Accommodation Performance Update

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Asia Pacific Update
STR.com (COVID-19 landing page)
Analysis blogs, webinar recordings, press releases, etc.
Recovery... Now

Pick-up officially underway
Mainland China – Journey through COVID-19
Clear phases as China moves through the crisis in 100 days

Jan 1-May 3 2020, Occupancy (%), Mainland China Overall

Source: STR. 2020 © CoStar Realty Information, Inc.
South Korea capitalising on the long weekend holiday
Leisure travel came back to 50% also in Korea

Total South Korea, Occupancy (%) and ADR (KRW) Apr 1 – May 2

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

Who’s potentially next?
Pacific nations – No one was immune

Occupancy quickly dropped below 25%

*Occupancy growth (%) compared to same dates in 2019, 10 Feb-25 Mar, Country level*

Source: STR 2020 © CoStar Realty Information, Inc.
Australia and New Zealand potential

Domestic drivers could fuel – If virus remains controlled

- Now: No travel other than essential and quarantine filling hotels
- Australia: Intra/interstate travel driver
- Australia: Strong domestic drivers can fuel weekend/leisure

However… before you get too excited
Any rebound highly dependent on authority measures

- Business on the books show almost no pickup pace yet for next 90 days
- And for 12 months out it remains very limited and opportunistic
- Not yet consumer confidence to starting booking
Recovery... Later

Variations and Uncertainties
Summary: Indian Ocean

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

Maldives  Sri Lanka

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

Source: STR. 2020 © CoStar Realty Information, Inc.
ASEAN March development

Majority of markets gradually ended up below 20% - With two initial anomalies

March Occupancy levels
Japan decline ‘only’ -22% in Feb. March heavier, but smaller than others.
Like some other markets – more delayed decline

Total Japan Occupancy change 2020 vs 2019 by month and quarter

-22%  -22%  -62%  -30%

APRIL: Deeper with State of Emergency and closures

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

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 seems to be at the end of the beginning
   – Occupancies sometimes over half of what they would usually be
   – Driven by domestic demand of both leisure (first) then business

2. Recovery cannot be rushed – but potential changes in May
   – After over two months at baseline, South Korea long weekend indicative of change?
   – Australia and New Zealand domestic potential in Q2 – And maybe in ASEAN domestic?

3. Btw, as in some APAC markets, US or Europe is still at low levels
   – Variations in talks of opening up and some business on the books
   – Restrictions on travel and hotels likely to remain in place longer… and borders even longer

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