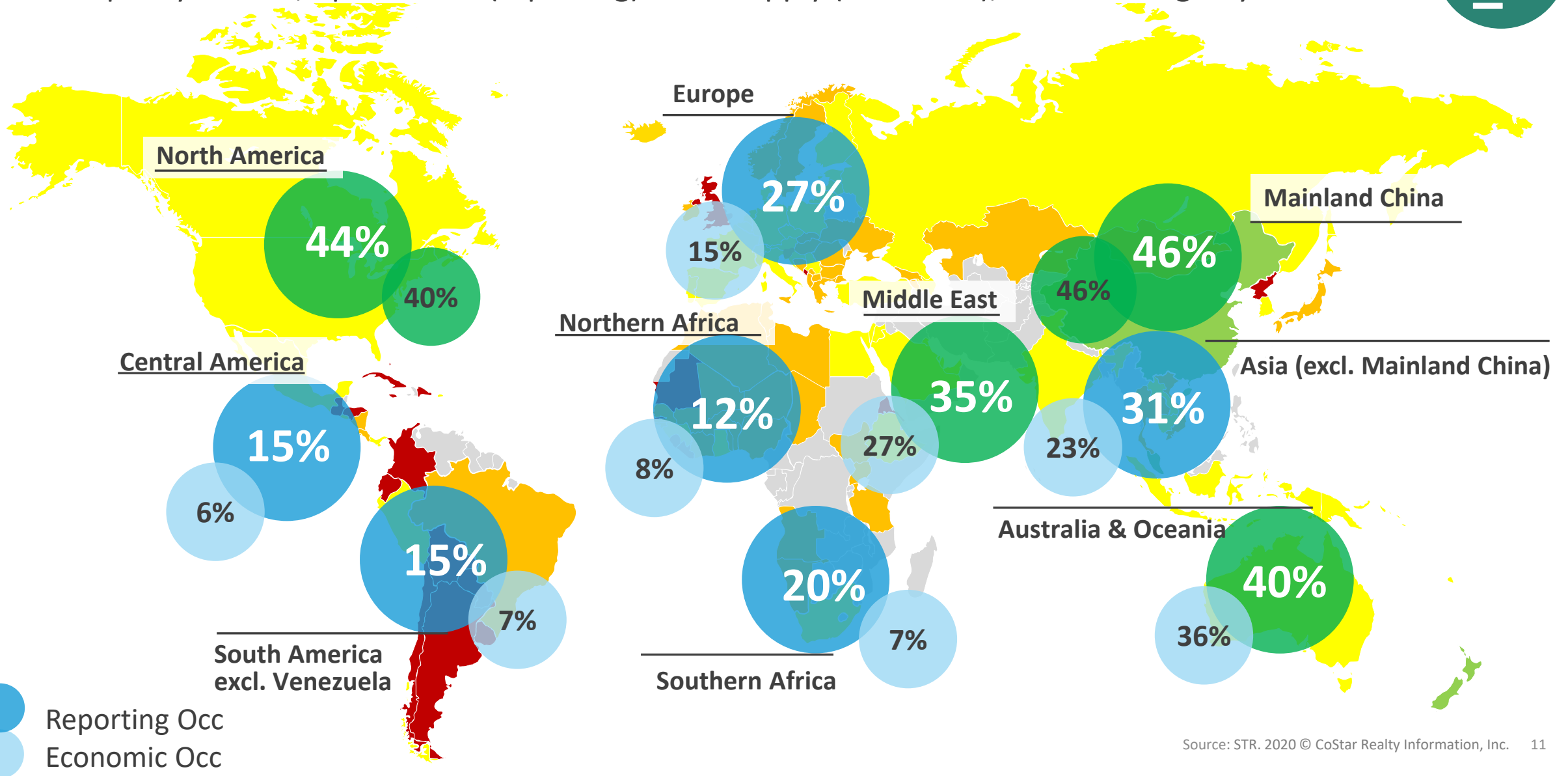
# Hotels are re-opening at pace

% of hotels closed based on STR sample – Data as at 09.07.2020



# China & US similar. Europe, Africa & LATAM lag. ME & Asia in-between

Occupancy actuals, open hotels (reporting) & full supply (economic), Week ending July 5<sup>th</sup>



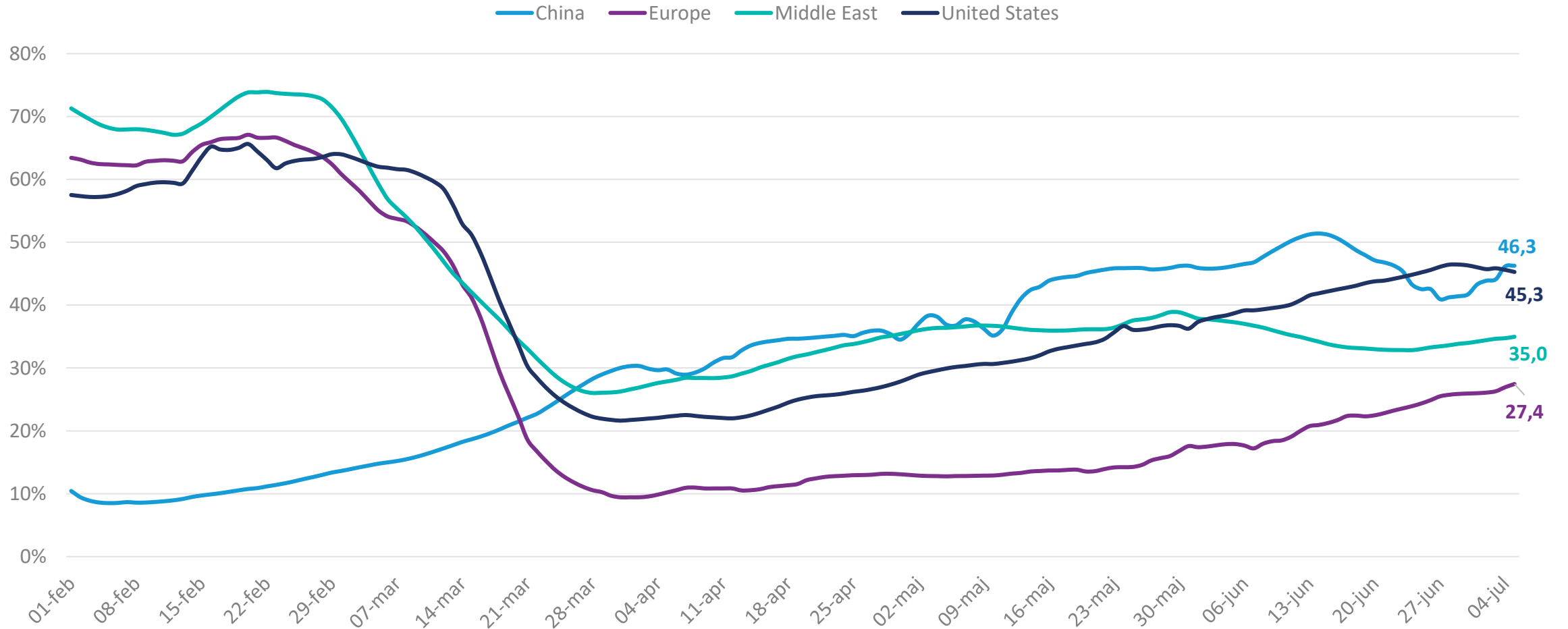


**So where are we heading?**

# China & ME plateau? – US still recovering – Europe awakes



Absolute Rolling 7 days Occ % of participating (open) hotels



\* China data for week ending June 28 not yet available

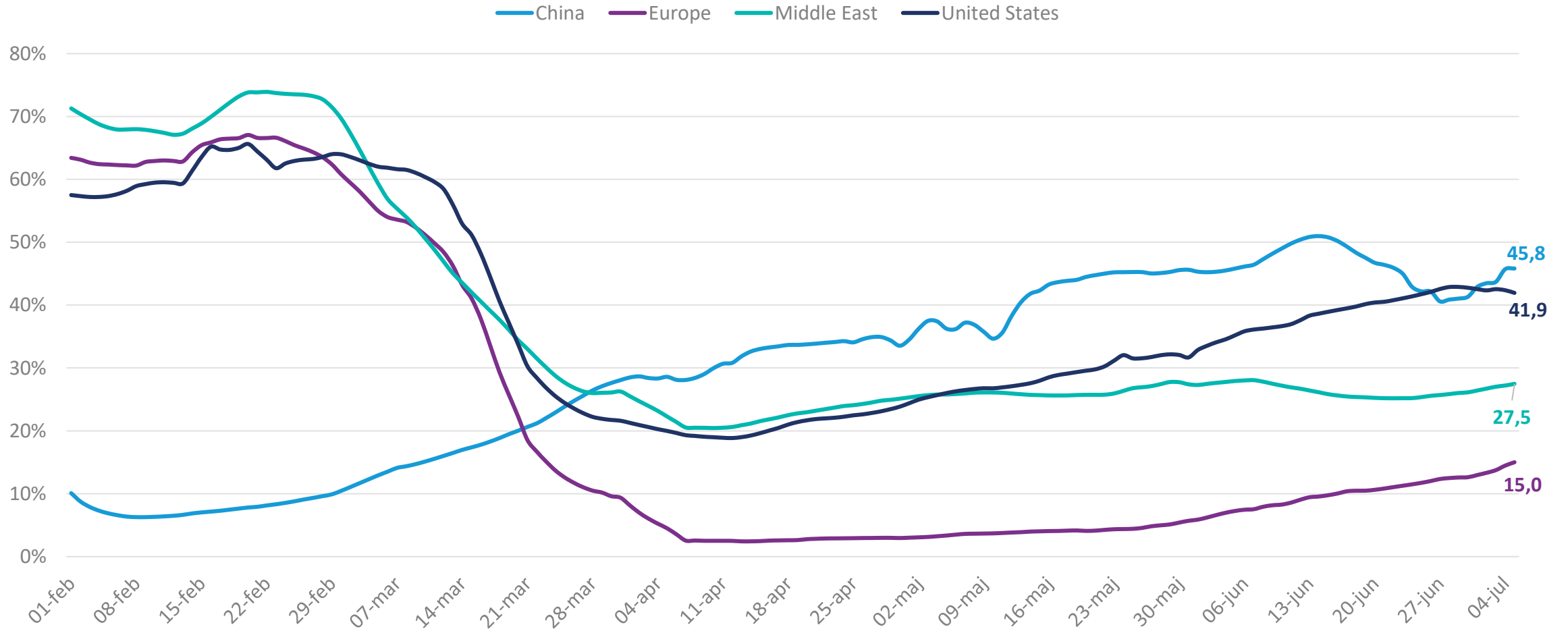
Source: STR. 2020 © CoStar Realty Information, Inc.



# Occupancy on full inventory (economic) much lower for Europe



Absolute Rolling 7 days Occ % of full inventory hotels (economic occupancy)

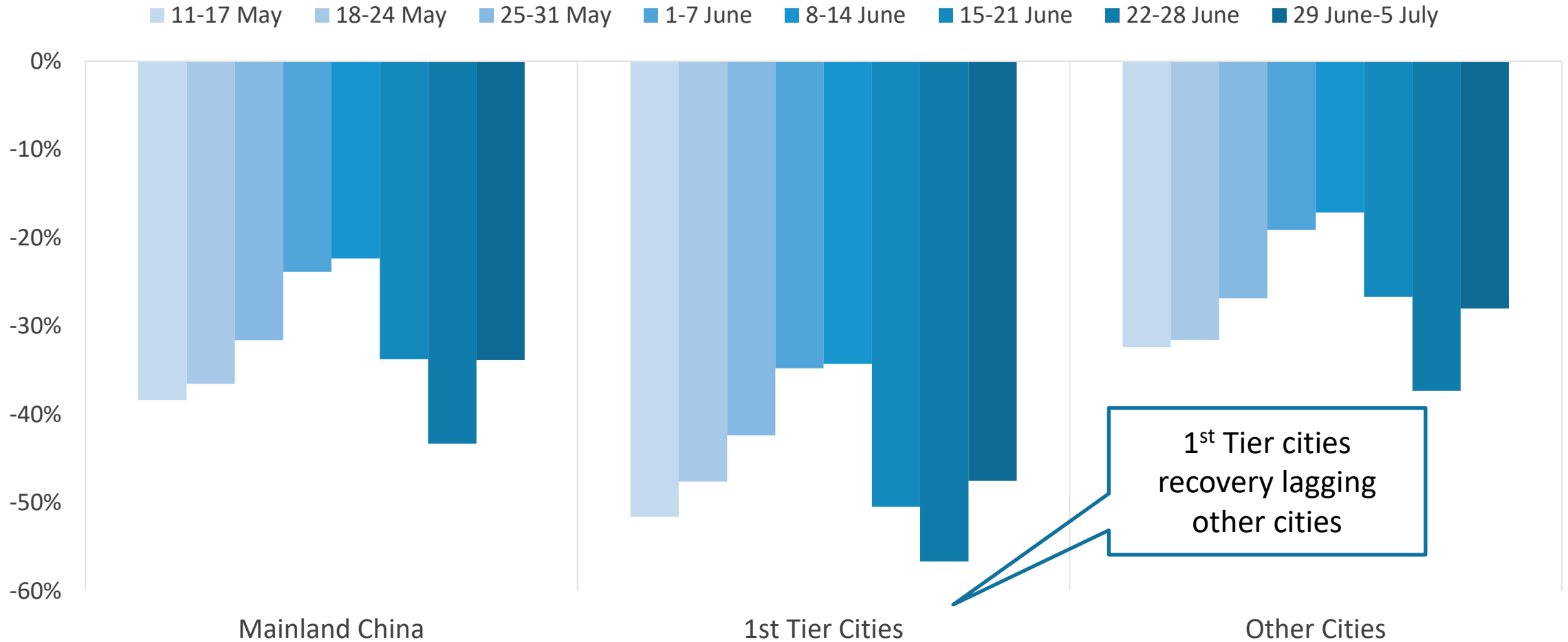




# China recovery seems to have stalled due to new virus outbreak

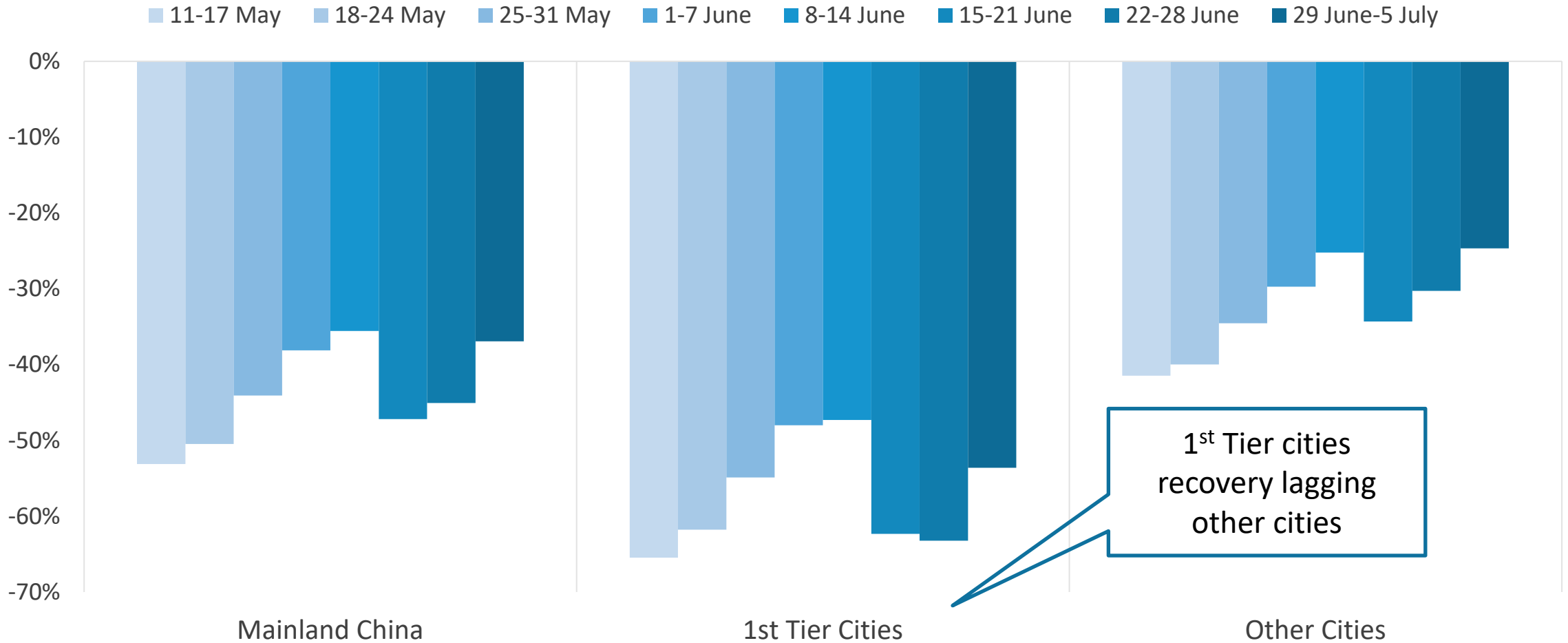


Occupancy % change on same week prior year



# Are RevPAR's plateauing at 50% below 2019 levels?

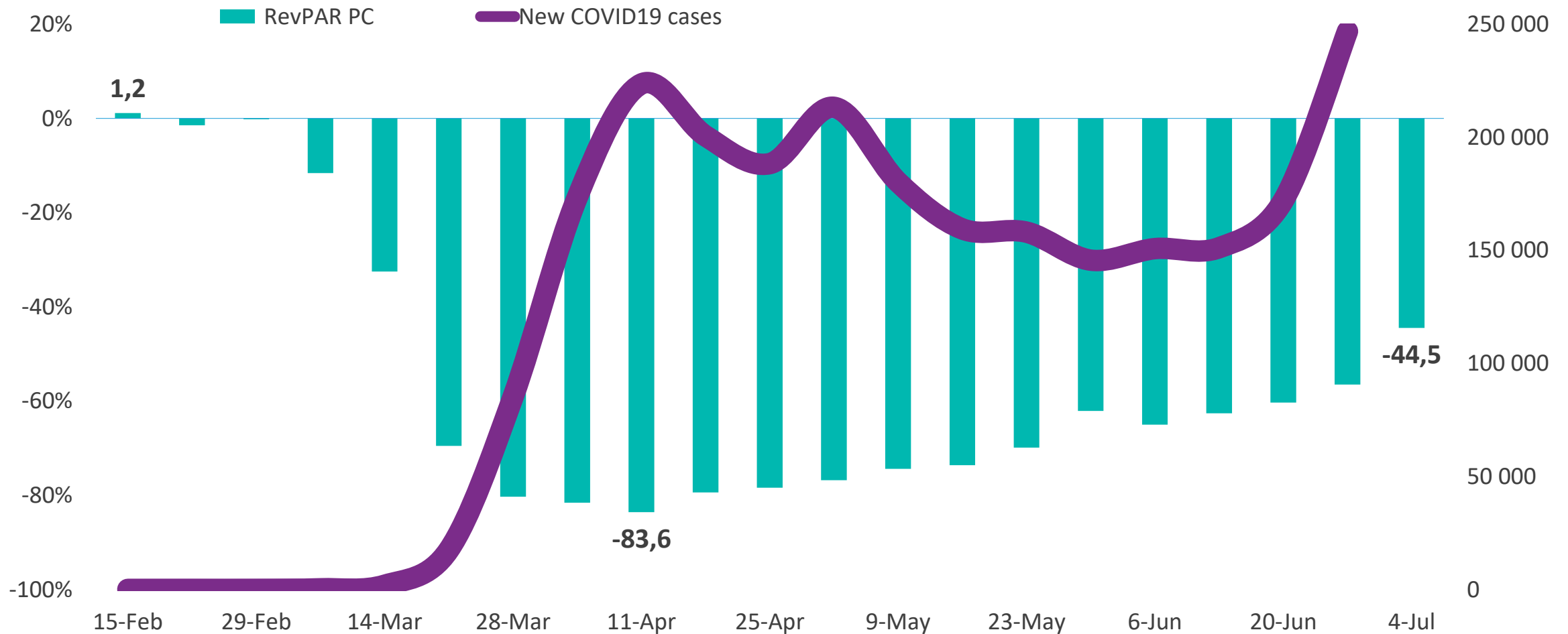
RevPAR % change on same week prior year, local currency



# US recovery continuing towards 50% below 2019.... For now

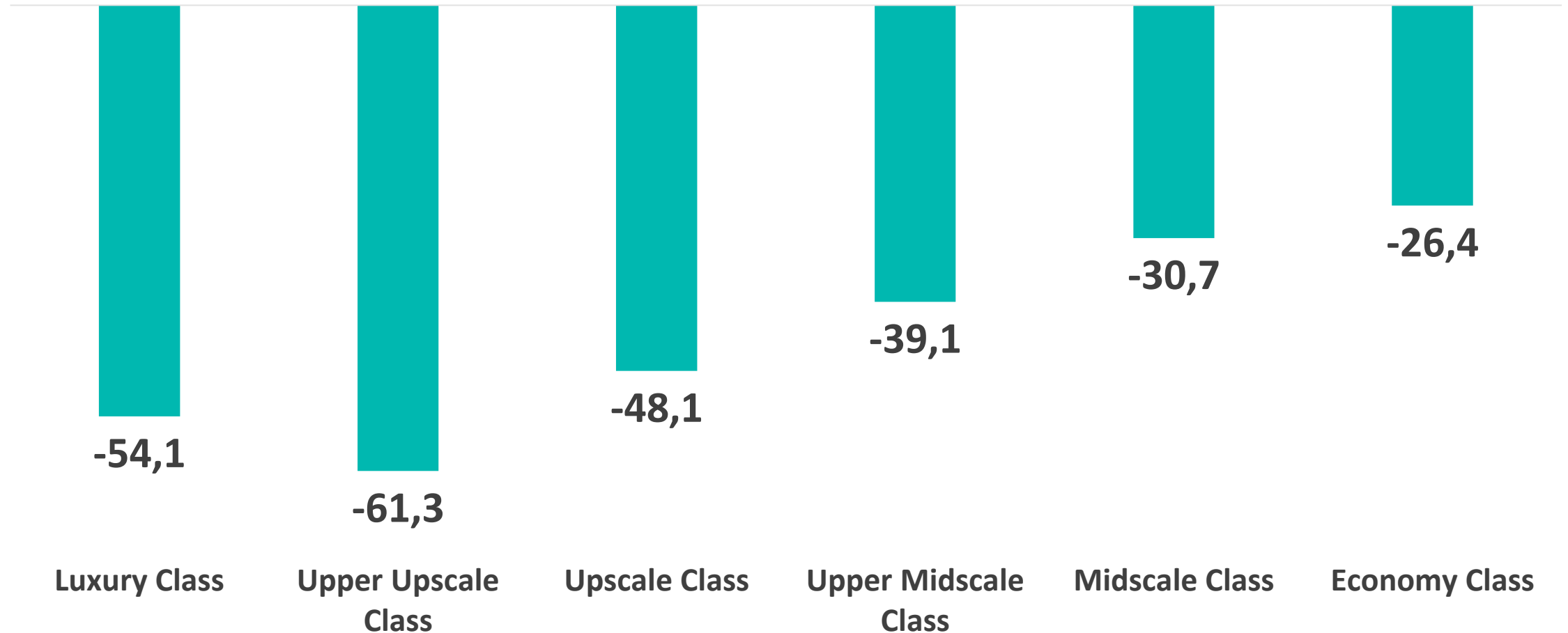


Total U.S., Rolling 7 day RevPAR % Change and New COVID19 Cases



# US Class Performance: Lower End Classes Outperform

Total U.S., RevPAR % Change, week ending July 5<sup>th</sup> 2020



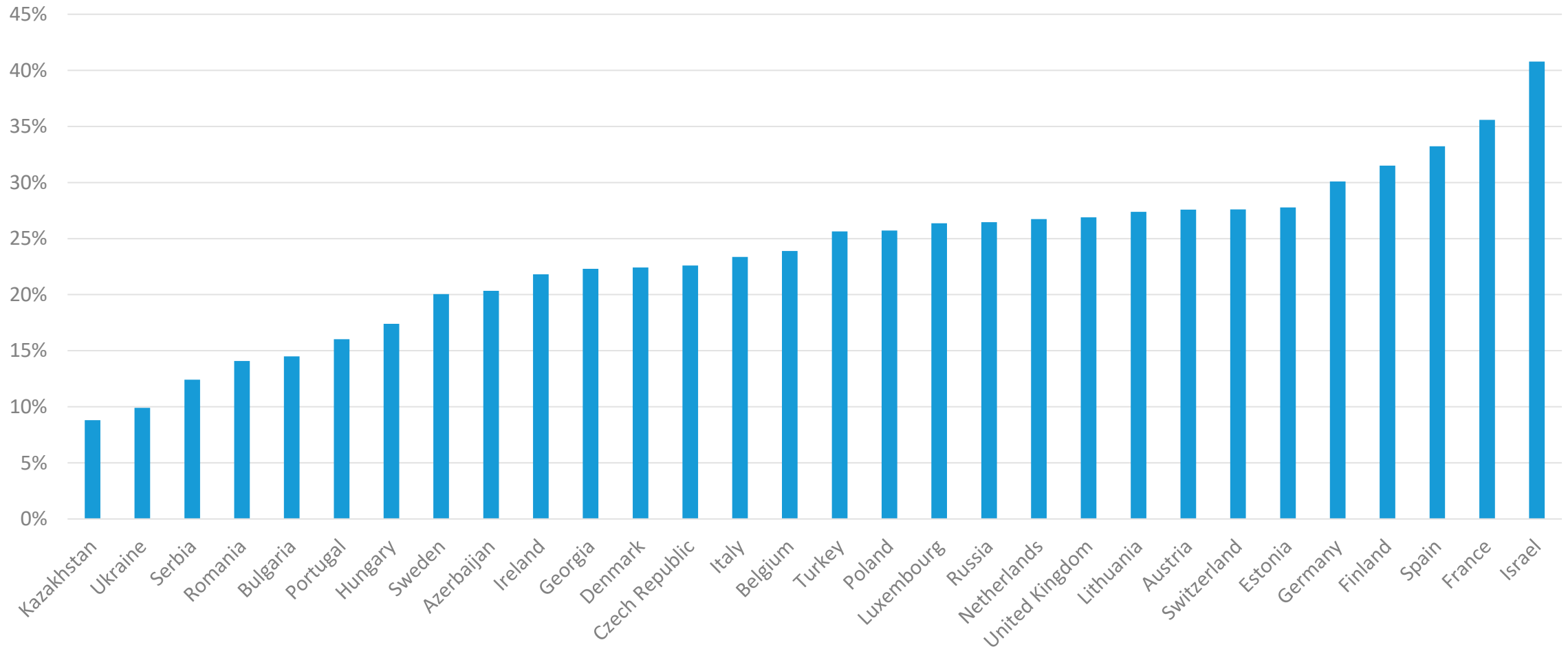


# How quickly can Europe get to temperature?

# European country occupancy of open hotels ranges from 10%-40%



Occupancy, open hotels (reporting), Week ending July 5<sup>th</sup>

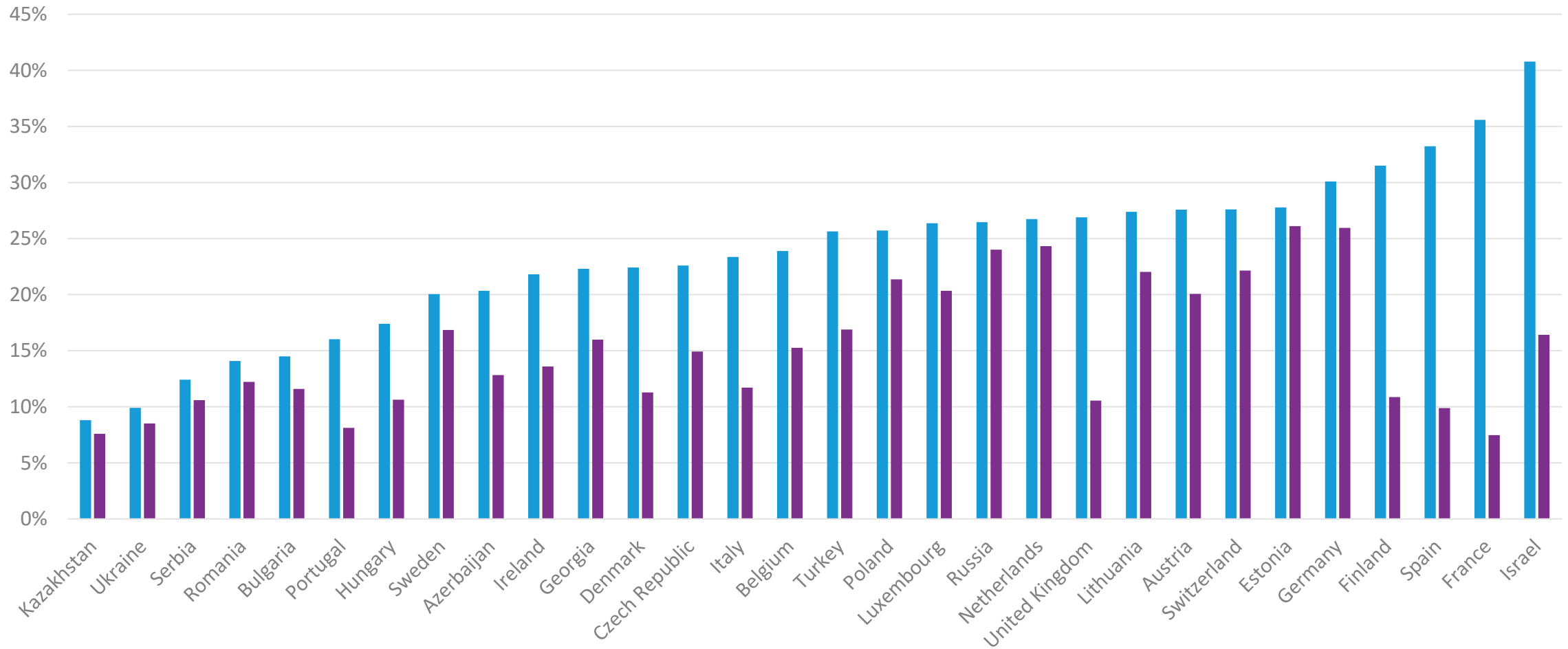




# ... but on a full inventory basis things look quite different



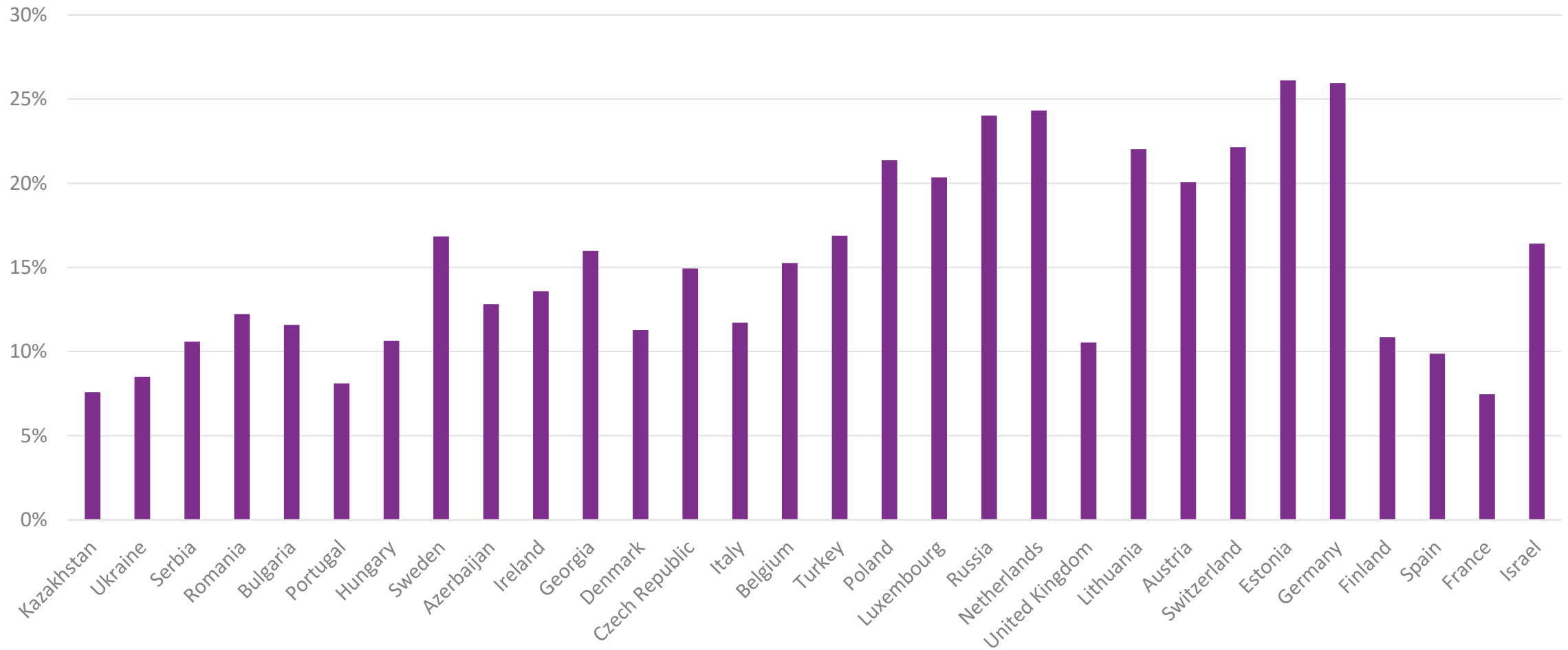
Occupancy, open hotels (reporting) & full inventory (economic), Week ending July 5<sup>th</sup>



# ... and occupancy ranges from 5-25%



Occupancy, open hotels (reporting) & full inventory (economic), Week ending July 5<sup>th</sup>

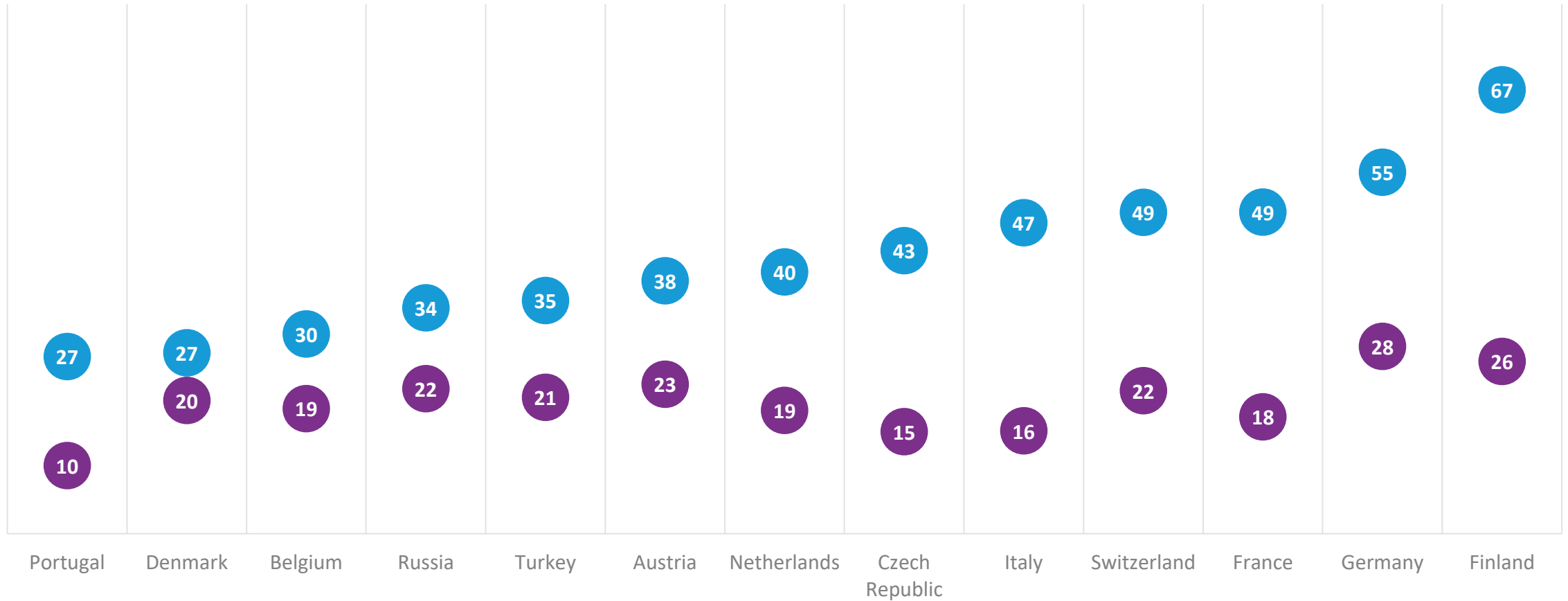


# Regional markets are leading the recovery – main cities lag

Occupancy, open hotels, week ending July 5<sup>th</sup> 2020



● Regional ● Main City

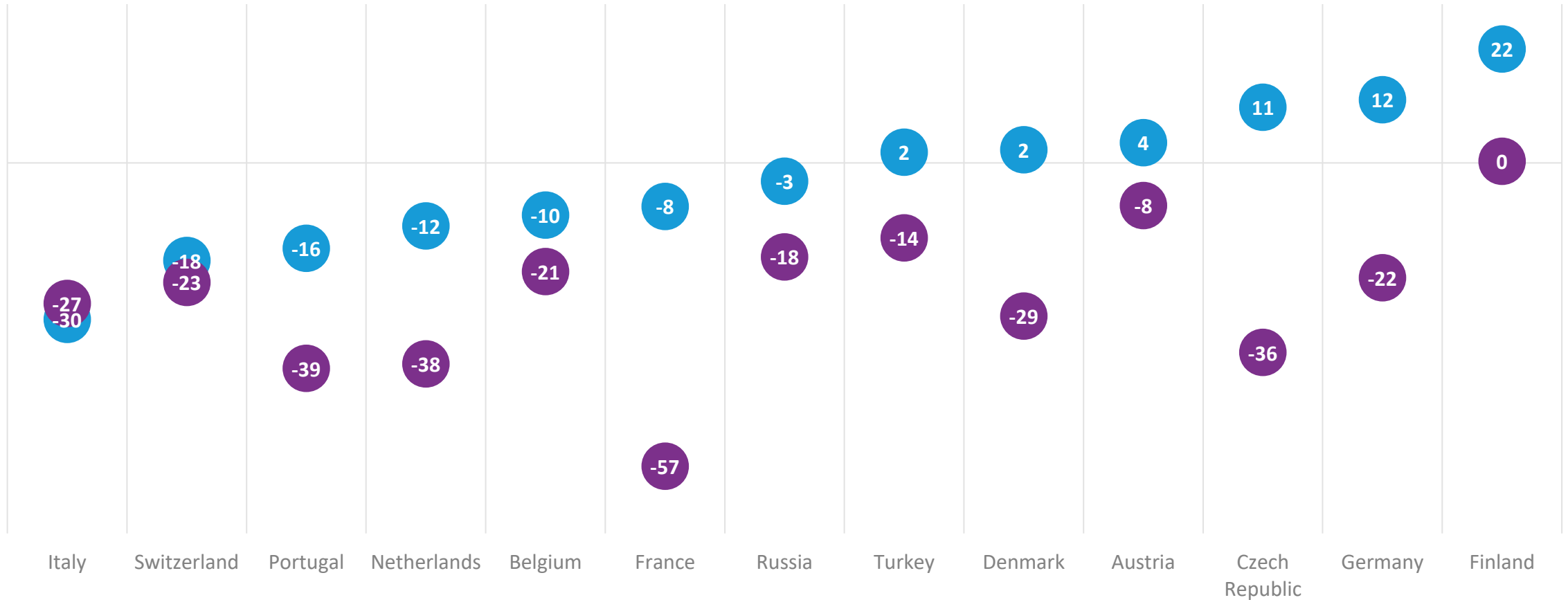


# Regional markets showing more resilience in rate

ADR change on same week in prior year, local currency, week ending June 28<sup>th</sup> 2020



● Regional ● Main City

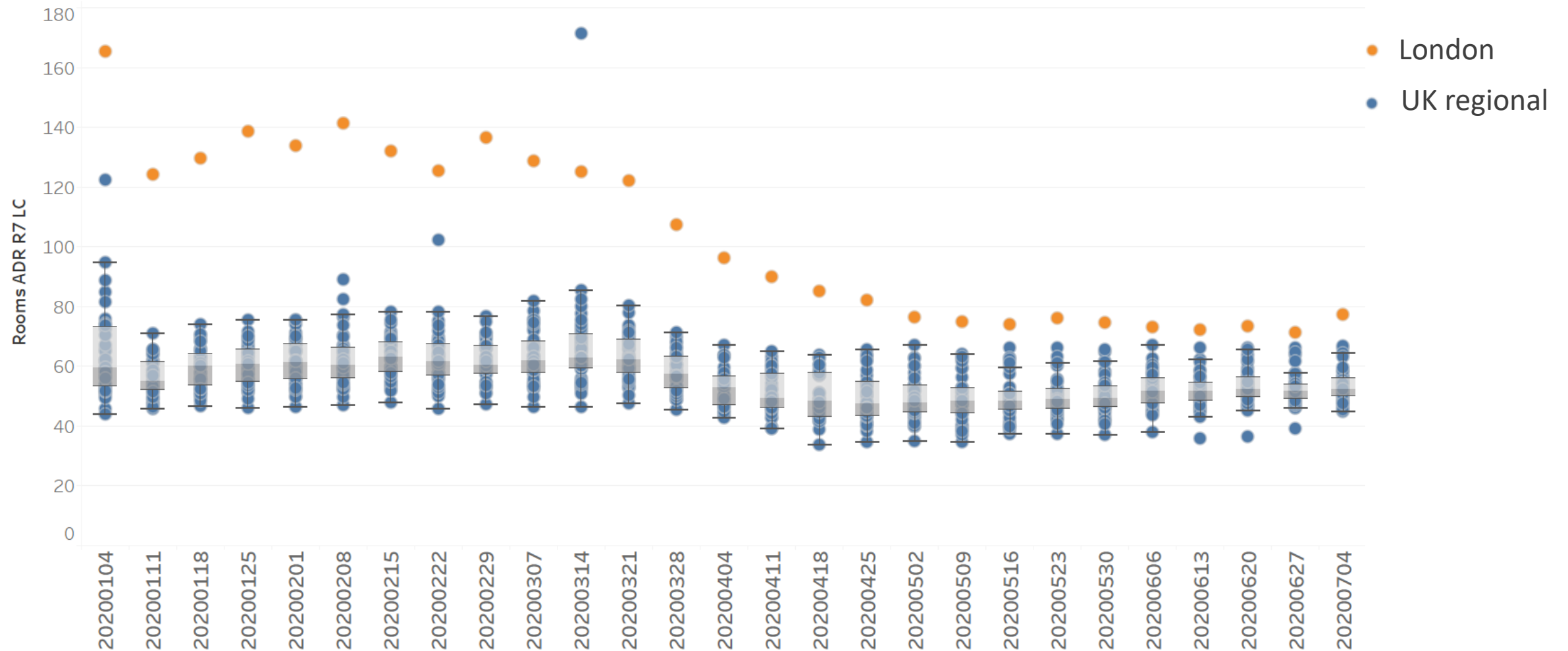


# UK shows this is likely due to change in business mix – not discounting



Weekly rolling 7 days until 4 July 2020. ADR actuals by UK market

ADR United Kingdom in Local Currency



# Now Europe is re-opening is business on books bouncing back?

A graphic for 'ForwardSTAR' featuring a blue and green abstract shape on the left, a purple sphere in the center, and a background image of a calendar, a pen, and a keyboard. The STR logo is also present in the top right corner of the graphic.

## ForwardSTAR

As business returns STR will enable your most powerful tool to combine with your STAR report

The ability to analyse pickup pace and business on the books

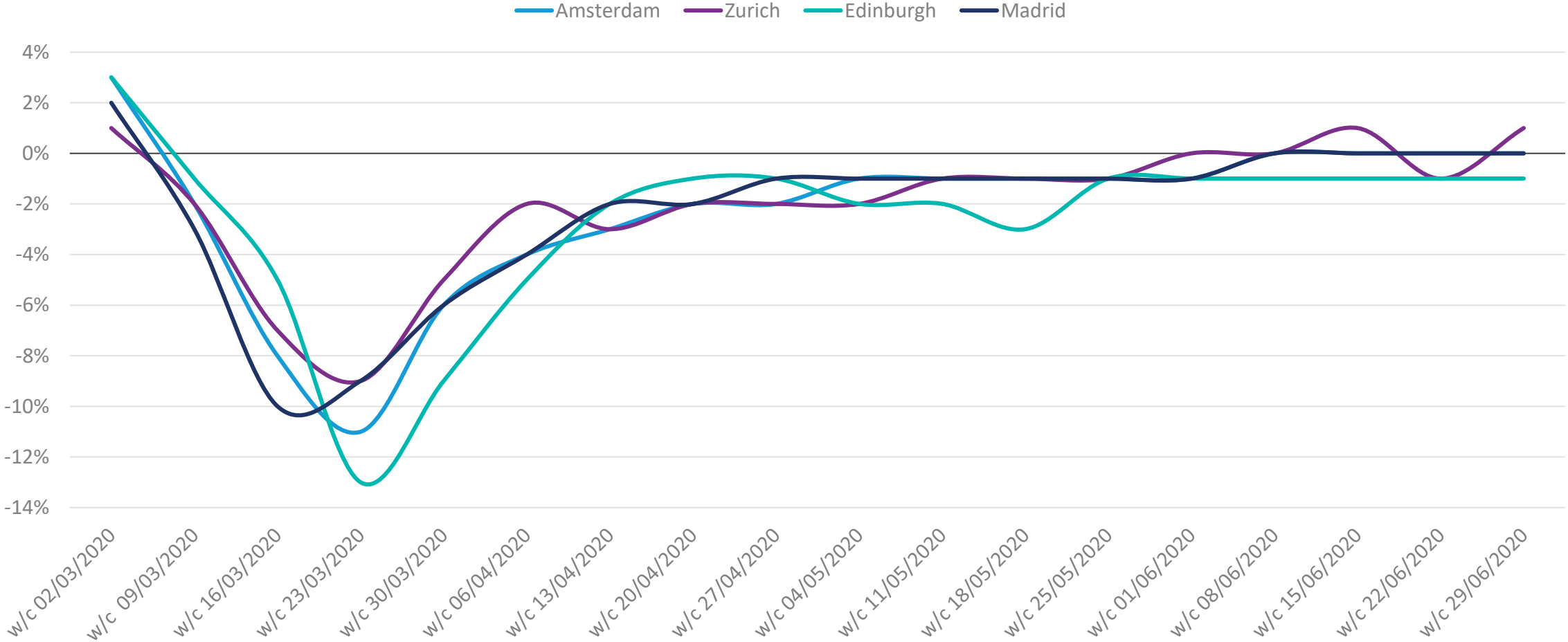
Empower your market share with the most trusted and accurate data – serving the industry since 1985



# Since march, the level of cancellations has been relentless

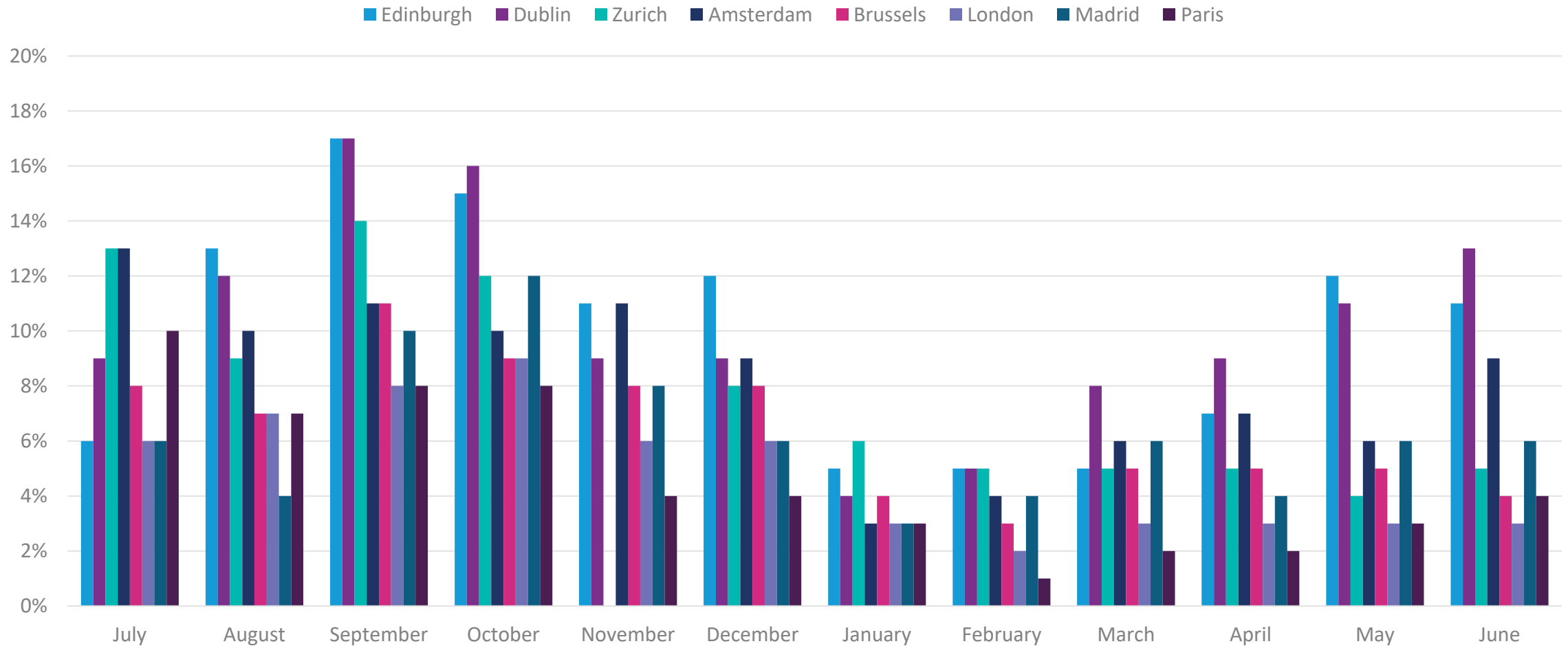


Aggregated next 83 day pickup for last 18 weeks



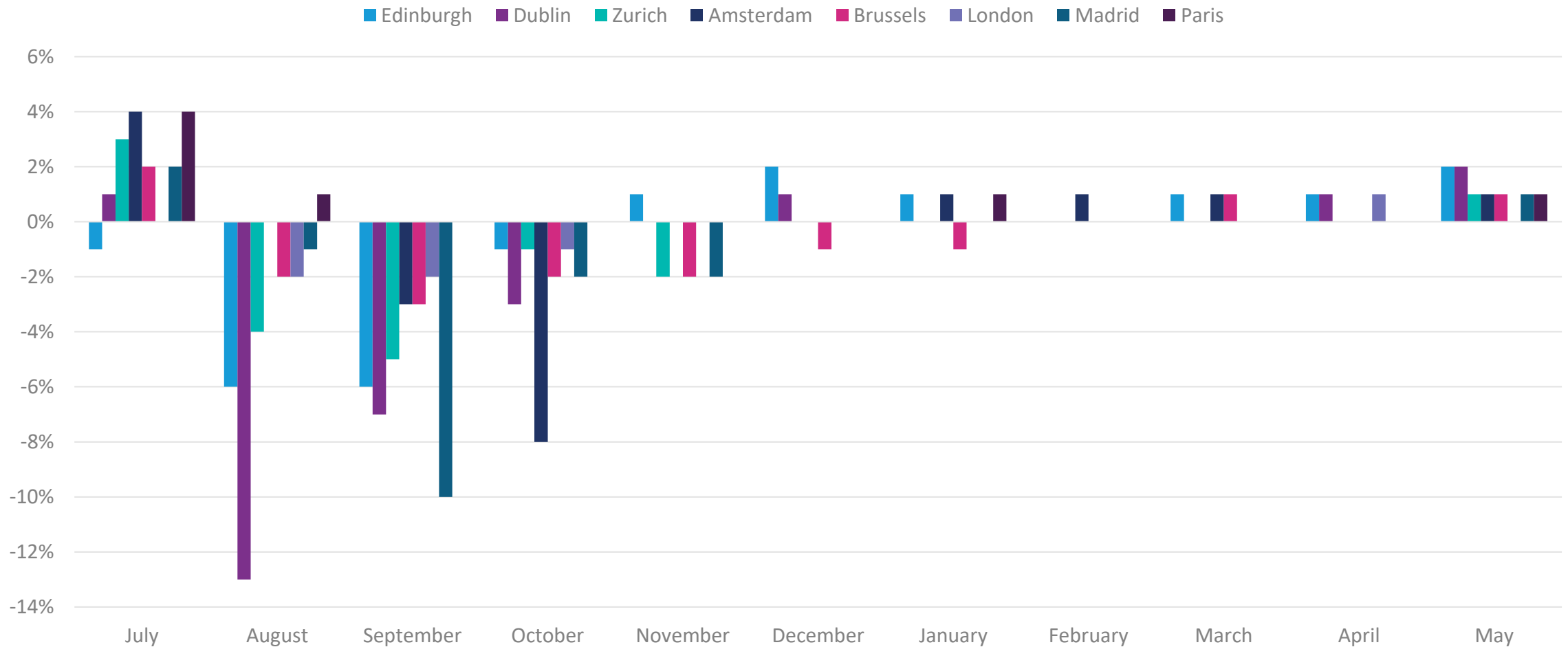
# Forward Occupancy next 12 months

Forward Occupancy as at 6<sup>th</sup> July



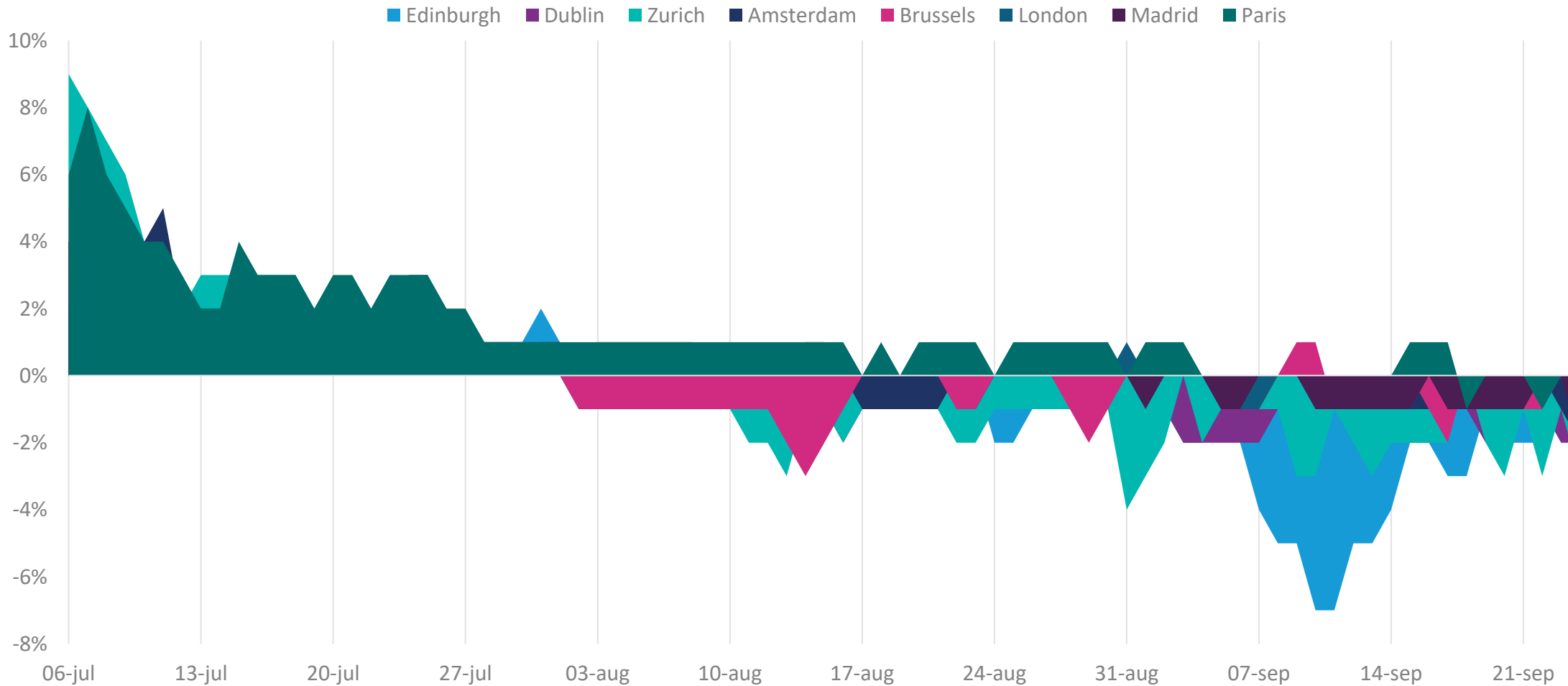
# Positive pick up in next month, mixed thereafter

Pickup from previous month as at 6<sup>th</sup> July



# Yes, there is short lead life to be seen!

Pickup for next 83 days as at July 6th



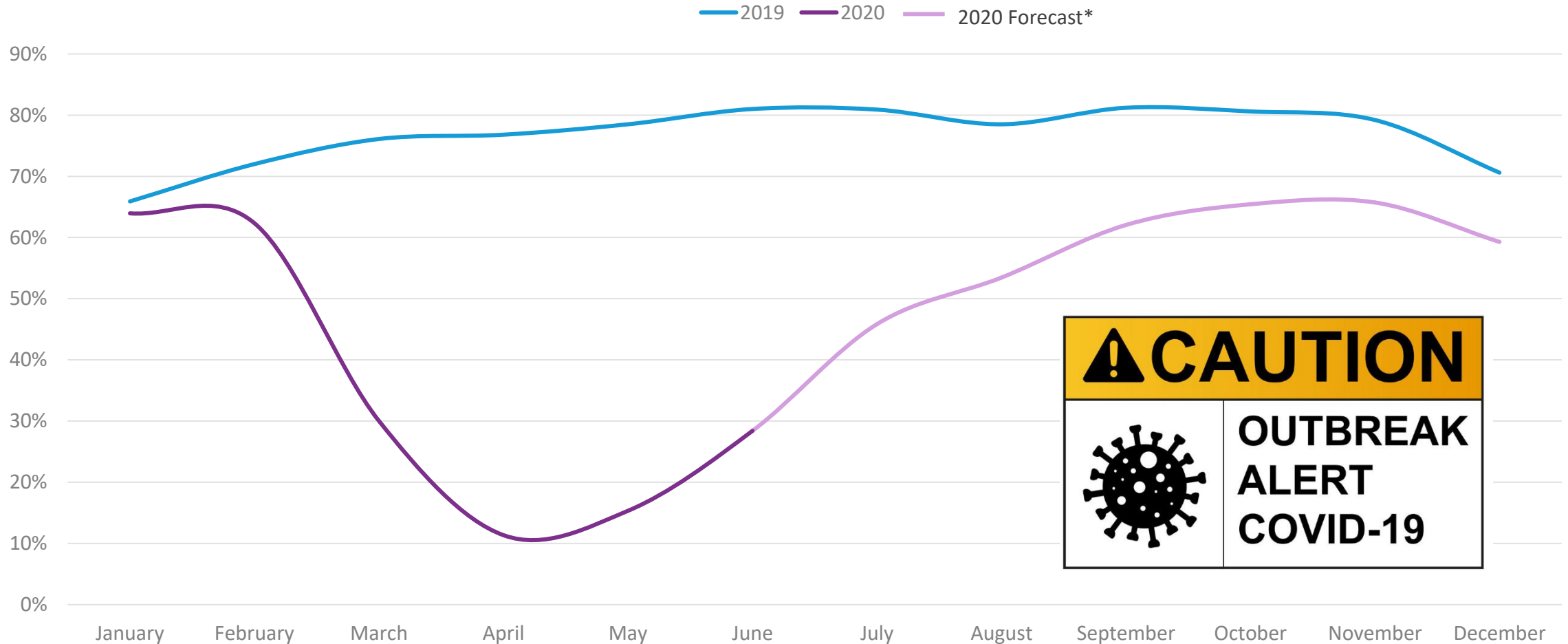


# Conclusions

# Our forecasts assume we salvage some summer... but be careful



Europe, monthly occupancy actuals, full inventory, 2019 vs 2020



Forecast data is an average of the European Forecast markets



# Questions



**HOTEL DATA**  
CONFERENCE  
Hosted by STR and Hotel News Now

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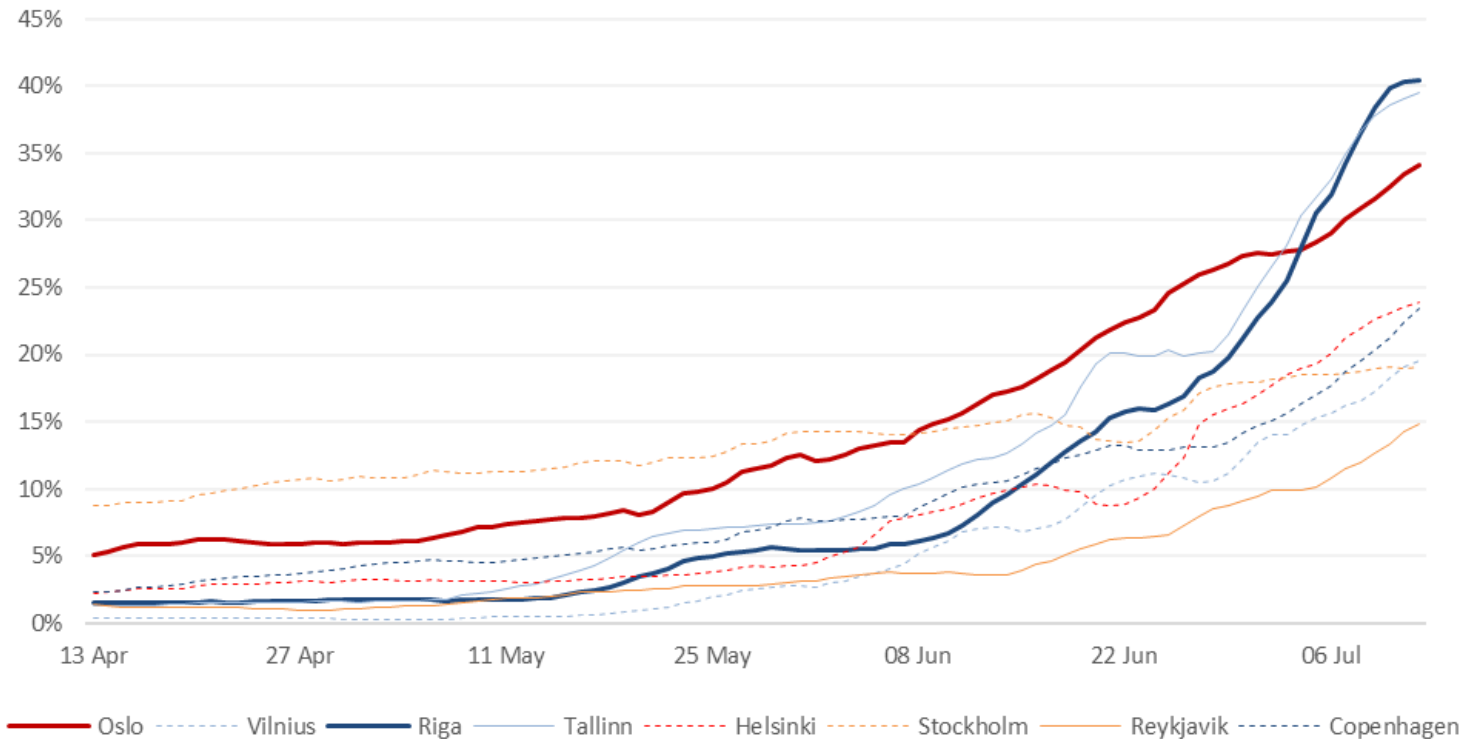


# Nordic Hotel Market Current State

Webinar 2020-07-15

# Development since bottom (Nordic capitals)

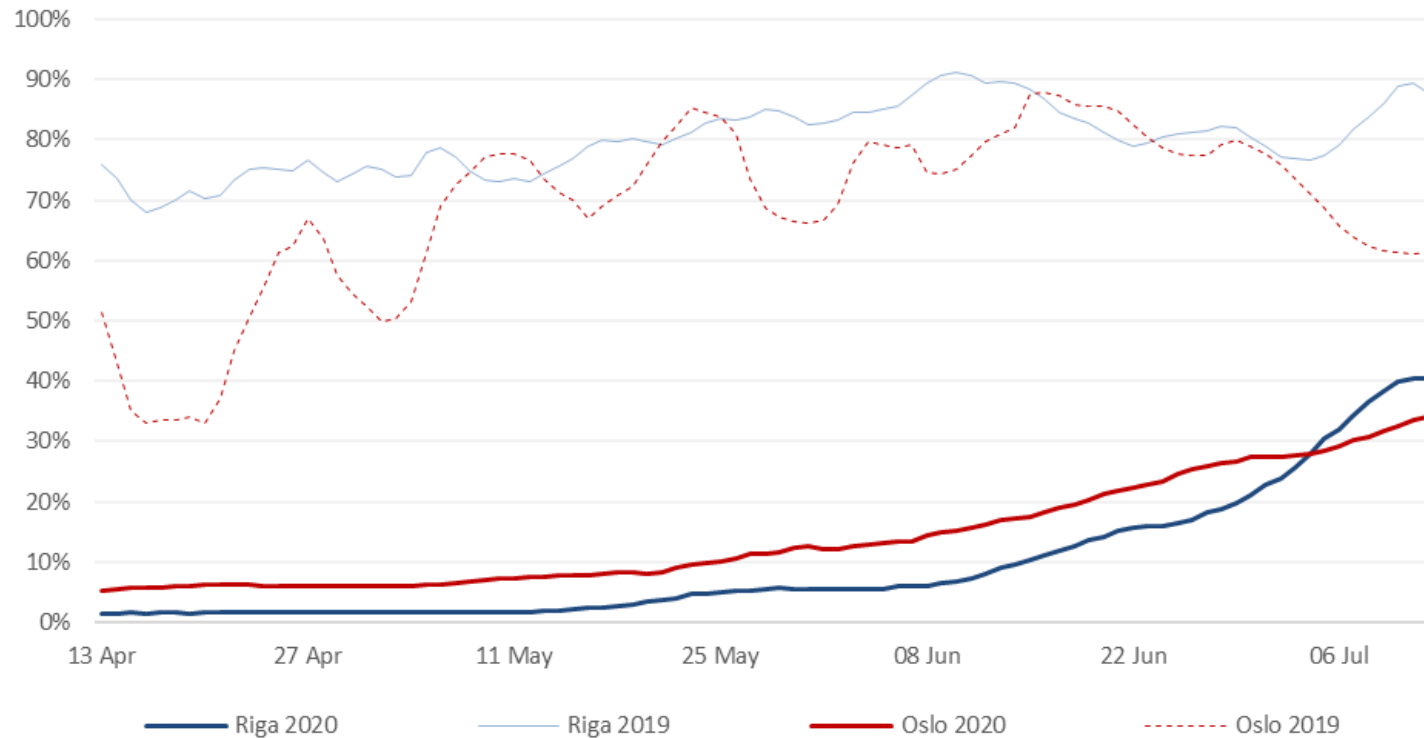
Occupancy 7 days rolling average 13 Apr – 12 Jul 2020



> Clear upward trend, helped by summer leisure travelers – Stockholm more flat than other capitals

# Comparison year on year

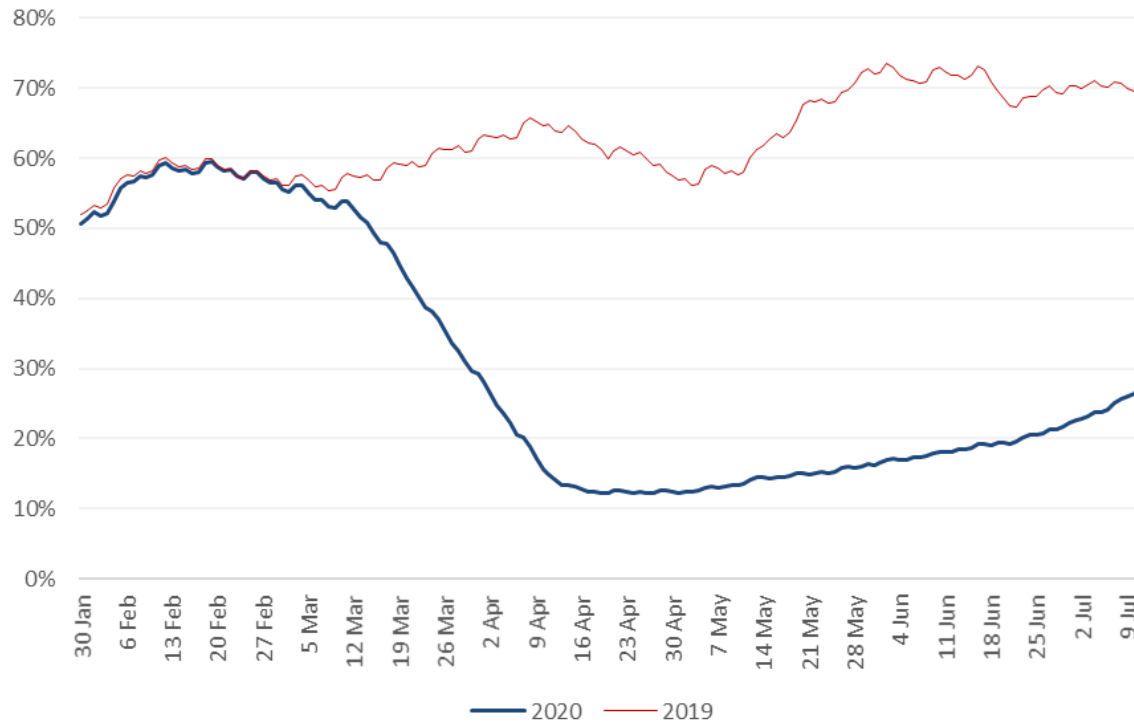
Occupancy 7 days rolling average 13 Apr – 12 Jul 2020



> Some markets close to last year's levels – Norway broadly, leisure capitals and Swedish leisure destinations

# Recovery path (Sweden)

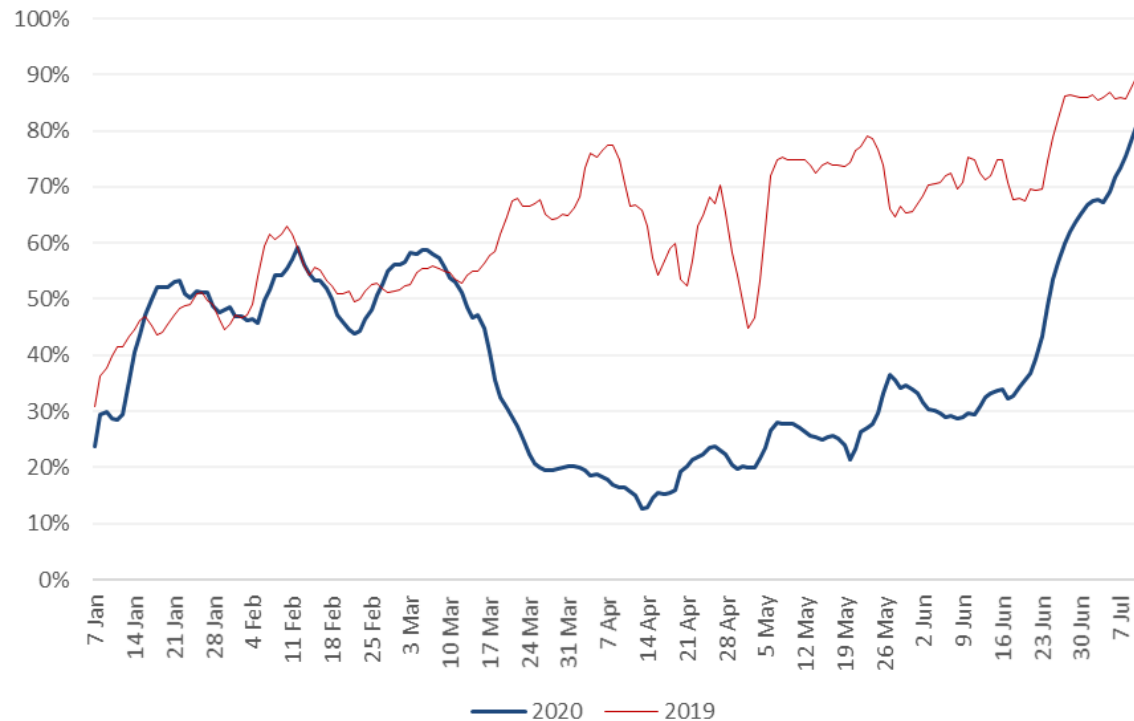
Occupancy 30 days rolling average 1 Jan – 12 Jul 2020



> Sweden – Slow upward trends with a leisure “kick” in last couple of weeks

# Leading the way (short term) – Leisure market (Kalmar)

Occupancy 7 days rolling average 1 Jan – 12 Jul 2020



> Leisure destinations close to or in some exceeding 2019 levels – risk of backlash in virus spread?

# Adjusting to a new reality (short term) – MICE market (Sigtuna)

Occupancy 7 days rolling average 1 Jan – 12 Jul 2020

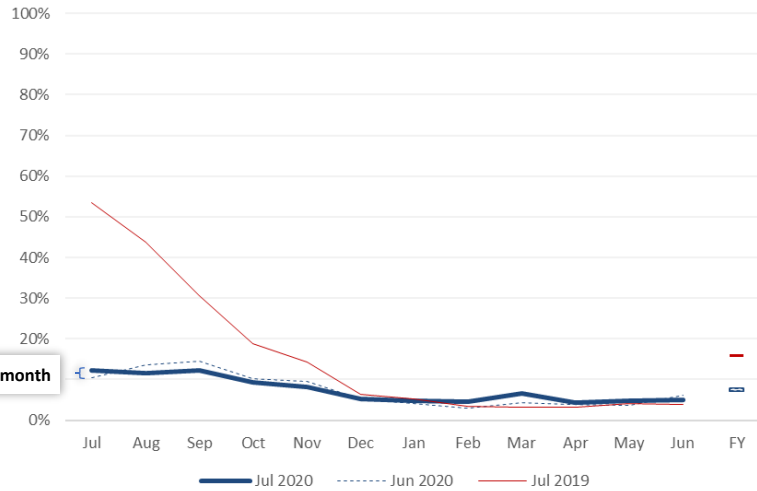


> MICE venues re-focusing on leisure segment and starting to see smaller meetings return (still 50 person limit)

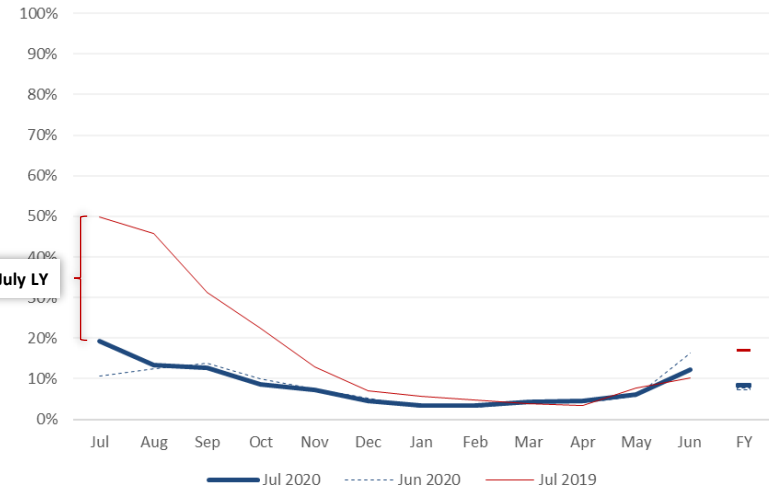
# Outlook 12 months forward

Occupancy On the Books Jul 2020 – Jun 2021

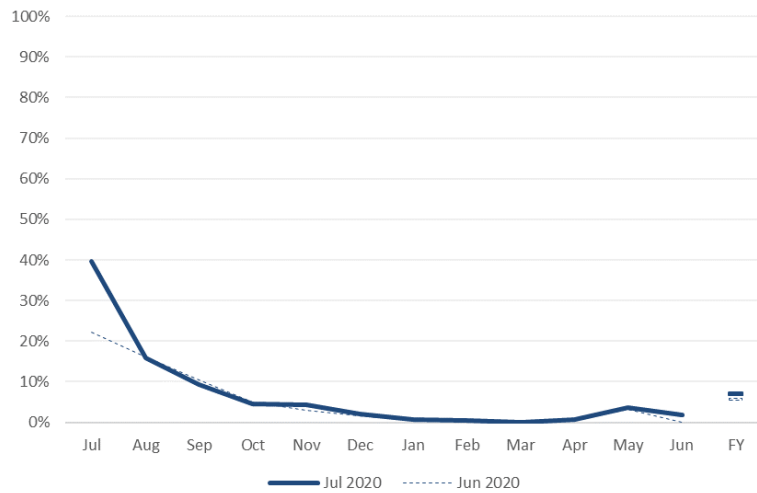
## Stockholm



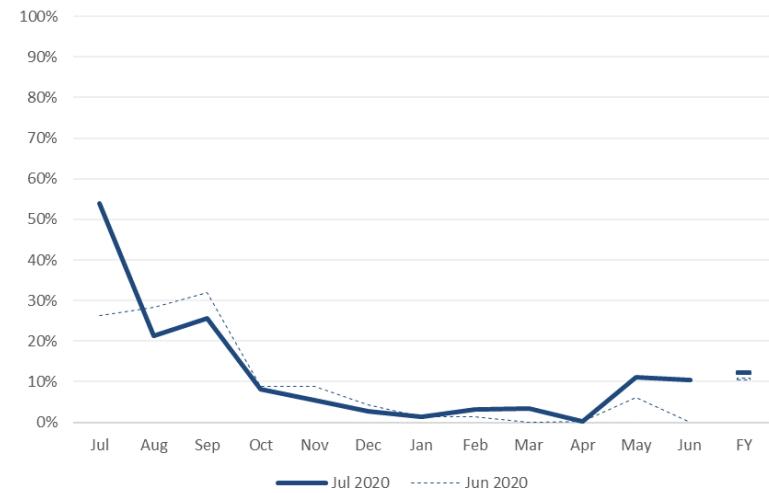
## Oslo



## Helsingborg



## Kalmar

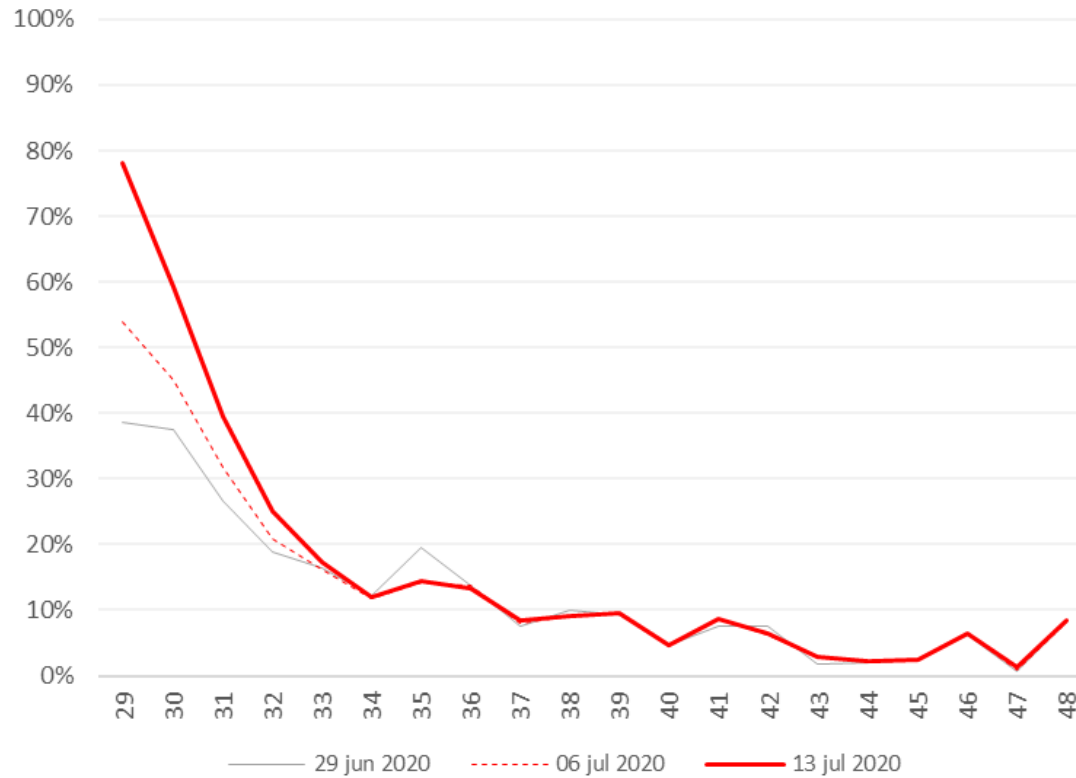


> Pickup short-term has improved, medium-term more passive – pickup even shorter than a month ago



# Outlook OTB short-term (Helsingborg)

Occupancy On the Books per week Jul 2020 – Nov 2021



> Pickup significant 1-4 weeks ahead

# Current State Nordic Hotel Market

## Summary

- > We see the start of a recovery – will it last?
  - Occupancy roughly on half the normal levels overall
  
- > Summer started at midsummer – at least in outdoor leisure destinations
  - Pickup extremely short – almost entirely leisure, no business and events
  
- > Some destinations suffer more from being cut of from the world
  - E g Stockholm
  
- > When will business travel and larger events return?
  - How large is the impact from adaptations to online meetings etc?