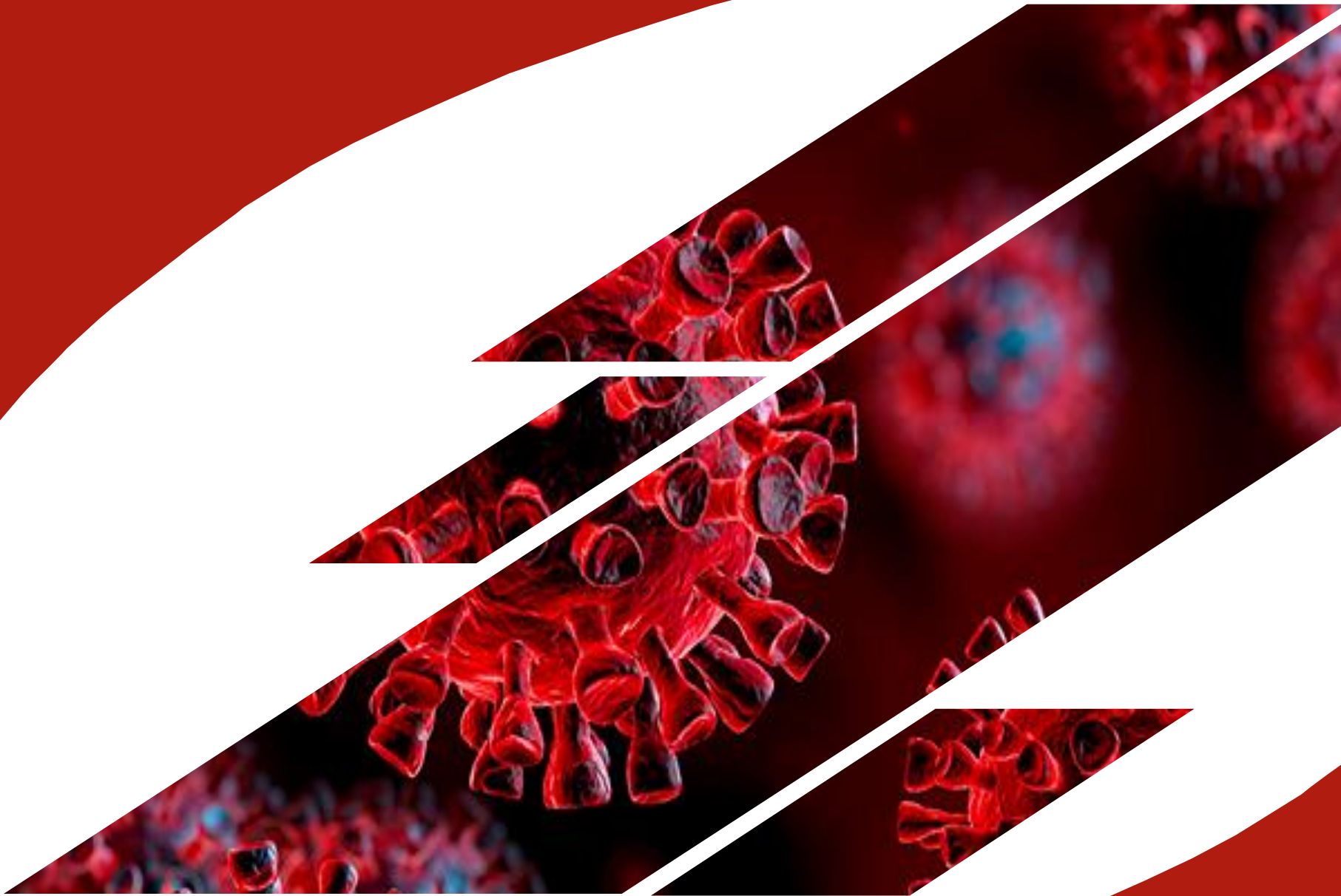




COVID19- Beyond the Dust

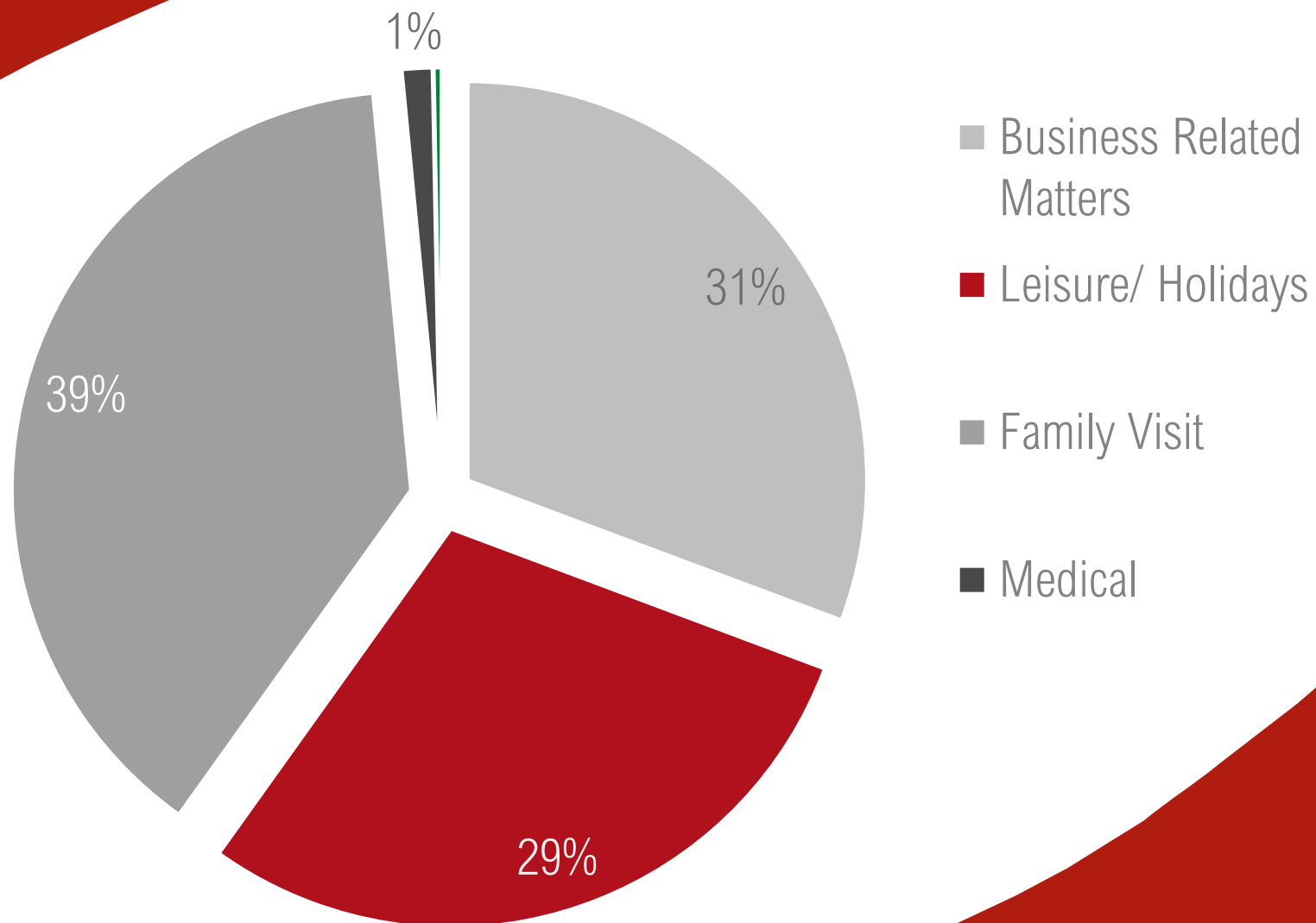
Hotel Performance Forecast 2020-2024
May 2020

Hala Matar Choufany
HVS President- Middle East, Africa and South Asia



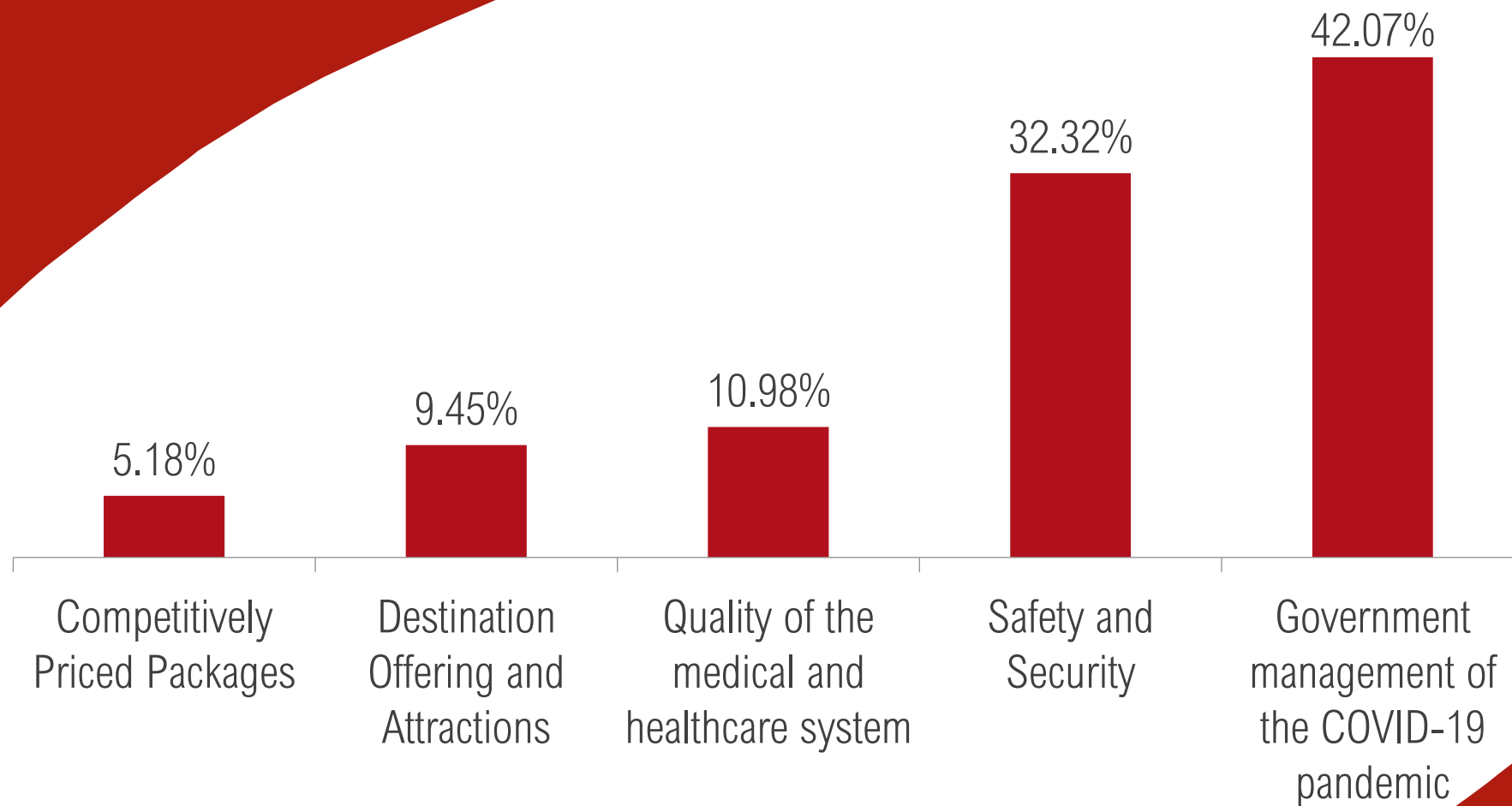
COVID-19: TRAVELER AND HOTEL
GUEST SENTIMENT FINDINGS

PURPOSE OF TRAVEL



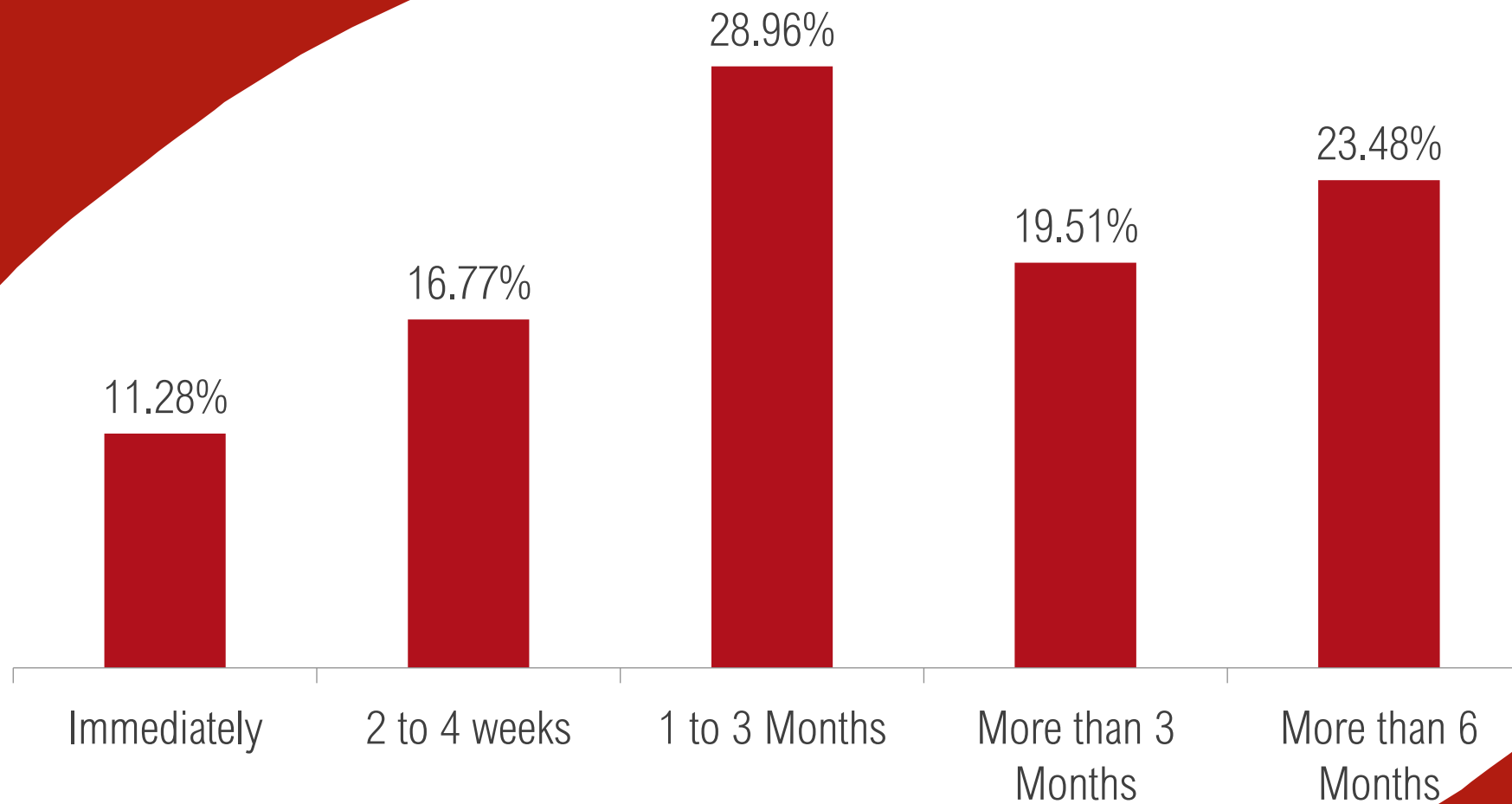
- 39% family gatherings/reunion
- 29% holidays
- 31% business related matters

DECISION MAKING



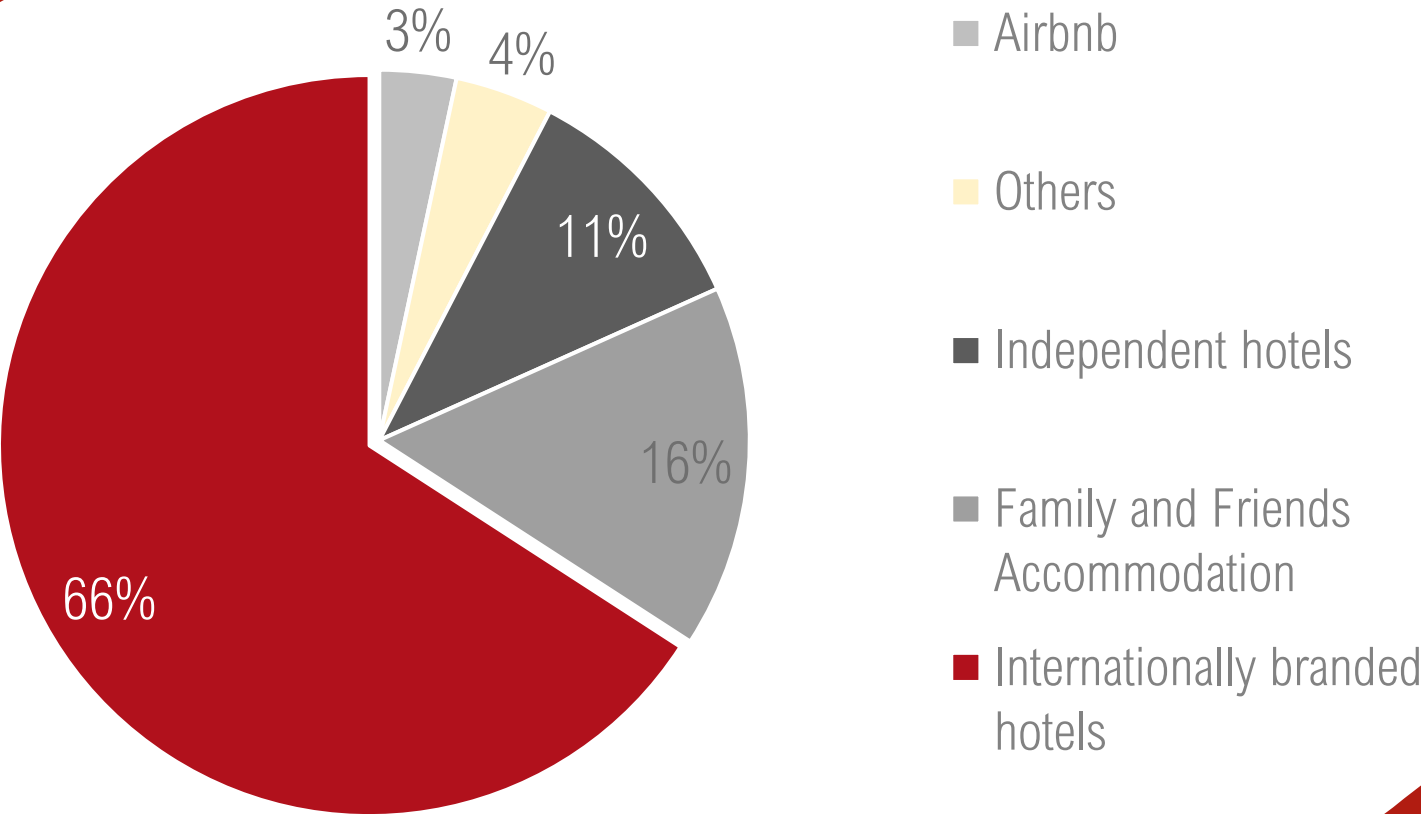
85% of travellers will prioritize travel arrangements according to the reputation and actions undertaken by the governments in keeping good order throughout the pandemic outbreak, safety and security measures as well as the quality of the medical healthcare system.

HOTEL STAY



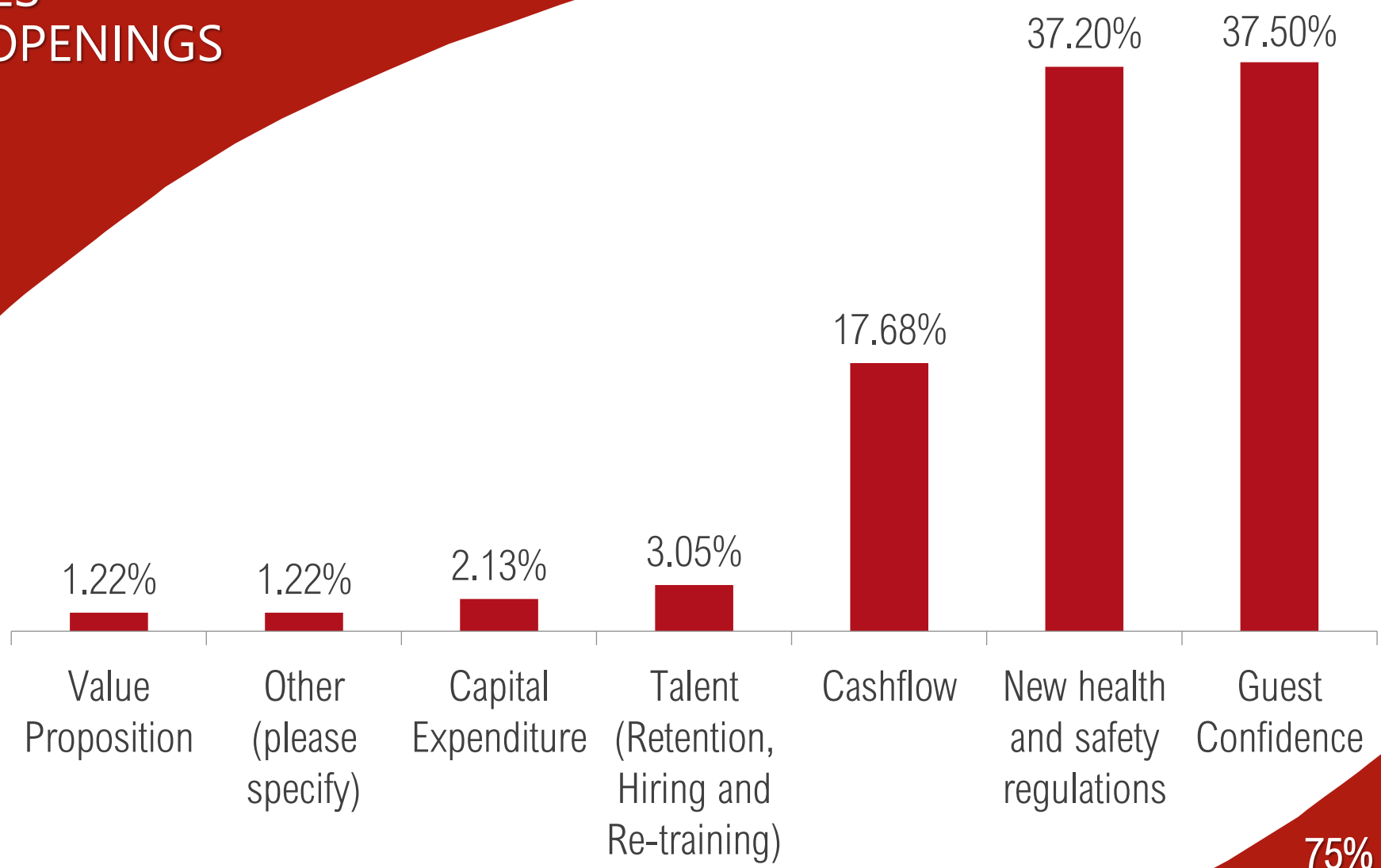
More than 70% of respondents will book a hotel stay after 1 month of the pandemic containment or decline.

TYPE OF ACCOMMODATION

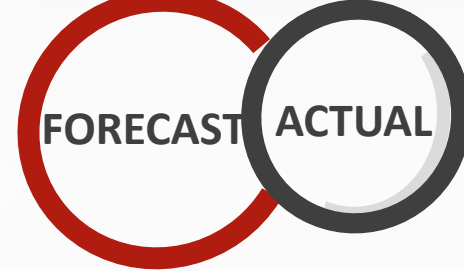


66% of respondents favour internationally branded hotels for their stay. Indisputably, the trust-perception played an immediate reaction to this question.

CHALLENGES HOTEL RE-OPENINGS



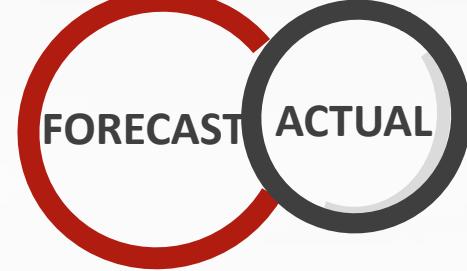
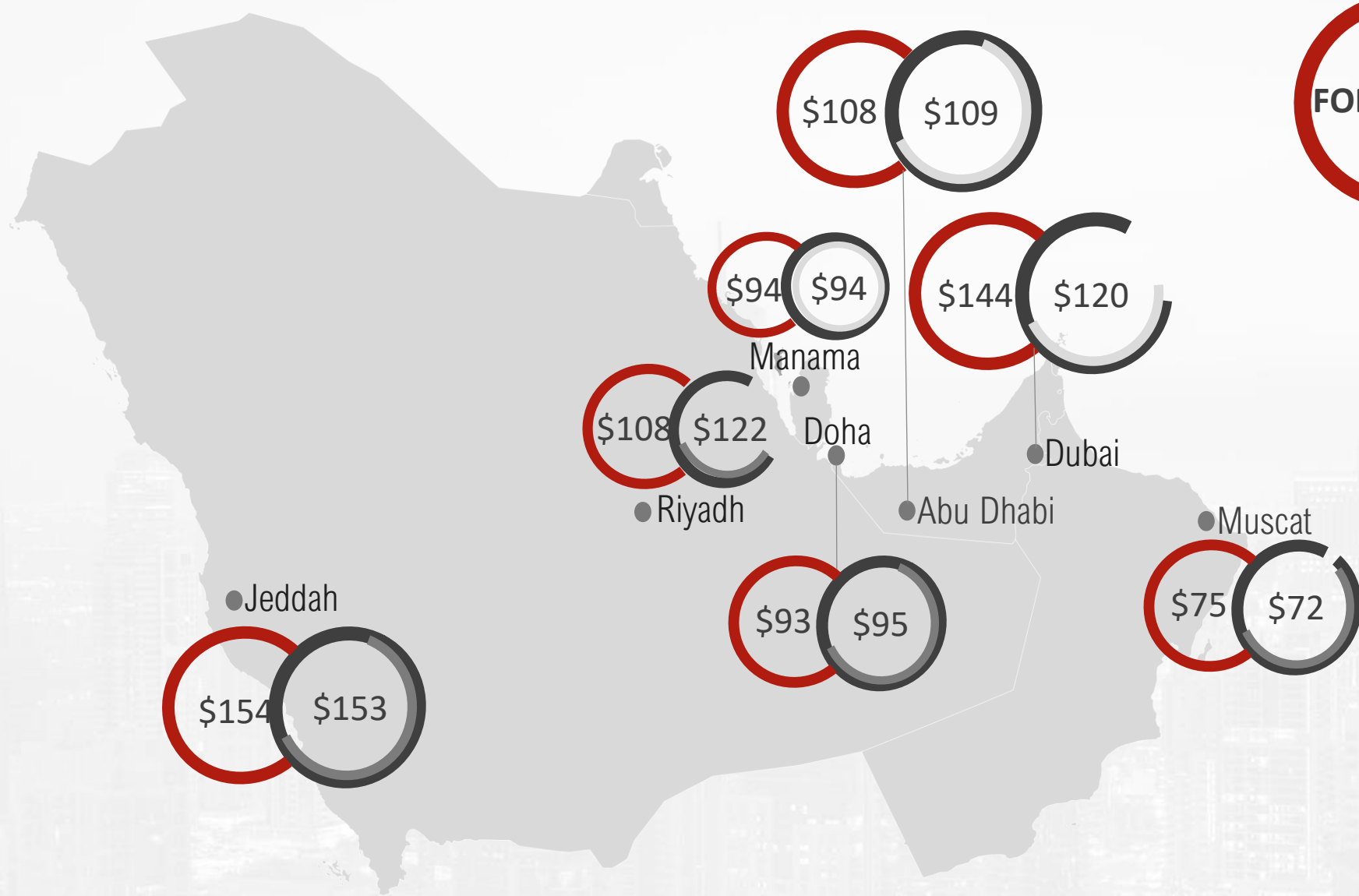
75% of the respondents in this survey consider Guest confidence and New Health and Safety regulation to be the most challenging.



2019

HVS Forecast
vs Actual
RevPAR In
USD

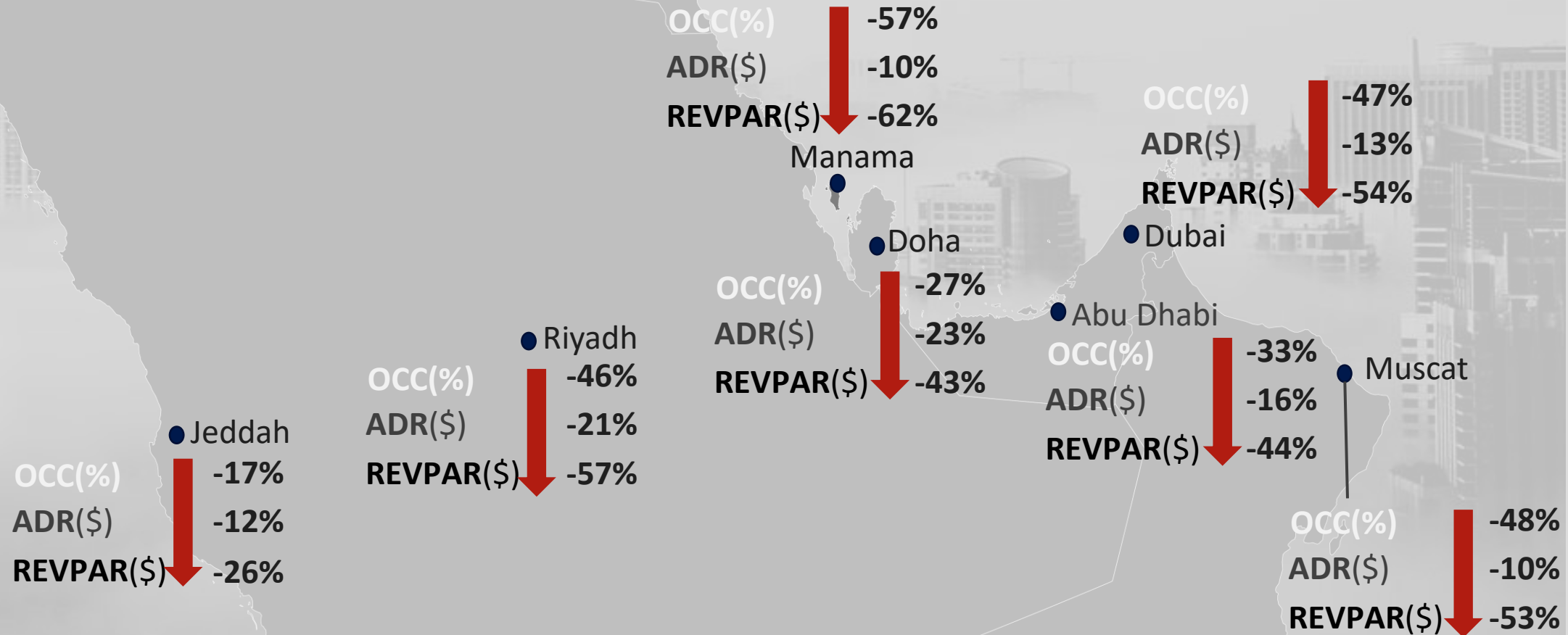




2019
HVS Forecast
vs Actual
RevPAR In
USD

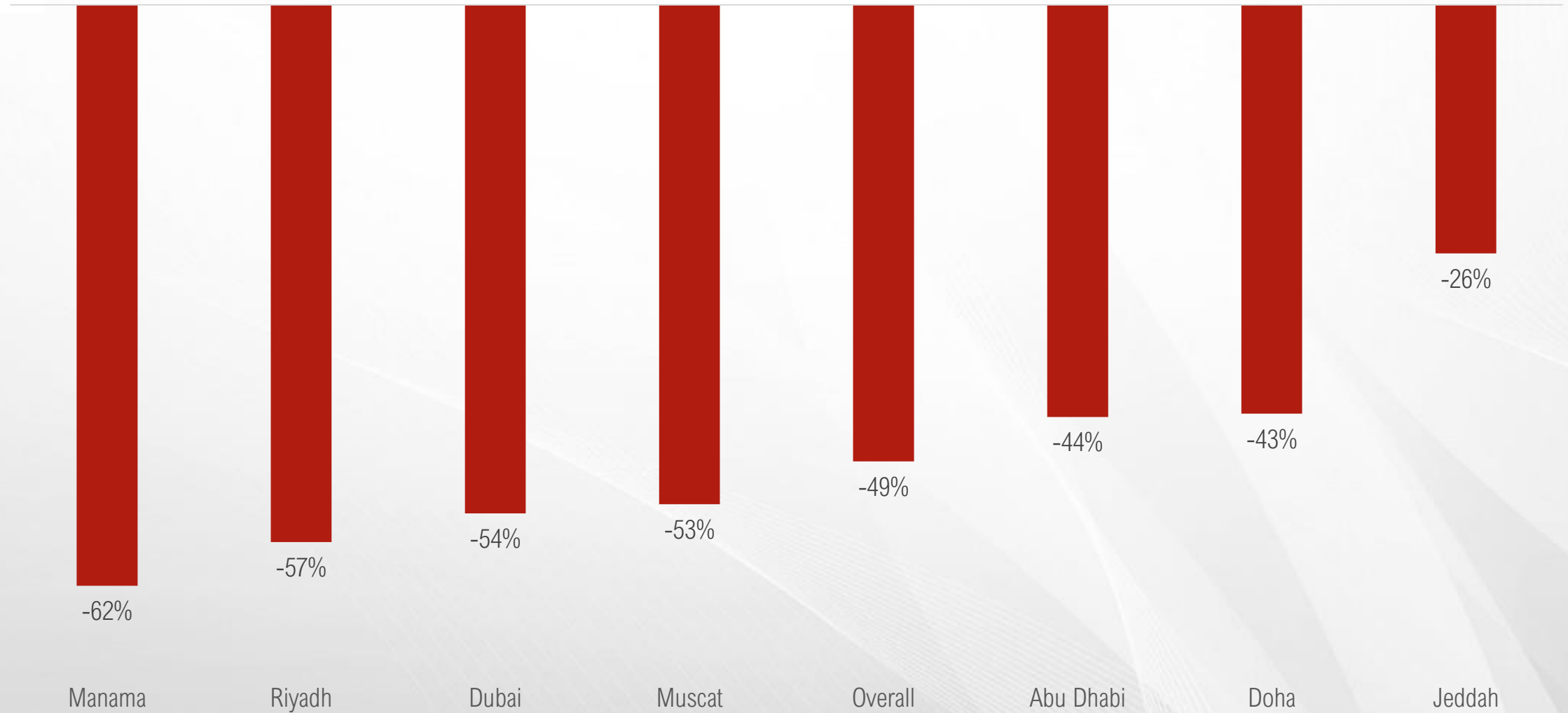
- 
- Most major airlines in the Middle East and from feeder markets have not resumed commercial operations and airports activity is limited to operating repatriation trips;
 - Governments pandemic healthcare bill as well as the economic and financial support extended to support local businesses will have significant effect on the governments' budgets and future investment priorities;
 - Economic growth across the Kingdom of Saudi Arabia and other GCC countries will contract as a result of lower oil prices and reduced production output;
 - Large corporations have downsized, and spending budgets are drastically squeezed; Owners cash reserves and asset cashflows are running low or turning negative.
 - Household disposable income and consumers purchasing power are reduced;
 - Guest confidence is low, and it will take time for the industry to meet new guest's expectations;
 - Major global and regional events have been cancelled.

2019-2020F YoY Variance





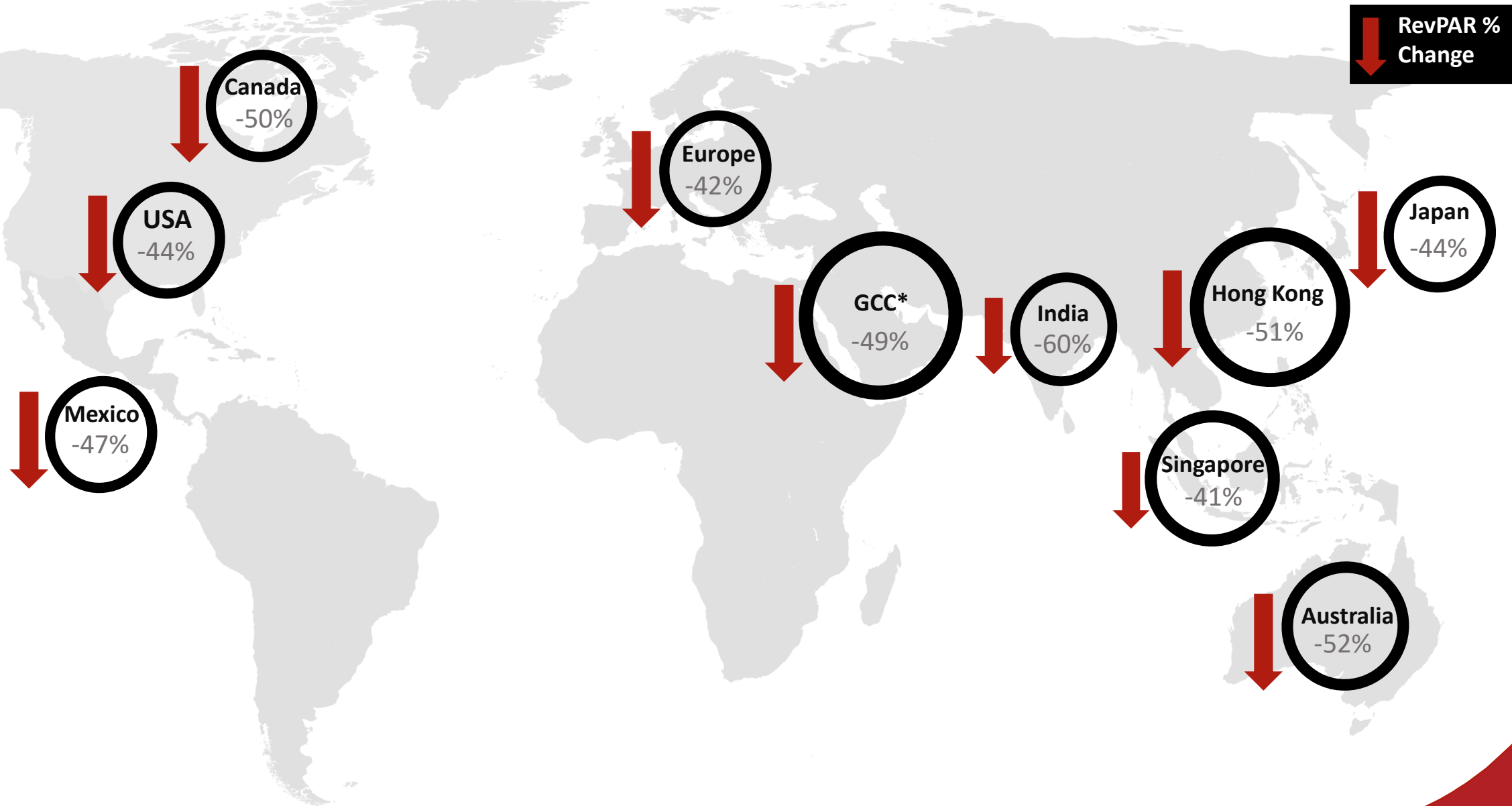
Regional RevPAR Change 2019-2020F



Source: HVS



2019-2020F YoY Variance – Global Outlook





Forecast of Occupancy and Rate- Select GCC cities

Macro

Oil and gas prices will recover over the next 12 months;

Macro

Governments will continue to support and facilitate regional and local events;

Macro

Governments will continue to monitor and contain the spread of COVID-19;

Macro

COVID-19 vaccine and/or approved treatment will be available within the next 12 months;

Macro

Regional and international travel ban to and from key source markets will be fully lifted by October 2020;

Hotels

65% of closed hotels will have re-opened and those converted to quarantine facilities will resume normal operations by end of 2020;

Hotels

Hotels under construction will be delayed and only 25% of new hotel inventory will come into the respective markets between 2021 and 2023;

Hotels

It will take four years for a full recovery with the exception of increased demand around major events such as Expo Dubai and World Cup Qatar

Hotels

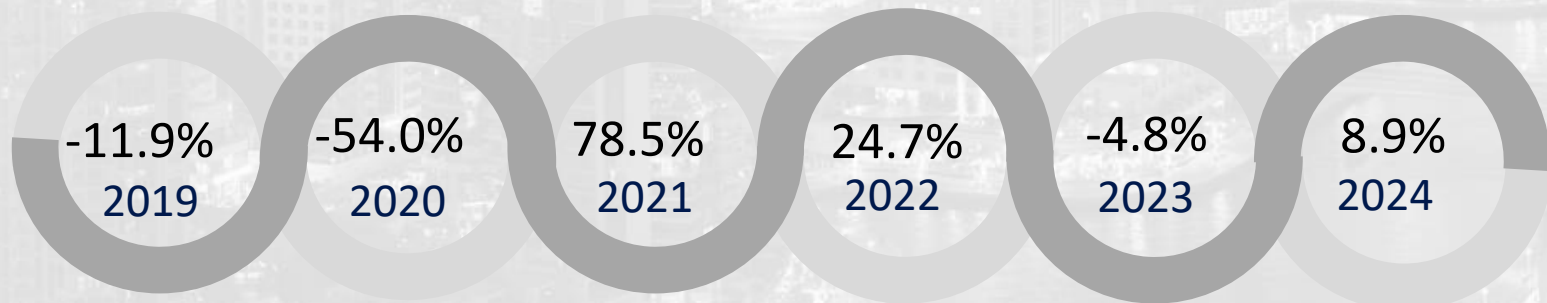
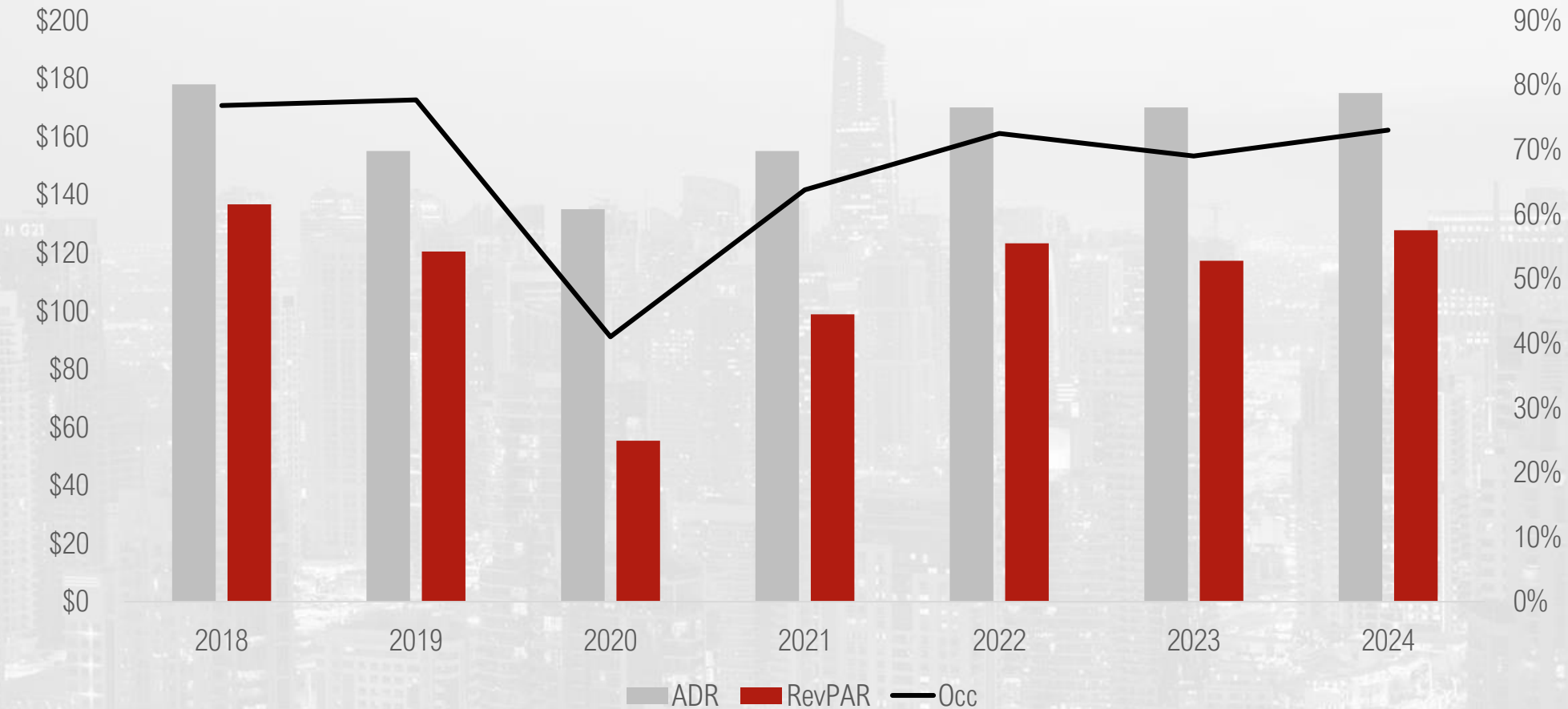
Brand and Hotel Managers will be successful in implementing new health and safety regulations and owners will meet funding requirements;

Hotels

Brand and Hotel Managers will not apply heavy discounts as lower rates is unlikely to be the key driver for decision making -HVS Traveler and Guest Sentiment Survey.

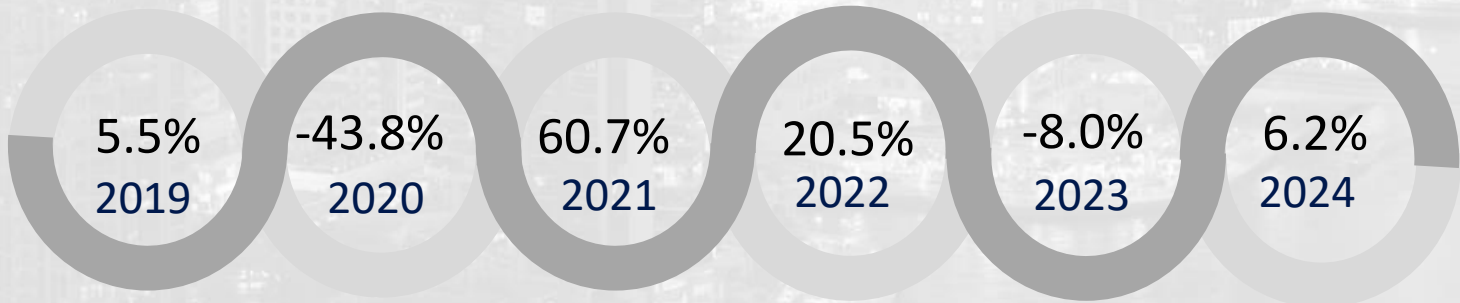
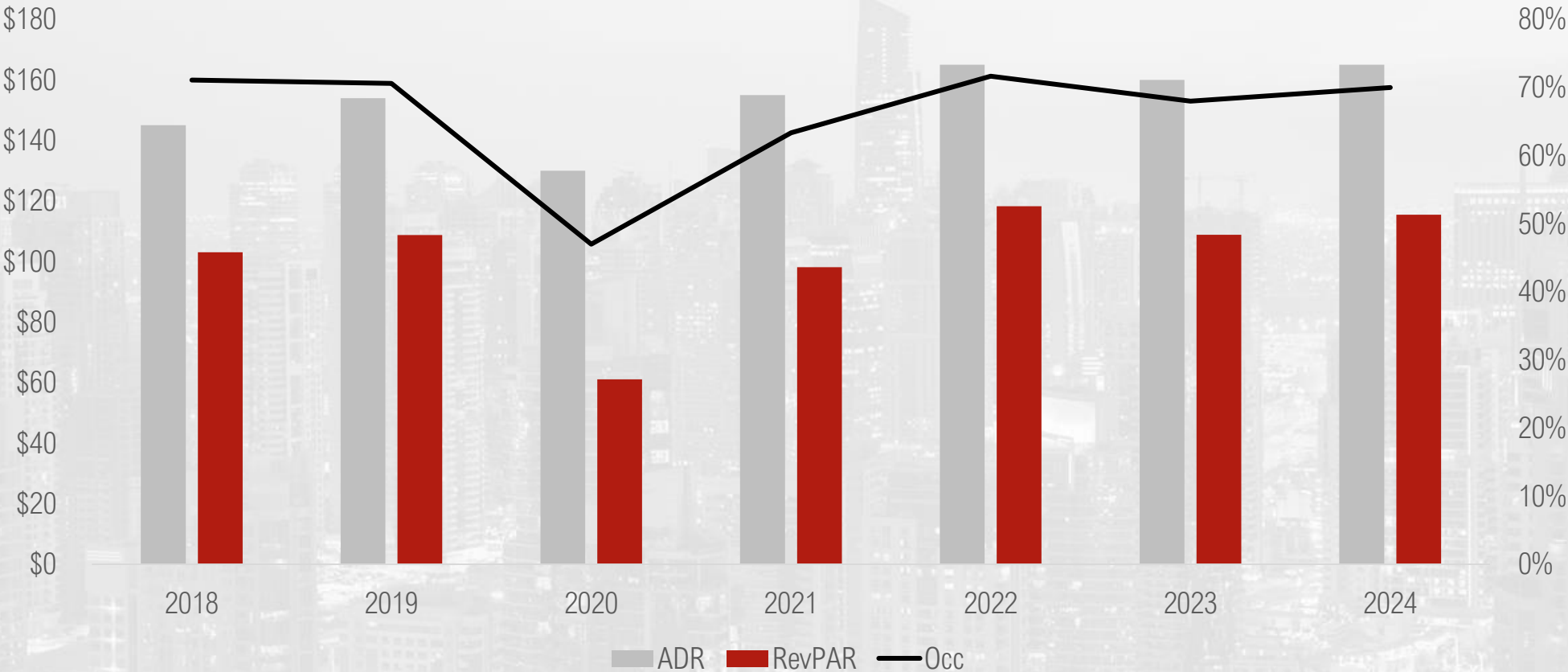


2019-2024(F), RevPAR, YoY %Change, In USD



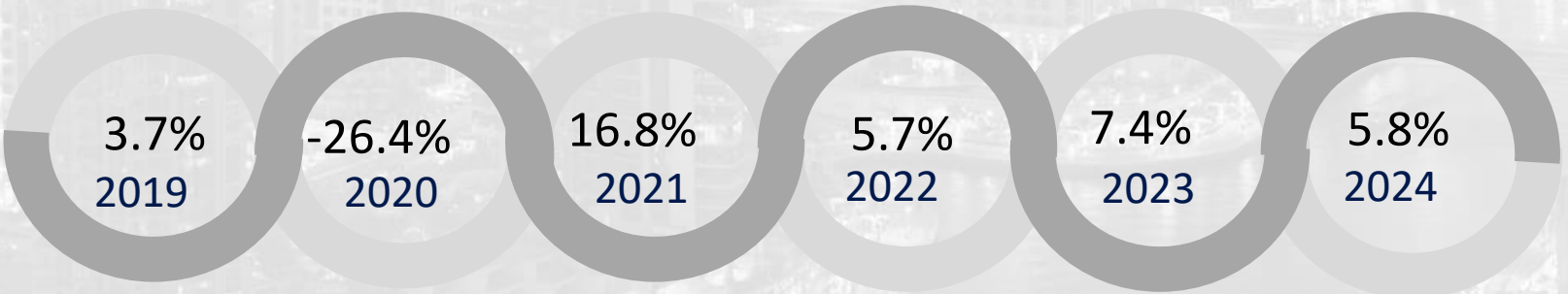
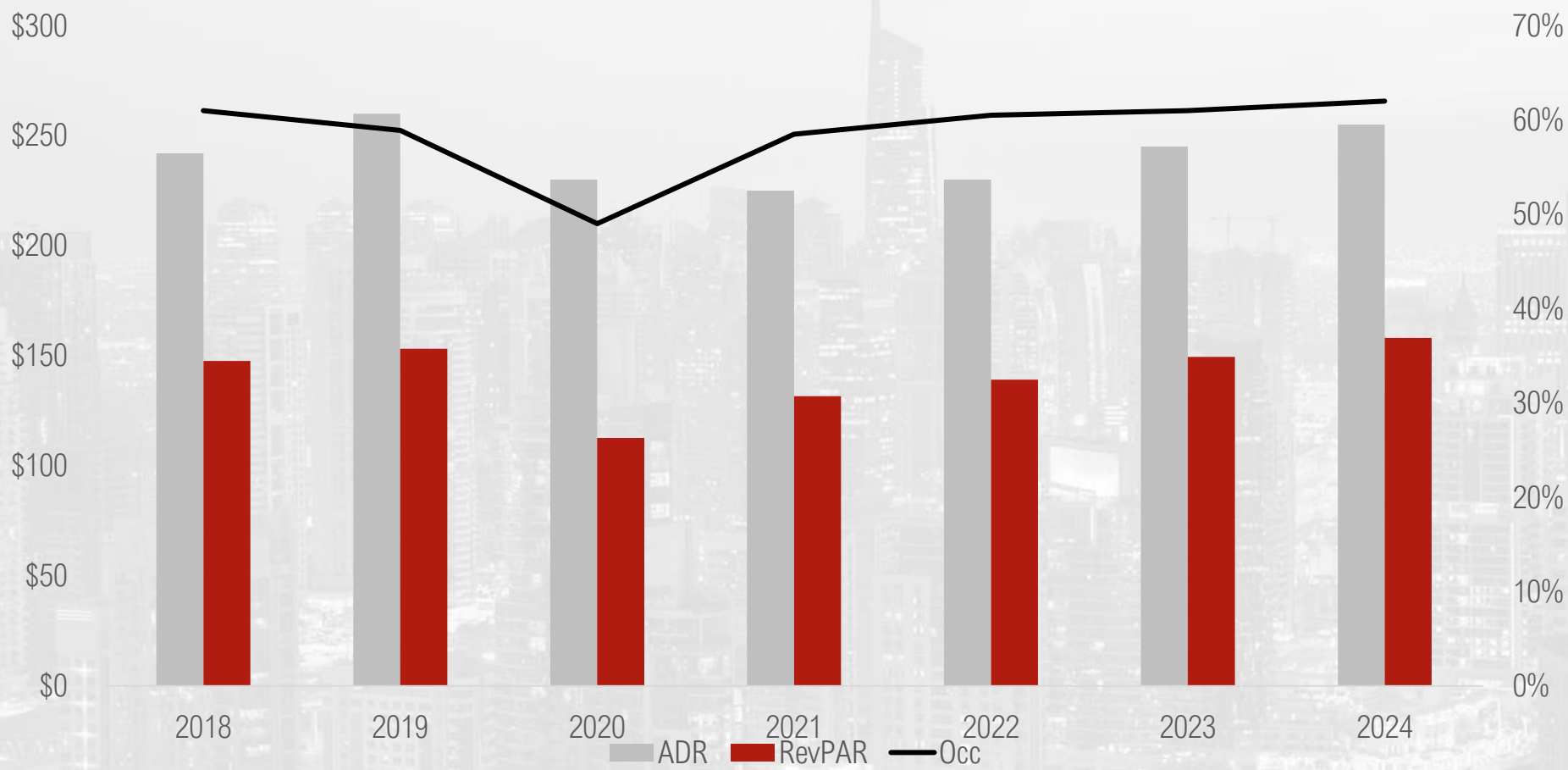


2019-2024(F), RevPAR, YoY %Change, In USD



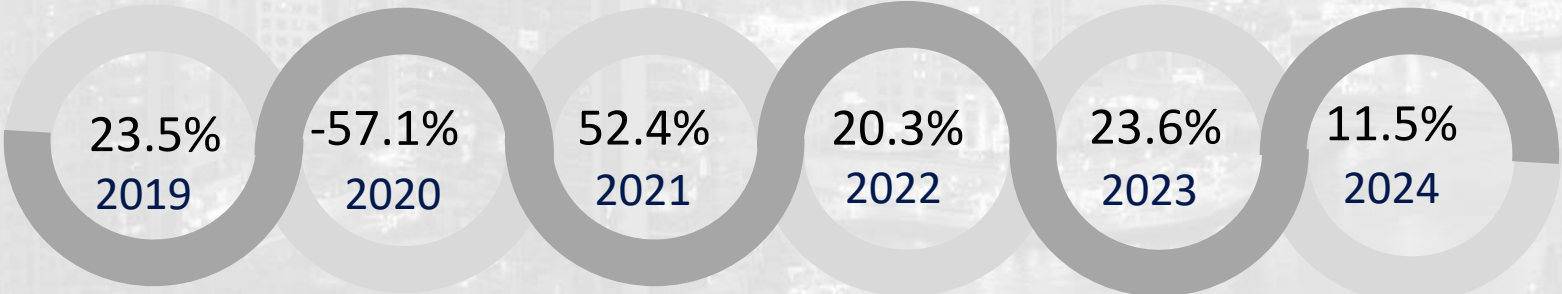
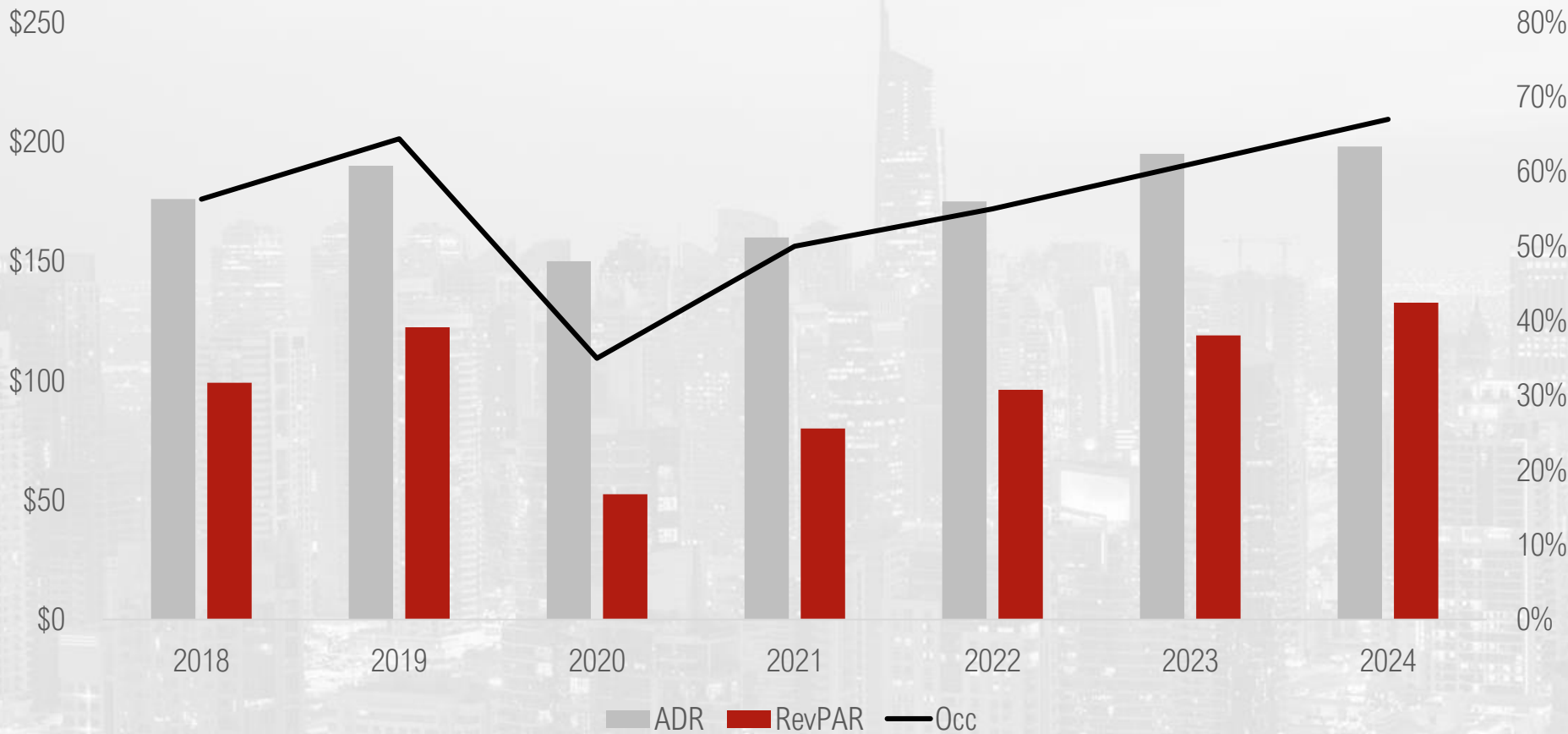


2019-2024(F), RevPAR, YoY %Change, In USD



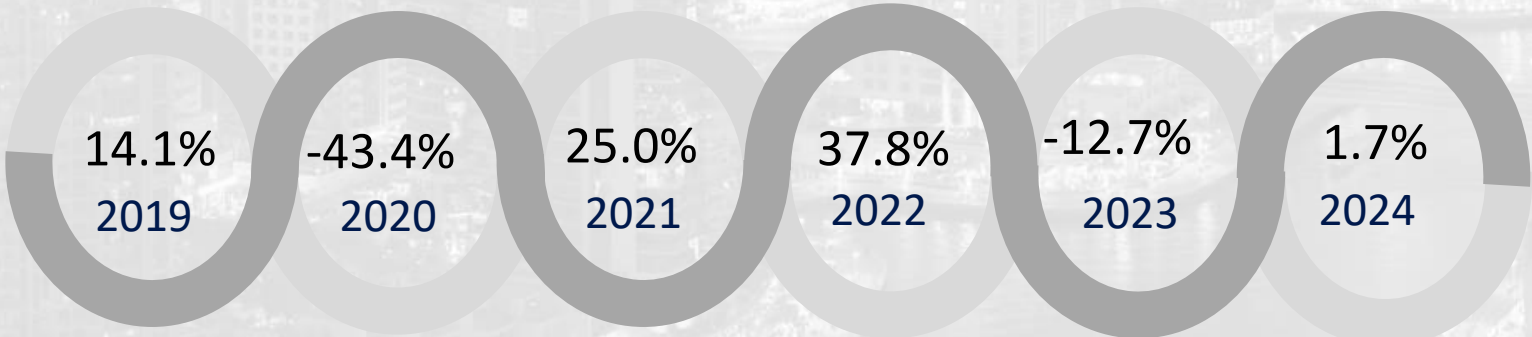
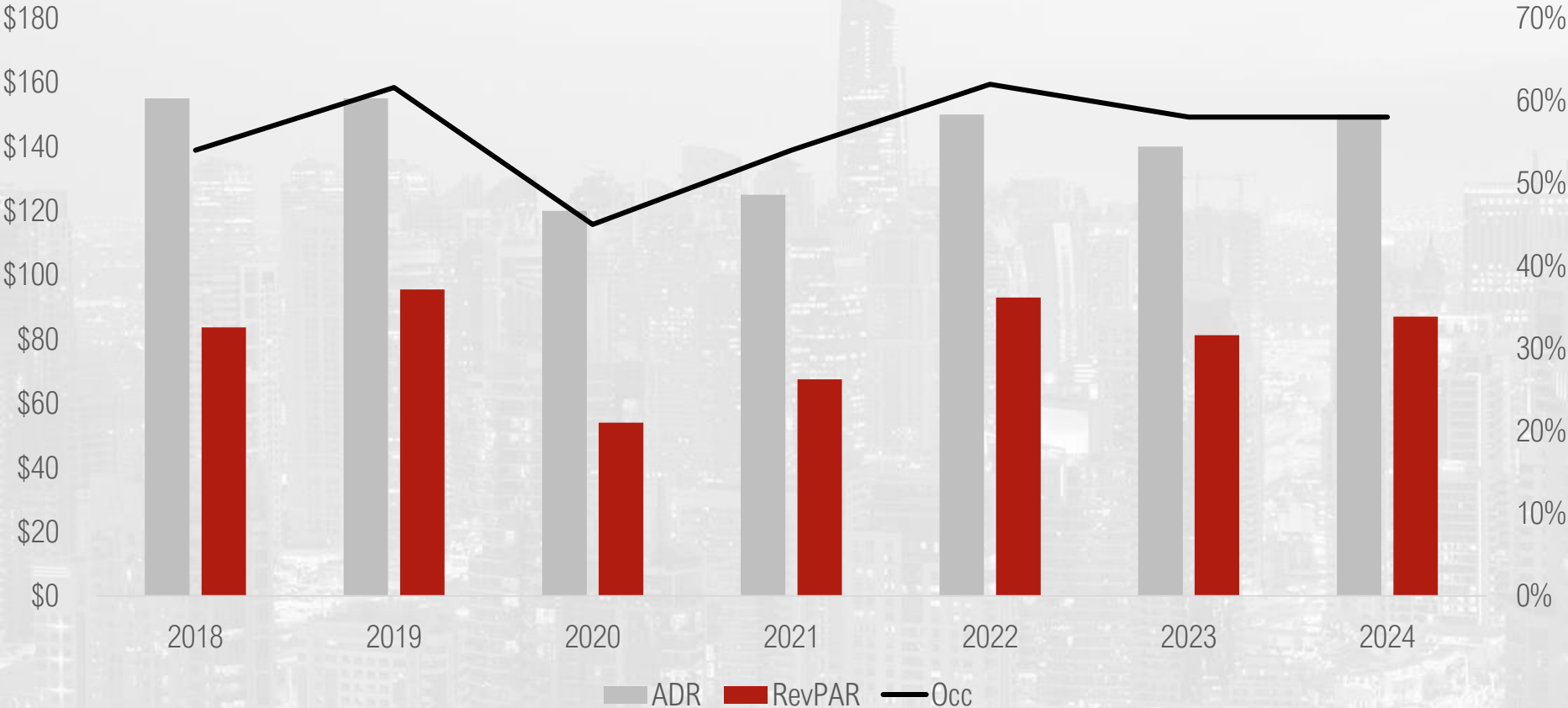


2019-2024(F), RevPAR, YoY %Change, In USD



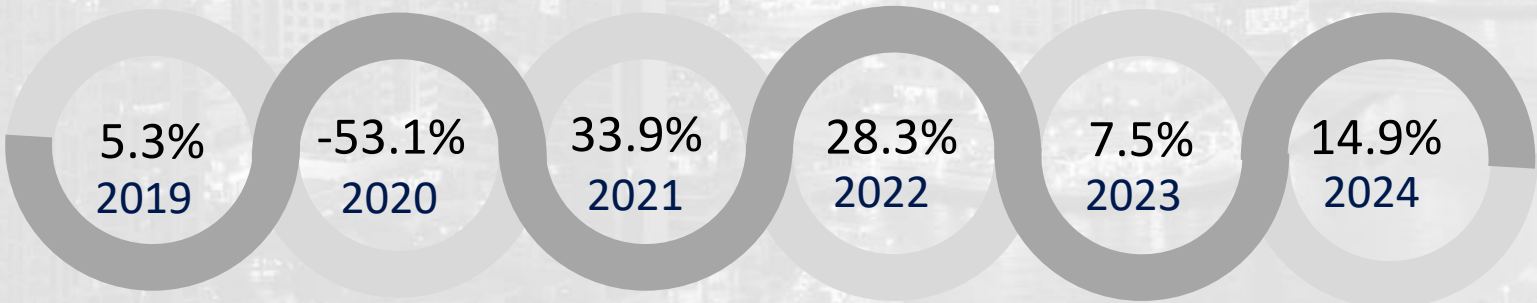
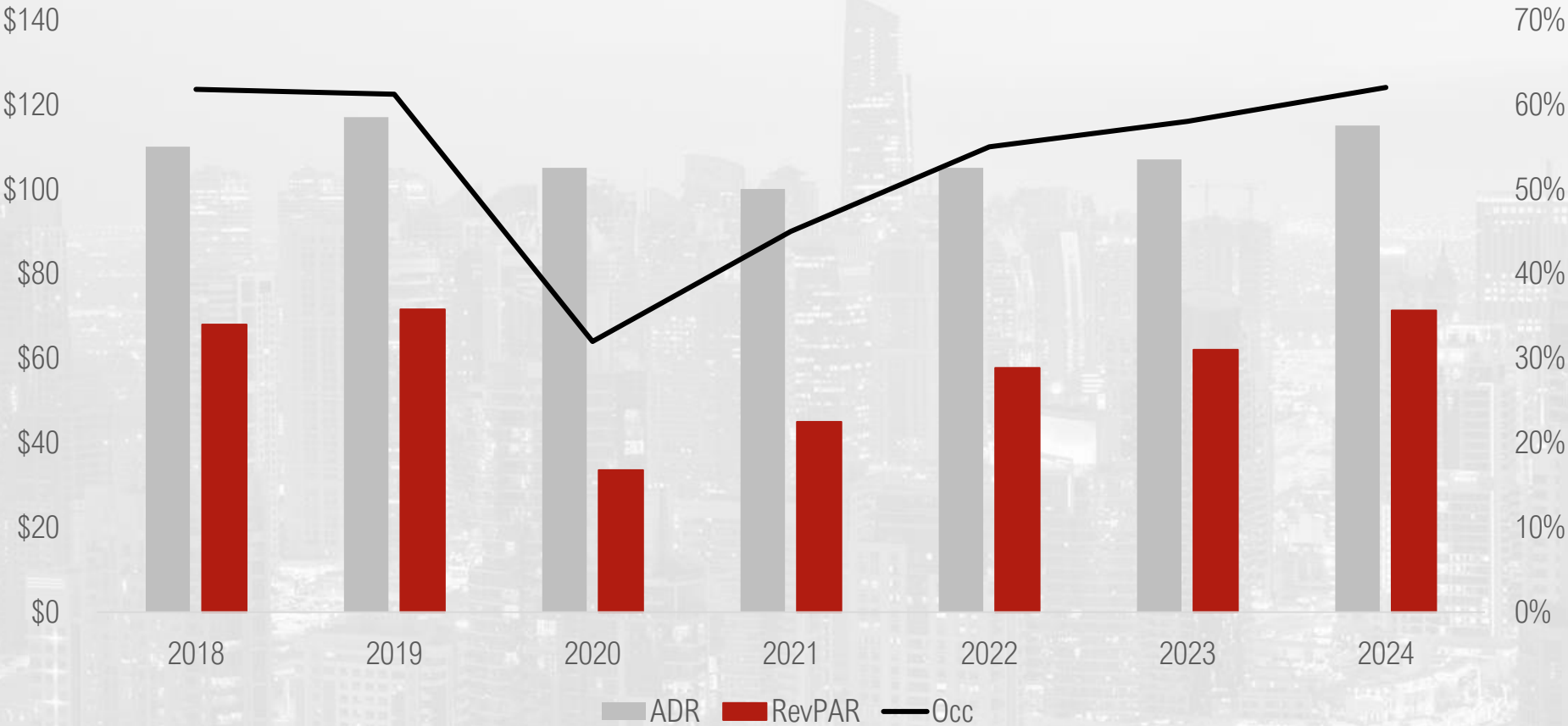


2019-2024(F), RevPAR, YoY %Change, In USD



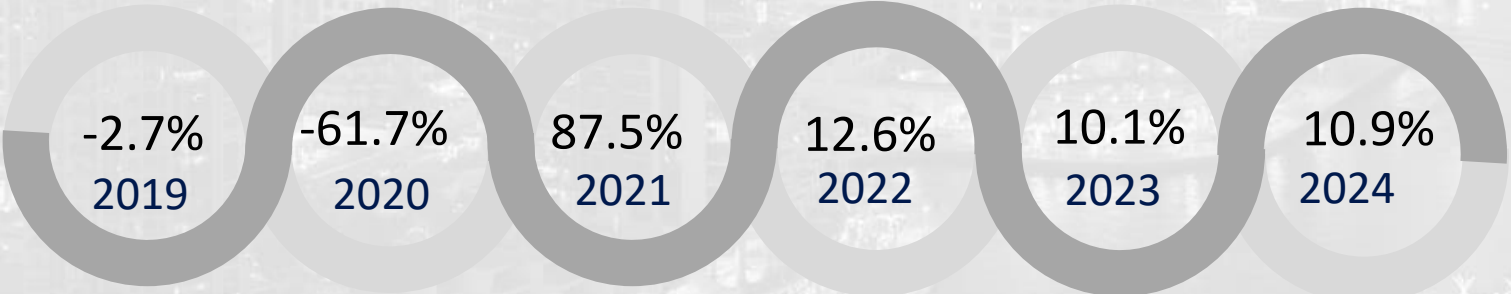
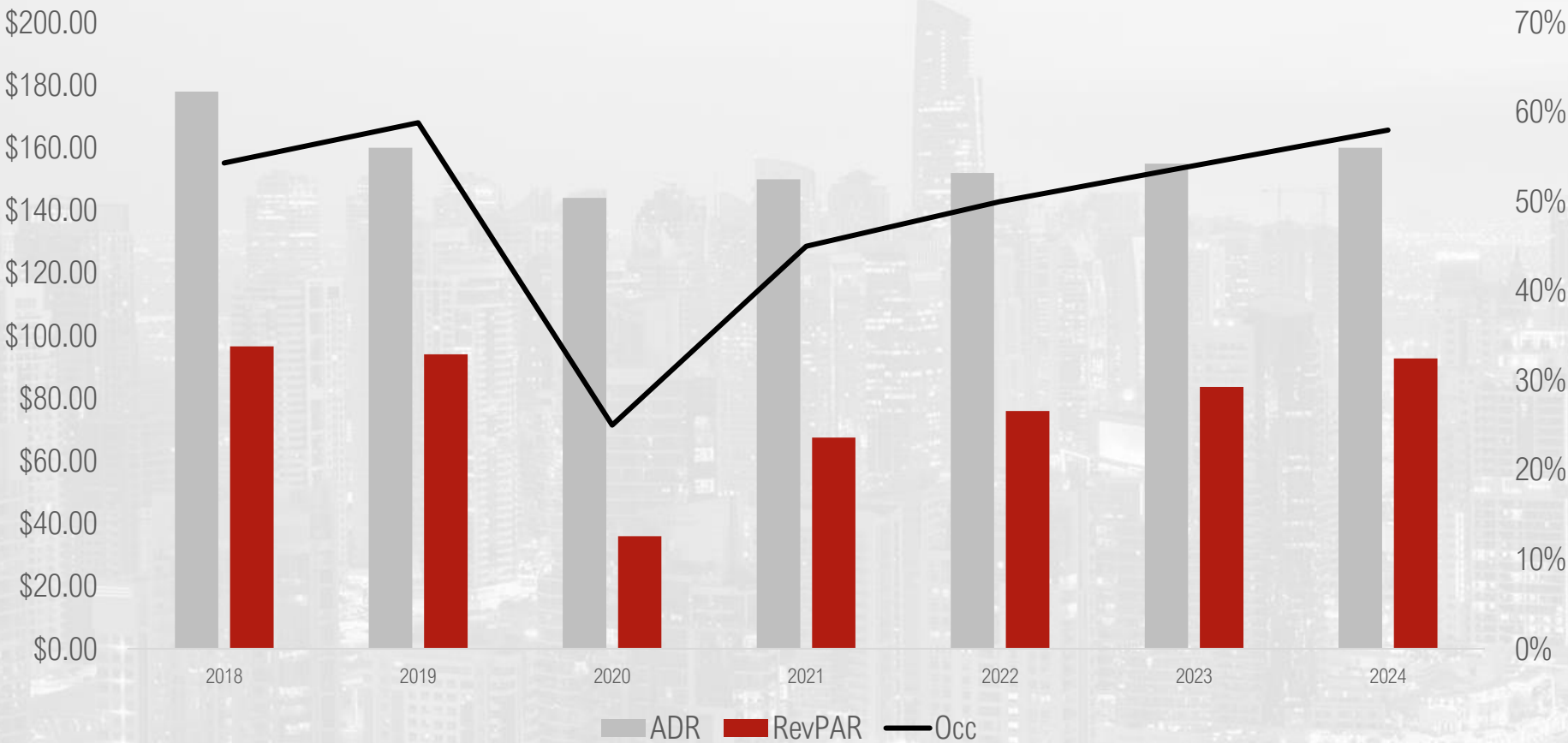


2019-2024(F), RevPAR, YoY %Change, In USD





2019-2024(F), RevPAR, YoY %Change, In USD

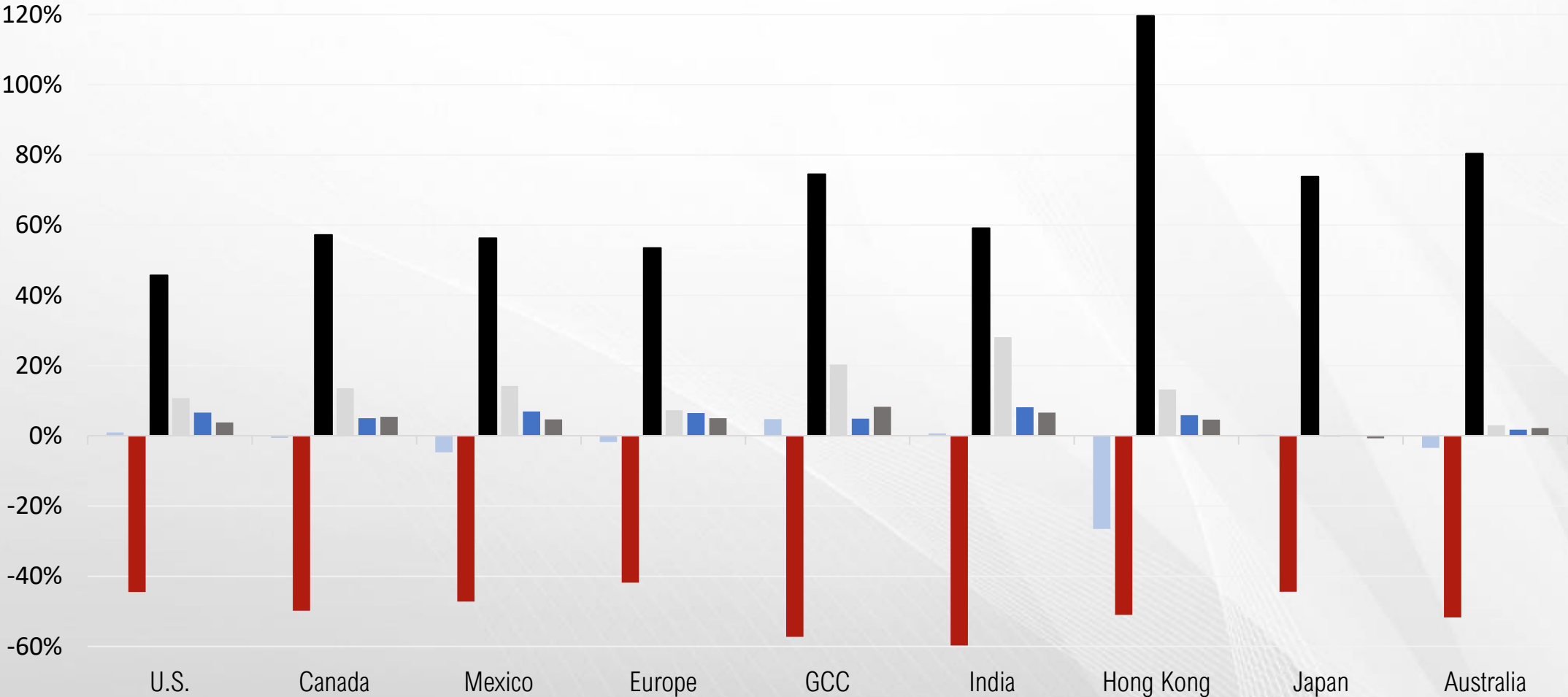




Global RevPAR Outlook 2018-2024

RevPAR Percentage Change

2019 2020 2021 2022 2023 2024





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THANK YOU

JOIN US AT THE HVS BOOTH on HT2 TO FURTHER DISCUSS THE
TRAVELLER AND GUEST SENTIMENT SURVEY FINDINGS AND HVS
FORECAST @ 3h15 pm.

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