

SOME THOUGHTS – THE YEAR AHEAD

Southern Lodging Summit – August 20, 2025

R. Mark Woodworth



WOODWORTH CORE
HOSPITALITY ADVISORY SERVICES

The Agenda

- The Economy
- Travel
- Lodging Outlook
- Memphis

The Agenda

- The Economy
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- Lodging Outlook
- Memphis

How Do You Feel About The Economy Today?

Good?

Okay?

Bad?



What Will The Economy Be A Year From Today?

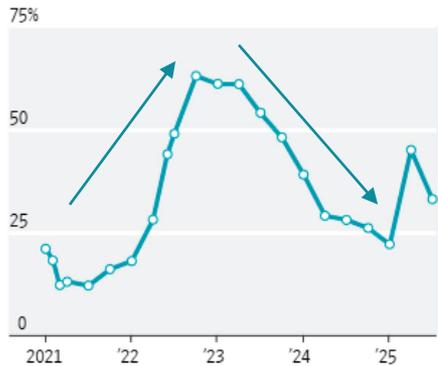
Better?

Same?

Worse?

Recession Odds: Up and Down

Likelihood of recession in the next 12 months



Note: Chart shows average response in each survey.
Source: Wall Street Journal survey of economists

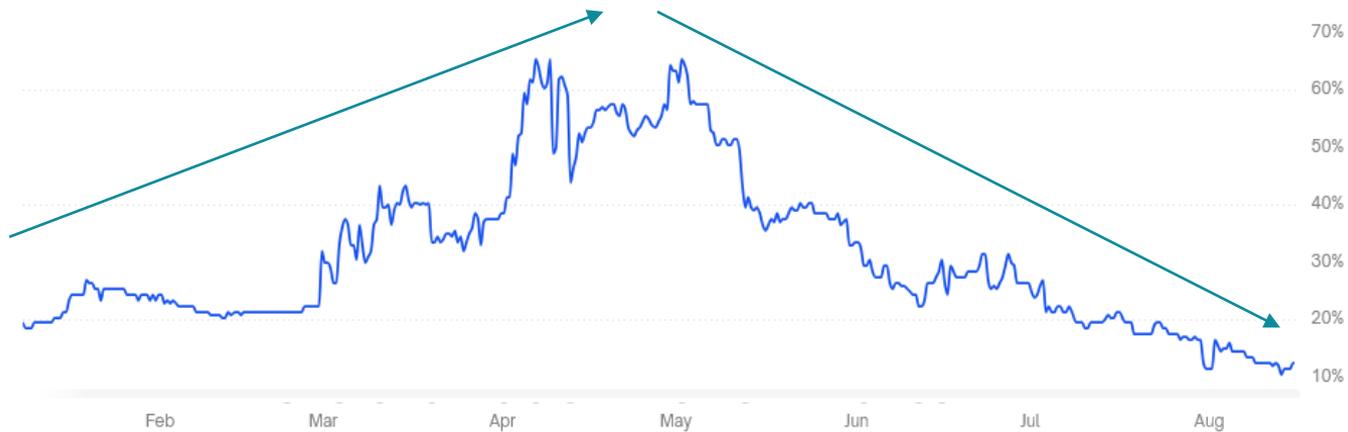


US recession in 2025?

\$9,108,917 Vol. ⌚ Feb 28, 2026

13% chance ▼ 7%

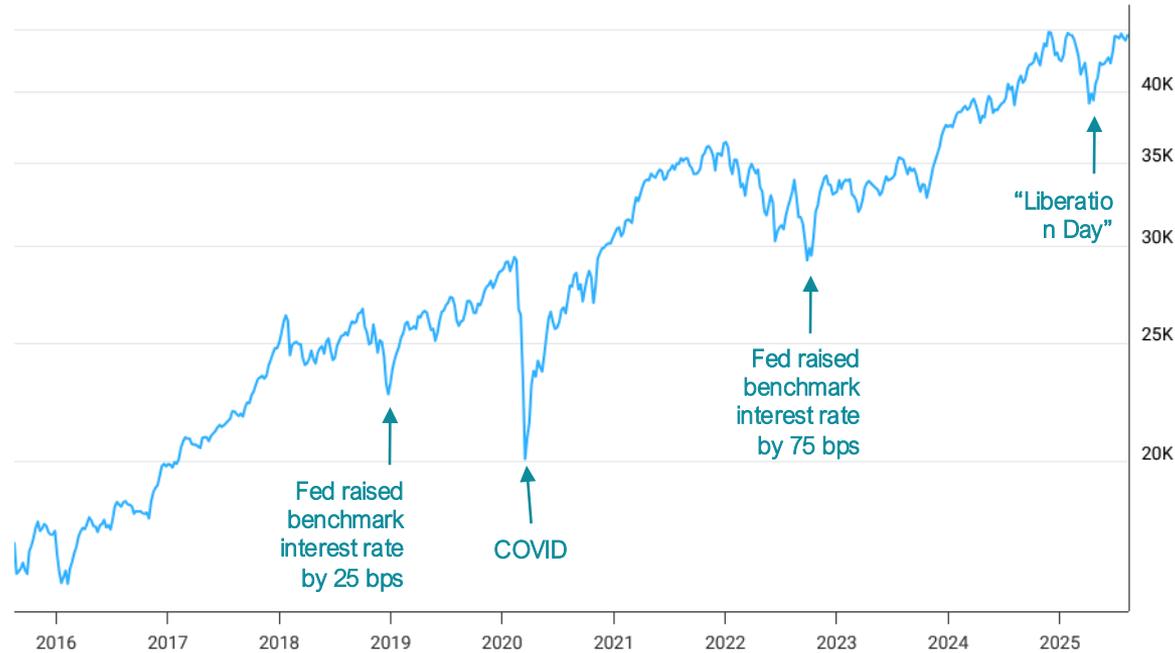
Polymarket



1H 6H 1D 1W 1M ALL

🗒️ ⚙️

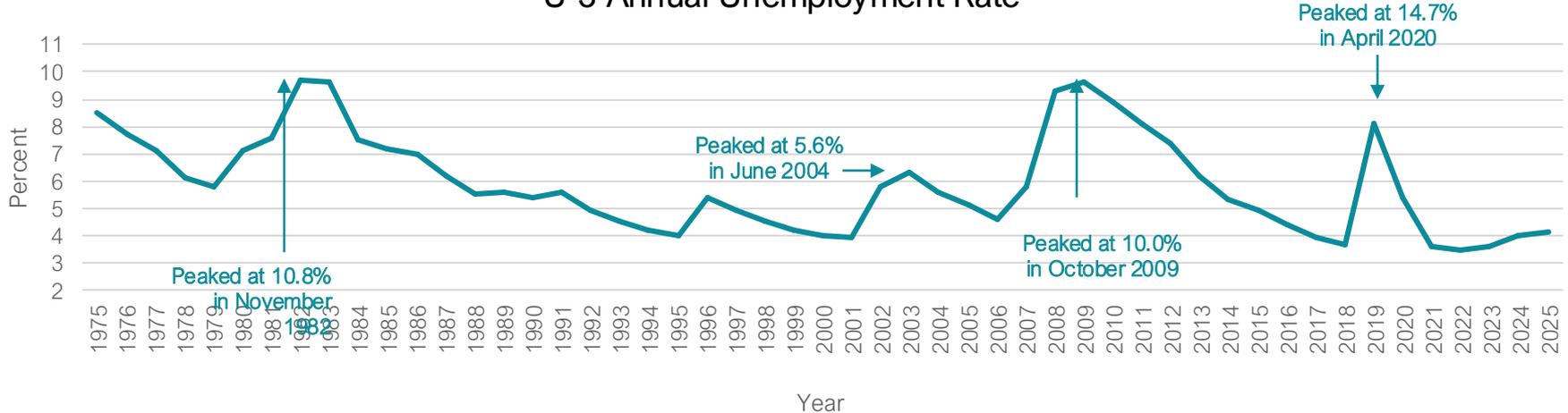
Dow Jones Industrial Average – 10 Year View



Sources: Dow Jones, August 2025

Unemployment Cycles – 50 Year View

U-3 Annual Unemployment Rate



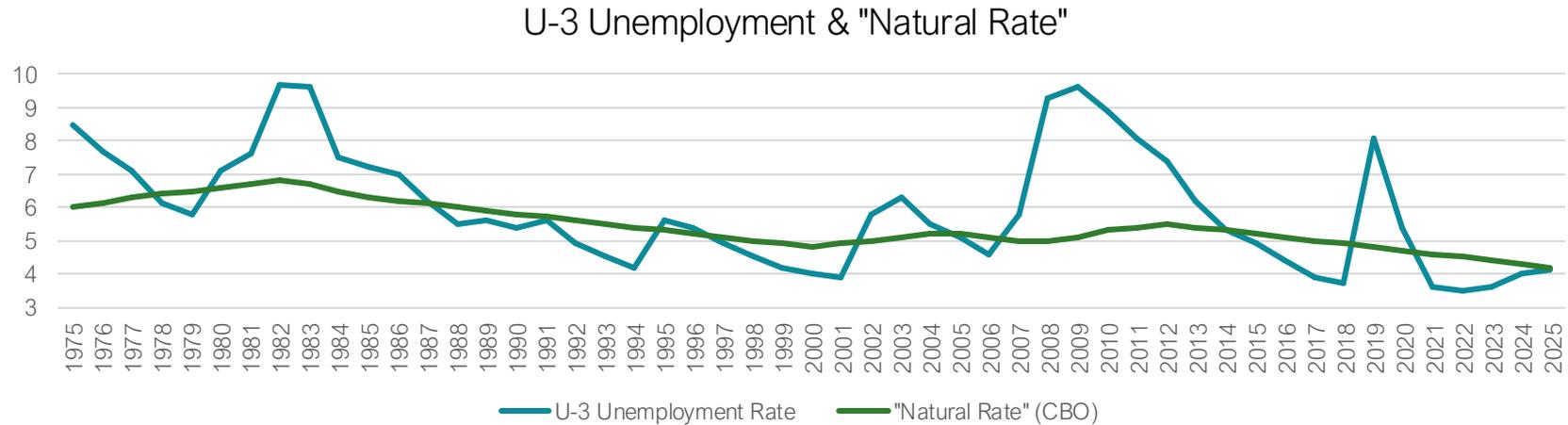
Common Patterns:

- Financial system stress
- Monetary policy tightening
- External shocks (oil crises, pandemics, wars)
- Asset bubble collapses
- Doom spiral unemployment

U-3 Unemployment: Represents unemployed persons actively seeking a job, does not include part-time workers seeking full-time or disengaged persons.

Sources: BLS, August 2025

“Undershooting” The Natural Unemployment Rate



U-3 > Natural Rate: Indicates economic slack, supports expansionary monetary policy

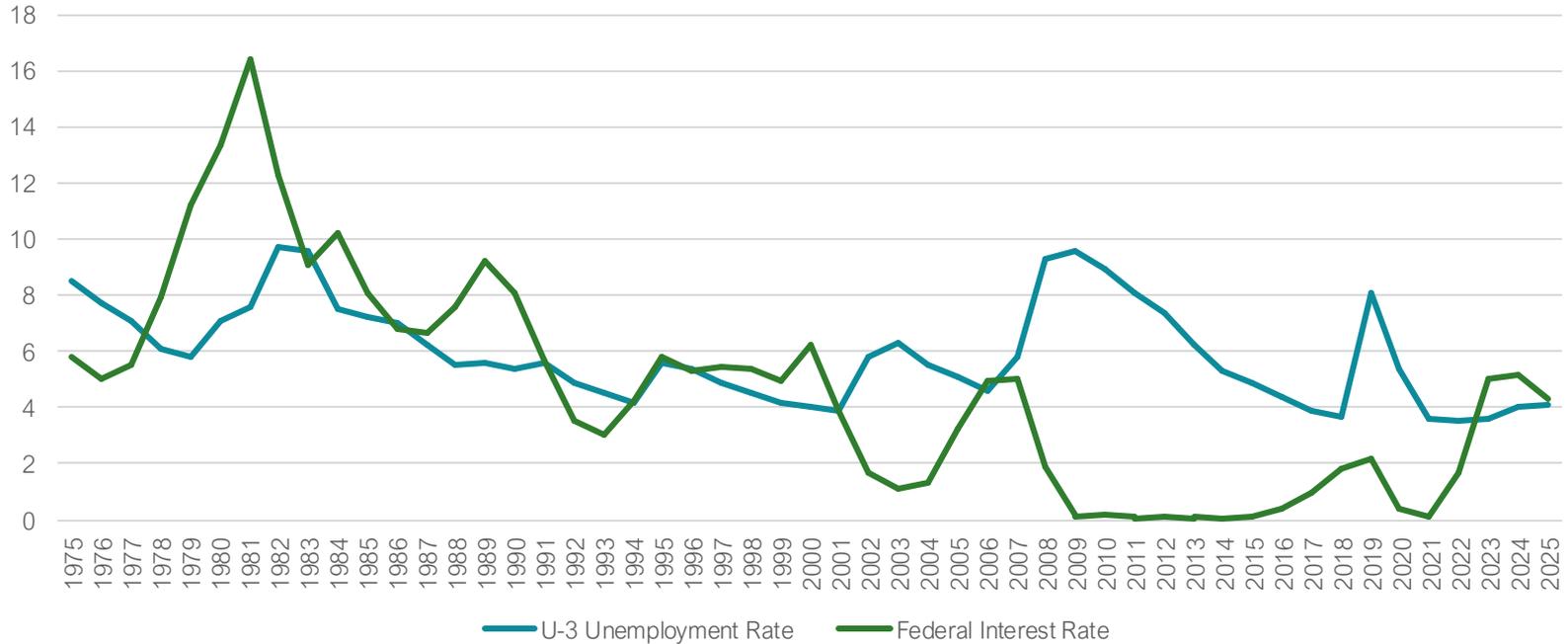
U-3 < Natural Rate: May signal inflationary pressures and need for tighter policy

U-3 = Natural Rate: Suggests economy is at full employment equilibrium

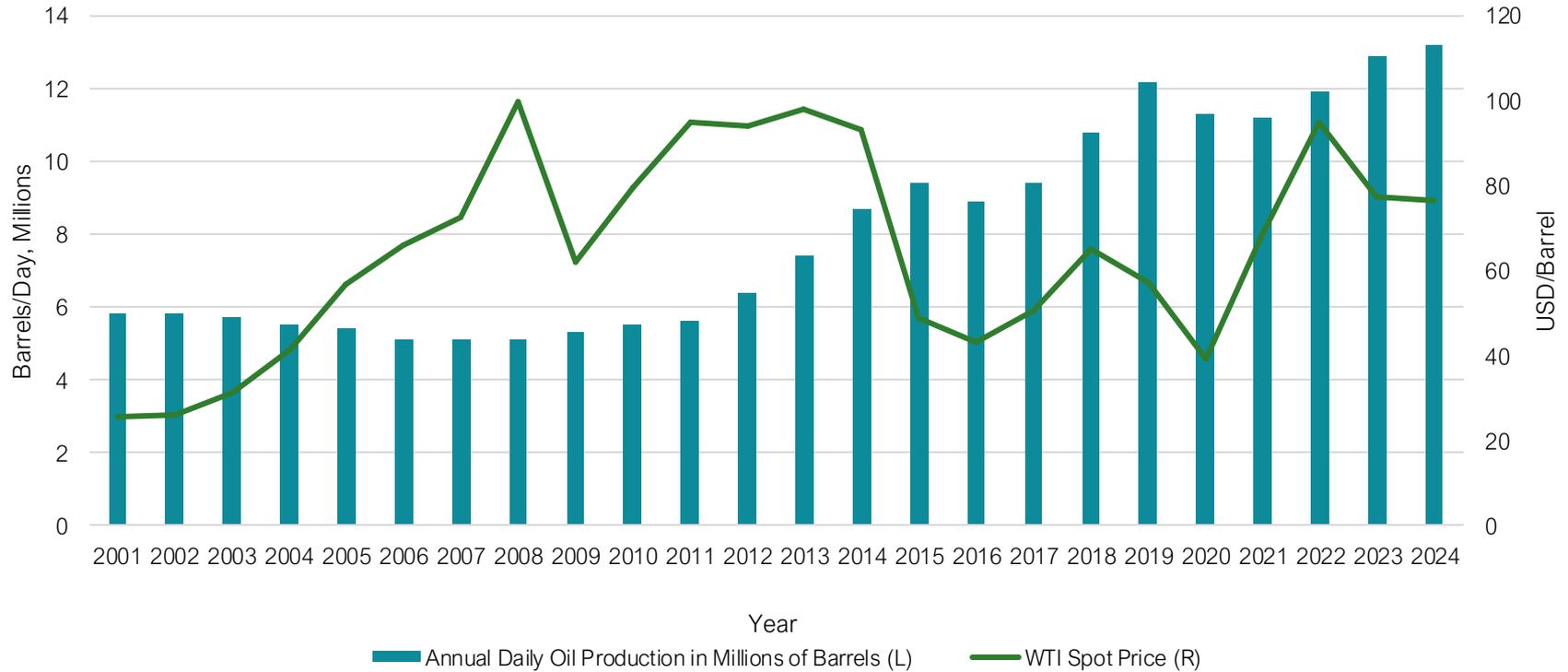
Sources: BLS, CBO, August 2025

“Natural Rate”: Represents the baseline level of joblessness that occurs when the economy is performing optimally

Interest Rates Bring Cycle To End



US Oil Production and Gas Prices



Sources: EIA, August 2025

Leading Economic Indicators (The Conference Board)

Ten Components of the Leading Economic Index® (LEI) for the U.S.

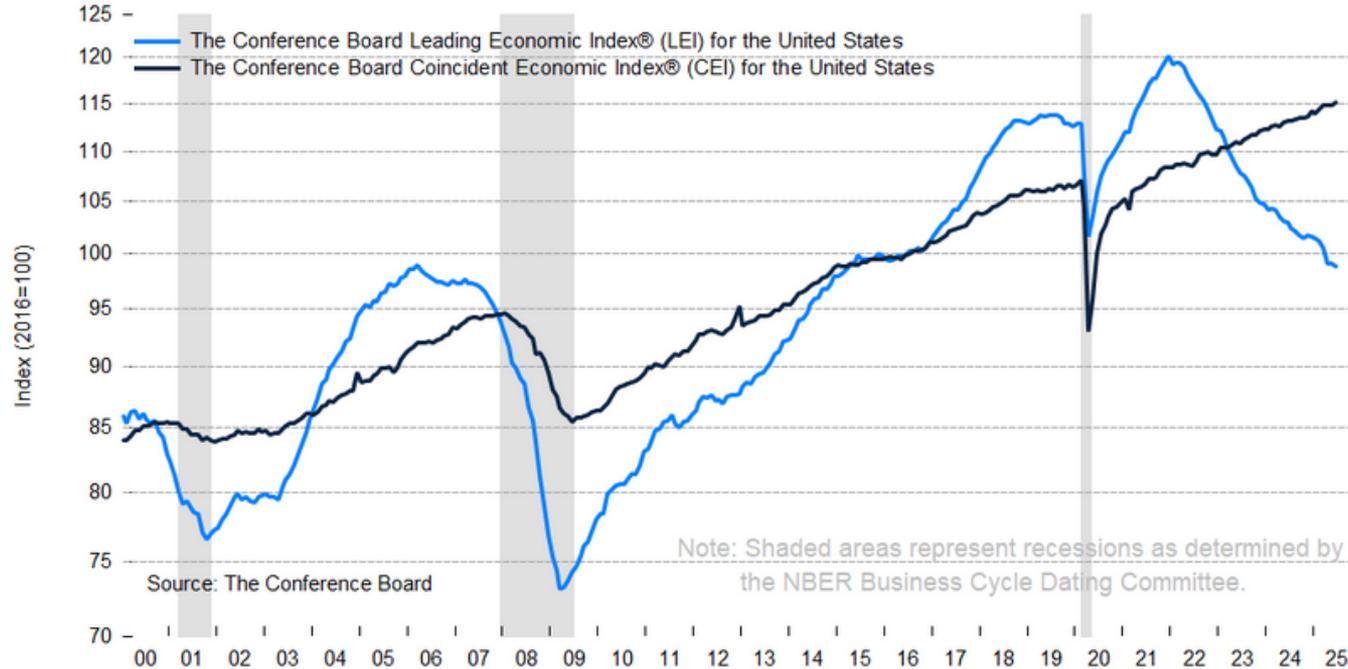
- *Predictive tool that anticipated/"leads" turning points in the business cycle by roughly seven (7) months:*
- Average weekly hours, manufacturing;
- Average weekly initial claims for unemployment insurance;
- Manufacturers' new orders, consumer goods and materials;
- ISM® Index of New Orders;
- Manufacturers' new orders, nondefense capital goods excluding aircraft orders;
- Building permits, new private housing units;
- S&P 500® Index of Stock Prices;
- Leading Credit Index™;
- Interest rate spread, 10-year Treasury bonds less federal funds;
- Average consumer expectations for business conditions.

Four Components of the Coincident Economic Index® (CEI) for the U.S.

- *Highly correlated with overall GDP:*
- Employees on non-agricultural payrolls;
- Personal income less transfer payments;
- Industrial production;
- Manufacturing and trade sales.

Sources: The Conference Board, July 2025

Leading Economic Indicators as of 07/21/2025



Sources: The Conference Board, July 2025

Leading Economic Indicators: So What?

- Stock rally prices not enough to offset the low consumer expectations, weak new orders in manufacturing, and a third consecutive month of rising unemployment claims.
- The LEI's weak growth rate over the past six months triggered the recession signal for the third consecutive month in June. At this point, The Conference Board does not forecast a recession, although economic growth is expected to slow substantially in 2025 compared to 2024.
- GDP forecasted by The Conference Board to only grow 1.6% this year as consumer spending slows as a function of tariff impacts.

Sources: The Conference Board, July 2025

Interest Rate Cuts Increasingly Expected



How many Fed rate cuts in 2025?



\$13,717,544 Vol. Dec 31, 2025

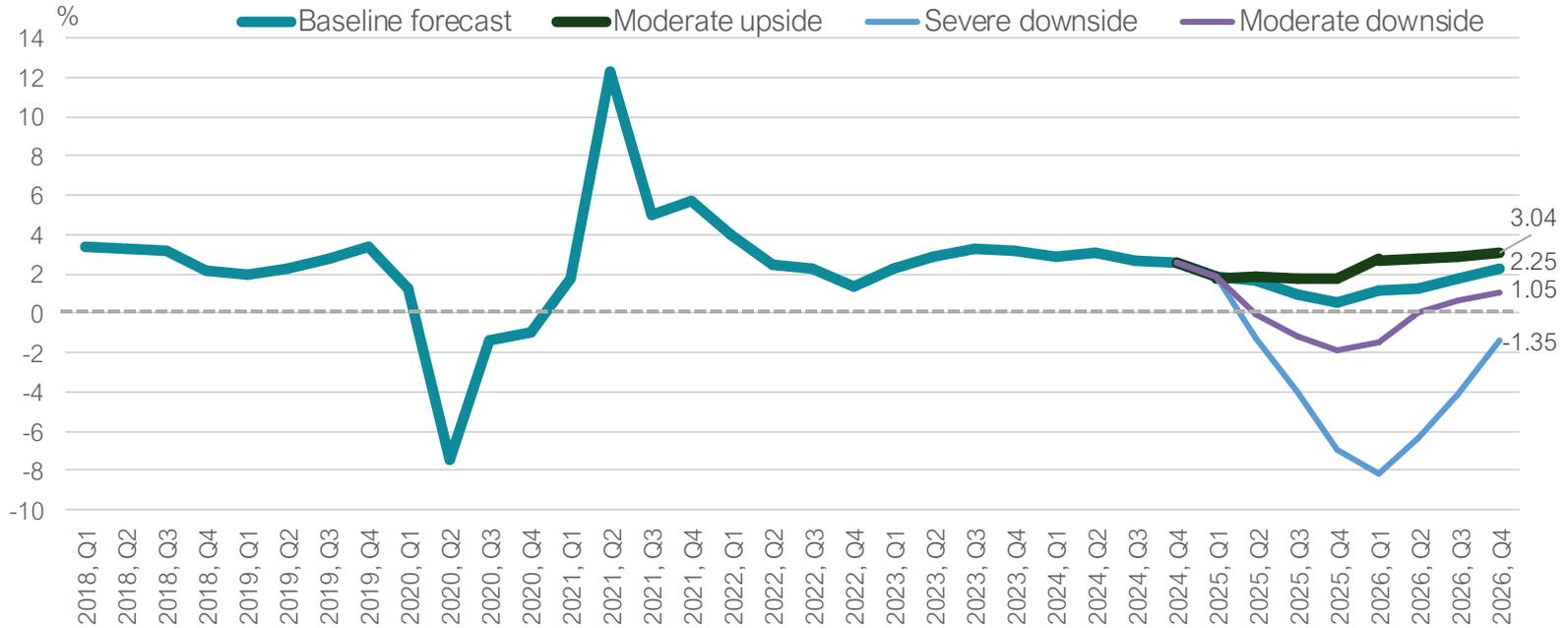
2 (50 bps) 40% 3 (75 bps) 22% 1 (25 bps) 20% 0 9%



Sources: Polymarket, August 2025

Balance of Risk to the Downside

U.S. GDP Growth Under Scenarios



Sources: Oxford Economics

Bifurcated Performance: A Tale of Two Tiers

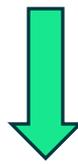
Mark Zandi, Chief Economist at Moody's Analytics:

"1/3 of the economy's industries are in recession, 1/3 are trading water, and 1/3 are expanding. This underscores why recession is such a threat. No surprise, those industries struggling the most are most impacted by the higher tariffs, highly restrictive immigration policy, and DOGE cuts."

	Share of Value Added (%) 2024
Healthcare Services	7.7
Technology	3.7
State & Local Government	7.8
Education	1.2
Real Estate	14.1
Leisure & Hospitality	4.5
Professional Services	11.6
Retail Trade	6.4
Financial Services	7.6
Information	3.7
Utilities	1.5
Federal Government	3.7
Transportation	9.4
Agriculture	0.9
Mining	1.4
Manufacturing	10.2
Construction	4.6

Sources: Moody's Analytics

Current Outlook

- 10-year Treasury Yield:
 - Today- 4.29% (vs. 4.20% a year ago) 4.29 %
 - Year-end 2025: 4.31 %
 - Mid-year 2026: 4.22 %
 - Real GDP (which increased by 2.80% in 2024)
 - 2025: 1.03 %
 - 2026: 1.87 %
- 
- 

WSJ Consensus Forecast – July 2025

Current Outlook

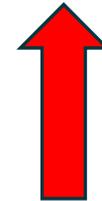
- Inflation:

- Year-end 2025: 3.04 %
- Mid-year 2026: 2.95 %
- Year-end 2026: 2.58 %



- Unemployment:

- Current: 4.20 %
- Year-end 2025: 4.46 %
- June 2026: 4.52 %
- Year-end 2026: 4.44%

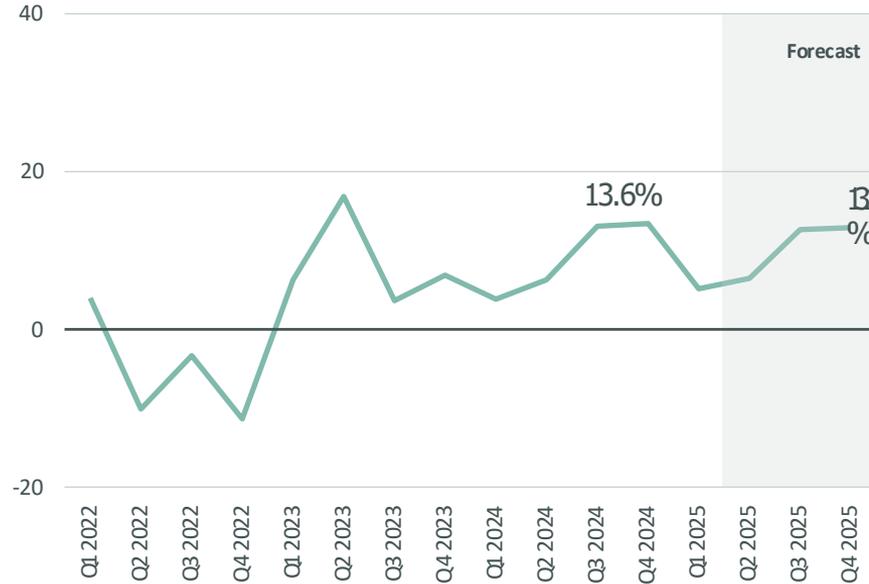


WSJ Consensus Forecast – July 2025

Despite slowing GDP and higher inflation, business sentiment is stable, and earnings growth is solid

S&P 500 Operating Earnings per Share

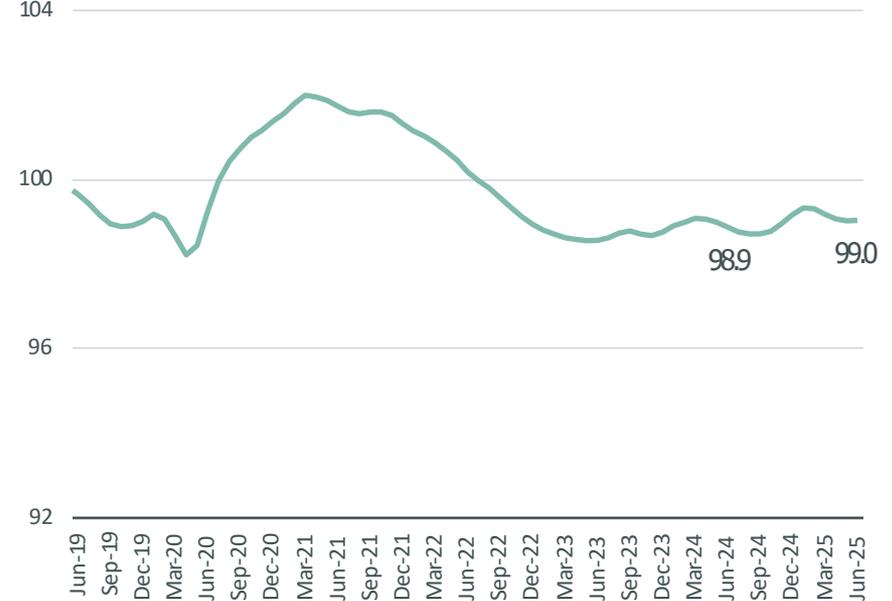
Y-o-Y Change (%)



CBRE Hotels Research, S&P Global

Business Confidence Index

Index



CBRE Hotels Research, OECD

The S&P 500 is currently at record highs

S&P 500

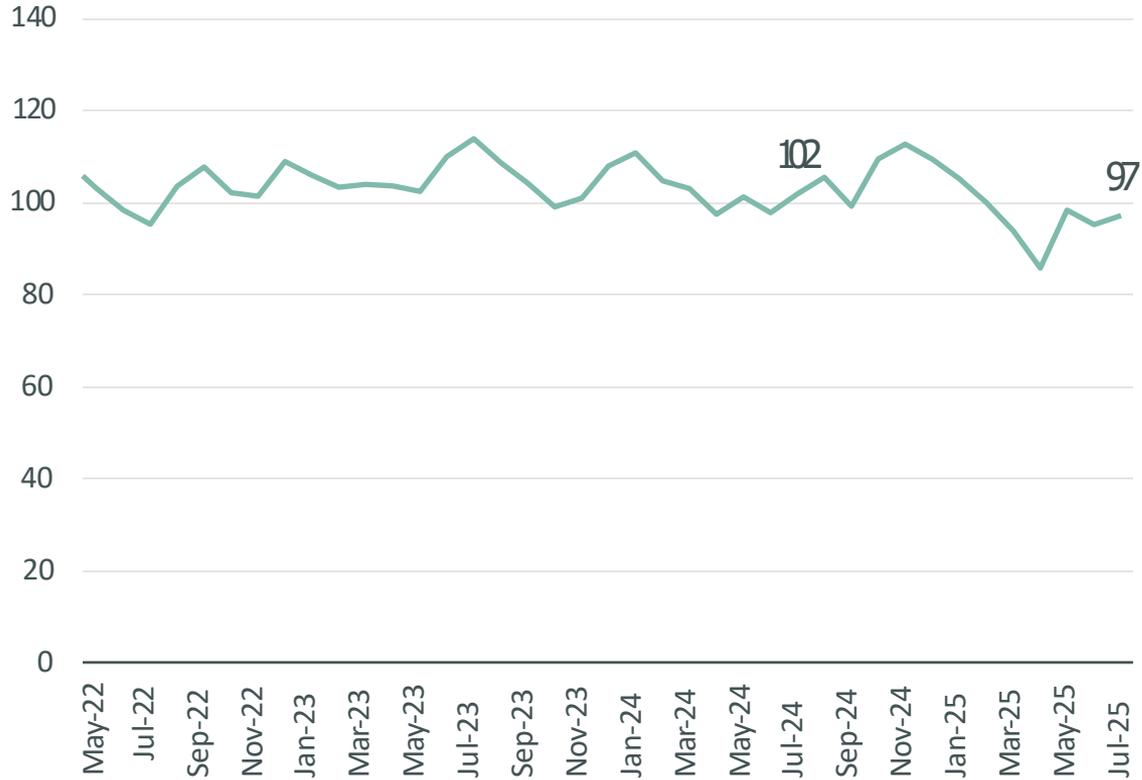
S&P 500 Index



*S&P 500 Index is presented as weekly averages *Daily Close July 31, 2025 is 6,427

But.....consumer confidence has moderated

U.S. Consumer Confidence Index



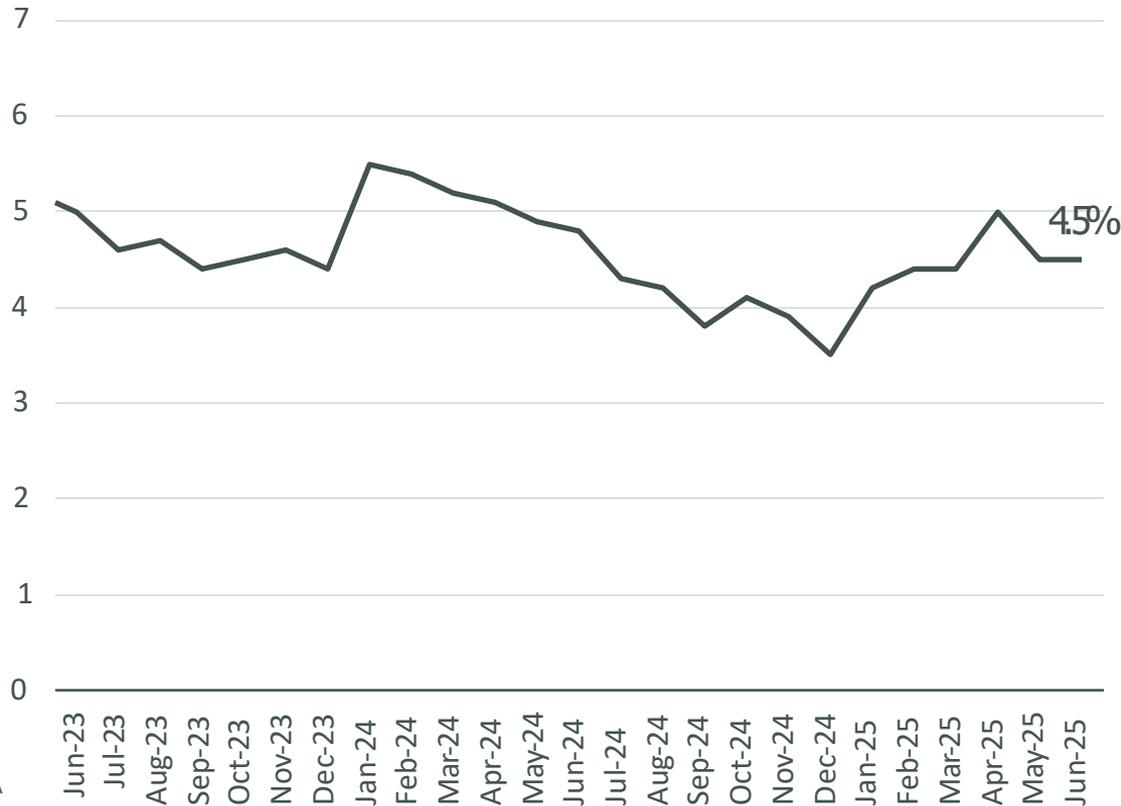
Real disposable income growth has been steadily falling ...

Y-o-Y Change (%)



CBRE Hotels Research, BEA

....but the personal savings rate has remained stable



CBRE Hotels Research, BEA

2025 – The New Administration

Trump Policy Impacts – Negative

- Government and international inbound travel negatively impacted, but only in select markets.
- Immigration policies may put upward pressure on hotel labor costs. Tariffs are expected to increase PIP costs.

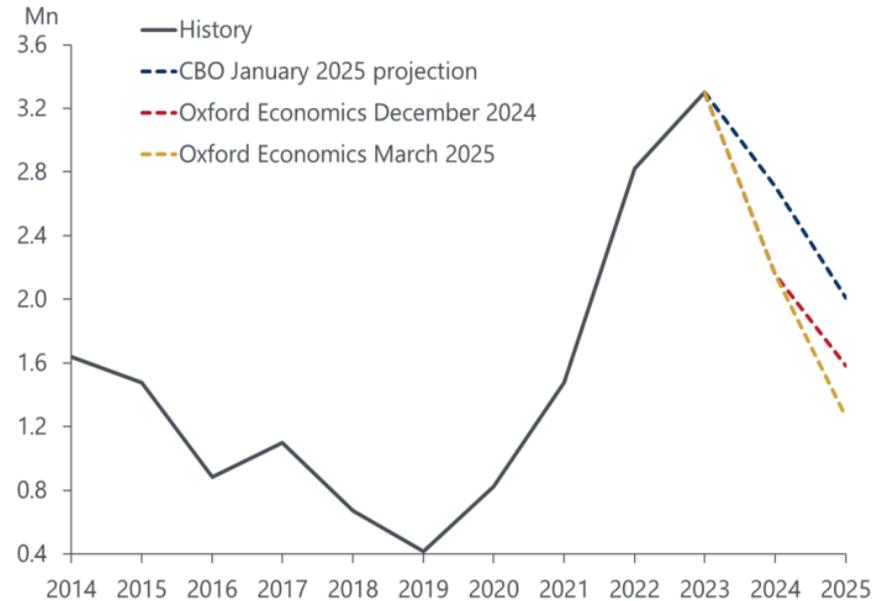
Trump Policy Impacts – Positive

- After peaking in April / May 2025, uncertainty surrounding the second Trump presidency and a new global tariff landscape has eased significantly through July 2025.
- The signing of the “Big Beautiful Bill” and a pro-business stance are anticipated to boost confidence, reduce regulation, lower taxes, and potentially lead to interest rate reductions in late 2025—factors expected to favor hotel demand and profitability.

Immigration & Operating Labor Costs

- Immigration policies under the Trump Administration to curb unauthorized migrants will cause significant declines in net immigration
- **Less immigration will lead to tighter labor markets and upwards labor cost pressure, but it will vary across the US.**
- Lodging industry relies on immigrant labor:
 - 16% of U.S. Lodging Industry are non-citizen
 - 33% of Housekeeping are non-citizen

US: Net immigration



Sources: Moody's Analytics/Oxford Economics, June 2025

The Agenda

- The Economy
- **Travel**
- Lodging Outlook
- Memphis

Current Outlook

FORECASTS FOR INTERNATIONAL VISITORS TO U.S.

International Visitors vs. 2019 (Historical and Forecasted)



Source: Tourism Economics, June 2025 Forecast Update,

2025 vs. 2024

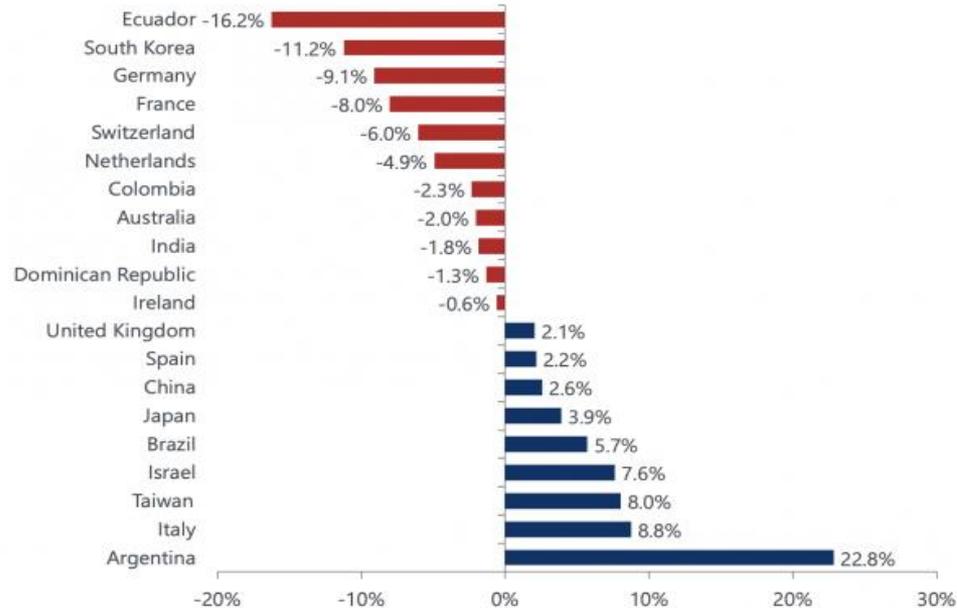


Current Outlook

Chart 3: Weakness in Some Markets Offset by Strength in Others

Overseas visitor arrivals to the US by top 20 markets (June 2025 YTD)

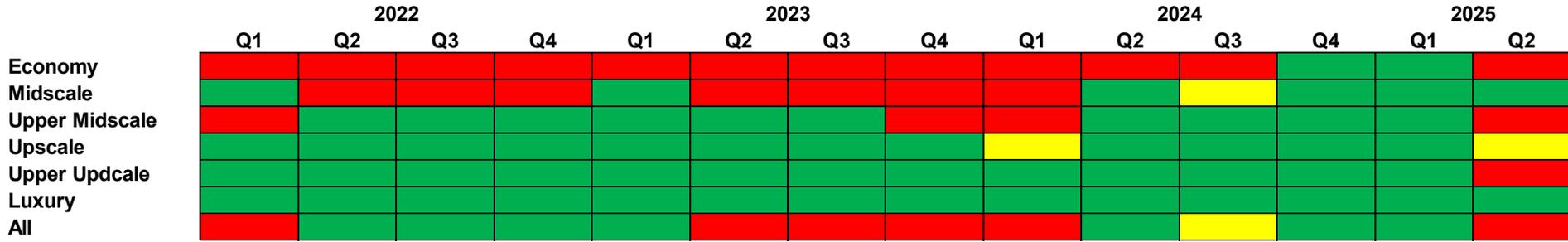
Year-over-year change



Source: National Travel and Tourism Office

The Demand Picture

Year-Over-Year Change in Accommodated Demand



Source: CoStar

Year-Over-Year Change in Accommodated Demand



Source: CoStar

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What Do You Think?

Next Year: Relative to 2025, will 2026 profits be:

- Better
- Same
- Worse

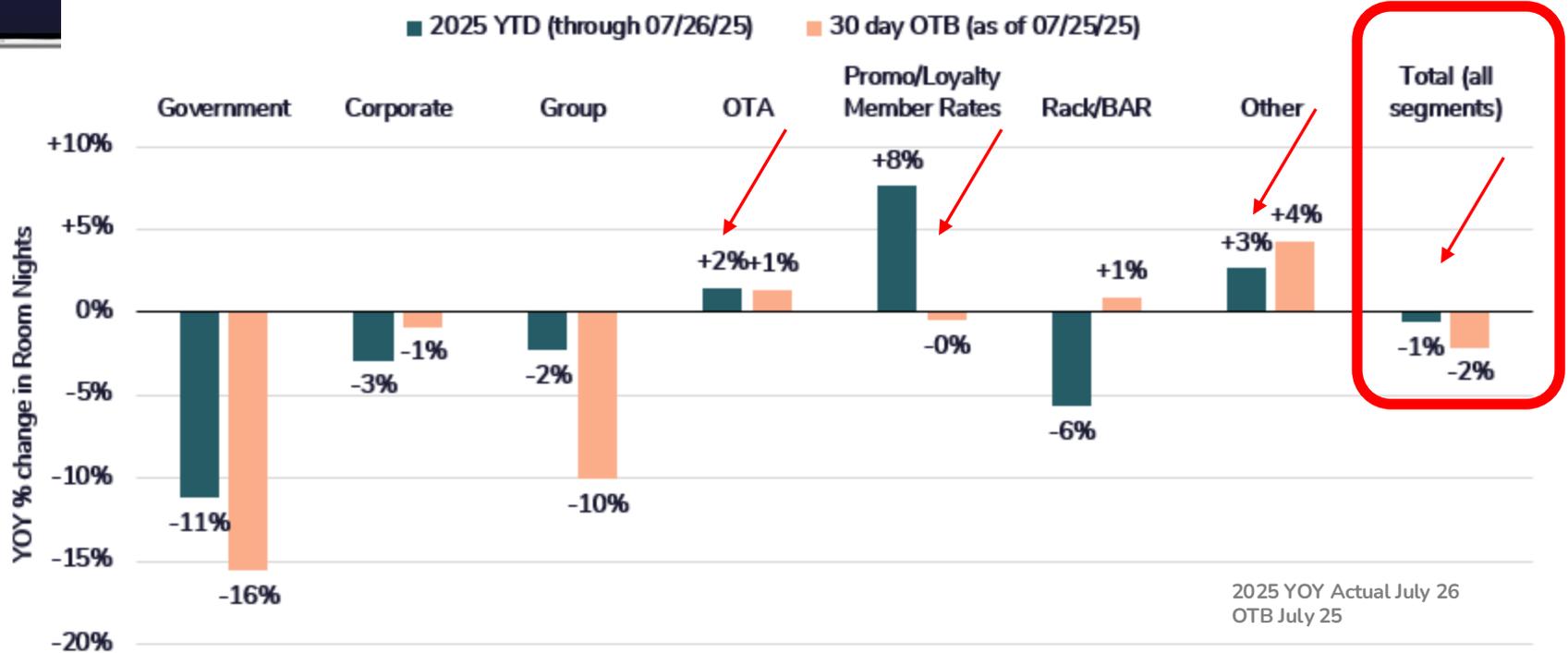


U.S. Demand is at -1% YTD thru July 26

Government hit hardest (-11%) with Corporate soft (-3%) and the only positive growth in OTA(+2%), Loyalty Member/Promotions (+8%) and other discounts (+3%)



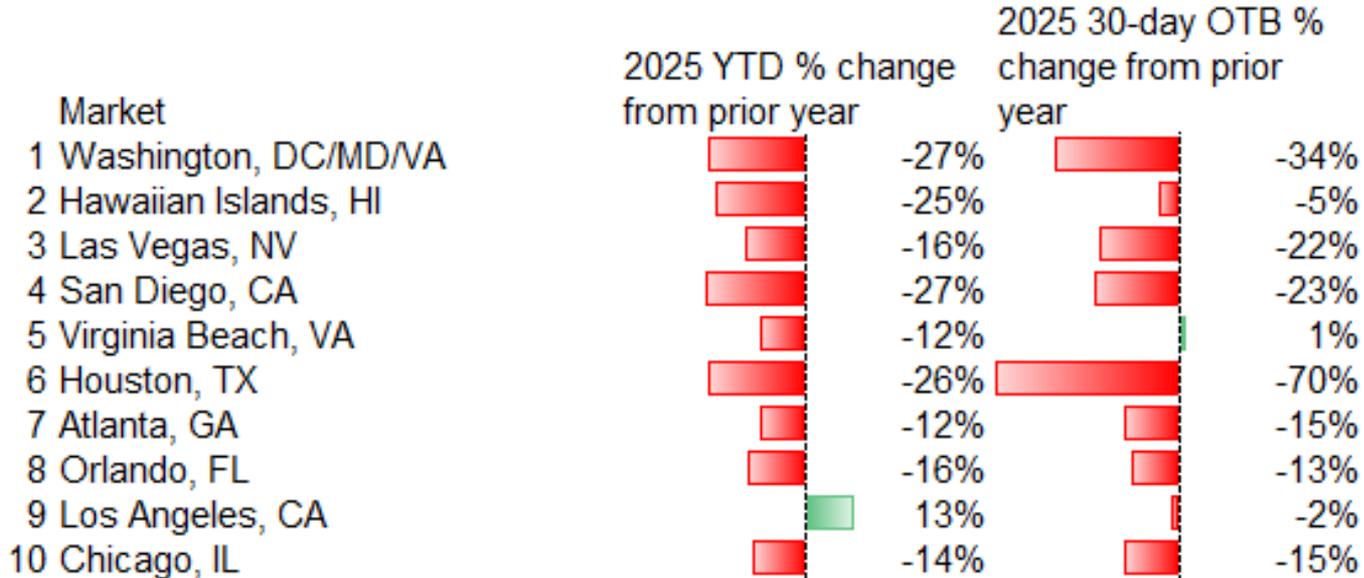
U.S. Total Room Nights by Segment: % change from prior year
2025 YTD Actual and 30-day OTB Pace



Top Volume Government Markets

Top Volume Government Markets

(based on 2024 Government Room Night Demand)



YTD through 07/26/25; OTB as of 07/25/25

2025 YOY Actual July 26
OTB July 25



2025 vs 2024 growth 334 Markets & 975 Submarkets (as of July 26 2025)

52% of markets and 56% of submarkets are flat or negative in YoY growth



334 Markets	Positive	Flat	Negative
Room Night Demand	156 or 48% (+1% to +24%)	30 (0%)	148 or 44% (-1% to -14%)
ADR	180 or 54% (+1% to +20%)	41 (0%)	113 or 34% (-1% to -9%)
975 Submarkets	Positive	Flat	Negative
Room Night Demand	431 or 44% (+1% to +24%)	90 (0%)	454 or 47% (-1% to -21%)

Industry Trend Dashboard

First half of 2025 (June YTD) vs. 2024

Legend

10%+

0-10%

-10-0%

< -10%

Lead Volume

Total number of leads received by DMOs, counted for each DMO that received

-6%

Number of Bookings

Number of leads turned definite, counted once per DMO that booked

0%

Expected Attendance

Total expected attendance for leads that were turned definite

-4%

Booked Room Nights

Total room nights for leads that were turned definite

-4%

- Based on 212 US DMOs, the volume of leads in 2025 is down 6% from the same time in 2024, despite being 10% above 2019 in 2025.
- The number of bookings in 2025 is flat with 2024 while expected attendance and room nights are equally down 4%.

Source: 2Synergize, 212 US DMOs

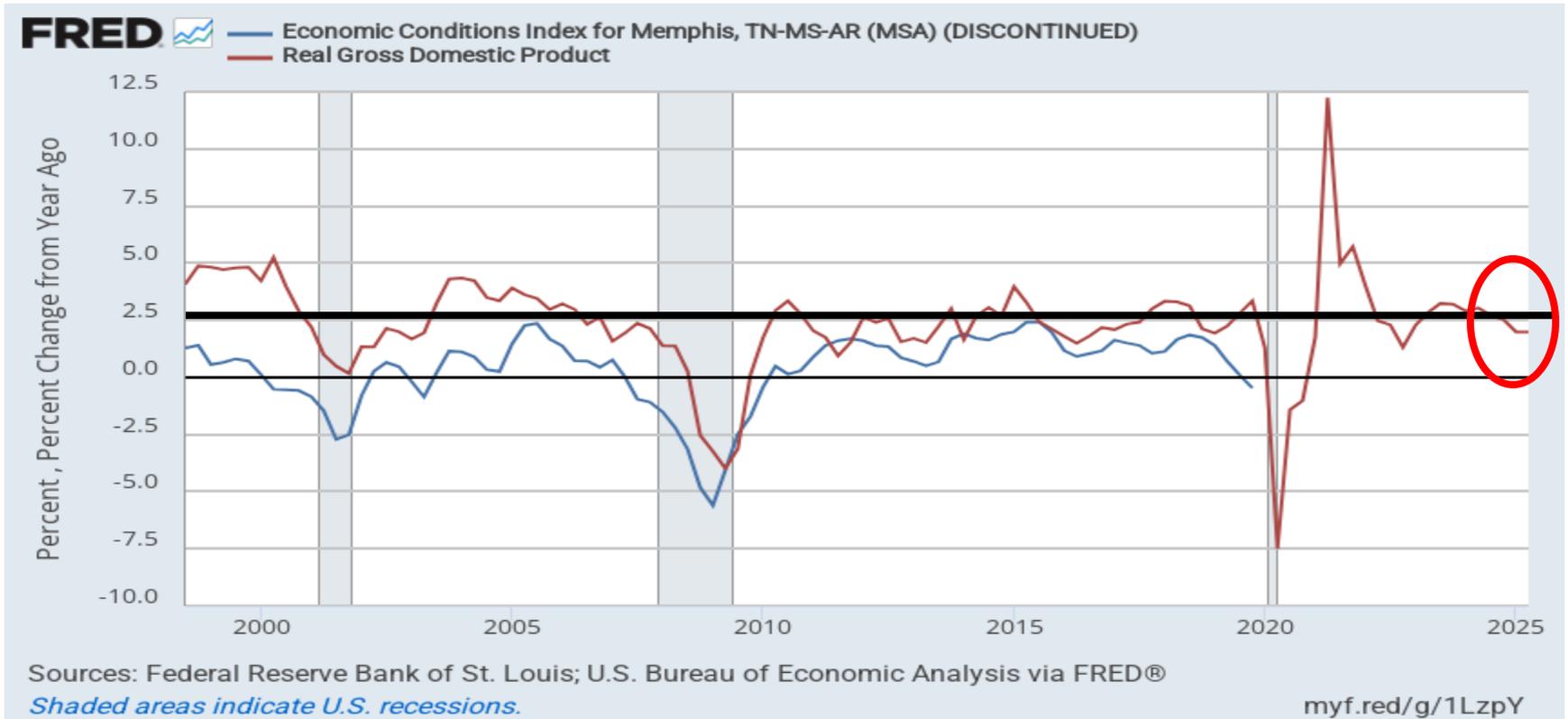
Current Forecast Comparison: All Basically the Same

	Year	STR / Costar		HVS			CBRE			PWC			LARC			AVERAGE			
		% Chg	% of 2019	% Chg	% of 2019	% Chg	% of 2019	% Chg	% of 2019	% Chg	% of 2019	% Chg	% of 2019	% Chg	% of 2019				
OCCUPANCY	2019	65.8%	-	100%															
	2022	62.5%	8.7%	95%															
	2023	63.0%	0.8%	96%															
	2024	63.0%	0.0%	96%															
	2025P	62.9%	-0.2%	96%	63.0%	0.0%	96%	63.1%	0.2%	96%	63.1%	0.2%	96%	62.5%	-0.8%	95%	62.9%	-0.1%	96%
	2026P	62.9%	0.0%	96%	63.1%	0.2%	96%	63.8%	1.1%	97%							63.3%	0.6%	96%
	2027P	63.2%	0.5%	96%				64.4%	0.9%	98%							63.8%	0.8%	97%
ADR	2019	\$131.55	-	100%															
	2022	\$149.53	19.9%	114%															
	2023	\$156.16	4.4%	119%															
	2024	\$159.00	1.8%	121%															
	2025P	\$161.08	1.3%	122%	\$162.00	1.9%	123%	\$160.90	1.2%	122%	\$160.30	0.8%	122%	\$162.34	2.1%	123%	\$161.32	1.5%	123%
	2026P	\$162.87	1.1%	124%	\$165.00	1.9%	125%	\$163.49	1.6%	124%							\$163.79	1.5%	125%
	2027P	\$166.15	2.0%	126%				\$166.81	2.0%	127%							\$166.48	1.6%	127%
RevPAR	2019	\$86.56	-	100%															
	2022	\$93.46	30.3%	108%															
	2023	\$98.38	5.3%	114%															
	2024	\$100.17	1.8%	116%															
	2025P	\$101.32	1.1%	117%	\$102.06	1.9%	118%	\$101.53	1.4%	117%	\$101.15	1.0%	117%	\$101.46	1.3%	117%	\$101.50	1.3%	117%
	2026P	\$102.45	1.1%	118%	\$104.12	2.0%	120%	\$104.31	2.7%	121%							\$103.62	2.1%	120%
	2027P	\$105.01	2.5%	121%				\$107.43	3.0%	124%							\$106.22	2.5%	123%

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Memphis



Memphis

Memphis' economic outlook is generally positive, with the Greater Memphis area achieving a historic Gross Regional Product (GRP) milestone of \$102.9 billion. While the area has shown strong growth, there are also challenges, including recent layoffs and potential out-migration. However, Memphis is also seeing significant investment, particularly in technology and logistics, and has a strong foundation for future growth.

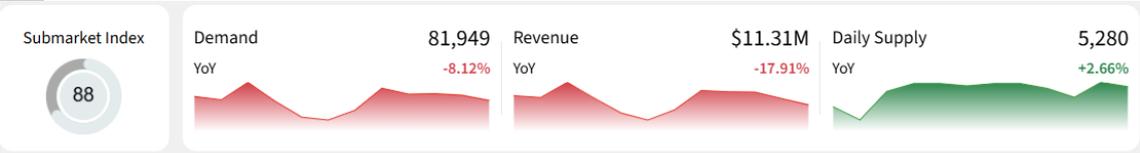
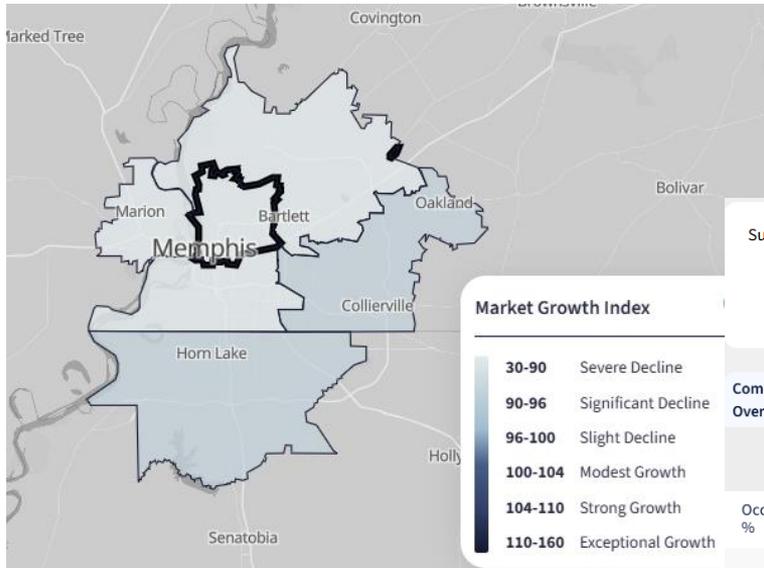
Gemini Ai

Summary – According to Ai

The Memphis lodging market is experiencing a positive outlook, with downtown areas showing strong recovery and new hotel developments boosting the overall market. While corporate demand is still recovering, the city is attracting new groups and the quality of new hotels is driving rate growth.

Gemini Ai

Memphis Market Overview – All Hotel Tiers

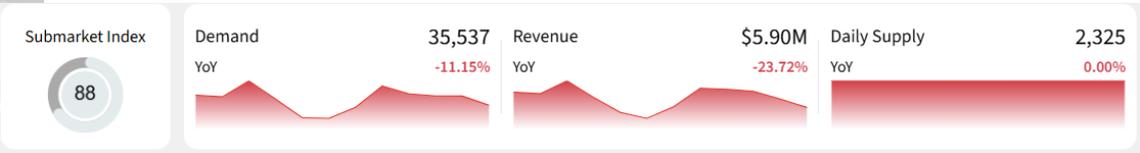
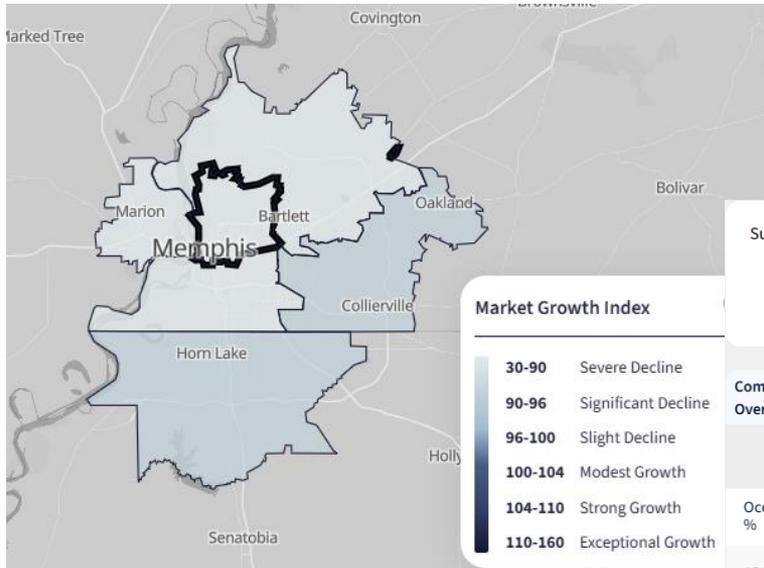


Comparison Overview	Downtown Memphis - Memphis, TN				Memphis, TN			
	Jul 2025	YoY	T3	T12	Jul 2025	YoY	T3	T12
Occupancy %	50.07%	-10.50%	53.92%	52.04%	61.57%	-6.70%	62.13%	59.97%
ADR	\$137.96	-10.66%	\$150.59	\$151.24	\$106.86	-5.01%	\$110.18	\$109.88
RevPAR	\$69.08	-20.04%	\$81.20	\$78.71	\$65.80	-11.38%	\$68.45	\$65.89
Booking Costs per RN	\$3.61	-26.98%	\$4.05	\$4.37	\$2.52	-10.27%	\$2.60	\$2.66
ALOS	1.80	-8.16%	1.85	1.86	2.10	-6.88%	2.07	2.11



Source: Kalibri Labs Hummingbird Market Platform

Memphis Market Overview – Upper Tier



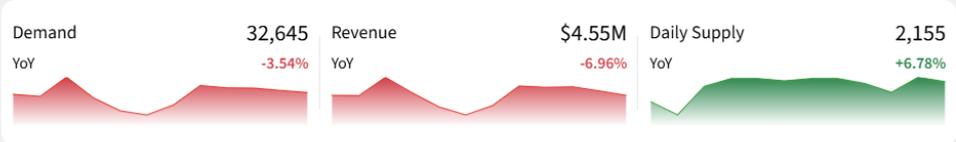
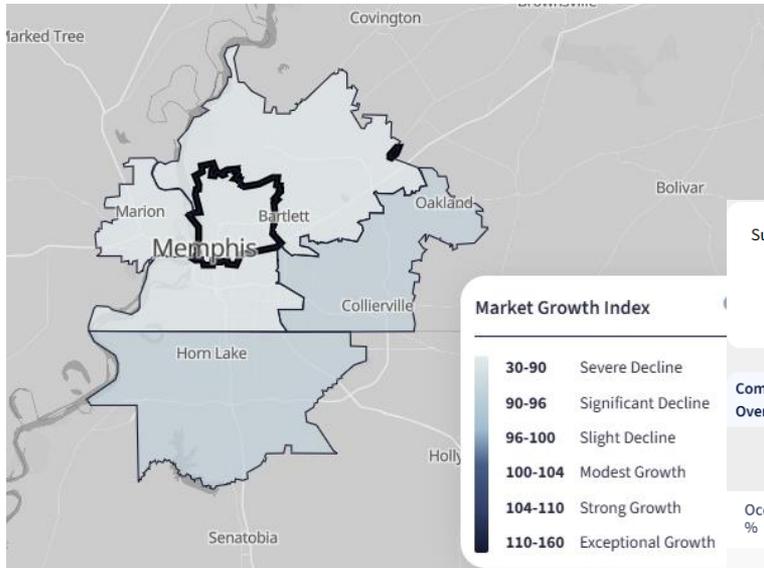
Comparison Overview	Downtown Memphis - Memphis, TN				Memphis, TN			
	Jul 2025	YoY	T3	T12	Jul 2025	YoY	T3	T12
Occupancy %	49.31%	-11.15%	55.01%	54.24%	55.09%	-6.35%	59.34%	58.11%
ADR	\$166.07	-14.15%	\$183.31	\$183.61	\$159.49	-11.31%	\$173.17	\$172.69
RevPAR	\$81.88	-23.72%	\$100.83	\$99.59	\$87.86	-16.94%	\$102.75	\$100.34
Booking Costs per RN	\$4.26	-38.36%	\$5.09	\$5.50	\$3.35	-36.79%	\$3.96	\$4.28
ALOS	1.74	-8.51%	1.78	1.78	1.75	-5.29%	1.78	1.76



Source: Kalibri Labs Hummingbird Market Platform



Memphis Market Overview – Mid Tier



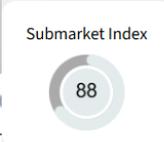
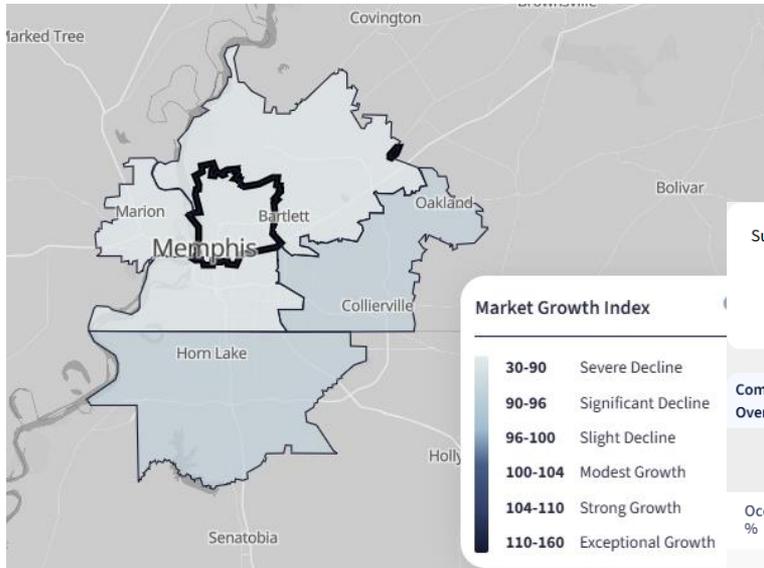
Comparison Overview	Downtown Memphis - Memphis, TN				Memphis, TN			
	Jul 2025	YoY	T3	T12	Jul 2025	YoY	T3	T12
Occupancy %	48.87%	-9.66%	52.24%	49.11%	65.67%	-6.63%	66.25%	63.61%
ADR	\$139.29	-3.54%	\$147.85	\$146.82	\$120.62	-2.94%	\$122.26	\$121.24
RevPAR	\$68.07	-12.86%	\$77.23	\$72.10	\$79.21	-9.38%	\$80.99	\$77.13
Booking Costs per RN	\$3.12	-11.14%	\$3.23	\$3.45	\$2.39	-4.01%	\$2.38	\$2.40
ALOS	1.76	-5.12%	1.83	1.84	1.92	-5.09%	1.89	1.94



Source: Kalibri Labs Hummingbird Market Platform



Memphis Market Overview – Lower Tier



Comparison Overview	Downtown Memphis - Memphis, TN				Memphis, TN			
	Jul 2025	YoY	T3	T12	Jul 2025	YoY	T3	T12
Occupancy %	55.51%	-10.30%	55.27%	53.41%	58.32%	-7.08%	57.55%	55.66%
ADR	\$62.27	-16.79%	\$62.86	\$66.38	\$68.55	-5.28%	\$68.63	\$68.95
RevPAR	\$34.56	-25.36%	\$34.74	\$35.45	\$39.98	-11.98%	\$39.50	\$38.38
Booking Costs per RN	\$3.11	+4.04%	\$3.12	\$3.31	\$2.45	-0.39%	\$2.45	\$2.47
ALOS	2.11	-14.72%	2.11	2.21	2.63	-11.17%	2.62	2.69



Source: Kalibri Labs Hummingbird Market Platform

Segmentation Detail – Trailing 12 Months

Occupancy Contribution

	Downtown Memphis - Memphis, TN						Memphis, TN					
	Occ	YoY	ADR	YoY	RevPAR	YoY	Occ	YoY	ADR	YoY	RevPAR	YoY
Government	1.44%	-41.49%	\$125.45	+1.76%	\$1.80	-40.45%	1.75%	-28.47%	\$108.84	-11.71%	\$1.91	-36.85%
Group	9.61%	-5.52%	\$151.45	-12.84%	\$14.55	-17.65%	5.15%	-49.34%	\$131.38	-24.40%	\$6.77	-61.70%
Rack/BAR	9.04%	-16.96%	\$137.15	-12.42%	\$12.40	-27.27%	16.27%	+49.38%	\$98.91	-36.84%	\$16.09	-5.65%
Corporate	3.96%	-21.00%	\$157.33	-4.14%	\$6.24	-24.27%	8.10%	+61.40%	\$112.26	-31.60%	\$9.09	+10.40%
Promotion	7.48%	+7.07%	\$157.18	-9.99%	\$11.76	-3.63%	10.33%	+47.82%	\$127.67	-26.89%	\$13.19	+8.07%
Rack/BAR	9.04%	-16.96%	\$137.15	-12.42%	\$12.40	-27.27%	16.27%	+49.38%	\$98.91	-36.84%	\$16.09	-5.65%
OTA Non Opaque	10.02%	-4.66%	\$123.21	-17.82%	\$12.35	-21.65%	11.00%	+4.60%	\$93.44	-37.68%	\$10.27	-34.81%

Source: Kalibri Labs Hummingbird Market Platform

Larger Segments

Memphis Commercial Trends – Trailing 12 Months

	GROUP						CORPORATE						GOVERNMENT					
	Occ	YoY	ADR	YoY	RevPAR	YoY	Occ	YoY	ADR	YoY	RevPAR	YoY	Occ	YoY	ADR	YoY	RevPAR	YoY
Jul - 2025	1.27%	-12.22%	\$70.79	-2.01%	\$0.90	-13.98%	4.68%	-28.66%	\$68.92	+1.09%	\$3.22	-27.89%	1.03%	-14.90%	\$69.87	-4.39%	\$0.72	-18.64%
Jun - 2025	1.24%	-23.15%	\$69.70	-4.77%	\$0.86	-26.82%	4.63%	-31.88%	\$68.98	-0.92%	\$3.19	-32.51%	1.06%	-13.70%	\$72.23	-1.41%	\$0.77	-14.92%
May - 2025	1.30%	-27.72%	\$71.25	-2.42%	\$0.93	-29.47%	4.76%	-31.25%	\$68.74	-0.64%	\$3.28	-31.69%	1.05%	-14.01%	\$71.39	-1.42%	\$0.75	-15.23%
Apr - 2025	1.05%	-41.46%	\$68.00	-8.57%	\$0.72	-46.48%	4.57%	-34.52%	\$67.22	-3.01%	\$3.07	-36.49%	0.97%	-20.33%	\$68.39	-4.59%	\$0.66	-23.99%
Mar - 2025	1.18%	-39.18%	\$71.45	+1.09%	\$0.84	-38.52%	4.47%	-28.81%	\$66.96	-3.73%	\$2.99	-31.47%	1.01%	-17.01%	\$67.84	-3.77%	\$0.69	-20.15%
Feb - 2025	1.09%	-39.77%	\$69.21	-7.76%	\$0.75	-44.44%	4.30%	-25.42%	\$64.29	-6.53%	\$2.76	-30.29%	0.88%	-23.80%	\$65.43	-4.84%	\$0.58	-27.49%
Jan - 2025	1.24%	-19.36%	\$79.65	+18.64%	\$0.99	-4.33%	4.08%	-23.14%	\$64.45	-5.45%	\$2.63	-27.33%	0.63%	-20.11%	\$64.15	-3.22%	\$0.40	-22.68%
Dec - 2024	1.00%	-26.94%	\$67.90	+9.22%	\$0.68	-20.21%	4.63%	-2.90%	\$63.68	-7.37%	\$2.95	-10.05%	0.88%	-8.93%	\$63.99	-5.09%	\$0.56	-13.57%
Nov - 2024	1.22%	-14.35%	\$70.66	+5.03%	\$0.86	-10.05%	5.64%	+6.03%	\$66.60	-3.28%	\$3.76	+2.56%	1.05%	-8.84%	\$70.33	-2.53%	\$0.74	-11.14%
Oct - 2024	1.19%	-14.78%	\$74.83	+9.19%	\$0.89	-6.95%	5.78%	-2.23%	\$67.17	-3.65%	\$3.88	-5.80%	1.04%	-16.46%	\$70.55	-3.15%	\$0.73	-19.09%
Sep - 2024	1.24%	-27.65%	\$75.89	+10.71%	\$0.94	-19.90%	5.36%	-10.68%	\$66.88	-3.90%	\$3.58	-14.16%	1.02%	-23.42%	\$70.48	-4.42%	\$0.72	-26.81%
Aug - 2024	1.77%	+3.01%	\$83.68	+17.50%	\$1.48	+21.04%	6.28%	-5.61%	\$68.26	-4.07%	\$4.28	-9.46%	1.06%	-26.87%	\$71.82	-5.33%	\$0.76	-30.77%

Source: Kalibri Labs Hummingbird Market Platform

Larger Segments

Memphis LOS Detail – Trailing 12 Months

	0-6 Night		7-14 Night		15-29 Night		30+ Night		0-6 Night		7-14 Night		15-29 Night		30+ Night	
	Occ	YoY	Occ	YoY	Occ	YoY	Occ	YoY	ADR	YoY	ADR	YoY	ADR	YoY	ADR	YoY
Jul - 2025	49.58%	-1.55%	5.04%	-9.58%	2.61%	-24.72%	6.43%	-16.95%	\$126.06	-3.36%	\$106.29	-8.12%	\$99.68	-2.53%	\$82.47	-12.20%
Jun - 2025	49.21%	-7.14%	5.86%	+3.02%	2.98%	-9.10%	6.57%	-19.19%	\$128.93	-3.89%	\$113.79	-0.57%	\$97.75	-8.11%	\$85.08	-7.06%
May - 2025	52.21%	-0.92%	5.21%	-4.37%	2.71%	-17.42%	6.47%	-16.88%	\$131.78	-3.36%	\$109.10	-3.54%	\$97.22	-4.34%	\$85.04	-5.11%
Apr - 2025	49.69%	-13.39%	4.72%	-17.95%	2.91%	-16.43%	6.38%	-15.92%	\$131.50	-5.81%	\$105.63	-5.53%	\$96.48	-10.54%	\$86.76	-4.18%
Mar - 2025	50.17%	-6.82%	5.97%	+9.06%	2.89%	-9.00%	5.93%	-23.85%	\$128.23	-4.84%	\$116.42	+3.49%	\$98.46	-5.72%	\$88.04	-3.58%
Feb - 2025	45.55%	-7.90%	4.20%	-16.63%	2.88%	-12.33%	5.68%	-23.86%	\$125.35	-2.43%	\$104.71	-3.56%	\$102.54	-4.65%	\$87.77	-2.27%
Jan - 2025	36.68%	-11.75%	4.28%	-21.06%	2.88%	-1.42%	5.41%	-15.47%	\$116.63	-1.67%	\$102.93	+3.60%	\$99.64	+3.67%	\$89.15	+5.01%
Dec - 2024	39.37%	-4.70%	4.06%	+14.66%	2.74%	+0.97%	5.20%	-19.92%	\$120.26	-1.09%	\$99.27	-1.59%	\$99.66	+0.69%	\$87.43	-0.65%
Nov - 2024	45.46%	-5.00%	6.78%	+5.10%	2.91%	+18.27%	6.49%	-9.30%	\$131.38	-1.54%	\$128.69	+2.98%	\$103.46	+1.29%	\$90.17	-2.17%
Oct - 2024	51.16%	-3.13%	6.06%	+13.15%	3.80%	+21.08%	6.41%	-23.30%	\$132.67	-2.76%	\$113.86	+3.15%	\$112.02	+2.23%	\$90.72	-1.31%
Sep - 2024	48.17%	-7.81%	4.78%	-13.41%	2.79%	-8.08%	6.05%	-27.13%	\$128.62	-5.67%	\$109.17	+0.10%	\$99.39	-2.51%	\$92.76	+3.11%
Aug - 2024	49.06%	-3.59%	5.82%	-16.54%	3.79%	+26.09%	6.92%	-16.34%	\$129.81	-4.34%	\$116.44	+7.79%	\$105.28	+2.07%	\$93.42	+3.31%

Source: Kalibri Labs Hummingbird Market Platform

2025 – A Few Other Thoughts

Continued Uncertainty

- High uncertainty related to the economy, policy, interest rates, inflation, and recession risk has impacted current market conditions.

Demand and Supply Dynamics

- Demand growth is projected to outpace supply through the decade, supporting profit growth for hotels.
- Many/most hotel development projects are not feasible because of a combination of limited market recovery, high construction costs, and high interest rates, resulting in below-average supply growth.

Summary

- “Wait and See” will remain the norm for the balance of 2025. Sit tight, the year will be over soon.
- To the degree that the pledged levels of CAPEX investment begin to materialize, the overall economy, and hotels in specific, will benefit.
- “Anti-American” sentiment should begin to dissipate in the year ahead; in-bound international travel destinations will benefit as a result.
- While 2026 should be a turnaround year for U.S. hotels, 2027 and beyond should be some of the best years that the industry has seen in decades,

Thank You!



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