

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?

I Global trends A look at global performance trends

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...

Cost of travel (e.g. accommodation and transport costs)

COVID-19

Increasing household costs (e.g. utility costs, food and drink, fuel)

Travel cancellation / disruption concerns (e.g. flight cancellations)

Concerns about the war in Ukraine

Personal financial situation

Uncertainty about future economic situation / outlook

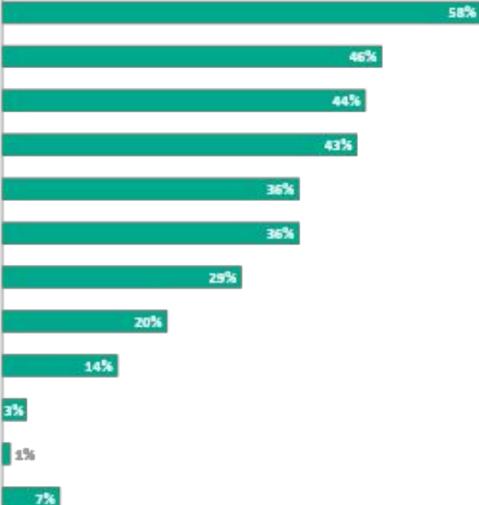
Want to avoid / minimise flying

Environmental concerns

Other

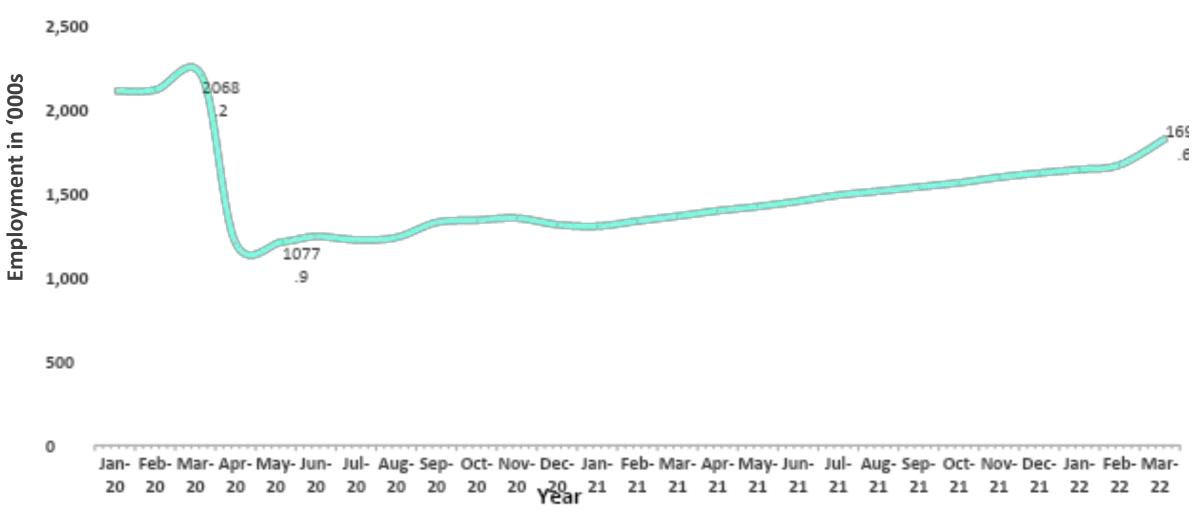
Not sure

N/A – nothing is likely to negatively impact my travel in next 12 months





Labor shortages in hospitality are a global concern for full operation





Cities showing promising performance vs 2019 BusinessToday.In Search Here Occupancy (STD), May 2022, indexed to 2019 ETS CORPORATE ECONOMY COVID-19 STARTUPS CRYPTO INDUSTRY CRYPTO CONCLAVE TECHNOLOGY OME MAGAZINE BTT WATCH THE UNMISSABLE MASTER CLA ONLY ON PROF. SRIKANT DATAR bt DEAN, HARVARD BUSINESS SCHOOL MASTER www.businesstoday News /LATEST /World / China opens up air travel after 2-year COVID ban, flight services to India still in limbo Feedback China opens up air travel after 2-year COVID ban, flight services to India still in limbo There have been no regular routes between China and India since November 2020 and no flights have been notified yet etween the two countries, it said. Moscow Vancouver 91 London 95 Berlin 93 Toronto 88 Paris — 103 Chicago New York Beijing 85 90 Istanbul Madrid -93 95 Tokyo Washington D.C. Los Angeles 94 88 Rome Dubai Marrakech 81 Shanghai **New Delhi** Miami 95 Mexico City 82 Jeddah Hong Kong 93 Mumbai 108 Addis Ababa 114 Lagos Bogota 100 Nairobi Singapore 88 Under 50 Rio de Janeiro 50-80 Sydney Sao Paulo Cape Town 89 Santiago — 84 80 - 100Auckland **Buenos Aires Over 100**



European occupancy has almost fully recovered to 2019 levels

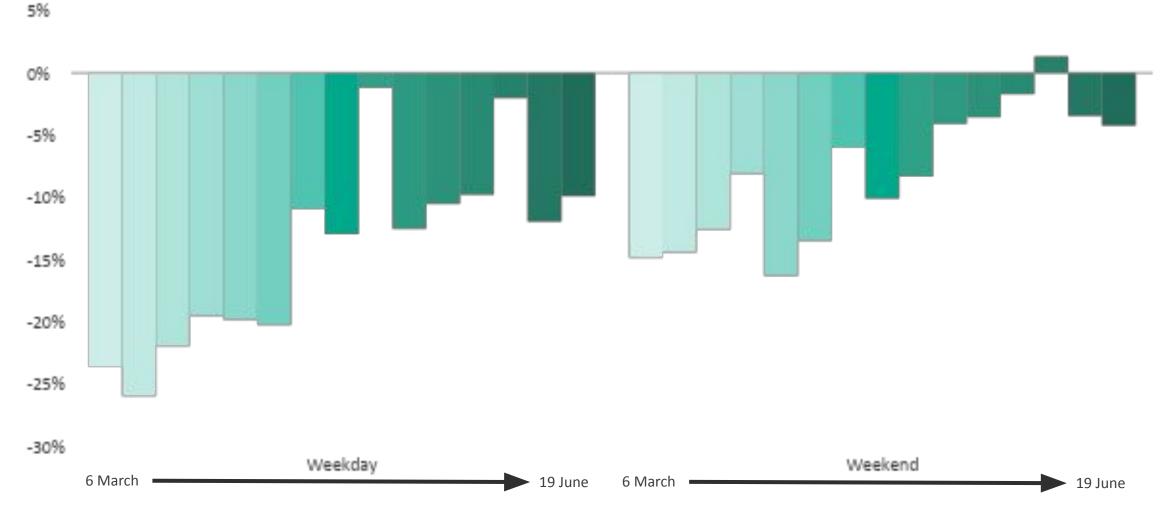
Occupancy (STD) Rolling 28 days indexed to 2019, Aug 2021 to Jun 2022





Europe weekend occupancy recovered – weekday still 10% behind

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

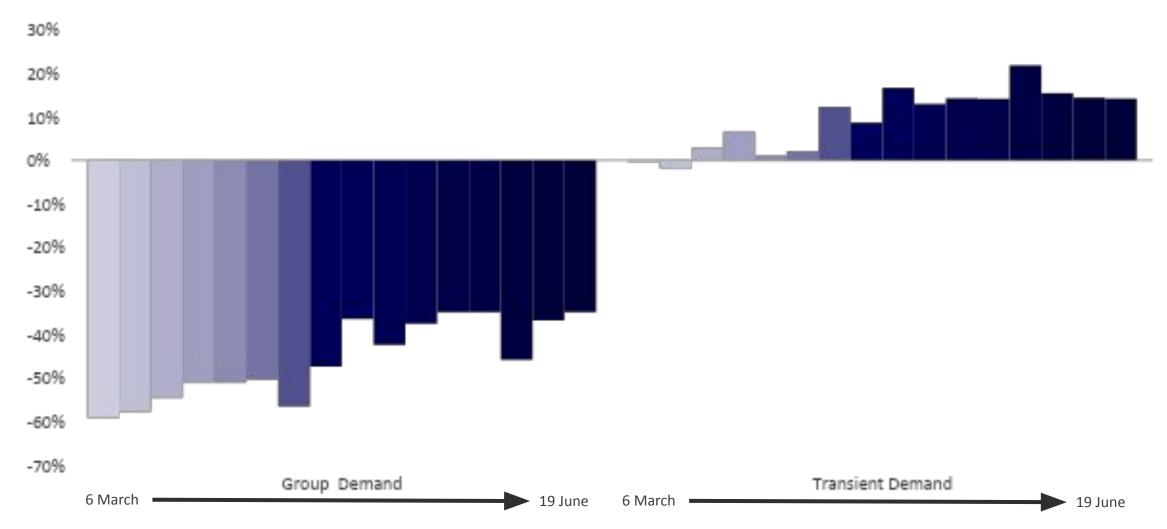






Underpinned by group and events demand not being fully back yet

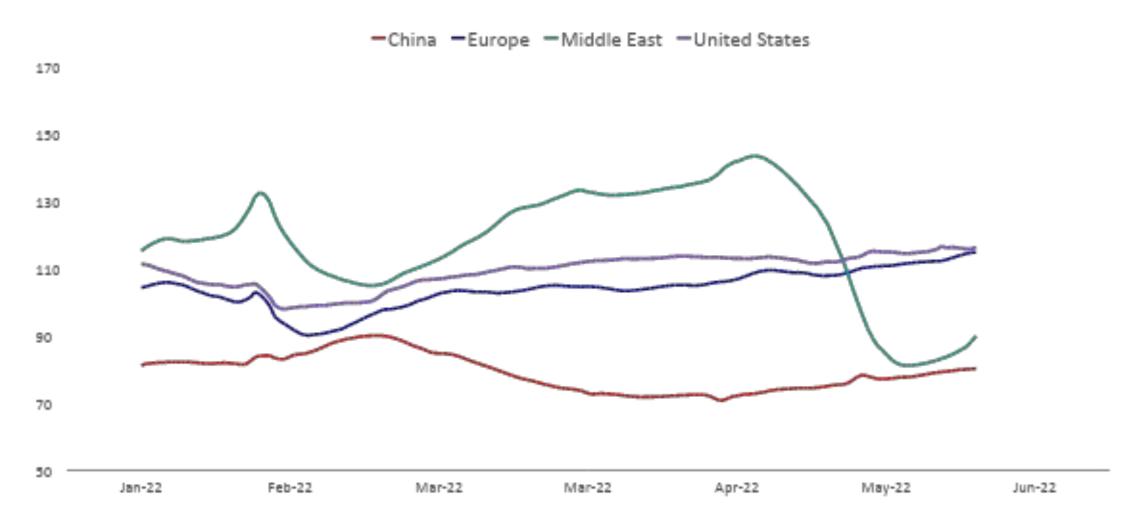
Europe, segmentation Demand % change to 2019, weeks ending 6 Mar – 19 June 2022





Europe ADR trending 10% above 2019 levels and growing

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

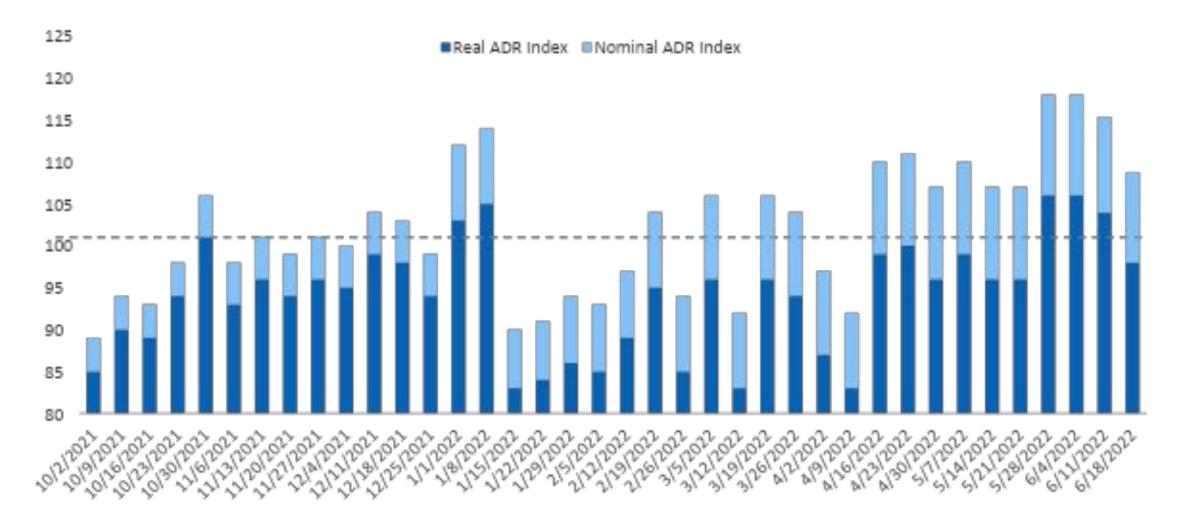






Inflation a key topic, but Europe back to 2019 ADR levels in real terms

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



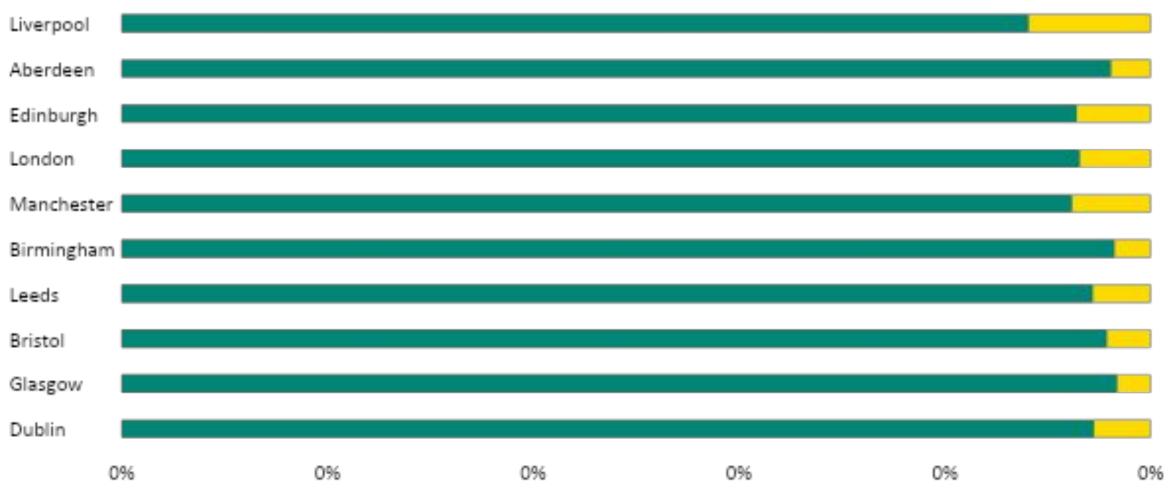
Serviced Apartment supply —Serviced Apartment Growth —Hotel Growth

CoStar Group"



And continues to grow share in key cities UK Serviced Apartment – Sector supply & growth

Hotels Serviced Apartments





Serviced Apartments commanded a clear premium pre-covid UK – Serviced Apartments & Hotels, KPIs Actuals and % Change, GBP, 2019



Serviced Apartments



£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

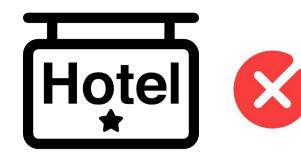
Geography City Centre, Tier 1 &2, London centric



Class Upscale and above unlike hotel Industry







Size Higher rate for extra space

CoStar Group"

str

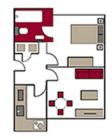
Hotel



Studio Apartment



1 Bedroom Apartment

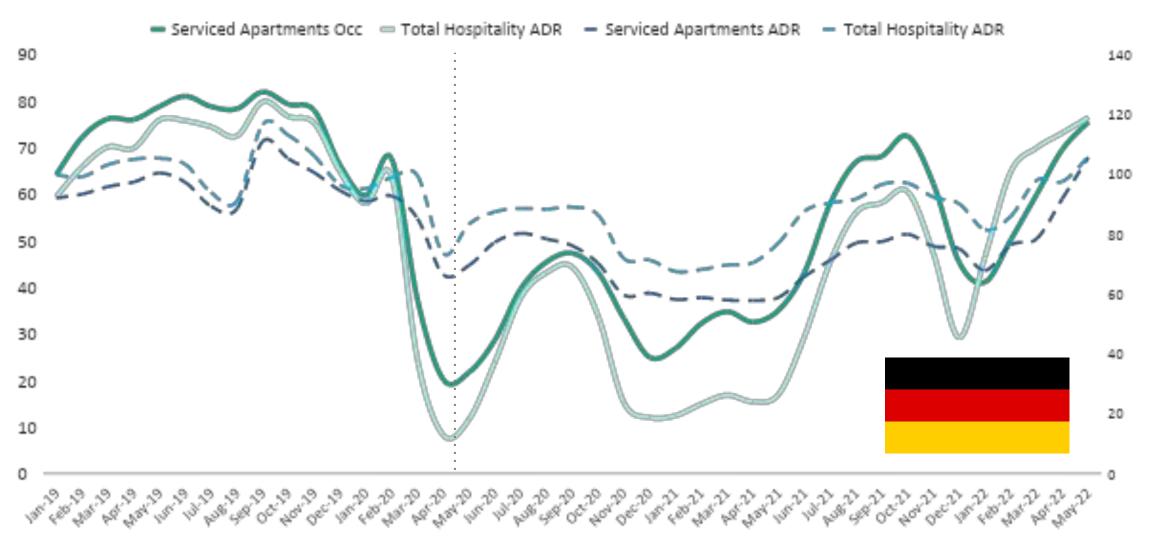


CoStar Group" UK Serviced Apartments grew their premium during COVID United Kingdom, Occupancy, ADR (GBP) Serviced Apartments & Total Performance, 2019 – May 2022



German SA premium narrowing post pandemic

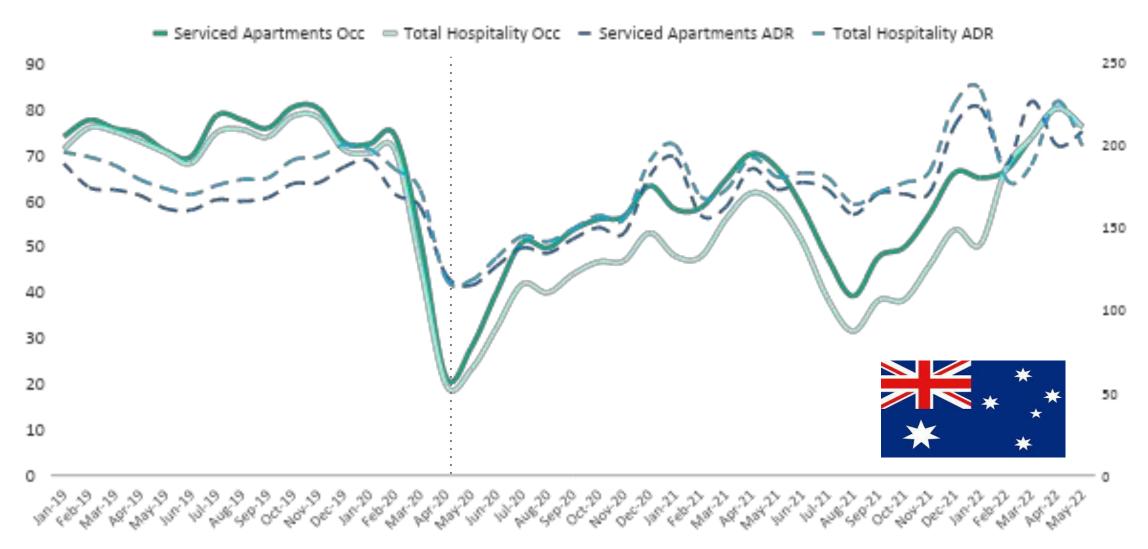
Germany, Occupancy, ADR (EUR) Serviced Apartments & Total Performance, 2019 – May 2022



CoStar Group"

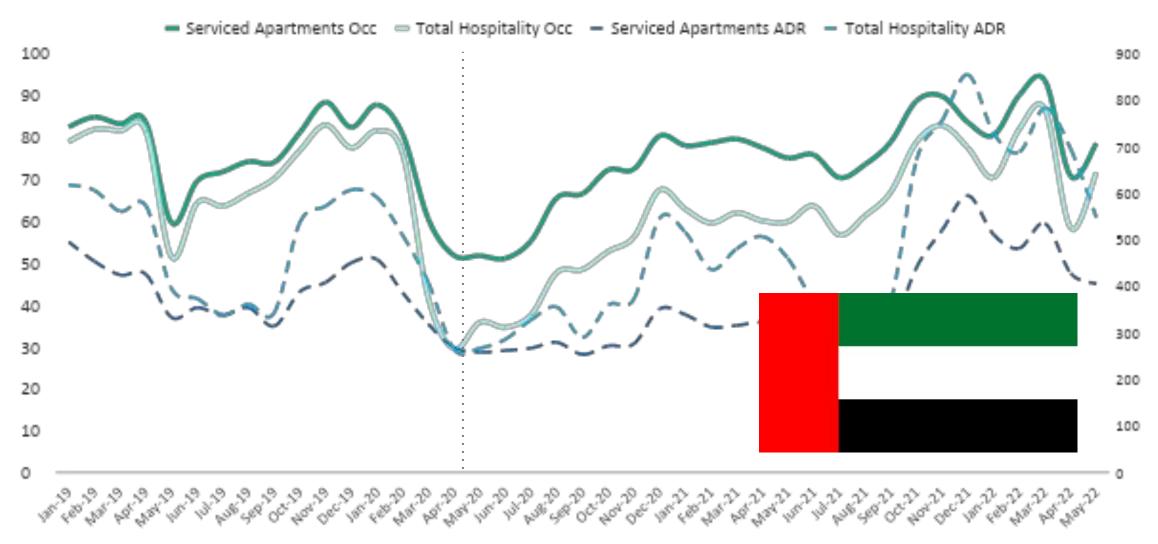
Australian Serviced Apartments also narrowing

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



CoStar Group"

While the premium for UAE Serviced Apartments remains United Arab Emirates, Occupancy, ADR (AED), Serviced Apartments & Total Performance, 2019 – May 2022



CoStar Group

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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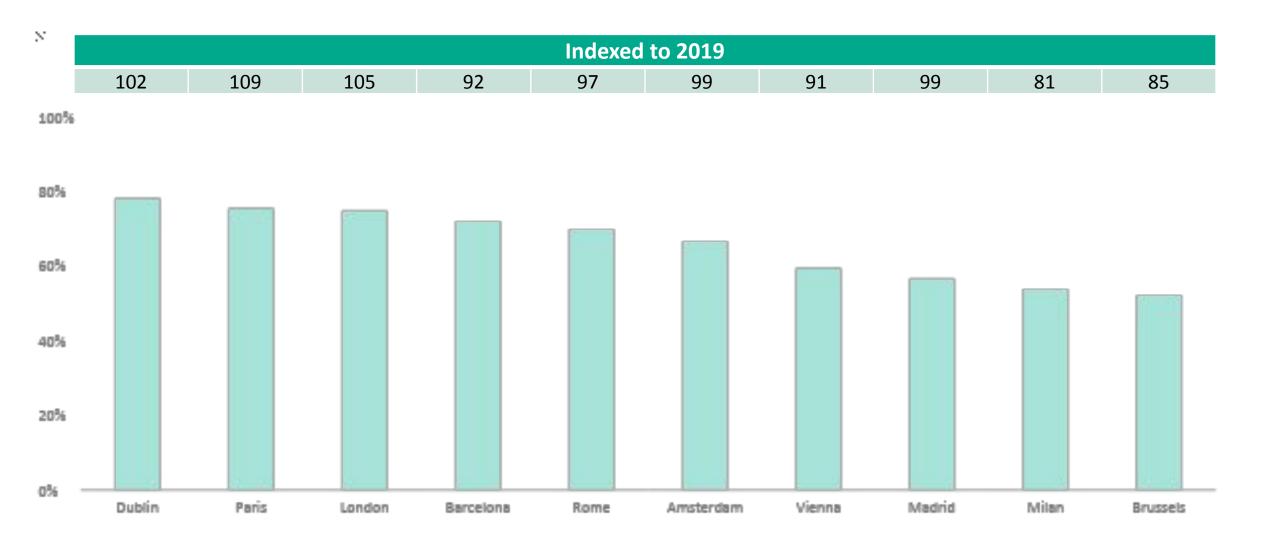
Global context A look at global performance trends 2. Serviced Apartments How, where, and why

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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

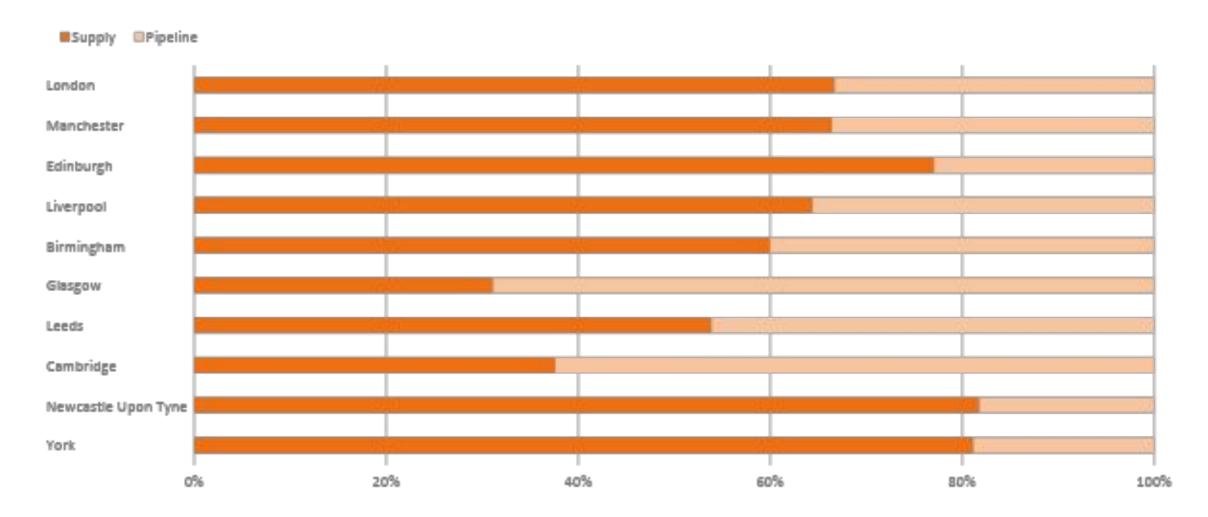


CoStar Group"



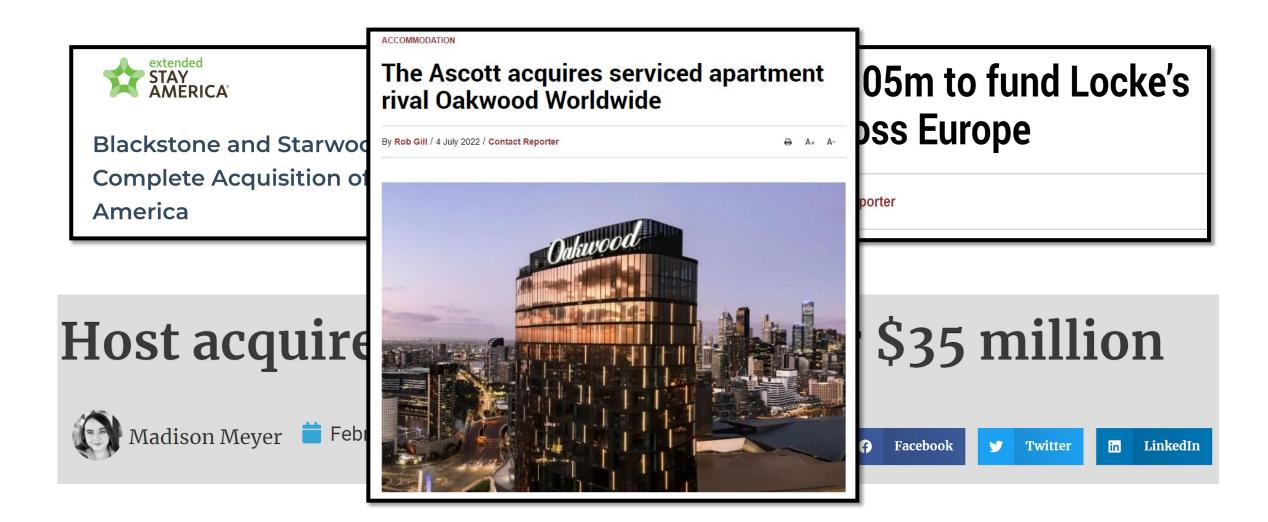
Still significant percentage of existing supply in pipeline

Top 10 UK markets in terms of Supply, Serviced apartments



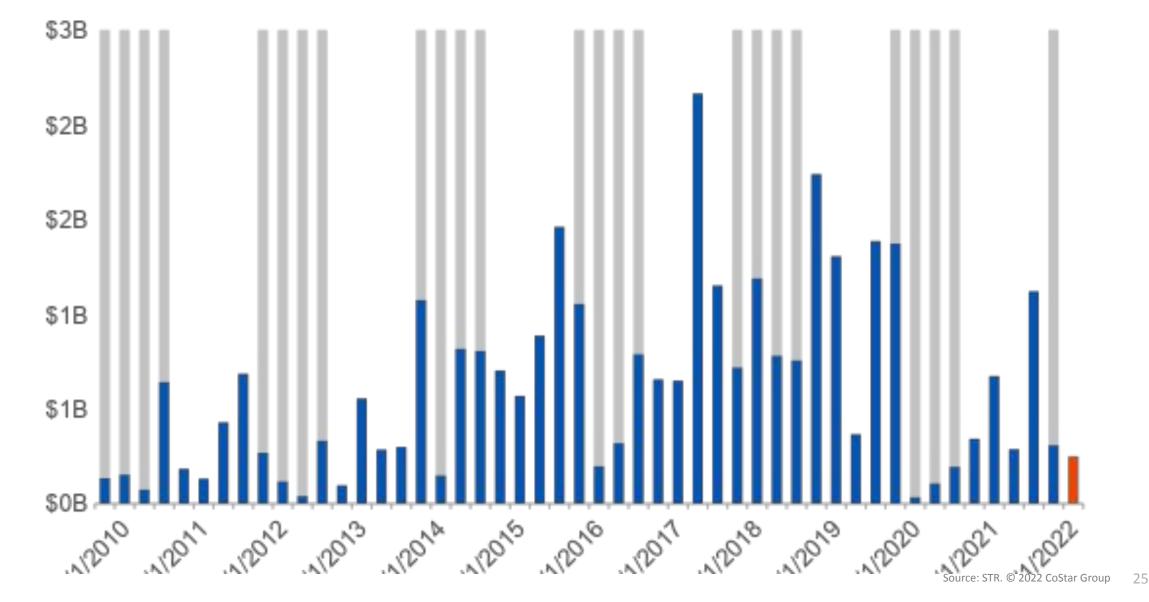
Serviced Apartments continue to garner investment





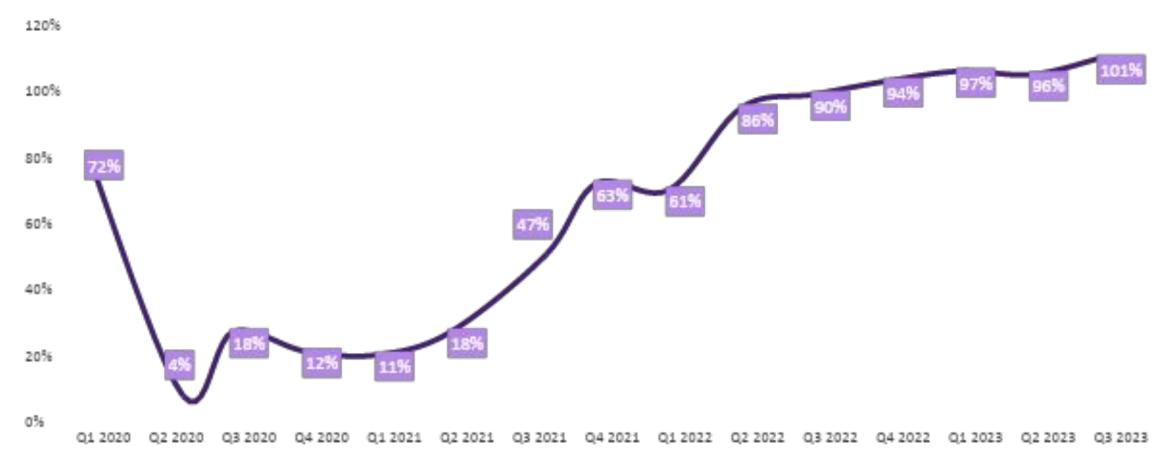


And Hotel Investment activity is accelerating Total UK sales volumes by quarter





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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