



# Visit Denver

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## Agenda



**Total U.S. Overview - 3Q 2019**

**Top 25 Market Performance**

**Denver Market Performance**

**Denver CBD Submarket Performance**

**Denver Compression Study**





# Total U.S. Overview



## September YTD 2019: RevPAR Growth Now at 1%

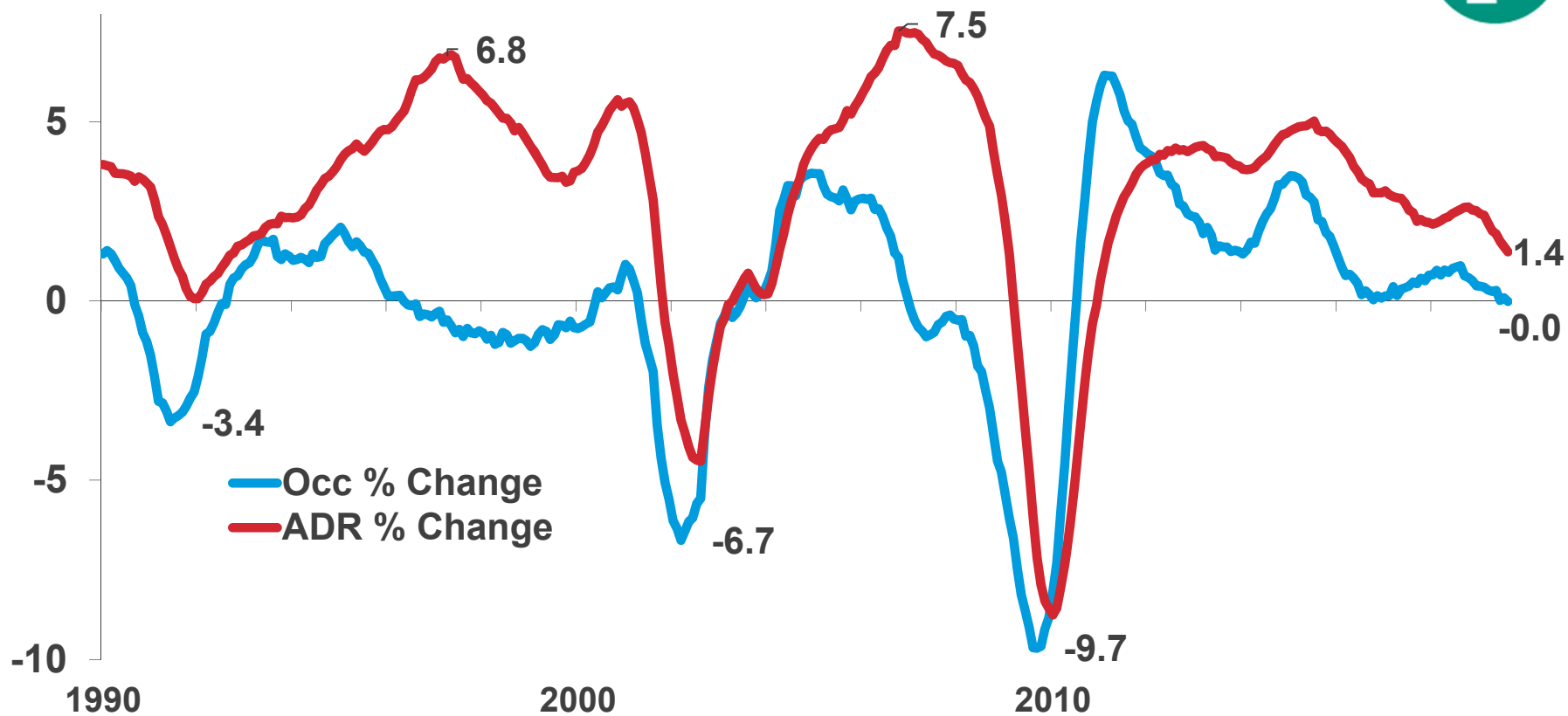


		% Change
Room Supply		2.0%
Room Demand		2.0%
Occupancy	67.6%	0.0%
ADR	\$133	1.0%
RevPAR	\$89	1.0%
Room Revenue		3.0%

Total US Results, September YTD 2019



## Long Run Trends Point In One Direction: Down!



Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 09/2019

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## October 2019: Largest RevPAR drop in 115 months

		% Change
Room Supply		2.1%
Room Demand		1.3%
Occupancy	69.3%	-0.8%
ADR	\$133	-0.5%
RevPAR	\$92	-1.2%
Room Revenue		0.8%

Total US Results, October 2019



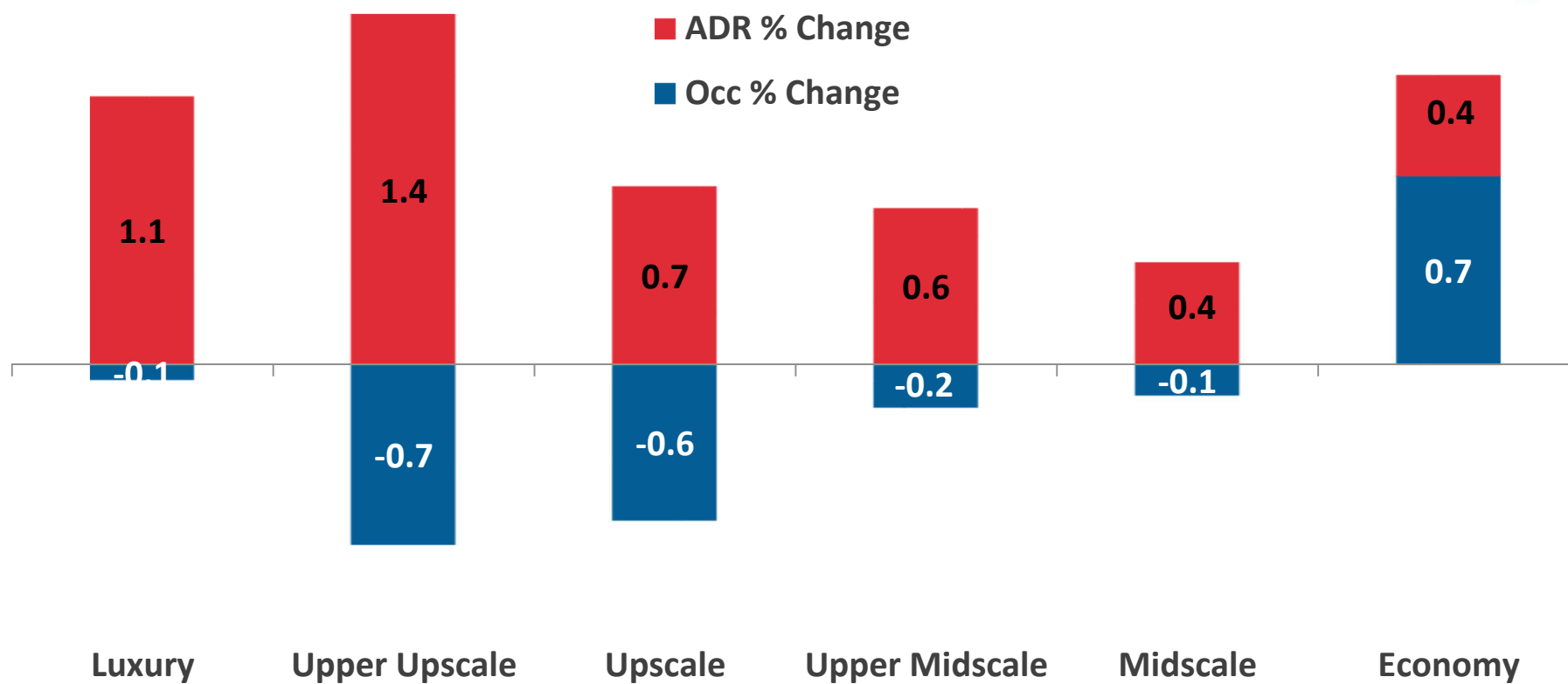


# Class Review





## Class RevPAR Results: 5 Classes lose OCC, but All Gain ADR

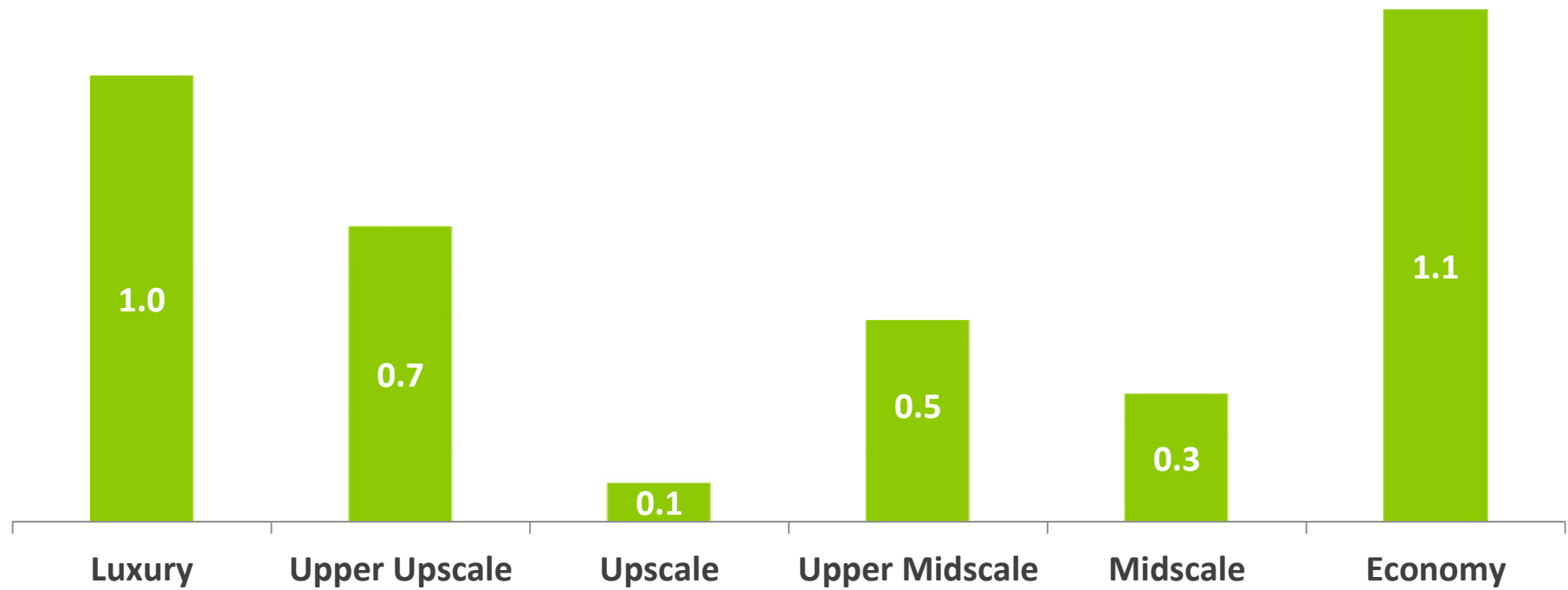


\*RevPAR % Change by Contribution of OCC / ADR % Change, by Class, YTD September 2019

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## Class RevPAR Results: Growth (But Barely)



\*RevPAR % Change, by Class, YTD September 2019

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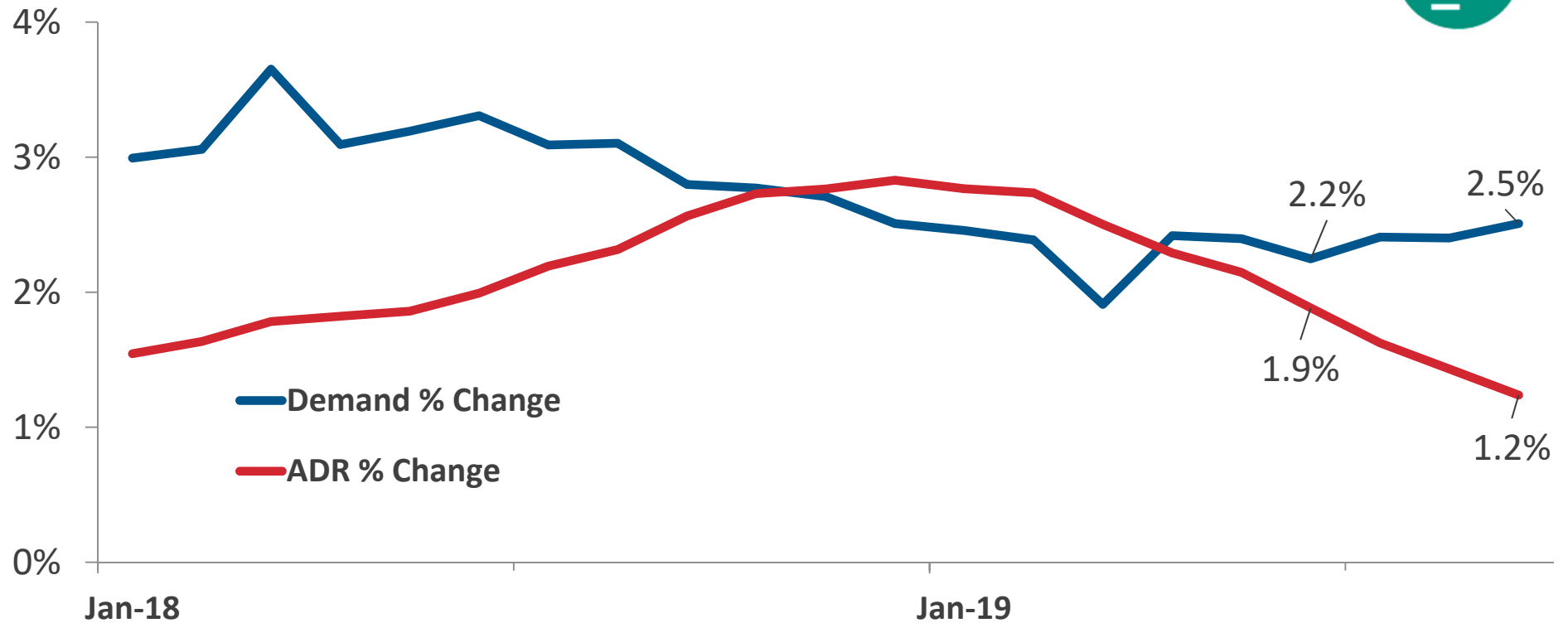


# Meetings and Segmentation





## Transient Performance: Annualized ADR Growth Now Well Below 2% (And Dropping)

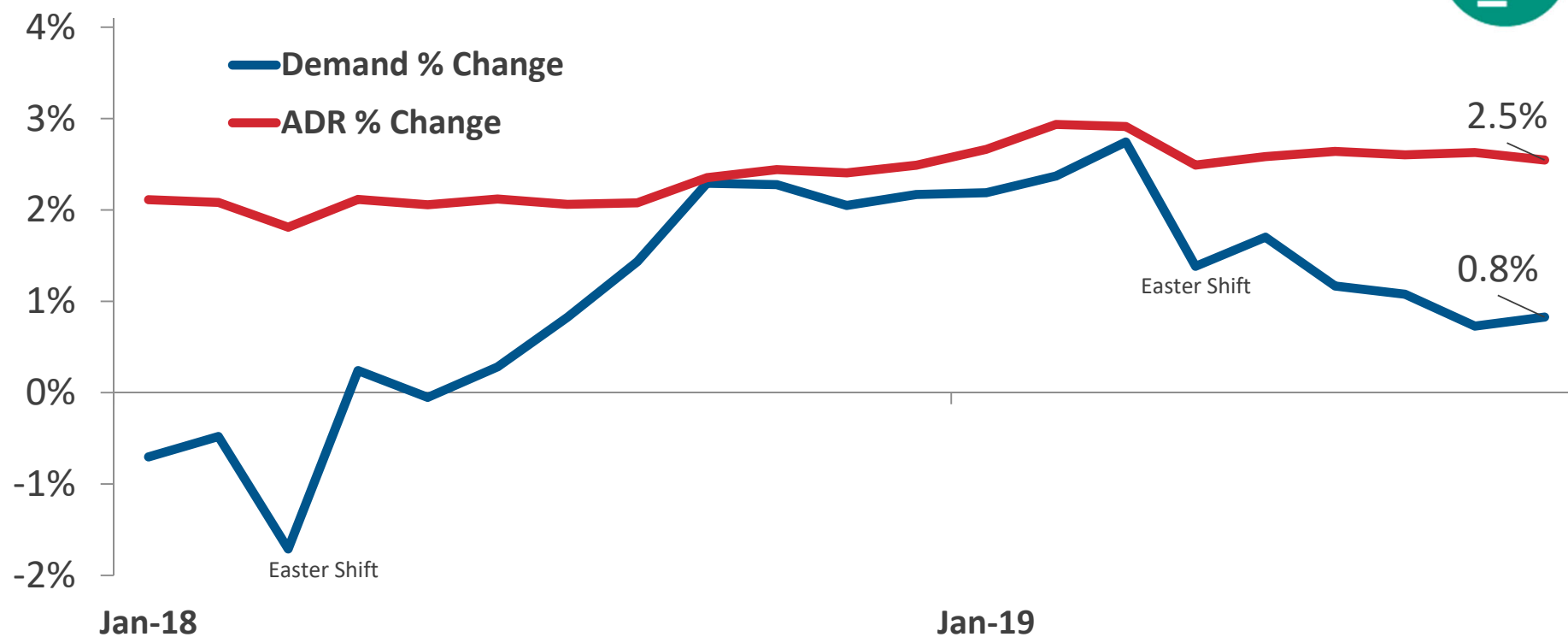


\*Transient Demand and ADR % Change, 12 TTM, 1/2018 – 09/2019

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## Group Performance: ADR Growth Holds Steady – For Now



\*Group Demand and ADR % Change, 12 MMA, 1/2018 – 09/2019



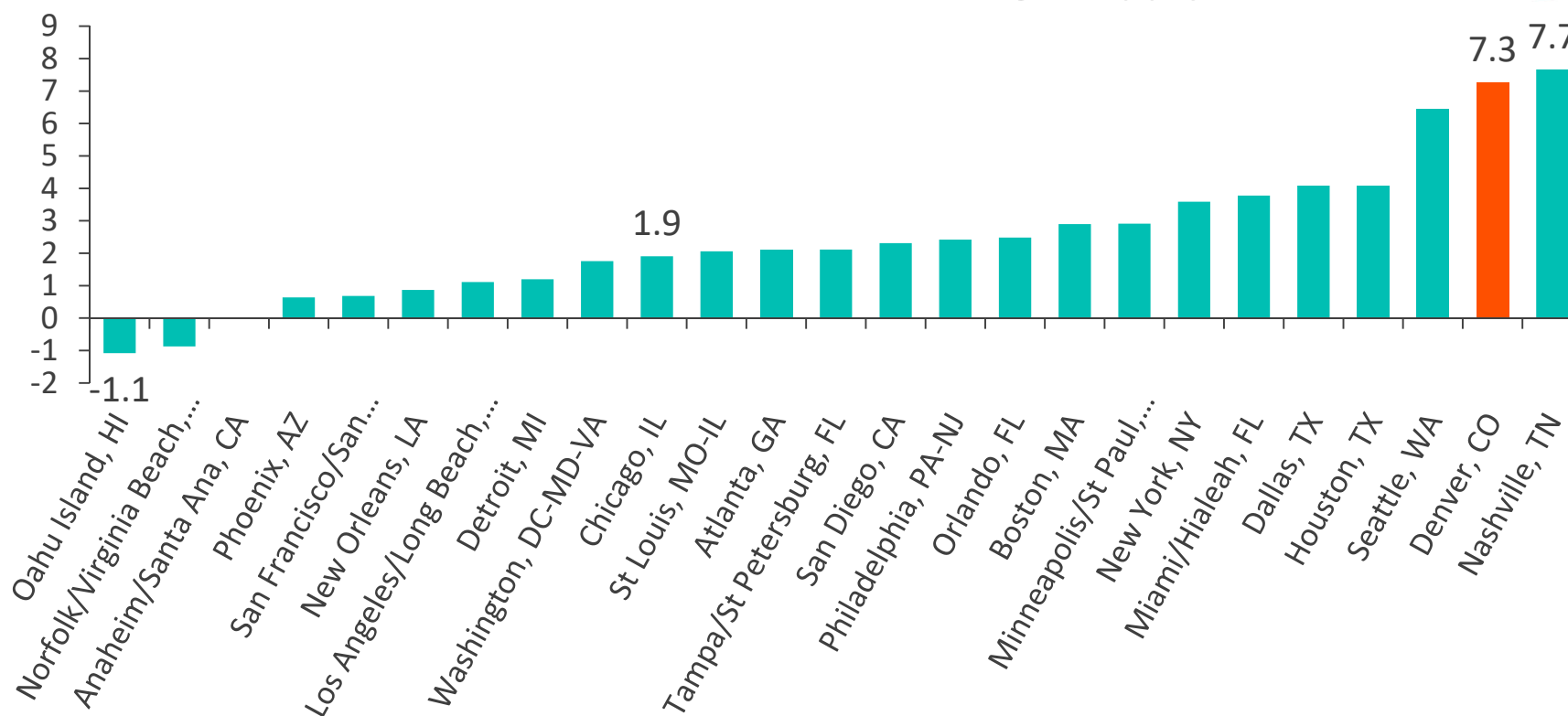


# Top 25 Market Overview



## Supply growth in Top 25 much stronger than U.S. Overall

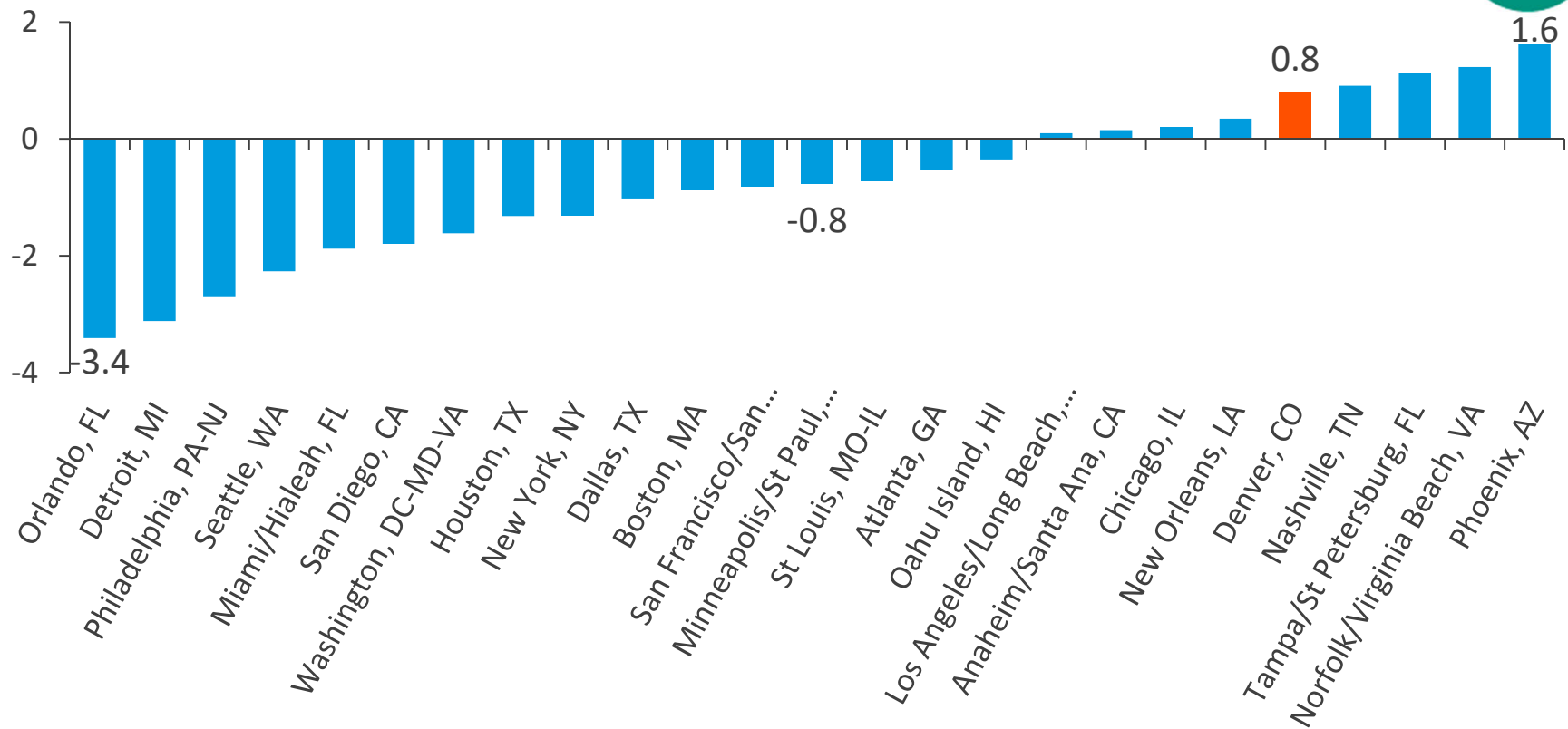
### Denver, Seattle, and Nashville Continue to See High Supply Growth



Supply % Change by Market – September 2019 YTD



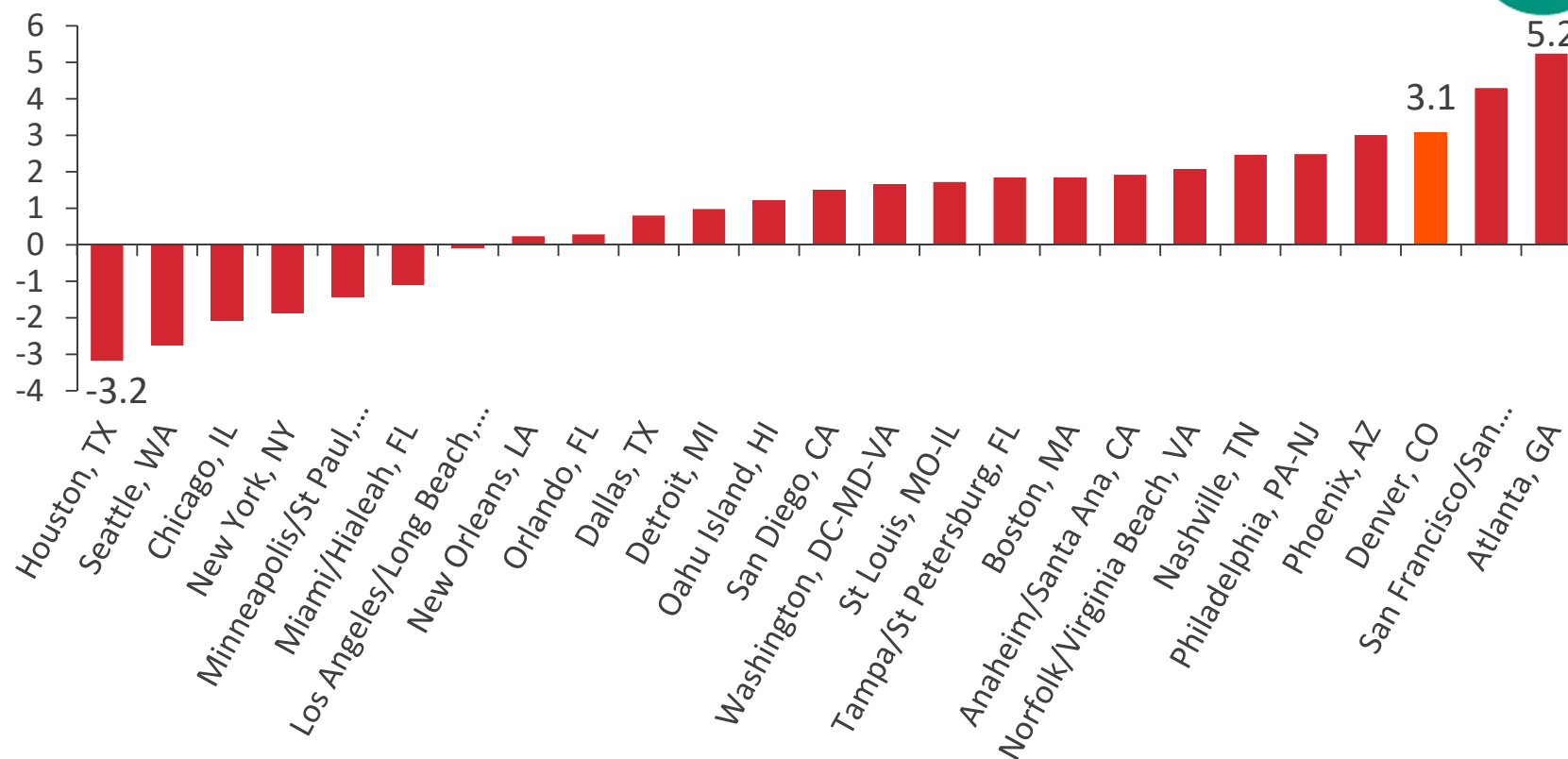
## 16 of the Top 25 Markets Declined in Occupancy YTD vs. 2018



Occ % Change by Market – September 2019 YTD



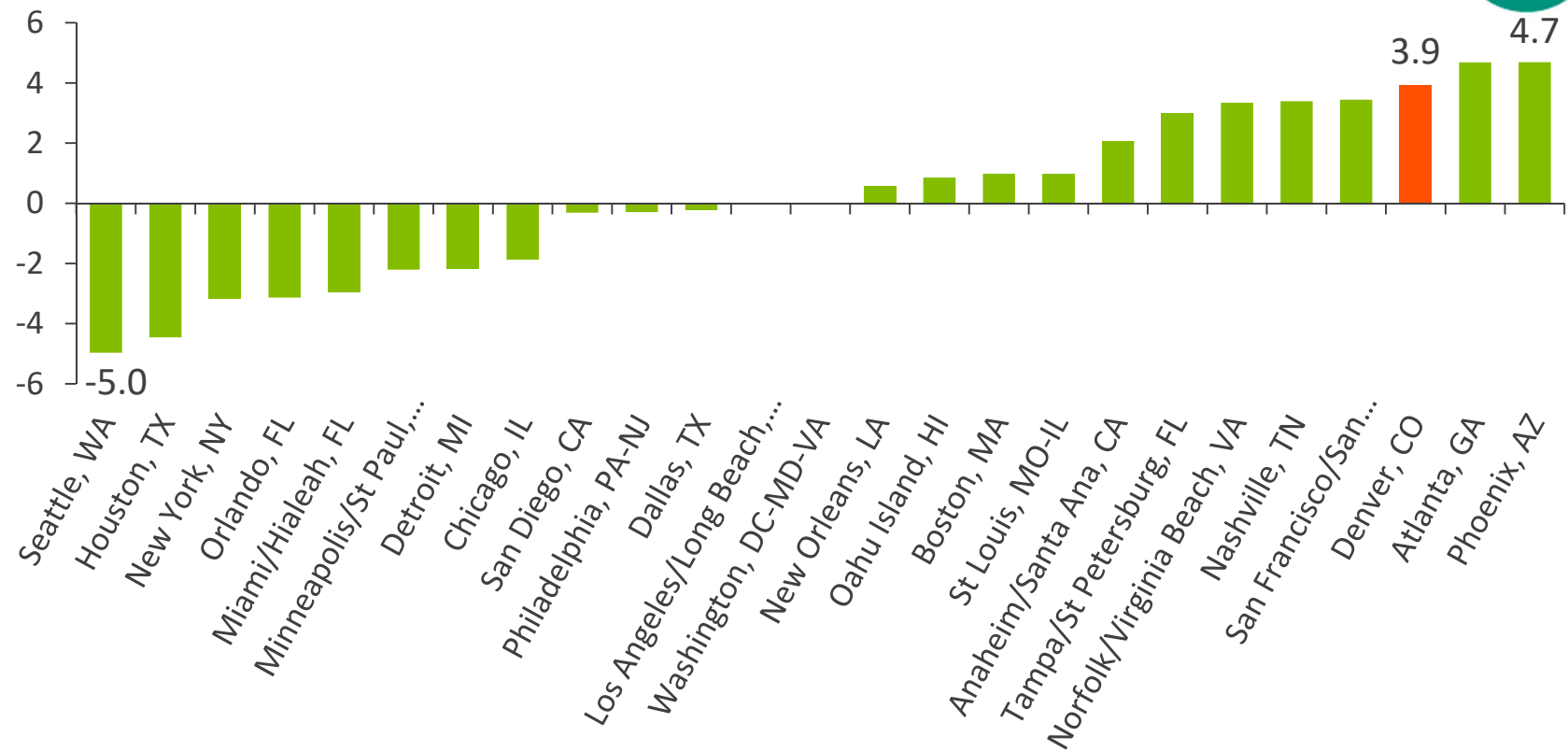
## SF Benefits from Return of Groups, Atlanta Lifted by 2019 Super Bowl



ADR % Change by Market- September 2019 YTD



## As of Q3, Denver RevPAR has 3<sup>rd</sup> Highest RevPAR Growth

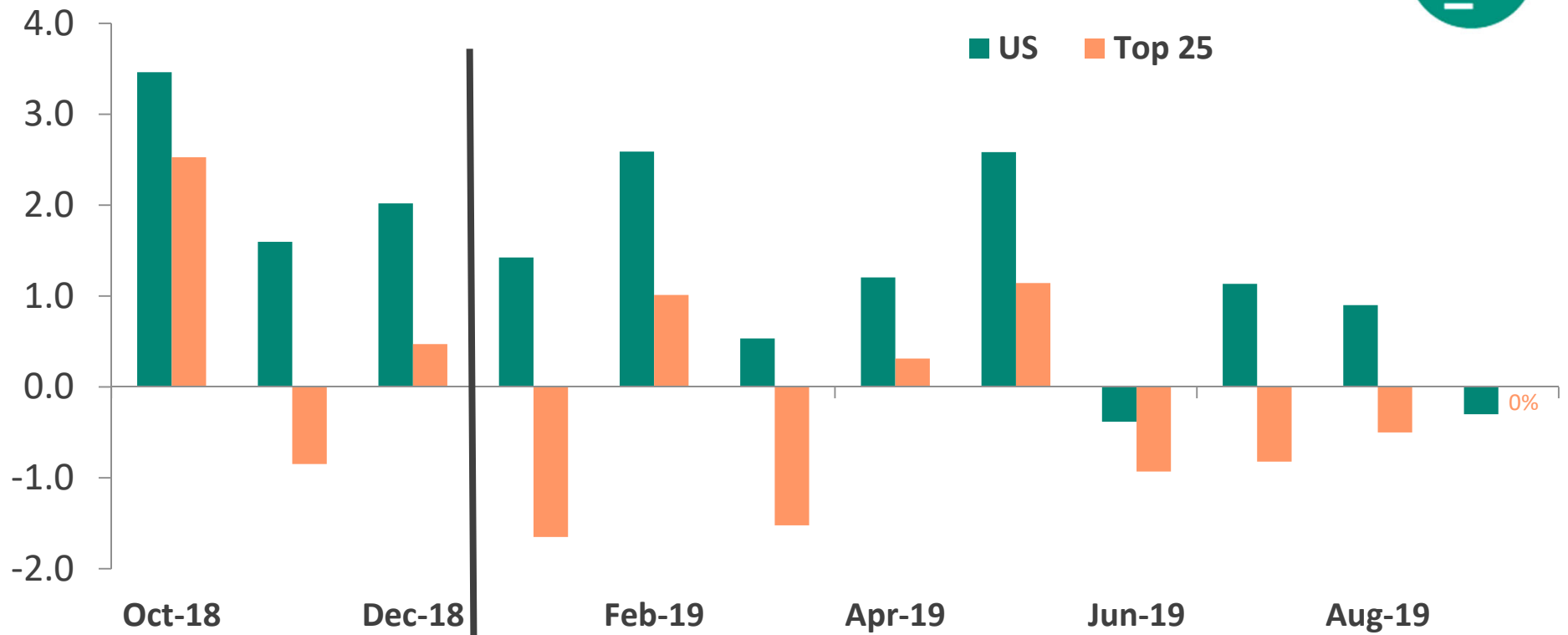


RevPAR % Change by Market- September 2019 YTD

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## Total US vs. Top 25 RevPAR % Change: Larger Markets Hit Harder



\*Total US vs Top 25 Markets, RevPAR% Change, Last 12 Months, 2018/2019



## Total United States

### November Forecast (% Change vs. Prior Year)

Outlook		
	2019 Forecast	2020 Forecast
Supply	2.0%	2.0%
Demand	1.8%	1.5%
Occupancy	-0.2%	-0.4%
ADR	1.0%	0.9%
RevPAR	0.8%	0.5%





# Denver Market

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## Denver YTD September 2019 Demand is High

	Actual	% Change	
Room Supply		7.3%	▲
Room Demand		8.1%	▲
Occupancy	76.6%	0.8%	▲
ADR	\$138	3.1%	▲
RevPAR	\$106	3.9%	▲



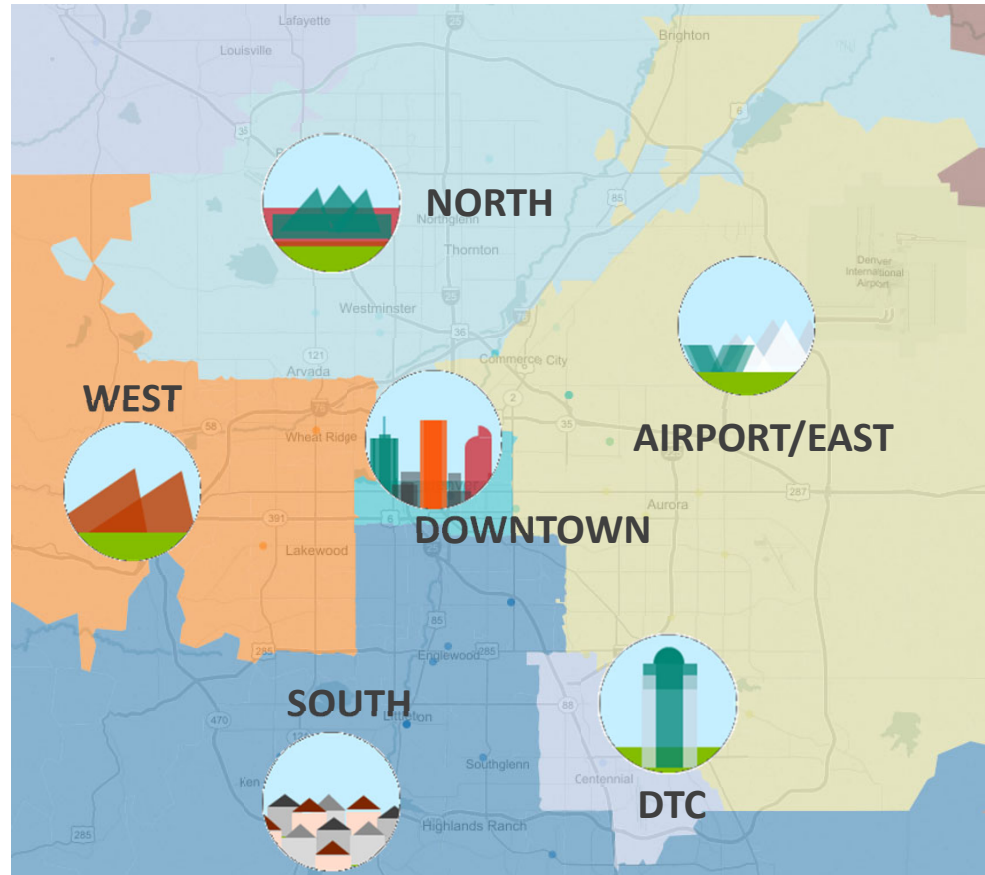
## Denver October 2019 RevPAR Growth Much Stronger than Total U.S.



	Actual	% Change	
Room Supply		6.7%	▲
Room Demand		9.6%	▲
Occupancy	78.5%	2.7%	▲
ADR	\$146	2.3%	▲
RevPAR	\$114	5.0%	▲



## Denver Hotel Submarket Map

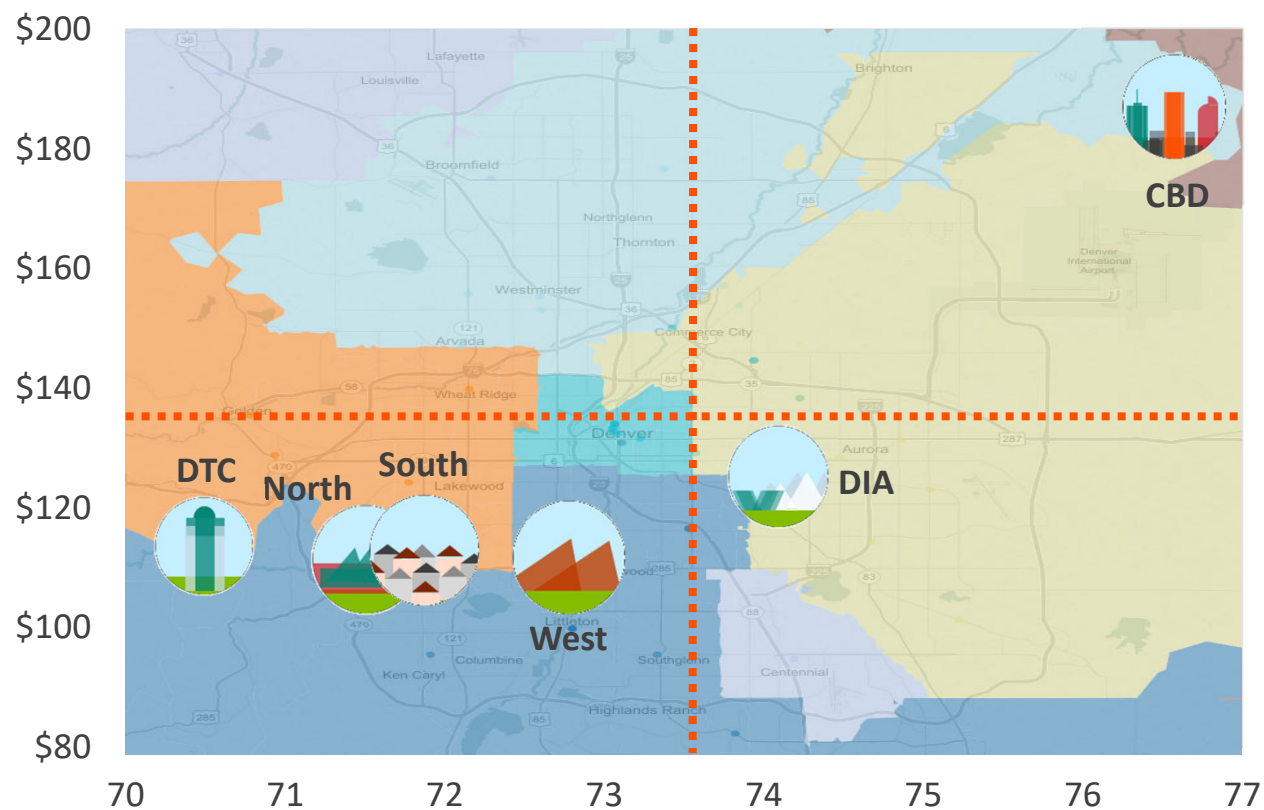


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## Denver Submarket Performance



Denver Market and Submarket TTM Occ and ADR- September 2019

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## Denver Hotel Submarkets



**Downtown**

**Occupancy**

**+1.4%**

**Avg Rate**

**-0.3%**



**Airport/East**

**-0.8%**

**+9.6%**



**North**

**-0.1%**

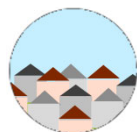
**-0.6%**



**DTC**

**+0.8%**

**+0.2%**



**South**

**-0.9%**

**-0.6%**



**West**

**+1.1%**

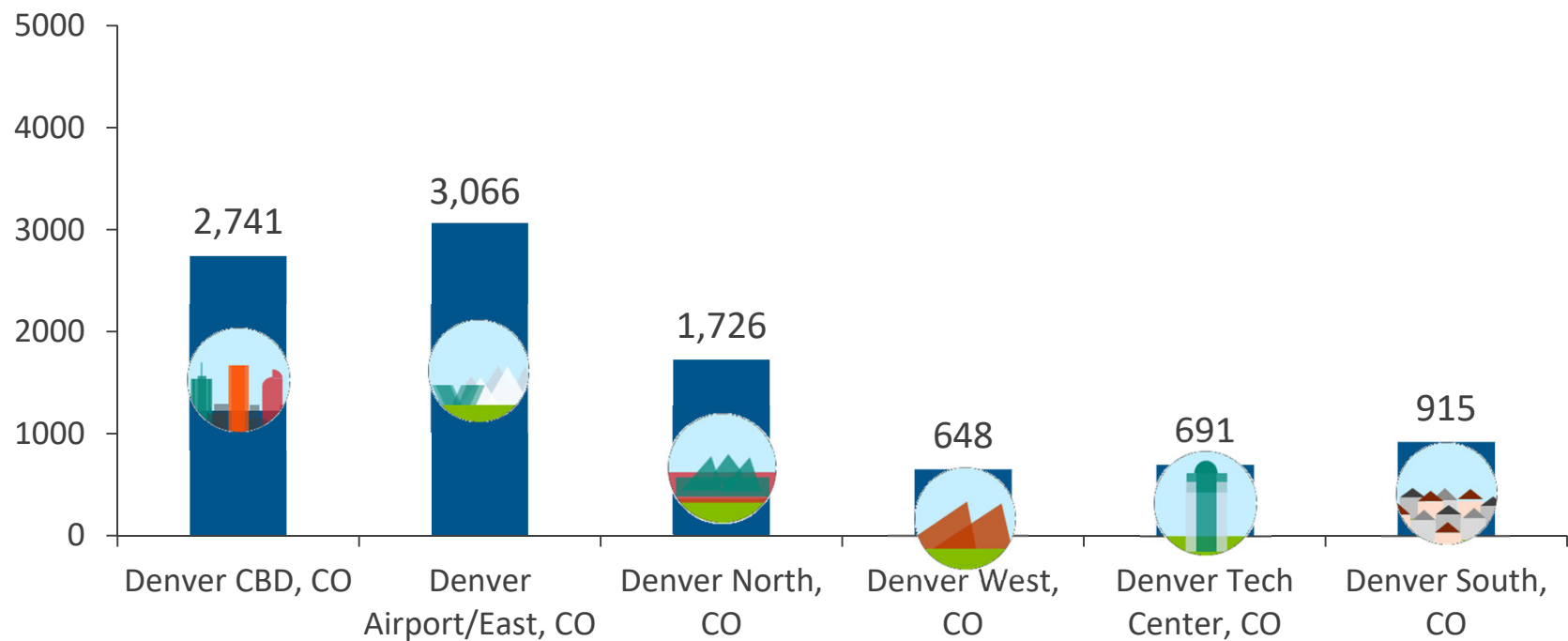
**-0.2%**

Denver Submarket TTM KPI % Change- September 2019

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## Denver Airport and CBD Submarkets Seeing Most of the Market's Development



Denver Pipeline Rooms by Submarket – September 2019

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## Denver Market

### November 2019 Forecast (% Change vs. Prior Year)

Outlook		
	2019 Forecast	2020 Forecast
Supply	7.1%	3.1%
Demand	7.7%	3.1%
Occupancy	0.6%	-0.1%
ADR	2.9%	1.8%
RevPAR	3.5%	1.8%



# Denver CBD and Convention Submarket



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## Denver CBD Continues to Show Record Levels

		%	
September 2019	Actual	Change	
Room Supply		3.8%	▲
Room Demand		5.7%	▲
Occupancy	79.2%	1.9%	▲
ADR	\$189	1.0%	▲
RevPAR	\$150	2.9%	▲



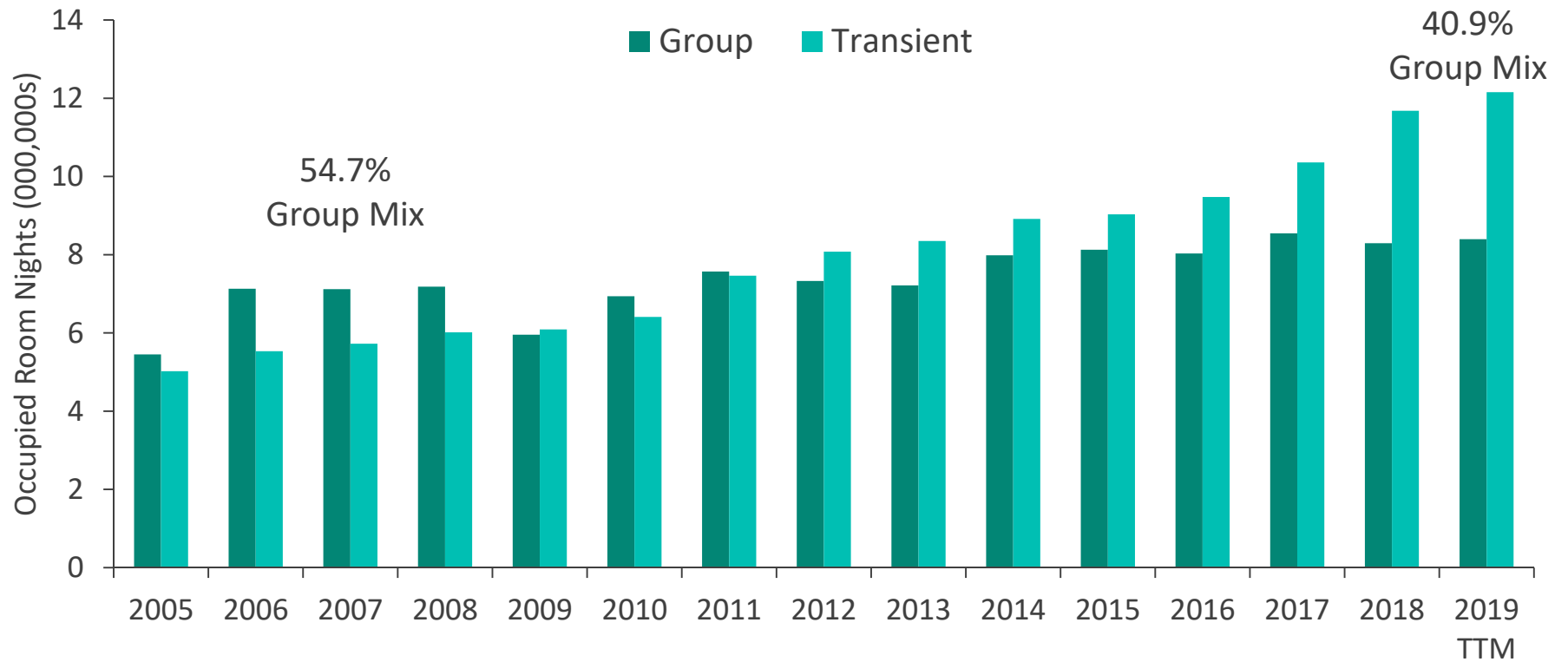
## Denver CBD had Higher Occ growth than Denver Market



Oct 2019	Actual	% Change	
Room Supply		2.9%	▲
Room Demand		7.2%	▲
Occupancy	83.7%	4.2%	▲
ADR	\$217	0.6%	▲
RevPAR	\$181	4.9%	▲



## CBD Transient Demand Growth has Skewed Group Mix

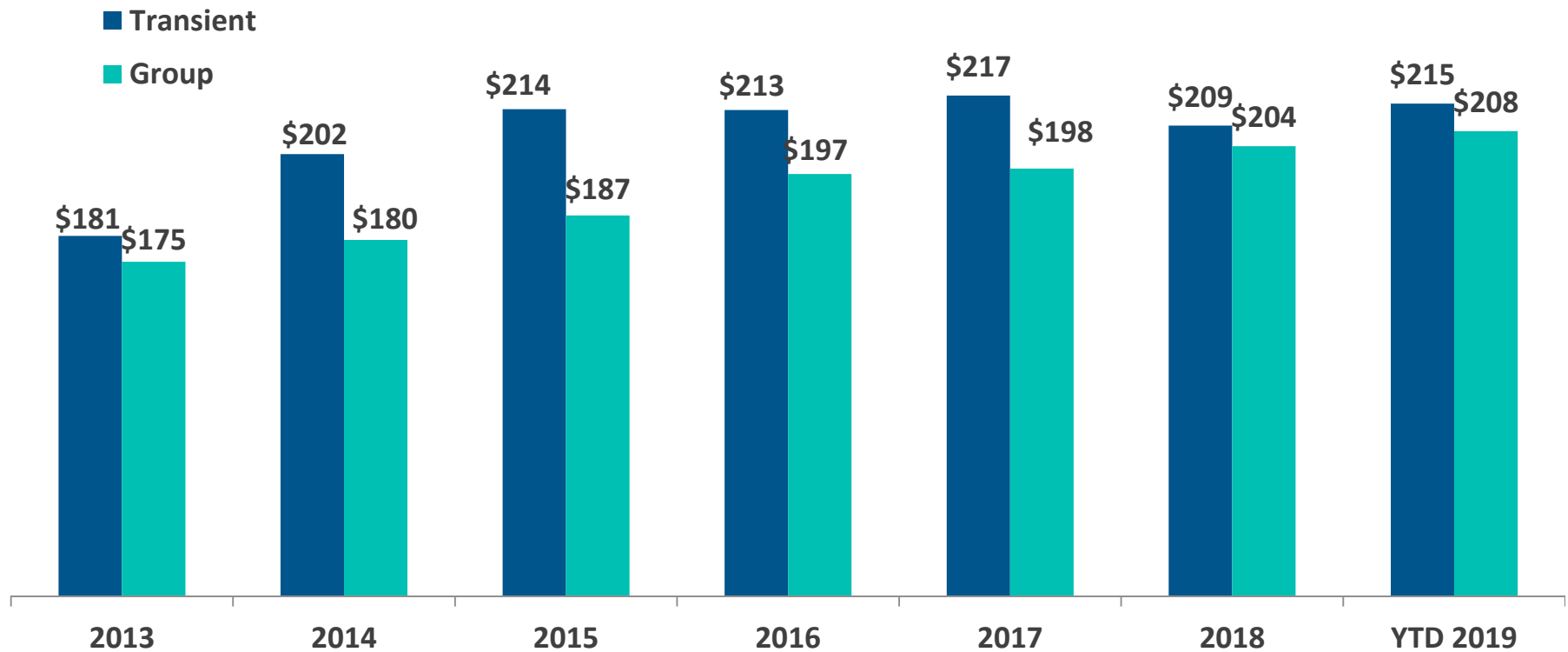


Denver CBD Submarket Transient and Group Rooms Sold, 2005 – 2018, September 2019 TTM

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## Transient vs. Group ADR Trends

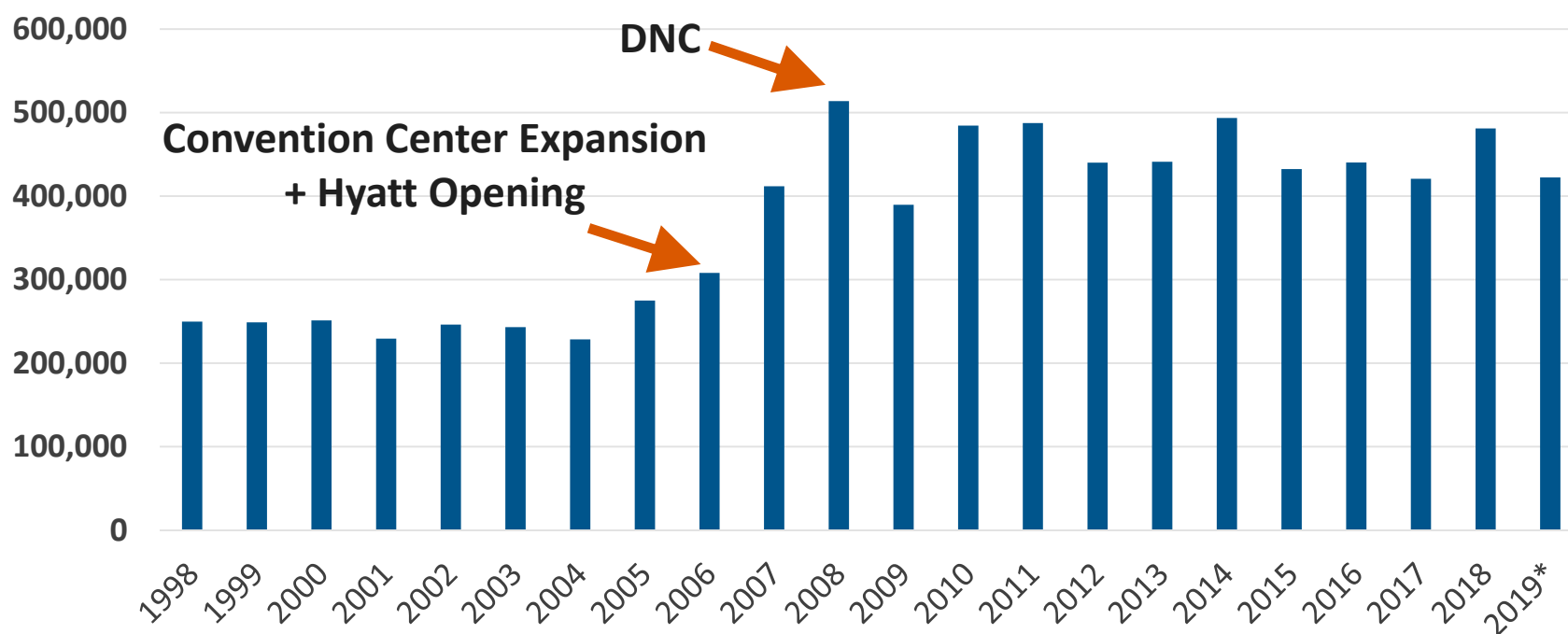


Denver, CO CBD Tract – Customer Segmentation ADR (Luxury and Upper Upscale) Full Year 2012 – 2018, YTD Sep 2019

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## Convention Center Room Nights Consistently Strong



**SOURCE:** Visit Denver CCC Room Nights as of 10/31/19

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# Denver Compression Study, 2019

## (2016 – 2018 Event Bookings)

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Research Analyst, Market Insights



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## Denver Compression Study (2019)

- **Models & Market Background**
- **Major Findings**
  - **All Denver Hotel Zones Benefit from CVB/CC Rooms**
  - **Mkt RevPAR “Supercharges” at 1,225+ & 6,100+ Daily Rooms**
  - **Occ and ADR - Opportunities Presented?**
  - **Sizable Impacts of Convention Center Rooms**

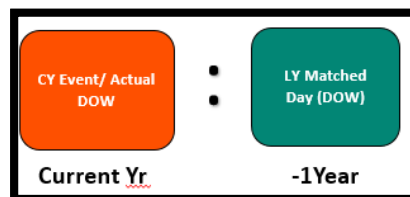




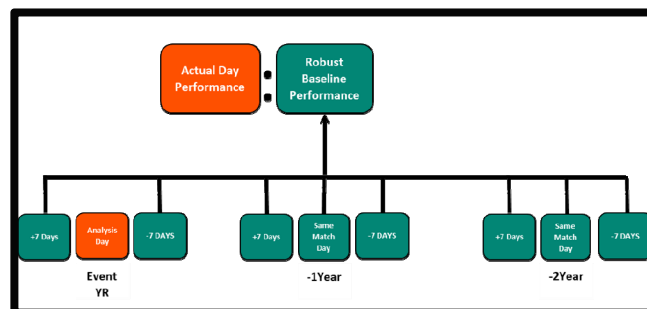
# Compression Model Background

$$\% = \frac{\text{Current Performance}}{\text{Matched Past Performance}}$$

Standard Daily  
Percent Change



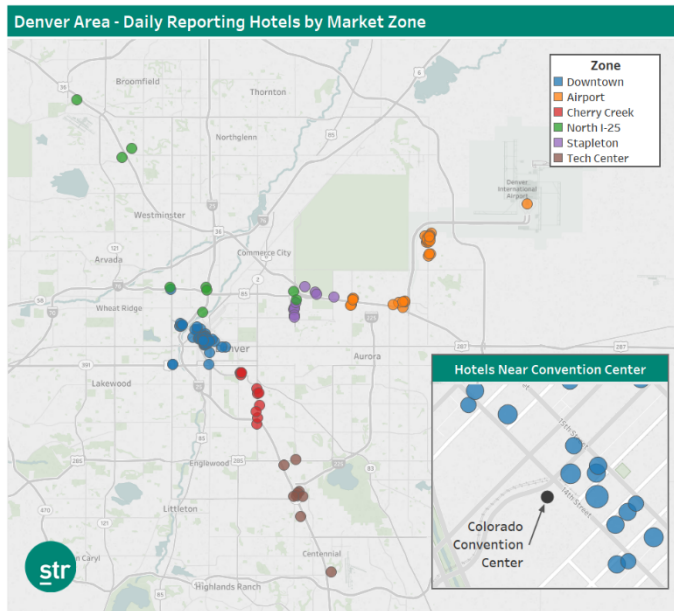
Compression  
Daily Baselines



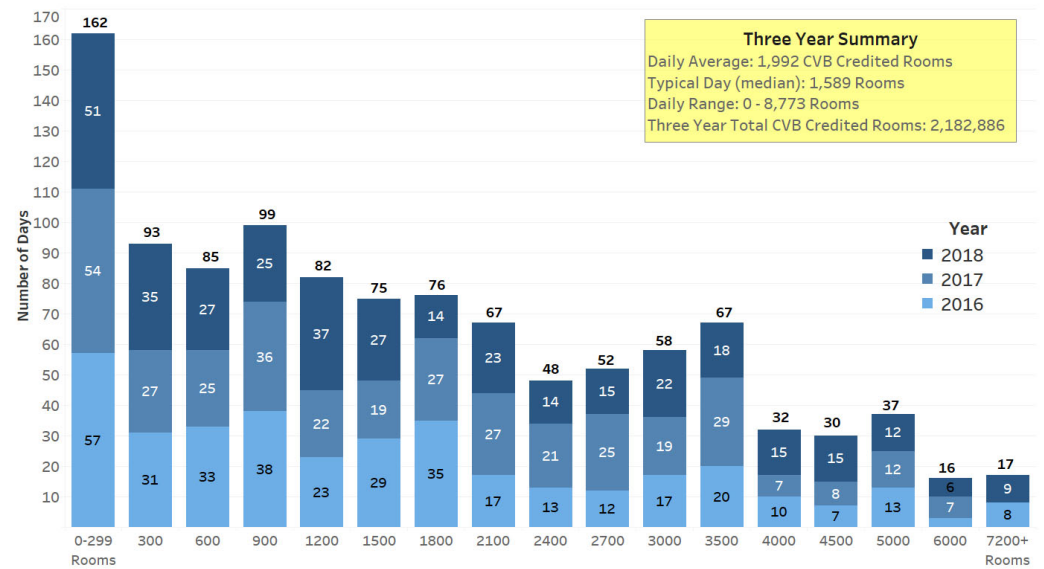
- Weighted Avg. to Nearest DOW Matches
- Added Holiday Controls
- Added Outlier Controls
- Actual Daily Reporting Hotels Only



# Denver Market Background



Days in Room Placement Range: Jan, 2016 - Dec, 2018

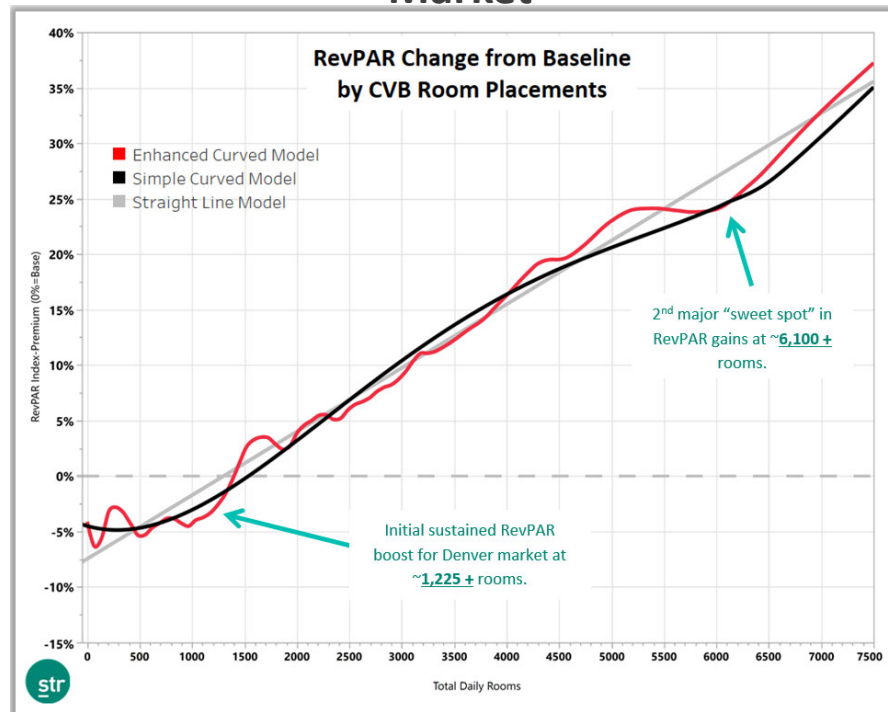




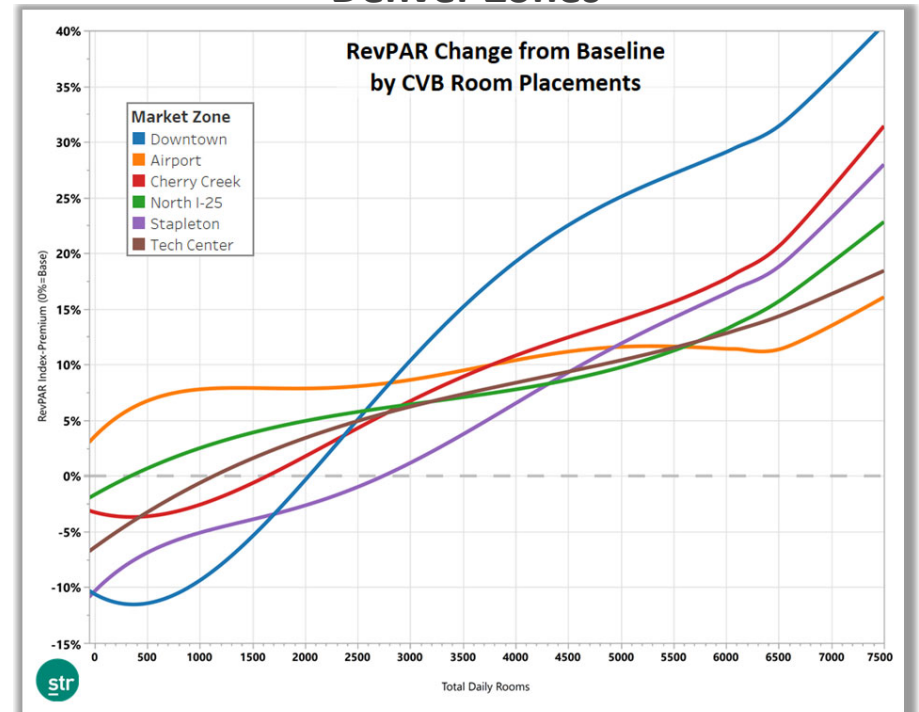
# RevPAR Lift with Room Placements: Line Models



## Market



## Denver Zones



RevPAR +2.9% (+\$3.33) per 500 Rooms



# RevPAR Heatmap



Market Zone RevPAR Impact from Baseline by Room Placements							
Daily Placed Rooms	Market	Downtown	Airport	Cherry Creek	North I-25	Stapleton	Tech Center
0-299 Rooms	-2%	-7%	5%	-2%	0%	-8%	-3%
300	-5%	-12%	7%	-3%	2%	-8%	-4%
600	-4%	-10%	6%	-1%	3%	-7%	-2%
900	-4%	-11%	9%	-4%	0%	-7%	-5%
1200	-1%	-7%	6%	-2%	1%	-5%	1%
1500	3%	0%	7%	1%	5%	-2%	1%
1800	3%	-1%	7%	3%	7%	-1%	5%
2100	6%	4%	8%	4%	7%	0%	4%
2400	6%	3%	10%	4%	2%	-2%	8%
2700	8%	9%	8%	3%	4%	-3%	3%
3000	11%	13%	10%	5%	5%	3%	7%
3500	12%	13%	9%	10%	7%	3%	9%
4000	17%	20%	7%	10%	9%	6%	6%
4500	25%	31%	13%	15%	11%	13%	14%
5000	25%	32%	11%	18%	13%	14%	5%
6000	19%	22%	7%	12%	7%	12%	14%
7200+ Rooms	44%	51%	28%	42%	28%	42%	22%



# Market/Zone Occupancy & ADR



## Occupancy

Daily Placed Rooms	Market	Downtown	Airport	Cherry Creek	North I-25	Stapleton	Tech Center
0-299 Rooms	53%	51%	65%	56%	49%	54%	42%
300	67%	66%	75%	69%	64%	68%	59%
600	70%	69%	76%	70%	65%	70%	63%
900	72%	71%	79%	72%	68%	73%	62%
1200	76%	77%	81%	76%	74%	76%	69%
1500	80%	82%	82%	79%	77%	81%	72%
1800	83%	84%	84%	83%	82%	84%	76%
2100	83%	85%	84%	82%	80%	81%	77%
2400	84%	86%	85%	83%	79%	82%	77%
2700	82%	85%	83%	80%	78%	79%	73%
3000	84%	87%	85%	83%	79%	83%	76%
3500	87%	90%	86%	88%	83%	85%	82%
4000	85%	90%	83%	84%	80%	85%	75%
4500	87%	92%	85%	86%	82%	85%	77%
5000	86%	92%	84%	86%	80%	84%	70%
6000	81%	86%	78%	79%	74%	82%	65%
7200+ Rooms	90%	94%	89%	89%	84%	91%	79%

## ADR

Daily Placed Rooms	Market	Downtown	Airport	Cherry Creek	North I-25	Stapleton	Tech Center
0-299 Rooms	2%	-3%	7%	4%	0%	3%	-3%
300	-1%	-7%	8%	1%	1%	1%	-2%
600	0%	-6%	7%	2%	3%	2%	-1%
900	-1%	-6%	7%	3%	1%	1%	-2%
1200	0%	-4%	6%	2%	1%	1%	0%
1500	2%	-2%	7%	3%	3%	2%	0%
1800	3%	-1%	8%	6%	4%	4%	3%
2100	3%	0%	7%	4%	3%	2%	0%
2400	4%	0%	8%	3%	1%	2%	2%
2700	5%	3%	8%	5%	3%	2%	0%
3000	7%	6%	8%	5%	1%	3%	1%
3500	8%	7%	8%	7%	4%	4%	3%
4000	10%	8%	7%	7%	6%	4%	1%
4500	13%	12%	9%	9%	4%	8%	4%
5000	13%	13%	9%	10%	4%	9%	2%
6000	12%	11%	9%	11%	2%	8%	2%
7200+ Rooms	26%	27%	18%	28%	12%	27%	11%

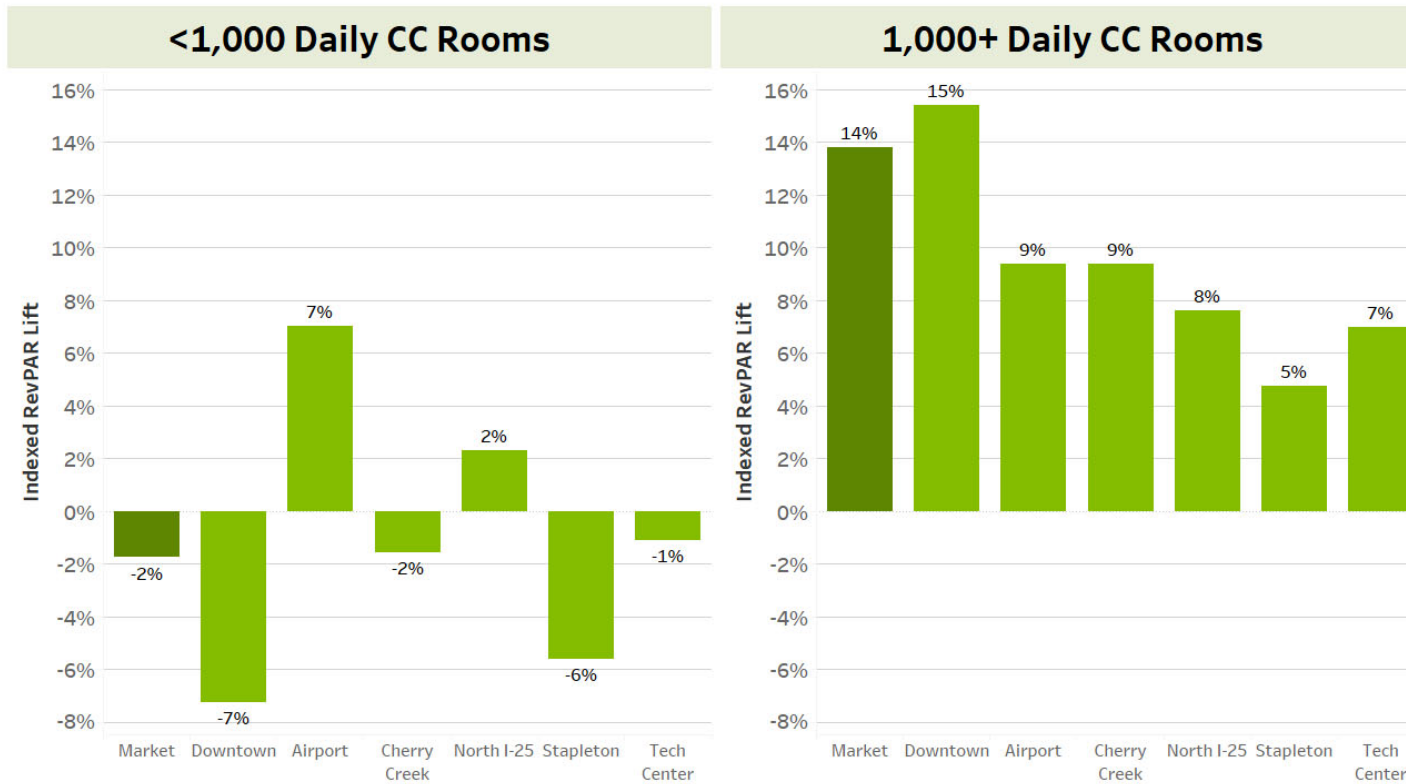
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# RevPAR Gains with Sizable CC Room Events



## Average RevPAR Premium for Colorado Convention Ctr. Event Rooms







# Questions?



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