

July 1, 2021

U.S. HOTELS

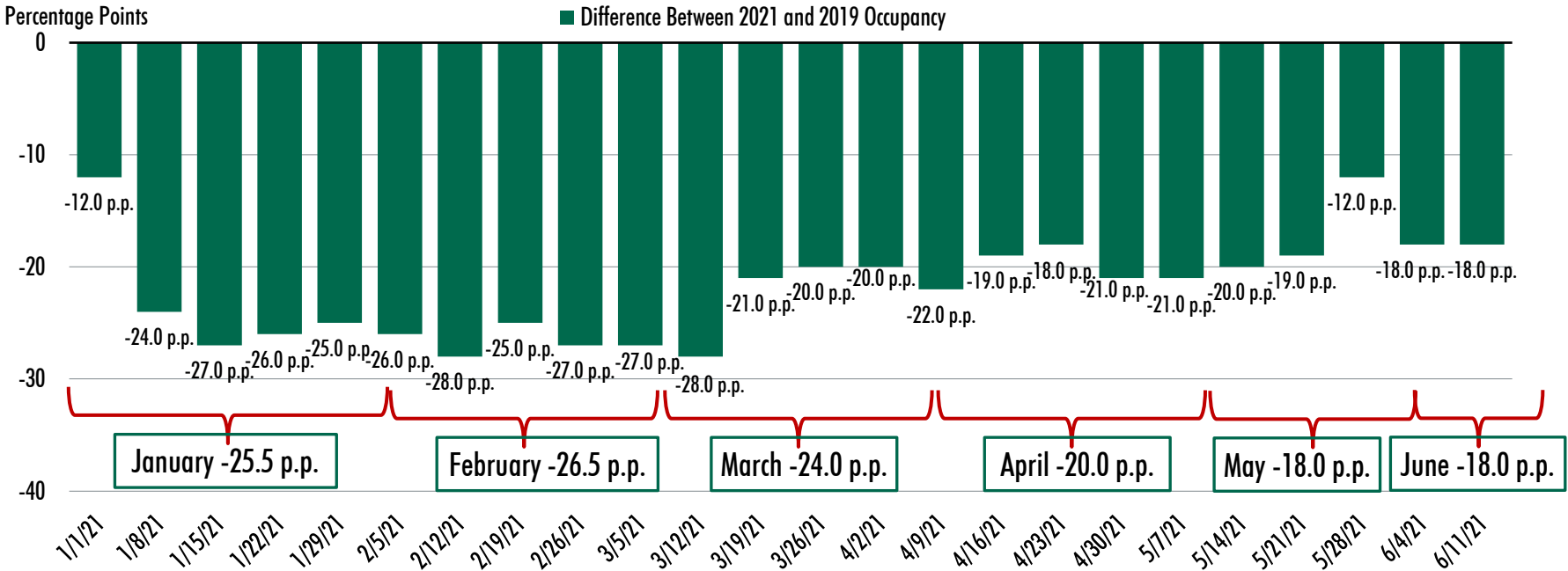
State of the Union

Current Trends



Rebounding Hotel Performance

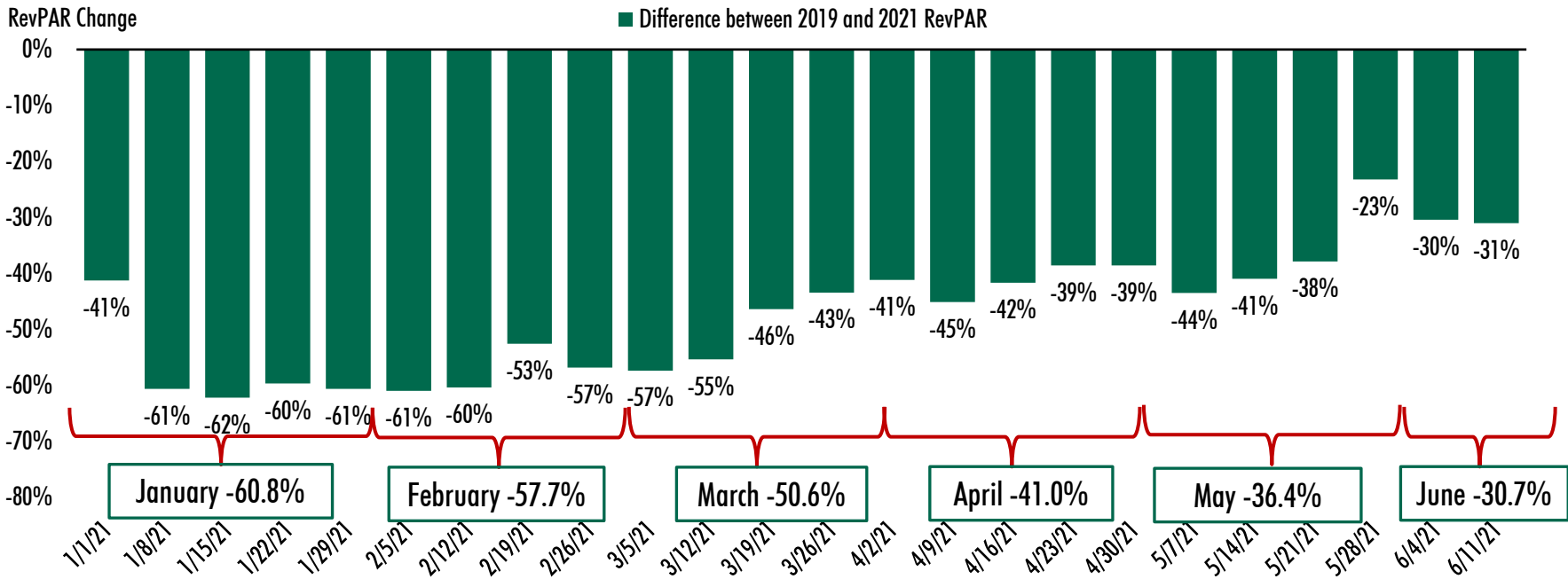
US WEEKLY OCCUPANCY



Source: CBRE Hotels Research, Kalibri Labs.

Rebounding Hotel Performance

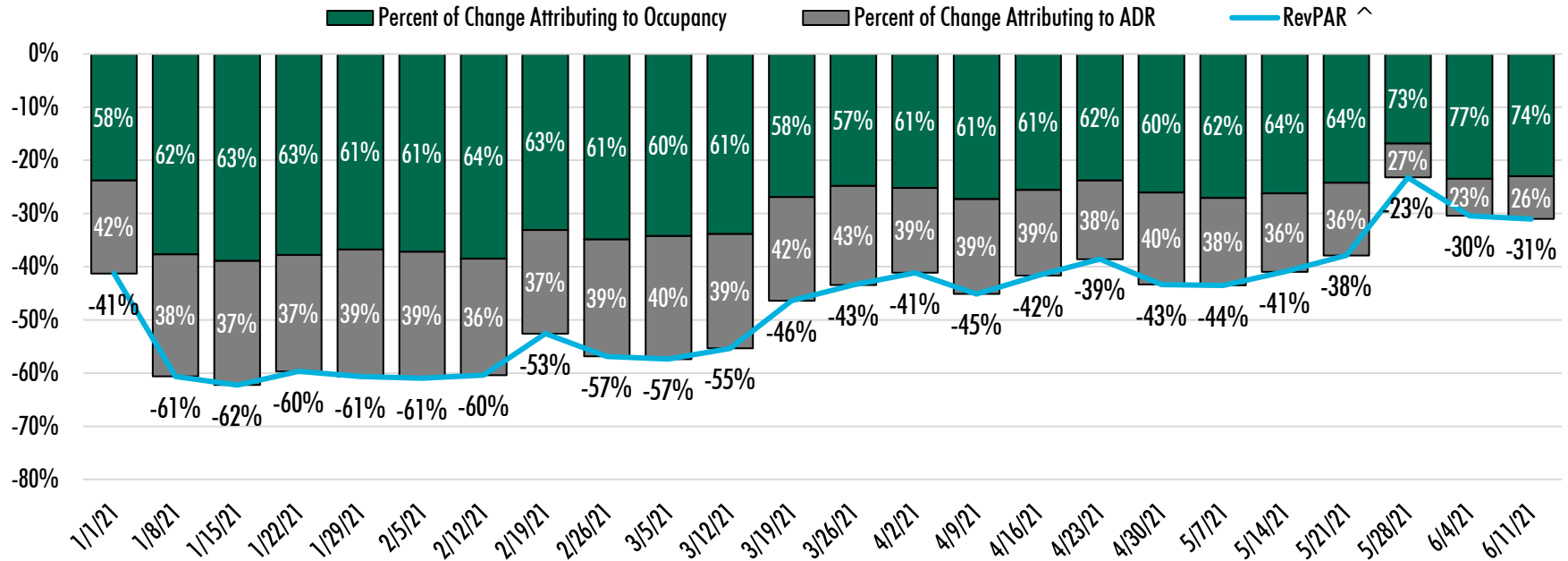
US WEEKLY REVPAR



Source: CBRE Hotels Research, Kalibri Labs.

Breaking Down 2021 RevPAR Decline

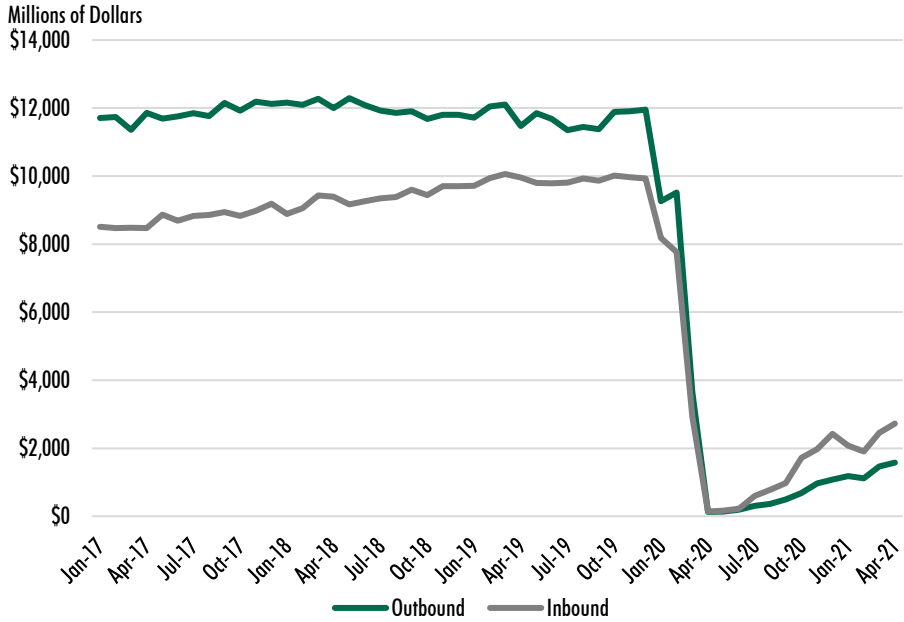
RELATIVE TO 2019 THE BULK OF THE SHORT FALL IS FROM OCCUPANCY



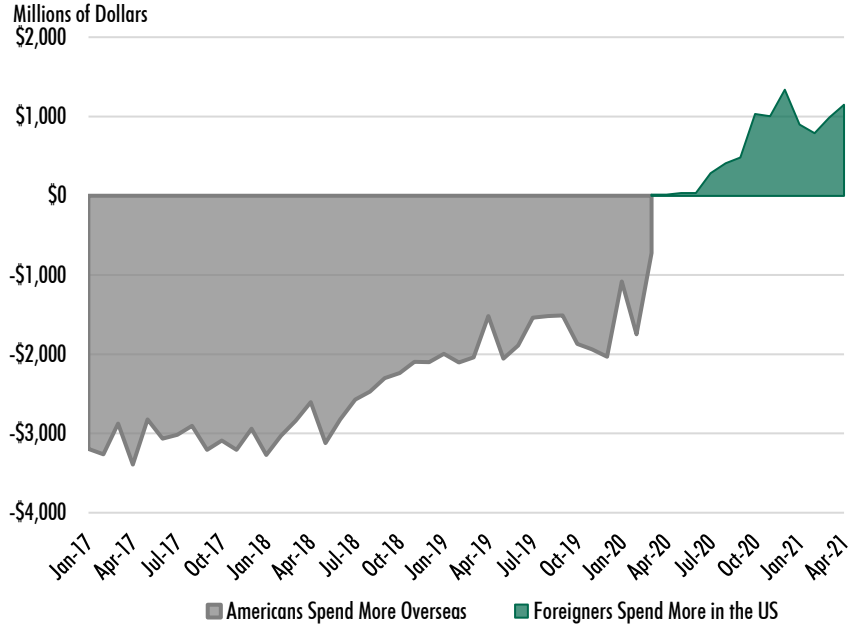
Source: CBRE Hotels Research, Kalibri Labs.

International Travel Restrictions Are Benefitting US Hospitality

INTERNATIONAL TRAVEL SPENDING



INTL. TRAVEL RESTRICTIONS BENEFIT US HOTELS



Source: CBRE Hotels Research, Bureau of Economic Analysis and the National Travel and Tourism Office (NTTO)

US Border Entrants By Country

Q1 2019

Rank	Country
1	Canada
2	Mexico
3	Japan
4	United Kingdom
5	China, PRC (excluding Hong Kong)
6	Brazil
7	South Korea
8	Germany
9	France
10	India

Q1 2021

Rank	Country
1	Mexico
2	Canada
3	Columbia
4	India
5	Dominican Republic
6	Ecuador
7	Argentina
8	Chile
9	Peru
10	Honduras

Sources: U.S. Department of Commerce, ITA, I&A, National Travel and Tourism Office (NTTO) I-94 Program, Statistics Canada, and Instituto Nacional de Estadística y Geografía/INEGI (Banco de Mexico).

Quarter to Date Results vs Forecast

CBRE Hotel Horizons ® Forecast

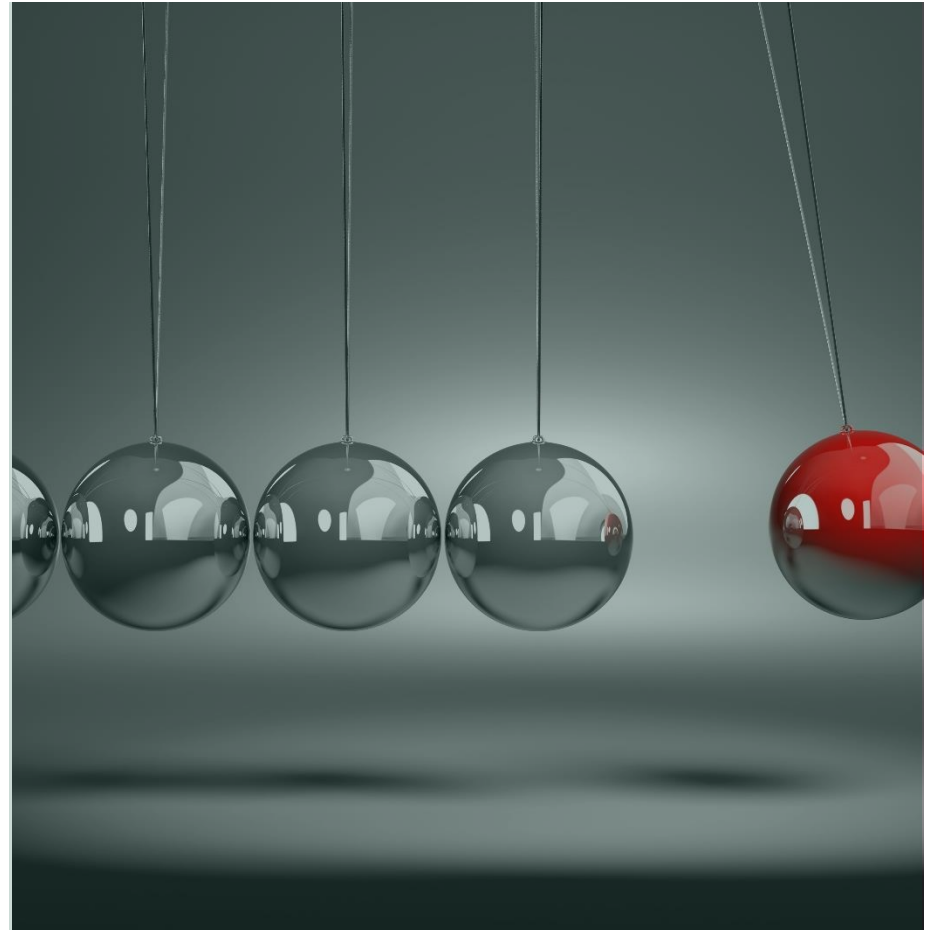
Forecast As Of	Q2
2021.1	Occupancy: 52.7% ADR: \$106.35 RevPAR: \$56.04

Q2 2021

As of	Q2
6.11.21	Occupancy: 52.0% ADR: \$113.42 RevPAR: \$58.95

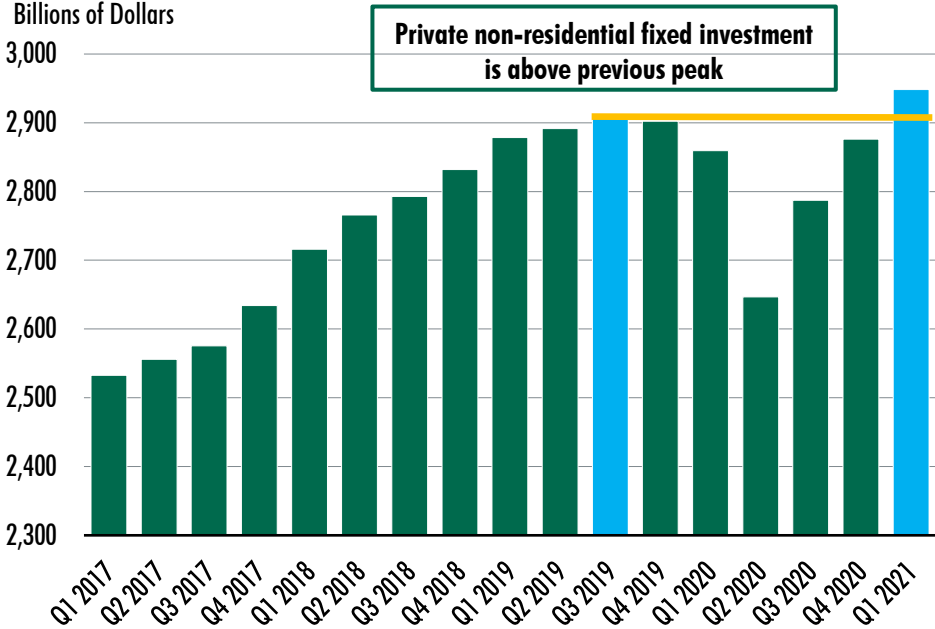
2Q21 QTD RevPAR actuals are running 5.2% above our forecasts as of June 11, 2021.

Leading Indicators

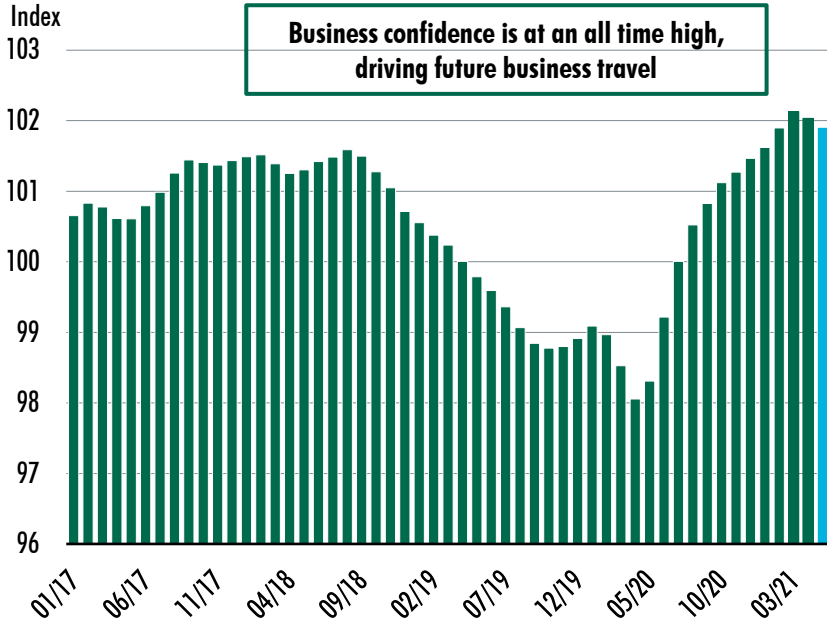


High Fixed Investment and Record Level Business Confidence

PRIVATE NONRESIDENTIAL FIXED INVESTMENT



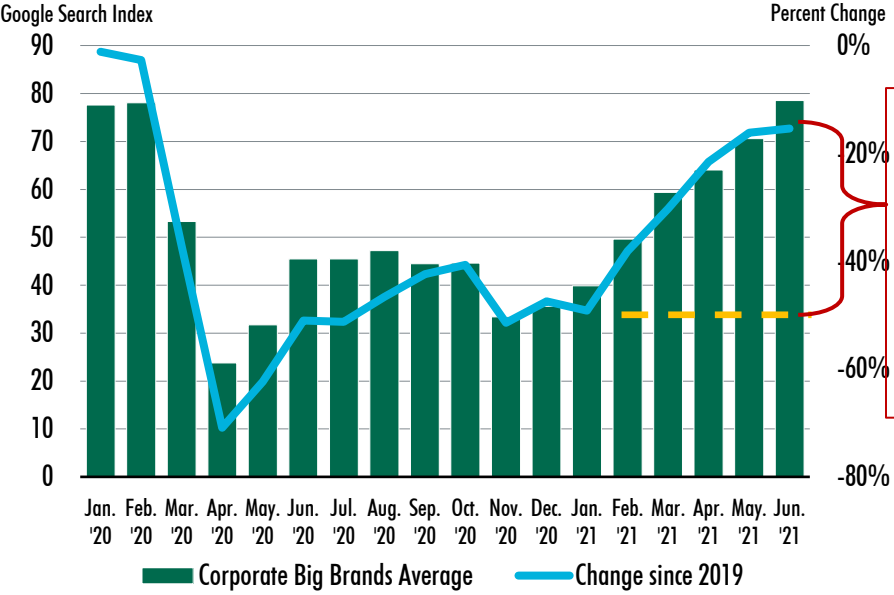
BUSINESS CONFIDENCE INDEX



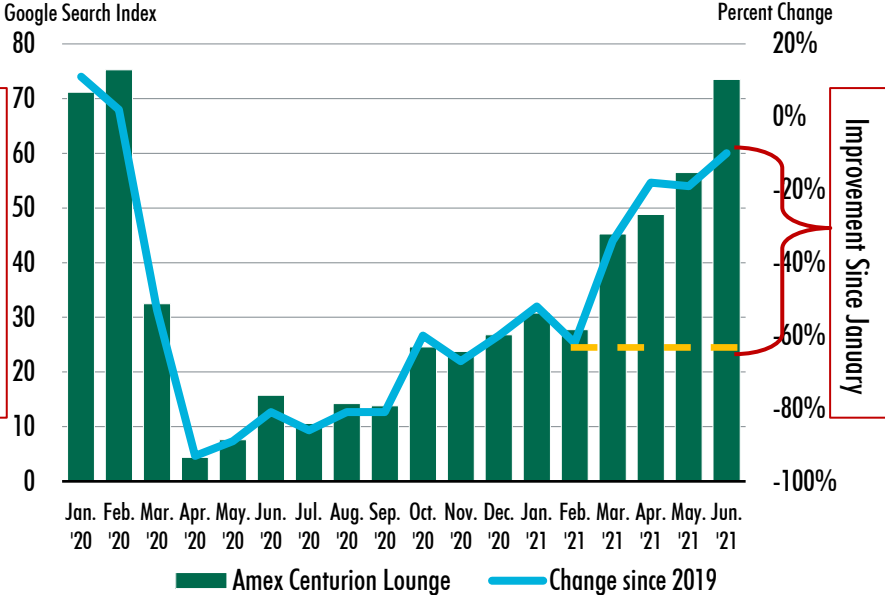
Google Trends Analysis Business Travel Recovery

BUSINESS TRAVEL LEADING INDICATORS

Corporate Big Brands Average



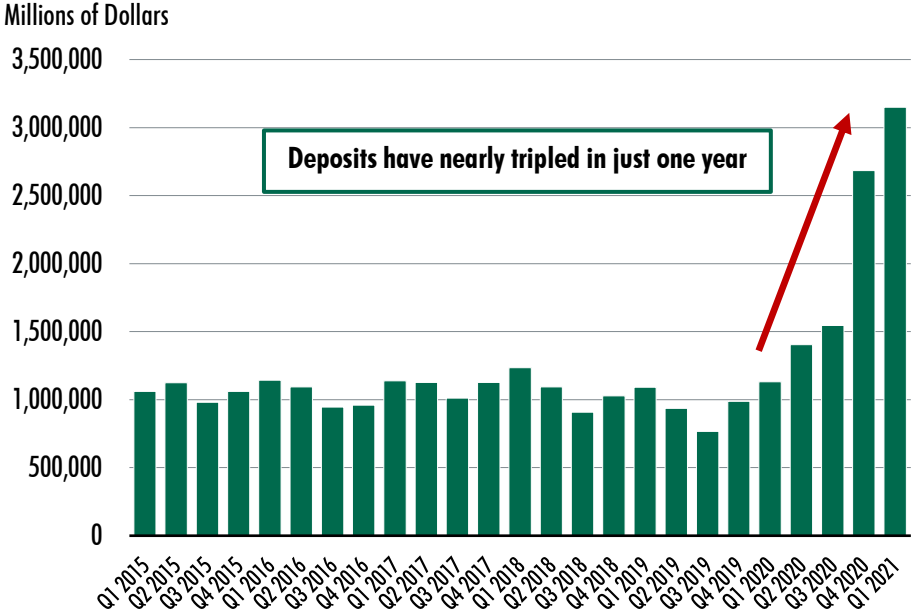
Amex Centurion Lounge



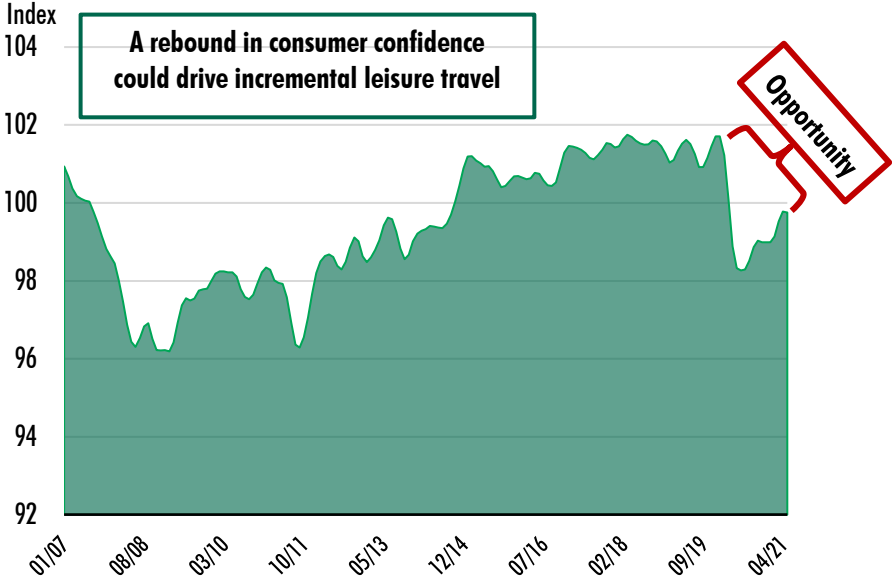
Source: CBRE Hotels Research, Google Trends. Key words: Hilton, Marriott, Hyatt, IHG Hotels, Amex Lounge, Centurion Lounge

Record Level Household Savings But Consumer Confidence is Lagging

HOUSEHOLD CHECKABLE DEPOSITS



CONSUMER CONFIDENCE INDEX

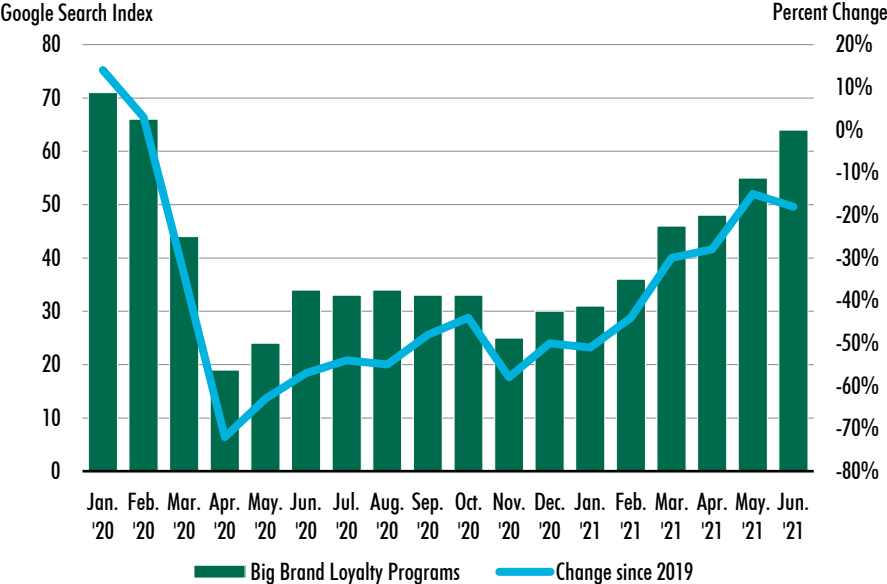


Source: CBRE Hotels Research, BLS.

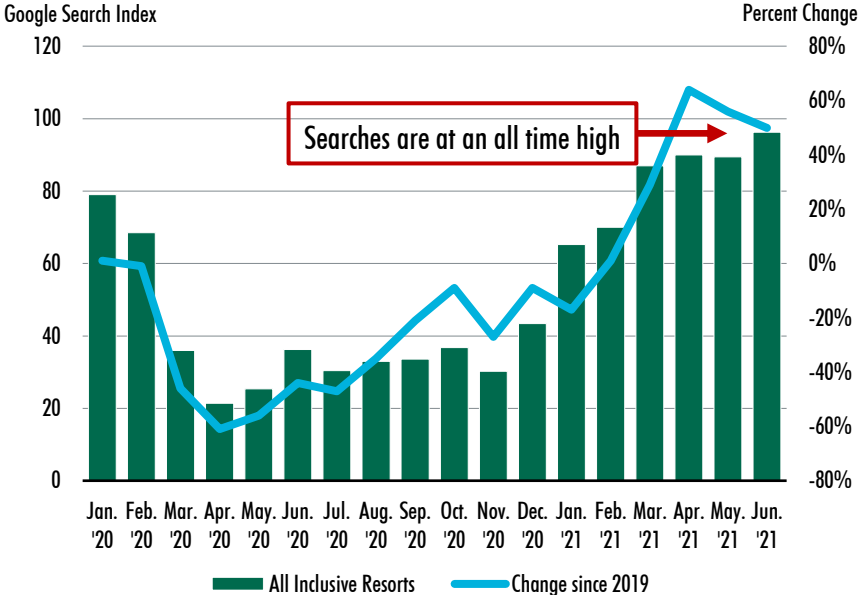
Google Trends Analysis Leisure Travel Recovery

LEISURE TRAVEL LEADING INDICATORS

Big Brand Loyalty Programs



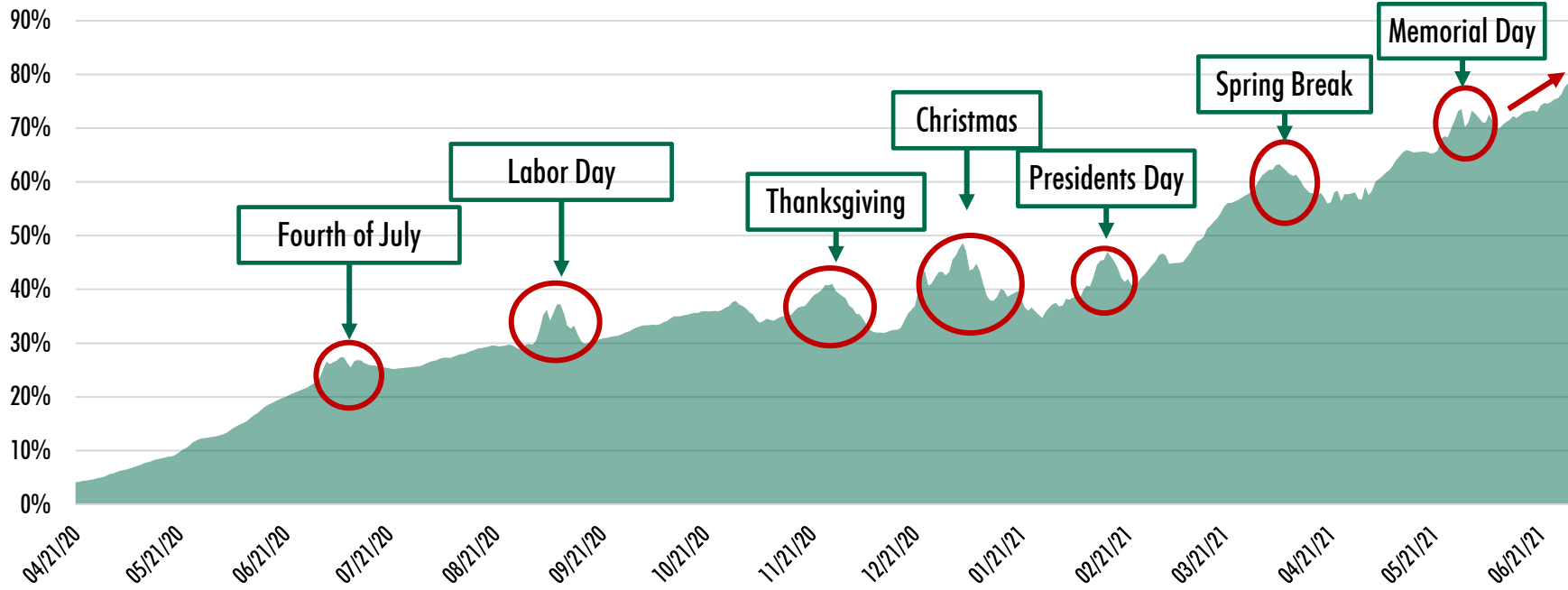
All Inclusive Resorts



Source: CBRE Hotels Research, Google Trends. Key words: Bonvoy, Hilton Honors, World of Hyatt, IHG Rewards, All-inclusive Resort.

Its Not Just A Leisure Recovery Air Travel Increases outside of Holidays

TSA THROUGHPUT AS A PERCENT OF 2019 LEVELS



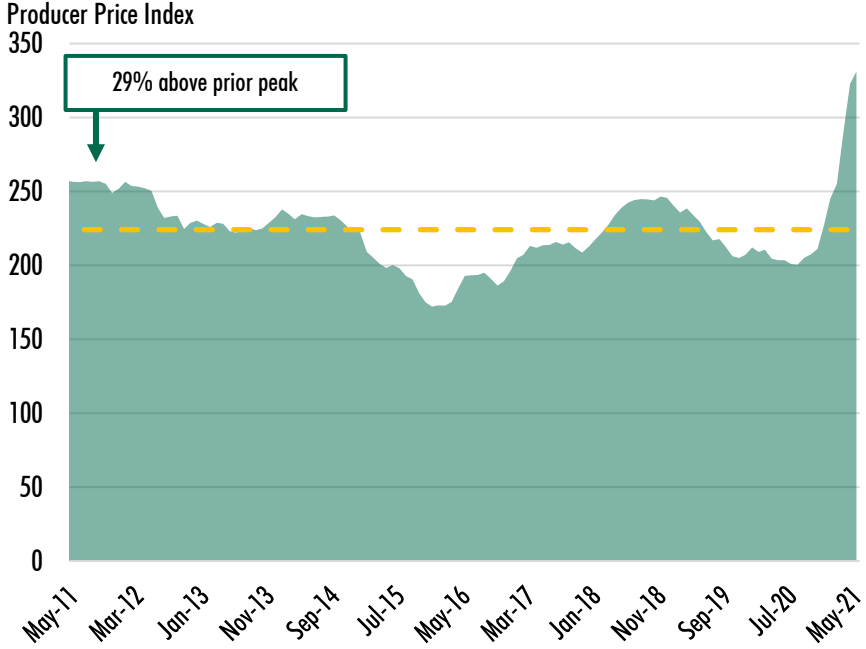
Source: CBRE Hotels Research, TSA.

Supply

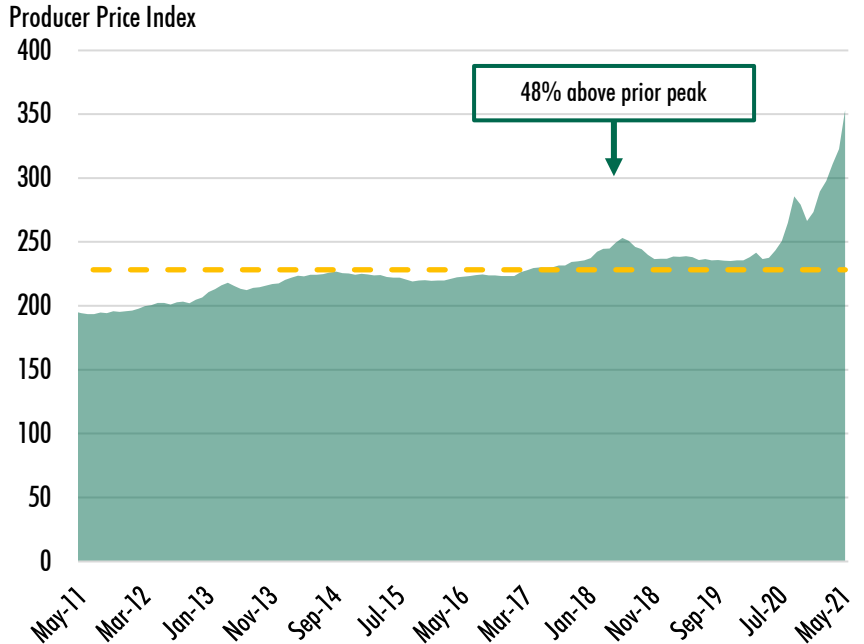


Construction Inputs are More than 50% Above their Long Run Averages

STEEL AND IRON



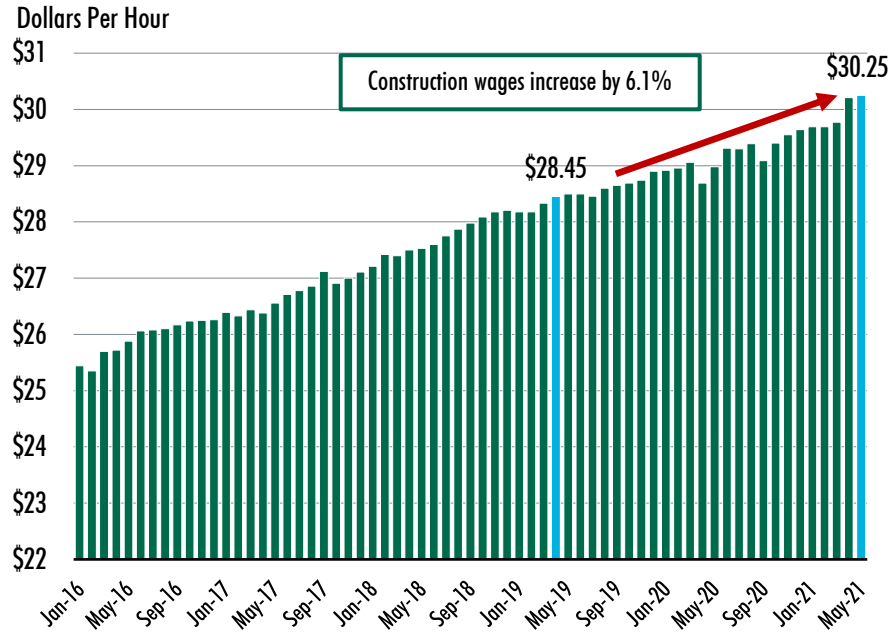
LUMBER AND WOOD PRODUCTS



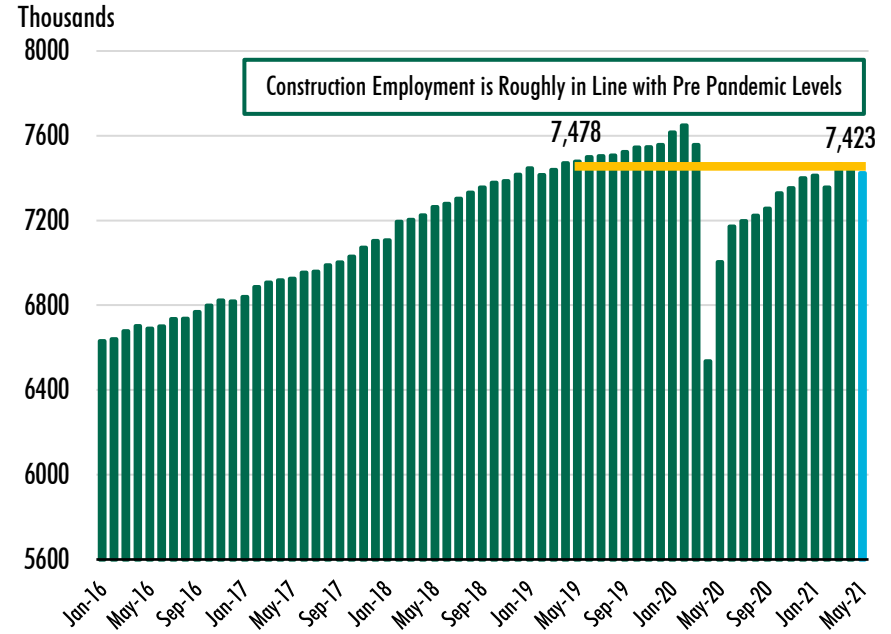
Source: CBRE Hotels Research, BLS
U.S. HOTEL OUTLOOK | CBRE HOTELS RESEARCH

Higher Wages and Employment Headwinds New Construction

CONSTRUCTION WAGES



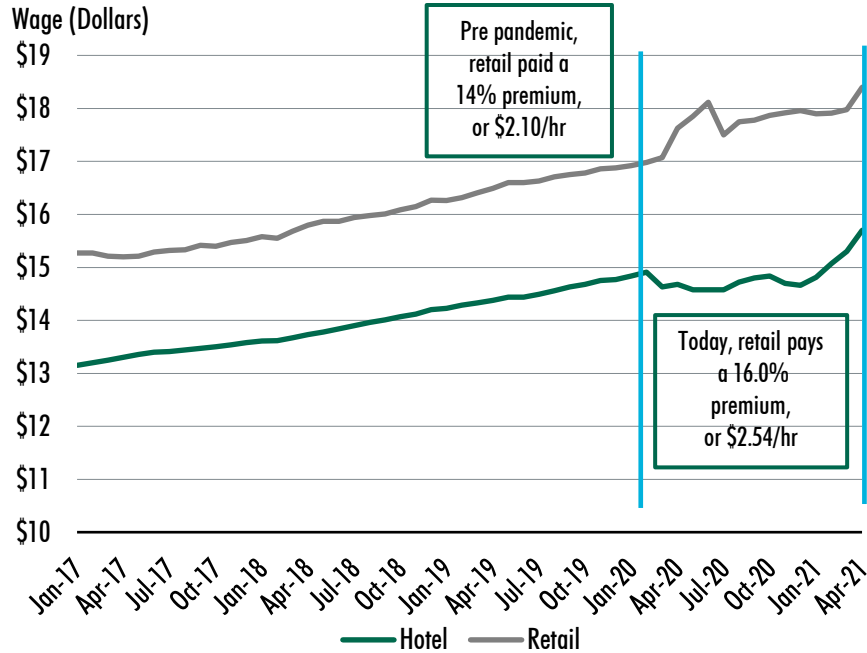
NUMBER OF CONSTRUCTION EMPLOYEES



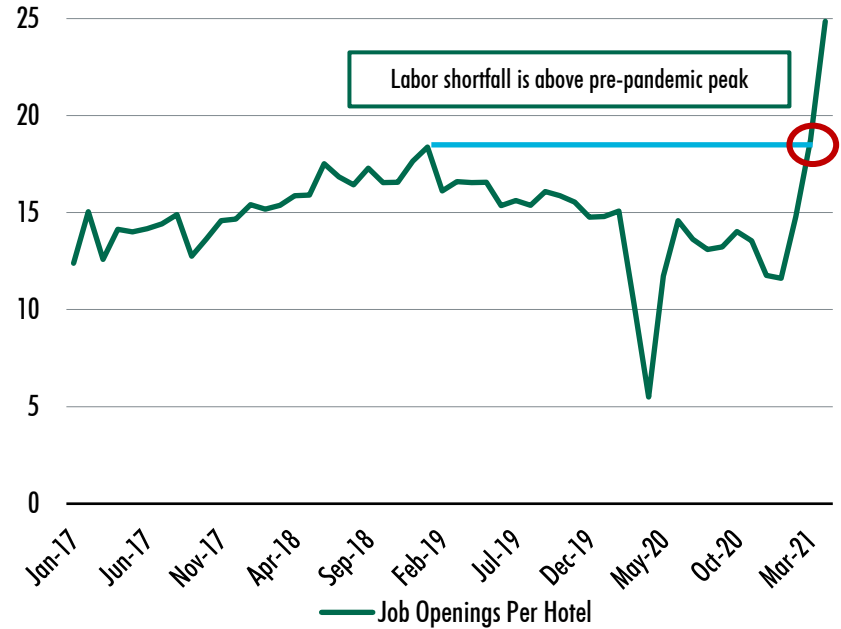
Source: CBRE Hotels Research, BLS

Hotel Operators Continue To Confront a Challenging Labor Environment

WAGE PRESSURES A HEADWIND TO MARGINS



JOB OPENINGS PER HOTEL ARE INCREASING



Q1 2021 Forecast



CBRE Revised US Lodging Forecast

FULL RECOVERY IN MID 2024 LED BY HIGHER MARGIN ADR GROWTH

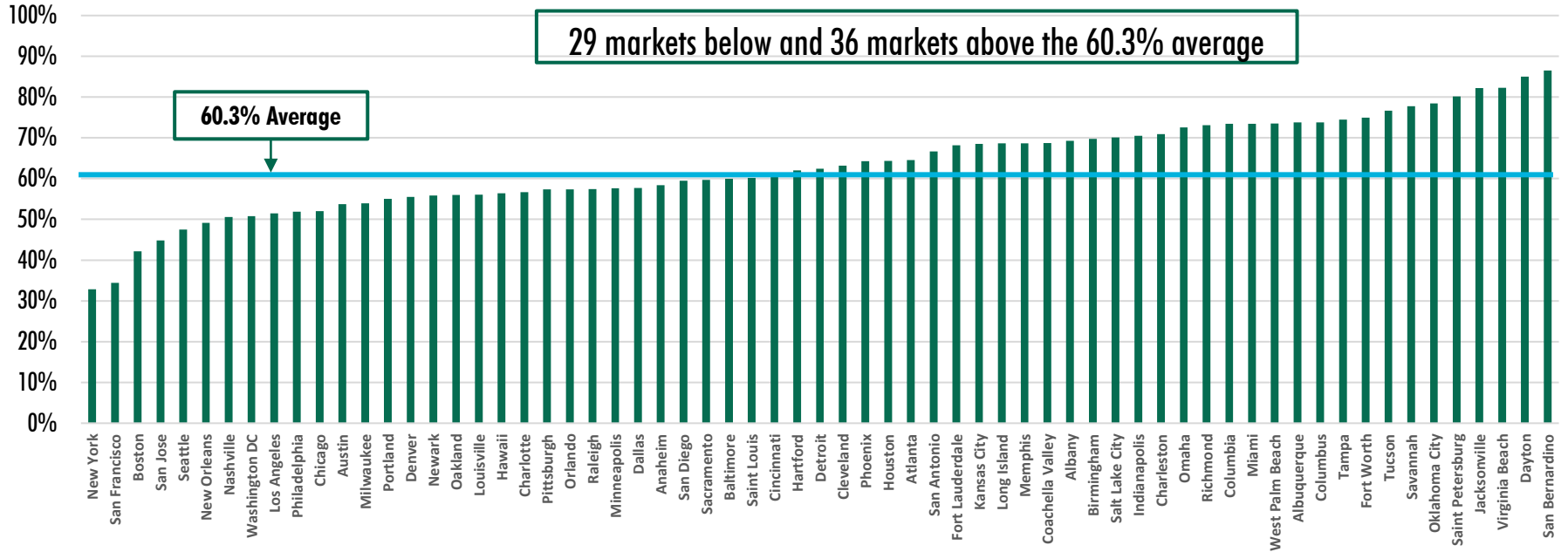
Year	Occ	ΔOcc	ADR	ΔADR	RevPAR	ΔRevPAR	RevPAR % of 2019
2019	67.0%	0.4%	\$132.93	0.6%	\$89.05	0.9%	100%
2020	41.7%	-37.8%	\$103.05	-22.5%	\$42.96	-51.8%	48%
2021	50.5%	21.2%	\$107.44	4.3%	\$54.30	26.4%	61%
2022	56.3%	11.4%	\$119.66	11.4%	\$67.36	24.1%	75%
2023	61.0%	8.3%	\$126.82	6.0%	\$77.33	14.8%	87%
2024	64.1%	5.1%	\$137.29	8.3%	\$87.95	13.7%	99%
2025	65.7%	2.5%	\$141.07	2.8%	\$92.64	5.3%	104%

Source: CBRE Hotels Research, Kalibri Labs.

CBRE Hotel Horizons®

Q1 2021 US Lodging Forecast By Market

2021 REVPAR AS A PERCENT OF 2019

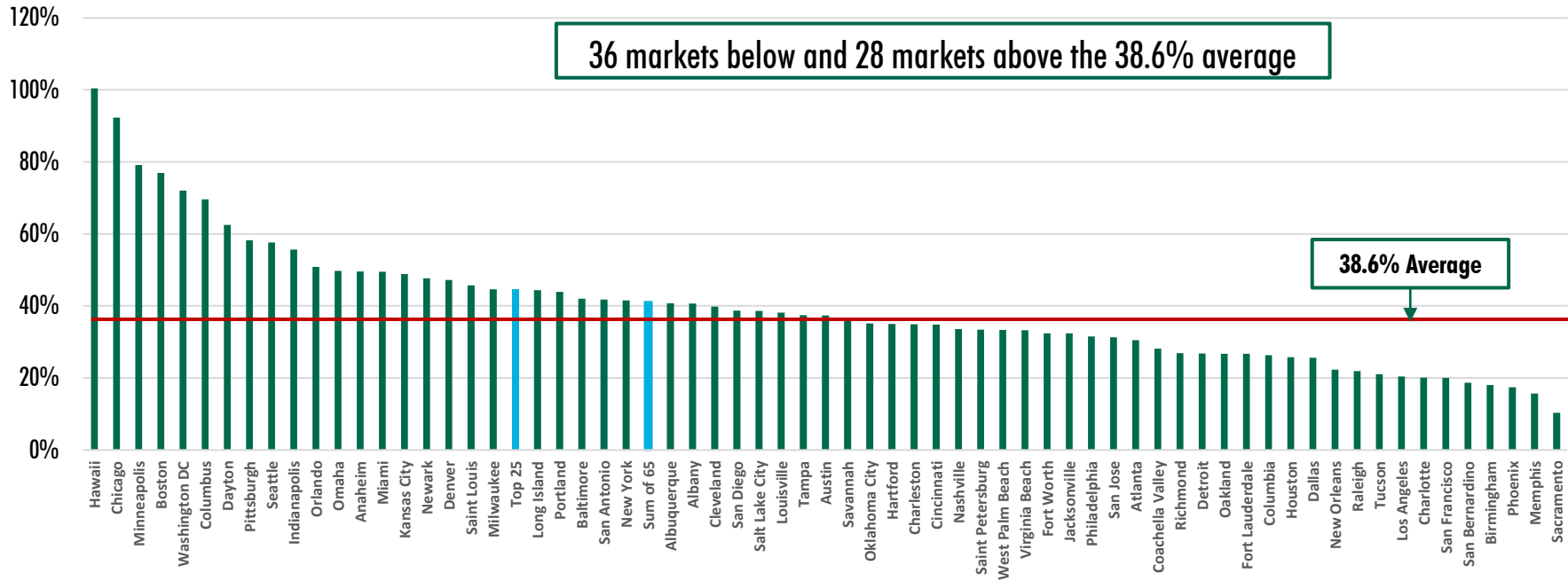


Source: CBRE Hotels Research, Kalibri Labs.
 U.S. HOTEL OUTLOOK | CBRE HOTELS RESEARCH

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Q1 2021 US Lodging Forecast By Market

2021 REVPAR GROWTH



Source: CBRE Hotels Research, Kalibri Labs.

Thank You

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