

TABLE OF CONTENTS

NATIONAL MARKET OVERVIEW

- 1. COVID-19 IMPACT
- 2. ECONOMIC OVERVIEW
- 3. KEY HOTEL FIGURES & FORECAST

MIAMI MARKET OVERVIEW

- 1. HISTORICAL FIGURES
- 2. COVID-19 IMPACT
- 3. FORECAST

SUBMARKET REVIEW

TAKEAWAYS + Q & A



SECOND WAVE INFECTION AND LOCAL SURGES - US

Daily new cases in 7-day moving averages

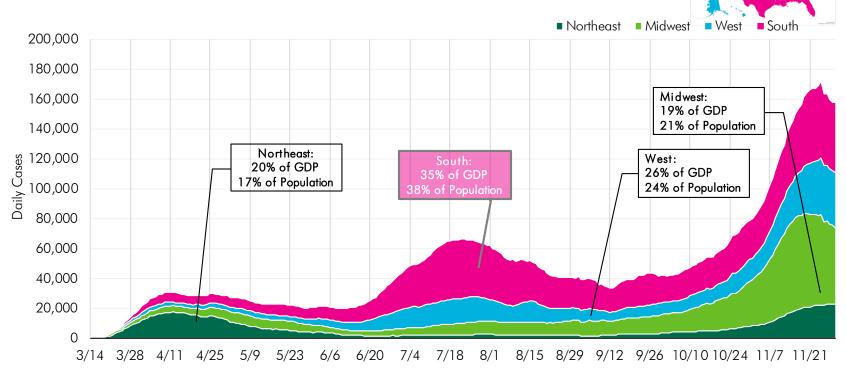


Source: CBRE Research, European Centre for Disease Prevention, COVID Tracking Project, Macrobond, 24 Nov 2020. Note: Number reported as a 7-day moving average.



U.S. CASES BROKEN DOWN BY REGION

Daily new increase in 7-day moving averages



Source: COVID Tracking Project, US Census, BEA, CBRE Research, Macrobond, 1 Dec 2020.

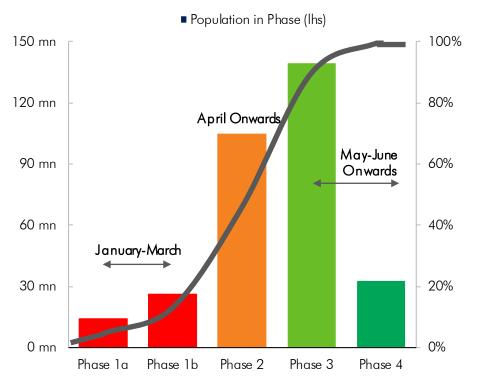
Note: Regions defined by US Census Bureau





MASS IMMUNIZATION BY H1 2020 IN THE UNITED STATES

U.S. National Association of Medicine Covid Vaccination Tiering System

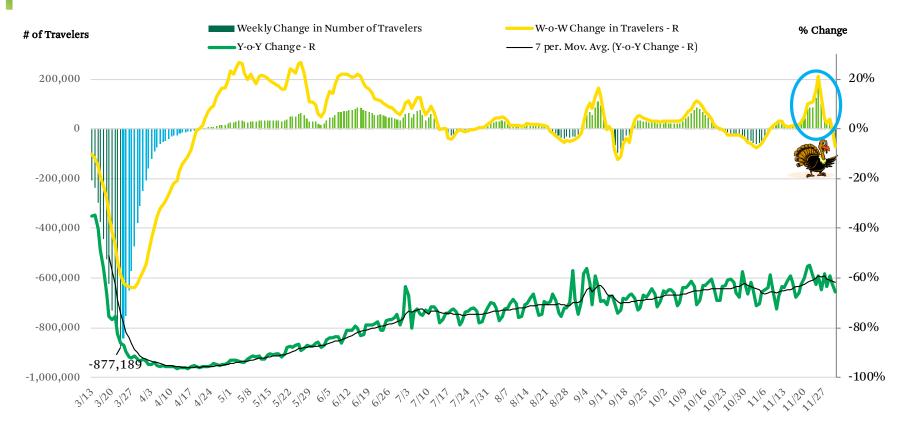


Source: National Association of Medicine, Goldman Sachs, 2020.

Phase 1 (<i>45 million</i>)	Phase 2 (105 million)					
Phase 1a - High Risk Health Workers (12.6mn) - First Responders (2.1mn)	- One Comorbid Condition (80mn) - Obesity (30mn) - Diabetes (10mn) - Remaining Over Age 65 (13.2mn) - K-12 Teachers (9.1mn) - Food Production/Cashiers					
Phase 1b - 2+ Comorbid Conditions (20mn) - Over Age 65 in Crowded Settings (6.8mn)	- Construction/Utilities - Transportation/Delivery - Incarcerated + Staff (2.7mn) - Homeless + Shelter Staff (1mn)					
Phase 3 (140 million)	Phase 4 (<i>33 million</i>)					
- Children (80mn) - Young Adults Ages 18-30 (46.5mn) - Workers in Important Industries (13mn) - University Staff - Factory Workers - Restaurant/Hotel Staff - Bank Tellers and Librarians - Barbers and Exercise Instructors	Remaining population of the US (33mn)					



TSA THROUGHPUT: THANKSGIVING SURGE







U.S. HOTEL OUTLOOK

WE EXPECT A RELATIVELY RAPID BOUNCE BACK IN THE US

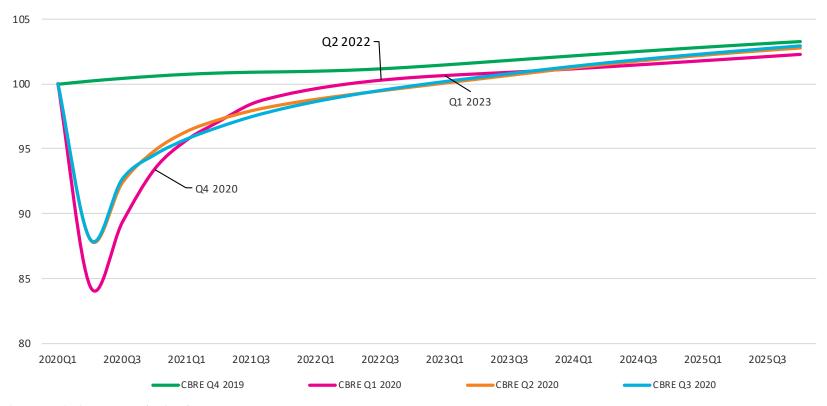
U.S. unemployment rate, 16 years old and above



Source: BLS, CBRE Research, Q3 2020.



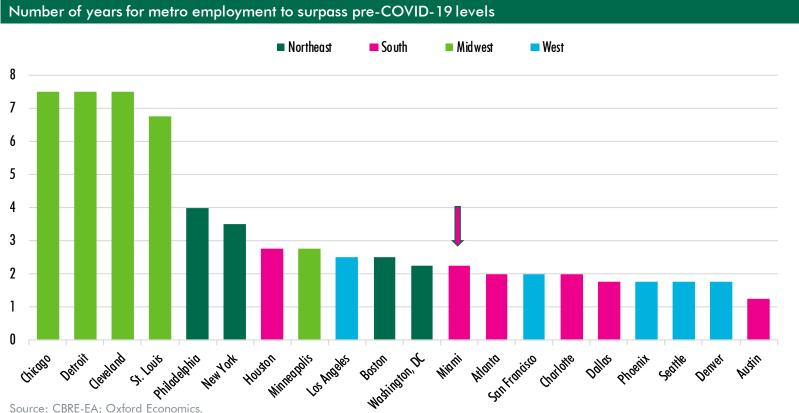
U.S. EMPLOYMENT FORECASTS



Source: BLS, CBRE Research, October 2020. Note: Employment Indexed to Pre-recession levels



SLOW GROWTH METROS WILL STRUGGLE TO FULLY RECOVER FROM COVID-19; MIAMI ABOUT 2 YEARS

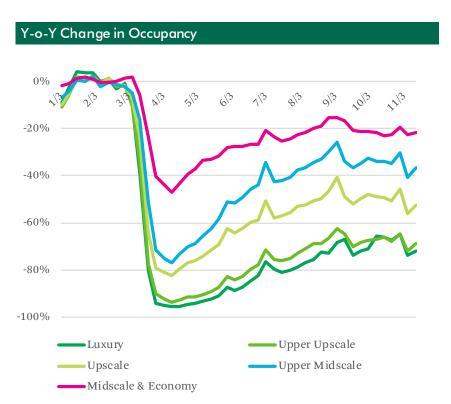


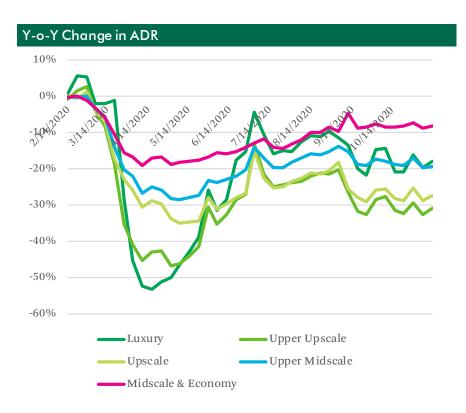


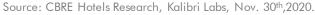




REBOUNDING OCC & ADR – IMPRESSIVE RECOVERY IN LUXURY





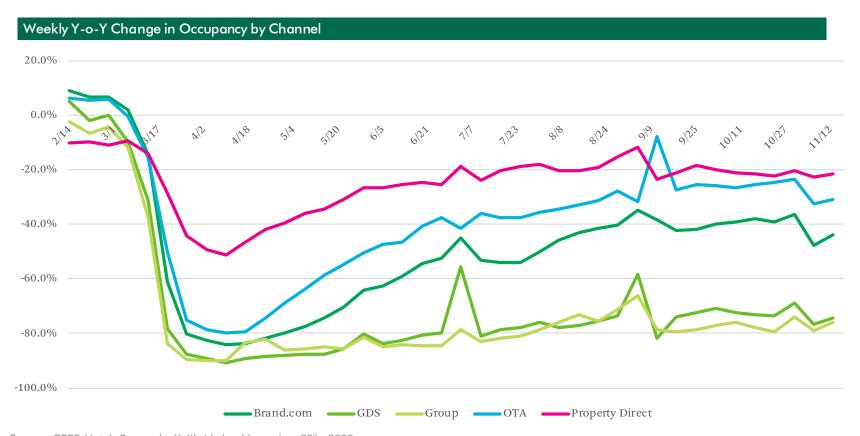


Note: Covers Kalibri Weekly Sample, not scaled to full U.S. Hotel Industry Representation





PROPERTY DIRECT & OTA DEMAND LEAD THE RECOVERY







GAP BETWEEN WEEKDAY & WEEKEND OCCUPANCY IS CLOSING AS LEISURE TRIPS EXTEND INTO THE FALL



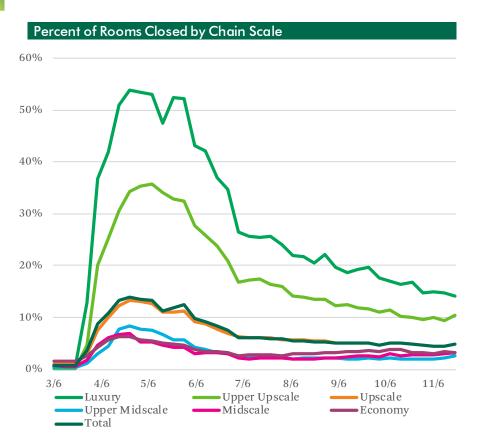
Source: CBRE Hotels Research, Kalibri Labs, November 30th, 2020.

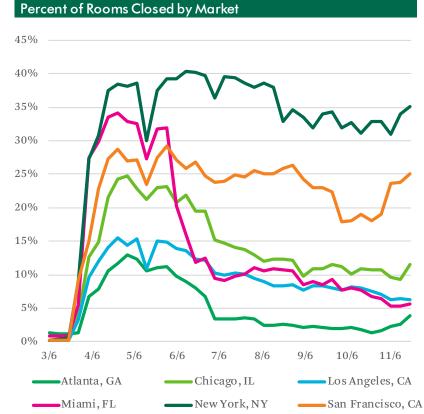
Note: Covers Kalibri Weekly Sample, not scaled to full U.S. Hotel Industry Representation





RATE OF OPENING STALLING...ESPECIALLY AT UPPER END

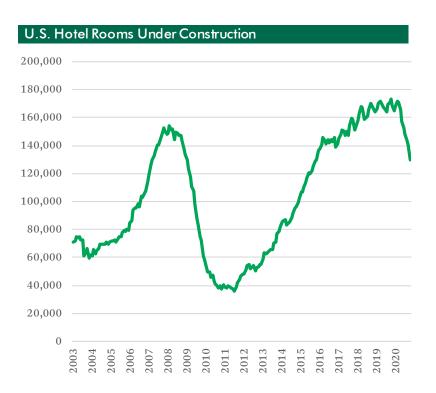


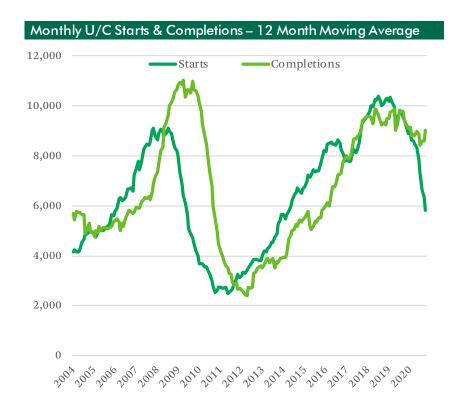


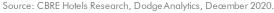




HOTEL ROOMS UNDER CONSTRUCTION DROP ON DECREASING STARTS

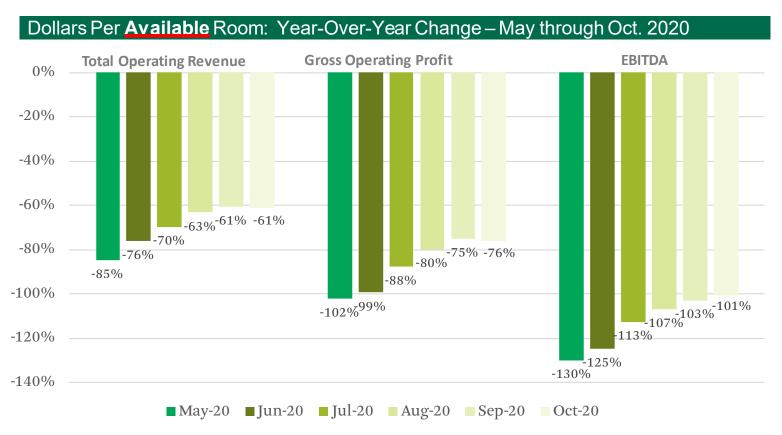








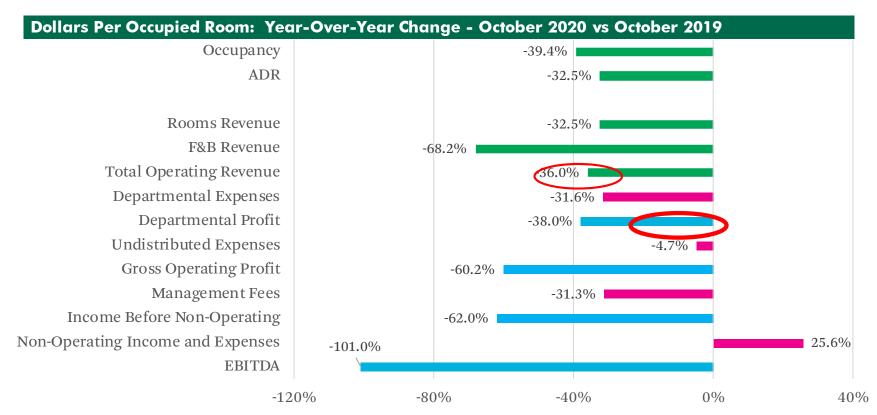
U.S. HOTELS OPERATING PERFORMANCE - ALL HOTELS







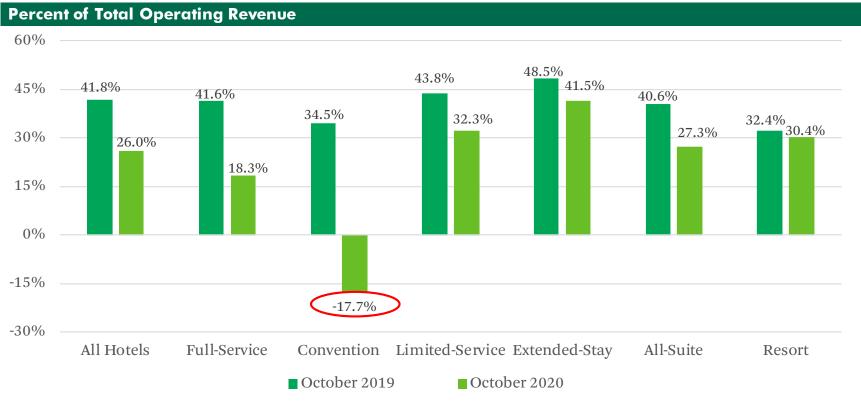
U.S. HOTELS OPERATING PERFORMANCE - ALL HOTELS







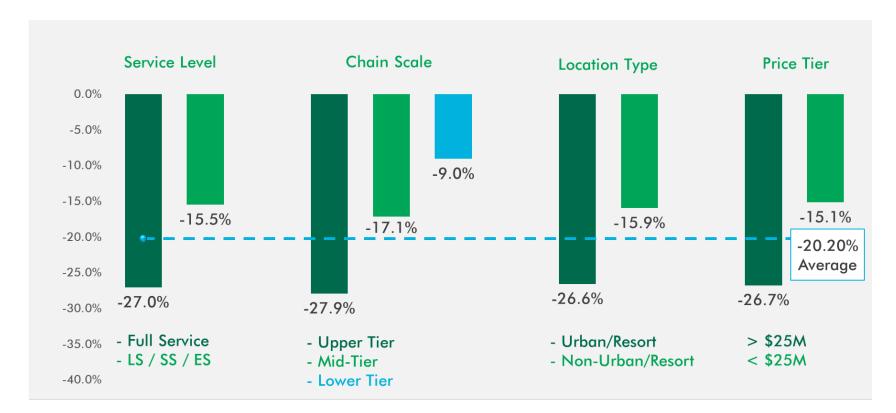
U.S. HOTEL GROSS OPERATING PROFIT MARGIN - BY PROPERTY TYPE







COVID-19 VALUE IMPAIRMENT DATA









FORECAST SCENARIO - CBRE HOTELS RESEARCH

Baseline Scenario

- Assumes vaccine for COVID-19 is ready for widespread distribution by late-2021.
- Assumes substantial fiscal and monetary stimulus, including support for important industries to help stabilize the economy.
- Forecasts significant gains in 2021 and 2022.
- Returns to nominal pre-COVID RevPAR by 2024.
- Forecasts prepared Oct 2020





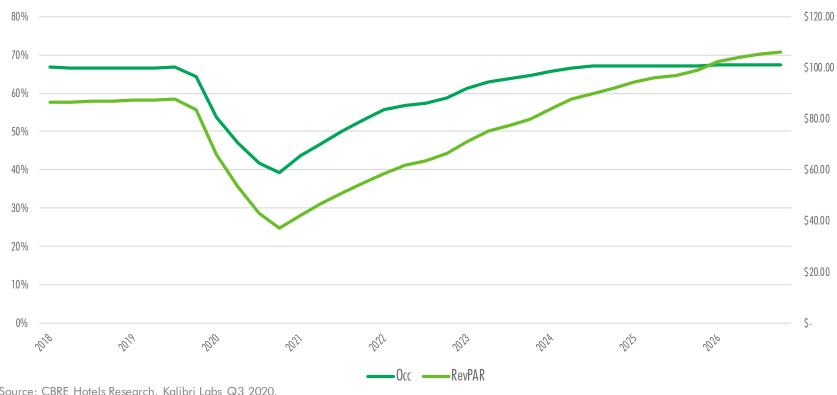
CBRE HOTELS - Q3 2020 BASELINE FORECAST

Year	Occ	∆Осс	ADR	Δ AD R	RevPAR	Δ RevPAR	RevPAR % of 2019
2018	67 %	-0.4%	\$ 130.53	2.2%	\$ 86.84	1.8%	
2019	67 %	0.4%	\$ 131.17	0.5%	\$ 87.65	0.9%	100%
2020	42%	-37.4%	\$ 102.94	-21.5%	\$ 43.06	-50.9%	49%
2021	50%	19.7%	\$ 101.65	-1.3%	\$ 50.89	18.2%	58%
2022	57 %	14.4%	\$ 111.06	9.3%	\$ 63.60	25.0%	73 %
2023	64 %	11.4%	\$ 121.35	9.3%	\$ 77.40	21.7%	88%
2024	67 %	5.3%	\$ 134.07	10.5%	\$ 90.01	16.3%	103%
2025	67%	-0.2%	\$ 144.99	8.1%	\$ 97.13	7.9%	111%



U.S. HOTEL OUTLOOK

US OCCUPANCY & REVPAR RECOVERY

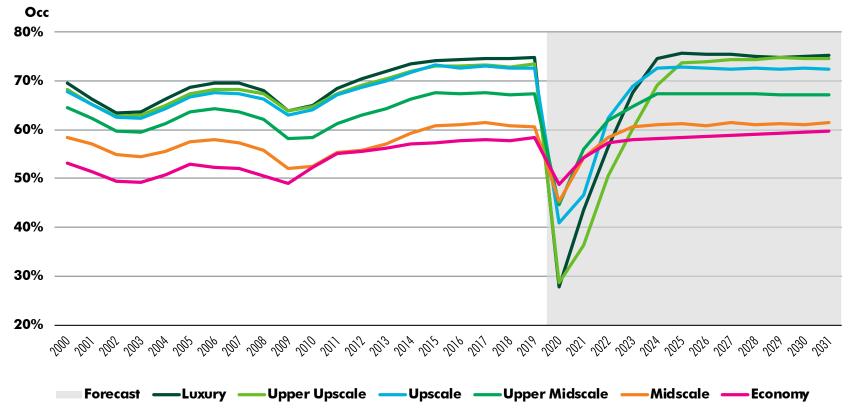






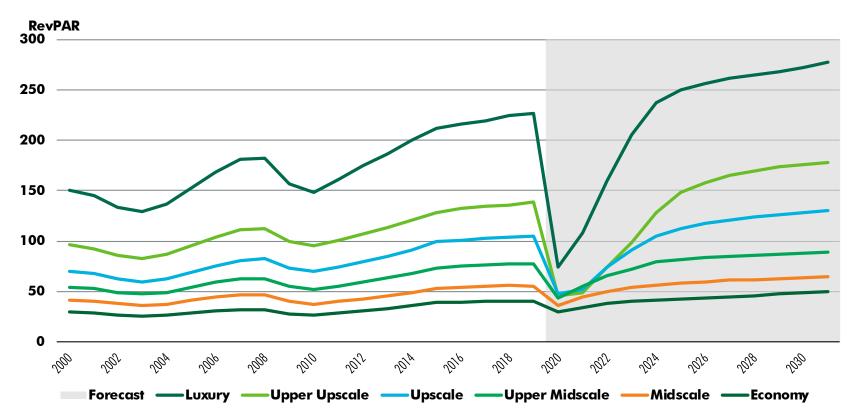


HORIZONS FORECAST Q3 OCCUPANCY BY CHAIN SCALE





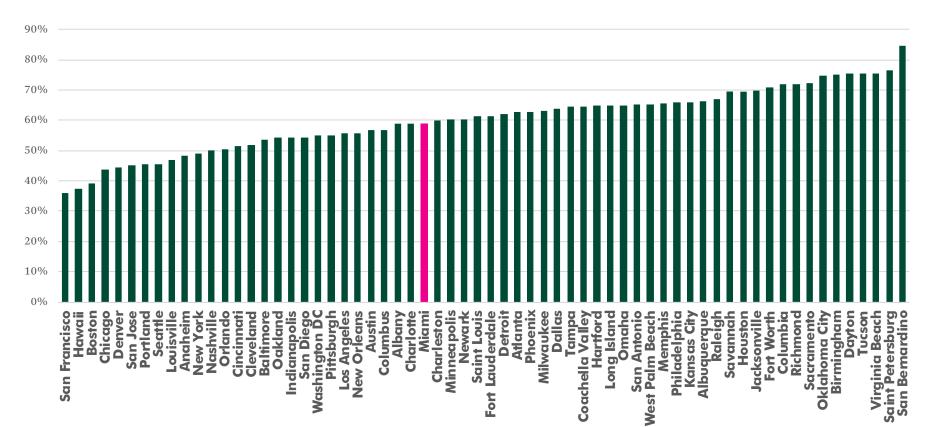
HORIZONS FORECAST Q3 REVPAR BY CHAIN SCALE



Source: CBRE Hotels Research, Kalibri Labs Q3 2020.



2021FORECASTED REVPAR AS A PERCENT OF 2019 REVPAR

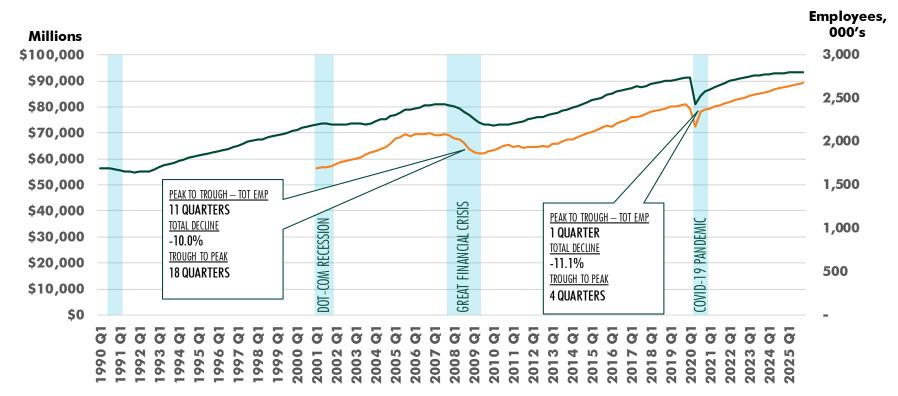








FORECAST SCENARIO FOR SOUTH FLORIDA GDP AND TOTAL EMPLOYMENT



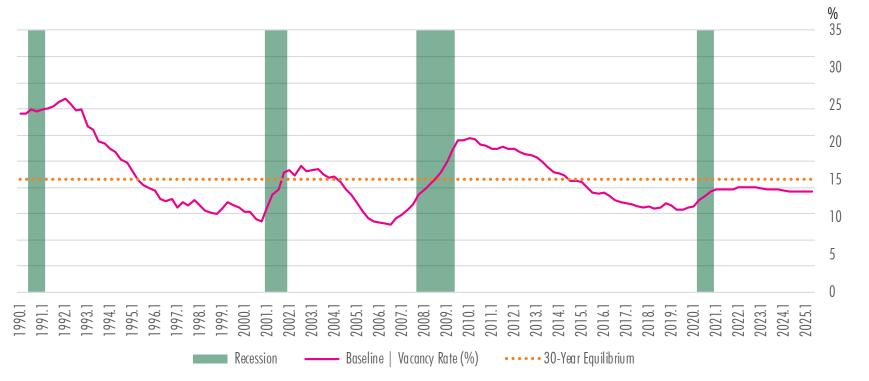
Source: BLS, CBRE Research, September 2020.





OFFICE MARKET: BALANCED SUPPLY & DEMAND

SOUTH FLORIDA'S OFFICE MARKET ENTERED THE RECESSION AHEAD OF 30-YEAR VACANCY EQUILIBRIUM.

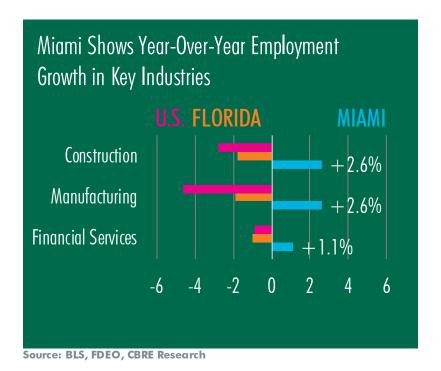


Source: CBRE Research, CBRE Econometric Advisors, Q3 2020.





VERY CHALLENGING TIME – BUT SOME GREEN SHOOTS ARE EMERGING...



CBRE CDC gives green light for cruise industry to return to operation

SOUTH FLORIDA MARKETFLASH 02 NOVEMBER 2020

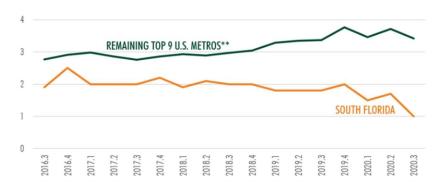
- Miami, originating about 25% of the world's cruise traffic, will be one of the first markets to be cleared for cruising.
- Most major cruise lines are looking to the Spring for re-launching their voyages.
- Cruise passengers spend an average of \$236 per person on Miami hotels.





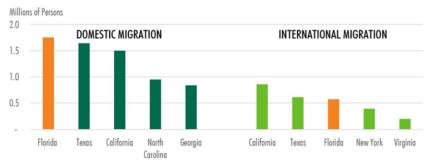
VERY CHALLENGING TIME – BUT SOME GREEN SHOOTS ARE EMERGING...

Figure 1: Average Months of Supply for Single-Family Homes*



Source: MetroStudy, CBRE Research, December 2020.

Figure 2: Top States for 3-Yr Population Gain, 2017-2019, by Source



Source: : U.S. Census, CBRE Research, December 2020.

Source: BLS, FDEO, CBRE Research

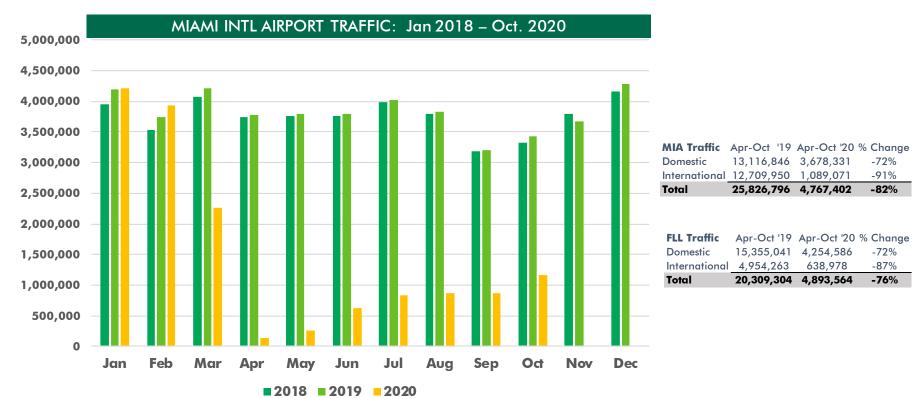


^{*}Attached townhouses and detached single-family homes, excluding condos.

^{**}Includes the metro areas of New York City, Los Angeles, Chicago, Dallas, Houston, Washington D.C., Philadelphia, Atlanta, and Phoenix.

MONTHLY MIA TRAFFIC (DOMESTIC + INTL): 2018 - 2020 YTD

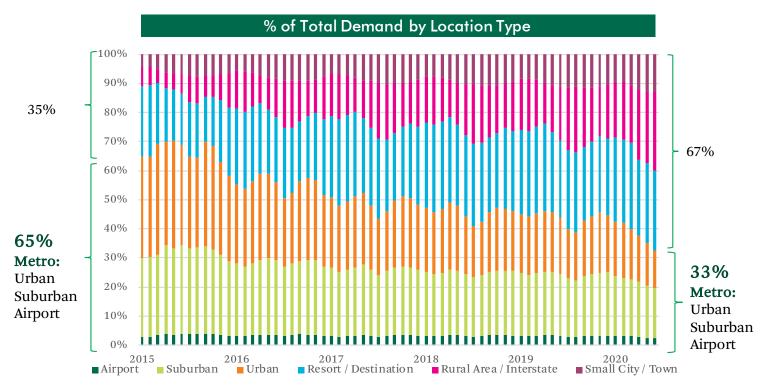
Volume is significantly down. Domestic volume continues to improve since April lows; Intl travelers lagging







A SHIFTING BASE OF DEMAND FROM URBAN TO RESORT LOCATIONS



Source: CBRE Hotels Research, Airdna, July 2020

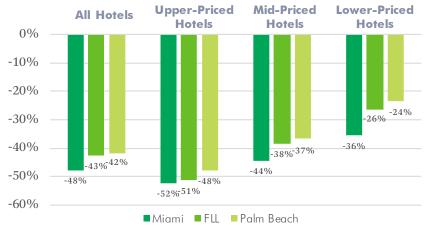




MIAMI DADE MARKET MAP

Downtown/Brickell/Coral Gables Homestead Miami Airport Miami Beach Miami Beach North Airport Miami North

Year-to-Date Change in RevPAR



Submarket	Upper-Priced		Mid-Priced		Lower-Priced			TOTALS				
Juniliarkei	Hotels	Rooms	% Market	Hotels	Rooms	% Market	Hotels	Rooms	% Market	Hotels	Rooms	% Market
Miami Airport	5	1,863	3.0%	54	7,702	12.5%	27	3,305	5.4%	86	12,870	20.9%
Downtown - Brickell - CG	25	6,691	10.9%	35	4,869	7.9%	9	722	1.2%	69	12,282	19.9%
Miami Beach	82	12,743	20.7%	86	7,565	12.3%	27	1,377	2.2%	195	21,685	35.2%
Miami Beach North	15	2,376	3.9%	21	2,373	3.9%	14	1,328	2.2%	50	6,077	9.9%
Miami North	3	826	1.3%	26	2,564	4.2%	8	816	1.3%	37	4,206	6.8%
Miami South	2	486	0.8%	10	1,000	1.6%	8	1,037	1.7%	20	2,523	4.1%
Homestead	1	50	0.1%	6	565	0.9%	18	1,365	2.2%	25	1,980	3.2%

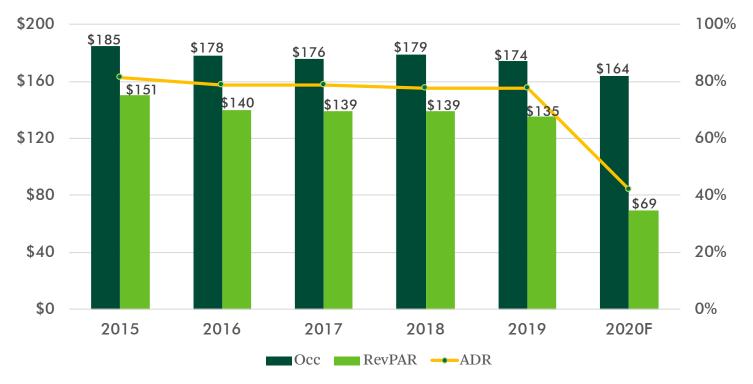
Source: Kalibri Labs





MIAMI-DADE MARKET'S HISTORICAL PERFORMANCE

SINCE 2015, RevPar has been impacted by continued increases in Suppy (Cagr +3.0%) Supply and only a sligh improvement in Demand (+1.8%)

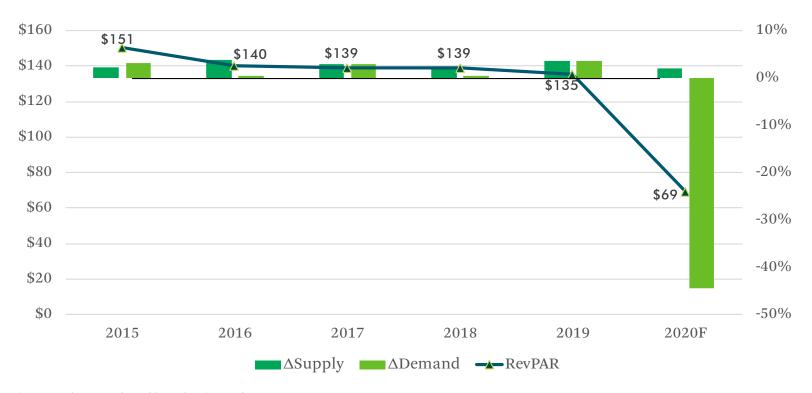




Source: CBRE Hotels Research, Kalibri Labs, Sept. 2020.

MIAMI MARKET HISTORICAL PERFORMANCE

A SPIKE IN DEMAND IN 2018, WHICH OUTPACED SUPPLY, LED TO THE HIGHEST REVPAR YEAR OVER THE LAST 5 YEARS



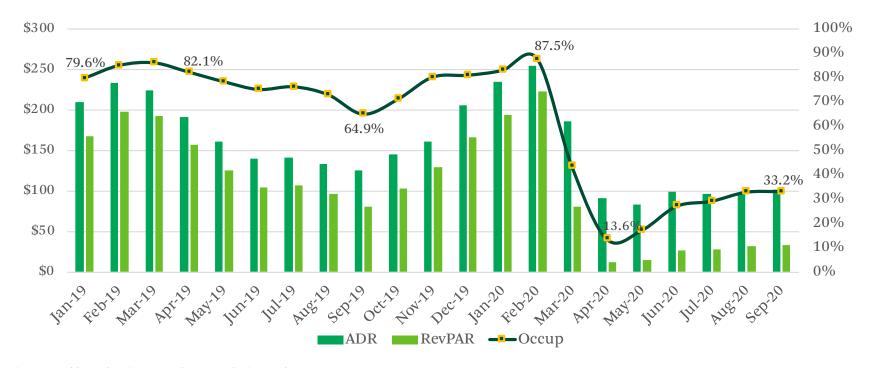
Source: CBRE Hotels Research, Kalibri Labs, September 2020.





MIAMI MARKET COVID-19 IMPACT - YTD PERFORMANCE

A CLOSER LOOK AT THE IMPACT OF THE VIRUS



Source: Kalibri Labs, CBRE Hotels Research, September 2020.



WHAT ARE WE EXPECTING NEXT YEAR?

CBRE Hotels – Q3 2020 Baseline Forecast Miami							
Year	Quarter	Осс	Δ0cc	ADR	ΔADR	RevPAR	∆RevPAR
2020	1	70.8%	-15.1%	\$232.32	4.6%	\$164.57	-11.1%
2020	2	19.3%	-75.4%	\$92.16	-43.9%	\$17.79	-86.2%
2020	3	31.7%	-55.5%	\$98.25	-26.2%	\$31.17	-67.2%
2020	4	46.9%	-39.3%	\$135.28	-21.3%	\$63.41	-52.2%
2021	1	53.7%	-24.1%	\$203.24	-12.5%	\$109.21	-33.6%
2021	2	52.5%	171.9%	\$122.41	32.8%	\$64.24	261.2%
2021	3	58.6%	84.8%	\$99.64	1.4%	\$58.43	87.4%
2021	4	60.4%	28.9%	\$144.33	6.7%	\$87.24	37.6%

Source: CBRE Hotels Research, Kalibri Labs, 12/1/2020 - https://pip.cbrehotels.com .





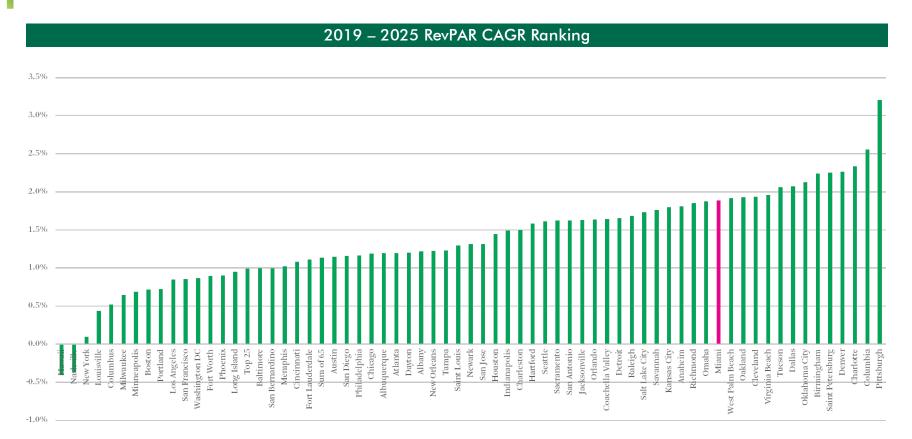
CBRE HOTELS: Q3 2020 MIAMI FORECAST, 2020-25

		CBRE H	otels – Q3 2020	O Baseline Fo	recast Miami		
Year	0α	Δ0α	ADR	∆ADR	RevPAR	∆RevPAR	RevPAR % of 2019
2018	78%	-1.5%	\$ 178.90	1.5%	\$ 138.89	0.0%	
2019	78%	-0.1%	\$ 174.32	-2.6%	\$ 135.21	-2.7%	100.0%
2020	42%	-45.6%	\$ 164.00	-5.9%	\$ 69.21	-48.8%	51.2%
2021	56%	33.6%	\$ 141.36	-13.8%	\$ 79.68	15.1%	58.9%
2022	69%	23.1%	\$ 155.35	9.9%	\$ 107.82	35.3%	79.7%
2023	75%	8.2%	\$ 170.06	9.5%	\$ 127.68	18.4%	94.4%
2024	77%	3.0%	\$ 185.15	8.9%	\$ 143.16	12.1%	105.9%
2025	77%	0.2%	\$ 195.23	5.4%	\$ 151.23	5.6%	111.9%

Source: CBRE Hotels Research, Kalibri Labs, 11/19/2020 - https://pip.cbrehotels.com .



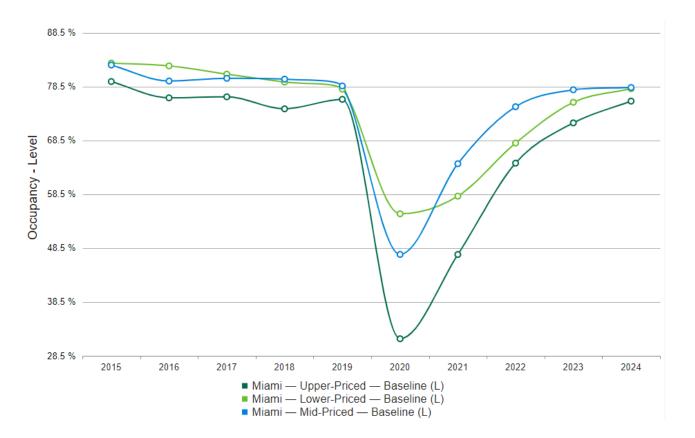
WHERE DOES MIAMI'S RevPAR RECOVERY RANK?







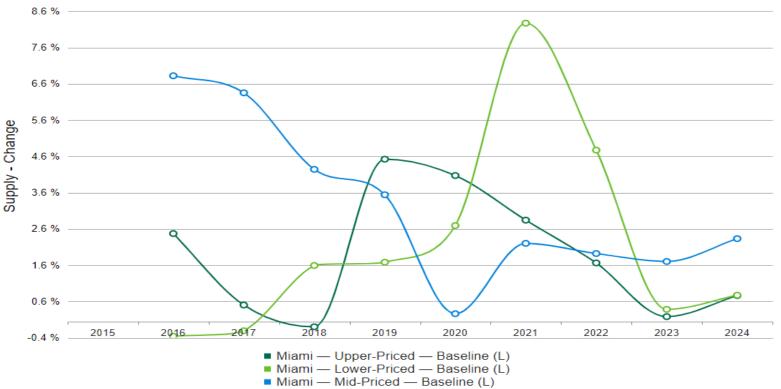
HISTORICAL AND FORECAST MIAMI OCCUPANCY BY SECTOR







SUPPLY GROWTH TAKES A PAUSE IN 2023, BIG SPIKE IN LOWER-PRICED NEXT YEAR

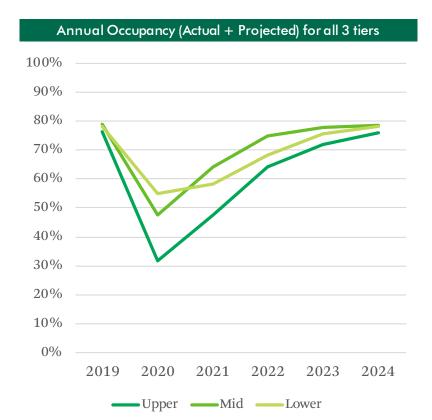


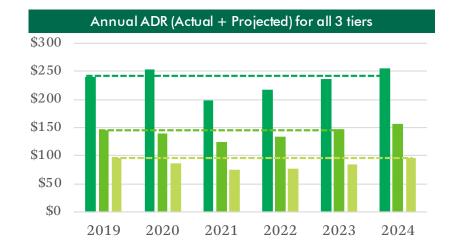


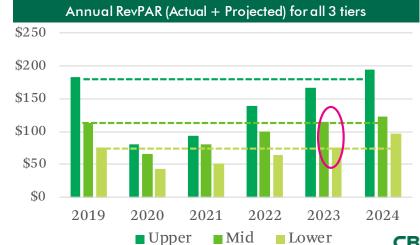


MIAMI MARKET FORECAST

PROJECTION BY PRICE TIER







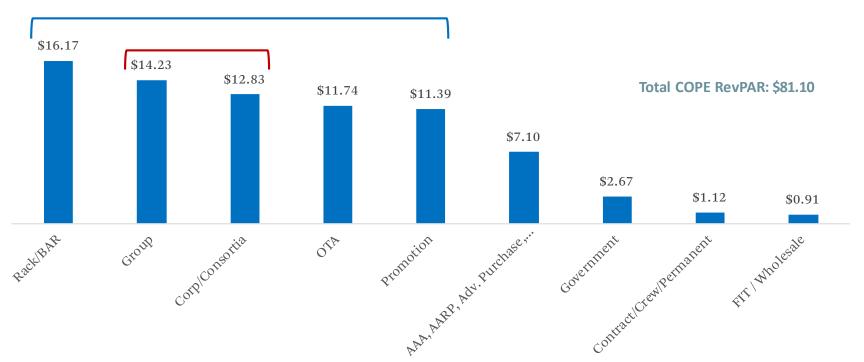




RECOVERY & PERFORMANCE WILL VARY BY RATE CATEGORY

5 RATE categories comprise 81.8% of 2019 RevPAR; One Third is Group and Corporate

Contribution to RevPAR (US) by Rate Category, 2019





FOR MIAMI - 5 CATEGORIES COMPRISE 77% OF 2019 REVPAR

Group & Corporate together comprise 30% (vs. 33% in the US)

Miami Contribution to RevPAR by Rate Category, 2019





LENGTH OF STAY IS UP SLIGHTLY FOR DOWNTOWN & AIRPORT

Submarket Performance Overview – November 2020 vs. 2019

	Miami Bead	th North	
	Actuals	YoY	
Occupancy	32.9%	-46.0%	
Guest Paid ADR	\$191.84	-15.9%	
Length of Stay	2.04	-5.1%	
Lead Time (Days)	13.28	-60.9%	

Miami Beach			
Actuals	YoY		
33.7%	-61.1%		
\$174.48	-28.8%		
2.02	-0.5%		
17.45	-61.2%		

	Downtown Miami/Coral Gables			
	Actuals	YoY %		
Occupancy	33.7%	-61.1%		
Guest Paid ADR	\$174.48	-28.8%		
Length of Stay	2.13	14.5%		
Lead Time (Days)	13.42	-66.0%		

Miami Airport			
Actuals	YoY %		
49.1%	-42.0%		
\$79.05	-28.2%		
2.33	32.4%		
12.85	-57.2%		

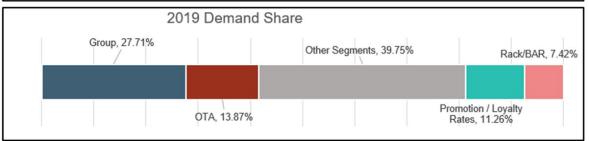




OTA LEADING; LMR SLOWLY GAINING LEAD OVER RACK/BAR

Miami Beach North – YTD through November 27; All Chain scales



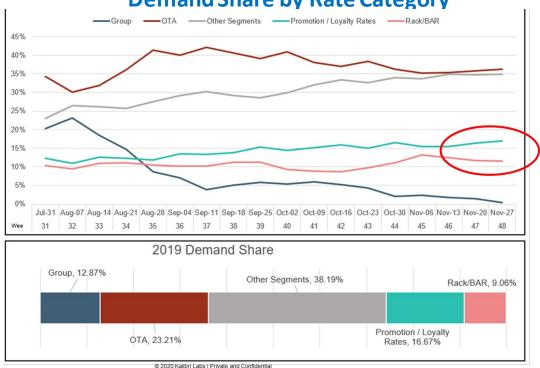






OTA MAINTAINS STRONG LEAD; LMR SLOWLY GAINING LEAD OVER RACK/BAR

Miami Beach - YTD through November 27; All Chain scales

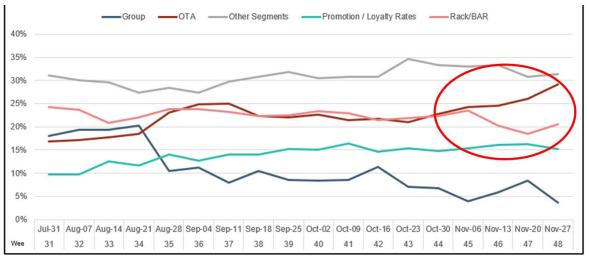


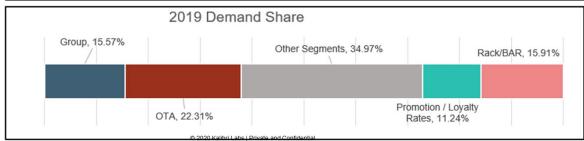




OTA GAINS LEAD OVER RACK/BAR STARTING END OF OCTOBER

Downtown Miami/Coral Gables - YTD through November 27; All Chain scales



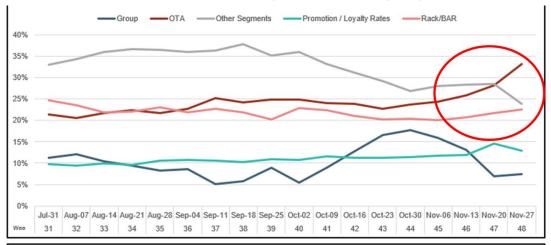


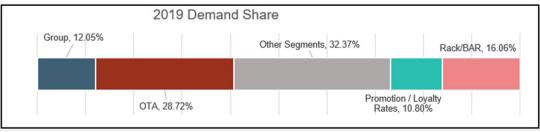




OTA GAINS LEAD OVER RACK/BAR RATES

Miami Airport - YTD through November 27; All Chain scales

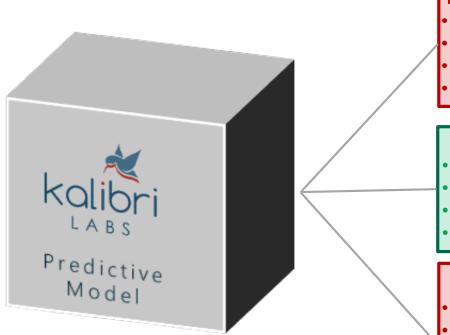






A ROBUST VIEW OF THE FUTURE: PREDICTIVE INPUTS

Visibility well beyond previously available forward view of "Future Rooms Nights" only



Kalibri Labs Weekly - Performance Data

- Rate Category and Channel Trends
- Lead times and Length of Stay Patters
- Day of Week Patters
- Room Nights & ADR

CBRE Forecast by Market

- Employment
- Real Personal Income
- Hotel Supply
- GDP

- Office Occupancies
- Population Shifts
 - **COVID Rates**

Future Data

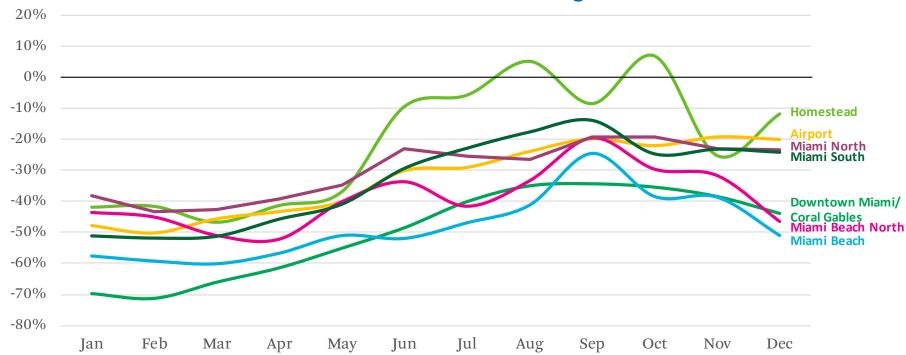
- Rates: 5 Categories / Brand.com & OTA
- Cancellations
- Consumer Review Scores
- Reservations and Group Blocks





SUBMARKETS RECOVERY RANGE FROM -70% TO +7%

Predictive Hotel Collected RevPAR % Change for 2021 v. 2019

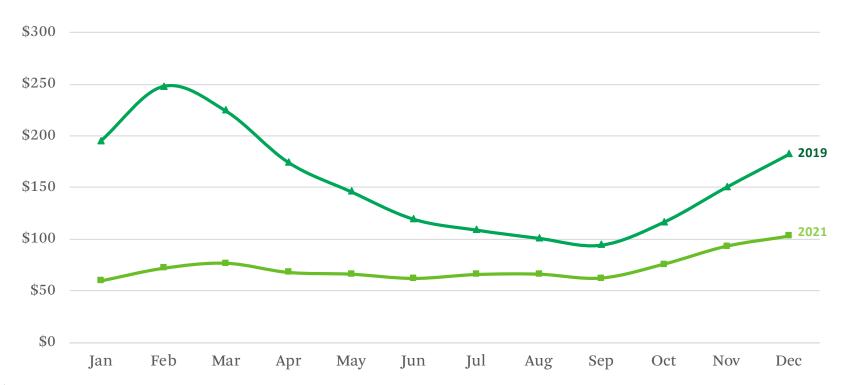






DOWNTOWN MIAMI/BRICKELL/CORAL GABLES

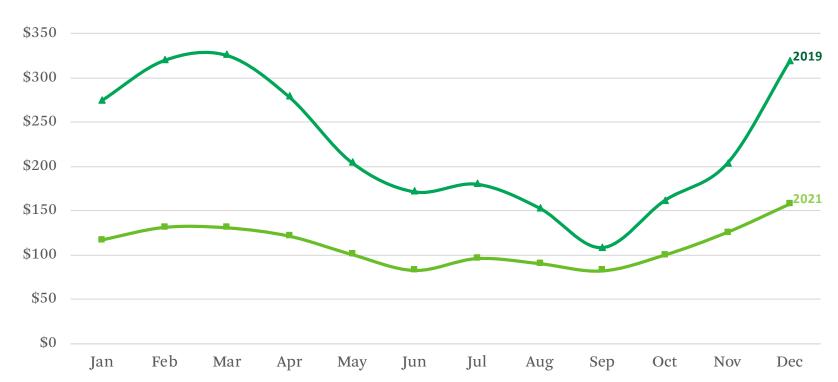
Hotel Collected RevPAR 2019 v. 2021





MIAMI BEACH

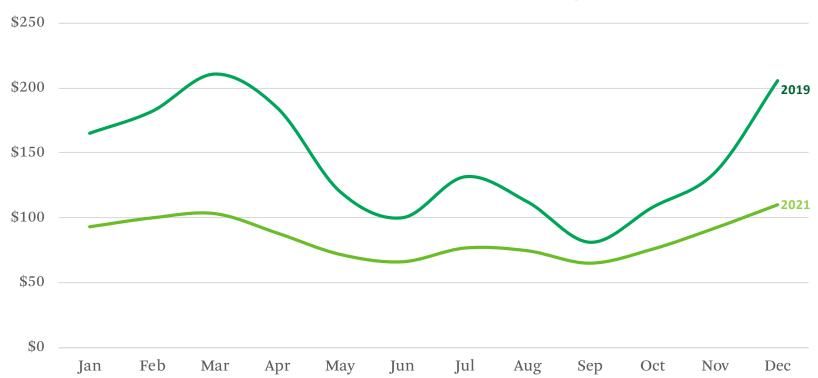
Hotel Collected RevPAR 2019 v. 2021





MIAMI BEACH NORTH

Hotel Collected RevPAR 2019 v. 2021

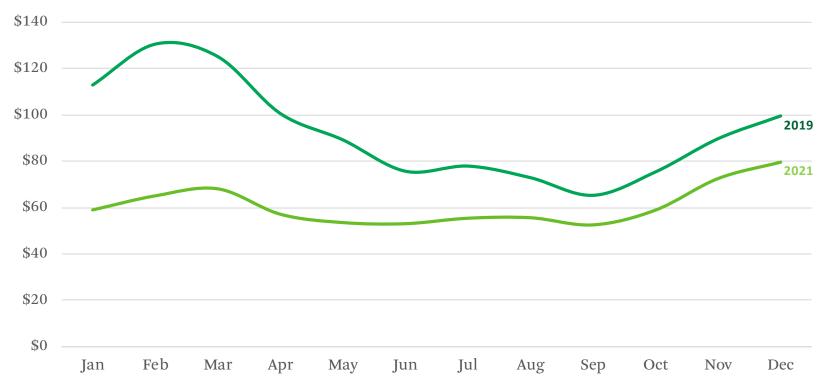






AIRPORT

Hotel Collected RevPAR 2019 v. 2021







SOME TAKEAWAYS...

- 1 st half of 2021 will continue to be a challenging period
 - At least South Florida should have some demand vis-à-vis northern markets (NE, Midwest, etc.)
- Leisure demand, which is strong in South Florida, will lead the way; group and corporate will lag.
 - Look out for pent up demand; "revenge" vacation
- International demand will take longer to recover. However, we anticipate domestic travel to gain share as US tourists shy away from Europe and other overseas destinations.
 - Keep an eye out on MIA and FLL traffic figures as well as TSA numbers
- Once recovery is on its way, Miami is in a strong position
 - Cruise line industry should bounce back
 - o Residential, Office and Industrial sectors are healthy
- From an investment standpoint, there's a lot of liquidity out there; expect more transactions beginning 2nd quarter 2021

There's Light at the end of the Tunnel!







Q & A

PLEASE SHARE ANY QUESTIONS, THOUGHTS OR COMMENTS
WITH OUR HOST





PANELISTS:

Bram Gallagher
Sr. Economist
CBRE | CBRE Hotels Research
3550 Lenox Road, Suite 2300 | Atlanta, GA 30326
T +1 404 812 5189 | C +1 706 248 1808

Bram.gallagher@cbre.com

Follow CBRE: CBRE.com | LinkedIn |

Twitter | Instagram | Facebook | Google+ | Weibo

Brandon Isner
Leader of Market Research & Insights
Pronouns: he, him, his
CBRE | Florida Research
777 Brickell Avenue, Suite 1100 | Miami, FL 33131
T +1 305 381 6407 | M +1 216 334 8441
brandon.isner@cbre.com | LinkedIn |
Twitter | www.cbre.us/miami

Fernando Garcia-Chacon
Managing Director | Practice Leader
South Florida, Caribbean & Latin America Division
CBRE Hotels Advisory
777 Brickell Avenue I Suite 1100 I Miami, FL 33137

777 Brickell Avenue | Suite 1100 | Miami, FL 33131 T +1 305 381 6457 | C +1 786 554 6789

fernando.garciachacon@cbre.com

Follow CBRE: CBREHotels.com | LinkedIn |

Twitter | Instagram | Facebook

Vince Cusma
Director, Customer Experience
Kalibri Labs
T +1 305 381 6457 | C +1 330 324-7256
vince@kalibrilabs.com
www.kalibrilabs.com





