



Urban Hotel Recovery in the World's Top Urban Destinations

JLL Research Hotels & Hospitality | H1 2022



Five global urban travel destinations were selected to understand the evolution of urban markets' recovery



New York

- New York is historically one of the largest recipients of inbound international travel in the U.S., with 13+ million international visitors in 2018 & 2019, accounting for 20% of the city's travelers. Despite the limited growth of international visitation over the past two years, the recent removal of all remaining restrictions is expected to provide a boost.

London

- London is the most visited city in the U.K. and one of the most visited global destinations, consistently ranking in the top-3. With all Covid-related restrictions lifted, there is strong optimism for the return of international tourism post-Covid.

Paris

- Paris is one of the most popular and glamorous tourist destinations in the world, with over 30 million foreign visitors per year. With restrictions now eased, the French capital is looking to the future, with several high-profile events scheduled for the coming years, including the Rugby World Cup in 2023 and the 2024 Olympic Games.

Dubai

- With pursuits to be the world's most popular tourist destination, national vaccination efforts in the UAE were put in place to contain the spread of the Covid-19 pandemic. This allowed the country to be the first in the world to reach a 100% vaccination. As such, Dubai has become the 'go to' destination to visit for those willing and able to travel.

Singapore

- Over the last decade, Singapore has recorded a steady growth in international arrivals, rising at a CAGR of 7.0% between 2009 and 2019. With a successful vaccination program, local restrictions have significantly loosened, lending optimism for the return of international tourism.



Key Global Urban Hotel Recovery Themes – H1 2022



1.

Vaccination rates have peaked across select global urban markets due to successful vaccination rollout programs.

2.

Economic growth across select global urban markets to finish strong in 2022, despite global headwinds.

3.

Hotel fundamentals are recovering in select global urban markets despite stagnant growth in consumer mobility recovery from the slow return to office.

4.

International tourism roars back with recovery ranging between 60-85% of 2019 levels, across select global urban markets, fueled by high-demand events.

5.

RevPAR across select global urban markets has recovered 82% on average from 2019; expect growing momentum over the medium-term with group & business demand returning quicker than expected.

6.

Urban hotel liquidity in select global markets collectively rose 41% year-over-year; expect liquidity to continue increasing with accelerating hotel performance & stabilizing profitability.

7.

Buyer pool for assets in select global urban markets remains diverse; hotel owners and developers accounted for over 55% of total activity in select urban markets in TTM Jun '22.

8.

Select global urban markets are leading the way with initiatives to decarbonize by 2050, as sustainability and climate change are becoming part of the investor conversation.

Note: Select global urban markets represents New York City, London, Paris, Dubai and Singapore.

Vaccination Progress & Macroeconomy

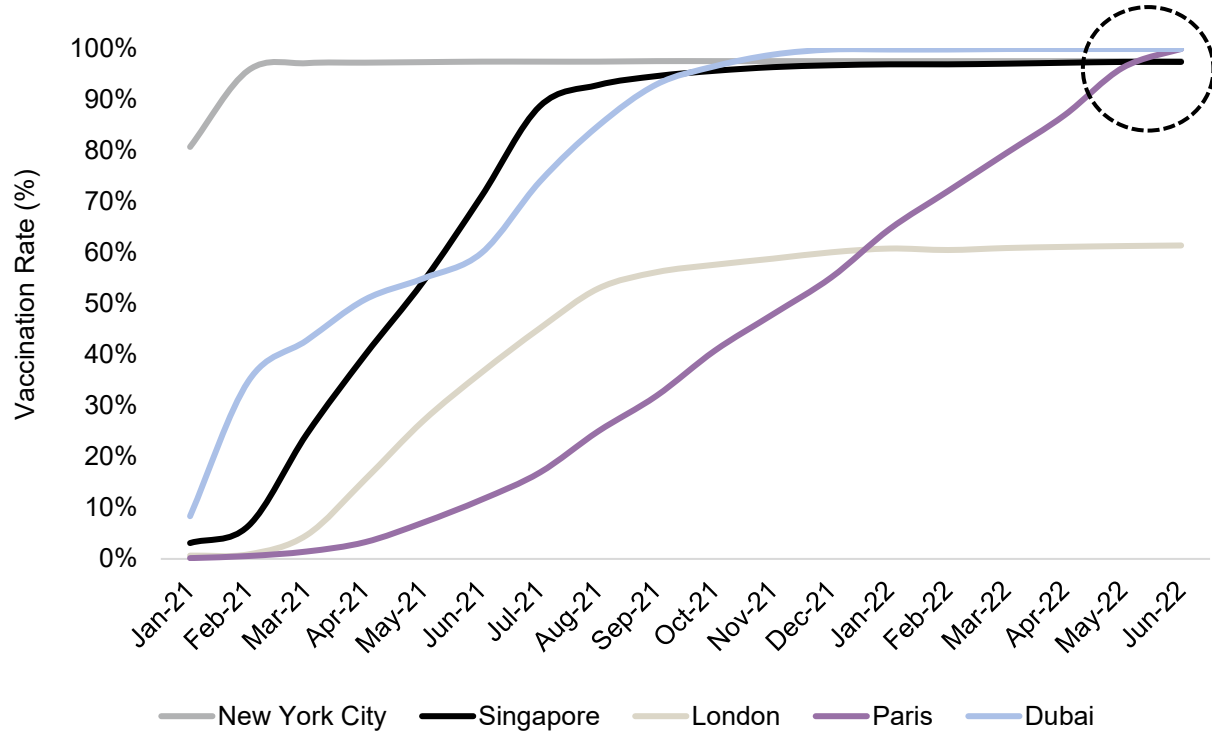


Vaccination rates have peaked across all top global markets due to successful vaccination rollout programs



Adult Vaccination Rates (One dose+) by Global Market

While top global markets have achieved a range of 97-100% vaccination in June 2022, London appears to be behind at 62%; however, this is largely due to the challenge of tracking vaccinations rates among its population.



Market	Jun. 2021	Jun. 2022	% Change
Dubai	60.0%	100.0%	+40.0 pp
Paris	11.6%	100.0%	+88.4 pp
New York City	97.5%	97.6%	+0.1 pp
Singapore	71.1%	97.4%	+26.3 pp
London	36.6%	61.5%	+24.9 pp

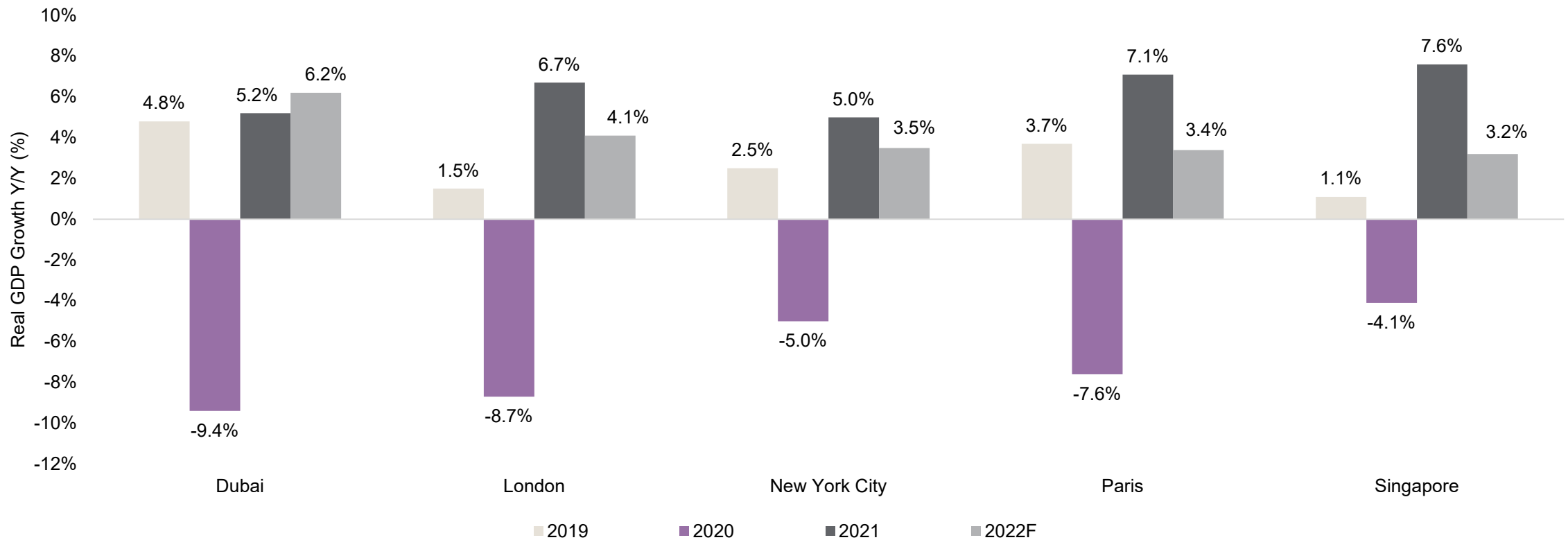
Source: JLL Research, CDC, Ministry of Health & Prevention, Department of Statistics; Data pertains exclusively to New York County which does not encompass all five New York City boroughs. Average percentage of vaccinated population calculated based on estimate of absolute number of vaccinated population of 20 years old and over. New York City, London, Paris, Dubai and Singapore vaccination rates represent one or more doses.

Economic growth to finish strong in 2022 and ahead of growth observed in 2019 across nearly all markets, despite global headwinds



Annual Real GDP Growth by Global Urban Markets

Dubai to observe the largest increase in annual real GDP in 2022 due to the impact of high international oil prices and recovery of key sectors, including tourism & construction.



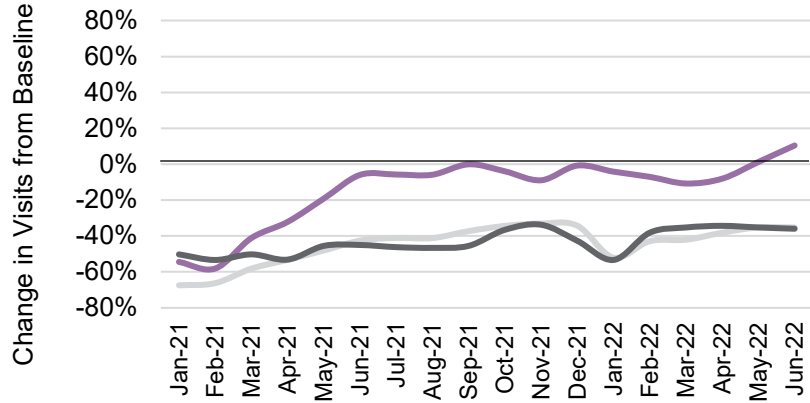
Consumer Mobility & International Travel



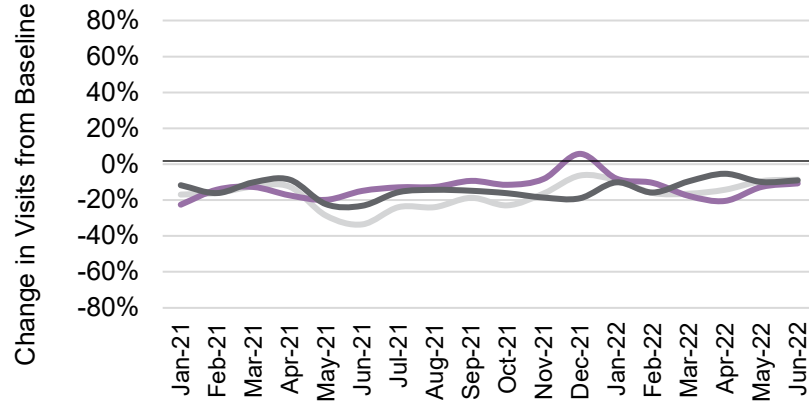
COVID-19 is shifting the workplace paradigm, with individuals still being attracted to the retail, recreational, and outdoor amenities urban centers have to offer



New York City Consumer Mobility

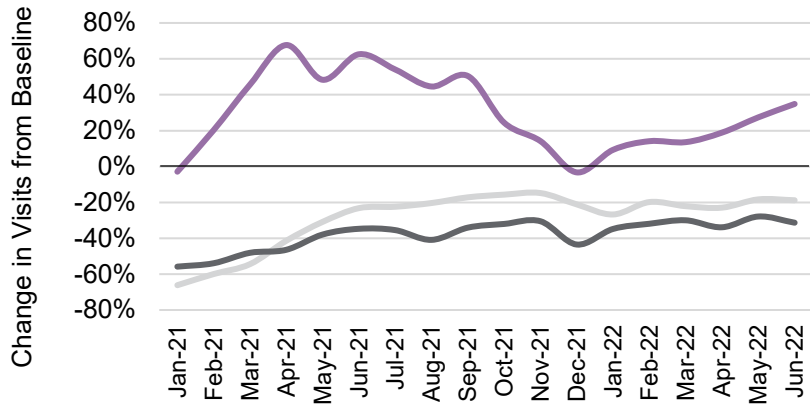


Singapore Consumer Mobility

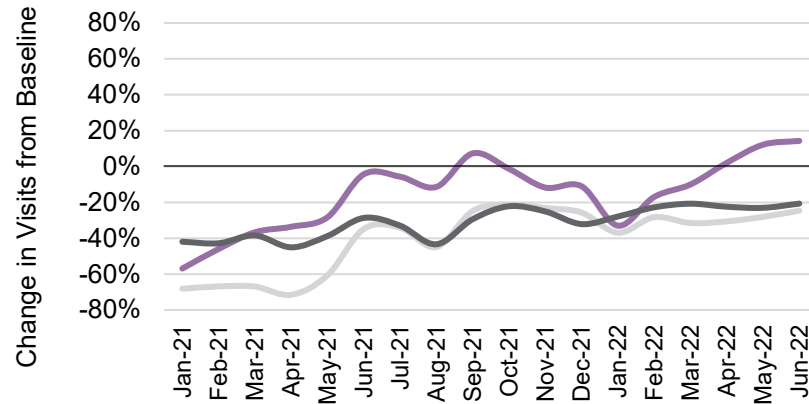


- Retail and recreation percent change
- Parks percent change
- Workplaces percent change

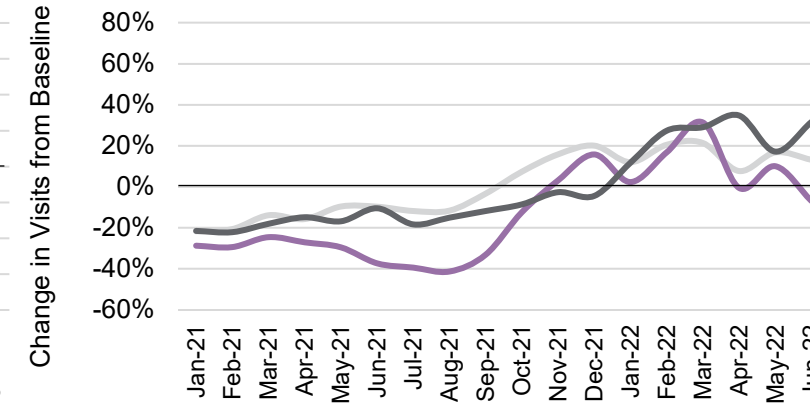
London Consumer Mobility



Paris Consumer Mobility



Dubai Consumer Mobility



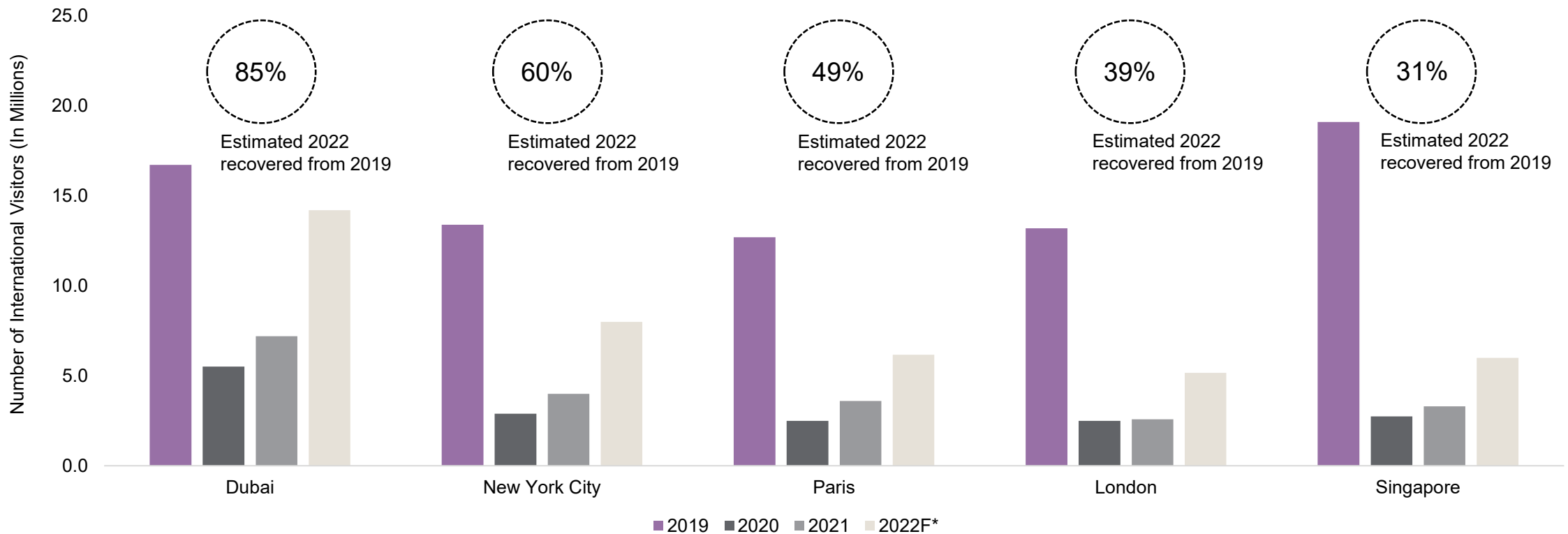
Source: JLL Research, Google Community Mobility Reports; the baseline data represents a normal value for that day of the week. The baseline day is the median value from the 5-week period Jan 3 – Feb 6, 2020.

Management of the Covid pandemic and strict travel restrictions waning worldwide are fueling the recovery of international tourism amongst select-global markets at an average of 53%



Global International Visitors

Dubai is experiencing the most rapid recovery of international tourist arrivals post-Covid among select global markets, lifted by the Dubai Expo from late 2021 to March 2022. The FIFA World Cup in Qatar is expected to further visitation through the year, given Dubai's positioning as a major regional and global hub.



Source: JLL Research, International Trade Administration (U.S. Government), Le Tourisme a Paris, London Office for National Statistics, Dubai Statistics Center, Tourism Review Media; For New York City, data includes all inbound international arrivals to the three major NYC airports (EWR, JFK, LGA).

*Forecasts for Paris, London and Dubai are estimated based on a combination of public outlooks and H1 2022 international arrivals, While New York City was forecasted and sourced from NYC & Co. International arrivals in London for 2020 have been estimated based on the % changes observed among other select global urban markets, due to citywide data collection issues.

Urban Hotel Performance Trends

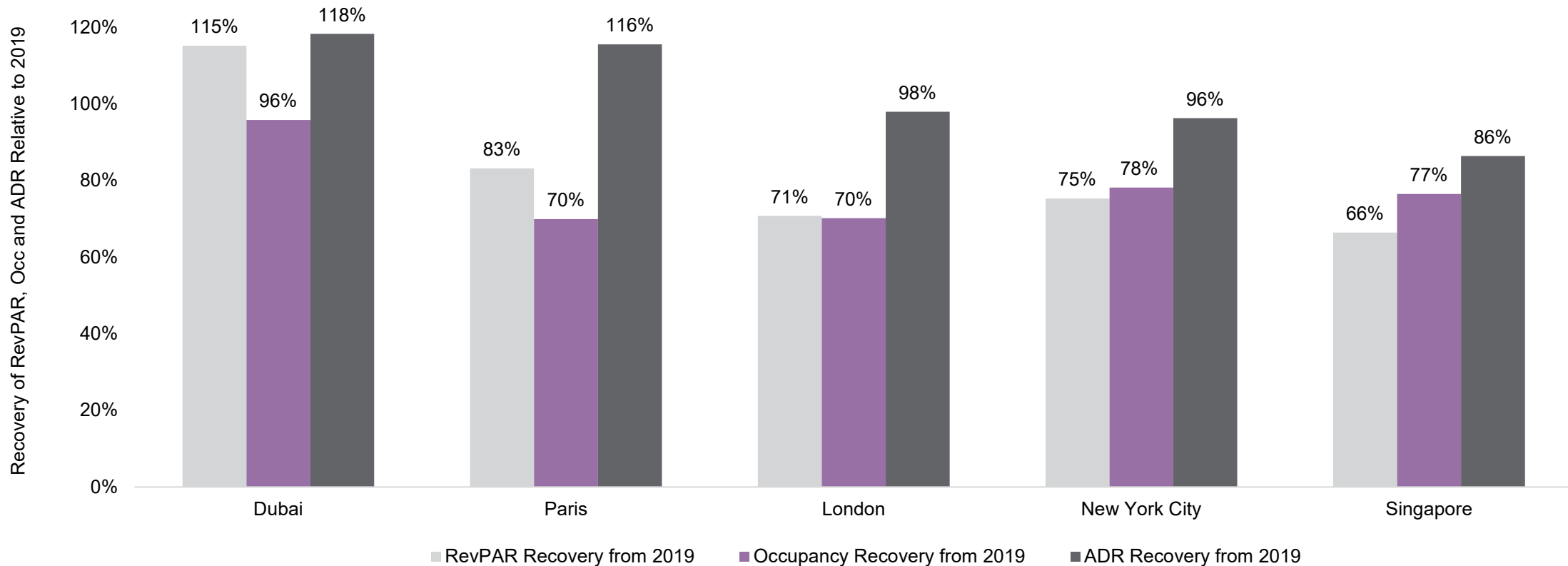


RevPAR across select global urban markets has recovered 82% on average from 2019, fueled by elevated rates; expect growing momentum over the medium-term with group and business demand returning quicker than expected



Performance Recovery Across Select Global Urban Markets, TTM Jun 2022 vs TTM Jun 2019

Markets including Dubai and Paris, which hosted high-demand events such as the Dubai Expo and UEFA Championship League Final & French Open Tennis Tournament, respectively outpaced RevPAR recovery to 2019 levels relative to other select global urban markets.



Source: JLL Research, STR/Costar, Singapore Tourism Board; London, Paris, and Dubai are reported by STR's TRI methodology. While NY is reported by STR's Standard methodology.

Urban Hotel Liquidity & Pricing

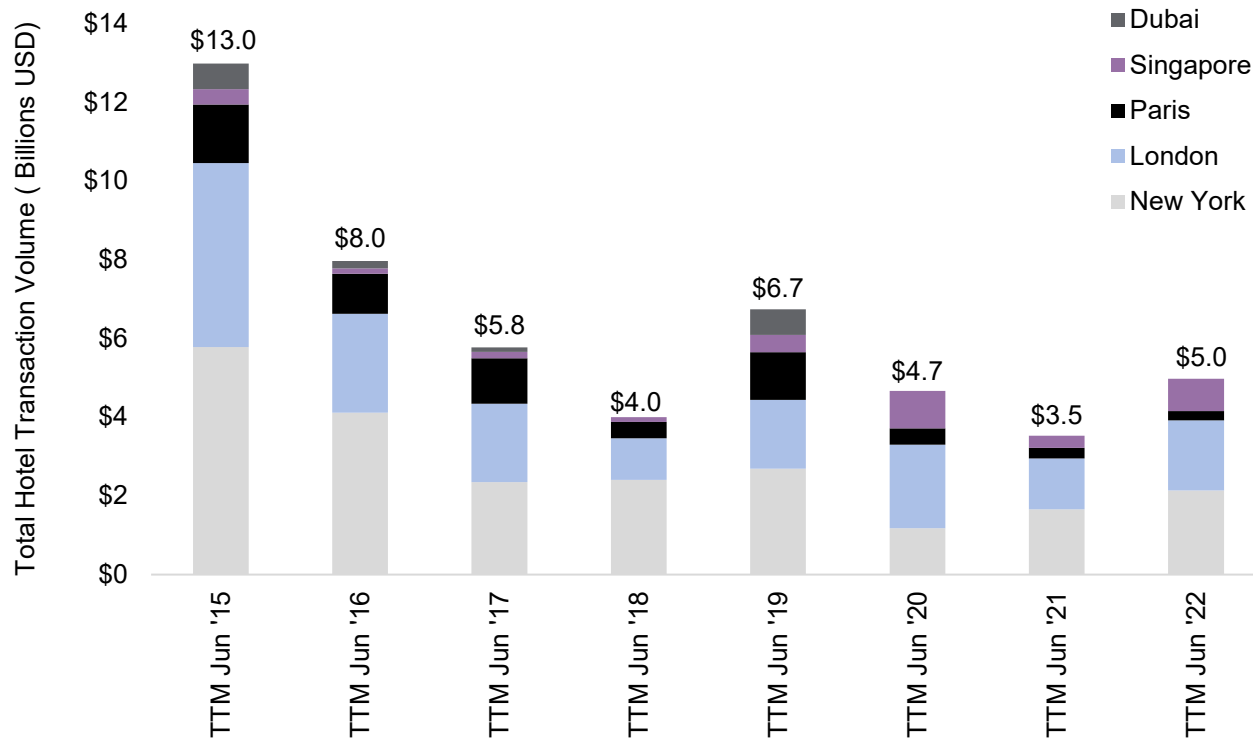


Urban hotel liquidity in select global markets is up 41% from prior year but is still down 26% to 2019 levels; however, expect liquidity to increase over the medium term in tandem with accelerating performance & stabilizing profitability



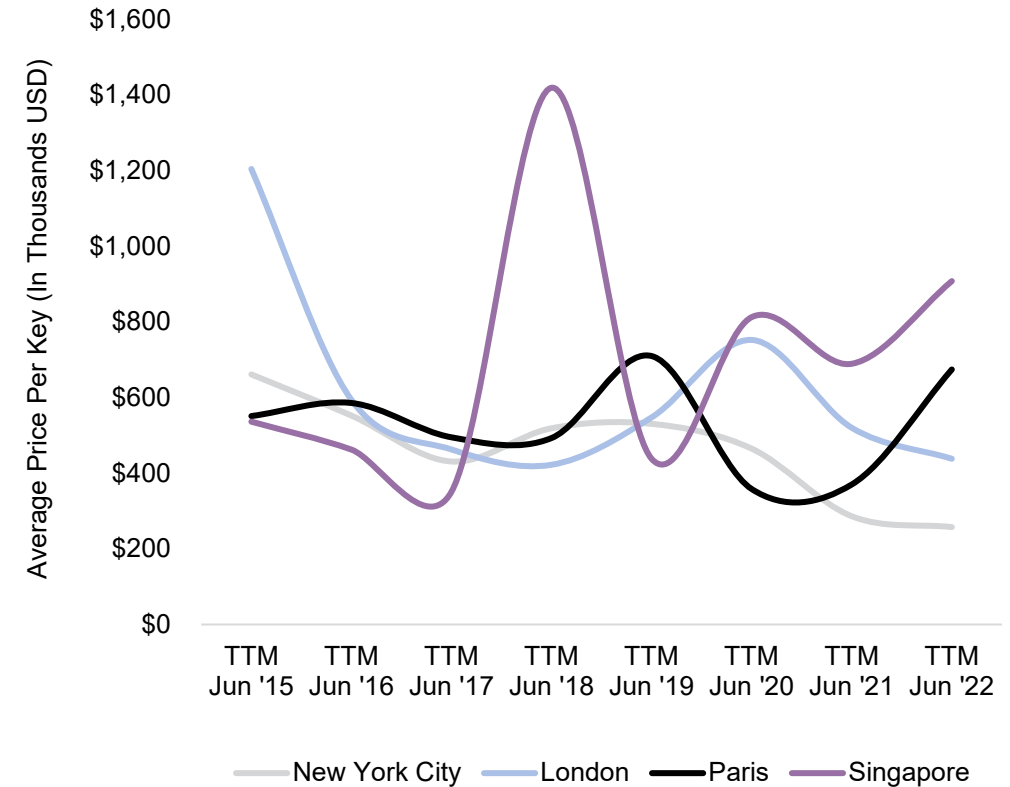
Global Urban Hotel Investment Volume, by Market

Singapore has surpassed 2019 levels. New York and London, continue to attract investment, but a lack of trophy sales is suppressing the return to 2019 levels. Paris is struggling with a larger gap from 2019 as sellers are reluctant to lower pricing especially on prime assets.



Global Urban Hotel APPK, by Market

Early recovery of liquidity in Singapore and reluctance of sellers to lower pricing expectations in Paris are driving increased pricing levels.

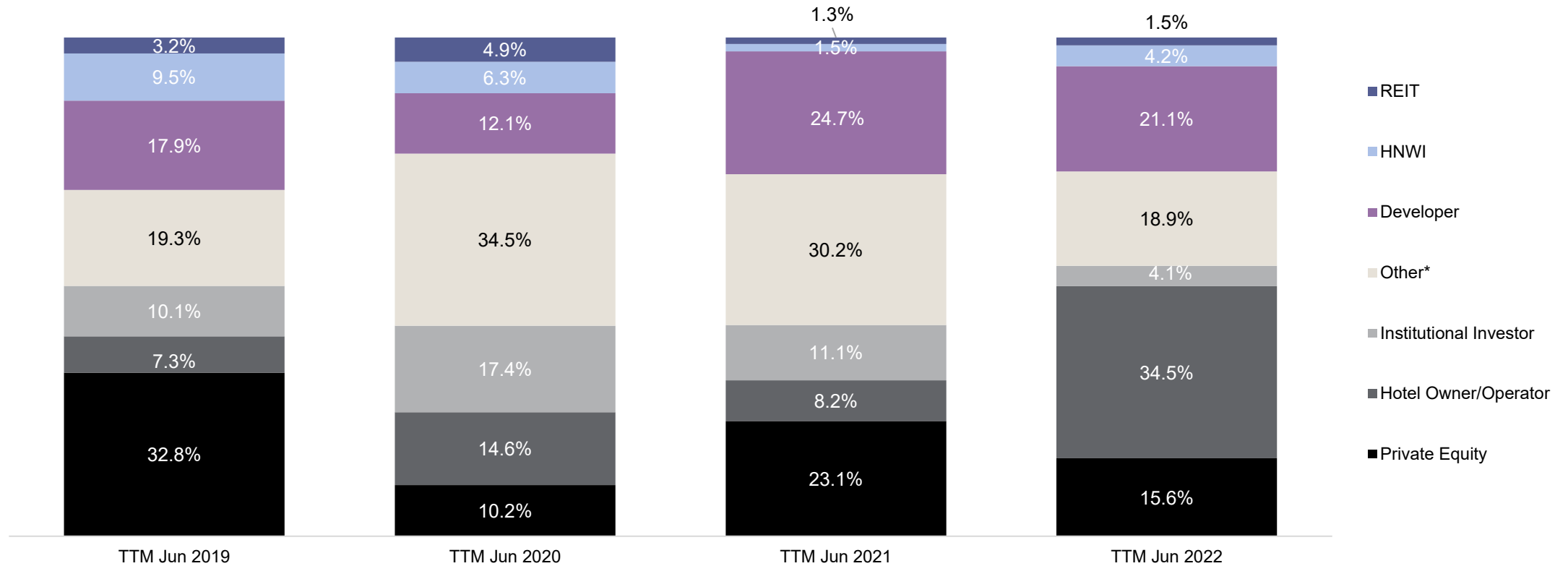


Source: JLL Research; Pertains to transactions worth \$5 million and above, excluding casinos and including entity-level transactions. Figures above the bar chart indicate total aggregated global hotel investment volume. Dubai is excluded from the APPK analysis due to limited transaction activity.

Buyer pool among global urban markets remains diverse, with a notable increase in capital deployment from hotel operators and developers as they shift focus from construction projects to acquisitions in the face of heightened costs



Portion of Urban Hotel Investment Volume by Buyer Type for Select Global Markets



Source: JLL Research; Pertains to transactions worth \$5 million and above, excluding casinos and including entity-level transactions. Select global markets include New York City, Singapore, London and Paris. Dubai is excluded from the buyer share analysis due to limited transaction activity. Buyer type of "Others" includes Corporates, Banks, and Sovereign Wealth Funds.

NZC Commitments




With sustainability and climate change becoming part of the investor conversation, select global markets have mapped out comprehensive pathways to net zero carbon and are leading on initiatives to decarbonize buildings, particularly London




	2025	2030	2035	2040	2045	2050	2060
London		Net Zero					
New York City	30% reduction					Net Zero	
Paris		37% reduction				Net Zero	
Dubai		30% reduction				Net Zero	
Singapore		36% reduction				Net Zero	


The value of sustainability and climate change to cities



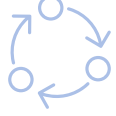
Regenerative to air, water, soil, waste and health.



Resilience against urban heat island effect, flash flooding, storm surges, etc. Nature-based solutions to support resilience.



Recreational and tourism benefits.



Resourceful – water, food, and pharmaceuticals.

Source: JLL Research

Thank You

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