

HOTEL MARKET & COVID

CURRENT SITUATION DATA THROUGH JUNE 13TH, 2020



New Renaissance in Wauwatosa
(Milwaukee) opening in August



New Circa Hotel in downtown Las Vegas
opening in October

Rob Hunden, CEO
Hunden Strategic Partners

hunden
strategic
partners

Hunden Partners - Areas of Expertise

Real Estate Advisory

Market Feasibility

Financial Feasibility

Physical Programming

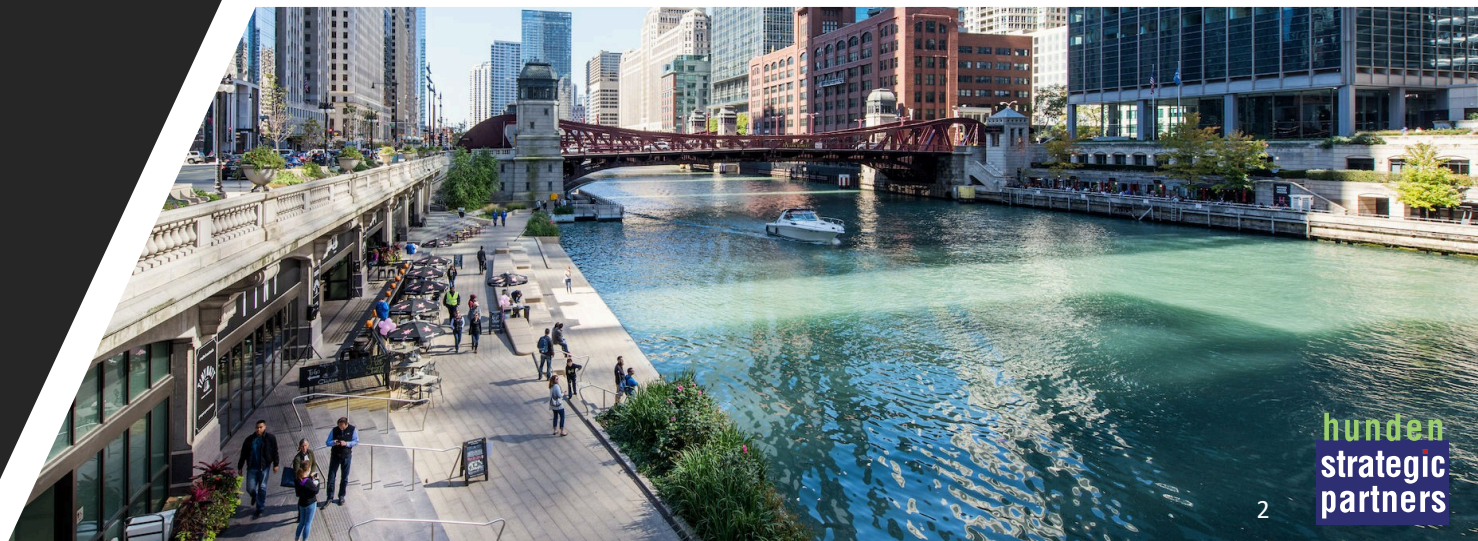
Funding Options/Public Incentives

Economic & Fiscal Impact Analysis

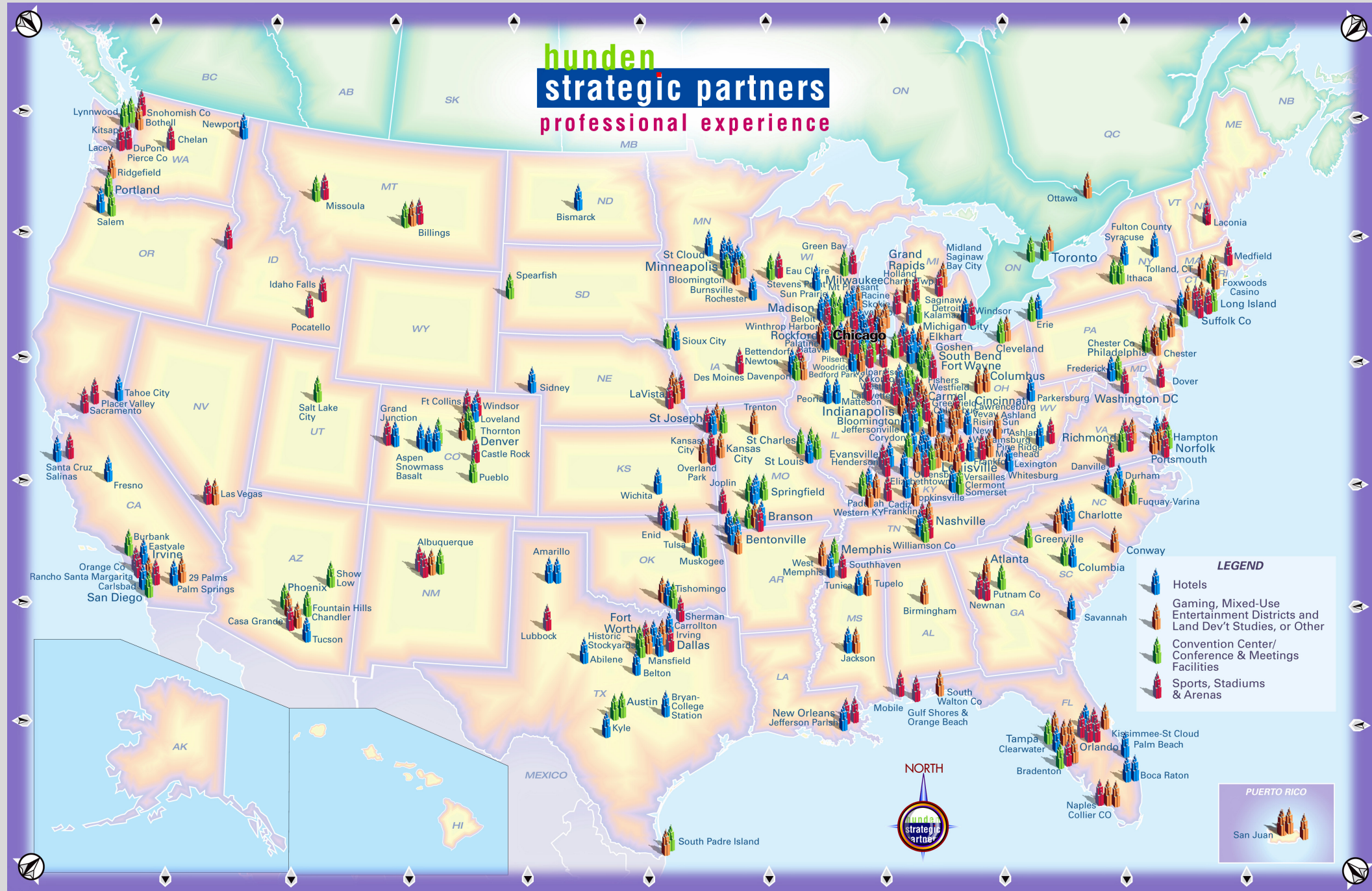
RFQ/P Processes

Business Plans

Strategy



hunden
strategic partners
 professional experience



Hotel Industry

Key Points: Hotel Market Recovery

- The hotel market has experienced a continued rebound from the bottom week of April 5-11. Occupancy has increased by 2.3% per week, on average, since.
- Occupancy surpassed 40% last week, which is ~20 percentage point change since the lowest week when national occupancy hit 21%.
- Average daily rate increased by more than \$4, the largest weekly increase since the pandemic began.
- Luxury *class* hotels and Resort *location* hotels have shown the largest dollar amount increase in terms of ADR and RevPAR.
- HSP notes that cities under lockdown and hit hard by unrest were set back, although this may be masked by the fact that many of the downtown hotels were still closed during the riots and looting. Seattle, Minneapolis and Chicago are still struggling.
- Las Vegas is not shown in the Top 25 markets because many of its large casino hotels do not share data with STR, making the data unreliable.

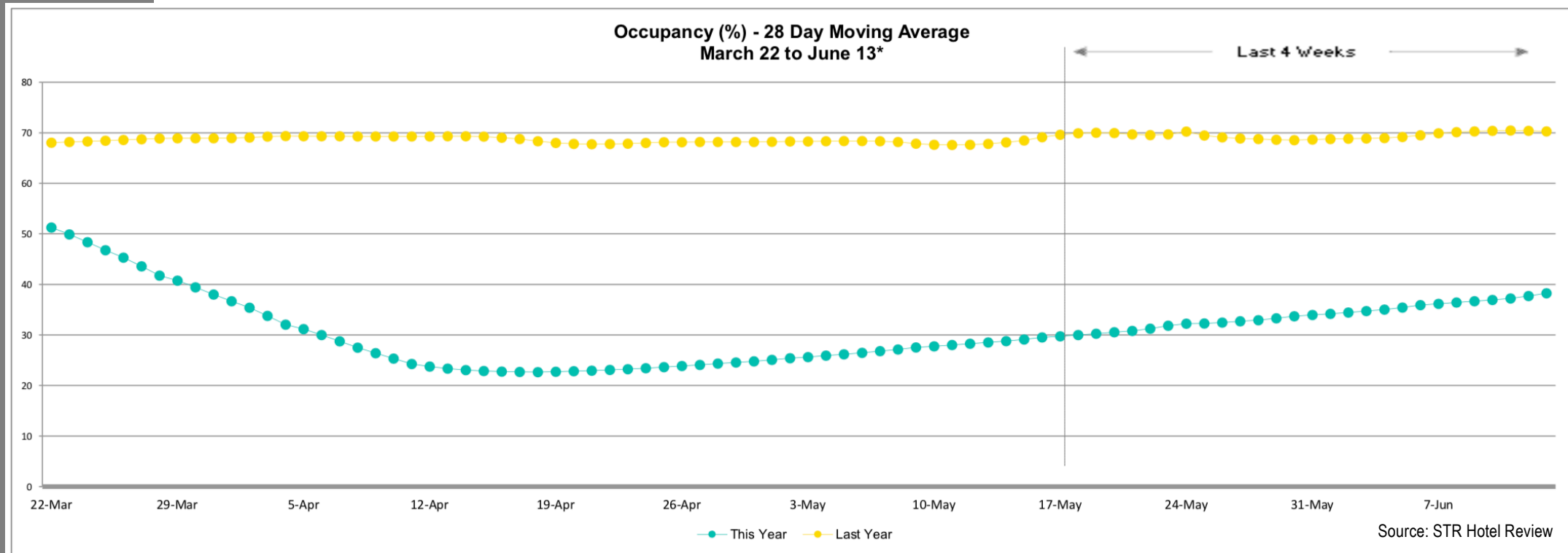
US Hotel Trends During COVID-19

Date	Occupancy		Annual Change	Weekly Change	Average Daily Rate		Annual Change	Weekly Change	Revenue per Available Room		Annual Change	Weekly Change
	2020	2019			2020	2019			2020	2019		
	Feb 8th	59.0%			59.8%	-0.8%			--	\$128.75		
Feb 15th	63.6%	63.5%	0.1%	4.6%	\$133.55	\$132.36	\$1.19	\$4.80	\$85.00	\$83.99	\$1.01	\$9.02
Feb 22nd	63.2%	64.6%	-1.4%	-0.4%	\$130.55	\$129.64	\$0.91	-\$3.00	\$82.55	\$83.72	-\$1.17	-\$2.45
Feb 29th	64.1%	65.2%	-1.1%	0.9%	\$129.67	\$127.63	\$2.04	-\$0.88	\$83.16	\$83.33	-\$0.17	\$0.61
Mar 7th	61.8%	66.7%	-4.9%	-2.3%	\$126.01	\$132.09	-\$6.08	-\$3.66	\$77.82	\$88.03	-\$10.21	-\$5.34
Mar 14th	53.0%	70.1%	-17.1%	-8.8%	\$120.30	\$134.71	-\$14.41	-\$5.71	\$63.74	\$94.43	-\$30.69	-\$14.08
Mar 21st	30.3%	69.5%	-39.2%	-22.7%	\$93.41	\$133.83	-\$40.42	-\$26.89	\$28.32	\$92.85	-\$64.53	-\$35.42
Mar 28th	22.6%	69.5%	-46.9%	-7.7%	\$79.92	\$131.88	-\$51.96	-\$13.49	\$18.05	\$91.62	-\$73.57	-\$10.27
April 4th	21.6%	68.6%	-47.0%	-1.0%	\$76.51	\$130.79	-\$54.28	-\$3.41	\$16.50	\$89.67	-\$73.17	-\$1.55
April 11th	21.0%	69.8%	-48.8%	-0.6%	\$74.18	\$136.36	-\$62.18	-\$2.33	\$15.61	\$95.18	-\$79.57	-\$0.89
April 18th	23.4%	65.7%	-42.3%	2.4%	\$74.53	\$128.94	-\$54.41	\$0.35	\$17.53	\$85.10	-\$67.57	\$1.92
April 25th	26.0%	68.8%	-42.8%	2.6%	\$73.61	\$128.91	-\$55.30	-\$0.92	\$19.13	\$88.56	-\$69.43	\$1.60
May 2nd	28.6%	68.9%	-40.3%	2.6%	\$74.72	\$133.43	-\$58.71	\$1.11	\$21.39	\$92.20	-\$70.81	\$2.26
May 9th	30.1%	68.3%	-38.2%	1.5%	\$76.35	\$131.87	-\$55.52	\$1.63	\$22.95	\$89.65	-\$66.70	\$1.56
May 16th	32.4%	70.6%	-38.2%	2.3%	\$77.55	\$134.64	-\$57.09	\$1.20	\$25.12	\$95.15	-\$70.03	\$2.17
May 23rd	35.4%	71.1%	-35.7%	3.0%	\$80.92	\$134.20	-\$53.28	\$3.37	\$26.67	\$88.60	-\$61.93	\$1.55
May 30th	36.6%	64.4%	-27.8%	1.2%	\$82.94	\$124.35	-\$41.41	\$2.02	\$30.34	\$80.05	-\$49.71	\$3.67
June 6th	39.3%	71.8%	-32.5%	2.7%	\$85.01	\$132.62	-\$47.61	\$2.07	\$33.43	\$95.51	-\$62.08	\$3.09
June 13th (starting June 7th)	41.7%	73.6%	-31.9%	2.4%	\$89.09	\$134.84	-\$45.75	\$4.08	\$37.15	\$99.27	-\$62.12	\$3.72
Average Weekly Change Since Bottom				2.3%				\$1.66				\$2.39

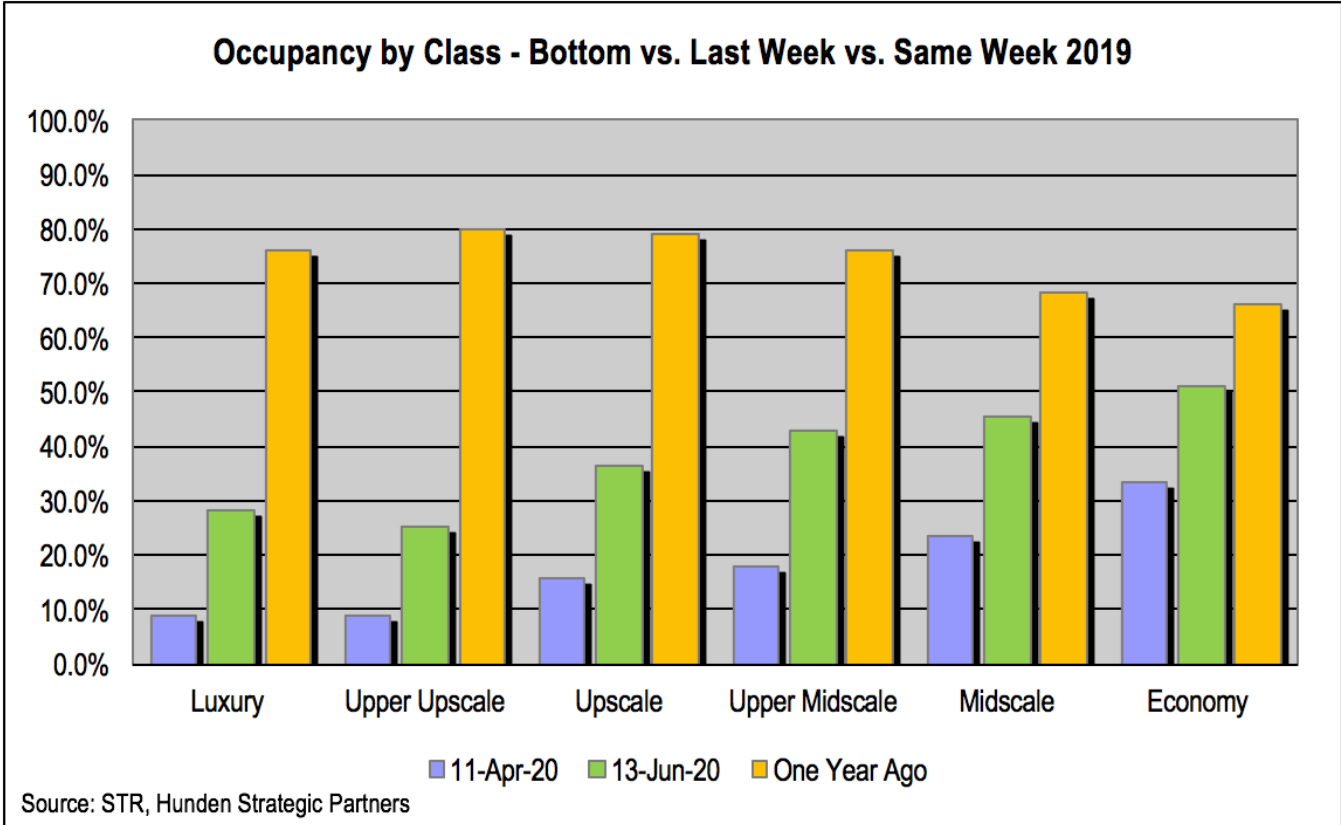
Source: HNN, Smith Travel Research, Hunden Strategic Partners

Since the market bottomed in occupancy, ADR, and RevPAR the week of April 5th - 11th, the average increase in occupancy is 2.3% per week. ADR has increased on average \$1.66 per week, while RevPAR has increased on average \$2.39 per week. The increase in ADR of \$4.09 and RevPAR of \$3.72 are the highest since the bottom. 6

Occupancy 28 Day Moving Average



Occupancy has rebounded to 41.7% from a yearly low on the week of April 5th – 11th of 21%.



- Upper Midscale has shown the biggest percentage point change in occupancy from a low of 18.0% to 42.9% this past week

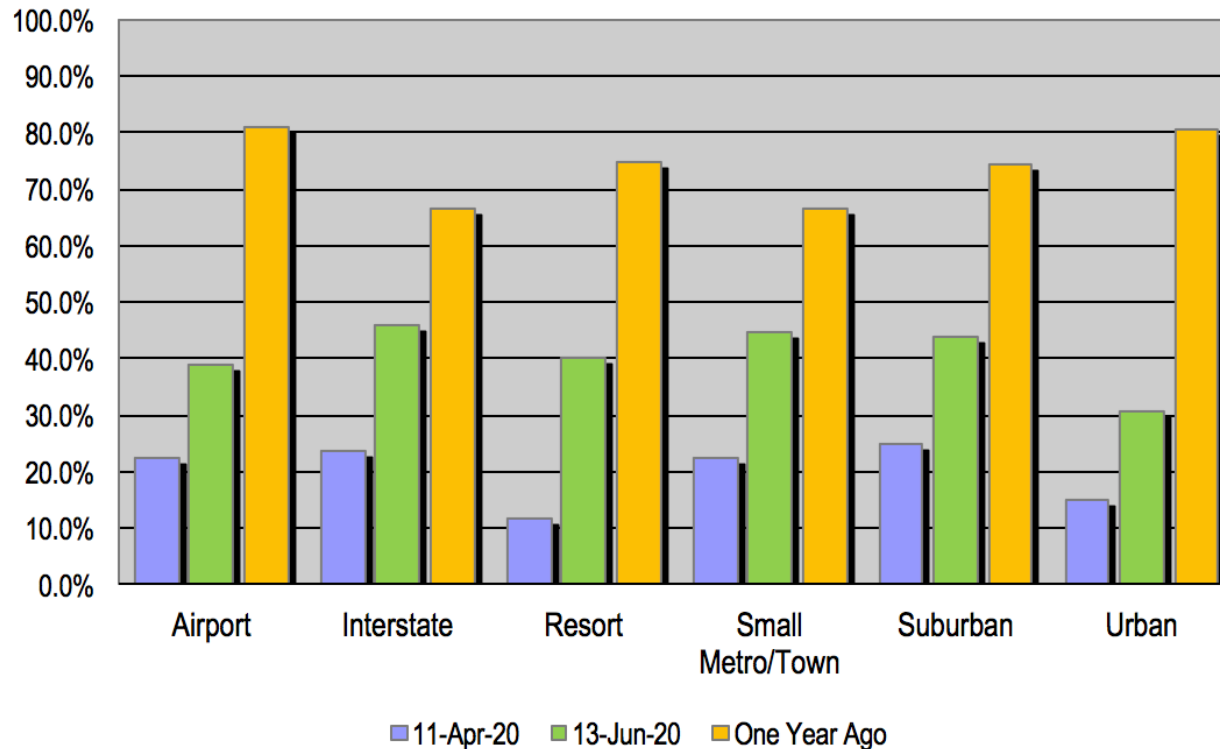
- Despite the global pandemic, economy hotels are performing best relative to their historical average, surpassing 50% occupancy

Weekly Hotel Review by Class - Occupancy

Class	One Year Ago	11-Apr-20	13-Jun-20	Percentage Change
Luxury	76.0%	8.9%	28.3%	19.4%
Upper Upscale	79.7%	8.8%	25.2%	16.4%
Upscale	79.2%	15.7%	36.6%	20.9%
Upper Midscale	76.2%	18.0%	42.9%	24.9%
Midscale	68.3%	23.4%	45.3%	21.9%
Economy	66.3%	33.6%	51.1%	17.5%

Source: STR Hotel Review, Hunden Strategic Partners

Occupancy by Location - Bottom vs. Last Week vs. Same Week 2019



Source: STR, Hunden Strategic Partners

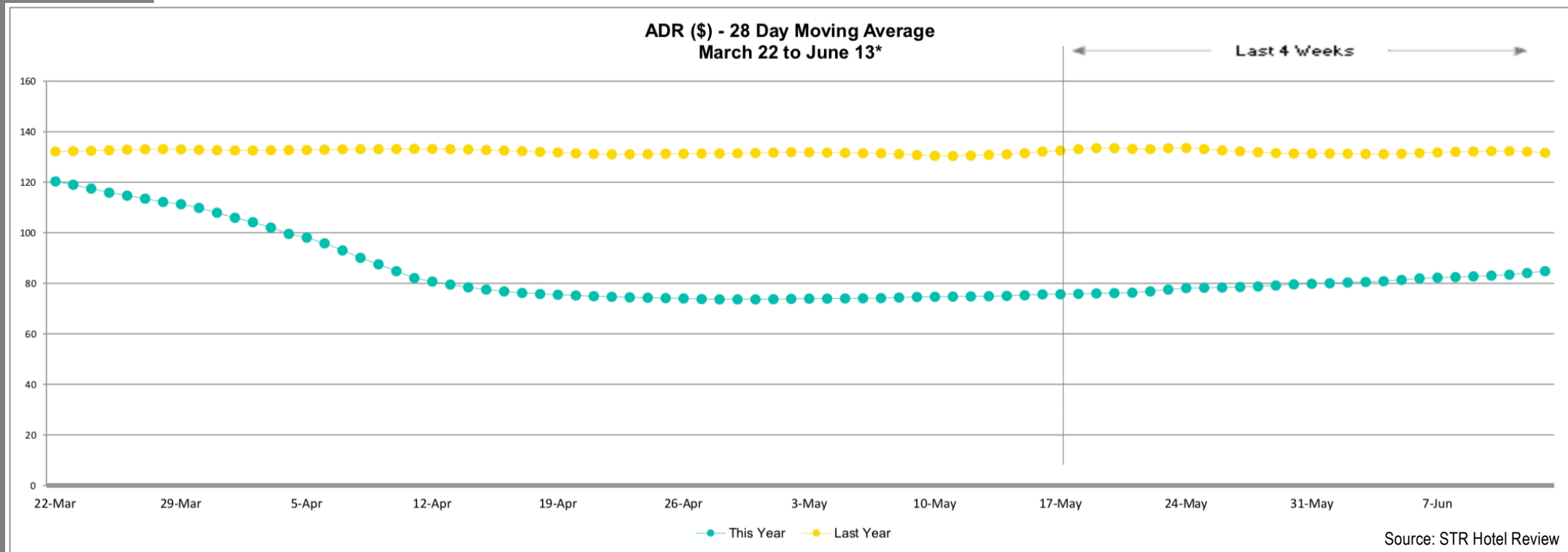
Weekly Hotel Review by Location - Occupancy

Location	One Year Ago	11-Apr-20	13-Jun-20	Percentage Change
Airport	80.9%	22.3%	39.0%	16.7%
Interstate	66.7%	23.7%	45.9%	22.2%
Resort	74.8%	11.6%	40.1%	28.5%
Small Metro/Town	66.7%	22.4%	44.8%	22.4%
Suburban	74.5%	24.7%	44.0%	19.3%
Urban	80.5%	15.0%	30.7%	15.7%

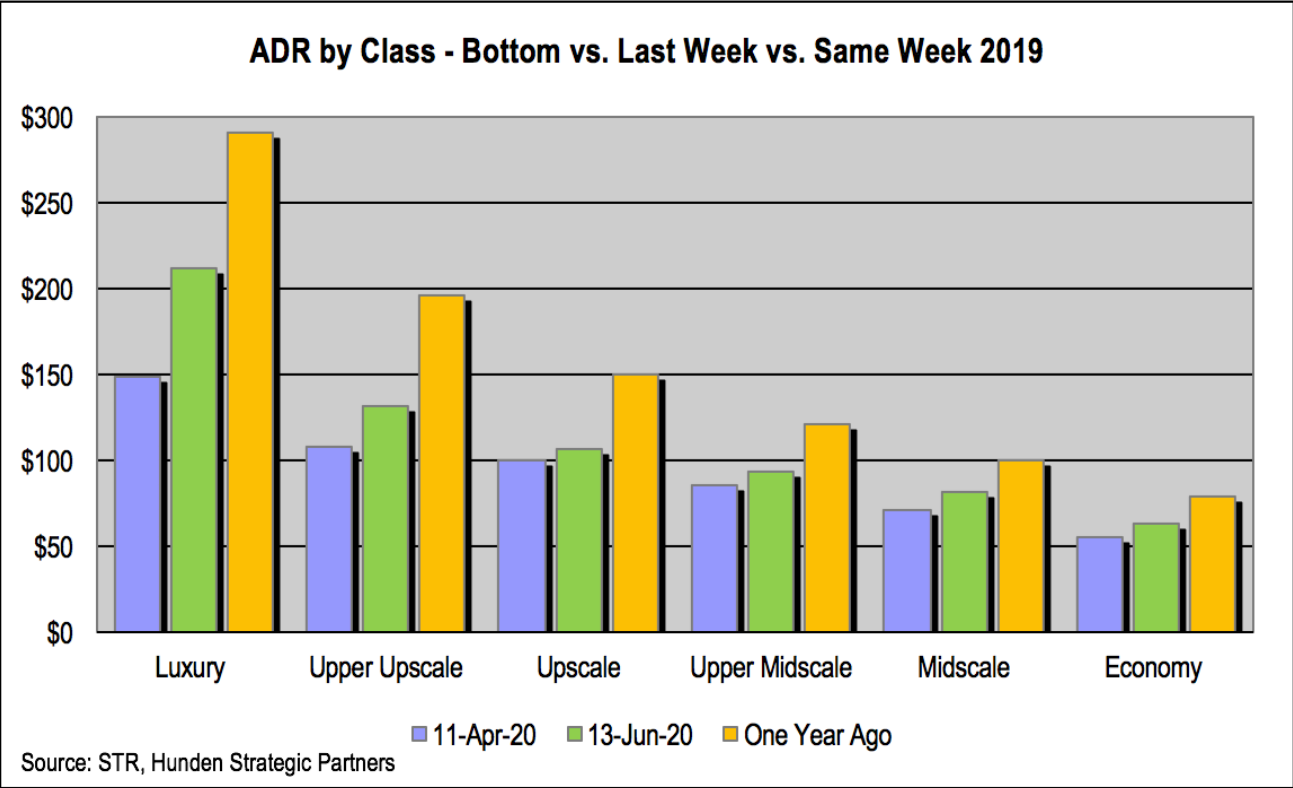
Source: STR Hotel Review, Hunden Strategic Partners

- Resort hotels surged back this week to 40.1% occupancy with the highest percentage point change since a low point of 11.6% on the week of April 11th
- Interstate hotels are currently topping the list with the highest occupancy, at 45.9%.

ADR 28 Day Moving Average



ADR has bounced back to \$89.09 from the yearly low on the week of April 5th – 11th of \$74.18.

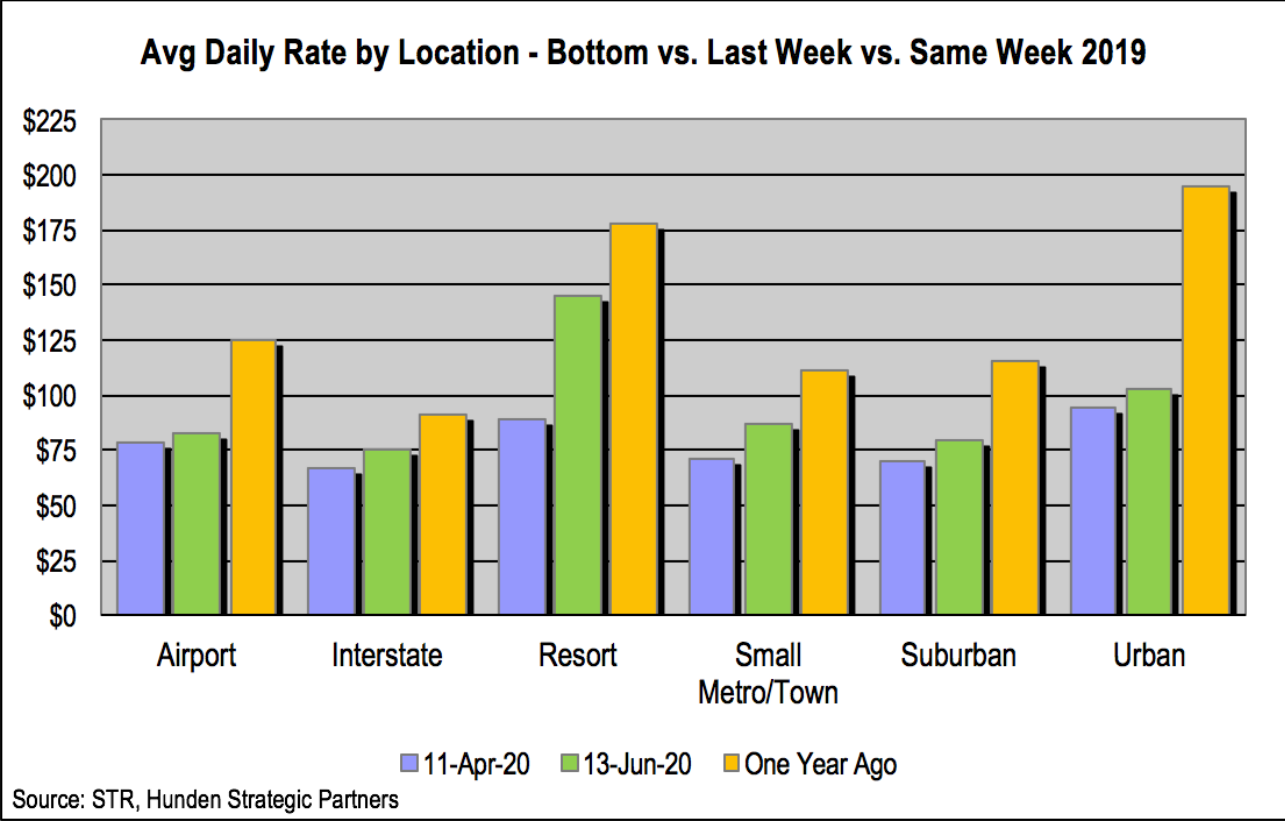


- Luxury hotels currently have the highest dollar amount change in ADR from the low of \$148 to \$212 this past week
- Upscale hotels have increased ADR the least since the bottom in April, increasing ~\$6

Weekly Hotel Review by Class - Average Daily Rate

Class	One Year Ago	11-Apr-20	13-Jun-20	Dollar Amt Change
Luxury	\$291	\$148	\$212	\$63.54
Upper Upscale	\$196	\$108	\$132	\$23.72
Upscale	\$150	\$101	\$107	\$6.06
Upper Midscale	\$121	\$85	\$94	\$8.61
Midscale	\$100	\$71	\$81	\$10.29
Economy	\$79	\$55	\$64	\$8.58

Source: STR Hotel Review, Hunden Strategic Partners



- Resort hotels have shown the highest dollar amount change in ADR of \$56.06 between the low week of April 11th to the week ending on June 13th

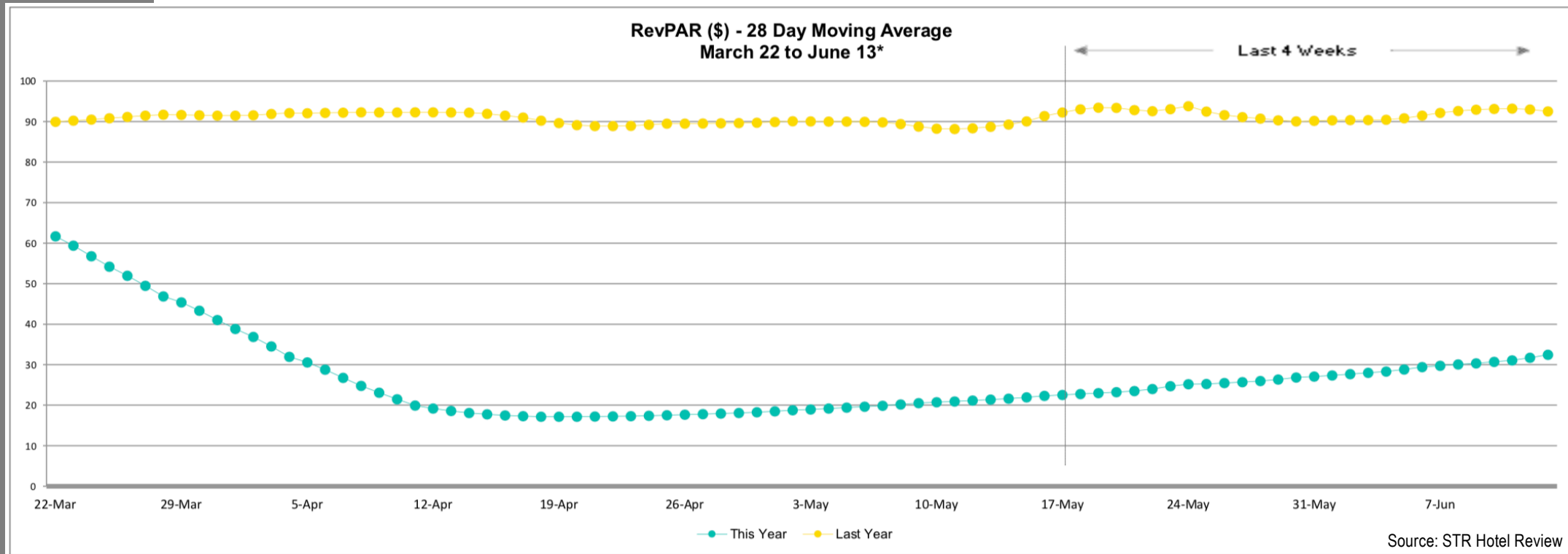
- Airport hotels have struggled with only a \$4.43 change in ADR from the low week of April 11th to this past week

Weekly Hotel Review by Location - Average Daily Rate

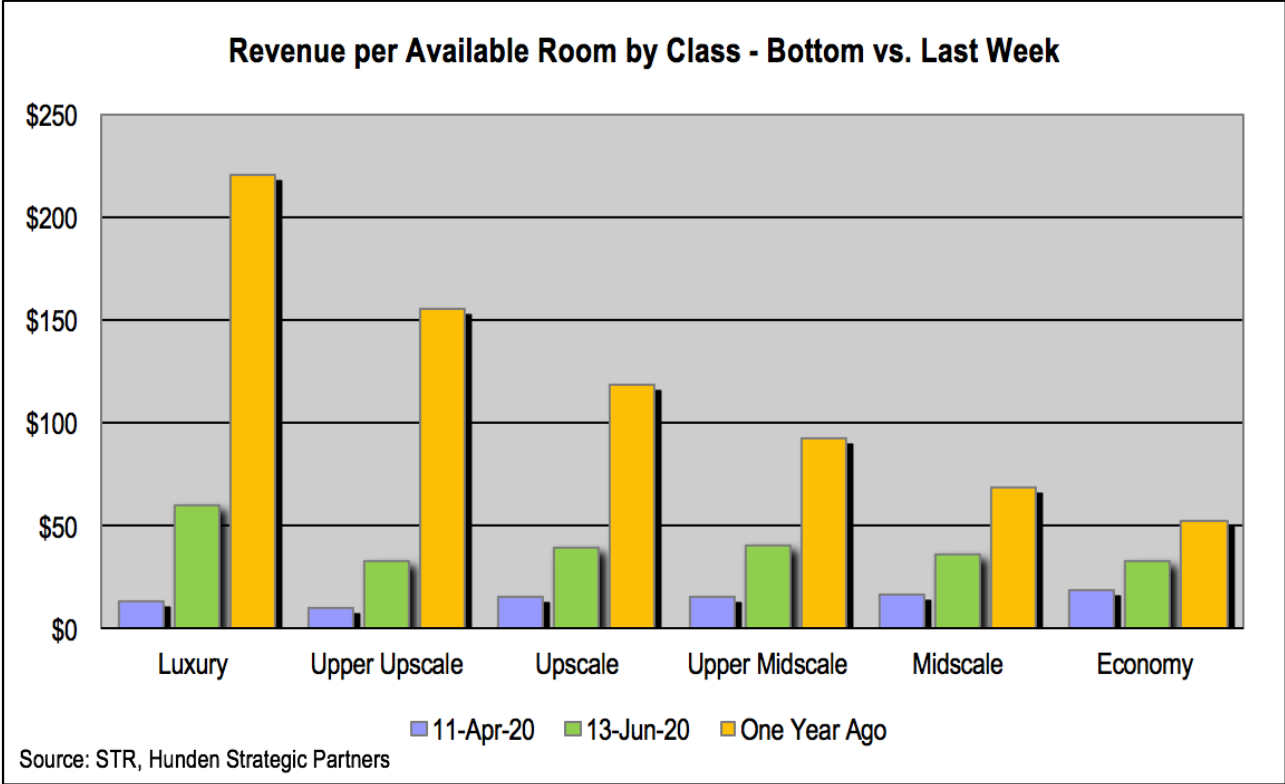
Location	One Year Ago	11-Apr-20	13-Jun-20	Dollar Amt Change
Airport	\$125	\$78	\$83	\$4.43
Interstate	\$91	\$66	\$75	\$9.06
Resort	\$178	\$89	\$145	\$56.03
Small Metro/Town	\$111	\$71	\$86	\$15.08
Suburban	\$115	\$70	\$79	\$9.41
Urban	\$195	\$94	\$103	\$8.76

Source: STR Hotel Review, Hunden Strategic Partners

RevPAR 28 Day Moving Average



RevPAR has rebounded to \$37.15 from the yearly low on the week of April 5th – 11th of \$15.61.

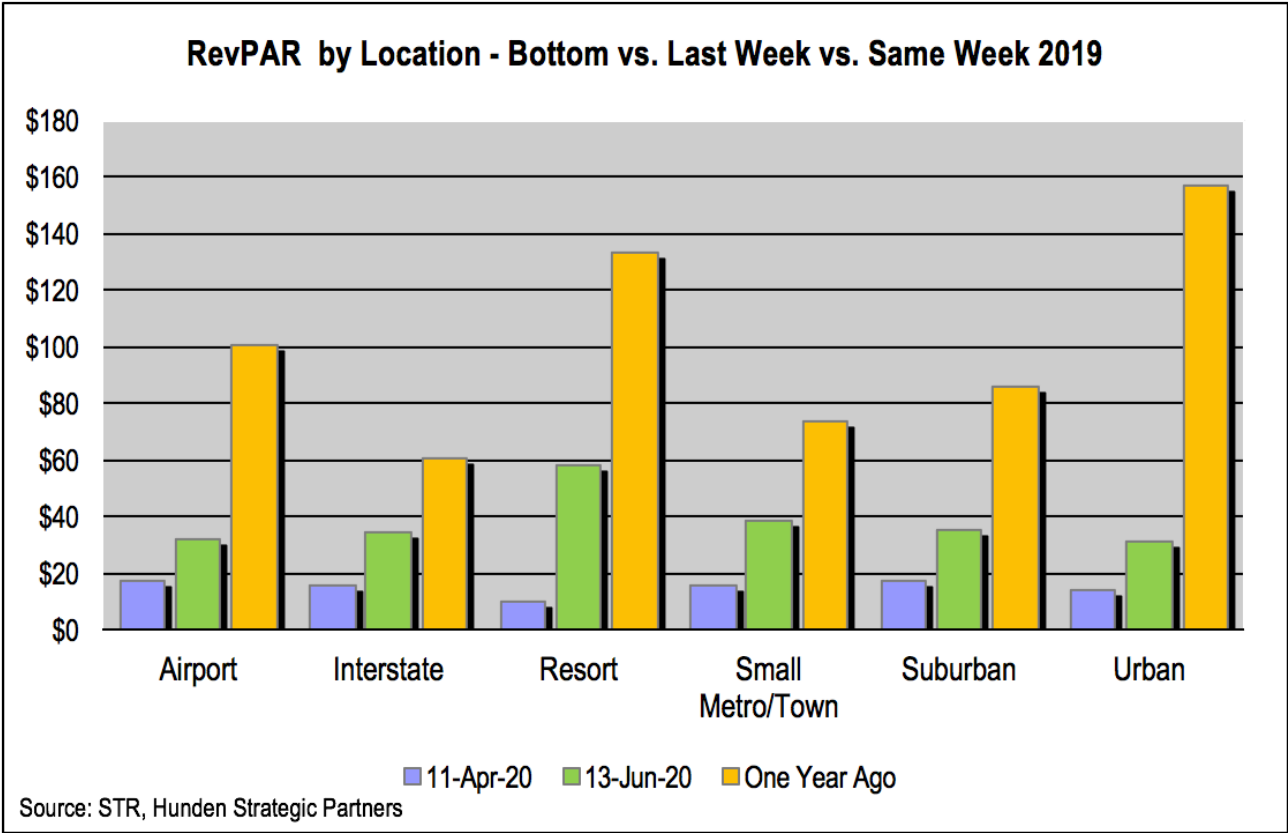


- Similar to ADR, RevPAR for Luxury hotels is both the highest and has shown the largest dollar amount change from the low week of April 11th to this past week ending June 13th.

Weekly Hotel Review by Class - Revenue per Available Room

Class	One Year Ago	11-Apr-20	13-Jun-20	Dollar Amt Change
Luxury	\$221	\$13	\$60	\$46.84
Upper Upscale	\$156	\$10	\$33	\$23.54
Upscale	\$119	\$16	\$39	\$23.19
Upper Midscale	\$92	\$15	\$40	\$24.85
Midscale	\$68	\$17	\$37	\$20.09
Economy	\$53	\$19	\$33	\$14.05

Source: STR Hotel Review, Hunden Strategic Partners



- Similar to ADR, RevPAR for Resort hotels is both the highest and has shown the largest dollar amount change from the low week of April 11th to this past week ending June 13th

Weekly Hotel Review by Location - Revenue per Available Room

Location	One Year Ago	11-Apr-20	13-Jun-20	Dollar Amt Change
Airport	\$101	\$17	\$32	\$14.77
Interstate	\$61	\$16	\$35	\$18.87
Resort	\$133	\$10	\$58	\$47.95
Small Metro/Town	\$74	\$16	\$39	\$22.73
Suburban	\$86	\$17	\$35	\$17.64
Urban	\$157	\$14	\$32	\$17.44

Source: STR Hotel Review, Hunden Strategic Partners

- Airport hotels, have struggled, with only a \$14.77 change since the low week of April 11th, whereas last year they boasted a RevPAR of \$101

Occupancy: Top 25 Markets – Sorted by Occupancy and Percentage Point Change since Bottom

Weekly Hotel Review by Market - Occupancy			
Top 25 Markets	11-Apr	13-Jun	Percentage Point Change
Norfolk/Virginia Beach, VA	27.6%	53.3%	25.7%
Phoenix, AZ	21.7%	47.6%	25.9%
New York, NY	24.8%	45.7%	20.9%
Tampa/St Petersburg, FL	19.4%	44.7%	25.3%
Detroit, MI	22.3%	43.7%	21.4%
Atlanta, GA	24.8%	43.2%	18.4%
San Diego, CA	23.8%	42.9%	19.1%
Los Angeles/Long Beach, CA	21.2%	42.0%	20.8%
Houston, TX	22.8%	40.3%	17.5%
Philadelphia, PA-NJ	21.9%	39.7%	17.8%
Dallas, TX	23.4%	39.4%	16.0%
Nashville, TN	19.0%	36.8%	17.8%
Denver, CO	18.4%	35.8%	17.4%
Anaheim/Santa Ana, CA	15.2%	34.4%	19.2%
St Louis, MO-IL	18.7%	33.9%	15.2%
Miami/Hialeah, FL	20.2%	33.3%	13.1%
Chicago, IL	17.7%	32.4%	14.7%
San Francisco/San Mateo, CA	15.4%	31.7%	16.3%
Seattle, WA	20.2%	31.5%	11.3%
Washington, DC-MD-VA	18.3%	31.1%	12.8%
Minneapolis/St Paul, MN-WI	15.4%	29.7%	14.3%
New Orleans, LA	14.1%	28.0%	13.9%
Orlando, FL	12.3%	26.4%	14.1%
Boston, MA	14.3%	25.7%	11.4%
Oahu Island, HI	7.1%	10.8%	3.7%

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Occupancy			
Top 25 Markets	11-Apr	13-Jun	Percentage Point Change
Phoenix, AZ	21.7%	47.6%	25.9%
Norfolk/Virginia Beach, VA	27.6%	53.3%	25.7%
Tampa/St Petersburg, FL	19.4%	44.7%	25.3%
Detroit, MI	22.3%	43.7%	21.4%
New York, NY	24.8%	45.7%	20.9%
Los Angeles/Long Beach, CA	21.2%	42.0%	20.8%
Anaheim/Santa Ana, CA	15.2%	34.4%	19.2%
San Diego, CA	23.8%	42.9%	19.1%
Atlanta, GA	24.8%	43.2%	18.4%
Philadelphia, PA-NJ	21.9%	39.7%	17.8%
Nashville, TN	19.0%	36.8%	17.8%
Houston, TX	22.8%	40.3%	17.5%
Denver, CO	18.4%	35.8%	17.4%
San Francisco/San Mateo, CA	15.4%	31.7%	16.3%
Dallas, TX	23.4%	39.4%	16.0%
St Louis, MO-IL	18.7%	33.9%	15.2%
Chicago, IL	17.7%	32.4%	14.7%
Minneapolis/St Paul, MN-WI	15.4%	29.7%	14.3%
Orlando, FL	12.3%	26.4%	14.1%
New Orleans, LA	14.1%	28.0%	13.9%
Miami/Hialeah, FL	20.2%	33.3%	13.1%
Washington, DC-MD-VA	18.3%	31.1%	12.8%
Boston, MA	14.3%	25.7%	11.4%
Seattle, WA	20.2%	31.5%	11.3%
Oahu Island, HI	7.1%	10.8%	3.7%

Source: STR Hotel Review, Hunden Strategic Partners

One of the top 25 markets surpassed 50% (Norfolk) and eight of the top 25 markets hit 40%+, while Oahu is still below 11%.

ADR: Top 25 Markets – Sorted by ADR and Dollar Amount Change since Bottom

Weekly Hotel Review by Market - Average Daily Rate			
Top 25 Markets	11-Apr	13-Jun	Dollar Amt Change
Oahu Island, HI	\$145.27	\$163.50	\$18.23
New York, NY	\$127.61	\$126.50	-\$1.11
Anaheim/Santa Ana, CA	\$85.11	\$117.89	\$32.78
Los Angeles/Long Beach, CA	\$107.69	\$112.03	\$4.34
San Francisco/San Mateo, CA	\$107.42	\$110.96	\$3.54
Miami/Hialeah, FL	\$89.53	\$110.82	\$21.29
San Diego, CA	\$93.39	\$105.40	\$12.01
Tampa/St Petersburg, FL	\$74.89	\$105.20	\$30.31
Boston, MA	\$98.96	\$98.20	-\$0.76
Washington, DC-MD-VA	\$92.21	\$95.86	\$3.65
Norfolk/Virginia Beach, VA	\$60.69	\$94.15	\$33.46
Seattle, WA	\$85.42	\$92.01	\$6.59
Philadelphia, PA-NJ	\$76.08	\$86.63	\$10.55
Phoenix, AZ	\$75.86	\$86.39	\$10.53
New Orleans, LA	\$84.01	\$84.09	\$0.08
Denver, CO	\$72.07	\$84.06	\$11.99
Nashville, TN	\$71.00	\$83.62	\$12.62
Chicago, IL	\$72.07	\$77.24	\$5.17
St Louis, MO-IL	\$65.39	\$76.91	\$11.52
Orlando, FL	\$70.48	\$76.81	\$6.33
Detroit, MI	\$64.94	\$75.57	\$10.63
Minneapolis/St Paul, MN-WI	\$66.46	\$74.92	\$8.46
Atlanta, GA	\$62.09	\$74.46	\$12.37
Dallas, TX	\$63.15	\$72.63	\$9.48
Houston, TX	\$59.04	\$72.40	\$13.36

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Average Daily Rate			
Top 25 Markets	11-Apr	13-Jun	Dollar Amt Change
Norfolk/Virginia Beach, VA	\$60.69	\$94.15	\$33.46
Anaheim/Santa Ana, CA	\$85.11	\$117.89	\$32.78
Tampa/St Petersburg, FL	\$74.89	\$105.20	\$30.31
Miami/Hialeah, FL	\$89.53	\$110.82	\$21.29
Oahu Island, HI	\$145.27	\$163.50	\$18.23
Houston, TX	\$59.04	\$72.40	\$13.36
Nashville, TN	\$71.00	\$83.62	\$12.62
Atlanta, GA	\$62.09	\$74.46	\$12.37
San Diego, CA	\$93.39	\$105.40	\$12.01
Denver, CO	\$72.07	\$84.06	\$11.99
St Louis, MO-IL	\$65.39	\$76.91	\$11.52
Detroit, MI	\$64.94	\$75.57	\$10.63
Philadelphia, PA-NJ	\$76.08	\$86.63	\$10.55
Phoenix, AZ	\$75.86	\$86.39	\$10.53
Dallas, TX	\$63.15	\$72.63	\$9.48
Minneapolis/St Paul, MN-WI	\$66.46	\$74.92	\$8.46
Seattle, WA	\$85.42	\$92.01	\$6.59
Orlando, FL	\$70.48	\$76.81	\$6.33
Chicago, IL	\$72.07	\$77.24	\$5.17
Los Angeles/Long Beach, CA	\$107.69	\$112.03	\$4.34
Washington, DC-MD-VA	\$92.21	\$95.86	\$3.65
San Francisco/San Mateo, CA	\$107.42	\$110.96	\$3.54
New Orleans, LA	\$84.01	\$84.09	\$0.08
Boston, MA	\$98.96	\$98.20	-\$0.76
New York, NY	\$127.61	\$126.50	-\$1.11

Source: STR Hotel Review, Hunden Strategic Partners

Two markets have continued to suffer *decreases* in ADR since the national low nearly 2 months on: NYC and Boston. Markets with the biggest ADR increases have also exhibited the largest occupancy increases, except Oahu.

RevPAR: Top 25 Markets – Sorted by ADR and Dollar Amount Change since Bottom

Weekly Hotel Review by Market - Revenue per Available Room			
Top 25 Markets	11-Apr	13-Jun	Dollar Amt Change
New York, NY	\$31.67	\$57.86	\$26.19
Norfolk/Virginia Beach, VA	\$16.73	\$50.21	\$33.48
Los Angeles/Long Beach, CA	\$22.78	\$47.03	\$24.25
Tampa/St Petersburg, FL	\$14.56	\$47.02	\$32.46
San Diego, CA	\$22.26	\$45.18	\$22.92
Phoenix, AZ	\$16.45	\$41.15	\$24.70
Anaheim/Santa Ana, CA	\$12.98	\$40.50	\$27.52
Miami/Hialeah, FL	\$18.06	\$36.91	\$18.85
San Francisco/San Mateo, CA	\$16.50	\$35.14	\$18.64
Philadelphia, PA-NJ	\$16.66	\$34.42	\$17.76
Detroit, MI	\$14.49	\$33.06	\$18.57
Atlanta, GA	\$15.38	\$32.19	\$16.81
Nashville, TN	\$13.49	\$30.75	\$17.26
Denver, CO	\$13.29	\$30.08	\$16.79
Washington, DC-MD-VA	\$16.92	\$29.84	\$12.92
Houston, TX	\$13.46	\$29.17	\$15.71
Seattle, WA	\$17.26	\$29.00	\$11.74
Dallas, TX	\$14.79	\$28.59	\$13.80
St Louis, MO-IL	\$12.25	\$26.10	\$13.85
Boston, MA	\$14.10	\$25.28	\$11.18
Chicago, IL	\$12.78	\$25.05	\$12.27
New Orleans, LA	\$11.84	\$23.52	\$11.68
Minneapolis/St Paul, MN-WI	\$10.23	\$22.25	\$12.02
Orlando, FL	\$8.66	\$20.29	\$11.63
Oahu Island, HI	\$10.26	\$17.60	\$7.34

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Revenue per Available Room			
Top 25 Markets	11-Apr	13-Jun	Dollar Amt Change
Norfolk/Virginia Beach, VA	\$16.73	\$50.21	\$33.48
Tampa/St Petersburg, FL	\$14.56	\$47.02	\$32.46
Anaheim/Santa Ana, CA	\$12.98	\$40.50	\$27.52
New York, NY	\$31.67	\$57.86	\$26.19
Phoenix, AZ	\$16.45	\$41.15	\$24.70
Los Angeles/Long Beach, CA	\$22.78	\$47.03	\$24.25
San Diego, CA	\$22.26	\$45.18	\$22.92
Miami/Hialeah, FL	\$18.06	\$36.91	\$18.85
San Francisco/San Mateo, CA	\$16.50	\$35.14	\$18.64
Detroit, MI	\$14.49	\$33.06	\$18.57
Philadelphia, PA-NJ	\$16.66	\$34.42	\$17.76
Nashville, TN	\$13.49	\$30.75	\$17.26
Atlanta, GA	\$15.38	\$32.19	\$16.81
Denver, CO	\$13.29	\$30.08	\$16.79
Houston, TX	\$13.46	\$29.17	\$15.71
St Louis, MO-IL	\$12.25	\$26.10	\$13.85
Dallas, TX	\$14.79	\$28.59	\$13.80
Washington, DC-MD-VA	\$16.92	\$29.84	\$12.92
Chicago, IL	\$12.78	\$25.05	\$12.27
Minneapolis/St Paul, MN-WI	\$10.23	\$22.25	\$12.02
Seattle, WA	\$17.26	\$29.00	\$11.74
New Orleans, LA	\$11.84	\$23.52	\$11.68
Orlando, FL	\$8.66	\$20.29	\$11.63
Boston, MA	\$14.10	\$25.28	\$11.18
Oahu Island, HI	\$10.26	\$17.60	\$7.34

Source: STR Hotel Review, Hunden Strategic Partners

Two markets now have Revenue per Available Room (RevPAR) above \$50, while 11 markets are still below \$30. Oahu is still in single digits at \$7.34.

Contact Information

Rob Hunden
President and CEO
Hunden Strategic Partners
213 W. Institute Place, Suite 707
Chicago, Illinois 60610
(O) 312.643.2500
(C) 312.933.3637
www.hundenpartners.com
rhunden@hundenpartners.com