

# THE-ICE End-of-Year Industry Update



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**SHARE**  
c e n t e r

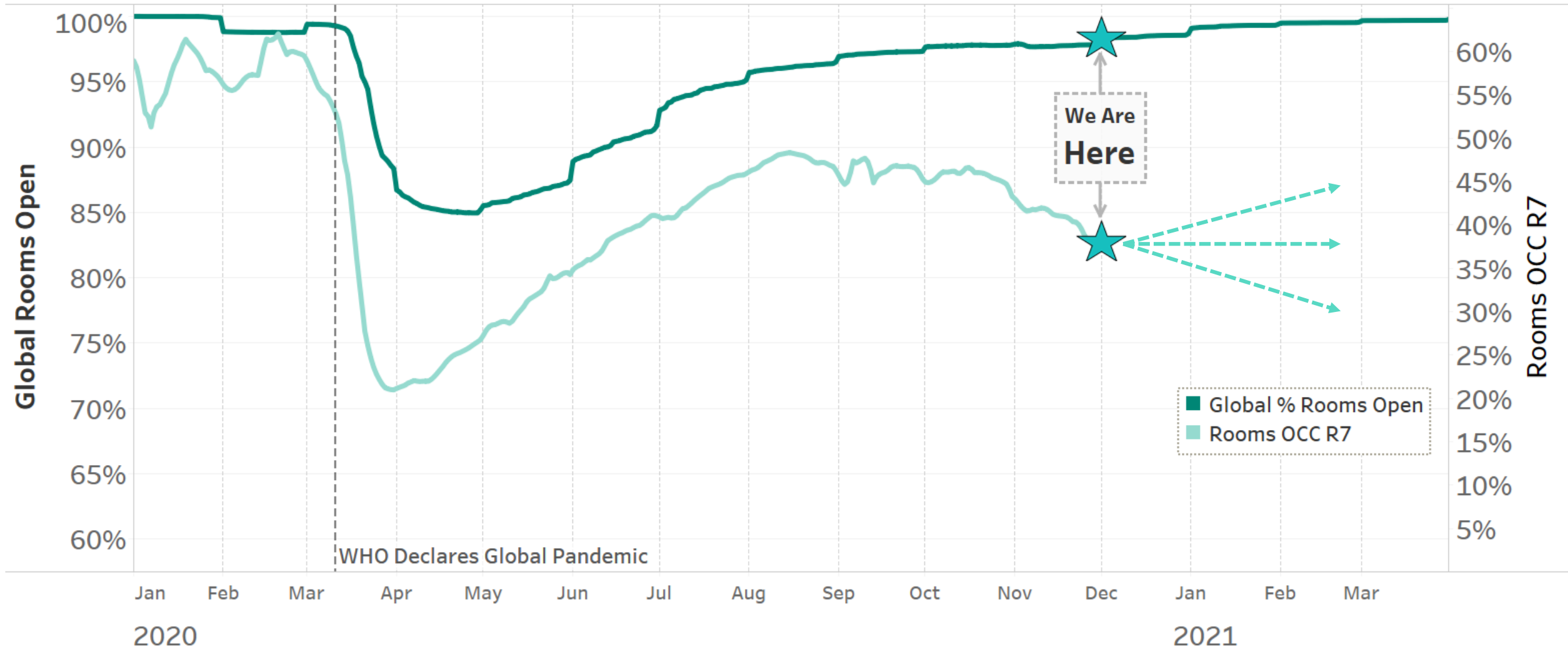


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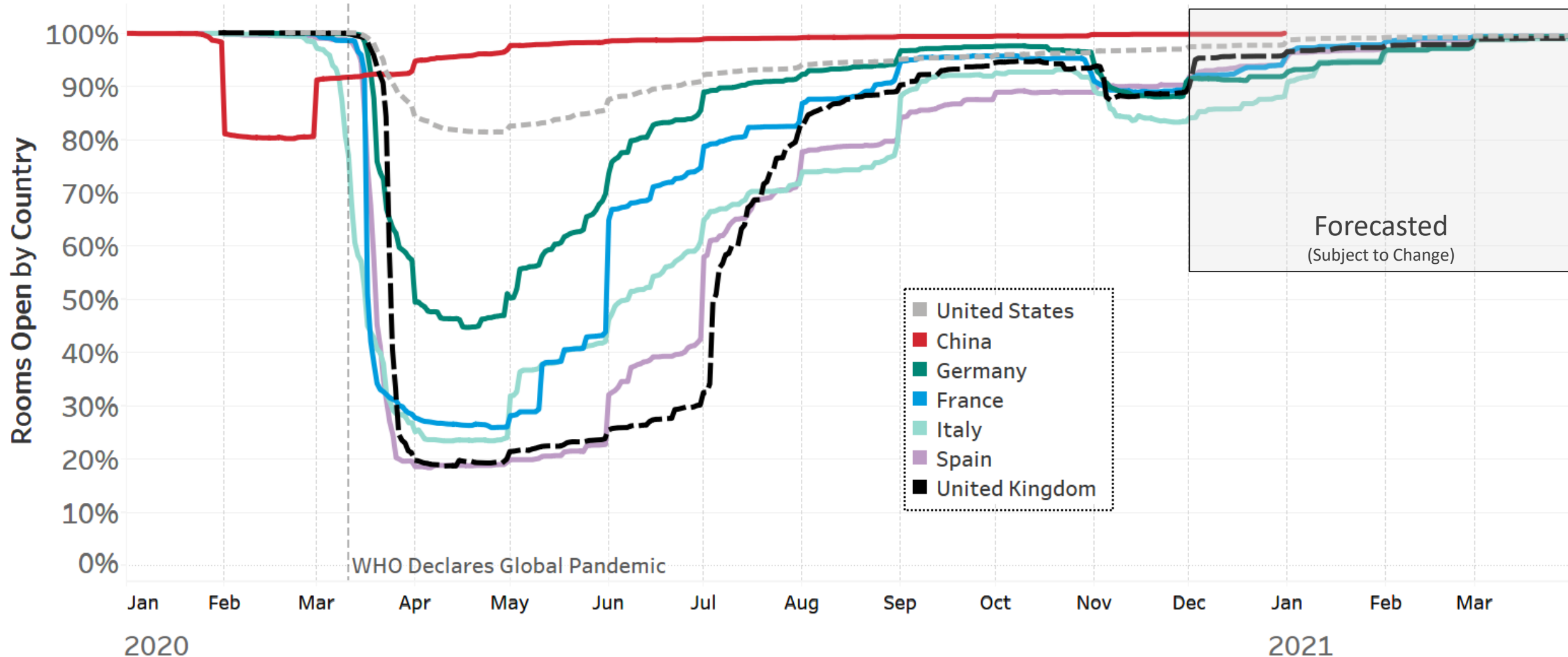
# Reported Hotel Room Closures due to COVID-19 Outbreak

Global rooms open and reporting vs. average weekly Occupancy – Data as of 3 December 2020



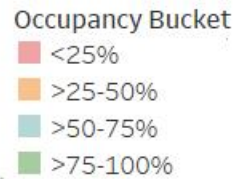
# Reported Hotel Room Closures due to COVID-19 Outbreak

% of hotel rooms open and reporting based on STR sample – Data as of 3 December 2020



# It's a grim picture still – especially outside APAC

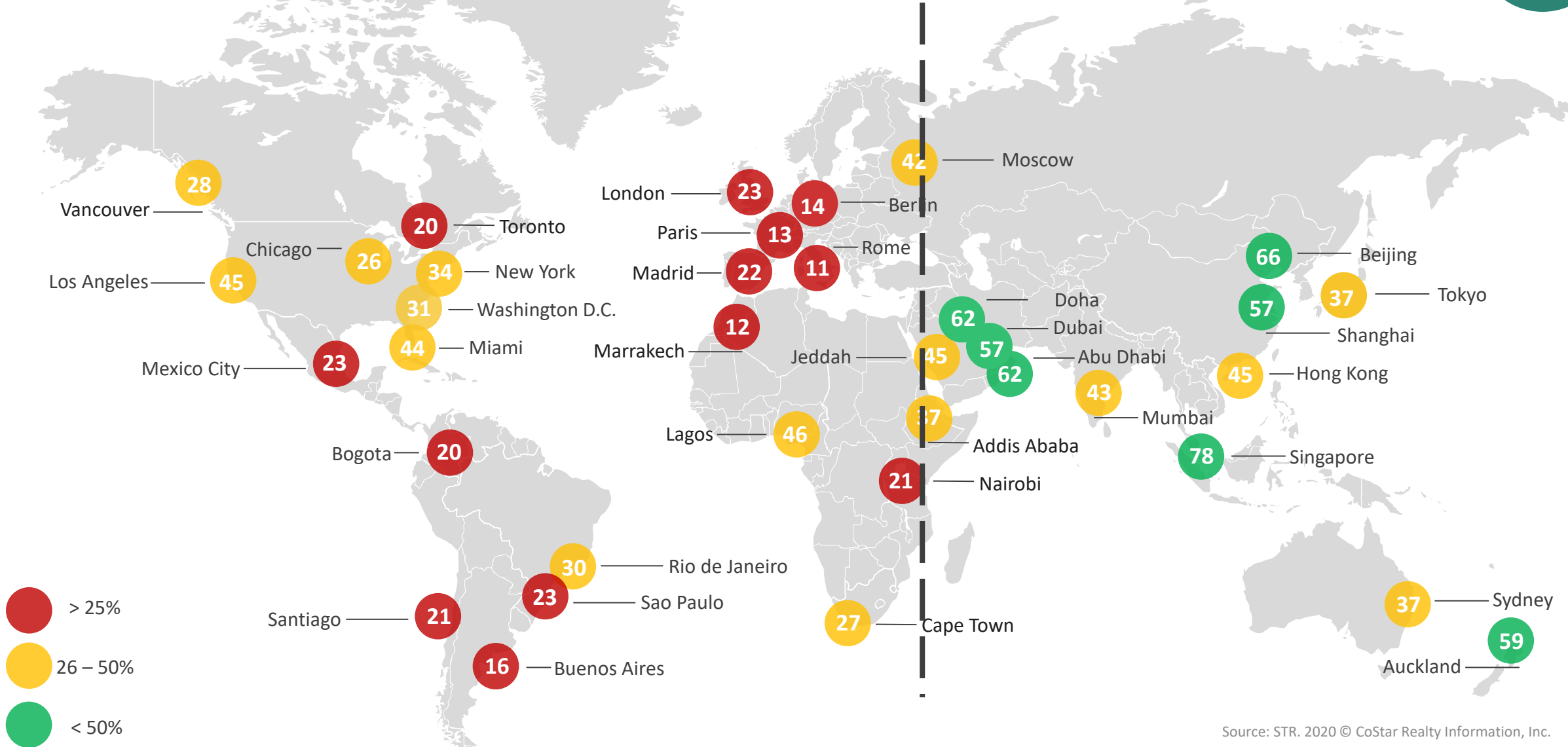
R7 World Occupancy 16 Dec – Total Room Inventory Occupancy



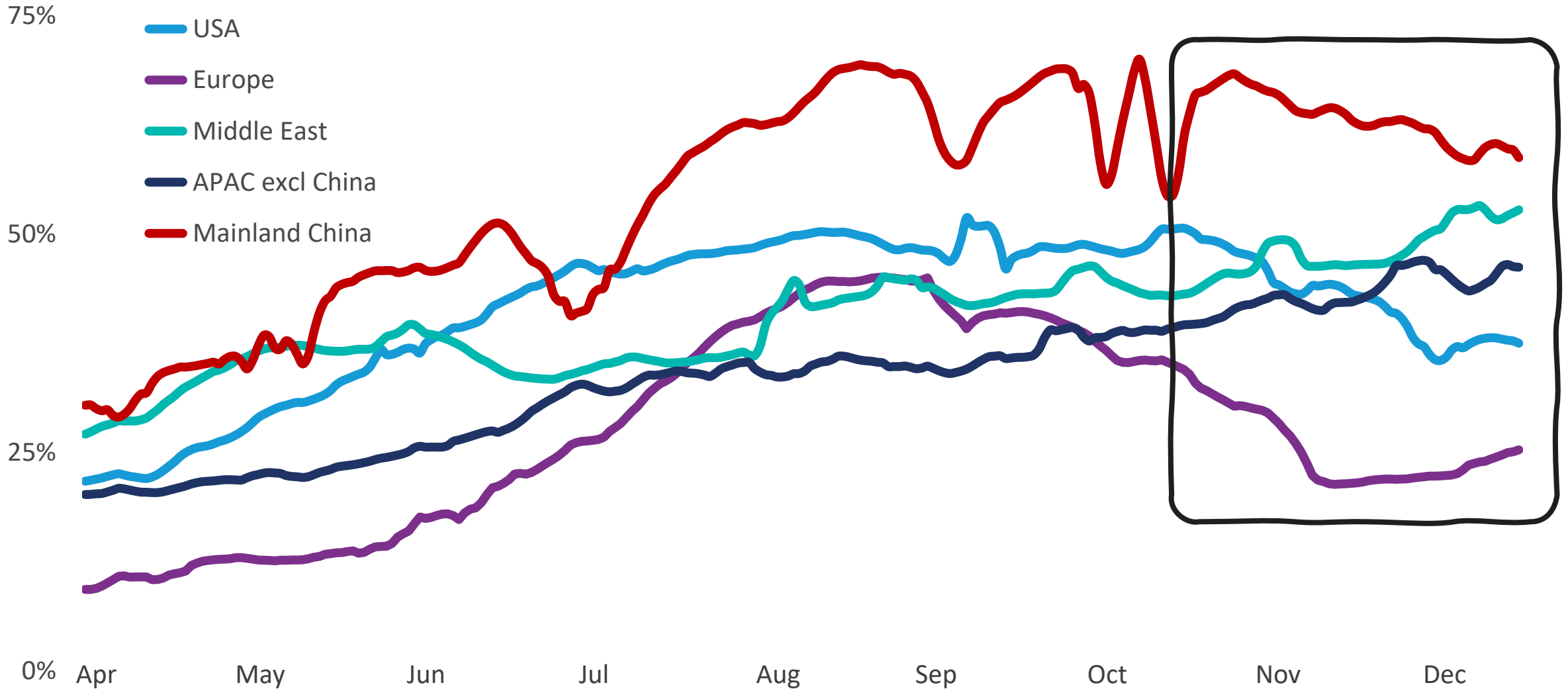


# Recovery in most gateway cities still subdued

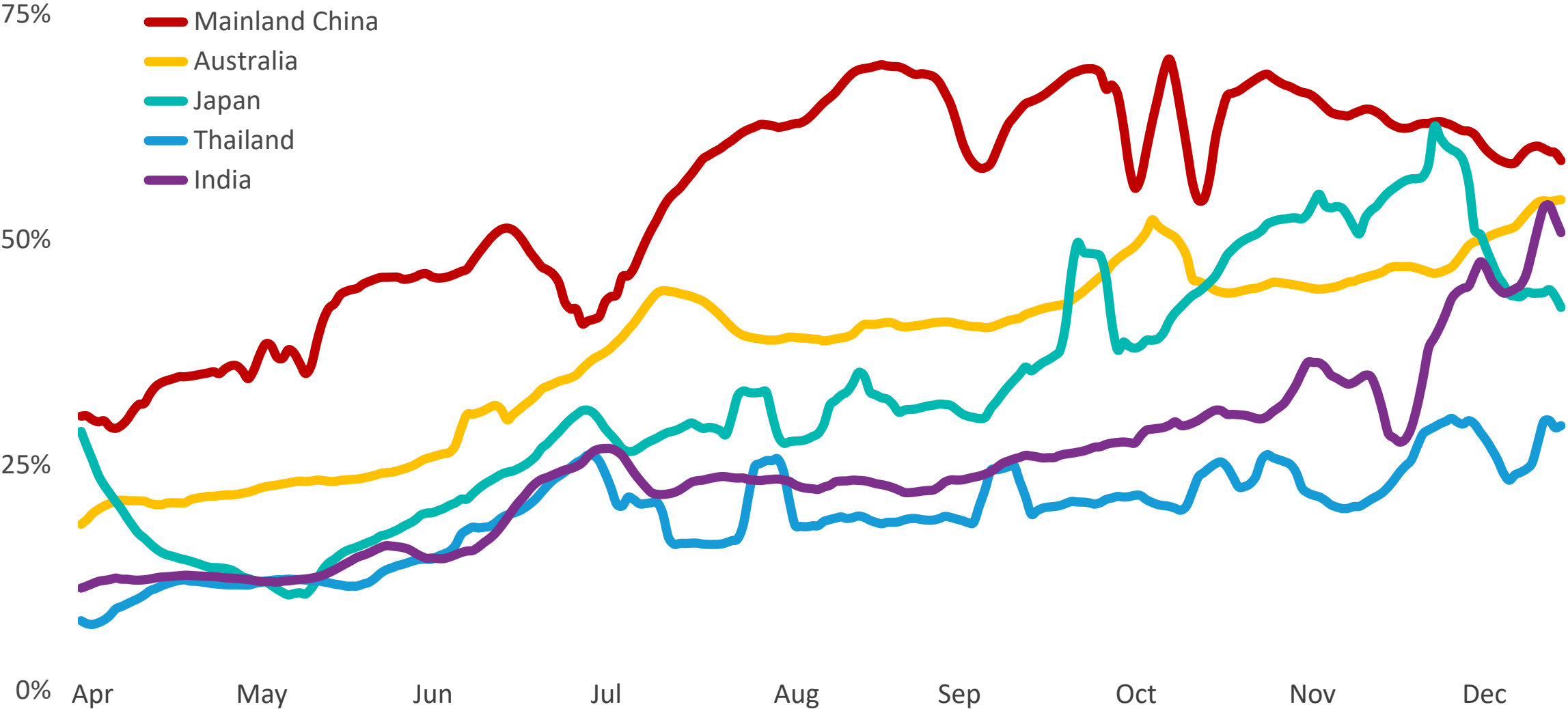
Occupancy actuals, open hotels (reporting), Week ending the 16<sup>th</sup> December 2020



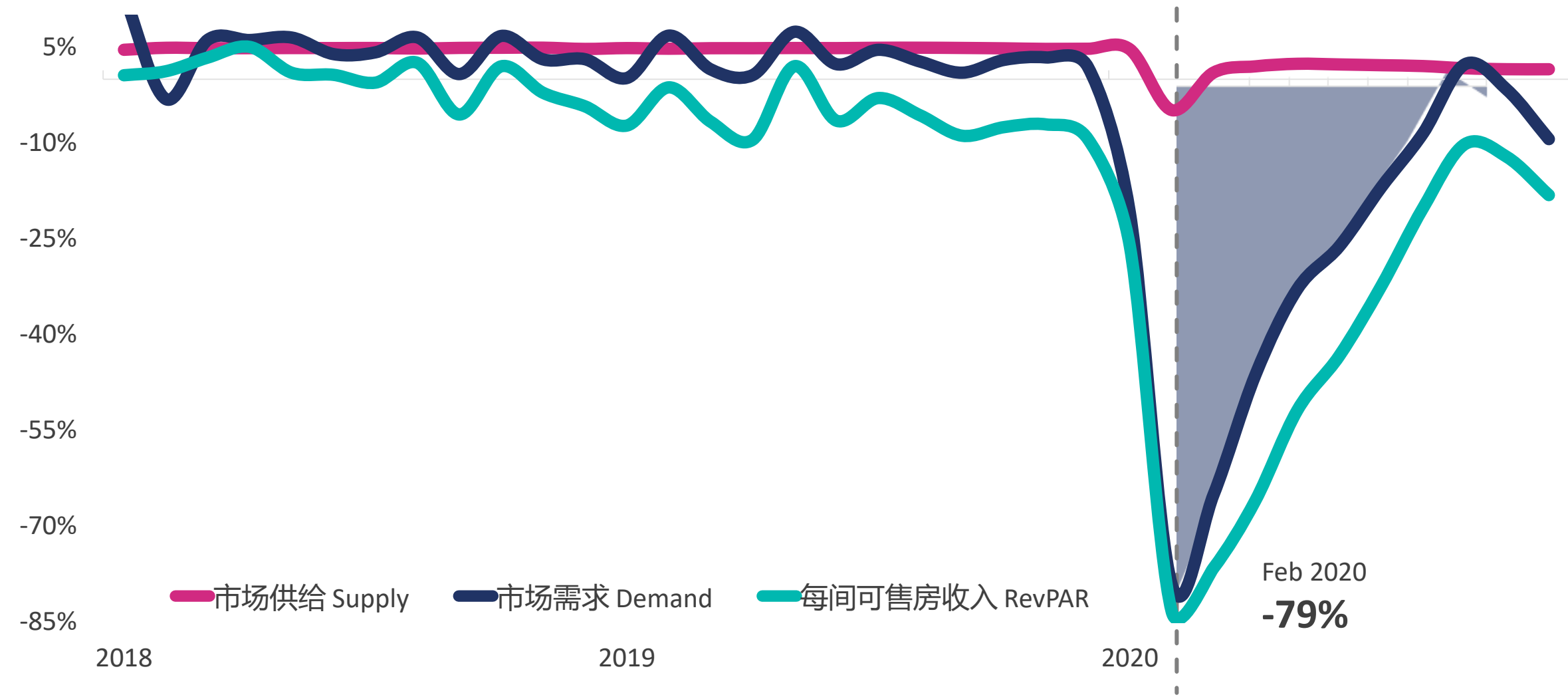
# Global view: Dropping in the West and gradual growth in the East



# APAC: Q4 opened up for further variations



# China - Demand is gradually picking up





637m | 79%

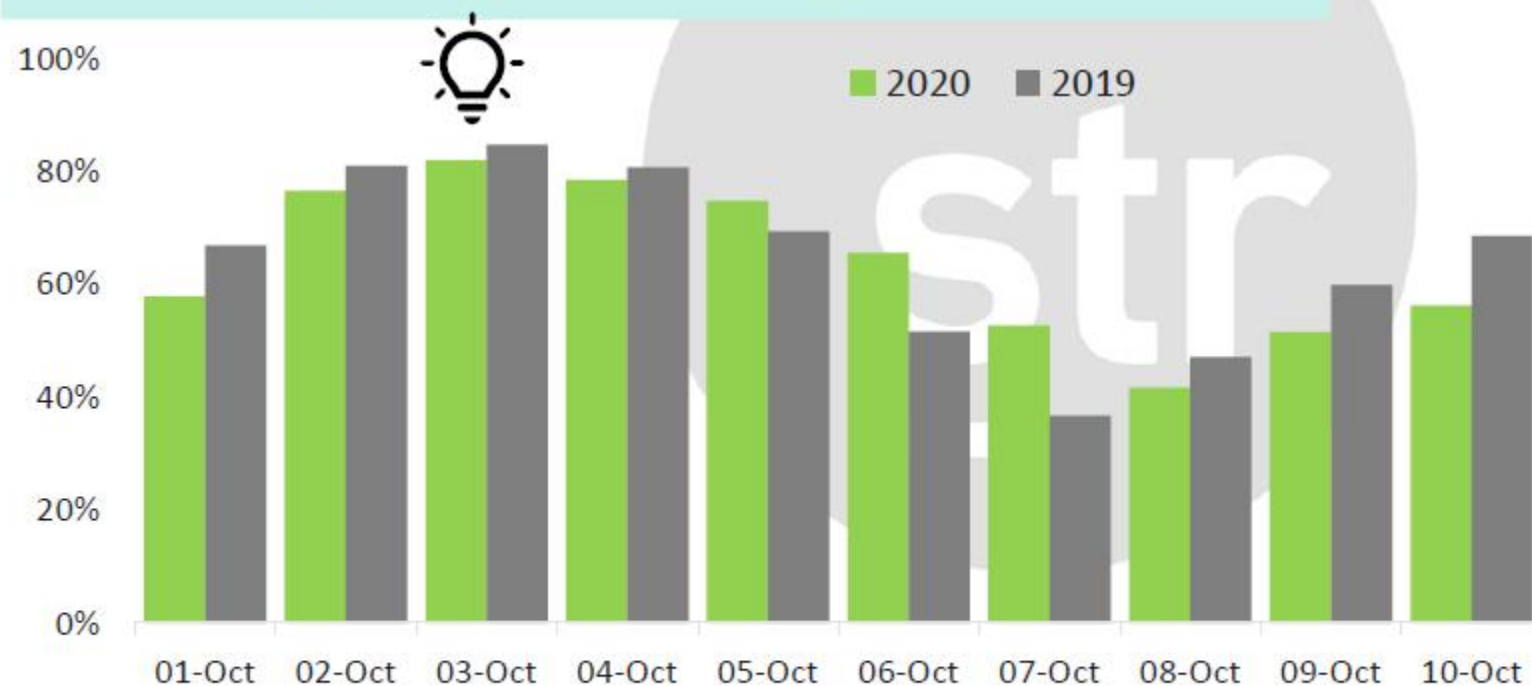
Trips in China 1-8 Oct | vs. 2019

¥467b | 70%

Tourism revenue | vs 2019

Occ 83% | ADR ¥686

3 October peaking at levels very close to 2019



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

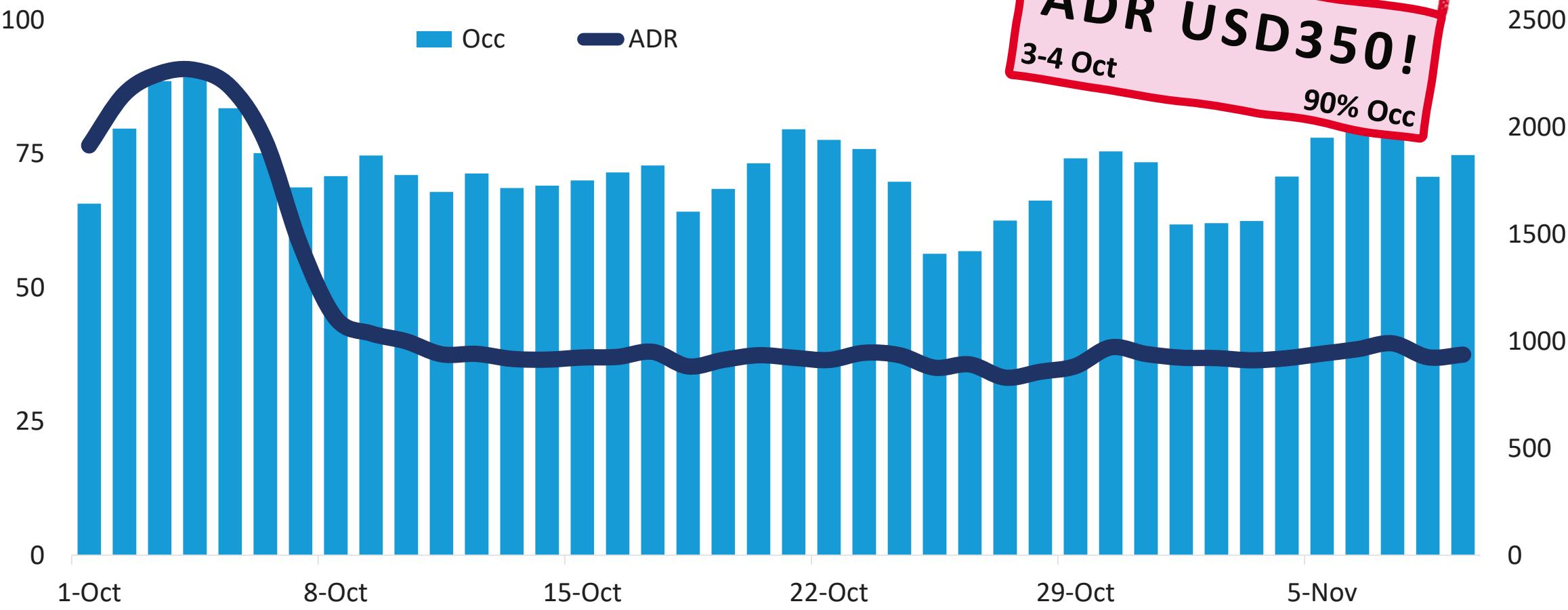
# China Holidays



# Sanya, fabulous – Dec 12 YTD RevPAR = 6.4%

Everybody loves Sanya – particularly Haitang Bay

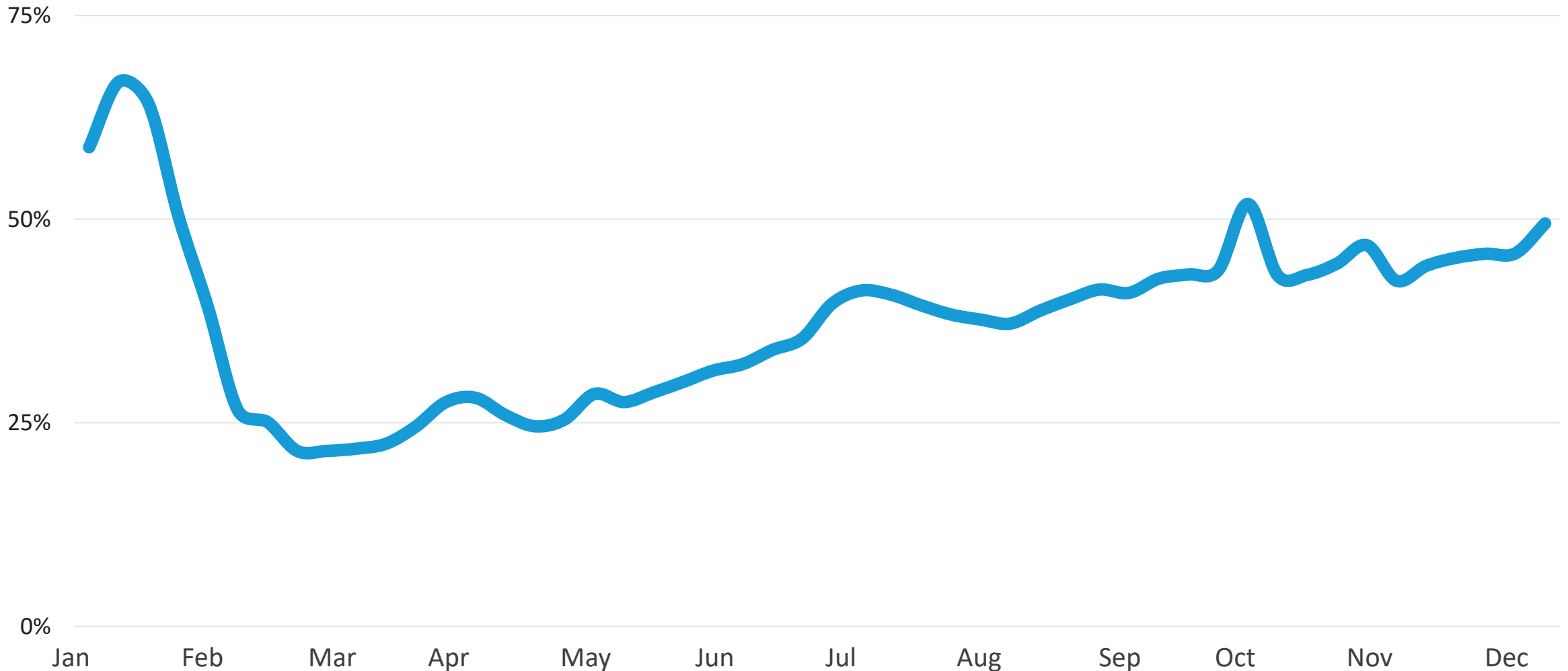
Daily data Sanya Total, 1 Oct to 9 Nov 2020, Occ (%) and ADR (CNY)



# Hong Kong: Gradual and slow lift in Q4 up towards 50% Occupancy



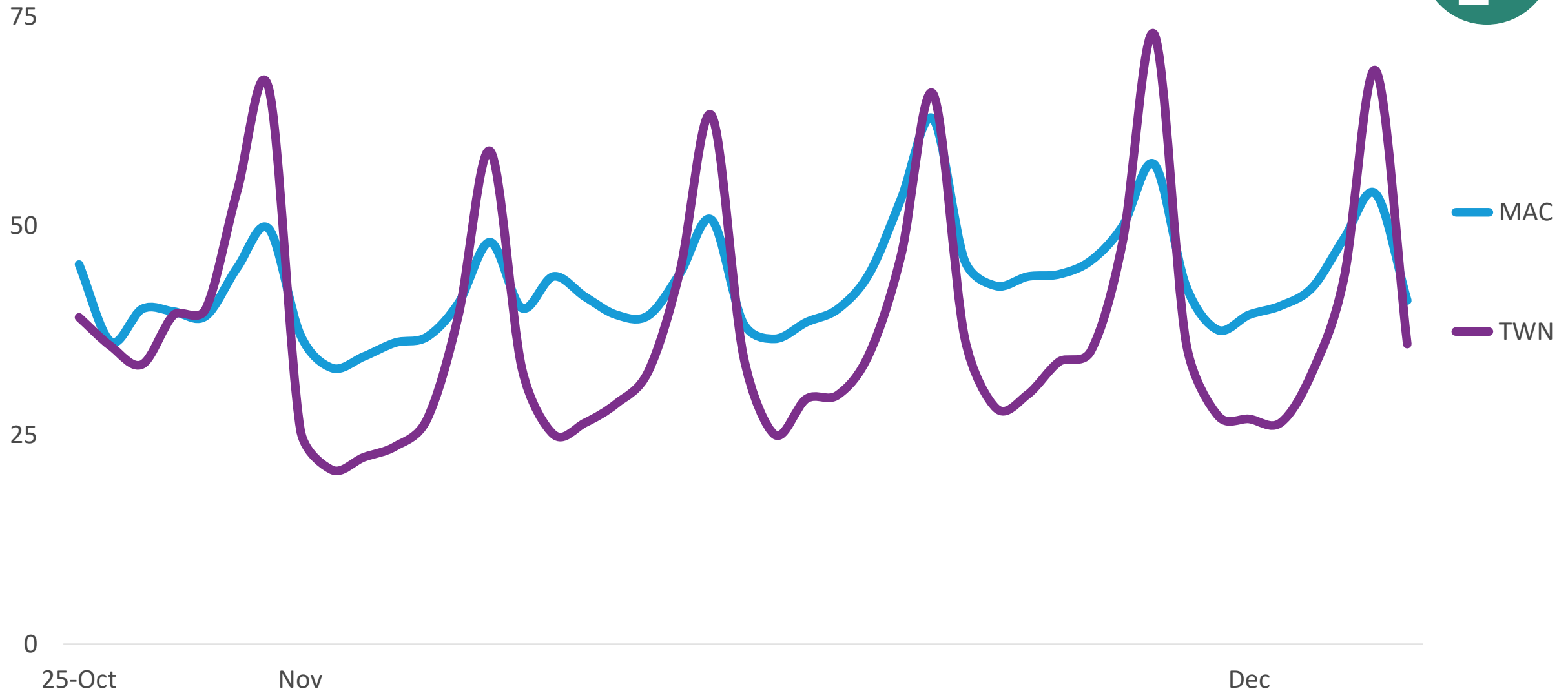
What does that mean YoY historically?



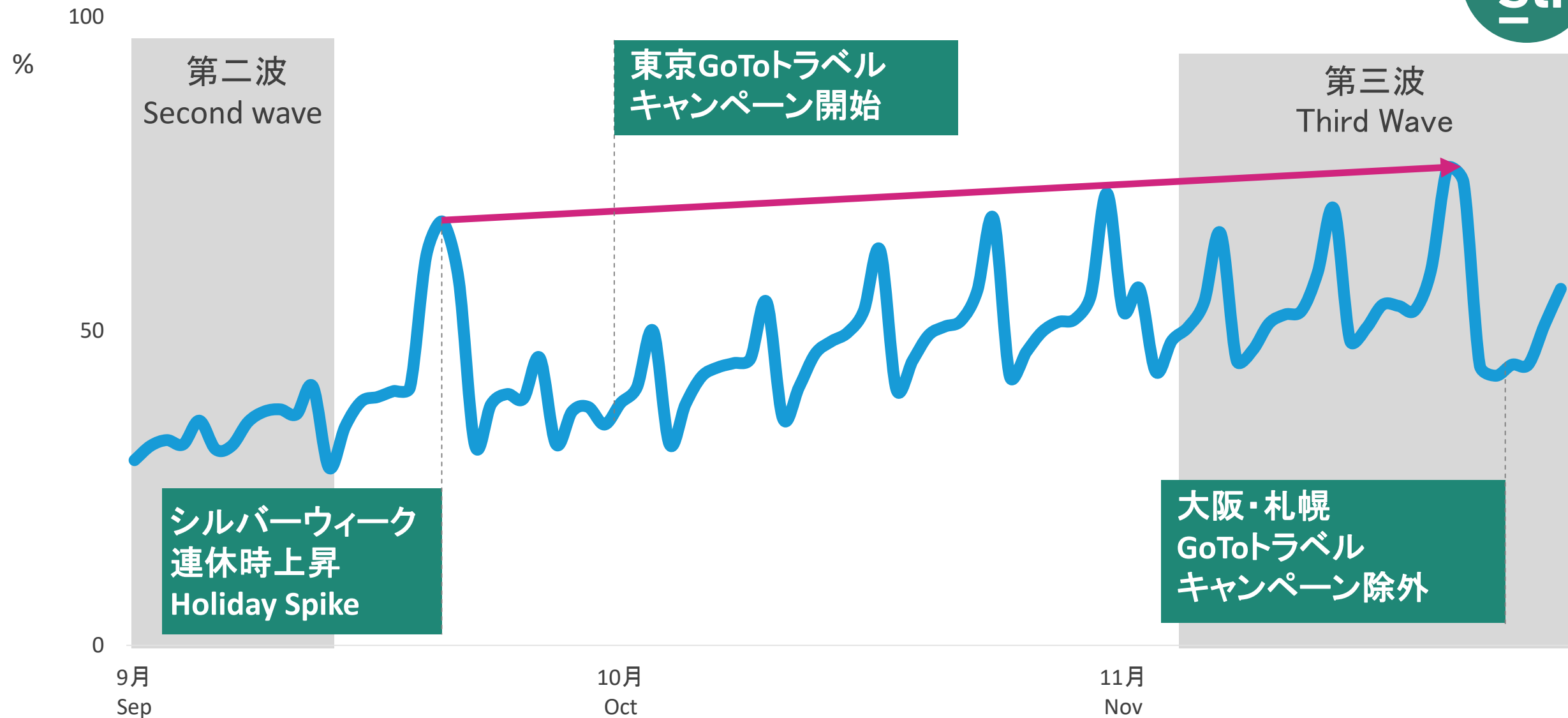
Hong Kong SAR, 2020 Jan1-Dec12, Daily Data, Absolute Occupancy

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

# Macao and Taiwan at reasonable stability

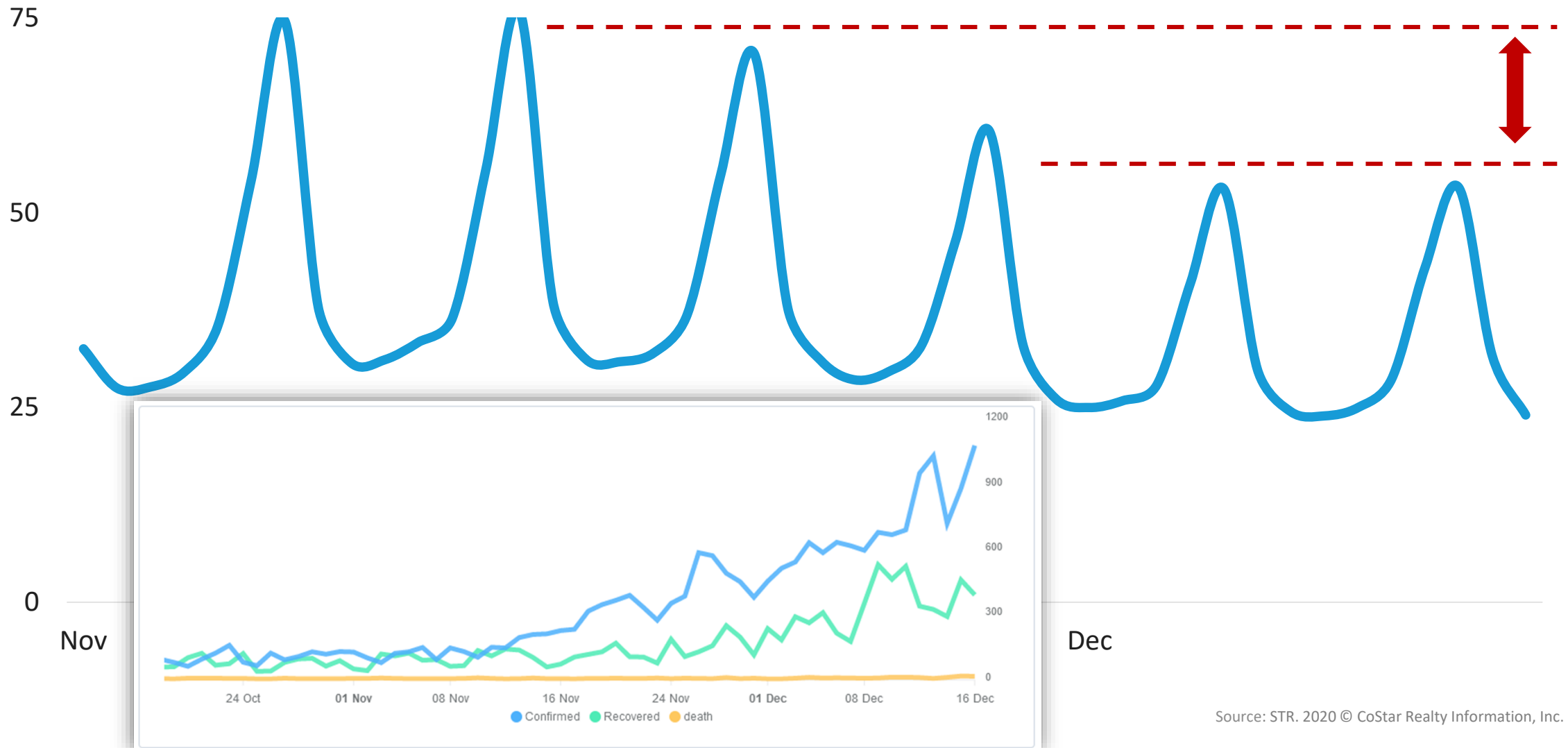


# 第三派渦中の連休にGoToトラベル期間中最高稼働率を記録 Japan - Holiday spike during the third wave recorded the highest OCC



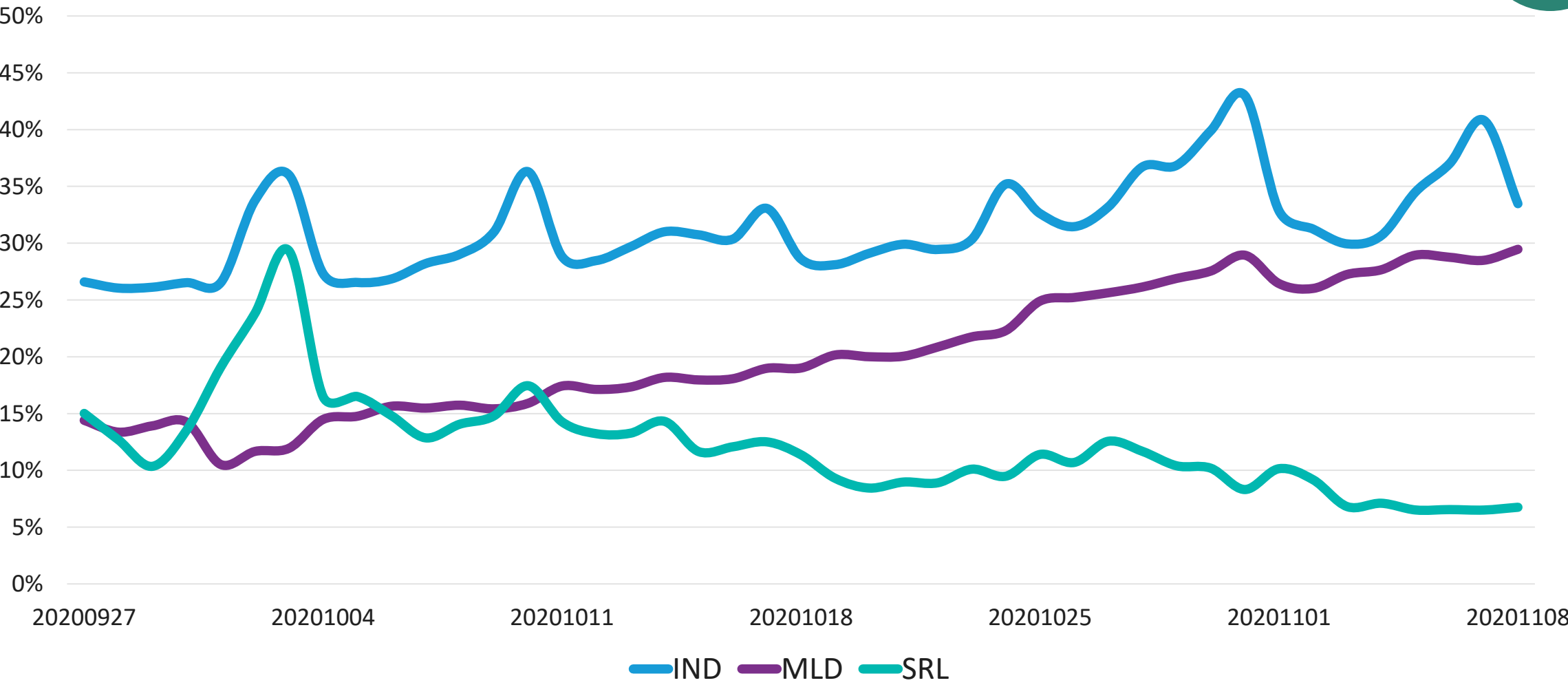
# South Korea: 20pp drop in Saturdays. Not seasonality-related.

Winter wave of cases putting renewed pressure on confidence, hospital beds and more

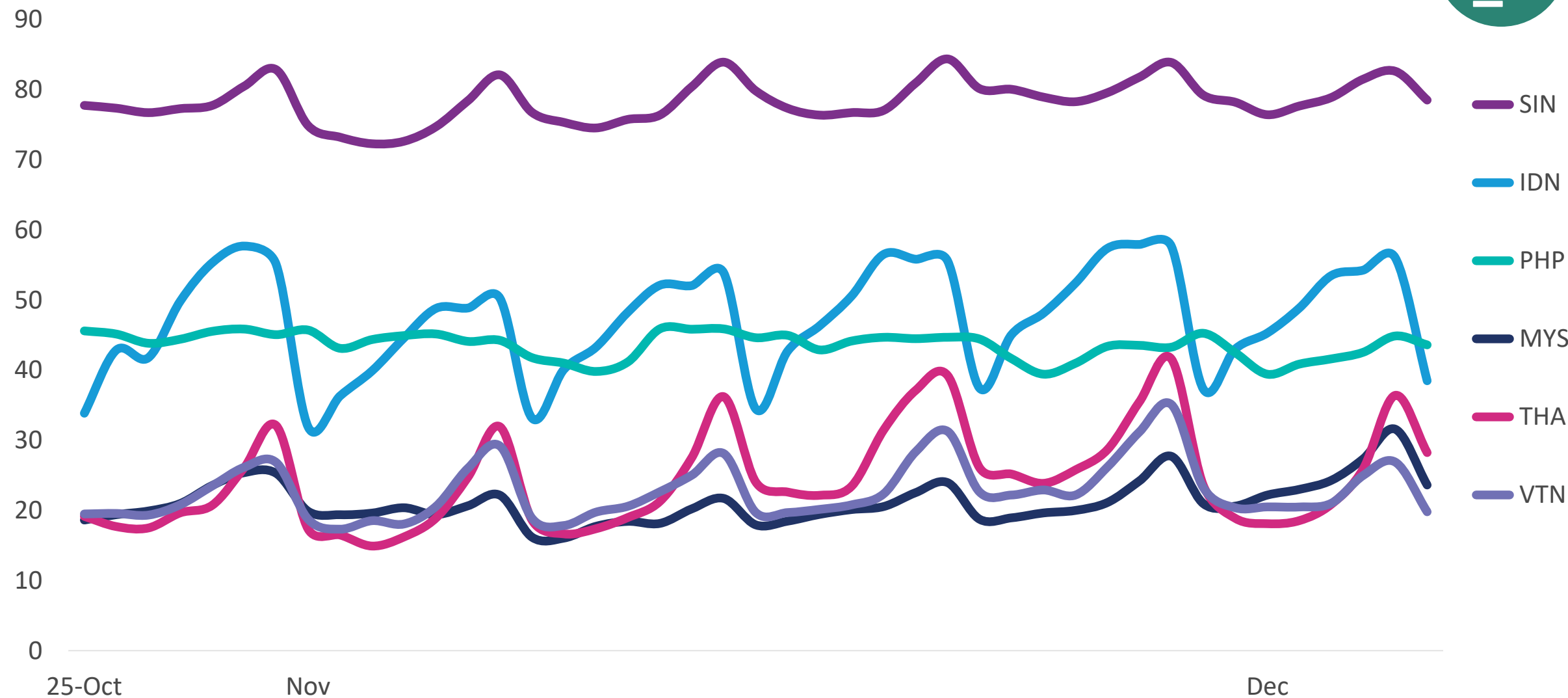




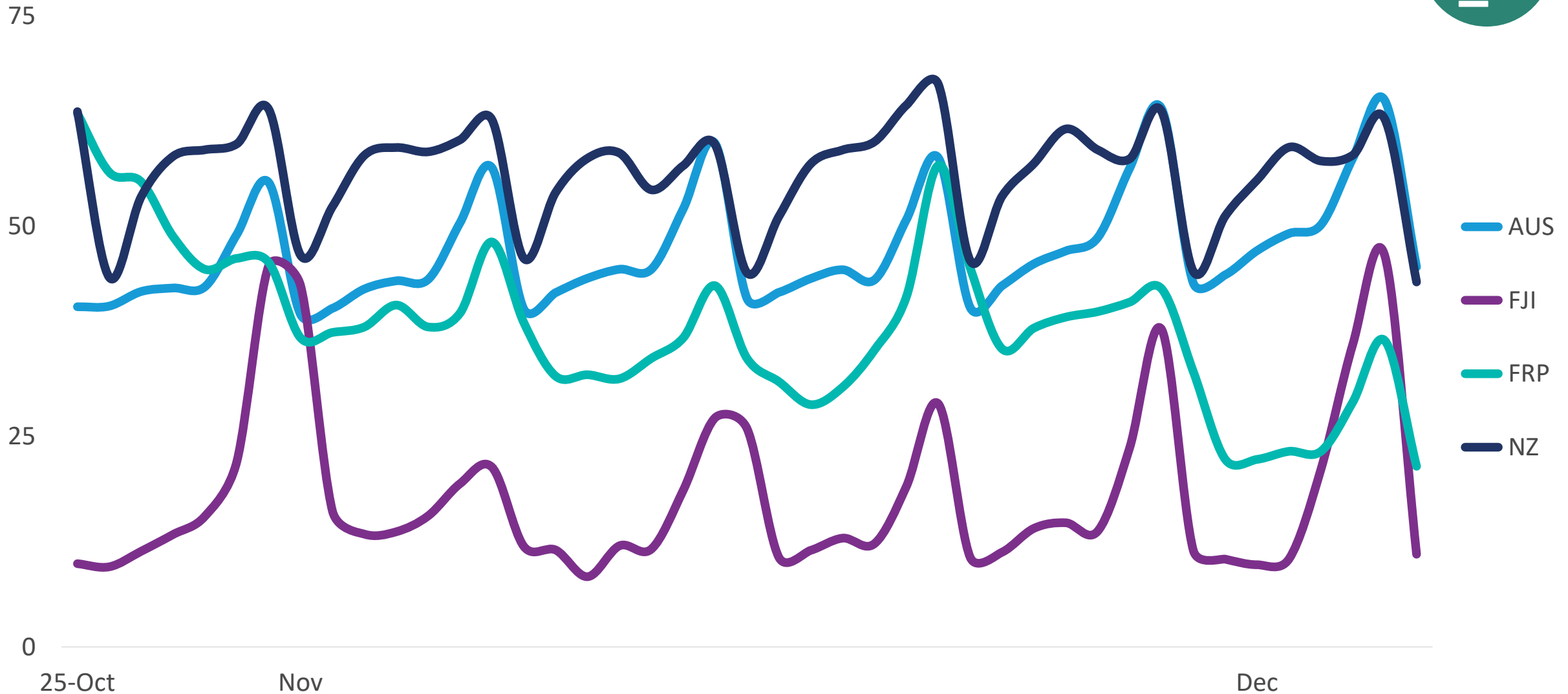
# Indian Ocean - Different trajectories here



# Southeast Asia markets continues to diverge



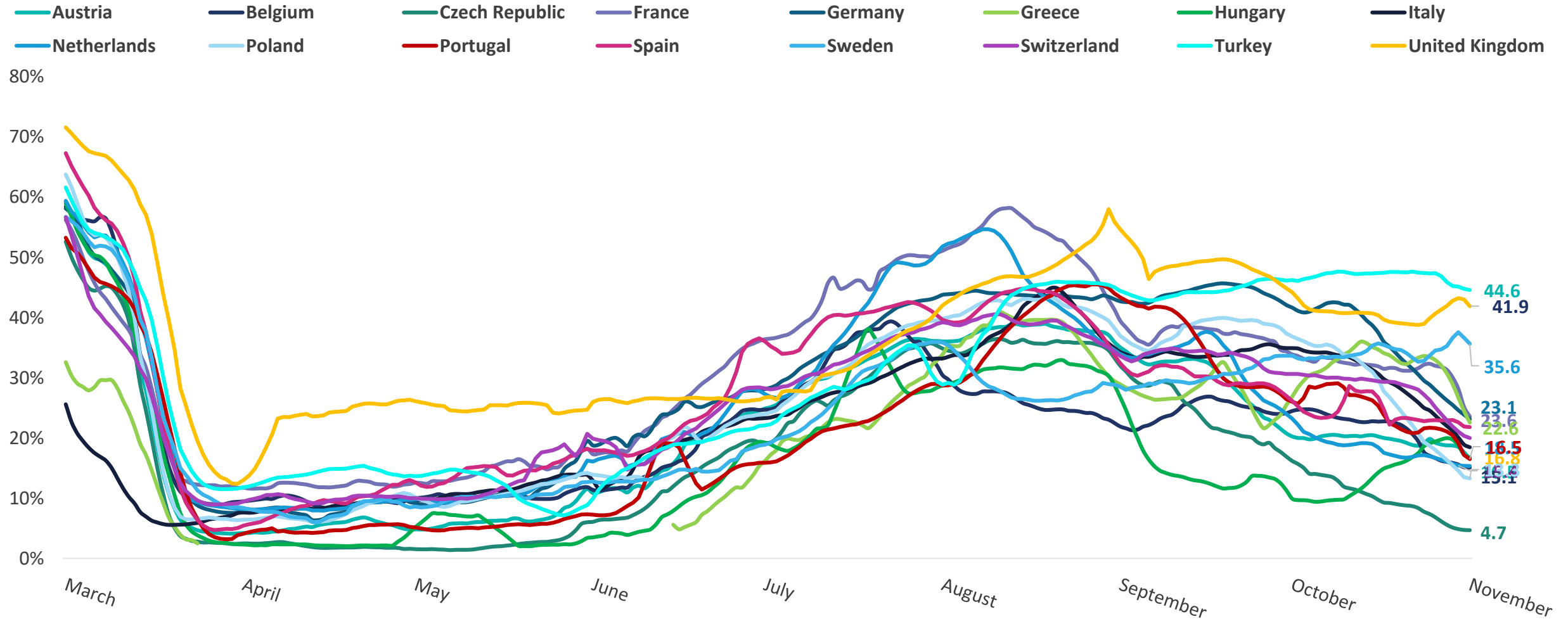
# Pacific: Debating travel lanes/bubbles amid increased confidence



# Europe Performance declining everywhere, but not at the same pace



Top vs bottom performers, Occupancy R7, March – November 1 2020



# Staycations drove European demand in August

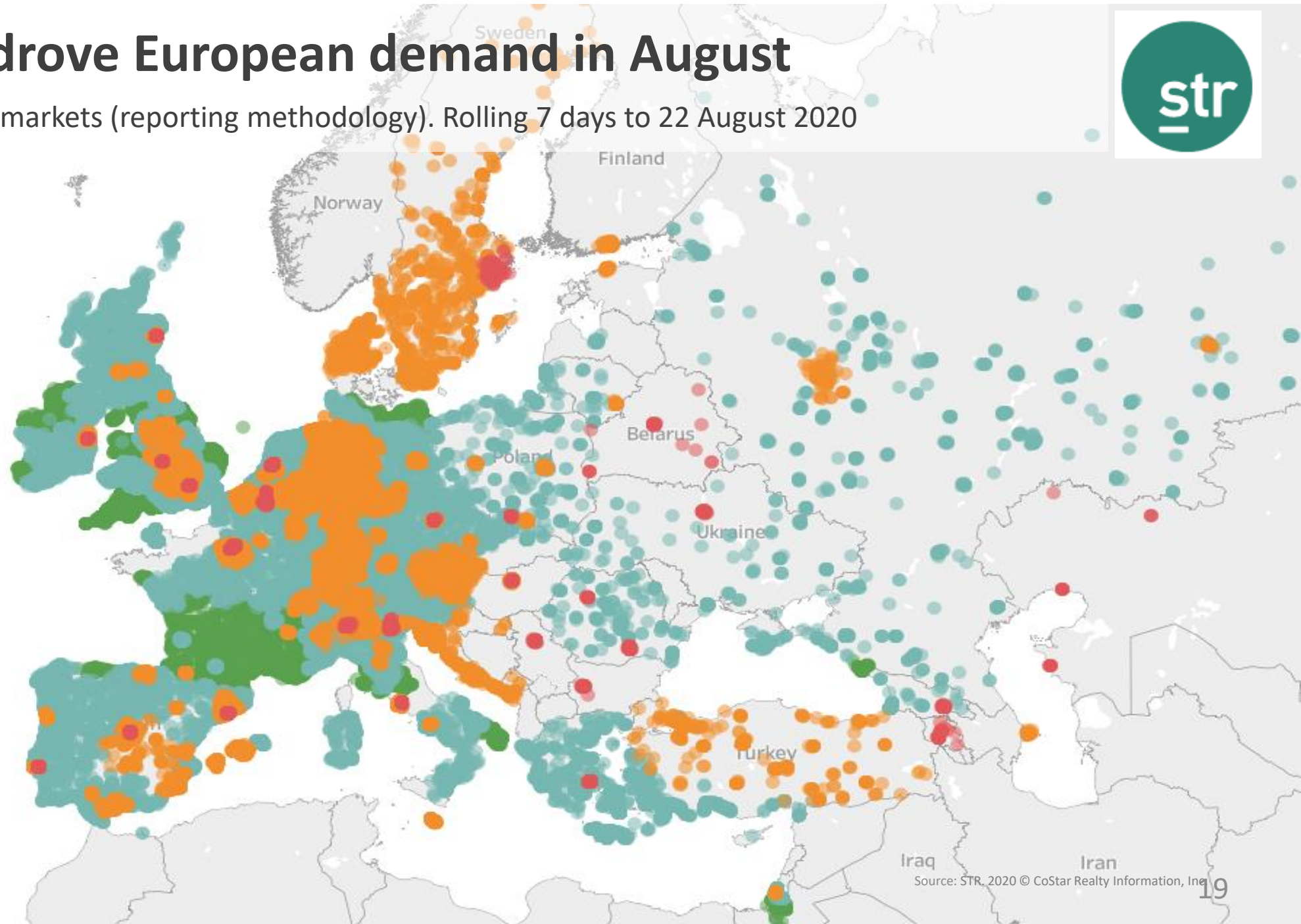
Occupancy of STR sub-markets (reporting methodology). Rolling 7 days to 22 August 2020



**Currently on  
STAYCATION**

Occupancy Bucket

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





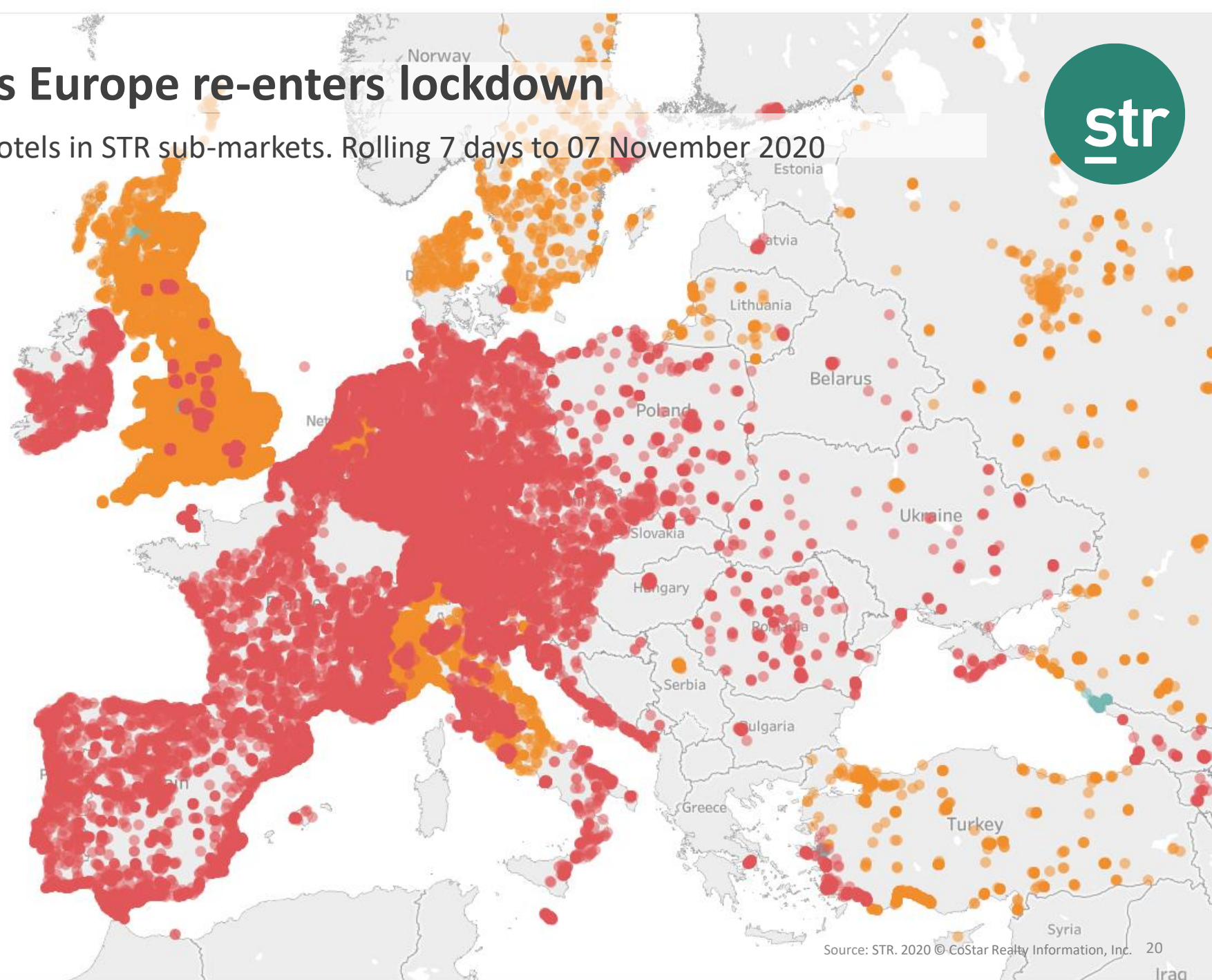
# Demand has faded as Europe re-enters lockdown

Occupancy of reporting (open) hotels in STR sub-markets. Rolling 7 days to 07 November 2020



## Occupancy Bucket

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



Source: STR. 2020 © CoStar Realty Information, Inc. 20

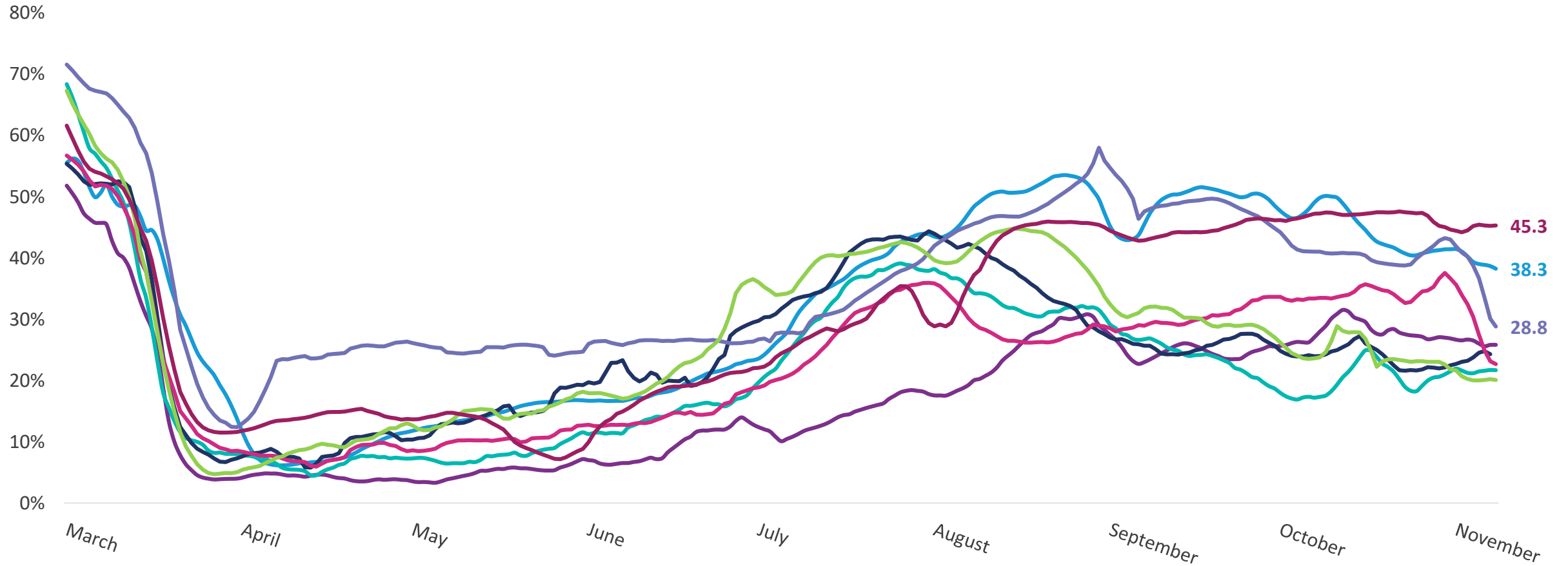


# Turkey, UK & Russia yet to feel impact of lockdowns....

Top performers, Occupancy R7, March – November 8<sup>th</sup> 2020



Russia Ukraine Denmark Finland Sweden United Kingdom Spain Turkey

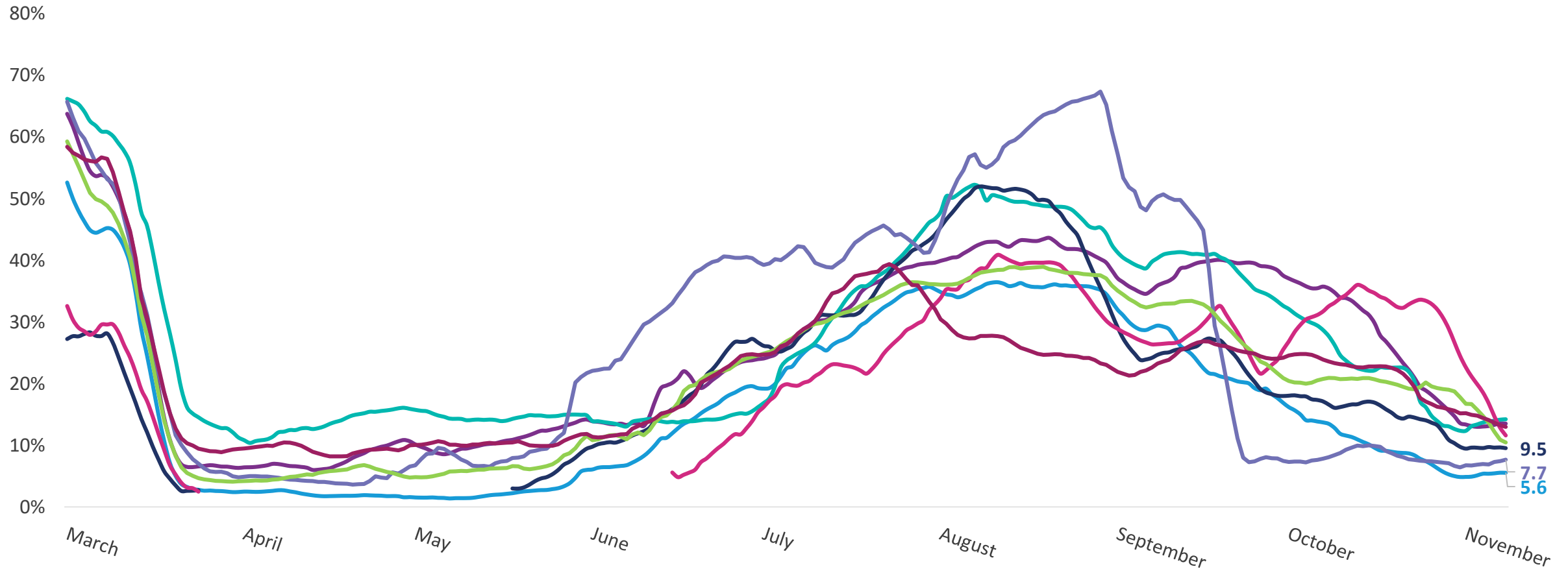


# Other countries are already heading back to single digit occupancies

Bottom performers, Occupancy R7, March – November 8<sup>th</sup> 2020

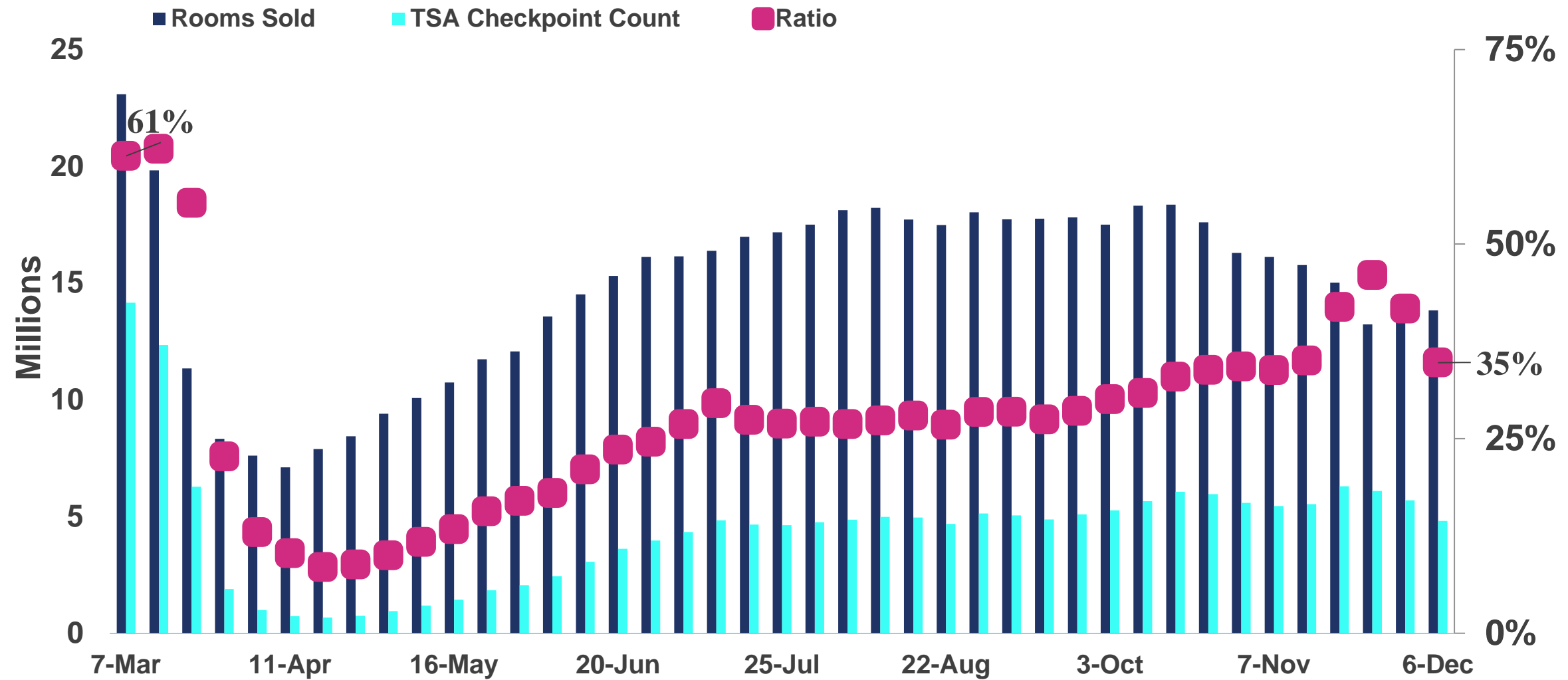


Czech Republic Poland Ireland Croatia Greece Israel Austria Belgium



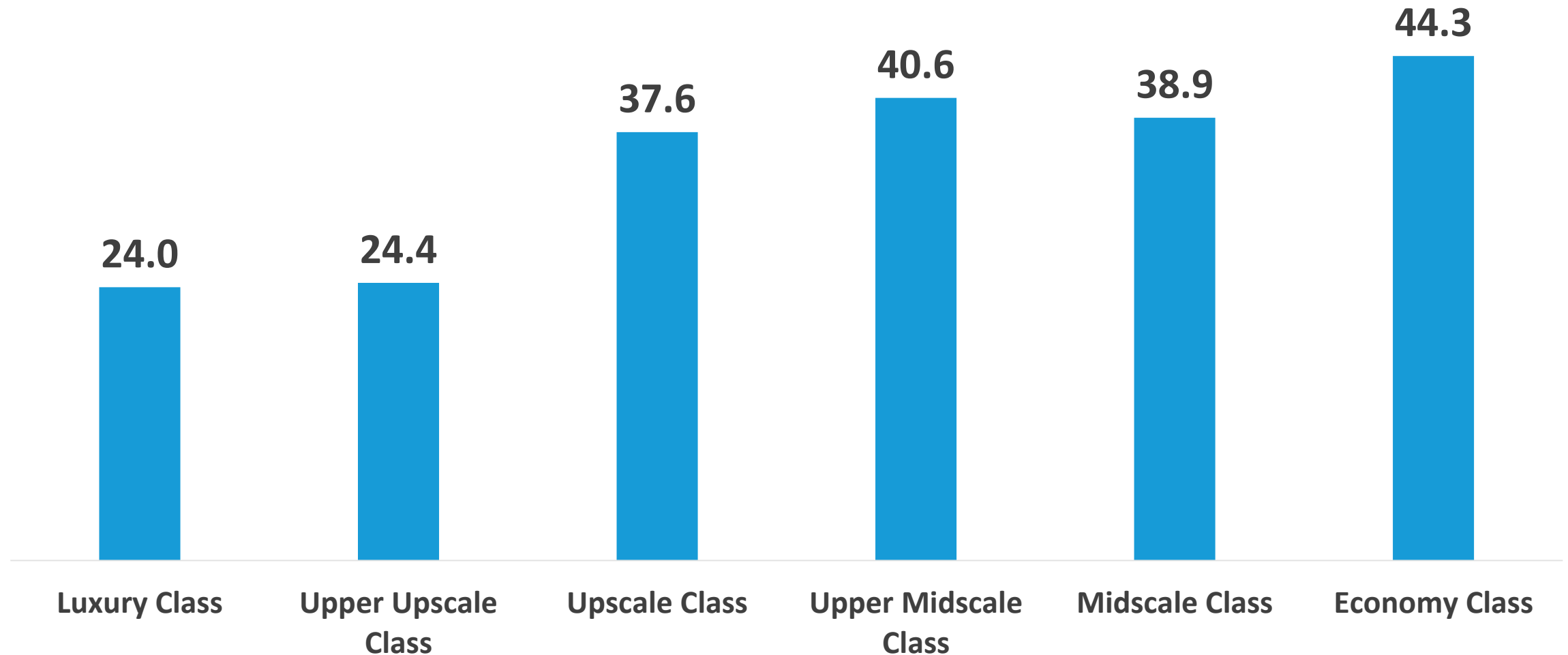
# Week of December 12: Seasonality Clearly Visible

Total U.S., by Week



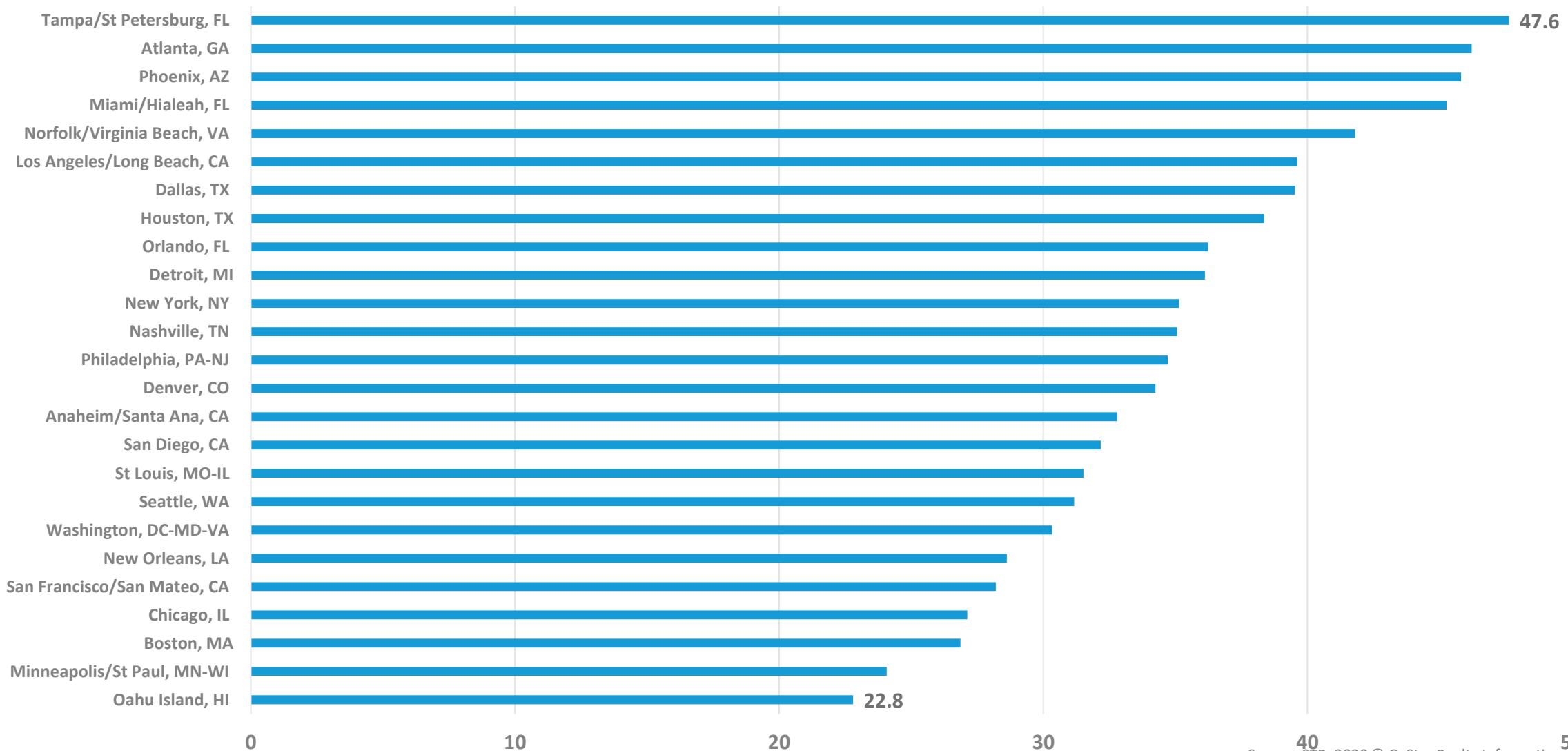
# Full-Service Hotels Continue to Struggle

Total U.S., Occupancy %, week ending December 12



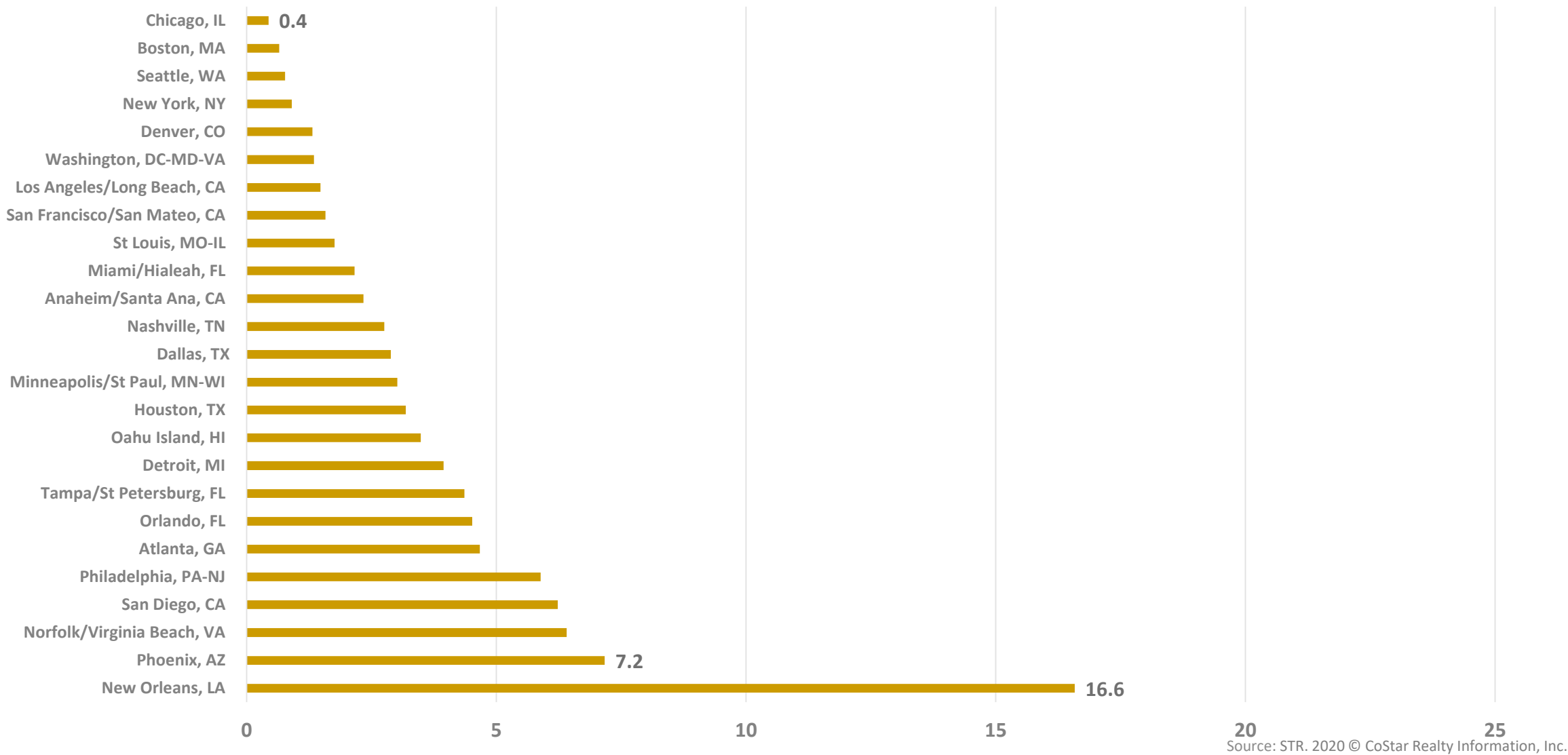
# Top 25: No Good News Anywhere

Occupancy %, Week ending December 12



# Top 25: Group Occupancy – Only 5 Markets Over 5%

Running 28-day Occupancy %, Week ending November 28, weekly average is 2.6%





# There are “Bright Spots in the Storm”



1. **Smaller versus larger cities**
2. **Suburbs (regional) versus Central Business Districts/Downtown**
3. **Lower Class hotels versus Upper Class hotels**
4. **Interstate, Small Town and Suburban versus Urban and Resorts**
5. **Resorts (smaller destinations vs. larger)**
6. **Extended Stay versus non-ES, higher versus lower Extended Stay**
7. **Transient versus Group**
8. **Weekends versus Weekdays (Leisure versus Business)**
9. **Domestic versus International destinations**
10. **Drive to versus Fly to destinations (local, closer to home)**
11. **Short haul versus long haul (small versus large airports)**
12. **Parks and Beaches, wide open spaces, outdoor tourism**
13. **Holidays make a difference**
14. **Ramifications of virtual work and school (families, colleges after Thanksgiving)**
15. **Meeting and Events reinvented (virtual & hybrid versus traditional, in person, networking)**
16. **Consumer sentiment, intent to travel, pent-up demand, high pre-COVID volume**

# Obtaining Data from STR



- The SHARE Center provides data to professors and students for academic research, student projects and for use in the classroom
- You can request data for any user-defined group of hotels
  - For example a country, city, specific type of hotels, selected properties
  - Data represents the average for the group of hotels
  - Samples are available, we're glad to discuss your needs and assist
- Easy to access, provided in Excel with raw data
- Quick turn around, current data (last week/month), back to 1980/90s
- Anywhere in the world, we'll show you exactly which hotels participate
- Schools do need to be a member of the SHARE Center



## Different types of Hotel & Tourism Data

1. Hotel Performance (Occupancy, ADR, RevPAR) data
2. Hotel Profit & Loss (accounting/profitability) data
3. Hotel Pipeline & Supply (development) data
4. Hotel Industry Statistics (property/room counts)
5. User-defined Destination/Tourism reports
6. Hotel Census data (attribute information)
7. Forecast reports
8. Hotel Company information
9. Hotel Sales Transaction data

*Professors and students can request this data for industry segments or specific groups of hotels anywhere in the world.*

*Samples of these reports and data files are available. Let us know what your needs are or what you would like to see.*

*Used for research, student projects and in the classroom.*

# Research Case Studies – hundreds of articles, some high-profile examples



- Cathy Enz, Assoc. Dean & Linda Canina, both heads of CHR (Cornell) – Why discounting doesn't work - analyzed large volume of data after 2001
- Inez Blal, Dean of EHL – “Reviews, quality versus quantity” - correlated TripAdvisor review data with STR performance data for different class hotels
- Crocker Liu & Jack Corgel (Cornell) - Determinants of hotel property prices
- Zvi Schwartz, Muzzo & Mehmet (VT, UD, UNH) - Impact of hotels' revenue-management implementation strategies on performance
- Vinod Agarwal, Economics prof at ODU – Differing views of lodging reality: Airdna, STR, and Airbnb
- AJ Singh (MSU) – Impact of Green Labels on US Hotel Net Operating Income
- HG Parsa & Scott Smith (UCF, USC) - Hotel Revenue Management and College Athletics
- Prashant Das (EHL) - Importance of Micro-Location for Pricing Real Estate Assets: The Case of Hotels
- Tom Maier (USF) & Chris Roberts (DePaul) - Analysis of 'Other Revenue' Impact on Full and Limited Service Hotel NOI
- Jim Hesford (Cornell & EHL) - Financial consequences of competitive set choice
- Chris Manning (LMU), John O'Neil (PSU), Steve Hood (STR) - Emergence of hotel/lodging real estate research
- Sofia Dermisi (UW) - Hotel terrorist attacks and their worldwide/USA performance implications
- Sainaghi, Mauri, Ivanov, d'Angella - Mega events and seasonality: The case of the Milan World Expo 2015
- Heyes, Nadkarni - Brand Dubai: Sustaining its Luxury Image
- Price-Howard, Crossley - A Longitudinal Analysis of Music Tourism Impacts
- Seung Hyun, Lee Jaeyong Lee - Does price gouging happen in the lodging industry? Case of Hurricane Florence
- Chikish, Humphreys, Liu, Nowak - Professional Sports Events, Concerts, and Urban Place Based Policy: Evidence from the Staples Center
- Peng, Lin, Ren - Ice Bucket Challenge, Butterfly Effect, and Hotels' Strategic Configurations—The Case of the Hotel Industry in China

# The Research Opportunities are Countless



- Study hotel performance, development, or profitability for an area (country, city, ...) over time (economic cycles) or during a special event (before, during, after)
- Compare different areas over time (different size/types of cities) or compare different events in different locations over time
- Compare different hotels (classes, locations) in the same area over time or during an event
- Compare different types of hotel guests/business (group/transient, business/leisure) over time or during an event or among different locations
- Identify common misconceptions related to events (Olympics, oil spill)
- Correlate hotel data to various types of third party data (economic, airline, meeting)
- Conduct range of event impact analyses (sporting, weather, political, terror, convention, festival, holiday, religious, entertainment, natural, medical, ...)

# STR Certification Training & Student Projects



- **Analytics certifications from STR**
  - Industry recognized stamps of approval, students add to resume or business card
  - Help students stand out, they can bring projects to interviews, countless testimonials
  - Full training package for schools, free train-the-trainer sessions for professors
- **Certification in Hotel Industry Analytics (CHIA)**
  - Launched in 2012, obtained by over 26,000 people, multiple endorsements (see below)
  - 4 chapters: Analytical Foundations, Math Fundamentals, Improving Hotel Performance using Property Data, Industry Reports and Market Data
- **Certification in Advanced Hospitality and Tourism Analytics (CAHTA)**
  - Launched in 2019, includes comprehensive steps, case scenarios and valuable templates
  - 4 chapters: Introduction to Hotel Research, How to Conduct a Market Study, an Event Impact Analysis, a Feasibility Study and an Economic Analysis



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# CAHTA Training Outline



## 1. Intro to Hospitality and Tourism Research

## 2. How to Conduct a Market Study

- a. What is a Market Study?
- b. General Makeup of the Market
- c. Current Statistics
- d. Trended Data
- e. Market Breakdown
- f. Comparable Markets
- g. Types of Business
- h. Pipeline Data
- i. Summary, Takeaways, Looking Ahead and For the Future

## 3. How to Conduct an Event Impact Analysis

- a. What is an Impact Analysis?
- b. Types of Events and Timing Options
- c. Impact related to Industry Segments and Breakdowns
- d. Recurring and Comparable Events
- e. Types of Impact, Metrics, and Data
- f. Measuring the Impact
- g. Impact Upon Supply
- h. Components of an Event Impact Analysis
  - 1. The Event
  - 2. Areas of Impact
  - 3. Short Term Impact
  - 4. Mid Term Impact
  - 5. Long Term Impact
  - 6. Impact Breakdowns
- i. Telling the Impact Story

## 4. How to Conduct an Economic Analysis

- a. What is an Economic Analysis?
- b. Economic Basics Related to the Hotel Industry

- c. Comparing Hotel Data to Itself, part 1 – Different Types of Hotel Data
- d. Comparing Hotel Data – Economic Cycles
- e. Comparing Hotel Data to Itself, part 2 – Industry Subsegments
- f. Obtaining Economic Data
- g. Correlation Basics
- h. Correlating Hotel and Economic Data at a Country Level (and a Market Level)
- i. Components of an Economic Analysis

## 5. How to Conduct a Feasibility Study

- a. What is a Feasibility Study?
- b. The Financial Template
- c. Step 1 – Defining the Project
- d. Step 2 – Determining Development Costs
- e. Step 3 – Demand Generators
- f. Step 4 – Economic Performance of the Market
- g. Step 5 – Hotel Performance in the Market
- h. Step 6 – Future Market Supply Changes
- i. Step 7 – Market Forecast and Latent Demand
- j. Step 8 – Market Growth Assumptions
- k. Step 9 – Selecting Comparable Hotels
- l. Step 9 – Estimating the Proposed Hotel's Occupancy and ADR
- m. Step 11 – Estimating the Proposed Hotel's Revenues and Expenses
- n. Step 12 – Determining the Feasibility of the Proposed Hotel

# Virtual Hospitality & Tourism Internship Alternative



- Students gain hands-on experience working with current industry data.
- Students create one or more comprehensive industry quality research projects:
  - Market study
  - Event impact analysis
  - Feasibility study
  - Economic analysis
- Schools can personalize the project related to a specific area of the world, set of hotels or problem to solve, also the amount of time involved.
- Schools can incorporate industry input numerous ways to increase the quality of the experience.
- STR glad to support the school advisor/facilitator: materials, train-the-trainer, data
- Students receive two industry recognized certifications.

# Student Competitions

- For the last four years, we have organized student Market Study Competitions in NY, London, Hong Kong and Mexico City with hundreds of schools participating from all over the world.
- This year we are conducting a virtual competition with 50 teams.
- Student groups select cities and prepare Market Studies, using STR data, training and samples.
- Groups prepare presentations and then deliver their findings to industry professionals.
- Winning teams receive cash prizes. All teams are recognized.
- We can help you host a local Market Study or Event Impact Analysis Competition, which can be personalized for your needs.





# Thank you



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CONFERENCE  
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