



Hotel Performance Overview MMHLA-Lodging Industry Update

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Chase Oeser | Regional Sales Manager

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Hotels	Advisors	Investors	Banks	Vendors	Gov. & Travel Orgs
					
					
					
					
					
					

Agenda



1.

**U.S. Hotel
Industry
Overview**

2.

**Tennessee
State
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**Tennessee
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US hotels close out 2021 with a bang!

Total U.S., December 2021



	Actual	2019 Index
Room Supply (TRI)	172m	102
Room Demand	91m	100
Occupancy (standard)	53.3%	99
ADR*	\$135	107
RevPAR (standard)*	\$72	105
Room Revenue	\$12b	107

*nominal

Source: STR. 2021 © 2021 CoStar Group

Revenue, ADR, RevPAR strong even accounting for inflation

Total U.S., December 2021

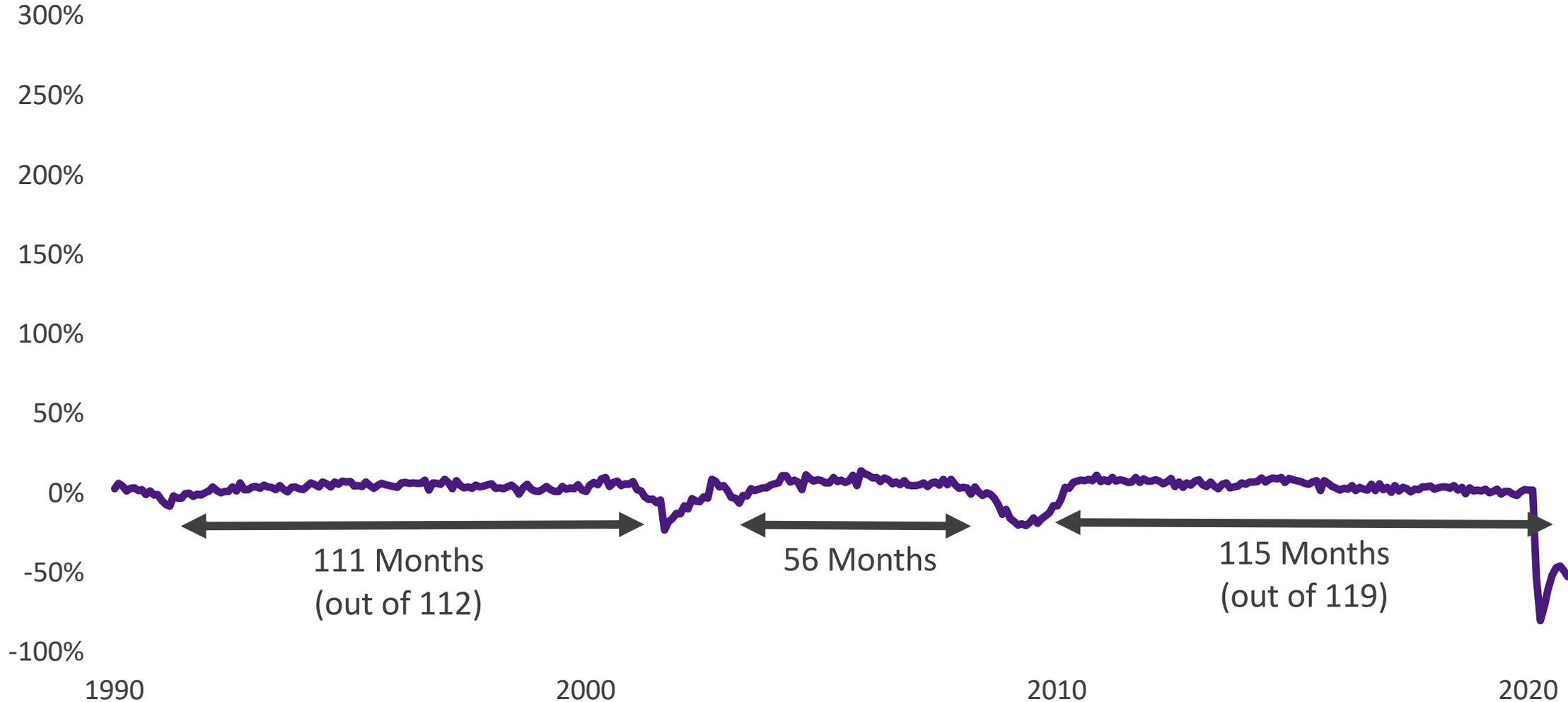


	Nominal	Nominal Index	Real	Real Index
Room Supply (TRI)	172m	102	172m	102
Room Demand	91m	100	91m	100
Occupancy (standard)	53.3%	99	53.3%	99
ADR	\$135	107	\$125	98
RevPAR (standard)	\$72	105	\$67	97
Room Revenue	\$12b	107	\$12b	99



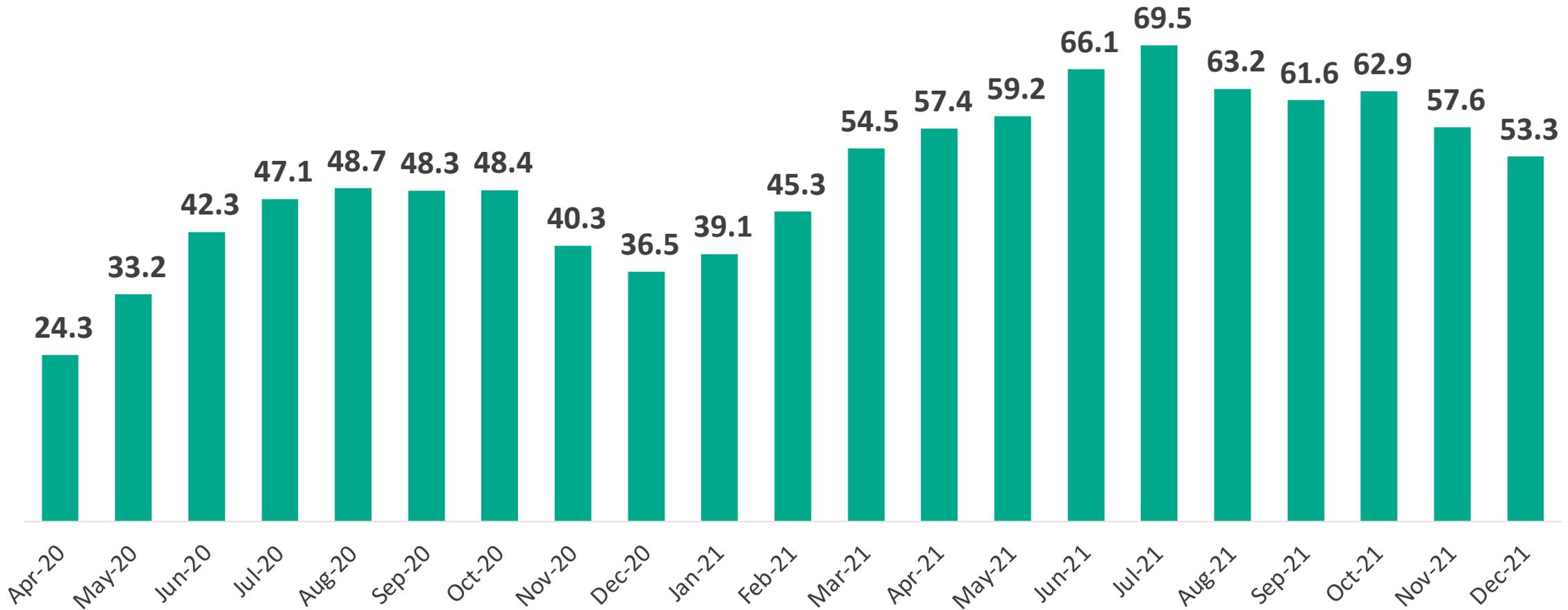
RevPAR percent change still abnormally large

Total U.S., RevPAR (standard) % change from prior year, Jan 1990 – Dec 2021



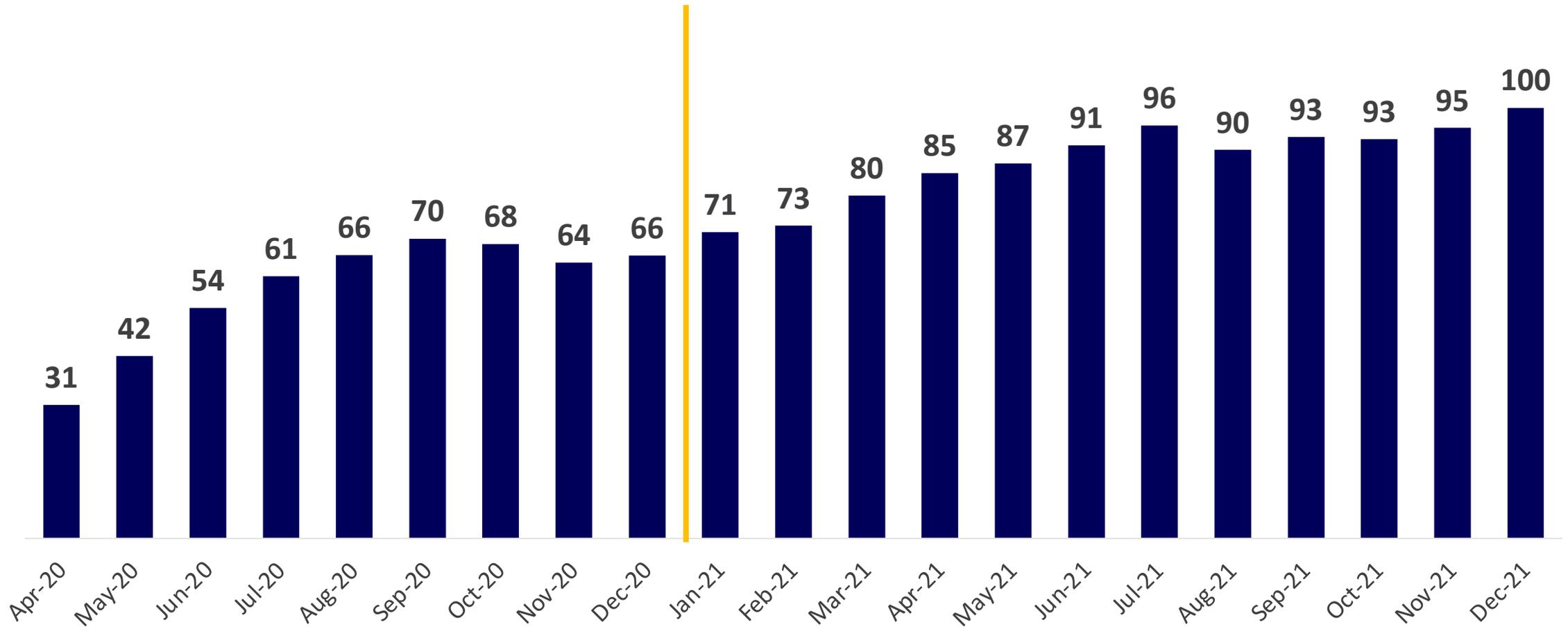
Occupancy seasonally declines...

Total U.S., occupancy (standard), Apr 2020 – Dec 2021



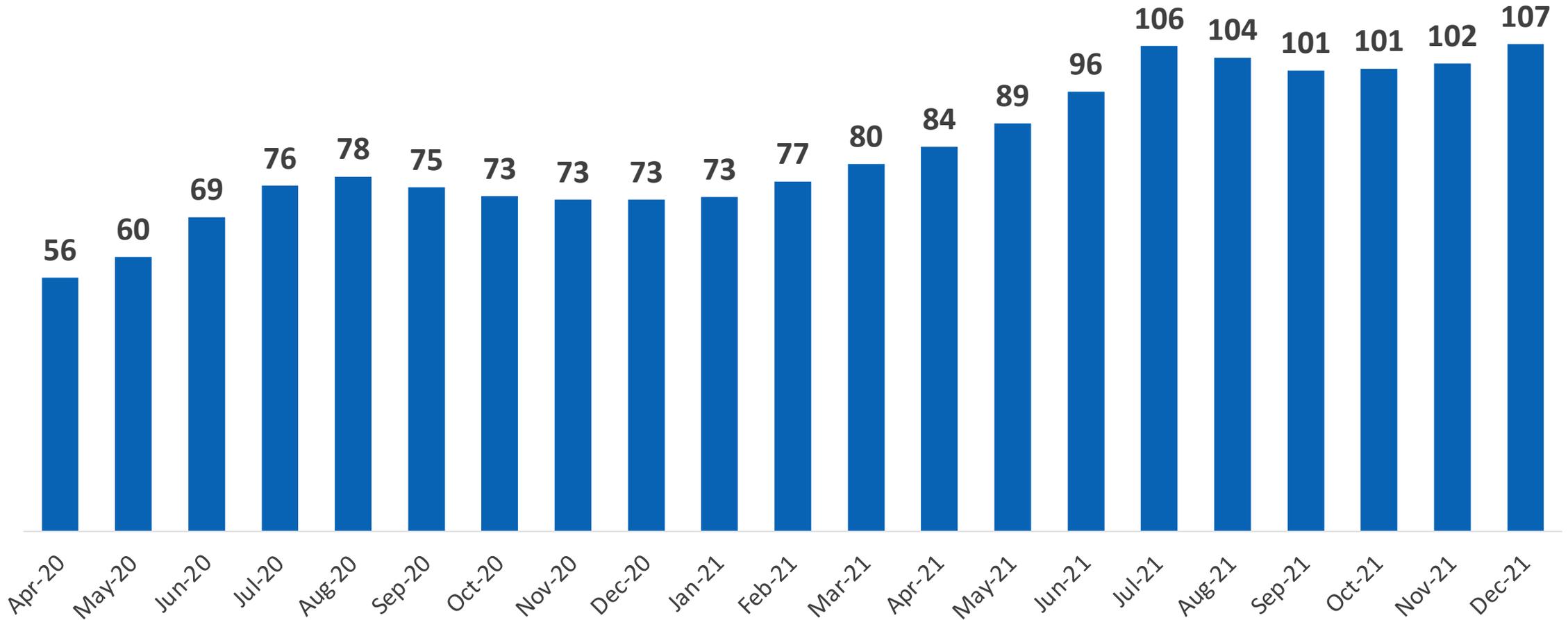
Demand 90%+ back for more than half of 2021

Total U.S., demand indexed to 2019, Apr 2020 – Dec 2021



ADR blasts ahead of 2019 levels

Total U.S., ADR indexed to 2019, Apr 2020 – Dec 2021



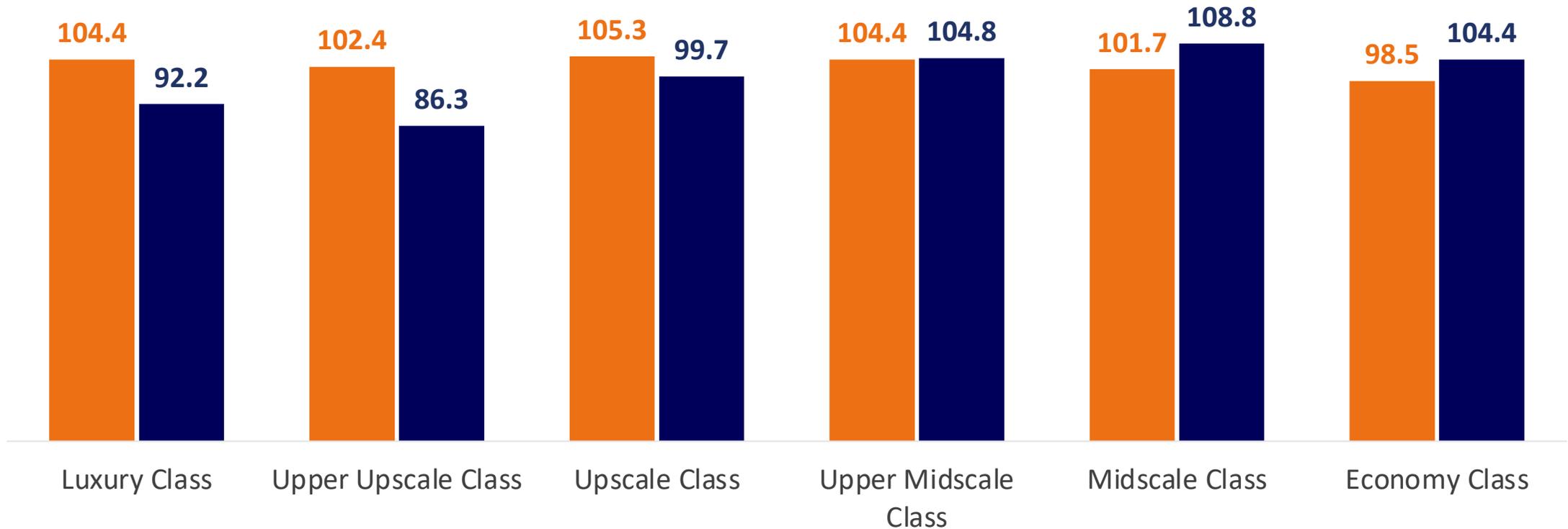
Leisure demand floods budget hotels

Total U.S., Supply (TRI) and demand indexed to 2019, Dec 2021



Supply index

Demand index

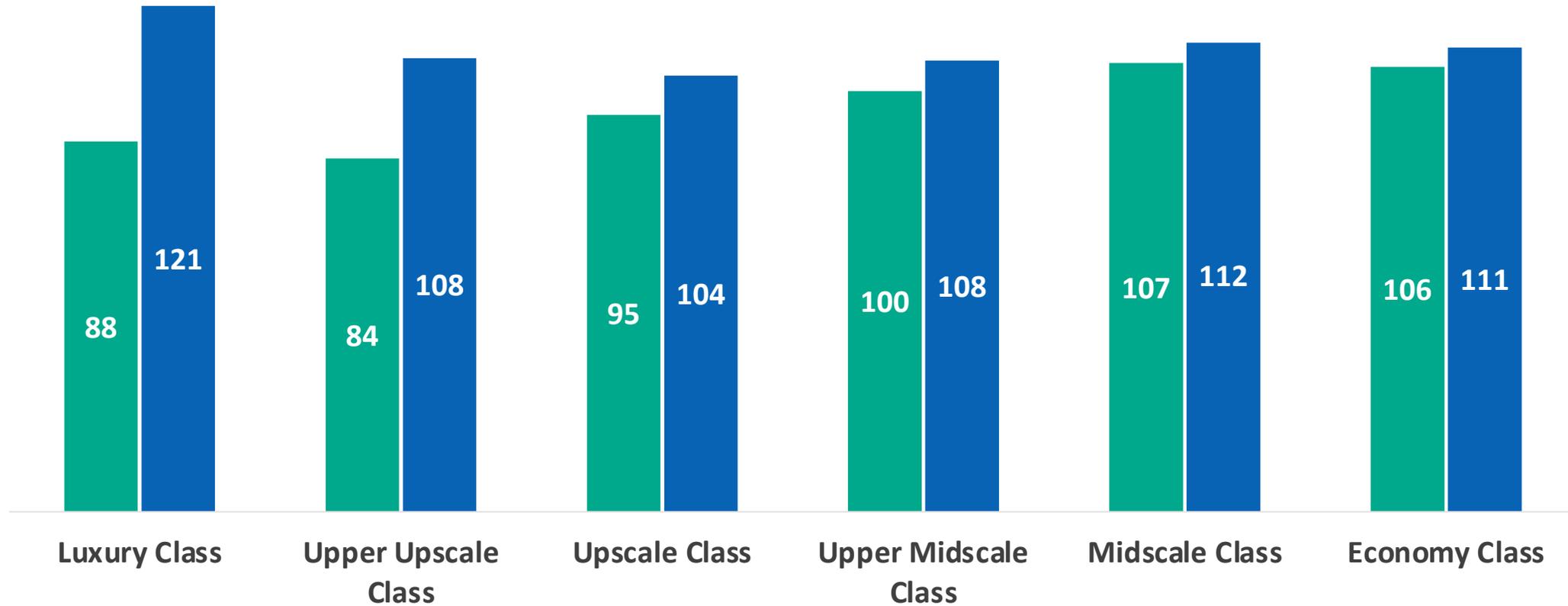


While Luxury hotels rake in rate

Total U.S., Occupancy (TRI) and ADR indexed to 2019, Dec 2021

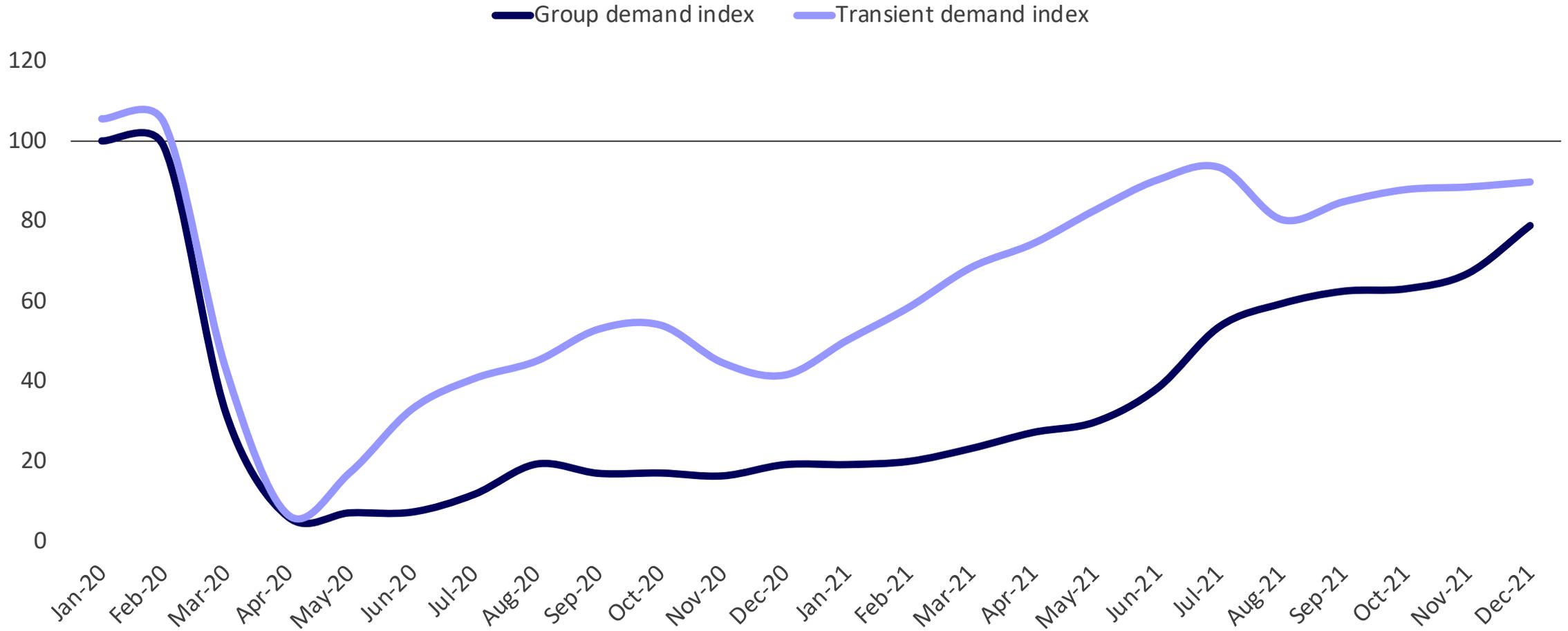


■ Occ Index ■ ADR index



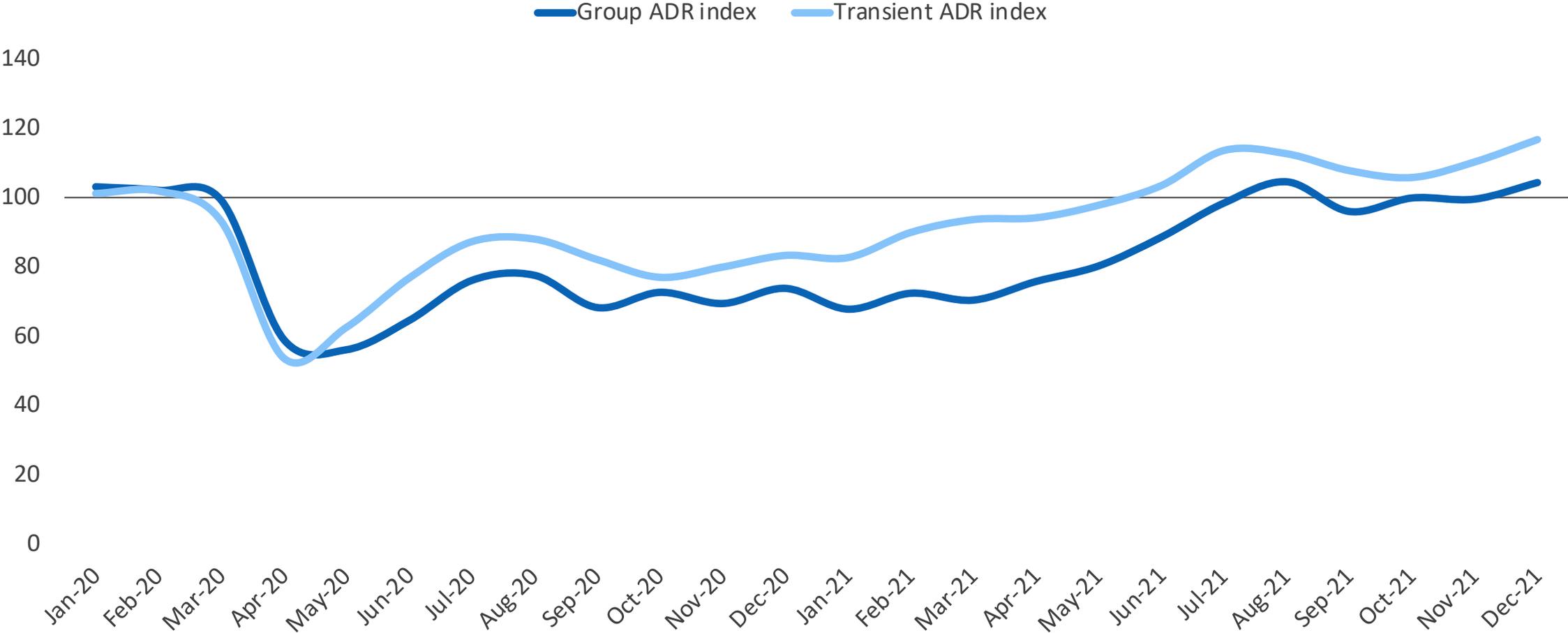
Transient and group demand steadily improved over course of the year

Total U.S., segmentation demand indexed to 2019, Luxury & upper upscale, Jan 2020 – Nov 2021



And strong demand helps maintain ADR

Total U.S., segmentation ADR indexed to 2019, Luxury & upper upscale, Jan 2020 – Dec 2021



Accommodation wages up \$3.36/hour in past 11 months

US, avg. hrly wage of prod. and nonsupervisory employees, Accommodation, Jan 2019 – Dec 2021





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Tennessee

2021 Key Statistics



	Actuals	% Change
Room Supply	3.7M	4.1%
Room Demand	2.1M	49.3%
Occupancy	57.9%	43.4%
ADR	\$130	37.4%
RevPAR	\$75.13	97.1%
Room Revenue	\$275M	105%

Market Demand – 86k Room Nights Ahead of 2021

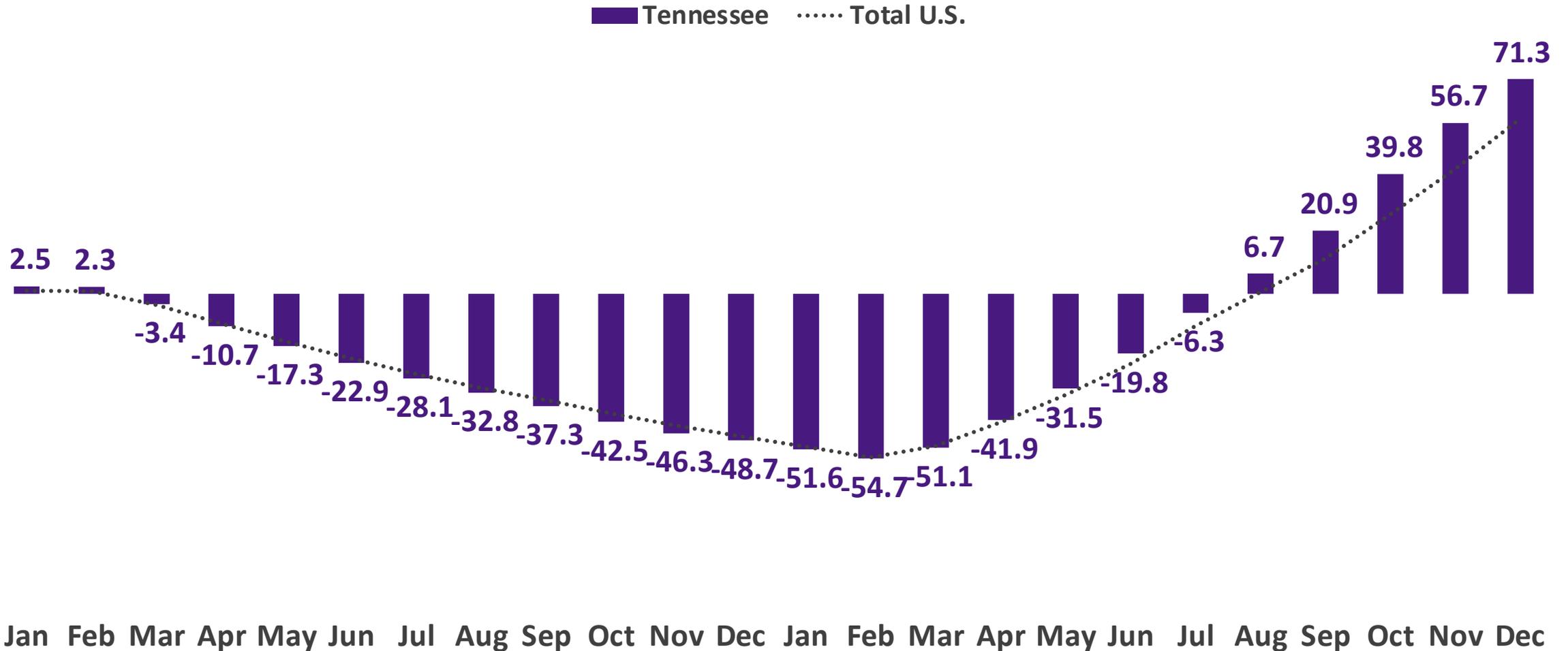




Tennessee Room Rates now only \$5 behind 2020



RevPAR Change: TN with strong growth...13% ahead of total U.S.





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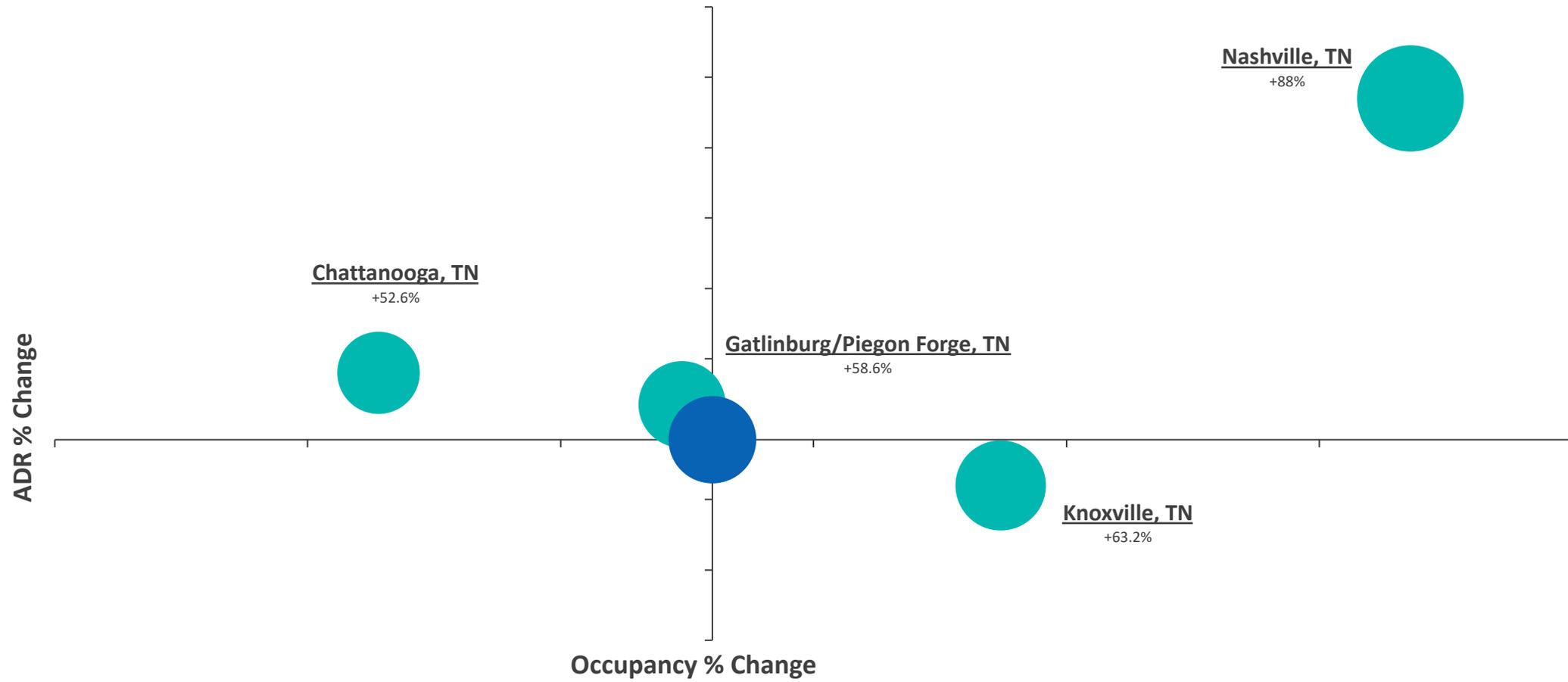
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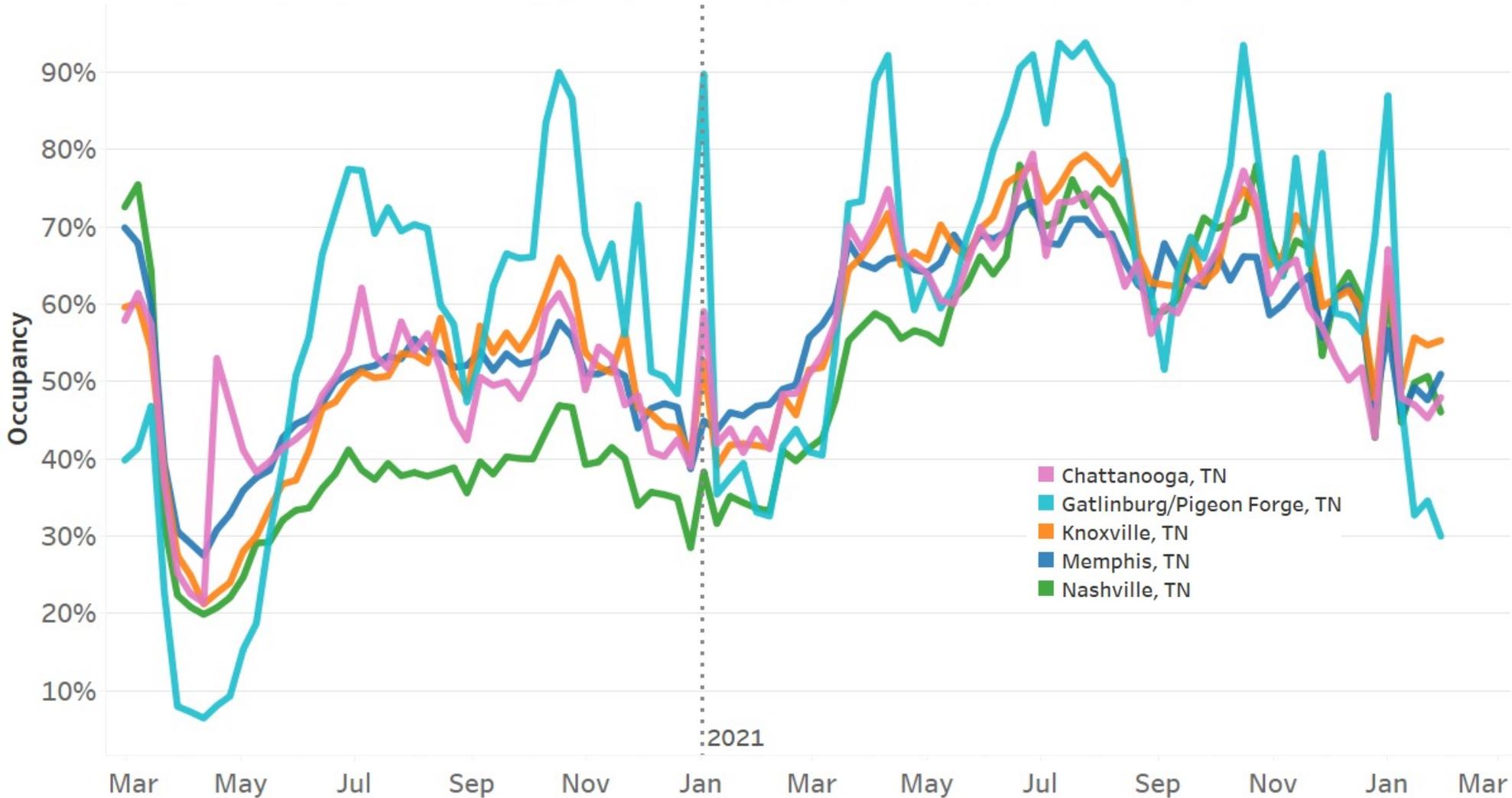
Nashville Clear Leader among other Markets and total U.S.



Tennessee Markets, RevPAR % Change, by Contribution of Occupancy / ADR % Change, 12MMA December 2021



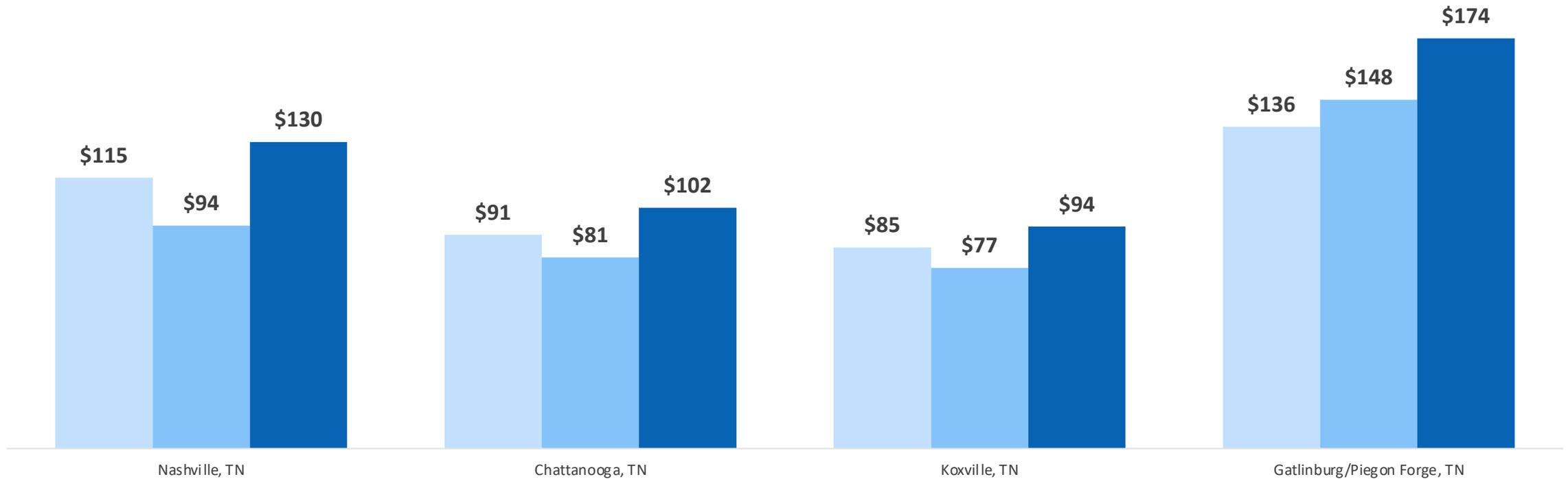
Weekly Occupancy By Submarket



December Room Rates Surge Pass 2019 ADR



2019 2020 2021



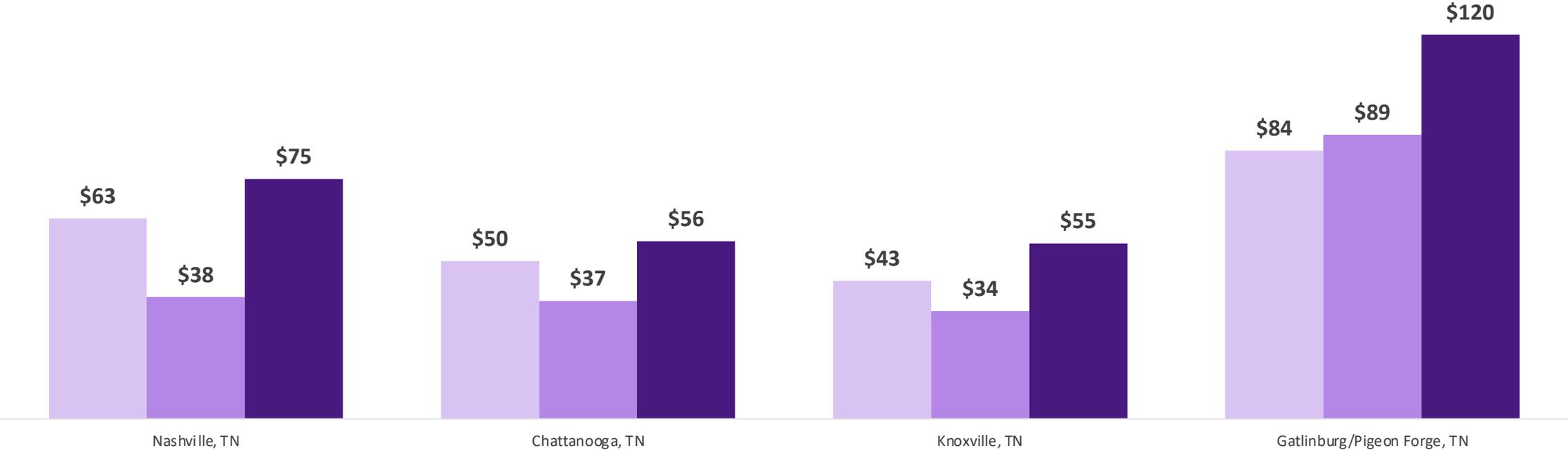
Tennessee Market, ADR, December 2019, 2020 and 2021

Source: STR. © 2022 CoStar Group

Strong Occ and ADR drive RevPAR to all time highs in December



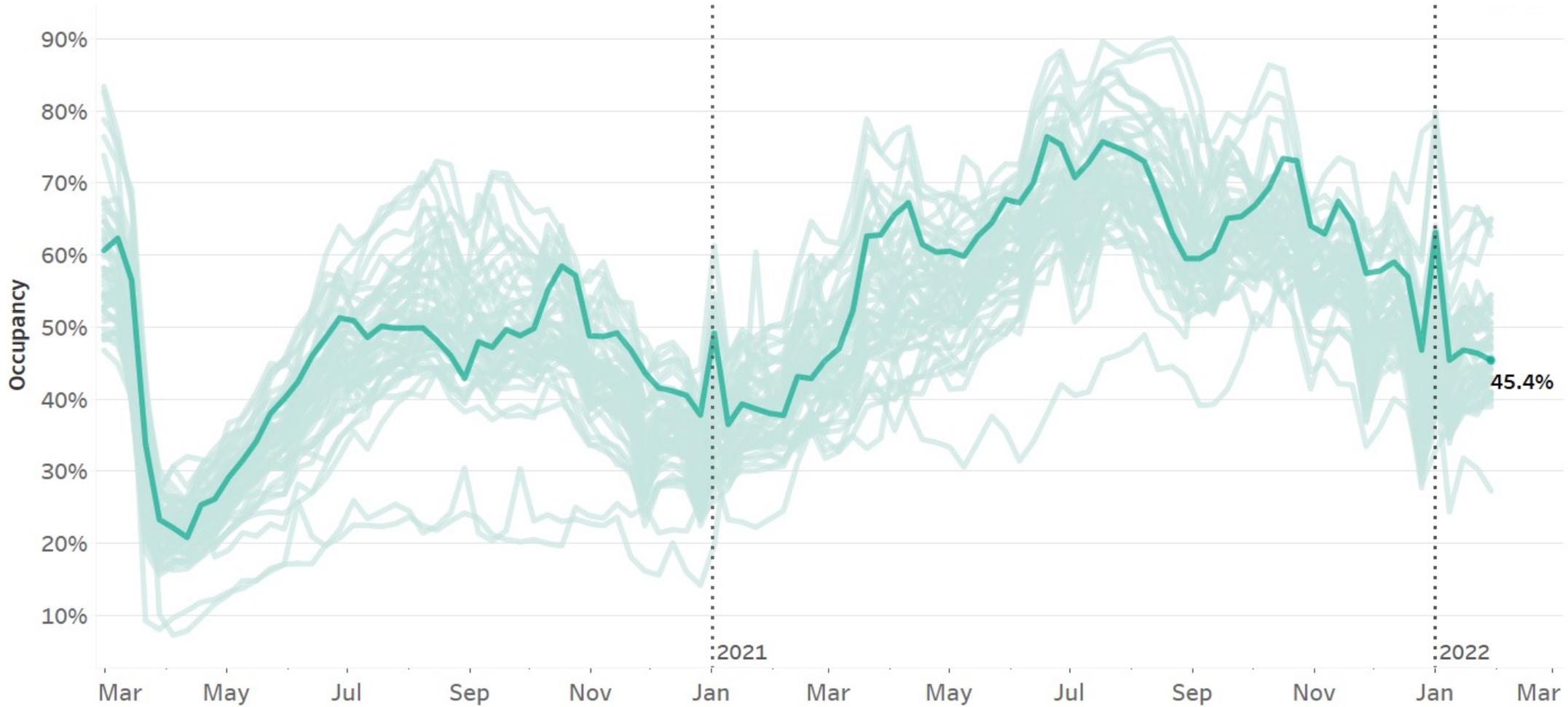
2019 2020 2021



Tennessee Markets, RevPAR, December 2019, 2020 and 2021

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TN Occupancy Performance middle of the pack across all U.S. States





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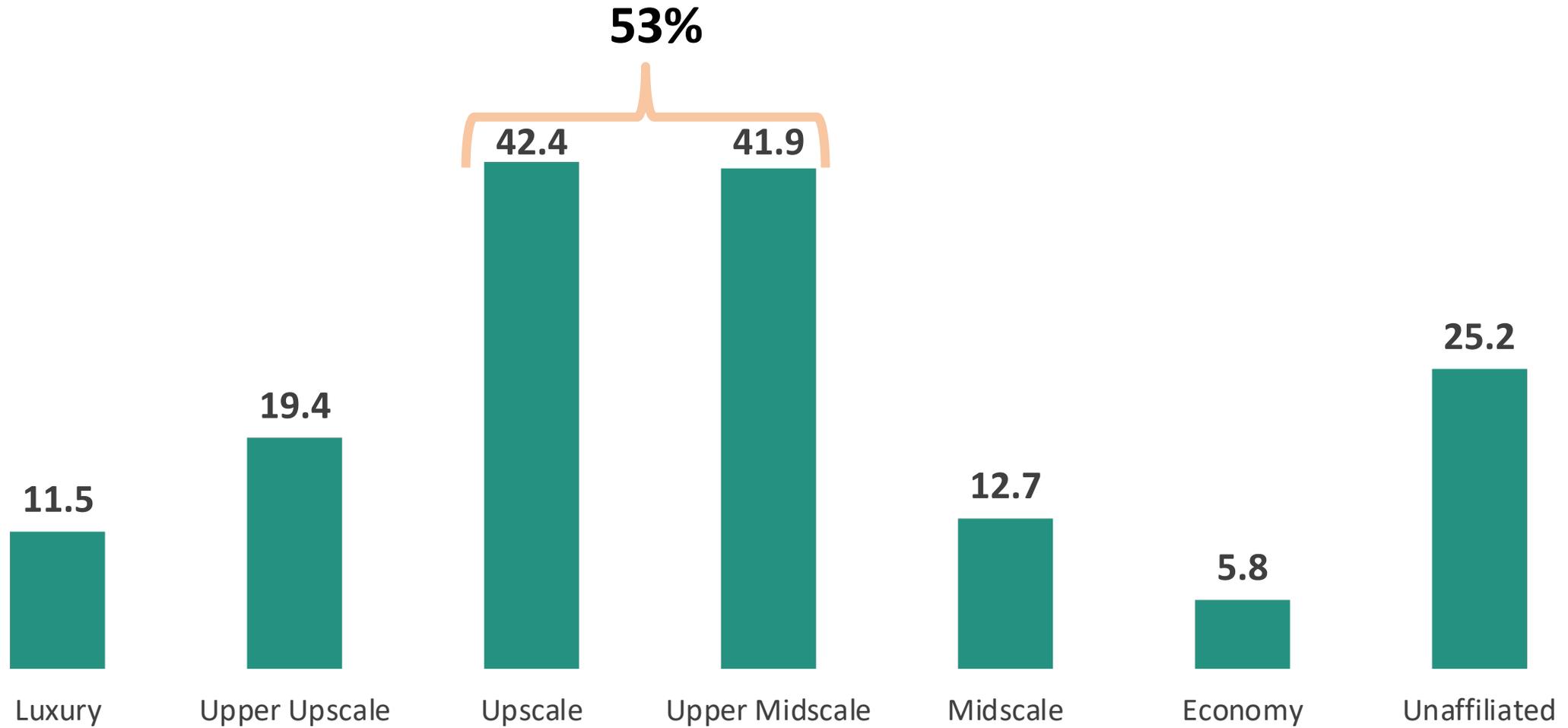
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Limited-service construction (still) dominates...

U.S. in construction rooms in thousands, by scale, December 2021



Under construction still falling, planning still growing

U.S., Pipeline rooms in thousands by phase, December 2021 and 2020

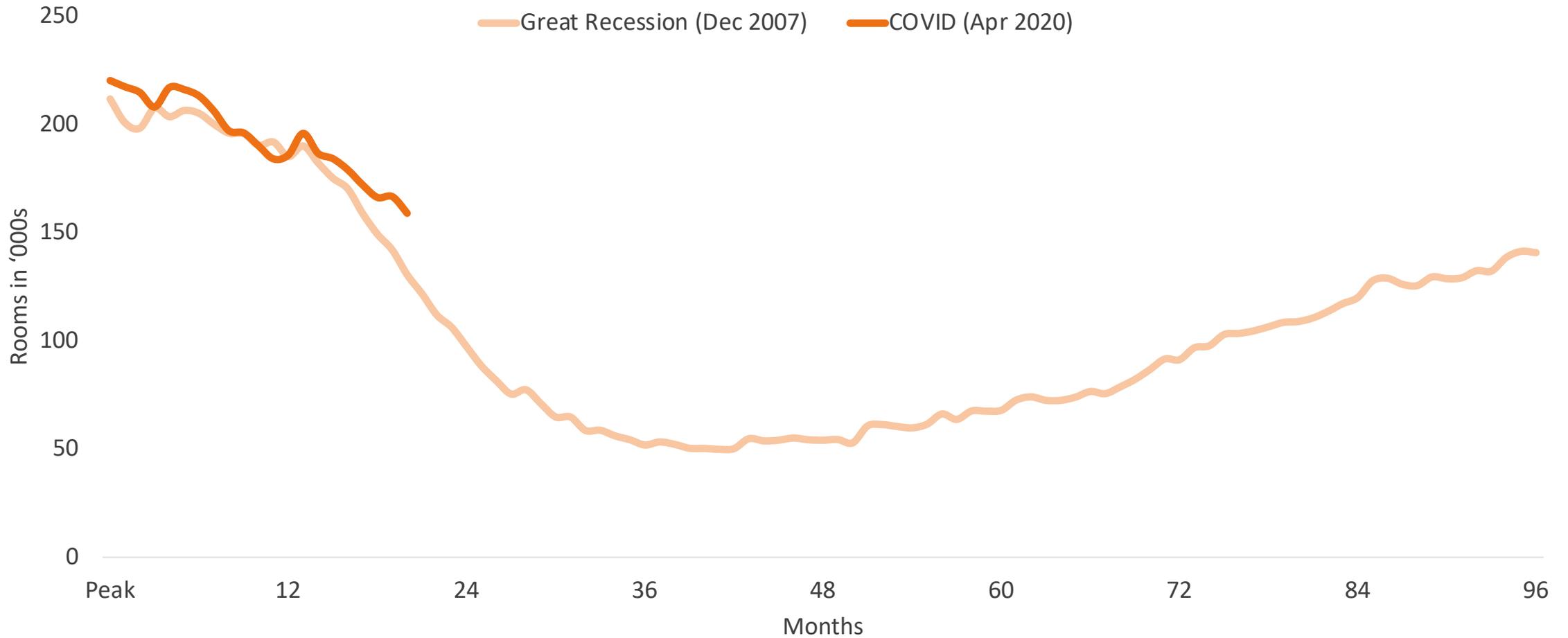


Phase	2021	2020	% Change
In Construction	159	197	-19.2%
Final Planning	185	233	-20.6%
Planning	284	205	+38.9%
Under Contract	629	635	-0.94%

Rooms under construction likely haven't reached rock bottom



Total U.S., rooms in construction from prior peak, 2007 and 2020



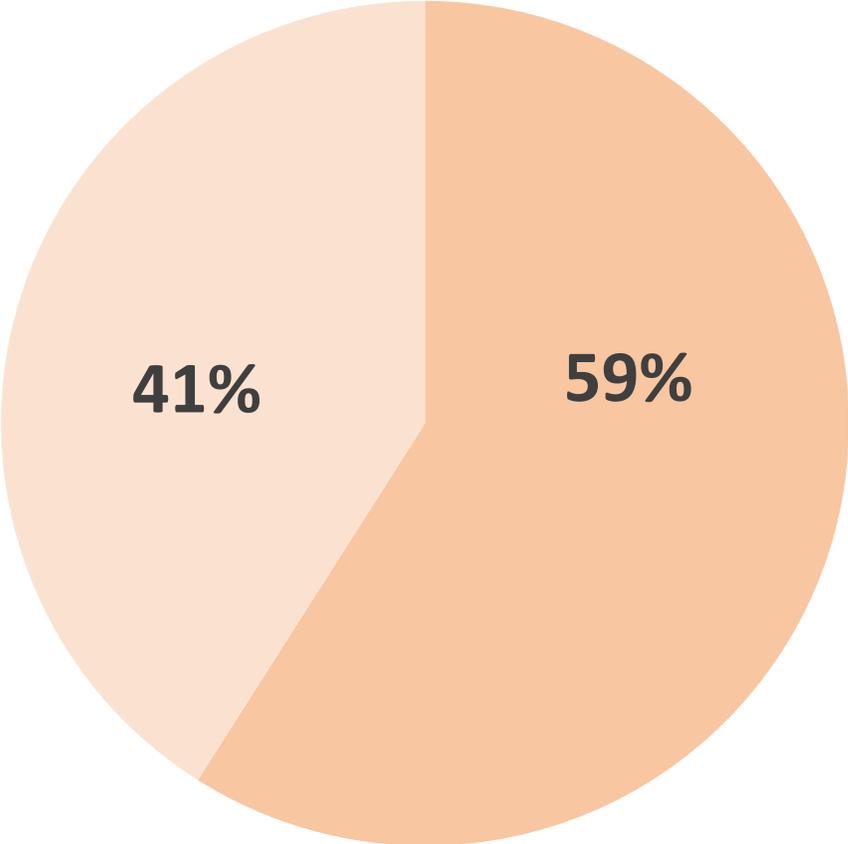
Active Pipeline: Clear shift to the “Big 6” over past decade

U.S., active pipeline by brand, 2010 and 2021



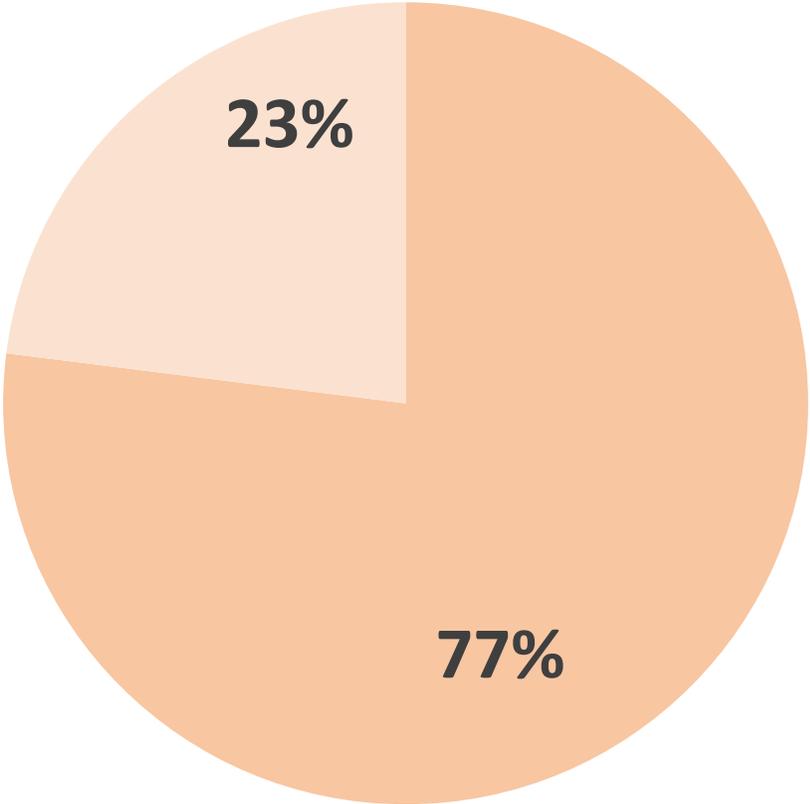
2010

■ IHG, Choice, Hilton, Hyatt, Marriott, Starwood, Wyndham ■ All Other



2021

■ IHG, Choice, Hilton, Hyatt, Marriott, Wyndham ■ All Other



Pipeline projects in Tennessee remain steady in 2022



	Projects	Number of Rooms
In Construction	54	7,082
Final Planning	54	6,124
Planning	122	15,370
Active Pipeline	230	28,576



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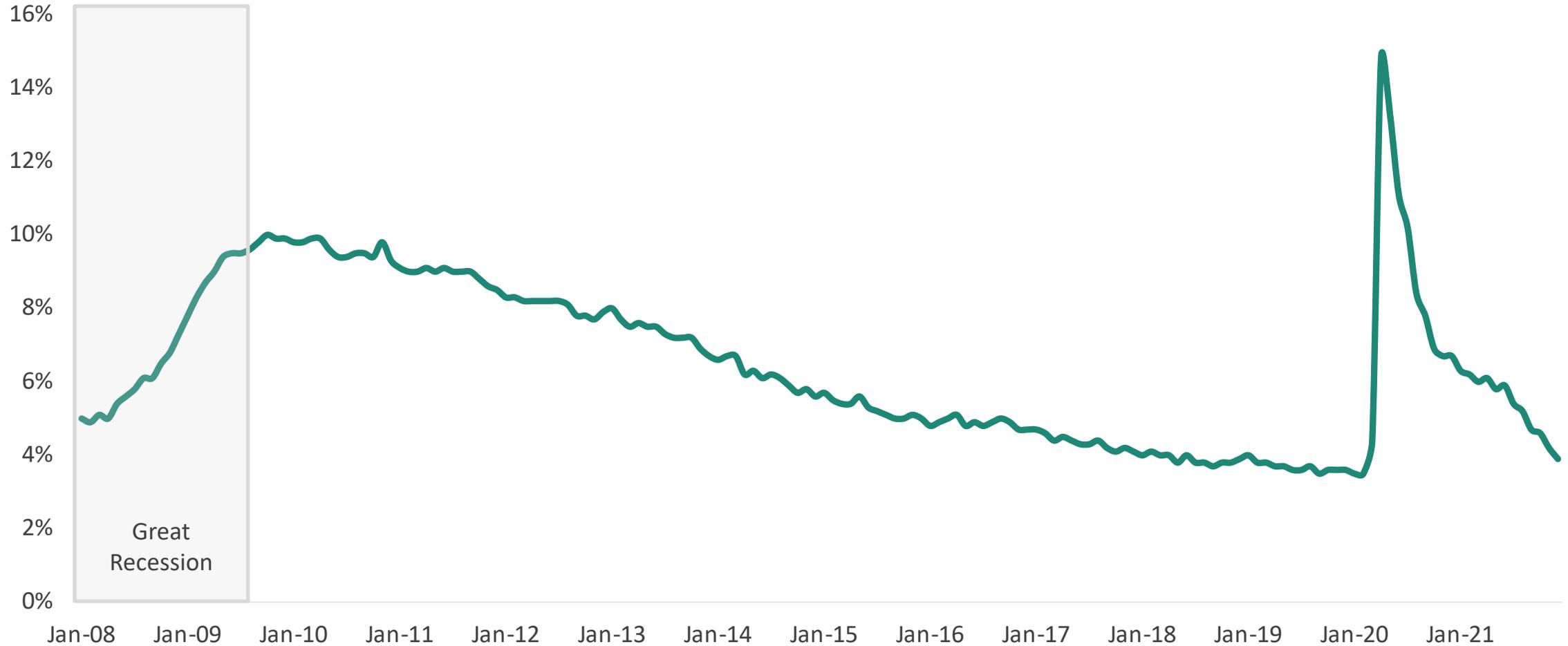
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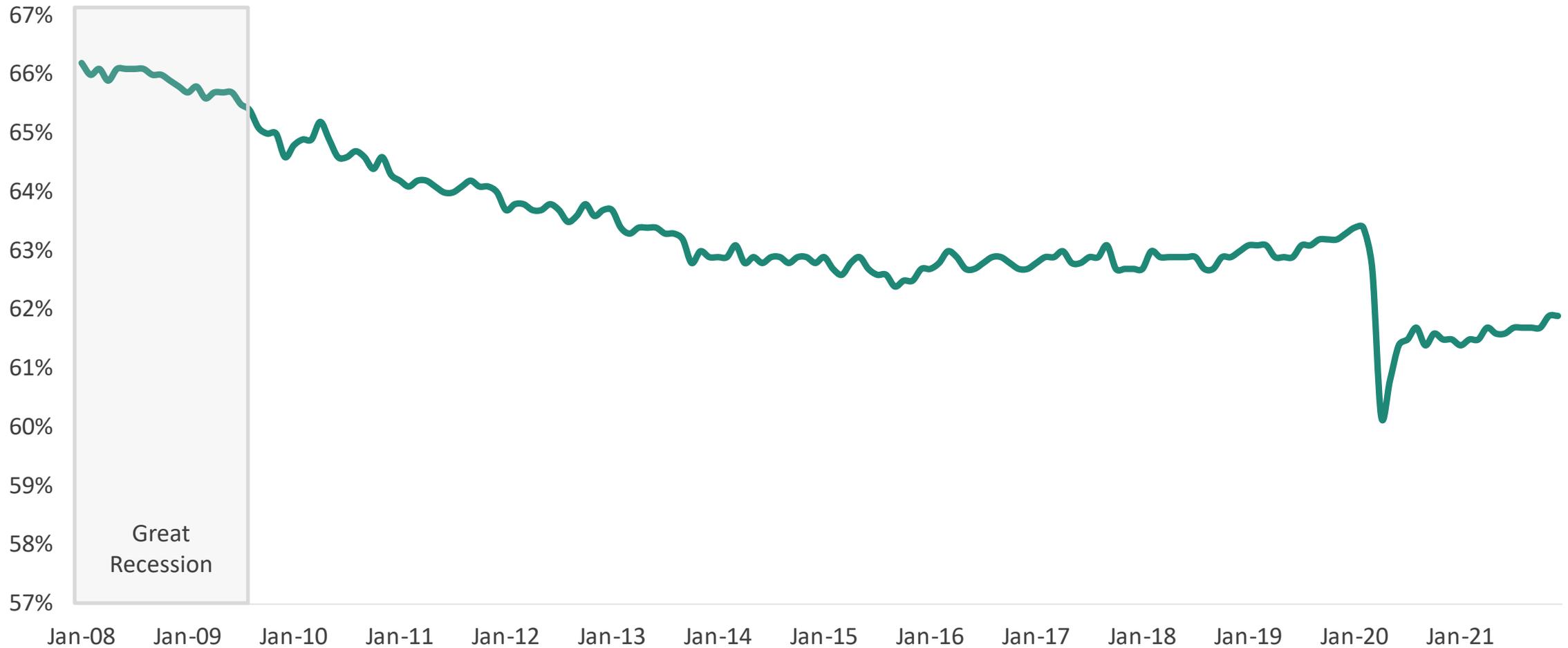
Unemployment back to normal levels

Total U.S., Seasonally Adjusted Unemployment Rate, Jan 2008 – Dec 2021



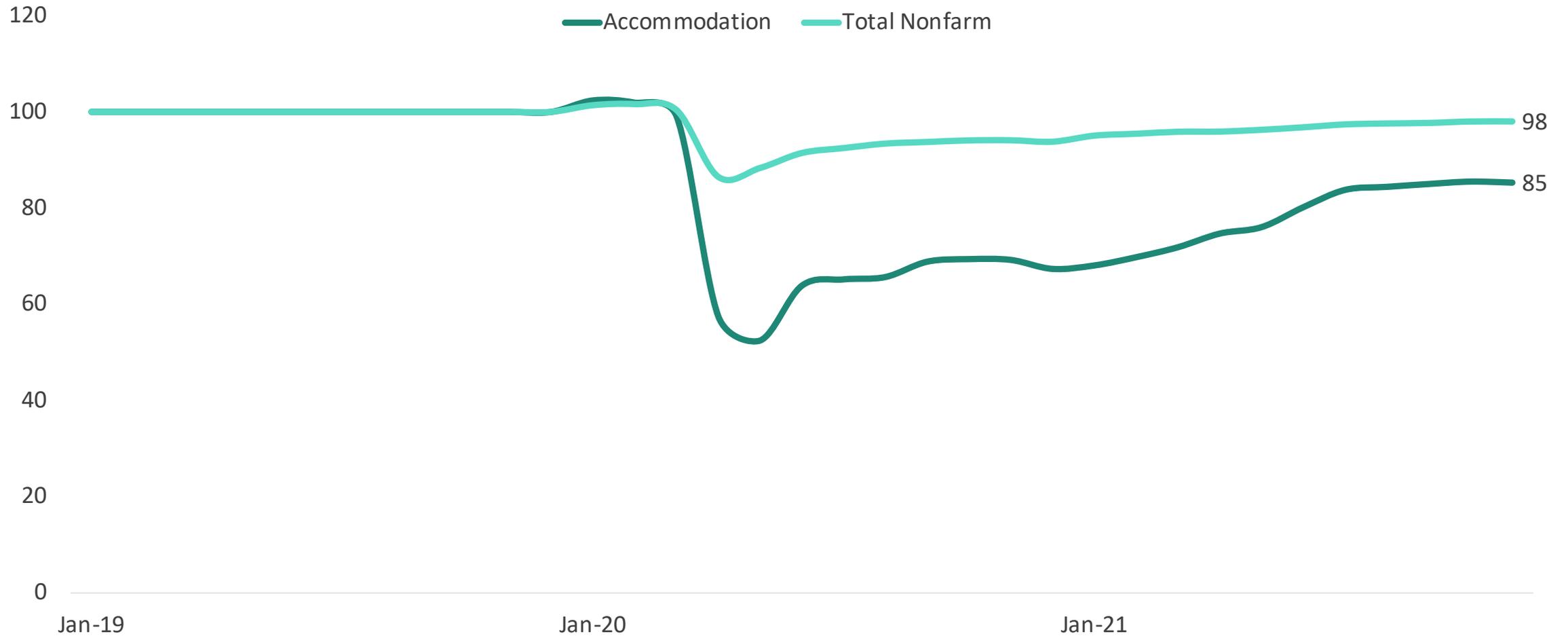
The labor force is significantly smaller than it was pre-pandemic

Total U.S., Seasonally Adjusted Labor Force Participation Rate, Jan 2008 – Dec 2021



Accommodation: Lost more jobs, recovered fewer jobs

Total U.S., seas. adj. accommodation and total nonfarm jobs, Jan 2019 – Dec 2021



U.S. Forecast

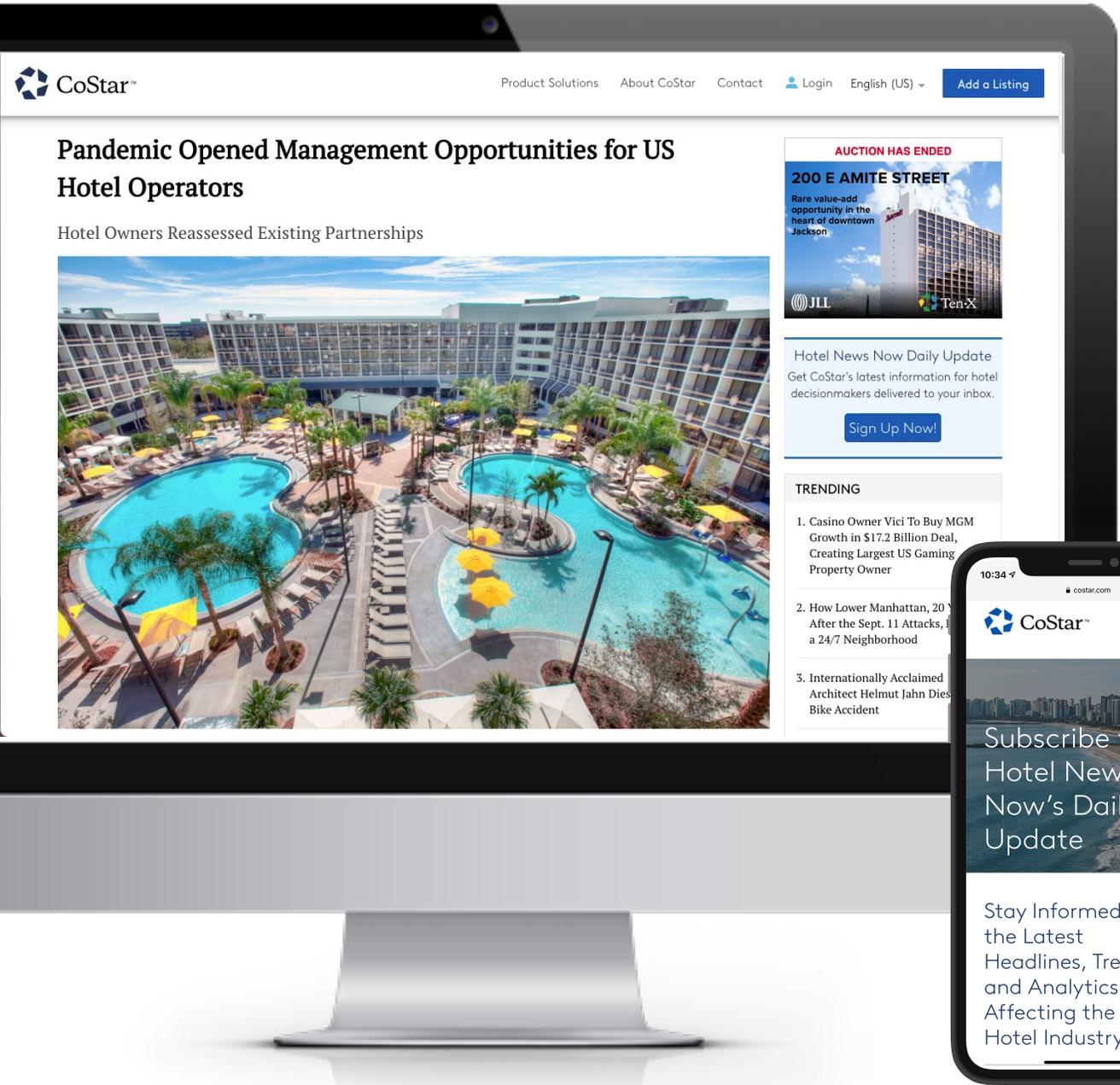
Key Performance Indicators
2020 – 2021F – 2022F

Metric	2021 Actual	2022 Forecast	2023 Forecast
Occupancy	57.6%	63.8%	66.1%
ADR	\$125	\$134	\$140
RevPAR	\$72	\$86	\$92
2019 RevPAR Comparison	-17%	-1%	+7%

Nashville Market Forecast

Key Performance Indicators
2020 – 2021F – 2022F

Metric	2021 Actual	2022 Forecast	2023 Forecast
Occupancy	59.1%	64.4%	66.4%
ADR	\$136	\$154	\$160
RevPAR	\$81	\$99	\$106



Pandemic Opened Management Opportunities for US Hotel Operators

Hotel Owners Reassessed Existing Partnerships



AUCTION HAS ENDED

200 E AMITE STREET

Rare value-add opportunity in the heart of downtown Jackson



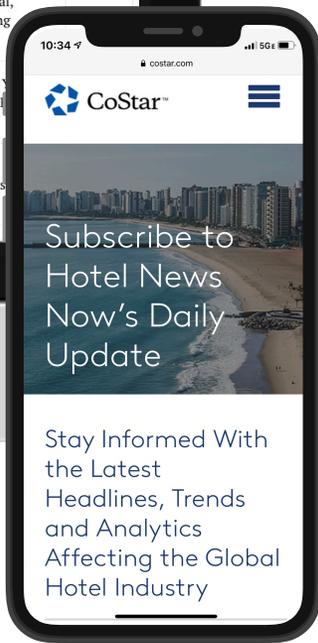
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Questions? Thank you!

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