

HOTEL MARKET & COVID

CURRENT SITUATION DATA THROUGH JUNE 20TH, 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





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.
- At 43.9% last week, occupancy is steadily approaching 45%, which is ~24 percentage point change since the lowest week when national occupancy hit 21%.
- Average daily rate increased by more than \$3, not as robust as last week's \$4.08 increase, which was 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.

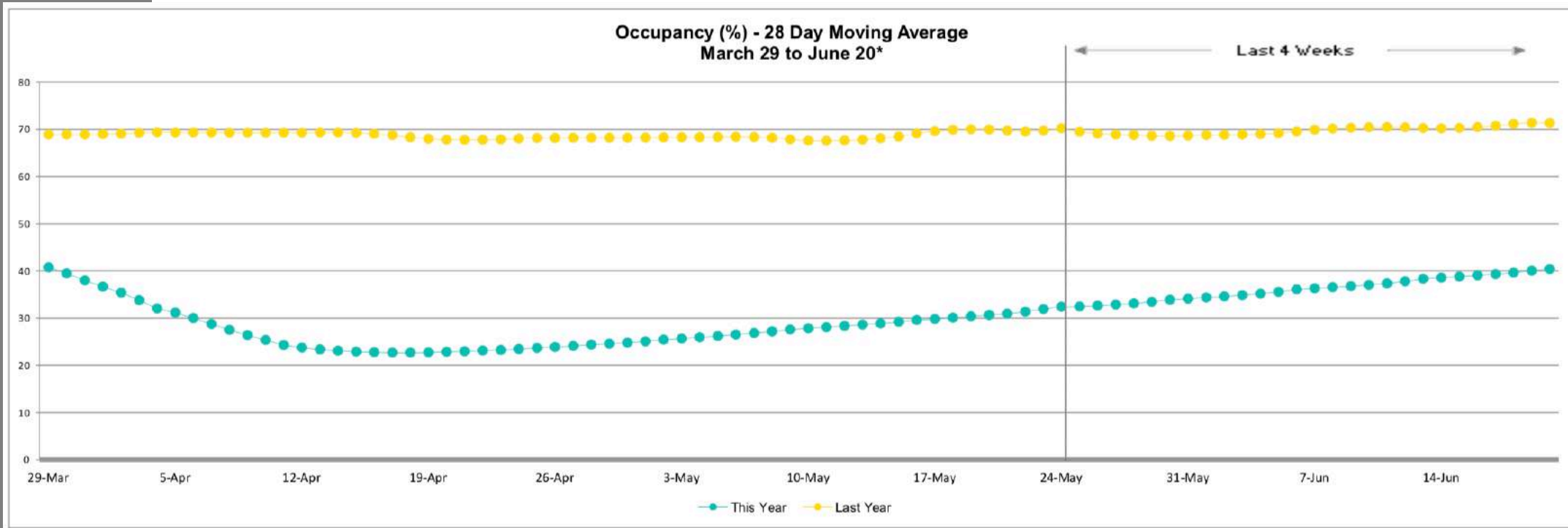
US Hotel Trends During COVID-19

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	\$126.85	\$1.90	--	\$75.98	\$75.98	\$0.00	--
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	41.7%	73.6%	-31.9%	2.4%	\$89.09	\$134.84	-\$45.75	\$4.08	\$37.15	\$99.27	-\$62.12	\$3.72
June 20th (starting June 14th)	43.9%	75.4%	-31.5%	2.2%	\$92.20	\$135.07	-\$42.87	\$3.11	\$40.48	\$101.86	-\$61.38	\$3.33
Average Weekly Change Since Bottom				2.3%				\$1.80				\$2.49

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 \$1.80 per week, while RevPAR has increased on average \$2.49 per week. ADR and RevPAR had another strong week with increases of \$3.11 and \$3.33.

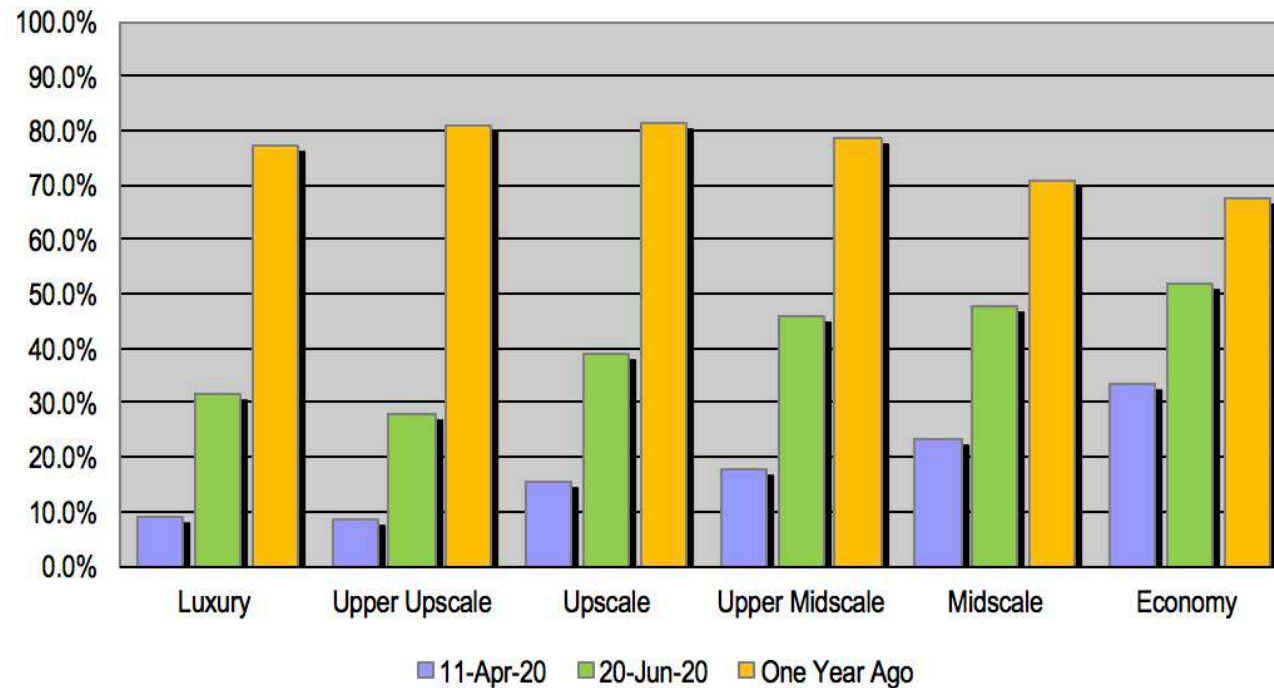
Occupancy 28-Day Moving Average



Source: STR Hotel Review

Occupancy has rebounded to 43.9% from a yearly low on the week of April 5th – 11th of 21%.

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



Source: STR, Hunden Strategic Partners

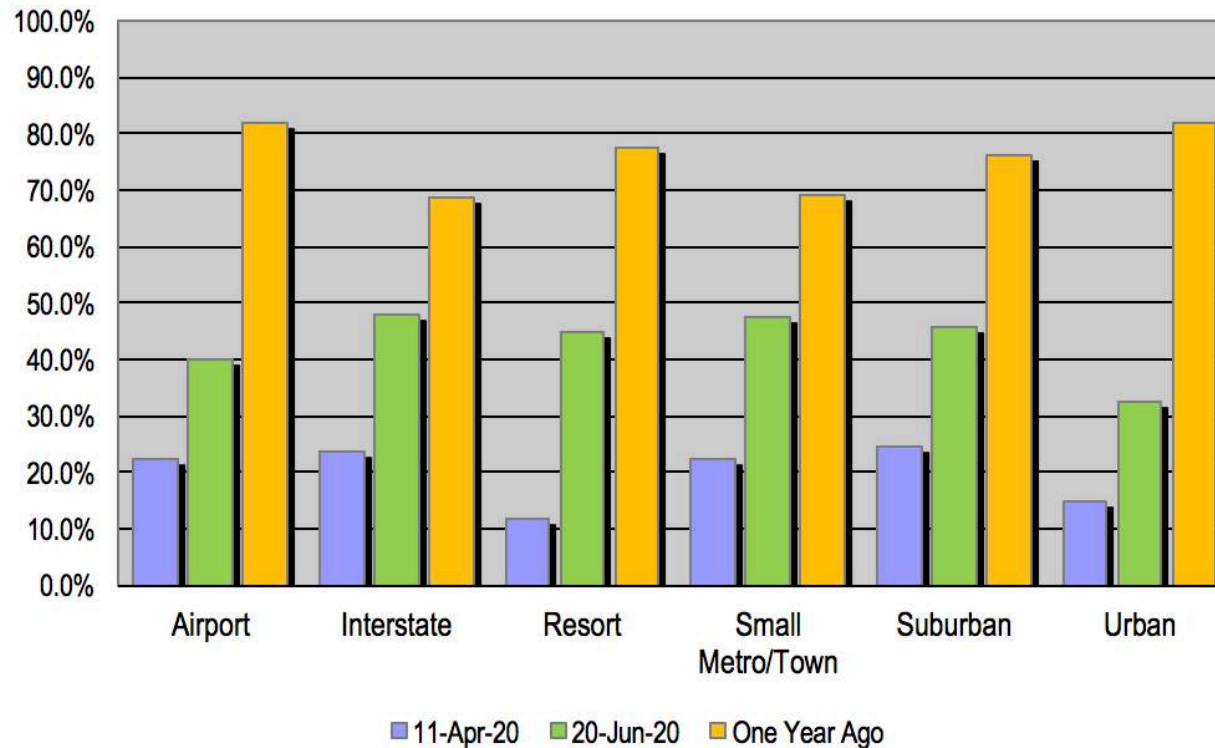
- Upper Midscale has shown the biggest percentage point change in occupancy from a low of 18.0% to 45.8% this past week
- Despite the global pandemic, economy hotels are performing best relative to their historical average, surpassing 50% occupancy

Weekly Hotel Review by Class - Occupancy

Class	One Year Ago	11-Apr-20	20-Jun-20	Percentage Change
Luxury	77.2%	8.9%	31.4%	22.5%
Upper Upscale	81.1%	8.8%	27.8%	19.0%
Upscale	81.2%	15.7%	39.2%	23.5%
Upper Midscale	78.4%	18.0%	45.8%	27.8%
Midscale	70.7%	23.4%	47.7%	24.3%
Economy	67.7%	33.6%	52.1%	18.5%

Source: STR Hotel Review, Hunden Strategic Partners

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



Source: STR, Hunden Strategic Partners

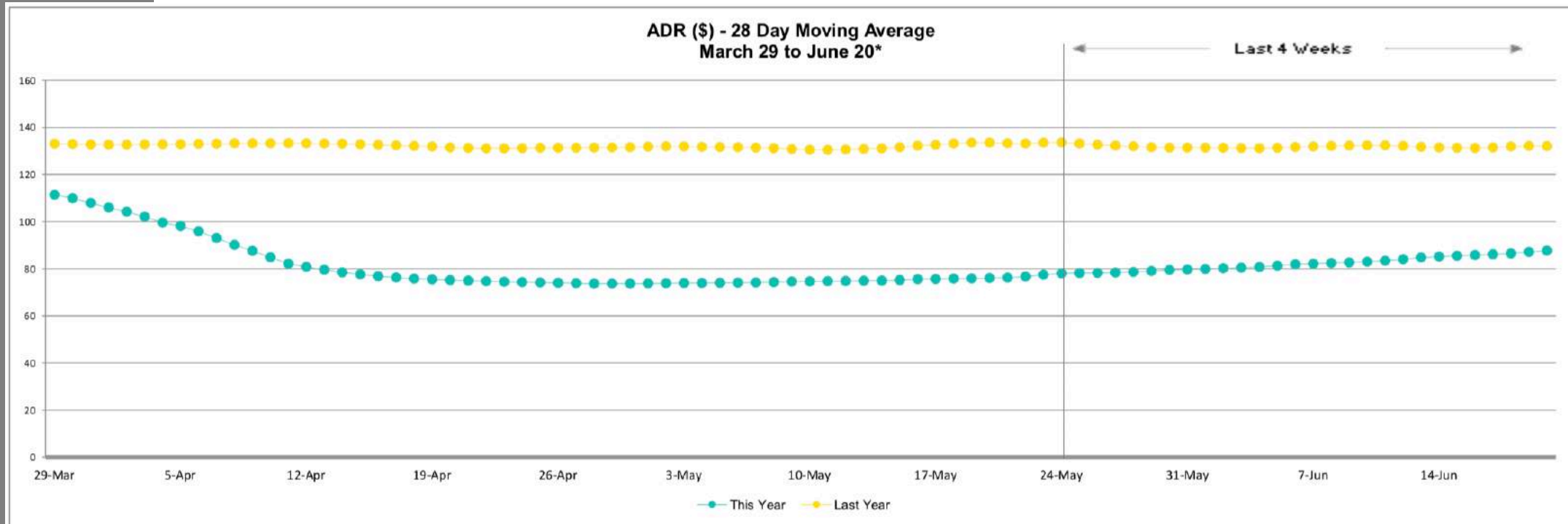
- Resort hotels surged back this week to 44.8% occupancy with the highest percentage point change since a low point of 11.6% on the week of April 11th
- Interstate hotels are currently topping the list with the highest occupancy, at 48.1%.
- Urban hotels remain hardest hit by events of 2020.

Weekly Hotel Review by Location - Occupancy

Location	One Year Ago	11-Apr-20	20-Jun-20	Percentage Change
Airport	82.1%	22.3%	40.0%	17.7%
Interstate	68.5%	23.7%	48.1%	24.4%
Resort	77.5%	11.6%	44.8%	33.2%
Small Metro/Town	69.2%	22.4%	47.4%	25.0%
Suburban	76.0%	24.7%	45.7%	21.0%
Urban	81.7%	15.0%	32.4%	17.4%

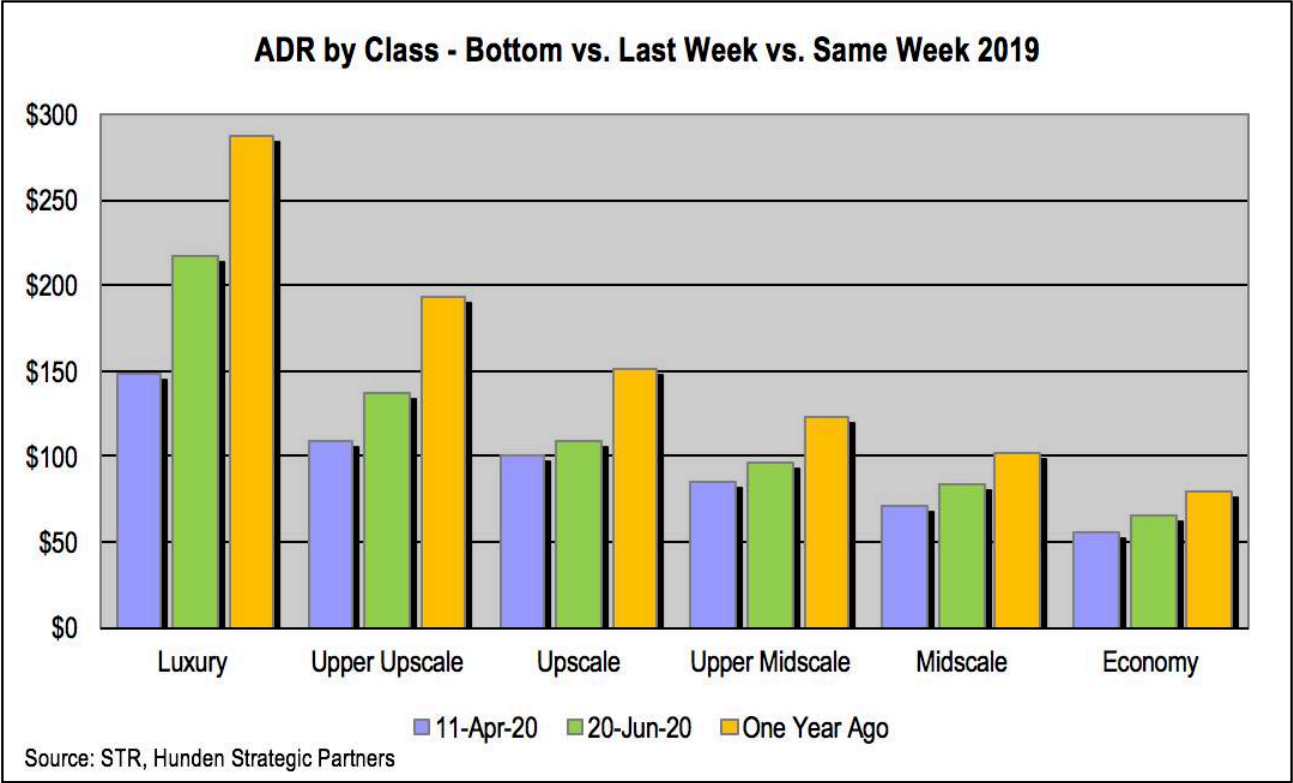
Source: STR Hotel Review, Hunden Strategic Partners

ADR 28-Day Moving Average



Source: STR Hotel Review

ADR has increased to \$92.20 from the yearly low on the week of April 5th – 11th of \$74.18.

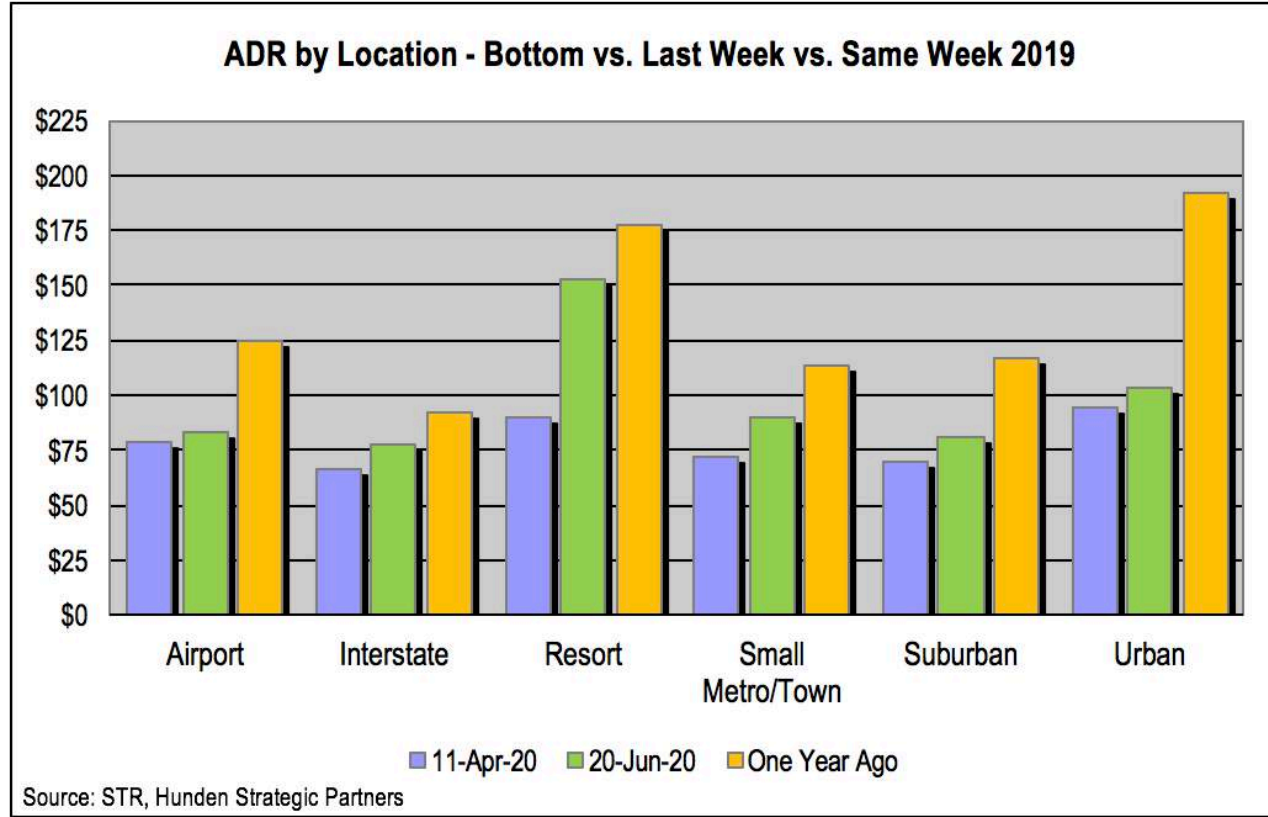


- Luxury hotels currently have the highest dollar amount change in ADR from the low of \$148 to \$217 this past week, but are still \$70 behind 2019.
- Upscale hotels have increased ADR the least since the bottom in April, increasing ~\$9.

Weekly Hotel Review by Class - Average Daily Rate

Class	One Year Ago	11-Apr-20	20-Jun-20	Dollar Amt Change
Luxury	\$287	\$148	\$217	\$68.69
Upper Upscale	\$193	\$108	\$137	\$28.41
Upscale	\$151	\$101	\$109	\$8.63
Upper Midscale	\$123	\$85	\$96	\$10.76
Midscale	\$102	\$71	\$83	\$12.56
Economy	\$80	\$55	\$65	\$9.83

Source: STR Hotel Review, Hunden Strategic Partners



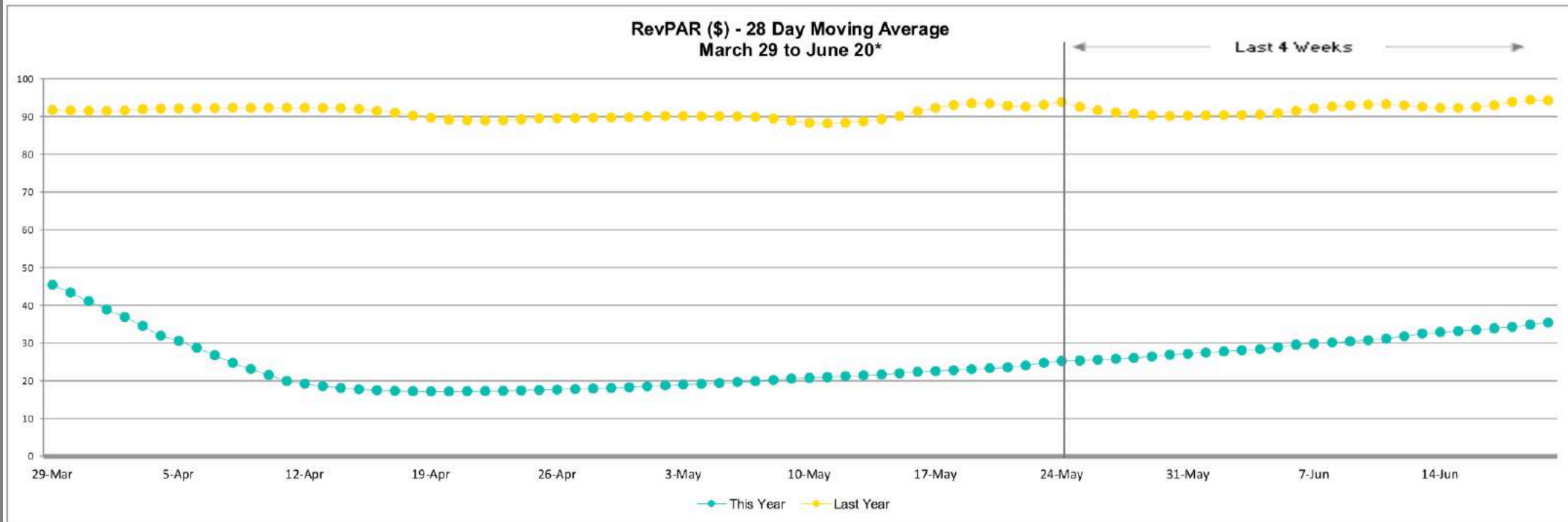
- Resort hotels have shown the highest dollar amount change in ADR of \$63.65 between the low week of April 11th to the week ending on June 20, only \$24 below last year's ADR.
- Airport hotels have struggled with only a \$5.16 change in ADR from the low week of April 11th to this past week
- Urban hotels have recovered the smallest portion of ADR vs. 2019.

Weekly Hotel Review by Location - Average Daily Rate

Location	One Year Ago	11-Apr-20	20-Jun-20	Dollar Amt Change
Airport	\$125	\$78	\$83	\$5.16
Interstate	\$92	\$66	\$77	\$10.96
Resort	\$177	\$89	\$153	\$63.65
Small Metro/Town	\$114	\$71	\$90	\$18.33
Suburban	\$116	\$70	\$81	\$11.44
Urban	\$192	\$94	\$103	\$9.63

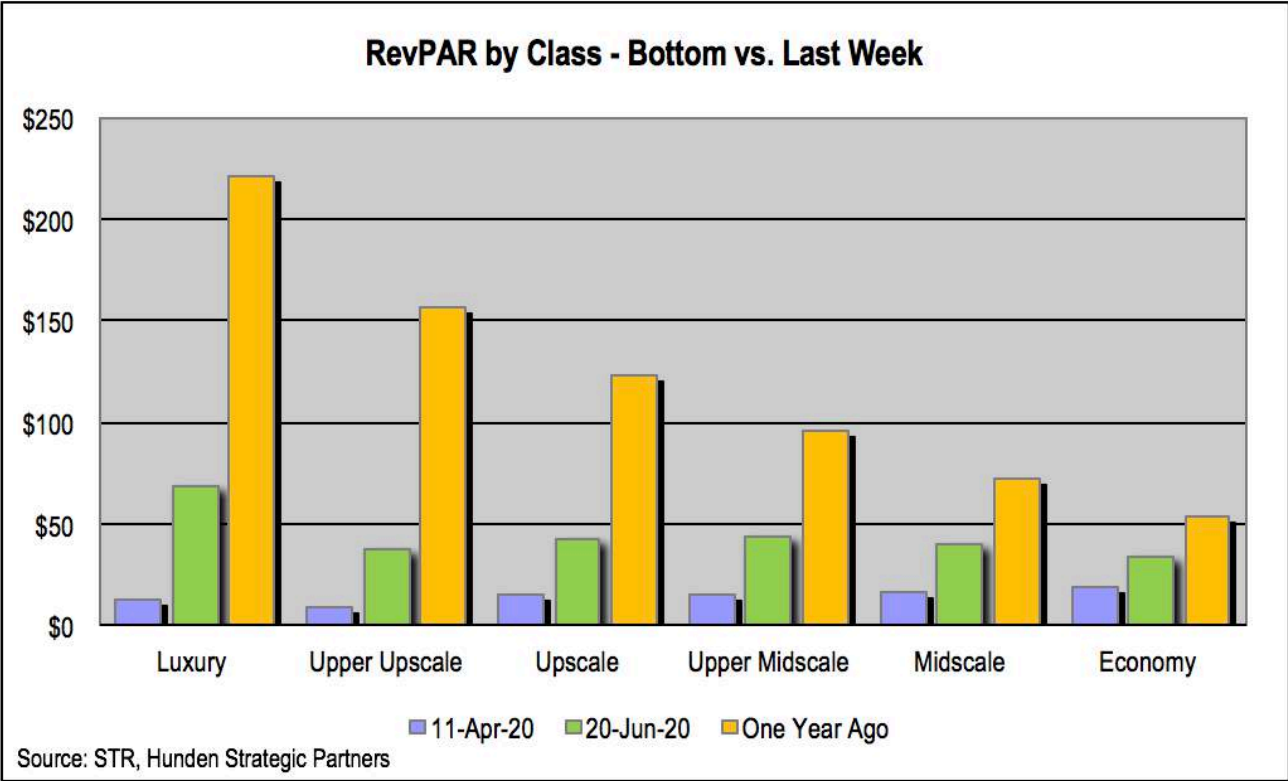
Source: STR Hotel Review, Hunden Strategic Partners

RevPAR 28 Day Moving Average



Source: STR Hotel Review

RevPAR has rebounded to \$40.48 from the yearly low on the week of April 5th – 11th of \$15.61.

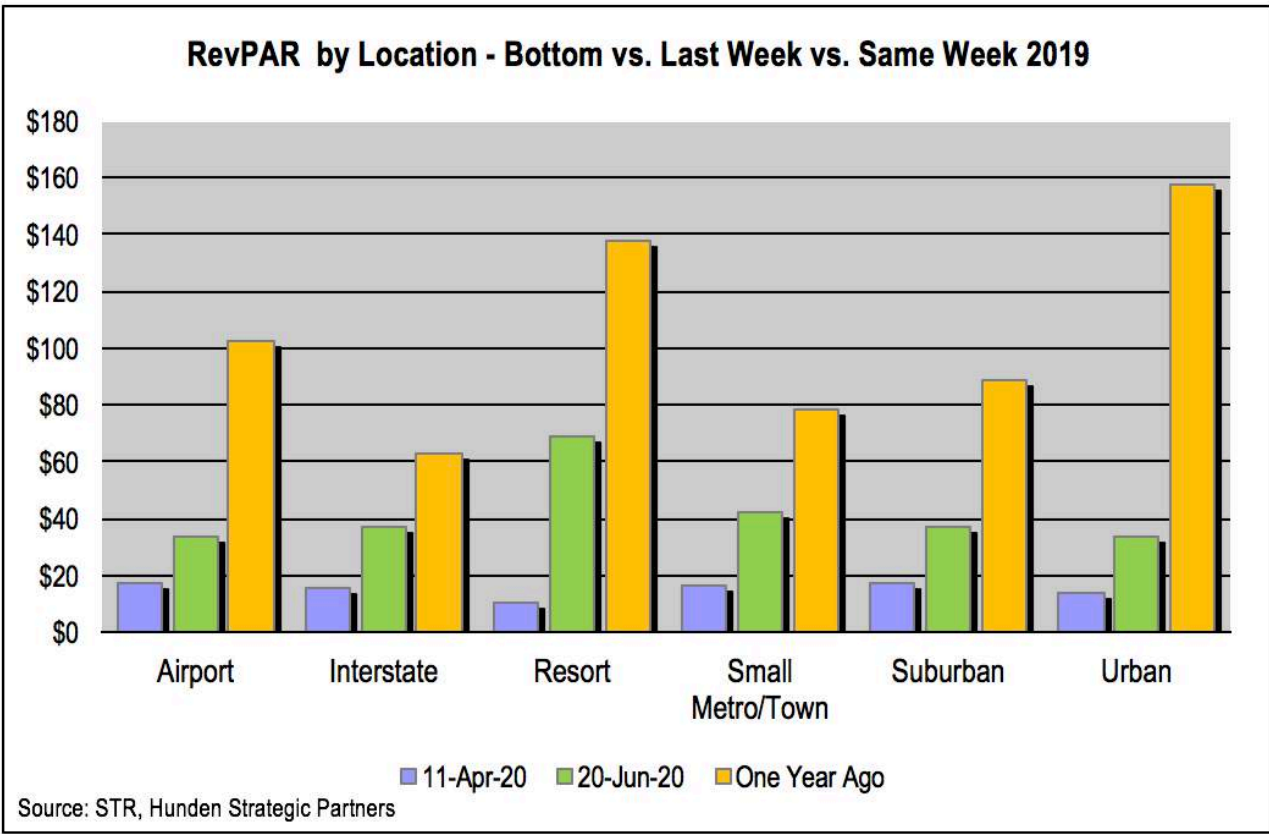


- Similar to ADR, RevPAR for Luxury hotels is both the highest and has shown the largest dollar amount change from the low week of April 11th to this past week ending June 20
- Upscale and Upper Upscale have recovered the least amount of RevPAR since the trough relative to their prior year amount. Upper Upscale (full-service hotels) are generating only 25% of their prior year revenue.
- Economy hotels have RevPar of ~70% of their 2019 figure.

Weekly Hotel Review by Class - Revenue per Available Room

Class	One Year Ago	11-Apr-20	20-Jun-20	Dollar Amt Change
Luxury	\$222	\$13	\$68	\$54.92
Upper Upscale	\$157	\$10	\$38	\$28.31
Upscale	\$123	\$16	\$43	\$27.03
Upper Midscale	\$96	\$15	\$44	\$28.52
Midscale	\$72	\$17	\$40	\$23.11
Economy	\$54	\$19	\$34	\$15.31

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 11 to this past week ending June 20
- Airport hotels, have struggled, with only a \$15.85 change since the low week of April 11th, whereas last year they boasted a RevPAR of \$102. RevPAR is about 1/3 where it was in 2019.
- Urban hotels are still performing the worst relative to 2019 at just over 1/5th of their prior performance.

Weekly Hotel Review by Location - Revenue per Available Room

Location	One Year Ago	11-Apr-20	20-Jun-20	Dollar Amt Change
Airport	\$102	\$17	\$33	\$15.85
Interstate	\$63	\$16	\$37	\$21.48
Resort	\$137	\$10	\$69	\$58.18
Small Metro/Town	\$79	\$16	\$43	\$26.53
Suburban	\$88	\$17	\$37	\$19.95
Urban	\$157	\$14	\$34	\$19.43

Source: STR Hotel Review, Hunden Strategic Partners

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

Top 25 Markets	11-Apr	20-Jun	Percentage Point Change
Norfolk/Virginia Beach, VA	27.6%	54.0%	26.4%
Tampa/St Petersburg, FL	19.4%	49.4%	30.0%
Phoenix, AZ	21.7%	48.3%	26.6%
Detroit, MI	22.3%	46.2%	23.9%
Atlanta, GA	24.8%	44.8%	20.0%
San Diego, CA	23.8%	44.5%	20.7%
Los Angeles/Long Beach, CA	21.2%	44.1%	22.9%
New York, NY	24.8%	43.6%	18.8%
Dallas, TX	23.4%	40.8%	17.4%
Houston, TX	22.8%	40.6%	17.8%
Philadelphia, PA-NJ	21.9%	39.3%	17.4%
Nashville, TN	19.0%	38.9%	19.9%
Denver, CO	18.4%	38.6%	20.2%
Anaheim/Santa Ana, CA	15.2%	36.7%	21.5%
Miami/Hialeah, FL	20.2%	36.0%	15.8%
St Louis, MO-IL	18.7%	35.4%	16.7%
San Francisco/San Mateo, CA	15.4%	34.1%	18.7%
Seattle, WA	20.2%	33.2%	13.0%
Chicago, IL	17.7%	32.6%	14.9%
Washington, DC-MD-VA	18.3%	30.7%	12.4%
New Orleans, LA	14.1%	30.5%	16.4%
Minneapolis/St Paul, MN-WI	15.4%	30.2%	14.8%
Orlando, FL	12.3%	28.2%	15.9%
Boston, MA	14.3%	26.1%	11.8%
Oahu Island, HI	7.1%	13.7%	6.6%

Source: STR Hotel Review, Hunden Strategic Partners

Top 25 Markets	11-Apr	20-Jun	Percentage Point Change
Tampa/St Petersburg, FL	19.4%	49.4%	30.0%
Phoenix, AZ	21.7%	48.3%	26.6%
Norfolk/Virginia Beach, VA	27.6%	54.0%	26.4%
Detroit, MI	22.3%	46.2%	23.9%
Los Angeles/Long Beach, CA	21.2%	44.1%	22.9%
Anaheim/Santa Ana, CA	15.2%	36.7%	21.5%
San Diego, CA	23.8%	44.5%	20.7%
Denver, CO	18.4%	38.6%	20.2%
Atlanta, GA	24.8%	44.8%	20.0%
Nashville, TN	19.0%	38.9%	19.9%
New York, NY	24.8%	43.6%	18.8%
San Francisco/San Mateo, CA	15.4%	34.1%	18.7%
Houston, TX	22.8%	40.6%	17.8%
Philadelphia, PA-NJ	21.9%	39.3%	17.4%
Dallas, TX	23.4%	40.8%	17.4%
St Louis, MO-IL	18.7%	35.4%	16.7%
New Orleans, LA	14.1%	30.5%	16.4%
Orlando, FL	12.3%	28.2%	15.9%
Miami/Hialeah, FL	20.2%	36.0%	15.8%
Chicago, IL	17.7%	32.6%	14.9%
Minneapolis/St Paul, MN-WI	15.4%	30.2%	14.8%
Seattle, WA	20.2%	33.2%	13.0%
Washington, DC-MD-VA	18.3%	30.7%	12.4%
Boston, MA	14.3%	26.1%	11.8%
Oahu Island, HI	7.1%	13.7%	6.6%

Source: STR Hotel Review, Hunden Strategic Partners

One of the top 25 markets surpassed 50% (Norfolk) and ten of the top 25 markets hit 40%+, while Oahu is still below 14%. Cities hit by long pandemic shutdowns and violence also showed low occupancies.

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	20-Jun	Dollar Amt Change
Oahu Island, HI	\$145.27	\$169.07	\$23.80
New York, NY	\$127.61	\$127.03	-\$0.58
Anaheim/Santa Ana, CA	\$85.11	\$126.73	\$41.62
Miami/Hialeah, FL	\$89.53	\$118.52	\$28.99
Los Angeles/Long Beach, CA	\$107.69	\$116.05	\$8.36
San Francisco/San Mateo, CA	\$107.42	\$113.68	\$6.26
San Diego, CA	\$93.39	\$111.17	\$17.78
Tampa/St Petersburg, FL	\$74.89	\$110.76	\$35.87
Boston, MA	\$98.96	\$100.50	\$1.54
Norfolk/Virginia Beach, VA	\$60.69	\$97.56	\$36.87
Seattle, WA	\$85.42	\$93.51	\$8.09
Washington, DC-MD-VA	\$92.21	\$91.56	-\$0.65
Phoenix, AZ	\$75.86	\$87.64	\$11.78
Philadelphia, PA-NJ	\$76.08	\$86.18	\$10.10
New Orleans, LA	\$84.01	\$85.84	\$1.83
Nashville, TN	\$71.00	\$84.88	\$13.88
Denver, CO	\$72.07	\$82.86	\$10.79
Chicago, IL	\$72.07	\$78.65	\$6.58
St Louis, MO-IL	\$65.39	\$78.50	\$13.11
Detroit, MI	\$64.94	\$77.61	\$12.67
Orlando, FL	\$70.48	\$77.54	\$7.06
Atlanta, GA	\$62.09	\$76.05	\$13.96
Minneapolis/St Paul, MN-WI	\$66.46	\$75.26	\$8.80
Dallas, TX	\$63.15	\$72.98	\$9.83
Houston, TX	\$59.04	\$71.94	\$12.90

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Average Daily Rate			
Top 25 Markets	11-Apr	20-Jun	Dollar Amt Change
Anaheim/Santa Ana, CA	\$85.11	\$126.73	\$41.62
Norfolk/Virginia Beach, VA	\$60.69	\$97.56	\$36.87
Tampa/St Petersburg, FL	\$74.89	\$110.76	\$35.87
Miami/Hialeah, FL	\$89.53	\$118.52	\$28.99
Oahu Island, HI	\$145.27	\$169.07	\$23.80
San Diego, CA	\$93.39	\$111.17	\$17.78
Atlanta, GA	\$62.09	\$76.05	\$13.96
Nashville, TN	\$71.00	\$84.88	\$13.88
St Louis, MO-IL	\$65.39	\$78.50	\$13.11
Houston, TX	\$59.04	\$71.94	\$12.90
Detroit, MI	\$64.94	\$77.61	\$12.67
Phoenix, AZ	\$75.86	\$87.64	\$11.78
Denver, CO	\$72.07	\$82.86	\$10.79
Philadelphia, PA-NJ	\$76.08	\$86.18	\$10.10
Dallas, TX	\$63.15	\$72.98	\$9.83
Minneapolis/St Paul, MN-WI	\$66.46	\$75.26	\$8.80
Los Angeles/Long Beach, CA	\$107.69	\$116.05	\$8.36
Seattle, WA	\$85.42	\$93.51	\$8.09
Orlando, FL	\$70.48	\$77.54	\$7.06
Chicago, IL	\$72.07	\$78.65	\$6.58
San Francisco/San Mateo, CA	\$107.42	\$113.68	\$6.26
New Orleans, LA	\$84.01	\$85.84	\$1.83
Boston, MA	\$98.96	\$100.50	\$1.54
New York, NY	\$127.61	\$127.03	-\$0.58
Washington, DC-MD-VA	\$92.21	\$91.56	-\$0.65

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 Washington DC. 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	20-Jun	Dollar Amt Change
New York, NY	\$31.67	\$55.37	\$23.70
Tampa/St Petersburg, FL	\$14.56	\$54.67	\$40.11
Norfolk/Virginia Beach, VA	\$16.73	\$52.66	\$35.93
Los Angeles/Long Beach, CA	\$22.78	\$51.20	\$28.42
San Diego, CA	\$22.26	\$49.44	\$27.18
Anaheim/Santa Ana, CA	\$12.98	\$46.49	\$33.51
Miami/Hialeah, FL	\$18.06	\$42.67	\$24.61
Phoenix, AZ	\$16.45	\$42.33	\$25.88
San Francisco/San Mateo, CA	\$16.50	\$38.82	\$22.32
Detroit, MI	\$14.49	\$35.87	\$21.38
Atlanta, GA	\$15.38	\$34.10	\$18.72
Philadelphia, PA-NJ	\$16.66	\$33.91	\$17.25
Nashville, TN	\$13.49	\$33.03	\$19.54
Denver, CO	\$13.29	\$31.96	\$18.67
Seattle, WA	\$17.26	\$31.02	\$13.76
Dallas, TX	\$14.79	\$29.74	\$14.95
Houston, TX	\$13.46	\$29.19	\$15.73
Washington, DC-MD-VA	\$16.92	\$28.11	\$11.19
St Louis, MO-IL	\$12.25	\$27.80	\$15.55
Boston, MA	\$14.10	\$26.23	\$12.13
New Orleans, LA	\$11.84	\$26.14	\$14.30
Chicago, IL	\$12.78	\$25.67	\$12.89
Oahu Island, HI	\$10.26	\$23.22	\$12.96
Minneapolis/St Paul, MN-WI	\$10.23	\$22.75	\$12.52
Orlando, FL	\$8.66	\$21.83	\$13.17

Source: STR Hotel Review, Hunden Strategic Partners

Weekly Hotel Review by Market - Revenue per Available Room			
Top 25 Markets	11-Apr	20-Jun	Dollar Amt Change
Tampa/St Petersburg, FL	\$14.56	\$54.67	\$40.11
Norfolk/Virginia Beach, VA	\$16.73	\$52.66	\$35.93
Anaheim/Santa Ana, CA	\$12.98	\$46.49	\$33.51
Los Angeles/Long Beach, CA	\$22.78	\$51.20	\$28.42
San Diego, CA	\$22.26	\$49.44	\$27.18
Phoenix, AZ	\$16.45	\$42.33	\$25.88
Miami/Hialeah, FL	\$18.06	\$42.67	\$24.61
New York, NY	\$31.67	\$55.37	\$23.70
San Francisco/San Mateo, CA	\$16.50	\$38.82	\$22.32
Detroit, MI	\$14.49	\$35.87	\$21.38
Nashville, TN	\$13.49	\$33.03	\$19.54
Atlanta, GA	\$15.38	\$34.10	\$18.72
Denver, CO	\$13.29	\$31.96	\$18.67
Philadelphia, PA-NJ	\$16.66	\$33.91	\$17.25
Houston, TX	\$13.46	\$29.19	\$15.73
St Louis, MO-IL	\$12.25	\$27.80	\$15.55
Dallas, TX	\$14.79	\$29.74	\$14.95
New Orleans, LA	\$11.84	\$26.14	\$14.30
Seattle, WA	\$17.26	\$31.02	\$13.76
Orlando, FL	\$8.66	\$21.83	\$13.17
Oahu Island, HI	\$10.26	\$23.22	\$12.96
Chicago, IL	\$12.78	\$25.67	\$12.89
Minneapolis/St Paul, MN-WI	\$10.23	\$22.75	\$12.52
Boston, MA	\$14.10	\$26.23	\$12.13
Washington, DC-MD-VA	\$16.92	\$28.11	\$11.19

Source: STR Hotel Review, Hunden Strategic Partners

Four markets now have Revenue per Available Room (RevPAR) above \$50, while 10 markets are still below \$30.

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