IHM Webinar

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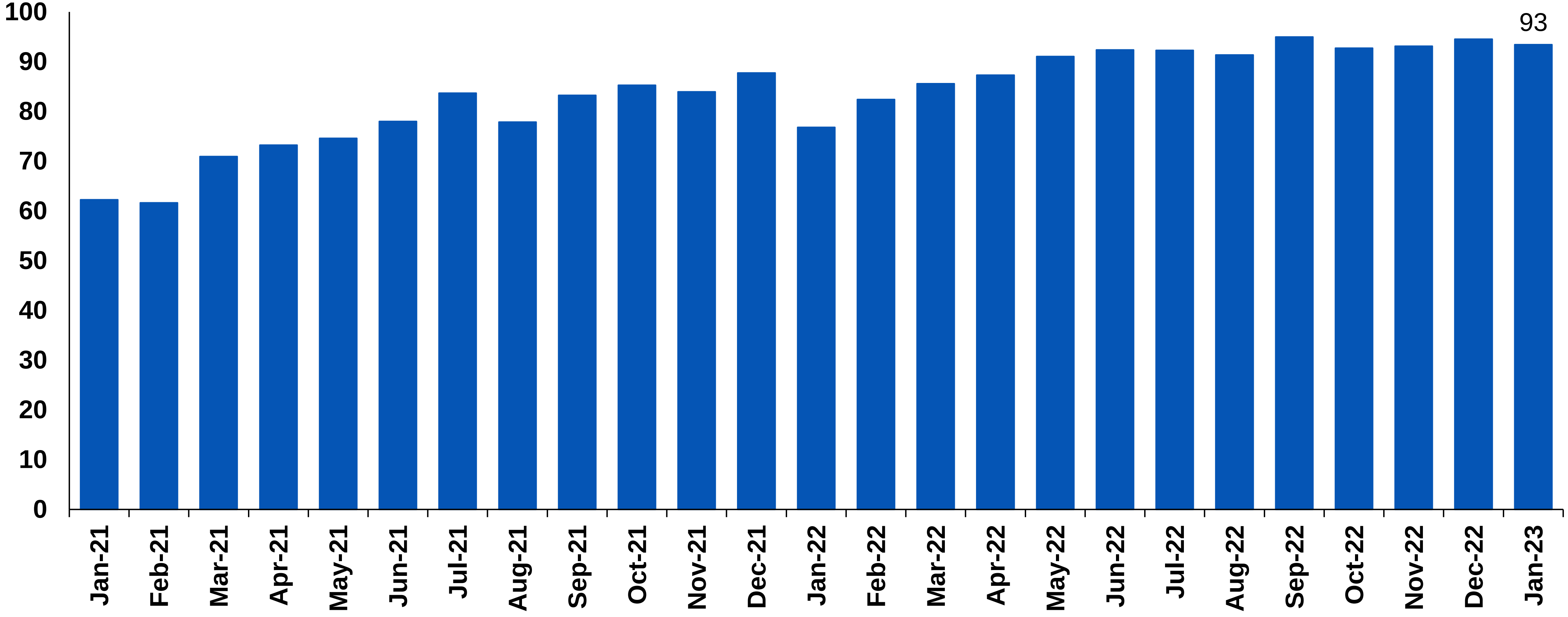
Ryan Bains
Business Development Manager, Industry Partners
rbains@str.com

International Demand & Current Trading

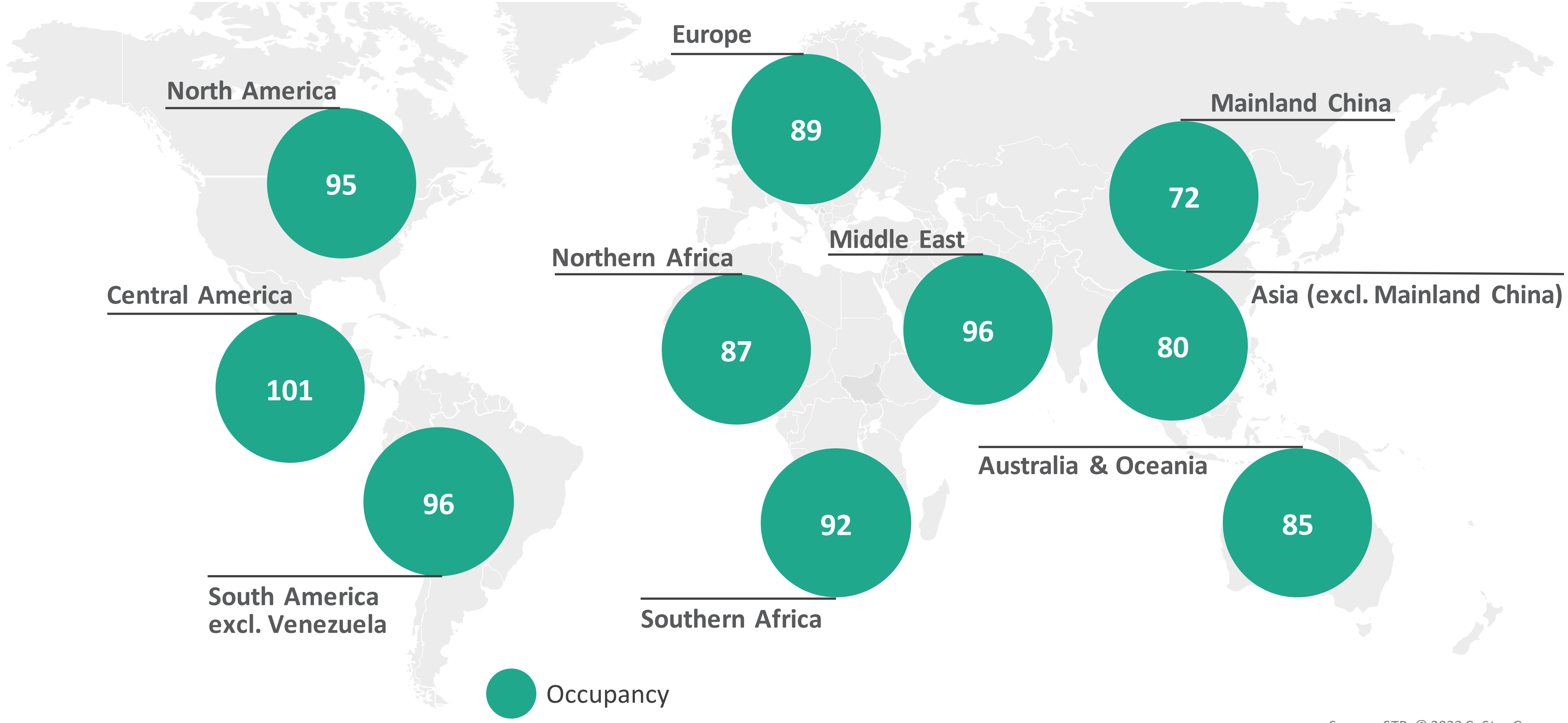
Hotel occupancies have all but returned to pre-covid levels

Global Occupancy indexed to 2019, Jan 2021 – Jan 2023



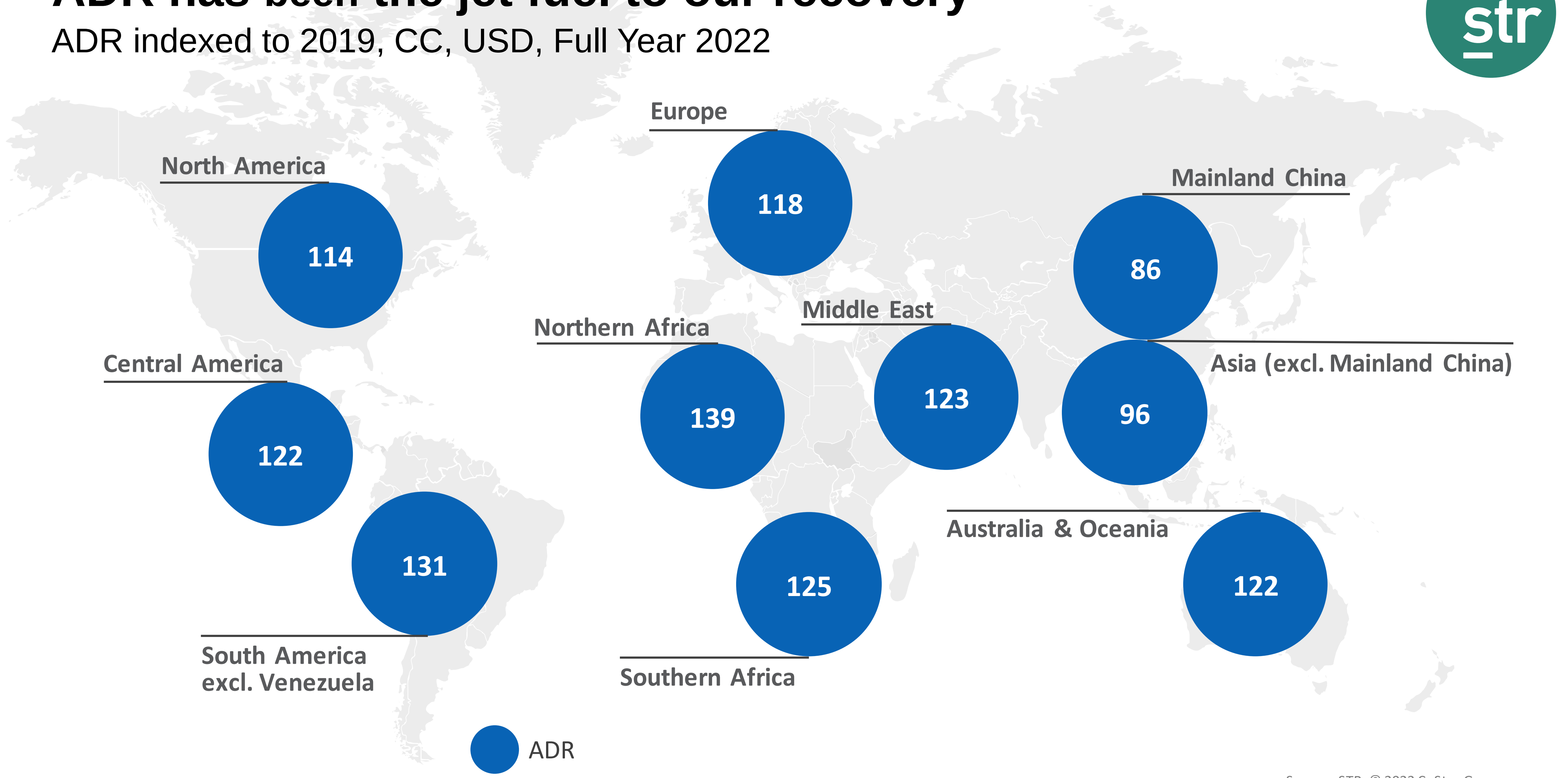
China and Asia (to a lesser extent) the last to recover

Occupancy (Standard) indexed to 2019, Full Year 2022



ADR has been the jet fuel to our recovery

ADR indexed to 2019, CC, USD, Full Year 2022



Have Serviced Apartments maintained their premium?

Could Serviced Apartments continue to command a premium?

UK – Serviced Apartments & Hotels, KPIs Actuals and % Change, GBP, 2019

Serviced Apartments

Occupancy	ADR	RevPAR
80.0%	£130.07	£104.40
-0.0%	+0.7%	+0.7%

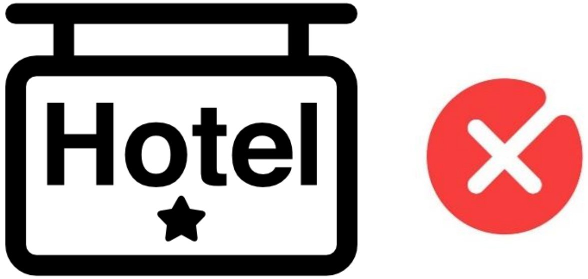
Overall industry incl. hotels

Occupancy	ADR	RevPAR
77.4%	£94.76	£73.38
-0.6%	+0.7%	+0.2%

Pre-pandemic drivers for rate premium

Geography
City Centre, Tier 1 &2, London centric

Class
Upscale and above - unlike hotel



Size
Higher rate for extra space

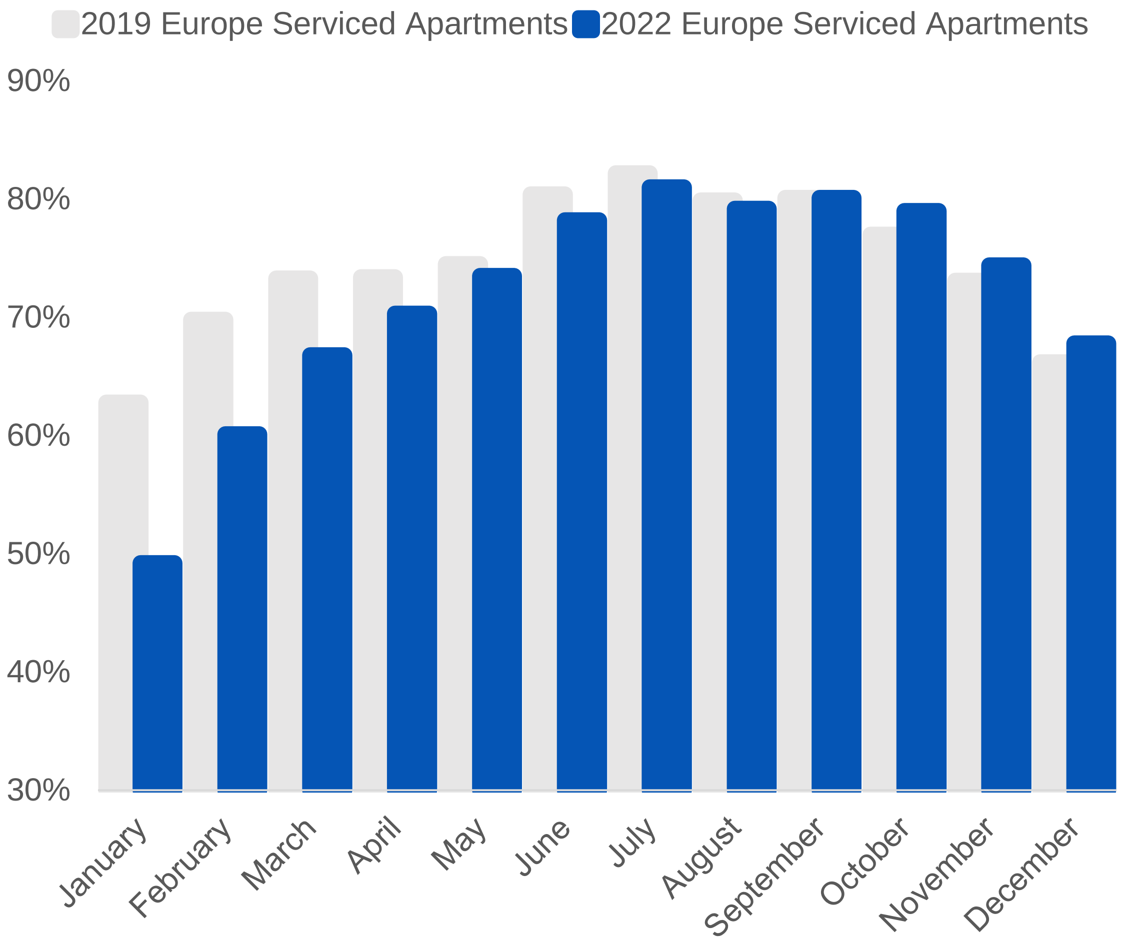
Hotel

Studio Apartment

1 Bedroom Apartment

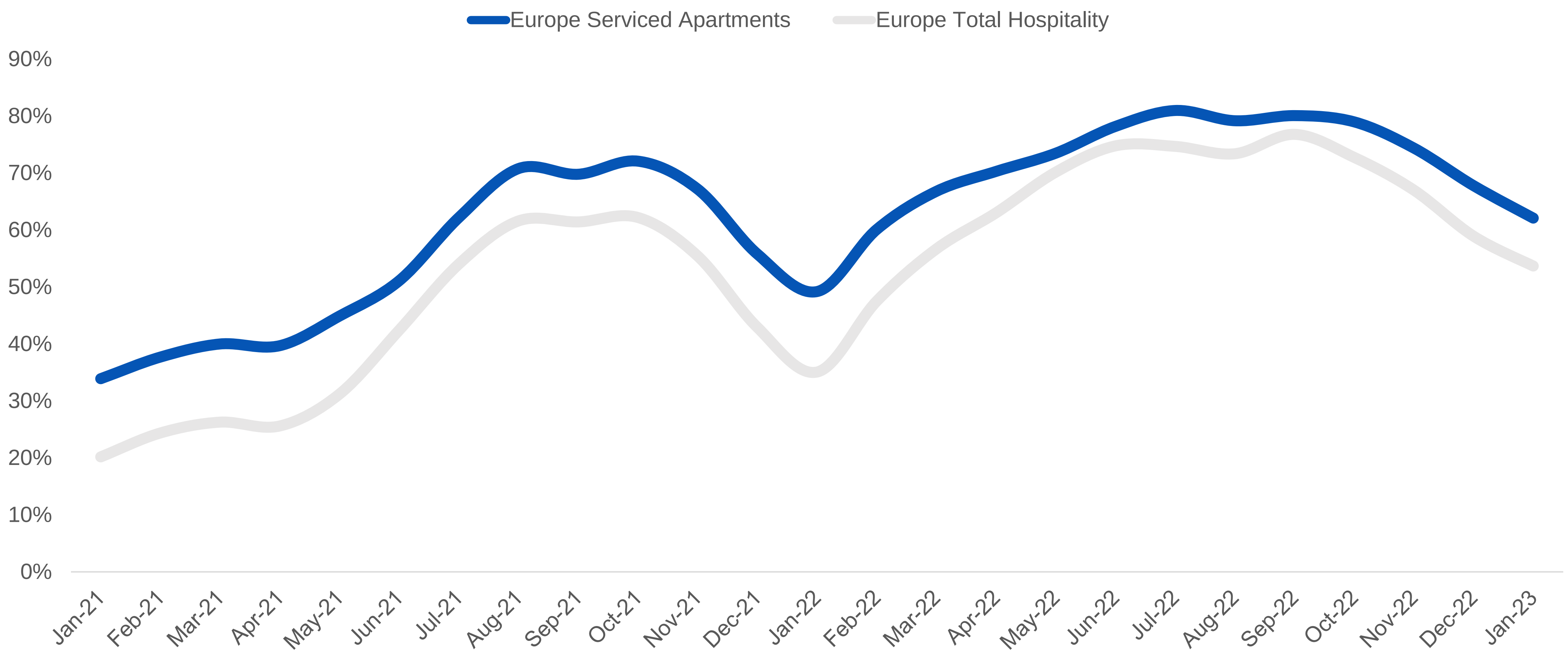
Serviced Apartments more resilient during depths of covid

Europe, Occupancy (EUR), January – December



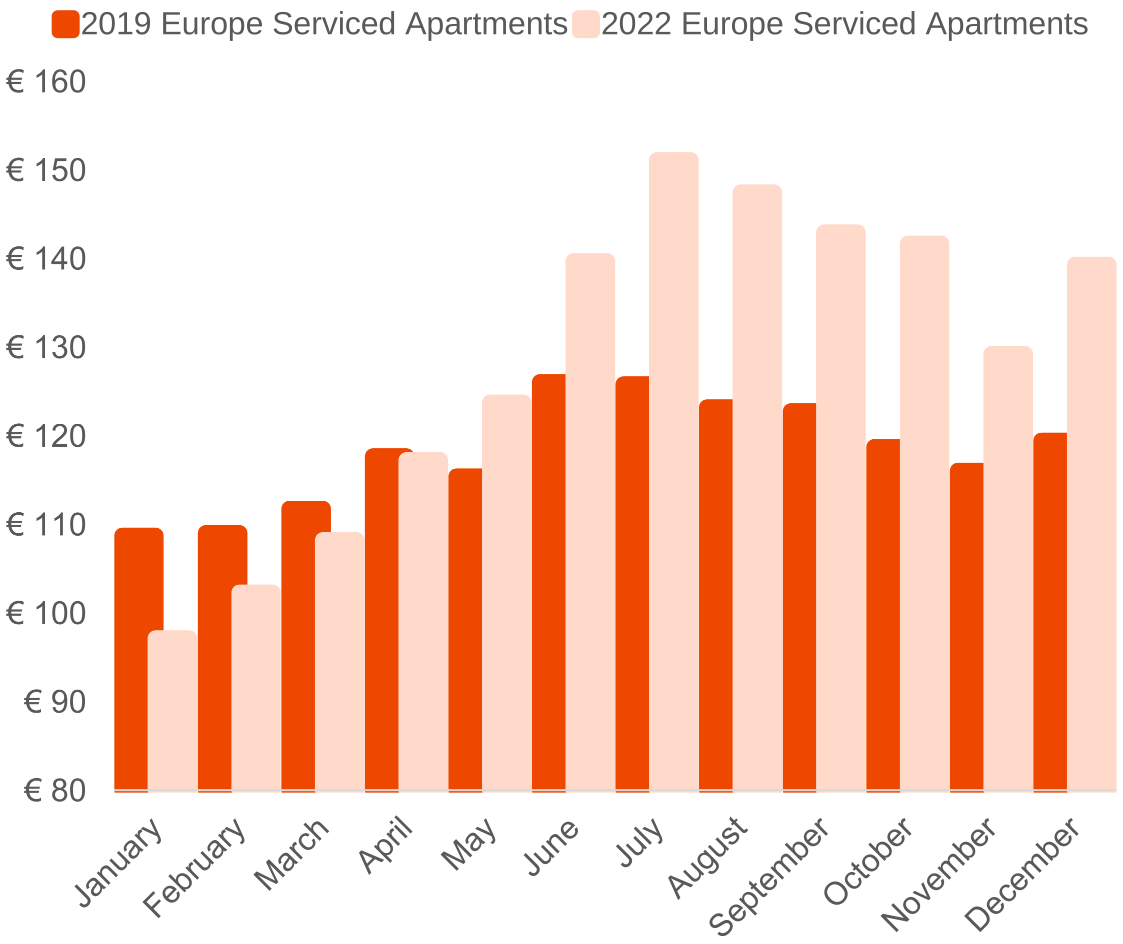
Though the occupancy premium has narrowed post pandemic

Europe Occupancy (Std), January 2021 – January 2023



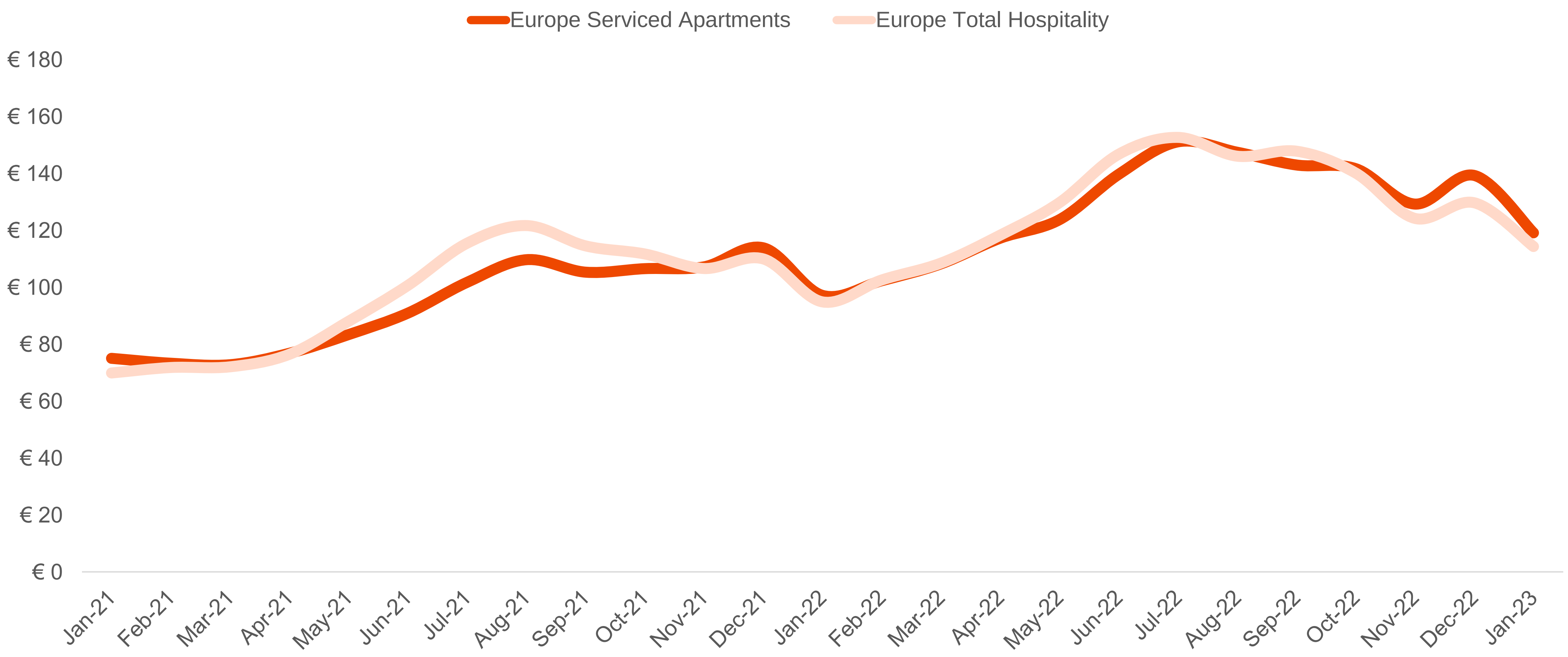
But have still seen considerable growth relative to 2019

Europe, ADR (EUR), January – December 2019 & 2022



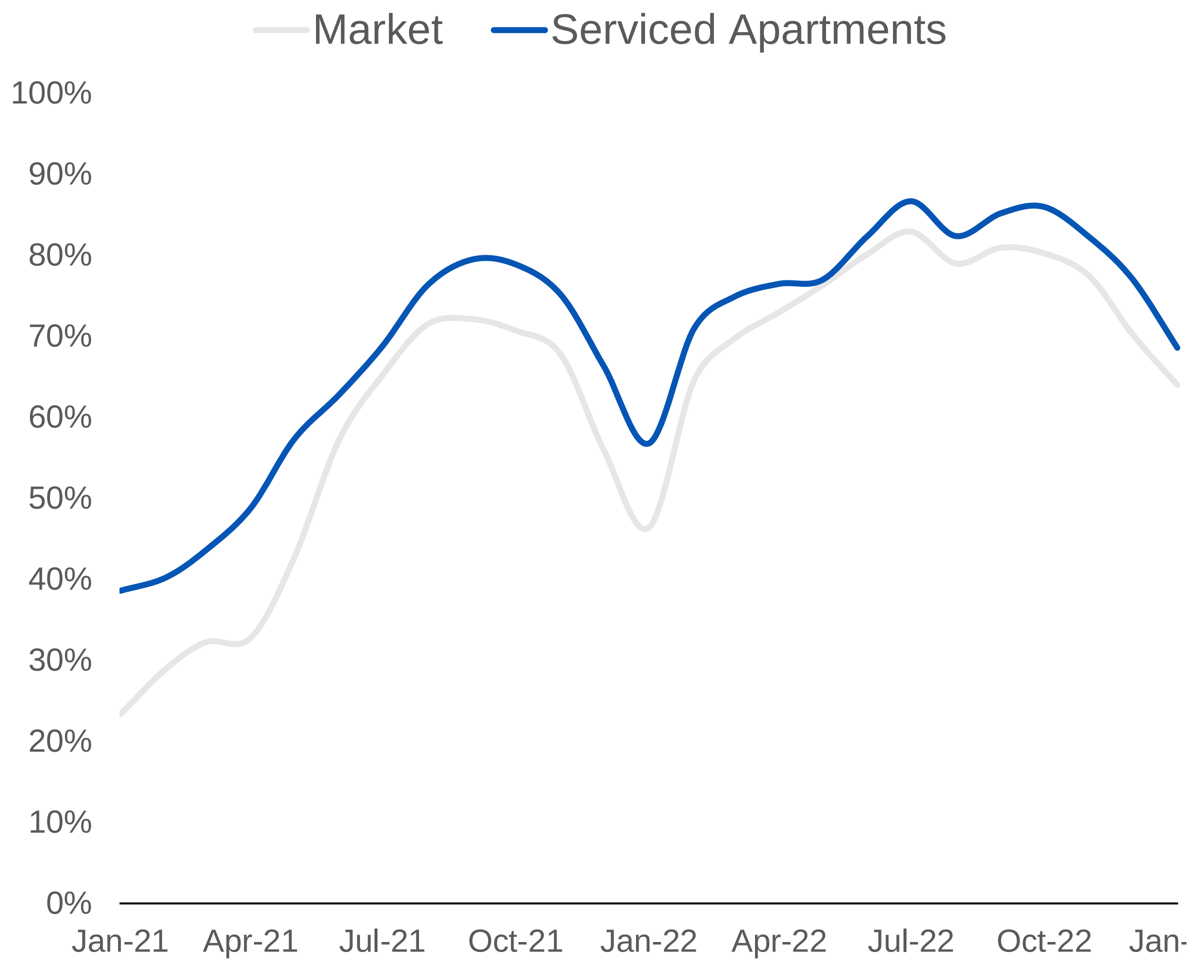
Like occupancy, ADR premium has narrowed

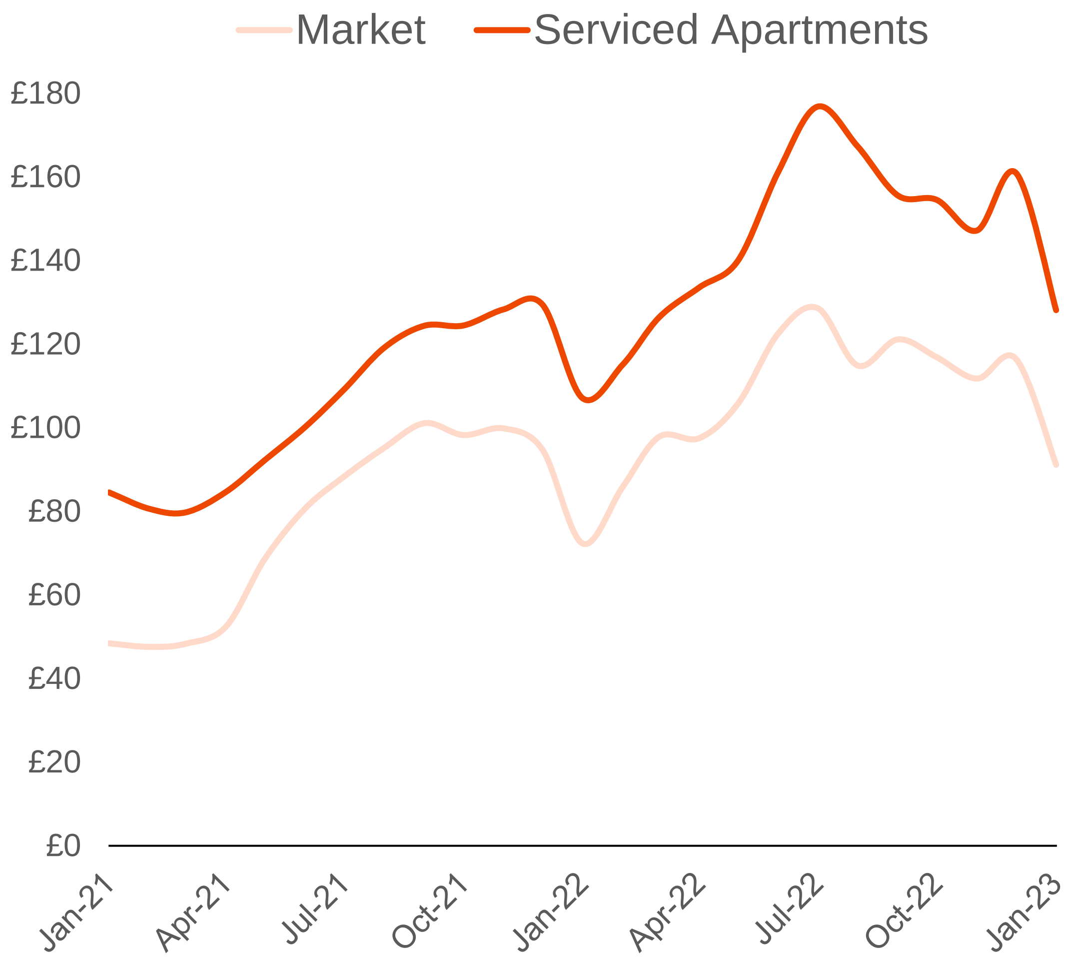
Europe ADR (EUR), January 2021 – January 2023



The UK's Serviced Apartment premium is substantial

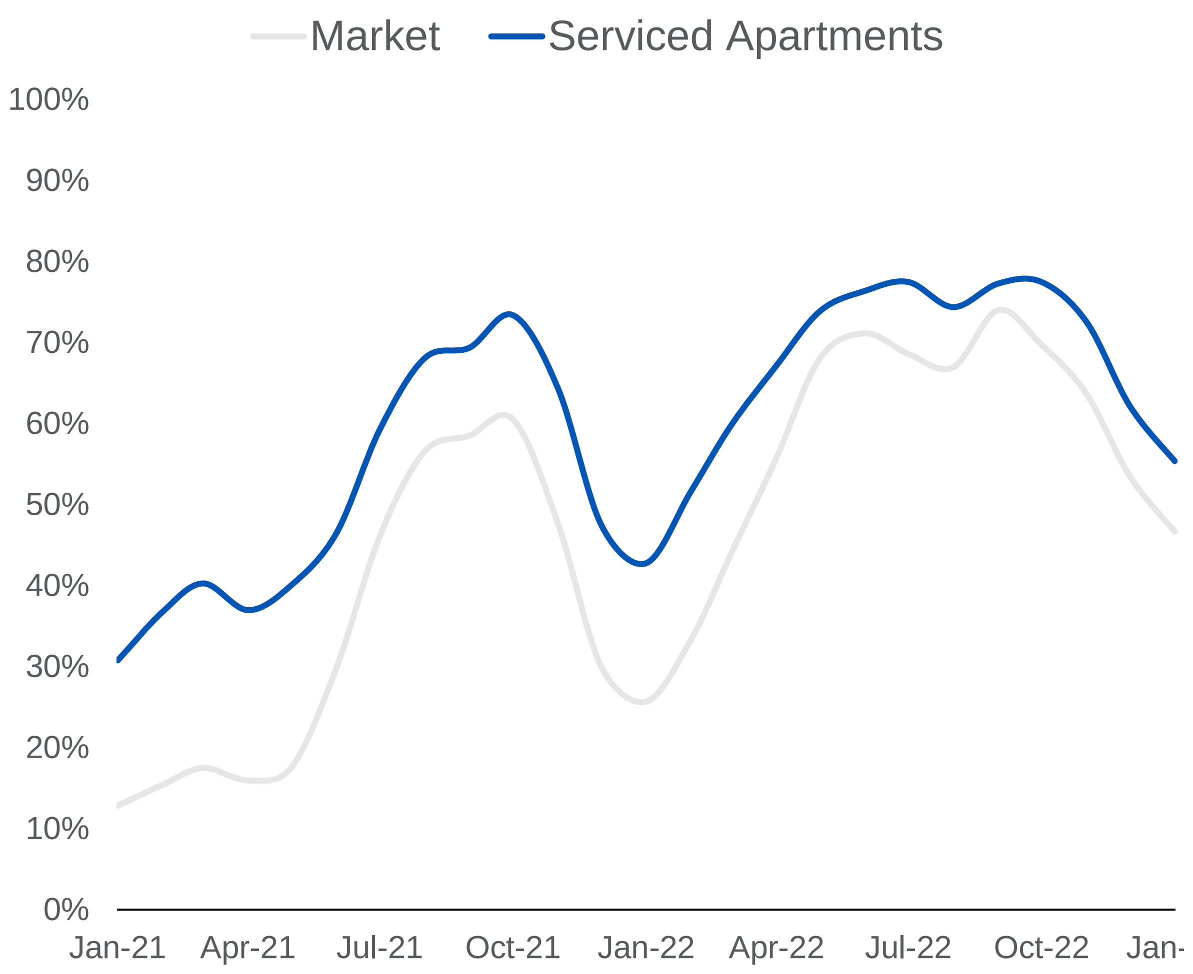
UK, Occ (Std), ADR (GBP), Jan 2021 to Jan 2023

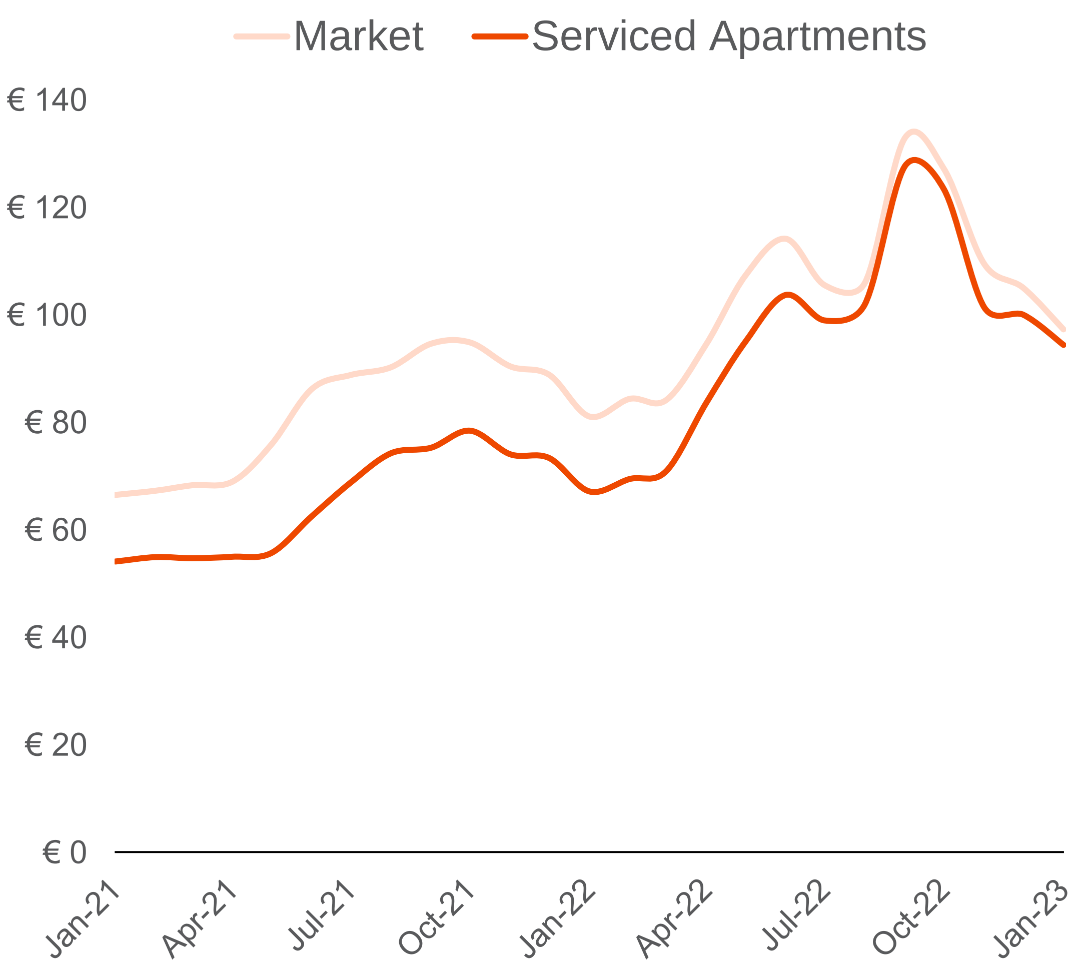




Germany's SA premium less pronounced

Germany, Occ (Std), ADR (GBP), Jan 2021 to Jan 2023





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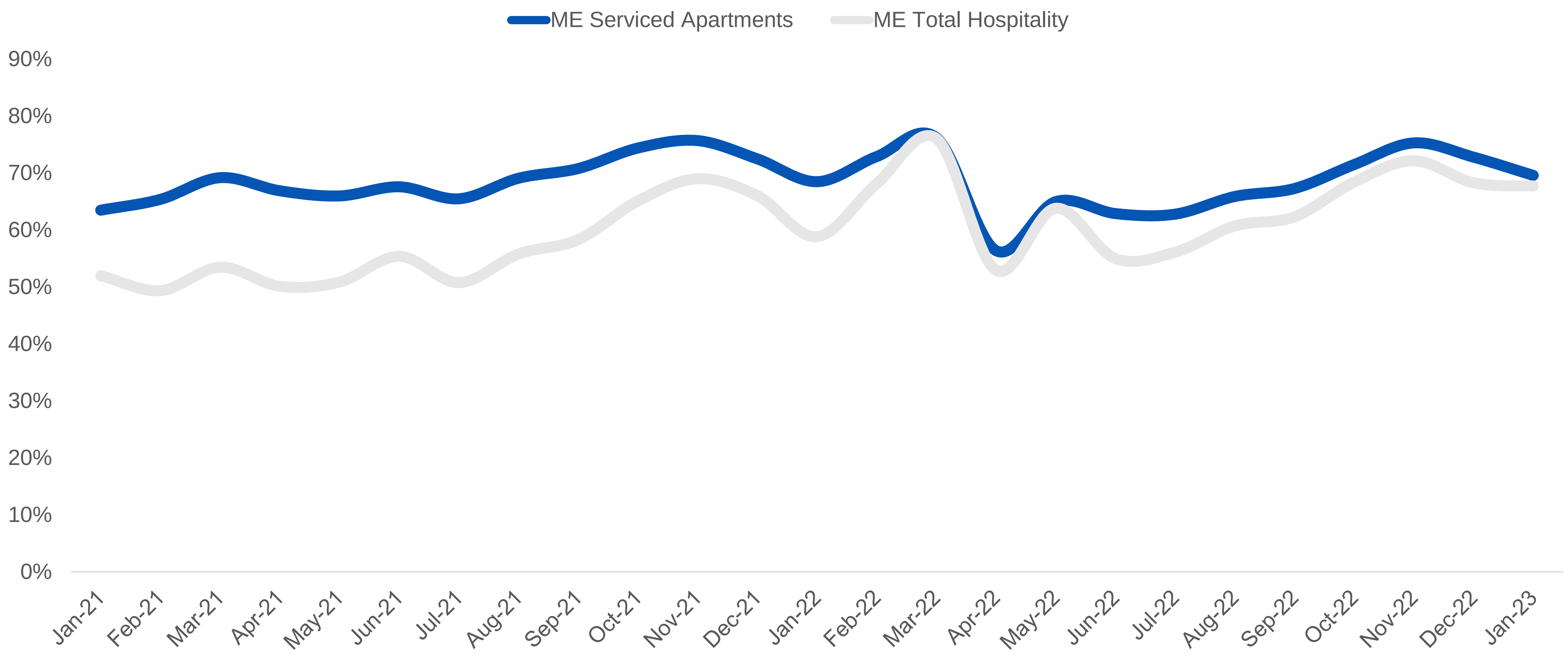
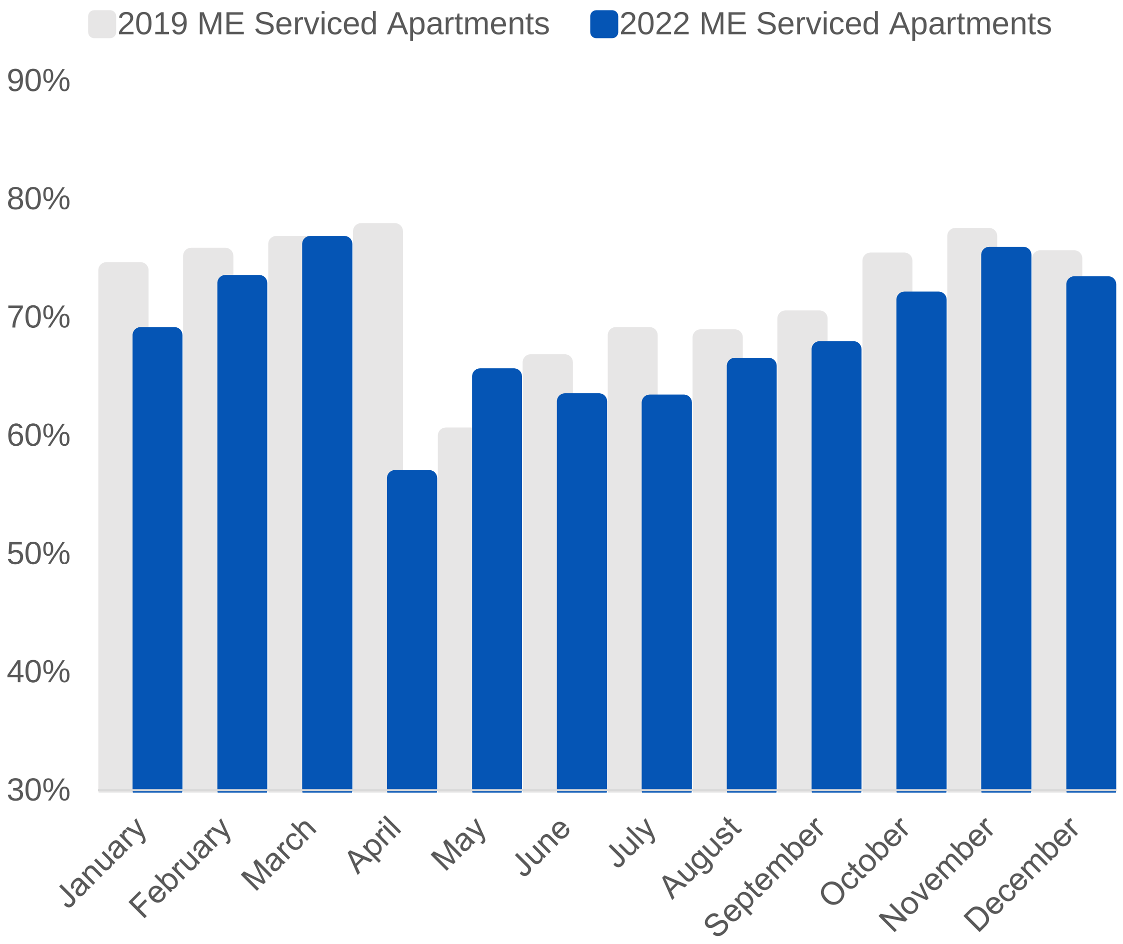
Narrowing gap in performance in Middle East

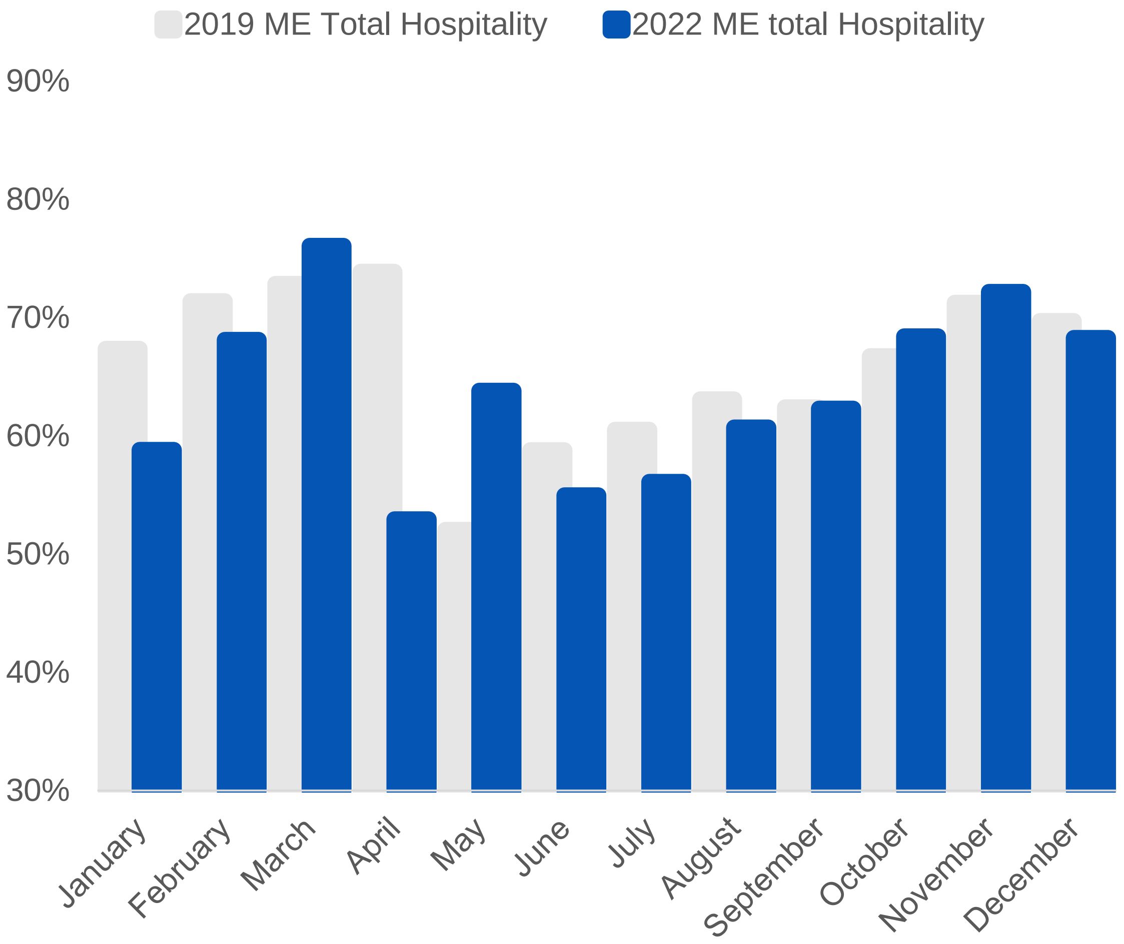
Middle East Occupancy (Std), January 2021 – January 2023



Similar levels of resilience in occupancy

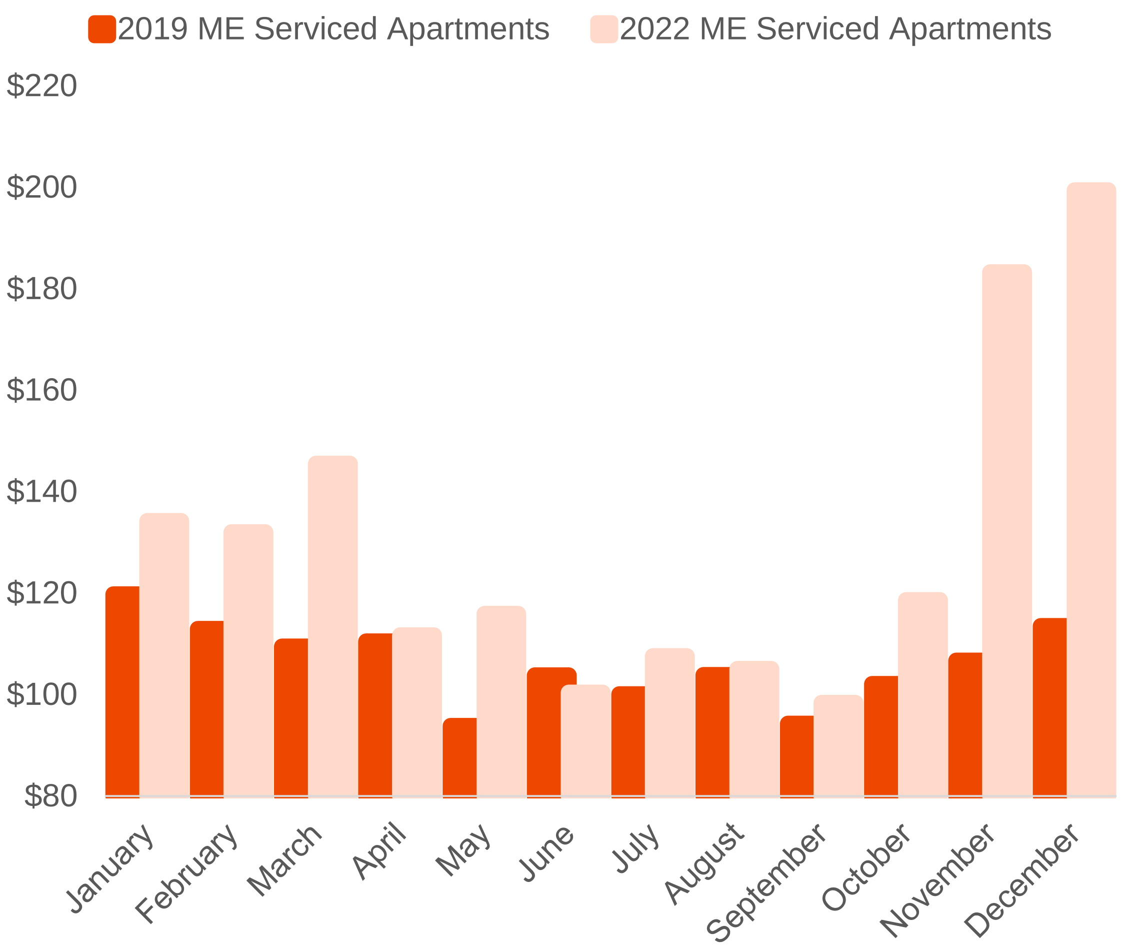
Middle East, Occupancy (EUR), January – December

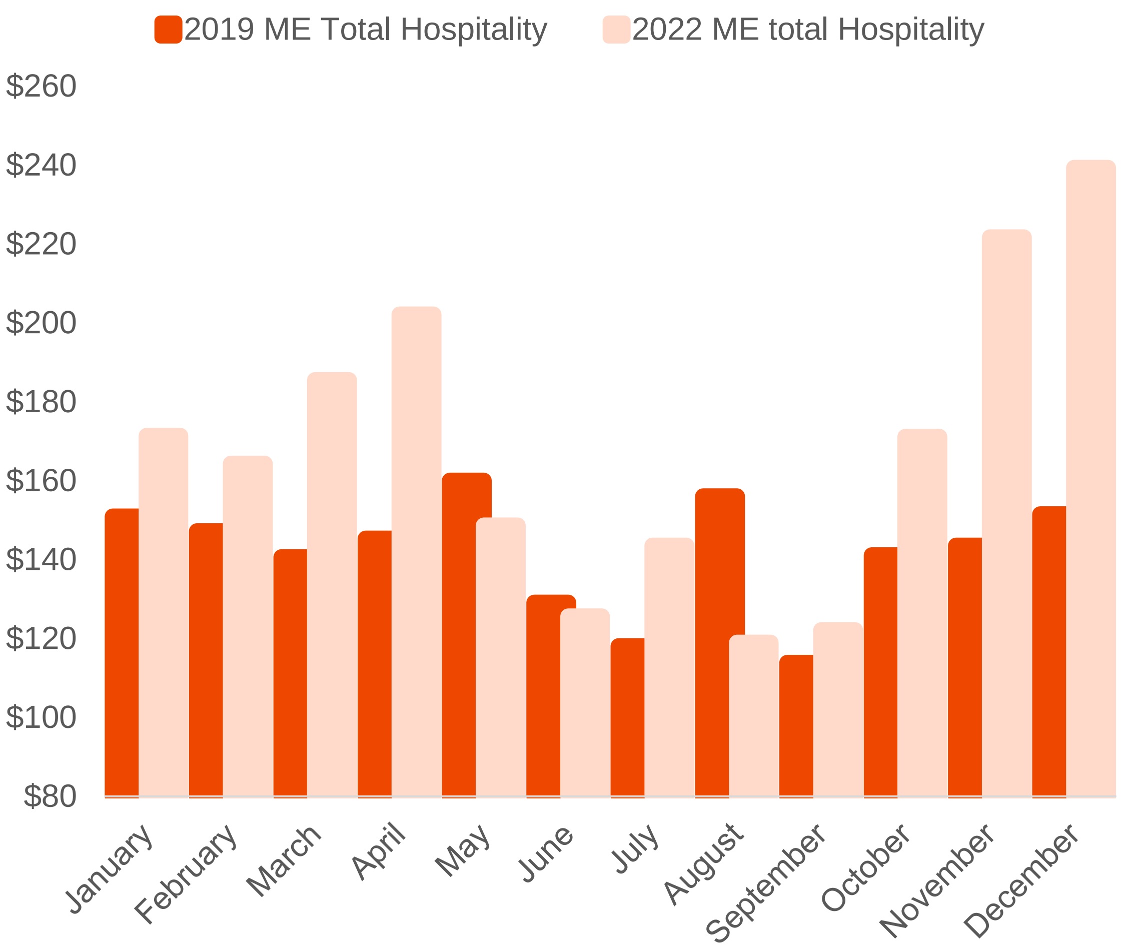




Serviced Apartments really flexing their muscle in Nov-Dec

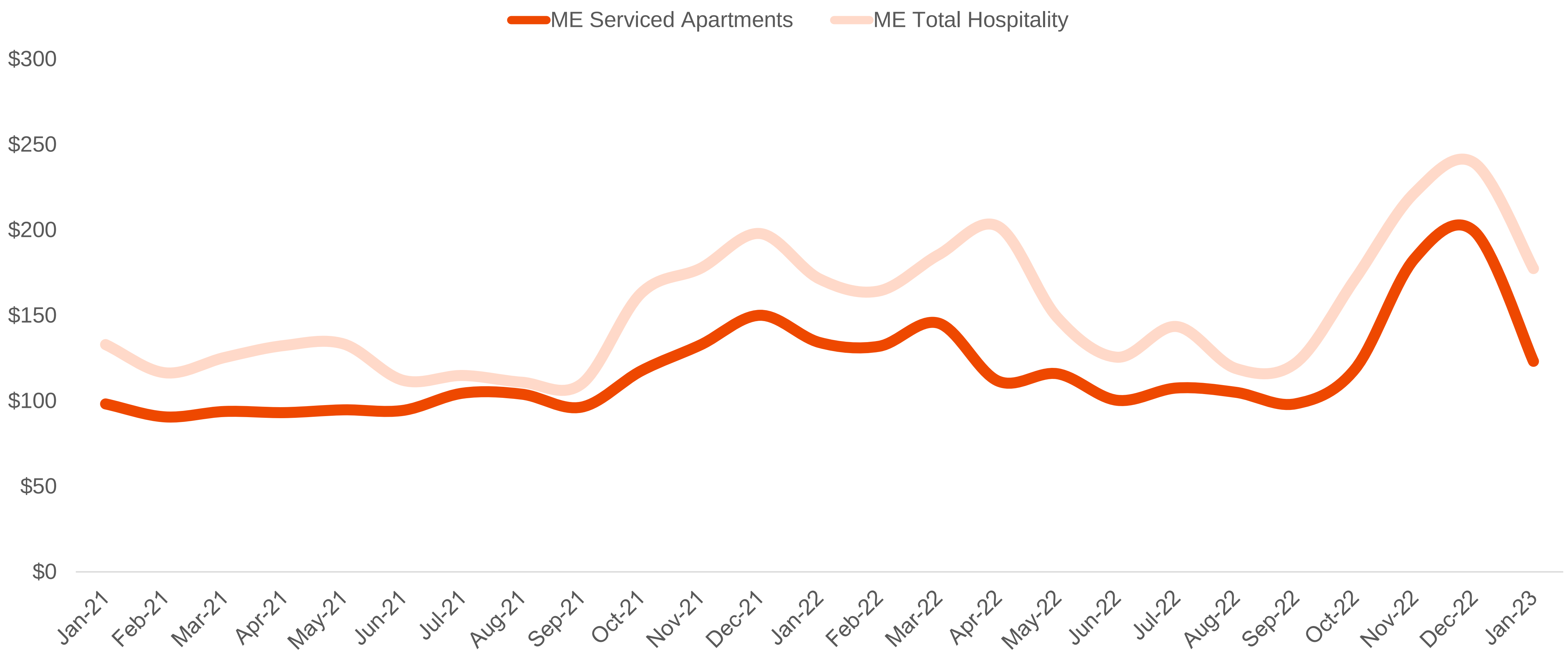
Middle East, ADR (USD), January – December





Pricing gap to hotels tighter during covid and now expanding

Middle East ADR (USD), January 2021 – January 2023



Pandemic drivers for premium

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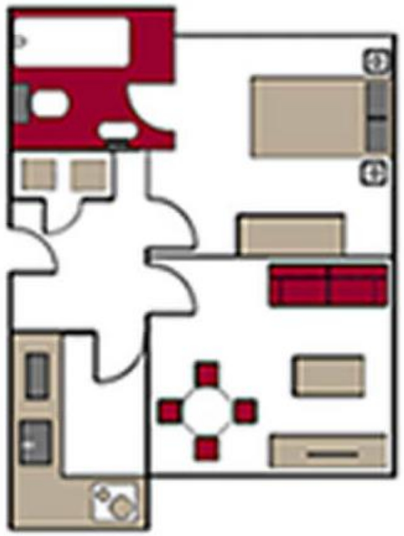
Self-catering
Optimum for quarantine stays

Self-contained
To avoid contact with staff and guests

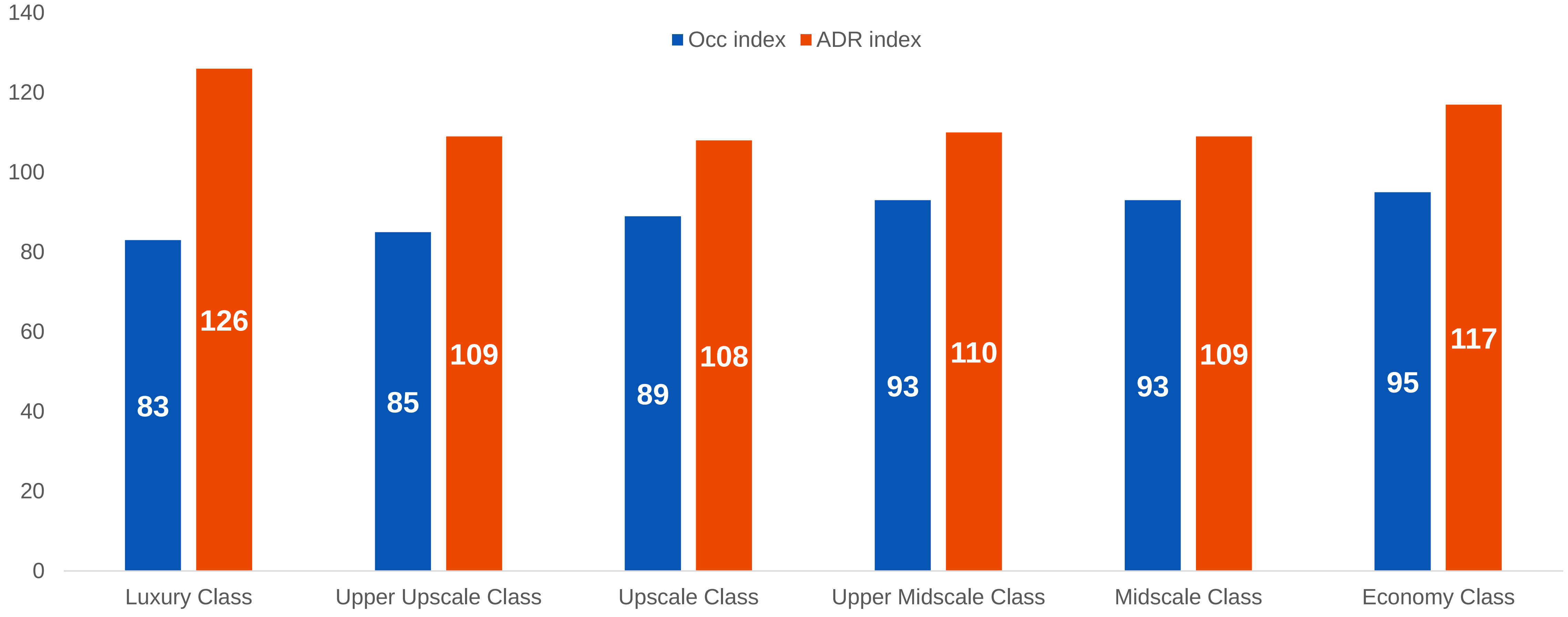
Family configuration
Ease for families with children



Hotel Market Context

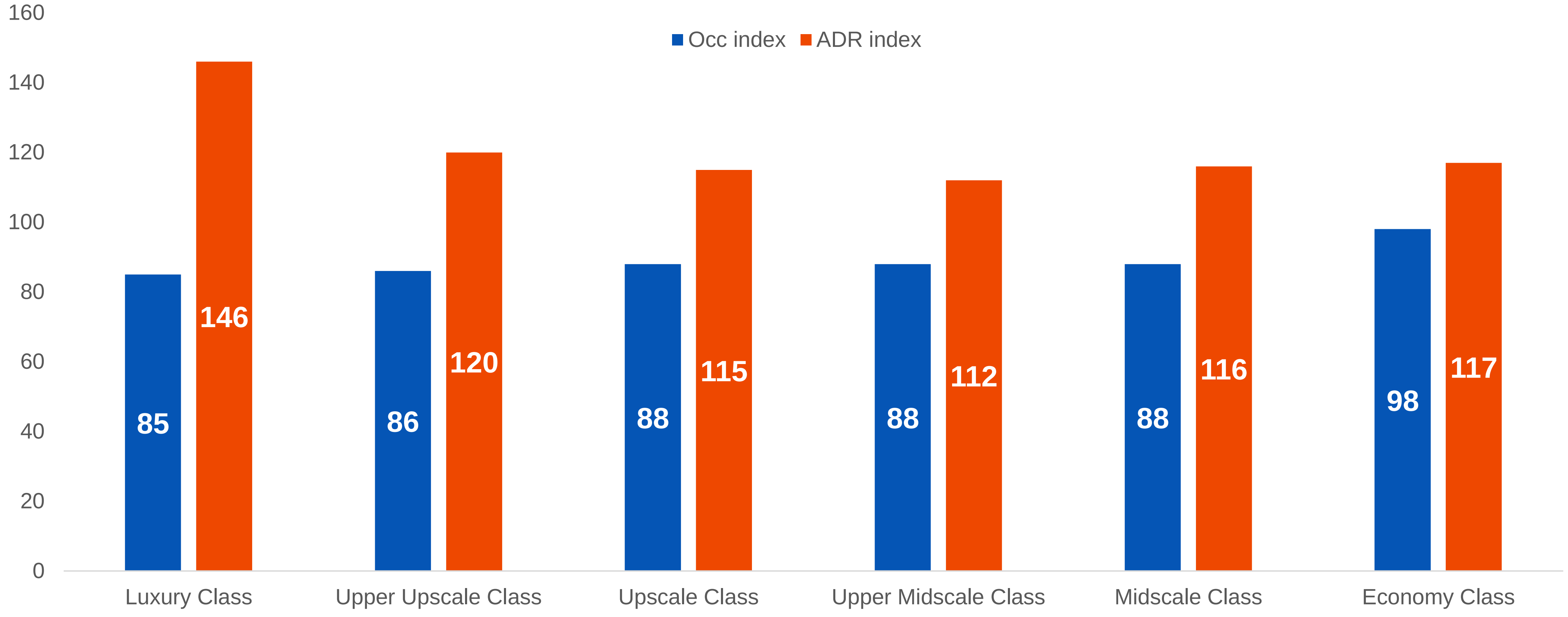
Luxury ADR outperformed other segments by 10+ pp

Global Occ (STD) and ADR USD (CC), indexed to 2019, Full Year 2022



… and even more pronounced in Europe

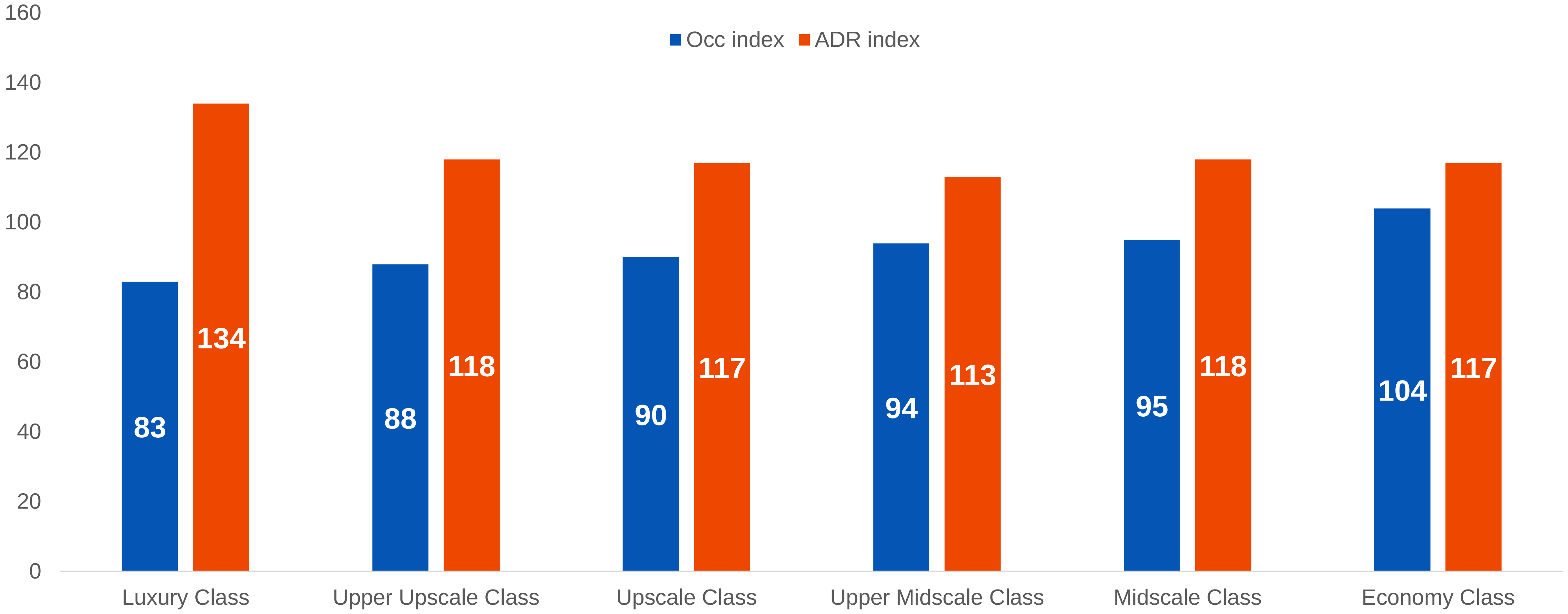
Europe Occ (STD) and ADR (Euros) indexed to 2019, Full Year 2022



Source: STR. © 2023 CoStar Group

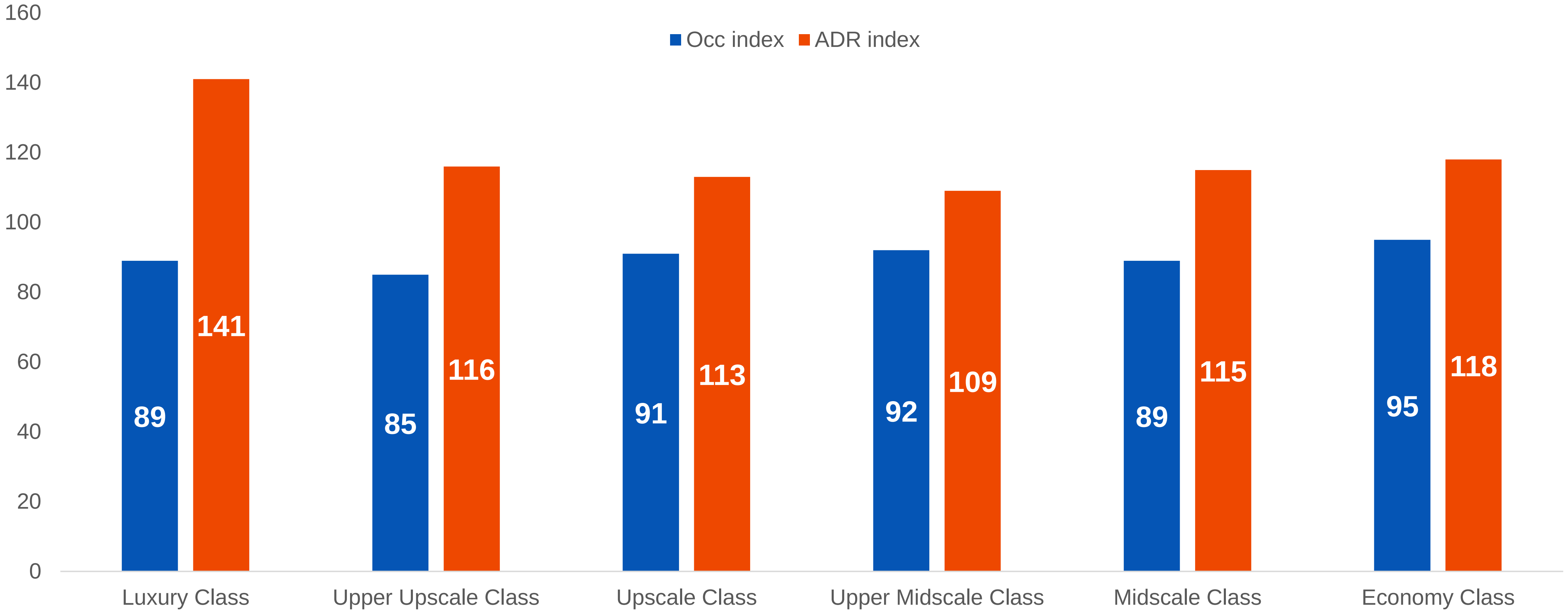
Slightly tempered in the UK

UK Occ (STD) and ADR (GBP) indexed to 2019, Full Year 2022



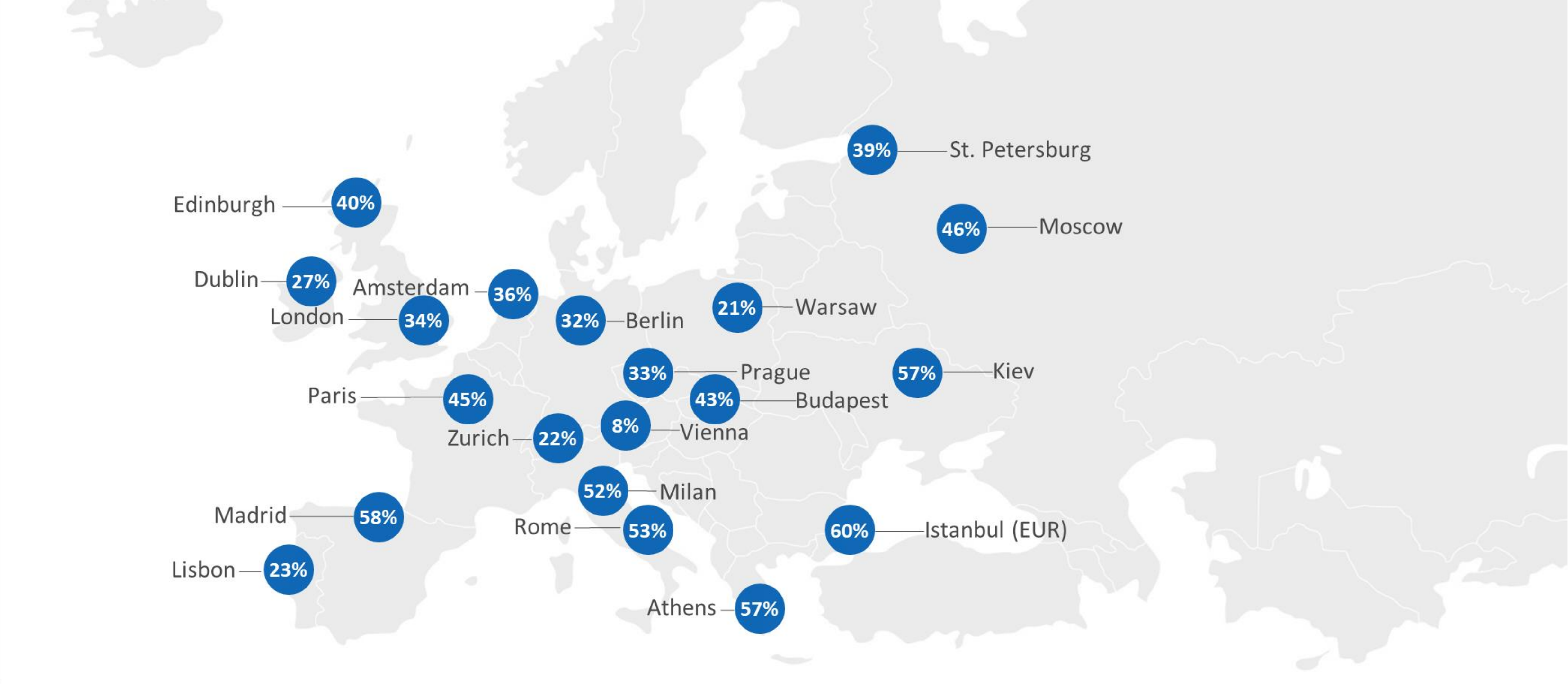
Luxury and Economy come out top on rate growth

Spain Occ (STD) and ADR (Euros) indexed to 2019, Full Year 2022



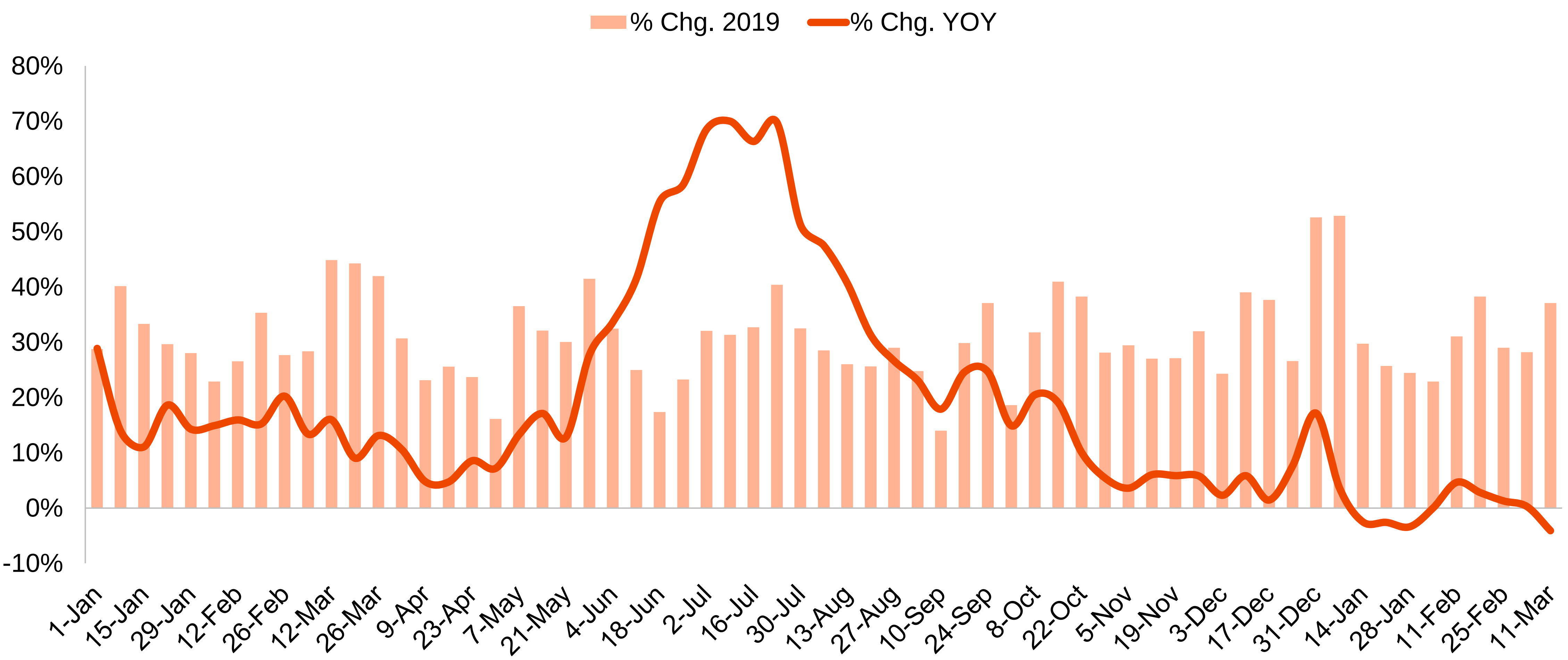
Luxury class rates climbing more than 50% over 2019

European markets, Luxury Class ADR (Local Currency), % Change to 2019, October YTD 2022



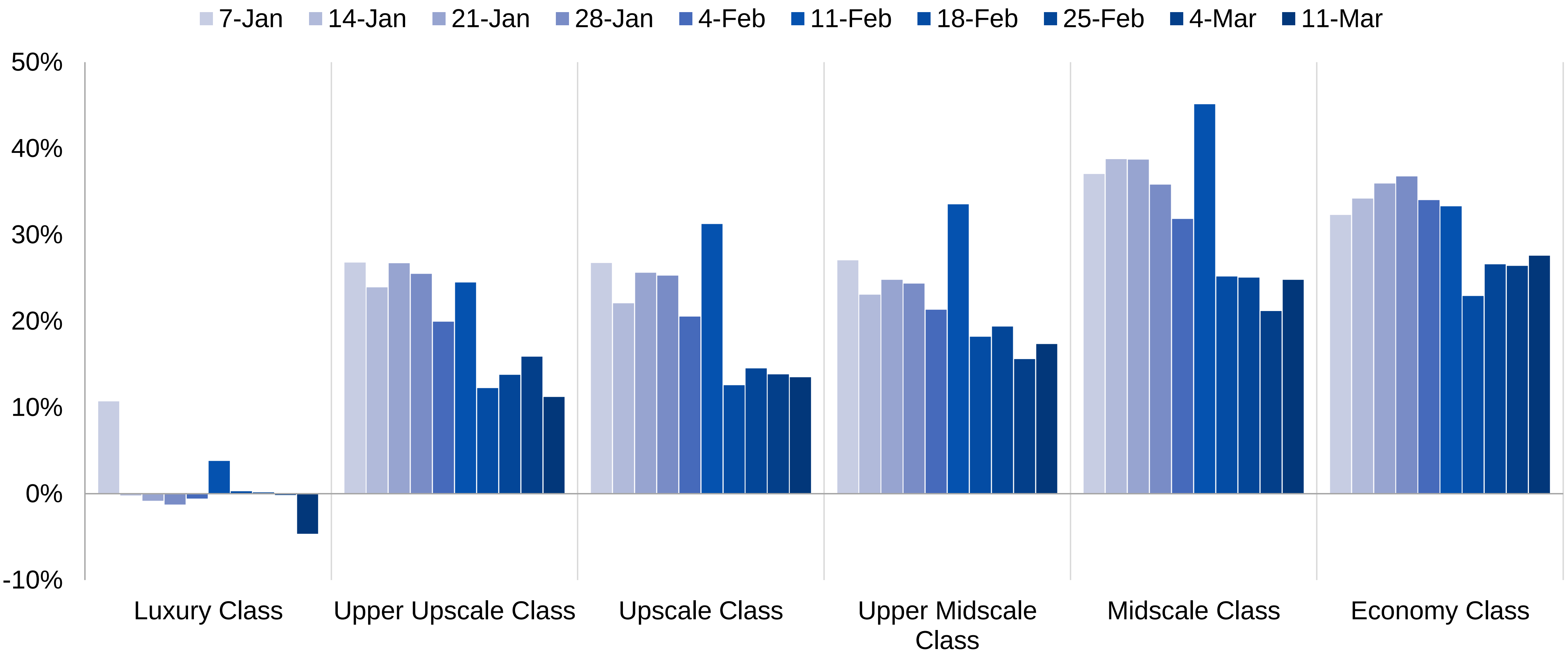
London back to normal

London Luxury, ADR (GBP) % change to 2019 and YOY



Luxury doesn’t drive any significant ADR growth

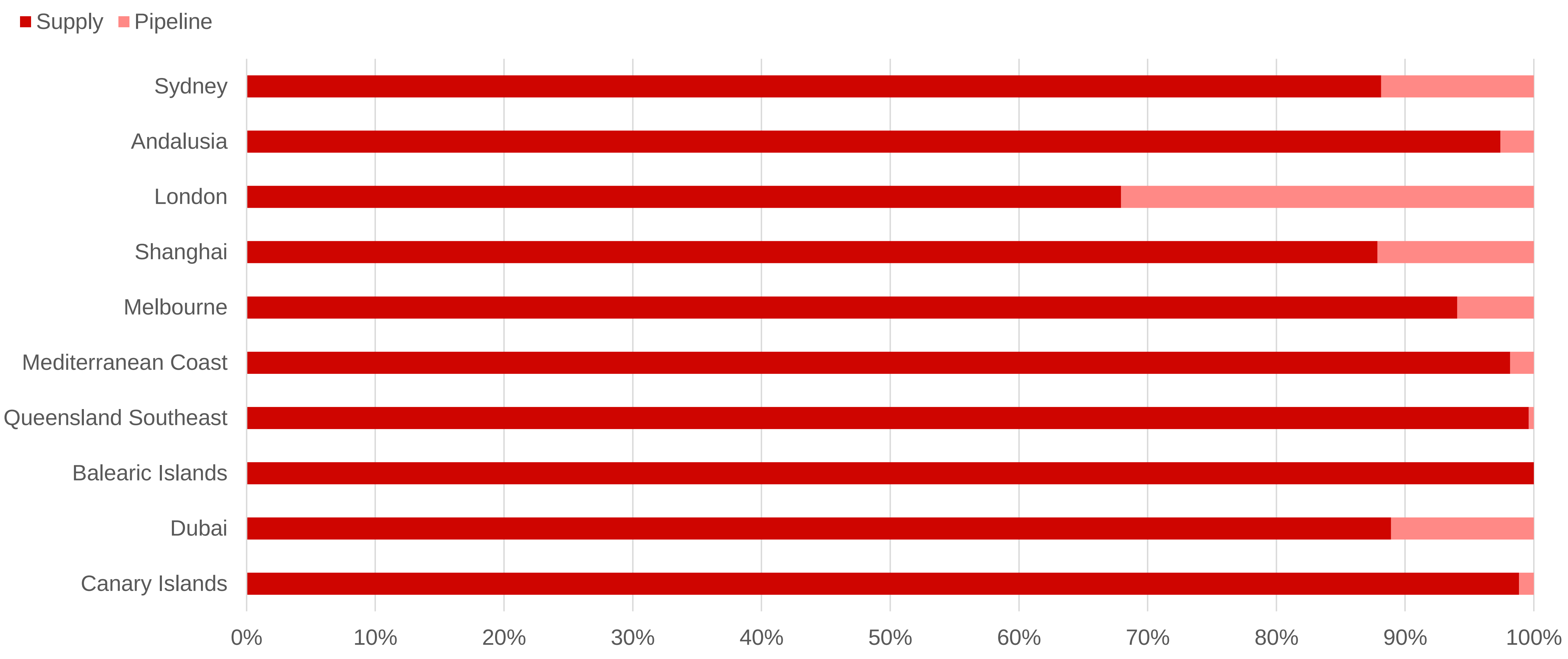
London, **YOY** ADR (GBP) % change, 2023 YTD



What does the pipeline and forecast tell us?

World's top SA markets with sizeable development

Top 10 UK markets in terms of Supply, Serviced apartments



Thank you!

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