



Urban Living Festival 2025

23 September, 2025

STR, a CoStar Group Company

Ryan Bains – Account Director



What do today's media headlines mean for hotels?



Slowing global growth

A two speed Eurozone economy

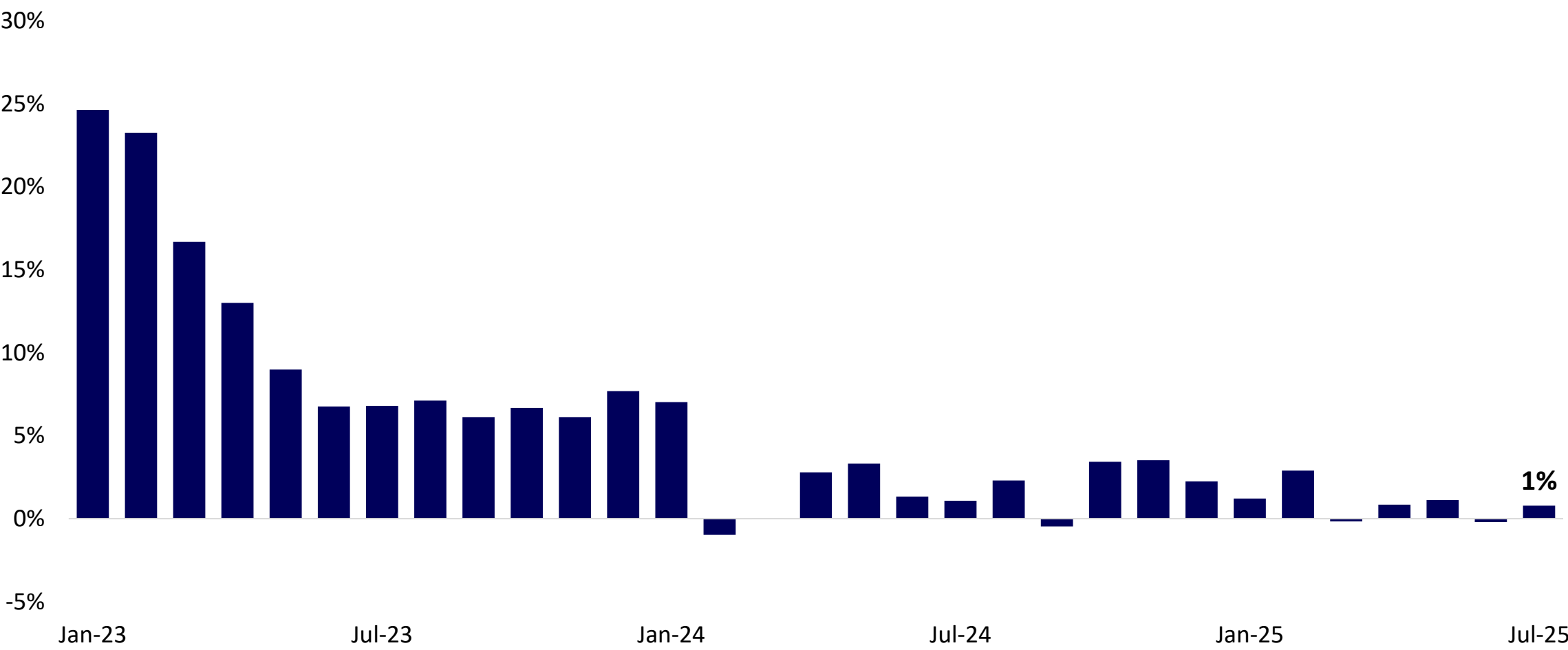
Geopolitical volatility to halt travel

Groups to never fully recover

The future is uncertain

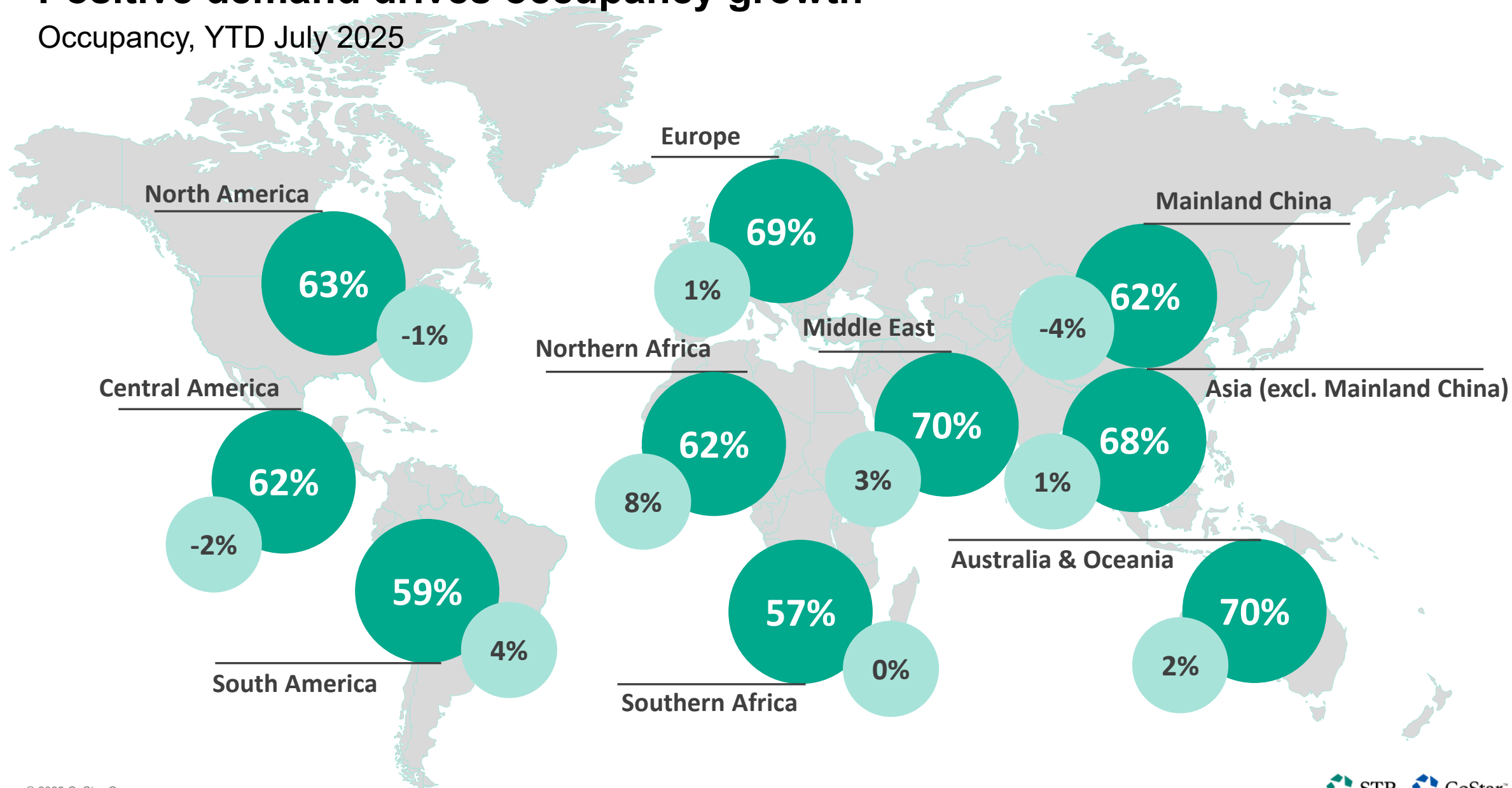
Global demand trend remains positive, albeit more muted in 2025

Global demand, % chg. YoY, Jan 2023 – Jul 2025



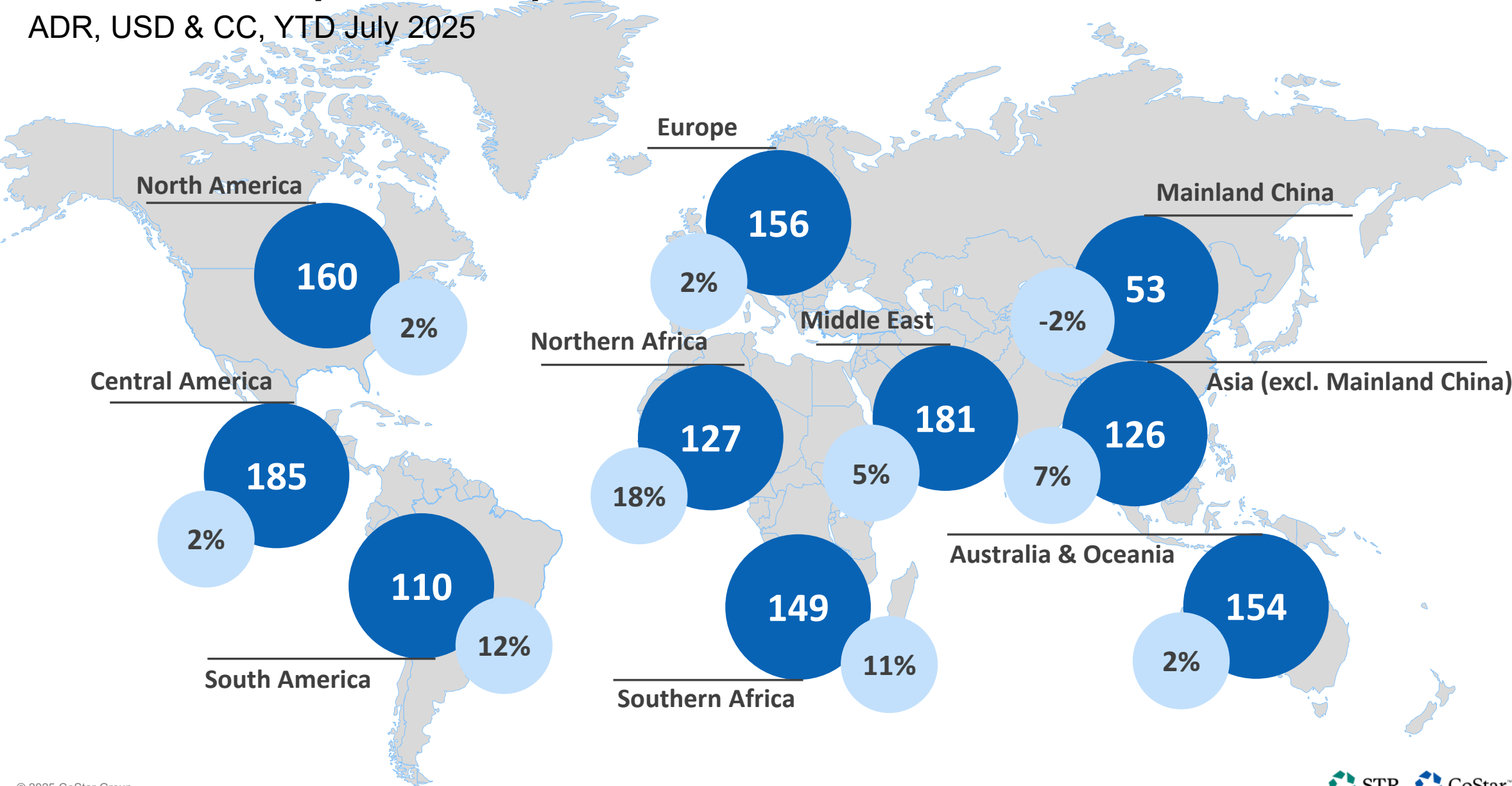
Positive demand drives occupancy growth

Occupancy, YTD July 2025



Which in turn, provides a platform for ADR

ADR, USD & CC, YTD July 2025

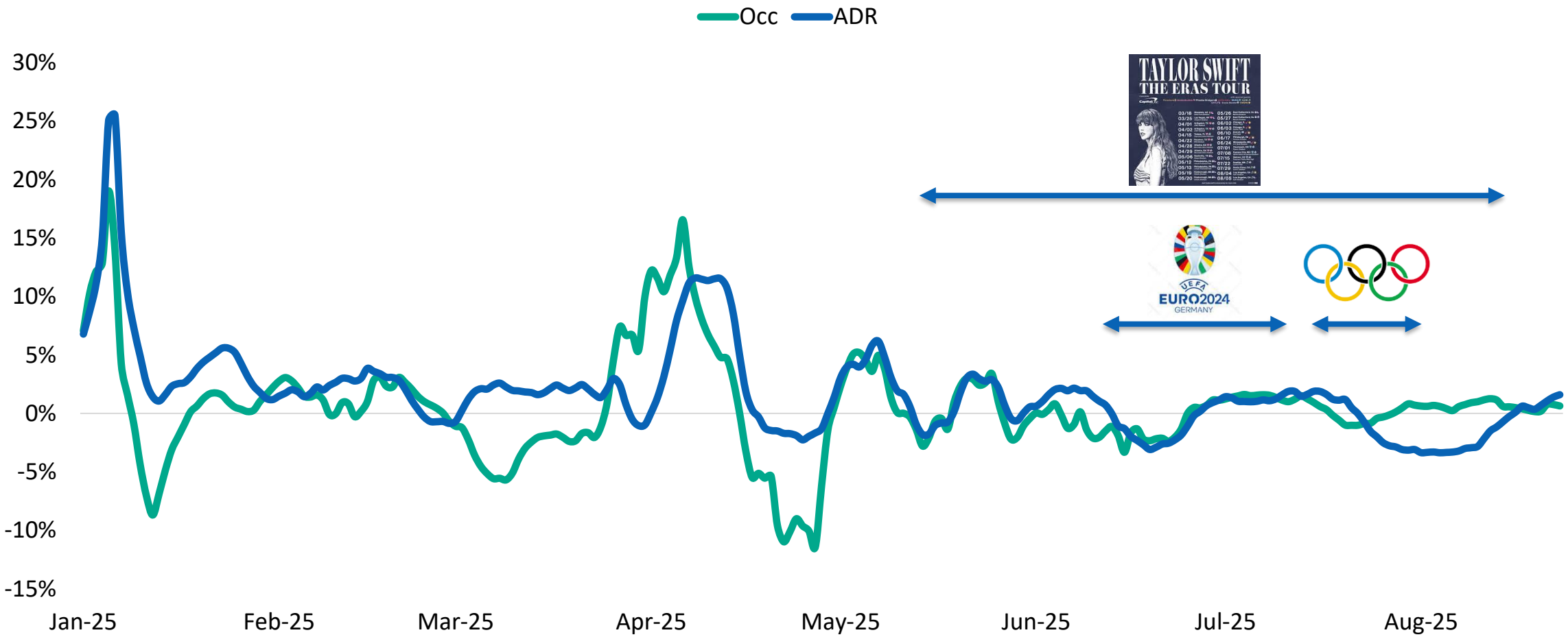


A two speed Eurozone Economy



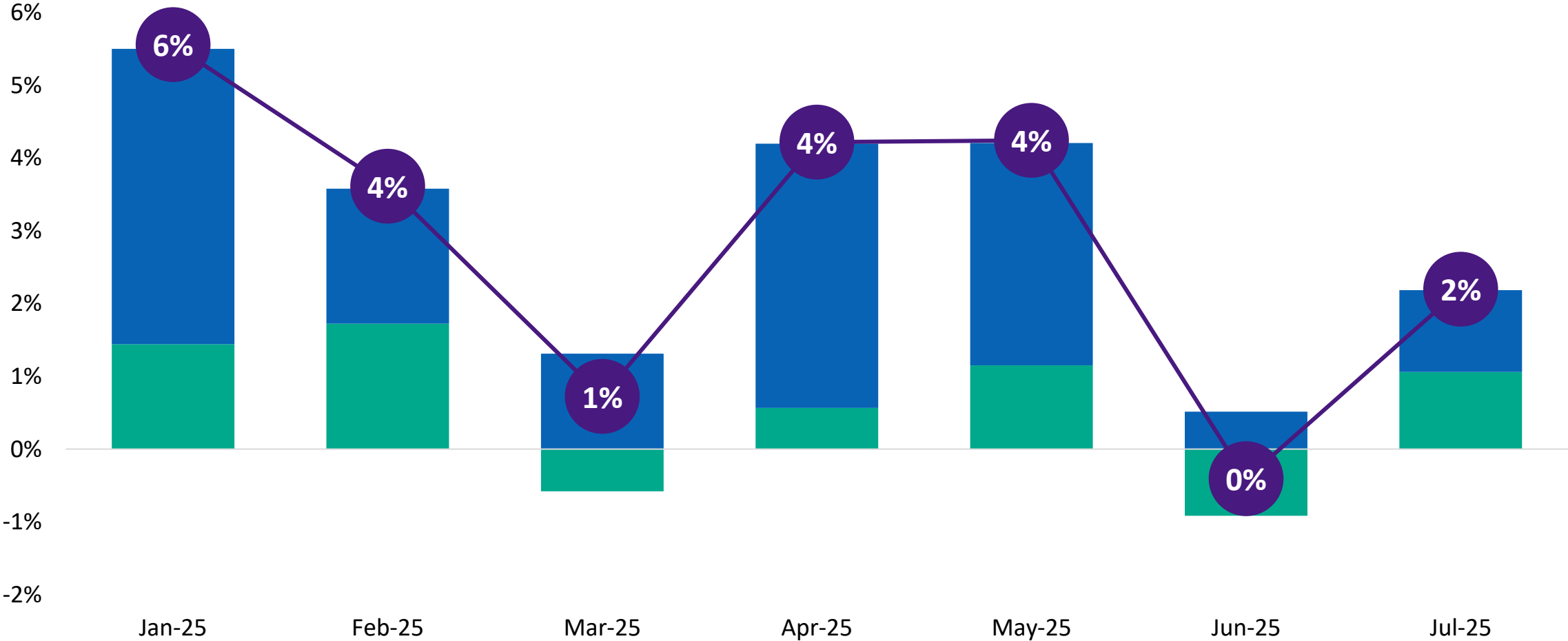
June and July muted with comps of Euros, Olympics, and Taylor Swift

Europe, R7 occ and ADR (EUR, CC) % chg. YoY, YTD 2025



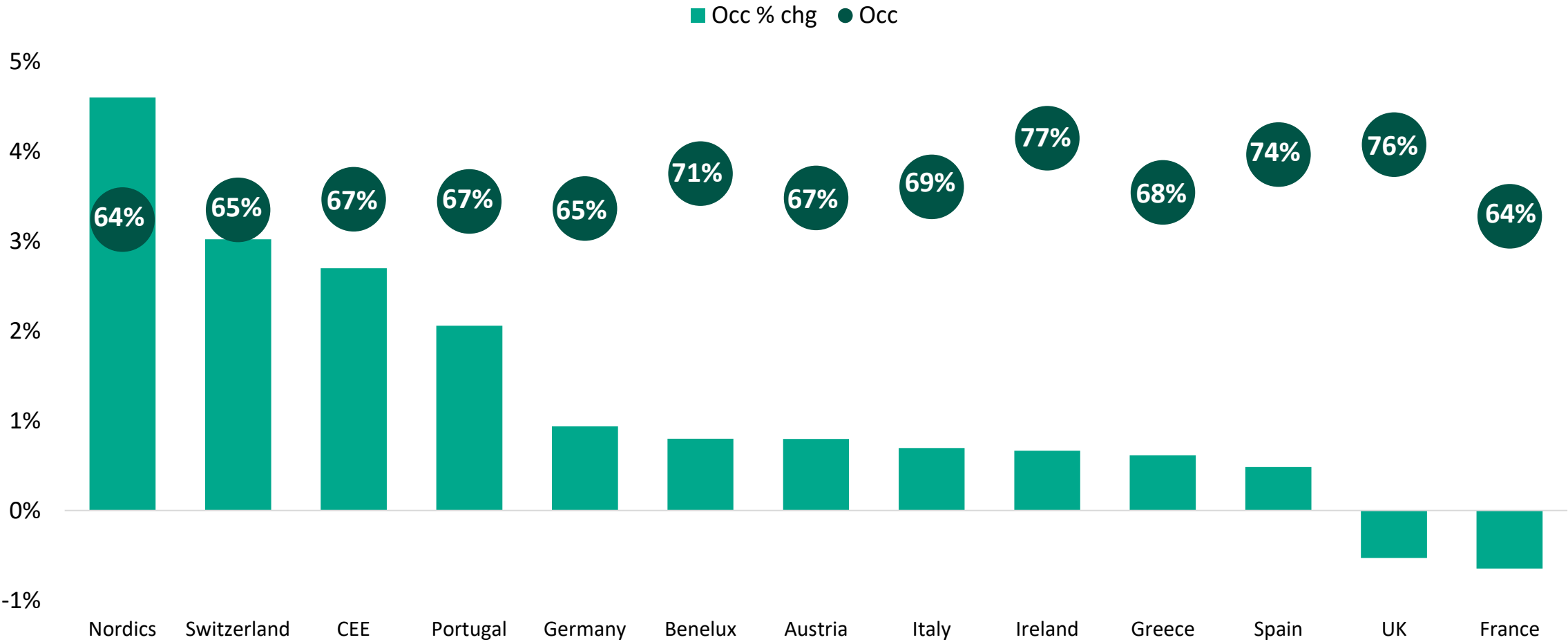
Though still with momentum built in Q1 and Q2

Europe, KPI % change YoY, YTD 2025



Occupancy growth led by those that are still yet to recover

Occupancy, actual and % chg. YoY, Jul YTD 2025

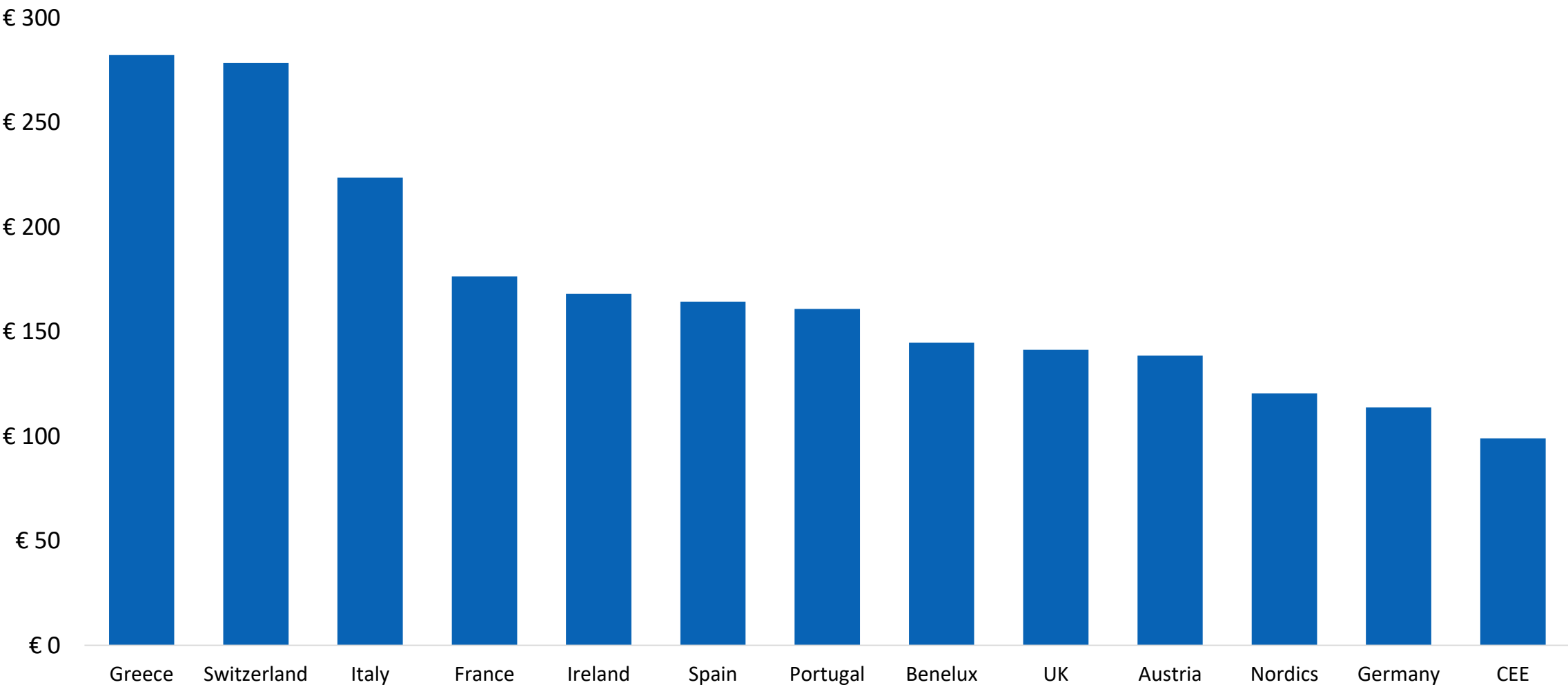


Nordics = Denmark, Finland, Iceland, Norway, Sweden

CEE = Bulgaria, Czech Republic, Estonia, Hungary, Lithuania, Latvia, Poland, Romania, Slovenia, Slovakia

Summer travel helped push Greece into top spot

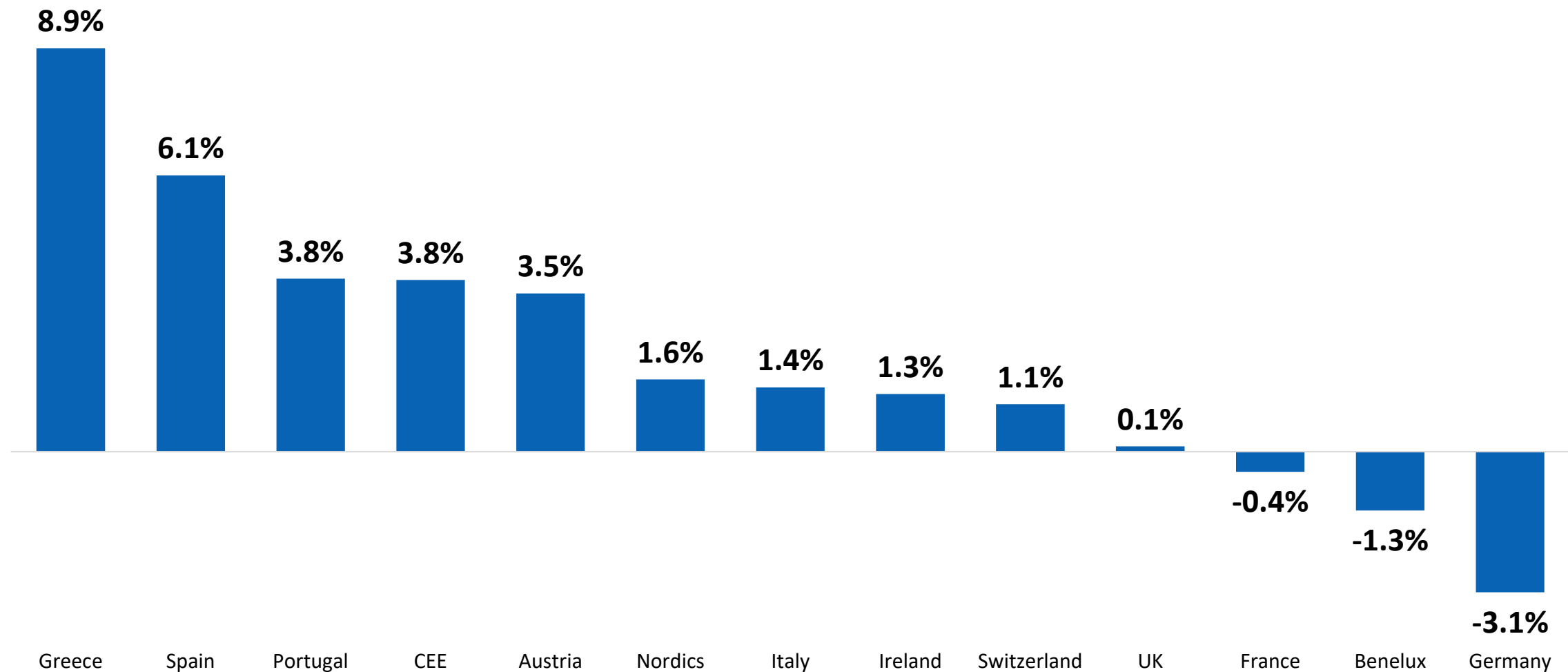
ADR (EUR), Jul YTD 2025



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Two speeds for Eurozone ADR

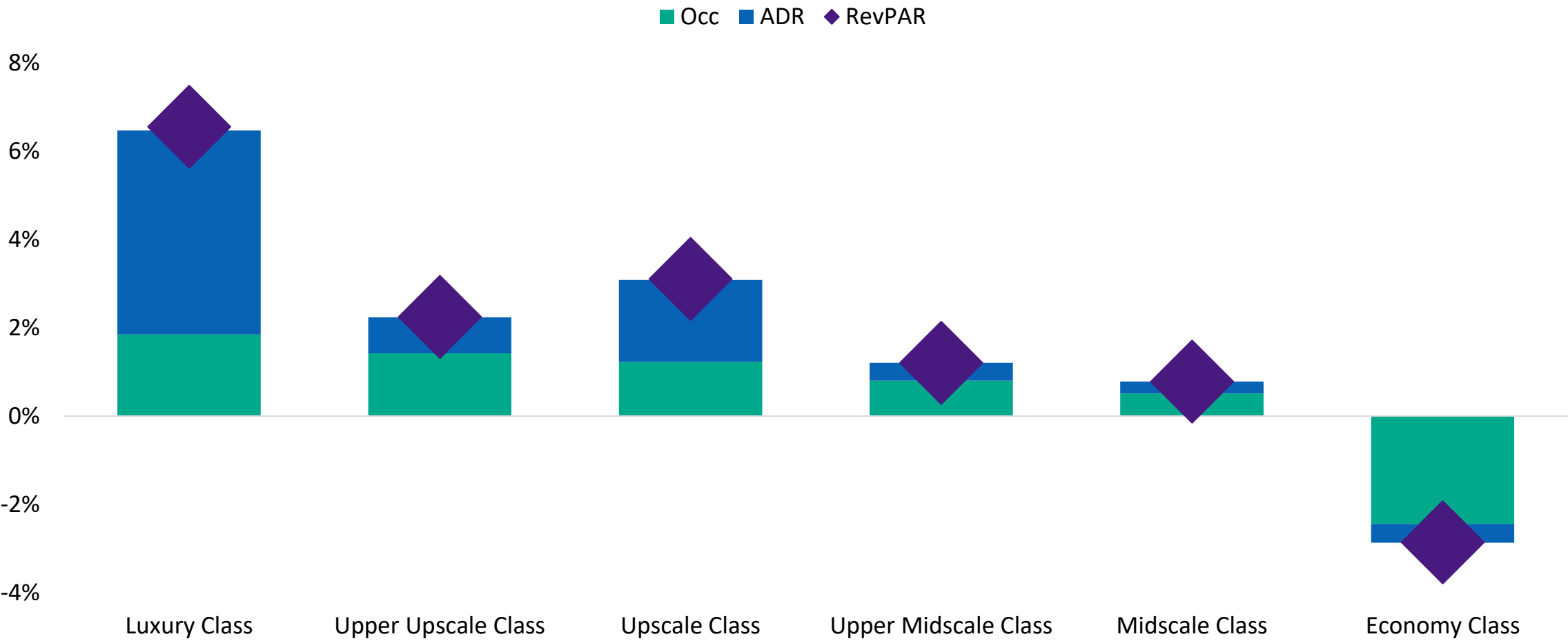
ADR % chg. YoY, Jul YTD 2025



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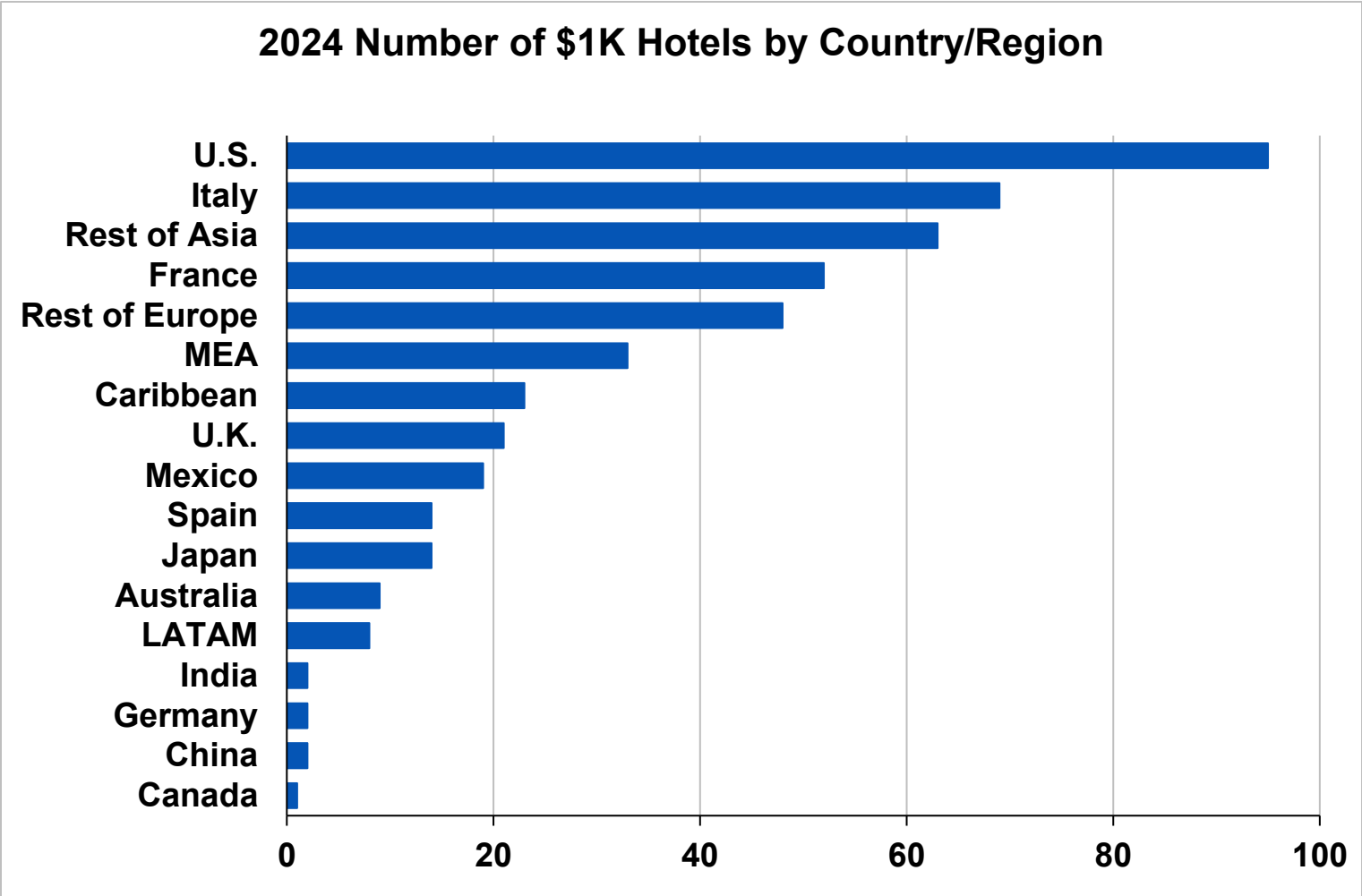
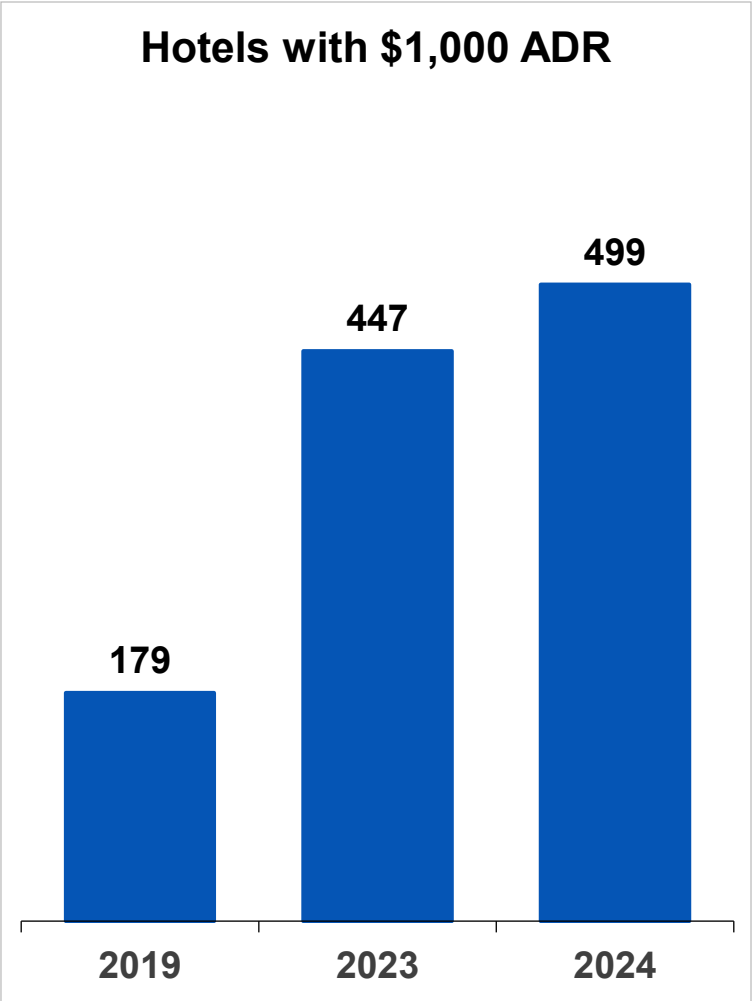
Class performance also forms into the two speed narrative

Europe, KPI (EUR, CC) % chg. YoY, YTD Jul 2025



Italy, France, and Spain combine for more \$1,000 ADR hotels than the U.S.

Number of hotels with an average ADR above \$1,000, reporting hotels



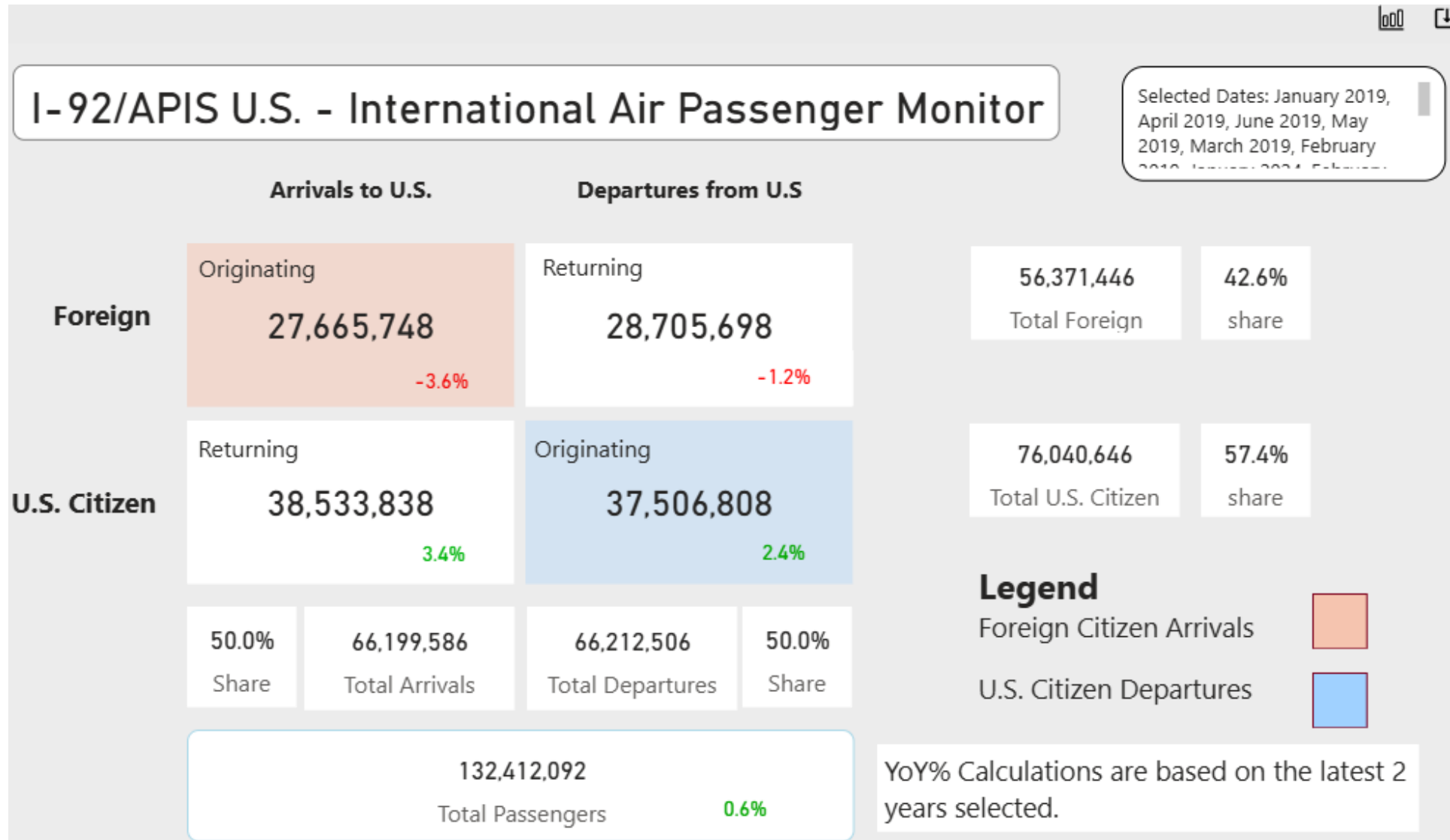


Geopolitical volatility to halt travel



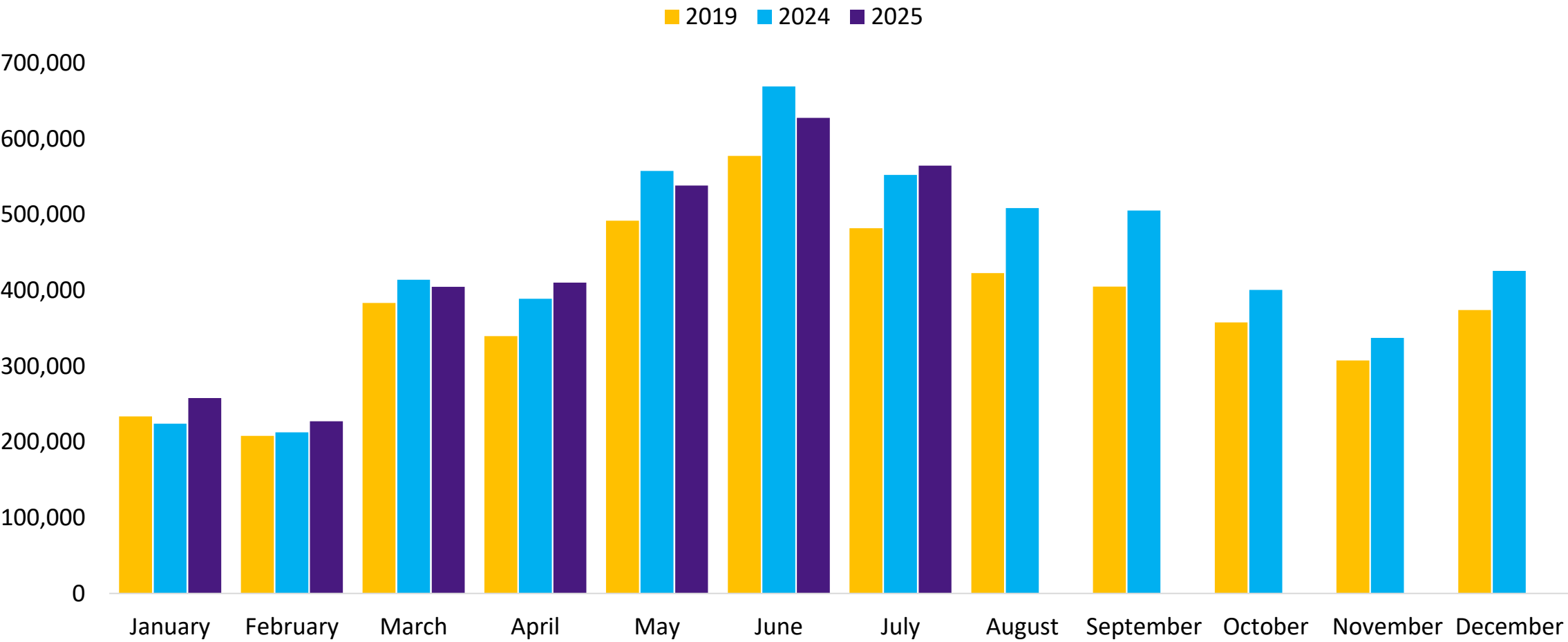
More Americans heading abroad, but less foreign travelers are arriving

<https://www.trade.gov/us-international-air-travel-statistics-i-92-data>



U.S. travel to London edged down in May and June and just ahead YTD

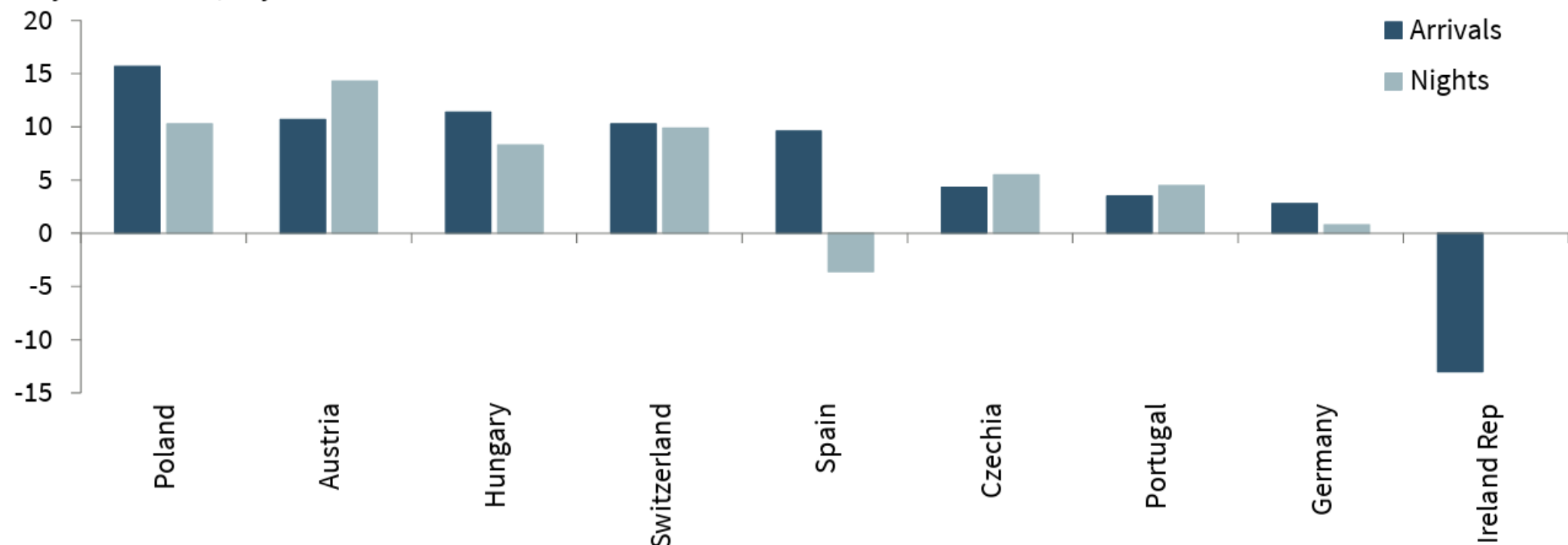
U.S. citizen departures to London, 2019, 2024 and 2025



US tourists have continued to visit Europe in H1 2025

American visits and overnights to select destinations

2025 year-to-date*, % year



Source: TourMIS* *date varies (Jan-Jun) by destination

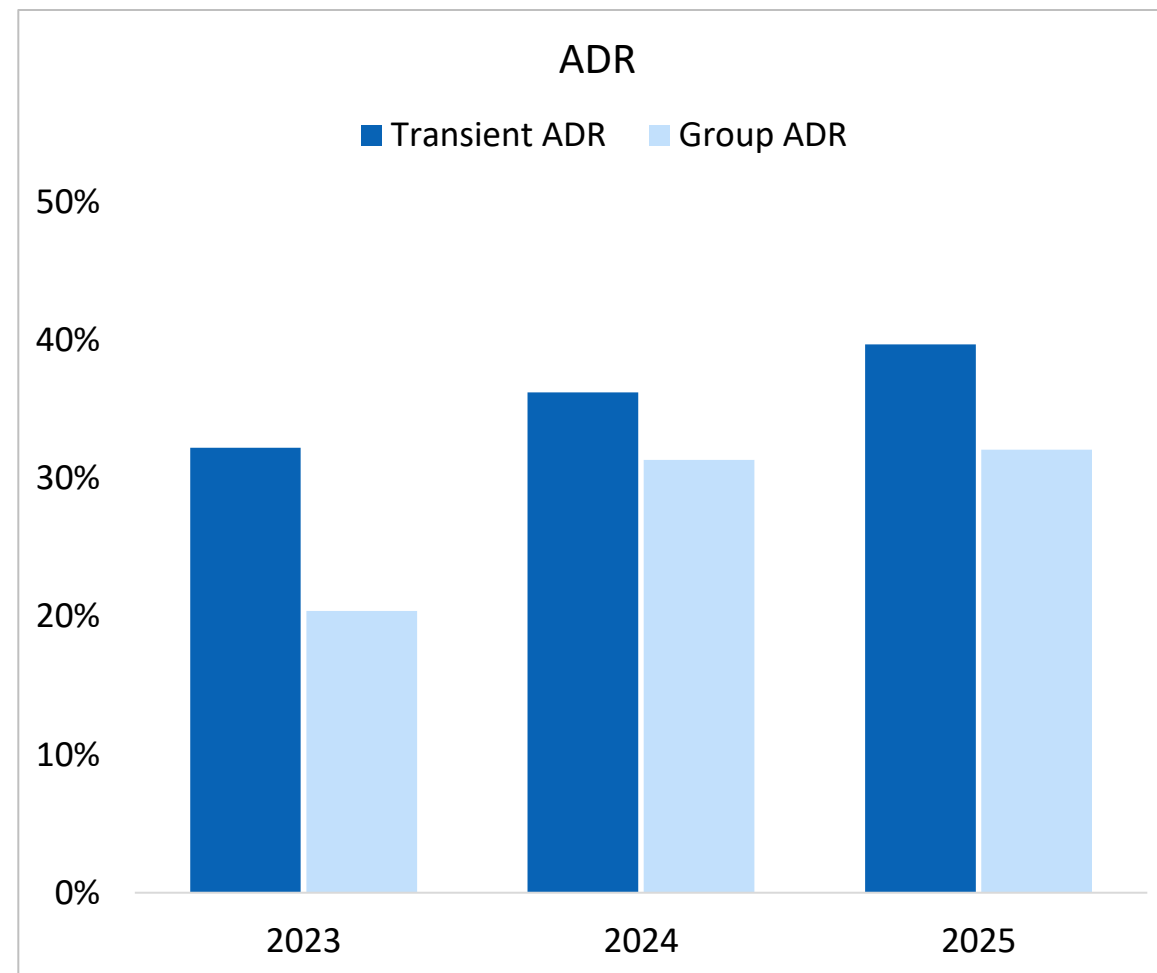
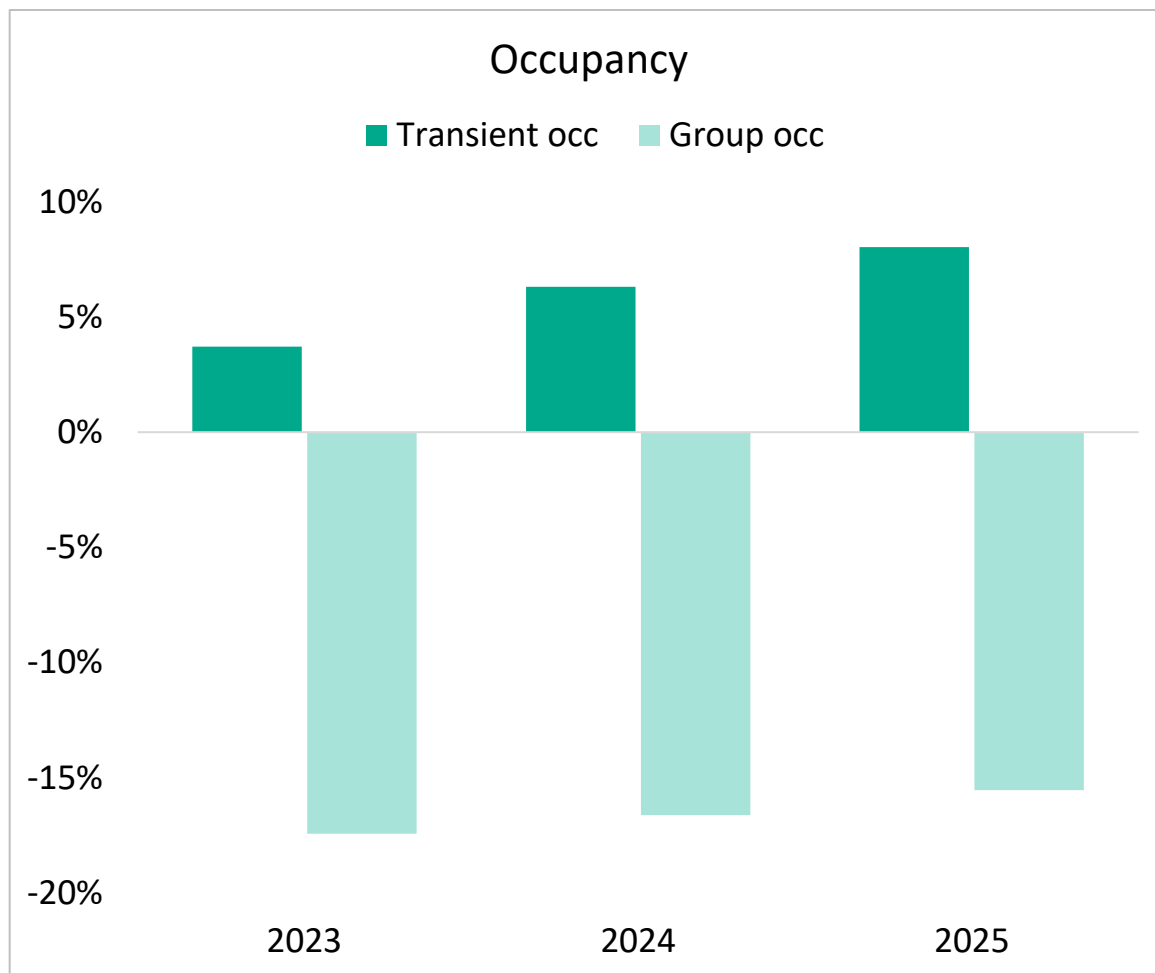


Events to never fully recover



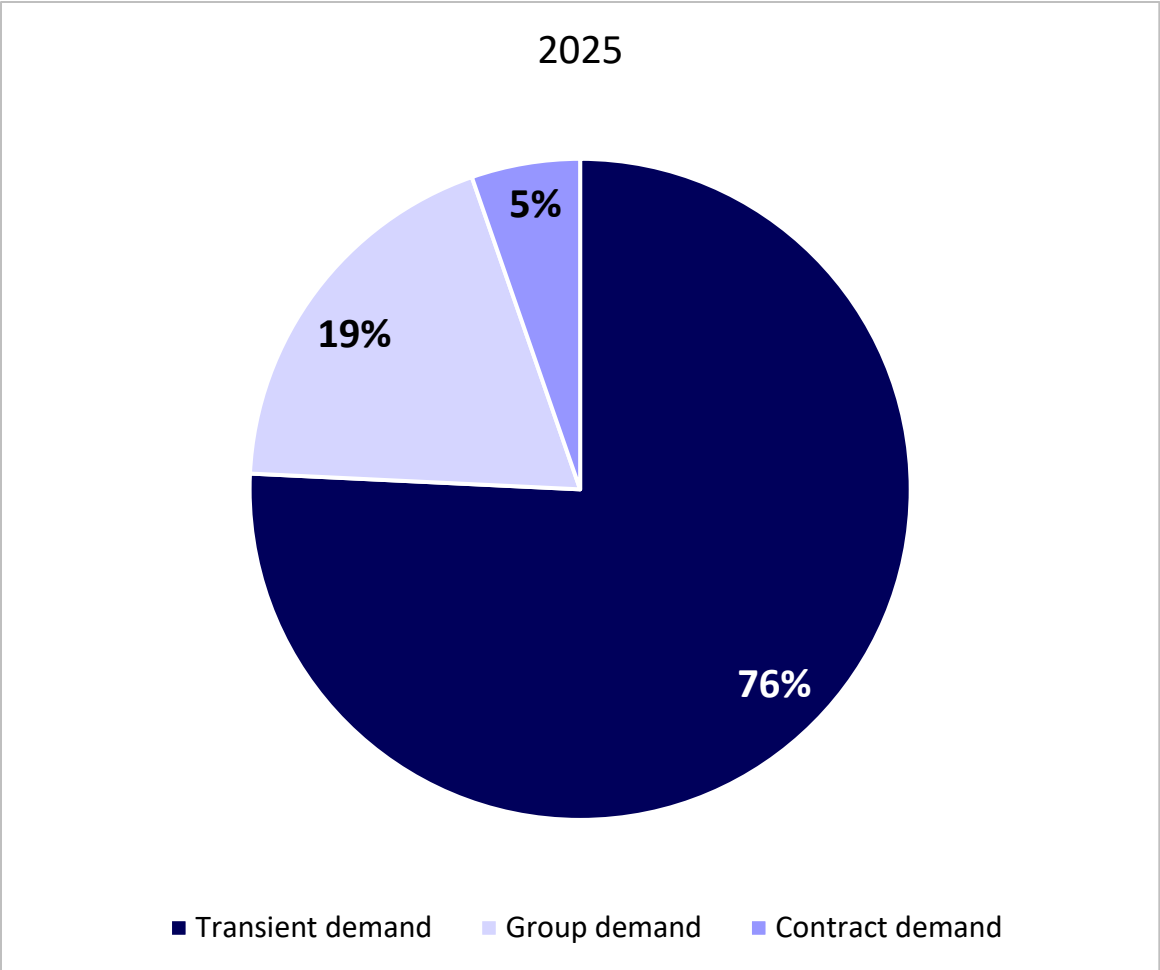
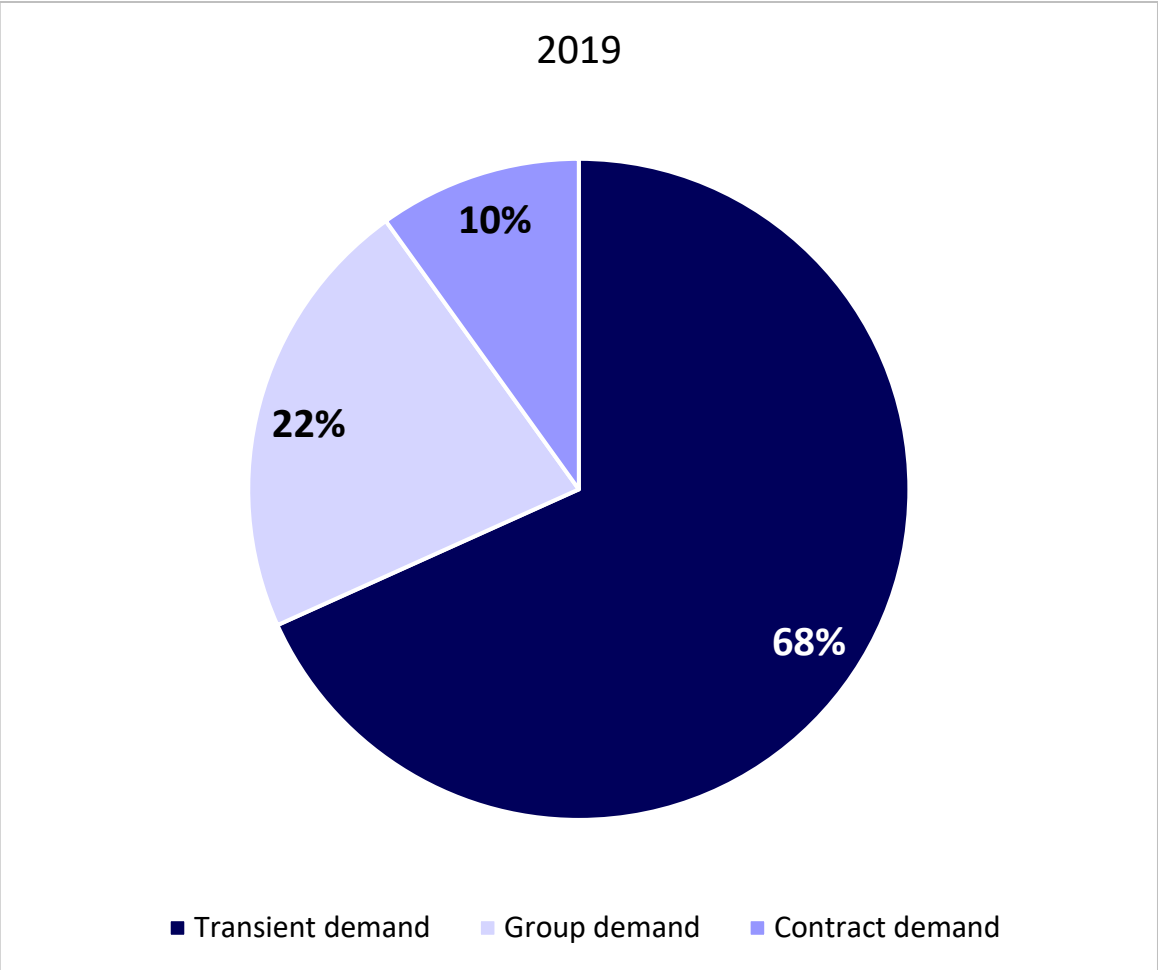
Groups have never really returned

Europe, Lux, Upper Ups, and Upscale classes, occ and ADR (EUR, CC) % chg. to 2019, Jul YTD 2025



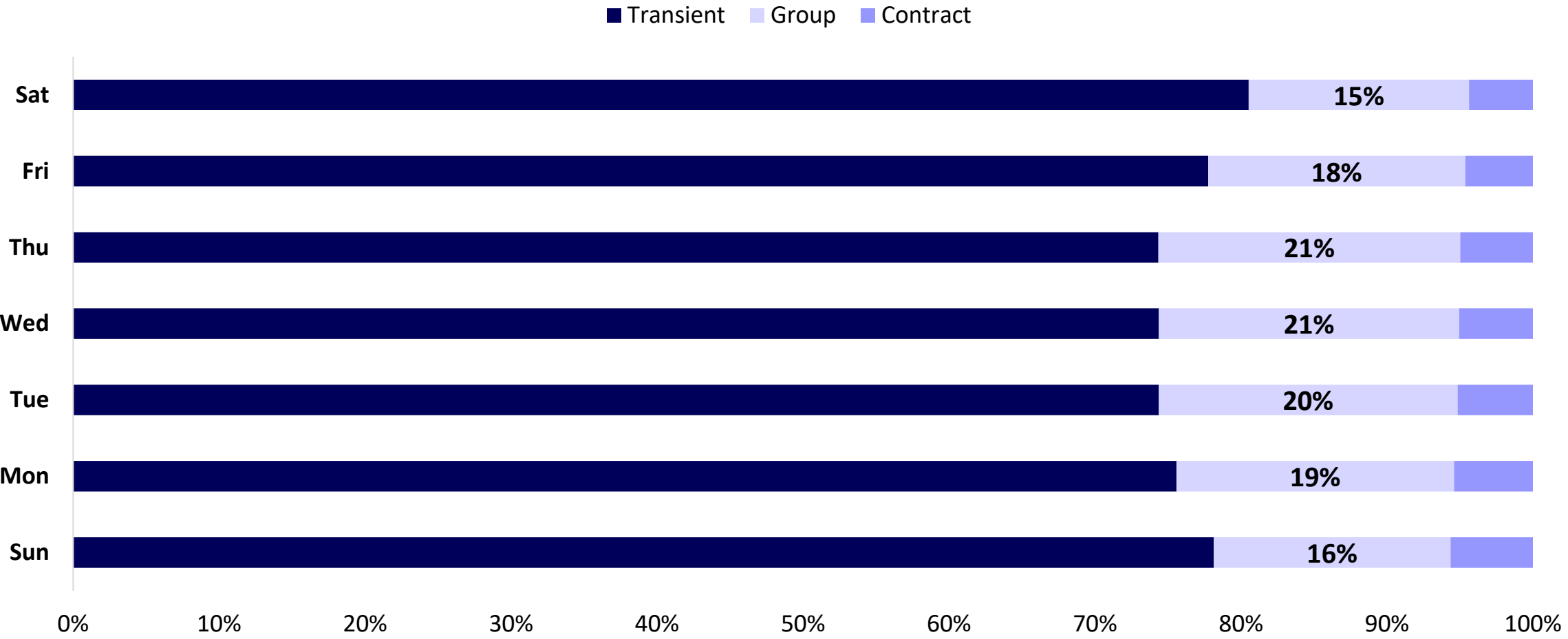
Transient has a strong hold on total market demand

Europe, Lux, Upper Ups, and Upscale classes, share of demand, Jul YTD 2025



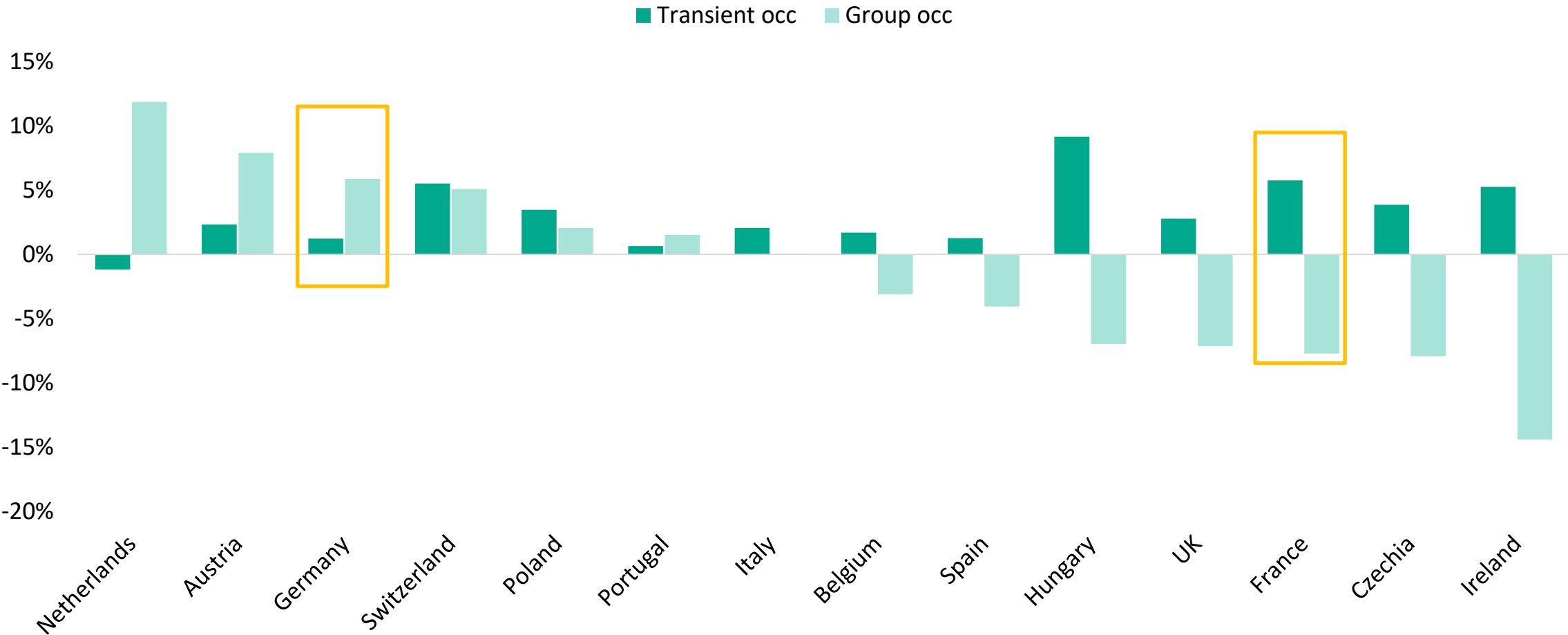
Groups account for 1/5 of all midweek roomnights

Europe, Lux, Upper Ups, and Upscale classes, share of demand, Jul YTD 2025



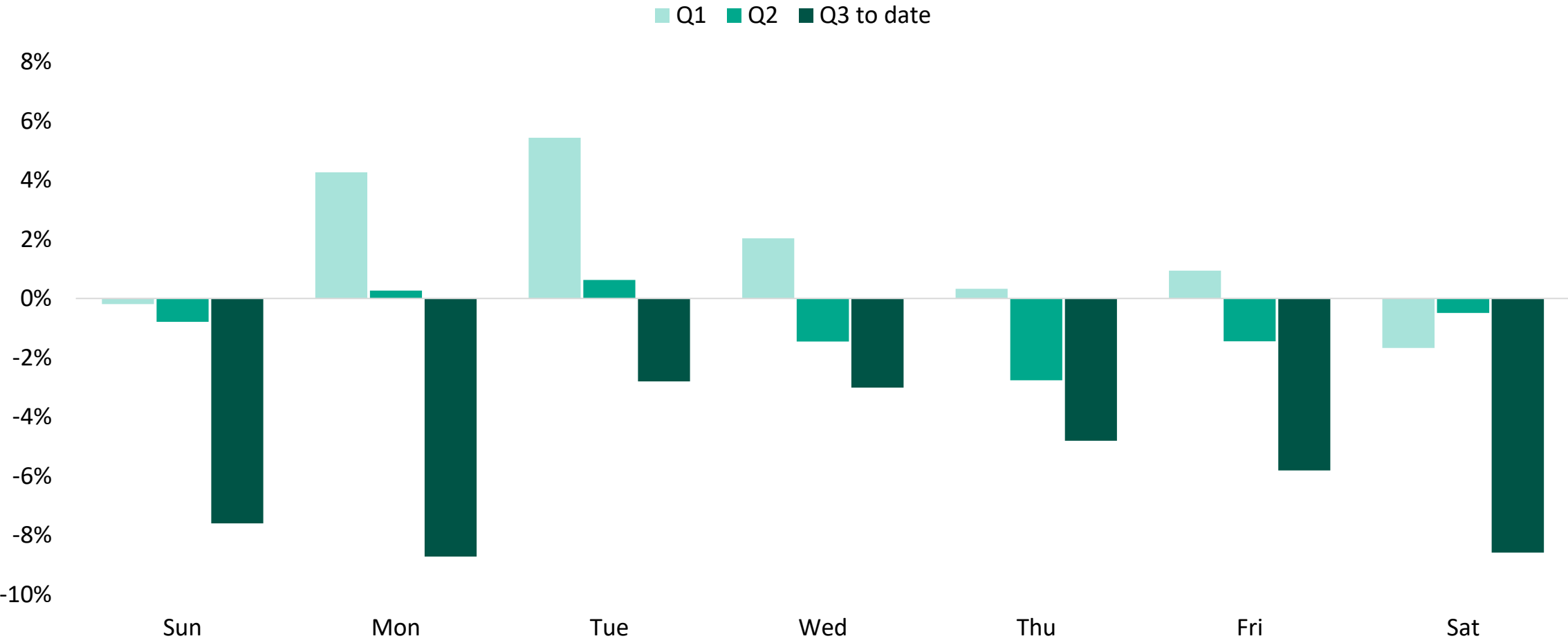
Transient occ grows low and slow; group a more mixed picture

Lux, Upper Ups, and Upscale classes, occ % chg. YoY, Jul YTD 2025



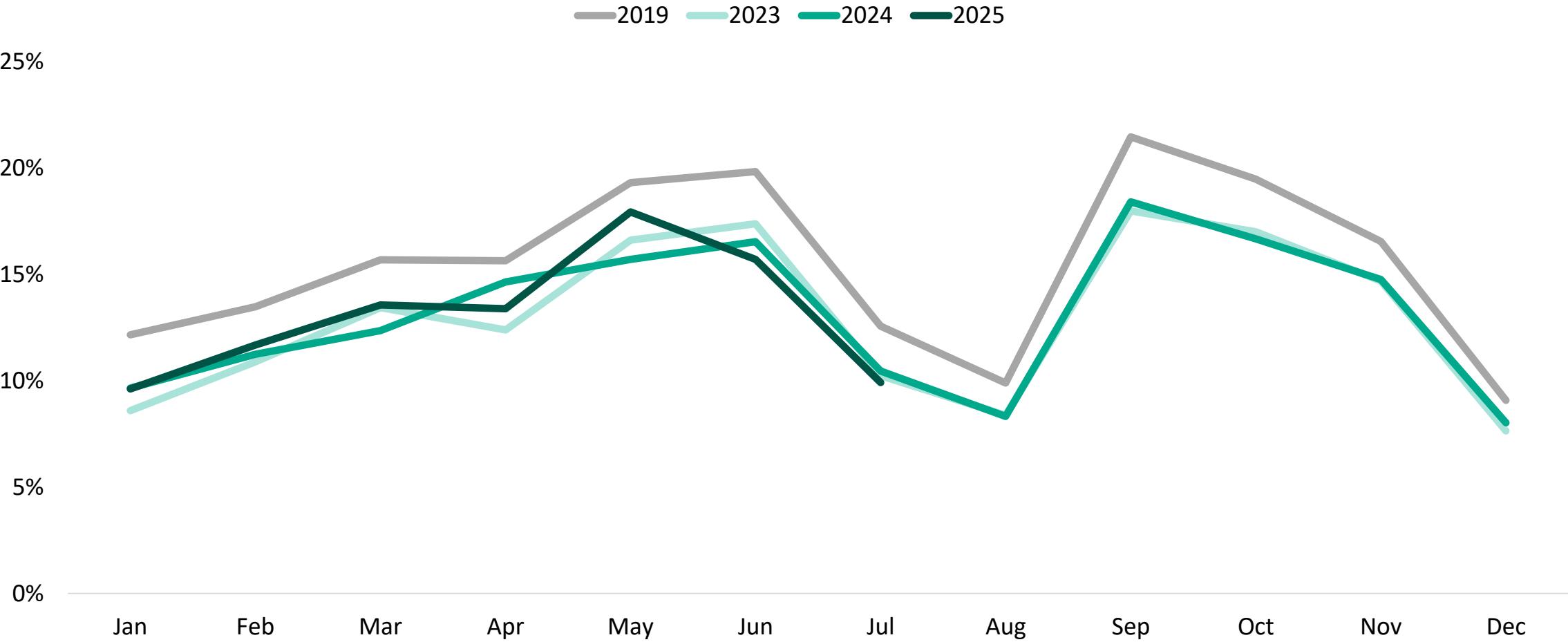
Midweek growth remains strongest...

Europe, Lux, Upper Ups, and Upscale classes, group occ % chg. YoY, 16 Aug YTD 2025



But biggest group months loom, and June already disappointed

Europe, Lux, Upper Ups, and Upscale classes, group occ, 2019, 2023-2025 YTD

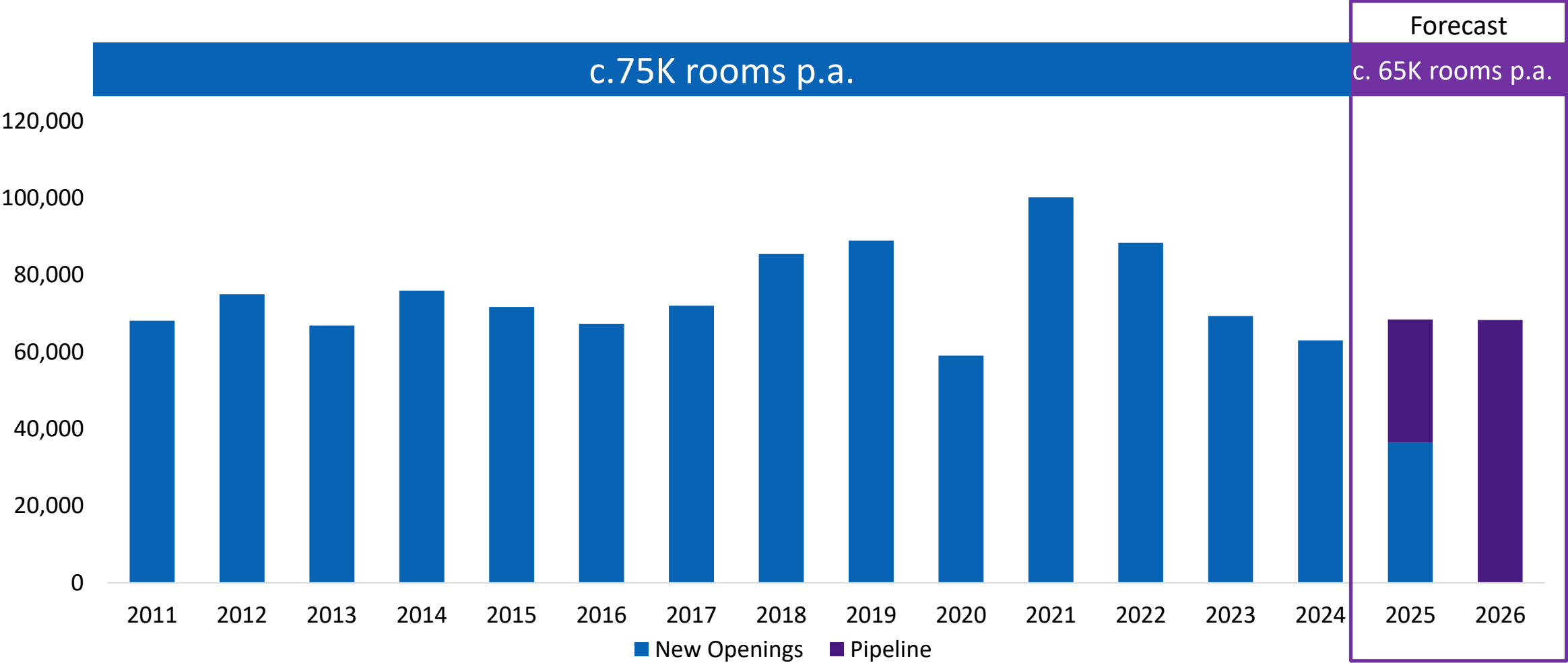


The future is uncertain



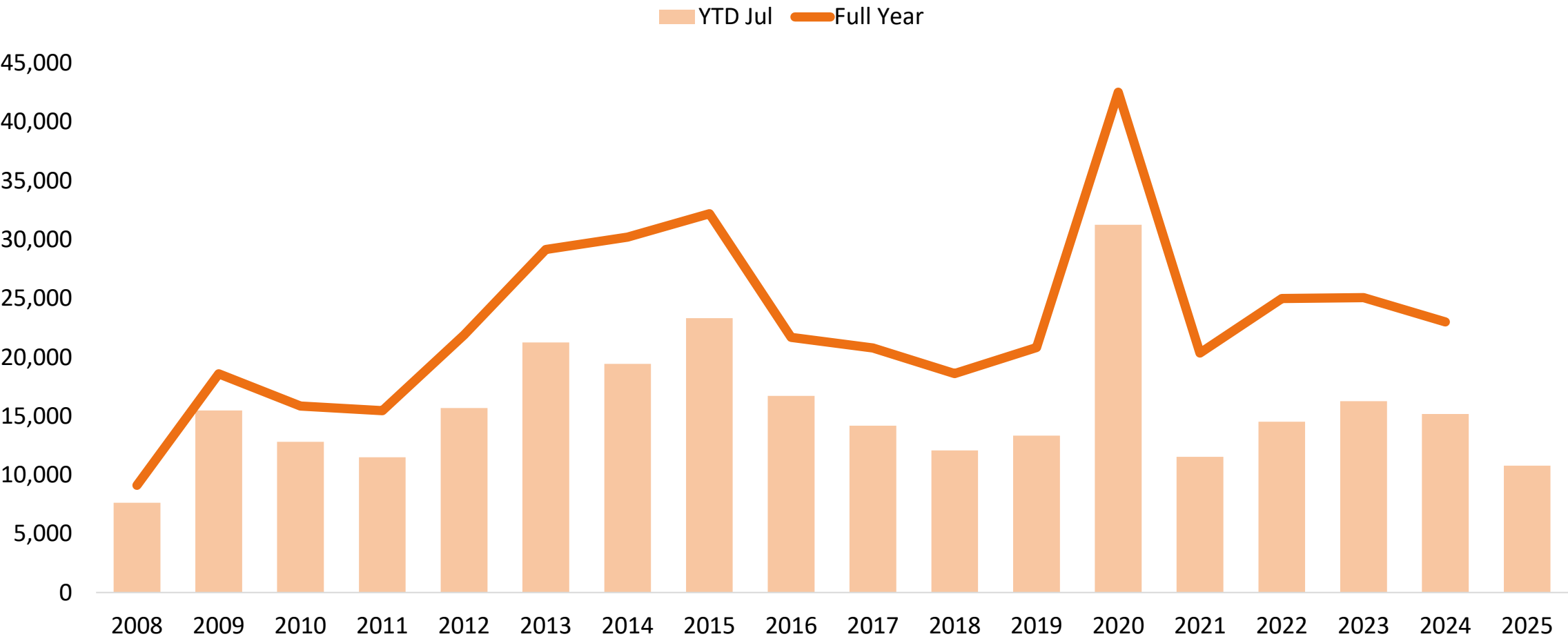
Below average historical pipeline a good sign for occupancy growth

Europe, New Openings & Pipeline (Completion & Delay Rates Applied), 2011-2026



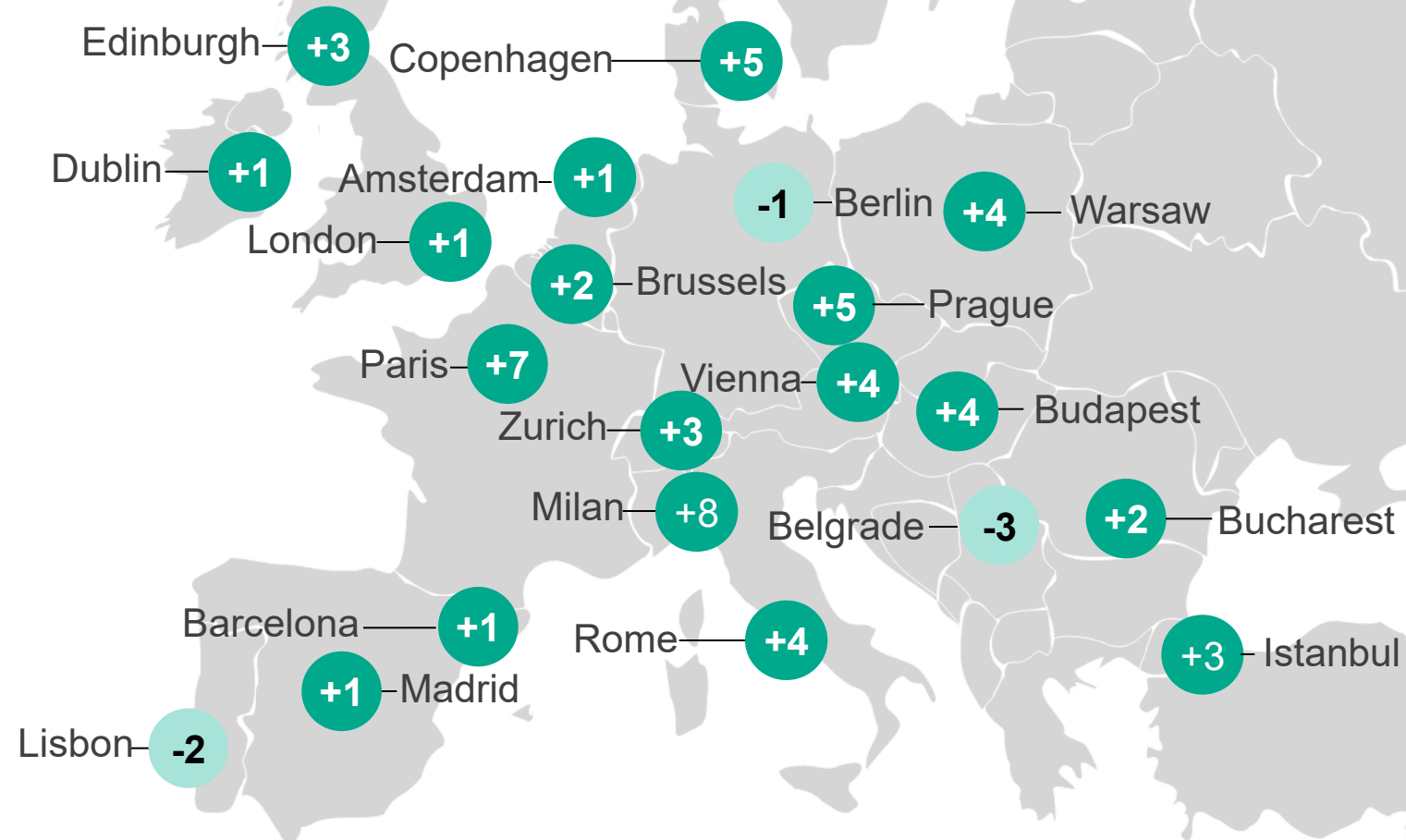
Closures in line or below post-GFC average

Europe, rooms permanently closed, 2008 – 2025 FY and YTD Jul 2025



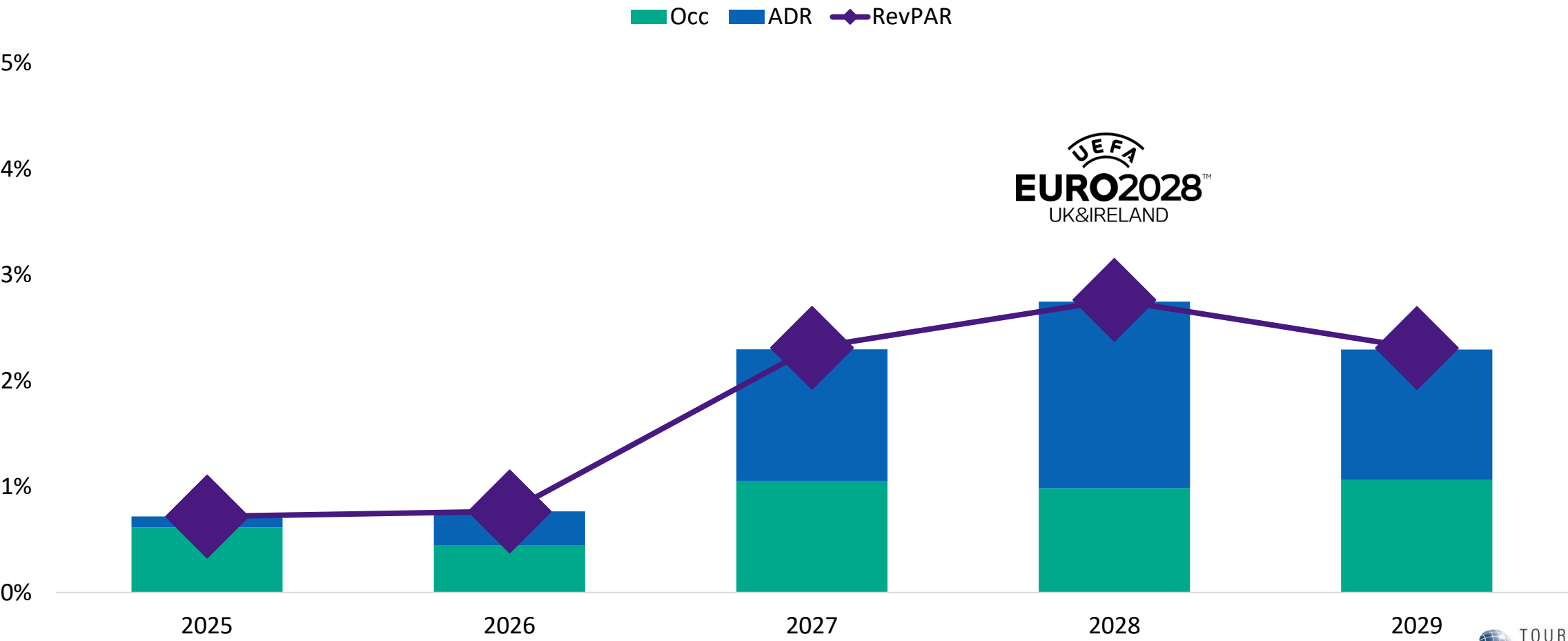
Business on the books positive into Q3/Q4

Occupancy on the books, percentage point change for next 90 days vs. STLY as of 01 Sep 2025



Muted in the near term with steady medium term

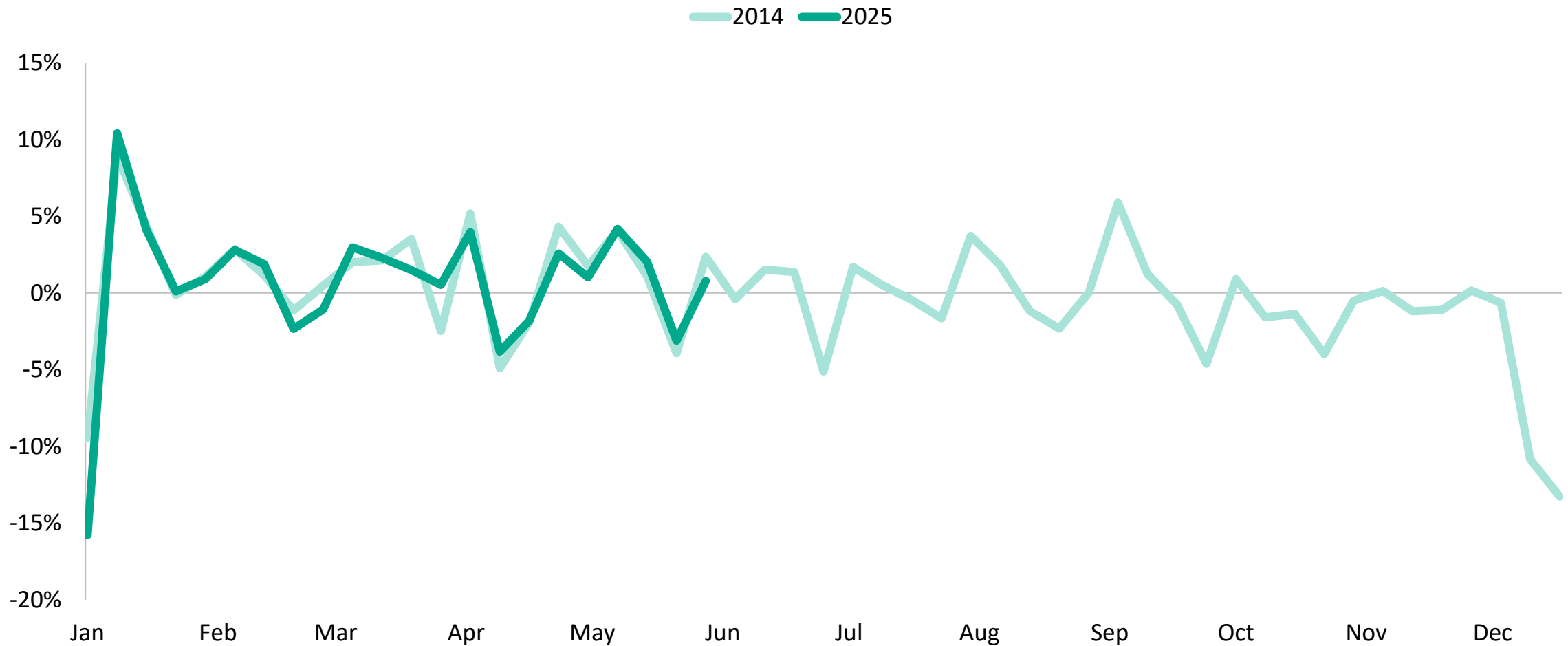
Europe markets*, KPI % chg. YoY, 2025F-2029F



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

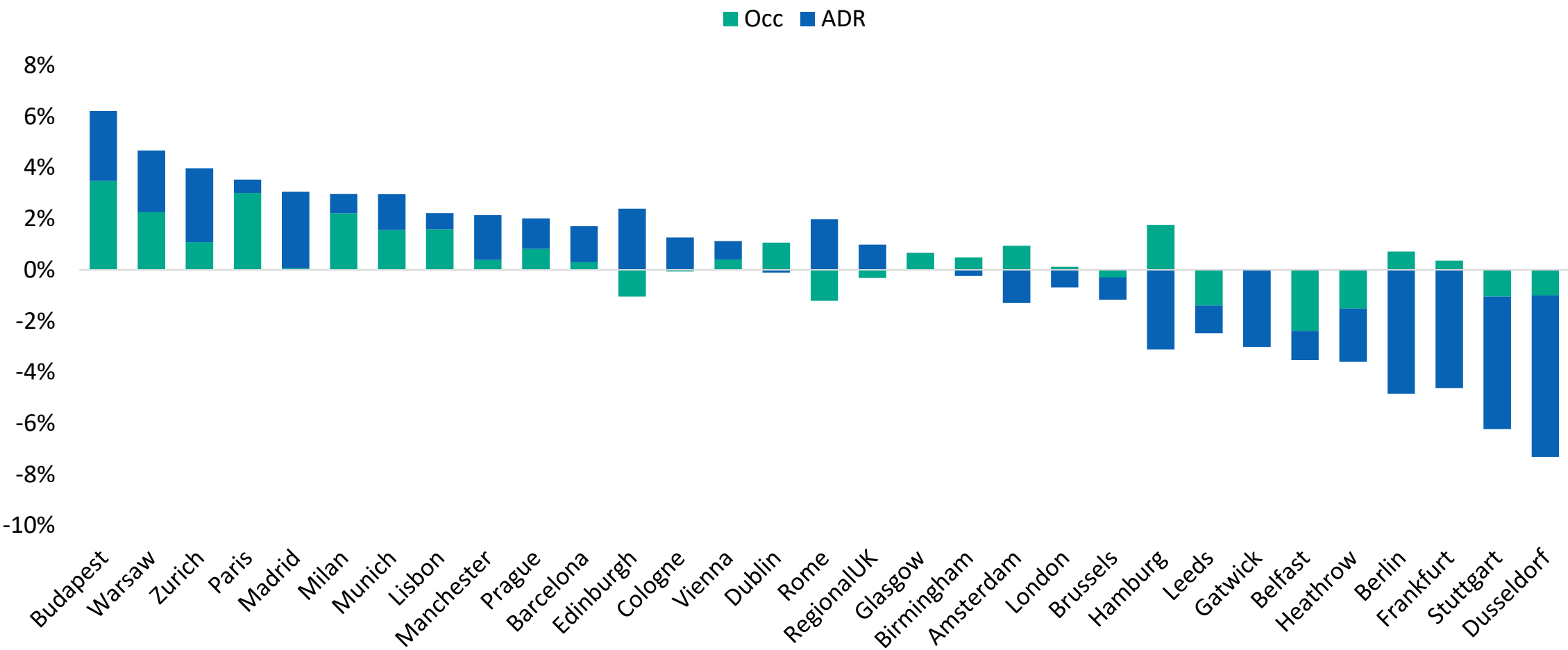
But When looking forward, always look back – occupancy patterns repeat

Europe, Occupancy week over week percentage point difference,
2014 and 2025



Economy the headwind and pricing power the casualty

Europe markets, RevPAR (local currency) % chg. YoY, 2025F



What do today's media headlines mean for hotels?



Global growth is slowing, but remains positive

Hotel market performance mirrors the Eurozone's two speeds

Geopolitical volatility is not halting European travel

Groups may have reached their new stabilized level

Uncertainty remains, yet despite major disruption in 2025, trading stable



Thank you!

