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NIHF Business Outlook Seminar 2024

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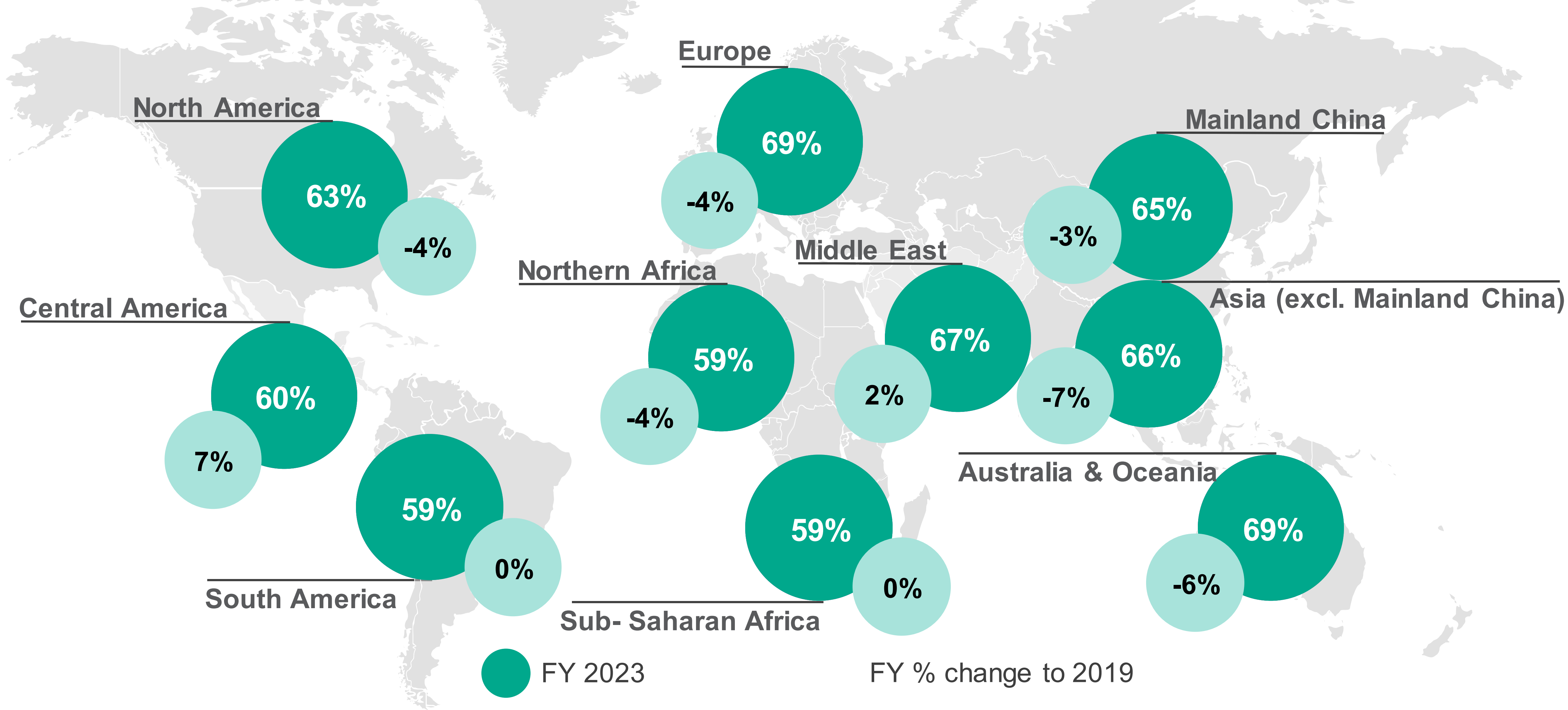
20th March 2024

For the most part occupancy globally remains behind 2019

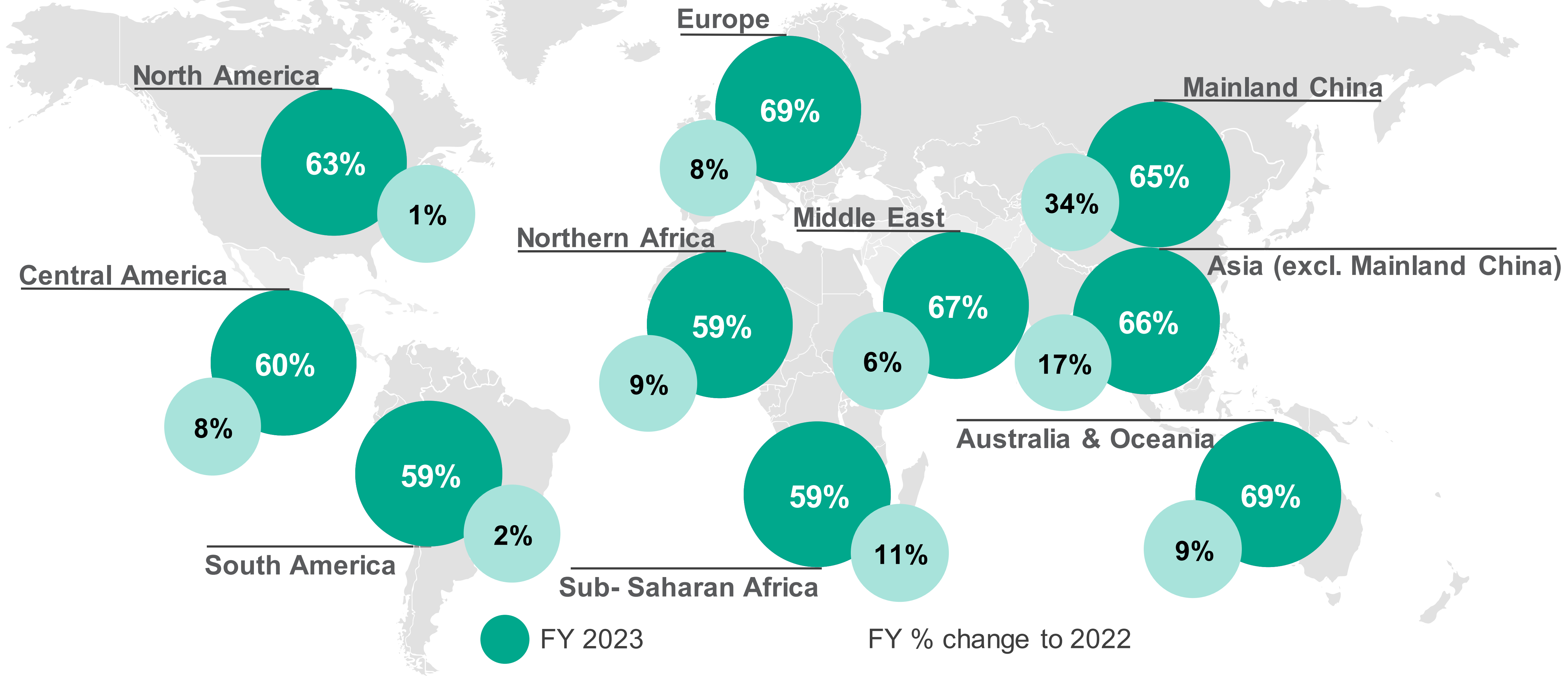
Occupancy %, **Full Year 2023 and % change to 2019**



Excluding; Argentina, Lebanon, Turkey, Venezuela

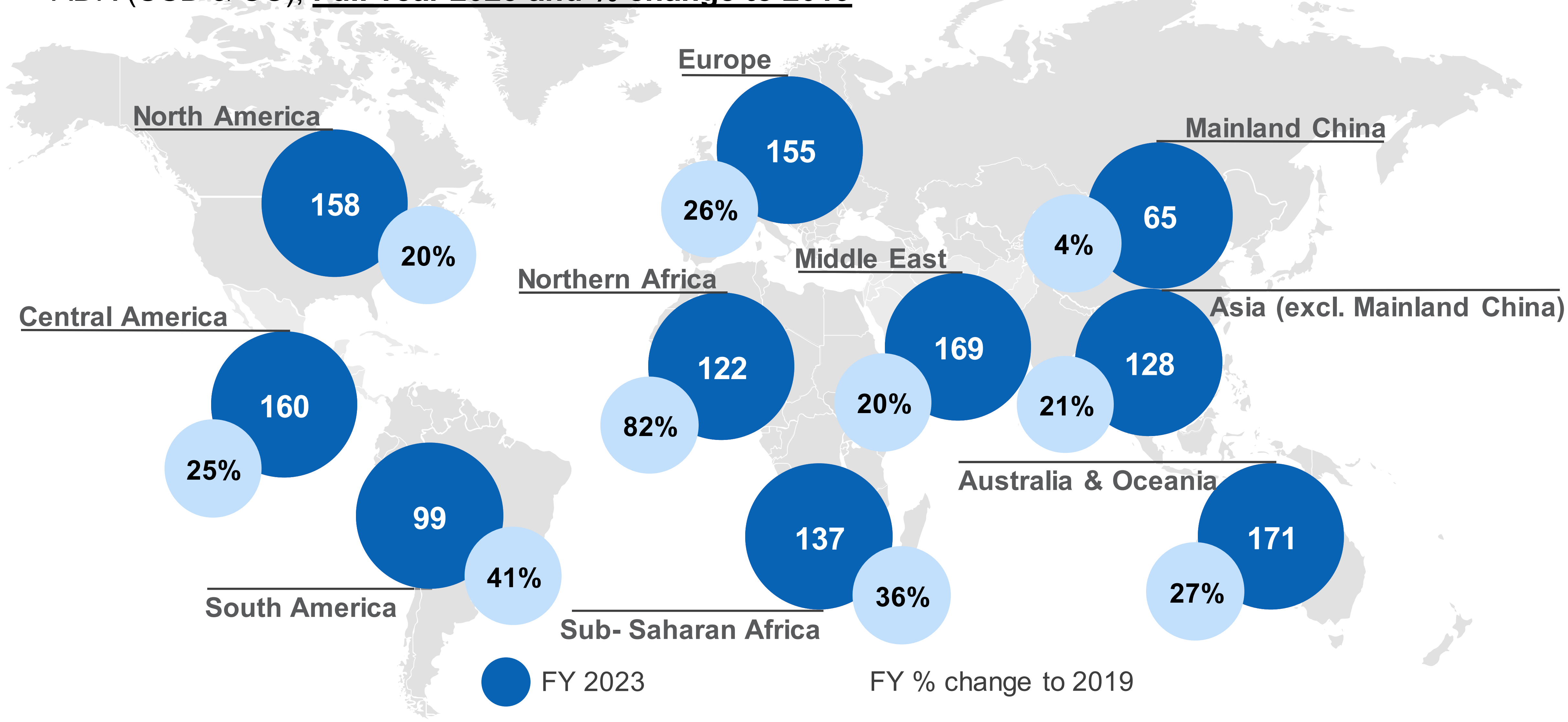
2023 saw occupancy grow year over year across all regions

Occupancy %, **Full Year 2023 and % change to 2022**



With ADR well into double digits ahead of 2019 levels

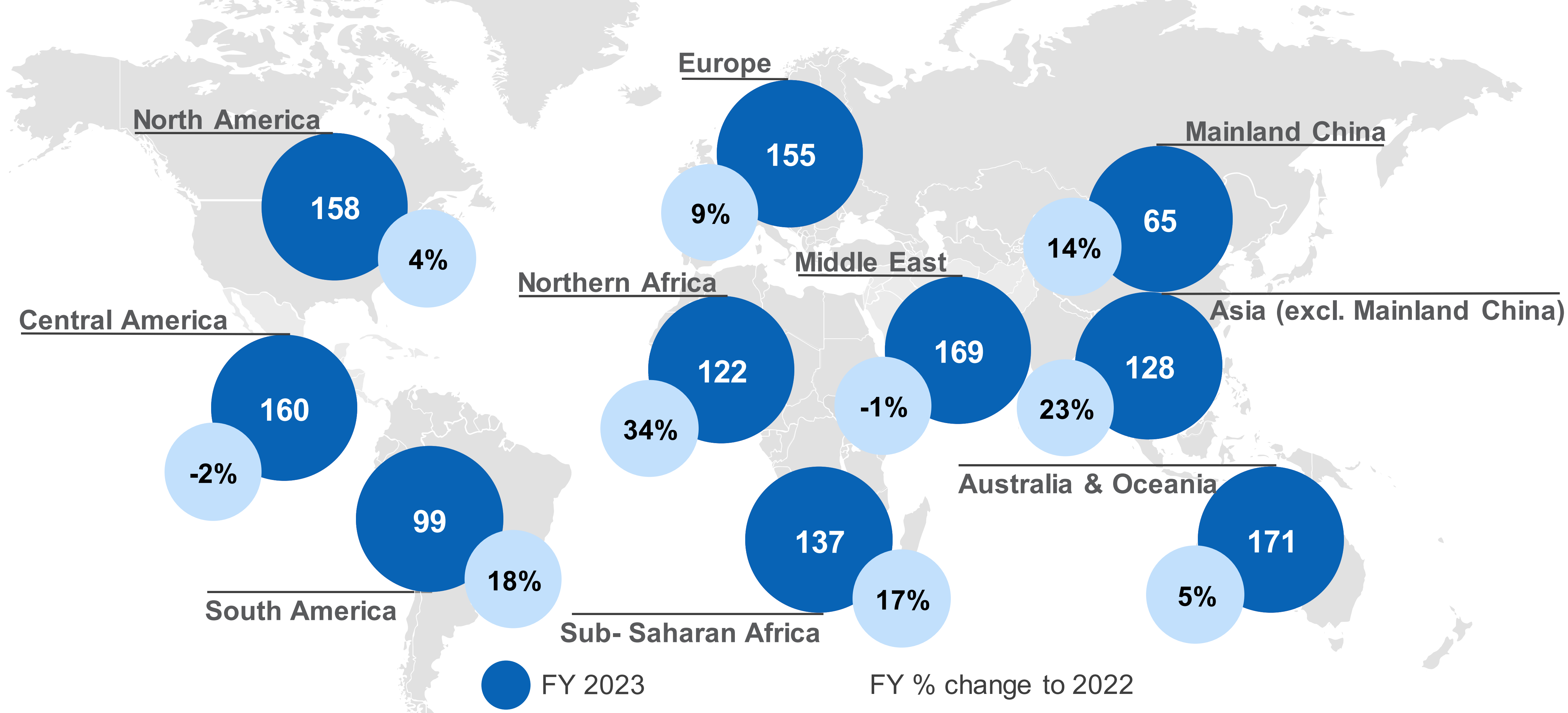
ADR (USD & CC), **Full Year 2023 and % change to 2019**



Excluding; Argentina, Lebanon, Turkey, Venezuela

ADR growth continued into 2023 v 2022 but at a slower pace

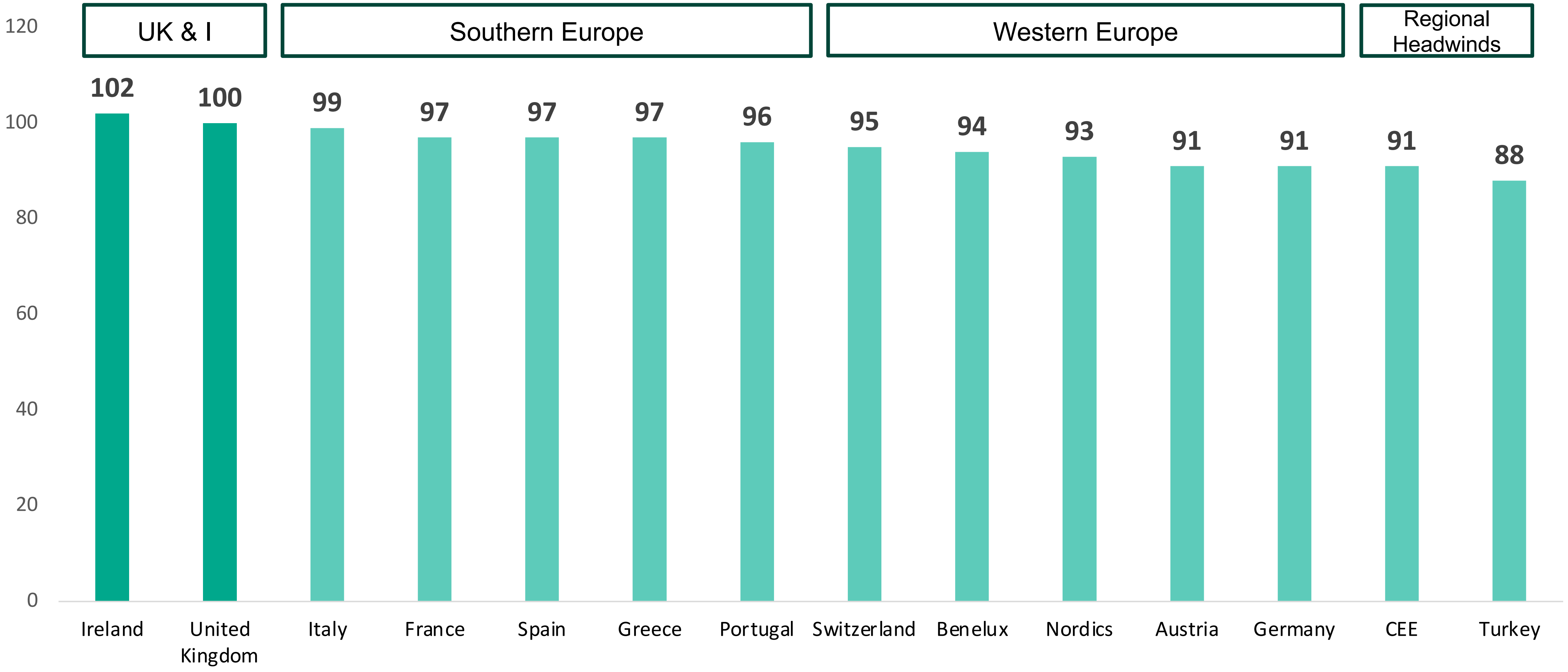
ADR (USD & CC), **Full Year 2023 and % change to 2022**



Excluding; Argentina, Lebanon, Turkey, Venezuela

UK&I booming with Southern Europe hot on its tail

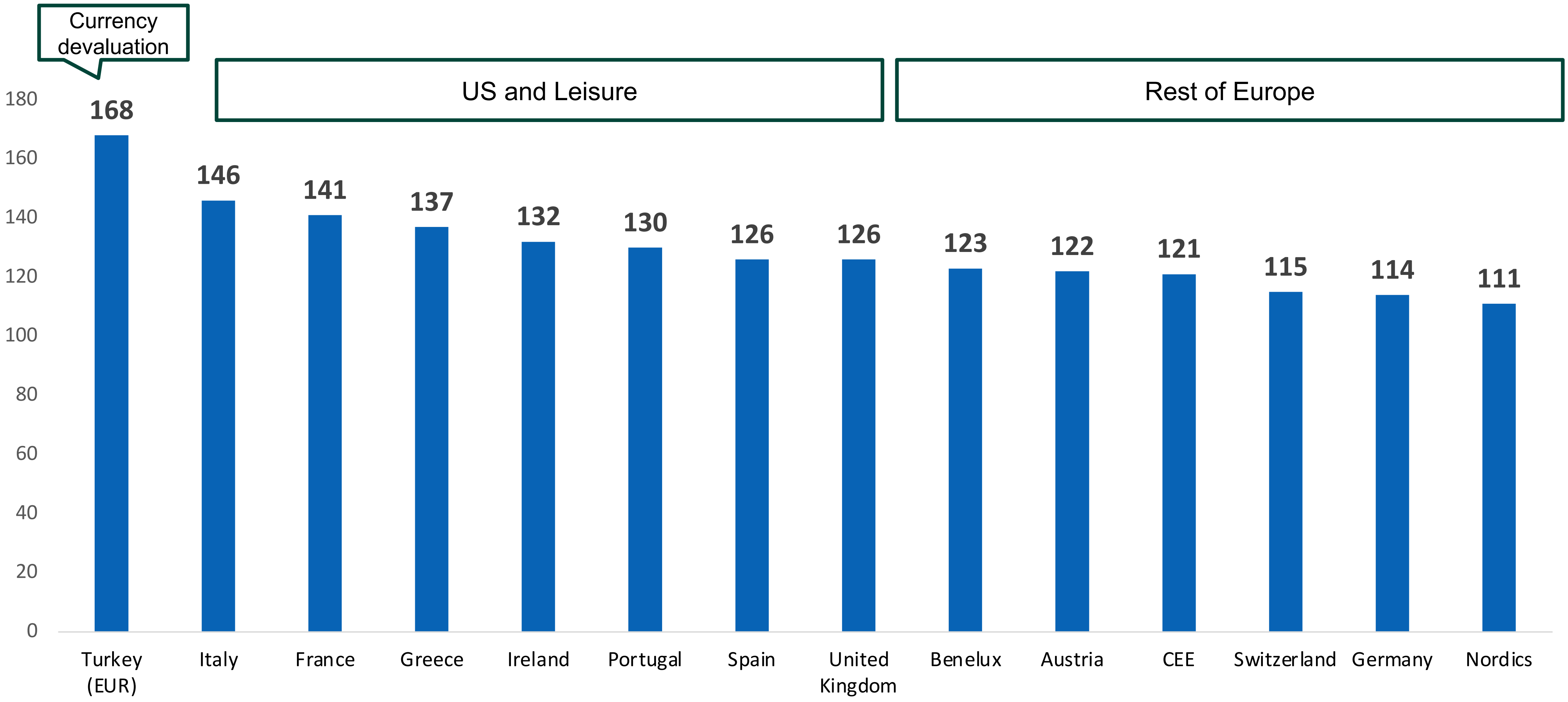
Occupancy, indexed to 2019, Full Year 2023



Nordics = Denmark, Finland, Iceland, Norway, Sweden
CEE = Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, Slovakia

Moving to ADR, those with inbound US travel reaped the rewards

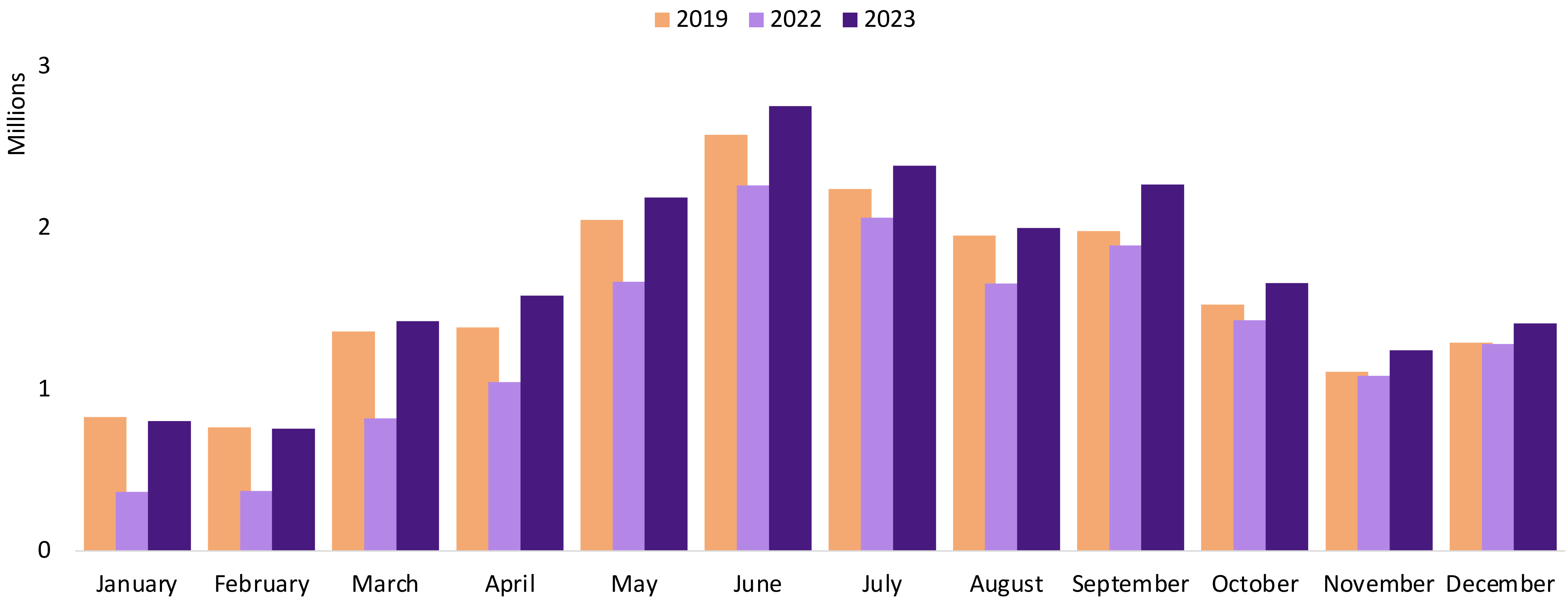
ADR, indexed to 2019, Full Year 2023



Nordics = Denmark, Finland, Iceland, Norway, Sweden
CEE = Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, Slovakia

One reason for this was the exceptional growth in demand from U.S. to Europe

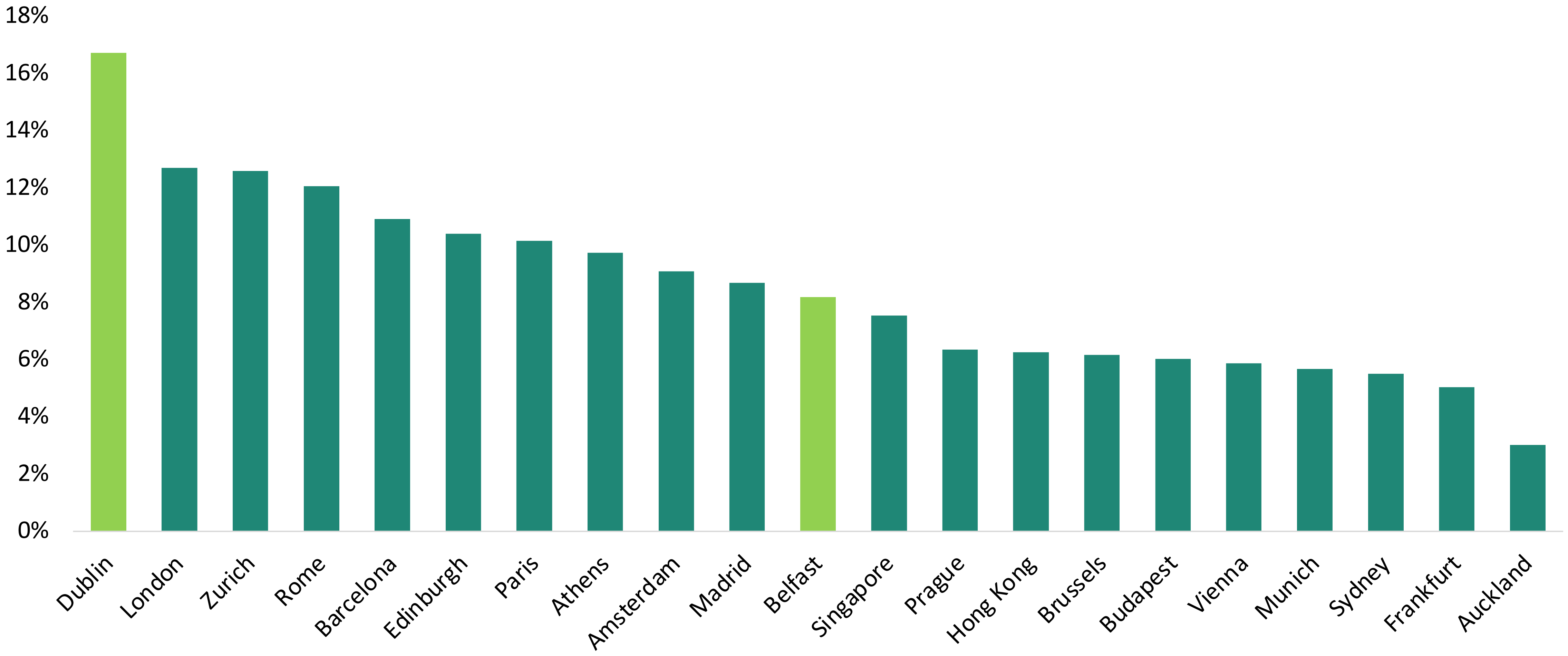
<u>U.S. Citizen Departures to Europe</u>, 2019, 2022 and 2023



Source: International Trade Administration, U.S. Department of Commerce

The US traveler really has been key to outperforming markets

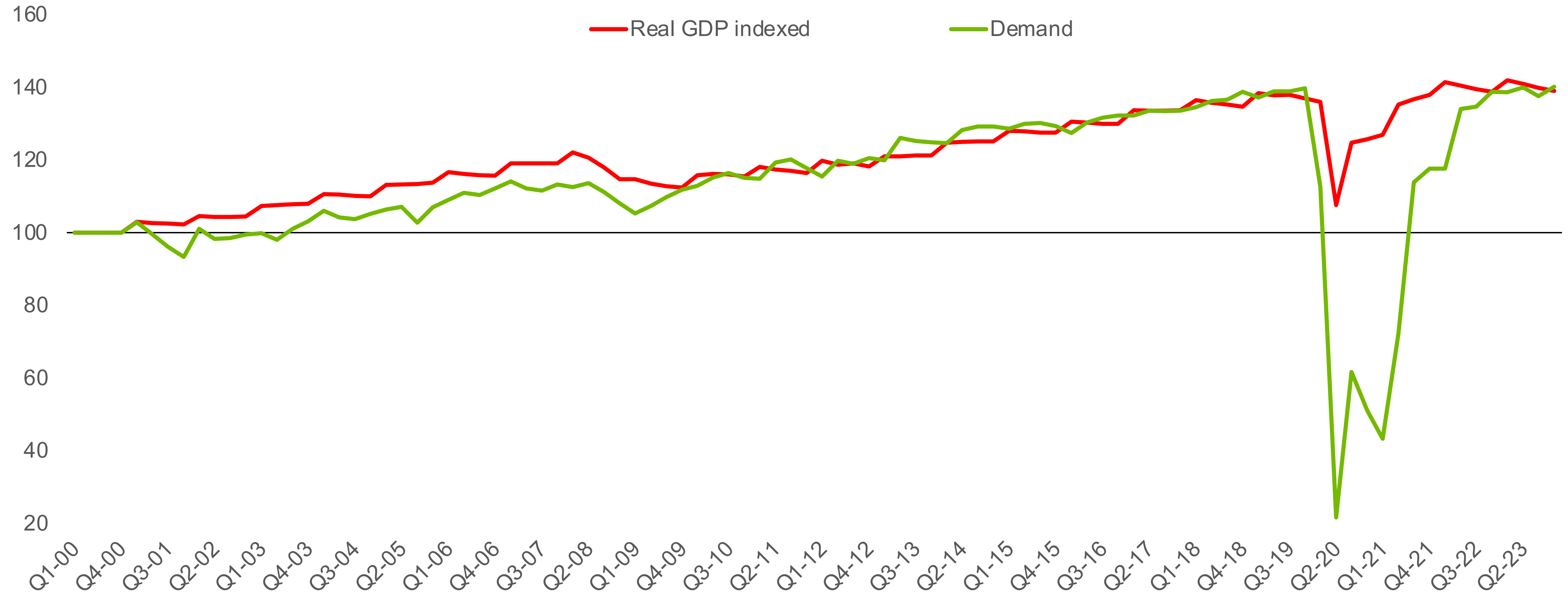
% total nights in paid accommodations from the United States, 2023



Digging deeper into the UK

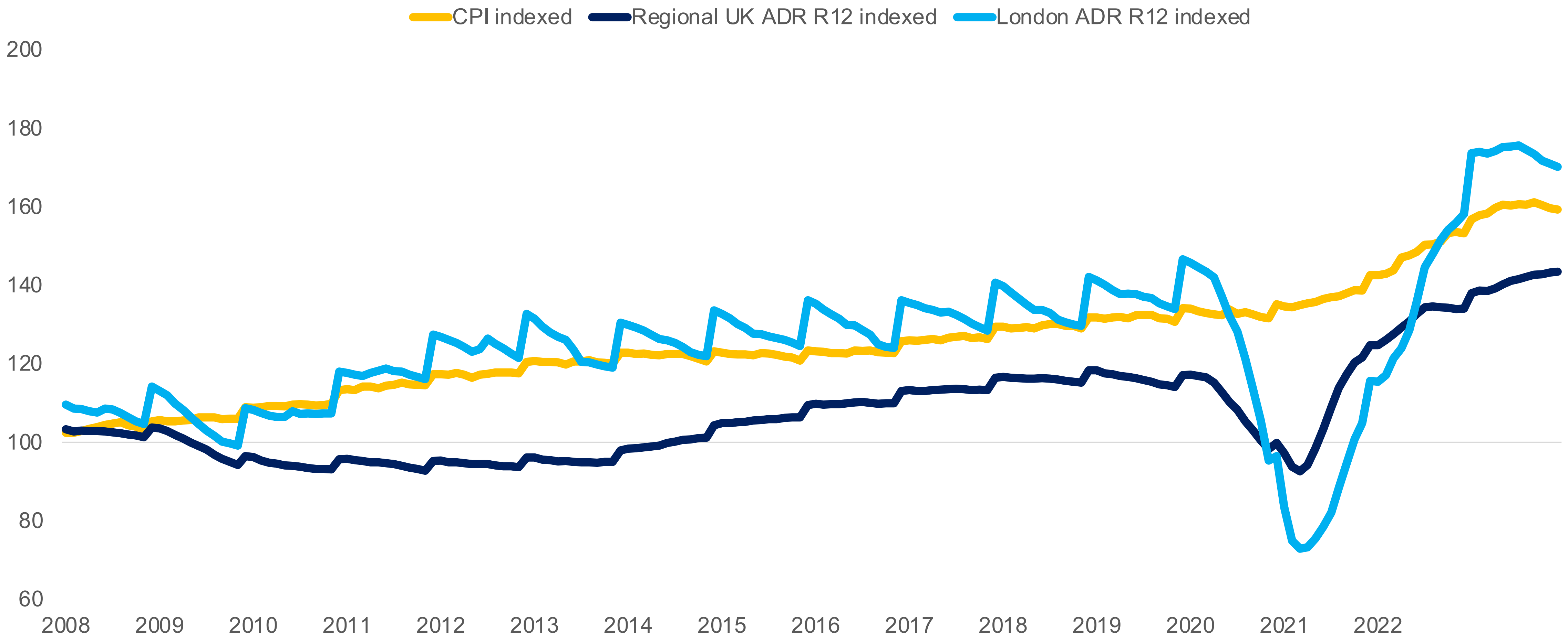
Hotel demand has weathered many a macro and geopolitical storm

UK Real GDP and UK total hotel demand (room nights), 2000 – 2023, **indexed to 2000**



…..and hotels are well positioned in this inflationary environment

UK Nominal ADR R12 and CPI, **Indexed to 2007**, Jan 2008 – December 2023



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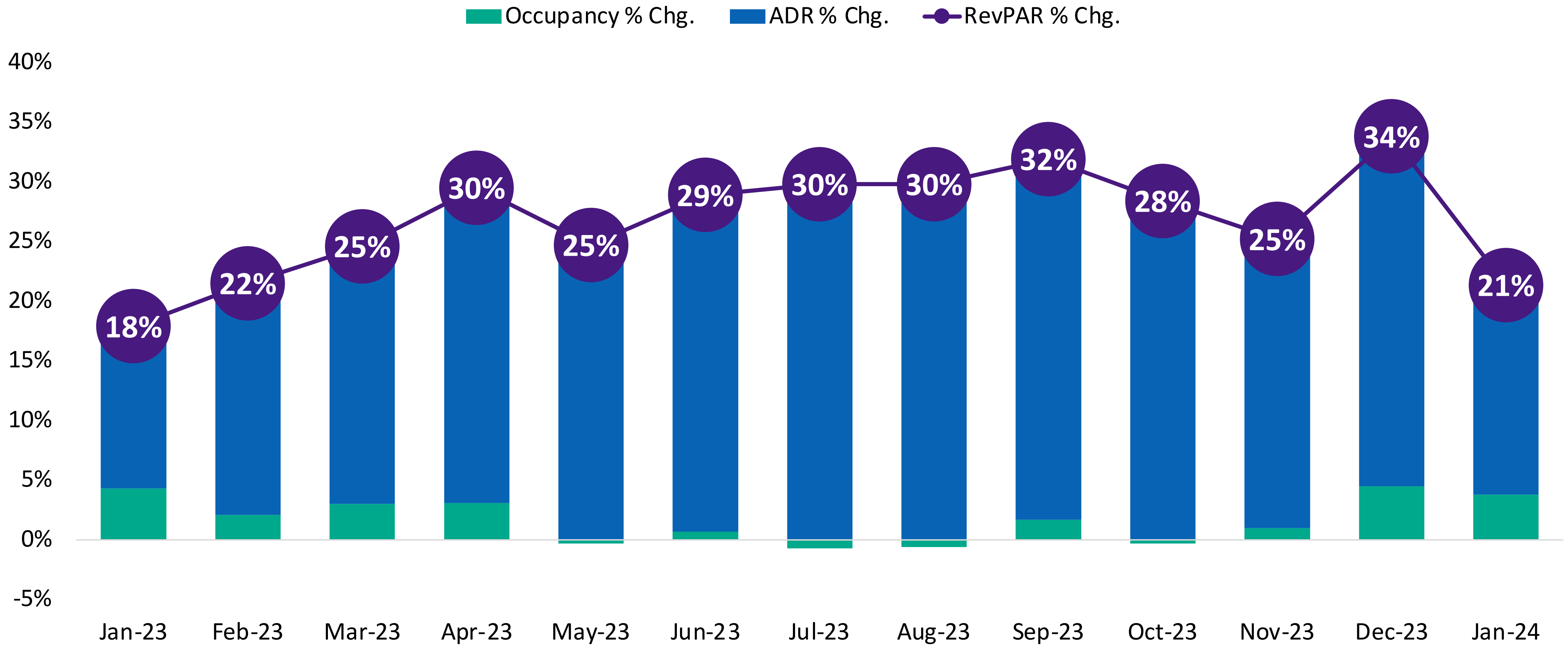
Regional UK saw occupancy recover & grow early on in the post-covid cycle

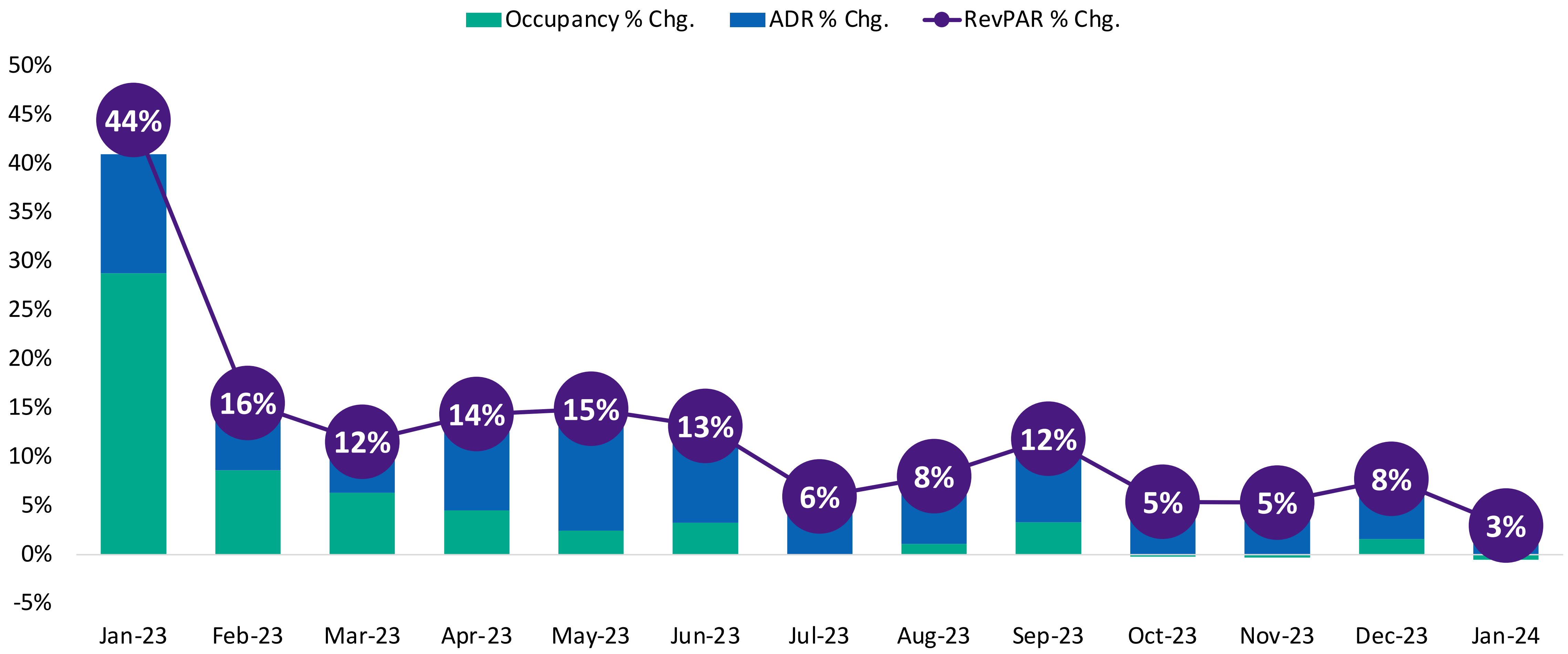
Regional UK, KPI **% change to 2019**, January 2023 – January 2024



Source: STR. © 2024 CoStar Group

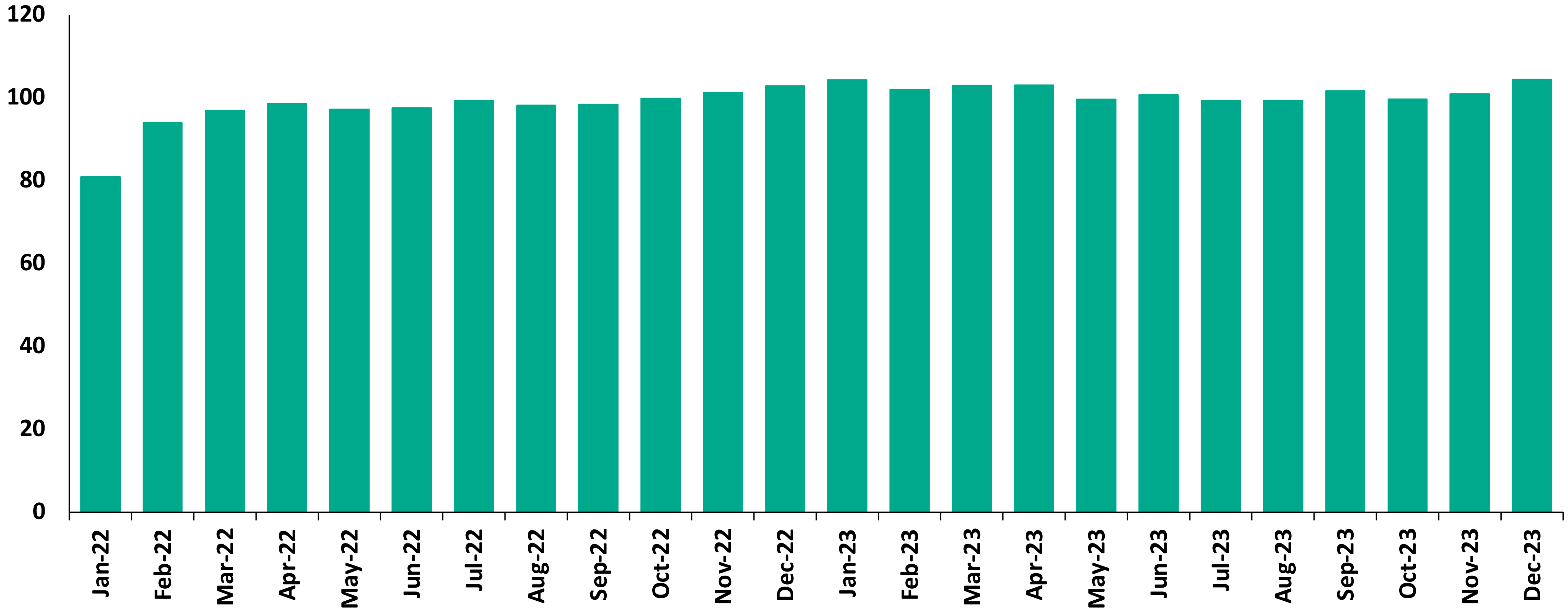
Performance also continued to improve in 2023 over 2022 but “normalisation”

Regional UK, KPI **% change to 2022**, January 2023 – January 2024



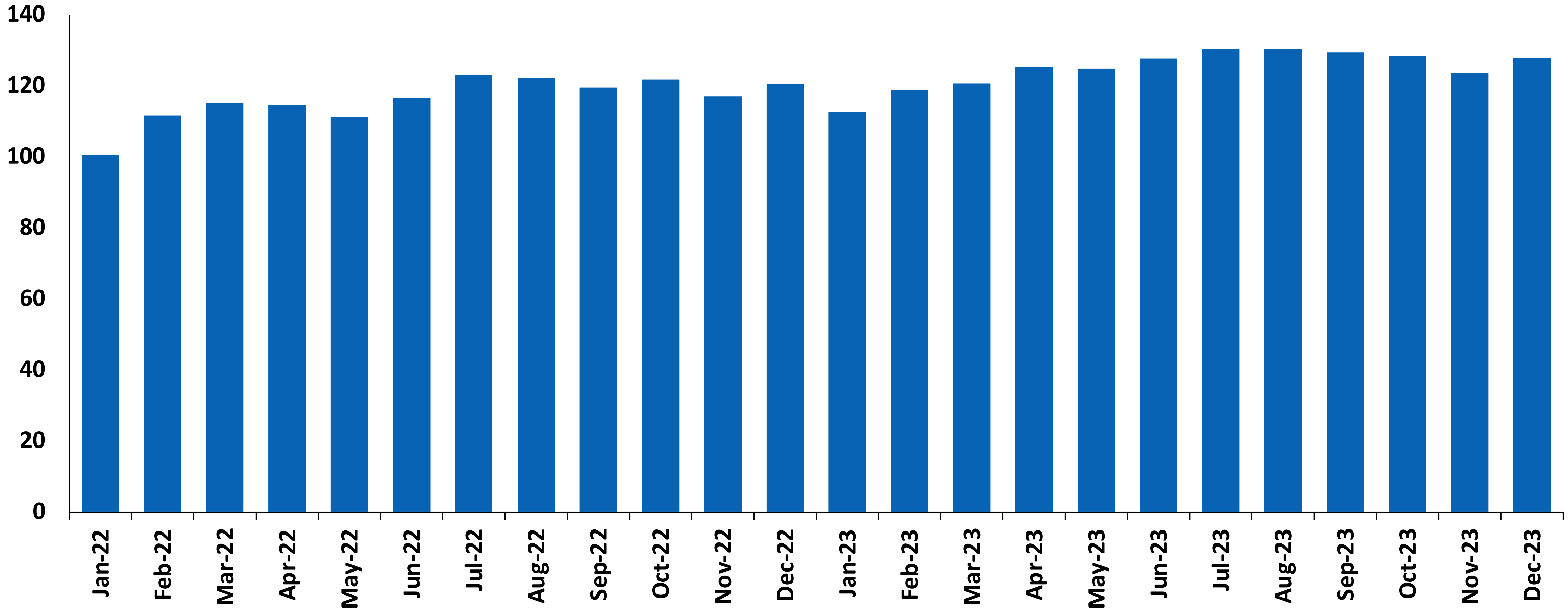
Occupancy across Regional UK as a whole, is just about back to 2019 levels

Regional UK Occupancy indexed to 2019, Jan 2022 – Dec 2023



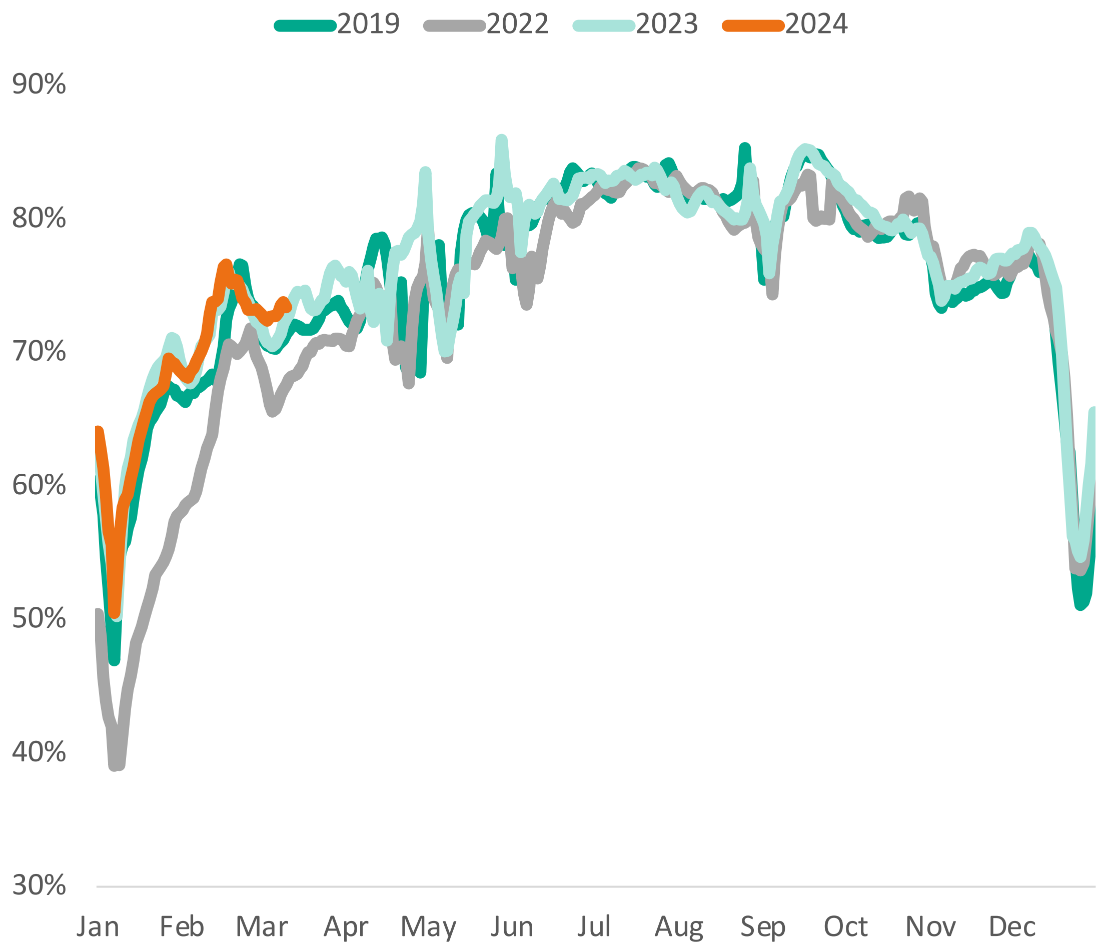
Whilst ADR has been growing for at least 2 years, it is now plateauing

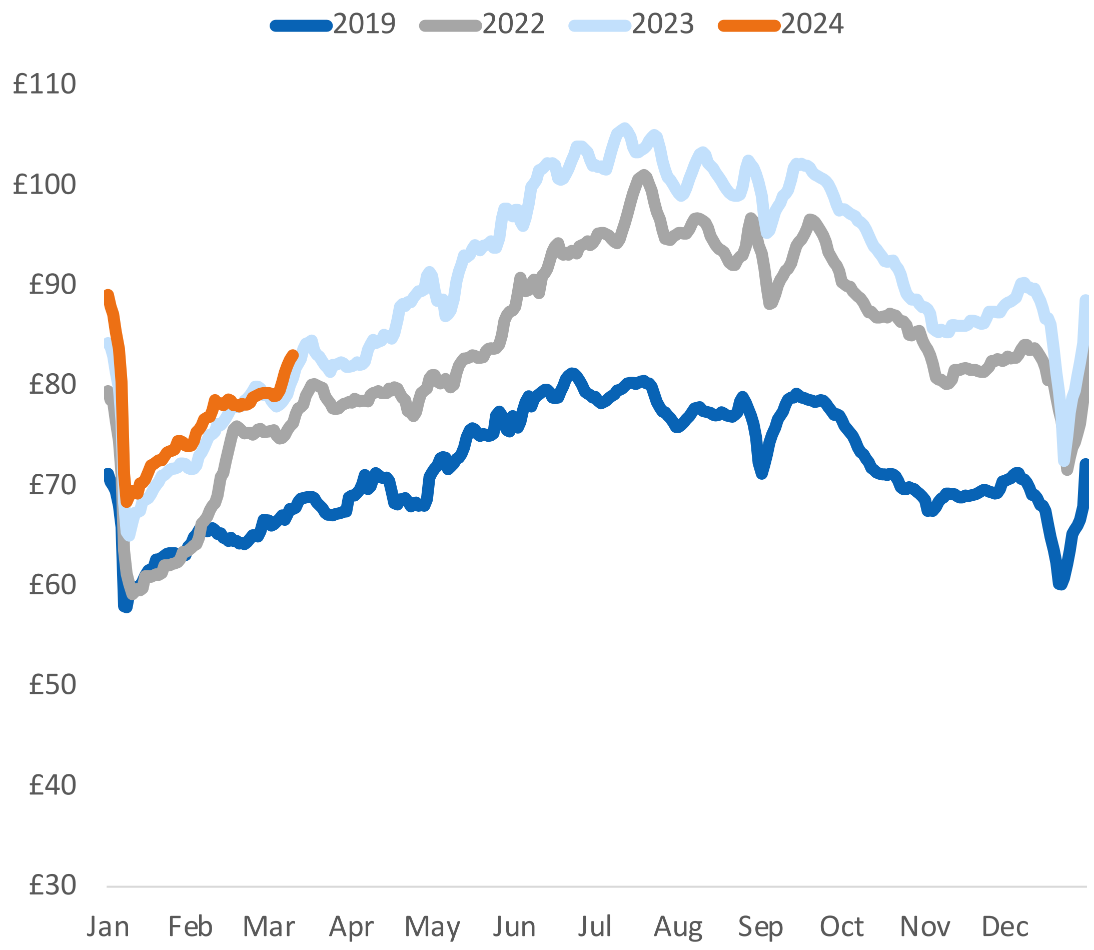
Regional UK ADR indexed to 2019, Jan 2022 – Dec 2023



Occupancy across the regions is following a pattern whilst ADR flattens out

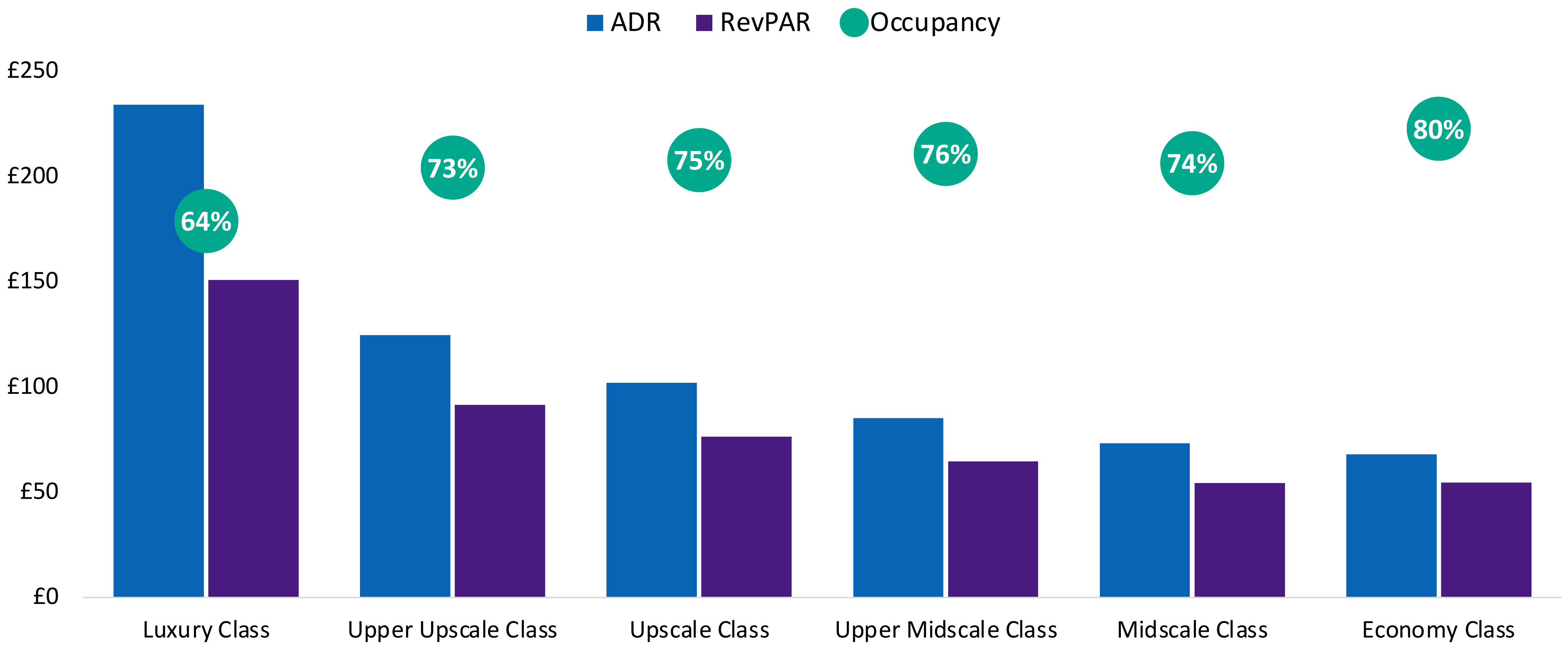
<u>Regional UK</u>, Occupancy and ADR R7, 2019, 2022 - 2024





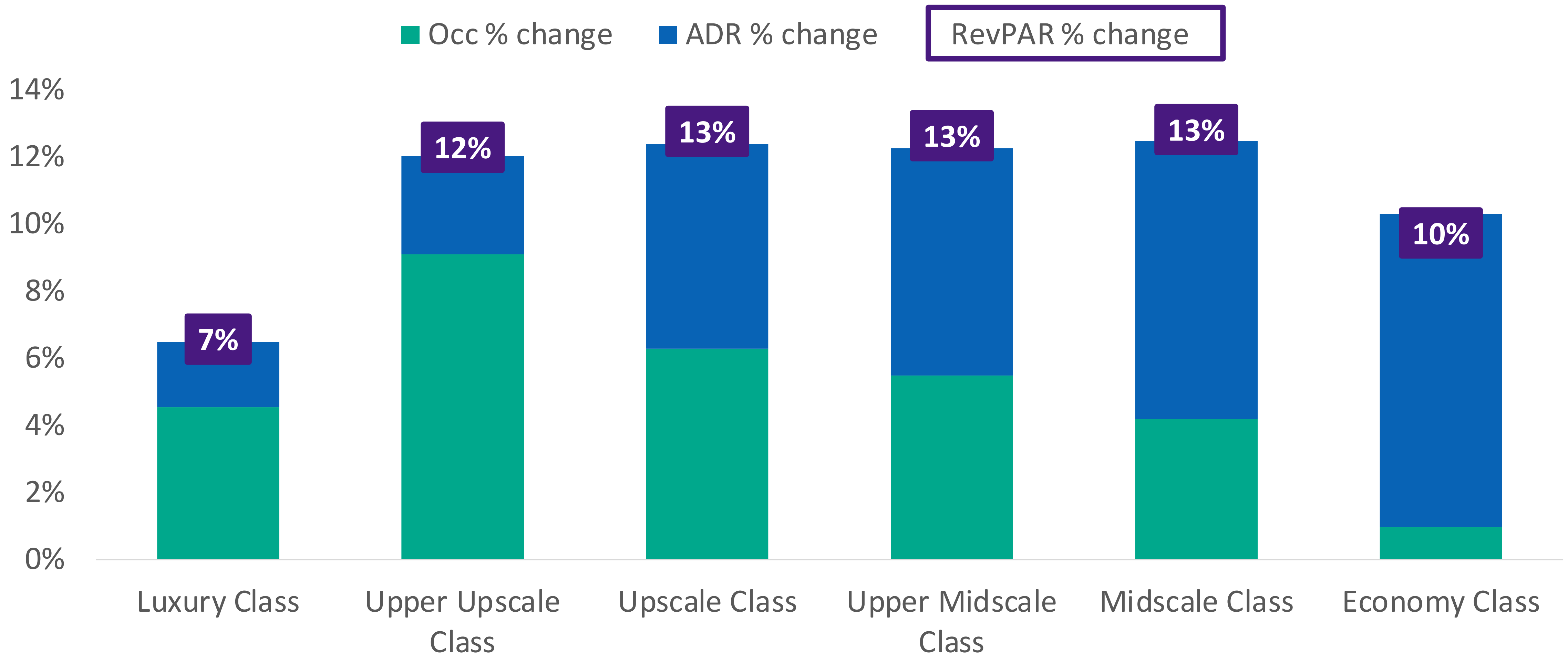
Upper Upscale in the regions command a c.£23 premium over Upscale

Regional UK classes, Full Year 2023 Occupancy, ADR and RevPAR



The “Up” and “Mid” scale classes had the most growth in 2023

<u>Regional UK classes</u> Full Year 2023 occupancy, ADR & RevPAR **<u>% change to 2022</u>**

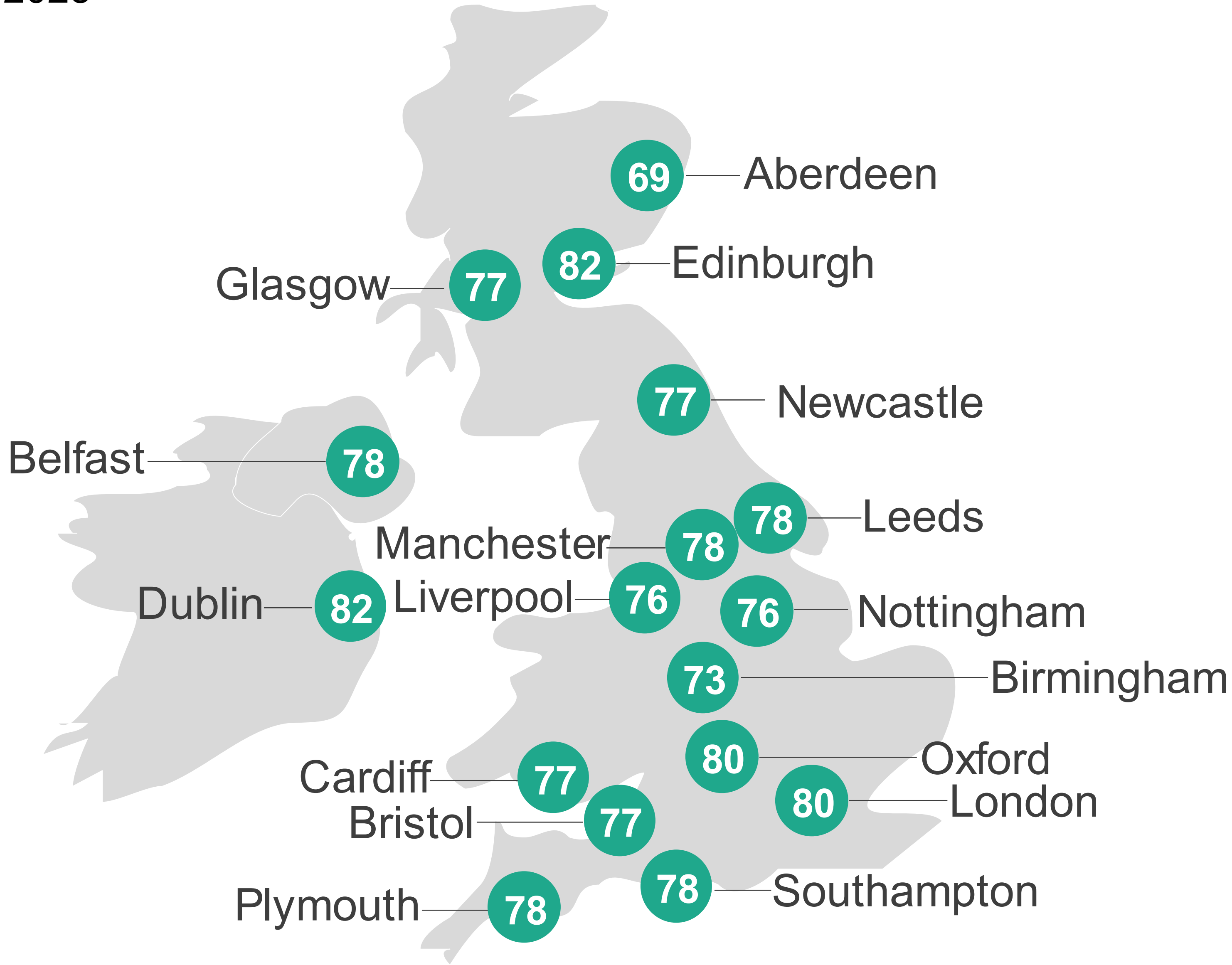


Every key UK market sold at least 70% of their available rooms in 2023

<u>Occupancy %</u> Full Year 2023

United Kingdom:

77%



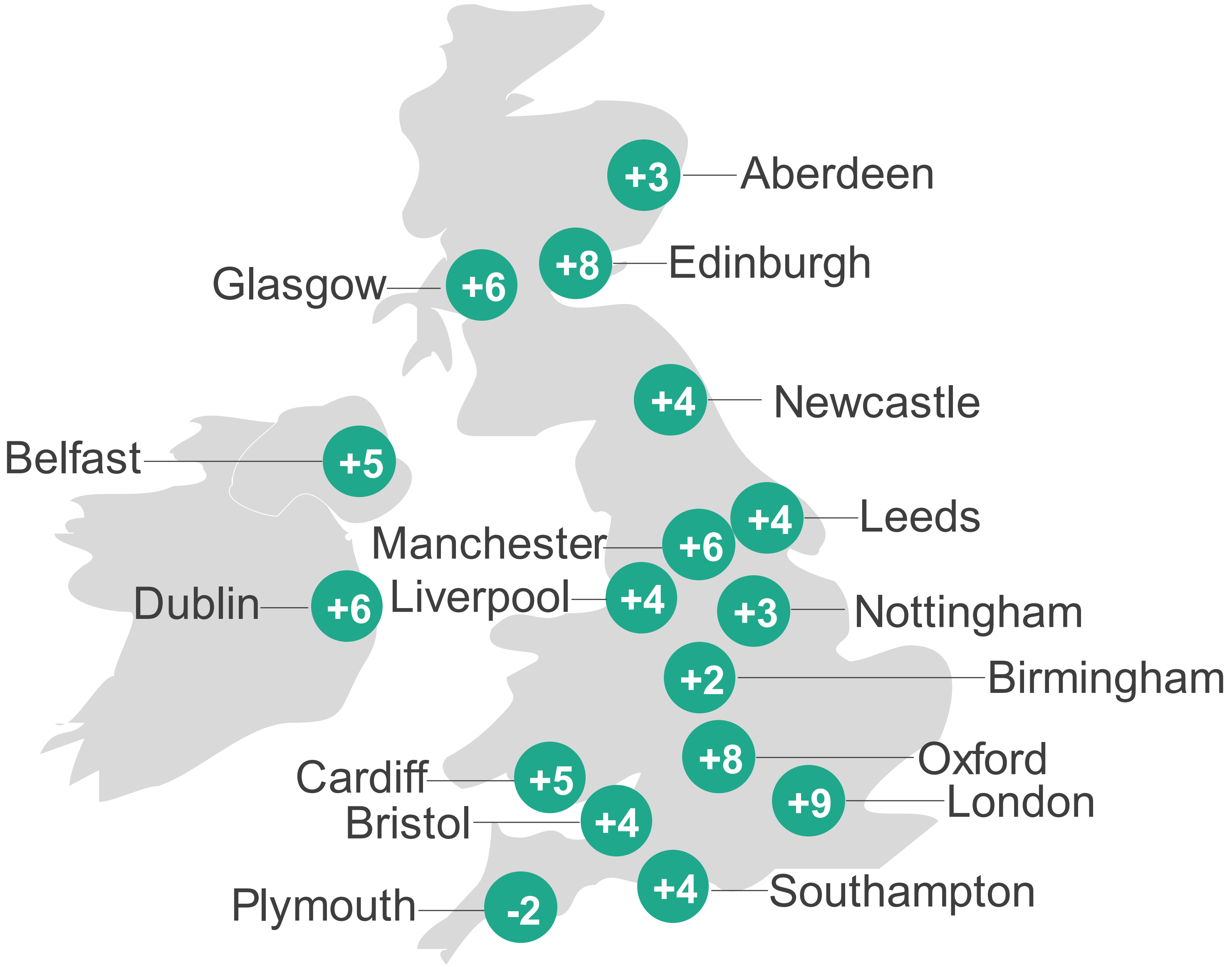
Source: STR. © 2024 CoStar Group

And almost all markets grew occupancy compared to 2022 results

Occupancy, **% change to 2022**, FY 2023

United Kingdom:

+5%



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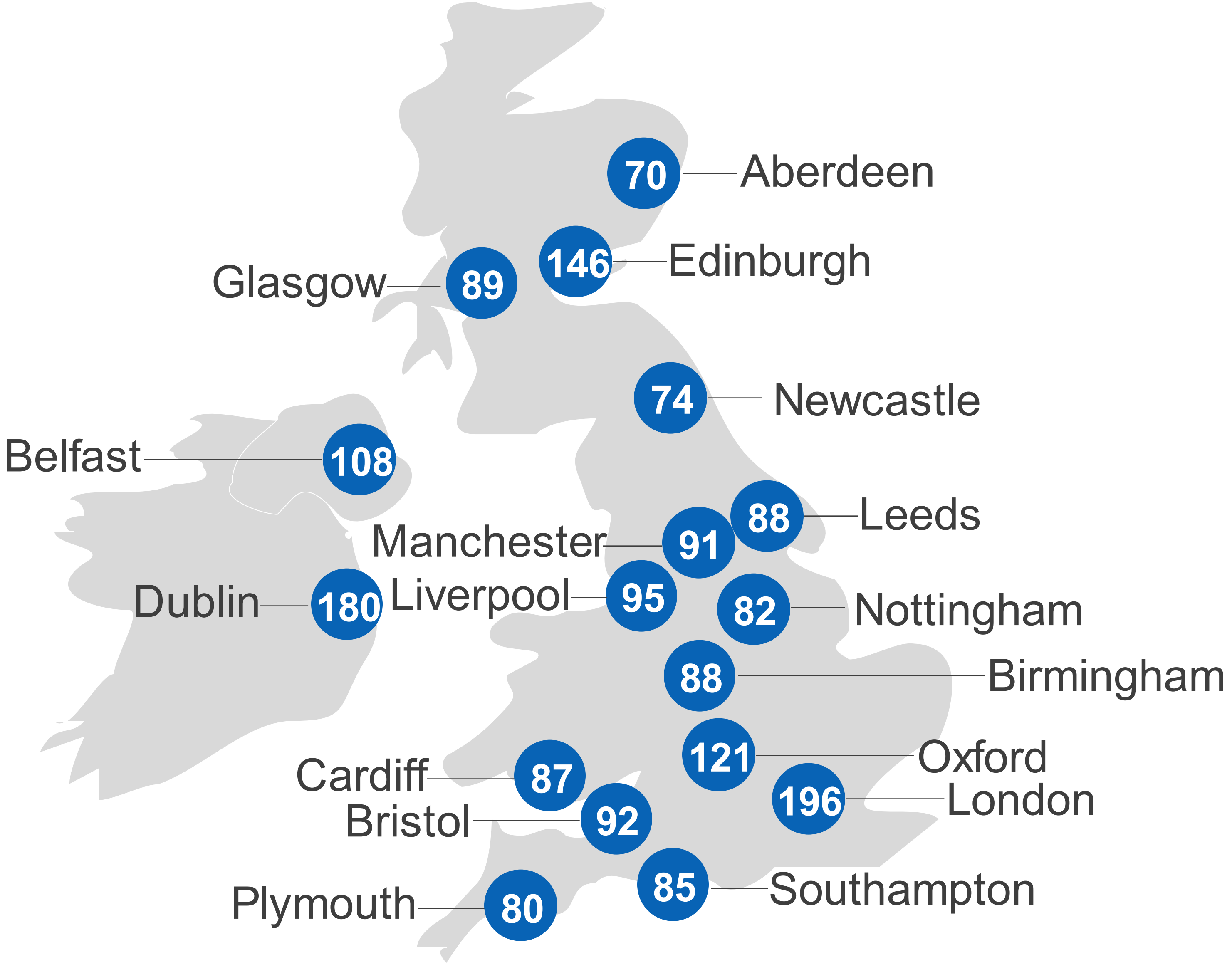
ADR ranged from £70 in Aberdeen to £196 in London in 2023

ADR (local currency), Full Year 2023

United Kingdom:

£119

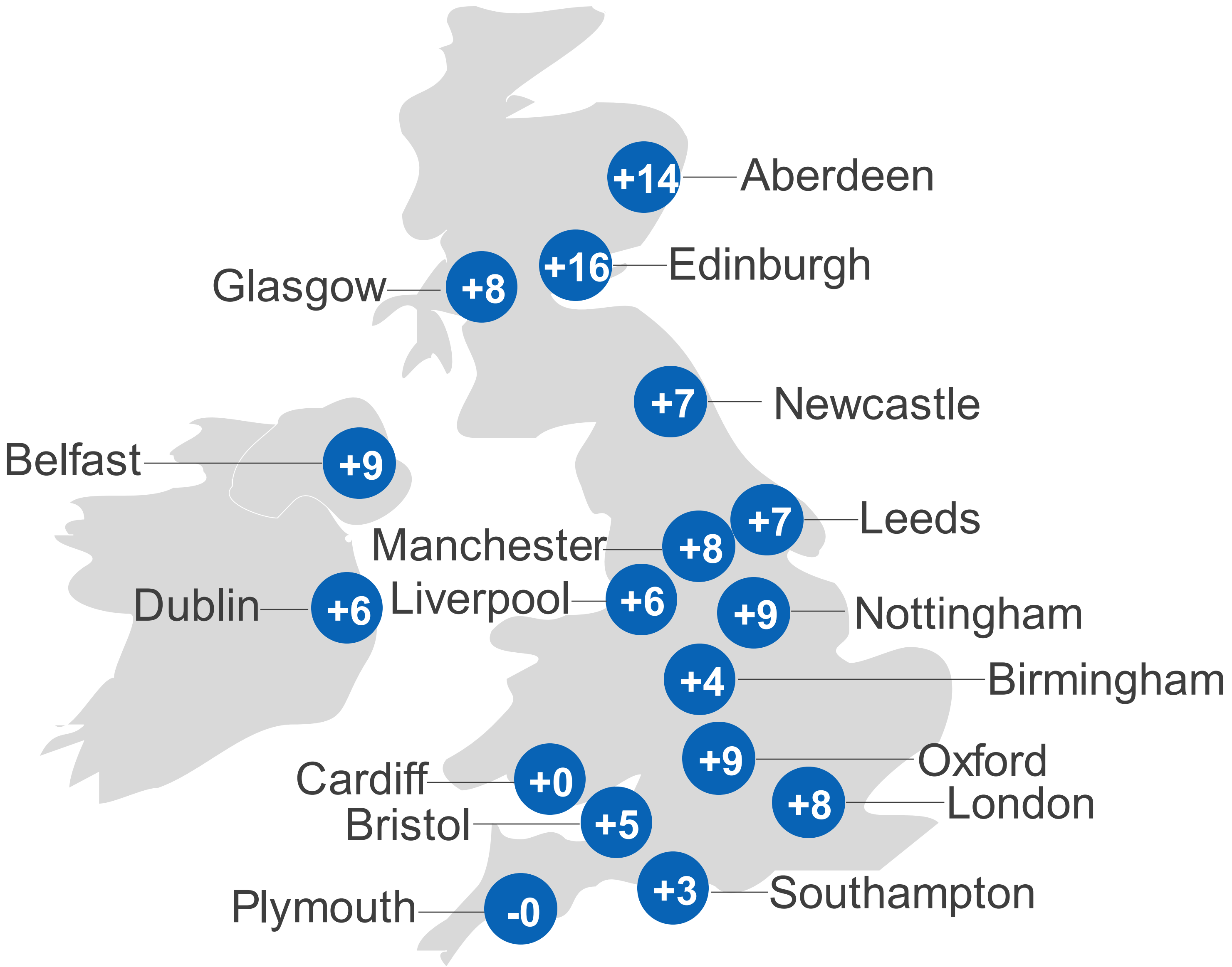


YOY ADR continued to grow and was especially robust in Scotland

ADR (local currency), **% change to 2022**, FY2023

United Kingdom:

+9%



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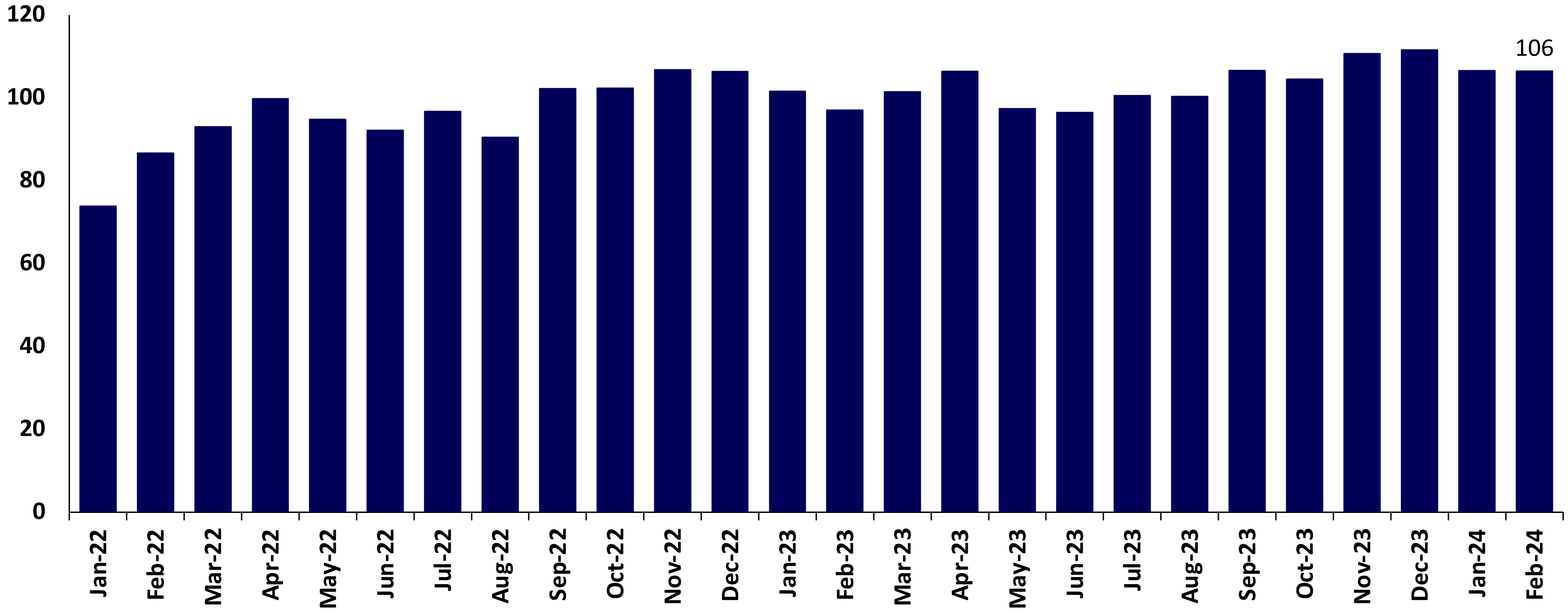
Deep dive into Northern Ireland

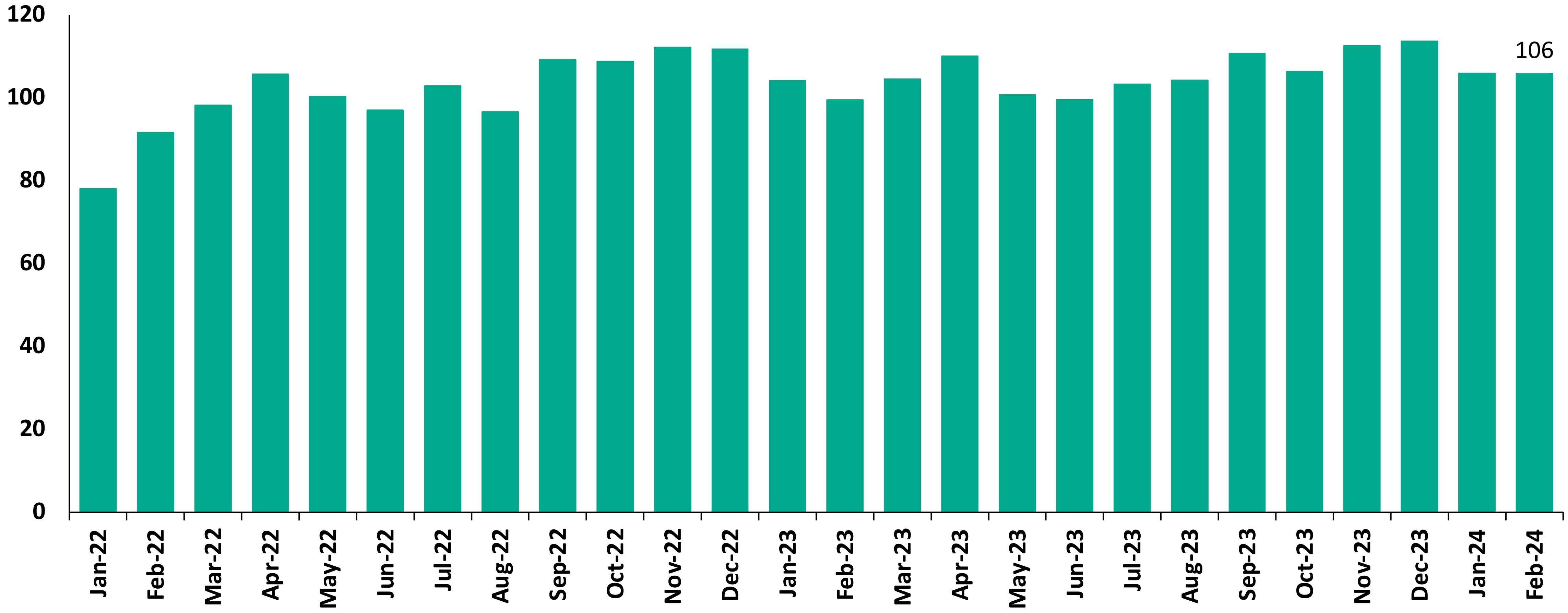
Demand across Northern Ireland has been ahead of 2019 for 8 months

Northern Ireland demand indexed to 2019, January 2022 – February 2024



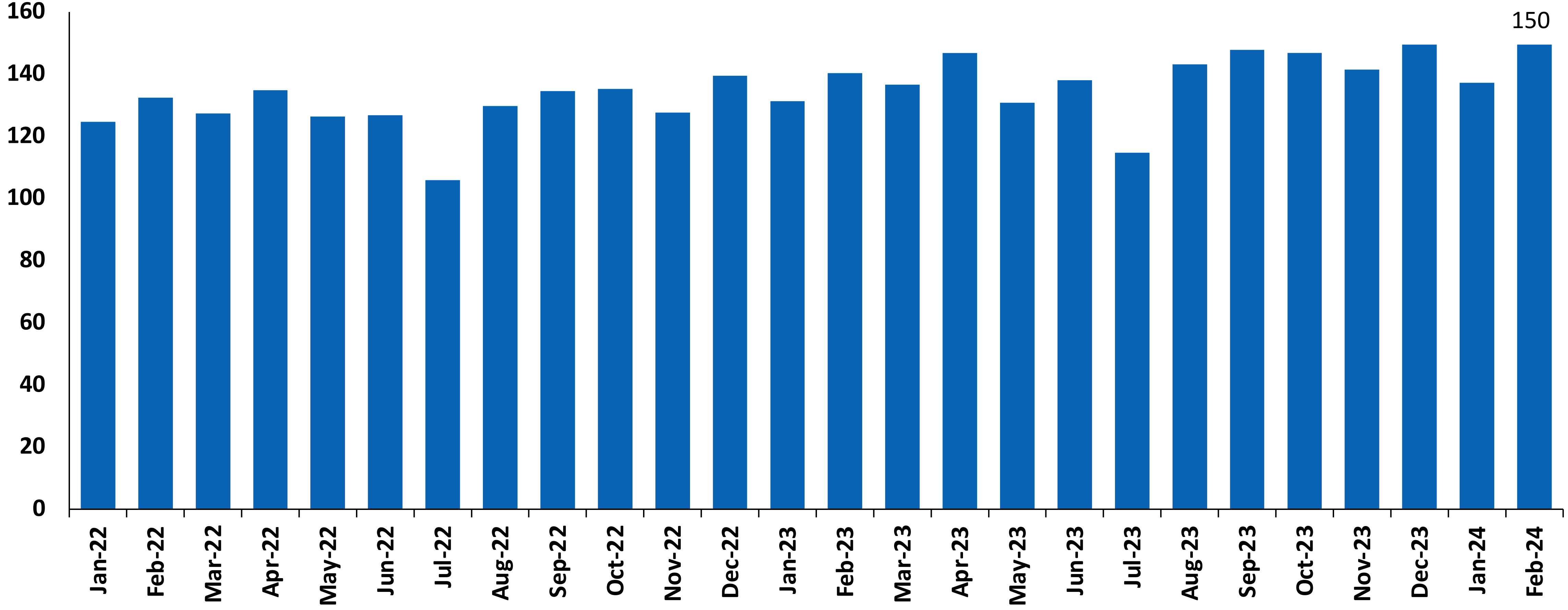
Meanwhile occupancy recovered & has been growing since September 2022

Northern Ireland Occupancy indexed to 2019, January 2022 – February 2024



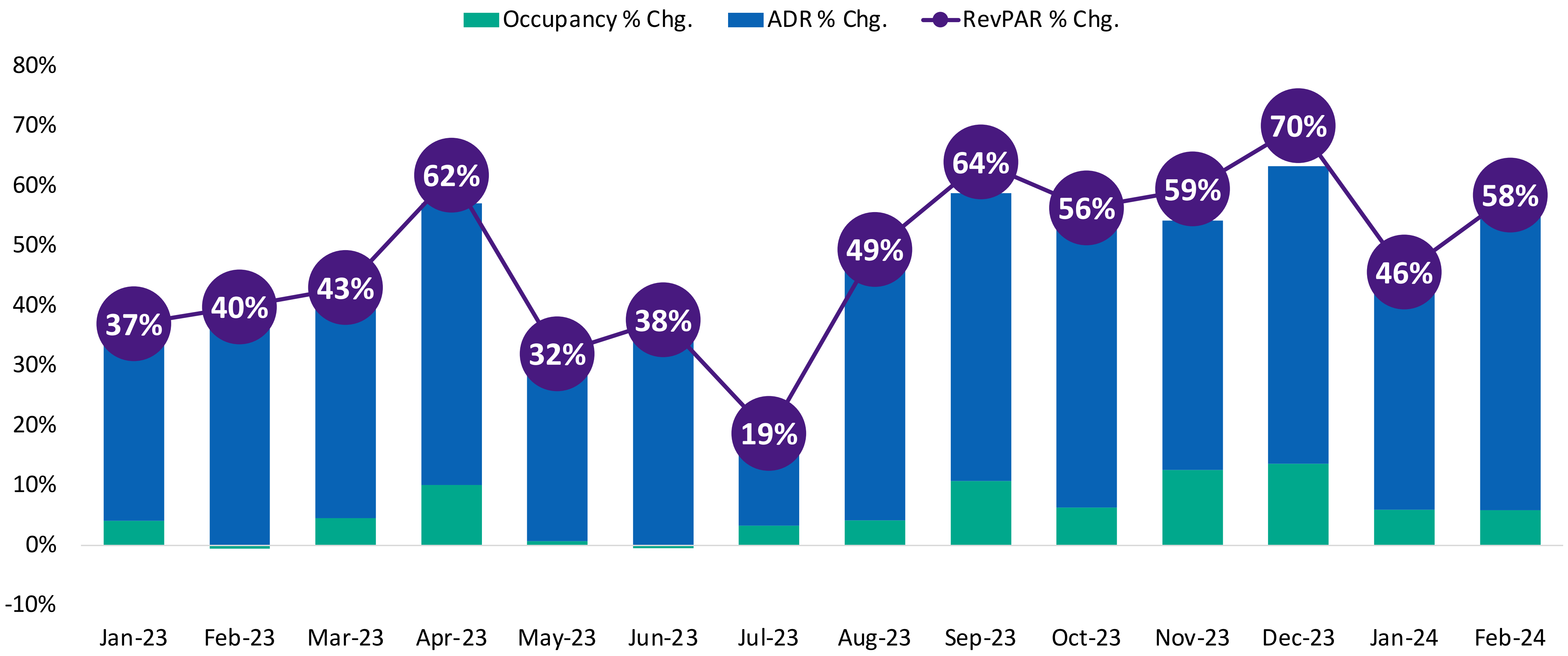
Every month is minimum 25% ahead of 2019, with the exception of 3 months

<u>Northern Ireland ADR indexed to 2019</u>, January 2022 – February 2024



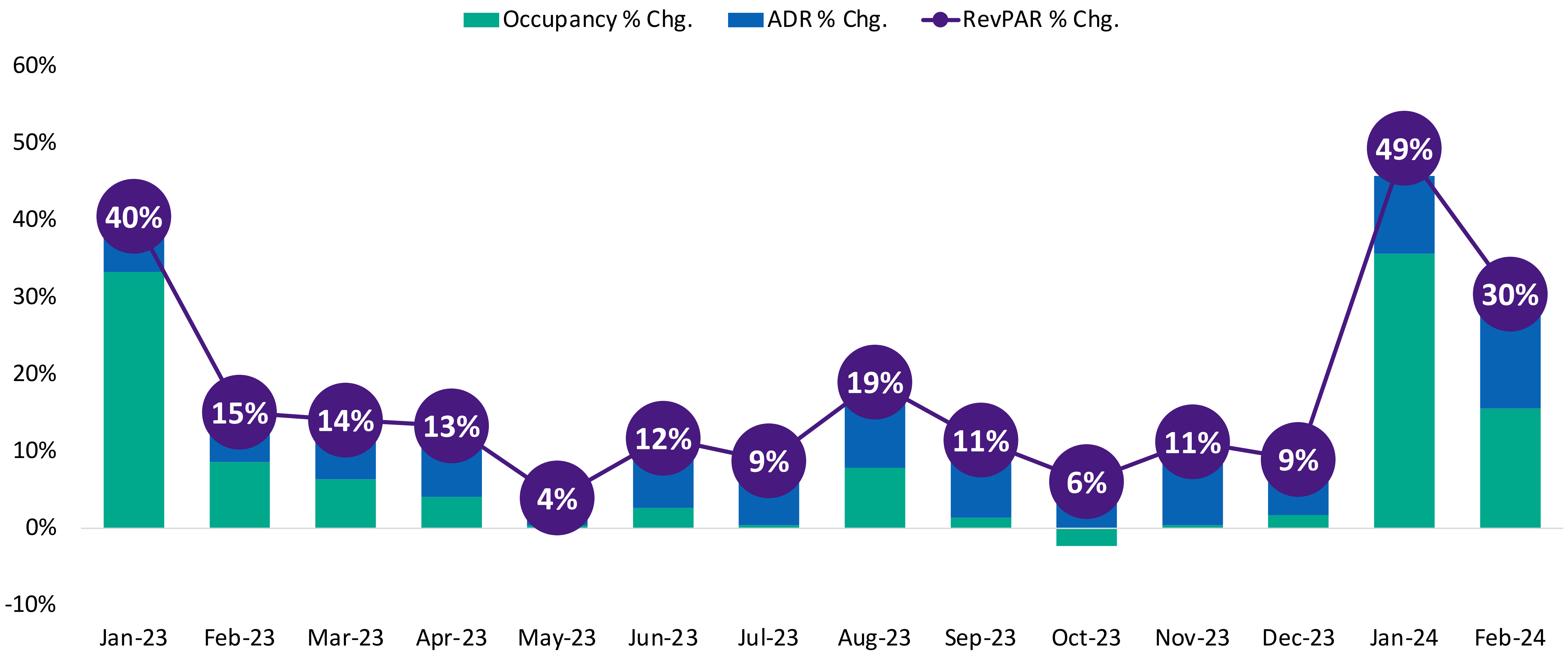
ADR was the primary contributing factor to RevPAR growth v 2019

Northern Ireland, KPI **% change to 2019**, January 2023 – February 2024



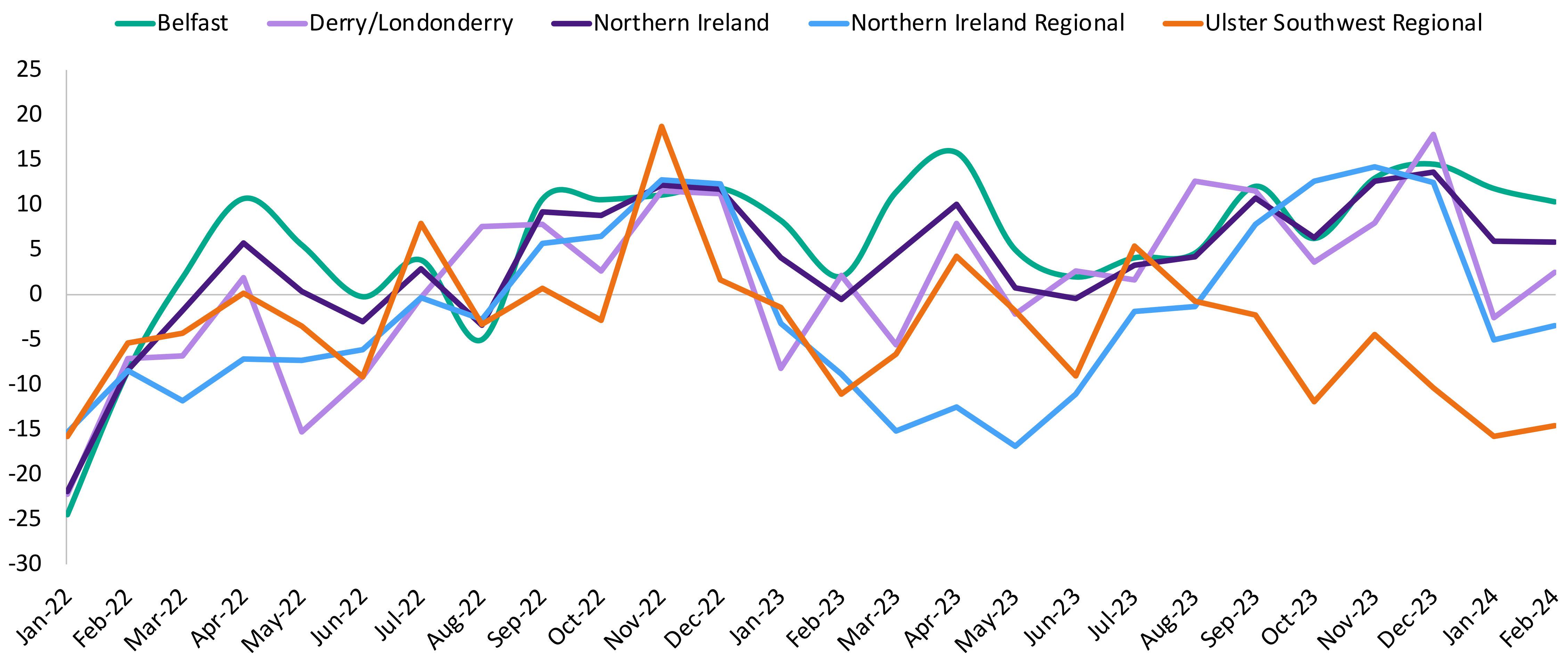
YOY the picture is still a positive one but just at more normalised rates

Northern Ireland, KPI **% change to 2022**, January 2023 – February 2024



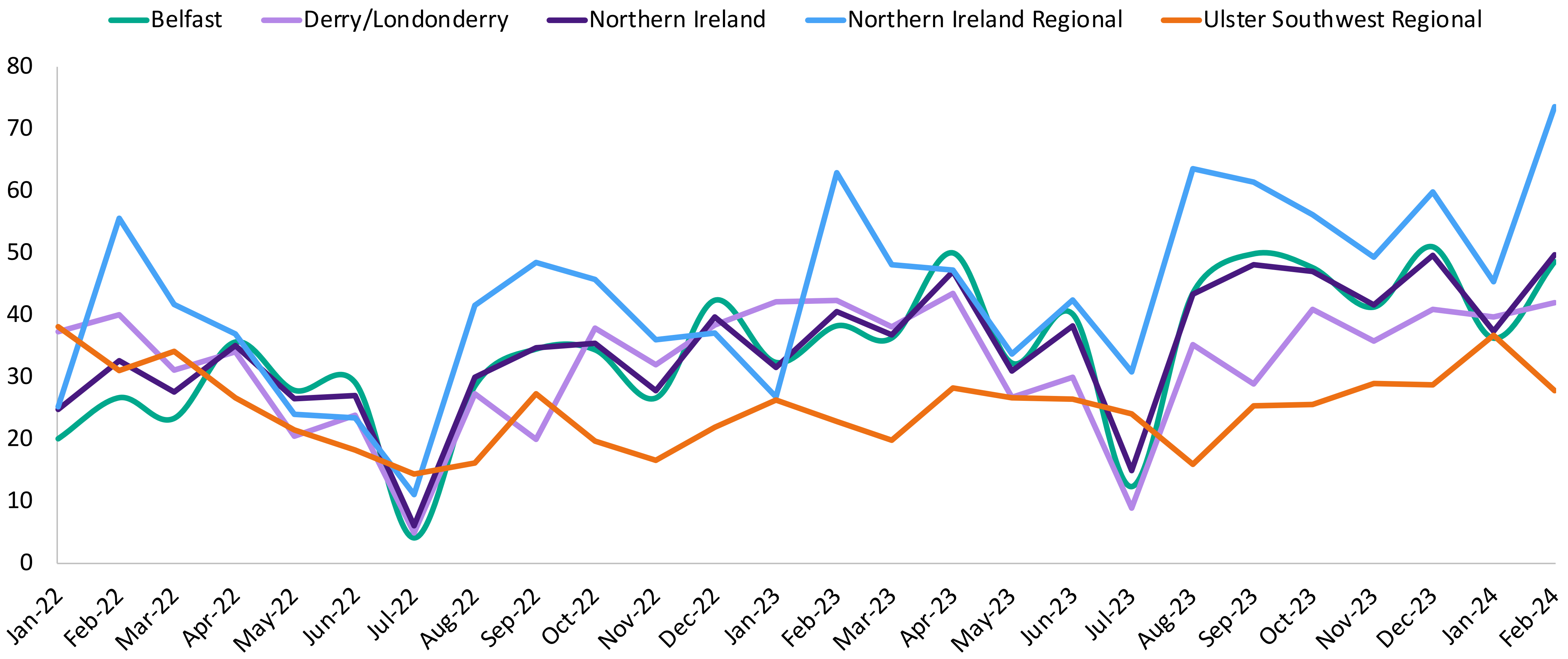
Occupancy for the most part is recovered and growing but not for all

<u>Occupancy, % change to 2019,</u> Jan 2022 – February 2024



Compared to pre-pandemic, rates have increased between 5% and 74%!!!

<u>ADR £, % change to 2019,</u> Jan 2022 – February 2024



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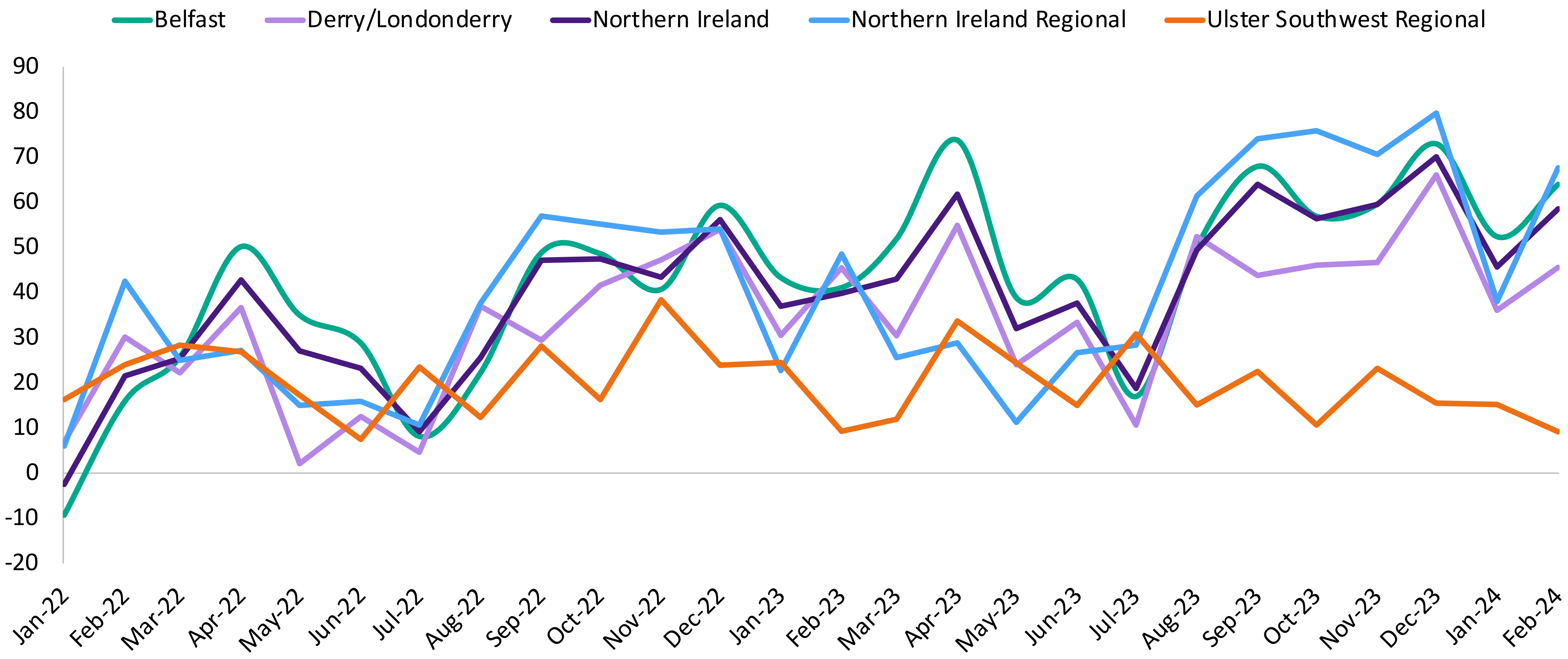
Source: STR. © 2023 CoStar Group

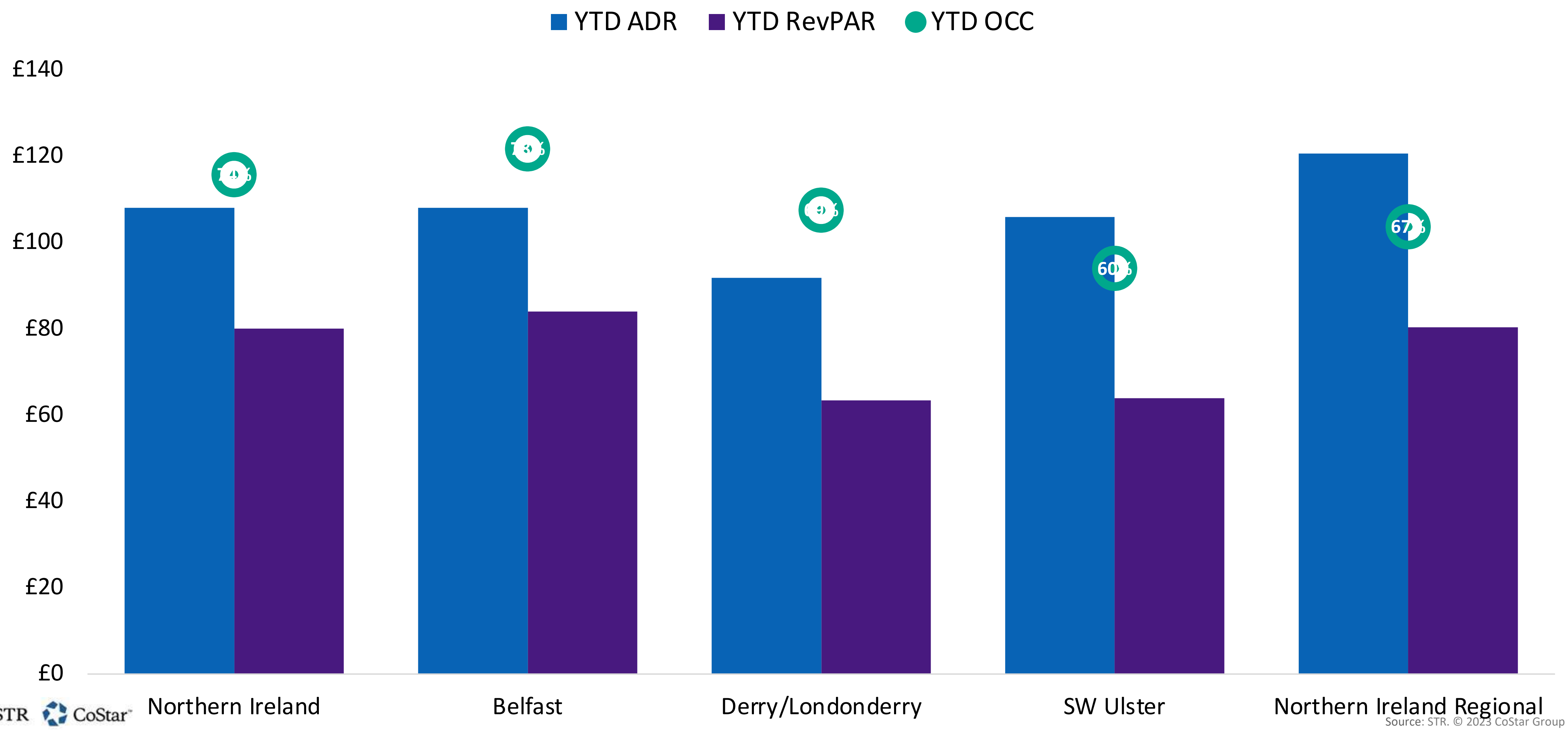
ADR is still the principal driver of RevPAR recovery & growth across NI

RevPAR, % change to 2019, Jan 2022 – February 2024



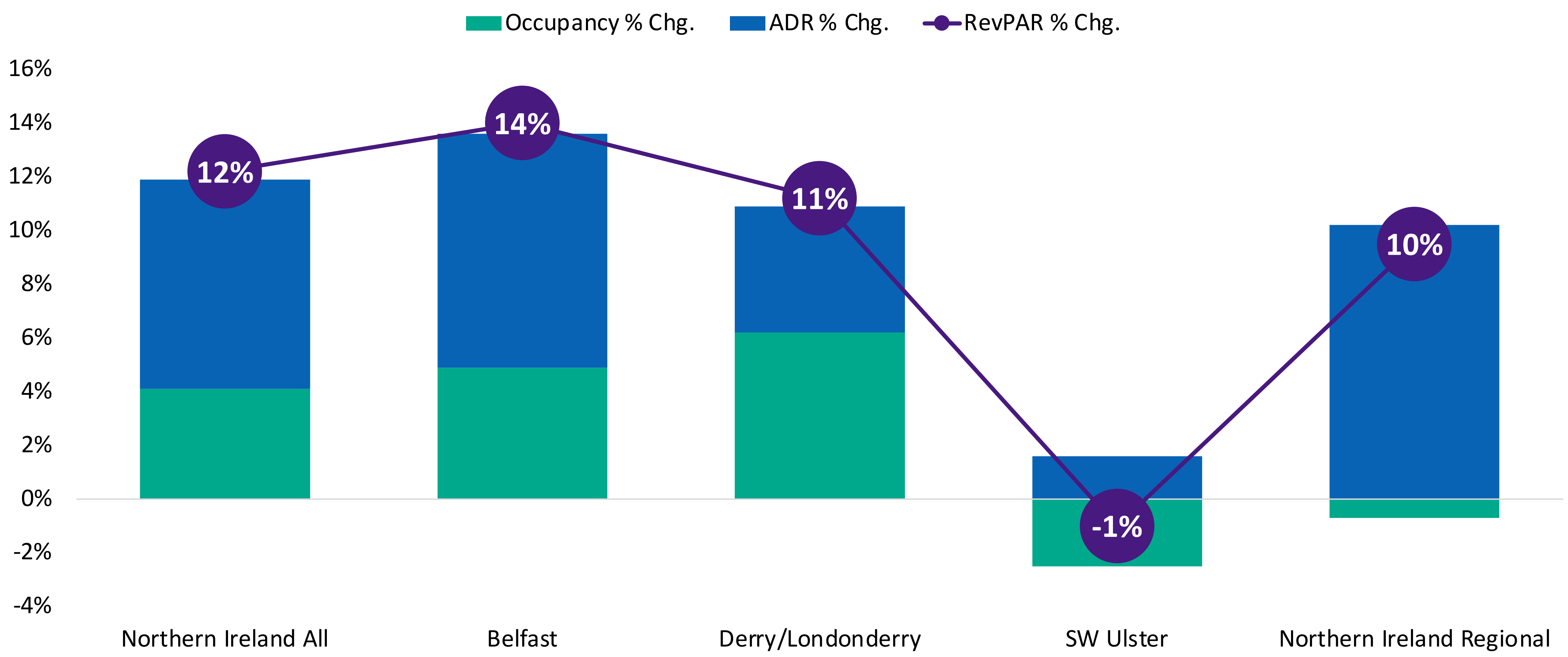
Occupancy ran from 60% to 78% and ADR from £92 to £121 full year 2023

<u>Nothern Irish markets</u> – Full Year 2023 Occupancy, ADR, & RevPAR (GBP currency)



Year over year it's still mostly double-digit RevPAR growth

Northern Ireland, KPI **YOY % change to previous year**, full year 2023 v full year 2022



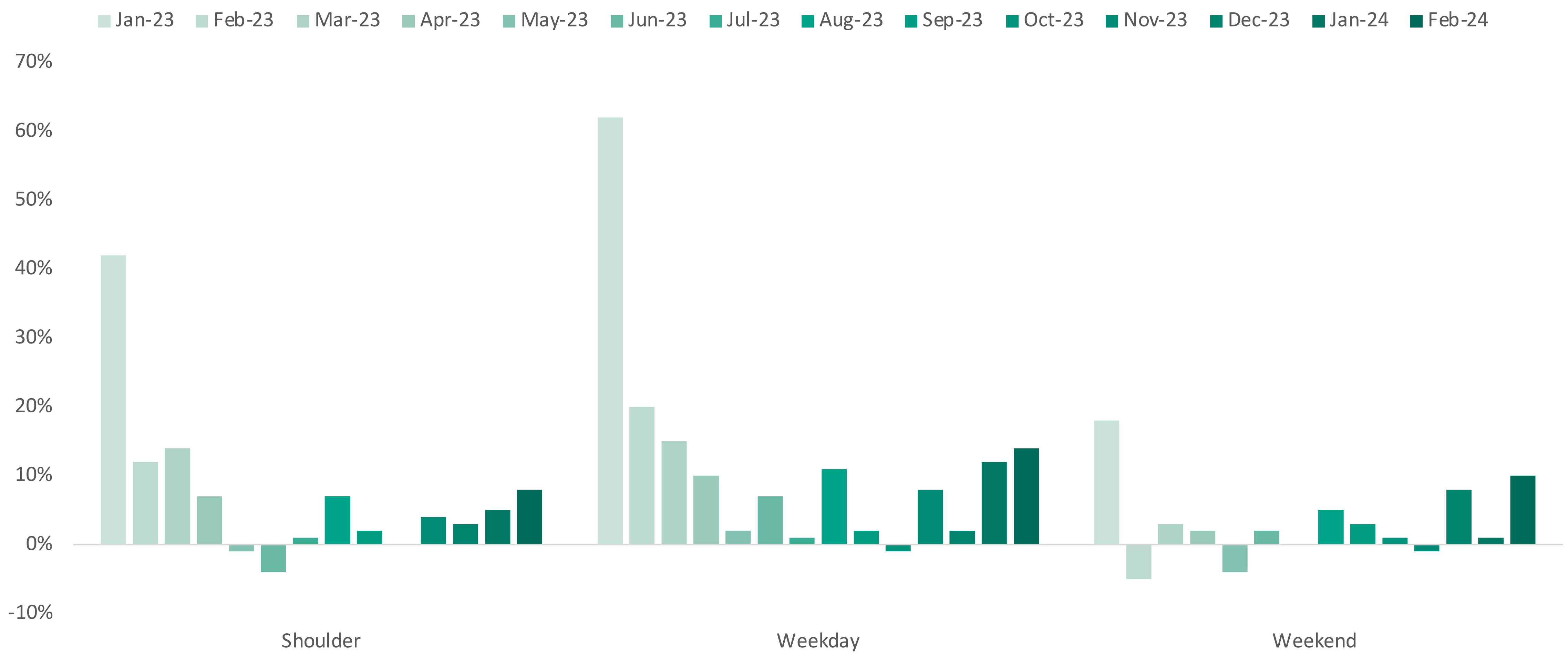
Belfast RevPAR continued to grow by double digits in 2023

Belfast, Actuals and % change, Full Year 2023

	Full year 2023 Total market	% Chg. to 2019 Total market	% Chg. to 2022 – Total market
Occupancy	78.2%	7.9%	4.9%
ADR	£108.06	38.9%	8.7%
RevPAR	£84.49	47%	13.8%

Omicron impact in Q1 2023, occupancy pretty stable & growing in Belfast

<u>Belfast, Occupancy % change year over year,</u> January 2022 – February 2024



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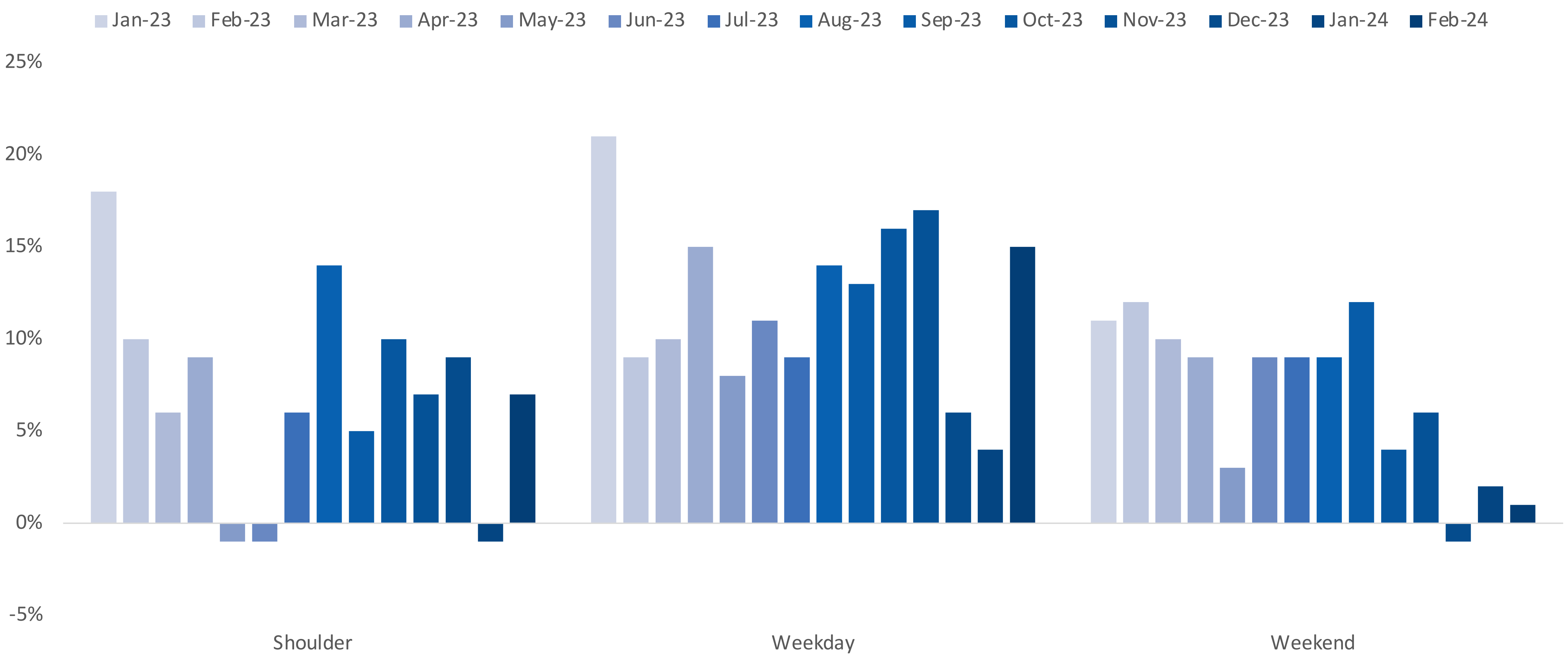
Source: STR. © 2024 CoStar Group

Belfast weekdays took longer to catch up but are making up for it with ADR

Belfast, ADR % change year over year, January 2022 – February 2024



ADR in Derry/Londonderry has grown £30 in the last decade

Derry/Londonderry, Actuals and % change, Full Year 2023

	Full year 2023 Total market	% Chg. to 2019 Total market	% Chg. to 2022 – Total market
Occupancy	69.1%	4.6%	6.2%
ADR	£91.77	32.6%	4.7%
RevPAR	£63.45	38.7%	11.2%

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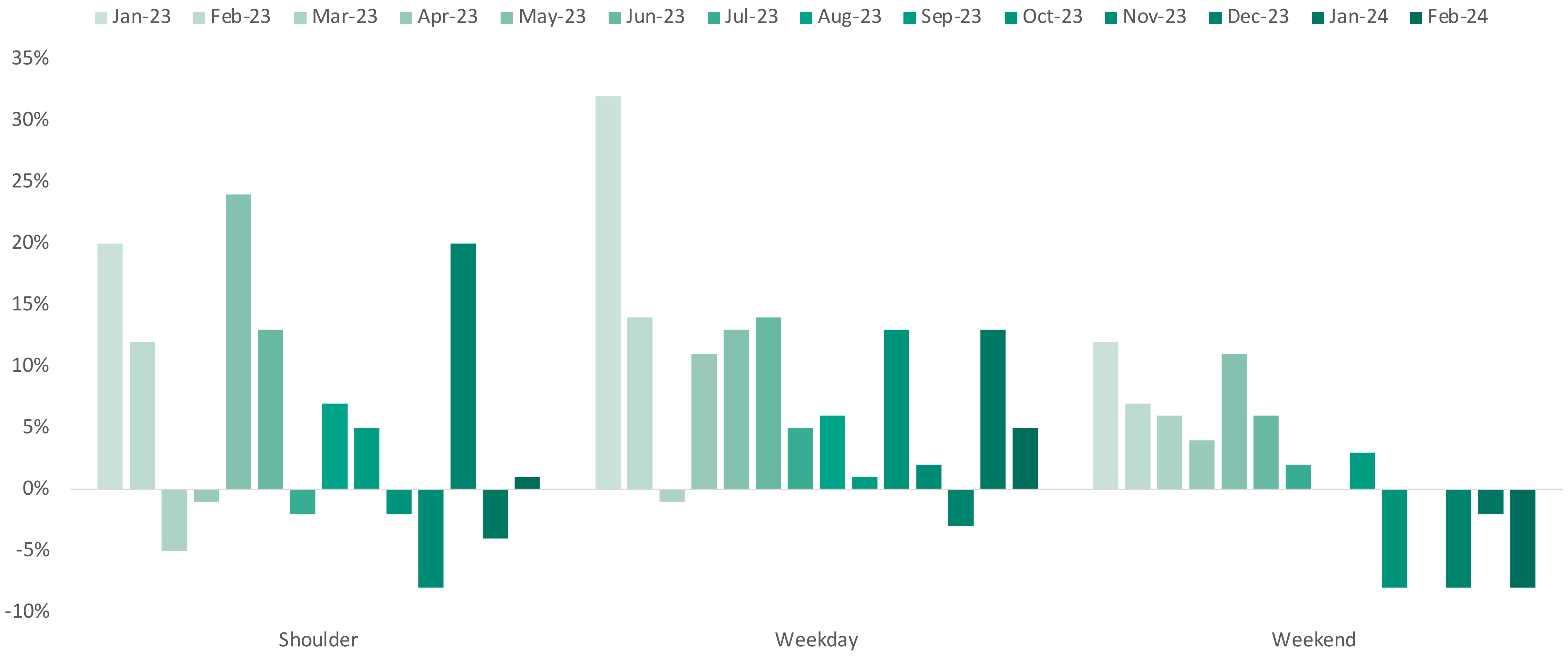
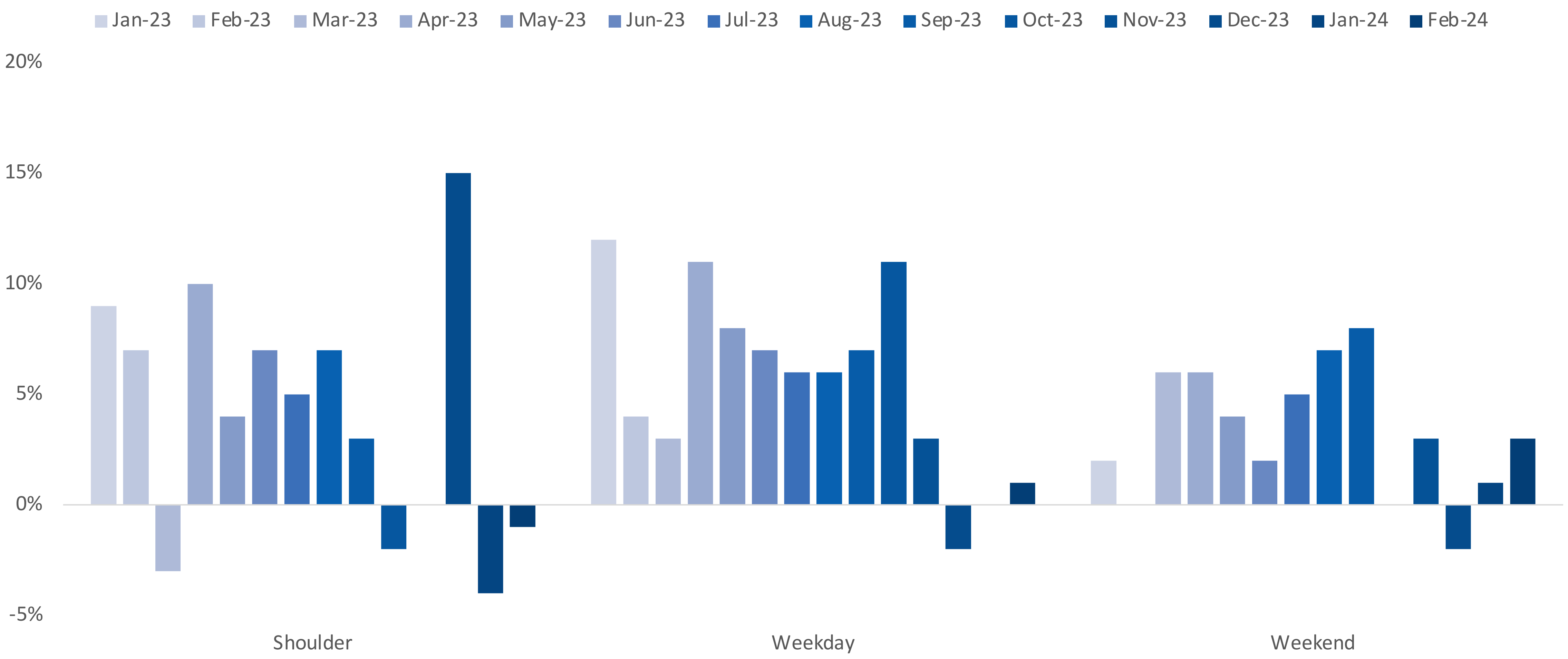
Derry/Londonderry experienced a little occupancy softening towards year end

Derry/Londonderry, Occupancy % change year over year, January 2022 – February 2024



Derry/Londonderry had good ADR growth across all days of the week

Derry/Londonderry, ADR % change year over year, January 2022 – February 2024



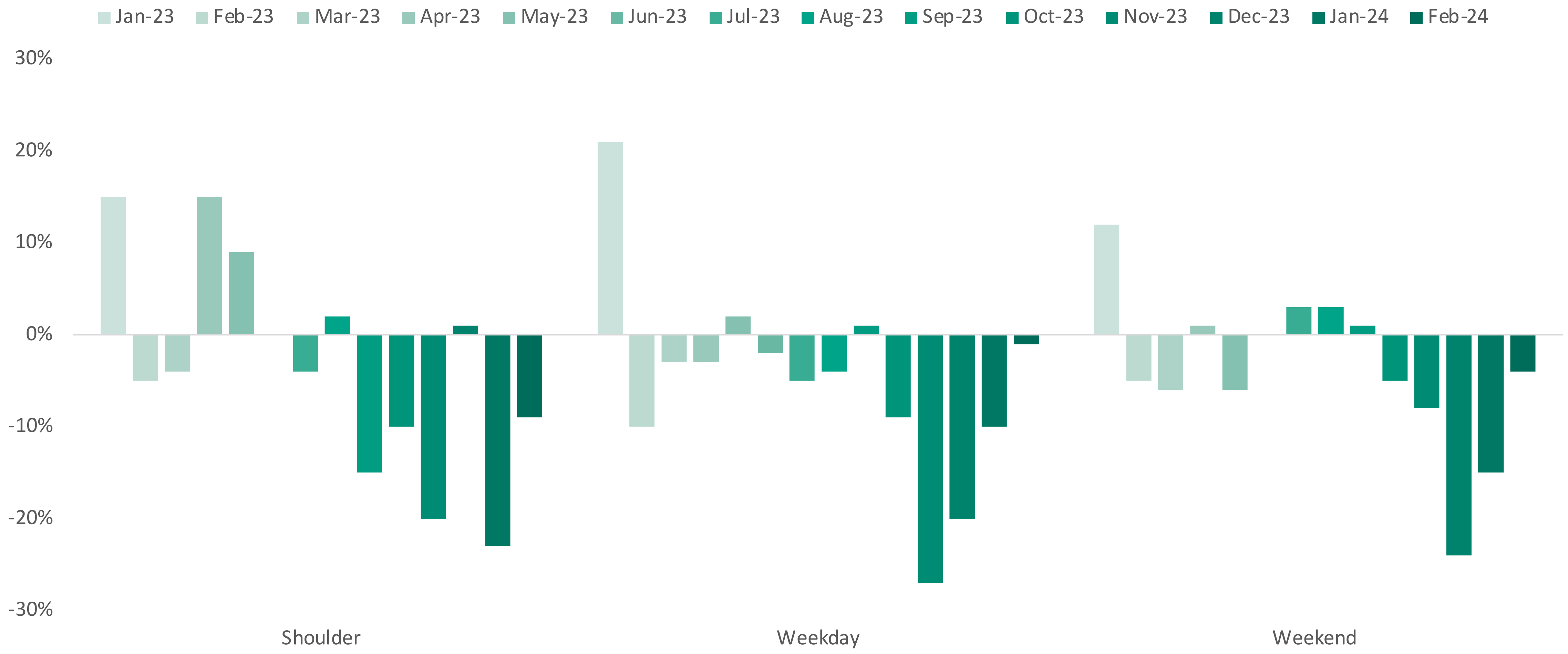
SW Ulster occupancy slipped slight but ADR more than made up for it

SW Ulster, Actuals and % change, Full Year 2023

	Full year 2023 Total market	% Chg. to 2019 Total market	% Chg. to 2022 – Total market
Occupancy	60.4%	-3.9%	-2.5%
ADR	£105.86	24.8%	1.6%
RevPAR	£63.96	20.0%	-1.0%

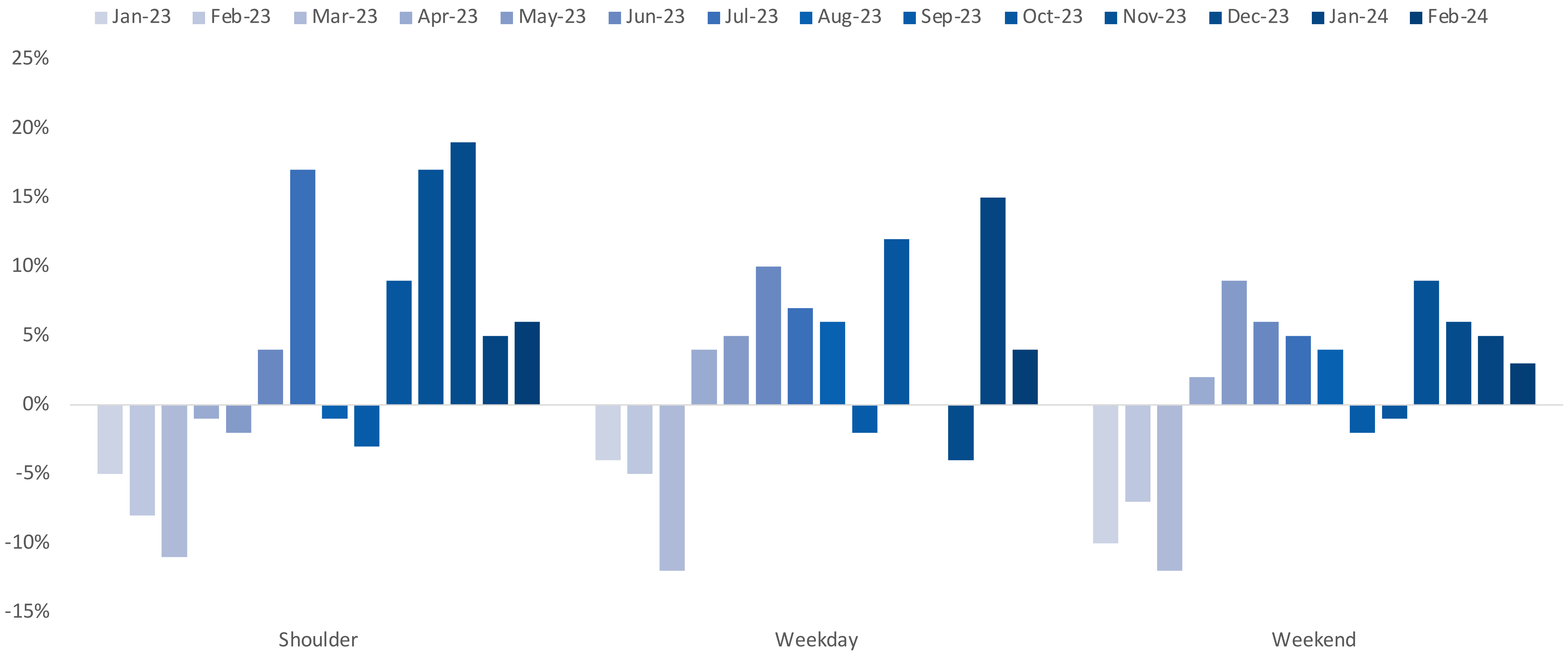
SW Ulster occupancy started to decline v previous year from September

<u>Southwest Ulster, Occupancy % change year over year</u>, January 2022 – February 2024



SW Ulster ADR charged ahead from the same time occupancy declined

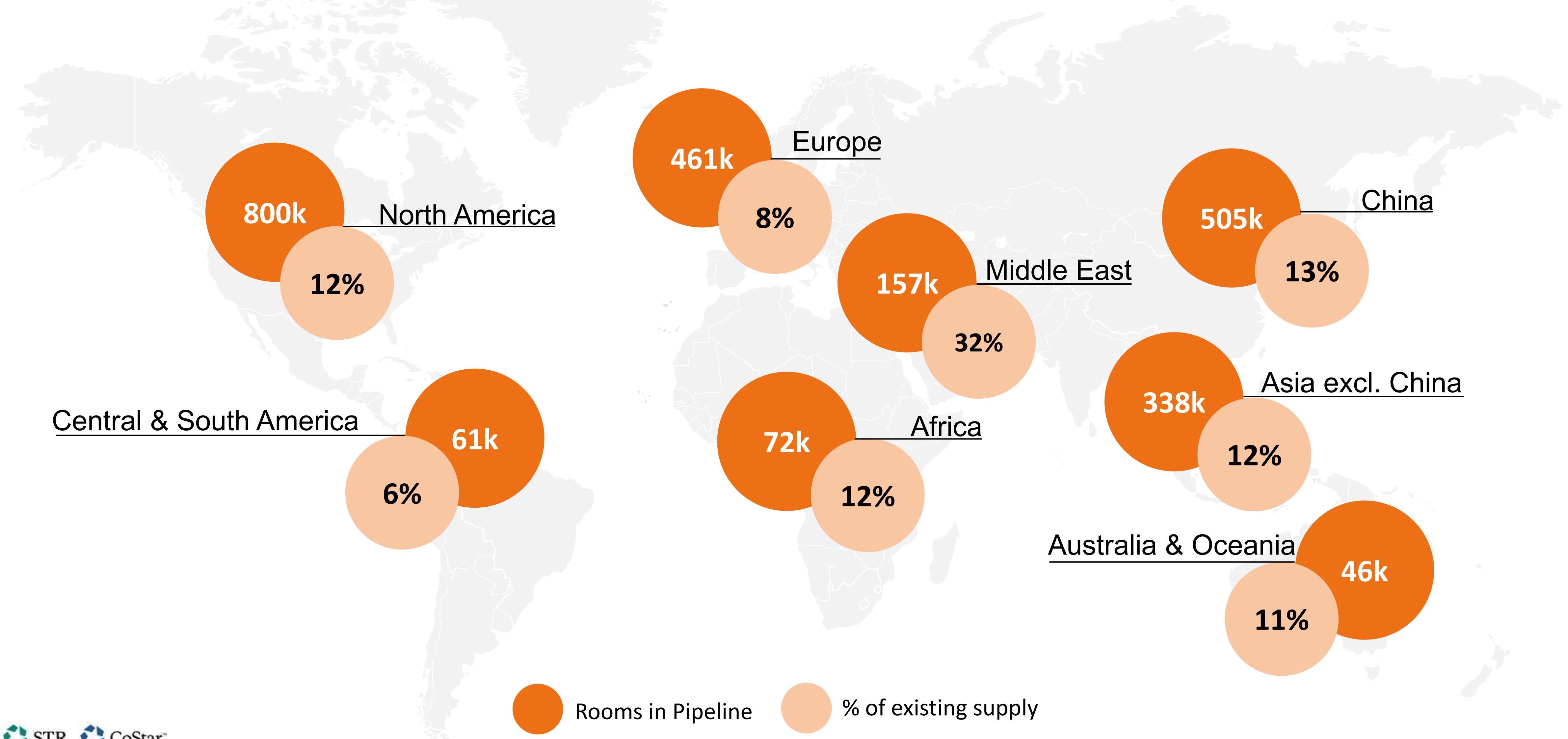
<u>Southwest Ulster, ADR % change year over year</u>, January 2022 – February 2024



Supply & Pipeline

Just short of 2.5 million rooms in the pipeline across the globe

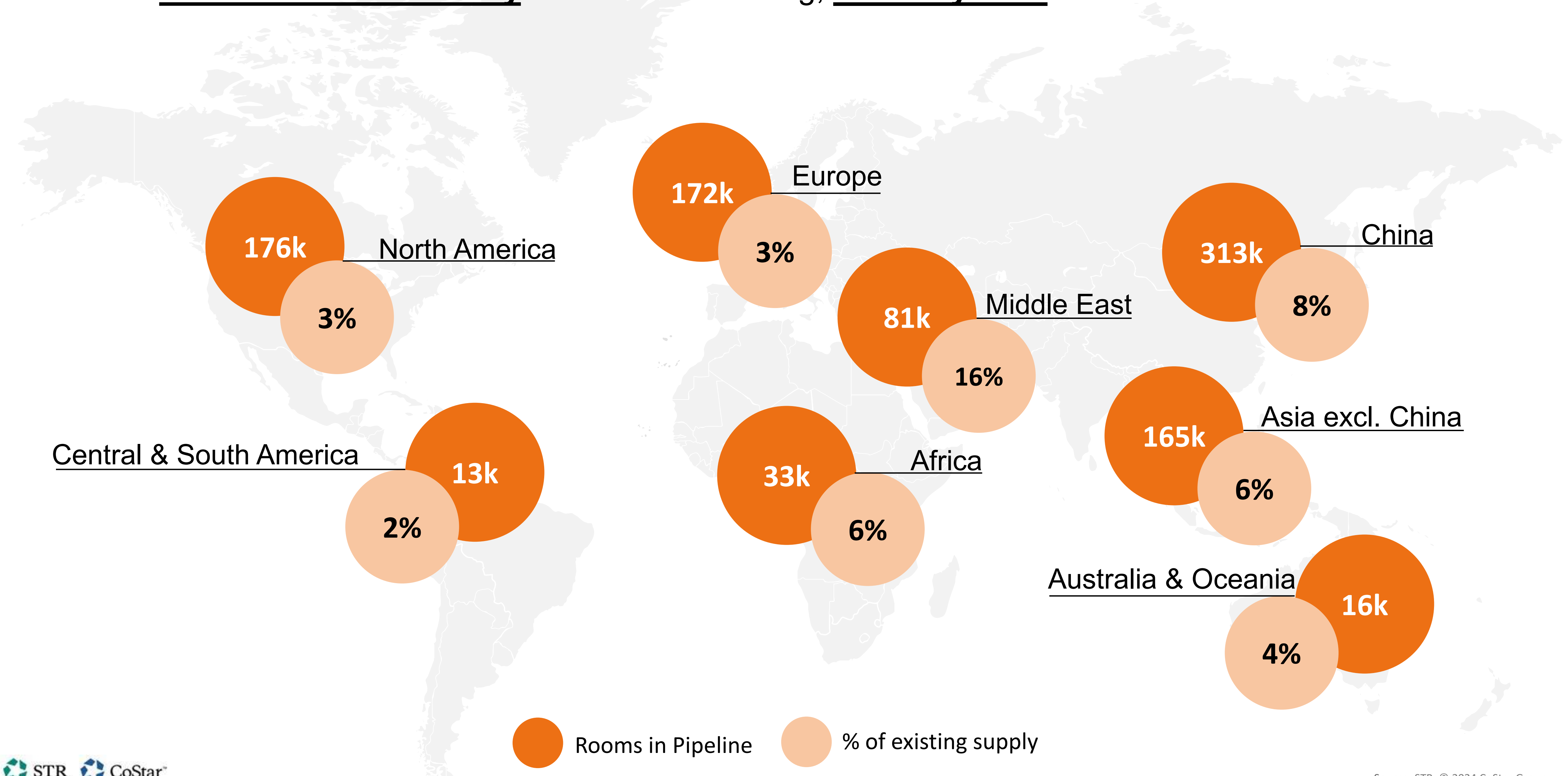
Rooms in Pipeline and as % of Existing, **February 2024**



Source: STR. © 2024 CoStar Group

Almost a million of these pipeline rooms are under construction or c.40%

Rooms **under construction only** and as % of Existing, **February 2024**



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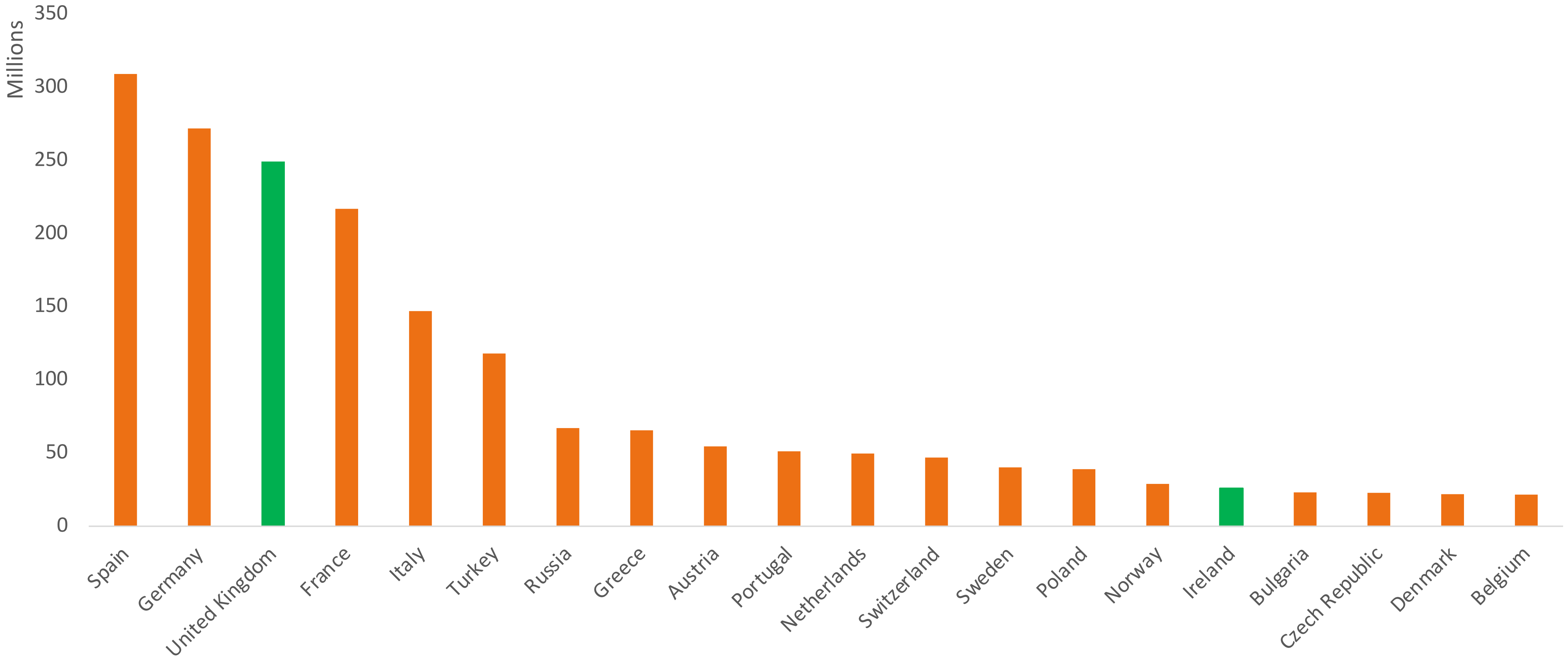
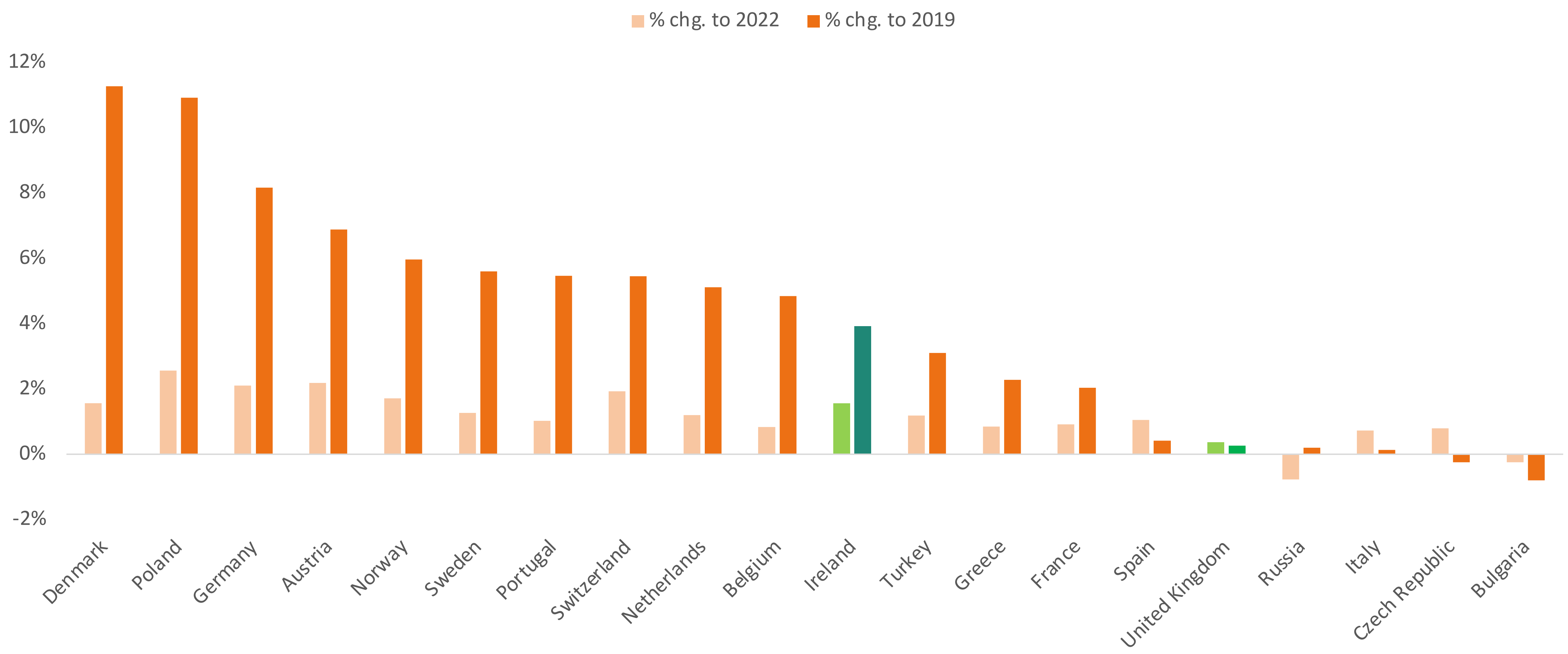
Based on current supply, the UK is the third largest Hotel market in Europe

European Countries rooms supply, **Full Year 2023**



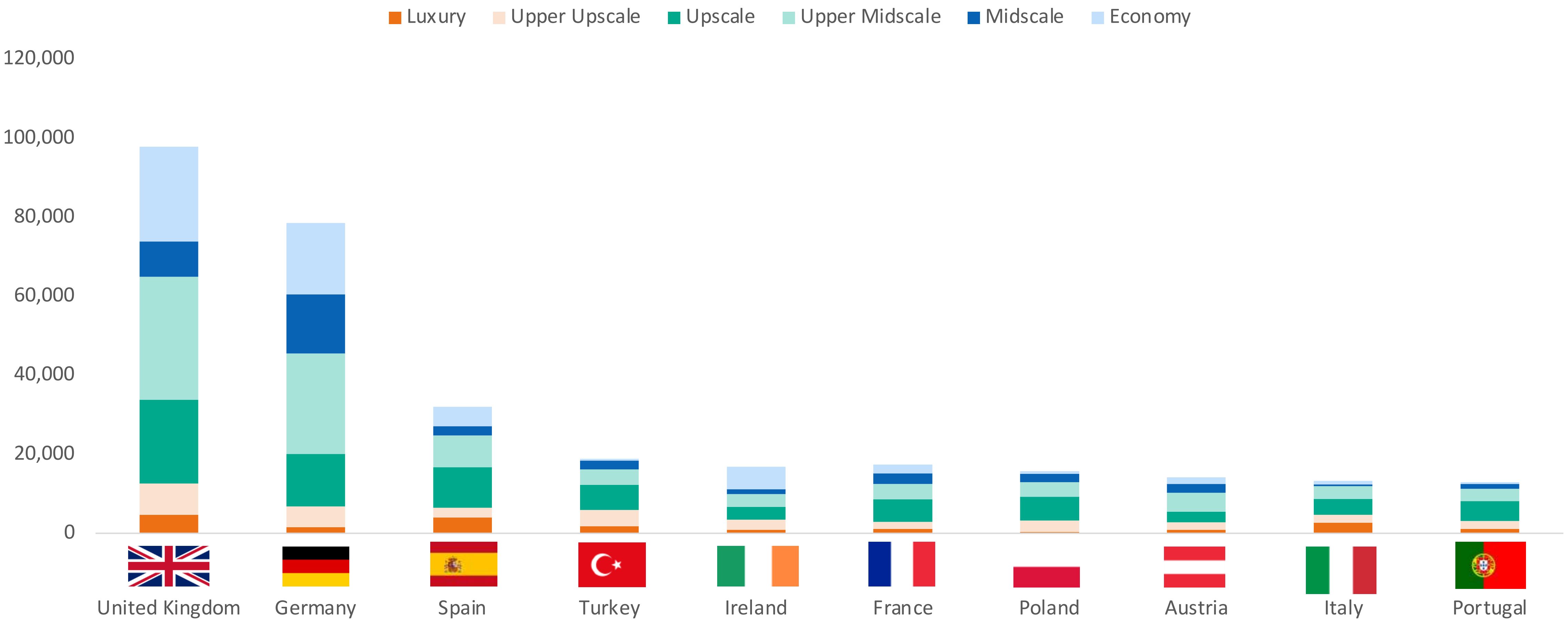
Irish hotel supply has grown nearly 4% since pre-pandemic

European Countries rooms supply, **% change to 2019 and 2022**



Eco-Midscale have the stronghold on additional European supply growth

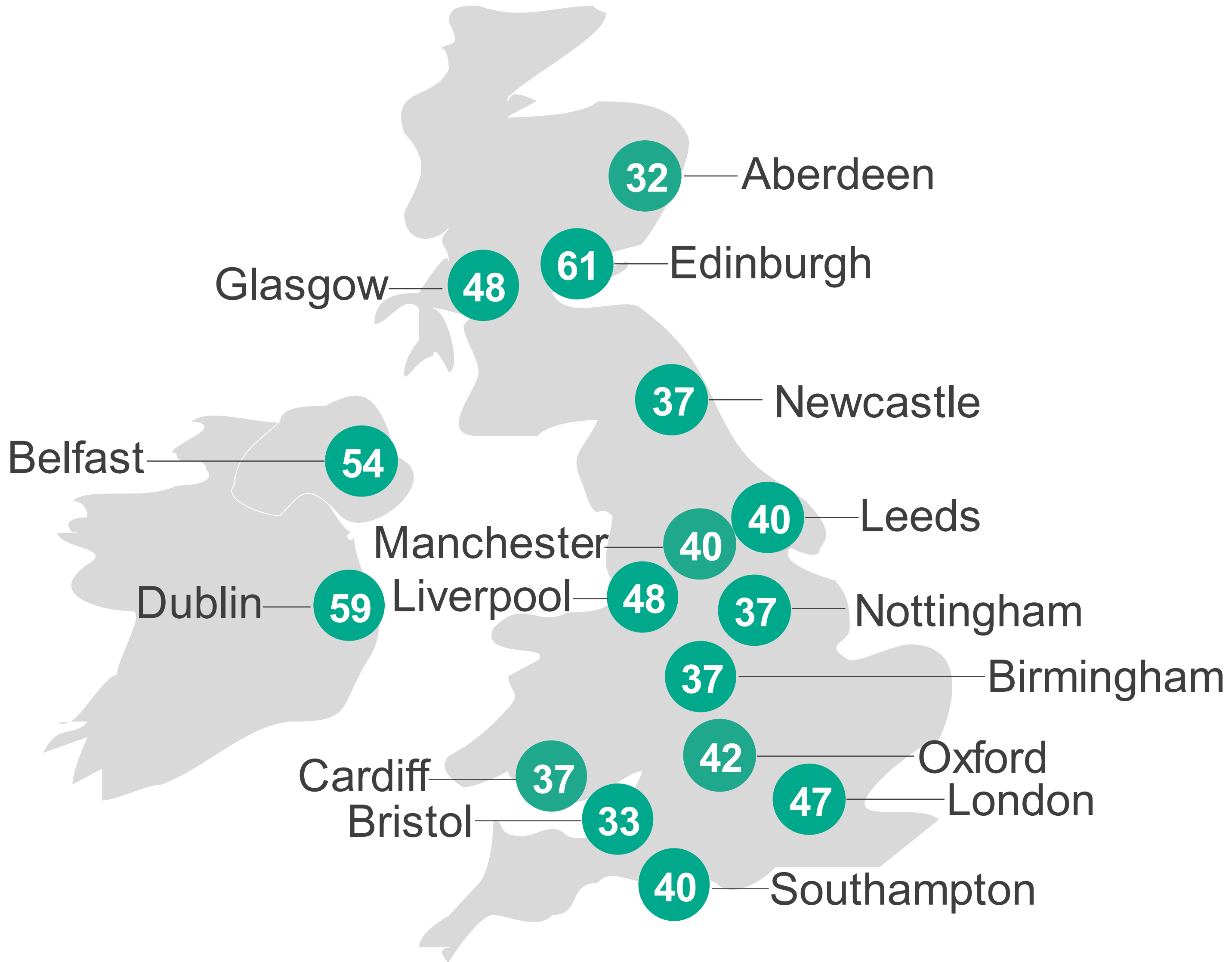
European countries, rooms in pipeline, January 2024



Source: STR. © 2024 CoStar Group

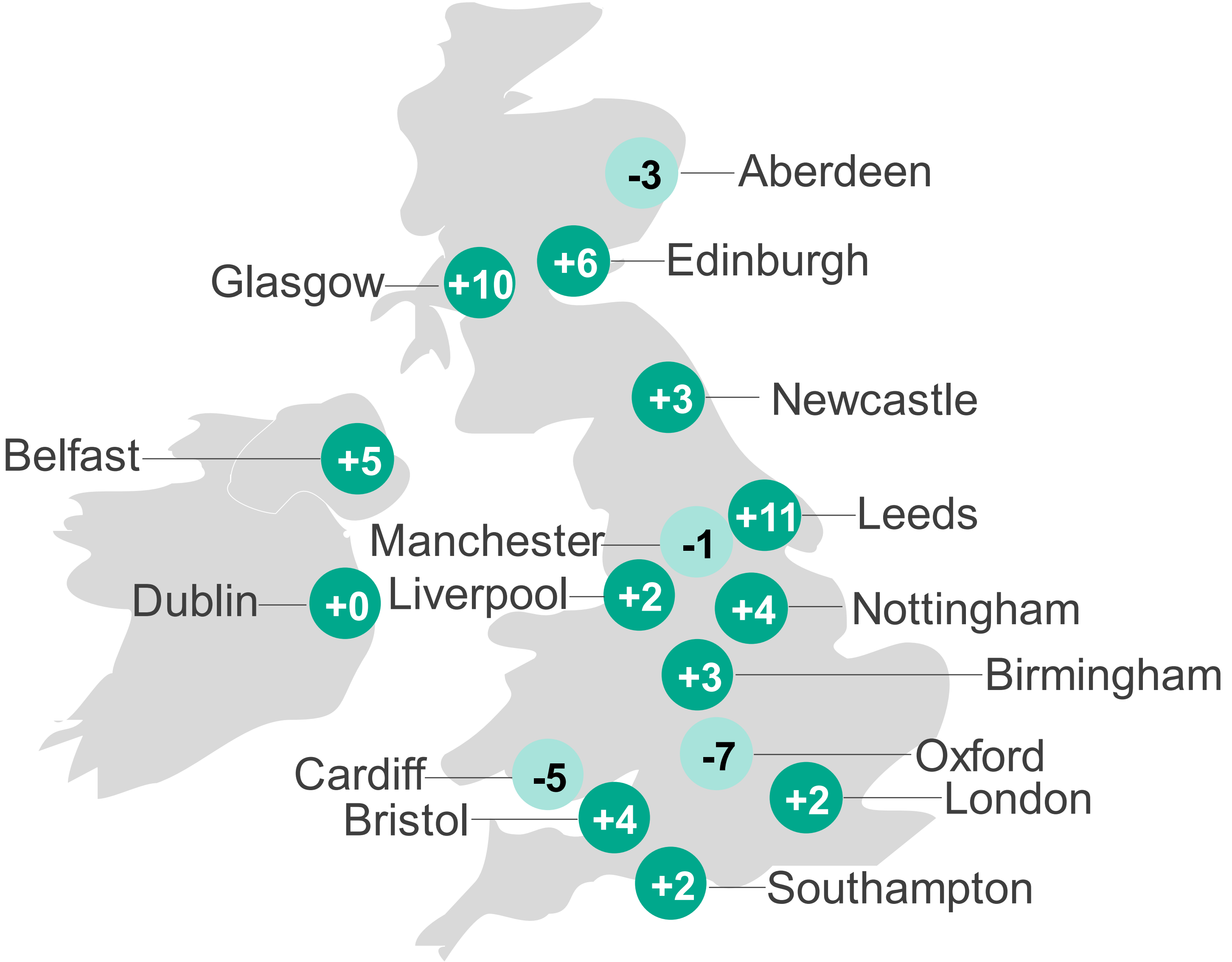
BoB next 90 days in Edinburgh is almost double that of Aberdeen

Occupancy on the books next 90 days average, **as at the 11th March 2024**



Mostly a sea of positivity and ahead of same time last year

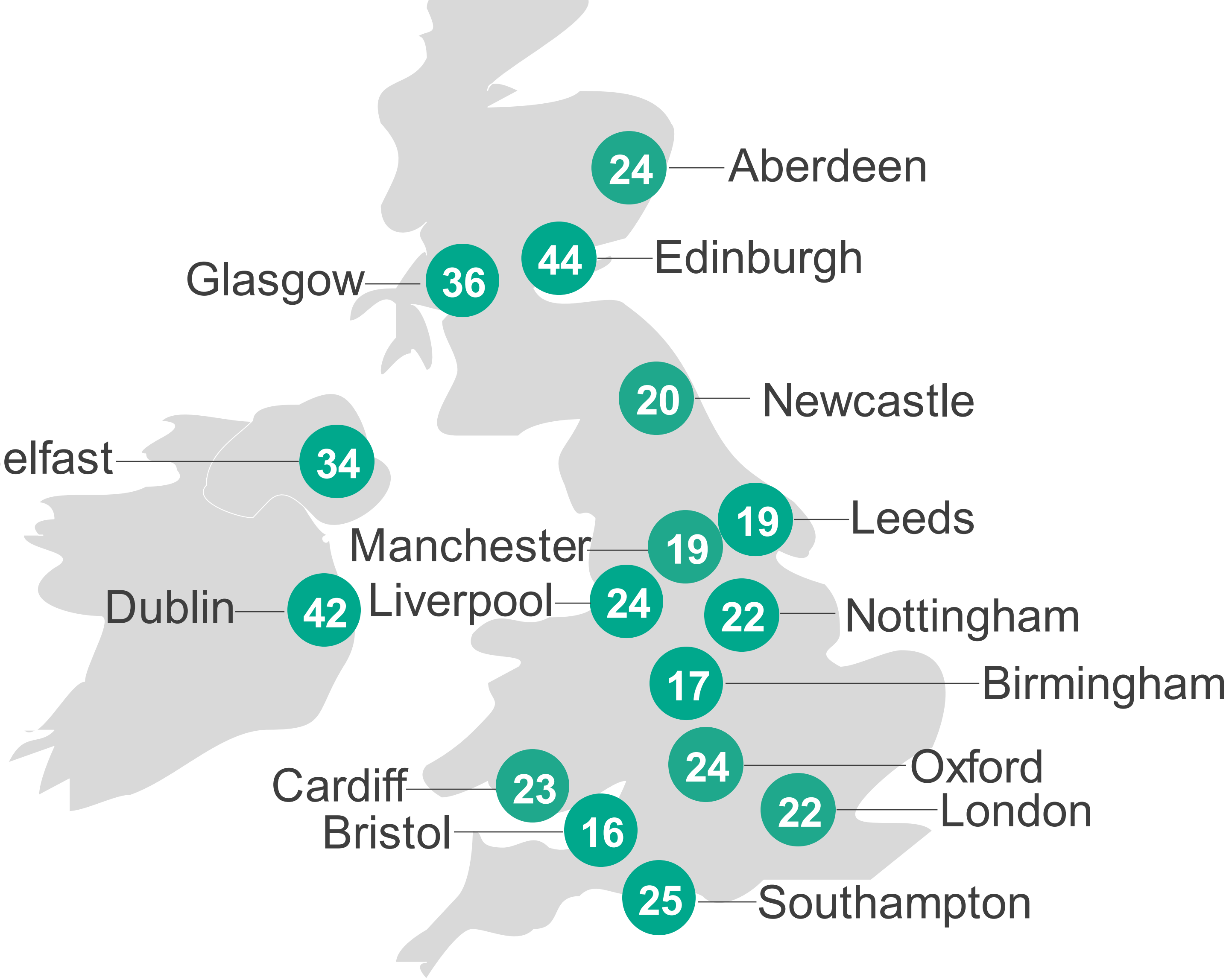
Occupancy on the books, percentage point change for next 90 days vs. STLY **as at the 11th March 2024**



Source: STR. © 2023 CoStar Group

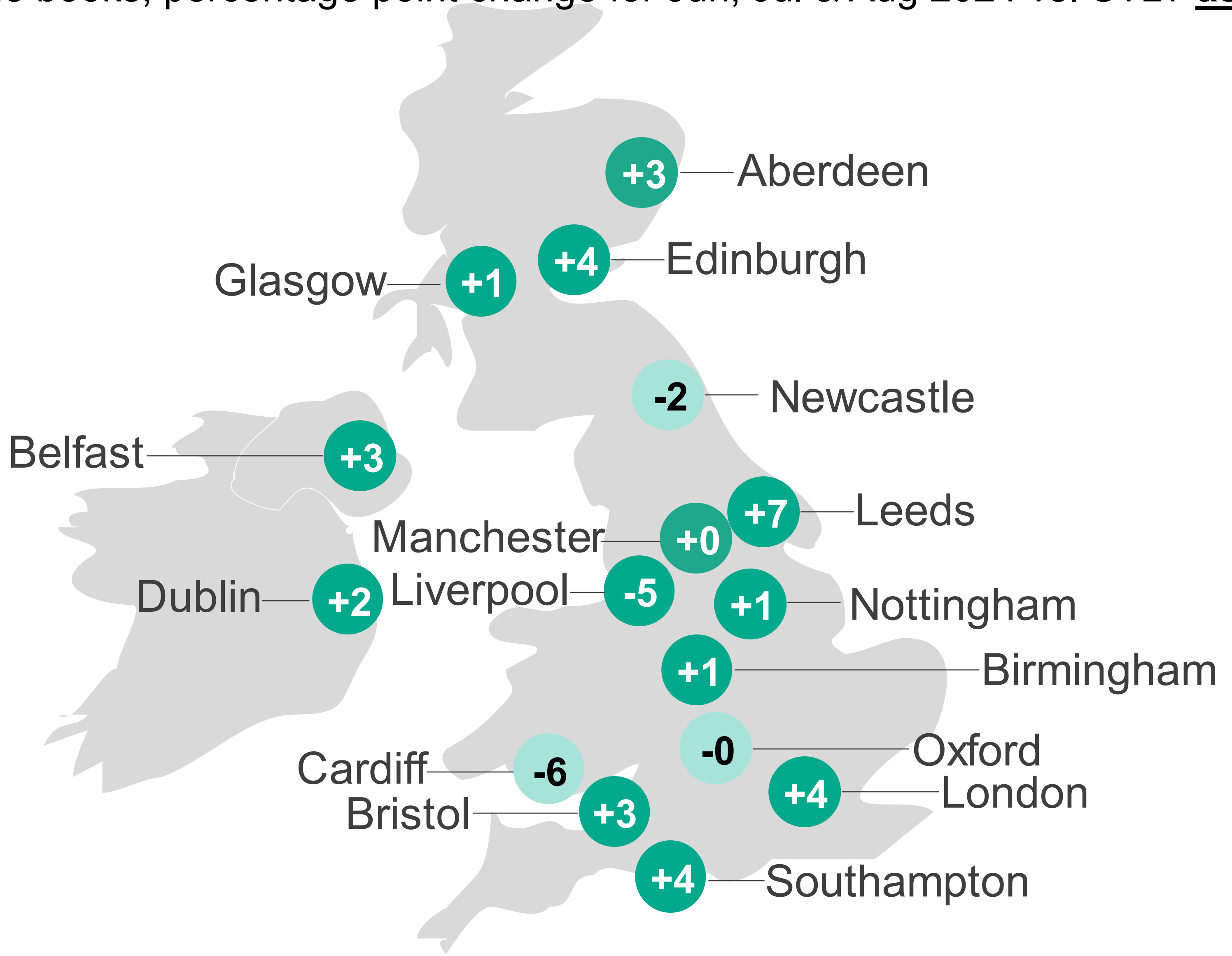
Edinburgh and Dublin are leading the charge for the summer

Occupancy on the books for Jun, Jul & Aug 2024 **as at the 11th March 2024**



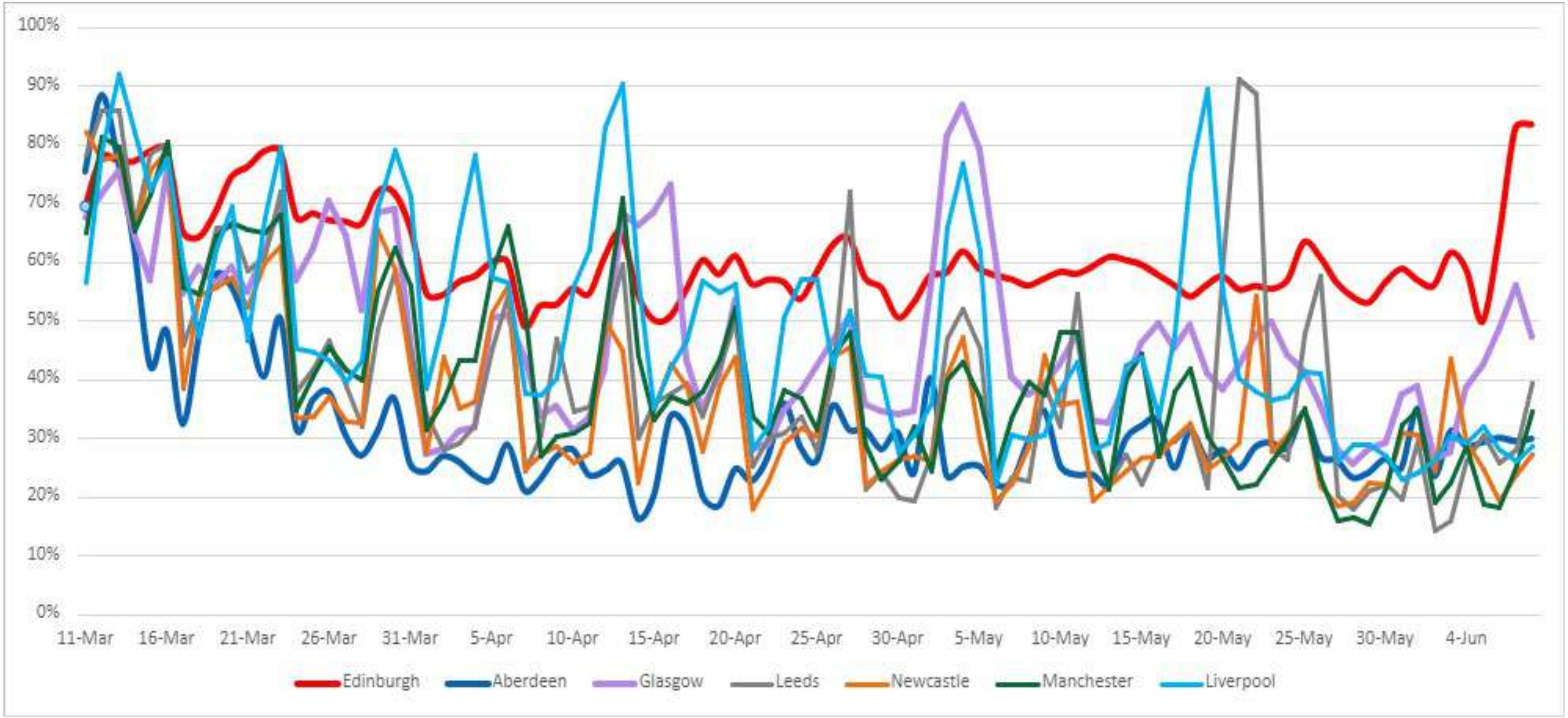
With summer mostly trading ahead of same time last year

Occupancy on the books, percentage point change for Jun, Jul & Aug 2024 vs. STLY **<u>as at the 11th March 2024</u>**



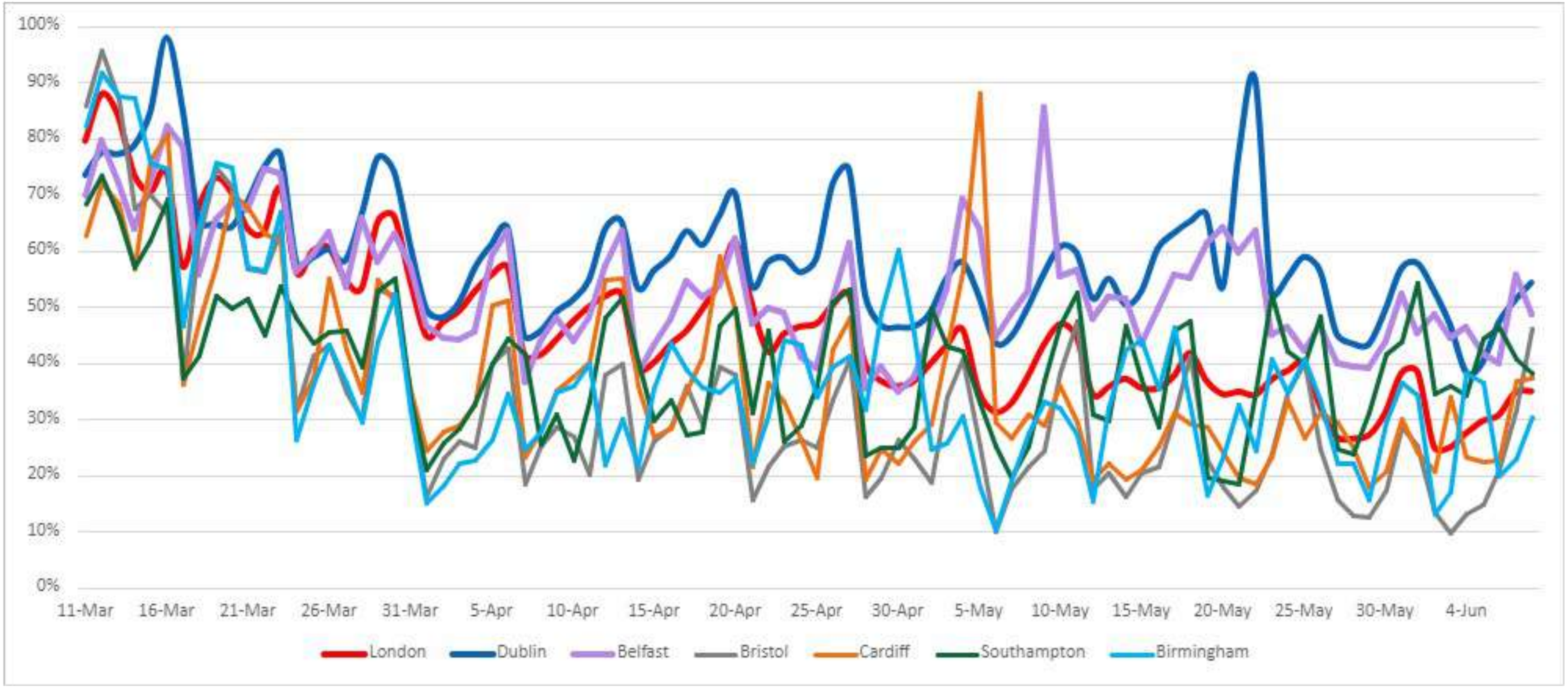
Grand National, Take That, Tottenham, UKREiif & “TayTay”

Occupancy on the books for the next 90 days **as at the 11th March 2024**



Easter, Bruce (x2) & the Europa league final

Occupancy on the books for the next 90 days **as at the 11th March 2024**



The 148th Open Championship at Royal Portrush – 18th – 21st July 2019

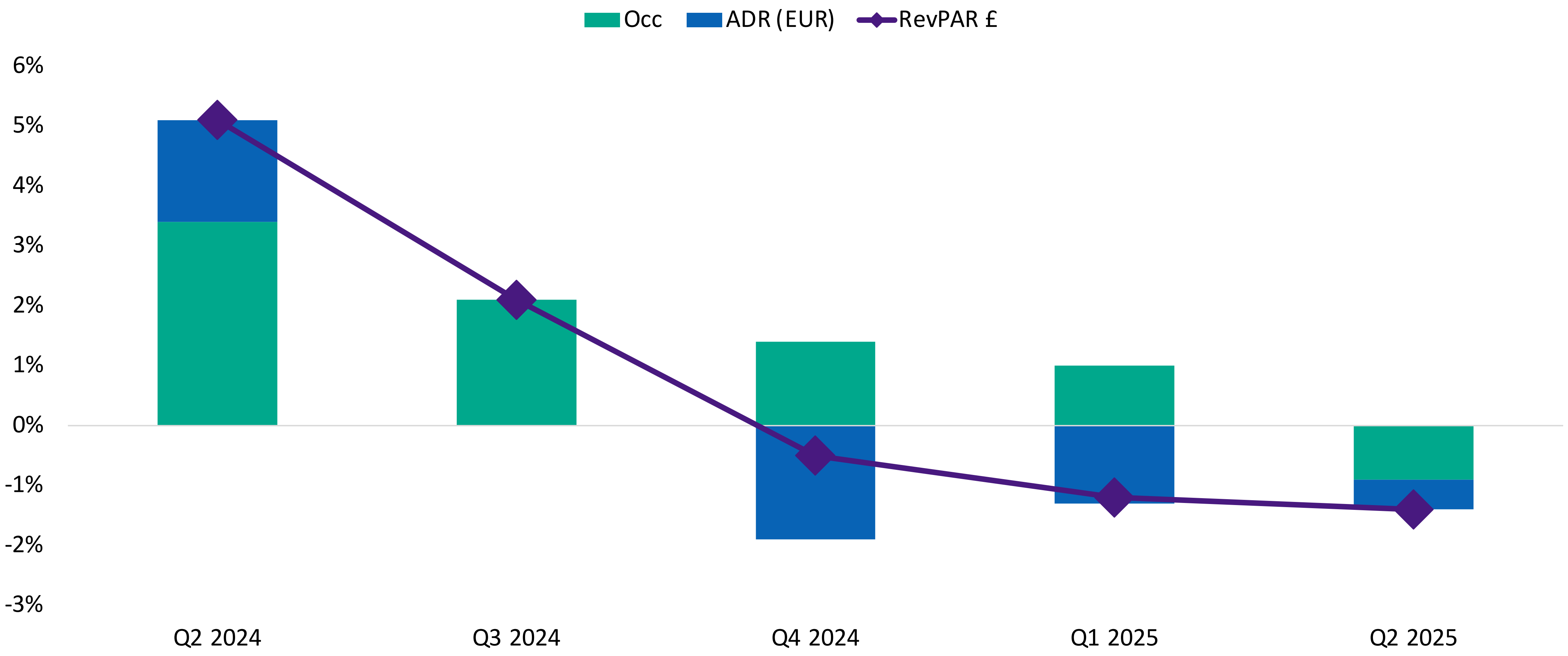
Belfast hotel performance before, during and after the tournament – 15th – 24th July 2019

Day of week	Date	Occupancy %	Occupancy % chg	ADR £	ADR % chg	RevPAR £	RevPAR % chg
Monday	15th July 2019	68.7	-5.8	87.21	20.5	59.88	13.6
Tuesday	16th July 2019	75.7	-7.6	107.49	45.9	81.41	34.8
Wednesday	17th July 2019	88.4	6.7	153.90	112.5	136.11	126.8
Thursday	18th July 2019	93.5	**19.3**	186.56	**156.6**	174.39	**206.1**
Friday	19th July 2019	88.7	**17.7**	198.01	**153.1**	175.64	**197.9**
Saturday	20th July 2019	84.9	**5.1**	195.99	**114.6**	166.44	**125.7**
Sunday	21st July 2019	77.1	**11.3**	161.76	**144.5**	124.68	**172.2**
Monday	22nd July 2019	82.6	0.7	78.32	5.8	64.72	6.6
Tuesday	23rd July 2019	86.2	1.9	76.36	0.9	65.81	2.9
Wednesday	24th July 2019	86.6	-2.6	75.53	-0.5	65.43	-3.0

“Normalization” will reach Belfast by year end 2024

Belfast, KPI’s by quarter **Q2 2024 to Q2 2025 v same quarters in *2022***

(February 2024 forecast release)



Source: STR. © 2023 CoStar Group

ADR in Belfast is between 34% - 66% ahead of pre-pandemic!!!!WOW!

Belfast, KPI's by quarter **Q2 2024 to Q2 2025 v same quarters in *2019***

(February 2024 forecast release)

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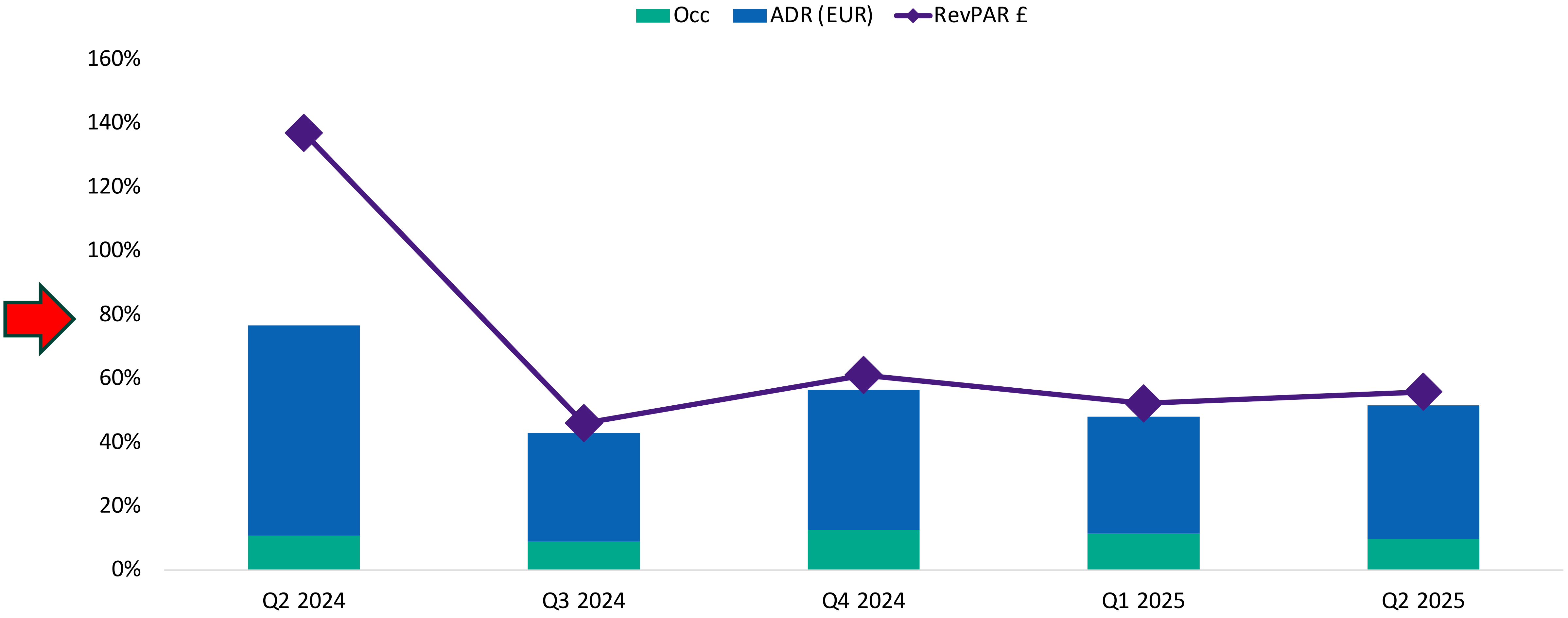

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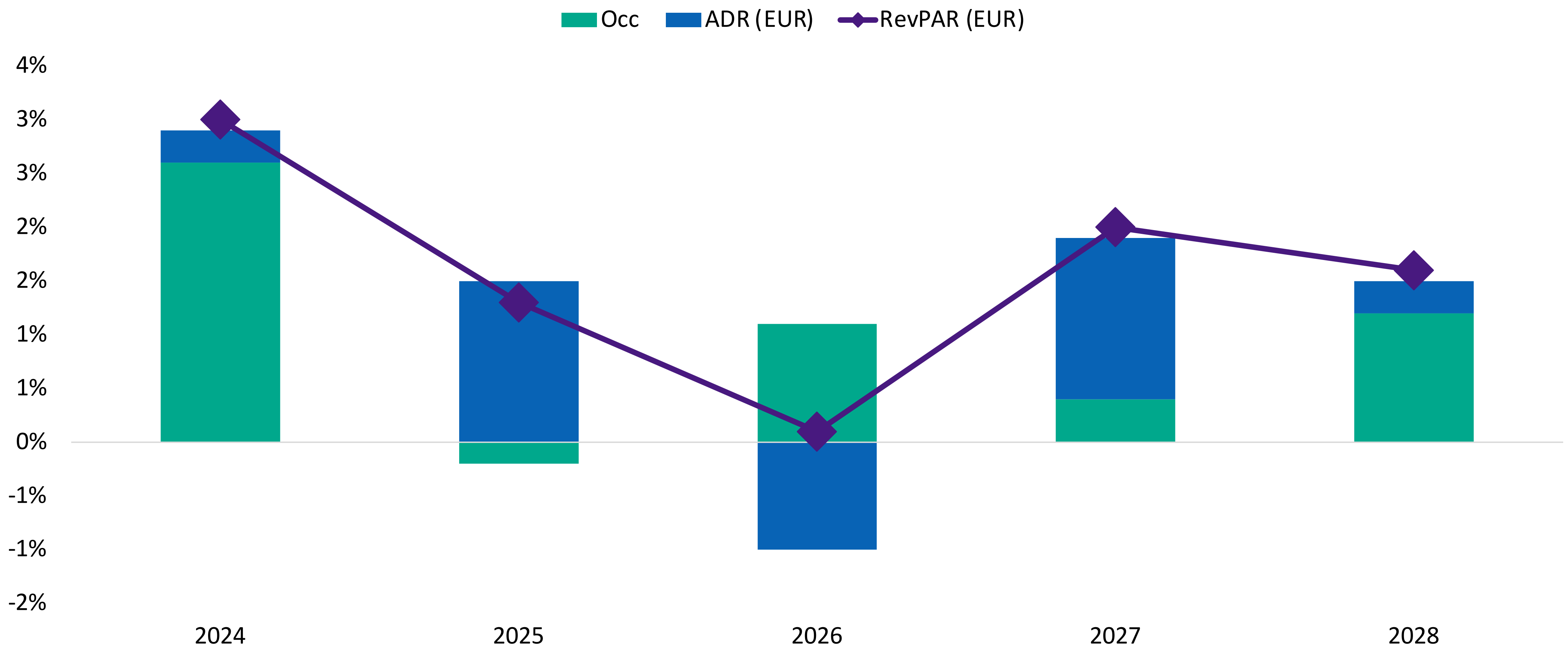
Source: STR. © 2023 CoStar Group

“Normalization” will flow through into the next couple of years!

Belfast, KPI’s by year 2024 to 2028 – **each year compared to *previous year***

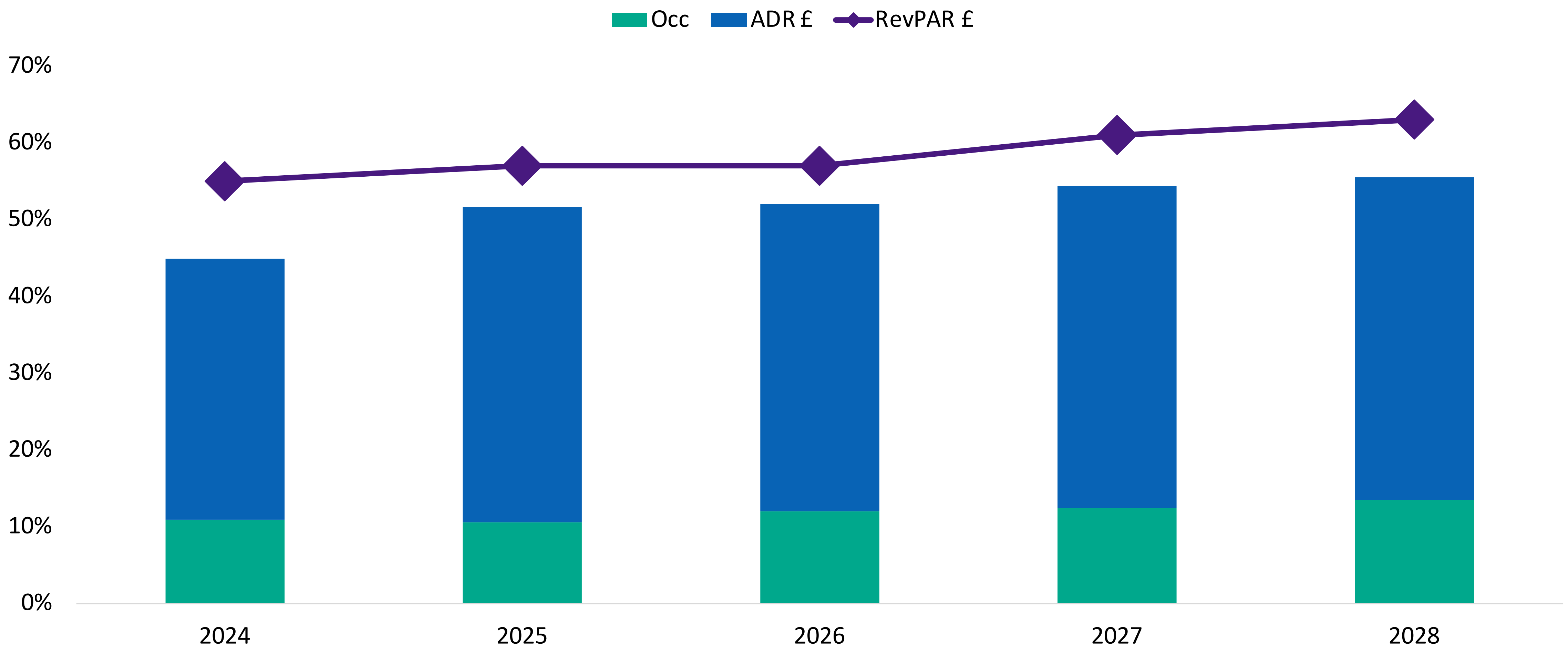
(February 2024 forecast release)



Belfast occupancy AND ADR is here to stay well into the future!

Belfast, KPI’s by year 2024 to 2028 – **each year compared to *2019***

(February 2024 forecast release)



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Thank You!

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