



Accommodation Performance Update

2020 May 12

Jesper Palmqvist – Area Director Asia Pacific

**Asia Pacific
Rebound special**



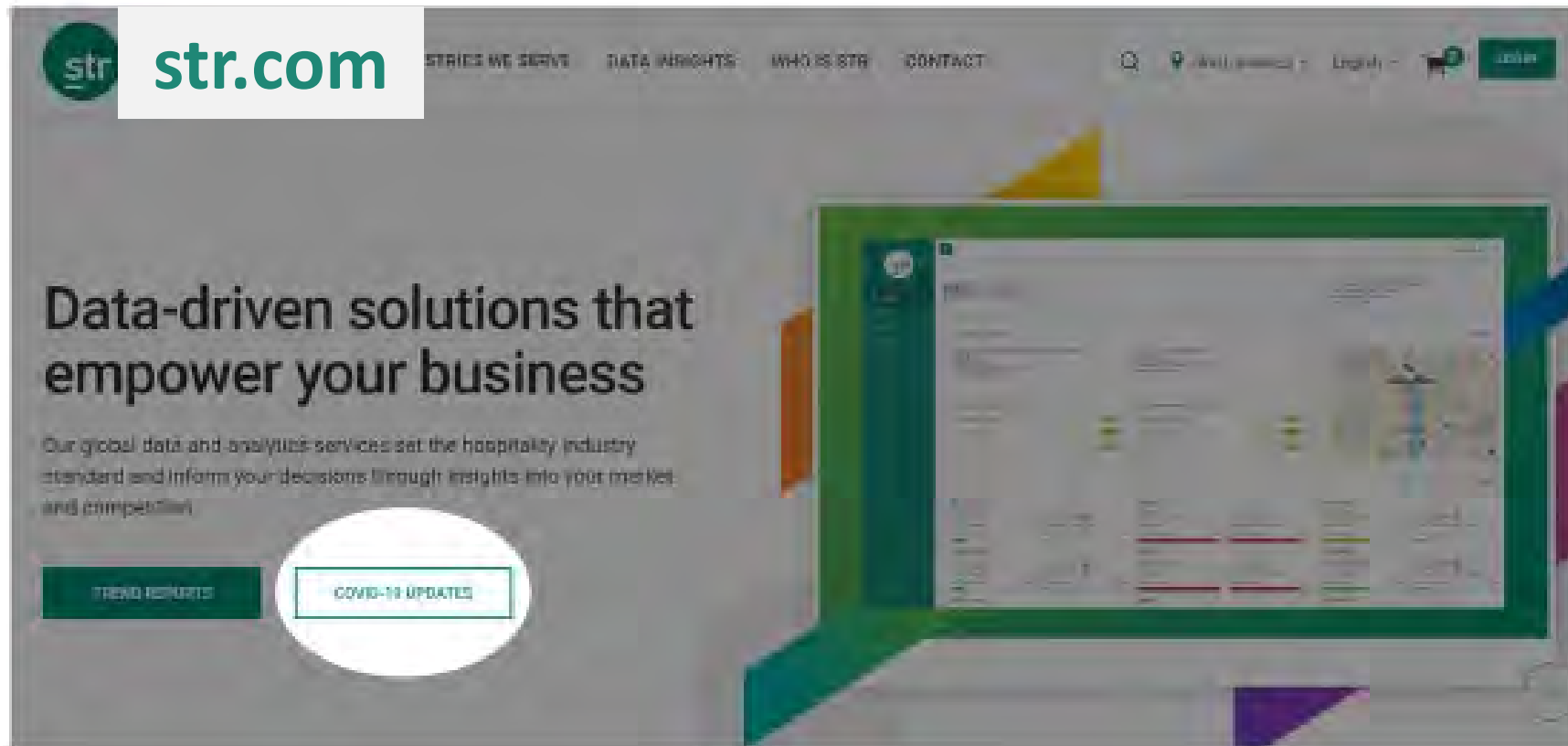
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Resources, Resources, Resources



STR.com (COVID-19 landing page)

Analysis blogs, webinar recordings, press releases, etc.





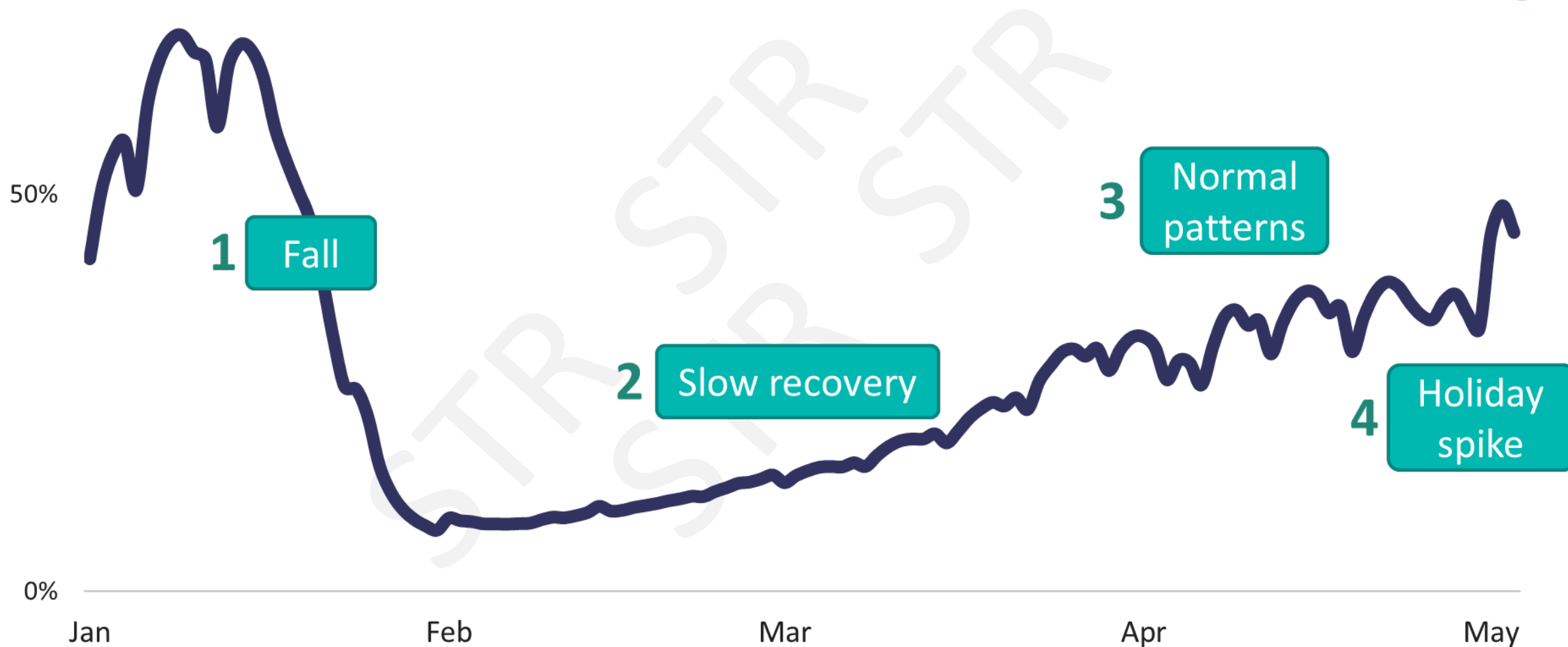
Recovery... **Now**

China and South Korea



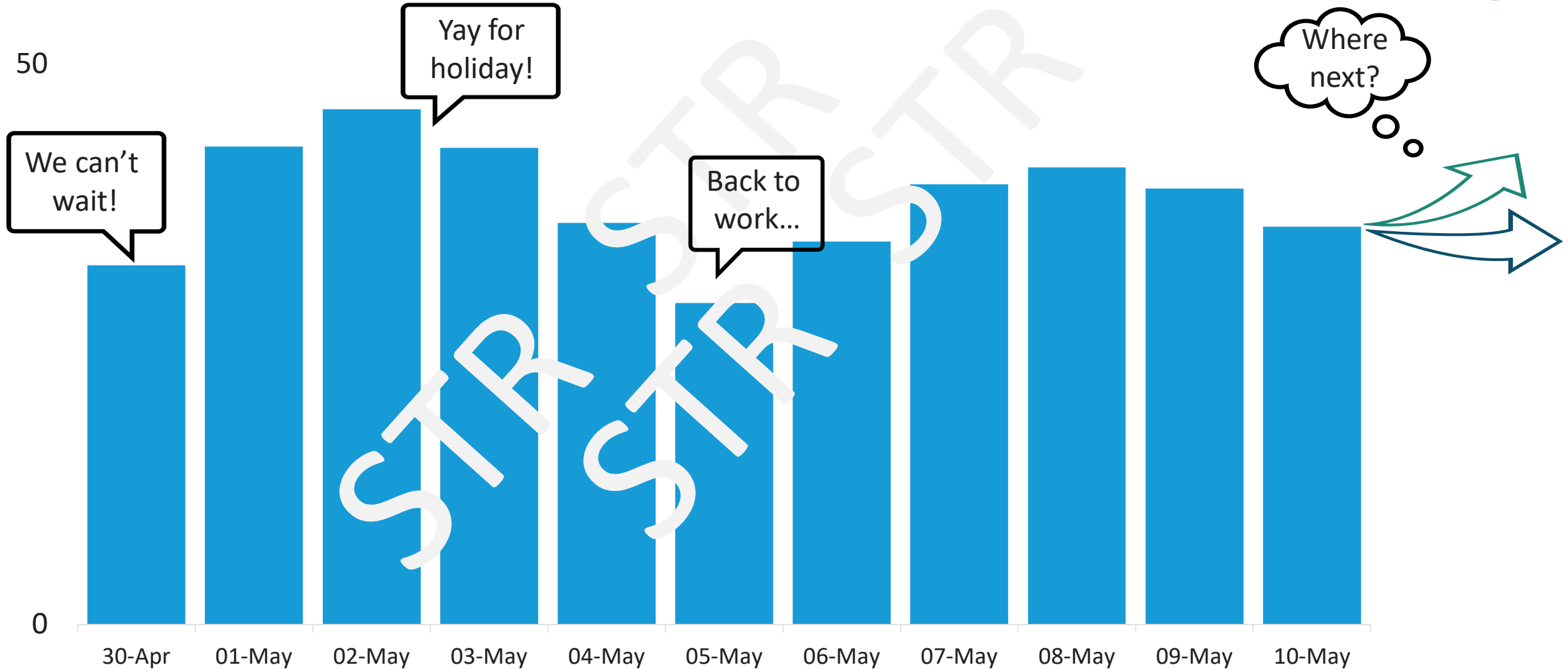
Mainland China – Journey through COVID-19

Clear phases as China moves through the crisis in 100 days



China goes on leave – and then back to work

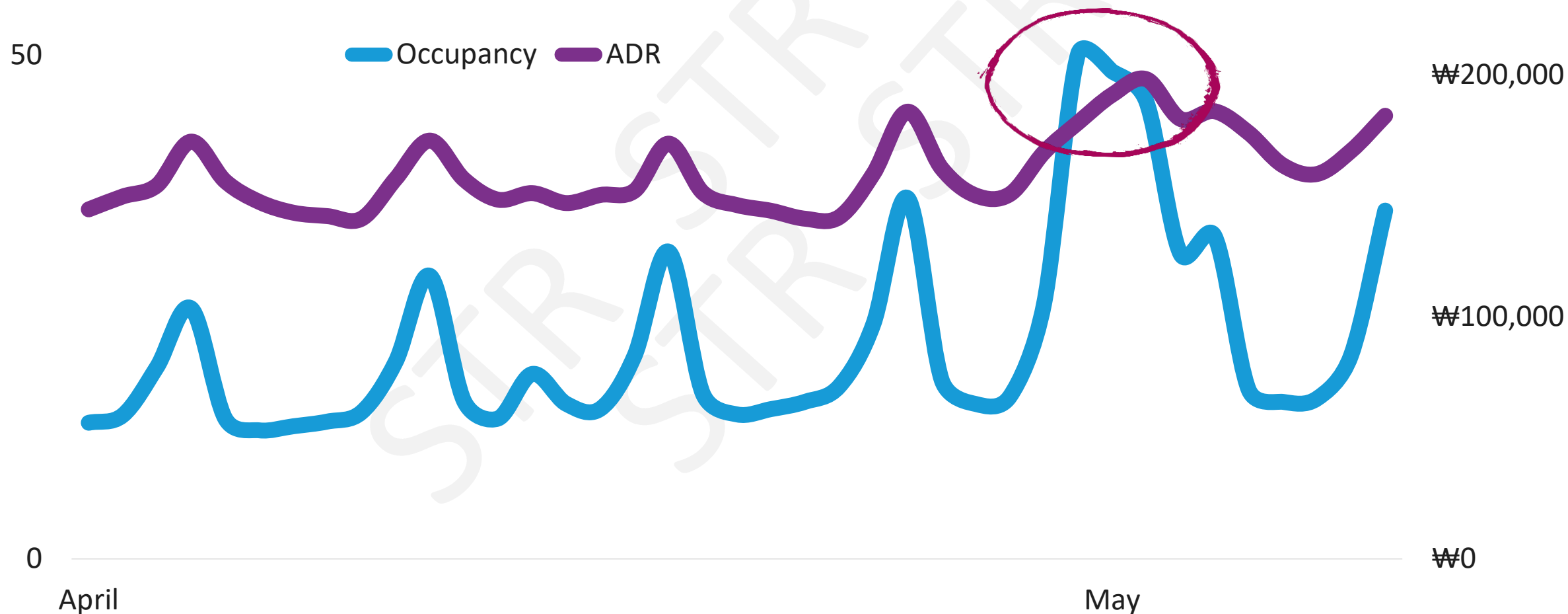
Next few weeks will be very interesting – How far will domestic drivers push?



South Korea also capitalised on the long weekend holiday

Leisure travel came back strong – As a spike

Don't expect consistent high Occupancy just yet – but Trend prevails



Total South Korea, Occupancy (%) and ADR (KRW) Apr 1 – May 5

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



Recovery... **Next**

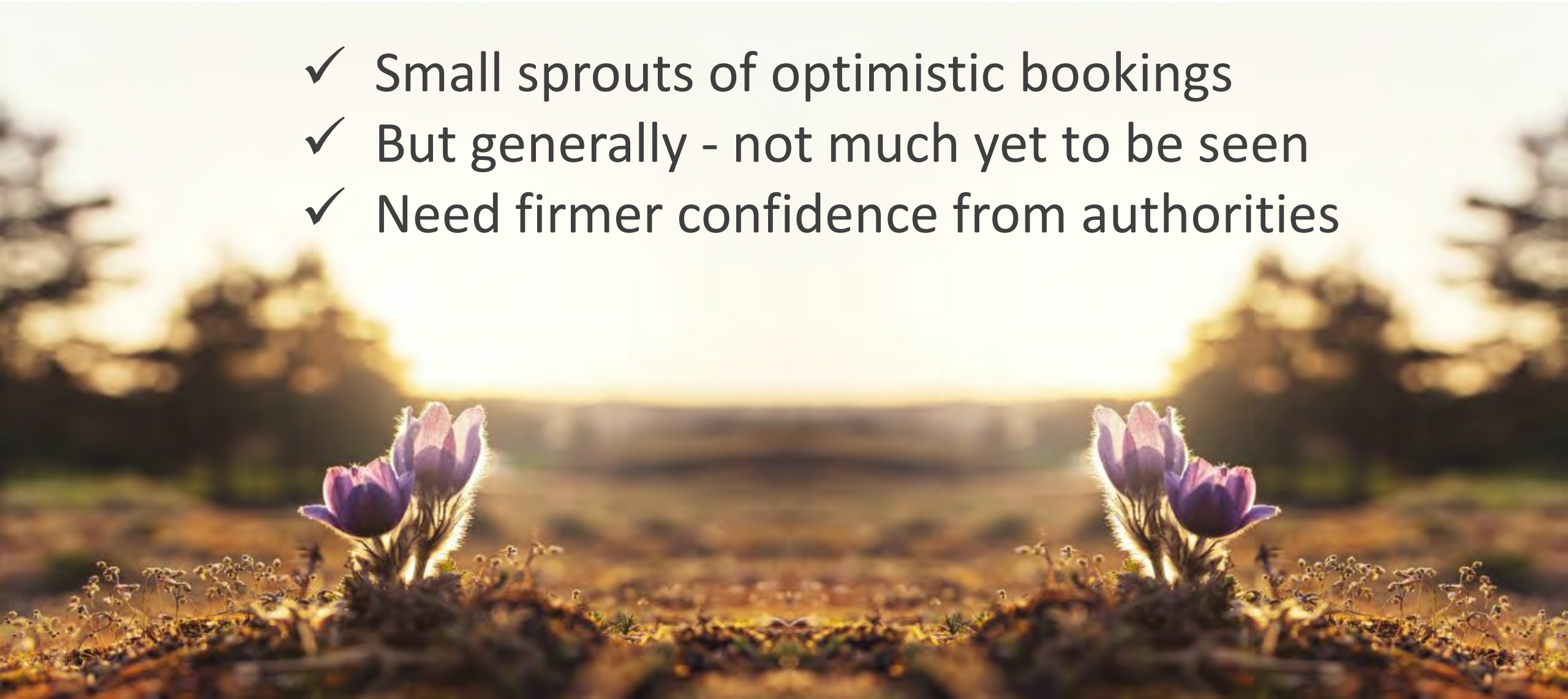
Variations and Uncertainties



Who's next in line to rebound?



- ✓ Small sprouts of optimistic bookings
- ✓ But generally - not much yet to be seen
- ✓ Need firmer confidence from authorities



As New Zealand & Australia manages outbreak and looks forward... ...When are Restrictions gone and Confidence back?



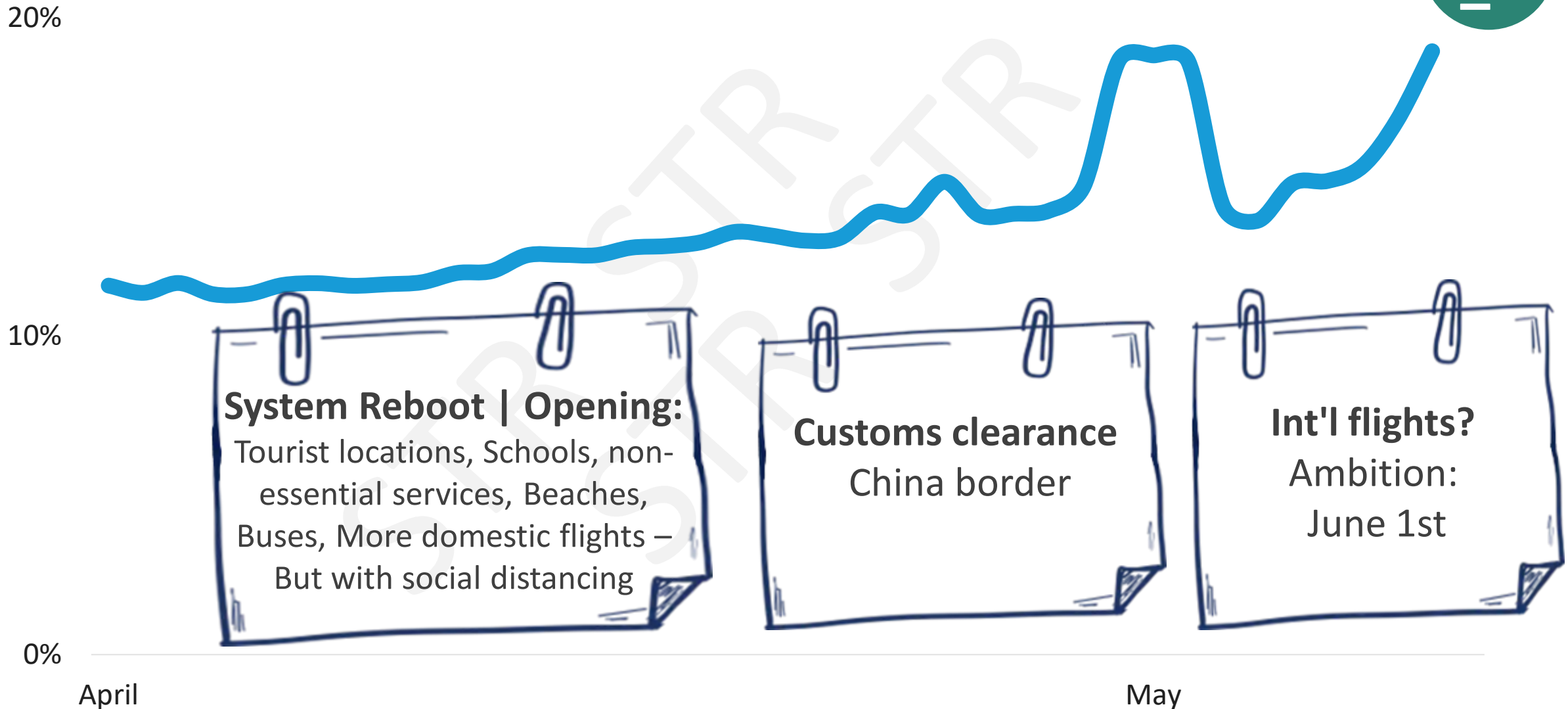
New Zealand

- Only essential travel and quarantine filling hotels
- No international flights
- But... case control, level 3 to 2
- What can bubble do?
 - More for NZ than AU

Australia

- Only essential travel and quarantine guests
- No international flights
- Qantas gearing up for July
- Fewer cases & States easing restrictions
- Domestic power - Intra/Inter State
- But no real business on the books yet
- Consumer confidence not yet there
- But getting closer

Vietnam | The journey is beginning – but still some way to go



Total Vietnam, Occupancy (%) Apr 1 – May 9

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

Summary: Indian Ocean



Maldives



Sri Lanka



- Reliance on international travel, zero access means low single-digit Occupancy

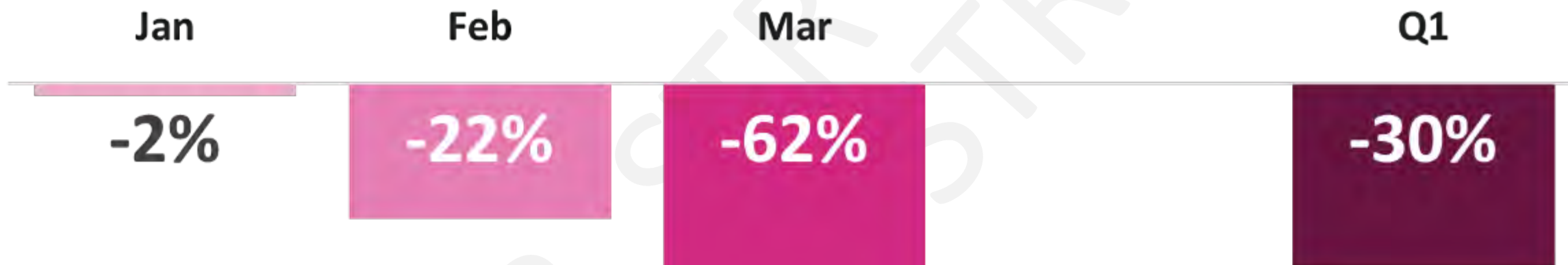
India



- Extended lockdown see majority of hotels extend their closure period.
- Domestic capability

Japan decline 'only' -22% in Feb. March heavier, but smaller than others.

Like some other markets – more delayed decline



*APRIL: Deeper with State of
Emergency and closures*

MAY: Likely even more

Total Japan Occupancy change 2020 vs 2019 by month and quarter



Recovery... **Recap**

Main factors driving so far



Recovery... Recap



What is likely to recover first and why?

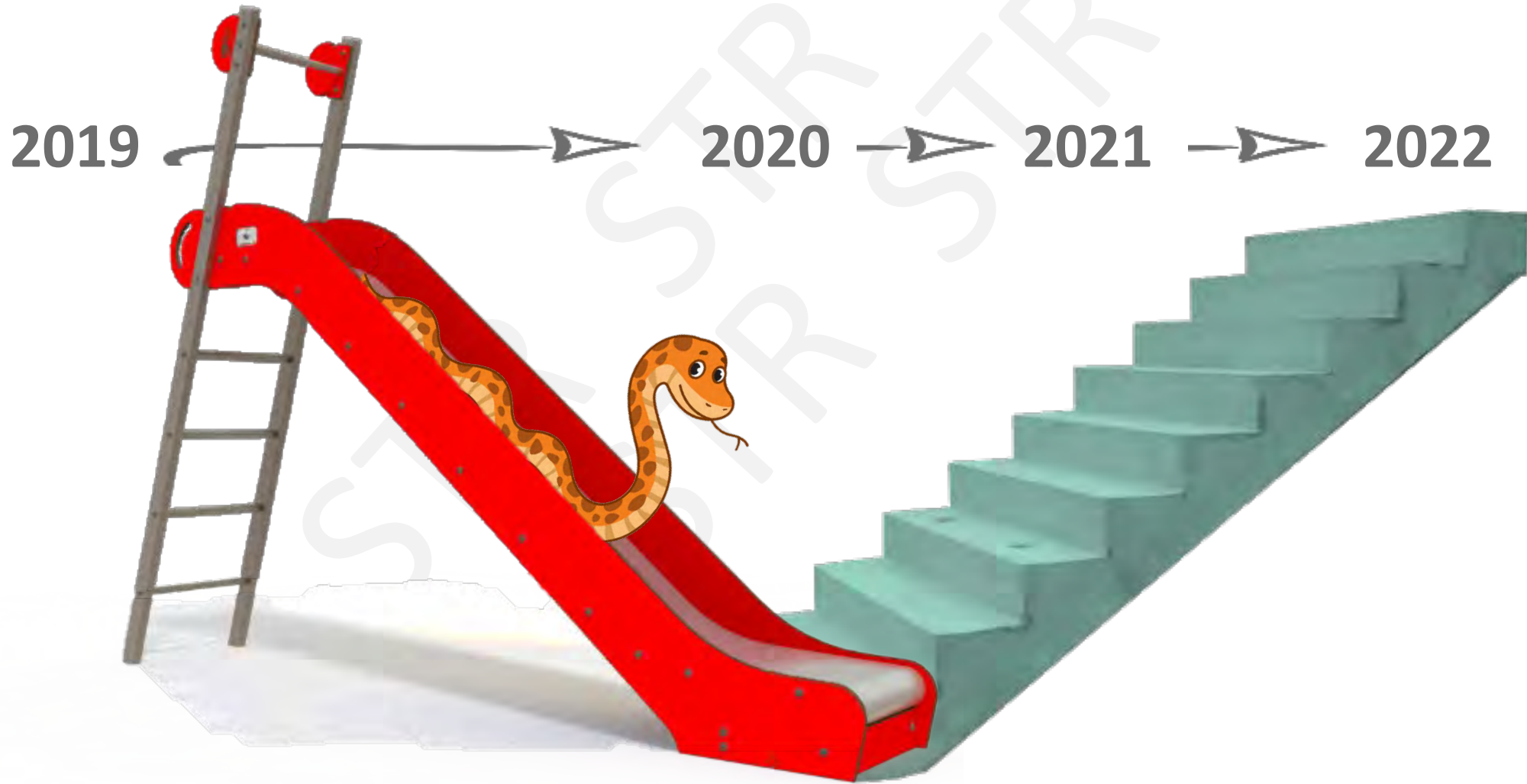
- Domestic
- Local | Accessible
- Leisure
- Weekend
- Hotel Class variations

Then: Corporate. Group. International.



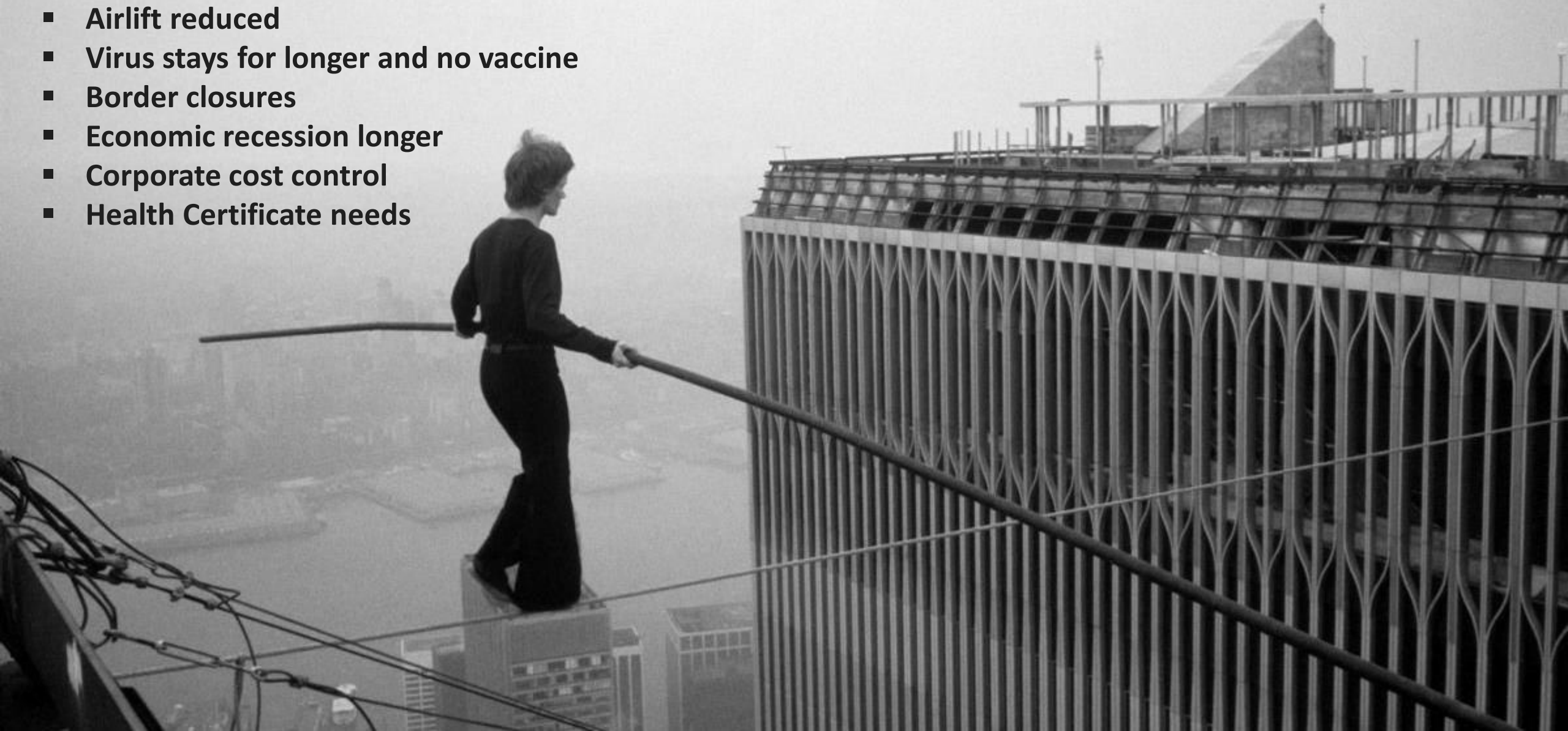
Recovery... Snakes and Ladders

Staggered demand growth due to how and where it will come



- Unemployment
- Lower wealth
- Fear of travel
- Airlift reduced
- Virus stays for longer and no vaccine
- Border closures
- Economic recession longer
- Corporate cost control
- Health Certificate needs

Do you like **RiSK** ?



Conclusions



1. China and South Korea pulling punches

- Occupancies growth trend continues - Now about continuing and managing second wave
- Driven by domestic demand of both leisure (first) then business

2. Recovery cannot be rushed – Q2 hopeful areas, but domestic remain key driver

- Vietnam opening up to join South Korea – but perhaps wider?
- Australia and New Zealand domestic and trans-Tasman potential in Q2

3. Recovery will vary by country and city - With reliance on int'l travel

- Variations in opening up and small amounts of business on the books
- Phase out of restrictions will vary, holding to pressure
- Airlines will in short to medium time frame not all have same capacity

4. Everything will be OK in the end... it's not yet OK... so it's not the end

- Most forecasts are still for a bounce-back... even if there is a drag

Weekly 8 mins China update

周四8分钟 中国更新

- Focusing on one topic every Thursday
- General recovery trends about China market



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For more information, visit str.com



benchmarking

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ARE WE AT ROCK BOTTOM AND THE ONLY WAY IS UP?

12 May 2020

Robin Rossmann – Managing Director International



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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 Are we at rock bottom?

2 What does the road to recover look like?

a) Short-term: Are there any green shoots yet?

b) Medium-term: When, where & how will people travel again?

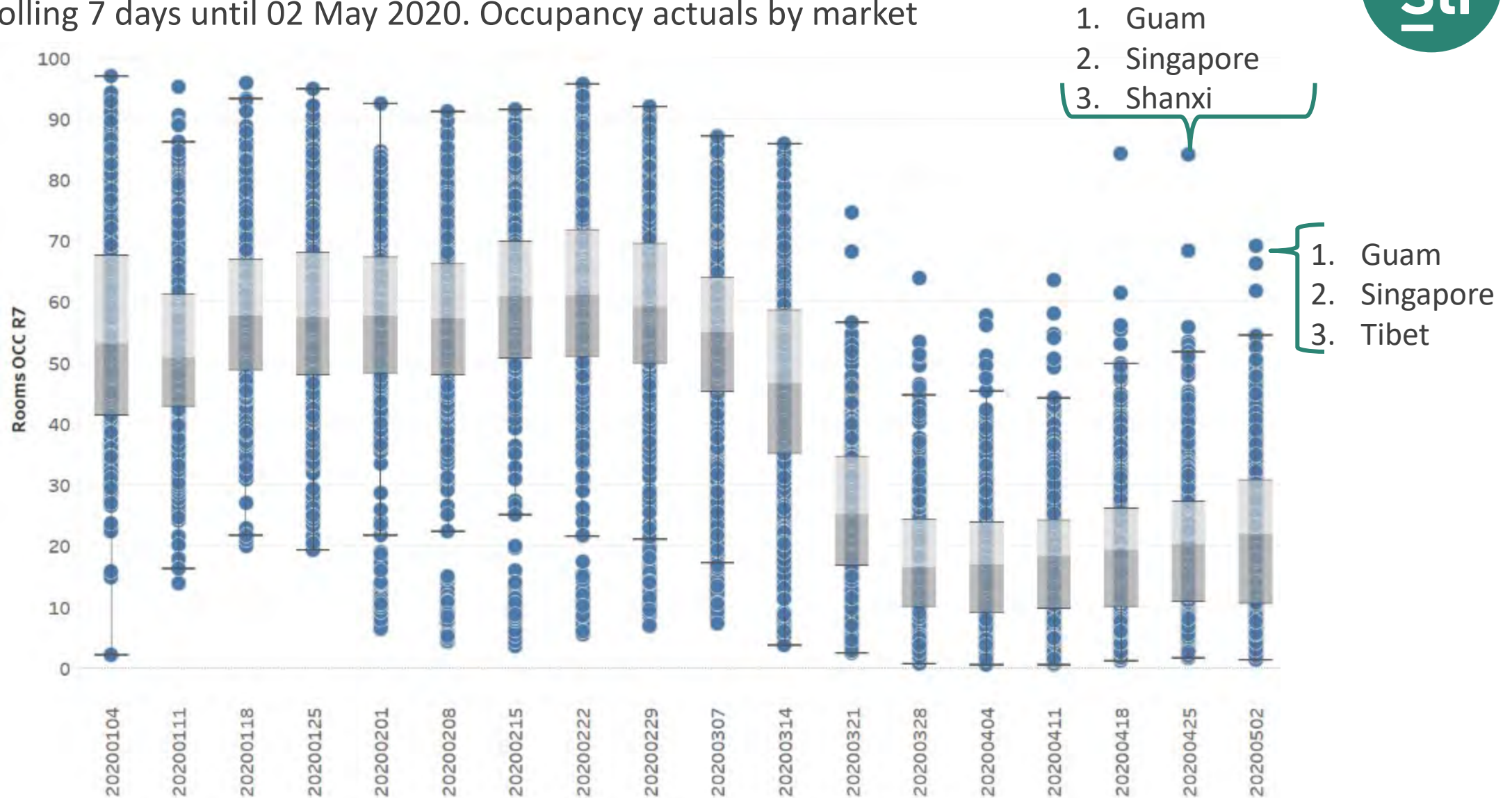
c) Long-term: When/will we get back to 2019 demand levels?

Are we at
the
bottom?



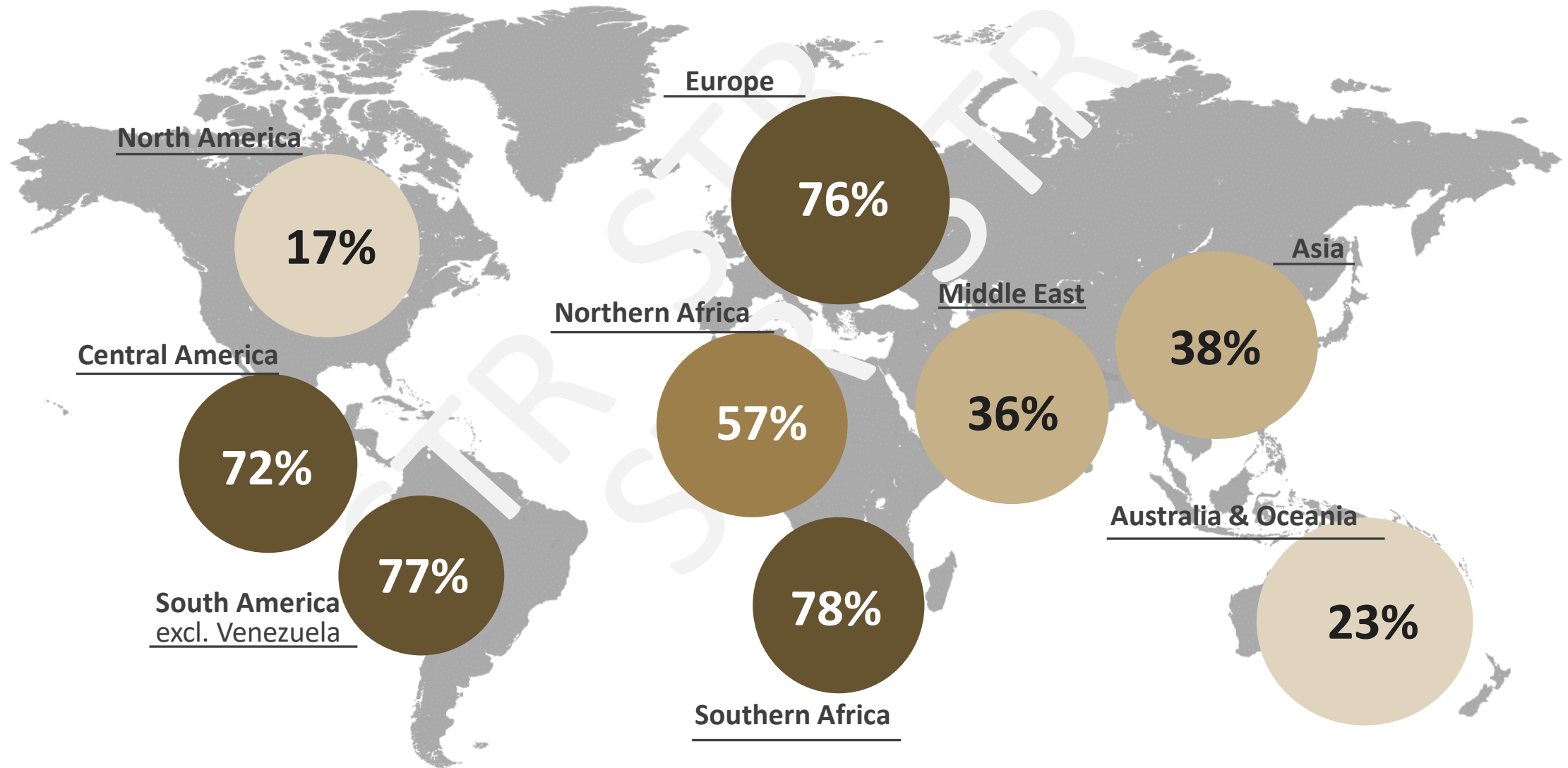
Occupancy across the world hit bottom at end of March...

Weekly rolling 7 days until 02 May 2020. Occupancy actuals by market



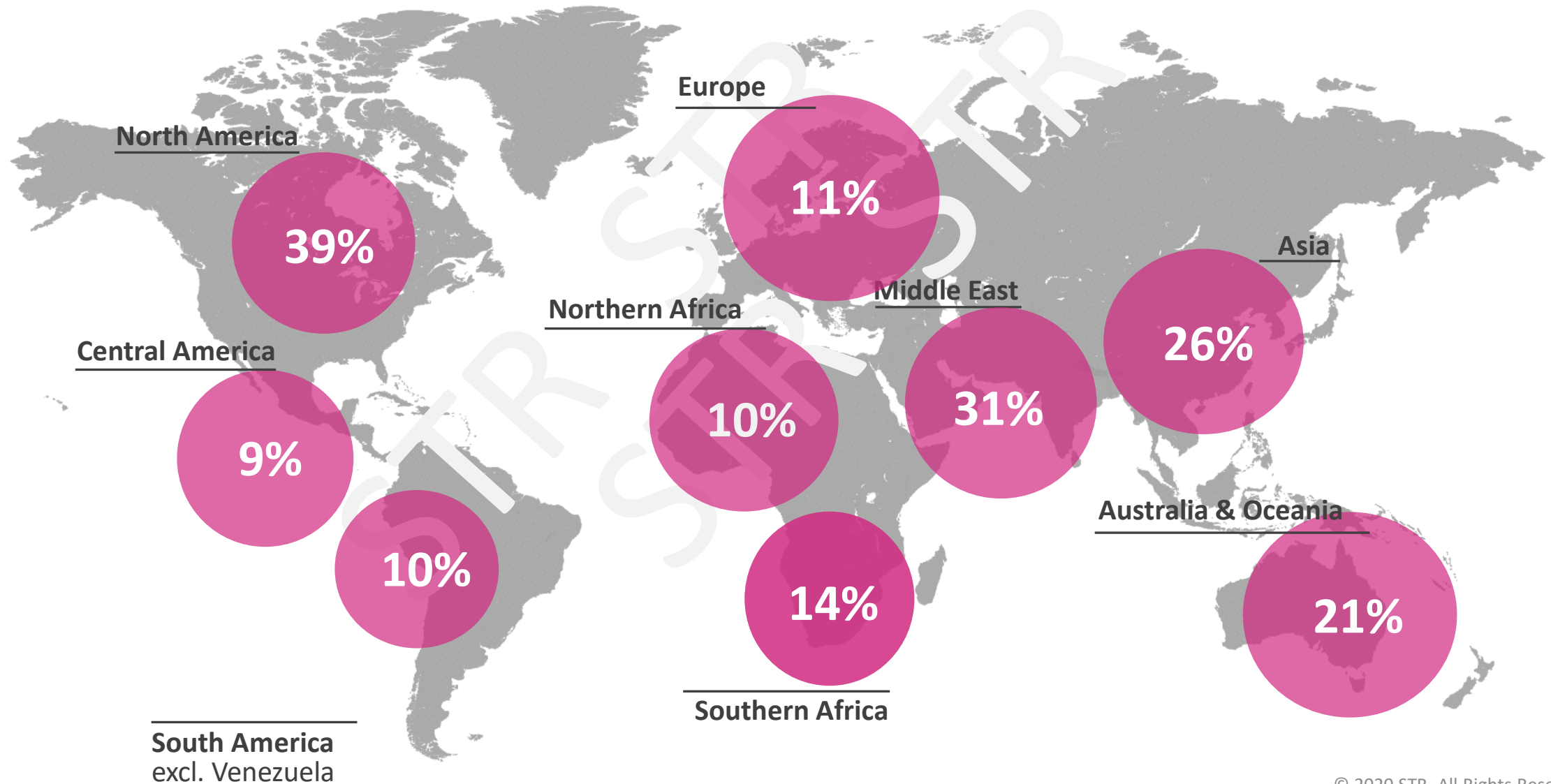
Levels of hotels closures vary significantly around the world

Percentage of STR participating hotels closed as at 30th April 2020



Occupancy of hotels remaining open vary from bad to dire

Occupancy actuals of open hotels, April 2020



Most countries with occupancies lower than 30%

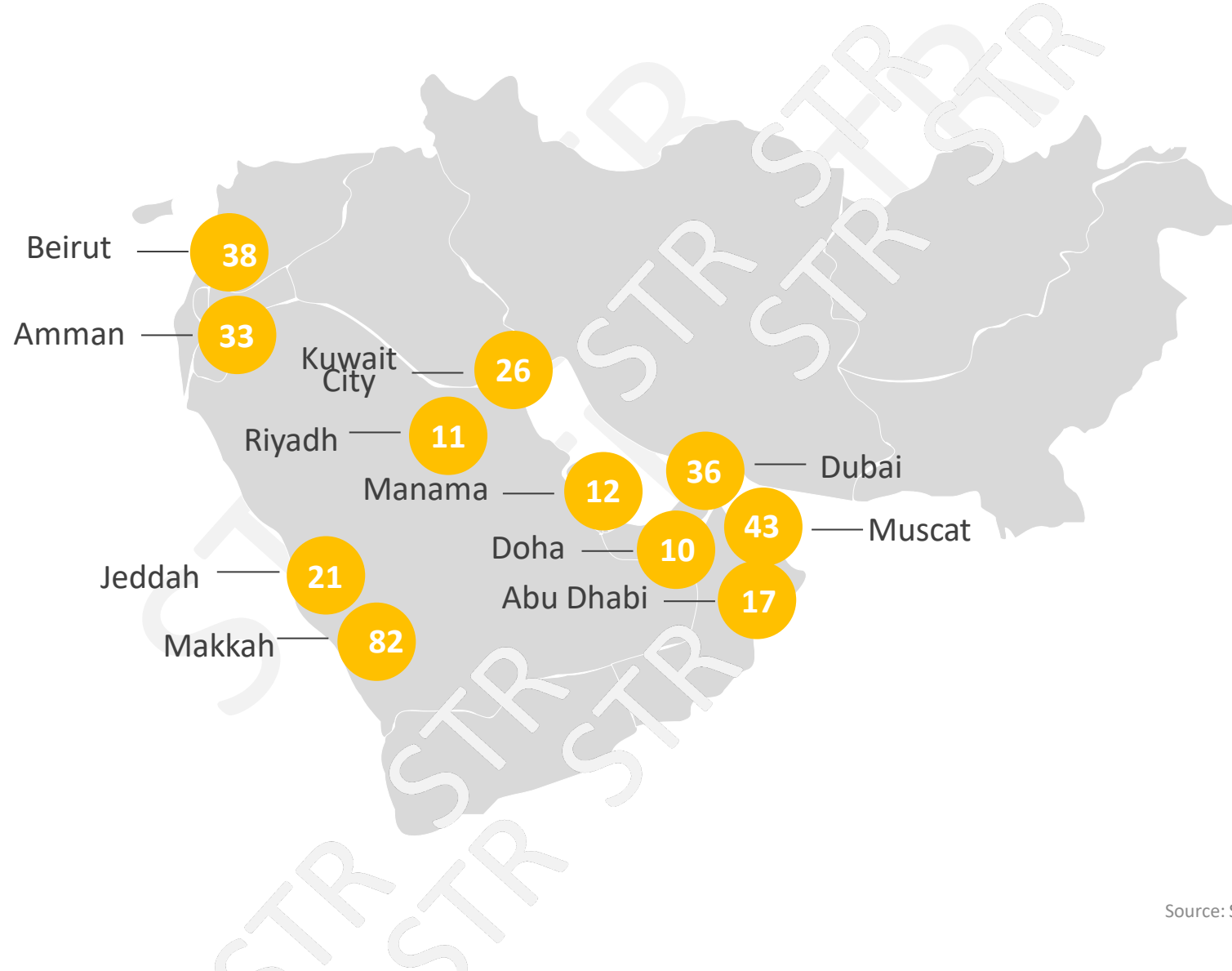
Absolute Occupancy of hotels still open, Week ending 3rd May 2020



Above 50%		30-50%		20-30%		10-20		5-10		0-5	
Guam	68%	Qatar	49%	Monaco	29%	Bahrain	19%	Italy	9%	Portugal	5%
Singapore	58%	Philippines	47%	Georgia	25%	Kuwait	19%	Switzerland	9%	Austria	5%
		Saudi Arabia	33%	New Zealand	24%	Ethiopia	18%	Israel	9%	Serbia	4%
		China	33%	US	23%	Norway	18%	Brazil	9%	Zambia	4%
		Peru	30%	UK	22%	Ireland	18%	Egypt	9%	Lithuania	2%
		UAE	30%	South Africa	22%	Jordan	16%	Denmark	8%	Estonia	2%
				Oman	21%	Morocco	15%	Maldives	8%		
				Australia	20%	Nigeria	15%	Sri Lanka	8%		
						Kenya	15%	Russia	8%		
						Turkey	12%	Spain	8%		
						France	12%	Belgium	8%		
						Vietnam	12%	Germany	8%		
						India	12%	Netherlands	8%		
						Myanmar	11%				
						Indonesia	11%				

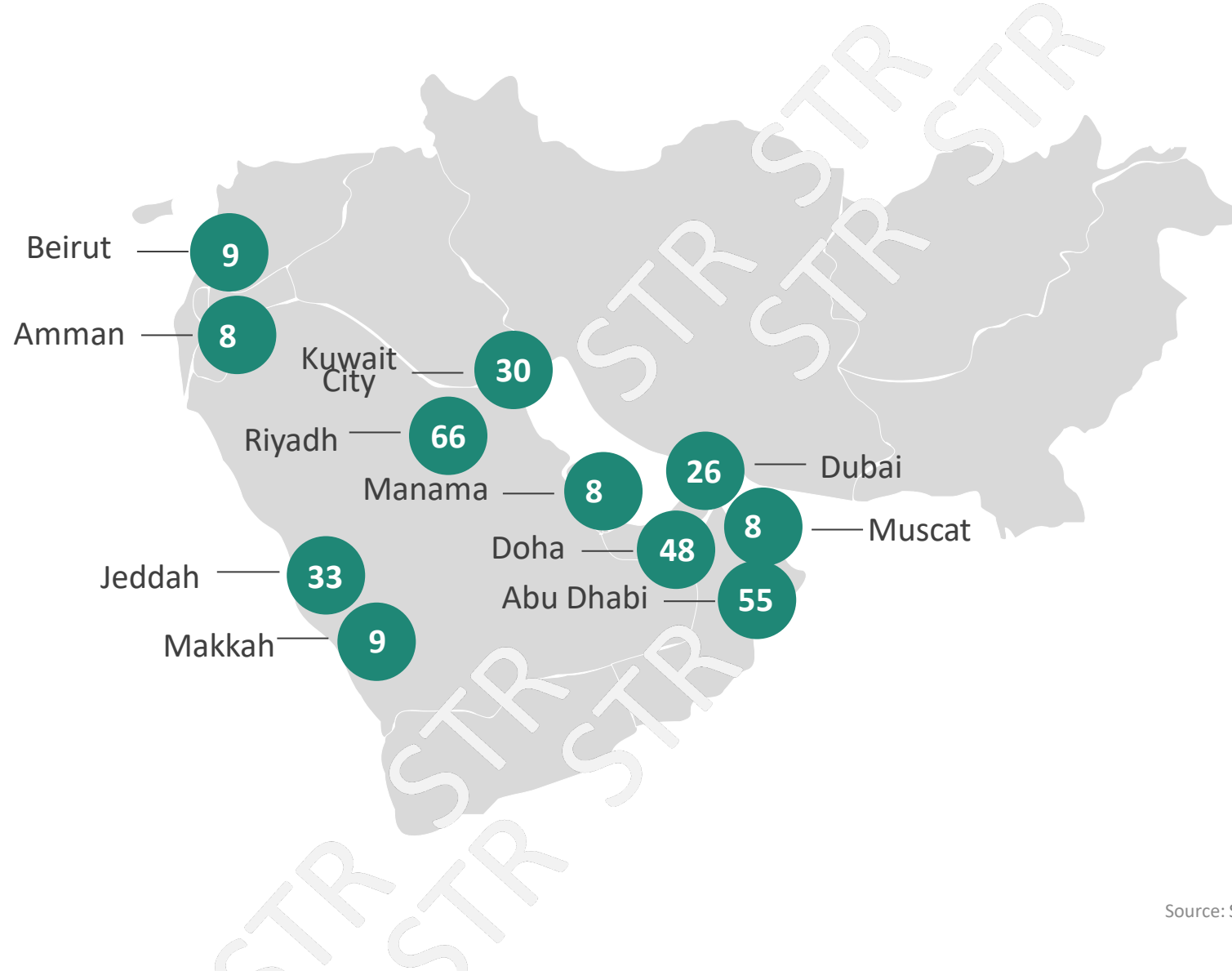
In the Middle-East, most markets between 10-40% hotels closed

As at the 30th April 2020



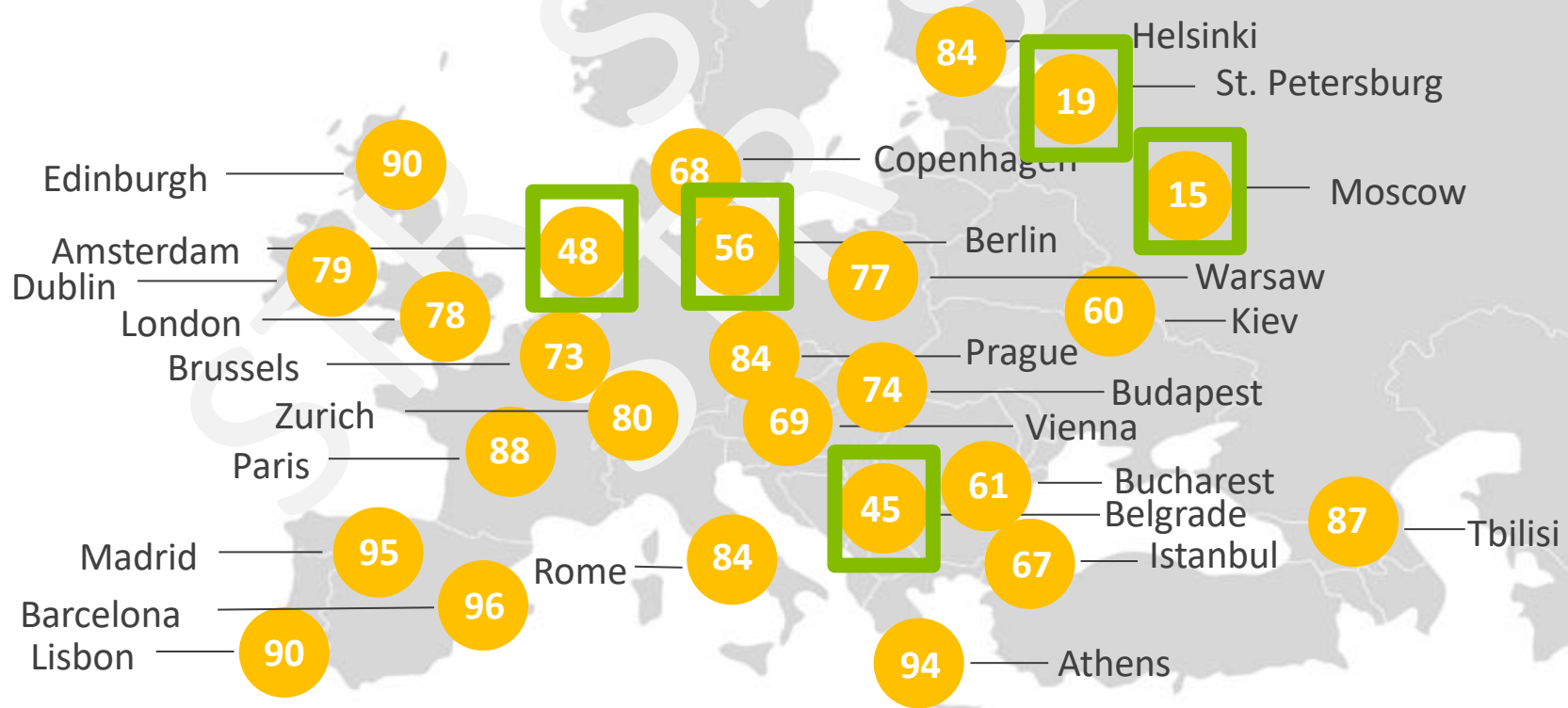
Absolute occupancy ranges from 8% to 66%

Week ending the 3rd May 2020, Occupancy Actuals versus same week prior year



In Europe - the majority of hotels closed across the continent

Percentage of STR participating hotels closed as at 30th April 2020



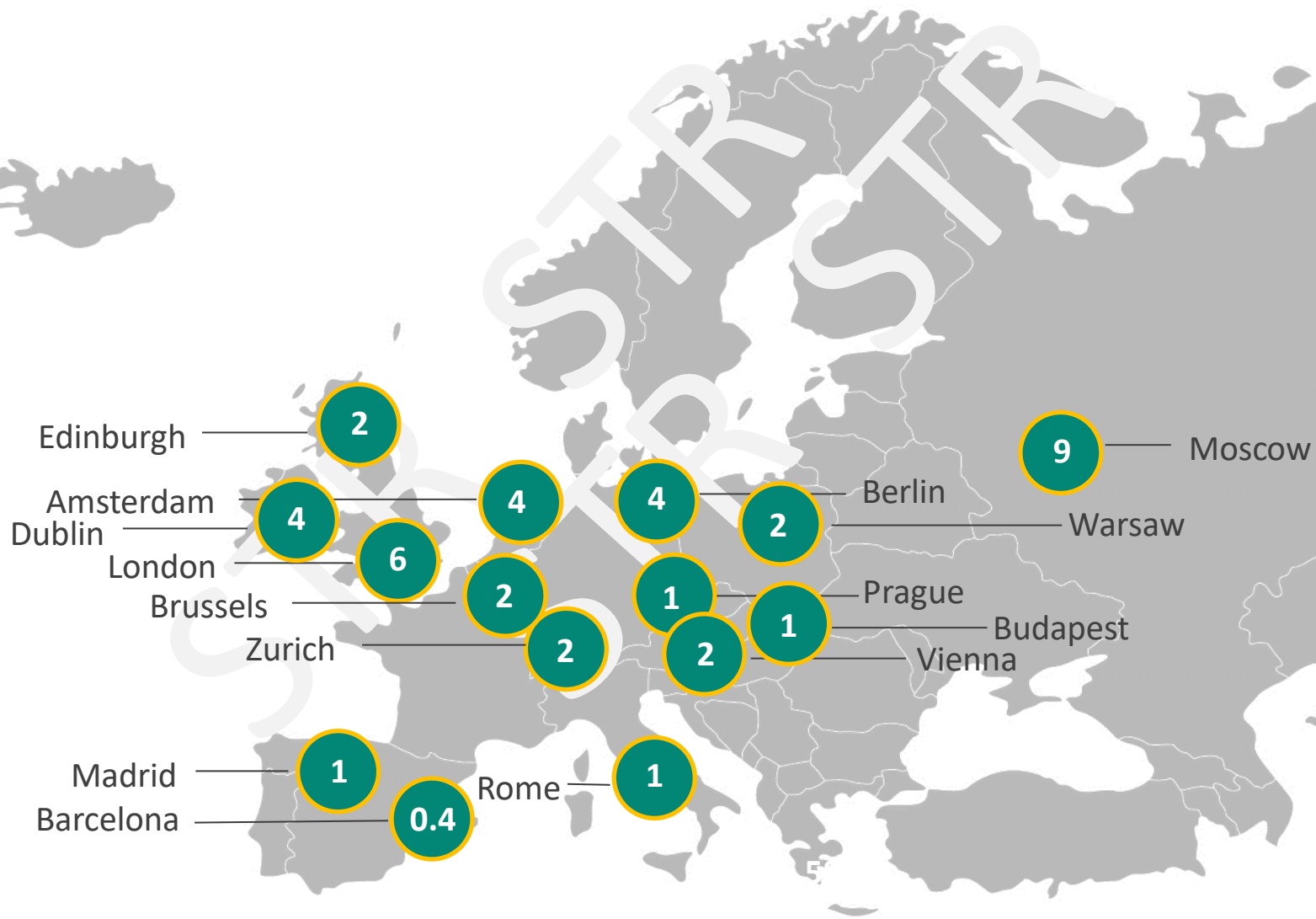
April occupancy generally incredibly bad

Occupancy of open hotels for April 2020



... and is much worse when including temporary closures

Full market occupancy (including temp closures) for April 2020



What does
the road to
recover
look like?



Are there
business on
the books
green
shoots?

The graphic features a dark blue background on the left with white text, and a grayscale image of a calendar and a pen on the right. A large purple sphere and a green curved shape are positioned between the text and the image. The STR logo is visible 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

Some are saying yes...

Pickup in forward occupancy from prior month as at 6 April 2020



Europeans plan holidays as Airbnb sees signs of rebound

Denmark and the Netherlands lead surge in bookings but group still cuts 25% of its workforce



4 HOURS AGO by **Dave Lee** and **Miles Kruppa** in San Francisco and **Alice Hancock** in London

Source: Financial Times



Eldénio Viegas, president of the Algarve hotelier association AHETA, says much will depend on whether restrictive travel measures are lifted. Photo: BRUNO FILIPE PIRES/OPEN MEDIA GROUP

Algarve News

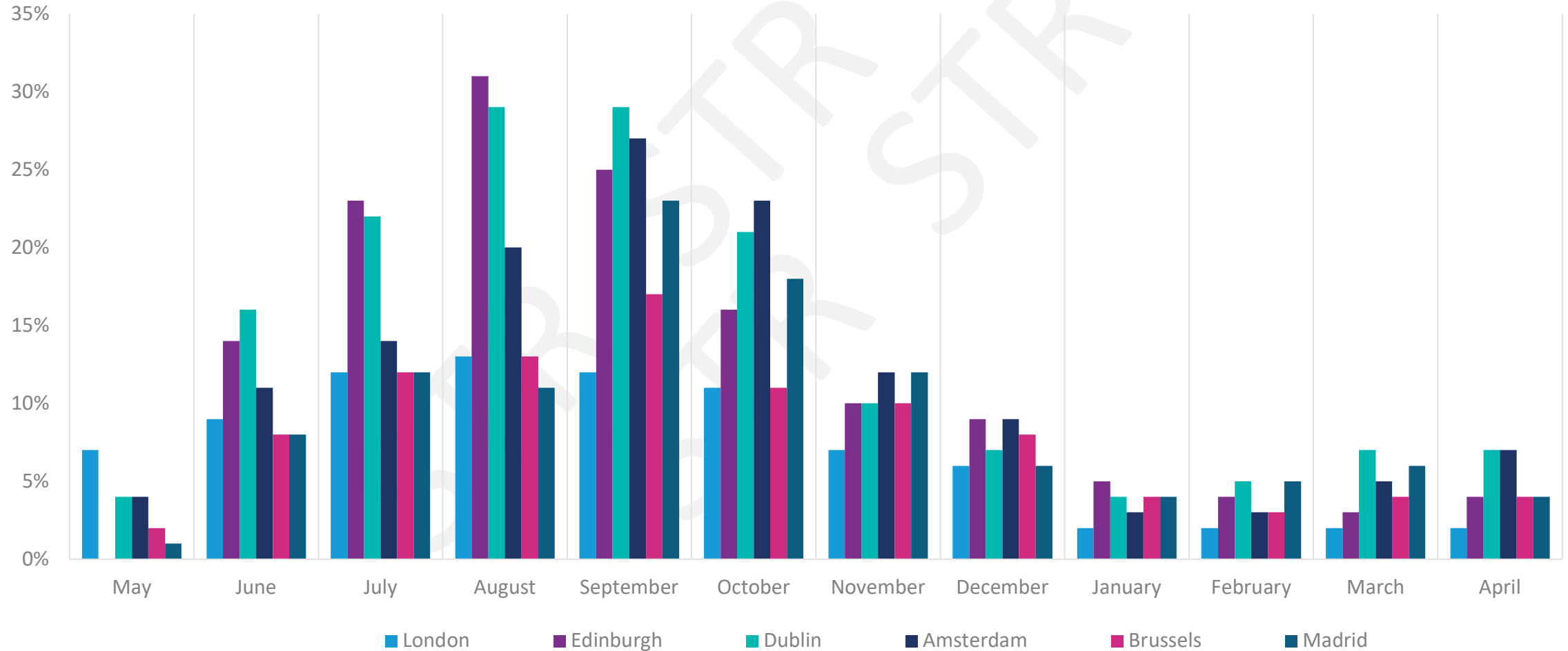
TAGS [Algarve](#) [Coronavirus](#) [Tourism](#)

Summer bookings pick up pace: tourists look to Algarve as “Covid-safe” destination

By **Michael Bruxo** - 28th April 2020

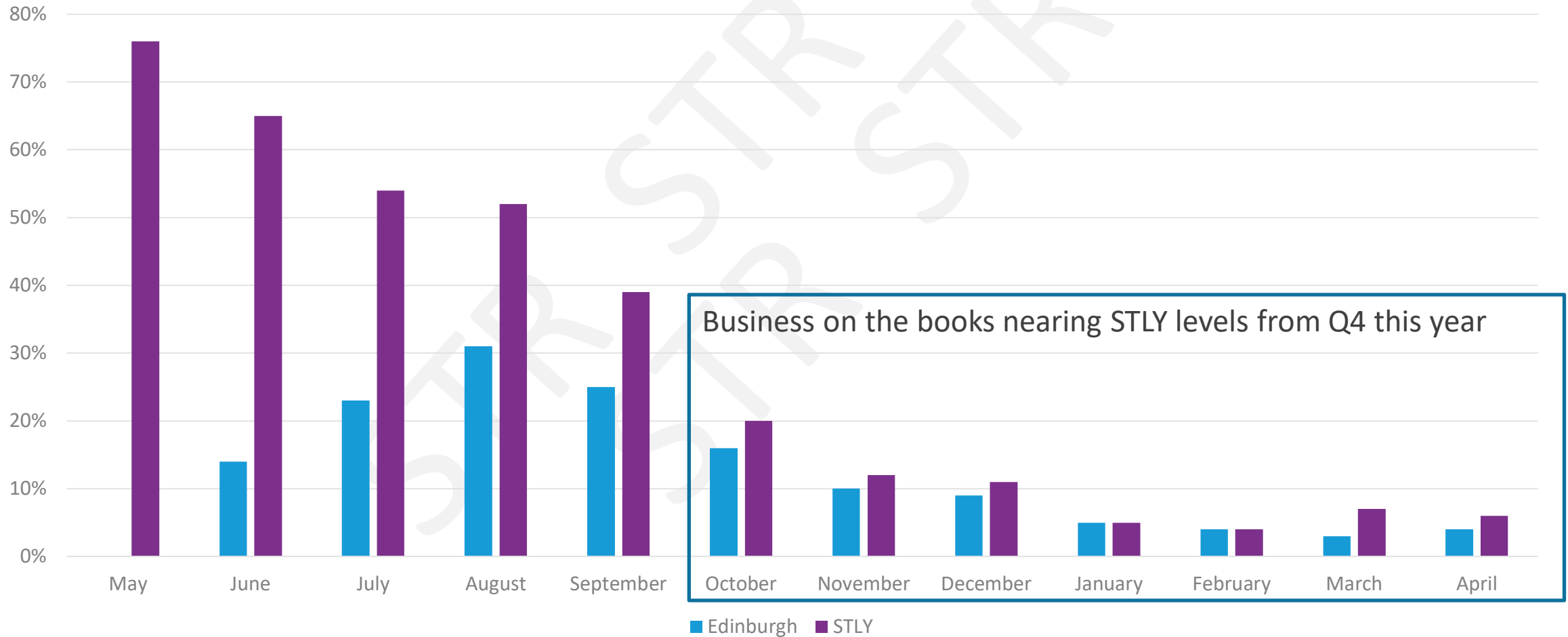
... and there is some business on the books from June onwards

Forward Occupancy for next 12 months as at 04 May



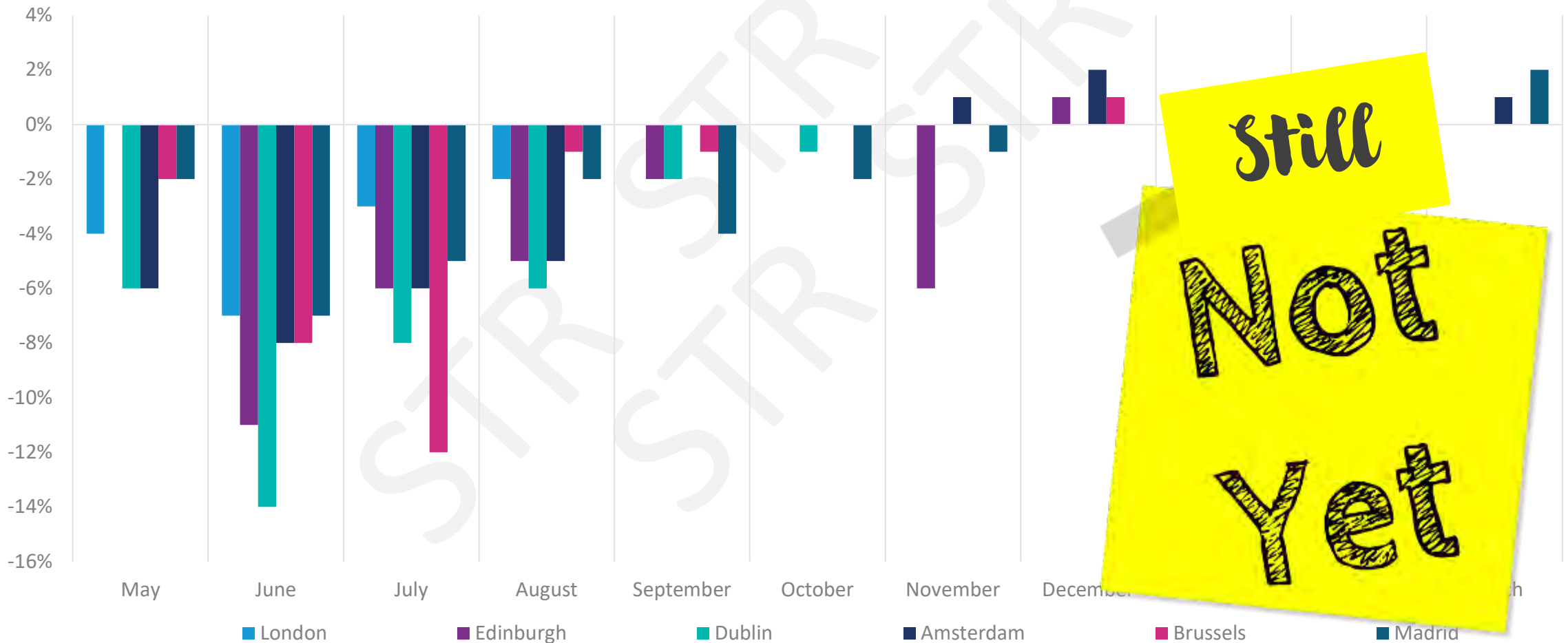
In some markets forward occupancy is nearing STLY levels in Q4

Edinburgh Forward occupancy next 12 months vs. Same Time Last Year (STLY)



But pickup still negative through to October – so we are saying...

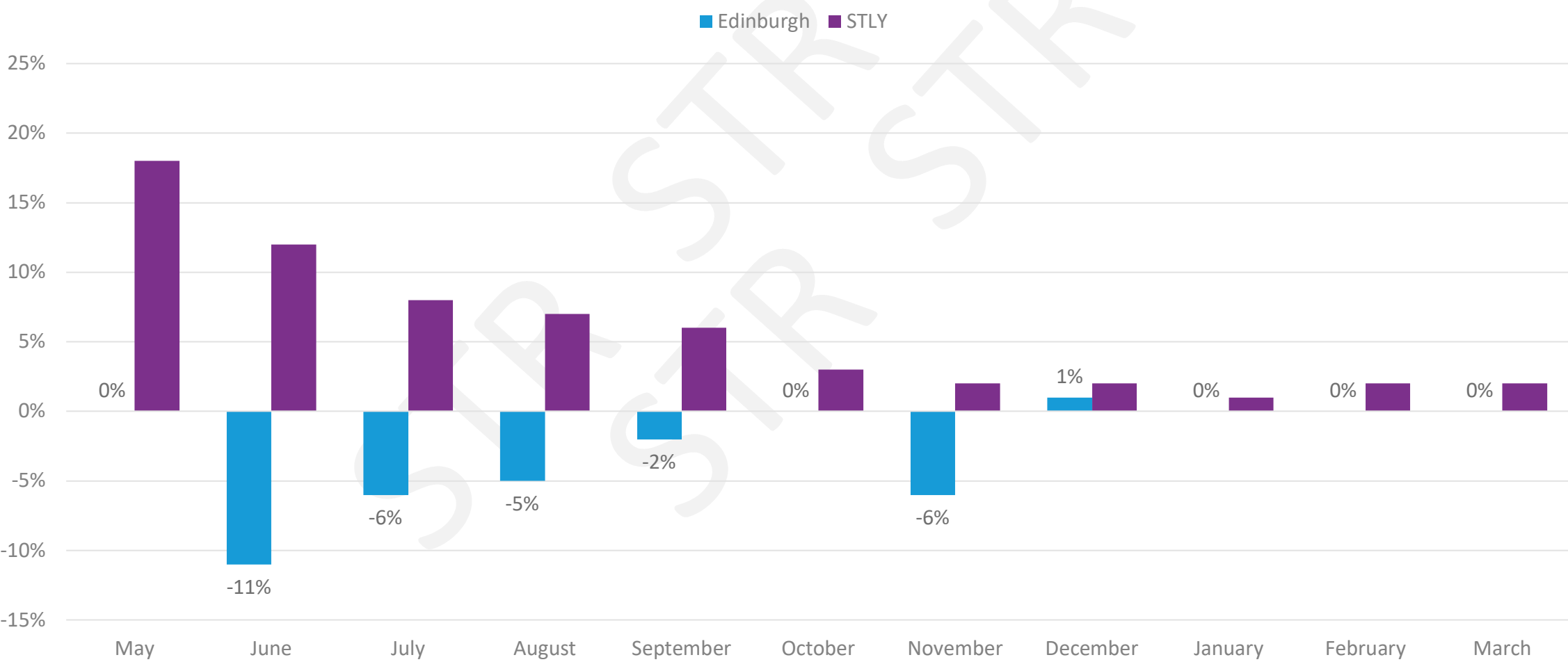
Pickup in forward occupancy from prior month as at 4 May 2020



Pickup needs to go +’ve and start exceeding STLY in order to get excited



Edinburgh Pickup next 11 months vs. Same Time Last Year (STLY)



.. But when it happens expect the “Ketchup Effect”?

When demand starts to come – expect it to be followed by more demand in a big blob



Medium
term:
When,
how, who,
why &
where will
people
travel
again?



When: Only begins when governments allow it

Re-opening plans are emerging but they are contingent on control of the virus



Country	Minimum dates that restrictions will remain in place						
	Easing of lock-down starts	Schools	Construction, Manufacturing	Retail	Restaurants /hotels	Gatherings > 100 people	Borders (non EEA & CH)
Denmark	13 April	15 April	Never fully shut	10 May	Never fully shut	August	10 May
Italy	04 May	03 May	04 May	18 May	01 June	?	?
Spain	09 May	September	13 April	26 April	11 May	September	?
Portugal	01 May	September	Never fully shut	04 May	18 May	?	15 April
France	11 May	11 May	Never fully shut	11 May	June	?	?
UK	07 May	1 June	Never fully shut	1 June	4 July	?	?
Germany	03 May	04 May	Never fully shut	20 April	18 May	31 August	?
Switzerland	April 27	11 May	Never fully shut	27 April	11 May	?	?

How: Demand reliant on air travel will take longer and be less

Airlines have signaled significantly reduced capacity



≡ **Bloomberg** [Subscribe](#)

Economics

South African Airways Nears Collapse With Plan to Fire All Staff

By John Bowker and Loni Prinsloo
April 18, 2020, 5:04 AM EDT
Corrected April 21, 2020, 6:15 AM EDT

Boeing Co [+ Add to myFT](#)

Boeing cuts jobs and production as coronavirus slashes demand

'We will be a smaller company for a while,' says chief David Calhoun

A large Boeing 747 aircraft is shown on a tarmac, viewed from the front-left. The aircraft is white with blue accents on the tail and engines.

[Subscribe →](#)

The Guardian

News Opinion Sport Culture Lifestyle

A British Airways aircraft is shown in flight, banking to the left. The aircraft is white with red and blue stripes on the tail and engines.

Airline industry

Norwegian Air says most of fleet will stay grounded until 2021

Scandinavian Airline SAS to Lay-Off Nearly Half of its Workforce Because of the Coronavirus Crisis

Małgorzata Masłowska

A close-up of the British Airways flag, showing the red, white, and blue stripes.

British Airways PLC

British Airways to cut 12,000 jobs as aviation outlook darkens

CEO Alex Cruz warns staff it will take years to return to passenger levels of 2019

NEW

Lufthansa considers filing for creditor protection as aid talks stall

German airline looks at procedure similar to Chapter 11 bankruptcy amid dispute over bailout conditions

A Ryanair aircraft is shown on a tarmac, viewed from the front-left. The aircraft is white with blue and yellow accents on the tail and engines.

Ryanair to axe up to 3,000 jobs as it warns over slow recovery

Europe's largest low-cost airline expects return to 2019 passenger levels to take 2 years

Airbus cuts aircraft production by a third

European aerospace group confirms it will slash output of popular A320 single-aisle jet

Who & why: Domestic demand will drive initial recovery

Starting with leisure and building with business – group demand will take much longer



- 
- Domestic
 - Local | Accessible
 - Leisure
 - Weekend
 - Hotel Class variations

Then: Corporate. Group. International.

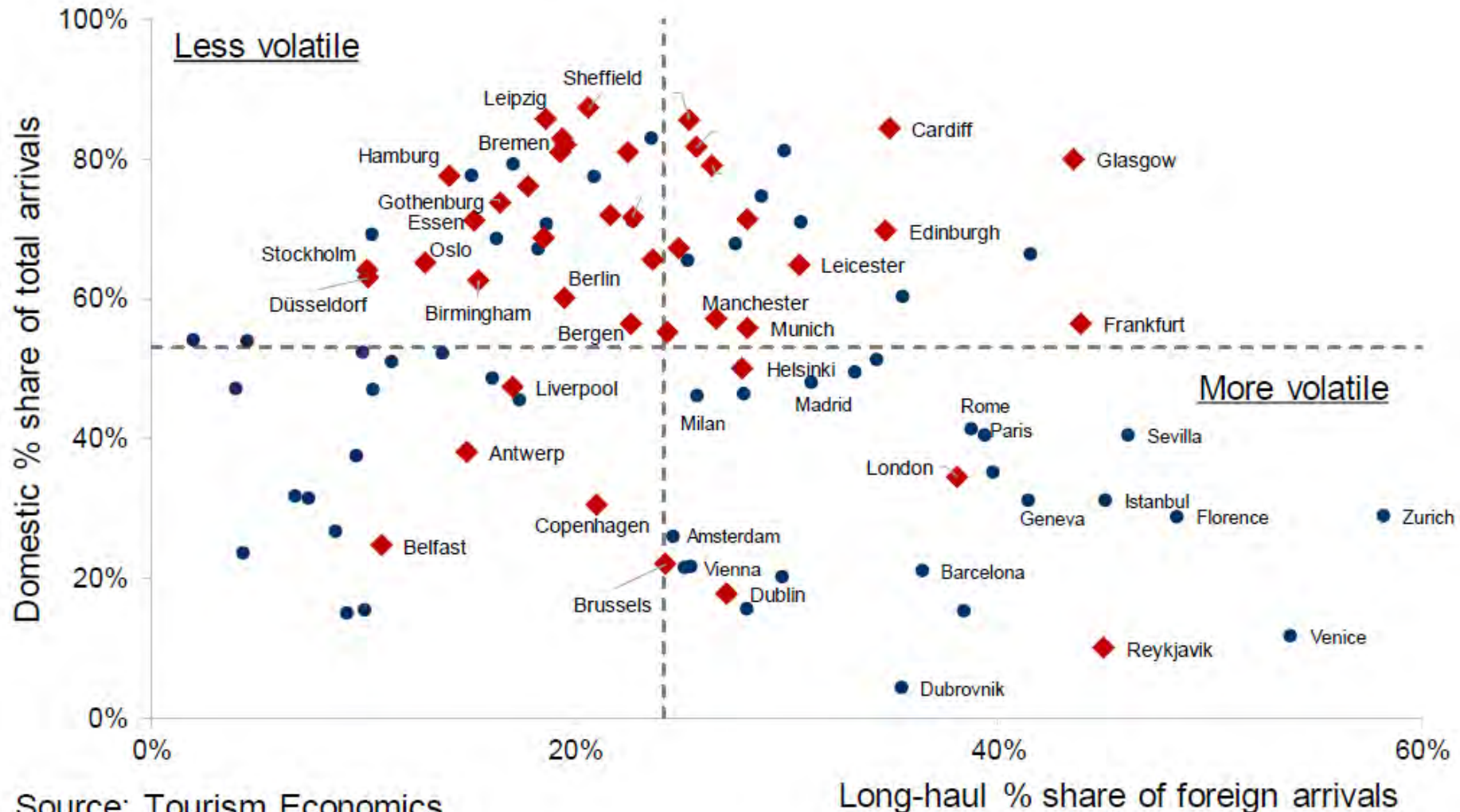


Recovery

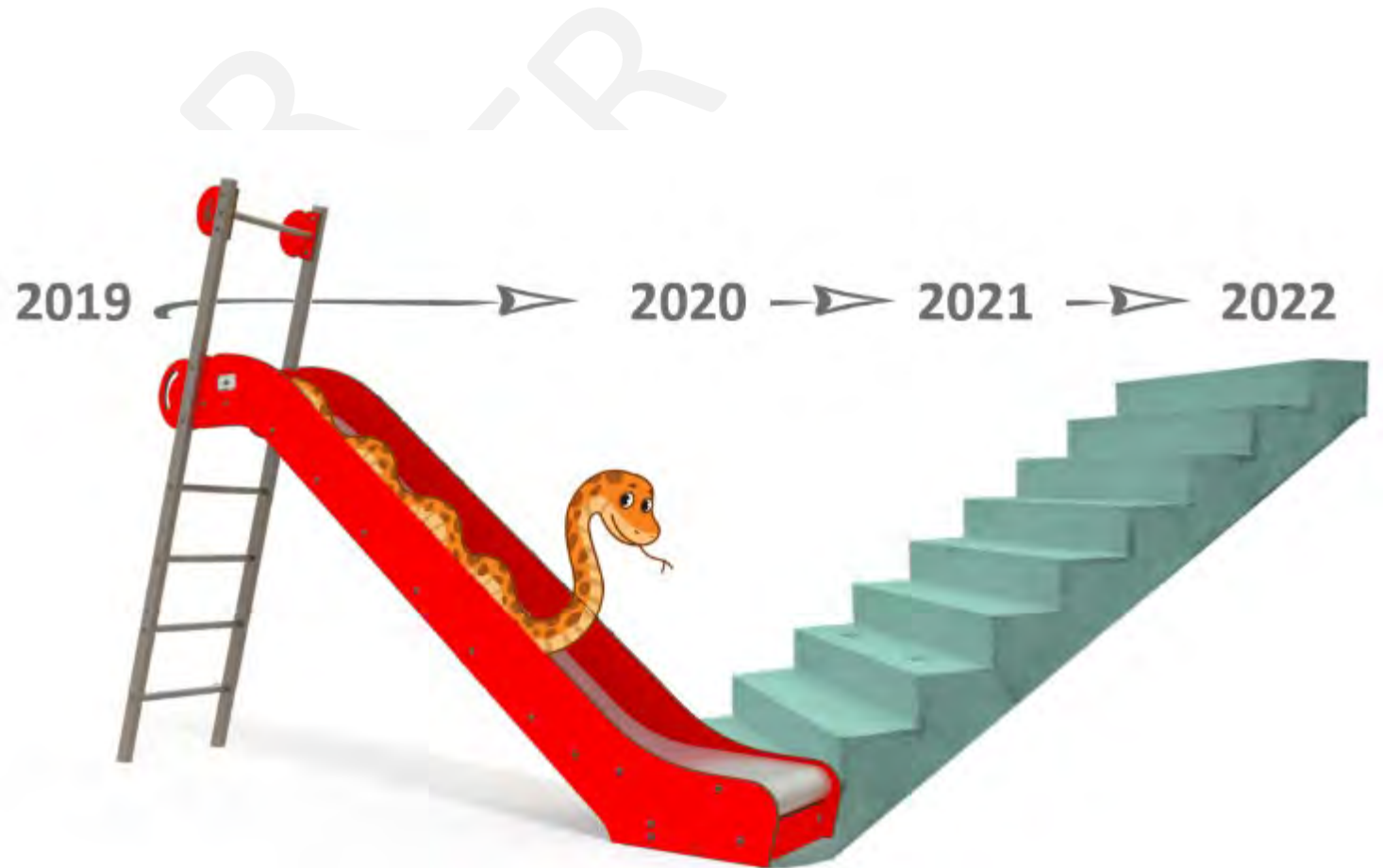
The word 'Recovery' is stamped in a bold, black, typewriter-style font on a white sheet of paper. The paper is partially visible, showing the top and right edges. The stamp is slightly tilted upwards to the right. The background of the slide features a faint, large, light gray watermark of the word 'STR' repeated diagonally across the center.

Where: Markets relying less on international & long-haul will do better

European city reliance on domestic and long-haul arrivals, 2019

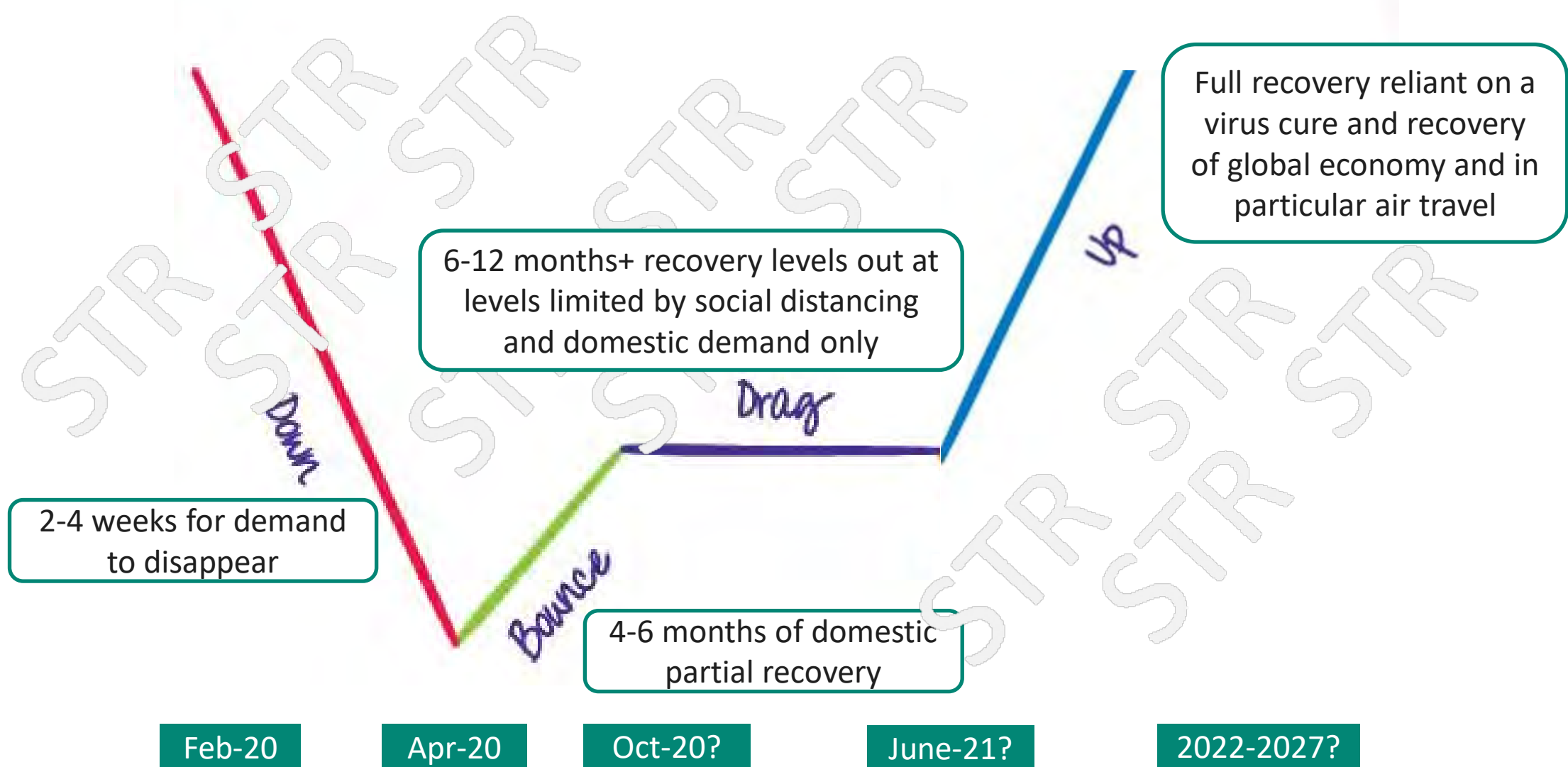


Long term:
When will
demand
return to
2019
levels?



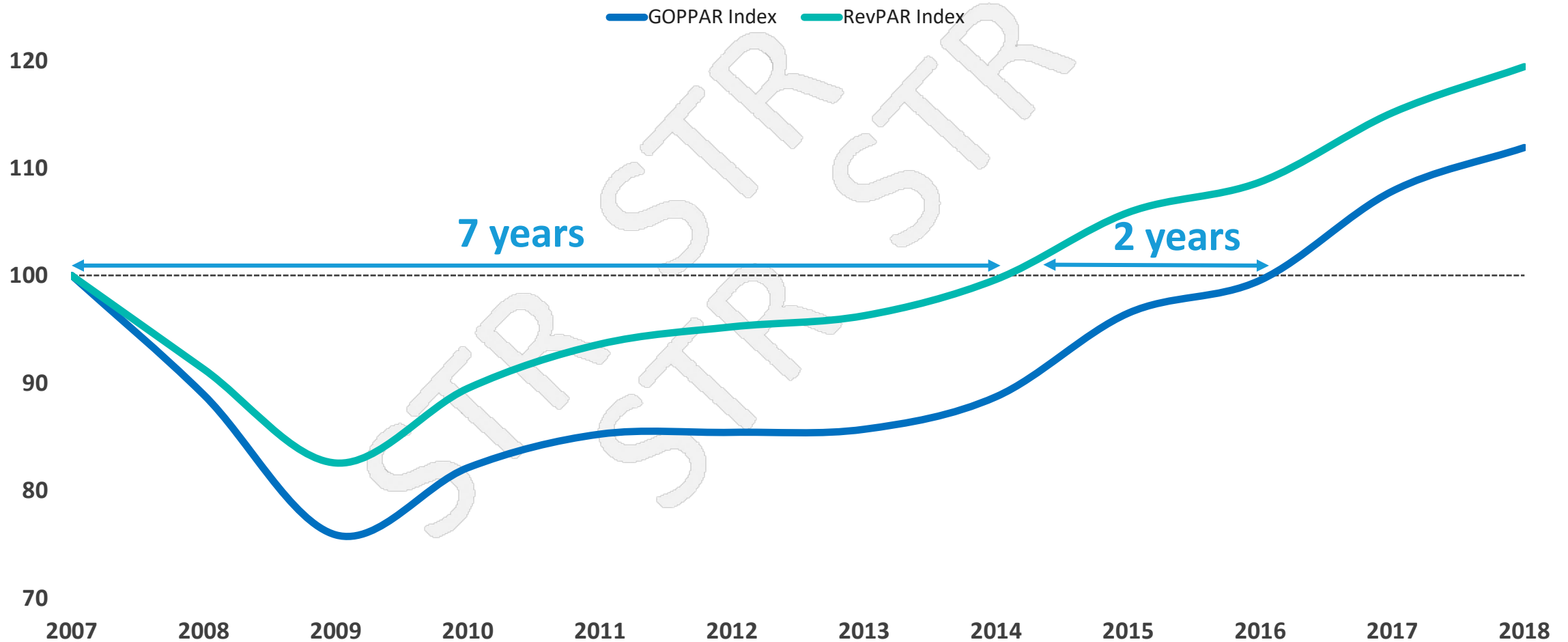
What recovery profile might look like

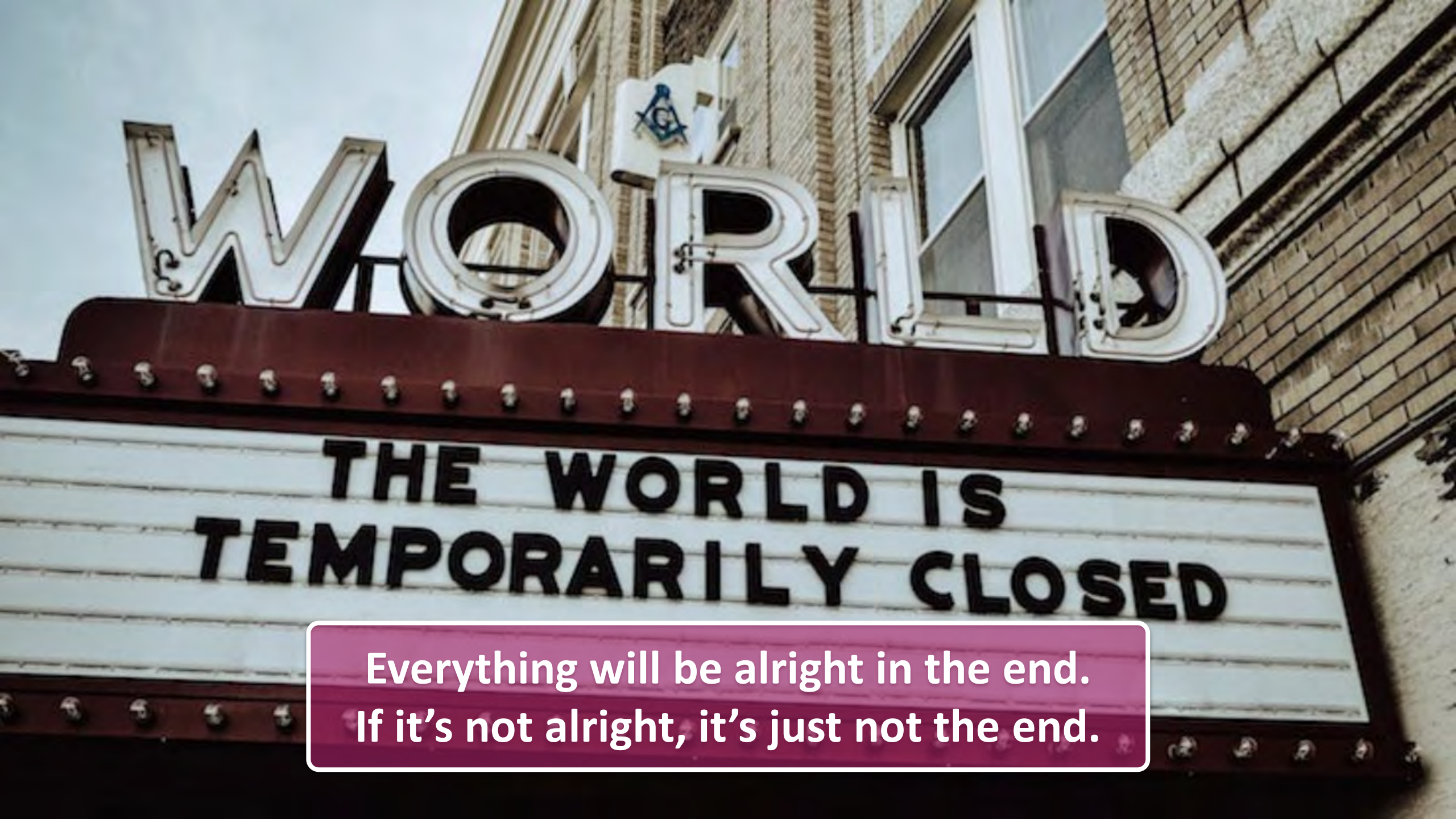
An initial recovery, levelling out at a lower new-based until virus and world economy is cured



Will it be less/same/more severe than the Global Financial Crisis?

Europe, Consistent Sample, RevPAR and GOPPAR Indexed to 2007, EUR, Constant Currency





**THE WORLD IS
TEMPORARILY CLOSED**

Everything will be alright in the end.
If it's not alright, it's just not the end.

Contact and Resources



 **STR.com ➡ COVID-19 Updates**

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