



Hospitality Tomorrow Virtual Conference

The Horwath HTL Panel Session - Your questions answered...

We were delighted to be asked to moderate a panel on the recent Hospitality Tomorrow event. It was the first 'virtual' event of its kind that we had participated in and it opened up a whole new realm of possibility for audience interaction. Many of us have had the experience of being on panels at conferences when the inevitable moment of 'does anyone have any questions?' arrives, typically met with a stony silence, or one question before everybody rushes out. The beauty of the virtual conference with a chat functionality is that during our session, we received so many questions from people who were watching.

Amazingly, many of these were answered in real time by our experts taking part in the panel. There were also a lot of questions that we were not able to get to for obvious reasons, so we decided it would be useful to download all of the questions from the chat, answer them and then publish the response.

As you would imagine, the questions themselves cover a really wide spectrum of the industry and are not easily put into categories. For this reason we feel the easiest thing to do is to just publish them as they arrived and let people have a read. We are always delighted to answer questions from anybody, so if you feel inspired reading these, find an expert from our office list and drop them a line. We really hope you enjoy reading through these.

Any interesting tangible actions that you may have seen hotels do during crisis? ie.. selling rooms to homeless charities, offering rooms to nurses and doctors, converting hotels to other uses?

Arvo Hartikainen

Yes, all of that, as well as housing people on government mandated quarantine upon arrival (typically 14 days), housing foreign workers who would normally commute across international borders (ie. Singapore/Malaysia). In Australia many cities are taking homeless off the streets and into hotels so they can isolate properly. Also the Victorian Govt. has allocated \$20 million for medical workers who need to isolate from their families to stay in hotels. *Robert Hecker, Horwath HTL Singapore*

Major French hotel players (Accor, Louvre Hotel Group), Hotel B&B) have initiated programmes to allocate rooms to hospital staff. *Philippe Doizelet, Horwath HTL France*

Providing rooms for medical staff and doctors, and also for quarantine purposes. Several hotels are preparing meals for distribution among different hospitals and free food centres. In some cases, hotel food is delivered to homes (on chargeable basis) to enjoy their specialties while in lock-down. Taj hotels in Mumbai are housing several doctors and medical staff. Also providing food to doctors and medical staff at hospitals in several cities.

Vijay Thacker, Horwath HTL India

Offering rooms to medical staff and quarantine uses, promoting staycations and extended stay packages. Hotel restaurant food deliveries. *Zoe Wu, Horwath HTL Shanghai*

Although Italian hoteliers were not obliged to close, many did. Some put their structure/s on disposal for social needs (eg. in Tuscany and Appulia, the regional government selected hotels to host Covid-19+ to put them under medical control). In the red zones (ie. Lombardy), the hoteliers offered their structures for medical workers. *Zoran Bacic, Horwath HTL Italy*

Hotels in Croatia and Slovenia are on standby to provide capacity to medical staff and patients, should it be needed. Closed hotel restaurants are organising food catering to keep their F&B staff busy (distribution via Glovo, Wolt and other courier services), including branded properties. *Sinisa Toplavic, Horwath HTL Croatia*

Several operators in Spain such as Room Mate immediately offered their hotels as temporary accommodation for essential workers and also as additional hospital accommodation. The other side of this story is the possible concern that future hotel guests may have about staying in a hotel that was used for these purposes. The importance of hygiene certification has taken on special relevance now, and may produce a whole new way of judging the cleanliness of hotel rooms.

Philip Bacon, Horwath HTL Spain

So how do you then forecast post crisis ADR and Occupancy compared to pre-crisis? Hoteliers will compete on rates to attract as many clients they can?

Rodolphe Belin

Each market will be different relative to the timing and extent of their easing of lock down restrictions, key source markets, etc., but generally assumptions will need to be made regarding pace of recovery. Some conservatism will likely need to be built-in, in terms rate recovery vs. occupancy recovery as rate discounting to some extent is likely to occur in every market at the outset. *Robert Hecker, Horwath HTL Singapore*

I anticipate that France will need three years to recover 2019 KPIs after an initial drop averaging -40% in 2020. Occupancy is likely to rebound in 2022 and ADR over the following year. RevPAR 2023 should be even in 2023. I guess most European market will follow that trend more. *Philippe Doizelet, Horwath HTL France*

Because domestic demand is a large portion of business, one can expect a gradual recovery through domestic business and some leisure travel. Also domestic MICE and weddings demand - all leisure and MICE being

confined to India will create a reasonable occupancy recovery although pre Covid levels will be only in late 2021 or 2022. ADRs will be slower to recover.

Vijay Thacker, Horwath HTL India

We have not seen too much ADR drop in the top-tier hotels in first tier cities. But post outbreak forecast will depend highly on provincial and city level incentive policies to drive occupancy. Rate will be affected outside first tier and strong second tier cities.

Zoe Wu, Horwath HTL Shanghai

ADR price competition should be avoided as it creates great damages to destinations and years will be needed to achieve pre-crisis levels. At this stage European levels of ADR drop are still not clear as destinations did not come back to market, but for instance Mediterranean destinations of Croatia and Slovenia are still not significantly lowering their rates for summer season as they bet on recovery of regional demand (still).

Sinisa Toplavic, Horwath HTL Croatia

Depending on the depth of the lock down for hotels, a certain amount of price dumping seems inevitable once restrictions are lifted in any attempt to recoup cash lost during the lock down, but this assumes that post-COVID demand will be similar to pre-COVID demand, and this seems to be unlikely in the medium term. This happened in Spain after the 2008/9 GFC and caused a great deal of damage to the market. We are encouraging hotels to avoid this if they can, but some will not heed the advice.

Philip Bacon, Horwath HTL Spain

What's your view on M&A activity in the sector given the need to consolidate when capital bases are eroded to breaking point? *Henry Hallward*

There are/will be cashed up buyers (and/or those with ready funding sources) looking for discounted assets. A flurry of M&A is certain to occur.

Robert Hecker, Horwath HTL Singapore

The weakest owners of the late comers to the market may go for some asset arbitration. A massive M&A movement is not anticipated at this stage in France.

Philippe Doizelet, Horwath HTL France

Certainly a good bit of smart buying.

Vijay Thacker, Horwath HTL India

Transaction amongst mid-tier hotels will be more active than top tier hotels as expected sales price has yet to come down. *Zoe Wu, Horwath HTL Shanghai*

Structured investors have medium to long term objectives and, as such they are not slowing their activities. Bearing in mind owners structure in Italy (34,000 hotels w/32,000 owners), Opportunistic Capital is already looking for 'shopping'. Zoran Bacic, Horwath HTL Italy

We are expecting additional increase in M&A activities, especially those assets that were trading on thin margins prior to the crisis. Sinisa Toplavic, Horwath HTL Croatia

The trend towards more consolidation of hotel ownership is likely to continue in a relatively fragmented market such as Spain and this may well accelerate in a post-COVID market. There will be good assets and companies that will suffer from the crisis and become targets for acquisition, and the capital markets will be looking for ways to prop up their yield expectations in a world that is looking down the barrel of a global recession. Philip Bacon, Horwath HTL Spain

Even if visibility is difficult at the moment, we know the domestic/regional markets will pick up first and the more distant markets will come later. How will that translate into your action plan? Adrian Bešen

Definitely sales and marketing efforts will be prioritized to domestic/regional markets with packages suited in content and price to generate business.

Robert Hecker, Horwath HTL Singapore

European countries with a large share of domestic business market will recover more rapidly: Germany, France, UK Philippe Doizelet, Horwath HTL France

Hotels in China are primarily focusing on domestic demand for the remaining of 2020. Action plans would include online room sales, contacting VIP guests, incentive programs for local demand, collaboration with other local vendors, etc. Very localized efforts are required. Zoe Wu, Horwath HTL Shanghai

Drive in markets should be priority in these times. Also, certain air-bridges with organised pre-boarding quick COVID19 tests (or prior testing at hospital) should be considered as well. Sinisa Toplavic, Horwath HTL Croatia

Spain is also expecting a two-speed evolution, with domestic tourism using private transportation returning more quickly than international tourism that is dependent on shared transportation such as planes and trains. Philip Bacon, Horwath HTL Spain

What do you feel about whether people will be accepting/welcoming of Chinese tourists, given China's poor communication/honesty about the virus? Ian R Douglas

There probably will be some destinations or hotels that won't be as welcoming of Chinese tourists, but the savvy and enlightened ones will be able to distinguish fact from fear (or xenophobia) and will reap the rewards to others detriment. Robert Hecker, Horwath HTL Singapore

I can't speak for hosting countries but I think the Chinese tourists will still be interested in seeing the world when life is back to normal. Zoe Wu, Horwath HTL Shanghai

Bearing in mind the good relationship between our two countries and the fact that the Chinese Government was among first extending hand of help to Italy from the start of the crisis, Chinese tourists are welcome!

Zoran Bacic, Horwath HTL Italy

Would be very keen to hear your views on the West African market, especially impacts on new development. Dipo Adebo

West Africa is a long term matter. Pre-crisis growth rate in GDP reached 6/7% in most countries. The impact will be strong in 2020 and some projects will stop or be deferred. In the longer term however, the sub-region is under-equipped and will call for many hotel projects.

Philippe Doizelet, Horwath HTL France & West Africa

What are your expectations in terms of the recovery of other parts of the world. Will they follow a similar cycle as China or will it be different considering the (more) severe situation in Europe? Desiree Oey

It will vary by region/country.

Robert Hecker, Horwath HTL Singapore

It will vary greatly as recovery may even be on a rather different pace. Zoe Wu, Horwath HTL Shanghai

Even on a European level, significant differences are expected among various destinations. A slower recovery is expected in traditional sun and beach Mediterranean destinations as opposed to city break destinations.

Sinisa Toplavic, Horwath HTL Croatia

It depends on many factors, we'll see a 'wave effect' even within the country (North-South).

Zoran Bacic, Horwath HTL Italy

Do you see dynamic pricing being on new level of public scrutiny? Julian Graham

Not really. I think market supply and demand rules will still be applicable and not up for scrutiny/complaint.

Robert Hecker, Horwath HTL Singapore

No. The last we want at this time is any 'fetters'. The market is strong enough to decide, particularly in a buyers market. Vijay Thacker, Horwath HTL India

Not really - I think the basic of supply and demand will continue to govern pricing. Zoe Wu, Horwath HTL Shanghai

No Zoran Bacic, Horwath HTL Italy

No Sinisa Toplavic, Horwath HTL Croatia

Can travellers feel safe if your hotel was a hospital serving the COVID-19 positive populations? Julian Graham

It will be tough for awhile, last to fill, but time will no doubt heal the hotel as well and its role during the crisis forgotten. Robert Hecker, Horwath HTL Singapore

Global chains like Accor or more regional operators like B&B have already started to implement sanitary certification policies to accelerate the pick up when the confinement ends. Philippe Doizelet, Horwath HTL France

All hotels will go through deep cleaning. The speed of acceptance by customer could be linked to perception re the brand's reliability. Vijay Thacker, Horwath HTL India

These hotels will need to display an extra high sanitization standard and time will be needed for consumers to slowly return to life before the outbreak.

Zoe Wu, Horwath HTL Shanghai

Recent studies from Germany suggest that surface transmission is possible in laboratory environments. However, very unlikely in real life environment, thus such considerations are not so worrying. Nevertheless, such fact should not be clearly communicated in order to avoid potential negative perception from traveller's point of view, especially with COVID-19 being still very much unknown. Sinisa Toplavic, Horwath HTL Croatia

Good question. This has to be an issue for some travellers, but is an opportunity to create a new level of confidence in room hygiene. The big brands may have an edge here; something with to fight back at the independents who have been giving them a hard time in recent years. Philip Bacon, Horwath HTL Spain

@Zoran: I read that some businesses (such as manufacturing) are going to be permitted to start up after Easter. Is this correct and can you summarise where things stand in terms of the restart? Ian R Douglas

Lockdown in Italy is extended up to 3rd May, after which a gradual opening is planned (still to be defined). Meanwhile, only strategic industries (food, pharmaceutical) are operative. Zoran Bacic, Horwath HTL Italy

In Spain, this happened after Easter, with manufacturing and construction going back to work; but the rule until 26 April remains that if you can work from home, you should. Philip Bacon, Horwath HTL Spain

@John: While the immediate task will be to re-boot the industry, how can we maintain and generate a positive image of hospitality for those currently making career choices. I worry that the next gen of hospitality stars will be lost amidst the evidence of closures and the sector's fragile status. Mary O'Rawe

Great question... this is a big concern. The HSMIA International Foundation is now focused exclusively on this. I will send you some of the discussion, documents and initiatives John Fareed, Horwath HTL USA

Impact post COVID on new hotels OR to launch hotels Baldwin Kastelino

If funding not already secured, banks will likely require an updated look at the market need and operating prospects. It will depend on market conditions/outlook improving sufficiently to justify.

Robert Hecker, Horwath HTL Singapore

Opening before 2022 is not the best timing. A critical point is that there is a significant project pipeline in many markets. Some projects will be postponed. Some will be cancelled, if construction has not started.

Philippe Doizelet, Horwath HTL France

Shorter term pain. Should be fine for projects to open in 2022 or later. Under implementation projects may also gain cost benefit from cost effective project buying in the present times. Vijay Thacker, Horwath HTL India

Many new hotel openings are delayed.

Zoe Wu, Horwath HTL Shanghai

Funding will probably be more risk averse due to general market volatility, but on the whole development projects may have an advantage since their opening dates are

likely to be 100% in the post-COVID world and they will have an opportunity to design product and service around the new normal and the changed needs of the hotel guest. Philip Bacon, Horwath HTL Spain

@Vijay: Did I get it right that energy costs of hotels are fully subsidized by the government in India?

Alper Aksoy

No - how lovely that would be. In several states they have restructured the charging mechanism to reduce the fixed load burden in favour of variable charge.

Vijay Thacker, Horwath HTL India

@Vijay: Do you think Global Operators who have a substantial presence in India will offer their Balance Sheet to local business owners to help them raise resources, or will they be risk averse? Nikhil Morsawala

I honestly doubt it. They have their own challenges with the USA status. Vijay Thacker, Horwath HTL India

Do you see branded hotels to rebound faster than independent properties? Rodolphe Belin

I would say branded hotels probably will have an advantage in terms of guest confidence levels, but location will always remain the key determinant of success. Robert Hecker, Horwath HTL Singapore

Most budget hotels are branded and will take advantage of the rebound of the domestic business market. In upper categories, brands will benefit from a premium in occupancy if they stick to an aggressive pricing policy until demand recovers fully. Philippe Doizelet, Horwath HTL France

Generally speaking, yes. Vijay Thacker, Horwath HTL India

I believe whoever is most nimble will rebound faster. Branded hotels have more support resources while domestic hotels have more aggressive marketing plans.

Zoe Wu, Horwath HTL Shanghai

When a comparison is done in the same quality locations, the branded hotels will rebound faster.

Zoran Bacic, Horwath HTL Italy

Branded hotels will have a faster recovery, at least in major city destinations (due to the fact they often have prime locations and proficient service standards). When speaking of resorts, location will play significant role in addition to branded status. Sinisa Toplavic, Horwath HTL Croatia

They may do, see earlier comment. Philip Bacon, Horwath HTL Spain

I do not understand how affiliations can help hotels at the moment. Can you elaborate? At the moment Mediterranean clients are evaluating the cost of not operating this season. Sophia Sourtzi

Regardless of the banding, not operating is a legitimate question for a seasonal hotel in 2020. If you are operating from April - October and if your reservation planning is almost empty before August, it is very challenging to cover operating charges. This needs a careful analysis. Philippe Doizelet, Horwath HTL France

What are your expectations regarding consolidation within the hotel and airline industries? John Duran

Would seem likely that more consolidation is inevitable as certain companies struggle with regaining their footing. Robert Hecker, Horwath HTL Singapore

Very likely; but governments will keep a watch on source of money to avoid national assets being lost under stress

Vijay Thacker, Horwath HTL India

Very likely to happen. Zoe Wu, Horwath HTL Shanghai

The air industry is very likely to experience further consolidation. Even large airlines in Europe are struggling to remain in business, while other smaller ones already shut down. Sinisa Toplavic, Horwath HTL Croatia

See earlier comment about consolidation of hotel ownership. This also applies to the airline industry, which is arguably a more significant issue than hotels. Without global air travel, the world of tourism as we know it cannot experience a rebirth. Philip Bacon, Horwath HTL Spain

Lenders will be supportive now... Influenced by local Govt. support. 6 months from now... more selective... What are you suggesting to clients to address this? Eric J Levy

Engage your bankers now!!!

Robert Hecker, Horwath HTL Singapore

Talk to your bankers and restructure as best as possible

Vijay Thacker, Horwath HTL India

Act on refinancing or any financing support.

Zoe Wu, Horwath HTL Shanghai

Based on our conversations w/bankers, they will need good projects to justify/work with financial injections they'll get from European Central Bank and Governments of the member states.

Zoran Bacic, Horwath HTL Italy

Act quickly and secure project financing for the whole investment cycle with grace period measured in years (as such credit lines for tourism sector still do exist with certain lenders). *Sinisa Toplavic, Horwath HTL Croatia*

Agree with Robert. All bets are off. Time to start with a clean sheet if you can. *Philip Bacon, Horwath HTL Spain*

How do you think the relationship between Hotels and OTAs will evolve? *Nandini Nadkarni*

More balance in the relationship is expected, including more direct cooperation. OTAs have been affected as much or possibly more than hotels, so they are motivated to adapt/adjust.

Robert Hecker, Horwath HTL Singapore

Relationships between hotels and OTAs must change.

Vijay Thacker, Horwath HTL India

We were seeing OTAs entering into hotel operating business. This may slow down, which is good for the market. *Zoe Wu, Horwath HTL Shanghai*

More cooperation during crisis period, and after recovery, same again. *Sinisa Toplavic, Horwath HTL Croatia*

This may be an opportunity for the hoteliers who control bedstock to establish a stronger position in the world of distribution rather than be dependent on the OTA platforms. It may be that the OTAs are forced to reassess their added value to branded players and become the solution only for the independents without any particular affiliation. *Philip Bacon, Horwath HTL Spain*

With regards to coming back to the market in July/ Sept or 2021: what measures will hotels take in terms of sanitisation of their premises? Will there be a corporate programme for all members of a hotel chain/brand to take a similar approach? If so, what will it be? *Anastasia Varnavskaya*

No doubt there will be quite extensive and documented on-going sanitation measures/program being undertaken. There will probably also certifications, whether done by local jurisdictions or corporate entities to bolster the external positioning relative to safety/sanitation concerns. *Robert Hecker, Horwath HTL Singapore*

Global chains like Accor or regional operators like B&B have already started to implement sanitary certification policies to accelerate the pick up when the confinement ends. *Philippe Doizelet, Horwath HTL France*

Detailed measures undoubtedly, in line with higher of global and local standards. Certifications will be needed but could reduce in frequency of inspection as the practices settle down. The higher sanitation measures may become a point of difference between chain and independent hotels *Vijay Thacker, Horwath HTL India*

Perhaps a silly question, but what's the situation for development projects underway now and due for delivery in 2-3 years? Is funding dead? *Jason Leonardi*

If funding not already secured, banks will likely require an updated look at the market need and operating prospects. It will depend on market conditions/outlook improving sufficiently to justify, but it won't be dead.

Robert Hecker, Horwath HTL Singapore

Interest rates are low still. Projects are still on. On issue however: treasury. *Philippe Doizelet, Horwath HTL France*

Not dead but will certainly need a relook if funding not already in place. *Vijay Thacker, Horwath HTL India*

For us in the US, new build projects—expected to open in the next 2 years or so—are continuing to move forward.

John Fareed, Horwath HTL USA

Most new projects are still underway in China.

Zoe Wu, Horwath HTL Shanghai

All our projects in Italy are moving ahead.

Zoran Bacic, Horwath HTL Italy

Same with CEE region. Our investors and projects are still in progress. Financing was secured already so they are moving forward. *Sinisa Toplavic, Horwath HTL Croatia*

Based on a few conversations with clients and investors, people are moving ahead. *Philip Bacon, Horwath HTL Spain*

@Sinisa: any feedback from the banks, how long are they expecting to hold from financing?

Alexandru-Sorin Ionescu

Depends on the development of economic component of the crisis. At the moment banks are on hold to see how demand side will be affected. With every month of lockdown, banks are going to be more reluctant to resume financing new projects as GDPs are going to be more impacted... I believe next 2 to 3 months are going to be idle in terms of new approvals for financing until more clarity with COVID19 is obtained.

Sinisa Toplavic, Horwath HTL Croatia

@Vijay: what kind of Govt. intervention are you looking at? Anupriya Bishnoi

Cash flow, wage support, debt service and indirect tax related support - that's the ask. Nothing has yet materialised. Vijay Thacker, Horwath HTL India

Will the dip in NOI in 2020 significantly reduce hotel capital values in your and others' underwriting?

Arvo Hartikainen

It will be inescapable building in reduced cash flows in the near term for any valuation, particularly lease hold properties, but the main impact will be added risk premiums for a while to reflect the sector's vulnerability.

Robert Hecker, Horwath HTL Singapore

Reduced operating cash flow stream over the next three years and higher cap rate will impact values.

Philippe Doizelet, Horwath HTL France

Medium term underwriting will be impacted. Long term asset value less so. Vijay Thacker, Horwath HTL India

From the last transactions in Italy (obviously, fewer), while hotel NOI and values are under pressure, hotel cap rates hold steady, for now. Zoran Bacic, Horwath HTL Italy

It seems likely that cap rates and discount rates will both be adjusted to reflect a new attitude to hotel risk. But the underlying cash flows will also drive values, especially in the next few years. Question is whether as an asset class hotels will be favoured by those escaping from other sectors, despite the risk factor.

Philip Bacon, Horwath HTL Spain

@Philip Bacon: how do you foresee the future of investments on rural tourism in Spain after Corona? There were some interesting developments on Alternative, Transformative and Experiential tourism pre-Corona. Do you think this will continue?

Gamal El Fakih Rodriguez

In Spain, domestic tourism is likely to bounce back more quickly than international tourism. The trend towards the development of tourism in Spain's interior had already started pre-COVID, and it is likely that this will now accelerate as consumers become more sensitised to travel in general. Spain's interior remains one of the country's relatively undiscovered tourism assets, after several decades dominated by the 'Costas'.

Philip Bacon, Horwath HTL Spain

With banks hit so hard, when do you think NEW development debt might be possible? Jason Leonardi

It will vary by market, but some could be ready to lend for new development starting from 2 years after what's determined as the relative end of the current crisis period. Robert Hecker, Horwath HTL Singapore

Harder to come by as banks will evaluate the impact under multiple scenarios. If you don't need the new money now, then don't go to the bankers now. Answers are always more negative while in the midst of or in the immediate recovery of any disaster. Outlooks mature after a few months Vijay Thacker, Horwath HTL India

I am more optimistic than my colleague Robert, at least for Italy. I think the banks will this time, based on my answer under 33, be more reactive. They have to live also. Zoran Bacic, Horwath HTL Italy

Do you think local governments (Ayuntamientos) will ease subventions and banks will offer financing facilities ? Gamal El Fakih Rodriguez

Banks are expected to be supportive and flexible. In 2008 they were the enemy but got bailed out and now they are being asked to behave better.

Philip Bacon, Horwath HTL Spain

Fortunately, for the moment, it does not seem we will face situation similar to the great of crisis 2008-2012. This time the European Central Bank has undertaken to finance banks and to purchase Govt. bonds to avoid a new credit crunch, while governments have launched economic plans to support business and workers. Zoran Bacic, Horwath HTL Italy

I am thinking adding 2% on the cost of equity, what about the add-on to the cost of debt? Any idea? So you mean interest rates have a good chance to be lower than before? Alexandru-Sorin Ionescu

Base rates cannot get much lower - The question is whether the banks behave themselves, but they have to survive too. Philip Bacon, Horwath HTL Spain

It depends on the market. As Philip mentions, in many markets like USA, Japan, Singapore, etc. debt rates were already pretty low, so the adjustments are mostly going to be on equity costs, though its possible in certain markets, banks will also determine hotels warrant risk premiums. Robert Hecker, Horwath HTL Singapore

@Sinisa: can you comment what will be the affect on the residential units within the mixed-use resorts? What will be affected more: the selling price or the sales dynamics? *Predrag Miranovic*

My believe is that sales dynamic is going to be more impacted than the price... Especially in resorts that go into next phase of development after critical number of units is pre-sold (ie.. Porto Montenegro for instance). That is in case that COVID19 does not extend for next few months into the summer and cause stronger economic impact. *Sinisa Toplavic, Horwath HTL Croatia*

Of the projects you have advised/advising - what's the % of Cancelled, On-hold for short/mid term, Going ahead regardless? I mean within your own markets/projects being advised. *Shafi Syed*

Shafi, anything in planning is definitely on hold. Can't say yet if cancelled. Projects with financing in place prior to the crises, will likely continue once allowed to do so. *Robert Hecker, Horwath HTL Singapore*

Shafi - it's still evolving in India, but I am sure we will see cancellations, downsizing and delays *Vijay Thacker, Horwath HTL India*

On the new projects we are advising on, we have seen delays but no cancellations yet. *Zoe Wu, Horwath HTL Shanghai*

All projects in our portfolio are moving on. Only projects in early stage, depending on administration, are suffering some delay, but none really stopped or cancelled. *Zoran Bacic, Horwath HTL Italy*

Development projects are moving forward, albeit more slowly in most cases. Many developers are taking this opportunity to reassess their business plans and carry out scenario analysis; something they should have done anyway. Those projects that will suffer the most are those that were marginal anyway. These may simply become non-viable in the post-COVID environment. *Philip Bacon, Horwath HTL Spain*

@John Fareed: What lag do you expect in the recovery of the secondary markets relative to the primary markets in the US? *John Duran*

We may find that the secondary markets recover more quickly as concerns may linger eg. more drive markets vs. getting on a plane... consumers may opt for more remote locations or smaller destinations. My two cents. *John Fareed, Horwath HTL USA*



Horwath HTL

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Our clients choose us because we have earned a reputation for impartial advice that will often mean the difference between failure and success. Each project we help is different, so we need all of the experience we have gained over our 100-year history.

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- Strategic Planning
- Crisis Management
- Tourism
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