



2020 Review and 2021 Forecasting Luncheon

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Source: 2020 STR, LLC / STR Global, Ltd., CoStar Group companies, trading as "STR".

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Benchmarking
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Agenda – Sept 8th 2020



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U.S. Overview

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Oklahoma Market Overview

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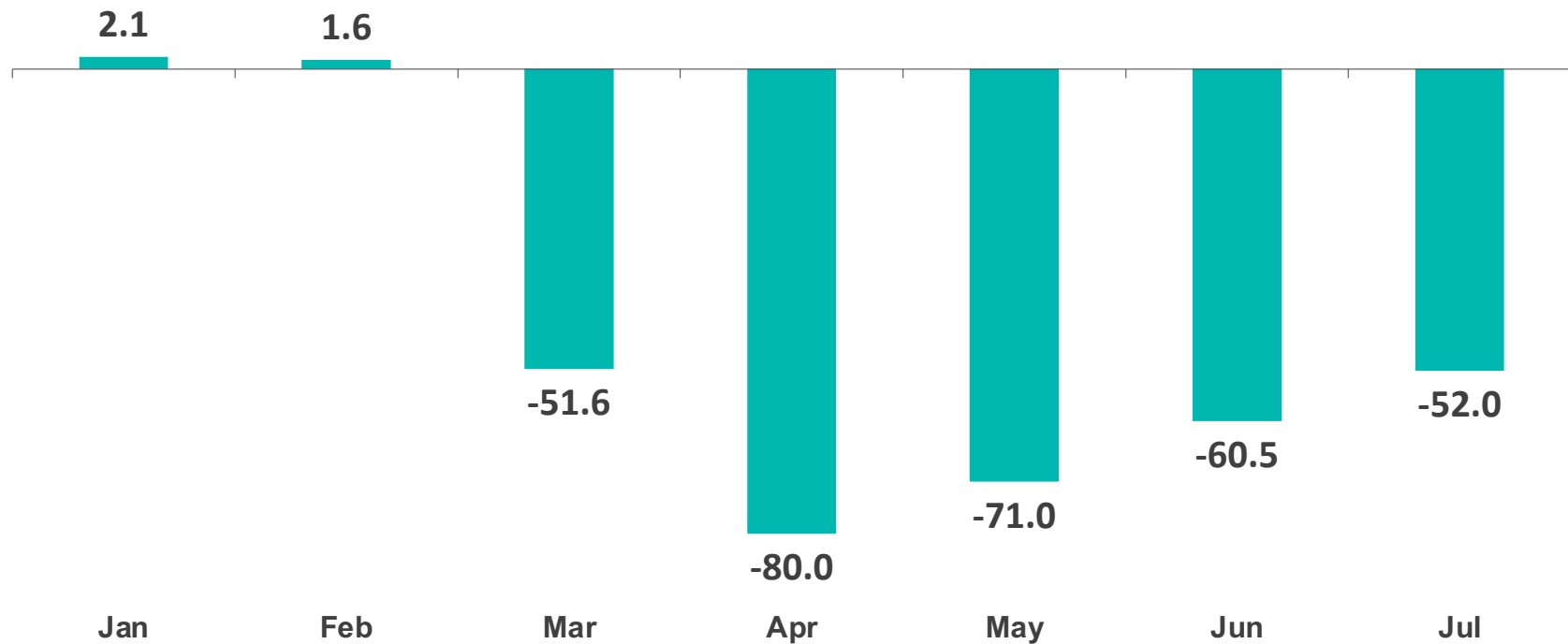
Pipeline

4

Wrap Up

2020 RevPAR Declines: Slowly Getting Better

Total U.S., by Month, 2020



Source: STR. 2020 © CoStar Realty Information, Inc.

Occ Drops Second Consecutive Week

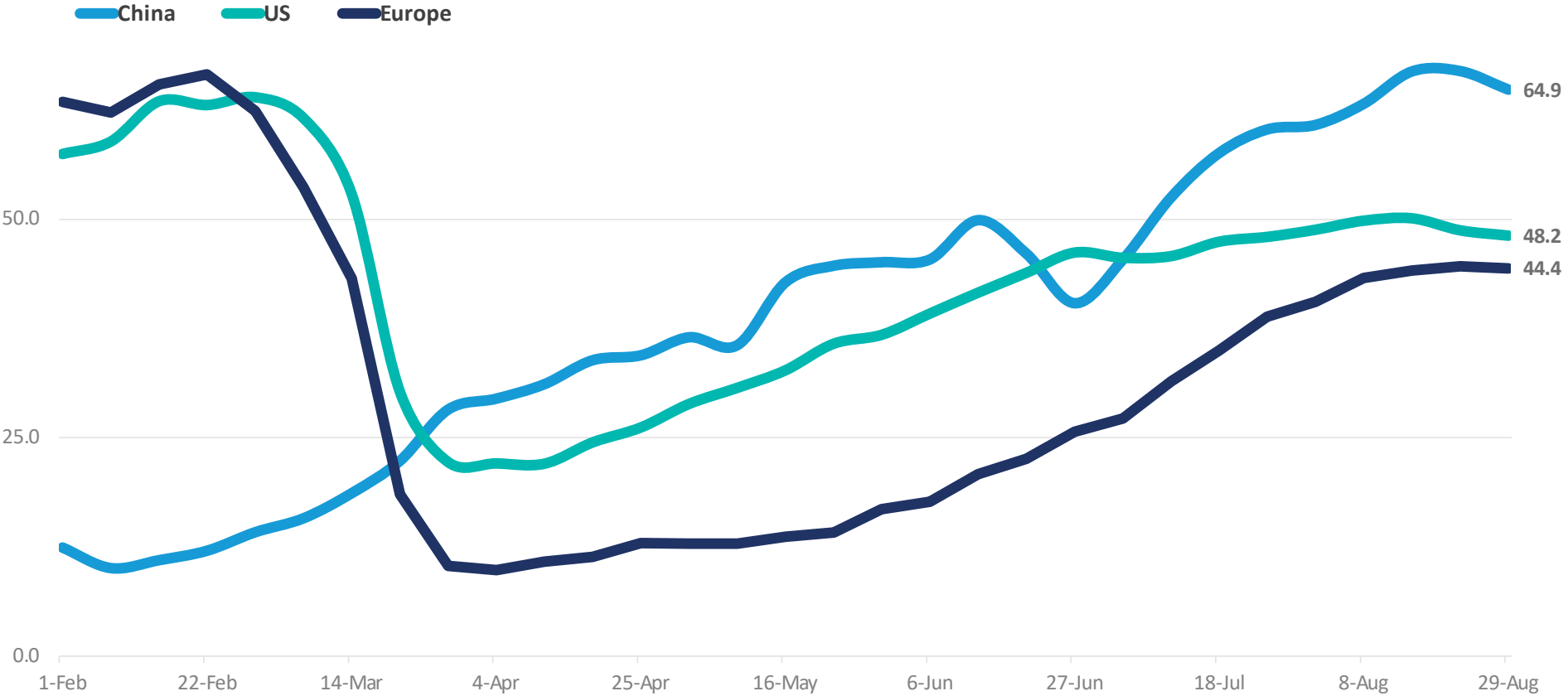
Total U.S. Occupancy %, Week ending August 29



48.2%

Has Global Occupancy Growth Stalled?

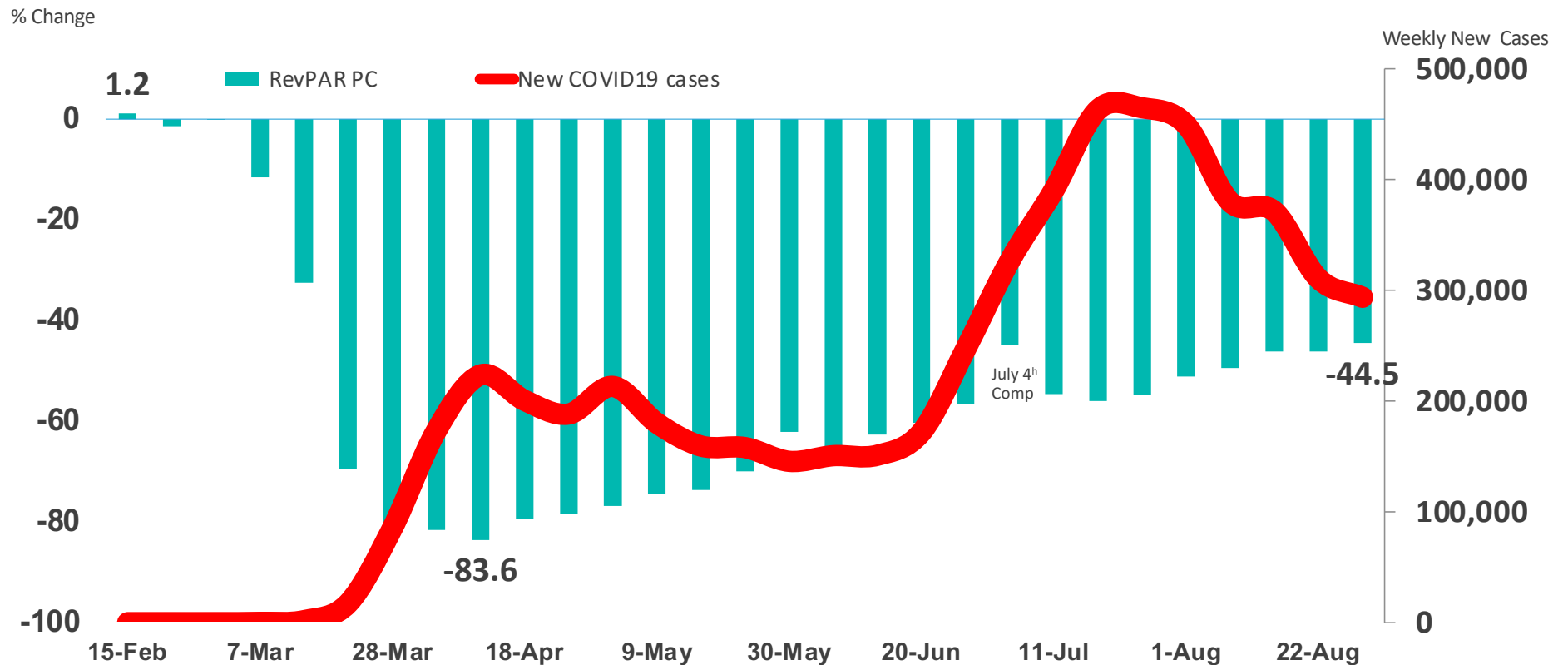
Absolute Occ %, Select Areas



Source: STR. 2020 © CoStar Realty Information, Inc.

Weekly RevPAR % Change and New COVID19 Cases

Total U.S., by Week



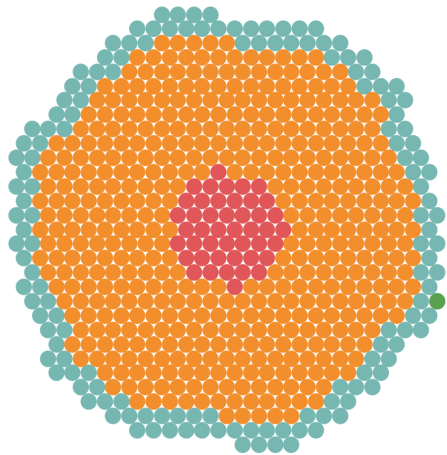
U.S. Submarkets Slowly Seeing Occupancy Gains

Sub-market, Occupancy actuals 25% buckets, rolling 7 days

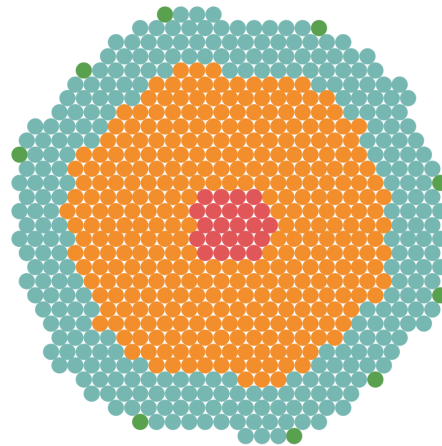


● <25% ● >25%-50% ● >50%-75% ● >75%-100%

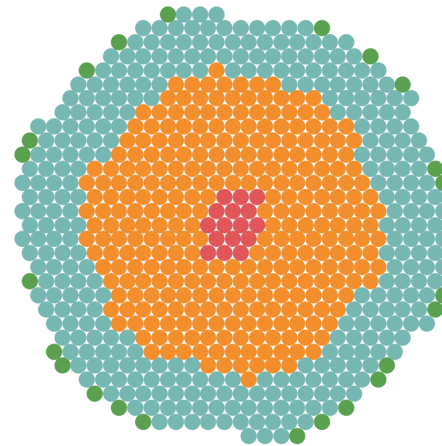
R7 until 13 May



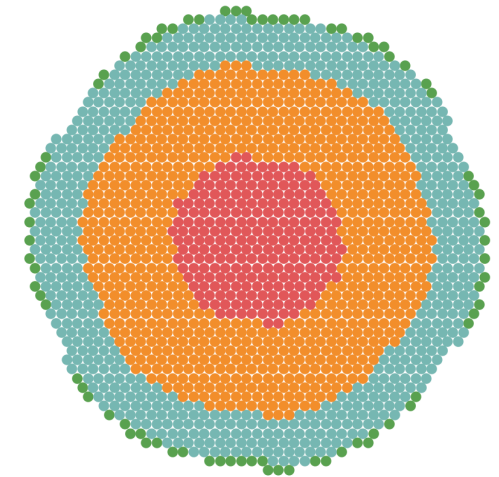
R7 until 18 July



R7 until 15 August

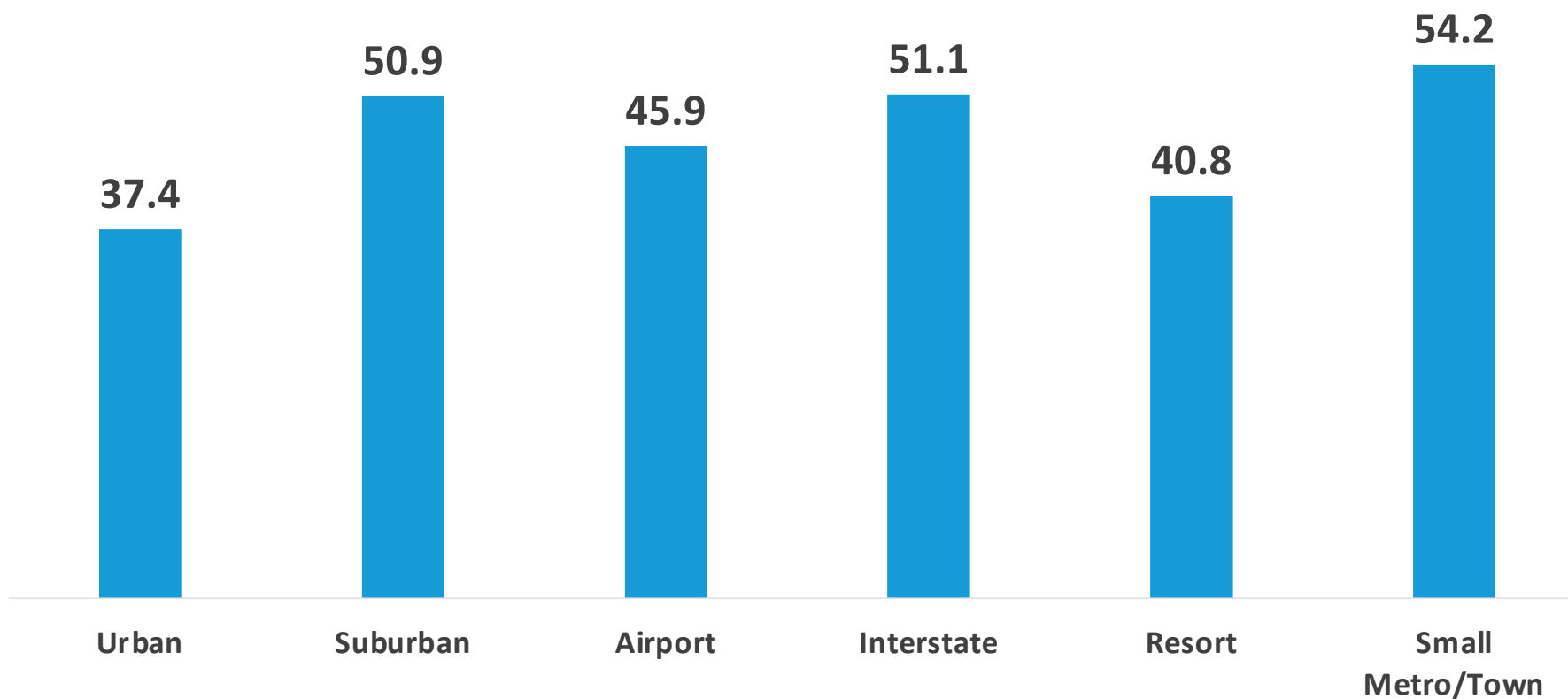


R7 until 29 August



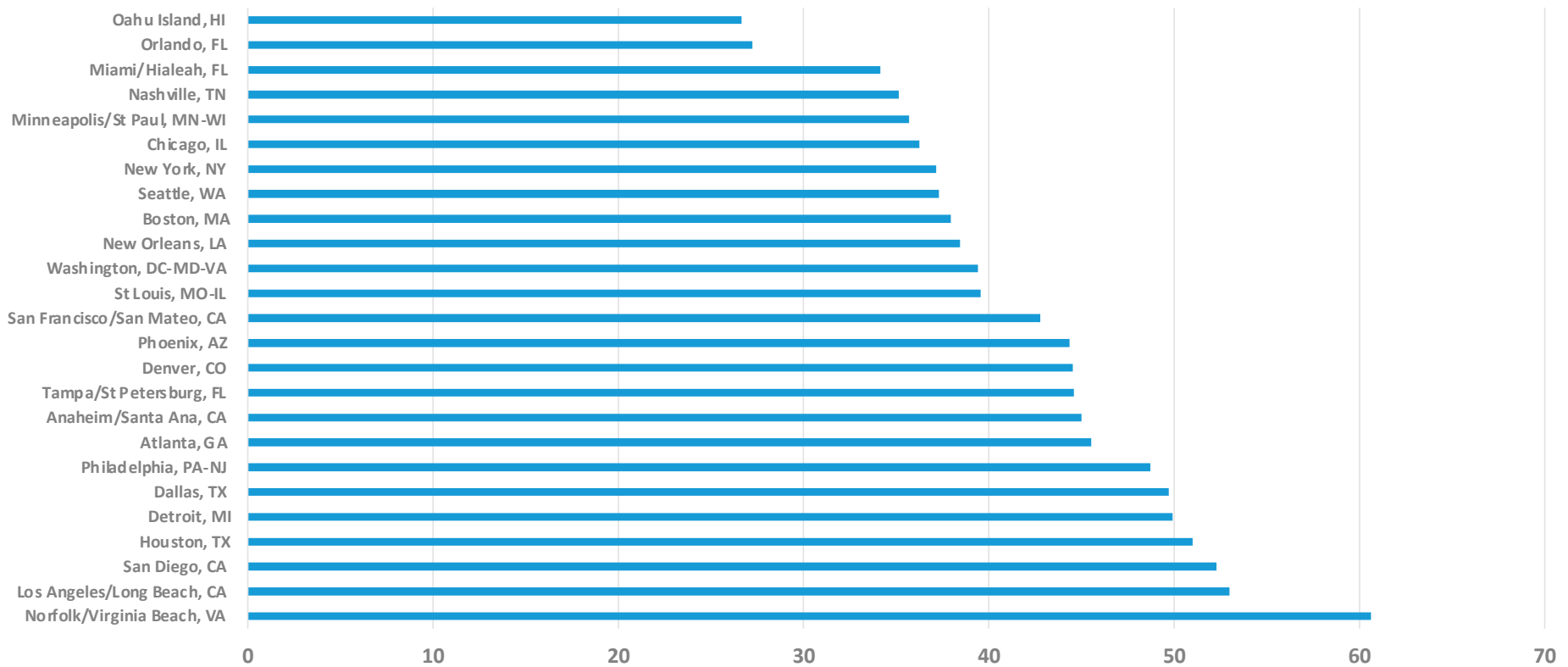
Location: Week over Week Only Urban Gained (+0.3%pts)

Total U.S. , Occupancy %, week ending August 29



Top 25: 19 Markets Between 30% and 50% Occ

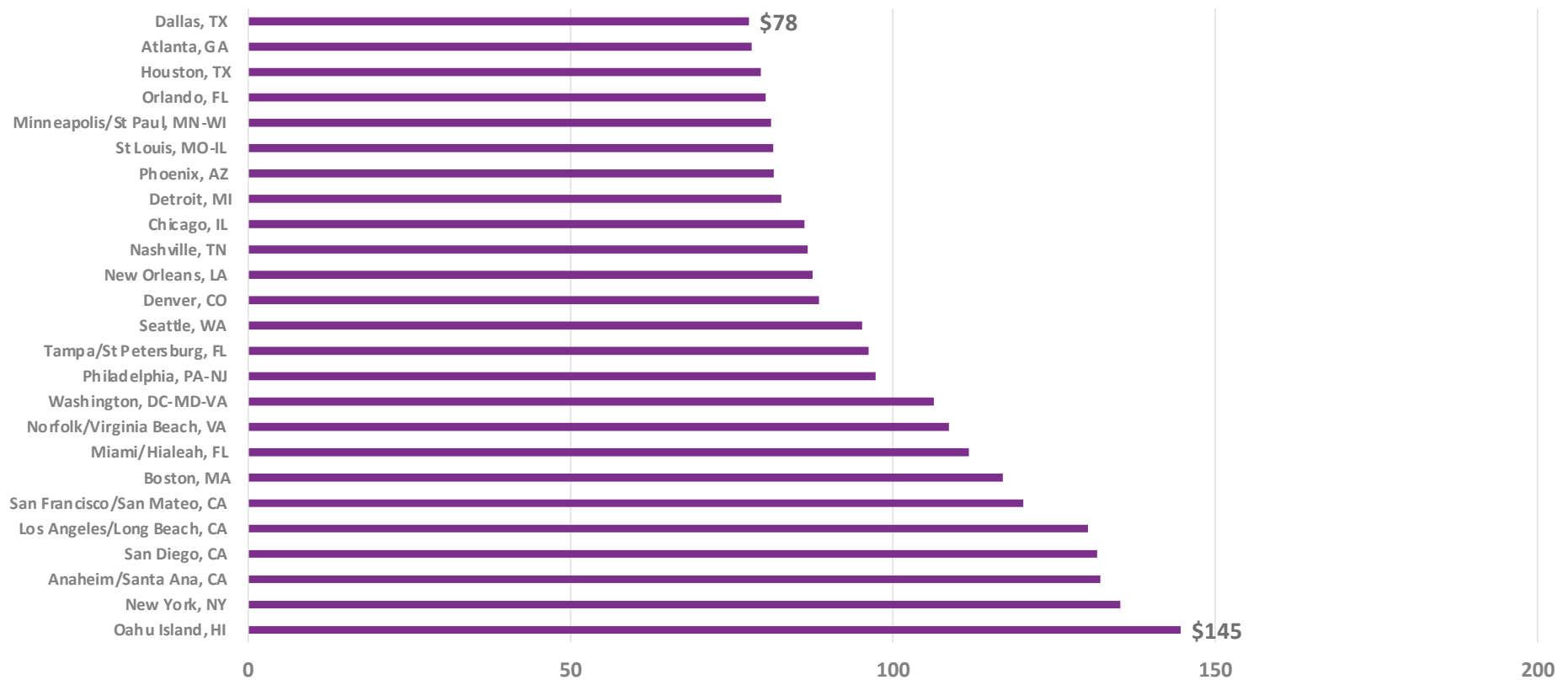
Occupancy %, Week ending August 29



Source: STR. 2020 © CoStar Realty Information, Inc.

Top 25: Only 10 Markets with ADR of \$100+

ADR \$, Week ending August 29



Source: STR. 2020 © CoStar Realty Information, Inc.



Last Hurrahs For Some Summer Destinations

Markets with Highest WE OCC %, Week Ending August 29

Market	Weekend Occ %
McAllen/Brownsville, TX	82.6
Florida Keys	81.6
Louisiana South	79.6
Long Island	78.5
Louisiana North	77.6
New Jersey Shore	76.4
Colorado Springs, CO	75.4
Portland, ME	75.3
Daytona Beach, FL	74.3
Myrtle Beach, SC	74.2

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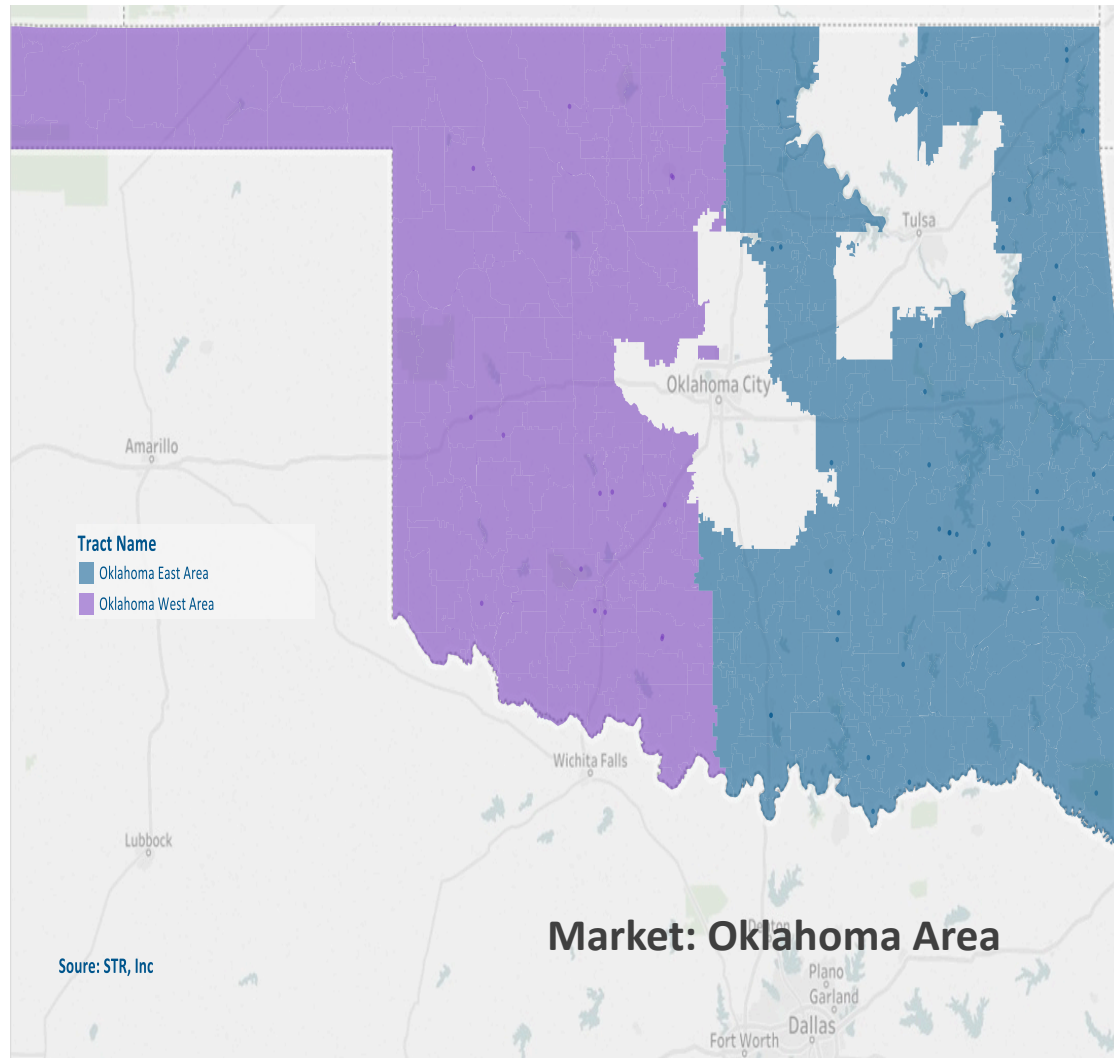
Pipeline

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Wrap Up

July 2020 YTD

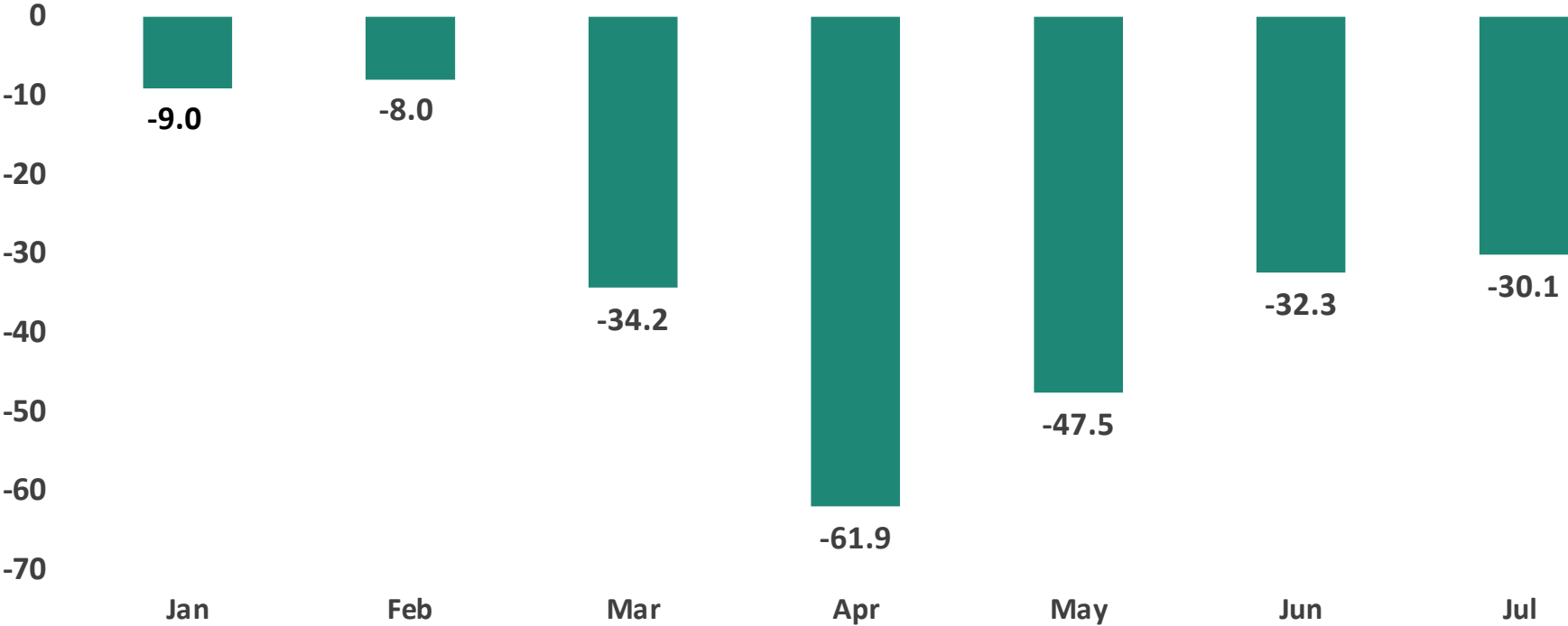
Hotels: 479
Rooms: 30,033
Sample: 56%





Becoming a little less bad as the year progresses

Oklahoma Area Market: 1/2020 – 07/2020, Monthly RevPAR %change



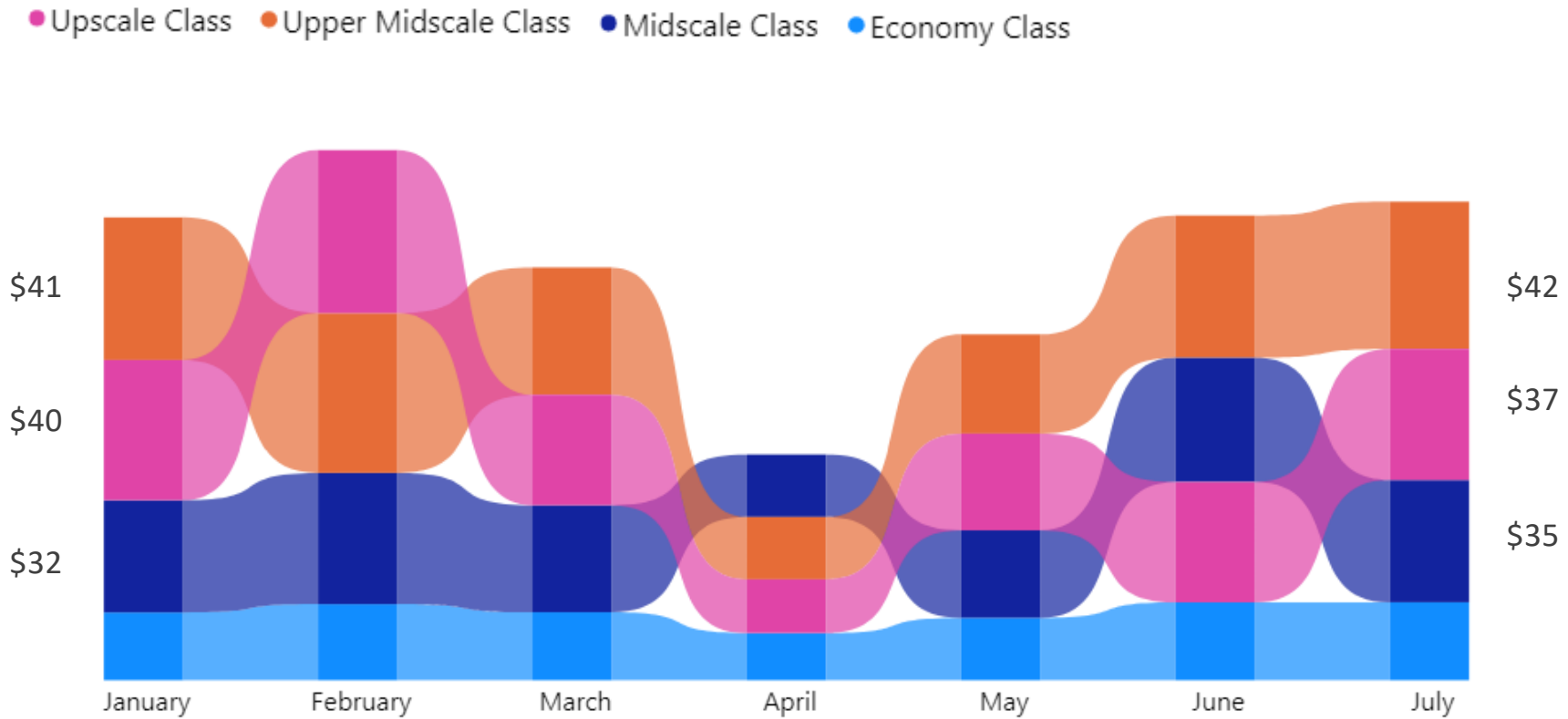
YTD Room ADR down only 8%

Oklahoma Area Market YTD July 2020



		% Change
Room Supply		-1.0
Room Demand		-28.1
Occupancy	39%	-27.3
ADR	\$70	-8.0
RevPAR	\$27	-33.1
Room Revenue		-33.8

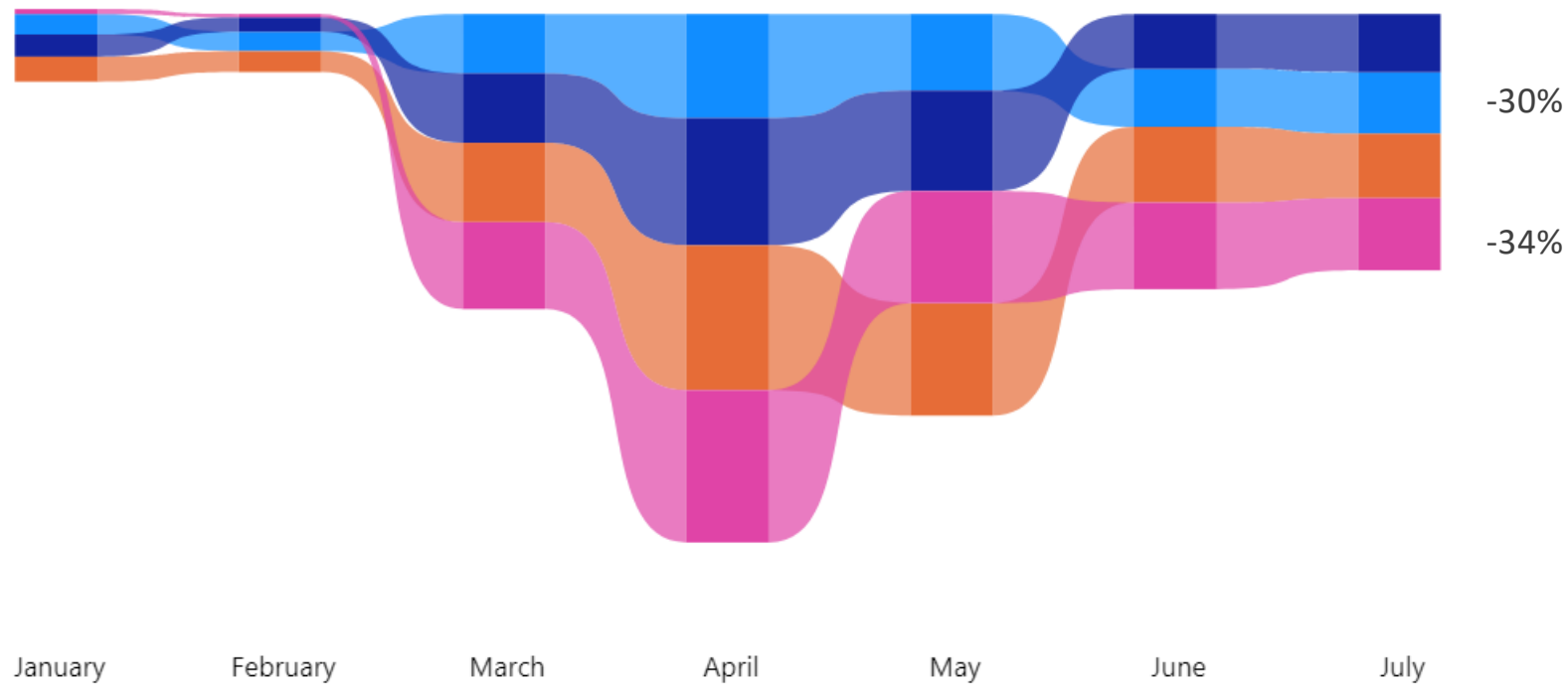
Oklahoma Area Monthly RevPAR \$ by Class



Oklahoma Area Monthly RevPAR % Growth by Class

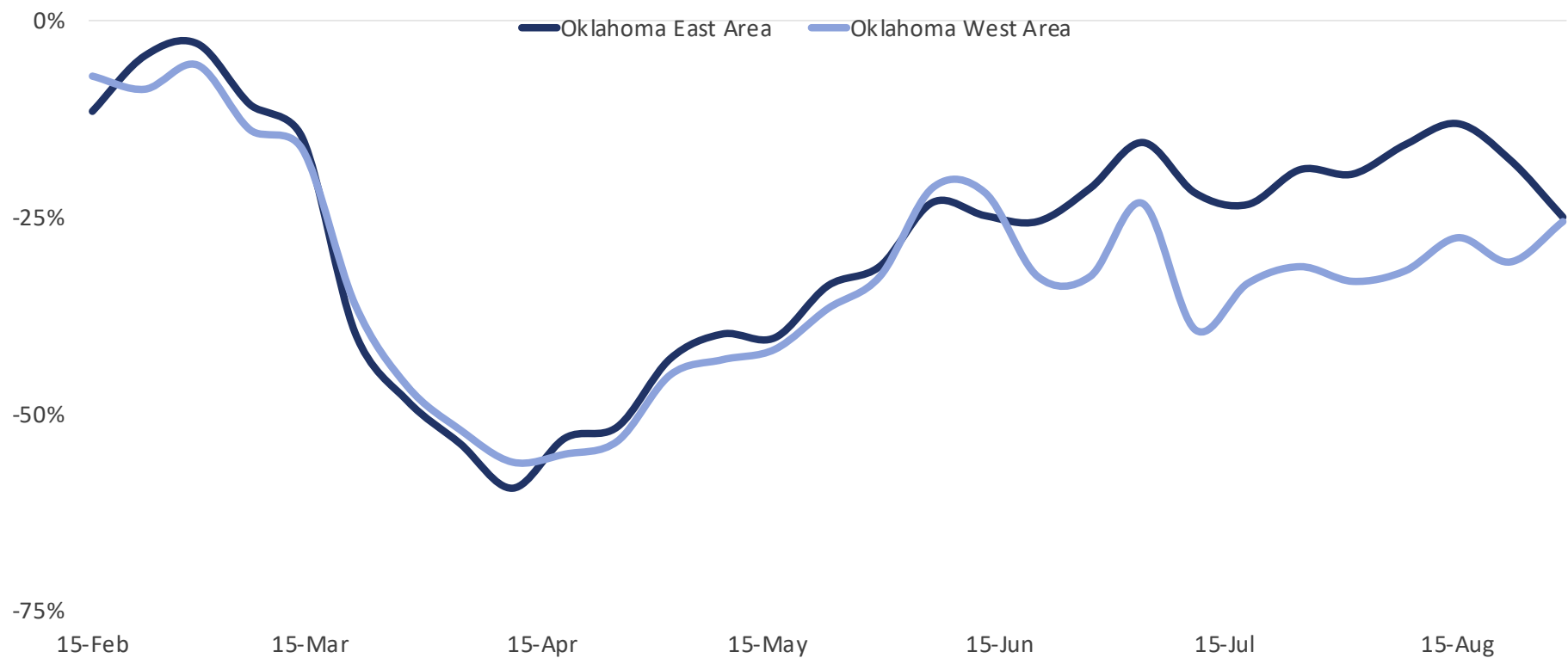


● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



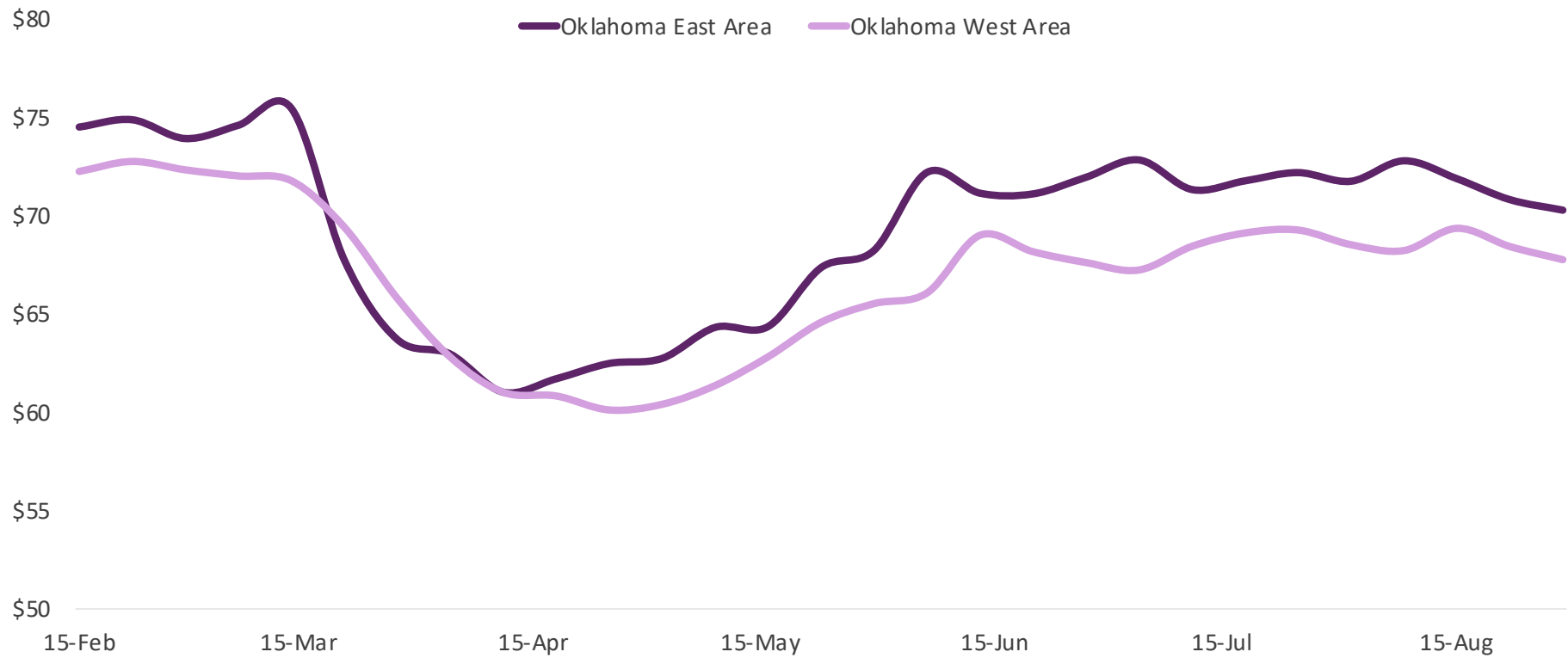
East outpaces West in recovery

Oklahoma Area Submarkets, weekly demand % change from prior year, 15 February – 29 August 2020



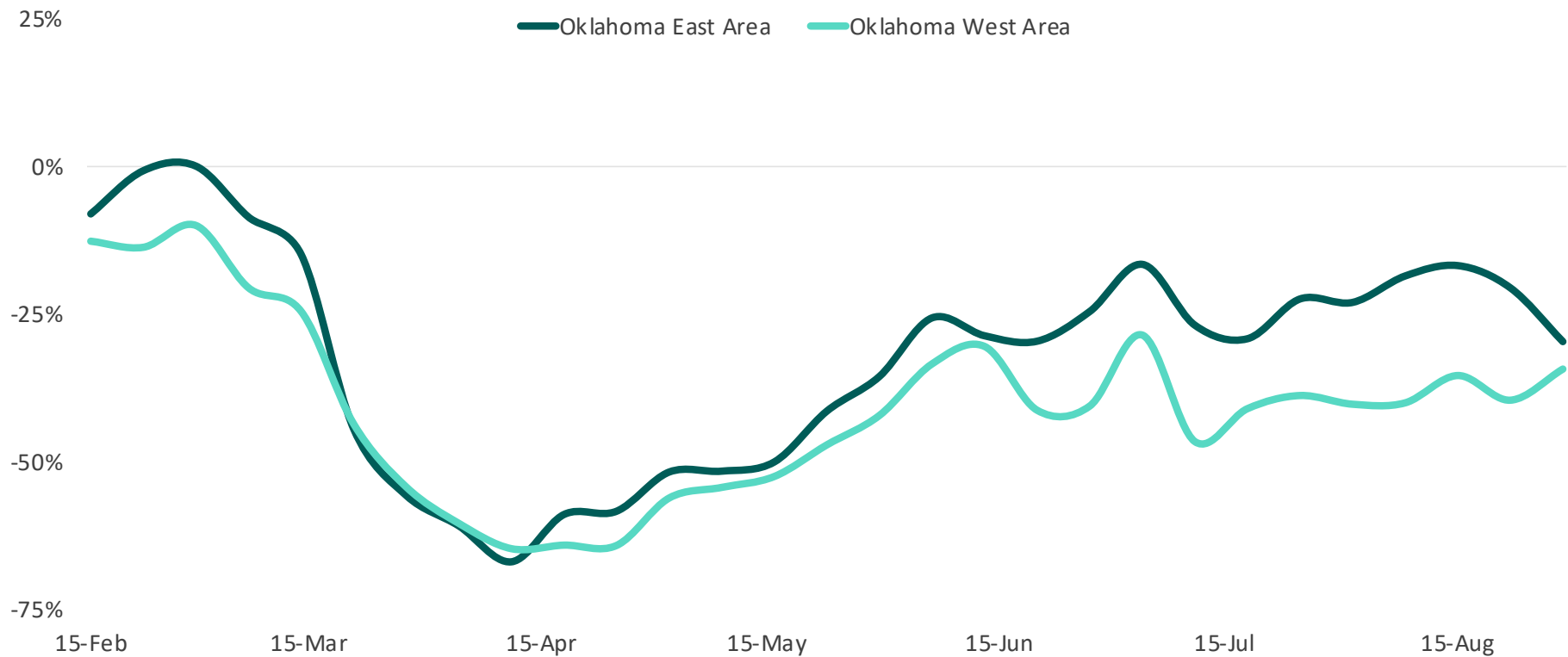
OK West rates struggle to gain ground

Oklahoma Area Submarkets, Weekly ADR, 15 February – 29 August 2020



RevPAR: Rural areas down only 29% from 2019

Oklahoma Area Submarkets, Weekly RevPAR % change from prior year, 15 February – 29 August 2020



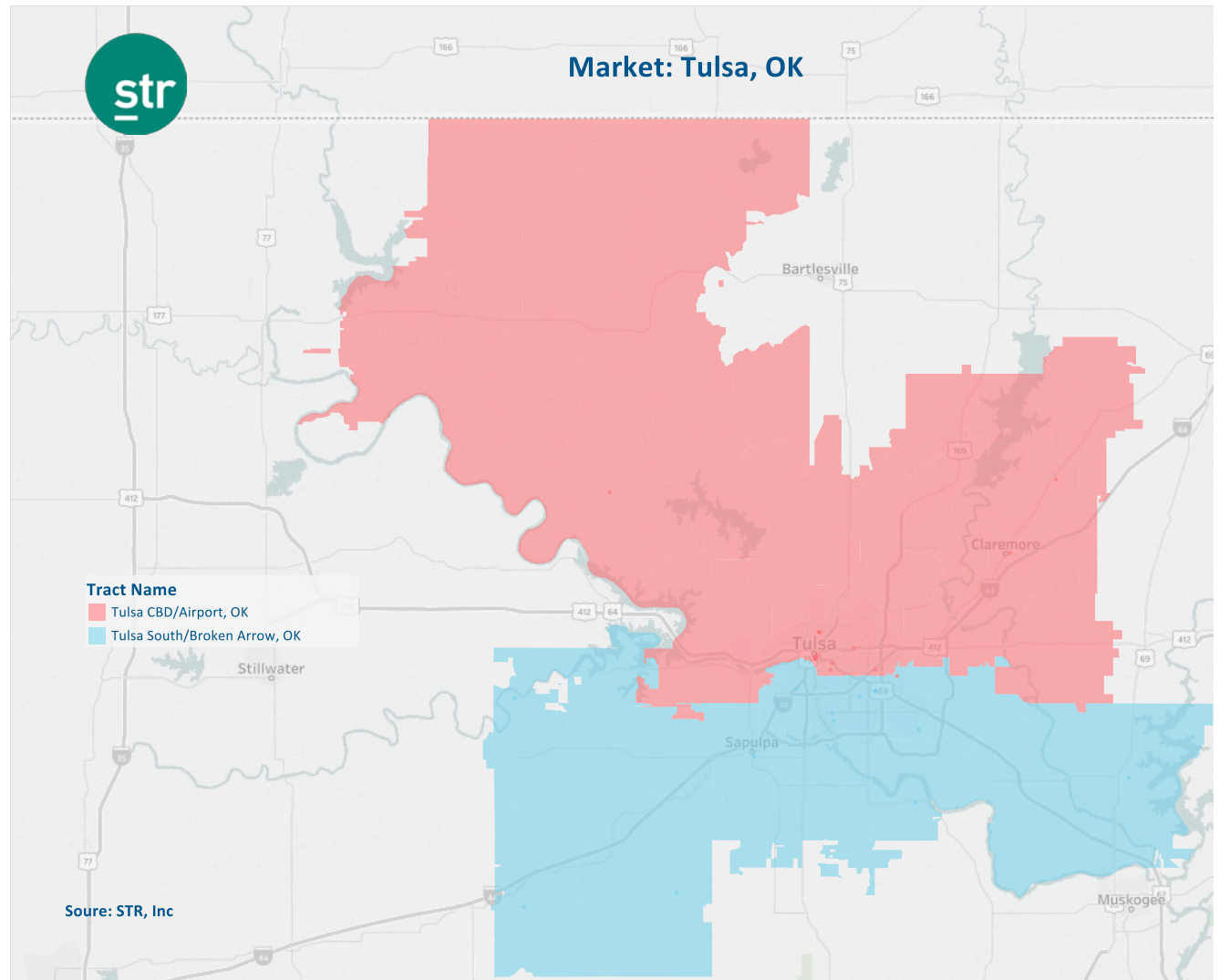
Source: STR. 2020 © CoStar Realty Information, Inc. 20²⁰

July 2020 YTD

Hotels: 177

Rooms: 17,012

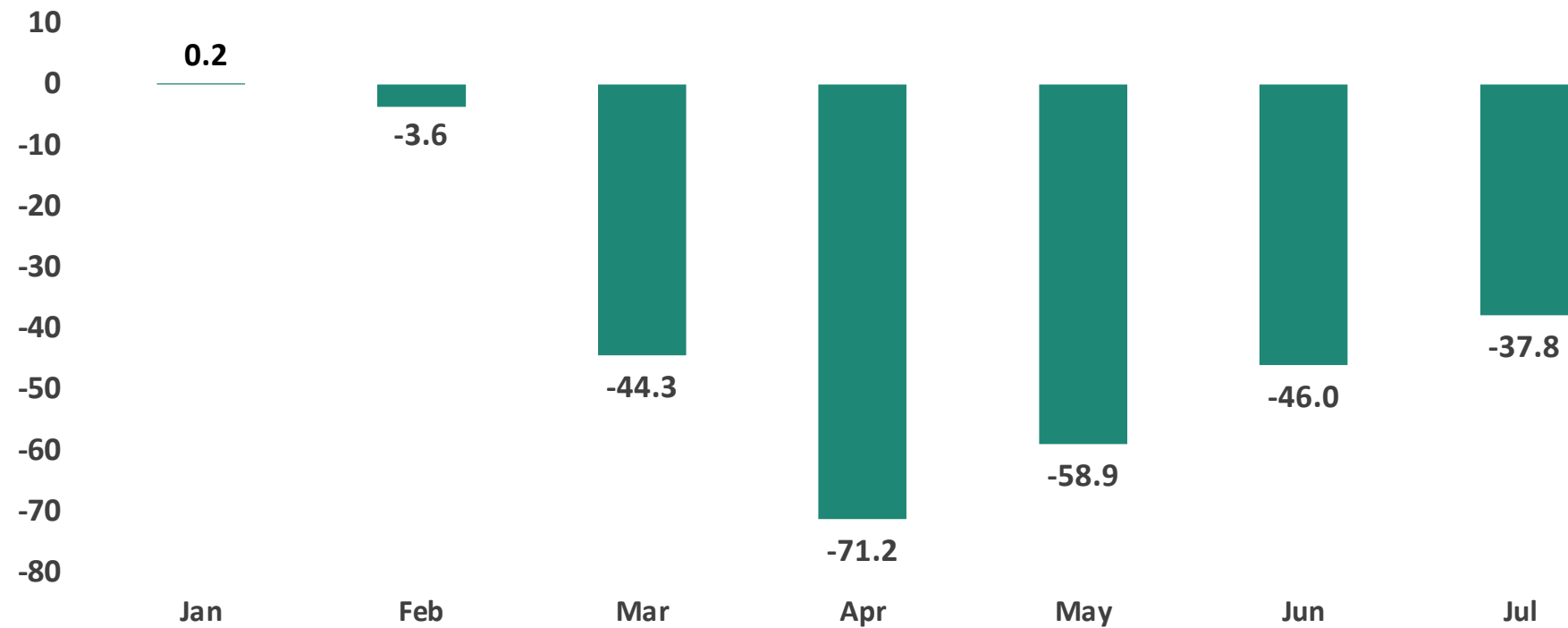
Sample: 82%





April was rock bottom for Tulsa Market

Tulsa Market: 1/2020 – 07/2020, Monthly RevPAR %change



YTD Room Demand down over 32%...Weekend OCC 46%

Tulsa Market YTD July 2020

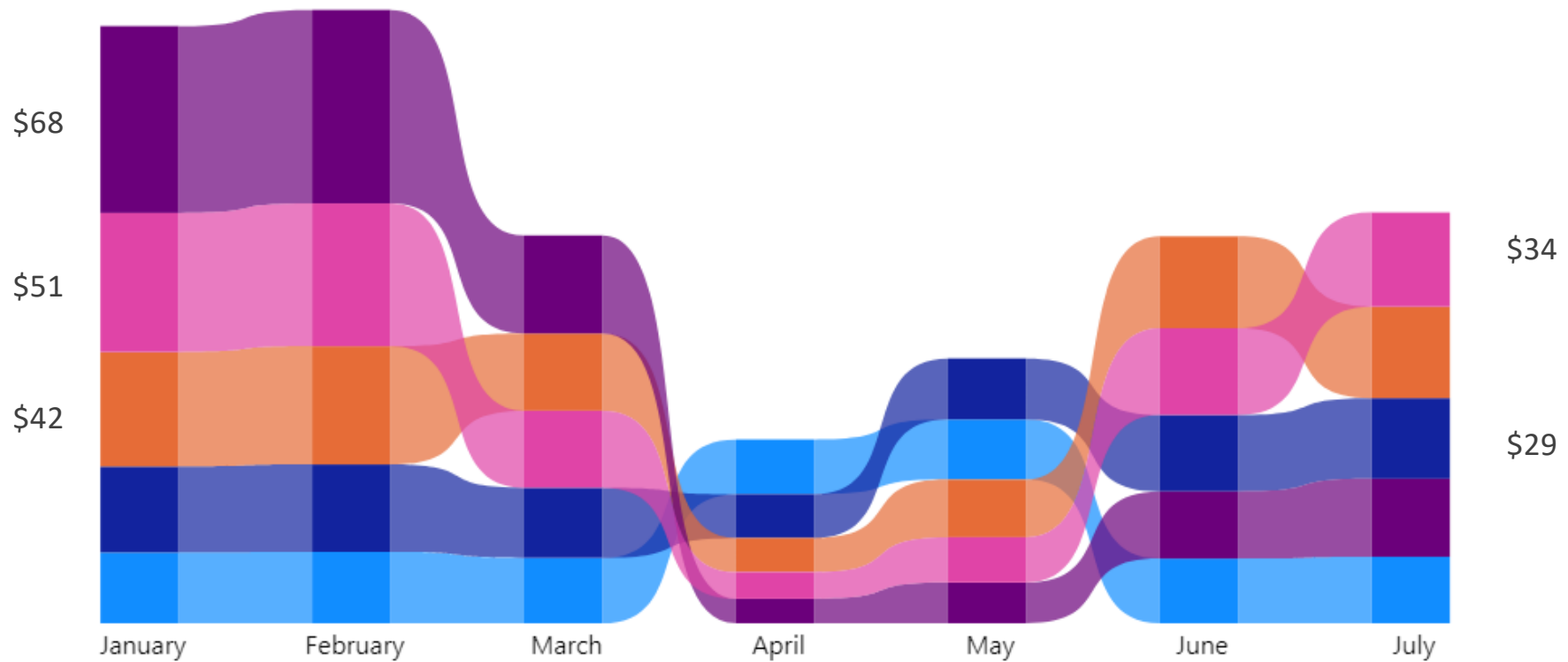


		% Change
Room Supply		-1.0
Room Demand		-32.1
Occupancy	40%	-31.3
ADR	\$73	-10.0
RevPAR	\$30	-38.2
Room Revenue		-38.9

Tulsa Market Monthly RevPAR \$ by Class

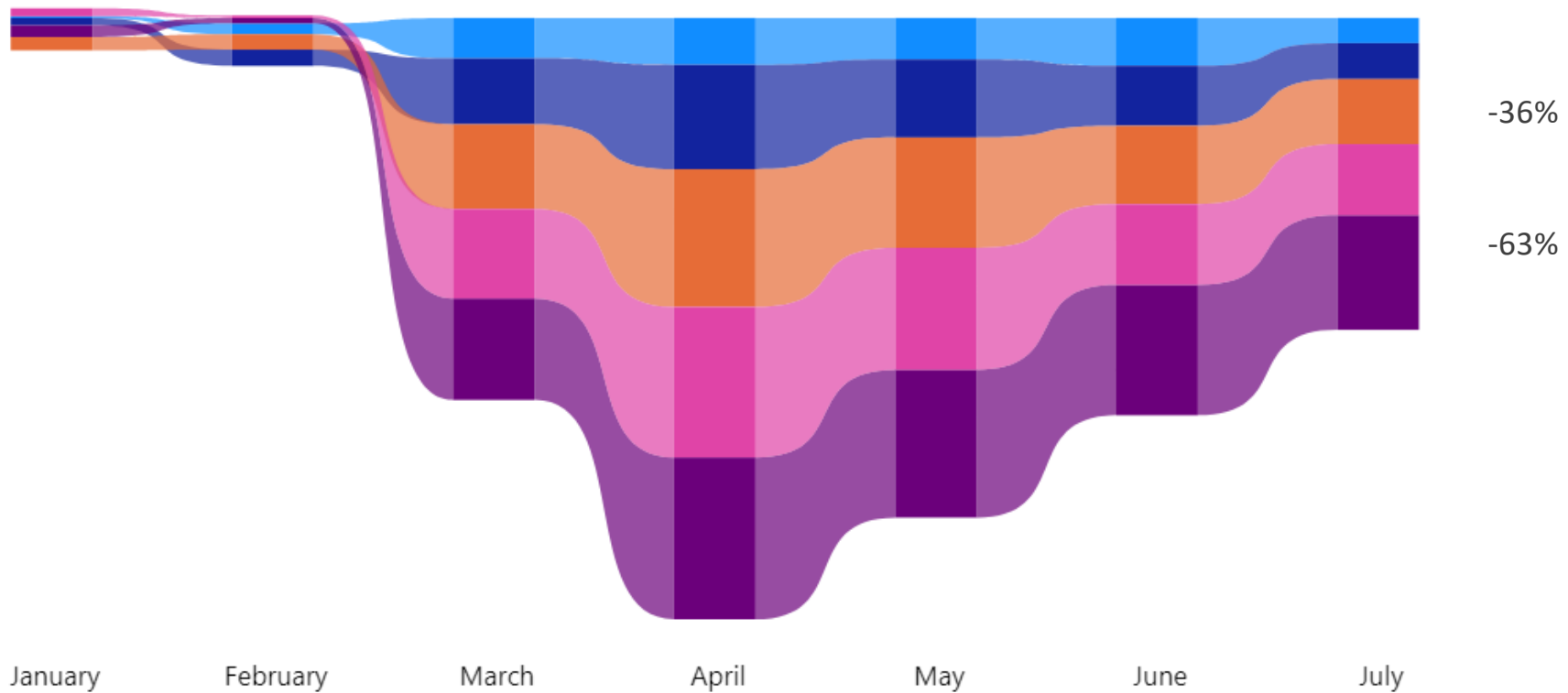


● Upper Upscale Class
 ● Upscale Class
 ● Upper Midscale Class
 ● Midscale Class
 ● Economy Class



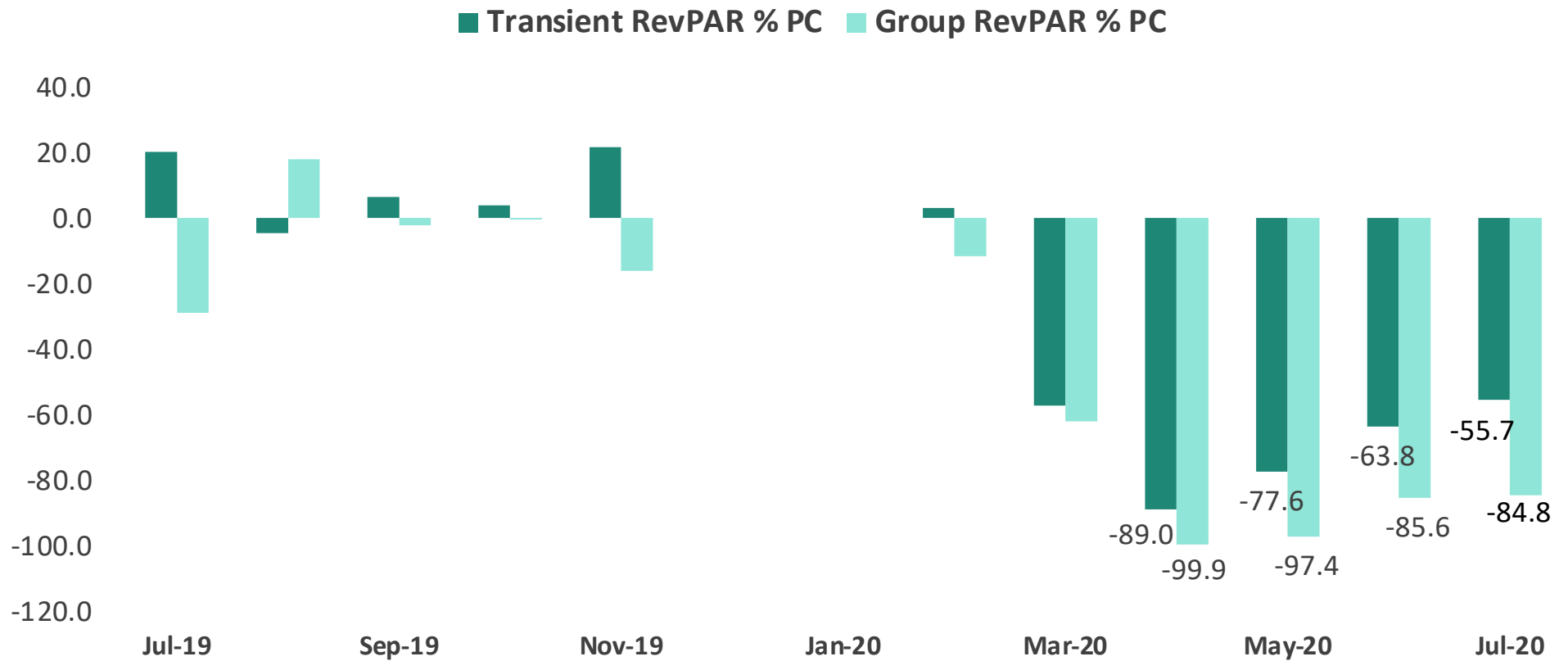
Tulsa Market Monthly RevPAR Growth by Class

● Upper Upscale Class ● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



Tulsa Market: Little to No Group

RevPAR % change last 13 Months

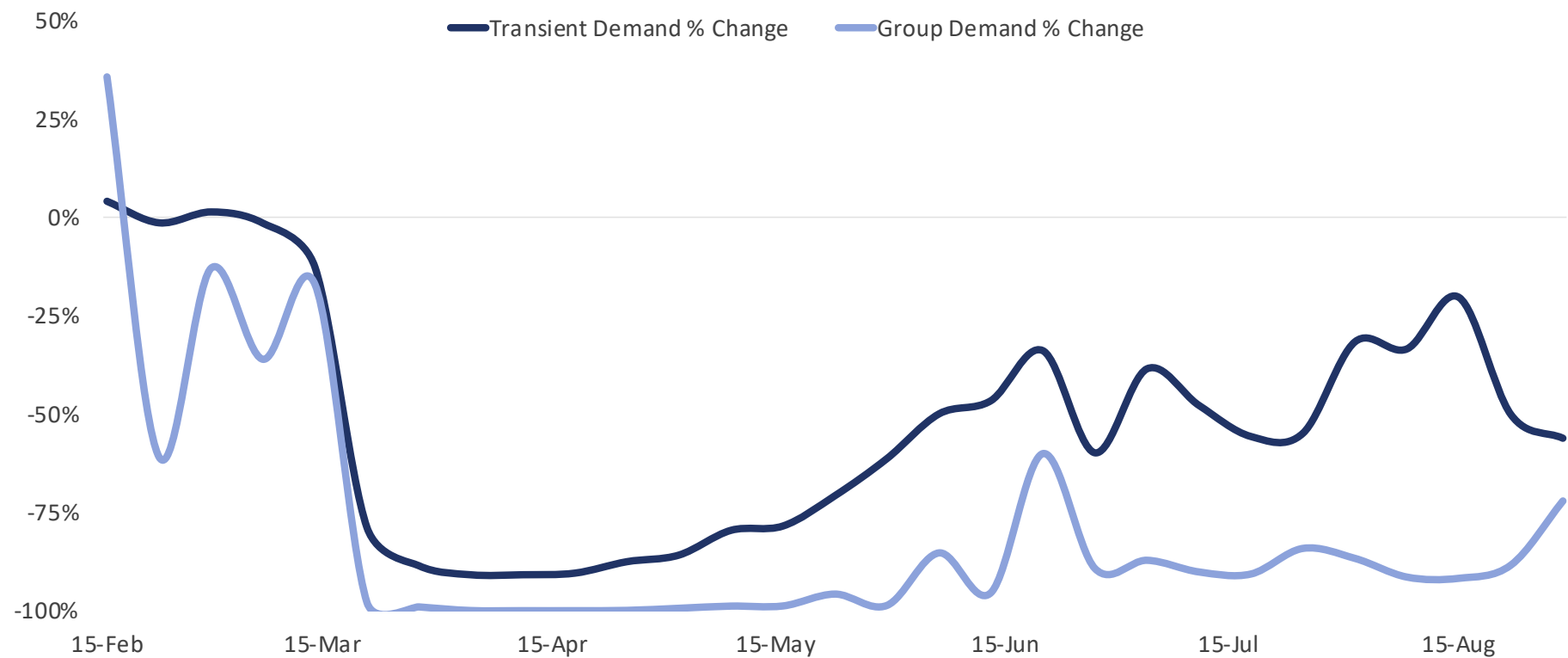


Source: STR. 2020 © CoStar Realty Information, Inc.

Summer travel demand leveling off?

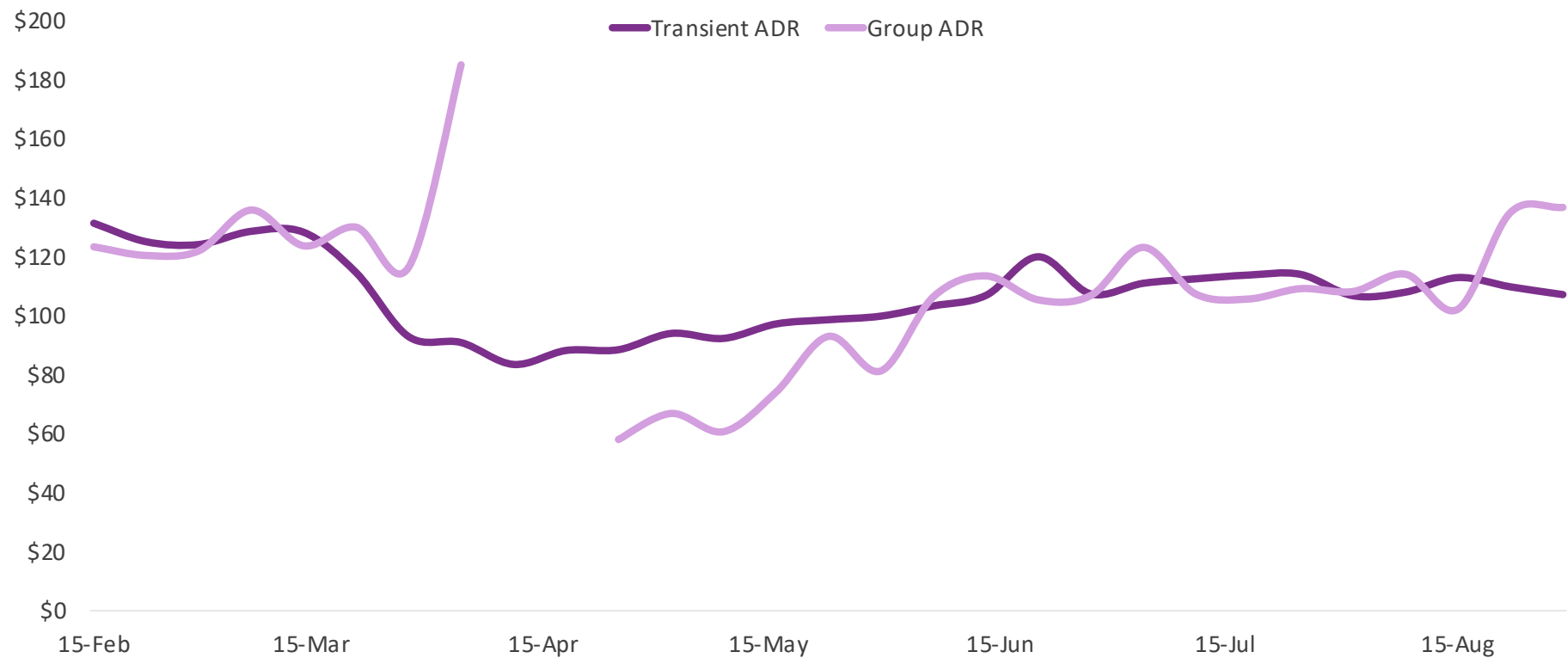


Tulsa, OK weekly demand % change from prior year, Luxury and Upper Upscale classes, 15 February – 29 August, 2020



Group rates show some life in August

Tulsa, OK, Weekly ADR, Luxury and Upper Upscale classes, 15 February – 29 August, 2020





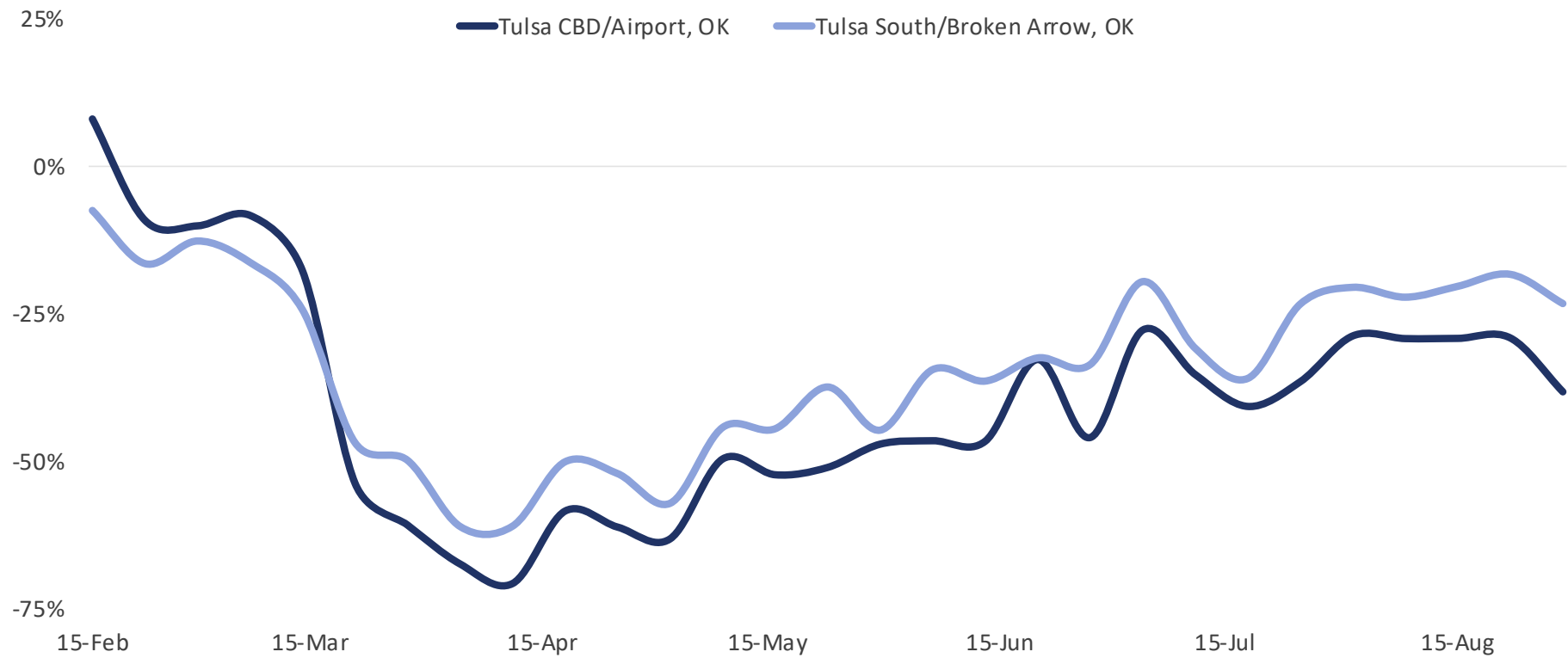
Tulsa Submarkets

Source: STR
2020 © CoStar Realty Information, Inc.

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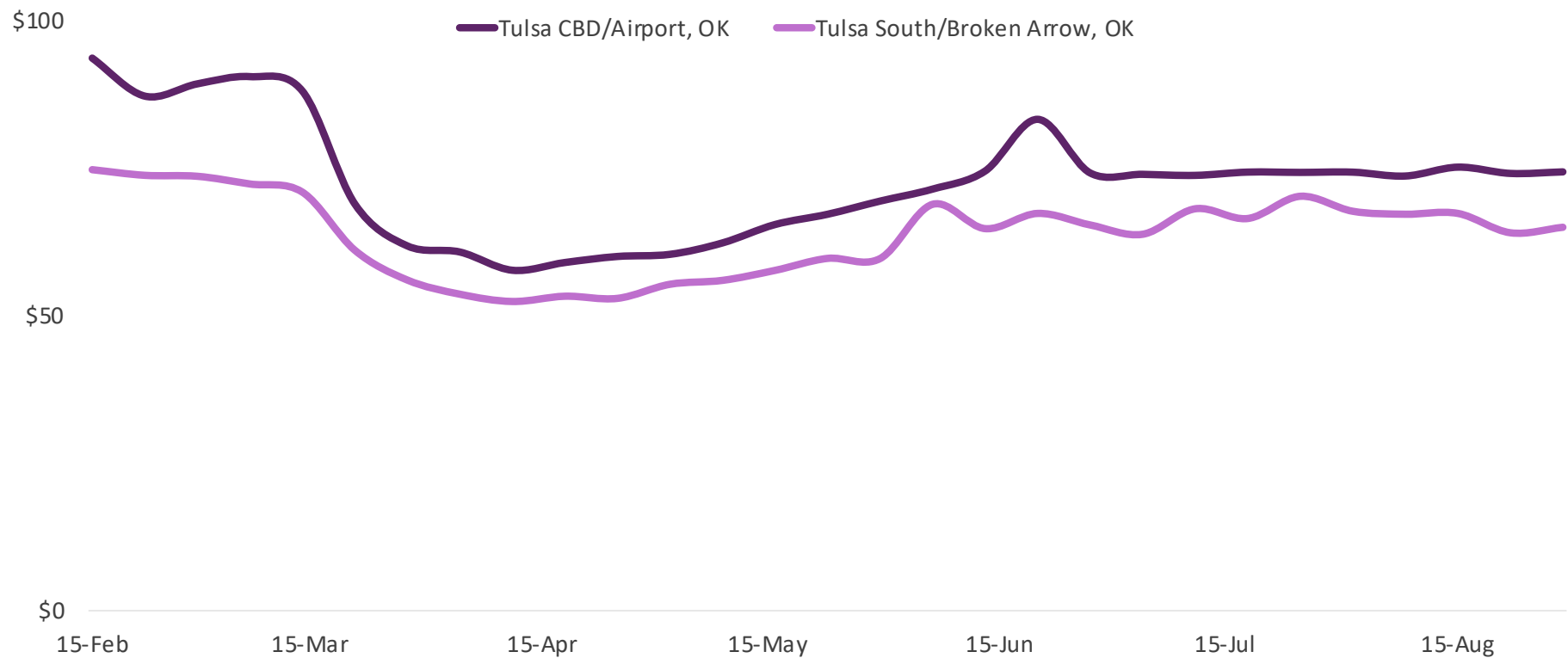
CBD recovery lags market

Tulsa, OK Submarkets, weekly demand % change from prior year, 15 February – 29 August 2020



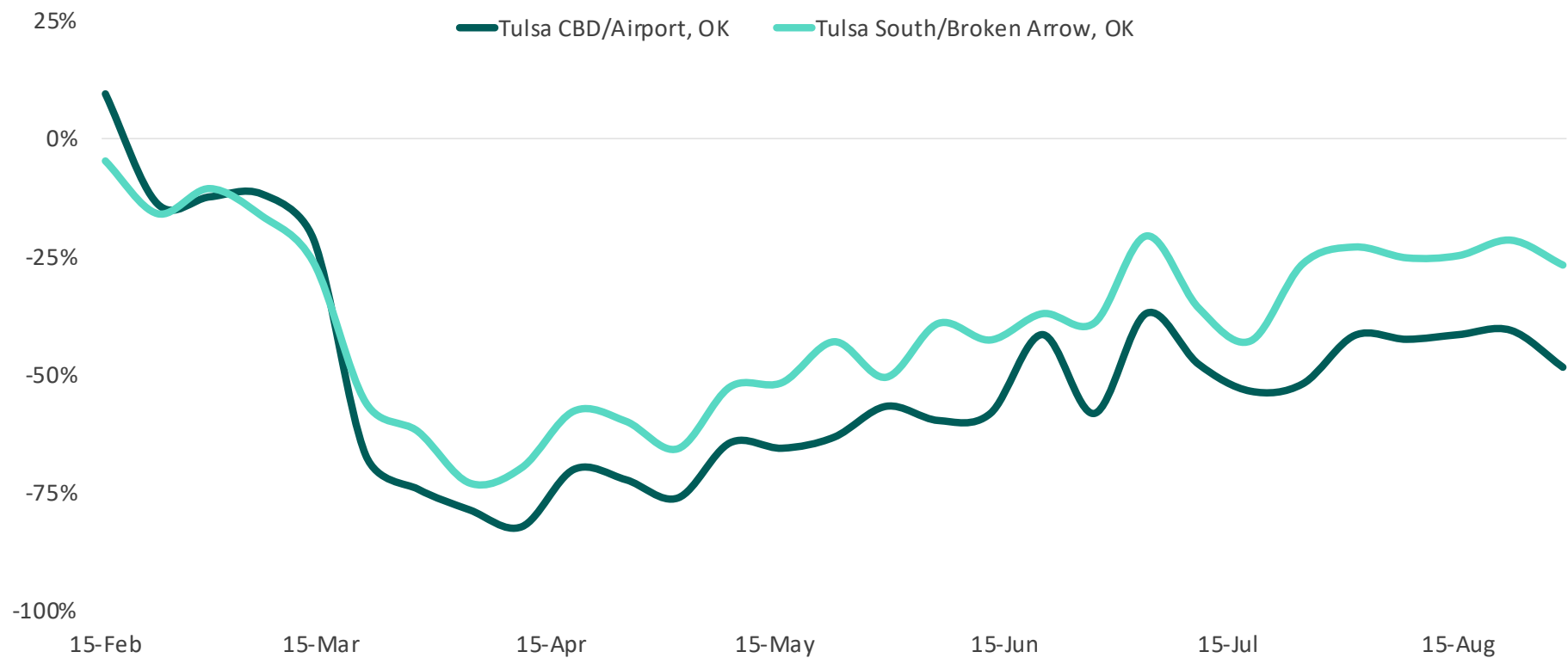
Rates have plateaued in Tulsa

Tulsa, OK Submarkets, Weekly ADR, 15 February – 29 August, 2020



Gap in RevPAR recovery grows between submarkets

Tulsa, OK Submarkets, Weekly RevPAR % change from prior year, 15 February – 29 August 2020

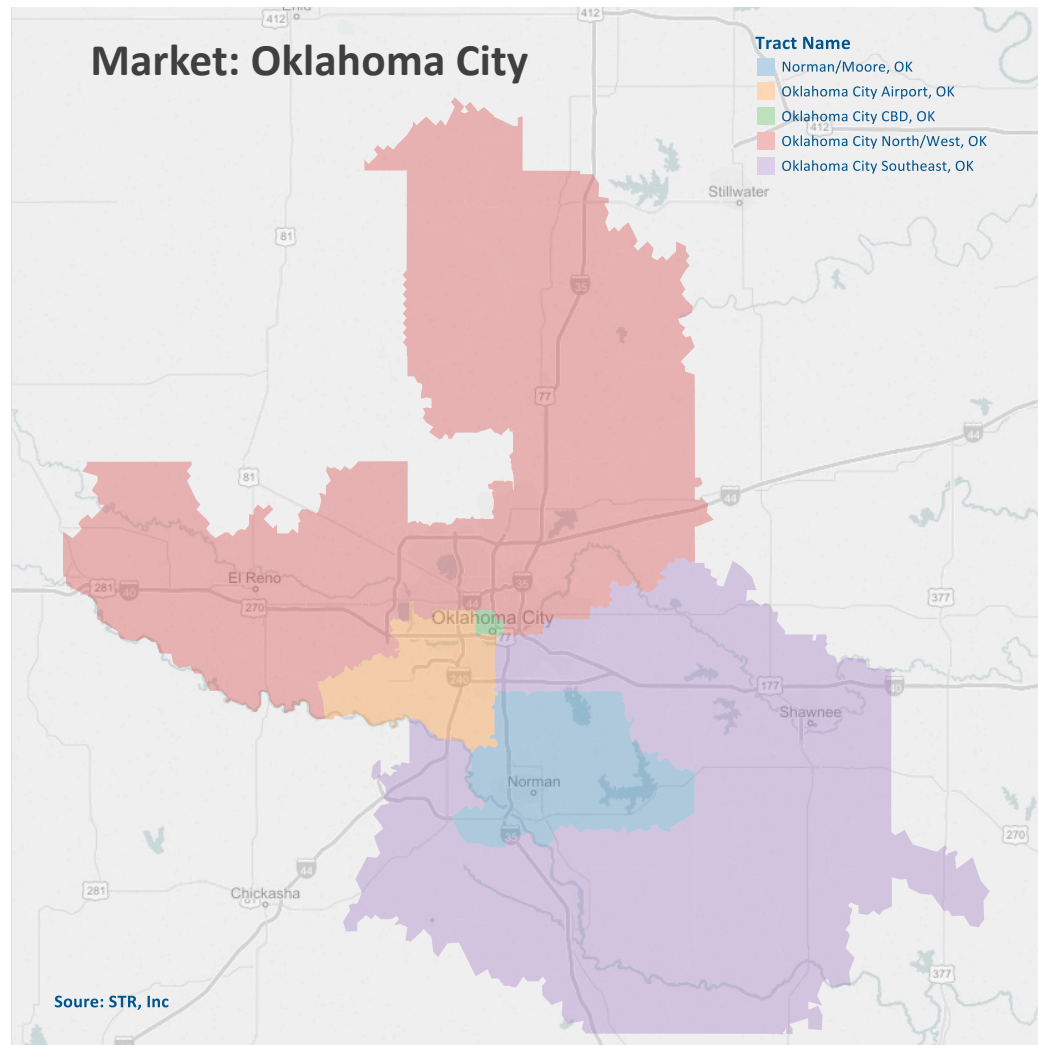


July 2020 YTD

Hotels: 294

Rooms: 26,646

Sample: 84%





Hopefully declines will continue to be less bad

Oklahoma City Market: 1/2020 – 07/2020, Monthly RevPAR %change



YTD Weekend OCC is 47%...

Oklahoma City Market YTD July 2020

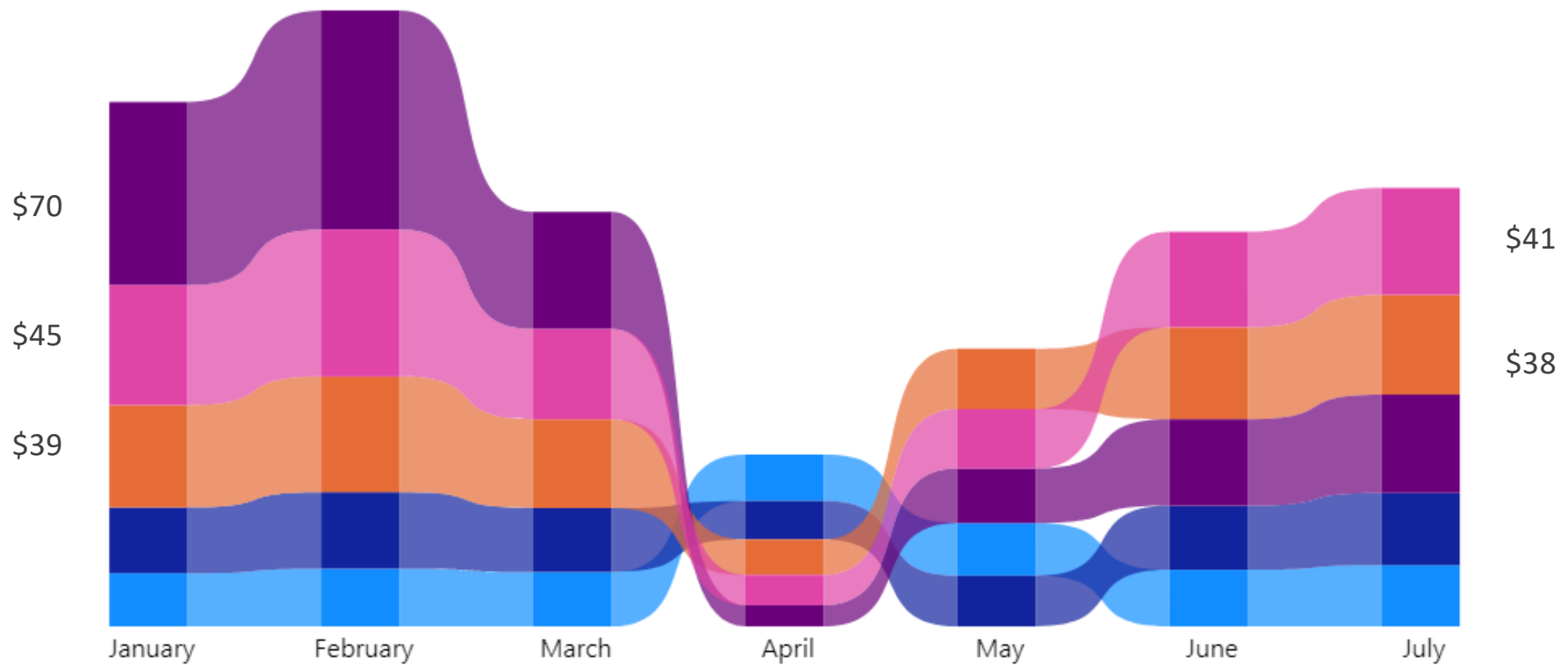


		% Change
Room Supply		-2.8
Room Demand		-35.6
Occupancy	42%	-33.7
ADR	\$72	-14.4
RevPAR	\$30	-43.2
Room Revenue		-44.8

Oklahoma City Market Monthly RevPAR \$ by Class

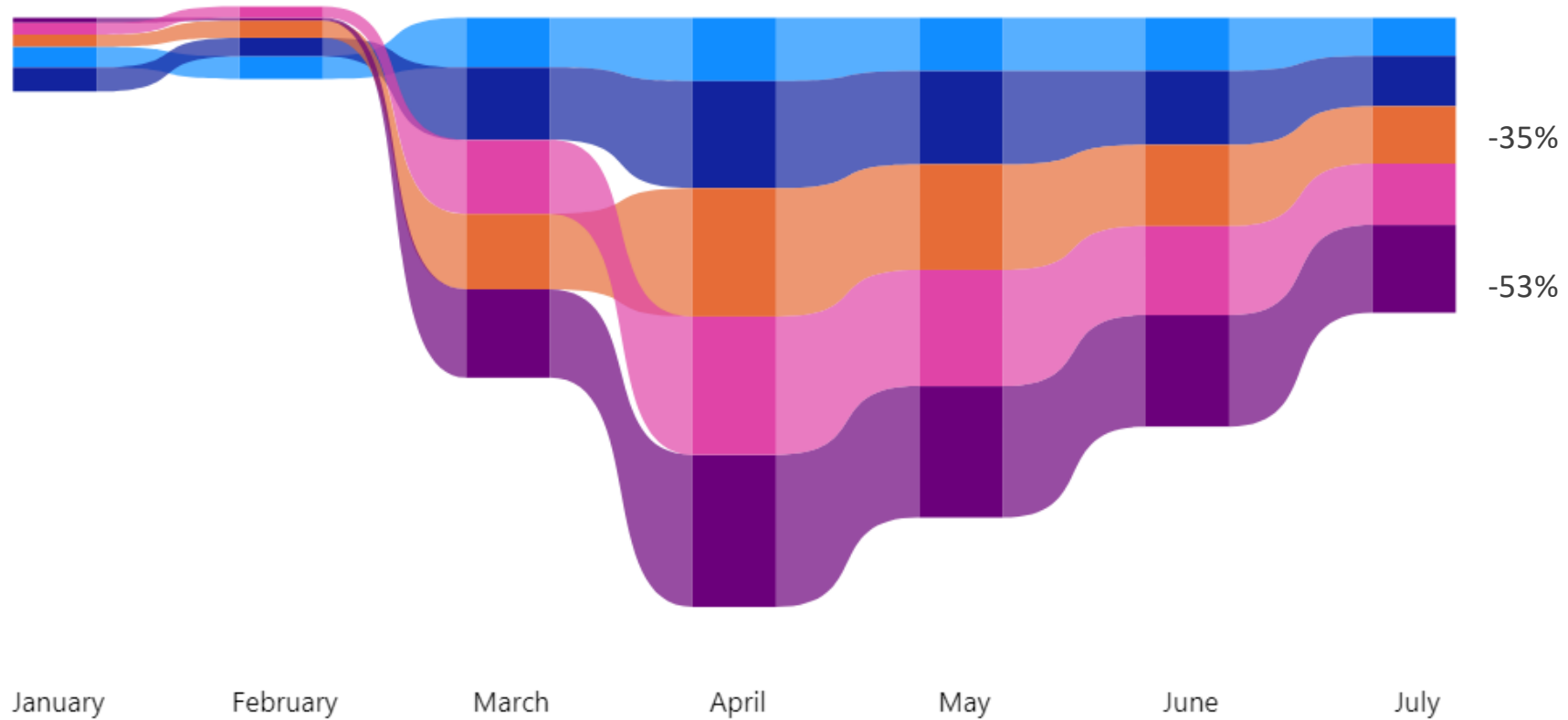


● Upper Upscale Class ● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



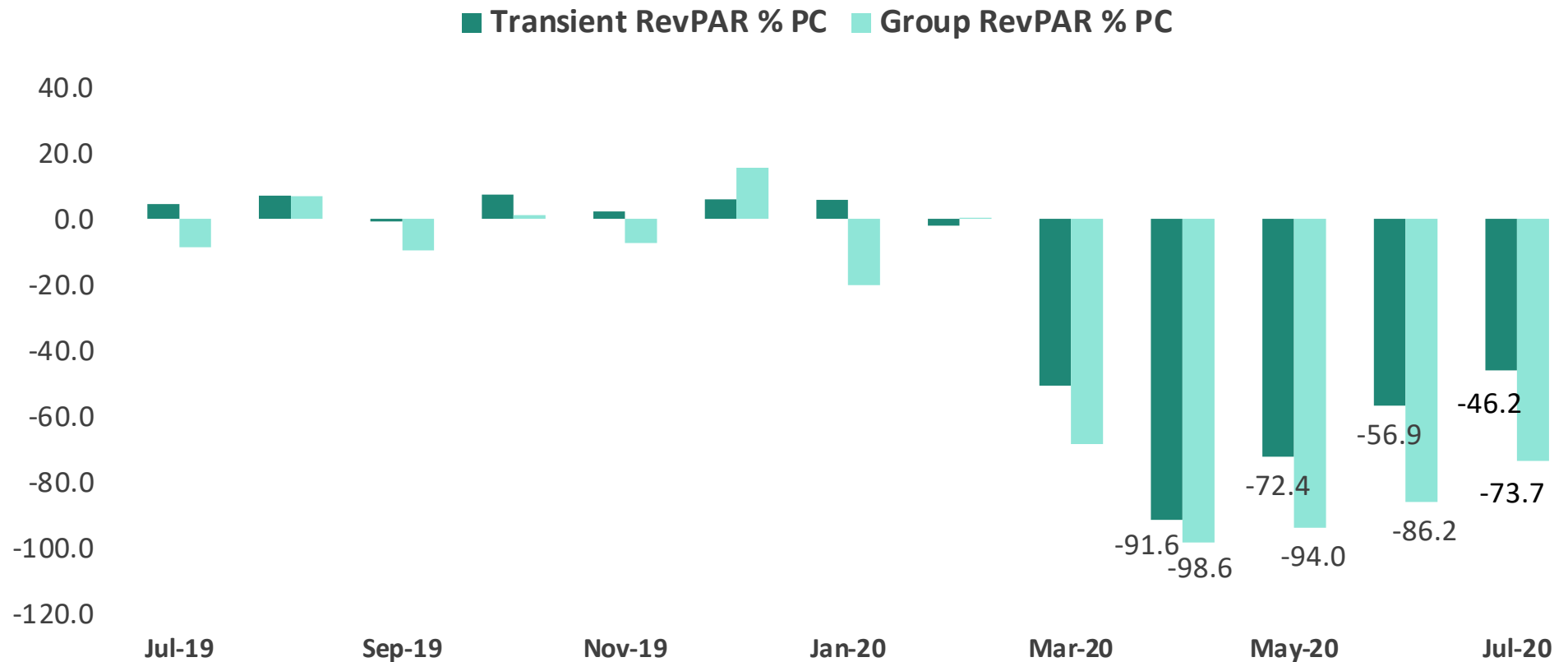
Oklahoma City Market Monthly RevPAR Growth by Class

● Upper Upscale Class ● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



Oklahoma City Market: Transient RevPAR a little less bad...

RevPAR % change last 13 Months

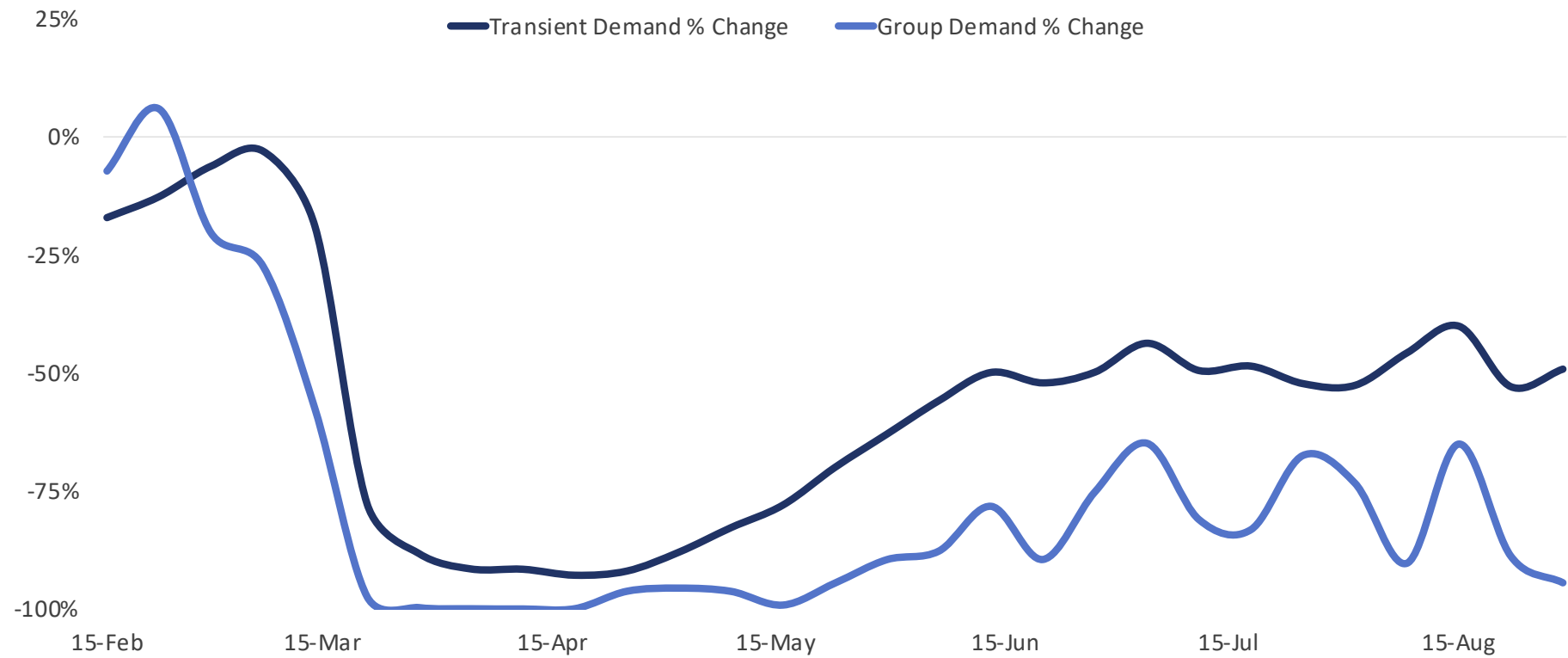


Source: STR. 2020 © CoStar Realty Information, Inc.

There are no groups

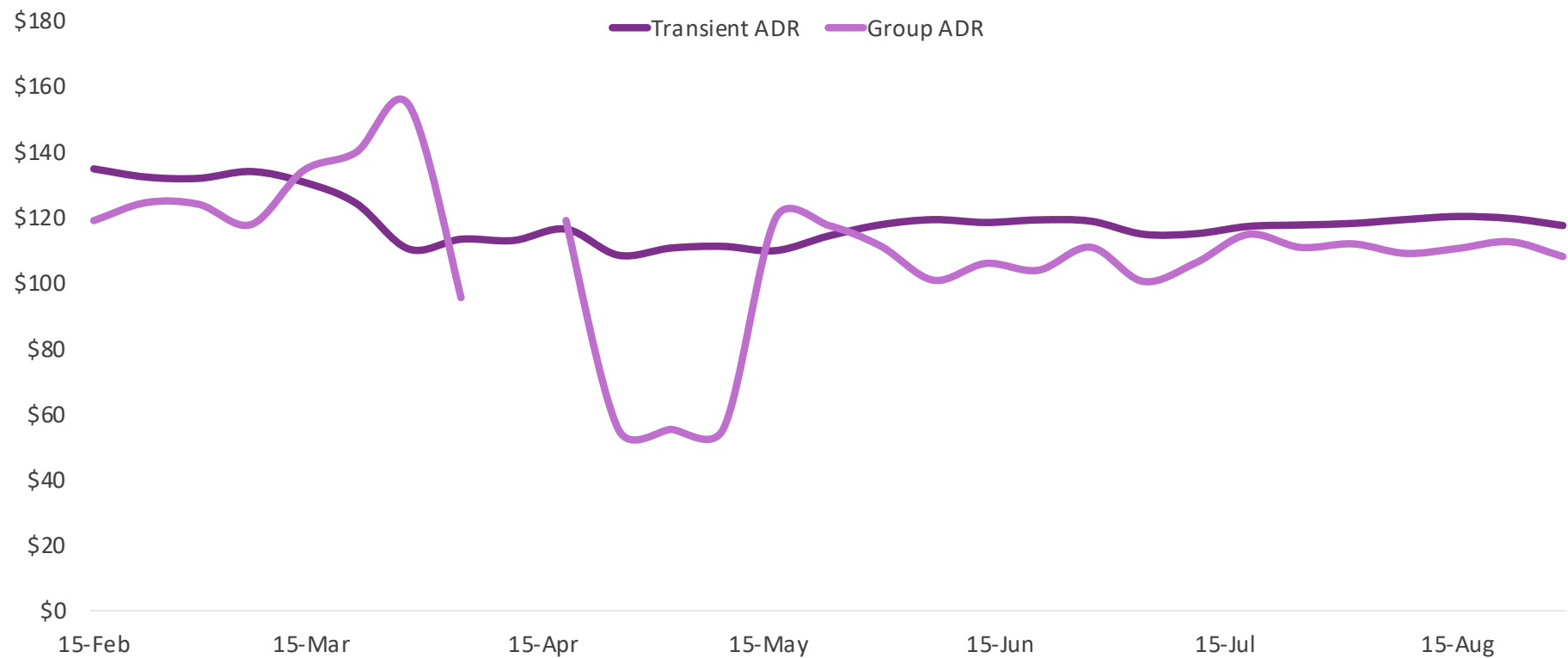
Oklahoma City, OK weekly demand % change from prior year, Luxury and Upper Upscale classes, 15

February – 29 August, 2020



Transient ADR pretty steady.

Oklahoma City, OK, Weekly ADR, Luxury and Upper Upscale classes, 15 February – 29 August, 2020





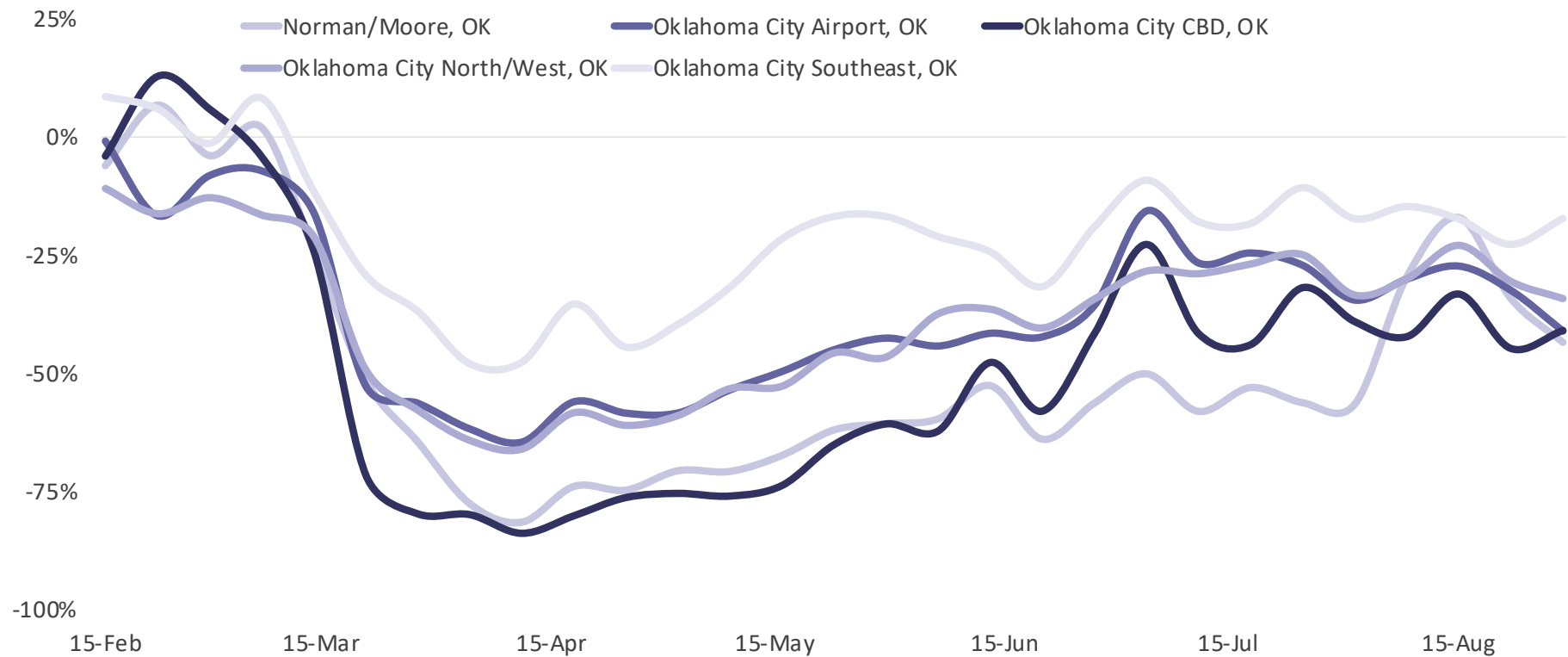
Oklahoma City Submarkets

Source: STR
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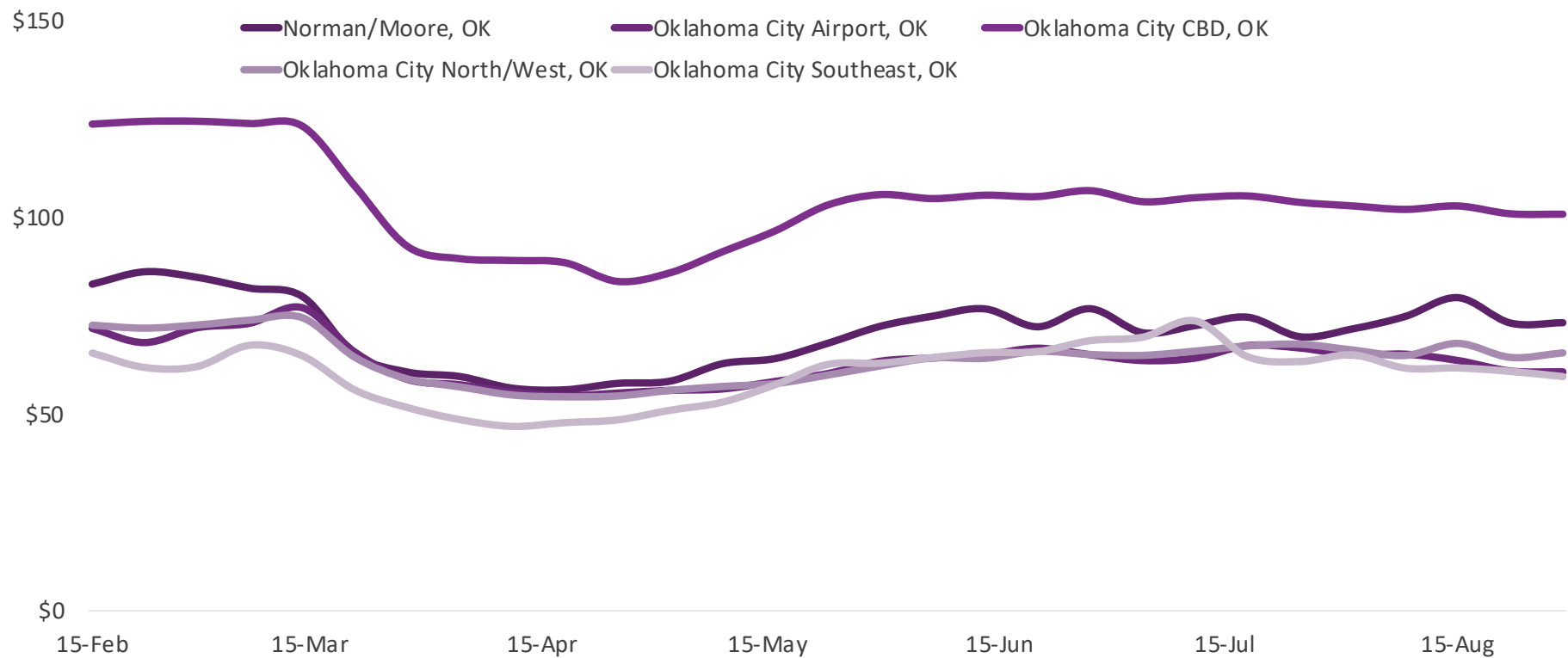
Outlying areas losing less demand

Oklahoma City, OK Submarkets, weekly demand % change from prior year, 15 February – 29 August, 2020



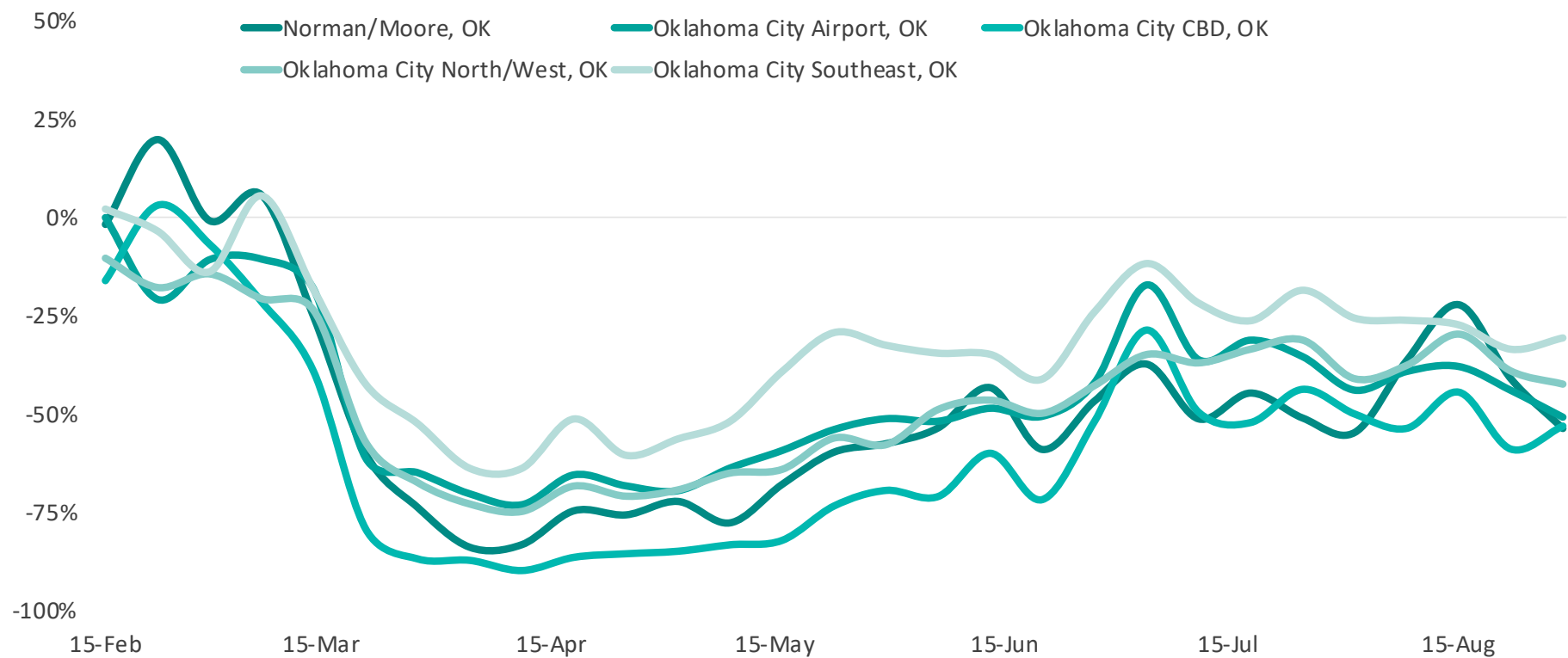
CBD rates can't compare to rest of OKC

Oklahoma City, OK Submarkets, Weekly ADR, 15 February – 29 August, 2020



Not much movement in July, August

Oklahoma City, OK Submarkets, Weekly RevPAR % change from prior year, 15 February – 29 August 2020



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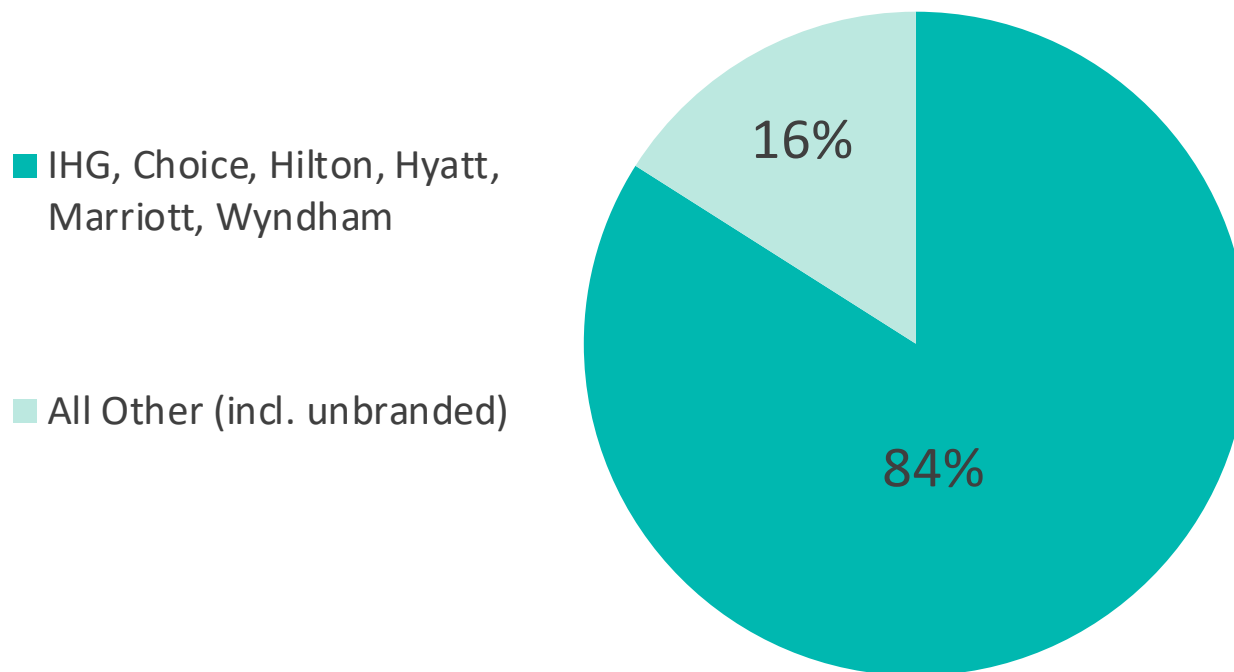
Pipeline

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Wrap Up

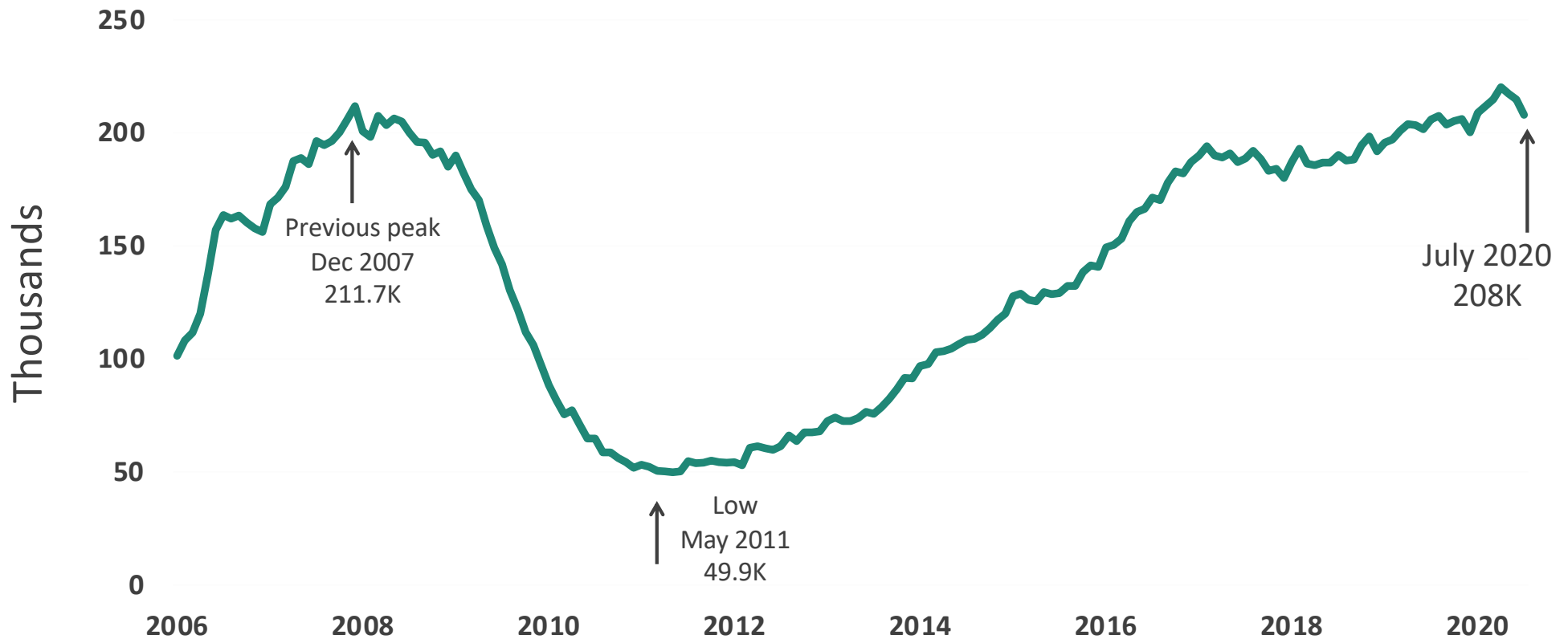
U.S. Active Pipeline: “Big 6” Dominate

Q2 2020



U.S. Hotel Rooms In Construction Peaked in April

January 2006 - July 2020



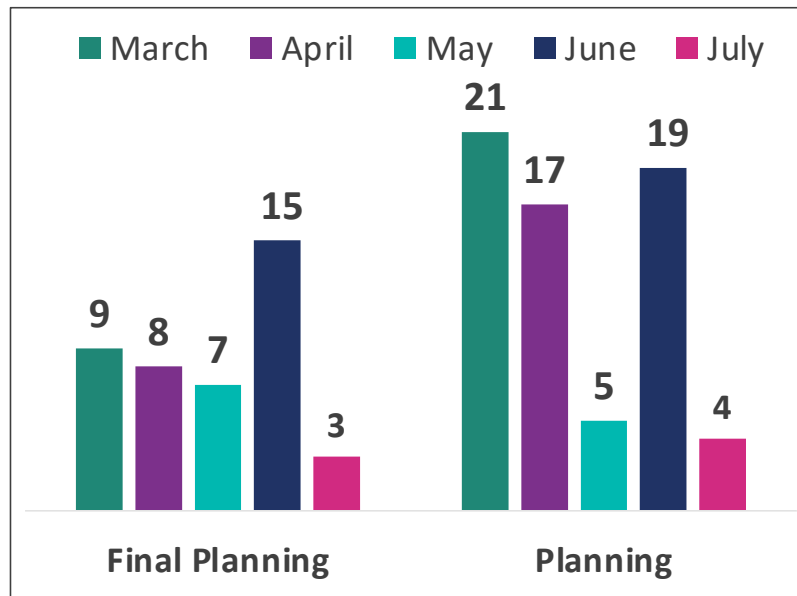
Source: STR. 2020 © CoStar Realty Information, Inc.

Pipeline: Sharp Increase In Deferred Projects

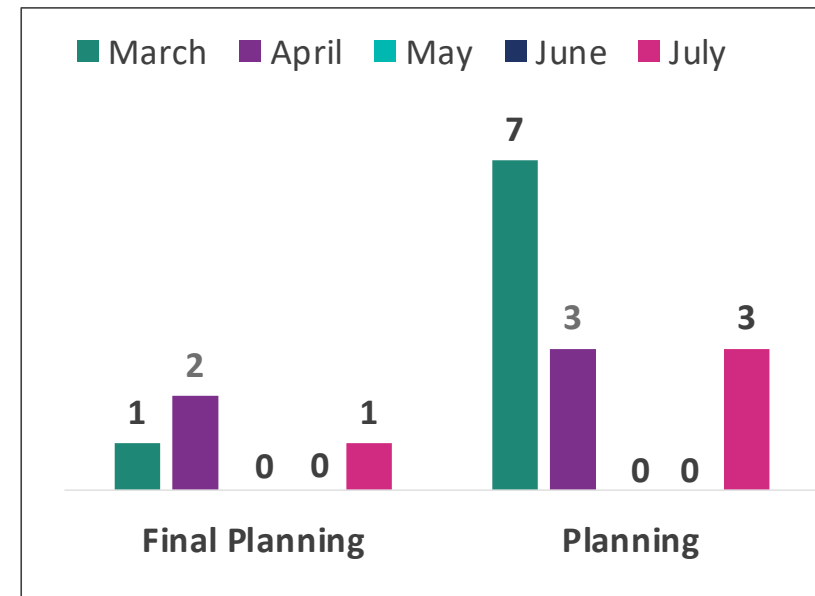
U.S. Pipeline, Move to Deferred & Abandoned from Prior Phase



Projects Move To Deferred from



Projects Move To Abandoned from



Large Markets Grow Rapidly

(Temporary Closed Hotels Increase the %)



Largest % In Top 26 Markets, July 2020

Market	Rooms In Construction	% Of Existing
New York, NY	15,785	18%
Nashville, TN	5,888	12%
Boston, MA	4,071	8%
Las Vegas, NV	9,601	8%
Miami/Hialeah, FL	3,813	8%
Orlando, FL	7,038	7%
Los Angeles/Long Beach, CA	7,102	7%
Denver, CO	3,209	6%
Detroit, MI	2,604	6%
Dallas, TX	5,366	6%

Oklahoma State Pipeline Summary



<u>Hotel Type</u>	<u>In Construction</u>	<u>Final Planning</u>	<u>Planning</u>	<u>Unconfirmed</u>
Luxury				
Upper Upscale	4	1	1	
Upscale	3	2	2	
Upper Midscale	5	19	17	
Midscale	5	7	8	
Economy			2	
Independent	2		1	
Total	19	29	31	-
<u>Hotel Rooms</u>	<u>In Construction</u>	<u>Final Planning</u>	<u>Planning</u>	<u>Unconfirmed</u>
Luxury				
Upper Upscale	1,071	110	200	
Upscale	326	191	246	
Upper Midscale	371	1,732	1,574	
Midscale	349	592	592	
Economy			80	
Independent	245		109	
Total	2,362	2,625	2,801	-

Source: STR. 2020 © CoStar Realty Information, Inc. 50⁵⁰

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U.S. Forecast (as of August 13)

Key Performance Indicators (% Change vs. Prior Year)

2019 – 2020F – 2021F

Outlook			
Metric	2019 Actual	2020 Forecast	2021 Forecast
Supply	+2.0%	-3.7%	+5.8%
Supply (Total Room Inventory) *	+2.0%	+1.4%	+1.3%
Demand	+1.9%	-38.9%	+32.2%
Occupancy *	-0.1%	-39.7%	+30.5%
ADR	+0.9%	-20.9%	+5.6%
RevPAR *	+0.8%	-52.3%	+37.9%

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

Source: STR
2020 © CoStar Realty Information, Inc. 52

U.S. Forecast (as of August 13)

Key Performance Indicators

2019 – 2020F – 2021F

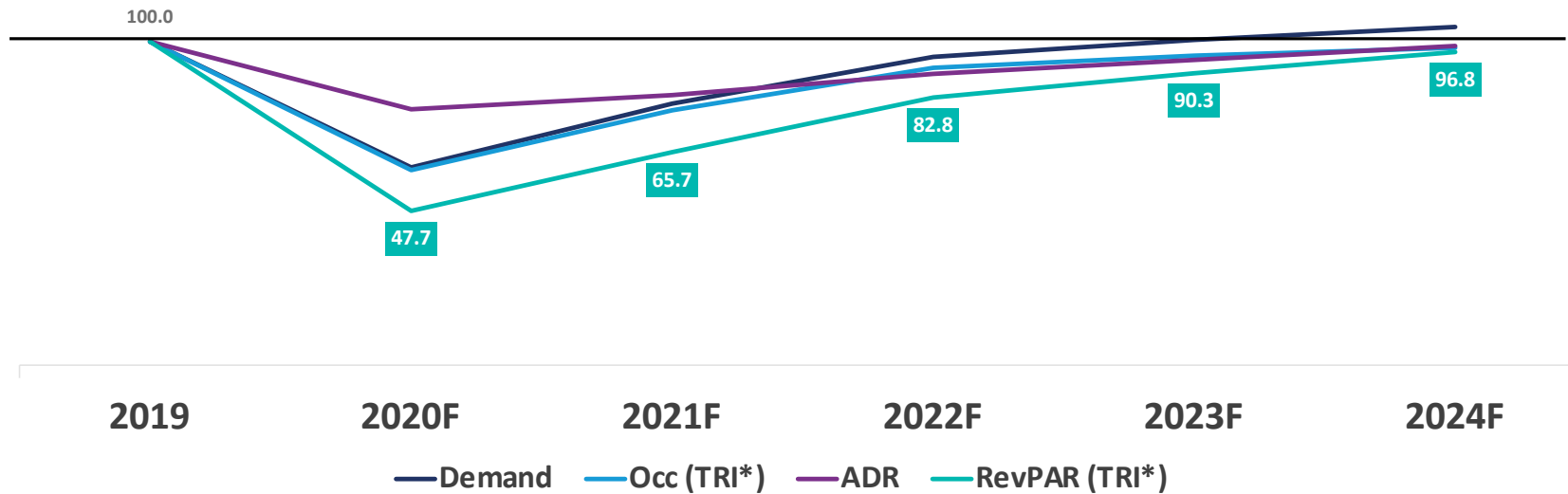
Metric	2019 Actual	2020 Forecast	2021 Forecast
Occupancy *	66.1%	39.8%	52.0%
ADR	\$131.13	\$103.71	\$109.56
RevPAR *	\$86.64	\$41.31	\$56.95

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

U.S. Forecast: COVID-19 Recovery Scenario

Indexed to end of 2019

2020F – 2024F



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

2020 & 2021 Forecast

Oklahoma Area Market as of September 2020



Oklahoma Area Market Forecast				
	2020 Forecast	% Change	2021 Forecast	% Change
Occupancy*	37.7%	-26.3%	42.3%	12.0%
ADR	\$71	-7.2%	\$72	1.9%
RevPAR*	\$27	-31.6%	\$30	14.1%

*Assumes Total-Room-Inventory which does not account for temporary hotel closures.

Source: STR. 2020 © CoStar Realty Information, Inc. 555

2020 & 2021 Forecast

Tulsa, OK Market as of September 2020



Tulsa, OK Market Forecast				
	2020 Forecast	% Change	2021 Forecast	% Change
Occupancy*	38.9%	-31.9%	46.2%	18.6%
ADR	\$72	-12.0%	\$72	0.2%
RevPAR*	\$28	-40.0%	\$33	18.9%

*Assumes Total-Room-Inventory which does not account for temporary hotel closures.

2020 & 2021 Forecast

Oklahoma City, OK Market as of September 2020



Oklahoma City, OK Market Forecast				
	2020 Forecast	% Change	2021 Forecast	% Change
Occupancy*	39.8%	-34.4%	50.1%	25.9%
ADR	\$71	-14.4%	\$75	6.0%
RevPAR*	\$28	-43.9%	\$38	33.4%

*Assumes Total-Room-Inventory which does not account for temporary hotel closures.

Source: STR. 2020 © CoStar Realty Information, Inc. 57



Takeaway

01

Recovery from this downturn will be dictated by both economic factors and health and safety concerns.

Takeaway

02

Due to the severity of this downturn, the industry's recovery is projected to take longer than recoveries from previous downturns.

Takeaway

03

Hotels/Destinations well-poised to a quicker recovery are those without a strong reliance on group or international demand. Drive-to markets and those that see much stronger weekend occupancies may see demand return quicker.

Takeaway

04

Hotels with smaller rate declines last downturn saw a shorter downturn and faster recovery than those with larger rate declines.

Takeaway

05

Stress-testing your hotel's financial performance in the recovery will be crucial to your success.



Thank you!!



HOTEL DATA
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