MPI Nashville Chapter

Monthly Meeting – Embassy Suites Cool Springs
September 20, 2017

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Benchmarking your world

Agenda

- Industry Update
- Pipeline
- Nashville Market Performance
- Segmentation Insights
- Forecasts
- Hotel F&B Performance

A few of notes before we begin…

Benchmarking your world

One Brand

Benchmarking your world

Notable Calendar Shifts
Impacting Lodging Performance Data in 2017:

Easter	From **March to April** (affects Q1/Q2)
Jewish Holidays	From **October to September** (affects Q3/Q4)

Notable Market Level Events / Comps:

Super Bowl:	From San Francisco To Houston
San Francisco:	Super Bowl Shift and Moscone Center Renovation
Los Angeles:	Porter Ranch Gas Leak
Washington, D.C.:	Inauguration & Women's March (January 2016)
Philadelphia:	DNC (July 2016)
Cleveland:	RNC (July 2016)
East Tennessee:	Wild Fires (November 2016)
East Coast:	Hurricane Matthew (October 2016)
Texas/Florida:	Hurricanes Harvey and Irma (August/September 2017)

U.S. Industry Performance

August 2017 YTD: Demand Growth Continues To Hold

		% Change
Room Supply		1.8%
Room Demand		2.4%
Occupancy (*Record*)	67.1%	0.5%
A.D.R.	$127	2.1%
RevPAR	$85	2.7%
Room Revenue		4.5%

Total US Results - August 2017 YTD

August YTD 2017: New Supply Hits NYC, Miami.

Market	OCC %	ADR % Change	Influenced By
Washington, DC-MD-VA	74.0	5.5	Inauguration / Women's March
Nashville, TN	74.8	5.3	Bachelorette Parties
Seattle, WA	79.4	4.7	
Phoenix, AZ	69.1	4.4	
Detroit, MI	67.5	4.3	
Houston, TX	62.1	-0.9	New Supply (Watch for future Harvey Impact)
New York, NY	85.3	-1.8	New Supply
San Francisco/San Mateo, CA	84.1	-2.0	Superbowl L 2016 / Moscone Center Closed April - August
Philadelphia, PA-NJ	68.8	-3.5	DNC 2016
Miami/Hialeah, FL	78.7	-3.7	New Supply

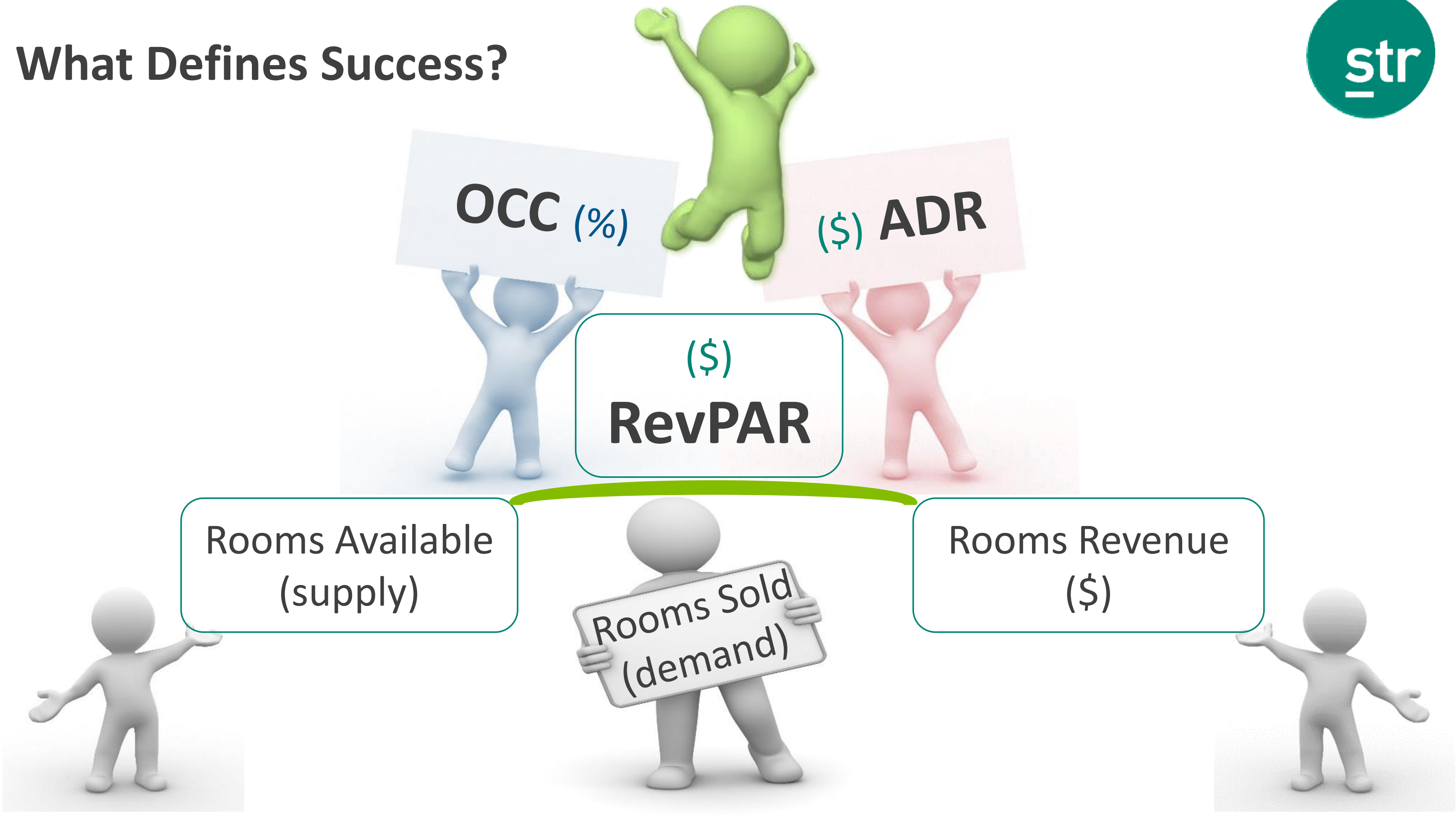
*August 2017 YTD ADR % Change in Top 25: 5 Best / 5 Worst Performing ADR Growth Markets

August 2017 12MMA: Steady RevPAR Growth

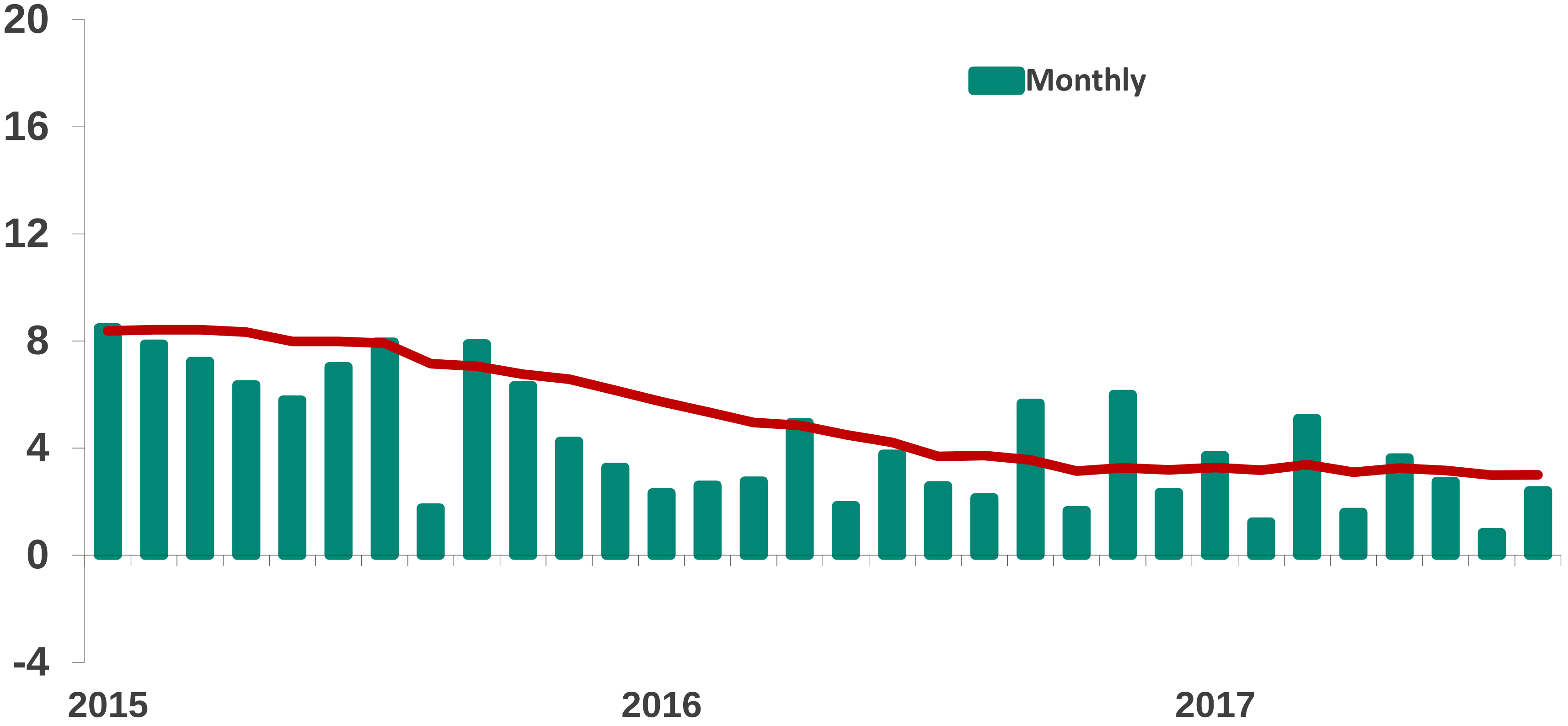
		% Change
Room Supply		1.8%
Room Demand		2.4%
Occupancy (*Record*)	65.7%	0.6%
A.D.R.	$126	2.4%
RevPAR	$83	3.0%
Room Revenue		4.8%

Total US Results - August 2017 12MMA

What Defines Success?

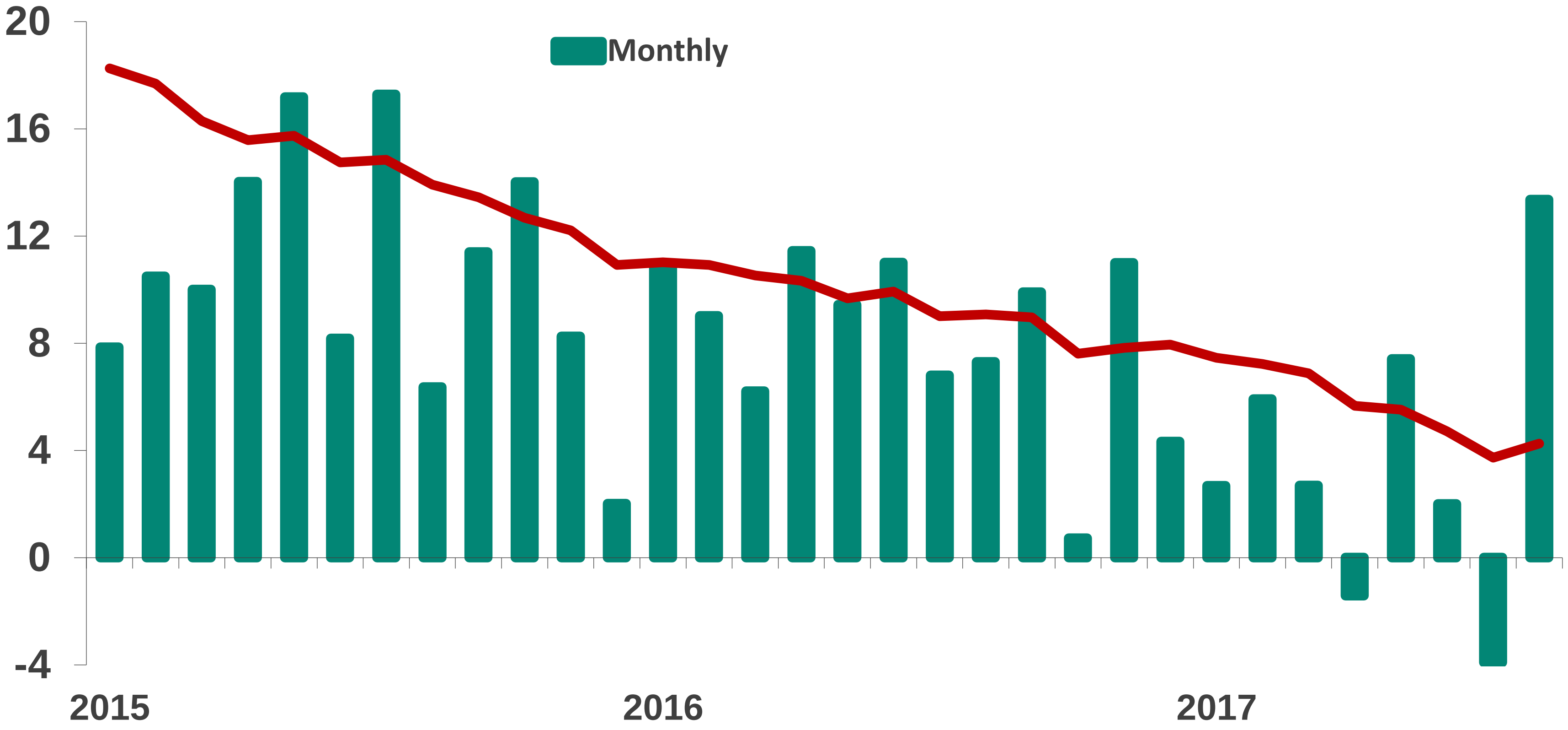


US Industry RevPAR Growth: Erratic Monthly Numbers, But Overall Current Trend Is Steady



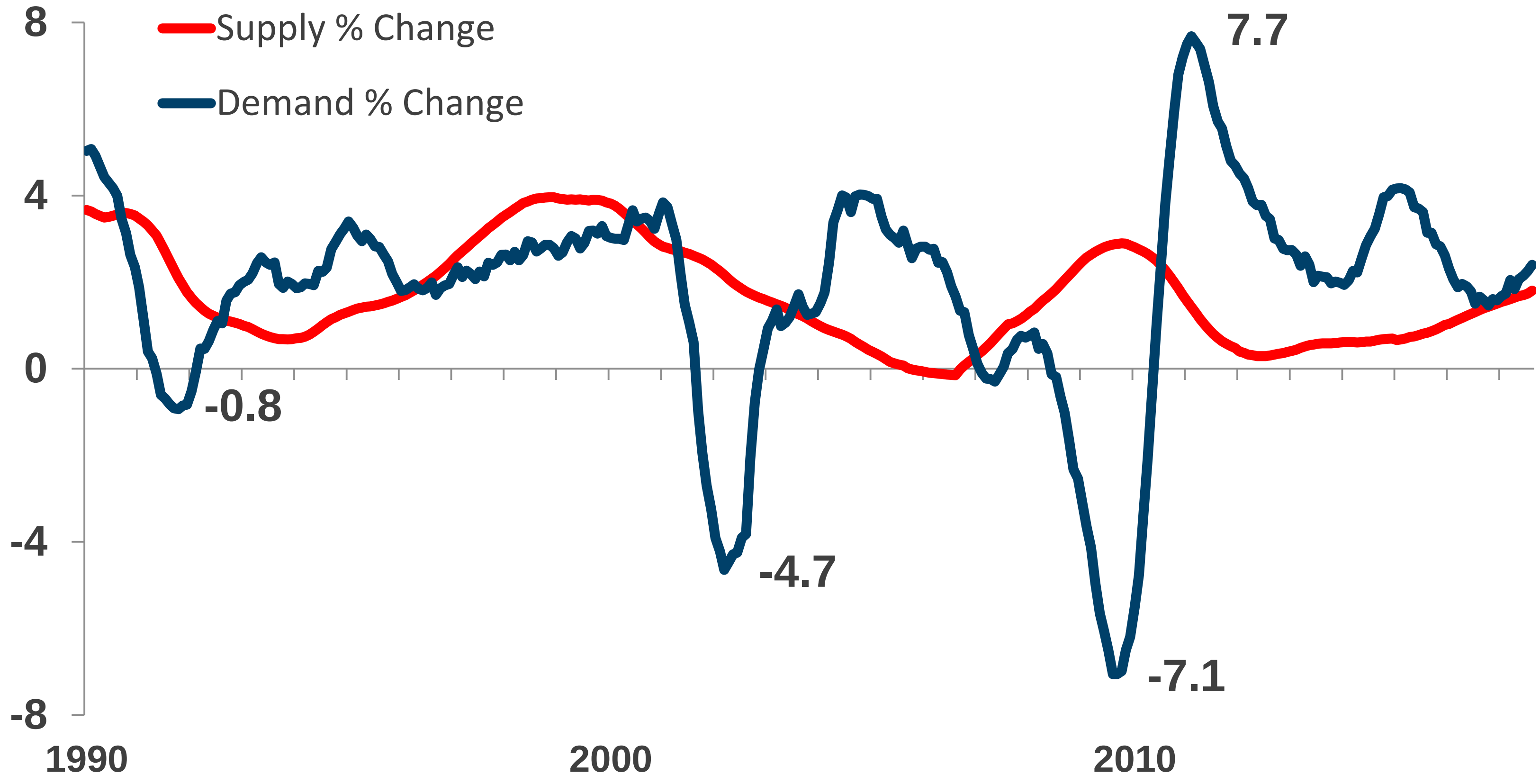
*Total U.S. - RevPAR % Change by month and 12MMA, 1/2015 – 8/2017

Nashville, TN Market RevPAR Growth: Erratic Monthly Numbers



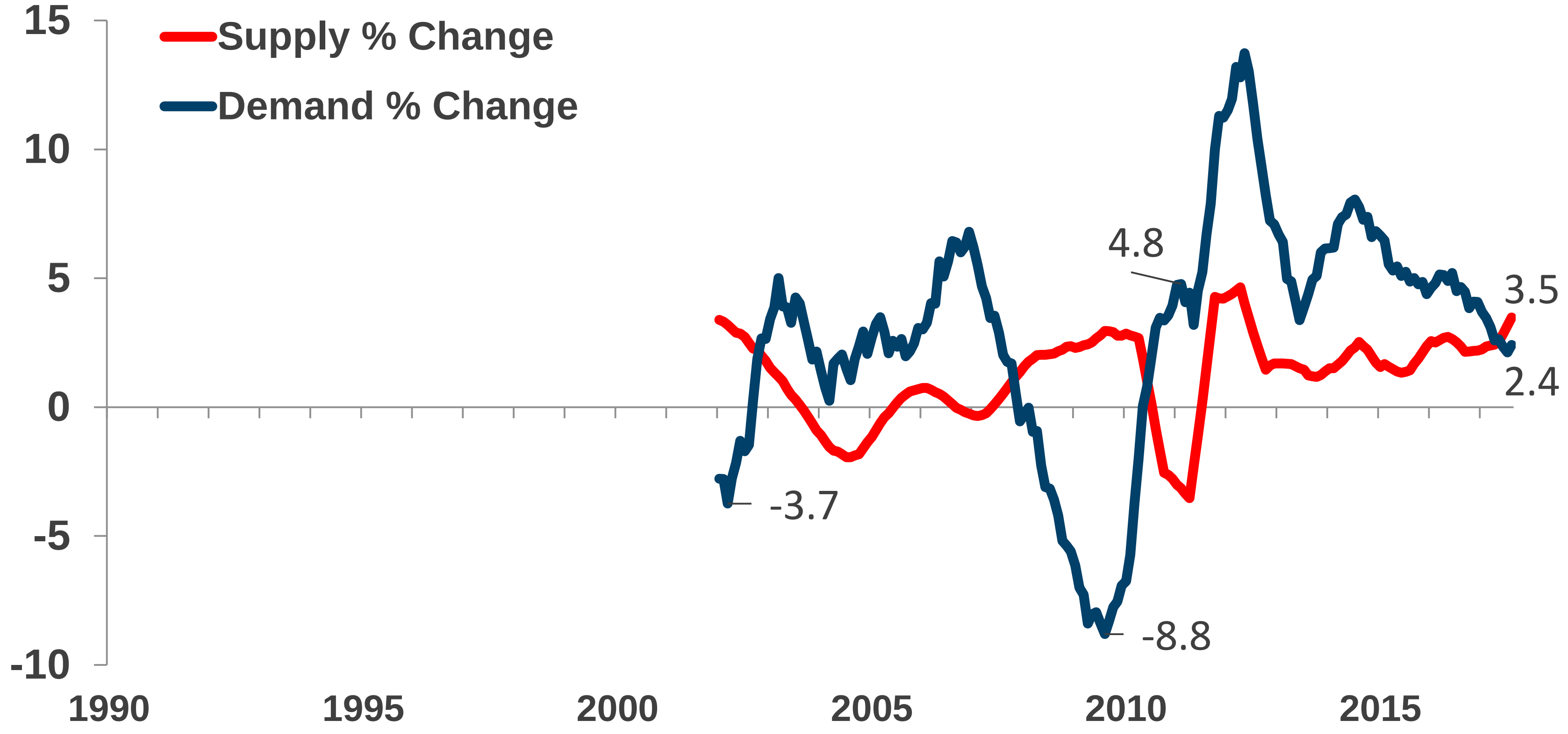
*Nashville, TN Market - RevPAR % Change by month and 12MMA, 1/2015 – 8/2017

Demand Growth Stronger Than Expected.



Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 8/2017

Nashville, TN
Supply Growth Begins to Outpace Demand Growth.



Nashville, TN Market Supply & Demand % Change, 12 MMA 1/2002 – 8/2017

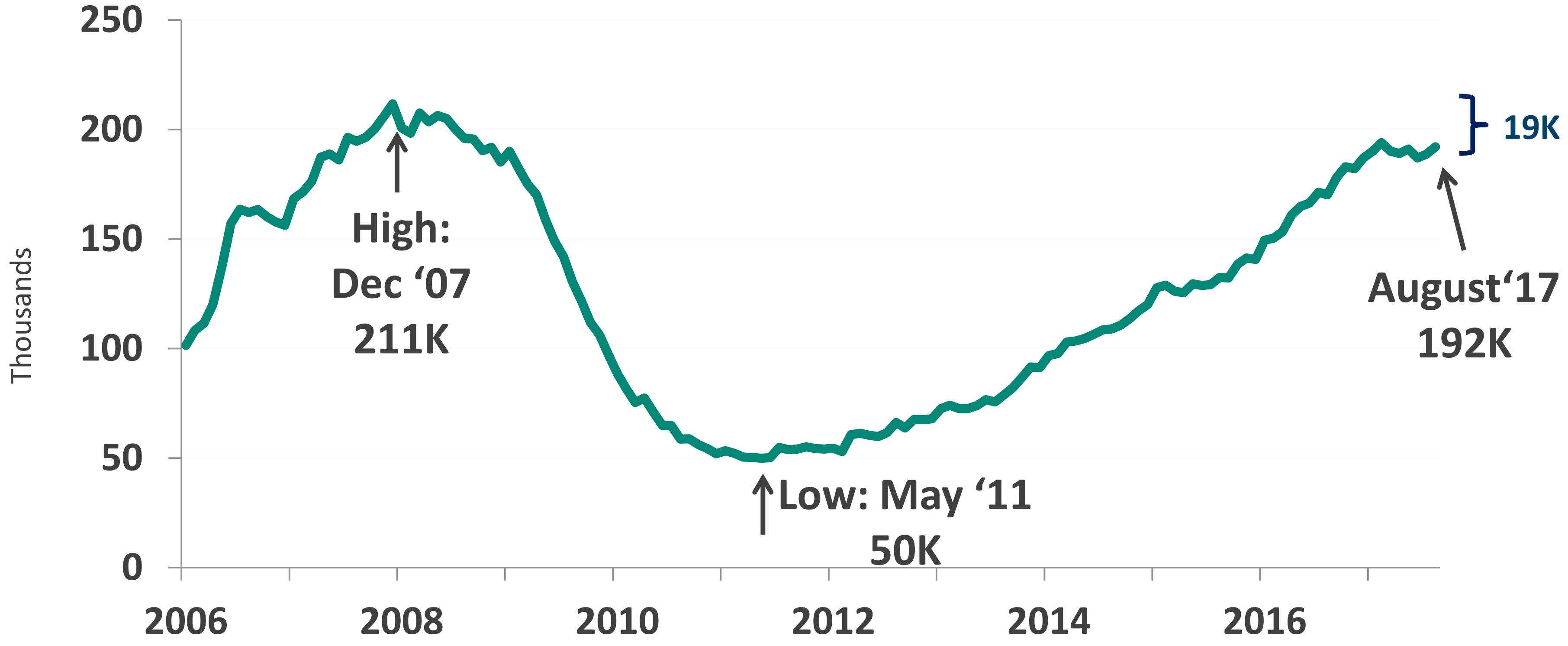
Pipeline

US Pipeline: I/C Growth Still Strong

Phase	2017	2016	% Change
In Construction	**192**	**170**	**13%**
Final Planning	220	198	11%
Planning	178	174	2%
Under Contract	**590**	**542**	**9%**

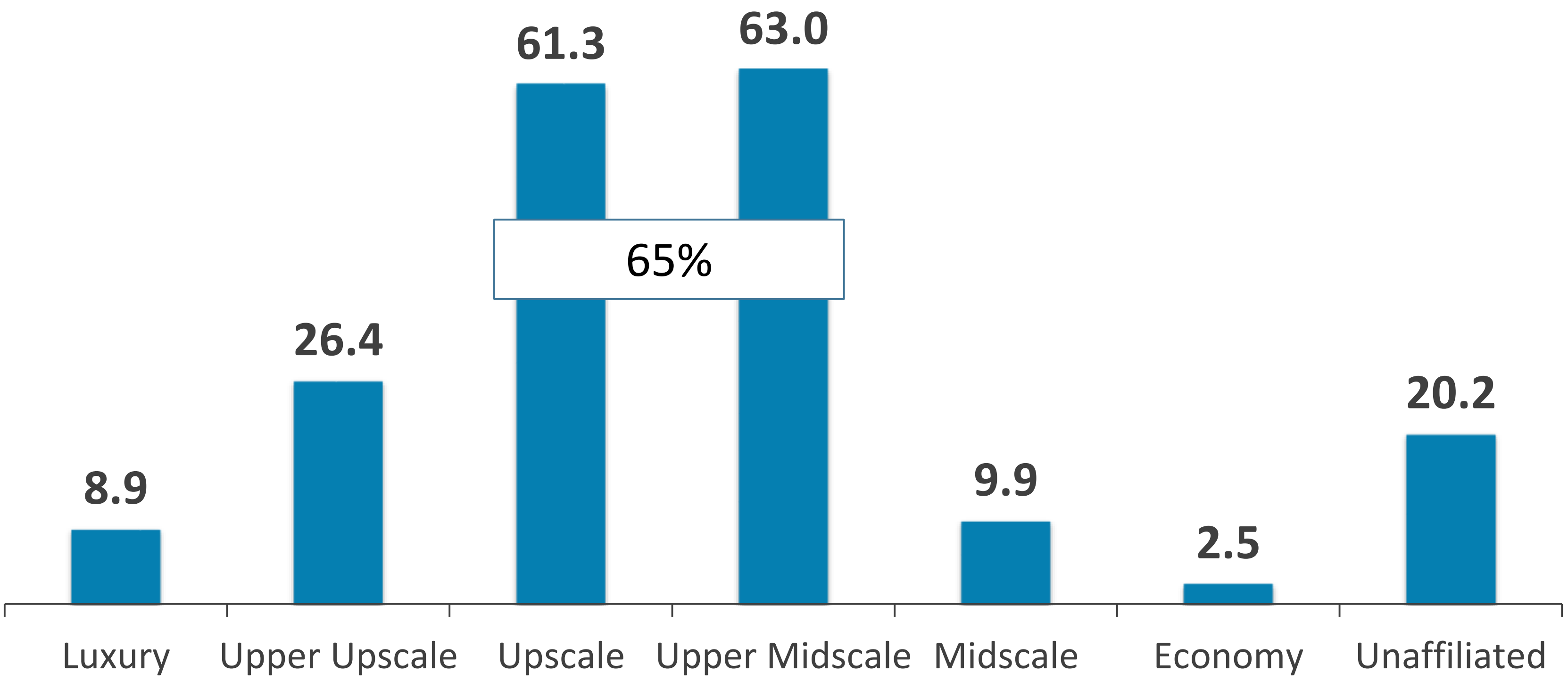
*Total US Pipeline, by Phase, '000s Rooms, August 2017 and 2016

I/C Pipeline Is Growing But Still Below Prior Peak



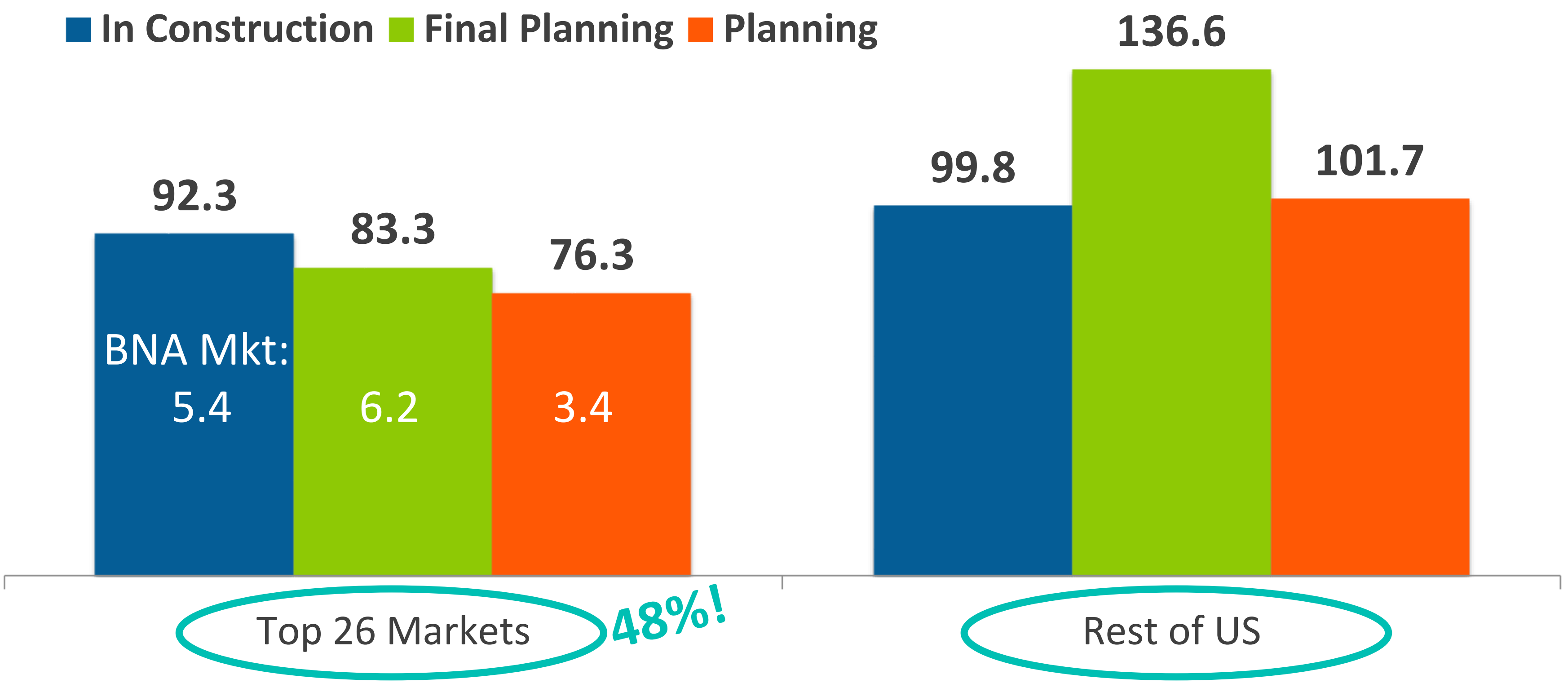
*Total US Pipeline; Rooms In Construction, in '000s; 1/2006 – 7/2017

Limited Service Construction Is The Name Of The Game



*US Pipeline, Rooms In Construction , ‘000s Rooms, by Scale, August 2017

Pipeline: Top 26 Markets Have 48% Of All Rooms I/C



*US Pipeline, Rooms ('000s), Top 26 Markets vs. All Other Markets, August 2017

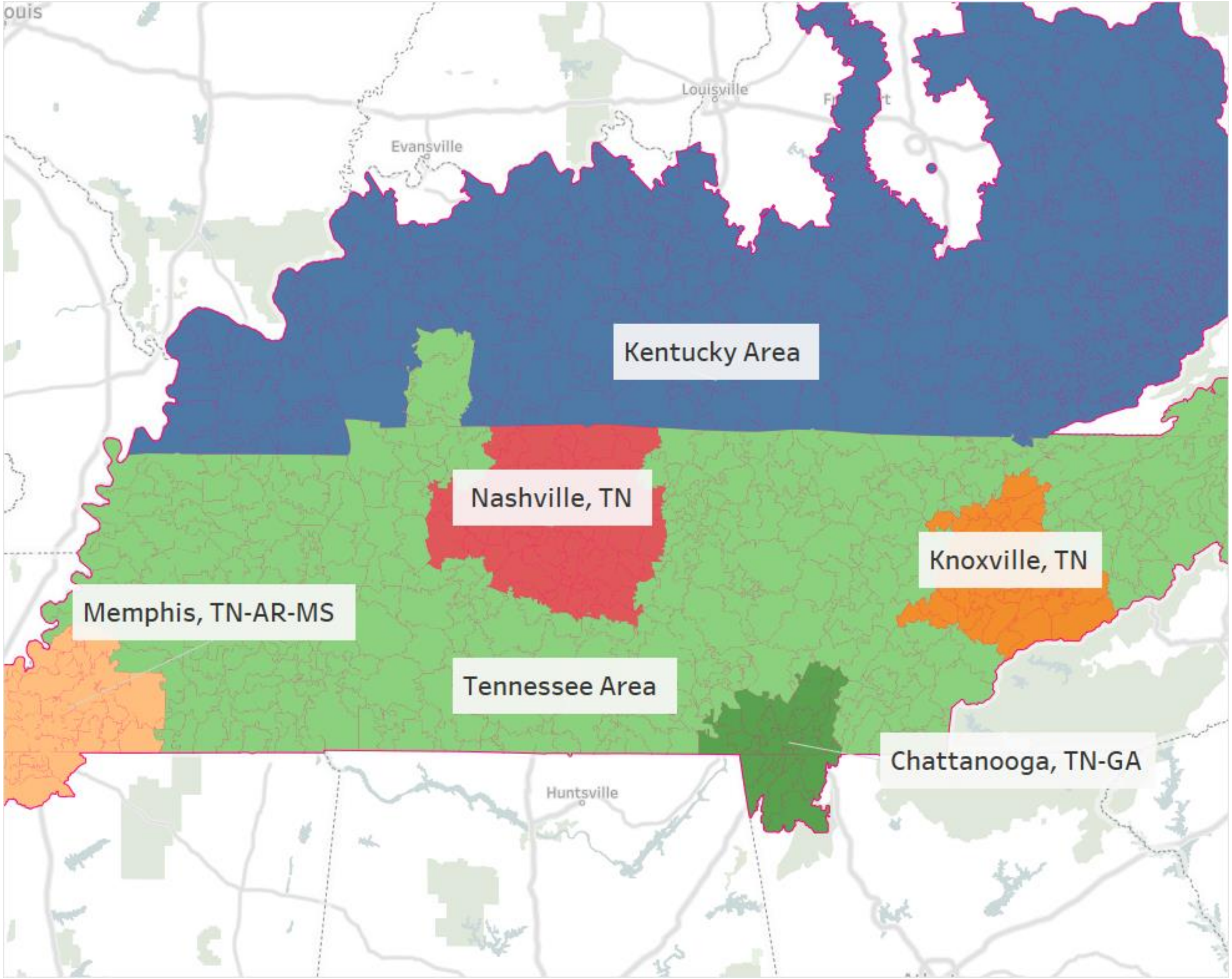
Projects in the Nashville, TN Pipeline Opening 2017/2018

Under Construction (5,389 rooms)

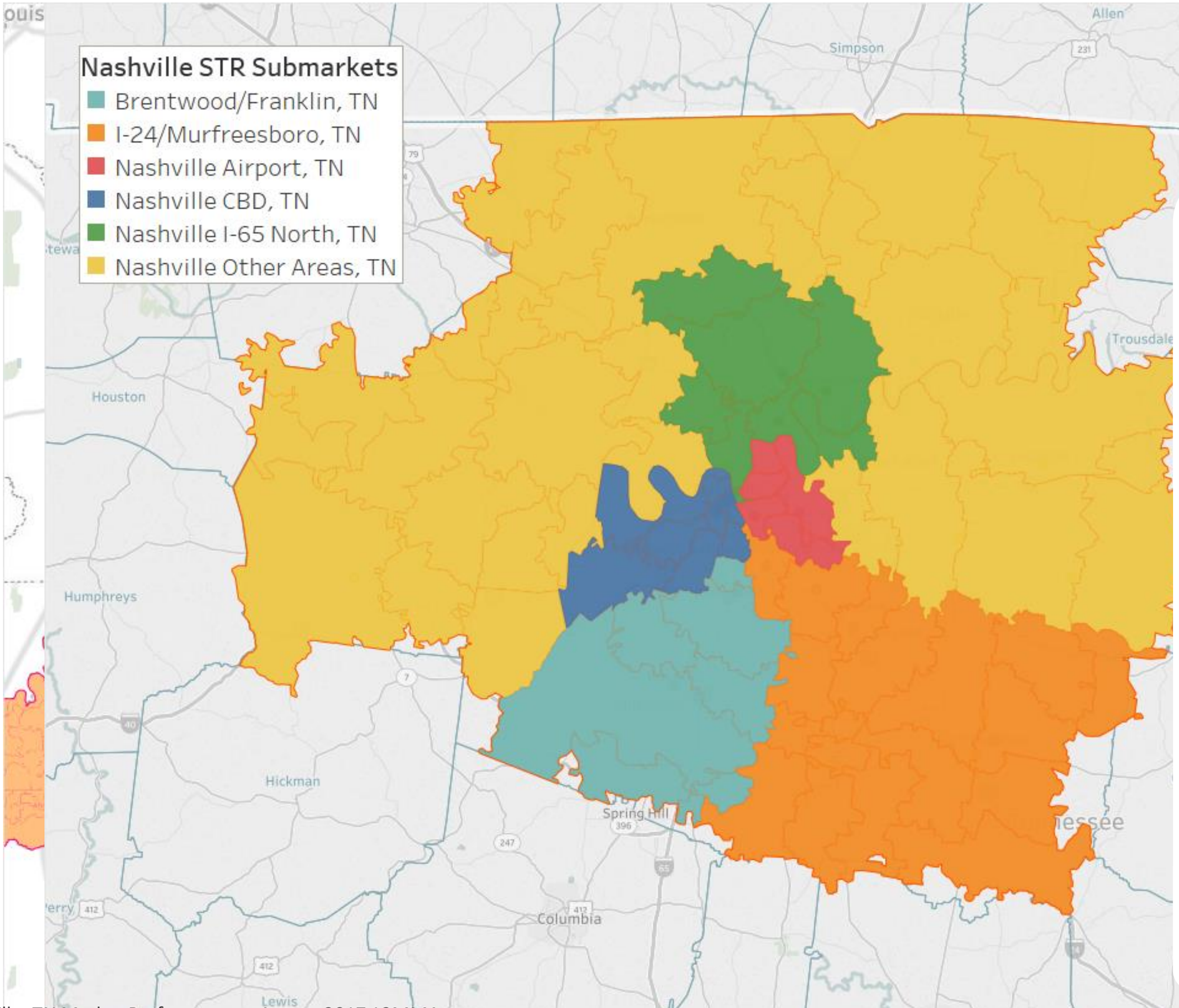
- **The Unbound Collection Holston House**
- **The Bobby Hotel**
- **JW Marriott** Nashville
- **Dream** Nashville
- **Hilton** Nashville Green Hills
- **Hilton** Franklin Cool Springs
- **Noelle** Nashville
- **AC Hotels by Marriott** Nashville Downtown
- **Cambria** Hotel & Suites Nashville
- **Residence Inn** Nashville @ Opryland
- **Residence Inn** Nashville Downtown
- **Residence Inn** Nashville Green Hills
- **Springhill Suites** Nashville Downtown
- **Springhill Suites** Mount Juliet
- **Staybridge Suites** Mount Juliet
- **Fairfield Inn & Suites** Lebanon
- **Hampton Inn & Suites** Franklin
- **Hampton Inn & Suites** Nashville Goodlettsville
- **Hampton Inn Suites** Nashville Downtown
- **Holiday Inn & Suites** Nashville Downtown
- **Holiday Inn Express & Suites** Springfield
- **Holiday Inn Express** Goodlettsville
- **Home2 Suites** Mount Juliet
- **Home2 Suites** Murfreesboro
- **Home2 Suites** Nashville Bellevue
- **Home2 Suites** Smyrna
- **Moxy** Nashville Downtown
- **My Place Hotel** Lebanon
- **Towneplace Suites** Goodlettsville
- **Candlewood Suites** Goodlettsville
- **Tru By Hilton** Murfreesboro
- **Tru By Hilton** Smyrna Nashville
- **Woodspring Suites** Nashville North

*Nashville, TN Market Pipeline, Rooms ('000s), due to open 2017/2018 - August 2017

Nashville, TN Market Performance



Louisville
Evansville
Kentucky Area
Nashville, TN
Knoxville, TN
Memphis, TN-AR-MS
Tennessee Area
Chattanooga, TN-GA
Huntsville



Market Share of Supply

Hotels	345
Rooms	40,557
STR Sample	89%

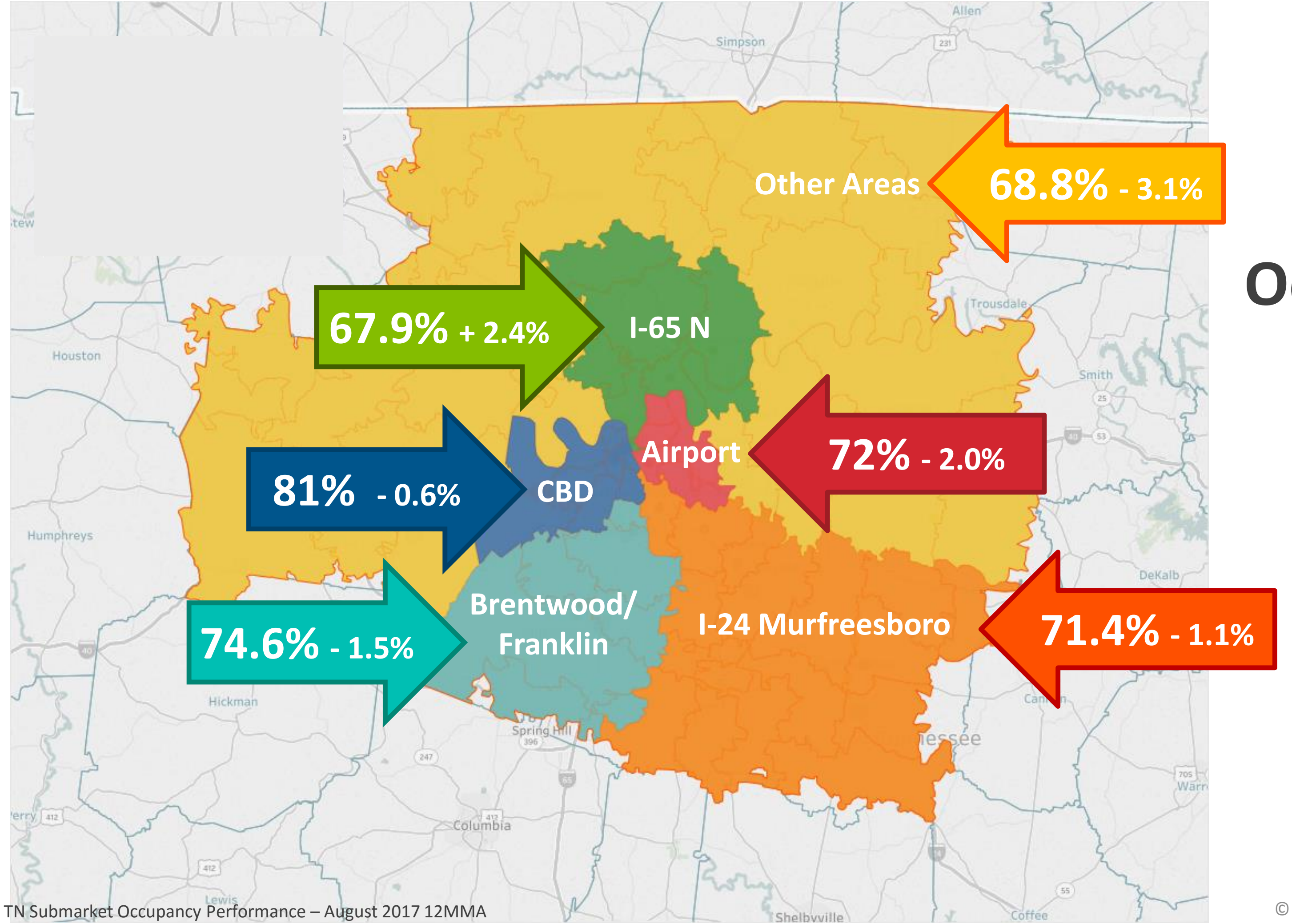
Key Statistics

		%ch
OCC	73.8%	-1.0%
ADR	$139.28	5.3%
RevPAR	$102.84	4.3%
Rm Rev	$1.499B	7.9%
Supply	14.6M	**3.5%**
Demand	10.8M	**2.4%**

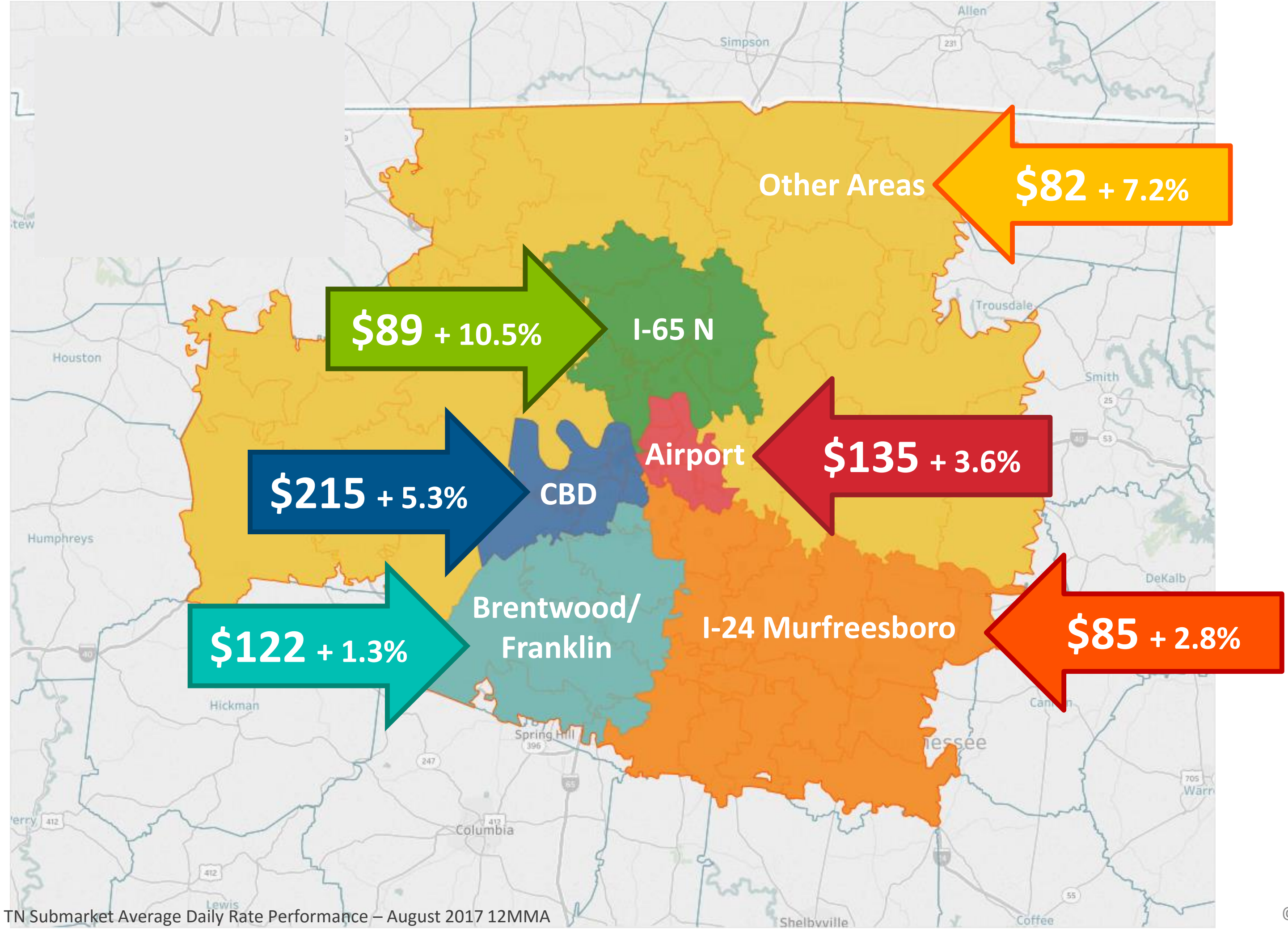
Occupancy

73.8%

-1.0%



Nashville, TN Submarket Occupancy Performance – August 2017 12MMA

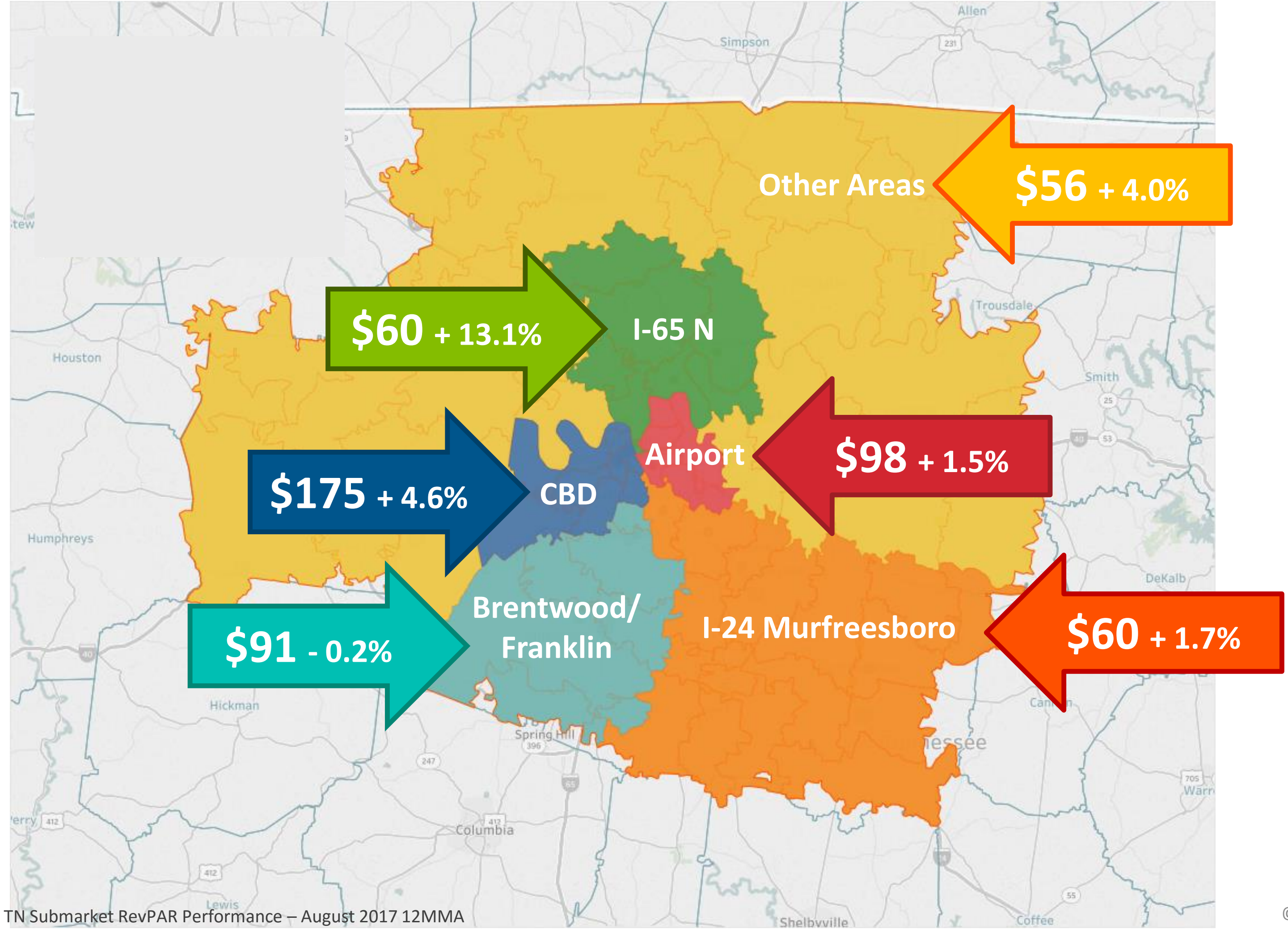


ADR

$139.28

+5.3%

Nashville, TN Submarket Average Daily Rate Performance – August 2017 12MMA



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RevPAR
$102.84
+4.3%

Nashville, TN Submarket RevPAR Performance – August 2017 12MMA

Recap: Nashville, TN Market Performance by Submarket

	Occupancy	ADR	RevPAR
Airport	-2.0%	3.6%	1.5%
Brentwood/Franklin	-1.5%	1.3%	-0.2%
Central Business District	-0.6%	5.3%	4.6%
I-24 Murfreesboro	-1.1%	2.8%	1.7%
I-65 North	2.4%	10.5%	13.1%
Other Areas	-3.1%	7.2%	4.0%
Nashville, TN Market	-1.0%	5.3%	4.3%

Nashville, TN Market and Submarkets – Occupancy, ADR & RevPAR - August 2017 12MMA % Change

Day Of Week Patterns

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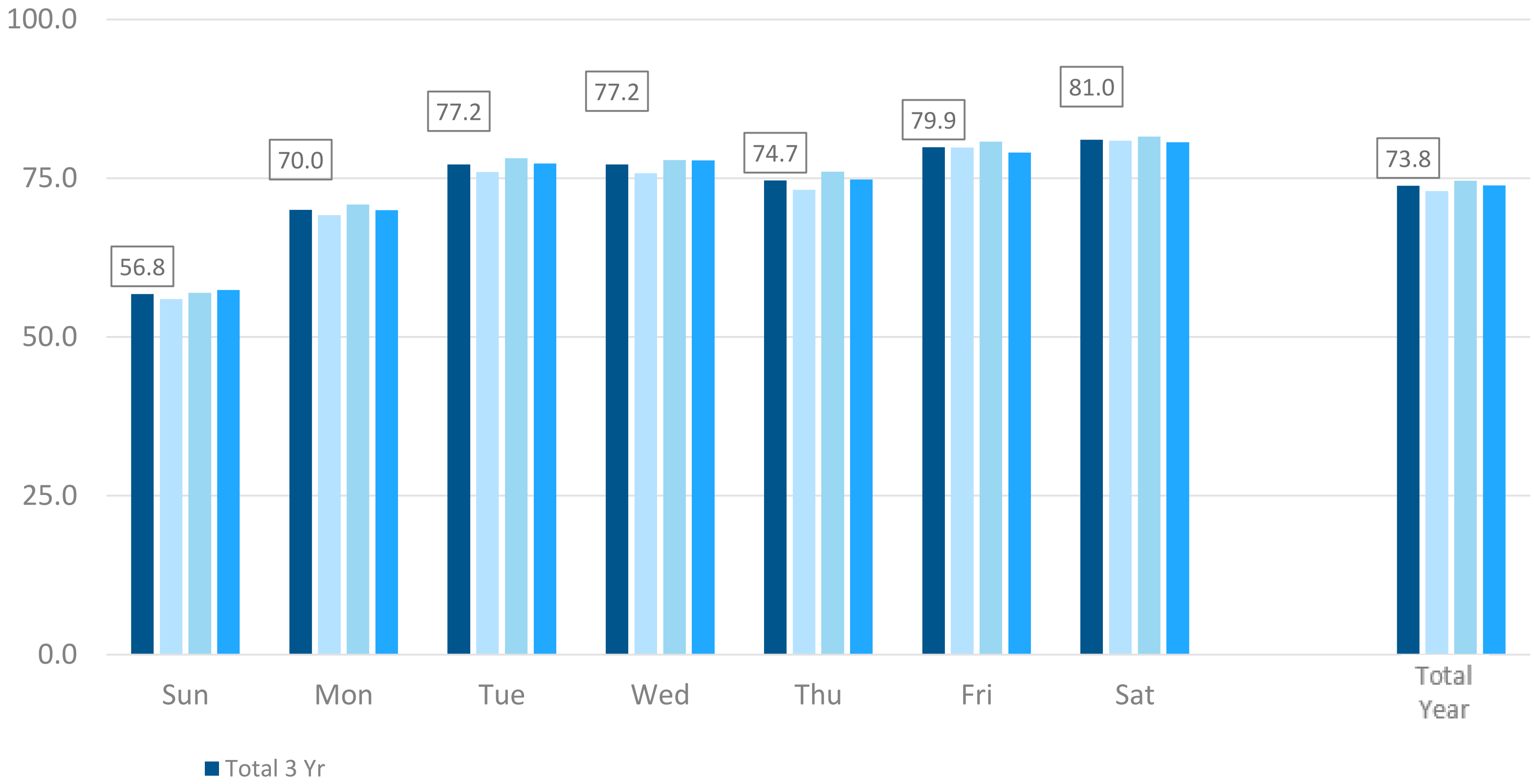
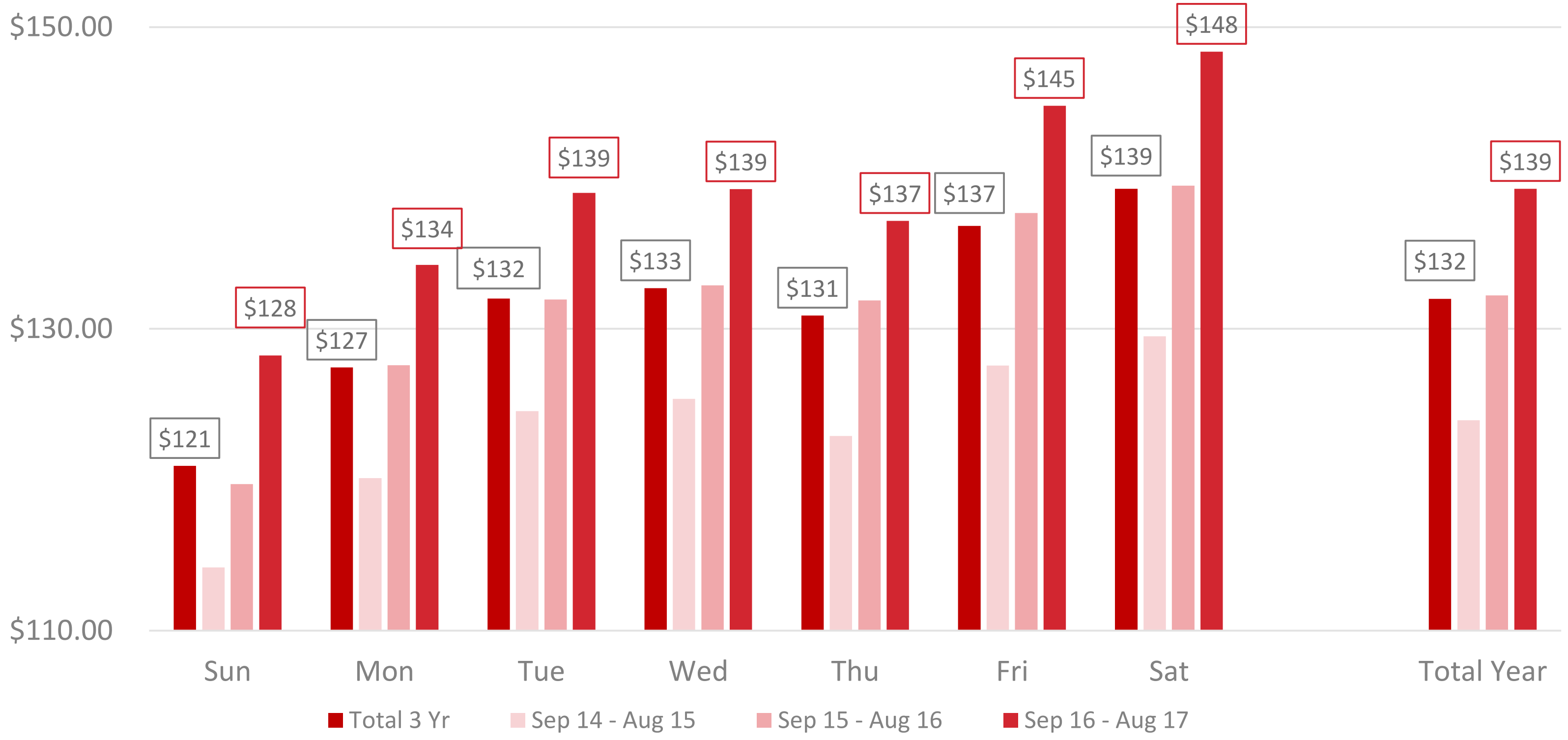
Nashville, TN Market – 3 Year Occupancy by Day of Week
12MMA

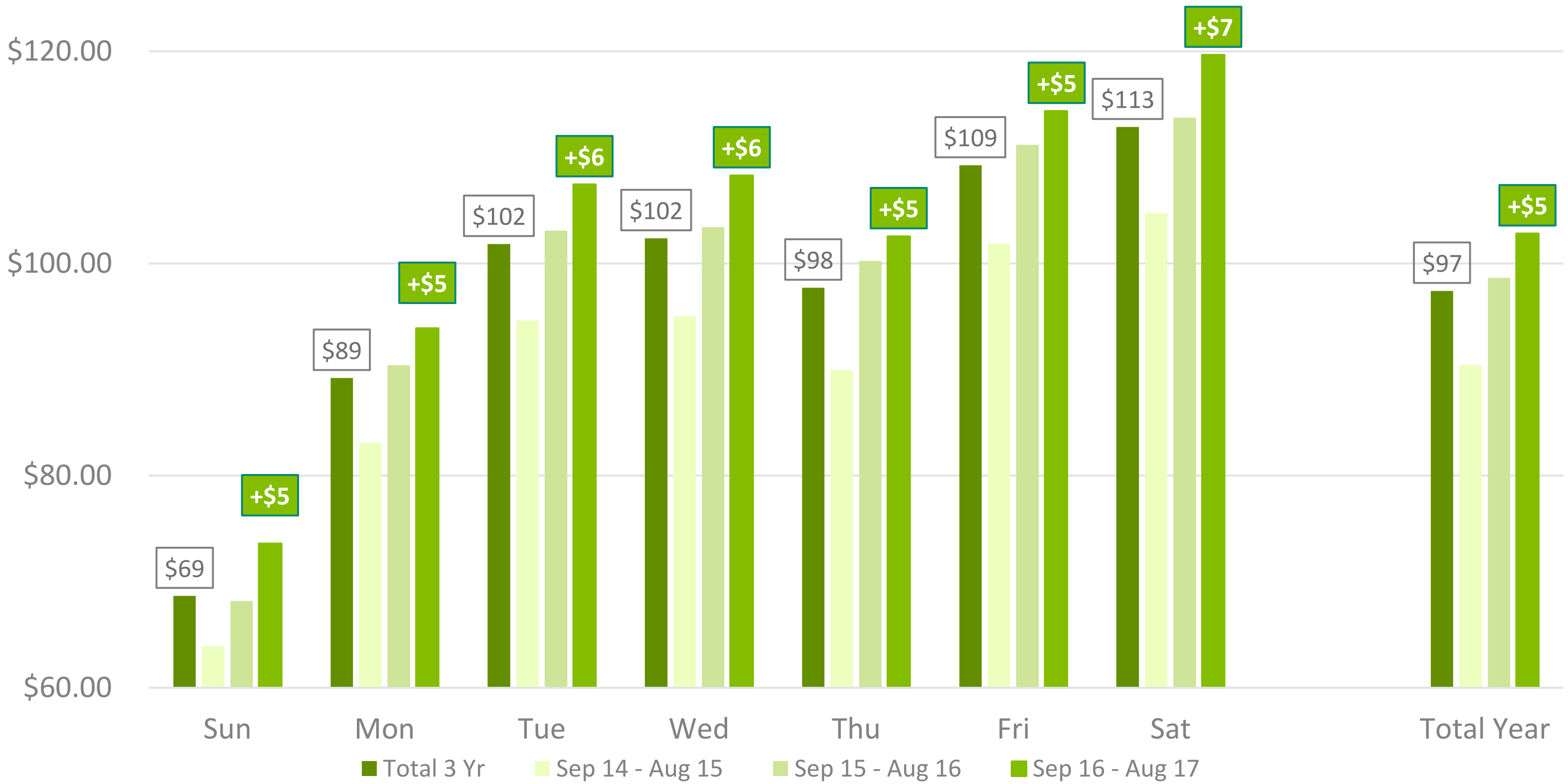


Nashville, TN – 3 Year ADR by Day of Week
12MMA



Nashville, TN Market – 3 Year RevPAR by Day of Week

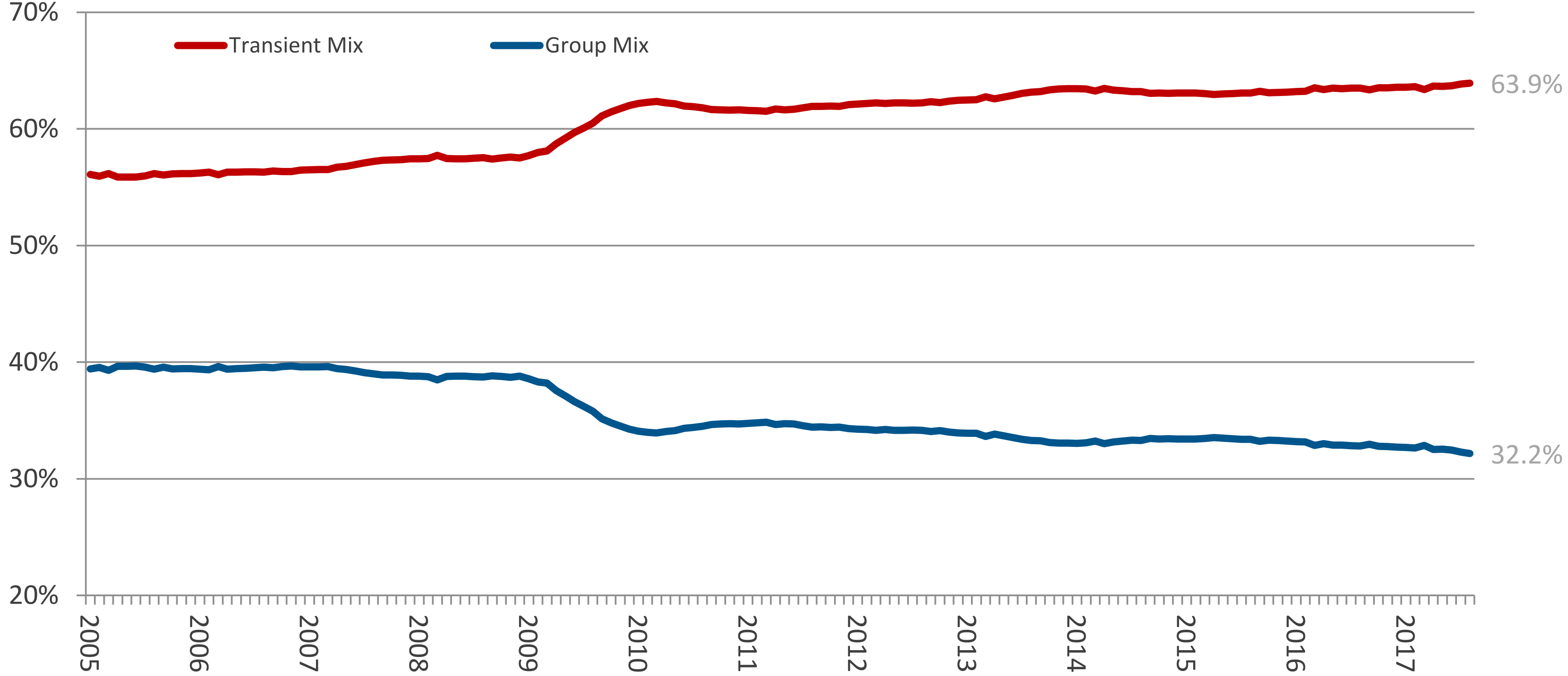
12MMA



Group Trends

US Industry Group and Transient Mix

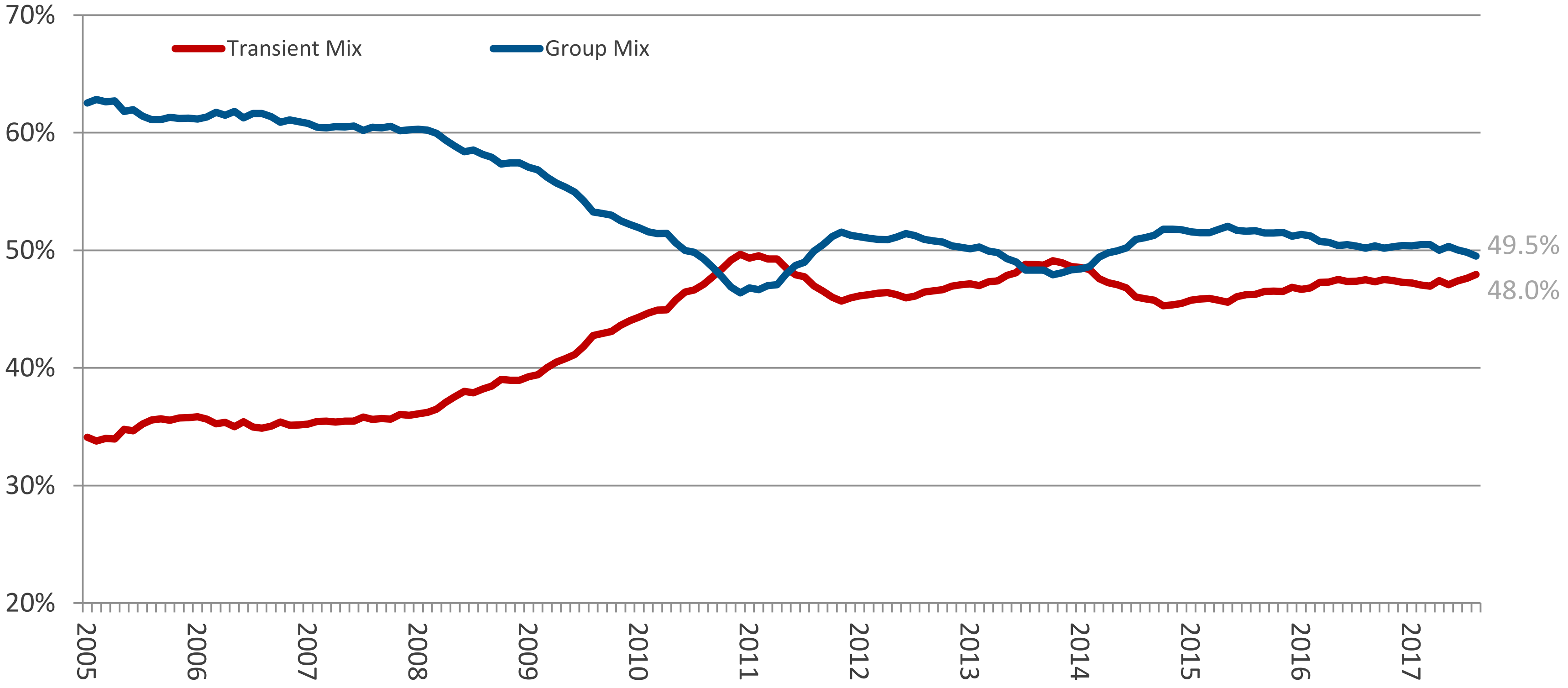
12MMA Luxury and Upper-Upscale Classes



Total US Group and Transient Mix, Occupied Rooms
12MMA, January 2005 – August 2017, *Luxury & Upper Upscale Classes Only

Nashville, TN Market Group and Transient Mix

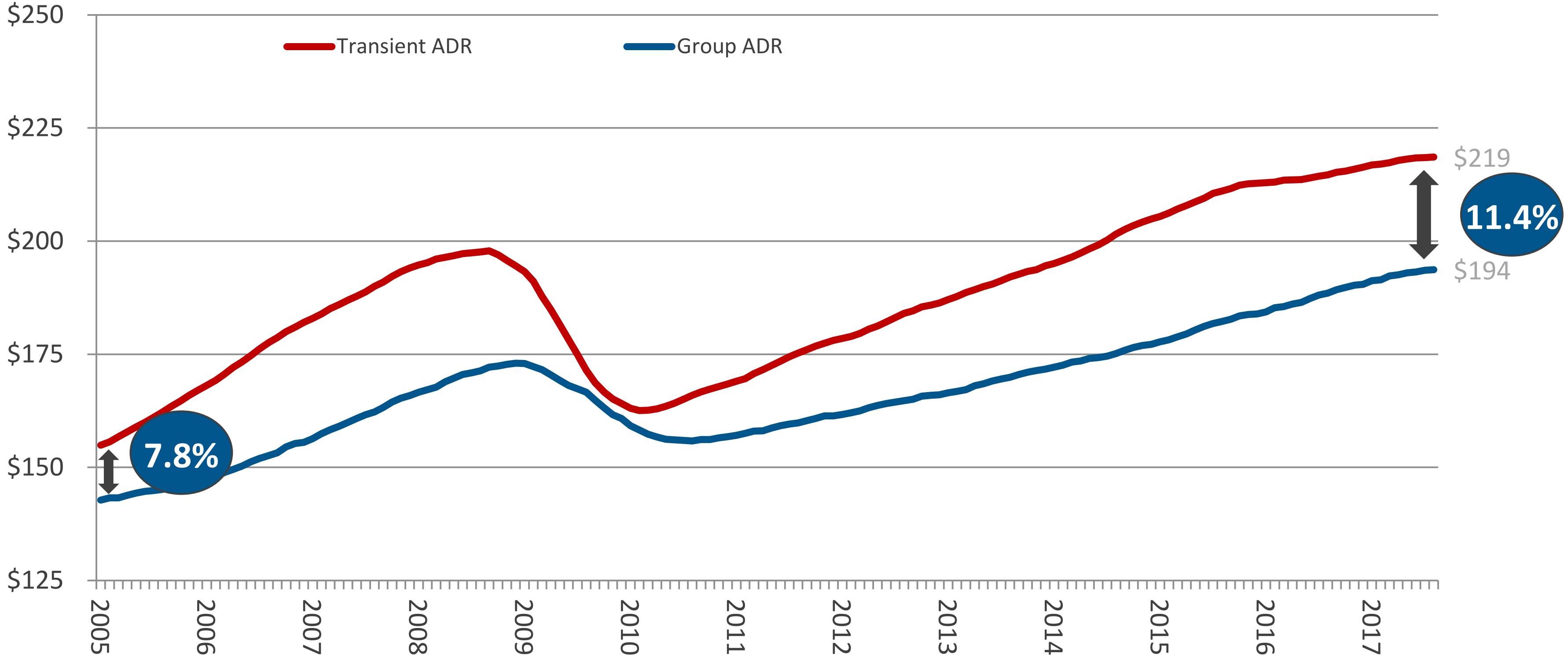
12MMA Luxury and Upper-Upscale Classes



Nashville, TN Market Group and Transient Mix, Occupied Rooms
12MMA, January 2005 – August 2017, *Luxury & Upper Upscale Classes Only

US Industry Group and Transient ADRs

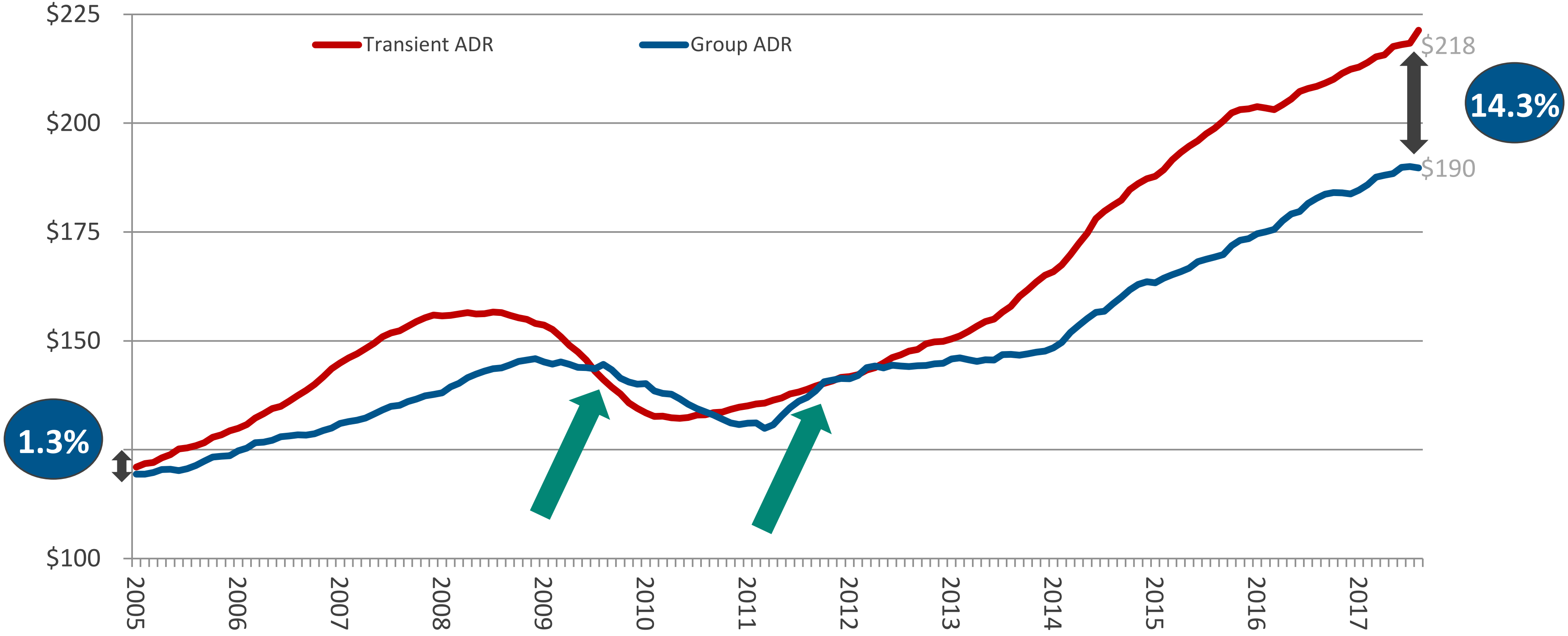
12MMA Luxury and Upper-Upscale Classes



Total US Group and Transient ADRs
12MMA, January 2005 – July 2017, *Luxury & Upper Upscale Classes Only

Nashville, TN Market Group and Transient ADRs

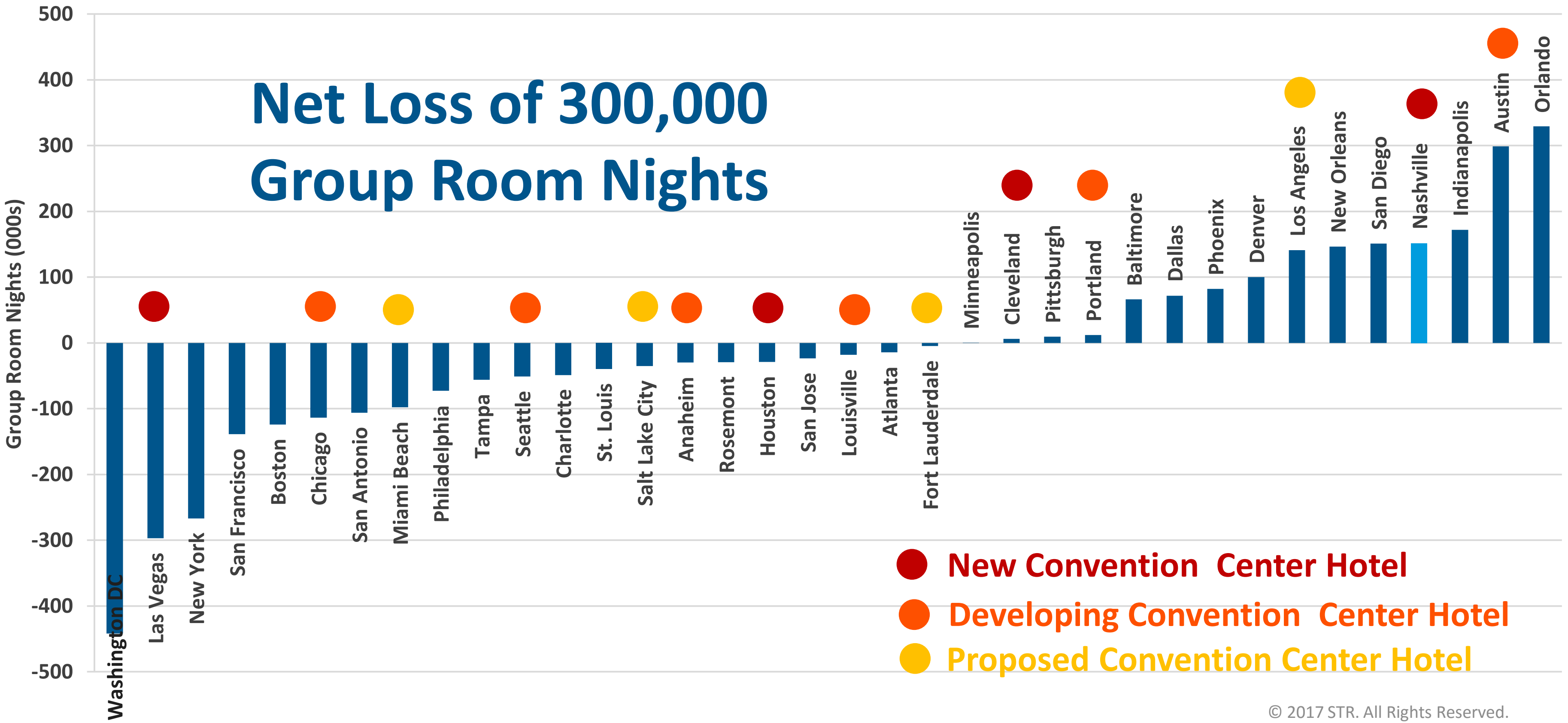
12MMA Luxury and Upper-Upscale Classes



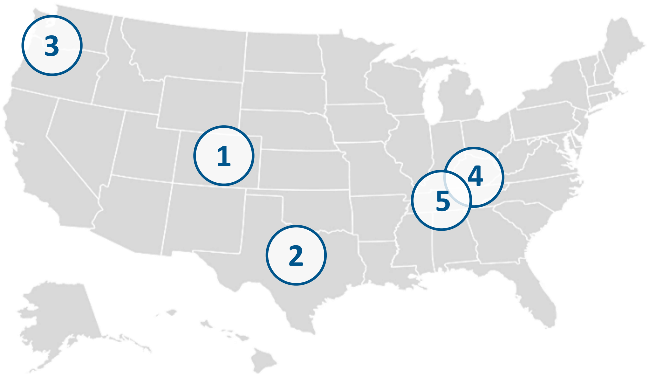
Nashville, TN Market Group and Transient ADRs
12MMA, January 2005 – August 2017, *Luxury & Upper Upscale Classes Only

What markets do you consider “hot” destinations?

Convention Center Submarkets
2016 Group Demand Variance vs. Prior Peak



Top 5 Projects In Construction By Meeting Space



Project Name	Market	Projected Opening Date	Room Count	Total SqFt Meeting Space
Gaylord Rockies Hotel & Conference Center	Denver	12/12/2018	1500	400,000
Fairmont Austin	Austin	09/30/2017	1048	107,000
Hyatt Regency Seattle	Seattle	06/30/2018	1260	100,000
Omni Louisville	Louisville	03/31/2018	600	70,000
JW Marriott Nashville	Nashville	07/01/2018	533	60,000

2017 / 2018 Forecasts

Total United States
Key Performance Indicator Outlook
(% Change vs. Prior Year) 2017F – 2018F

Outlook		
	2017 Forecast	2018 Forecast
Supply	2.0%	2.1%
Demand	2.0%	1.9%
Occupancy	0.0%	**-0.2%**
ADR	2.3%	2.5%
RevPAR	2.3%	2.3%

Total United States

Chain Scale Key Performance Indicator Outlook

2017F by Chain Scale

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2017 Year End Outlook			
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (% chg)
Luxury	-0.2%	2.3%	2.1%
Upper Upscale	-0.2%	2.0%	1.8%
Upscale	-0.9%	1.8%	1.0%
Upper Midscale	-0.4%	1.7%	1.3%
Midscale	0.1%	2.1%	2.2%
Economy	0.2%	2.2%	2.5%
Independent	0.4%	2.8%	3.3%
Total United States	**0.0%**	**2.3%**	**2.3%**

Total United States

Chain Scale Key Performance Indicator Outlook
2018F by Chain Scale

2018 Year End Outlook			
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (% chg)
Luxury	-0.1%	2.6%	2.5%
Upper Upscale	-0.2%	2.4%	2.2%
Upscale	-0.8%	2.0%	1.2%
Upper Midscale	-0.6%	2.0%	1.4%
Midscale	-0.3%	2.1%	1.8%
Economy	-0.2%	2.1%	1.9%
Independent	0.0%	2.7%	2.6%
Total United States	**-0.2%**	**2.5%**	**2.3%**

2017 Year End RevPAR Forecast

Top North American Markets, August 2017 Forecast

(Markets sorted alphabetically)

-5% to 0%	0% to 5%	5% to 10%
Houston, TX	Anaheim-Santa Ana, CA	Montreal, QC
Miami-Hialeah, FL	Atlanta, GA	Norfolk-Virginia Beach, VA
Minneapolis-St. Paul, MN-WI	Boston, MA	Seattle, WA
New Orleans, LA	Chicago, IL	Toronto, ON
San Francisco-San Mateo, CA	Dallas, TX	Vancouver, BC
	Denver, CO	Washington, DC-MD-VA
	Detroit, MI	
	Los Angeles-Long Beach, CA	
	Nashville, TN	
	New York, NY	
	Oahu Island, HI	
	Orlando, FL	
	Philadelphia, PA-NJ	
	Phoenix, AZ	
	San Diego, CA	
	St. Louis, MO-IL	
	Tampa-St. Petersburg, FL	

Note: RevPAR Forecast numbers are based on local currency

2018 Year End RevPAR Forecast

Top North American Markets, August 2017 Forecast

-5% to 0%	0% to 5%	5% to 10%
Houston, TX	Anaheim-Santa Ana, CA	Toronto, ON
Miami-Hialeah, FL	Atlanta, GA	
	Boston, MA	
	Chicago, IL	
	Dallas, TX	
	Denver, CO	
	Detroit, MI	
	Los Angeles-Long Beach, CA	
	Minneapolis-St. Paul, MN-WI	
	Montreal, QC	
	Nashville, TN	
	New Orleans, LA	
	New York, NY	
	Norfolk-Virginia Beach, VA	
	Oahu Island, HI	
	Orlando, FL	
	Philadelphia, PA-NJ	
	Phoenix, AZ	
	San Diego, CA	
	San Francisco-San Mateo, CA	
	Seattle, WA	
	St. Louis, MO-IL	
	Tampa-St. Petersburg, FL	
	Vancouver, BC	
	Washington, DC-MD-VA	

Note: RevPAR Forecast numbers are based on local currency; markets sorted alphabetically

Nashville, TN Market
Key Performance Indicator Outlook
(% Change vs. Prior Year) 2017F – 2018F

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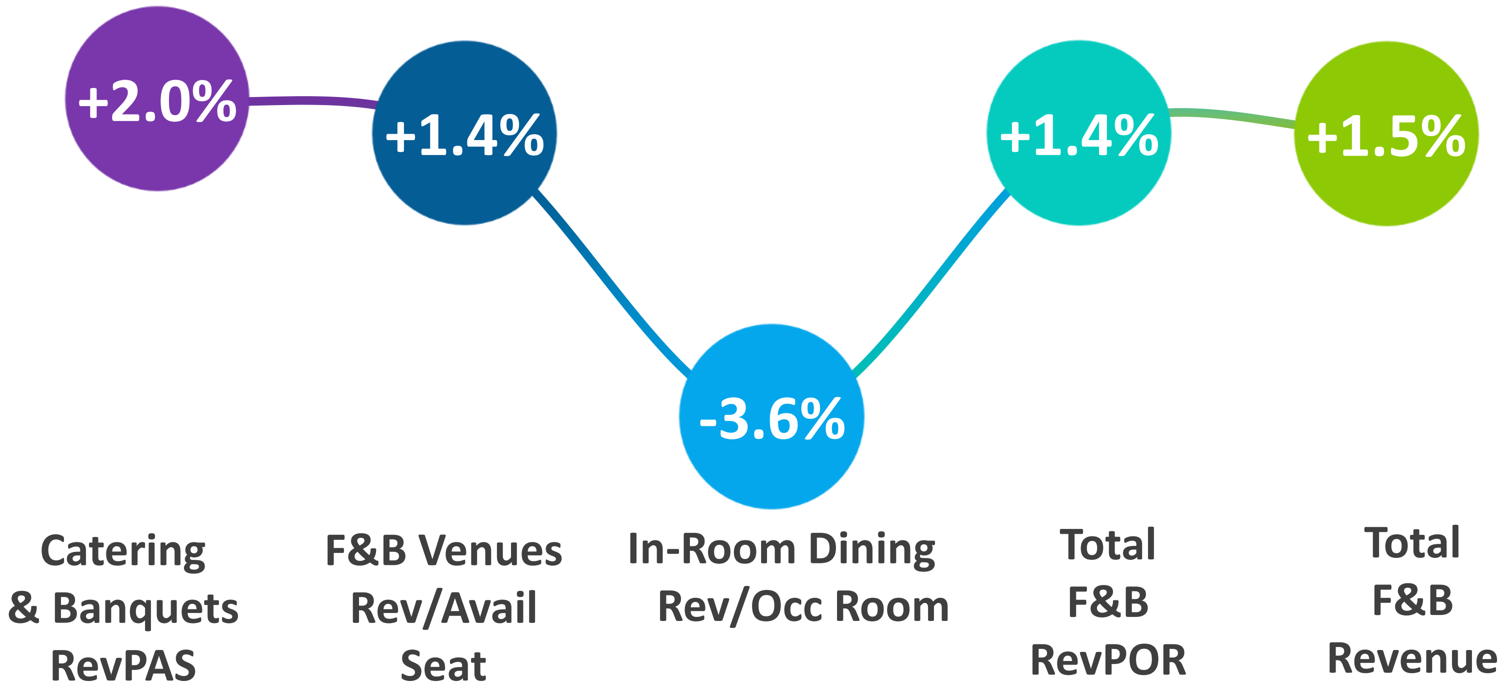
Outlook		
	2017 Forecast	2018 Forecast
Supply	3.6%	5.0%
Demand	1.8%	3.1%
Occupancy	**-1.8%**	**-1.8%**
ADR	2.7%	2.5%
RevPAR	0.9%	0.7%

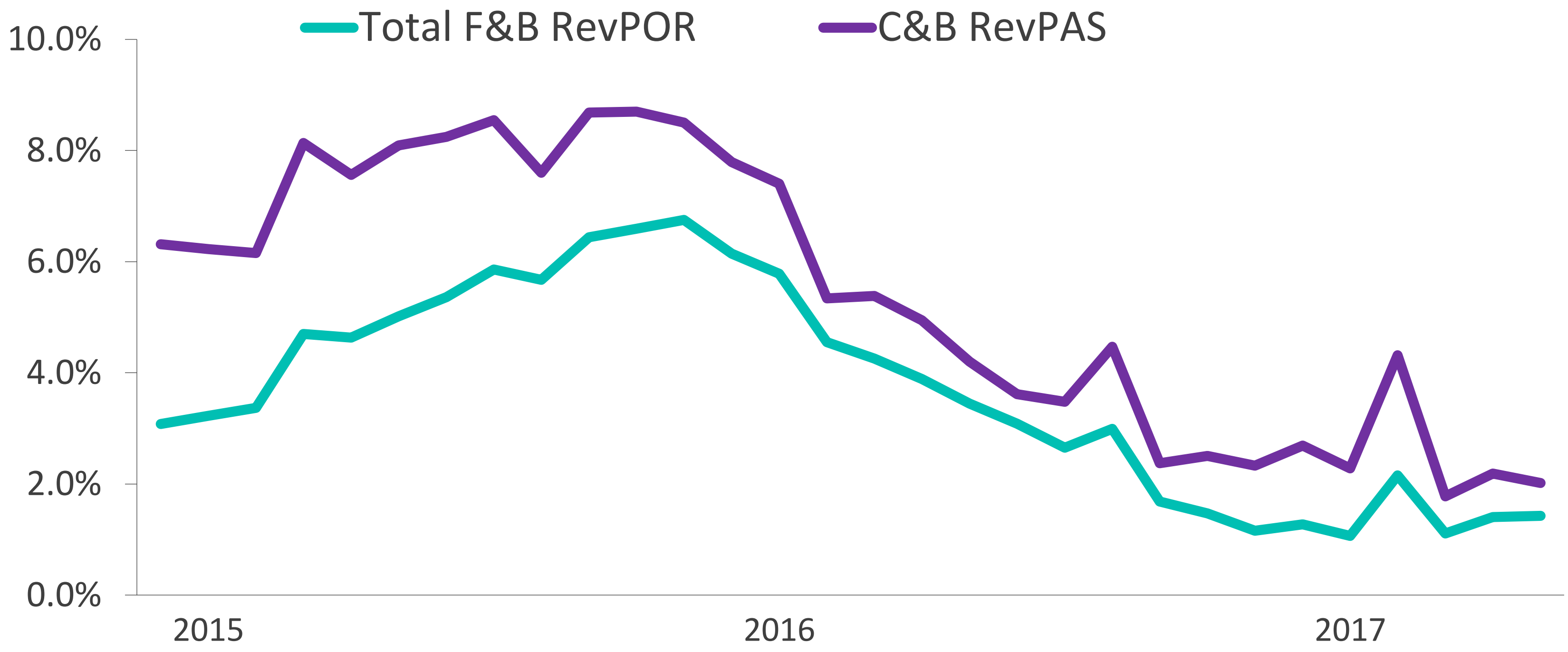
Food for Thought…

Total U.S. F&B Performance



Total U.S. F&B Performance – June 2017 12MMA

C&B RevPAS Outpaces Total F&B RevPOR Growth



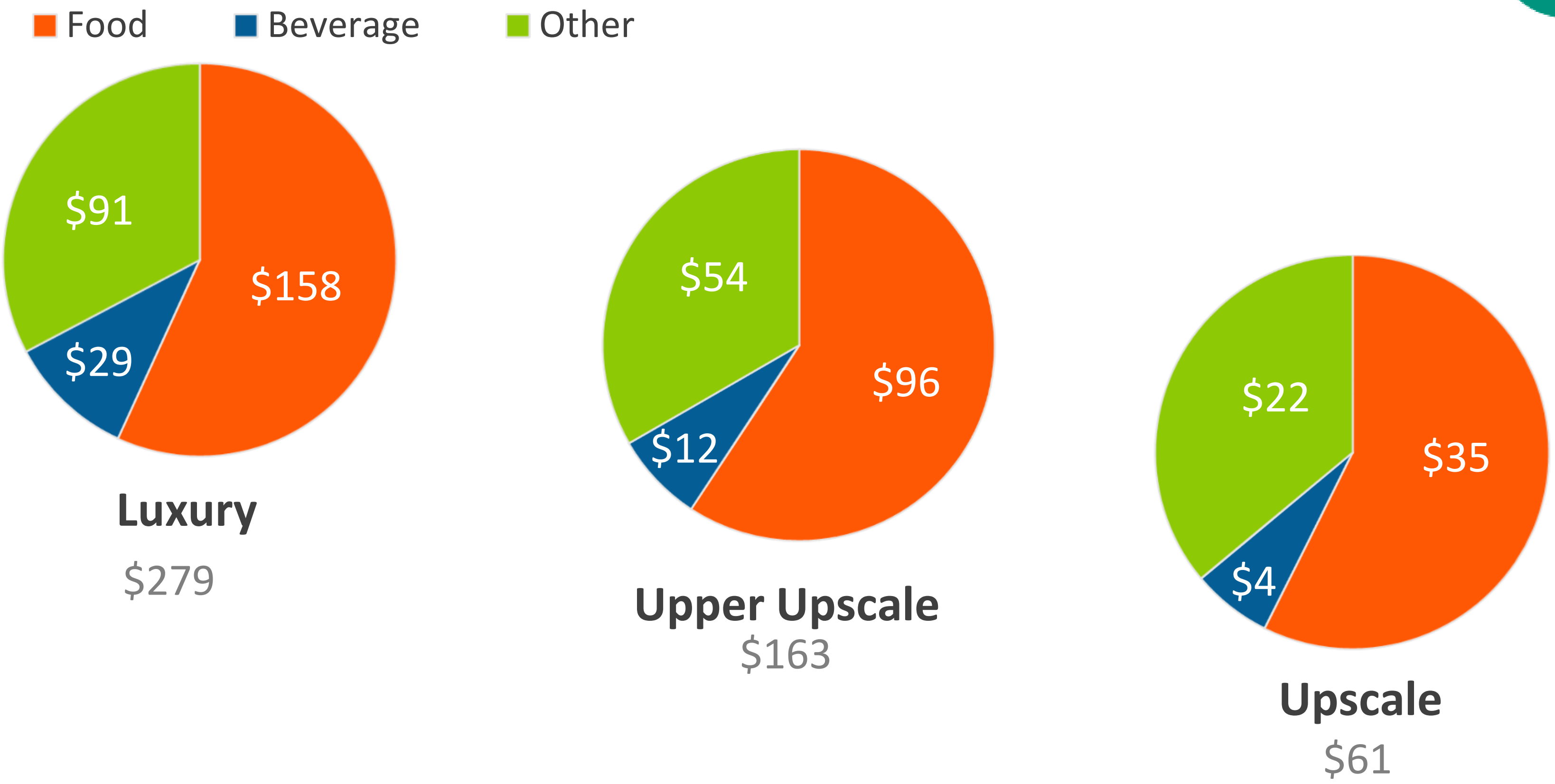
U.S. Properties – 12MMA Percent Change, January 2015 – June 2017
Catering & Banquets Revenue Per Available SqFt %ch, F&B Revenue Per Occupied Room %ch
*Participating and Eligible Luxury & Upper Upscale Classes Only

C&B RevPAS by Class

	Food		Beverage		Other	
Luxury	$0.67	+1.0%	$0.12	+1.2%	$0.39	+0.4%
Upper Upscale	$0.40	+3.3%	$0.05	+3.5%	$0.23	+1.1%
Upscale	$0.15	-0.7%	$0.02	-4.6%	$0.09	+1.3%
Total	$0.44	+2.5%	$0.07	+2.5%	$0.25	+0.9%

Catering & Banquets RevPAS by Class with Percent Change
June 2017 12MMA

C&B Revenue per Group Roomnight



Catering & Banquets Revenue Contribution per Group Roomnight, by Class
June 2017 12MMA

Questions?

Thank You

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