Grey Hospitality Press Release
STR Trends in the Hospitality & Lodging Industry
Current Reporting 2023 Year-end Performance & Historic Pandemic Impact
Grey Hospitality
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Hospitality Qualification Statement

Grey Hospitality, a member of Cayuga Hospitality Consultants, offers strategic market analysis, operational planning services (Asset Management) and development consulting, Our Consulting is offered to professional firms, lending institutions, communities, state agencies and developers in the hospitality arena. Our broad range of skills in both management and development experience enables us to quickly provide clients with a focus towards realistic expectations based on expanded services, actual operations, enhanced profitability, and potential development considerations based on regional expertise and actual performance and development costs.

Our clients typically want to understand the current and past trends of the lodging industry and how it may impact their project or its ownership structure and overall financial performance. To this point, Grey Hospitality has collected industry data on the past few years and placed in this addenda items to our research.

STR/Costar

Grey Hospitality relied on STR's world-leading hotel performance sample data that comprises of 81,000 hotels and 10.5 million hotel rooms around the globe. STR provides premium data benchmarking, analytics, and marketplace insights for global hospitality sectors. Founded in 1985, STR maintains a presence in 15 countries with a corporate North American headquarters in Hendersonville, Tennessee, an international headquarters in London, and an Asia Pacific headquarters in Singapore. STR was acquired in October 2019 by CoStar Group, Inc. (NASDAQ: CSGP), the leading provider of commercial real estate information, analytics, and online marketplaces. For more information, please visit str.com and costargroup.com.

National Hotel Market Trends

National historic trends are important to any hotel development or potential project because all markets face similar supply-and-demand challenges, benchmarks, and indicators of market changes. National trends identify baseline projections and thresholds for key performance indicators. The Subject Hotel's local lodging market is most directly affected by the supply and demand trends within the immediate area and are also influenced by conditions nationally. National lodging trends will be summarized to provide a baseline of performance and a background for the forecast of the supply and demand for the Subject Hotel's and that of its competitive set. The following information on national trends demonstrates the characteristics of the U.S. Lodging Market as reported by STR through available full year through 2023. Drastic changes in the reporting statistics are highlighted in the following table.

US Lodging Industry Annual Trends in Occupancy, ADR, & RevPAR
1992- 2023

	REPRESENTATIVE YEAR	ANNUAL AVAILABLE ROOMS	AVAILABLE NATIONAL OCCUPANCY	ANNUAL OCCUPIED ROOMS	OCCUPANCY PERCENT CHANGE	AVERAGE DAILY RATE	ADR PERCENT CHANGE	REVENUE PER AVAILABLE ROOM	REVPAR PERCENT CHANGE	NEW LODGING SUPPLY	NEW LODGING SUPPLY
	1992		61.9%			$59.62		$36.90			
	1993		63.1%		1.9%	$61.30	2.8%	$38.68	4.8%		
	1994		64.7%		2.5%	$64.24	4.8%	$41.56	7.4%		
	1995		65.1%		0.6%	$67.17	4.6%	$43.73	5.2%		
	1996		**65.0%**		-0.2%	$70.81	5.4%	$46.03	5.3%		
	1997		64.5%		-0.8%	$75.31	6.4%	$48.57	5.5%		
	1998		63.8%		-1.1%	$78.15	3.8%	$49.86	2.7%		
	1999		63.1%		-1.1%	$81.29	4.0%	$51.29	2.9%		
	2000		63.5%		0.6%	$85.24	4.9%	$54.13	5.5%		
	2001		59.8%		-5.8%	$84.45	-0.9%	$50.50	-6.7%		
	2002		59.0%		-1.3%	$83.20	-1.5%	$49.09	-2.8%		
	2003		59.2%		0.3%	$83.28	0.1%	$49.30	0.4%		
	2004		61.3%		3.5%	$86.70	4.1%	$53.15	7.8%		
	2005		63.1%		2.9%	$91.29	5.3%	$57.61	8.4%		
	2006		64.2%		1.7%	$96.77	6.0%	$62.13	7.8%		
	2007		64.1%		-0.2%	$102.38	5.8%	$65.63	5.6%		
	2008	1,717,842,692	59.8%	1,027,692,764	-6.7%	$106.55	4.1%	$65.61	0.0%		
	2009	1,765,868,825	54.5%	962,491,158	-8.9%	$98.20	-7.8%	$53.55	-18.4%	131,578	2.8%
	2010	1,794,934,661	57.5%	1,032,405,779	5.5%	$98.08	-0.1%	$56.47	5.5%	79,633	1.6%
	2011	1,801,945,447	59.9%	1,079,851,999	4.2%	$101.64	3.6%	$61.06	8.1%	19,208	0.4%
	2012	1,807,759,042	61.4%	1,109,423,144	2.4%	$106.10	4.4%	$65.17	6.7%	15,929	0.3%
	2013	1,816,431,642	62.2%	1,129,737,788	1.3%	$110.35	4.0%	$68.69	5.4%	23,762	0.5%
	2014	1,838,469,171	64.3%	1,181,680,307	3.3%	$115.32	4.5%	$74.28	8.1%	60,378	1.2%
	2015	1,854,179,028	65.3%	1,209,915,822	1.5%	$120.01	4.1%	$78.67	5.9%	43,041	0.9%
	2016	1,878,339,437	65.3%	1,227,233,146	0.1%	$123.97	3.1%	$81.19	3.2%	66,197	1.3%
	2017	1,907,840,305	65.8%	1,254,709,484	0.7%	$126.72	2.1%	$83.57	3.0%	80,825	1.6%
	2018	1,942,468,491	66.0%	1,282,719,356	0.4%	$129.83	2.4%	$85.96	2.9%	94,871	1.8%
Benchmark YR.	2019	1,977,439,645	65.9%	**1,302,938,466**	-0.2%	**$131.21**	**1.1%**	**$86.76**	**0.9%**	95,811	1.8%
	2020	1,899,347,842	44.0%	**834,820,169**	**-33.3%**	**$103.25**	**-21.3%**	**$45.48**	**-47.6%**	**(213,951)**	**-3.9%**
	2021	1,993,098,485	57.5%	**1,146,569,995**	**30.9%**	**$124.67**	**20.7%**	**$71.87**	**58.0%**	256,852	4.9%
	2022	2,030,392,870	62.7%	**1,297,975,975**	**9.0%**	**$148.39**		**$93.27**	**8.3%**		
	2022 Change from 2019*		62.7%		**-4.9%**	$148.39	13.6%	$92.77	8.3%	102,175	1.9%
	2022 Actual YOY Change		62.7%		**9.0%**	$148.39	**19.0%**	$92.77	**29.1%**	102,175	1.9%
	2023		63.0%		0.6%	**$155.62**	**4.3%**	**$97.97**	**5.0%**		
	*Percent Change from 2019										
	STR Forecast 2023	2,050,696,799	63.3%	1,297,975,975	1.0%	$151.00	1.8%	$96.00	3.5%	55,627	1.0%
	STR Forecast 2024	2,075,305,160	64.1%	1,330,425,375	1.3%	$157.00	4.0%	$103.00	7.3%	67,419	1.2%
	STR Forecast 2025	2,104,359,433	65.1%	1,370,338,136	1.6%	$163.00	3.8%	$108.00	4.9%	79,600	1.4%
Avg. Annual CAGR From 1992			***0.04%***			***3.09%***		***3.14%***			
Avg. Annual CAGR From 2000			***-0.06%***			***2.55%***		***2.50%***			
Avg. Annual CAGR From 2010			***0.72%***			***3.51%***		***4.27%***			
Avg. Annual CAGR From 2015			***-0.57%***			***3.08%***		***2.46%***			
Note: CAGR = Compounded Average Annual Growth Rate											

(*Source:* Consultant & STR)

STR has been reporting trends of hotel markets to operators and owners since its inception in the mid-1980s (1985-1988 when it started collecting and sharing data). Prior to 2015, national occupancy last peaked in 1995 at 65.1 percent and decreased to a low of 59 percent after the 9/11 terrorist attacks on the United States. The latest recession of 2009 was the most severe drop in the hotel industry occupancy, recording a 54.5 percent historical low, a 10 percent point drop in demand. The average daily rate hit its high in 2008 at $106.55 and bottomed two years later in 2010 at a reported $98.08. The recession's severe impact on the industry resulted in significant RevPAR decline reported at -18.4 percent (an all-time high percent change).

Demand growth resumed in 2010, led by select markets recording trends in the fourth quarter of 2009. The return of business travel and some group activity contributed to these positive trends with occupancy up 5.7 percent and yet ADR remained flat. The resurgence in national demand was partly fueled by the significant price discounts and the use of newly created and highly competitive advertising sources that were widely available in the first half of 2010 which seemed to transition out in the latter half of the year, balancing much of the early rate loss. Demand growth remained strong, but decelerated from 2011 through 2013, decreasing at rates of 4.3 percent, 2.2 percent, and 1.5 percent, respectively. Demand growth then surged to 4.0 percent in 2014, driven by, among other factors, a strong economy, a robust oil, and gas industry and limited new supply.

By 2014, national occupancy had surpassed the 64 percent mark, a benchmark and key performance indicator not achieved since 2007. The average rate rebounded similarly during this time, notching 4.0 percent annual gains from 2011 through 2014. Since 2014 and 2015, the industry saw much needed improvements, resulting in and reporting record statistics annually. The occupancy in 2014 at 64.4 percent was the strongest year since 1997—a twenty-year recession in demand — with an average rate at $115.32 — highest ever reported annually — and revenue per available room at $74.27, which was up over 8 percent from 2013.

In 2015, demand continued to outpace supply growth (a trend since 2010.) The U.S. reported an all-time high with record occupancy for the year at 65.6 percent, up 1.9 percent and ADR at $120.01, up 4.1 percent. This trend would continue in 2017 with growth in occupancy to 65.9 percent, average rate at $126.72 and RevPAR at $83.57.

In 2018 the industry continued its record-breaking numbers reporting occupancy at 66.2 percent — an increase of .5 percent and an average rate of a then all-time high of $129.83. The recorded revenue per available room was $85.96, up 2.9 percent from the prior year. This combined with occupancy and average rates makes 2018 the strongest year on record going back 30 years.

In 2019, U.S. hotels posted additional industry benchmarks including flat occupancy growth at 66.1 percent compared to 66.2 percent in 2018; ADR rose 1 percent to $131.21 and RevPAR increased 0.9 percent to $86.76 compared to the previous year. The U.S. hotel industry registered record-breaking performance levels during 2019 but its lowest growth rate in revenue per available room (RevPAR) since the current cycle began in 2010, according to data from STR.

Comparison of 2021 to 2019:

- Occupancy: 57.6 percent (-12.6 percent)
- Average daily rate (ADR): $124.67 (-4.8 percent)
- Revenue per available room (RevPAR): $71.87 (-16.8 percent)

Comparison of 2022 to 2021:

- Occupancy: 62.7 percent (+9.0 percent)
- Average daily rate (ADR): $148.39 (+19 percent)
- Revenue per available room (RevPAR): $92.77 (+29.1 percent)

Comparison of 2023 to 2022:

- Occupancy: 63 percent (+0.6 percent)
- Average daily rate (ADR): $155.62 (-4.3 percent)
- Revenue per available room (RevPAR): $97.97 (+4.9 percent)

In addition to 2020, U.S. hotel occupancy failed to reach 60 percent for just the second time since 2011. On a nominal basis, 2021 ADR was the fourth highest on record. The country's RevPAR level was its second lowest in eight years behind only 2020. Among the Top 25 Markets, Tampa reported the highest occupancy level (68.4 percent), which was still down 5.2 percent from the market's 2019 benchmark. None of the Top 25 Markets experienced an occupancy increase over 2019.

Key Points

- From 2016-2018 hotels reported the strongest years on record for the lodging industry in total occupancy, average rates, and revenue generated.
- In 2017 and 2018, hotels in the United States operated at the highest occupancy and average rates ever recorded, with additional growth across all metrics, spurring development is most U.S. markets.
- In 2017 and 2018 hotel development activity correlated directly with the ebbs and flows of hotel-sector performance. As the market continued to reach new peaks in 2017 and 2018, developers pursued hotel construction (supply) and redevelopment and repositioning at a pace not seen since 2006 and 2007; and the pipeline of new hotel projects gained momentum.
- Occupancy in 2018 was 66.2 percent, the highest occupancy ever recorded in the U.S.

- Demand was at a record high and during 2018, 1.4 billion rooms were sold out of the 1.8 billion available rooms.
- ADR for 2018 was up 2.4 percent and reported at $129.83.
- Growth rates since 2000 reported occupancy up .21 percent (and 1.54 percent since 2010); average rates up 2.37 percent; and revenue per available room up 2.6 percent.
- In 2019, U.S. hotels posted additional industry benchmarks including flat occupancy growth at 66.1 percent compared to 66.2 percent in 2018; ADR rose 1 percent to $131.21 and RevPAR increased 0.9 percent to $86.76 compared to the previous year. The absolute ADR and RevPAR values were the highest STR has ever benchmarked.
- By September 2020, the results from STR were devastating because of the pandemic and social unrest. The U.S. hotel industry's metrics improved slightly in October over the released statistics of September. Compared to September 2019, occupancy was down 32.2 percent to 48 percent, average daily rate was down 24.1 percent to $101.25 and revenue per available room was down 48.5 percent to $48.58.
- The U.S. hotel industry reported all-time lows in occupancy and revenue per available room in 2020, according to year-end data from STR.
- 2021 the U.S. hotel industry reported a year end occupancy at 57.6 percent up 31 percent from 2020 and ADR at $124.67 up 20.7 percent from 2020 and RevPAR at $71.87 up 58 percent from 2020. U.S. hotel occupancy failed to reach 60% for just the second time since 2011. On a nominal basis, 2021 ADR was the fourth highest on record. The country's RevPAR level was its second lowest in eight years behind only 2020.

STR, Tourism Economics Maintain Projections in First U.S. Hotel Forecast of 2024
January 2024 Forecast

STR and Tourism Economics made minimal adjustments to growth projections in the first U.S. hotel forecast of 2024 just released at the Americas Lodging Investment Summit (ALIS). For 2024, growth in ADR was raised by 0.1 percentage points, while occupancy and revenue per available room were unchanged from the previous forecast. For 2025, growth projections for each of the key performance metrics were downgraded due to the long-term, average trends beginning to stabilize: occupancy (-0.1 ppts), ADR (-0.3 ppts) and RevPAR (-0.5 ppts).

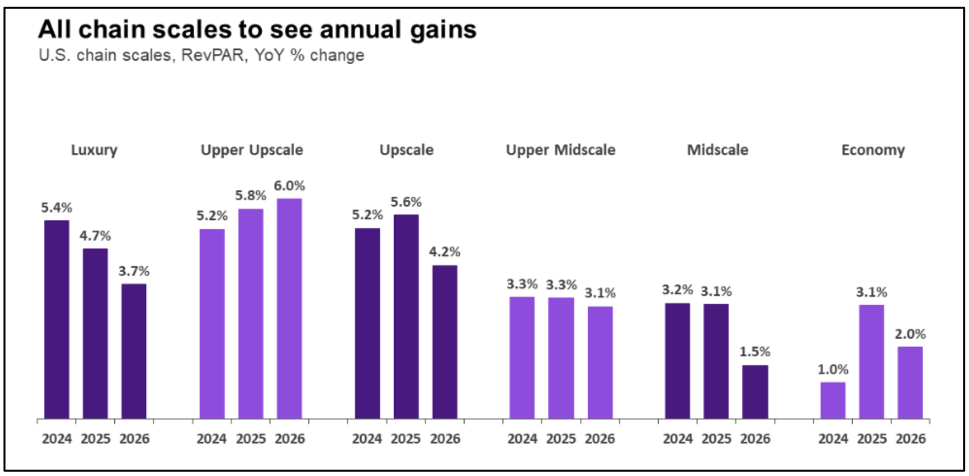
"U.S. **ADR and RevPAR reached record highs** in 2023 with solid travel fundamentals and a big year for group business underpinning performance," said Amanda Hite, STR president. "We expect to see continued growth as fundamentals remain more favorable for the travel economy. The indicator that is especially important is the low unemployment rate among college-educated individuals, those most likely to travel for business and leisure." STR reported forecasts are as follows:

Moderate RevPAR growth expected
U.S. hotel industry forecast

Metric	2023 Actual	2024 Forecast	2025 Forecast	2026 Forecast
Occupancy	63.0%	63.6%	64.0%	64.1%
ADR Change	4.3%	3.1%	2.8%	3.1%
RevPAR Change	4.9%	4.1%	3.5%	3.2%
Real RevPAR Change from 2019	-5.0%	-3.5%	-2.1%	-1.0%

(*Source:* STR 2024 Report)

The forecast for 2024 is 63.6 percent occupancy at an increased ADR and RevPAR up 3.5 percent. It is estimated that in 2025 occupancy will reach 64 percent and continue to grow both ADR and RevPAR up 2.8 percent. In 2026 the industry should grow above 64 percent yet not each 2019 levels of demand closer to 66.1 percent. This will result in a gap to real RevPAR from 2019 at -3.5 percent in 2024 closing to -1.0 percent by 2026.



(*Source:* Consultant & STR 2024 Report)

"The economic outlook has improved, but we still expect a deceleration in economic growth, characterized by softer labor markets and business sector caution," said Aran Ryan, director of industry studies at Tourism Economics, "Modest lodging demand growth will be supported by household prioritization of travel, a continued rebuilding of business travel and group events, and a rebound in international visitation."

"We anticipate GOPPAR to grow as a result of improved TRevPAR levels coupled with stable labor costs," said Hite. "Among the chain scales, luxury and upper upscale hotels are projected to see the largest increases in those costs as a result of growing group demand."

(*Source:* Consultant & STR 2022-2024 Forecast)

2021 COVID-19 Pandemic Impact Update: Hospitality Industry
Grey Hospitality Report www.GreyHC.com

Three months into 2020 and the world was in an unexpected circumstance. A global pandemic impacted the economy and social structure of every country in the world. Today we see an almost full recovery in the bottom line, RevPAR, because of the bold pricing in the industry.

Recap, in December 2019, a novel coronavirus known as SARS-CoV-2 (COVID-19) was first identified in China, which has since spread throughout the world. The first reported case in the United States occurred in the State of Washington in late January 2020; by mid-March, cases had been identified in all 50 states, and the number of cases was increasing exponentially. This event, instantaneously, reversed the upward trajectory of the US Hotel market that had lasted over the last 10 years.

Although Covid-19 has been impactful nationally for about six weeks and the concept of time has become different since working-at-home, the impact of the pandemic on the US lodging market manifested most dramatically in March 2019; occupancy decline for the nation was swift and merciless and some average rate discounting began.

In an unprecedented response, hotel owners and operators shuttered hundreds of thousands of hotel rooms across the country. As of mid-April 2020, approximately 25.0 percent of Marriott hotel rooms were temporarily closed and STR Global reported that 750,000 out of 5.4 million hotel rooms (or 16.0 percent) of the US hotel inventory is not operating.

The US Travel industry is among the hardest hit economy sectors from Covid-19 because of stay-at-home orders issued by most states in the US; and a constraint of economic activity to only essential workers has effectively reduced travel, particularly air travel. Travel declined sharply and restrictions on group sizes resulted in the cancellation of meetings and conventions. Most festivals and sporting events were similarly affected. Business and group travel dropped sharply and as a result,

large hotels in most major urban areas saw a significant decline in business, group, and most leisure guests. The summer of 2019 saw a leisure travel resurgence as many resort and drive-to destinations captured demand from Americans eager for a change of scenery.

This is the grim tale of 2020….
The lodging industry is estimated to report a 50 percent, $125 billion-dollar loss in 2020 making this year the worst year in history for the hotel industry, just the hotels and not travel overall. Oxford also reported that this will equate to a total loss of $910 billion in travel related economic output in 2020. <u>This is seven times the impact of 9/11.</u> Will your hotel or favorite destination close? Odds are it will.

The Hotel Business September 15th 2020 edition magazine reported that “travel supports 15.8 million American jobs in total, employing 1 out of 10 Americans. 2019 travel generated $2.6 trillion for the

U.S economy. The local impact is 70 percent to local communities (in traveler related spending) in transportation, food, and beverage (retail). The failure of our (Nations) hotels can (and will) have a massive ripple effect on our country's economy." This is our new reality and needs to make headlines not the back page. Please share and encourage Congress to support the industry before it's too late.
In review…there is no doubt that March and April of 2020 presented some of the toughest times for the hospitality industry- EVER- affecting hotels, restaurants, OTA's, travel consortia, airlines, and cruise lines. Hit hard by the COVID-19 pandemic, the industry has been knocked down, but not out. Today's outlook is still grim as winter approaches despite travel peaks in many markets in the summer. The worst is still to come, unfortunately.

Global Impact

The following quick review of Global Tourism:

- The World Travel and Tourism Council (WT&TC) has warned the COVID-19 pandemic will impact 50 million jobs worldwide in the travel and tourism industry. (With Asia impacted the worst at 30 million lost jobs) and more than 20 million in the US.
- Over 40 airlines around the world temporarily grounded their entire fleets, and many major carriers canceled more than 90 percent of scheduled flights. TSA reported a 95 percent reduction in US Travel in early April.
- In late March, the International Air Transport Association estimated lost revenue from the coronavirus will exceed $250 billion in 2020 and urged governments to offer immediate financial support to the industry.
- The tourism industry at that time accounted for 10% of global GDP.

The coronavirus epidemic was expected to affect up to 50 million jobs in the global travel and tourism sector COVID-19 considerations from early in 2020, staggering numbers of temporary hotel closures followed in the wake of COVID-19's spread. Some closures were government mandated, while others were voluntary and a result of drastically reduced demand or safety considerations.

Airlines

The transport association said the 2020 pandemic crisis is far worse and more widespread than after 9/11, when U.S. airlines lost approximately $19.6 billion in revenue in 2001-2002. After the terrorist attacks, the U.S. government provided $15 billion to airlines in compensation and loan guarantees.
In early November 2021, the U.S. lifted restrictions Monday the 8th on travel from an extensive list of countries including Mexico, Canada, and most of Europe, allowing tourists to make long-delayed trips and family members to reconnect with loved ones after more than a year and a half apart because of the pandemic. "The U.S. is accepting fully vaccinated travelers at airports and land borders, doing away with a COVID-19 restriction that dates to the Trump administration. The new rules allow air

travel from previously restricted countries if the traveler has proof of vaccination and a negative COVID-19 test. Land travel from Mexico and Canada will require proof of vaccination but no test."

Airlines are expecting more travelers from Europe and elsewhere. Data from travel and analytics firm Cirium showed airlines are increasing flights between the United Kingdom and the U.S. by 21 percent this month over last month. The change will have a profound effect on the borders with Mexico and Canada, where traveling back and forth was a way of life until the pandemic hit, and the U.S. shut down nonessential travel."

The week of Thanksgiving November 22nd through the weekend the TSA reported on all national news outlets that more than 2.1-2.5 million travelers took to the sky's and that the week will top more than 20 million airline passengers. This is 91 percent of pre-pandemic levels and the most airport traffic since March of 2020.

(*Source:* Consultant & NPR)

Hotels

No international or domestic travel, no occupancy, no meals- is where we started in March/April. Today this is no longer the absolute truth and is more market and segment driven. Limited U.S travel globally left demand up to the nation's leisure citizens, mostly.

The hospitality industry is changing weekly, now for the better, in both expectations of travelers and the offerings available at facilities. According to the American Hotel & Lodging Industry State of the Hotel Industry Analysis dated August 31st, 2020, 5 out of 10 employees are still not working and the industry sector is down 4.3 million jobs; 65 percent of remain at or below 55 percent.

occupancy: only 33 percent of Americans say they have traveled overnight for leisure or vacation since March of 2020 and only 38 percent say they are likely to travel by the end of the year. Labor to reopen larger hotels and the amenities will be the struggle for properties due to the unemployment challenges facing the U.S. workforce.

City center major U.S urban markets are hit the hardest based on occupancy levels mostly in the 30 percent range due to lack of group and meetings travel, extremely weak corporate segment, government travel restrictions, civil unrest, and general anxiety due to social and pandemic publicity and media.

As a result of the COVID-19 pandemic and, more directly, the global ban on travel and rapidly expanding social distancing requirements, travel limitations and the governmental National and State stay-home orders brought travel to a halt at a time when spring break was upon the U.S in early 2020. Spring break for 2021 showed pent up demand and the resurgence of travel in many southern and popular destination markets with Tampa Florida leading the charge at or near 77 percent occupancy.

As an attempt to offer a level of normality at a time of crisis, most full-service restaurants are continuing to operate at small fractions of capacity including increased delivery and curbside pickup of food, beverage, and alcoholic concoctions.

Economy and Midscale hotels continue to support the industry. Grey Hospitality has been participating with STR and tracking the weekly effect of the global pandemic and its impact on the industry and is reported in detail later in this report.

According to Oxford Economics, a leader in global forecasting and quantitative analysis, "the lodging industry is estimated to report a 50 percent, $125 billion-dollar loss in 2020 making this year the worst year in history for the hotel industry, just the hotels and not travel overall. Oxford also reported that this will equate to a total loss of $910 billion in travel related economic output in 2020. This is seven times the impact of 9/11." https://www.hotelbusiness.com/

Monthly National Trends in U.S Performance
As for the state of the industry many hoteliers and consultants turn to STR for monthly performance trends and signs of national recovery. The following monthly information has been released by STR and documents the industry recovery monthly over the pandemic. https://str.com/data-insights/news/press-releases.

Grey Hospitality has consolidated the monthly performance in this document for historical performance tracking. Currently STR is measuring occupancy in two formats- the traditional way being tracing realized demand against market supply and excludes temporarily closed rooms that could not be booked.

Trends indicate that business is now returning to normal and tourism along with development is drastically increasing in most markets. Here is a recent look back at where the industry was in the pandemic and how its recovery is currently trending.

STR: U.S. hotel performance for 2023 compared to 2022, Reporting:

Year-end 2023 (percentage change from 2022):

- Occupancy: 63 percent (+0.6 percent)
- Average daily rate (ADR): $155.62 (+4.3 percent)
- Revenue per available room (RevPAR): $97.97 (+4.9 percent)

Among the Top 25 Markets, **New York City** experienced the highest levels in each of the three key performance metrics: occupancy (+8.8 percent to 81.6 percent), ADR (+8.5 percent to $301.22) and RevPAR (+18.1 percent to $245.77). **New Orleans** (-6.8 percent to $100.40) and **Miami** (-6.7 percent to $159.22) reported the only RevPAR decreases in 2023.

December 2023 (percentage change from December 2022):

- Occupancy: 52.6 percent (-1.8 percent)
- Average daily rate (ADR): $151.13 (+2.1 percent)
- Revenue per available room (RevPAR): $79.42 (+0.3 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (86.6 percent), which was up 4.3 percent year over year. Markets with the lowest occupancy for the month included **Minneapolis** (42.5 percent) and **St. Louis** (45.8 percent).

November 2023 (percentage change from November 2022):

- Occupancy: 58.4 percent (-1.2 percent)

- Average daily rate (ADR): $151.23 (+3.6 percent)
- Revenue per available room (RevPAR): $88.36 (+2.4 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (84.0 percent), which was up 6.3 percent year over year. Markets with the lowest occupancy for the month included **Minneapolis** (49.1 percent) and **St. Louis** (53.2percent)**.**

- Group demand in Luxury and Upper Upscale class hotels was the highest for any single month since October 2018.

October 2023 (percentage change from October 2022):

- Occupancy: 65.8 percent (-1.8 percent)
- Average daily rate (ADR): $161.56 (+3.0 percent)
- Revenue per available room (RevPAR): $106.38 (+1.2 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (86.8 percent), which was up 3.0 percent year over year. Markets with the lowest occupancy for the month included **St. Louis** (59.8 percent) and **Houston** (59.5 percent)**.**

- Group demand in Luxury and Upper Upscale class hotels was the highest for any single month since October 2018.

August 2023 (percentage change from August 2022):

- Occupancy: 66.0 percent (-0.3 percent)
- Average daily rate (ADR): $153.60 (+1.8 percent)
- Revenue per available room (RevPAR): $101.35 (+1.5 percent)

Among the Top 25 Markets, Oahu Island experienced the highest occupancy level (84.4 percent), which was up 3.4 percent year over year. Markets with the lowest occupancy for the month included **New Orleans** (45.7 percent) and **Houston** (56.8 percent)**.**

July 2023 (percentage change from July 2022):

- Occupancy: 69.1 percent (-0.5 percent)
- Average daily rate (ADR): $160.31 (+1.3 percent)
- Revenue per available room (RevPAR): $110.80 (+0.8 percent)

Among the Top 25 Markets, San Diego experienced the highest occupancy level (86.5 percent), which was up 2.6 percent year over year. Markets with the lowest occupancy for the month included **New Orleans** (54.3 percent) and **Phoenix** (58.9 percent)**.**

June 2023 (percentage change from June 2022):

- Occupancy: 69.7 percent (-0.4 percent)
- Average daily rate (ADR): $158.40 (+2.3 percent)
- Revenue per available room (RevPAR): $110.33 (+1.9 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (85.4 percent), which was up 1.7 percent year over year, and was the only market to post ADR over $300 (at $305.51). Markets with the lowest occupancy for the month included **New Orleans** (58.2 percent) and **Phoenix** (62.7 percent)**.**

May 2023 (percentage change from May 2022):

- Occupancy: 64.8 percent (-0.2 percent)
- Average daily rate (ADR): $156.25 (+3.8 percent)
- Revenue per available room (RevPAR): $101.31 (+3.7 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (84.0 percent), which was up 3.6 percent from 2022. Markets with the lowest occupancy for the month included Minneapolis (59.1 percent) and Huston (60.2 percent).

April 2023 (percentage change from April 2022):

- Occupancy: 64.4 percent (-1.4 percent)
- Average daily rate (ADR): $155.77 (+3.4 percent)
- Revenue per available room (RevPAR): $100.39 (+1.9 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (82.6 percent), which was up 5.3 percent from the 2022 benchmark year. The largest year-over-year gains in the metric were seen in Minneapolis (+8.2 percent to 56.2 percent), Chicago (+7.0 percent to 63.4 percent), Houston (+7.0 percent to 63.4 percent) and Washington, D.C. (+6.3 percent to 73.7 percent). Markets with the lowest occupancy for the month included Minneapolis and Detroit at 56.2 percent.

Washington, D.C. posted the highest jump in ADR (+14.2 percent to $201.04).
Chicago ranked second in ADR growth (+13.8 percent to $155.66) and first in RevPAR growth (+21.7 percent to $98.66).

March 2023 (percentage change from March 2019):

- Occupancy: 65.3 percent (-4.0 percent)
- Average daily rate (ADR): $158.17 (+19.1 percent)
- Revenue per available room (RevPAR): $103.35 (+14.4 percent)

Among the Top 25 Markets, Tampa experienced the highest occupancy level (84.0 percent), which was down 3.8 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Minneapolis (53.3 percent), Detroit (58.6 percent). Philadelphia (58.6 percent) and San Francisco reported the steepest decline in occupancy when compared with 2019 (-17.1 percent).

February 2023 (percentage change from February 2019):

- Occupancy: 60.0 percent (-2.8 percent)
- Average daily rate (ADR): $152.01 (+17.7 percent)
- Revenue per available room (RevPAR): $91.22 (+14.3 percent)

Among the Top 25 Markets, Tampa experienced the highest occupancy level (82.7 percent), which was down 2.7 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Chicago (50.1 percent), St. Louis (52.7 percent). San Francisco reported the steepest decline in occupancy when compared with 2019 (-28.4 percent).

January 2023 (percentage change from January 2019):

- Occupancy: 52.8 percent (-3.0 percent)
- Average daily rate (ADR): $142.14 (+13.8 percent)
- Revenue per available room (RevPAR): $75.01 (+10.4 percent)

Among the Top 25 Markets, Oahu Island experienced the highest occupancy level (74.4 percent), which was down 9.9 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Chicago (42.7 percent), Minneapolis (43.3 percent), and San Francisco reported the steepest decline in occupancy when compared with 2019 (-25.4 percent).

December 2022 (percentage change from December 2019):

- Occupancy: 53.6 percent (-0.8 percent)
- Average daily rate (ADR): $146.72 (+15.8 percent)
- Revenue per available room (RevPAR): $78.63 (+14.8 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (82.8 percent), which was down 6.0 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Minneapolis (43.8 percent), St. Louis (47.6 percent). San Francisco reported the steepest decline in occupancy when compared with 2019 (-23.9 percent).

November 2022 (percentage change from November 2019):

- Occupancy: 59.4 percent (-3.2 percent)
- Average daily rate (ADR): $144.46 (+15.2 percent)
- Revenue per available room (RevPAR): $85.74 (+11.4 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (79.0 percent), which was down 8.8 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Minneapolis (51.2 percent), St. Louis (52.2 percent). San Francisco reported the steepest decline in occupancy when compared with 2019 (-21.8 percent).

October 2022 (percentage change from October 2019):

- Occupancy: 67.2 percent (-2.4 percent)
- Average daily rate (ADR): $155.63 (+16.8 percent)
- Revenue per available room (RevPAR): $104.59 (+14.0 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (84.3 percent), which was down 6.8 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month under 60 percent included Minneapolis, Houston, and St. Louis (62.2 percent). San Francisco reported the steepest decline in occupancy when compared with 2019 (-19.0 percent).

September 2022 (percentage change from September 2019):

- Occupancy: 66.7 percent (-0.6 percent)
- Average daily rate (ADR): $154.32 (+16.9 percent)
- Revenue per available room (RevPAR): $103.00 (+16.3 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (86.1 percent), which was down 3.8 percent from the market's 2019 benchmark. The market's performance was helped by the United Nations General Assembly and New York Fashion Week. Markets with the lowest occupancy for the month included New Orleans (55.2 percent) and Houston (57.4 percent). New Orleans also reported the steepest decline in occupancy when compared with 2019 (-16.6 percent).

August 2022 (percentage change from August 2019):

- Occupancy: 66.5 percent (-6.7 percent)
- Average daily rate (ADR): $151.49 (+14.0 percent)
- Revenue per available room (RevPAR): $100.67 (+6.3 percent)

Among the Top 25 Markets, Oahu Island experienced the highest occupancy level (81.6 percent), which was down 8.3 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included New Orleans (47.3 percent) and Houston (55.3 percent). New Orleans reported the steepest decline in occupancy when compared with 2019 (-21.9 percent).

July 2022 (percentage change from July 2019):

- Occupancy: 69.6 percent (-5.4 percent)
- Average daily rate (ADR): $159.08 (+17.5 percent)
- Revenue per available room (RevPAR): $110.73 (+11.2 percent)

The country also reported an all-time high RevPAR level (nominal), while occupancy was the second highest since August 2019. Among the Top 25 Markets, Oahu Island experienced the highest occupancy level (86.3 percent), which was down 2.1 percent from the market's 2019 benchmark.
Markets with the lowest occupancy for the month included New Orleans (57.2 percent) and Phoenix (57.3 percent). San Francisco reported the steepest decline in occupancy when compared with 2019 (-16.2 percent).

June 2022 (percentage change from June 2019):

- Occupancy: 70.1 percent (-4.3 percent)
- Average daily rate (ADR): $155.04 (+15.3 percent)
- Revenue per available room (RevPAR): $108.64 (+10.3 percent)

The country also reported an all-time high RevPAR level, while occupancy was the highest since August 2019. Among the Top 25 Markets, New York City experienced the highest occupancy level (83.7 percent), which was down 7.4 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Houston (58.4 percent) and Phoenix (62.6 percent). Philadelphia reported the steepest decline in occupancy when compared with 2019 (-15.7 percent).

May 2022 (percentage change from May 2019):

- Occupancy: 65.1 percent (-5.0 percent)
- Average daily rate (ADR): $149.91 (+13.4 percent)
- Revenue per available room (RevPAR): $97.53 (+7.7 percent)

The country's occupancy and RevPAR levels decreased slightly from April, while ADR remained flat. Among the Top 25 Markets, New York City experienced the highest occupancy level (80.6 percent), which was down 9.7 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Minneapolis (58.8 percent) and Houston (59.4 percent).

April 2022 (percentage change from April 2019):

- Occupancy: 65.3 percent (-3.3 percent)
- Average daily rate (ADR): $149.90 (+14.0 percent)
- Revenue per available room (RevPAR): $98.20 (+10.2 percent)

The country's occupancy and RevPAR levels were the highest since July 2021. On a nominal basis, the country's ADR level was the highest for any month on record. When adjusted for inflation, the April ADR level was 0.7 percent above the 2019 comparable. Among the Top 25 Markets, Miami experienced the highest occupancy level (80.9 percent), which was down 0.2 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Minneapolis (52.5 percent) and Detroit (58.4 percent). Minneapolis reported the steepest decline in occupancy when compared with 2019 (-22.4 percent).

March 2022 (percentage change from March 2019):

- Occupancy: 64.0 percent (-6.2 percent)
- Average daily rate (ADR): $146.61 (+10.9 percent)
- Revenue per available room (RevPAR): $3.82 (+4.0 percent)

The country's occupancy and RevPAR levels were the highest since July 2021. On a nominal basis, the country's ADR level was the highest for any month on record. When adjusted for inflation, the March ADR level was 2 percent below the 2019 comparable level. Among the Top 25 Markets, Tampa experienced the highest occupancy level (84.7 percent), which was still down 3.6 percent from the market's 2019 benchmark. None of the Top 25 Markets saw an occupancy increase over 2019. Markets with the lowest occupancy for the month included Minneapolis (50.1 percent) and Chicago (54.5 percent). San Francisco/San Mateo reported the steepest decline in occupancy when compared with 2019 (-23.4 percent).

February 2022 (percentage change from February 2019):

- Occupancy: 56.9 percent (-8.2 percent)
- Average daily rate (ADR): $137.39 (+6.8 percent)
- Revenue per available room (RevPAR): $78.24 (-1.9 percent)

The country's ADR level was the highest for any month since August 2021. When adjusted for inflation, the February ADR level was 5 percent below the 2019 comparable. Among the Top 25 Markets, Miami experienced the highest occupancy level (81.6 percent), which was still down 3.0 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Minneapolis (41.7 percent) and Chicago (43.8 percent).

January 2022 (percentage change from January 2019):

- Occupancy: 47.8 percent (-12.6 percent)
- Average daily rate (ADR): $123.51 (-0.3 percent)
- Revenue per available room (RevPAR): $58.98 (-12.8 percent)

Among the Top 25 Markets, Miami experienced the highest occupancy level (68.2 percent), which was still down 12.9 percent from the market's 2019 benchmark. Markets with the lowest occupancy for the month included Chicago (35.4 percent) and Minneapolis (36.1 percent).

December 2021 (percentage change from December 2019):

- Occupancy: 53.3 percent (-1.4 percent)
- Average daily rate (ADR): $135.28 (+6.7 percent)
- Revenue per available room (RevPAR): $72.15 (+5.2 percent)

In addition to 2020, U.S. hotel occupancy failed to reach 60% for just the second time since 2011. On a nominal basis, 2021 ADR was the fourth highest on record. The country's RevPAR level was its second lowest in eight years behind only 2020. Among the Top 25 Markets, Tampa reported the highest occupancy level (68.4%), which was still down 5.2% from the market's 2019 benchmark. None of the Top 25 Markets experienced an occupancy increase over 2019.

November 2021 (percentage change from November 2019):

- Occupancy: 57.6 percent (-6.2 percent)
- Average daily rate (ADR): $128.50 (+2.4 percent)
- Revenue per available room (RevPAR): $74.03 (-3.9 percent)

Among the Top 25 Markets, New York City experienced the highest occupancy level (71.2 percent), which was still down -17.9 percent from the market's 2019 benchmark. None of the Top 25 Markets saw an occupancy increase over October 2019. Markets with the lowest occupancy for the month included Minneapolis (44.0 percent) and St. Louis (50.3 percent). Oahu Island reported the steepest decline in occupancy when compared with 2019 (-34.9 percent).

October 2021 (percentage change from October 2019 benchmark):

- Occupancy: 62.9 percent (-8.8 percent)
- ADR: $9134.78 (+1.2 percent)
- RevPAR: $84.75 (-7.6 percent)

Among the Top 25 Markets, Nashville experienced the highest occupancy level (71.8 percent), which was still down 11.9 percent from the market's 2019 benchmark. None of the Top 25 Markets saw an occupancy increase over October 2019. Markets with the lowest occupancy for the month included Oahu Island (48.9 percent) and Minneapolis (51.1 percent). Oahu Island reported the steepest decline in occupancy when compared with 2019 (-41.0 percent). Overall, the Top 25 Markets showed lower occupancy but higher ADR than all other markets.

September 2021 (percentage change from 2019 benchmark):

- Occupancy: 61.6.9 percent (-8.2 percent)
- ADR: $133.11 (+1.0 percent)
- RevPAR: $82.04 (-7.3 percent)

Among the Top 25 Markets, Denver experienced the highest occupancy level (71.4 percent), which was still down 12.0 percent from the market's 2019 benchmark. None of the Top 25 Markets saw an occupancy increase over 2019. Markets with the lowest occupancy for the month included Orlando (49.2 percent) and Minneapolis (50.5 percent). Oahu Island reported the steepest decline in occupancy when compared with 2019 (-39.0 percent to 51.8 percent). Overall, the Top 25 Markets showed lower occupancy but higher ADR than all other markets.

August 2021 (percentage change from August 2019 benchmark):

- Occupancy: 63.2 percent (-11.3 percent)
- ADR: $137.57 (+3.7 percent)
- RevPAR: $86.88 (-8.1 percent)

As the summer leisure travel surge subsided, the U.S. hotel industry reported performance declines from the month prior, according to August 2021 data from STR. On a nominal basis, ADR was higher than the 2019 comparable. Among the Top 25 Markets, Norfolk/Virginia Beach experienced the highest occupancy level (74.2 percent), which was still down 5.3 percent from the market's 2019 benchmark. None of the Top 25 Markets saw an occupancy increase over 2019. Markets with the lowest occupancy for the month included New Orleans (42.7 percent) and Orlando (52.2 percent).

July 2021 (percentage change from July 2019 benchmark):

- Occupancy: 69.6 percent (-5.5 percent)
- ADR: $99.71 (+6.0 percent)
- RevPAR: $99.71 (+0.2 percent)

The U.S. hotel industry reported all-time monthly highs in average daily rate (ADR) and revenue per available room (RevPAR) on a nominal basis, according to July 2021 data from STR; but when adjusted for inflation, the ADR and RevPAR levels were lower than the all-time highs recorded in 2019. On an absolute basis, occupancy was the highest for any month since August 2019.

Among the Top 25 Markets, Oahu Island experienced the highest occupancy level (82.0 percent), which was still down 6.9 percent from the market's 2019 benchmark. The market also recorded the highest ADR ($258.65) and RevPAR ($212.00). Tampa saw the highest occupancy increase in over 2019 (+3.7 percent to 76.1 percent).

Markets with the lowest occupancy for the month included Washington, D.C. (55.9 percent) and Minneapolis (57.1 percent). San Francisco/San Mateo reported the steepest decline in occupancy when compared with 2019 (-31.7 percent to 57.5 percent). Overall, the Top 25 Markets showed lower occupancy but higher ADR than all other markets.

June 2021 (percentage change from 2019 benchmark):

- Occupancy: 66.1 percent (-9.8 percent)
- ADR: $129.00 (-4.0 percent)
- RevPAR: $85.31 (-13.4 percent)

The U.S. hotel industry recorded its highest monthly occupancy and revenue per available room (RevPAR) since October 2019, according to June 2021 data from STR. In addition to higher occupancy and RevPAR levels, ADR was the highest for any month since February 2020. While year-over-year percentage changes show significant increases because of comparison with a pandemic-affected period in 2020. Among the Top 25 Markets, Tampa experienced the highest occupancy level (76.2 percent), which was a 3.2 percent increase over the market's benchmark from 2019.

May 2021 (percent change from May 2019 benchmark):

- Occupancy: 59.3 percent occupancy (-13.5 percent)
- ADR: $117.69 (-10.9 percent)
- RevPAR: $69.81(-22.9 percent)

The U.S. hotel industry recorded its highest monthly performance levels since before the beginning of the pandemic, according to May 2021 data from STR. Each of the three key performance metrics

were the highest for any month since February 2020. While year-over-year percentage changes show significant increases because of comparison with a pandemic-affected period in 2020, the country's performance levels remained well below the pre-pandemic monthly comparable.

Among the Top 25 Markets, Miami experienced the highest occupancy level (74.2 percent), which was 2.6 percent below the market's benchmark from 2019. The market also recorded the highest ADR ($236.07) and RevPAR ($175.23) levels. Miami's ADR level was 33.6 percent higher than the pre-pandemic comparable.

Markets with the lowest occupancy for the month included Minneapolis (43.5 percent) and San Francisco/San Mateo (44.0 percent).

April 2021 (percent change from April 2019 benchmark):

- Occupancy: 57.5 percent (-15.2 percent)
- ADR: $110.34 (-16.0 percent)
- RevPAR: $63.46 (-28.8 percent)

Occupancy and RevPAR were the highest for any month since February 2020, while ADR was the highest since March 2020. While year-over-year percentage changes show significant increases because of comparison with a pandemic-affected period in 2020, the country's performance levels remained well below the pre-pandemic comparable month.

March 2021(percent change from March 2019 benchmark):

- Occupancy: 54.6 percent (-20.0 percent)
- ADR: $106.08 (-19.7 percent)
- RevPAR: $57.87 (-35.8 percent)

Occupancy and RevPAR were the highest for any month since February 2020, while ADR was the highest since March 2020. While year-over-year percentage changes show significant increases because of comparison with a pandemic-affected period in 2020, the country's performance levels remained well below the pre-pandemic comparable month.

STR reported "While we are overjoyed to see U.S. demand and occupancy growing and reaching new pandemic-era highs, we must keep in mind that there are 580 hotels with 154,000 rooms still temporarily closed."

February 2021 (percentage change from February 2020):

- Occupancy: 45.3 percent (-26.6 percent)
- ADR: $98.31 (-24.8 percent)
- RevPAR: $44.57 (-44.8 percent)

Occupancy and RevPAR were the highest for any month since October 2020, while ADR was the highest since September 2020. Among the Top 25 Markets, Oahu Island reported the lowest February occupancy level (29.3 percent), which represented a 65.9 percent decrease in year-over-year comparisons.

January 2021 (percentage change from January 2020):

- Occupancy: 39.3 percent (-28.3 percent)
- ADR: $90.79 (-27.8 percent)
- RevPAR: $35.72 (-48.2 percent)

Occupancy and RevPAR were up from December but remained closer to the earlier months of the pandemic. ADR was down slightly from the previous month. Among the Top 25 Markets, Oahu Island and Hawaii, reported the lowest January occupancy level (23.6 percent), which represented a 72.9 percent decrease in year-over-year comparisons.

Miami, Florida, reported the highest occupancy level (54.5 percent), which was down 32.3 percent year over year. The market also showed the highest ADR ($195.08), which represented a 25.5 percent decline year over year. The next highest occupancy levels were seen in Tampa, Florida (54.2 percent), and Phoenix, Arizona (49.3 percent). In addition to Miami, six other markets posted ADR above $100.

December 2020 (percentage change from December 2019):

- Occupancy: 36.7 percent (-32.3 percent)
- ADR: $91.96 (-27.6 percent)
- RevPAR: US$33.76 (-51.0 percent)

Occupancy and RevPAR were the lowest since May, while ADR was up slightly from the previous month. Among the Top 25 Markets, Oahu Island, Hawaii, reported the lowest December occupancy level (23.6 percent), which represented a 71.6 percent decrease in year-over-year comparisons.

Miami/Hialeah, Florida, reported the highest occupancy level (48.8 percent), which was down 37.6 percent year over year. The market also showed the highest ADR ($187.01), which represented a 26.1percent decline year over year. The next highest occupancy levels were seen in Tampa/St. Petersburg, Florida (48.4 percent), and Atlanta, Georgia (45.3 percent).

November 2020 (percentage change from November 2019):

- Occupancy: 40.3 percent (-34.5 percent)
- ADR: $90.92 (-27.7 percent)
- RevPAR: $36.67 (-52.6 percent)

Each of the three key performance metrics declined from the previous month.
Among the Top 25 Markets, Oahu Island, Hawaii, reported the lowest November occupancy level (22.6 percent), which represented a 72.4 percent decline in year-over-year comparisons. The market showed the highest ADR ($167.49), however, which was down 26.7 percent.

October 2020 (percentage change from October 2019):

- Occupancy: 48.3 percent (-30.1 percent)
- ADR: $97.61 (-26.8 percent)
- RevPAR: $47.13 (-48.8 percent)

Occupancy remained flat from the previous month, while the ADR and RevPAR levels came in lower than September. More recently, November weekly data showed that occupancy reached its lowest level since the week of June 14-20.

September 2020 and Q3- Actual Results STR

The U.S. hotel & lodging industry reported its lowest third-quarter occupancy level on record, according to Q3 2020 data from STR. Occupancy for the quarter was 48 percent, down 32.2 percent from the same quarter in 2019. The average daily rate was $101.25 (down 24.1 percent) and revenue per available room was $48.58 (down 48.5 percent).

September 2020 reported (percentage change from September 2019):

- Occupancy: 48.3 percent (-28.2 percent)
- ADR: $99.12 (-24.9 percent)
- RevPAR: $47.87 (-46.1 percent)

Each of the three key performance indicators came in lower than August. The absolute levels recorded in August were the highest for any month since April. More recently, October weekly data showed that occupancy reached 50 percent for just the second time since the industry's low point.

2020 Summer Review STR

Summer 2020 was already off to a good start in June, when occupancy reached 42.2 percent, up from 33.1 percent the month prior. Occupancy stayed well above the 40 percent level throughout the summer months, with August producing the highest occupancy since the start of the pandemic at 48.6%. That rate held through September at 48.3 percent.

ADR and RevPAR followed suit, with both metrics reaching the highest absolute levels in August, at $102.64 and $49.91, respectively. Each month between April and July, the year-over-year RevPAR percent change improved by 10 percentage points, however between July and September,

While the above data is for open hotels only, it is important to note that Total-Room-Inventory occupancy (which excludes temporary closures due to the pandemic) did not differ by much from the standard occupancy during September. Standard occupancy stood at 48.3 percent, while occupancy was 46.4 percent – a difference of 4.0 percent.

August 2020- Actual Results STR

The U.S. hotel industry's metrics improved slightly in August from the previous month, according to the latest data from STR. Compared to August 2019, occupancy was down 31.7 percent to 48.6 percent, average daily rate was down 22.8 percent to $102.46 and revenue per available room was down 47.3 percent to $49.83.

The absolute occupancy level was the lowest for any August on record in the U.S., but all three key performance metrics were up from July levels. Recent September weekly data shows occupancy just below 50 percent due to a slight decrease in demand. Among the top 25 markets, Oahu Island in

Hawaii experienced the steepest drop in occupancy, down 69.9 percent to 26.8 percent, and the largest decrease in RevPAR—down 81.4 percent to $42.13. San Francisco/San Mateo in California posted the steepest decline in ADR, down 50.1 percent to $123.23.

July 2020- Actual Results STR

In a year-over-year comparison with July 2019, the industry reported GOPPAR was down 93.3 percent to $5.74; total revenue per available room was down 74.1 percent to $60.04; earnings before interest, taxes, depreciation, and amortization were down 115.1 percent to -$9.24; and labor costs were down 64.8 percent to $28.46.

"As the industry inched closer to 50 percent occupancy, we saw continued incremental improvement in the subsequent profitability metrics," said Raquel Ortiz, STR's assistant director of financial performance. "We are, of course, nowhere near pre-pandemic levels, but there were additional encouraging signs in positive GOPPAR for full-service hotels and six major markets."

June 2020- Actual Results STR

Due to the impact of the COVID-19 pandemic, the U.S. hotel industry showed slightly higher performance in June 2020, according to data from STR. This is likely to diminish in July with the resurgence of cases nationally and in key travel markets.

In a year-over-year comparison with June 2019, the industry recorded the following:

- Occupancy: decreased by -42.5 percent to 42.2 percent overall
- Average daily rate (ADR): decreased by -31.5 percent to $92.15.
- Revenue per available room (RevPAR): decreased by -60.6 percent to $38.88.

The occupancy and RevPAR levels reported in June of 2020 were the lowest reported results of any June on record according to STR.

May 2020- Actual Results STR

Due to the impact of the COVID-19 pandemic, the U.S. hotel industry showed continued lower performance during May 2020, according to data from STR. In a year-over-year comparison with

May 2019, the industry recorded the following:

- Occupancy: decreased by -51.7 percent to 33.1 percent overall
- ADR: decreased by -39.9 percent to $79.57.

- RevPAR: decreased by -71.0 percent to $26.35.

The absolute occupancy and RevPAR levels were the lowest for any May on record in the U.S., but all three key performance metrics were up from April levels. Recent weekly data shows occupancy above 40 percent due to a slow and steady rise in demand.

April 2020- Actual Results STR
U.S. hotel gross operating profit per available room fell 116.9% during April 2020, according to the latest monthly P&L data release from STR.
In a year-over-year comparison with April 2019, the industry reported the following:

- GOP Per Available Room: -116.9 percent to -$17.98
- Total RevPAR: -92.9 percent to $17.39
- EBIDTA PAR: -140.2 percent to -$32.30
- LPAR (Labor Costs): -72.8 percent to $20.80

"Whereas only the later portion of March was affected, April was the country's first full month in the COVID-19 world, and the impact on U.S. hotel profitability was historic," said Joseph Rael, STR's senior director of financial performance. "Occupancy levels hit the floor near the middle of the month, leaving many properties positioned to lose money by keeping their doors open. That led to more than 5,100 temporary closures around the country."

Among top markets, Houston reported the steepest year-over-year GOPPAR decline (-135.3 percent), followed by Chicago (-134.6 percent) and San Francisco/San Mateo (-133.6 percent).

March 2020- Actual Results STR
In a year-over-year comparison with March 2019, the industry posted the following:

- Occupancy: -42.3 percent to 39.4 percent
- ADR: -16.5 percent to $110.66
- RevPAR: -51.9% to $43.54

Among the Top 25 Markets, San Francisco/San Mateo, California, experienced the steepest drop in occupancy (-62.2 percent to 30.2 percent), which resulted in the largest decrease in RevPAR (-72.3 percent to $55.42). The market also posted one of the largest declines in ADR (-26.6 percent to $183.68).

New Orleans, Louisiana, was matched for the other steepest decrease in ADR (-26.6 percent to $134.98).

Past Demand Crisis Impact – Overview:
STR has tracked data for the last 30 years and reports the impact of recent economic disruptions and the effect on the lodging industry.

2001- 2002 Recession from 9/11 there was a noted decline in RevPAR by an alarming 10 percent
2008 -The period of 2008-09 reported RevPAR down by 16.8 percent.
2002 – The 2002 SARS outbreak reported occupancy rate decline by a 26 percent in a comparison between the April-June quarter in 2002 and 2003.

The recession periods resulted in a slump in consumer spending and leisure travels took the hardest hit. In addition, with the increased number of furloughs, no unnecessary business travel was realized.

Key Points

- Zero Base Travel Demand (new benchmark): STR defines this as when hotels and the industry have absolutely no demand in the U.S. (business, leisure, or group); the lodging industry is still selling 1 million rooms a day and equates to approximately 21.6 percent occupancy. This has never been measured before the Covid-19 Pandemic. (Source: STR week ending April 9th, 2020)
- In this time of social distancing and safer at home STR reported in early April of 2020 21.6 percent of hotel were still occupied.
- Market Class: those classifications of hotel performing the best or “less bad” (STR Quoted) were the Economy and Midscale segments at 20 percent and 30 percent, respectively.
- In March and April of 2020, the U.S. has experienced zero group demand across the country.
- Early April 2020 STR reported that 12 percent of U.S. hotels (overall supply) were reported closed. This number is likely incorrect due to the fact owners and operators are not notifying STR of property closures and are encouraged to do so.
- Actual 2021 reported 57.6 percent occupancy, ADR $125, and $72 RevPAR, a -17 percent change from 2019. Hotel occupancy for the 2020 year was 44 percent; ADR was diminished to 103.25 and RevPAR at $45.48- the lowest since 1999.
- Grey Hospitality and STR forecast 2022 is estimated at 63 (up 7 percent in RevPAR) and 64 percent in 2023 (up at 13 percent in RevPAR) and rates closer to $145-$150.

Conclusion
“After reaching an all-time low in 2020, attributed to the impact of the COVID-19 pandemic, the national lodging market quickly rebounded to an all-time revenue per available room (RevPAR) high in 2022. While occupancy levels in 2022 remained below 2019 levels, ADR exceeded 2019 levels that year, propelled by a combination of inflation and a surge of leisure travel in the post-COVID-19 era. Data for 2023 illustrate that the impacts of COVID-19 are generally behind us and the lodging market

has reached a new level of stabilization, with occupancy growth continuing, albeit at a more muted pace, and ADR also illustrating further growth."

Domestic travel and international travel in most all U.S markets have returned and are exceeding historic performance. However, in many markets the corporate guests are conservatively getting back to business. The corporate traveler class, which is still slightly behind historic trends in many tertiary markets as is seen in most trend reports reporting day of week performance from historic trends. This can be obvious when looking at performance Mondays through Wednesday's and sometimes Thursdays now over 2019 actual market performance. In many markets the new business/leisure or "Bleisure guest" is significantly impacting Thursday through Sunday performance with their shift in business travel with extended leisure stay in an interesting market.

Grey Hospitality and STR agree that most prominently the leisure traveler has currently and will continue to return along followed with the business traveler reporting back to more normal travel patterns. Markets like New York City have achieved the highest rate and occupancy ever recorded, showing national and global travel from most countries have returned. It is expected to see travel continue to grow through the end of 2024. These predictions in travel reported key benchmarks in tourism and STR reported that in 2023 the national occupancy increased 0.6 percent to 63 percent overall, an all-time high in ADR and RevPAR at $155.62 up 4.3 percent and $97.97, respectively.

Stability will return to the industry and more travel will be seen by years end and into 2024. Travel demand is likely to stabilize in 2024 benchmarking record occupancy and rate. Current trends indicate that the industry is reporting a decline in many markets for leisure travel (Thursday – Saturday as many consumers are getting out priced in the market), while group travel remains strong, and the industry will experience in growth in 2024; with a slight increase in corporate bookings (Monday – Wednesday travel).

The hospitality industry has been witnessing a resurgence in various segments of travel. Group travel, in particular, has seen a steady rise. This trend has been fueled by a desire for shared experiences and reconnection after periods of travel restrictions.

Corporate travel is another positive indicator as businesses adapt to new work models post-pandemic, many are resuming business travel for meetings, conferences, and collaborations and the daily work schedule. This renewed activity not only benefits hotels, but also other sectors related to travel and hospitality.

Grey Hospitality, a member of Cayuga Hospitality Consultants, offers strategic market analysis, operational planning services (Asset Management) and development consulting to communities, state agencies and developers in the hospitality arena. Our broad range of skills in both management and development experience enables us to quickly provide clients with a focus towards realistic expectations based on expanded services, actual operations, enhanced profitability, and potential development considerations based on regional expertise. Whether our engagement involves developing strategic plans, conducting feasibility studies, implementing new services, or evaluating operations, our concern is to assist clients in providing high quality services that meet community needs as well as guest needs, generate new revenue, and contribute to the client's continued strength, master plan and future growth.

Sincerely,

Sean Skellie

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