



Memphis Hotel & Lodging Association

February 2025

Agenda

- 1 National Hotel Market Trends**
- 2 Top 25 Markets Performance**
- 3 Memphis & Comparable Markets**
- 4 New Supply & Investment Trends**
- 5 Closing Q&A**

2024 U.S. Hotel Industry Highlights

- **Back to Normal, Pre-Covid Trends**
- **Hotels Benefit from High ADR**
- **Cost Pressures Are Growing**

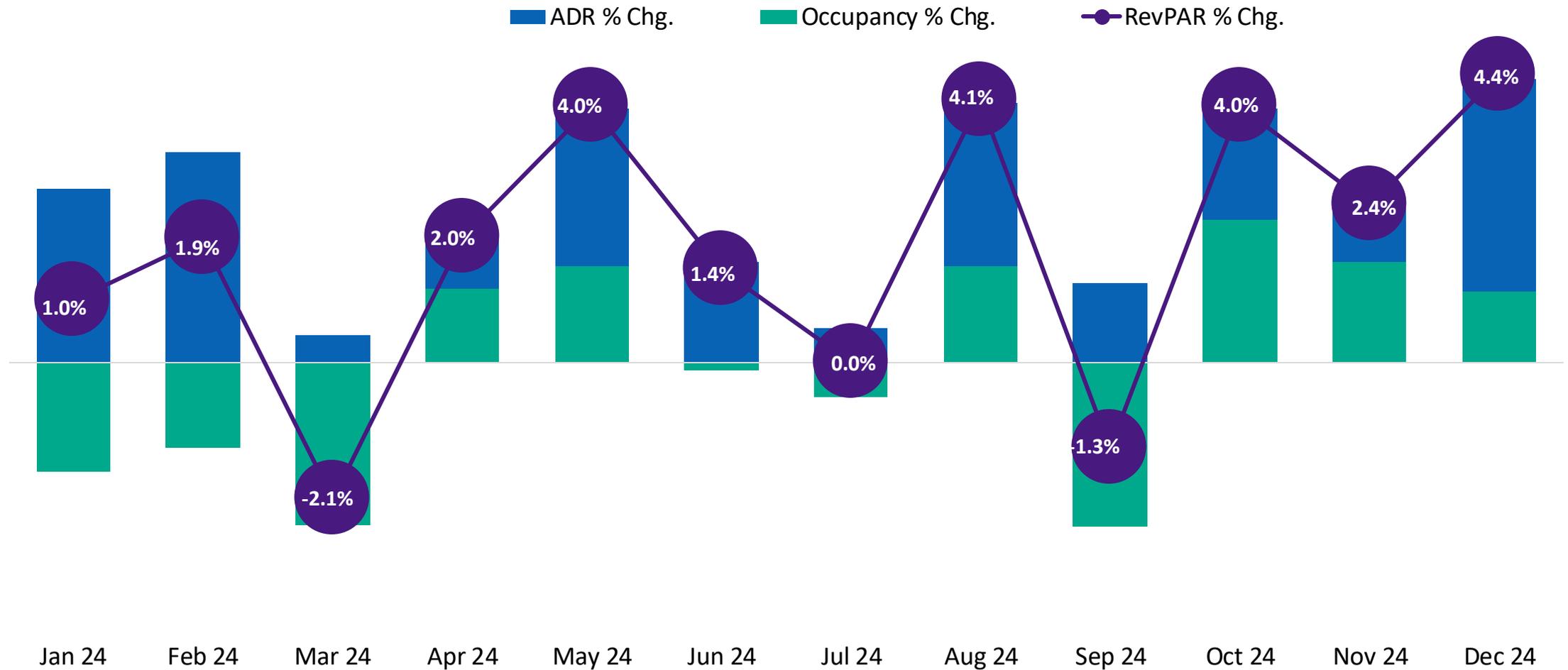
Full Year: ADR lifted RevPAR

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%

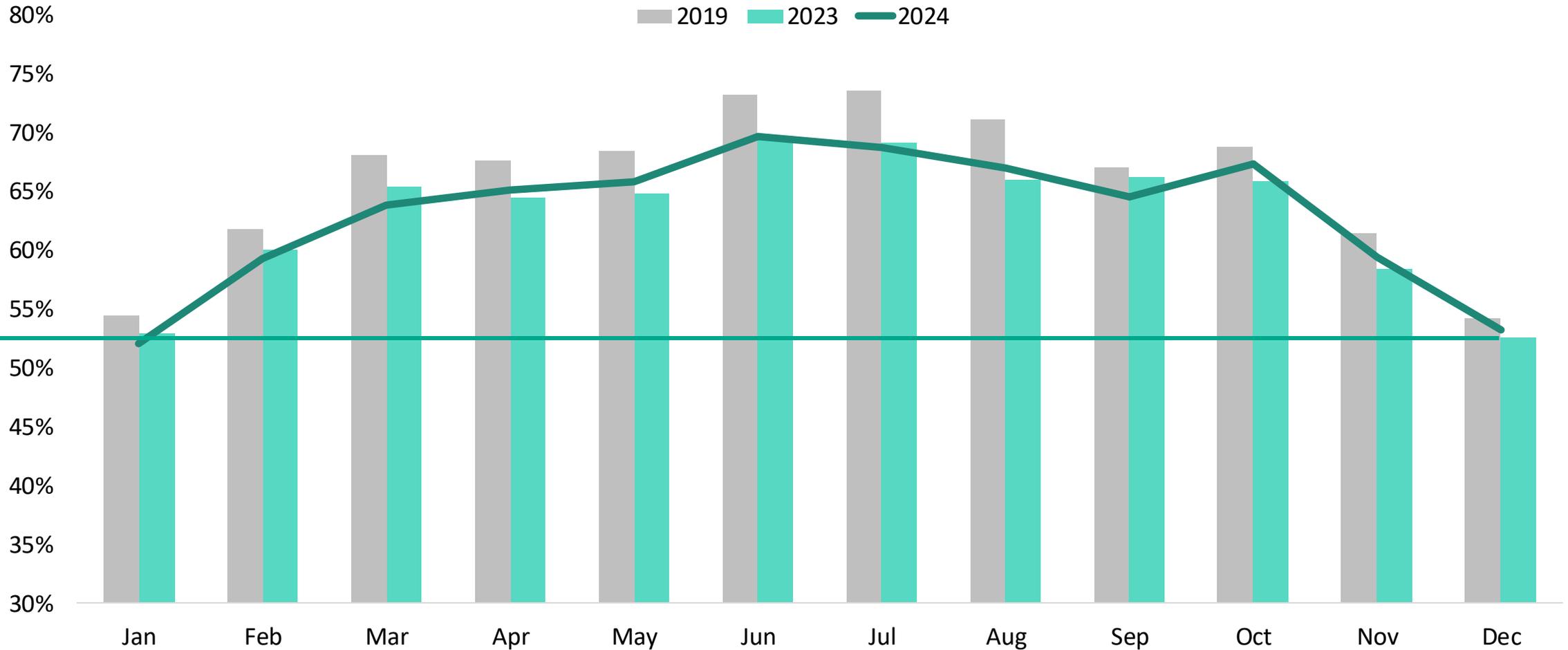
December produced the largest monthly gain since March 2023

U.S., KPI % change YoY



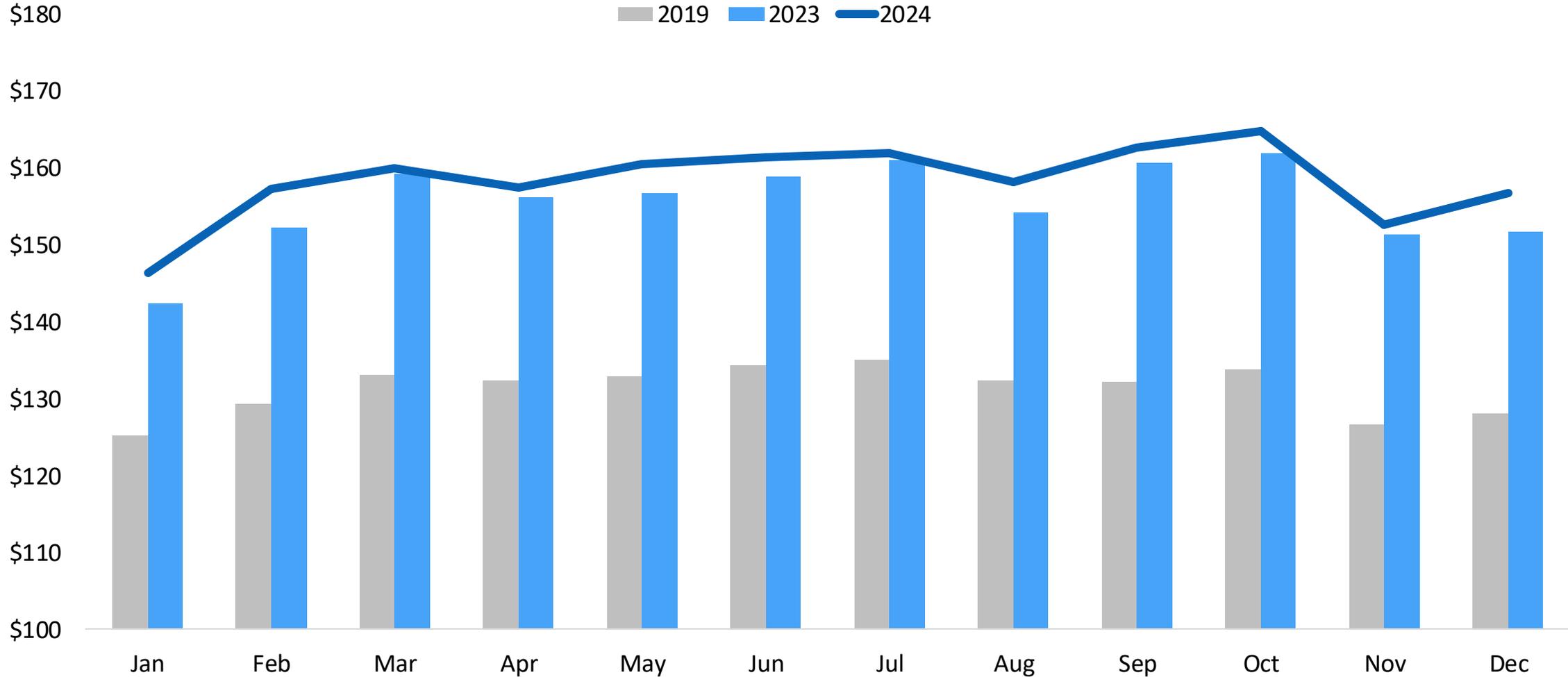
Seasonal slowdown

U.S. monthly occupancy



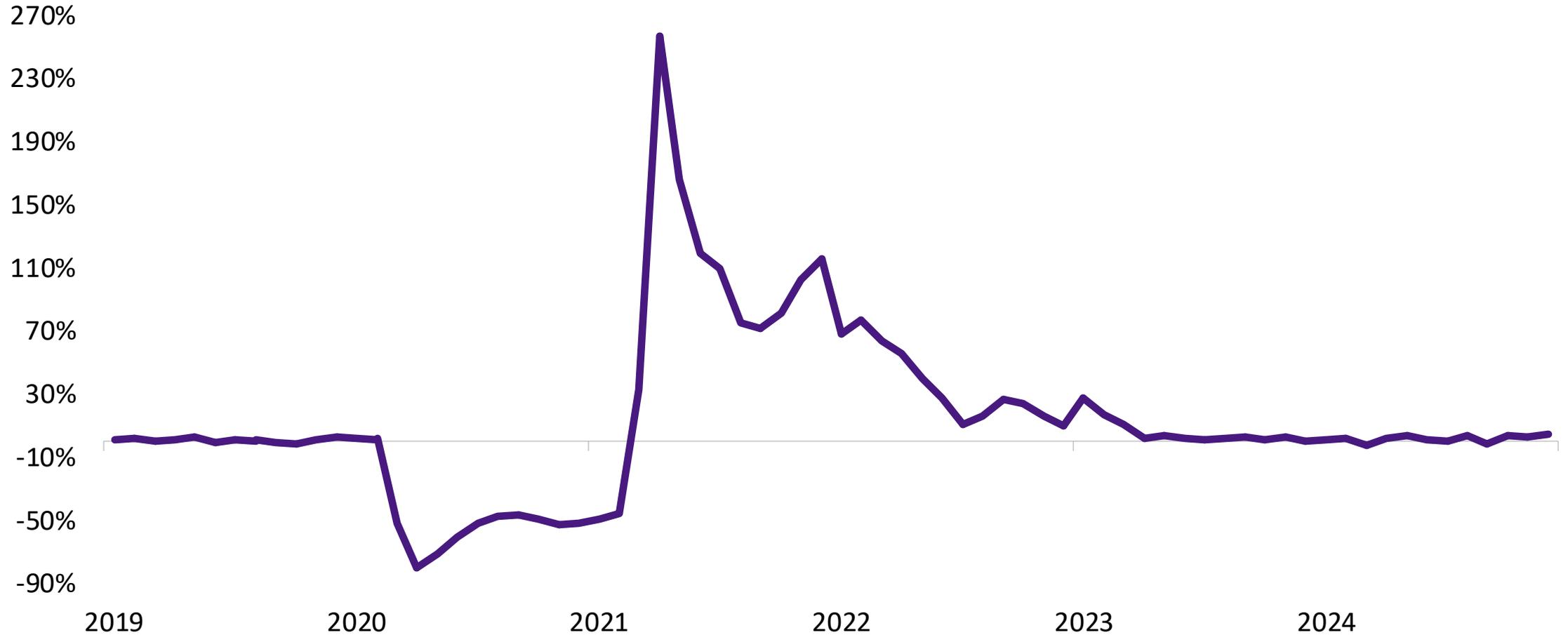
Solid ADR growth

U.S. monthly ADR



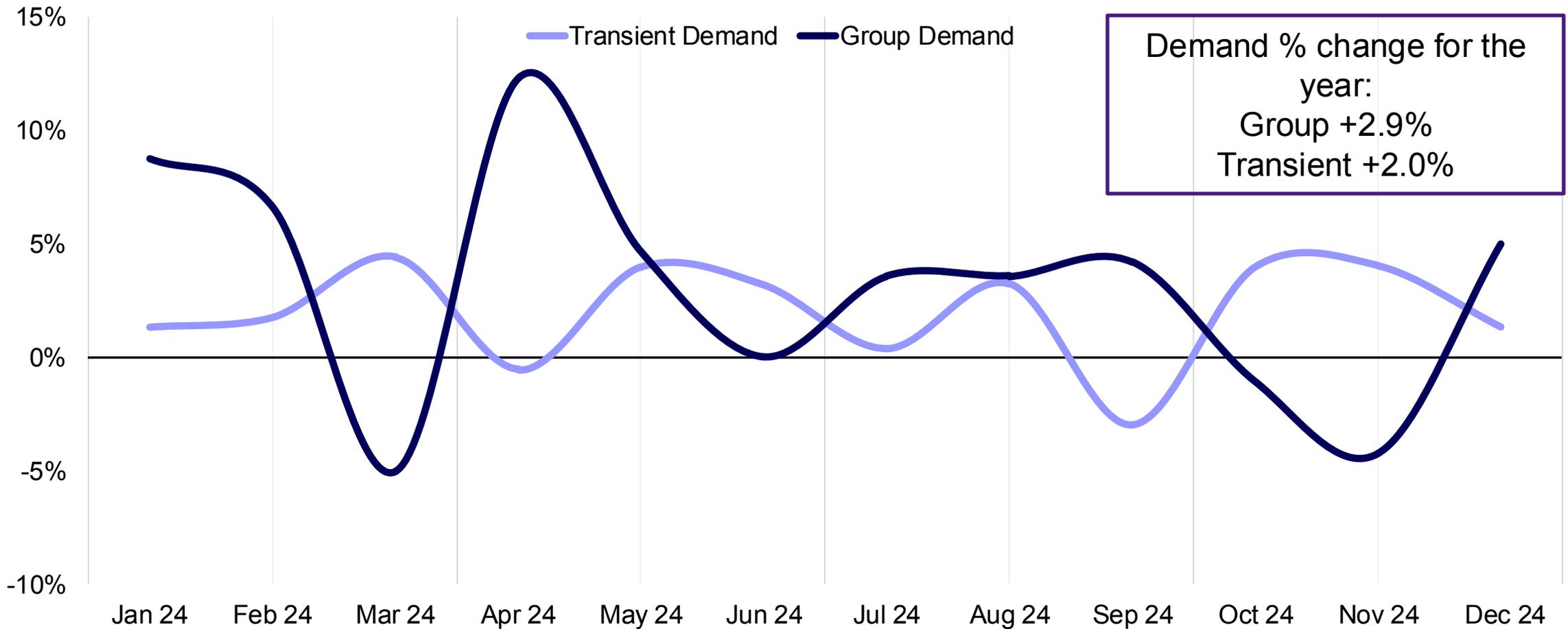
RevPAR returns to pre-COVID patterns

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



Strong group with expected monthly patterns; transient slow but steady

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



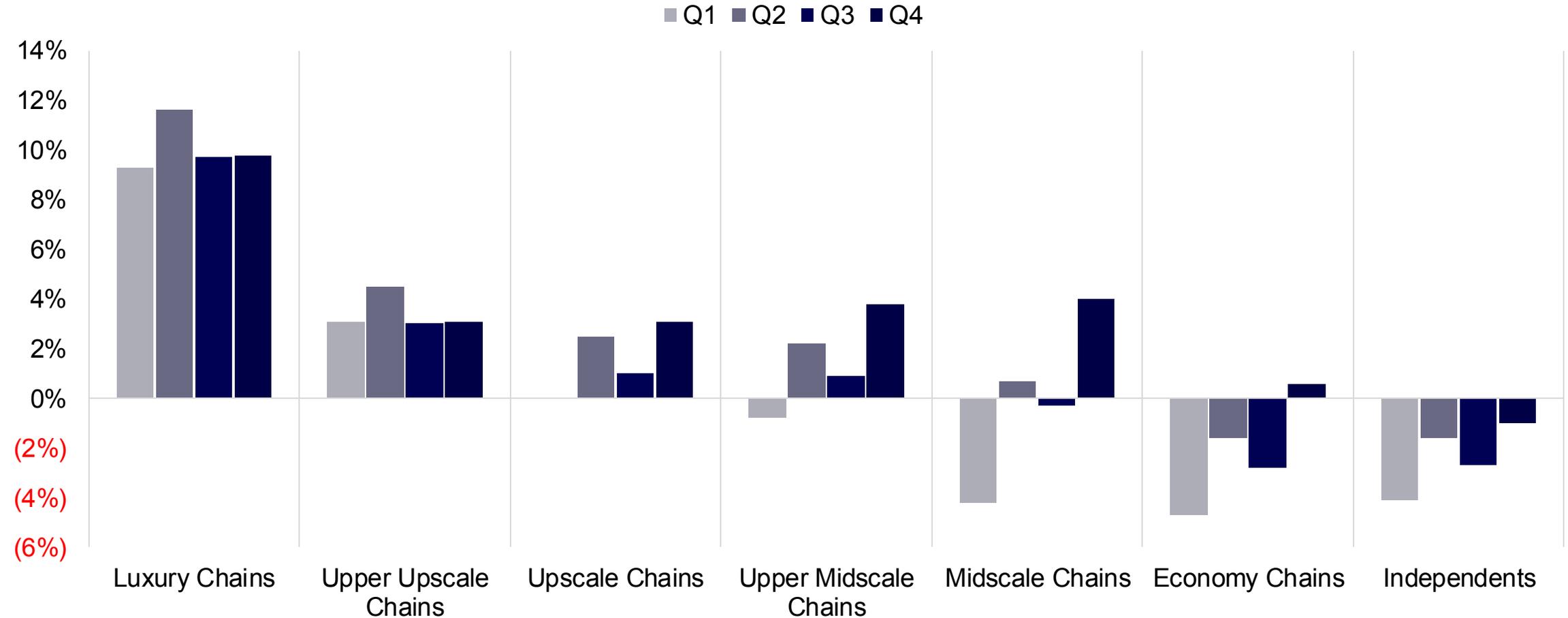


Chains



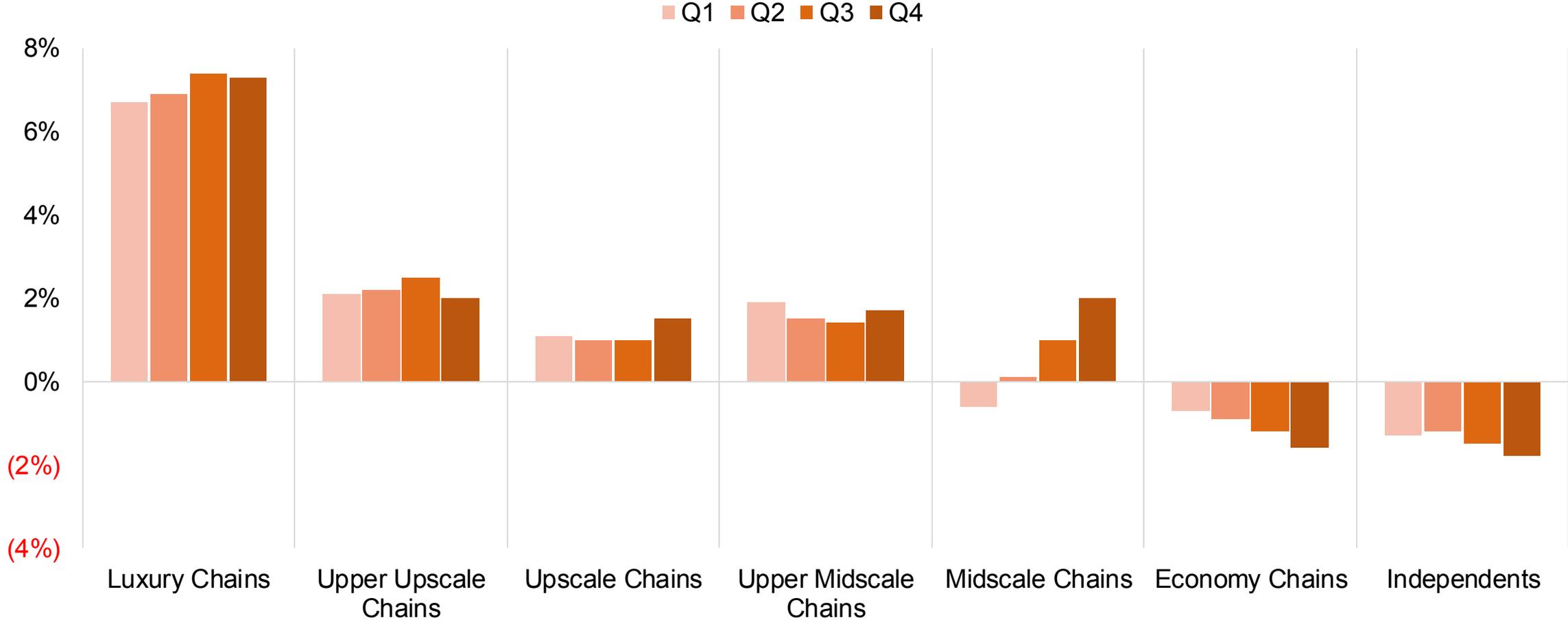
Demand gains in Q4 for all chain scales

U.S., Demand YoY % change, Q1-Q4 2024



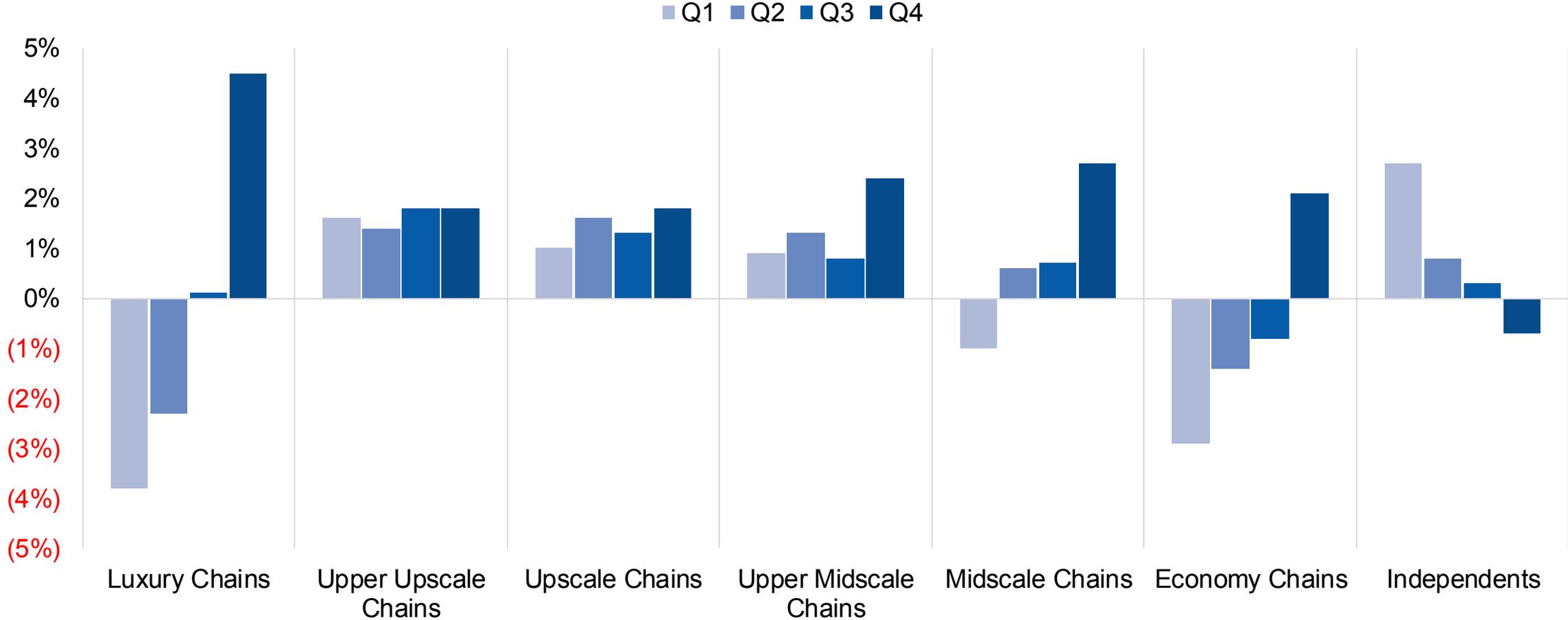
All chain scales increased supply, except Economy

U.S., Supply YoY % change, Q1-Q4 2024



ADR growth was strongest in Q4

U.S., ADR YoY % change, Q1-Q4 2024





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%

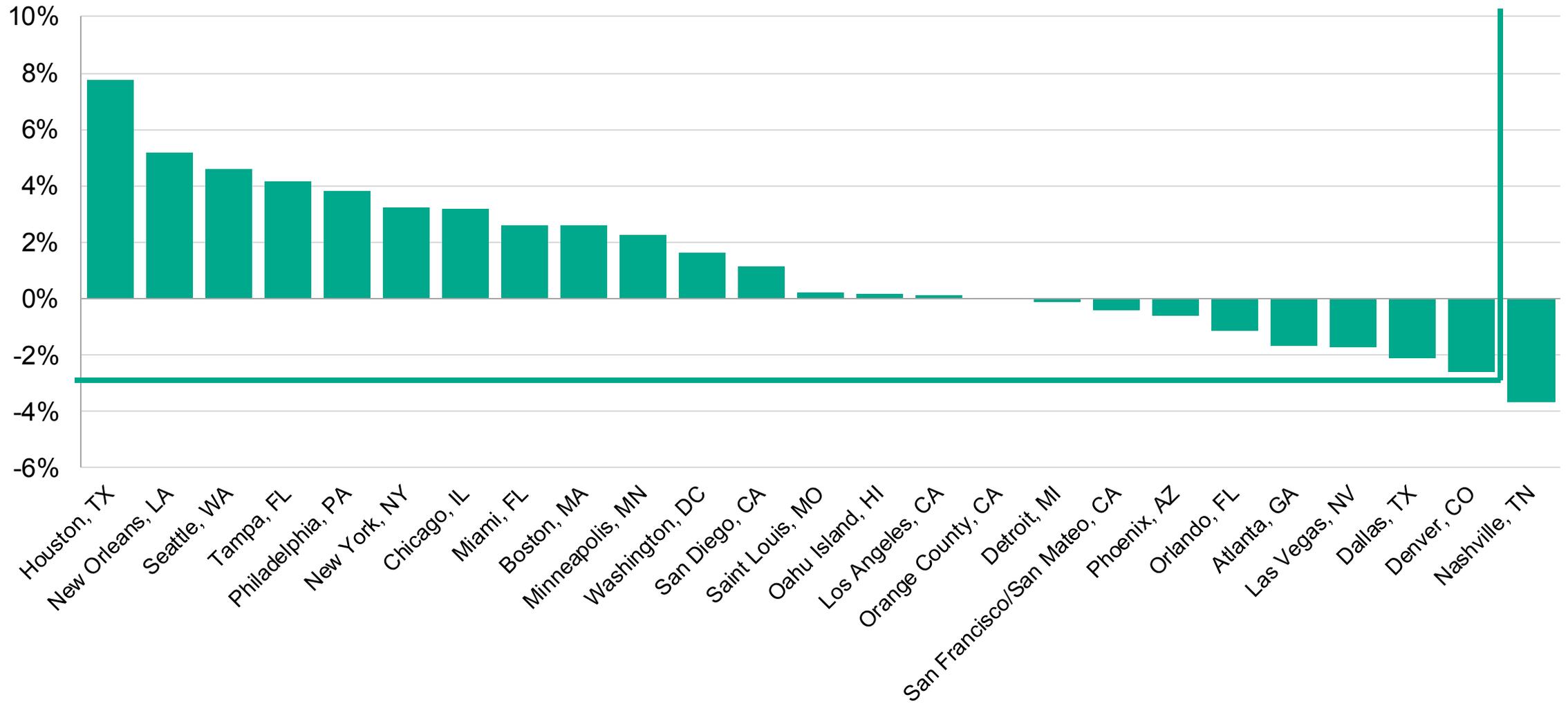
Source: STR. © 2022 CoStar Group

Top 25 Markets

Hurricanes, events and calendar shifts impacted markets

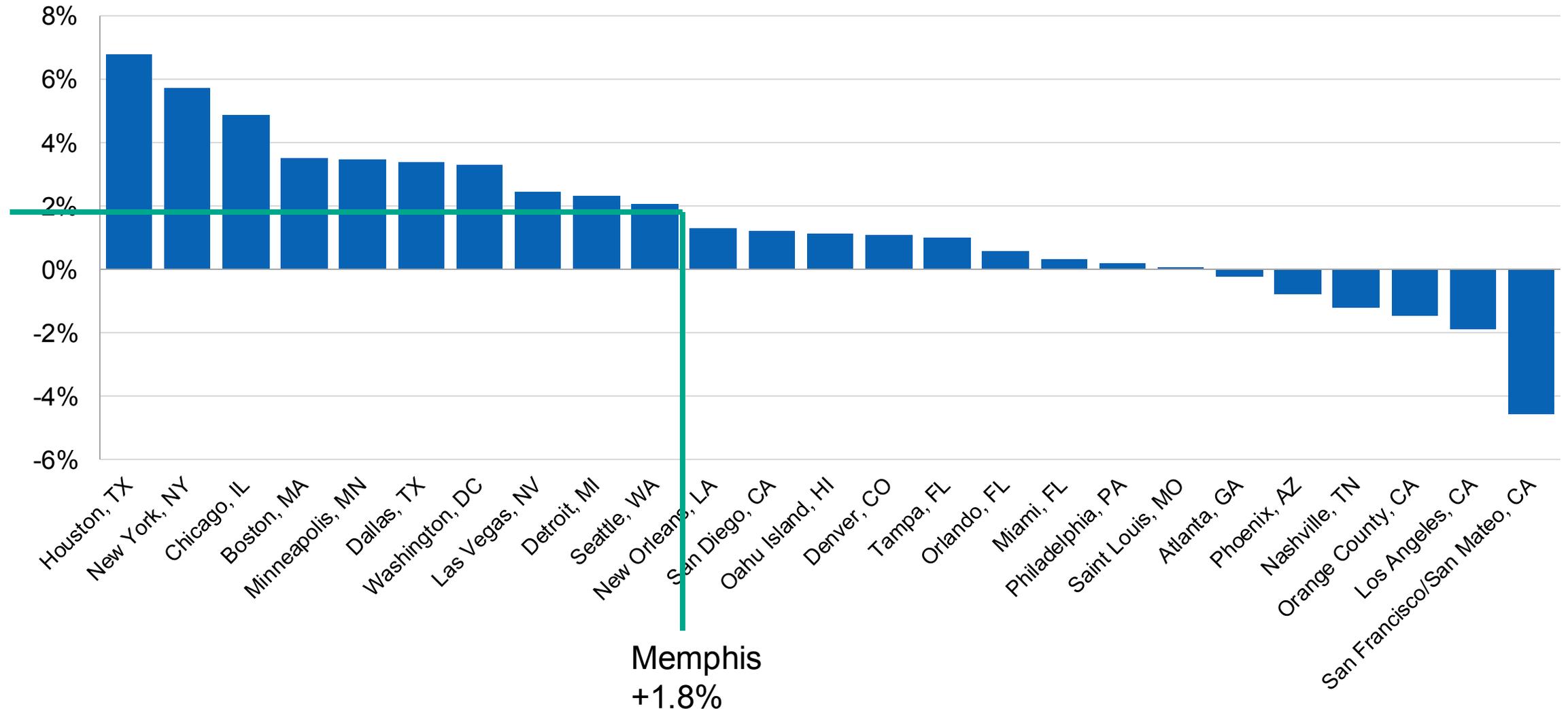
Top 25 Markets, Occupancy YoY % change, Full-Year 2024

Memphis
(3.2%)



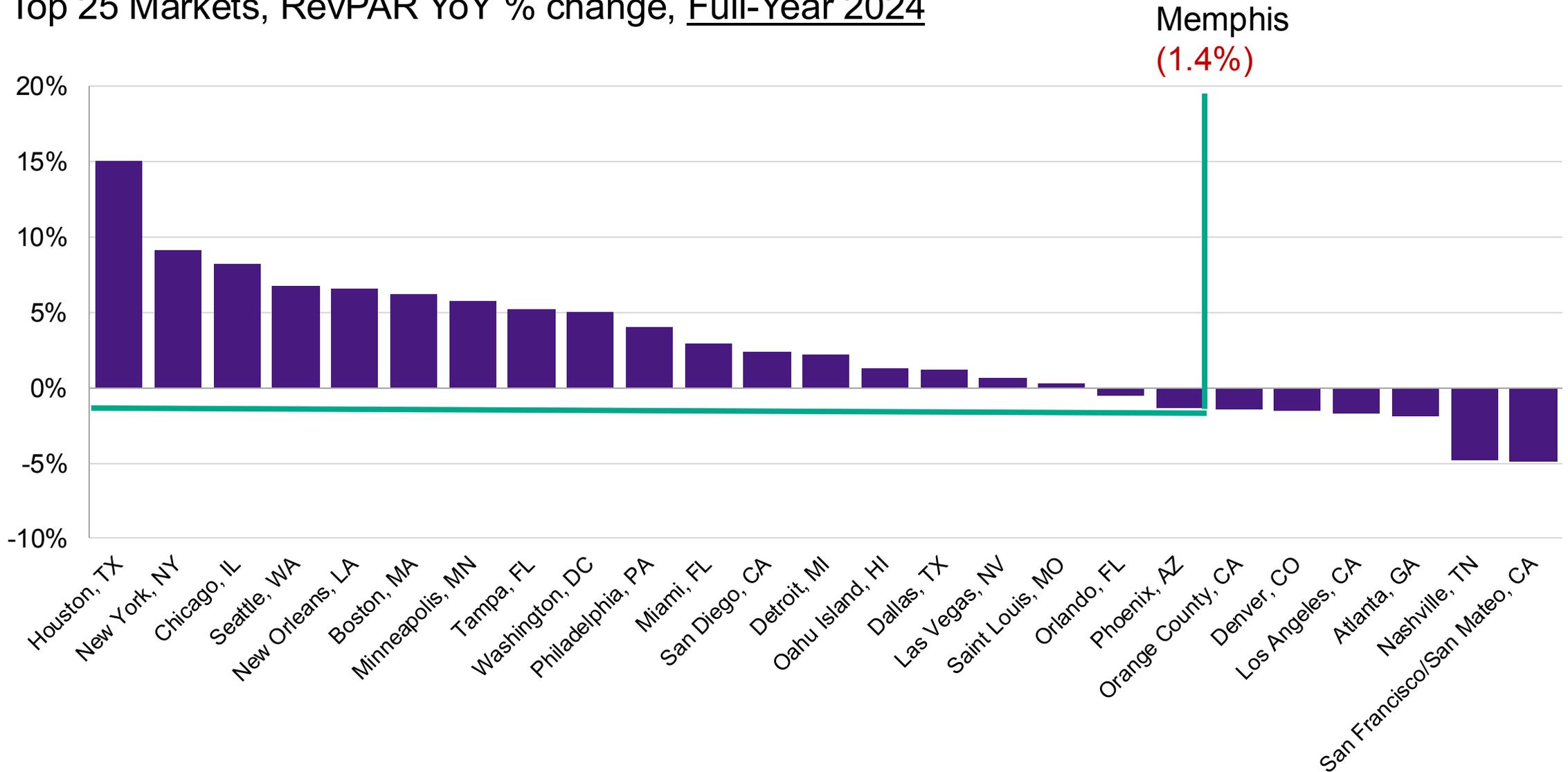
Hurricanes, events and calendar shifts impacted markets

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



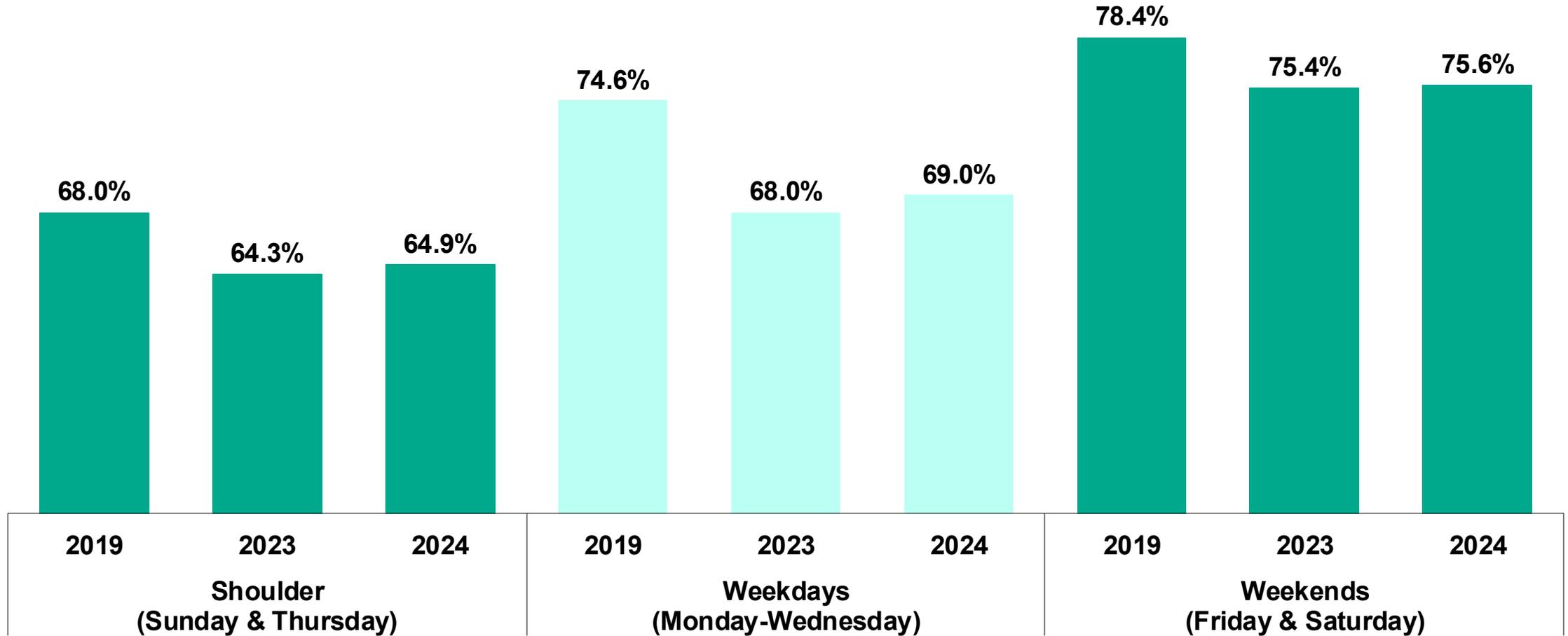
Houston and New York City post greatest RevPAR gains

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



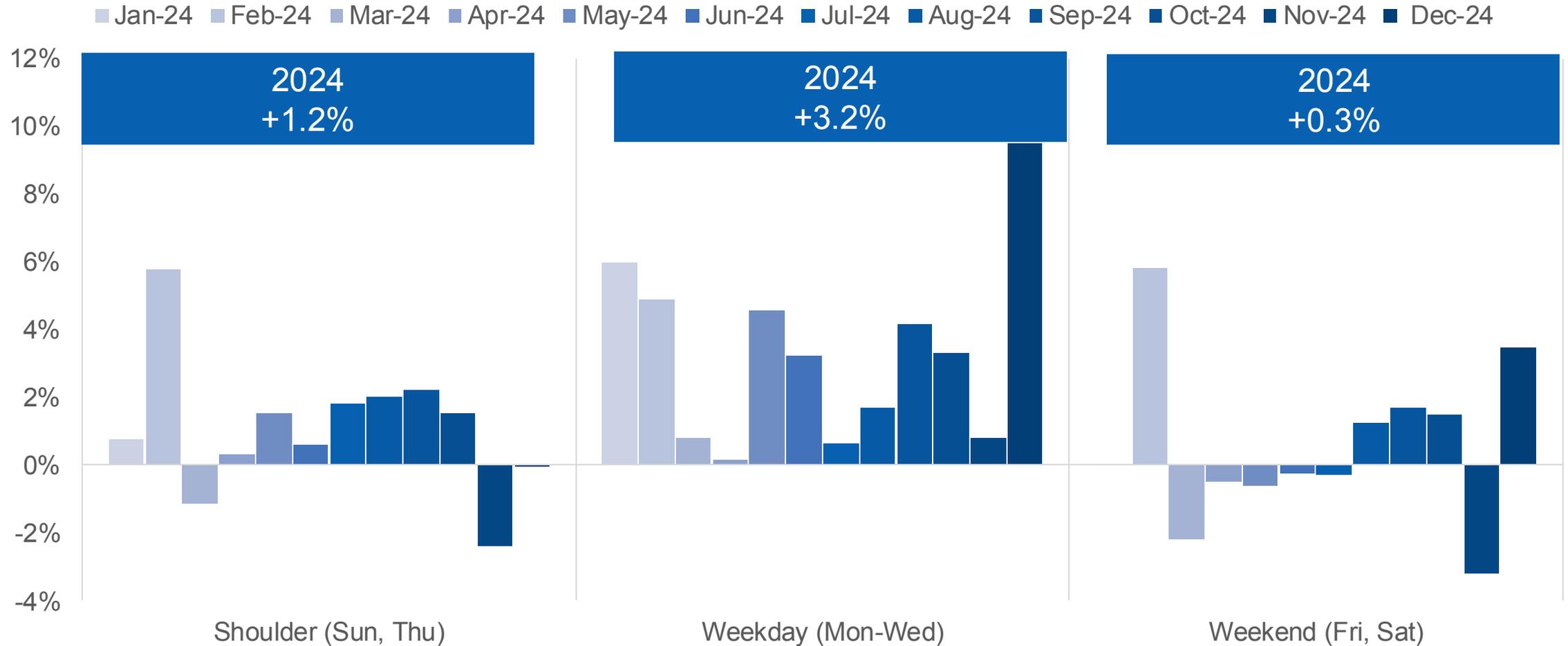
Weekdays slowly improved while shoulder and weekends were flat

Top 25 Markets, Occupancy, Full Year



Greatest ADR gains on weekdays

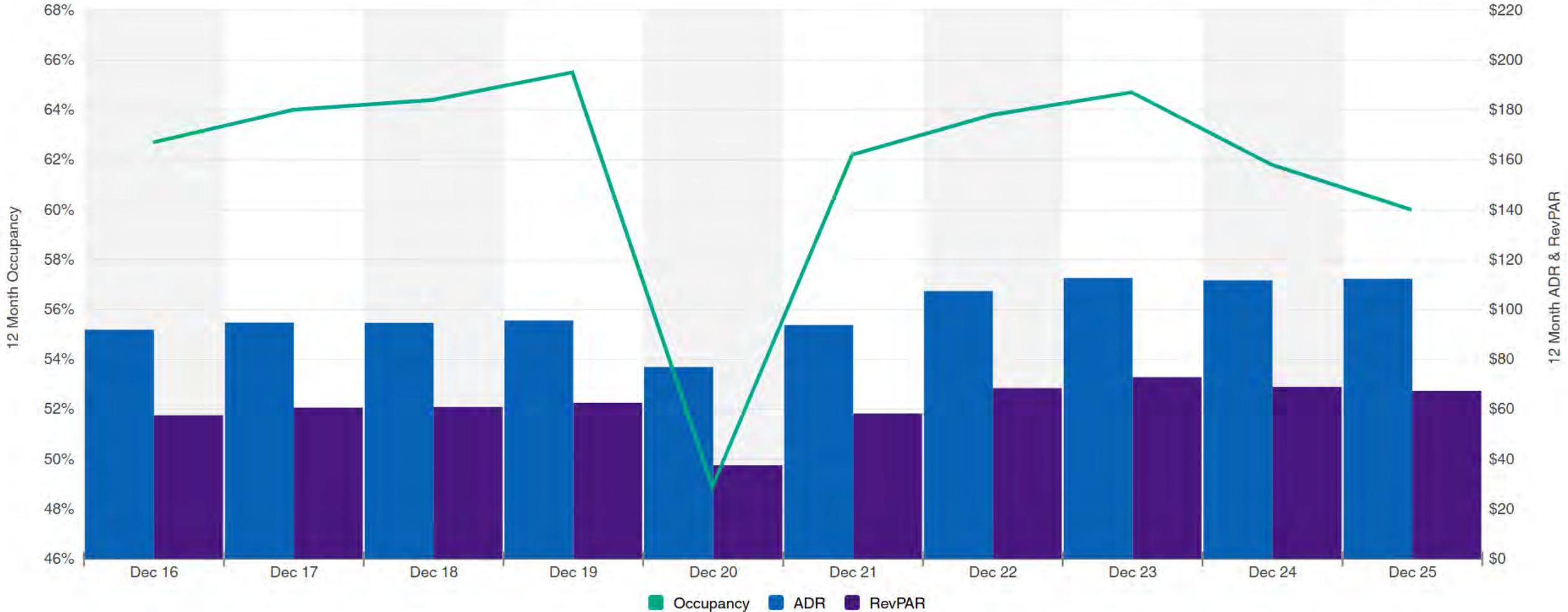
Top 25 Markets, ADR % change YOY



Agenda

Memphis & Comparable Markets

Memphis Market: December Trends



Comparable Markets: Monthly Occupancy

3-Year Historical Trends

77.4%
7.9% YOY

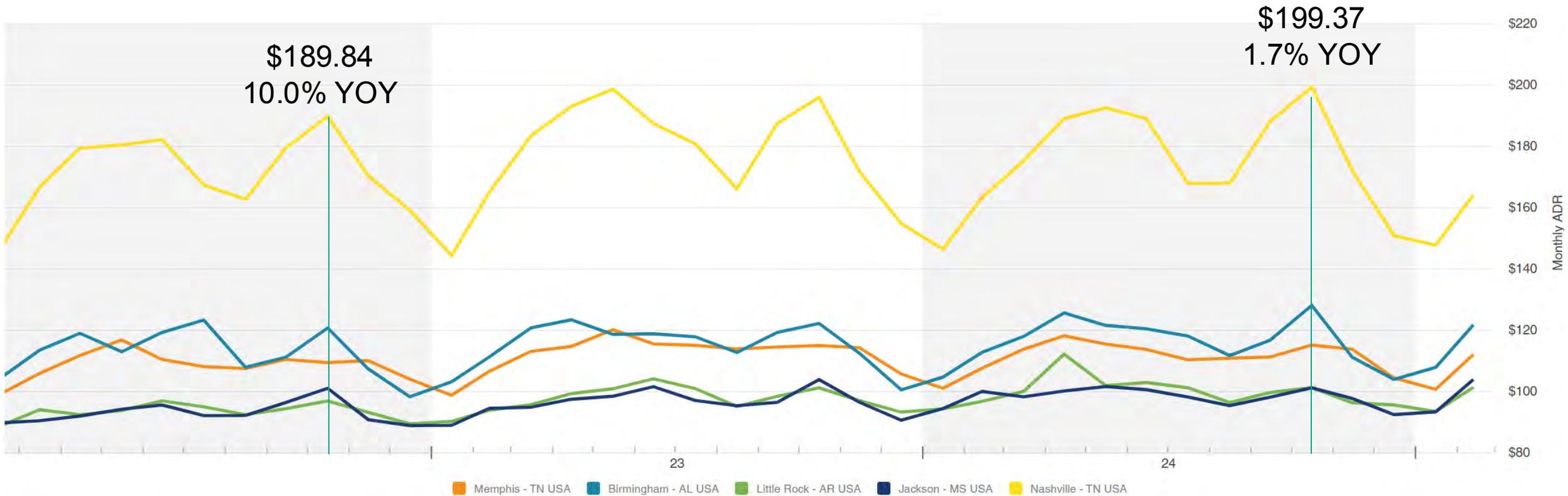
73.8%
(2.9%) YOY

85%
80%
75%
70%
65%
60%
55%
50%
45%
40%
35%

■ Birmingham - AL USA ■ Jackson - MS USA ■ Nashville - TN USA ■ Memphis - TN USA ■ Little Rock - AR USA

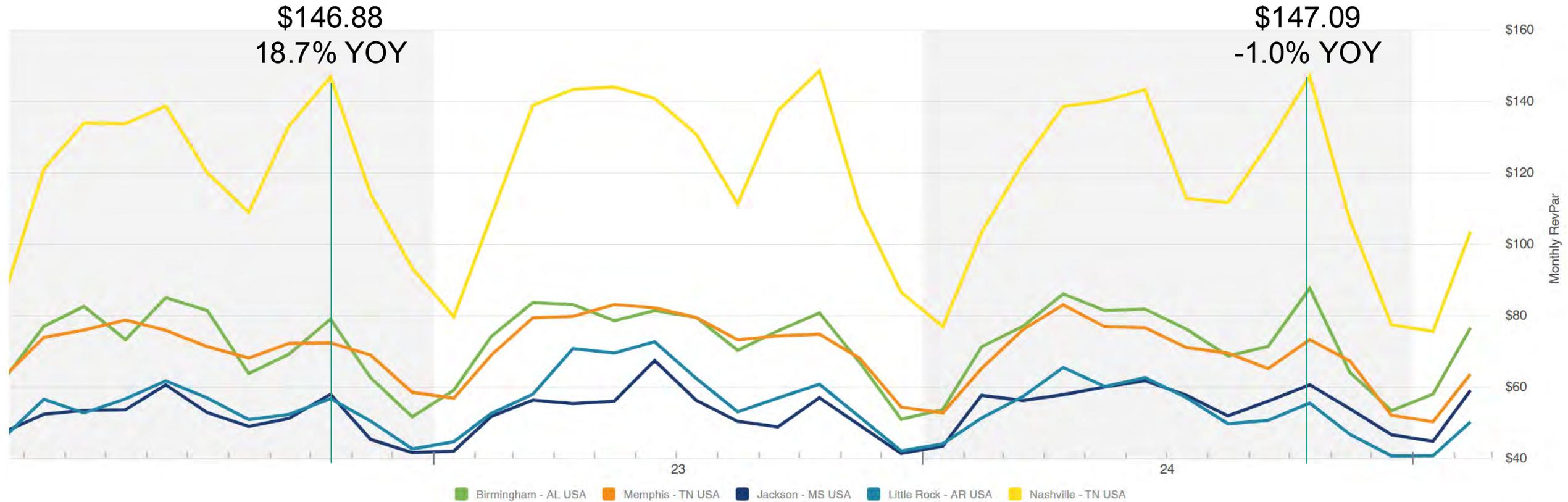
Comparable Markets: Monthly ADR

3-Year Historical Trends

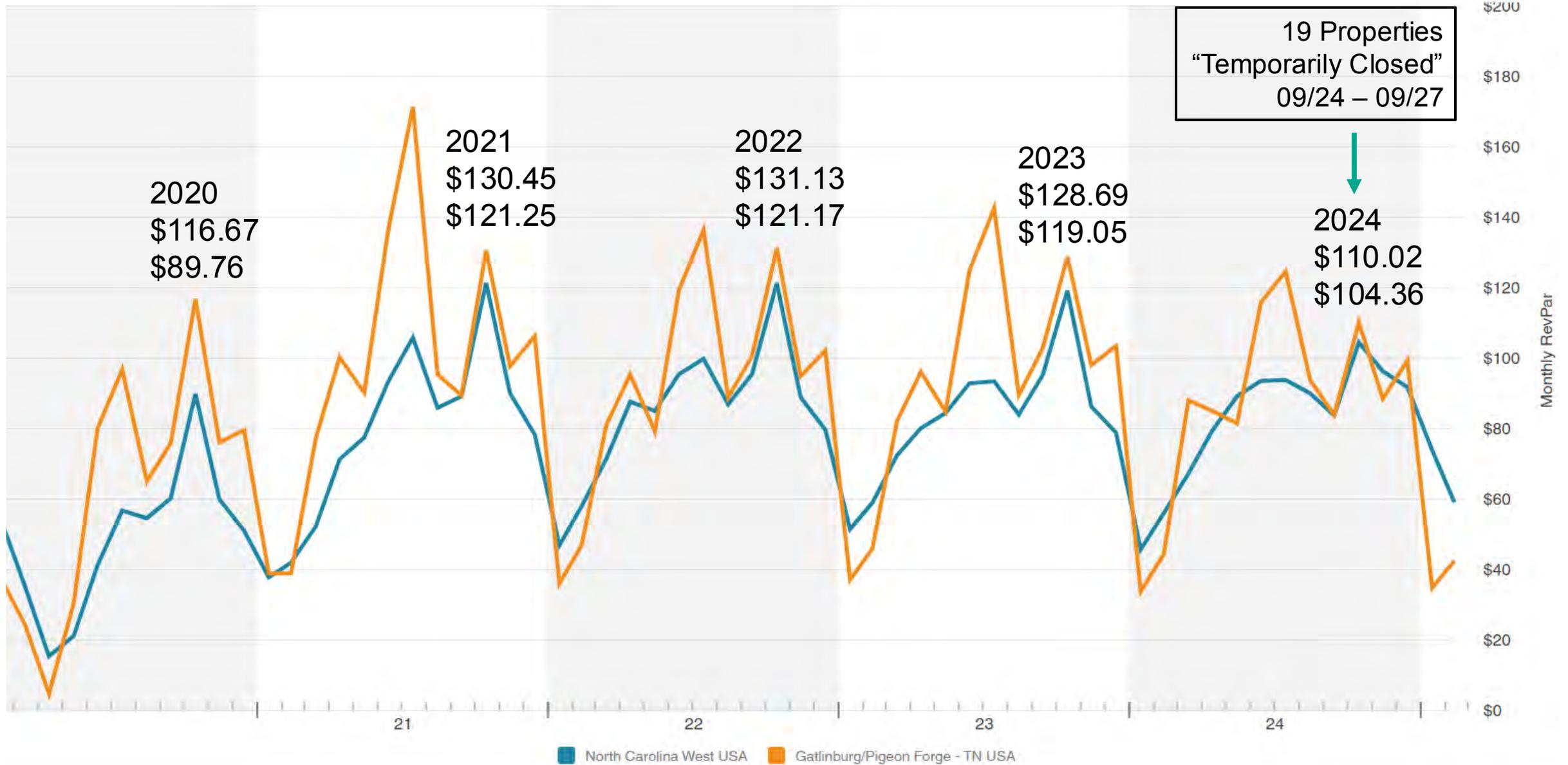


Comparable Markets: RevPAR

3-year Historical Trends



Flooding in Western NC & Gatlinburg/Pigeon Forge



New Supply & Investment Trends

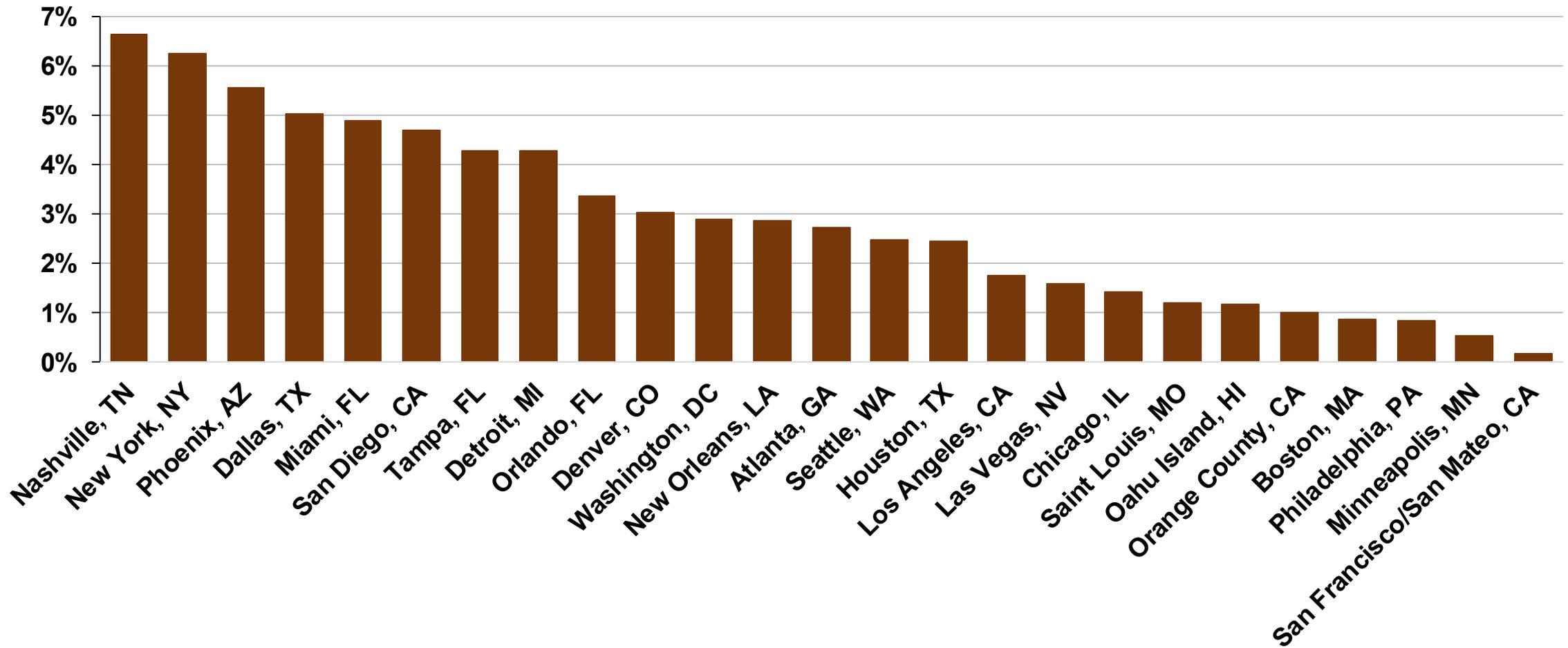
Construction slows, planning grows

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%

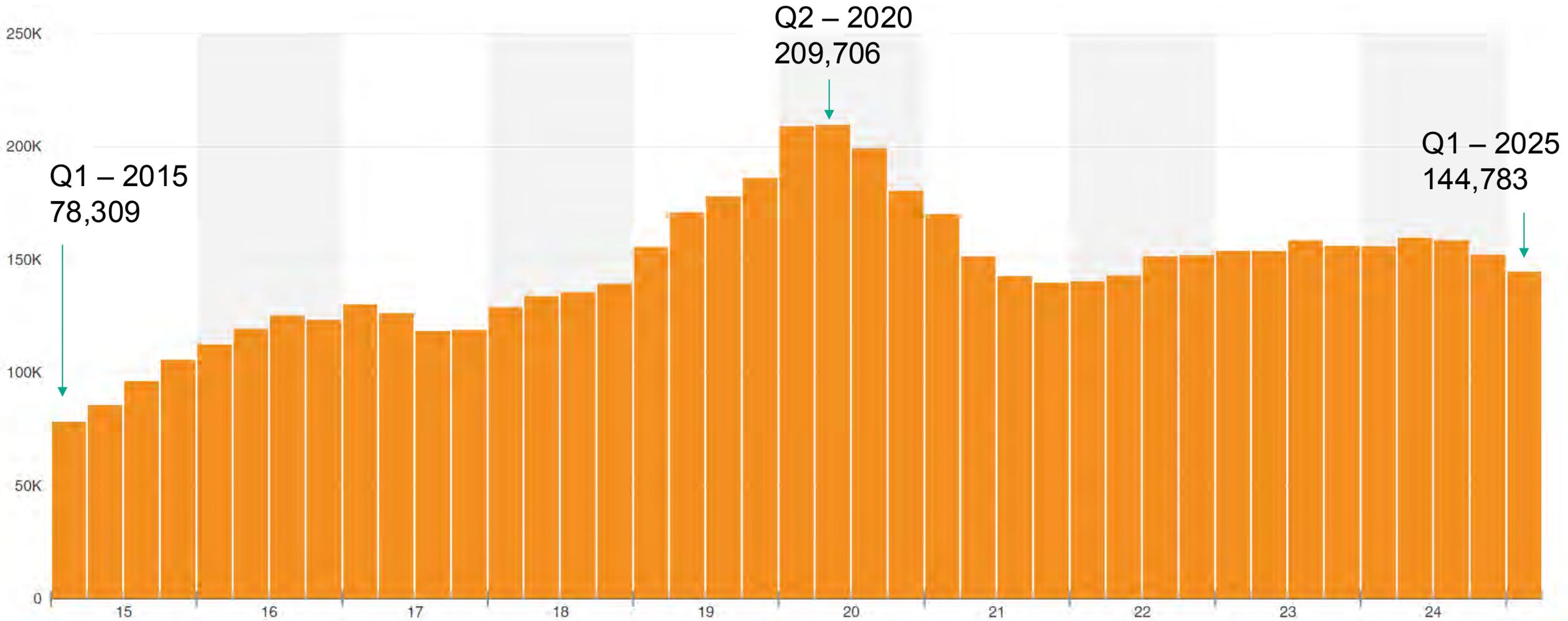
Nashville and NYC lead in construction

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



United States - Under Construction Doubles 2015

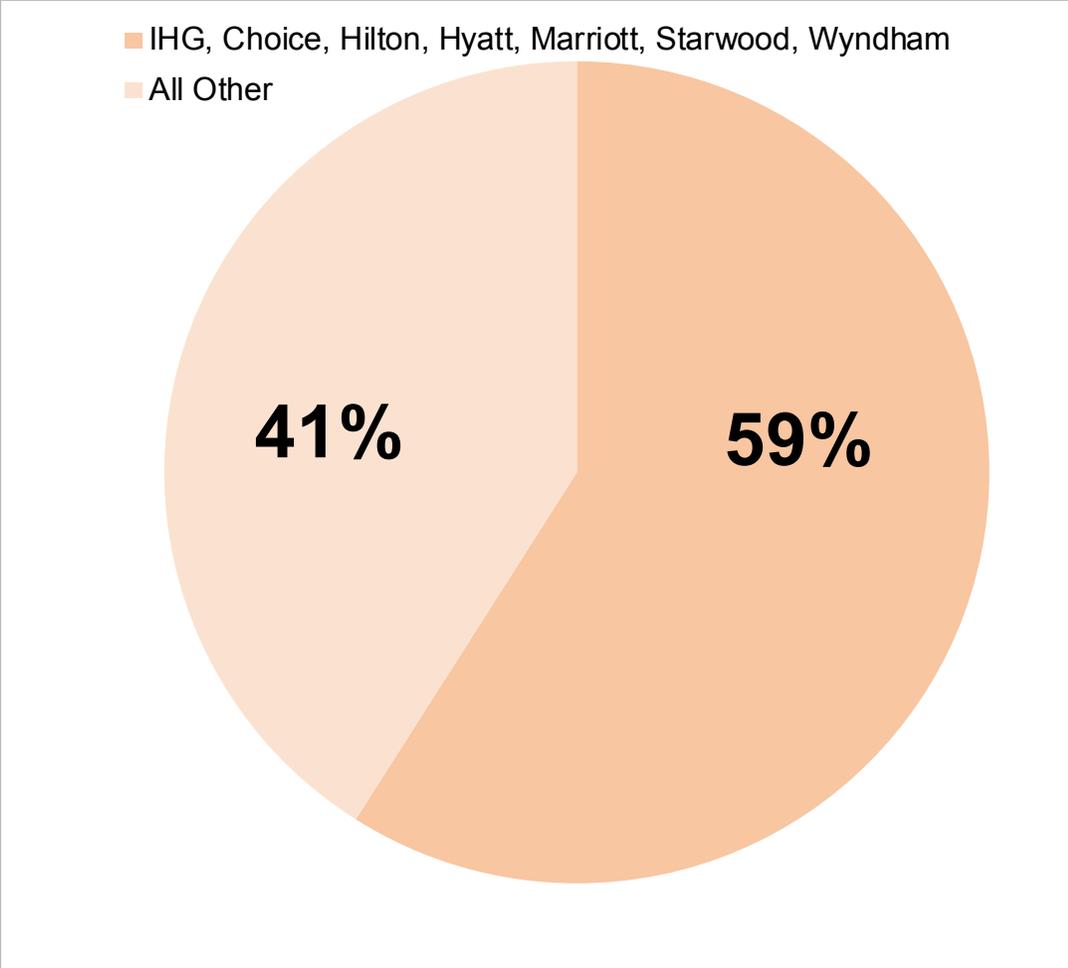
Quarterly Trends for Under Construction Rooms



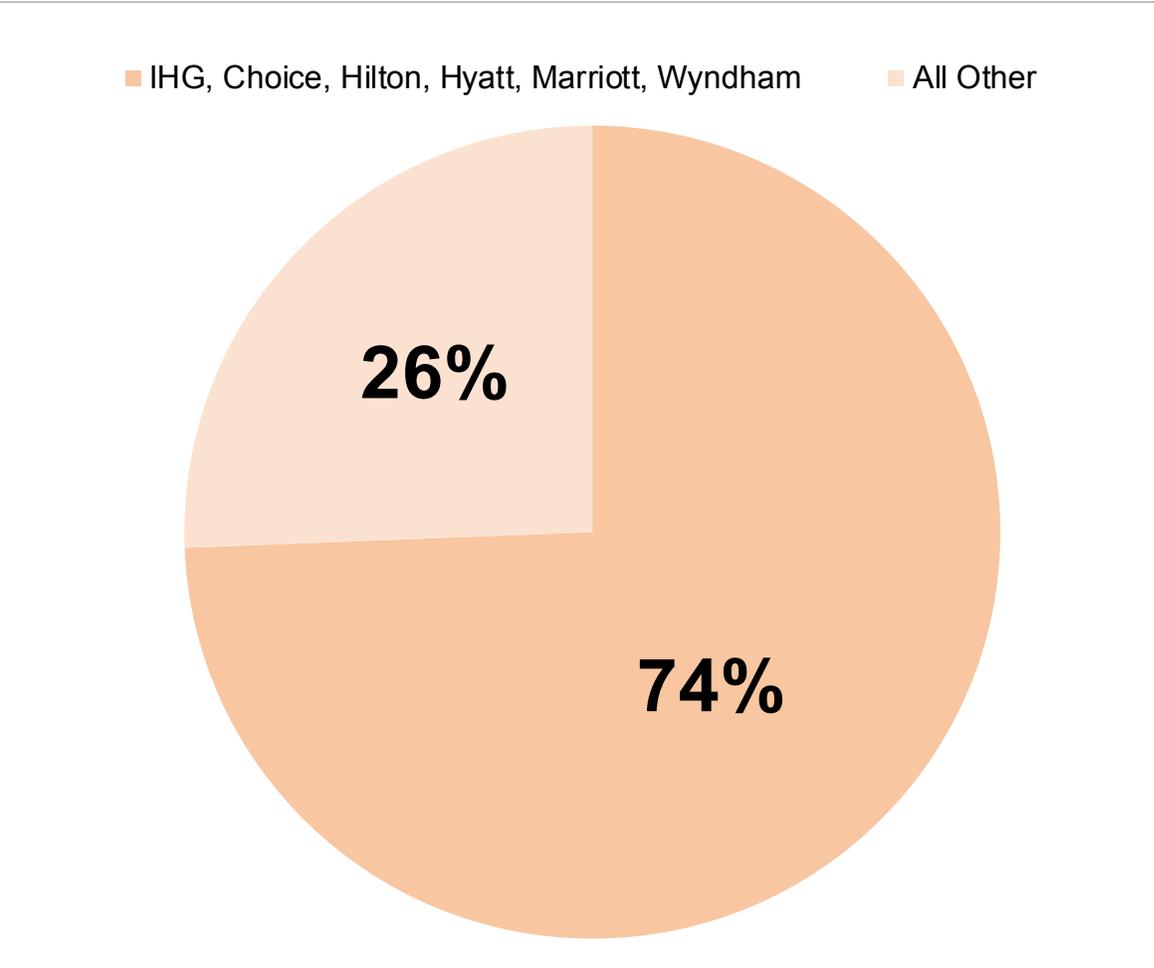
Active Pipeline: Clear shift to the “Big 6” over past decade

U.S., active pipeline by brand, 2010 and 2024

2010



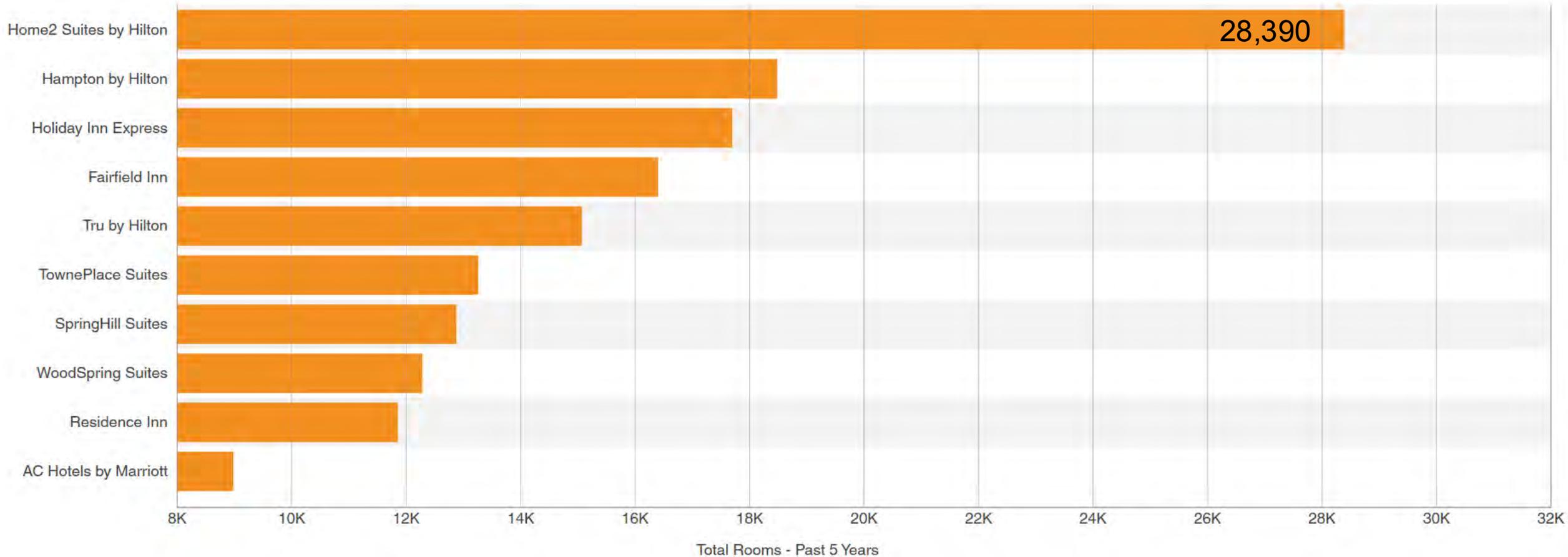
2024



Hilton Leads Total Rooms Delivered Nationally

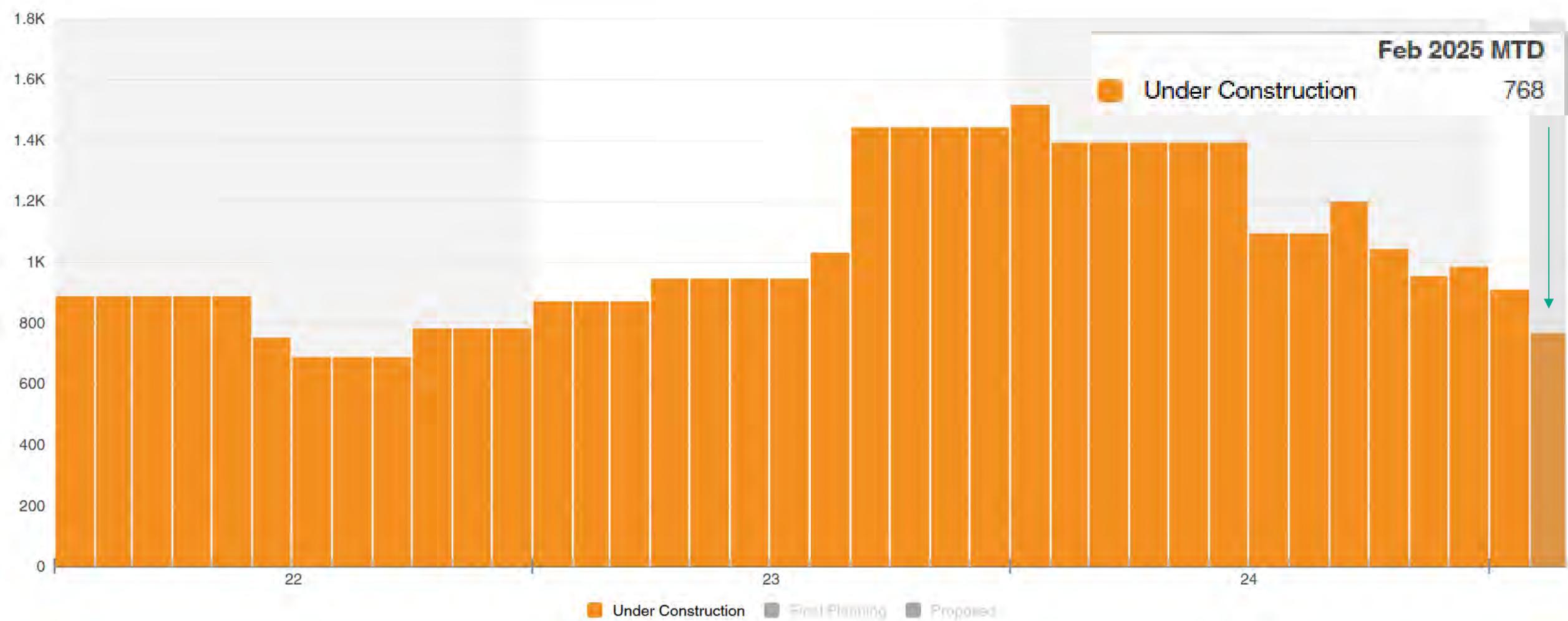
Total Rooms Delivered – Past 5 Years

TOP BRANDS DELIVERED



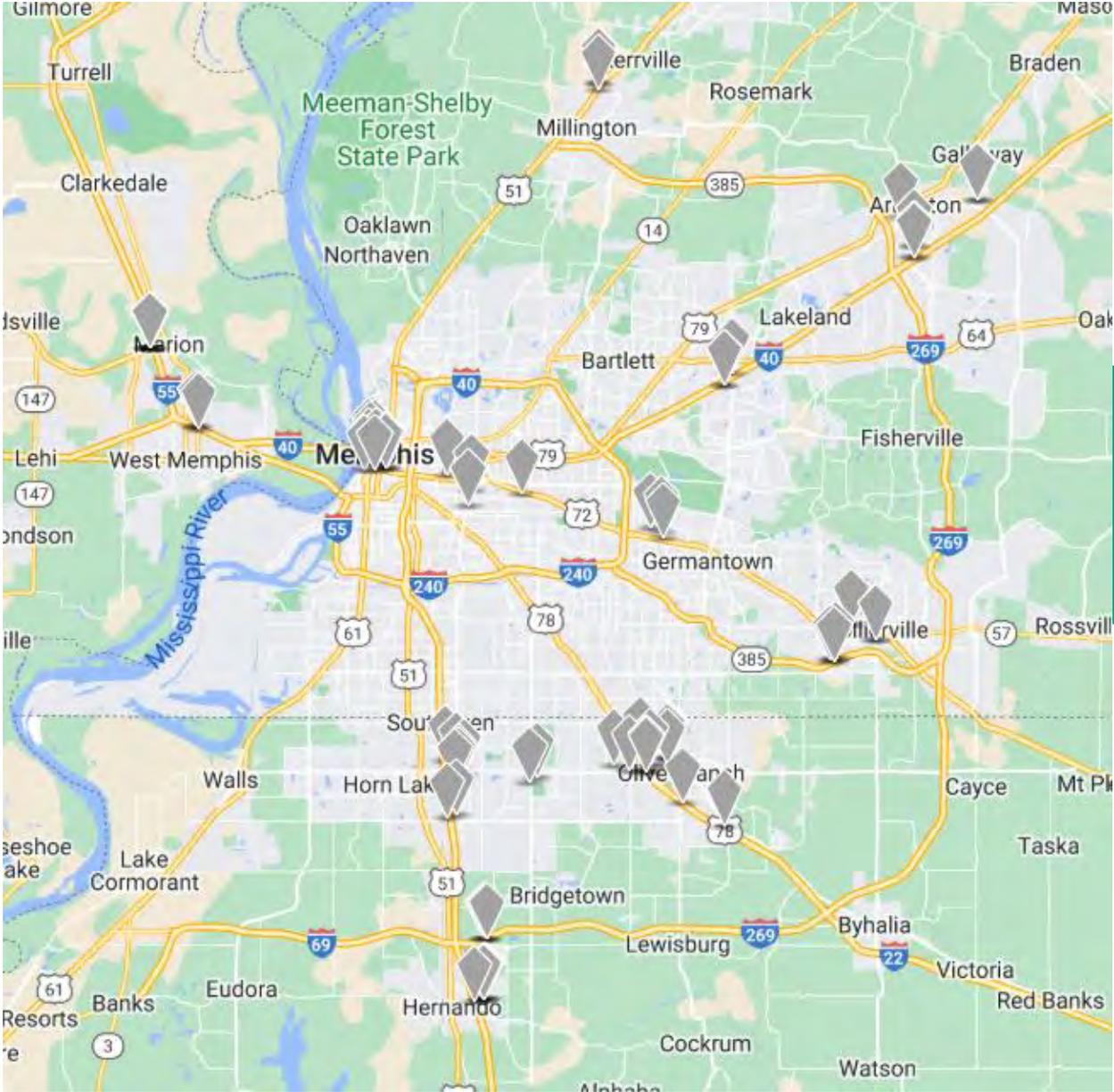
Memphis Market Construction – lowest in two years

Total Rooms Under Construction



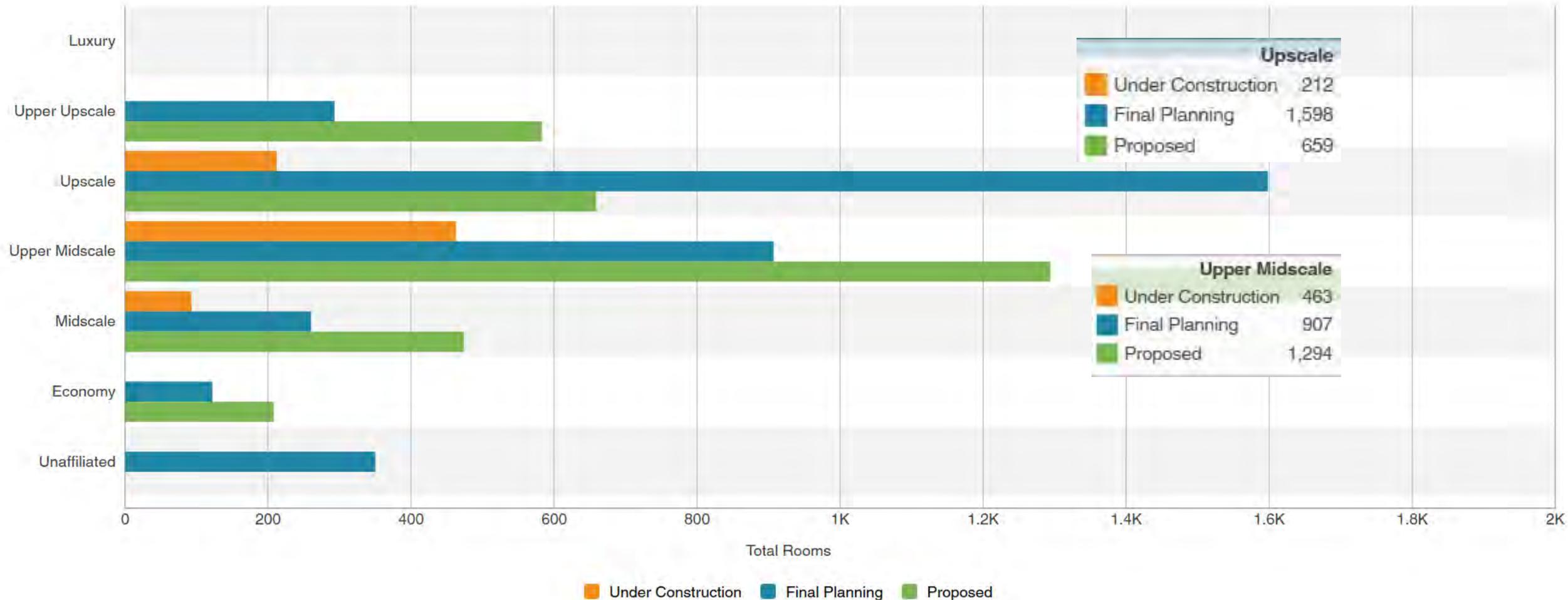
Memphis Construction

Building Name	Brand	Rooms ↓	Submarket
✓ Wyndham Hotels and Resorts Memphis	Wyndham	300	Memphis CBD
✓ Embassy Suites by Hilton Southaven	Embassy Suites by Hilton	240	Memphis Airport...
✓ Unamed Hotel Liberty Park		200	Memphis CBD
✓ Blues Note Hotel		191	Memphis CBD
✓ Embassy Suites by Hilton Memphis Down...	Embassy Suites by Hilton	183	Memphis CBD
✓ Dream Hotels Memphis	Dream Hotels	181	Memphis CBD
✓ Trademark Collection by Wyndham Memp...	Trademark Collection by ...	175	Memphis CBD
✓ Carrefour at The Gateway- Phase II		174	Memphis East
✓ Autograph Collection Memphis Downtown	Autograph Collection	160	Memphis CBD
✓ AC Hotels by Marriott Memphis Downtown	AC Hotels by Marriott	154	Memphis CBD
✓ Liberty Park Hotel		150	Memphis CBD
✓ Tempo Memphis Downtown Union Row	Tempo by Hilton	150	Memphis CBD
✓ Holiday Inn Express The Derman	Holiday Inn Express	130	Memphis CBD
✓ SpringHill Suites By Marriott Southaven	SpringHill Suites	128	Memphis Airport...
✓ Home2 Suites by Hilton Millington	Home2 Suites by Hilton	127	Memphis East
✓ Courtyard by Marriott Arlington Memphis	Courtyard	125	Memphis East
✓ StudioRes Memphis Cordova	StudioRes	124	Memphis East
✓ Home2 Suites by Hilton Memphis Midtown	Home2 Suites by Hilton	124	Memphis CBD
✓ Element Southaven	element	123	Memphis Airport...
✓ WoodSpring Suites Olive Branch	WoodSpring Suites	122	Memphis Airport...



Upscale Hotels Lead Memphis Pipeline

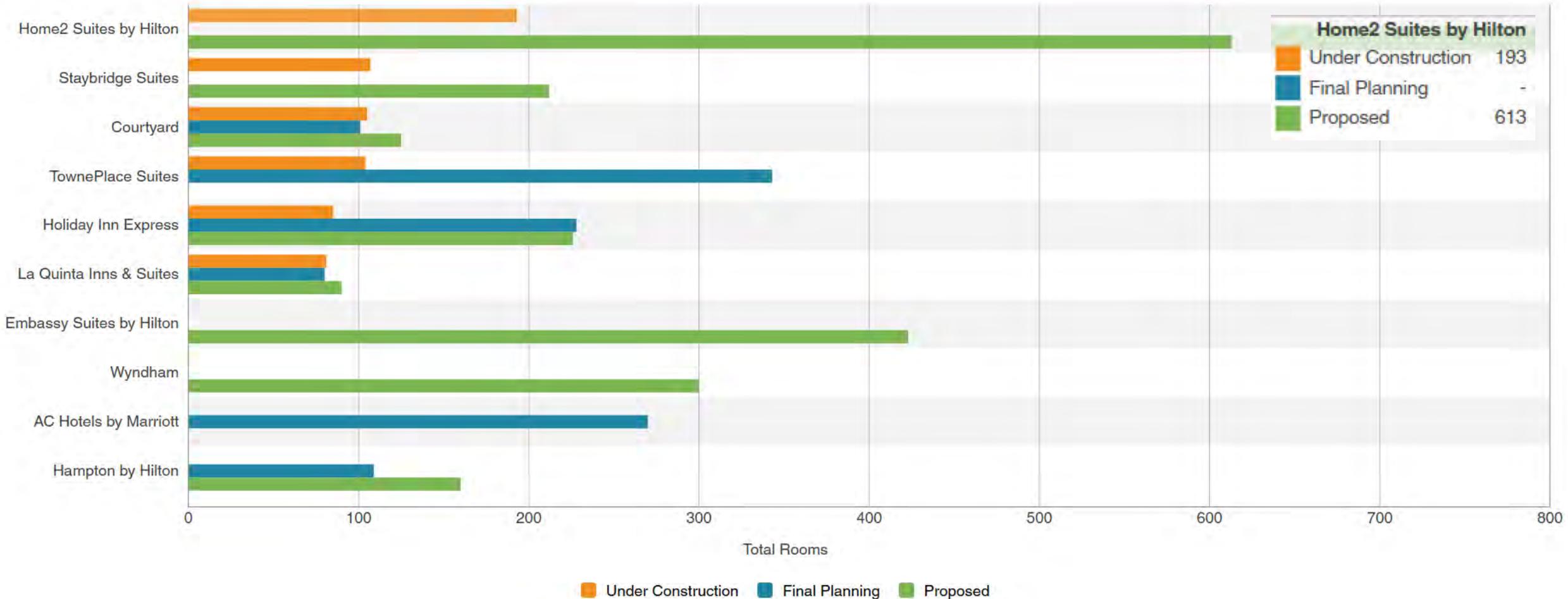
Memphis Pipeline by Scale



Home2 Suites by Hilton leads Memphis pipeline

Top Brands Under Construction, Final Planning, & Proposed

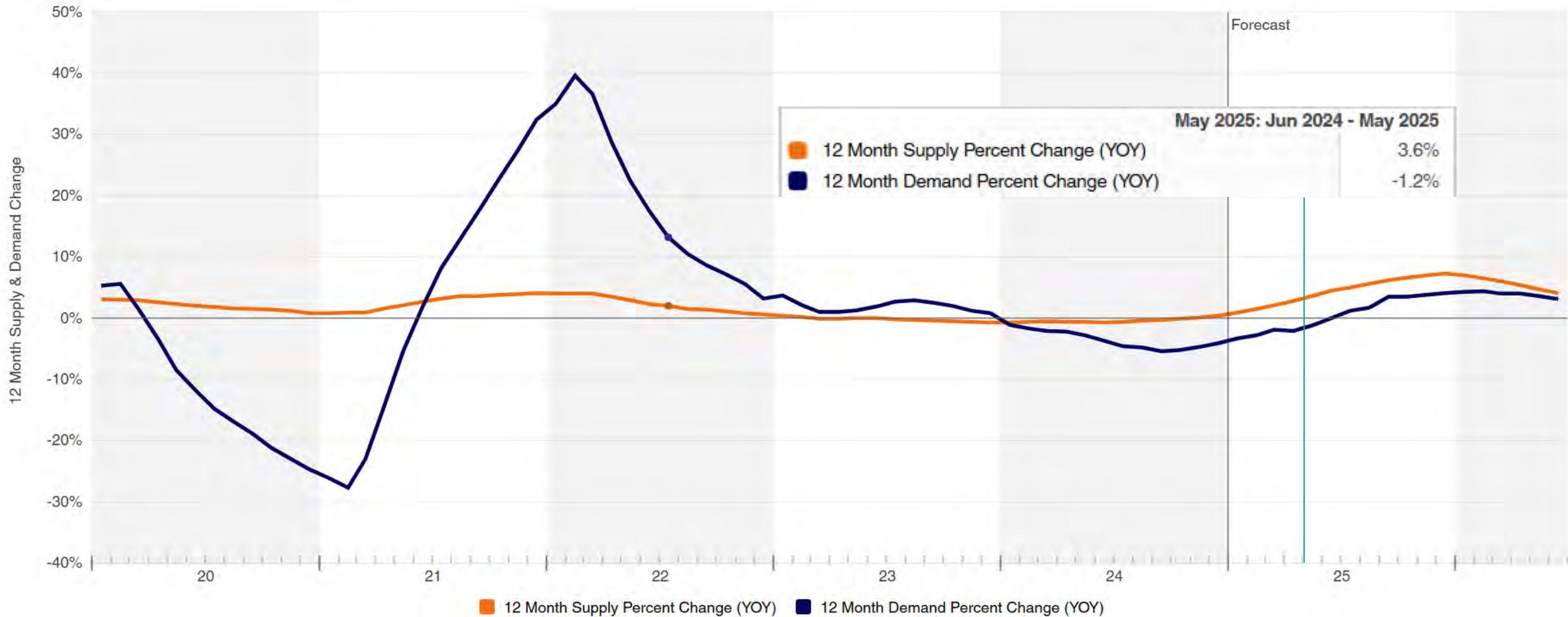
TOP BRANDS IN PIPELINE



Source: STR. © 2022 CoStar Group

Memphis Slightly Outpaces Demand in 2025

5-Year Supply & Demand Historical Trend



Memphis Market / U.S. Forecast

4-Year Forecast

United States Hospitality

OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	63.1%	0.1%	\$173.19	2.3%	\$109.36	2.4%
2027	63.1%	0%	\$169.29	2.2%	\$106.82	2.2%
2026	63.1%	0.4%	\$165.69	2.7%	\$104.51	3.1%
2025	62.8%	-0.3%	\$161.39	1.7%	\$101.40	1.5%

Memphis Hospitality

OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	58.7%	-0.2%	\$117.36	1.8%	\$68.84	1.7%
2027	58.8%	-2.5%	\$115.25	1.0%	\$67.72	-1.5%
2026	60.3%	0.5%	\$114.05	1.5%	\$68.74	2.0%
2025	60.0%	-3.0%	\$112.32	0.6%	\$67.37	-2.4%



Questions





Thank you.



Hotel Asset Managers Confident About Revenue Growth, but Worry About Demand Outlook

Wage Increases, Insurance Costs Also Rank as Top Concerns in HAMA Spring Survey



While hotel asset managers are broadly optimistic, one of their top concerns is whether price sensitive leisure travelers will hurt the overall demand outlook in 2024. (Getty Images)

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