



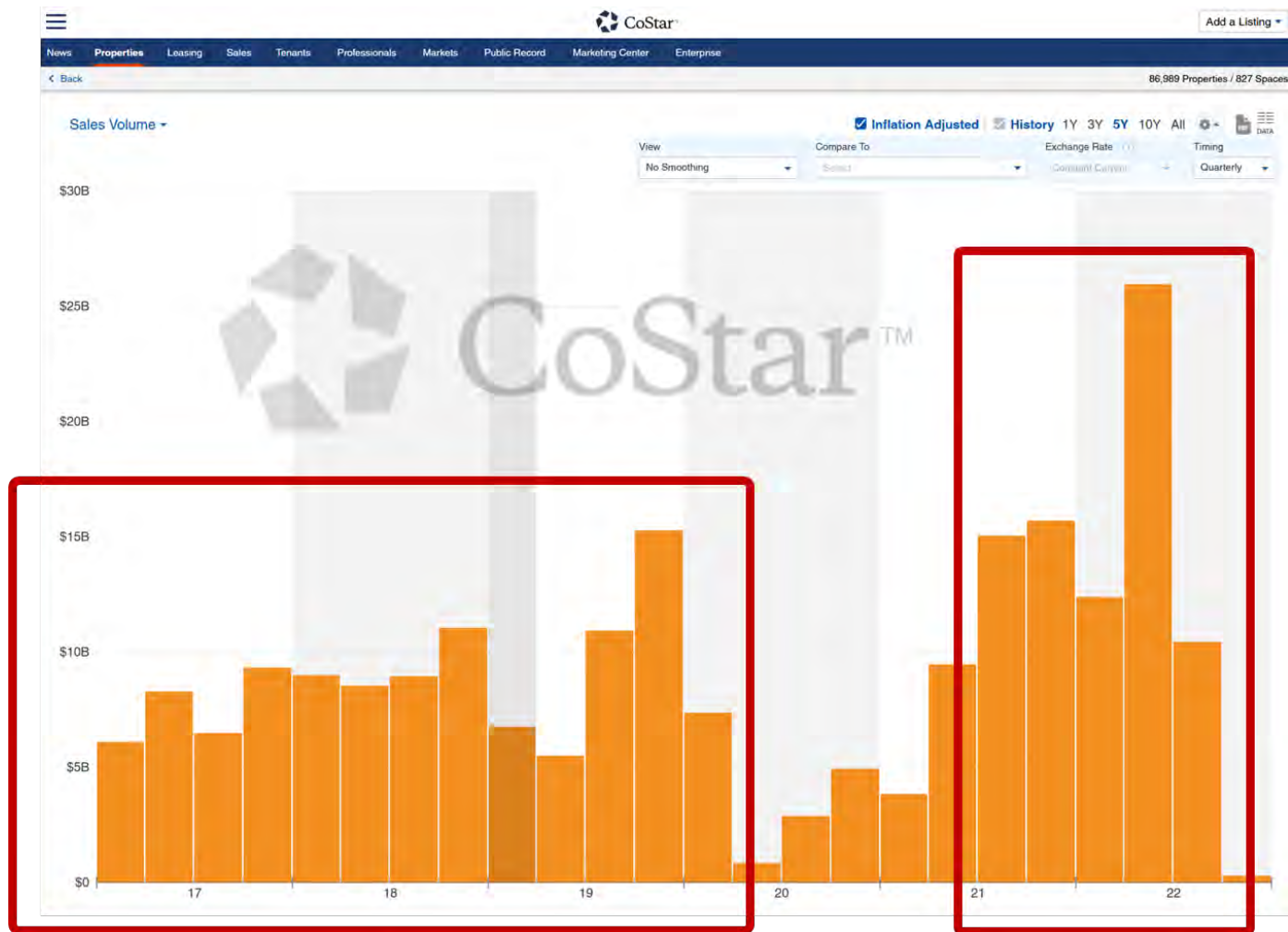
# Taking Stock & The Road Ahead

HICAP Singapore 2022 October

**Jesper Palmqvist**

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# U.S. Hotel transactions 5 quarters at pre-pandemic activity

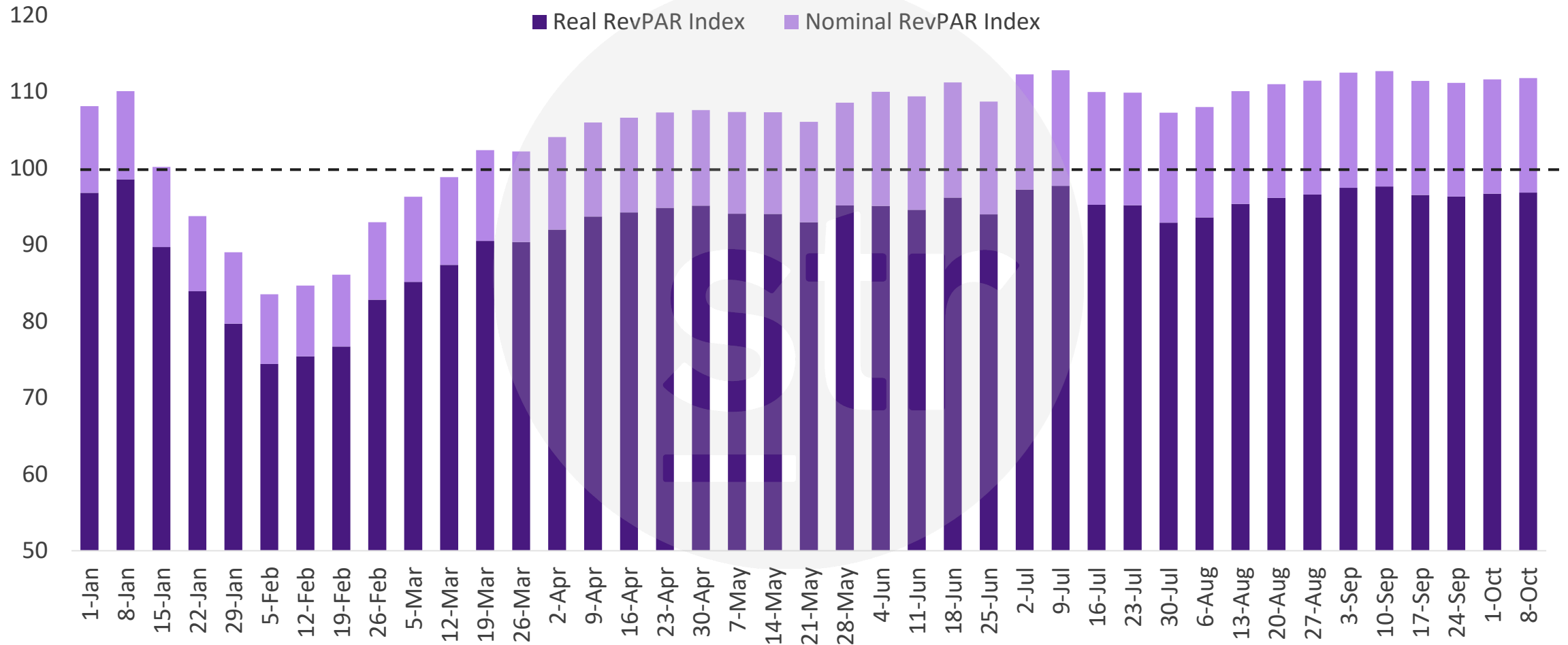


## U.S. Hotel Market Cap Rates on the rise

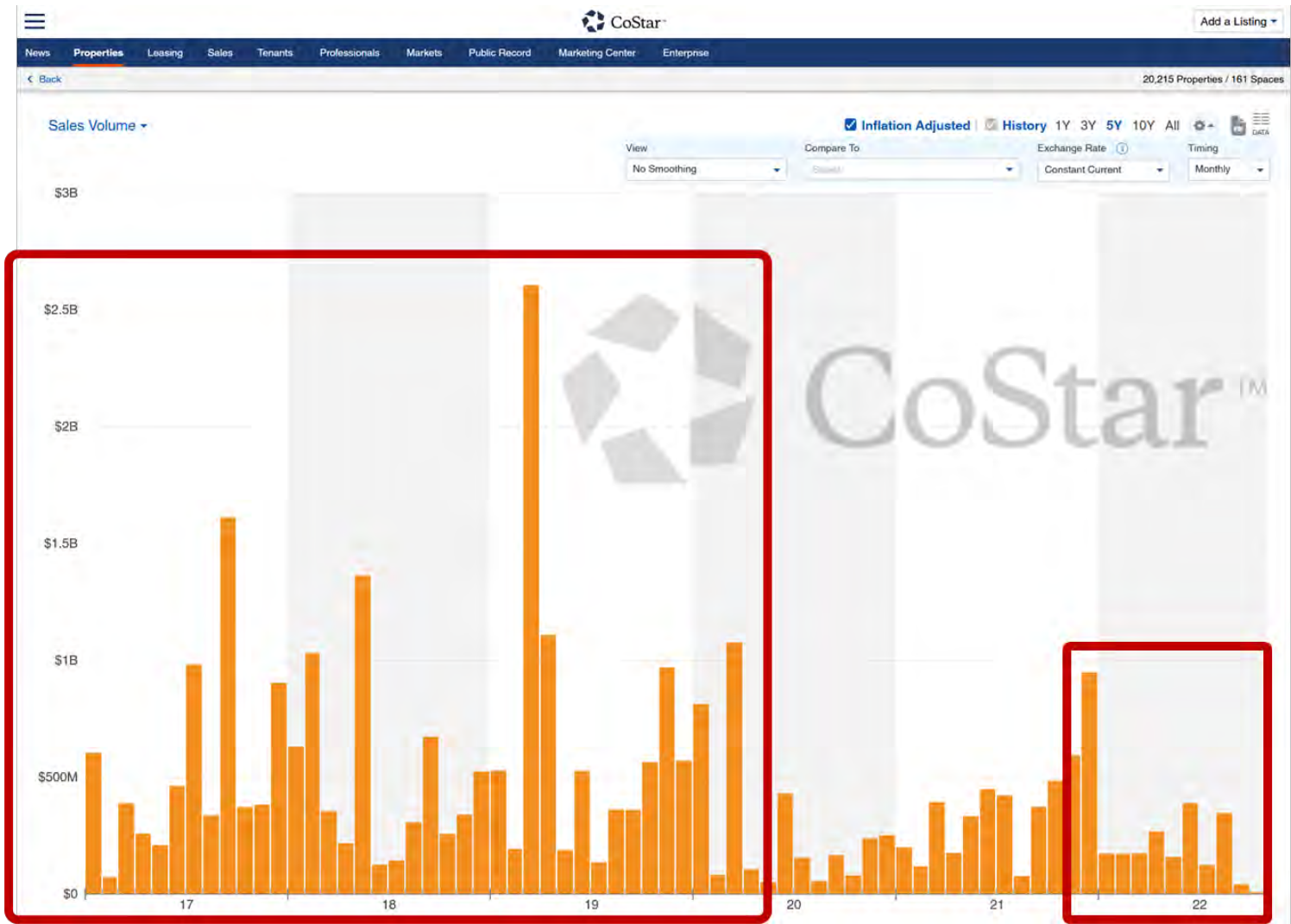


# High rates help inch real RevPAR closer to recovery

U.S., R28 RevPAR indexed to 2019, Jan 2022 – Oct 2022

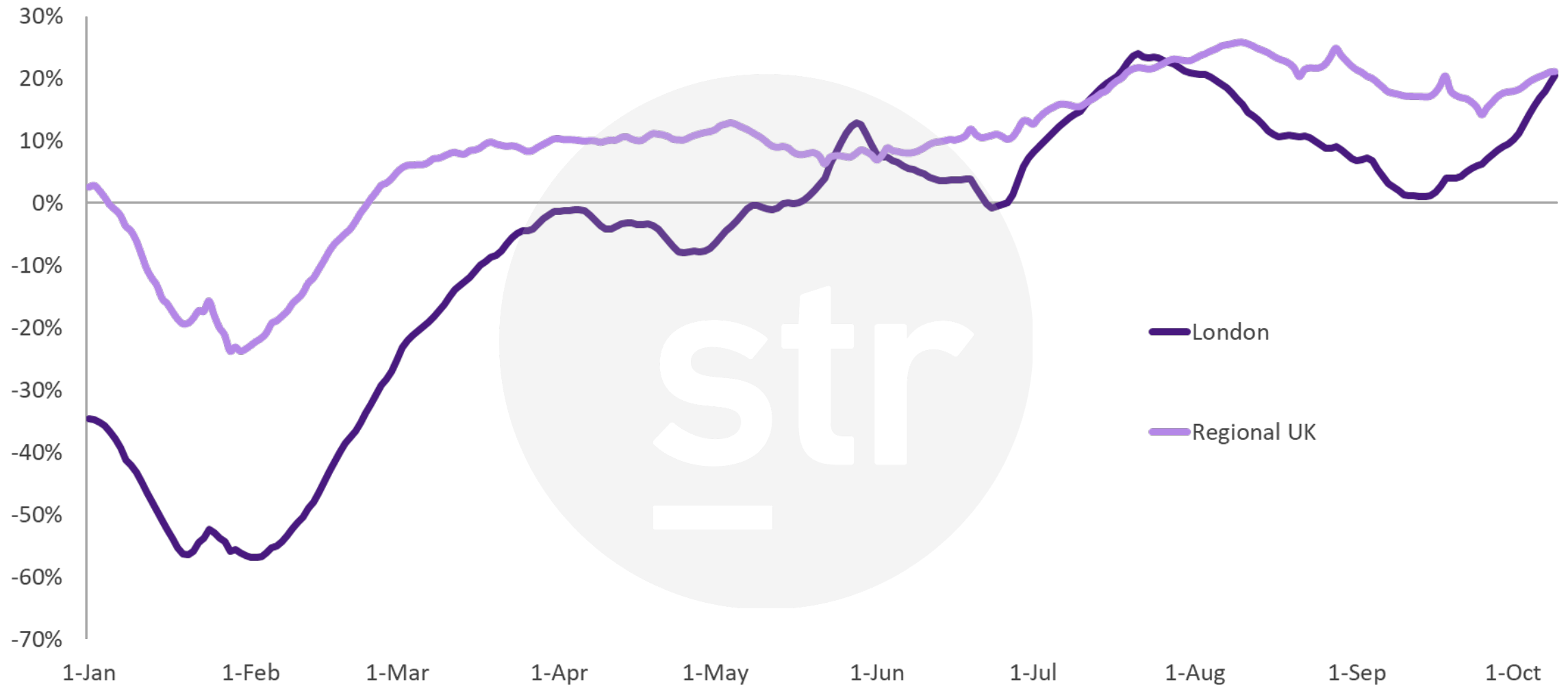


# UK Hotel transactions more muted in 2022



# UK nominal RevPAR keeping above 2019

R28 RevPAR (GBP), % change to 2019, 2022 YTD

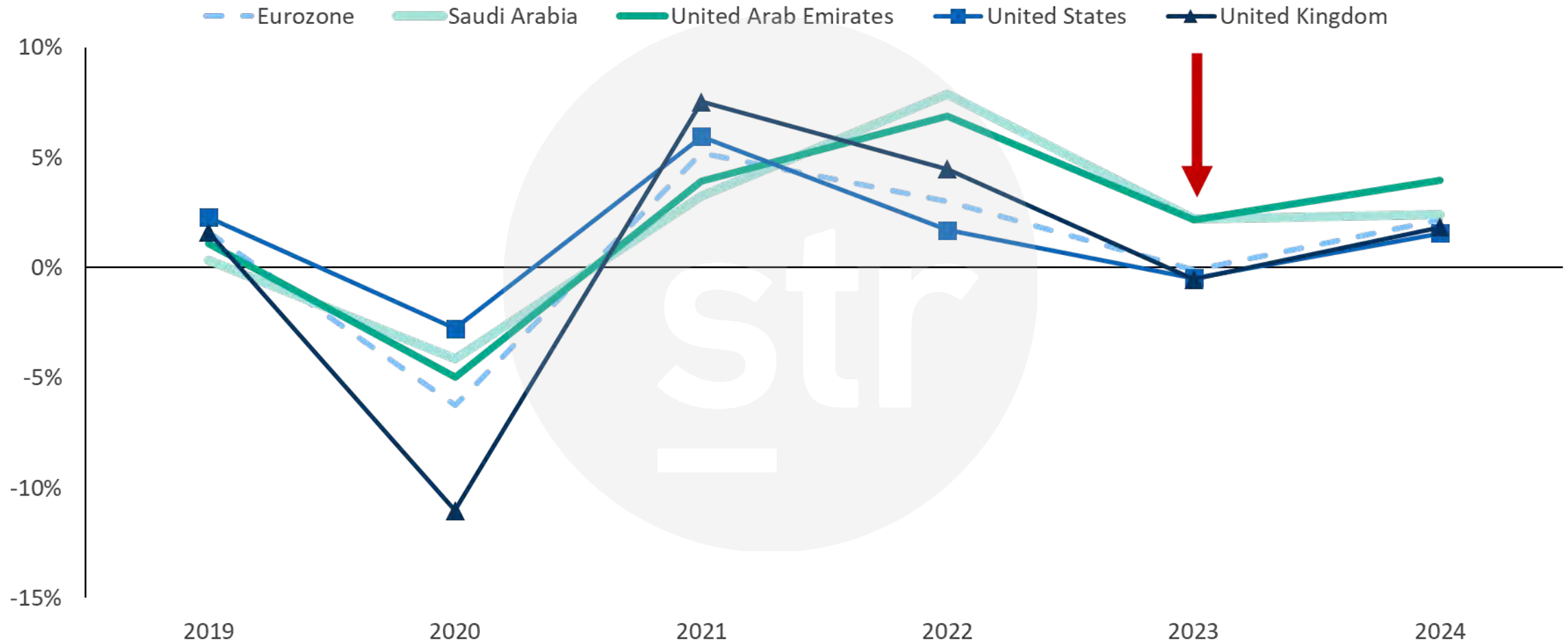


# Middle East one of few regions looking at Recession-Free 2023



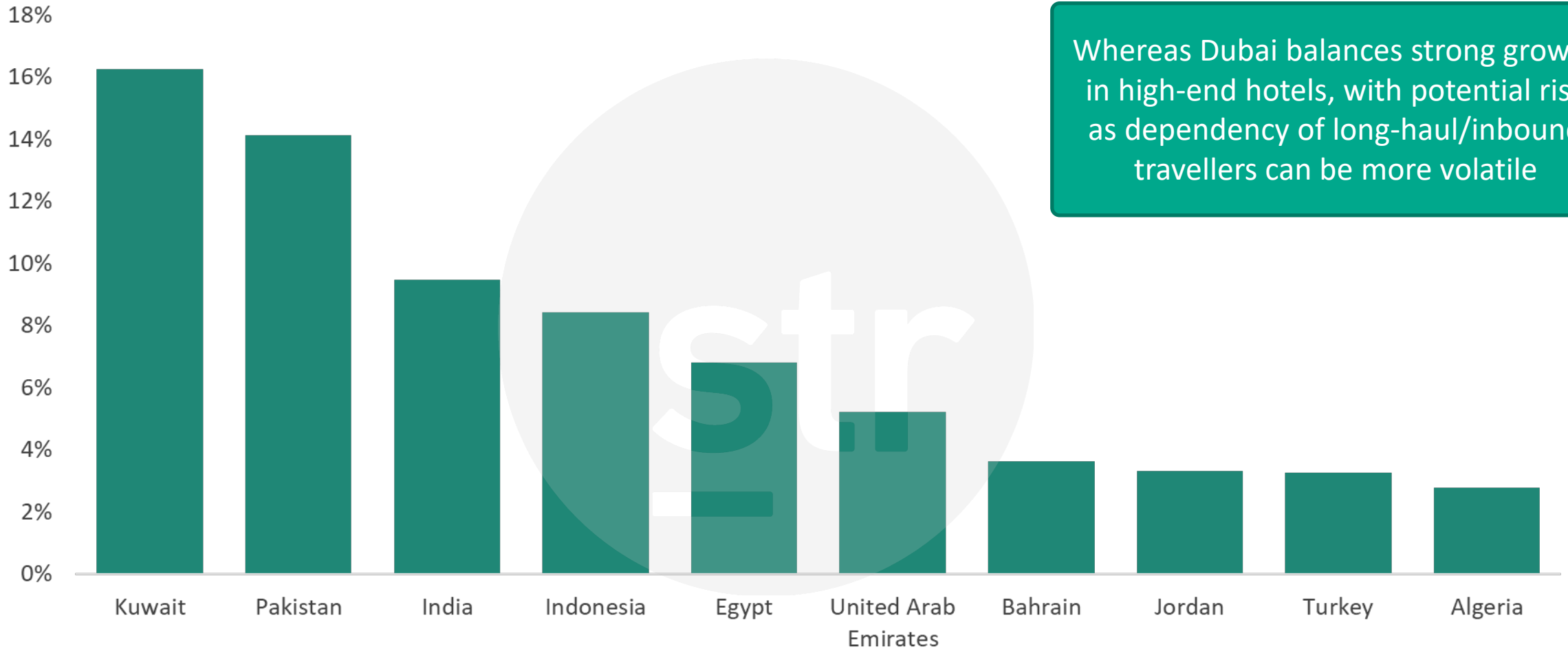
While prices, demand, rates and pipeline all grow to high levels

Real GDP, year-over-year % change, 2019 – 2024 F



# Saudi's risk level moderately low – *regional* demand is strong

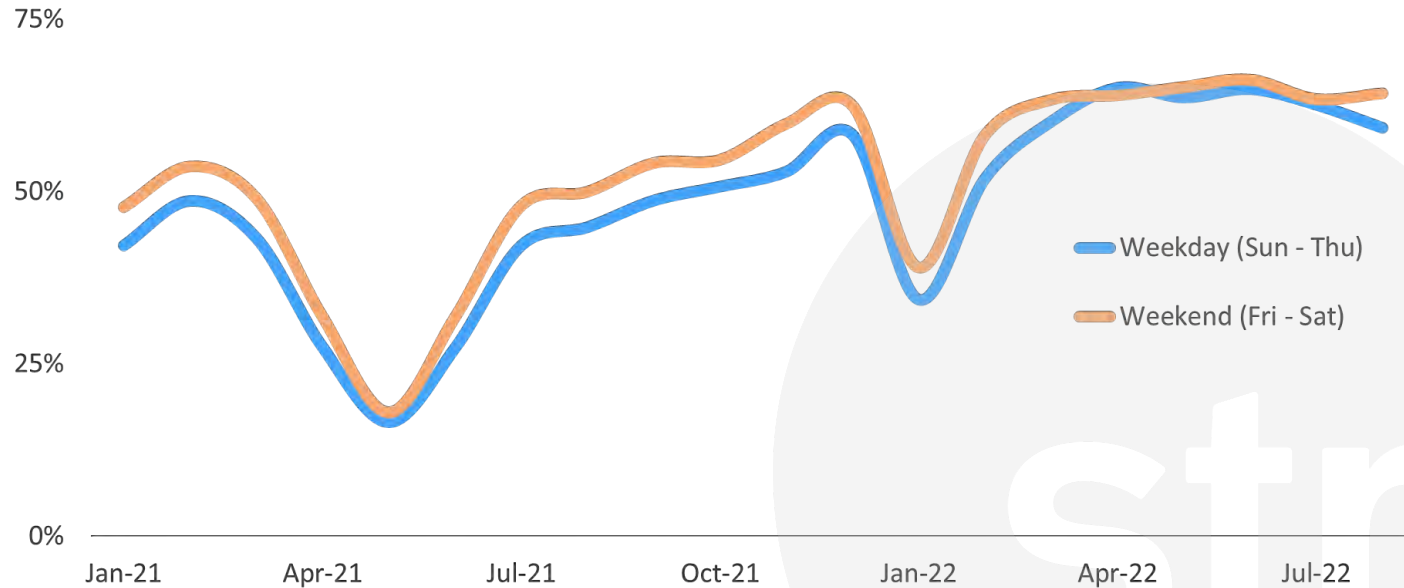
Saudi Arabia, % total international arrivals, 2019



Whereas Dubai balances strong growth in high-end hotels, with potential risk as dependency of long-haul/inbound travellers can be more volatile

# India shows strength: Weekday occupancies in broad growth

India, weekday vs. weekend occupancy, Jan 2021 to Aug 2022

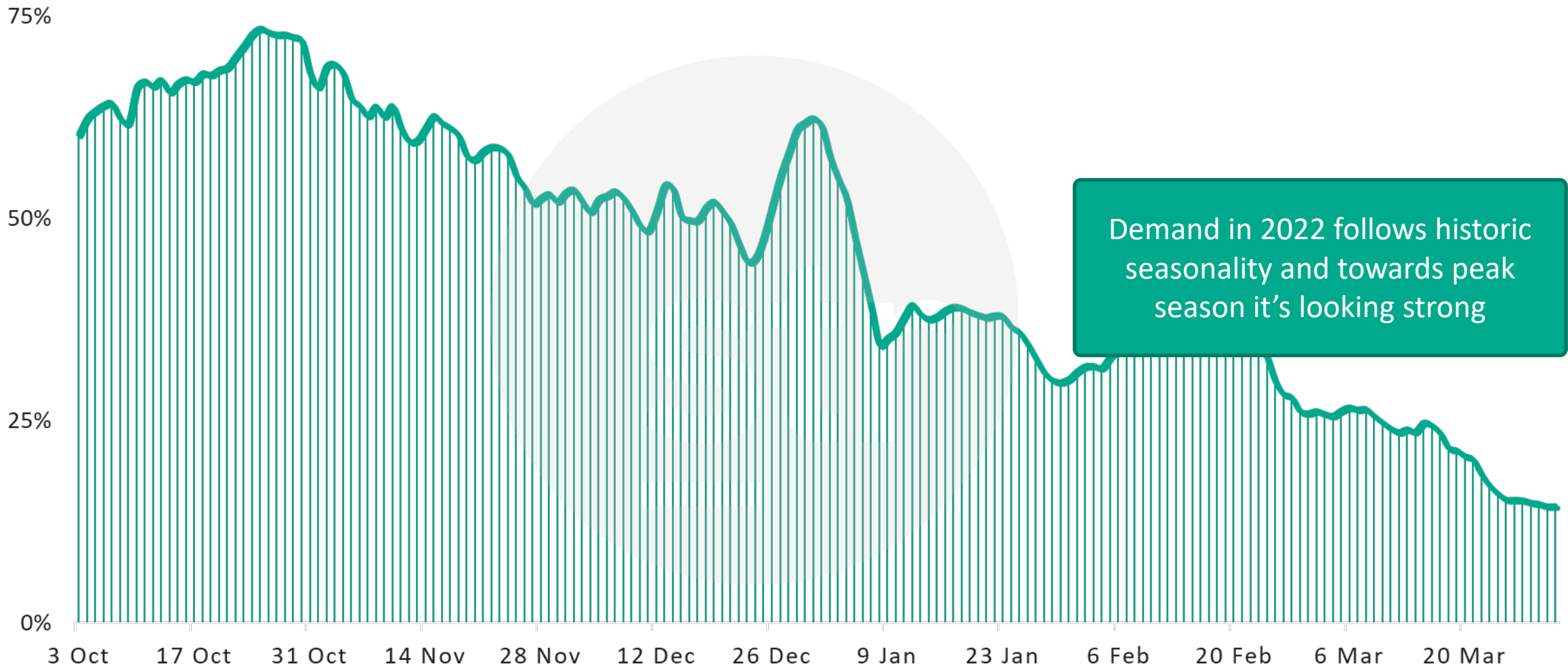


Both corporate and leisure markets driving positive growth, booking window is longer for leisure – but volumes good across both segments

And even if India is not immune to global recessions – it's domestic fundamental market forces leads to a forecast of Mumbai likely to be across positive *real* RevPAR numbers from 2019 during 2023.

# Maldives Outlook seen in the overall comeback and strong BoB

Maldives, Occupancy on the books until end of March, as at October 3



# Maldives source markets have diversified

Maldives, top 10 countries by No. of arrivals, July 2022 YTD



Ministry of Tourism  
Republic of Maldives



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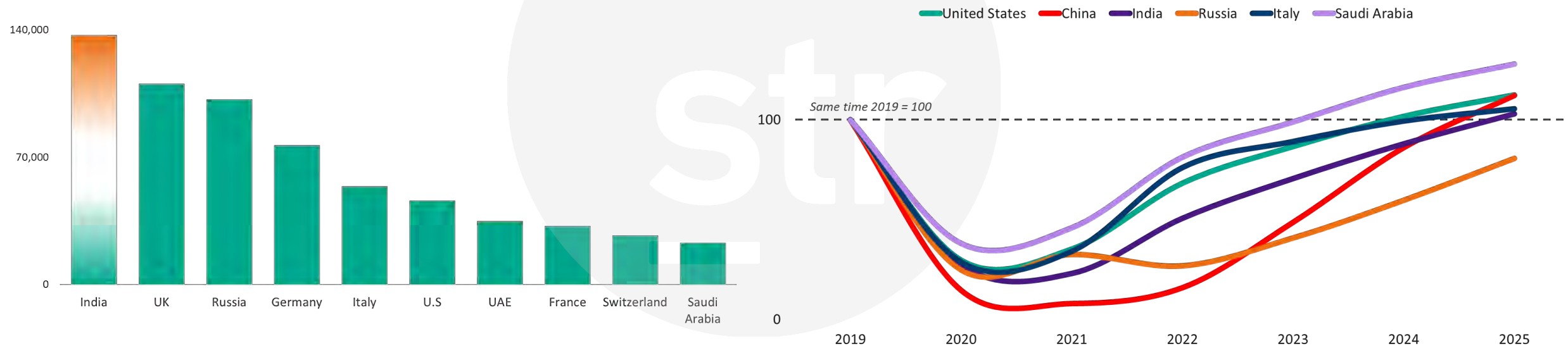


Part of the success in Maldivian growth?

India, Europe and Russia represent 85% of arrivals today

Over time likely to spread out to more again, including the returning Chinese

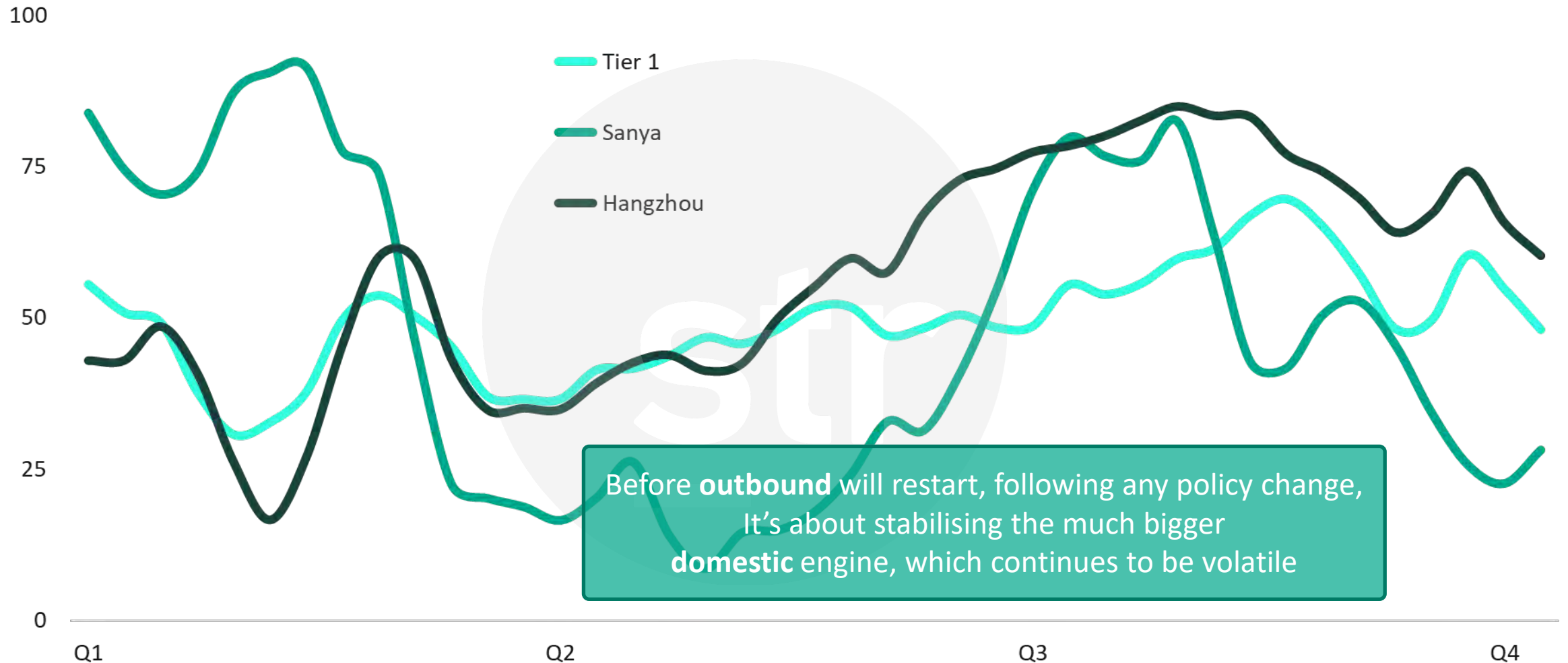
However... Strong ADR growth is needed as operational cost have increased massively since 2019



Source: Statistical Publications of the Ministry of Tourism, Republic of Maldives

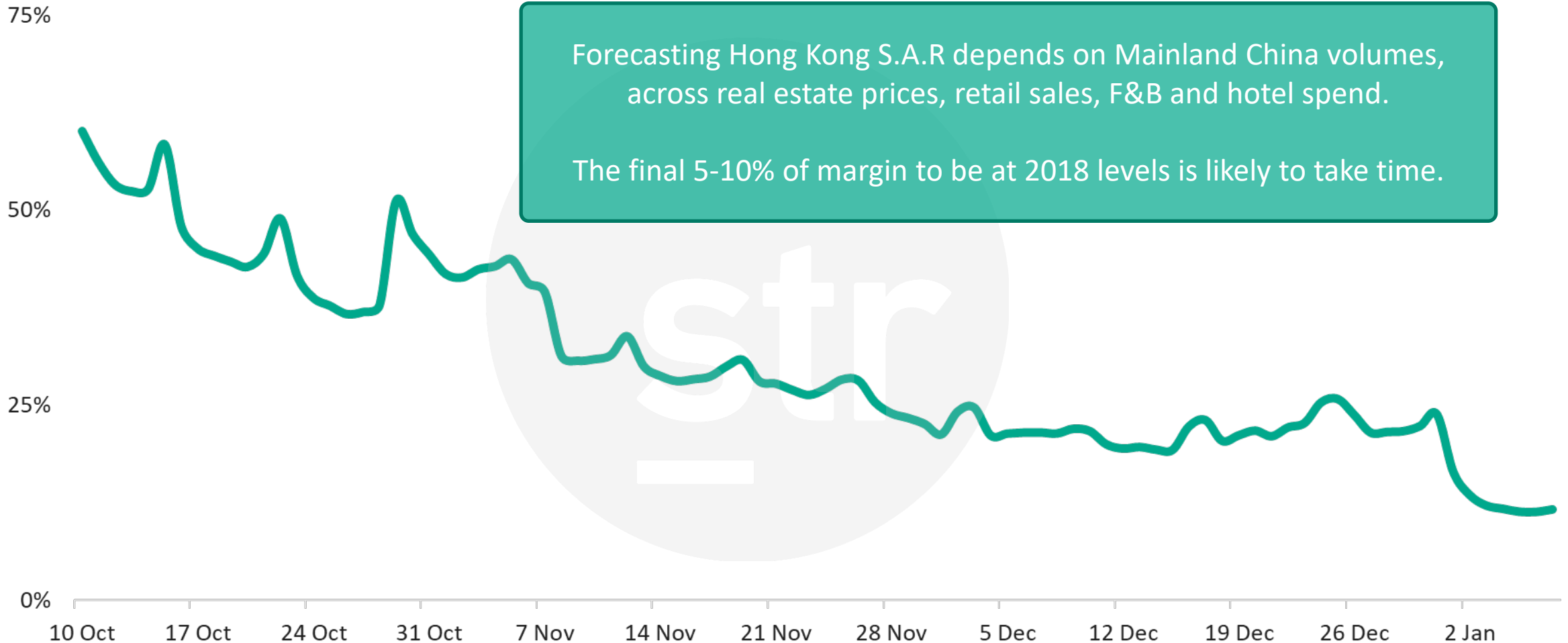
# Continued diversity expected in Q4 and beyond

Mainland China markets, Weekly Occupancy (%) 2022 until 10 Oct



# Hong Kong S.A.R have better business on the books now

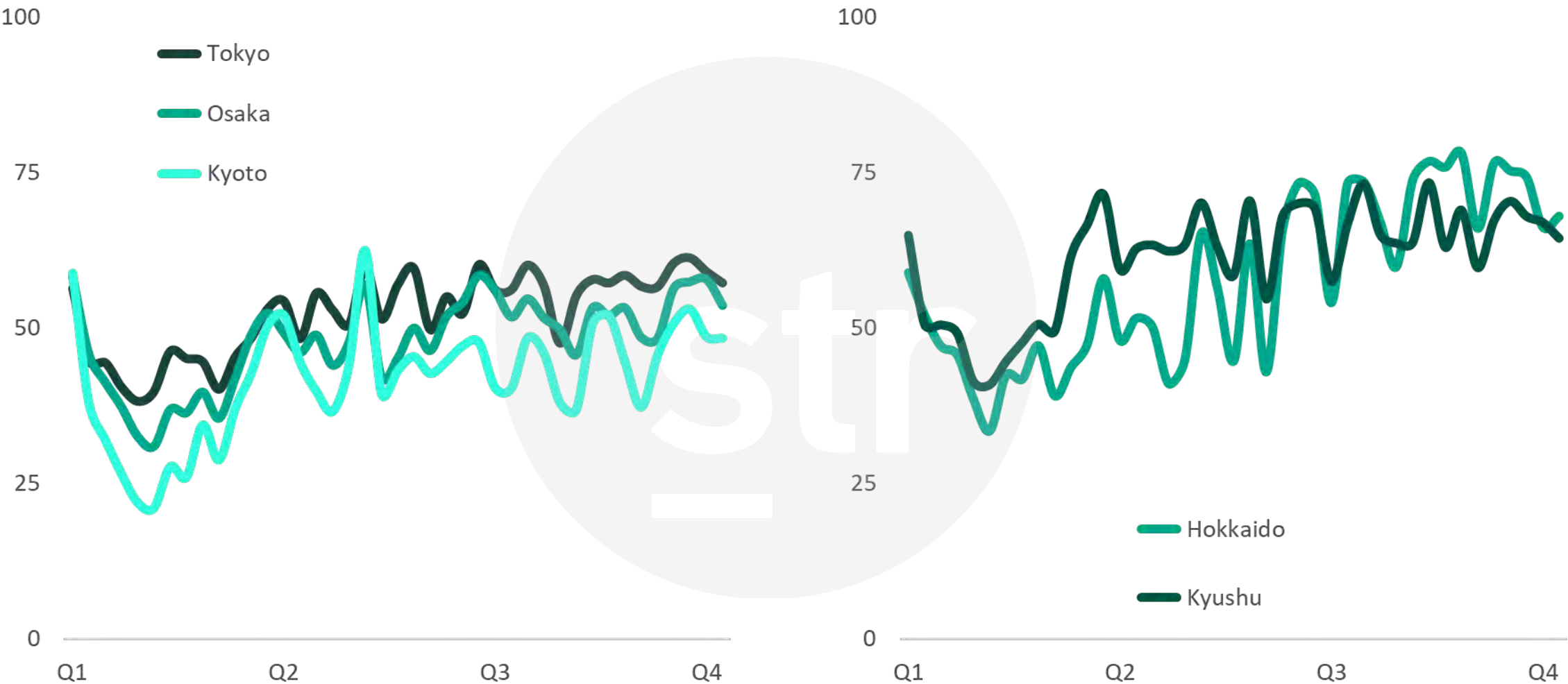
Occupancy on the books for next 90 days as at October 10



# Japan big city markets wait, while regional market keep rolling



Japan select markets, Occupancy (%) 2022 until Oct 10

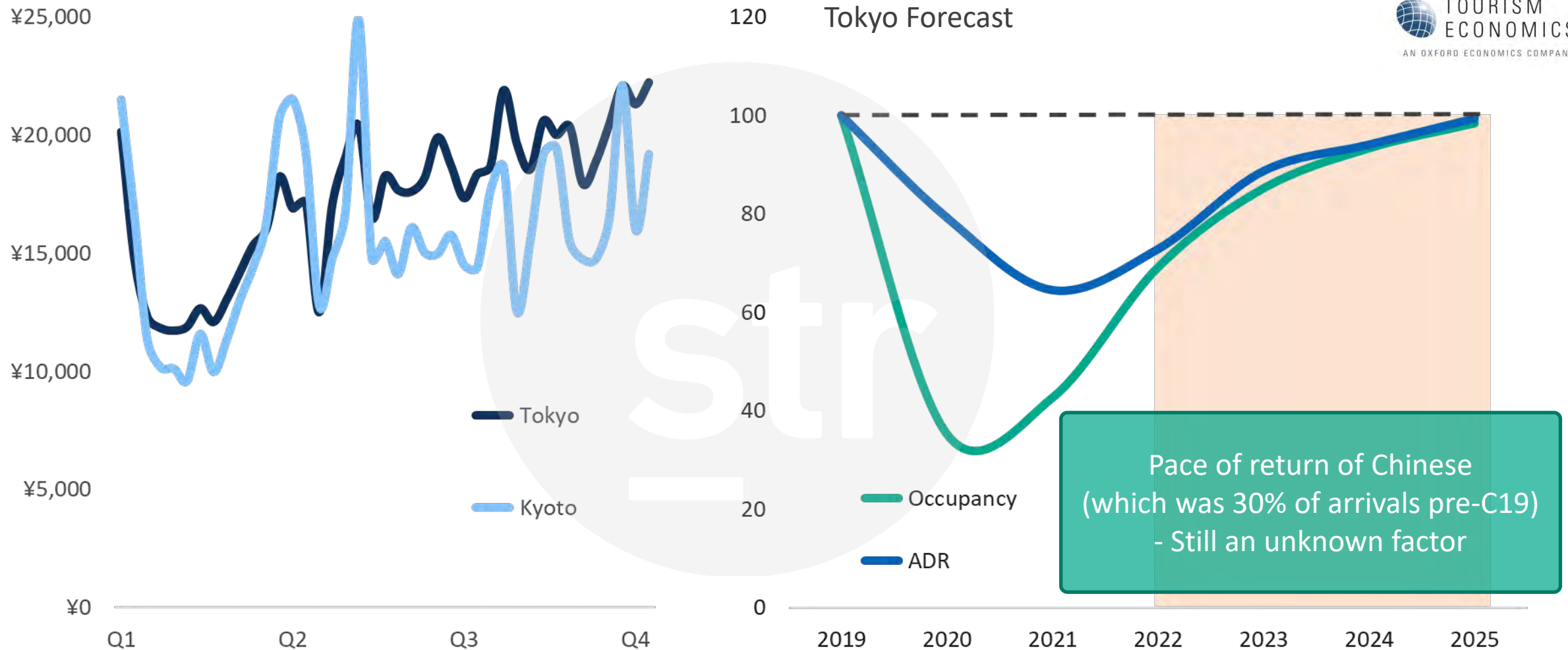


# Rates have started to move, but this forecast is more volatile

Japan select markets, ADR (JPY), 2022 until Oct 10 and Tokyo annual actuals/Forecast

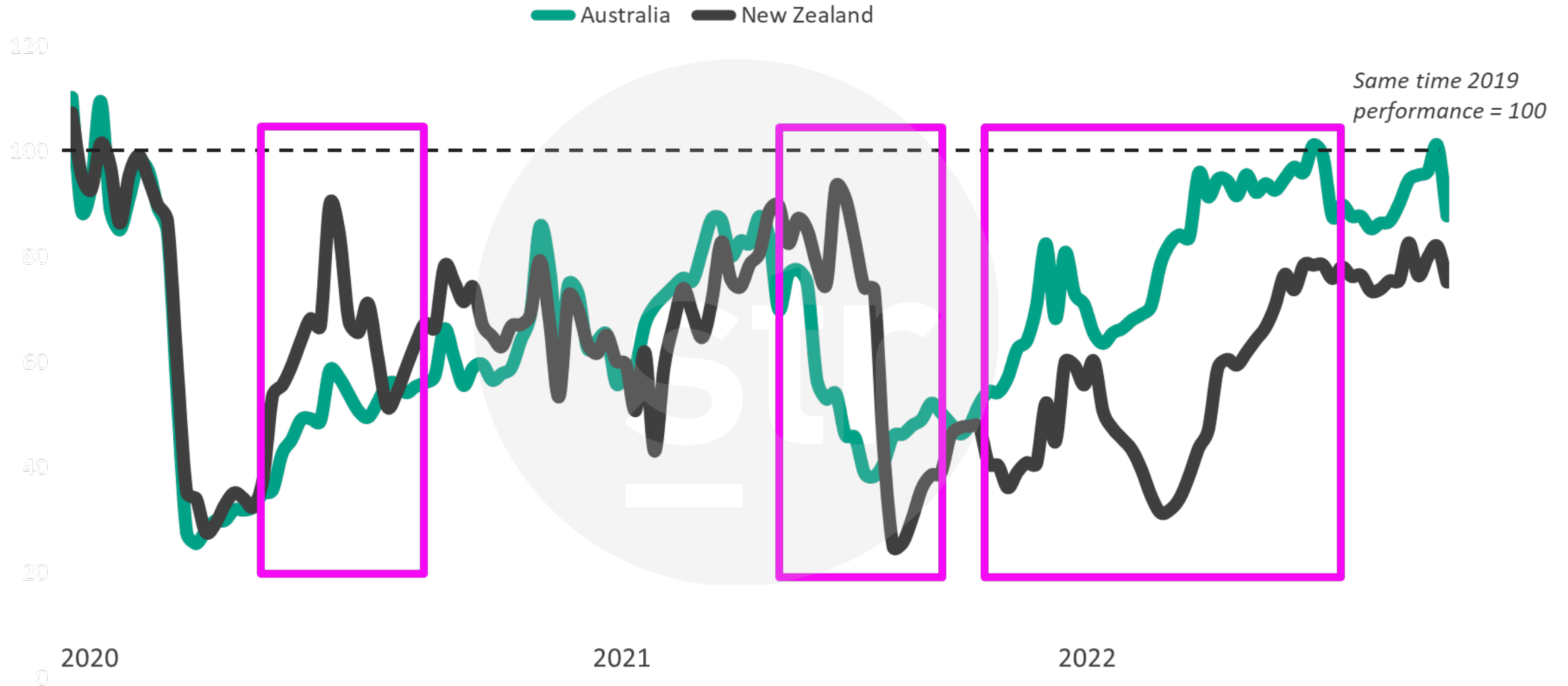


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# The pandemic path for AU & NZ has differed at times

Australia & New Zealand, R7 Occupancy, Jan 2020 – Oct 2022 Indexed to 2019

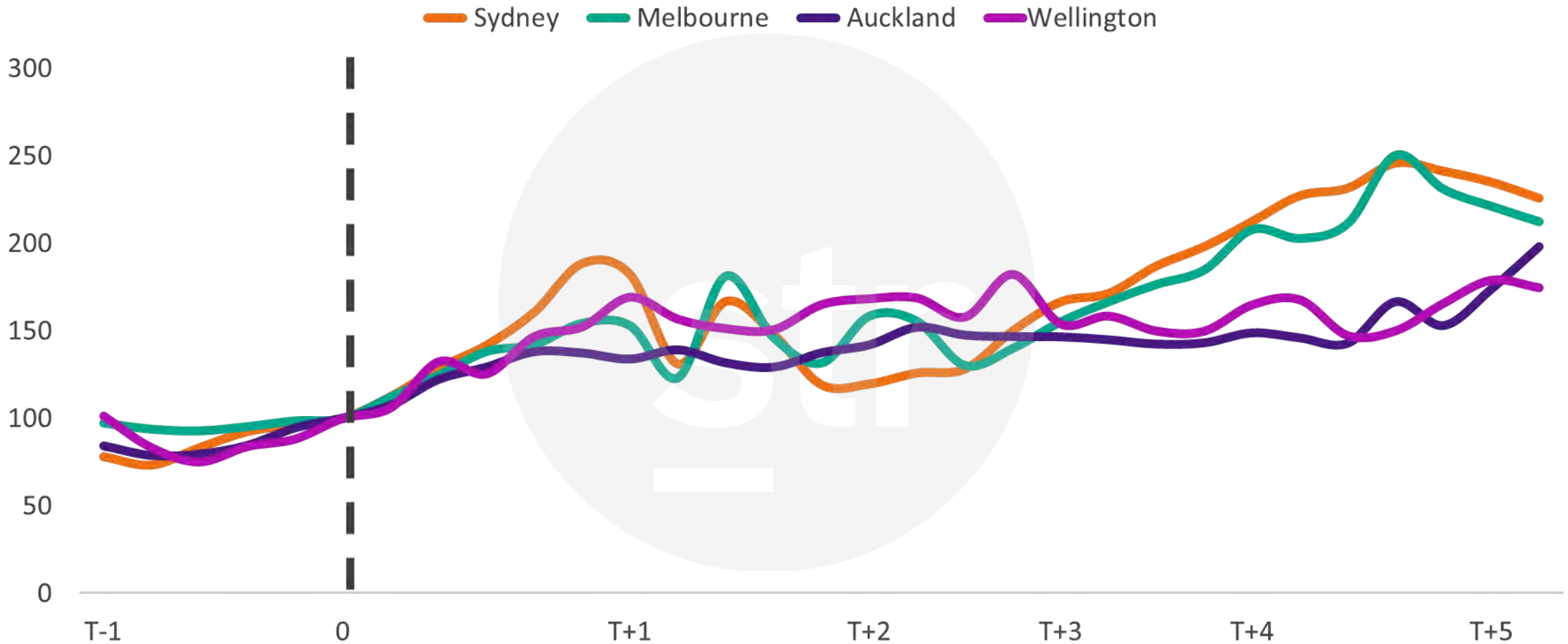


# Post 3 months the recovery path has been much slower in NZ



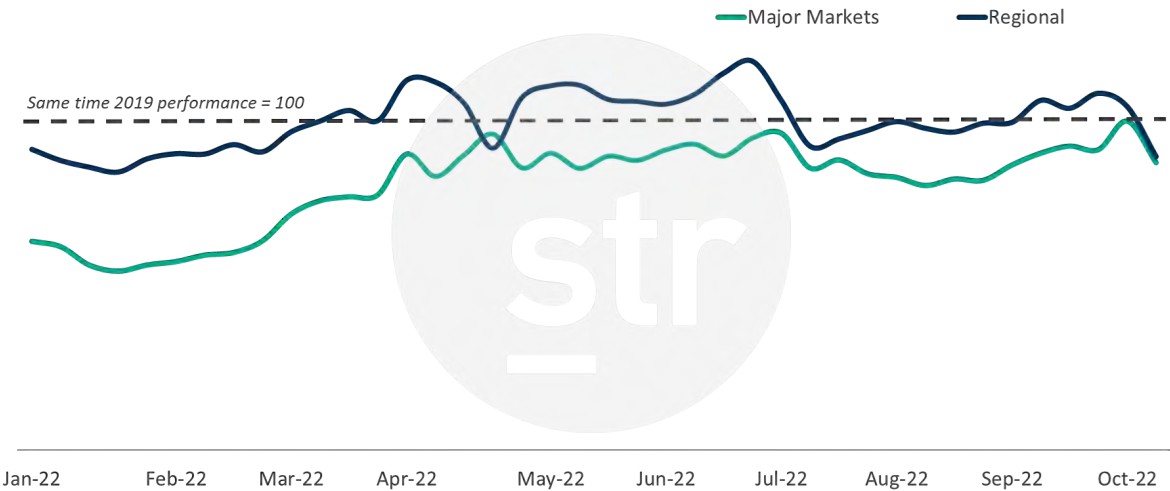
Starting occupancy determines how much performance can open up as an index

Selected markets, Occupancy indexed from “open travel” status (various starting dates)



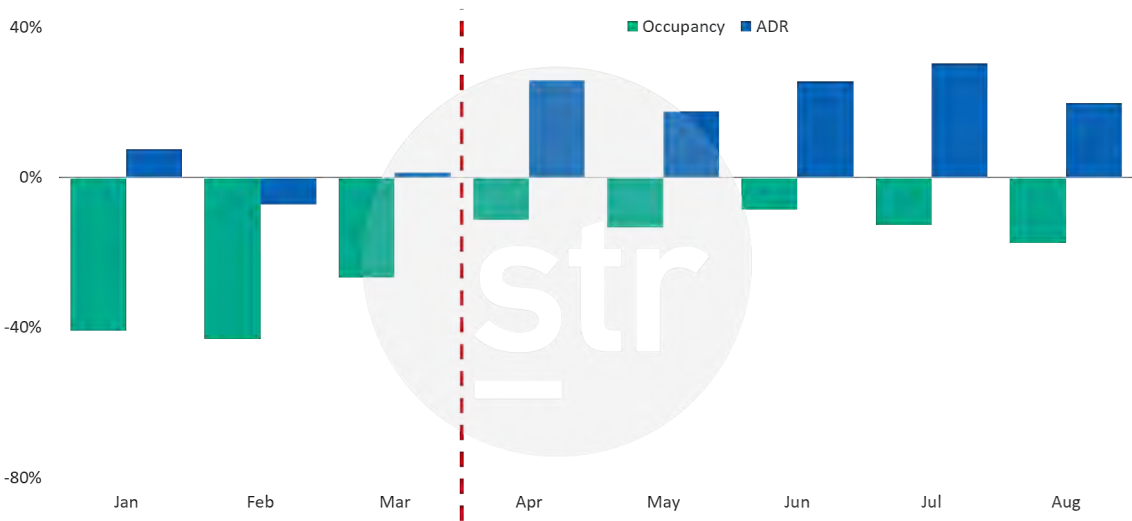
# Capital occupancy catching up with Regional at 2019 levels

Major Markets v Regional, R7 Occupancy, Indexed to 2019, Jan 2022 – Oct 2022



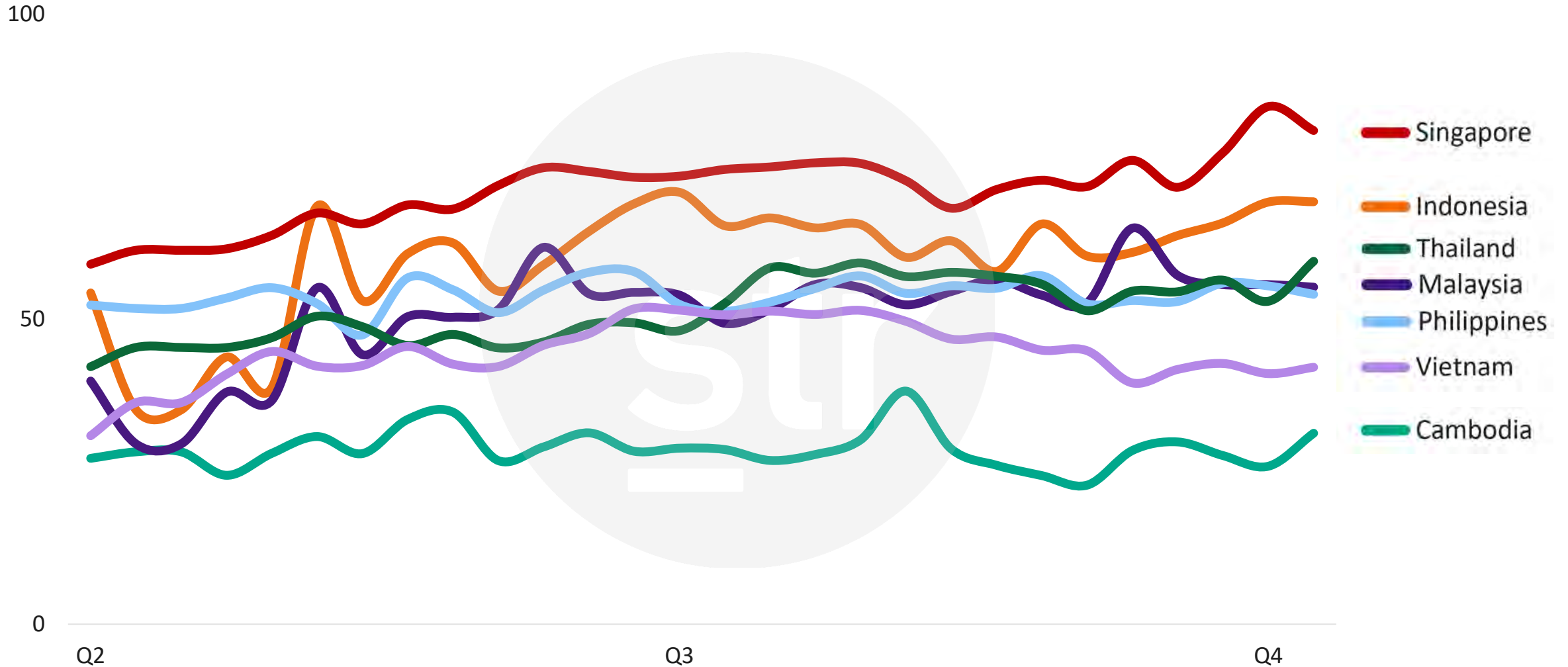
## Job vacancies and cost escalate, Rates follow

Australian capital markets, occupancy and ADR (AUD), % change to 2019, August 2022 YTD



Future occupancy booked for AU Capital markets and New Zealand has been rising recently

- Singapore and Indonesia 6 months of strong demand growth
  - Not just resorts across Thailand, Malaysia and Philippines
  - More to be done for Vietnam and Cambodia



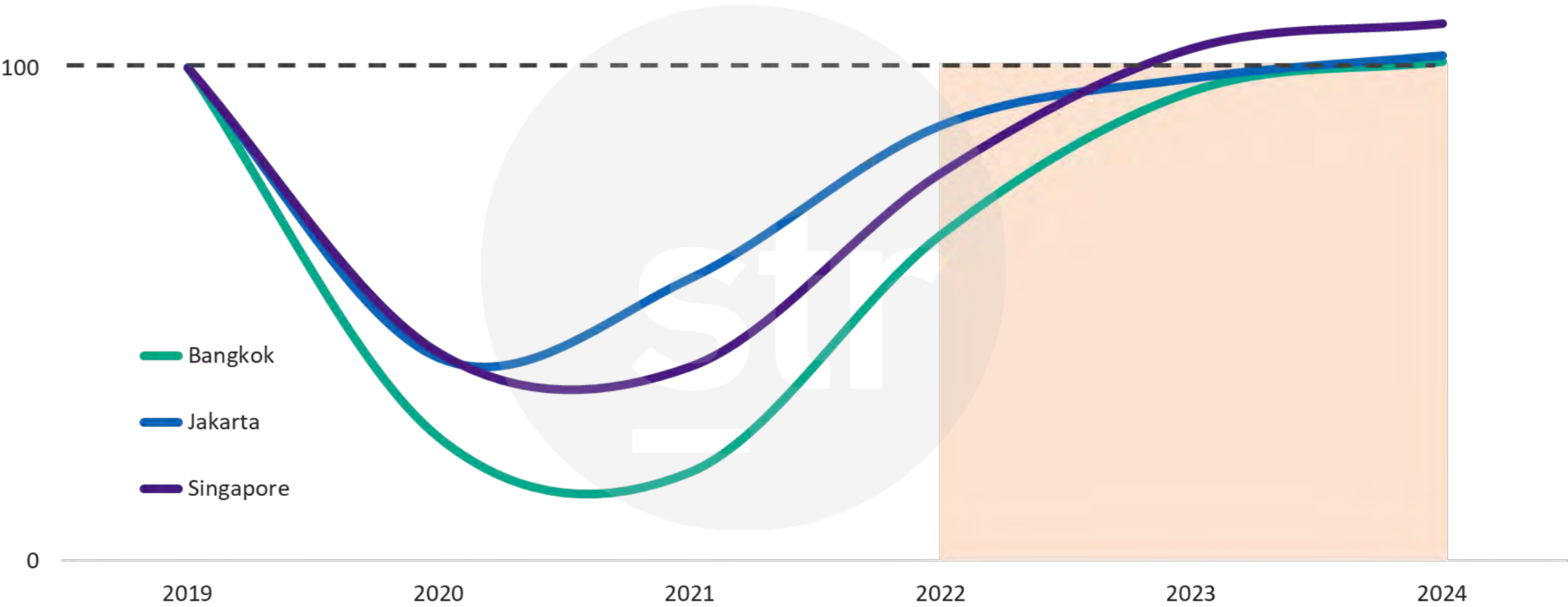
# 2023 can set itself up as the new benchmark

RevPar annual actuals and Forecast, indexed to 2019 (local currency)



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# Risk formula keeps developing into something more complex



## A lot to like

Industry optimism and deals

⊕

Demand growth '23

⊕

Rate growth

⊕

Events

## Risk diversifies

Delayed Chinese travellers

⊖

Supply growth

⊖

Increased cost

⊖

Flights

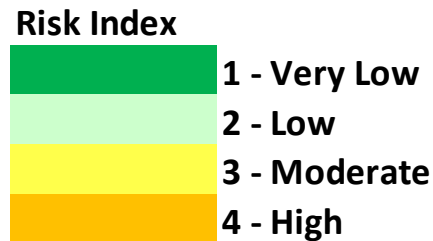
Less C-19 and China outbound – More about Cost and Flights  
*Southeast Asia still 50% below 2019 seat capacity for int'l flights*

**Managing recession with sprinkles of post-pandemic effects**

# Water scarcity - Not a new topic – but it's real



Energy cost are rising, but so is risk of water cost and scarcity in popular investment and development locations across Asia





# Contact us for more info

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