

HOTEL INVESTOR BEAT

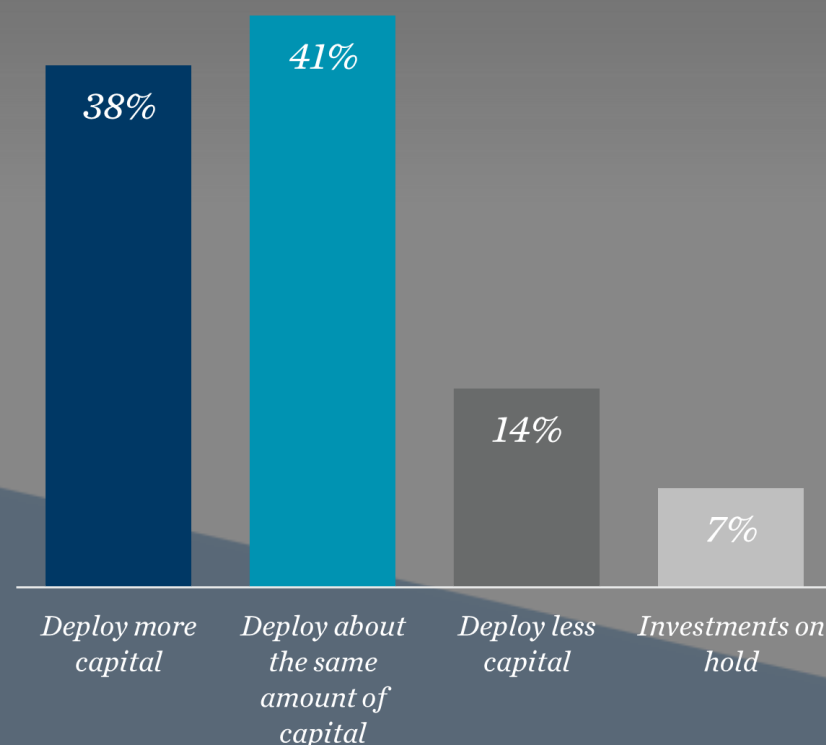
Sentiment of institutional hotel investors - Europe

H1 2022

“The majority of investors intend to deploy the same or more capital in hotel real estate,,

Q: How has your hotel acquisition strategy changed compared to pre-pandemic times (2019)?

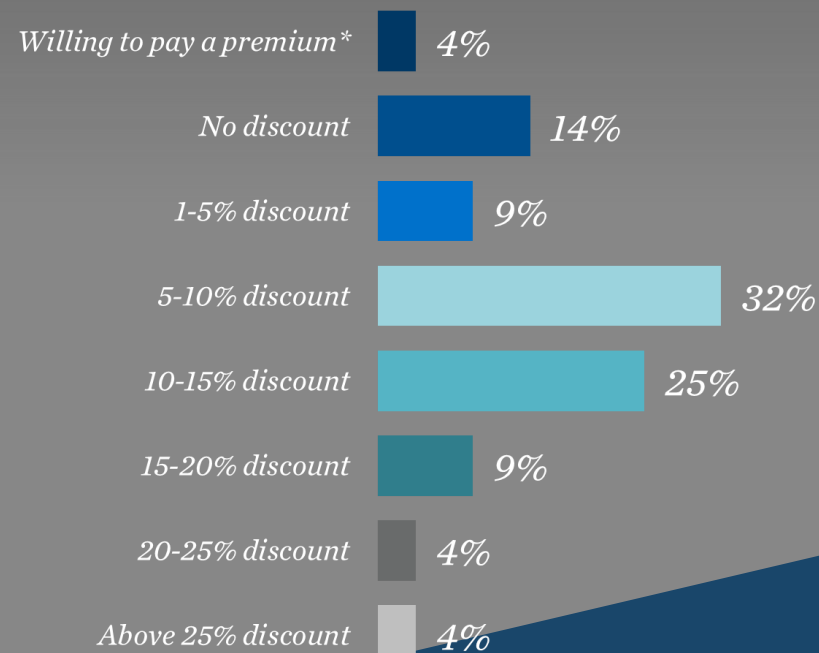
% of respondents



“Most investors seek only modest discounts,,

Q: What is the minimum pricing discount relative to 2019 levels that you require to consider a new acquisition opportunity?

% of respondents



*For the right asset in the right market

AS A RESULT OF COVID-19



72%

of investors consider **Serviced Apartments** more attractive for investment



69%

of investors consider **Resorts** more attractive for investment



40%

of investors consider **Luxury Hotels** more attractive for investment



37%

of investors consider **Economy Hotels** more attractive for investment

HOTEL INVESTOR BEAT

H1 2022

Top-15 most attractive cities for hotel investment*

RECOVERY OUTLOOK

96% of investors expect *leisure markets* to recover by 2023

93% of investors expect *regional cities* to recover by 2024

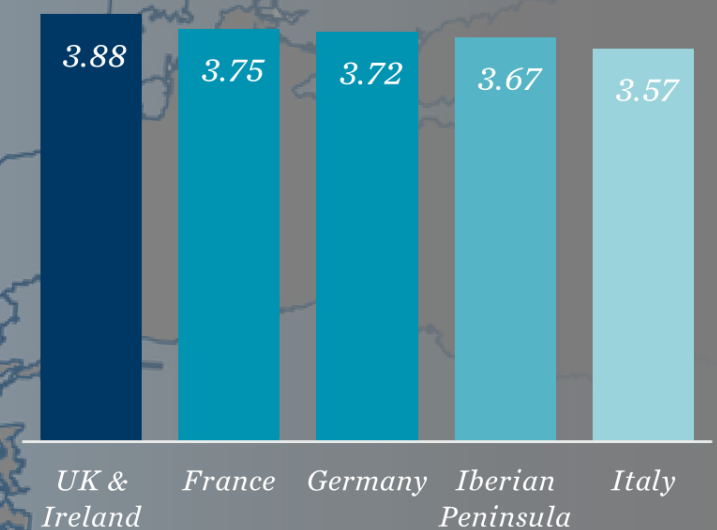
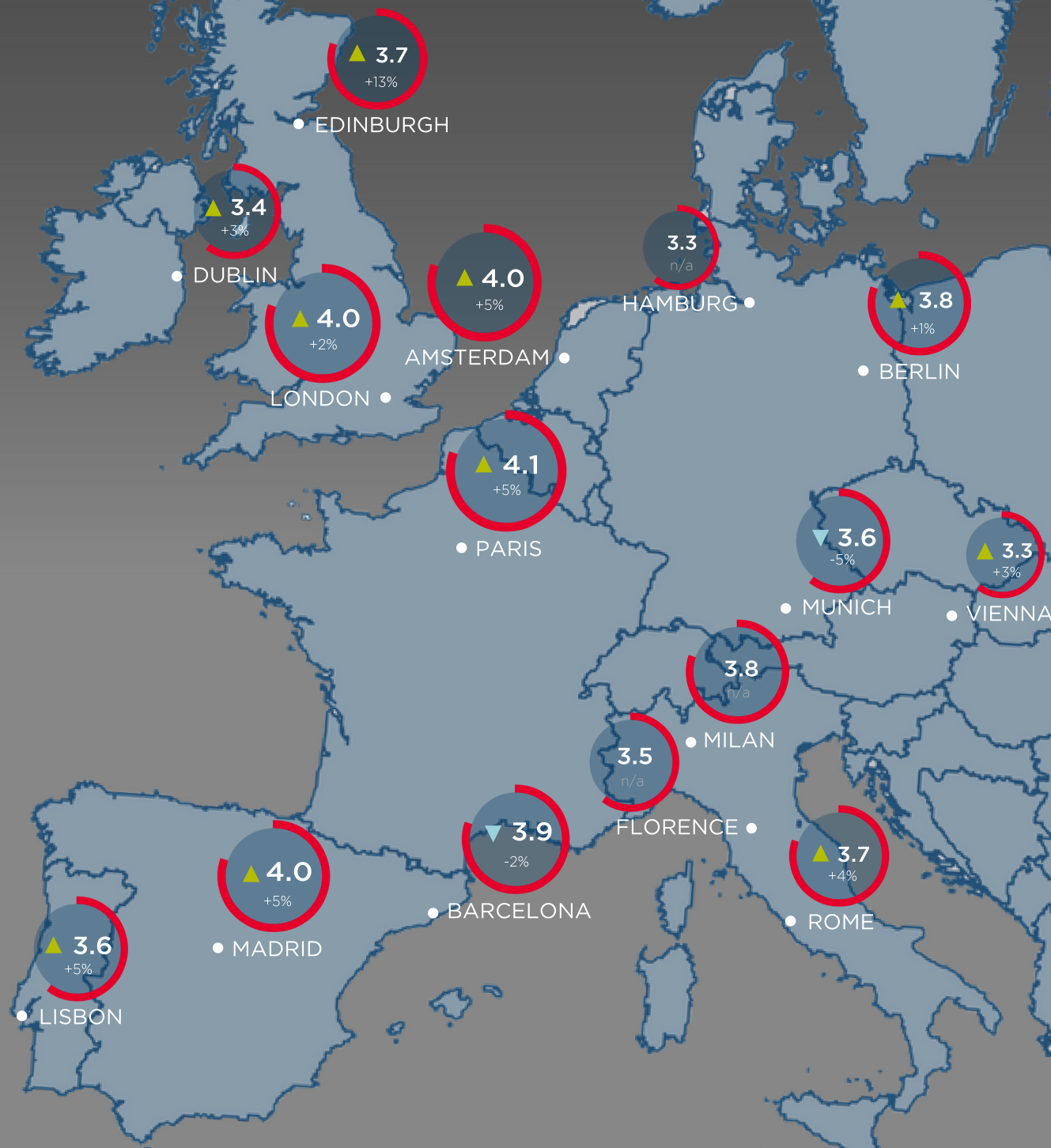
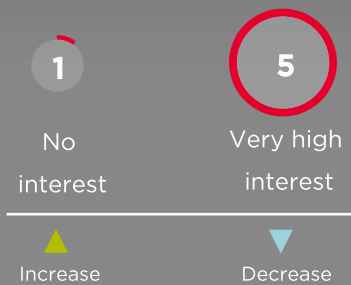
88% of investors expect *major cities* to recover by 2024

*Major cities: >1M population

“UK & Ireland, France, and Germany are the most attractive markets for hotel investment,,

Q: Top-5 most attractive countries/regions for hotel investment

Investor interest on a scale from 1 to 5



*On a scale from 1 to 5

*Based on the rating of top-20 largest urban markets in Europe. The white dots represent the approximative locations of the cities
The survey was completed by 56 respondents, including senior representatives of major private equity firms, funds, REITs and other institutional investors active in the European hotel real estate market

HOTEL INVESTOR BEAT

Key underwriting considerations for hotel investors - Europe

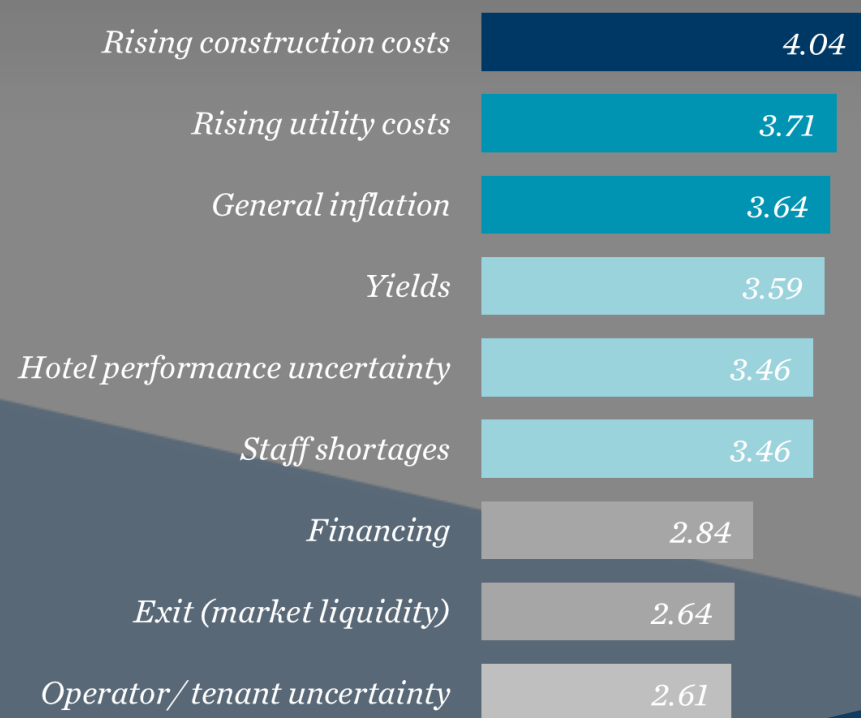
H1 2022

“Growing expenses are among the top concerns for investors,,

Q: Which are the greatest challenges you are currently facing in underwriting new deals?

Average response

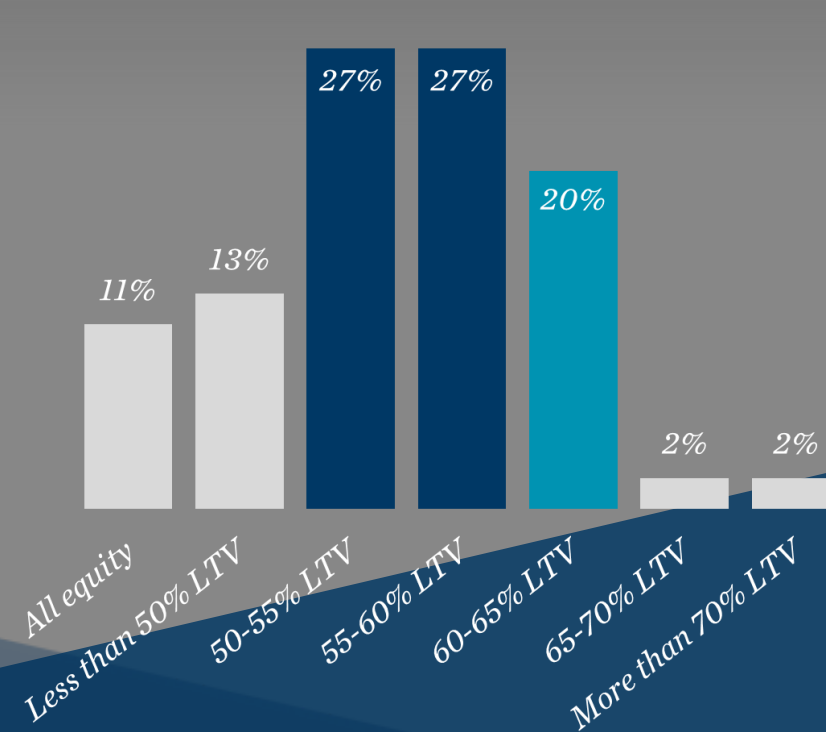
(rate 1-5, 1 = least challenging, 5 = most challenging)



“Investors apply moderate LTV levels in underwriting new deals,,

Q: What is the typical LTV ratio that you are currently using to underwrite new deals?

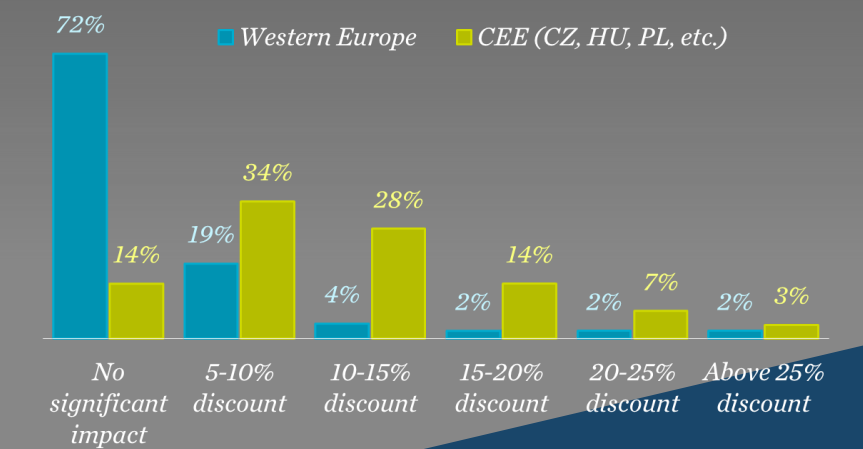
% of respondents



UKRAINIAN WAR IMPACT

Q: What is your required discount to reflect the uncertainty associated with the war in Ukraine?

% of responses (excluding those not interested)



ESG PREMIUM

3-9%

+ More details in the extended analysis

is the premium expected by investors for hotel properties with the **highest ESG certifications** (on average)

