



# STR Hostel Benchmarking Program

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# Agenda

Strapline



1.

Who we are

2.

Industry Overview &  
Covid-19 Update

3.

How to  
Participate

4.

Questions





Who we  
are



# The world's largest hotel performance sample



over  
**35** years  
of expertise



Data from  
**180** countries



**68,000**  
Hotels, Hostels,  
Serviced Apartments



**9.1** million  
Rooms

Select snapshot  
of STR customers



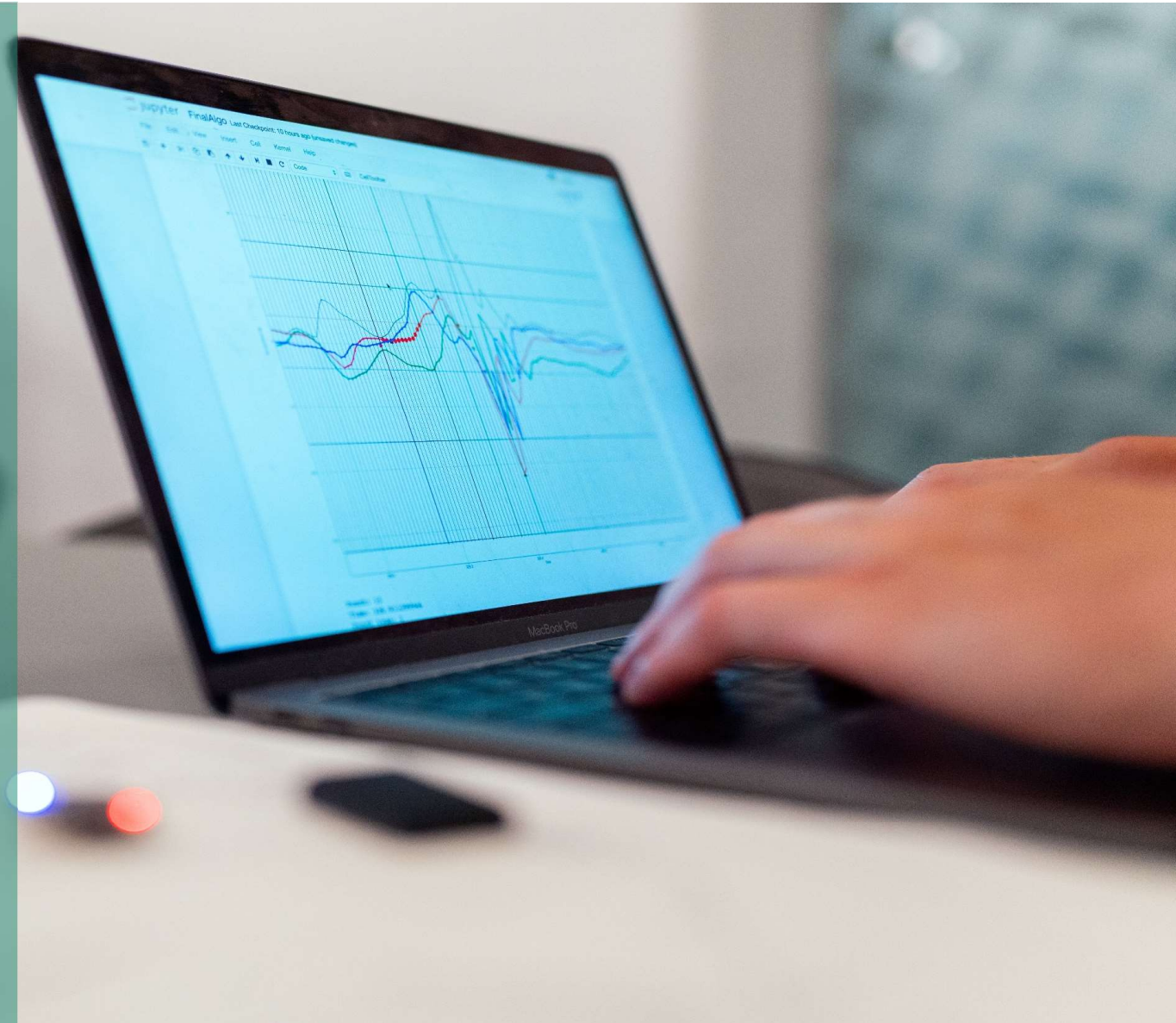
STR is the leading provider of premium,  
**global data benchmarking, analytics** and  
**marketplace insights**



- All data collected **directly from the source**
- **Confidentiality** is the core of STR's business
- We are an **independent third-party**. We don't operate hotels or hostels.

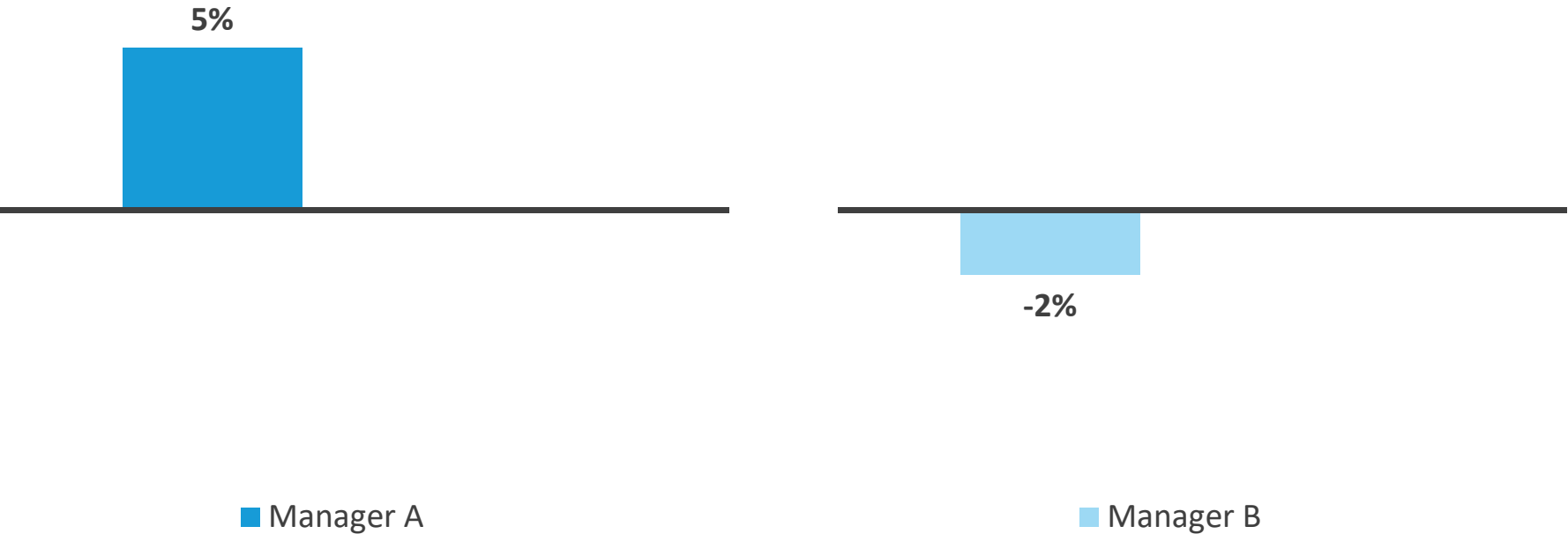
# Why does benchmarking matter?

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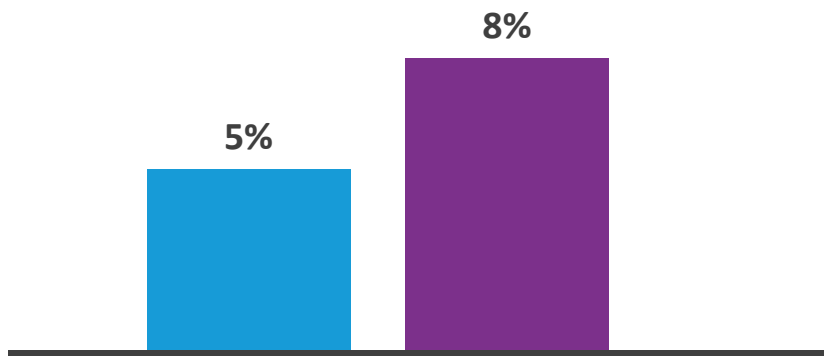
# Which manager would you rather be?

Year-over-year revenue growth

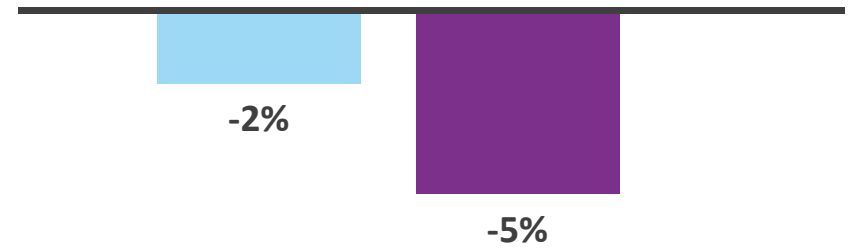


# Which manager would you rather be?

Year-over-year revenue growth



■ Manager A ■ Competition



■ Manager B ■ Competition



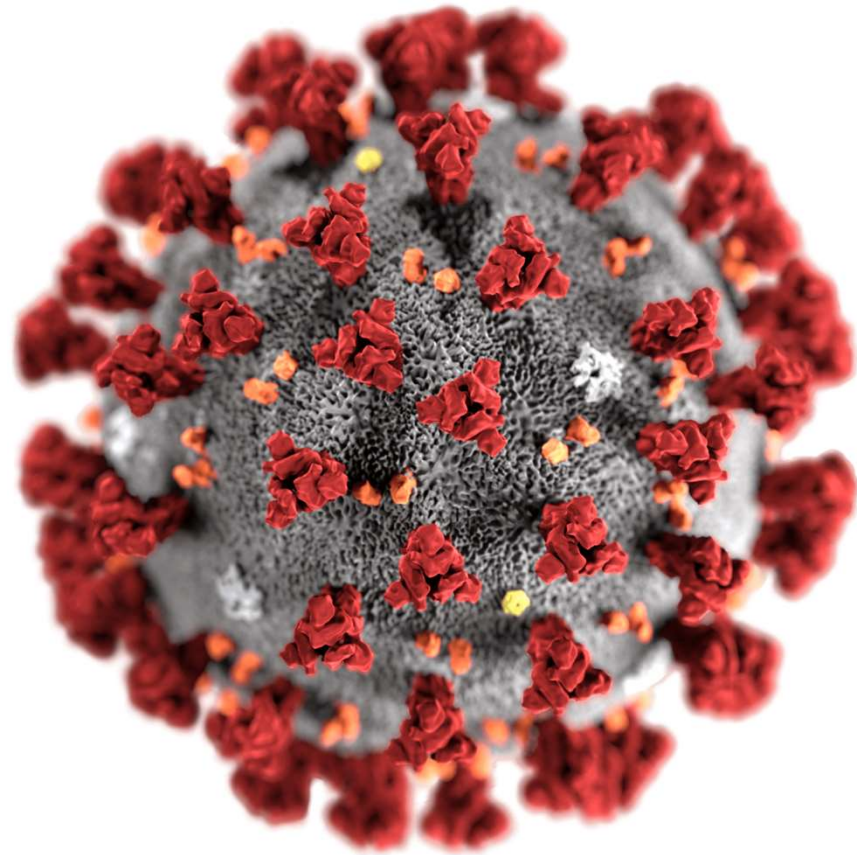
# Building Blocks of STR Benchmarking

Hostels: Benchmark by Bed

Hotels: Benchmark by Room



# Global impact of COVID-19



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

## Housekeeping Note: We at STR can never give guidance on price

We must not facilitate anti-competitive behaviour, we can comment on the facts

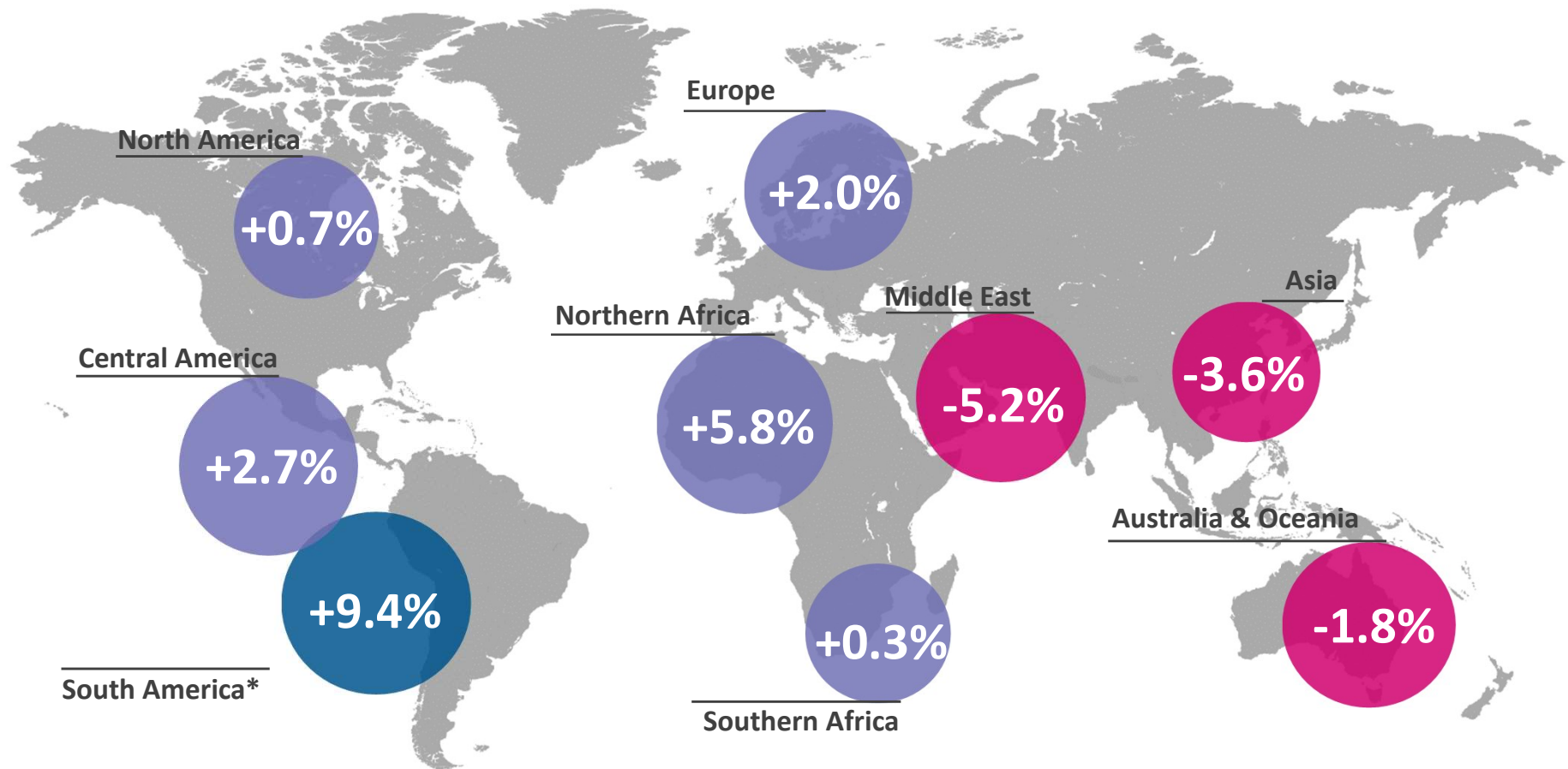


## Anti-Trust Statement & Reminder:

*Please do not discuss prices, rates, surcharges, marketing strategies, or your operational intentions and plans. Such discussions among competitors could be viewed as collusive activity in violation of anti-trust laws.*

# Global RevPAR % Change

USD, Europe in EUR, Constant Currency, Total 2019



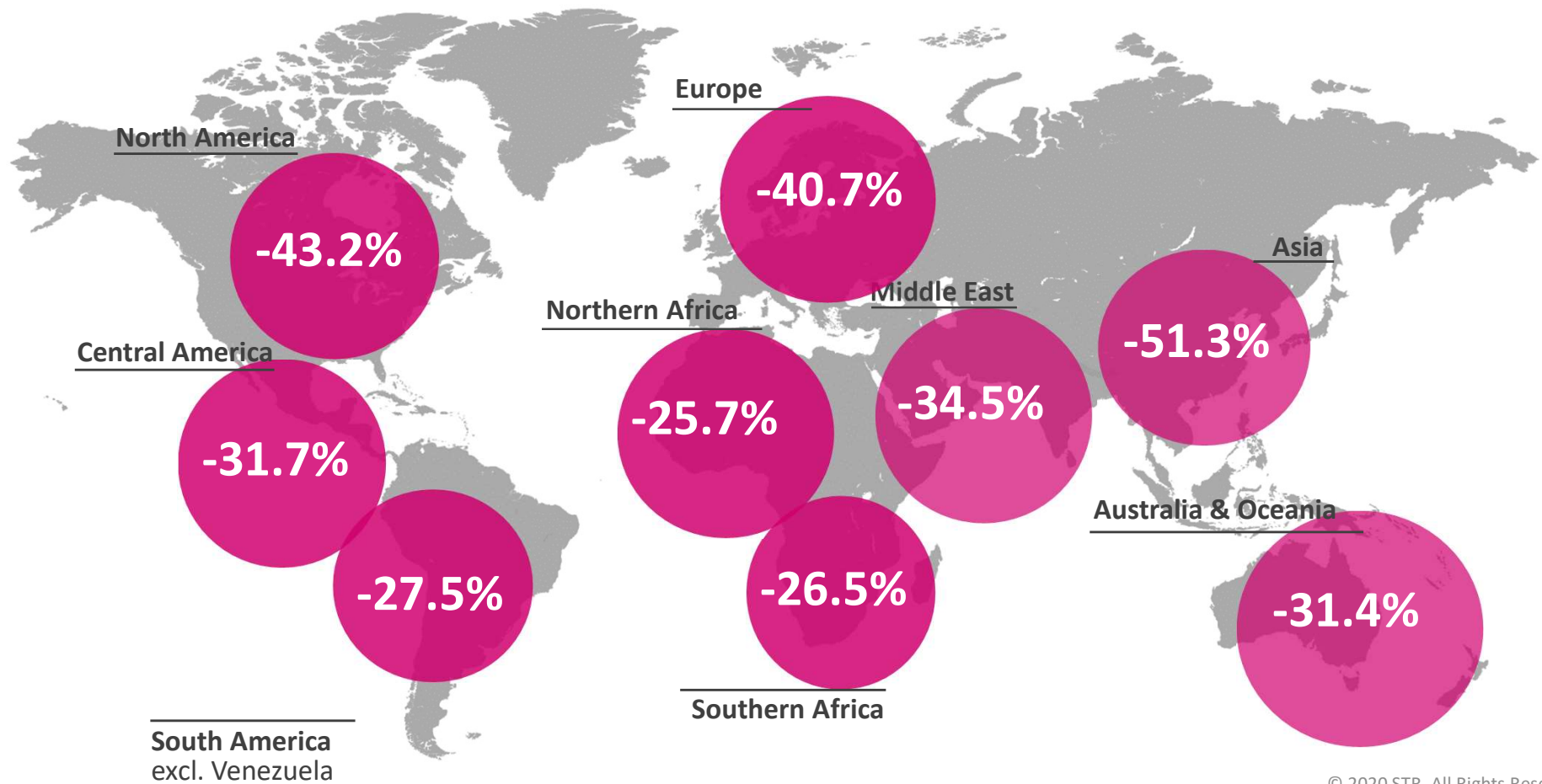
South America\*: Excluding Venezuela

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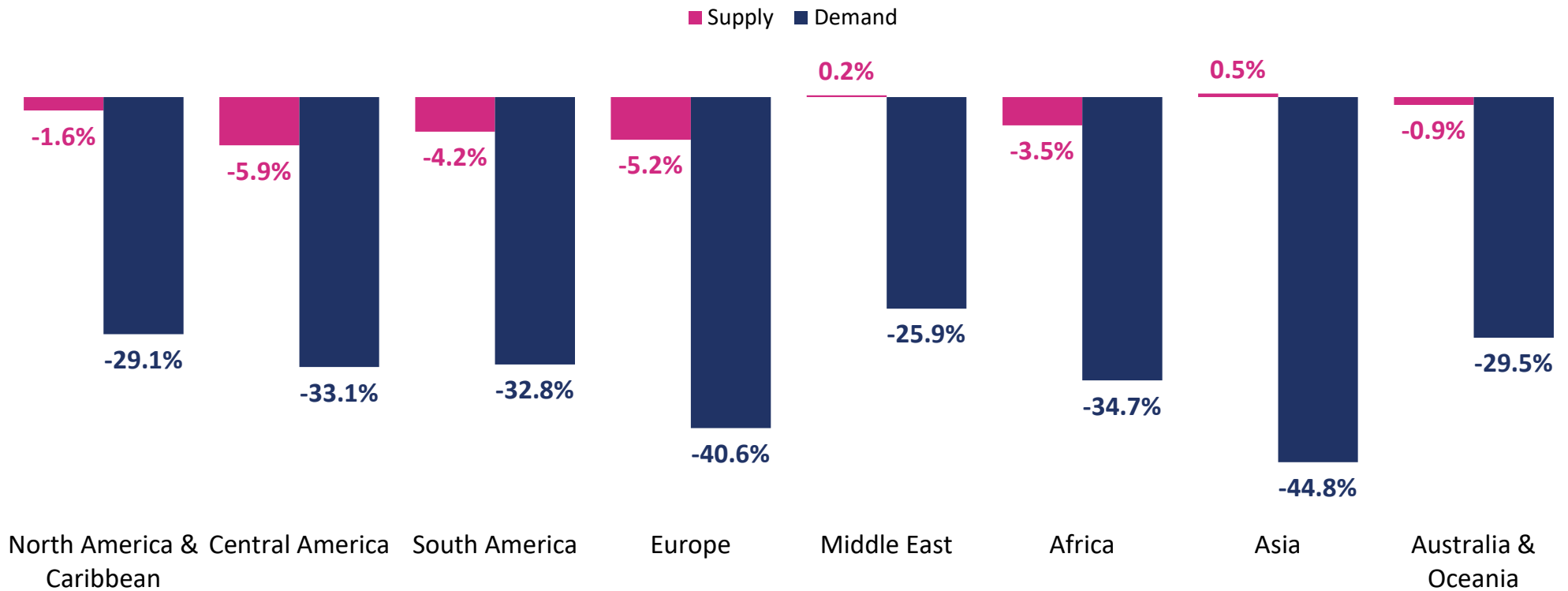
# Global RevPAR % Change

USD, Europe in EUR, Constant Currency, April 2020 YTD



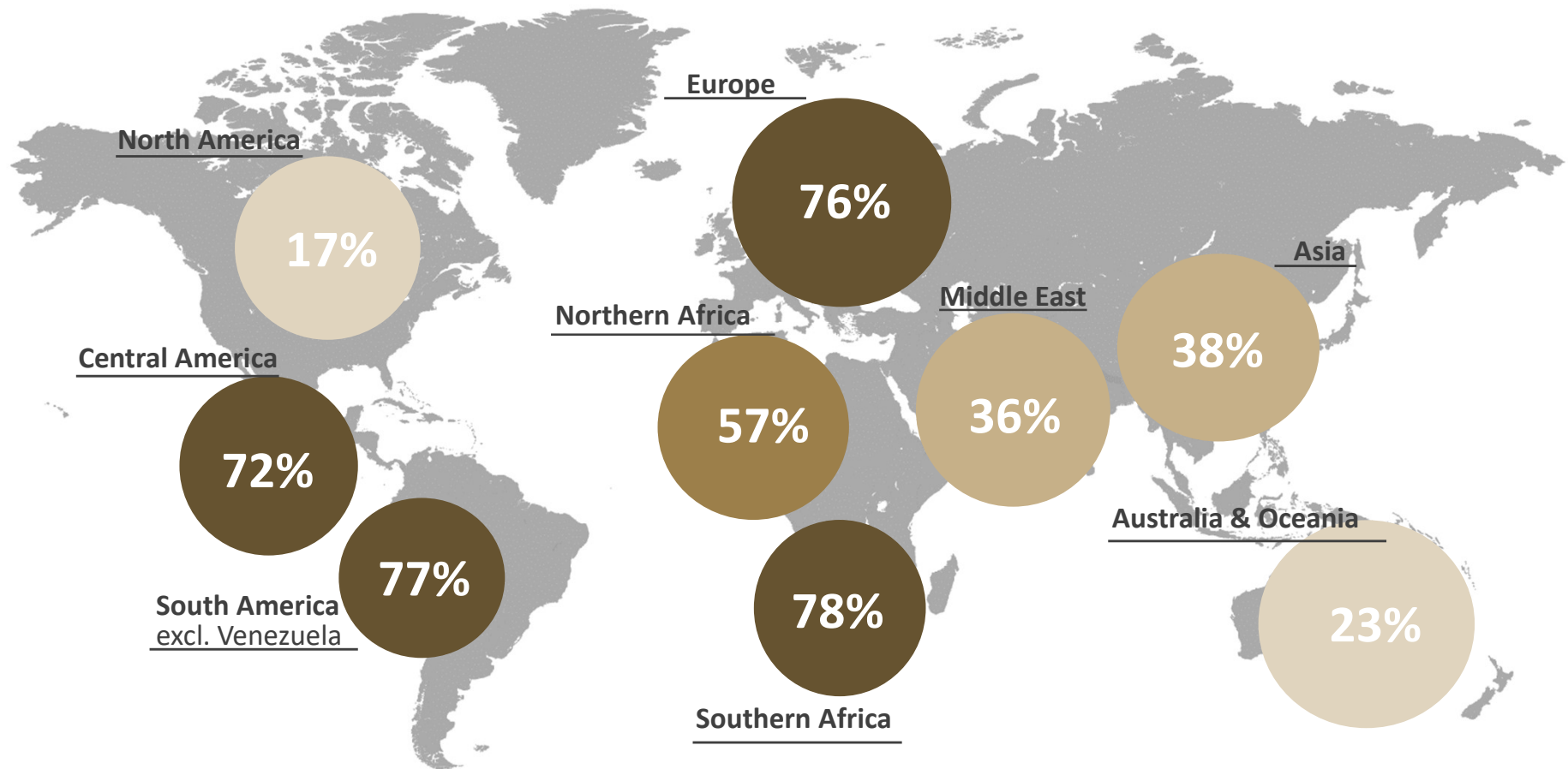
# Steep decrease in Demand as COVID-19 spreads across the globe

Global Supply & Demand % Change, April 2020 YTD



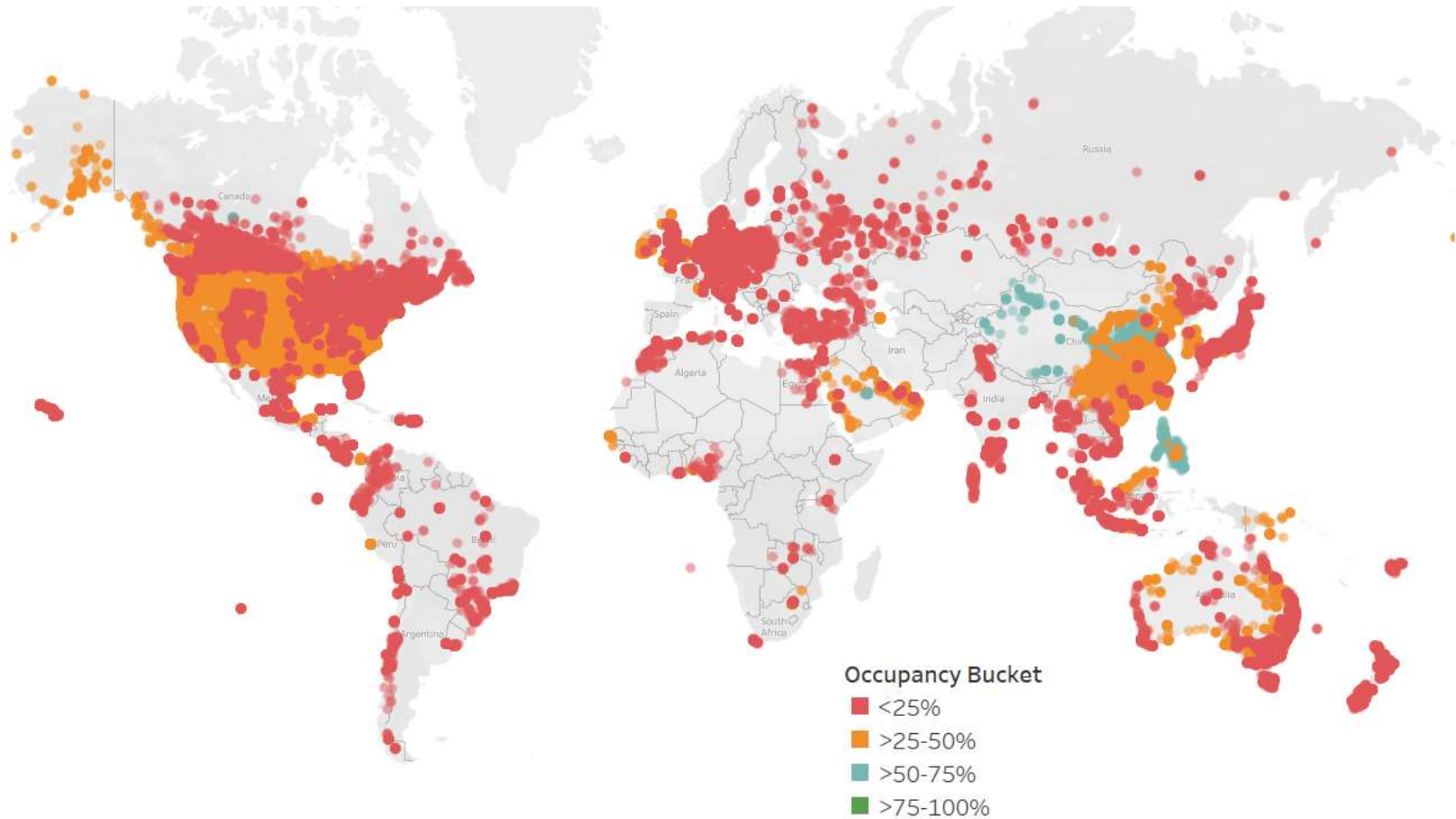
# Vast numbers of hotels had closed by end of April...

Percentage of STR participating hotels closed as at 30th April 2020



# What are the occupancies of the hotels still open?

Occupancy Rolling 28 days until 16 May 2020, STR Submarkets



Source: STR. 2020 © CoStar Realty Information, Inc. 16

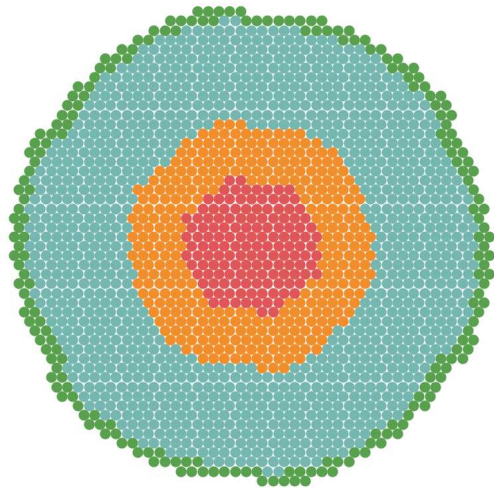


# Global Recovery

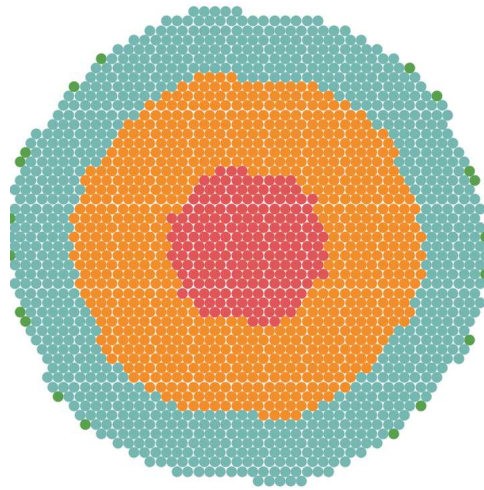
WW Sub-Markets, Occupancy actuals 25% buckets. Rolling 28 days 20<sup>th</sup>- Feb, Mar, Apr, May 2020



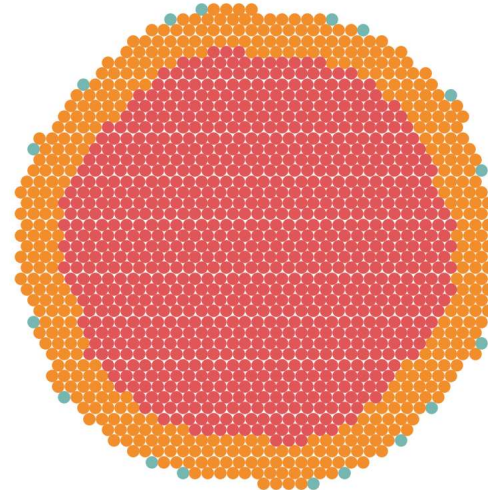
R28 until 20 February



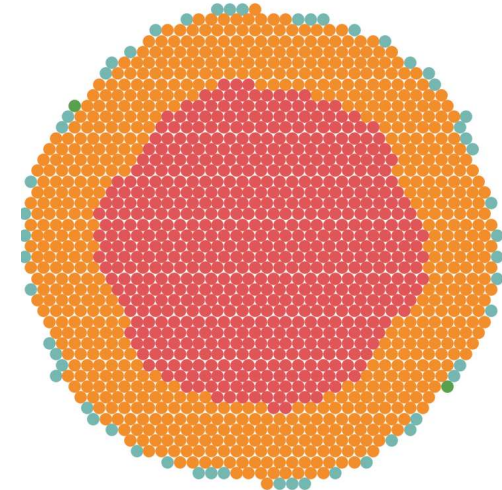
R28 until 20 March



R28 until 20 April



R28 until 20 May



## Occupancy Bucket

- <25%
- >25-50%
- >50-75%
- >75-100%

# Europe has not reached a recovery stage yet

Sub-Markets, Occupancy actuals 25% buckets. Rolling 28 days 20<sup>th</sup>- Feb, Mar, Apr, May 2020

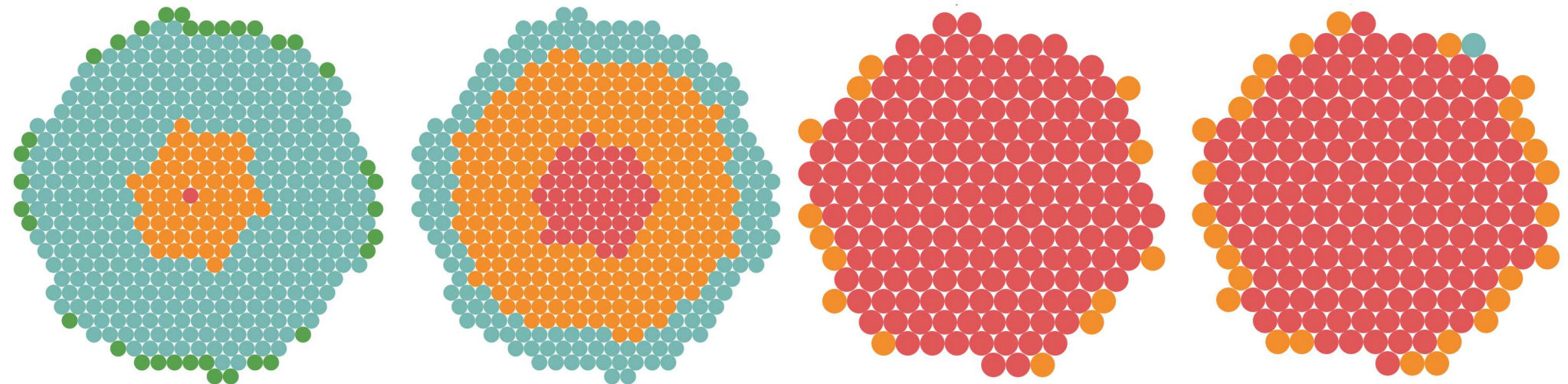


R28 until 20 February

R28 until 20 March

R28 until 20 April

R28 until 20 May

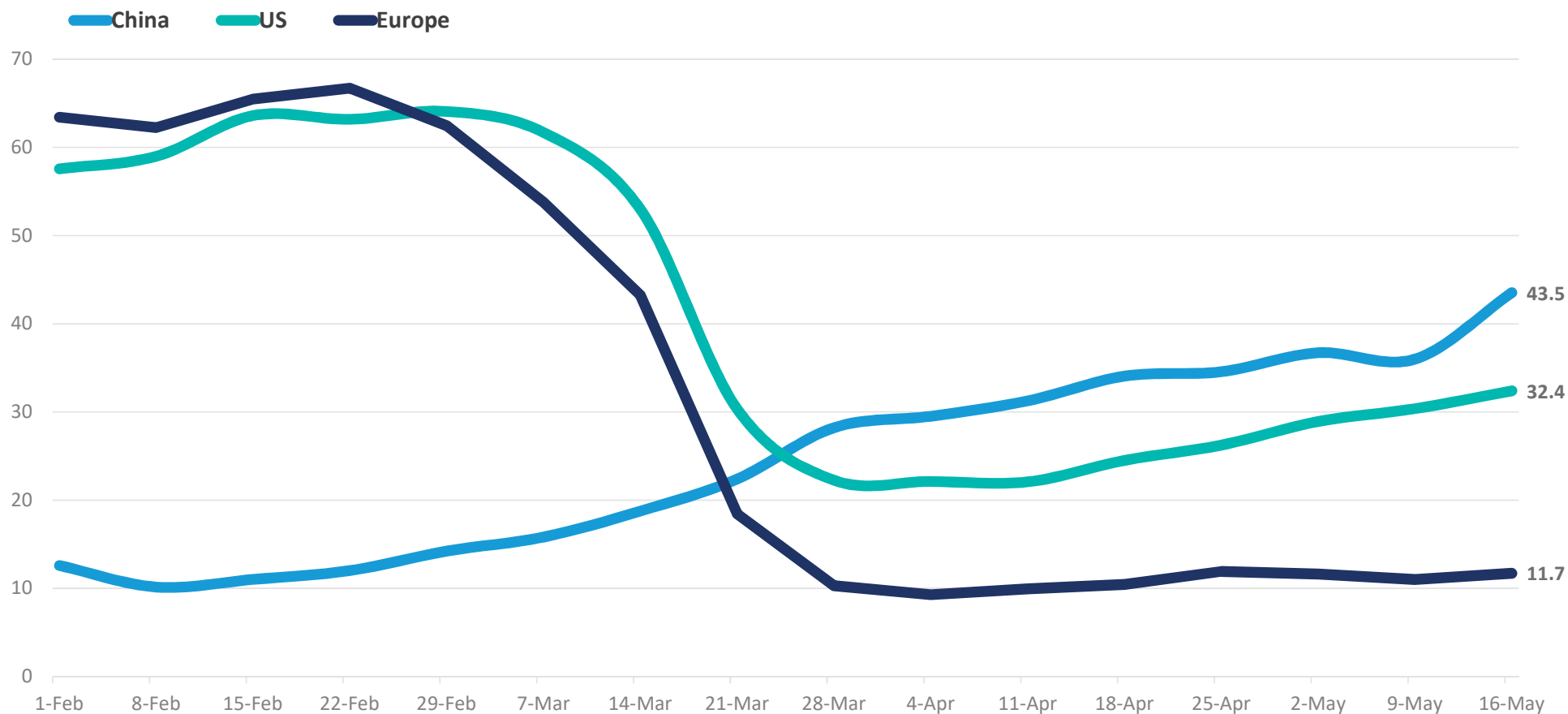


## Occupancy Bucket

- <25%
- >25-50%
- >50-75%
- >75-100%

# China & US Occupancy On The Upswing. No Growth In Europe.

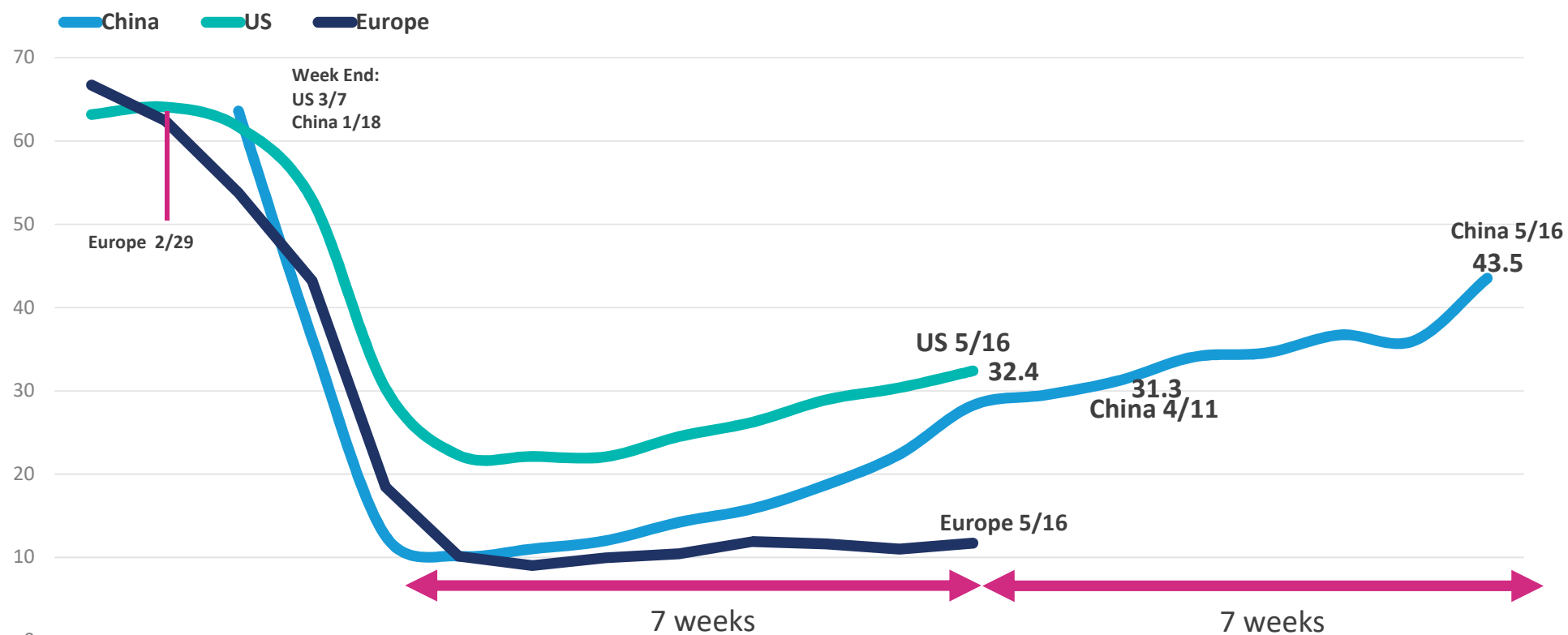
Absolute Occ %, Select Areas, Daily data until 16 May



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

# 7 weeks into recovery - US tracking better... Europe lagging severely

Absolute Occ %, Select Countries, Aligned by level of OCC

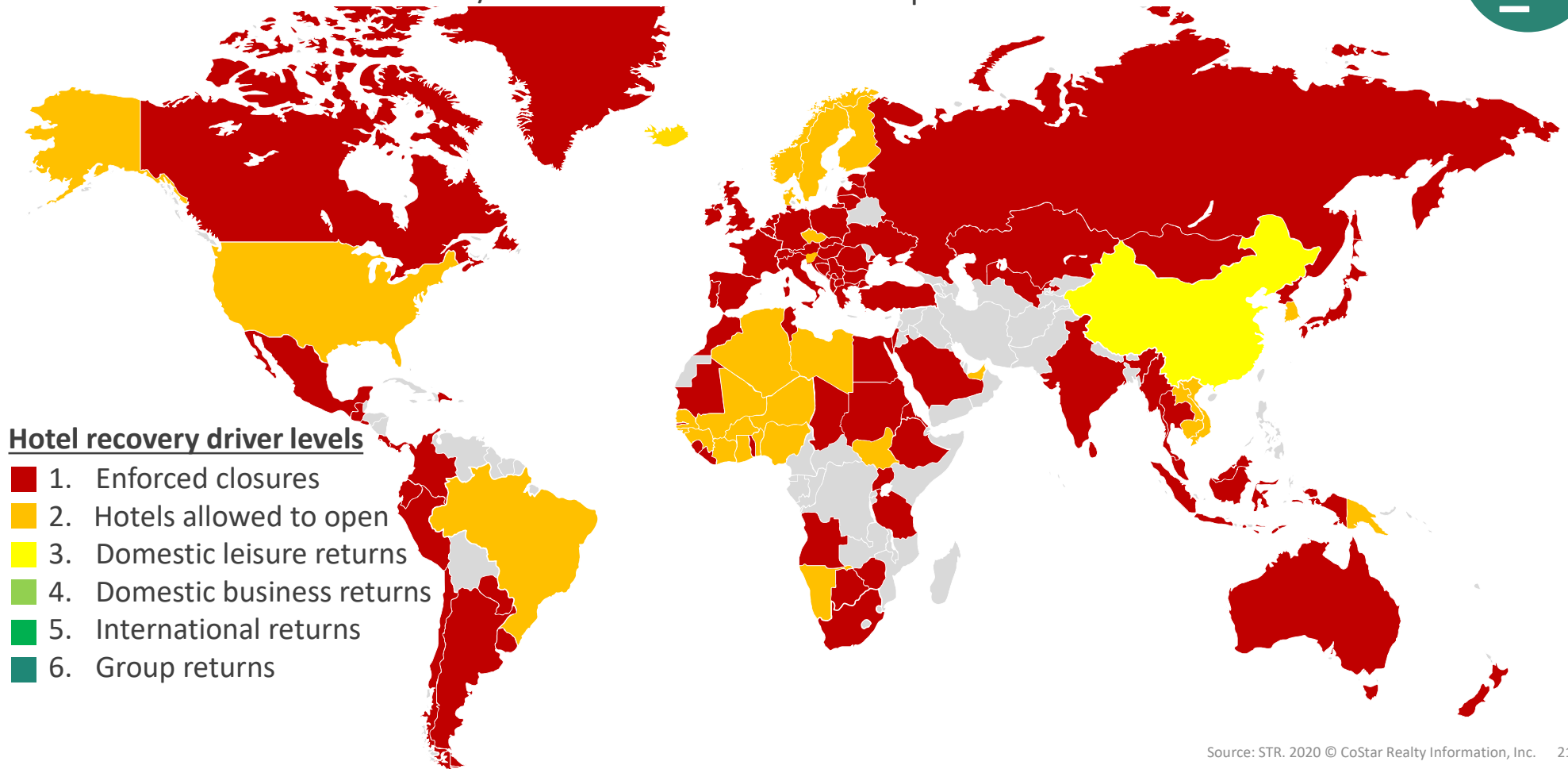


Source: STR. 2020 © CoStar Realty Information, Inc.



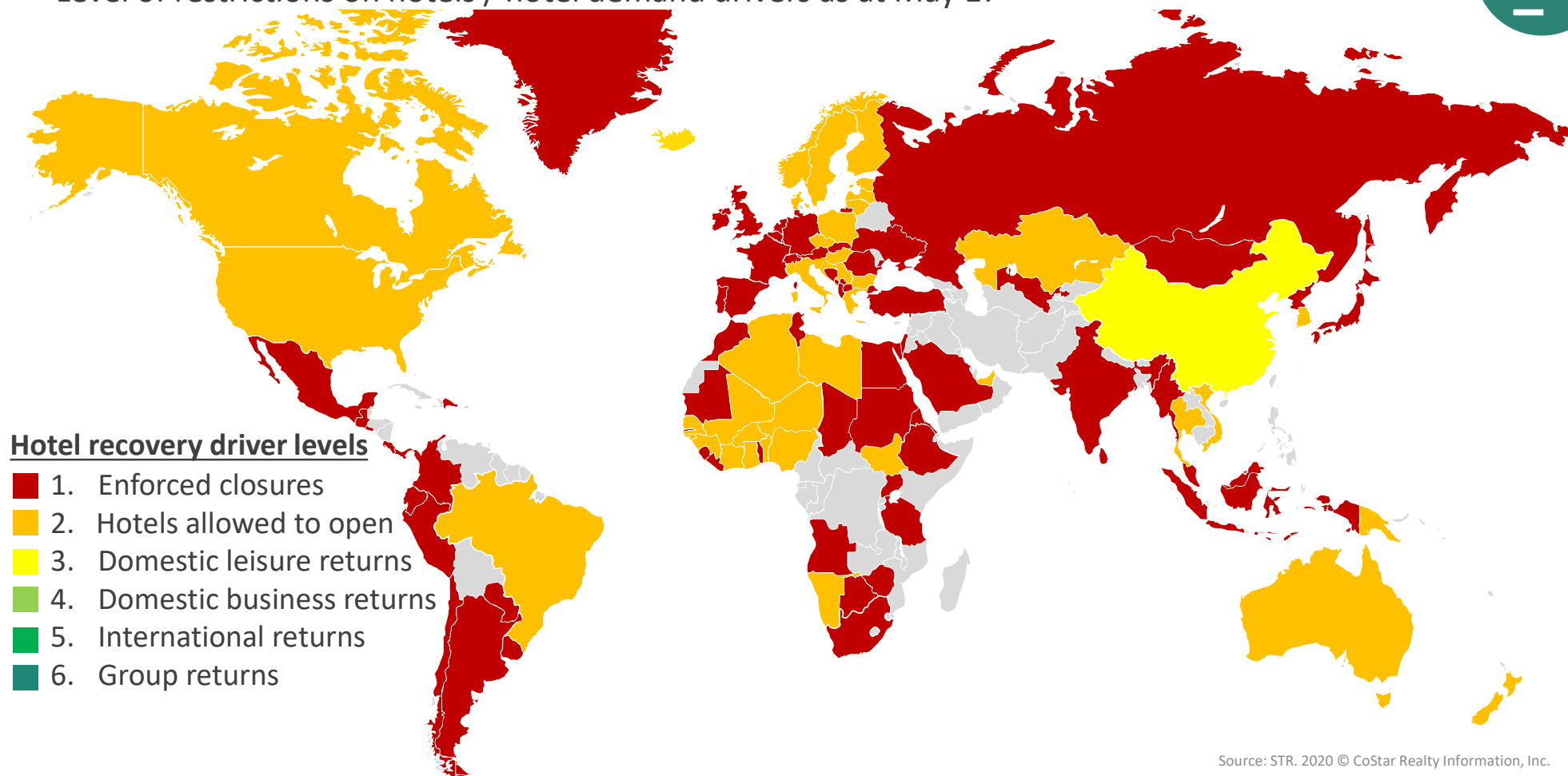
# Most hotel markets in the world had severe restrictions in April

Level of restrictions on hotels / hotel demand drivers at 30 April



# These restrictions have started to ease in May

Level of restrictions on hotels / hotel demand drivers as at May 17



## Hotel recovery driver levels

- 1. Enforced closures
- 2. Hotels allowed to open
- 3. Domestic leisure returns
- 4. Domestic business returns
- 5. International returns
- 6. Group returns

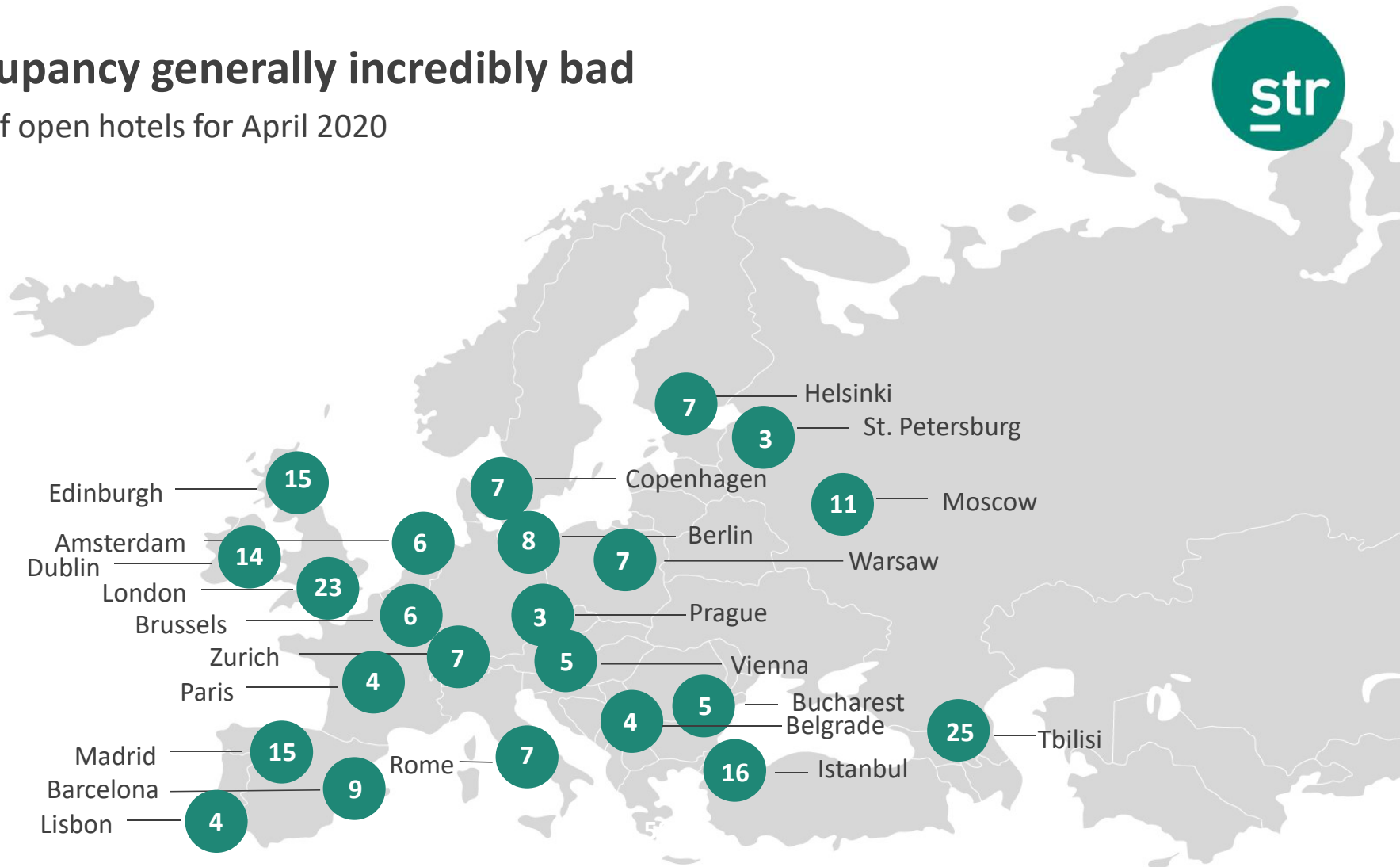


Europe



# April occupancy generally incredibly bad

Occupancy of open hotels for April 2020





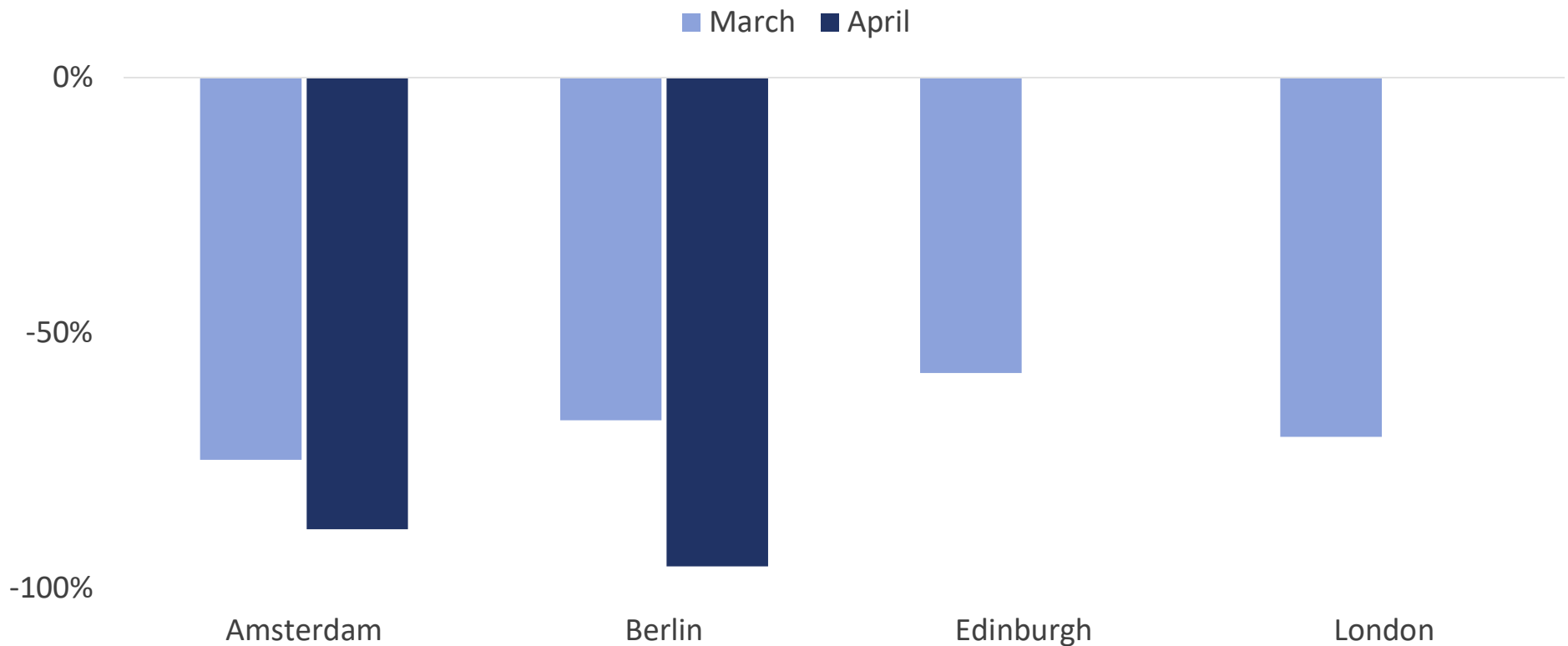
## ... and is much worse when including temporary closures

Full market occupancy (including temp closures) for April 2020



## Demand has left the building

European hostels, demand % change from prior year, March – April 2020



# Local lockdown rules affect hostel performance

Occupancy, April 2020



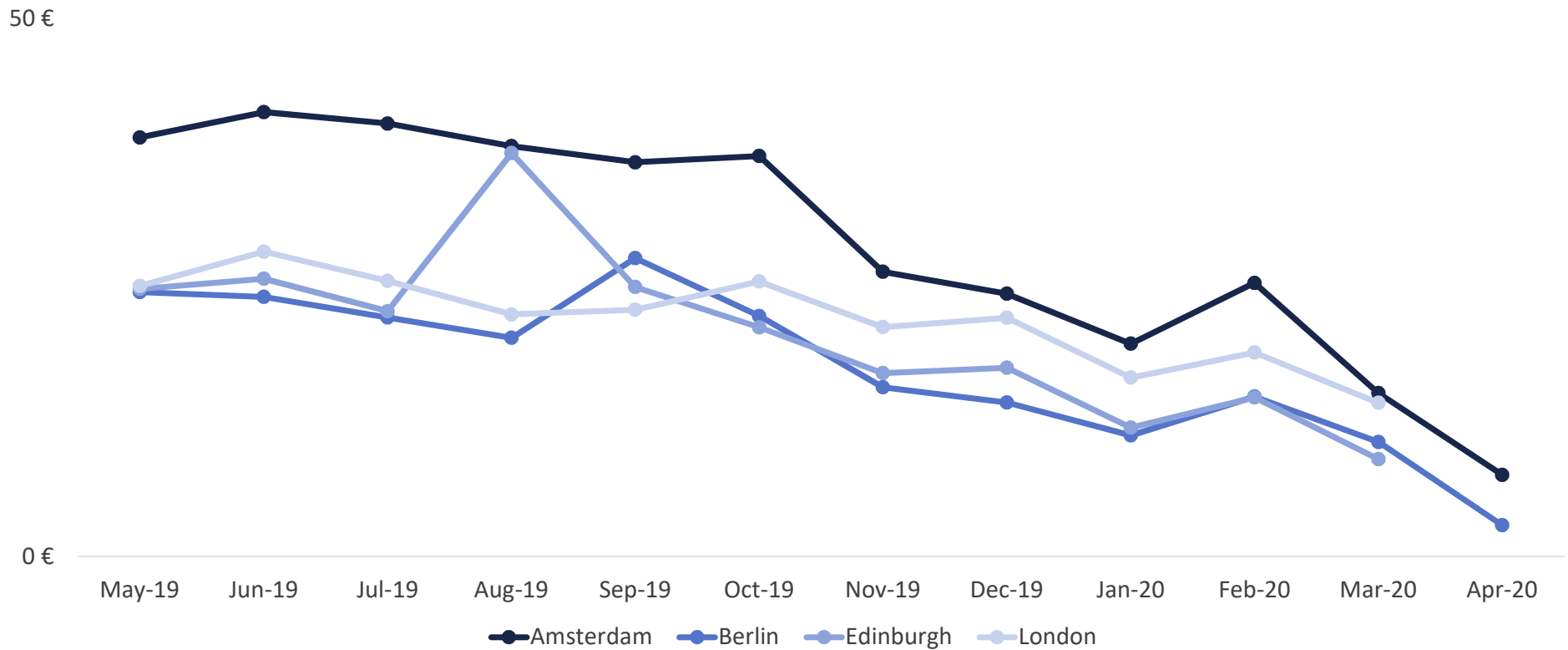
# Lower tier hotels perform “best” during pandemic

RevPAB and RevPAR % Chg. from prior year, Local Currency, April 2020



# Ancillary revenue streams providing a bit of cushion

European Hostels, Monthly TrevPAB, EUR, May 2019 – April 2020





# Forecasting has never been more important

STR's May Forecast will be released shortly

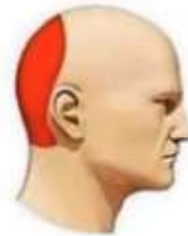


## Types of Headache

**Migraine**



**Hypertension**



**Stress**

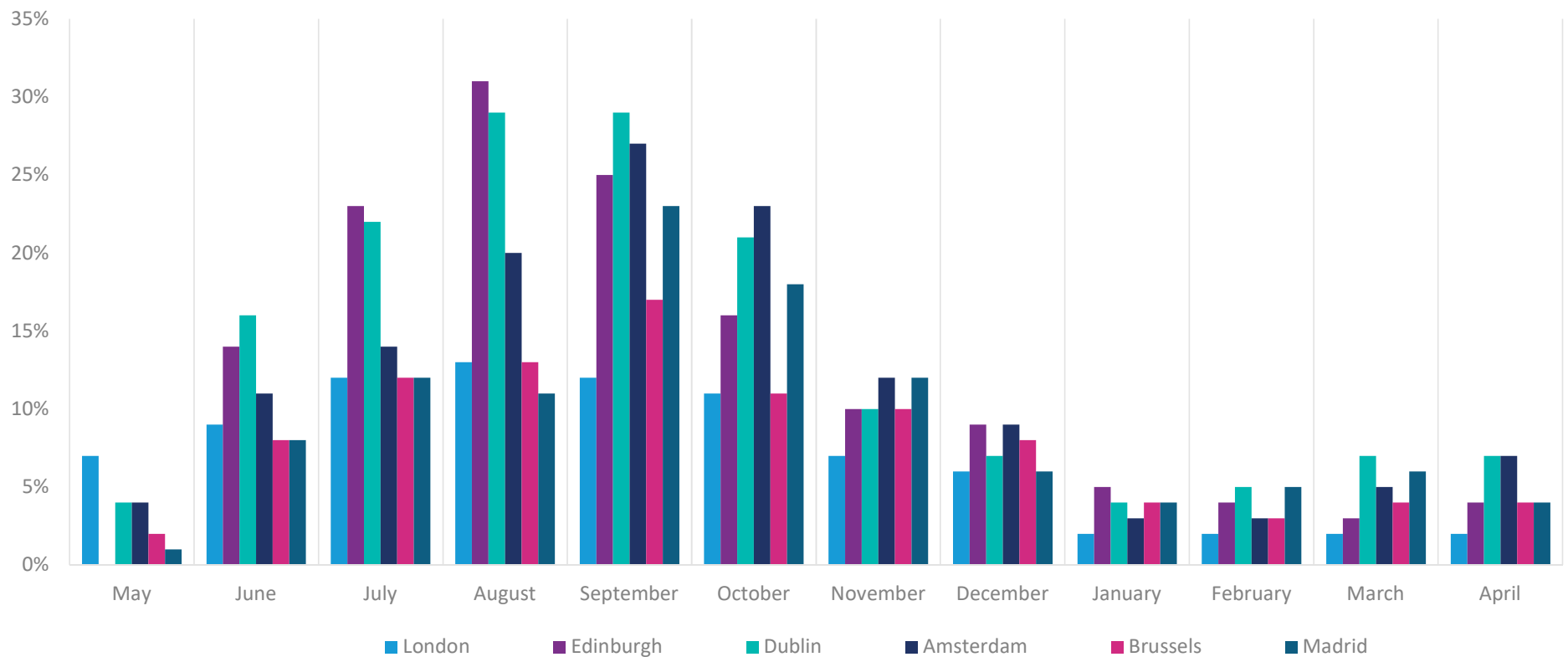


**2020 Forecast**



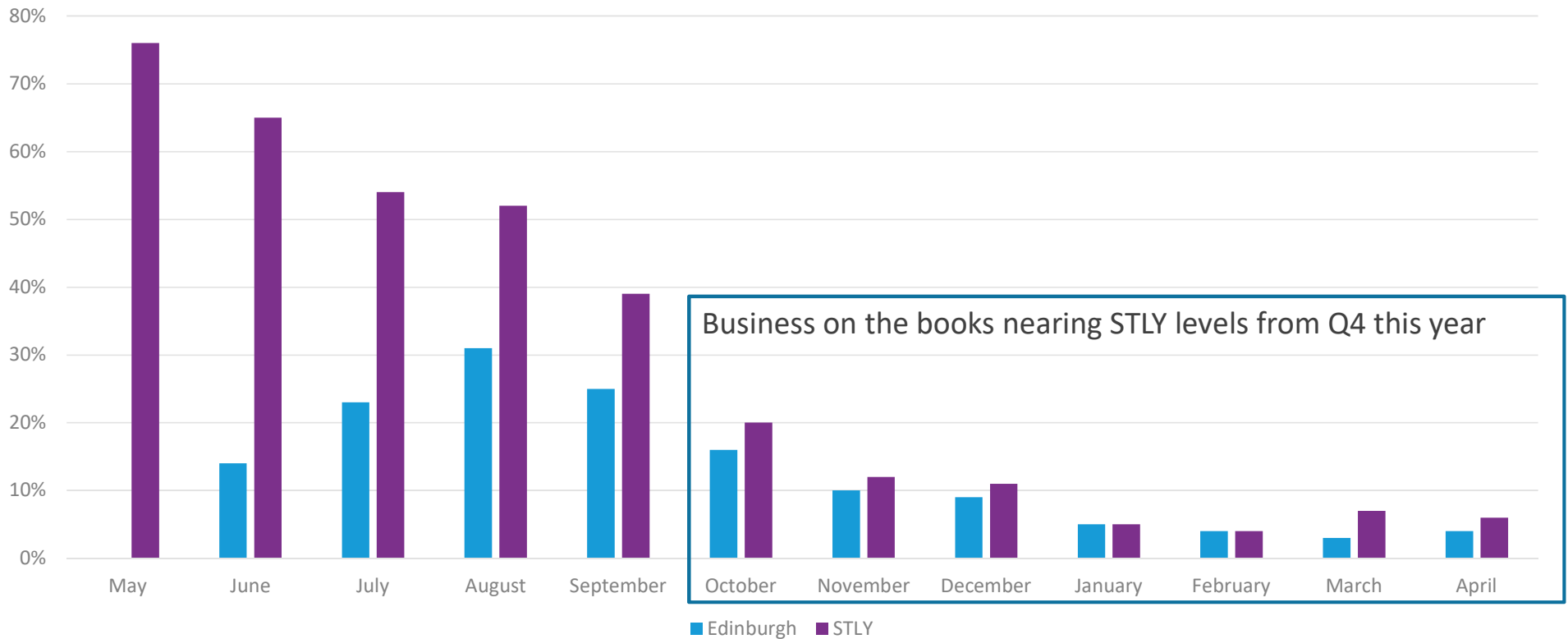
# There is some business on the books from June onwards

Forward Occupancy for next 12 months as at 04 May



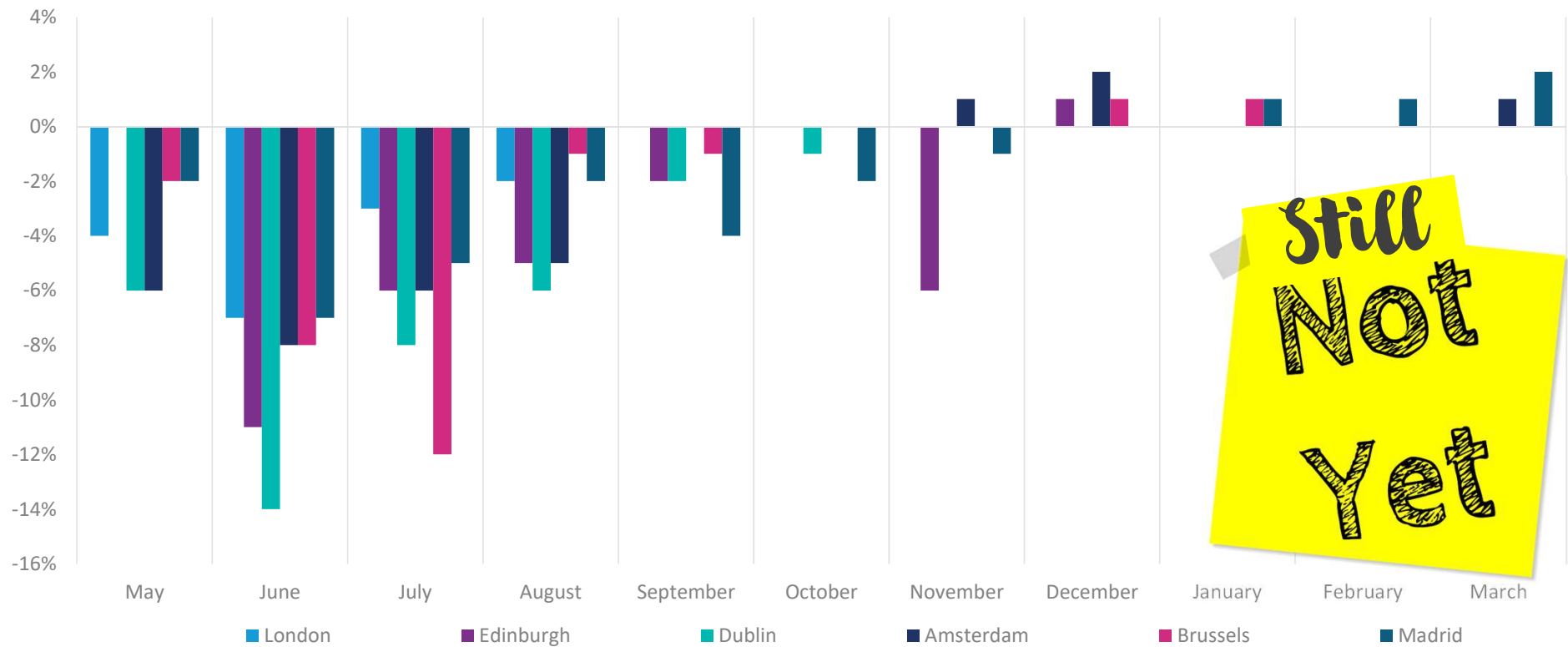
# In some markets forward occupancy is nearing STLY levels in Q4

Edinburgh Forward occupancy next 12 months vs. Same Time Last Year (STLY)



## But pickup still negative through to October – so we are saying...

Pickup in forward occupancy from prior month as at 4 May 2020





## Conclusions

### 1. Recovery has started around the world

- China well ahead and continuing to recovery
- US didn't drop as far and recovering faster than China
- Europe still stuck at the bottom

### 2. But there is light at the end of the tunnel

- Demand will start coming back this summer
- Hospitality restrictions are starting to ease in several European countries from now
- Domestic is key for Q3
- Specific segments will want to go travelling
- Hope of further recovery in Q4



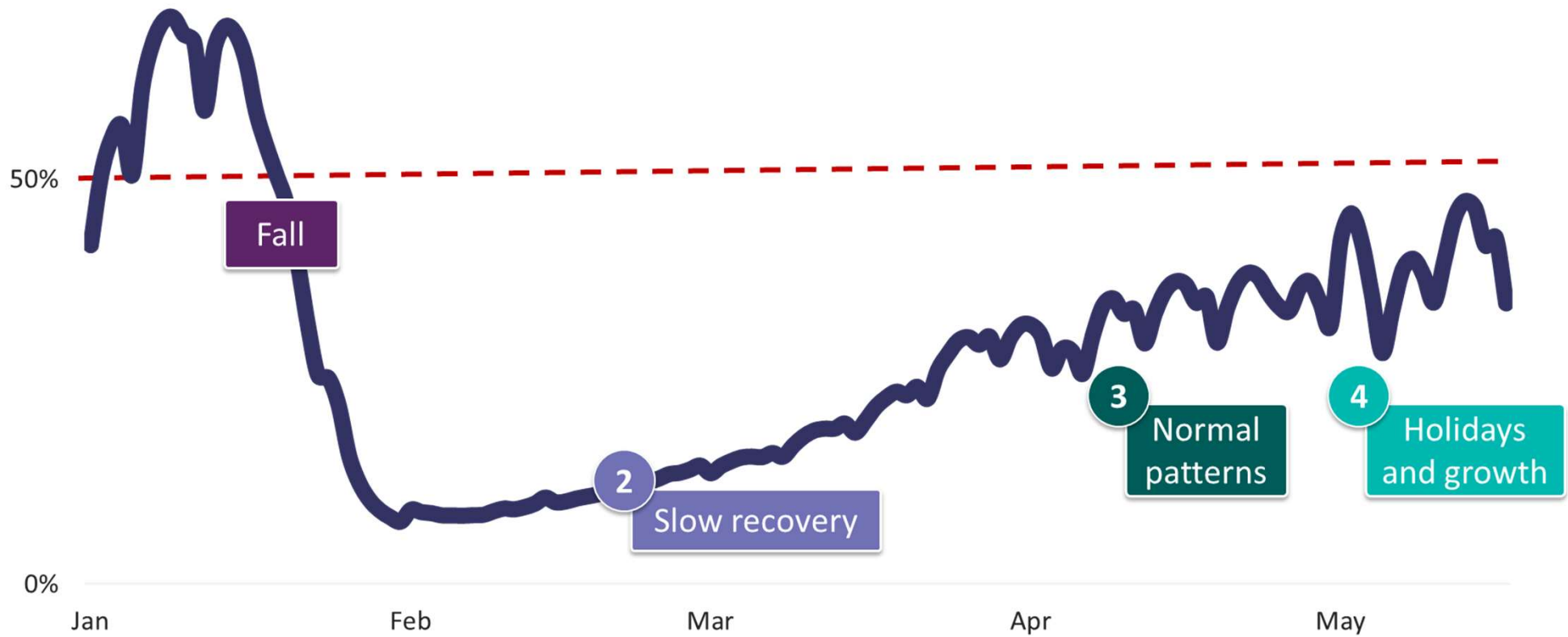
## Restrictions will go away, occupancies will remain an issue

There has been no recovery in Europe as at 16 May 2020



# How did China get back to 45%.... Clear phases over past 100 days

Occupancy actuals, Jan 1 – May 17



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

## **Benchmarking against the past ensures you have a future**

Lessors, landlords, management companies etc. will closely review the business they are lending/leasing or operating



### **They will be asking and analyzing...**

1. How has the hostel or portfolio's performance compared against the market?
2. What can markets learn from each other in terms of recovery strategies?
3. What does the hostel performance tell us about the operational efficiencies?
4. What plan are they putting forward to restructure and fix the situation?
5. What investments and structural changes need to be made to ensure safe and profitable operations?

# The impact of COVID-19 has/will have unexpected consequences

Hard to predict at first – but plannable in hindsight



## Rooms & Inventory



## F&B, Common Areas, Other Rev.



## Segmentation



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



# How to work with us

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## How it works

4 data points. 4 metrics. It's that simple.

### 1. Name two Data Contacts: primary and backup

- This is who we'll work with to get data each month.

### 2. At the beginning of the month, send us your data from the prior month

- Beds available
- Beds sold
- Beds revenue
- Other revenue

**Forgetful?** No problem! We'll send reminder emails starting on the 12<sup>th</sup>.

### 3. Sit back and relax

- We aggregate market data, process reports, and **email Excel reports to the recipients of your choosing by the 25<sup>th</sup>**

## Got questions? Get in touch!



## How do I get started?

Complete our Enrollment Form and start receiving data!



Hostel attributes



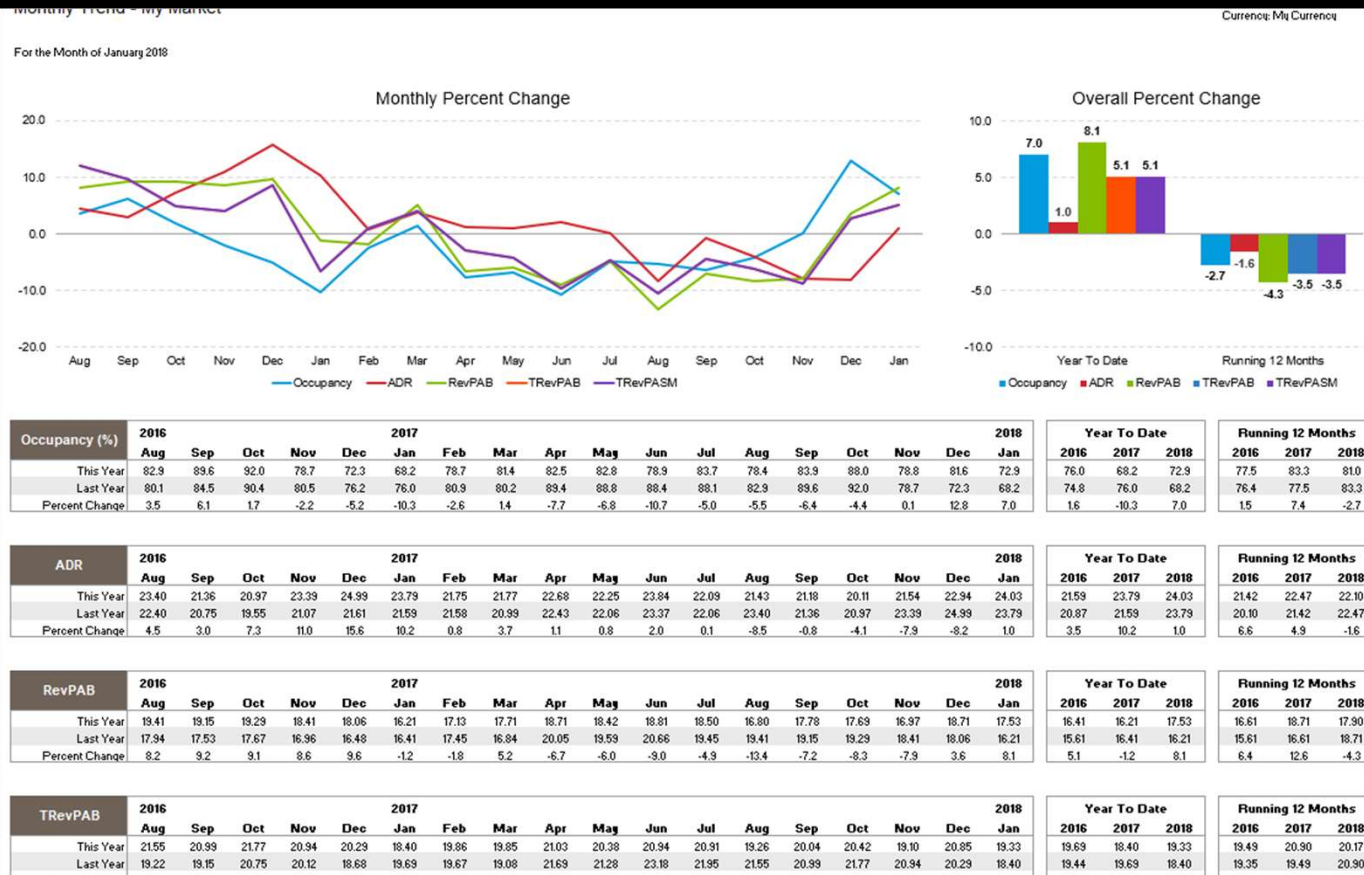
Contact information



Data sharing agreement



Historical data



## Destination Report

- Complimentary to data providers
- 18 months of market-level intelligence

# Questions



**Hostel Enrollment and Questions:**  
→ [hostels@str.com](mailto:hostels@str.com)

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**HOTEL DATA  
CONFERENCE**  
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# Thank you!



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