

Hindsight 2020: Global Hotel Performance

SAVANNAH, GA, UNITED STATES, January 21, 2021 /EINPresswire.com/ -- With 2020 finally in hindsight, Georgia-based hotelier, Charlton Claxton, is taking a look back at global hotel performance throughout the past year that will forever be defined by the coronavirus pandemic. When thinking about how the pandemic has affected our day-to-day lives and the hit it's taken on businesses, we can unintentionally be a bit shortsighted - even struggling to see outside of our own city, state, or country. But Claxton has found that although COVID-19 decimated hotel performance worldwide, the level of recovery truly depends on the location. So let's dive right into Claxton's 2020 global hotel performance retrospective.

Global Similarities and Variances

To begin, every region did implement some combination of travel bans, border closures, and lockdowns with duration, severity, and start dates varying widely. The Northern Hemisphere (excluding China) experienced some degree of summer occupancy recovery, which turned into a plateau and then later a setback, as seasons shifted and fall returned.

Performance patterns varied even more across the Southern Hemisphere. Central and South America have yet to achieve a comeback, while Africa and Australasia are stuck firmly in the plateau phase.

Europe: Lockdown, Part II

As the summer travel season gave way to the fall business travel season, the weather cooled, as it always does, and the consequences of all those vacations started appearing in countries' COVID-19 case counts. So...the party stopped. More than 15 European countries entered a second lockdown. However, occupancy had started falling off prior to that as increased uncertainty and safety concerns led would-be travelers to cancel plans.

Both occupancy and average daily rates are edging increasingly closer to their mid-April lows, but "lockdown-lite" (as Claxton calls it) in many areas does allow for business travel. Claxton predicts this could be helpful, but it would appear governments haven't gotten the memo considering a work-from-home lifestyle puts a real damper on business travel.

Middle East: Dubai in Demand

The Middle East can be divided into two categories of performance: Dubai and then everyone else. Just as Claxton expected, Dubai has taken the pandemic in stride. Examples include: loosened alcohol restrictions, no quarantine upon arrival, an increase in permissible gathering size, a nationwide peace agreement with Israel, and, of course, fantastic winter weather. As a

result, Dubai occupancy is on the rise and likely to remain so even as the rest of the region stalls.

Asia Pacific: Domestic Divide

For most of the Asia Pacific region, the story of recovery depends on how much domestic demand a given country is capable of driving. Tourist-dependent countries such as Cambodia and Laos have struggled to get their occupancy off the ground. October occupancy failed to reach even 20 percent in either market.

Intrastate travel and looming summer weather have improved Australian occupancy for the past three months, a trend that Claxton believes is set to also continue over the next three months.

Leading the pack, New Zealand may be well below 2019 occupancy levels, but compared to the rest of the world, October occupancy of 58.5 percent makes it one of the top performers in the region, if not the world, to Claxton's surprise.

Central & South America: Peru Peaks

Peru locked down in March, ahead of many North American and European countries but quickly reopened in June. Performance this year has been consistently strong due to government initiatives intended to relieve the troubled accommodations sector.

Claxton attributes these measures leading to strong growth in Lima hotel group demand. Year-over-year group demand growth peaked in June and has since slowed, with only 3.5 percent growth in October. The rest of the world's group demand is sitting somewhere around 80 percent loss. Transient demand, as Claxton expected, was down almost 70 percent in October. Unfortunately for the rest of the region, Peru was the lone performance outlier in this regard.

Takeaways

As we enter 2021, Claxton is hopeful and confident in global hotel performance for this first quarter and this entire year. With the implementation of COVID-19 vaccines and the continuation of mask mandates, Claxton predicts the onward and upward increase in occupancy as the year unfolds. He is using the hindsight of 2020 as foresight into 2021 and the future of the world's hotels are certainly looking brighter.

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