

Our markets European travel

We transform hospitality real estate potential into value and profits through identifying and creating development opportunities, primarily within European prime locations including London, Amsterdam, Berlin and Istria, Croatia.

With Europe cited as the largest global tourism market¹, we see major opportunities for further development across the continent in 2019 and beyond. We do this by acquiring properties which we believe have a significant upside potential and are prime assets within close proximity to major demand generators within leading European capital cities, urban markets and resort destinations.

STR Market forecast for 2019 (as of November 2018 release):

Berlin

€79
RevPAR

102
ADR

77%
Occupancy

Amsterdam

€126
RevPAR

155
ADR

81%
Occupancy

London

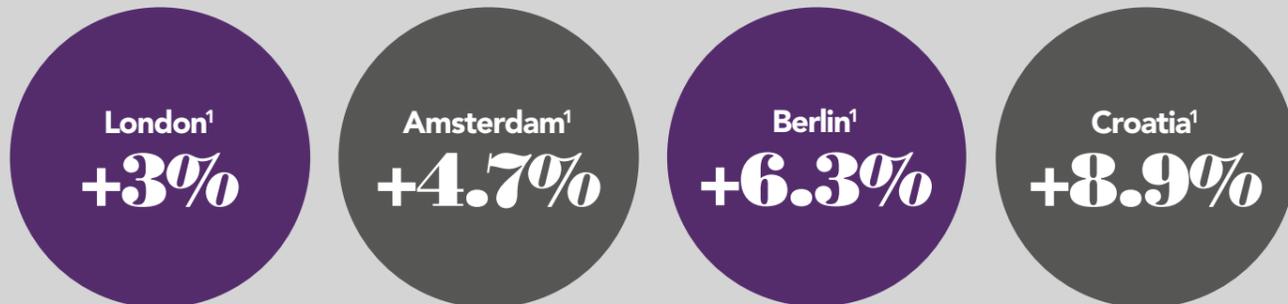
£125
RevPAR

152
ADR

82%
Occupancy

Source: STR

STR Global Actual RevPAR Growth 2018 over 2017:



¹ RevPAR growth is actualised and is a like-for-like comparison. Percentage increase for London in GBP, Amsterdam and Berlin in Euros and Croatia in Kuna.

EUROPEAN WORKER RETENTION AND ATTRACTION



During 2018 there has been an increase in demand for skilled hospitality workers across our European operating regions. Notably, within the UK market which in part has been attributed to the decision by the UK to withdraw from the EU. This has put pressure on recruitment and retention, particularly in housekeeping and food service. Businesses must plan for all outcomes.

2018 initiatives

- Launch of Accommodation Services in 2018, a UK business unit which has enabled us to promote from within and in-source housekeeping to provide long-term stability for our team members and business
- Introduction of Rosetta Stone language course across all regions to develop language skills to ensure that staff understand the key languages of our guests
- Launch of the Apprenticeship programme to meet increasing demand for skilled workers in the sector

DIGITALISATION



2018 has continued to be a year for companies tailoring the guest experience to the expectation of the digital traveller. Brands have needed to demonstrate agility and flexibility in their technology offering and how its products are marketed through online channels.

2018 initiatives

- WiFi improvement across the portfolio
- In-room entertainment enhancement
- Collaboration with Radisson Hotel Group to introduce new brand website platform (anticipated 2019 launch)
- Increase in our collaboration with our online travel agent partners which enables our properties to be featured in a wider distribution net – e.g. Radisson Hotel Group's new partnership agreement in 2018 with Ctrip.com provides further access to Asia Pacific markets

THE CUSTOMER IS ALWAYS RIGHT



With social media the go-to feedback, research and peer-to-peer review channel, brands have had to adapt their online behaviour to focus on social media as the first port of call to respond to queries while proactively driving buying decisions and affecting guest behaviour. How can international brands ensure that they remain at the forefront of customer service?

2018 initiatives

- A new partnership with ReviewPro was launched in 2018 to manage PPHE's Online Reputation Management and Guest Satisfaction in one centralised platform
- PPHE's senior management structure saw two new areas of responsibility created within the commercial function, focusing on Guest and Customer Experience – a range of new initiatives will be planned in 2019

GROWING SUPPLY



With European cities continuing to be of major interest to developers and new room options including homeshare businesses such as Airbnb, guests continue to be presented with a wide range of lodging and hotel options. For hospitality companies and especially those with a strong European presence, that means competition increases.

2018 initiatives

- We continue to investigate ways to attract and retain guests in London's South Bank area including the introduction of additional rooms and facilities in 2018 to ensure our properties are constantly of a high standard in a competitive market
- We invested heavily in our renovation and repositioning pipeline in 2018 and for example introduced newly repositioned products at Park Plaza Victoria Amsterdam and Park Plaza London Riverbank and progressed works at Park Plaza Vondelpark, Amsterdam and Park Plaza Sherlock Holmes London