



U.S. Hotel Industry

May 17, 2022 Update

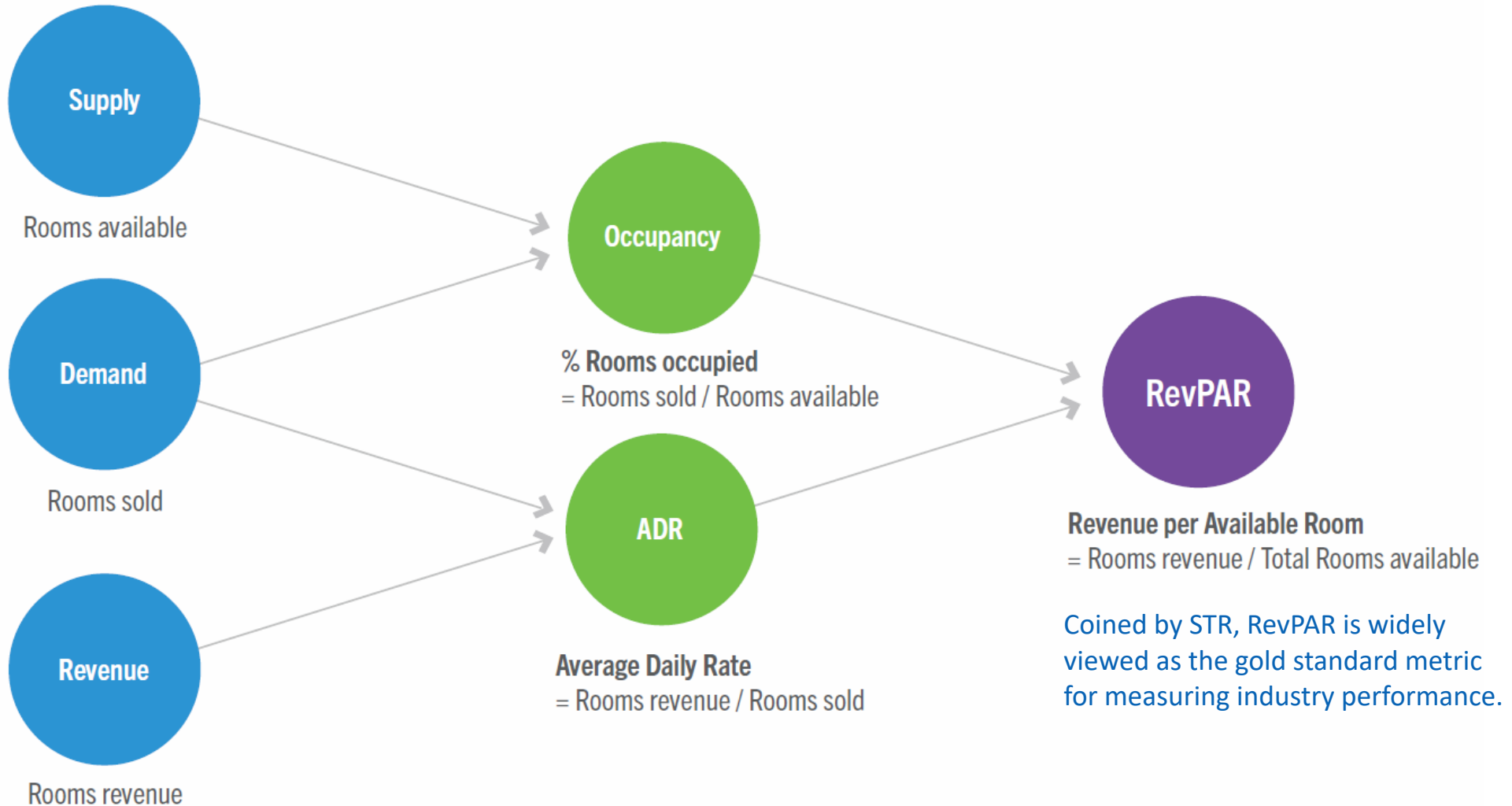
Vail Ross

SVP, Sales & Marketing, STR

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STR's Business Model

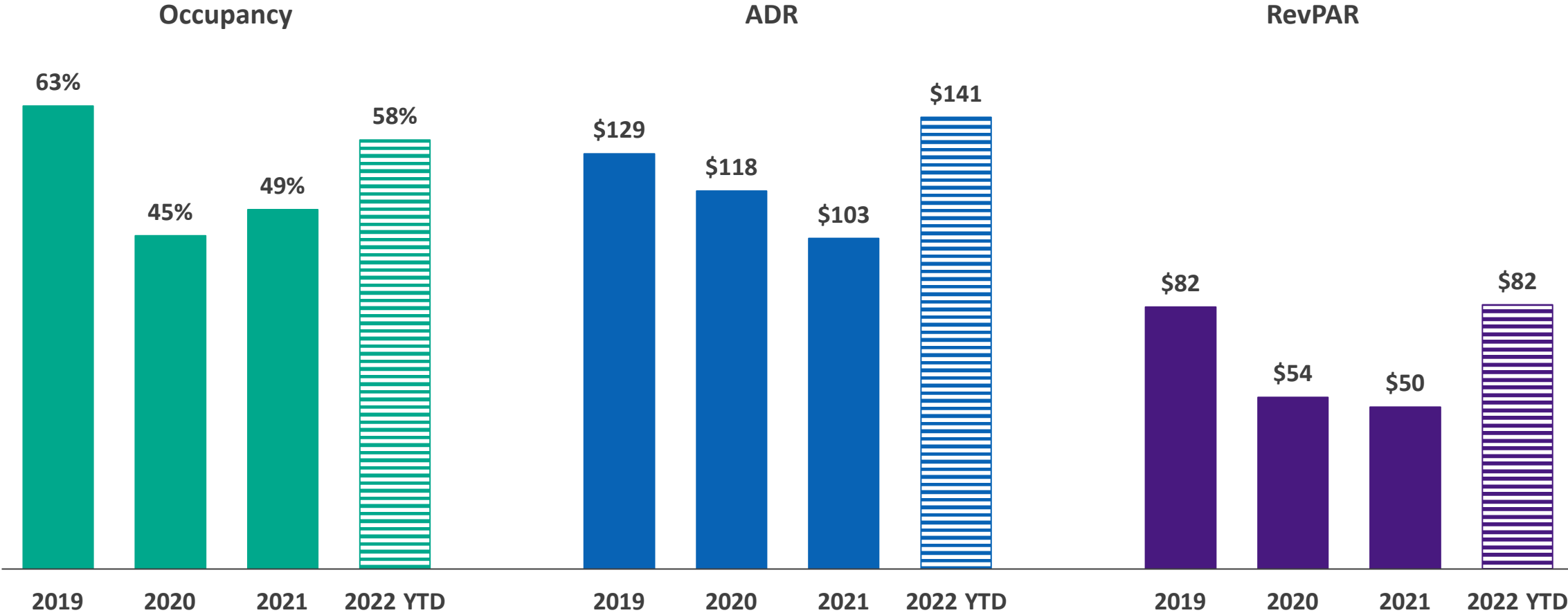
Beautifully simple: Collect 3 numbers, compute 3 metrics





Strong March and April boost year-to-date metrics

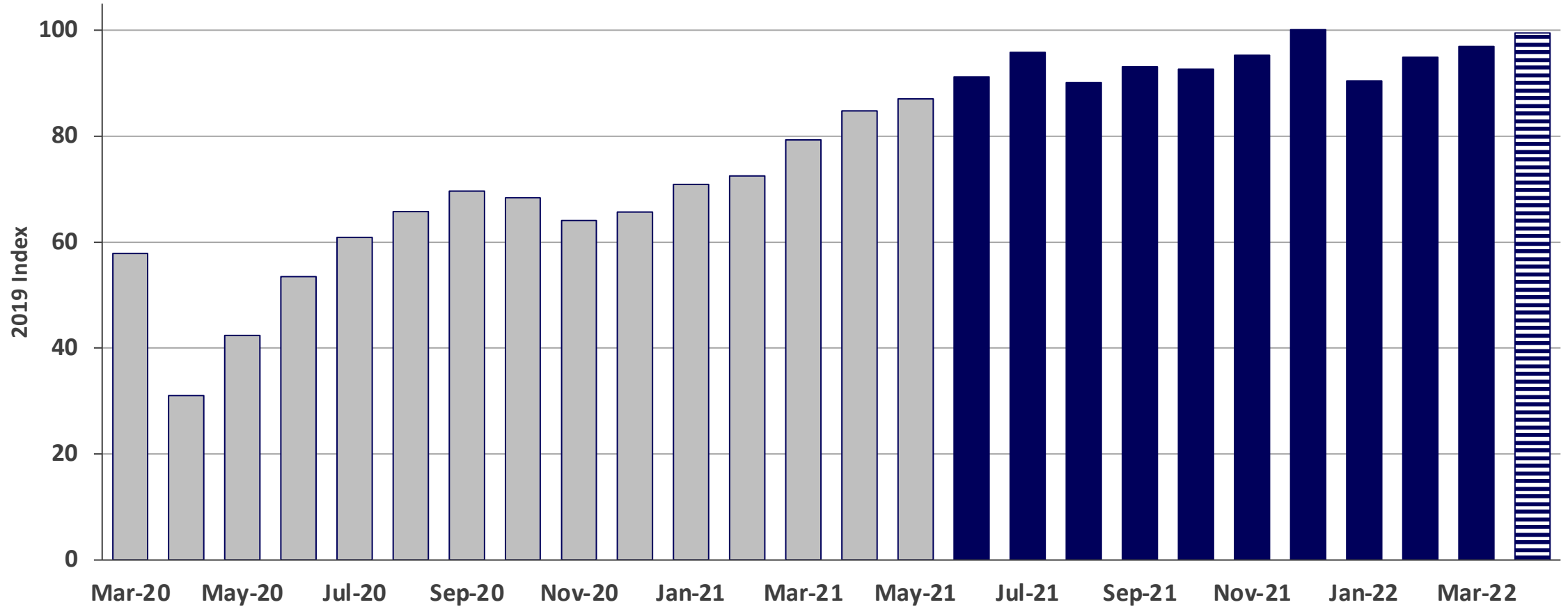
U.S., April YTD KPIs (prelim)



Source: STR. 2022 © CoStar Group

Room demand has been at 94% of 2019 comps since last summer

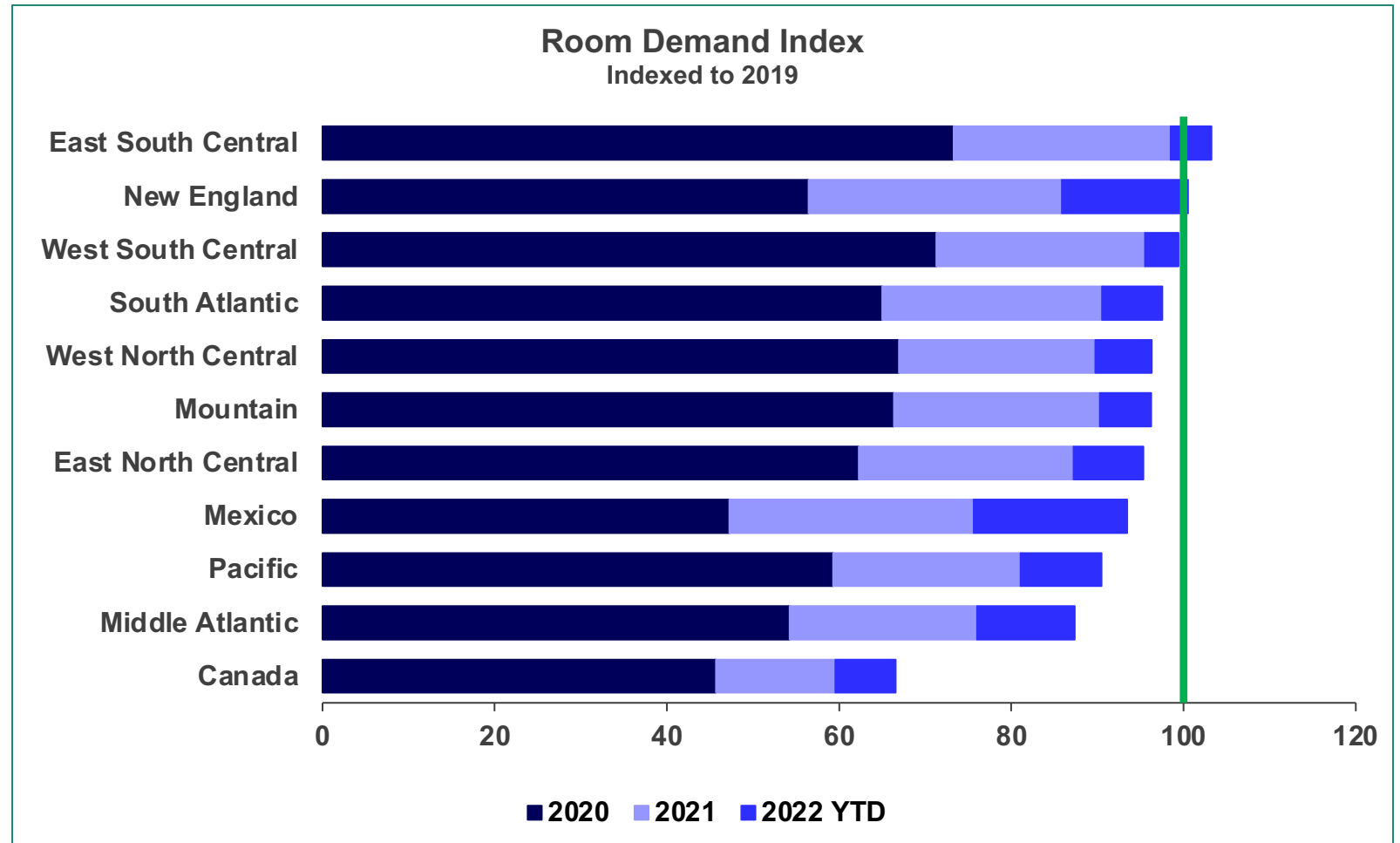
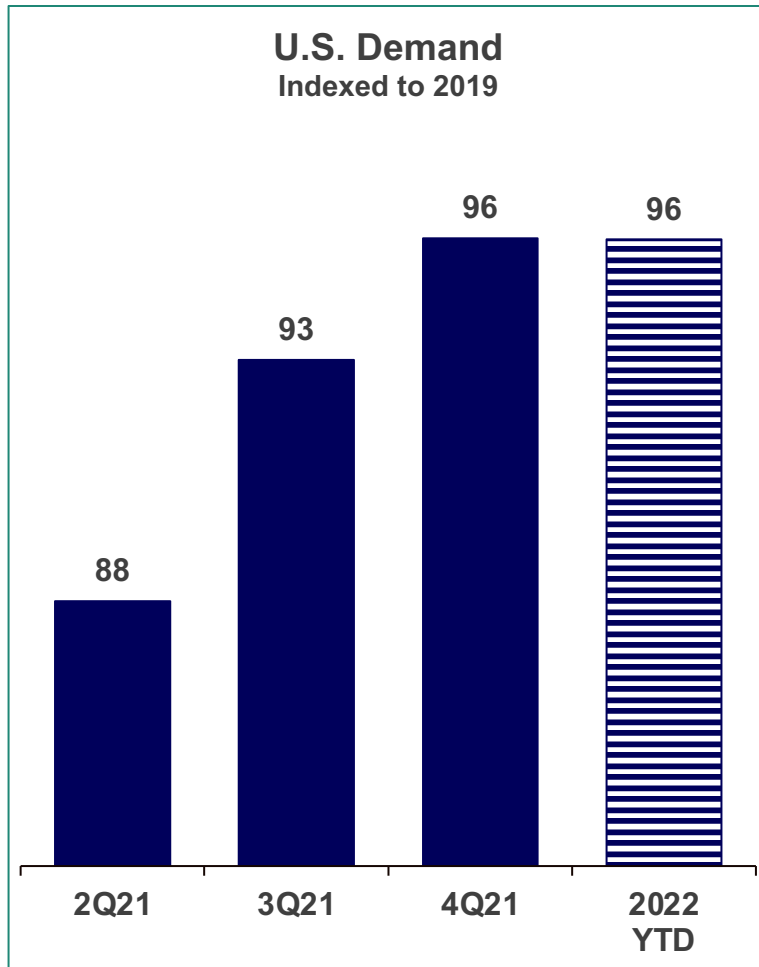
U.S. monthly room demand, indexed to 2019



Most U.S. regions are near 2019 demand comparables



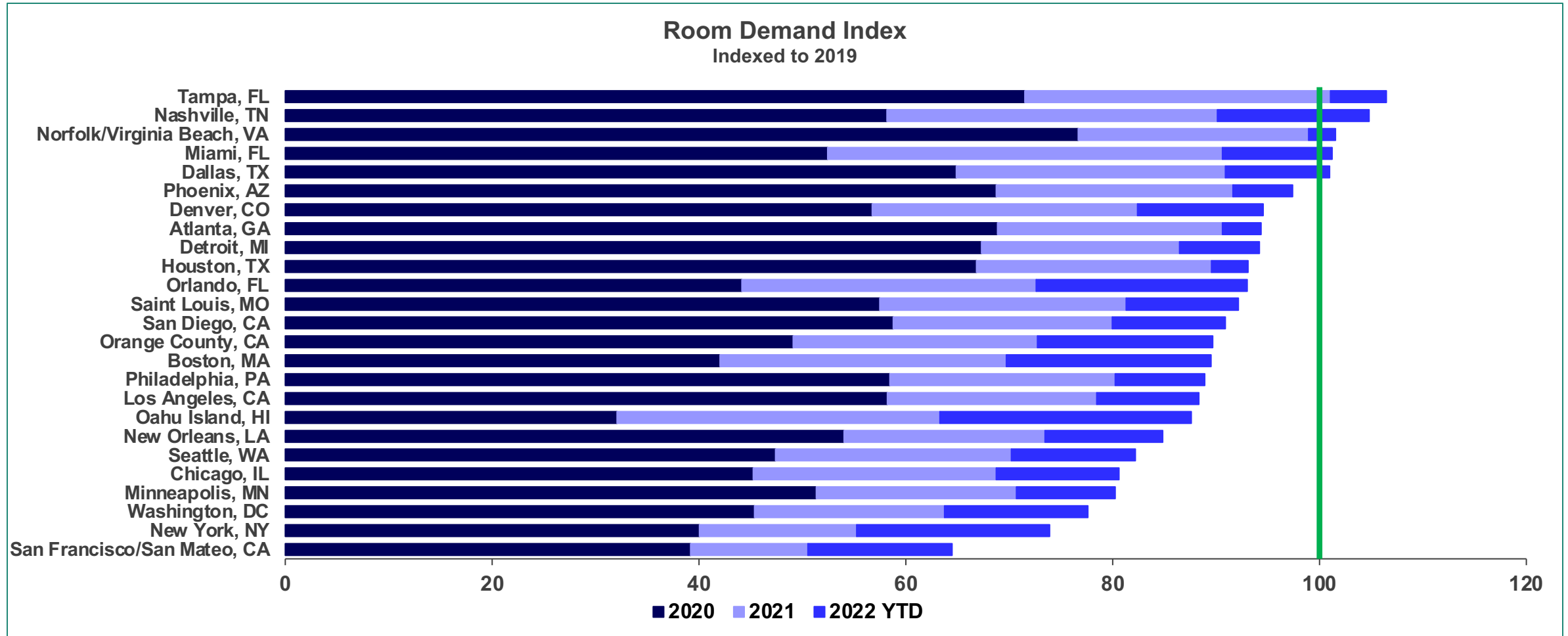
Room demand indexed to 2019



Some Top 25 Markets have fully recovered demand with several others closing in



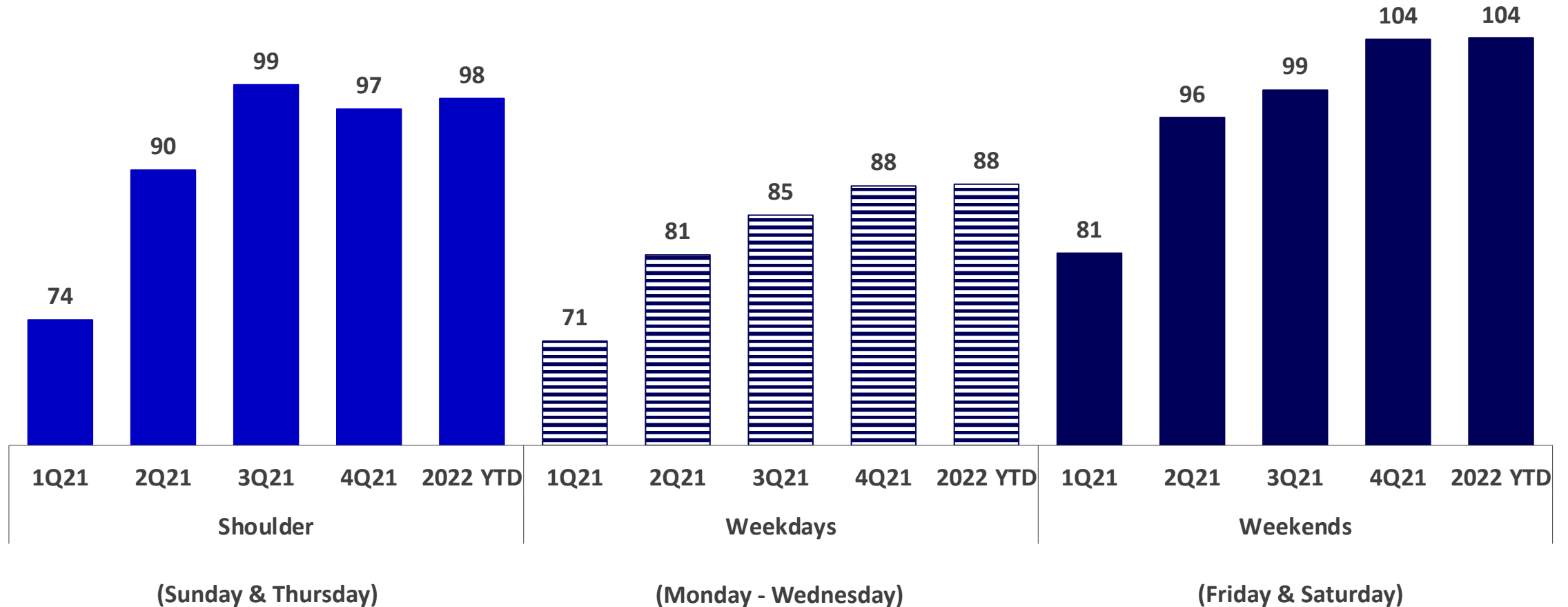
U.S. Top 25 room demand indexed to 2019





Largest demand gap remains in business travel days

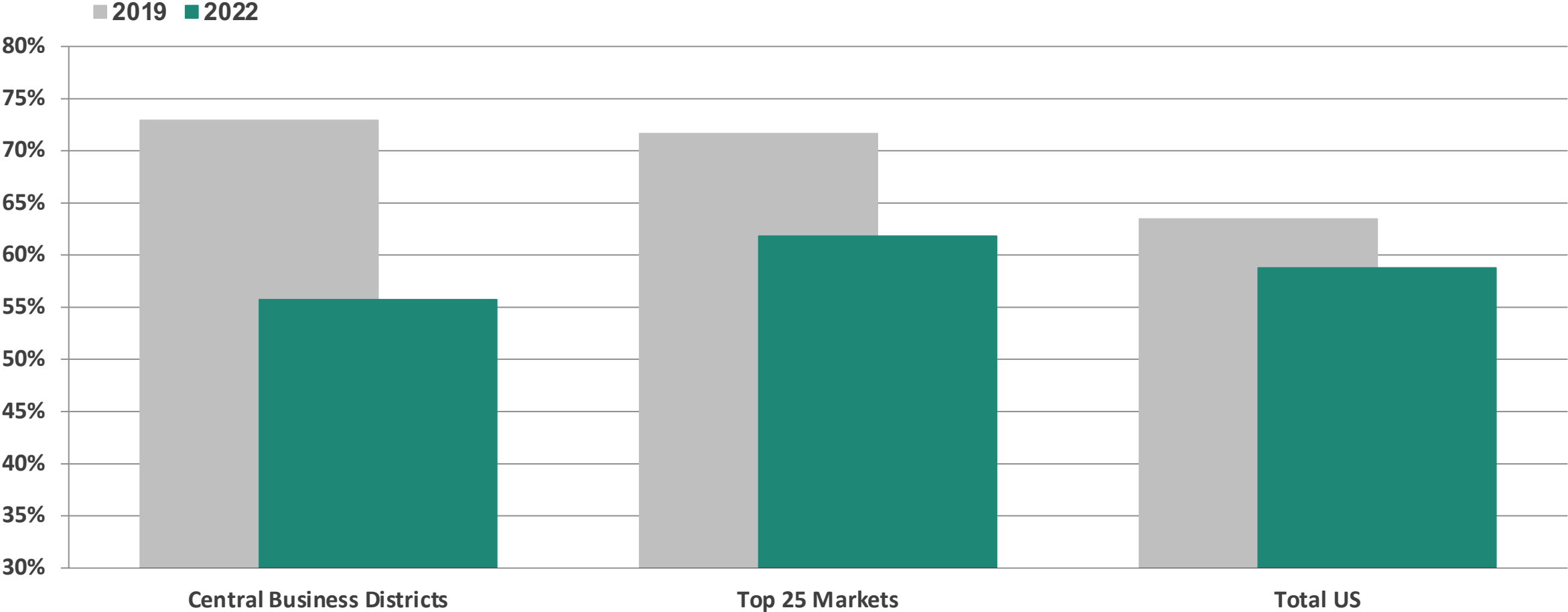
U.S. room demand indexed to 2019 (matched by day type)



Top 25 & CBD occupancy on the rise, but a significant deficit remains



U.S. YTD 2022 occupancy

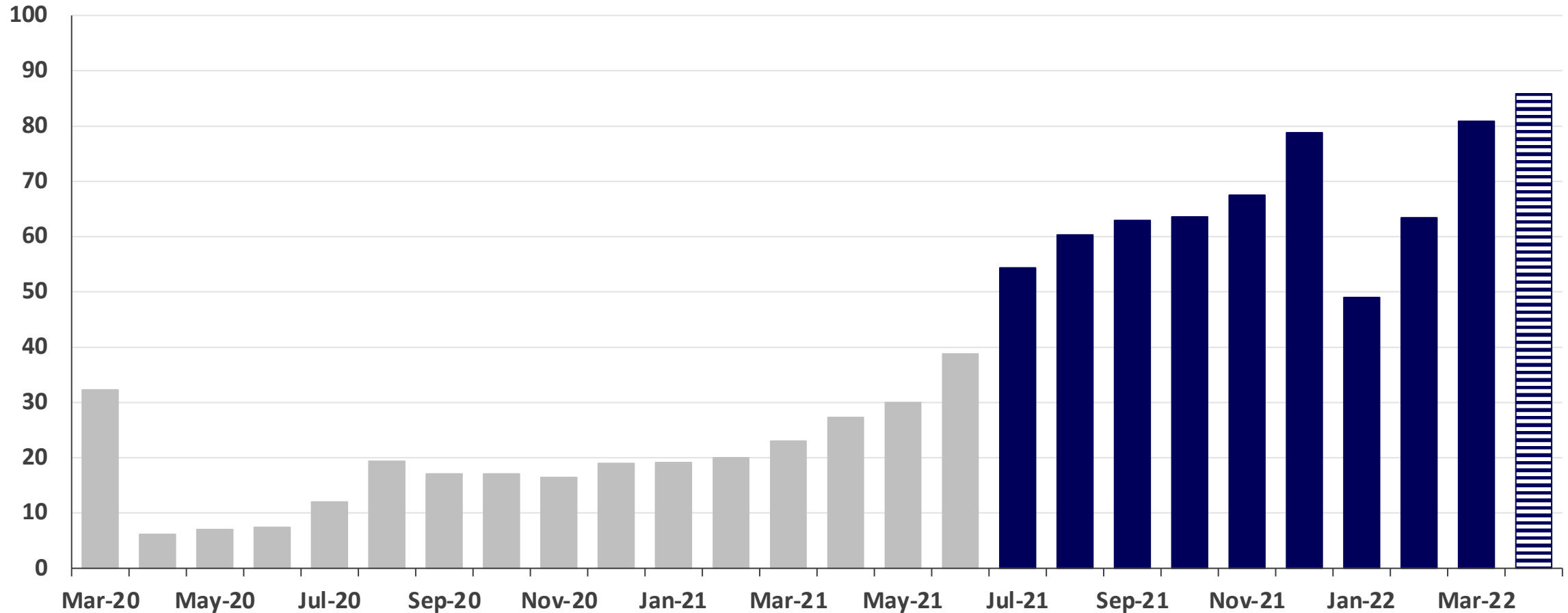


Source: STR. 2022 © CoStar Group

Group demand slowed at the beginning of the year but is now strengthening



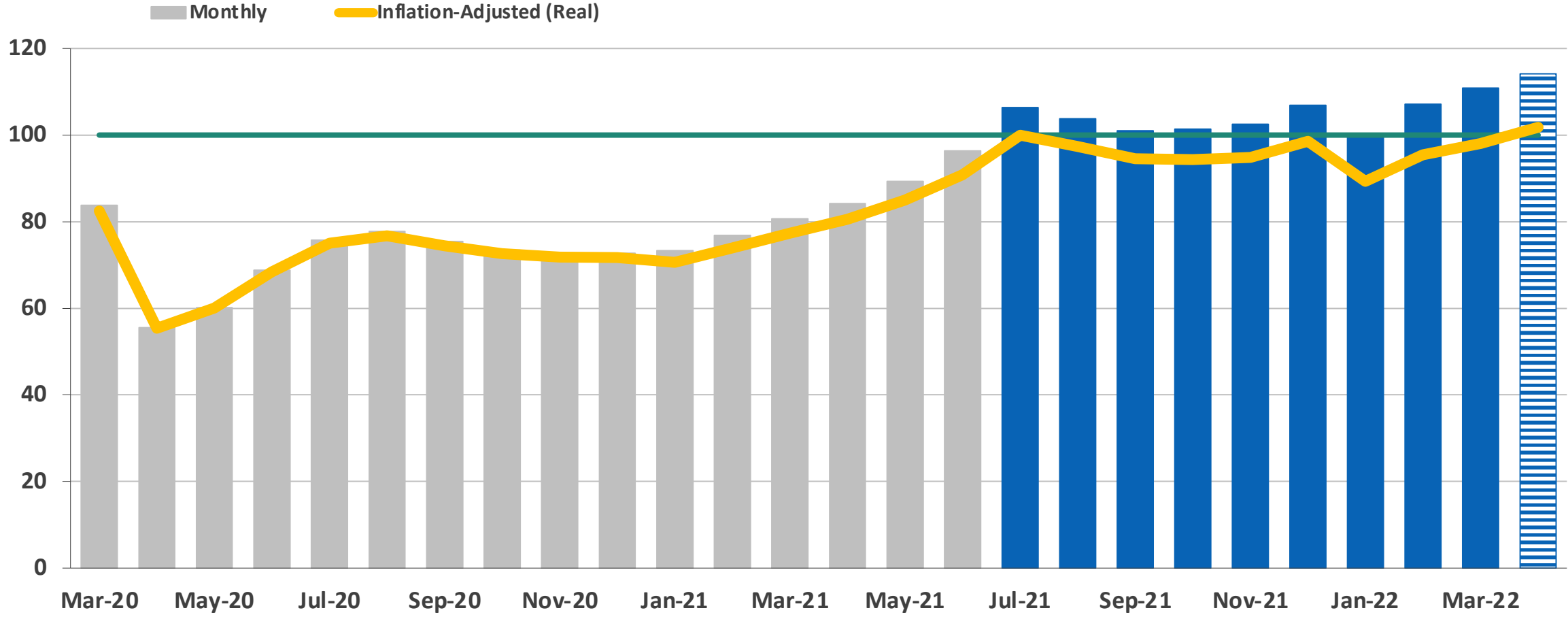
U.S. group demand indexed to 2019 (Luxury & Upper Upscale classes only)





Nominal ADR consistently above 2019, real ADR less frequently

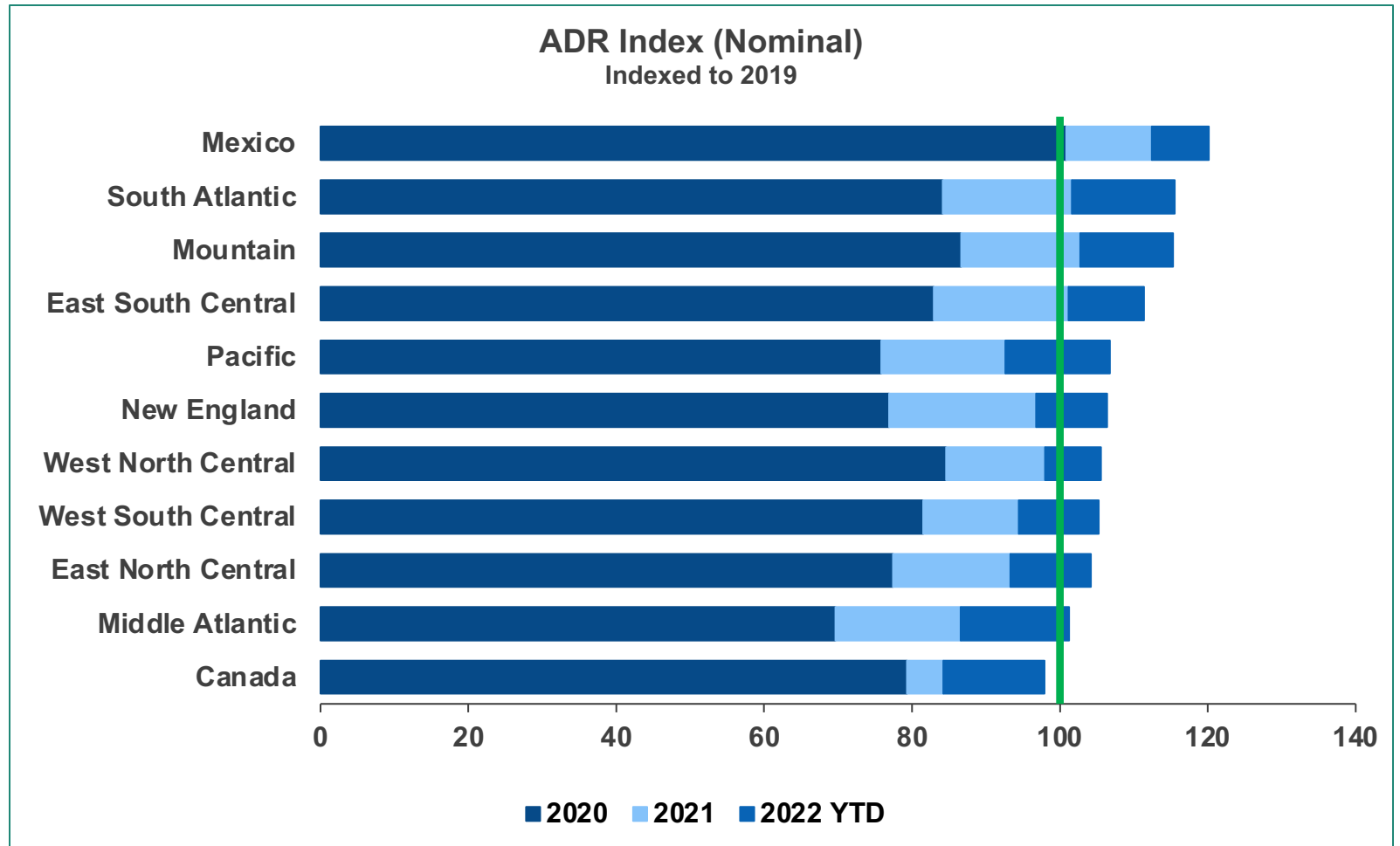
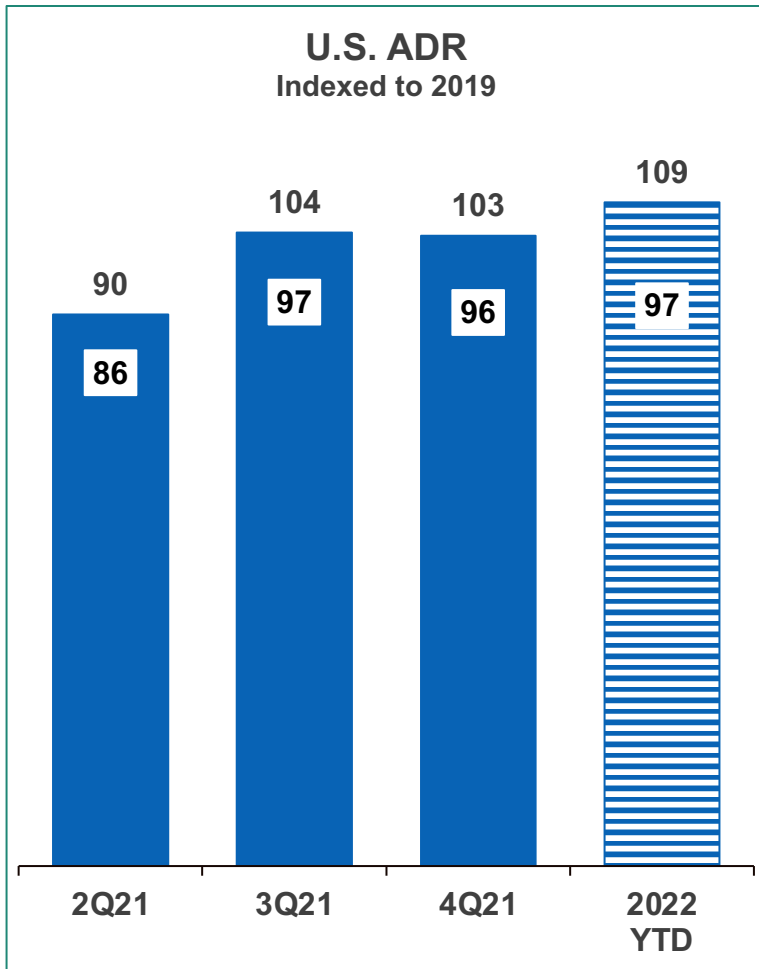
U.S. ADR indexed to 2019



ADR in most regions has surpassed 2019 on a nominal basis and is nearing the mark when adjusted for inflation



ADR indexed to 2019

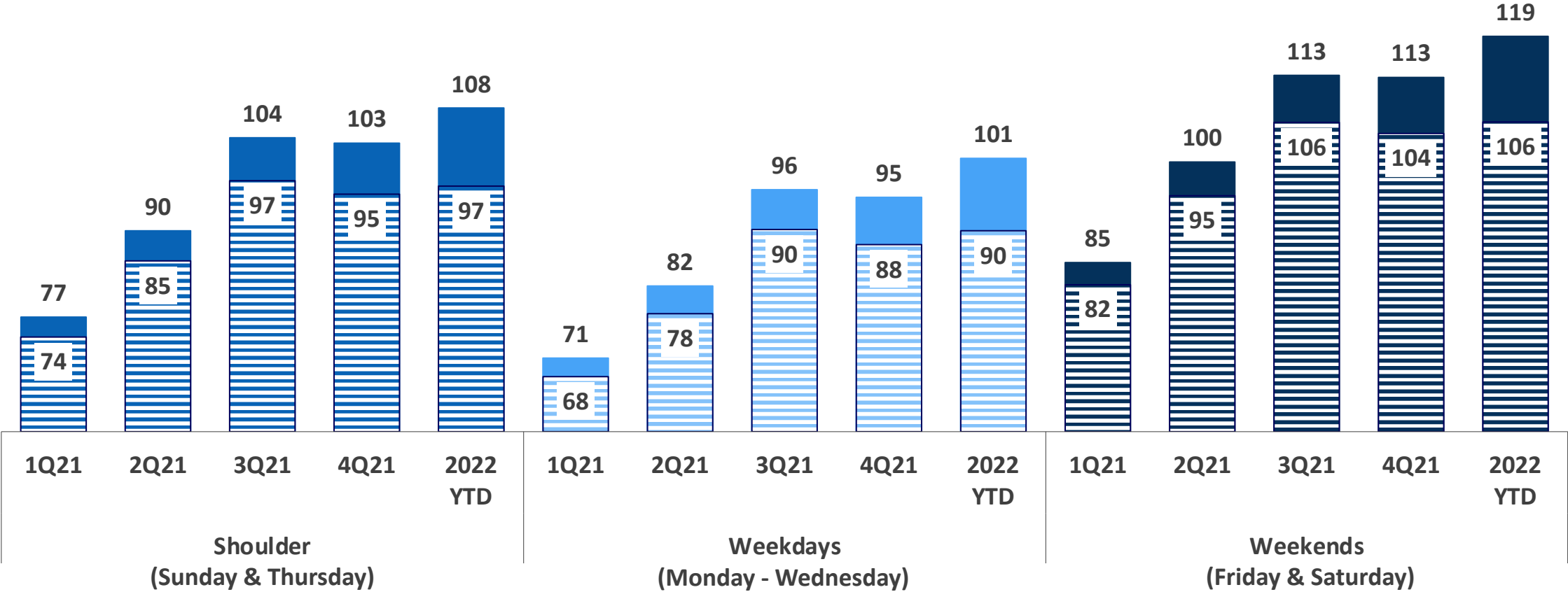




Weekend ADR, on a nominal and inflation-adjusted basis, has been above 2019 levels since June 2021

U.S. nominal and real ADR indexed To 2019 (matched by day type)

■ Nominal ■ Real



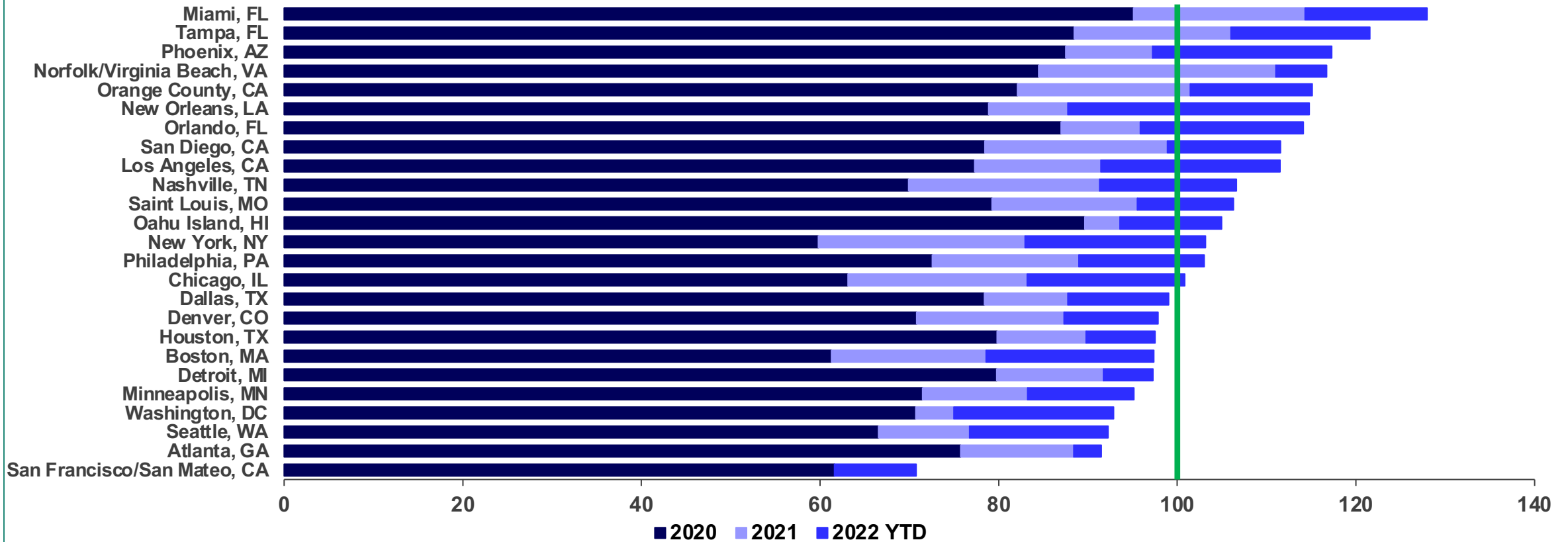
Source: STR, 2022 © CoStar Group

ADR in most Top 25 Markets has surpassed 2019 levels on a nominal basis



U.S. Top 25 ADR indexed to 2019

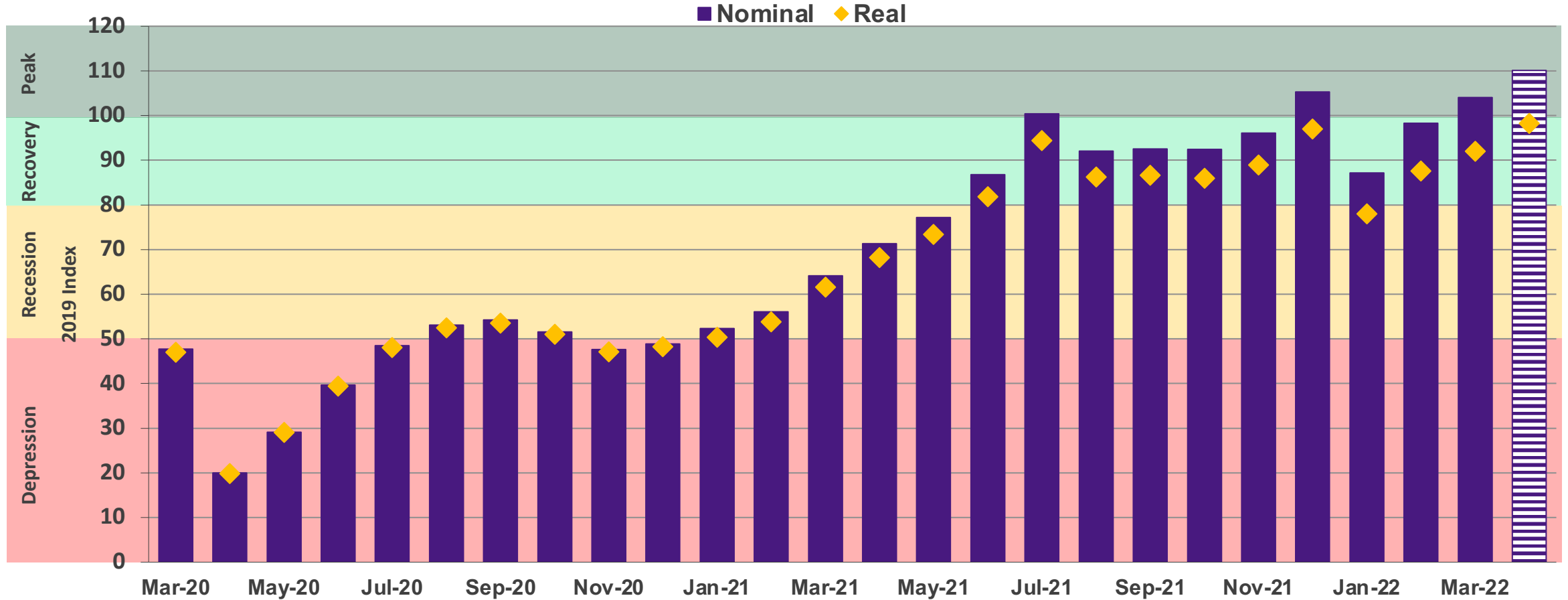
Nominal ADR Index
Indexed to 2019



Real RevPAR has been in “recovery” since June (except for January)



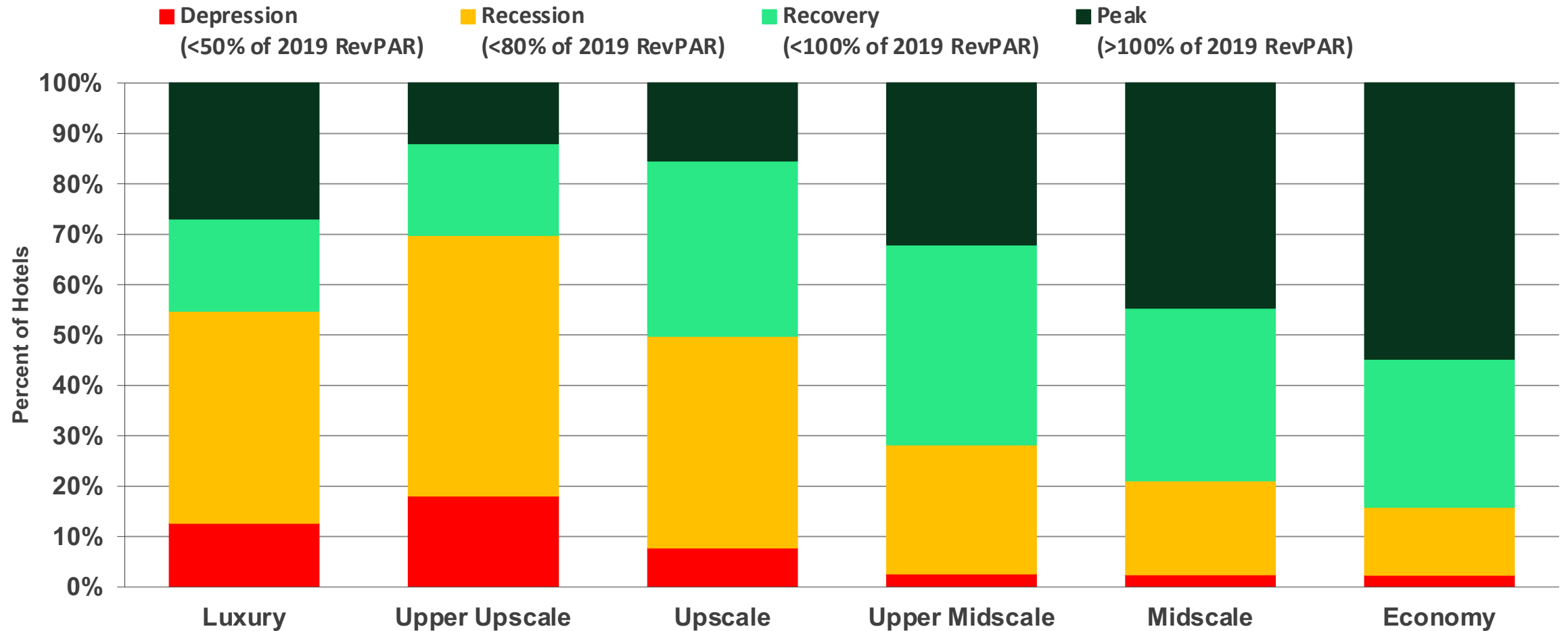
U.S. RevPAR indexed to 2019



Select-service hotels recovering faster than full-service

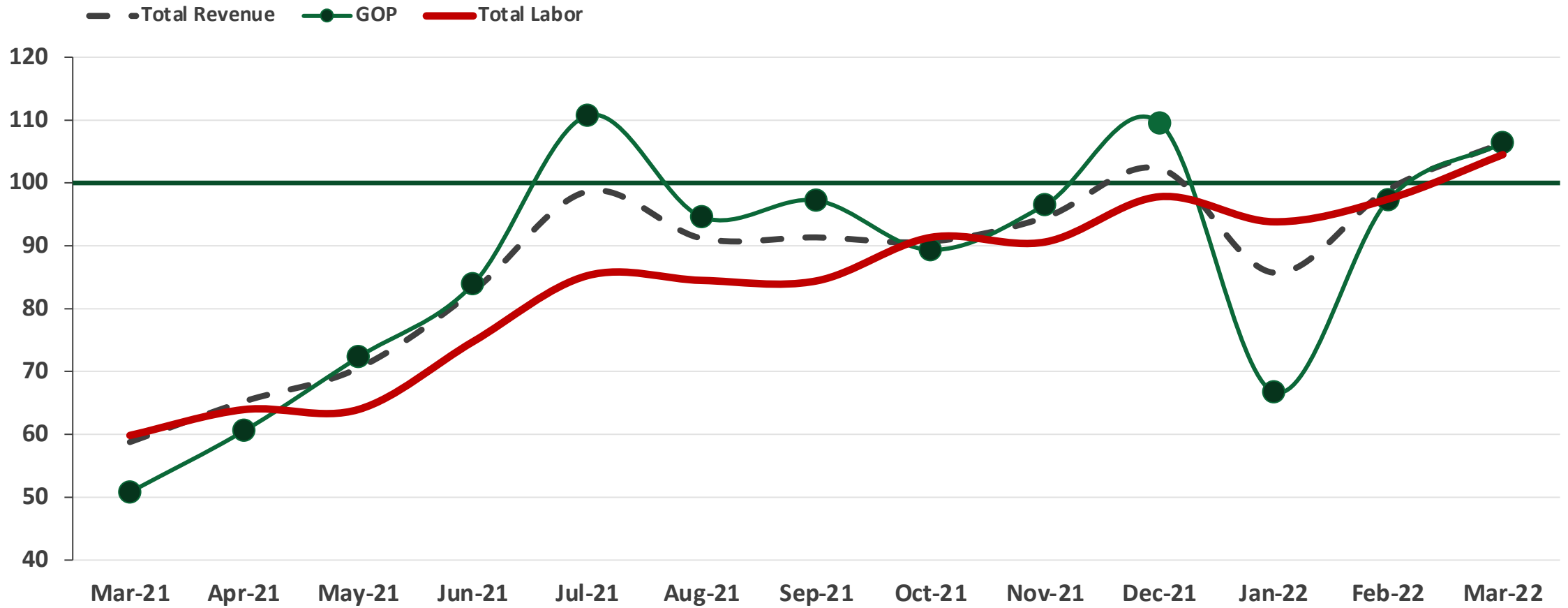


U.S. real RevPAR indexed to 2019, 12 months ending April 2022 (comparable hotels)



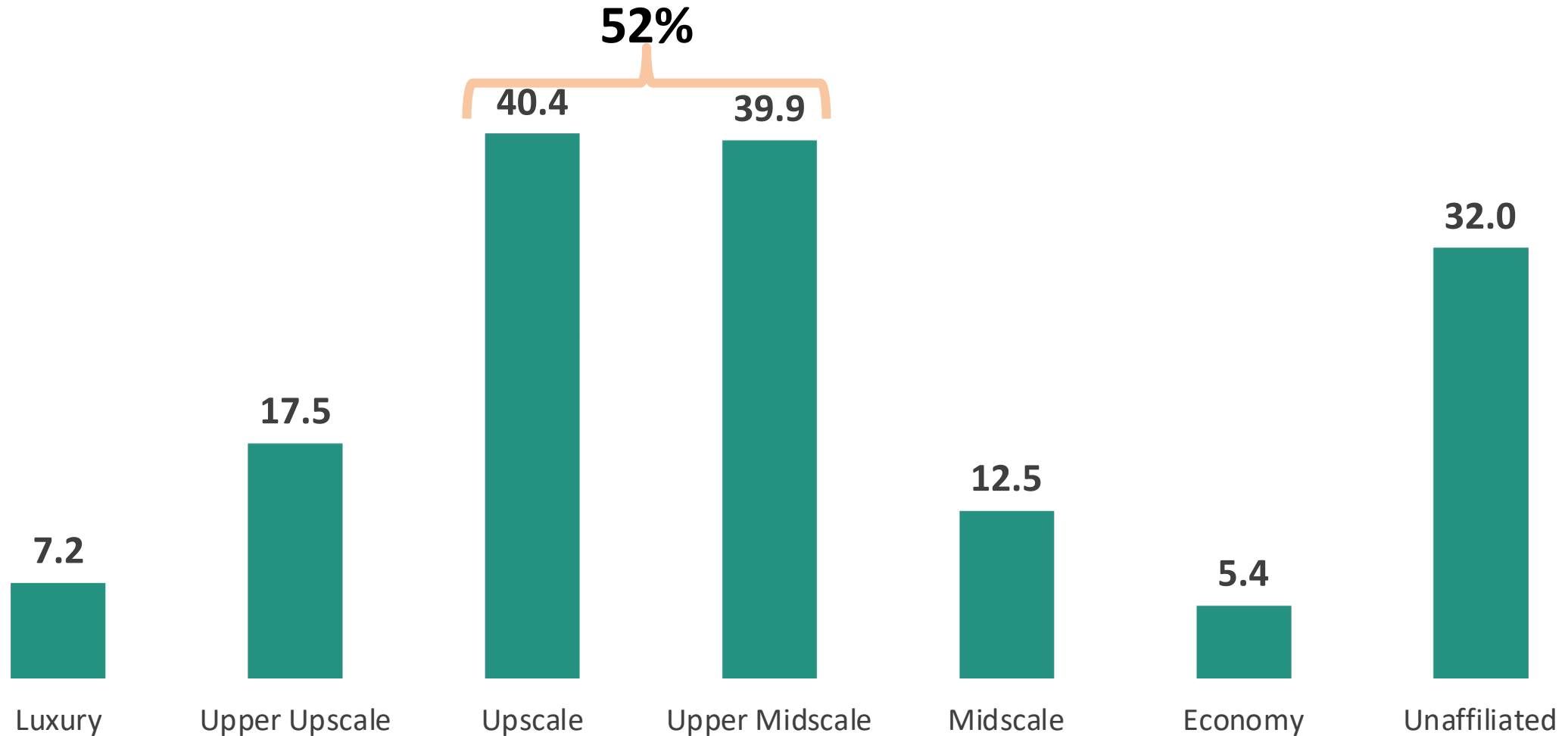
Total revenues, GOP and labor costs on the rise

Estimated U.S. revenues & profitability metrics indexed to 2019



Limited-service construction (still) dominates...

U.S. in construction rooms in thousands, by scale, March 2022





Forecast



After a solid 2021, the U.S. is forecasted for further growth over the next two years.

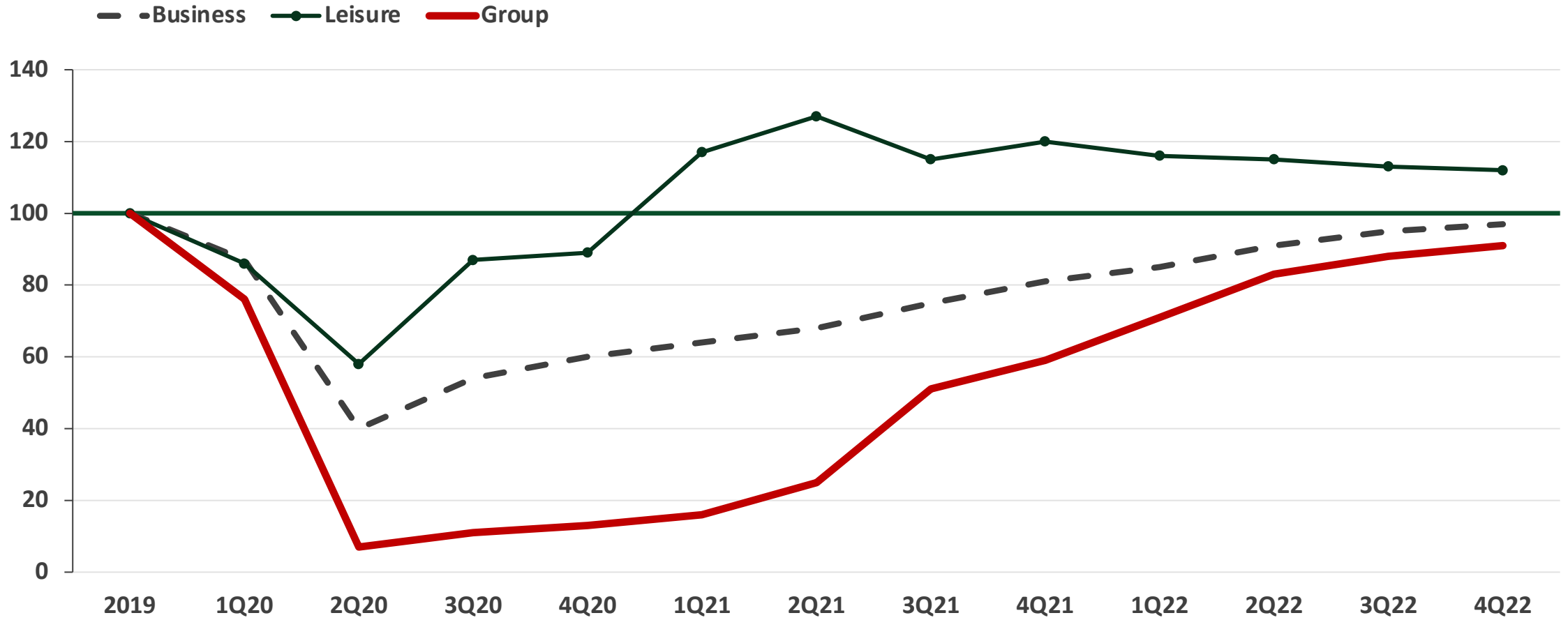


U.S. KPIs (standard methodology)

Metric	2021 Actual	2022 Forecast	2023 Forecast	2024 Forecast
Occupancy	57.6%	63.8%	66.1%	66.8%
ADR	\$125	\$134	\$140	\$145
RevPAR	\$72	\$86	\$92	\$97
RevPAR Compared to 2019	-17%	-1%	+7%	+12%

Leisure will continue to lead the recovery

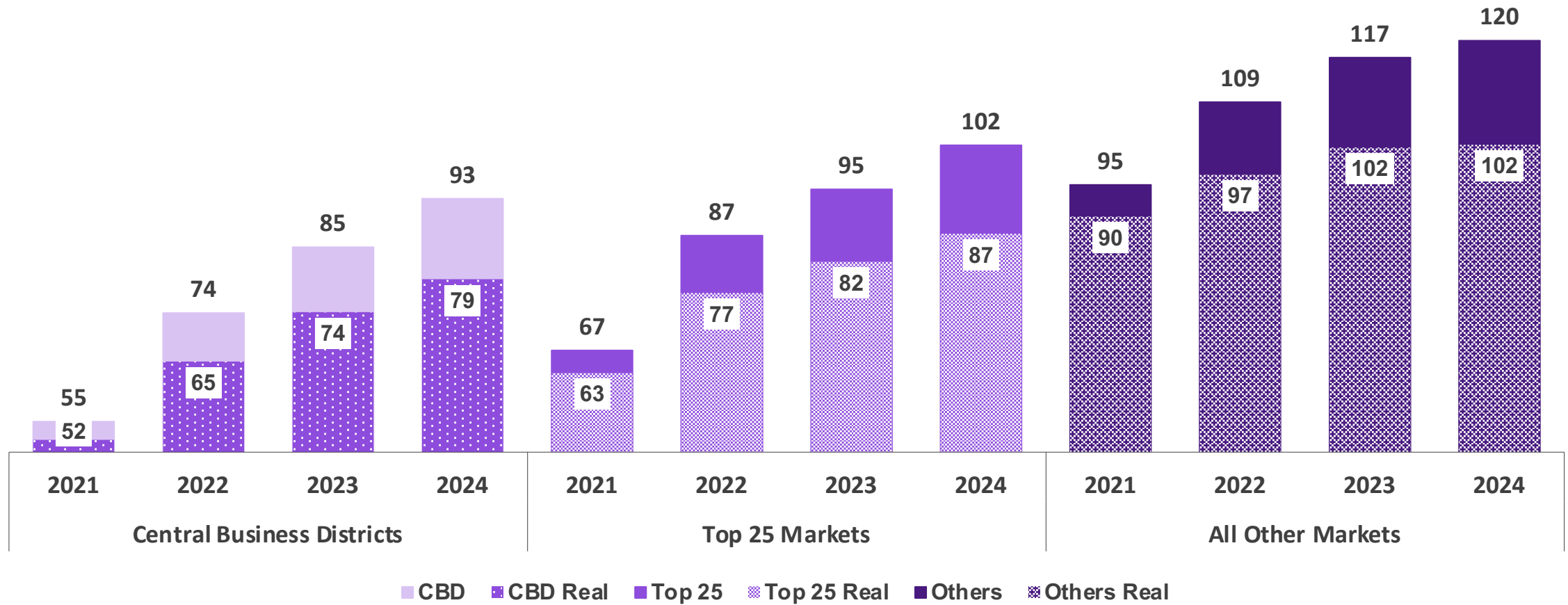
U.S. industry demand forecast by segment, indexed to 2019



Real RevPAR Recovery for CBDs and Top 25 Markets to come after 2024



U.S. RevPAR forecast by market type, indexed to 2019



Average daily room demand will reach a record high in 2023.



U.S. Average Daily Rooms Sold—In Millions

