

Market Reports

Hotel markets around the globe: Before and during COVID

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Hoteliers share what they were experiencing in their markets before the pandemic hit and how those markets have coped since.



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GLOBAL REPORT—The COVID-19 pandemic has brought obstacles for hoteliers around the globe, but even before the virus hit, some markets were facing challenges.



[Chicago was already coming off a flat 2019](#) and hoteliers in the market were keeping an eye on several potential hurdles, HNN contributor Brendan Manley writes.

Back in March, Chicago hoteliers were worried about group business performance, which suffered in 2019, resulting in a 6.3% drop in occupancy.

Jan Freitag, SVP of lodging insights at [STR](#), said “If there are fewer group nights sold, there are fewer compression nights. There are a lot more nights when hoteliers have rooms available, which does not allow them to drive a lot of room

rate growth.” (STR is the parent company of HNN.)

With group business relatively nonexistent in the pandemic environment, Chicago hotels likely face another year of struggle.



The coronavirus was having a dramatic effect on Italy’s hotel industry in March when government [containment efforts shut down the entire country](#), HNN’s Terence Baker writes.

Antonello de’ Medici, area managing director, Venice, at Marriott International, said his priority was to take care of employees and guests.

“Global travel is affected, and Italy is under the spotlight . . . particularly in the northern part.

We are carefully handling the current situation,” he said.

According to the [Centers for Disease Control and Prevention](#), the COVID-19 risk in Italy is still high, at a Level 3 warning.

Hoteliers in Columbus, Ohio, were energized about the new types of hotel supply and demand generators that have come into the city in recent years, but like nearly every market in the U.S., [the pandemic has presented significant setbacks](#), HNN reported in March.



As of 25 March, Joe Savarise, executive director of the Ohio Hotel & Lodging Association, said hotels in the area were still open but were reporting “historically low occupancy rates.”

“That said, hotels are an essential business. In addition to providing necessary accommodations for travelers and local residents who may be temporarily displaced, hotels serve essential government travelers, first responders and others who are necessary to fighting the spread of disease or otherwise responding to disasters,” he said. “For that reason, we urge the state to not subject hotels to mandatory closure, but to leave that decision up to each business.”

The county Columbus is located in, Franklin County, currently has 1,207 total COVID-19 cases, [according to The New York Times](#).

Singapore was hit particularly hard early in the pandemic, but hoteliers were [optimistic about staycation guests](#), HNN contributor Selena Oh wrote in an article in early April.



Prime Minister Lee Hsien Loong started encouraging staycations in Singapore on 22 March.

Tan Shin Hui, executive director for Park Hotel Group, said the company had hotels that were well located with pools and other amenities to attract families for staycation

Malaysian hoteliers were receiving fewer visitors from several Chinese and South Korean provinces in April and were [worried record-low occupancy levels would last months](#), HNN contributor Tamara Thiessen reports.



Some hotels that were used as quarantine facilities during that time did record higher occupancies

Philadelphia hoteliers said in late April they believe [hotels will recover quickly once the dust from the pandemic crisis settles](#), HNN contributor Alicia Hoisington reports.



Joe Del Guidice, VP of operations at PM Hotel Group, said the market benefits from diverse demand drivers

“I really believe that Philadelphia will be quick to recover after the current crisis. We have biotech, universities and health care systems, all of which are more immune to economic downturns,” he said. “Easy accessibility by air and Amtrak to major cities, such as D.C., New York City and Boston, will also be a factor. And, the city’s position as a historical gem will all help contribute to its recovery and growth.



Oktoberfest in Munich was [canceled for 2020](#), which was a hard pill to swallow for hoteliers in the market, Baker reports

The festival, scheduled for 19 September through 4 October, hadn't been canceled since World War II.

Martin Kemmer, managing director of management and consultancy firm Place Value Hotel Management based in the Munich suburb of Unterföhring, said hoteliers expect softened performance this year as a result of the cancellation.

In May, hoteliers in Spain were [hoping to reopen their properties](#) by July but said the messaging around reopening in terms of limitations and concessions was confusing, Baker reports.



Inmaculada Ranera, managing director for Spain and Portugal at business advisory Christie & Co., said hotels been allowed to operate as of 11 May, but there's a lot of uncertainty, mostly due to there not being a COVID-19 vaccine

"The government is working on measures that the hotels will need to respect, such as perhaps having one floor empty so that if there are coronavirus cases confirmed, there will be room to isolate and quarantine," Ranera said.

There's been a rise in the number of COVID-19 cases in Spain recently, [but most hotels that closed at the height of the pandemic have reopened](#). Financial World reports.



Hong Kong has been in the news a lot in the past 18 months over political unrest in the market, and while the pandemic hasn't helped, hoteliers believed it is [poised for a bright future](#), Baker writes.

In July, Jesper Palmqvist, area director for Asia-Pacific at [STR](#), said Hong Kong hotels had shown definite performance highlights despite the challenges.

"Saturday staycations in Hong Kong are bringing ... occupancies up to 50% recently, and they used to be 40% a month ago," Palmqvist said. "Weekday baseline has also lifted from 30% to almost 40%, so there has been a lift in general."



Travel to Turkey was on a severe hiatus because of the COVID-19 pandemic, but hoteliers are optimistic about travel being [brought back by government initiatives and the return of international flights](#), writes HNN contributor [Vladislav Vorotnikov](#).

Since Turkey currently isn't welcoming foreign visitors, hoteliers have chosen to close property doors or open at a later date.

"We were planning to have a very good summer season," Uğur Ecel, room division manager at Antalya-based Vonresort Hotels, said. "After lockdown ... we began following the news about international flight restrictions. We delayed our opening many times, and finally, we opened our hotels in the first week of July. We kept July occupancy approximately at 30%."