

February 25, 2021

 US HOTEL OUTLOOK

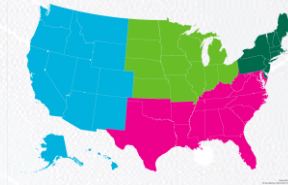
CBRE

COVID-19

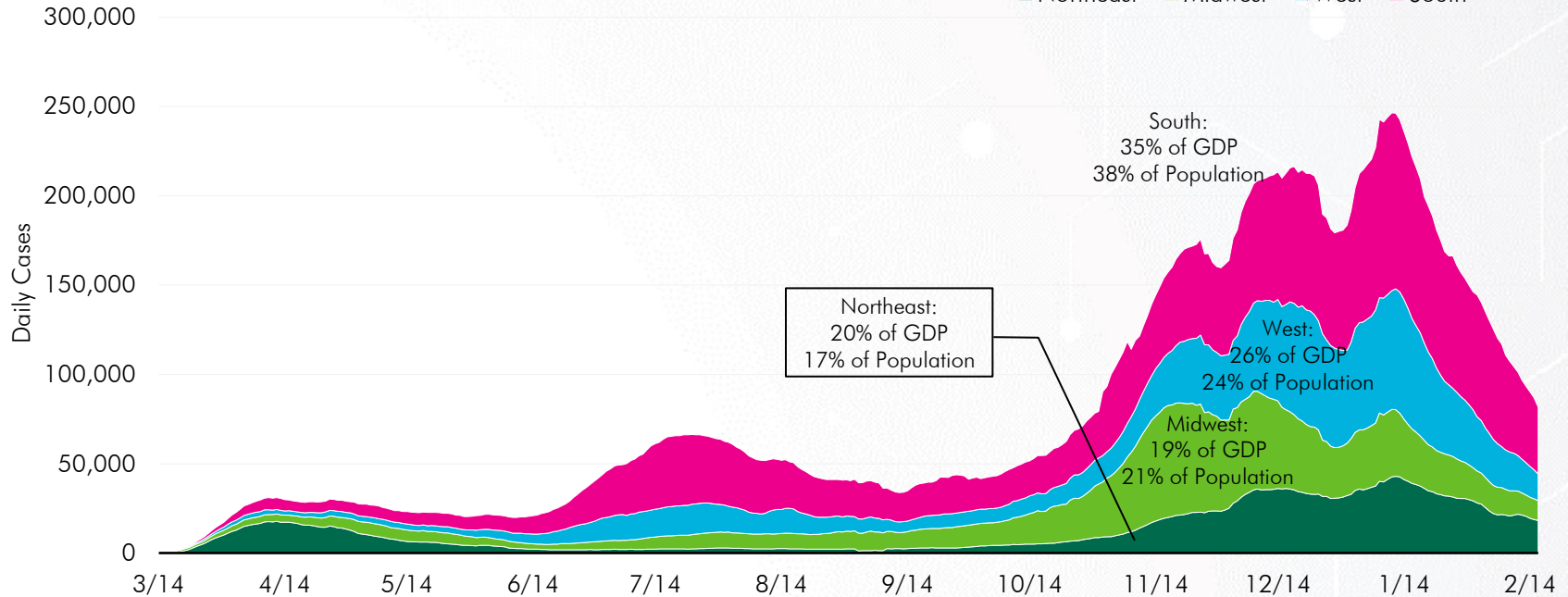


U.S. CASES BROKEN DOWN BY REGION

Daily new increase in 7-day moving averages



■ Northeast ■ Midwest ■ West ■ South

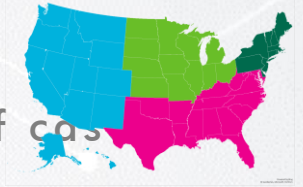


Source: COVID Tracking Project, US Census, BEA, CBRE Research, Macrobond, 17 Feb 2021.

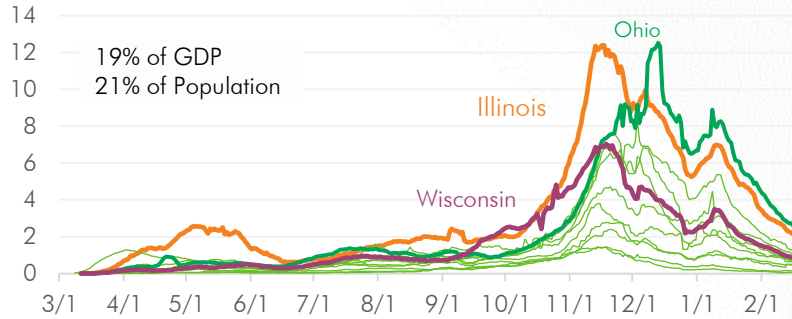
Note: Regions defined by US Census Bureau

THE U.S. JUST ABOUT REGAINING CONTROL

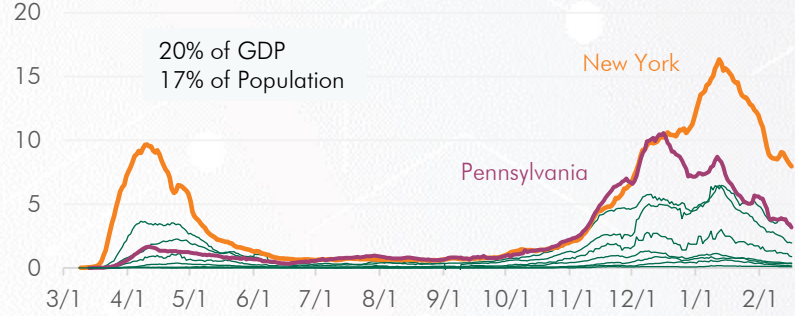
Daily new increase in 7-day moving averages (thousands of cases)



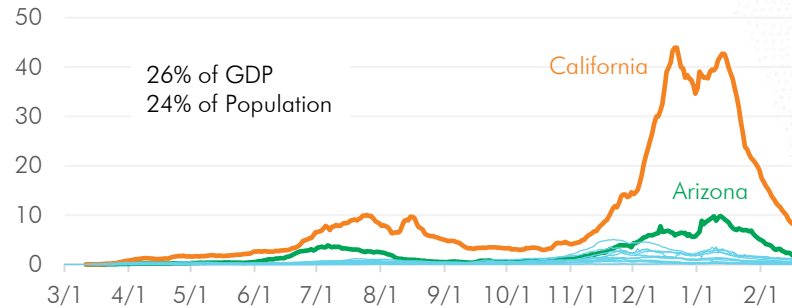
Midwest



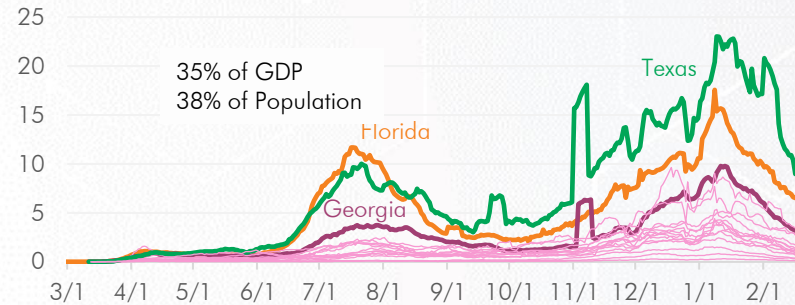
Northeast



West



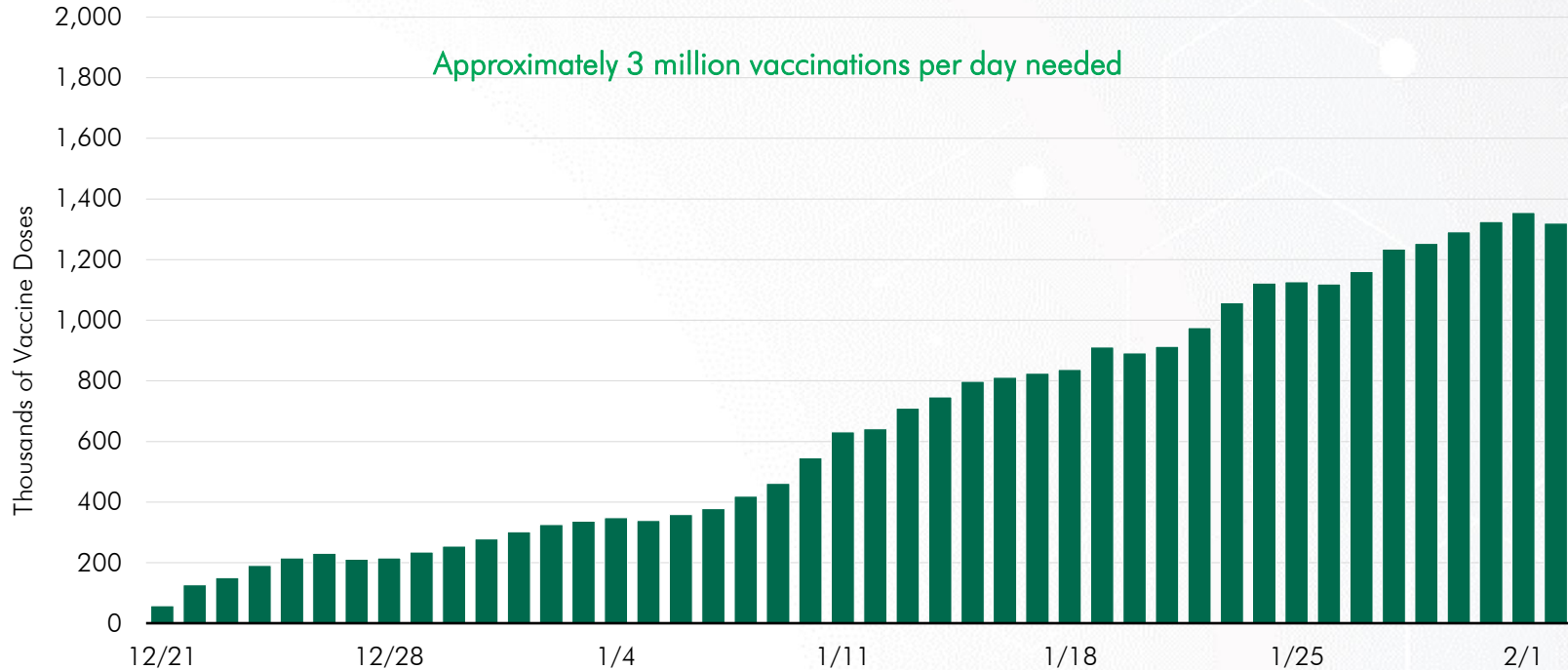
South



Source: COVID Tracking Project, US Census, BEA, CBRE Research, Macrobond, 17 Feb 2021.

VACCINATION PACE IS RISING, BUT STILL TOO LOW

Daily U.S. COVID vaccine doses administered (thousands)



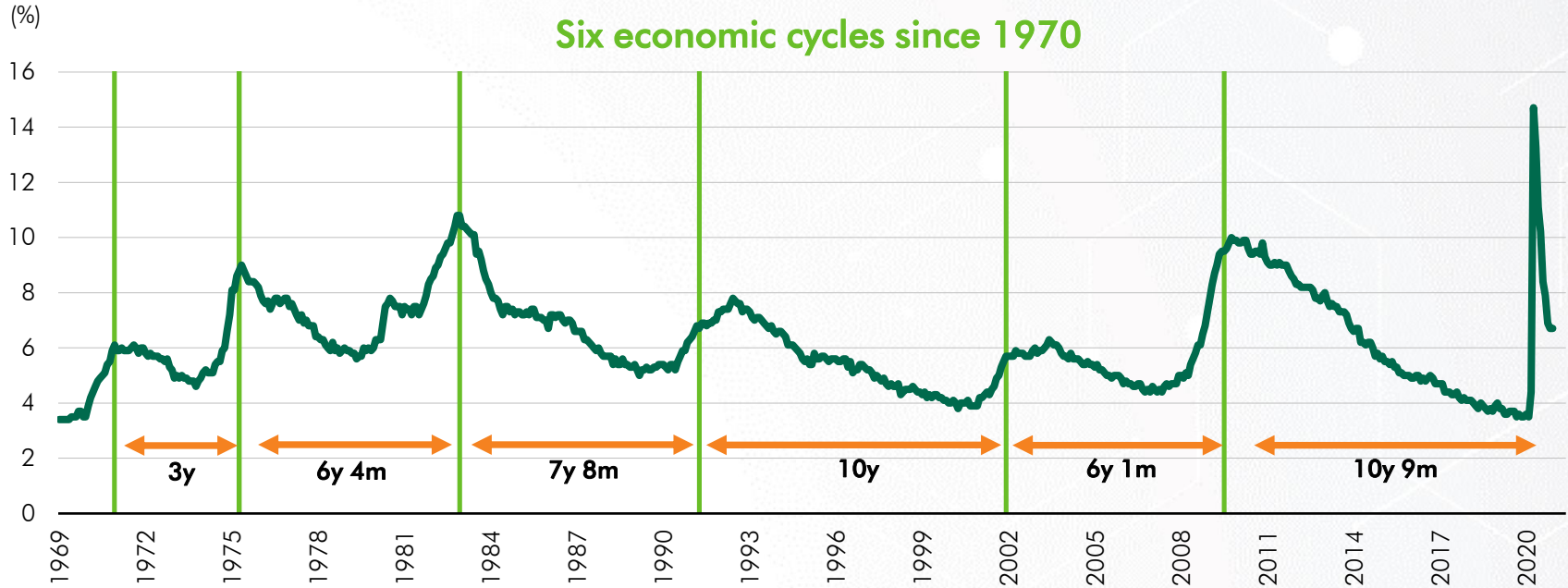
Source: Our World in Data, CBRE Research, 17 February 2021.

A low-angle, blurred photograph of a busy city street. The image captures the lower legs and feet of a diverse group of pedestrians as they walk across a crosswalk. The motion blur conveys a sense of constant movement and activity. The word "ECONOMY" is superimposed in the center of the image in a clean, white, sans-serif font. The background shows more people and the texture of the asphalt and crosswalk lines.

ECONOMY

COVID-19 BROUGHT AN ABRUPT END TO THIS CYCLE

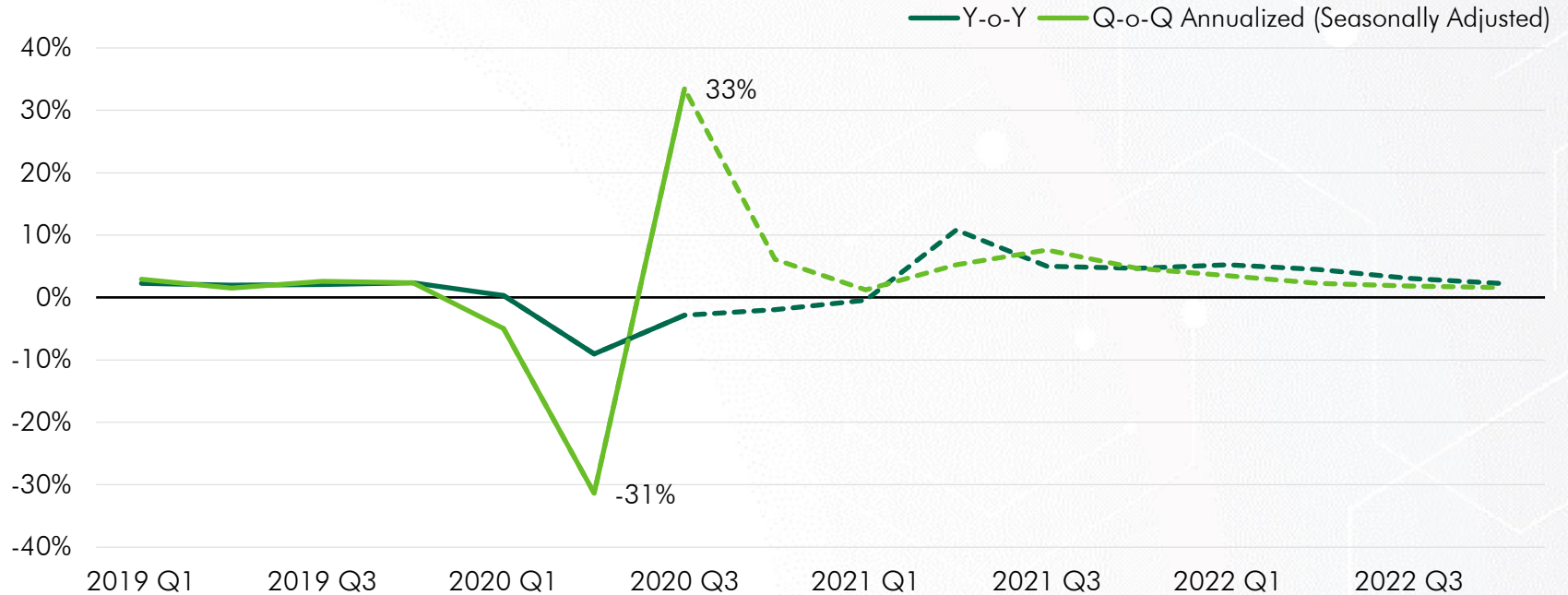
U.S. unemployment rate %, a common indicator of economic cycle



Source: Bureau of Labor Statistics, CBRE Research, January 2020.

THE FAMOUS V-SHAPED RECOVERY

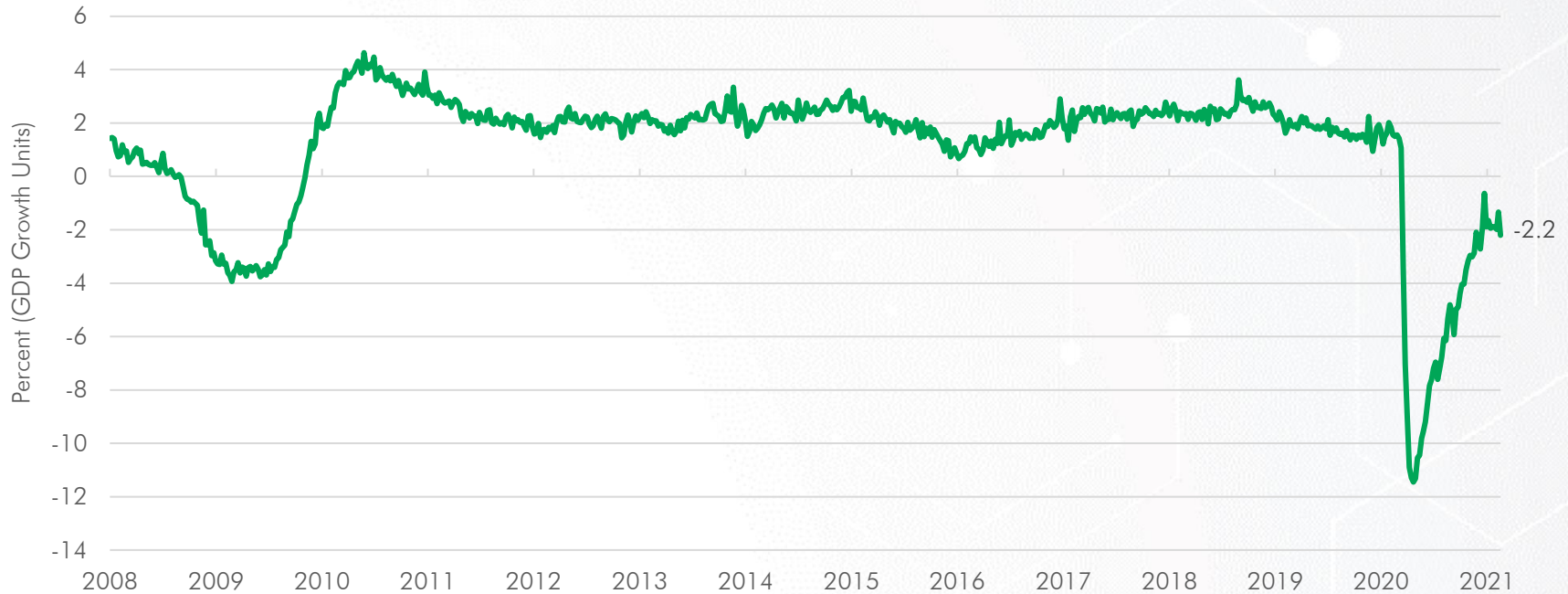
2021 U.S. GDP growth forecast by **CBRE House-View**



Source: CBRE House-View, January 2021.

REAL TIME DATA SHOWS U.S. V-SHAPED RECOVERY

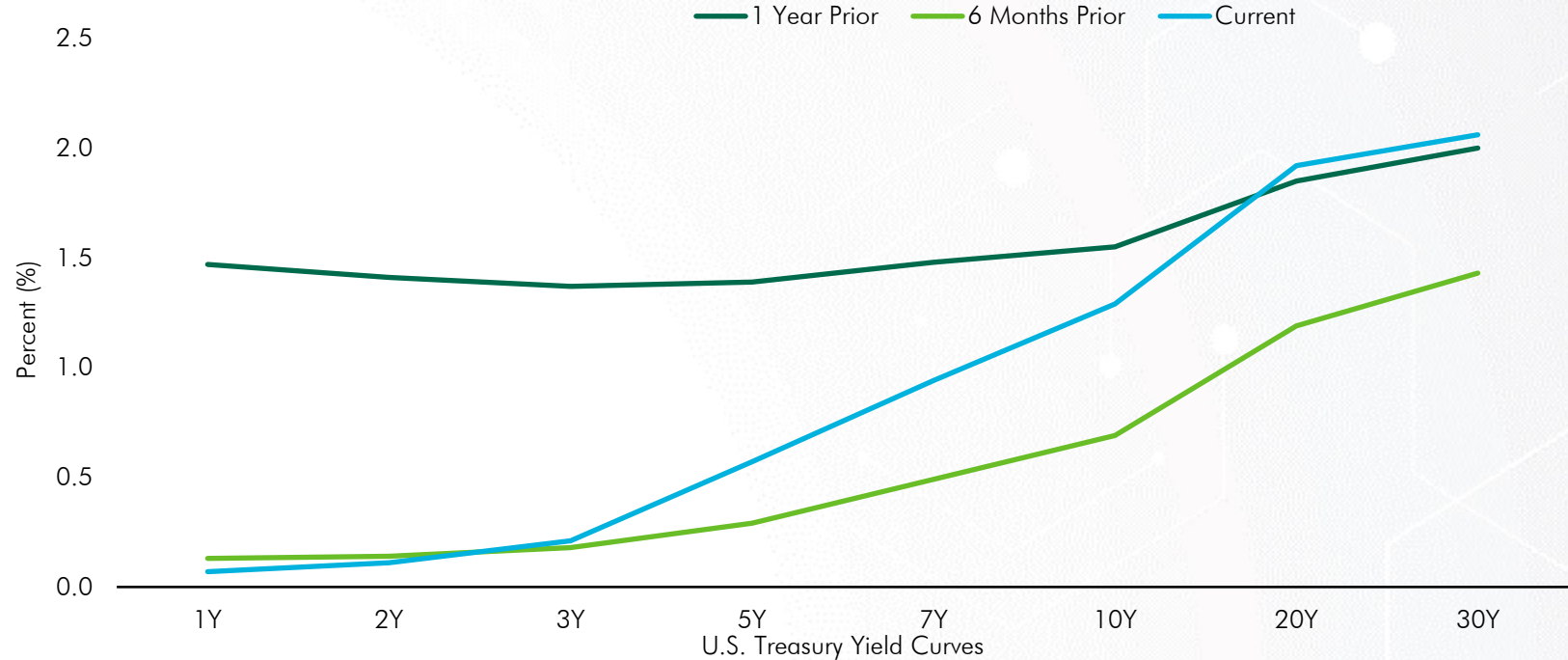
The New York Fed's U.S. Weekly Economic Index (WEI)



Source: Federal Reserve Bank of New York, February 2021.

YIELD CURVE IS STEEPENING

U.S. Treasury Yield Curves (%)



Source: U.S. Department of Treasury, Macrobond, CBRE Research, 17 Feb 2021.

YIELD CURVE NOT INVERTED

Treasury yield curves (%)



Source: FRED, Macrobond, CBRE Research, February 2021.

REIT PRICES HAVE RECOVERED SOONER THAN IN GFC

U.S. REIT Index



Source: Wilshire Associates Incorporated, CBRE Research, 17 Feb 2021.

FINANCIAL MARKET STRESS HAS EASED SIGNIFICANTLY

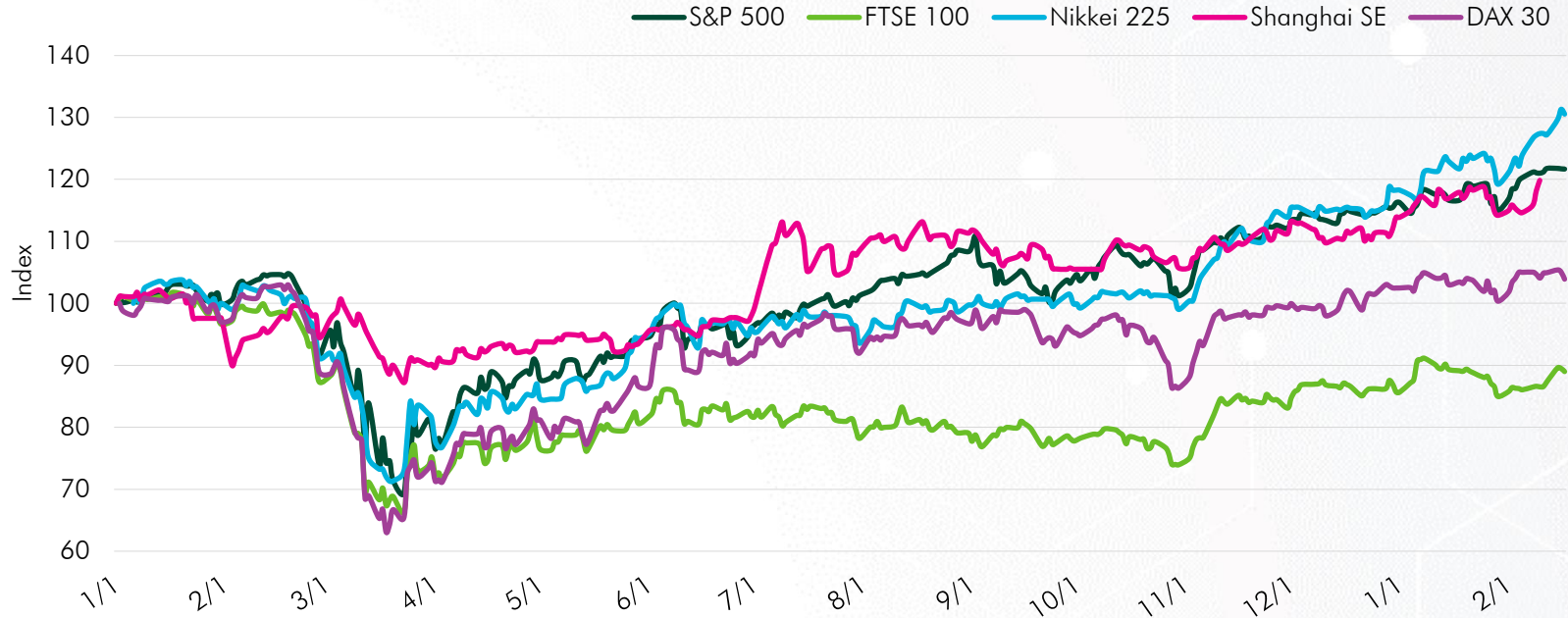
St. Louis Fed Financial Stress Index (0=normal)



Source: FRED, CBRE Research, February 2021.

STOCK MARKETS HAVE RECOVERED SOME GROUND

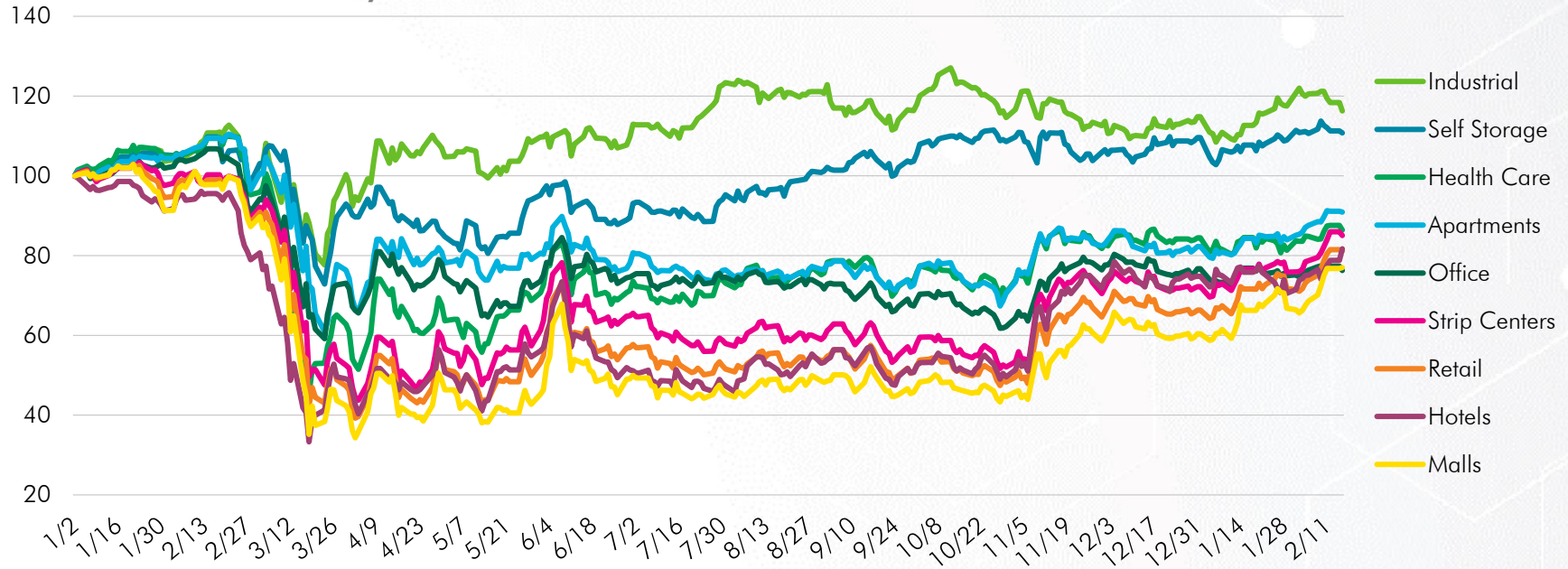
Equity market indexes (1/1/2020 = 100)



Source: S&P, FTSE, Deutsche Boerse, Nikkei, Shanghai Stock Exchange, Macrobond, CBRE Research, 17 Feb 2021.

INDUSTRIAL RESILIENT; RETAIL AND HOTEL STRUGGLING

U.S. REIT Index by sectors

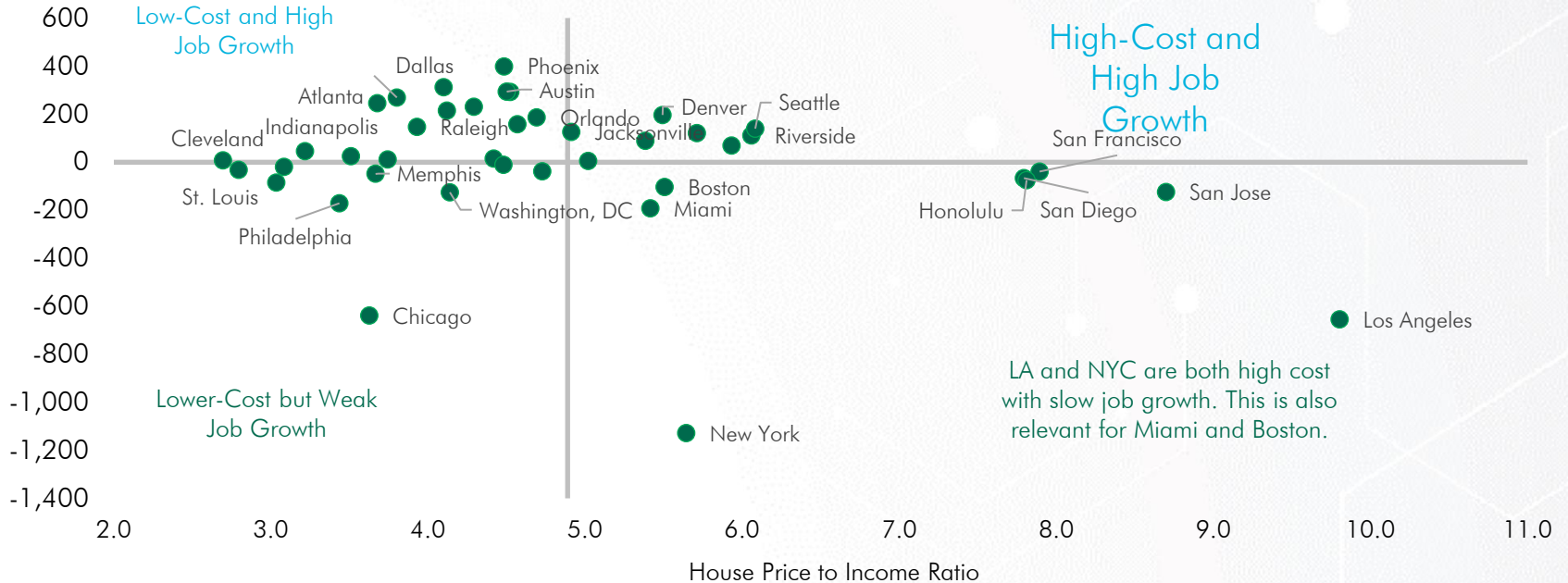


Source: Wilshire Associates Incorporated, CBRE Research, 17 Feb 2021.

MAKING CITIES MORE AFFORDABLE

Metro domestic migration and local housing affordability

Cumulative net domestic migration, 2010-19 (000s)



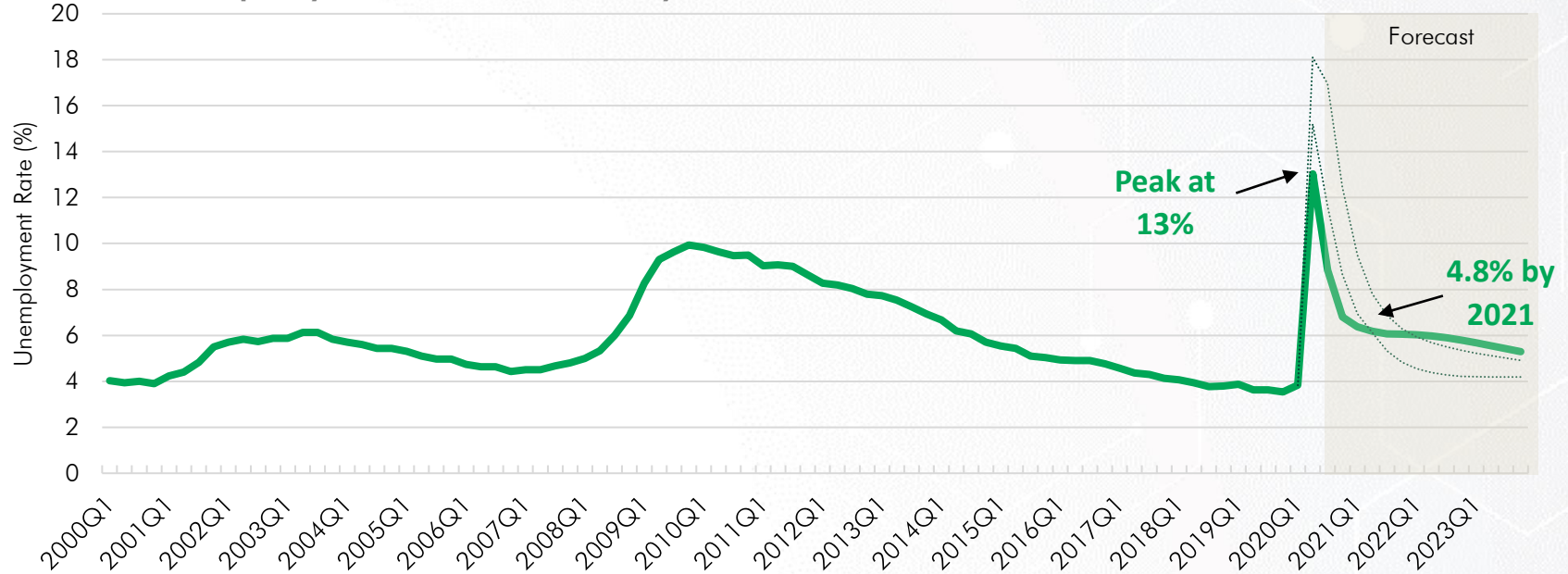
Source: U.S. Census Bureau, Zillow, CBRE Research, Q2 2020.

An aerial, high-angle photograph of a massive crowd of people gathered in a public square. The ground is paved with light-colored, square tiles. The crowd is dense and diverse, with people of various ages and ethnicities. Many individuals are looking towards the camera, while others are engaged in conversations or looking away. The overall atmosphere is one of a large-scale public event or gathering. The text "PENT UP DEMAND" is superimposed in the center of the image in a bold, white, sans-serif font.

PENT UP DEMAND

WE EXPECT A RELATIVELY RAPID BOUNCE BACK IN THE US

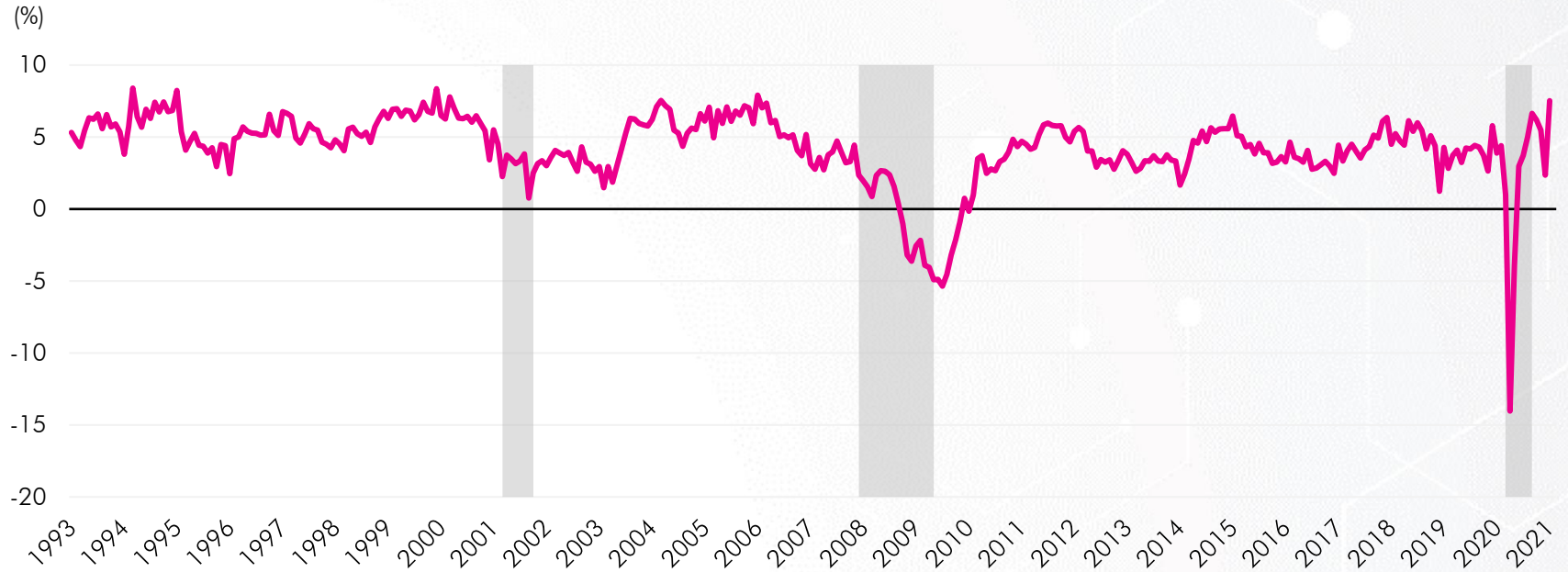
U.S. unemployment rate, 16 years old and above



Source: BLS, CBRE Research, November 2020.

RETAIL SALES BOUNCING BACK SWIFTLY

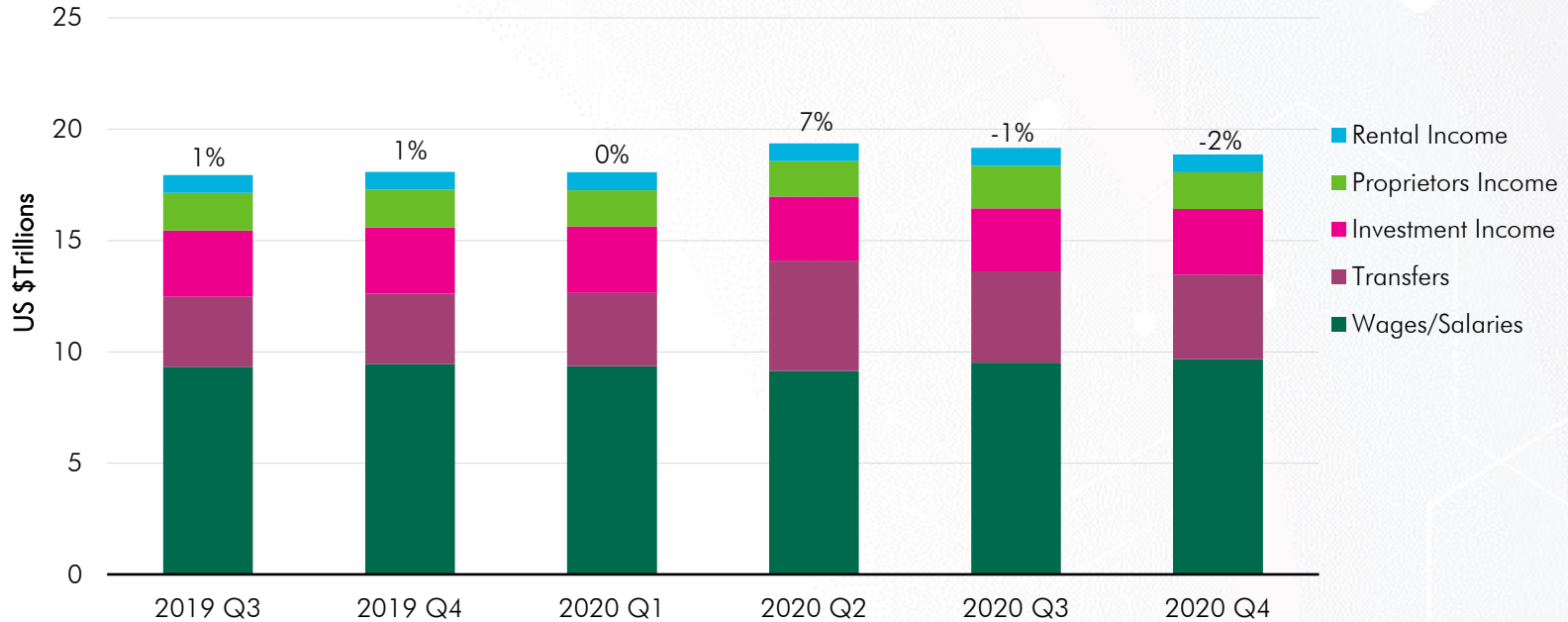
U.S. retail and food services sales y-o-y growth (excl. auto and gas)



Source: Census Bureau, CBRE Research, January 2021.

CONSUMER INCOME HAS ACTUALLY RISEN OVER THE CRISIS

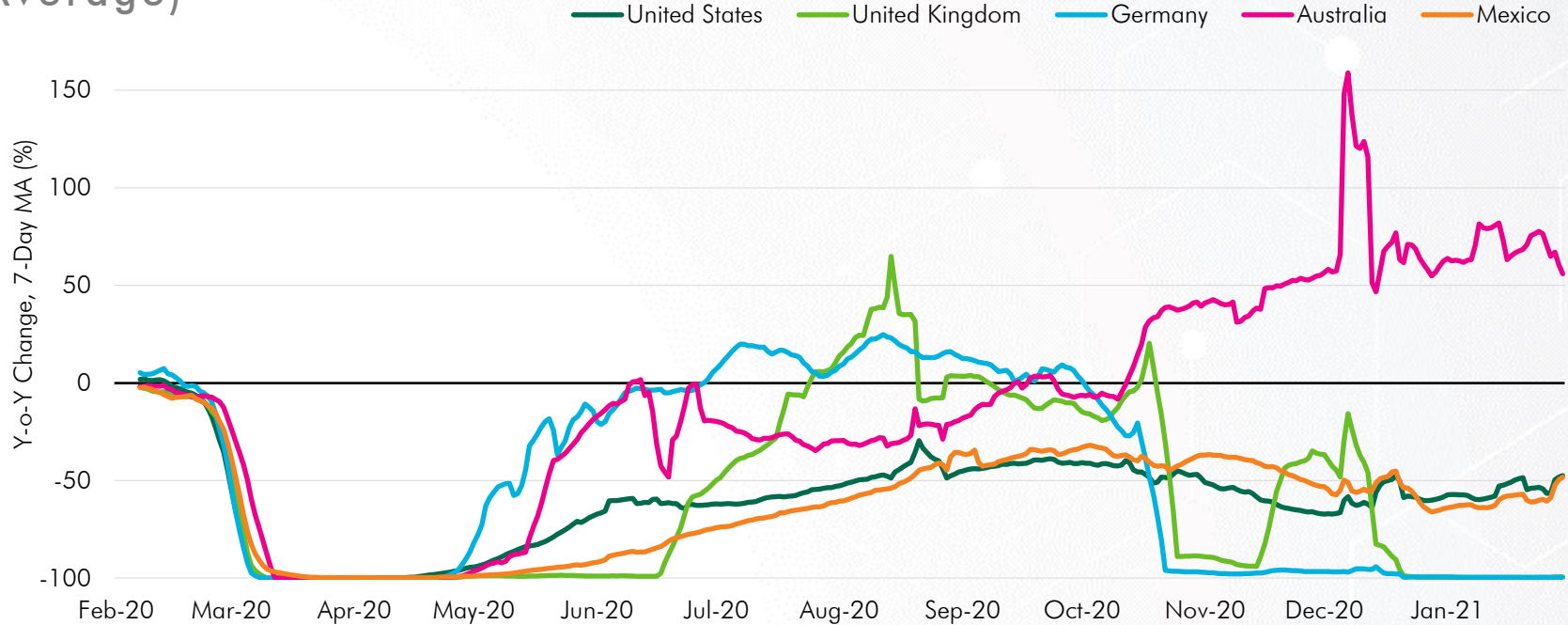
U.S. Personal Income Breakdown (SAAR)



Source: BEA, CBRE Research, Q3 2020.

RESTAURANT SECTOR

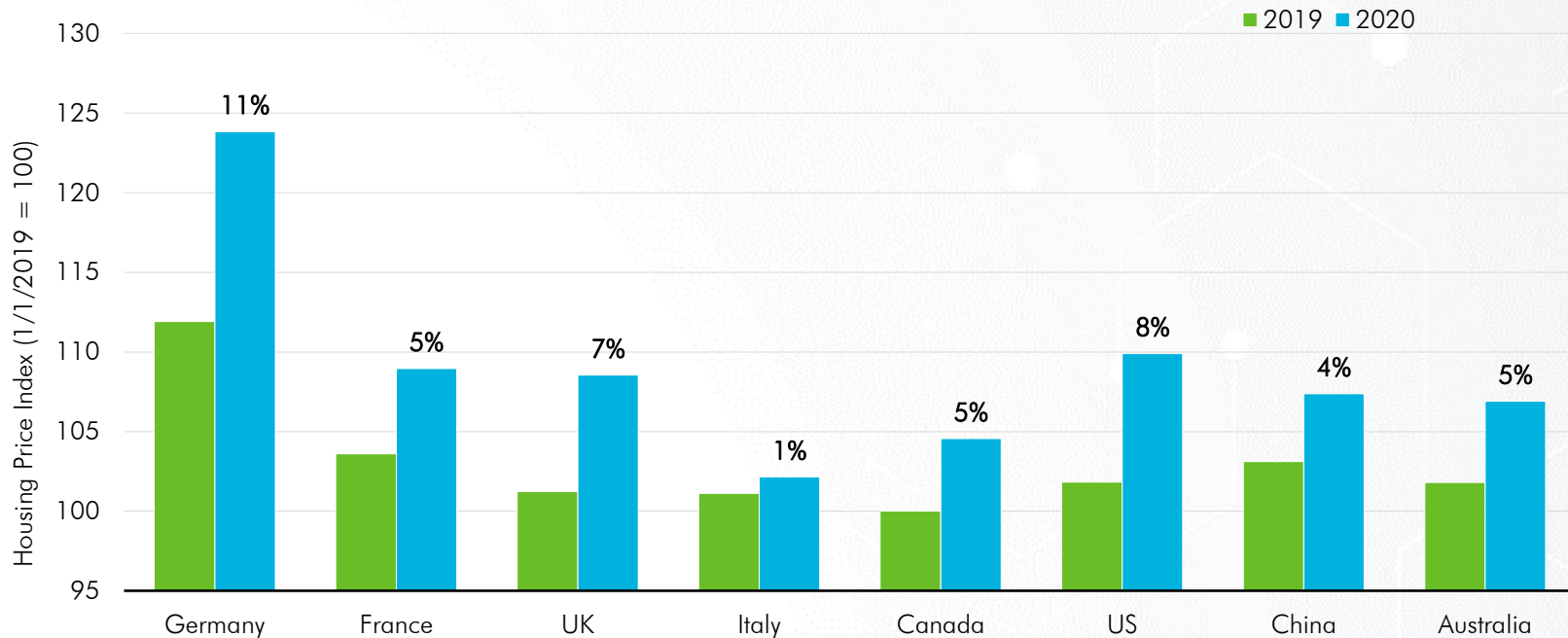
Y-o-Y change in OpenTable restaurant booking (7-Day Moving Average)



Source: OpenTable, 11 Feb 2021.

GLOBAL HOUSING MARKETS ARE HEATING UP!

Housing Price Indices (1/1/2019 = 100)



Source: National Sources, Macrobond, CBRE Research, 2020.

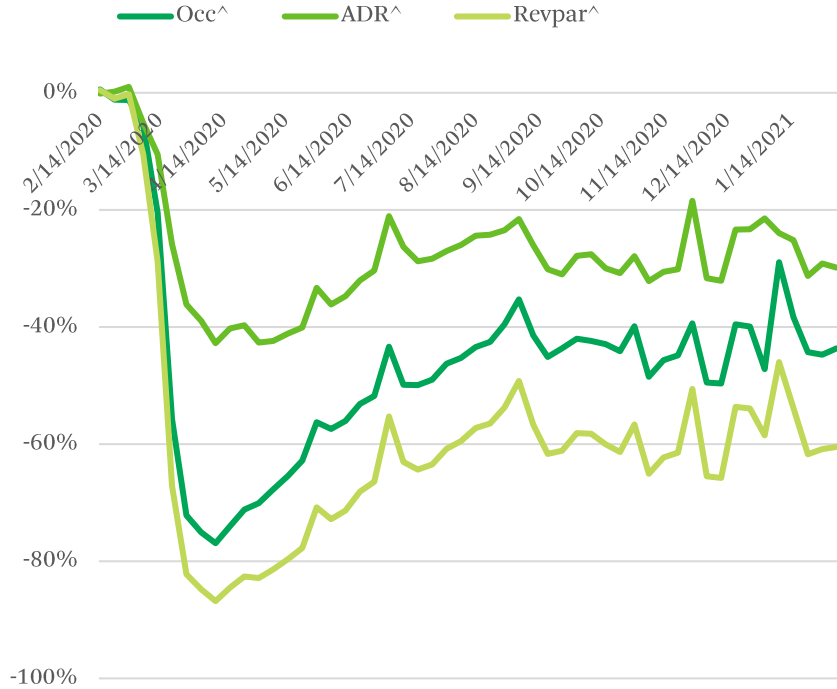
Note: 2020 Figures are latest available month, compared to the same month in 2019.

A low-angle photograph of a modern building with a glass facade against a clear blue sky. The building's structure is composed of dark frames and large glass panels, creating a grid-like pattern. The sky is a solid, vibrant blue. The text 'WEEKLY PERFORMANCE HOTELS' is overlaid in white, bold, sans-serif font in the upper right quadrant.

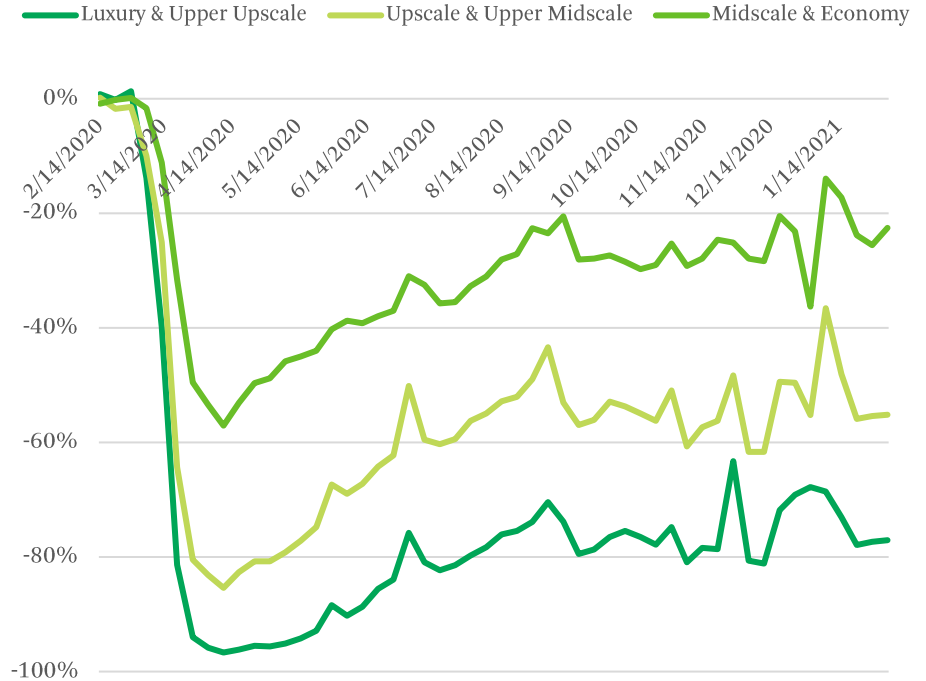
WEEKLY PERFORMANCE HOTELS

REBOUNDED HOTEL PERFORMANCE

Y-o-Y Change



Y-o-Y Change in RevPAR By Chain Scale



Source: CBRE Hotels Research, Kalibri Labs, February 23rd, 2021.

Note: Covers Kalibri Weekly Sample, not scaled to full U.S. Hotel Industry Representation

Q4 2020 FORECAST

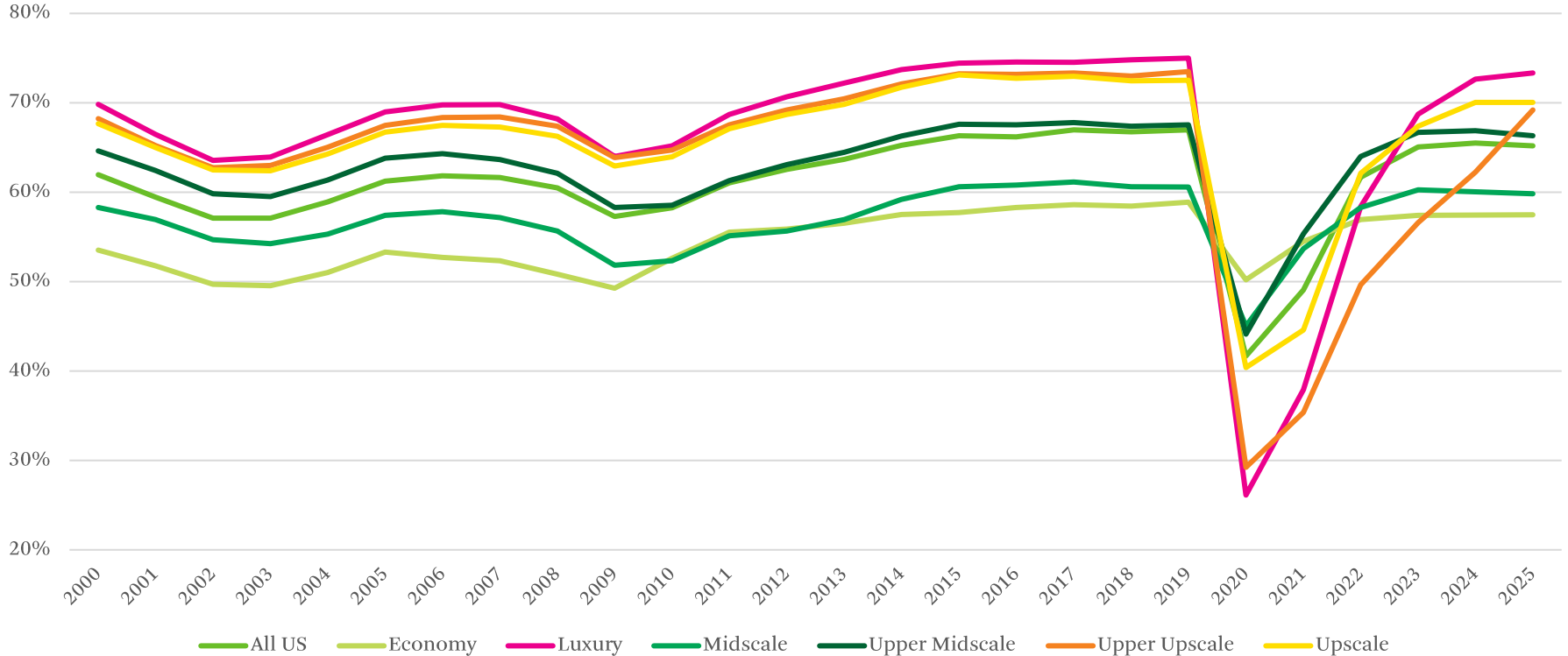


CBRE HOTELS – Q4 2020 BASELINE FORECAST

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	49.1%	17.7%	\$99.46	-3.5%	\$48.81	13.6%	55%
2022	61.7%	25.7%	\$113.21	13.8%	\$69.85	43.1%	78%
2023	65.1%	5.5%	\$127.02	12.2%	\$82.65	18.3%	93%
2024	65.5%	0.7%	\$136.63	7.6%	\$89.51	8.3%	101%
2025	65.2%	-0.5%	\$143.07	4.7%	\$93.27	4.2%	105%

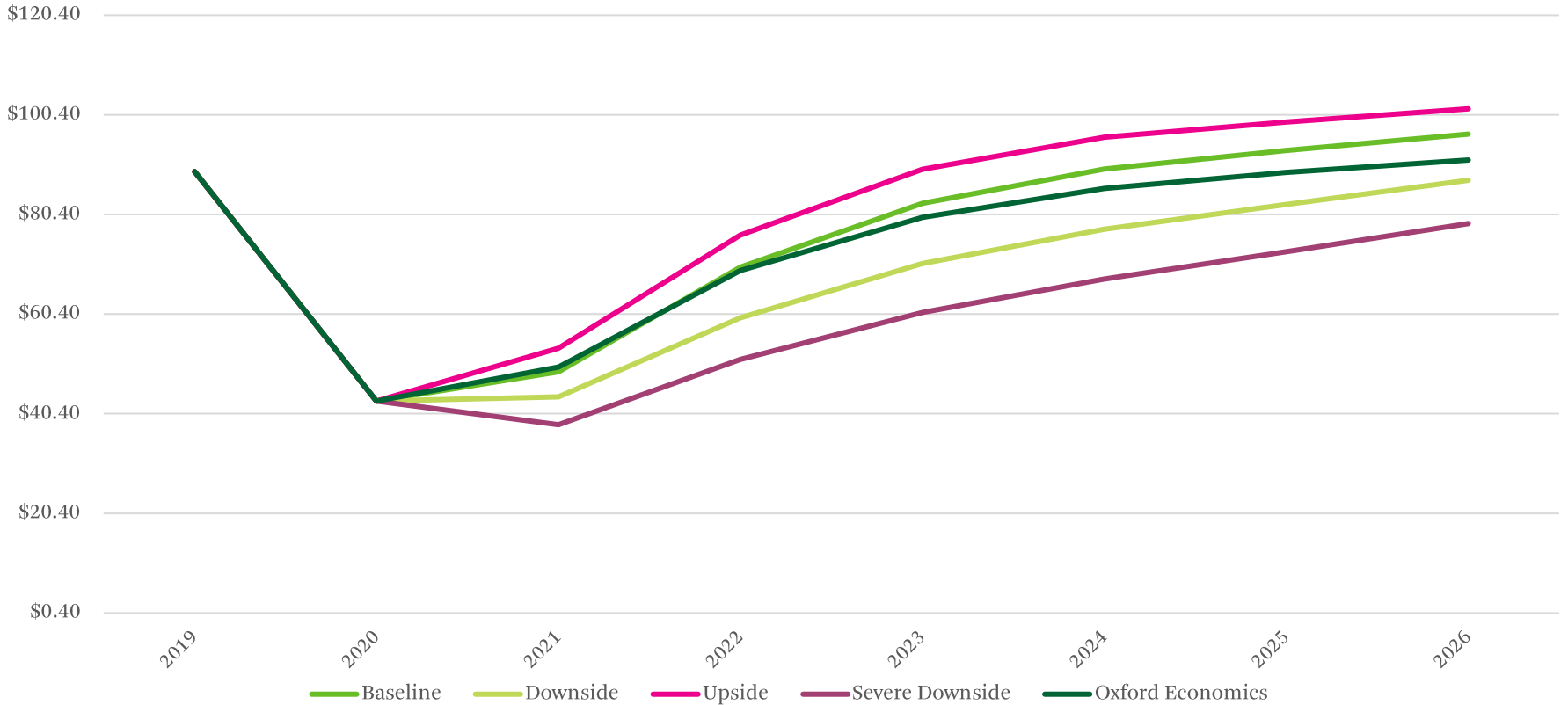
Source: CBRE Hotels Research, Kalibri Labs, 2/25/2021 – <https://pip.cbrehotels.com> .

Q4 HORIZONS OCCUPANCY FORECAST BY CHAIN SCALE



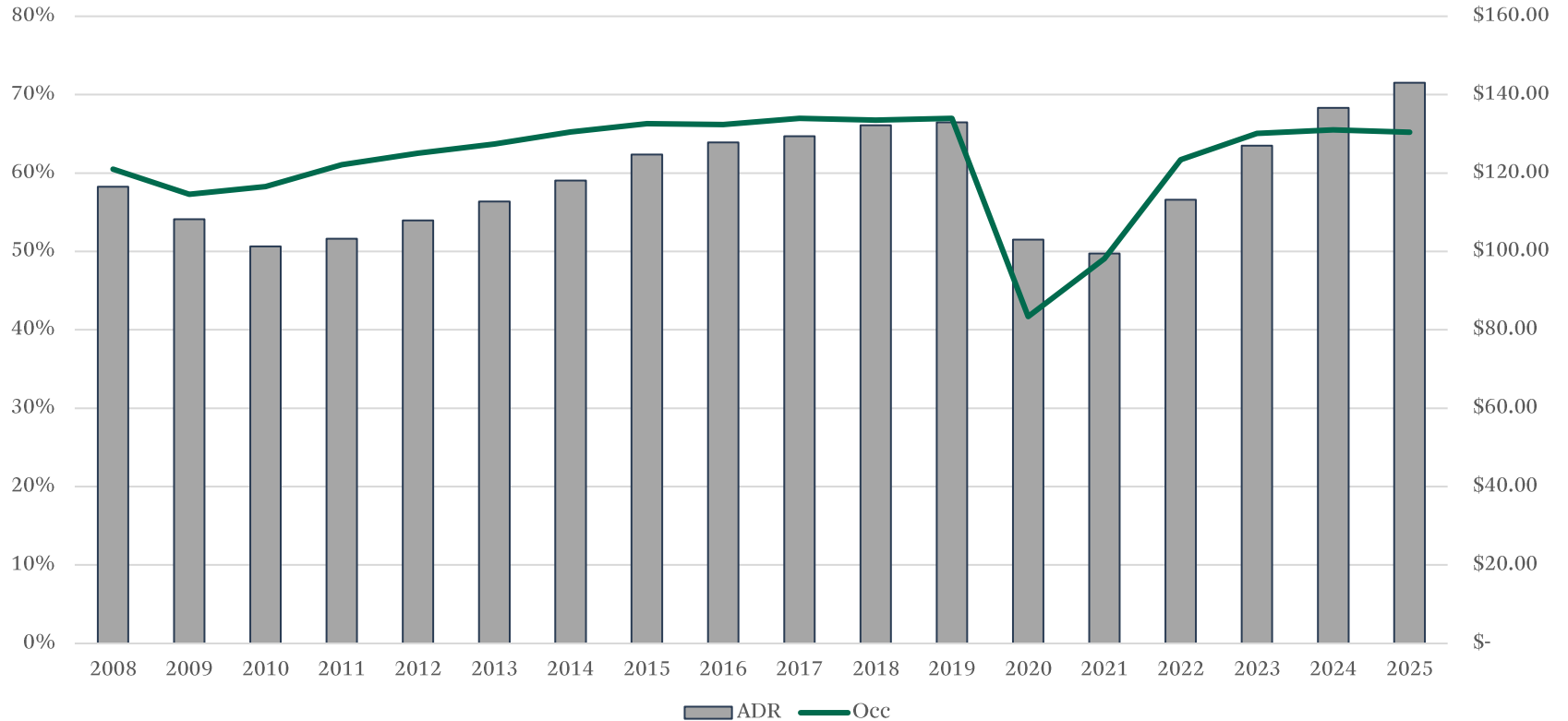
Source: CBRE Hotels Research, Kalibri Labs Q4 2020.

Q4 HORIZONS REVPAR FORECAST BY SCENARIO



Source: CBRE Hotels Research, Kalibri Labs Q4 2020.

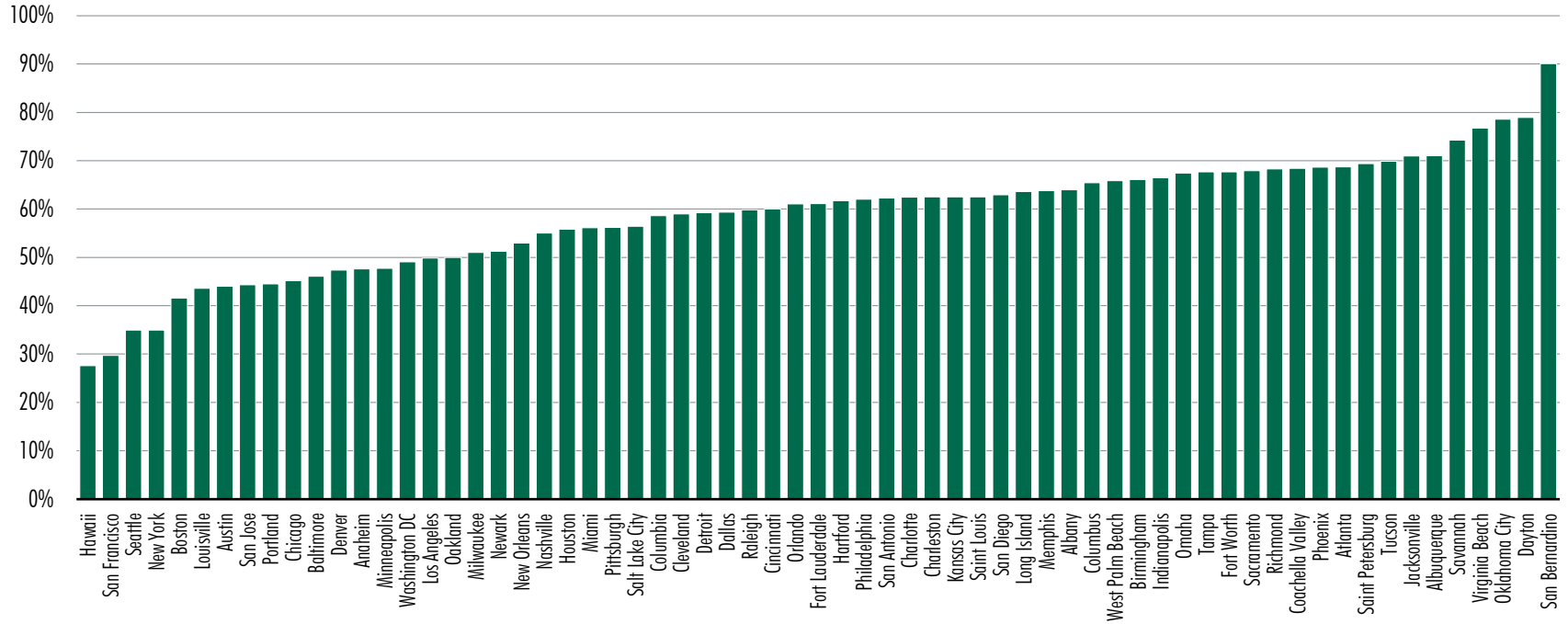
NATIONAL OCCUPANCY AND ADR NUMBERS



Source: CBRE Hotels Research, Kalibri Labs Q4 2020.

WHERE WILL THE RECOVERY BE THIS YEAR?

2021 RevPAR as Percentage of 2019 RevPAR by Market



Source: CBRE Hotels Research, Kalibri Labs Q4 2020

HOW WE CAN HELP

CBRE Hotels Advisory

We understand the impact the current pandemic crisis is taking on your day-to-day operations and business models. As you evaluate the implications on your assets, CBRE Hotels stands ready to assist with the most up-to-date information, data, and customized services. The US CBRE Hotels Advisory team covers all territories and is backed by the #1 US Hotel Research group in the nation, enabling us to be the best equipped professionals for this situation.

We have identified the following services that can be offered in expedited fashion. They are largely customizable and incorporate real-time data that can be applied to your specific property or portfolio. Given the scale and experience of our professional team, together with the unparalleled strength of the world's leading hospitality group, CBRE Hotels Advisory is prepared to offer these services on a weekly, bi-weekly, monthly or one-time basis. CBRE Hotels Advisory is prepared to immediately help you navigate through the current environment with confidence.

Our Suite of Services:

- Market Demand & Financial Feasibility Analysis *(Both New & Existing)*
- Appraisals for:
 - + *Financing*
 - + *Property Tax Appeal/Assessment*
 - + *Estate Purposes*
- Stress Tests
- Impairment Testing
- Liquidity Assessment
- Receivership Services
- Asset Management
- Financial Benchmarking
- Operational Reviews
- Occupancy Forecasting
- Litigation Support
- Debt Advisory
- Operator/Brand Selection
- Branding, Re-Branding & Marketing
- Development Advisory
- Management Company Selection
- Acquisition Due Diligence:
 - + *Buy Side*
 - + *Sell Side*
 - + *Technical*



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THANK YOU!

CBRE

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