



# HOSPITALITY: AN OUTLOOK FOR 2021

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PRIVATE AND CONFIDENTIAL

*Photo: Bubble Hotels*

## Executive Summary

This report dives into the pandemic's impact on hospitality and how it will shape the industry going forward. COVID-19 disrupted nearly every facet of lodging and accommodation, forcing companies to reevaluate their current product offering. However, with vaccine distribution on the rise and summer approaching there is growing consensus that the worst is over, which directs our attention towards the following: how will the hospitality industry reemerge?

While pandemic-driven restrictions will eventually subside, their impact on consumer trends will persist for some time. Macro changes in travel, a growing awareness of sustainability and permanent work from home policies are bound to alter the hospitality landscape, yet the matter of *how it will change* is unclear. To answer that question, we divide this report into three sections to explore what's in store for the next generation of hospitality. The contents of each section are as follows:

- ❑ **Section 1:** An overview of how the hospitality industry weathered 2020, unpacking key metrics like occupancy, RevPAR and layoffs
  
- ❑ **Section 2:** A critical look at the post-pandemic hospitality ecosystem, diving into the verticals of hotels and short term rentals
  
- ❑ **Section 3:** A deep dive into the emerging alt-hospitality sector, highlighting key companies to keep an eye on as this asset class matures

At Agya Ventures, it is our goal to assist our partners in capturing, evaluating, and implementing large technology trends transforming the built environment. Given the recent disruption in hospitality, we view it as a key sector to track with significant real estate implications. Should you have any questions or would like to discuss more, please don't hesitate to contact **Nobu Iguchi** (nobu@agyaventures.com), **Kunal Lunawat** (kunal@agyaventures.com), or **Aaron Farr** (aaron@agyaventures.com).

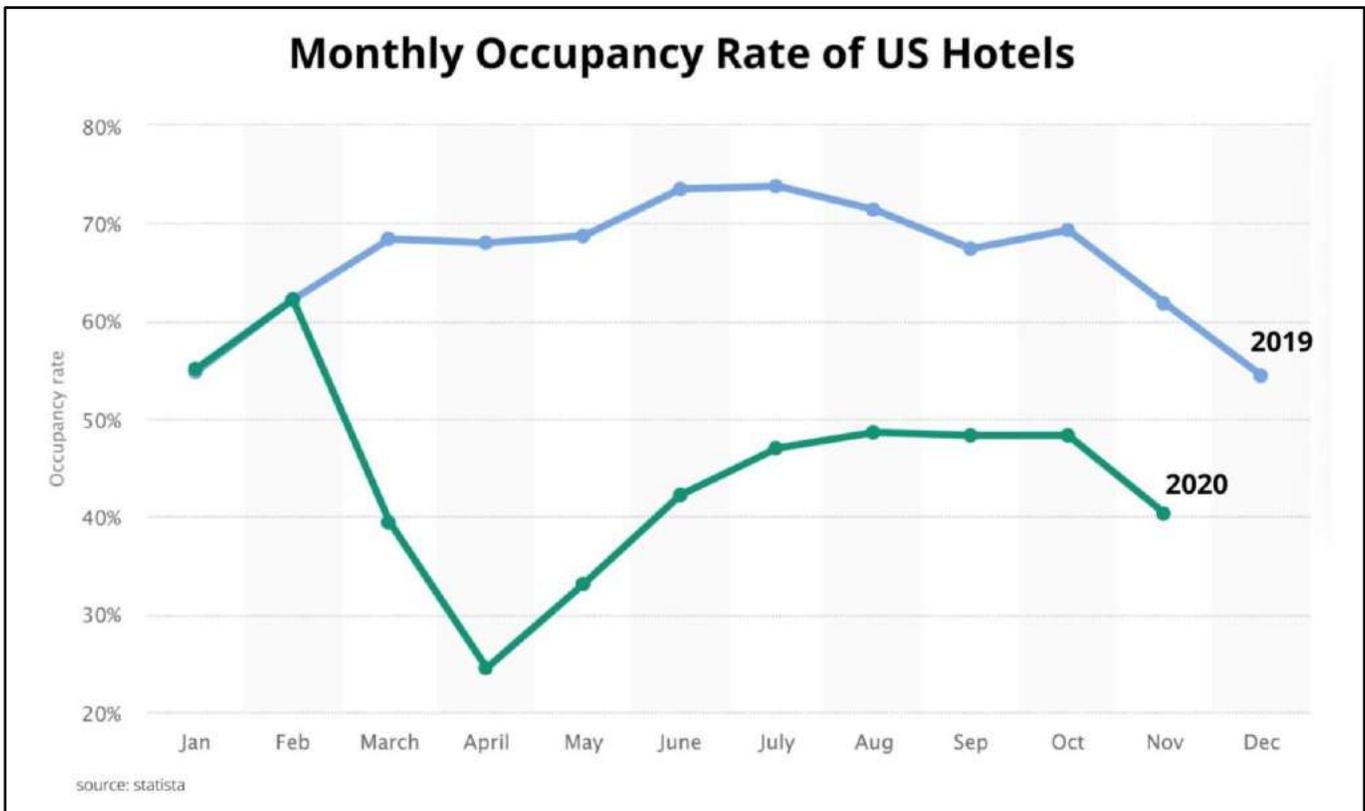
## Section 1 | 2020, A Year in Review

### Overview

Before diving into what to expect from hospitality going forward, it's important to understand what happened in the industry since the pandemic hit. To unpack the past year, we dive into 3 verticals that collectively tell the story of hospitality's 2020: 1.) financial metrics 2.) public markets, and 3.) human personnel.

#### 1. Financial Metrics

- a. **Occupancy** took a major hit at the beginning of the pandemic, dropping to an all-time low of 20% in April 2020 when the pandemic was at its peak. However, with a lift from seasonal tailwinds and easing of lockdowns, occupancy went up to 40% around November of last year; this is an improvement, but still significantly below historical levels.





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*Thank you for reading our preview!*

*For the full article, please contact Aaron Farr at [aaron@agyaventures.com](mailto:aaron@agyaventures.com)*