

Trends in Hostel Performance

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A decorative graphic on the right side of the slide consisting of overlapping geometric shapes: a large dark blue triangle at the bottom, a smaller teal triangle above it, and a magenta triangle at the top right corner.

SW

STAY WYSE

Amsterdam

30-31 January 2020

Agenda

- Who we are
- Year in Review
- Markets
 - Amsterdam
 - Berlin
 - Edinburgh
 - London

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Who we are



CoStar Group™



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

- **35+ years** in business
- Collect data from **67,000+** accommodations worldwide
- Office Areas in **16 countries worldwide**
- Expanded focus into alternative accommodations: **hostels, serviced apartments, and short-term rentals**

Select snapshot
of **STR customers**

a&o
aohostels.com

CLiNK
HOSTELS



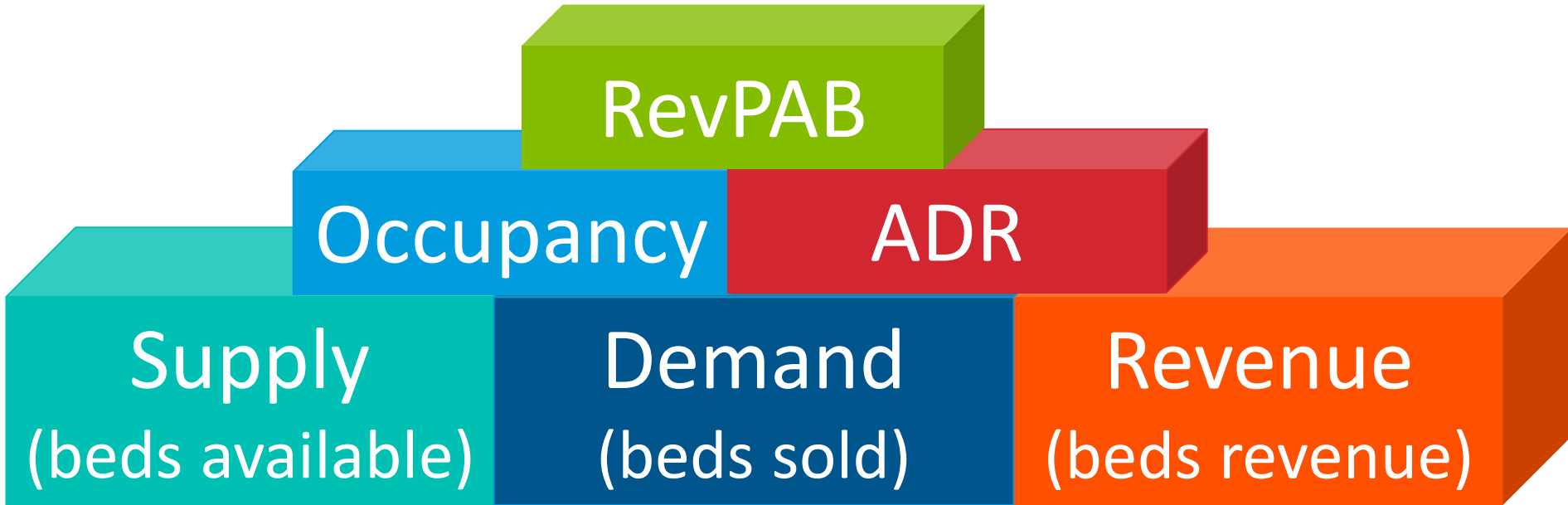
GENERATOR

M
MEININGER
HOTELS

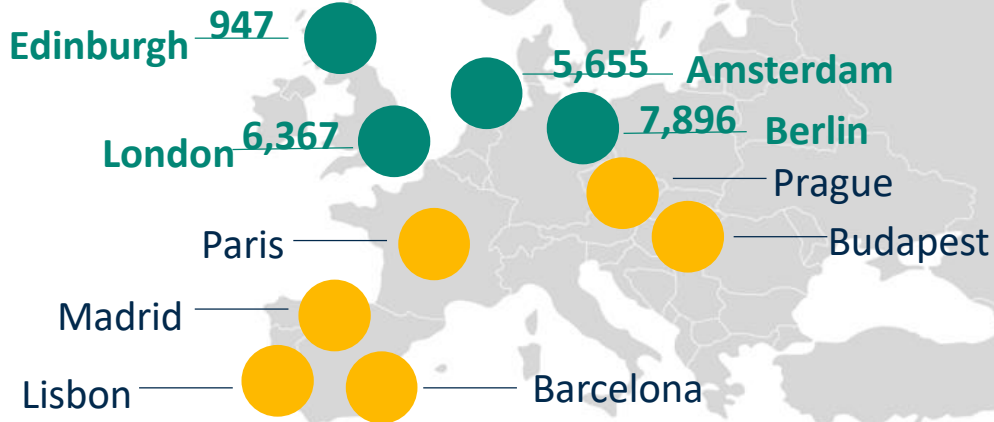


safestay

Building Blocks of STR Benchmarking



STR hostel sample



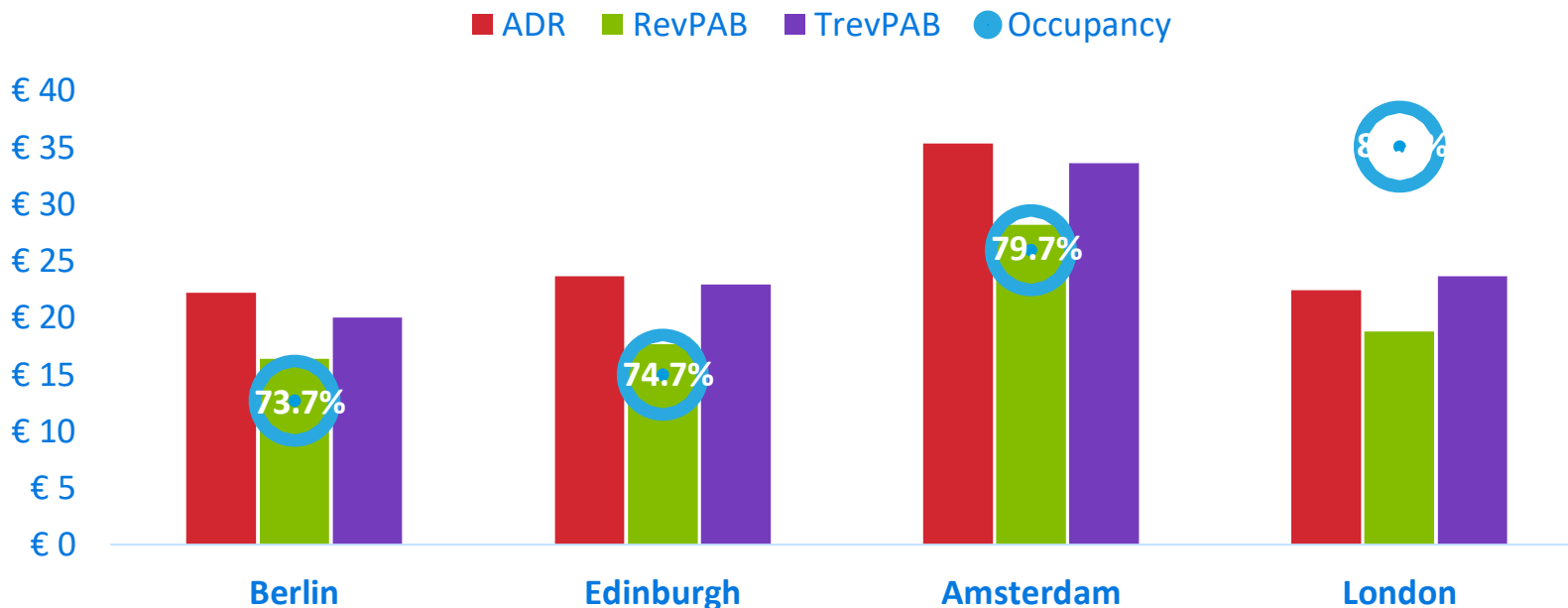
Current Markets

Target Markets

Year in Review

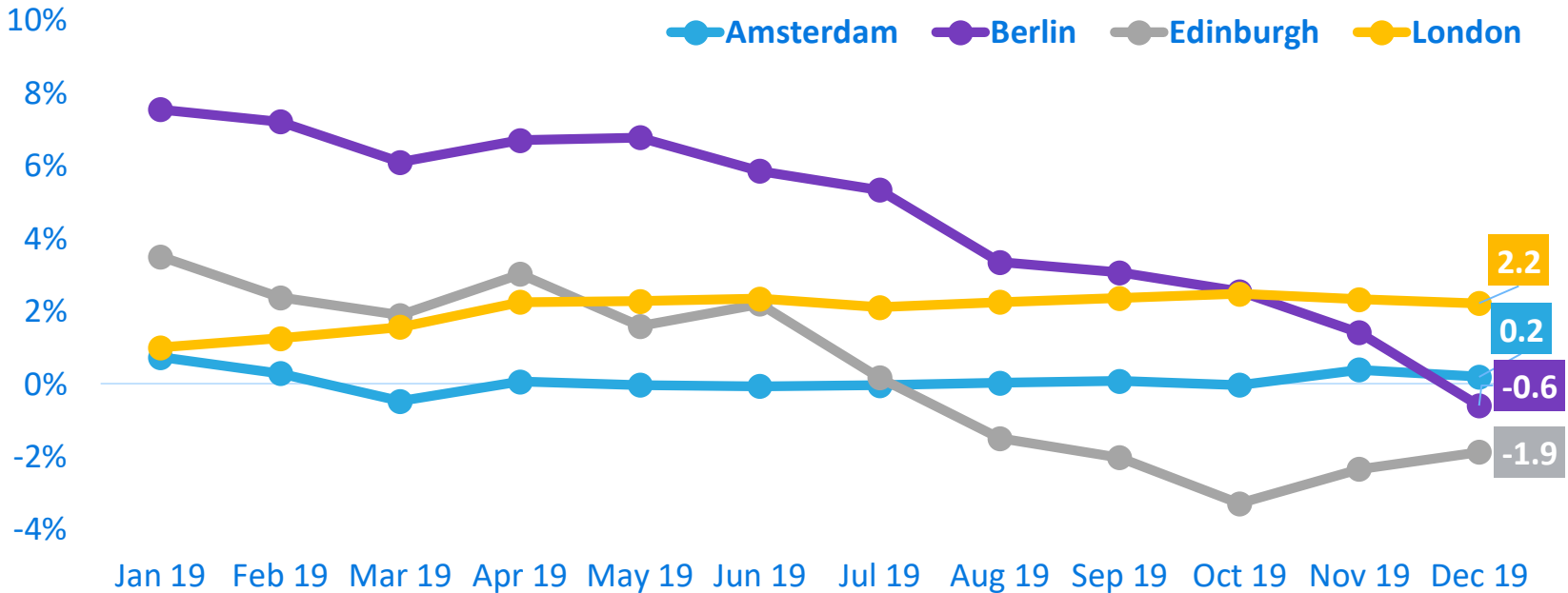
Amsterdam rates outpace all other markets

Occupancy, ADR, RevPAB, TrevPAB, EUR, 2019



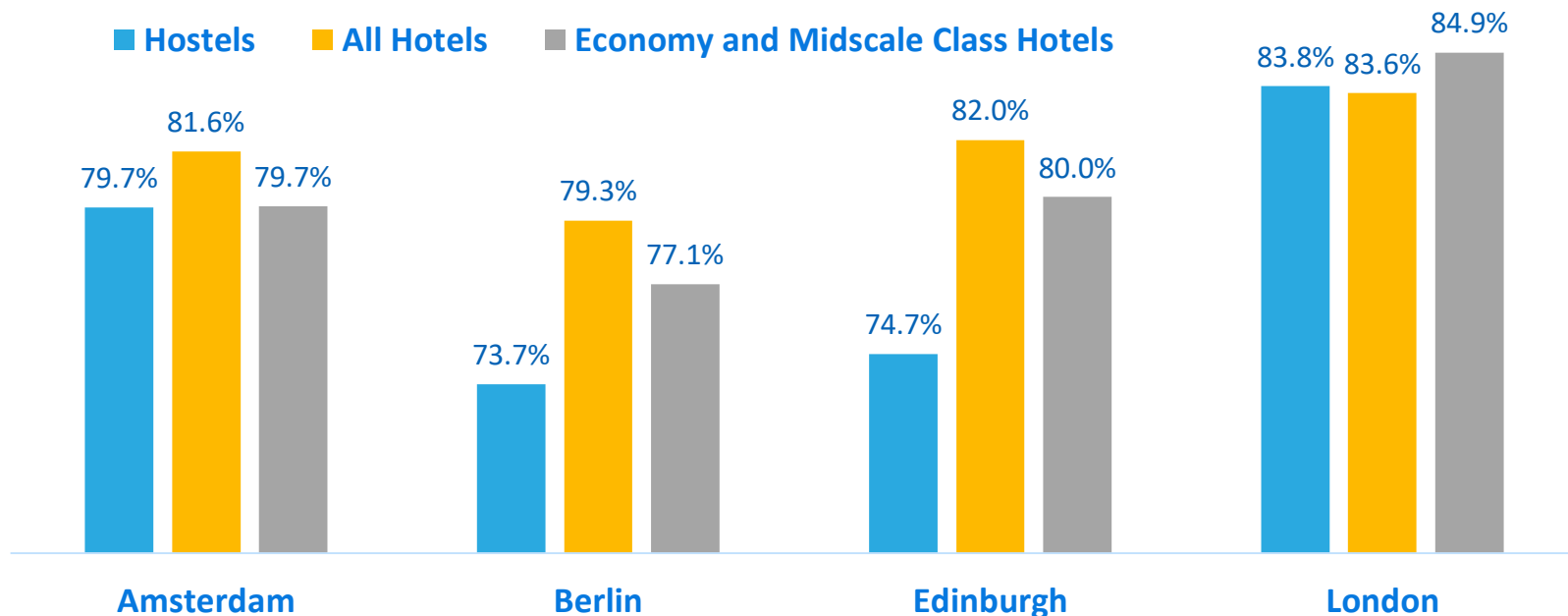
High occupancy makes additional growth difficult

R12 Occupancy % Change



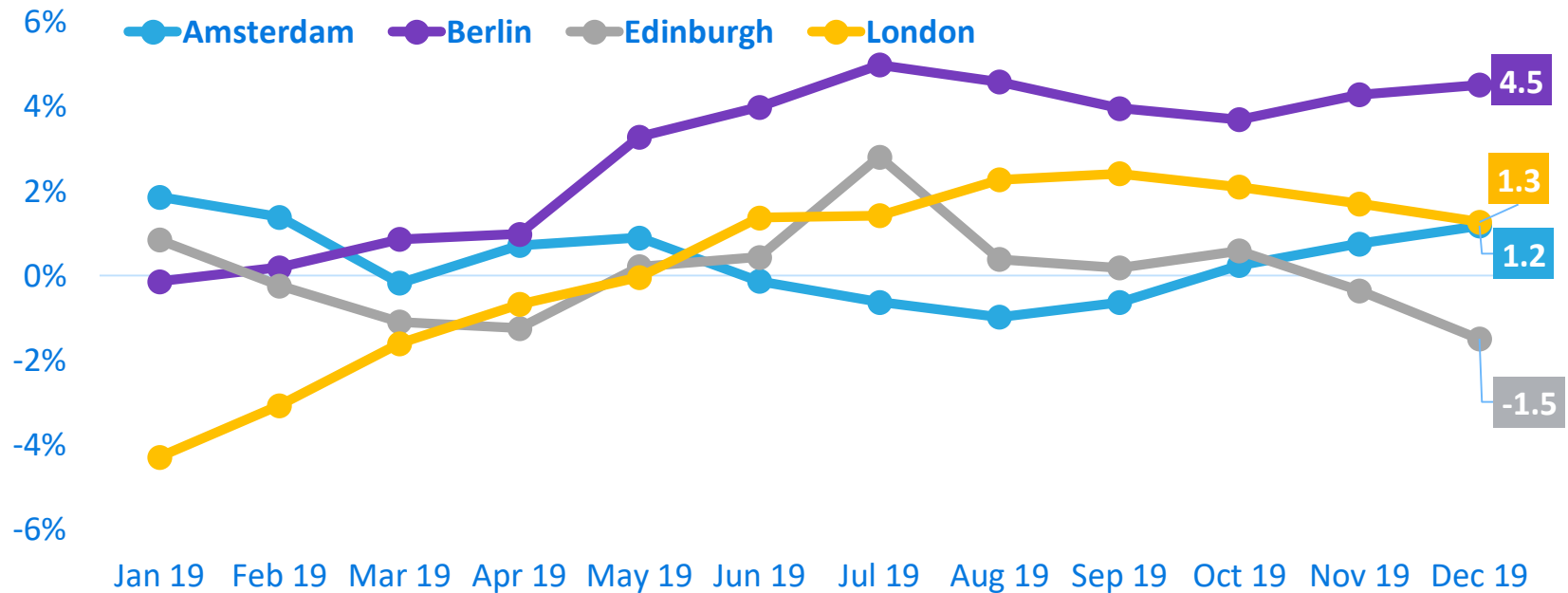
Hostel occupancy trails hotel occupancy

European Hostel and Hotel Occupancy, 2019



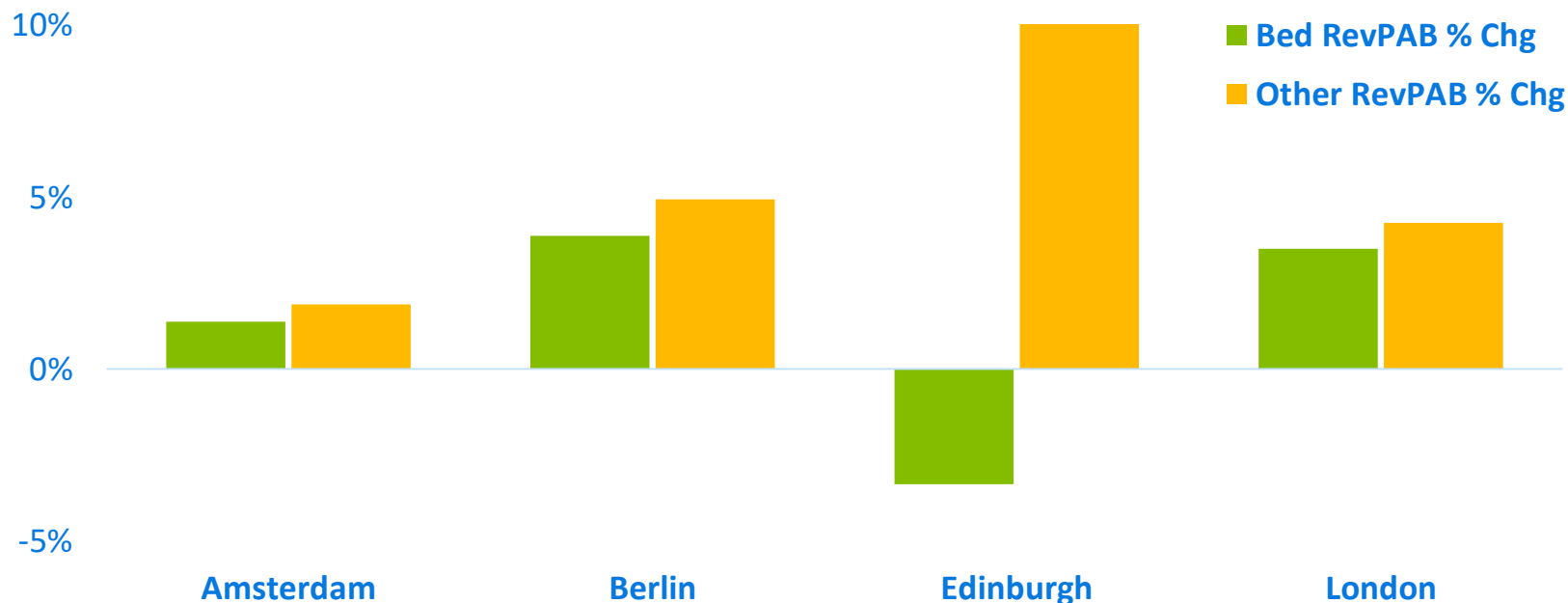
ADR growth has remained elusive

R12 ADR % Change, Local Currency



Ancillary revenue growing faster than bed revenue

Bed Revenue and Other Revenue per Available Bed % chg, local currency, 2019





London

Divisive nature of Brexit impacts travelers...

European travellers:

- 15% - Brexit affecting 2019 travel plans
- 32% - delaying making travel plans to UK until Brexit outcome is resolved
- 38% - negative perception due to Brexit makes them less likely to travel to UK

UK travellers:

- 17% - Brexit affecting 2019 travel plans
- 26% - delaying making travel plans to Europe until Brexit outcome is resolved



Source: STR Brexit Survey, February 2019

London hostel occupancy gaining on hotel occ

Hostels

83.8%

Occupancy

+2.2% 

£20

ADR

+1.3% 

£17

RevPAB

+3.5% 

Midscale and Economy Hotels

84.9%

Occupancy

+0.5% 

£79

ADR

+1.8% 

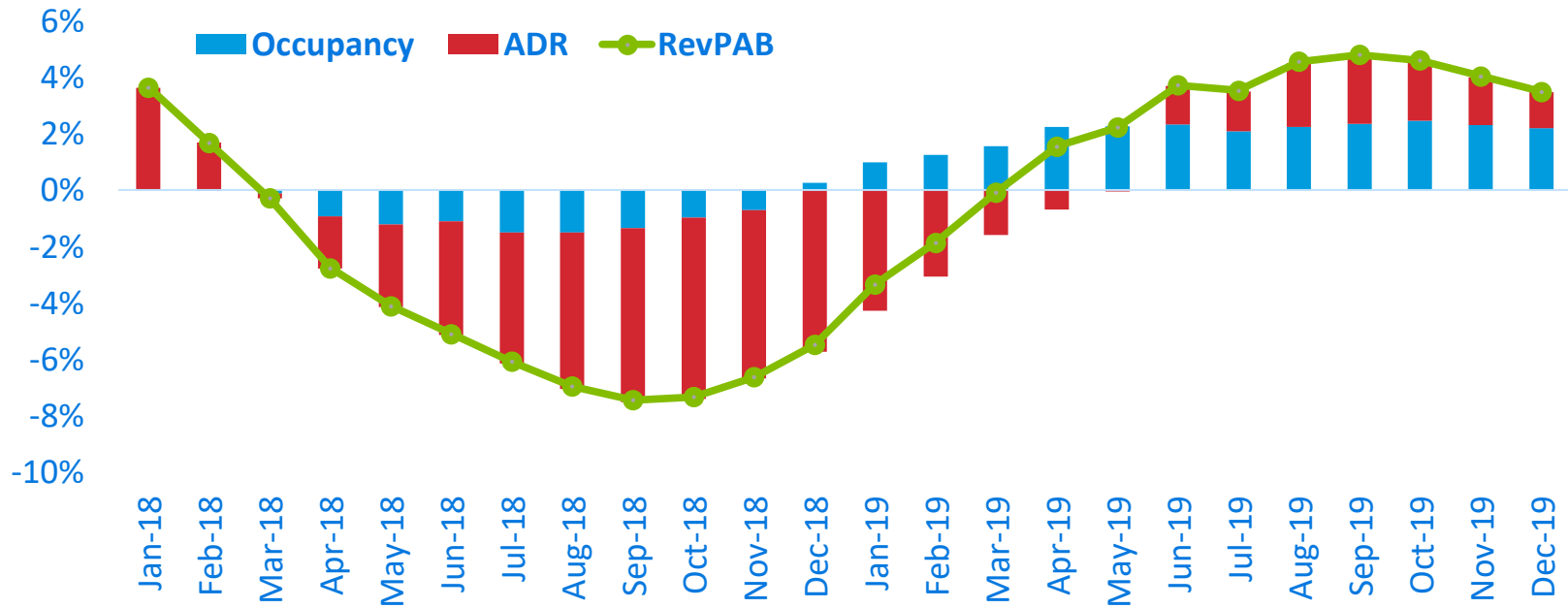
£67

RevPAR

+2.3% 

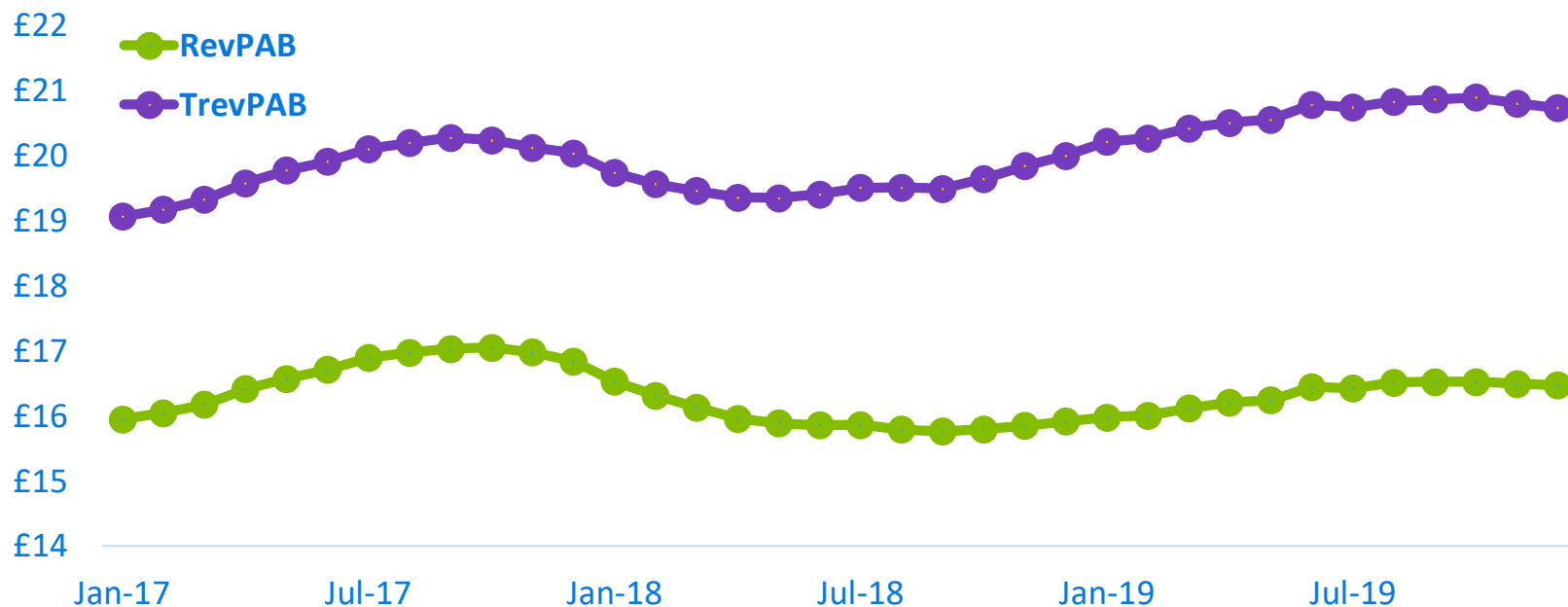
London posts respectable 2019

London KPI % change, R12, GBP



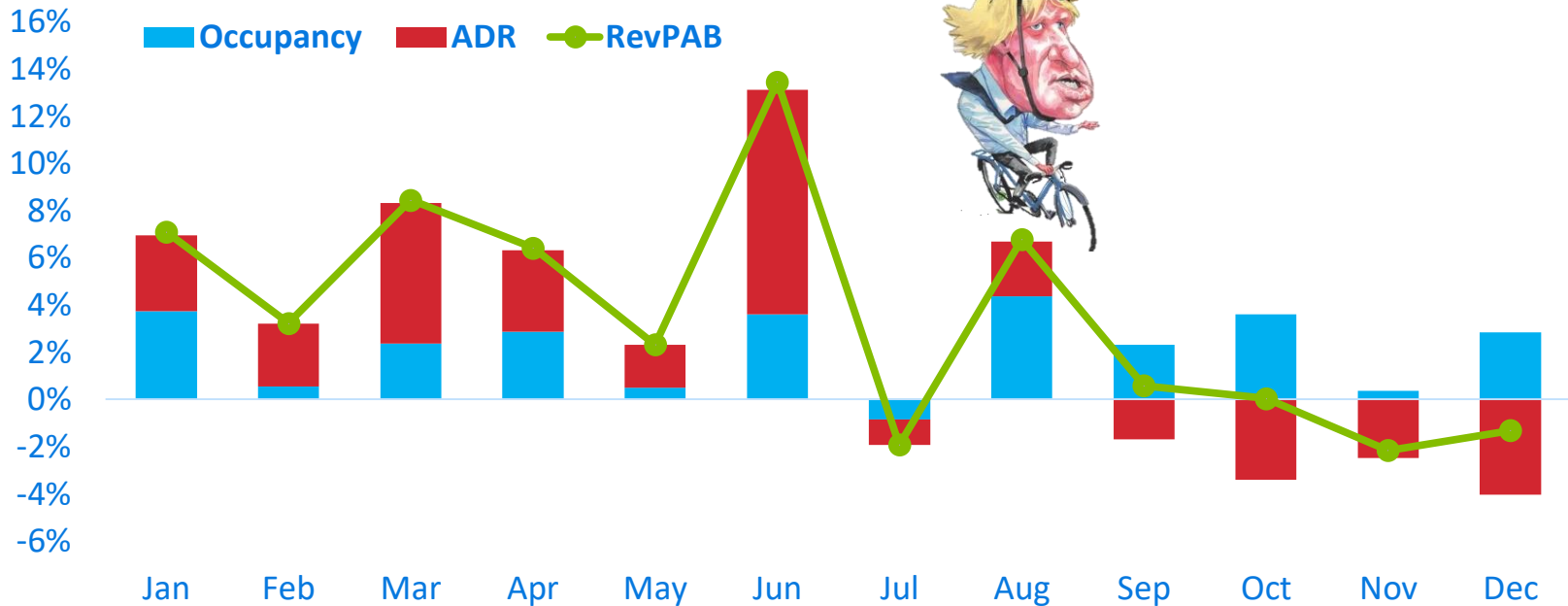
Hostels are hanging in there

London hostel RevPAB and TrevPAB, 12MMA, GBP



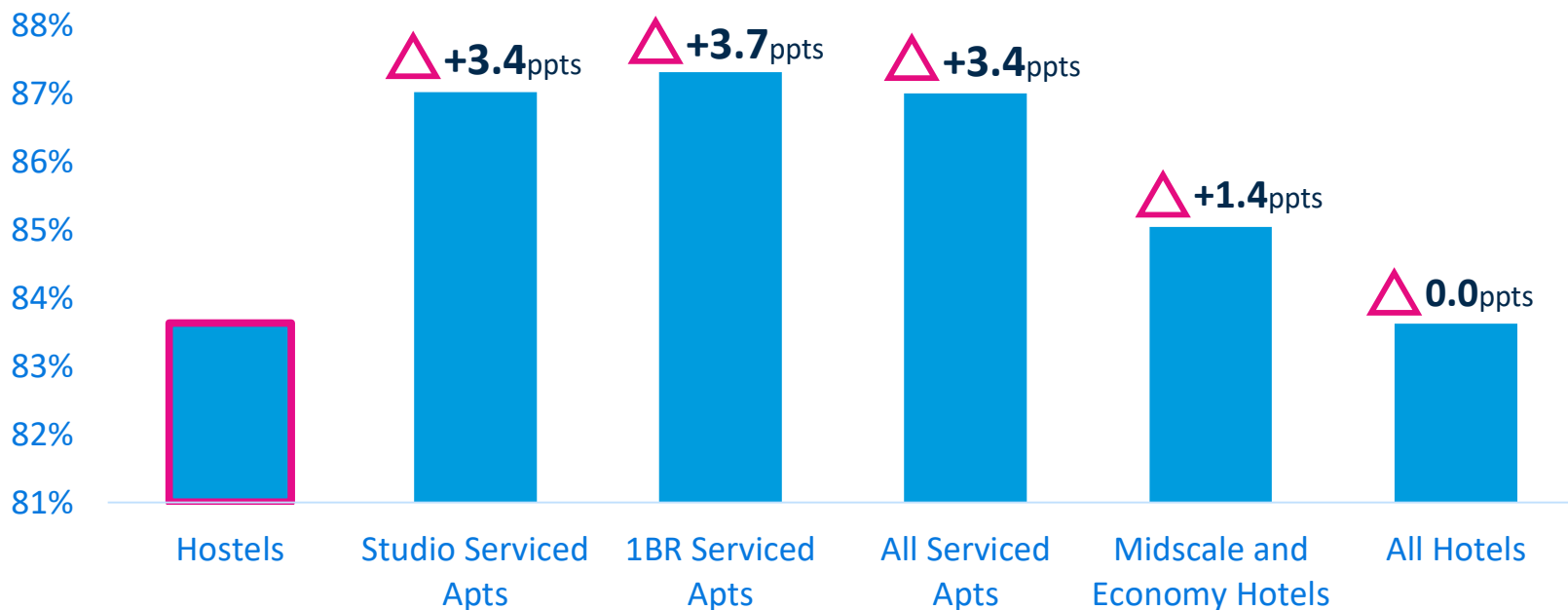
On a monthly basis, things are slowing down

London KPI Monthly % Change, GBP



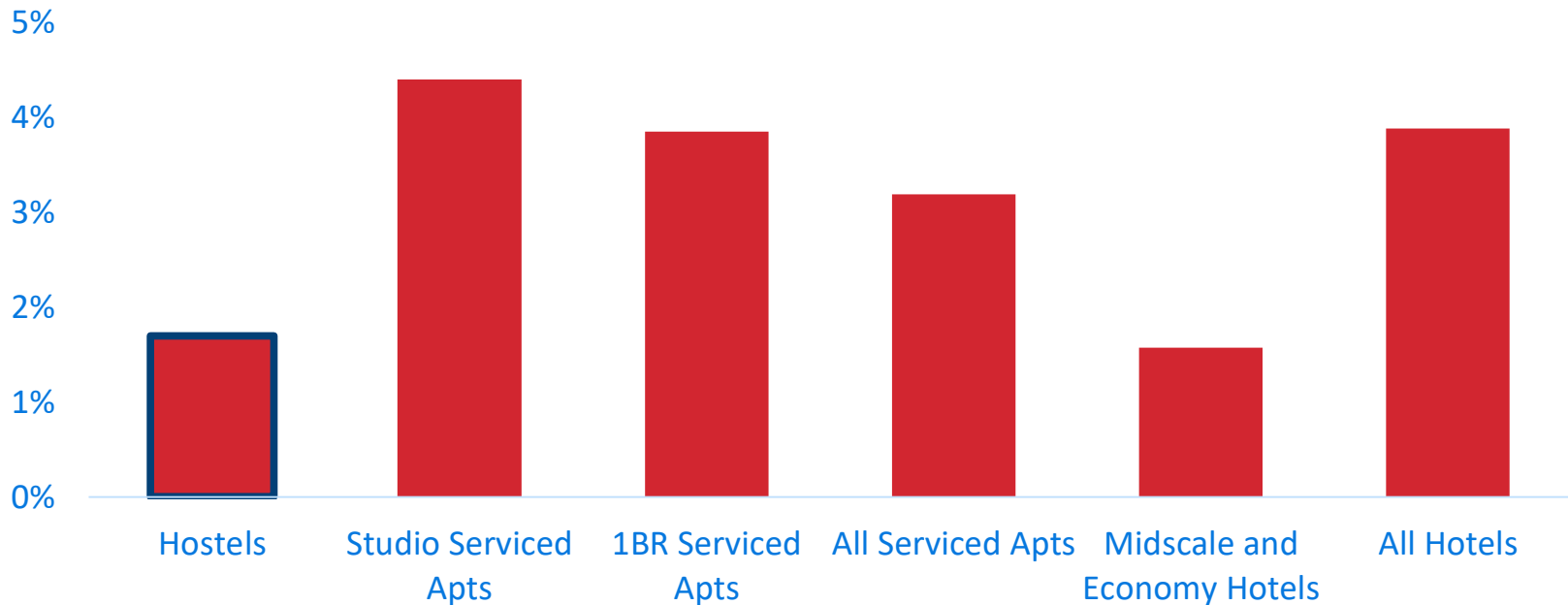
Hostel Occ trails other London Accommodations

Occ % Change, London Accommodations, Nov 2019 12MMA

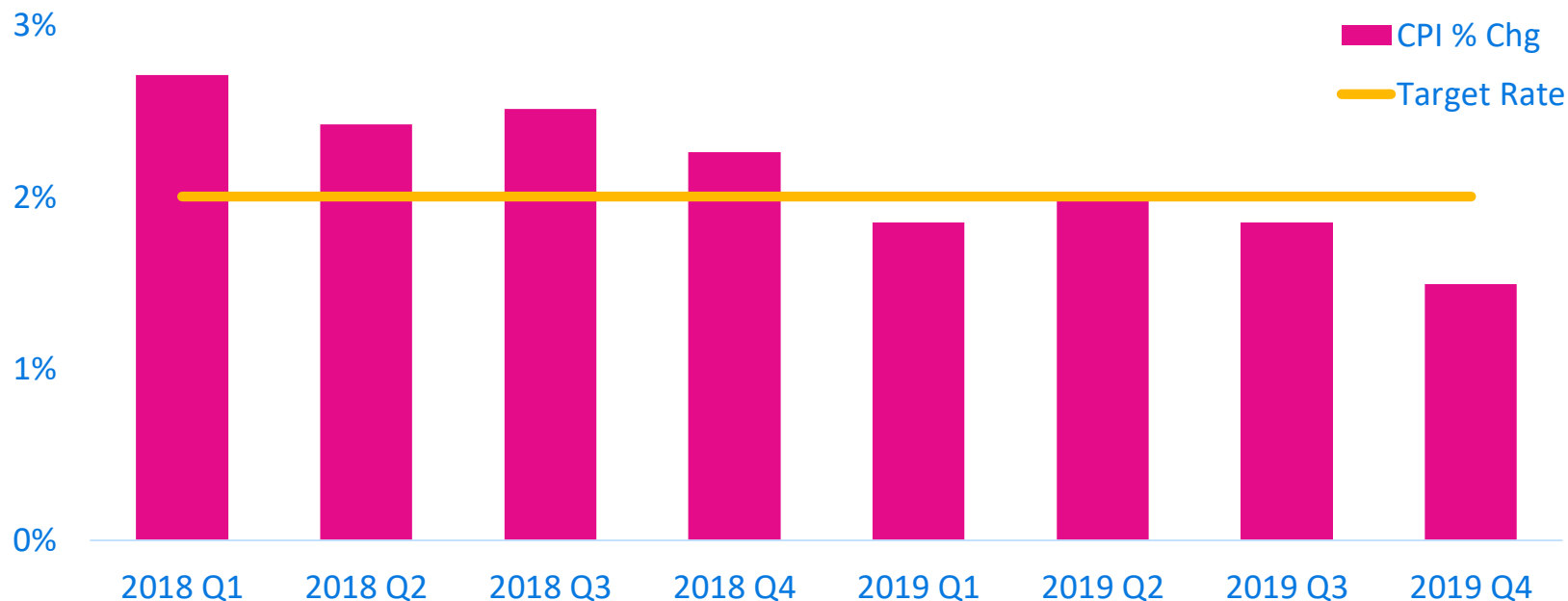


Hostel ADR growth in line with hotel rate growth

ADR % Change, London Accommodations, Nov 2019 12MMA

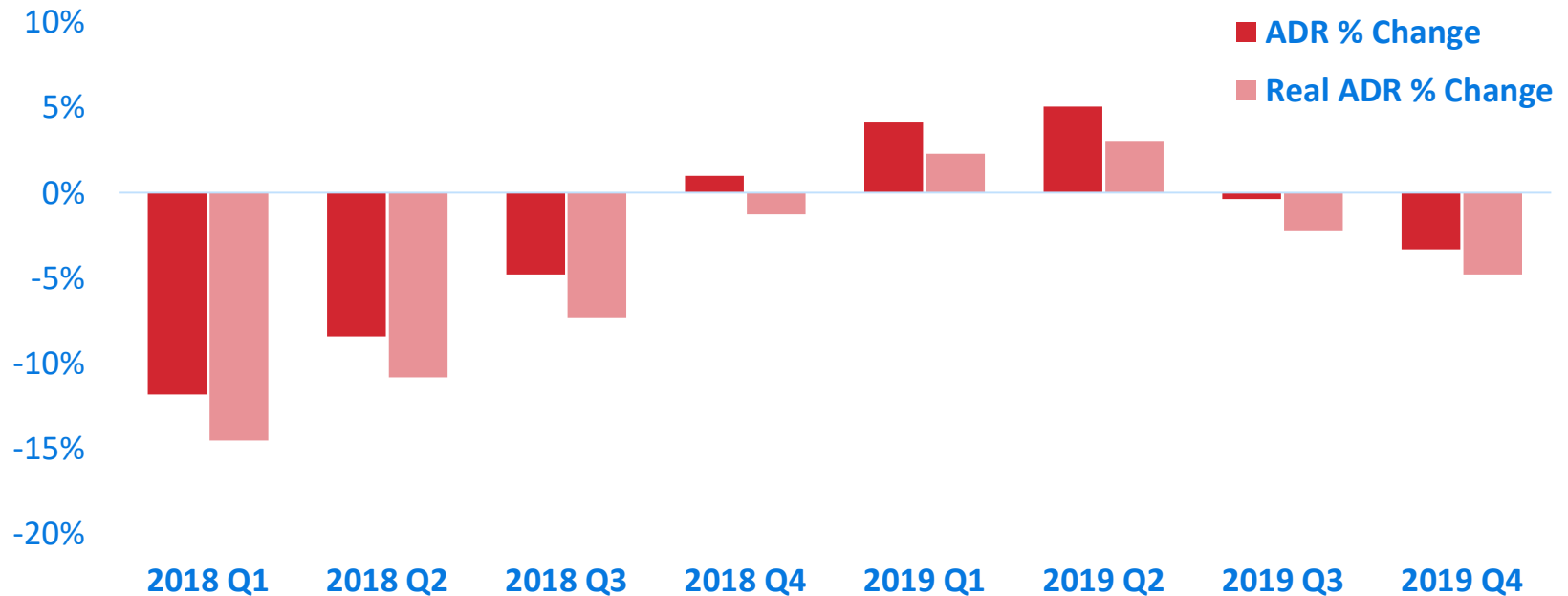


Slowing inflation a boon for hostel ADR



Real ADR paints a less rosy picture

London ADR and real ADR % Change, GBP





Berlin

2019: Berlin hostels make rate growth look easy

Hostels

73.7%

Occupancy

-0.6% ▼

€22

ADR

+4.5% ▲

€16

RevPAB

+3.9% ▲

Midscale and Economy Hotels

77.1%

Occupancy

+1.4% ▲

€72

ADR

+0.9% ▲

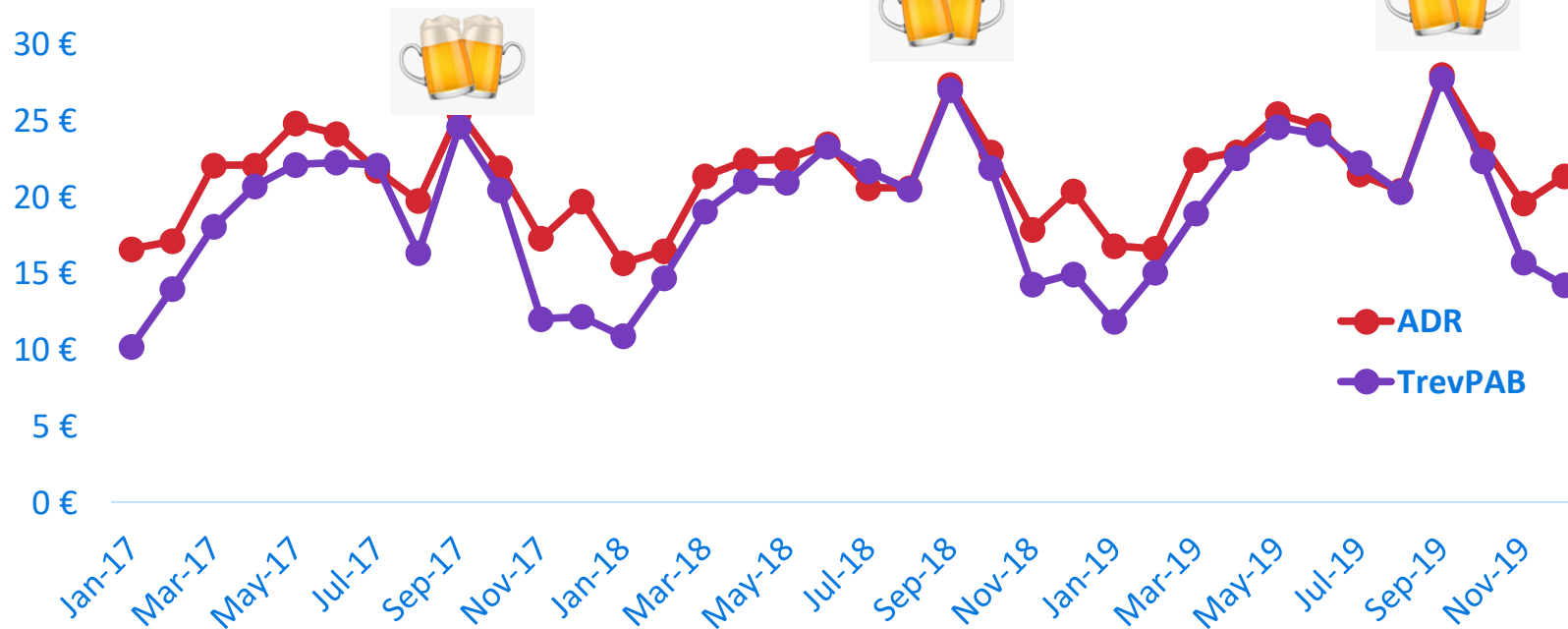
€55

RevPAR

+2.2% ▲

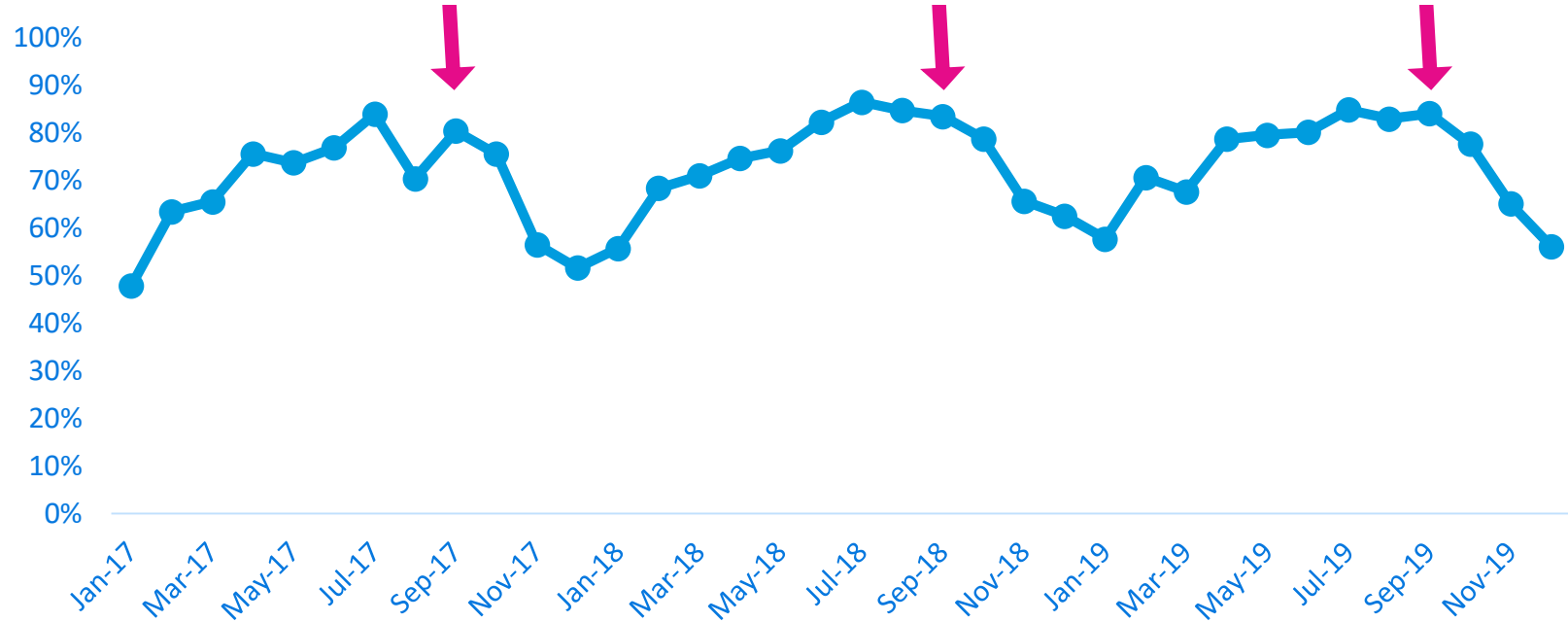
Oktoberfest: Rates rise ...

Berlin monthly KPIs, EUR



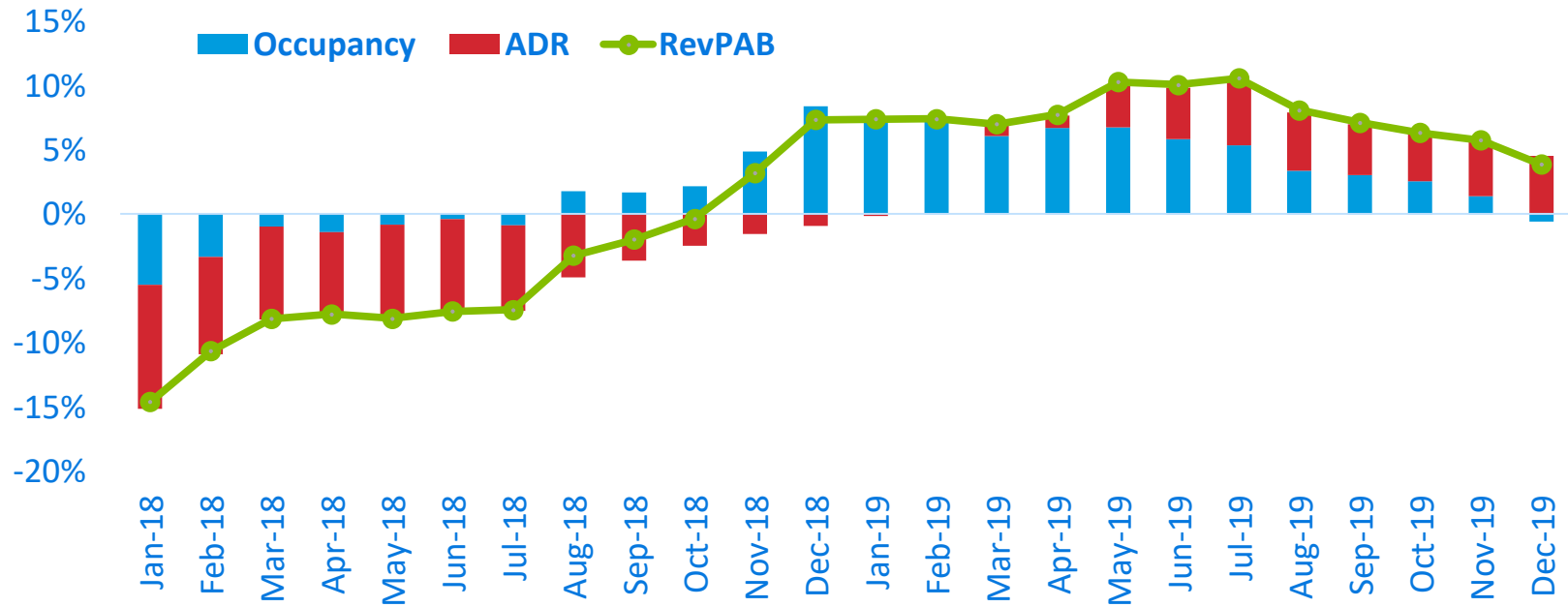
... but occupancy is relatively normal

Berlin monthly occupancy



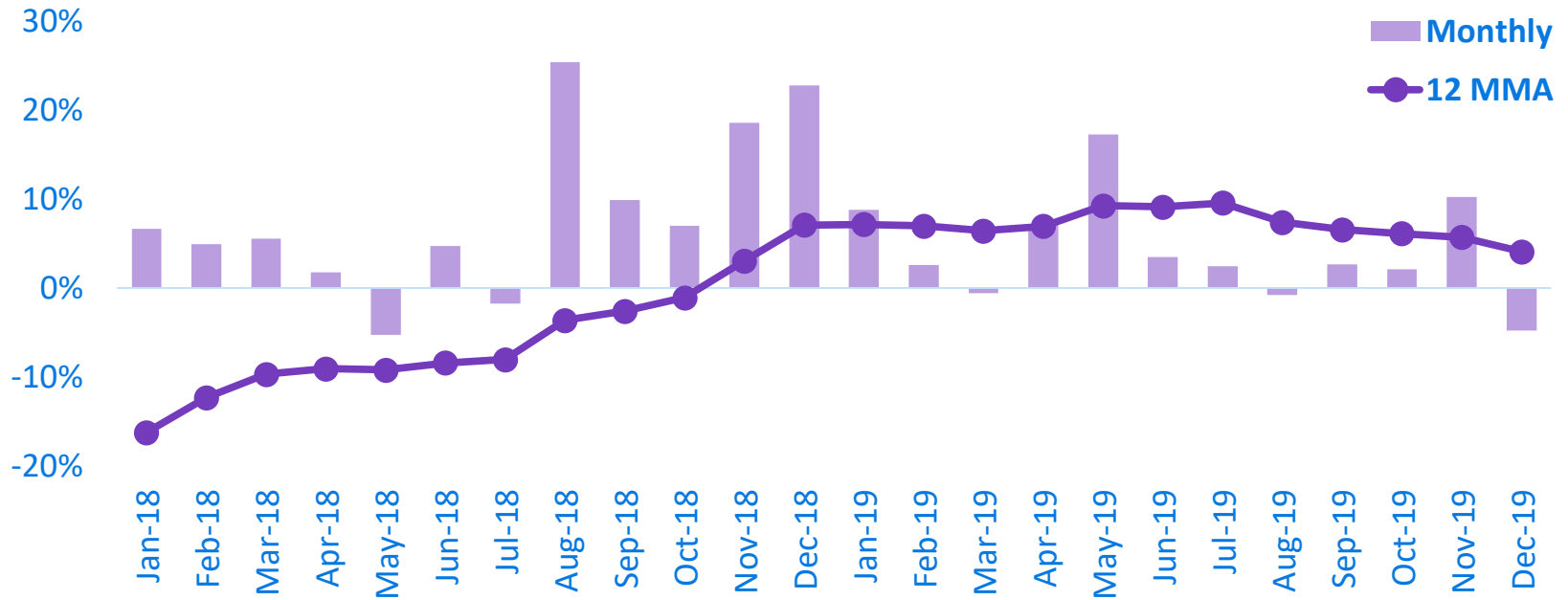
Berlin hostels grow RevPAB regardless of driver

Berlin Hostel KPIs, 12MMA, EUR



Incredibly high TrevPAB growth in 2019

Berlin TrevPAB % change, Monthly and R12, EUR

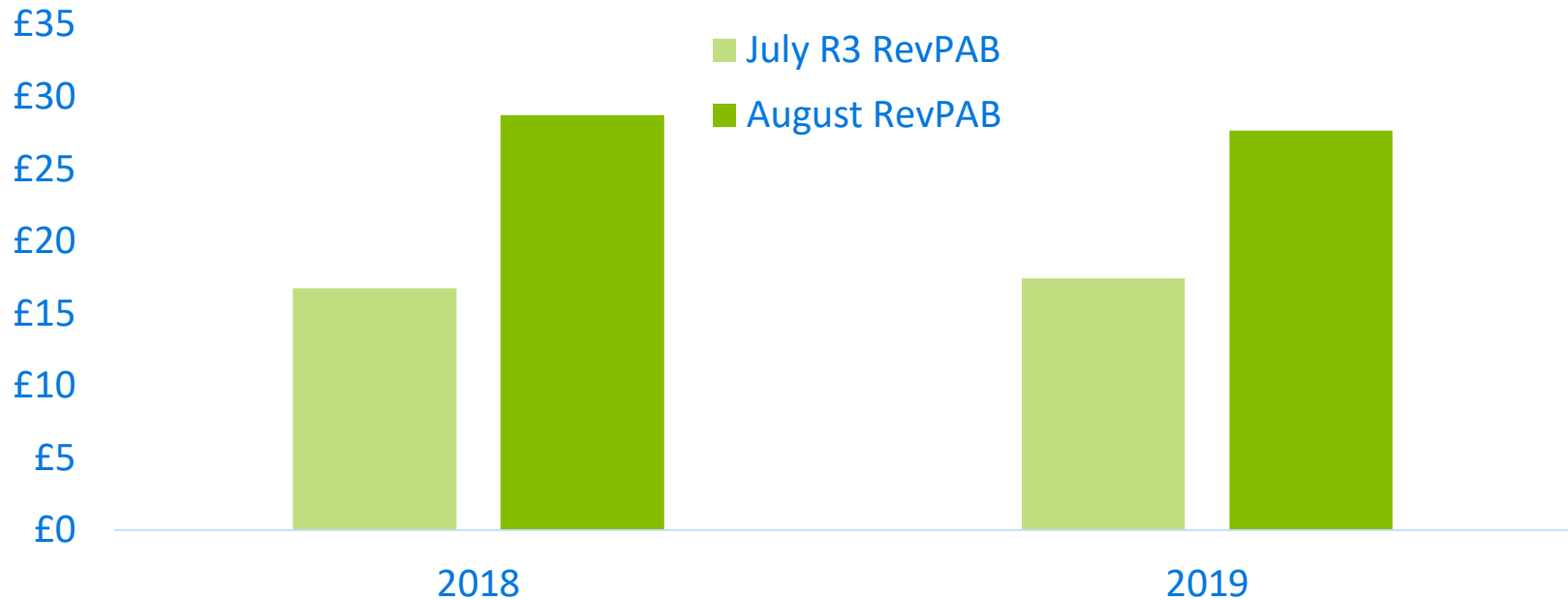




Edinburgh

Festival Fringe bolsters August RevPAB

Edinburgh hostel RevPAB, GBP



2019 a struggle for Edinburgh accommodations

Hostels

74.7%

Occupancy

-1.9% ▼

£21

ADR

-1.5% ▼

£16

RevPAB

-3.3% ▼

Midscale and Economy Hotels

80.0%

Occupancy

-3.2% ▼

£70

ADR

-2.2% ▼

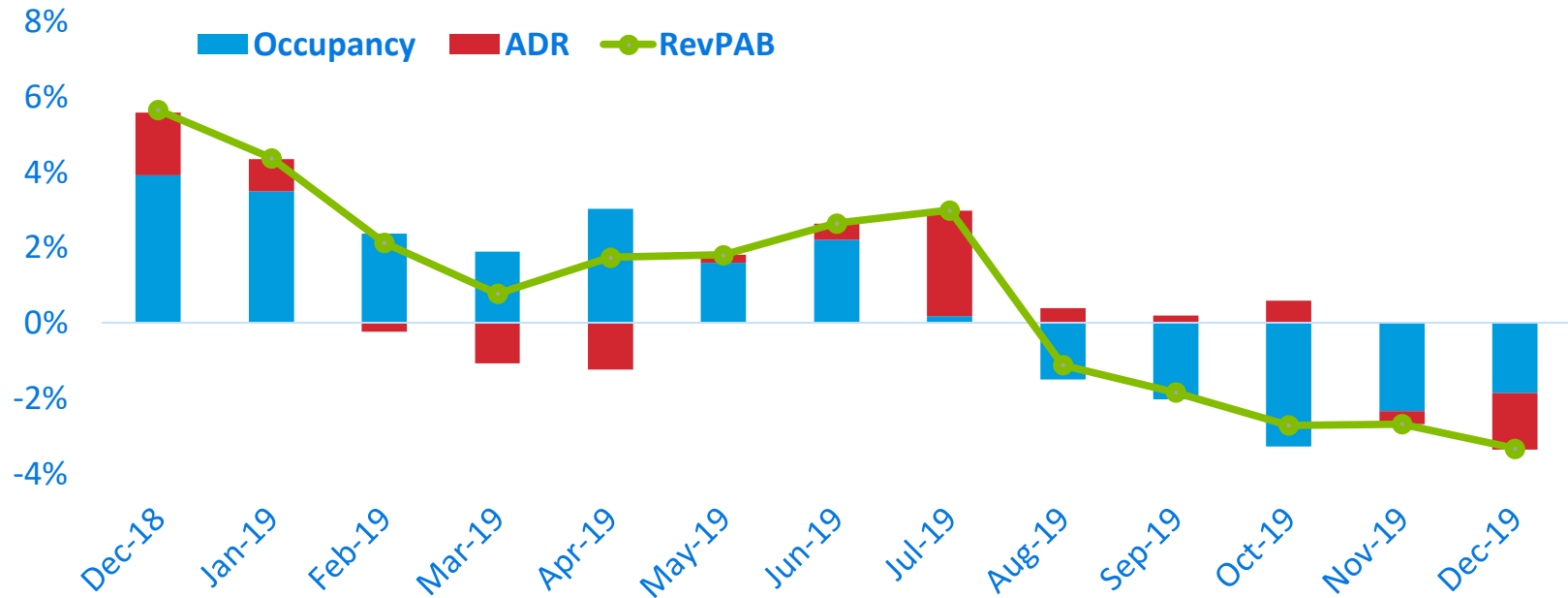
£56

RevPAR

-5.4% ▼

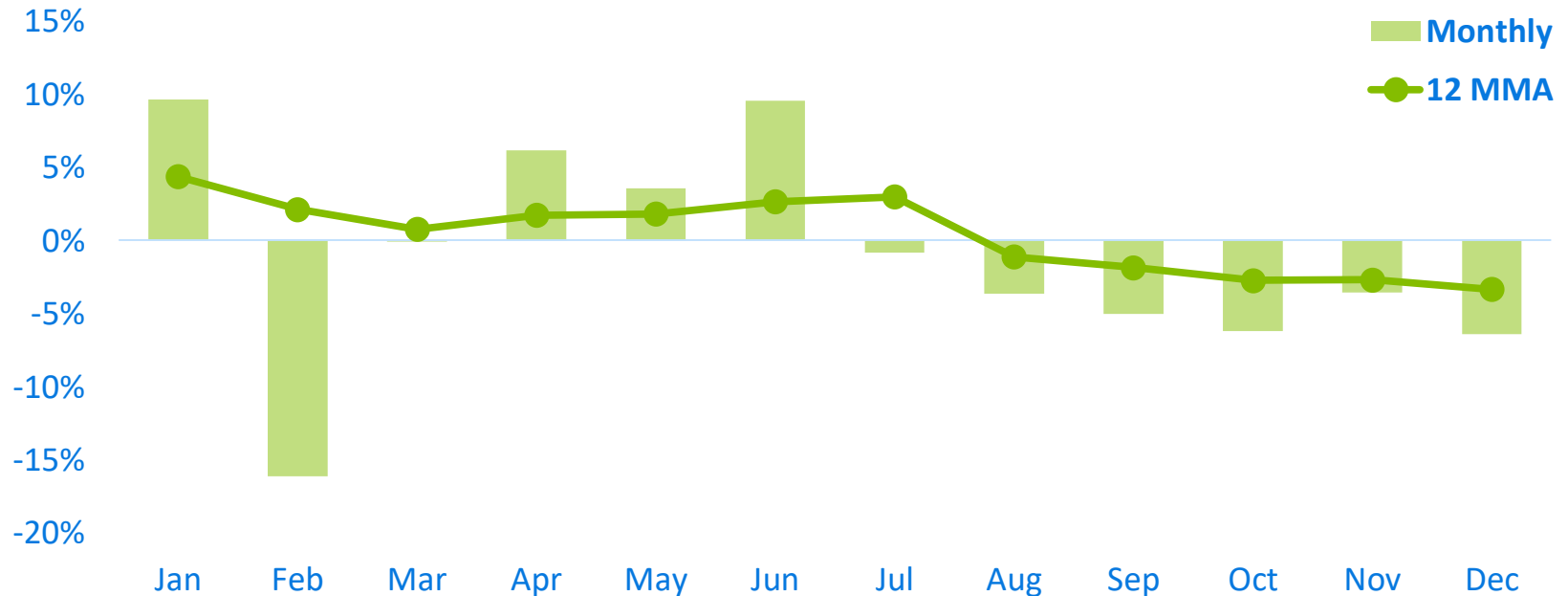
KPIs trending in the wrong direction

Edinburgh KPI % change, R12, GBP



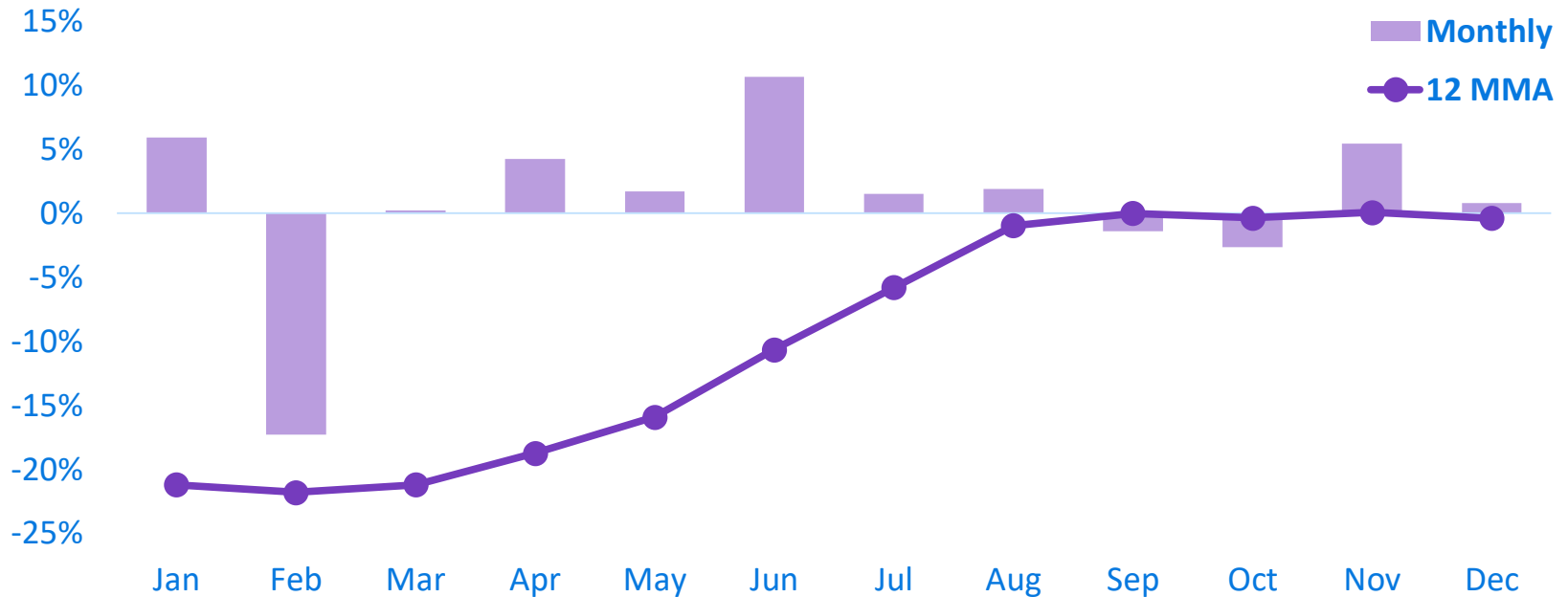
RevPAB growth slowing down

Edinburgh RevPAB % change, Monthly and R12, GBP



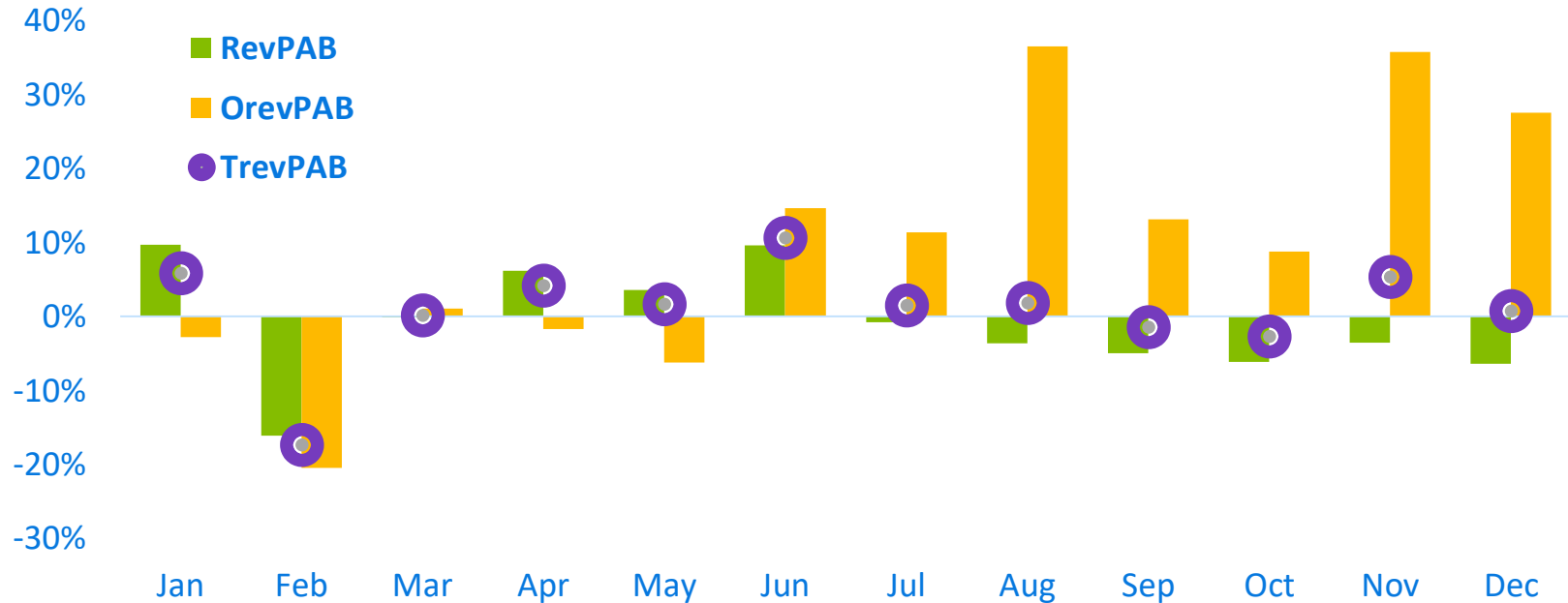
But TrevPAB is clawing back

Edinburgh TrevPAB % change, Monthly and R12, GBP



TrevPAB growth fueled by Other Revenue

Monthly RevPAB, OrevPAB, TrevPAB, GBP, 2019





Amsterdam




Hostel growth outperforms hotel growth in 2019

Hostels


79.7%

Occupancy

+0.2% 

€35

ADR

+1.2% 

€28

RevPAB

+1.4% 

Midscale and Economy Hotels

79.7%

Occupancy

-1.2% 

€98

ADR

0.0%

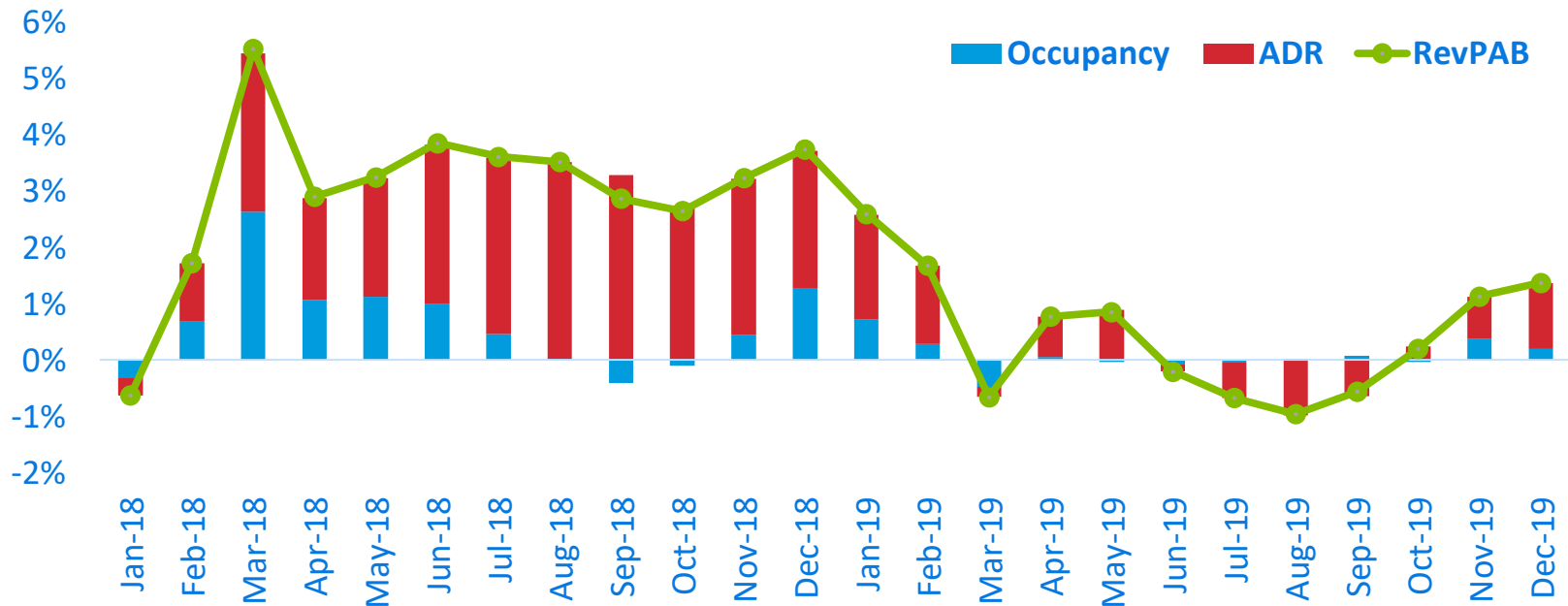
€79

RevPAR

-1.3% 

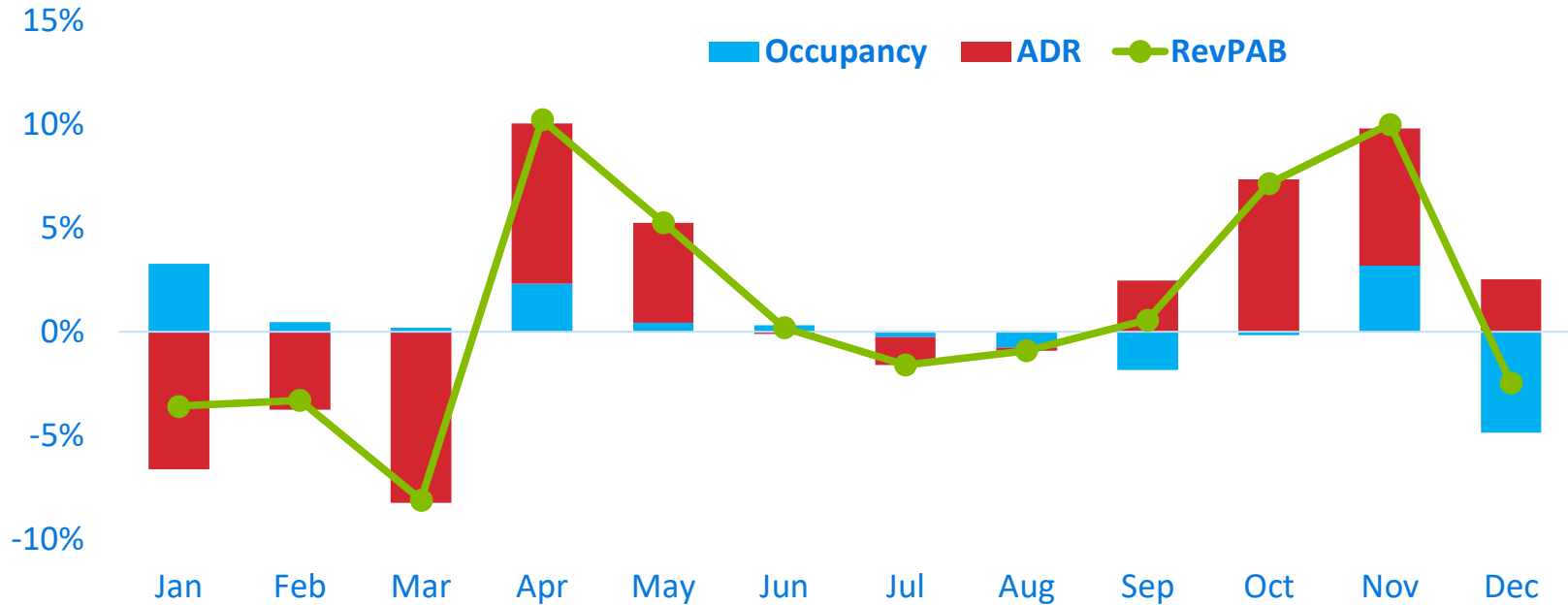
Strong 2018 belies weak 2019

Amsterdam hostel 12MMA KPIs, EUR



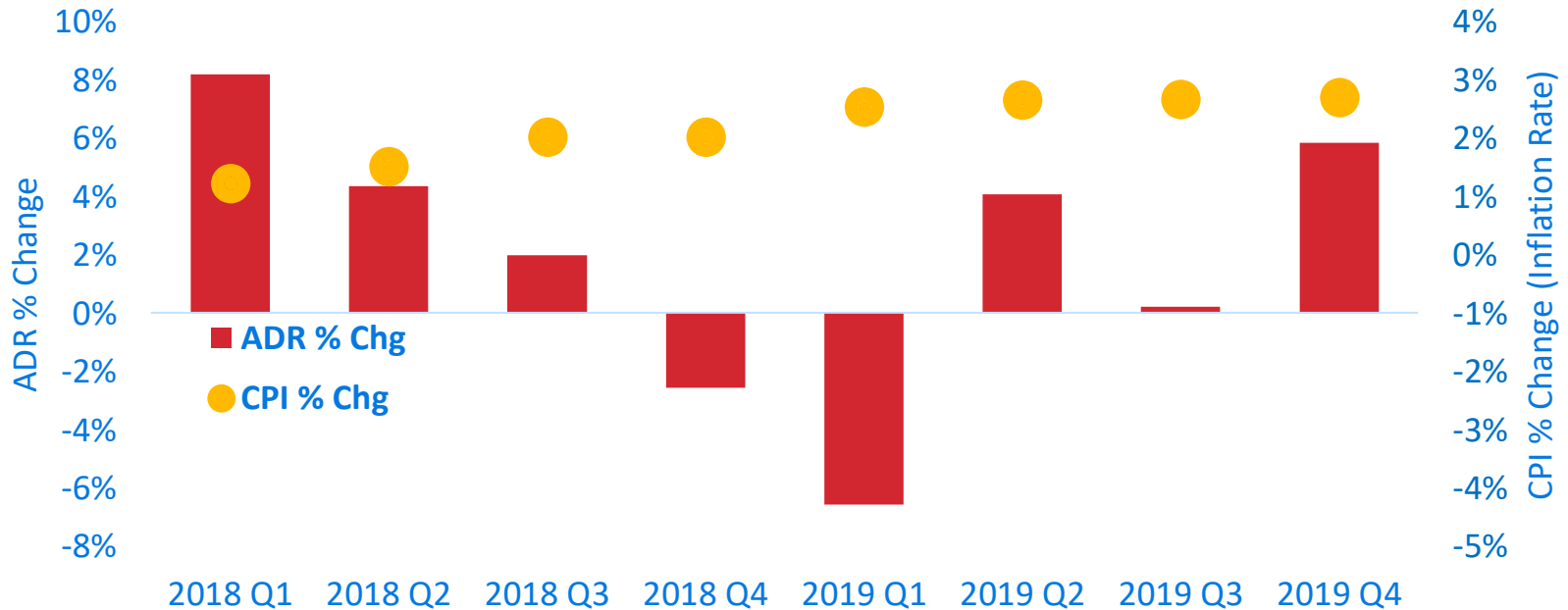
Summer struggles in 2019

Amsterdam hostel monthly KPIs, EUR



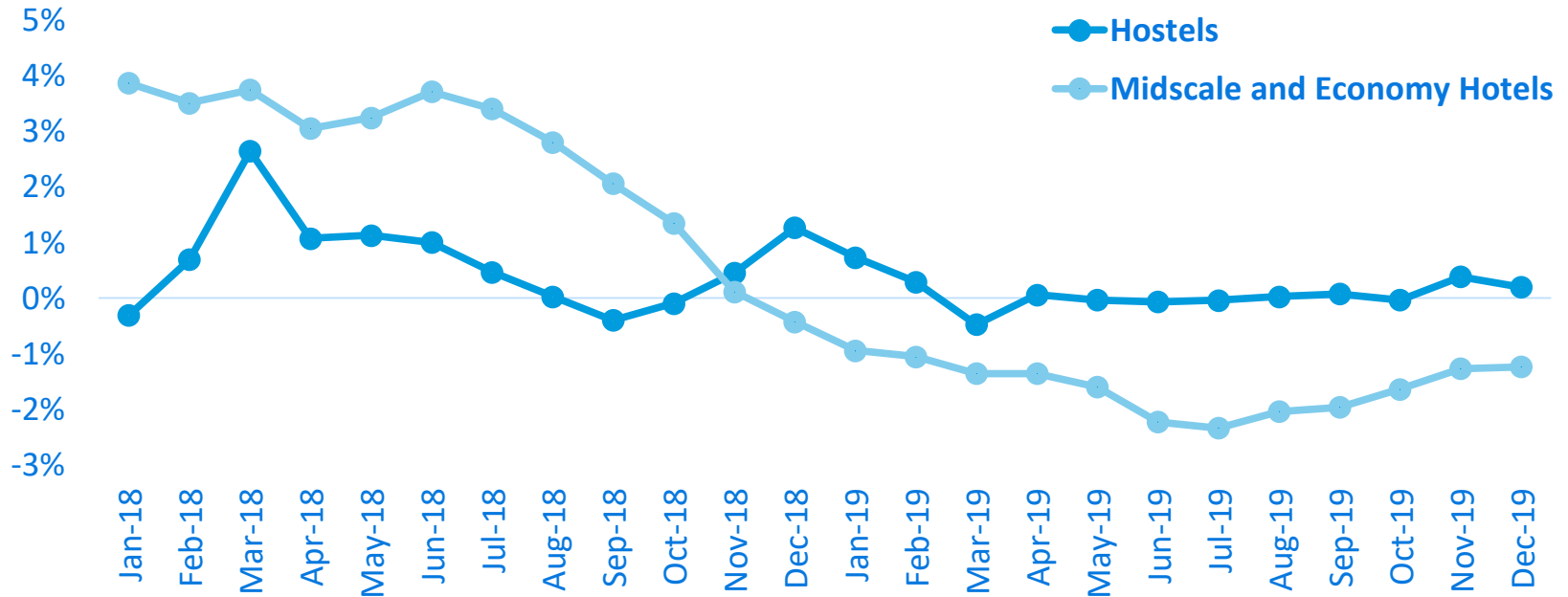
Rising inflation knocks out Amsterdam rate growth

Quarterly ADR % change and CPI % change (inflation)



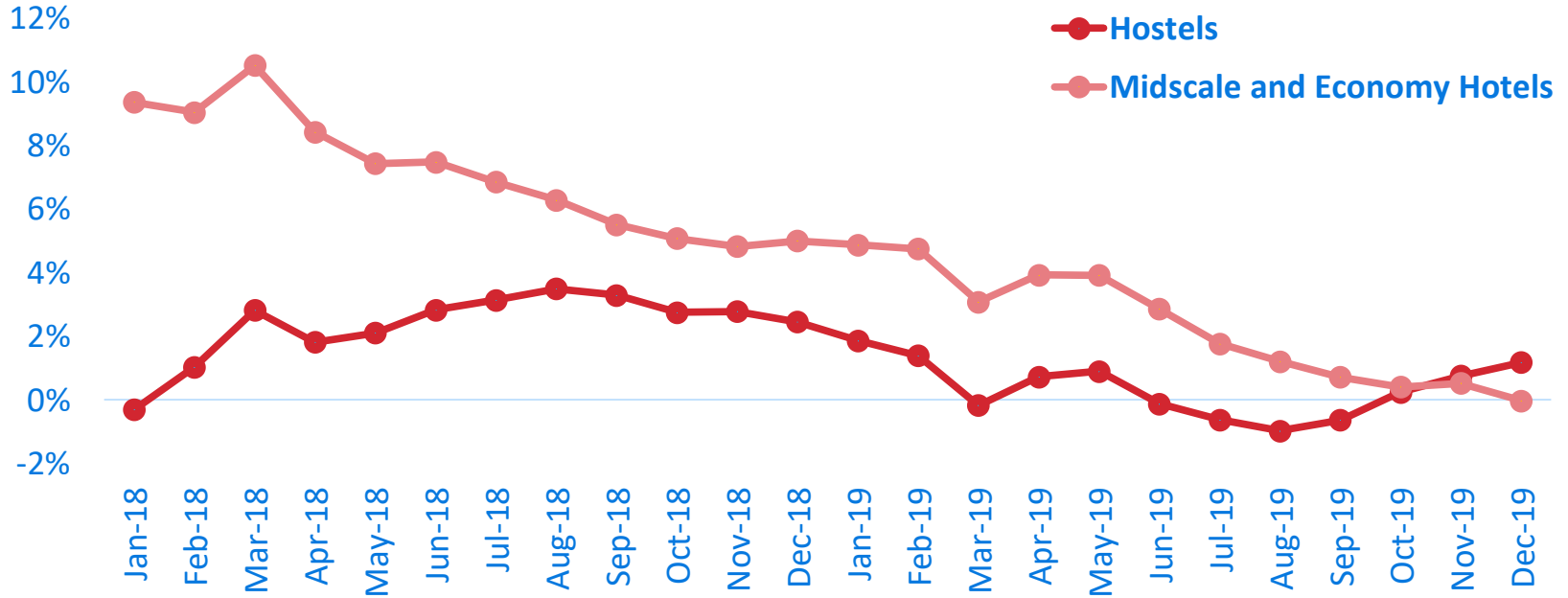
Tourist taxes at work? Occ growth stagnant

Hostel and Midscale and Economy class hotel occ % change, 12MMA



No pricing power to be found

Hostel and Midscale and Economy class hotel ADR % change, 12MMA



Takeaways

- 1 Rate growth generally is challenged at this point in the cycle.
- 2 Brexit has played an impact.
- 3 Other Revenue is hugely important to the bottom line.
- 4 Hostel performance trends similarly to hotel performance.

Thank you

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