



# IBF SEMINAR

## HOTEL SECTOR & OVER-TOURISM

20/02/2025, BORIVOJ VOKRINEK

Better never settles



# KEY QUESTIONS



- 01 HOW DID WE GET HERE?
- 02 WILL THIS CONTINUE?
- 03 IMPACT ON HOTELS?

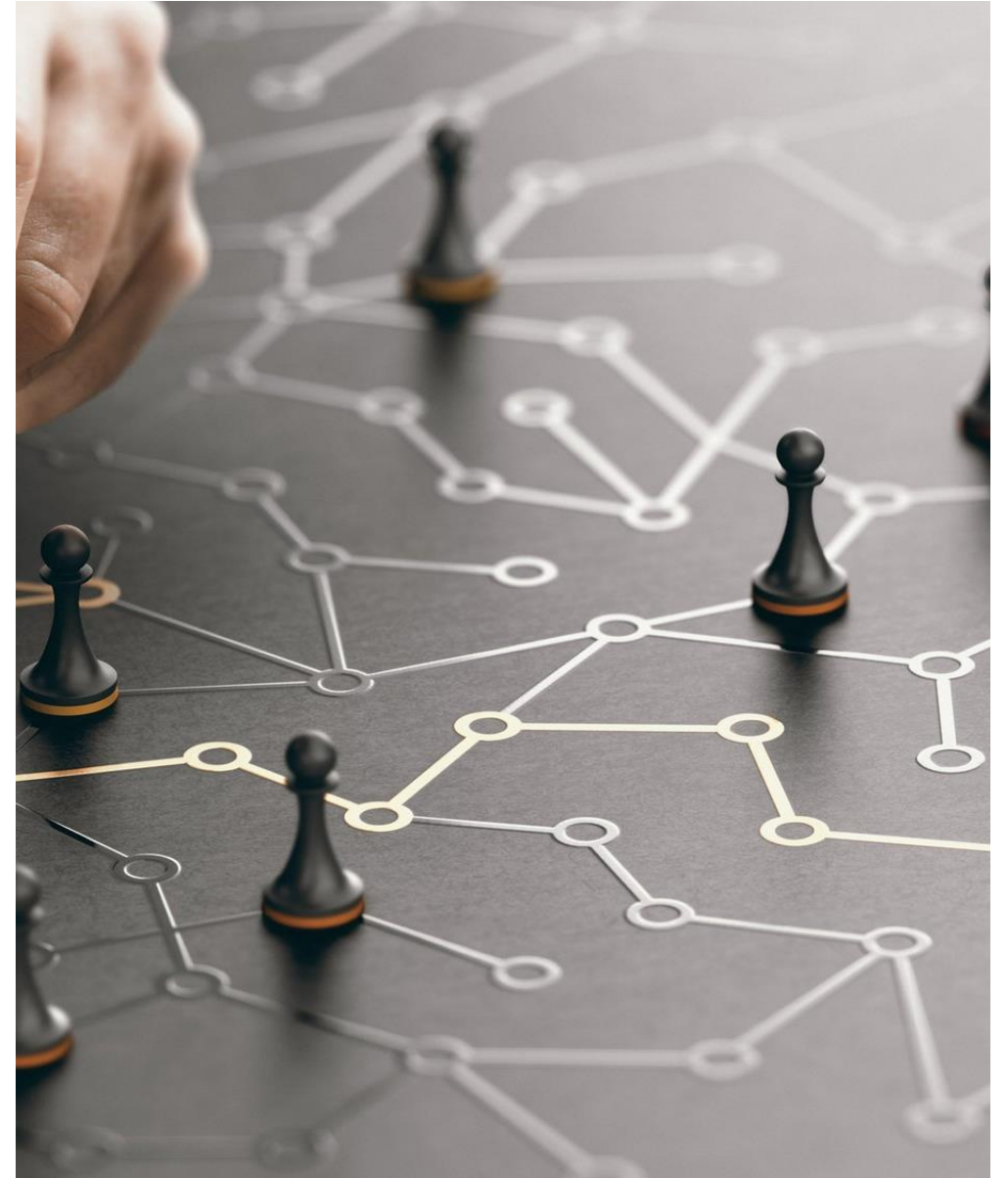
# OVERCOMING OVER-TOURISM

Bořivoj Vokřínek

Popular travel destinations are feeling the pressure and real estate owners need to understand how they are impacted by over-tourism.



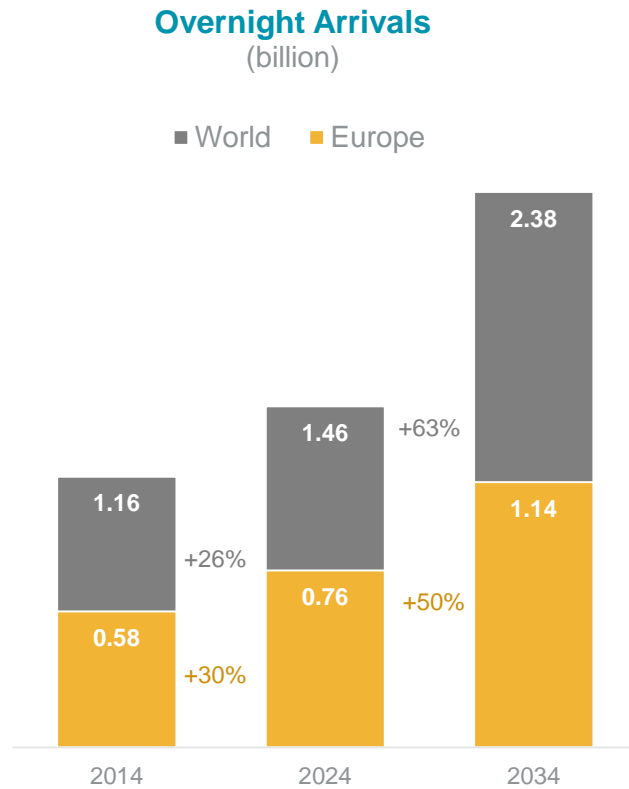
**HOW DID WE GET HERE  
& WILL THIS  
CONTINUE?**



# HOW DID WE GET HERE & WILL THIS CONTINUE?

## Tourism boom in past and future

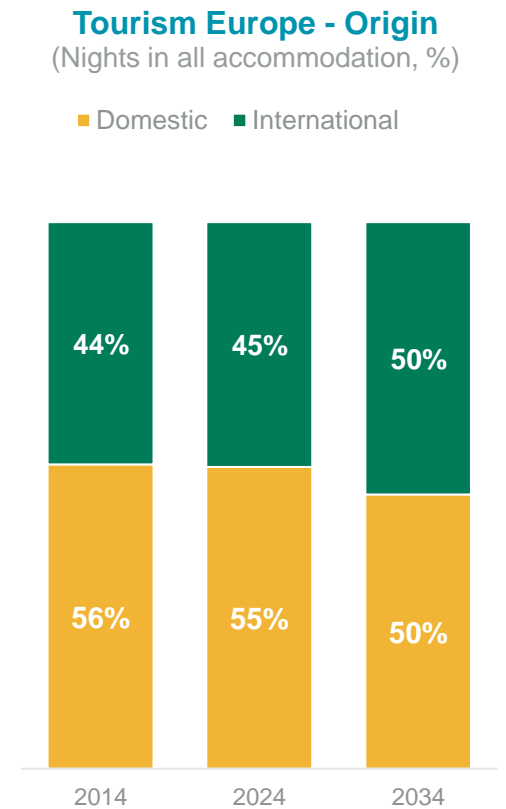
### Strong overnight visitation growth



### Leisure is the key driver



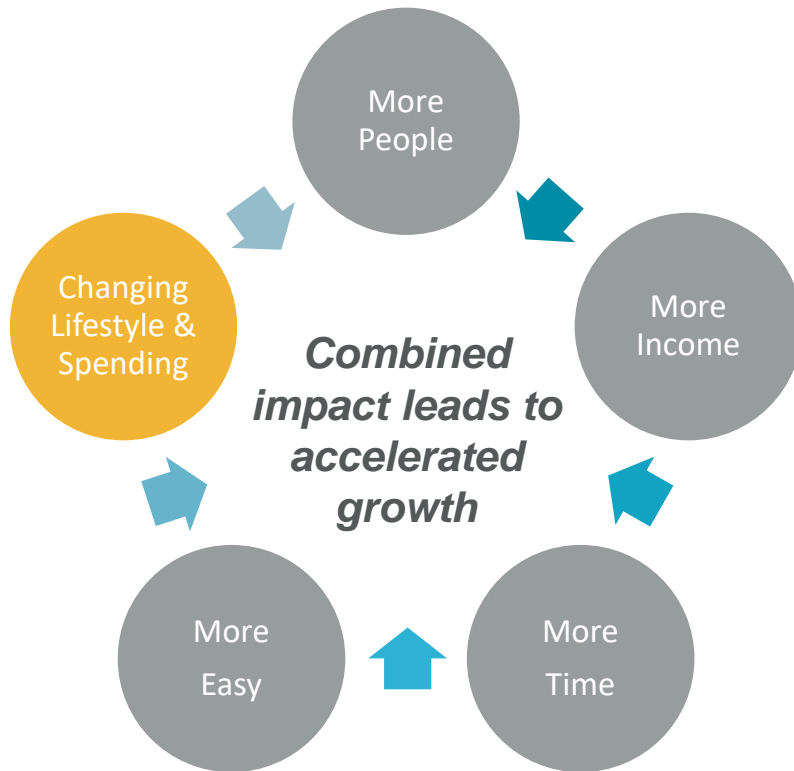
### Rising inbound travel



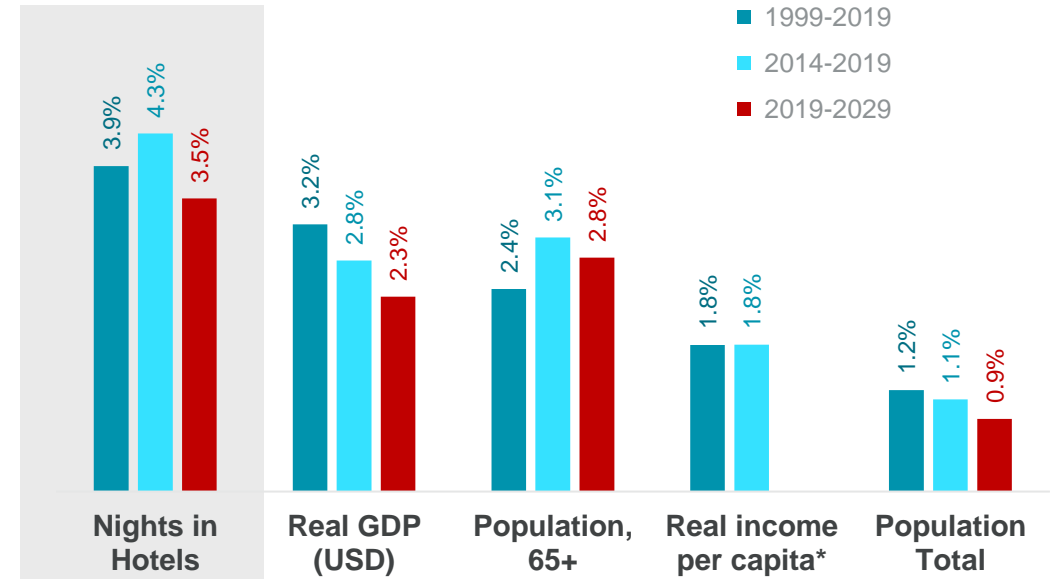
# HOW DID WE GET HERE?

The drivers of tourism demand

## Structural drivers of demand for transient accommodation



## Global Hotel Demand vs Selected Drivers

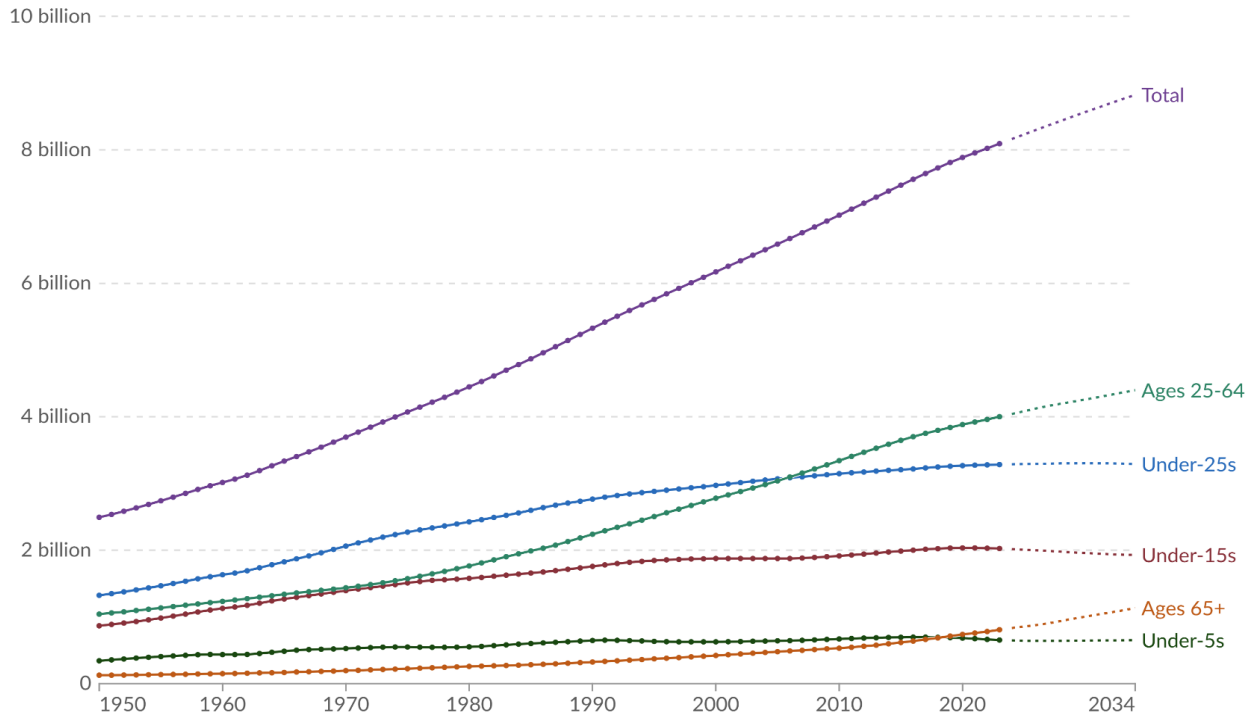


# HOW DID WE GET HERE & WILL THIS CONTINUE?

Base driver - Strong population and income growth

## Population by age group, World

Historic estimates from 1950 to 2023, and projected to 2100 based on the UN medium scenario<sup>1</sup>.



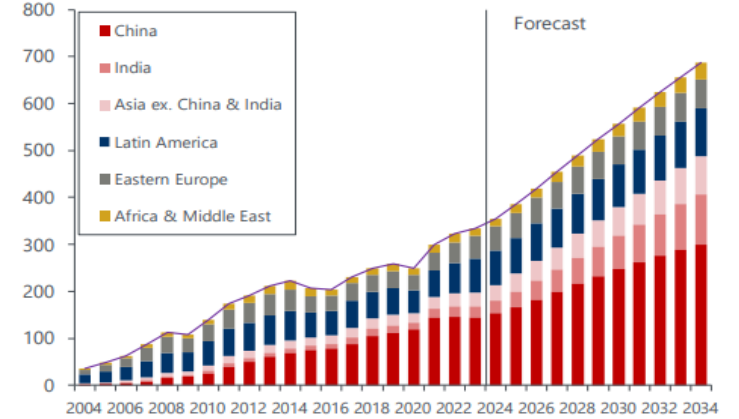
Data source: UN, World Population Prospects (2024)

OurWorldinData.org/population-growth | CC BY

1. UN projection scenarios: The UN's World Population Prospects provides a range of projected scenarios of population change. These rely on different assumptions in fertility, mortality and/or migration patterns to explore different demographic futures. [Read more: Definition of Projection Scenarios \(UN\)](#)

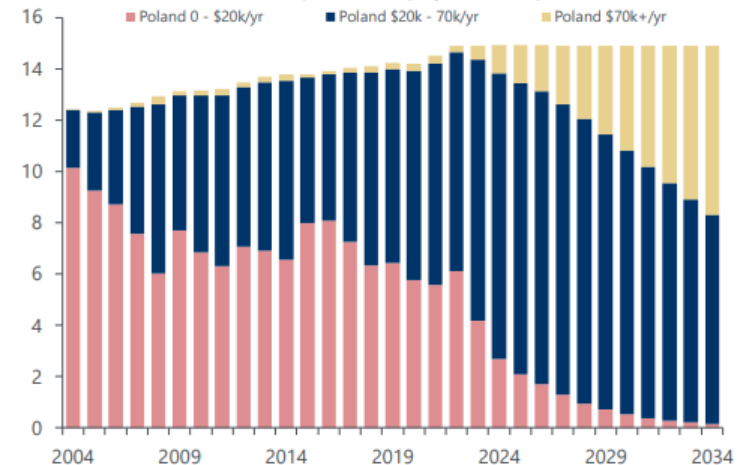
## Emerging market middle class will double in the next decade

Millions of households



## Poland: Income distribution

Millions of households (income bands expressed in US\$ per year at market prices)



Source: Oxford Economics

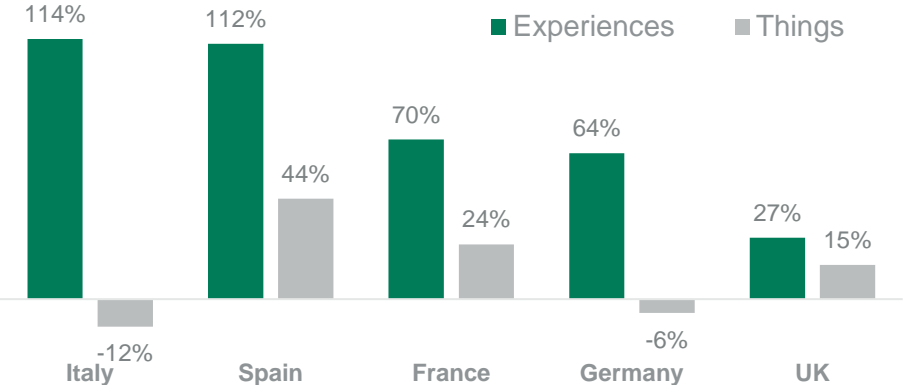
# THE ROLE OF TRAVEL

Shift from nice-to-have discretionary spending to “almost-a-basic-need” category

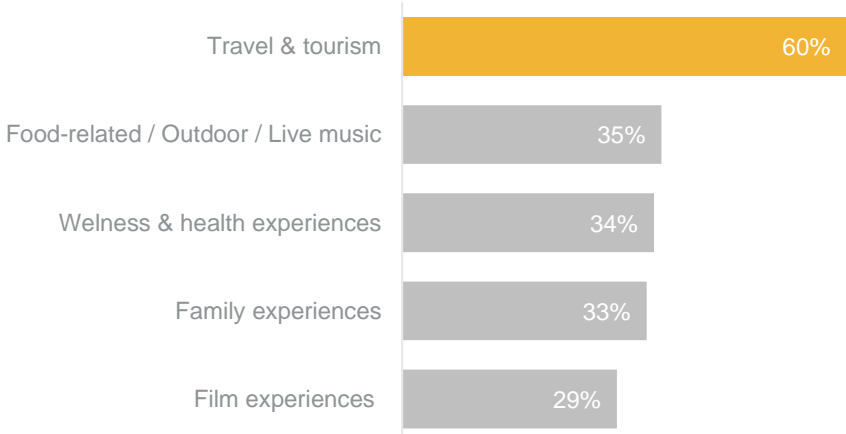
**64%** of global travelers would reduce their personal spending to prioritize leisure travel in 2024. <sup>1</sup>

**88%** people are set to spend the same or more on experiences in 2024 <sup>2</sup>

Tourism spending in Europe<sup>2</sup>  
(March 2023 vs 2019)



To-5 Experiences that Europeans plan to spend on in 2024<sup>2</sup>



# BEFORE SOCIAL MEDIA



*INCREASE IN  
SPENDING ON  
EXPERIENCES  
SUPPORTED BY  
SOCIAL MEDIA*

# WITH SOCIAL MEDIA



# RISKS

What can slowdown tourism?

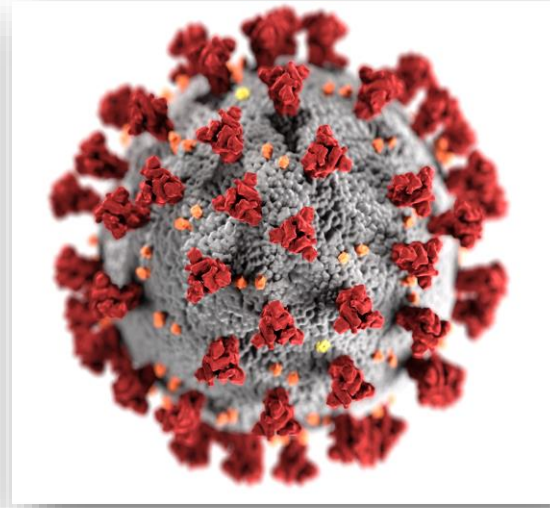
## GEOPOLITICS



## ECONOMY



## HEALTH CRISIS



## CLIMATE CHANGE









# 02

**IMPACT ON HOTEL  
OWNERS &  
INVESTORS?**



# IMPACT ON HOTEL OWNERS / INVESTORS

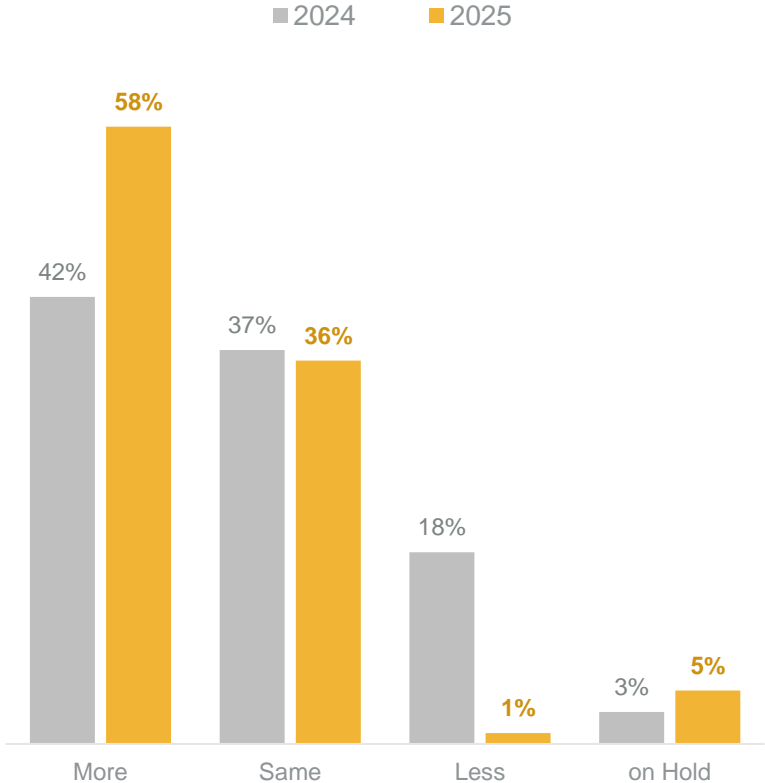
Common measures to manage over-tourism and implication for hotel owners

Measure	Impact	Detail
Hotel supply restrictions		Constrained supply => Income / value growth
Regulation of the home-sharing sector		Removing unfair competition
Tourism flow management		Reducing seasonality and unlocking new opportunities
Focus on higher value visitor		Shifting from quantity to quality
Improving infrastructure & facilities		Enhancing accessibility
Tourism Taxes	???	Reducing Income OR Sharing resources & maintaining the appeal
<b>DO NOTHING</b>		Diminishing/negative experience for both; visitors and local communities

# IMPACT ON HOTELS

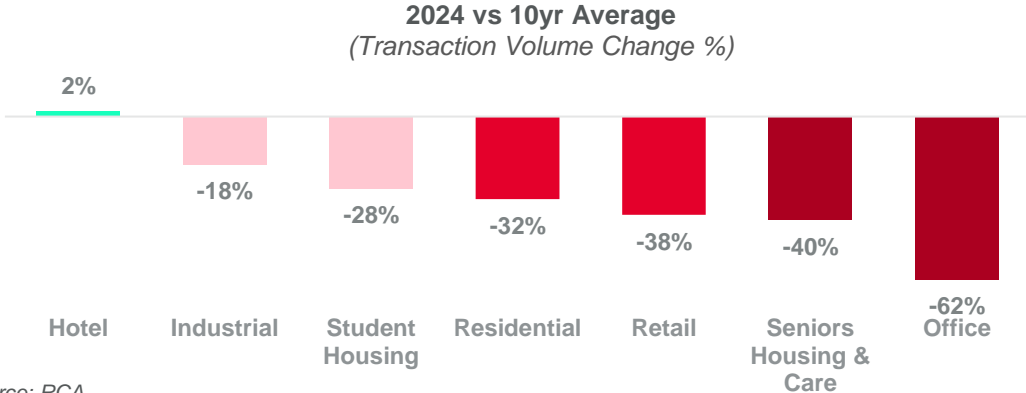
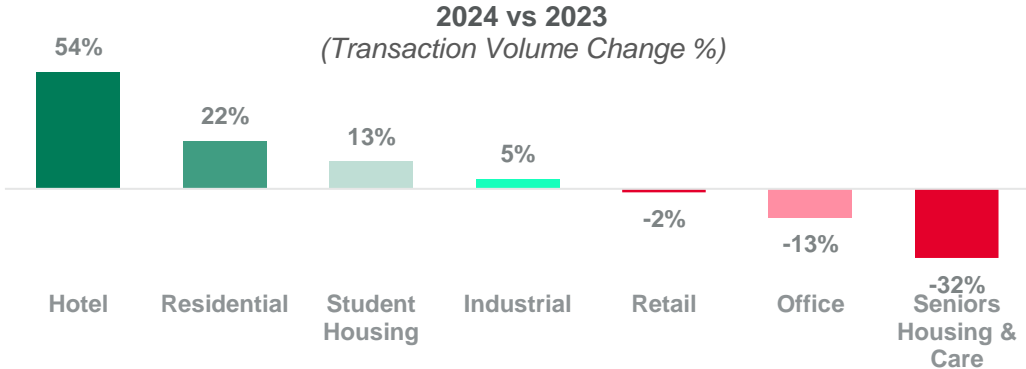
## What investors think?

Investors intentions about deploying capital on hotels in Europe



Source: C&W investor survey 2025

Transaction activity in Europe

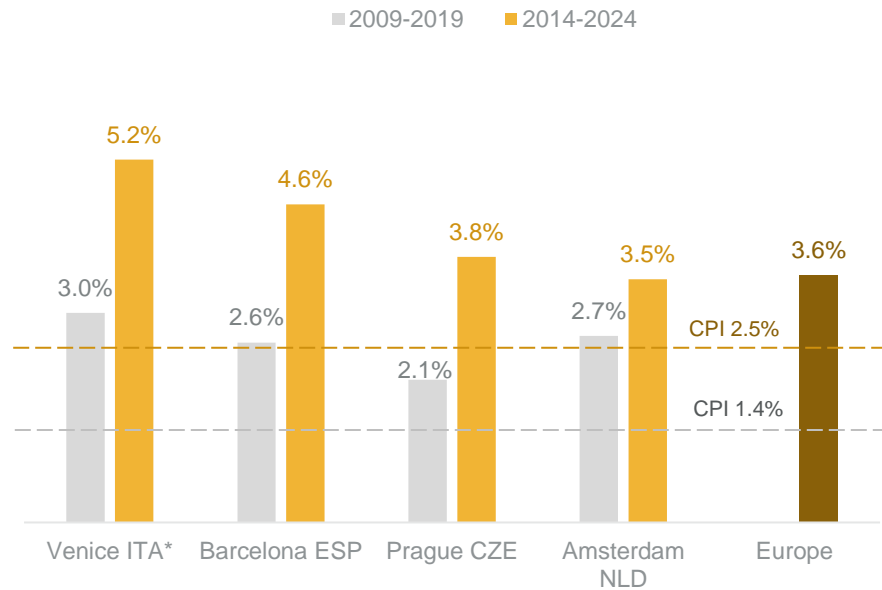


Source: RCA

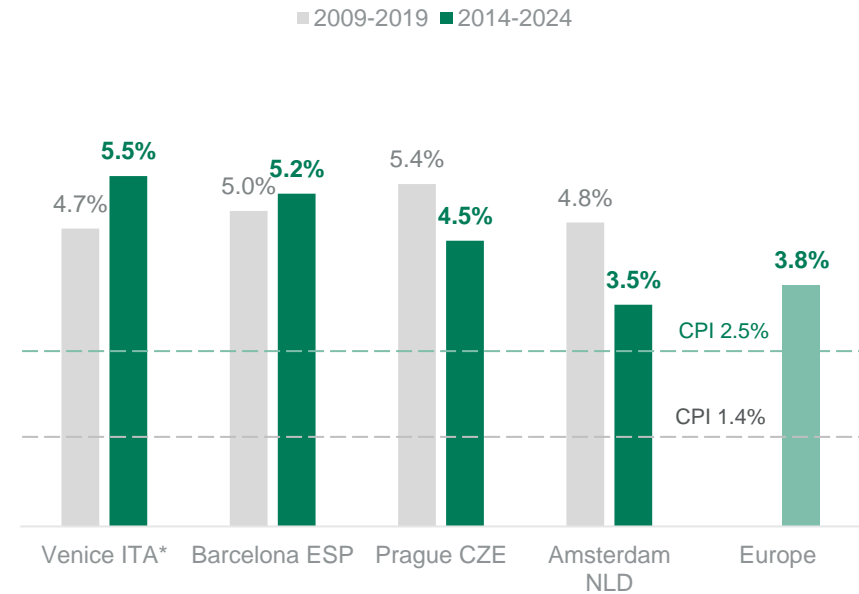
# IMPACT ON HOTELS

Does excess of demand translate into superior performance?

### Hotel Room Price Growth (ADR CAGR, EUR)



### Hotel RevPAR Growth (CAGR, EUR)

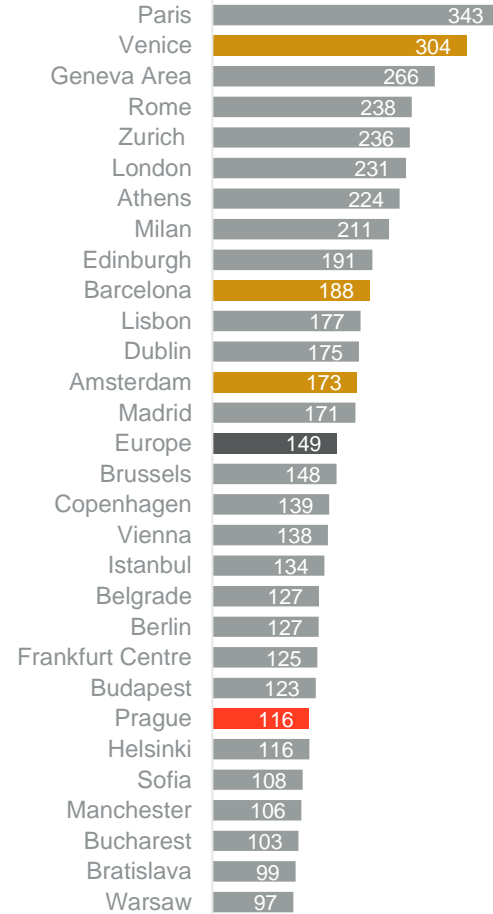
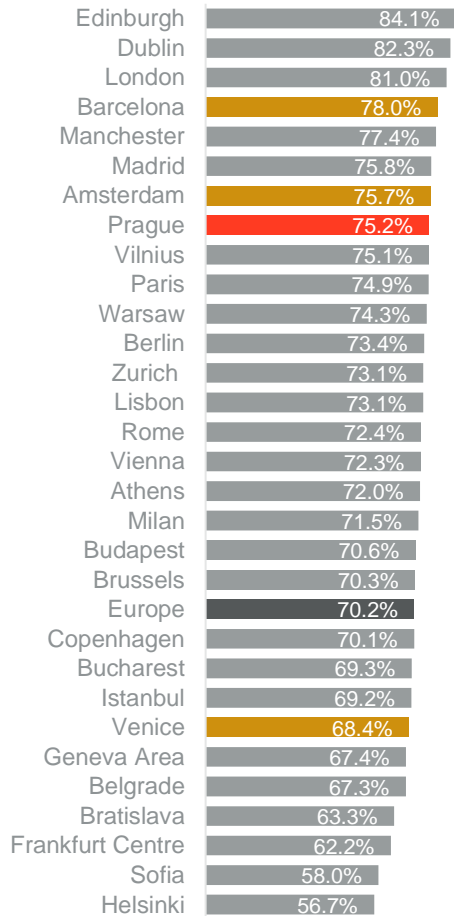


# IMPACT ON HOTELS

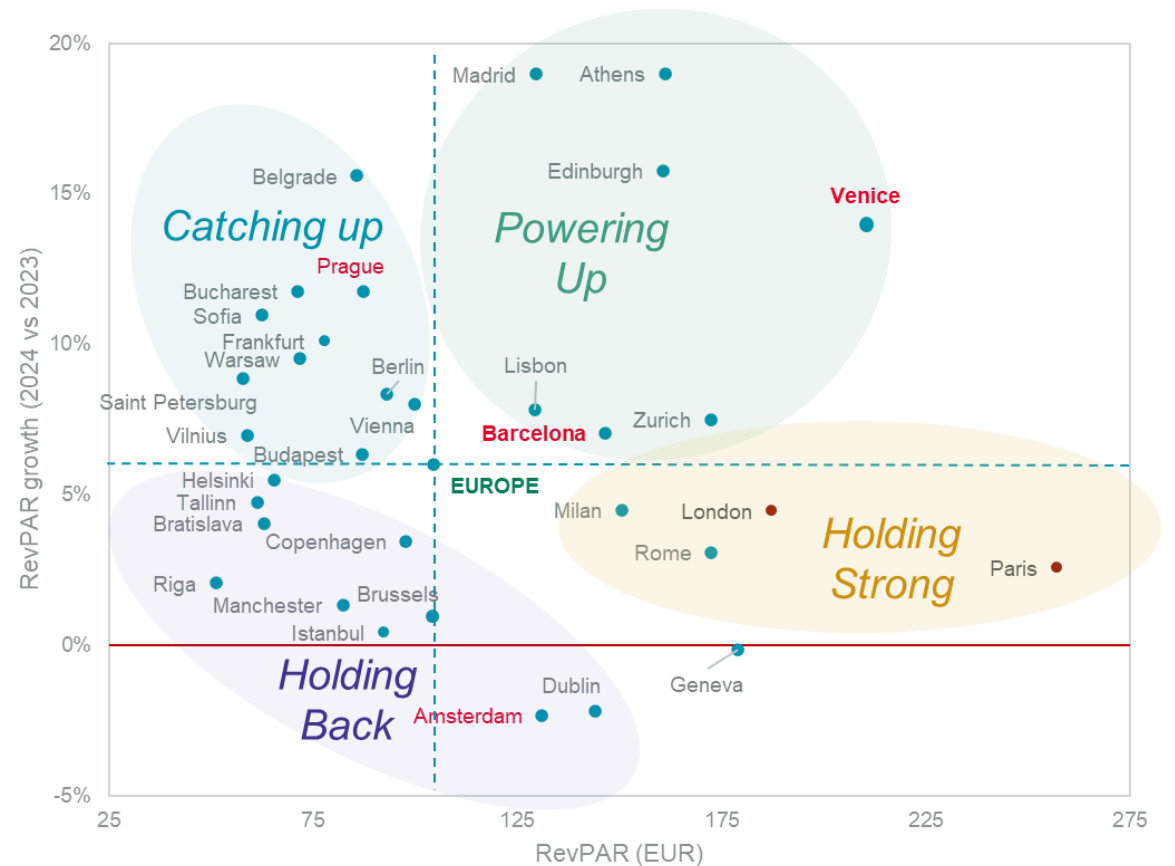
Does excess of demand translate into superior performance?

## OCCUPANCY 2024

## ADR 2024



## RevPAR 2024 (Nominal & Growth Matrix)



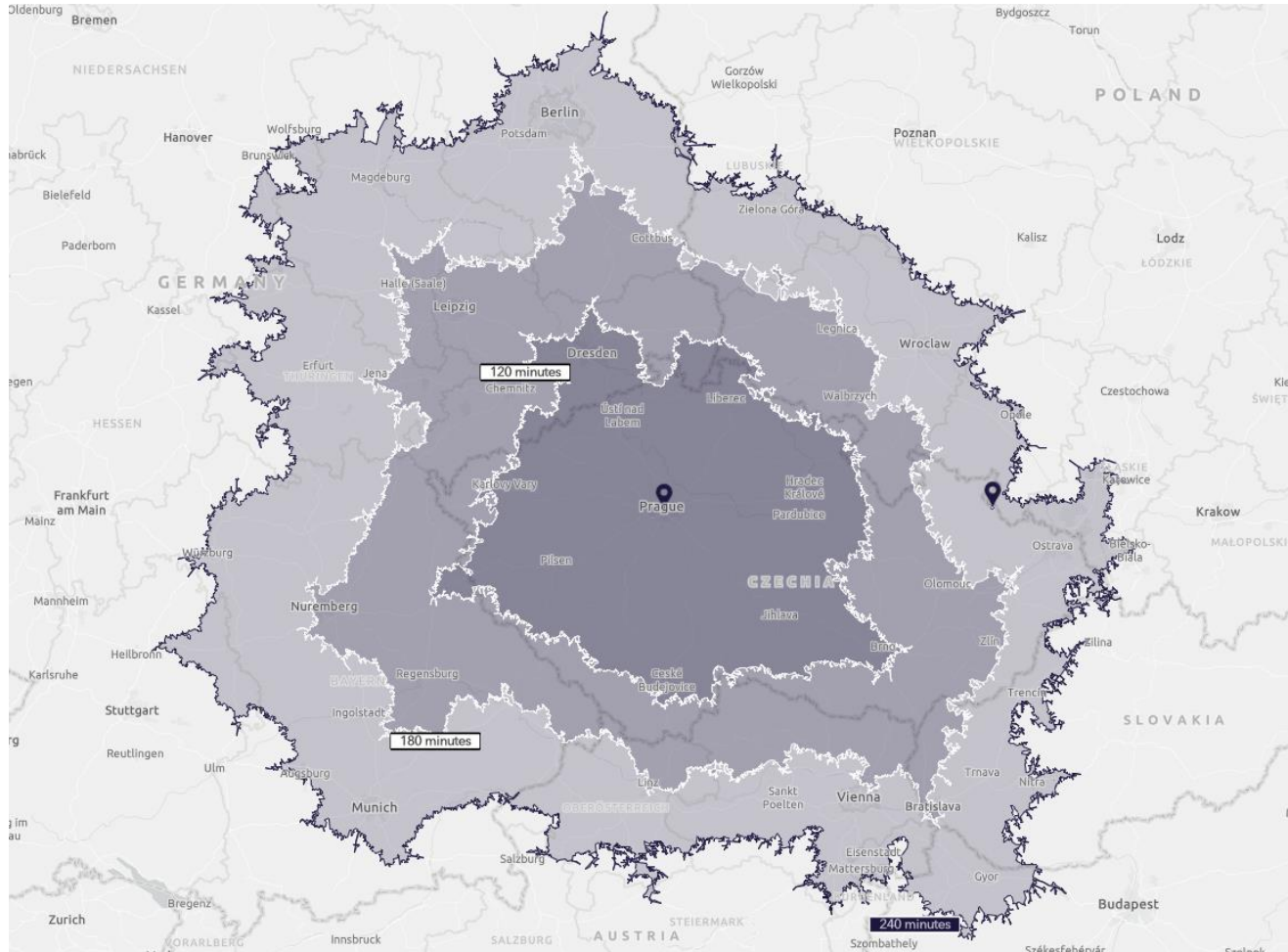
# COMMENTS & QUESTIONS



# APPENDIX

# PRAGUE CATCHMENT

2hr-3hr-4hr driving time to Prague

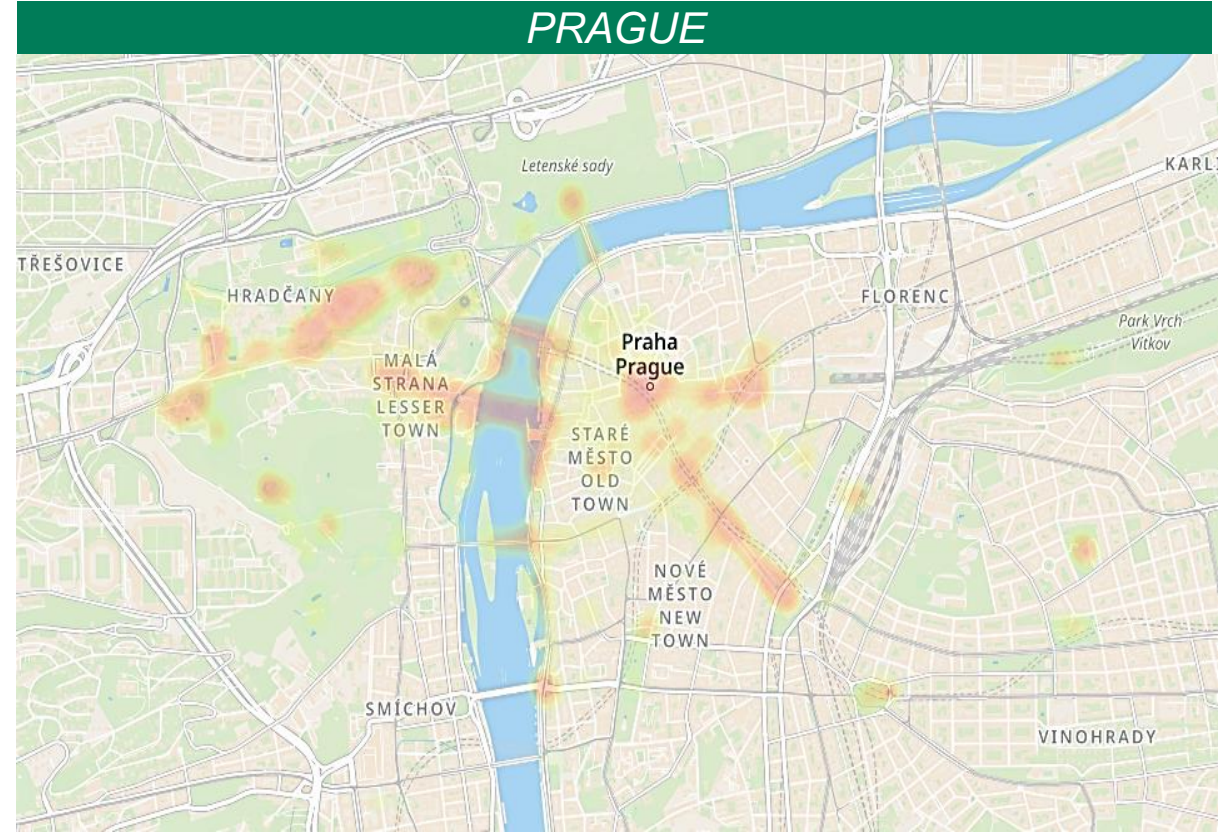
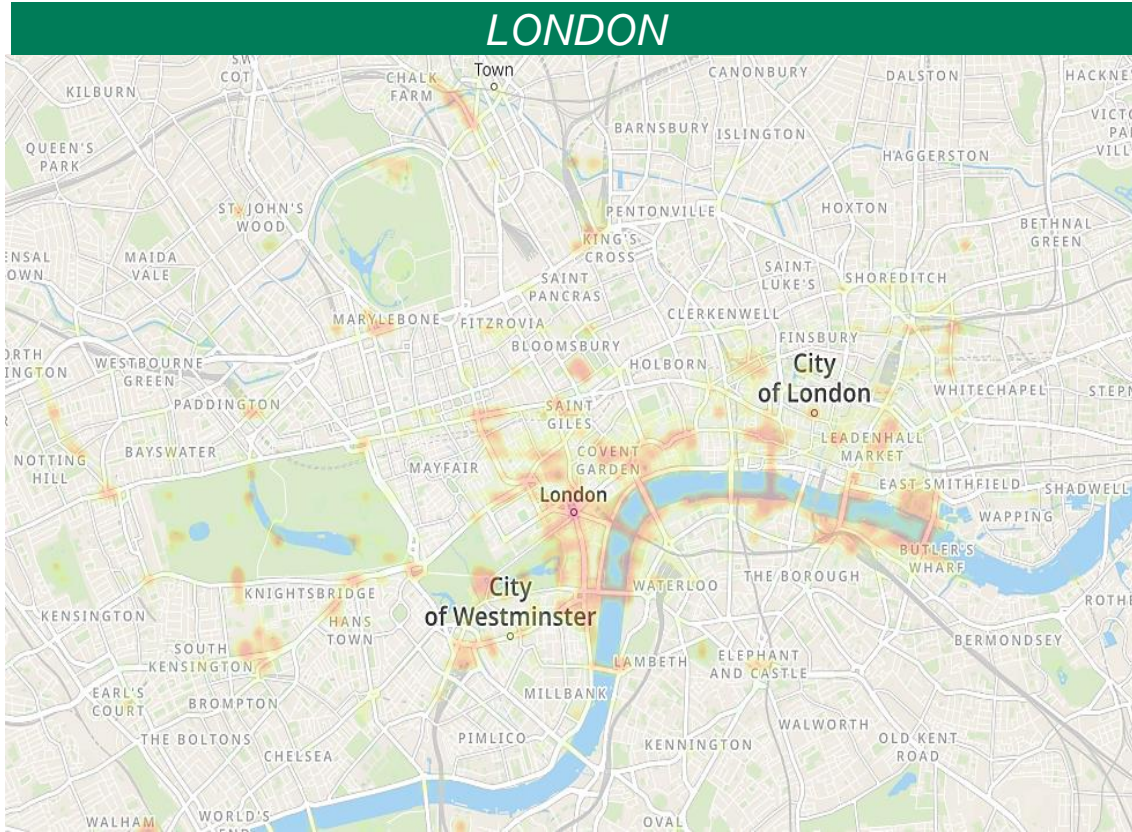


Distance (driving)	2023 Total Population
120 minutes	7,357,421
180 minutes	9,377,928
240 minutes	10,821,867

Source: ESRI ArcGIS

# TOURISM HEAT MAP

High concentration of tourism activity - London vs Prague



Source: TopPlace Avuxi (not same scale), orange are popular sightseeing areas

(Popular means the most loved and relevant places, as agreed on by tens of thousands and sometimes even millions of people. TopPlace™ algorithms analyze billions of user-generated geo-tagged signals, regularly indexed across 70+ public sources.)

# KEY MARKET TRENDS

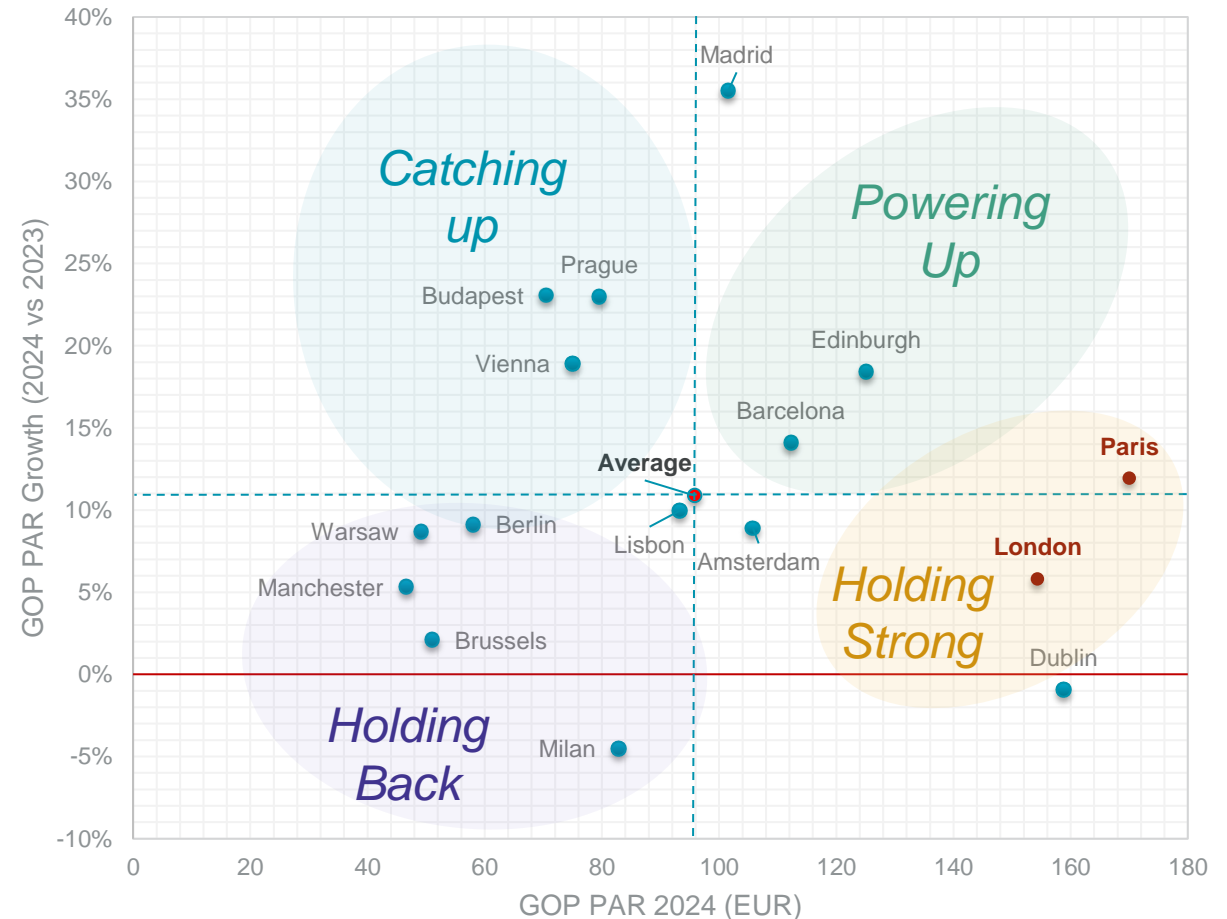
## Profit Trends

**Hotel profits continue to increase across the majority of key European markets**

*(+11% average across 13 major urban markets)*

## GOP PAR 2024

*(Nominal & Growth Matrix)*

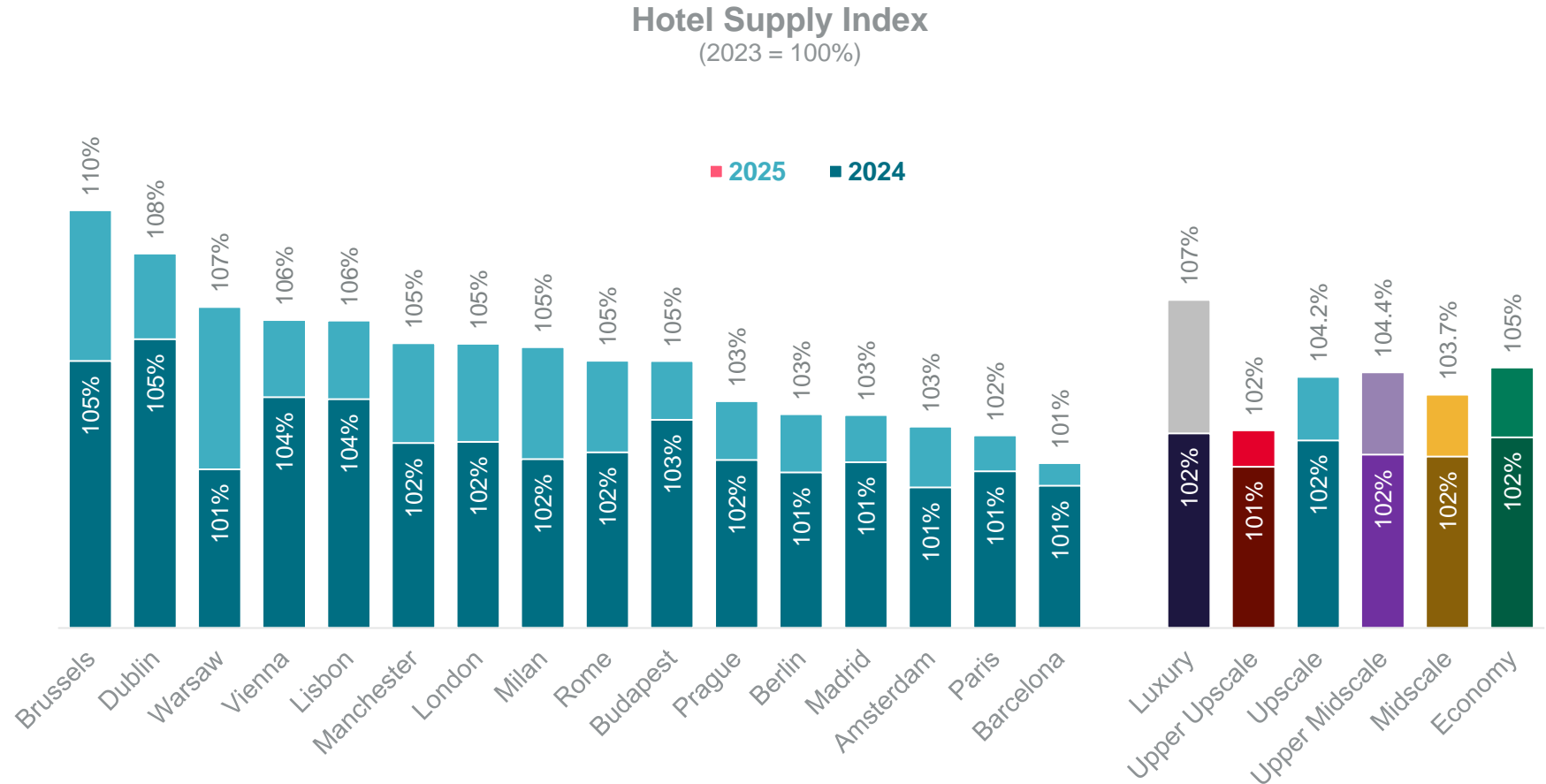


# KEY MARKET TRENDS

## Performance Outlook

*Varying supply growth across key markets*

*(Average supply growth at **2.0%** in 2024 and **2.5%** in 2025 across top 15 markets)*



# KEY MARKET TRENDS

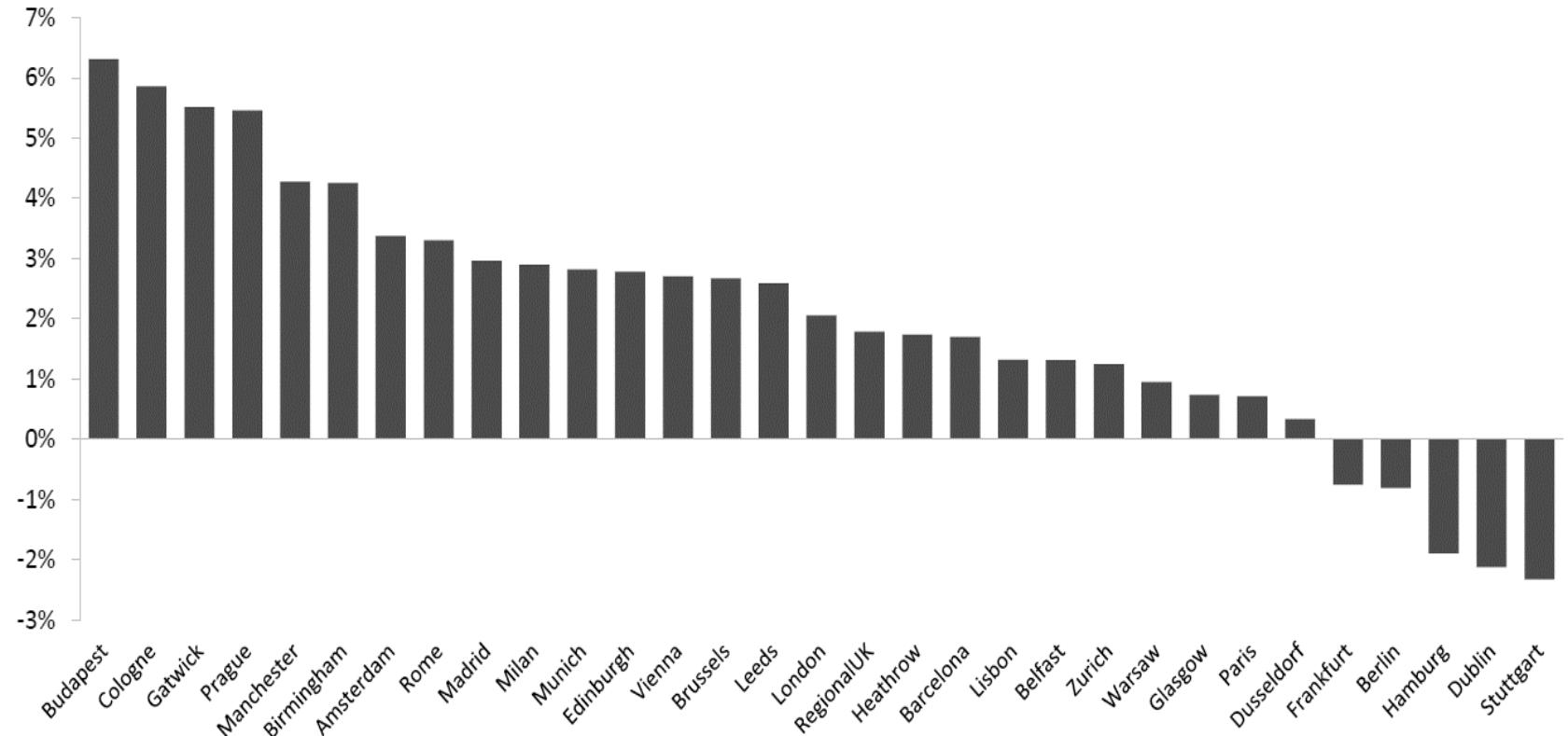
Performance Outlook

**Top-line growth set to moderate but continue**

**(4-5% average RevPAR growth across key urban markets Europe in 2025)**

**2025 will see some RevPAR declines, but most remain positive.....**

2025 Forecast RevPAR (local currency), % change YoY



\*Paris market is Luxury and Upper Upscale only

# GROWING ROLE OF HOTELS

The role of hotels expanded over the centuries and will continue to do so...

**PLACE FOR SHELTER  
& FOOD...**



**PLACE TO MEET...**



**PLACE TO ENJOY & RELAX...**



**PLACE TO EXPRESS  
SOCIAL STATUS...**



**PLACE TO WORK...**



**PLACE TO LIVE...**





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