



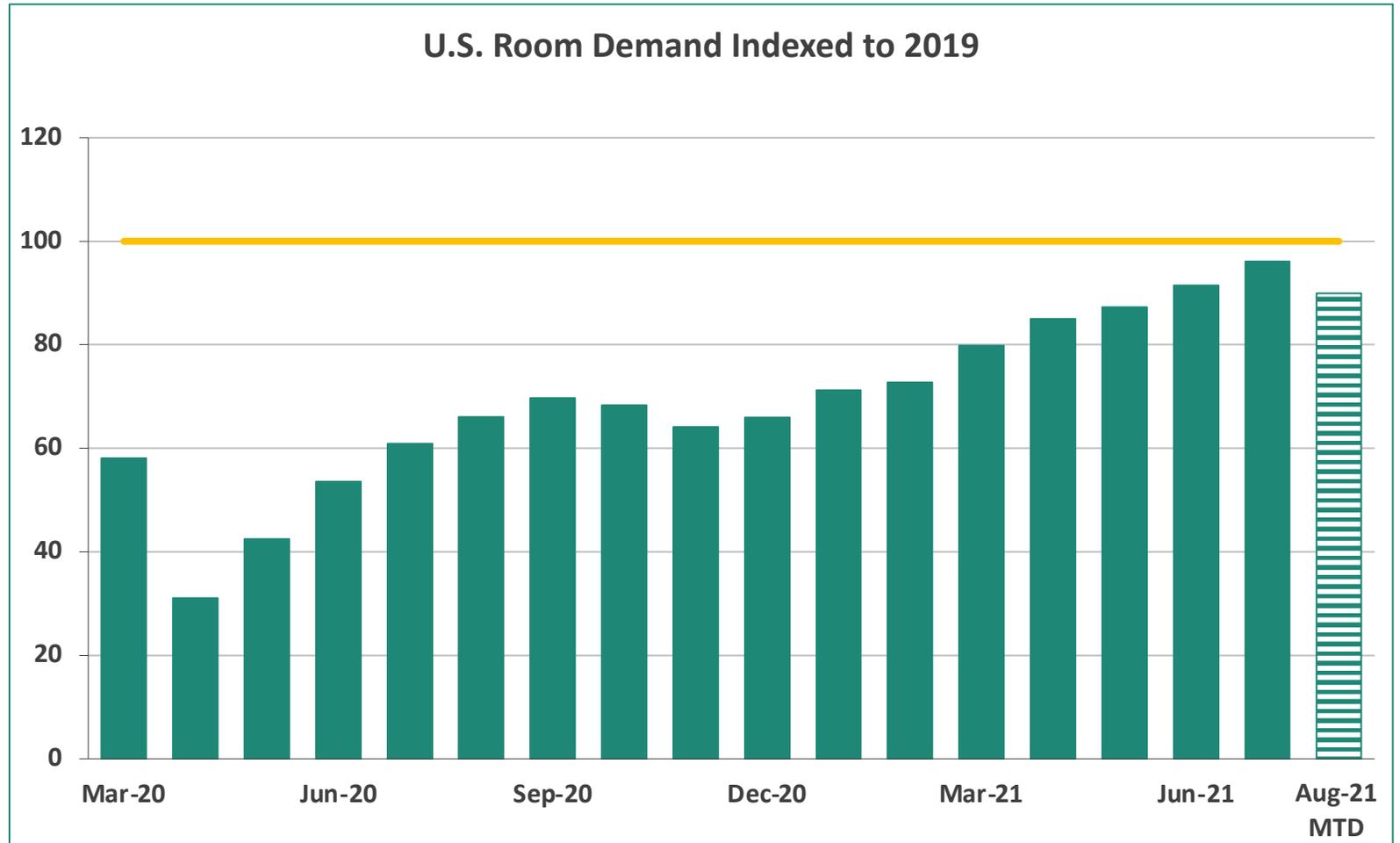
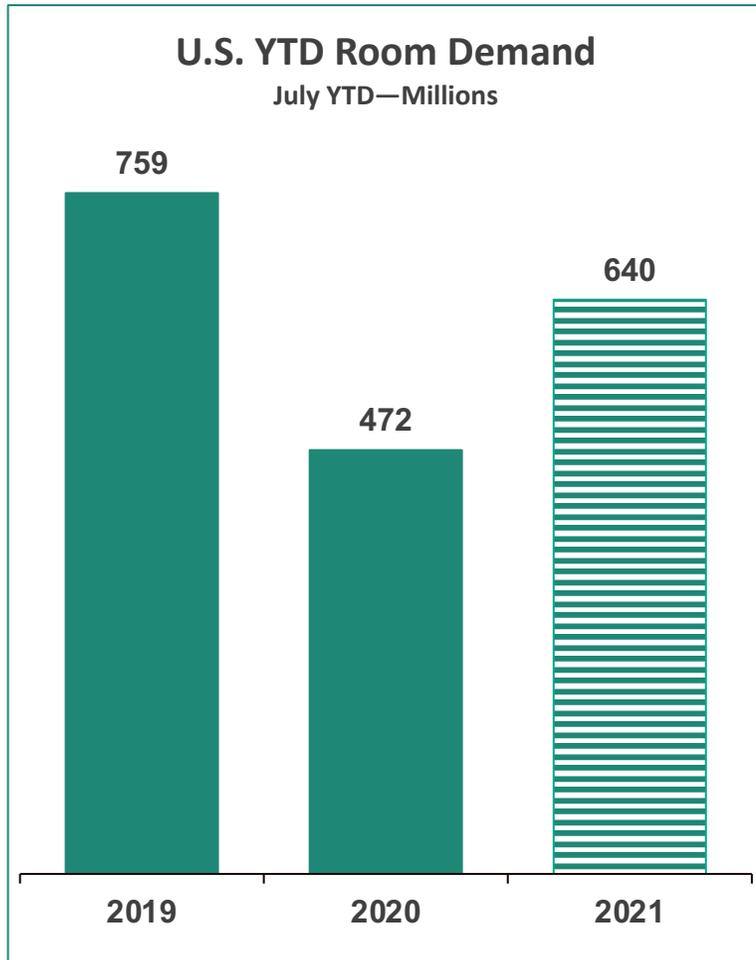
# The Lodging Industry

Current Performance & Outlook  
August 2021

**Isaac Collazo** | VP, Analytics

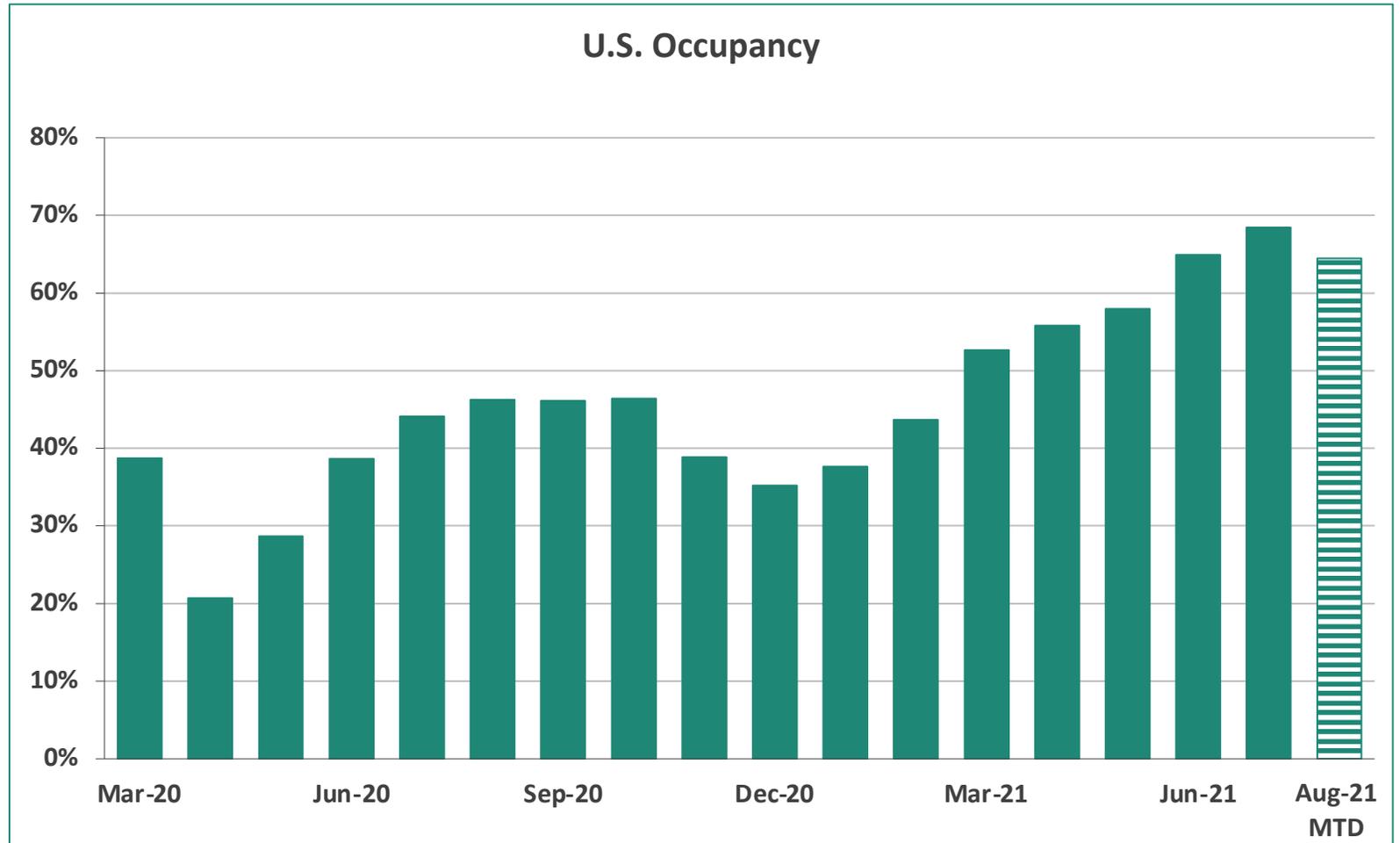
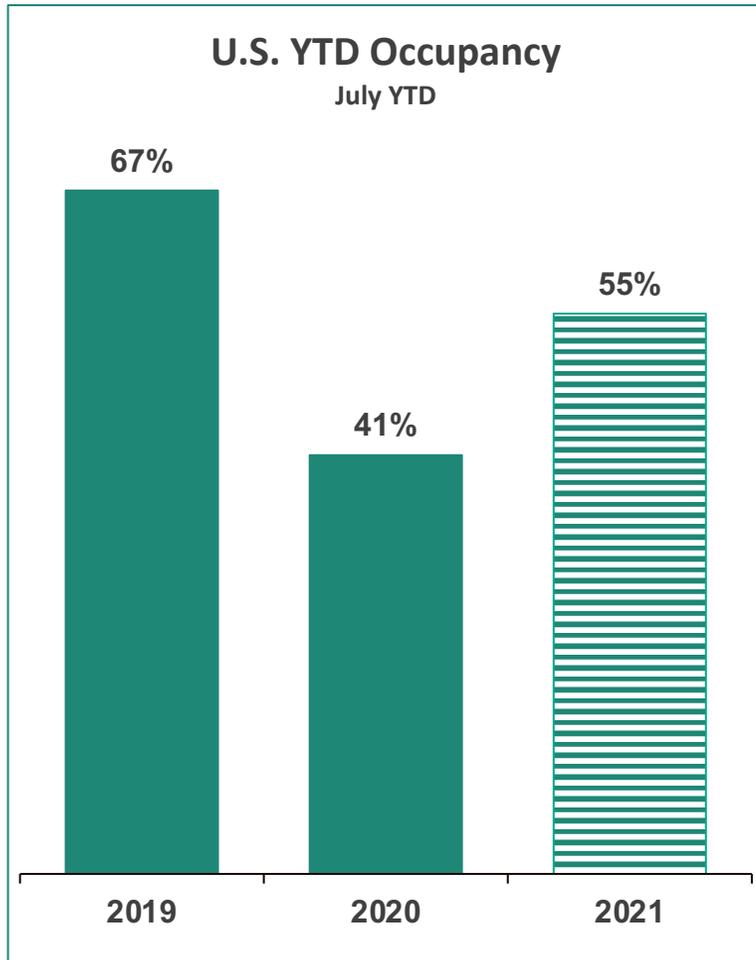
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# U.S. room demand is nearing 2019 levels.



August MTD as of August 14

# Occupancy returned in March via pent-up leisure demand.

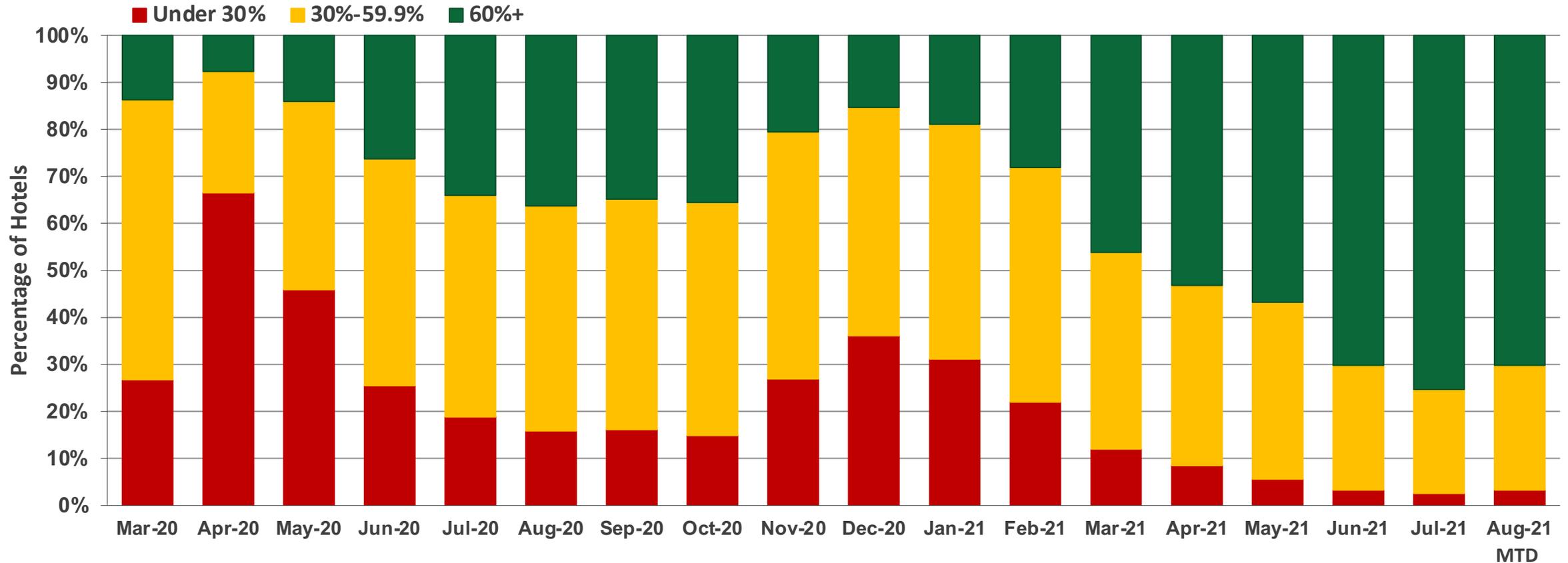


August MTD as of August 14

# Most U.S. hotels saw solid occupancy during the summer.



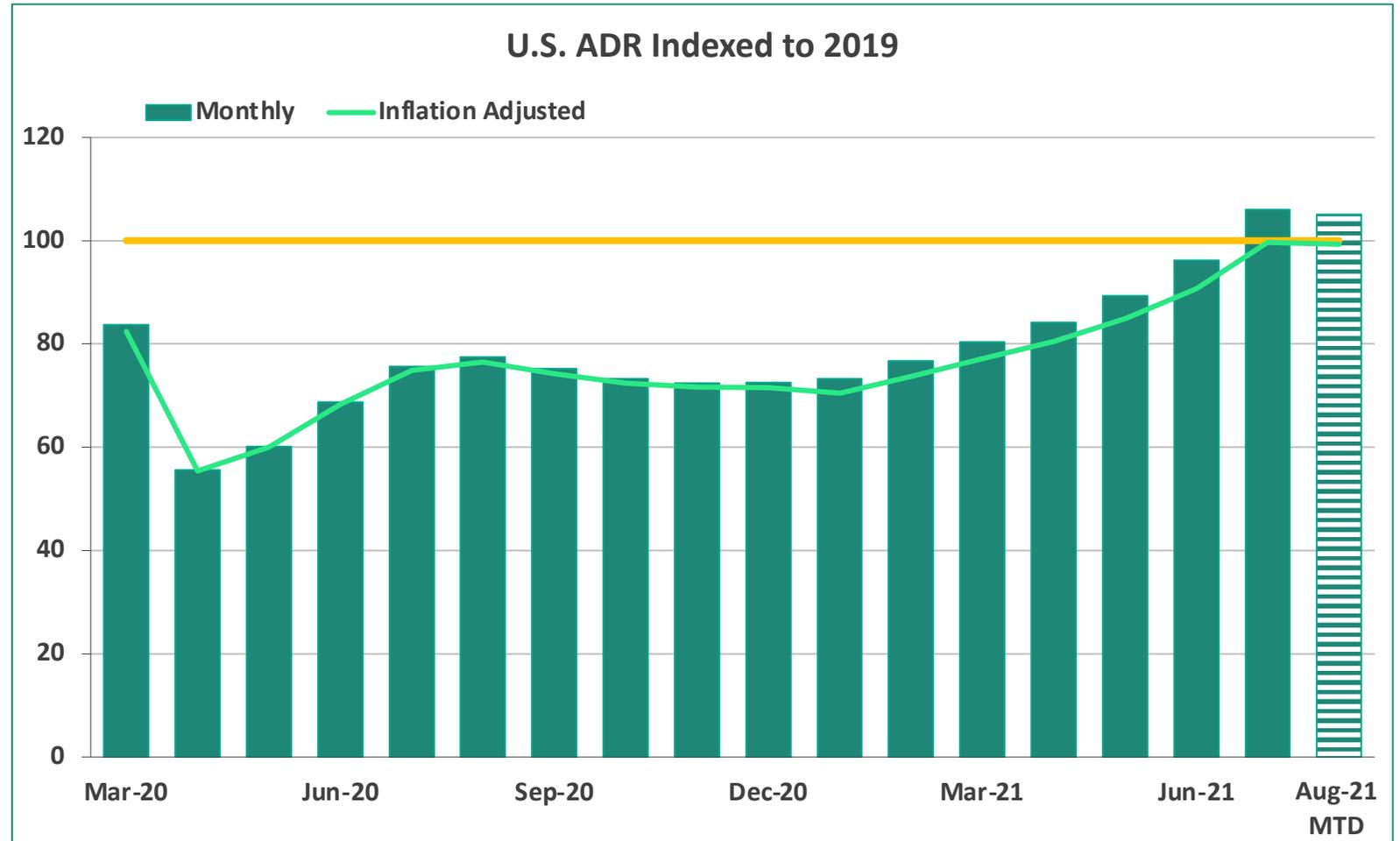
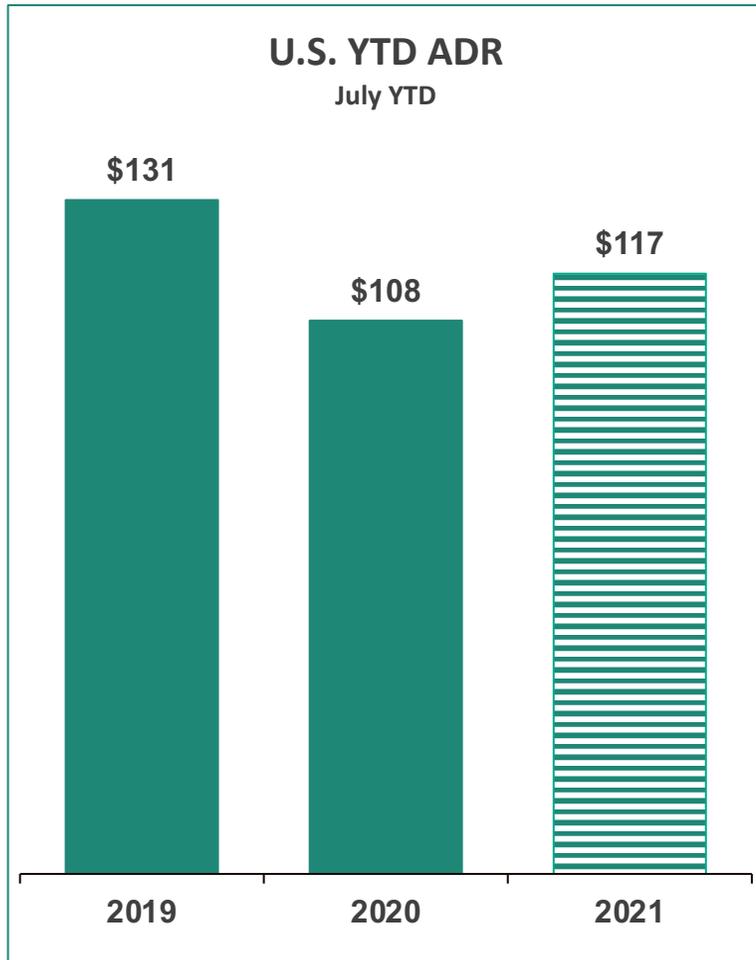
## U.S. Hotel Occupancy Distribution



August MTD as of August 14

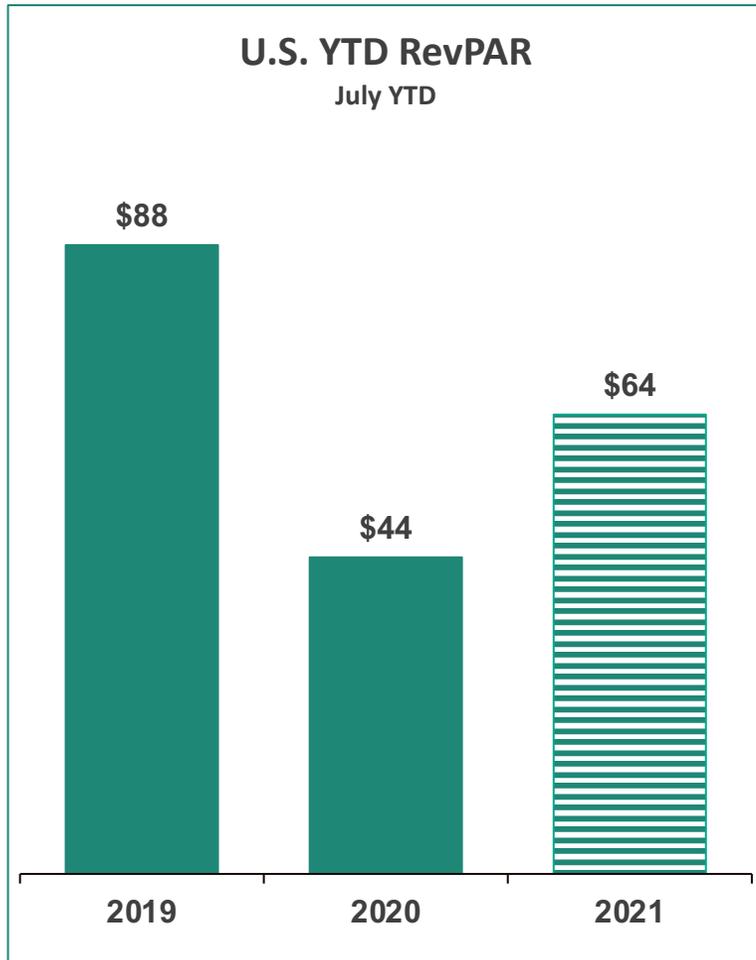
Source: STR. 2021 © CoStar Realty Information, Inc.

# ADR reached 2019 levels in July on both a nominal and real basis. August is on the same track.

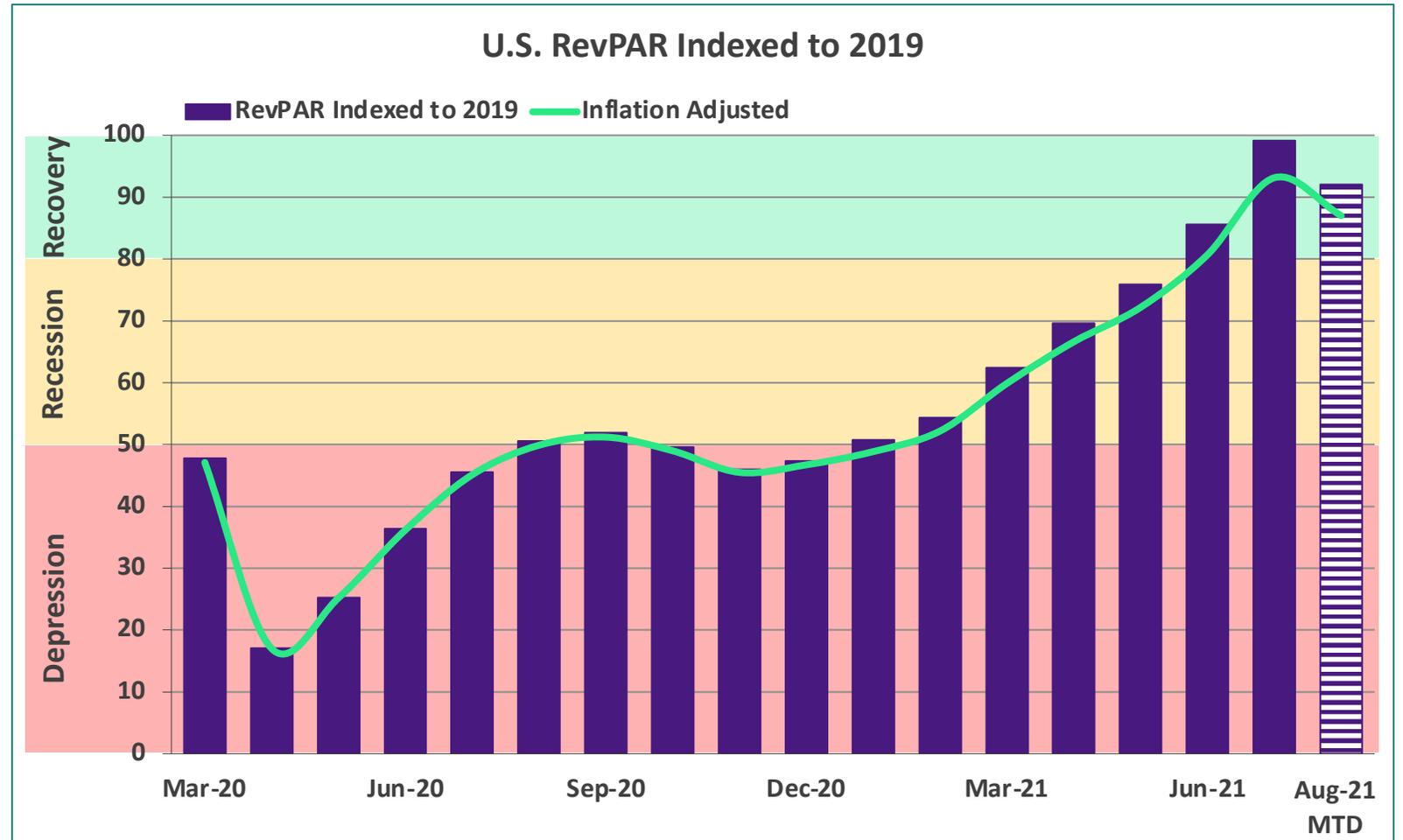


August MTD as of August 14

# U.S. RevPAR has been in STR's "recovery" zone since June.



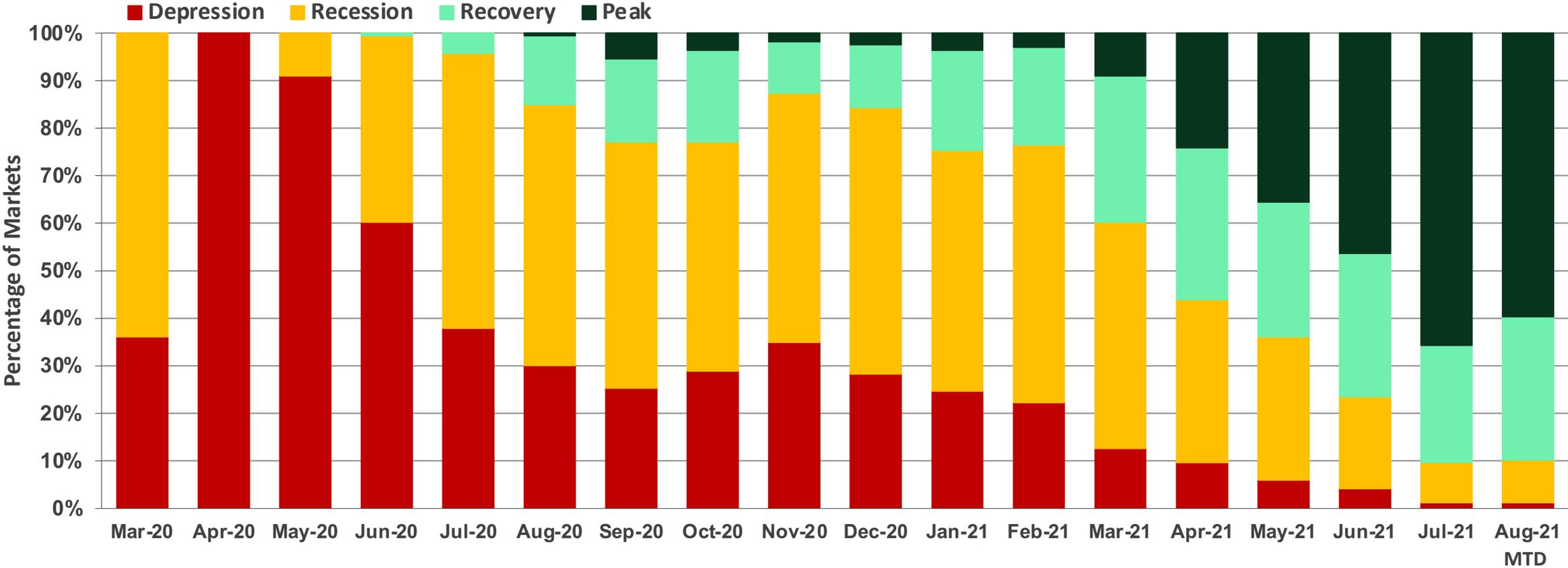
August MTD as of August 14



# The summer months also pushed most markets into the “recovery” zone, but full recovery is years away.



U.S. Market RevPAR Distribution—RevPAR Indexed to 2019



August MTD as of August 14

Source: STR. 2021 © CoStar Realty Information, Inc.

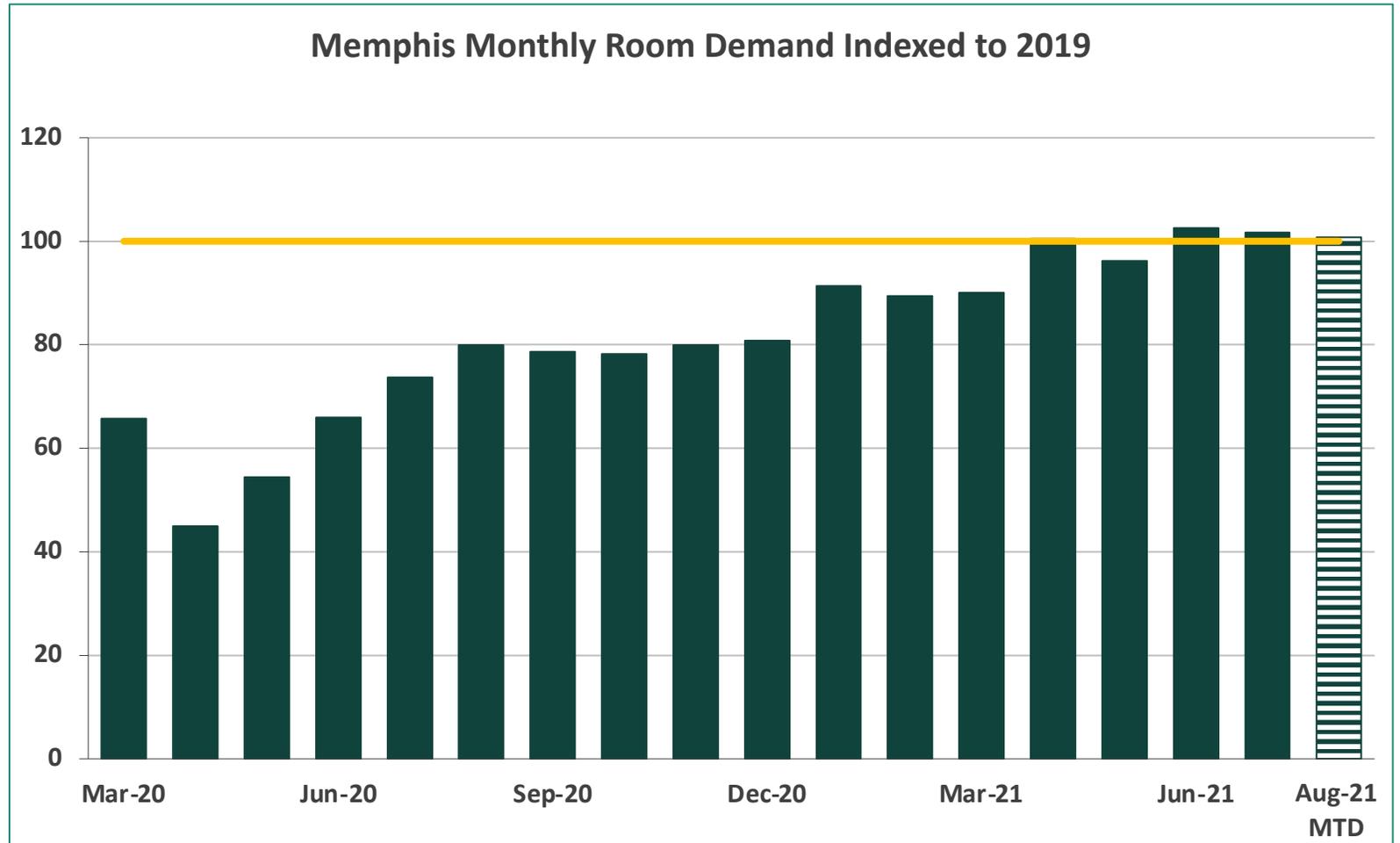
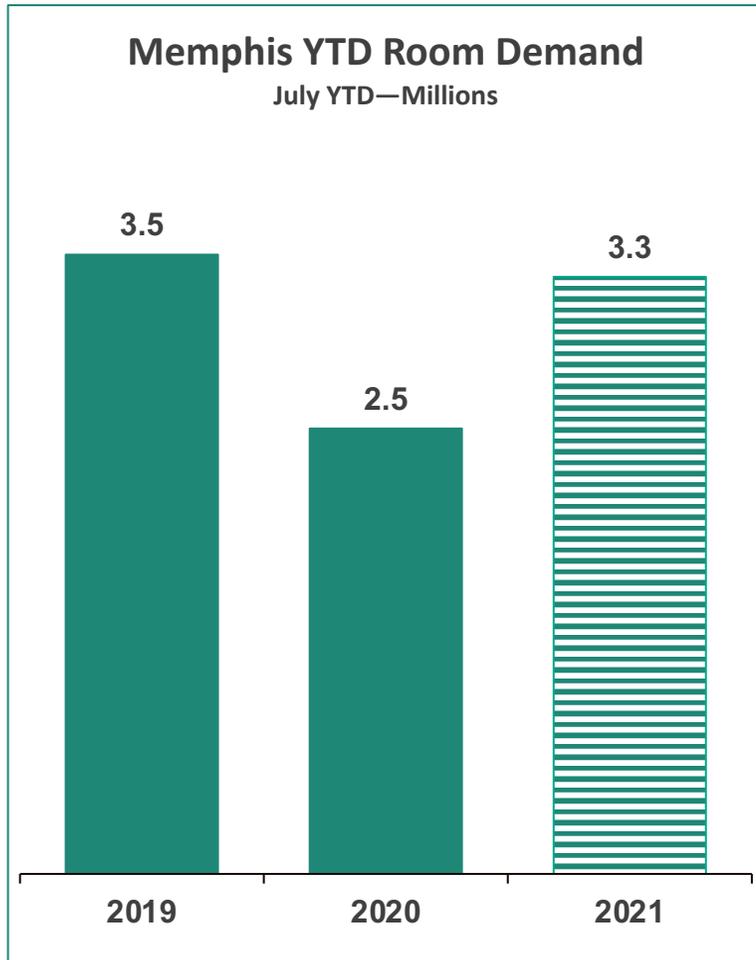


# Memphis, TN

Refer to slide 11



# On a relative basis, Memphis room demand has been a bit better than the U.S.

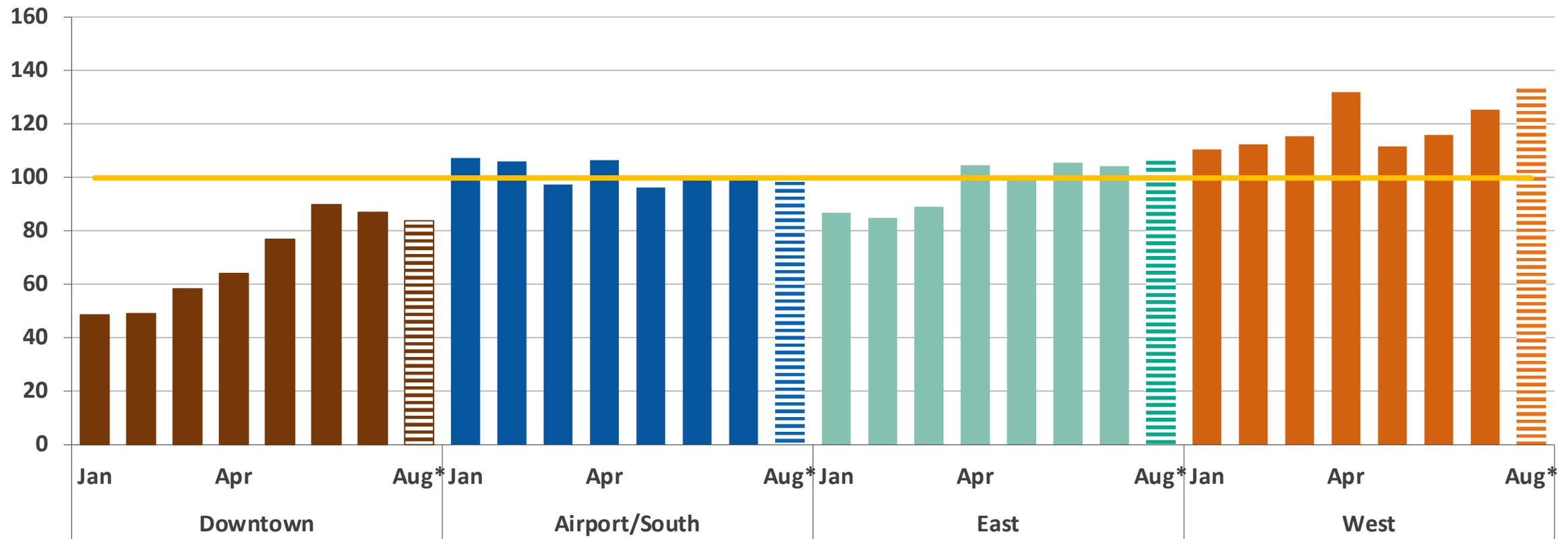


August MTD as of August 14

# Most of the Memphis market has seen “normal” room demand for several months.

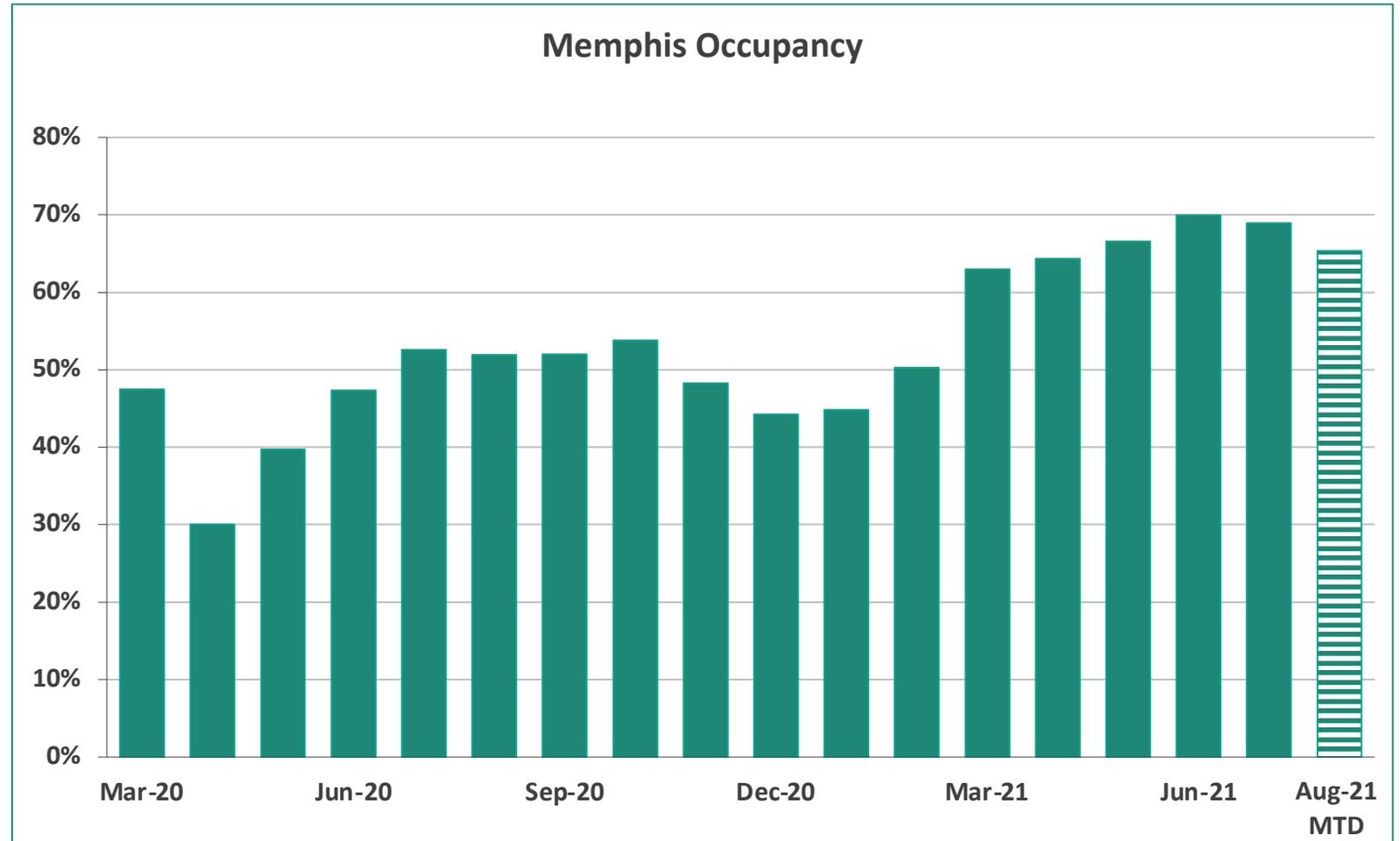
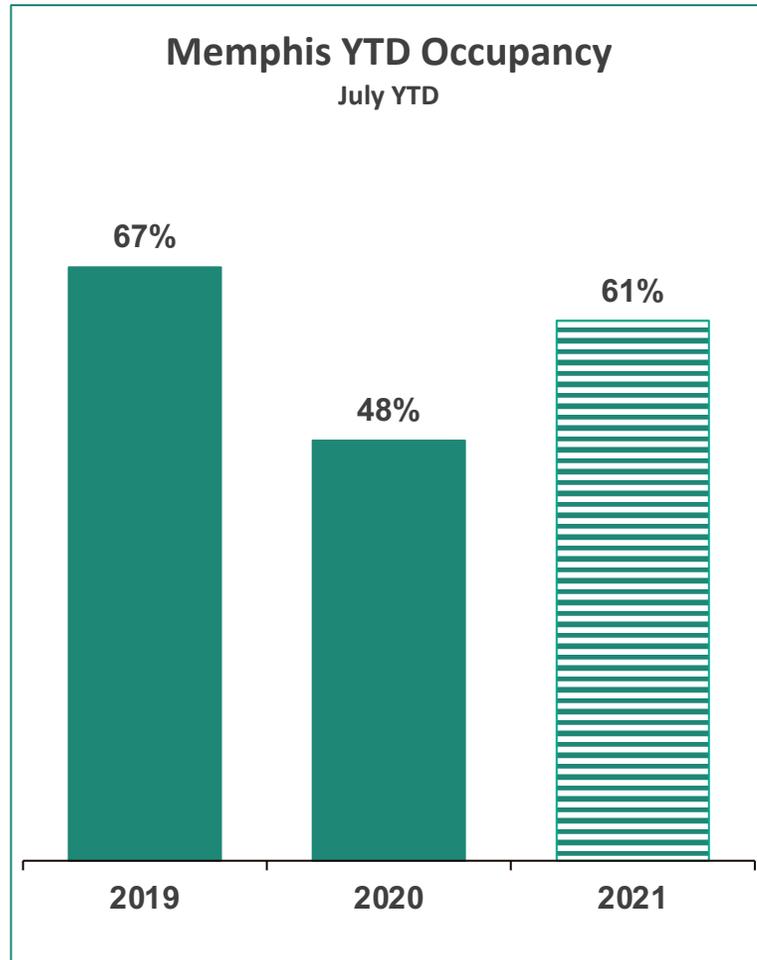


2021 Memphis Room Demand Indexed to 2019



\*MTD as of August 14

# Market occupancy also fared better than most of the U.S.

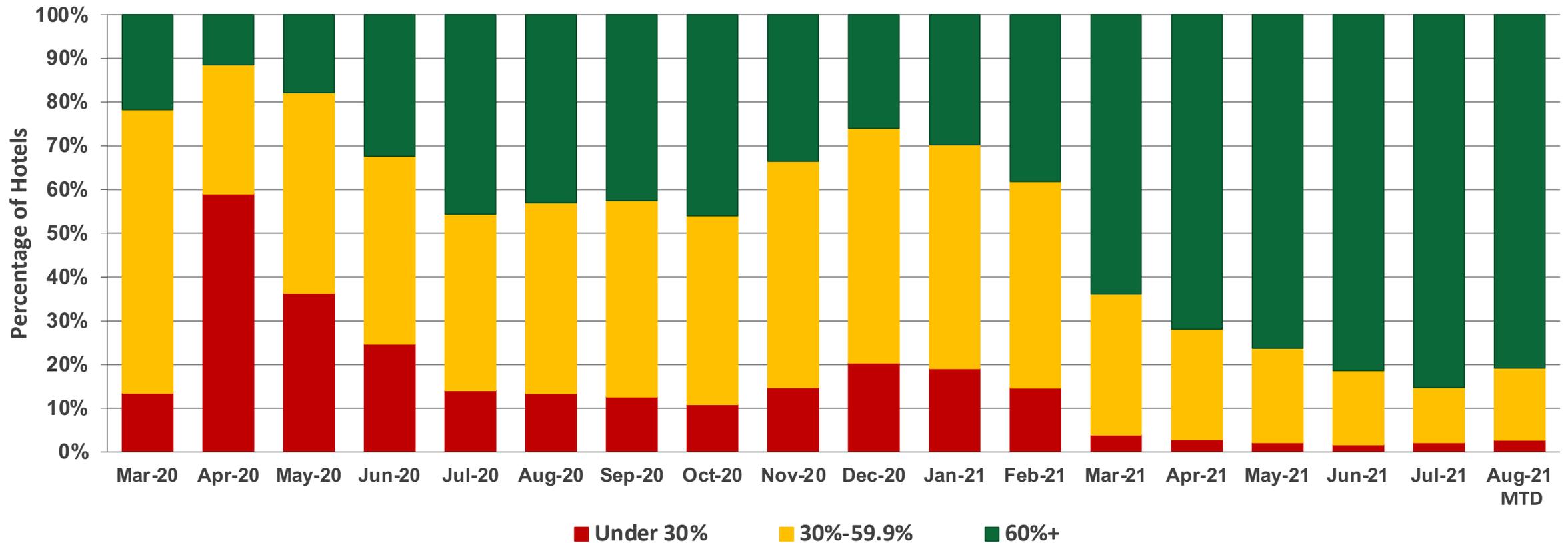


August MTD as of August 14

# More than 70% of all hotels in the Memphis market reported occupancy above 60% for the past four months.



### Occupancy Distribution—Memphis Reporting Hotels



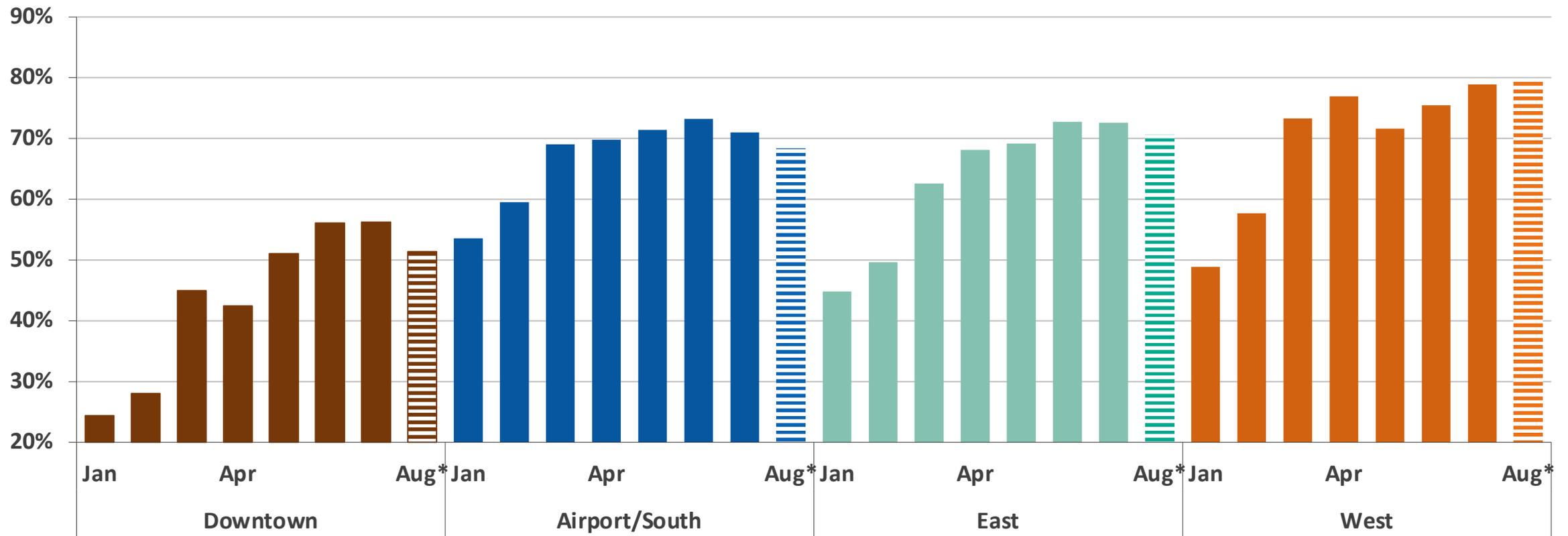
August MTD as of August 14

Source: STR. 2021 © CoStar Realty Information, Inc.

# Downtown hotels have struggled the most.

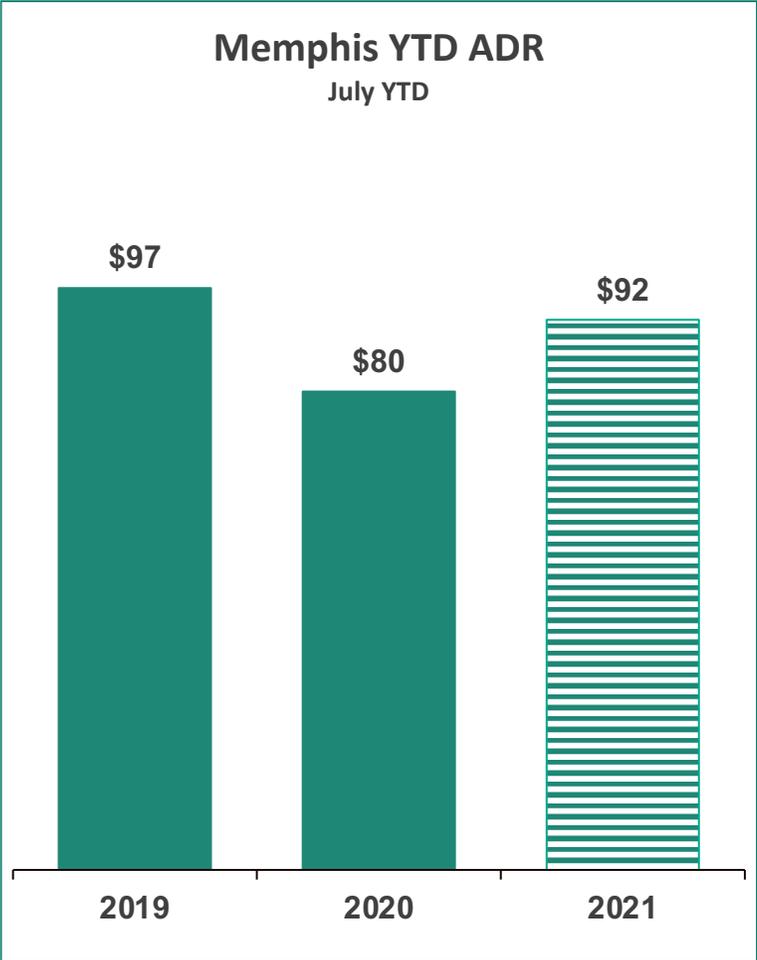


2021 Memphis Occupancy

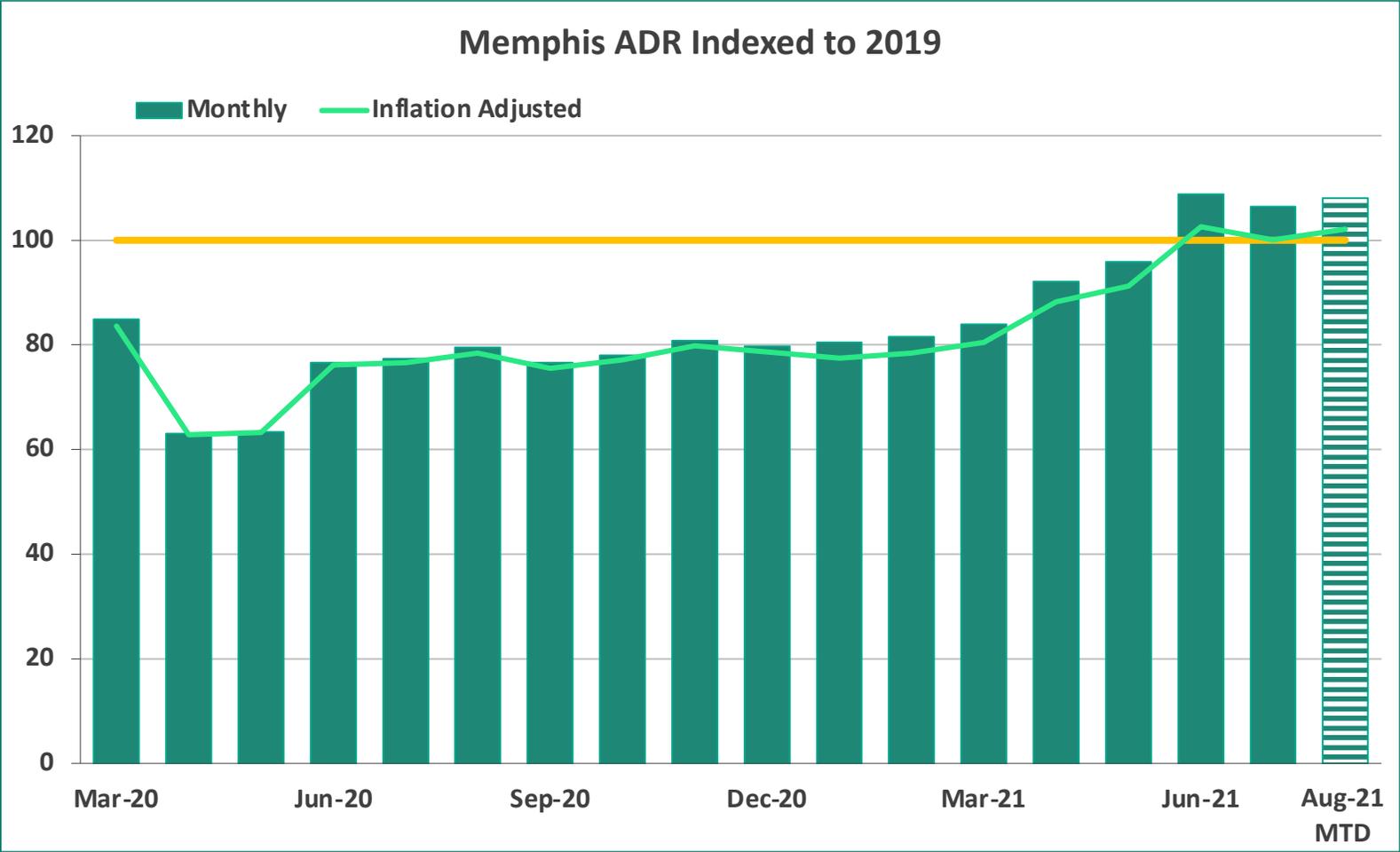


\*MTD as of August 14

# Like the U.S., Memphis ADR surpassed its 2019 level in June and July.



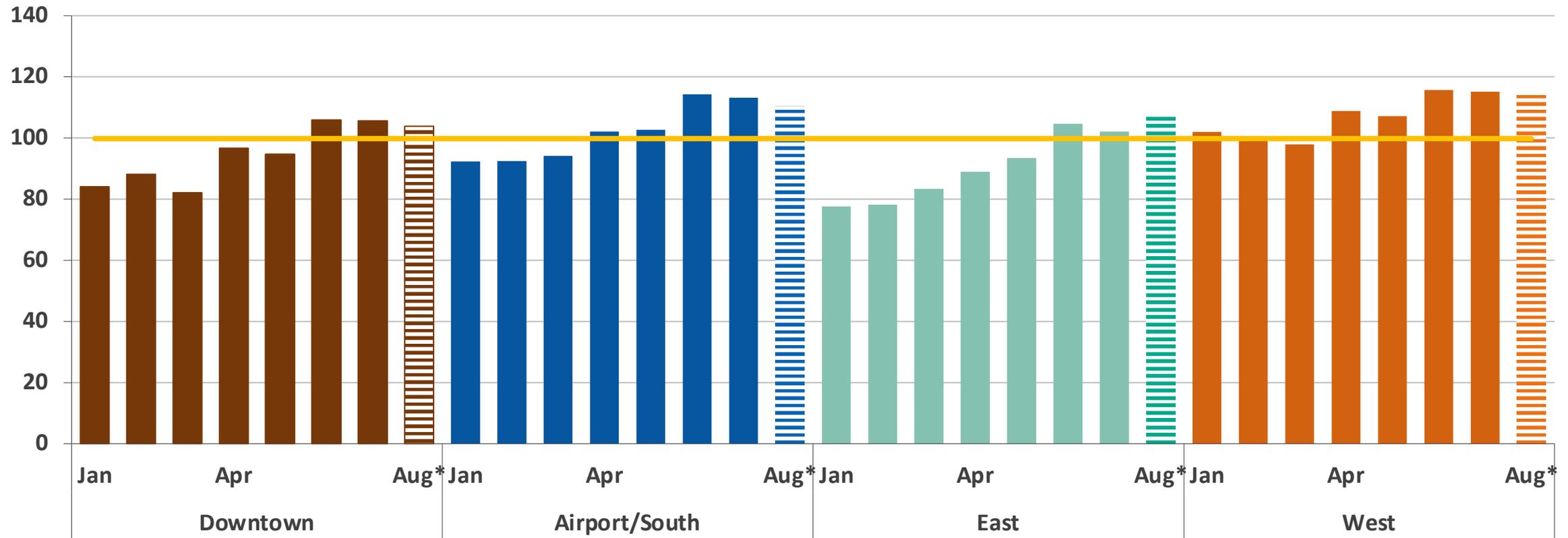
August MTD as of August 14



# ADR has also been strong across all Memphis submarkets.

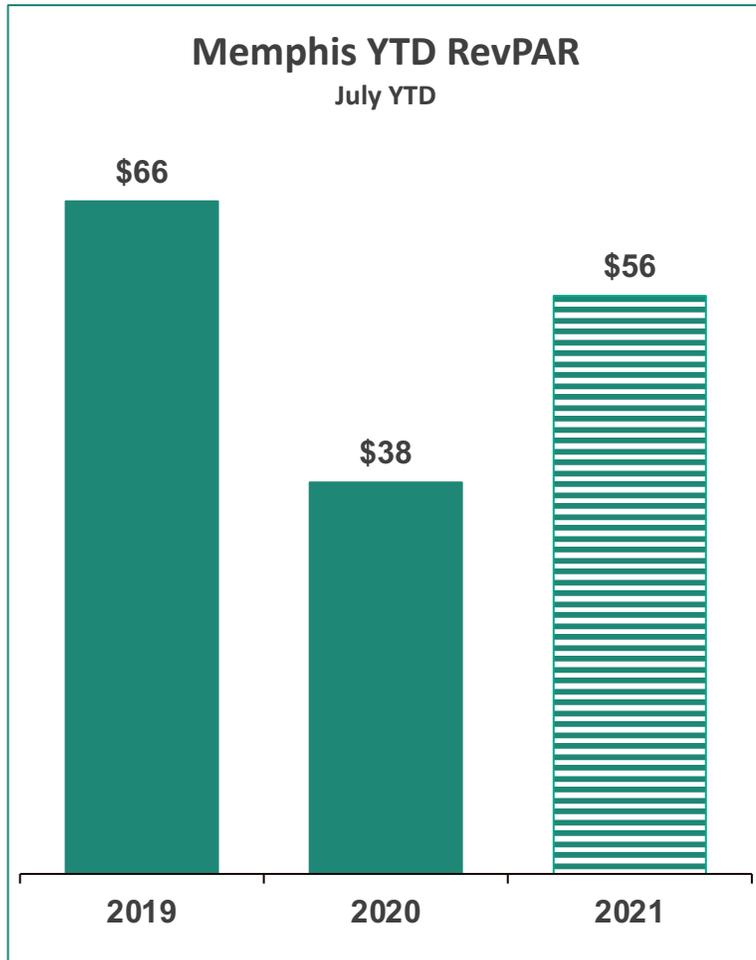


2021 Memphis ADR Indexed to 2019

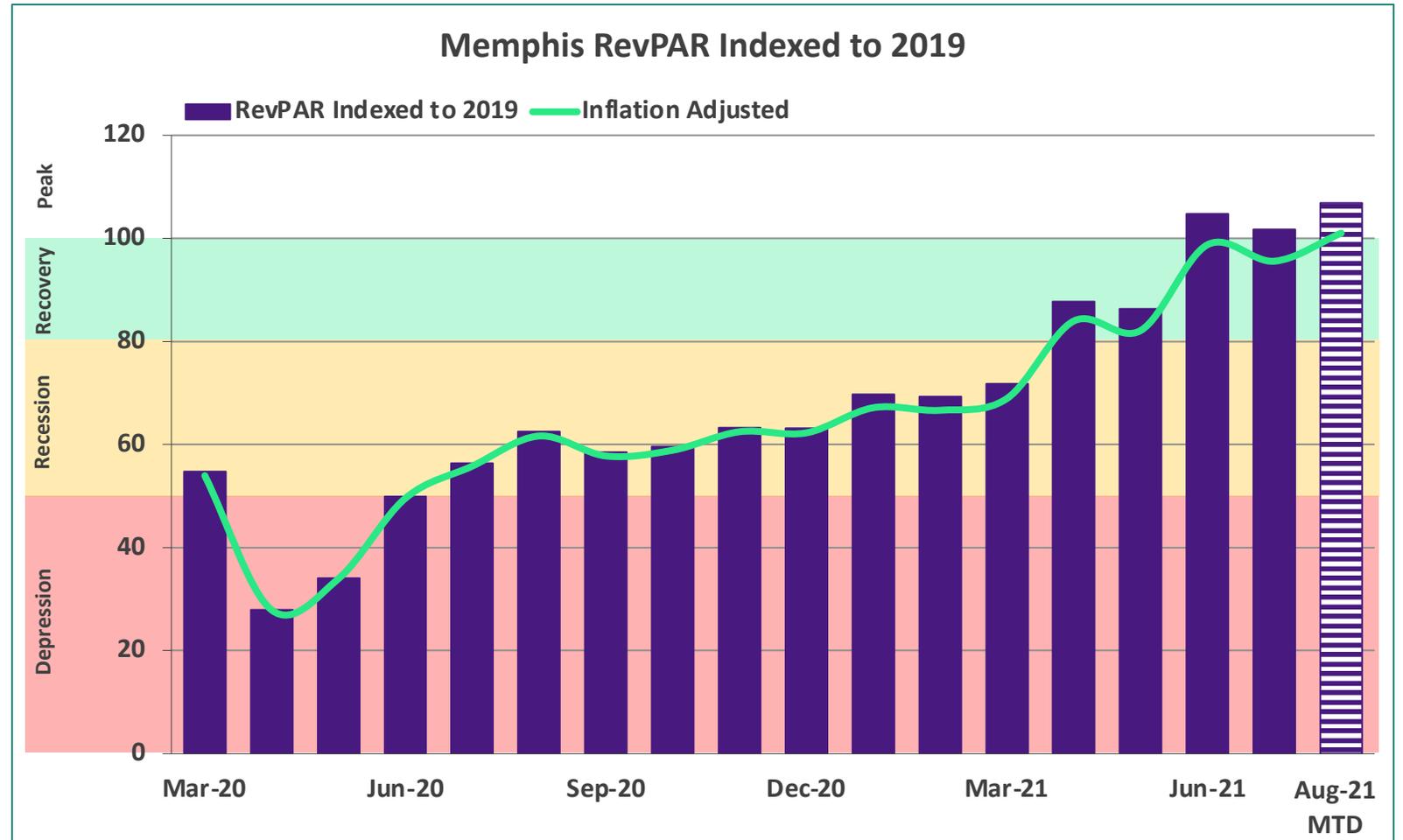


\*MTD as of August 14

# Memphis RevPAR achieved “peak” status in June and July. August is currently in the same category.



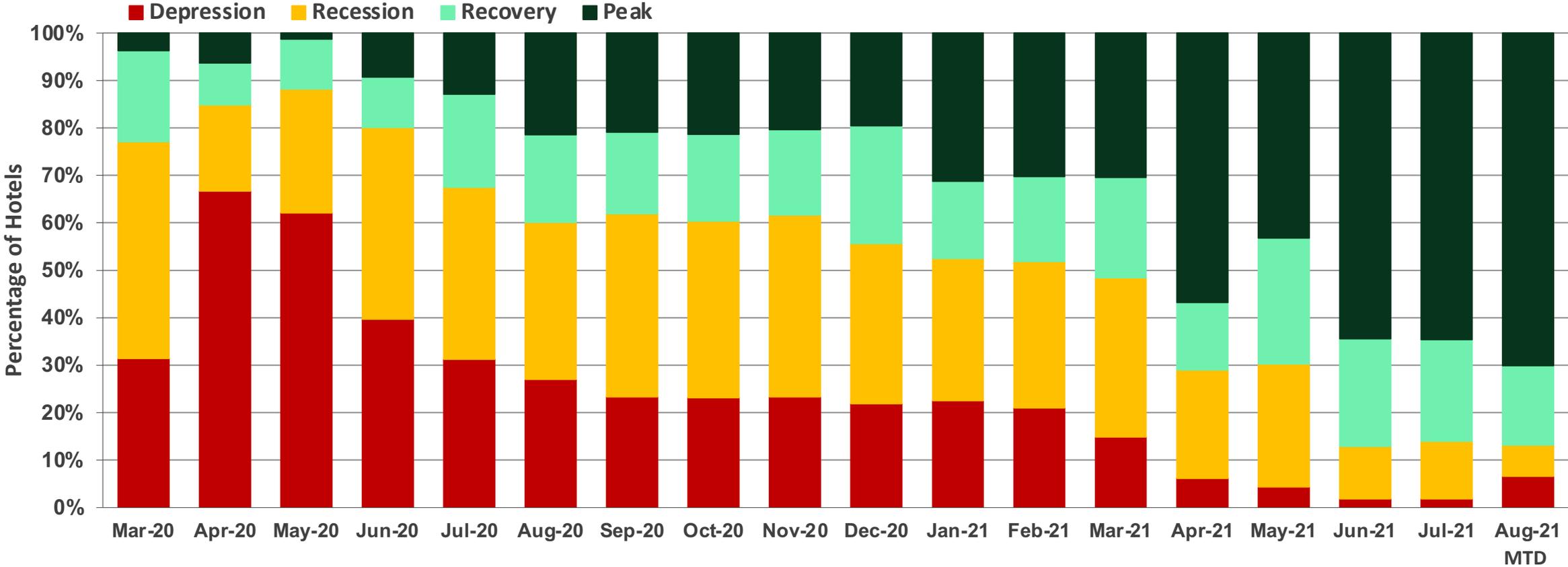
August MTD as of August 14



# In the four months ending July, more than 50% of all Memphis hotels have seen RevPAR at “peak” levels



Memphis Hotel RevPAR Distribution—RevPAR Indexed to 2019



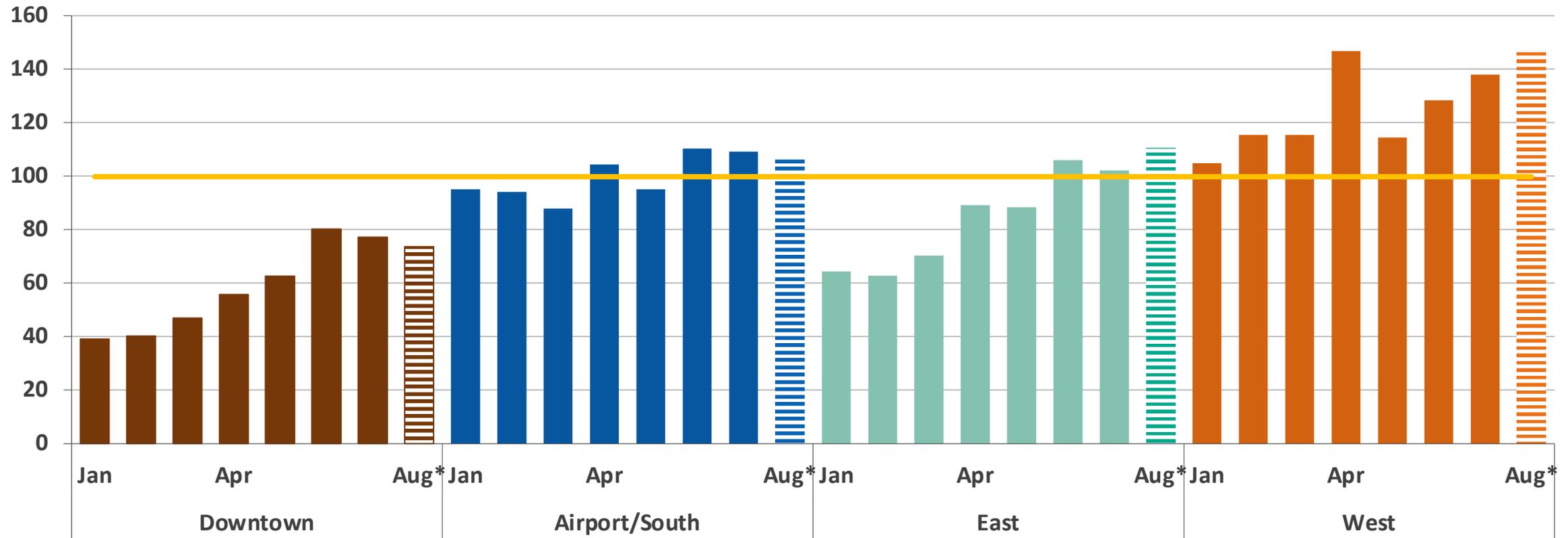
August MTD as of August 14

Source: STR. 2021 © CoStar Realty Information, Inc.

All submarkets, except Downtown, have also seen RevPAR at “peak” levels during the summer months.



2021 Memphis RevPAR Indexed to 2019



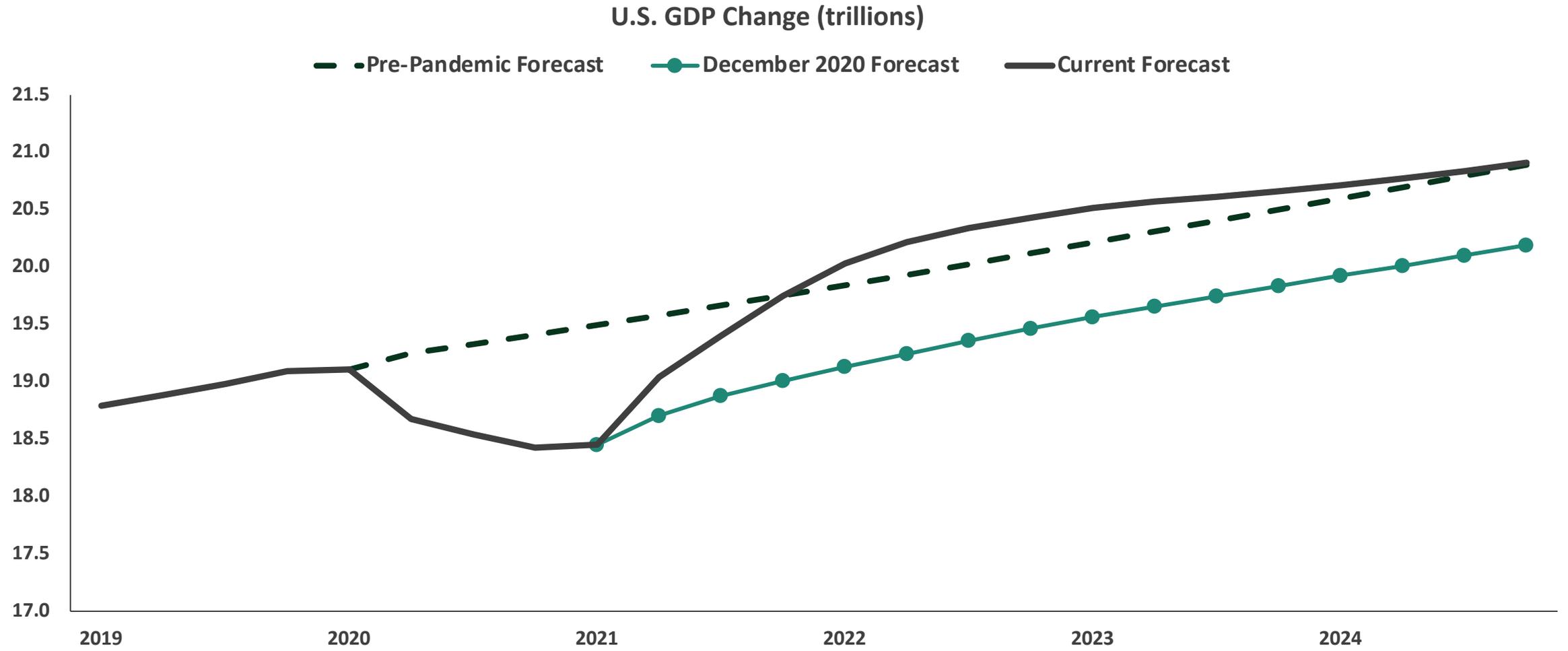
\*MTD as of August 14



# Outlook



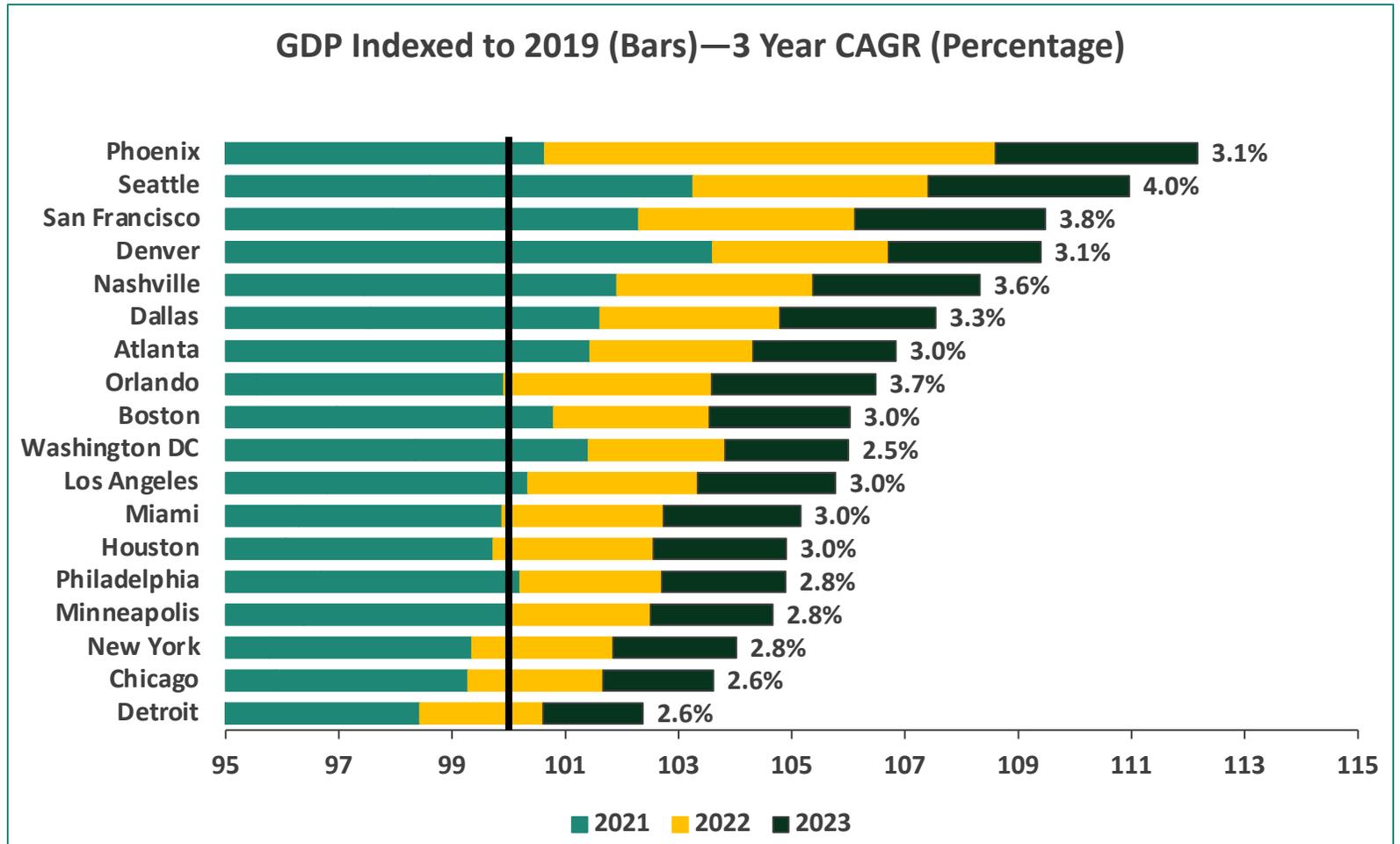
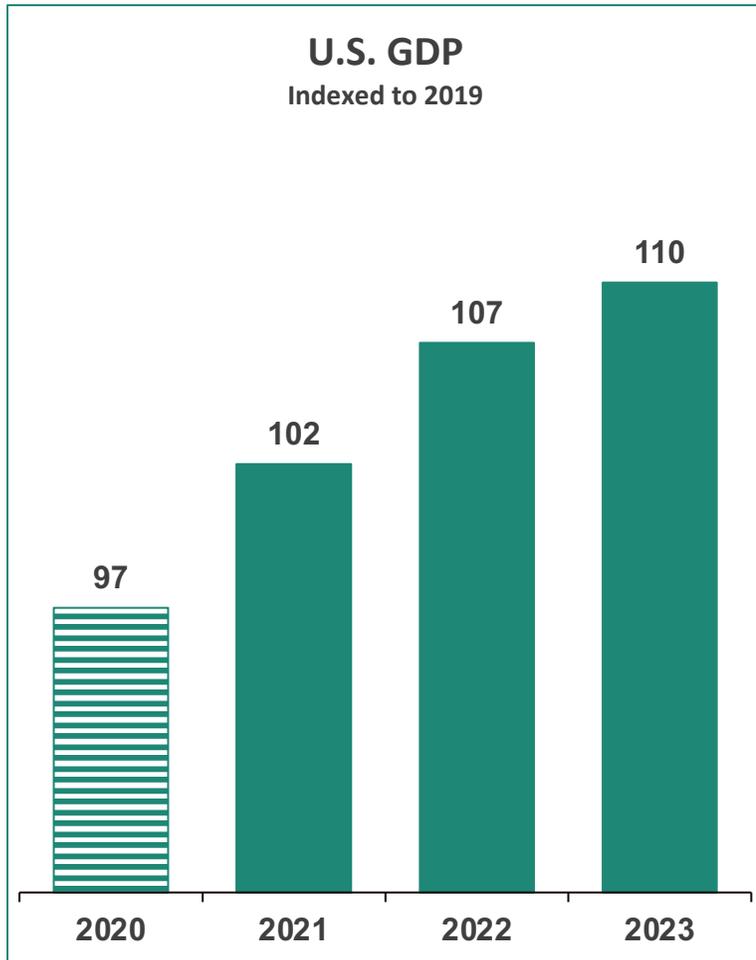
# U.S. GDP is set to grow at its fastest pace since 1984.



# Nearly all key city economies fully recover by 2022.



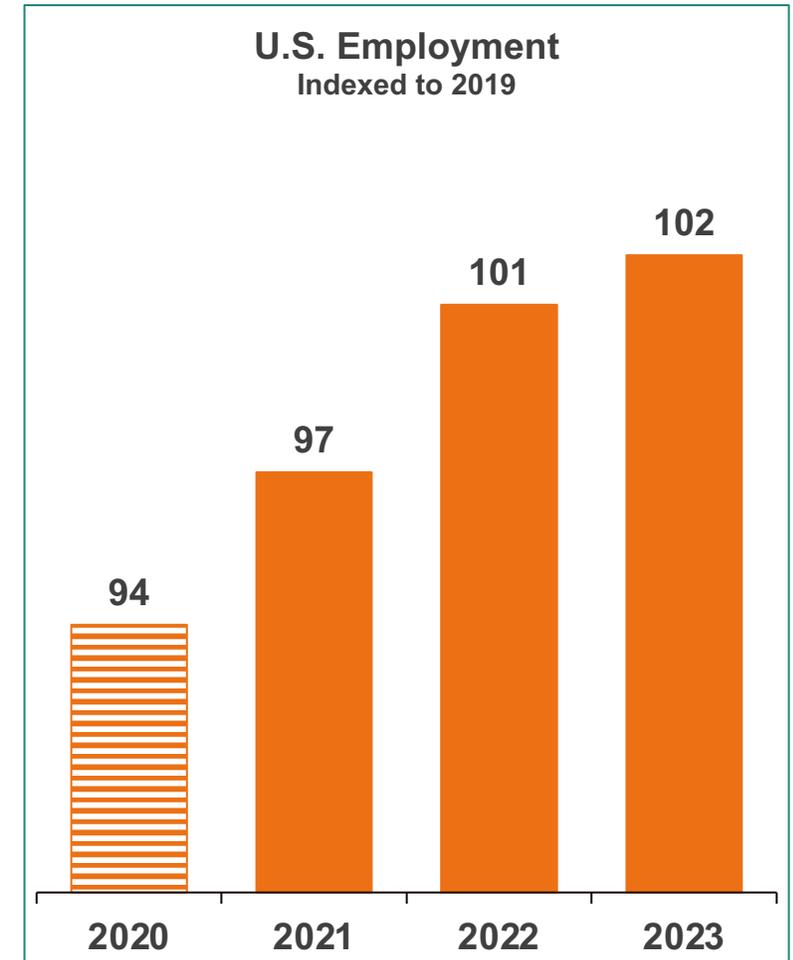
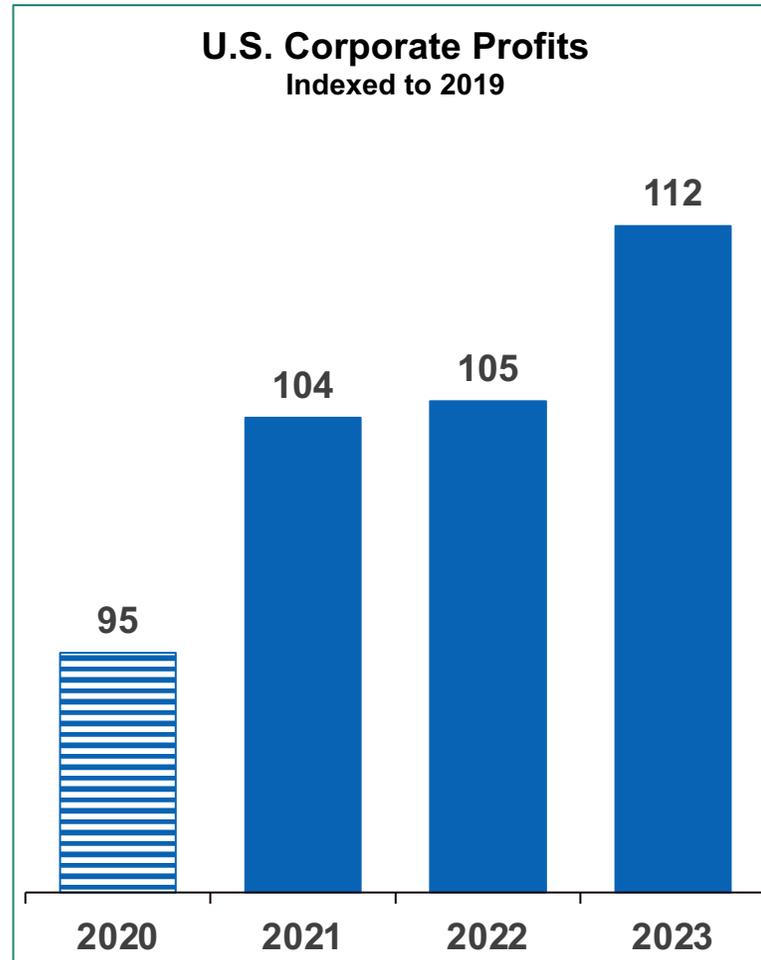
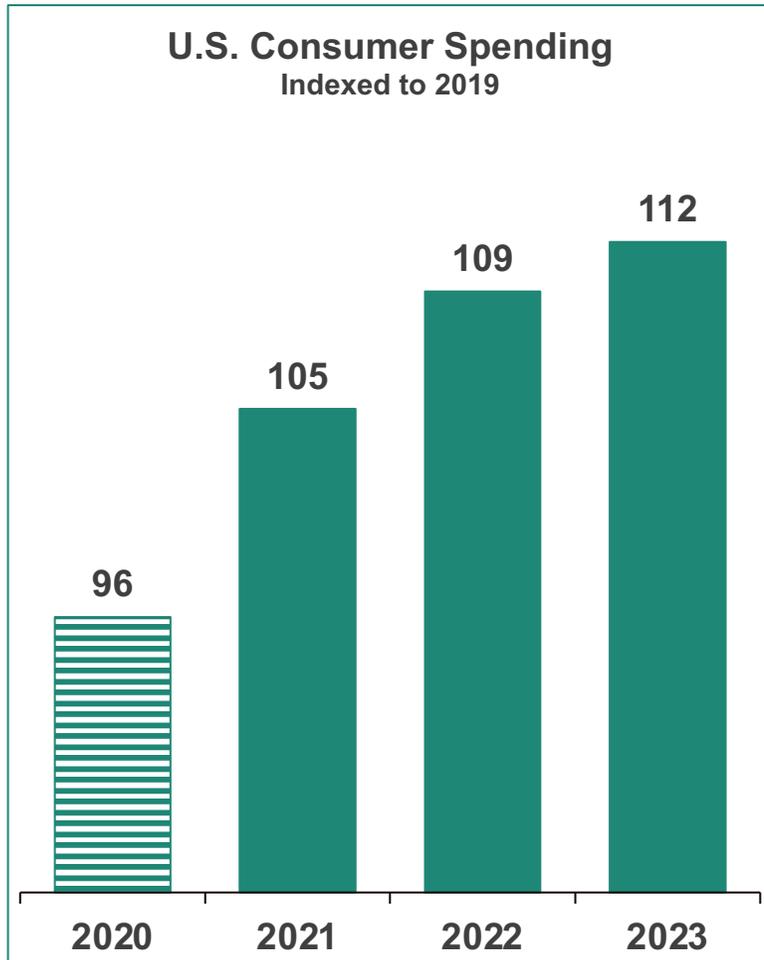
GDP—Indexed to 2019 (Bars)—3 Year CAGR (Percentage)



Source: Oxford Economics

Source: STR. 2021 © CoStar Realty Information, Inc.

# Consumer spending and corporate profits are expected to see solid gains in the next several years.



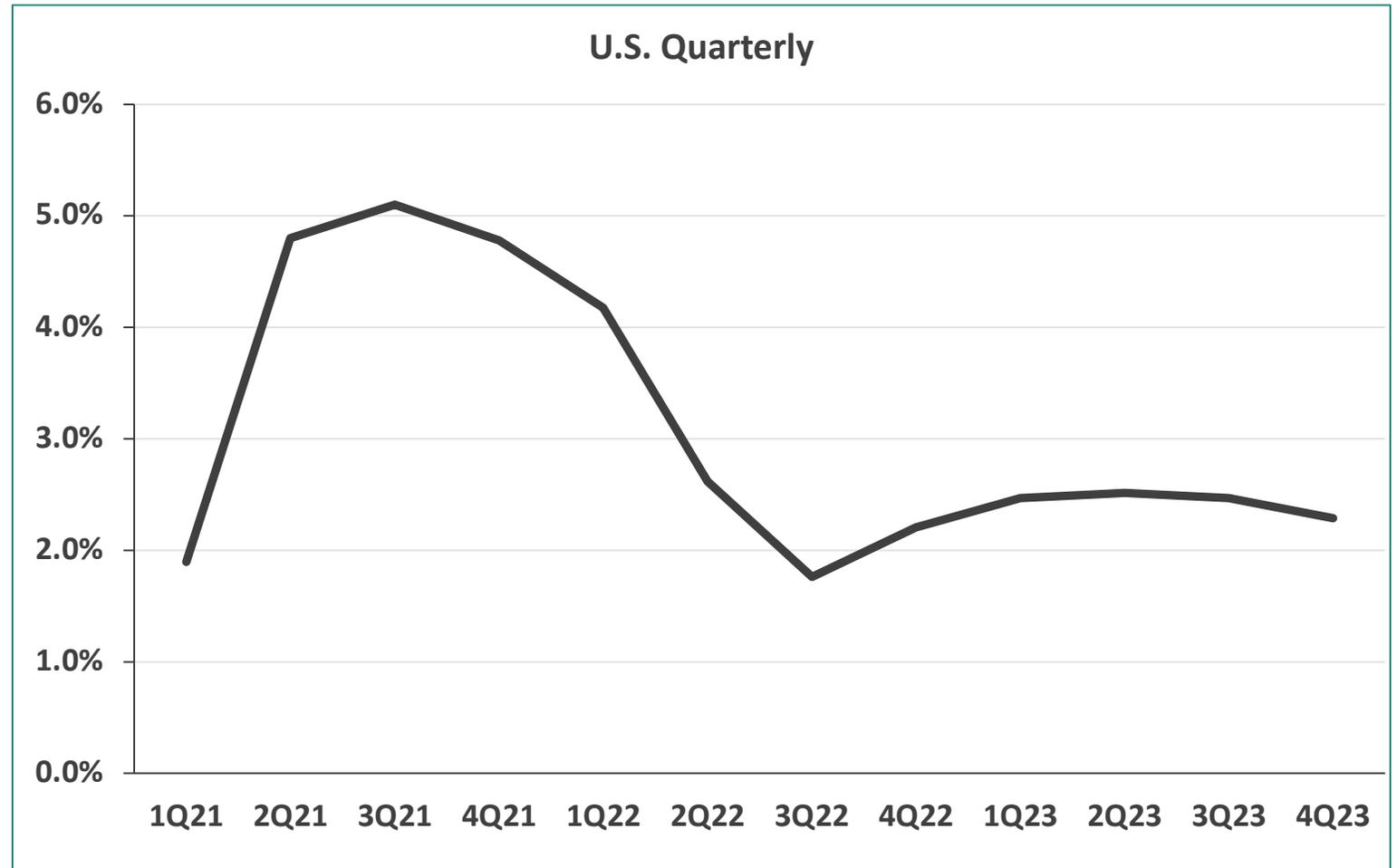
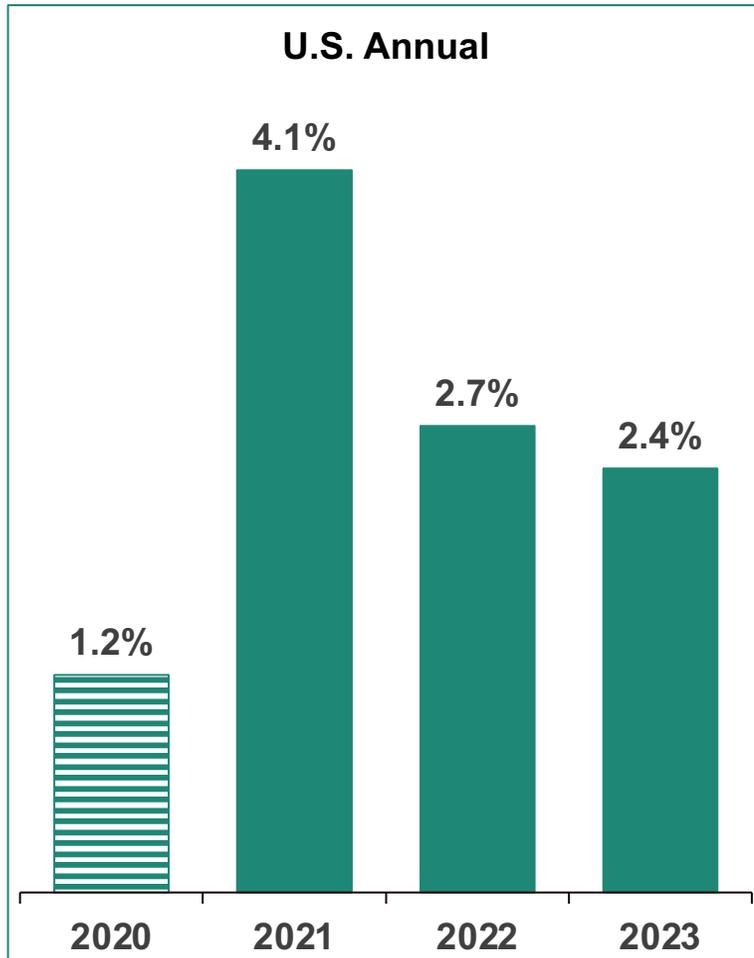
Source: Oxford Economics

Source: STR. 2021 © CoStar Realty Information, Inc.

# U.S. inflation is expected to top out in 2021 but increasing labor costs could add additional pressure and prolong the rise.



U.S. Consumer Price Index



Source: Bureau of Labor Statistics, Oxford Economics

Source: STR. 2021 © CoStar Realty Information, Inc.

# U.S. Forecast

Metric	Outlook		
	2020 Actual	2021 Forecast	2022 Forecast
Supply *	+1.3%	+1.5%	+1.2%
Demand	-35.8%	+33.4%	+14.4%
Occupancy *	-36.6%	+31.5%	+13.0%
ADR	-21.3%	+12.0%	+6.0%
RevPAR *	-50.1%	+47.3%	+19.7%

\*Reflects Total-Room-Inventory (TRI) methodology, which assumes no temporary hotel closures.

# U.S. Forecast



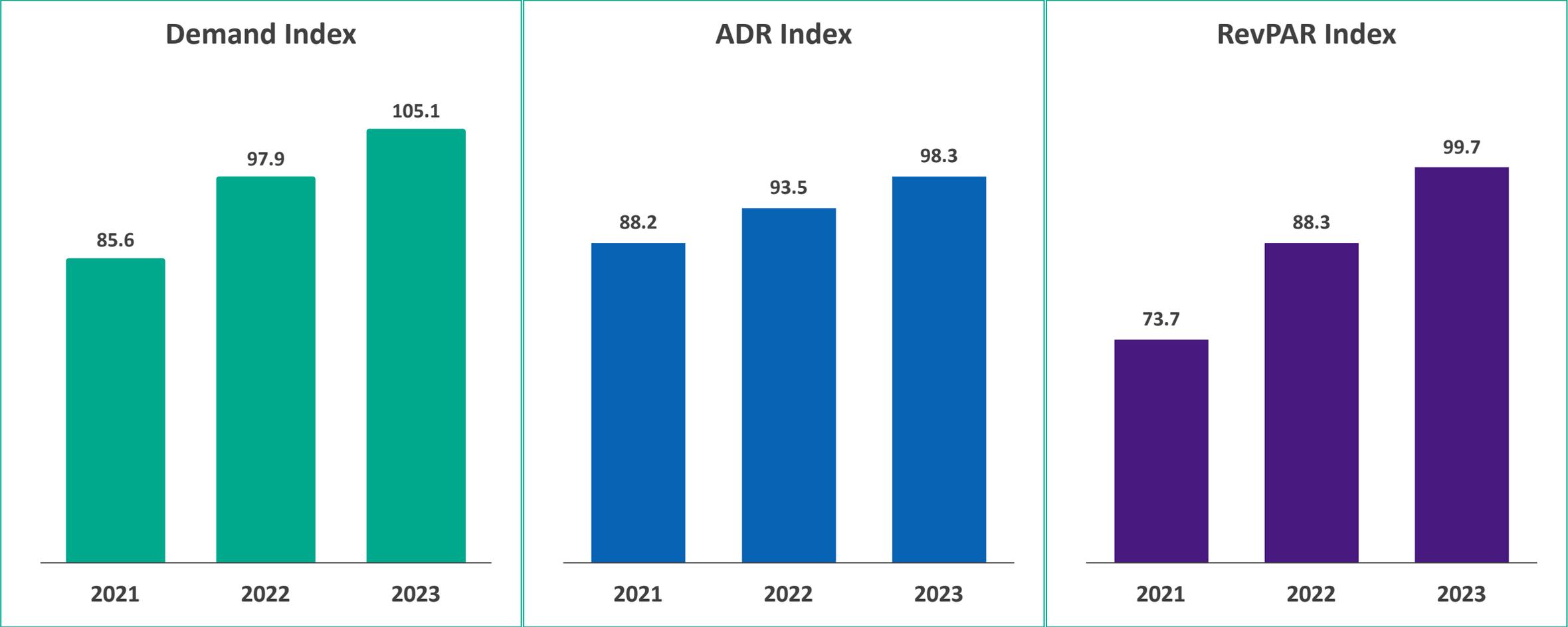
Metric	2020 Actual	2021 Forecast	2022 Forecast
Occupancy *	41.6%	54.7%	61.8%
ADR	\$103.08	\$115.50	\$122.39
RevPAR *	\$42.87	\$63.16	\$75.63

\*Reflects Total-Room-Inventory (TRI) methodology, which assumes no temporary hotel closures.

# Room demand is expected to surpass 2019's level by 2023 while ADR and RevPAR are predicted to lag.



U.S. Forecast (TRI) Indexed to 2019





# Questions/Comments

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