

An architectural rendering of a modern hotel complex. The scene is a wide-angle view of a central courtyard. In the foreground, there's a circular stone platform with several large, smooth, light-colored spheres. A winding water feature with large rocks flows through the courtyard. People are seen walking, sitting on benches, and interacting in the space. In the background, there are modern buildings with large windows and glass facades. One building has "HOTEL" written on its upper part, and another has "THE HOUSE" on its ground floor. The sky is blue with some light clouds.

HOTEL MARKET & COVID

CURRENT SITUATION

DATA THROUGH JUNE 6TH, 2020

Rob Hunden, CEO
Hunden Strategic Partners

Hunden Partners - Areas of Expertise

Real Estate Advisory

Market Feasibility

Financial Feasibility

Physical Programming

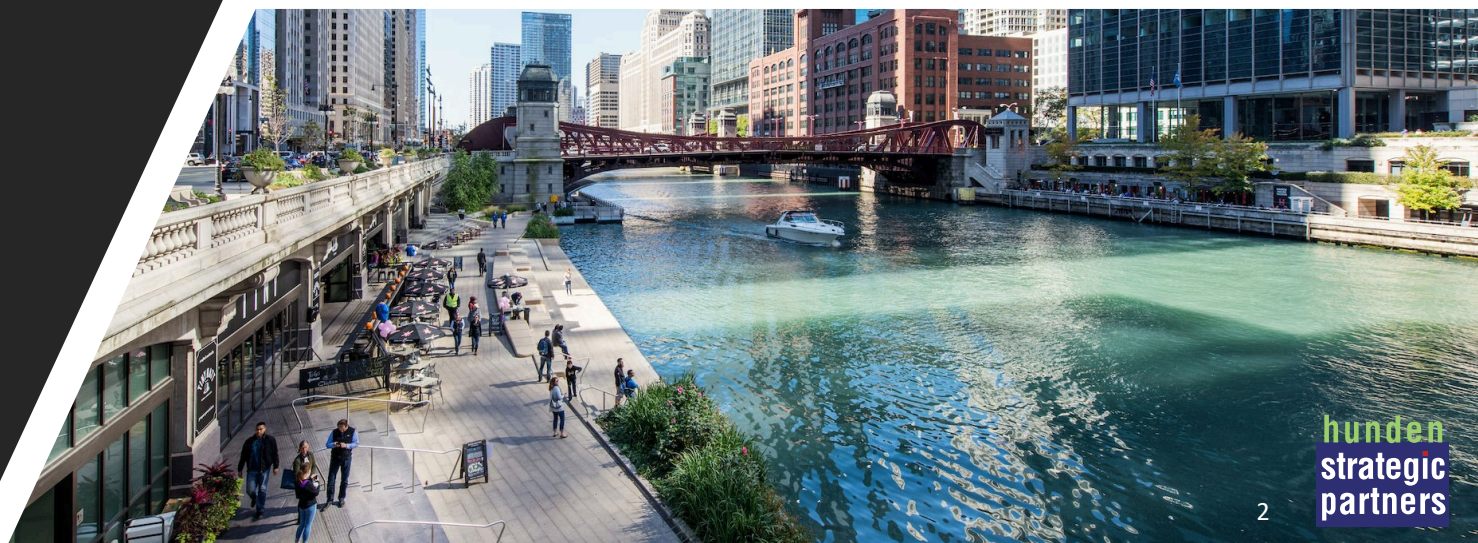
Funding Options/Public Incentives

Economic & Fiscal Impact Analysis

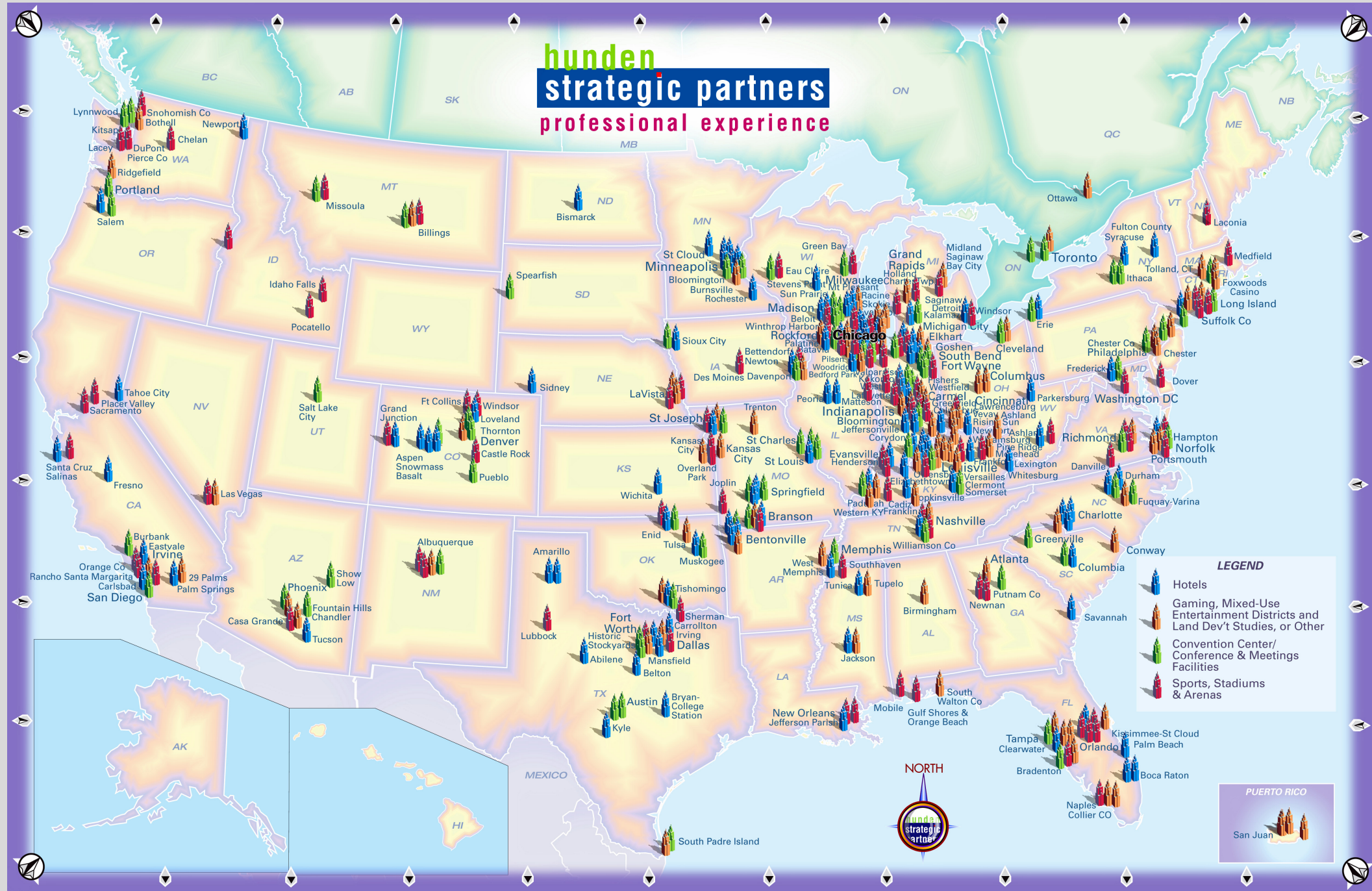
RFQ/P Processes

Business Plans


Strategy



hunden
strategic partners
 professional experience



LEGEND

-  Hotels
-  Gaming, Mixed-Use Entertainment Districts and Land Dev't Studies, or Other
-  Convention Center/Conference & Meetings Facilities
-  Sports, Stadiums & Arenas

PUERTO RICO

San Juan



Hotel Industry

Key Points: Hotel Market & COVID

- 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 is expected to surpass 40% next week, which is ~20 percentage point change since the lowest week when national occupancy hit 21%.
- Occupancy among the economy class declined the least and rebounded the most, relative to the prior year (recovering ~60% of its Y-o-Y occupancy).
- 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.

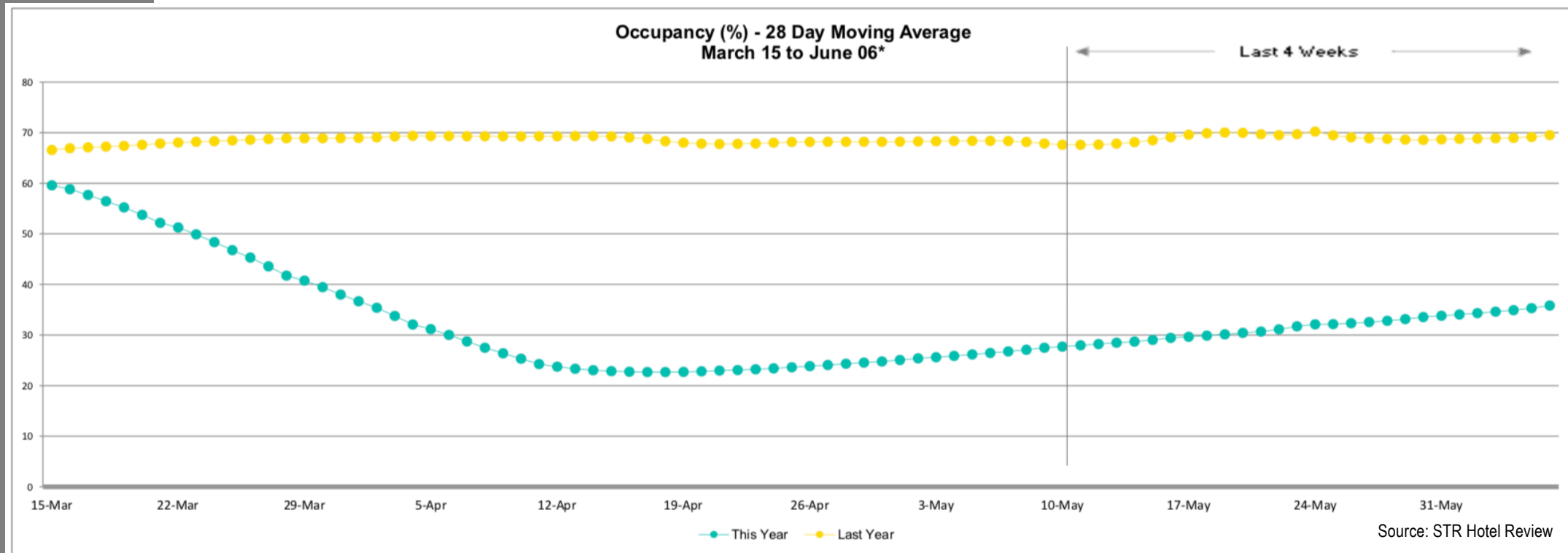
US Hotel Trends During COVID-19

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 (Starting May 31st)	39.3%	71.8%	-32.5%	2.7%	\$85.01	\$132.62	-\$47.61	\$2.07	\$33.43	\$95.51	-\$62.08	\$3.09
Average Weekly Change Since Bottom				2.3%				\$1.35				\$2.23

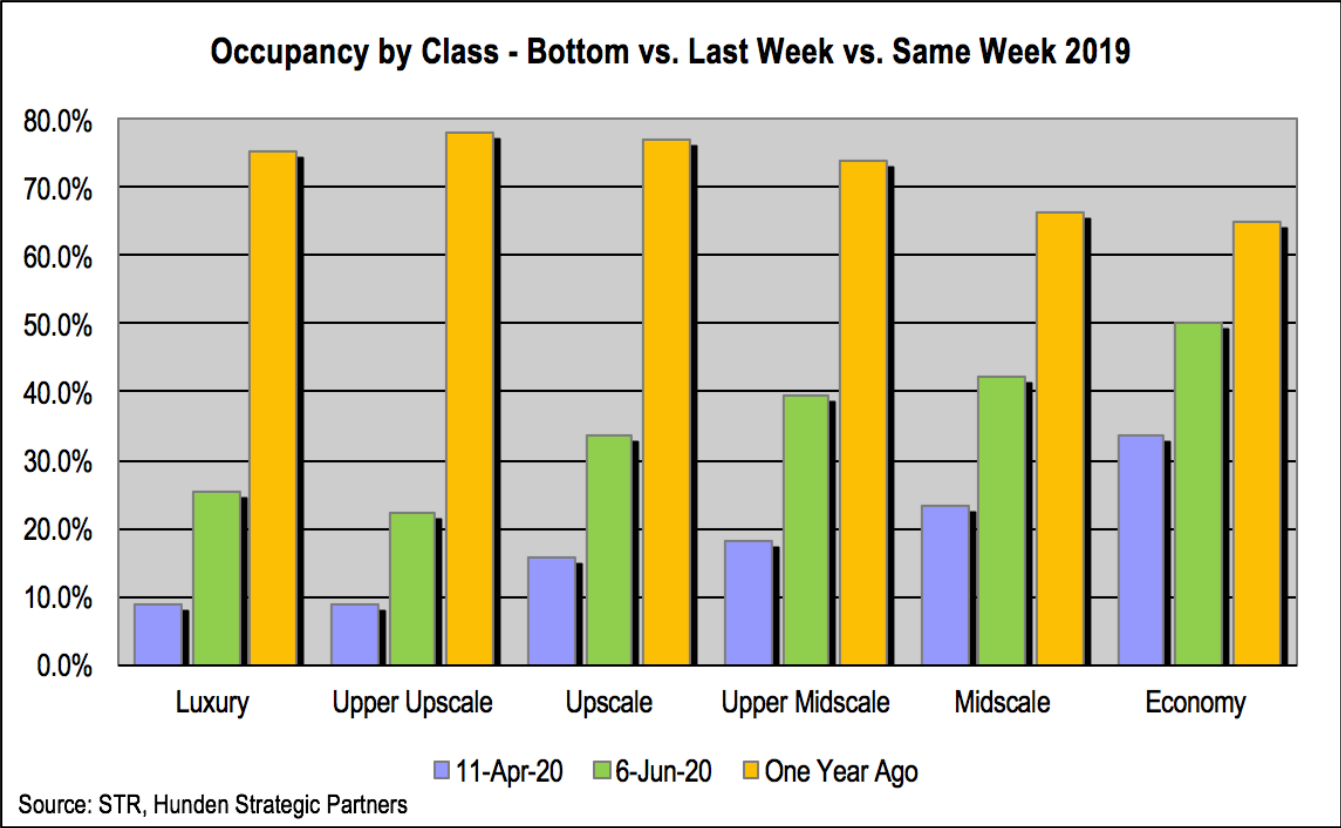
Source: HNN, Smith Travel Research, Hunden Strategic Partners

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 \$1.35 per week, while RevPAR has increased on average \$2.23 per week.

Occupancy 28 Day Moving Average



Occupancy has rebounded to 39.3% 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% to 39.6% this past week

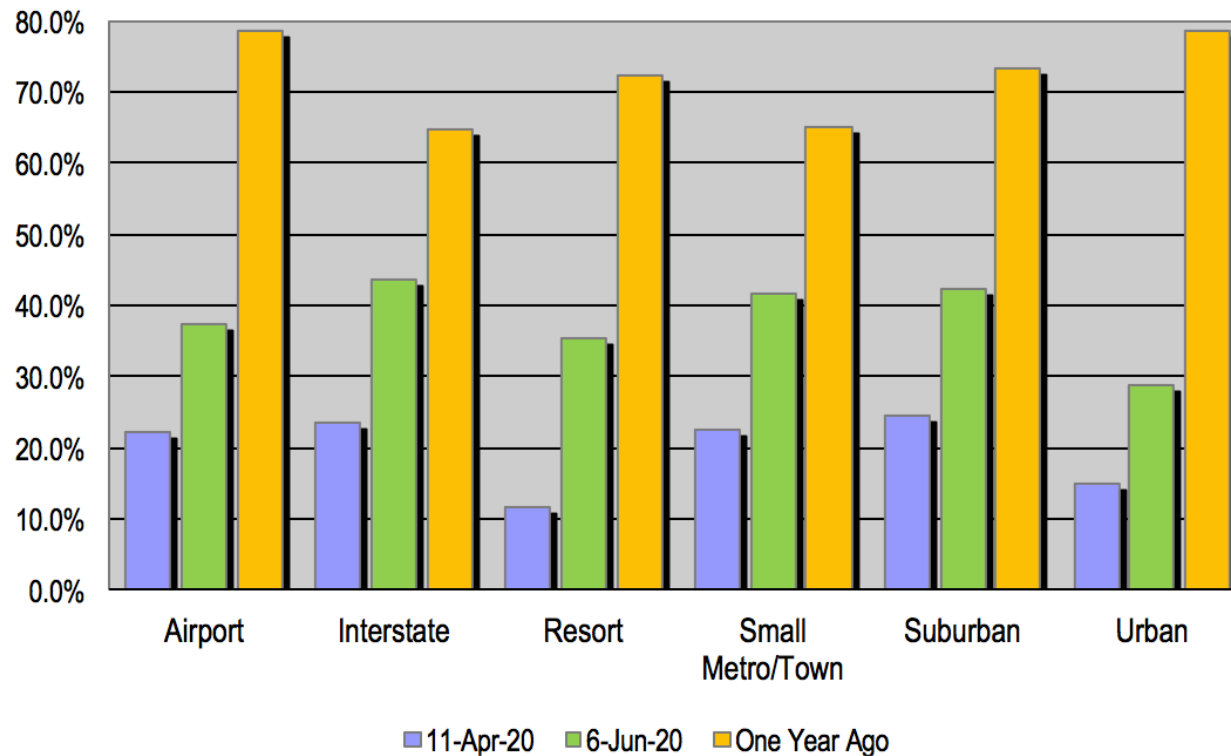
- Despite the global pandemic, economy hotels are performing best relative to their historical average, surpassing 50% occupancy

Weekly Hotel Review by Class - Occupancy

Class	One Year Ago	11-Apr-20	6-Jun-20	Percentage Change
Luxury	75.4%	8.9%	25.3%	16.4%
Upper Upscale	78.1%	8.8%	22.1%	13.3%
Upscale	77.1%	15.7%	33.7%	18.0%
Upper Midscale	74.0%	18.0%	39.6%	21.6%
Midscale	66.2%	23.4%	42.4%	19.0%
Economy	65.1%	33.6%	50.3%	16.7%

Source: STR Hotel Review, Hunden Strategic Partners

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



Source: STR, Hunden Strategic Partners

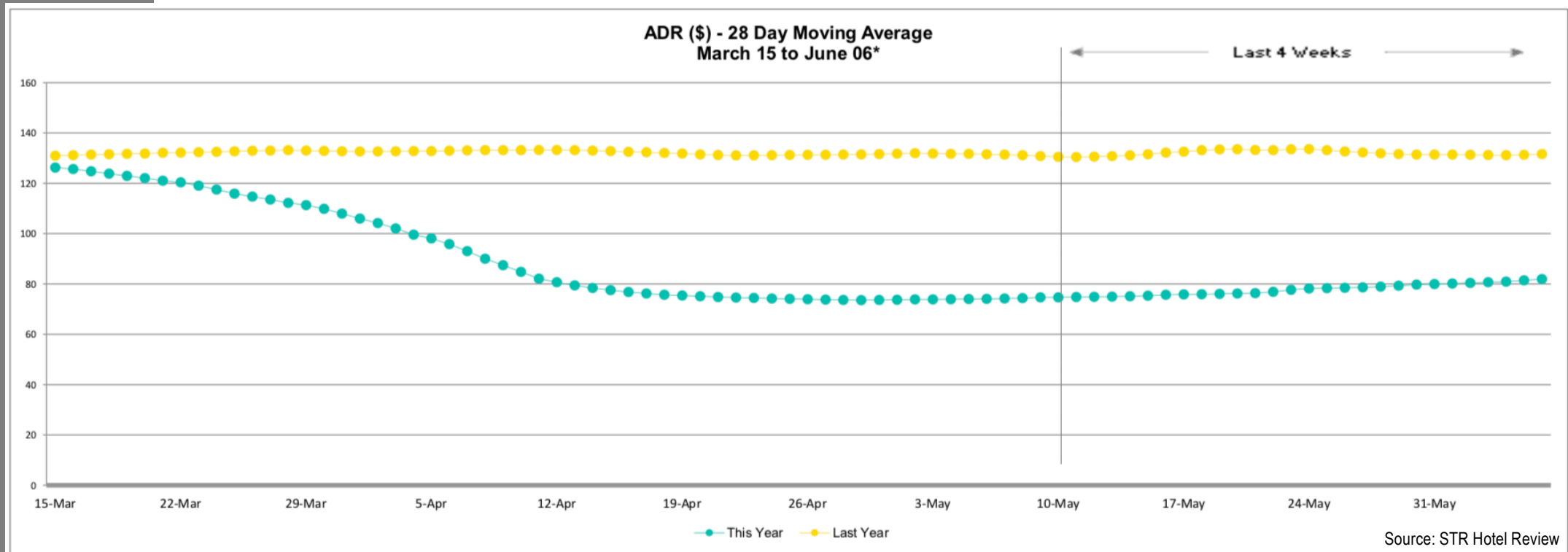
Weekly Hotel Review by Location - Occupancy

Location	One Year Ago	11-Apr-20	6-Jun-20	Percentage Change
Airport	78.7%	22.3%	37.3%	15.0%
Interstate	64.8%	23.7%	43.7%	20.0%
Resort	72.3%	11.6%	35.5%	23.9%
Small Metro/Town	65.0%	22.4%	41.8%	19.4%
Suburban	73.3%	24.7%	42.2%	17.5%
Urban	78.6%	15.0%	28.7%	13.7%

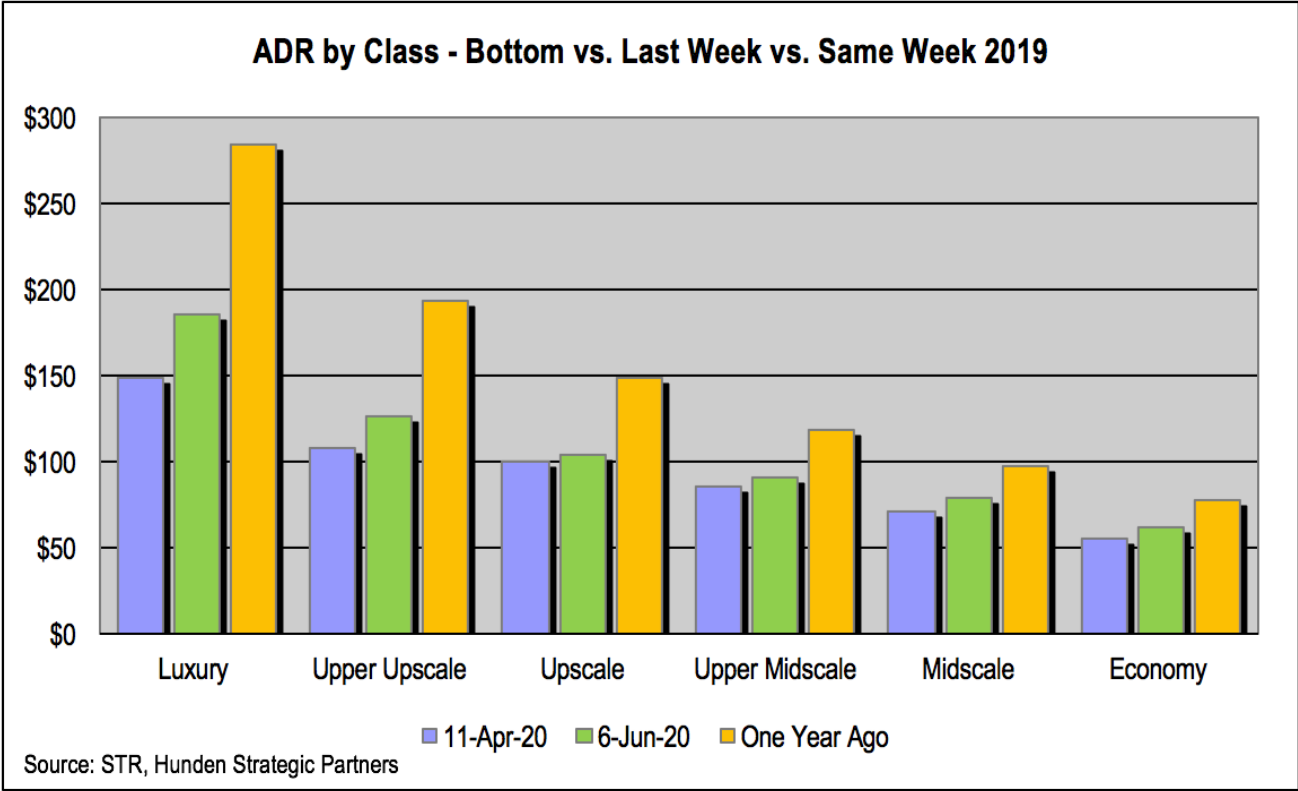
Source: STR Hotel Review, Hunden Strategic Partners

- Resort hotels surged back this week to 35.5% 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 43.7%.

ADR 28 Day Moving Average



ADR has bounced back to \$85.01 from the yearly low on the week of April 5th – 11th of \$74.18.

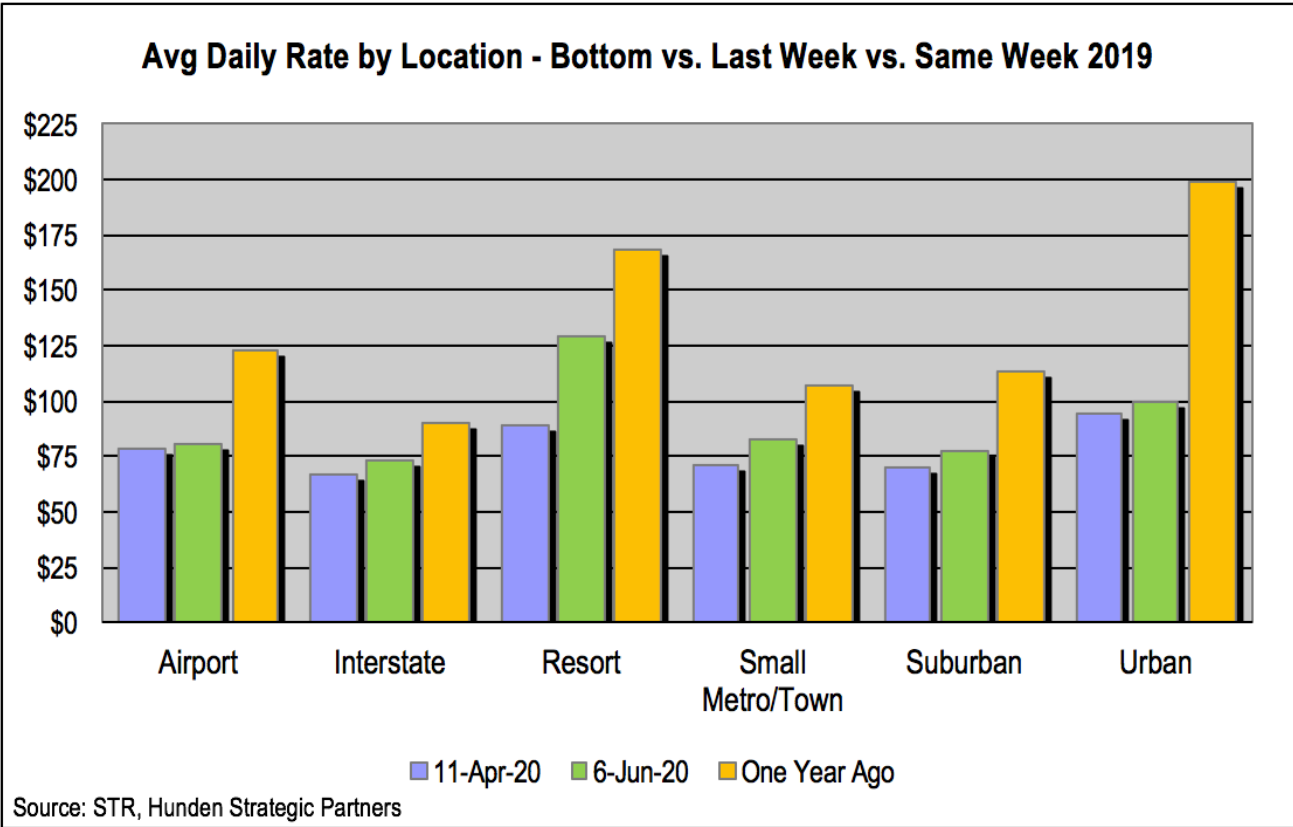


- Luxury hotels currently have the highest dollar amount change in ADR from the low of \$148 to \$185 this past week
- Upscale hotels have increased ADR the least since the bottom in April, increasing less than \$3

Weekly Hotel Review by Class - Average Daily Rate

Class	One Year Ago	11-Apr-20	6-Jun-20	Dollar Amt Change
Luxury	\$284	\$148	\$185	\$36.91
Upper Upscale	\$194	\$108	\$126	\$17.66
Upscale	\$148	\$101	\$103	\$2.68
Upper Midscale	\$119	\$85	\$91	\$5.75
Midscale	\$98	\$71	\$78	\$7.70
Economy	\$77	\$55	\$62	\$7.09

Source: STR Hotel Review, Hunden Strategic Partners



- Resort hotels have shown the highest dollar amount change in ADR of nearly \$40 between the low week of April 11th to the week ending on June 6th

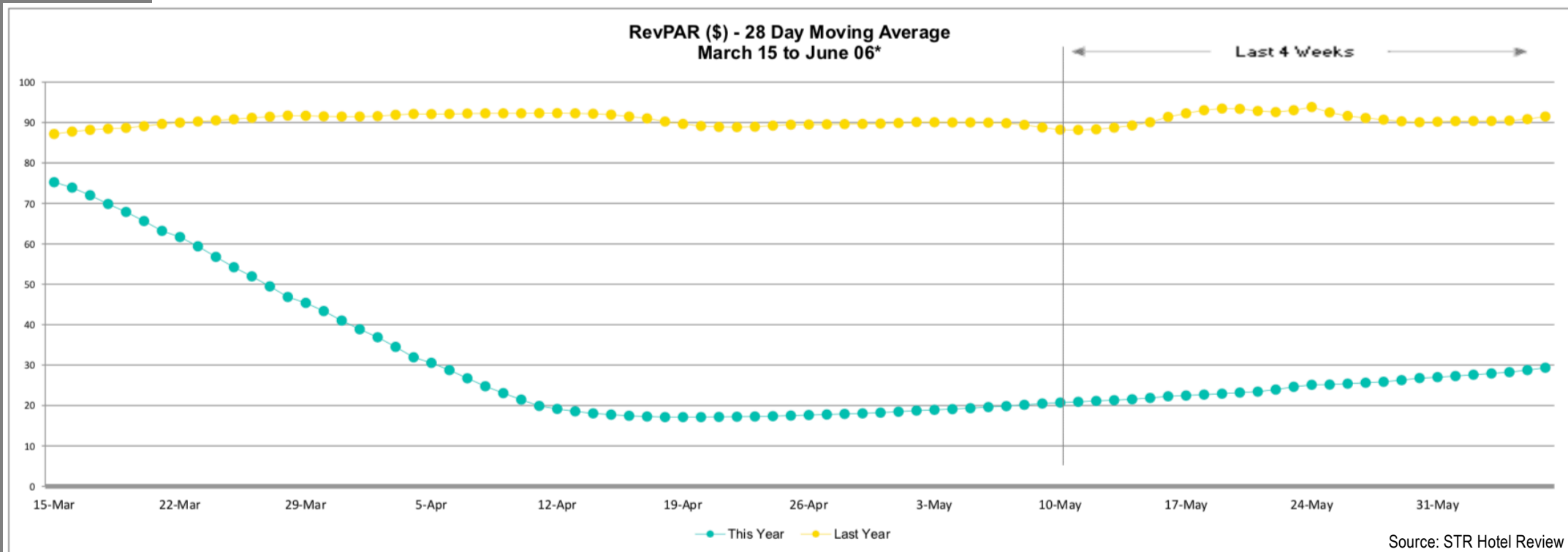
- Airport hotels have struggled with only a \$2.75 change in ADR from the low week of April 11th to this past week

Weekly Hotel Review by Location - Average Daily Rate

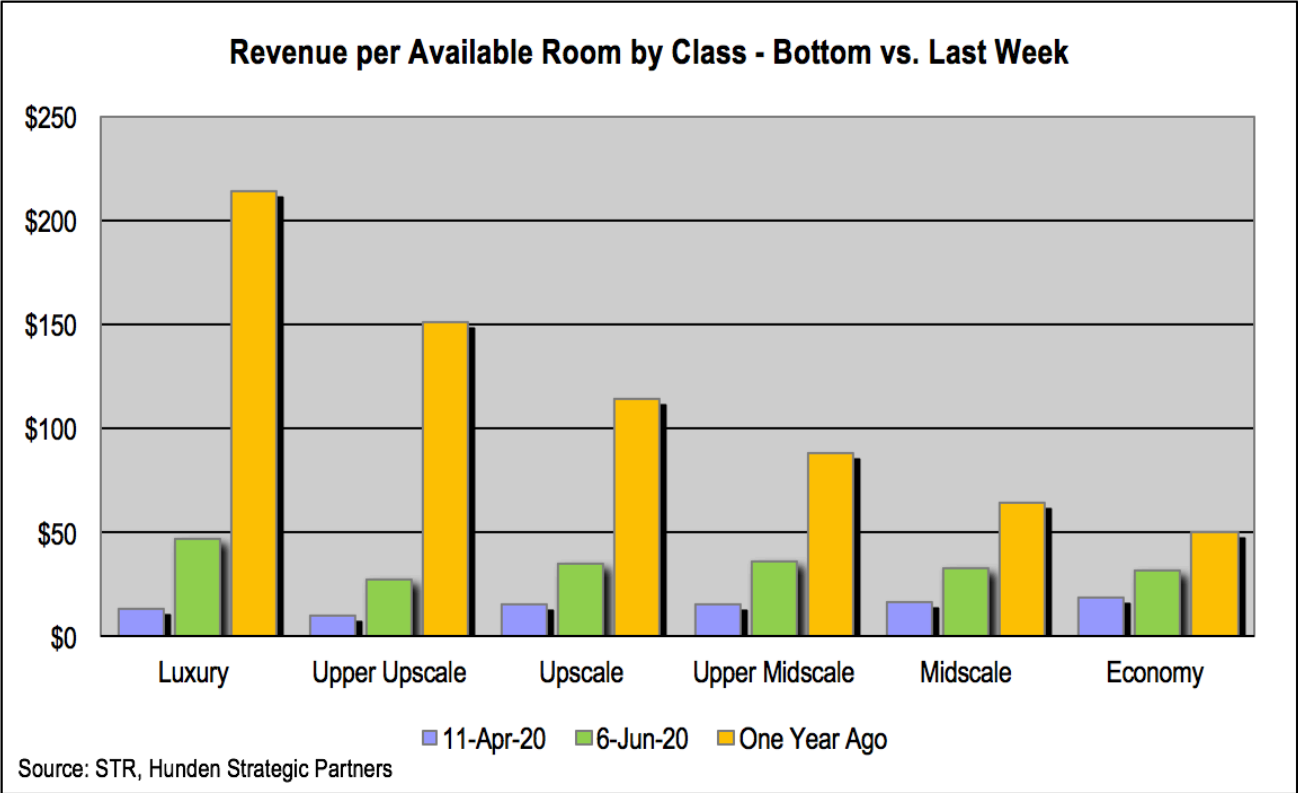
Location	One Year Ago	11-Apr-20	6-Jun-20	Dollar Amt Change
Airport	\$123	\$78	\$81	\$2.75
Interstate	\$90	\$66	\$74	\$7.31
Resort	\$169	\$89	\$129	\$39.50
Small Metro/Town	\$107	\$71	\$83	\$11.40
Suburban	\$113	\$70	\$77	\$7.16
Urban	\$198	\$94	\$99	\$5.23

Source: STR Hotel Review, Hunden Strategic Partners

RevPAR 28 Day Moving Average



RevPAR has rebounded to \$33.43 from the yearly low on the week of April 5th – 11th of \$15.61.

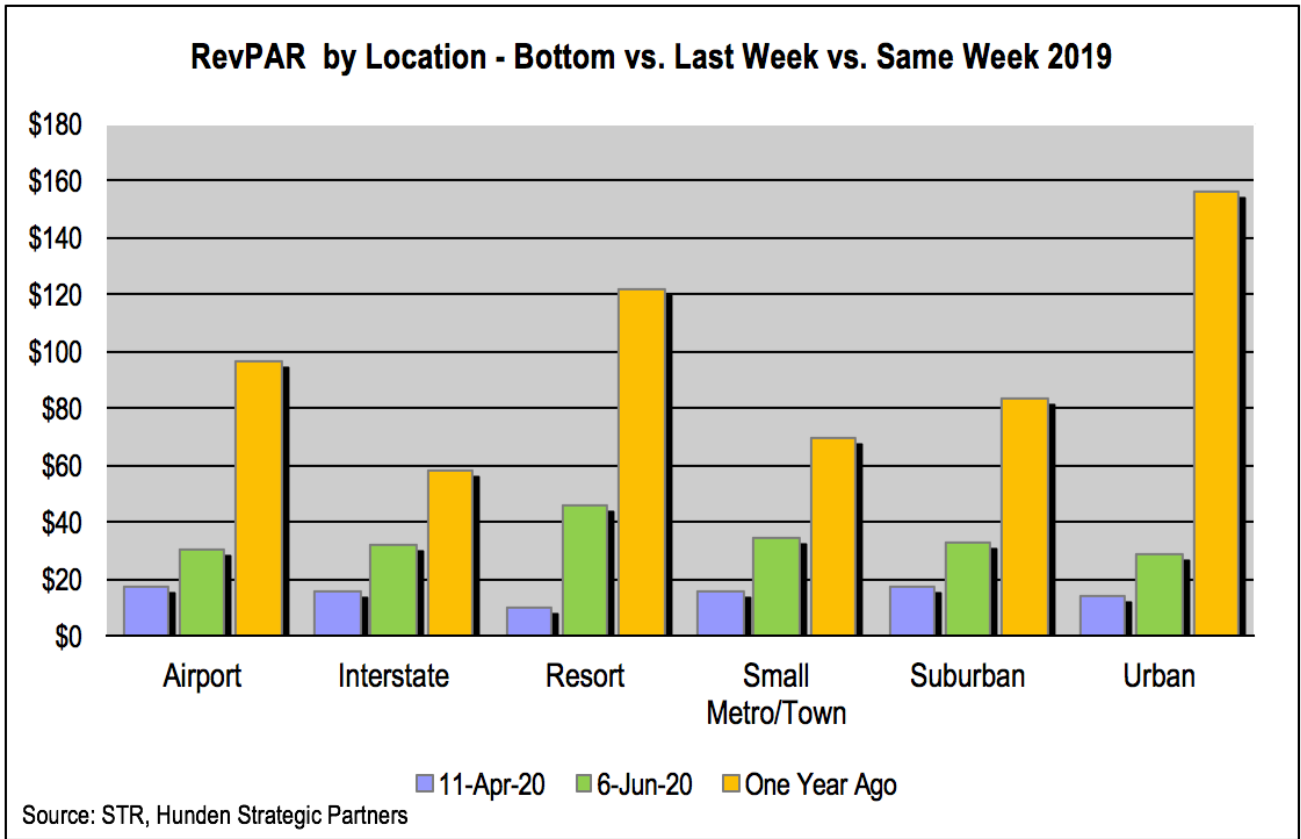


- Similar to ADR, RevPAR for Luxury hotels is both the highest and shown the largest dollar amount change from the low week of April 11th to this past week ending June 6th

Weekly Hotel Review by Class - Revenue per Available Room

Class	One Year Ago	11-Apr-20	6-Jun-20	Dollar Amt Change
Luxury	\$214	\$13	\$47	\$33.83
Upper Upscale	\$151	\$10	\$28	\$18.17
Upscale	\$114	\$16	\$35	\$18.94
Upper Midscale	\$88	\$15	\$36	\$20.60
Midscale	\$65	\$17	\$33	\$16.63
Economy	\$50	\$19	\$31	\$12.77

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 6th

- Urban hotels, which regularly boast the highest RevPAR, have struggled, regaining only \$14 to \$28 vs. \$156 one year ago

Weekly Hotel Review by Location - Revenue per Available Room

Location	One Year Ago	11-Apr-20	6-Jun-20	Dollar Amt Change
Airport	\$97	\$17	\$30	\$12.76
Interstate	\$58	\$16	\$32	\$16.51
Resort	\$122	\$10	\$46	\$35.35
Small Metro/Town	\$70	\$16	\$35	\$18.60
Suburban	\$83	\$17	\$33	\$15.27
Urban	\$156	\$14	\$28	\$14.38

Source: STR Hotel Review, Hunden Strategic Partners

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

Weekly Hotel Review by Market - Occupancy			
Top 25 Markets	11-Apr	6-Jun	Percentage Point Change
Norfolk/Virginia Beach, VA	27.6%	48.4%	20.8%
New York, NY	24.8%	47.1%	22.3%
Phoenix, AZ	21.7%	44.7%	23.0%
Philadelphia, PA-NJ	21.9%	42.8%	20.9%
Tampa/St Petersburg, FL	19.4%	41.8%	22.4%
Atlanta, GA	24.8%	41.4%	16.6%
Detroit, MI	22.3%	40.8%	18.5%
Los Angeles/Long Beach, CA	21.2%	38.8%	17.6%
Houston, TX	22.8%	38.4%	15.6%
San Diego, CA	23.8%	38.4%	14.6%
Dallas, TX	23.4%	37.7%	14.3%
Nashville, TN	19.0%	33.6%	14.6%
Denver, CO	18.4%	33.1%	14.7%
St Louis, MO-IL	18.7%	32.4%	13.7%
Minneapolis/St Paul, MN-WI	15.4%	31.6%	16.2%
Washington, DC-MD-VA	18.3%	31.4%	13.1%
Chicago, IL	17.7%	31.1%	13.4%
Anaheim/Santa Ana, CA	15.2%	30.7%	15.5%
San Francisco/San Mateo, CA	15.4%	29.6%	14.2%
Miami/Hialeah, FL	20.2%	29.6%	9.4%
Seattle, WA	20.2%	29.5%	9.3%
New Orleans, LA	14.1%	25.6%	11.5%
Boston, MA	14.3%	24.0%	9.7%
Orlando, FL	12.3%	23.5%	11.2%
Oahu Island, HI	7.1%	10.6%	3.5%

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Occupancy			
Top 25 Markets	11-Apr	6-Jun	Percentage Point Change
Phoenix, AZ	21.7%	44.7%	23.0%
Tampa/St Petersburg, FL	19.4%	41.8%	22.4%
New York, NY	24.8%	47.1%	22.3%
Philadelphia, PA-NJ	21.9%	42.8%	20.9%
Norfolk/Virginia Beach, VA	27.6%	48.4%	20.8%
Detroit, MI	22.3%	40.8%	18.5%
Los Angeles/Long Beach, CA	21.2%	38.8%	17.6%
Atlanta, GA	24.8%	41.4%	16.6%
Minneapolis/St Paul, MN-WI	15.4%	31.6%	16.2%
Houston, TX	22.8%	38.4%	15.6%
Anaheim/Santa Ana, CA	15.2%	30.7%	15.5%
Denver, CO	18.4%	33.1%	14.7%
San Diego, CA	23.8%	38.4%	14.6%
Nashville, TN	19.0%	33.6%	14.6%
Dallas, TX	23.4%	37.7%	14.3%
San Francisco/San Mateo, CA	15.4%	29.6%	14.2%
St Louis, MO-IL	18.7%	32.4%	13.7%
Chicago, IL	17.7%	31.1%	13.4%
Washington, DC-MD-VA	18.3%	31.4%	13.1%
New Orleans, LA	14.1%	25.6%	11.5%
Orlando, FL	12.3%	23.5%	11.2%
Boston, MA	14.3%	24.0%	9.7%
Miami/Hialeah, FL	20.2%	29.6%	9.4%
Seattle, WA	20.2%	29.5%	9.3%
Oahu Island, HI	7.1%	10.6%	3.5%

Source: STR Hotel Review, Hunden Strategic Partners

Seven of the top 25 markets hit 40%+, while Oahu barely eeked out of single digits.

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	6-Jun	Dollar Amt Change
Oahu Island, HI	\$145.27	\$161.36	\$16.09
New York, NY	\$127.61	\$122.73	-\$4.88
Anaheim/Santa Ana, CA	\$85.11	\$112.93	\$27.82
San Francisco/San Mateo, CA	\$107.42	\$109.47	\$2.05
Los Angeles/Long Beach, CA	\$107.69	\$108.19	\$0.50
Washington, DC-MD-VA	\$92.21	\$100.07	\$7.86
San Diego, CA	\$93.39	\$99.32	\$5.93
Tampa/St Petersburg, FL	\$74.89	\$97.62	\$22.73
Miami/Hialeah, FL	\$89.53	\$94.64	\$5.11
Boston, MA	\$98.96	\$93.50	-\$5.46
Seattle, WA	\$85.42	\$89.20	\$3.78
Philadelphia, PA-NJ	\$76.08	\$87.65	\$11.57
Norfolk/Virginia Beach, VA	\$60.69	\$83.54	\$22.85
Phoenix, AZ	\$75.86	\$82.80	\$6.94
Denver, CO	\$72.07	\$81.56	\$9.49
Nashville, TN	\$71.00	\$80.99	\$9.99
New Orleans, LA	\$84.01	\$80.74	-\$3.27
Minneapolis/St Paul, MN-WI	\$66.46	\$76.51	\$10.05
Chicago, IL	\$72.07	\$75.80	\$3.73
Orlando, FL	\$70.48	\$74.83	\$4.35
Detroit, MI	\$64.94	\$73.85	\$8.91
St Louis, MO-IL	\$65.39	\$73.63	\$8.24
Atlanta, GA	\$62.09	\$71.08	\$8.99
Houston, TX	\$59.04	\$69.86	\$10.82
Dallas, TX	\$63.15	\$69.77	\$6.62

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Average Daily Rate			
Top 25 Markets	11-Apr	6-Jun	Dollar Amt Change
Anaheim/Santa Ana, CA	\$85.11	\$112.93	\$27.82
Norfolk/Virginia Beach, VA	\$60.69	\$83.54	\$22.85
Tampa/St Petersburg, FL	\$74.89	\$97.62	\$22.73
Oahu Island, HI	\$145.27	\$161.36	\$16.09
Philadelphia, PA-NJ	\$76.08	\$87.65	\$11.57
Houston, TX	\$59.04	\$69.86	\$10.82
Minneapolis/St Paul, MN-WI	\$66.46	\$76.51	\$10.05
Nashville, TN	\$71.00	\$80.99	\$9.99
Denver, CO	\$72.07	\$81.56	\$9.49
Atlanta, GA	\$62.09	\$71.08	\$8.99
Detroit, MI	\$64.94	\$73.85	\$8.91
St Louis, MO-IL	\$65.39	\$73.63	\$8.24
Washington, DC-MD-VA	\$92.21	\$100.07	\$7.86
Phoenix, AZ	\$75.86	\$82.80	\$6.94
Dallas, TX	\$63.15	\$69.77	\$6.62
San Diego, CA	\$93.39	\$99.32	\$5.93
Miami/Hialeah, FL	\$89.53	\$94.64	\$5.11
Orlando, FL	\$70.48	\$74.83	\$4.35
Seattle, WA	\$85.42	\$89.20	\$3.78
Chicago, IL	\$72.07	\$75.80	\$3.73
San Francisco/San Mateo, CA	\$107.42	\$109.47	\$2.05
Los Angeles/Long Beach, CA	\$107.69	\$108.19	\$0.50
New Orleans, LA	\$84.01	\$80.74	-\$3.27
New York, NY	\$127.61	\$122.73	-\$4.88
Boston, MA	\$98.96	\$93.50	-\$5.46

Source: STR Hotel Review, Hunden Strategic Partners

Three markets have continued to suffer *decreases* in ADR since the national low nearly 2 months on: NOLA, NYC and Boston.

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	6-Jun	Dollar Amt Change
New York, NY	\$31.67	\$57.77	\$26.10
Los Angeles/Long Beach, CA	\$22.78	\$42.01	\$19.23
Tampa/St Petersburg, FL	\$14.56	\$40.84	\$26.28
Norfolk/Virginia Beach, VA	\$16.73	\$40.47	\$23.74
San Diego, CA	\$22.26	\$38.17	\$15.91
Philadelphia, PA-NJ	\$16.66	\$37.52	\$20.86
Phoenix, AZ	\$16.45	\$36.99	\$20.54
Anaheim/Santa Ana, CA	\$12.98	\$34.68	\$21.70
San Francisco/San Mateo, CA	\$16.50	\$32.39	\$15.89
Washington, DC-MD-VA	\$16.92	\$31.46	\$14.54
Detroit, MI	\$14.49	\$30.11	\$15.62
Atlanta, GA	\$15.38	\$29.40	\$14.02
Miami/Hialeah, FL	\$18.06	\$28.03	\$9.97
Nashville, TN	\$13.49	\$27.18	\$13.69
Denver, CO	\$13.29	\$26.99	\$13.70
Houston, TX	\$13.46	\$26.85	\$13.39
Seattle, WA	\$17.26	\$26.34	\$9.08
Dallas, TX	\$14.79	\$26.32	\$11.53
Minneapolis/St Paul, MN-WI	\$10.23	\$24.18	\$13.95
St Louis, MO-IL	\$12.25	\$23.87	\$11.62
Chicago, IL	\$12.78	\$23.61	\$10.83
Boston, MA	\$14.10	\$22.43	\$8.33
New Orleans, LA	\$11.84	\$20.69	\$8.85
Orlando, FL	\$8.66	\$17.61	\$8.95
Oahu Island, HI	\$10.26	\$17.14	\$6.88

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Revenue per Available Room			
Top 25 Markets	11-Apr	6-Jun	Dollar Amt Change
Tampa/St Petersburg, FL	\$14.56	\$40.84	\$26.28
New York, NY	\$31.67	\$57.77	\$26.10
Norfolk/Virginia Beach, VA	\$16.73	\$40.47	\$23.74
Anaheim/Santa Ana, CA	\$12.98	\$34.68	\$21.70
Philadelphia, PA-NJ	\$16.66	\$37.52	\$20.86
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Los Angeles/Long Beach, CA	\$22.78	\$42.01	\$19.23
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San Francisco/San Mateo, CA	\$16.50	\$32.39	\$15.89
Detroit, MI	\$14.49	\$30.11	\$15.62
Washington, DC-MD-VA	\$16.92	\$31.46	\$14.54
Atlanta, GA	\$15.38	\$29.40	\$14.02
Minneapolis/St Paul, MN-WI	\$10.23	\$24.18	\$13.95
Denver, CO	\$13.29	\$26.99	\$13.70
Nashville, TN	\$13.49	\$27.18	\$13.69
Houston, TX	\$13.46	\$26.85	\$13.39
St Louis, MO-IL	\$12.25	\$23.87	\$11.62
Dallas, TX	\$14.79	\$26.32	\$11.53
Chicago, IL	\$12.78	\$23.61	\$10.83
Miami/Hialeah, FL	\$18.06	\$28.03	\$9.97
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Orlando, FL	\$8.66	\$17.61	\$8.95
New Orleans, LA	\$11.84	\$20.69	\$8.85
Boston, MA	\$14.10	\$22.43	\$8.33
Oahu Island, HI	\$10.26	\$17.14	\$6.88

Source: STR Hotel Review, Hunden Strategic Partners

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