

# MARKETBEAT EUROPE

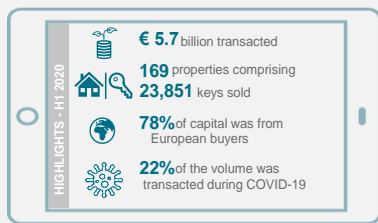
Hospitality H1 2020



## MARKET SUMMARY OUTLOOK

	YoY Chg	12-Mo. Forecast	
Investment Trends	▼	—	Transaction volume declined by 55.4% during the H1 2020, still reaching €5.7 billion, albeit 79% were agreed before COVID-19 outbreak. The activity is likely to remain muted and pick-up at the end of this year or early in 2021.
Prime Yields	—	▲	So far no evidence of declining yields in core locations. Going forward, for non-prime assets and deals outside core markets, compromises might be required to bridge the gap between buyers and sellers expectations.
Market Performance	▼	▲	Due to COVID-19, RevPAR in Europe declined by 58% during H1 2020, with average occupancy down to 34%. The recovery has started albeit it will be increasingly polarised across various markets and hotel tiers.
Supply	▲	▲	While there are several markets with a notable pipeline, the current crisis is likely to cause many projects to be delayed or cancelled, helping with the performance recovery.
Demand	▼	▲	After a severe fall in travel since the COVID-19 outbreak, the demand has started to pick up, primarily driven by leisure and domestic guests.

## INVESTMENT TRENDS



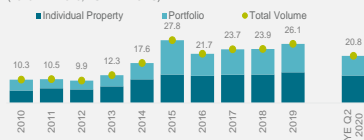
### RECENT TRANSACTION TRENDS

	H1 2020	% Change**	YE H1 2020	% Change***
Properties Sold	169	-60.0%	586	-38.8%
Rooms Sold	23,851	-60.7%	98,669	-28.6%
Volume Transacted*	€ 5.7	-55.4%	€ 20.8	-20.2%

\*Billions  
\*\*% Change compared to same period last year  
\*\*\*% Change compared to 2019 full year

### ANNUAL TRANSACTION VOLUMES

(2010 - H1 2020, EUR BILLIONS)



Source : Cushman and Wakefield / RCA

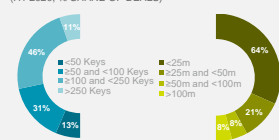
### AVERAGE TRANSACTION PRICE

(H1 2020, EUR)



### BREAKDOWN BY NO. OF KEYS SOLD & DEAL SIZE

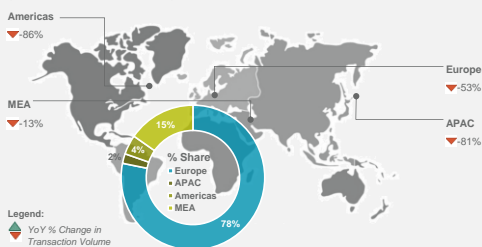
(H1 2020, % SHARE OF DEALS)



## NATURE OF INVESTMENTS

### TRANSACTION VOLUME BY SOURCE OF CAPITAL

(% CHANGE, H1 2020 vs. H1 2019)



### TOP 10 MARKETS BY TRANSACTION VOLUME

(H1 2020, EUR BILLIONS)

No.	Country	2020 H1	€	Change**	YE Q2 2020	€	Change***
1	UK	1.8		-55%	4.5		-21%
2	Germany	0.9		-42%	4.3		-4%
3	Spain	0.7		52%	1.7		16%
4	Italy	0.4		-81%	1.4		-57%
5	France	0.4		-64%	2.5		-21%
6	Greece	0.3		2140%	0.6		108%
7	Netherlands	0.2		-41%	1.4		1%
8	Ireland	0.2		1%	0.6		4%
9	Norway	0.2		65%	0.2		62%
10	Portugal	0.1		-73%	0.2		-64%

\*\*% Change compared to same period last year  
\*\*\*% Change compared to 2019 full year

### TRANSACTION VOLUME BY TYPE OF INVESTOR

(H1 2020, % SHARE OF TOTAL TRANSACTIONS)

	BUYERS (% Share)		SELLERS (% Share)	
	Last 6 Months	% Change	Last 6 Months	% Change
Institutional	48%	-66%	36%	-20%
Private	40%	-10%	57%	-61%
Public	12%	1%	5%	-91%

### TRANSACTION ACTIVITY & COVID-19 OUTBREAK

(H1 2020, % SHARE OF TOTAL TRANSACTIONS)



Source : Cushman & Wakefield / RCA

Pre-COVID deal is a transaction that was agreed/committed before the COVID-19 outbreak.

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