



Hotel Industry Update

February 12, 2025
Arlington, TX



December ADR Lifted RevPAR

Total U.S., December 2024

	Actual	YOY % Chg.	2019 % Chg.
Room Supply	174.1m	+0.6%	+2.6%
Room Demand	92.1m	+1.7%	+0.7%
Occupancy	53.2%	+1.1%	-1.8%
ADR	\$156.67	+3.3%	+22.4%
RevPAR	\$83.30	+4.4%	+20.1%
Room Revenue	\$14.5b	+5.0%	+23.2%

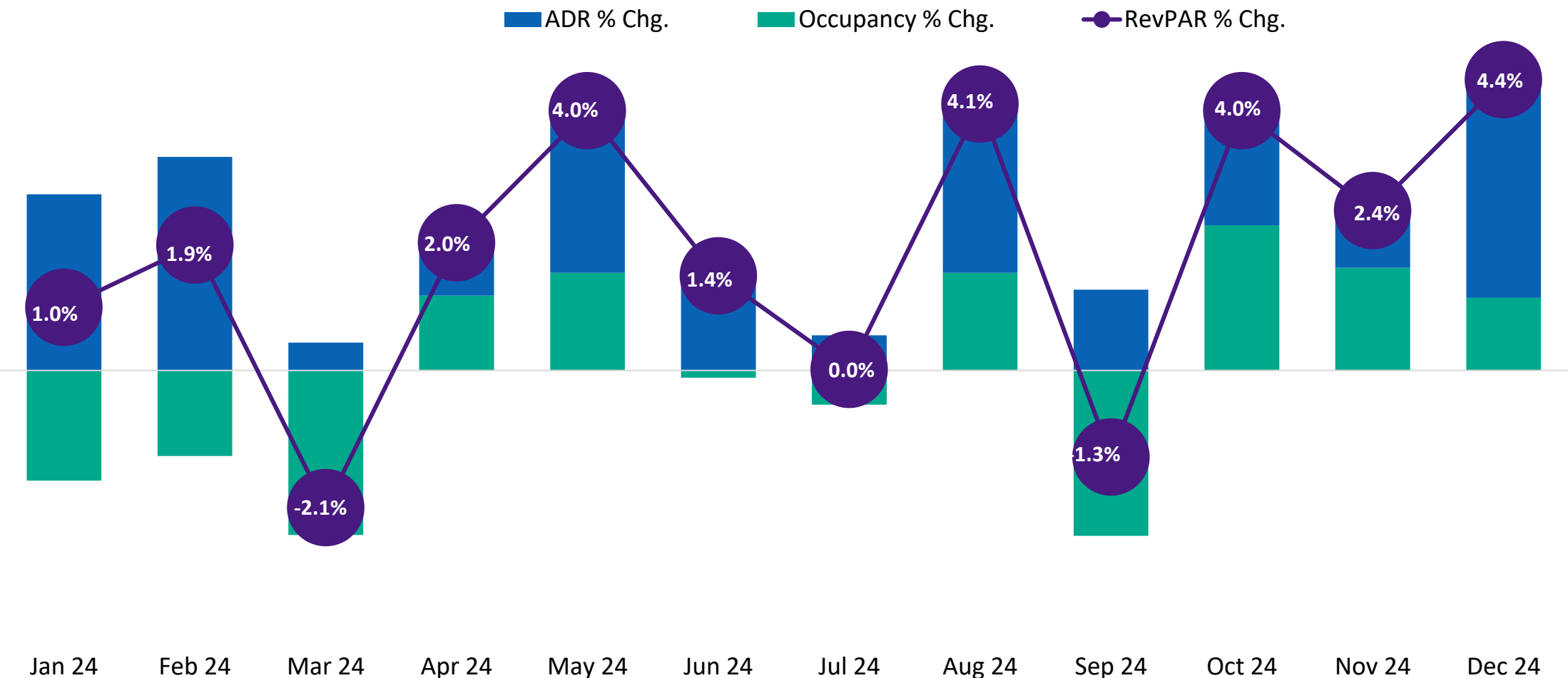
Full Year: ADR Lifted RevPAR

Total U.S., Full-Year 2024

	Actual	YOY % Chg.	2019 % Chg.
Room Supply	2,054,598m	+0.5%	+3.1%
Room Demand	1,294,079m	+0.5%	-1.3%
Occupancy	63.0%	0.0%	-4.3%
ADR	\$158.67	+1.7%	+20.6%
RevPAR	\$99.94	+1.8%	+15.4%
Room Revenue	\$205.3b	+2.3%	+19.1%

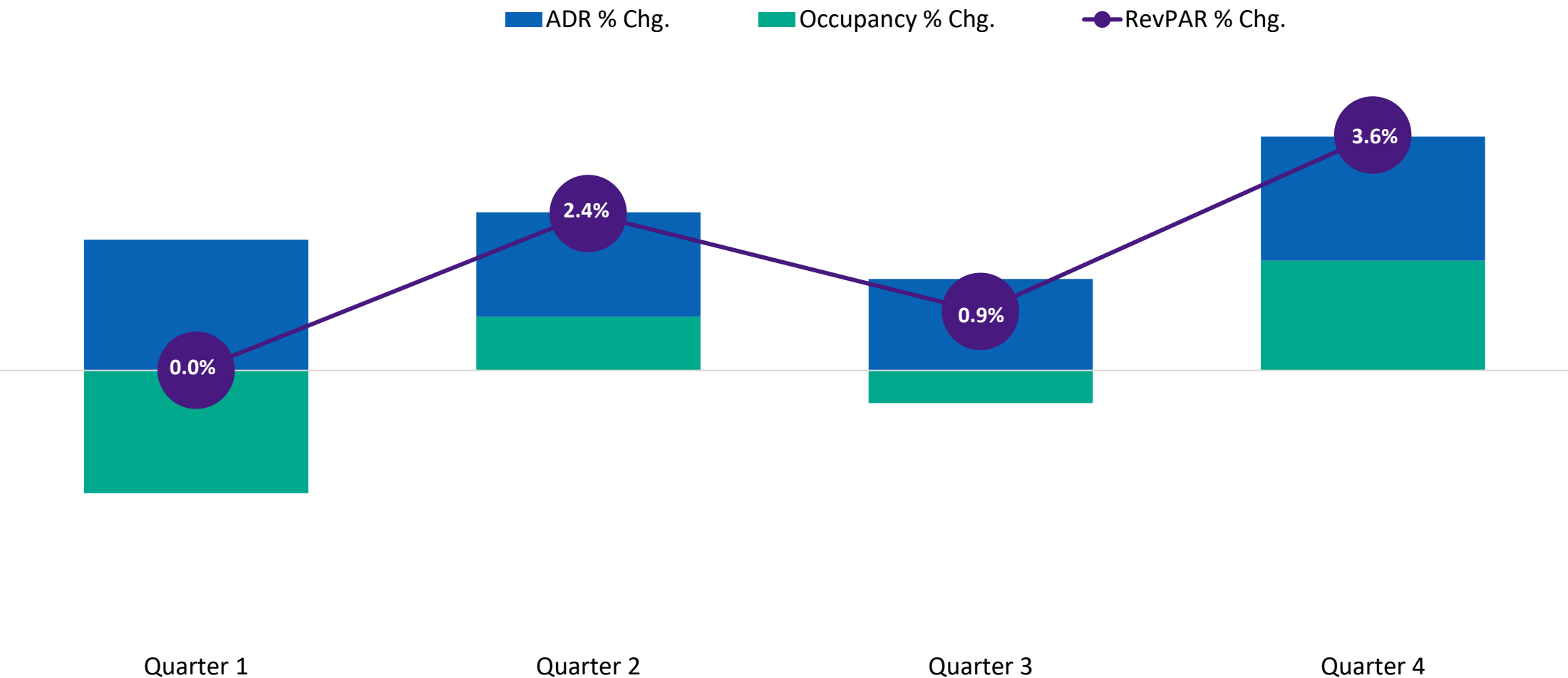
All Told, ADR Generally Drove RevPAR w/ Exception of Q4

U.S., KPI % change YoY



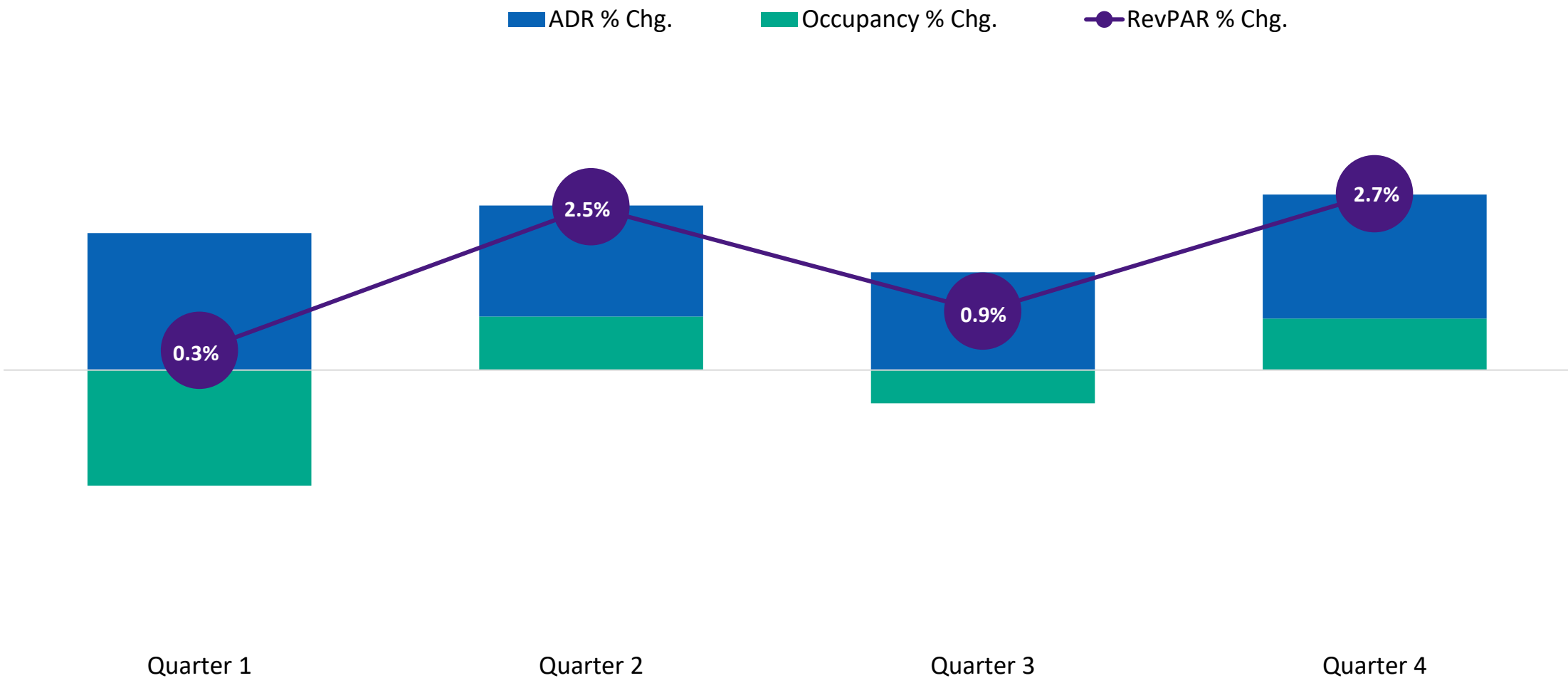
Q4 Outdid the Rest of the Year, Lifted by Hurricane Markets

U.S., KPI % change YoY



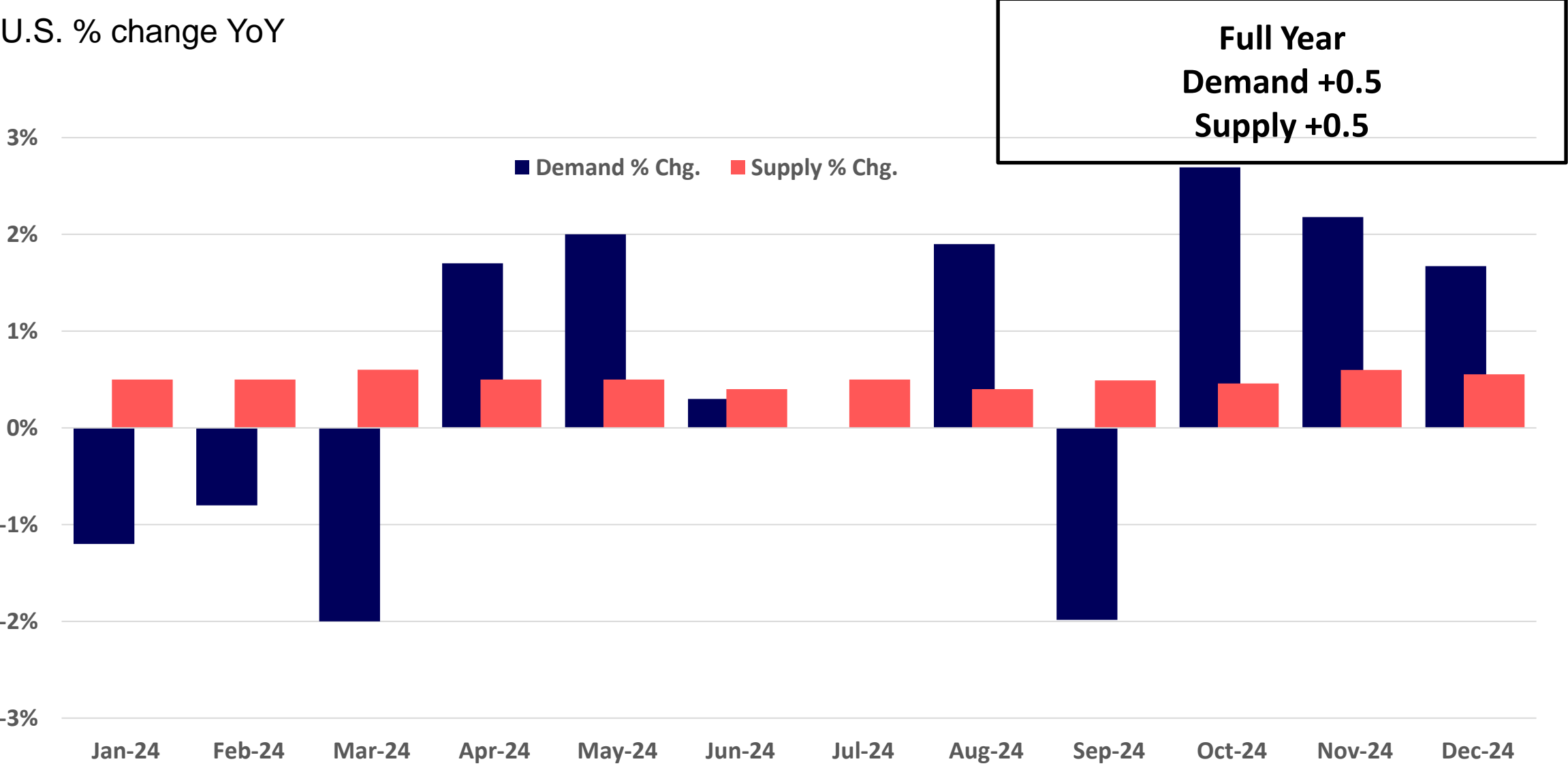
Excluding the Hurricane Markets, Q4 Still Performed Well

U.S., KPI % change YoY excluding 13 hurricane markets*



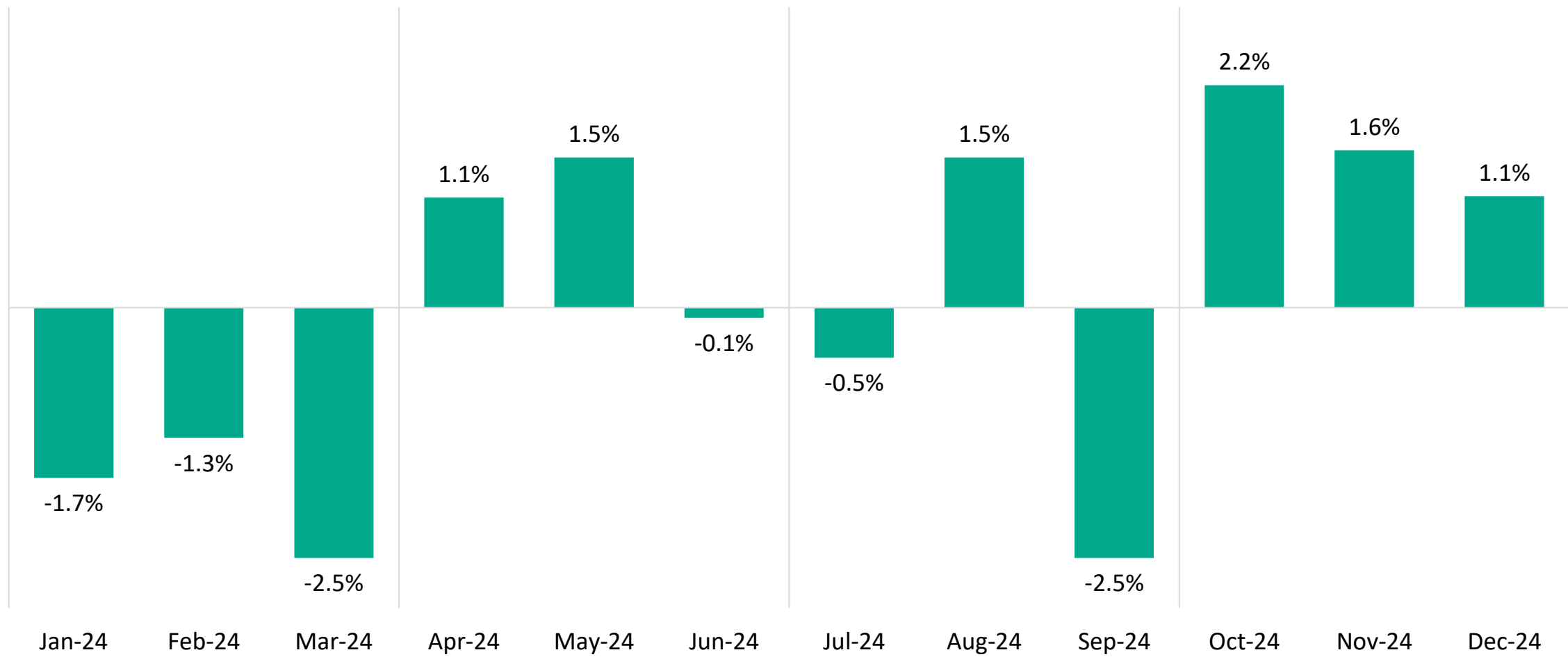
Steady Supply / Variable Demand Due to Calendar and Events

U.S. % change YoY



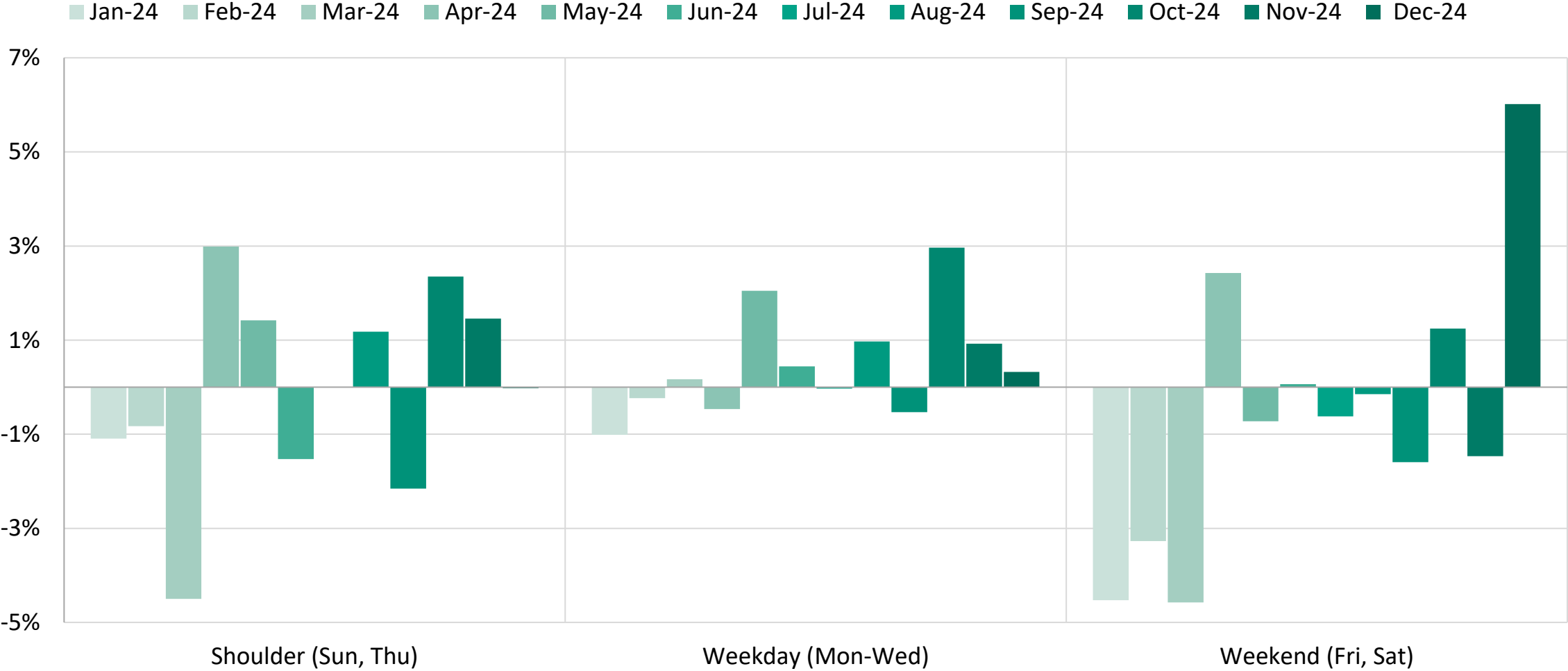
Occ Flat for the Full Year With the Last Three Months Coming On Strong

U.S., Occupancy % change YoY



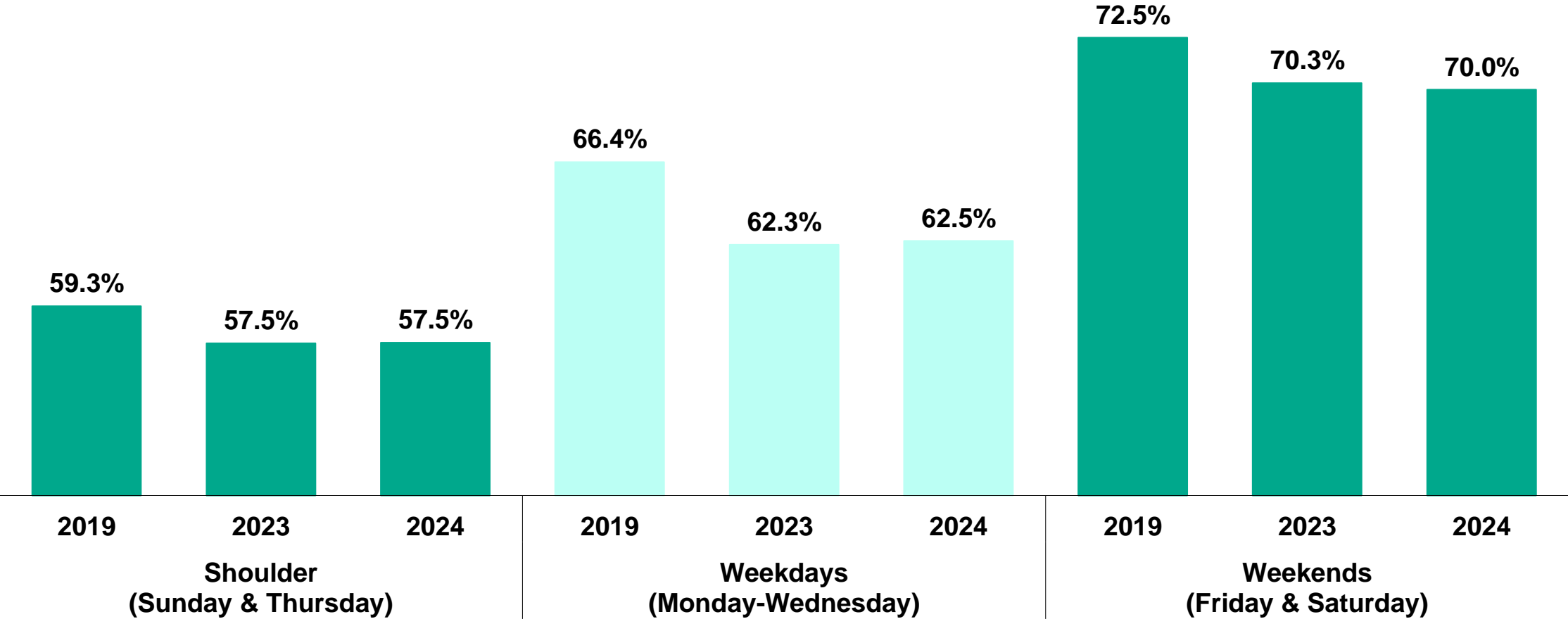
Seasonal Day of Week Shifts; Weekends Net Positive for the Year

U.S., Occupancy % change YoY



Compared to 2023, Weekends Down; Weekdays Improved but Slowly

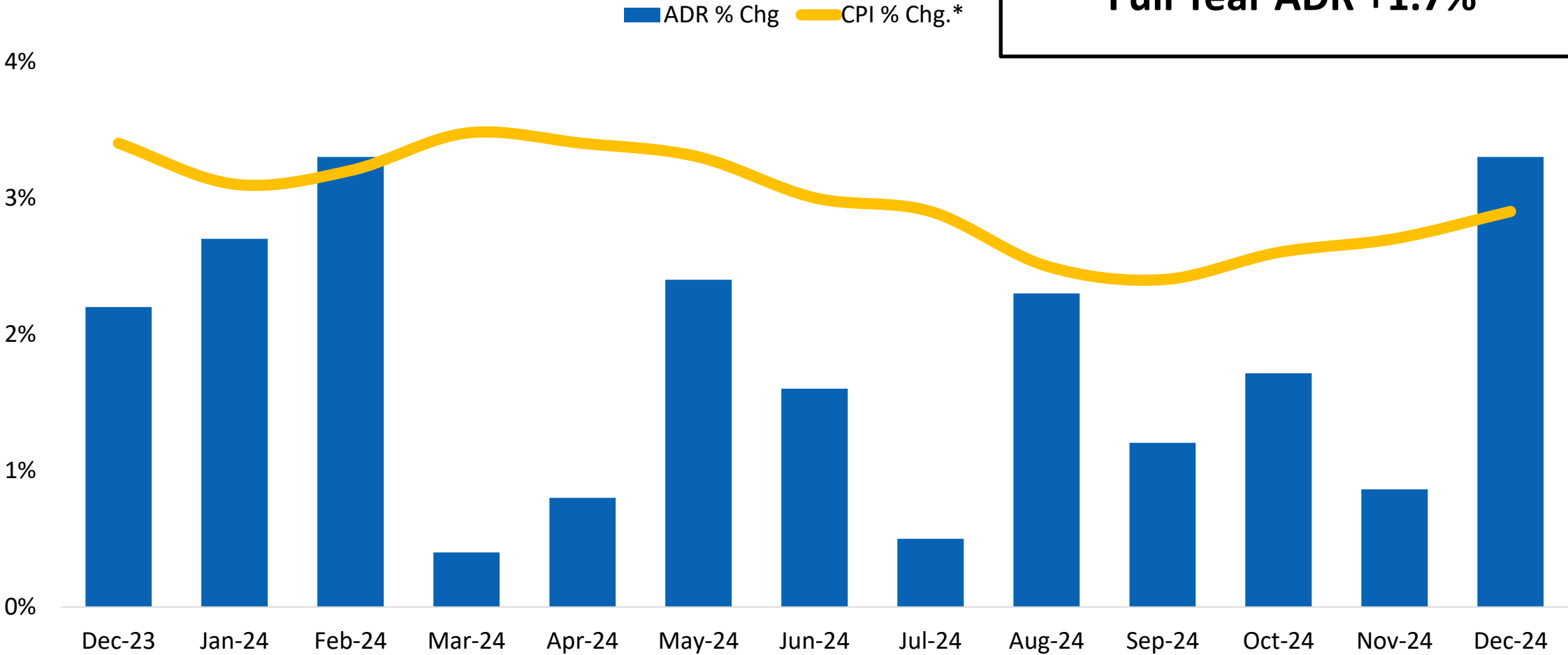
U.S., Occupancy, Full Year



ADR Below Inflation (CPI) Most Months; December ADR a Bright Spot

U.S., ADR % change YoY

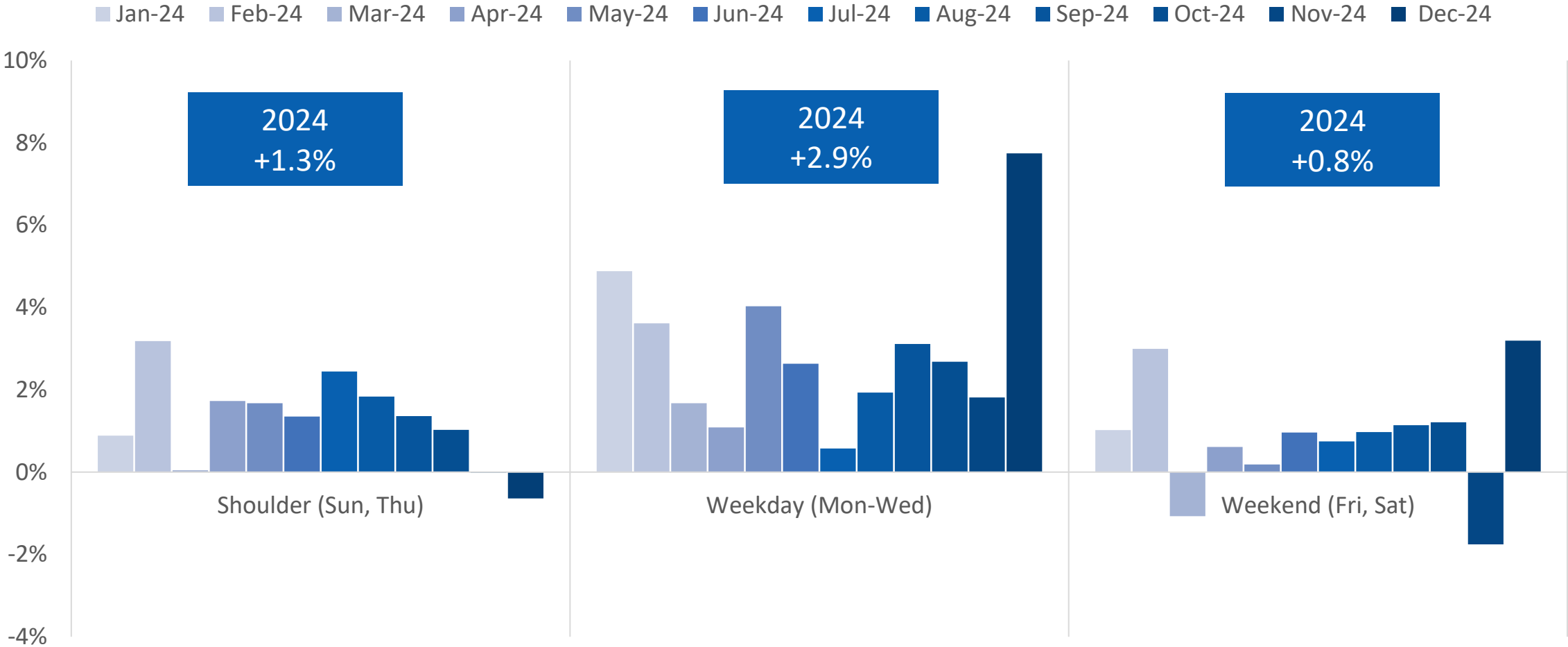
Full Year ADR +1.7%



*Source: U.S. Bureau of Labor Statistics www.bls.gov

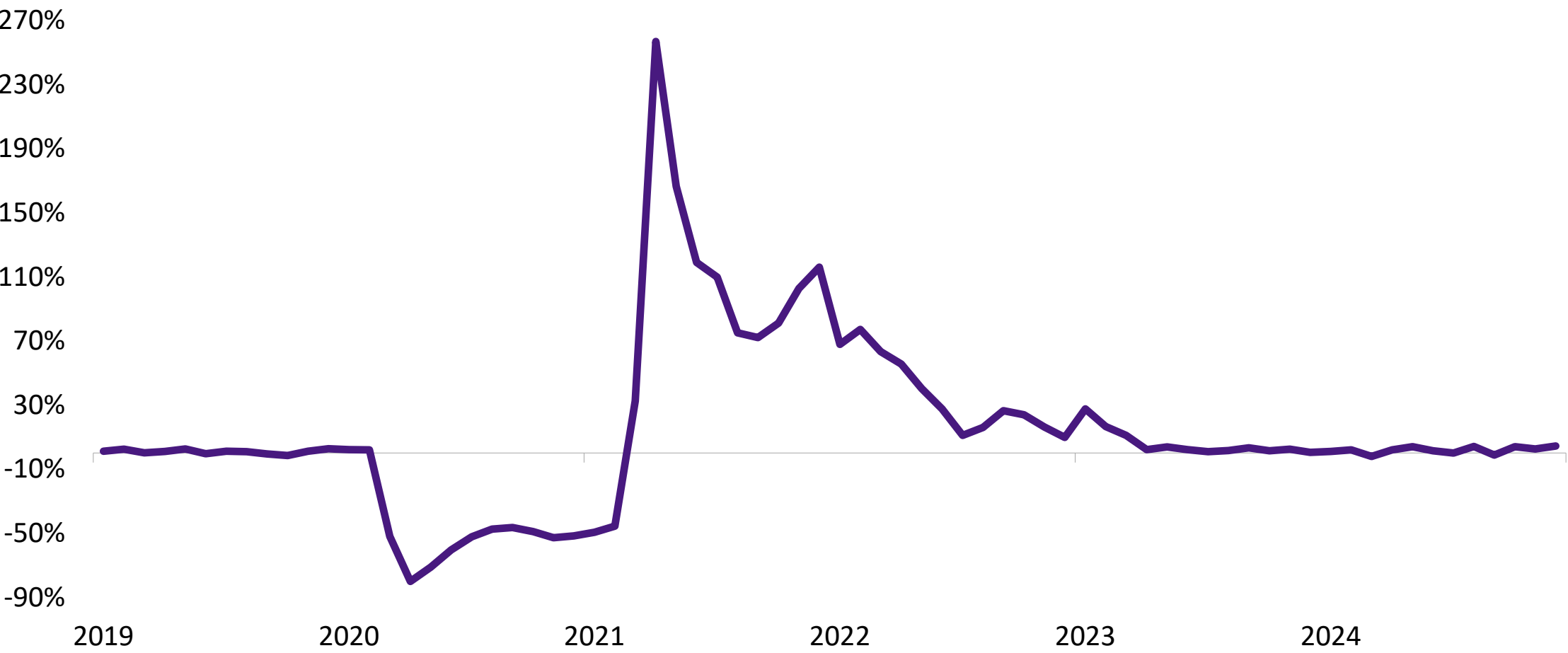
Weekdays Posted the Strongest ADR Gains

U.S. ADR, YoY % change



RevPAR Returns to Pre-COVID Patterns

U.S., RevPAR % change from prior year, January 2019 – December 2024



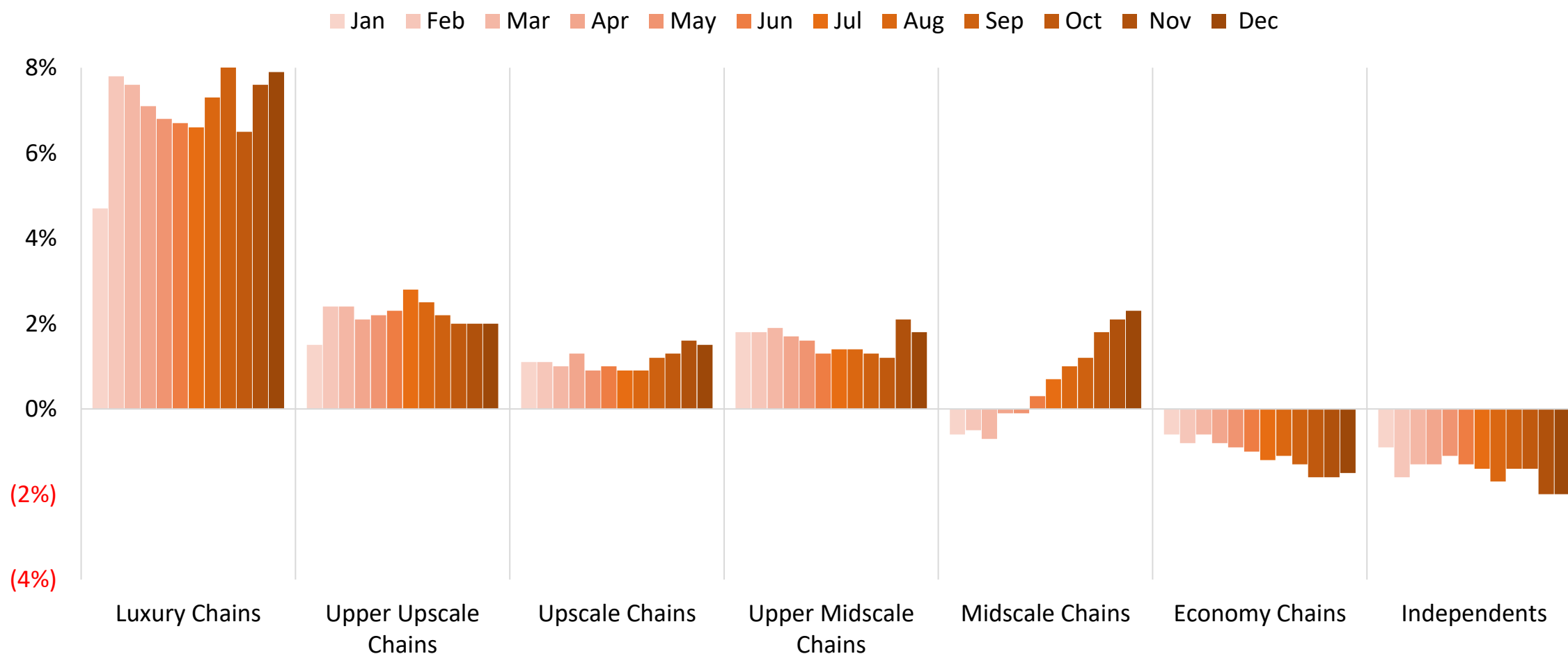


Chains



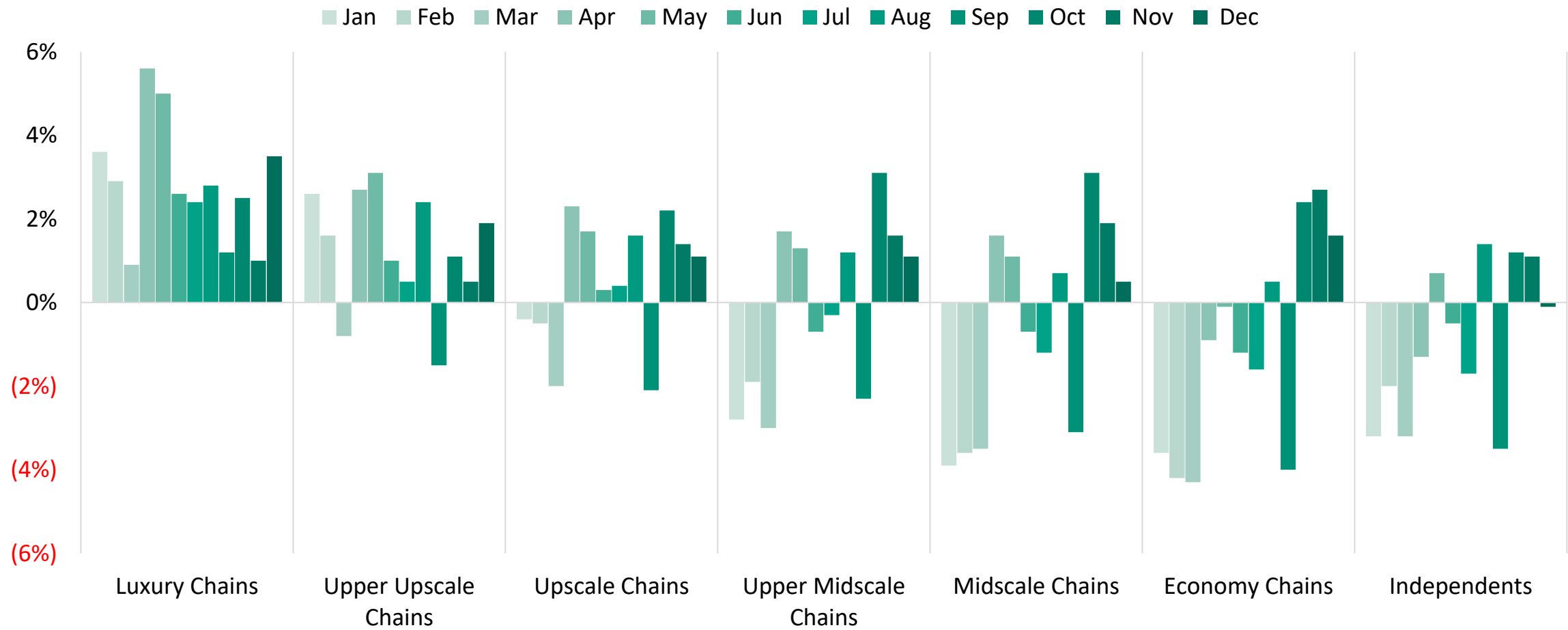
All Chain Scales Increased Supply, Except Economy

U.S., Supply, YoY % change, January – December 2024



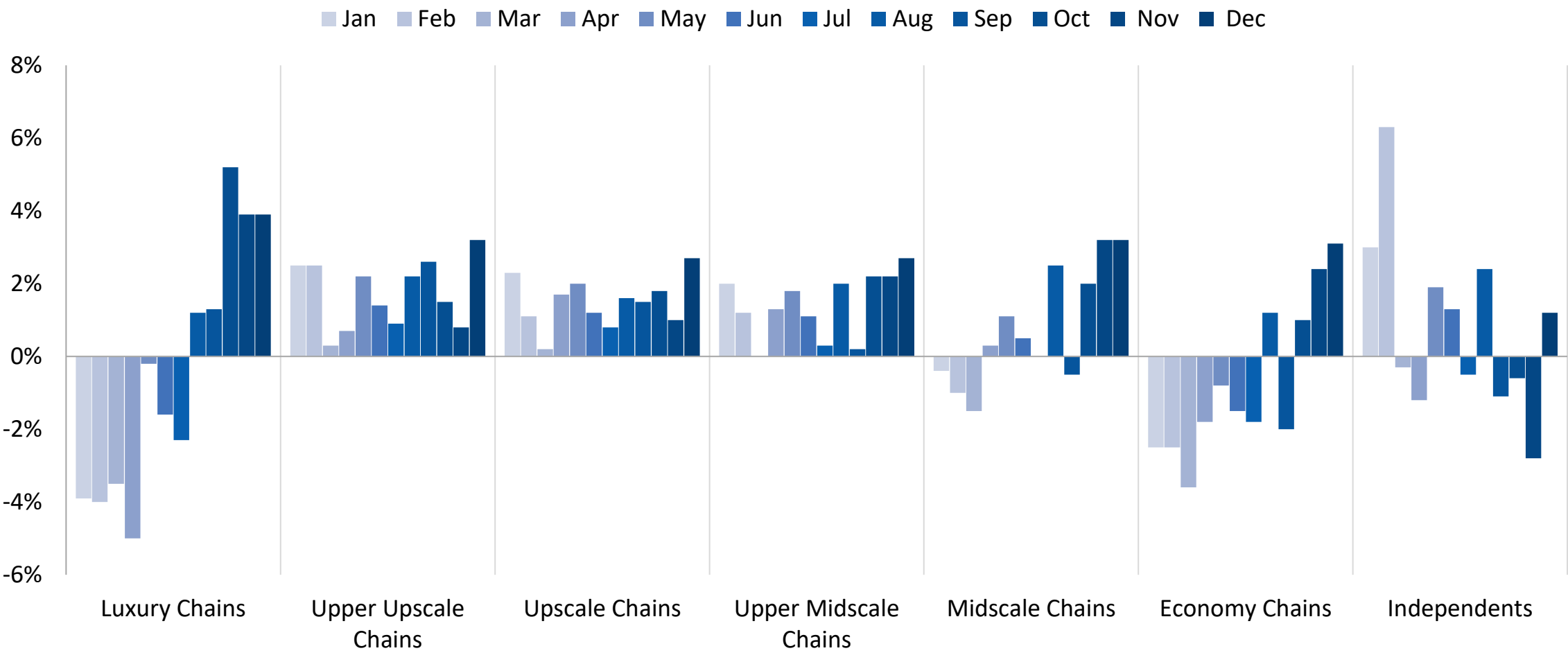
Demand Strongest in Upper Tiers; All Chains Increased Demand in Q4

U.S., Occupancy YoY % change, January – December 2024



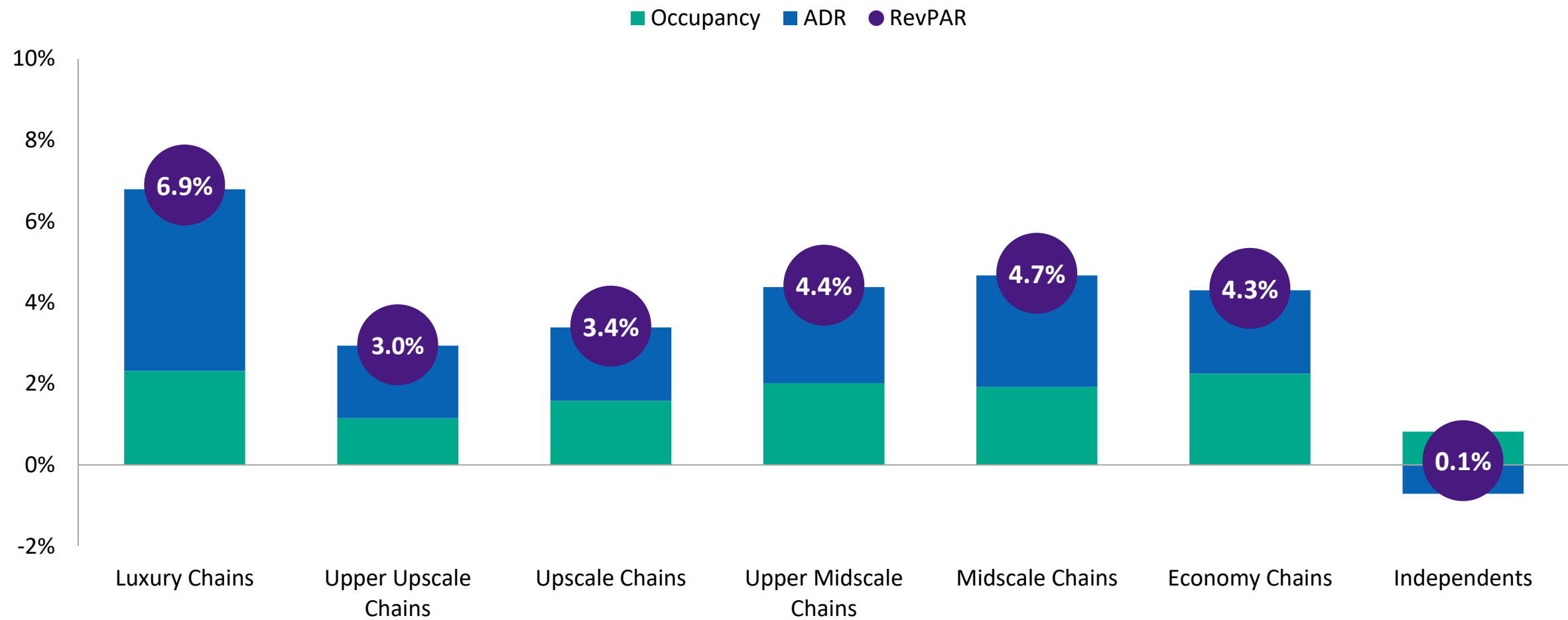
All Chains Increased ADR in '24, Strongest Growth in Q4

U.S., ADR YoY % change, January – December 2024



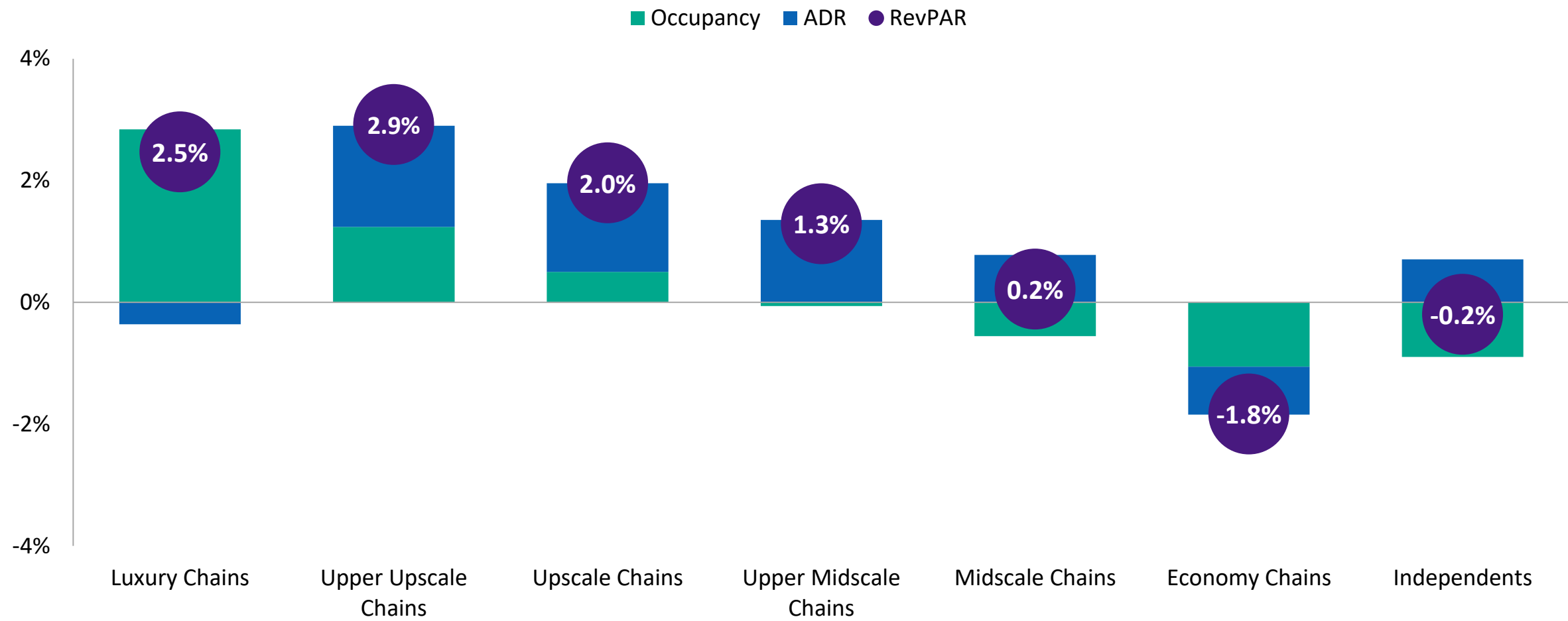
Q4 Strong Across All Chain Scales

U.S., KPI % change, YoY, Q4 2024



YTD Performance Remained Bifurcated

U.S., KPI % change, YoY, Full-Year 2024



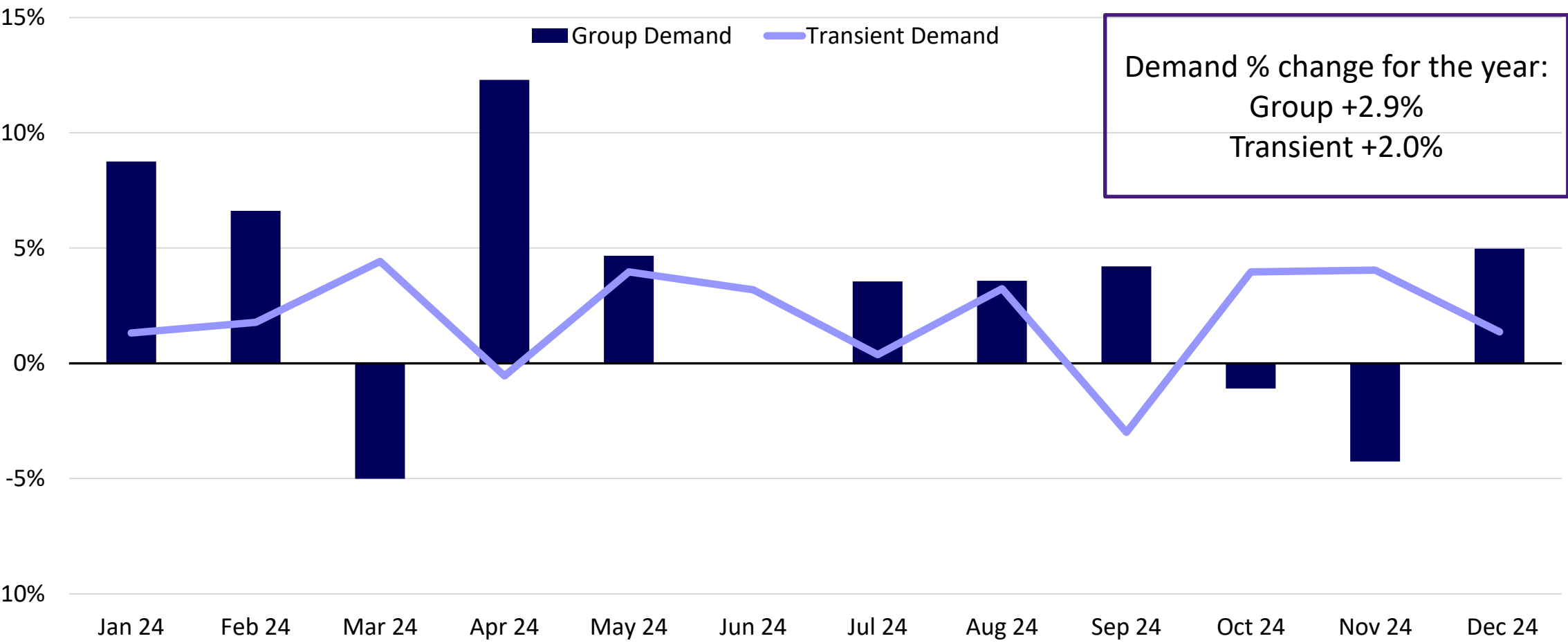


Segmentation



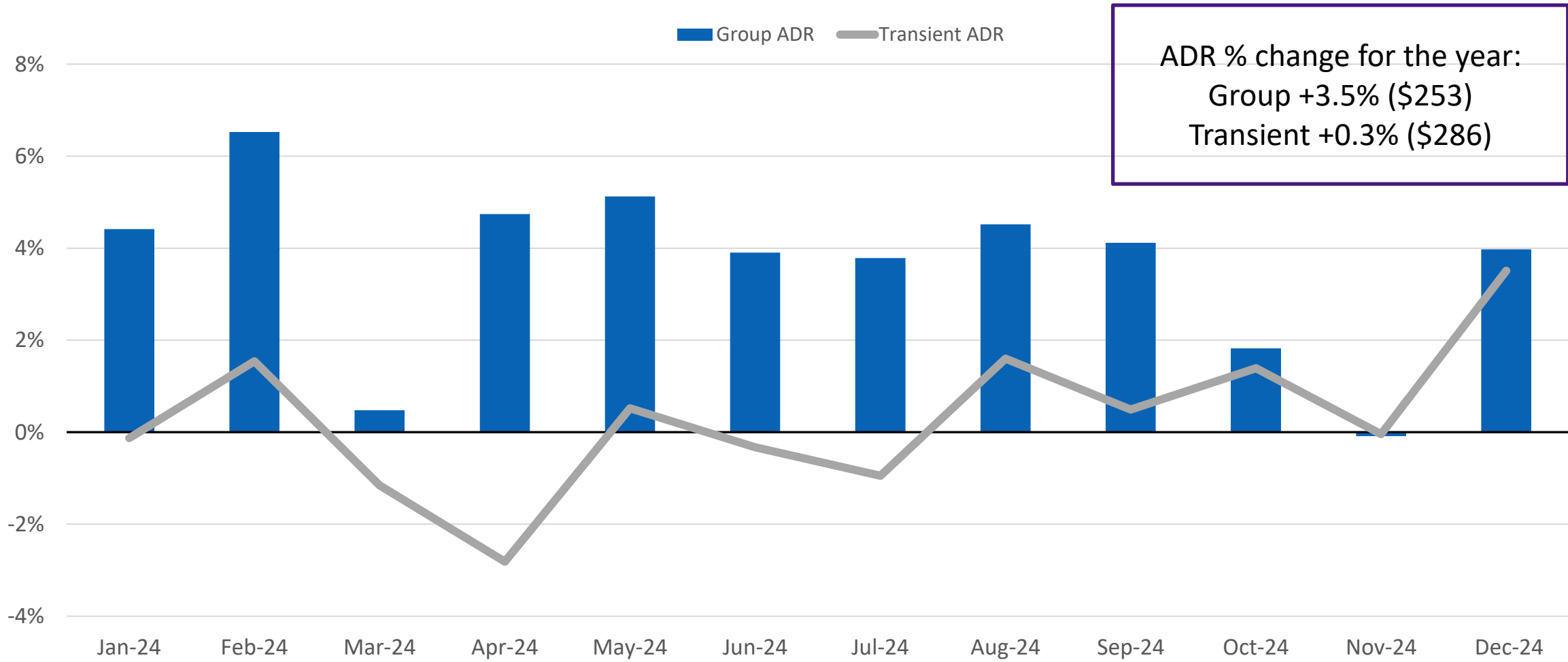
Strong Group with Expected Monthly Patterns; Transient Slow but Steady

U.S., Luxury & Upper Upscale classes, demand % change YoY



Group ADR Increase Most Months; Transient ADR Flat for the Year

U.S., Luxury & Upper Upscale classes, ADR % change YoY



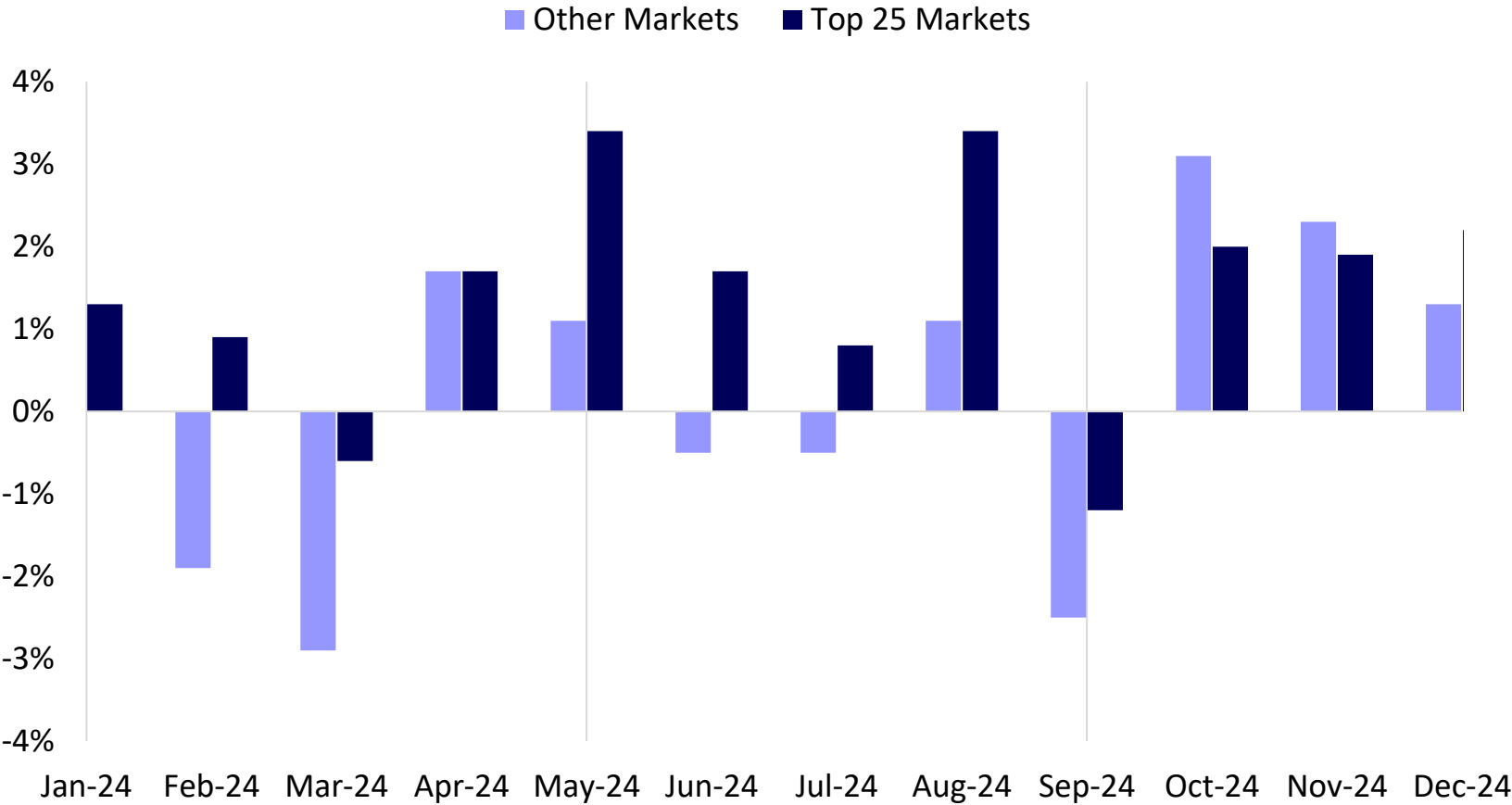
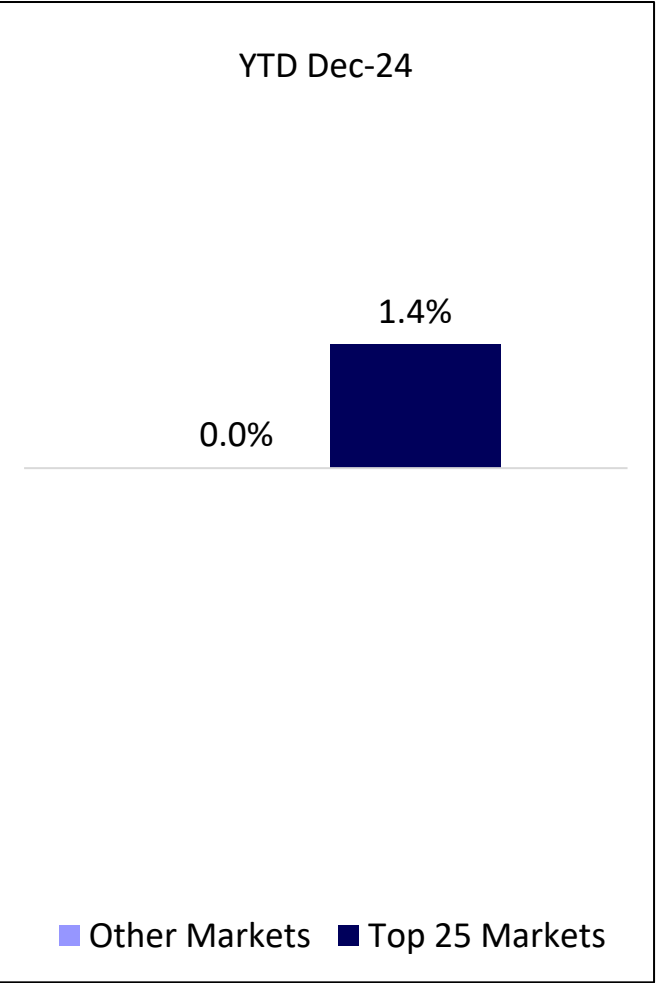


Markets



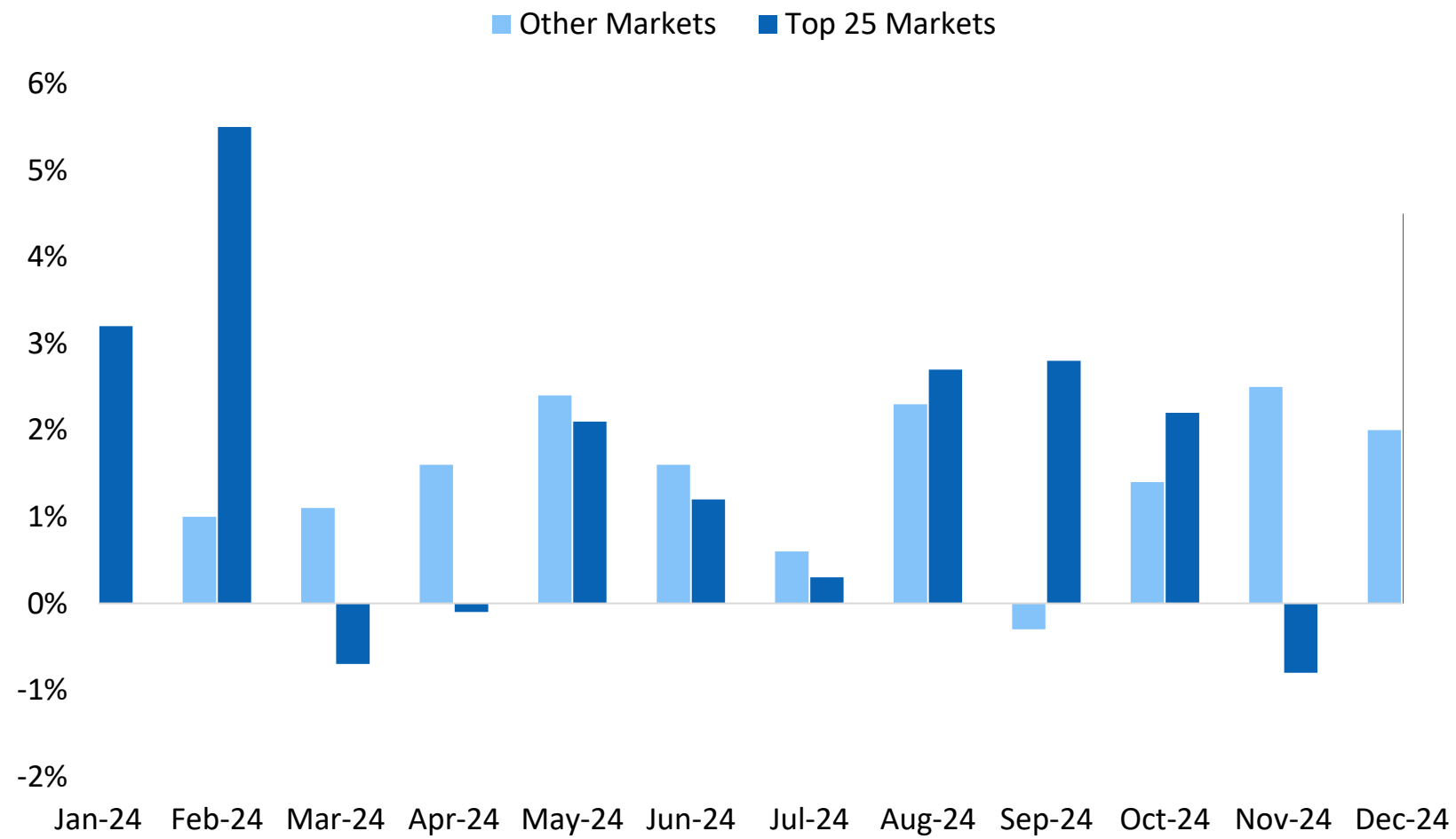
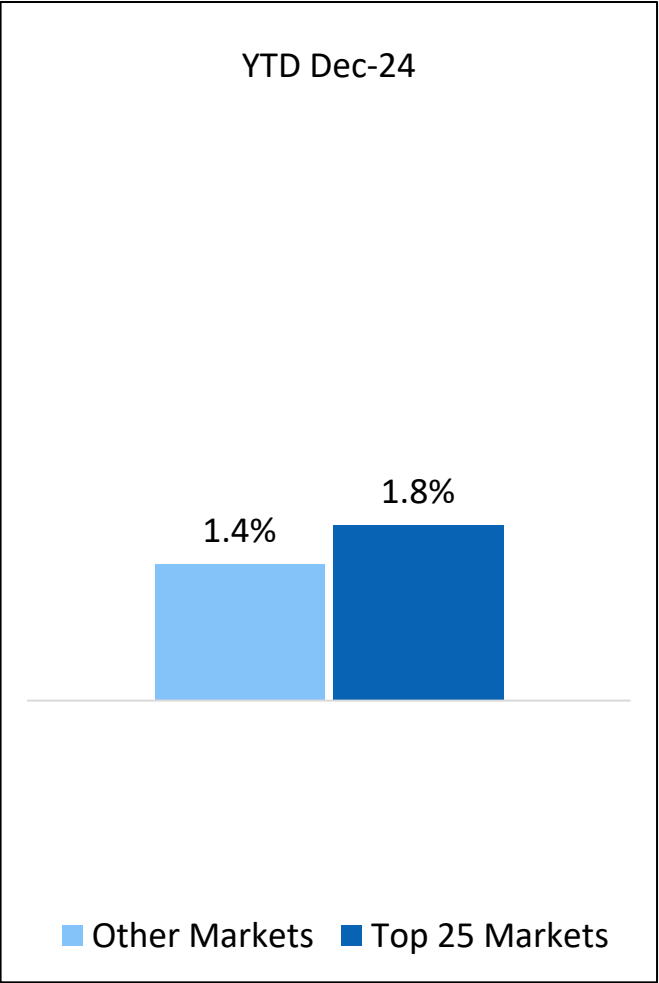
Top 25 Market Demand Strong All Yr; Others Grew as year Progressed

U.S., Demand, YoY % change



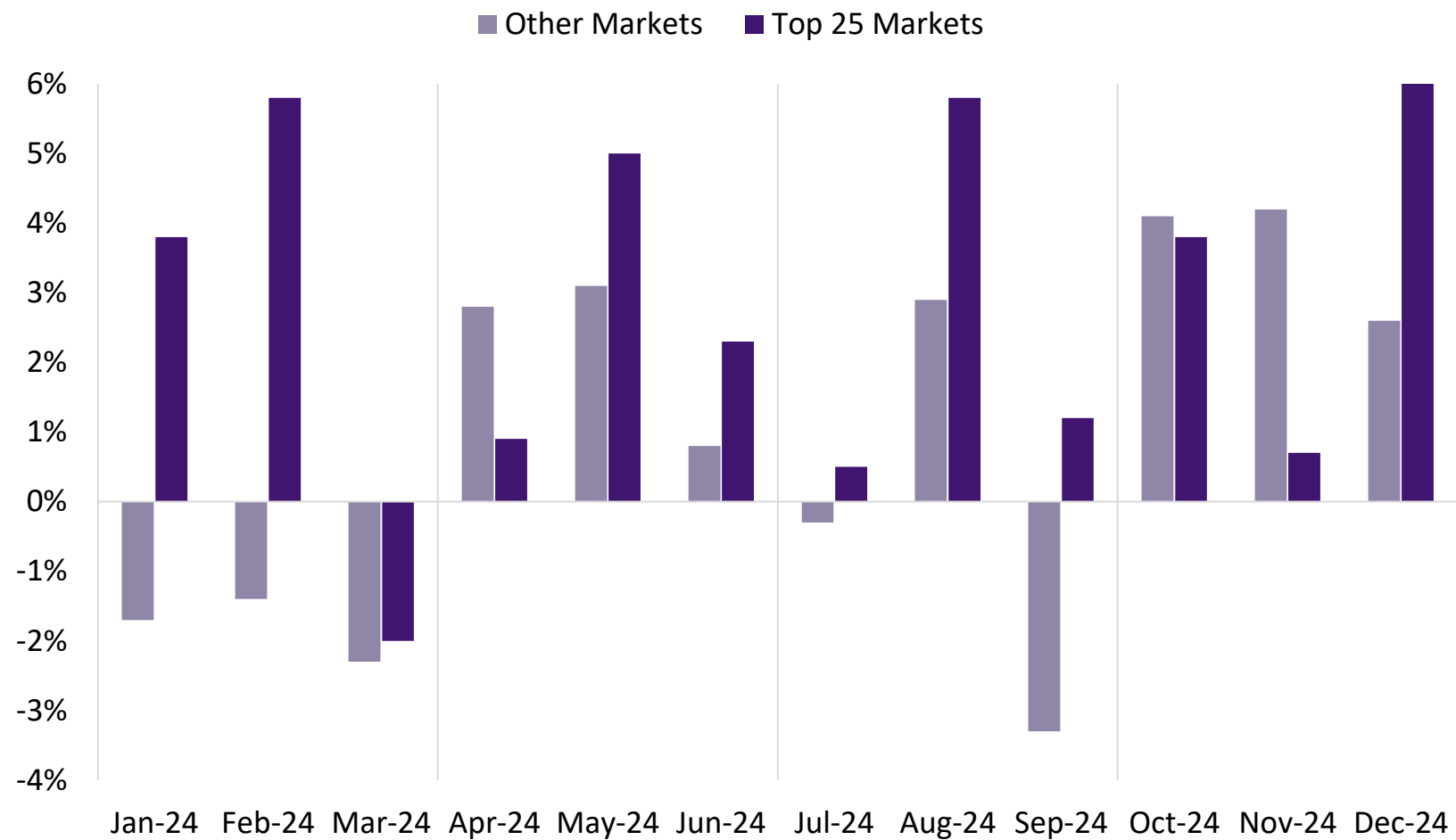
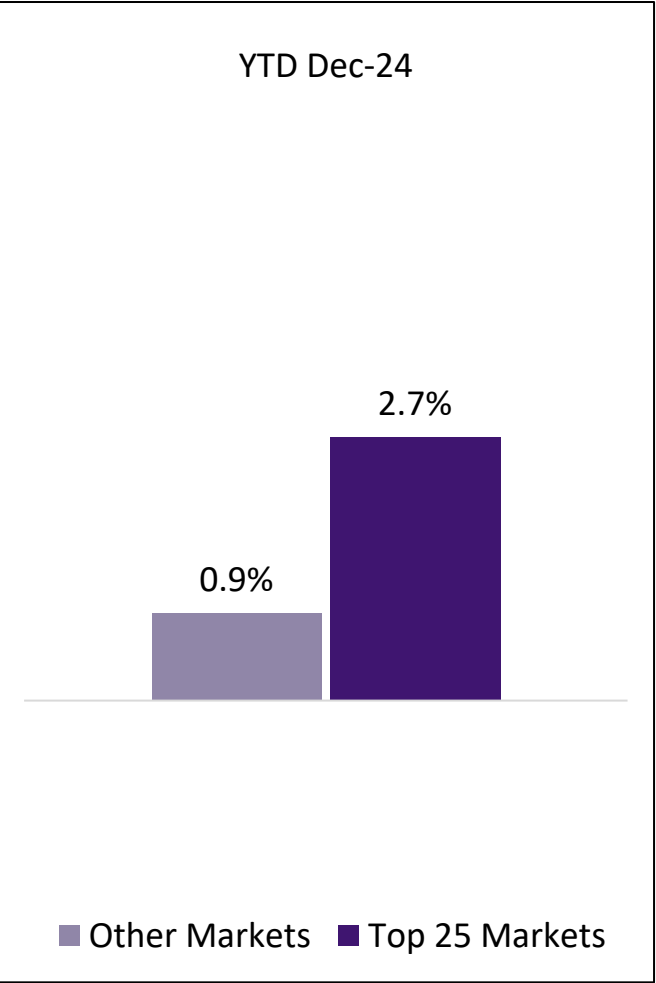
Generally Positive ADR Changes All Year; Top 25 Slightly Stronger

U.S., ADR, YoY % change



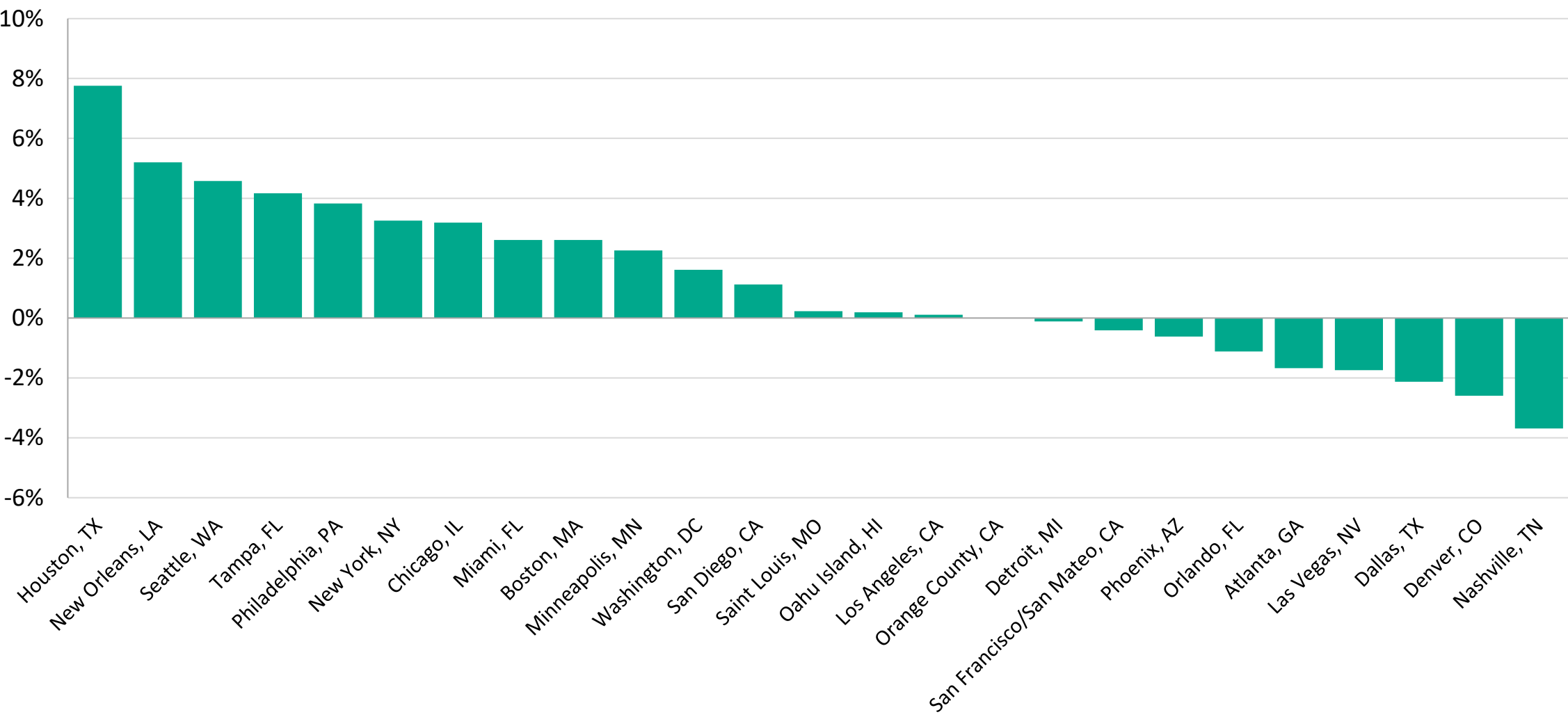
Top 25 Markets Ruled YTD RevPAR Growth

U.S., RevPAR, YoY % change



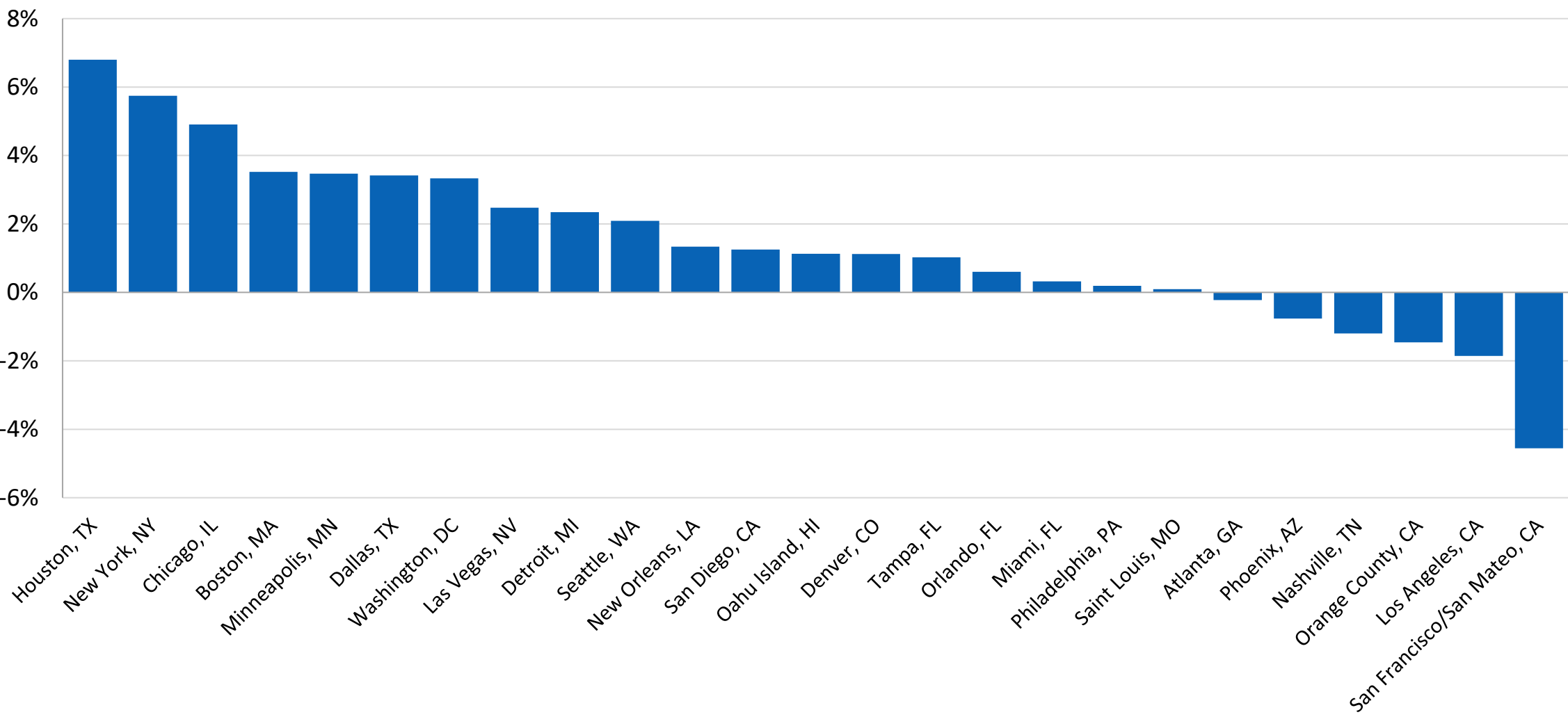
Hurricanes, Events and Calendar Shifts Impacted Markets

Top 25 Markets, Occupancy YoY % change, Full-Year 2024



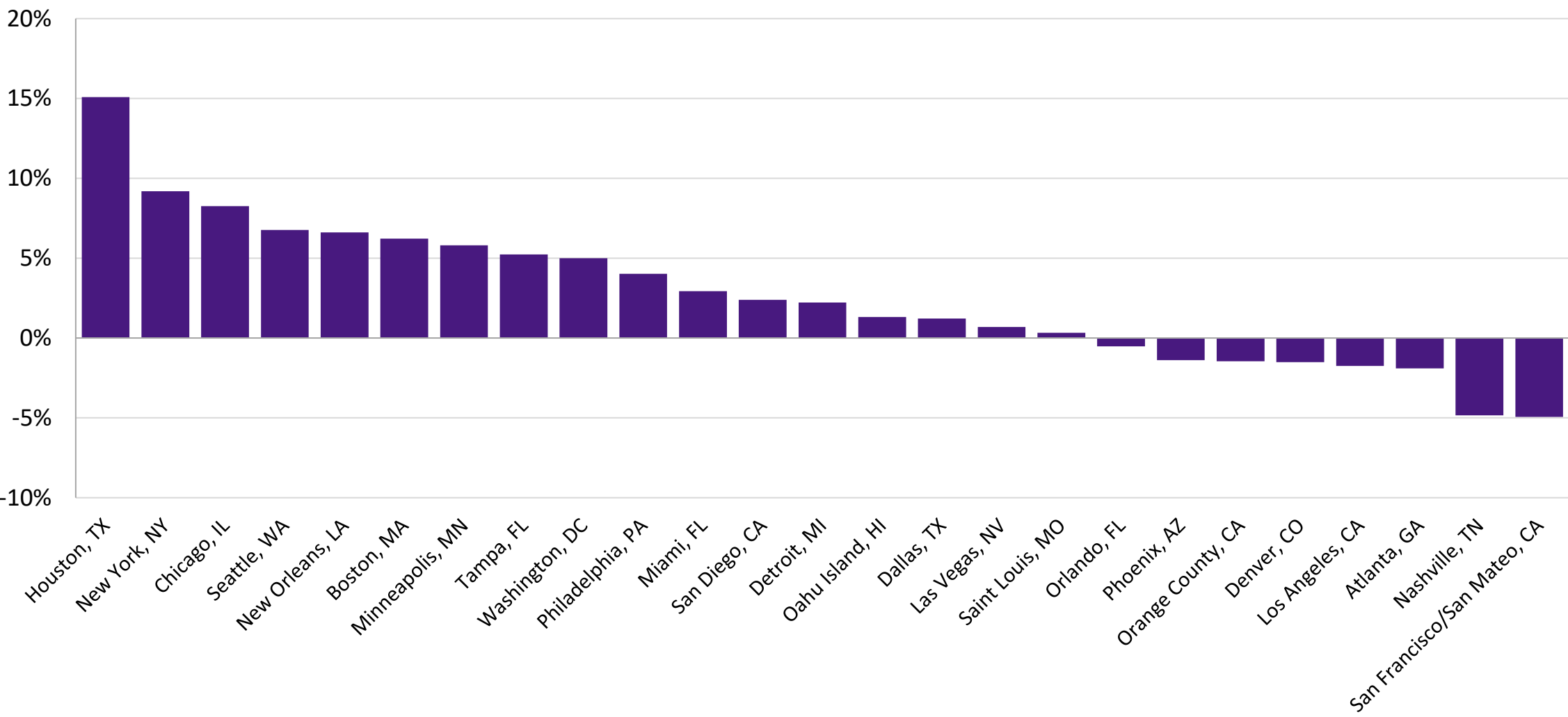
Hurricanes, Events and Calendar Shifts Impacted Markets

Top 25 Markets, ADR YoY % change, Full-Year 2024



Houston and New York City Post Greatest RevPAR Gains

Top 25 Markets, RevPAR YoY % change, Full-Year 2024





Pipeline



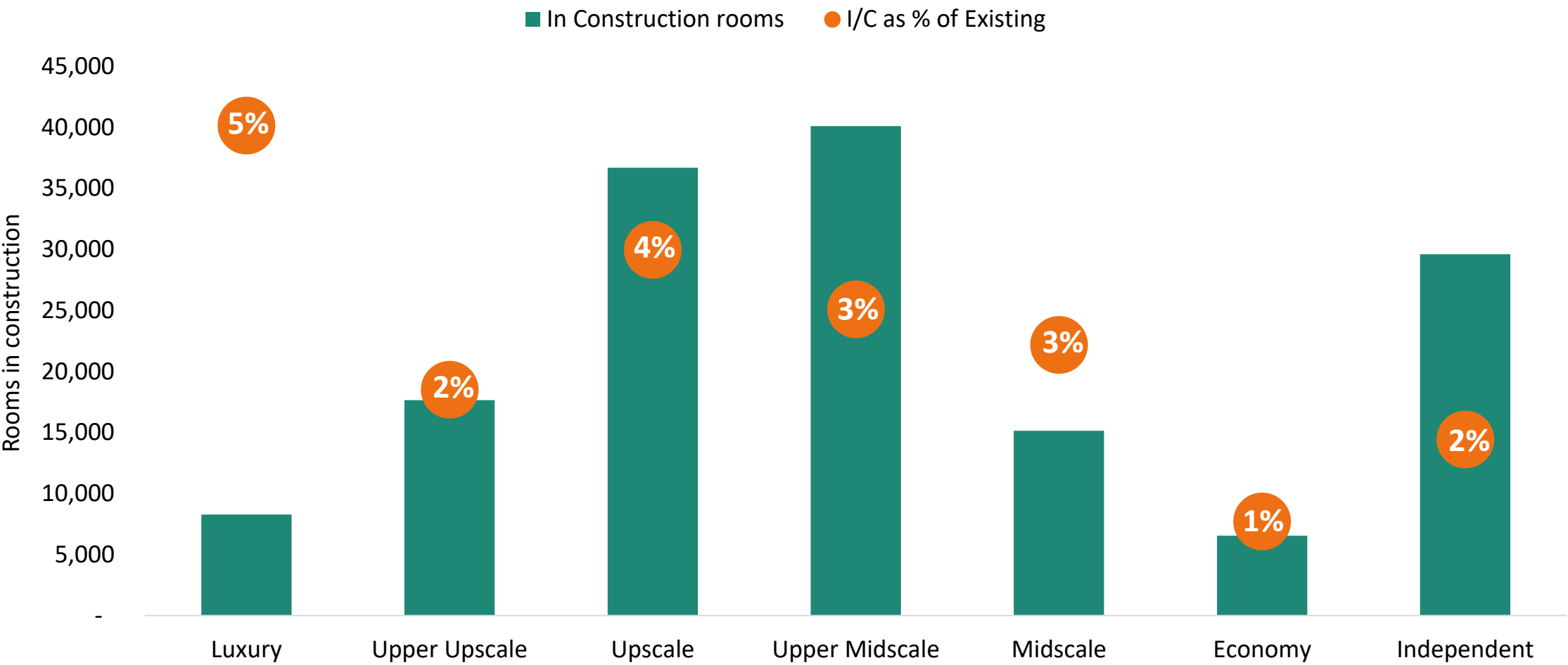
Construction Slows but Planning Grows

U.S., Pipeline rooms in thousands by phase, December 2024 and 2023

Phase	2024	2023	% Change
In Construction	154	152	+1.3%
Final Planning	266	255	+4.3%
Planning	348	319	+9.1%
Under Contract	768	726	+5.8%

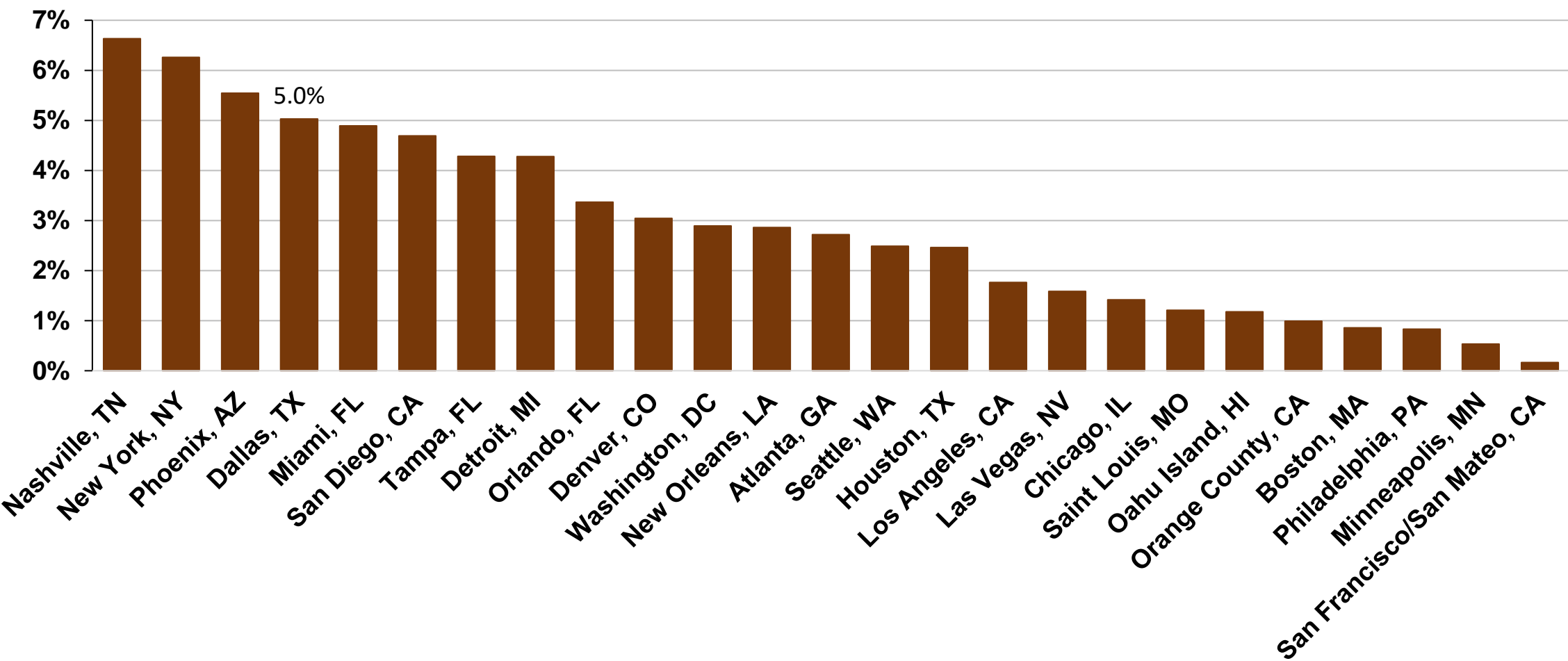
Select-Service Continues to Dominate the Pipeline

U.S., rooms in construction by chain scale, December 2024



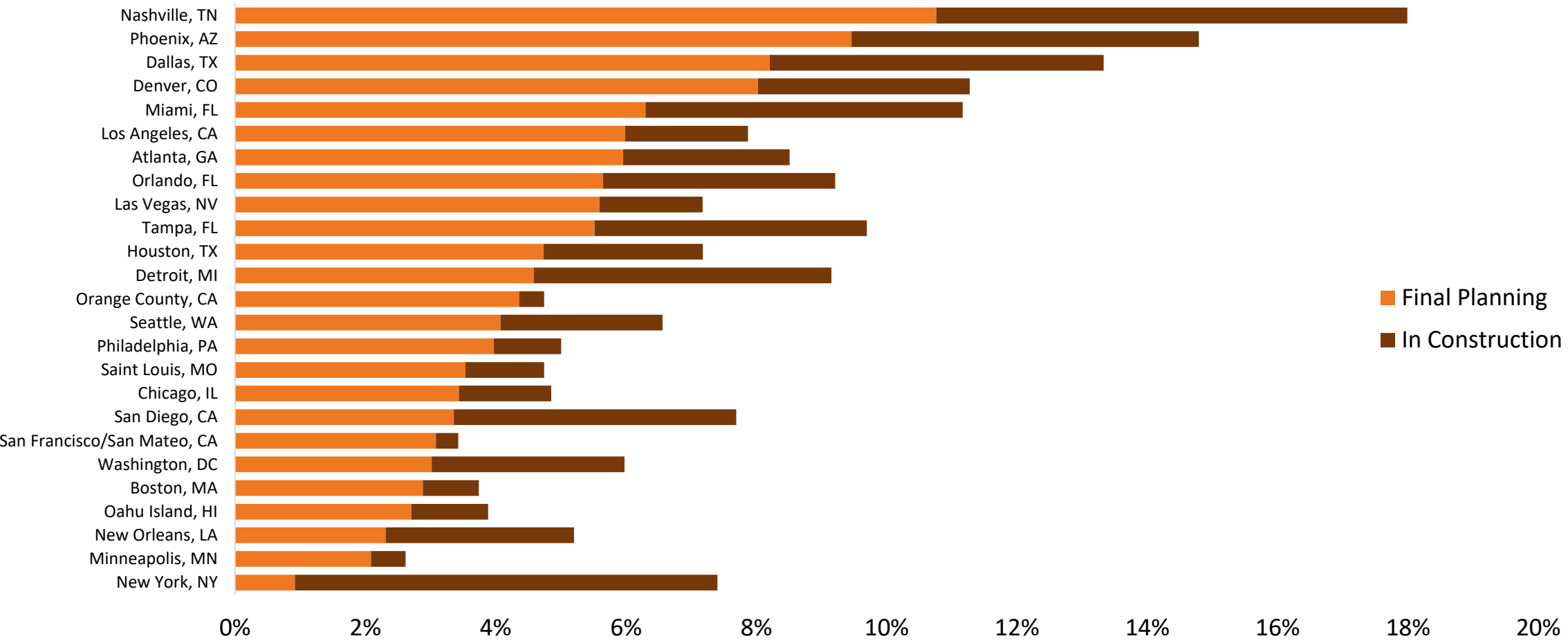
Nashville and NYC Lead In Construction

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



Nashville, Phoenix, Dallas on Top for Final Planning

Top 25 Markets, pipeline as percent of existing supply, December 2024



Source: STR. © 2022 CoStar Group

Source: STR. © 2024 CoStar Group



Forecast

Released 28-January 2025





U.S. Hotel Forecast

YoY – year over year (% change)

	2024 (actual)	2025 (forecast)	2026 (forecast)
Supply (YoY)	+0.5%	+0.9%	+1.3%
Demand (YoY)	+0.5%	+1.1%	+1.4%
Occupancy	63.0%	63.1%	63.1%
ADR (YoY)	+1.7%	+1.6%	+2.0%
RevPAR (YoY)	+1.8%	+1.8%	+2.1%



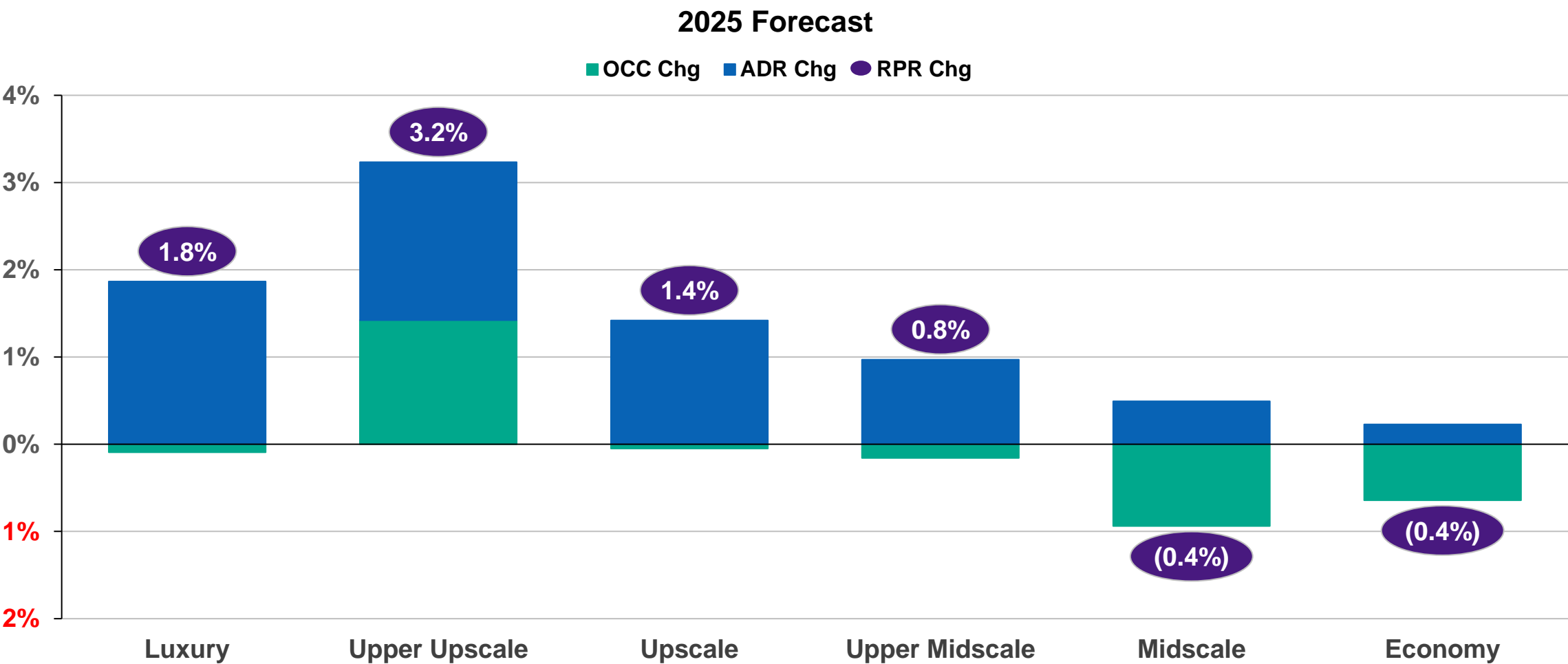
2025 U.S. Hotel Industry Forecast

Chain Scales, YoY – year over year (% change)

	Luxury	Upper Upscale	Upscale	Upper Midscale	Midscale	Economy
Occupancy	68.2%	69.4%	69.7%	65.8%	57.9%	54.6%
Demand (YoY)	+3.8%	+2.0%	+2.1%	+1.8%	-0.1%	-0.6%
ADR (YoY)	+2.2%	+1.9%	+1.5%	+1.2%	+0.7%	+0.1%
RevPAR (YoY)	+2.9%	+3.0%	+1.6%	+0.9%	-0.7%	+0.3%

Upper Tier Brands to Drive RevPAR Growth

U.S. chain scale forecast, November 2024 update





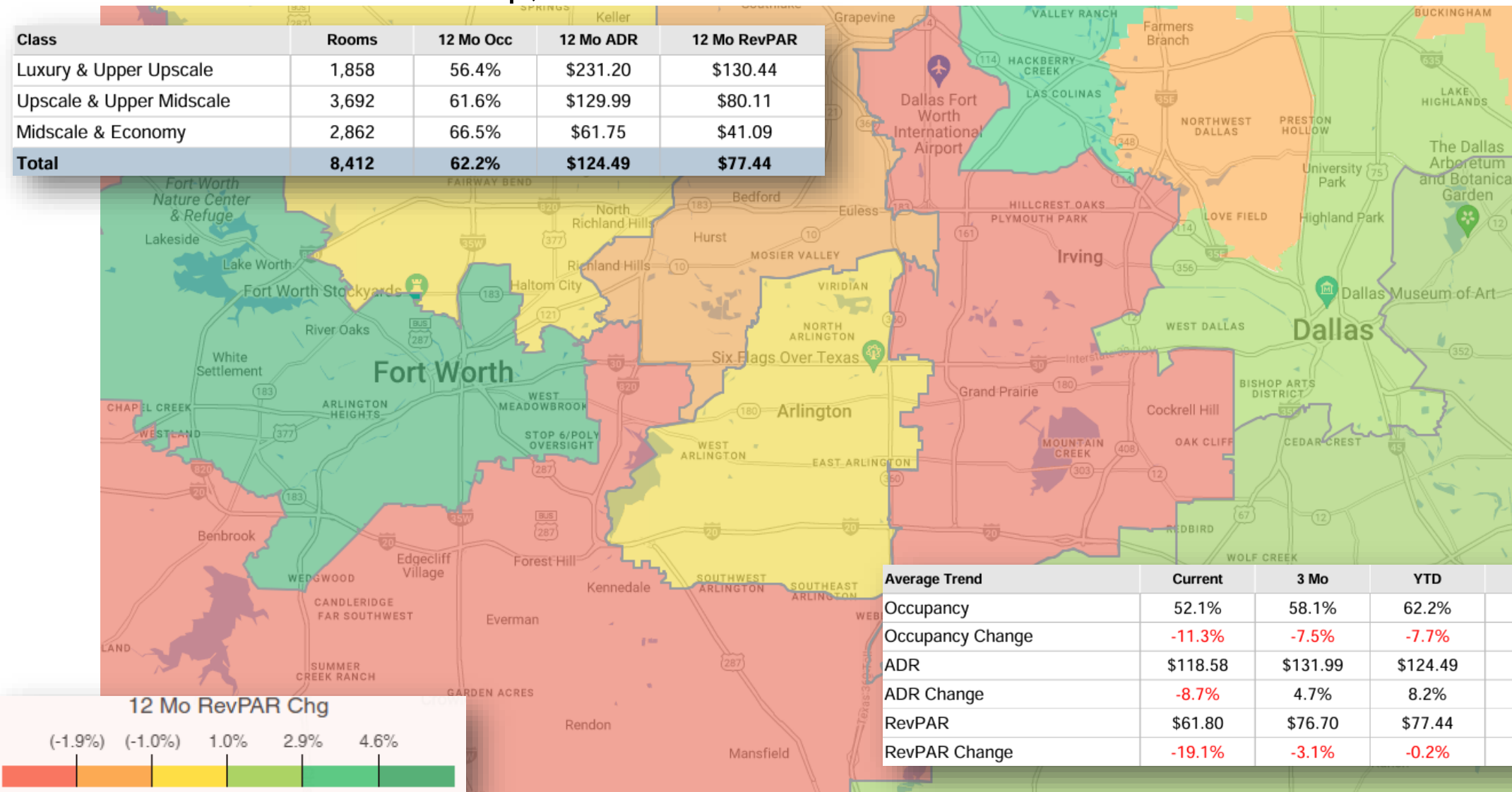
Arlington & The Metroplex

Analysis + Forecast



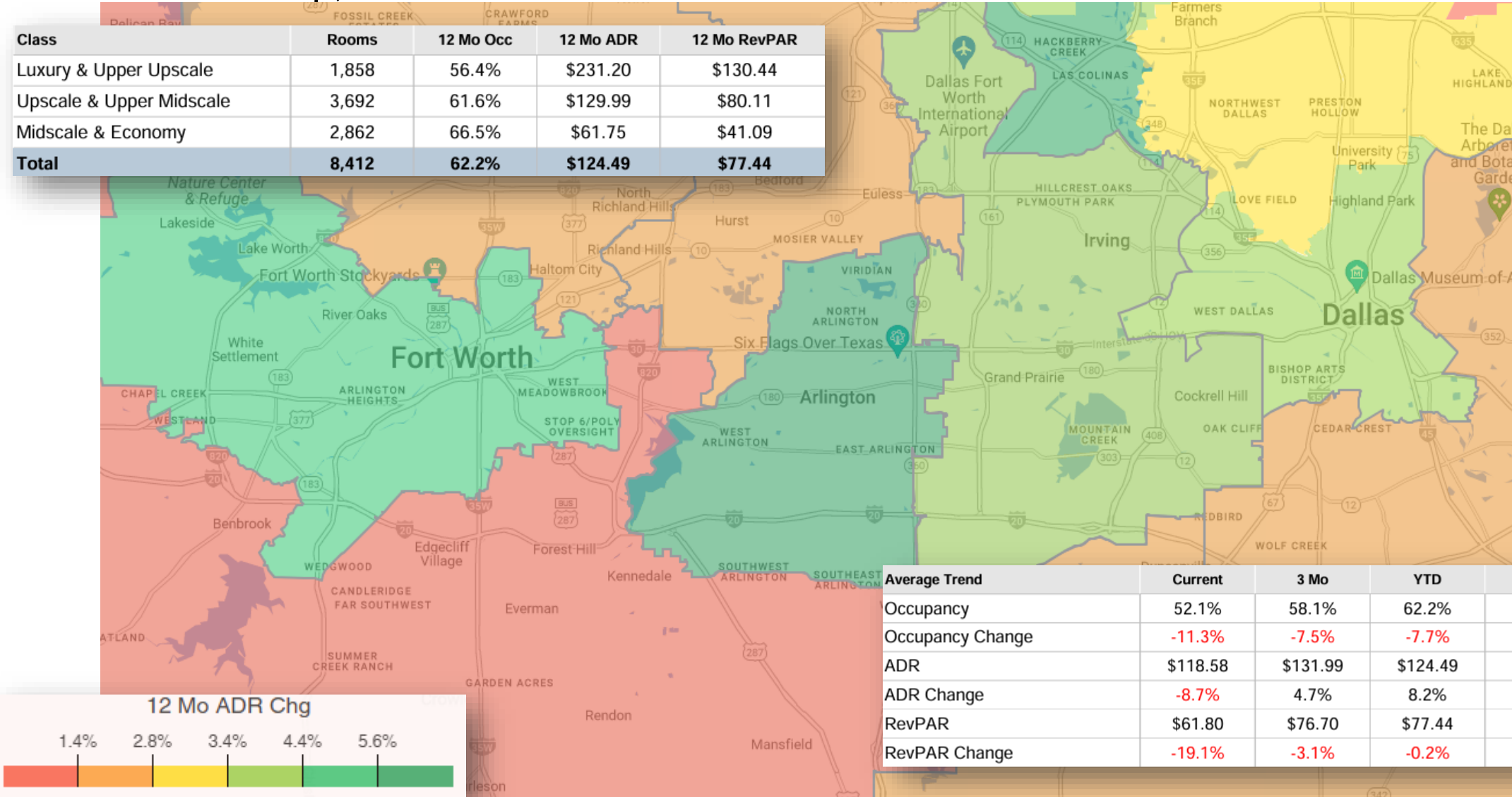
Arlington Submarket Snapshot

R12 RevPAR Growth Heat Map, December 2024



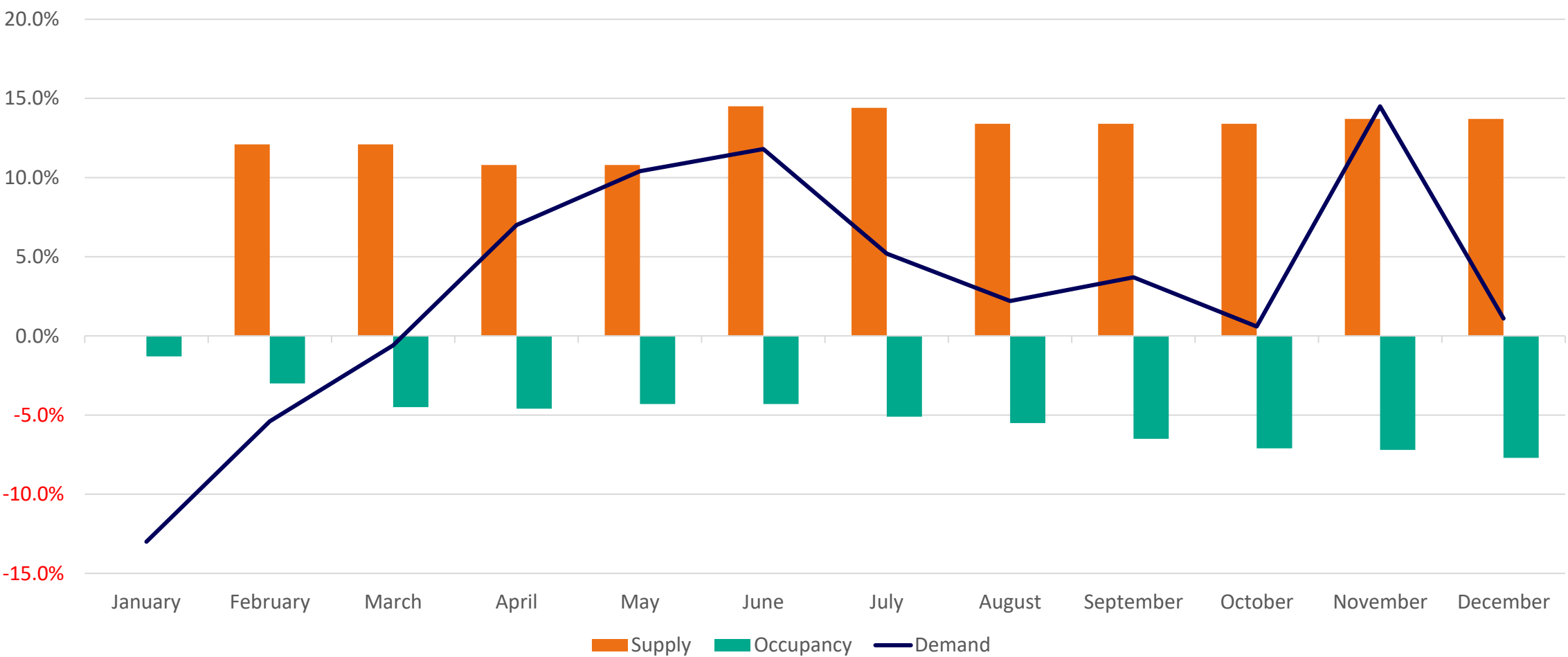
Arlington Submarket Snapshot

R12 ADR Heat Map, December 2024



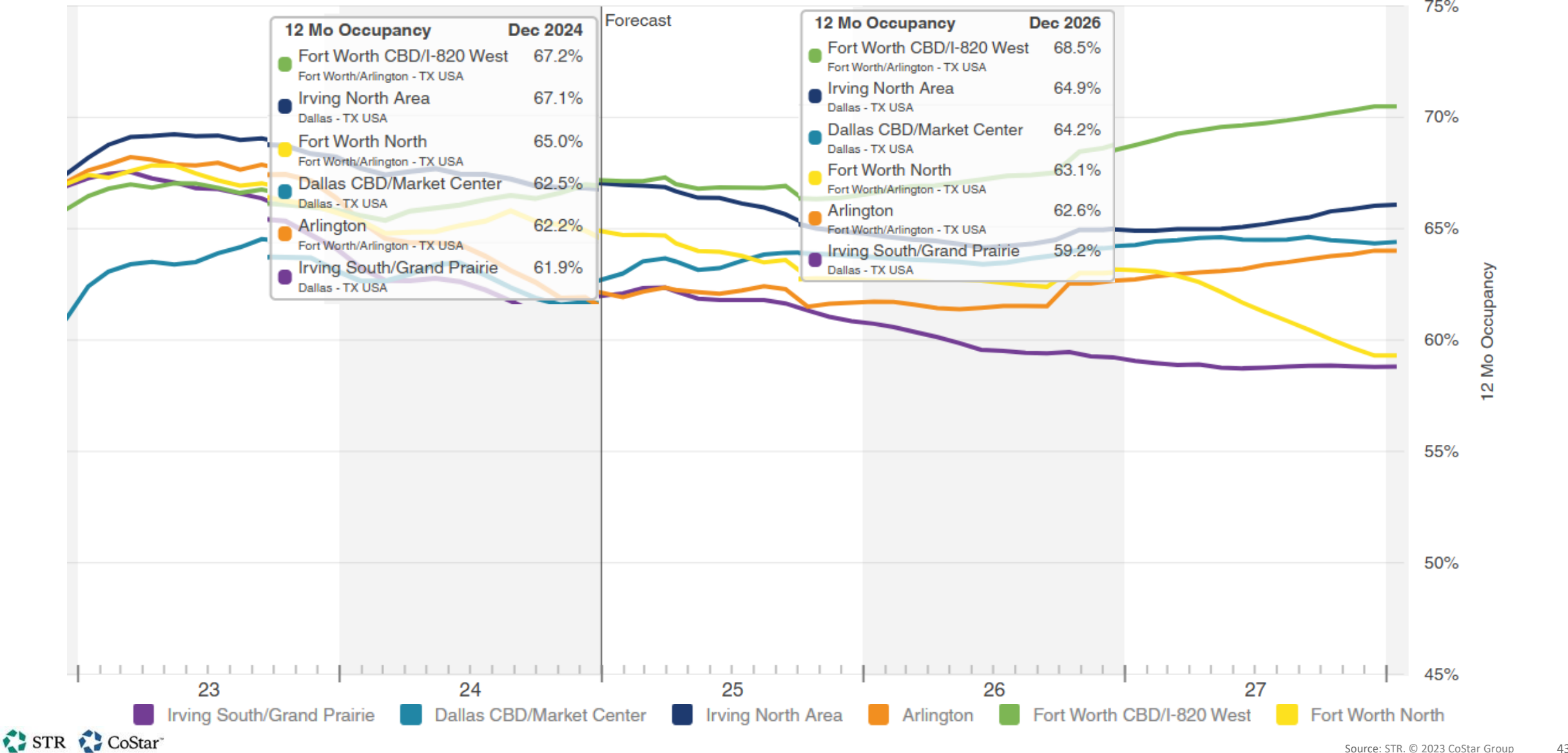
Outsized Supply Growth Tempered Occ, but Demand Remained

Arlington Submarket, Monthly YOY Growth Totals for 2024



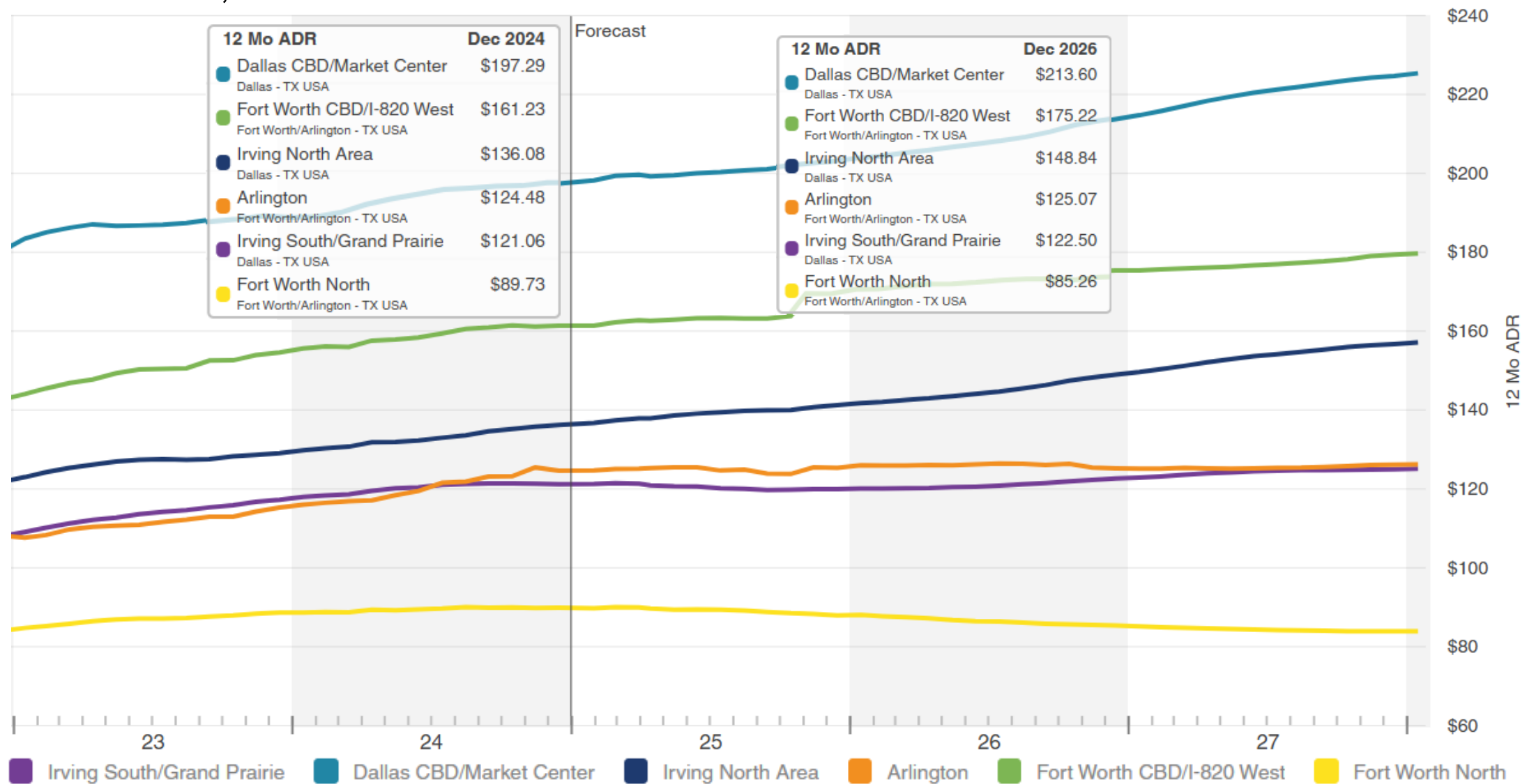
Continued New Supply Will Dampen Occ – For Now

Select Markets, December 2024 R12 Occupancy and Forecast



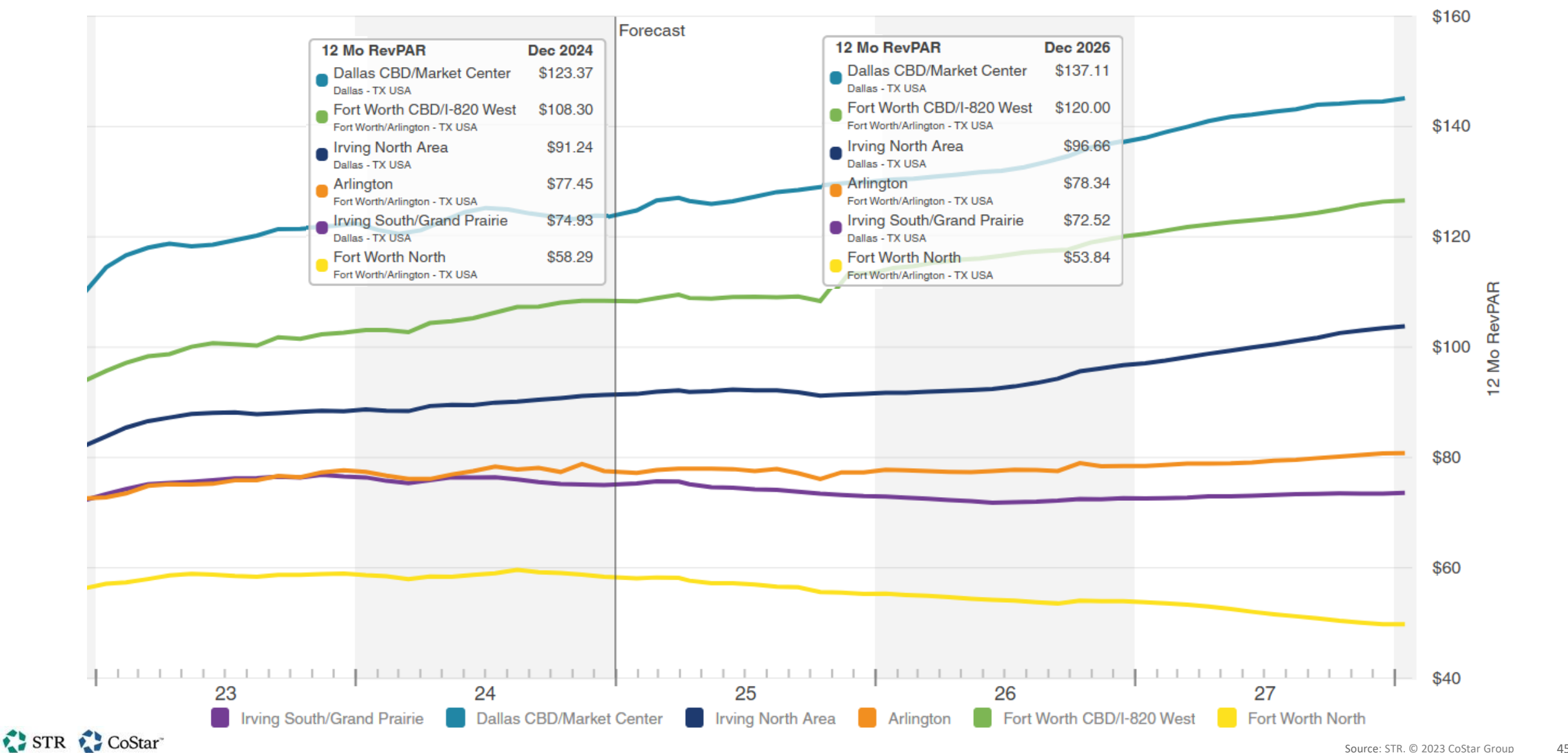
Stable ADR Growth Predicted, Outside CBD Submarkets

Select Markets, December 2024 R12 ADR and Forecast



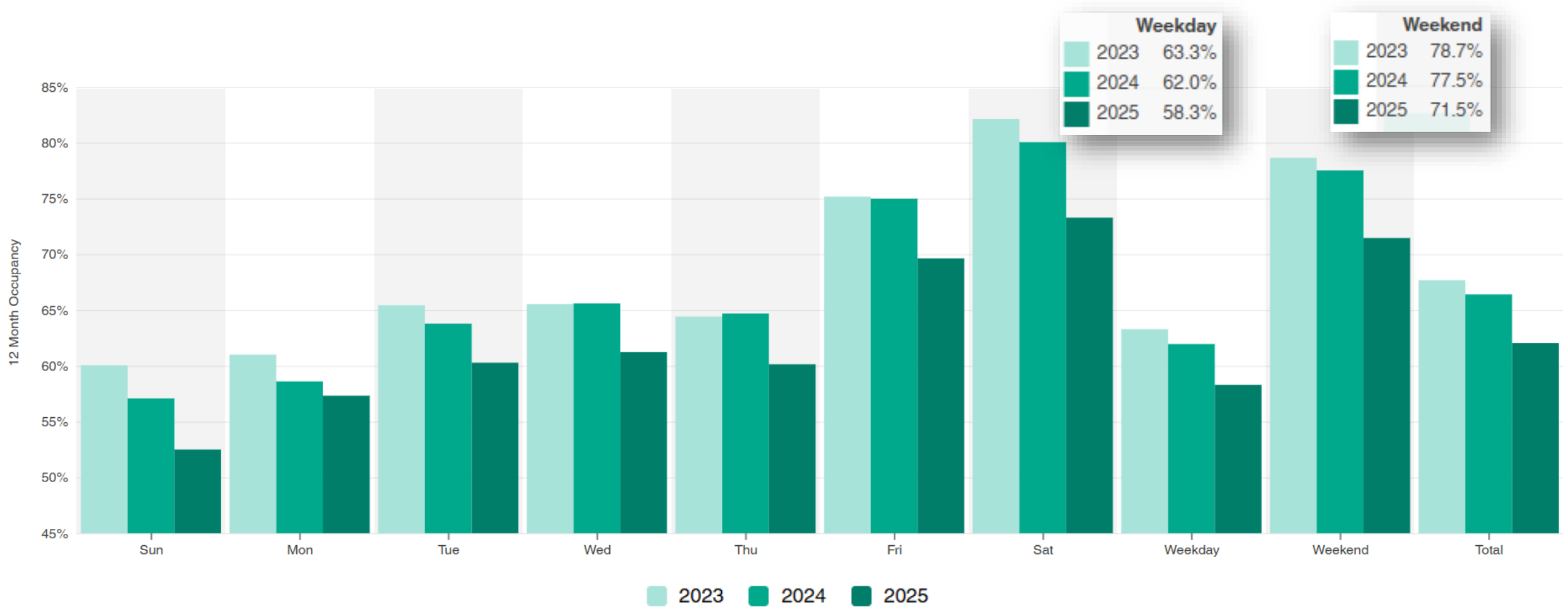
Slow & Steady Growth is the Name of the Game for RevPAR

Select Markets, December 2024 R12 RevPAR and Forecast



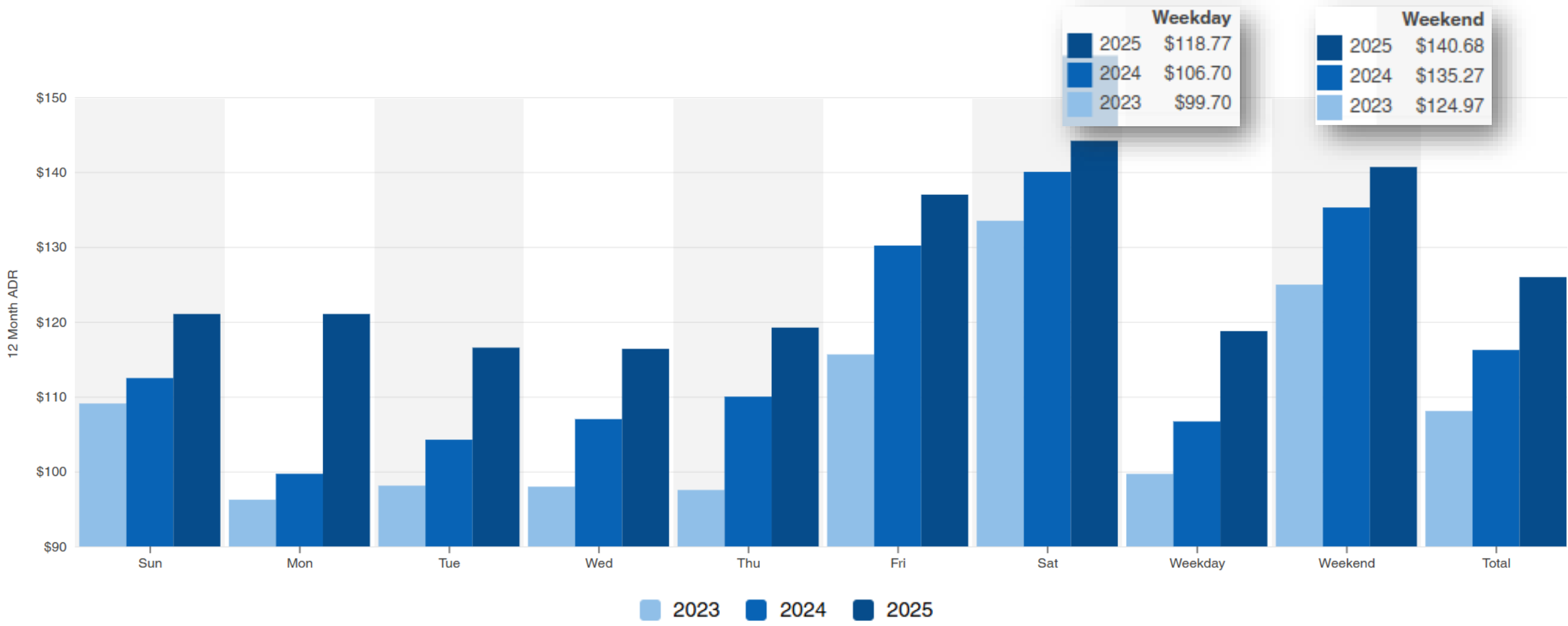
Strong New Supply Has Outsized Effect on Occupancy

Arlington Submarket, R12 Occupancy by Day of Week Feb '24 – Jan '25



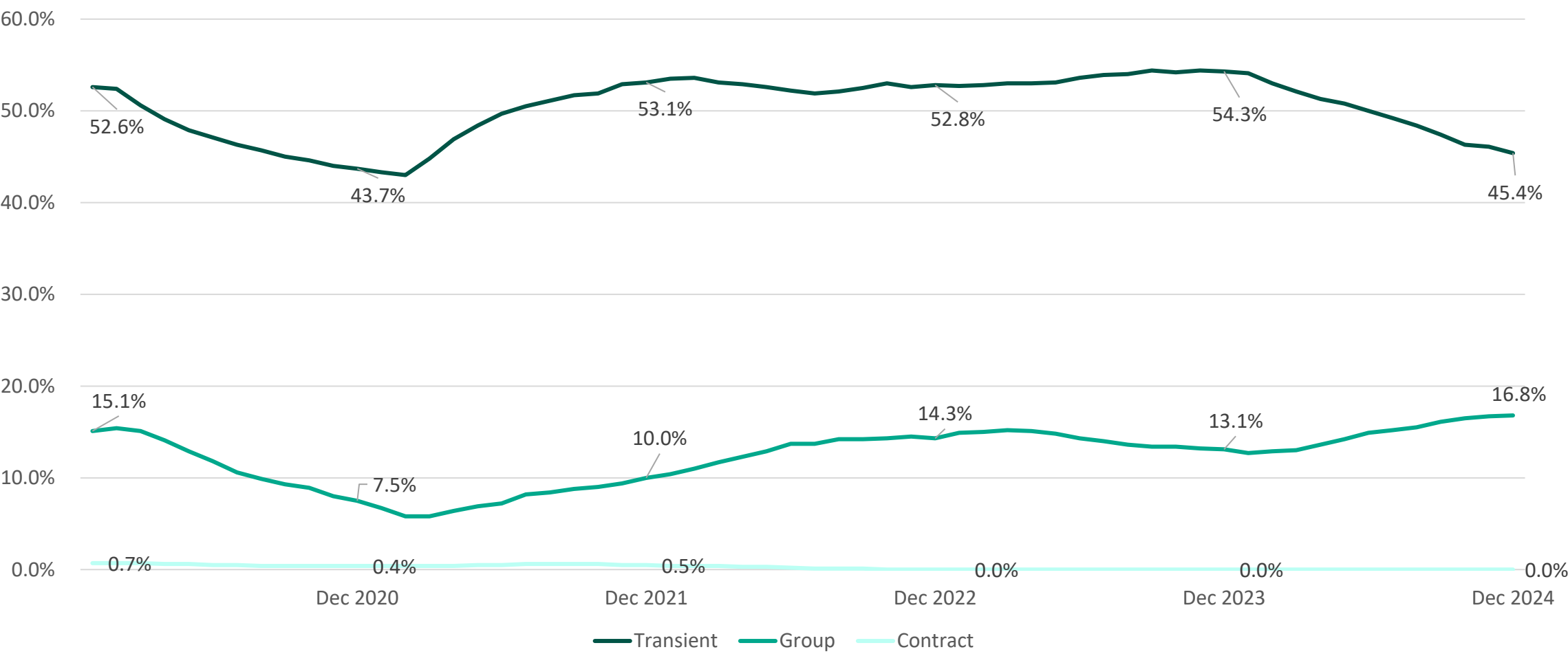
Very Strong Weekday Rate Growth, Group Revival?

Arlington Submarket, R12 ADR by Day of Week Feb '24 – Jan '25



Group Occupancy Began to Close the Gap in 2024

Arlington Submarket, R12 Segmentation Occupancy Jan '20 – Dec '24



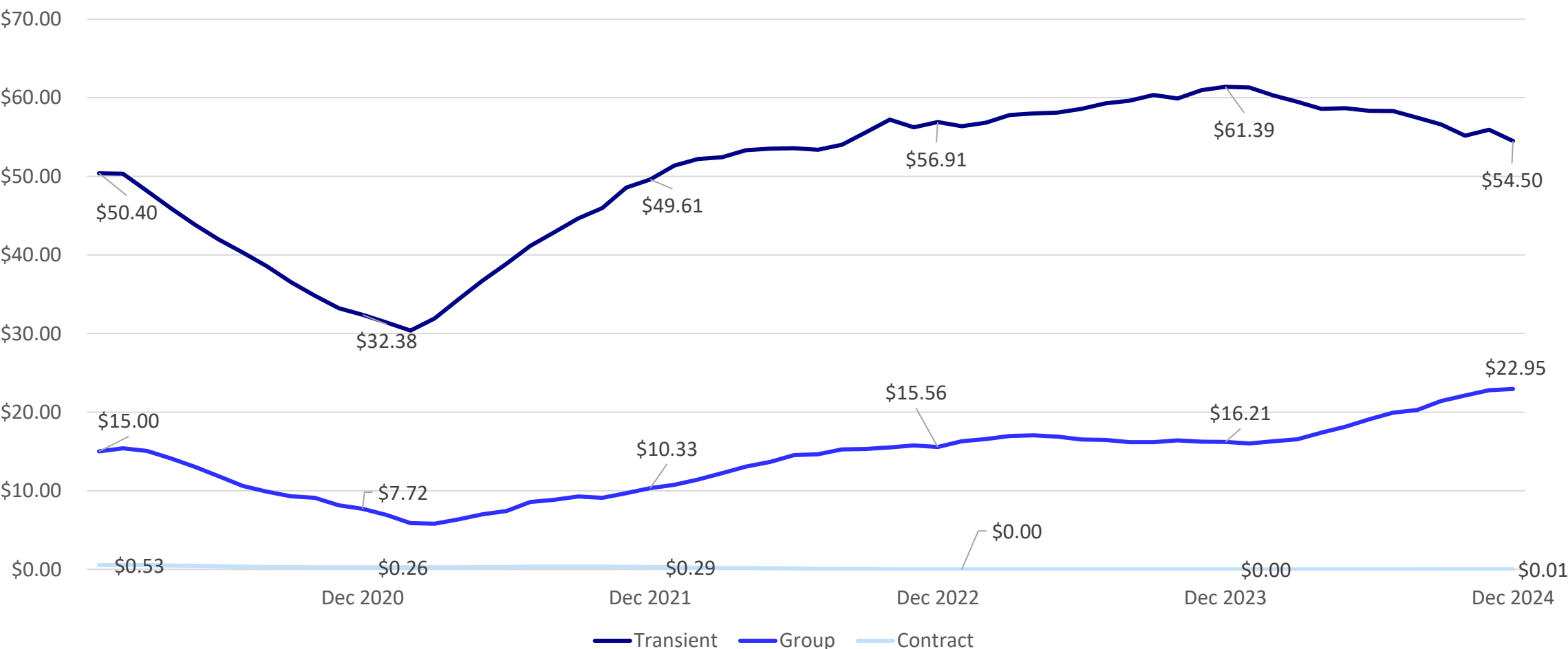
Group Rates Have Risen Faster than Transient Last 2 Yrs

Arlington Submarket, R12 Segmentation ADR Jan '20 – Dec '24



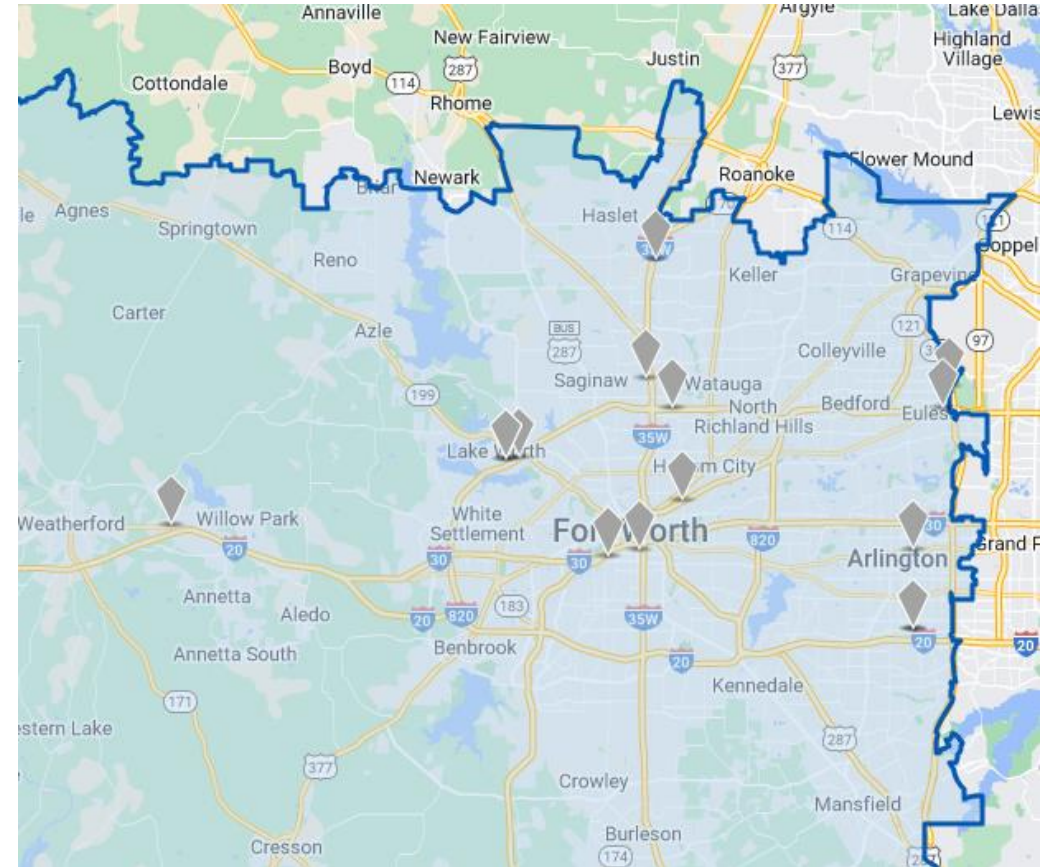
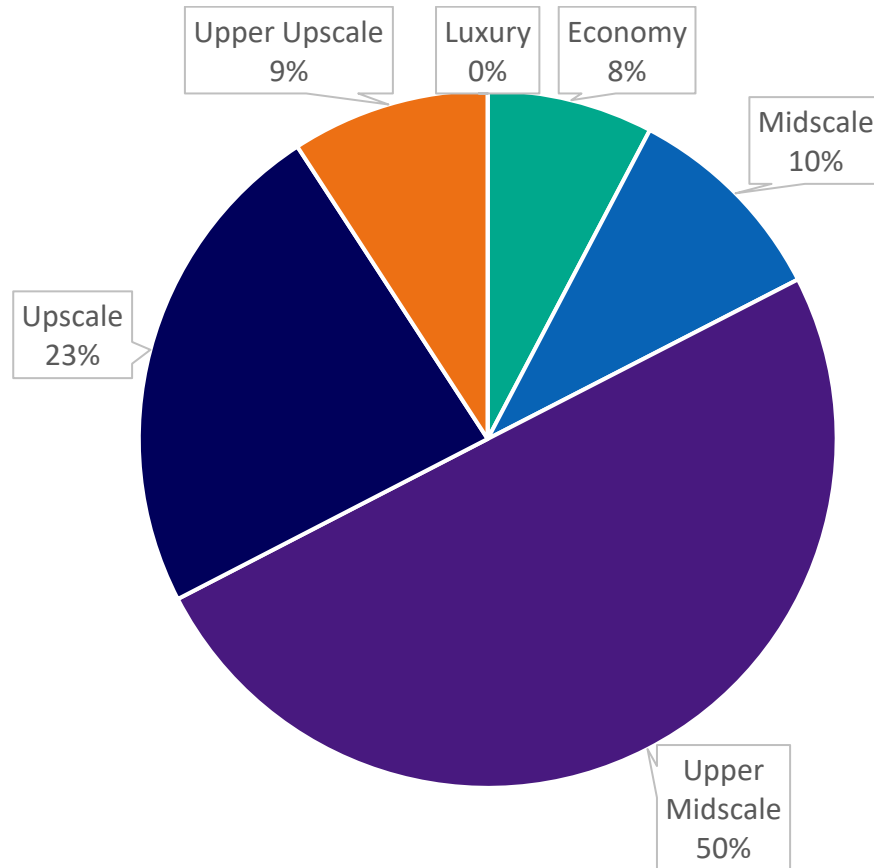
Segmentation RevPAR Trends Mirror Segmentation Occ

Arlington Submarket, R12 Segmentation RevPAR Jan '20 – Dec '24

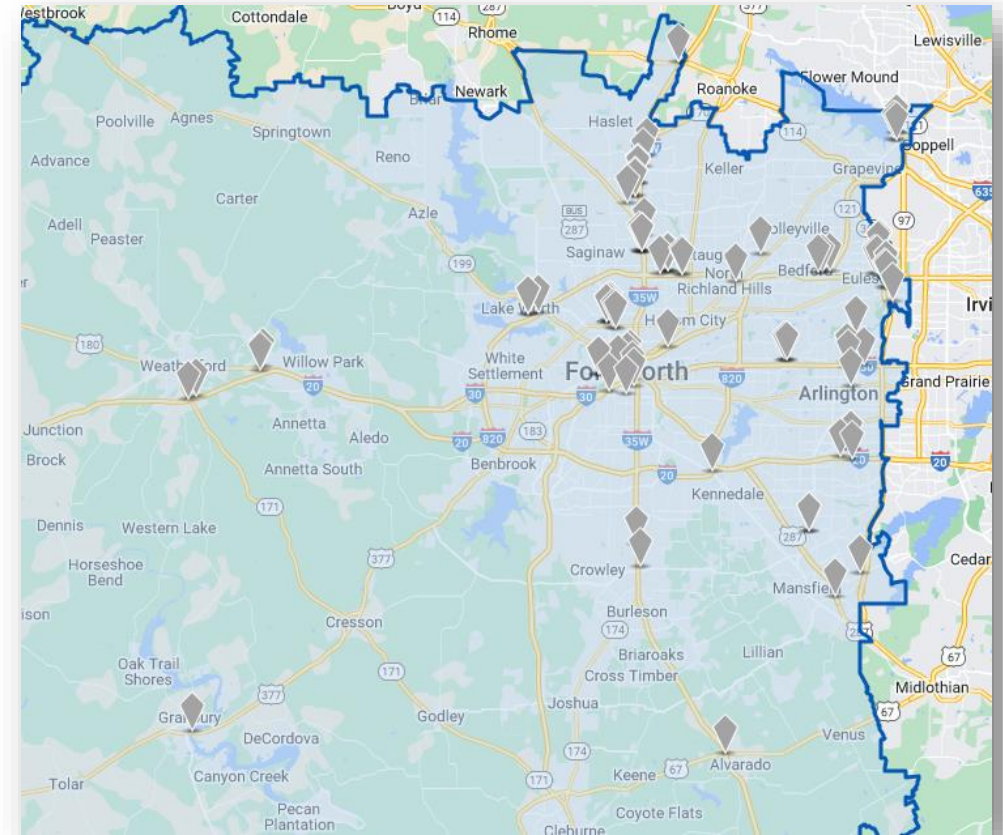
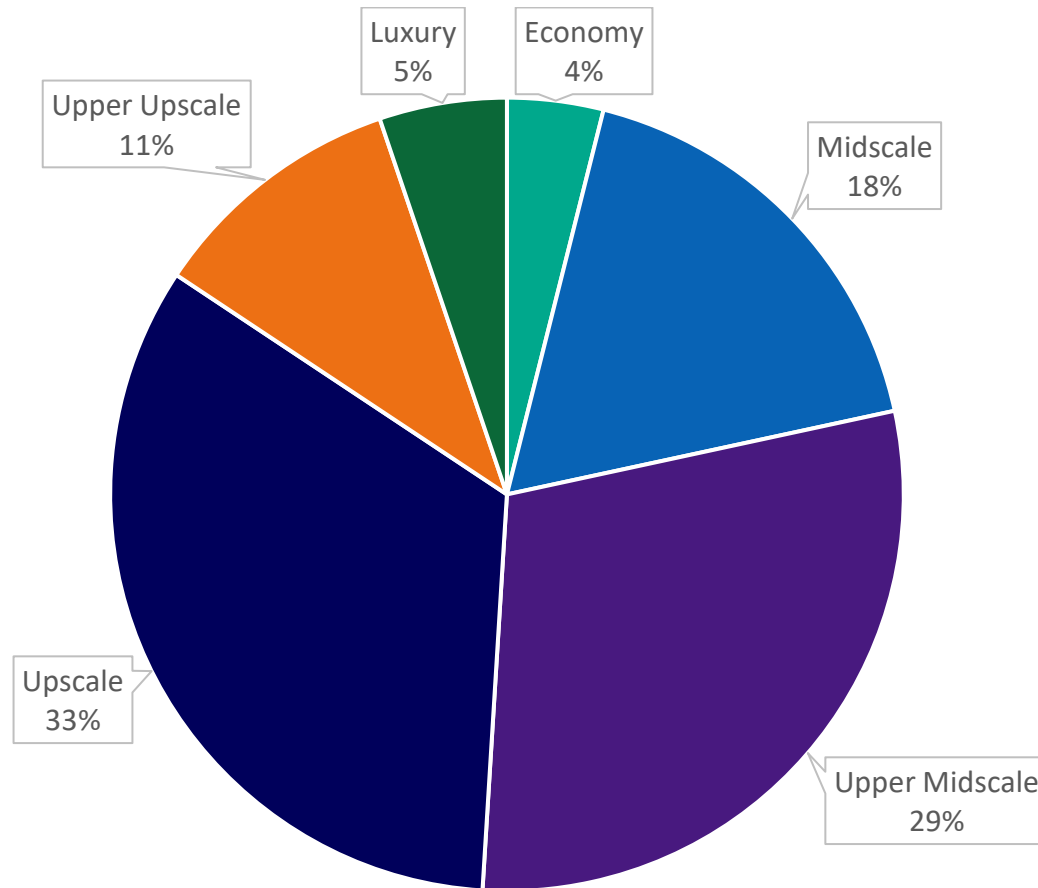


Under Construction Summary, Fort Worth/Arlington Market, January 2025

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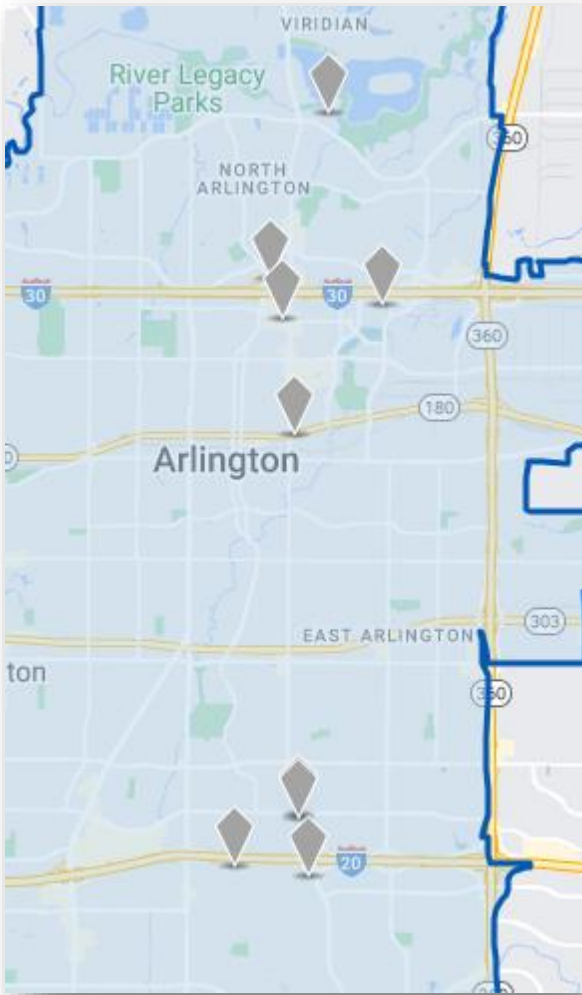
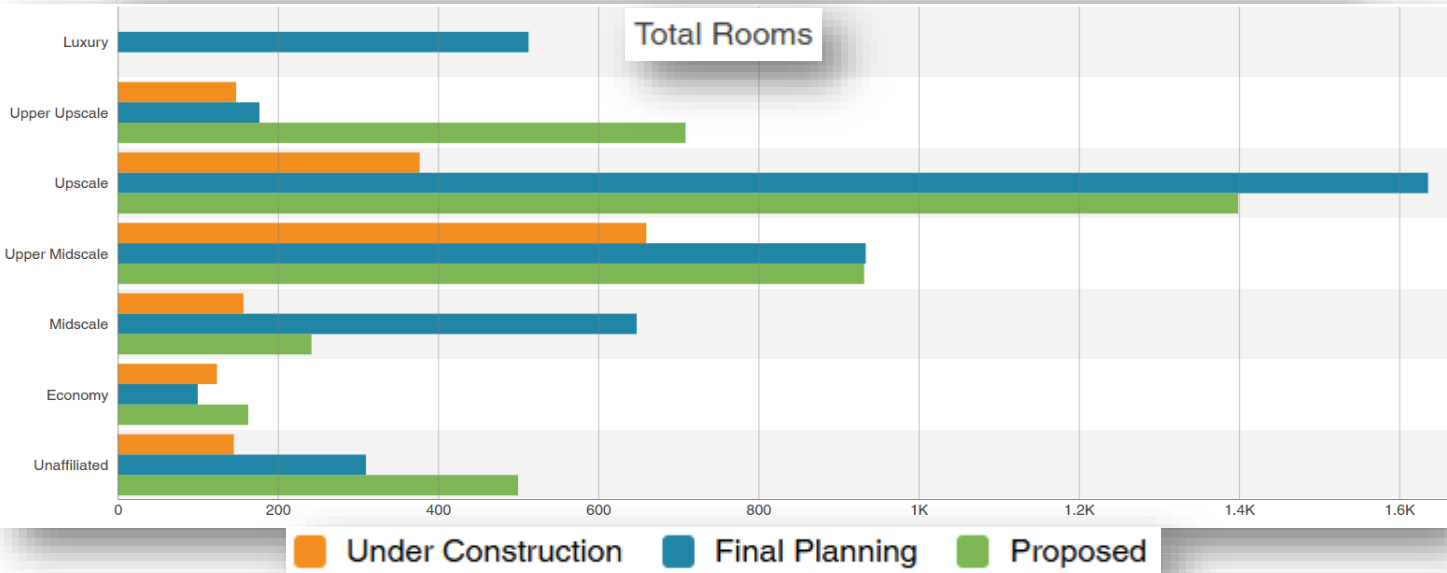
Pipeline Summary, Fort Worth/Arlington Market, January 2025



Over 1,600 Rooms in the Arlington Pipeline

Total Pipeline by Class & Phase, Arlington Submarket, December 2023

TownePlace Suites By Marriott Dallas Arlington South	100	Upper Midscale	Under Construction
SpringHill Suites By Marriott Dallas Arlington South	131	Upscale	Under Construction
Caravan Court	145	Upper Midscale	Under Construction
Anthem Hotel	200	Midscale	Proposed
Wyndham Grand Arlington, TX	87	Upper Upscale	Proposed
Embassy Suites by Hilton Arlington North	200	Upper Upscale	Proposed
Loews Arlington Choctaw Stadium	513	Luxury	Final Planning
Home2 Suites by Hilton Arlington South	134	Upper Midscale	Final Planning
Avid Dallas - Arlington South	95	Midscale	Final Planning



Takeaways





Thank You

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