



Urban living festival

Charting the rise of Serviced Apartments

Alex Robinson

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Agenda

How have Serviced Apartments been growing? Where are they growing and why? And what does the future hold?

1.

Global trends

A look at global performance trends

2.

Serviced Apartments

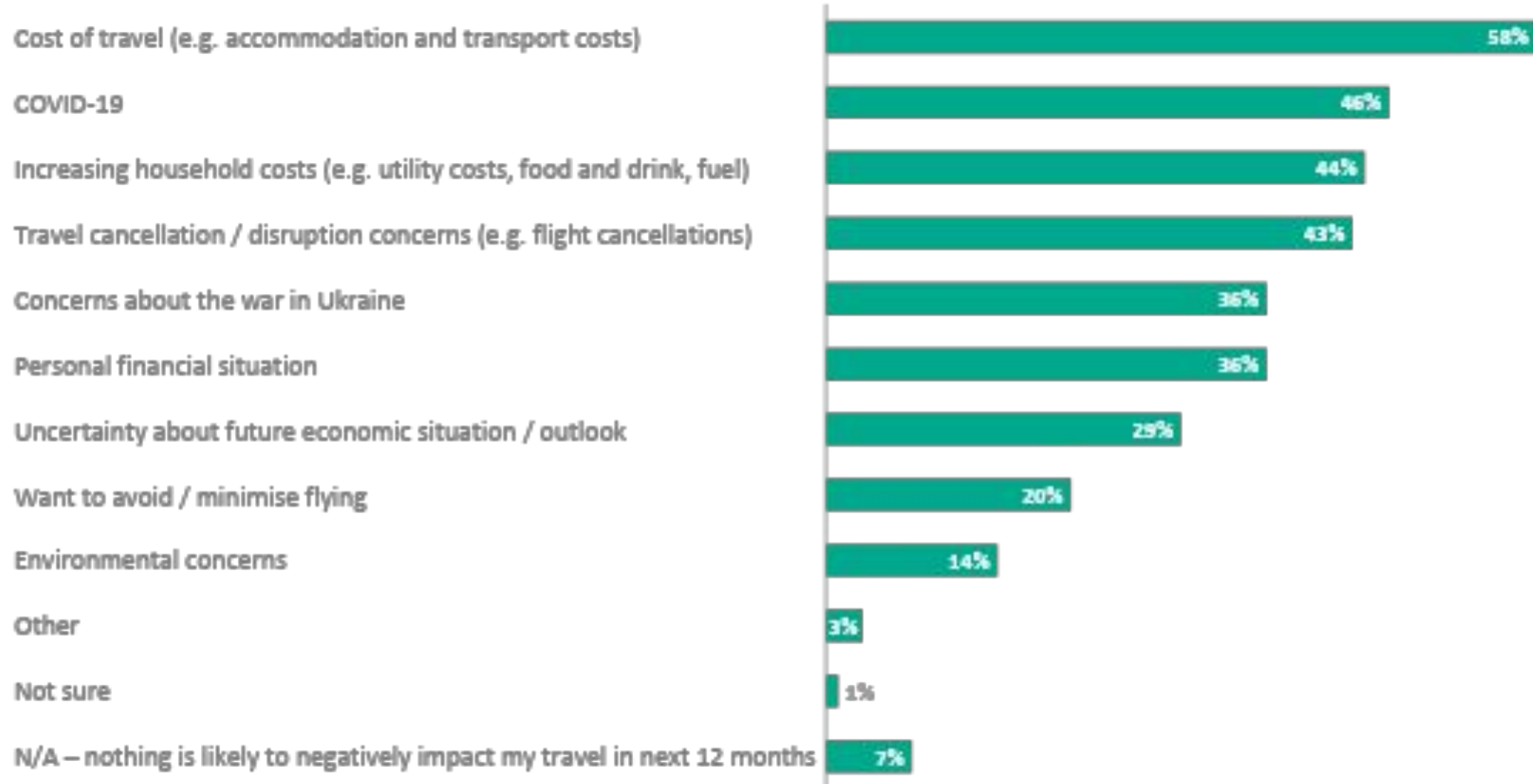
How, where, and why have Serviced Apartments been growing?

3.

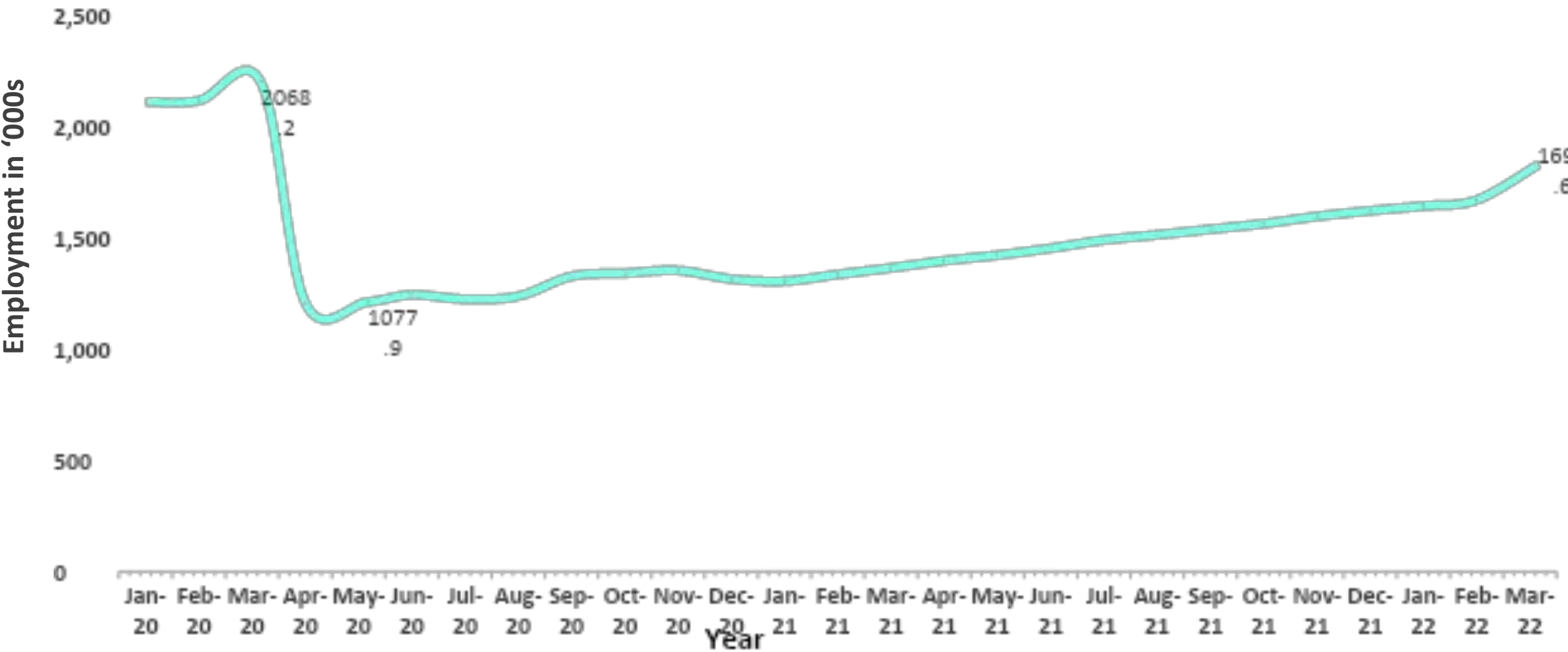
Looking beyond 2022

What does the future hold for Serviced Apartments?

Increasing costs are now the biggest barrier for future travel...



Labor shortages in hospitality are a global concern for full operation



Source: BLS.gov

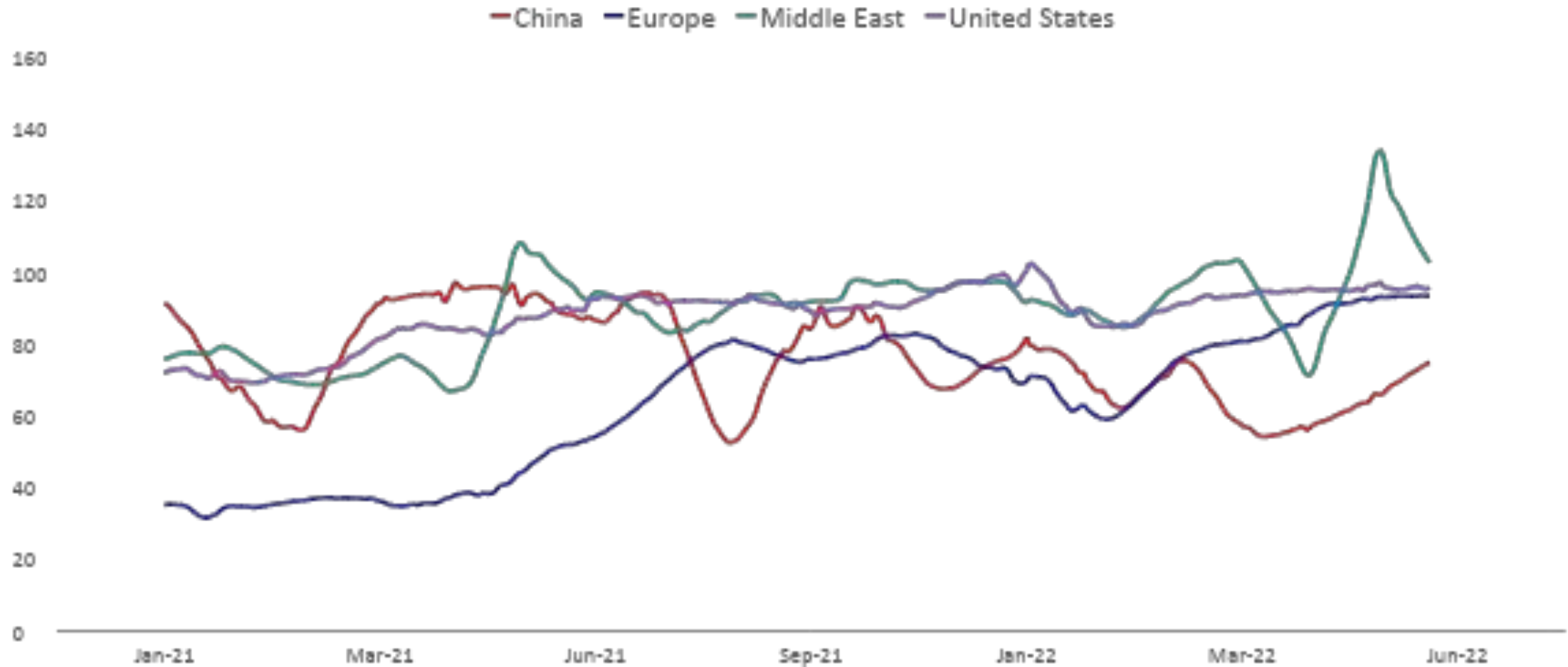
Cities showing promising performance vs 2019

Occupancy (STD), May 2022, indexed to 2019



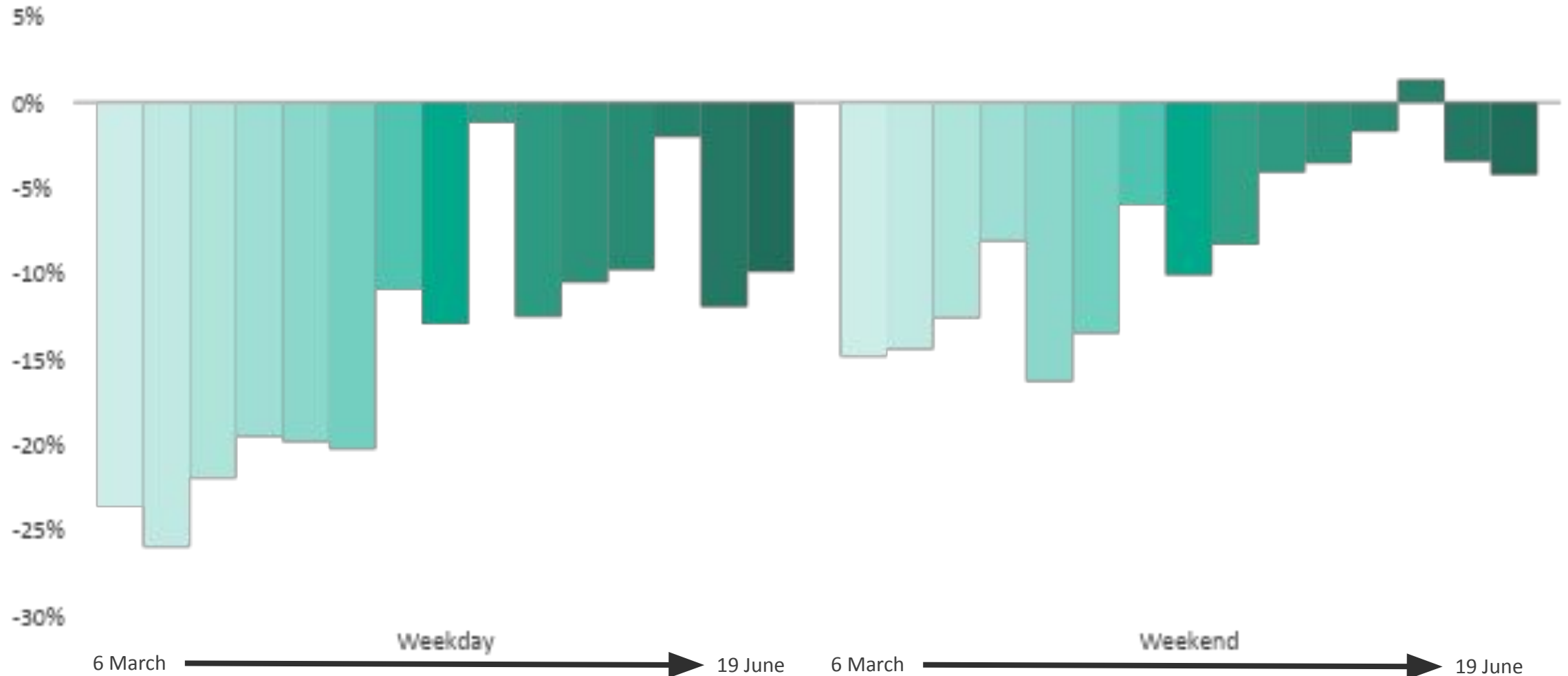
European occupancy has almost fully recovered to 2019 levels

Occupancy (STD) Rolling 28 days indexed to 2019, Aug 2021 to Jun 2022



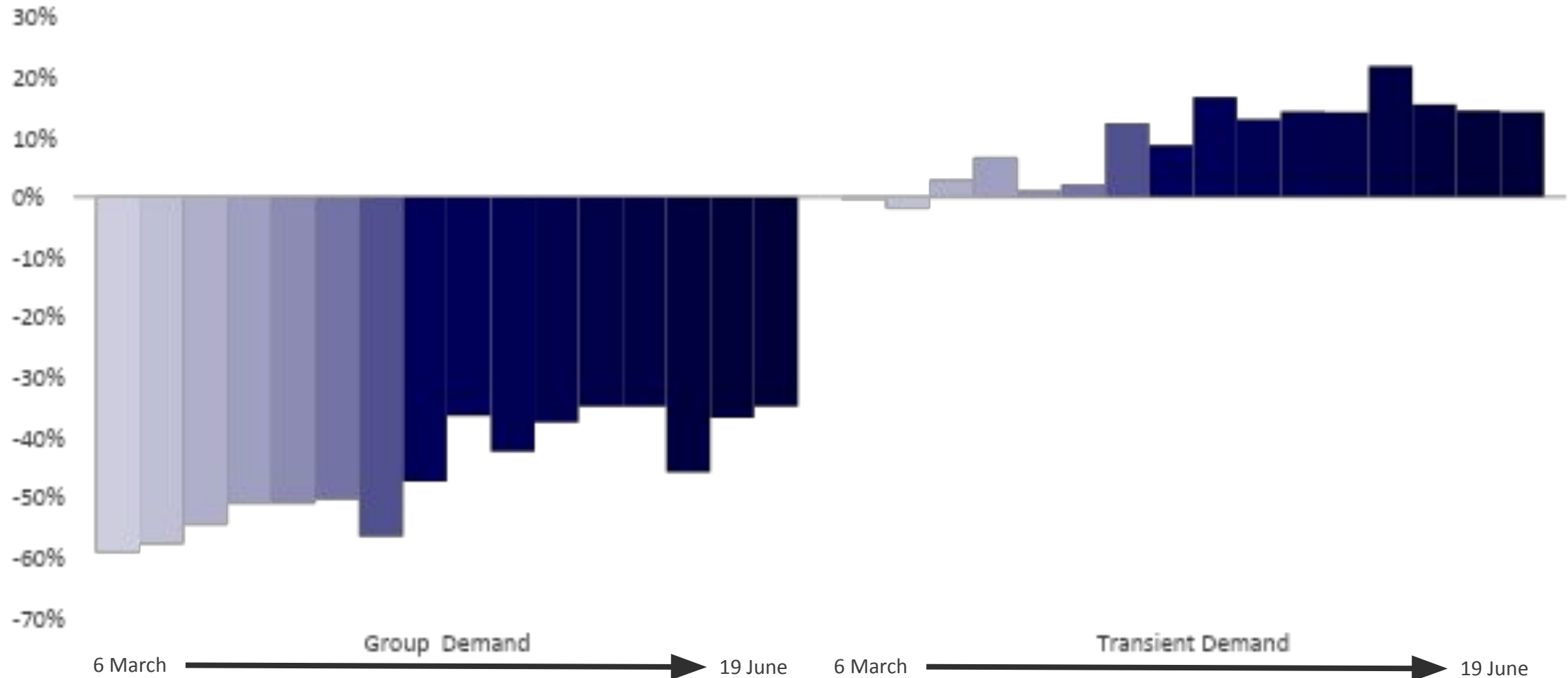
Europe weekend occupancy recovered – weekday still 10% behind

Europe, occupancy % change to 2019, weeks ending 6 Mar – 19 June 2022



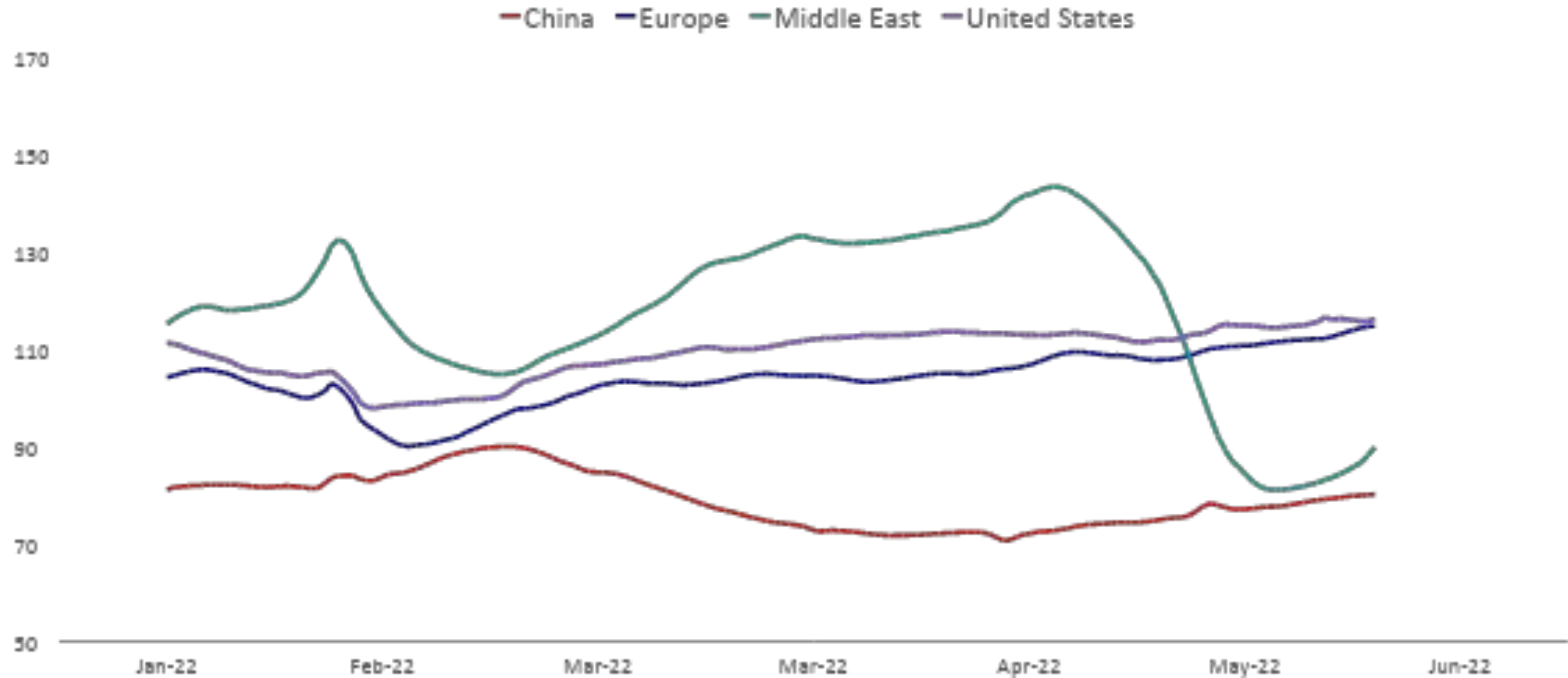
Underpinned by group and events demand not being fully back yet

Europe, segmentation Demand % change to 2019, weeks ending 6 Mar – 19 June 2022



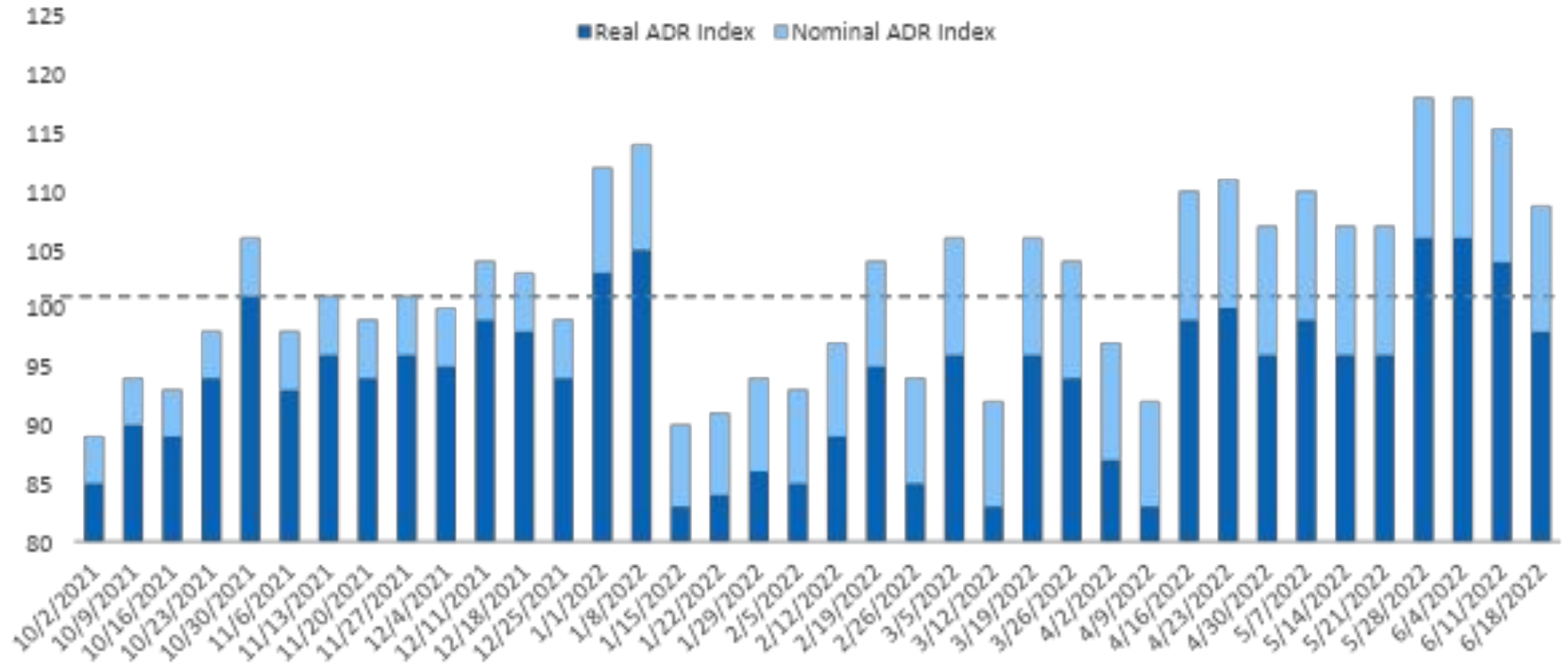
Europe ADR trending 10% above 2019 levels and growing

ADR R28 (USD) Constant Currency, indexed to 2019, Jan 2021 – Jun 2022



Inflation a key topic, but Europe back to 2019 ADR levels in real terms

EU 27 (excl. UK), Weekly ADR in EUR indexed to 2019, Oct 2021 – June 2022



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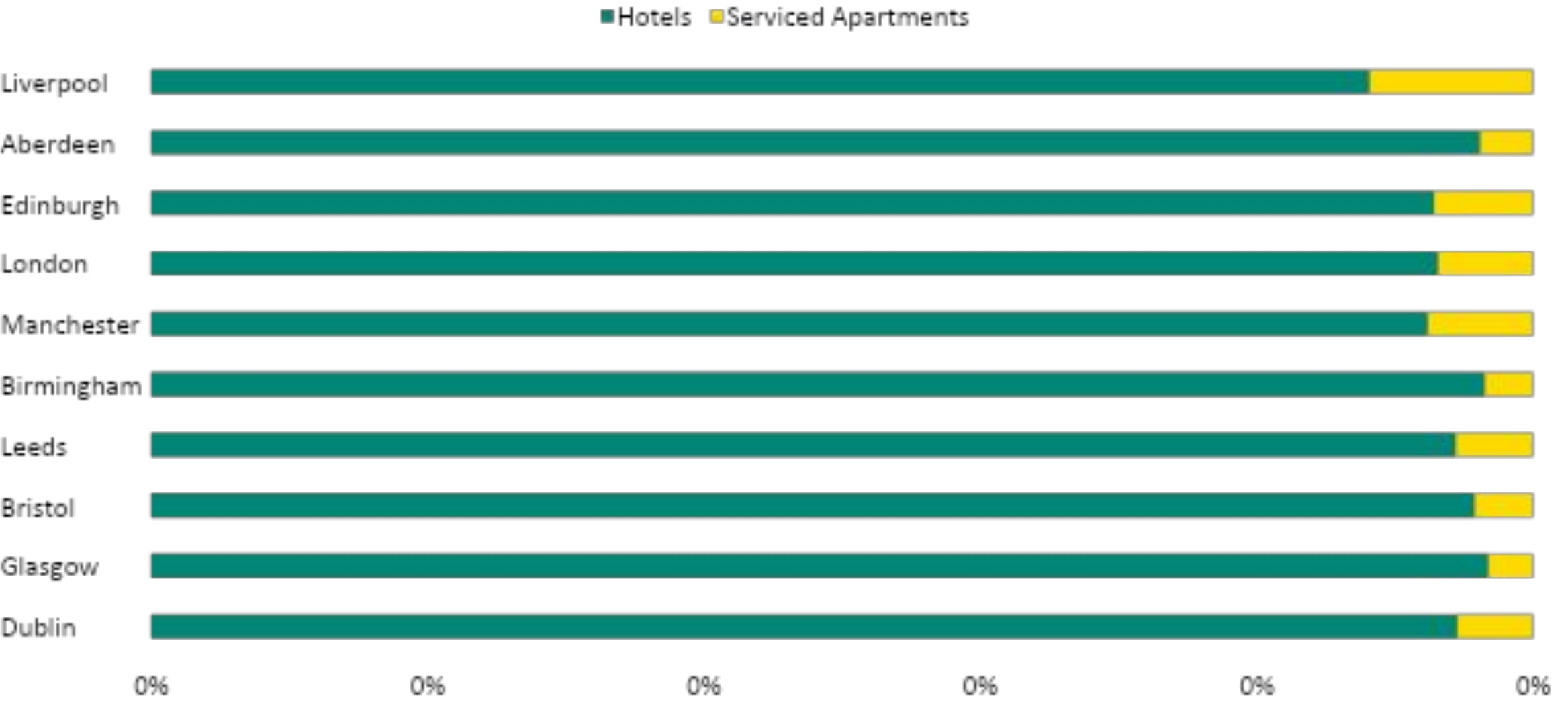
Serviced apartment supply growth continues to outpace hotels

UK Serviced Apartment – Sector supply & growth



And continues to grow share in key cities

UK Serviced Apartment – Sector supply & growth



Serviced Apartments commanded a clear premium pre-covid

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



Serviced Apartments

80.0%

Occupancy

-0.0%

£130.07

ADR

+0.7%

£104.40

RevPAR

+0.7%



Overall industry incl. hotels

77.4%

Occupancy

-0.6%

£94.76

ADR

+0.7%

£73.38

RevPAR

+0.2%

Due to key city centre location, class and room type

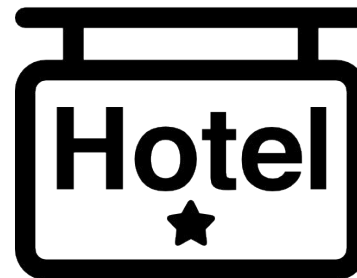
Geography

City Centre, Tier 1 &2,
London centric



Class

Upscale and above -
unlike hotel Industry



Size

Higher rate for extra space

Hotel



Studio Apartment

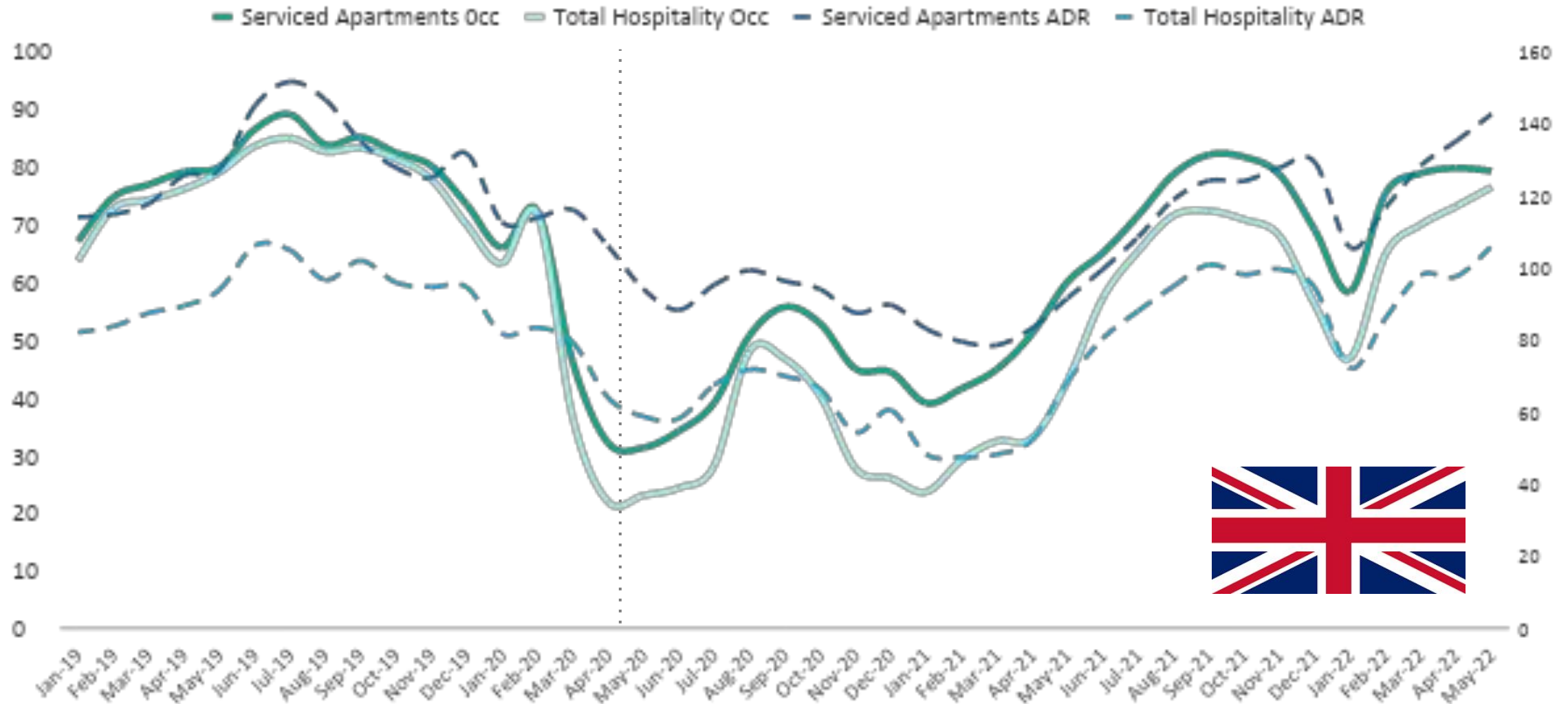


1 Bedroom Apartment



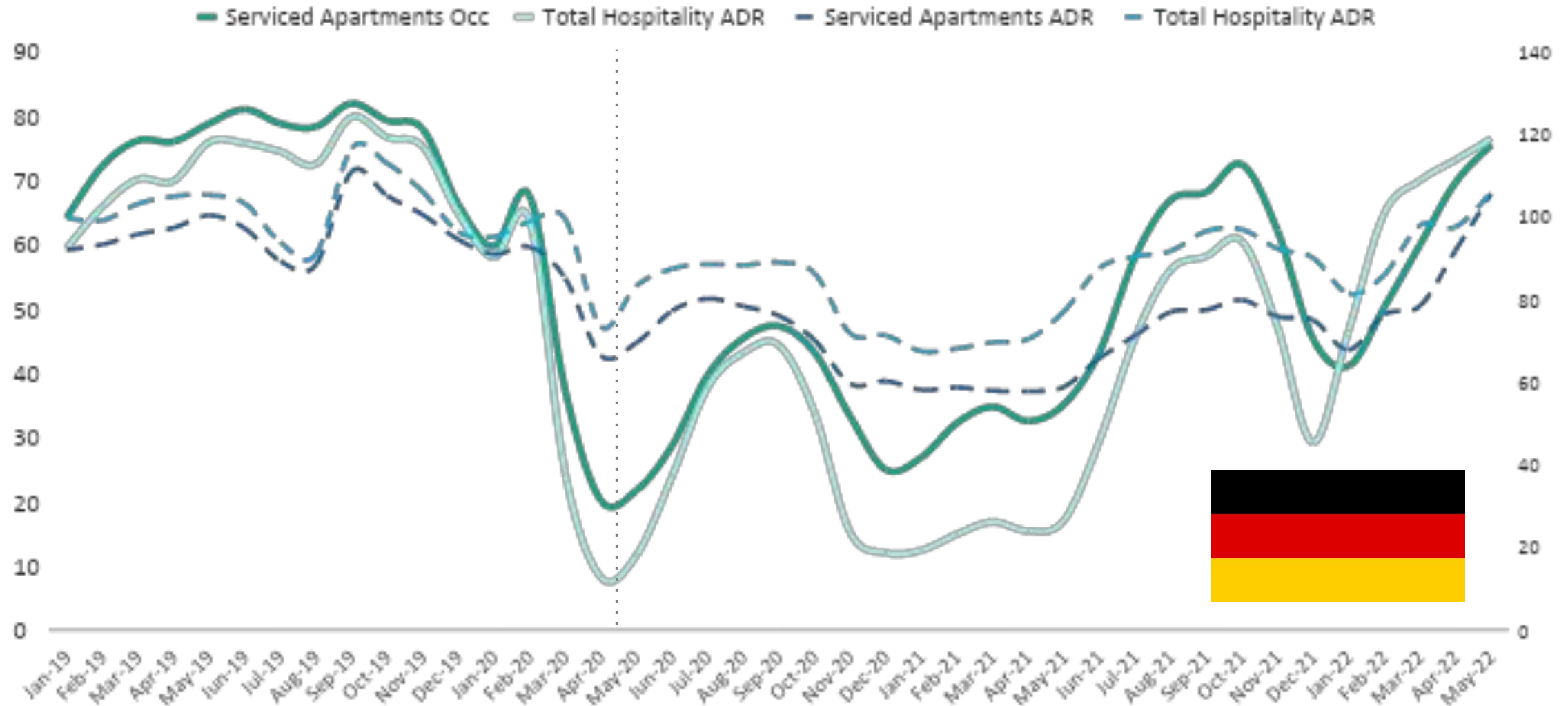
UK Serviced Apartments grew their premium during COVID

United Kingdom, Occupancy, ADR (GBP) Serviced Apartments & Total Performance, 2019 – May 2022



German SA premium narrowing post pandemic

Germany, Occupancy, ADR (EUR) Serviced Apartments & Total Performance, 2019 – May 2022



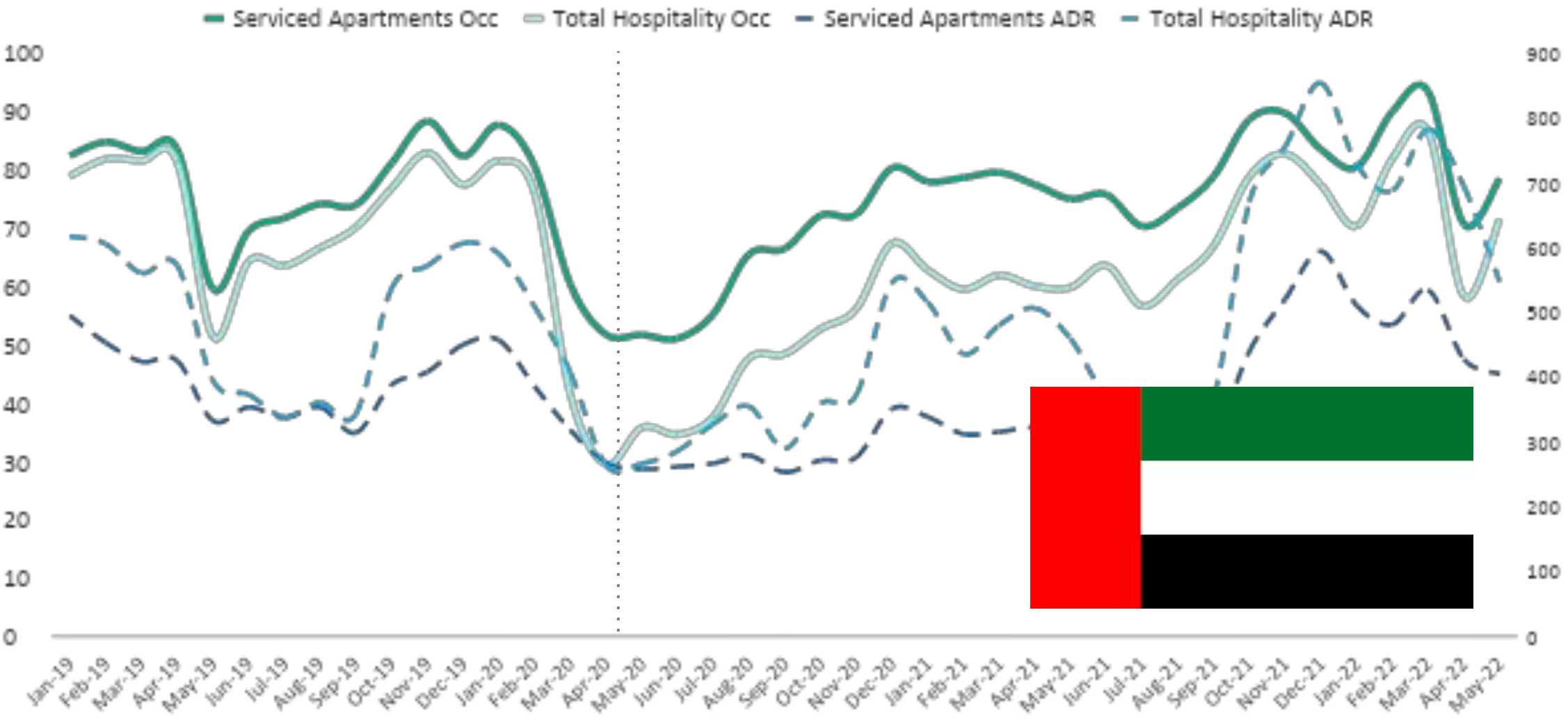
Australian Serviced Apartments also narrowing

Australia, Occupancy, ADR (AUD) Serviced Apartments & Total Performance, 2019 – May 2022



While the premium for UAE Serviced Apartments remains

United Arab Emirates, Occupancy, ADR (AED), Serviced Apartments & Total Performance, 2019 – May 2022



Pandemic drivers for premium

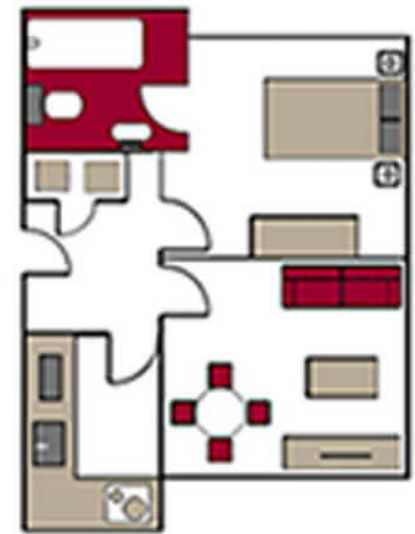
Self-catering
Optimum for
quarantine stays



Self-contained
To avoid contact with
staff and guests



Family configuration
Ease for families with
children



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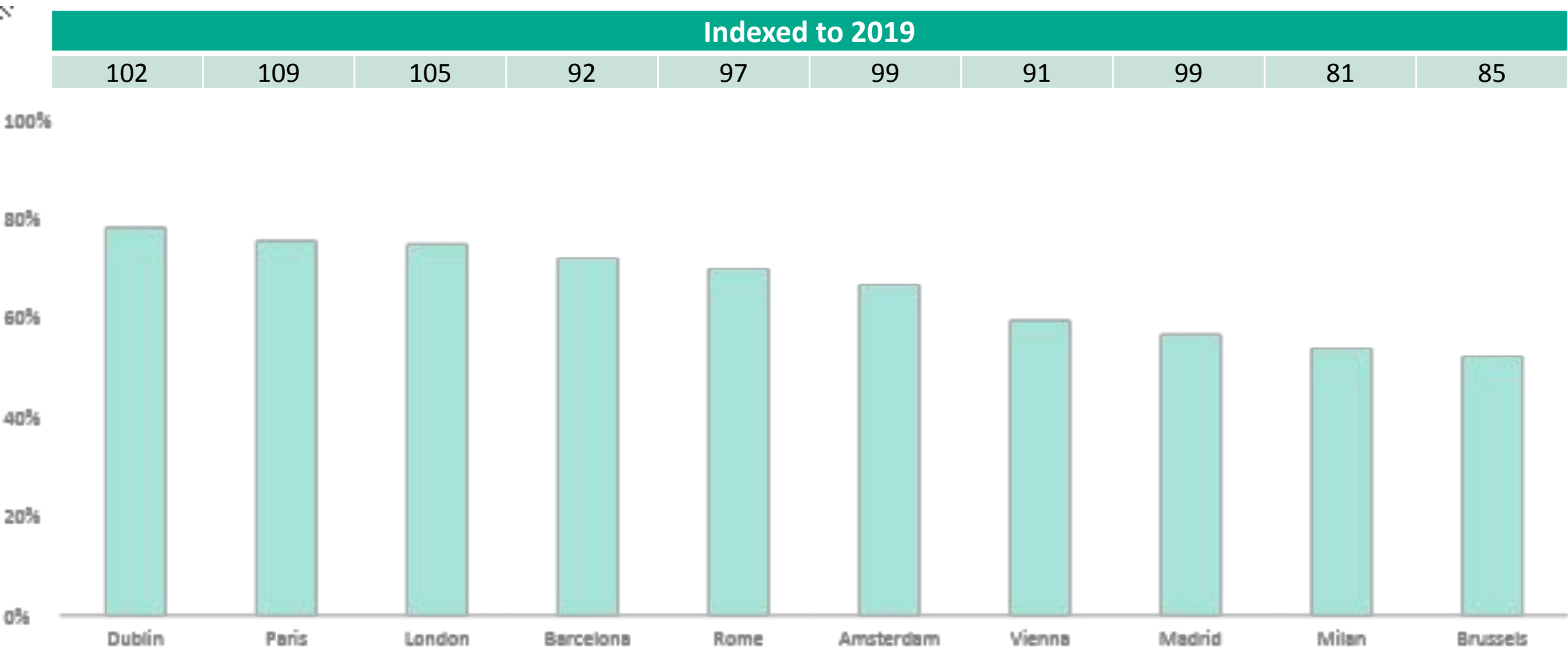
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Looking to 2022

What does the future hold for Serviced Apartments?

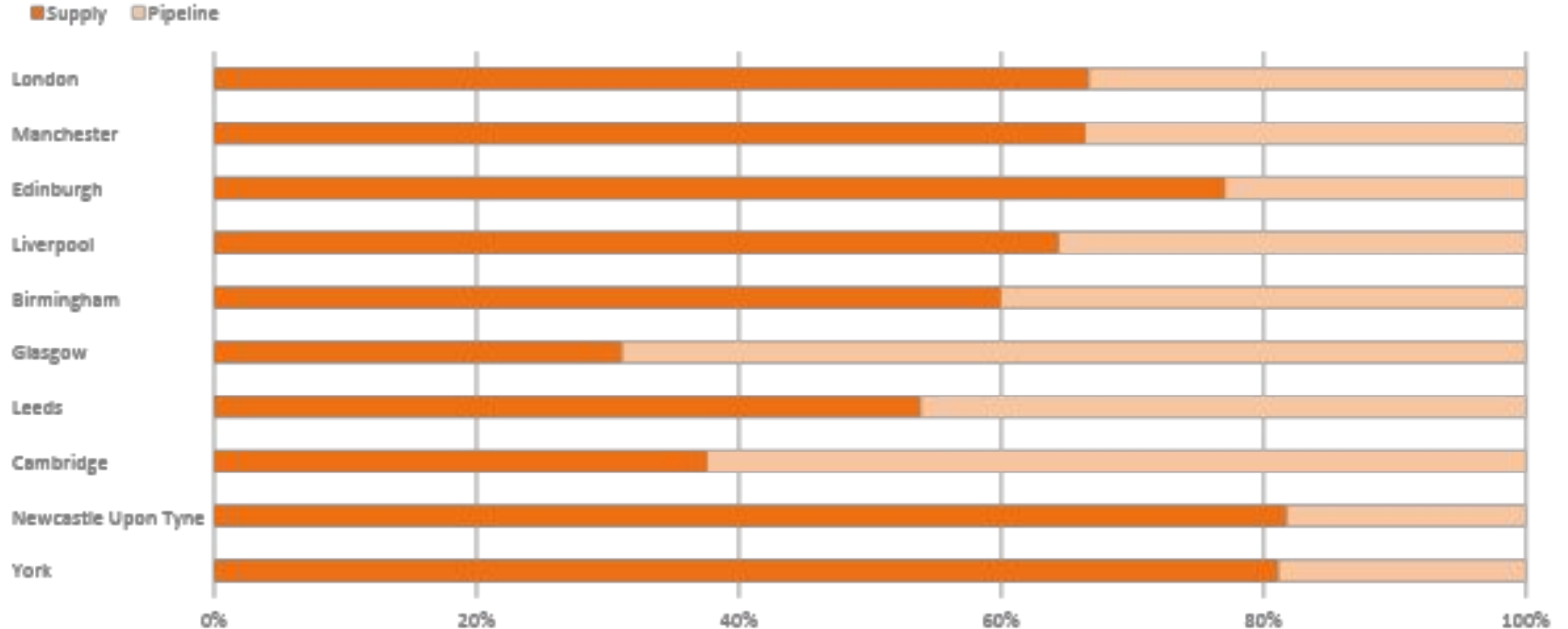
City business on the books more good news for the sector

European Cities Occ on books + typical 28 days pick-up, 20 June to middle of July 2022



Still significant percentage of existing supply in pipeline

Top 10 UK markets in terms of Supply, Serviced apartments



Serviced Apartments continue to garner investment




extended
STAY
AMERICA

Blackstone and Starwood
Complete Acquisition of
America

ACCOMMODATION

The Ascott acquires serviced apartment rival Oakwood Worldwide

By Rob Gill / 4 July 2022 / Contact Reporter



05m to fund Locke's oss Europe

porter

Host acquire




Madison Meyer

 Feb

\$35 million

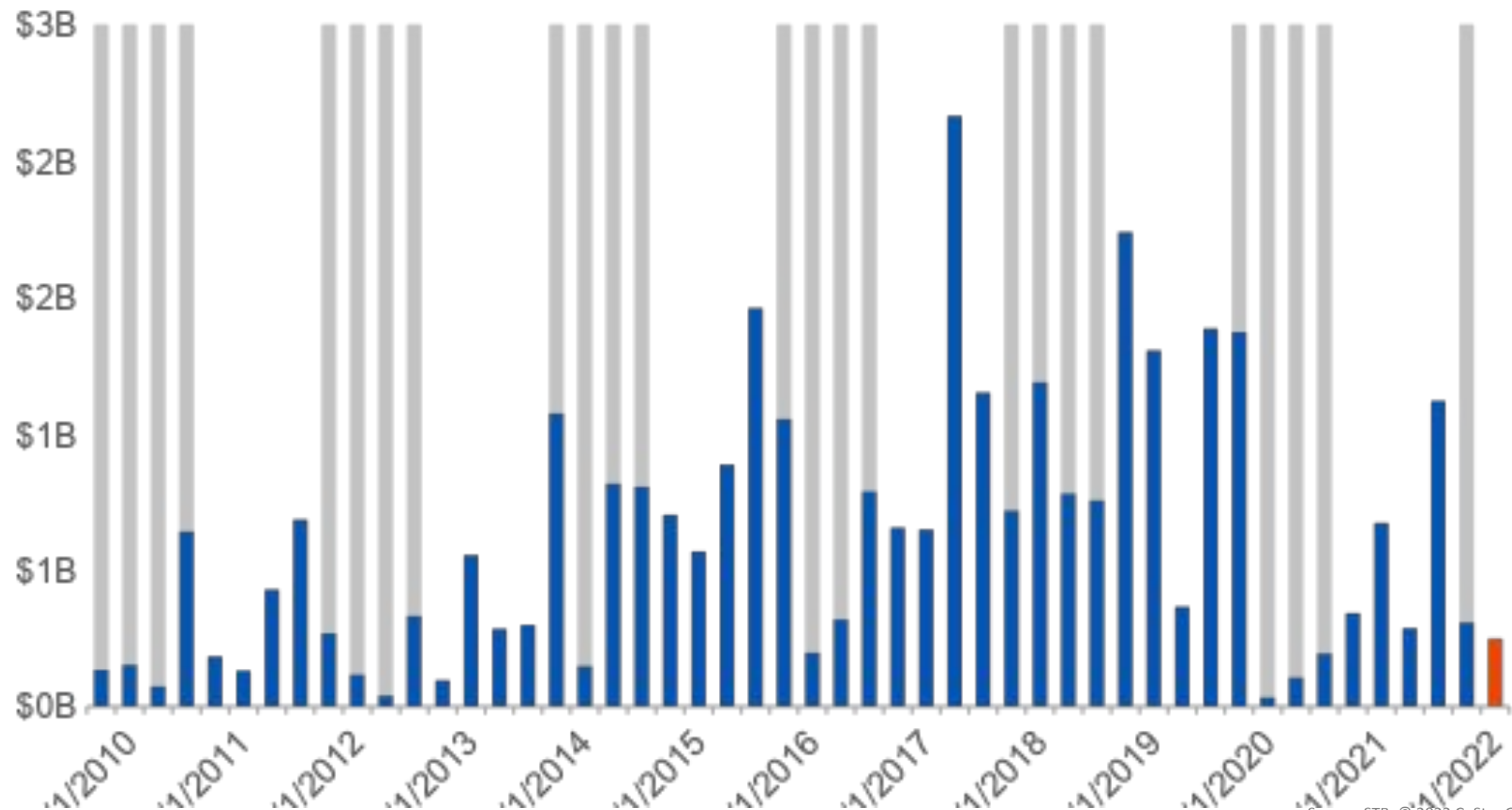
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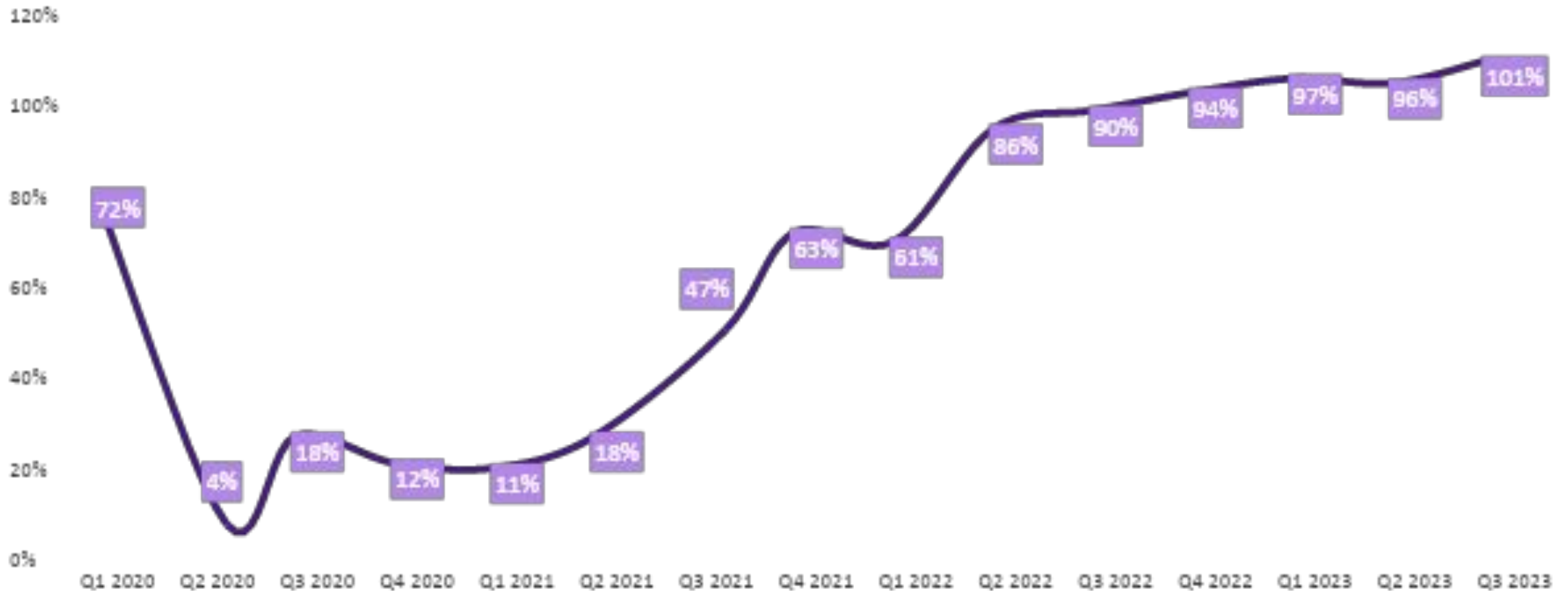
And Hotel Investment activity is accelerating

Total UK sales volumes by quarter



RevPAR recovery closes in by start of 2023

European Cities*, Forecast RevPAR performance indexed to 2019, May 2022 Forecast



*Aggregated performance of Amsterdam, Athens, Amsterdam, Athens, Barcelona, Belfast, Berlin, Birmingham, Brussels, Budapest, Cologne, Dublin, Dusseldorf, Edinburgh, Frankfurt, Glasgow, Hamburg, Leeds, London, Madrid, Manchester, Milan, Moscow, Munich, Paris, Prague, Rome, Stuttgart, Vienna, Warsaw, Zurich



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**HOTEL DATA
CONFERENCE**
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