



Hotel Industry Update

Jennifer Foster – Sales Executive
August 27th, 2024





\$5B invested in research and technology	36 years of experience	5,800 team members
192K CoStar users	29 brands	2.4B visitors to our websites annually

The most comprehensive commercial real estate data.

The most influential network of CRE professionals.



STR is the leader in data benchmarking, analytics and marketplace insights for the global hospitality industry.

39 years of partnership with the industry	82K+ participating hotels around the world
10.7M Rooms in our global sample	78% of branded rooms globally



RevPAR softened in June after a strong showing in May

Total U.S., June 2024

	Actual	2019 % Chg.	YOY % Chg.
Room Supply	169.9m	3.3%	0.5%
Room Demand	118.3m	-1.7%	0.4%
Occupancy	69.6%	-4.8%	-0.0%
ADR	\$161.30	20.0%	1.5%
RevPAR	\$112.33	14.2%	1.5%
Room Revenue	\$19.1b	18.0%	2.0%

Overheard at HDC 2024



**Normalization
Bifurcation**

**Outbound Travel
Up**

**Experiential
Travel**

**Pricing
Sensitivity**

**Lowered Rate
Expectations,
Cautious Optimism**

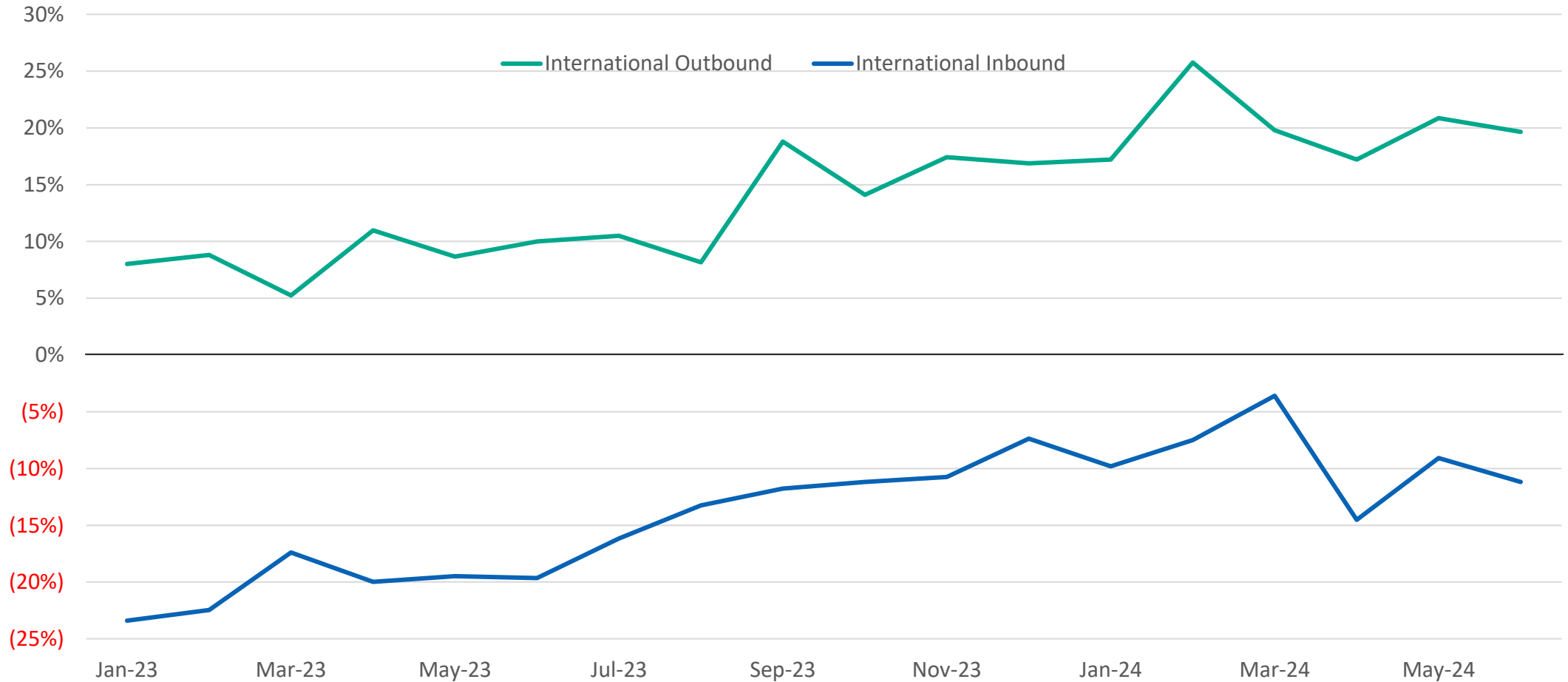
Steady Demand

**Travelers
Trading Down?**

AI Integration

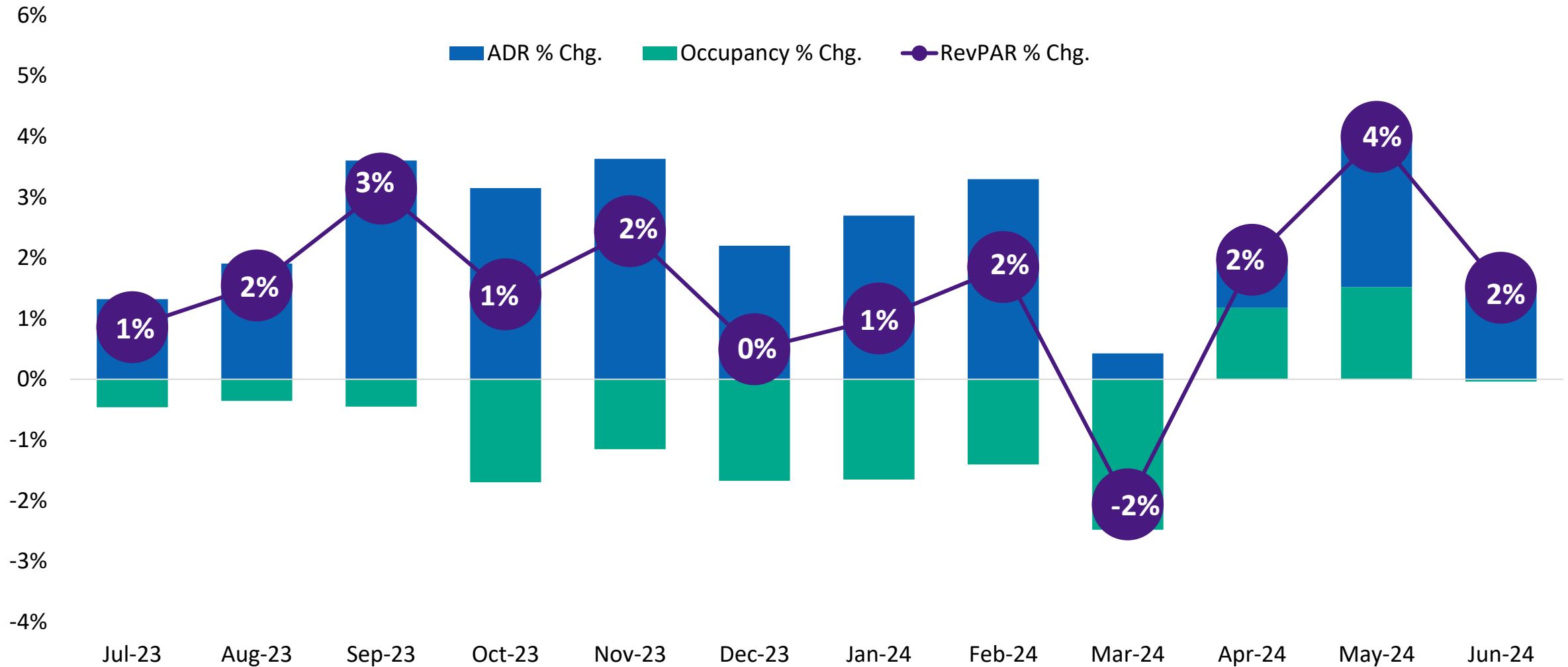
Outbound international travel continues to outpace inbound

U.S. international inbound/outbound change indexed to 2019



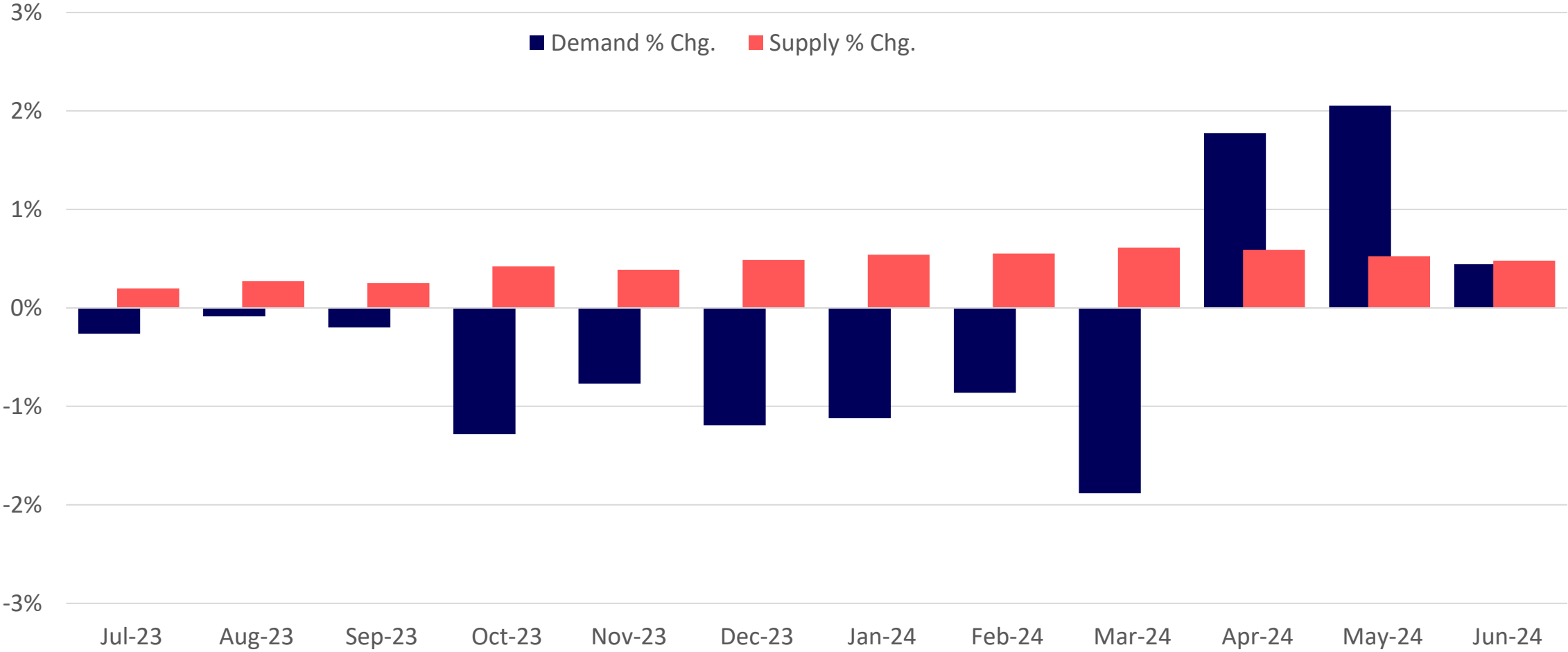
RevPAR slowed in June

U.S., KPI % change YoY, July 2023 – June 2024



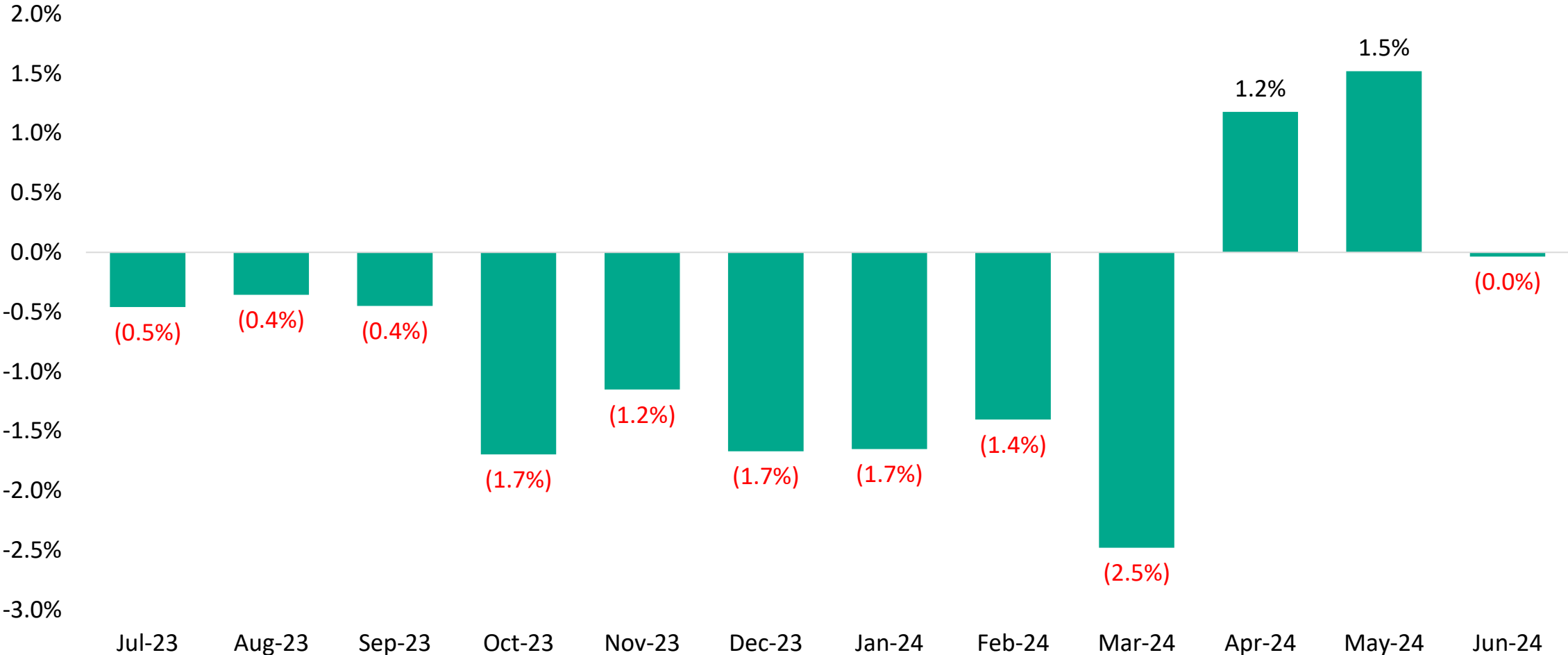
Weak RevPAR growth due to flat demand growth

Total U.S., Demand % change. July 2023 – June 2024



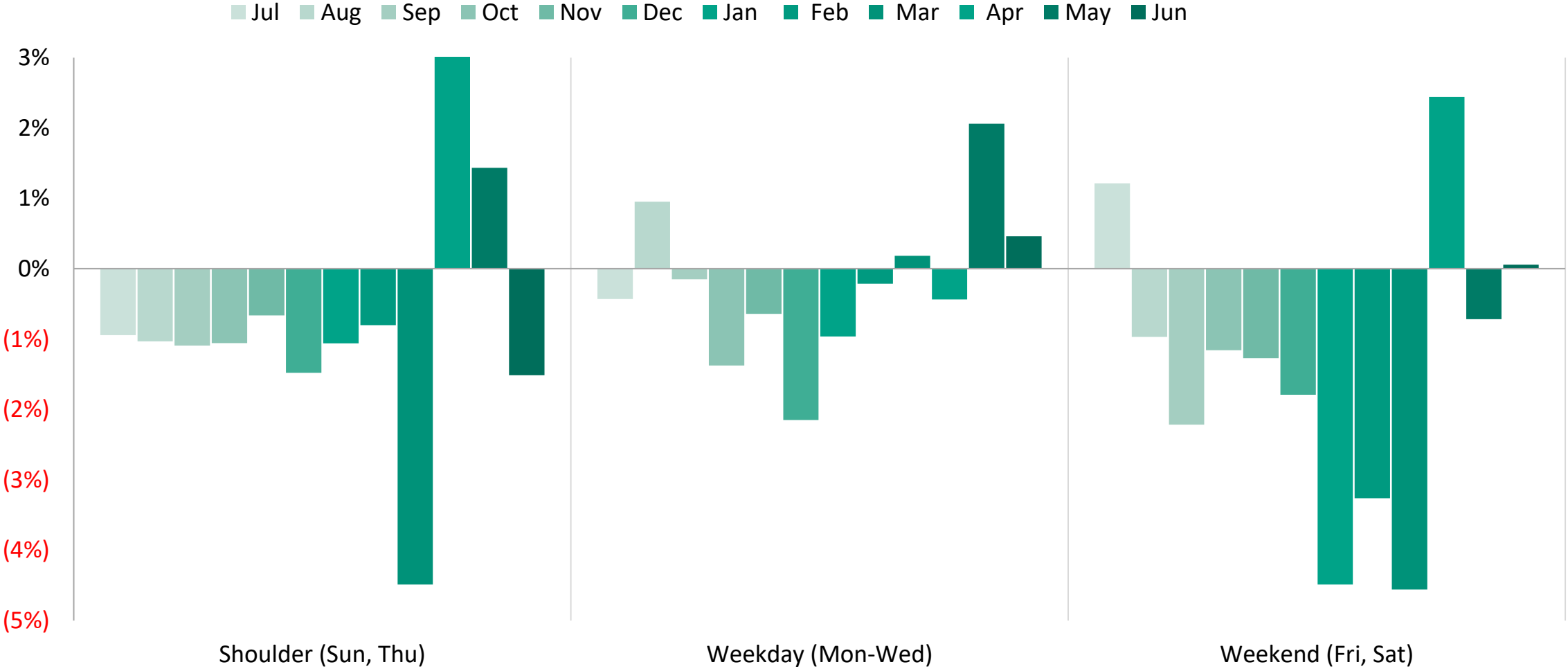
Occupancy decelerated after two months of growth

U.S., Occupancy % change YoY, July 2023 – June 2024



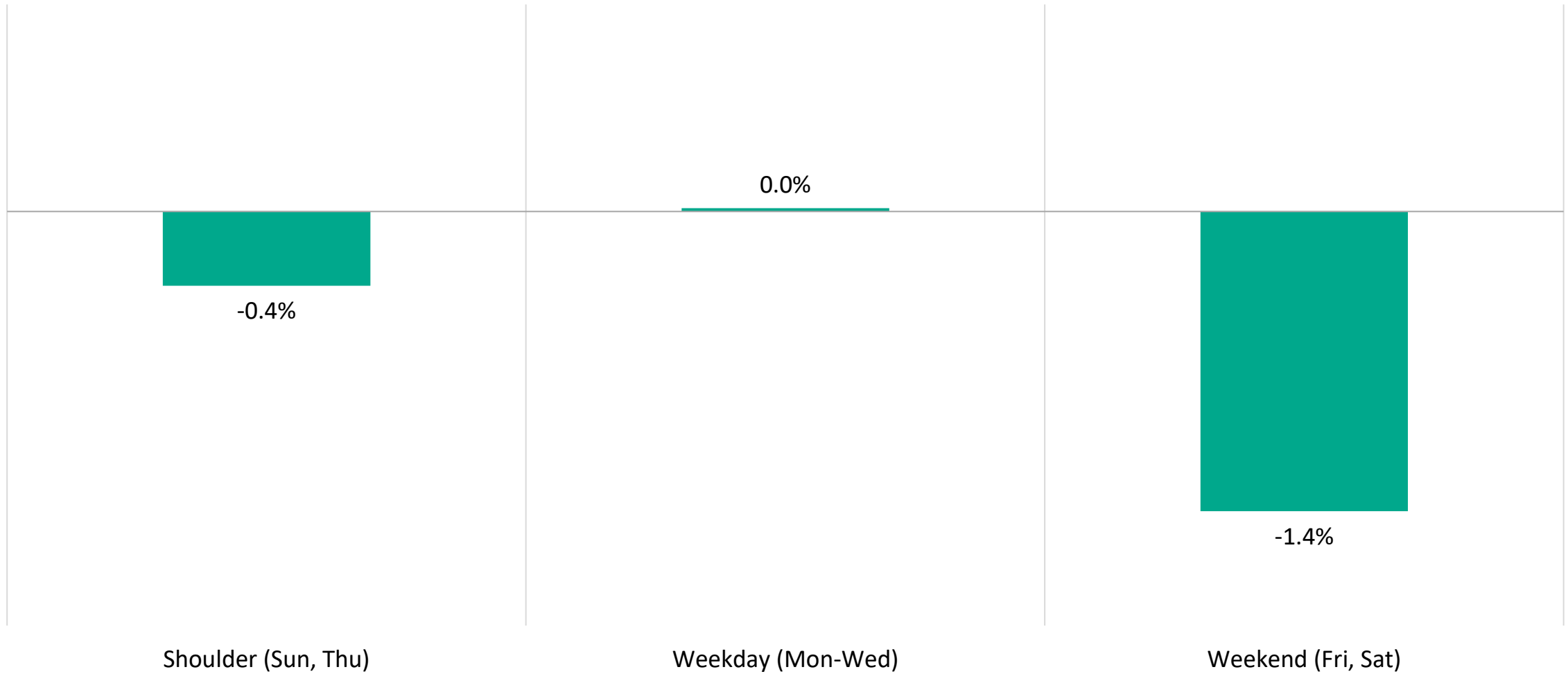
June shoulder days Occupancy dipped while weekdays improved

U.S., Occupancy % change YoY, July 2023 – June 2024



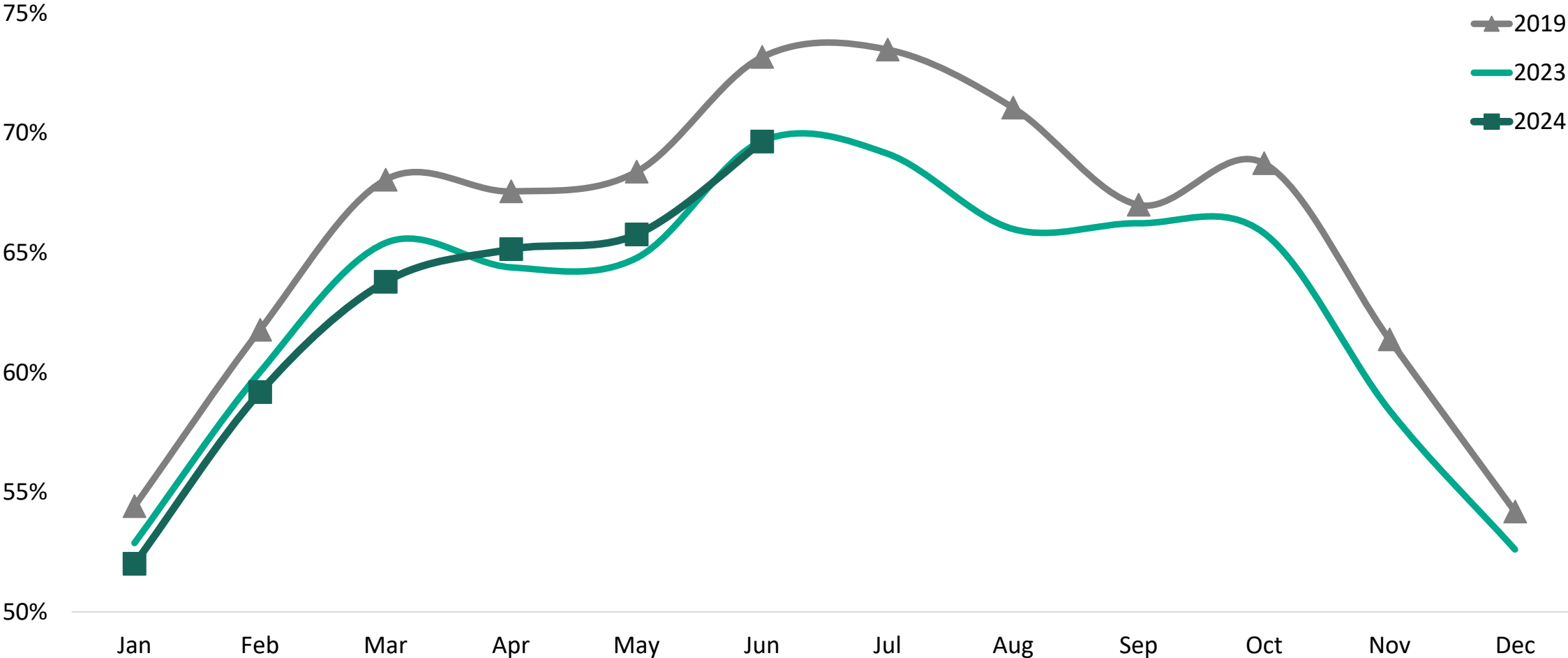
First half of 2024 shows weekdays flat, weekends down vs. 2023

U.S., Occupancy % change YoY, YTD June 2024



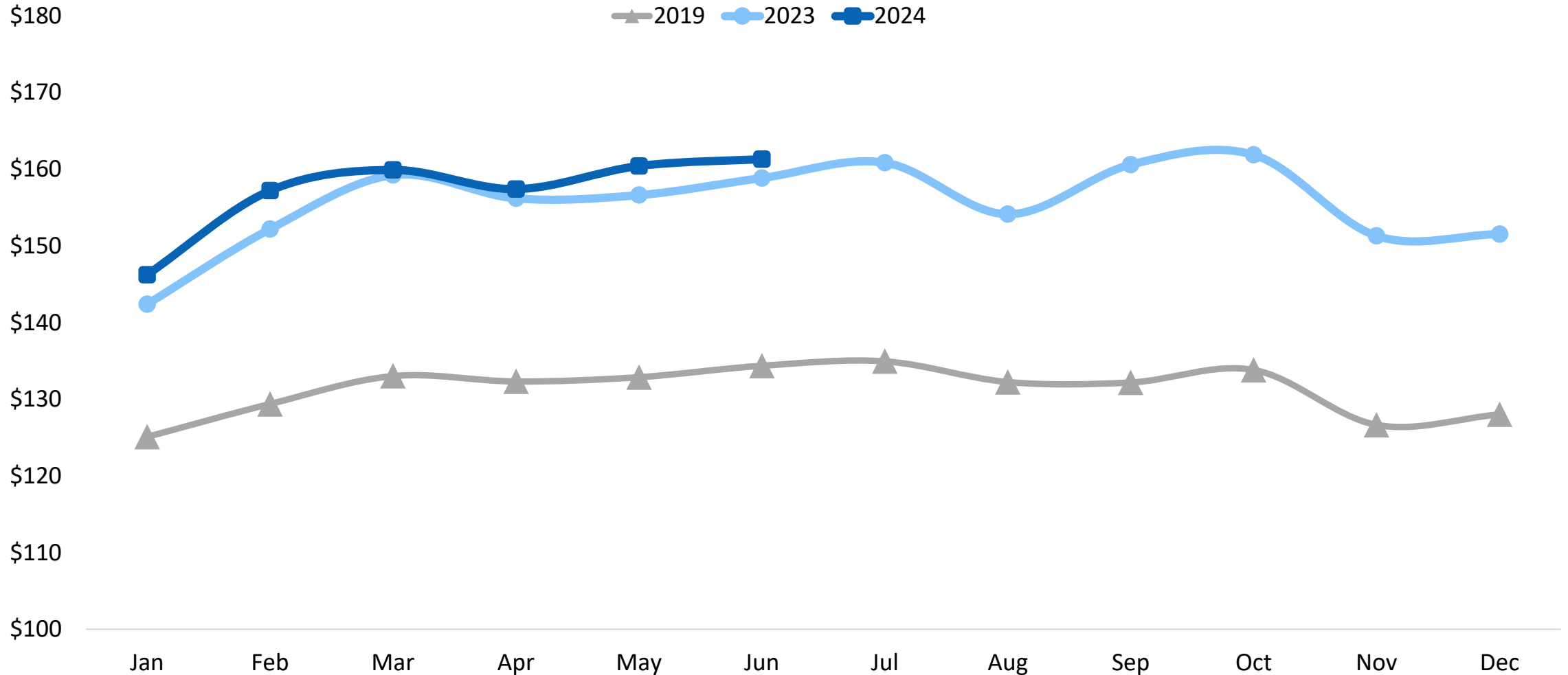
June 2024 Occupancy below 2019 level but matched 2023 level

Total U.S., monthly occupancy, 2019, 2023, 2024



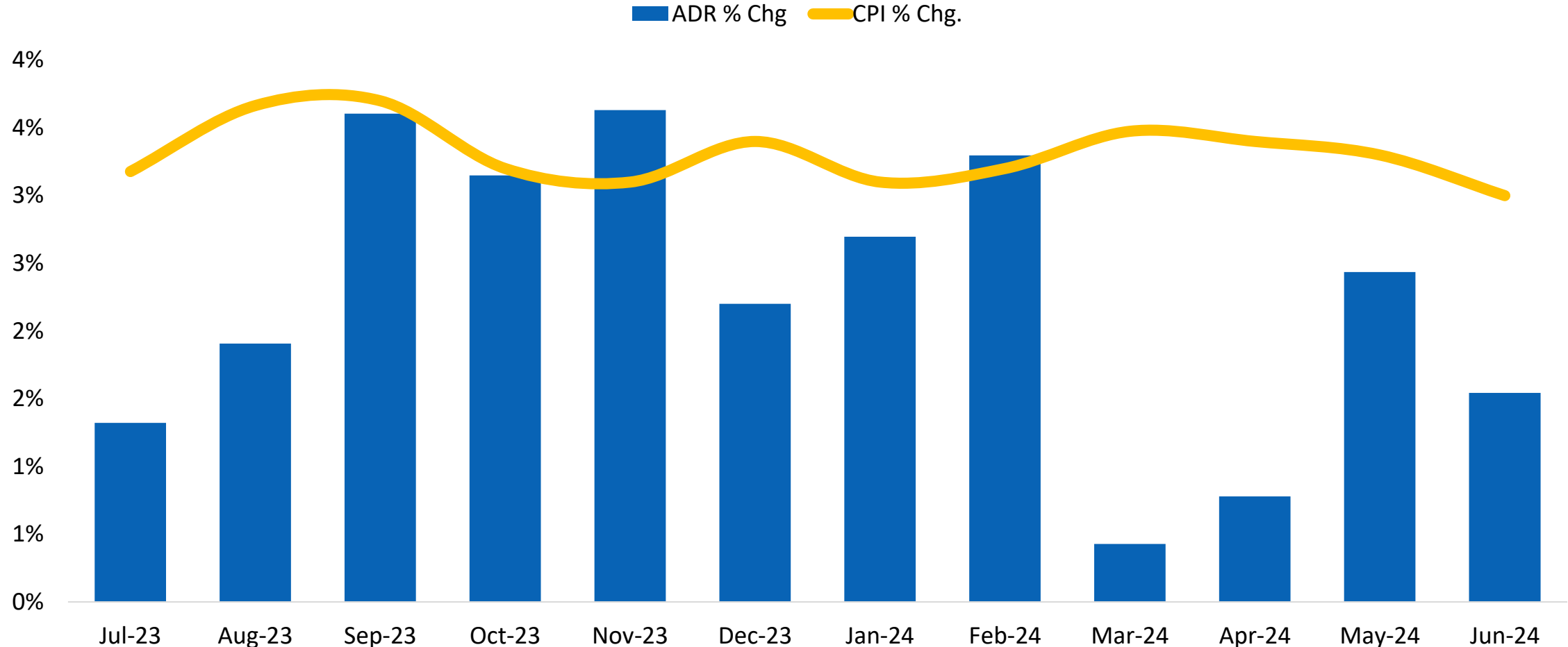
ADR continues to be stronger than both 2019 and 2023 levels

Total U.S., monthly ADR, 2019, 2023, 2024



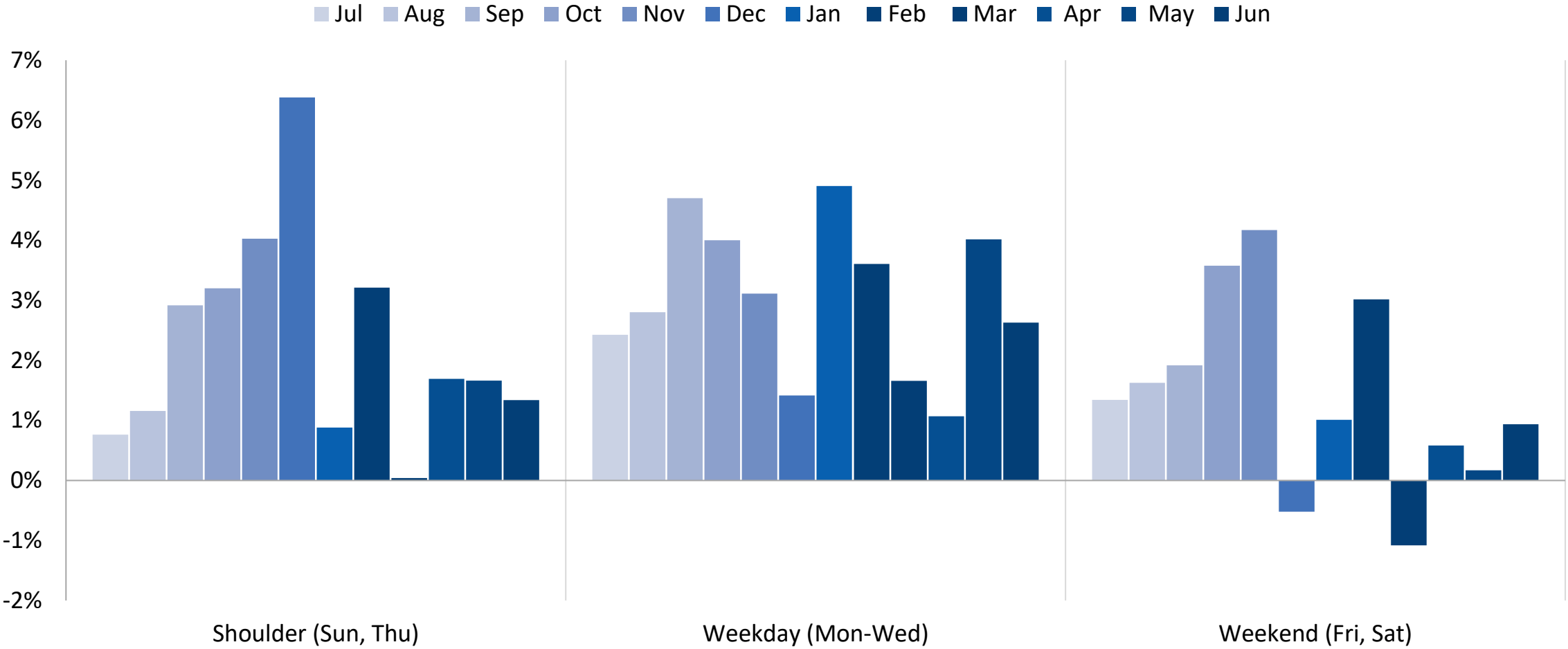
ADR growth trailed CPI

U.S., YOY ADR % change, July 2023 - June 2024



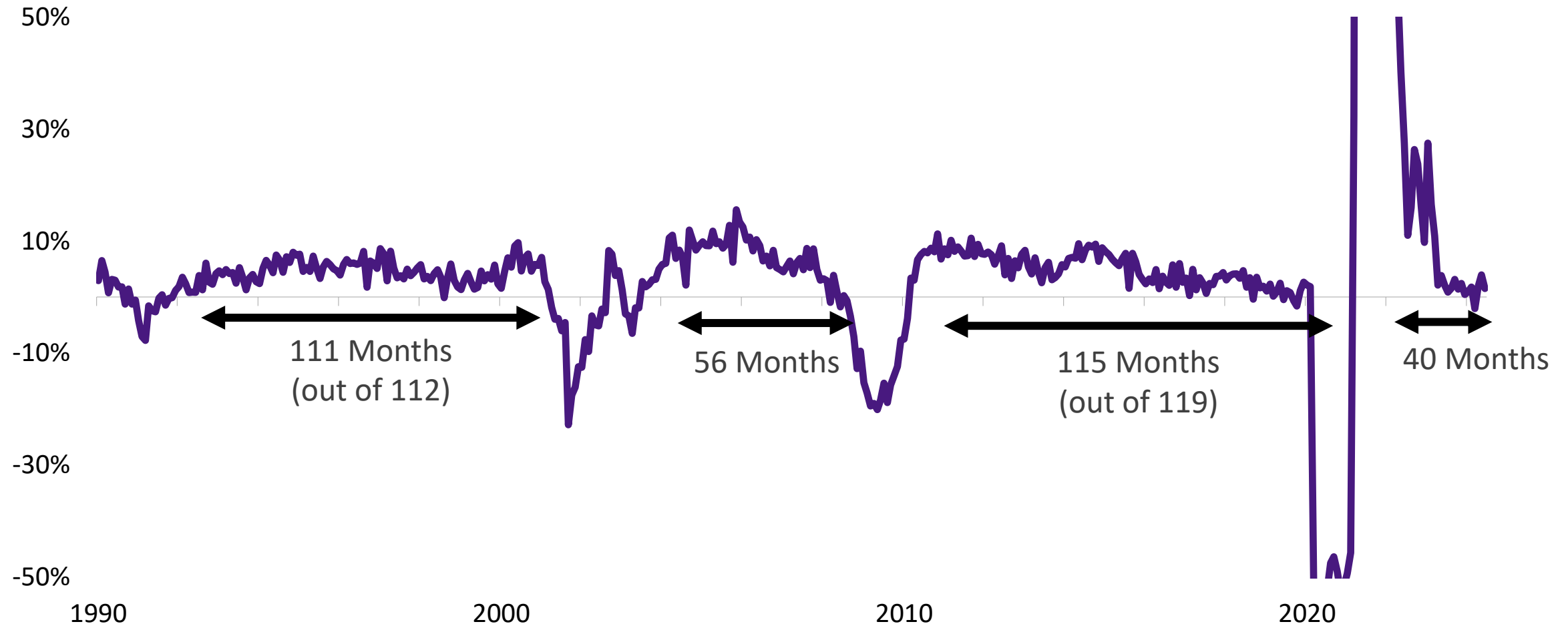
All dayparts recorded ADR increase in June

U.S., ADR % change YOY, July 2023 - June 2024



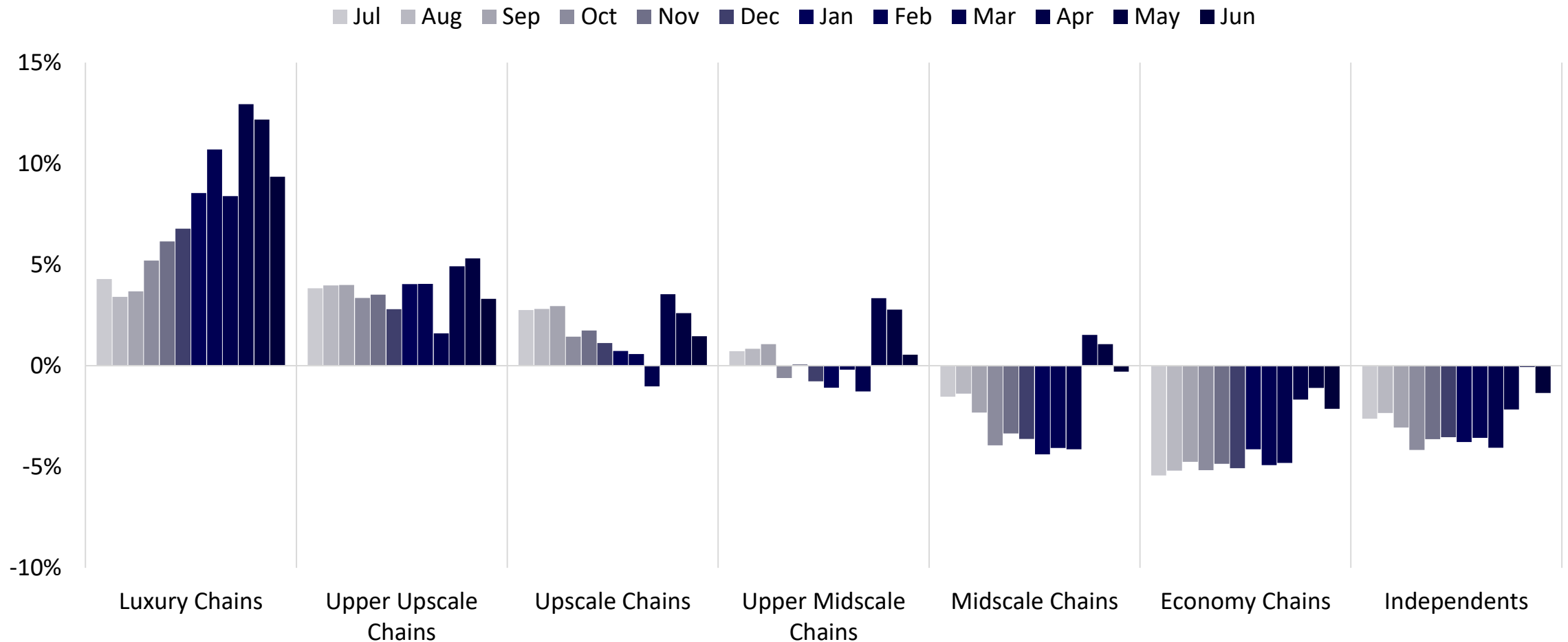
RevPAR returns to Pre-COVID patterns

Total U.S., RevPAR % change from prior year, January 1990 – June 2024



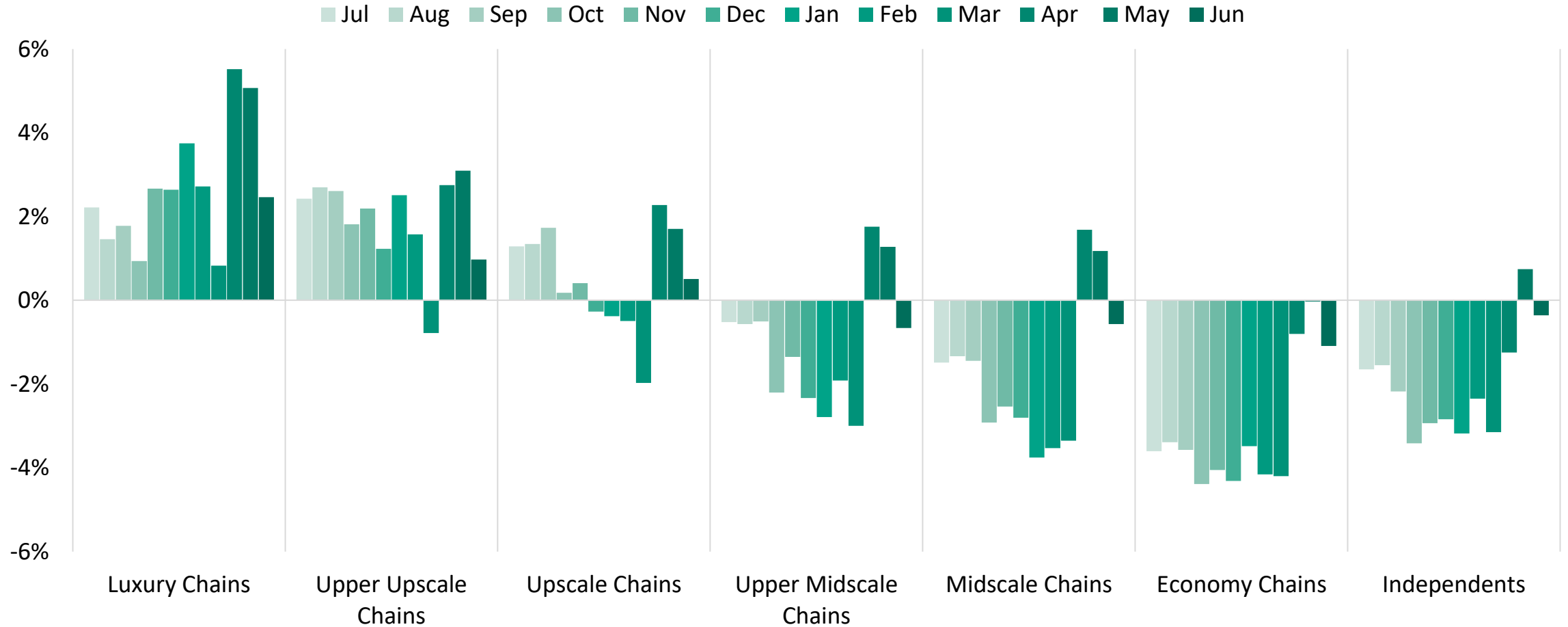
June demand up in top chains and down in lower ones

U.S., Demand, YoY % change, July 2023 – June 2024



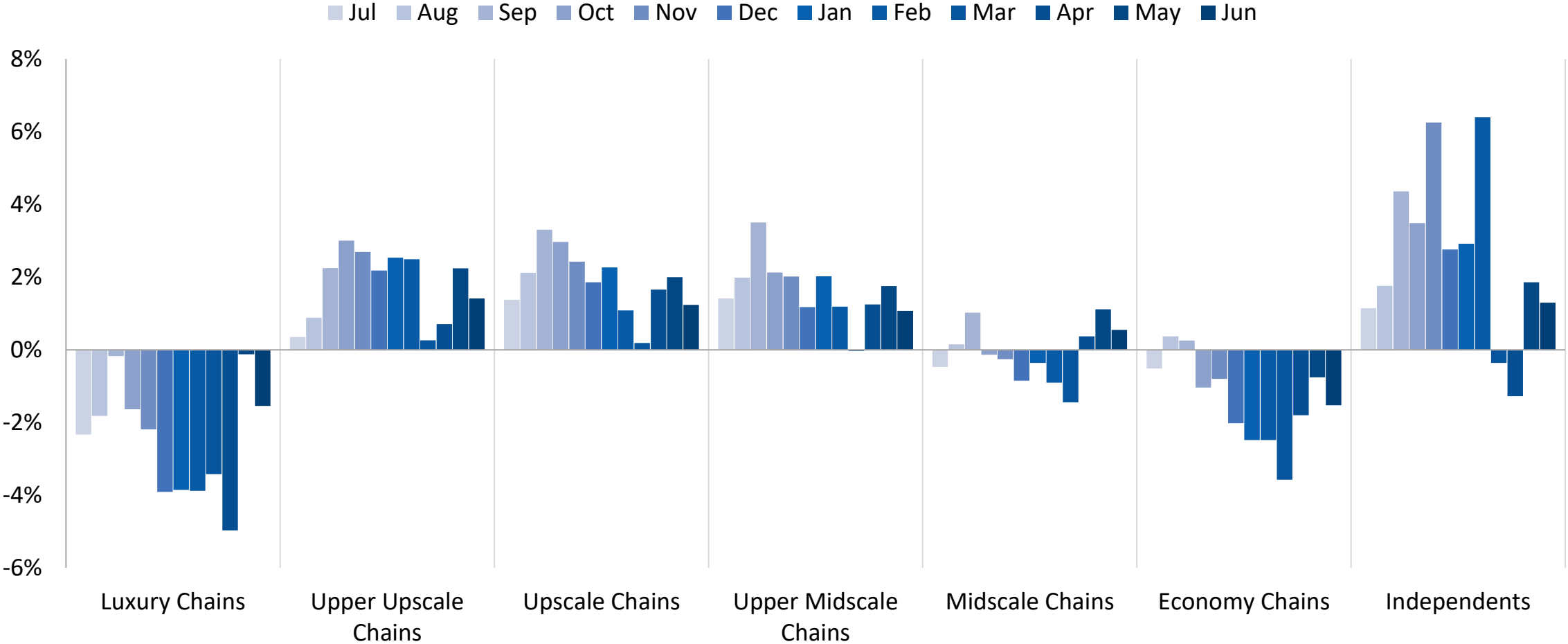
June occupancy growth reflects demand growth

U.S., Occupancy YoY % change, July 2023 – June 2024



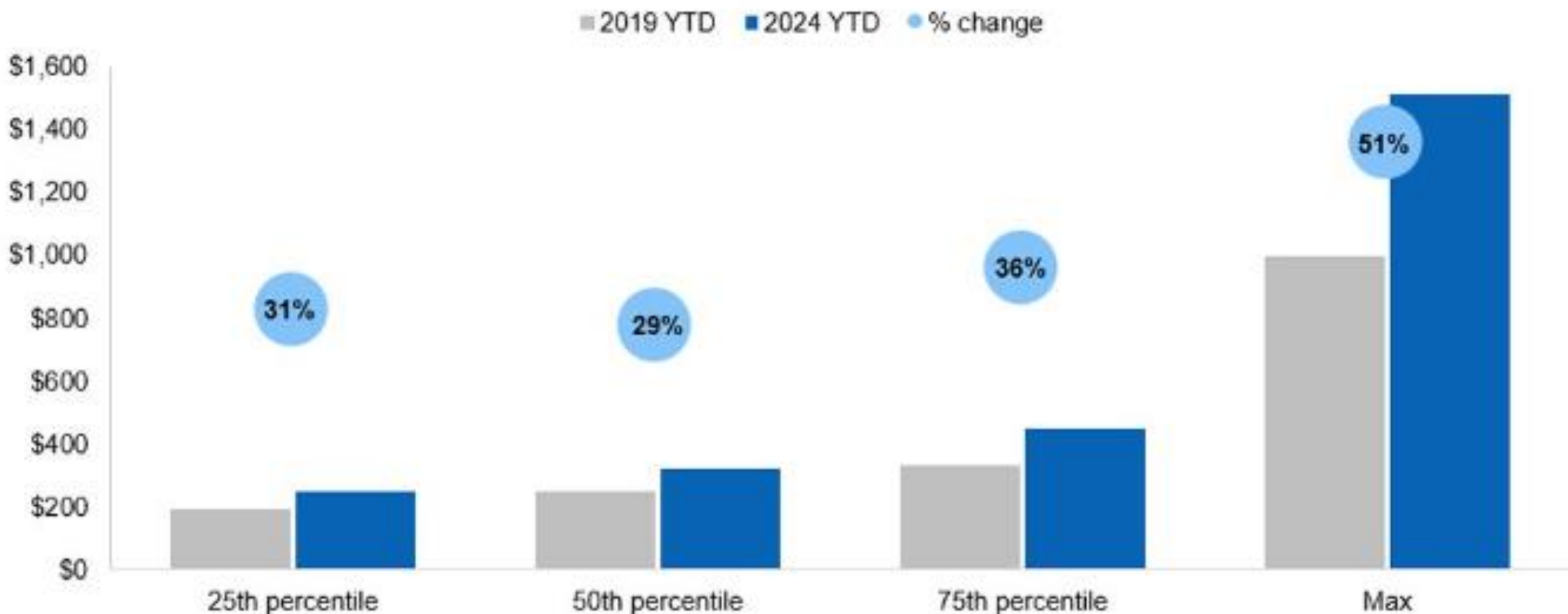
ADR in Upper Upscale through Midscale sustained decent gains

U.S., ADR YoY % change, July 2023 – June 2024



The priciest hotels are growing 2x as much as the national level

U.S., luxury class, ADR quartiles, June YTD 2024 vs 2019

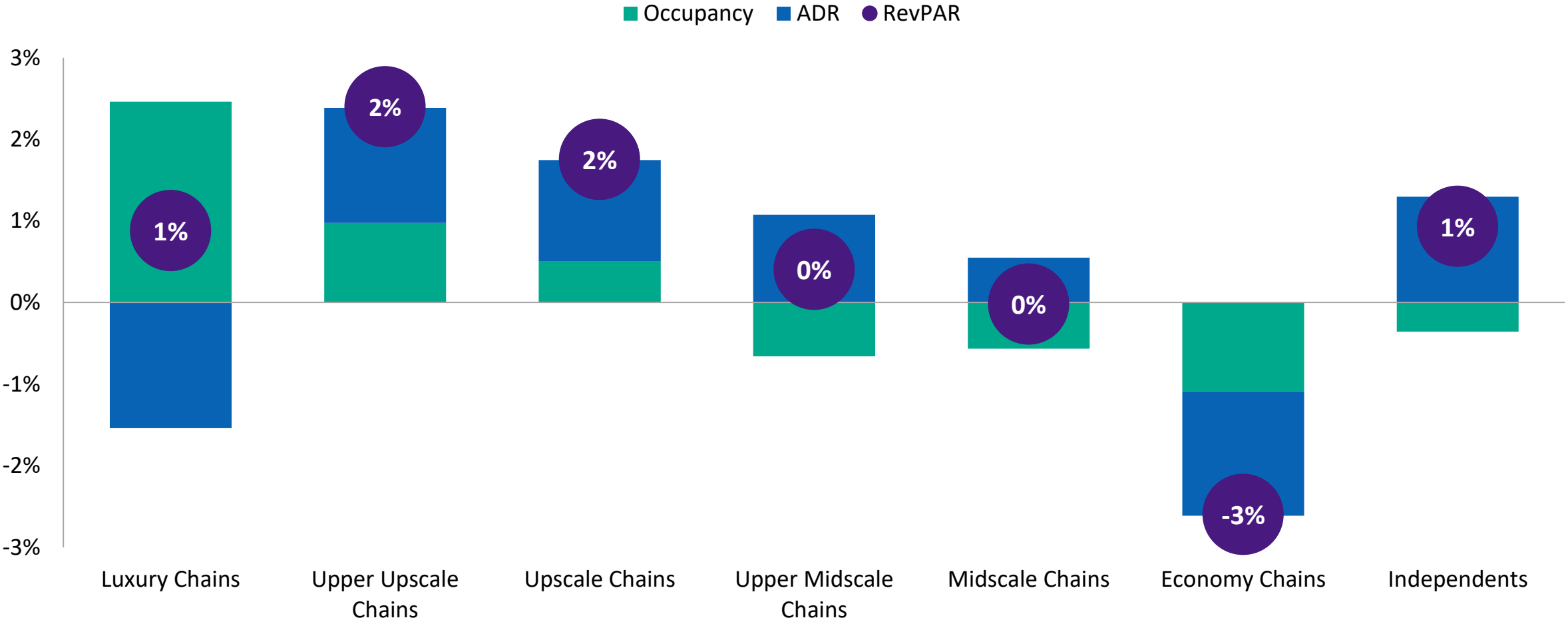


*Footnote

Source: STR. © 2024 CoStar Group

Upper Upscale and Upscale chains outshined the others

U.S., KPI % change. YoY, June 2024



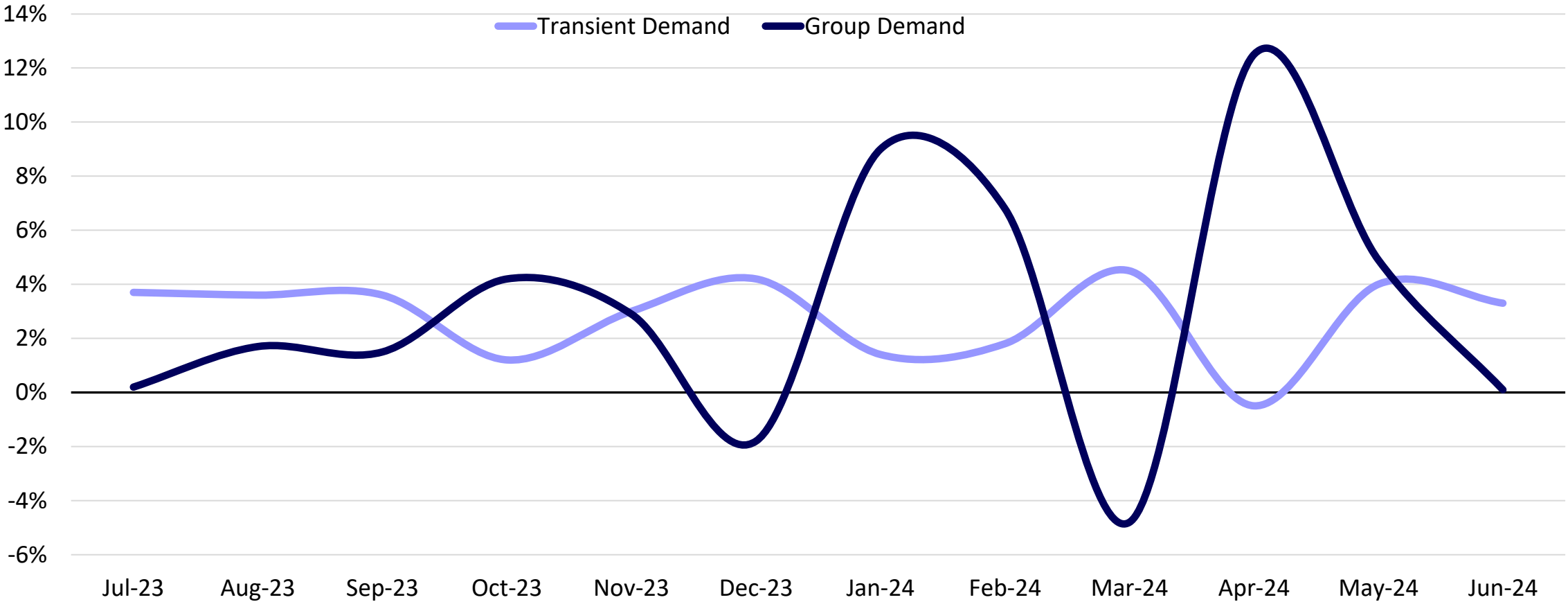


Segmentation



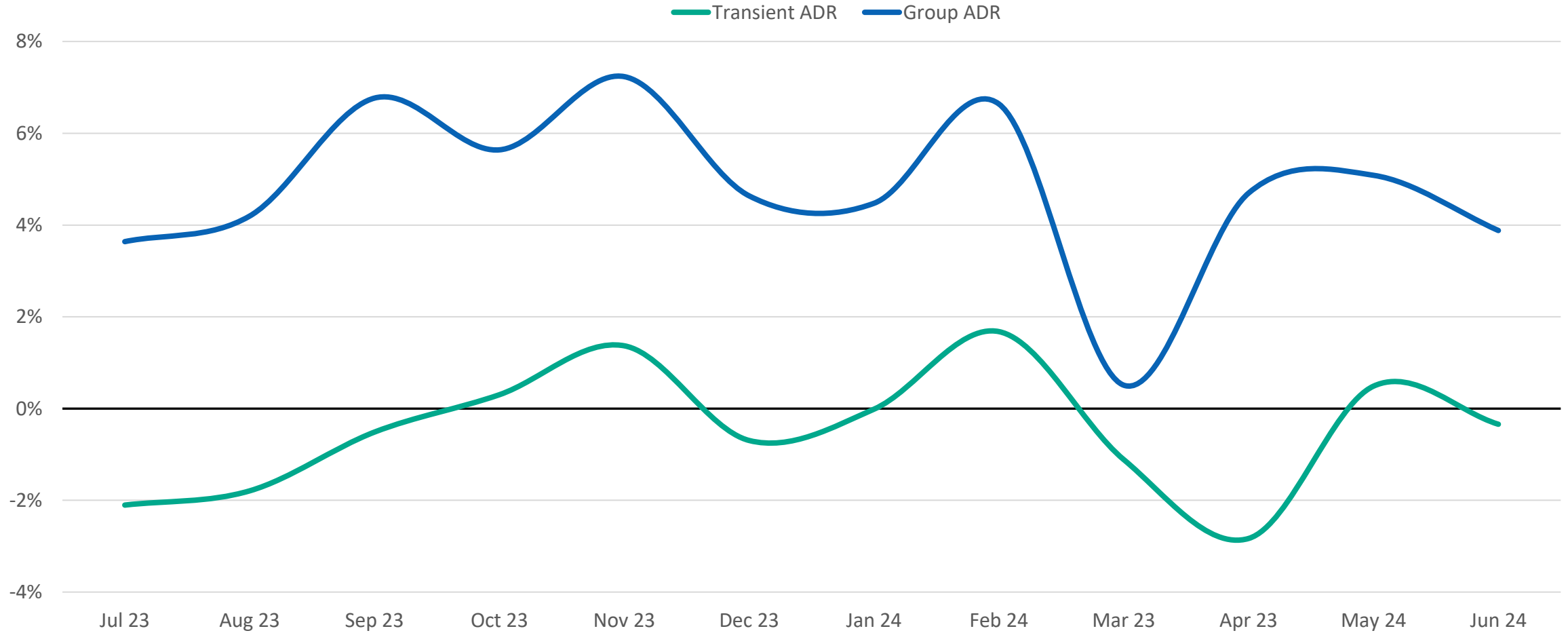
June's group demand decelerated faster than the transient

U.S., Luxury & Upper Upscale classes, demand % change YoY, July 2023 – June 2024



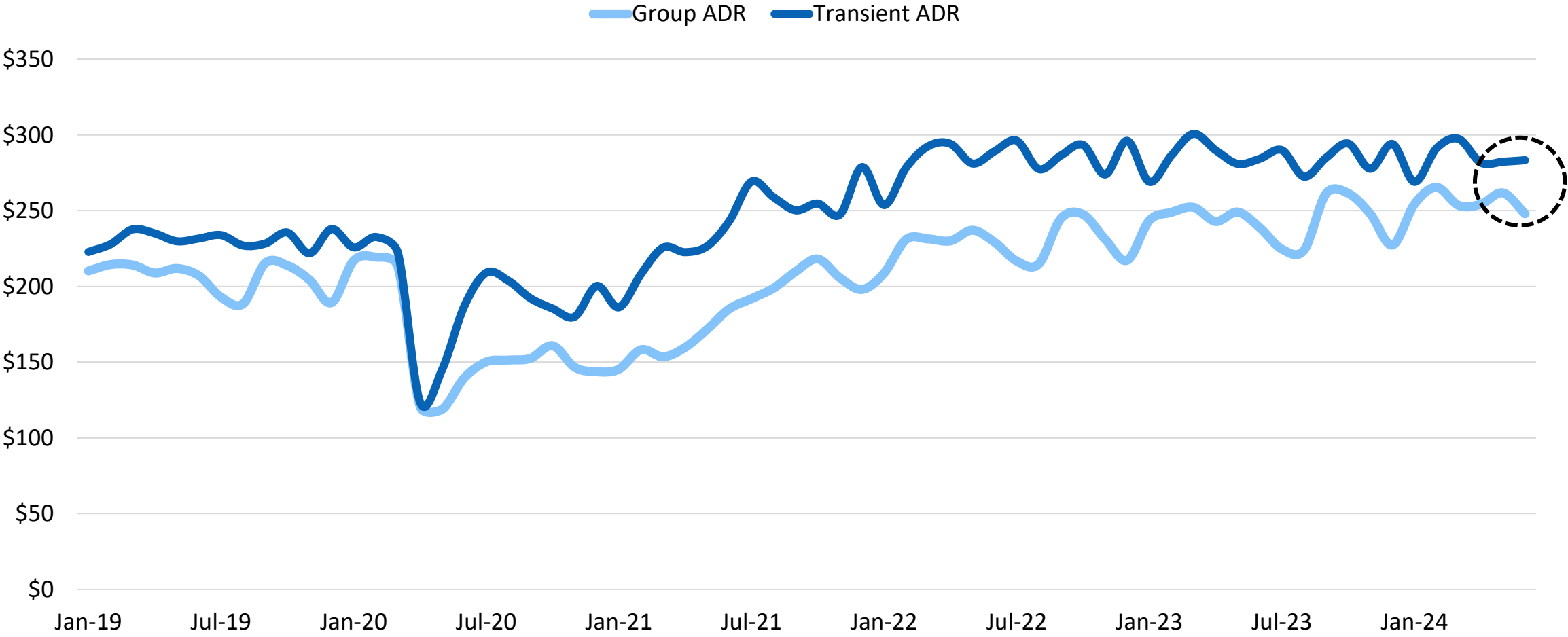
Group ADR continues to increase; Transient ADR stalled

U.S., Luxury & Upper Upscale classes, ADR % change YoY, July 2023 – June 2024



ADR gap between Transient and Group holds

U.S., Luxury & Upper Upscale classes, ADR, Jan 2019 – June 2024

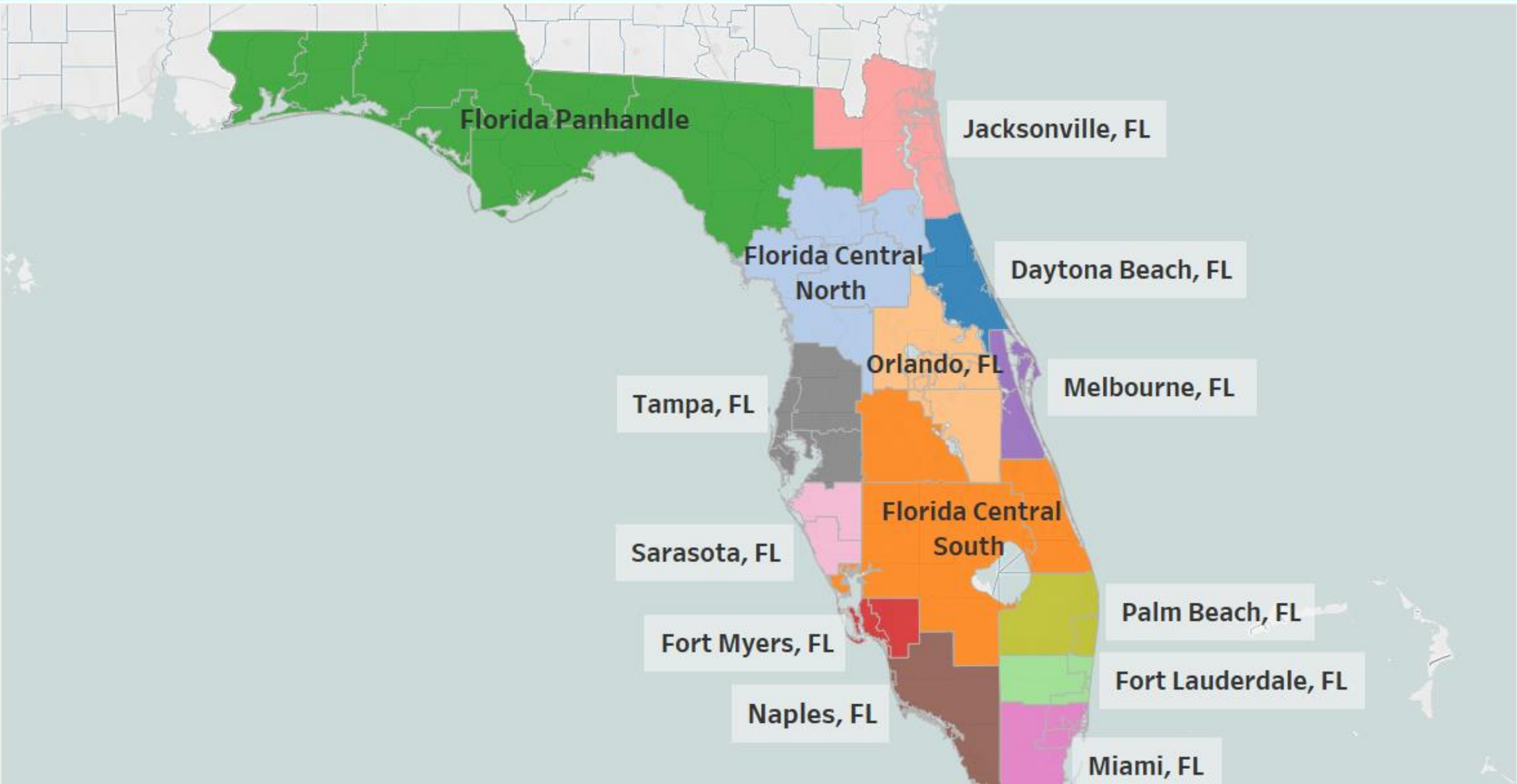




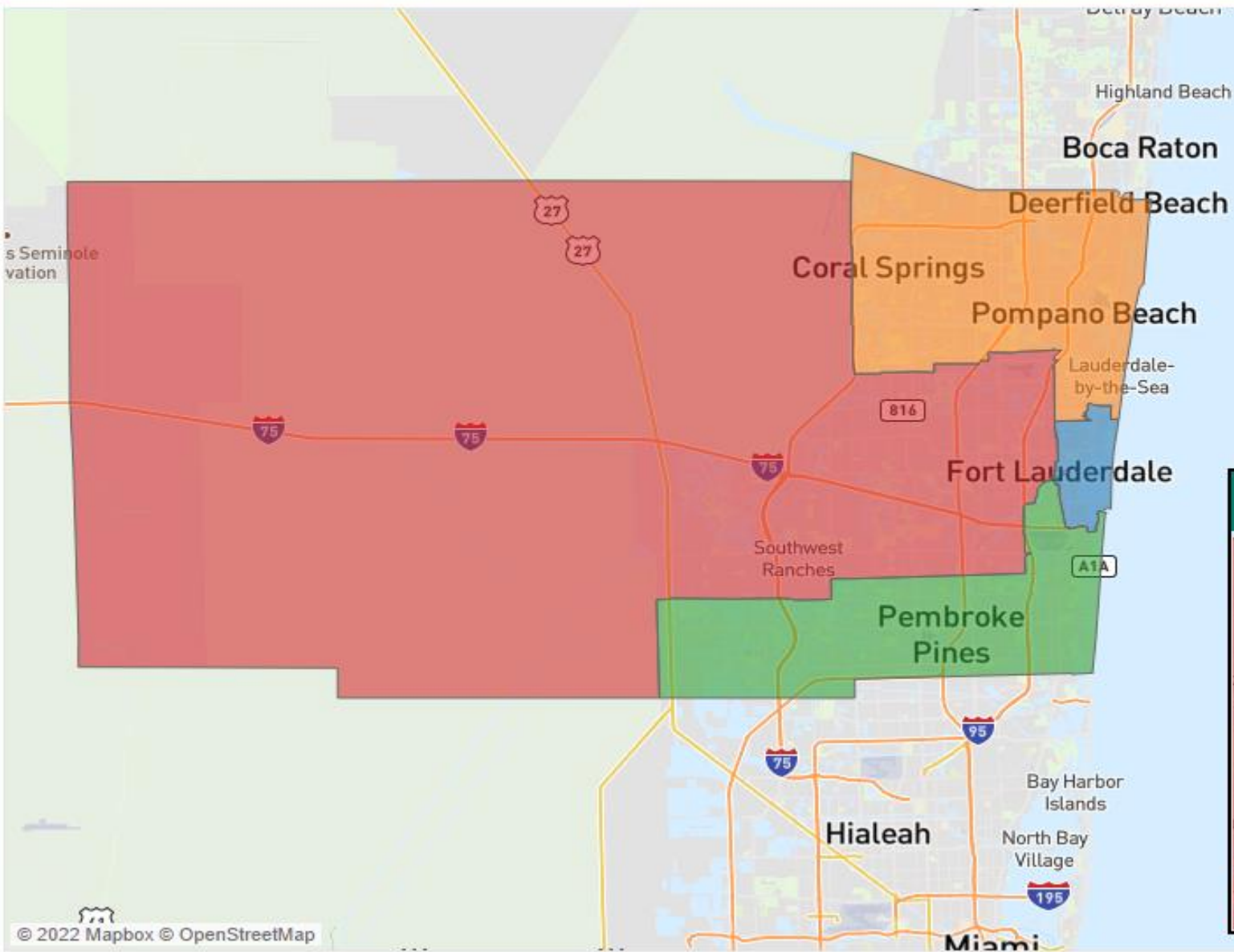
Fort Lauderdale



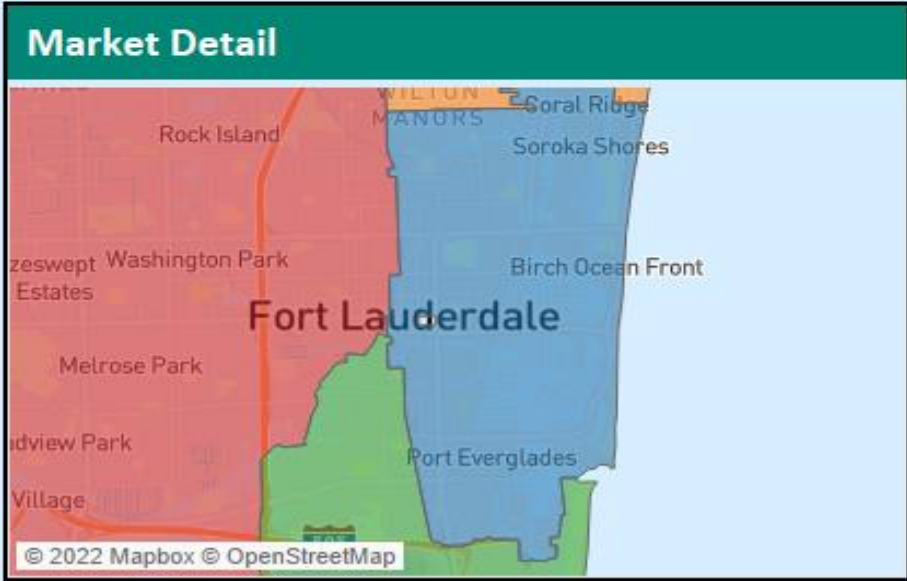
STR-Defined Florida Hospitality Markets



STR Market: Fort Lauderdale, FL



Submarket	
■	Coral Springs/Pompano Beach, FL
■	Fort Lauderdale/Beach, FL
■	Hollywood/Airport, FL
■	West Broward/Plantation, FL

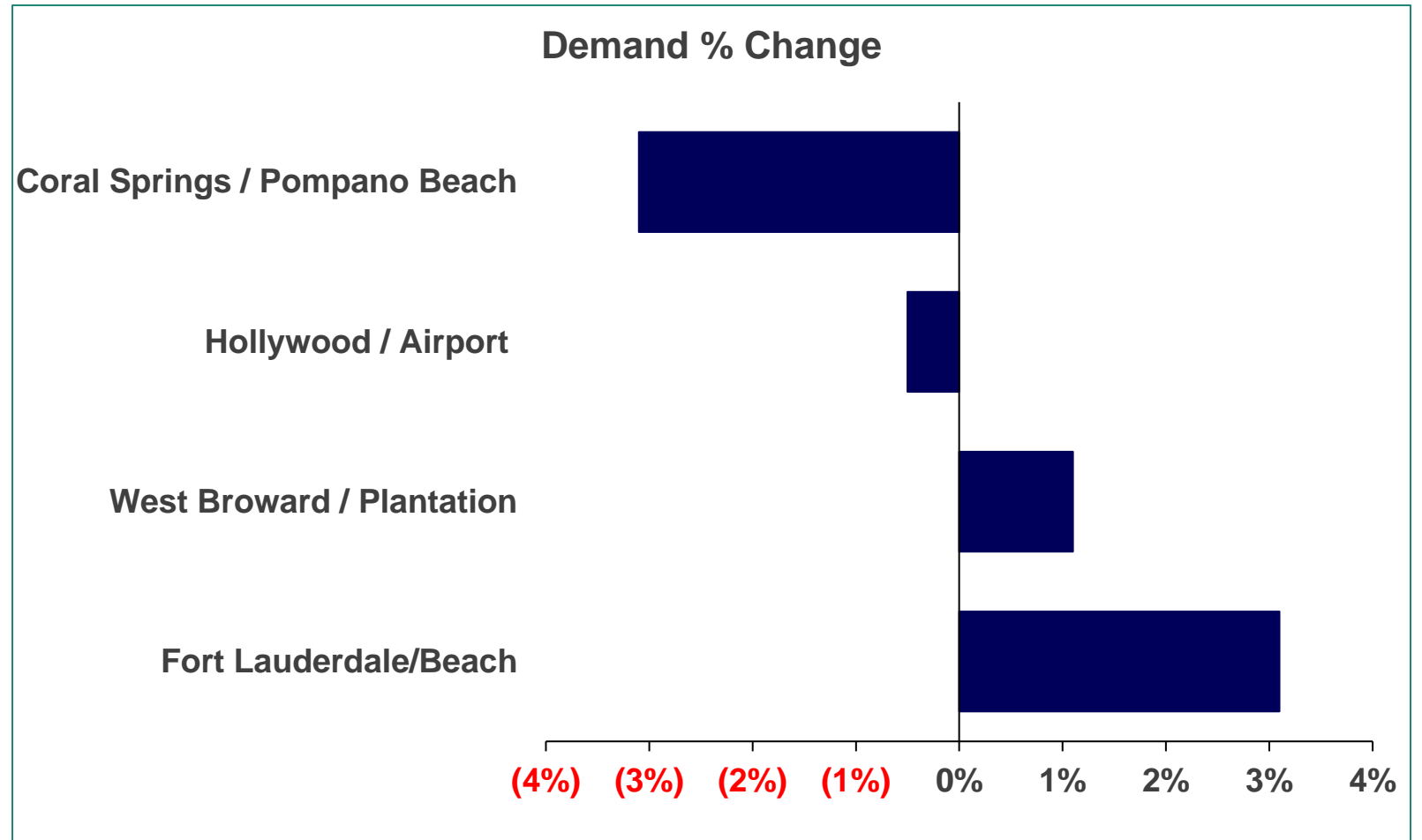
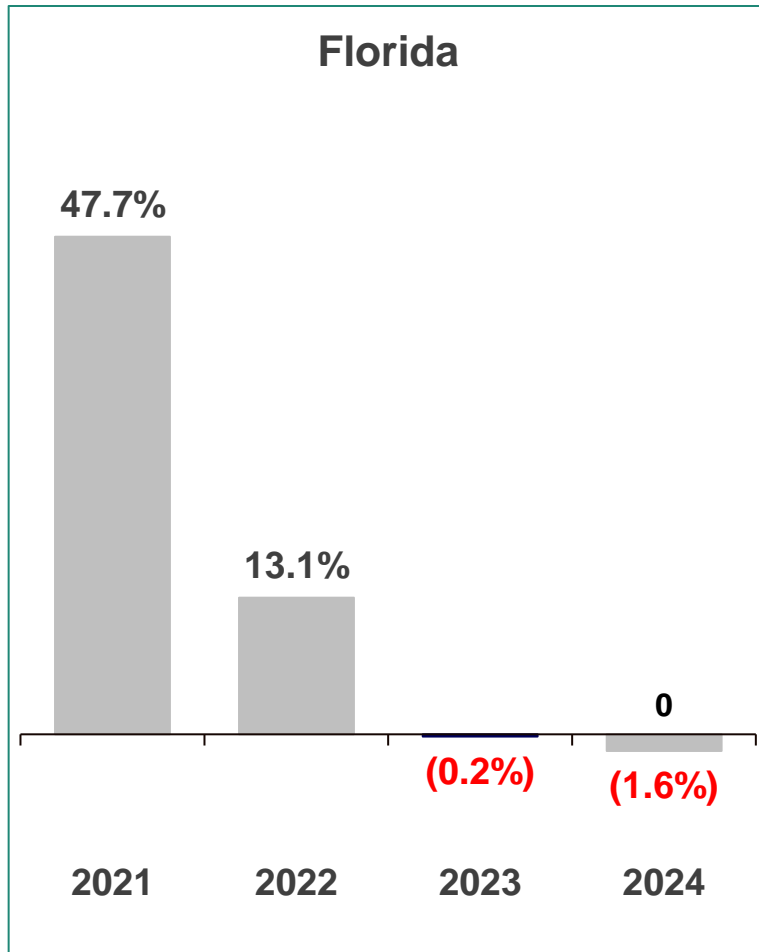


Broward County – All KPIs Exceed 2019 Benchmarks of YTD

2024 Year-to-Date Key Statistics (through July)

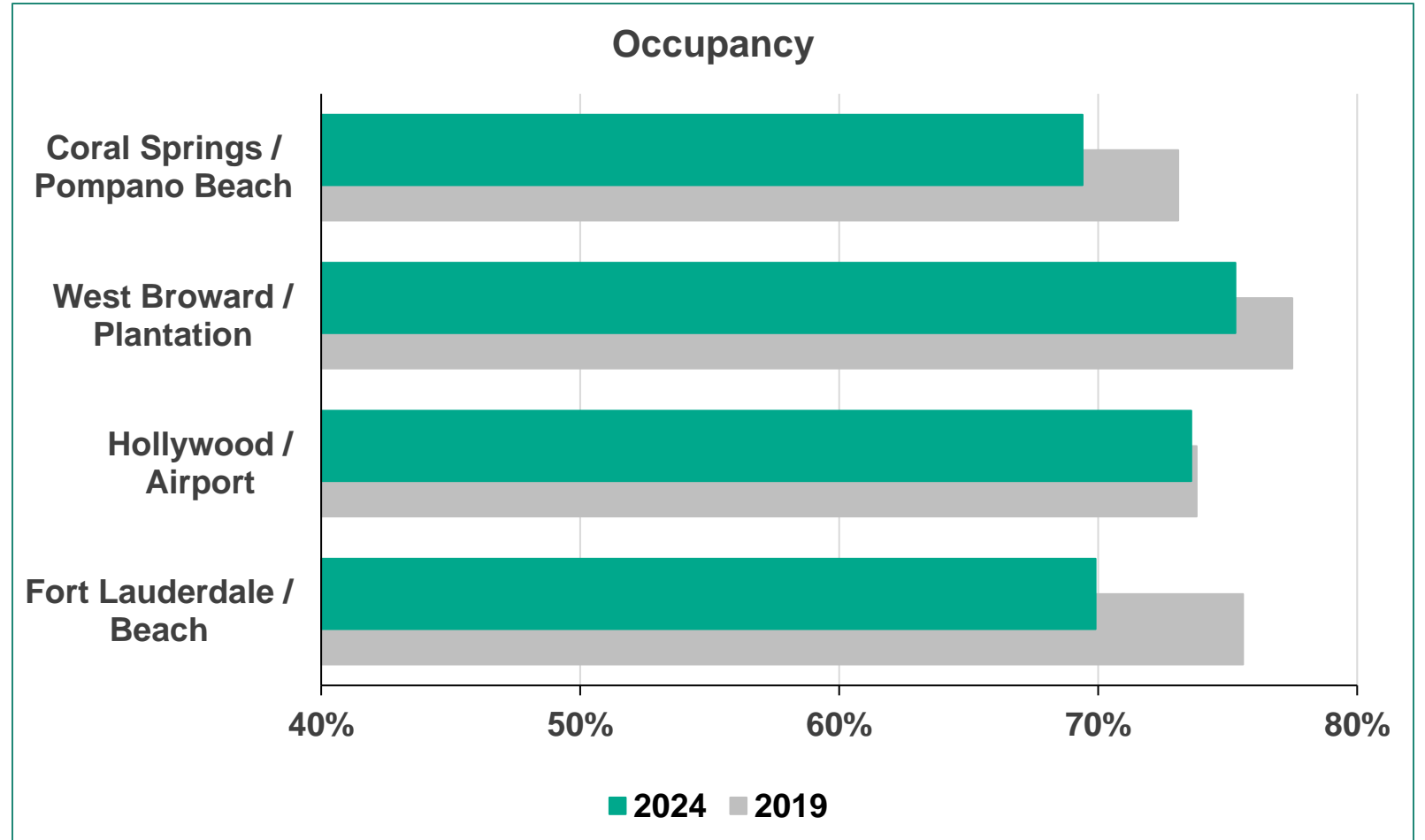
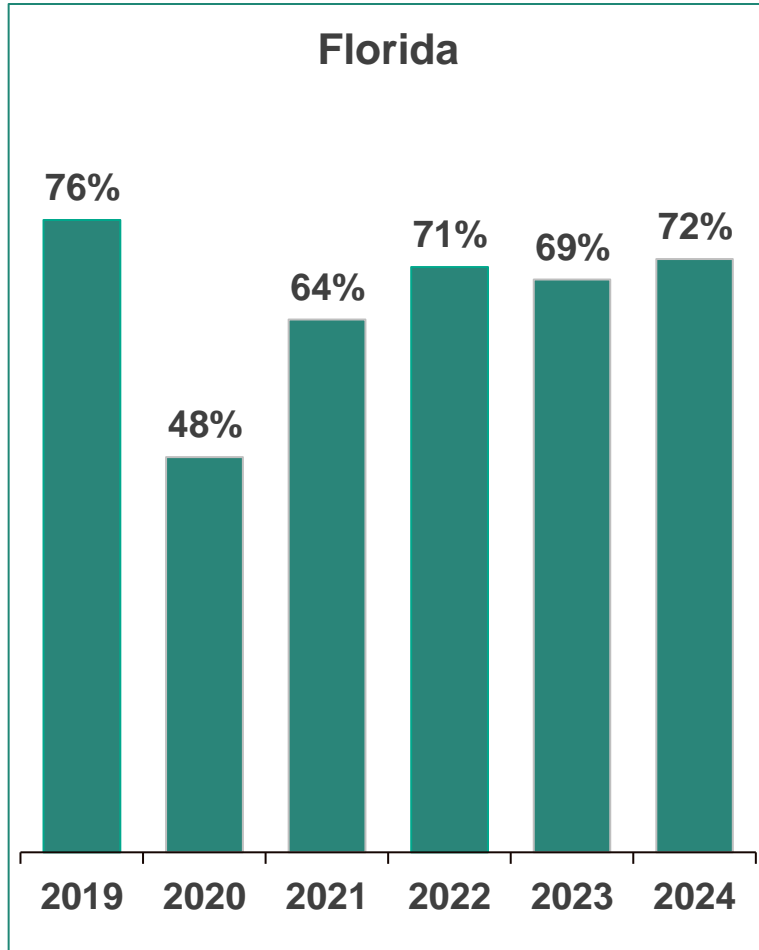
	Actuals	% Change (YOY)
Hotels / Rooms	433 39,194	
Room Supply	8.3M	0.3%
Room Demand	6.2M	0.5%
Occupancy	75.0%	0.2%
ADR	\$196	-2.8%
RevPAR	\$147	-2.6%
Room Revenue	\$1.2B	-2.3%

Fort Lauderdale/Beach & West Broward/Plantation selling more rooms YOY, other Fort Lauderdale submarkets see demand declines

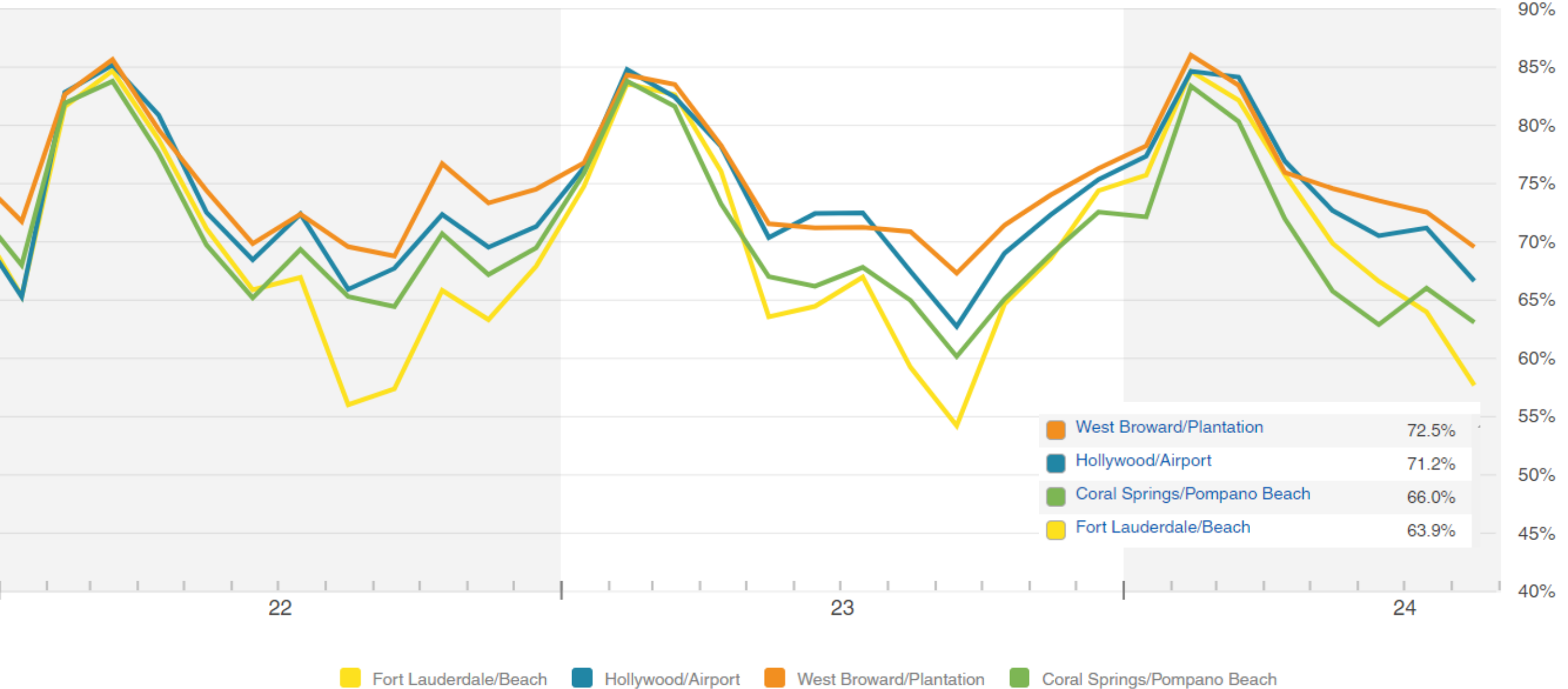


All Submarkets Still Catching Up with 2019 12MM Occupancy Levels, West Broward / Plantation & Hollywood/Airport Besting State YTD

Occupancy

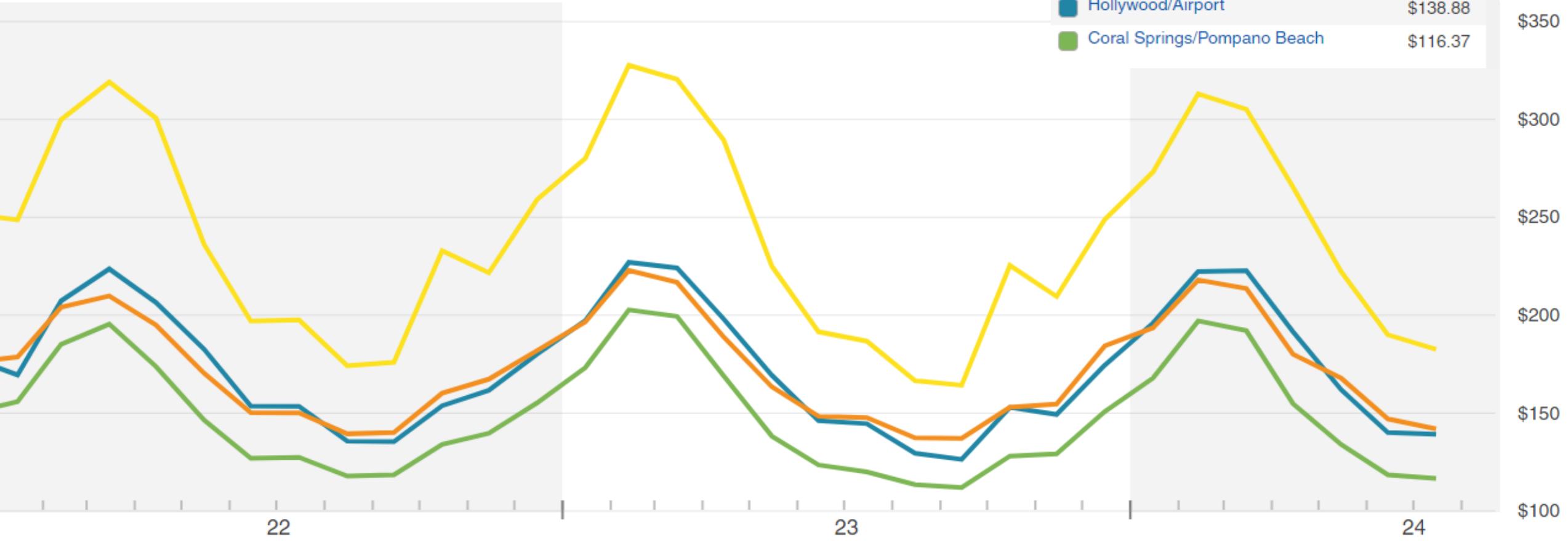


Fort Lauderdale Submarkets Occupancy by Month – West Broward & Hollywood Airport on Top



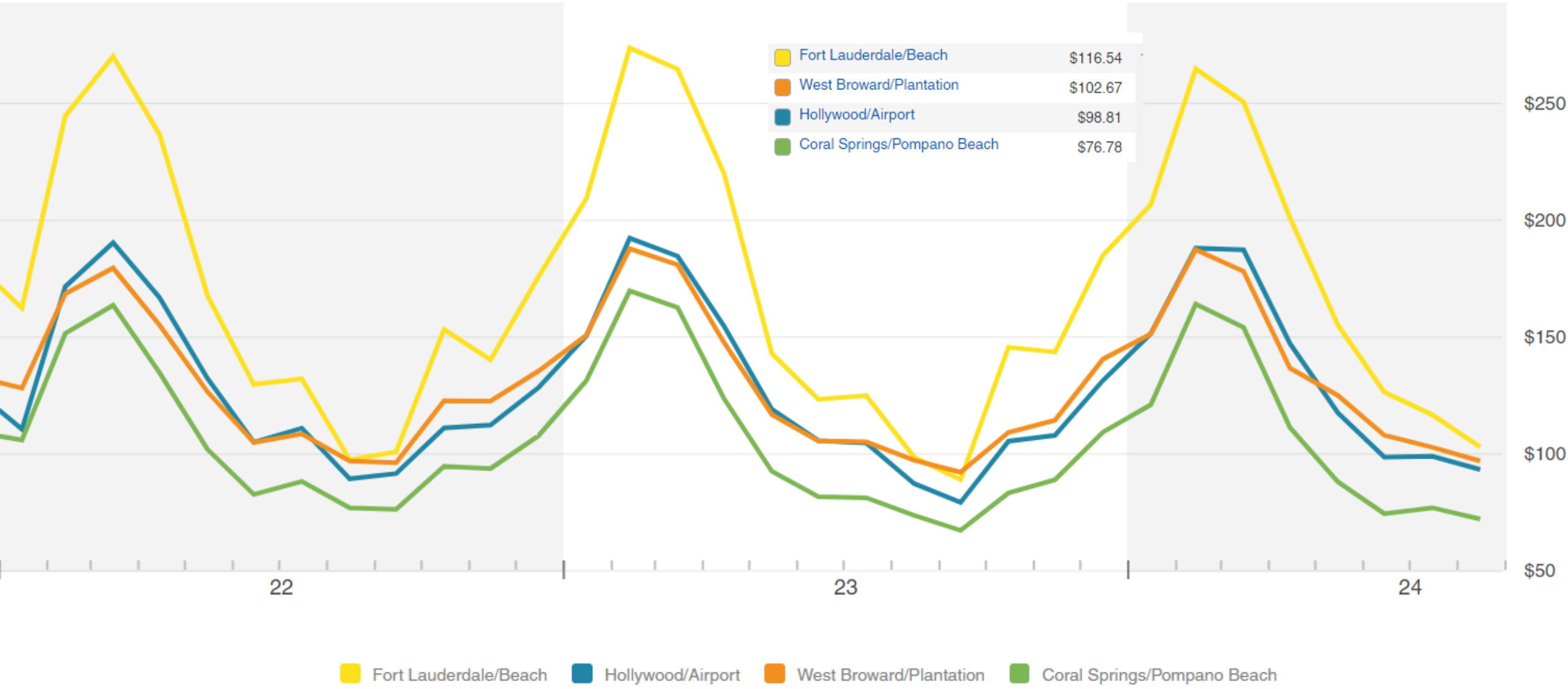
Fort Lauderdale Submarkets ADR by Month – Fort Lauderdale / Beach Dominating the rest

Fort Lauderdale/Beach	\$182.29
West Broward/Plantation	\$141.62
Hollywood/Airport	\$138.88
Coral Springs/Pompano Beach	\$116.37



■ Fort Lauderdale/Beach
 ■ Hollywood/Airport
 ■ West Broward/Plantation
 ■ Coral Springs/Pompano Beach

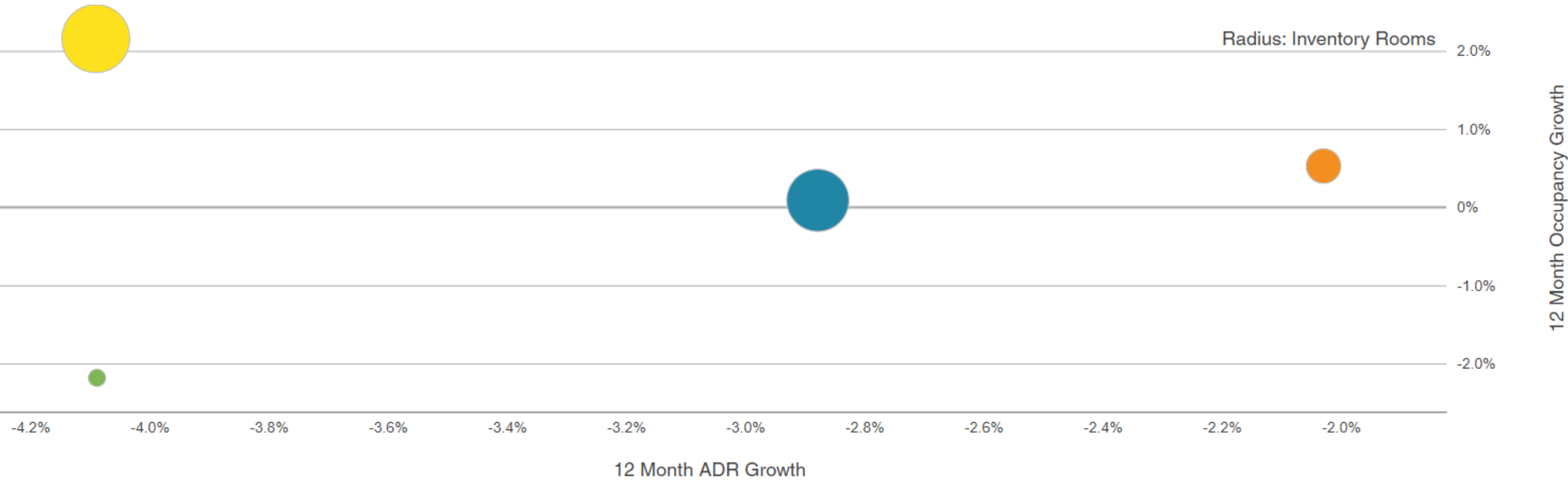
Fort Lauderdale Submarkets RevPAR by Month – Fort Lauderdale / Beach Continue Seeing Highs Due to Pricing Power/ADR



■ Fort Lauderdale/Beach
 ■ Hollywood/Airport
 ■ West Broward/Plantation
 ■ Coral Springs/Pompano Beach

All Fort Lauderdale Submarkets Seeing Decreased Rates; Only Fort Lauderdale/Beach & West Broward/Plantation See Increased Occupancies

12 Month ADR & Occupancy Growth Matrix



- Fort Lauderdale/Beach
- Hollywood/Airport
- West Broward/Plantation
- Coral Springs/Pompano Beach



Pipeline



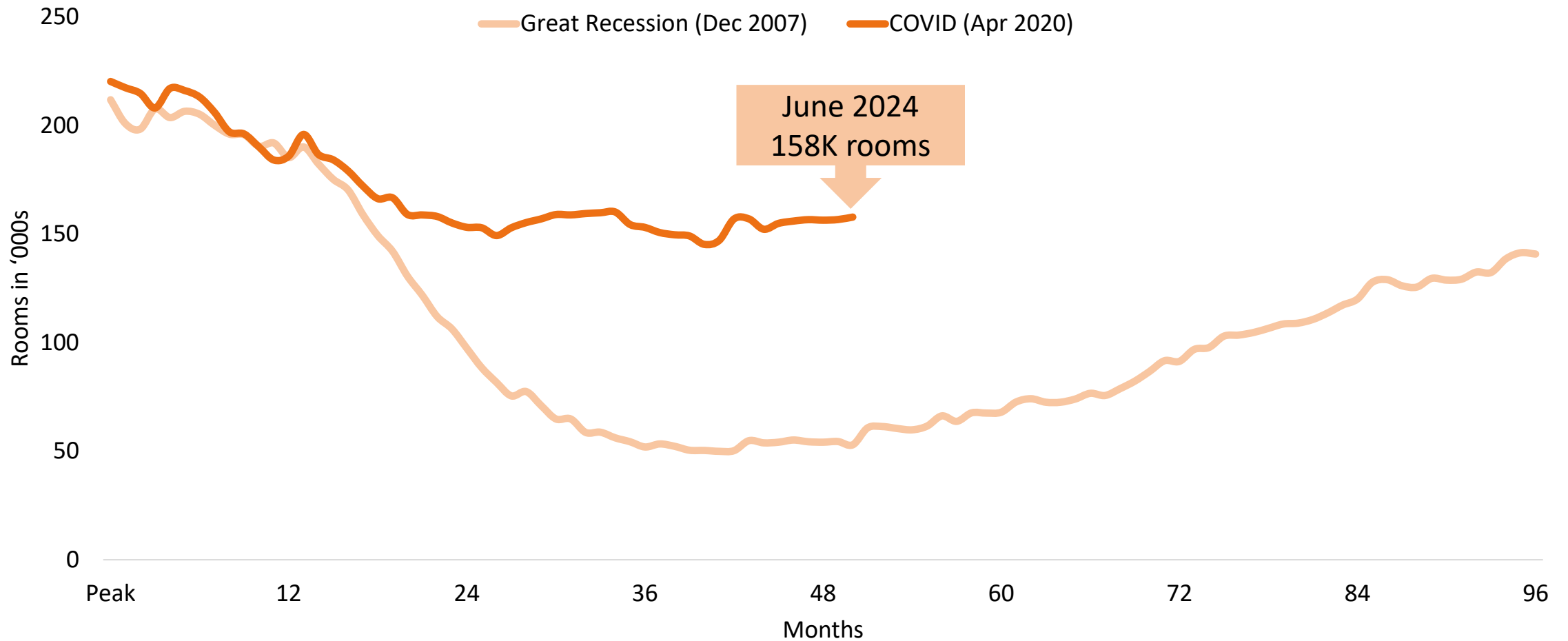
Growth across all pipeline phases

U.S., Pipeline rooms in thousands by phase, June 2024 vs June 2023

Phase	June 2024	June 2023	% Change
In Construction	158	150	5.5%
Final Planning	267	243	9.8%
Planning	334	241	38.7%
Under Contract	758	633	19.7%

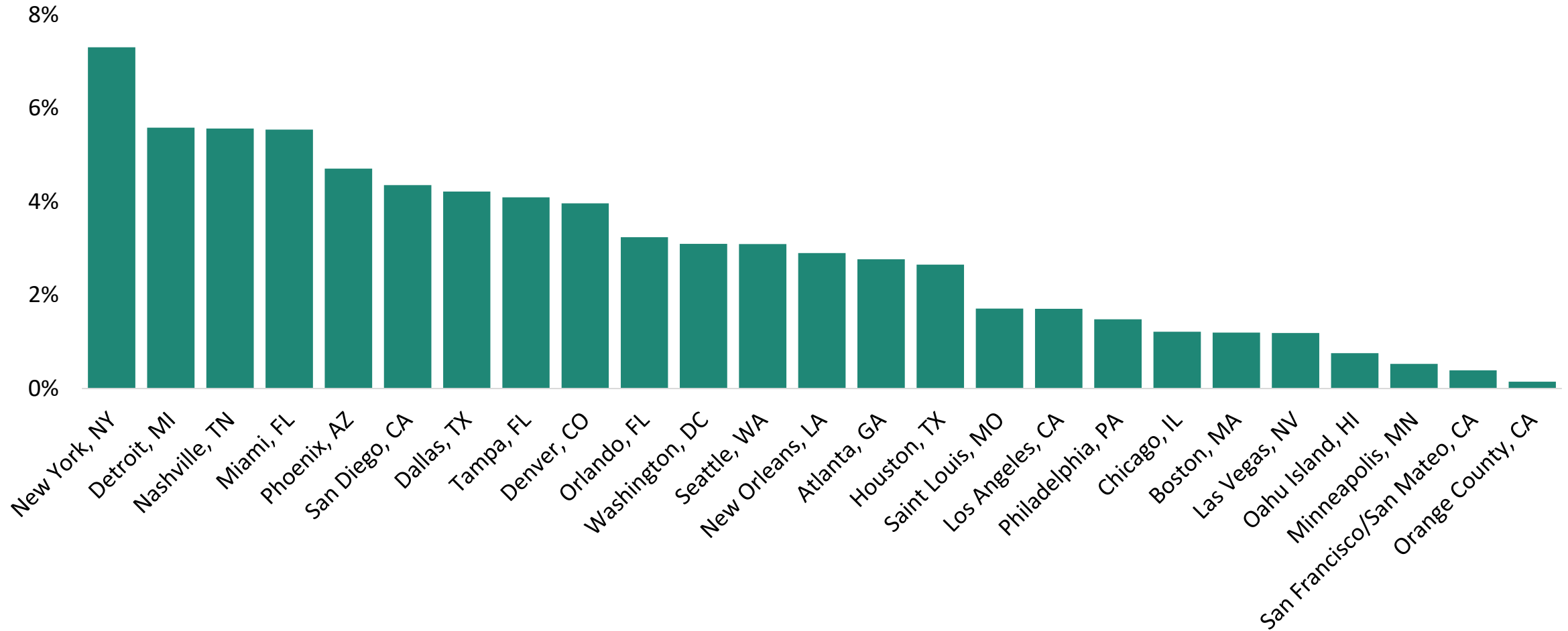
In construction rooms over 156,000 for three consecutive months

Total U.S., rooms in construction from prior peak, 2007 and 2020



New York, Detroit, and Nashville lead in construction

Top 25 Markets, I/C rooms as percent of existing supply, June 2024

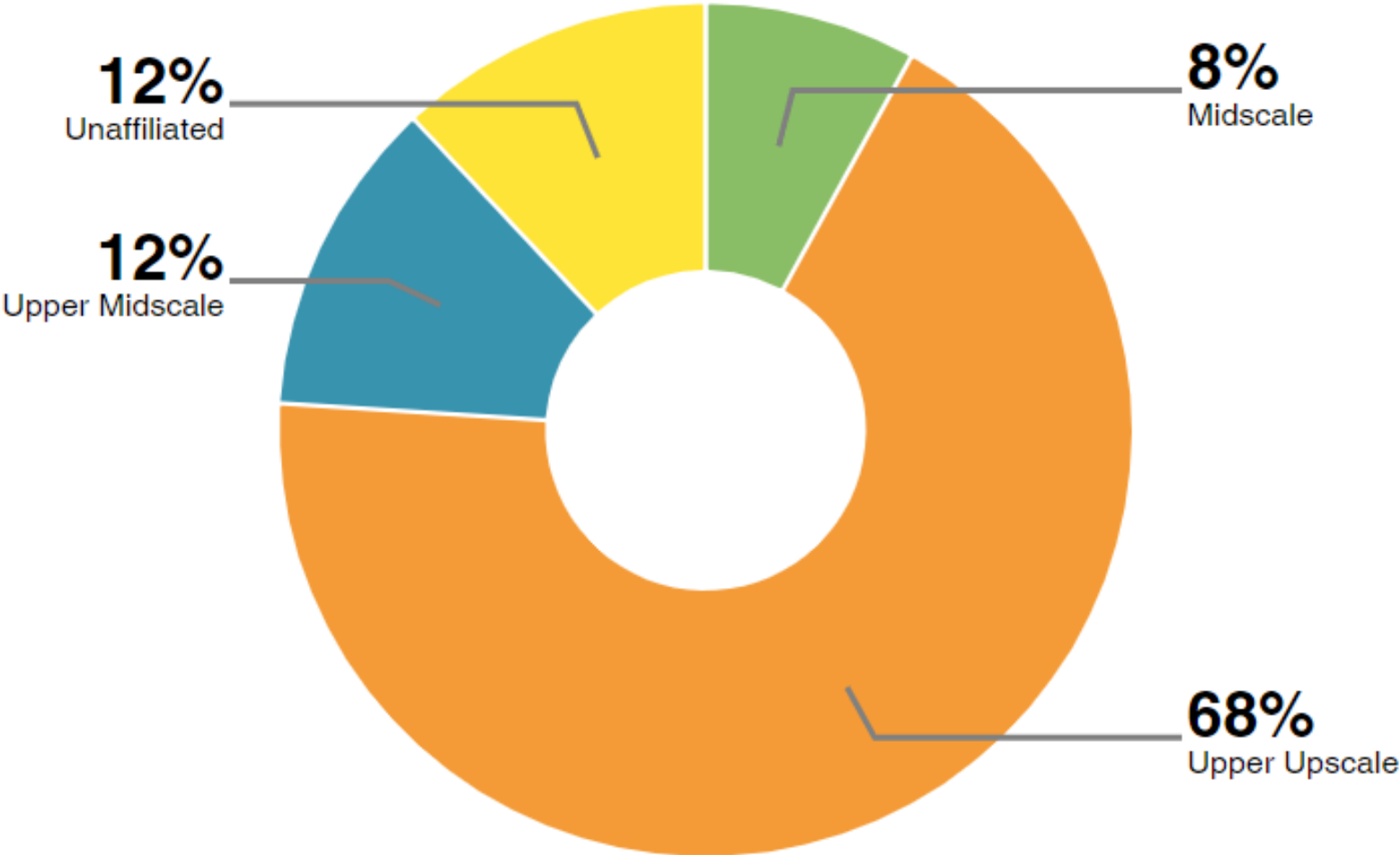


Fort Lauderdale Pipeline

Development Trend Mirrors Total US

	Projects	Number of Rooms
In Construction	5	1,197
Final Planning	23	3,182
Planning	27	3,886
Active Pipeline	55	8,265

Fort Lauderdale Rooms Under Construction by Scale





Forecast



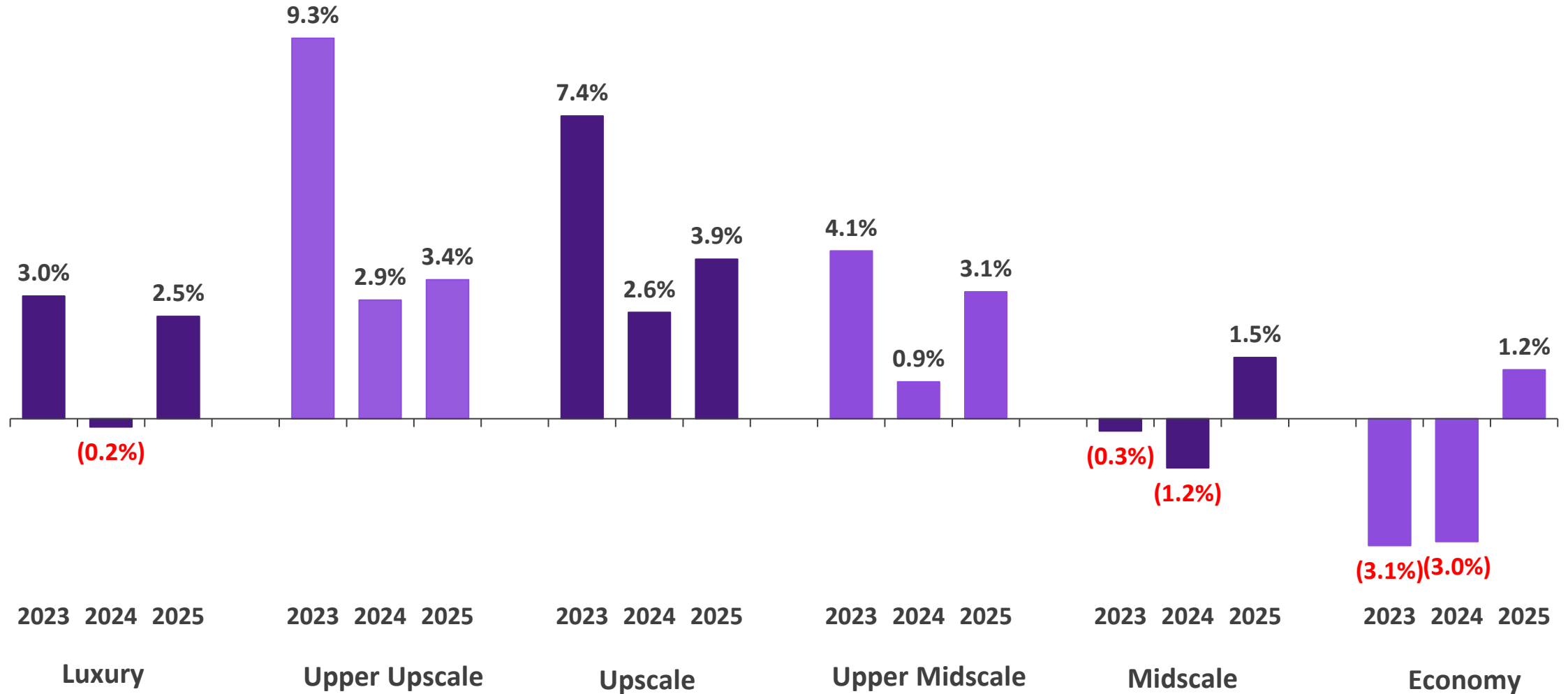
Moderate RevPAR growth expected

U.S. hotel industry forecast

Metric	2023 Actual	2024 Forecast	2025 Forecast
Supply Change	0.3%	0.7%	1.0%
Occupancy	63.0%	63.0%	63.4%
ADR Change	4.3%	2.0%	2.0%
RevPAR Change	5.0%	2.0%	2.6%
2019 Real RevPAR Index	(4.8%)	(5.9%)	(6.0%)

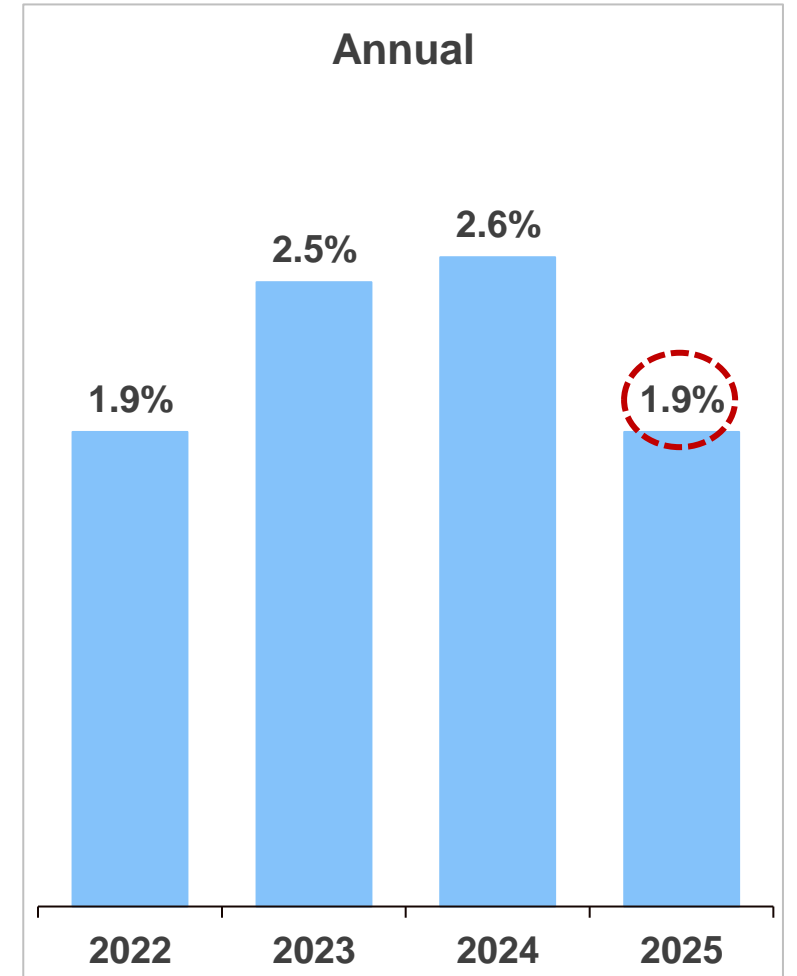
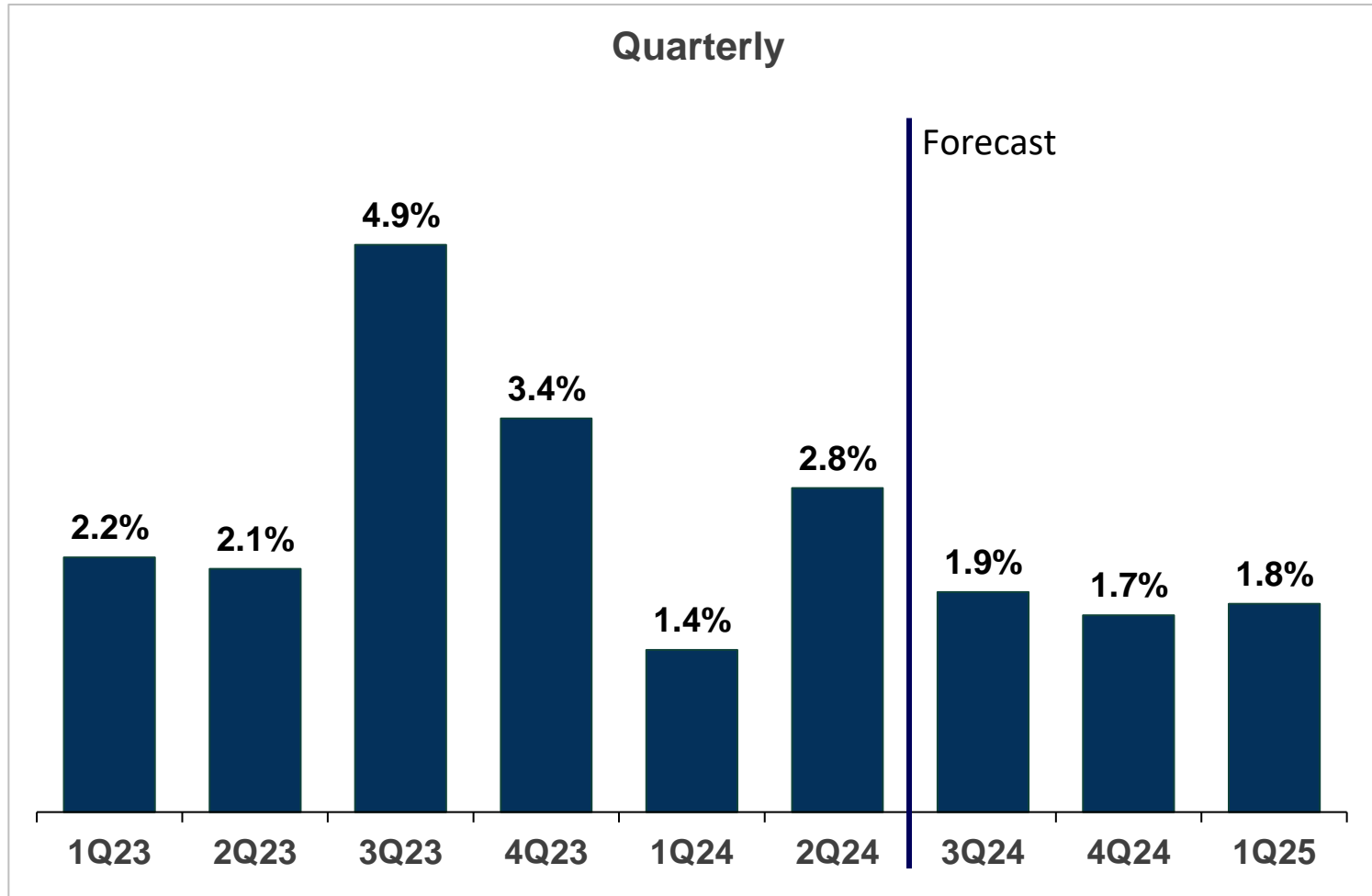
All chain scales to see annual gains in 2025

U.S. chain scale RevPAR change, year over year



The economy is transitioning to a sustainable growth

U.S. GDP, year over year change



Fort Lauderdale Forecast – Decelerated Growth in 2024, Strong Outlook for 2025

Metric	2023 Actual	2024 Forecast	2025 Forecast
Occupancy	72%	71.6%	71.1%
ADR Change	-0.2%	0.2%	8.6%
RevPAR Change	0.1%	-0.4%	7.9%

Takeaways





Thank you.

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