CUSHMAN & WAKEFIELD

LIFE IS WHAT WE MAKE IT

HOTEL OPERATOR BEAT

EUROPE - H1 2023

INITIAL FINDINGS - MAY 2023

CONTENT

HOTEL OPERATOR BEAT

H1 2023

CUSHMAN & WAKEFIELD

89%

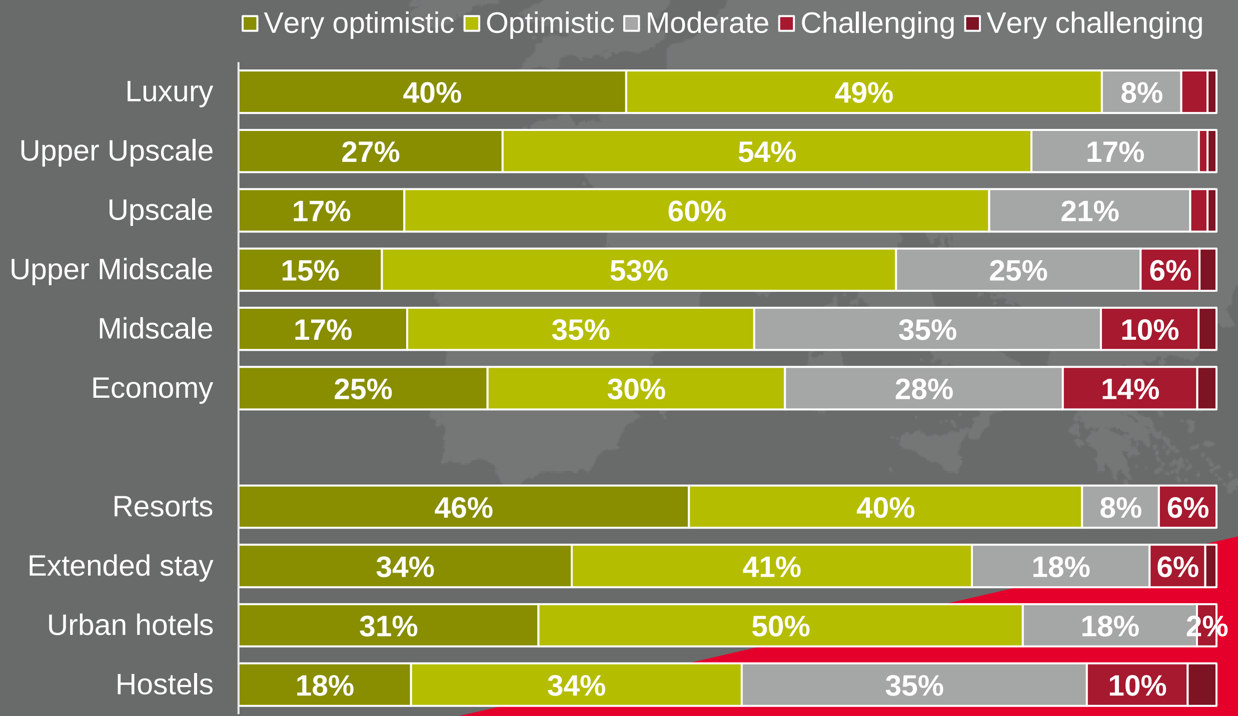
of surveyed operators are optimistic or very optimistic about the performance of ***luxury hotels***

86%

of surveyed operators are optimistic or very optimistic about the performance of ***resorts***

PERFORMANCE OUTLOOK

Q: What is your outlook for the following hotel classes/types (RevPAR in the next 12 months)?



HOTEL OPERATOR BEAT

H1 2023

CUSHMAN & WAKEFIELD

53%

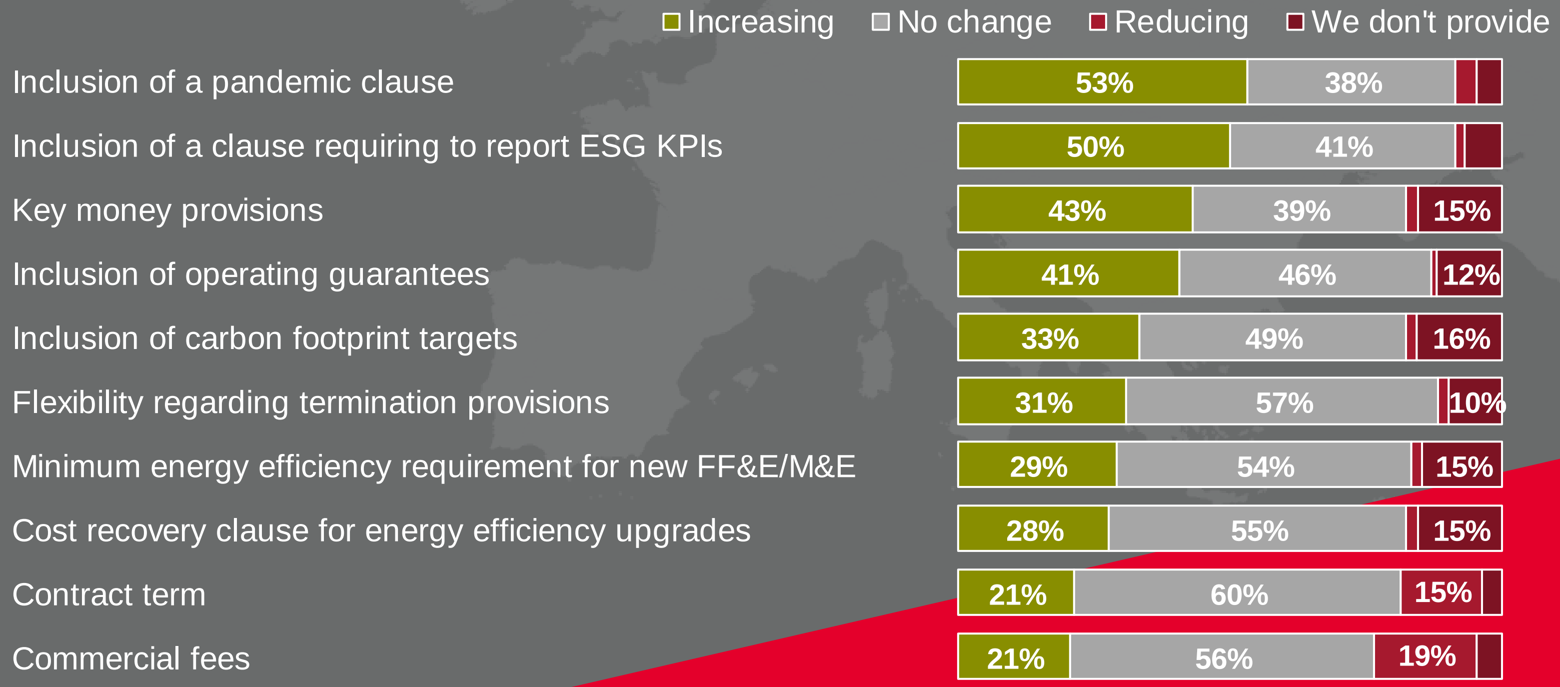
of surveyed operators report increasing trend of ***Pandemic clause*** in their new contracts and renewals in the last 12 months

50%

of surveyed operators report increasing trend of ***ESG KPIs reporting* clause in** their new contracts and renewals in the last 12 months

CONTRACT TERMS TRENDS

Q: Have you experienced any of the following trends in your key deal terms for new contracts and renewals in the last 12 months?



**% of respondents for whom these deal terms apply*

HOTEL OPERATOR BEAT

H1 2023

CUSHMAN & WAKEFIELD

35%

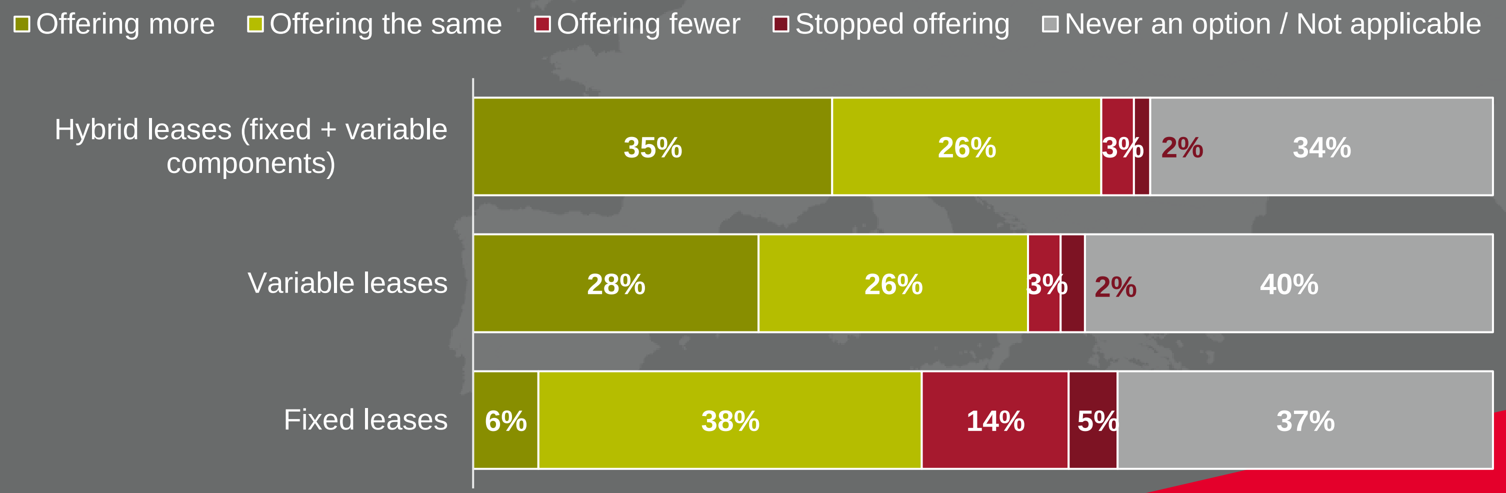
of surveyed operators are offering more ***hybrid leases*** since last year. Similarly, 28% of respondents are offering more **variable leases**

19%

of surveyed operators are offering fewer or have stopped offering ***fixed leases***

WILLINGNESS TO OFFER LEASE

Q: Please indicate (if applicable) how your attitude towards leasing evolved since last year.



HOTEL OPERATOR BEAT
H1 2023

16%

of the pipeline projects are currently ***delayed*** (on average)*

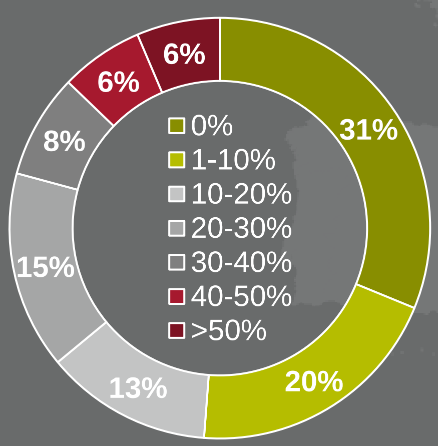
8%

of the pipeline projects are currently ***on hold*** (on average)*

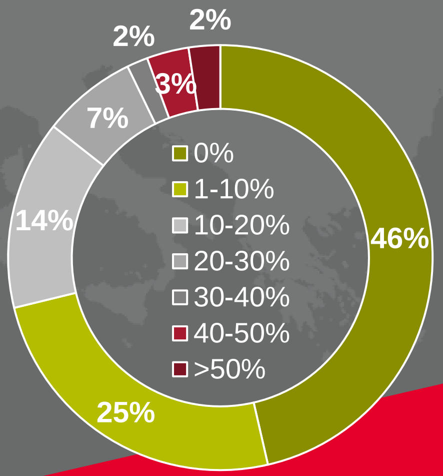
HOTEL PIPELINE TRENDS

Q: What percentage of your pipeline projects are currently delayed or placed on hold?

% of pipeline delayed



% of pipeline placed on hold



*Weighted average of the mid points

Note:
DELAYED – the project continues but the completion is expected later than initially planned
ON HOLD – the project stopped

HOTEL OPERATOR BEAT

H1 2023

6-12 MONTHS

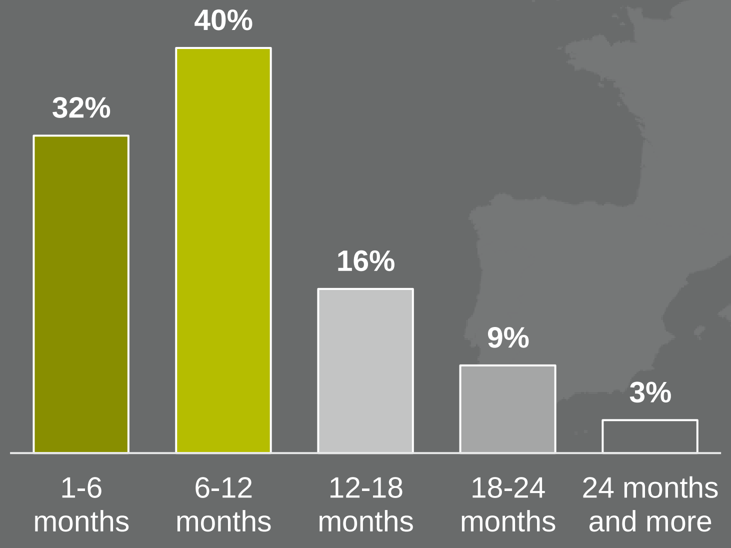
is the ***most common delay*** of pipeline projects (according to 40% of respondents)

63%

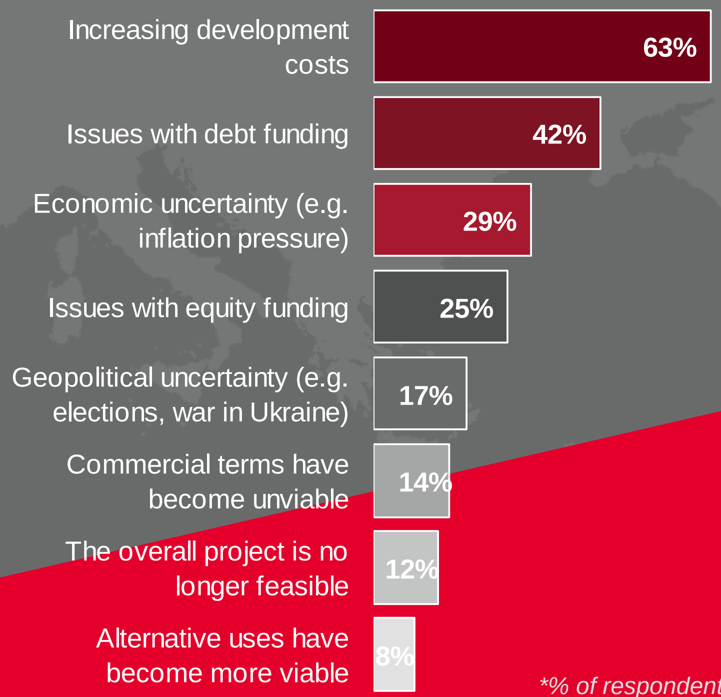
of issues associated with delayed/pending pipeline projects are due to ***rising development costs***

HOTEL PIPELINE TRENDS

*Q: Of those projects which are delayed what is the average period of delay?**



*Q: For the delayed deals or those that did not proceed, what were the reasons? (multiple answers possible)**



**% of respondents*

Note:
ON HOLD – the project stopped
DELAYED – the project continues but the completion is expected later than initially planned

HOTEL OPERATOR BEAT

H1 2023

66%

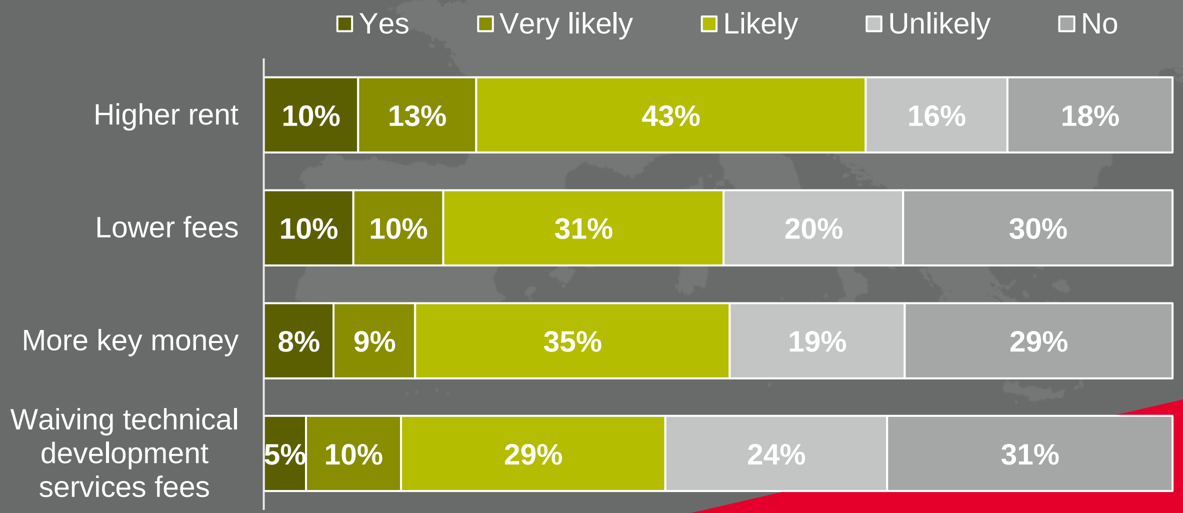
of surveyed operators are likely to offer a ***higher rent*** for hotels with the highest ESG certifications

51%

are willing to ***lower their fees*** for hotels with the highest ESG credentials

ENVIRONMENTAL CONSIDERATIONS

Q: Are you willing to provide more favourable commercial terms for hotel properties that have the highest environmental building rating/certification (for example: BREEAM-Outstanding, LEED-Platinum, EPC-A, etc.)?



ABOUT THE SURVEY

Operator Beat H1 2023 – Europe

INITIAL FINDINGS

- This is an ongoing survey which started on the 21st of April 2023
- As of 5th May, the survey was completed by 125 executives representing over 78 operators with existing presence in Europe or interest to enter the region
- The interviewed operators represent over 5,192 hotels with over 567,000 rooms already operating in Europe, with an additional 919 proposed hotels comprising over 125,000 rooms in the pipeline

WE MAKE IT INNOVATIVE

JONATHAN HUBBARD
Head of Hospitality
EMEA

M: +44 7921 492681
jonathan.hubbard@cushwake.com

RICHARD CANDEY
Head of Investor & Developer Services
Hospitality EMEA

M: +44 7702 759173
richard.candey@cushwake.com

BORIVOJ VOKRINEK
Strategic Advisory & Head of Hospitality
Research EMEA

M: +420 727 906 030
borivoj.vokrinek@cushwake.com

LISE KELLER
Analyst - Strategic Advisory & Hospitality
Research EMEA

M: +420 607 044 299
lise.keller@cushwake.com

About Cushman & Wakefield

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