



European performance update – Feb 2022

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Agenda



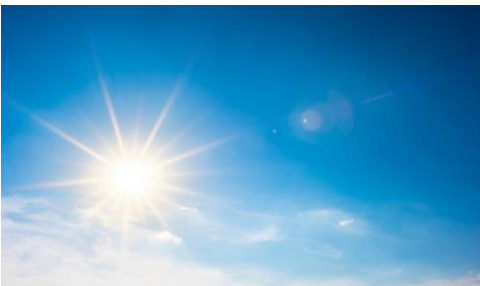
1) Current status



2) Leisure
Pent up of post travel?



3) Business
Zoom or resume?

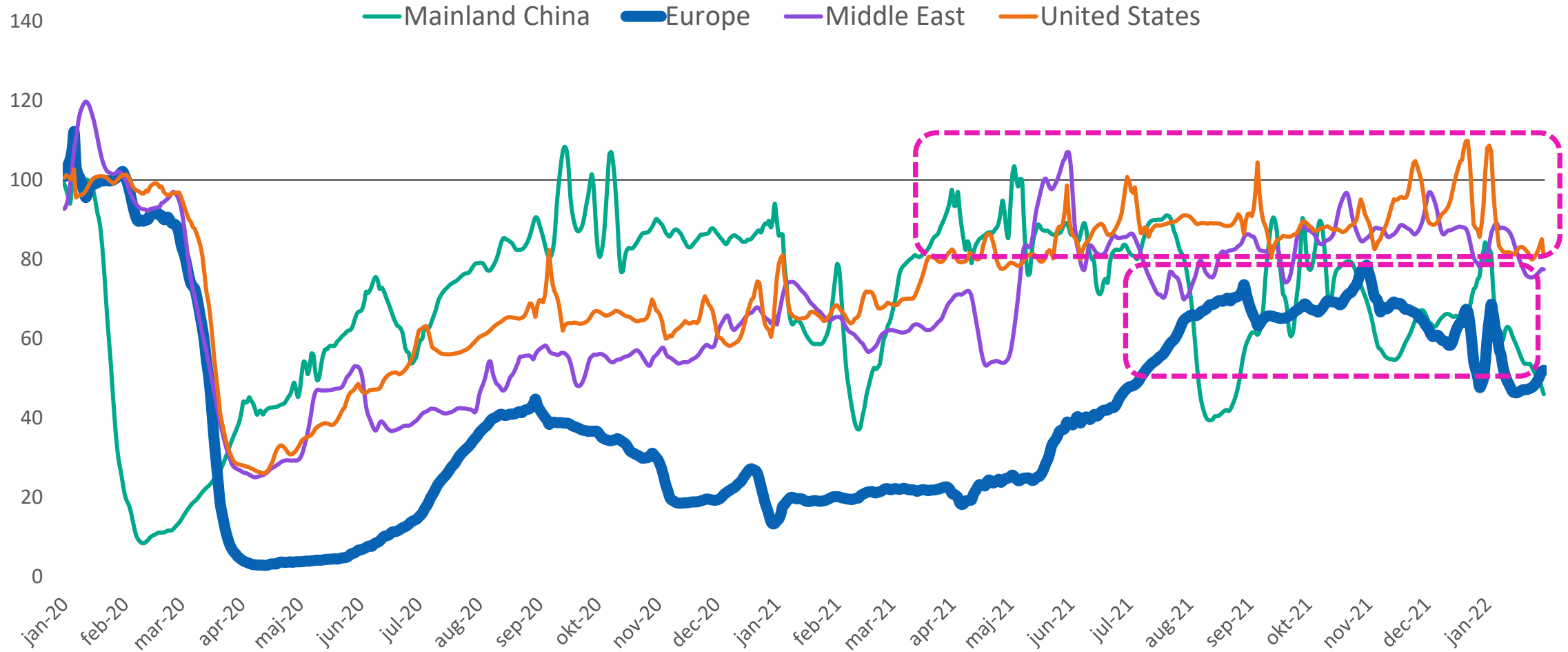


4) Sunny Skies Ahead

1) Current status

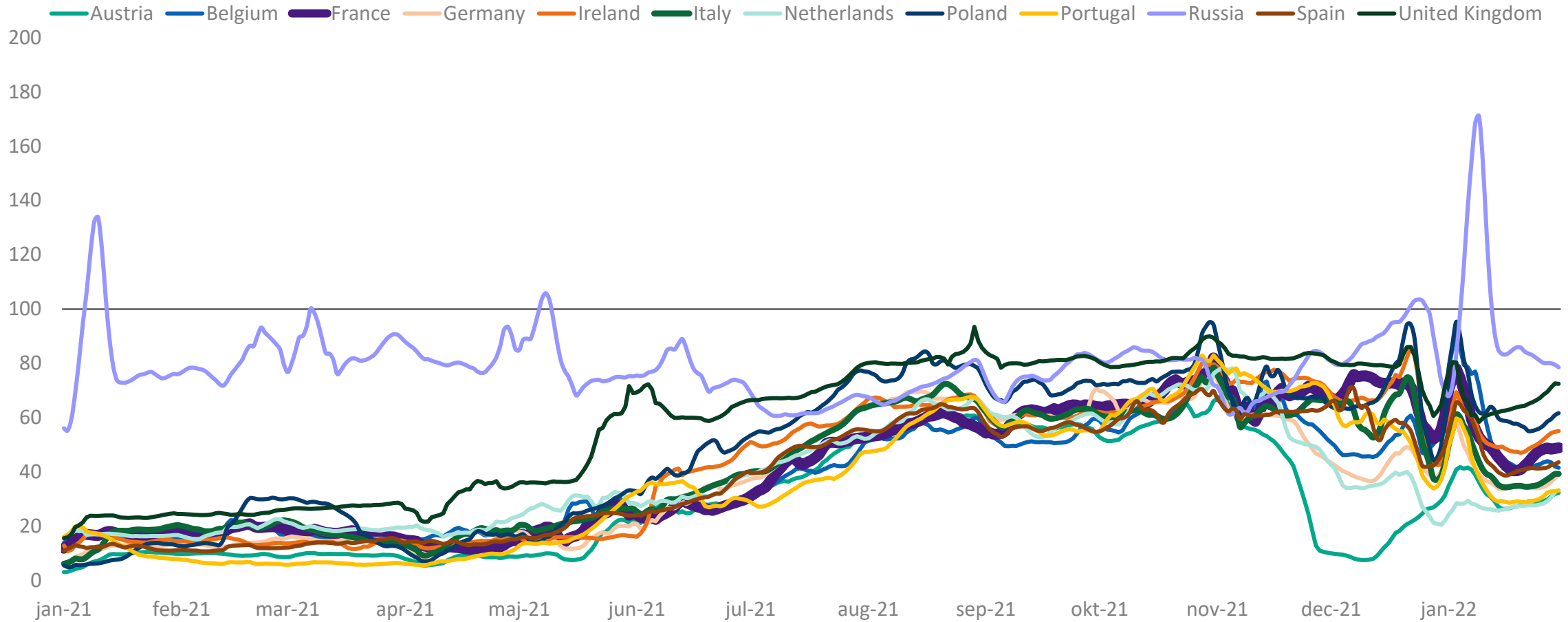
Leisure travel has underpinned demand recovery to date

Rolling 7 days occupancy (Total Room Inventory) indexed to 2019



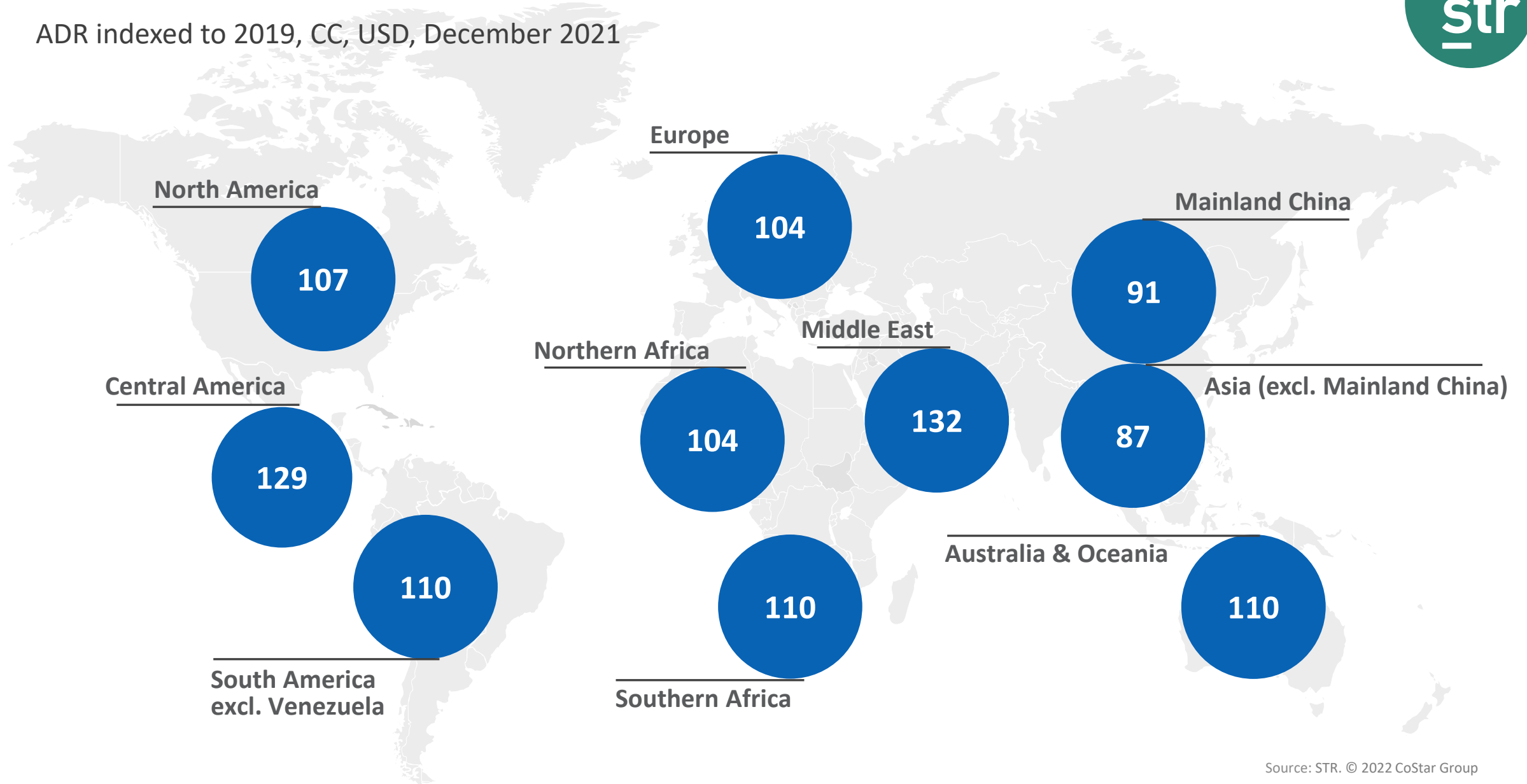
Most European countries bouncing back from a December dip

Rolling 7 days Occupancy (Total Room Inventory) indexed to 2019



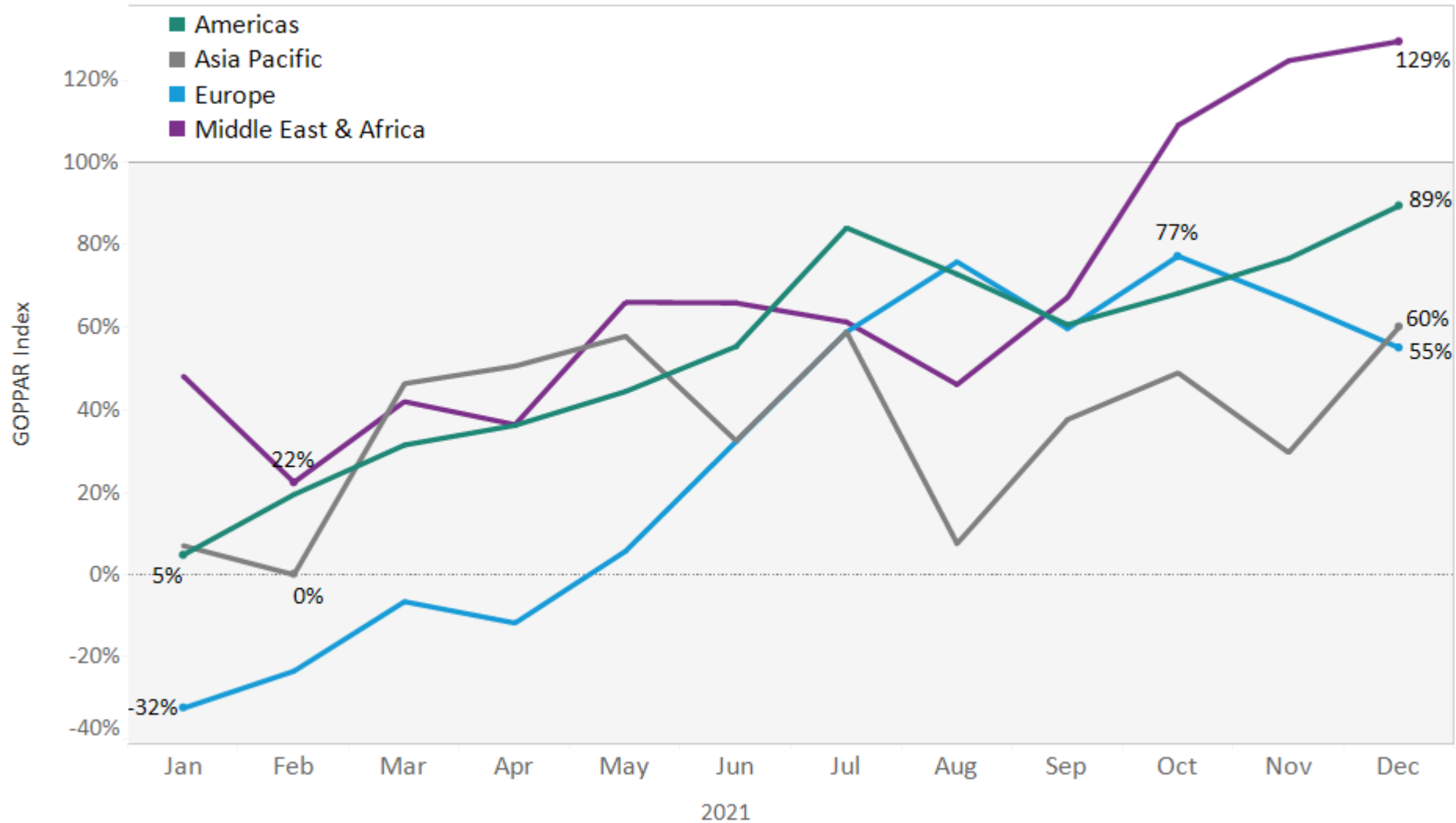
2021 ends with strong ADR recovery across most regions

ADR indexed to 2019, CC, USD, December 2021



Middle East shows profit recovery beyond 2019 levels is real

Continents, 2021 GOPPAR indexed to 2019, 2021, USD, Constant Currency



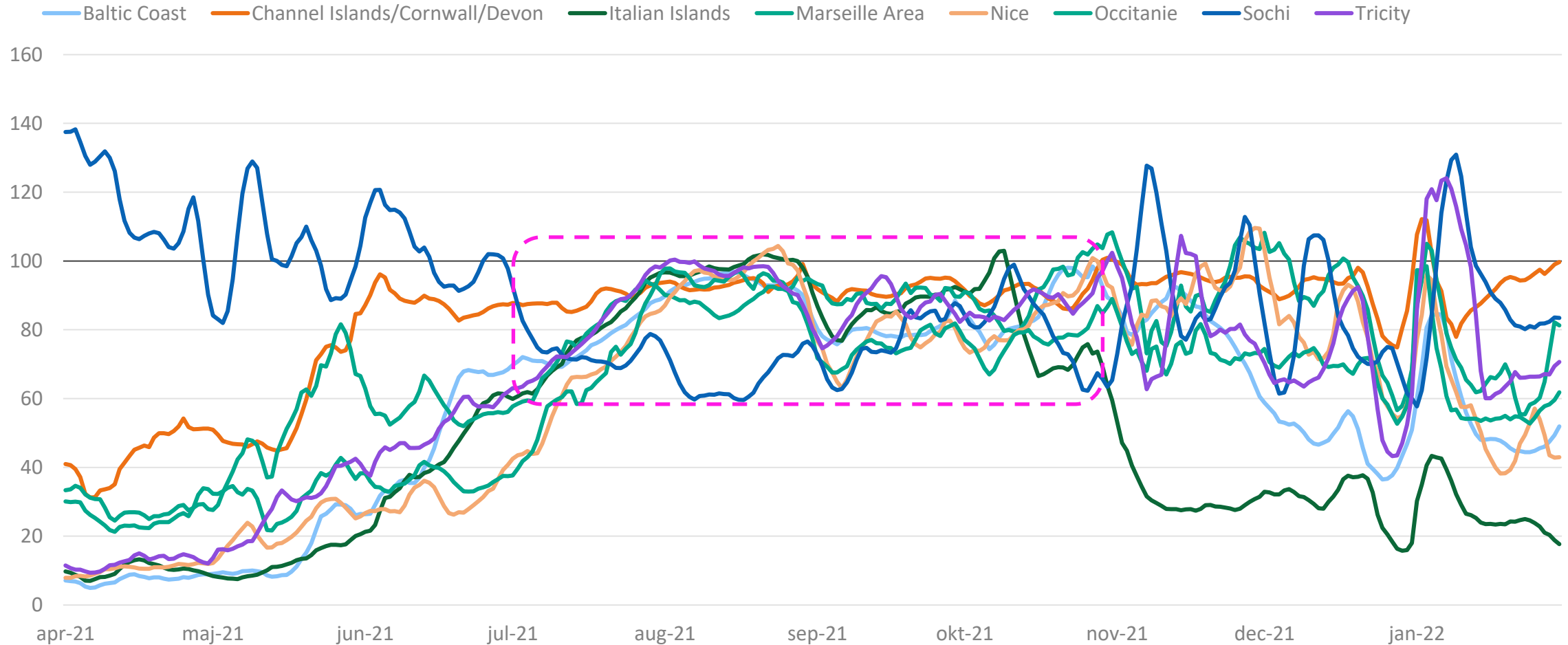


2) Leisure

Pent up or post
travel?

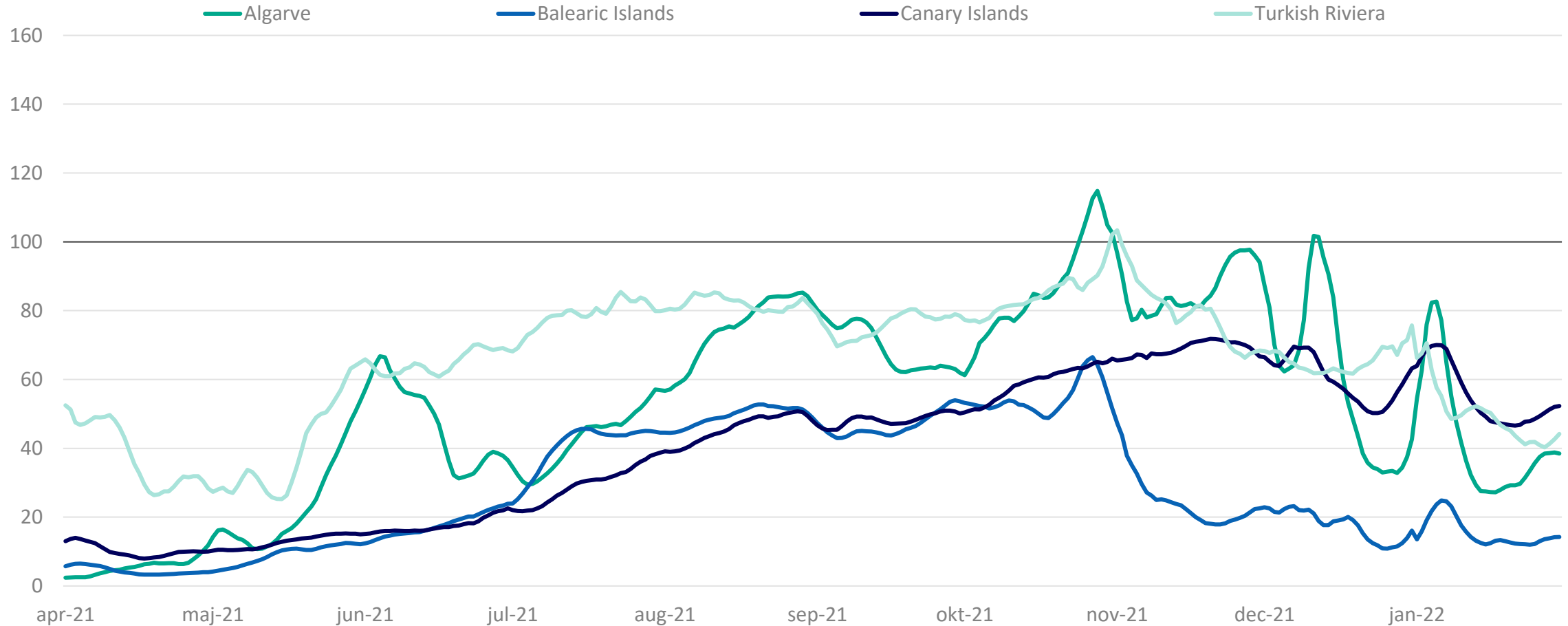
Staycation leisure markets mostly fully recovered in 2021...

Rolling 7 days occupancy (TRI) indexed to 2019, April 2021 – January 2022



... but fly-to leisure struggled due to travel restrictions

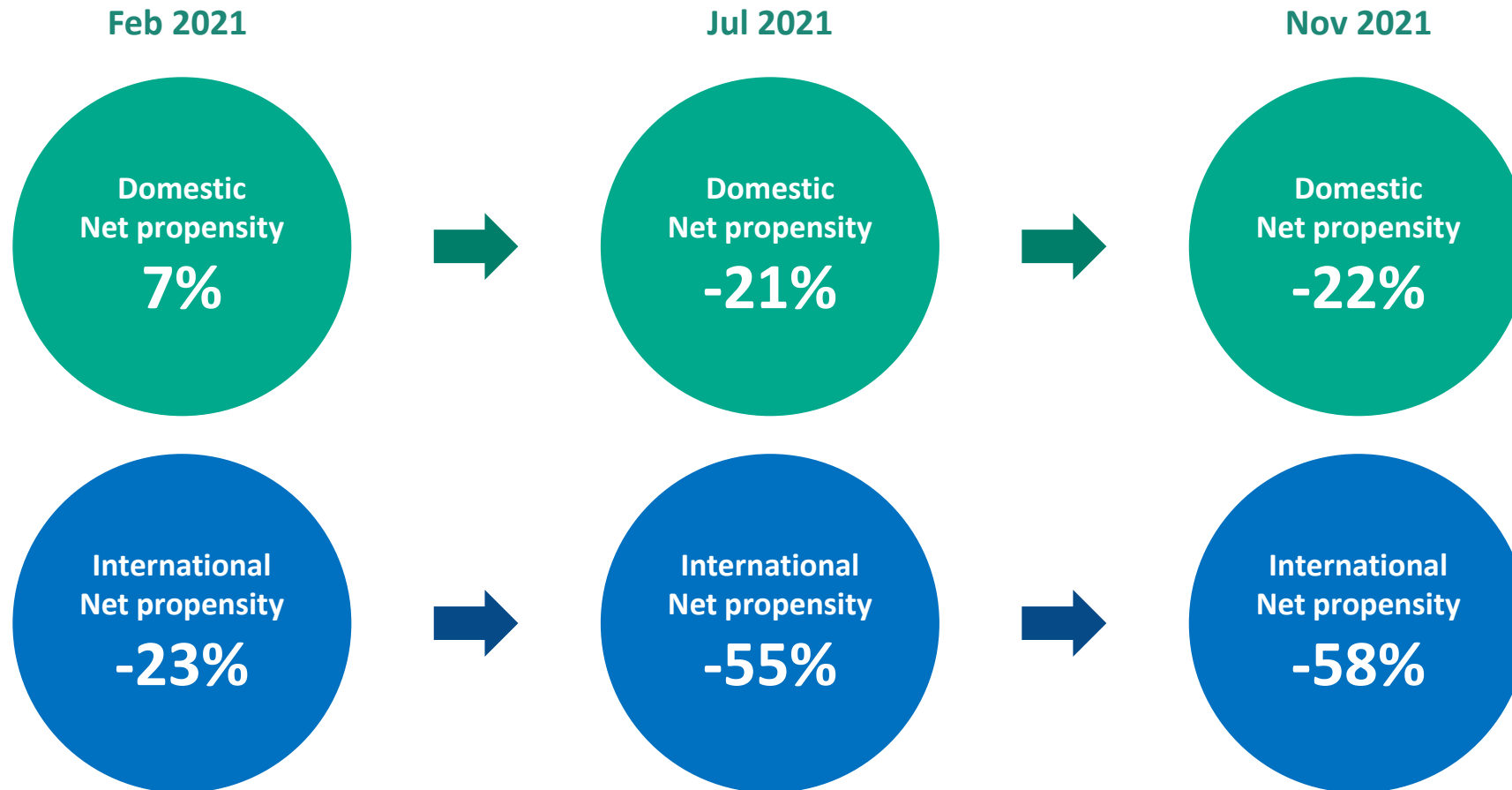
Rolling 7 days occupancy (TRI) indexed to 2019, April 2021 – January 2022



Recovery despite consumers being less likely to travel for leisure during COVID



In the current COVID-19 situation, are you likely to travel for leisure/holidays more or less compared to before pandemic?

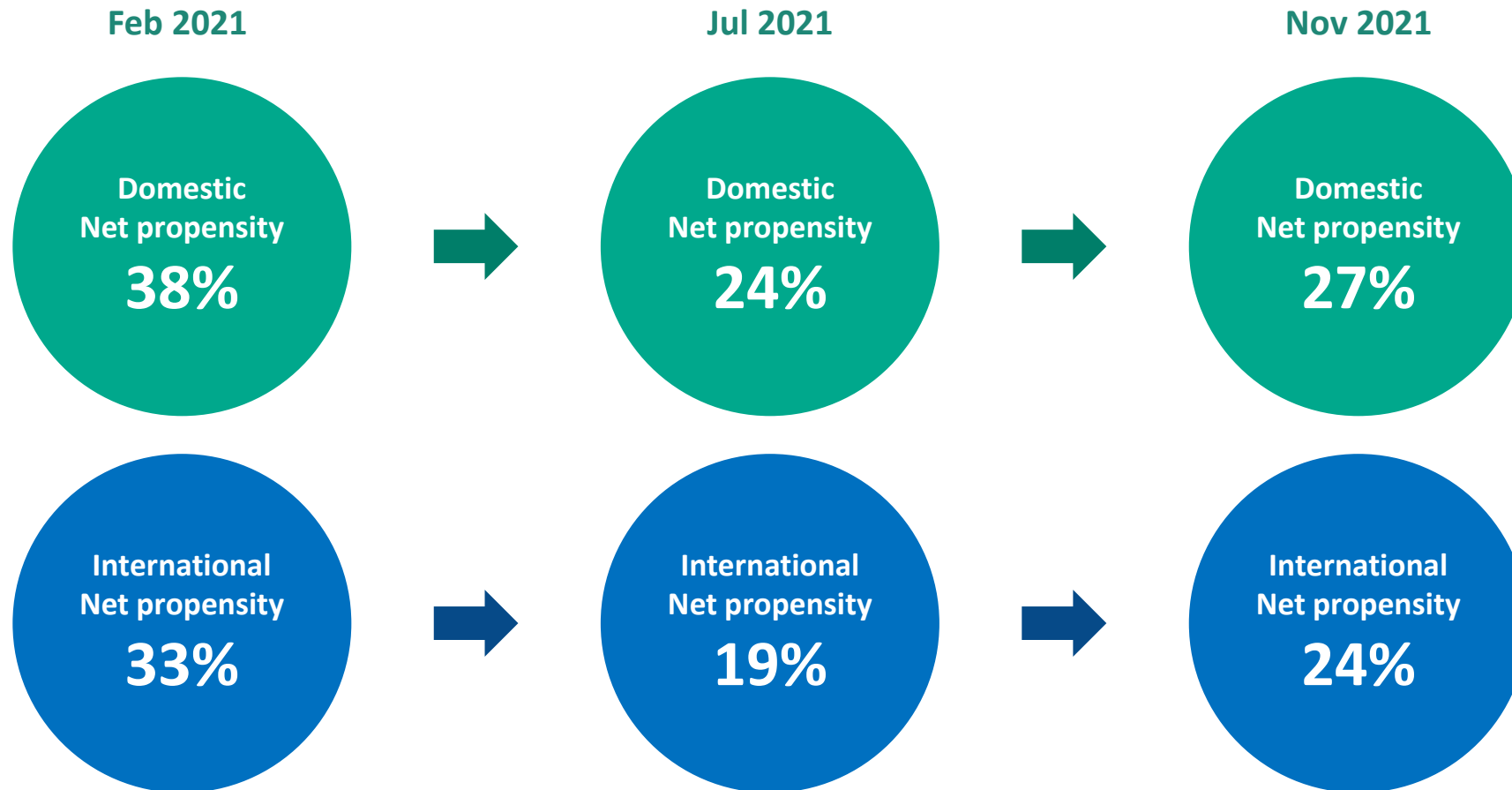


Q: Thinking about the current COVID-19 situation..., are you likely to travel for leisure/holidays more or less compared to before pandemic?
Base: Leisure Travelers: Feb 21 (1333), Jul 21 (1750), Nov 21 (1440) | Net propensity (i.e. difference between 'More likely to travel' and 'Less likely to travel')

Source: STR. 2021 © CoStar Group.

Consumers say they will travel much more for leisure post pandemic

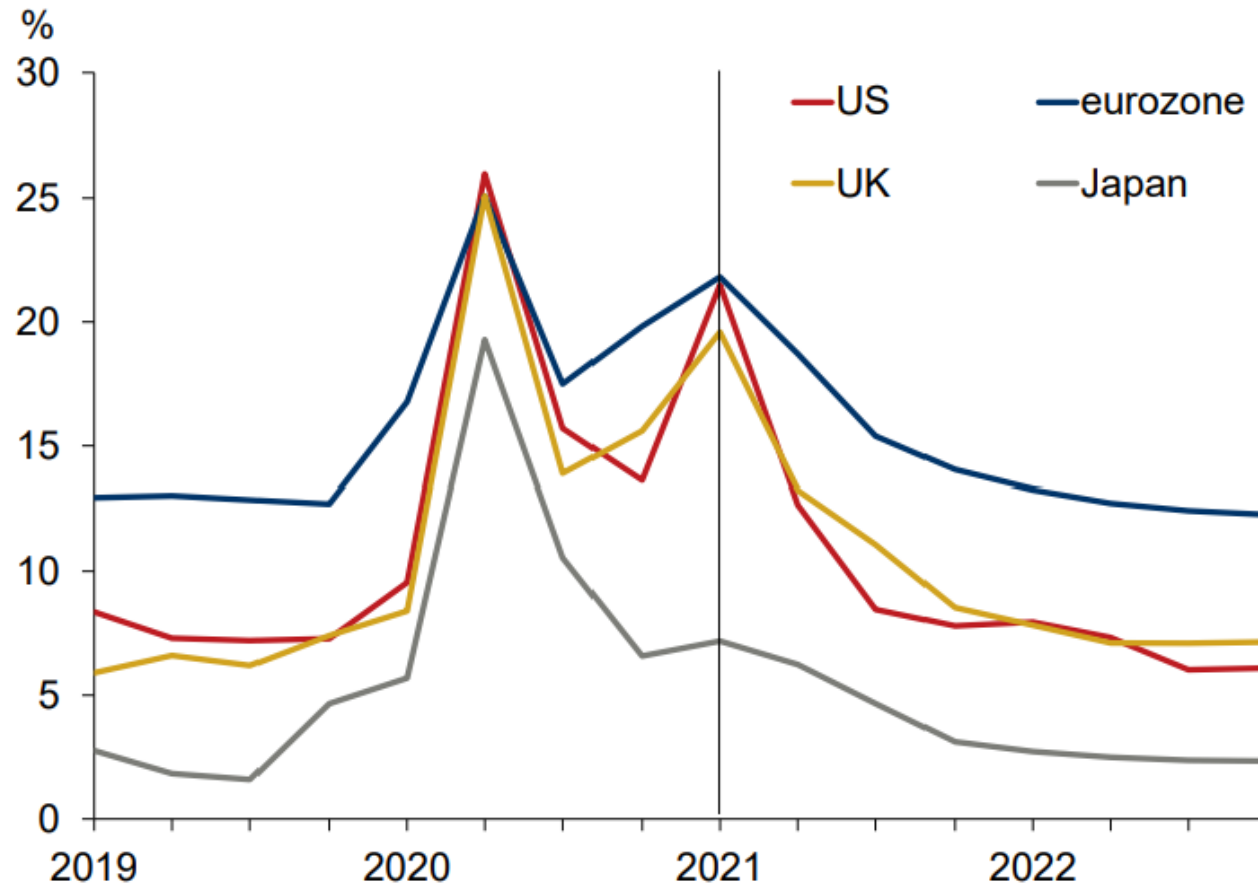
Are you likely to travel for leisure/holidays more or less compared to before pandemic?



... and they have the ability because pent-up is not spent-up yet...



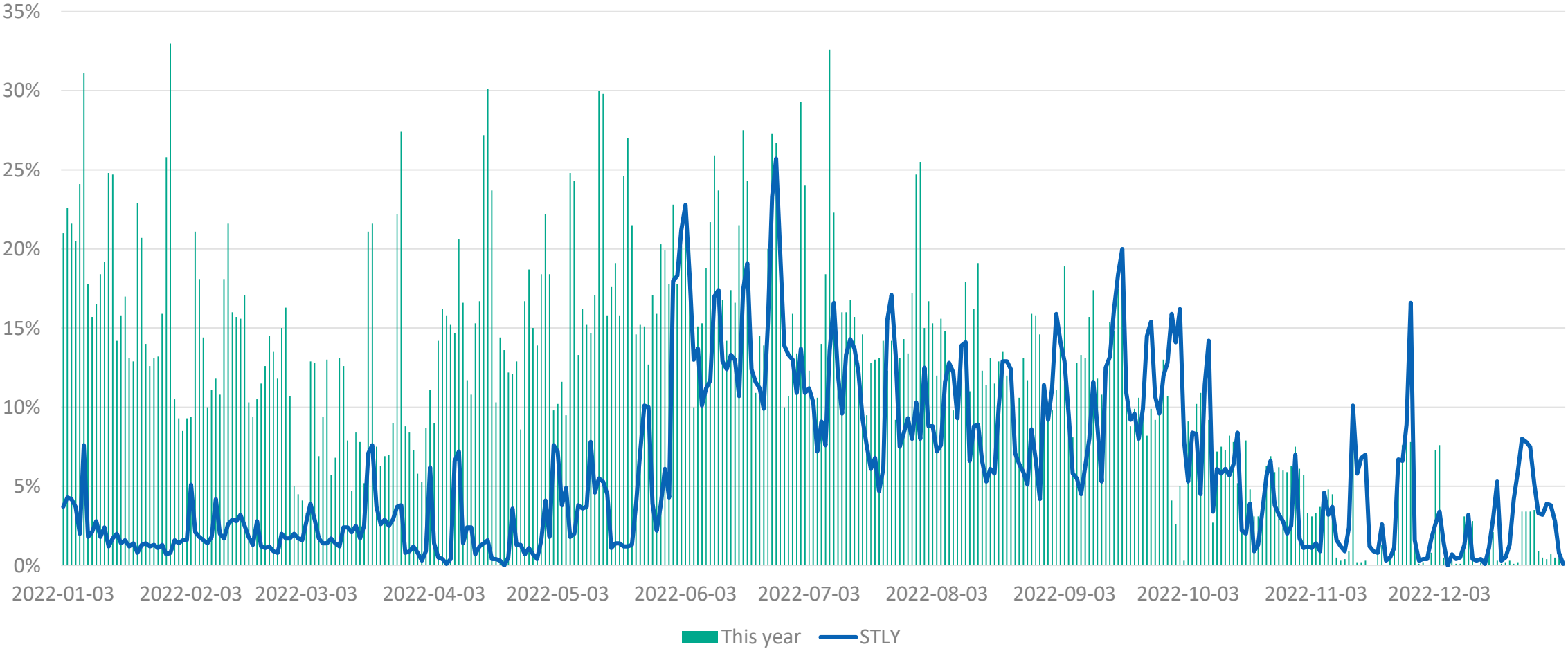
World savings rates



Source : Oxford Economics

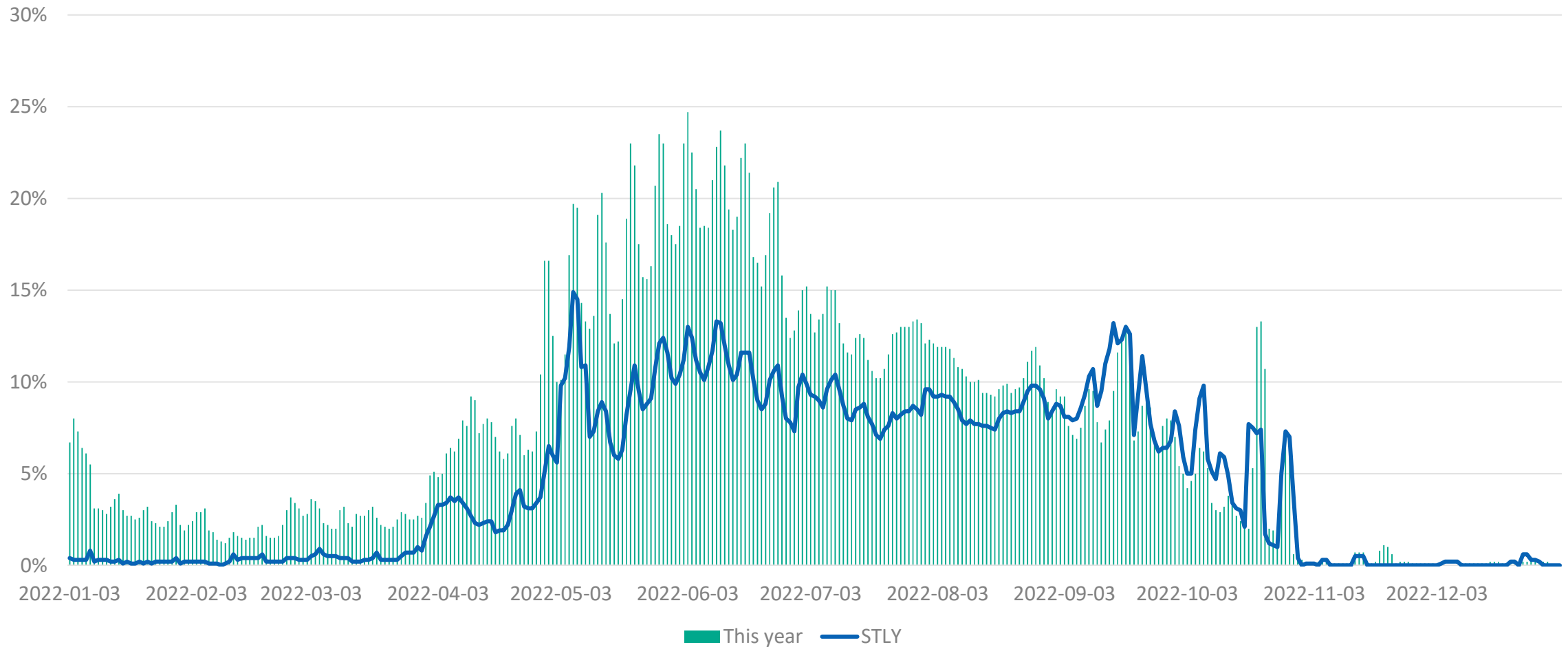
Staycation destinations will have a much stronger H1

Cornwall and Devon, Occ on the books TY & STLY for the next 365 days as at 03 January 2022



Fly to leisure destinations will have a much stronger summer

Balearic Islands, Occ on the books TY & STLY for the next 365 days as at 03 January 2022



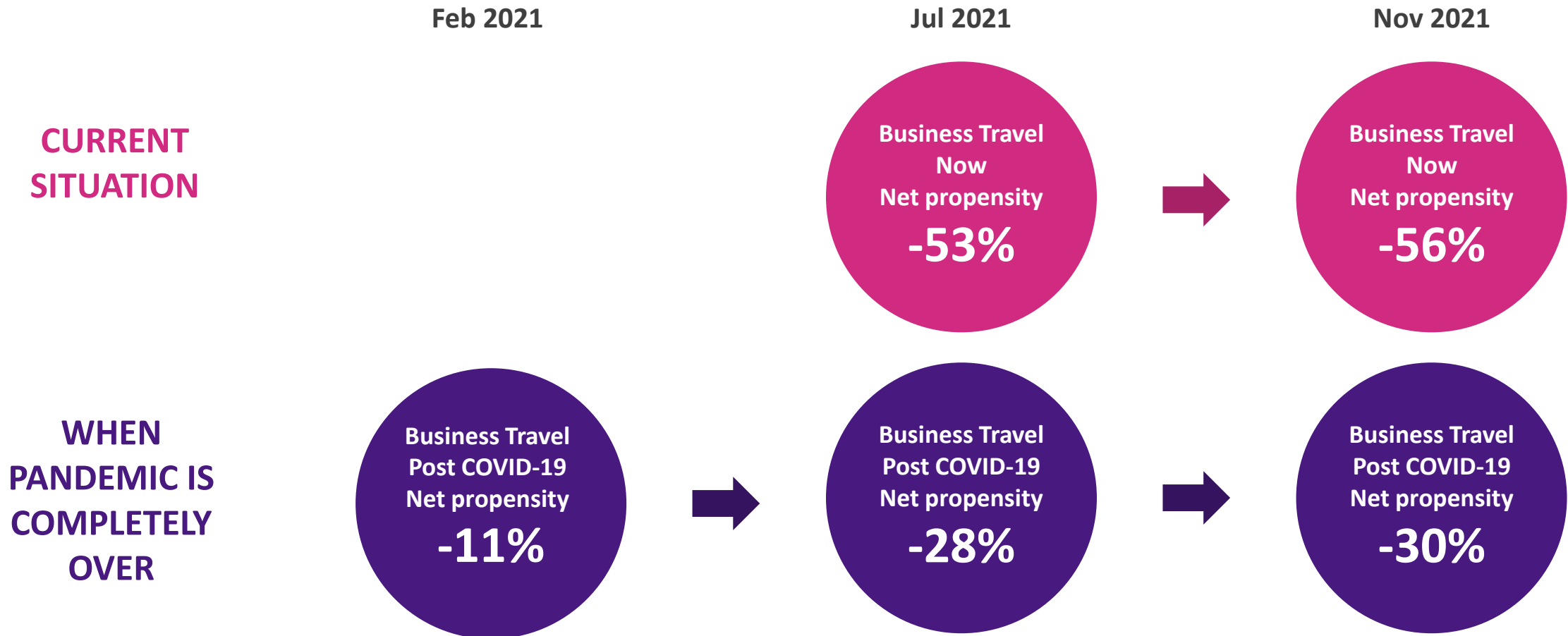
3) Business Zoom or Resume?



The outlook for business travel remains weaker than before the pandemic



Are you likely to travel more or less for business compared to before the pandemic?



Q: You mentioned travelling for business prior to the pandemic, thinking about the current COVID-19 situation and how that impacts your views on travel, are you likely to travel more or less for business compared to before the pandemic? | Q: Now thinking further ahead about overnight business travel, when the pandemic is completely over, are you likely to travel more or less for business compared to your pre-pandemic levels? | Base (Business Travelers): Feb 2021 (492), Jul 2021 (667), Nov 2021 (521)

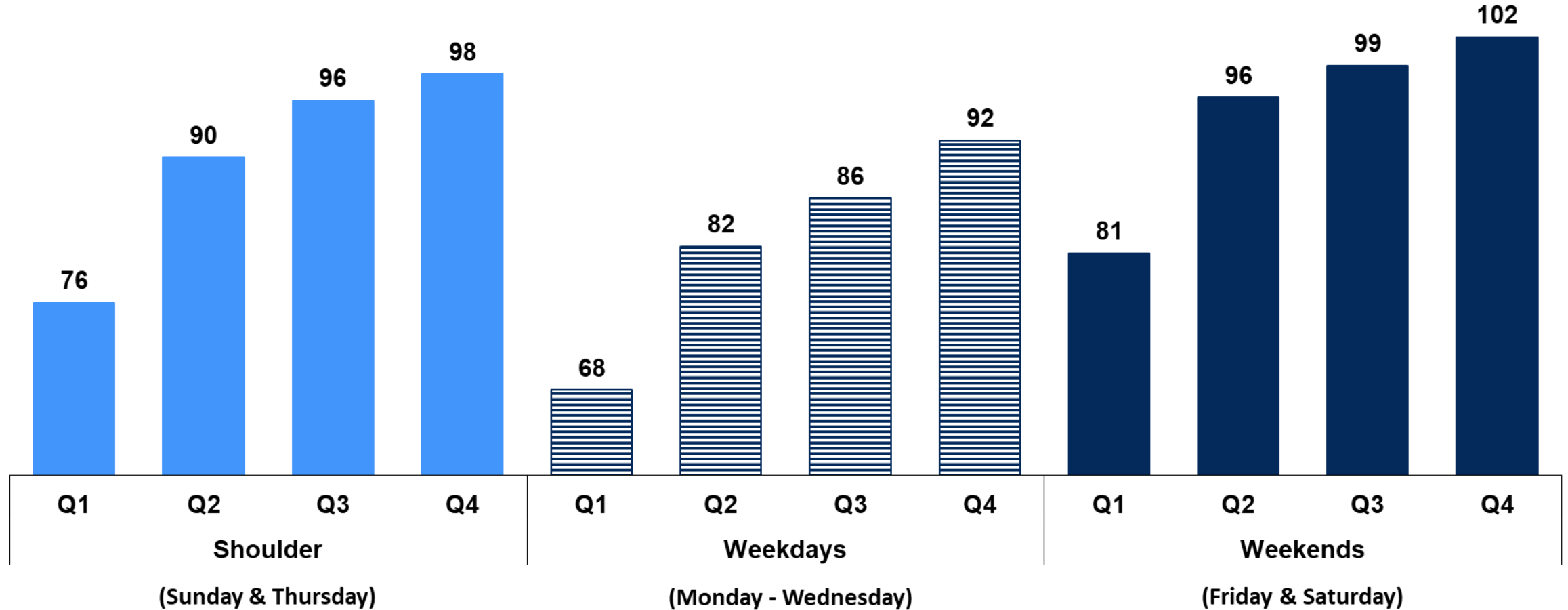
Cities which rely on business travel have struggled to recovery

Occupancy actuals (TRI), Full Year 2021



Weekday demand was already 92% recovered in Q4 2022

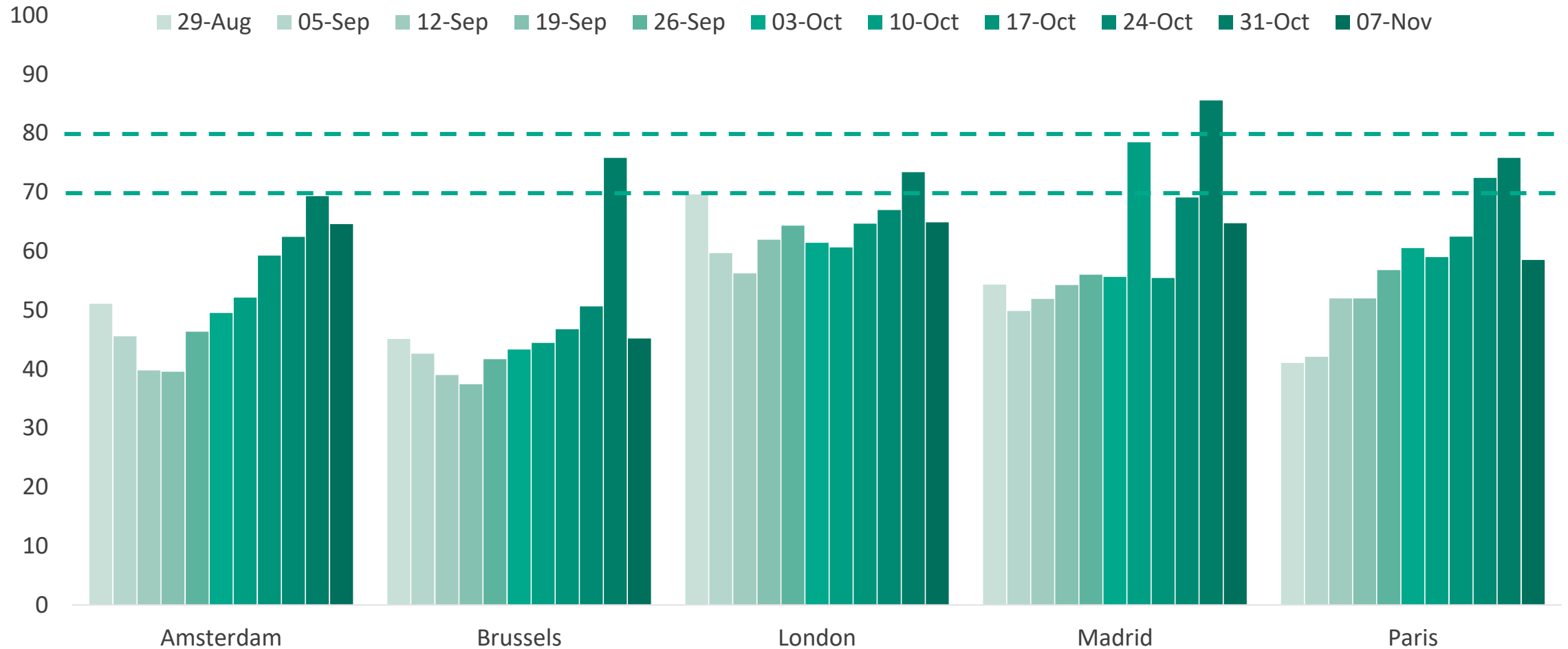
U.S. room demand, indexed to 2019 (matched by day type)



In Europe pre-Omicron, Weekday Occ was back at 70-80% of 2019



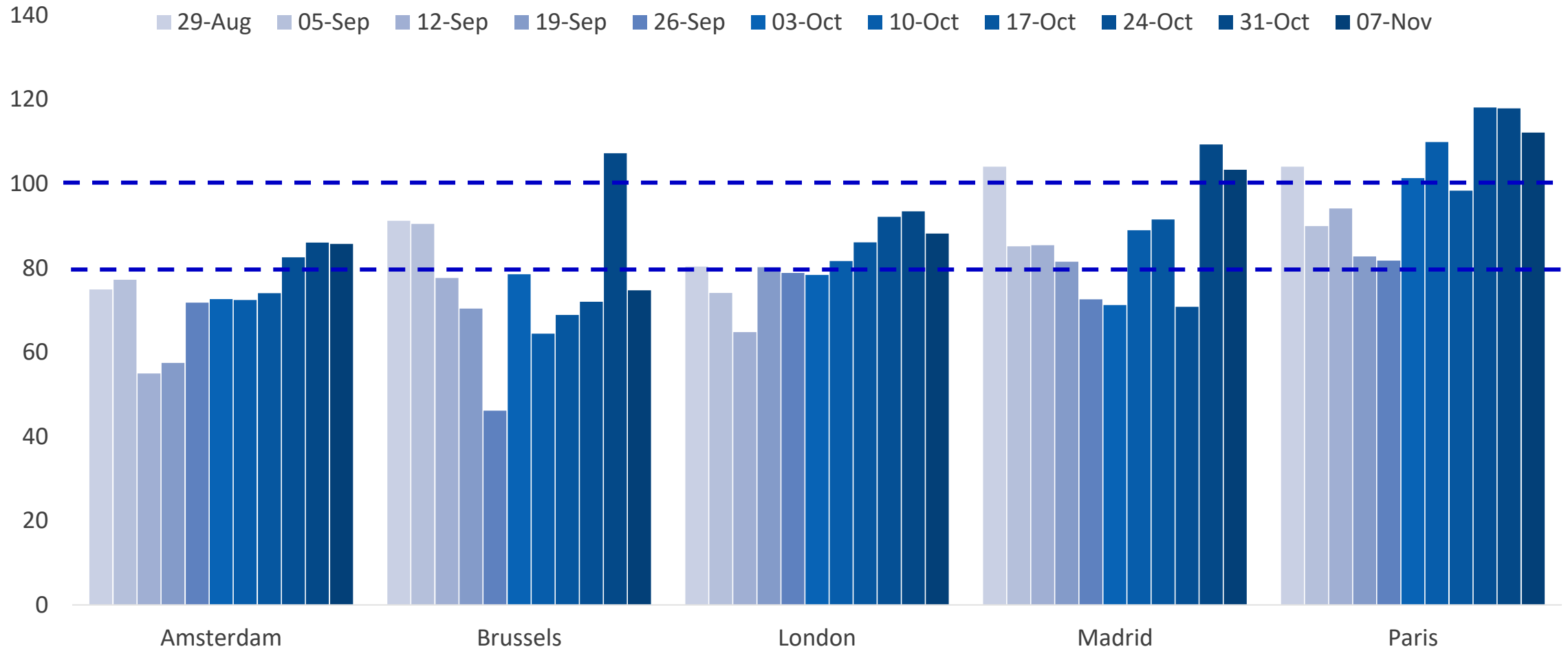
Weekday occupancy (TRI) indexed to 2019 29 Aug – 07 Nov 2021



and weekday rates recovering too at 80-100%+ of 2019 levels



Weekday ADR (local currency) indexed to 2019, 29 Aug – 07 Nov 2021



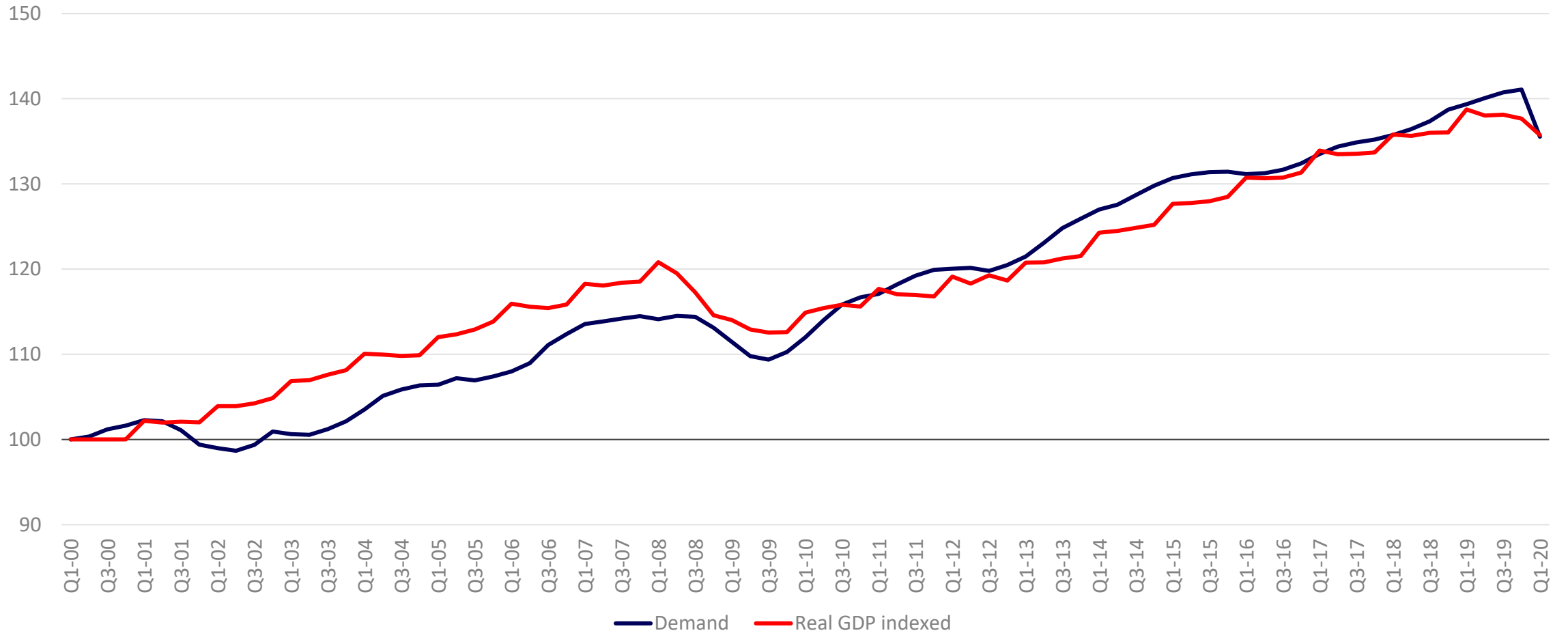


5) Sunny skies ahead

Hotel demand is highly correlated to economic activity



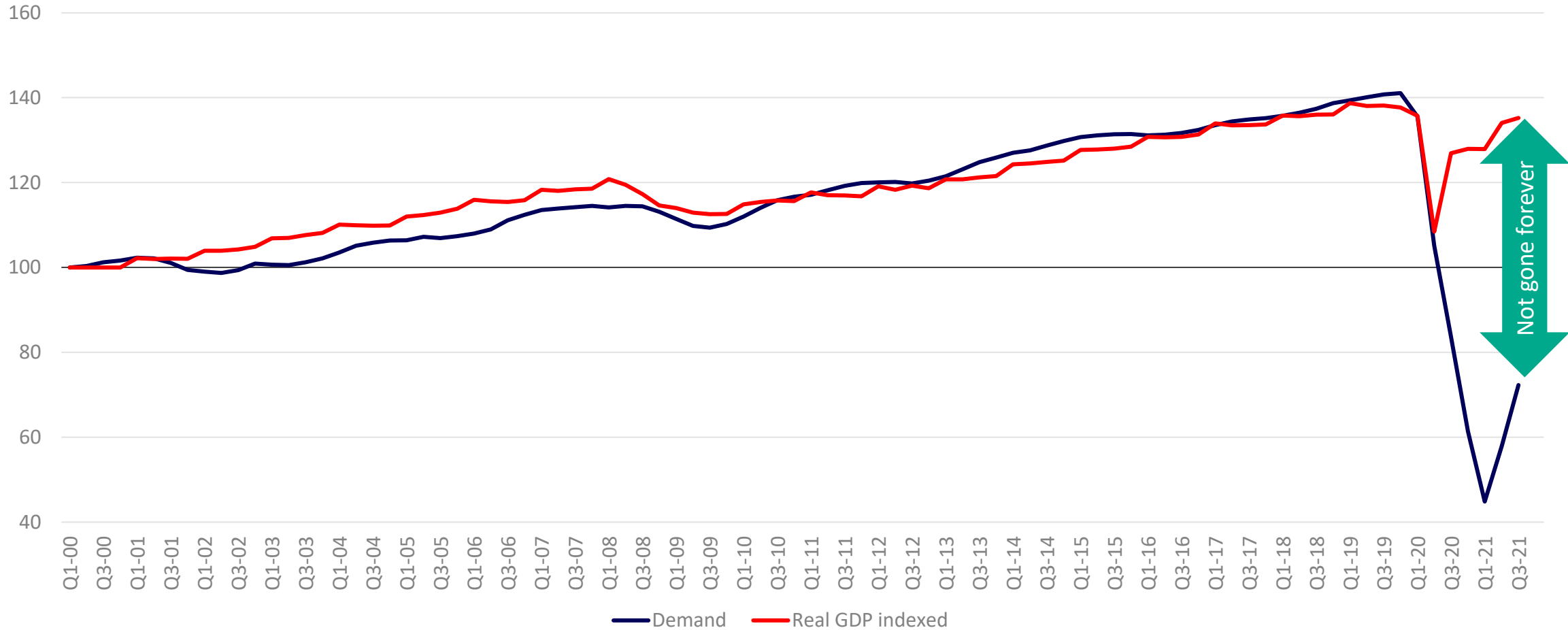
UK Real GDP and UK total hotel demand (room nights), 2000 - 2021



Encouraging signs for GDP recovery

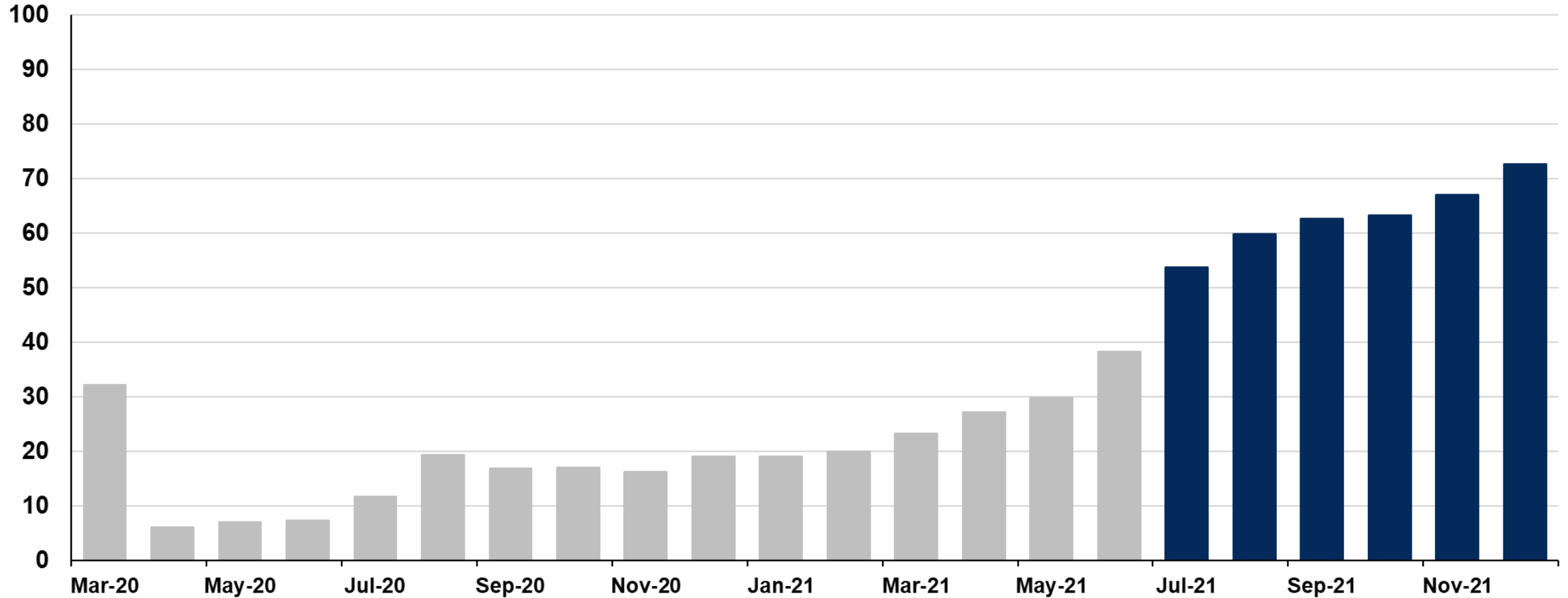


UK Real GDP and UK total hotel demand (room nights), 2000 - 2021



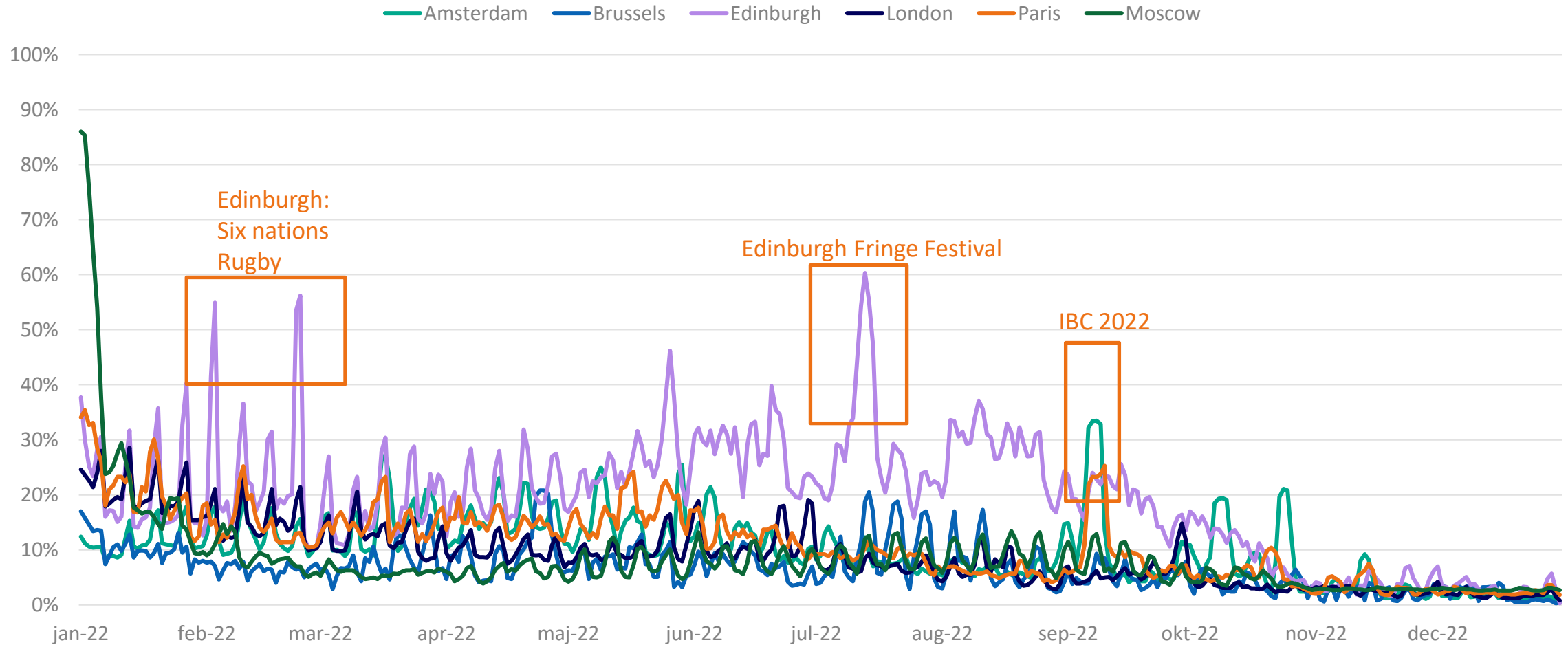
In the US, Group demand is over 70% recovered despite pandemic

U.S. group demand, indexed to 2019 (luxury & upper upscale classes only)



Looking forward, demand is out there for events

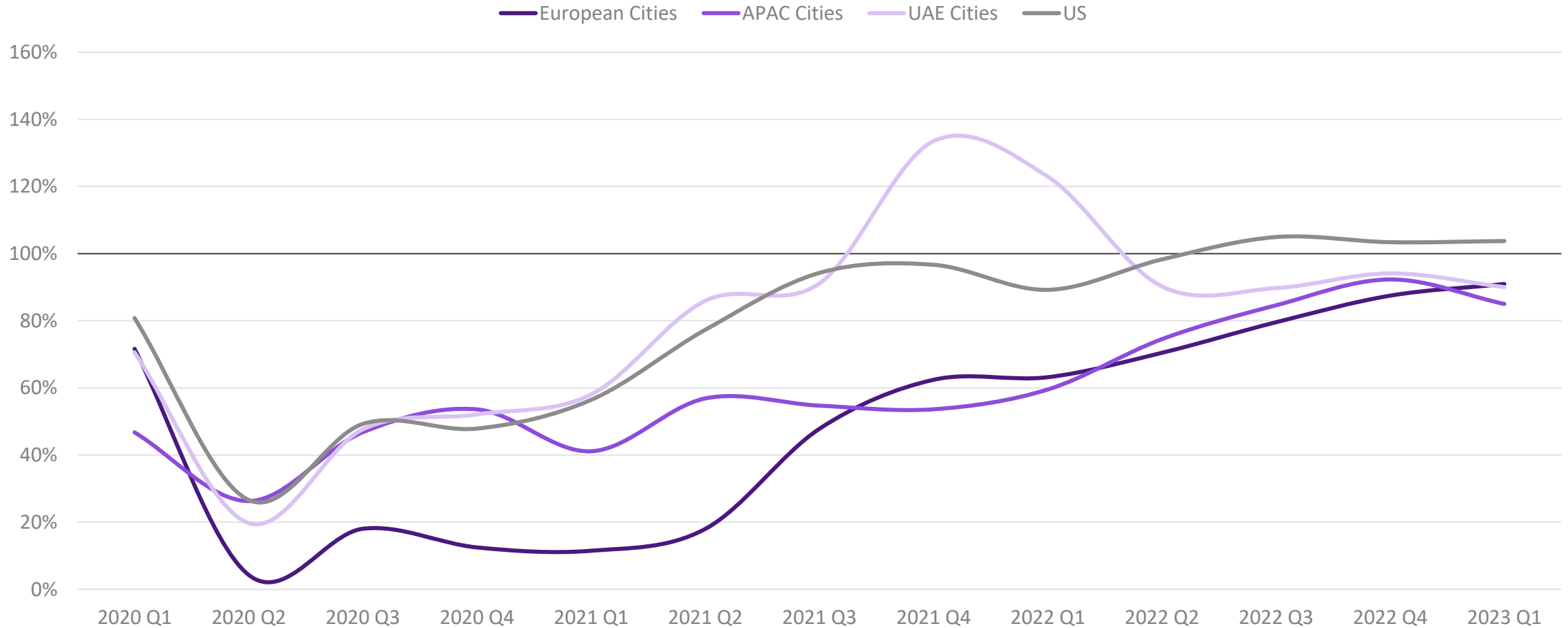
Occupancy on the books (TRI) for the next 365 days, as of January 3rd



US recovers in 2022, remaining regions 90% recovered by end of year



Forecast RevPAR performance indexed to 2019, TRI



Key takeaways



1

Demand has and will continue to recover
... and grow past 2019 levels

2

Pent-up is not spent-up and will enable ADR growth
... inflation will challenge profitability

3

If we finally reach escape velocity from COVID
... 2022 will be a very strong year across the globe



Thank you

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