



# 2020 Review and 2021 Forecasting Luncheon

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 **Benchmarking**  
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# Agenda – Sept 8<sup>th</sup> 2020



1 U.S. Overview

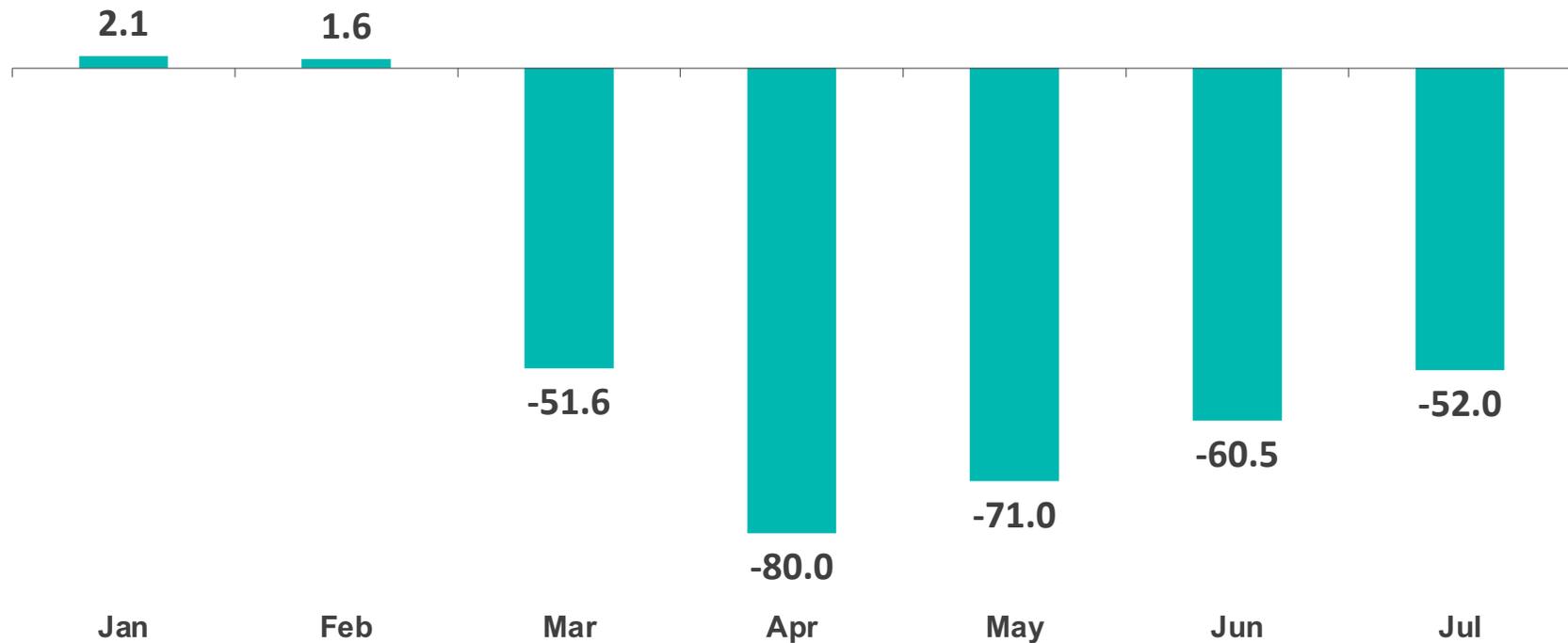
2 Oklahoma Market Overview

3 Pipeline

4 Wrap Up

# 2020 RevPAR Declines: Slowly Getting Better

Total U.S., by Month, 2020



# Occ Drops Second Consecutive Week

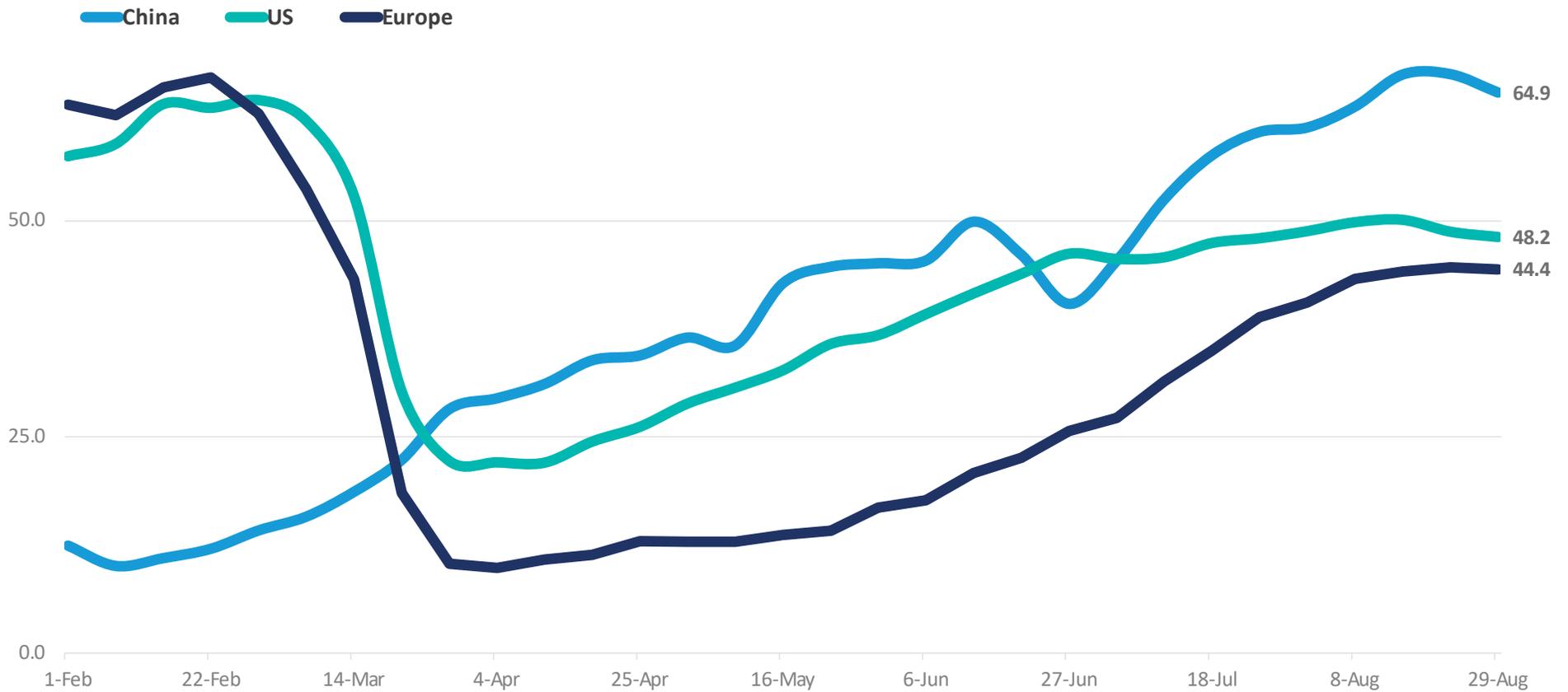
Total U.S. Occupancy %, Week ending August 29



48.2%

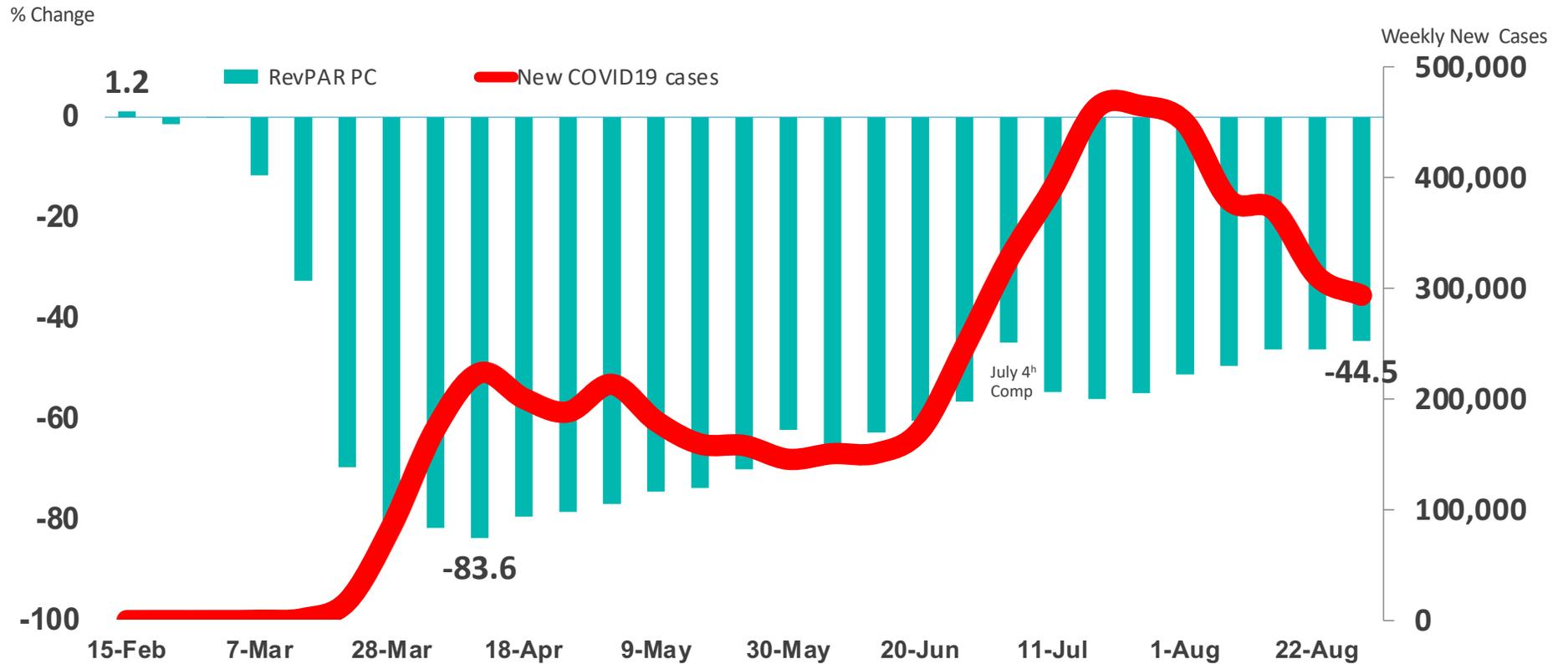
# Has Global Occupancy Growth Stalled?

## Absolute Occ %, Select Areas



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

# Weekly RevPAR % Change and New COVID19 Cases Total U.S., by Week



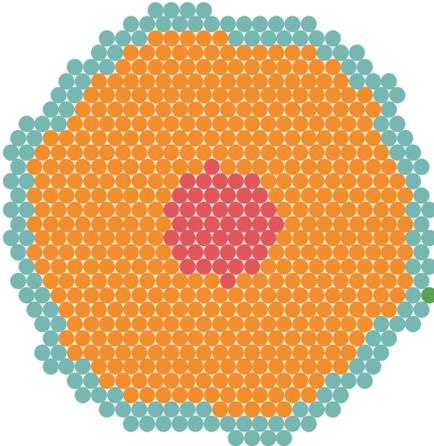
# U.S. Submarkets Slowly Seeing Occupancy Gains

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

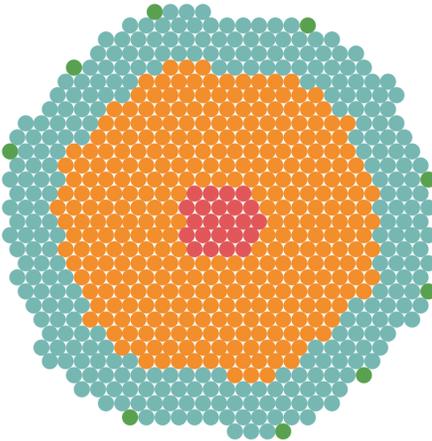


● <25%   ● >25%-50%   ● >50%-75%   ● >75%-100%

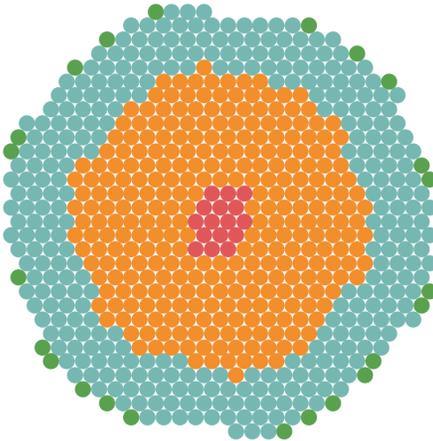
R7 until 13 May



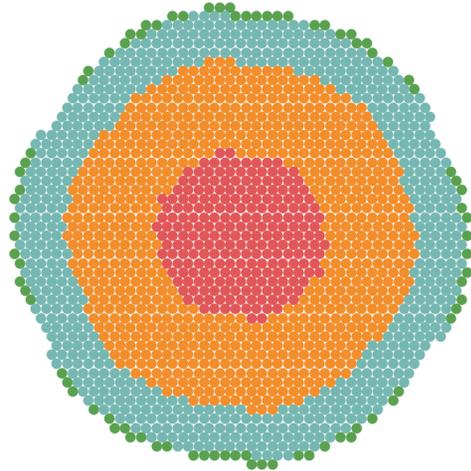
R7 until 18 July



R7 until 15 August

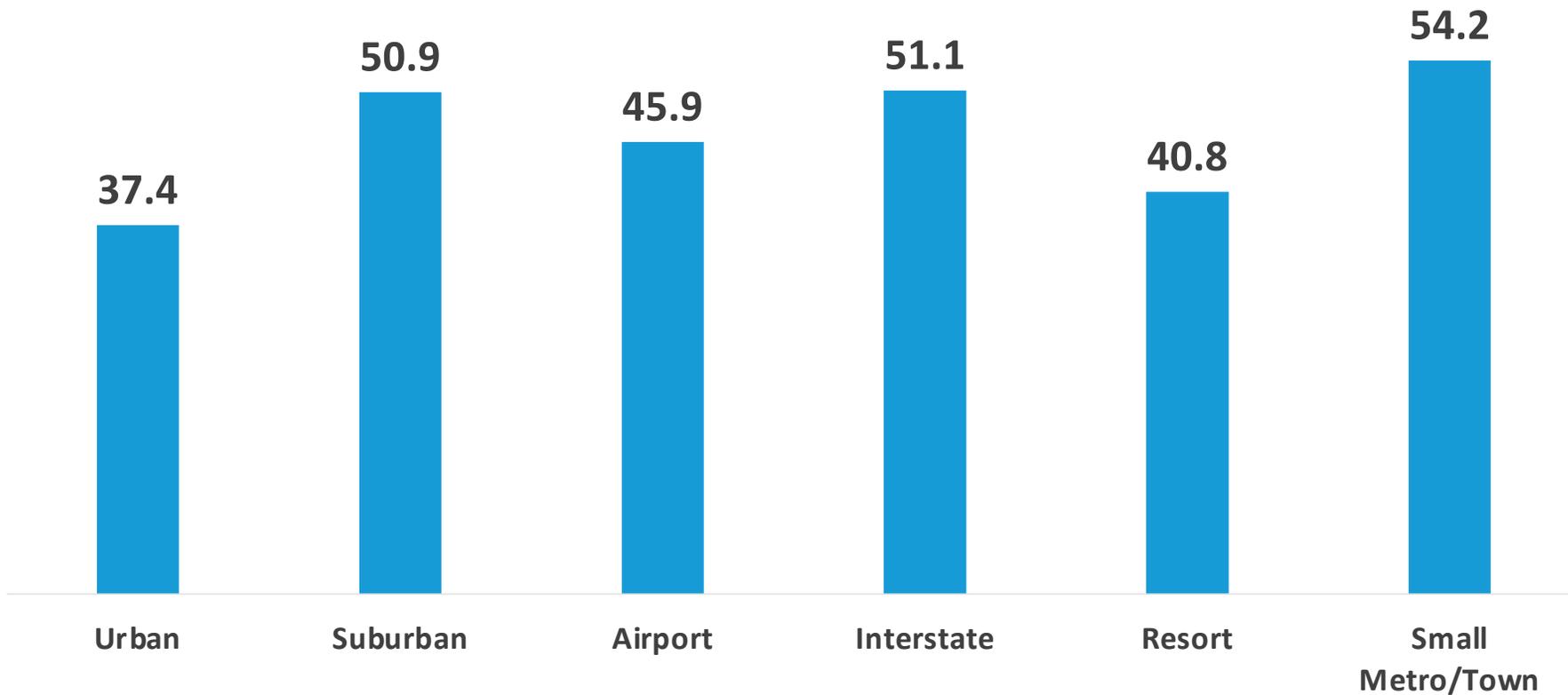


R7 until 29 August



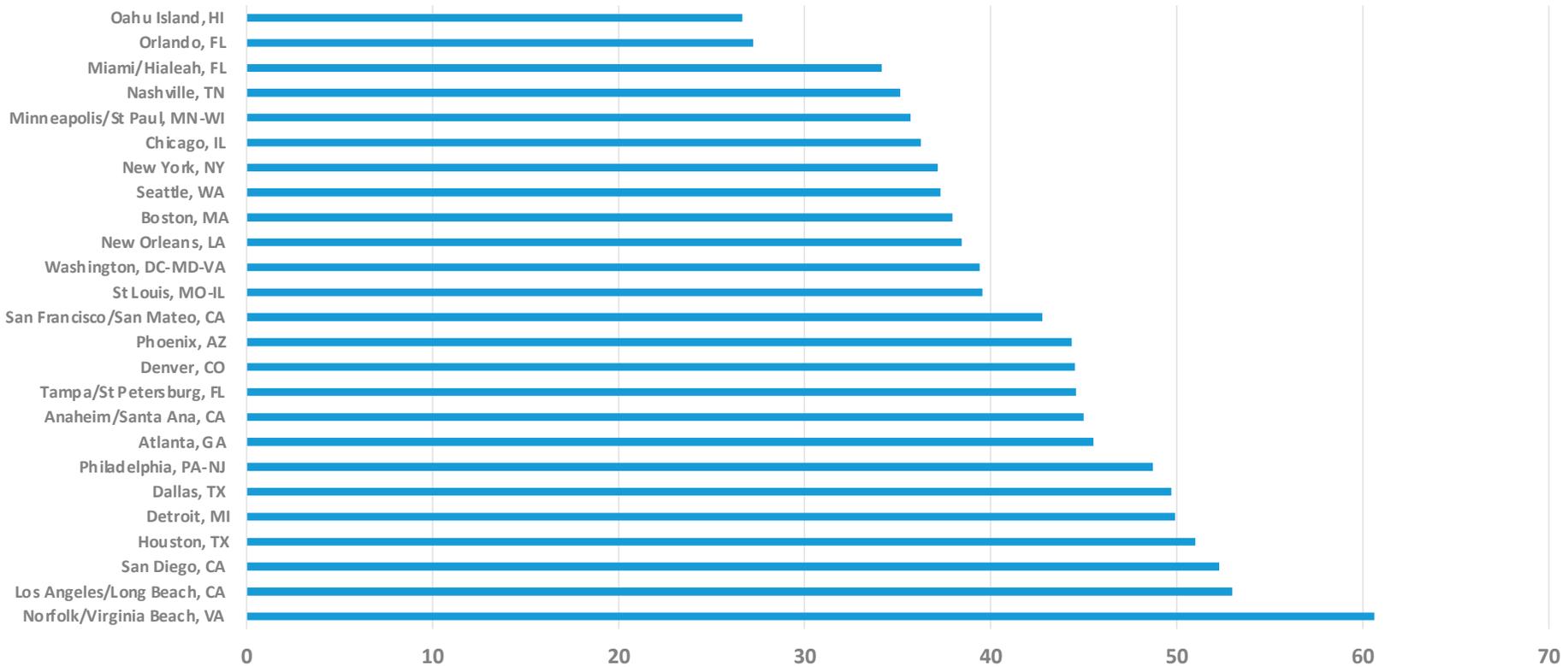
## Location: Week over Week Only Urban Gained (+0.3%pts)

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



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

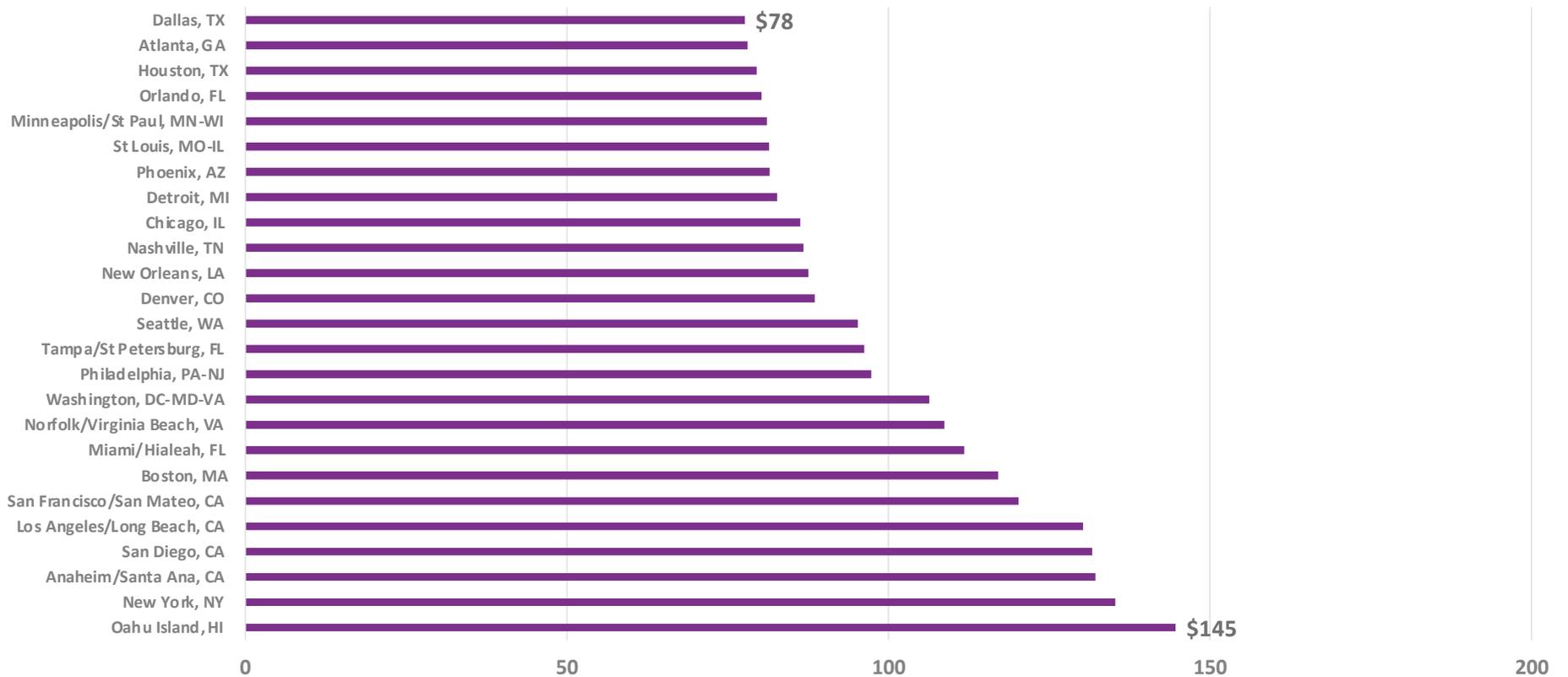
## Occupancy %, Week ending August 29



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

# Agenda – Sept. 8<sup>th</sup> 2020



1 U.S. Overview

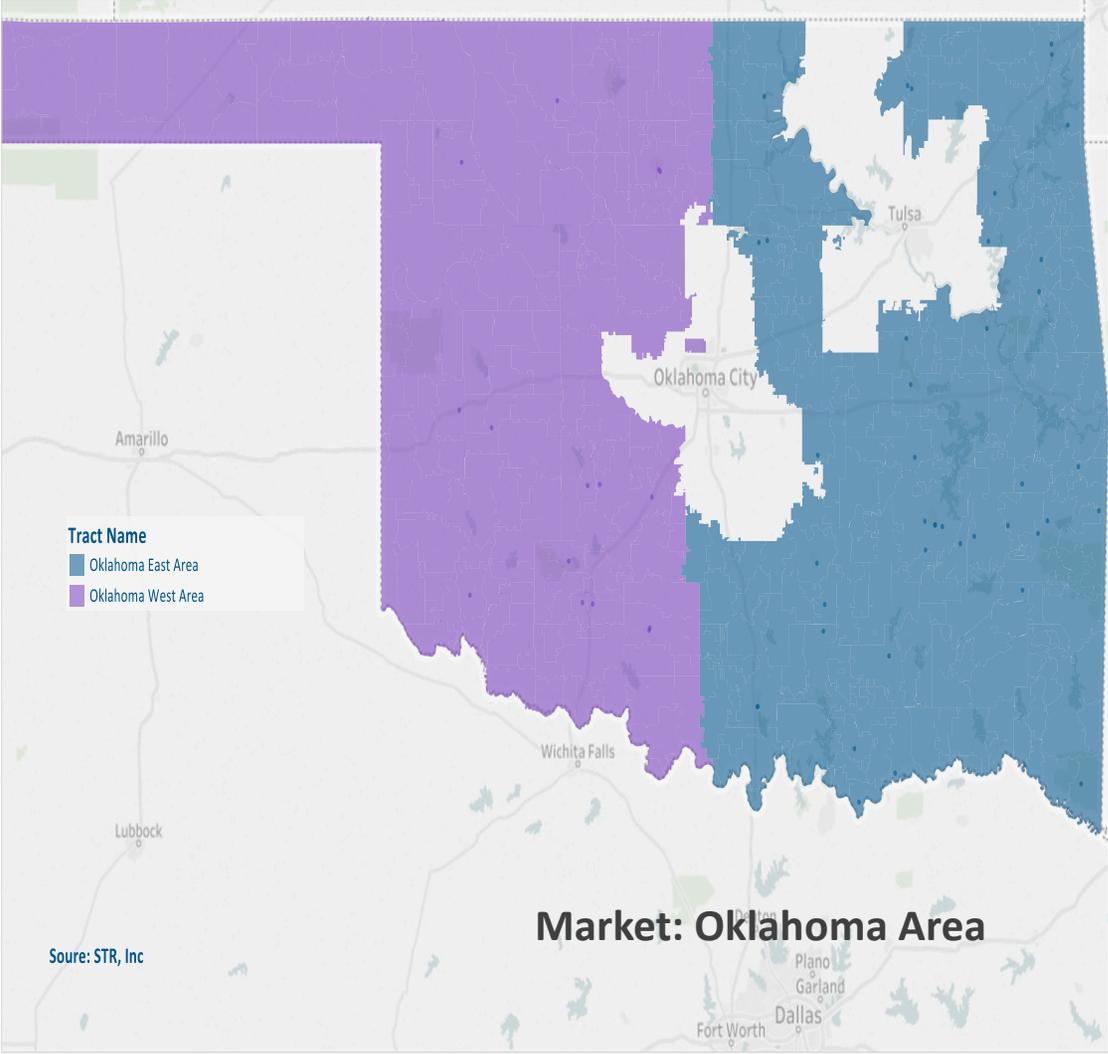
**2 Oklahoma Market Overview**

3 Pipeline

4 Wrap Up

**July 2020 YTD**

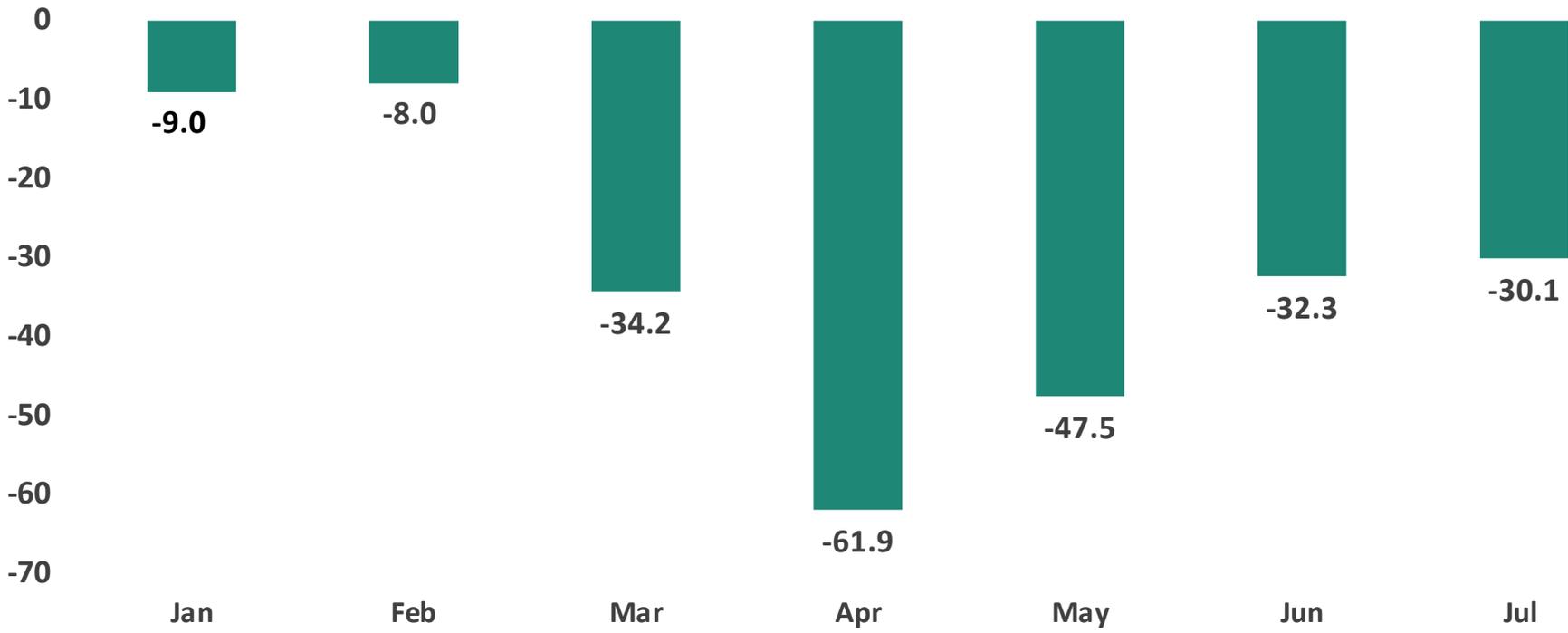
Hotels: 479  
Rooms: 30,033  
Sample: 56%





# 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

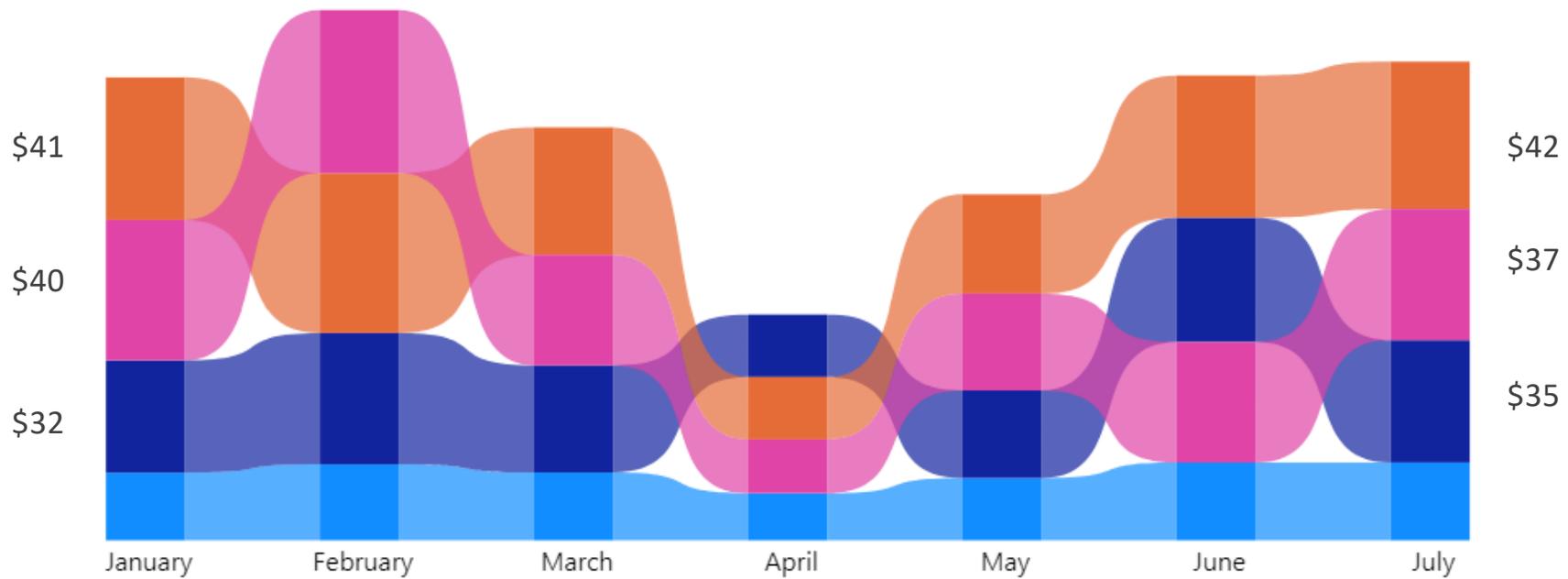


		% Change
Room Supply		-1.0
Room Demand		-28.1
Occupancy	39%	-27.3
ADR	\$70	-8.0
RevPAR	\$27	-33.1
Room Revenue		-33.8

# Oklahoma Area Monthly RevPAR \$ by Class



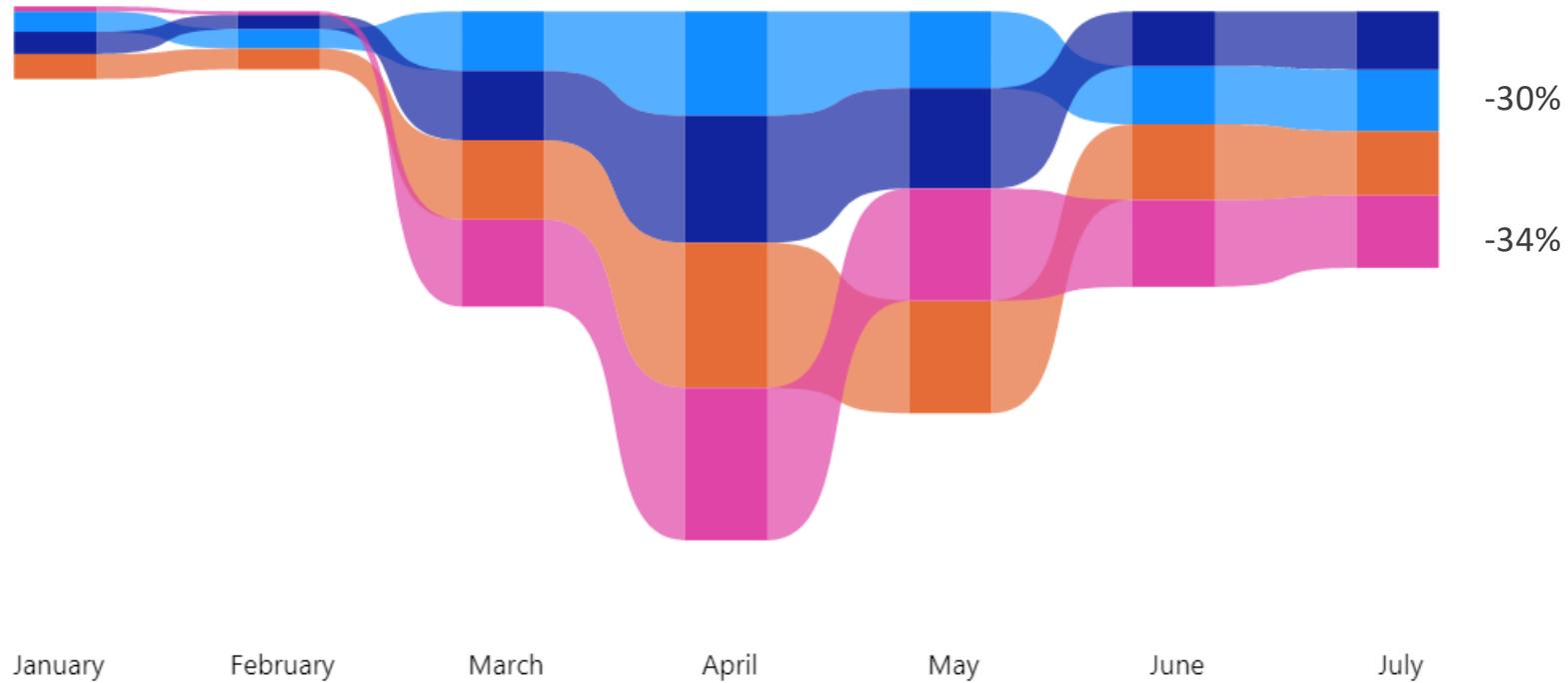
● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



# Oklahoma Area Monthly RevPAR % Growth by Class

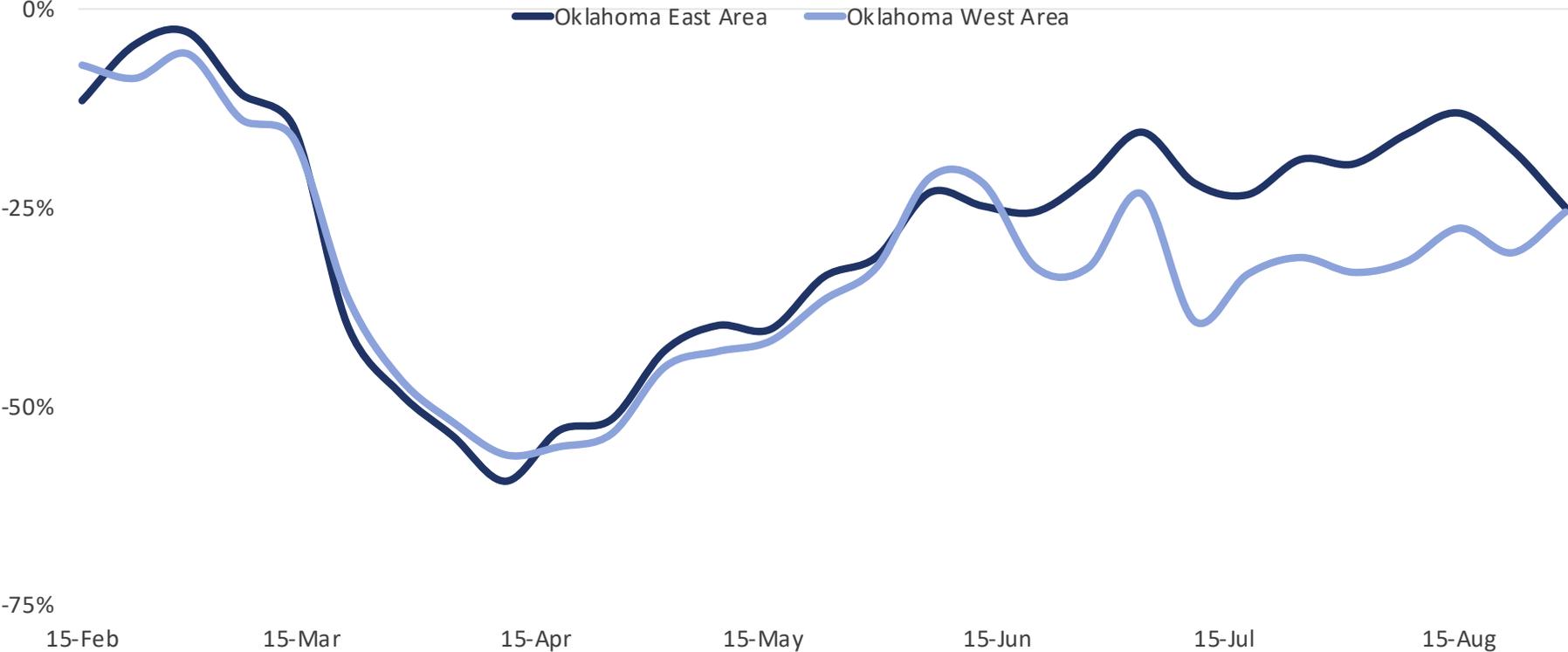


● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



# East outpaces West in recovery

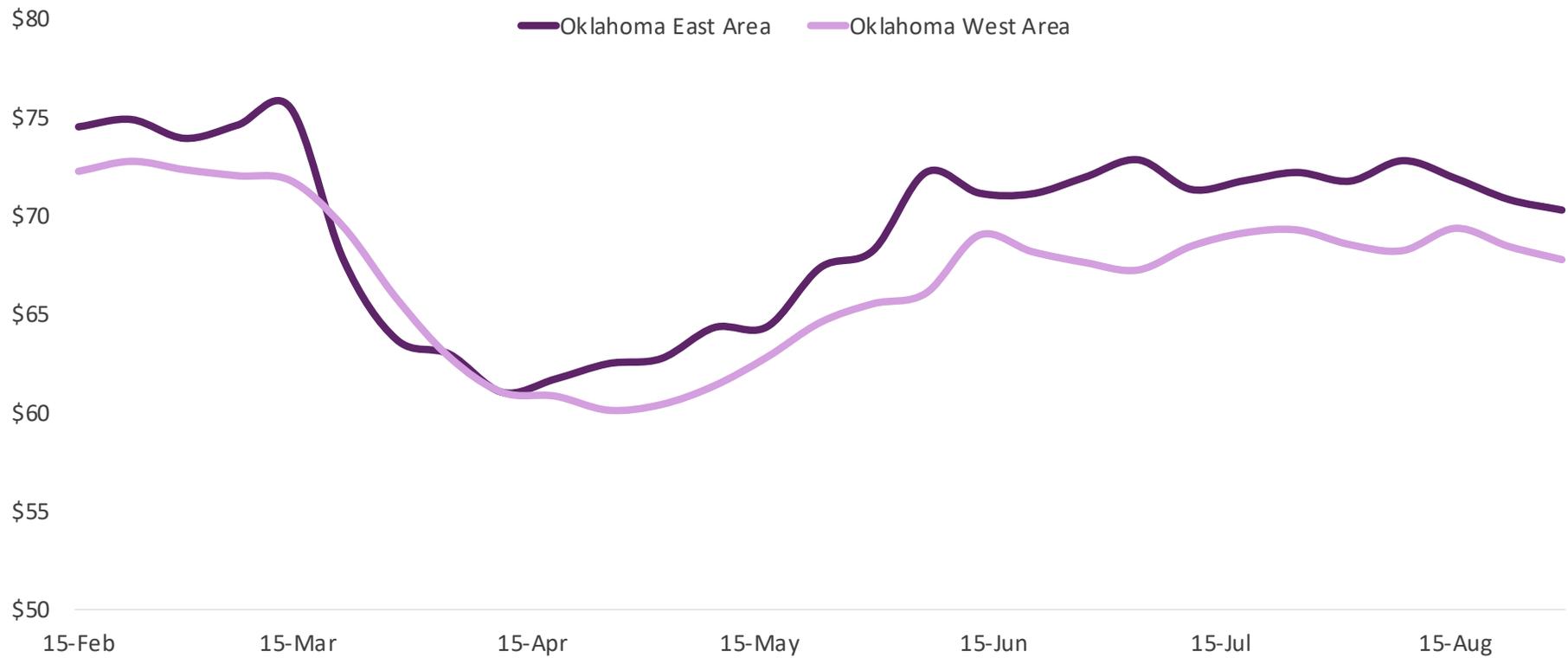
Oklahoma Area Submarkets, weekly demand % change from prior year, 15 February – 29 August 2020



Source: STR. 2020 © CoStar Realty Information, Inc. 18<sup>18</sup>

# OK West rates struggle to gain ground

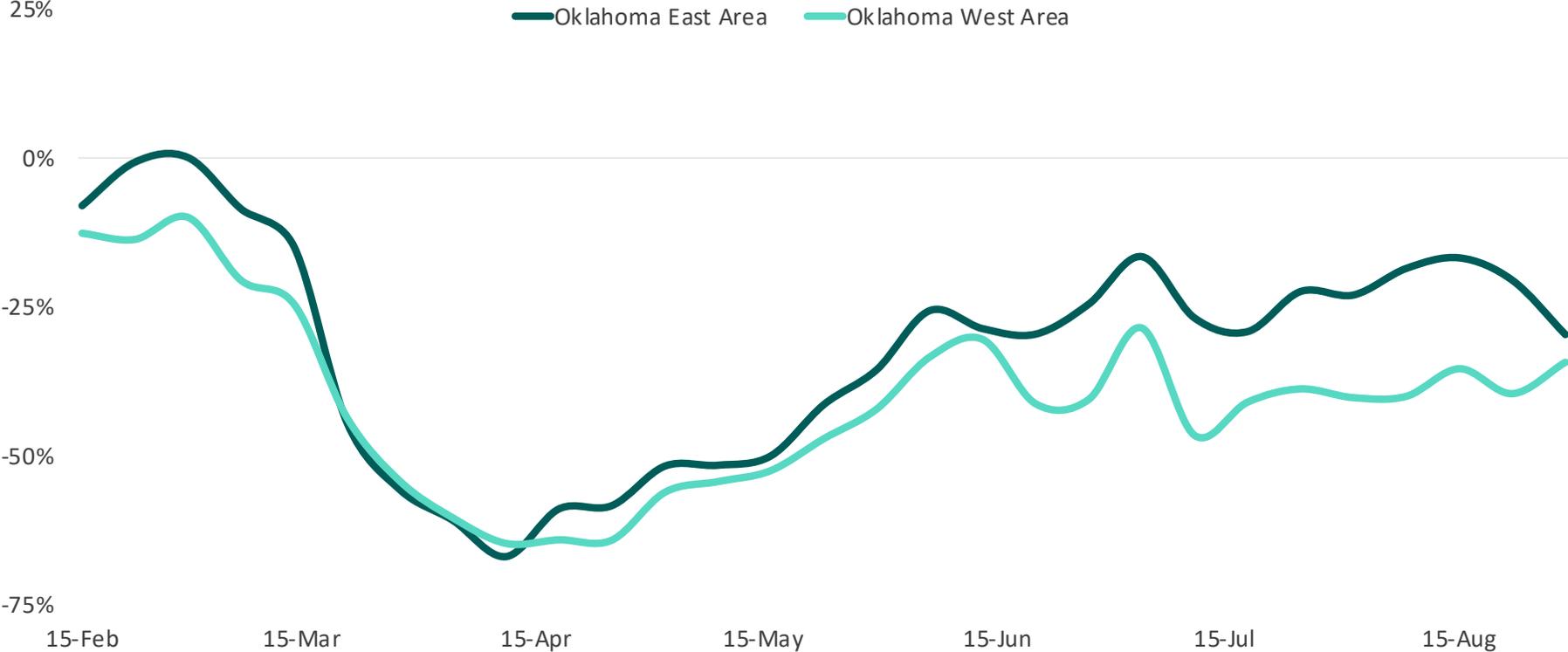
Oklahoma Area Submarkets, Weekly ADR, 15 February – 29 August 2020



# RevPAR: Rural areas down only 29% from 2019



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



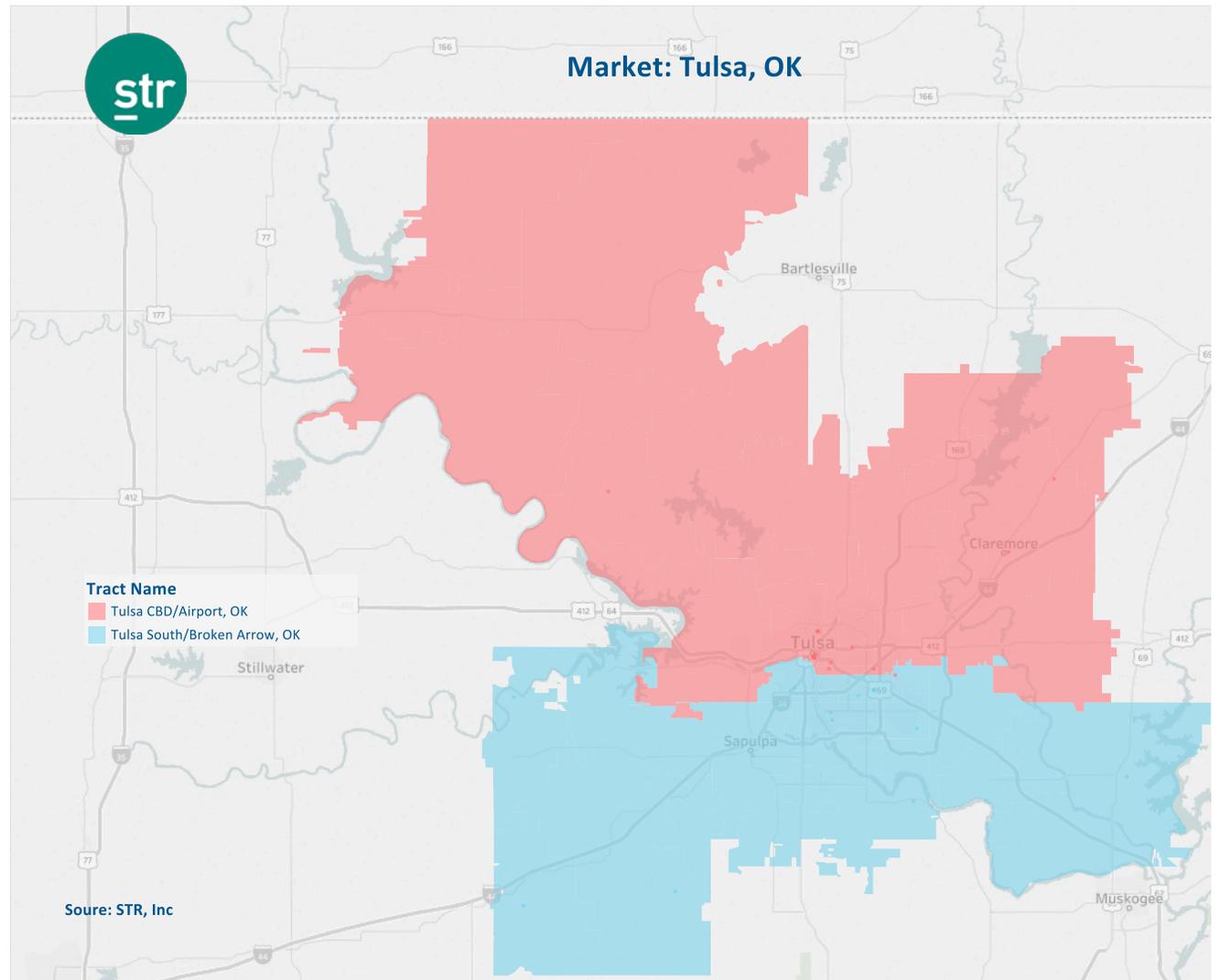
Source: STR. 2020 © CoStar Realty Information, Inc. 20<sup>20</sup>

**July 2020 YTD**

Hotels: 177

Rooms: 17,012

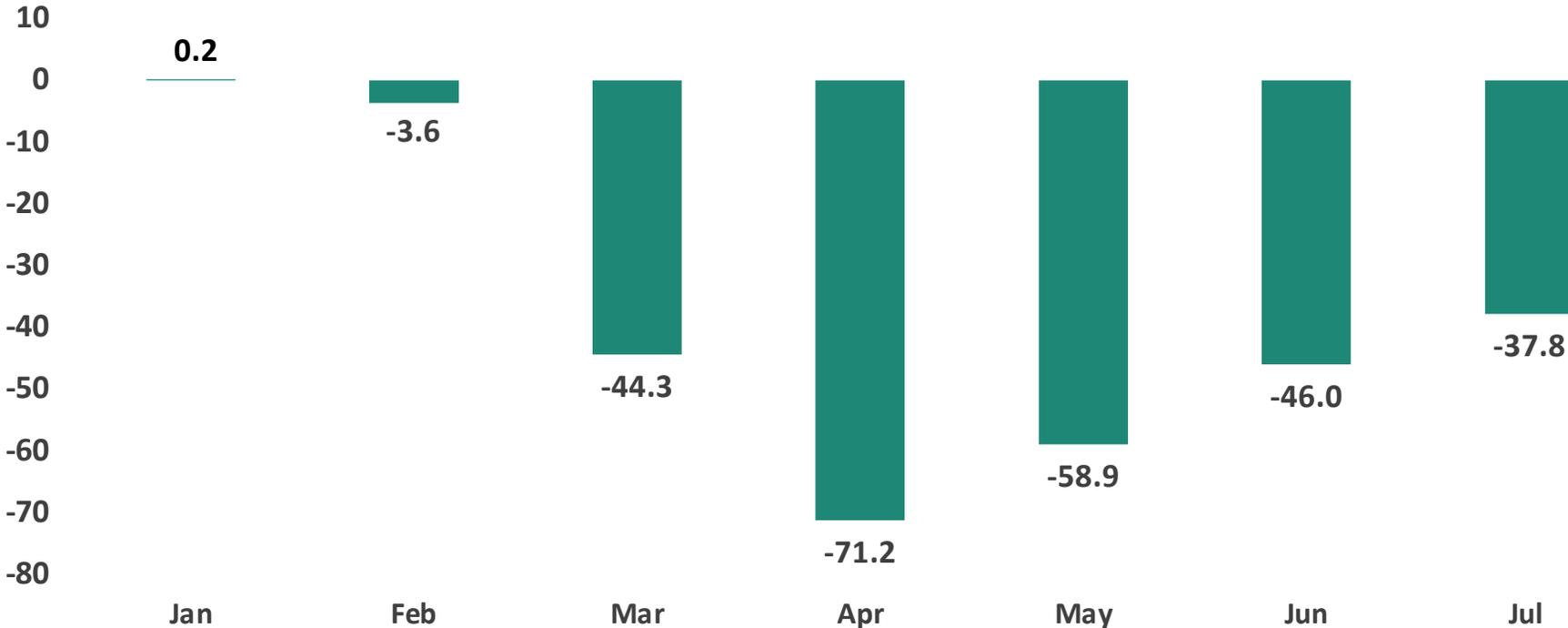
Sample: 82%





# April was rock bottom for Tulsa Market

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



Source: STR 2020 © CoStar Realty Information, Inc.

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

Tulsa Market YTD July 2020

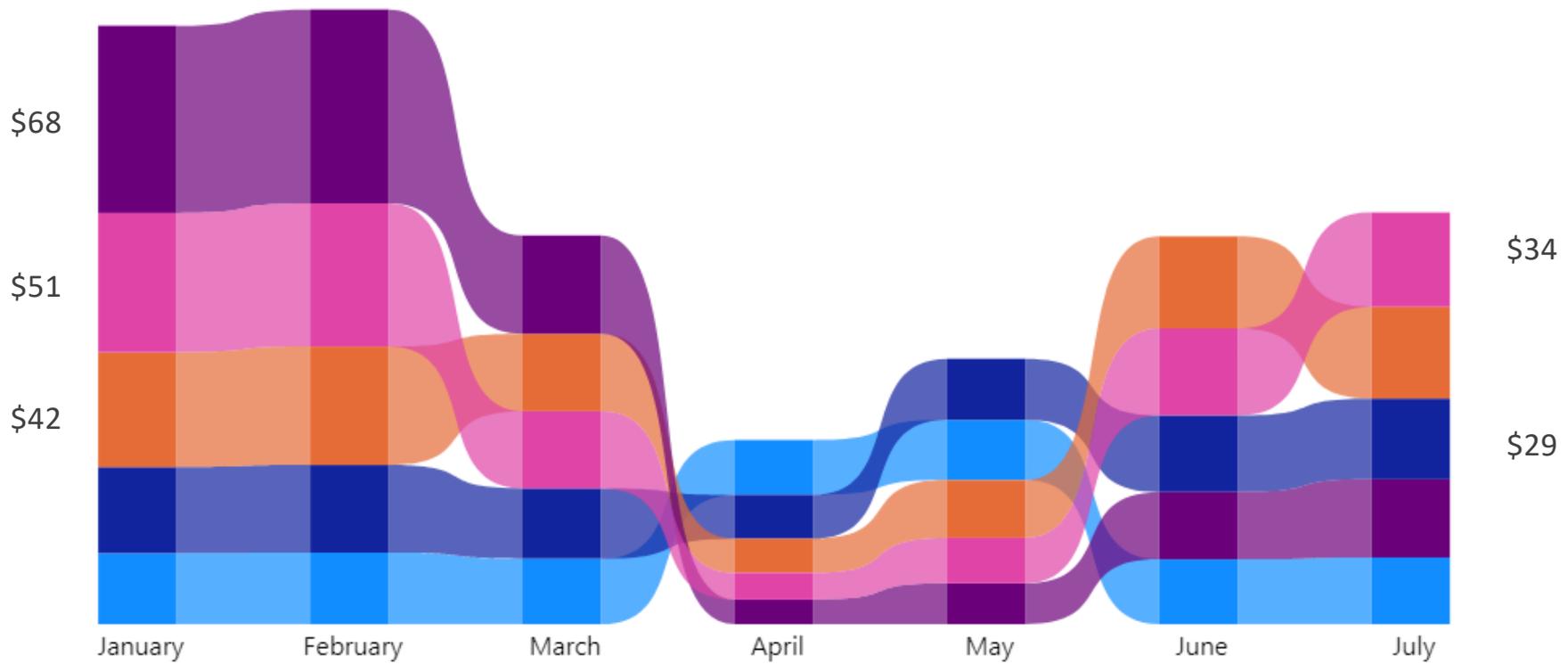


		% Change
Room Supply		-1.0
Room Demand		-32.1
Occupancy	40%	-31.3
ADR	\$73	-10.0
RevPAR	\$30	-38.2
Room Revenue		-38.9

# Tulsa Market Monthly RevPAR \$ by Class

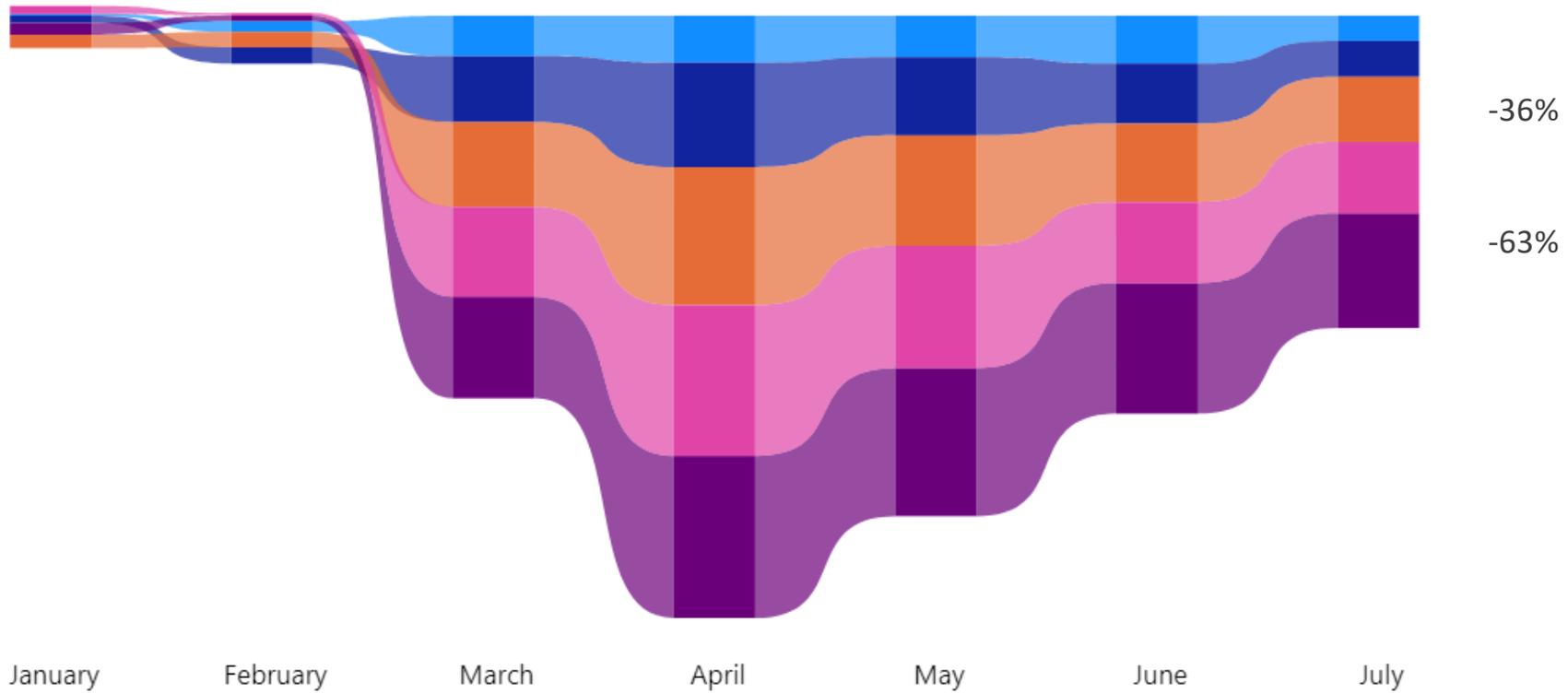


● Upper Upscale Class ● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



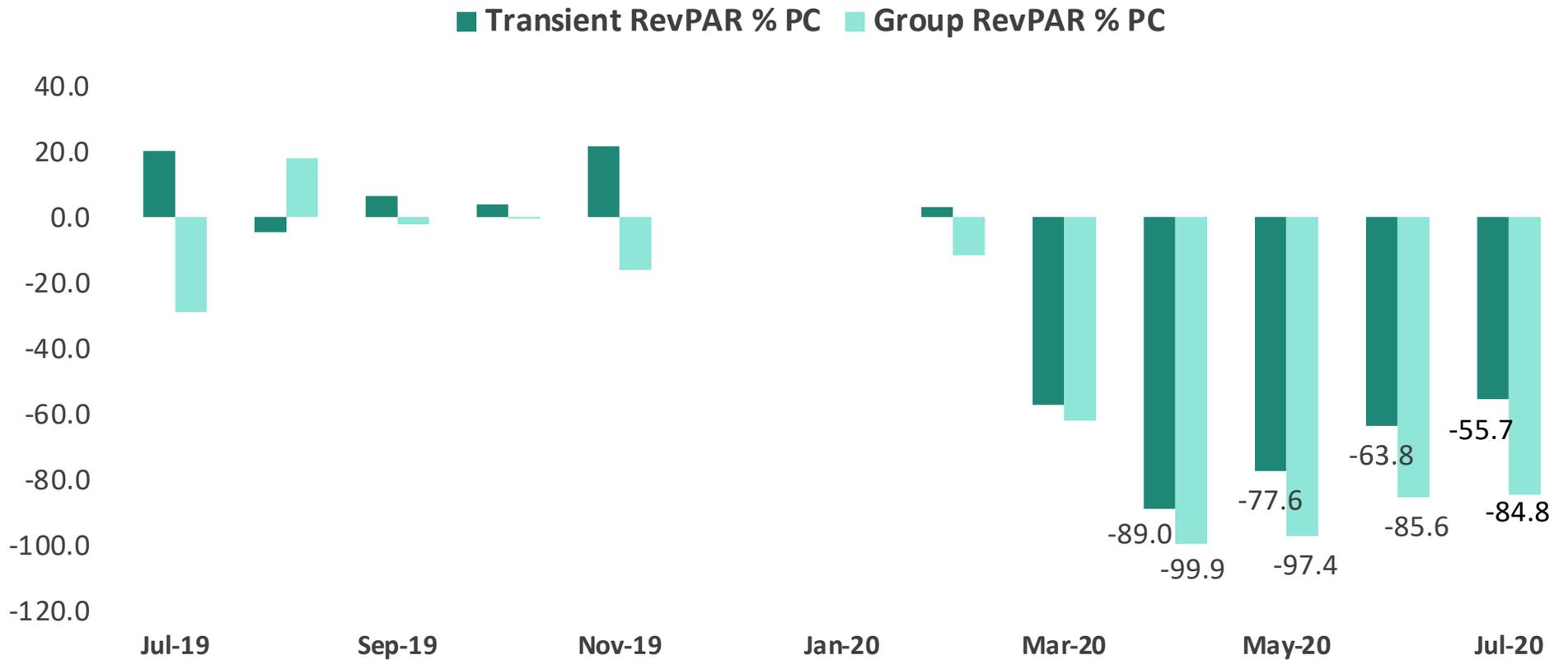
# Tulsa Market Monthly RevPAR Growth by Class

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



# Tulsa Market: Little to No Group

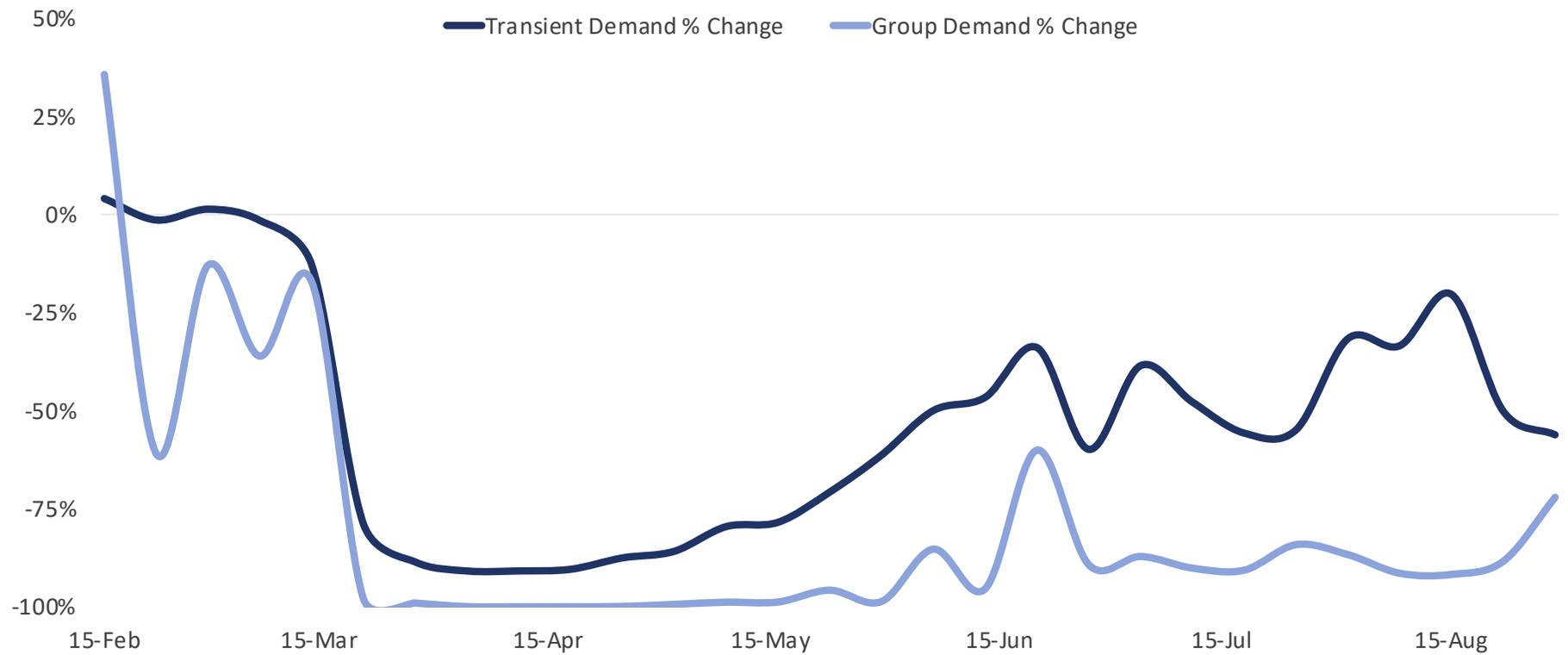
RevPAR % change last 13 Months



# Summer travel demand leveling off?

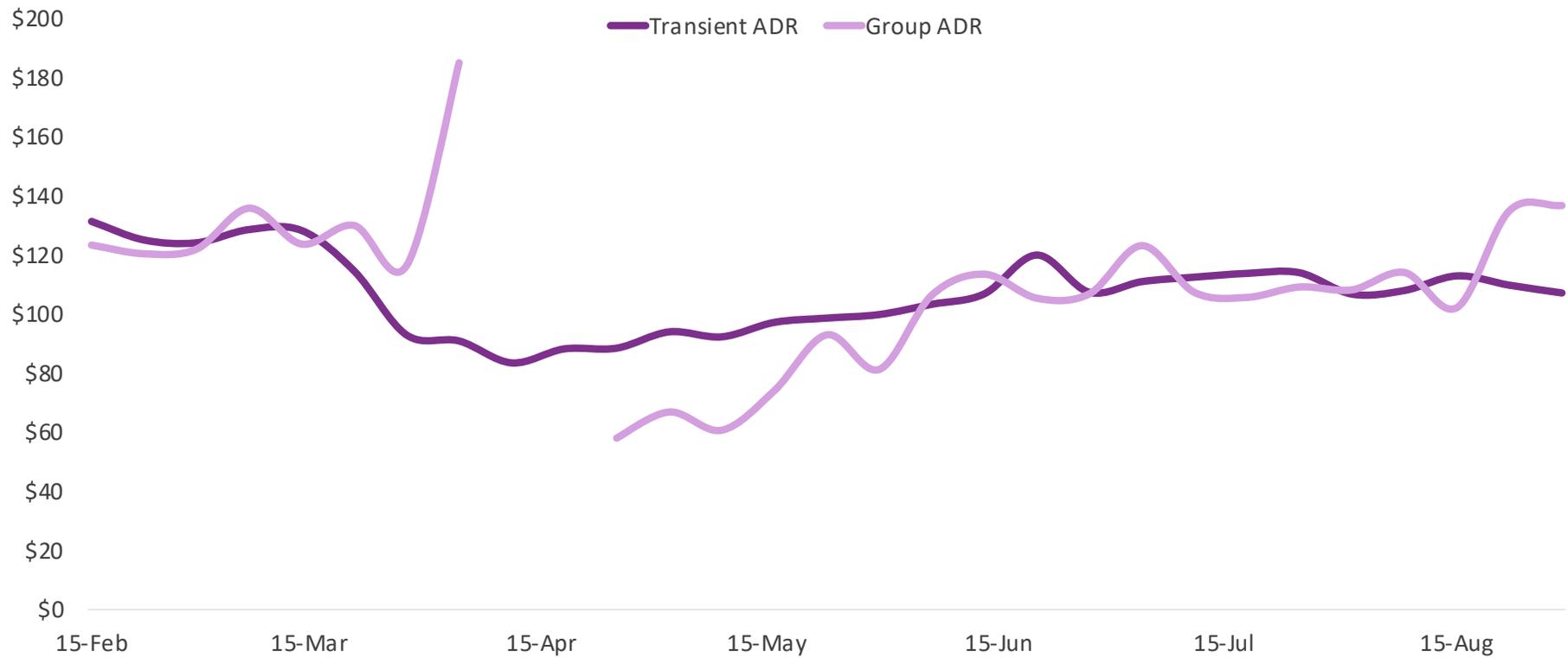


Tulsa, OK weekly demand % change from prior year, Luxury and Upper Upscale classes, 15 February – 29 August, 2020



# Group rates show some life in August

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





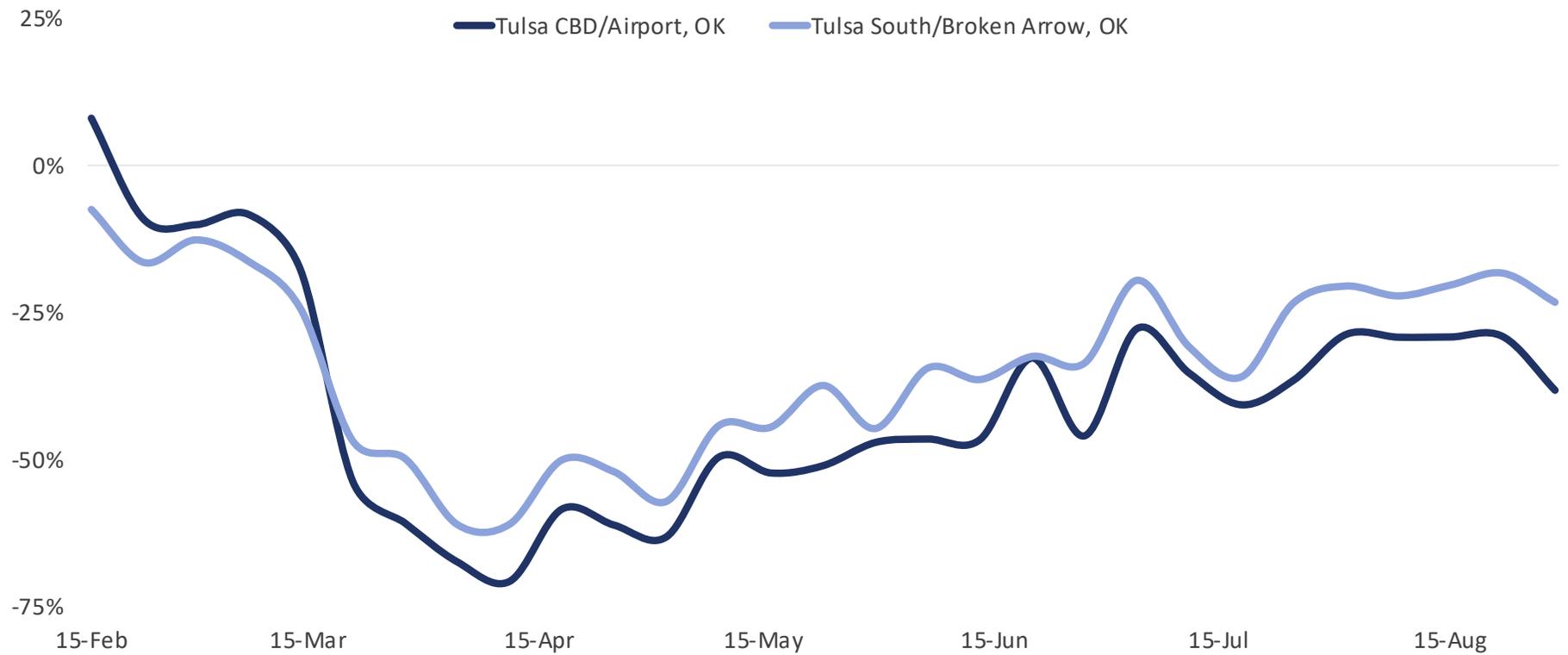
# Tulsa Submarkets

Source: STR  
2020 © CoStar Realty Information, Inc.

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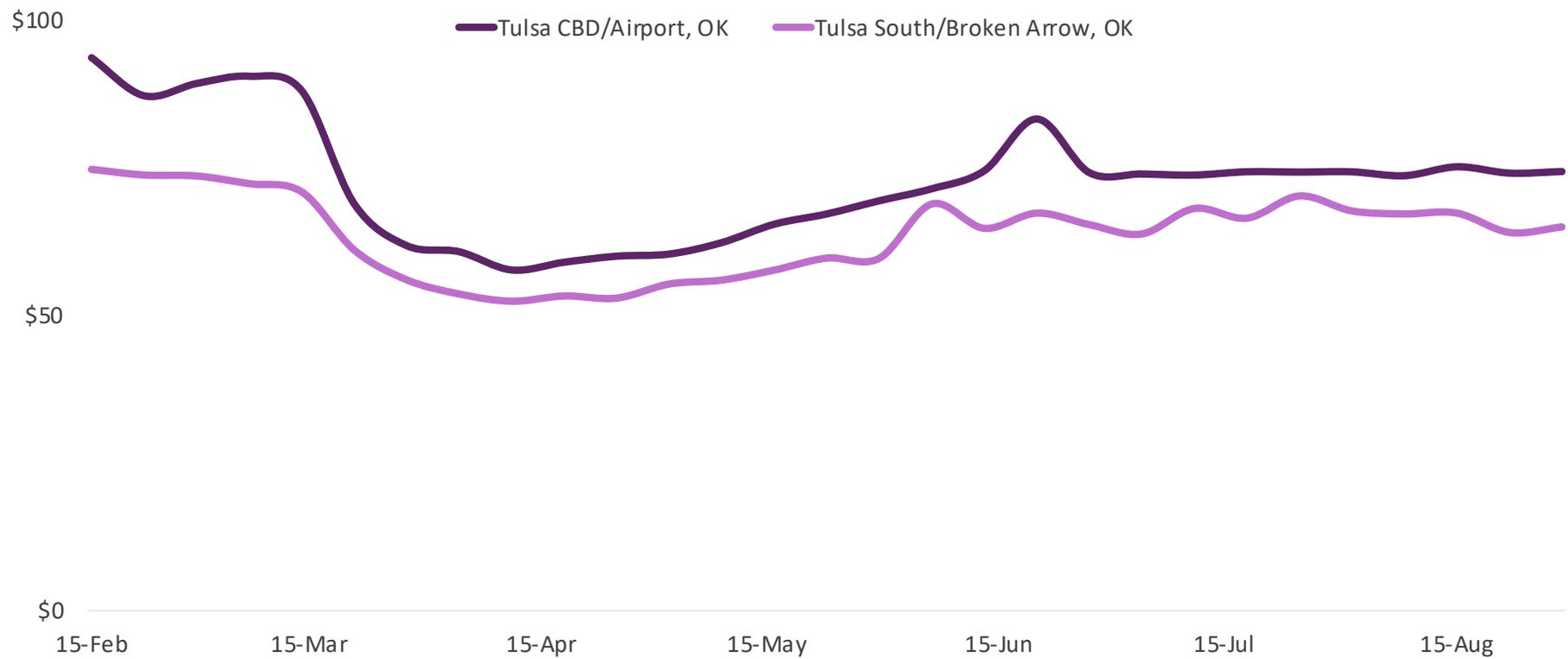
# CBD recovery lags market

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



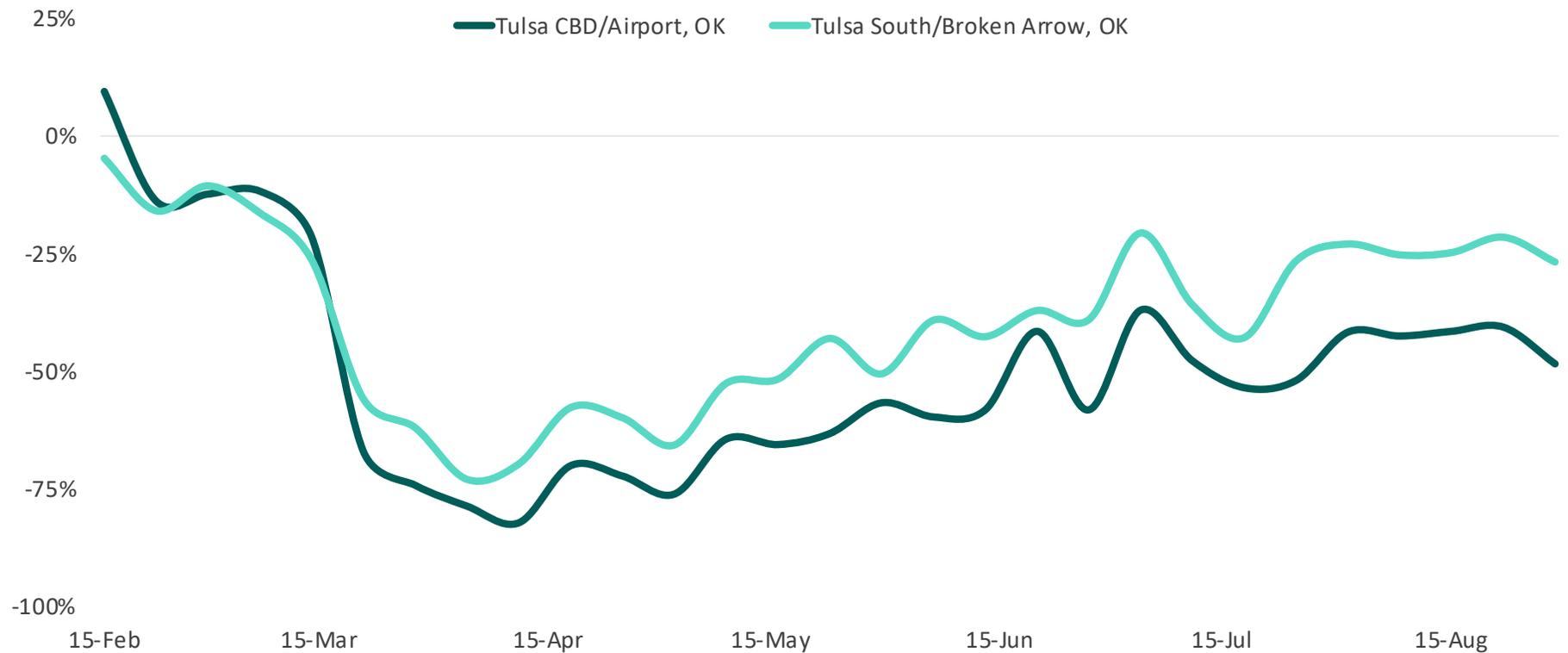
# Rates have plateaued in Tulsa

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



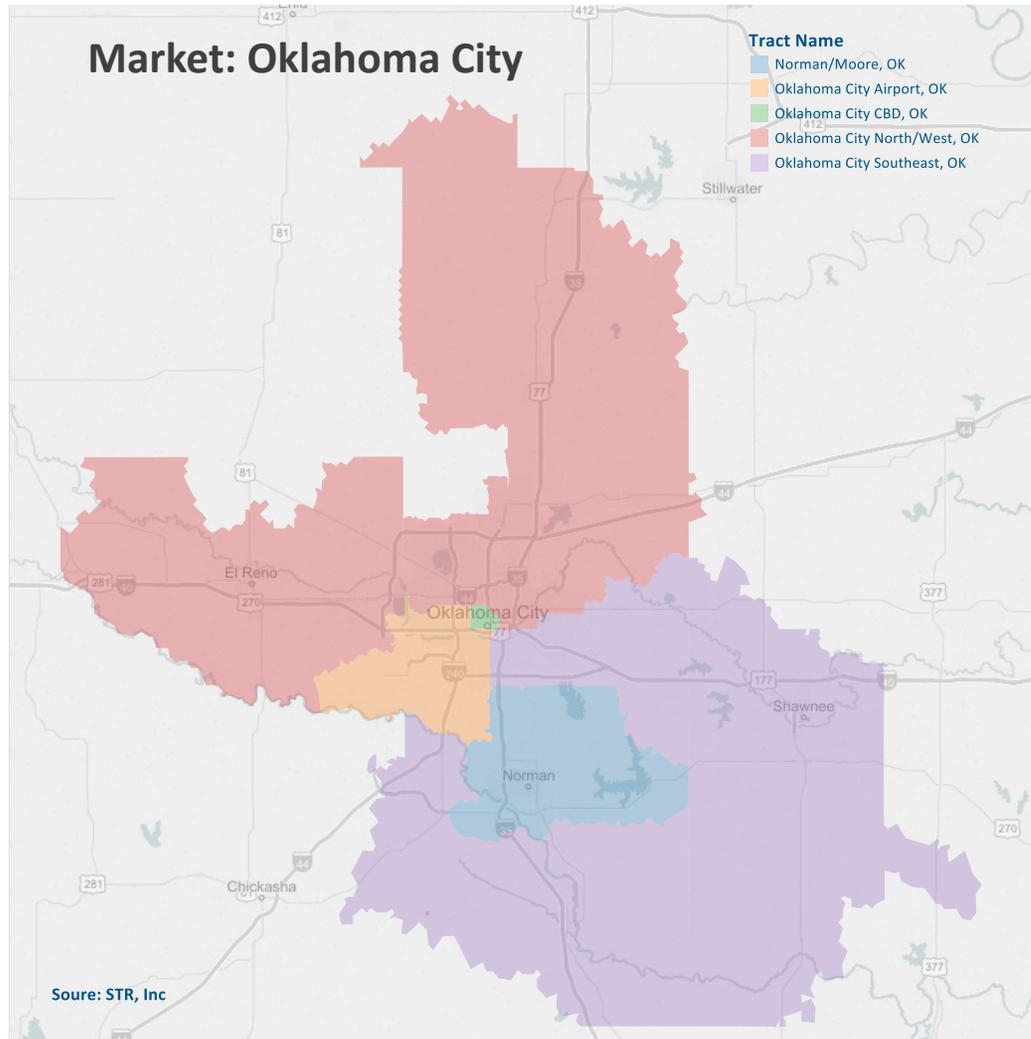
# Gap in RevPAR recovery grows between submarkets

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



Source: STR 2020 © CoStar Realty Information, Inc.

## YTD Weekend OCC is 47%...

Oklahoma City Market YTD July 2020

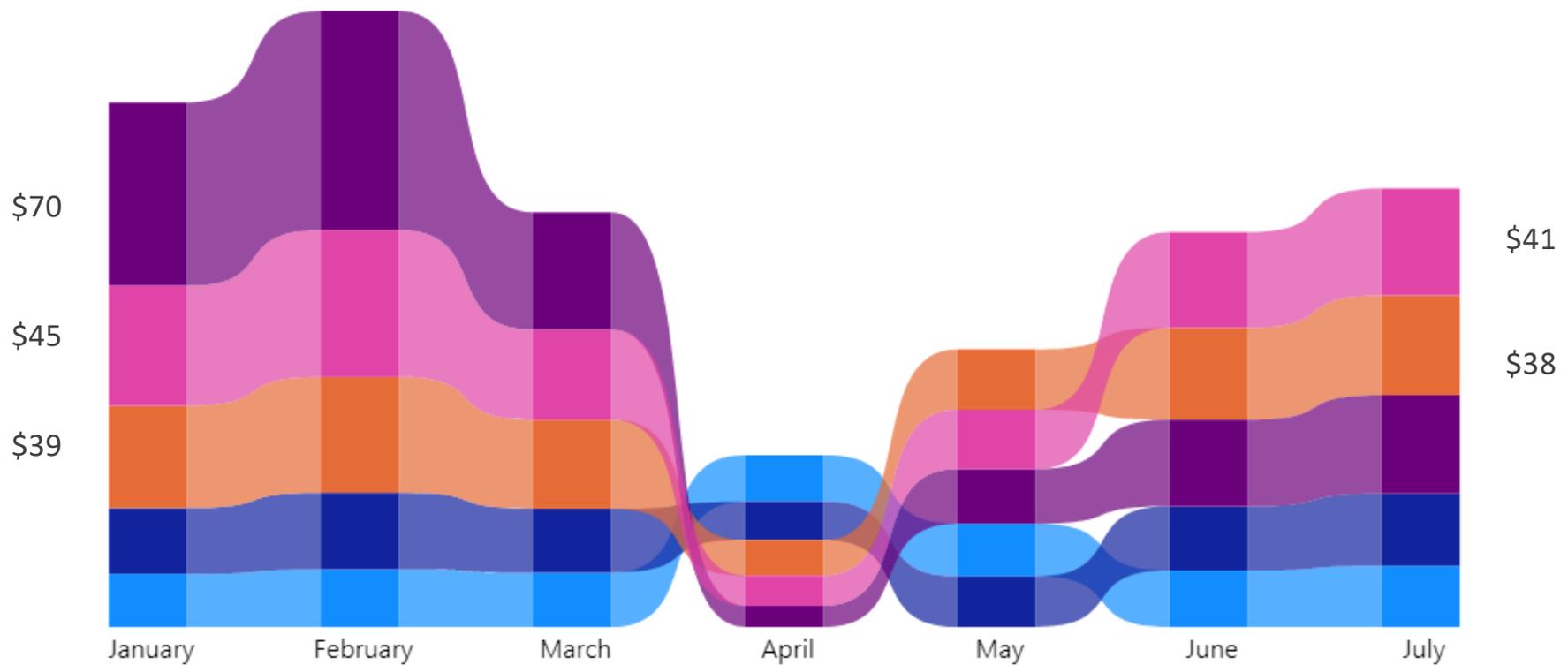


		% Change
Room Supply		-2.8
Room Demand		-35.6
Occupancy	42%	-33.7
ADR	\$72	-14.4
RevPAR	\$30	-43.2
Room Revenue		-44.8

# Oklahoma City Market Monthly RevPAR \$ by Class



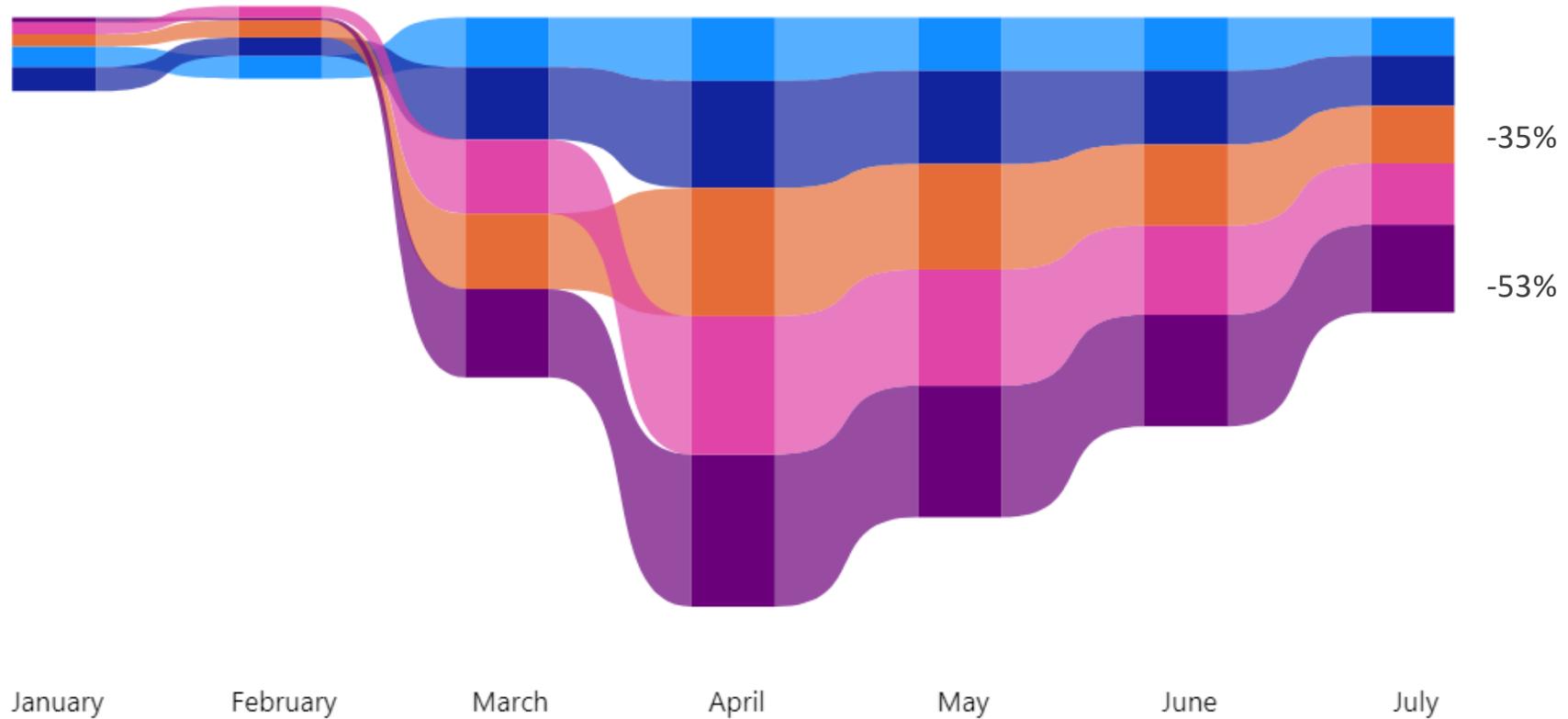
● Upper Upscale Class ● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



# Oklahoma City Market Monthly RevPAR Growth by Class

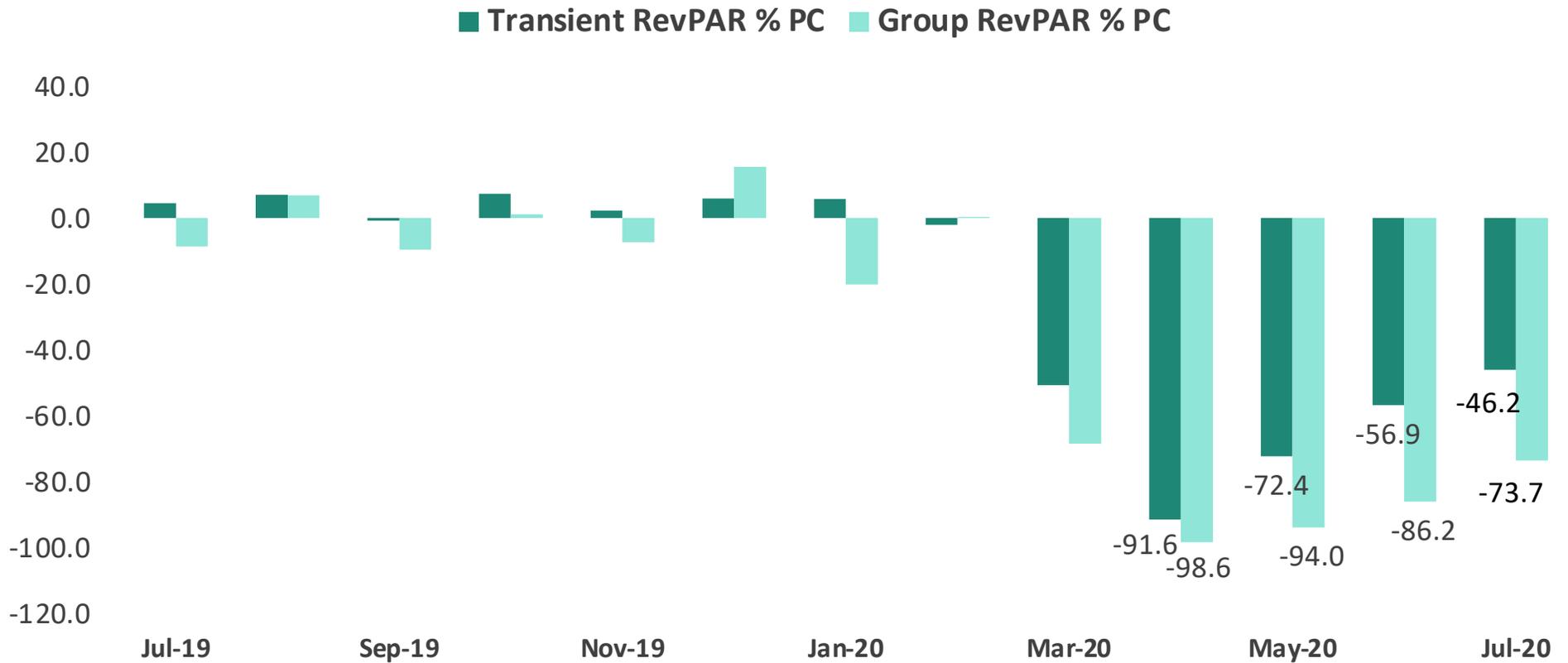


● Upper Upscale Class ● Upscale Class ● Upper Midscale Class ● Midscale Class ● Economy Class



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

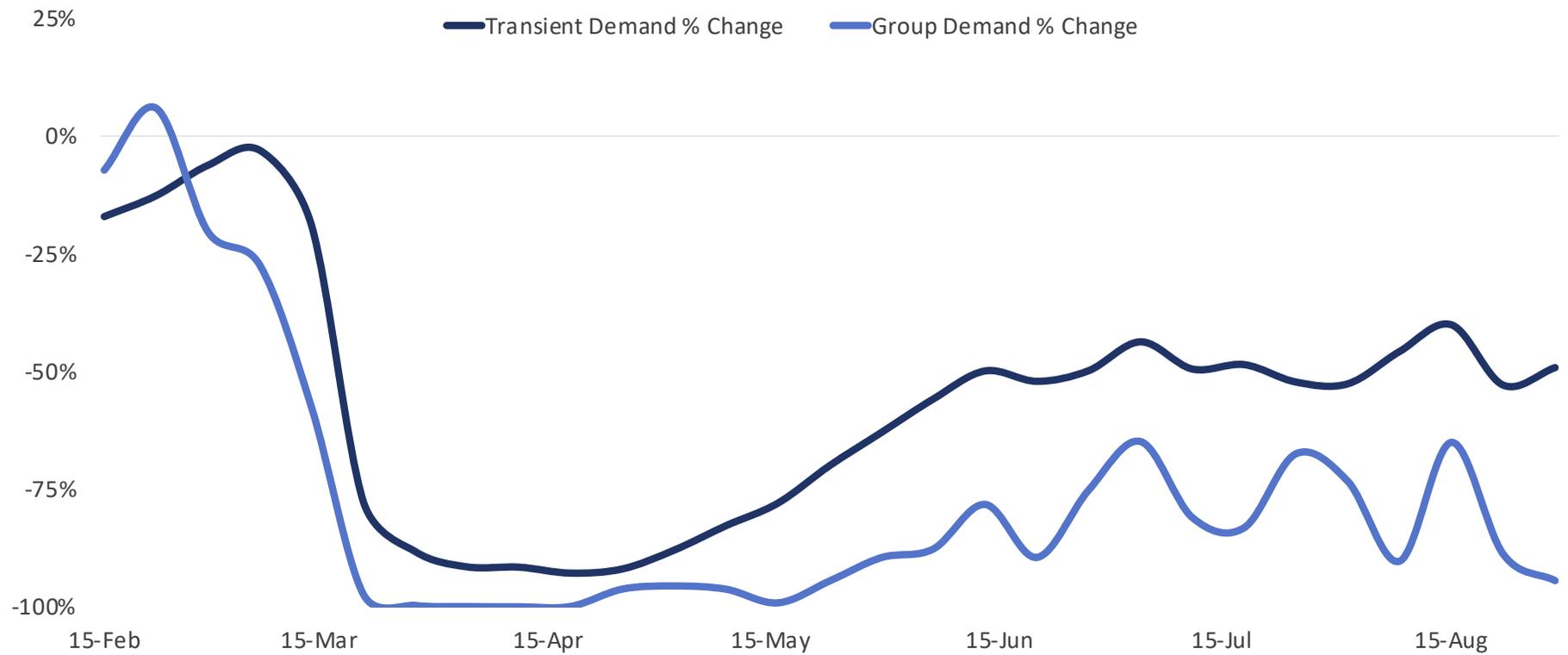
RevPAR % change last 13 Months



# There are no groups

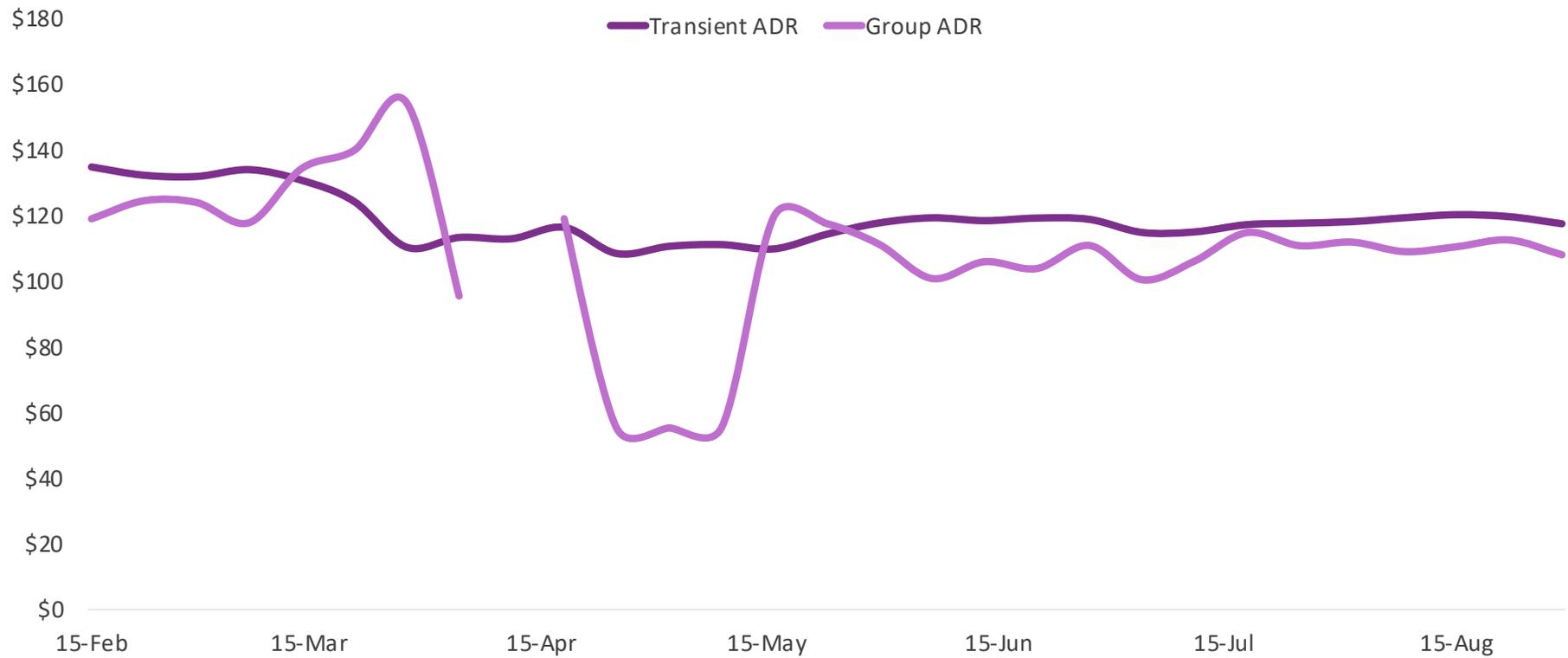


Oklahoma City, OK weekly demand % change from prior year, Luxury and Upper Upscale classes, 15 February – 29 August, 2020



# Transient ADR pretty steady.

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





# Oklahoma City Submarkets

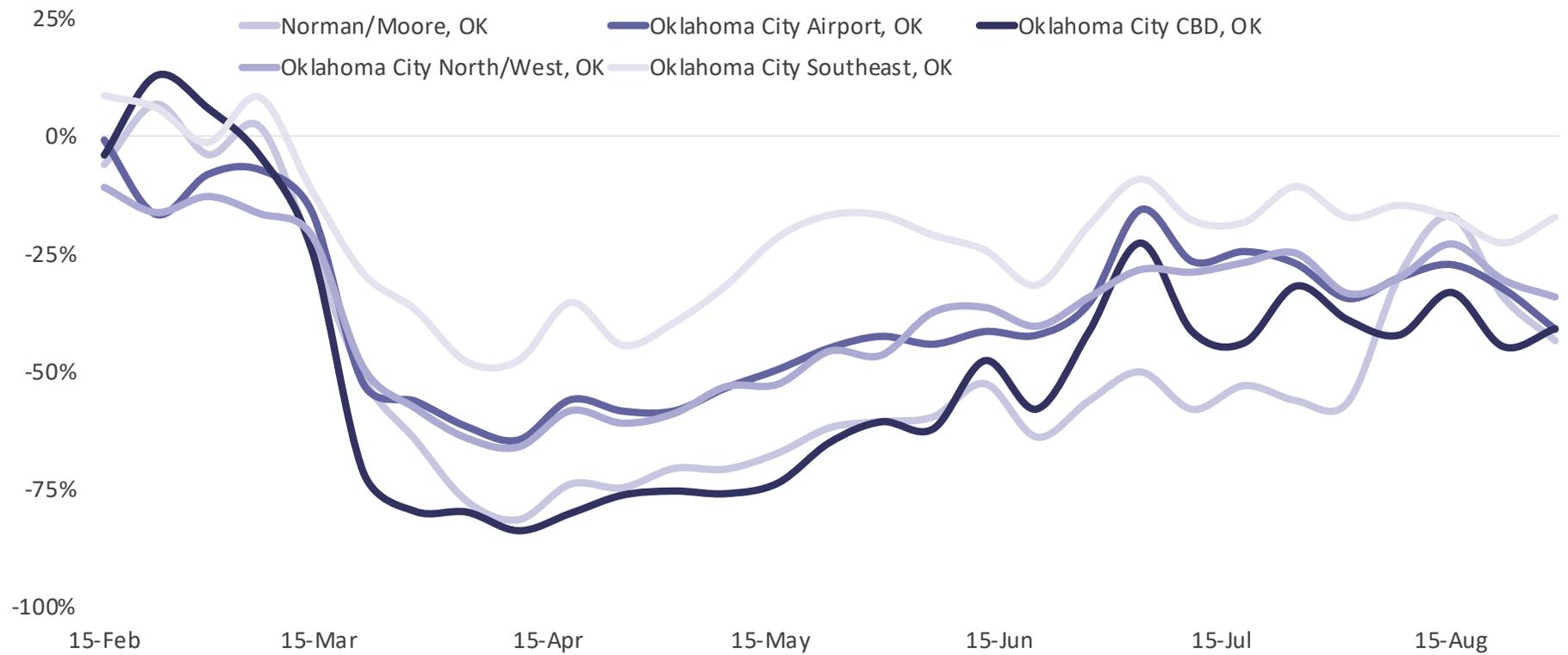
Source: STR  
2020 © CoStar Realty Information, Inc.

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# Outlying areas losing less demand

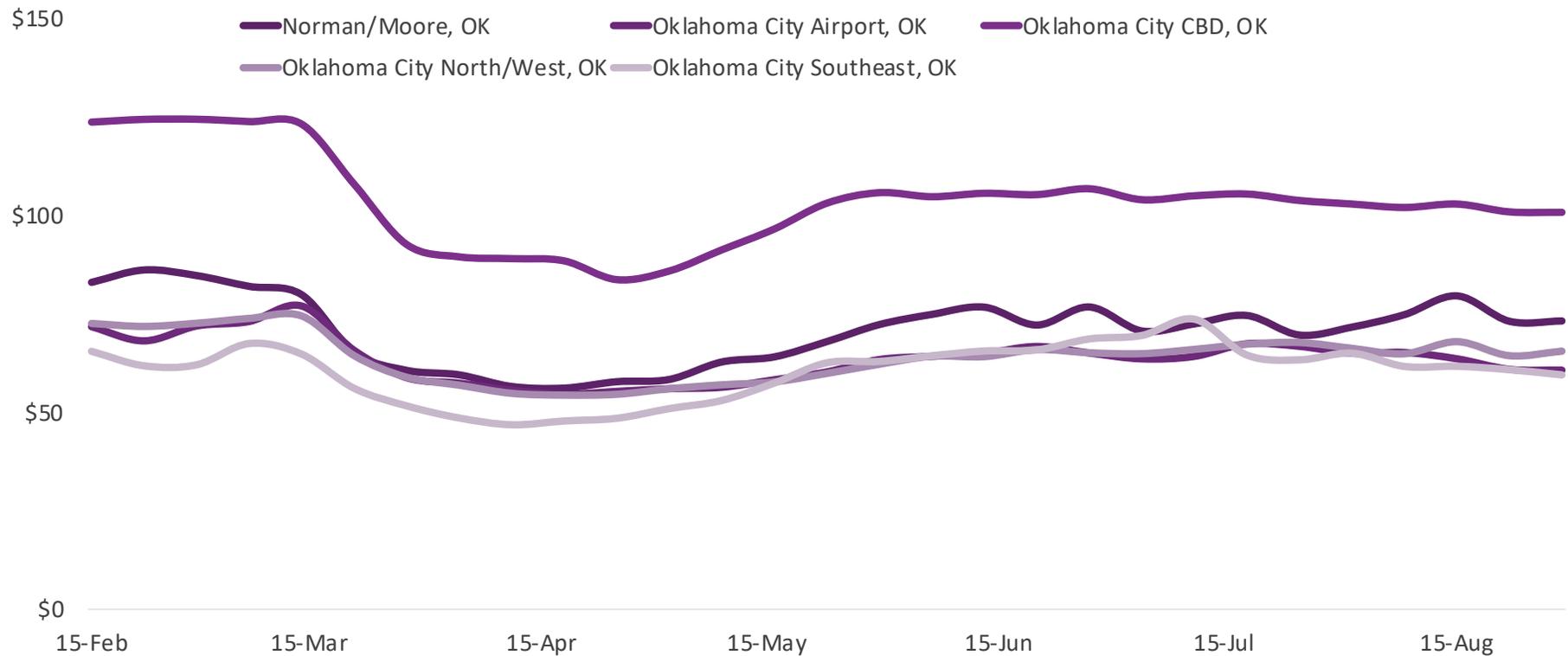


Oklahoma City, OK Submarkets, weekly demand % change from prior year, 15 February – 29 August, 2020



# CBD rates can't compare to rest of OKC

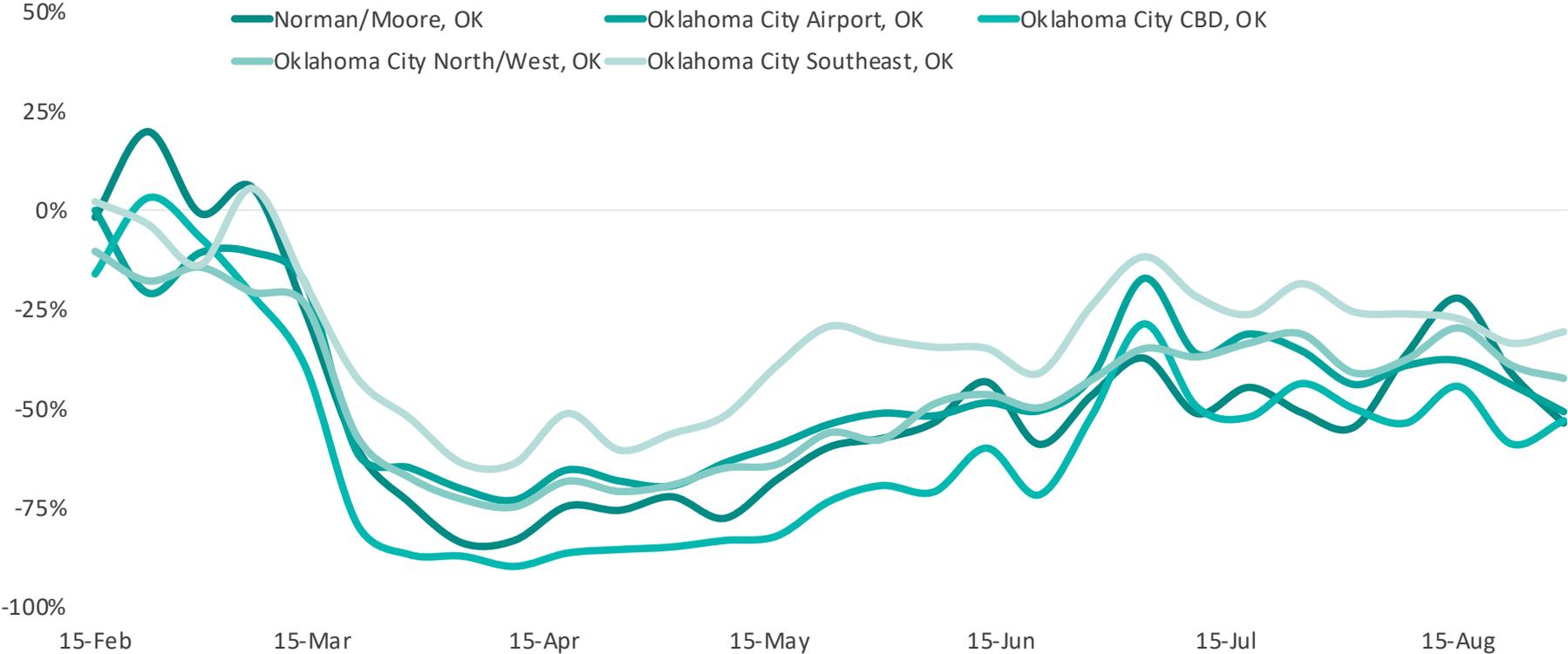
Oklahoma City, OK Submarkets, Weekly ADR, 15 February – 29 August, 2020



# Not much movement in July, August



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



# Agenda – Sept 8, 2020



1 U.S. Overview

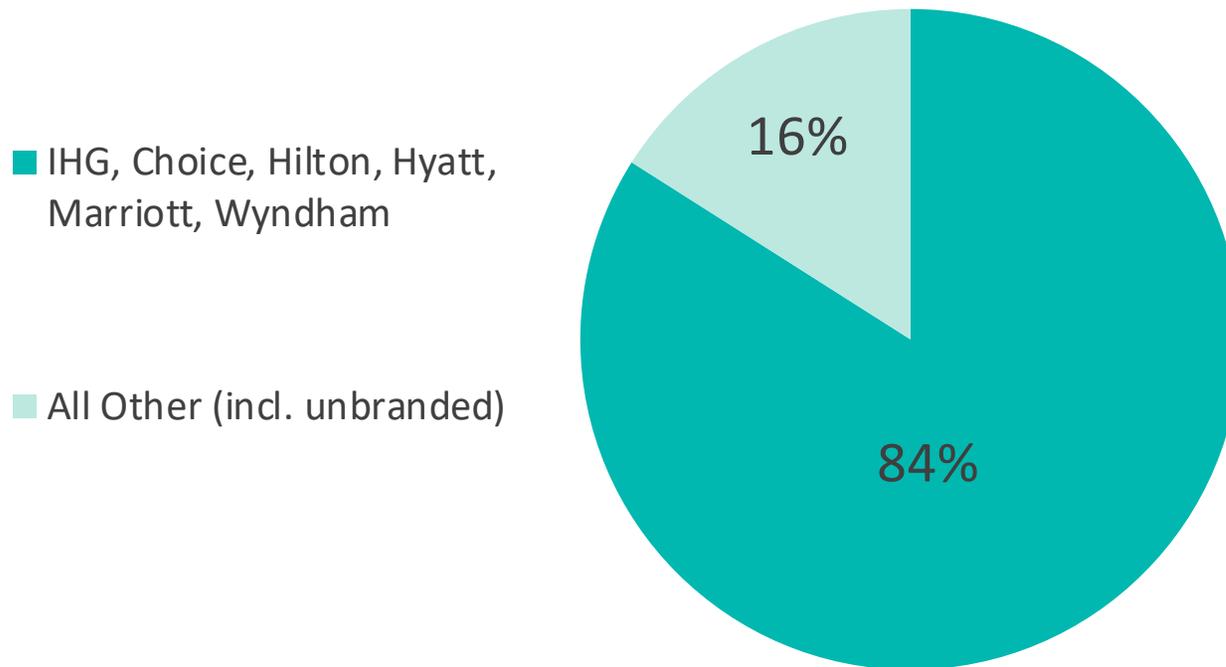
2 Oklahoma Market Overview

**3 Pipeline**

4 Wrap Up

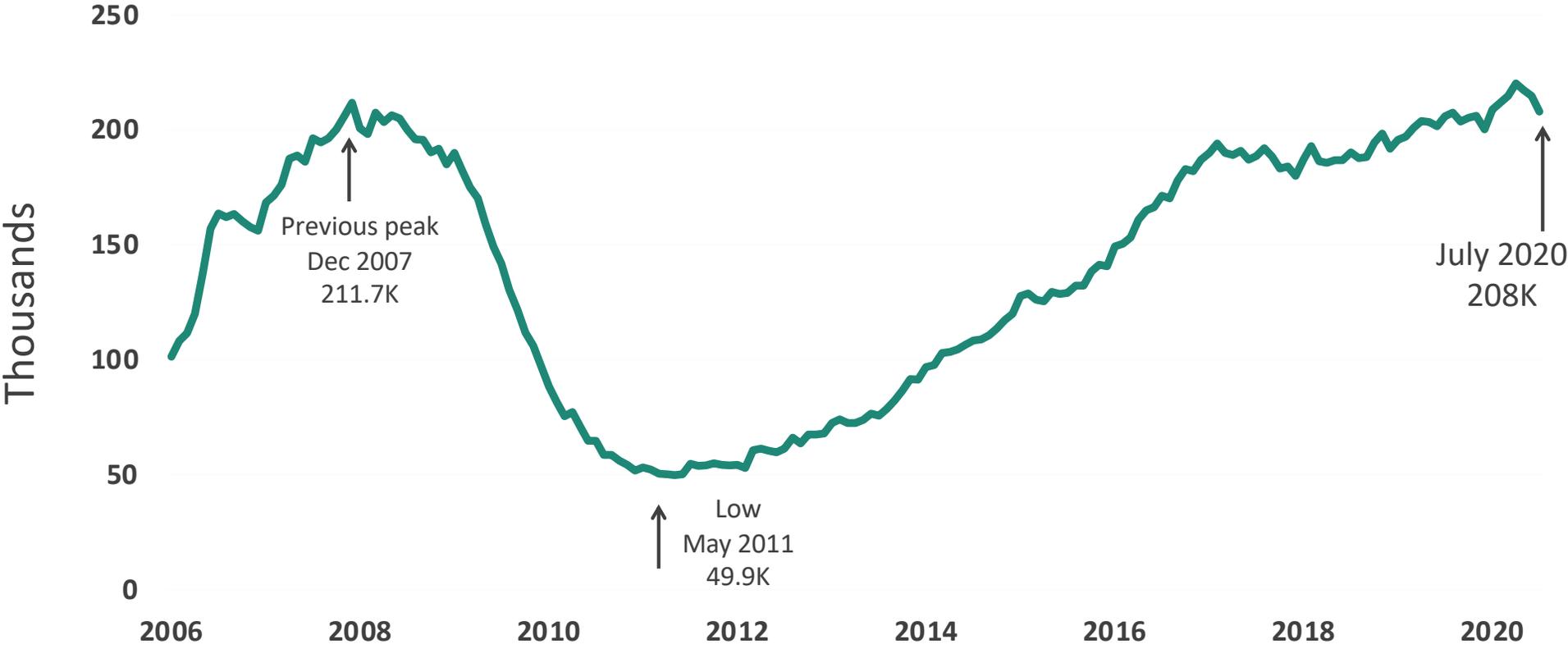
# U.S. Active Pipeline: “Big 6” Dominate

Q2 2020



# U.S. Hotel Rooms In Construction Peaked in April

January 2006 - July 2020



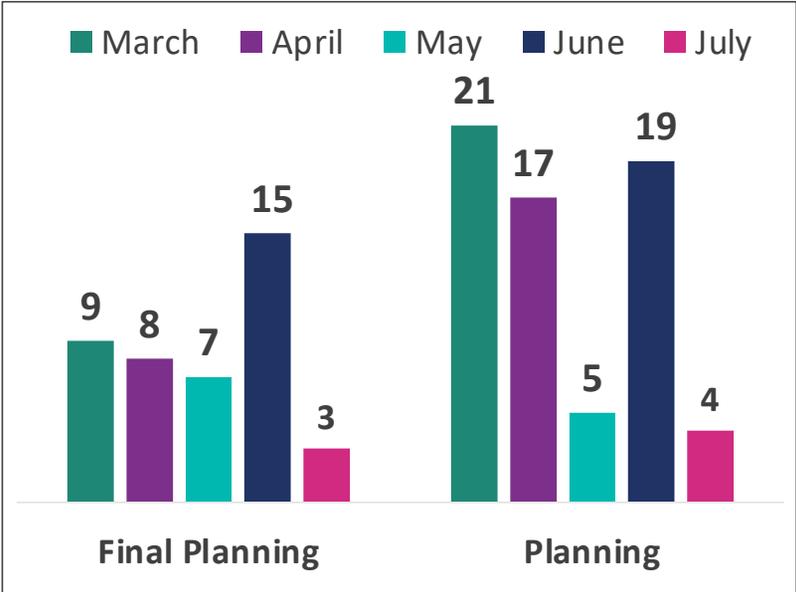
Source: STR. 2020 © CoStar Realty Information, Inc.

# Pipeline: Sharp Increase In Deferred Projects

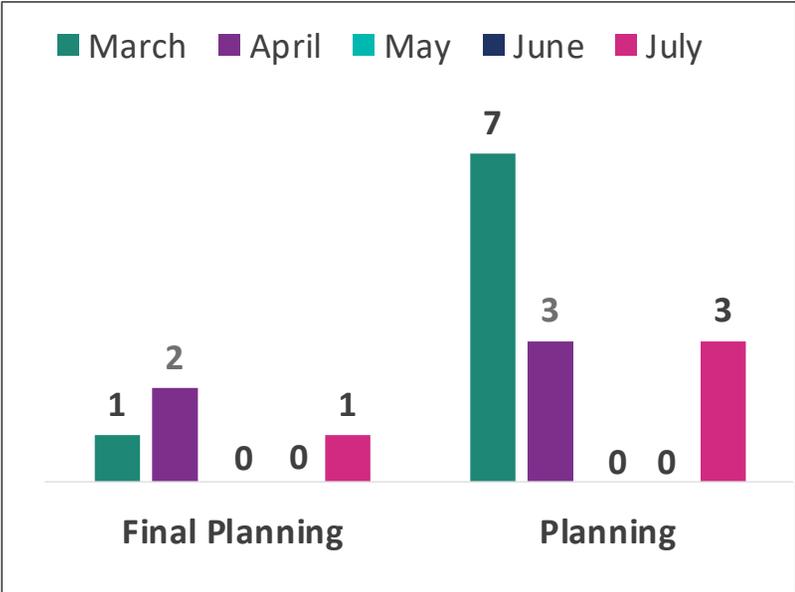
U.S. Pipeline, Move to Deferred & Abandoned from Prior Phase



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	
<b>Total</b>	<b>19</b>	<b>29</b>	<b>31</b>	<b>-</b>
<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	
<b>Total</b>	<b>2,362</b>	<b>2,625</b>	<b>2,801</b>	<b>-</b>

# Agenda – Sept. 8, 2020



1 U.S. Overview

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4 Wrap Up

# 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.

# U.S. Forecast (as of August 13)

Key Performance Indicators

2019 – 2020F – 2021F

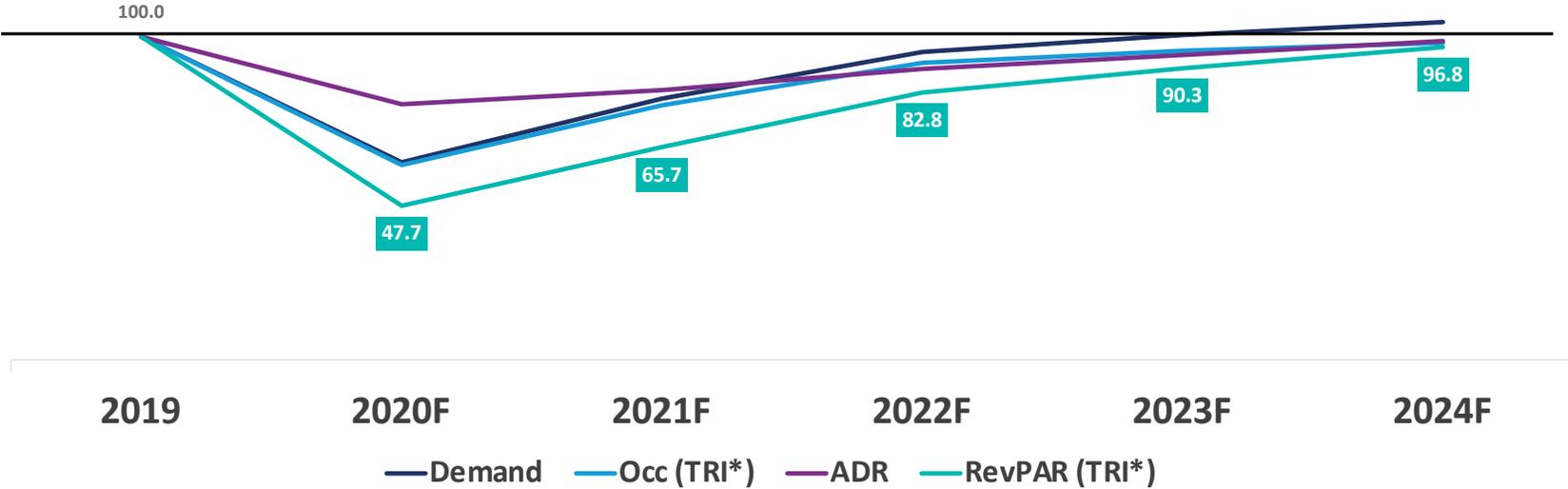
Metric	2019 Actual	2020 Forecast	2021 Forecast
Occupancy *	66.1%	39.8%	52.0%
ADR	\$131.13	\$103.71	\$109.56
RevPAR *	\$86.64	\$41.31	\$56.95

\*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.

# 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
<b>Occupancy*</b>	<b>39.8%</b>	<b>-34.4%</b>	<b>50.1%</b>	<b>25.9%</b>
<b>ADR</b>	<b>\$71</b>	<b>-14.4%</b>	<b>\$75</b>	<b>6.0%</b>
<b>RevPAR*</b>	<b>\$28</b>	<b>-43.9%</b>	<b>\$38</b>	<b>33.4%</b>

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



## 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!!



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