VISIT The Woodlands TEXAS

Future Opportunities for Meeting Space and Hotels

December 2025

REVPAR International
HOSPITALITY ADVISORY & ASSET MANAGEMENT
WASHINGTON, DC | MIAMI | DENVER

OVERVIEW OF EXISTING LODGING INVENTORY

EXISTING LODGING INVENTORY

Name of Hotel	Date Opened	Chain Scale	# of Rooms	Meeting Space (in Sq. Ft.)	Largest Room (in Sq. Ft.)	Distance From Waterway C.C.
Full-Service						
The Woodlands Waterway Marriott Hotel & Conv Center	Dec-02	Upper-Upscale	348	66,532	37,180	0.0 mi
Westin at The Woodlands	Mar-16	Upper-Upscale	302	28,492	5,800	<500 ft.
Hyatt Centric The Woodlands	Dec-09	Upper-Upscale	72	7,718	2,290	0.5 mi
Embassy Suites by Hilton The Woodlands At Hughes Landing	Dec-15	Upper-Upscale	205	3,780	3,060	1.3 mi
The Woodlands Resort, Curio Collection by Hilton	Jun-74	Upper-Upscale	402	70,000	13,430	2.1 mi
		Sub-Total	**1,329**			
Select-Service						
Residence Inn Houston The Woodlands/Market Street	Aug-02	Upscale	96	0	0	0.7 mi
Hilton Garden Inn Houston The Woodlands	Jul-04	Upscale	117	2,170	1,650	0.8 mi
Residence Inn Houston The Woodlands Lake Front Circle	Aug-97	Upscale	90	0	0	1.2 mi
Courtyard Houston The Woodlands	Jun-97	Upscale	90	625	625	1.3 mi
Hyatt Place Houston North The Woodlands	Jan-14	Upscale	146	6,000	2,620	1.6 mi
Heritage Inn & Suites, Trademark by Wyndham	Mar-96	Upper-Midscale	150	833	833	1.4 mi
Best Western Plus The Woodlands	Jan-04	Upper-Midscale	62	1,000	1,000	4.2 mi
Fairfield Inn & Suites Houston The Woodlands	Aug-00	Upper-Midscale	83	1,350	1,300	4.4 mi
Candlewood Suites Houston (The Woodlands)	Jul-20	Midscale	91	425	425	4.5 mi
		Sub-Total	**925**			
		Total	**2,254**			

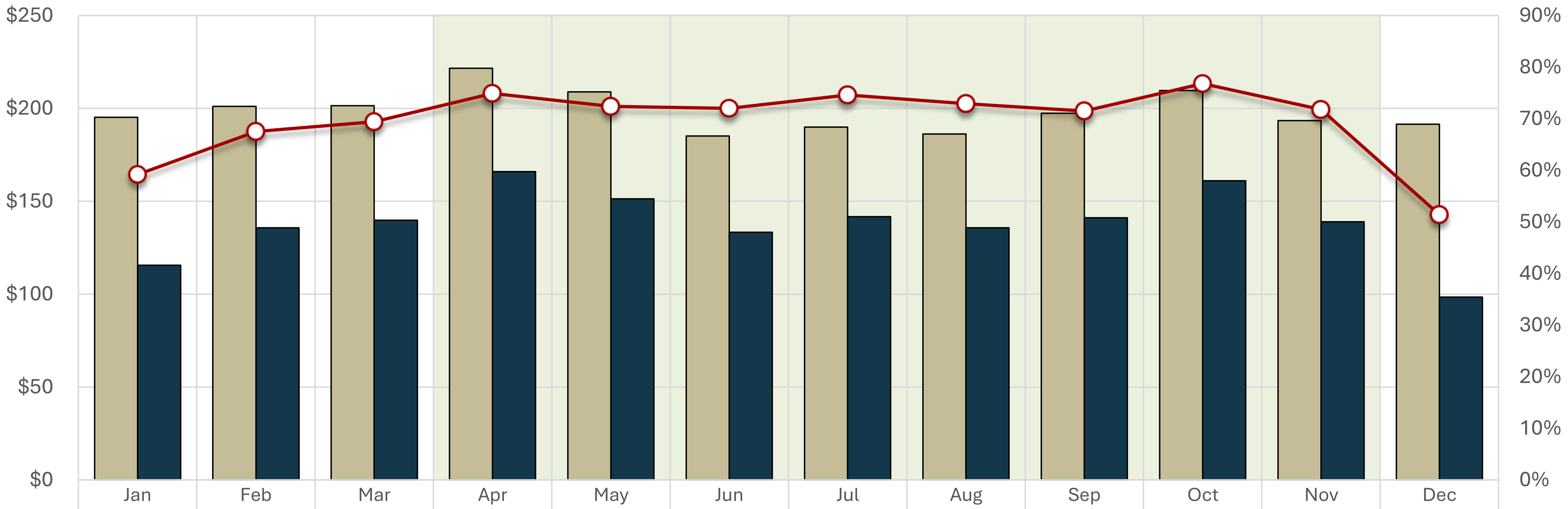
TOP LINE PERFORMANCE
TOTAL MARKET

Year	Available Room Nights	Occ %	Occupied Room Nights	ADR	RevPAR
Year-End					
2017	862,044	69.4%	594,975	$173.26	$120.32
2018	861,985	67.0%	576,931	$179.44	$120.14
2019	862,682	68.3%	589,193	$178.37	$121.81
2020	-	-	-	-	-
2021	862,633	58.2%	493,788	$150.10	$87.34
2022	862,682	62.7%	538,977	$181.86	$114.11
2023	863,066	65.6%	563,668	$193.17	$126.65
2024	863,942	69.8%	602,790	$197.85	$138.03
CAGR	**0.0%**	**--**	**0.2%**	**1.9%**	**2.0%**
Year-to-Date Through October					
Oct. 2024	719,576	71.4%	514,053	$201.54	$143.96
Oct. 2025	719,463	68.2%	490,397	$184.50	$125.76
% Change	**0.0%**	**--**	**(4.6%)**	**(8.5%)**	**(12.6%)**

- Data unavailable for 2020 due to COVID-19 closures and a lack of reporting.
- No new supply has opened in market since the Westin in 2016.
- Occupancy has returned to pre-COVID-19 levels.
- ADR growth remains a challenge due to long-term energy sector travel spending patterns and recent macro-economic headwinds.
- Market RevPAR peaked in 2024, reaching its highest level since 2015

Source: CoStar; Compiled by REV*PAR* International

2024 SEASONALITY BY MONTH

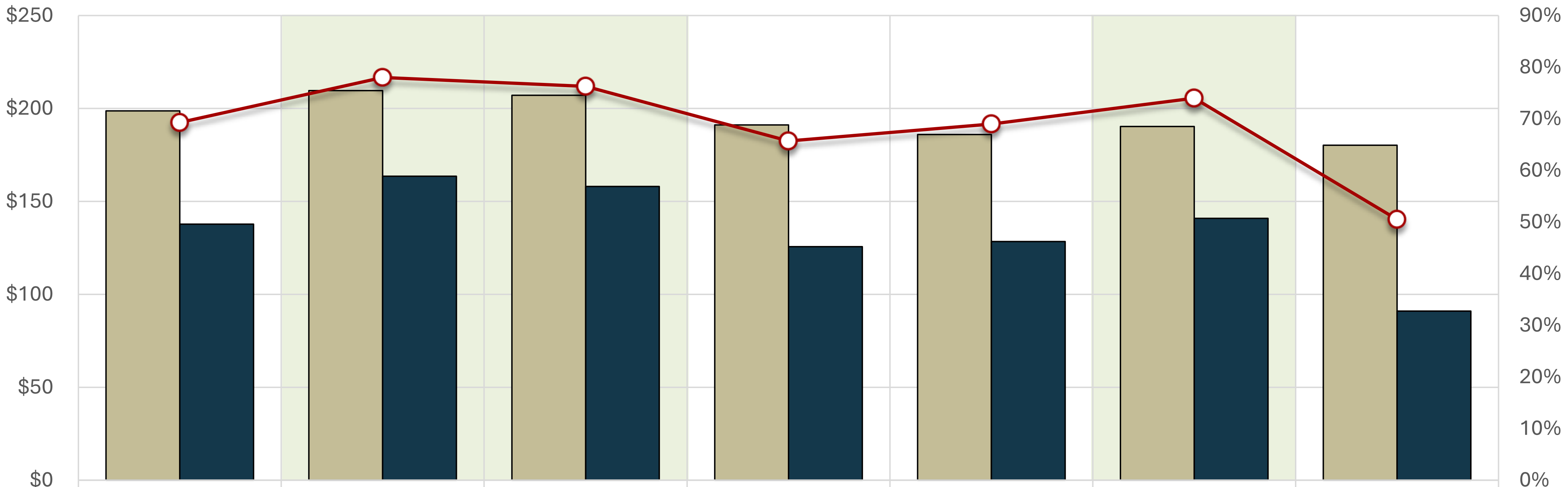


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ADR	$195.19	$201.15	$201.49	$221.58	$208.94	$185.19	$189.94	$186.23	$197.37	$209.67	$193.47	$191.46
RevPAR	$115.55	$135.78	$139.83	$165.96	$151.27	$133.34	$141.70	$135.76	$141.12	$161.03	$138.91	$98.41
Occupancy	59.2%	67.5%	69.4%	74.9%	72.4%	72.0%	74.6%	72.9%	71.5%	76.8%	71.8%	51.4%

- Eight months of the year operate at occupancy levels over 70 percent with high probability of displace/unaccommodated demand.
- Seasonality in the market is limited owing to diverse market segmentation of room night demand.
- ADR declines during summer and occupancy declines in December are the few pronounced shifts.

Source: CoStar; Compiled by REV*PAR* International

2024 SEASONALITY BY DAY OF WEEK



	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
ADR	$198.71	$209.63	$207.10	$191.16	$186.04	$190.33	$180.27
RevPAR	$137.71	$163.51	$158.02	$125.59	$128.37	$140.84	$91.04
Occupancy	69.3%	78.0%	76.3%	65.7%	69.0%	74.0%	50.5%

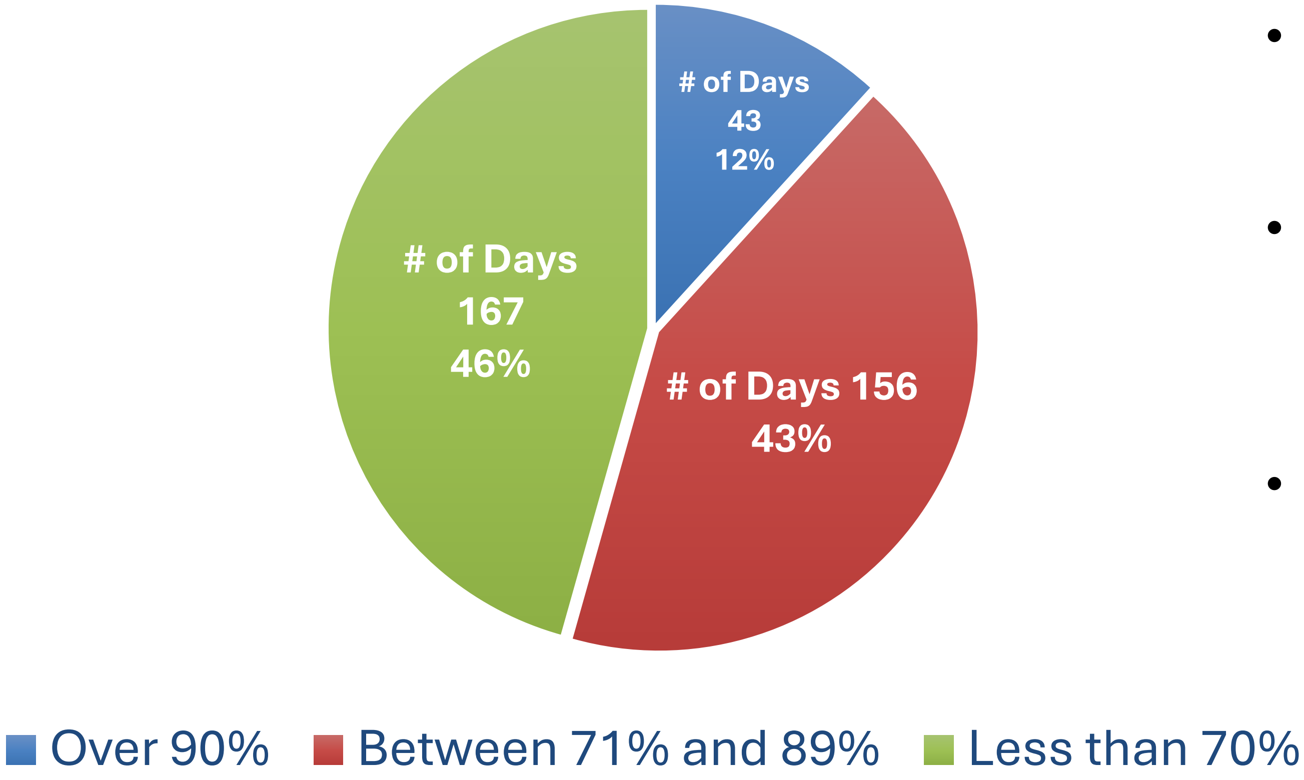
- Similarly, day-of-week variations are not extreme owing to market's well-diversified demand segmentation.
- Thursday is bolstered by weekday commercial transient ramping down while weekend group and leisure transient ramps up.
- Sunday appears to be an area of opportunity.

Source: VTW STR Data; Compiled by REV*PAR* International

FILL NIGHTS AND LATENT DEMAND ANALYSIS

2024 FILL NIGHTS DEMAND ANALYSIS

of Days at Various Occupancy Thresholds



- 55 percent of the days are above 70 percent occupancy = 199 nights.
- These represent the strongest nights to fill additional hotel rooms with minimal impact to the market.
- As previously shown, the market runs 70 percent or higher eight months of the year.

Source: VTW STR Data; Compiled by REV*PAR* International

2024 FILL NIGHT DEMAND LOSS ANALYSIS
CONCLUSIONS

	Over 90%	Between 70% and 89%
# Nights	43	156
Rooms in Market	2,254	2,254
Available Room Nights	96,922	351,624
Estimate % of Turnaway Demand	45.0%	25.0%
Potential # of Unaccommodated Room Nights	43,615	87,906
Average Per Night	119	241
Combined Average Room Nights	**180**	
Combined Total Room Nights	**360**	

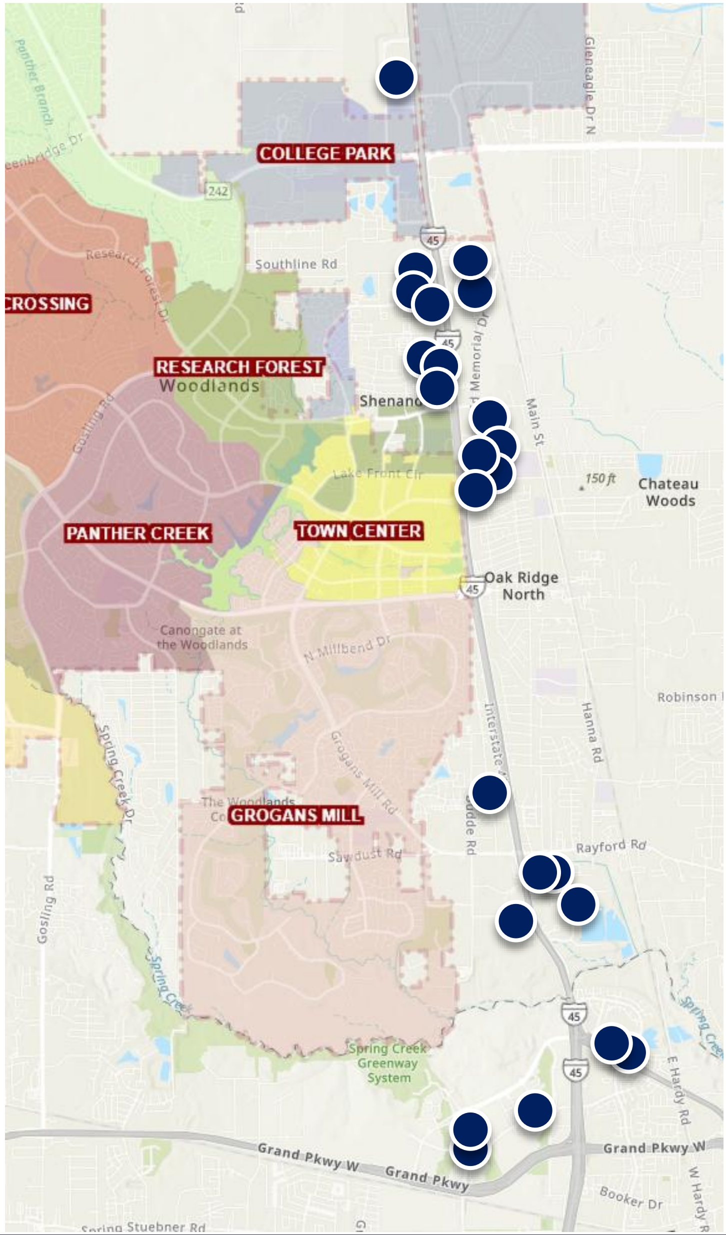
This analysis indicates that between 180 and 360 room nights can be recovered on a nightly basis.

Source: VTW STR Data; Compiled by REV*PAR* International

THE WOODLANDS DEMAND LEAKAGE INTO OTHER MARKETS

WOODLANDS DEMAND LEAKAGE ANALYSIS

Lodging Within 5 Miles of The Woodlands	Year Opened	Chain Scale	Rooms
1. Houston CityPlace Marriott at Springwoods Village	2018	Upper-Upscale	337
2. Hotel Indigo Houston North – Spring	2021	Upper-Upscale	103
3. Crowne Plaza Shenandoah - Woodlands Area	2015	Upscale	152
4. Hilton Garden Inn North Houston Spring	2016	Upscale	151
5. Hyatt House Metropark Woodlands / Shenandoah	2021	Upscale	148
6. SpringHill Suites Houston The Woodlands	2011	Upscale	138
7. Residence Inn Houston City Place	2014	Upscale	128
8. Courtyard Houston City Place	2016	Upscale	125
9. Courtyard Houston North Shenandoah	2014	Upscale	124
10. Homewood Suites by Hilton The Woodlands Springwoods Village Area	2014	Upscale	123
11. EVEN Hotels Shenandoah - The Woodlands	2021	Upscale	120
12. Aloft Shenandoah Woodlands Area	2020	Upscale	116
13. Homewood Suites by Hilton Houston Woodlands	2001	Upscale	91
14. Hampton Inn & Suites North Houston Spring	2016	Upper-Midscale	127
15. TownePlace Suites Houston North Shenandoah	2008	Upper-Midscale	124
16. Holiday Inn & Suites Spring - The Woodlands Area	1999	Upper-Midscale	120
17. Home2 Suites by Hilton Shenandoah The Woodlands	2017	Upper-Midscale	116
18. Hampton Inn & Suites by Hilton Shenandoah The Woodlands	2024	Upper-Midscale	106
19. La Quinta Inn & Suites by Wyndham The Woodlands/Spring	2000	Upper-Midscale	94
20. Fairfield by Marriott Inn & Suites Houston North/Spring	2013	Upper-Midscale	85
21. Comfort Suites Shenandoah	1998	Upper-Midscale	64
22. Extended Stay America - Houston - The Woodlands	1998	Midscale	142
23. Super 8 by Wyndham The Woodlands North	1985	Economy	109
24. Days Inn by Wyndham Shenandoah	1983	Economy	93
25. SureStay Hotel by Best Western Spring North Houston	1979	Economy	74
26. Scottish Inns & Suites Shenandoah/Woodlands	1999	Economy	39
		Total	**3,149**



LODGING OUTSIDE OF THE WOODLANDS (WITHIN 5 MILES)
PENETRATION OPPORTUNITY

- Many hotels located outside the township benefit from their relative proximity to The Woodlands' amenities and demand generators.
- Many guests staying in these hotels would prefer to be in The Woodlands if rooms were available.
- Many visitors to demand generators in places such as Shenandoah and Spring would still prefer to stay in The Woodlands.
- A 5 to 10 percent penetration of this demand would result in 41,574 to 83,507 incremental room nights staying in The Woodlands hotels.

2024		
Available Room Nights	**Occupancy**	**Occupied Room Nights**
1,199,223	**69.6%**	**835,073**
Penetration Opportunity of Occupied Room Nights		
5%	**10%**	
41,754	**83,507**	
Average Nightly Room Nights		
114	**229**	

FILL NIGHT, LATENT AND LEAKAGE CONCLUSIONS

Summary of Approaches		
Fill Night Analysis		
Fill Night Analysis	**Combined Average**	**Combined Total**
Rooms Per Night	180	360
Regional Penetration Analysis		
Regional Penetration Analysis	**Low**	**High**
Annual Room Nights	41,754	83,507
Average Nightly Room Nights	114	229

- Limited seasonality and stronger transient demand makes it challenging for hotels to yield in additional group demand without significant F&B revenues.
- At 70 percent annual occupancy, there are a significant amount of fill nights to absorb new supply without disrupting the market.
- The strength and appeal of The Woodlands as a destination will lead to demand capture from hotels outside of township boundaries (i.e., Shenandoah, Spring, etc)
- This analyses estimates that there is a range of 114 to 360 room nights that could be accommodated or induced into The Woodlands market under certain market conditions.
- We would put the most emphasis on the Fill Night Analysis.

LOST BUSINESS REPORTING & MEETING PLANNER SURVEY

LOST BUSINESS SUMMARY

(AS OF OCTOBER 2025)

Lost Reason	# Leads	Lost Room Nights	Revenue Estimate
Lost to another City	192	101,157	$67,003,408
Client Unresponsive	223	75,796	$49,732,411
Rates too High	50	27,018	$12,379,172
Other	31	18,894	$5,550,608
Hotel/Meeting Space Layout or Size	33	18,784	$13,701,957
Hotel Turned Down	29	15,398	$9,880,810
Dates not Available	22	11,337	$5,258,469
Event Canceled	34	10,859	$7,311,947
No reason	10	4,048	$2,946,016
Overflow Requirements Unavailable	4	2,151	$422,990
CRM Clean up	23	547	$207,779
Grand Total	**651**	**285,989**	**$174,395,566**

Source: VTW; Compiled by REV*PAR* International

Comments/Adjustments

- 651 lost business leads reviewed between 2021 and 2030. ~75 percent of leads were between 2023 – 2025.
- 131 leads categorized as lost business due to “other” reasons were reduced to 31 following a review of notes/comments on each piece of business.
- “Lost to Another City” reviews and several recategorized, as appropriate, to “Hotel/Meeting Space Layout or Size.”
- Over 90 percent of demand “Lost to Another City” stayed in Texas if the meeting planner identified the market it went to. Most of this went to elsewhere in the Houston metro area.
- Westin Houston Memorial City & other Marriott product made up much of the lost business that stayed in the Houston area. This is likely due to the Woodlands Marriott (and Westin) being Marriott products.

VTW SURVEY ANALYSIS

With the assistance of VTW, REV*PAR* International sent a survey to meeting planners.

- 74 percent of these meeting planners said they plan to hold 1 or 2 events per year that require over 30,000 sq ft of meeting space and 300 rooms on peak.
- The most common factors for deciding on a location include largest meeting room size, budget, and quality/size of lodging and event venues.
- 40 percent of the planners said they have had at least one event that has outgrown The Woodlands as a destination; however, a majority stated that all of their events are still held at The Woodlands.
- The most commonly cited reason for not booking larger events at The Woodlands is the size or availability of guest rooms (i.e., not enough rooms at host hotel)

A copy of the survey is attached to this presentation in the Addenda.

PEER MARKET ANALYSIS

PEER MARKET OVERVIEW

CVB	Total # of Rooms	Hotel Rooms within 0.5 miles of Convention Center		CVB/DMO Budget	2024 Lodging Revenue	Lodging Tax Rate
		#	%			
Houston First Corporation	115,830	4,274	3.7%	$229,000,000	$3,284,557,180	7%
Visit San Antonio	53,826	11,912	22.1%	$28,400,000	$1,544,352,328	9%
Visit Austin	53,003	10,474	19.8%	$27,202,021	$2,127,012,086	11%
Irving CVB	13,891	993	7.1%	$10,022,787	$424,682,238	9%
Visit Plano	7,589	1,143	15.1%	$14,763,590	$211,755,442	7%
Visit Galveston	5,728	755	13.2%	$6,000,000	$189,801,784	9%
Grapevine CVB	5,028	1,814	36.1%	$27,510,823	$284,657,201	7%
Visit Frisco	4,877	534	10.9%	$10,745,932	$188,621,992	7%
Visit The Woodlands	2,254	722	32.0%	$9,600,000	$115,555,556	9%
Visit Sugarland	1,596	652	40.9%	$2,782,400	$49,706,741	7%

Source: CoStar; Compiled by REV*PAR* International

MEETING SPACE RATIO ANALYSIS

Destination	Convention Center Meeting Space (Sq. Ft.)	Sq. Ft. Meeting Space Per Hotel Rooms Within 0.5 Miles
Houston First Corporation	1,012,278	237
Grapevine CVB	400,000	221
Visit Galveston	140,000	185
Visit Frisco	70,520	132
Visit The Woodlands	66,532	92
Visit Plano	86,400	76
Visit San Antonio	514,000	43
Visit Sugarland	24,559	38
Visit Austin	365,000	35
Irving CVB	32,369	33

The Waterway Convention Center offers 92 square feet of meeting space per guestroom within 0.5 miles of its location.

Excluding Grapevine, VTW is the 4th highest in above set and 3rd highest of the secondary markets.

SUMMARY OF ANALYSIS

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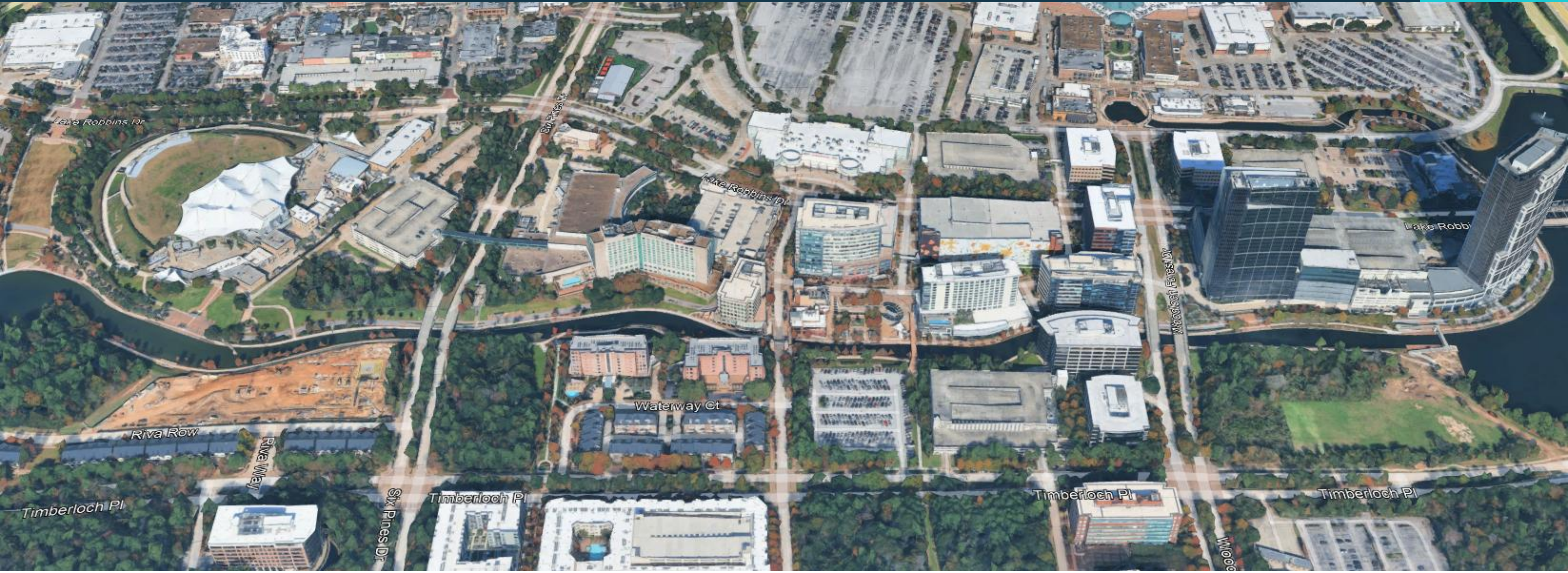
- Various analyses indicates that The Woodlands market can support nearly 400 additional guest rooms via latent demand, lost business, regional penetration, and accommodating demand going to other hotels outside area. This is before any organic, underlying demand growth is considered.
- The Woodlands should seek to add hotel rooms attached or highly proximate to the convention center.
- Any new hotel would benefit from offering supplemental meeting space.
- Historical performance data, Lost Business, and Survey data indicate a need for a modestly-sized full-service luxury/upper-upscale hotel, as well as a modern select-service product with F&B.
- The ideal location is north of the Waterway, within 0.5 miles of the convention center.



RECOMMENDED NEW HOTEL SUPPLY

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- **Hotel 1:** Full Service, Upper-Upscale - Luxury
  - Rooms: 175 - 225
  - Meeting Space: 10,000 – 20,000 square feet
  - Multiple F&B Outlets
- **Hotel 2:** Upscale Branded Hotel
  - Rooms: 125 - 175
  - Meeting Space: 4,000 – 6,000 square feet
  - F&B Outlet(s)

RANGE OF TAX REVENUES COLLECTED (2025$)

	Hotel 1 (Full-Service, Upper-Upscale-Luxury)	Hotel 2 (Upscale Branded / Modern Select-Service with F&B)	Combined
Lodging Tax (9%)	$1.0m - $1.8m	$500,000 - $1.0m	$1.5m - $2.8m
Local Sales tax on F&B & OOD (2.0%)	$190,000-$340,000	$55,000-$70,000	$245,000-$405,000
Real Estate Taxes (The Woodlands Township)	$80,000-$100,000	$55,000-$70,000	$135,000-$170,000
Total	**$1.3m - $2.2m**	**$769,000-$1.4m**	**$1.9m - $3.4m**

Source: REV*PAR* International
Real Estate Tax estimates are based on existing Woodlands hotels' assessments and current tax rates.

ECONOMIC MULTIPLIER OF VISITOR SPENDING ESTIMATE

	Hotel 1 (Full-Service, Upper-Upscale-Luxury)	Hotel 2 (Upscale Branded / Modern Select-Service with F&B)
Visitor Spending Estimate	$38.1m - $69.2m	$26.6m - $50.0m
Economic Multiplier	2.0	
Economic Impact	**$76.3m - $138.5m**	**$53.3m – $100.0m**

Source: REVPAR International

QUESTIONS