



# US Hotel Overview

**Jan D. Freitag | SVP**

**[jfreitag@str.com](mailto:jfreitag@str.com)**

Source: 2020 STR, LLC / STR Global, Ltd. trading as "STR". © CoStar Realty Information, Inc. Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR is strictly prohibited. Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR. The information in the presentation should not be construed as investment, tax, accounting or legal advice<sup>1</sup>

# STR.com (COVID-19 landing page)

Analysis blogs, webinar recordings, press releases, etc.



The screenshot shows the STR.com website with a dark grey header. The header includes the STR logo, navigation links (DATA SOLUTIONS, INDUSTRIES WE SERVE, DATA INSIGHTS, WHO IS STR, CONTACT), a search icon, location (North America), language (English), a shopping cart icon with '0', and a 'LOG IN' button. The main content area features a large headline 'Data-driven solutions that empower your business' and a sub-headline 'Our global data and analytics services set the hospitality industry standard and inform your decisions through insights into your market and competition.' Below this are two buttons: 'TREND REPORTS' and 'COVID-19 UPDATES'. A large, semi-transparent overlay of a dashboard is shown on the right, displaying various metrics and charts for the week of August 26, 2018. The dashboard includes sections for 'Property Details', 'Top Performing Week/Day', 'Bottom Performing Week/Day', 'At A Glance' (with metrics like Occupancy, ADR, and RevPAR), and a map of Washington D.C. The overlay is framed by colorful geometric shapes (yellow, orange, green, blue, purple) on the left and right sides.

**STR**

DATA SOLUTIONS INDUSTRIES WE SERVE DATA INSIGHTS WHO IS STR CONTACT

North America English 0 LOG IN

## Data-driven solutions that empower your business

Our global data and analytics services set the hospitality industry standard and inform your decisions through insights into your market and competition.

**TREND REPORTS** **COVID-19 UPDATES**

**STR**

Week of August 26, 2018

Property Details

Top Performing Week/Day

Bottom Performing Week/Day

At A Glance

Metric	Value	Change
Occupancy	51.7	-35.2%
ADR	187.27	9.7%
RevPAR	96.81	-29.0%

Map of Washington D.C.

# The Stockdale Paradox



“You must never confuse faith that you will prevail in the end—which you can never afford to lose—with the discipline to confront the most brutal facts of your current reality, whatever they might be.”

Admiral Jim Stockdale

Good To Great, by Jim Collins  
The Stockdale Paradox  
Chapter 4, pages 83–85

# Agenda



1 Total US Review

5 Pipeline

2 Class Review

6 Canary In the Coalmine

3 Segmentation

7 Compression Night Analysis

4 Markets

8 Forecast



[www.hotelnewsnow.com](http://www.hotelnewsnow.com)

[Data Dashboard](#)>[View All Data Presentations](#)

# March 2020



RevPAR  
-51.9%

ADR  
-42.3%

Transient RevPAR  
-60.3%

Group RevPAR  
-68.1%

March Room Demand  
65 Million

In Construction Rooms  
+7%

# The Recession Is Here

Total US, March 2020



		% Change
Room Supply		2.0%
Room Demand		-41.2%
Occupancy	39.4%	-42.3%
ADR	\$111	-16.5%
RevPAR	\$44	-51.9%
Room Revenue		-50.9%

# Q1 Points At (Bad) Things To Come

Total US, YTD March 2020



		% Change
Room Supply		2.0
Room Demand		-14.2
Occupancy	58.5	-15.9
ADR	\$128	-4.0
RevPAR	\$75	-19.3
Room Revenue		-17.6



# One Month Skews 12 MMA Data Way Down

Total US, 12 MMA March 2020



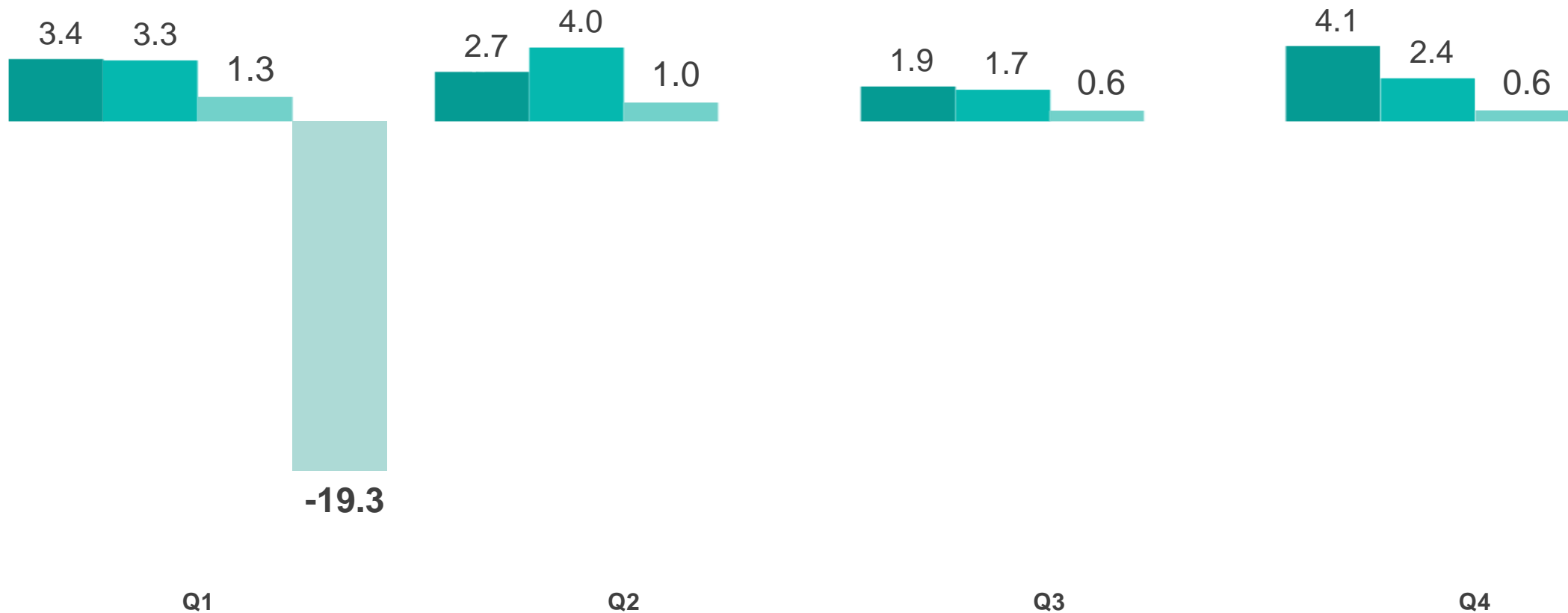
		% Change
Room Supply		2.0%
Room Demand		-1.8%
Occupancy	63.7%	-3.8%
ADR	\$130	-0.1%
RevPAR	\$83	-3.8%
Room Revenue		-1.9%

# Past Quarters Not An Indicator Of Anything

Total US, RevPAR % Change, by Quarter, Q1 2017 – Q1 2020

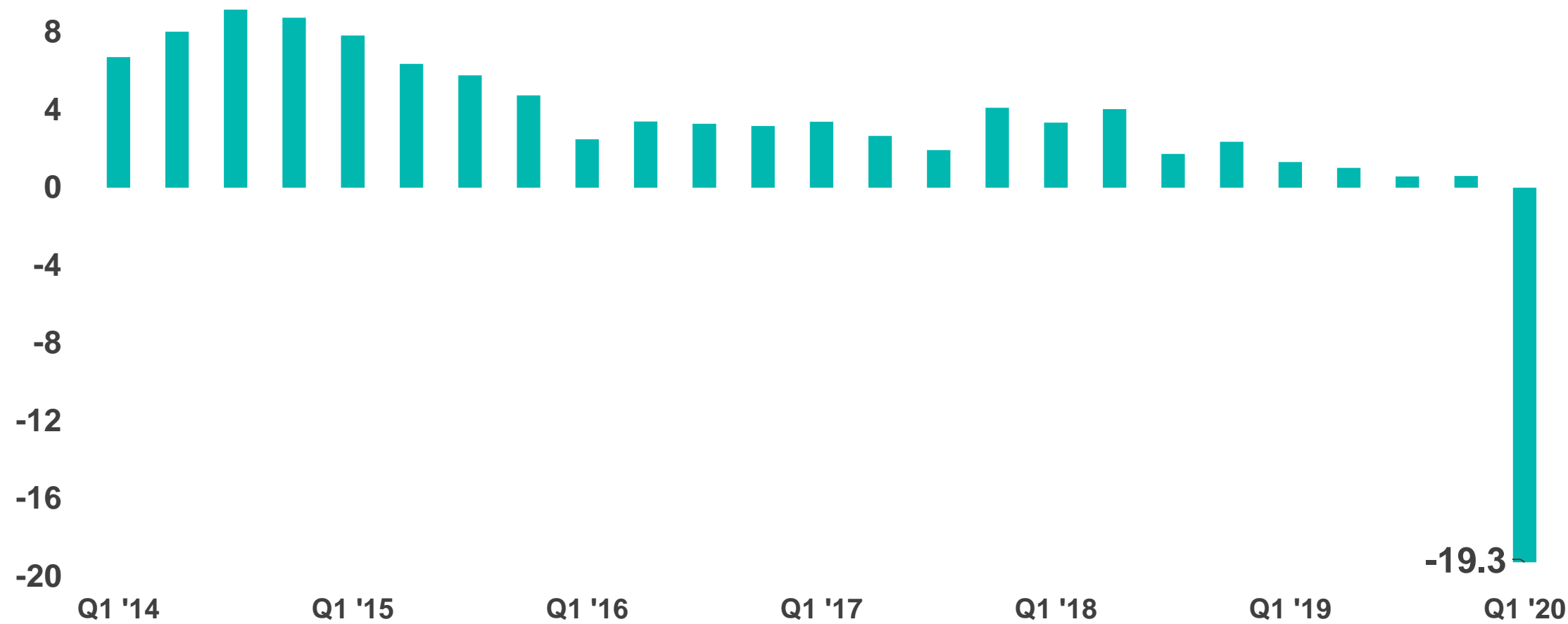


■ 2017 ■ 2018 ■ 2019 ■ 2020



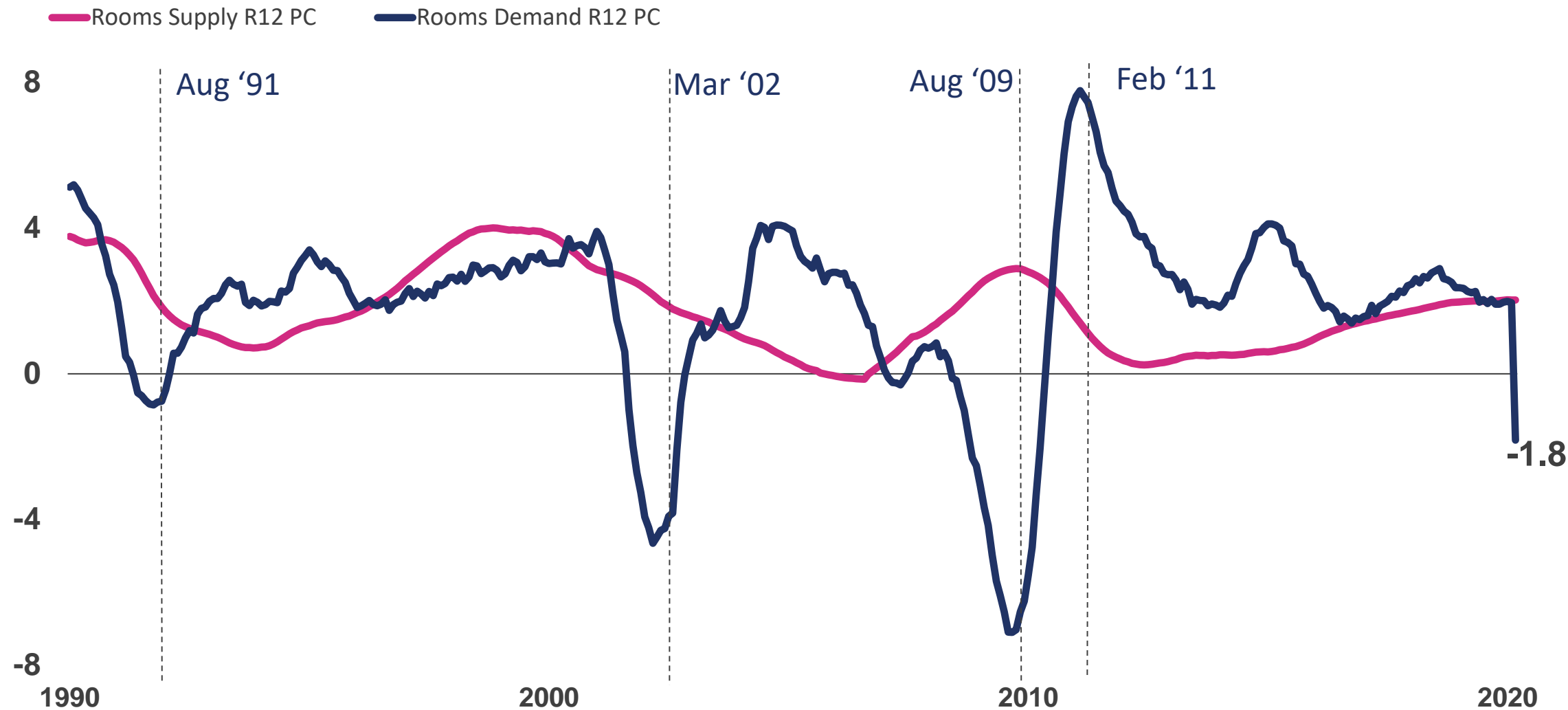
# Jarring Quarterly Results

Total U.S., RevPAR % Change, Q1 2014 – Q1 2020



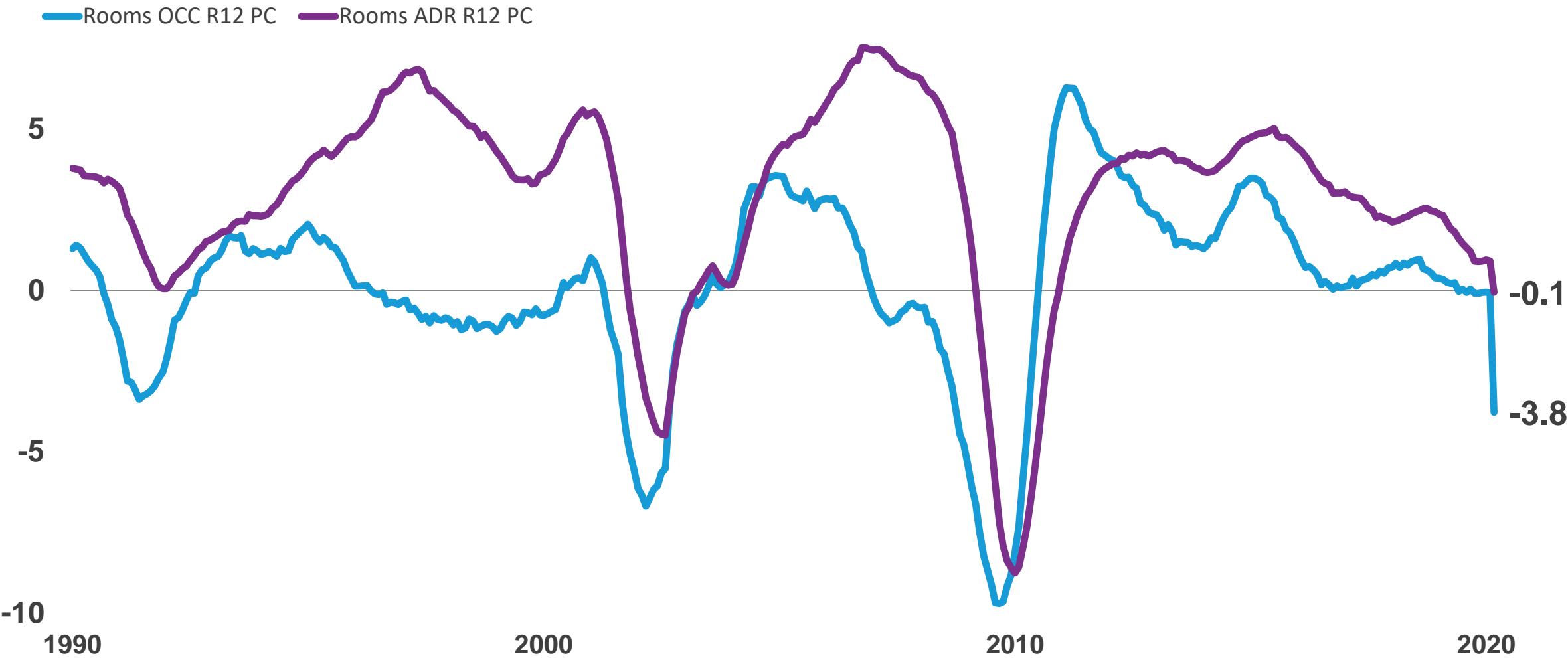
# Supply & Demand Growth Completely Unhinged

Total U.S., 12 MMA 1/1990 – 03/2020



# Long Run Trends Crater

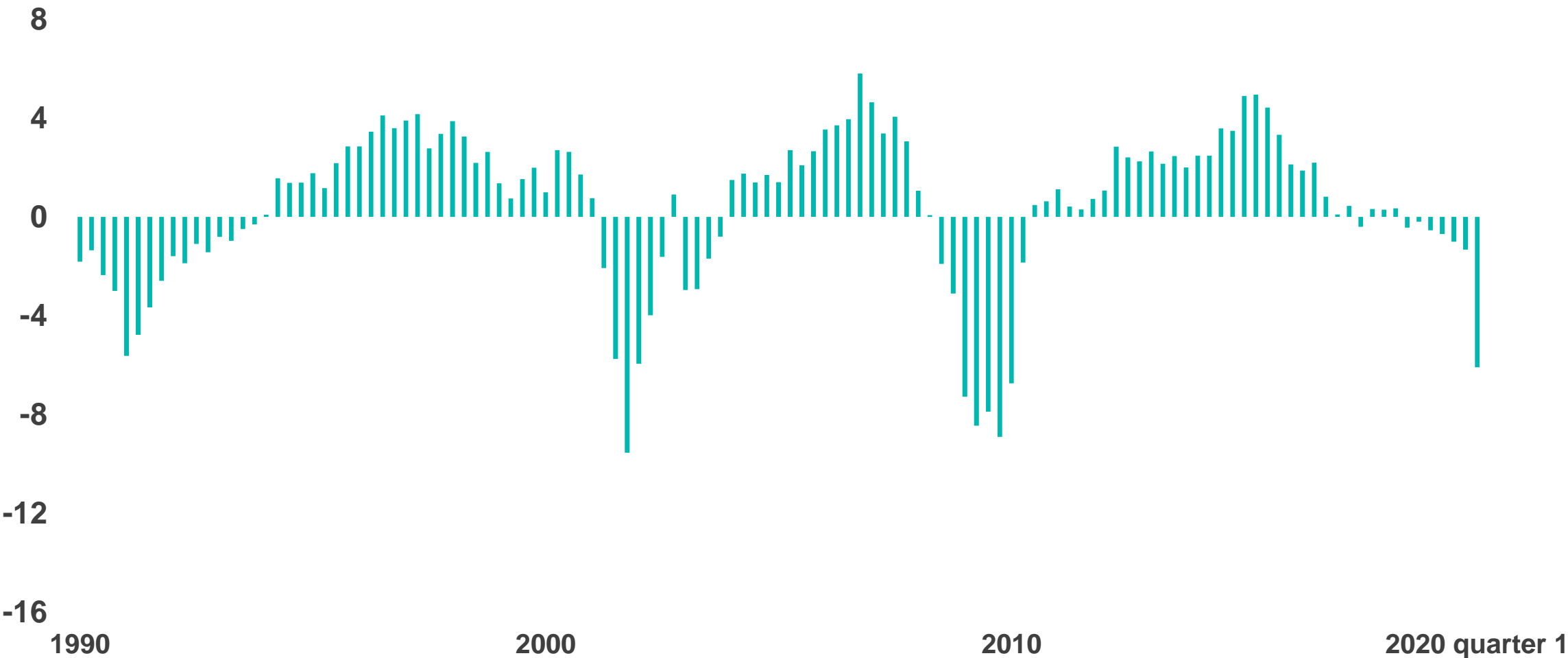
Total U.S., 12 MMA 1/1990 – 03/2020





# Real ADR (ADR%-CPI%) Decline Close To Prior Downturns

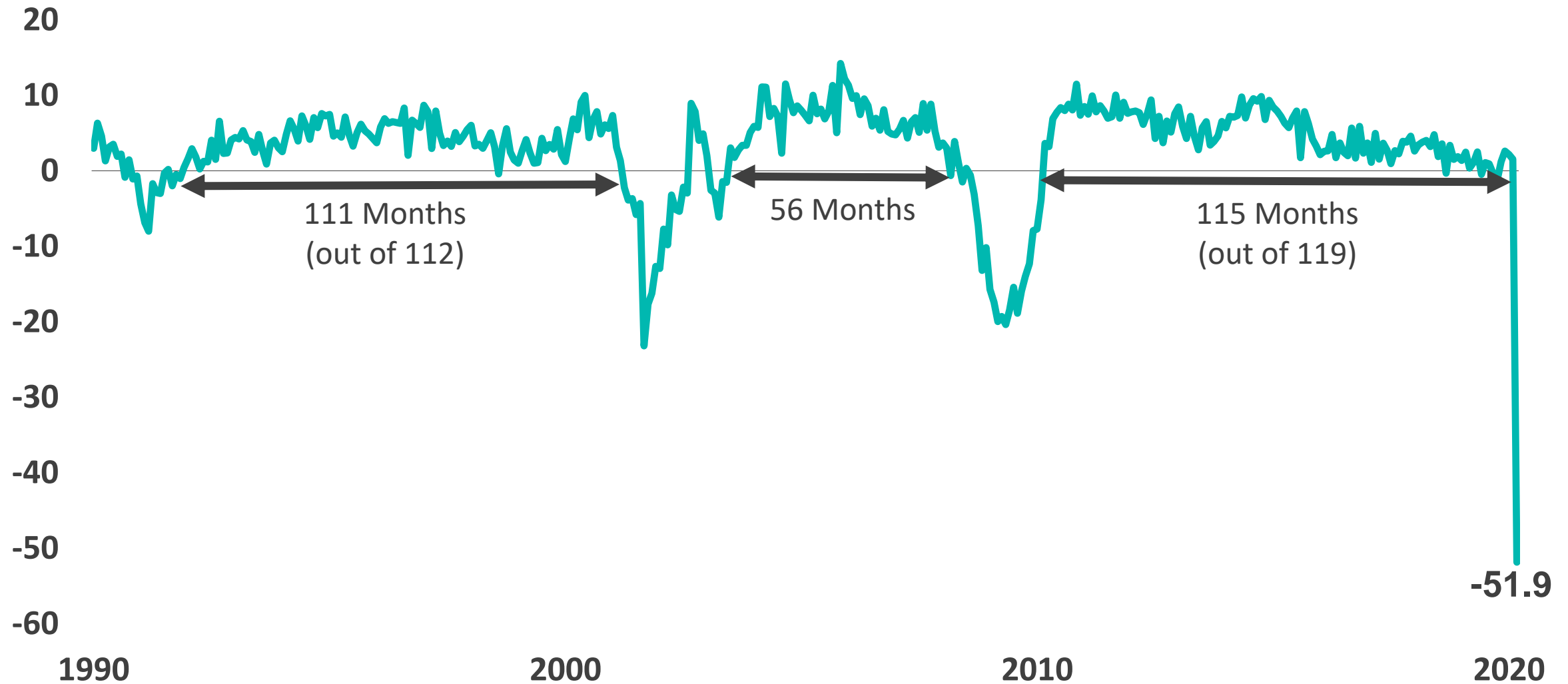
Total U.S., by quarter, Q1/1990 – Q1/2020



# RevPAR Growth: This One's Gonna Hurt



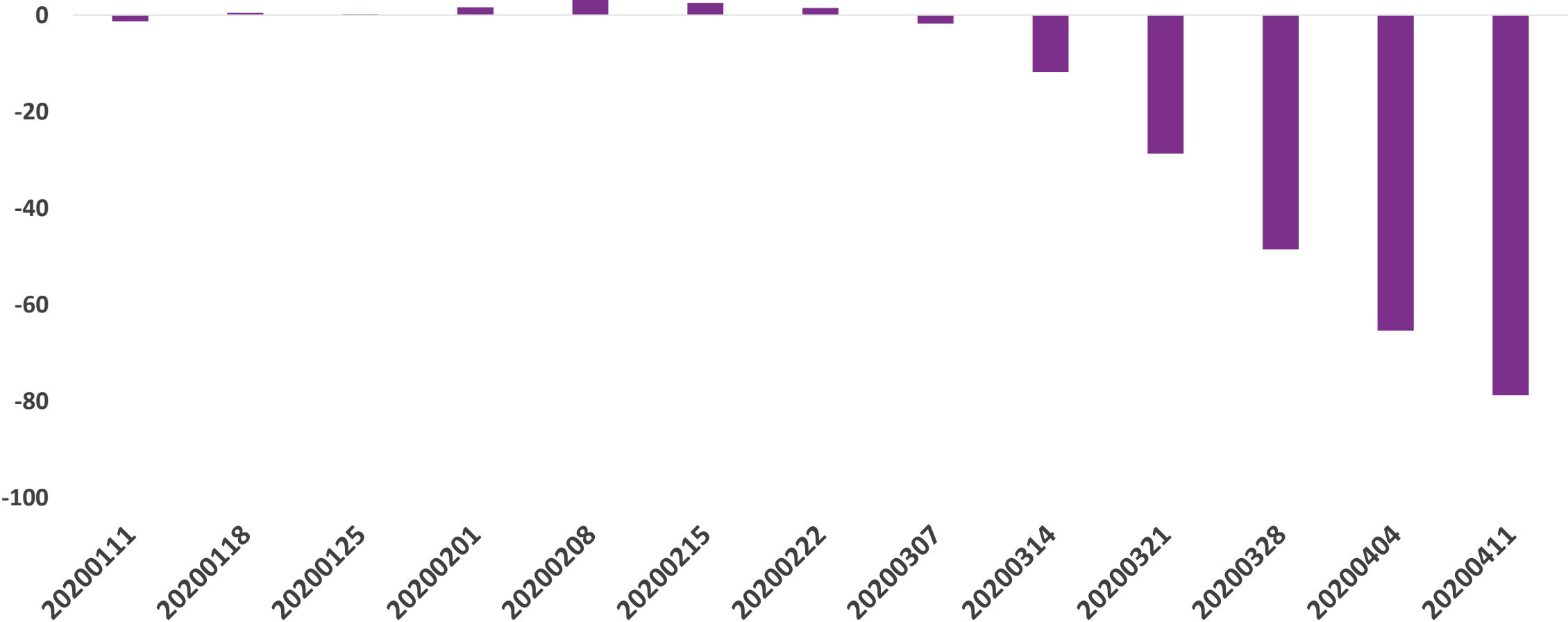
Total U.S. 1/1990 – 03/2020



# 28 Day RevPAR % Change: May Not Be The Bottom



Total U.S., 2020, by Week







# Looking The Last Two Downturns: 9/11 and 2009

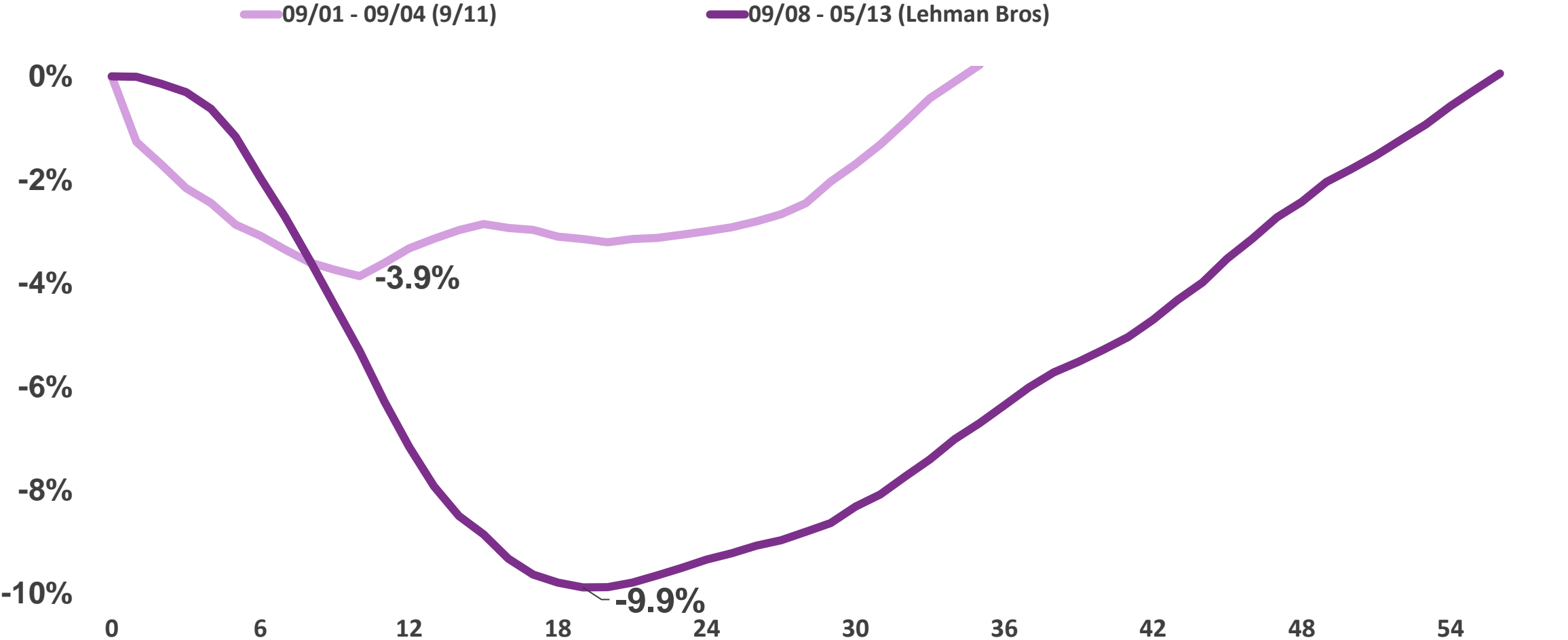


**HOTEL DATA**  
CONFERENCE  
Hosted by STR and Hotel News Now

Source: 2020 STR, LLC / STR Global, Ltd. trading as "STR". © CoStar Realty Information, Inc.  
Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR is strictly prohibited.  
Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR.  
The information in the presentation should not be construed as investment, tax, accounting or legal advice.

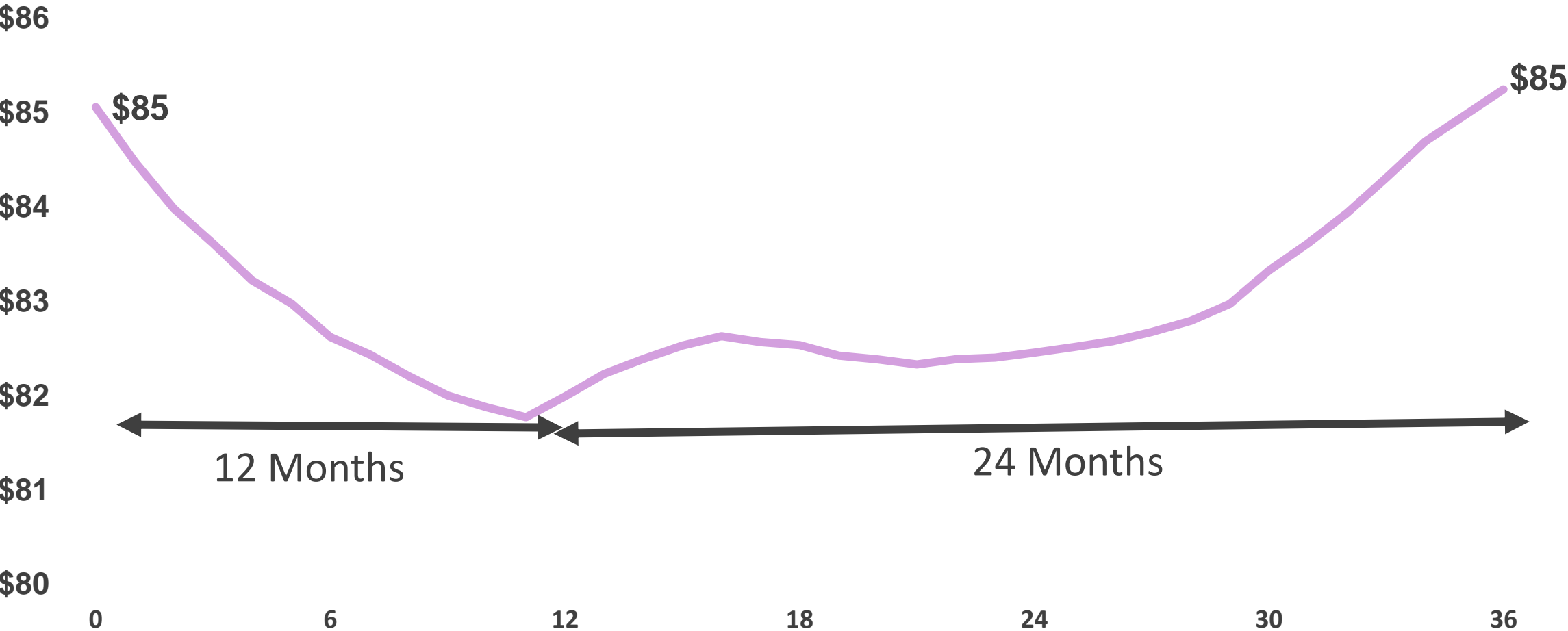
# ADR Rebound After External Shock Takes Time

Total U.S., 12MMA , Monthly ADR % Change, Indexed to Event



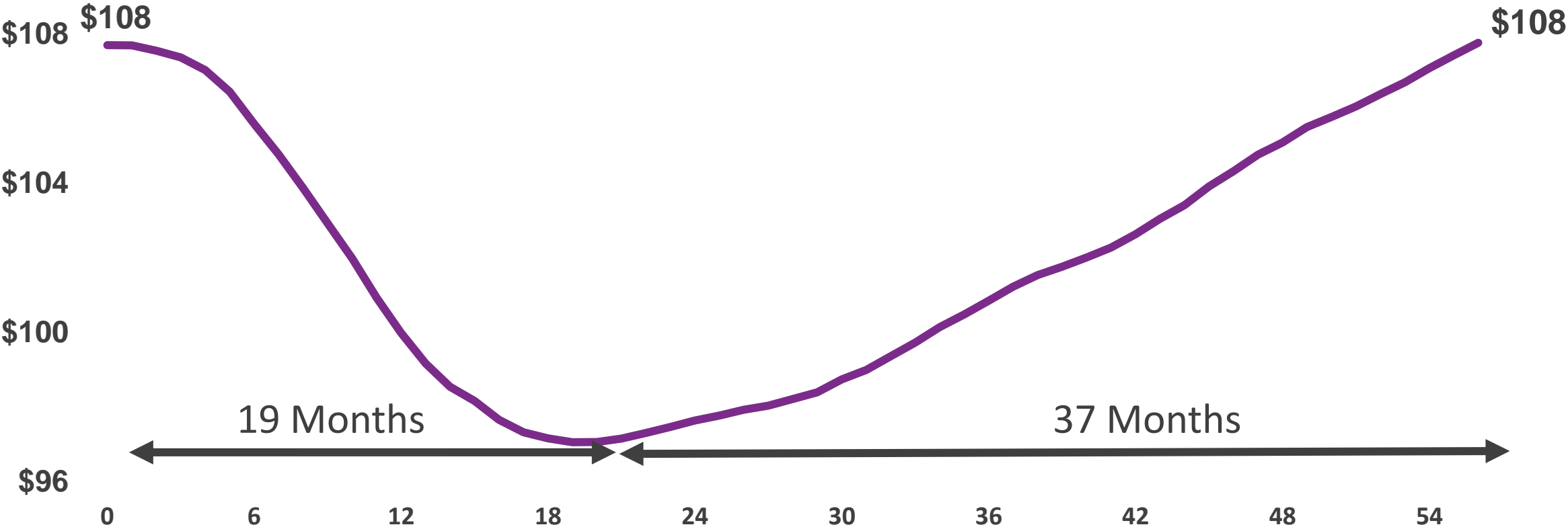
# ADR Rebound After External Shock Takes Time

Total U.S., ADR \$, 12MMA , Post-9/11



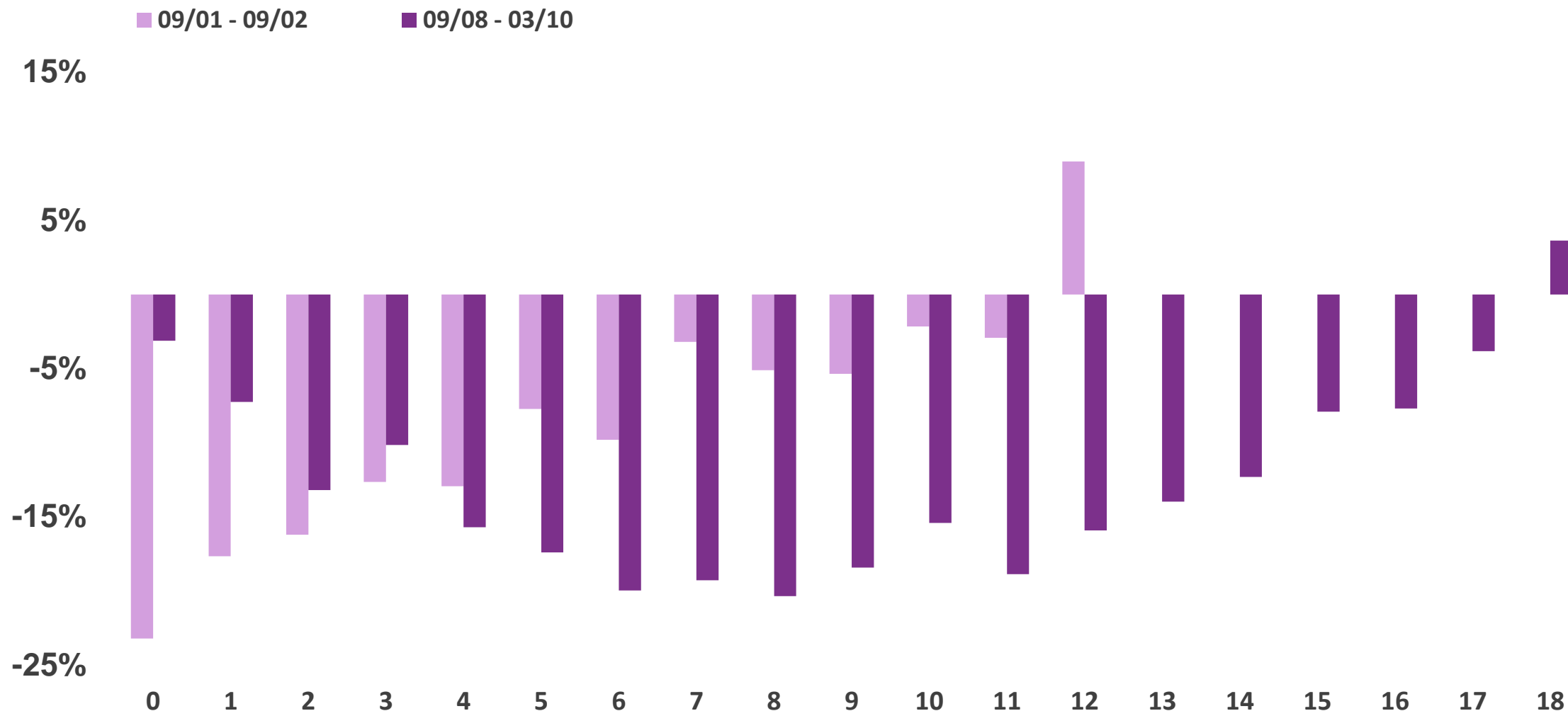
# ADR Rebound After External Shock Takes Time

Total U.S., ADR \$, 12MMA , Post Lehman Bros Bankruptcy (09/2008)



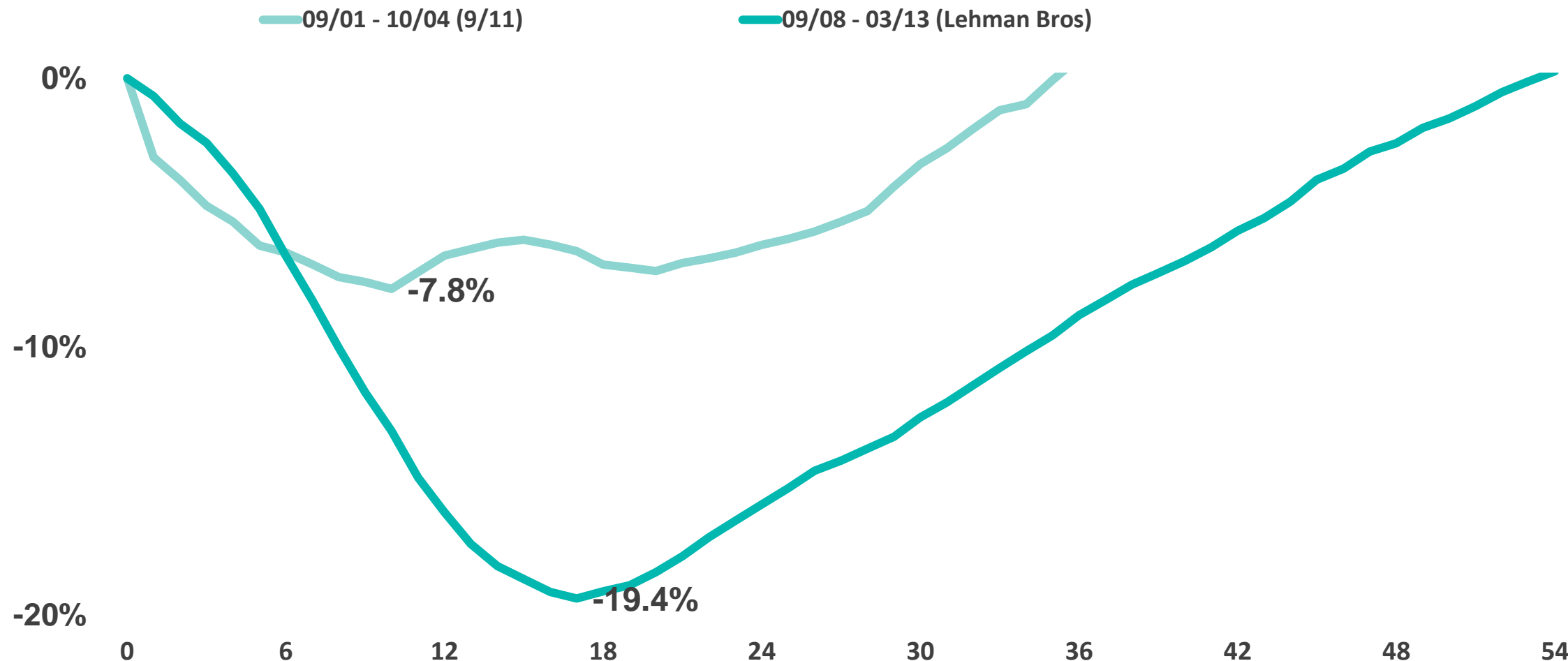
# Monthly ADR Declines After External Shock

Total U.S., Monthly ADR % Change, Starting 9/11 and Lehman Bros Bankruptcy



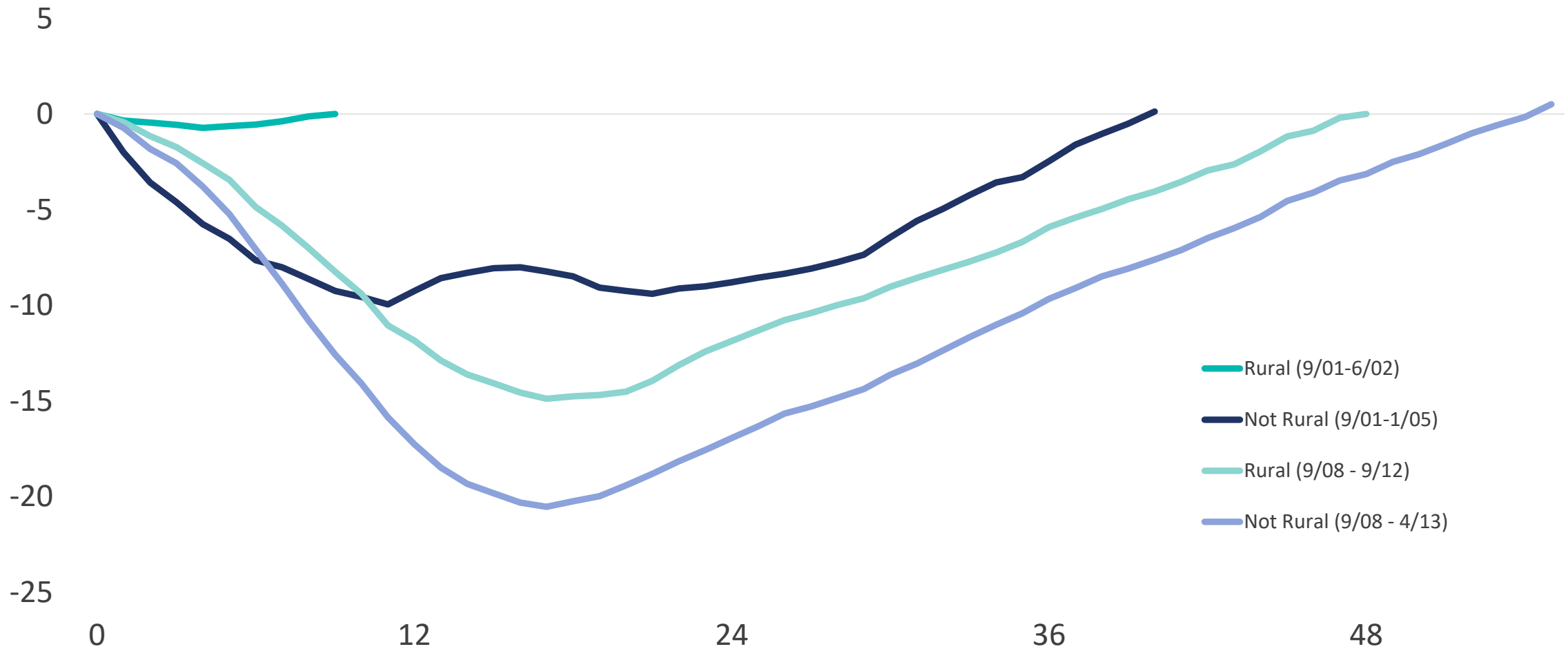
# RevPAR Rebound After External Shock Takes Time

Total U.S., 12MMA , Monthly RevPAR % Change, Indexed to Event



# Rural Hotels Recover RevPAR Quicker

Total US, 12MMA, Monthly RevPAR % Change, Indexed to Event





# 2009 Segmentation Data: Top 25 and Luxury Resorts



**HOTEL DATA**  
CONFERENCE  
Hosted by STR and Hotel News Now

Source: 2020 STR, LLC / STR Global, Ltd. trading as "STR". © CoStar Realty Information, Inc.  
Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR is strictly prohibited.  
Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR.  
The information in the presentation should not be construed as investment, tax, accounting or legal advice.



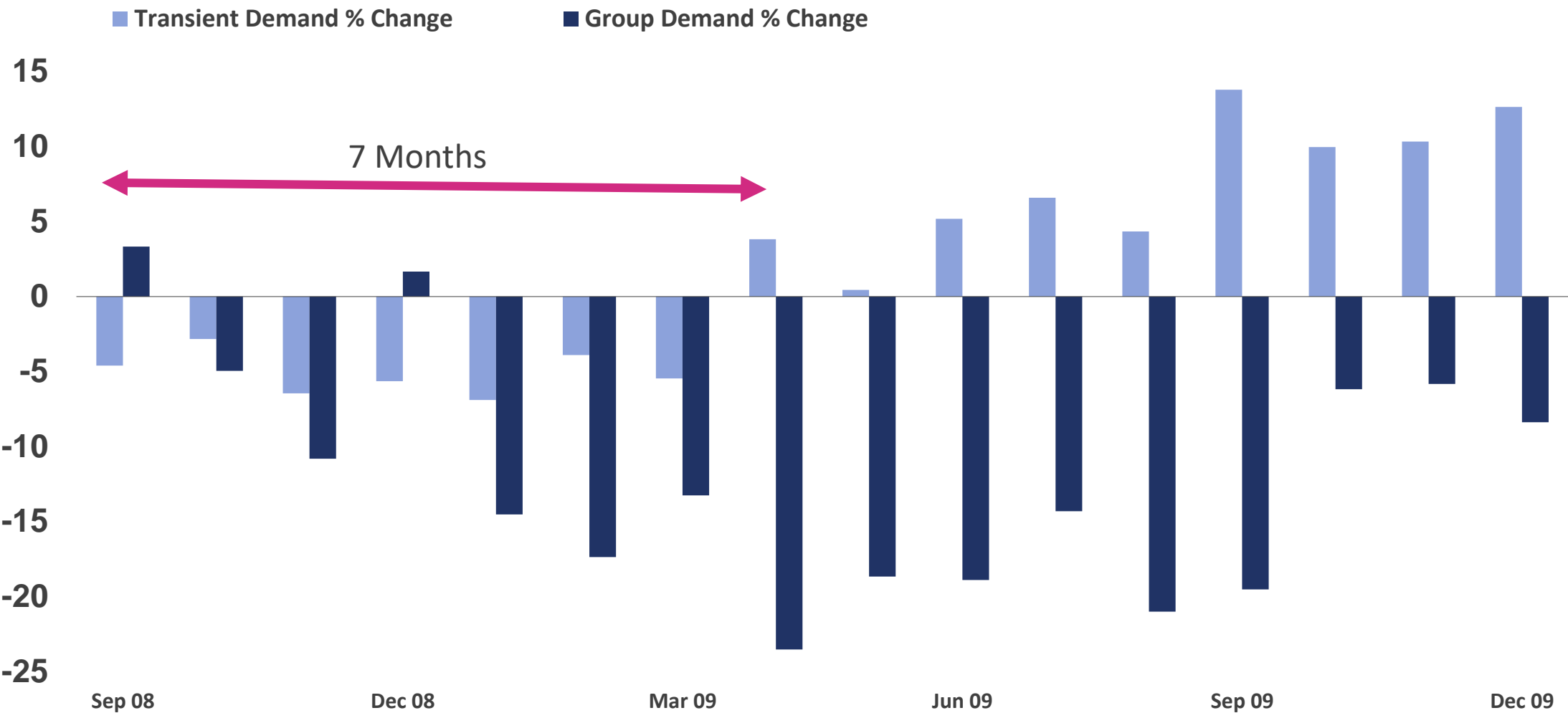
# 2009: Total US vs Top25: RevPAR % Change Similar

Lux + UU class vs. all Classes, by Month



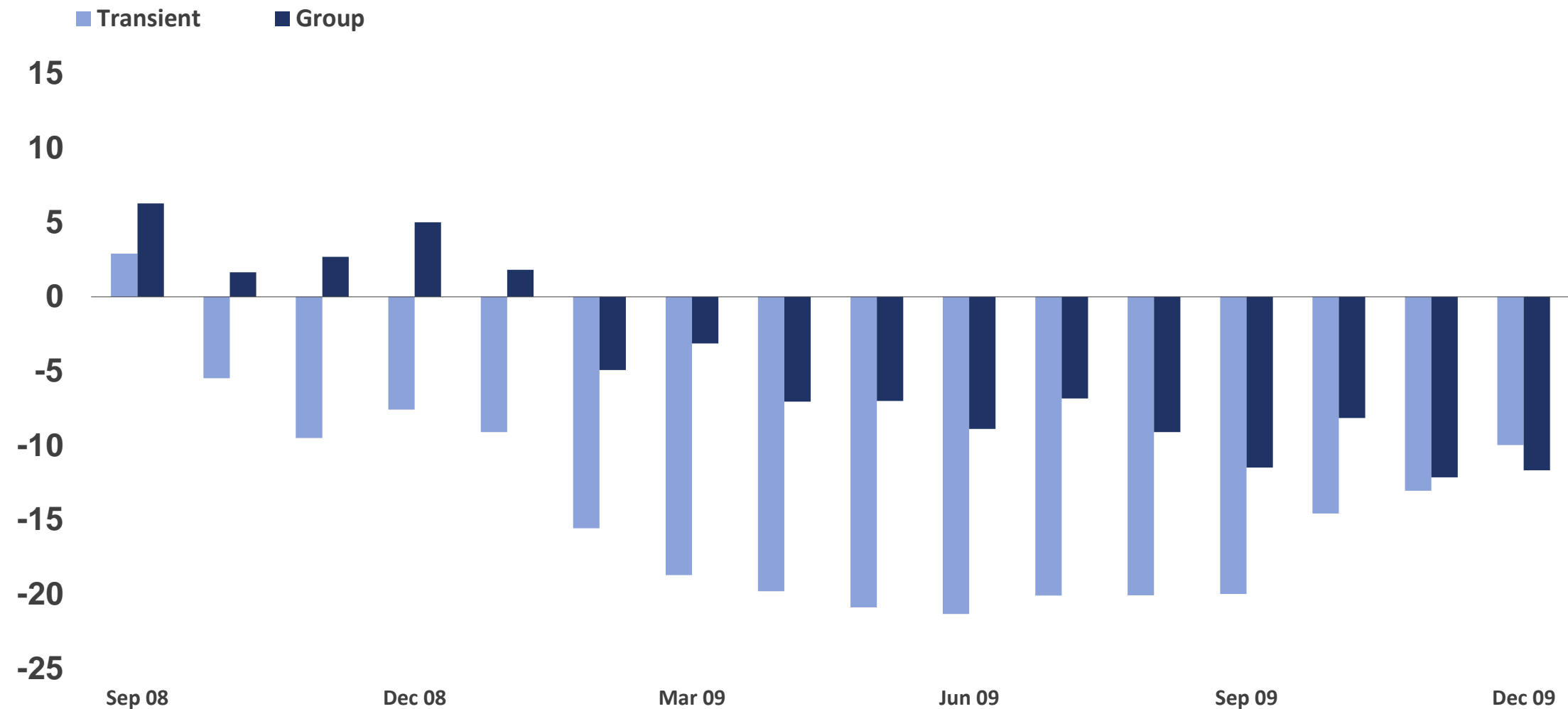
# 2009: Top25 Transient Demand Rebounds Quickly

Lux & UU Class, Segmentation, by Month



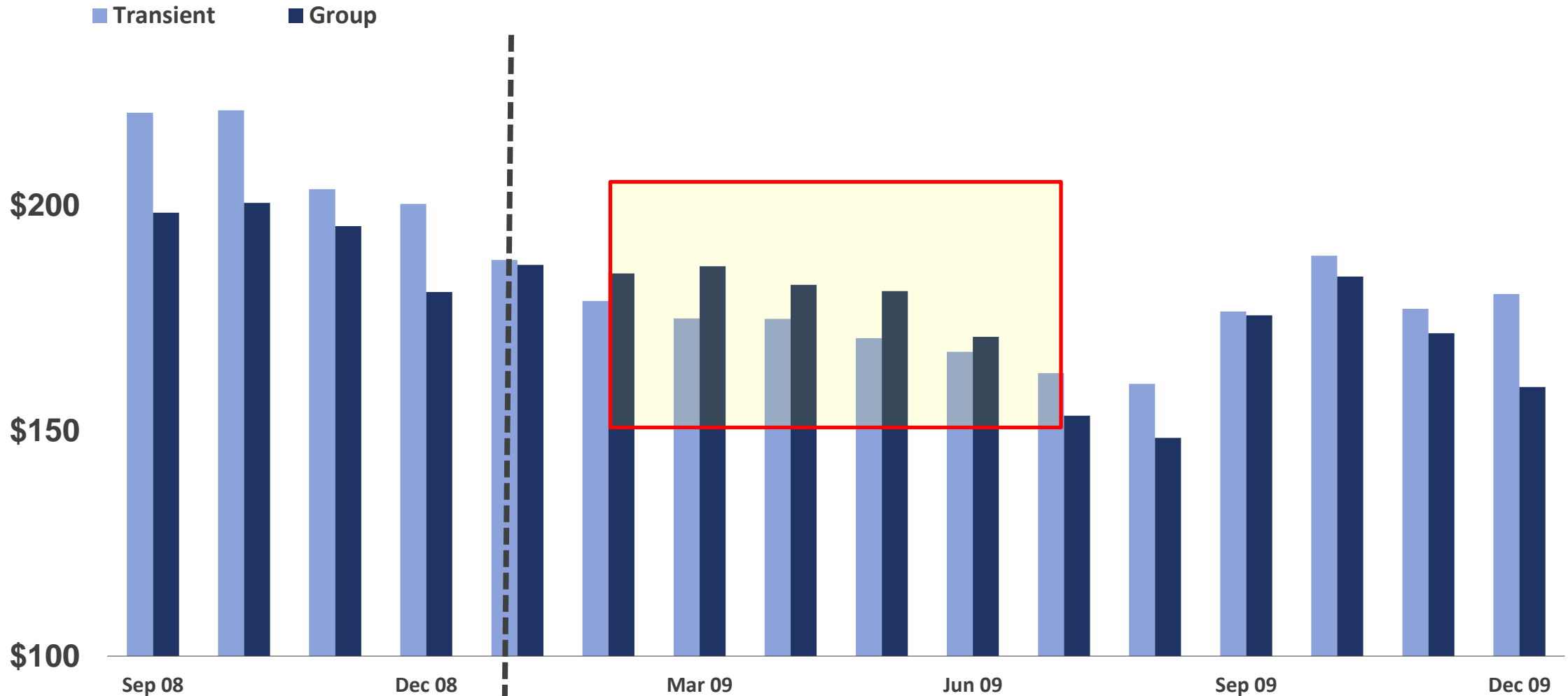
# 2009: Top25 Segmentation ADR Drops Sharply

Lux & UU Class ADR % Change, by Segmentation, by Month



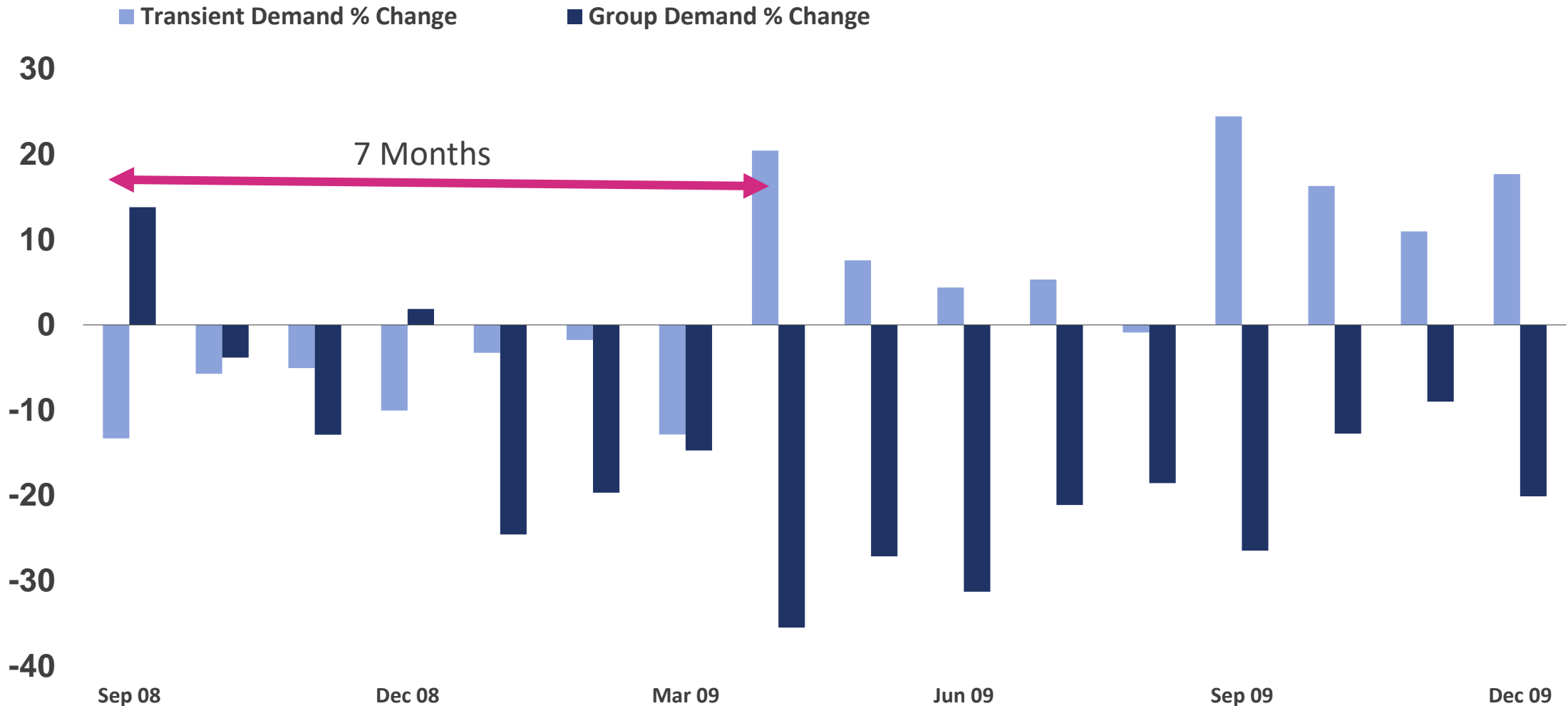
# 2009: Top25 Group ADR > Transient ADR

Lux & UU Class ADR, by Segmentation, by Month



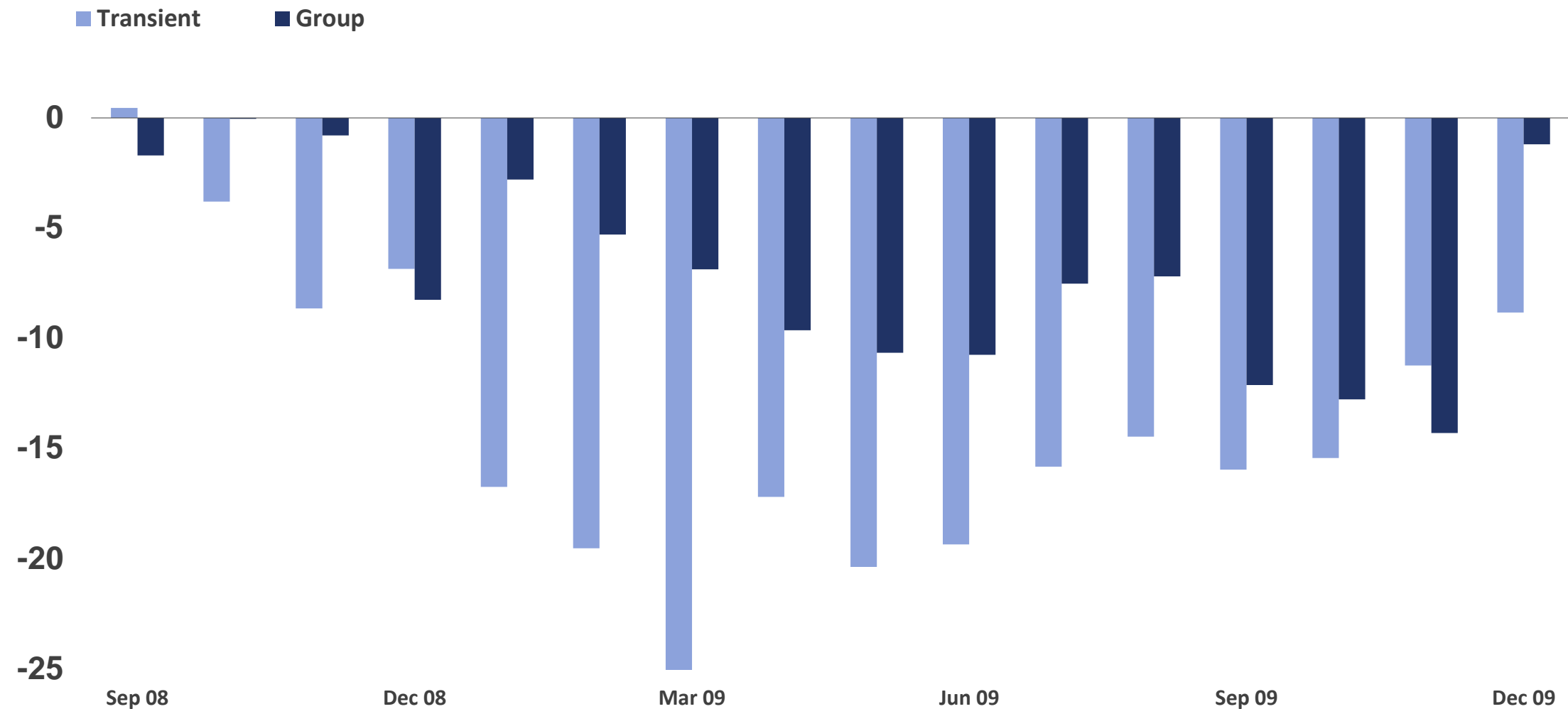
# 2009: Luxury Resort Transient Demand Rebounds

Luxury Class, Resort Location, Segmentation, by Month



# 2009: Luxury Resort ADR % Change Drops Sharply

Top25 ADR % Change, by Segmentation, by Month



# Agenda



1 Total US Review

2 Class Review

3 Segmentation

4 Markets

5 Pipeline

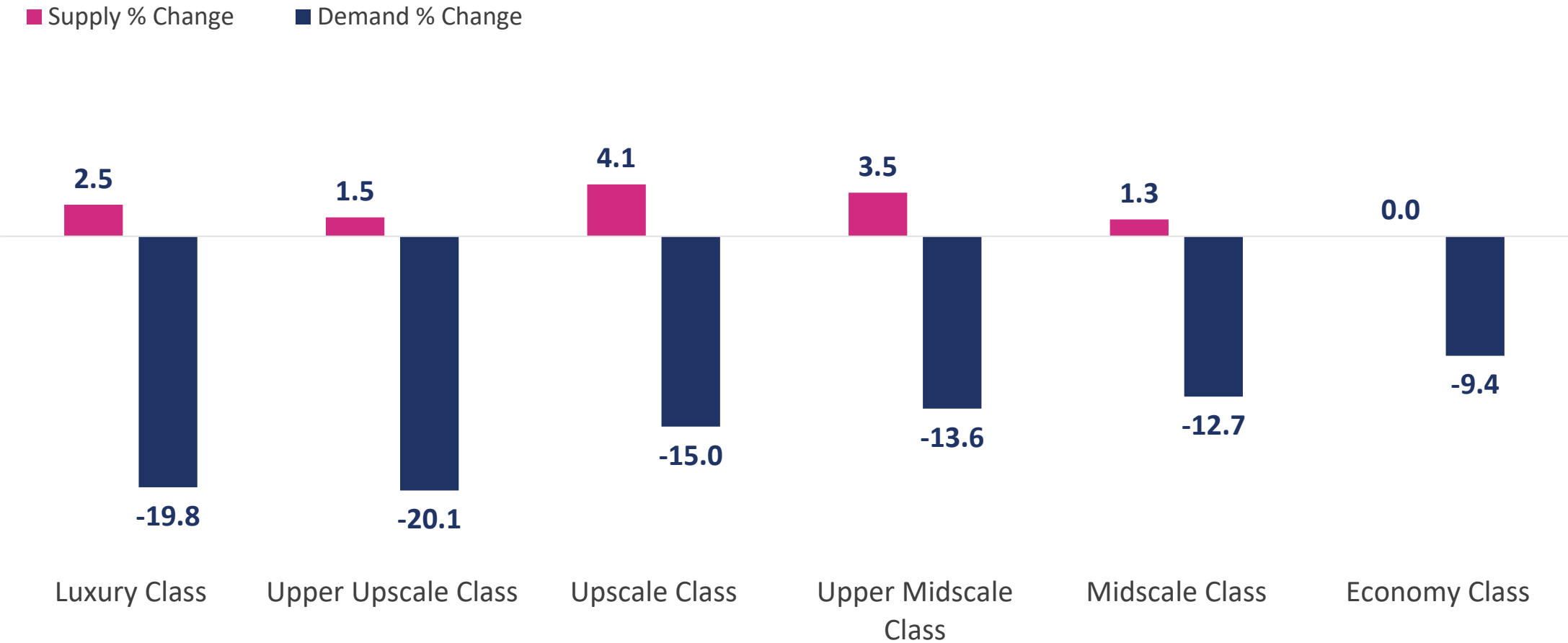
6 Canary In the Coalmine

7 Compression Night Analysis

8 Forecast

# Class: Demand Drops Sharply

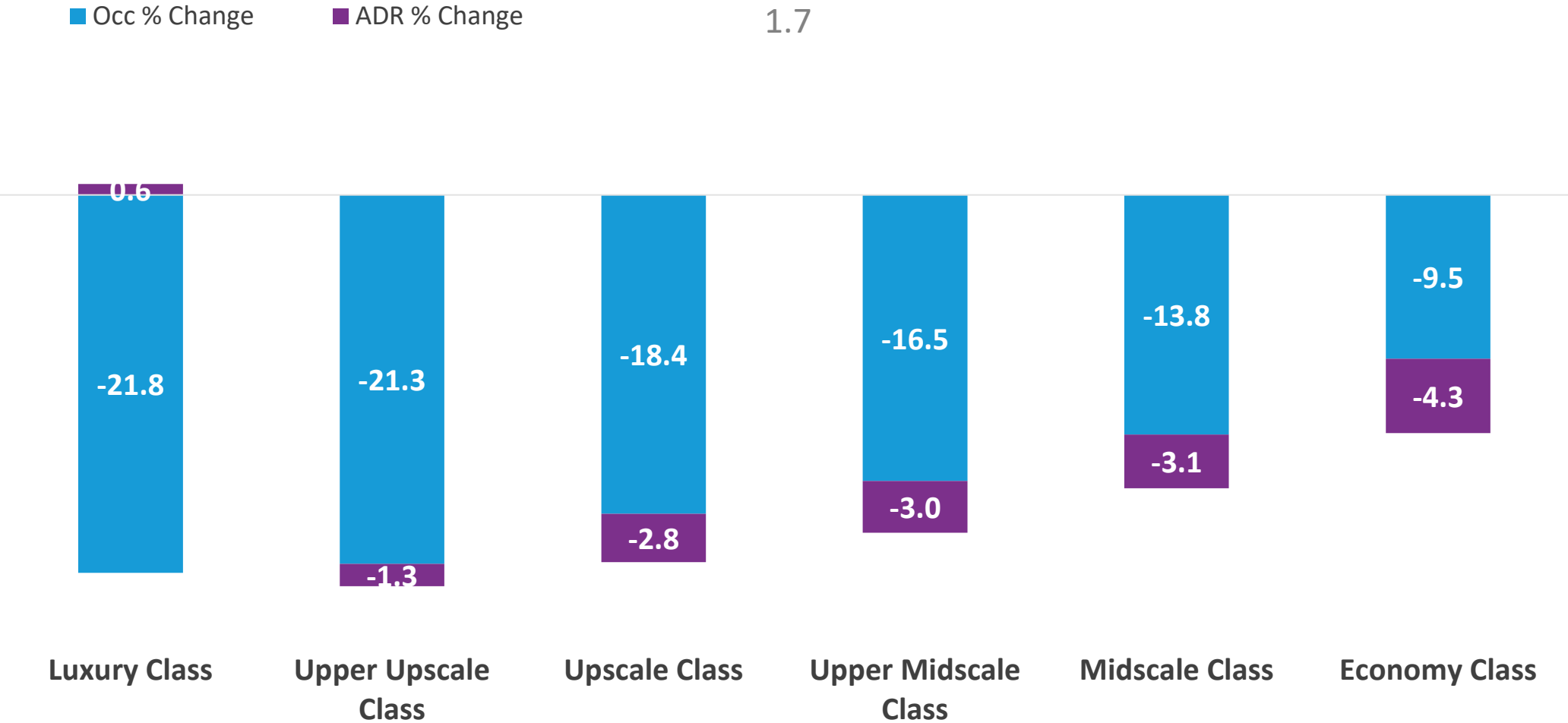
YTD March 2020





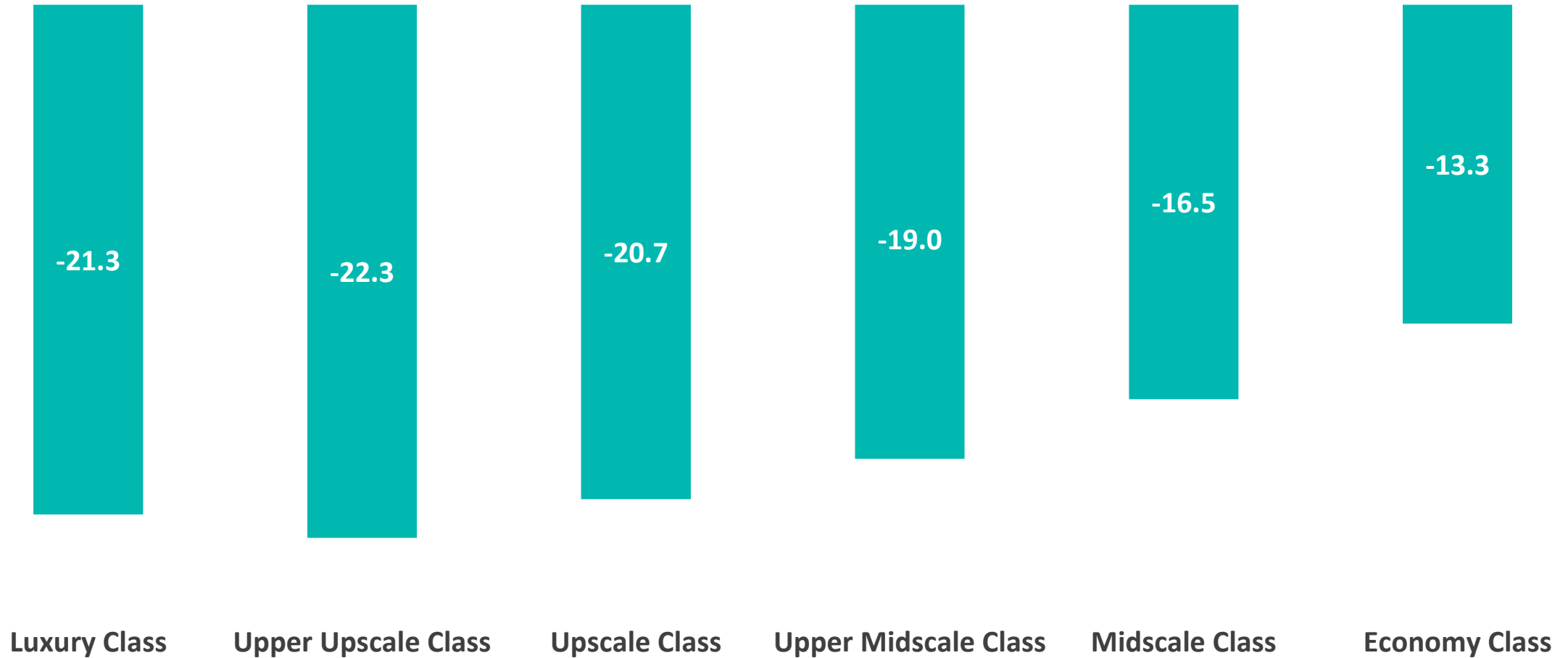
# Class: No Demand = No Occupancy

YTD March 2020



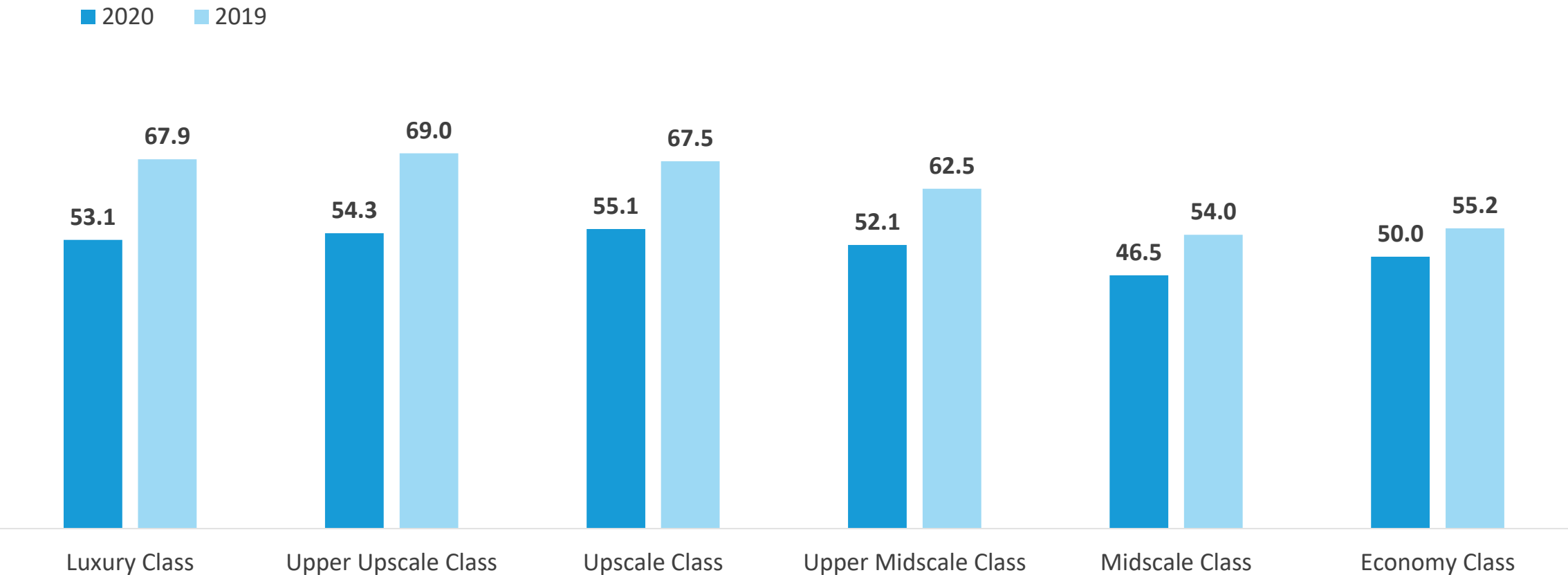
# RevPAR Growth Declines Sharply

YTD March 2020



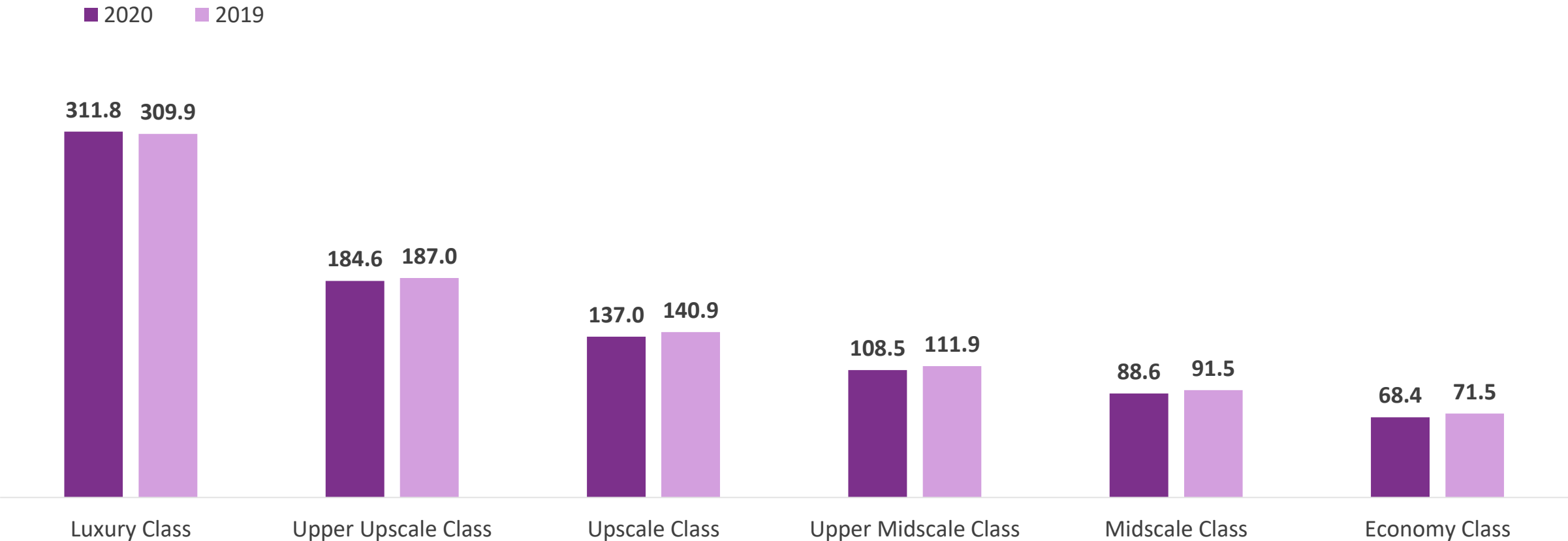
# As Expected: Occupancy Drops Sharply

YTD March 2020 & 2019



# ADRs Will Decline Further

by Class, YTD March 2020 & 2019



# Agenda



1 Total US Review

2 Class Review

3 Segmentation

4 Markets

5 Pipeline

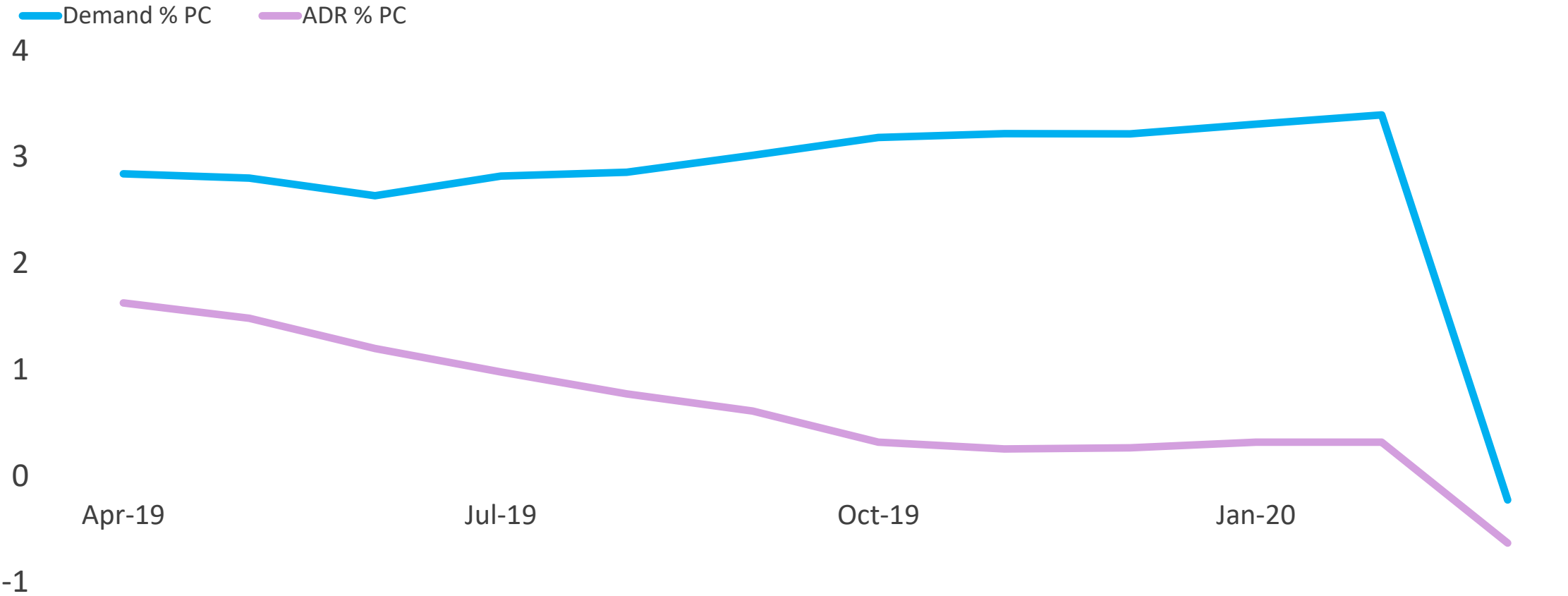
6 Canary In the Coalmine

7 Compression Night Analysis

8 Forecast

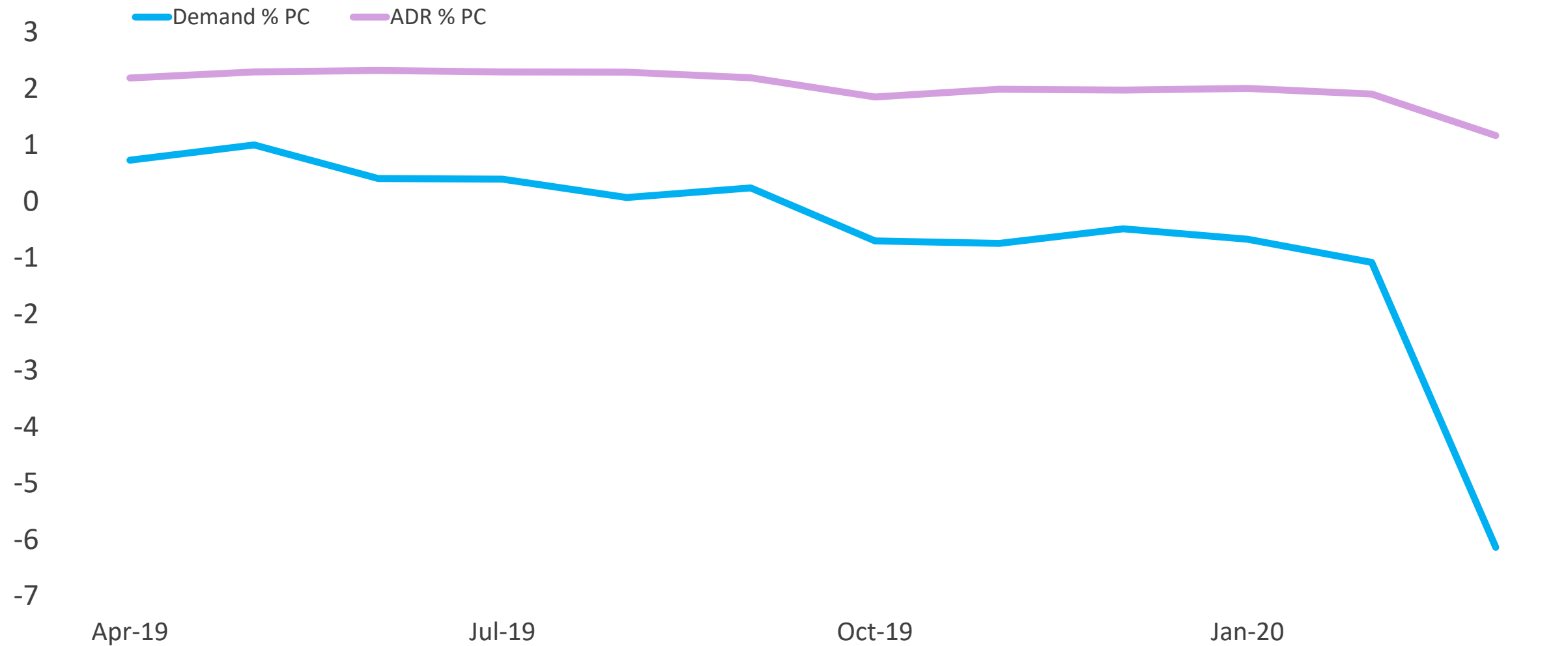
# Transient ADR Will Deteriorate Further

12 MMA, 1/2019 – 03/2020



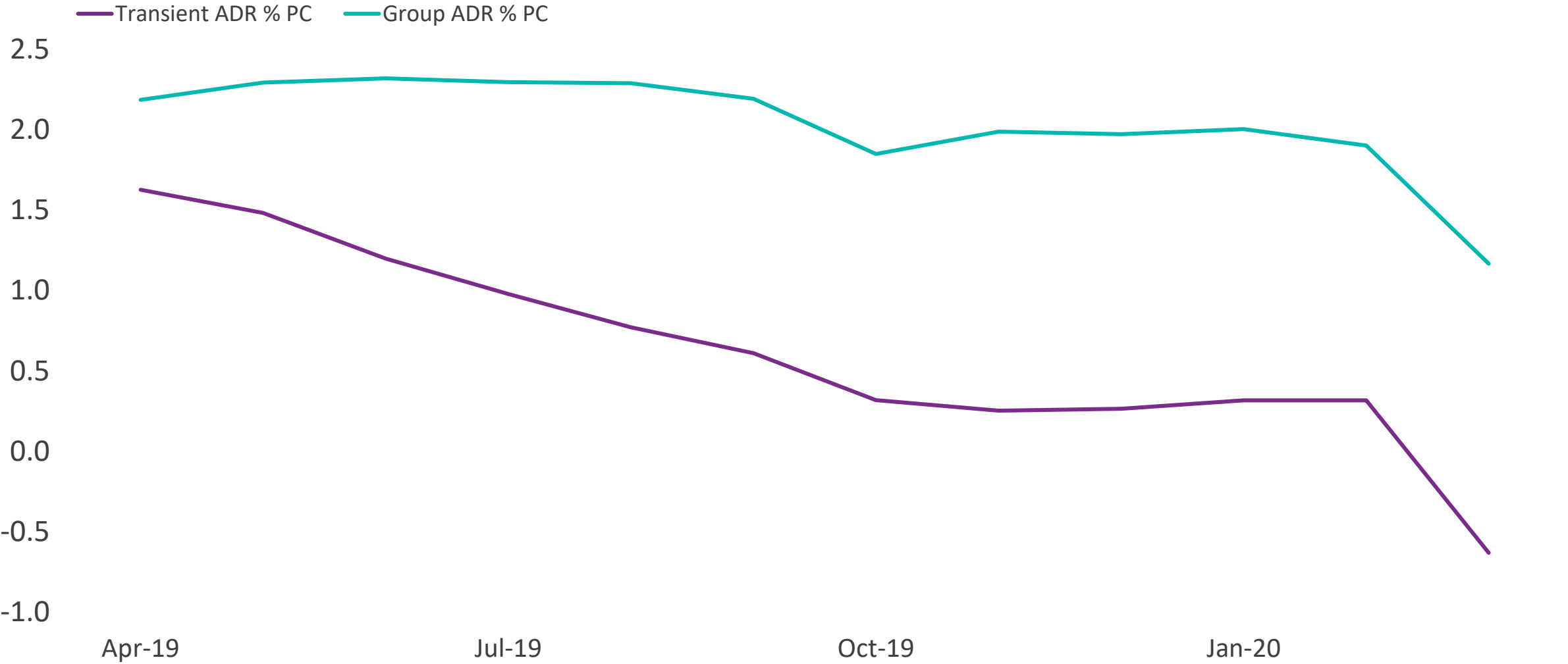
# Group ADR Will Drop

12 MMA, 1/2019 – 03/2020



# Segmentation ADR Likely In Free Fall Soon

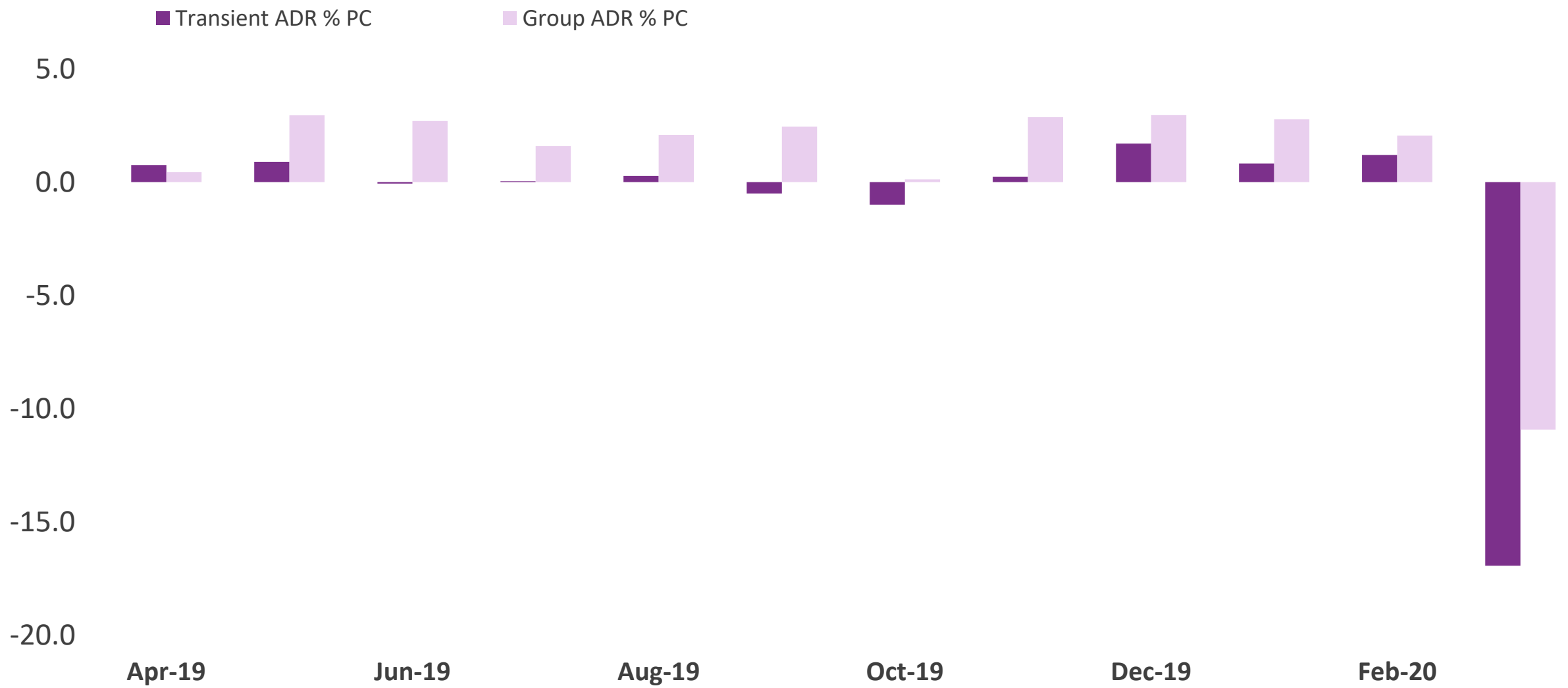
12MMA, 1/2018 – 03/2020





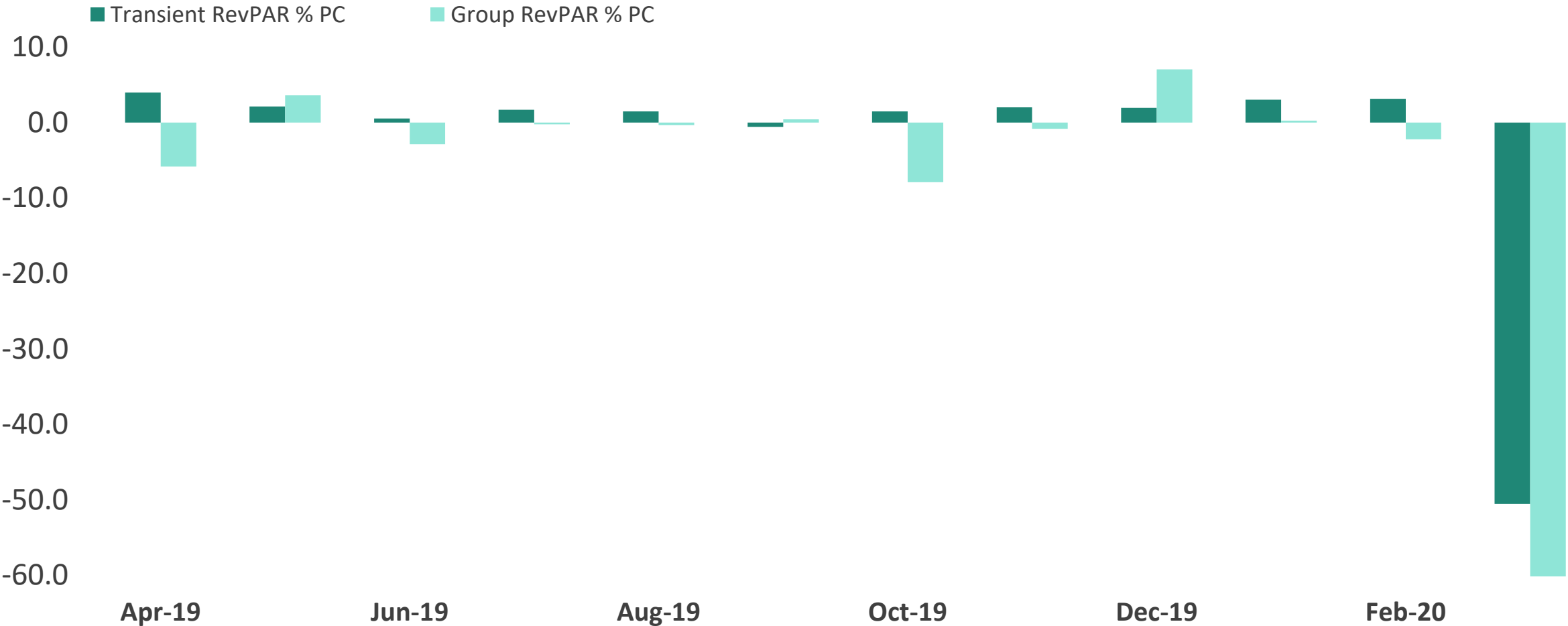
# Monthly Transient ADR Falls Faster

Last 12 Months



# Group RevPAR Declined Faster

Last 12 Months



# Las Vegas: ... But Today The Strip Is Closed



LAS VEGAS	Feb 2020	Feb 2019	YoY Change	Feb 2020 YTD	Feb 2019 YTD	YoY Change
Visitor Volume	3,333,200	3,189,900	4.5%	6,878,300	6,602,000	4.2%
Convention Attendance	760,300	748,600	1.6%	1,477,400	1,432,000	3.2%
Available Room Inventory (as of Feb)	148,376	148,168	0.1%	148,376	148,168	0.1%
Total Occupancy	86.8%	87.0%	-0.2	86.3%	85.4%	0.9
Weekend Occupancy	94.8%	91.9%	2.9	92.5%	90.3%	2.2
Midweek Occupancy	82.6%	84.6%	-2.0	83.2%	83.3%	-0.1
Strip Occupancy	88.0%	88.3%	-0.3	88.2%	86.6%	1.6
Downtown Occupancy	85.9%	85.7%	0.2	83.5%	83.3%	0.2
Average Daily Room Rate (ADR)	\$132.20	\$130.06	1.6%	\$143.15	\$143.74	-0.4%
Strip ADR	\$141.62	\$140.05	1.1%	\$154.52	\$155.23	-0.5%
Downtown ADR	\$71.78	\$69.19	3.7%	\$75.80	\$76.29	-0.6%
Revenue Per Available Room (RevPAR)	\$114.75	\$113.15	1.4%	\$123.54	\$122.75	0.6%
Strip RevPAR	\$124.63	\$123.66	0.8%	\$136.29	\$134.43	1.4%
Downtown RevPAR	\$61.66	\$59.30	4.0%	\$63.29	\$63.55	-0.4%
Total Room Nights Occupied	3,735,600	3,607,300	3.6%	7,725,700	7,468,300	3.4%
Total En/Deplaned Air Passengers	3,864,182	3,628,594	6.5%	8,018,347	7,525,844	6.5%
Avg. Daily Auto Traffic: All Major Highways*	106,675 e	103,828 e	2.7%	106,860 e	105,362 e	1.4%
Avg. Daily Auto Traffic: I-15 at NV/CA Border*	38,291	37,372	2.5%	38,757	38,207	1.4%
Gaming Revenue: Clark County	\$897,532,000	\$892,734,000 r	0.5%	\$1,802,086,000	\$1,753,607,000 r	2.8%
Gaming Revenue: Las Vegas Strip	\$596,198,000	\$591,738,000	0.8%	\$1,168,323,000	\$1,123,984,000	3.9%
Gaming Revenue: Downtown	\$55,626,000	\$58,004,000 r	-4.1%	\$114,743,000	\$110,104,000 r	4.2%
Gaming Revenue: Boulder Strip	\$65,011,000	\$65,330,000	-0.5%	\$136,865,000	\$147,189,000	-7.0%

Sources: Las Vegas Convention and Visitors Authority; McCarran International Airport; Nevada Department of Transportation (NDOT); Nevada Gaming Control Board

r - revised

# Agenda



1 Total US Review

5 Pipeline

2 Class Review

6 Canary In the Coalmine

3 Segmentation

7 Compression Night Analysis

4 Markets

8 Forecast

# Top 25: Basically Same Results Everywhere

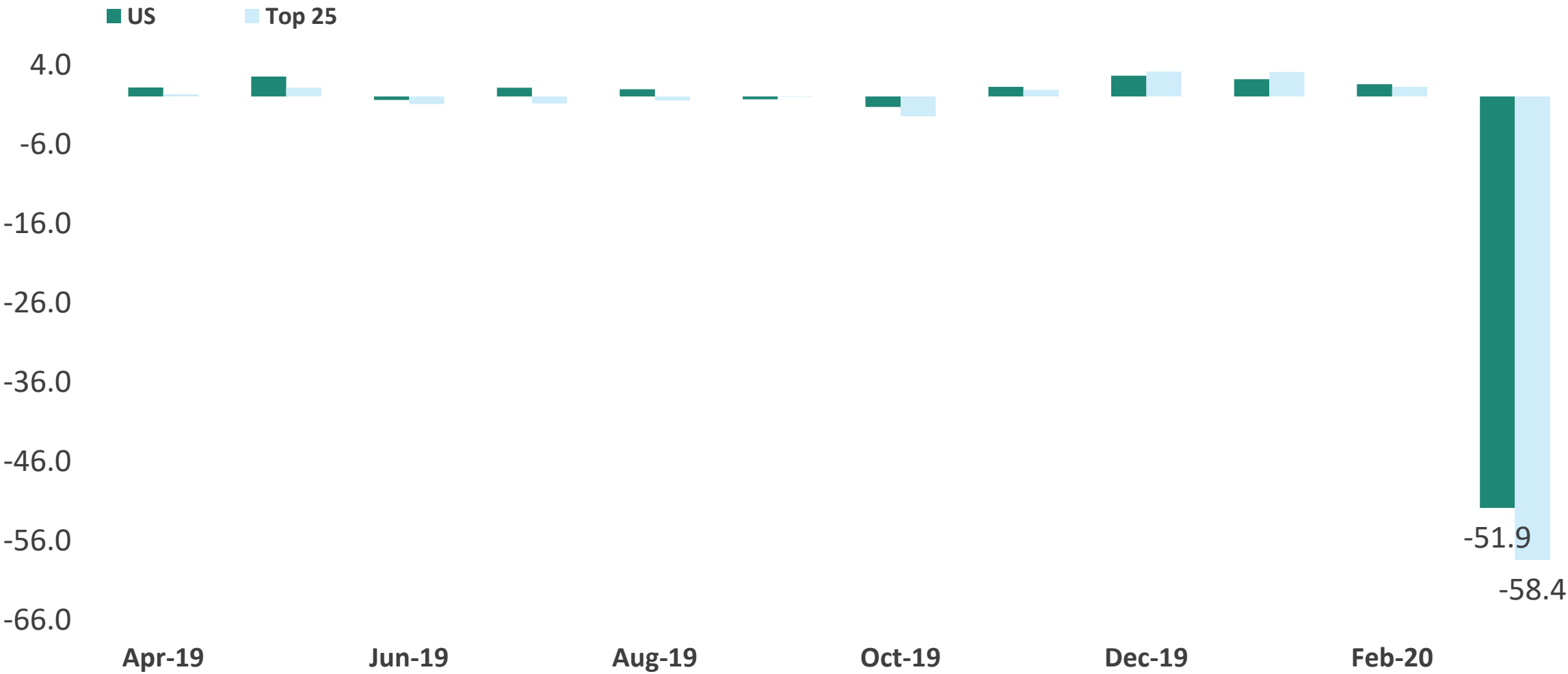
YTD March 2020



Market	OCC %	RevPAR % Change	Influenced By
Oahu Island, HI	71.9	-10.3	COVID19
Miami/Hialeah, FL	69.1	-11.7	COVID19
Norfolk/Virginia Beach, VA	45.7	-14.9	COVID19
Tampa/St Petersburg, FL	70.2	-16.1	COVID19
Dallas, TX	57.5	-17.2	COVID19
New Orleans, LA	58.7	-24.9	COVID19
Seattle, WA	52.9	-25.3	COVID19
New York, NY	60.9	-28.0	COVID19
Atlanta, GA	57.5	-29.2	COVID19
San Francisco/San Mateo, CA	58.2	-29.9	COVID19

# Total US vs. Top 25 RevPAR % Change

Last 12 Months



# Agenda



1 Total US Review

2 Class Review

3 Segmentation

4 Markets

5 Pipeline

6 Canary In the Coalmine

7 Compression Night Analysis

8 Forecast



# Pipeline





# US Pipeline: I/C Rooms Increase Slowly

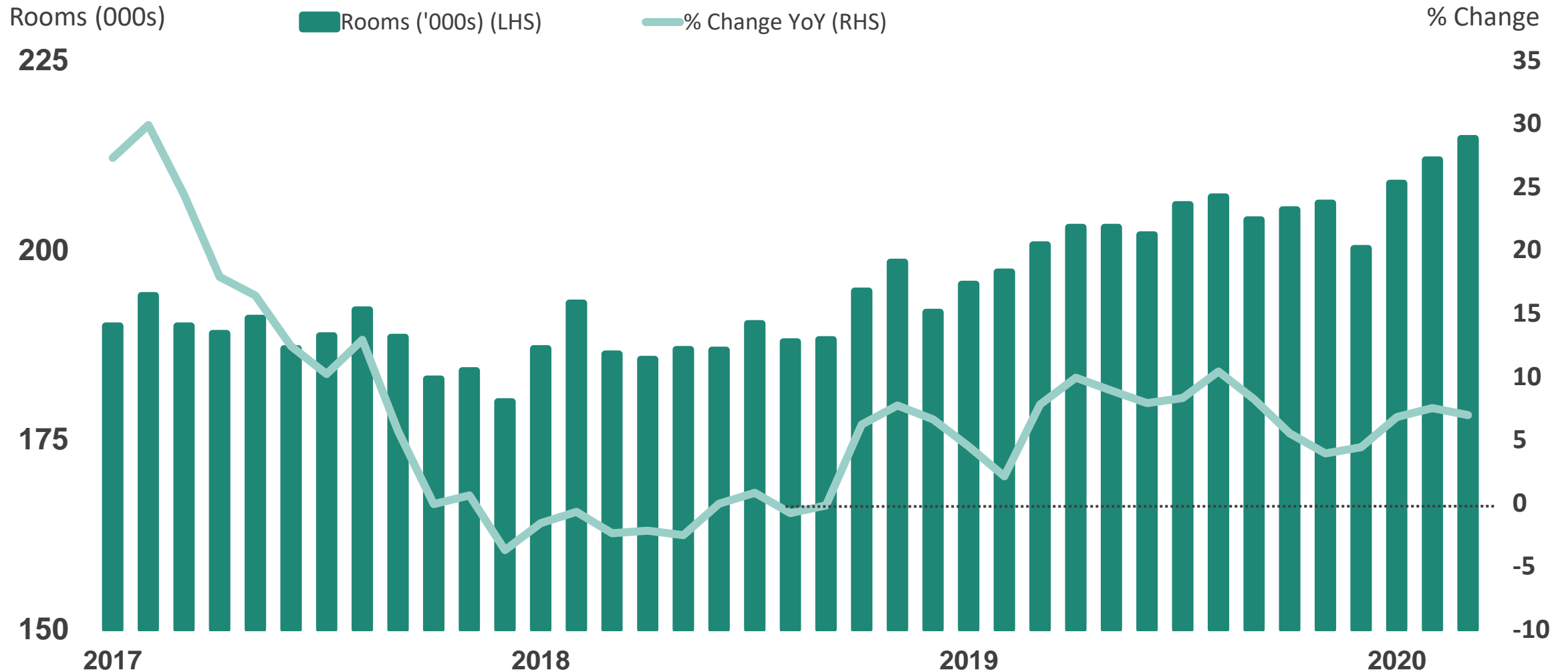
by Phase, '000s Rooms, March 2020 and 2019



<u>Phase</u>	<u>2020</u>	<u>2019</u>	<u>% Change</u>
In Construction	215	201	7%
Final Planning	248	197	26%
Planning	220	260	-16%
<b>Under Contract</b>	<b>682</b>	<b>658</b>	<b>3.6%</b>

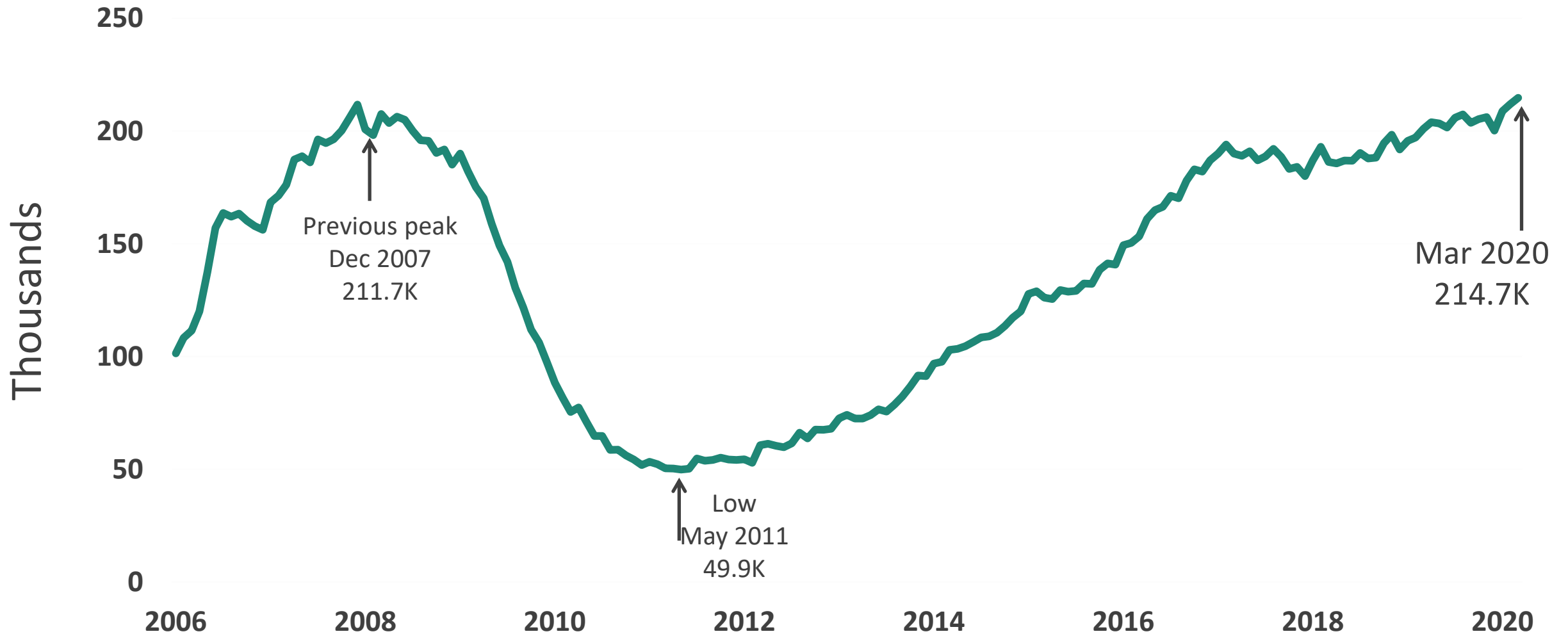
# I/C Rooms Growing Less Than 10%

1/2017 – 03/2020



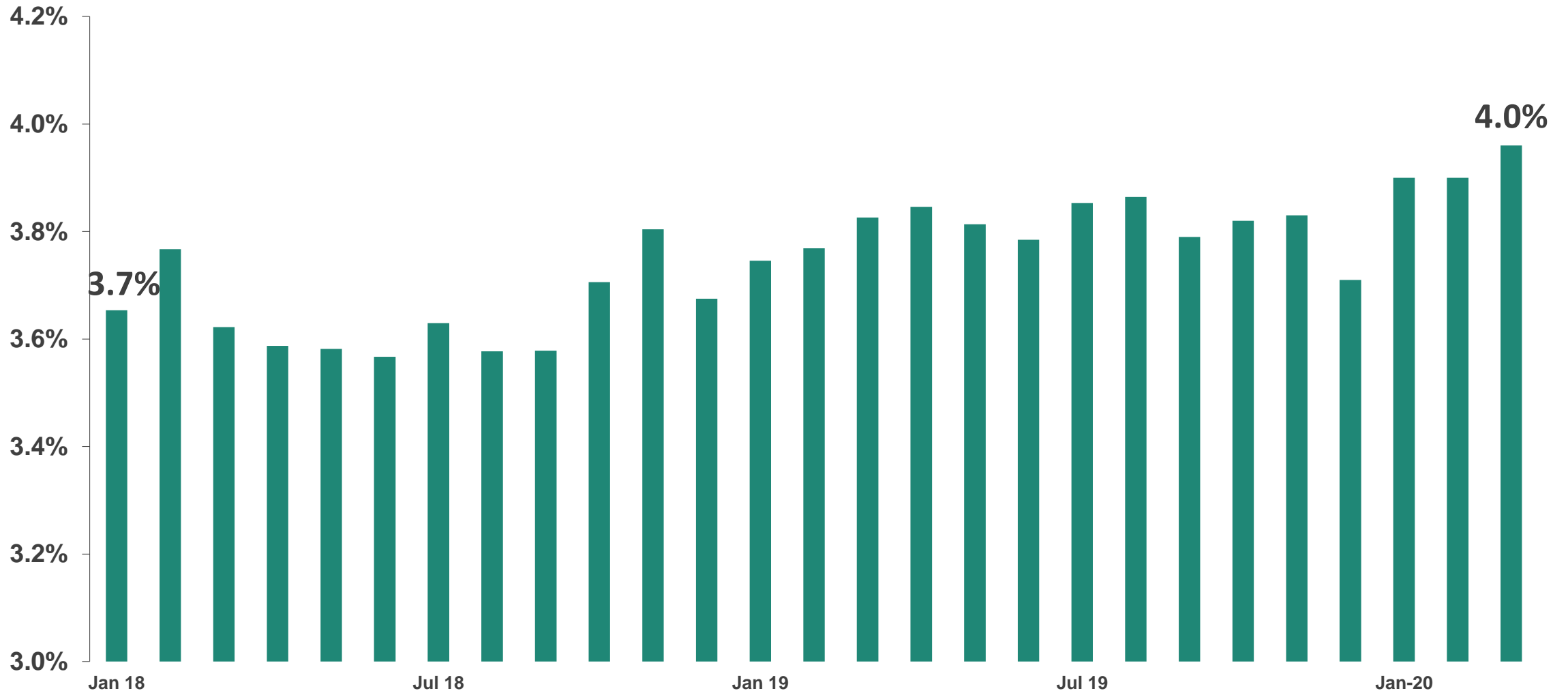
# U.S. Hotel Rooms In Construction At Peak

January 2006-March 2020



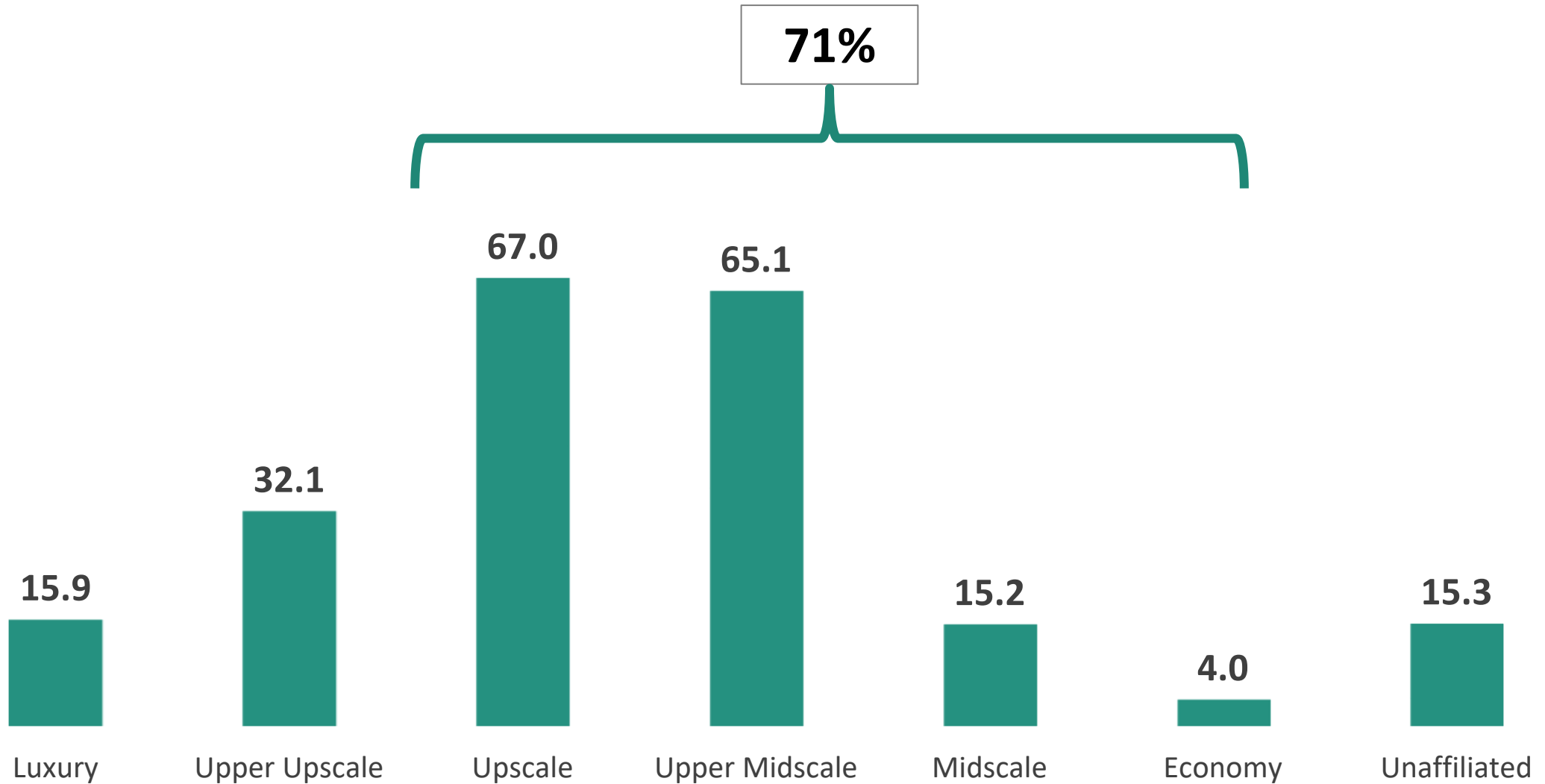
# I/C as % of Existing: Steady As She Goes

01/2018 to 03/2020



# Limited Service Construction Dominates

I/C Rooms, '000s Rooms, by Scale, March 2020



# Luxury Scale Will See Strong Supply Growth

by Scale, March 2020



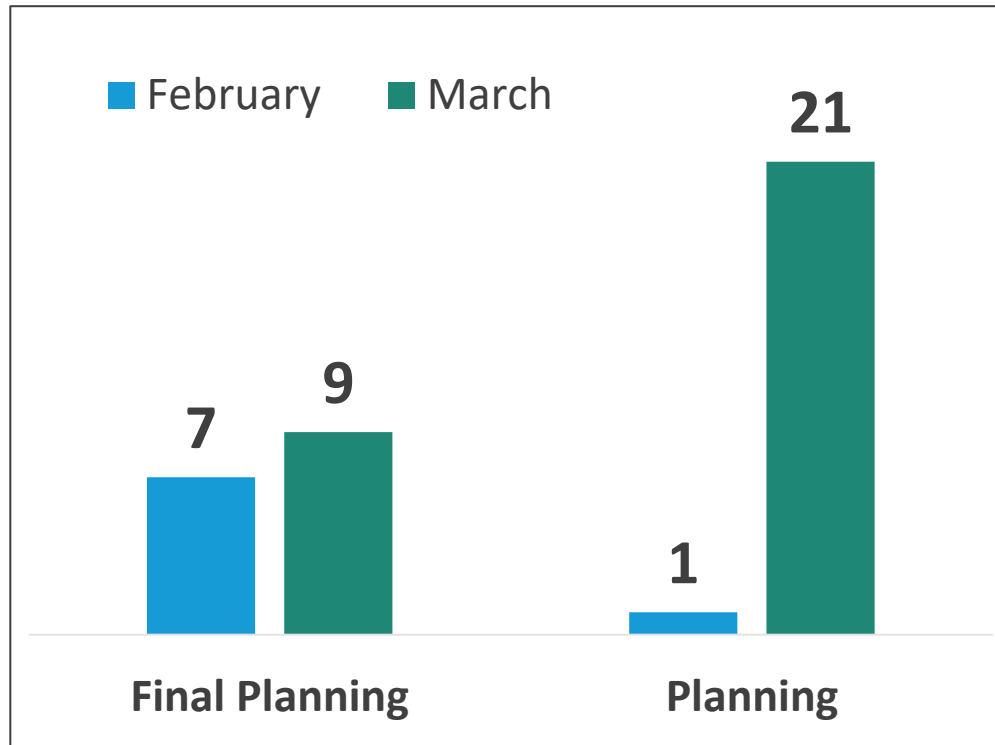
Scale	Rooms In Construction	% Of Existing
Luxury	15,934	13%
Upper Upscale	32,134	5%
Upscale	67,023	8%
Upper Midscale	65,088	6%
Midscale	15,227	4%
Economy	3,970	0.5%
Unaffiliated	15,328	1%

# Pipeline: More Projects Move to Deferred / Abandoned

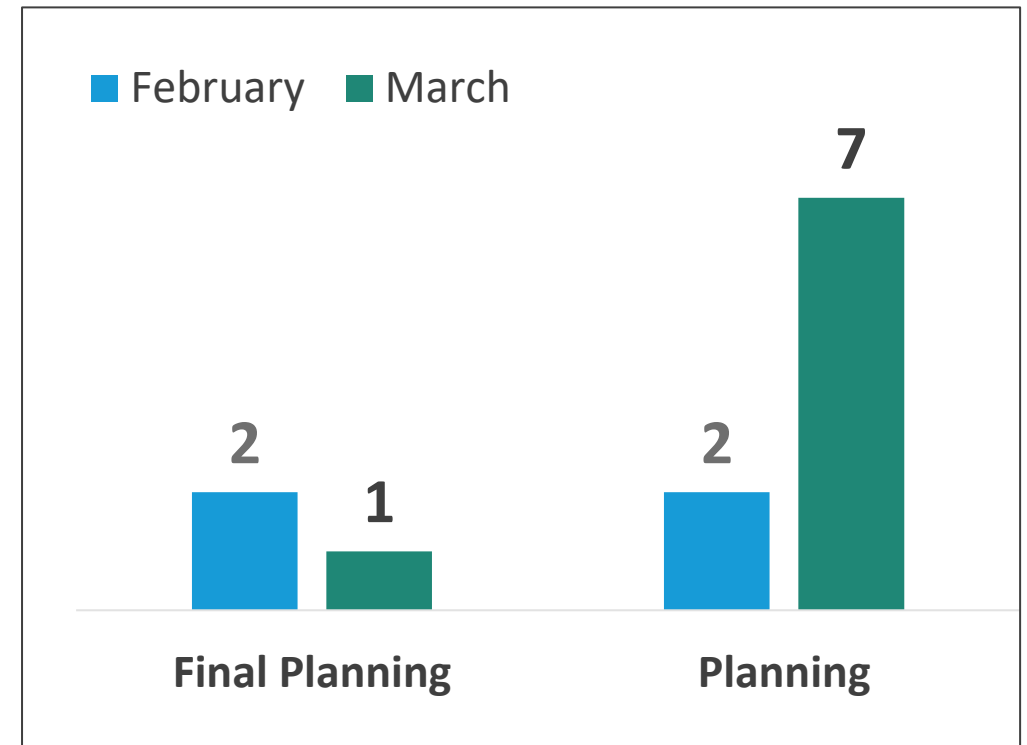
U.S. Pipeline, Move to Deferred & Abandoned from Prior Phase



Projects Move To Deferred from ....

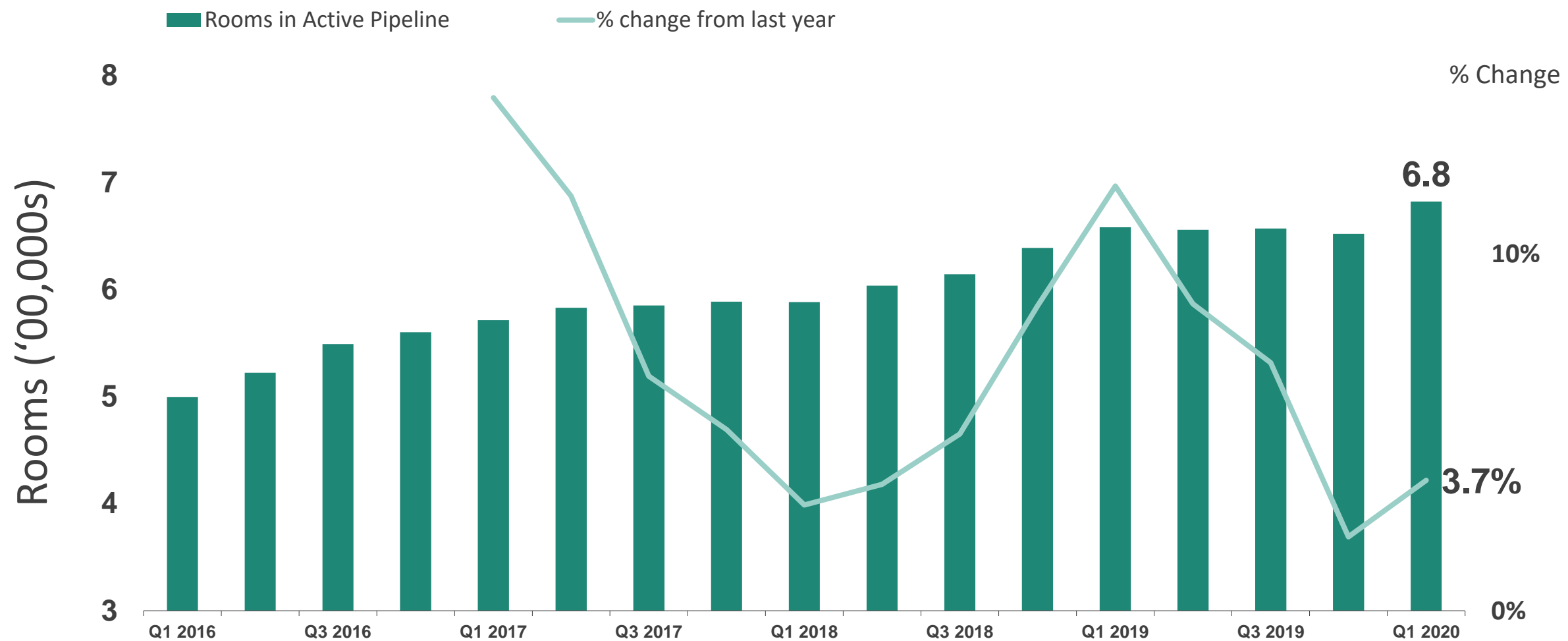


Projects Move To Abandoned from ....



# Under Contract Room Count Is Growing Slowly

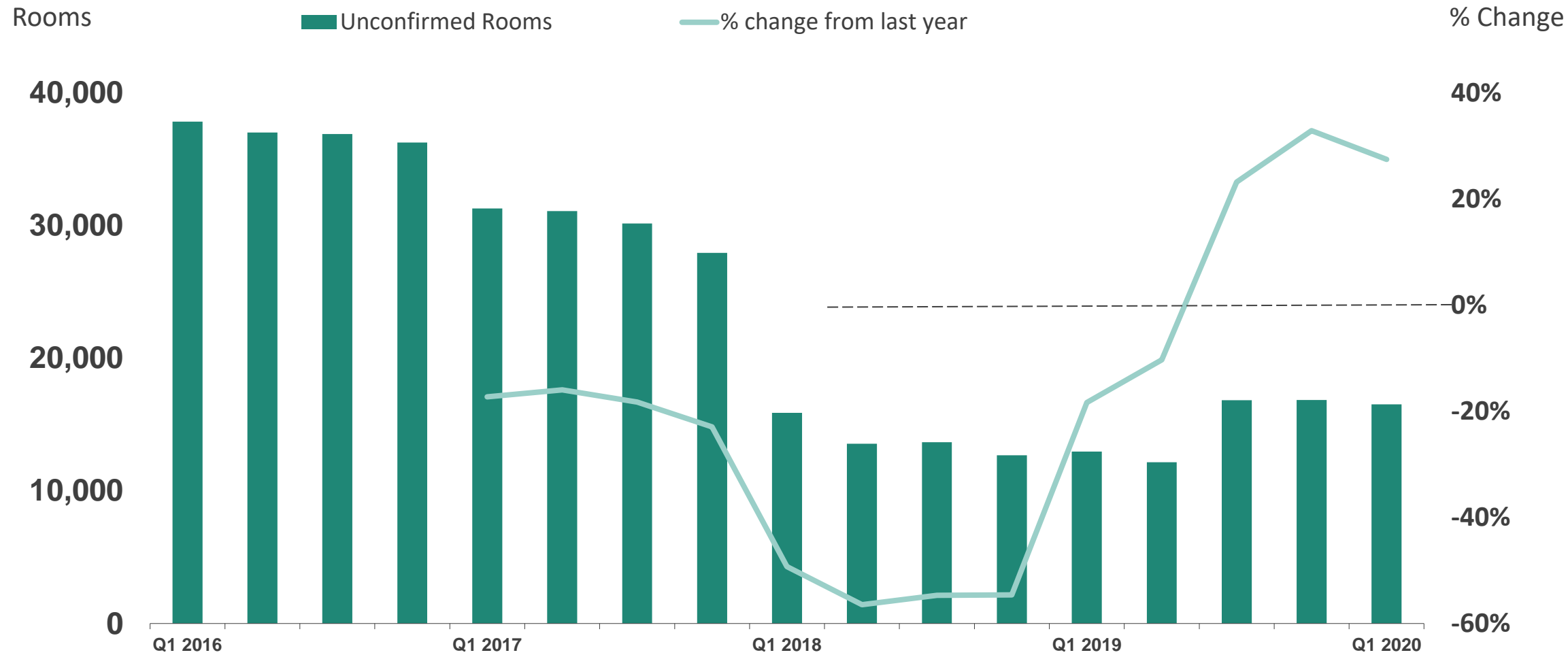
by Quarter, Q1 2016 – Q1 2020





# Unconfirmed Pipeline Increases (Off A Small Base)

By Quarter, Q1 2016 – Q1 2020



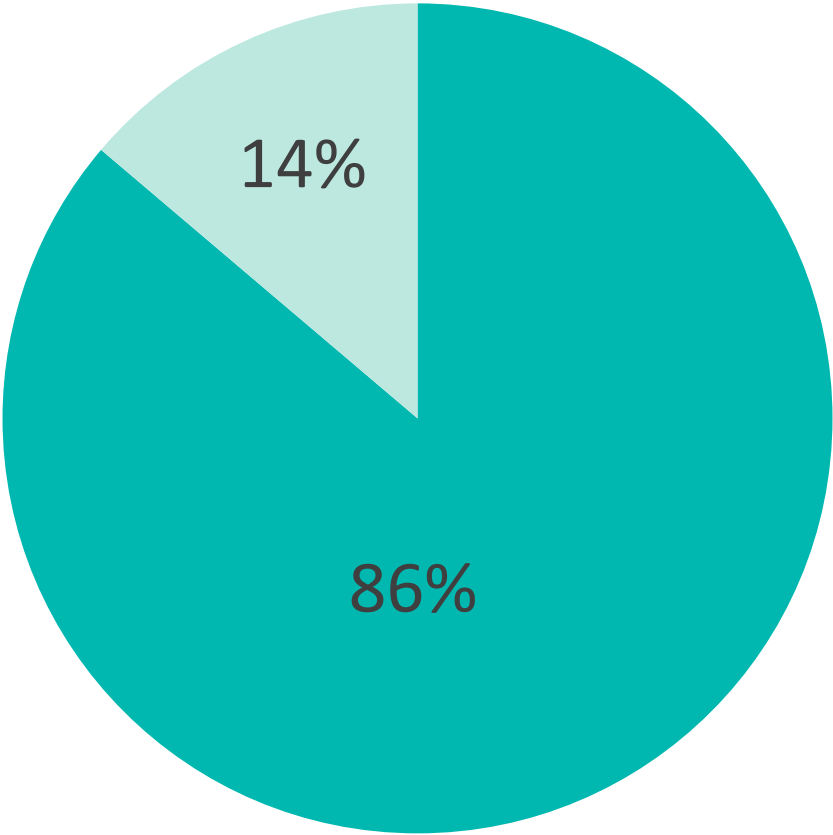
# Active Pipeline: “Big 6” Dominate

Q1 2020



■ IHG, Choice, Hilton, Hyatt,  
Marriott, Wyndham

■ All Other

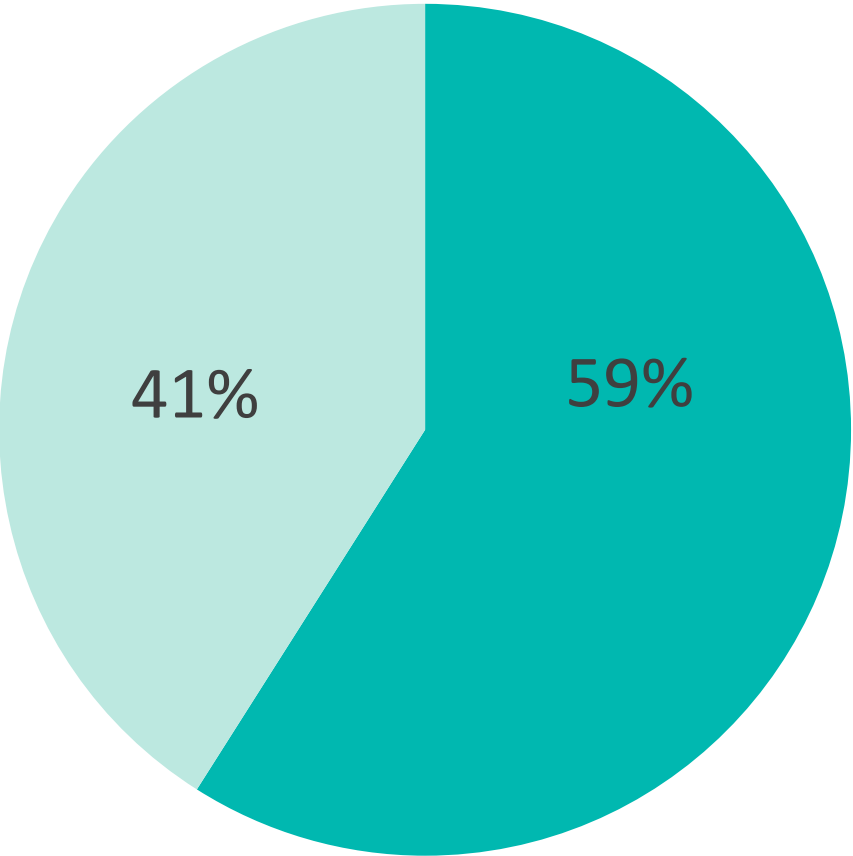


# Active Pipeline: Clear Shift to The “Big 6”



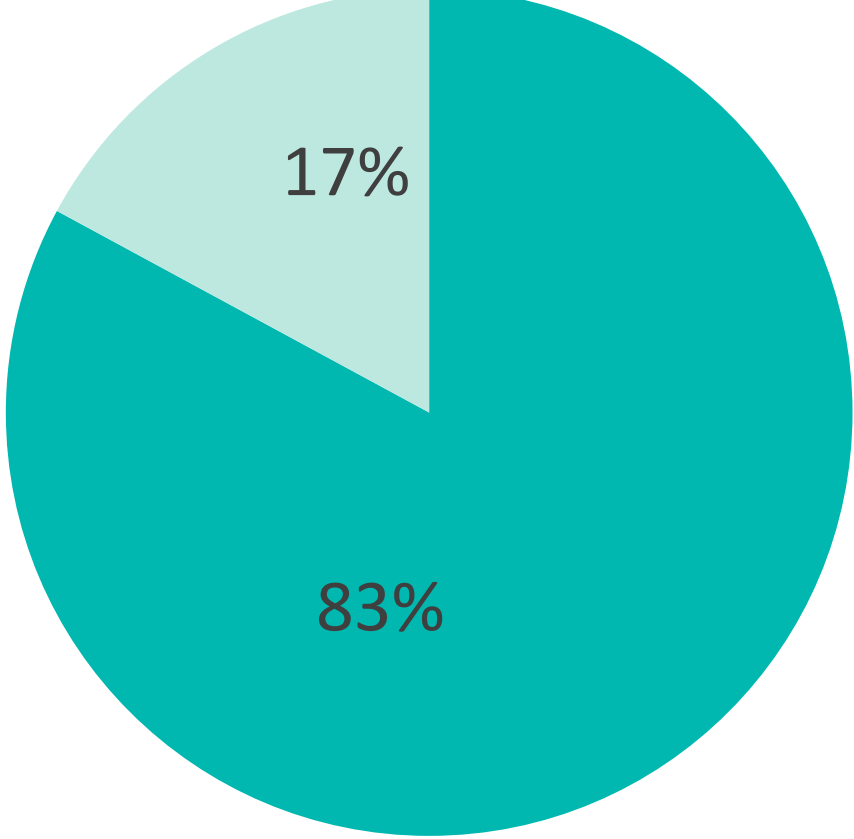
2010

■ IHG, Choice, Hilton, Hyatt, Marriott, Starwood, Wyndham   ■ All Other



2019

■ IHG, Choice, Hilton, Hyatt, Marriott, Wyndham   ■ All Other



# Large Markets Grow Rapidly

Largest % In Top 26 Markets, March 2020

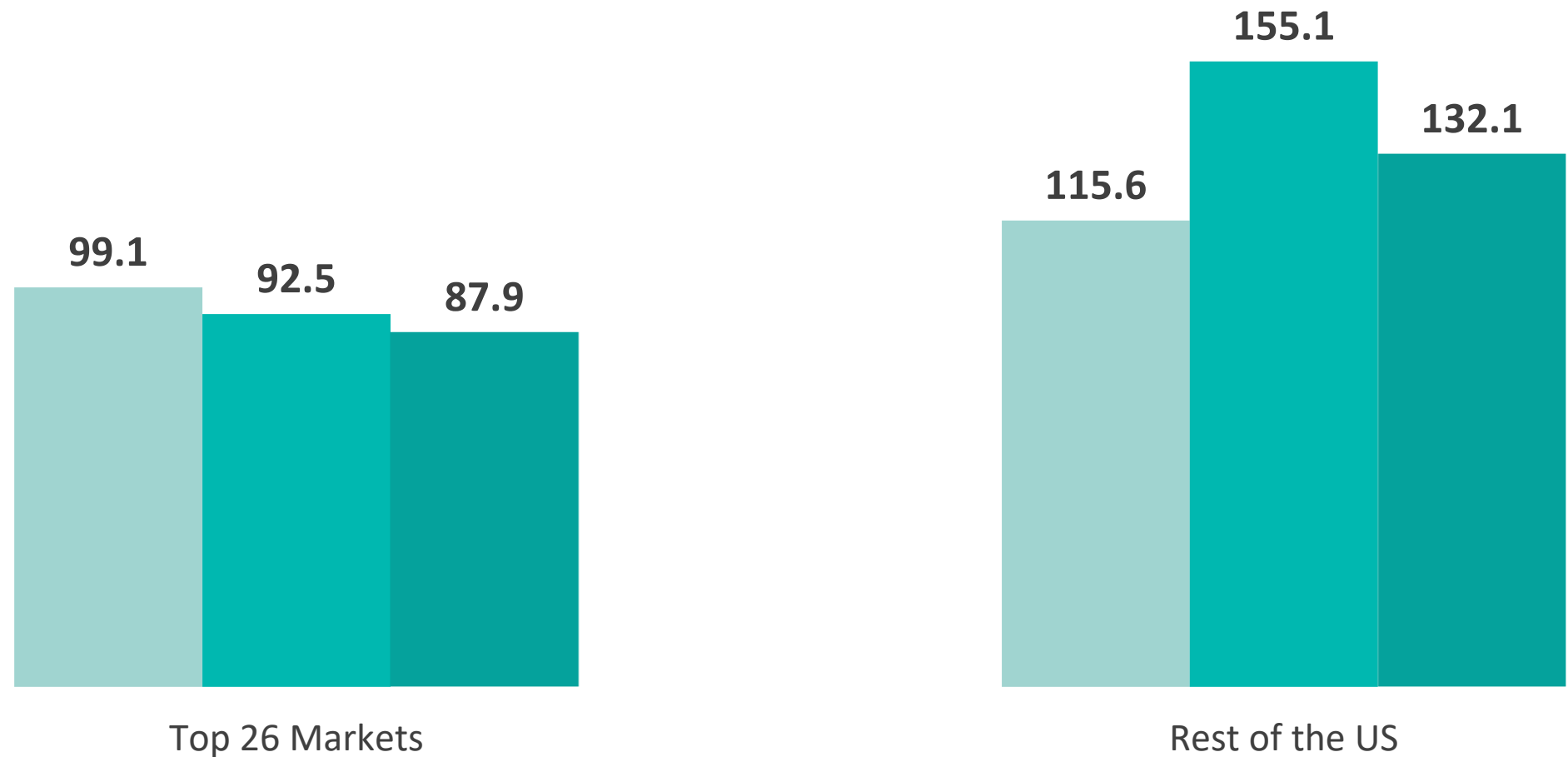


Market	Rooms In Construction	% Of Existing
Nashville, TN	5,878	12%
New York, NY	14,051	11%
Orlando, FL	8,737	7%
Miami/Hialeah, FL	3,897	7%
Boston, MA	3,802	6%
Los Angeles/Long Beach, CA	6,640	6%
Tampa/St Petersburg, FL	3,045	6%
Dallas, TX	5,751	6%
Detroit, MI	2,732	6%
Anaheim/Santa Ana, CA	3,211	6%

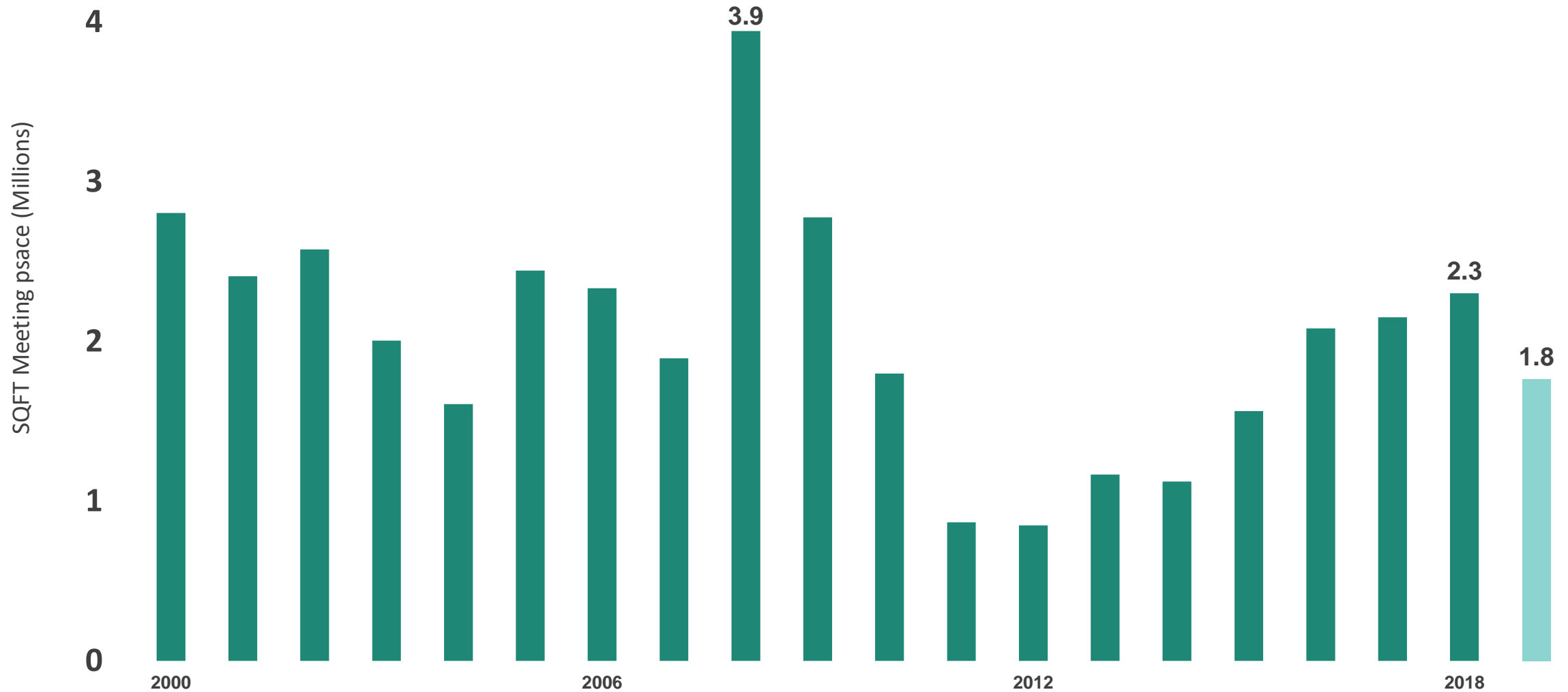
# Top 26 Markets Have 46% Of I/C Rooms Rooms ('000s), March 2020



■ In Construction   ■ Final Planning   ■ Planning



# More Select Service = Less Hotel Meeting Space



# Closed Rooms: Fewer Hotels Close

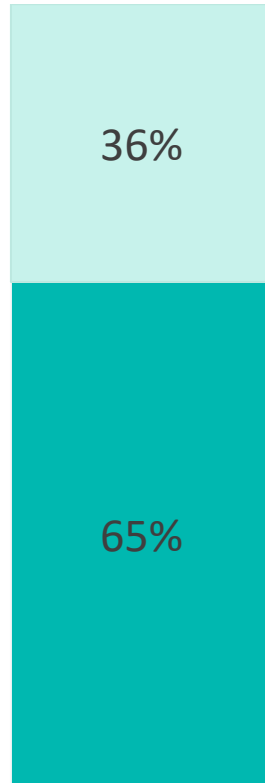


# US Attrition Rates

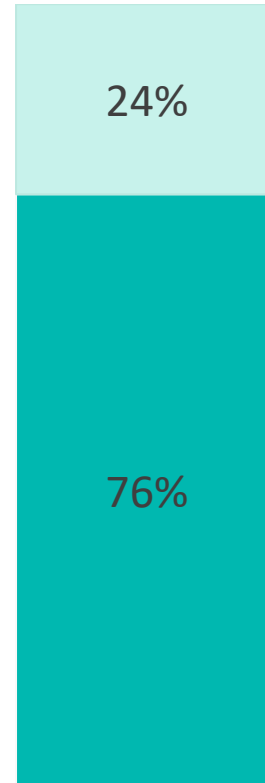
Long Term Average (2013 – 2016)



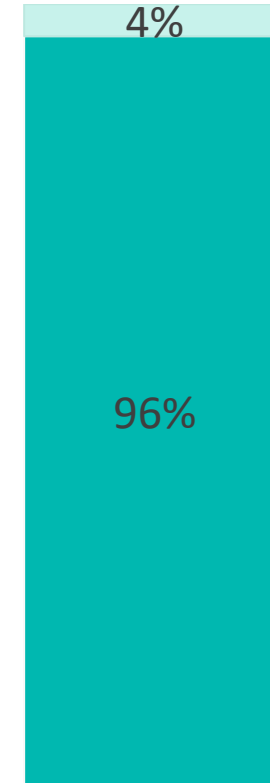
■ Opened    ■ Abandoned



Planning



Final Planning

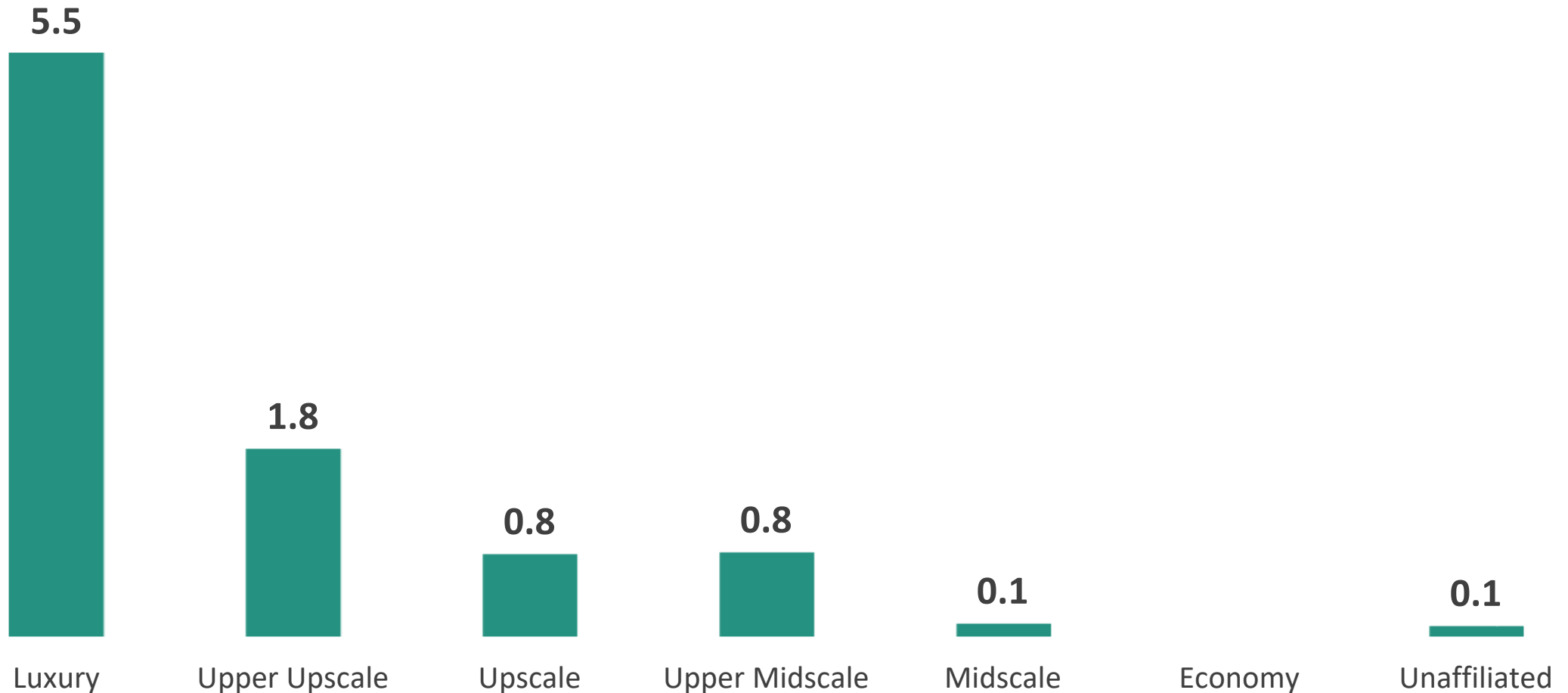


In Construction



# Las Vegas: A Whole Other Animal

I/C Rooms, '000s Rooms, by Scale, March 2020

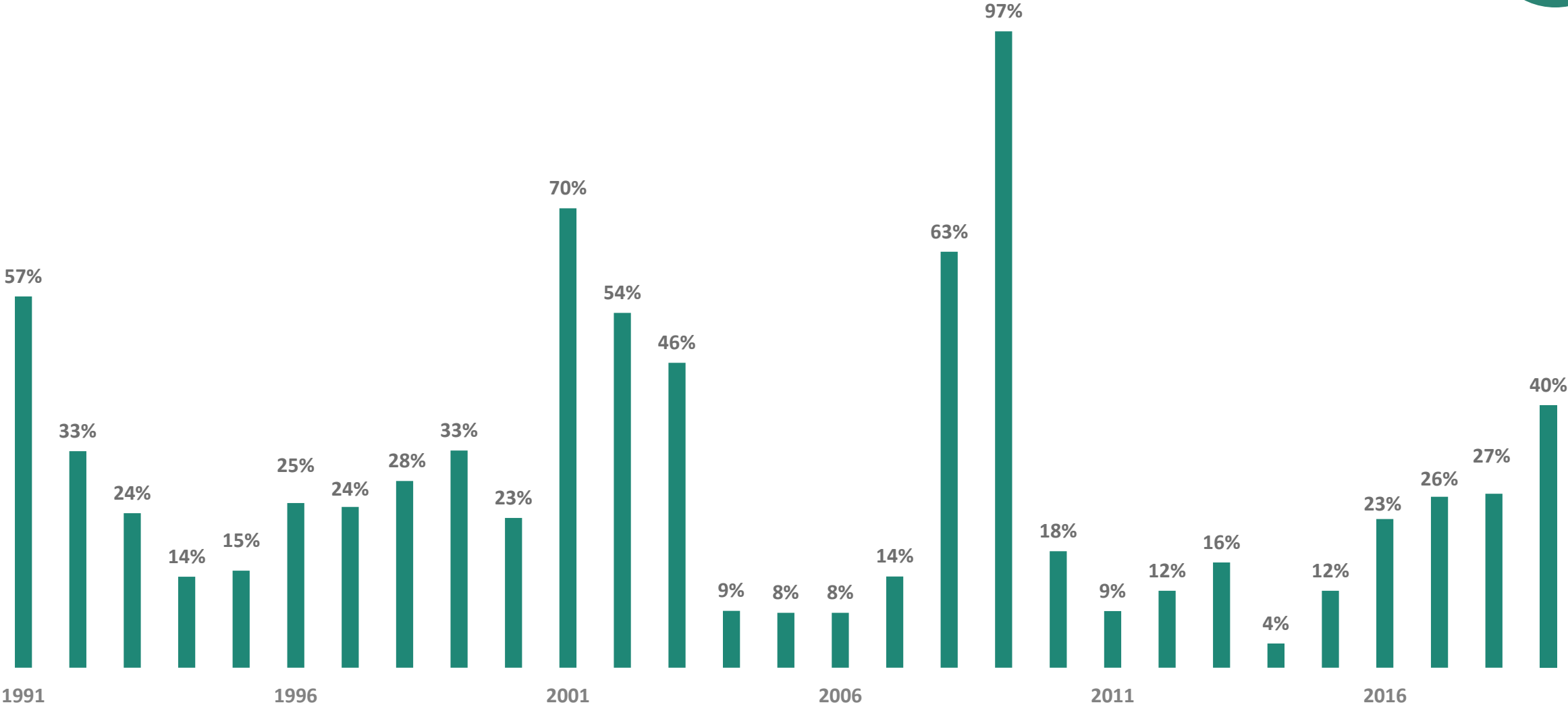




# The Canary In The Coalmine

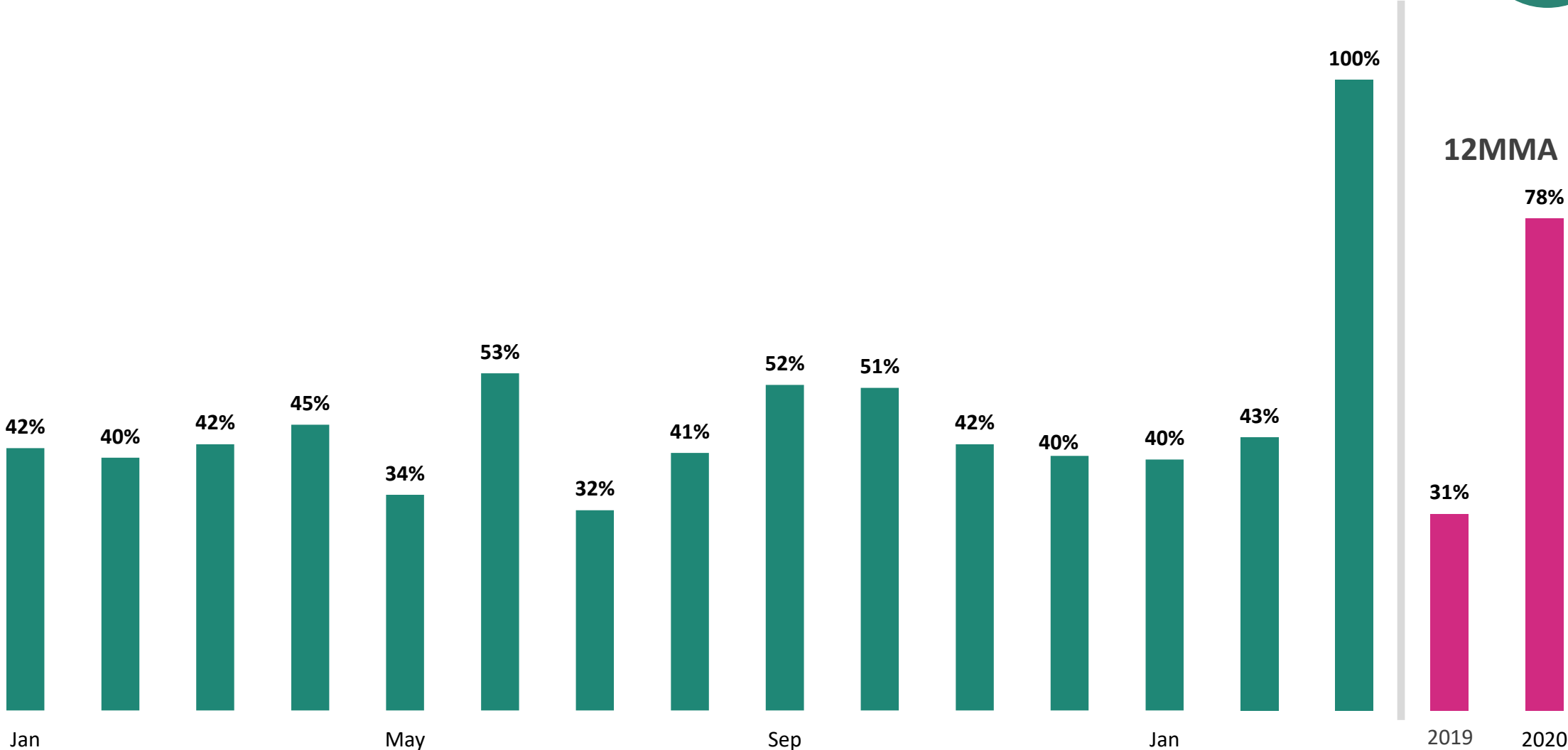
# More Submarkets Show RevPAR Declines

Percentage of all 649 Submarkets, by Year



# All Submarkets Show RevPAR Declines

Percentage of all 645 Submarkets, by Month, 2019 - 2020

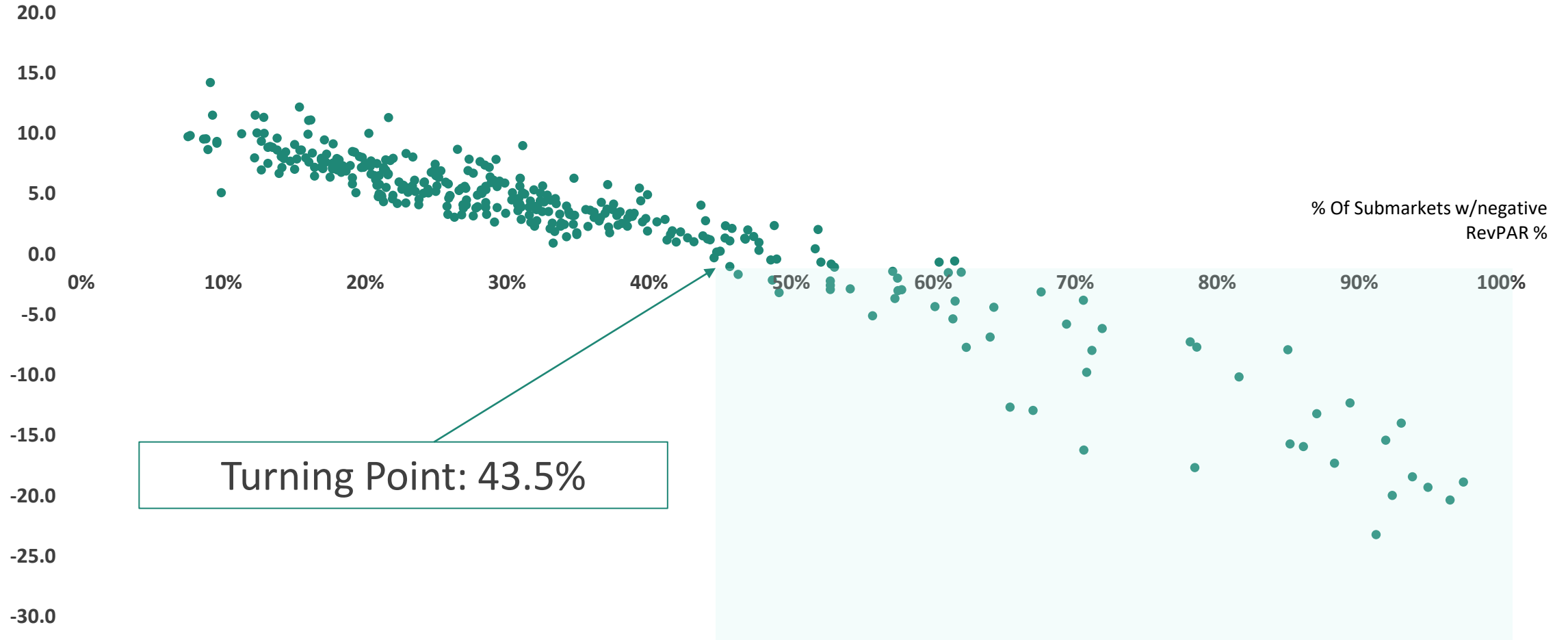


# Turning Point For US Data: 43.5%

Percent of all 639 Submarkets, by month, Jan 1989 – Apr 2017



RevPAR % Change



\*Submarkets with Negative RevPAR % Change out of all 639 Submarkets, by month Jan 1989 – Apr 2017

Source: STR. 2020 © CoStar Realty Information, Inc.

# Look Back At US RevPAR Declines

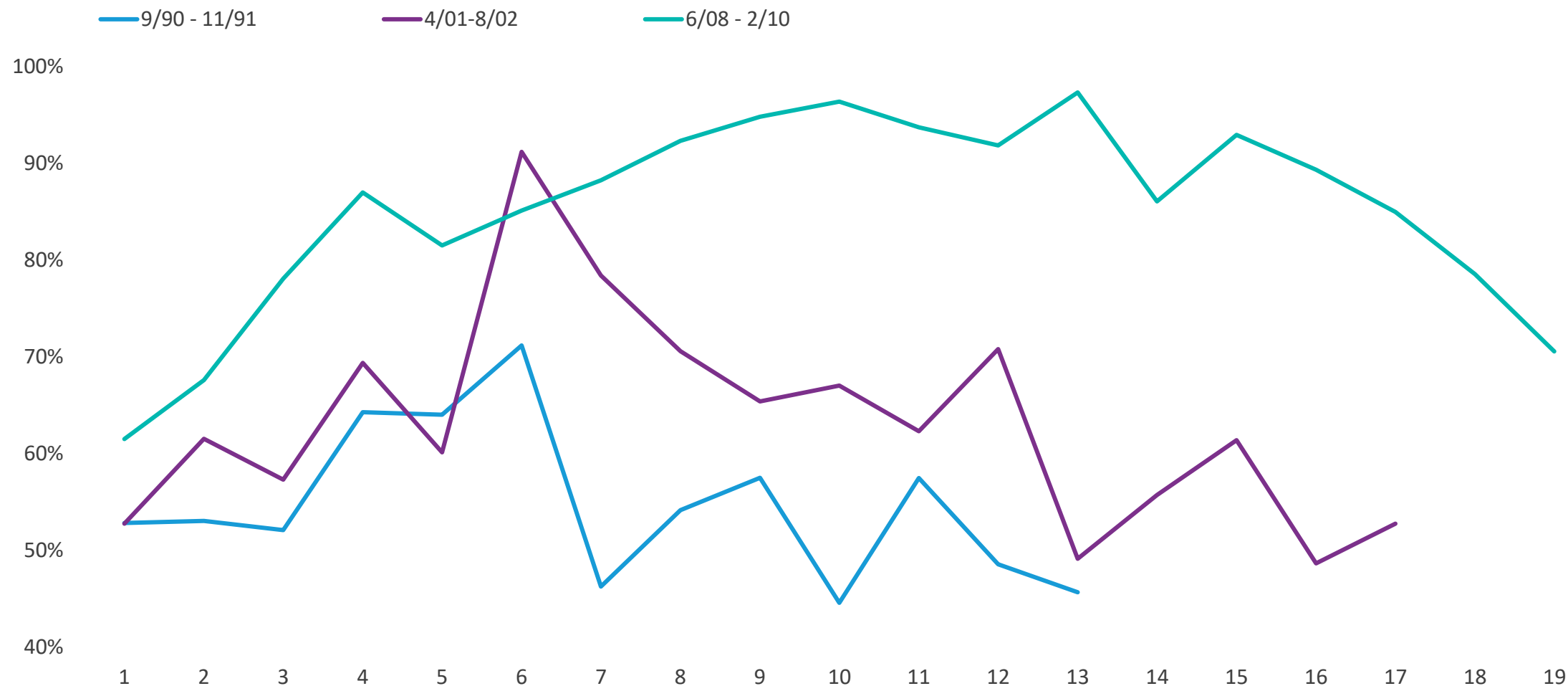
Change of 639 Submarkets



Month	% of Tracts with negative RevPAR % Change	US RevPAR
8/1/1990	37%	2.2
9/1/1990	53%	-0.8
3/1/2001	43%	1.4
4/1/2001	53%	-2.2
1/1/2003	47%	2.0
2/1/2003	53%	-2.6
5/1/2008	48%	1.0
6/1/2008	62%	-1.5

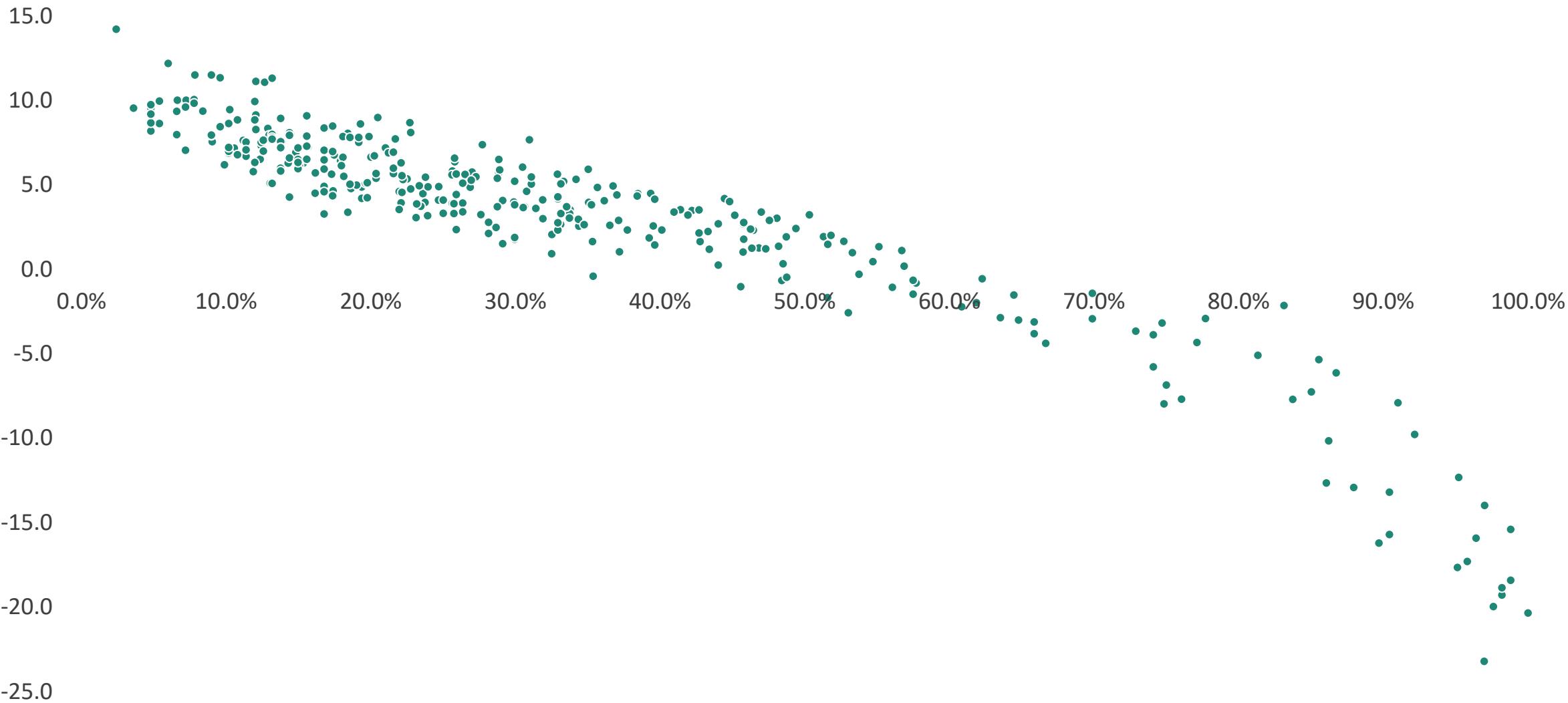
# Look Back: % of Tracts with Negative RevPAR %

by month, by downturn



# Turning Point For Top 25 Data: 45%

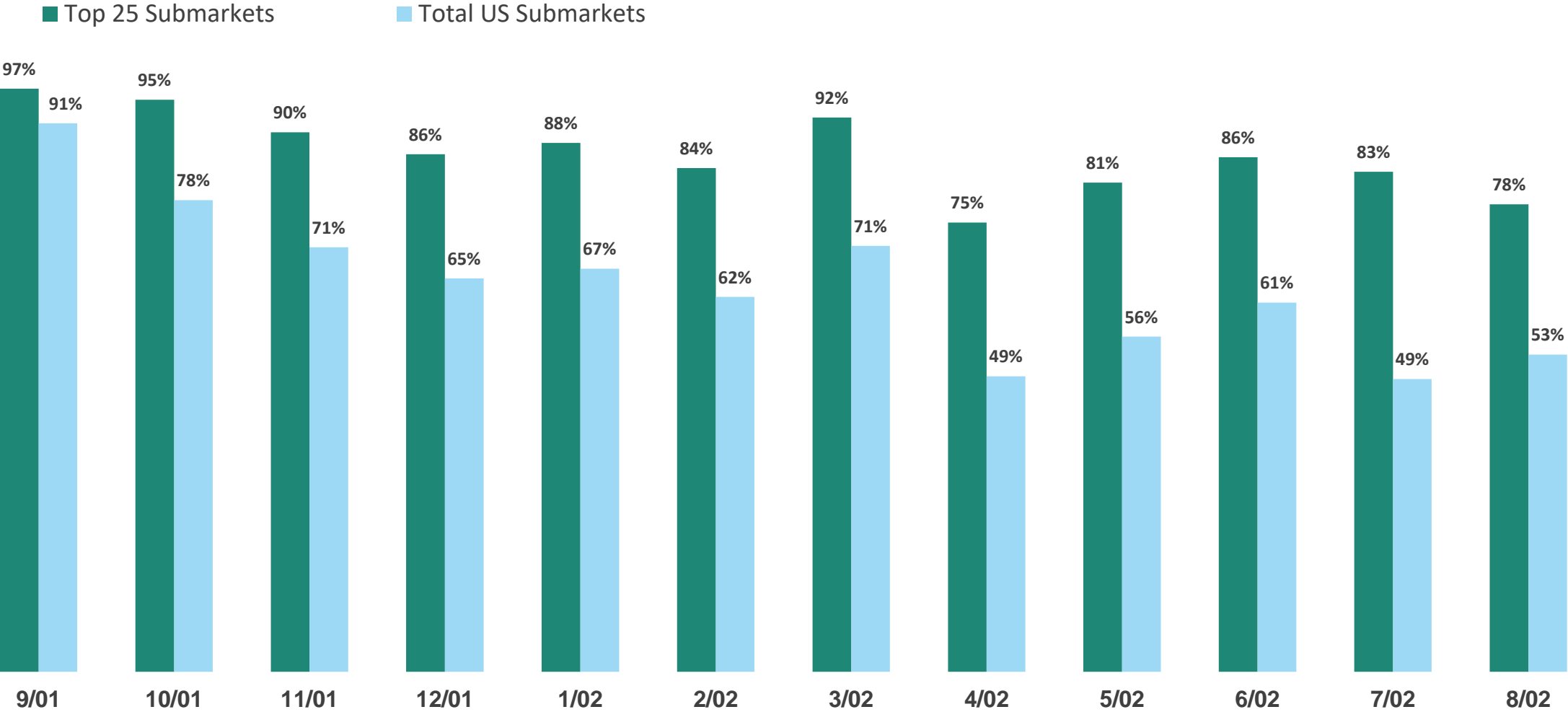
by month, Jan 1989 – Apr 2017





# Top 25 : Submarkets Hit Harder After 9/11

by Month 9/01 – 8/02





# US Compression Night Analysis

## 3 trends in hotel compression nights



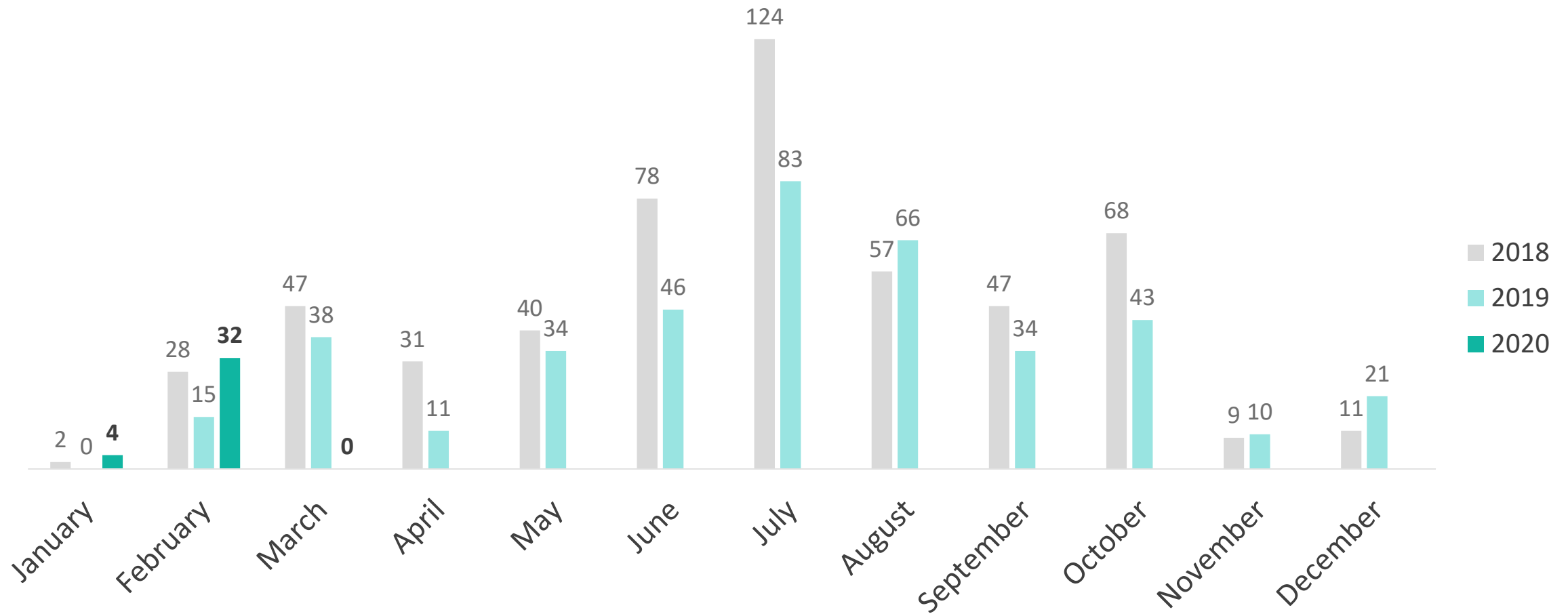
Source: 2020 STR, LLC / STR Global, Ltd., CoStar Group companies, trading as "STR".

Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR is strictly prohibited. Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR. The information in the presentation should not be construed as investment, tax, accounting or legal advice. 2020 © CoStar Realty Information, Inc.



# Number of Compression Nights

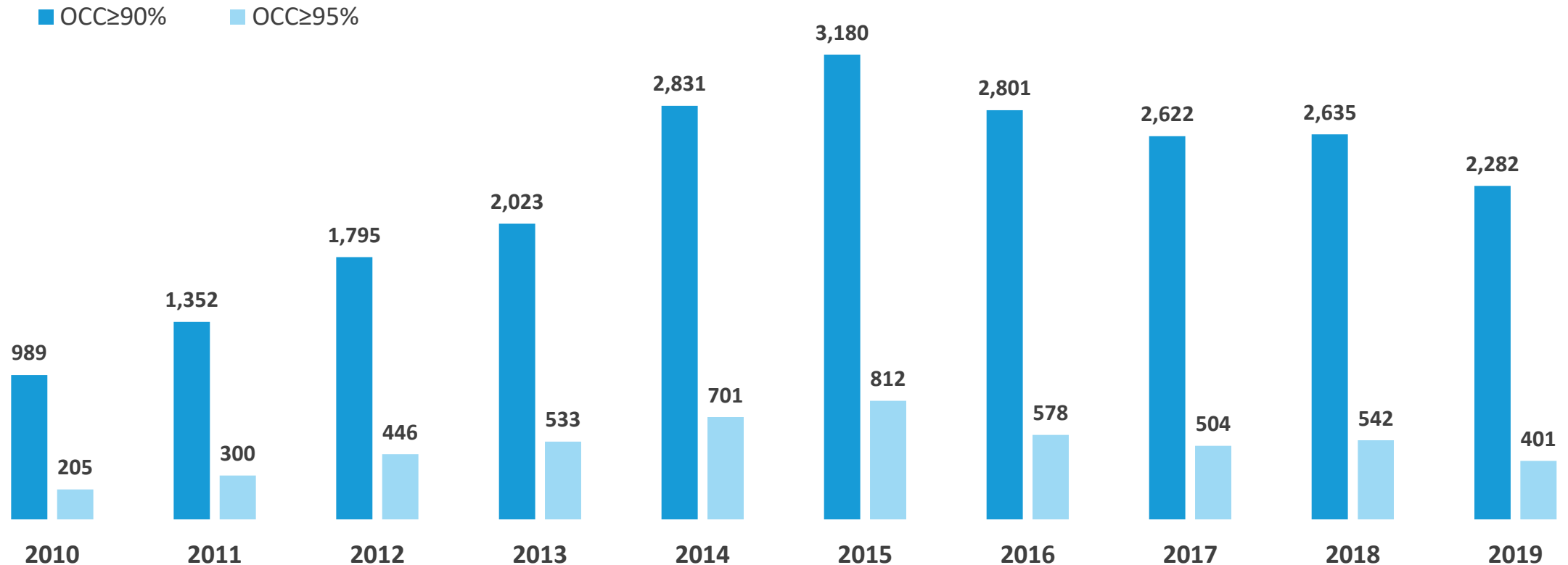
# March 2020: 0 Compression night



\*Note: Compression Nights Occupancy  $\geq$  95%

# US Compression Nights dropping for hotels

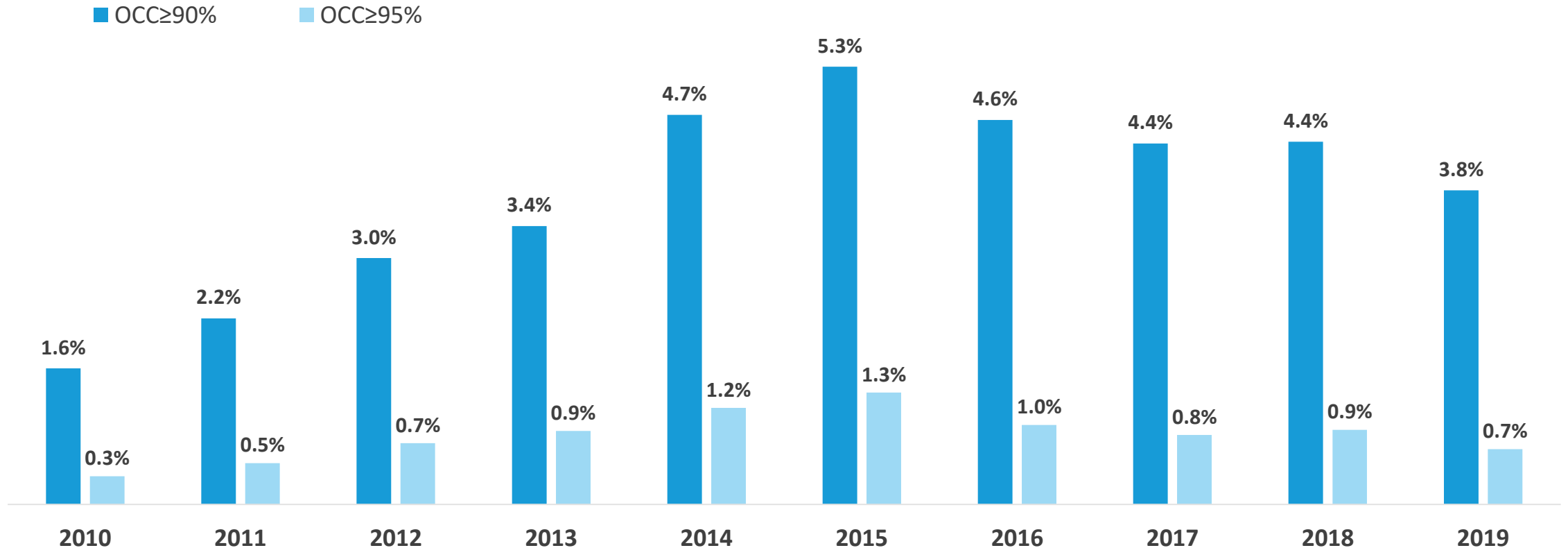
Number of Compression Nights in the US, 2010-2019



Note. Full year values for 2010–2019 for 165 U.S. markets combined.

# US Compression Nights dropping for hotels

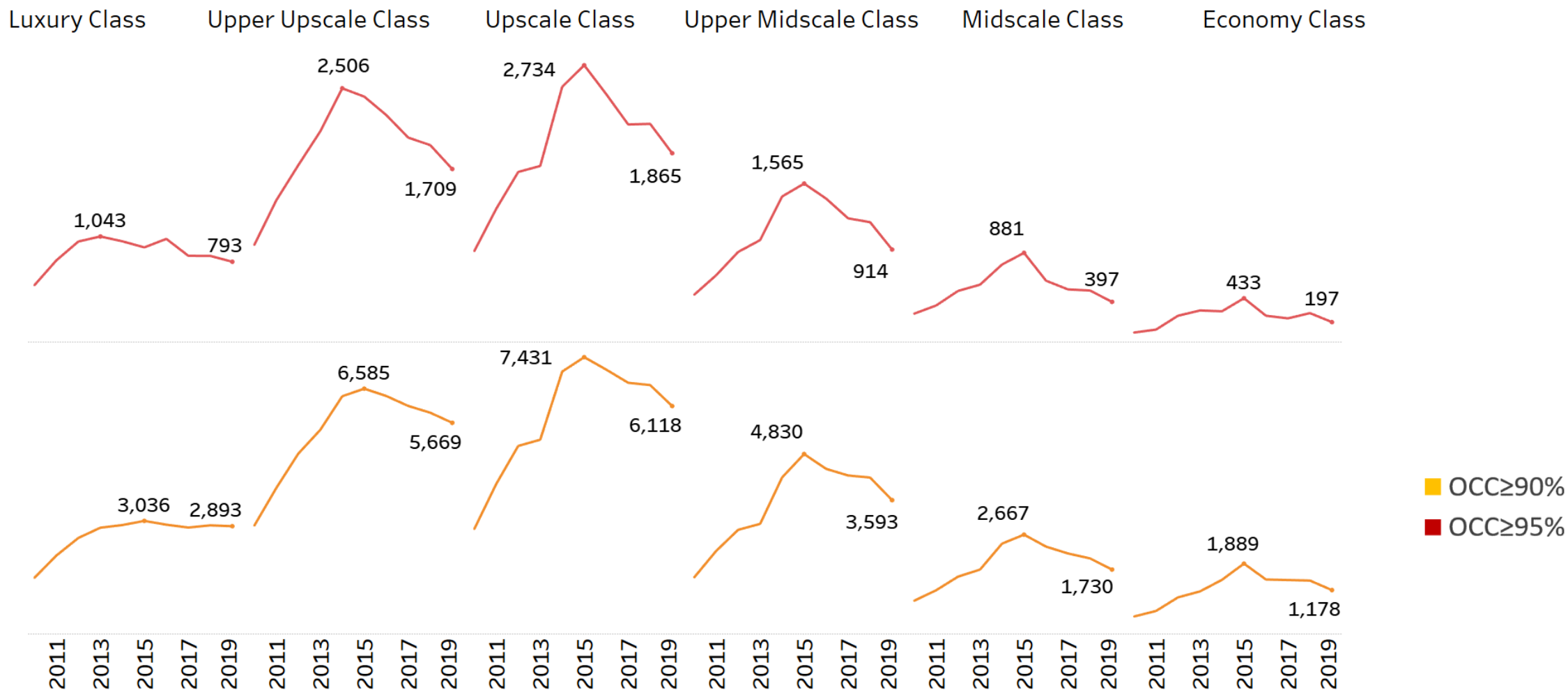
Percentage of Compression Nights in the US, 2010-2019



Note. Full year values for 2010–2019 for 165 U.S. markets combined

# Compression nights are becoming more rare in all six hotel classes

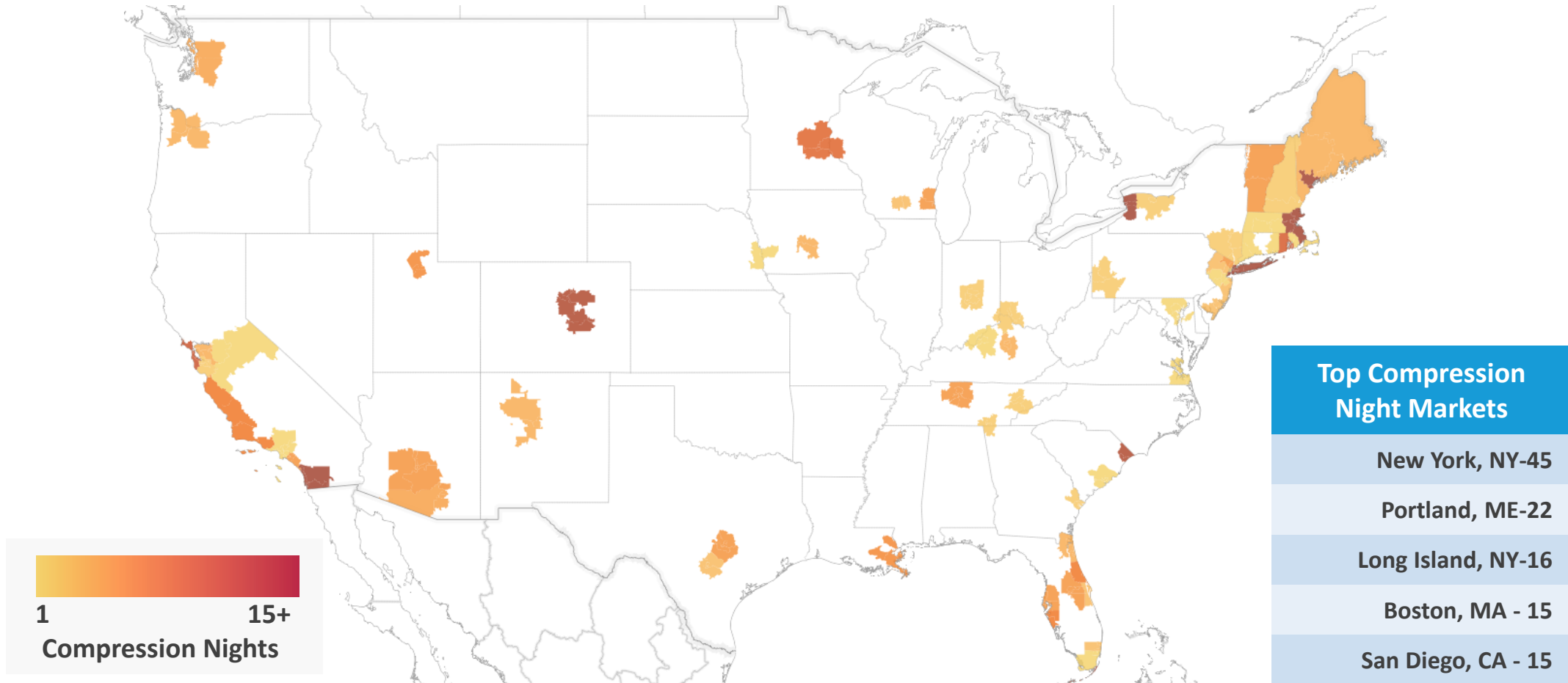
Number of Compression Nights by Hotel Class, 2010-2019



Note. Full year values for 2010–2019 for 165 U.S. markets combined; 2 data labels represent maximum and most recent value. Source: STR 2020 © CoStar Realty Information, Inc.

# Top 5 markets for compression nights appear to be a mix of urban and leisure

Market Nights with 95%+ Occupancy



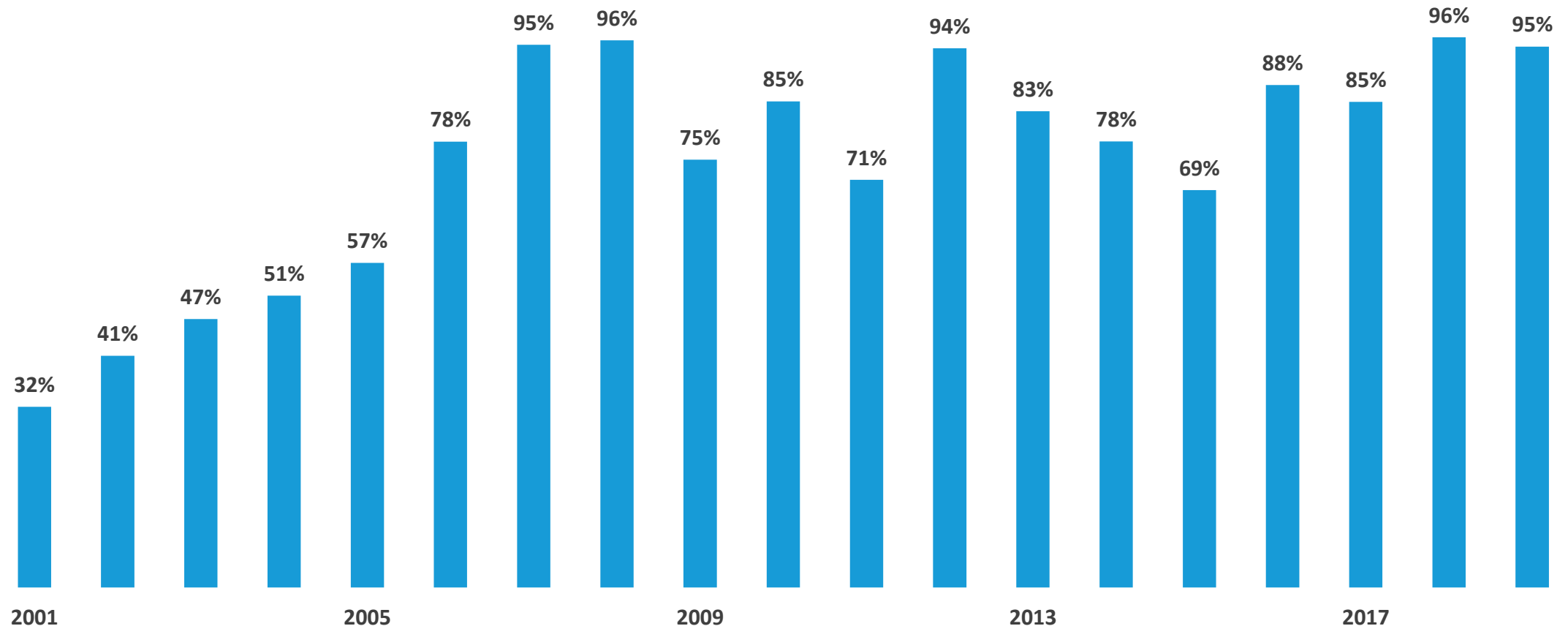




# ADR Premium on Compression Nights

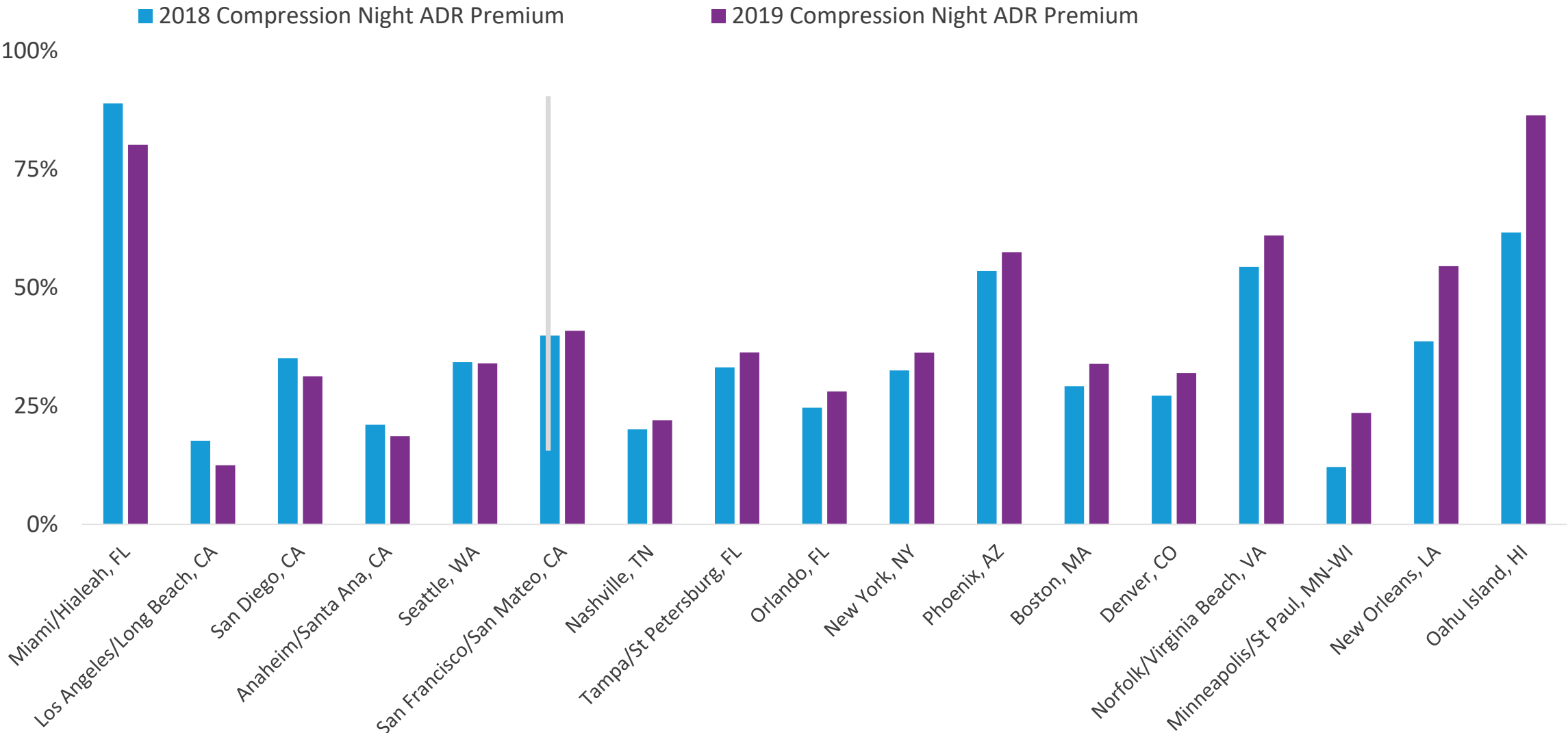
# Pricing premiums remain robust

ADR premium over non-compression nights ( $\geq 95\%$  Occ)



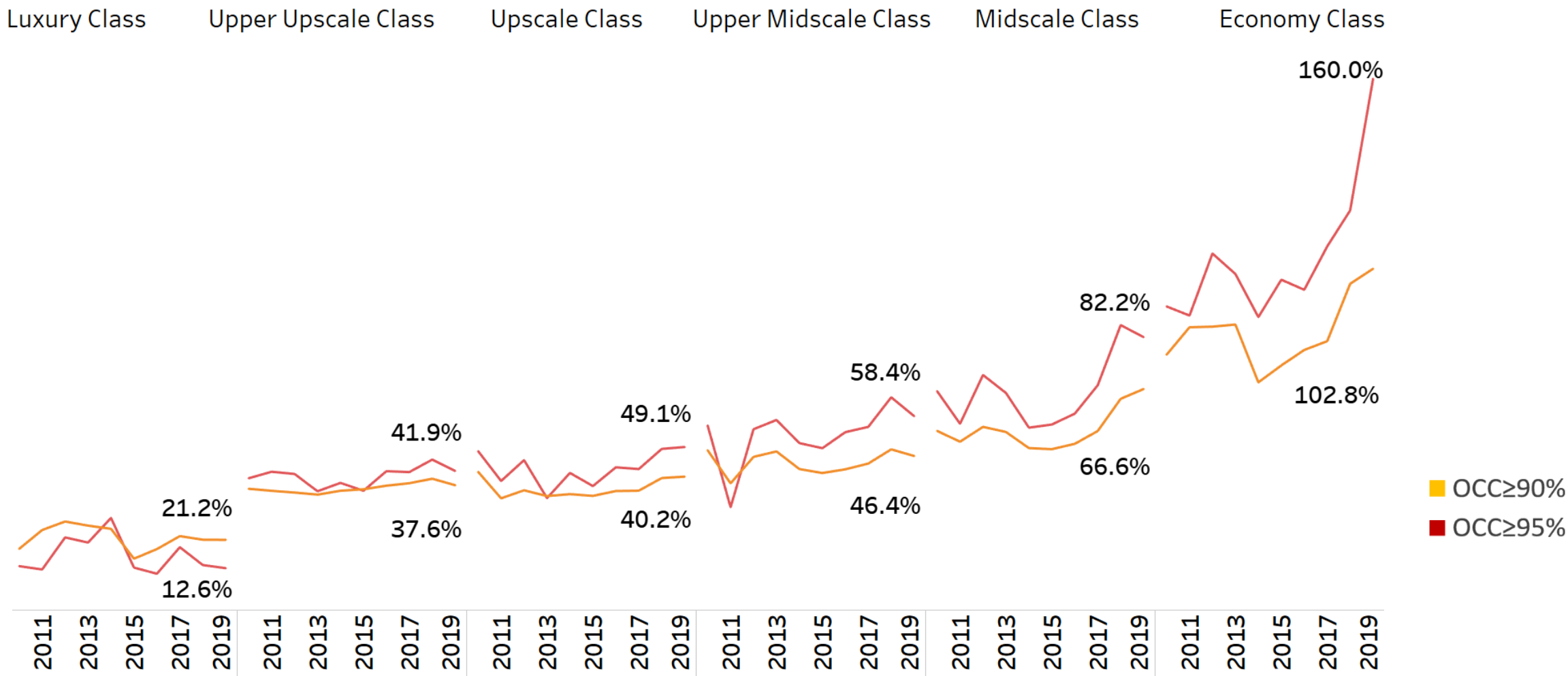
# But: In some markets premiums are declining

Average ADR premium over non-compression nights, compression  $\geq$  95% Occupancy



# Pricing premiums on compression nights are higher than ever

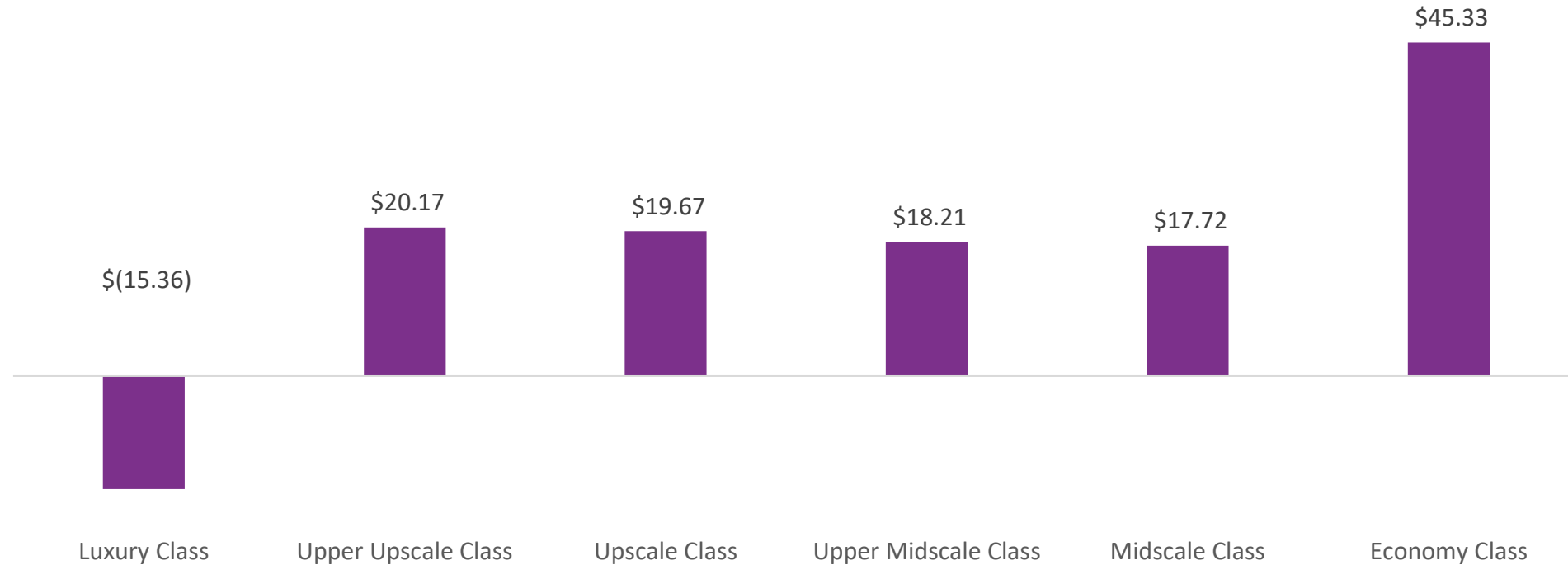
ADR Premium on Compression Nights by Class, 2010-2019





# An unusual pricing behavior in the luxury class on compression nights

The Premium between ADR on 95% OCC Nights and on 90% OCC Nights



*Note.* Full year values of 2019 for 165 U.S. markets combined.

# Forecast



# Forecast as of March 30

Key Performance Indicator Outlook (% Change vs. Prior Year)

U.S. Outlook		
Metric	2020 Forecast	2021 Forecast
Supply	-14.9	+15.6
Demand	-51.2	+81.8
Occupancy	-42.6	+57.3
ADR	-13.9	+3.7
RevPAR	-50.6	+63.1

# Forecast as of March 30

## Key Performance Indicator Outlook (Absolute Values)

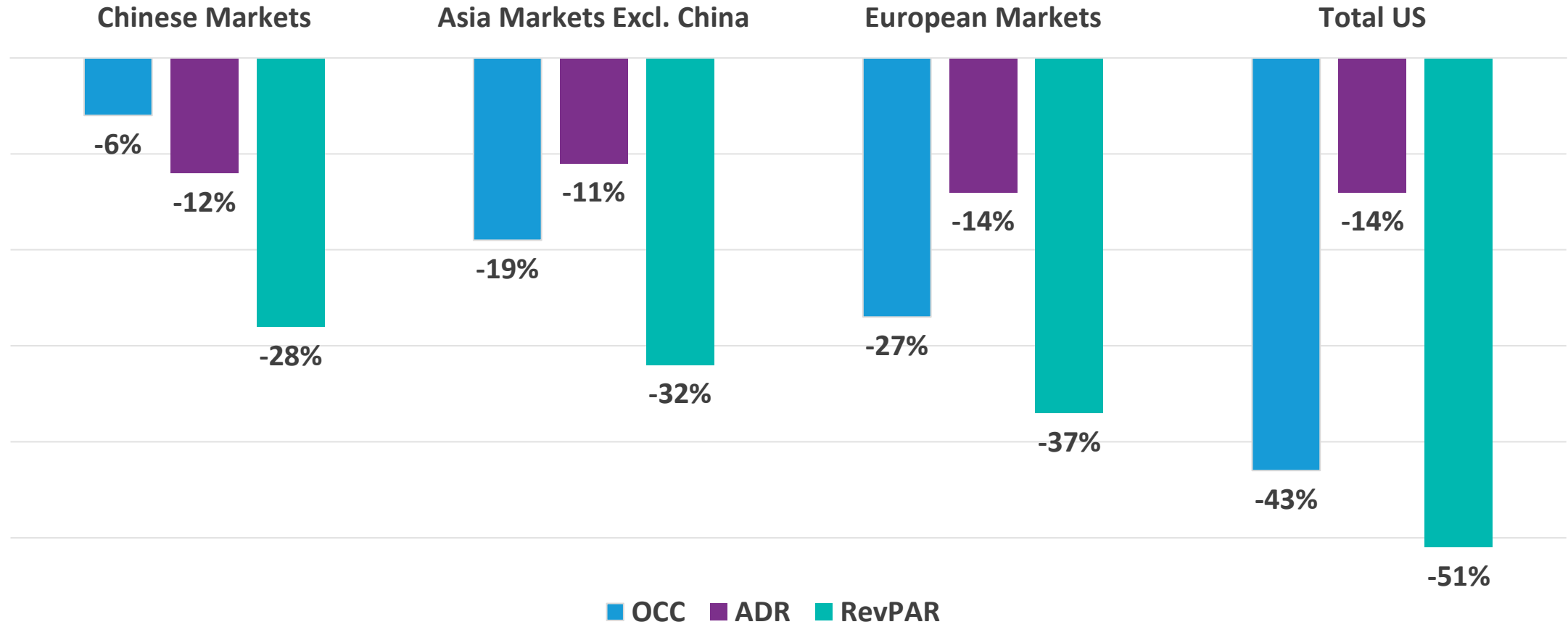
		<i>U.S. Outlook</i>		<b>For Comparison</b>
<b>Year</b>	<b>2019</b>	<i>2020 Forecast</i>	<i>2021 Forecast</i>	<b>2013</b>
<b>Occupancy</b>	66.1%	37.9%	59.7%	62.3%
<b>ADR</b>	\$131	\$113	\$117	\$110
<b>RevPAR</b>	\$87	\$43	\$70	\$68





# 2020 Forecast by region

Average 2020 RevPAR % Chg, March 2020





# Odds and Ends ...



CoStar Group™

# The world's largest hotel performance sample



Data from  
**180** countries



**68,000**  
Hotels



**9.1** million  
Rooms

# Consulting & Analytics



## Custom Forecasting

- 5 yr. and 18-months Forecasts
- 5 yr. and 18-months Forecasts



## Custom Analysis

- Custom templates and analyses
- Corporate dashboards
- Radial searches
- Hotel Performance Mapping



## Consulting

- Market evaluation for development
- Ramp up analysis
- Renovation analysis
- Comp Set Analysis & Grading



## HOST

- Segmentation
- STAR Rooms data
- F&B STAR data
- Additional Revenue

# FREE STAR Report for Non-Participating Hotels

Want to see this data for your hotel and market? Sign up below:



<https://surveys.str.com/s3/Hotel-Enrollment-Form>

*\*Please note, even if the hotel is closed, we will still be sending out reports.\**



Please direct any inquiries to:



Stephanie Siegel  
Business Development Associate  
+1 (615) 348-2295 ext. 3007  
[SSiegel@str.com](mailto:SSiegel@str.com)  
[LinkedIn](#)



HOTEL DATA  
CONFERENCE  
Hosted by STR and Hotel News Now

Source: 2020 STR, LLC / STR Global, Ltd. trading as "STR". © CoStar Realty Information, Inc.  
Any reprint, use or republication of all or a part of this presentation without the prior written approval of STR is strictly prohibited.  
Any such reproduction shall specifically credit STR as the source. This presentation is based on data collected by STR.  
The information in the presentation should not be construed as investment, tax, accounting or legal advice.