

GULF COAST CAPITAL

QUARTERLY DATA REPORT



EXECUTIVE SUMMARY

The first quarter of the fiscal year brought with it some familiar trends from the last. Hotel performance was about level to the last year, while short term rentals experienced consistent increases in demand both here and elsewhere on the Texas coast. However, we've recently started to see a decline in the number of short term rental listings – that's good news for operators, as it means less competition. Only time will tell how long that decline in supply will continue and if we'll start to see an increase in listings as we enter busier times of year.

Looking ahead at those busier times of year, spring break is closer than it appears. Recent surveys from MMGY have found that many leisure travelers are less likely to fly this year due to recent flight service incidents – this might be good news for Corpus Christi, where the vast majority of visitors currently drive.

In the lull between spring break and summer beginning to ramp up, we'll see SkillsUSA bring over 2,000 people to Corpus Christi. These times of year, when leisure travel slows down a little, are exactly when groups this size can make a real impact. They'll fill hotel rooms that wouldn't already be occupied by leisure travel, and they'll bring visitors to local attractions, restaurants and businesses when they need it most.

It is, as always, that kind of broader impact that we want to focus on. Travel doesn't just mean heads in beds, it brings money to local businesses and the city economy in general. It accounts for 8% of the city's entire expenses. Our marketing plan for the year reflects this, with an increase in visitor spend being the overarching goal rather than just an increase in visitor volume.

Larger industry trends indicate that, counterintuitively, economic conditions might make this year the perfect time for that goal. People are viewing travel as more expensive, and while this is causing some people to opt not to travel this year, it also means the people that are traveling are planning to spend more on their trips. In fact, those that intend to travel aren't even planning on taking fewer trips. They're prioritizing travel, even though they see it as more expensive, and planning to spend more accordingly. Our goal is to target those people and show them how much Corpus Christi has to offer as a vacation destination and a community.

PROGRESS REPORT

TOWARD ANNUAL GOALS ACROSS ALL DEPARTMENTS



NA*

AVG SPEND
PER PERSON
PER DAY
NA VS GOAL

*Updated annually, not yet available



2.5

AVG DAYS
STAYED
0.43 DAYS
ABOVE GOAL



8.6
OUT OF 10

LEISURE VISITOR
SENTIMENT
0.5 POINTS
UNDER GOAL



7.93M

DIGITAL
ENGAGEMENTS
11% OF GOAL



29%

EMAIL OPEN
RATE
61% ABOVE
GOAL



1:27

AVG WEBSITE
VISIT DURATION
EQUAL TO GOAL



5M

EARNED MEDIA
REACH
3% OF GOAL



45

CONVENTION
RFPS
23% OF GOAL



6.3K

CONVENTION
ROOM NIGHTS
17% OF GOAL



2.6M

CONVENTION
ECONOMIC
IMPACT
13% OF GOAL



\$121

CONVENTION
ROOM RATE
\$15 BELOW GOAL



2

CONVENTION
SITE VISITS
11% OF GOAL



8.5
OUT OF 10

CONVENTION
PLANNER
SENTIMENT
1 POINT BELOW
GOAL



25

SPORTS LEADS
EVALUATED
50% OF GOAL



5

SPORTS LEADS
BOOKED
17% OF GOAL



3.3K

SPORTS NEW
ROOM NIGHTS
67% OF GOAL



0

SPORTS
REBOOKED ROOM
NIGHTS
0% OF GOAL



NA

SPORTS WEBSITE
VISITS
NOT YET LAUNCHED

LEISURE TRAVEL TRENDS

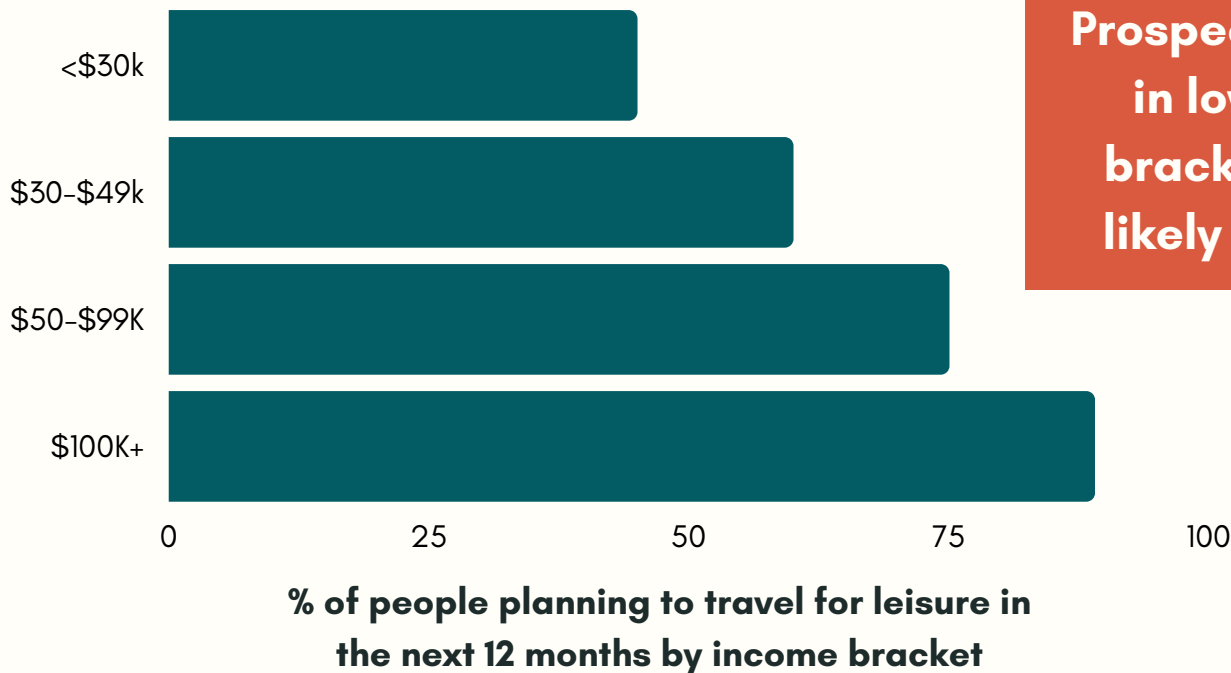
DATA VIA MMGY PORTRAIT OF THE AMERICAN TRAVELER SURVEY
AND STR HOTEL FORECASTS

Travelers here and nationwide
are concerned about the
economy in the near future.

The perceived affordability
of travel has dropped

34%

since this time last year



Prospective travelers
in lower income
brackets are most
likely to cut travel.

However, the people
who are planning to
travel are planning to
take the same number
of trips and spend
more on them.

3.9
TRIPS

planned in the next
year, same as this
time last year

\$3.6K
SPEND

planned on leisure
travel, up from
\$2.75K last year

LEISURE TRAVEL TRENDS

DATA VIA MMGY PORTRAIT OF THE AMERICAN TRAVELER SURVEY
AND STR HOTEL FORECASTS

Recent widespread issues
with flight experiences
have caused a drop in
flight interest.

48%

say they're less likely to fly
in the next nine months
due to recent incidents.

76%

are planning a road
trip this year

In turn, this means
more people are
planning road trips.
This is good news
for Corpus Christi,
where most visitors
drive.

44%

are more likely to
drive this summer due
to recent incidents.

STR's forecasts,
built on recent
hotel performance
here and
elsewhere, predict
growth in hotel
demand this year.

+5%

year-over-year
increase in hotel
occupancy predicted
by STR 2023 Corpus
Christi forecasts

In combination with
short term rental
demand continuing
to outpace last
year, travel demand
seems positive
despite economic
concerns.

HOTEL REVIEW

DATA
FROM STR

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AREA	ADR	% CHG	OCCUPANCY	% CHG	REVPAR	% CHG
United States	\$155.63	15.03%	67.20%	7.05%	\$104.59	23.14%
Texas	\$124.55	13.33%	66.07%	5.06%	\$82.29	19.07%
San Antonio	\$132.05	14.48%	64.63%	3.84%	\$85.34	18.87%
Austin	\$213.58	19.47%	76.05%	4.23%	\$162.42	24.51%
Houston	\$112.48	11.59%	62.22%	9.49%	\$69.98	22.17%
South Padre Island	\$116.76	9.53%	58.46%	-0.01%	\$68.26	9.52%
Galveston	\$134.68	0.11%	52.76%	3.33%	\$71.05	3.44%
Corpus Christi	\$96.09	5.05%	52.94%	-2.93%	\$50.87	1.97%

AREA	ADR	% CHG	OCCUPANCY	% CHG	REVPAR	% CHG
United States	\$144.46	12.16%	59.35%	3.22%	\$85.74	15.77%
Texas	\$113.49	9.24%	60.46%	1.18%	\$68.62	10.52%
San Antonio	\$122.79	10.48%	58.52%	-1.51%	\$71.86	8.80%
Austin	\$168.30	16.69%	67.70%	1.45%	\$113.93	18.38%
Houston	\$105.63	6.11%	58.83%	6.80%	\$62.14	13.32%
South Padre Island	\$105.69	8.55%	51.70%	-6.85%	\$54.64	1.11%
Galveston	\$131.45	4.82%	45.93%	5.95%	\$60.38	11.06%
Corpus Christi	\$88.02	1.82%	44.57%	-3.09%	\$39.23	-1.32%

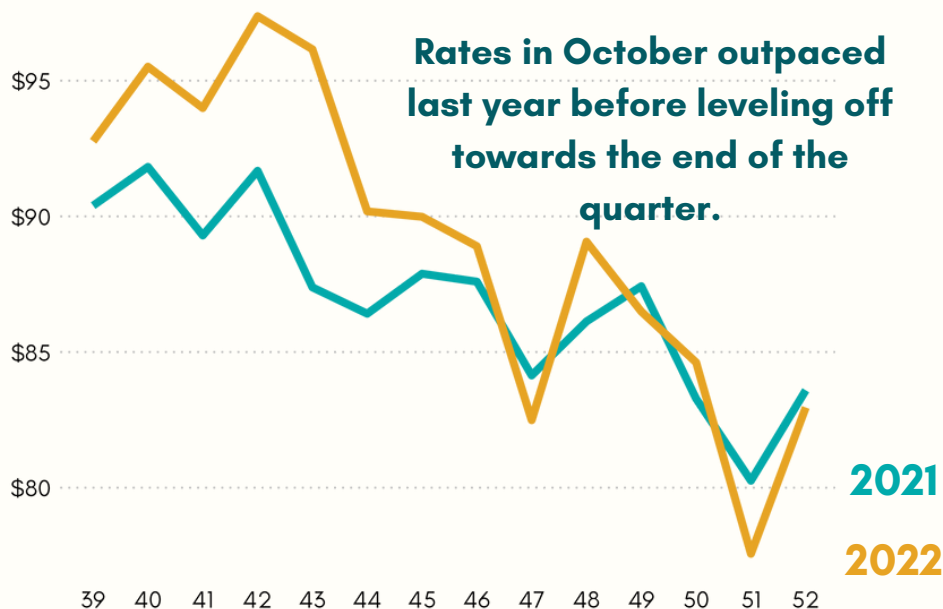
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AREA	ADR	% CHG	OCCUPANCY	% CHG	REVPAR	% CHG
United States	\$146.72	8.07%	53.59%	0.62%	\$78.63	8.74%
Texas	\$105.90	5.91%	55.67%	1.94%	\$58.95	7.97%
San Antonio	\$122.03	6.85%	57.15%	-0.74%	\$69.74	6.06%
Austin	\$139.70	8.85%	53.67%	-6.55%	\$74.98	1.72%
Houston	\$99.23	6.11%	53.67%	9.58%	\$53.26	16.27%
South Padre Island	\$102.79	3.17%	55.83%	-5.61%	\$57.38	-2.62%
Galveston	\$122.37	1.25%	46.48%	5.17%	\$56.88	6.48%
Corpus Christi	\$83.50	-1.18%	42.63%	-3.30%	\$35.60	-4.44%



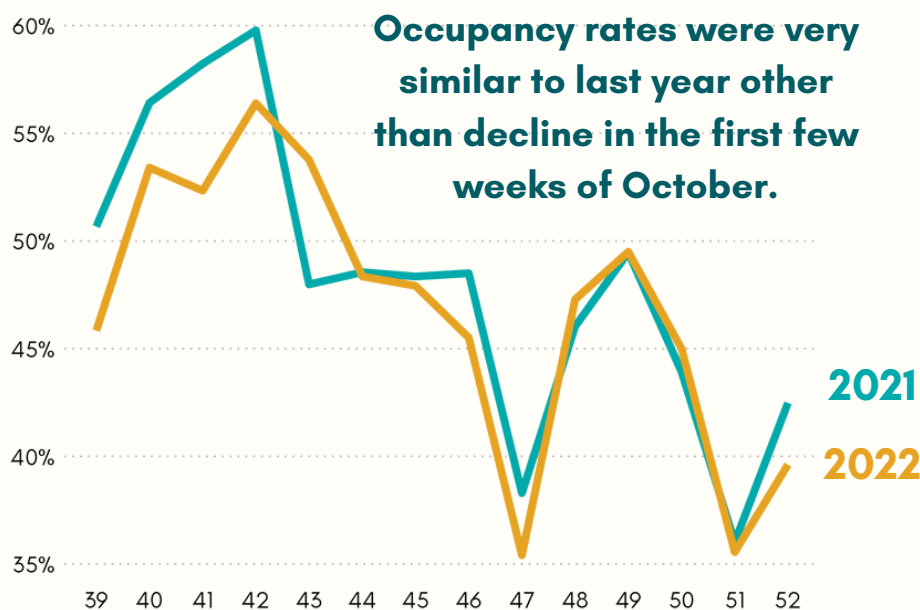
ROOM RATE



-2%
HOTEL DEMAND
Q1 VS 2021

Q1 brought very similar numbers to last year. Early in the quarter, decreases in occupancy were met with increases in rates, causing revenues to break even.

OCCUPANCY



+0%
HOTEL REVENUE
Q1 VS 2021

WEEK OF YEAR

JANUARY HOTEL REPORT

PRELIMINARY
DATA FROM
STR

*data for month not yet complete

AREA	OCC.	% CHG	ADR	% CHG	REV PAR	% CHG
United States	51%	12.44%	\$140.73	18.68%	\$72.14	33.60%
Texas	55%	12.54%	\$108.04	15.78%	\$60.44	30.98%
San Antonio	49%	10.01%	\$111.61	14.98%	\$56.08	27.88%
Austin	57%	22.40%	\$150.56	27.18%	\$88.24	57.09%
Houston	53%	20.74%	\$102.57	12.61%	\$55.63	36.99%
South Padre Island	59%	1.21%	\$90.46	5.48%	\$53.59	6.91%
Galveston	42%	42.25%	\$99.23	7.59%	\$41.51	53.63%
Corpus Christi	46%	-8.93%	\$87.72	4.17%	\$40.89	-5.05%

WEEK DAYS

WEEK ENDS

AREA	OCC.	% CHG	ADR	% CHG	REV PAR	% CHG
United States	58%	6.35%	\$146.78	11.24%	\$85.14	18.27%
Texas	61%	5.49%	\$111.75	9.35%	\$67.88	15.43%
San Antonio	60%	7.10%	\$120.15	8.06%	\$72.99	16.11%
Austin	62%	11.76%	\$151.56	14.99%	\$94.91	28.93%
Houston	57%	9.47%	\$99.21	4.48%	\$57.17	14.39%
South Padre Island	71%	5.36%	\$95.49	3.77%	\$67.60	9.47%
Galveston	65%	13.97%	\$138.72	-1.27%	\$91.34	14.42%
Corpus Christi	50%	-4.17%	\$92.44	5.59%	\$46.59	1.24%

HOTEL FORECAST

Occupancy forecasts are based on historical patterns and recent trends.

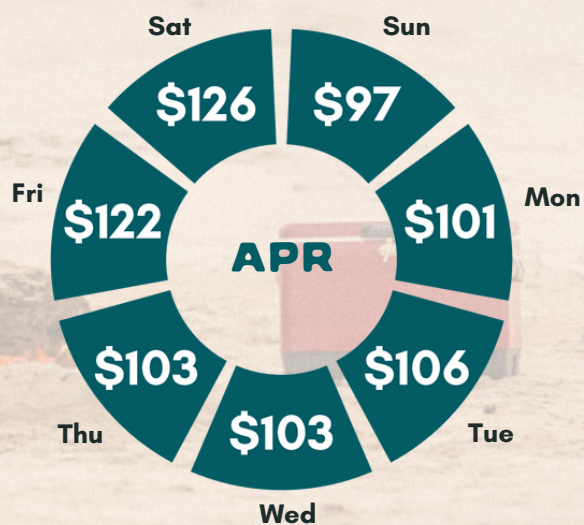
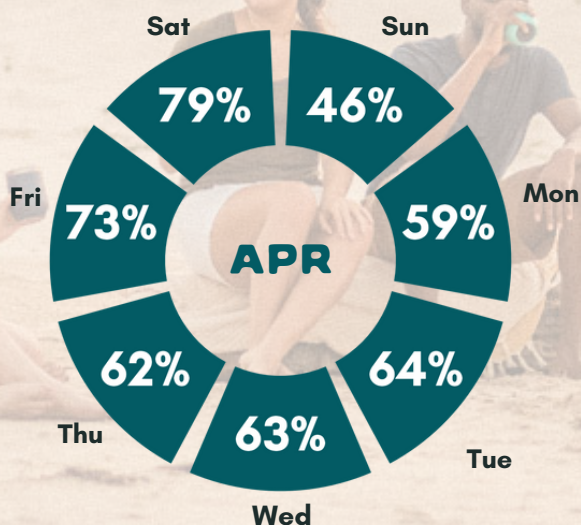
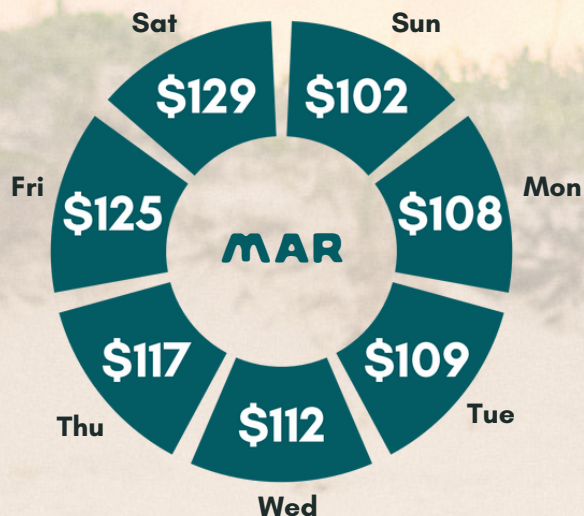
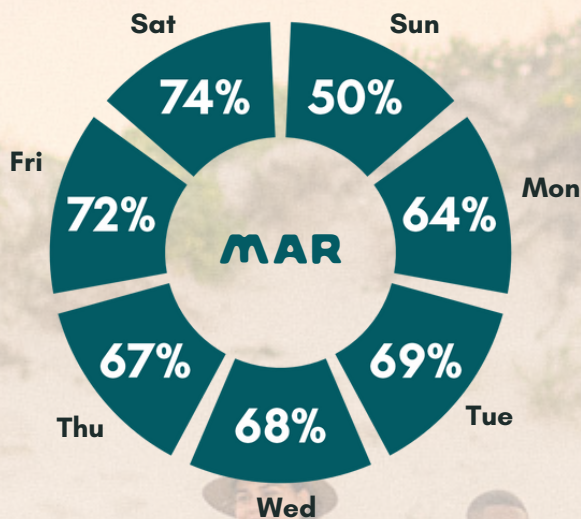
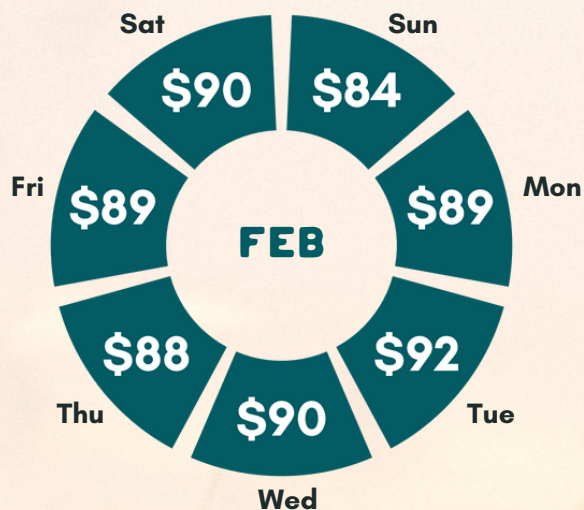
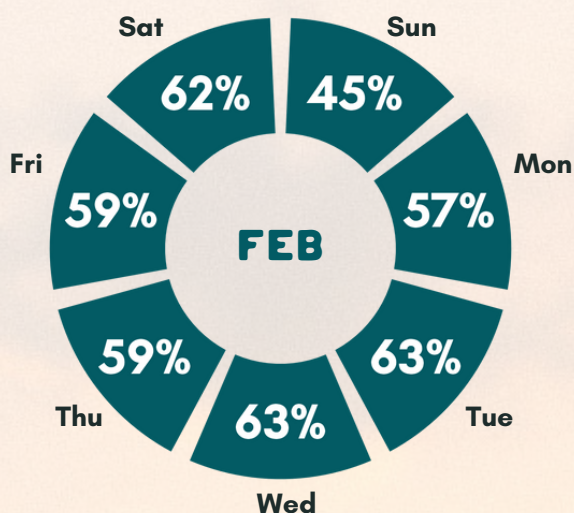
January forecasts include actual data for the majority of the month.

Room rate forecasts are a 3%-5% increase above 2022 citywide averages.

Hotels should aim to match this to keep pace with recent industry trends.

OCCUPANCY RATE

AVG ROOM RATE



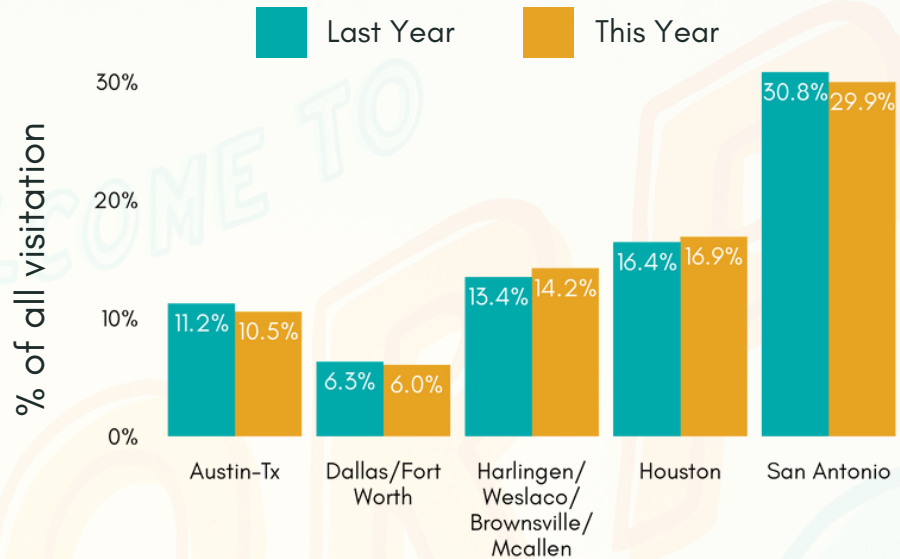
VISITOR ORIGINS

DATA VIA
ARRIVALIST

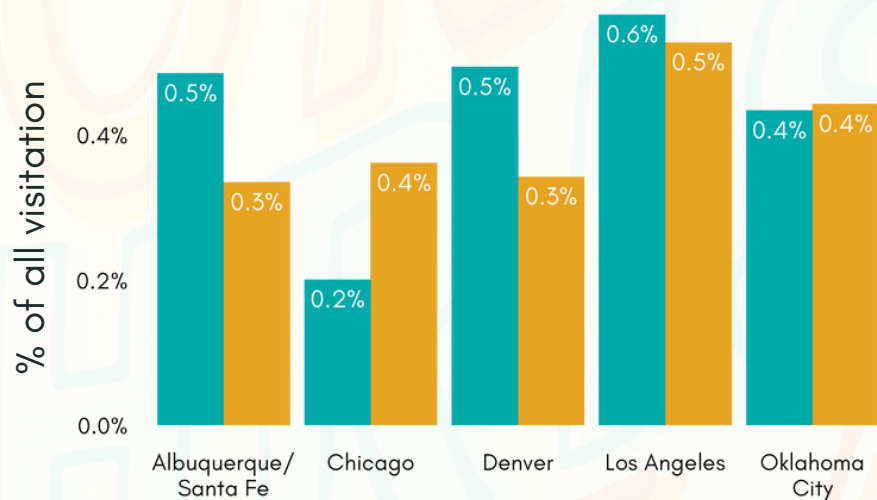
Advertising in recent months has focused attracting visitors from colder areas in the Midwest such as Chicago and Minneapolis and bringing perennial snowbird visitors to the valley up to Corpus to see how the city has grown.

This past quarter, we have seen increases in the share of visitors from the valley as well as increases in visitors from the Chicago area.

ORIGINS BY VISITOR SHARE WITHIN EACH YEAR



TOP TEXAS
MARKETS

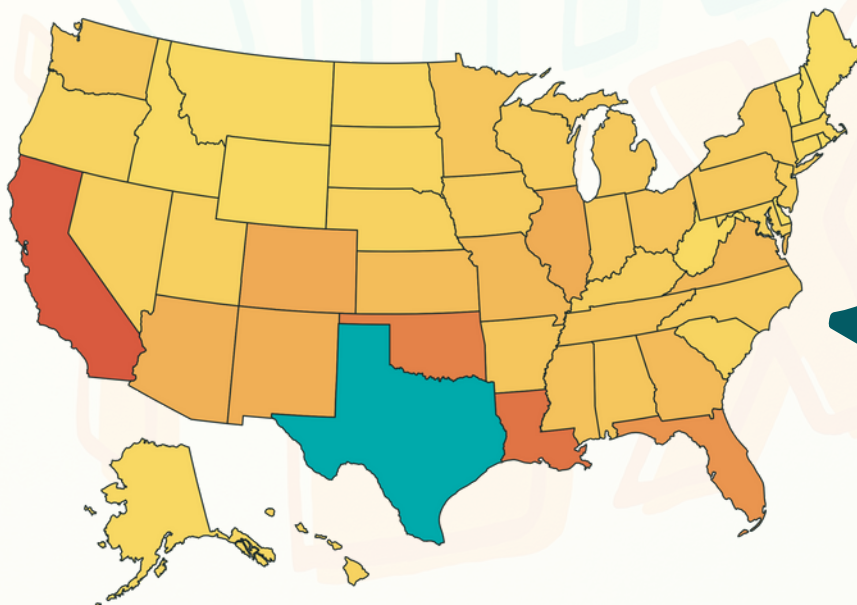


TOP OUT OF STATE
MARKETS



LIFT FROM ADS

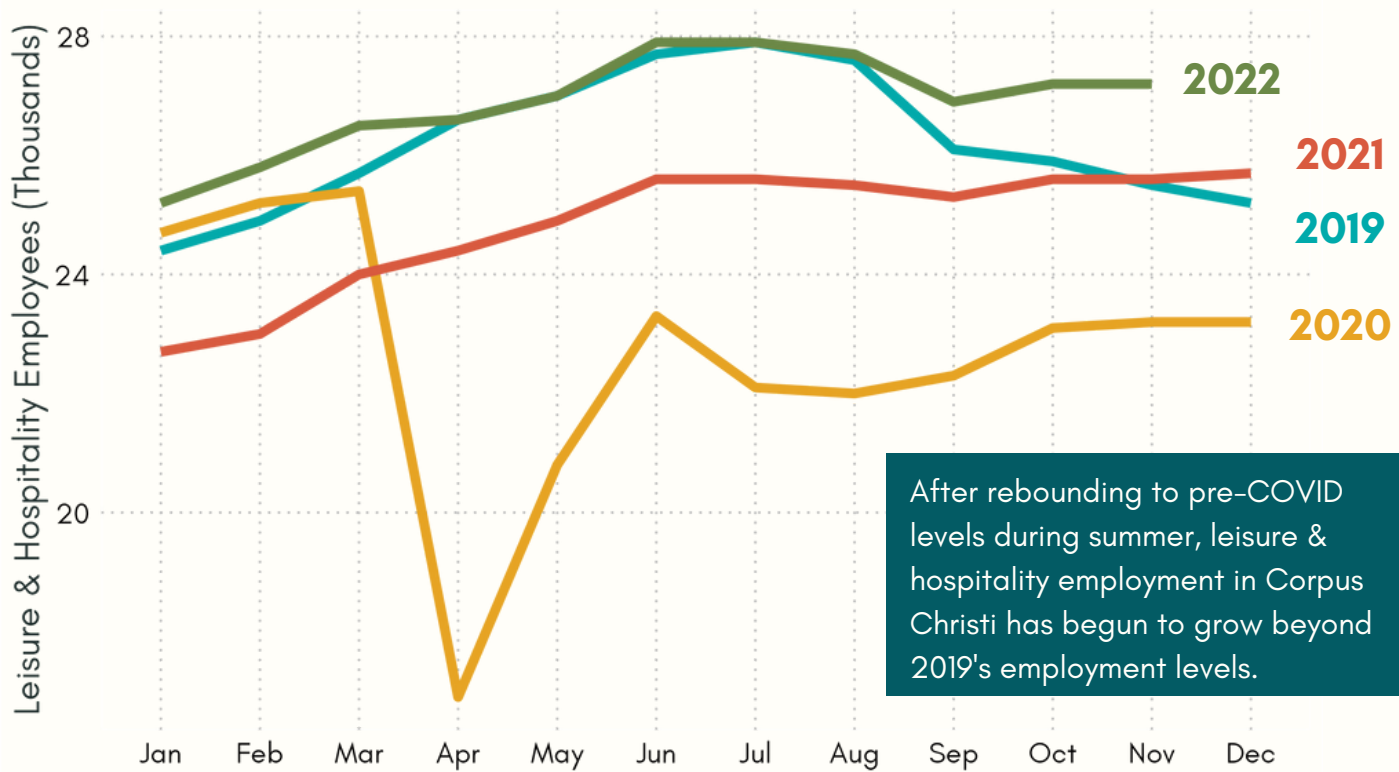
People who saw our ads were
65% more likely to visit



Darker red
means more
visitors from
state in Q1

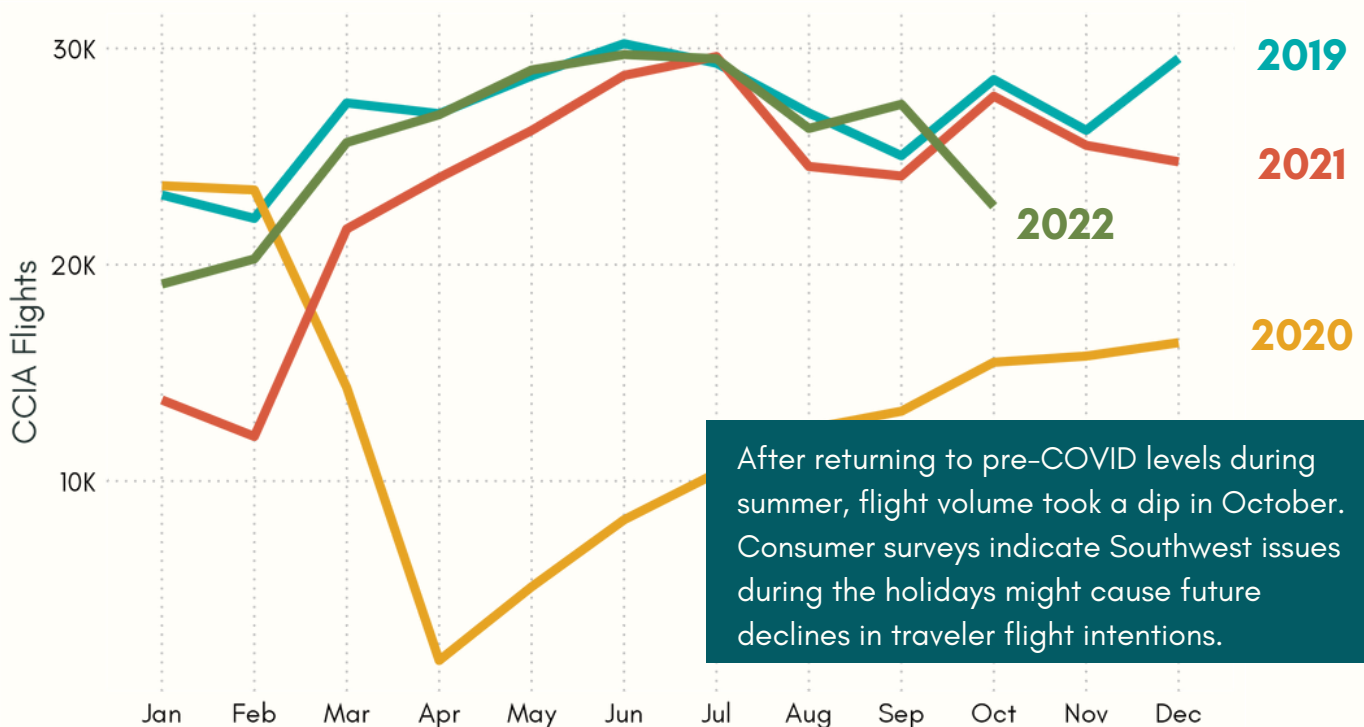
L&H LABOR FORCE

data via Bureau of Labor Statistics



FLIGHT TRAFFIC

data via Bureau of Transportation Statistics



SHORT TERM RENTAL REVIEW

DATA FROM
KEYDATA

	AREA	DEMAND	% CHG	ADR	% CHG	REVPAR	% CHG
OCT	Corpus Christi	24,733	-11.20%	\$173.17	-0.81%	\$45.54	-2.64%
	Galveston	27,932	-19.58%	\$205.90	-2.39%	\$47.65	-5.30%
	Port Aransas	20,588	-22.99%	\$349.00	11.64%	\$62.47	3.26%
	S Padre Island	20,088	-30.66%	\$163.65	-23.24%	\$34.67	-33.75%
NOV	Corpus Christi	35,558	32.57%	\$214.98	4.35%	\$64.00	1.80%
	Galveston	39,442	12.72%	\$219.59	6.79%	\$57.49	-7.52%
	Port Aransas	41,239	17.32%	\$352.78	4.65%	\$94.65	-10.32%
	S Padre Island	34,172	42.40%	\$177.06	9.17%	\$48.11	10.76%
DEC	Corpus Christi	29,723	5.61%	\$194.48	3.29%	\$51.28	-11.26%
	Galveston	31,766	-6.55%	\$223.15	5.89%	\$49.11	-18.23%
	Port Aransas	28,904	-12.52%	\$364.40	4.41%	\$74.26	-25.89%
	S Padre Island	29,963	17.44%	\$200.49	9.12%	\$50.25	2.17%
JAN	Corpus Christi	27,949	6.92%	\$190.11	-1.66%	\$48.15	-10.56%
	Galveston	34,426	-6.03%	\$239.23	1.95%	\$55.63	-20.87%
	Port Aransas	28,250	-2.08%	\$374.67	3.04%	\$75.98	-14.60%
	S Padre Island	29,352	17.42%	\$241.64	36.07%	\$58.47	24.62%

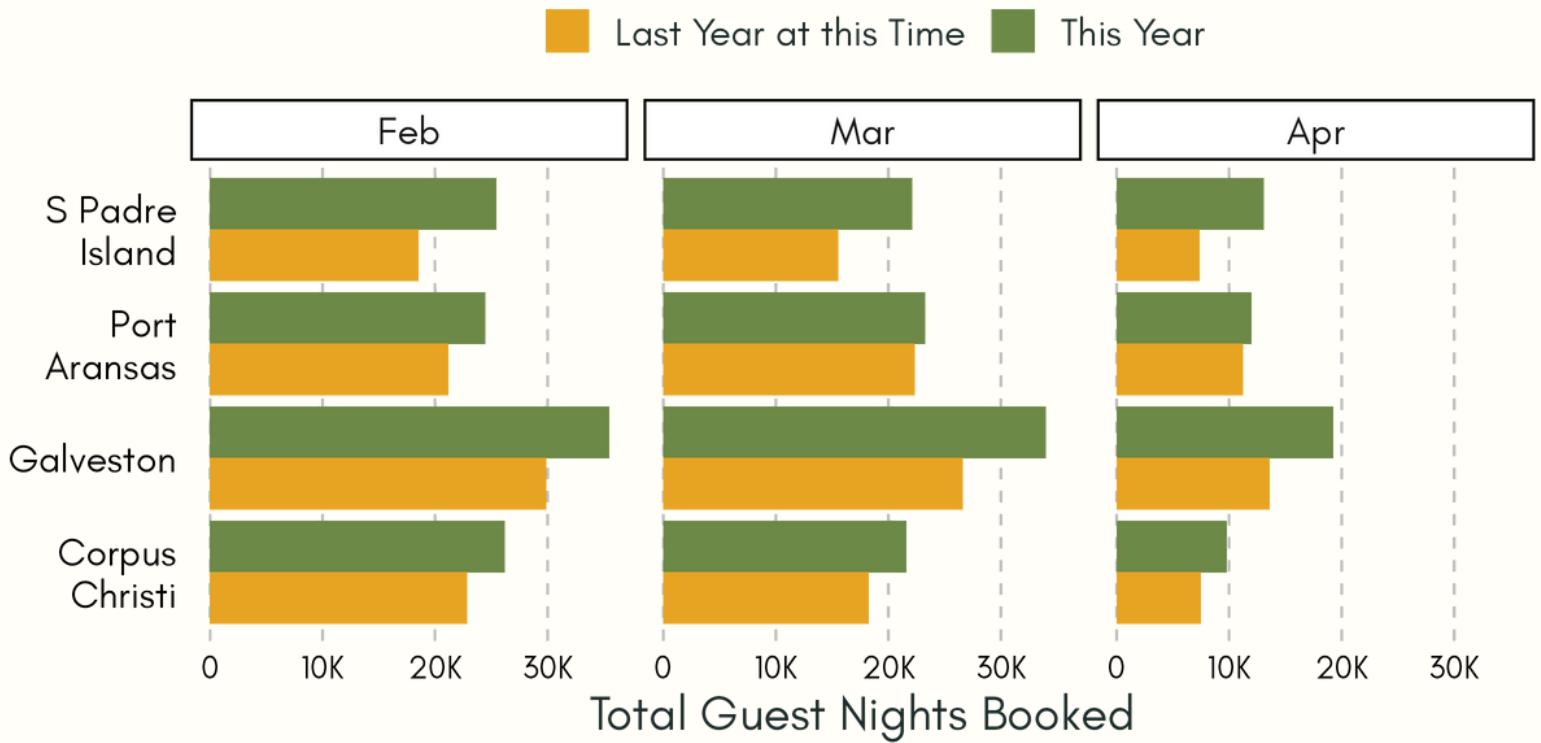
Short term rental
demand is
continuing to
increase.

Notably, short term rental
**supply is starting to level
off.** Only time will tell if this
will last; we might see
listings increase as we get
into busier times of year.

Still, Corpus Christi
is seeing the
**largest demand
increases,** but the
lowest rate
increases.

SHORT TERM RENTAL PACING

DATA FROM
KEYDATA







This has been the case for the last several quarters. While demand will surely level out at some point, pacing indicates it won't be next quarter.

This trend looks like it will continue, with future bookings outpacing last year's bookings at this time across the Texas coast.

While **Corpus** has fewer short term rental stays than South Padre or Port Aransas, it has many more hotels, so **it has the most visitation of these places in total.**

NEED DATE CALENDAR

GROUPS BOOKED IN 2023

 Group Booked
  High Need
  Low Need
  Medium Need

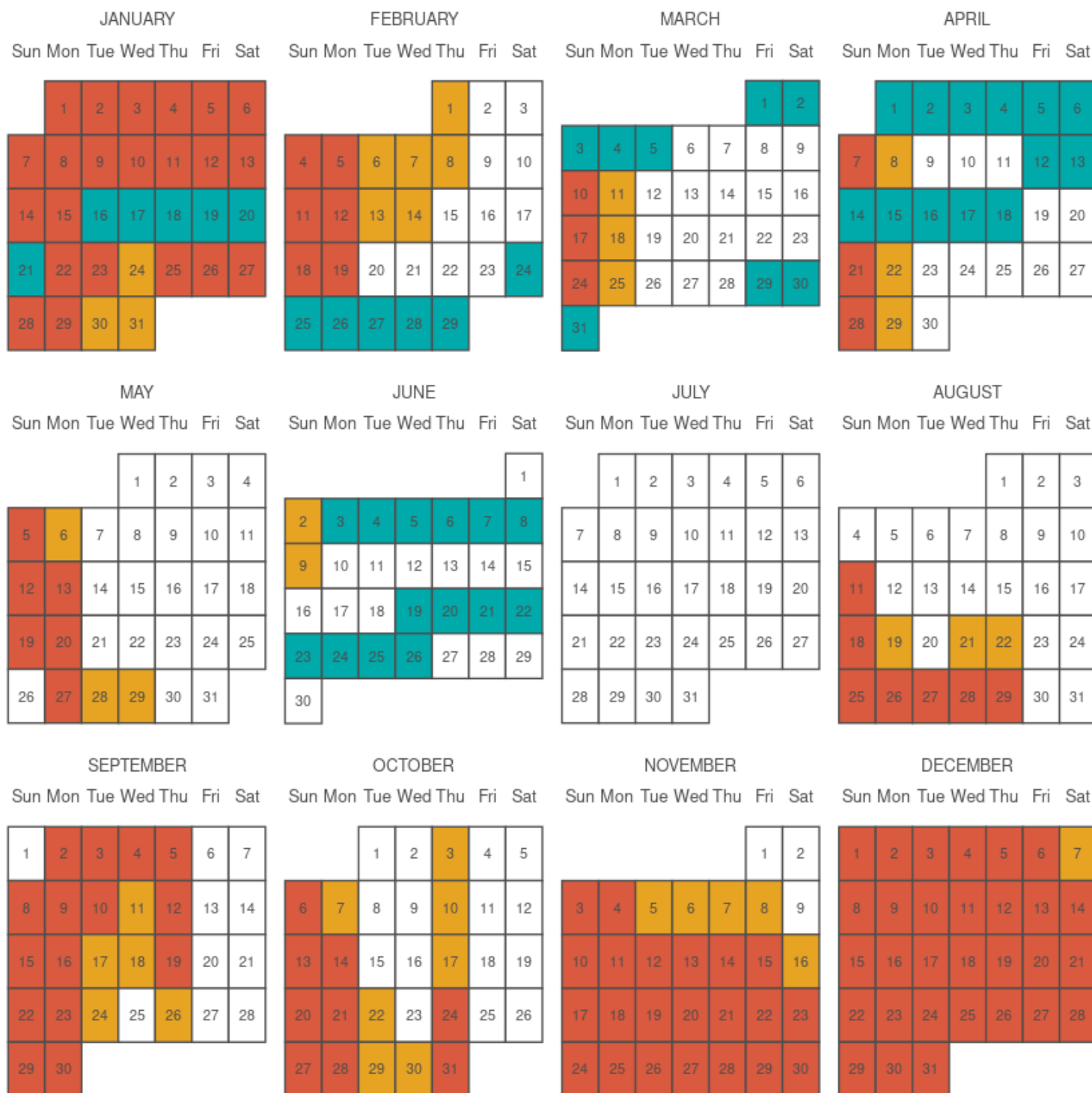


Our strategy is to bring visitors to Corpus Christi when our community benefits from their impact the most: during slower times of year. To accomplish this, we use a need date calendar based on seasonal projections to help monitor our progress. Projected occupancy rates below 55% are marked as medium need (orange); below 50% are marked high need (red).

NEED DATE CALENDAR

GROUPS BOOKED IN 2024

Group Booked
 High Need
 Low Need
 Medium Need



The calendar does not depict effects of all holidays, but they are always taken into account when booking groups. Only very large groups are blocked off on the calendar which represent dates for which we can no longer book further group business - we have booked business for dates elsewhere, but will continue to try to fill those dates.