



STR Industry Overview

HANYC 141st Annual Meeting

Grand Hyatt New York
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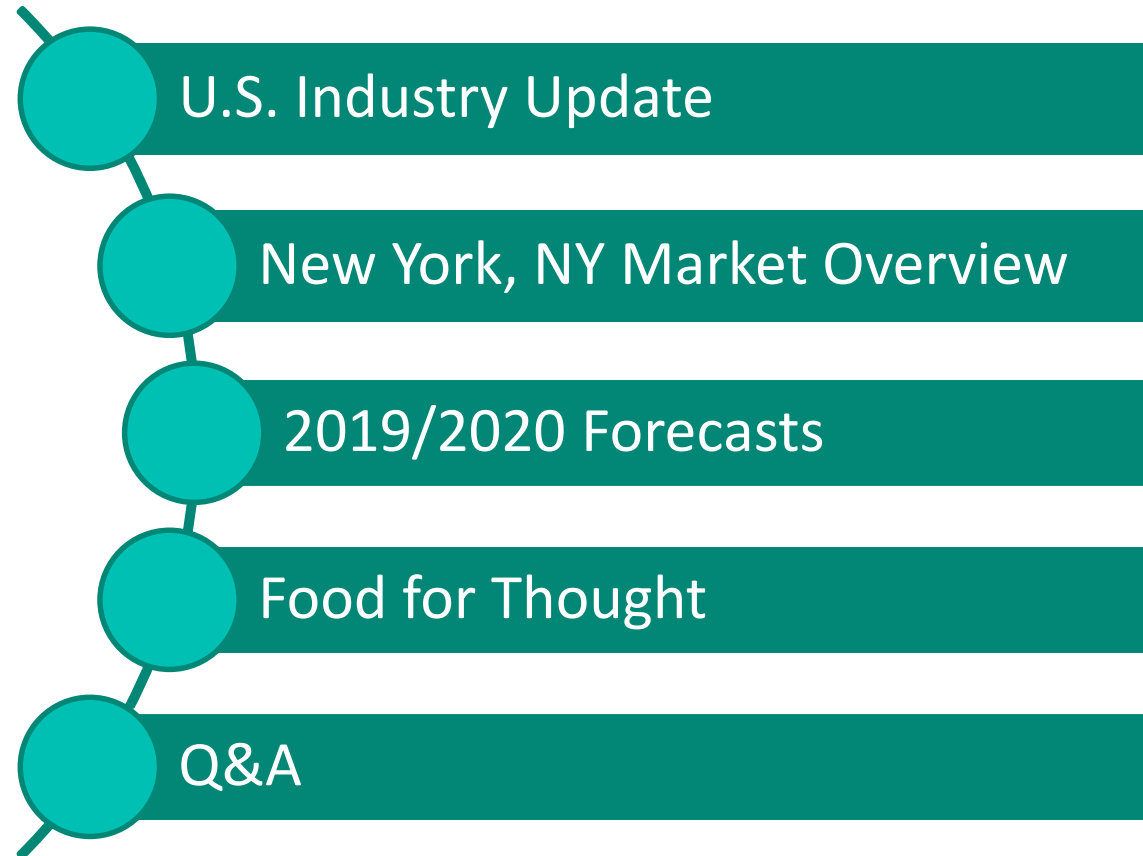
@STR_Data

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Benchmarking
↑ your world

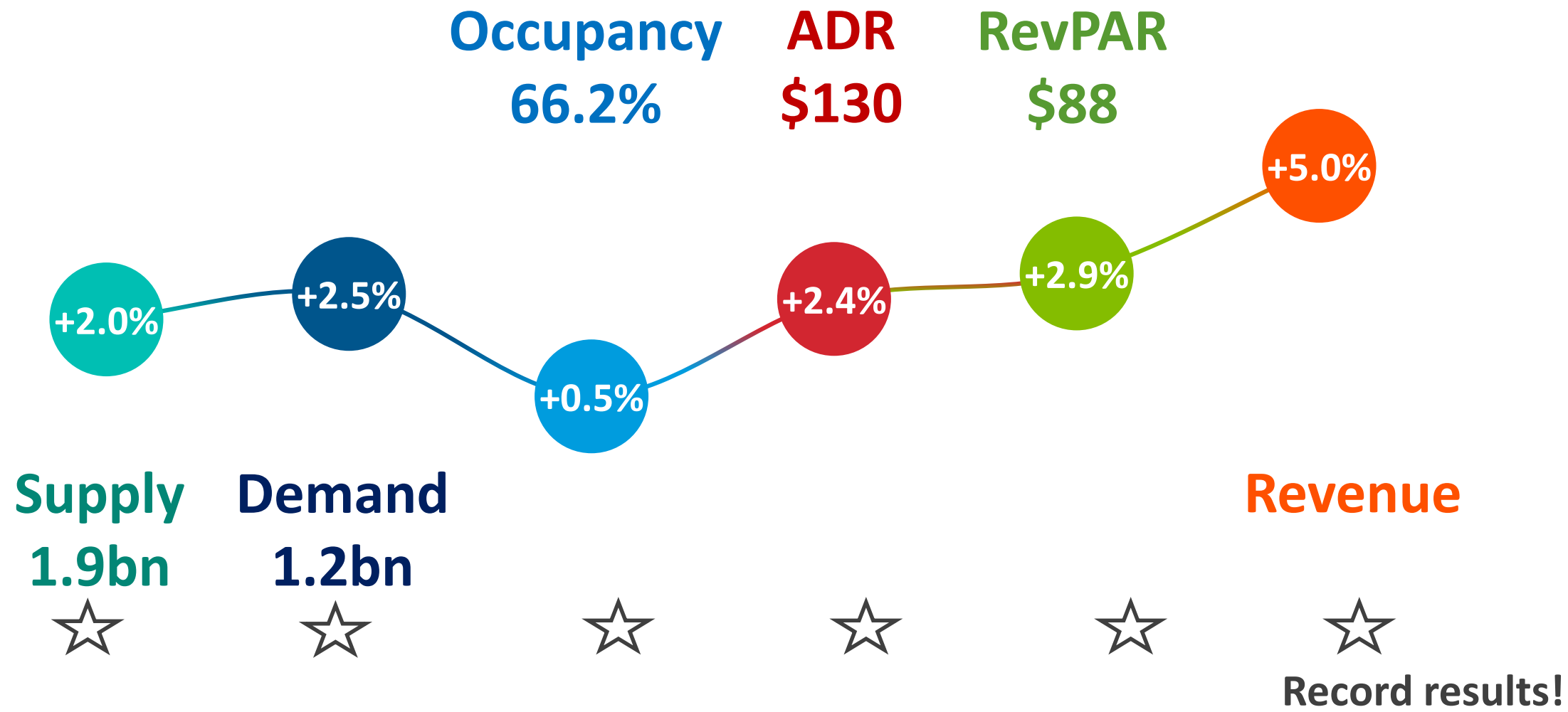
Agenda



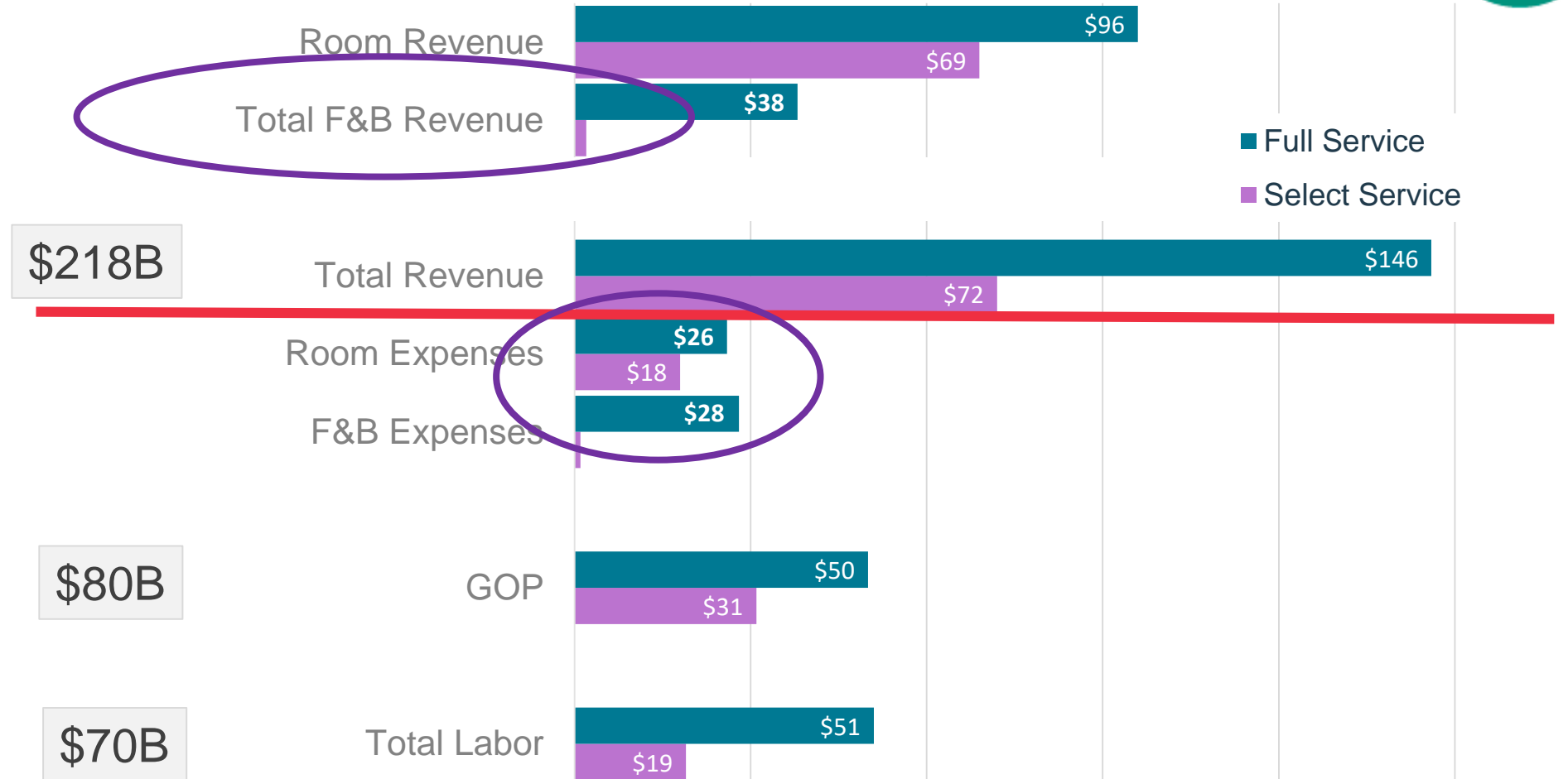
The background of the slide is a teal-tinted image of an American flag waving on a flagpole against a sky with scattered clouds. The flag is positioned on the left side, and the sky fills the rest of the frame.

U.S. Industry Performance

U.S. 2018 Performance: A Good Year



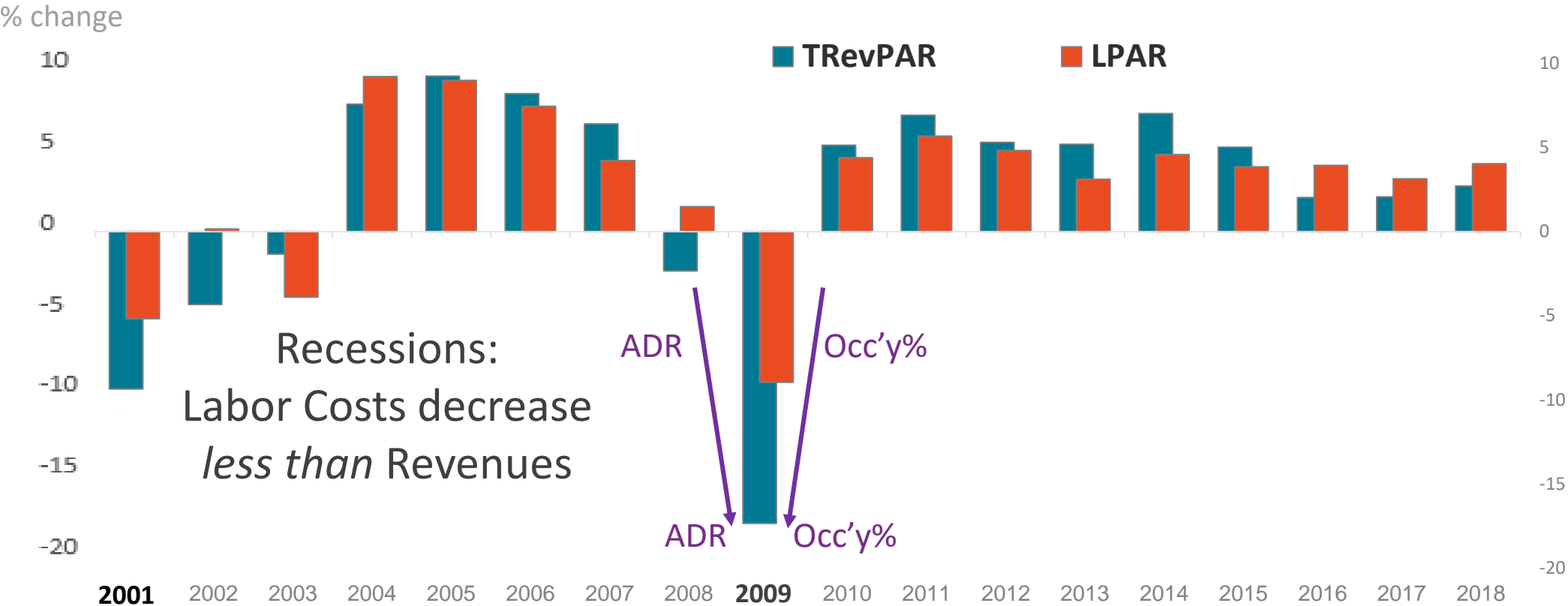
Total Revenues and Profits continue all-time high streak





Revenue and Labor Trends

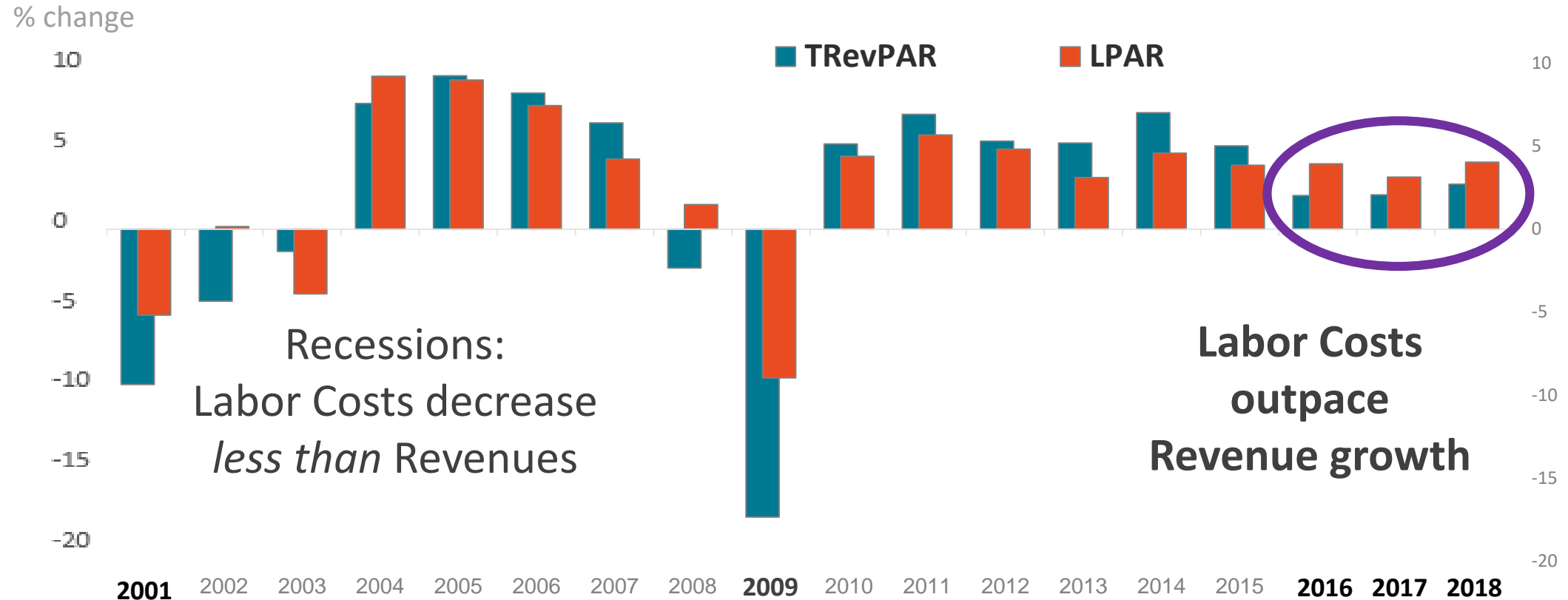
Total Revenue and Labor Costs Per Available Room – Year-over-year growth



3 Year Trend: Labor Outpaces Revenue Growth



Total Revenue and Labor Costs Per Available Room – Year-over-year growth



Total U.S.

Number of Months with Positive ADR Growth of *Less Than 1%*



2011 – 2018

0

YTD 2019

5



New York, NY Market: Number of Roomnights At or Above 95% Occupancy

2018 YTD

401

2019 YTD

299

September YTD 2019:

RevPAR Growth Now at 1%; The No Growth / Slow Growth Story Continues



		% Change
Room Supply		2.0%
Room Demand		2.0%
Occupancy	67.6%	0.0%
ADR	\$133	1.0%
RevPAR	\$89	1.0%
Room Revenue		3.0%

September 2019 12MMA: Weak ADR Growth Trend Continues

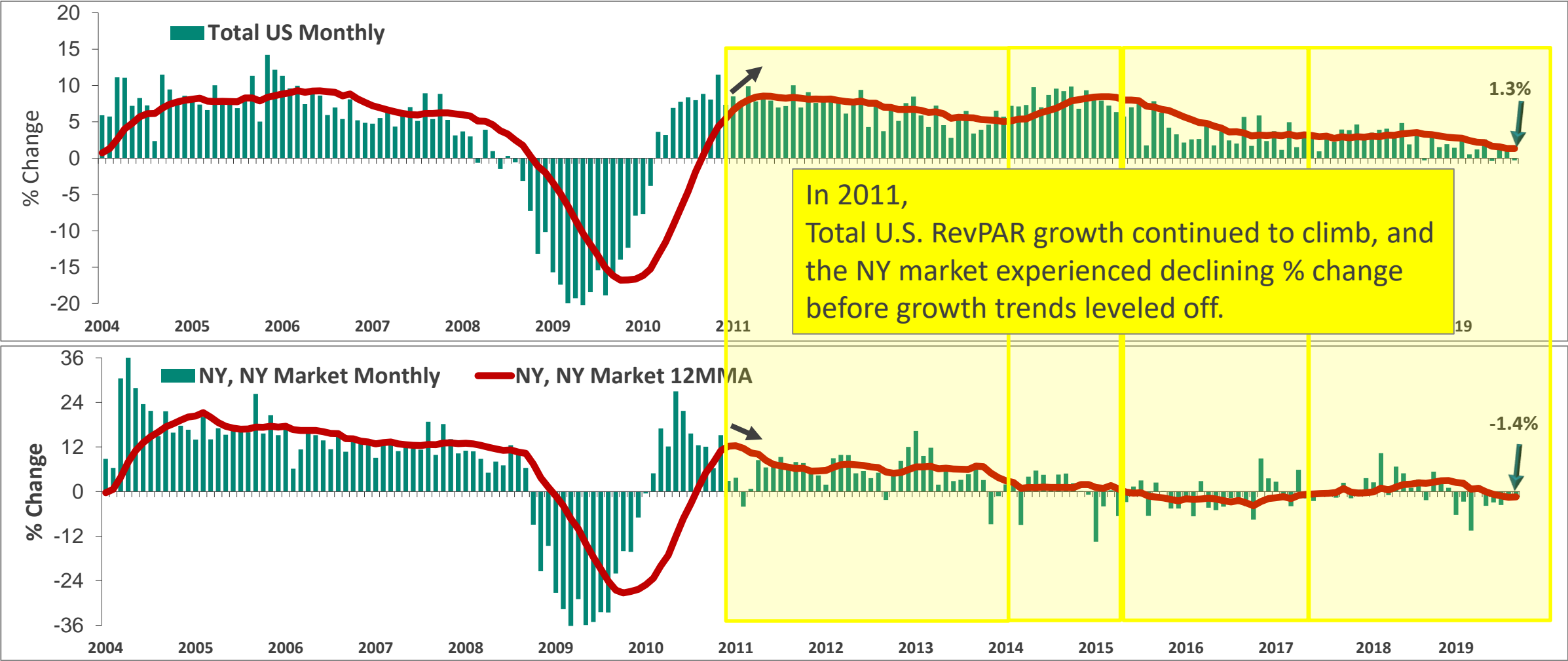


	Highest Ever?		% Change
Room Supply	<input checked="" type="checkbox"/>		2.0%
Room Demand	<input checked="" type="checkbox"/>		2.1%
Occupancy	<input checked="" type="checkbox"/>	66.2%	0.1%
ADR	<input checked="" type="checkbox"/>	\$131	1.2%
RevPAR	<input checked="" type="checkbox"/>	\$87	1.3%
Room Revenue	<input checked="" type="checkbox"/>		3.4%

RevPAR Growth: Longest Run of Positive Traction Experiencing Slower Growth

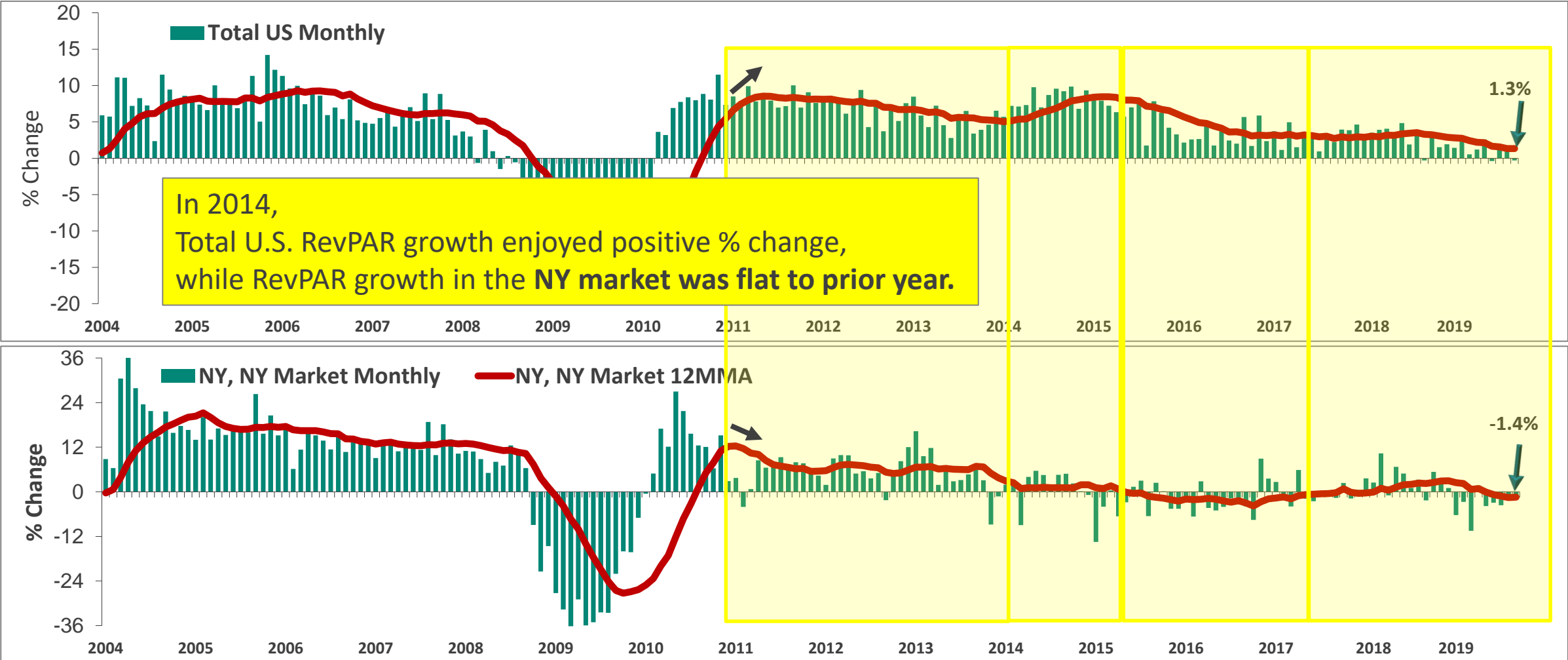


US Industry RevPAR Growth: Erratic Monthly Numbers, Overall Trend Is Positive And Slowing



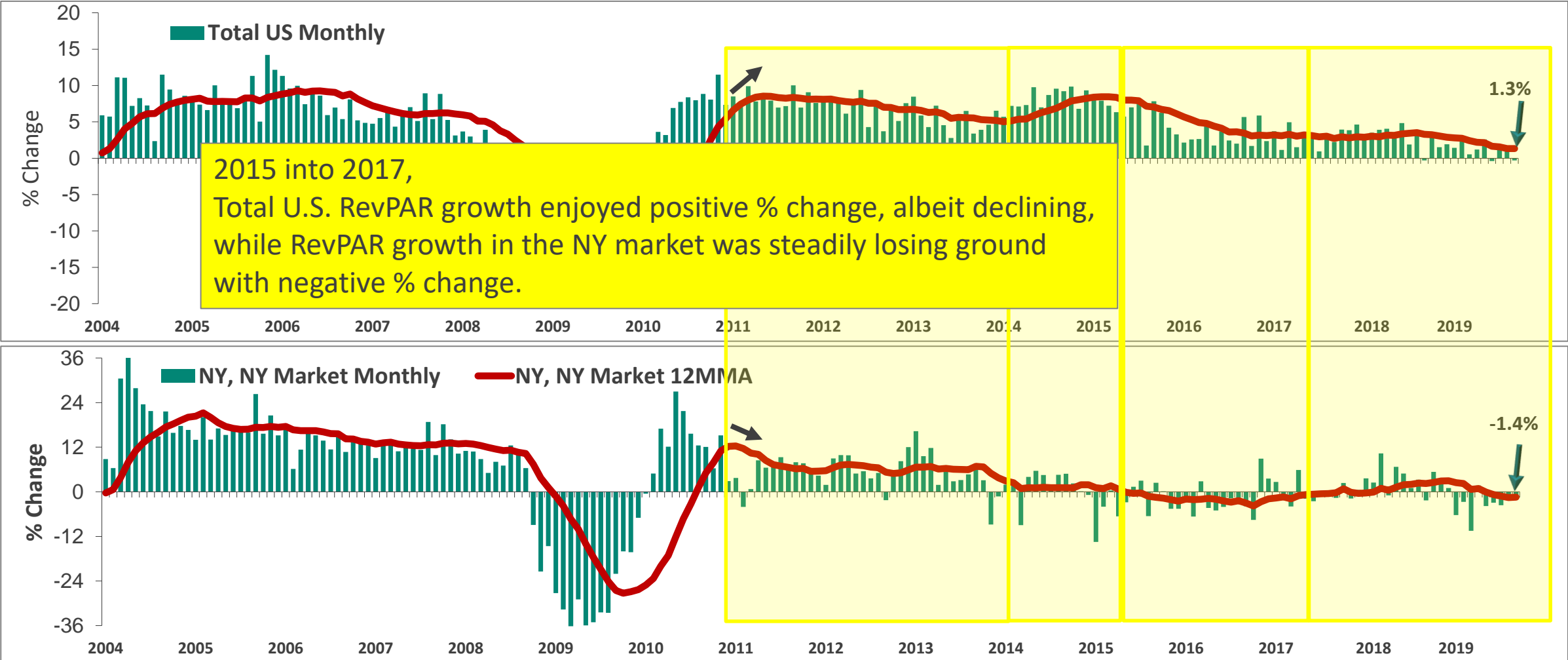
Total U.S. and New York, NY market RevPAR % Change by month and 12MMA - January 2004 – September 2019

US Industry RevPAR Growth: Erratic Monthly Numbers, Overall Trend Is Positive And Slowing



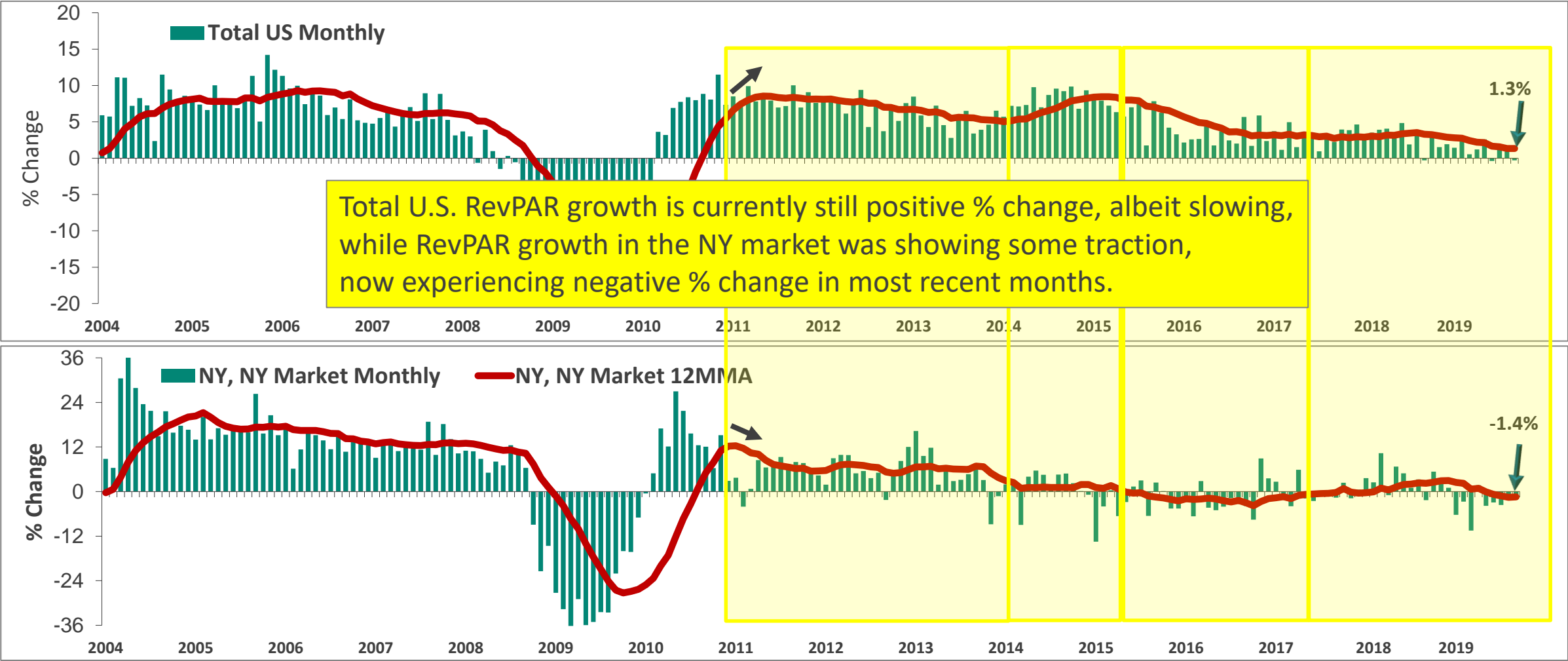
Total U.S. and New York, NY market RevPAR % Change by month and 12MMA - January 2004 – September 2019

US Industry RevPAR Growth: Erratic Monthly Numbers, Overall Trend Is Positive And Slowing



Total U.S. and New York, NY market RevPAR % Change by month and 12MMA - January 2004 – September 2019

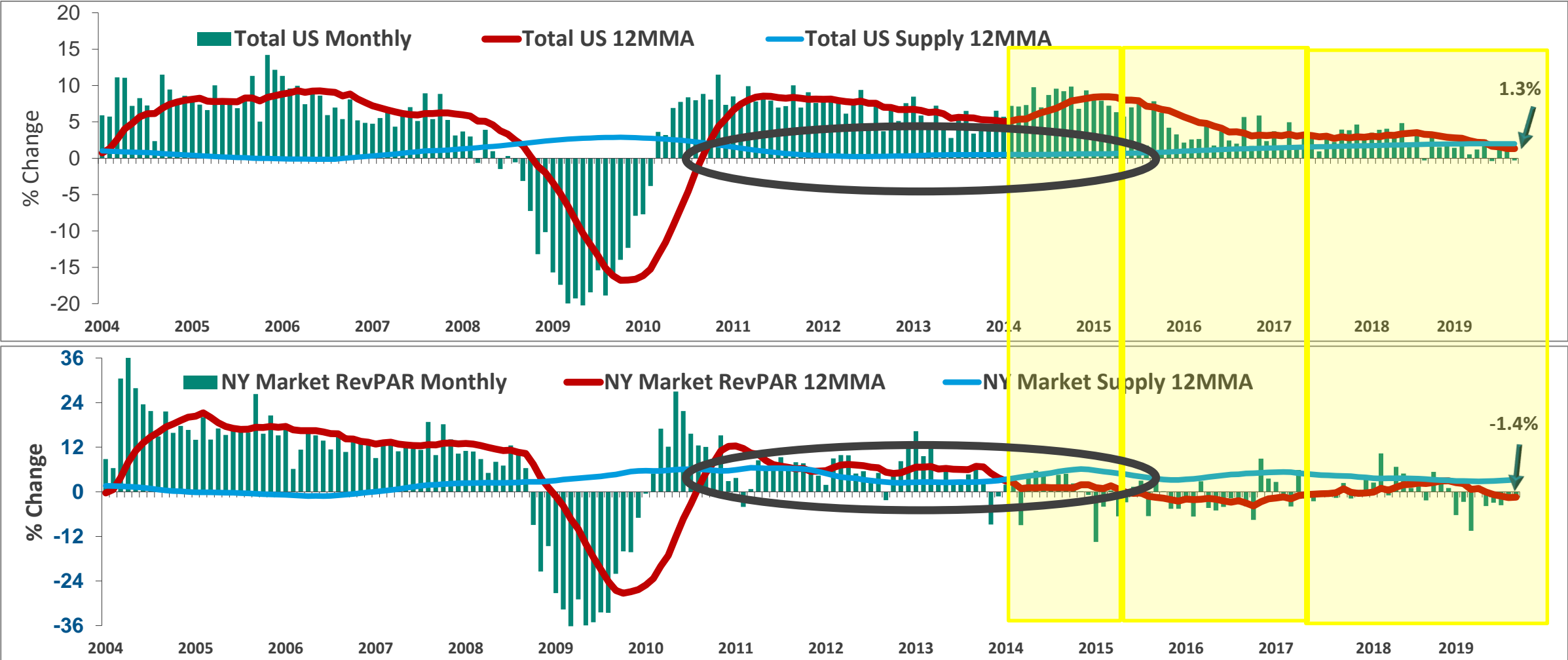
US Industry RevPAR Growth: Erratic Monthly Numbers, Overall Trend Is Positive And Slowing



Total U.S. and New York, NY market RevPAR % Change by month and 12MMA - January 2004 – September 2019

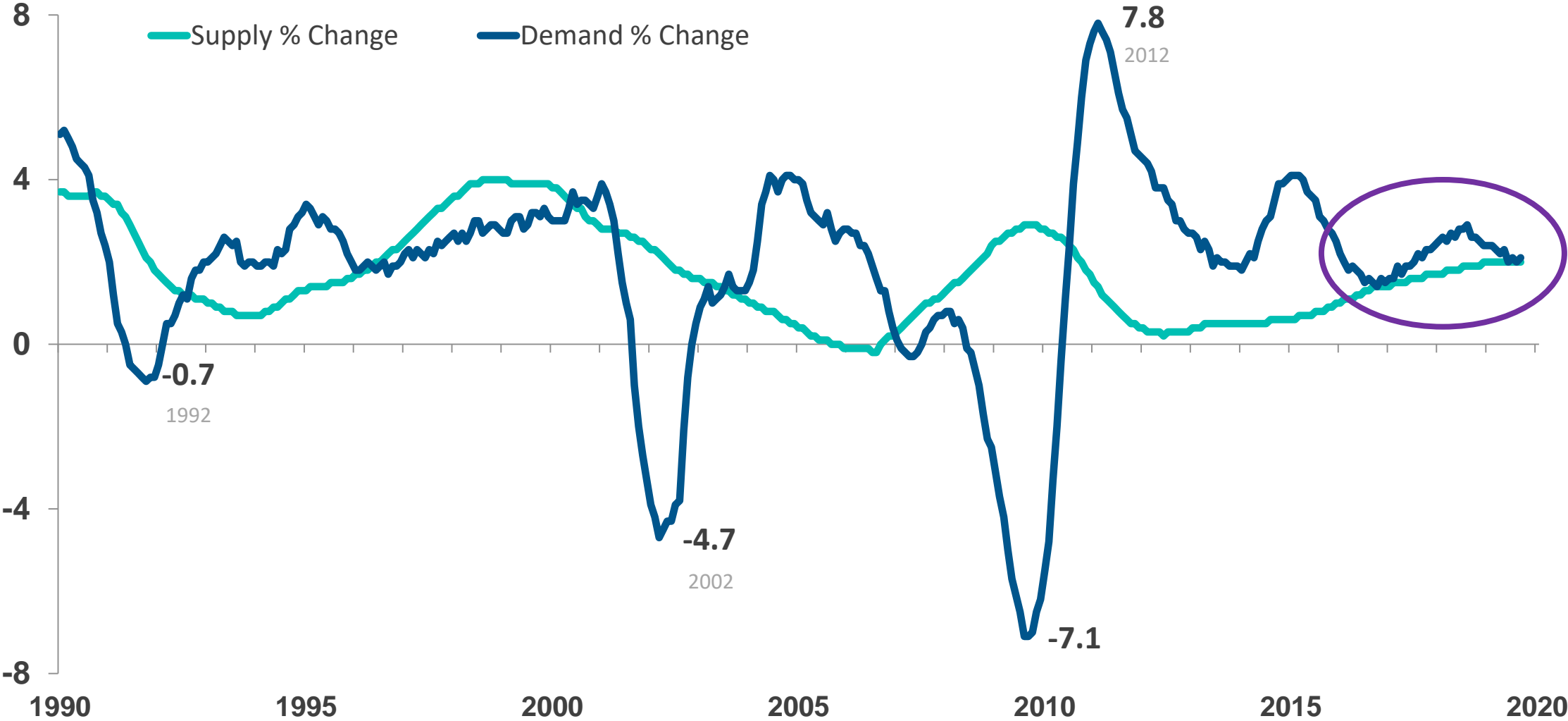


New York, NY Market: Erratic Monthly Numbers, Overall Trend Declining, Influenced by Supply Growth



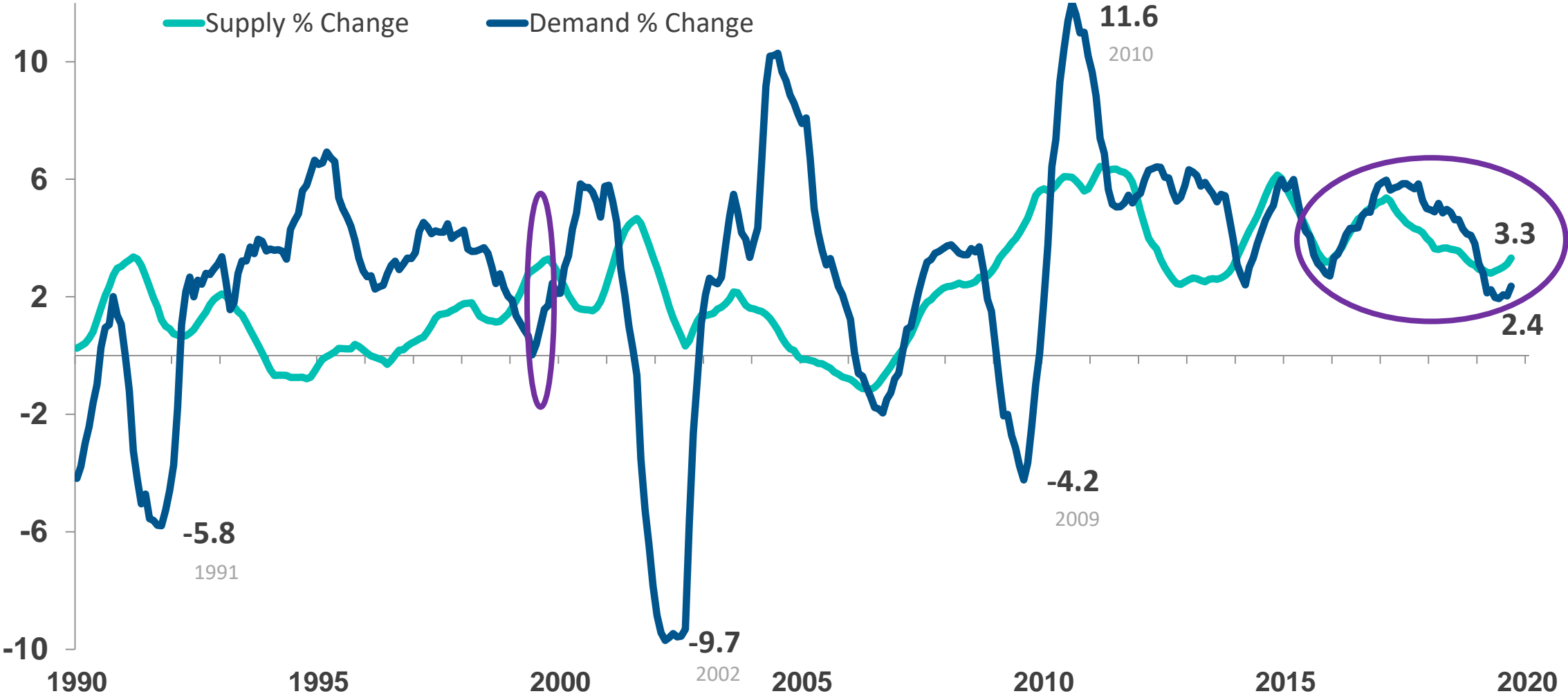
Total U.S. and New York, NY market RevPAR % Change by month and Supply Growth, 12MMA - January 2004 – September 2019

Total U.S. Supply & Demand Growth In Balance, Driving 2019 /2020 Results



New York, NY Market

Supply & Demand Growth Reverses Course in 2019





Class Review

Examples of Brands by Classification

<https://str.com/data-insights/resources/documents>

Luxury: Four Seasons, Grand Hyatt, Loews, Ritz-Carlton

Upper Upscale: Hilton, Kimpton, Omni, Westin

Upscale: Courtyard, DoubleTree, Sonesta, Wyndham

Upper Midscale: Best Western Plus, Holiday Inn, Home2 Suites

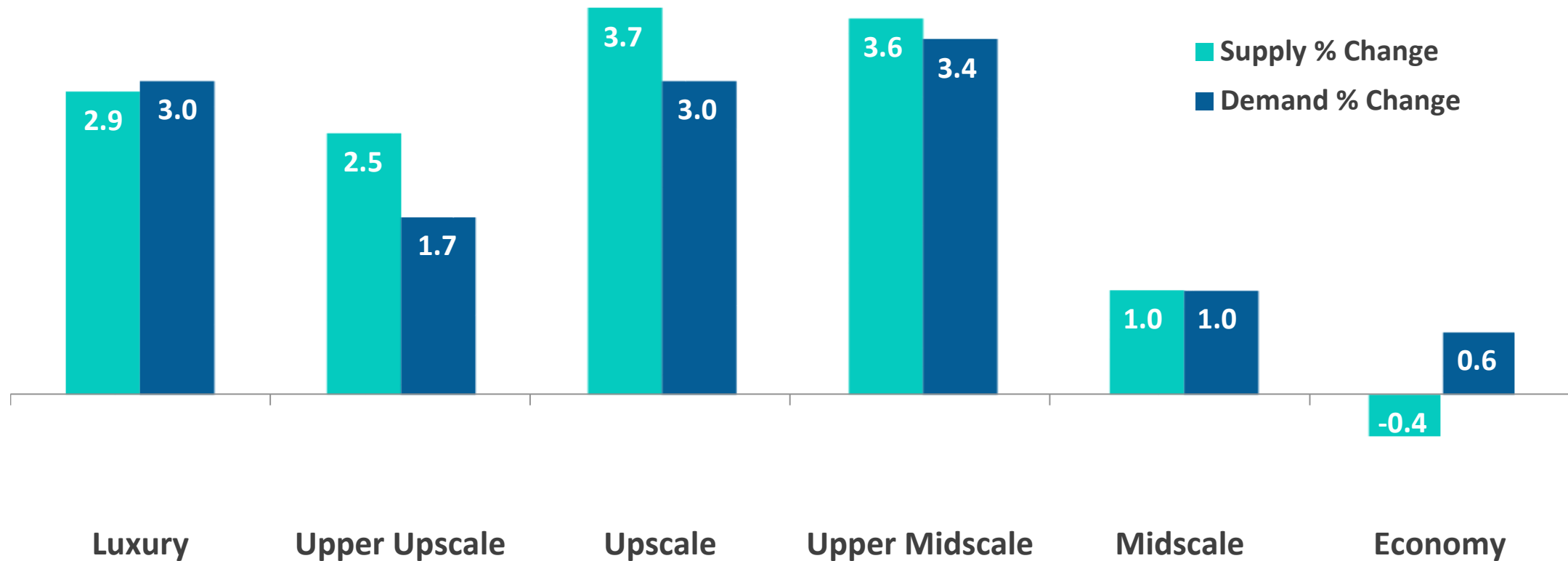
Midscale: Candlewood Suites, Quality Inn, Ramada, Tru

Economy: Days Inn, Motel 6, Red Roof Inn, Rodeway Inn

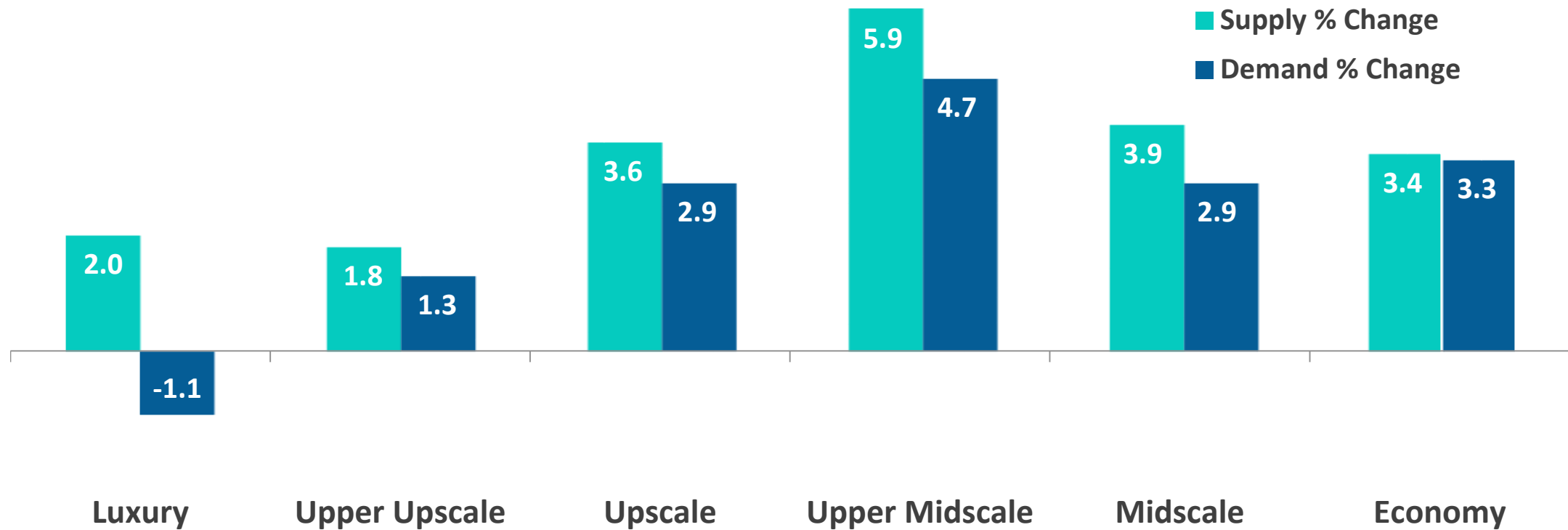


U.S. and NY Market Performance by Hotel Class

Total U.S. Class: Supply Growth Will Impact Results Going Forward

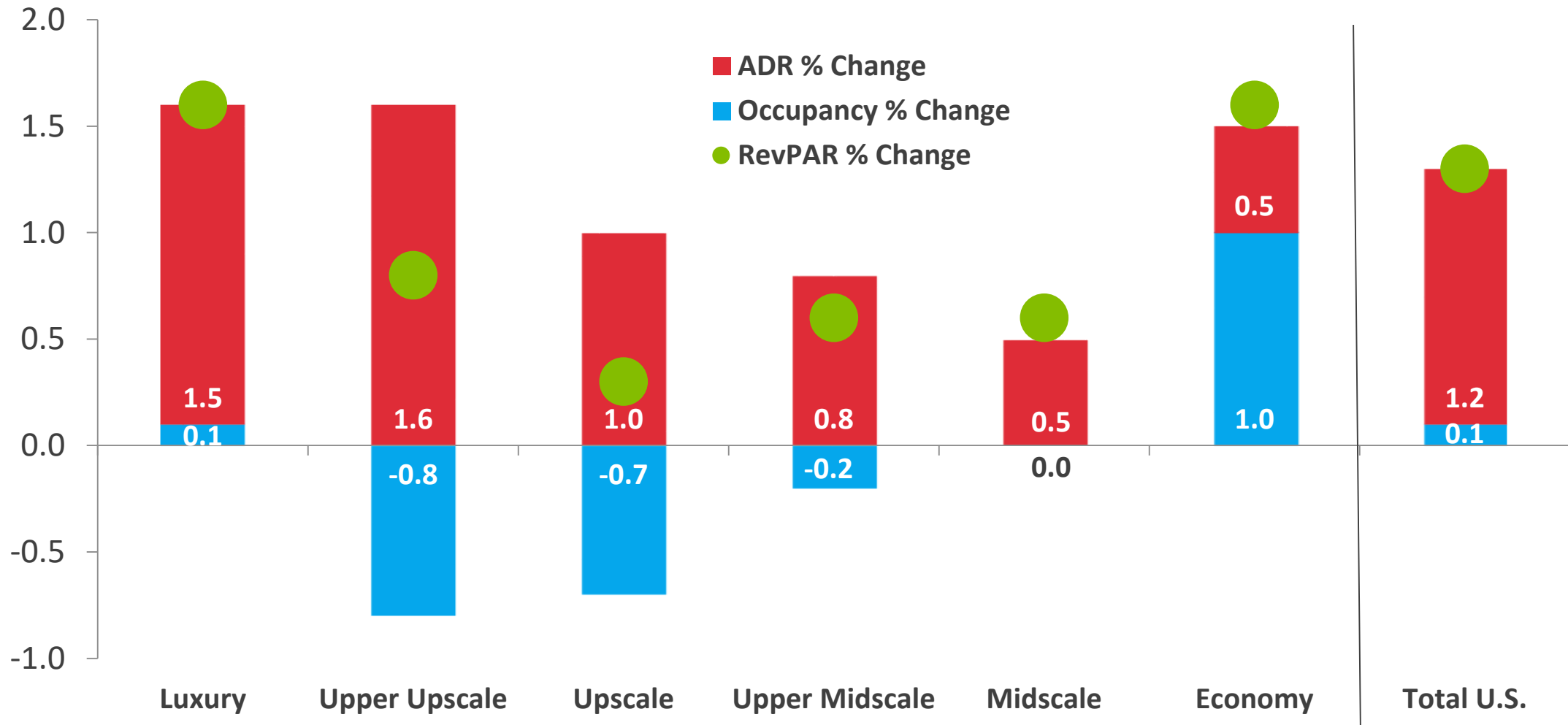


New York, NY Market Class: Supply Growth Telling the Story



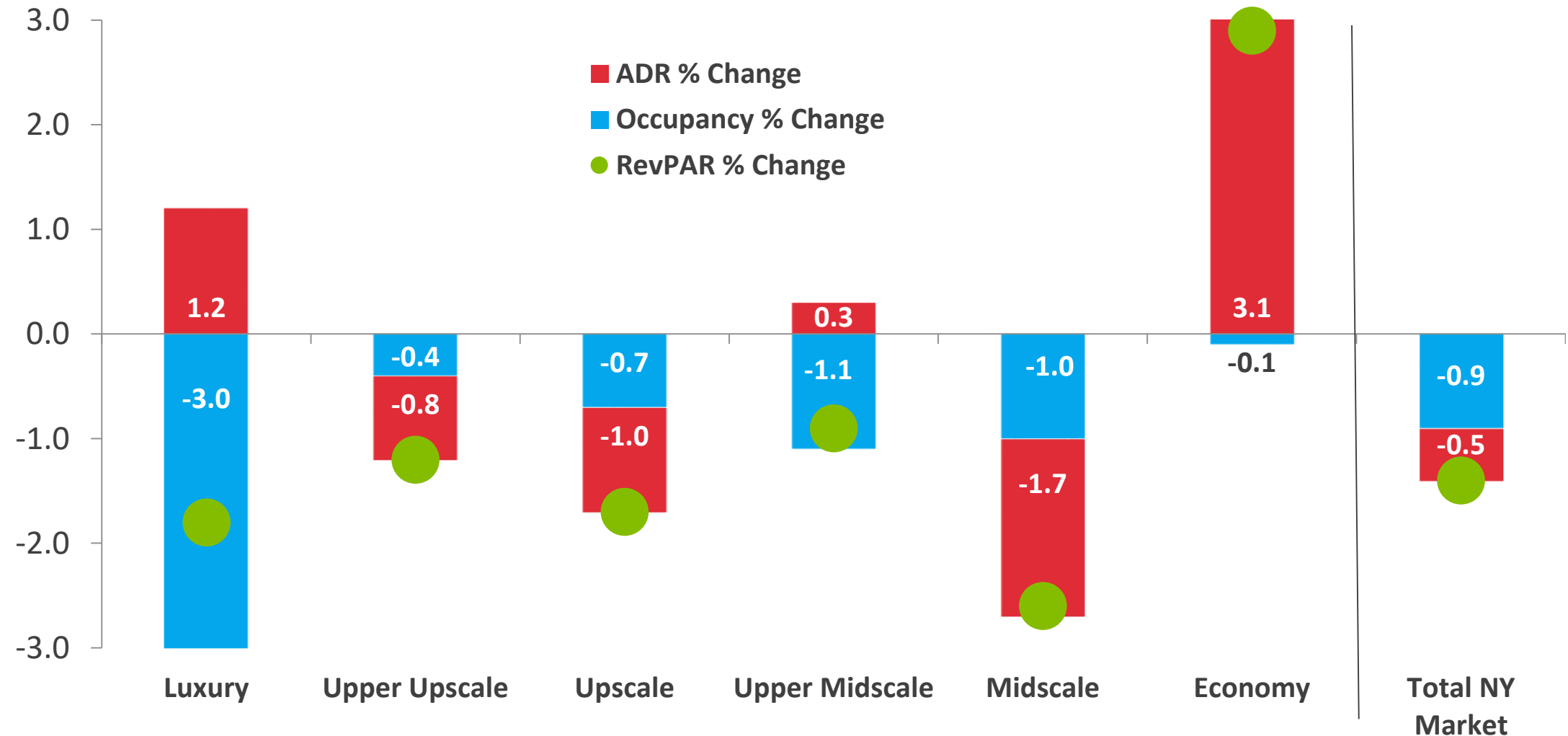
Total U.S. - Supply and Demand % Change, by Class – September 2019 12MMA

Total U.S. RevPAR Results by Hotel Class: 3 Classes Lose Occupancy, While All Grow ADR



Total US - RevPAR % Change by Contribution of Occupancy and ADR % Changes, by Class - September 2019 12MMA

New York, NY Market RevPAR Results by Hotel Class: All Classes Lose Occupancy, While 3 Grow ADR

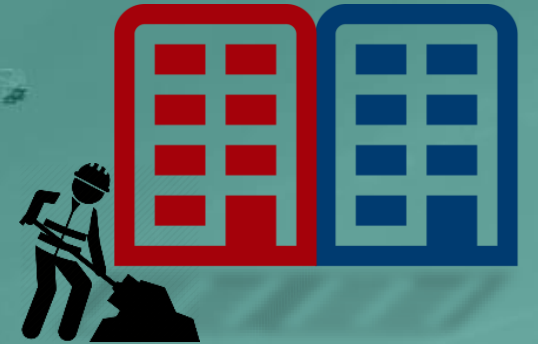




Pipeline



New Construction



Expansion



U.S. Pipeline:

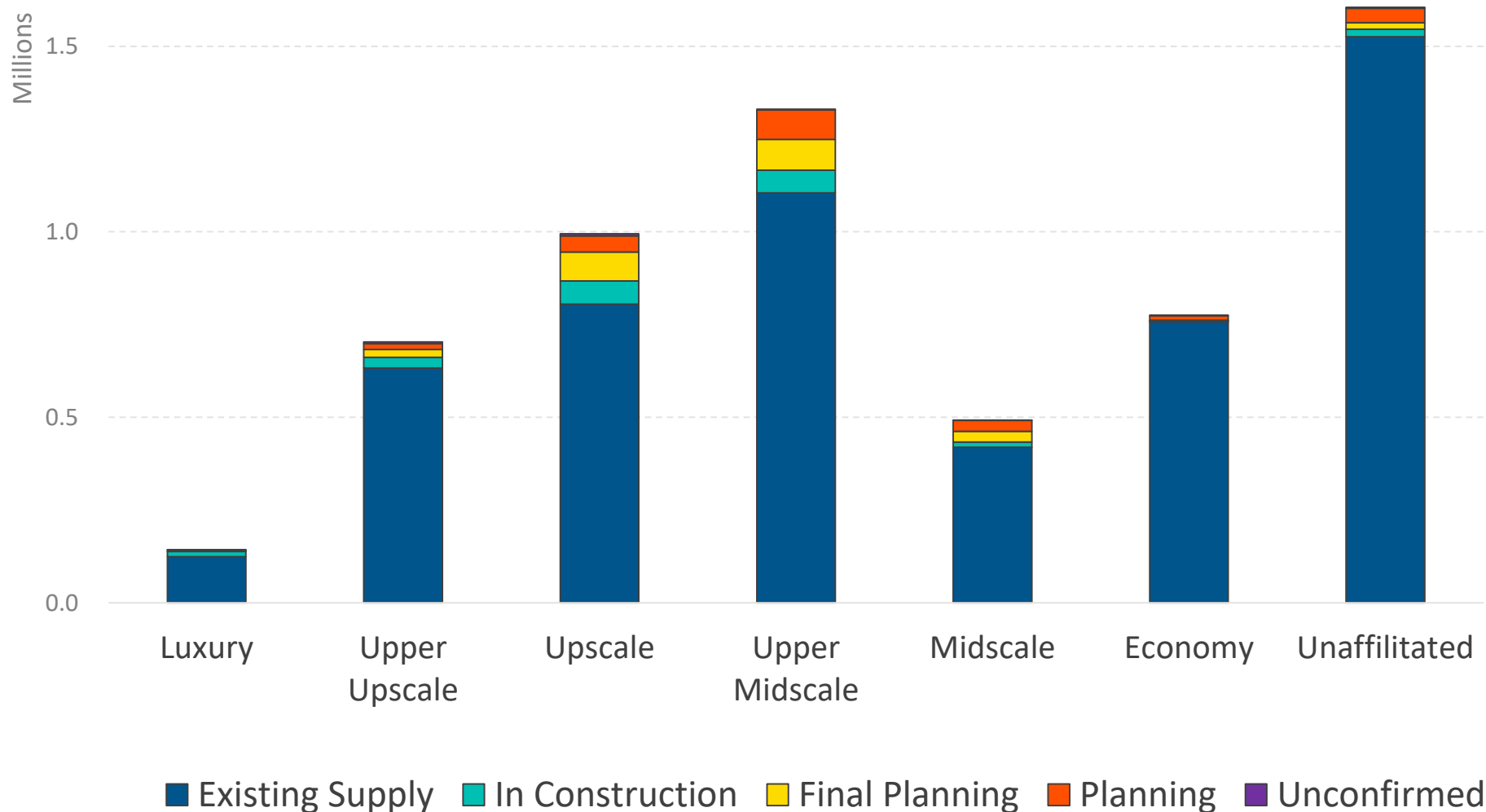
Rooms In Construction Increase, Still Manageable

<u>Phase</u>	<u>2019</u>	<u>2018</u>	<u>% Change</u>
In Construction	204	188	8.2%
Final Planning	231	207	11.5%
Planning	221	218	1.6%
Under Contract	656	614	7.0%

Total US Pipeline - by Construction Phase, '000s Rooms – September 2019 and September 2018

Total U.S. Hotel Inventory and Pipeline

8.2% increase in rooms supply on the horizon



Planning

Construction to begin in 13+ Months

Final Planning

Construction to begin within the next year

In Construction

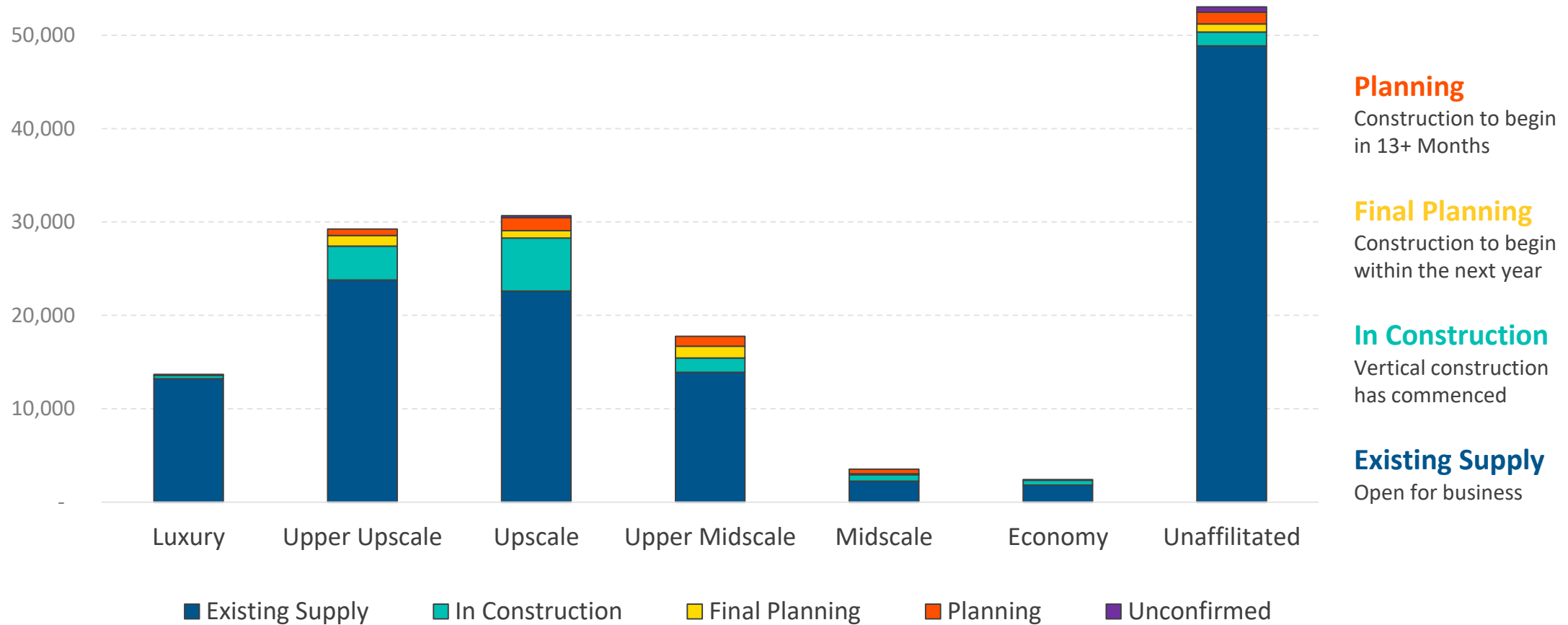
Vertical construction has commenced

Existing Supply

Open for business

How does the New York, NY Market's inventory stack up?

Looking at total 18% increase in rooms supply



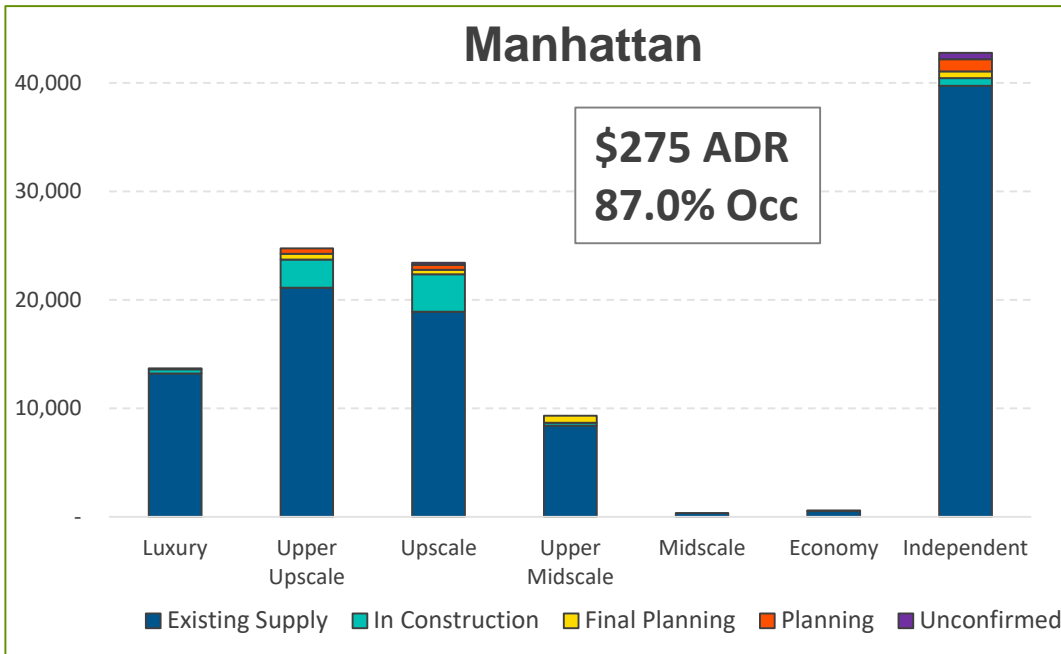


Let's Survey the Landscape

New York, NY Boroughs Hotel Rooms by Scale

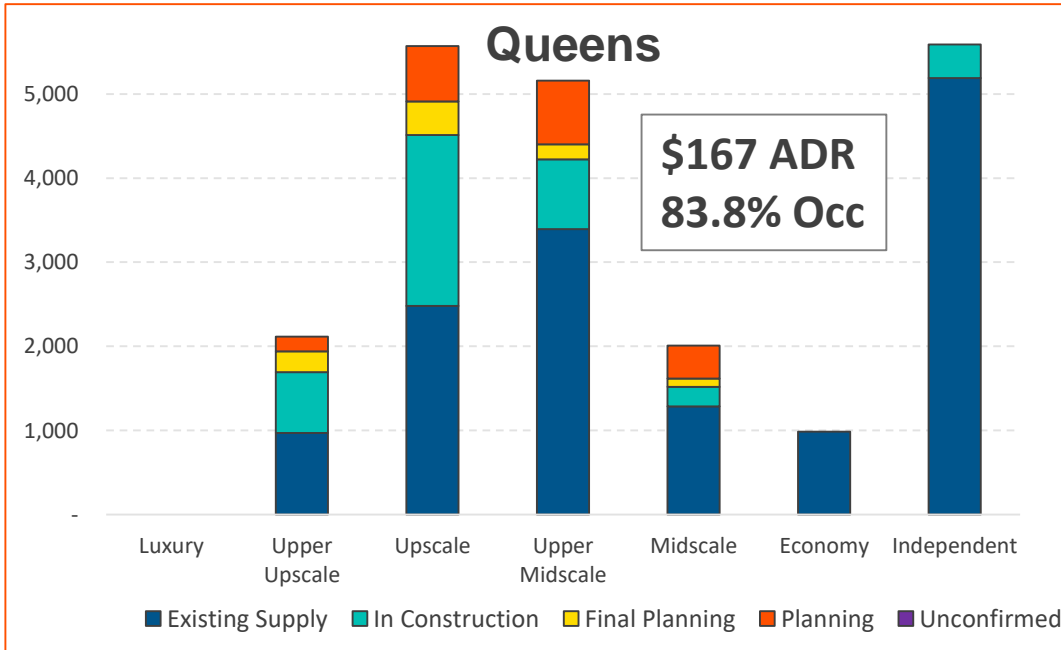
Manhattan

\$275 ADR
87.0% Occ



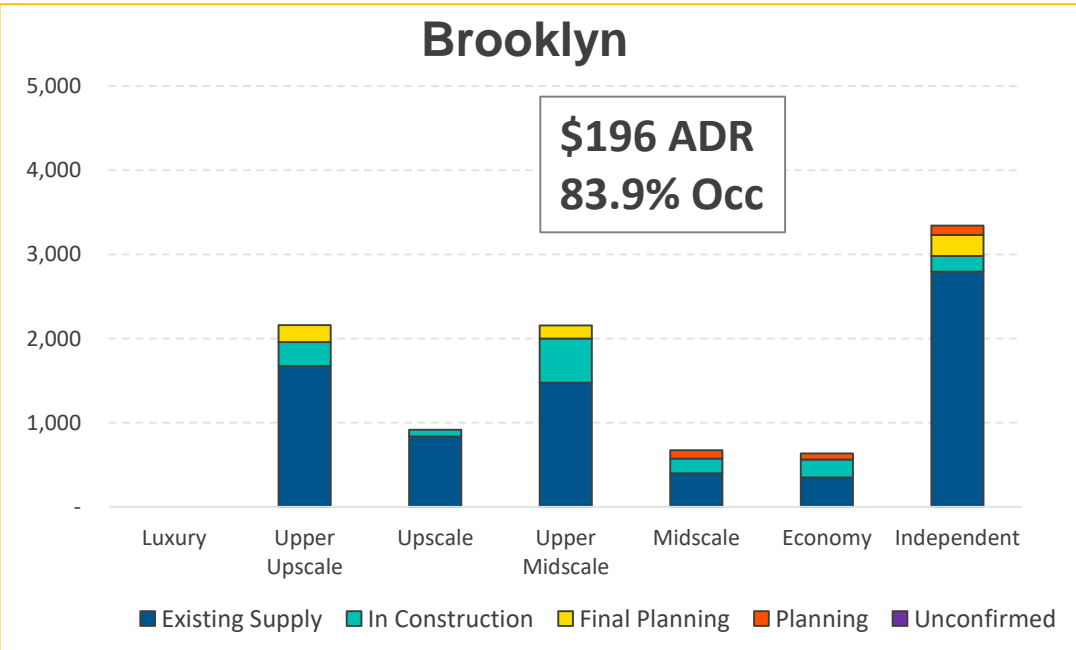
Queens

\$167 ADR
83.8% Occ



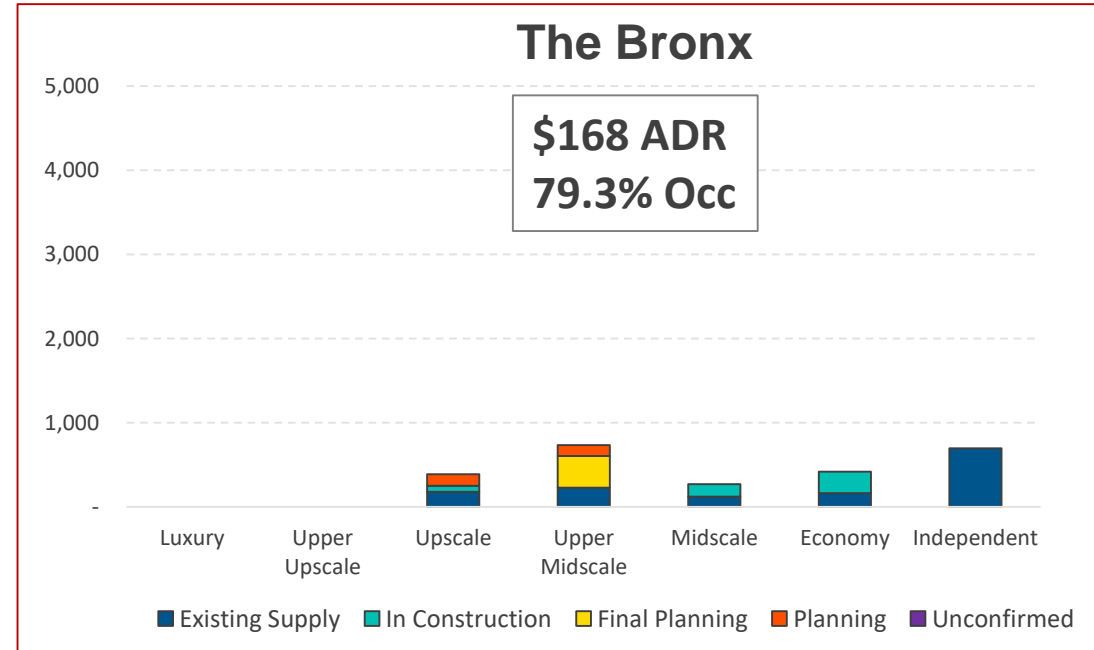
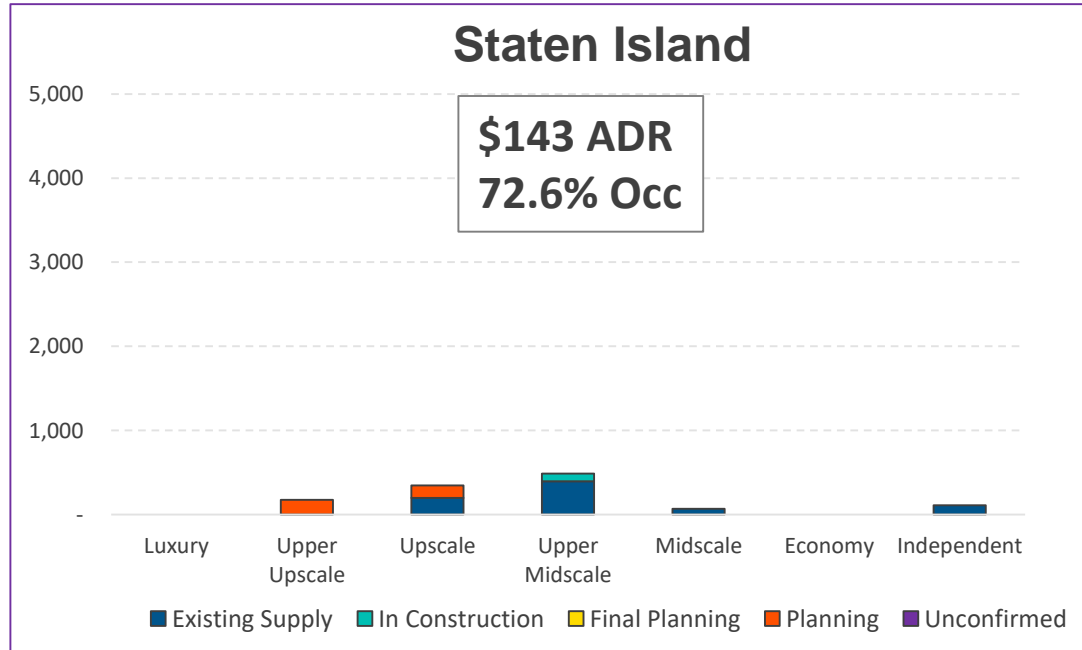
Brooklyn

\$196 ADR
83.9% Occ



Surveying the Landscape

New York, NY Boroughs Hotel Rooms by Scale





New York, NY Market Performance Overview By Borough

699 hotels
126,235 Rooms
87% Participation

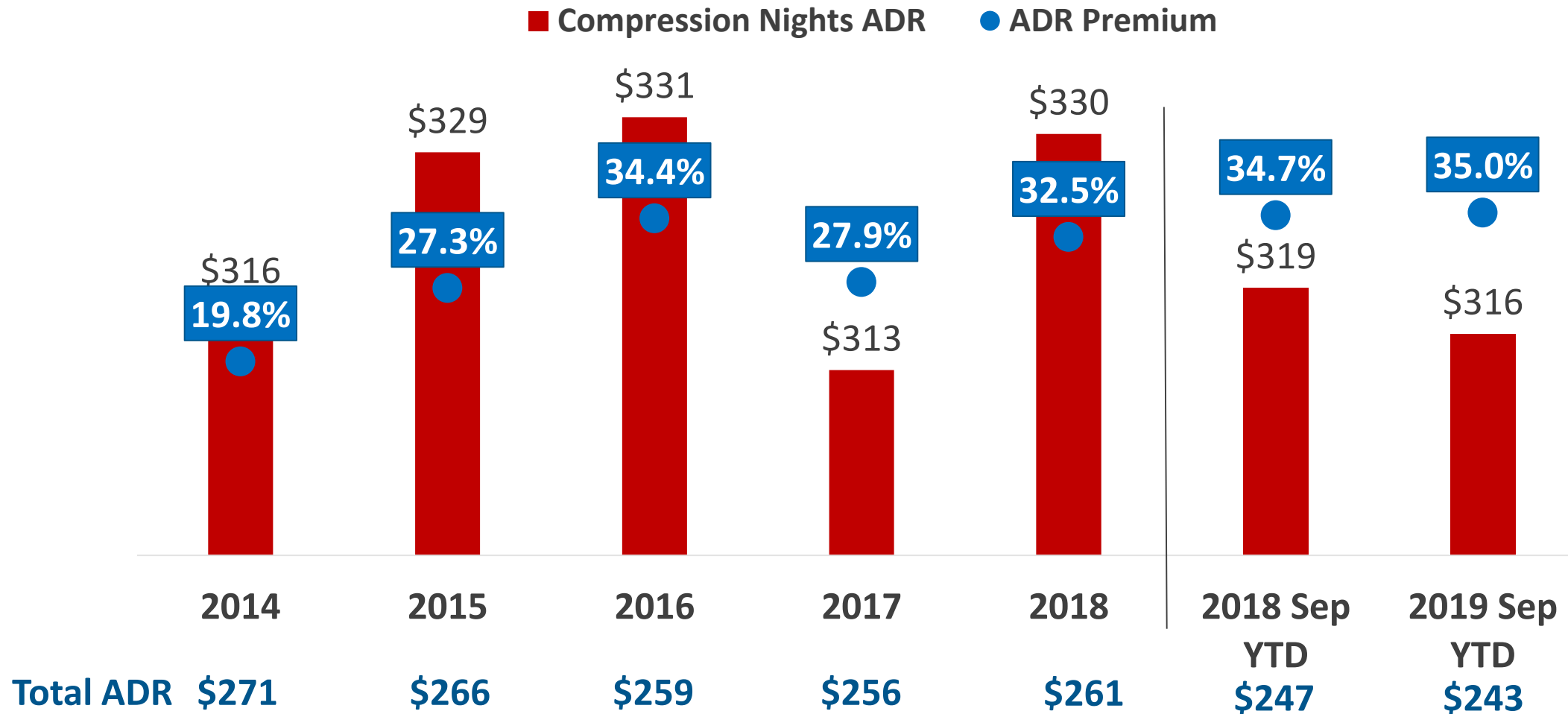


New York, NY Market Performance Overview By Borough

Supply % Change	3.3%	▲
Demand % Change	2.4%	▲
Occupancy	86.3%	-0.9% ▼
ADR	\$257.59	-0.5% ▼
RevPAR	\$222.37	-1.4% ▼



NYC Hotel Compression ADR: Down to STLY and Premium Flat



*Compression Night occupancy ≥ 95%

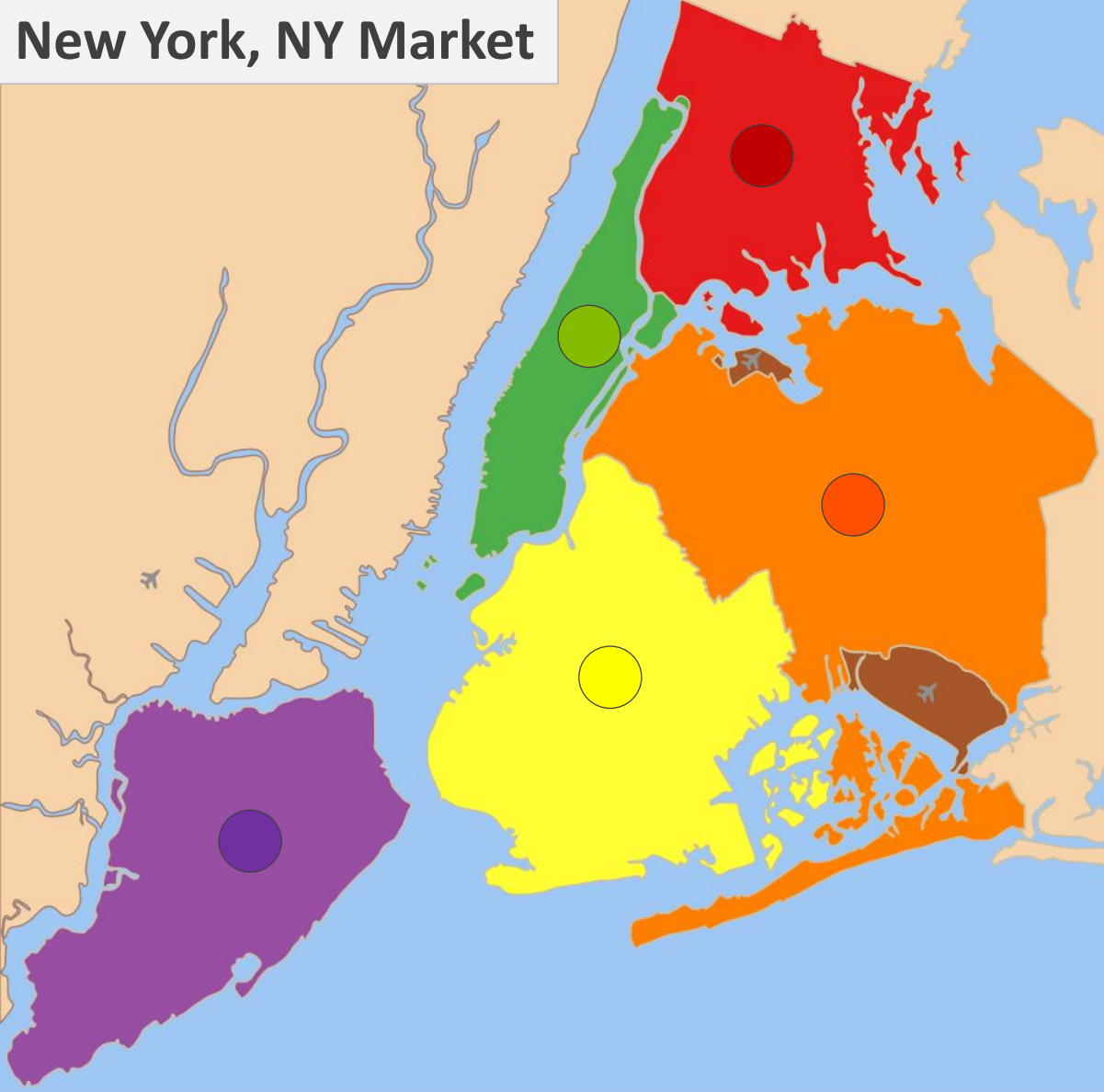
New York, NY Market



Key Statistics

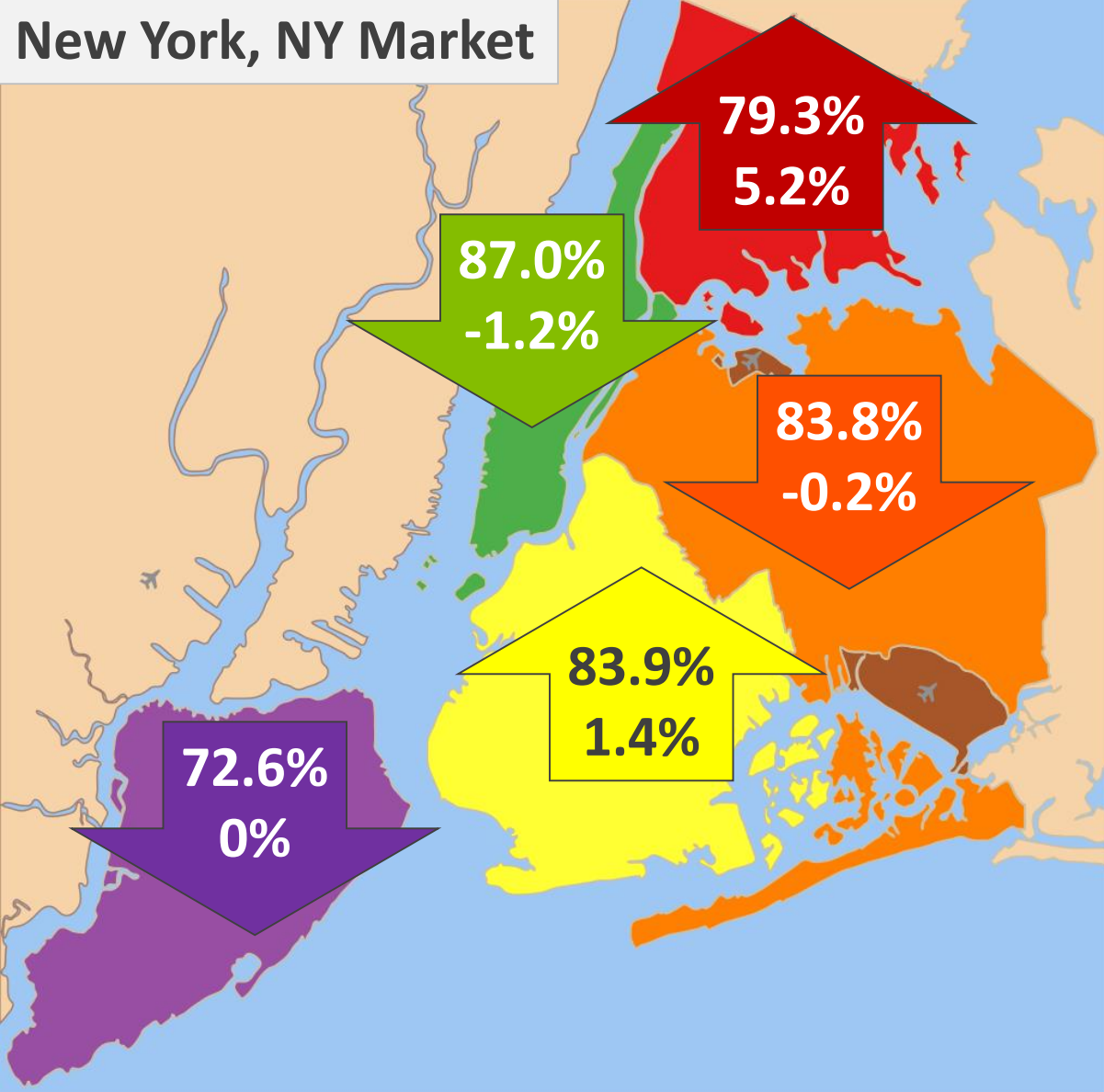
New York, NY Market - September 2019 12MMA

		<u>% chg</u>
Occ	86.3%	-0.9%
ADR	\$258	-0.5%
RevPAR	\$222	-1.4%



- Manhattan
- Queens
- Brooklyn
- Staten Island
- The Bronx

New York, NY Market

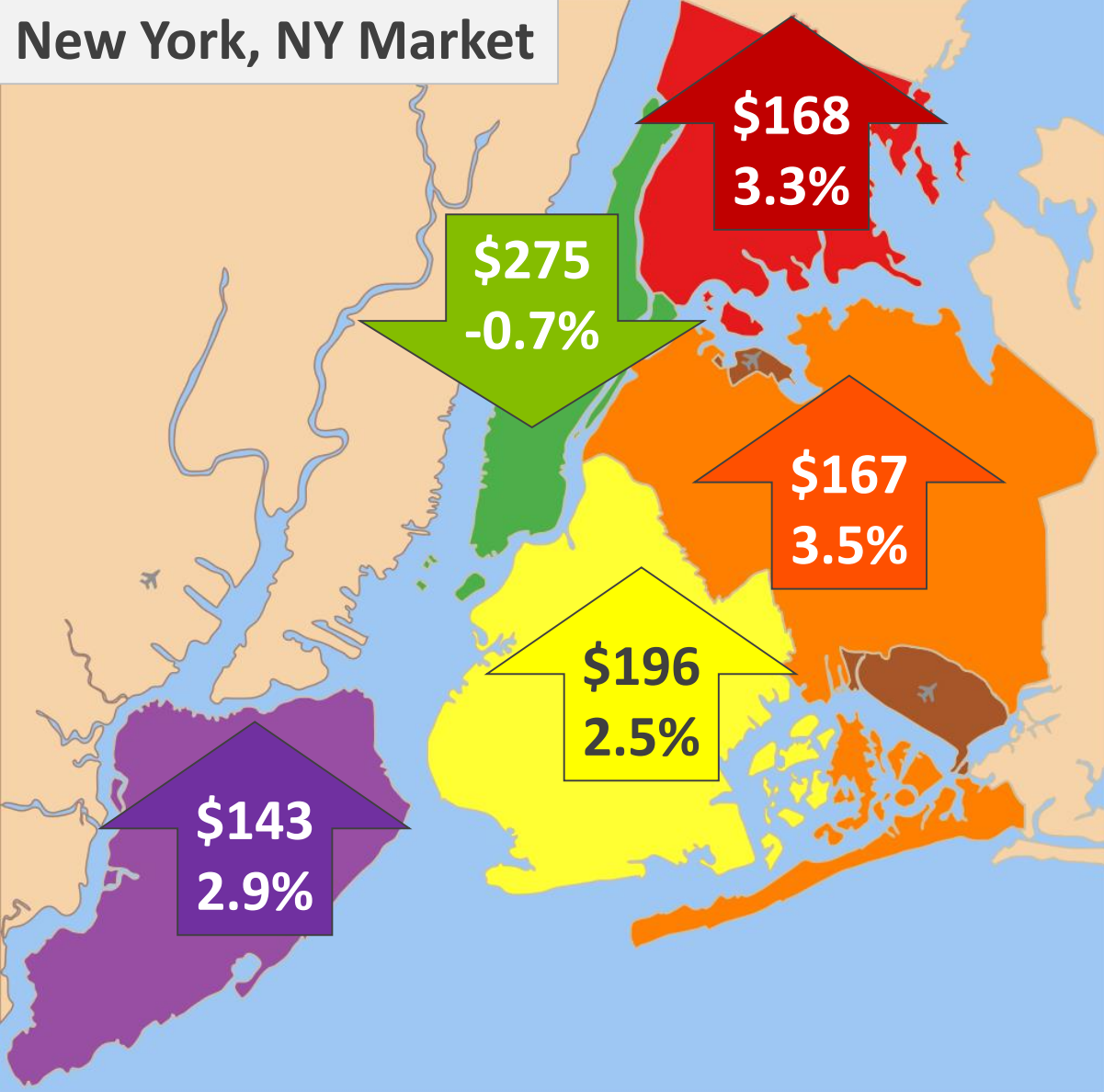


- Manhattan
- Queens
- Brooklyn
- Staten Island
- The Bronx

Occupancy
86.3%
-0.9% change

New York, NY Market - September 2019 12MMA

New York, NY Market



- Manhattan
- Queens
- Brooklyn
- Staten Island
- The Bronx

ADR
\$258
-0.5% change

New York, NY Market - September 2019 12MMA

Recap: KPI Growth by New York, NY Boroughs and Market

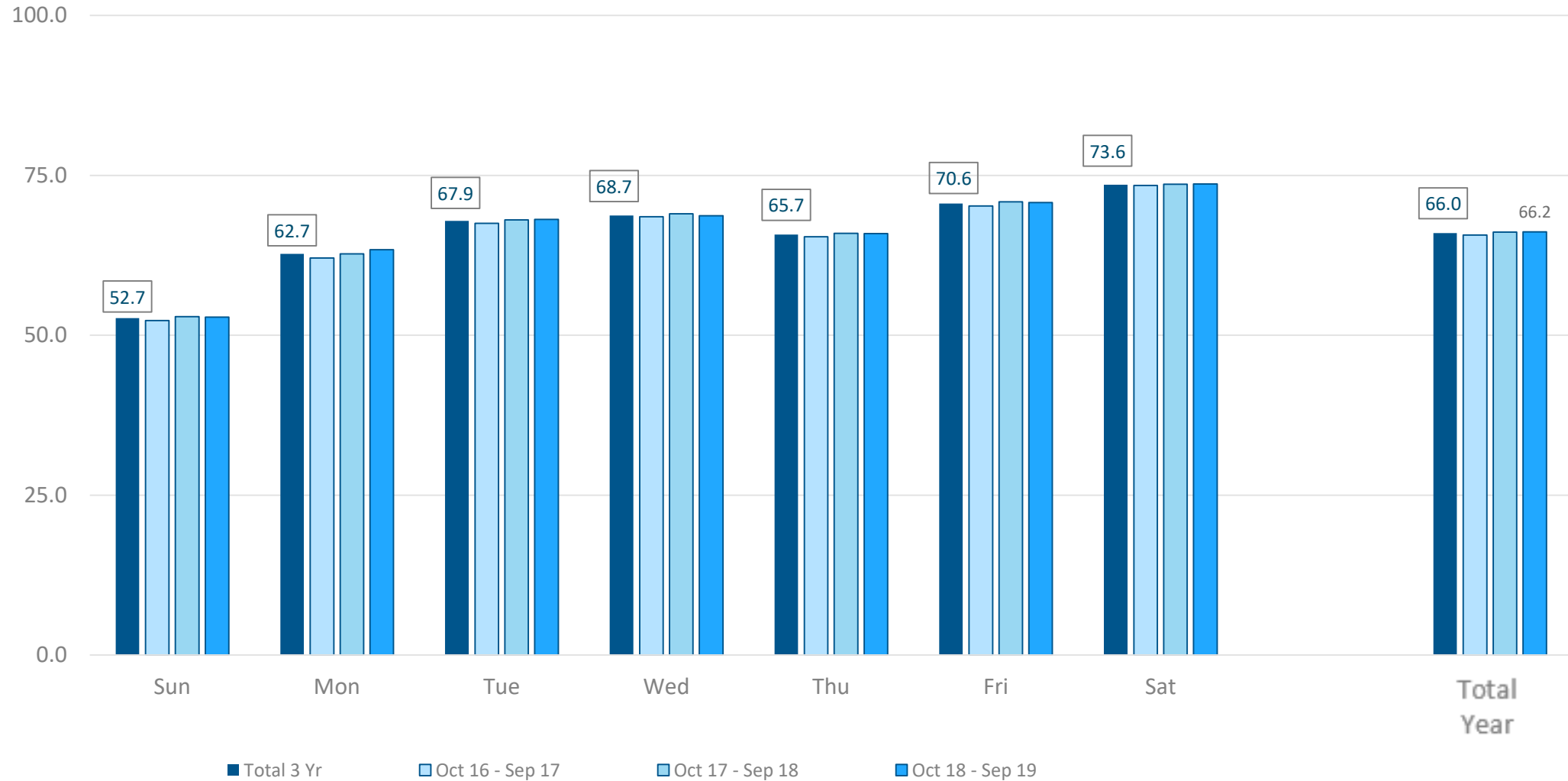
	Occupancy	ADR	RevPAR	Supply	Demand
Manhattan	-1.2%	-0.7%	-1.9%	+2.8%	+1.6%
Queens	-0.2%	3.5%	3.3%	+5.2%	+5.0%
Brooklyn	1.4%	2.5%	3.9%	+6.3%	+7.7%
Staten Island	0.0%	2.9%	2.8%	-0.2%	-0.2%
The Bronx	5.2%	3.3%	8.7%	6.6%	+12.1%
New York, NY Market	-0.9%	-0.5%	-1.4%	+3.3%	+2.4%



Day of Week Trends

Total U.S. – 3 Year Occupancy by Day of Week

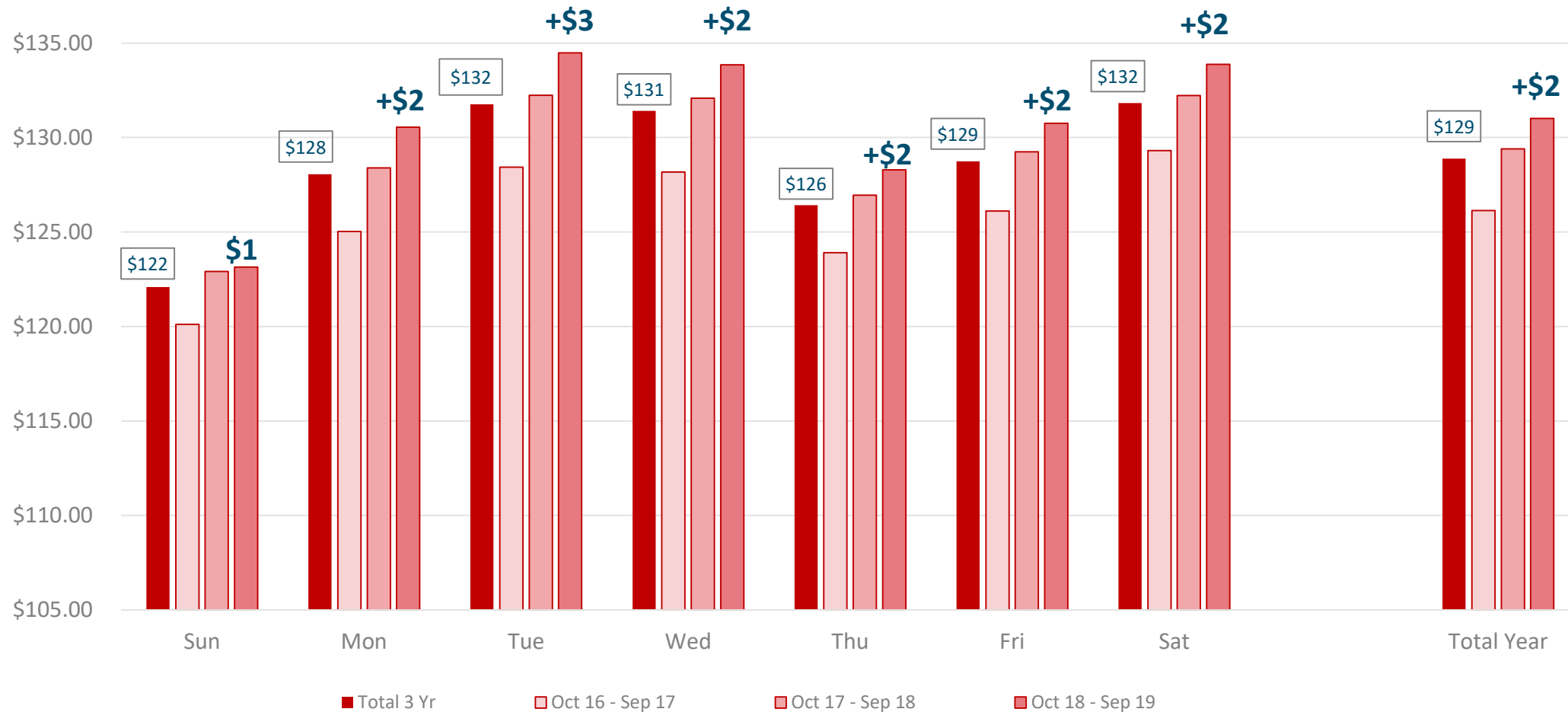
12MMA





Total U.S. - 3 Year ADR by Day of Week

12MMA

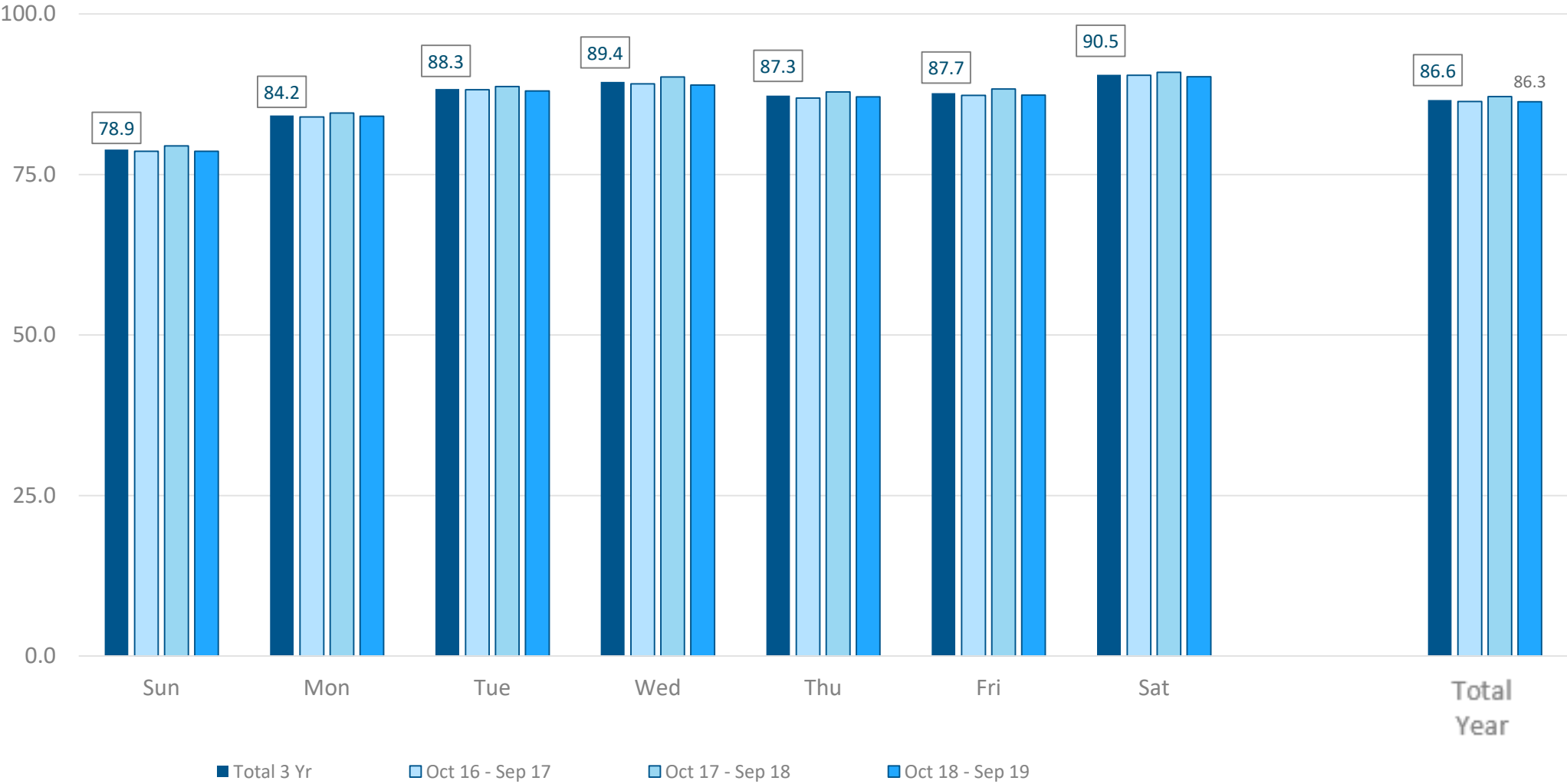


+\$ represents current year premium over 3 year average – September 2019 12MMA

New York, NY Market

3 Year Occupancy by Day of Week

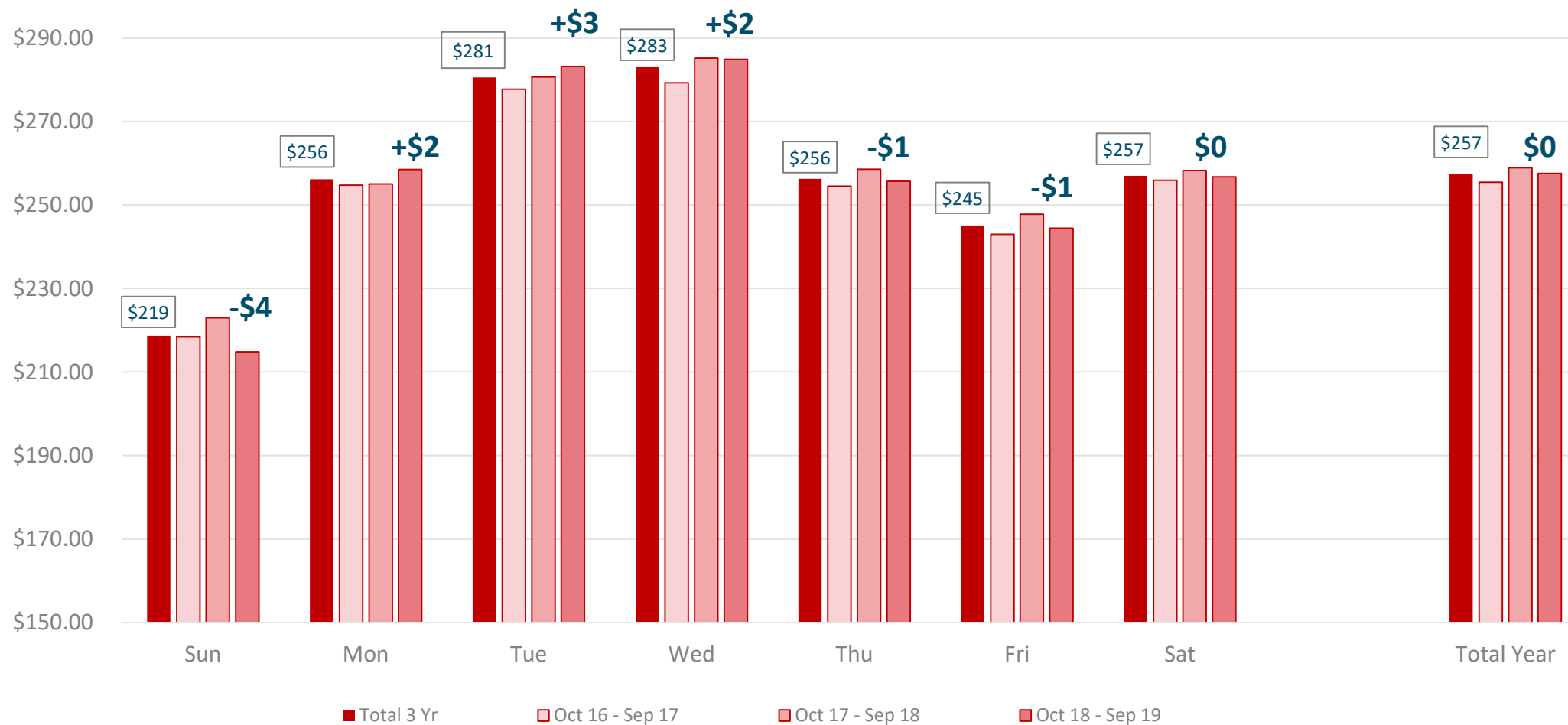
12MMA



New York, NY Market

3 Year ADR by Day of Week

12MMA



+\$ represents current year premium over 3 year average – September 2019 12MMA

2019 / 2020 Forecasts

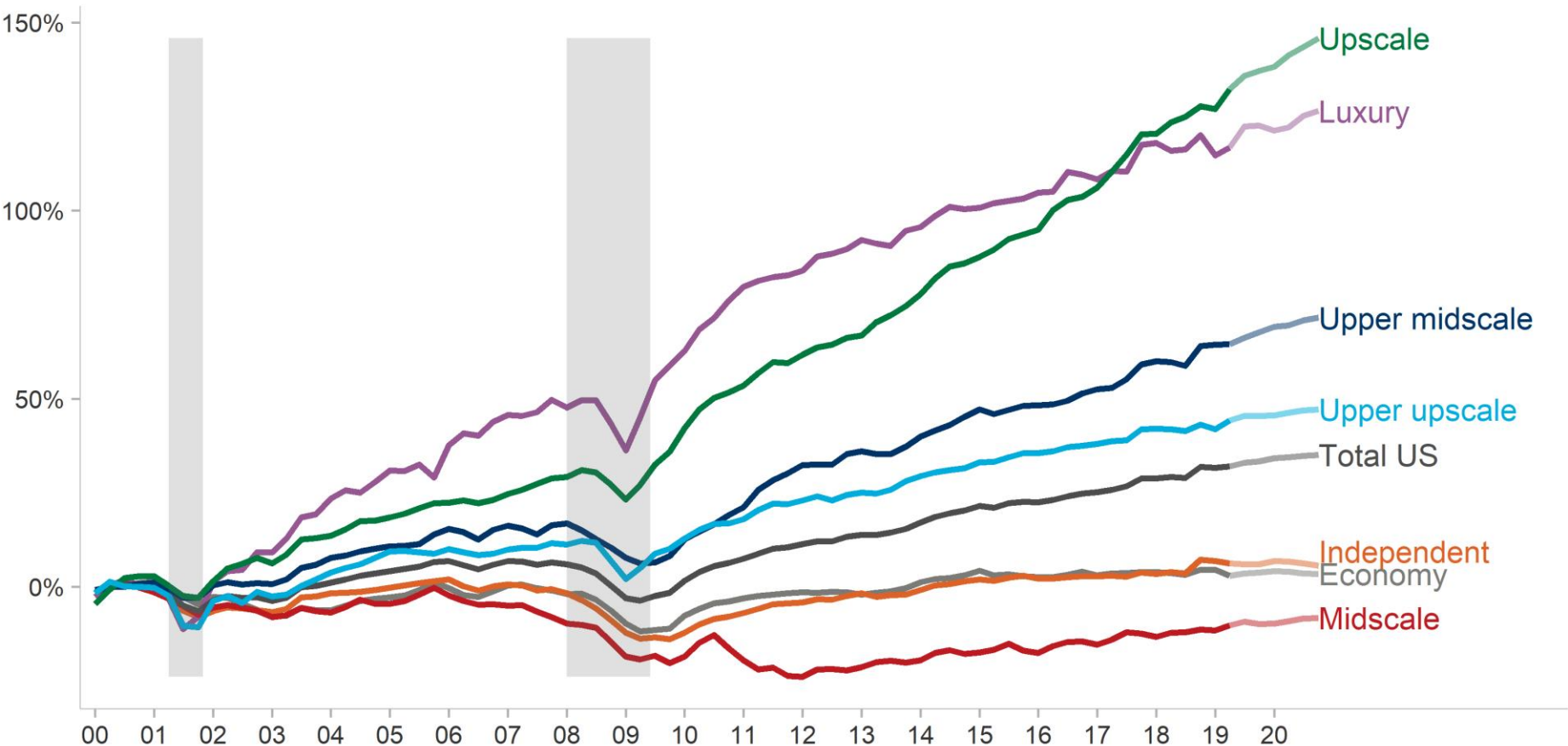


Demand has made the most gains on the upper end



Demand growth by chain scale

Room demand, growth since 2000



Note: Recessions shaded; data seasonally adjusted; history through 2019 Q2, forecast through 2020 Q4.
Source: STR; NBER; Tourism Economics

Total U.S. Key Performance Indicator Outlook

(% Change vs. Prior Year)

2018A – 2020F as of August 2019

Outlook			
	2018 Actual	2019 Forecast	2020 Forecast
Supply	2.0%	1.9%	1.9%
Demand	2.5%	2.1%	1.6%
Occupancy	0.5%	0.2%	-0.3%
ADR	2.4%	1.4%	1.4%
RevPAR	2.9%	1.6%	1.1%

Total U.S.

Chain Scale Key Performance Indicator Outlook

2019F by Chain Scale (August 2019)

2019 Year End Outlook			
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (% chg)
Luxury	-1.1%	2.4%	1.3%
Upper Upscale	-0.4%	2.0%	1.5%
Upscale	-0.7%	1.0%	0.3%
Upper Midscale	-0.1%	0.9%	0.8%
Midscale	0.1%	0.3%	0.4%
Economy	1.0%	0.8%	1.8%
Independent	0.8%	1.6%	2.4%
Total United States	0.2%	1.4%	1.6%

Total U.S.

Chain Scale Key Performance Indicator Outlook

2020F by Chain Scale (August 2019)

2020 Year End Outlook			
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (% chg)
Luxury	-0.2%	2.0%	1.8%
Upper Upscale	-0.3%	1.8%	1.5%
Upscale	-0.4%	0.8%	0.4%
Upper Midscale	-0.2%	0.9%	0.7%
Midscale	-0.2%	1.1%	0.8%
Economy	-0.4%	1.1%	0.7%
Independent	-0.4%	1.5%	1.0%
Total United States	-0.3%	1.4%	1.1%

New York, NY Market

Key Performance Indicator Outlook

(% Change vs. Prior Year) 2018A – 2020F as of August 2019

Outlook			
	2018 Actual	2019 Forecast	2020 Forecast
Supply	3.3%	3.2%	2.8%
Demand	4.1%	2.3%	2.4%
Occupancy	0.8%	-0.9%	-0.4%
ADR	2.7%	-1.3%	-0.4%
RevPAR	3.5%	-2.1%	-0.8%

2020 Year End RevPAR Forecast

Top North American Markets, August 2019 Forecast (Markets sorted alphabetically)

- 3% to 1%	1% to 3%	3% to 6%
Atlanta, GA	Anaheim/Santa Ana, CA	Miami/Hialeah, FL
New York, NY	Boston, MA	Montreal, QC
Philadelphia, PA-NJ	Chicago, IL	San Francisco/ San Mateo, CA
Tampa/St Petersburg, FL	Dallas, TX	Vancouver, BC
	Denver, CO	
	Detroit, MI	
	Houston, TX	
	Los Angeles/Long Beach, CA	
	Minneapolis/St Paul MN-WI	
	Nashville, TN	
	New Orleans, LA	
	Norfolk/Virginia Beach, VA	
	Oahu Island, HI	
	Orlando, FL	
	Phoenix, AZ	
	San Diego, CA	
	Seattle, WA	
	St Louis, MO-IL	
	Washington, DC-MD-VA	
	Toronto, ON	
	Washington, DC-MD-VA	
	Toronto, ON	

Note: RevPAR Growth forecast estimates are in local currency

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2020 Year End Supply Forecast

Top North American Markets, August 2019 Forecast (Markets sorted alphabetically)

- 2% to 2%	2% to 4%	4% to 7%
Atlanta, GA	Anaheim-Santa Ana CA	Nashville, TN
Chicago, IL	Boston, MA	
Detroit, MI	Dallas, TX	
Montreal, QC	Denver, CO	
New Orleans, LA	Houston, TX	
Norfolk-Virginia Beach, VA	Los Angeles-Long Beach, CA	
Oahu Island, HI	Miami-Hialeah, FL	
San Diego, CA	Minneapolis St Paul, MN-WI	
San Francisco-San Mateo, CA	Nashville, TN	
St Louis, MO-IL	New York, NY	
Toronto, ON	Orlando, FL	
Vancouver, BC	Philadelphia, PA-NJ	
Washington, DC-MD-VA	Phoenix, AZ	
	Seattle, WA	
	Tampa-ST Petersburg, FL	

2020 Year End Demand Forecast

Top North American Markets, August 2019 Forecast (Markets sorted alphabetically)

- 2% to 2%	2% to 4%	4% to 7%
Atlanta, GA	Anaheim-Santa Ana CA	Nashville, TN
Chicago, IL	Boston, MA	
Detroit, MI	Dallas, TX	
Minneapolis St Paul, MN-WI	Denver, CO	
Montreal, QC	Houston, TX	
New Orleans, LA	Los Angeles-Long Beach, CA	
Norfolk-Virginia Beach, VA	Miami-Hialeah, FL	
Oahu Island, HI	New York, NY	
San Diego, CA	Orlando, FL	
San Francisco-San Mateo, CA	Philadelphia, PA-NJ	
St Louis, MO-IL	Phoenix, AZ	
Toronto, ON	Seattle, WA	
Vancouver, BC	Tampa-ST Petersburg, FL	
Washington, DC-MD-VA		



Food for Thought...

Why Hotel F&B?

The real story about today's hotel F&B ...



Total U.S. F&B Key Performance Indicators, June 2019 12MMA



\$.84

Catering
& Banquets
RevPAS

\$48

F&B
Venues
Rev/Avail Seat

\$4.27

In-Room
Dining
RevPOR

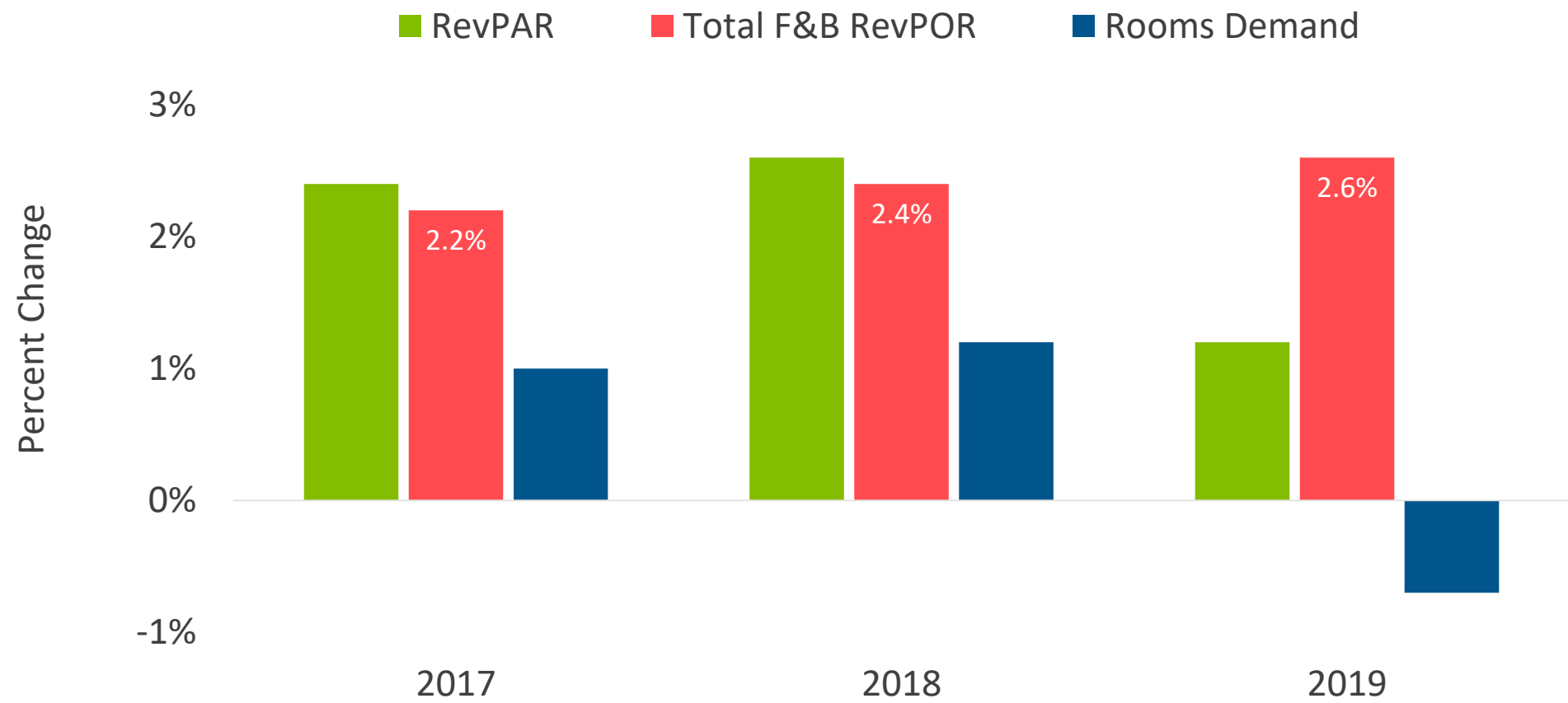
\$115

Total F&B
RevPOR



Hotel F&B enjoys increasing growth trend

Total U.S., RevPAR, Total F&B Revenue Per Occupied Room and Rooms Demand % Change
June 2019 12MMA



Source: STR monthly F&B data (Based on Eligible Properties with Minimum 24 Consecutive Months F&B Reporting)

In-Room Dining: We're not in Kansas anymore.



Total U.S., In-Room Dining Revenue per Occupied Room and % Change, June 2019 12MMA



Source: STR monthly F&B data (Based on Eligible Properties with Minimum 24 Consecutive Months F&B Reporting)

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Key Takeaways

- Know what's influencing *your* RevPAR growth
- Supply is central character in our story
- Demand growth tells more of the story
- Hotel F&B enjoys increasing focus

Questions?

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Director, Digital Data Solutions



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