



Hotel Industry Overview

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 @STR_Data

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 Benchmarking
your world

Agenda – August 30, 2018



Regions

- Total U.S.
- Fort Lauderdale
- Fort Lauderdale Submarkets

Topics

- Recent Performance
- Chain Scales
- Group/Transient
- Pipeline
- Forecast

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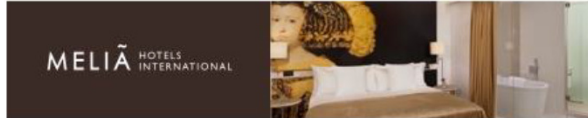
Advertise

NYU 2017

STR Data Presentations

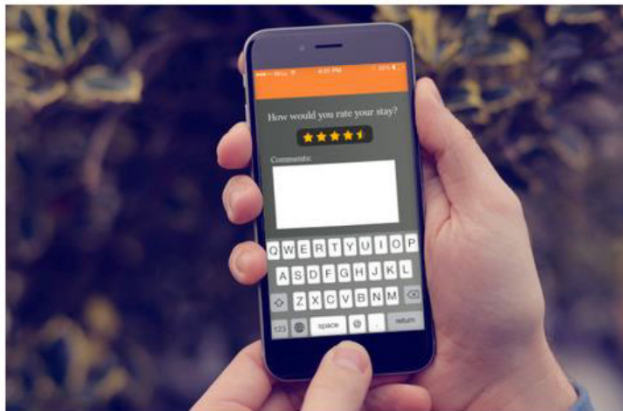
Newsletters

5 Things to Know



EVERYTHING IS PO

A strength and spirit like no other hotel company.



How to maintain guest



Hotels celebrate June Pride, bond with LGBTQ community

By Danielle Hess

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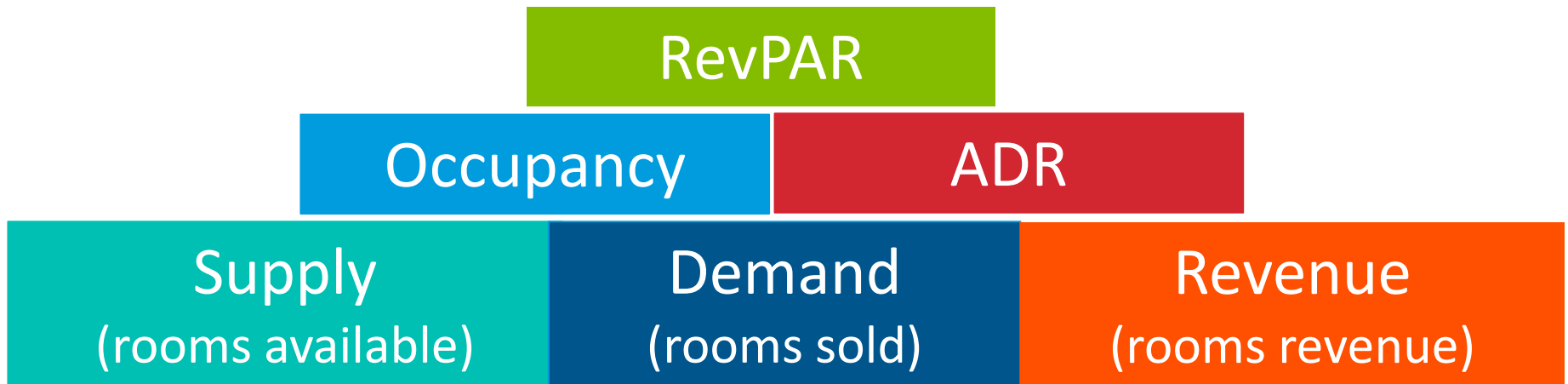
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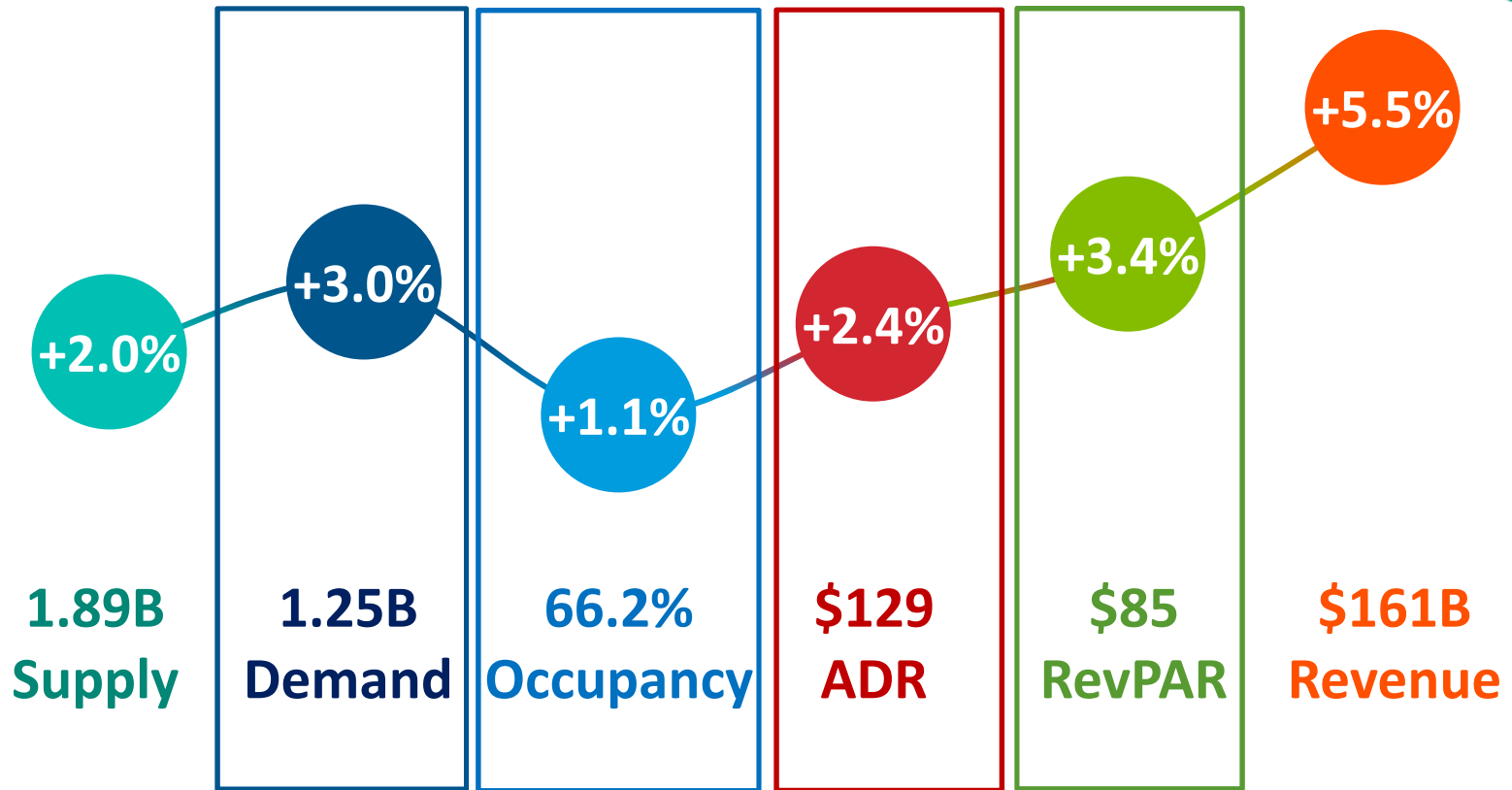


Total U.S. Review

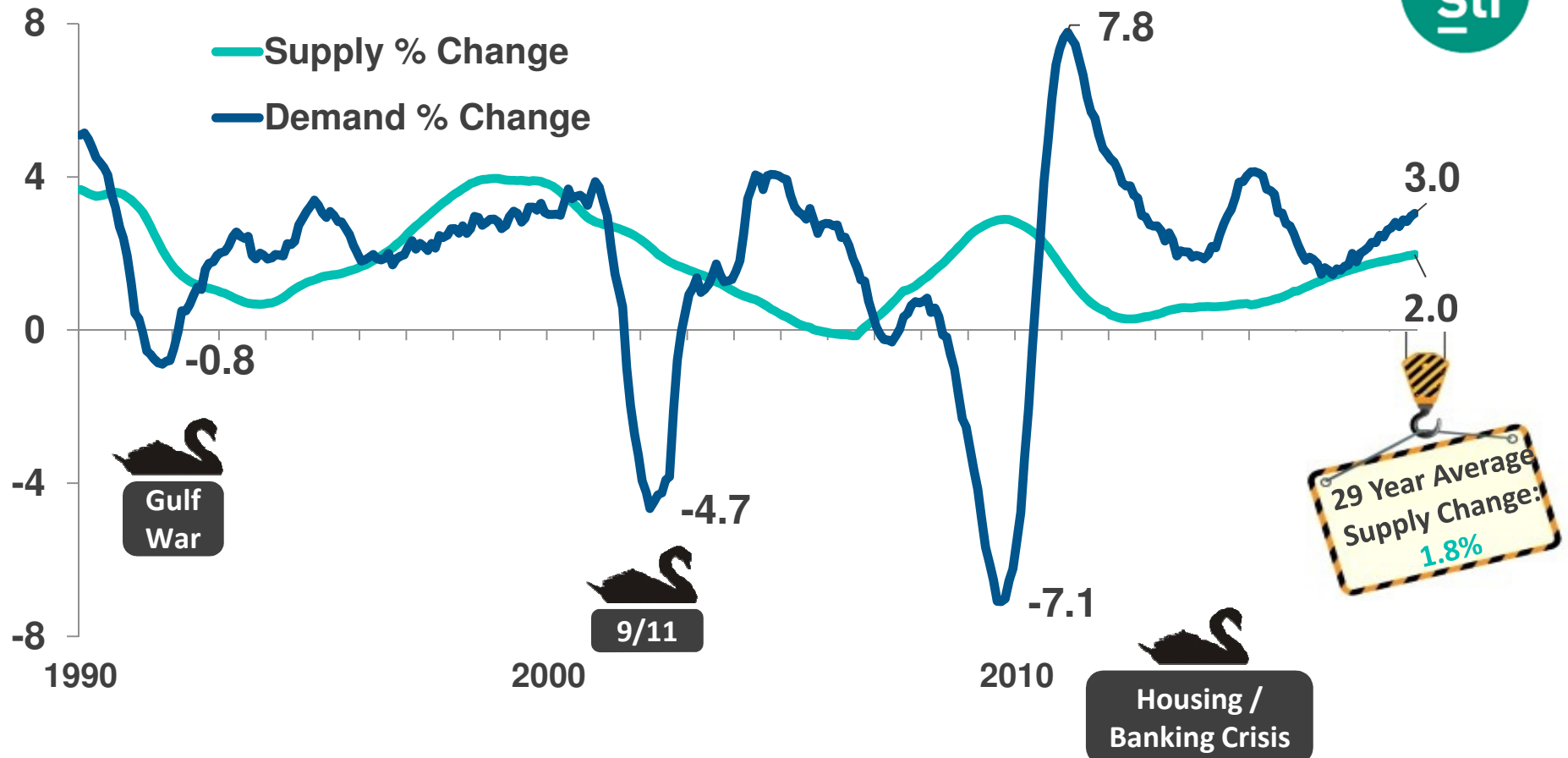
STR Benchmark Building Blocks



US Performance: Records Continue

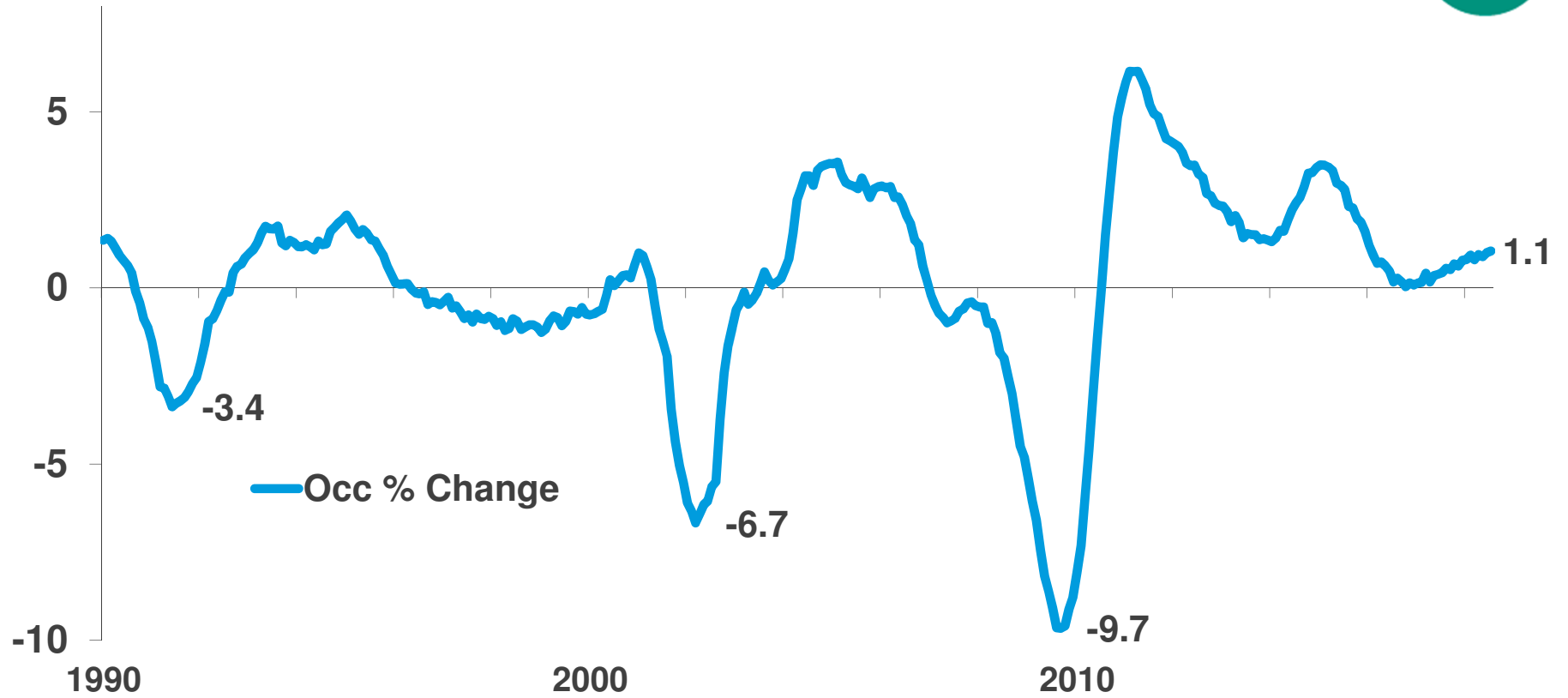


Demand Growth Continues. Supply Growth Slow and Steady.



Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 07/2018

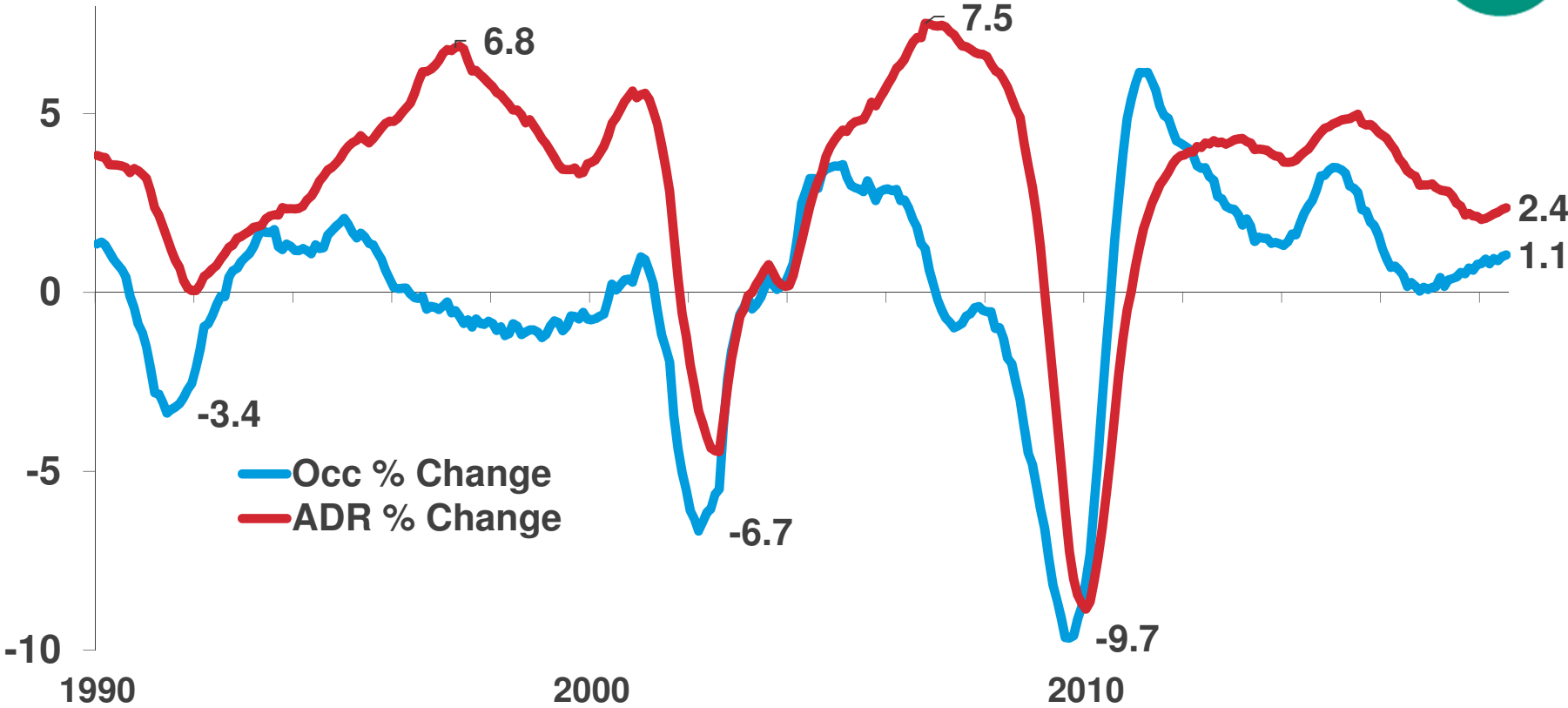
Occupancy Growth Leads To New Records



Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 07/2018

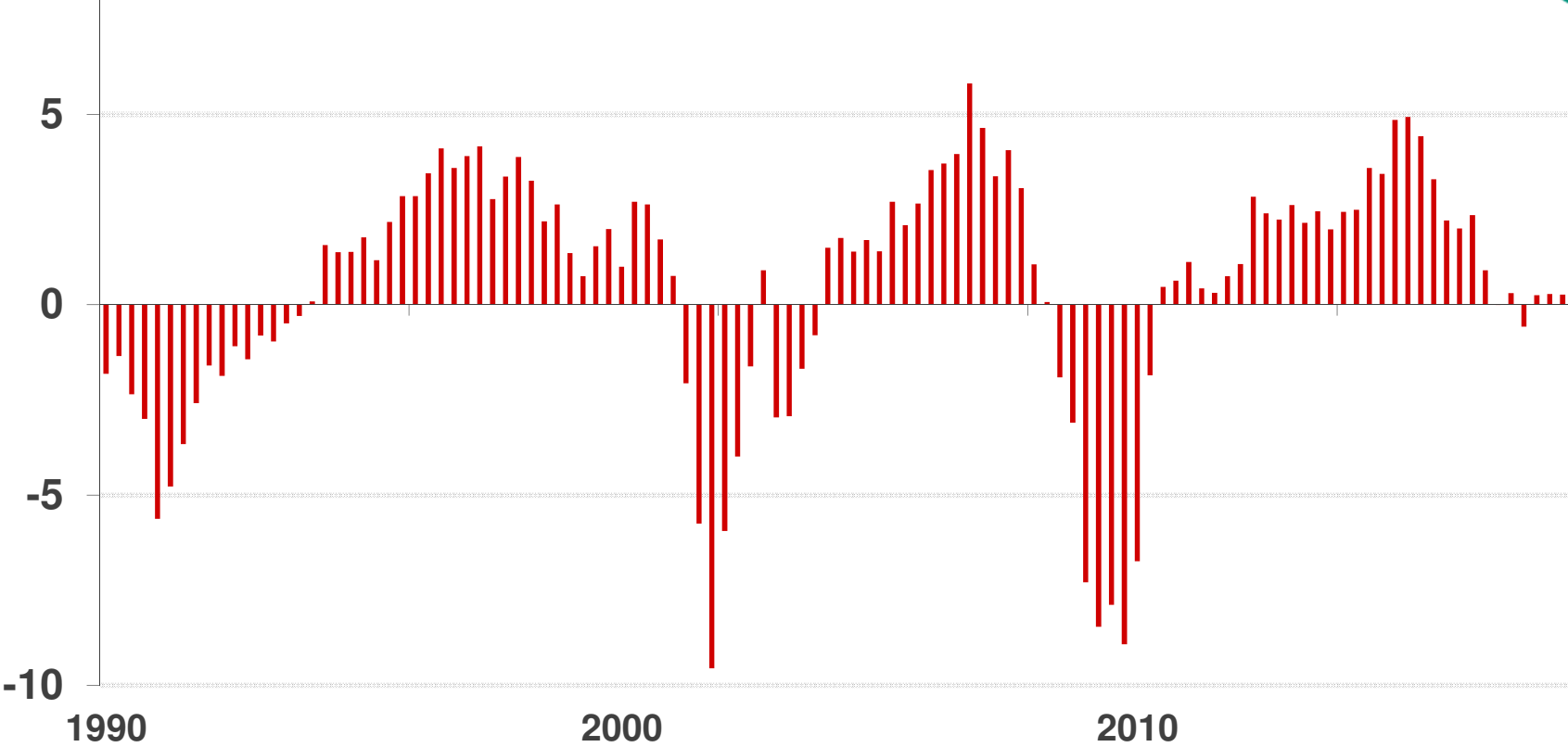


While ADR Growth Is Steady



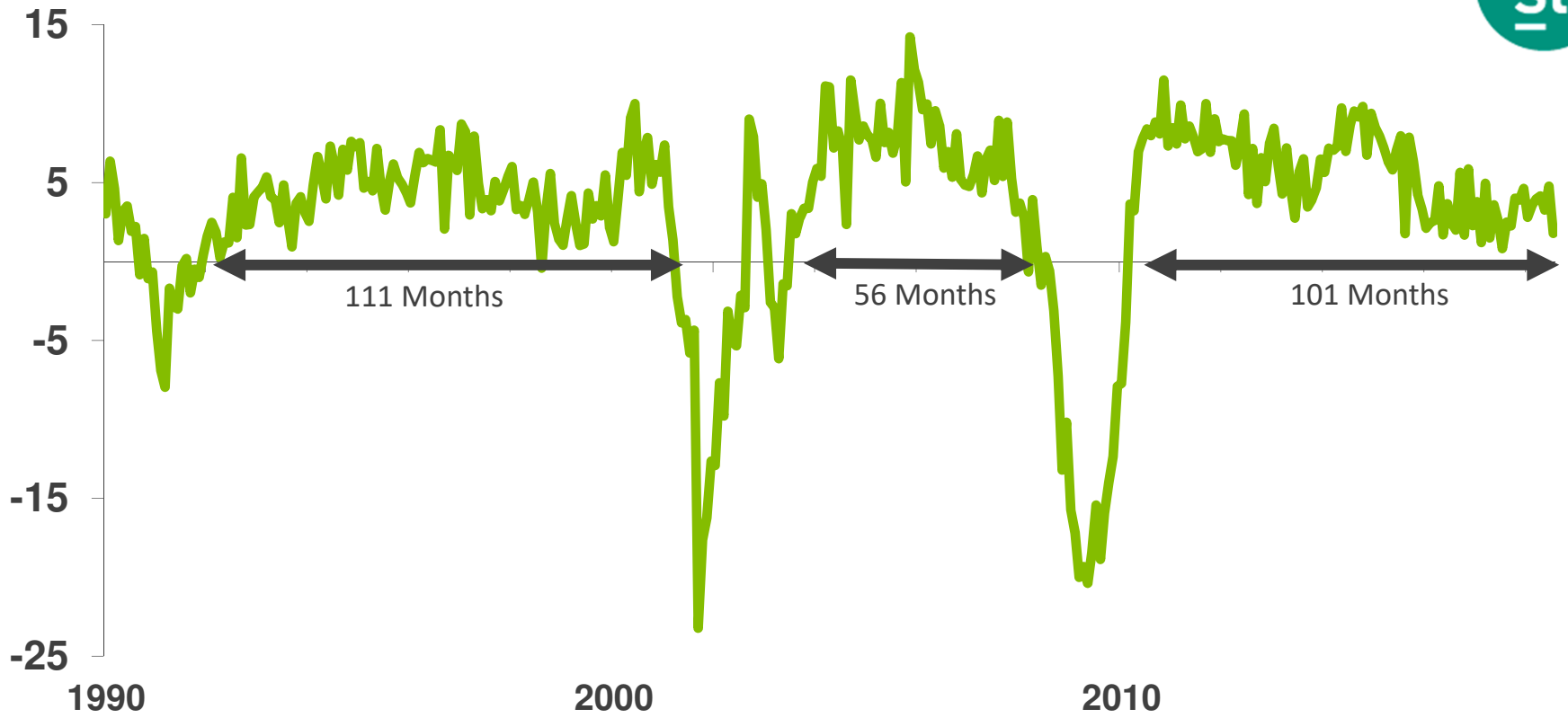
Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 07/2018

Real ADR Growth (ADR% minus CPI%) Now Hovers Around 0%



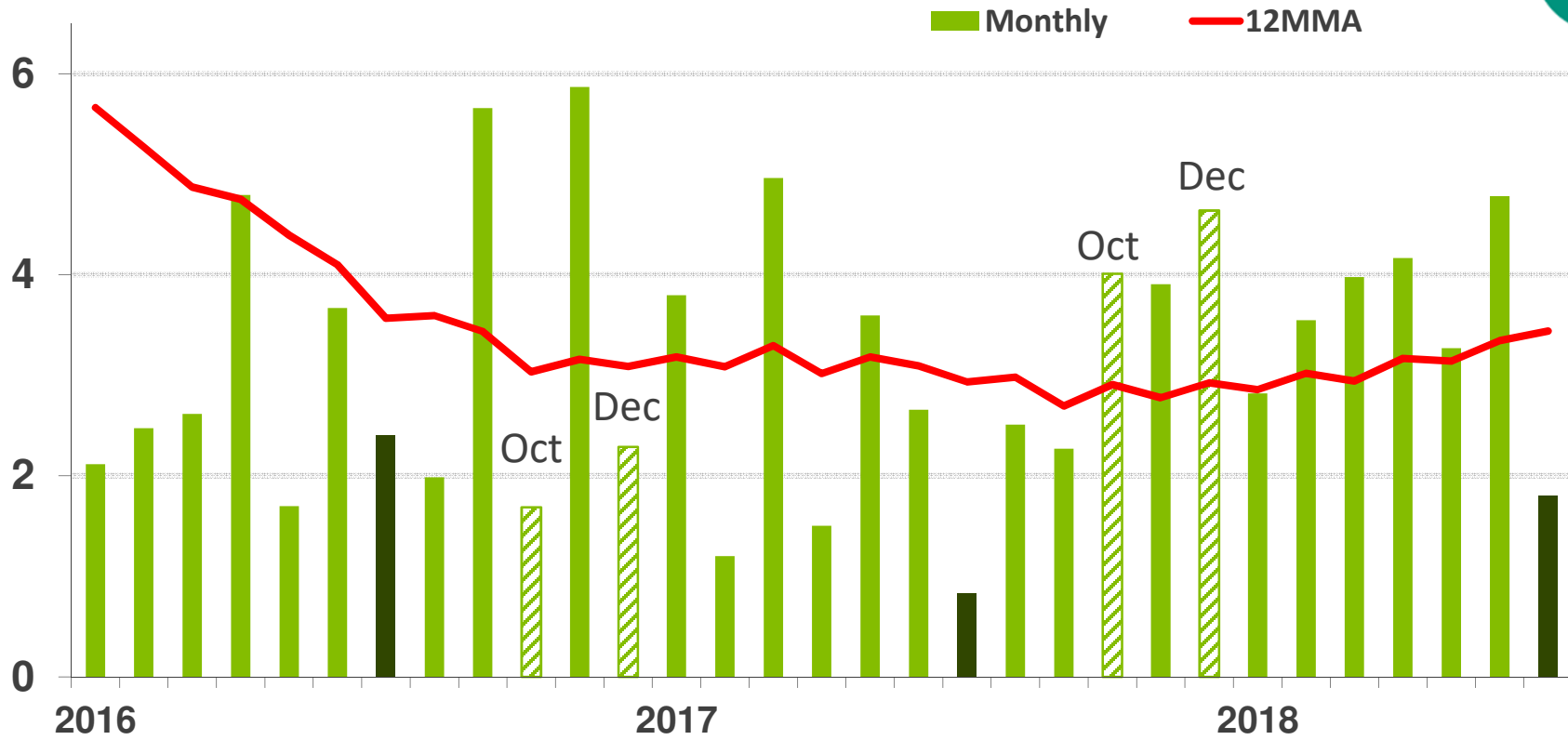
Total U.S., Real ADR % Change (ADR minus CPI), by quarter, Q1/1990 – Q2/2018

101 Consecutive Months of RevPAR Growth!!!



Total U.S., RevPAR % Change, 1/1990 – 07/2018

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



*Total U.S., RevPAR % Change by month and 12 MMA, 1/2016 – 07/2018

This Expansion Cycle Fueled by High Demand, Low Supply

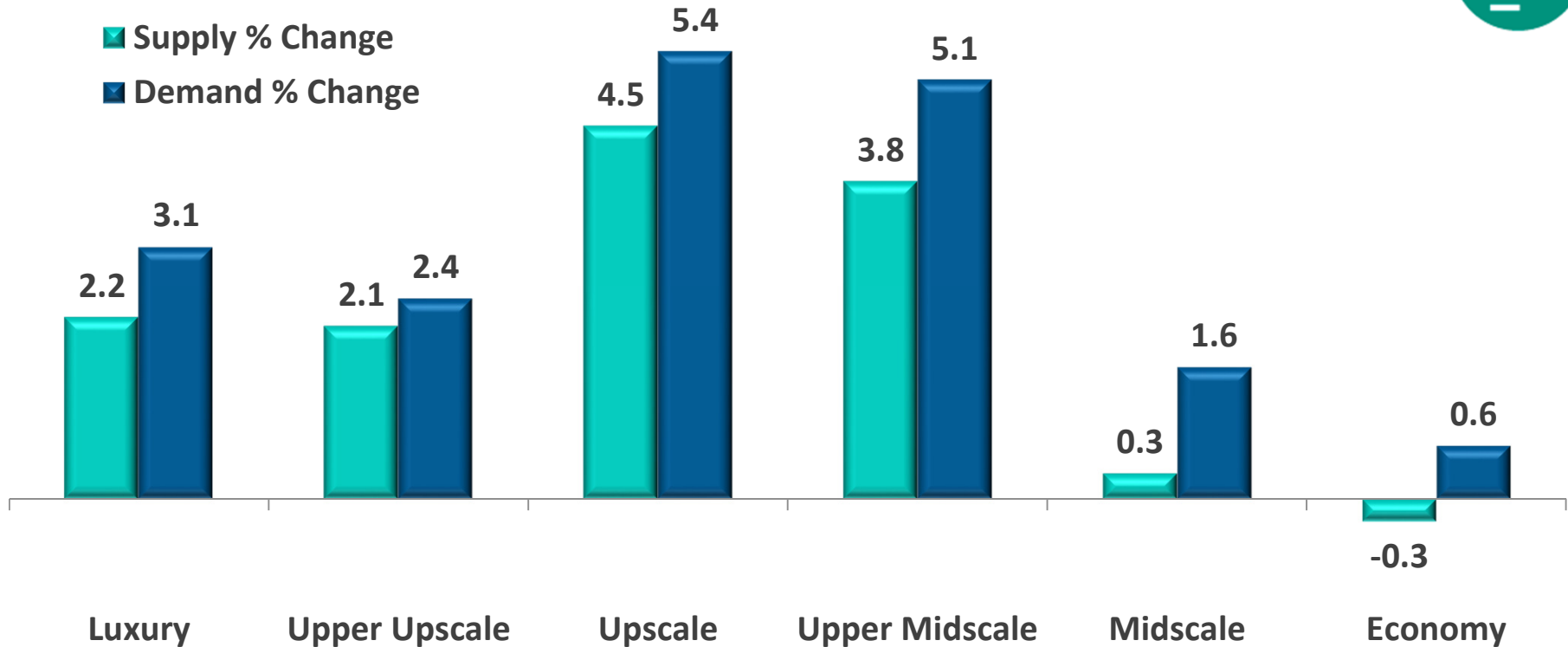


Cycle Period:	Dec. 1991 – Mar. 2001	Mar. 2010 – July 2018
Length (months):	111	101
Avg. Monthly Supply Growth:	2.4	1.0
Avg. Monthly Demand Growth:	2.6	3.4
Avg. Monthly ADR Growth:	4.2	3.4
Avg. Monthly RevPAR Growth:	4.4	5.9



Class Review YTD

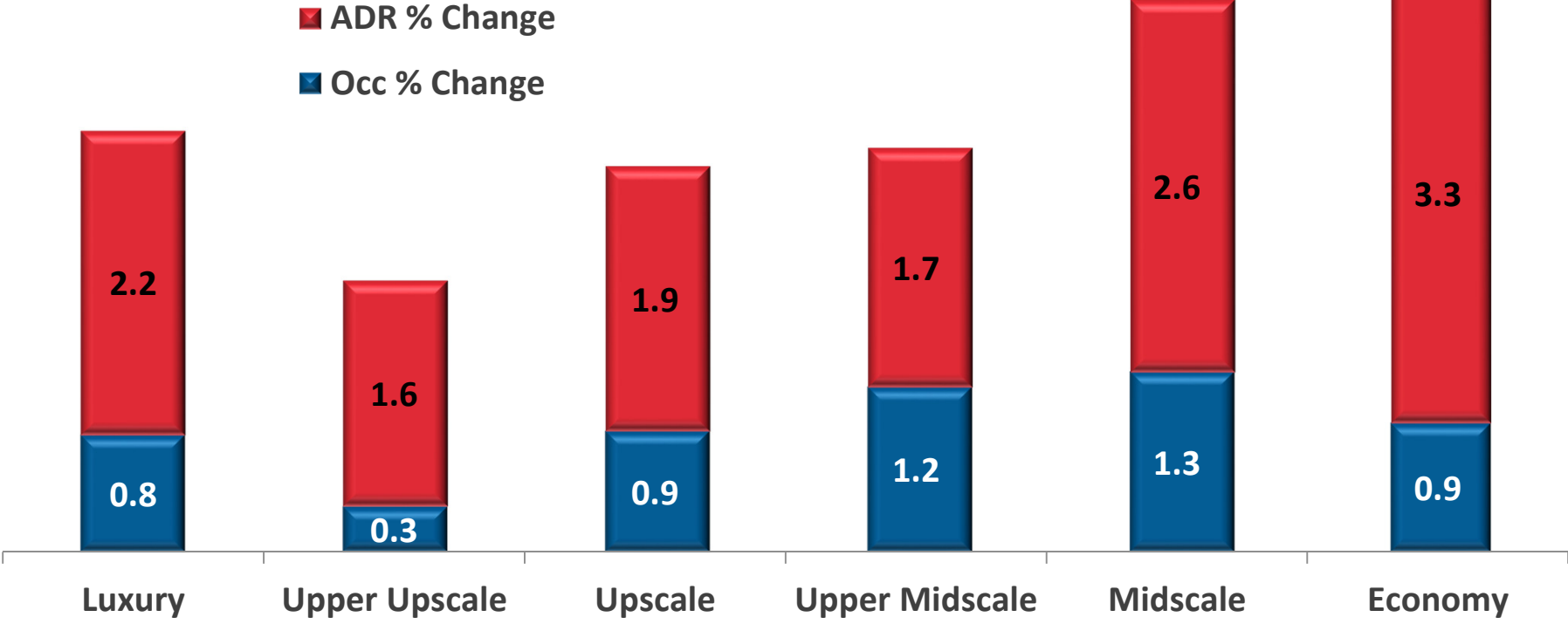
GDP Growth Spurs Healthy Demand Growth Across All Classes



*Supply / Demand % Change, by Class, July 2018 12MMA

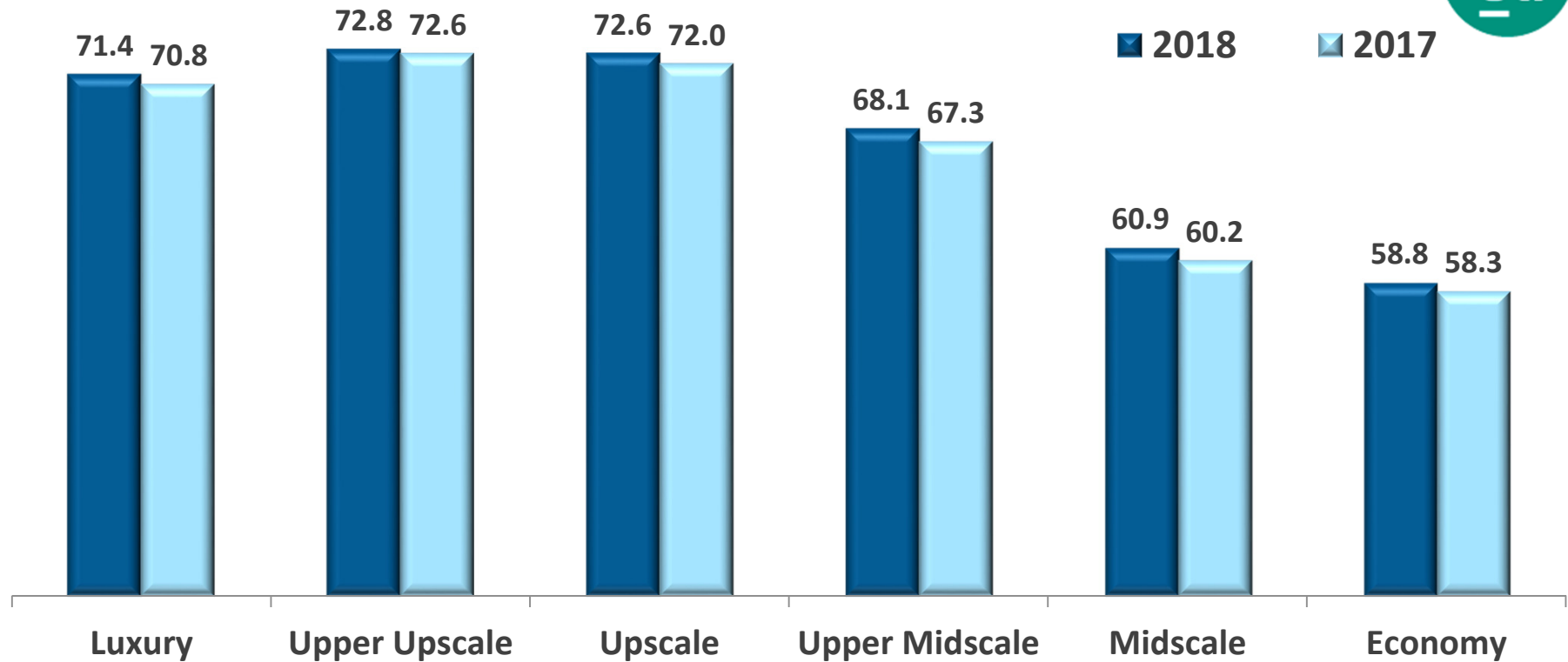


Excellent Year For High and Low End Hotels (... Good For All Others)



*RevPAR % Change by Contribution of OCC / ADR % Change, by Class, July 2018 12MMA

Strong Demand Drives Stellar Occupancy Results

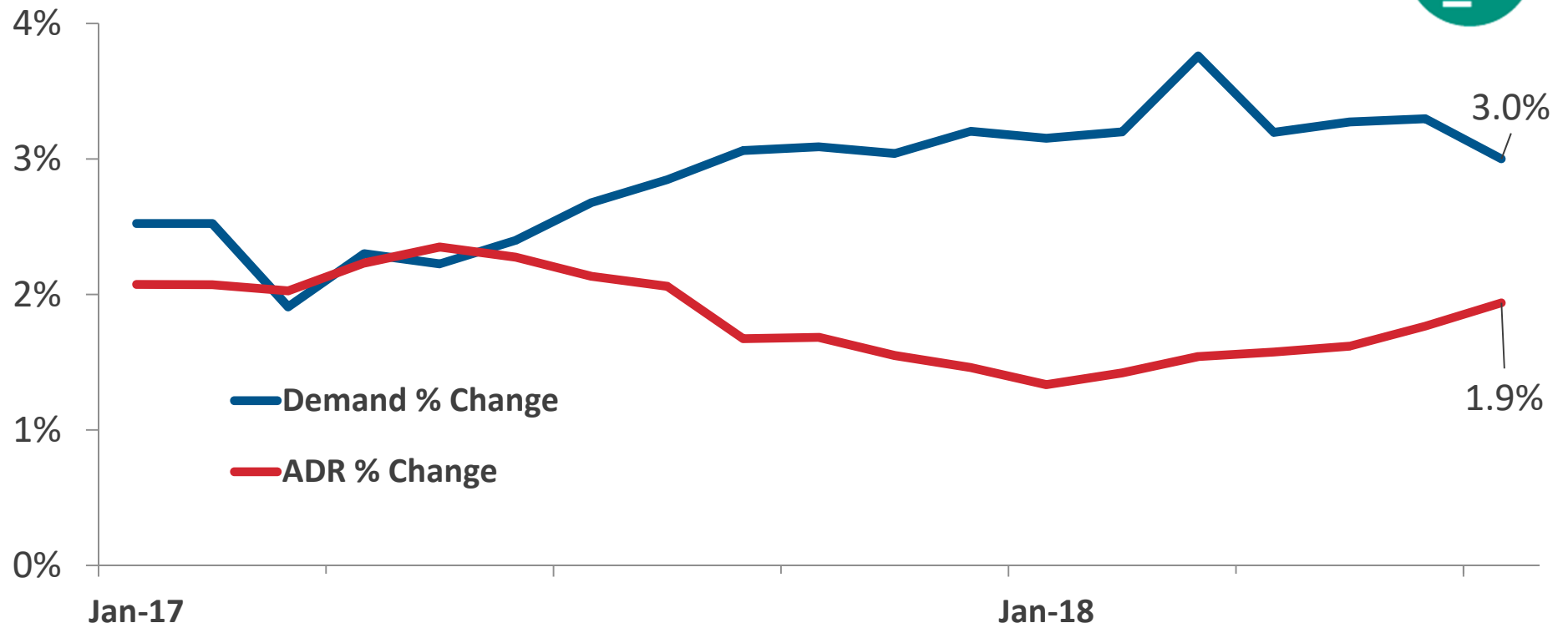


*OCC %, by Class, July 2018 & 2017 12MMA

Segmentation

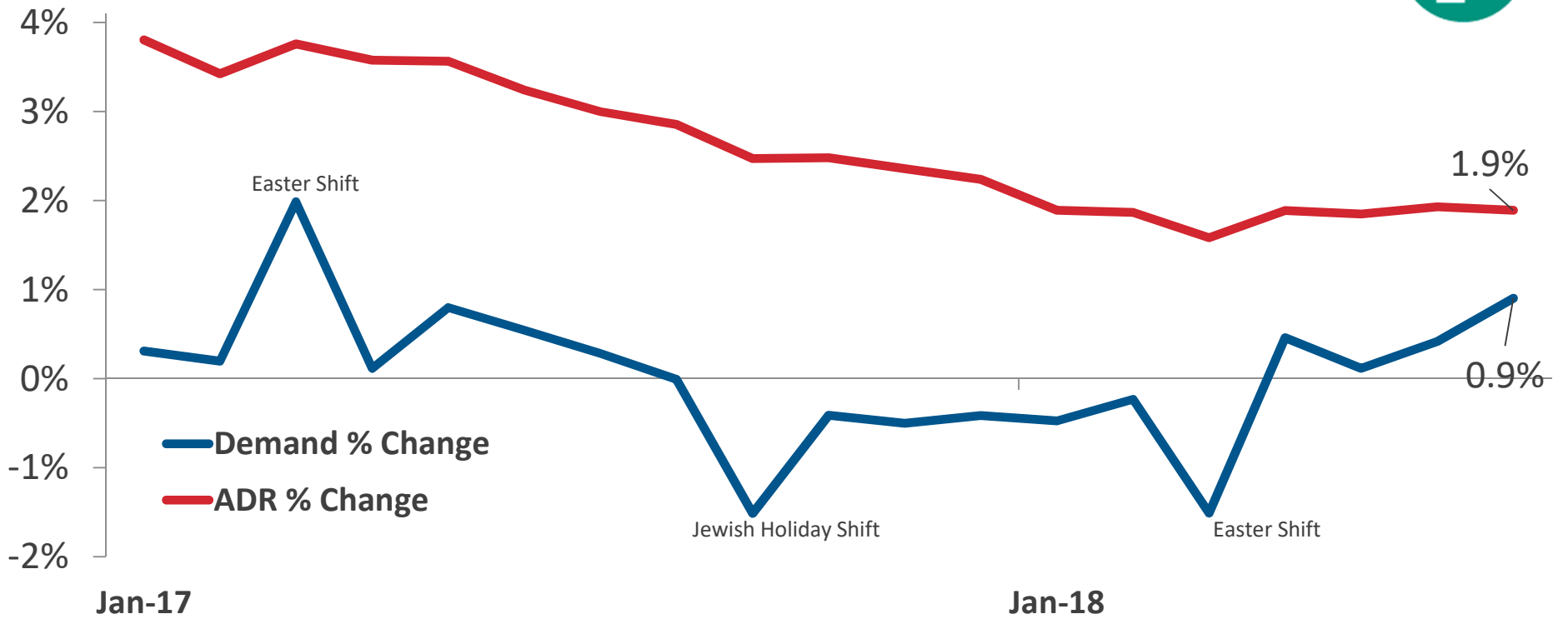


Transient Performance: ADR Growth Seems To Accelerate



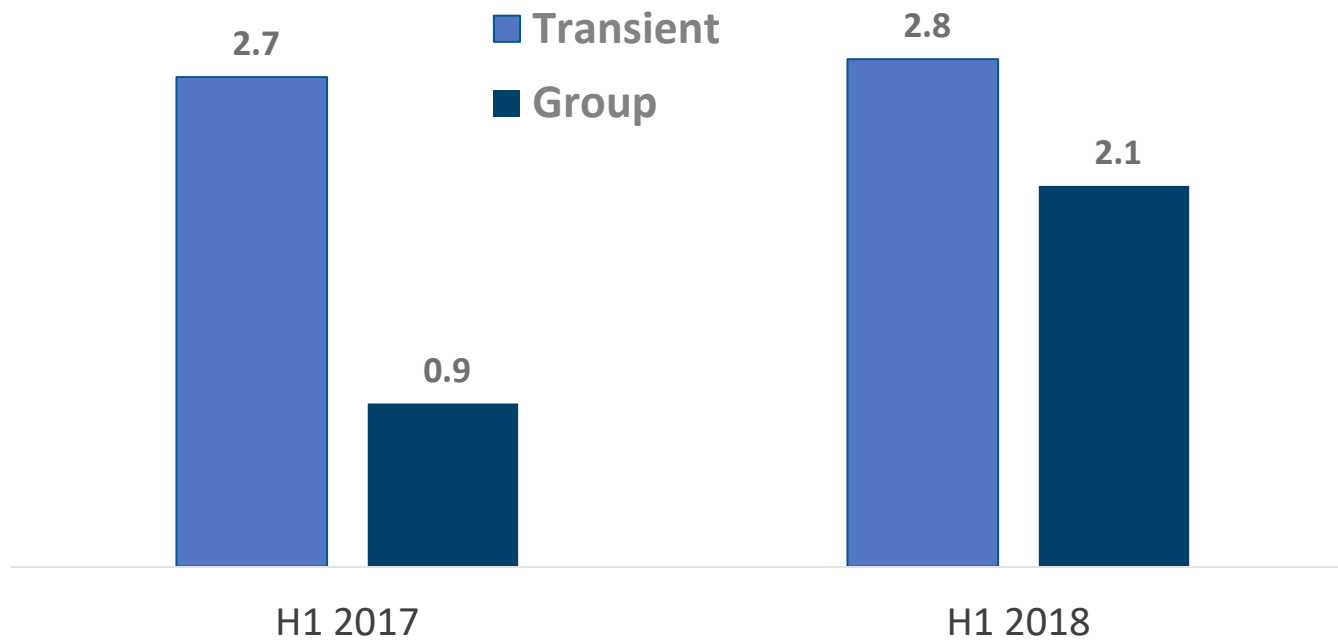
*Transient Demand and ADR % Change, 12 MMA, 1/2017 – 07/2018

Group Performance: Group Demand Growth Is Finally Positive(-ish)



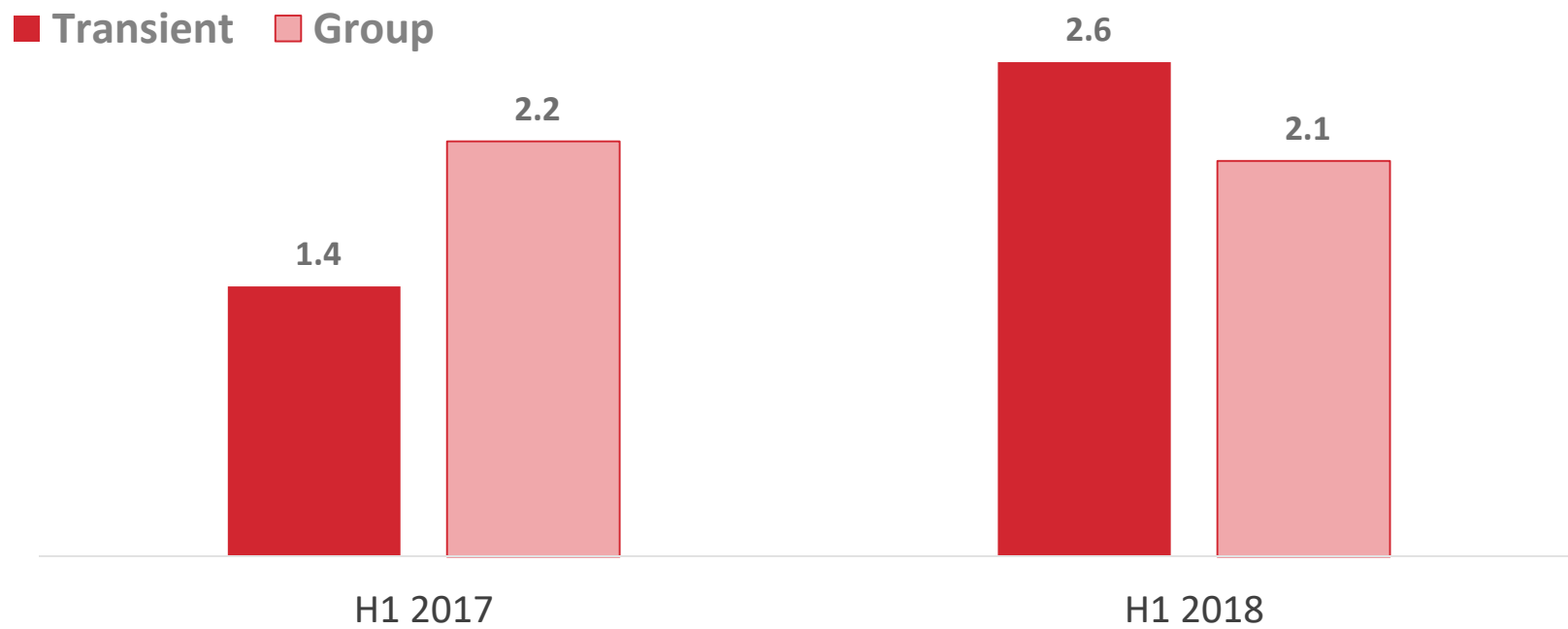
*Group Demand and ADR % Change, 12 MMA, 1/2017 – 07/2018

First Half Segmentation Demand Growth: Groups Finally Return(?)



*Segmentation Demand % Change, H1 2017 vs 2018

First Half Segmentation ADR Growth: Transient Accelerates!



*Segmentation ADR % Change, H1 2017 vs 2018



Markets





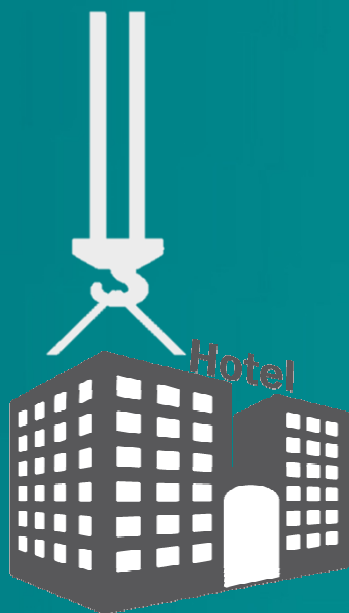
YTD Market Performance: Leisure Demand Seems To Allow For Pricing Power

Market	OCC %	ADR % Change	Influenced By
Miami/Hialeah, FL	77.4	7.9	Leisure and Group Demand
Nashville, TN	73.6	5.8	Bachelorette Parties (+4.7%)
Orlando, FL	79.6	5.7	Leisure Demand (+4.7%)
Atlanta, GA	70.3	4.3	Leisure and Group Demand
San Francisco/San Mateo, CA	82.4	4.0	Moscone Is Back

Philadelphia, PA-NJ	70.5	1.2	Demand Shift (+4.8%)
Phoenix, AZ	68.9	1.2	Demand Shift (+5.3%)
Oahu Island, HI	84.2	1.2	International? (\$236 ADR)
Boston, MA	74.5	-0.3	Supply + Group Shift (\$195 ADR)
Washington, DC-MD-VA	71.8	-1.4	Inauguration / Women's March Comp

*ADR % Change and absolute OCC in Top 25: 5 Best / 5 Worst Performing ADR % Markets, 12MMA July 2018

Pipeline



In Construction:

Vertical construction on the physical building has begun.



Final Planning:

Construction will begin within the next 12 months.



Planning:

Construction will begin in more than 13 months.



**Under
Contract**

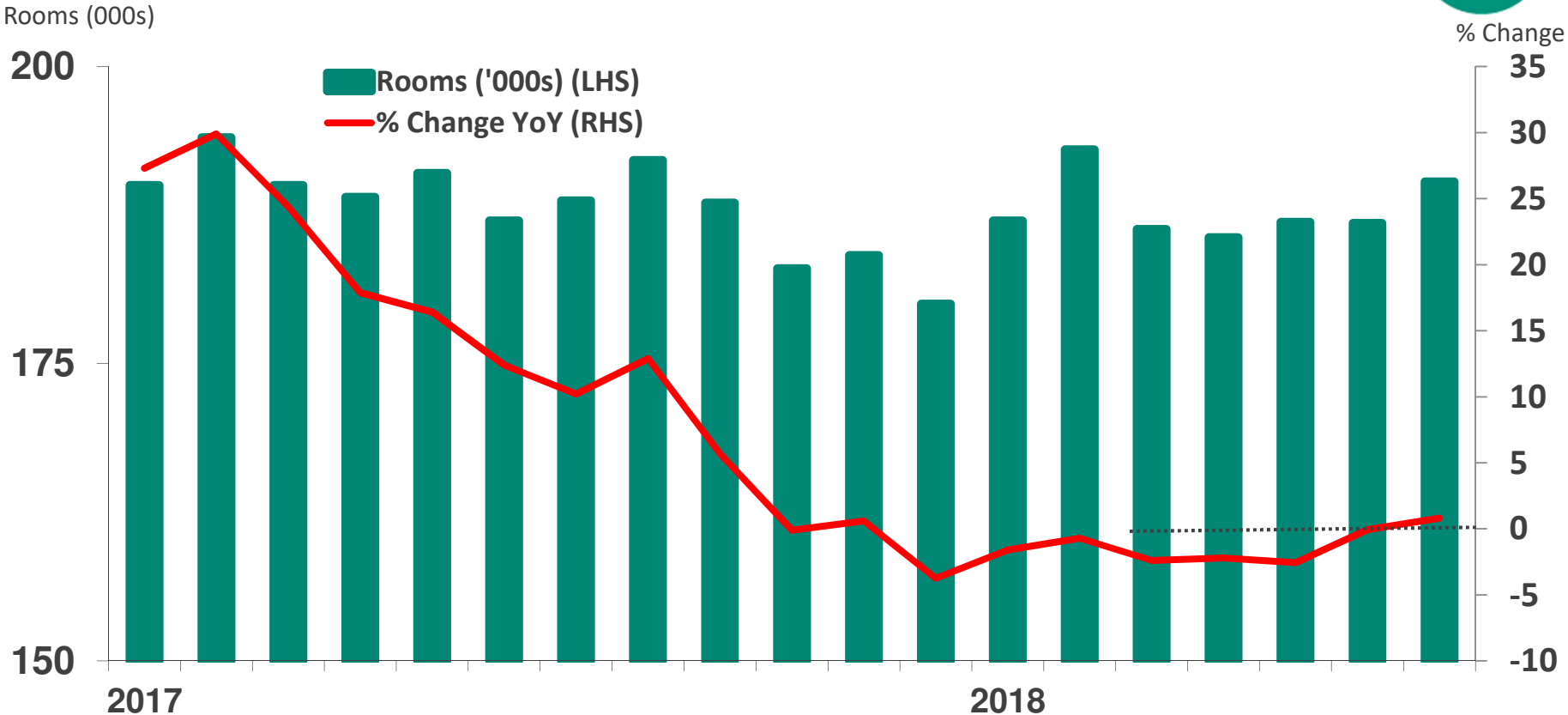


US Pipeline: Lack of In Construction Rooms Growth Aids Healthy Industry Results

<u>Phase</u>	<u>2018</u>	<u>2017</u>	<u>% Change</u>
In Construction	190	188	0.8%
Final Planning	223	219	2.0%
Planning	195	183	5.8%
Under Contract	608	591	2.8%

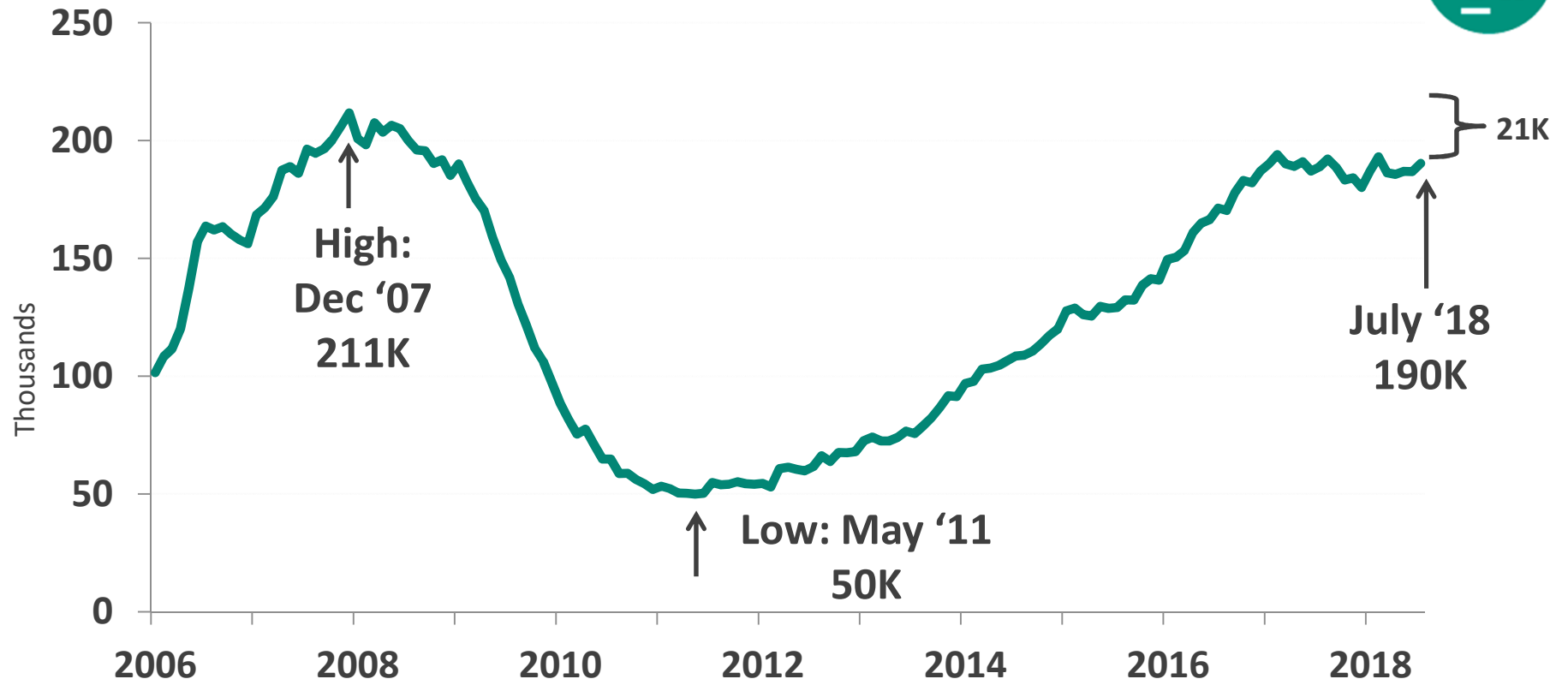
*Total US Pipeline, by Phase, '000s Rooms, July 2018 and 2017

Declining Number of I/C Rooms Will Help Overall Performance



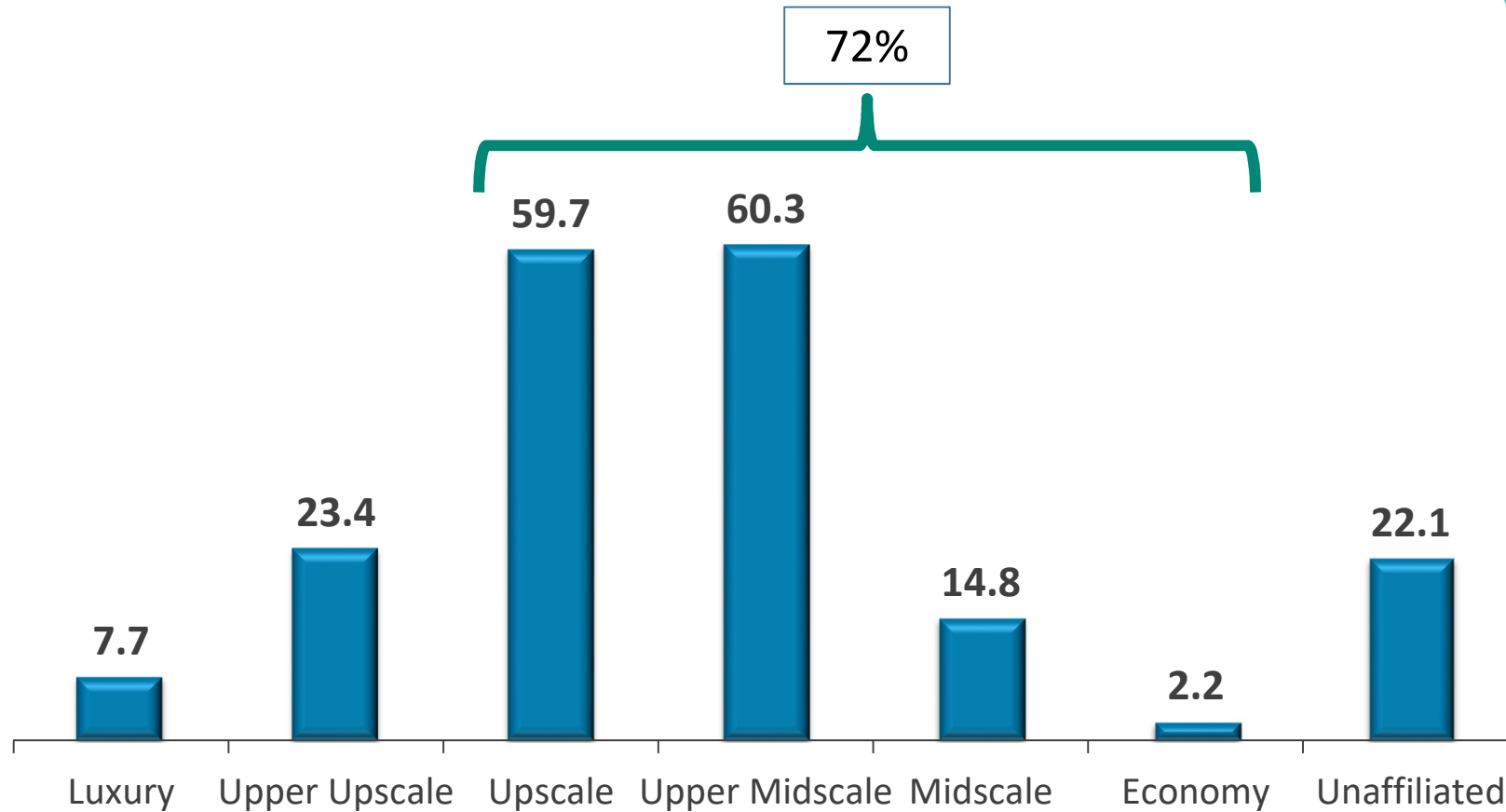
*Total U.S Pipeline, Rooms In Construction and % Change from Same Month Prior Year, 1/2017 – 7/2018

I/C Pipeline Is Leveling Off Below Prior Peak



*Total US Pipeline; Rooms In Construction, in '000s; 01/2006 – 07/2018

Limited Service Construction Is The Name Of The Game



*US Pipeline, Rooms In Construction , '000s Rooms, by Scale, July 2018



Large Markets Grow Rapidly

Market	Rooms In Construction	% Of Existing
Nashville, TN	5,210	12%
New York, NY	13,389	11%
Denver, CO	4,516	9%
Dallas, TX	6,337	7%
Seattle, WA	3,128	7%

*US Pipeline, Rooms I/C and as % of Existing Supply, Largest % In Top 26 Markets, July 2018

Some Smaller MSAs Report Rapid Growth



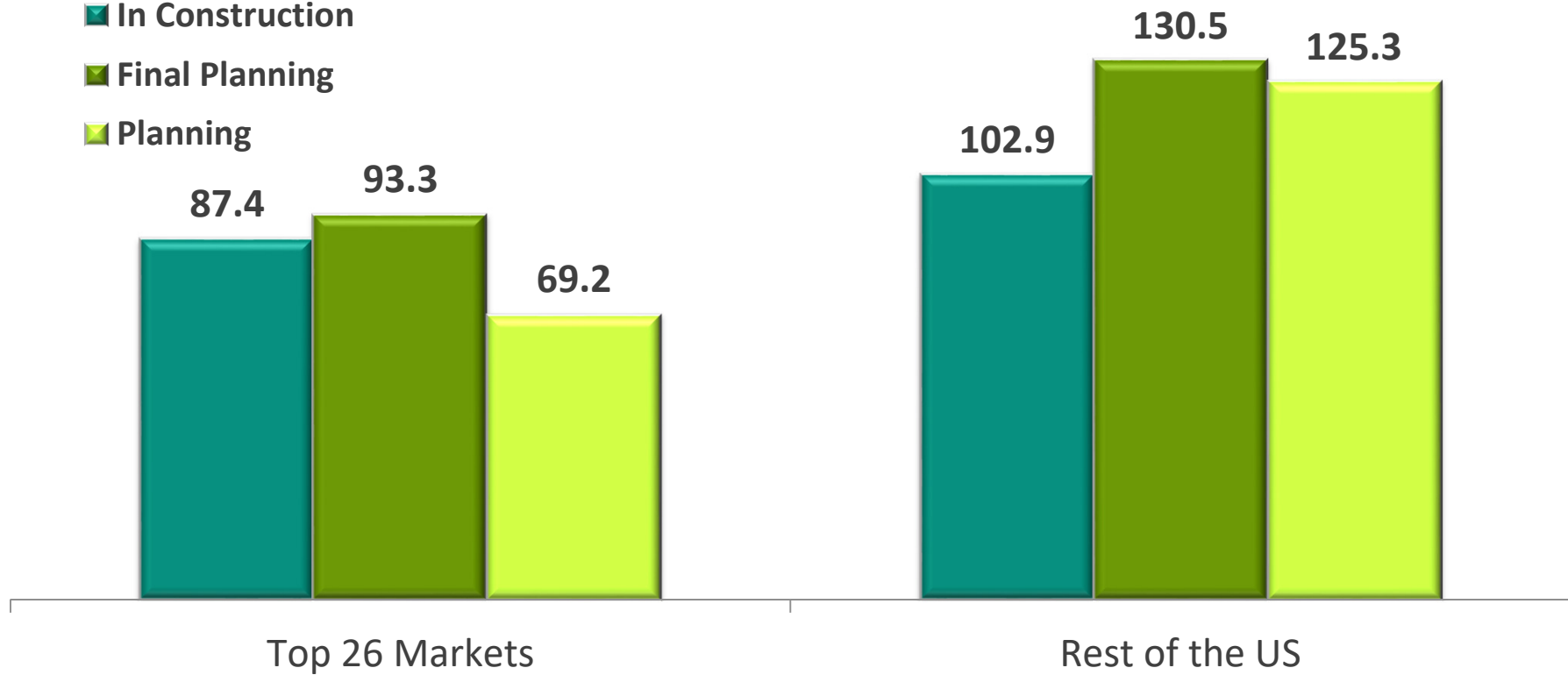
MSA	Rooms I/C	% Of Existing
Grand Rapids-Wyoming, MI	1,451	14%
Austin-Round Rock, TX	3,957	10%
Savannah, GA	1,531	10%
San Jose-Sunnyvale-Santa Clara, CA	2,636	10%
Fresno, CA	752	9%
Portland-Vancouver-Hillsboro, OR-WA	2,434	8%
Charleston-North Charleston, SC	1,717	8%
North Port-Sarasota-Bradenton, FL	793	8%

*US Pipeline, Rooms I/C and as % of Existing Supply, Largest % In Top 110 MSAs, July 2018



Pipeline ('000s rooms): Top 26 Markets Have 46% Of I/C Rooms

- In Construction
- Final Planning
- Planning



*US Pipeline, Rooms ('000s), Top 26 Markets vs. All Other Markets, July 2018

Forecast



Notable Calendar Shifts Impacting Lodging Performance Data in 2018:



- Easter: Shift from April to March (also affects Q1/Q2)
- Election Day 11/6: Likely low room demand the night before
- Halloween: Shift from TUE to WED, likely impacting full week

Notable Market Level Events / Comps:

- Super Bowl: From Houston To Minneapolis
- San Francisco: Moscone Center Reopened, easy comps Q2/Q3
- Washington, D.C.: Inauguration & Women's March (January 2017)
- Houston: Hurricane Harvey – October and all of Q4 2017
- Florida: Hurricane Irma – October and all of Q4 2017
- California: Wildfires in Q4 2017

Total United States

Key Performance Indicator Outlook (% Change vs. Prior Year)
2018F – 2019F



Outlook			
Metric	2017 Actual	2018 Forecast	2019 Forecast
Supply		2.0%	1.9%
Demand		2.6%	2.1%
Occupancy	65.9%	0.6%	0.2%
ADR	\$127	2.6%	2.4%
RevPAR	\$83	3.2%	2.6%

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	0.9%	3.0%	3.9%
Upper Upscale	0.1%	2.2%	2.4%
Upscale	-0.1%	2.1%	2.0%
Upper Midscale	0.2%	2.0%	2.2%
Midscale	0.7%	2.6%	3.3%
Economy	0.6%	2.7%	3.3%
Independent	0.8%	2.8%	3.6%
Total United States	0.6%	2.6%	3.2%

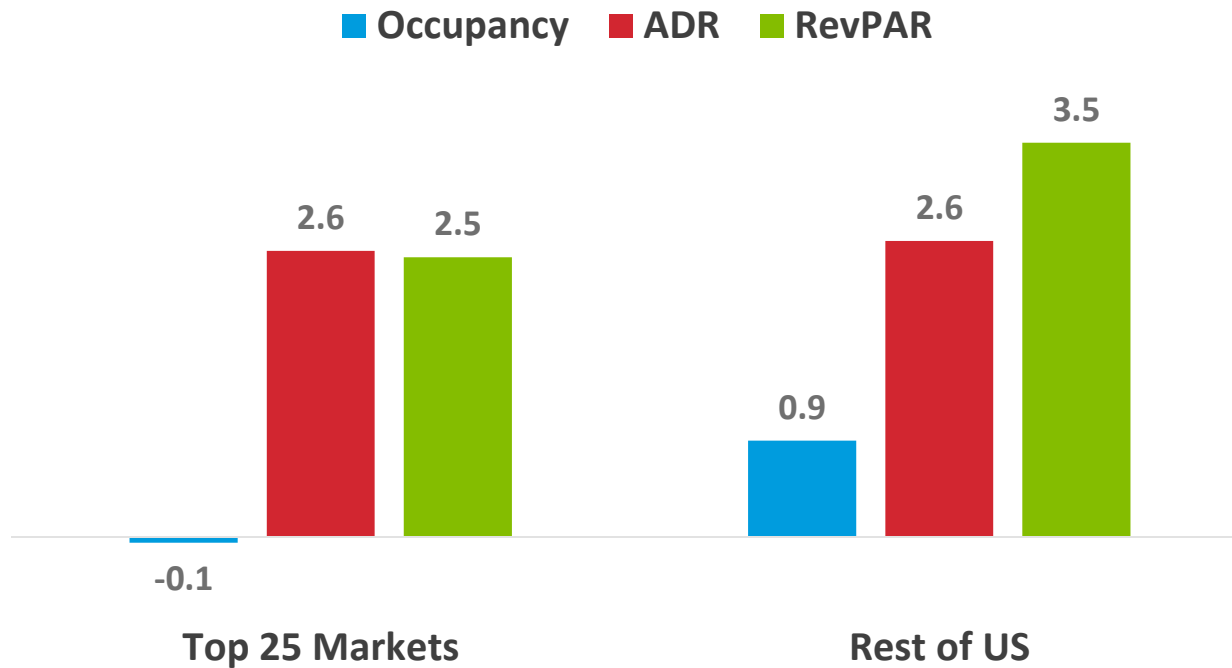
Total United States

Chain Scale Key Performance Indicator Outlook
2019F by Chain Scale







2019 Year End Outlook			
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (% chg)
Luxury	-0.1%	2.3%	2.3%
Upper Upscale	0.0%	2.4%	2.4%
Upscale	-0.1%	2.2%	2.1%
Upper Midscale	0.0%	2.1%	2.1%
Midscale	0.1%	2.1%	2.1%
Economy	0.2%	2.1%	2.3%
Independent	0.2%	2.3%	2.5%
Total United States	0.2%	2.4%	2.6%

2018 Forecast Percent Change Top 25 Markets vs Rest Of United States



Forecast Summary (STR as of August 2018, PWC as of May 2018 and CBRE as of February 2018)

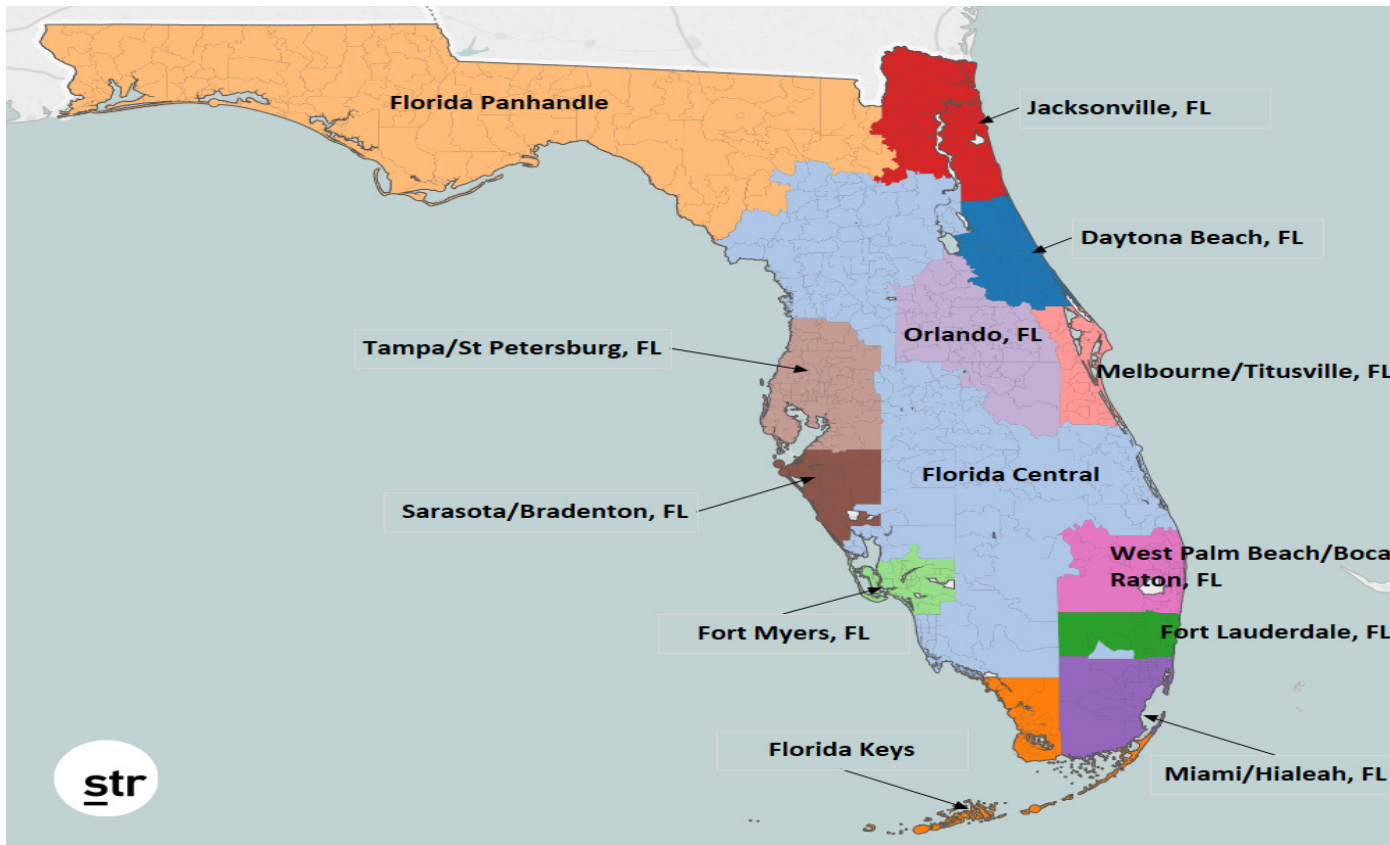
2018		CBRE	
Supply	2.0%	2.0%	2.0%
Demand	2.6%	2.1%	2.4%
Occupancy	0.6%	0.1%	0.4%
ADR	2.6%	2.7%	2.6%
RevPAR	3.2%	2.8%	3.0%
2019		CBRE	
Supply	1.9%	1.9%	1.9%
Demand	2.1%	1.9%	1.9%
Occupancy	0.2%	0.0%	-0.1%
ADR	2.4%	2.0%	2.8%
RevPAR	2.6%	2.0%	2.8%



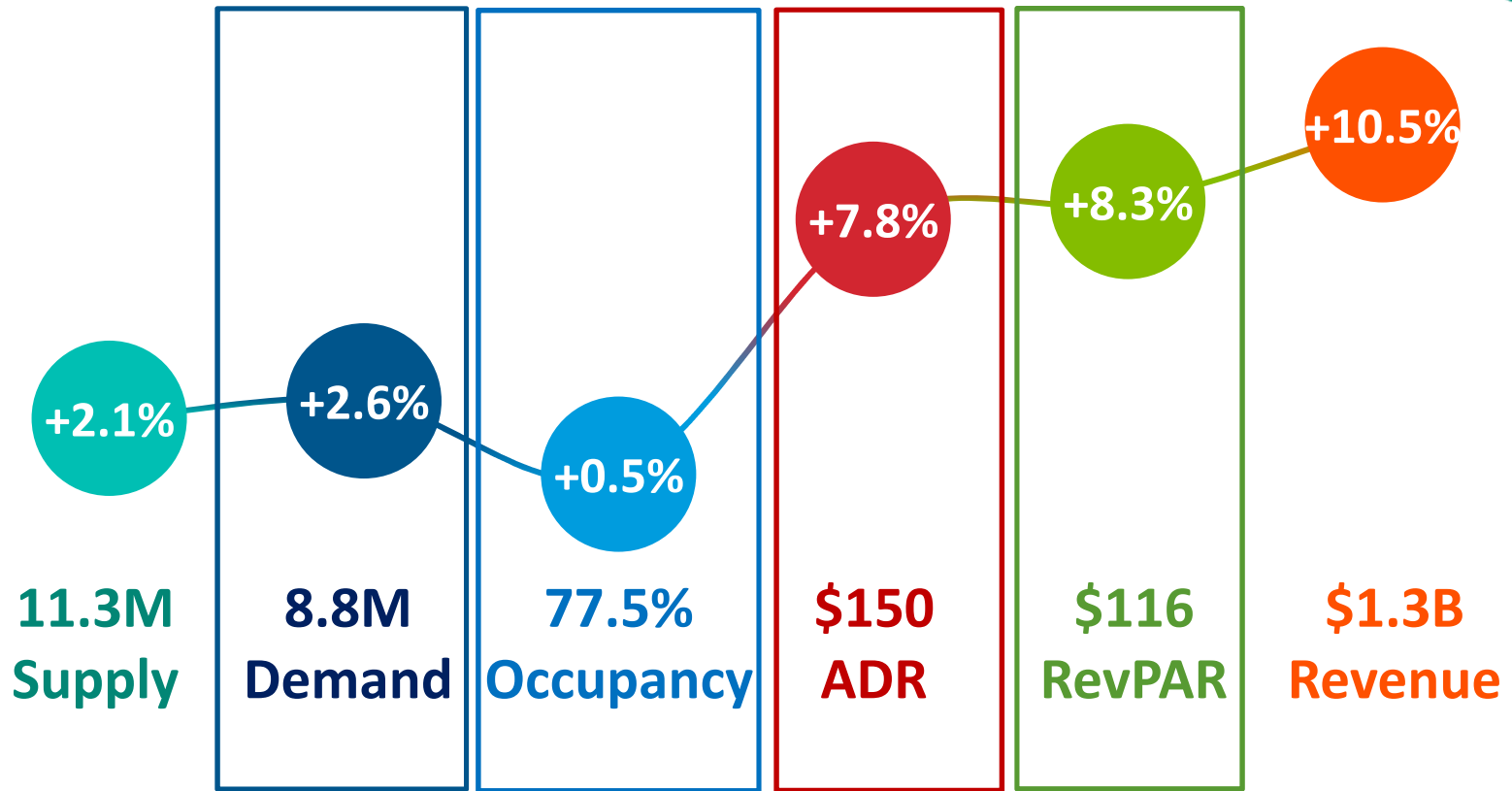


Fort Lauderdale

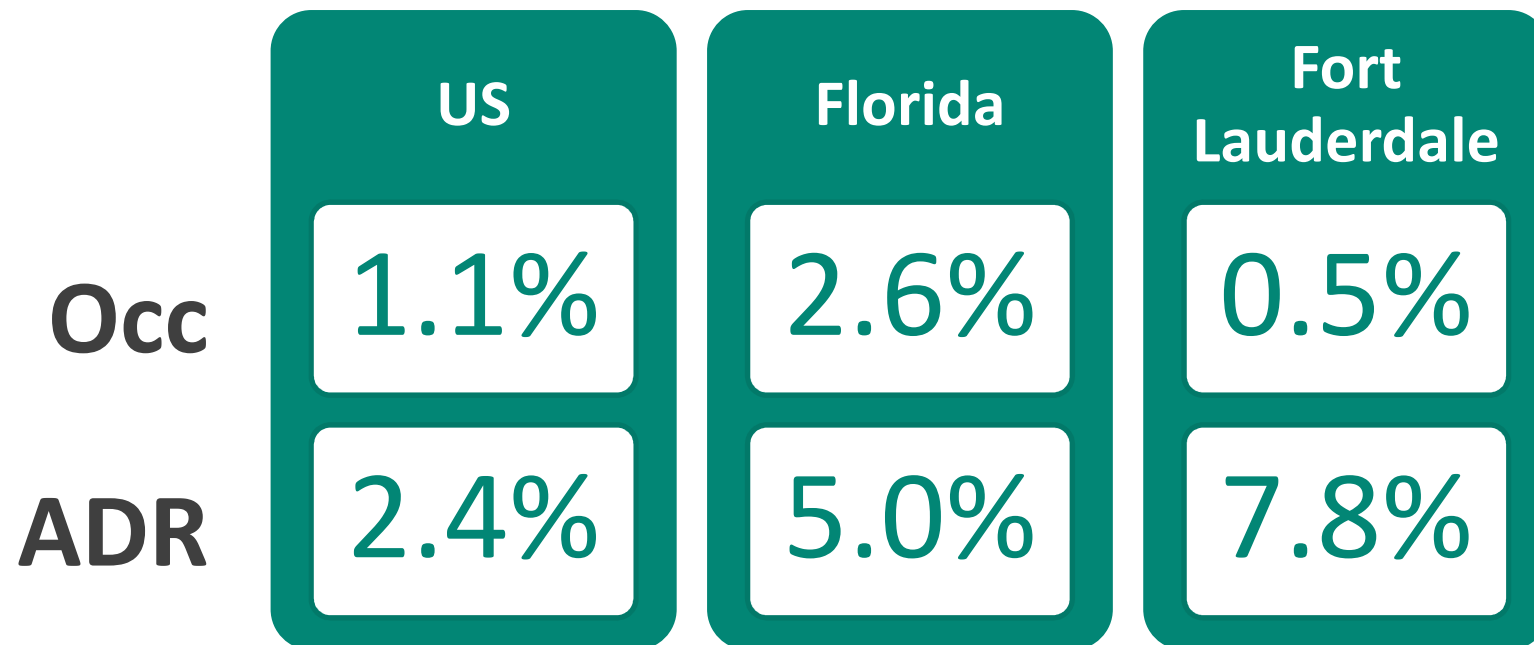




Fort Lauderdale Performance: Strong ADR Drives RevPAR



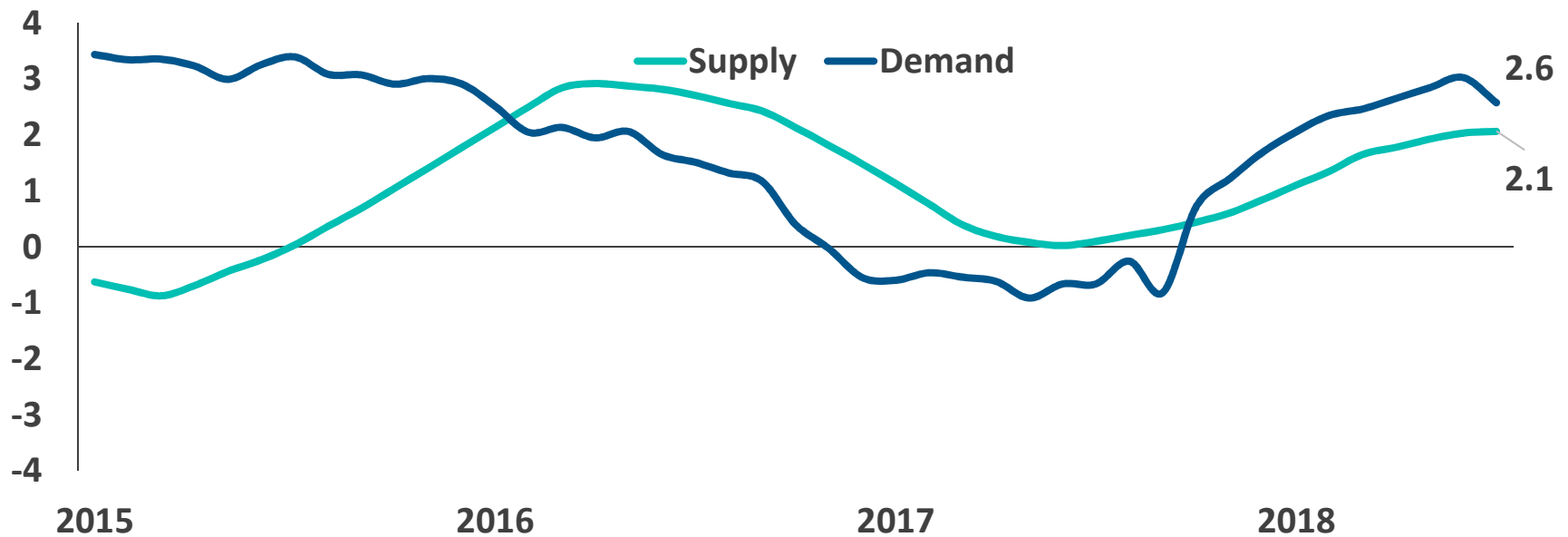
Florida Market Overview



US, Florida, FLL Markets, July 2018 12MMA



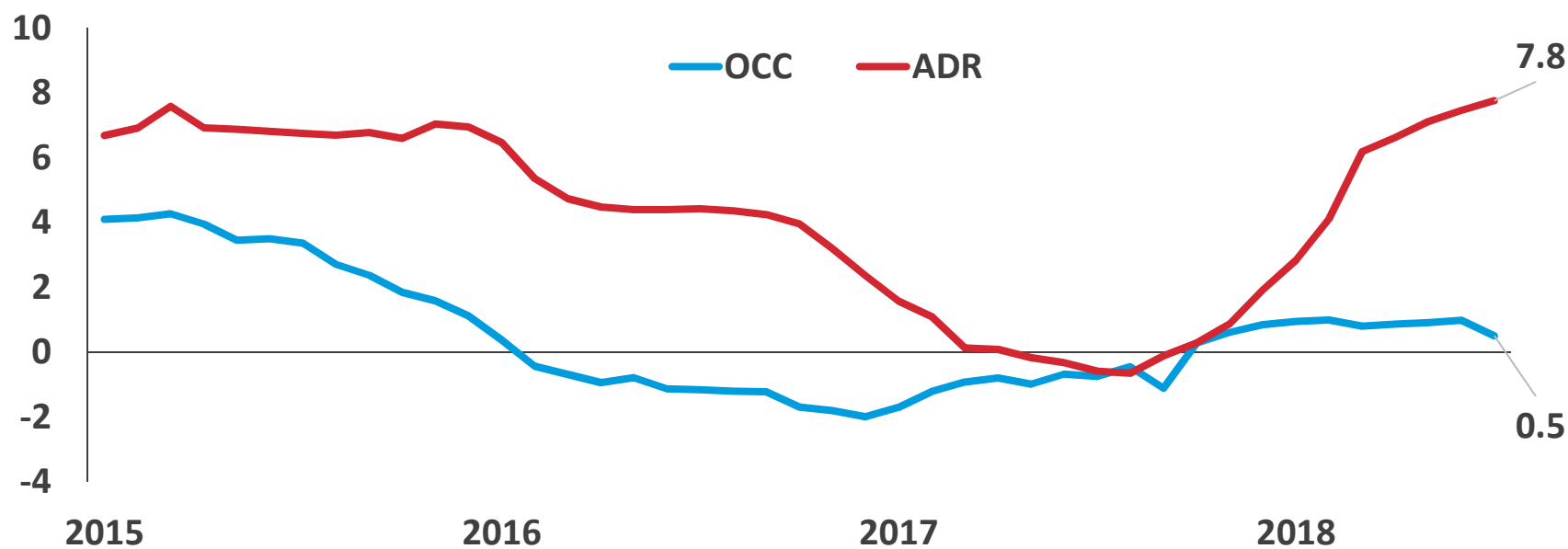
Demand Is Now Outpacing Supply



FLL Market, Supply/Demand Percent Change, TTM Jan 2005 – Jul 2018



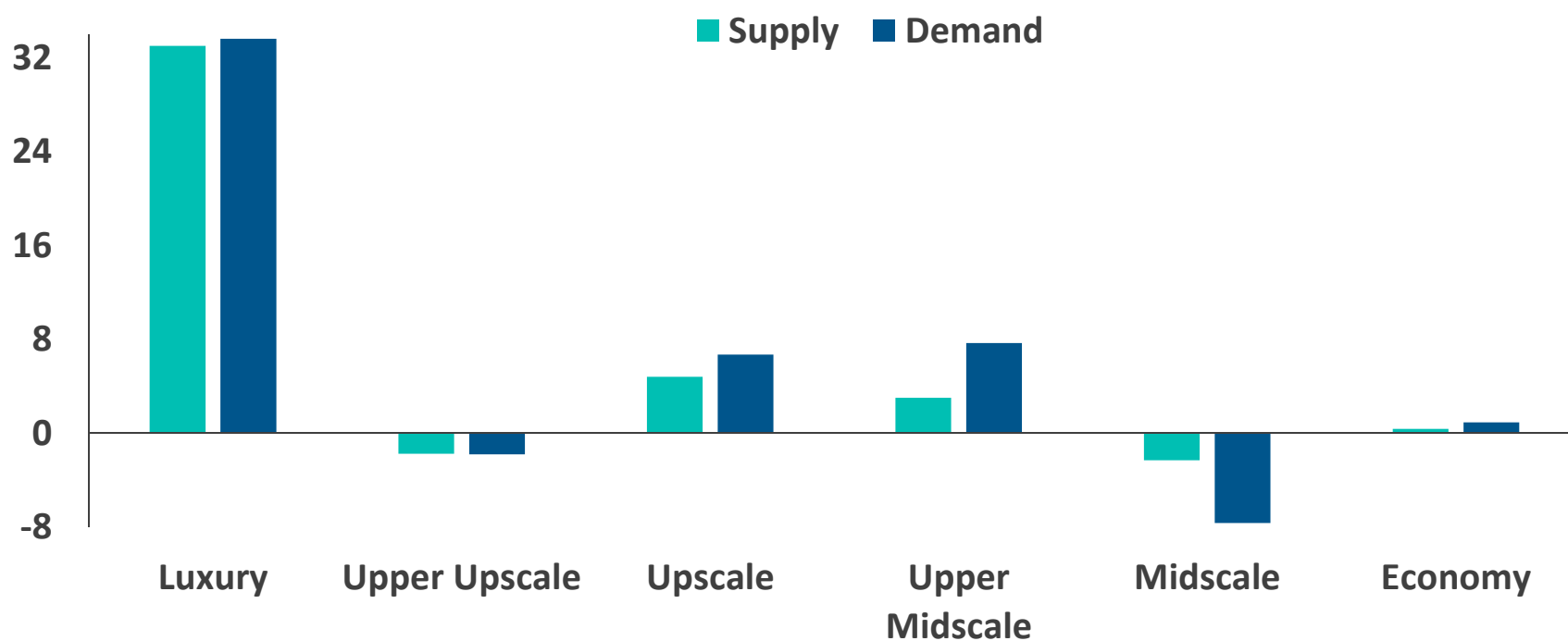
Occupancy Steady; ADR Soaring



FLL Market, Occupancy/ADR Percent Change, TTM Jan 2005 – Jul 2018



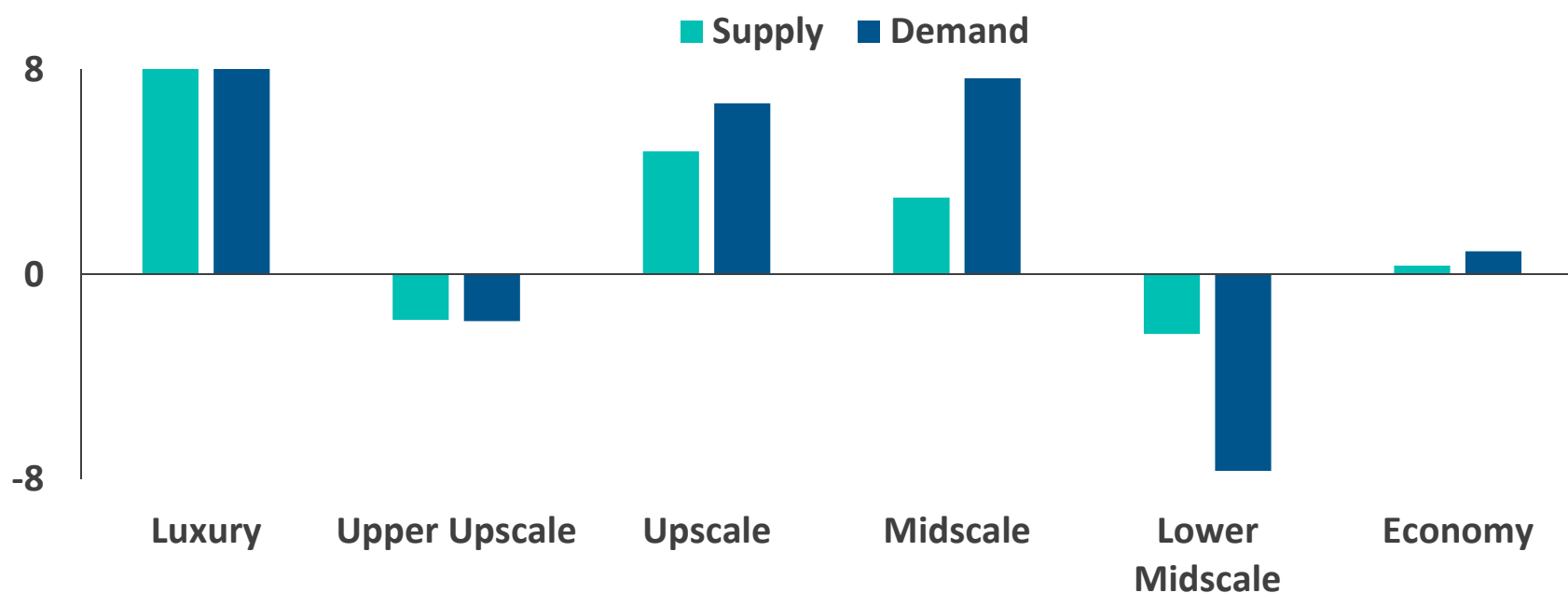
Big Supply Changes: Demand Kept Up Except Midscale



FLL Market Classes, Supply / Demand % Change, MMA July 2018



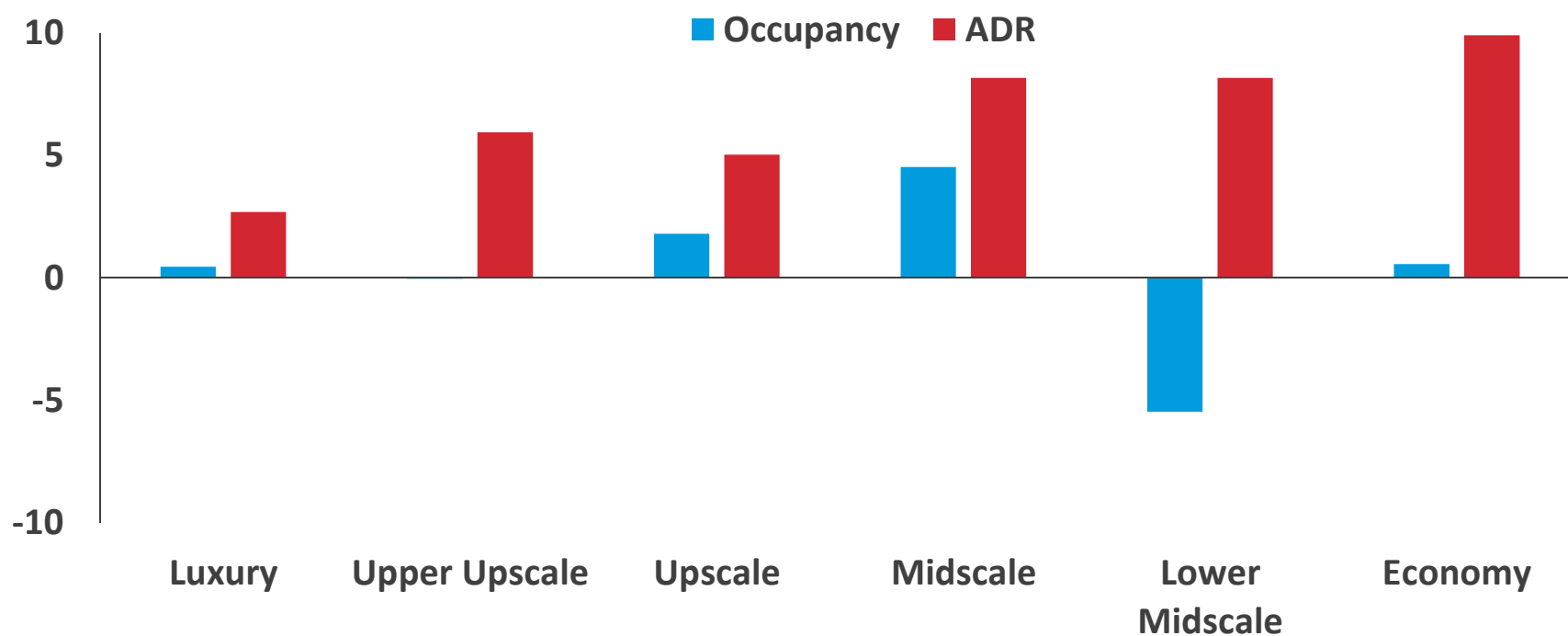
Big Supply Changes: Demand Kept Up Except Lower Midscale



FLL Market Classes, Supply / Demand % Change, MMA July 2018



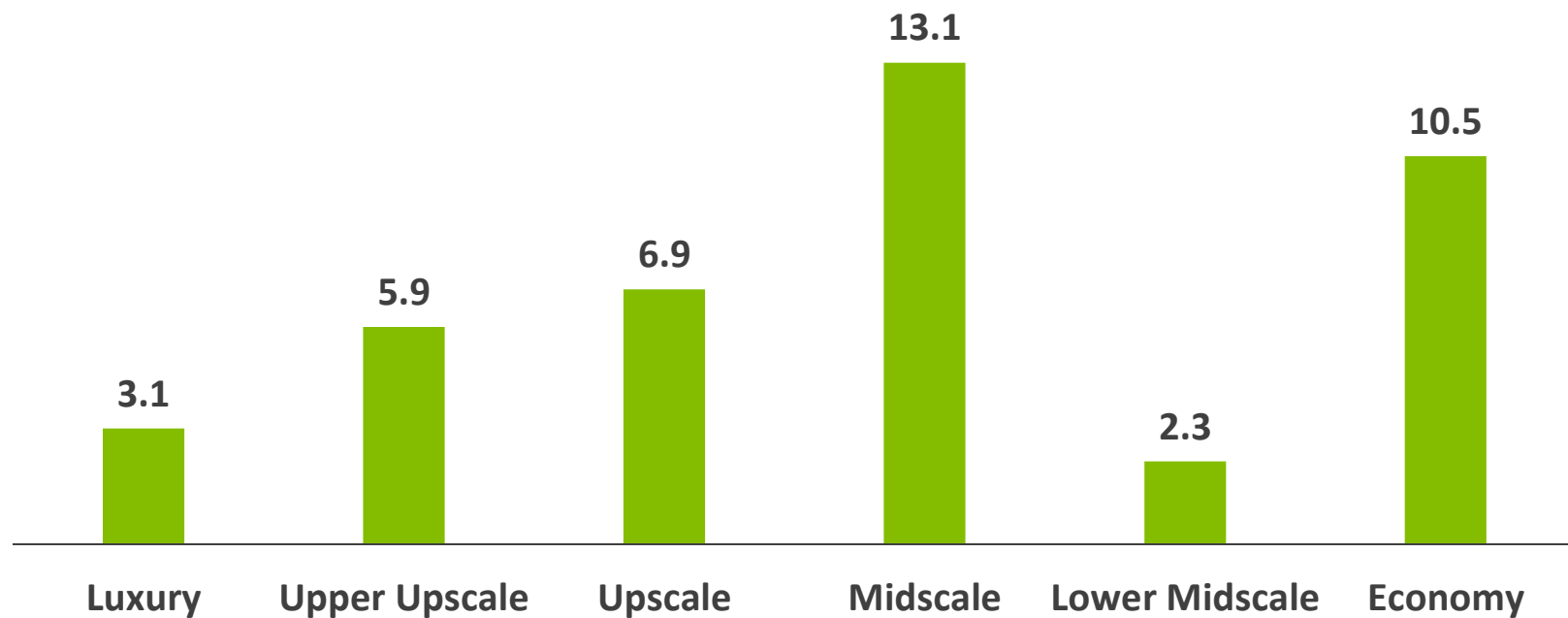
Occupancy/ADR Impact on RevPAR Vary by Class



FLL Market Classes, Occupancy / ADR % Change, MMA July 2018



Midscale and Economy Achieve Double Digit RevPAR Growth



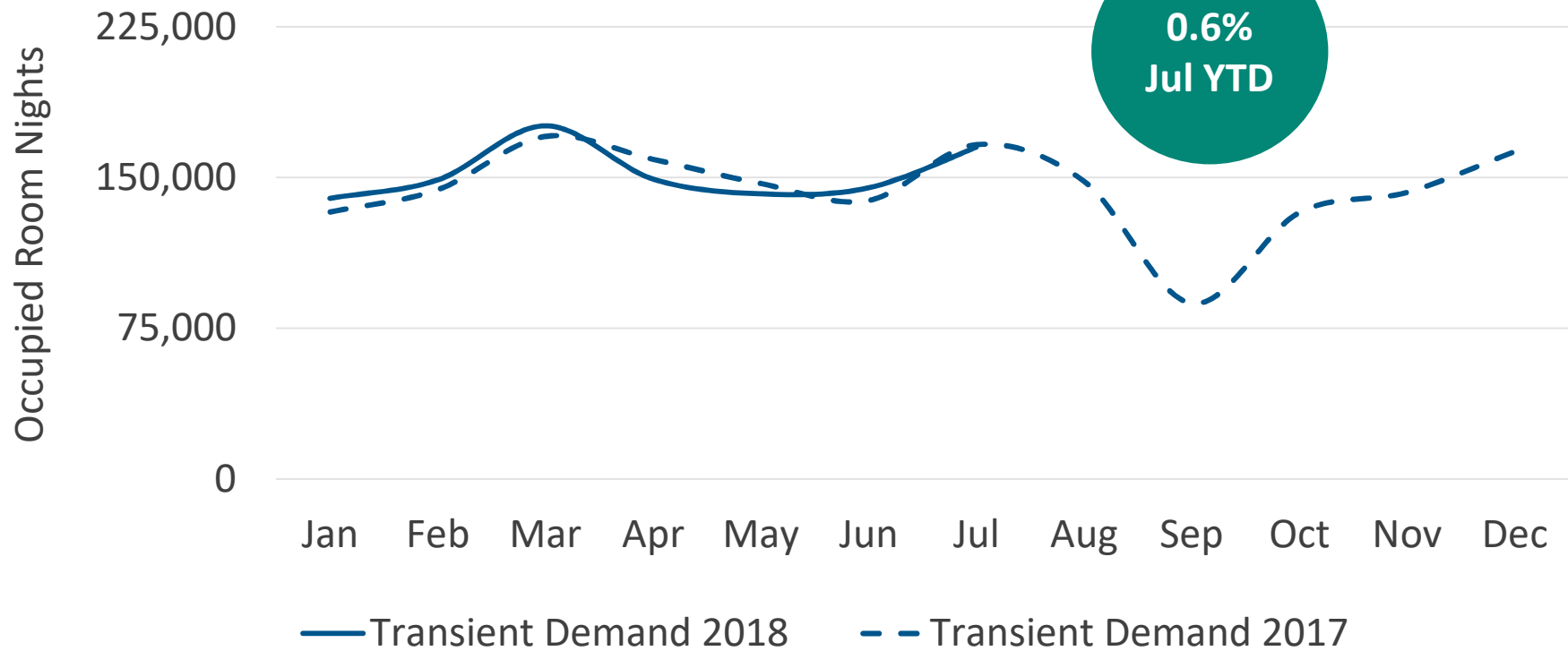
FLL Market Classes, RevPAR % Change, MMA July 2018

Segmentation





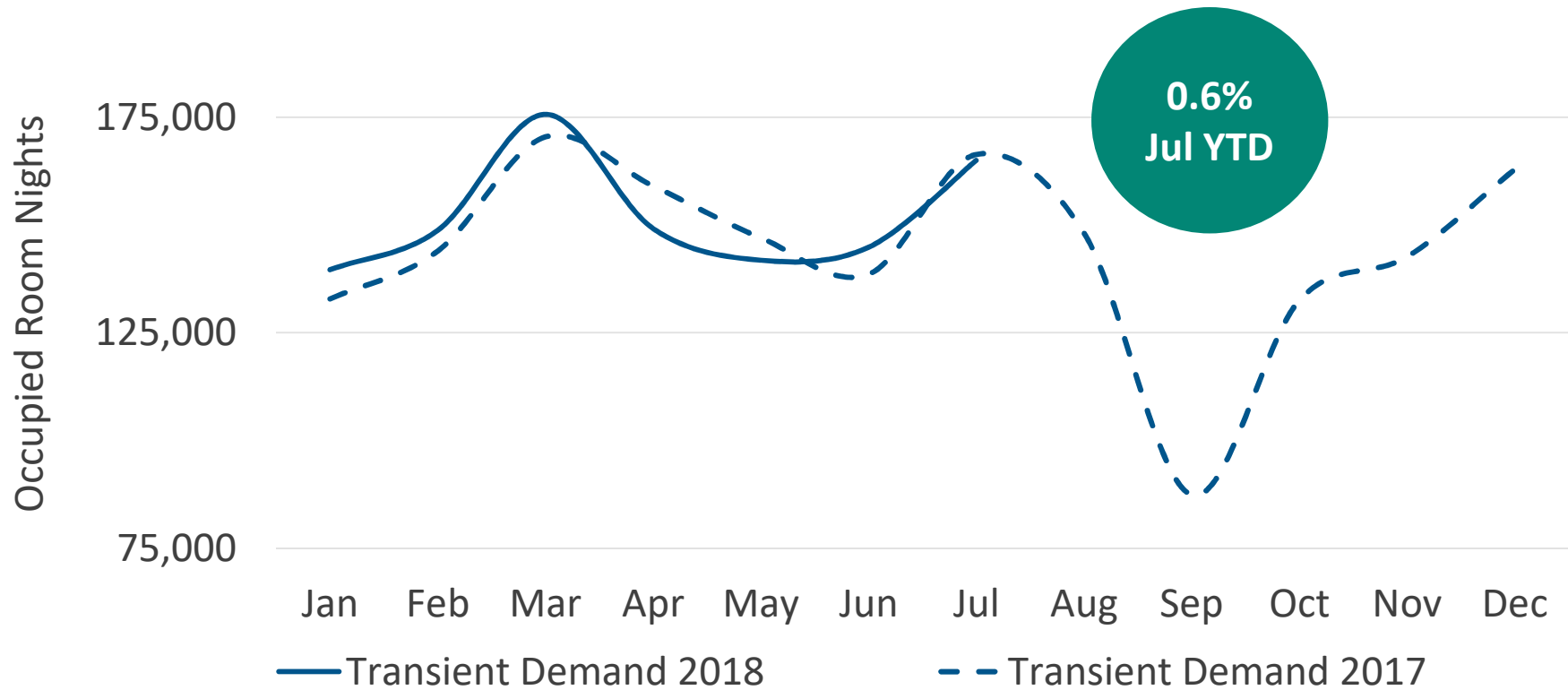
2018 Transient Demand Just Barely Ahead of 2017



*FLL Market Transient Luxury/Upper Upscale Rooms Sold, by month January 2017 - July 2018



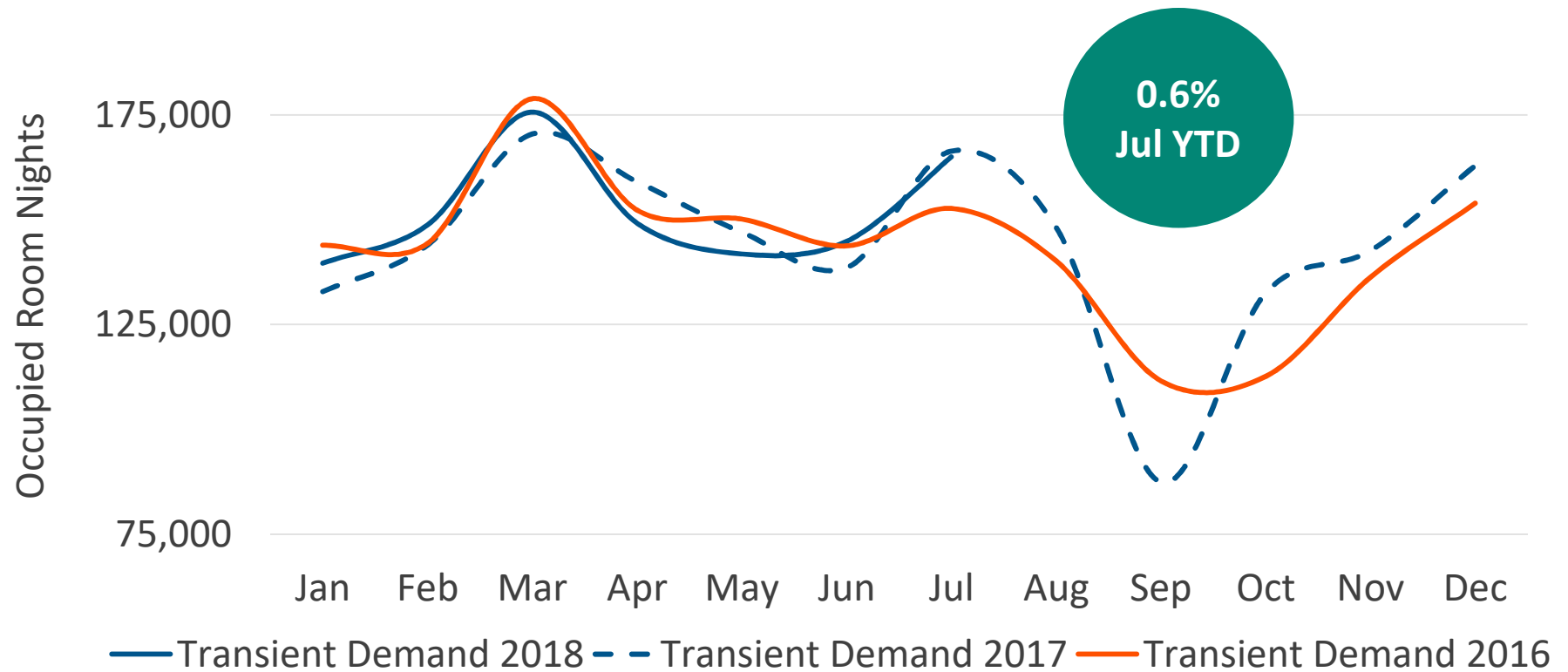
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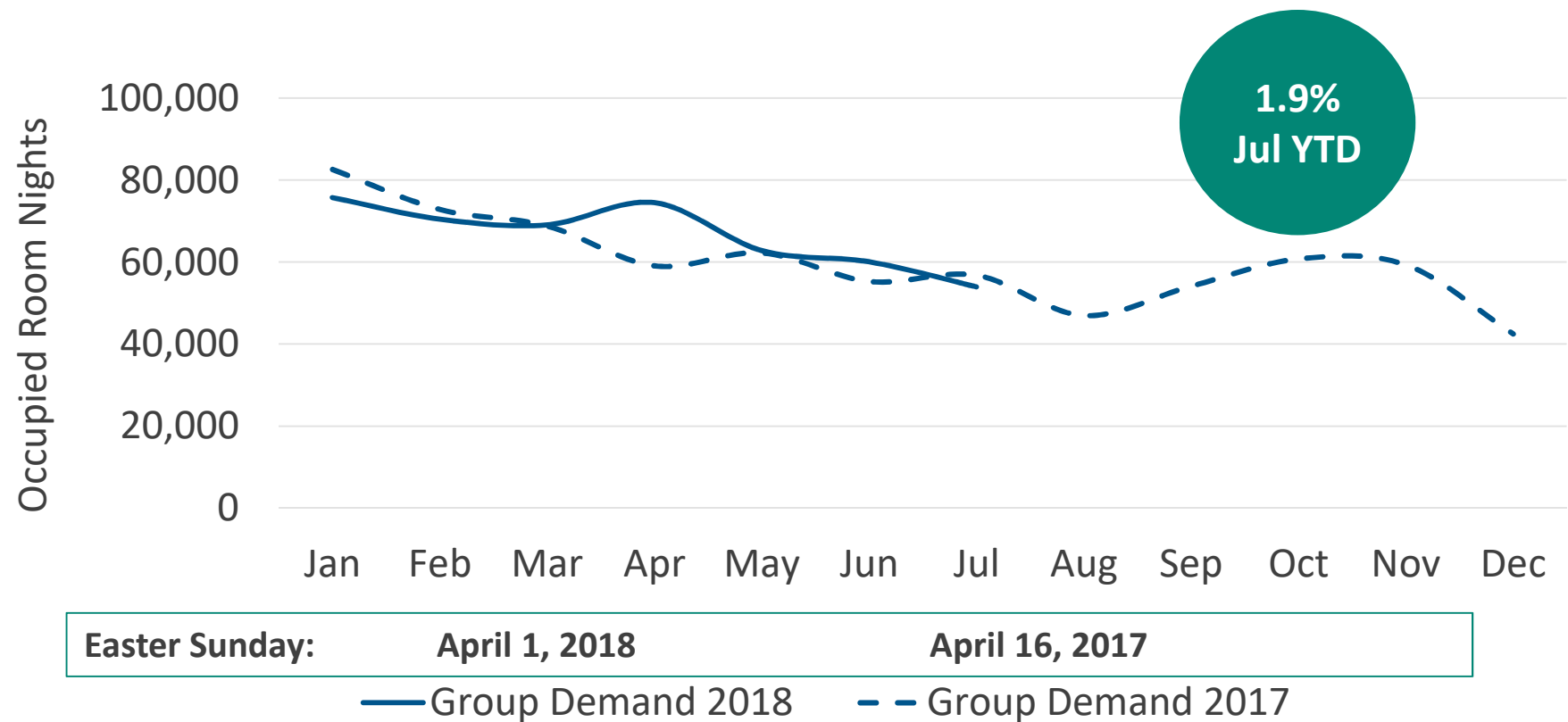
2018 Transient Demand For Aug – Dec More Positive(?)



*FLL Market Transient Luxury/Upper Upscale Rooms Sold, by month January 2017 - July 2018



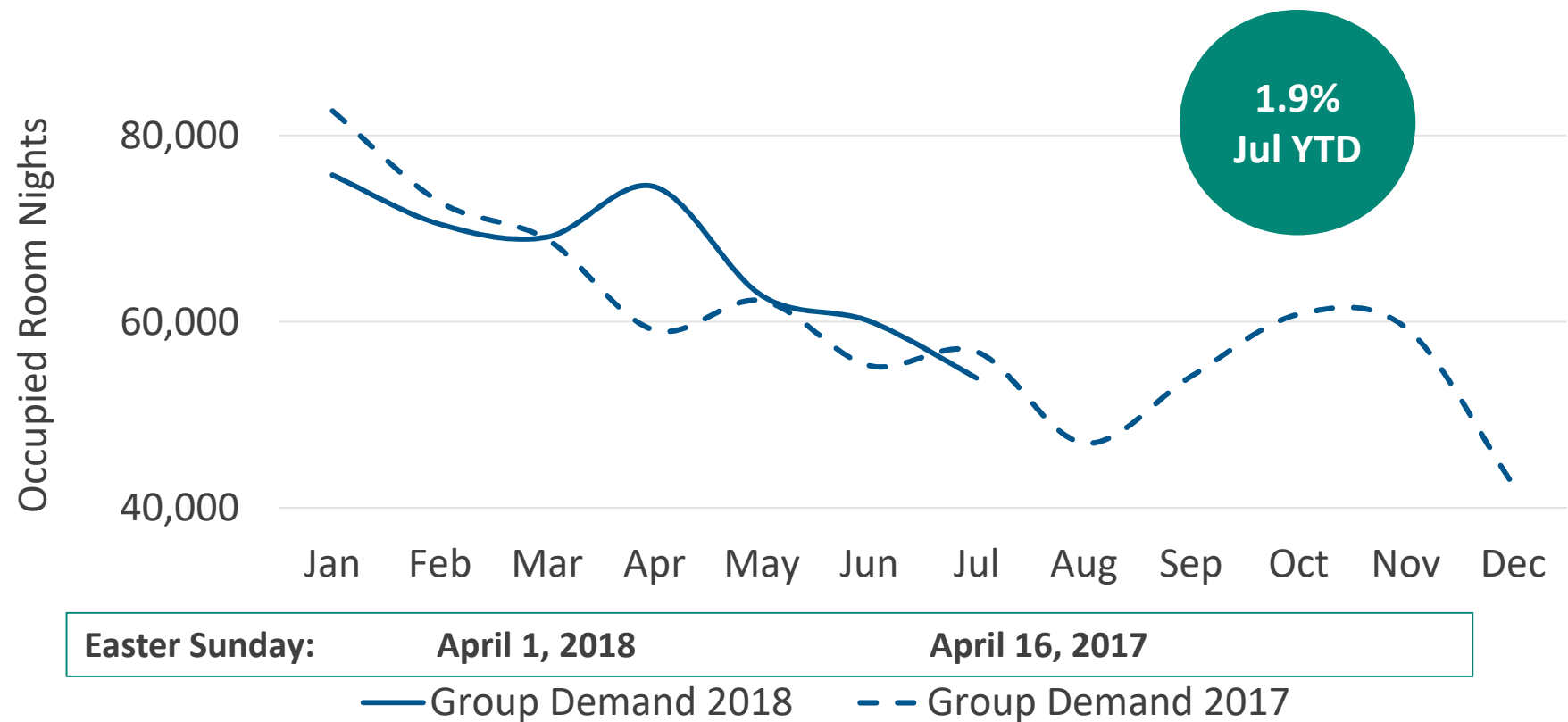
2018 Group Demand Strong: Spring Holiday Shift Impacts



*Tucson Market Luxury/Upper Upscale Group Rooms Sold, by month January 2017 - July 2018



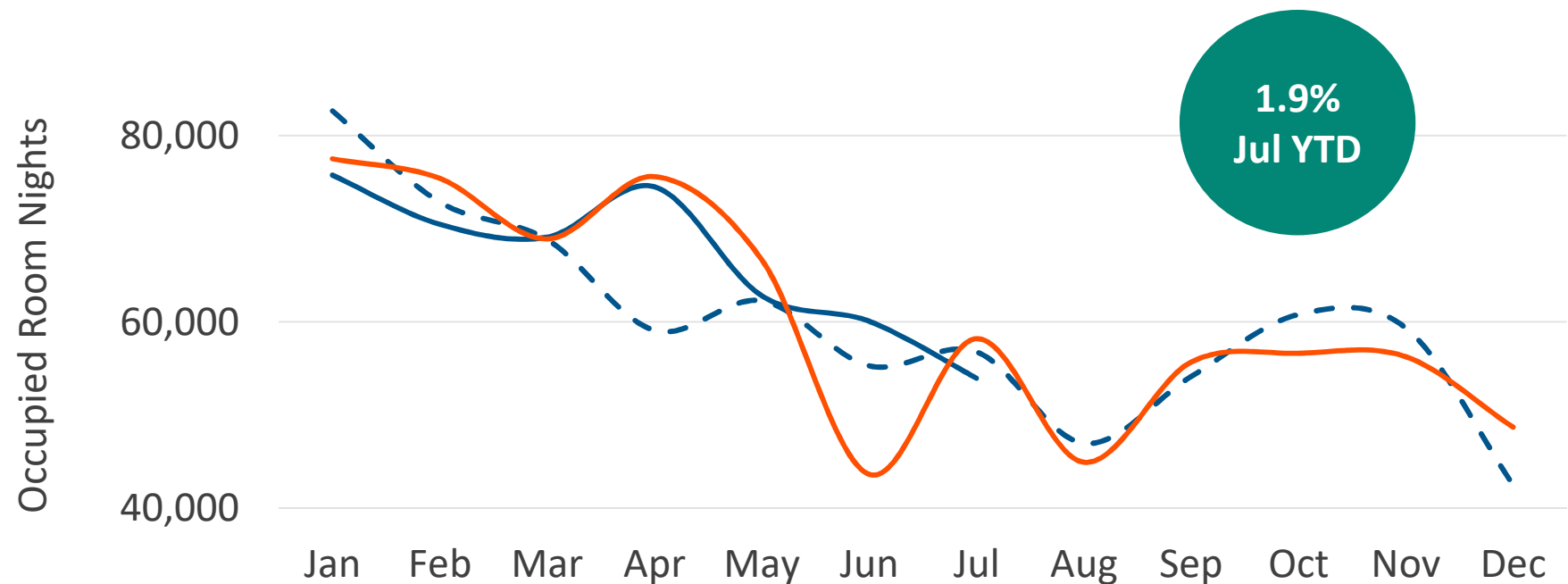
2018 Group Demand Strong: Spring Holiday Shift Impacts



*Tucson Market Luxury/Upper Upscale Group Rooms Sold, by month January 2017 - July 2018



2018 Group Demand Strong: Spring Holiday Shift Impacts



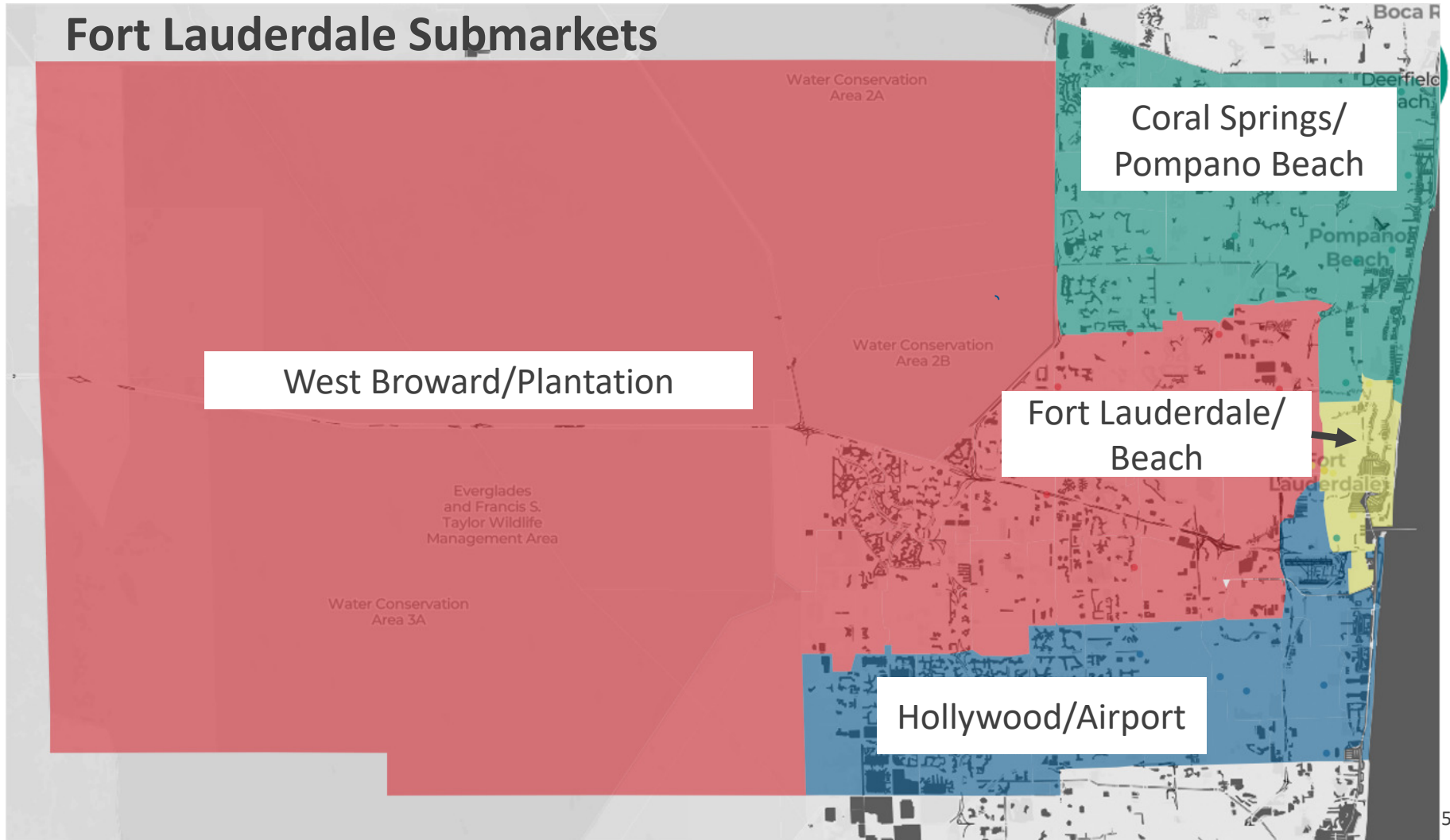
1.9%
Jul YTD

Easter Sunday: April 1, 2018 April 16, 2017 March 26, 2016

— Group Demand 2018 - - Group Demand 2017 — Group Demand 2016

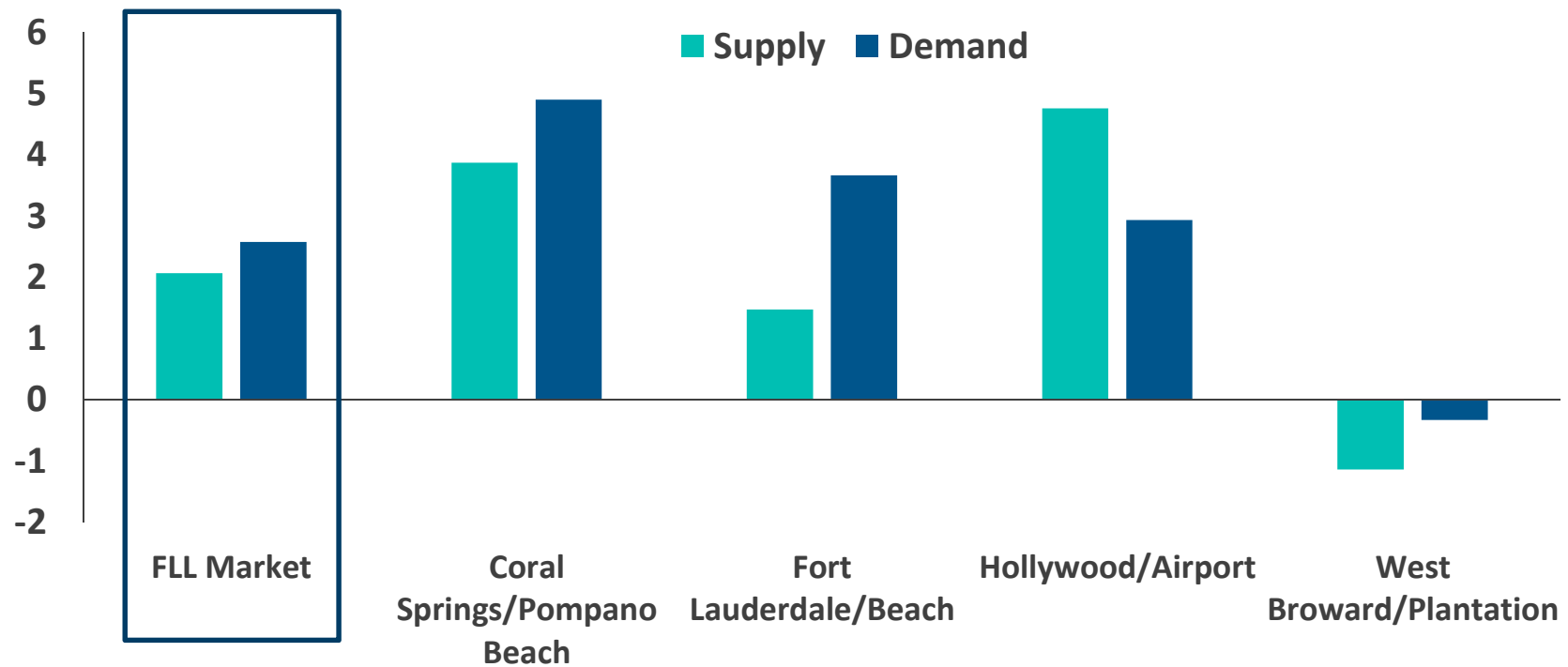
*FLL Market Luxury/Upper Upscale Group Rooms Sold, by month January 2017 - July 2018

Fort Lauderdale Submarkets





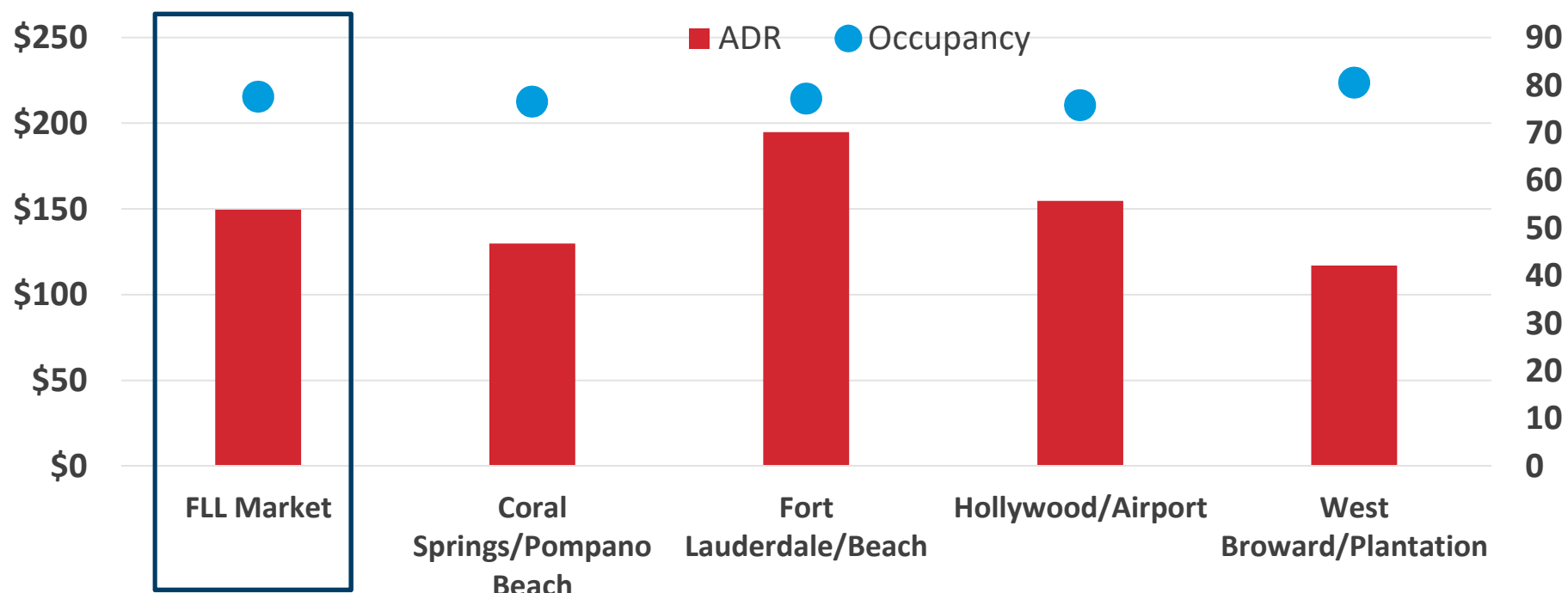
Supply/Demand Growth Across 3 of 4 Submarkets; West Broward Supply/Demand Declines



FLL and Submarkets, Supply / Demand % Change, TTM July 2018



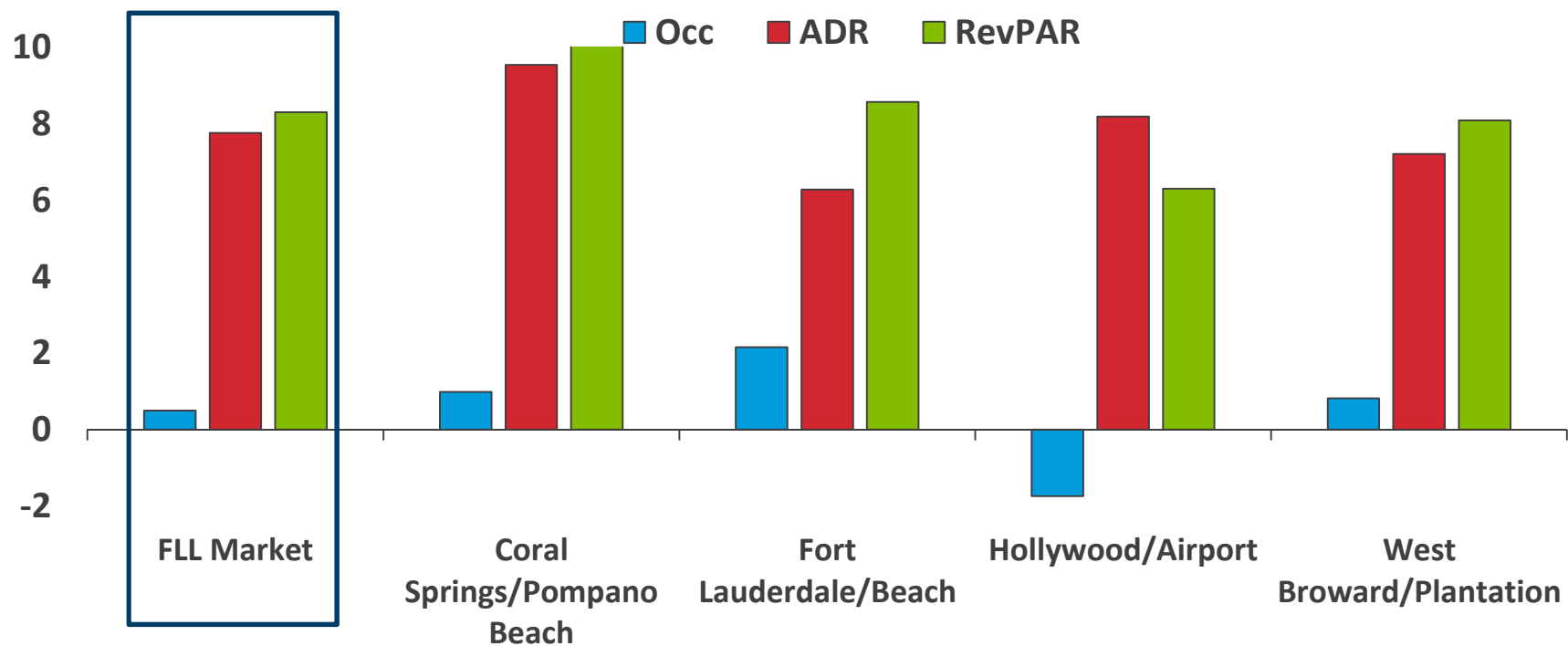
Submarkets Post Similar Occupancy and Different ADR



FLL and Submarkets, Actual ADR/Occupancy, TTM July 2018

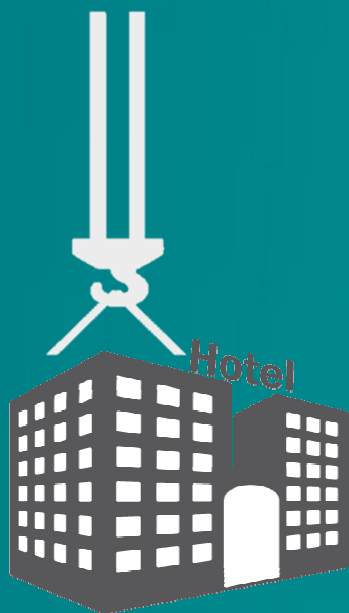


Submarket Changes Similar to FLL Overall (Except Hollywood/Airport)



FLL and Submarkets, % Change, MMA July 2018

Pipeline



In Construction:

Vertical construction on the physical building has begun.



Final Planning:

Construction will begin within the next 12 months.



Planning:

Construction will begin in more than 13 months.

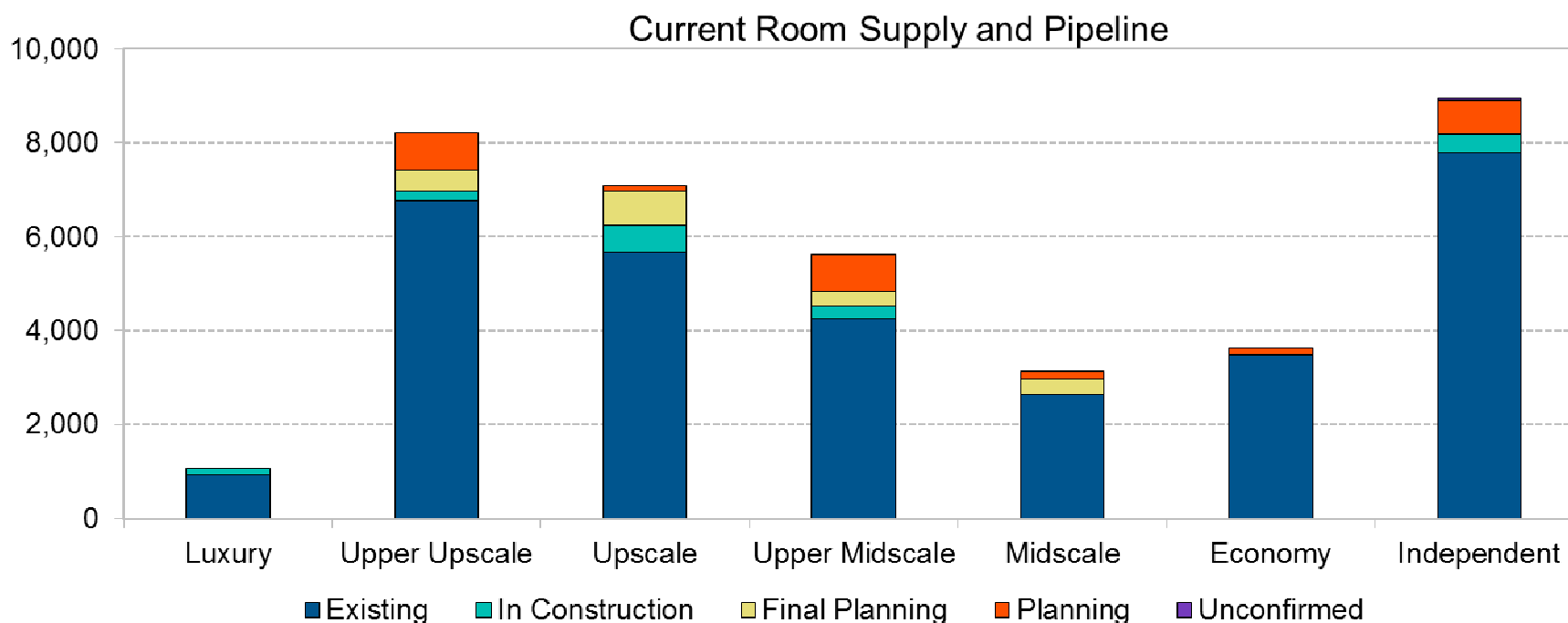


**Under
Contract**



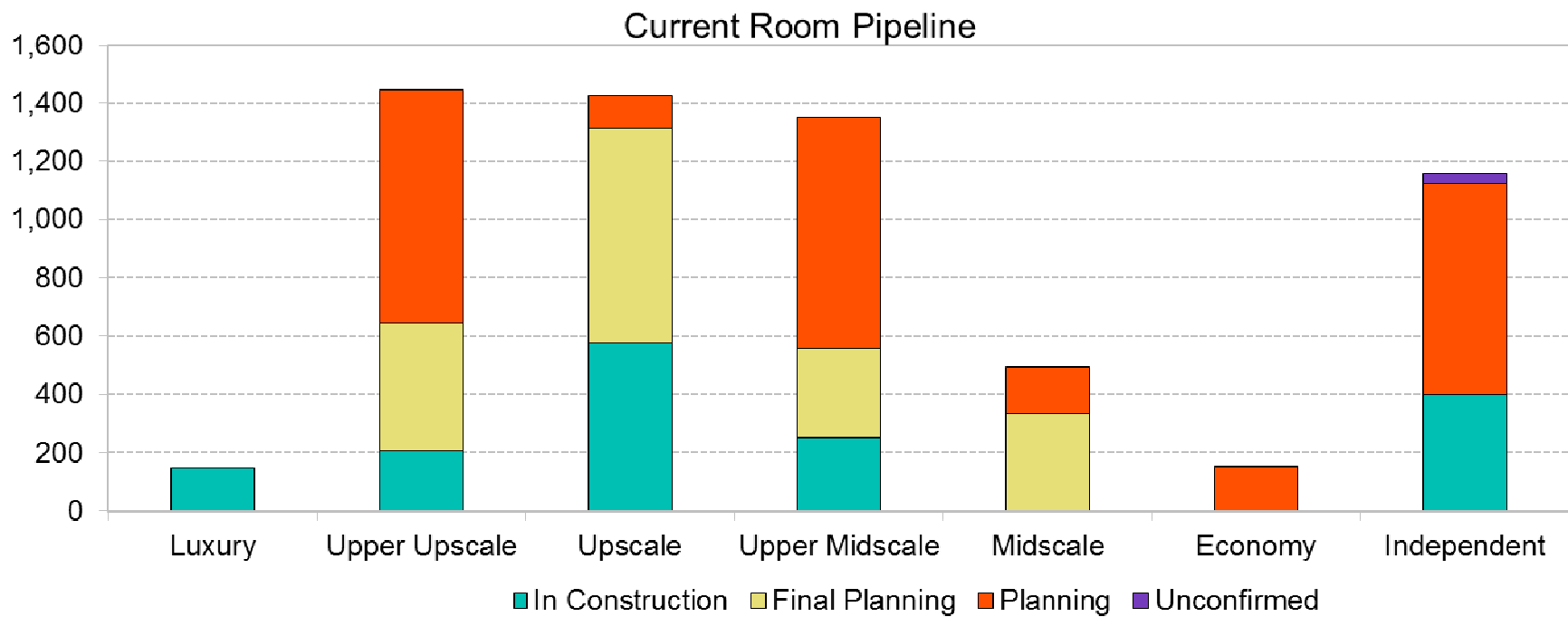


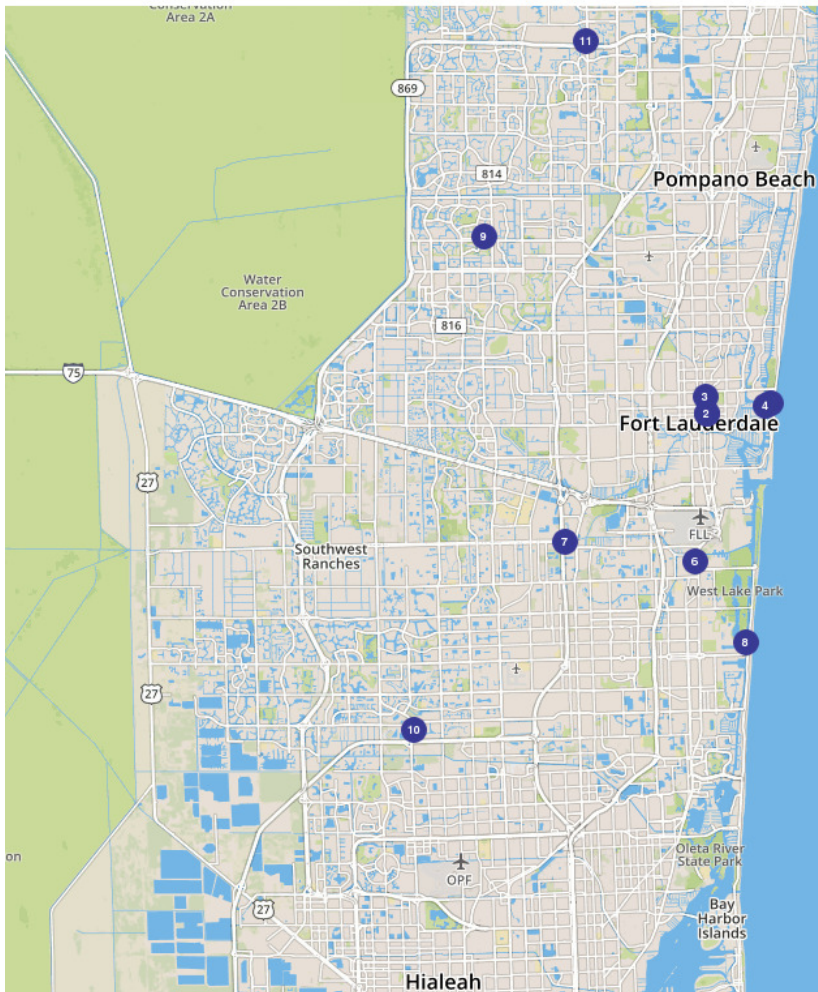
Fort Lauderdale Market Room Supply and Pipeline





Fort Lauderdale Market Pipeline





11 Properties In Construction

Property	Rooms	Open
1. The Dalmar A Tribute Portfolio Hotel	209	Oct '18
2. Element Downtown	114	Oct '18
3. Courtyard Downtown	120	Apr '19
4. Gale Boutique Hotel & Residences	96	Oct '18
5. Four Seasons	148	Dec '19
6. Wyndham Garden Hotel Airport & Cruise Port	142	Sep '19
7. Staybridge Suites Airport	104	Mar '19
8. Costa Hollywood	304	Oct '18
9. Fairfield Inn & Suites Northwest	110	Sep '19
10. Springhill Suites SW Miramar	125	Nov '18
11. Residence Inn Coconut Creek	113	Apr '19

Fort Lauderdale Market

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

2018F – 2019F

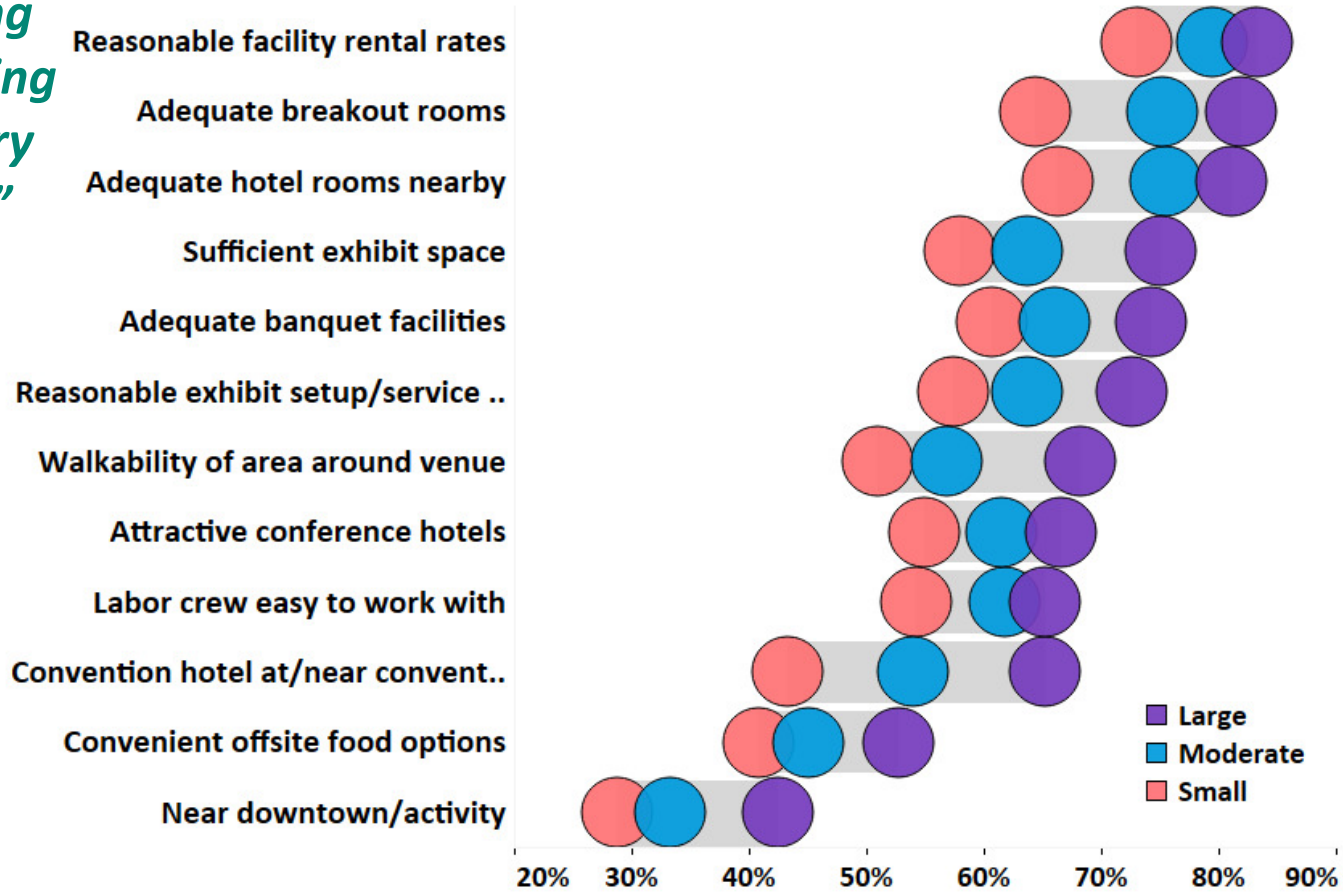


Fort Lauderdale Outlook			
	July 2018 ^{12MMA} (% change)	2018 Forecast	2019 Forecast
Supply	2.1%	↑	↑
Demand	2.6%	↑	↑
Occupancy	0.5%	=	↓
ADR	7.8%	↑↑	↑
RevPAR	8.3%	↑↑	↑



What Do Meeting Planners Think?

% of meeting planners rating item as "very important"



Source: STR DestinationMAP 2017

% Indicating "Very Important"

Take Aways



US

- Industry continues to set records
- Most growth will come from ADR
- Transient continues to dominate
- Forecast is good

Fort Lauderdale

- New supply was easily absorbed by increased demand
- Luxury hotel class saw significant increases
- Group business booming in Fort Lauderdale (unlike the US overall)
- Pipeline continues to grow; Challenge to continue to increase demand



Questions?

Presentation is available for download.

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