

Helsingin Matkailu- seminaari 2021

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CapMan
REAL ESTATE



STRICTLY CONFIDENTIAL

Hotel Business in Helsinki

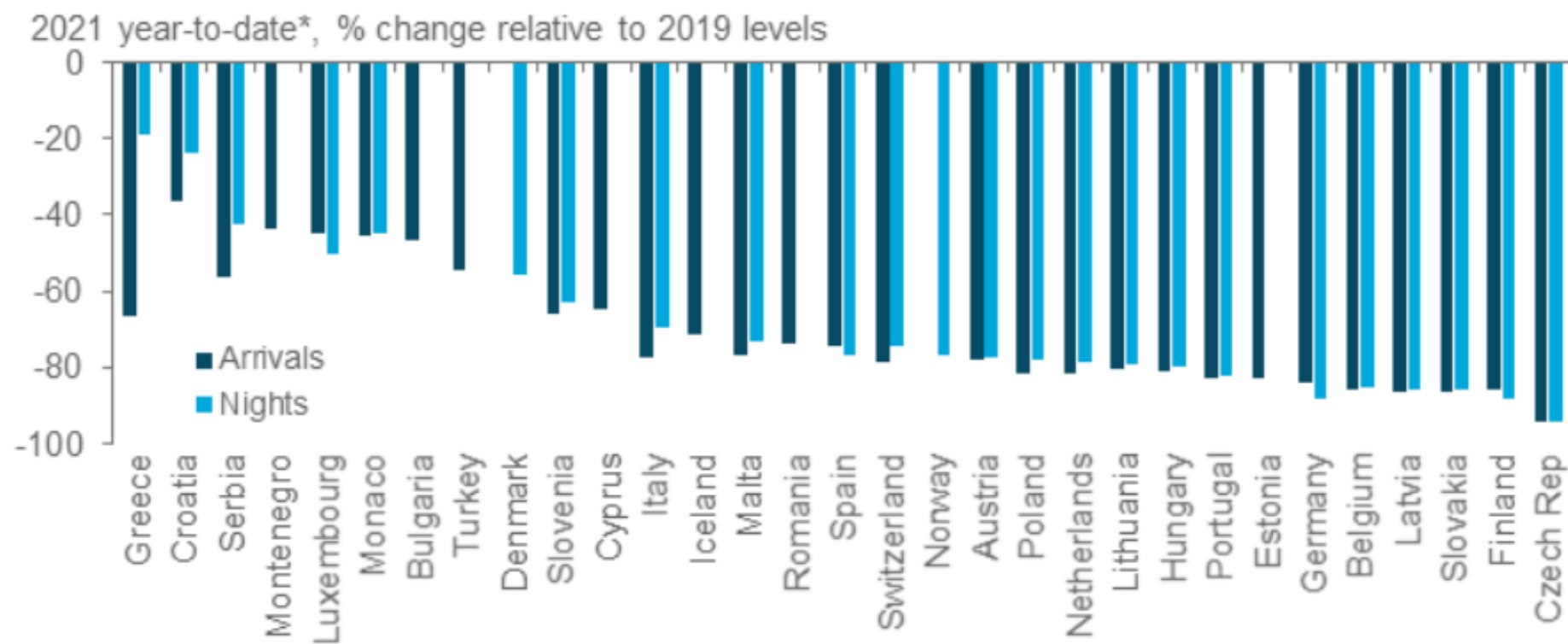
- **Pre-Covid situation**
 - Segment mix 50/50 in both International/Domestic and Business/Leisure demand
 - Strong growth, especially in International and Leisure demand – longer term development
 - Strong pipeline
 - Hotel yields went down

Covid > Post-Covid Situation...

- Helsinki has suffered more than rest of the country
- Tentative recovery is now underway... but patience needed
 - Domestic leisure travel – Staycations are here to stay...
 - Vaccine roll-out remains key to easing of restrictions
 - Covid passport facilitates travel
 - Air traffic is growing, baseline expectation is for stable air fares without major new policy
 - Business travel picking up little by little
 - Travelers from Asia, Russia, and conferences yet to come
- Operator sentiment optimistic
- Pipeline
 - Some projects have been cancelled or postponed
 - Yields?

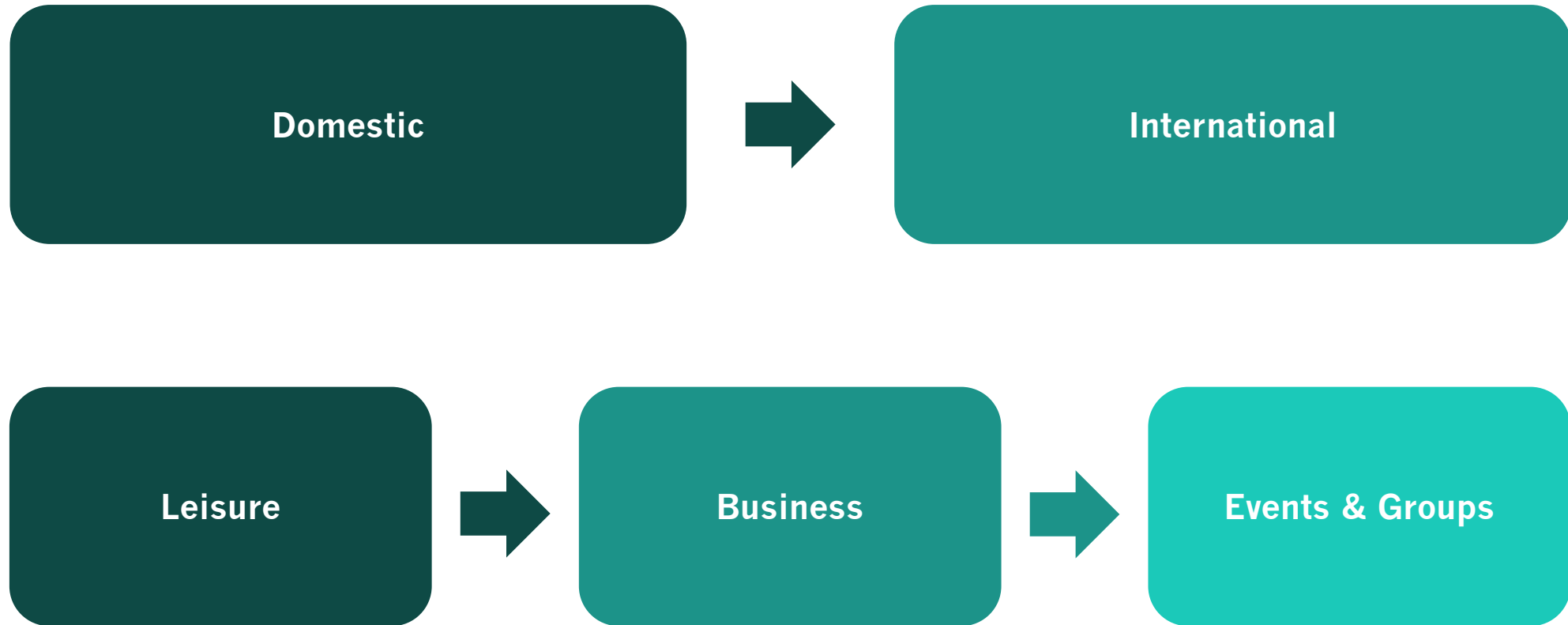
Destination performance also varies according to policy

Foreign visits and overnights to select destinations

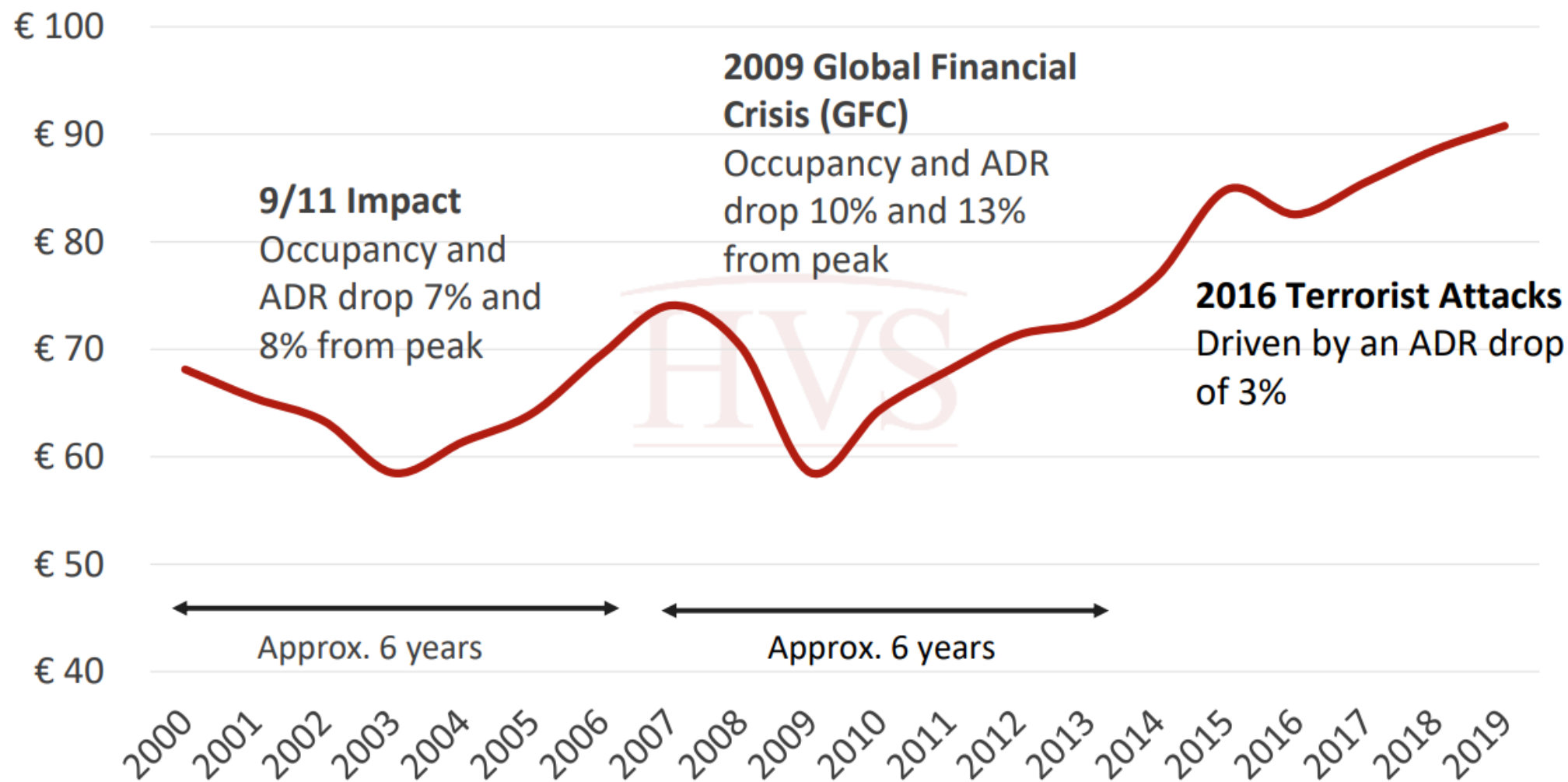


Source: TourMIS *date varies (Jan-Sep) by destination

Recovery will differ by type of demand



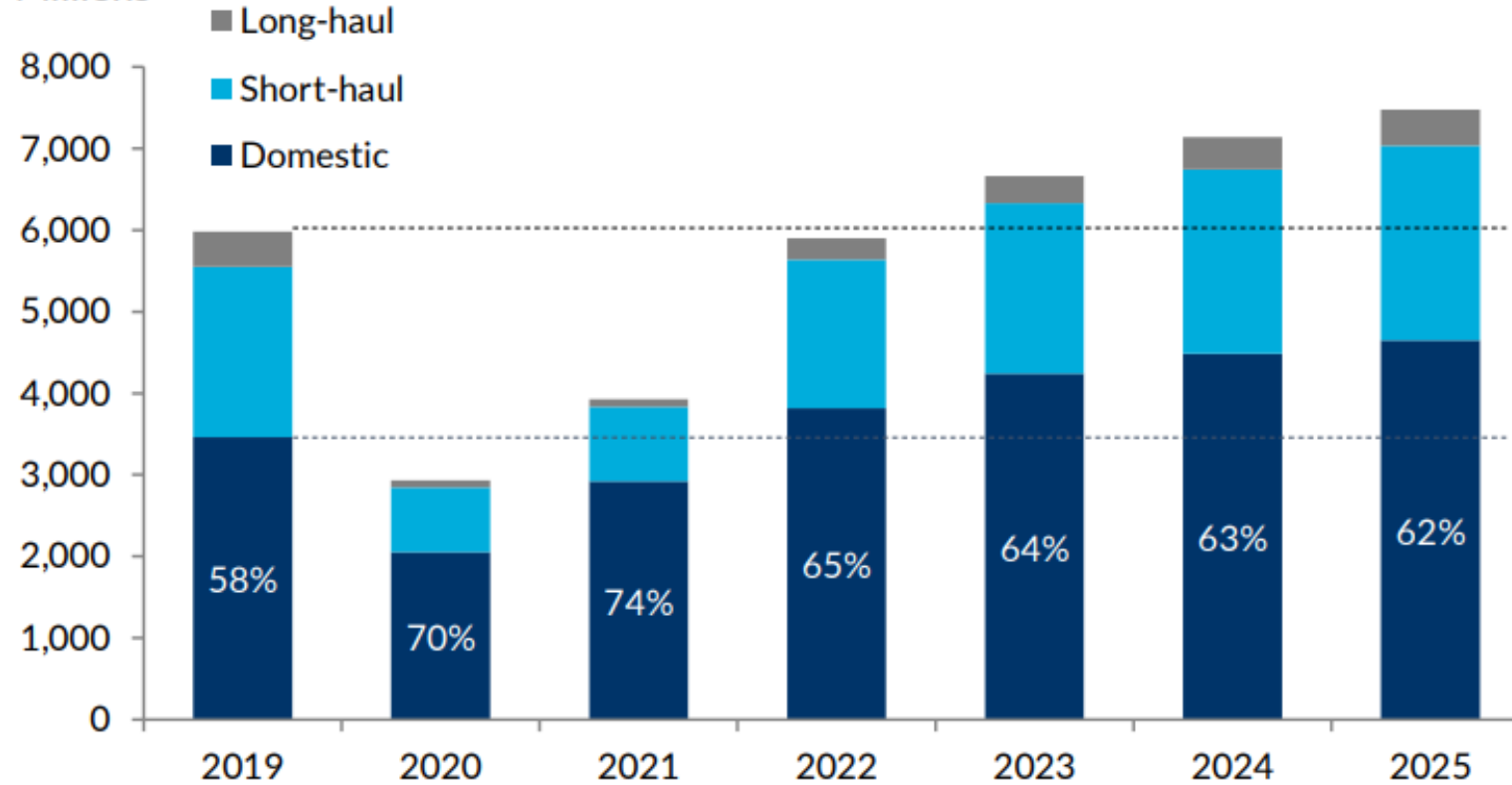
Historically, recoveries tend to take around 6 years



Lingering substitution will also result in some modal shift

Inbound and domestic guestnights, Europe

Millions



Source: Tourism Economics

Future trends in hotel industry

- ✓ Strengths and challenges in hotels in Helsinki
- ✓ Development of hotel offering
 - The sharing economy, OTAs, domination of tech, inventive hotel designs, wellness travel, bleisure, exclusivity
 - City resorts?
 - “Tekemisiä!”
- ✓ Co-operation between actors in the market
- ✓ Digitalization
 - Digital guest experiences - virtual reality, smart hotels/rooms, robot stuff, power of social media
- ✓ Sustainability hotels – ESG* and GRESB*