



Fairmas Hotel Report

MARCH 2021 EDITION

PERFORMANCE ANALYSIS OF
FEBRUARY 2021

IN SOME MAJOR DESTINATIONS
IN GERMANY

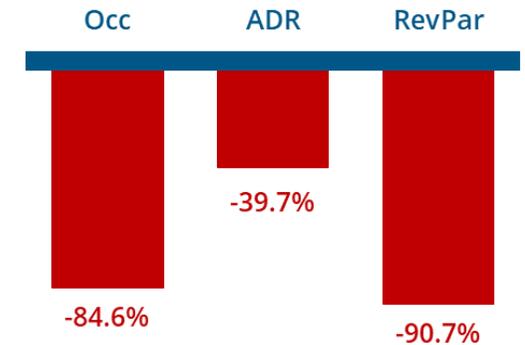
AND A VIEW
OF THE NEXT THREE MONTHS

Berlin

February 2021 – Without tradeshow builders

Occ: 11.1%, ADR: € 62.20, RevPar: € 6.90

The participants in the Fairmas Trendbarometer almost hit the spot in terms of the change in occupancy. Unfortunately, the room rate dropped significantly more than expected. Planned was with- 29.3%, the month closed at - 39.7%. The highest occupancy rate was achieved by the 3-star hotel category with 15.2%. The room rate here was just under 50 euros. Since the ITB began on March 4th last year, many trade show builders filled the hotels at the end of the month in 2020 for this year. However, nobody had to travel to ITB NOW from March 9-12 this year, since ITB NOW is purely digital. There were no additional unpleasant surprises in February 2021. It was clear to everyone that the lockdown and thus the ban on accommodation would remain in place until at least the next "Corona summit" on March 3rd.



March: -58.1%, ADR: -29.7%, RevPar: -70.5%.

The value for the occupancy rate worsens from -34.5 % (previous month's trend) to -58.1 %. This can only be interpreted that both hoteliers and potential guests have little hope for an opening strategy and hardly any bookings are coming in/arrived for this month. This intuition has been confirmed in the meantime. The lockdown has been extended until 3/28.

April: Occ: 369.4%, ADR: -42.5%, RevPar: 170.1%

We have already explained in the last Hotel Report why there are high positive growth rates here for the first time. It is (unfortunately only) due to the low comparative values from the 1st Corona year 2020. However, it is also apparent that the mood is also becoming darker. From + 678.0% in occupancy has become + 369.4%.

May: Occ: 314.3%, ADR: 10.0%, RevPar: 355.9%

The question is, will the third wave come with B 1.1.7 (variant of corona virus) or not. The Easter vacation and vacation days are already in history for May. But May offers two more opportunities for extended weekends with Ascension Day on the 13th and Whitsun (May 23-24).

03 | 21

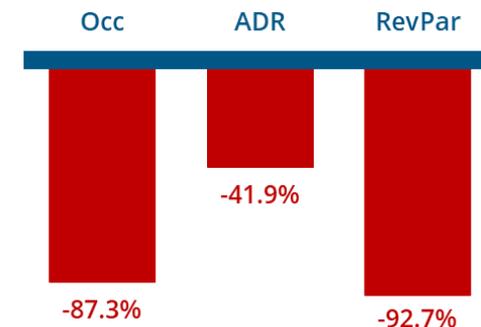
Fairmas Hotel Report

Düsseldorf

February 2021 – 8 times cartoons on wheels

Occ: 8.5 %, ADR: € 76.00, RevPar: € 6.90

Despite Corona - the Committee Dusseldorf Carnival (CC) did not want to do without a parade. On Rose Monday, a total of 8 theme floats rolled through the city. The calculated damage for the hotel industry of Dusseldorf, Cologne and Mainz together is, according to the Institute for German Economy (IW), 160 million. Compared with the carnival capital in the immediate neighbourhood, Cologne, Dusseldorf was unable to clear the 10% barrier for occupancy rates in February. This means that the state capital has the worst results of all A-destinations in terms of occupancy and RevPar. The following is noteworthy: With the calculation basis "physical room capacity" selected here, a 3-star room is €24 more expensive than one in a 4-star hotel, the occupancy rate lands at 4.8%, the next-highest category reaches 7.4%. A look at the values in the "actual availability" calculation basis provides the reason why: the closure rate of the 3-star hotels is approx. 60%, that of the 4-star approx. 30%.



March: Occ: -45.4%, ADR: -21.4%, RevPar: -57.1%

Significant deterioration in expectations across all key indicators, which would probably have been withdrawn even more with the knowledge of the outcome from the MM-Corona Summit in Berlin at the beginning of March.

April: Occ: 1394.2%, ADR: 12.5%, RevPar: 1581.0%

Hopes for the number of rooms sold are halved, combined with a forecasted price increase.

May: Occ: 427.2%, ADR: -16.7%, RevPar: 339.0%.

For a better classification, the key figures reached the following values in May 2020: Occupancy 5.1%, ADR € 108.6, RevPar € 5.5 (Calculation basis of the capacities: Physical availability).

03 | 21

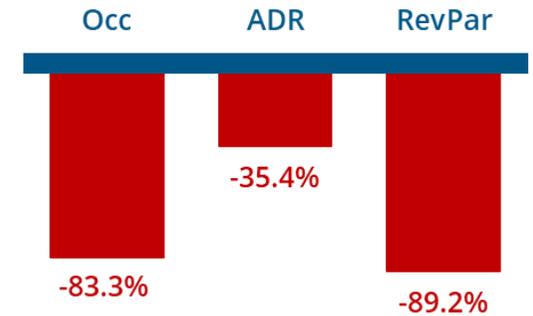
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Frankfurt

February 2021 – Hold on and keep going

Occ: 10.6%, ADR: € 73.00, RevPar: € 7.70

Once again, Frankfurt balances in the midfield, and in terms of ADR, on par with Hamburg, ahead of Cologne/Bonn and Berlin. This time last year, 'Ambiente' (International Consumer Goods Fair) was still attracting visitors, and 'GPEC', the international trade fair and conference for police and special equipment, also generated demand. An analysis of the hotel categories shows a fairly balanced picture. The occupancy rates of 3-, 4- and 5-star hotels are, in this order: 9.3%, 10.5%, 8.3%. In Berlin, the 3- and 5-star hotels are separated by 10%, in Munich by 2.2%, and the national average is 2.5%. Let's look at the performance indicators, determined based on actual availability, which in short means only open hotels are considered. Here, the average occupancy rate across all categories is 18.2%.



March: Occ: -29.8%, ADR: -12.6%, RevPar: -38.6%.

Mentioned again very clearly and valid for all A-Destinations: the trend data were entered before the last Corona Summit in early March. However, even without knowing the outcome, the expectation has been reduced compared to the previous month's trend. Positive news of the month: The Frankfurt Book Fair is to take place with audience as a hybrid event. But there is still a lot of downstream until October 20.

April: Occ: 97.4%, ADR: -12.5%, RevPar: 72.6%

Compared to the previous month's trend, only a third of growth rates remain. The development of the room rate is even turning negative.

May: Occ: +188.6%, ADR: 15.1%, RevPar: +232.3%

Here, too, for better classification, the KPIs from May 2020 (physical availability): Occ. 6.3%, ADR € 77, RevPar € 4.80.

03 | 21

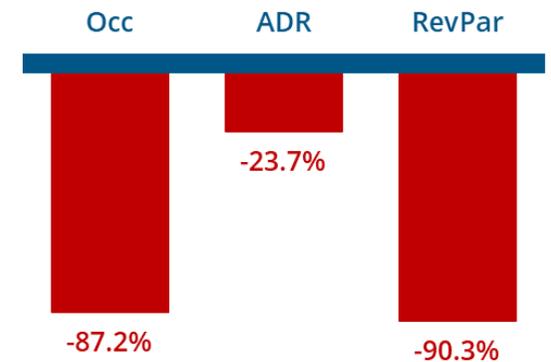
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Hamburg

February 2021 – Around ¼ cheaper

Occ: 9.2%, ADR: € 69.70, RevPar: € 5.40

Against all expectations of the Hamburg hotel industry, the room rate dropped significantly. In the last trend, only -3.7% was expected, which has turned into a double-digit value of -23.7%. A separate analysis by hotel category shows that everyone is in the same boat. Only the 5-star hotels have succeeded better in maintaining their prices (-2.7%), which gives them a RevPar of € 10.10. But here too, profit looks different. Let's look at the market data calculated on actual availability - without the closed hotels. Based on this, the average occupancy rate in Hamburg is 14%. At the upper end of the scale are the 4-star hotels with 15.5%, and at the lower end the 5-star hotels with 7.2%.



March: Occ: -57.6%, ADR: -2.4%, RevPar: -58.6%

Here - at least when it comes to prices - there is still a lot of hope for the Easter holiday season beginning at the end of the month. After all, Hamburg can look back on positive experiences with tourists last summer. However, at least with today's knowledge, the height hardly seems feasible.

April: Occ: 179.4%, ADR: -11.8%, RevPar: 146.3%

It can go that fast. Four weeks ago, the Hamburg hotel industry was still planning to increase prices by + 10.0% compared to the previous year. The growth in the occupancy rate was also cut in half - the last trend barometer showed + 373%.

May: Occ: + 209.3%, ADR: -2.9%, RevPar: + 200.3%

Here, too, the reference to the values from the reference month May 2020, initially calculated based on the physical availability and the actual availability in brackets: occupancy 8.5% (15.0%), ADR € 94.10, RevPar € 8.00 (€ 14.10).

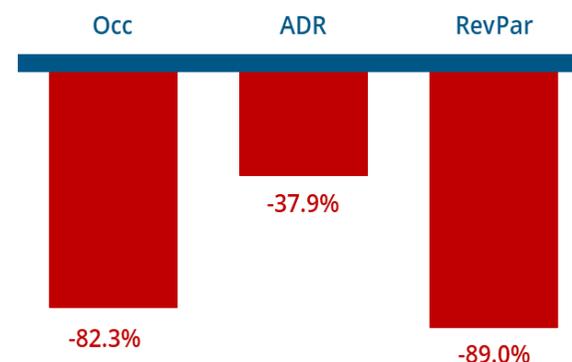
03 | 21

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February 2021 - Carnival without carnival parade

Occ: 12.7%, ADR: € 70.50, RevPar: € 9.00

Carnivalists in general had to do without the Rose Monday parade this year. Carnivals were not allowed to take place because of the pandemic in 2021. Even the miniature version in the Carnival Museum as a staging of a stock puppet theater could hardly provide any consolation. The economic damage is great. The Institute of the German Economy (IW) put the damage caused by the Carnival cancellation at around 1.5 billion euros (for Cologne, Dusseldorf and Mainz together). According to the IW, the loss for the hotel industry in the three cities mentioned is around 160 million. But despite all this, Cologne's February performance puts it in 1st place in the A-destination ranking in terms of occupancy and RevPar.



March: Occ: -64.6%, ADR: -9.7%, RevPar: -68.0%.

The trend in Cologne also deteriorates significantly across all key performance indicators. The negative growth rate in occupancy rises from -35.8% to -64.6%. This is almost double the negative expectation.

April: Occ: 123.8%, ADR: 1.7%, RevPar: 127.5%

The Cologne hotel industry's expectation of April, could be paraphrased as follows: Half of everything that was still considered possible in January. The trend barometer 4 weeks ago was: +224.7%, ADR: 6.1%, RevPar: +244.5%. The Easter business as well as the whole April are marked with a thick question mark.

May: Occ: +168.9%, ADR: -9.3%, RevPar: +143.9%

What looks quite reasonable at first glance is rather despairing on closer inspection. Mathematically, +168.9% for Occ. results in an expected occupancy rate of 25% (PY Occ 14.8%) and a RevPar of € 31. For many, the break-even point has still not been reached.

03 | 21

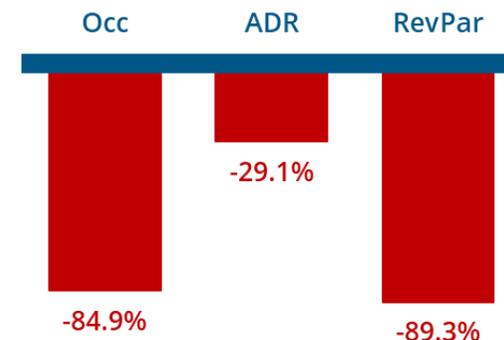
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Munich

February 2021 – It's all about prices

Occ: 9.4%, ADR: € 75.20, RevPar: € 6.90

The negative growth rates compared to the same month in 2020 initially look quite "normal". In principle, this is also correct - all A-destinations balanced in such a way or similar. However, it should be mentioned that February 2020 hardly went down in the history of the Munich hotel industry as a "best performer". February 2020 was marked by a missing 'ISPO' (Sports fair)- the trade show already took place in January - and negative growth rates in hotel key figures during the event period of 'f.re.e' (Fair for travel and leisure). The key figures from February 2021 are only sufficient for a place in the lower third in the ranking of A destinations. Occupancy rates per hotel category in ascending order and starting with 3 stars: 11.9%, 7.1%, 9.7% (physical availability), 24.8%, 13.7%, 11.6%, and overall 16.4% (actual availability). The differences make it clear that many hotels were closed in February.



March: Occ: -42.3%, ADR: -18.4%, RevPar: -78.1%.

Significant deterioration in expectations compared with the previous month's trend barometer. Munich also had an idea of what might be coming. Occupancy growth rate changes from -14.3% to -42.3%. ADR slightly better.

April: Occ: + 411.6 %, ADR: 0.8%, RevPar: -415.9%.

Prices are expected to be stable in the Easter vacation month, but expected occupancy growth rates are also deteriorating in Munich. Using the mathematical formula, about 21% coming from 26% in the previous month trend.

May: Occ: +367.6%, ADR: -23.2%, RevPar: +259.2%.

Munich's hotel industry is the only A-destination expecting price declines of this scale. Only Dusseldorf expects a double-digit decline, while Frankfurt and Berlin are more likely to see a price increase compared to the previous year.

03 | 21

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Data Basis and Methodology

Last month's performance analysis is based on benchmark data from Fairmas GmbH in cooperation with STR of approx. 1,730 hotels in Germany. The occupancy figures given refer to room occupancy. The vast majority of these figures are transmitted directly to Fairmas or STR via system connections. The forecast for the coming months is taken from the trend barometer and supplemented by comments from selected partner hotels in the respective destinations.

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Fairmas GmbH, based in Berlin, develops web-based financial planning, controlling and management reporting solutions as well as daily benchmarking specifically for the hotel industry. Currently, more than 11,000 users in more than 4,000 hotels worldwide work with our software products - from globally operating chain hotels to leisure hotels and privately managed hotels. Fairmas Benchmarking has been a reliable source of relevant hotel key figures and usable information since 2003.

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03 | 21

Fairmas Hotel Report