2012 Annual Conference

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THE HEAT IS ON!
A New World Competition

Going for Gold!

Review of Global Hotel Performance with a focus on Olympic performance

Elizabeth Winkle, STR Global

InterContinental Buckhead Atlanta, Georgia   September 20-23, 2012

Who is STR Global

Est. in '08 – merger btwn STR, Deloitte's Hotel Benchmark, The Bench

Headquartered in London with 10 offices in 9 countries

Remit ROW = Rest Of the World

all countries except US, Canada, Mexico & Carribbean

Report on 2.2 million rooms outside North America in 143 countries

30% brand vs. 70% independent

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Top 10 Markets by # of Participating Rooms

China - 355K

UK - 304K

Germany - 161K

Spain - 122K

Australia - 106K

Japan - 103K

Italy - 79K

UAE - 54K

India - 54K

France - 47K

Agenda

Global overview – mixed results

Spotlight on Europe – stabilising demand, muted new supply

Olympics – London & past Olympic cities performance

Forecast – what does the future hold for the end of 2012?

Global RevPAR Percent Change (in $USD except Europe)

Annual 2010, 2011 & YTD August 2012

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North America $

2010	2011	YTD 2012
+6.1%	+8.0%	+6.8%

Europe €

2010	2011	YTD 2012
+9.9%	+5.8%	+5.3%

Central America $

2010	2011	YTD 2012
+6.3%	+0.5%	-0.6%

Asia Pacific $

2010	2011	YTD 2012
+21.3%	+9.8%	+3.3%

South America $

2010	2011	YTD 2012
+19.0%	+19.5%	-1.8%

Middle East $

2010	2011	YTD 2012
-4.4%	+4.1%	+7.0%

Northern Africa $

2010	2011	YTD 2012
+11.4%	-36.2%	+10.5%

Southern Africa $

2010	2011	YTD 2012
+14.1%	-2.1%	-3.5%

Demand growth w/muted supply growth

YTD 2012, YOY % change, supply, demand, revPAR USD$

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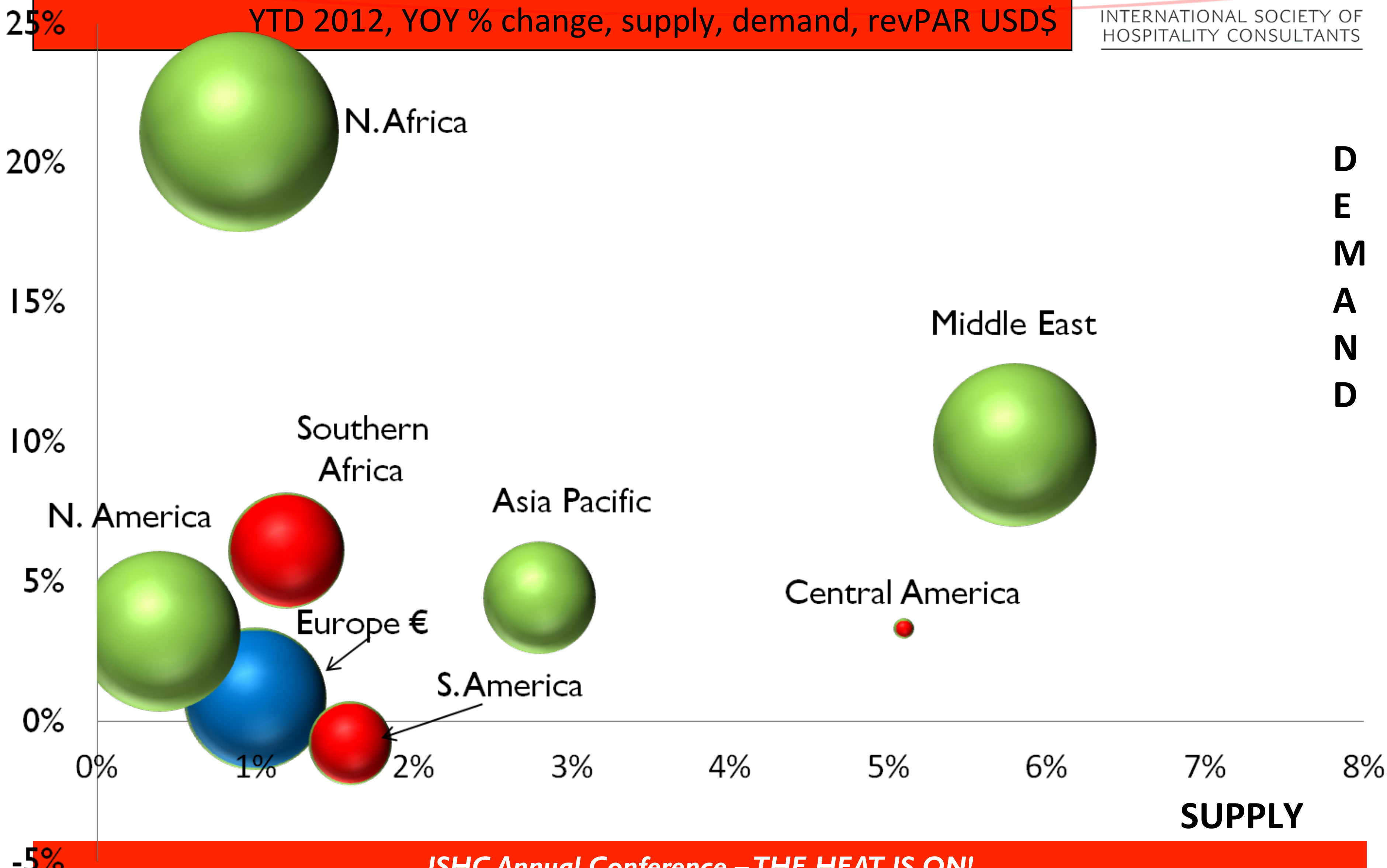

Asia Pacific in detail – RevPAR growth except C&S

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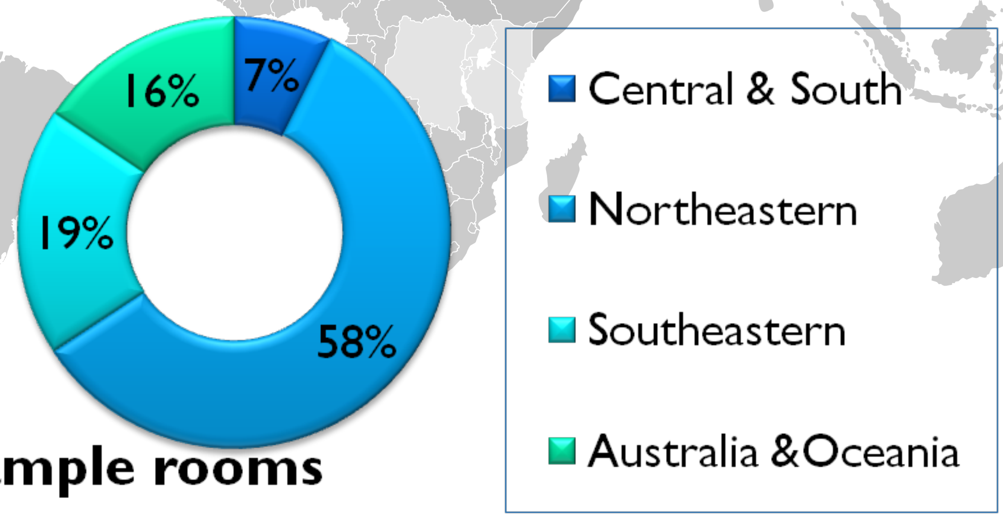
Jan-Aug 2012

YTD 2012		Occ	ADR	
RevPAR	RevPar%			
Total	**66%**	**$139**	**$92**	**+3.3%**
C&S Asia	59%	$142	$84	-14.0%
NE Asia	65%	$128	$83	+6.7%
SE Asia	70%	$135	$95	+4.0%
Australia &Oceania	72%	$174	$126	+3.0%



Sample rooms

Selected Asia Pacific Markets

Jan-Aug 12, %chg, Occ and ADR (local currency)

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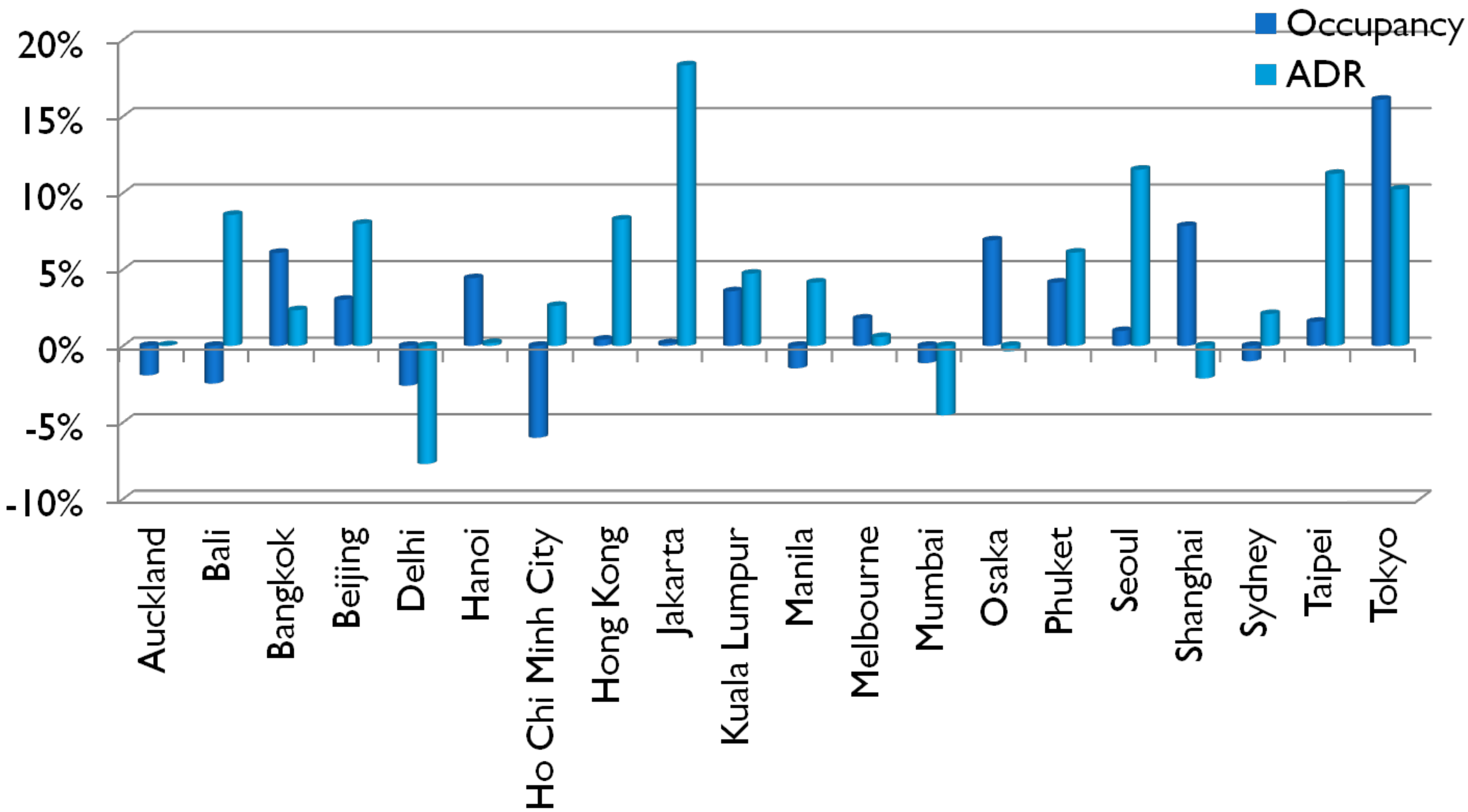
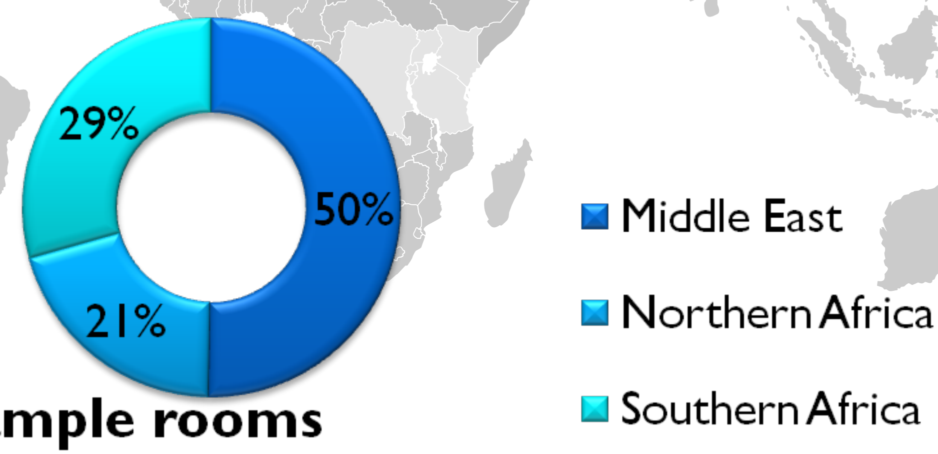


MEA by region – RevPAR growth in ME; rebound in N. Africa

Jan-Aug 2012

YTD 2012	Occ	ADR	RevPAR	RevPAR%
Total	**59%**	**$158**	**$94**	**+7.0%**
Middle East	64%	$197	$127	+8.9%
Northern Africa	50%	$84	$41	+10.5%
Southern Africa	58%	$132	$76	-3.5%



Selected MEA Markets

Jan-Aug 12, %chg, Occ and ADR (local currency)

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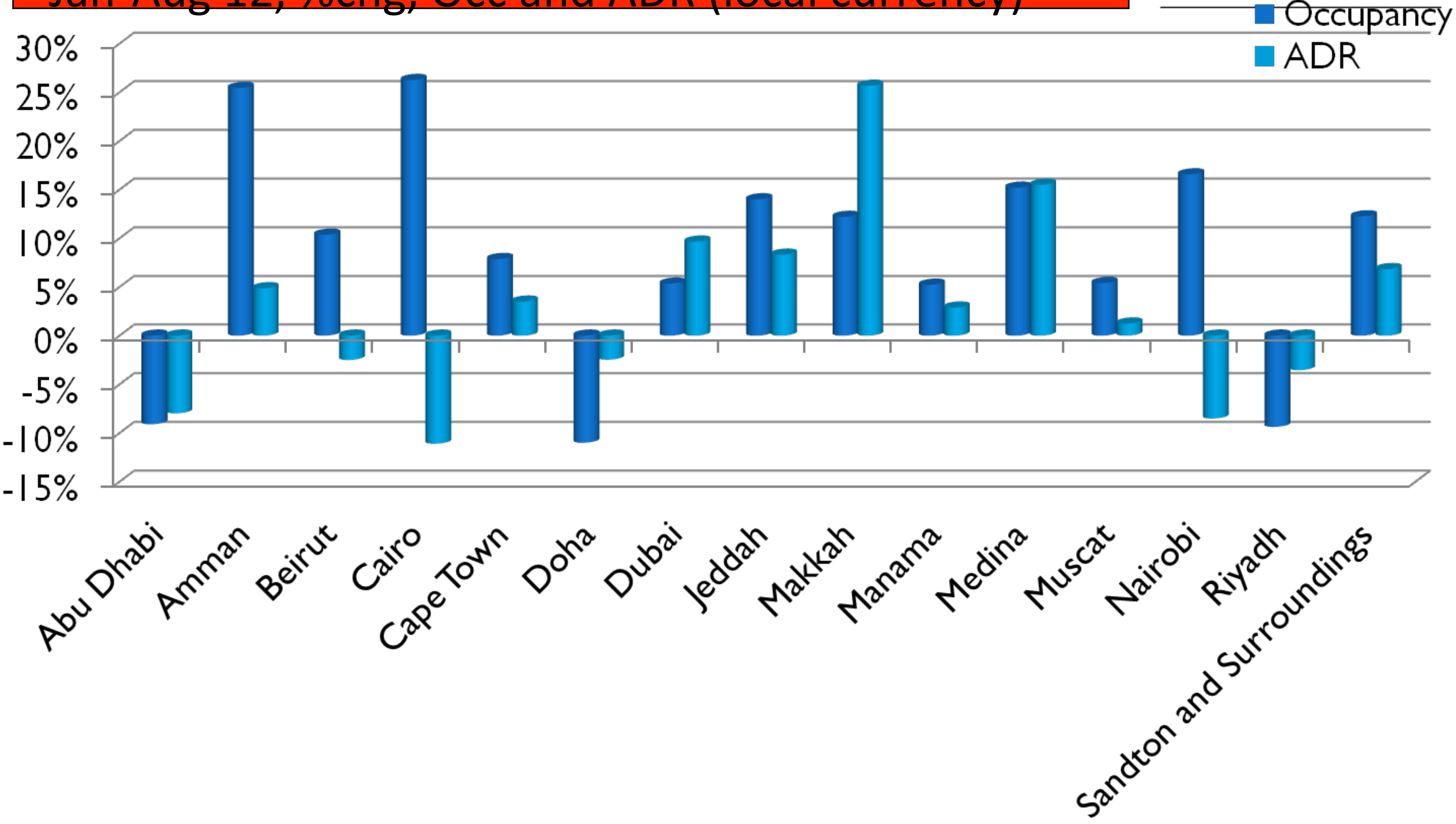

Americas – Rate Growth across the board

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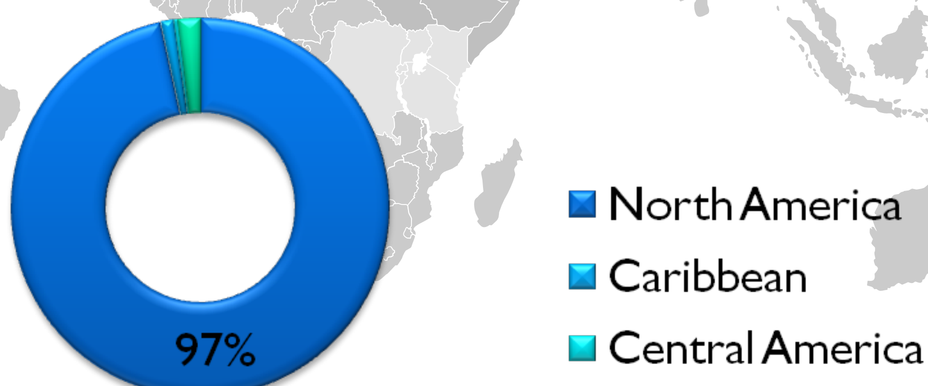
Jan-July 2012

YTD 2012	Occ	ADR	RevPAR	RevPAR%
Total Americas	**63%**	**$108**	**$68**	**+6.6%**
North America	63%	$107	$67	+6.8%
Caribbean	70%	$181	$127	+11.2%
Central America	61%	$117	$72	-0.6%
South America	65%	$143	$93	-1.8%



Sample rooms

Selected Central & S. American Mkts

Jan-Aug 12, %chg, Occ and ADR (local currency)

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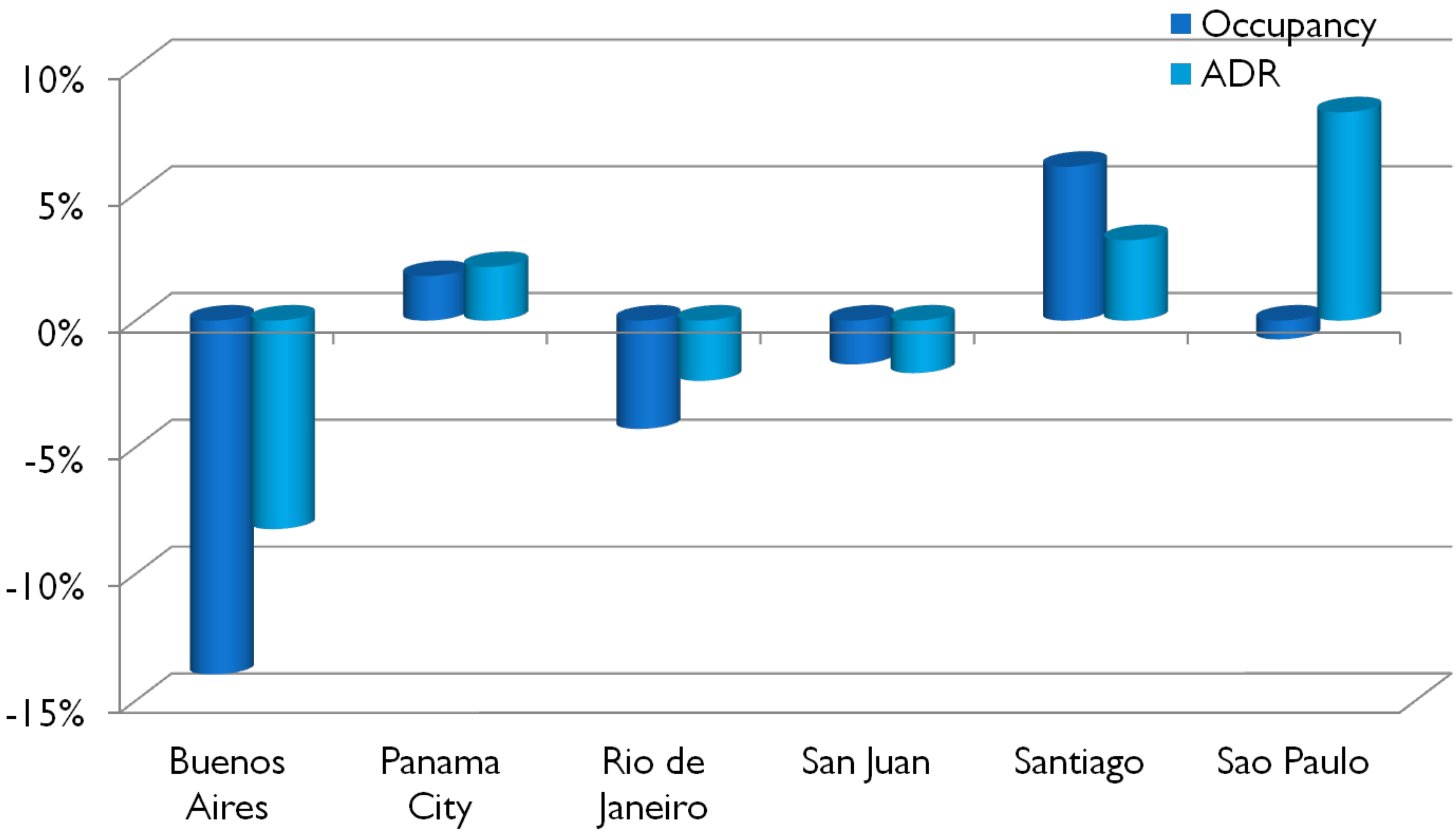
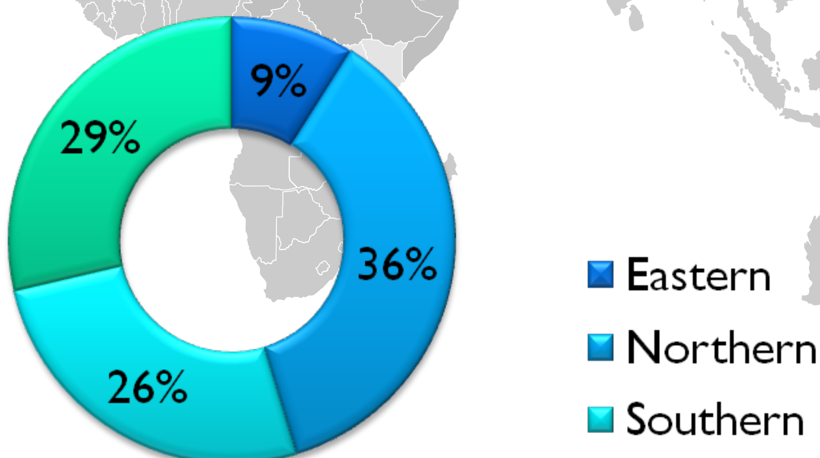


Europe in detail – RevPAR growth in all regions

Jan-Aug YTD 2012

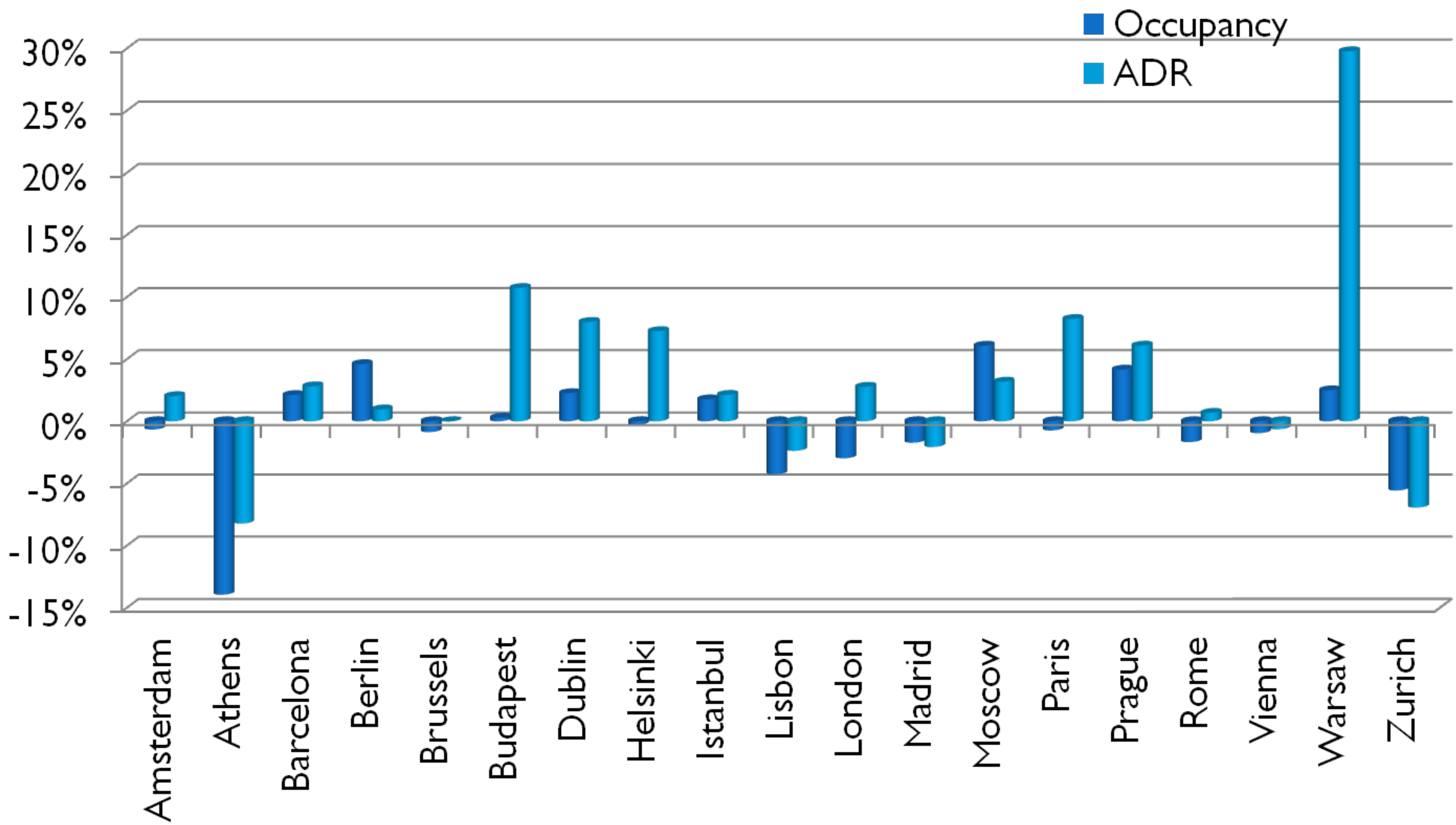
	Occ	ADR	RevPAR	RevPAR%
Total	**66%**	**€105**	**€69**	**+5.3%**
Eastern	60%	€89	€52	+9.3%
Northern	70%	€100	€70	+9.6%
Southern	62%	€105	€65	+1.8%
Western	66%	€115	€75	+2.4%



Sample rooms

Selected European Markets

Jan-July 12, %chg, Occ and ADR (local currency)



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Global overview – mixed results

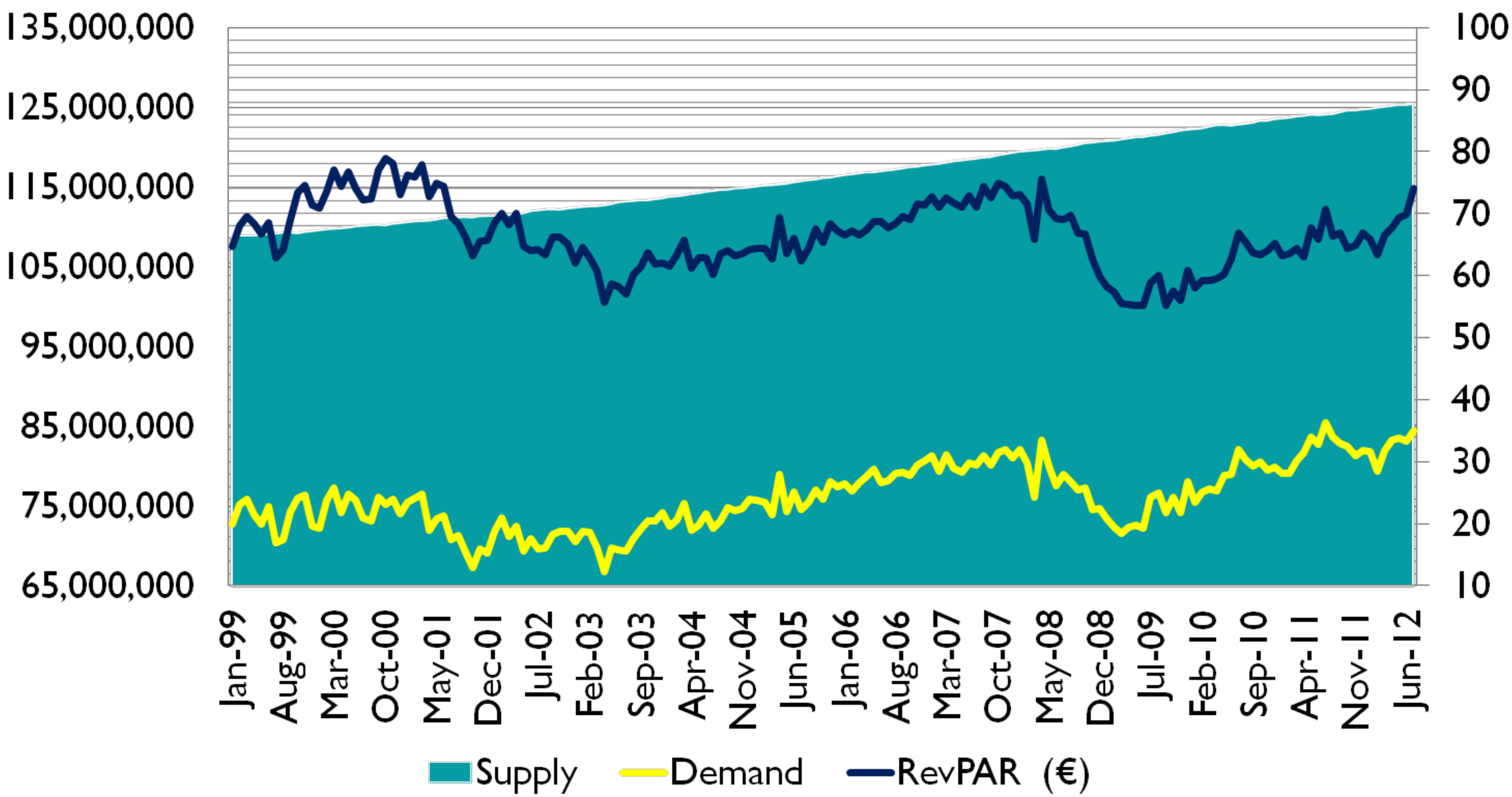
Spotlight on Europe – stabilising demand, muted new supply

Olympics – London & past Olympic cities performance

Forecast – what does the future hold for the end of 2012?

European long-term view

Seasonal adjusted supply, demand (# monthly rooms), RevPAR



European long-term view

YOY percentage change for occupancy and ADR €

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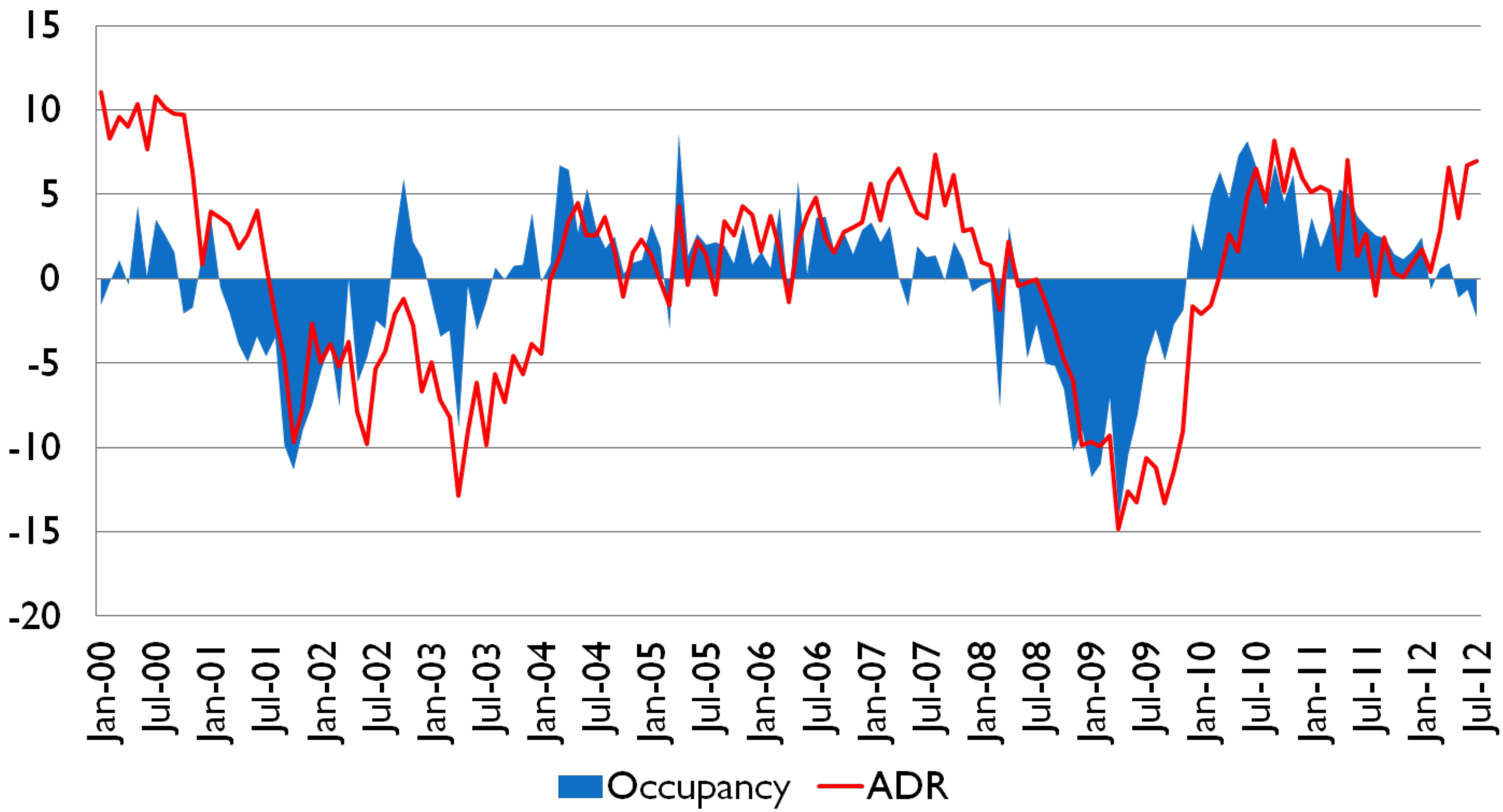

Spotlight on downturn

YOY percentage change for occupancy and ADR €

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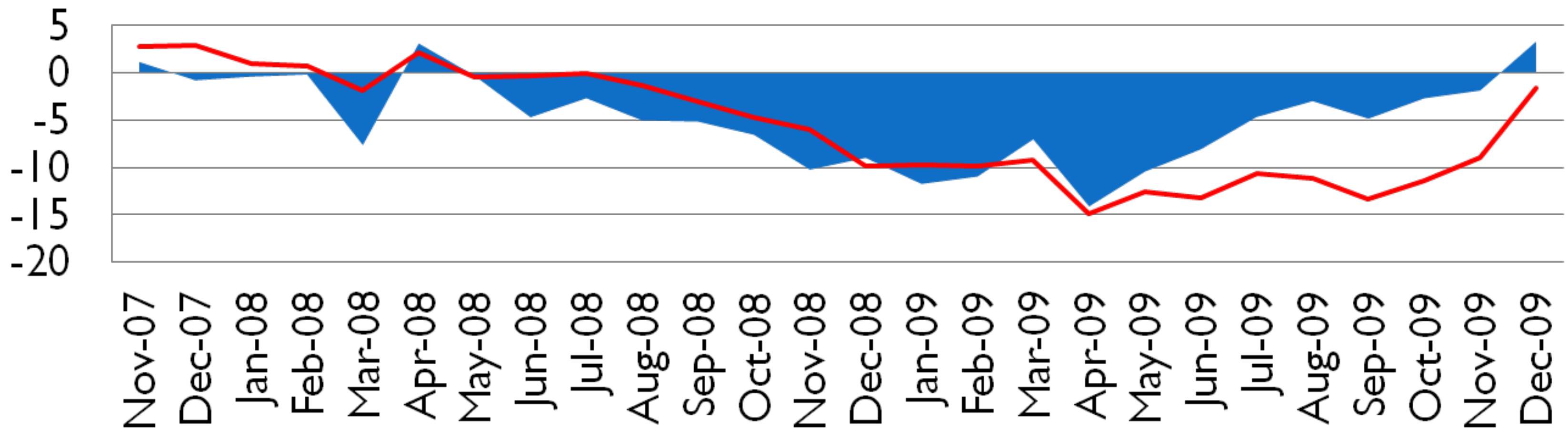

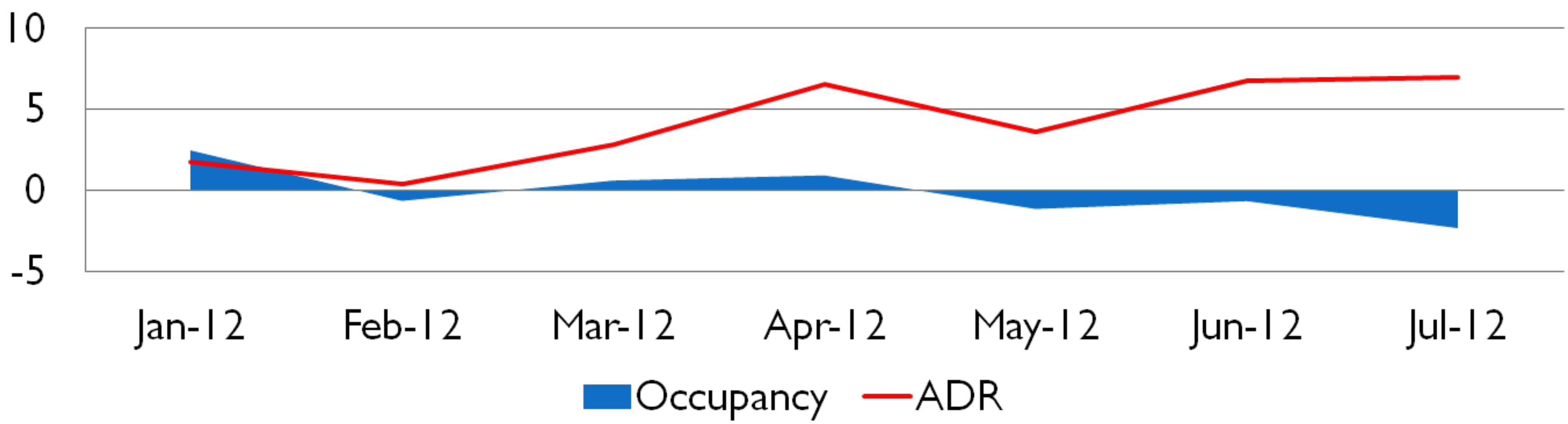

Europe € - taking longer to recover

Total Europe, ADR Euros €, 12 MMA 2008 – YTD 2012

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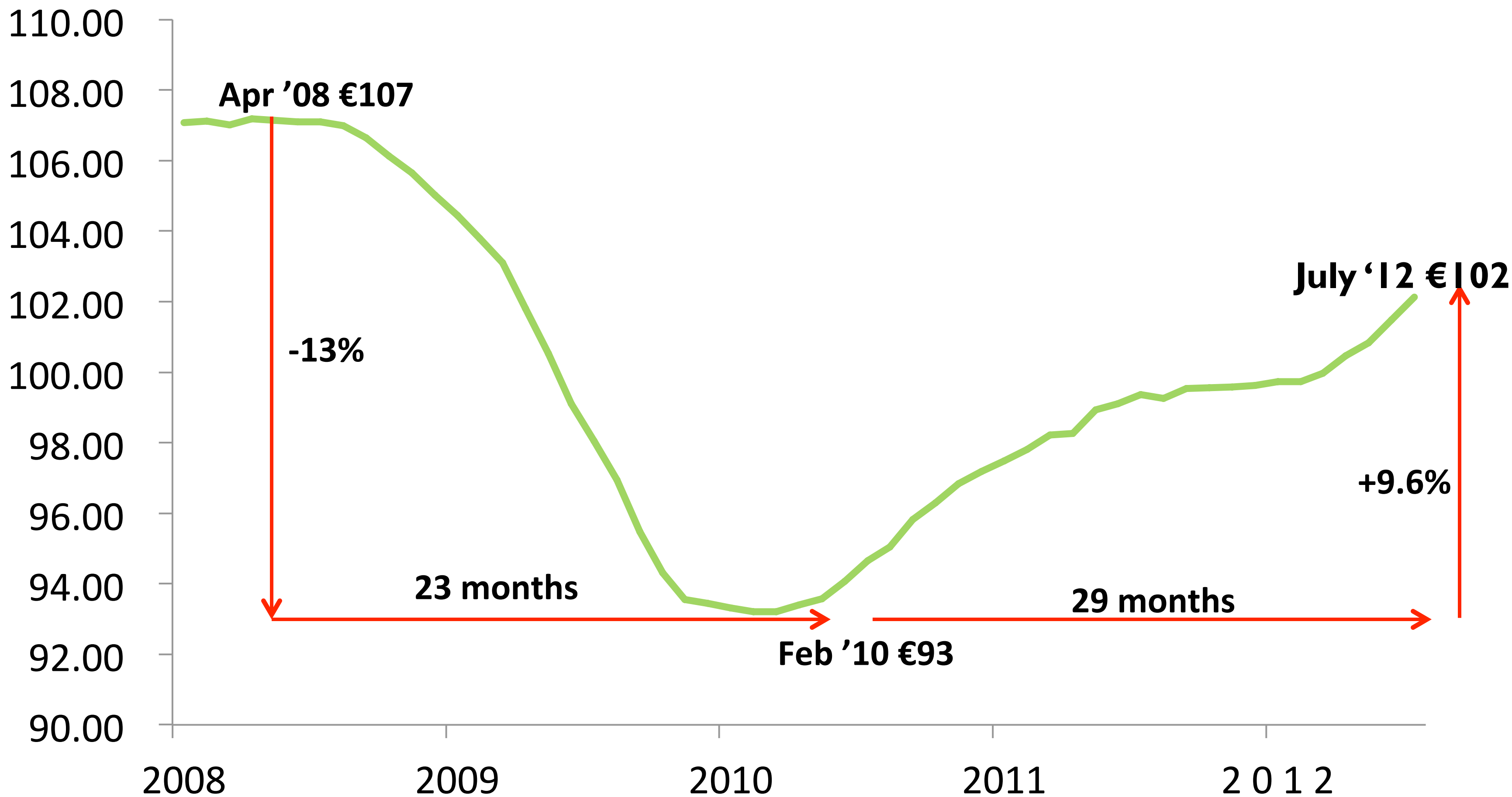

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19 July – 4 August

15 September – 1 October

13 – 29 August

8 -24 August

27 July – 12 August

London 2012

July/Aug/Sept 2012 daily ADR performance

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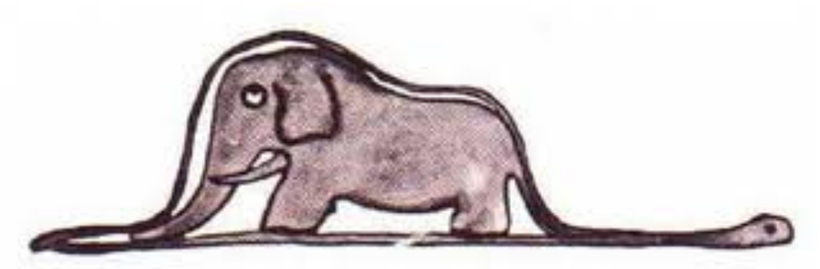

Source: Le Petit Prince, Antoine de Saint-Exupery

London 2012

June to 10 Sept daily ADR performance

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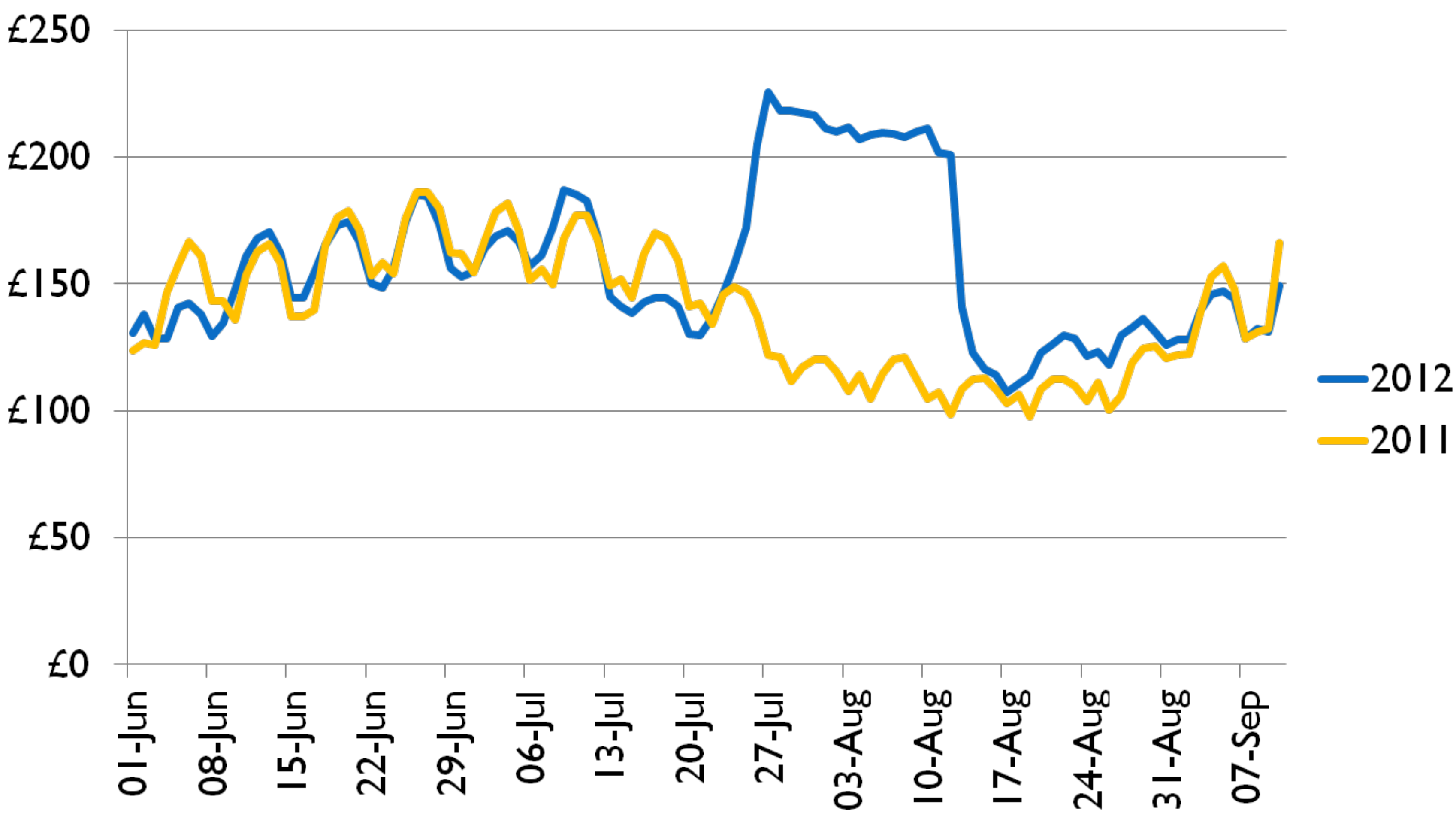

Supply in Olympic Cities

Daily # Census % change YOY

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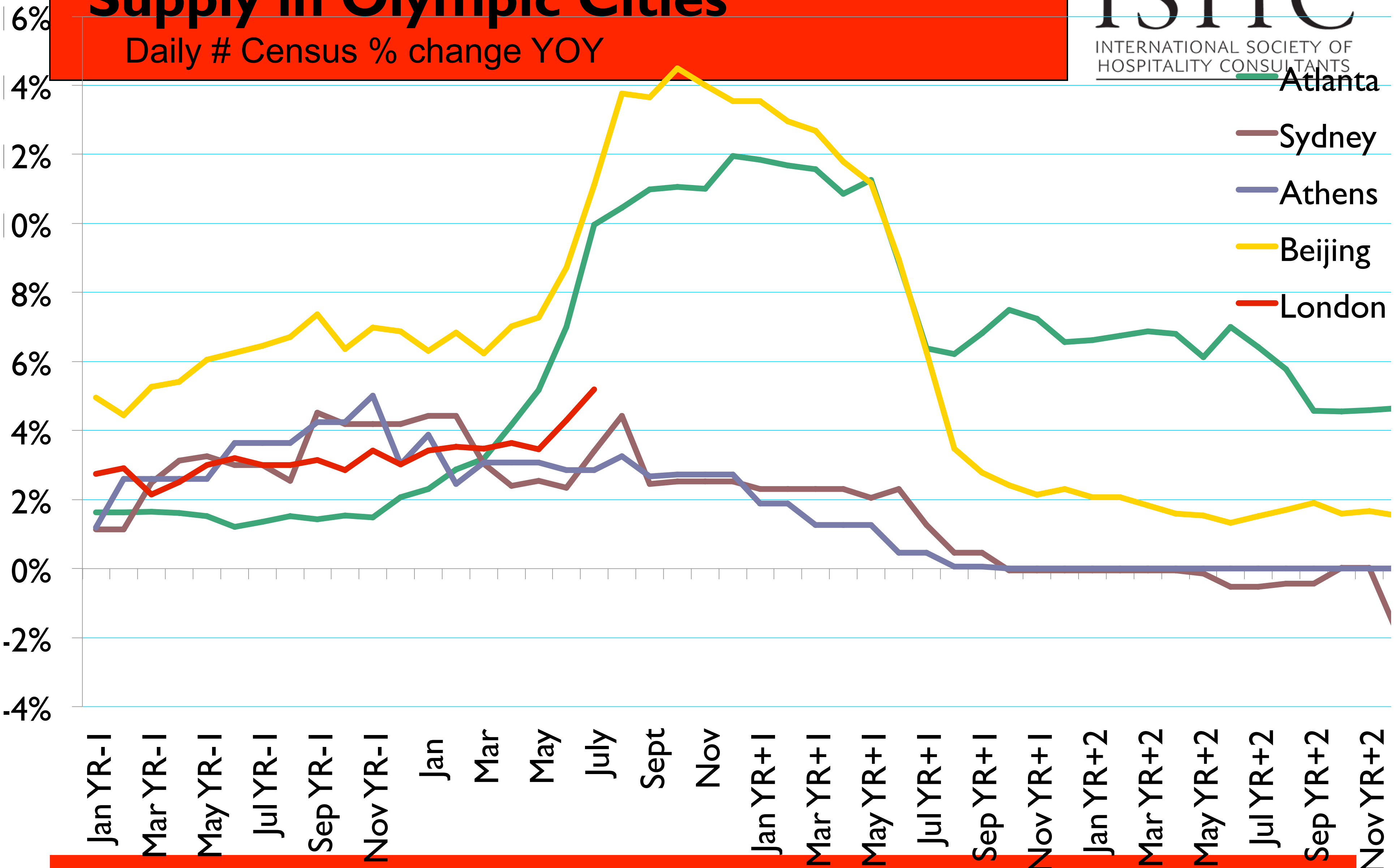

Demand in Olympic Cities

Monthly occupied rooms % change YOY

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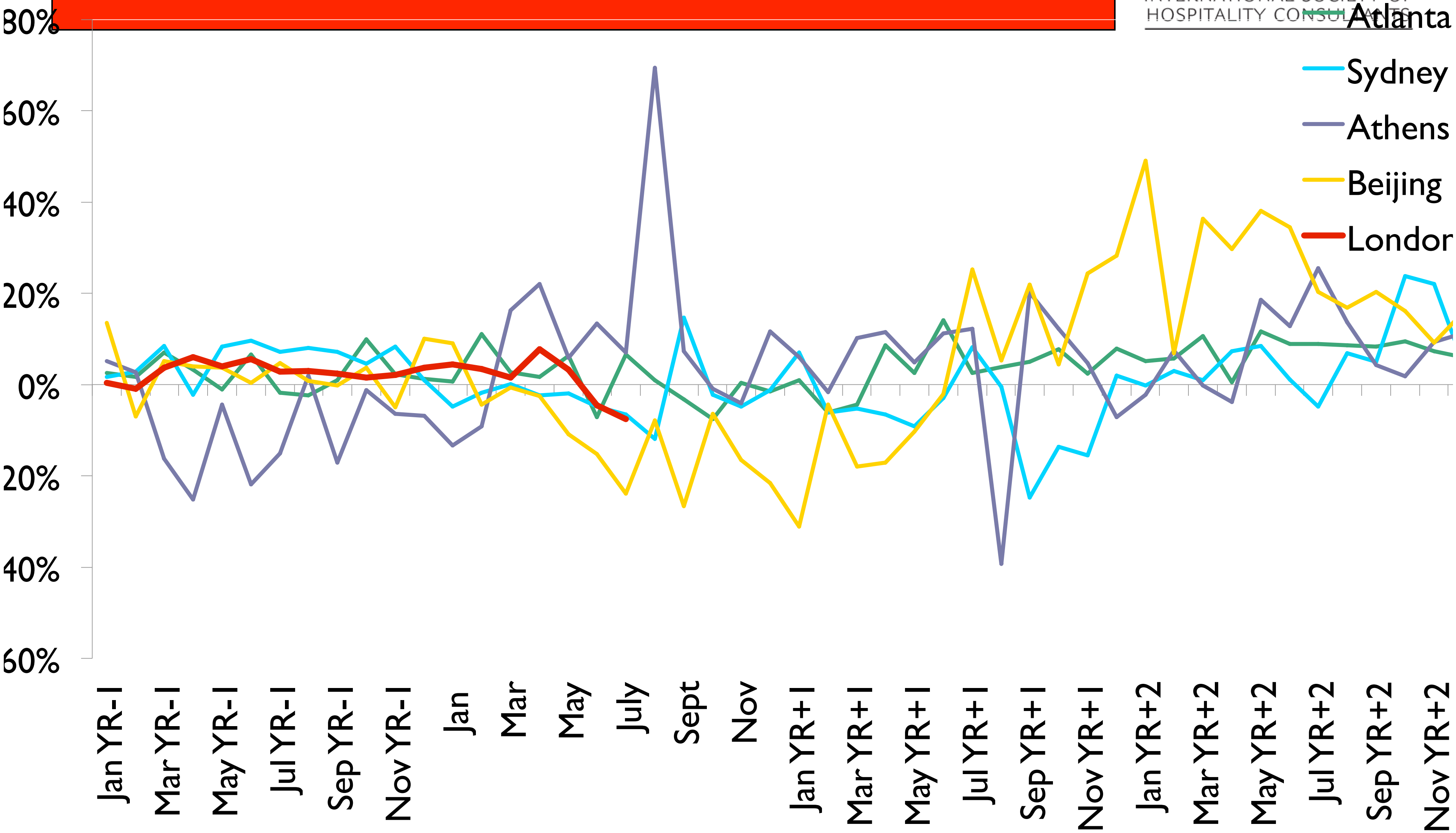

ADR in Olympic Cities

ADR local currency % change YOY during Olympic year

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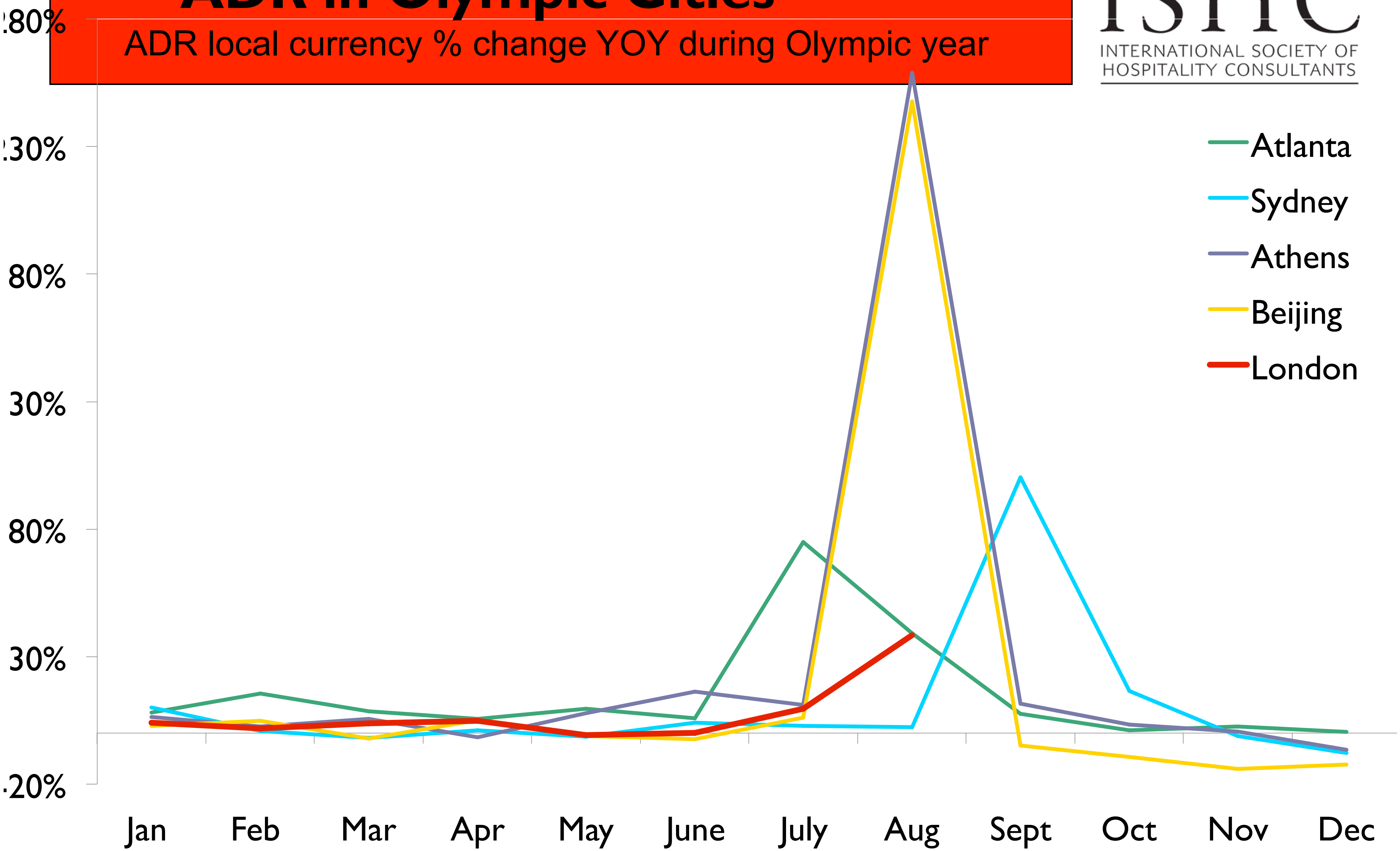

So were we fully booked?

Occupancy achieved during the Olympic Year

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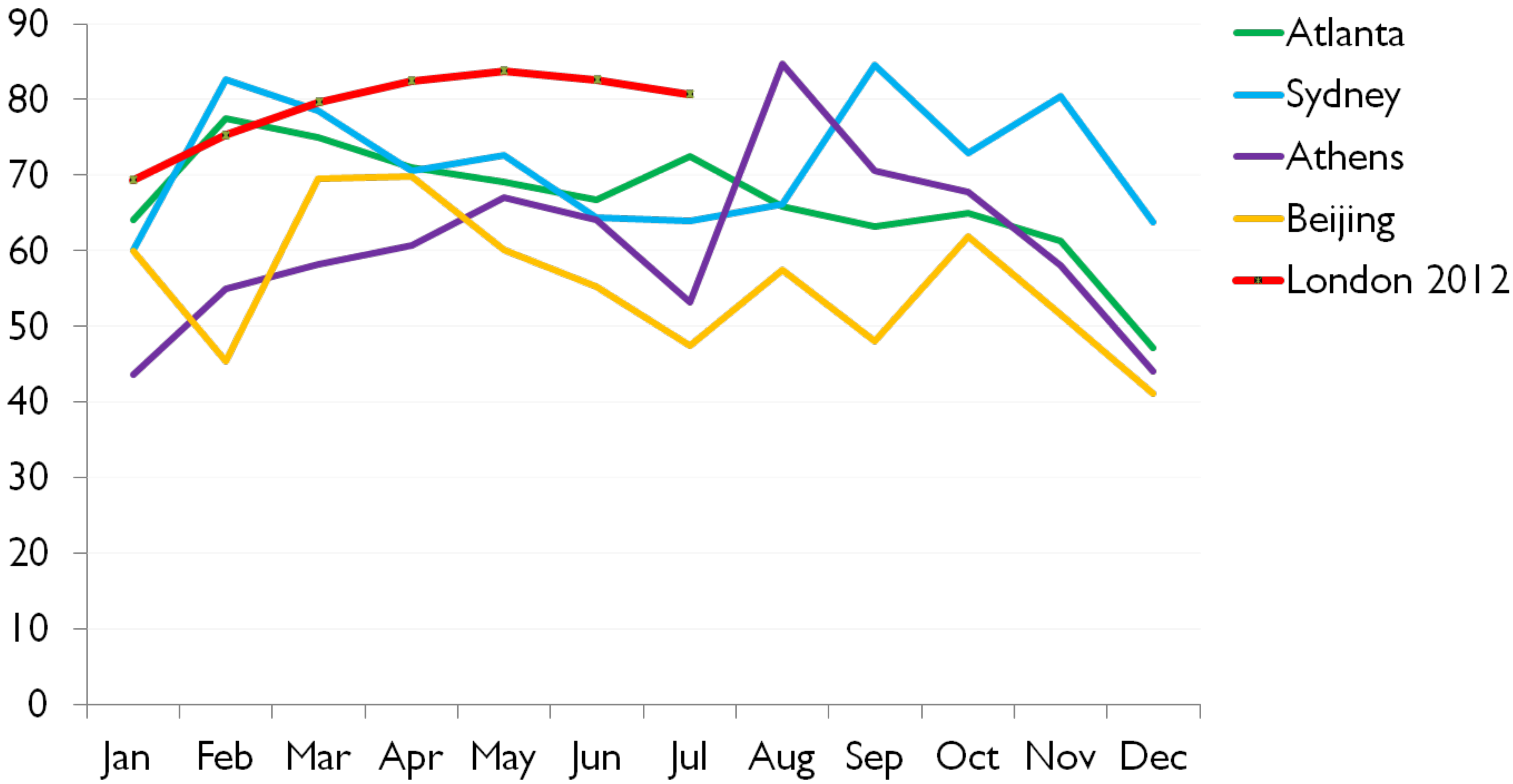
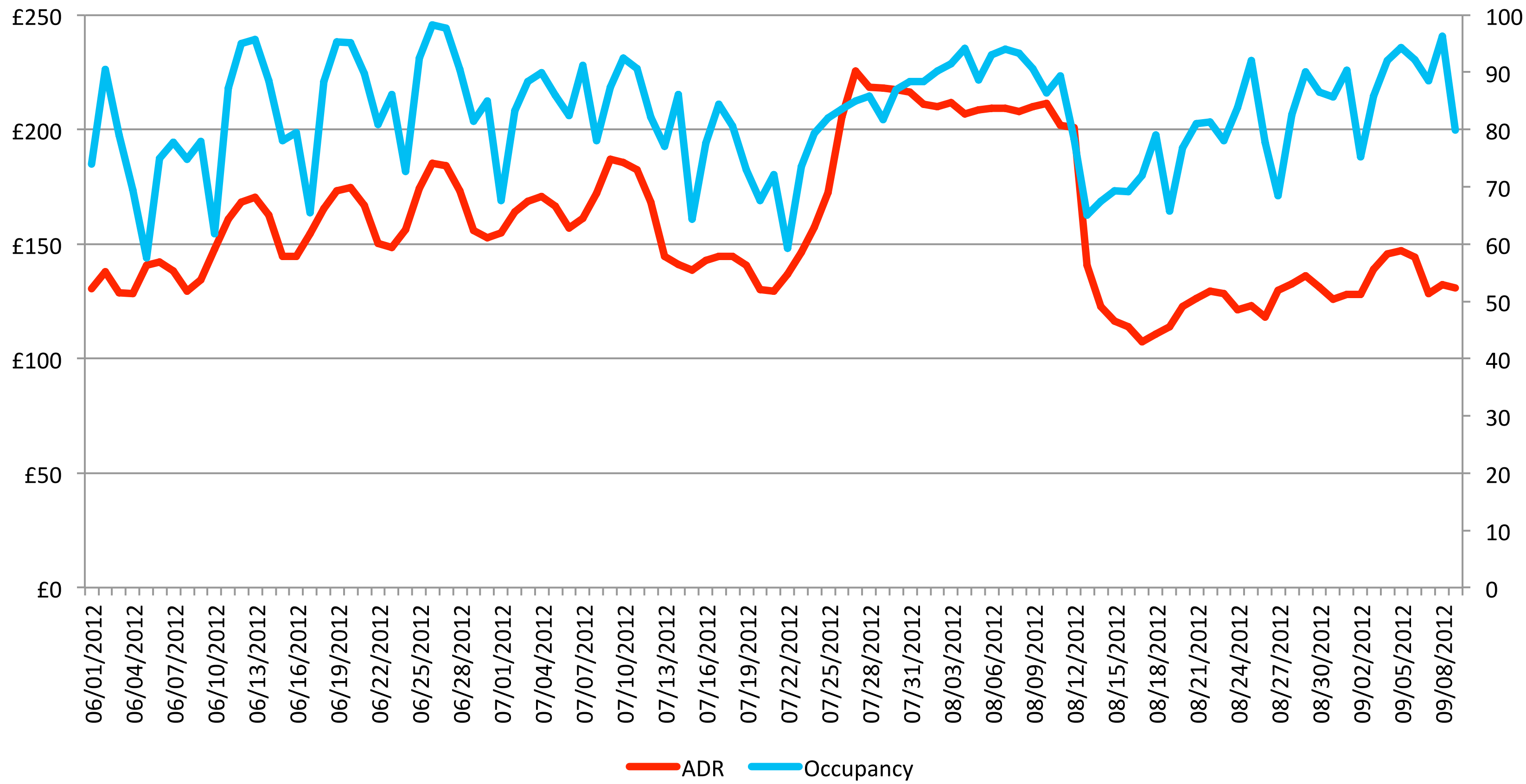


London: Seasonally adjusted 1st June to 8th Sept

Including Para Olympics



Year-end results for past Olympic cities

% change, local currency

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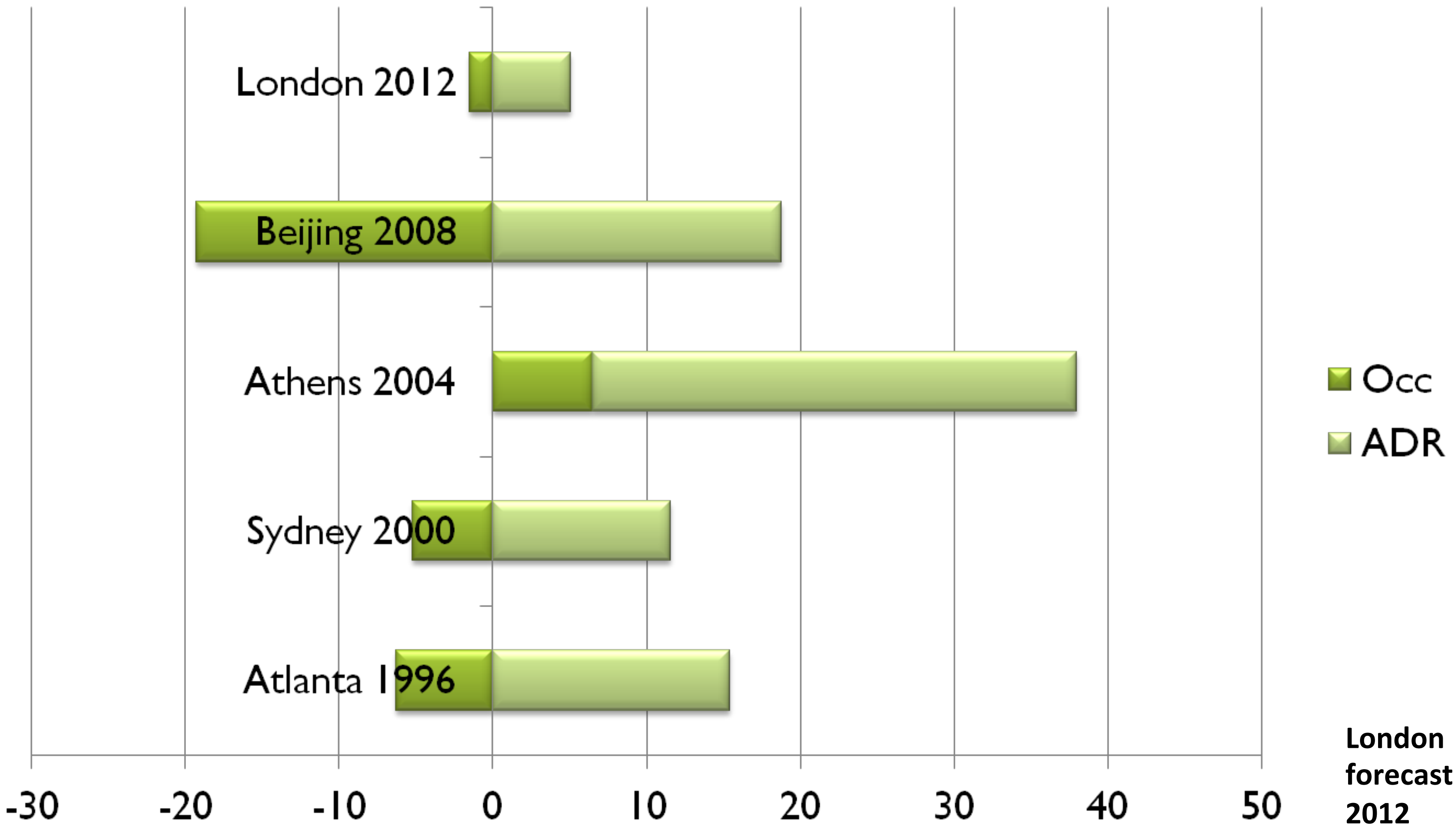

London forecast Aug 2012

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Expect Slowing Eurozone GDP / Demand % Change

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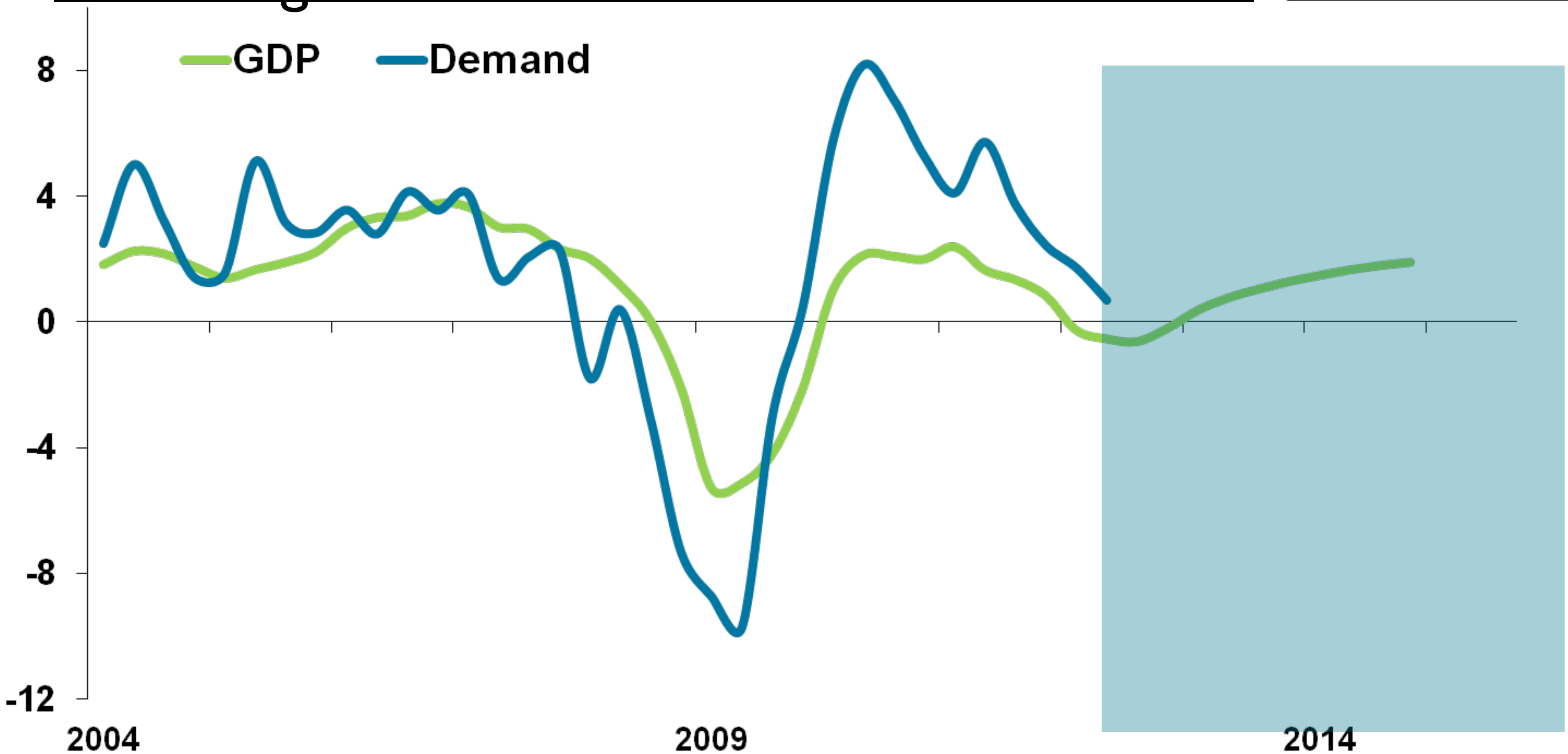

*Eurozone Demand & GDP % Change, Quarterly 2004 – 2014F
GDP Source: Oxford Economics

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Forecast – Selected Markets

2012 RevPAR forecast % chg, local currency as per August 2012 edition

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Declines expected	Growth expected		
Athens	Amsterdam	Dubai	Rome
Madrid	Barcelona	Dublin	Singapore
Regional UK	Beijing	Hong Kong	Sydney
Milan	Berlin	London	Tokyo
Zurich	Brussels	Moscow	Vienna
	Budapest	Prague	Warsaw
	Copenhagen	Paris Luxury & Upper Upscale	

Contact details

Elizabeth Winkle
0207 922 1968
ewinkle@strglobal.com

www.strglobal.com
You can follow us on Twitter, Facebook, LinkedIn

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