

Fairmas Hotel Report

APRIL 2021 EDITION

PERFORMANCE ANALYSIS OF
MARCH 2021

IN SOME MAJOR DESTINATIONS
IN GERMANY

EXTRA: KPI 2021 vs. 2019

AND A VIEW
OF THE NEXT THREE MONTHS



Berlin

March 2021 – Streaming only

Occ: 13.4%, ADR: € 64.20, RevPar: € 8.60

March was the month of ITB and 'Berlinale (Berlin International Film Festival)' in Berlin. But although business guests are still allowed to stay in hotels, and they are more than welcome by the hotel operators, they stayed away from the city. The Berlinale was a pure streaming event, excluding the public, and only industry and media representatives were allowed to attend. The representatives of the travel industry also had no reason to travel; the ITB was also mainly held virtually. The occupancy rate in the ITB event period, from 2019, 2020 and 2021: occupancy rate 77.9%, 46.4%, 13.2%; RevPar € 102.70, € 56.30, € 8.60. Berlinale event period: occupancy rate 73.6%, 74.6%, 13.5%; RevPar € 76.60, € 76.10 and € 8.50.

April: +300.3%, ADR: -49.2%, RevPar: +103.4

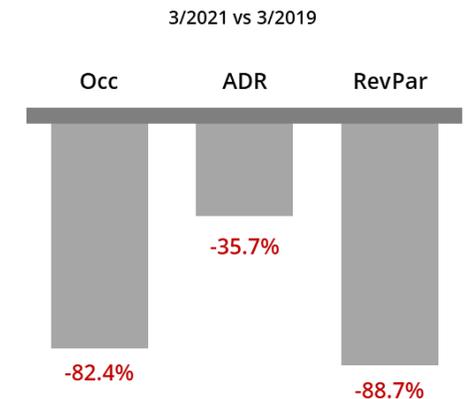
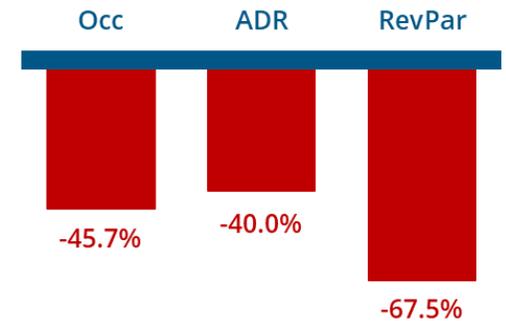
Already faced with reality due to the remaining ban on tourist accommodation during and after Easter.

May: Occ: +209.6%, ADR: -8.6%, RevPar: +182.9%

Adjusted downward. Trend from previous month: Occ: 314.3%, ADR: 10.0%, RevPar: 355.9%. Opportunities for tourist inquiries the weekend around Ascension Day (May 13th) and Pentecost (May 23rd / 24th).

June: Occ: +123.4%, ADR: +10.2%, RevPar: +146.2

Start of vacation in Berlin 24.06.2021

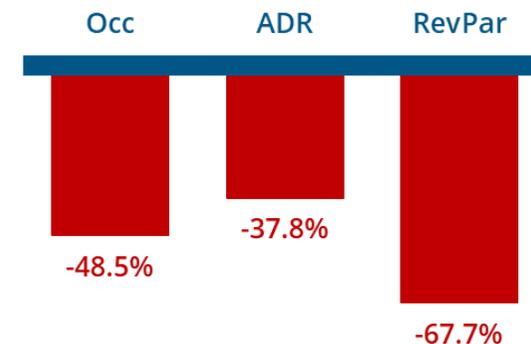


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March 2021 – A question of date

Occ: 10.4%, ADR: € 78.20, RevPar: € 8.20

Compared to the previous month, March brought an increase in the occupancy rate by a few percentage, and a slight increase in the room rate. (February: Occ. 8.5%, ADR € 76.00, RevPar € 6.40). At the same time, about 25% more hotels reported their data to the Fairmas hotel benchmark compared to February. In other words, a quarter more hotels were open in March. After all, there were hopes that one or the other relaxation could also come for the hotel industry and that hotels run again, it would take preparation time and some anticipation. In the end, reality held a different scenario in store.



April: Occ: +726.7%, ADR: -55.3%, RevPar: +269.1

Hopes have vanished into thin air. Halving everything and reversing from positive to negative in terms of room rates trend. Previous month's trend: Occ: 1394.2%, ADR: 12.5%, RevPar: 1581.0%.

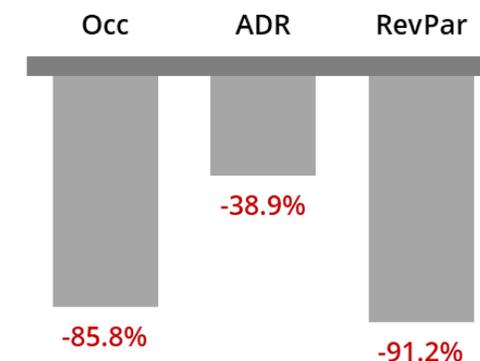
May: Occ: +251.2%, ADR: -39.8%, RevPar: +112.1%.

May shares its fortune with April: halving of KPIs. Obviously, there is little confidence for Ascension and Pentecost holidays.

June: Occ: +154.8%, ADR: -9.6%, RevPar: +130.2%

The expected growth in occupancy rate using the mathematical formula, would result in approximately every third room being rented. The key figures from June 2020 have the following values: occupancy 12.7%, ADR € 96.3, RevPar € 12.1 (basis of calculation: physical availability).

3/2021 vs 3/2019



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Frankfurt

March 2021 – Reliable guests

Occ: 11.4%, ADR: € 74.30; RevPar: € 8.50

If the selection of hotels is smaller, demand is concentrated on the remaining ones. In Frankfurt, about one-third of the hotels participating in the benchmark did not report any data. This is considered an indicator that they are temporarily closed. This did not create long queues at the front office of the open hotels, but it impressively magnified the difference in key figures depending on the calculation basis used: occupancy rate: 19% (actual availability) versus 11.6% (physical), RevPar € 14.50 versus € 8.60.

April: Occ: +88.0%, ADR: -17.9%, RevPar: +54.3%.

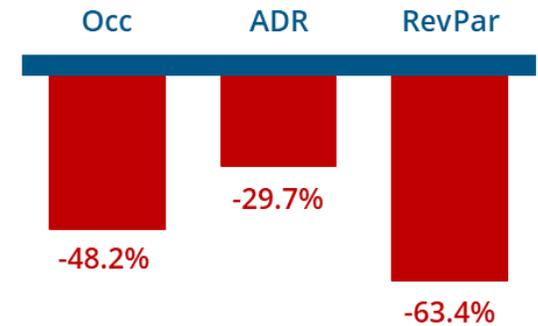
In Frankfurt, the corrections of expectations are small compared to the other A-destinations. The past has shown that business guests travel relatively independently of incidence values.

May: Occ: +145.6%, ADR: +6.3%, RevPar: +161.2%.

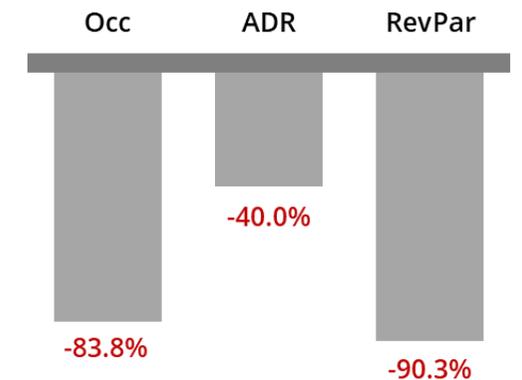
Vacations and holidays tend to be considered disruptive in the business sector. Thus, there was no need for significant adjustments in May either.

June: Occ: +104.5%; ADR: +7.5%; RevPar: +119.9

June 2020 KPIs closed at Occ. 12.7%, ADR € 83.90, RevPar 10.70%. This allows to quickly calculate what is expected. Too little for profit.



3/2021 vs 3/2019



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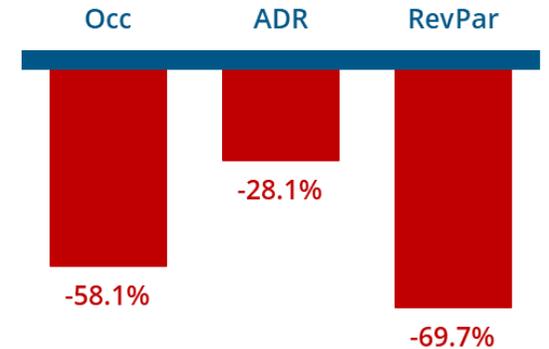
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Hamburg

March 2021 – Prices in April

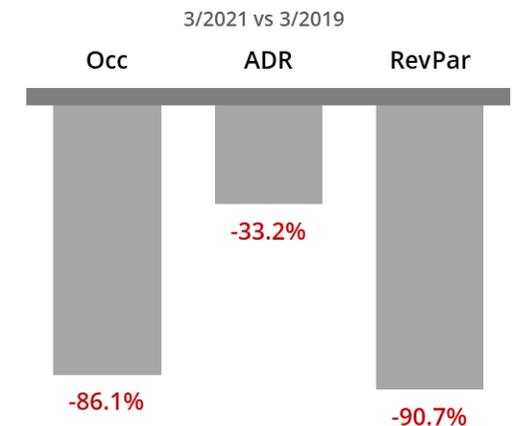
Occ: 10.9%, ADR: € 74.90, RevPar: € 8.20

The hotel industry expected a decrease in occupancy for the month in the amount of -57.6%. The result generated - 58.1%. Such an accurate forecast in these changing times is a challenge. Things did not go so smoothly with prices. At the end of March, the forecast had slipped : - 2.4 % became -28.1 %. In Hamburg, too, there is a clear difference in the KPIs depending on the calculation basis selected, as around a third of the hotels have closed. Thus, the occupancy average for hotels with reported sales was 15.9%.



April: Occ: -9.3%, ADR: +21.0%, RevPar: +9.7%.

Crash in occupancy rate. For comparison, the values of the trend barometer from the previous month: Occ: 179.4%, ADR: -11.8%, RevPar: 146.3%. The reason is likely to be the 3rd wave, which buried the hopes at Easter. 21% increase in price raises questions. No A-destination calculates this high.



May: Occ: +73.8%, ADR: +13.4%, RevPar: +97.1%.

Significantly higher expectations in room rate growth (trend previous month ADR - 2.9%).

June: Occ: +75.7%, ADR: +4.3%, RevPar: +83.2%.

Values from reference month June 2020 based on physical availability: occupancy 24.2% (28.9%), ADR € 91.50, RevPar € 22.10 (€ 26.50). Thus, going in the direction of half-full hotels.

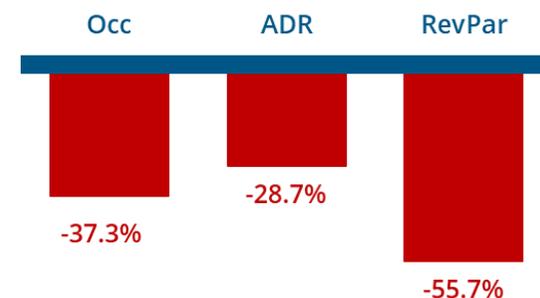
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March 2021 – Rank 1 of the A-Destinations

Occ: 13,8 %, ADR: € 71,40, RevPar: € 9,80

Carnival without events is not a real carnival and no one was allowed to arrive anyway... The event analysis does not show any upward changes in the occupancy rate. The achieved value in the event period 12.8% and 18.3% calculated on the basis of actual availability. Bonn is significantly higher (18.3% and 27.6% respectively) - this is certainly promoted by the six federal authorities that have maintained their headquarters in Bonn.



April: Occ: +10.1%, ADR: -8.5%, RevPar: +0.7%.

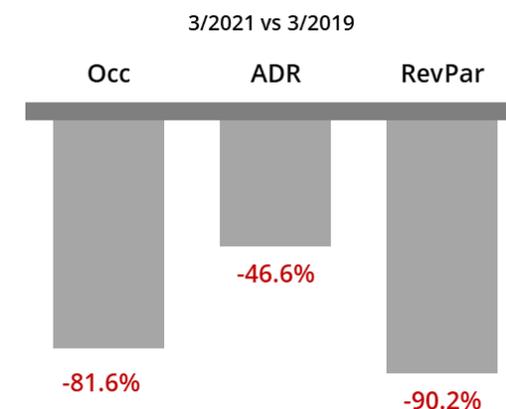
In Cologne, the growth rate of occupancy slipped the decimal point by one digit. We can't do anything without tourists.

May: Occ: +165.5%, ADR: -8.5%, RevPar: +143.0%.

The delightful month in Cologne comes around the corner practically unchanged. However, this does not automatically make it exuberantly optimistic. Mathematically, the trend forecast is sufficient for an occupancy rate of 25%.

June: Occ: +123.0%, ADR: -0.8%, RevPar: +121.2%.

June 2020 reference month closed at occupancy rate 19.7% (24.9%), ADR € 82.70, RevPar € 16.50 (€ 20.6). Thus, it is expected that almost every 2nd room can be rented.



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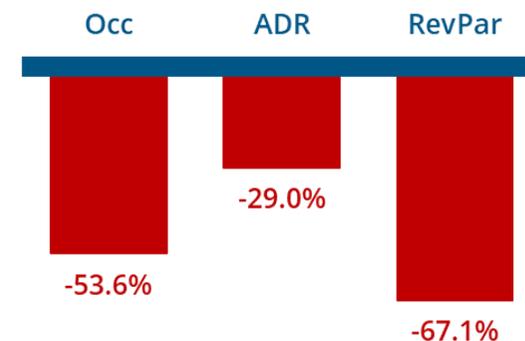
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Munich

March 2021 - Little news

Occ: 10.8%, ADR: € 74.80, RevPar: € 8.10

'LOPEC 2020 (International Conference of the Printed Electronics Industry)' was cancelled due to Corona, 'LOPEC 2021' was held digitally. This was irrelevant for the actual occupancy rate in the event period. The occupancy rate reached 6% for 'LOPEC 2020' and 14.0% one year later. If one wants to look for an explanation for the doubling, the best explanation would probably be the different approach to business travel. The theory is that business travel was cut back more during the 1st lockdown than in the current 3rd wave lockdown. Is this a habituation effect in dealing with the pandemic? Another supplementary information: The hotel key figures for the month based on the calculation basis of actual availability: occupancy 17.8%, RevPar € 13.3.



April: Occ: 333.7%, ADR: -20.6%, RevPar: +244.4%.

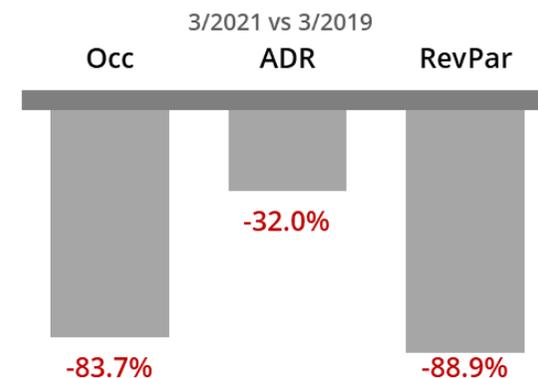
In the current trend, price forecasts turn negative - previous month trend +0.8%. This, of course, has consequences for the RevPar.

May: Occ: +305.0%, ADR: -28.1%, RevPar: +191.3%.

Downward correction in May as well. The values 4 weeks earlier: Occ: +367.6 %, ADR: -23.2 %, RevPar: +259.2 %.

June: Occ: +147.4%, ADR: -6.2%, RevPar: +132.0%.

Here, too, for better classification, the key figures from the same month last year, June 2020: Occ: 14.3%, ADR € 98.9, RevPar € 14.1. Whereas last year the hotels with 3 stars did better than the average. Their occupancy landed June 2020 at 17.8% (23.0% actual availability).



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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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