



# U.S. Hotel Industry Performance

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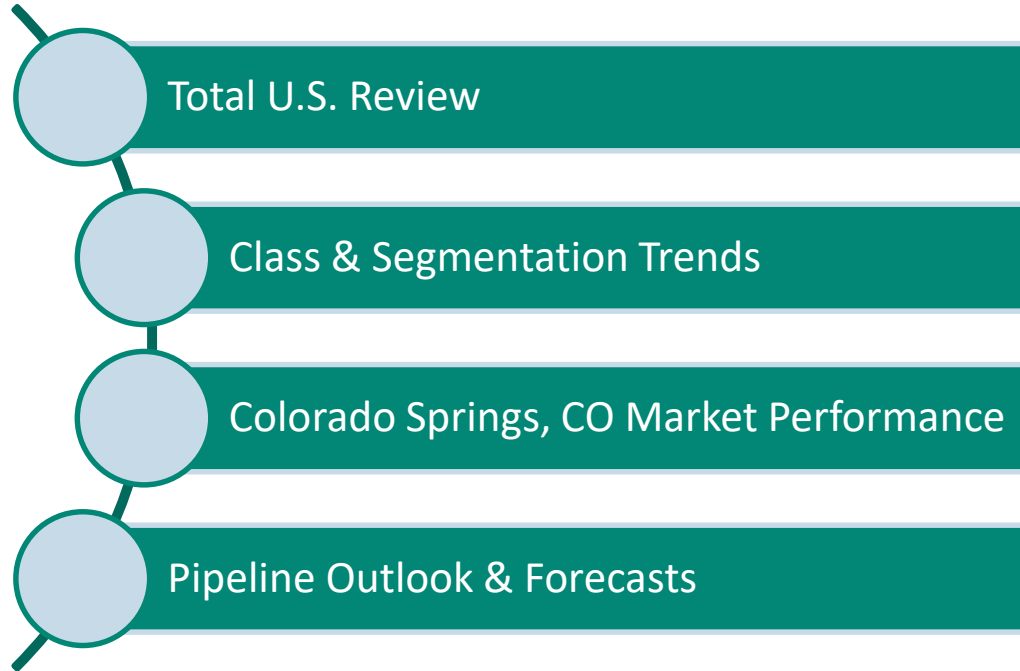
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# Agenda





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# Total U.S. Review



## March 2018

- RevPAR +3.9%
- ADR +3.0%
- Highest March Room Demand: 109.6 Million
- Group Occupancy: -4.9%
- “In Construction” rooms declined again from last year: -2.4%

# March 2018: A Very Strong Month, Driven By +3% ADR Growth



		<u>% Change</u>
Room Supply		2.0%
Room Demand		2.9%
Occupancy	68.5%	0.9%
A.D.R.	\$131	3.0%
RevPAR	\$90	3.9%
Room Revenue		6.0%

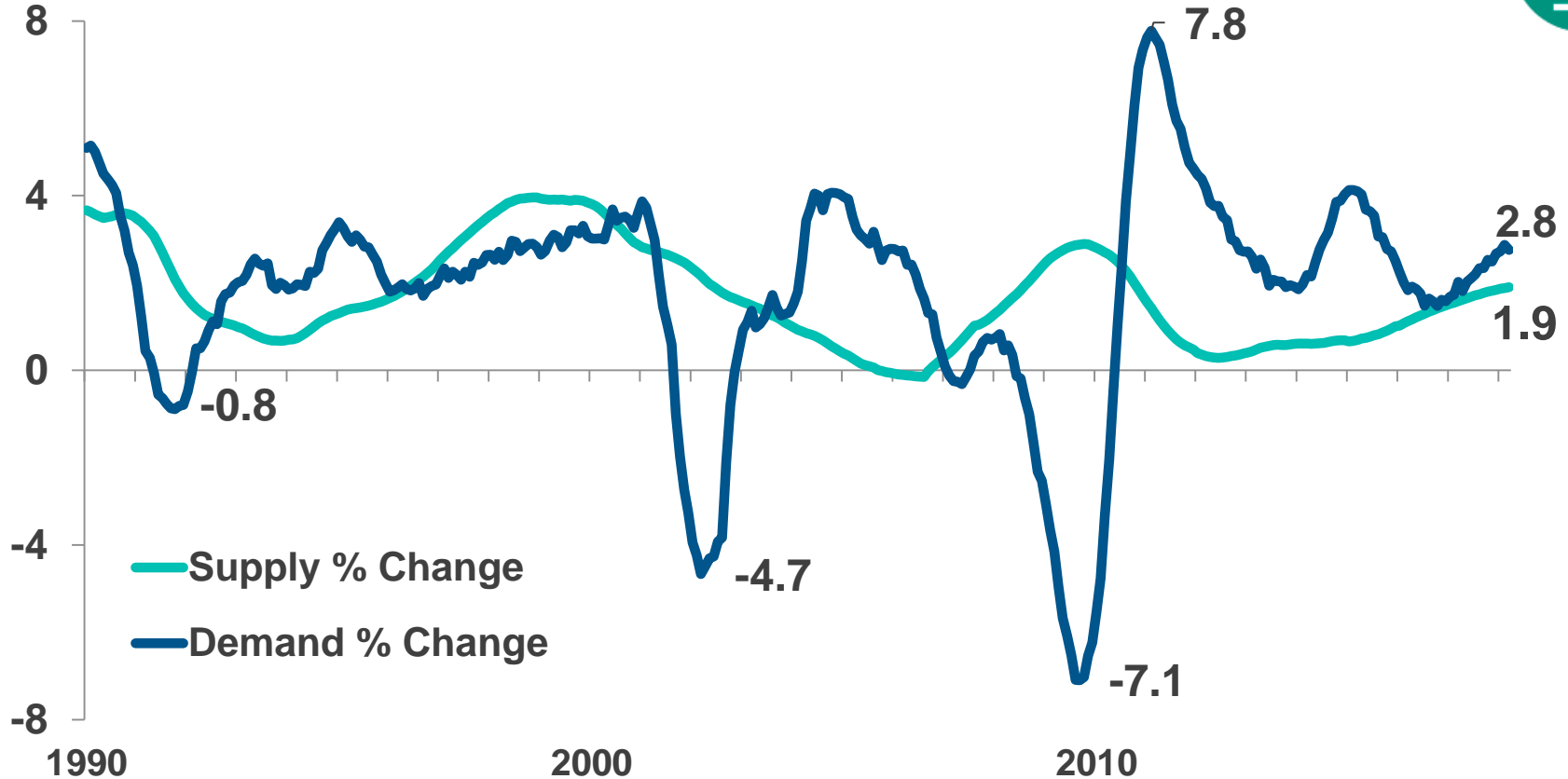
# March 2018 12 MMA: Continuing Our Record Run



		<u>% Change</u>
Room Supply		1.9%
Room Demand		2.8%
Occupancy (*Record*)	66.1%	0.8%
A.D.R. (*Record*)	\$127	2.1%
RevPAR (*Record*)	\$84	2.9%
Room Revenue		4.9%

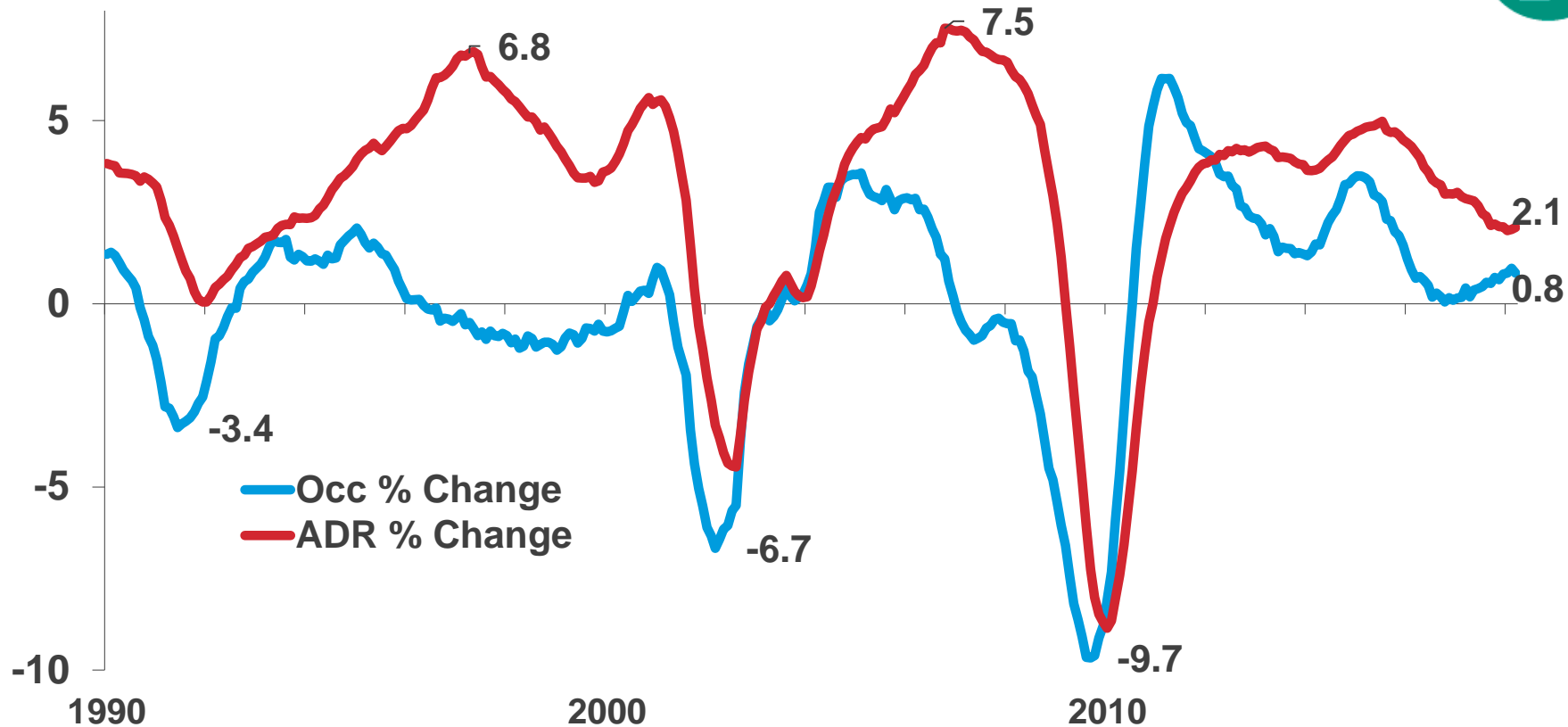
Total US Results, March 2018 12MMA

# Demand Growth Continues. Supply Growth Slow and Steady.



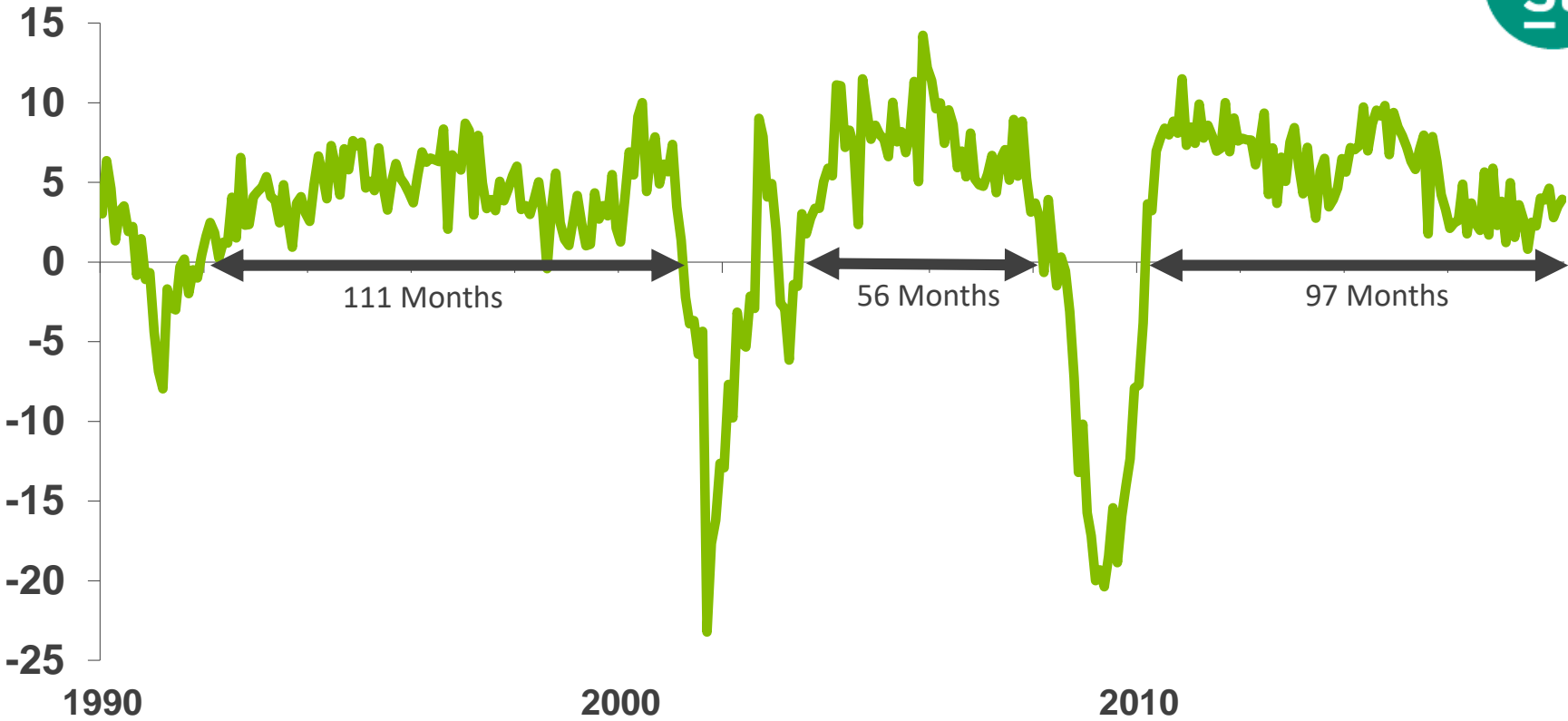


# ADR Growth Continues to Slide (For How Much Longer?)





# 8 Consecutive Years of RevPAR Growth!!!

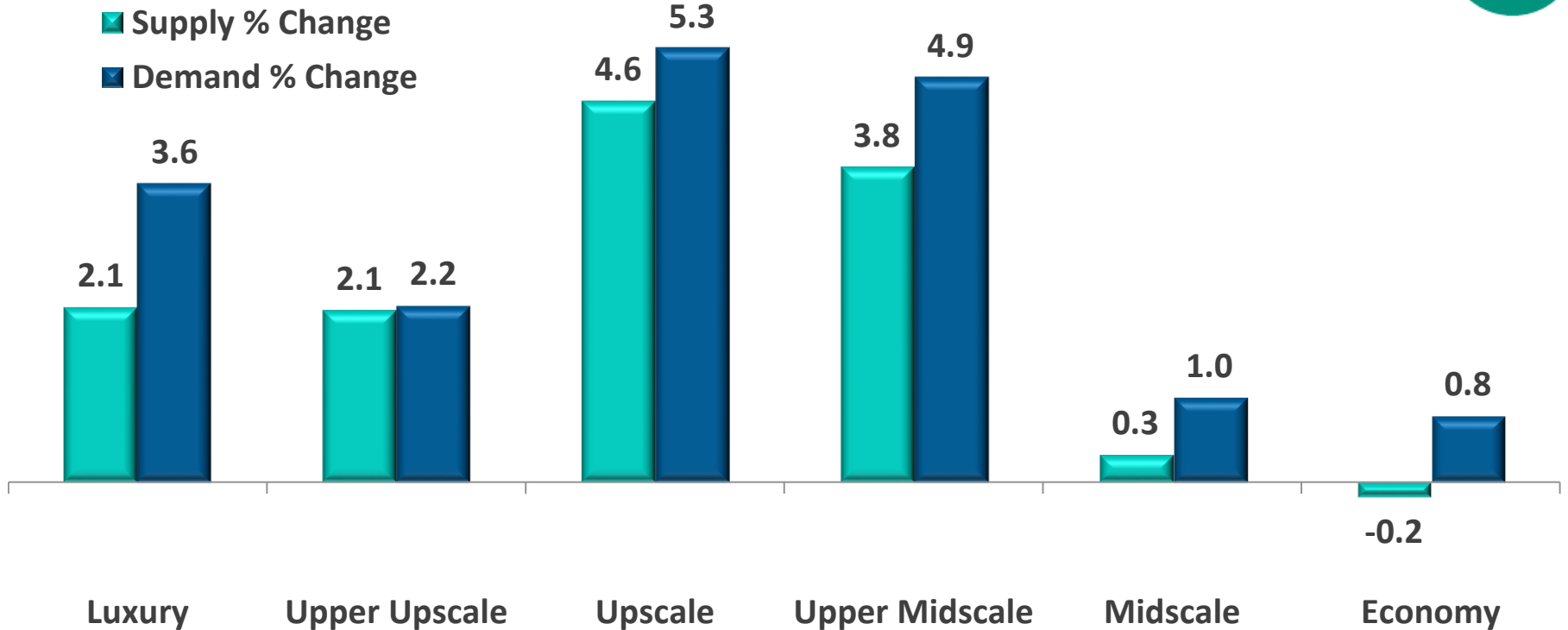


Total U.S., RevPAR % Change, 1/1990 – 03/2018



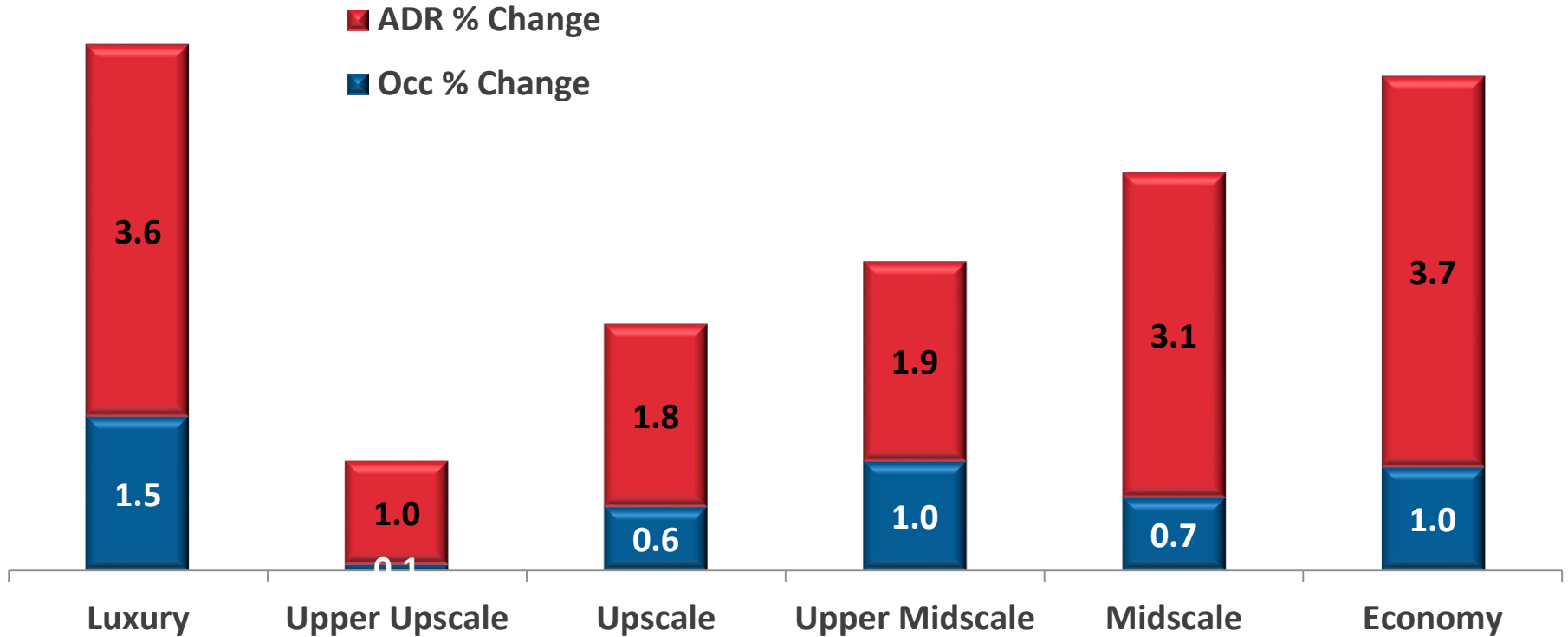
# Class Review Q1

## Class: Q1 (w/ Easter) Showed Strong Demand Growth



\*Supply / Demand % Change, by Class, Q1 2018

## Class: Q1 (Very) Strong ADR Growth Across The Board



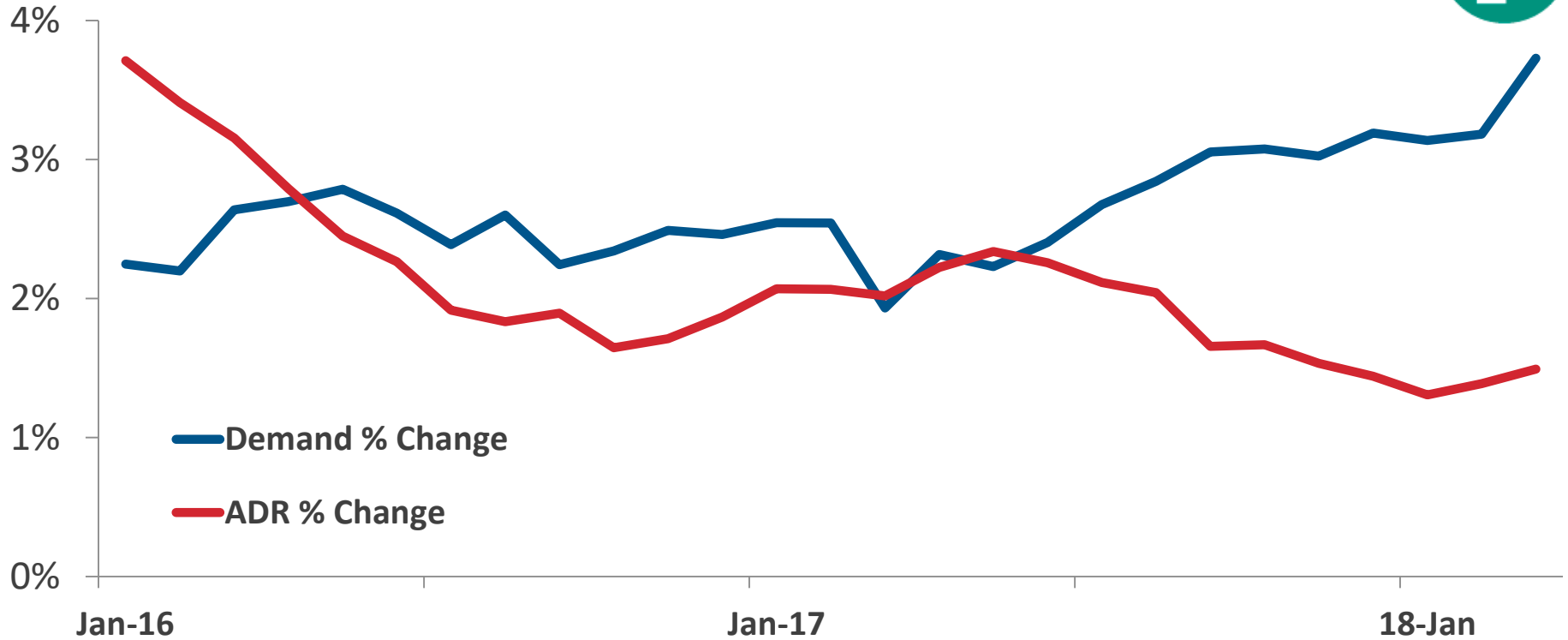
\*RevPAR % Change by Contribution of OCC / ADR % Change, by Class, Q1 2018



# Segmentation Trends

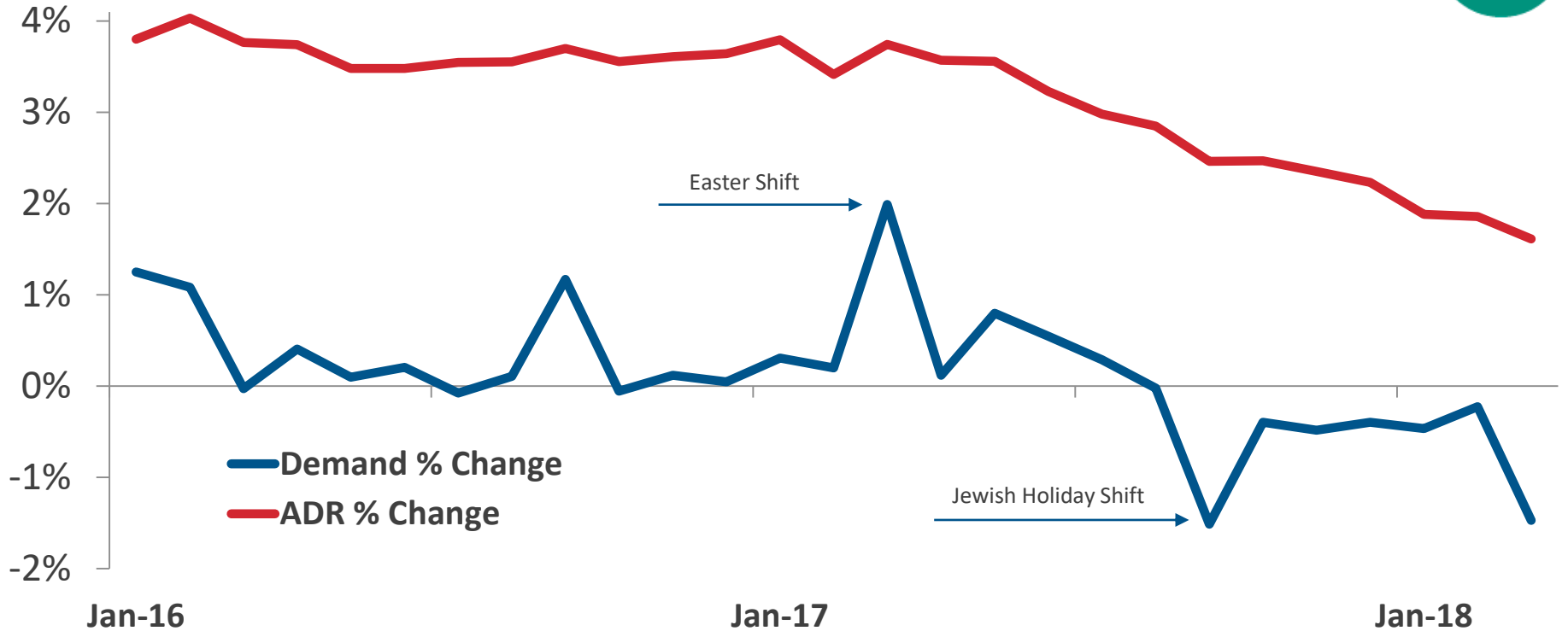


# Transient Performance: Accelerating Demand Increases Since Mid 2017. ADR Growth Slowing



\*Transient Demand and ADR % Change, 12 MMA, 1/2016 – 03/2018

# Group Performance: Continued Demand Decline. ADR Growth Slows

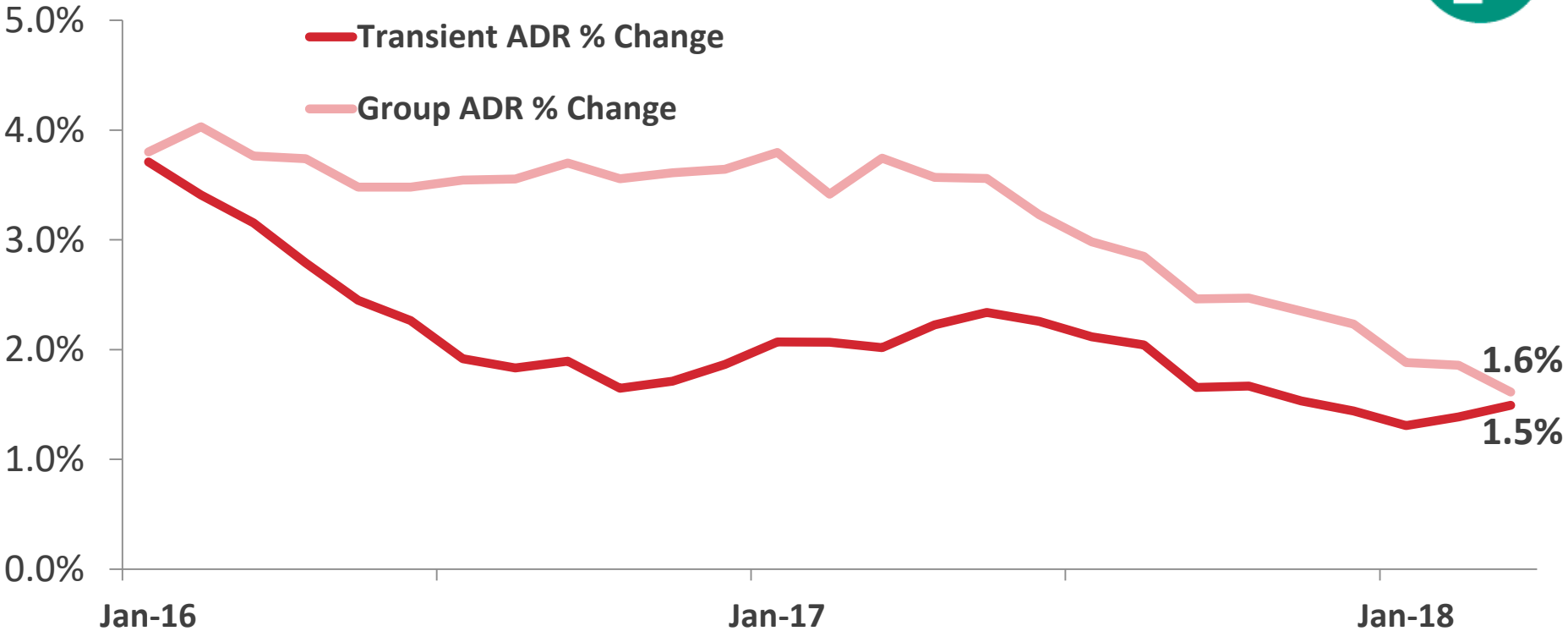


\*Group Demand and ADR % Change, 12 MMA, 1/2016 – 03/2018





# Segmentation ADR % Change Trajectories Point In One Direction: Down



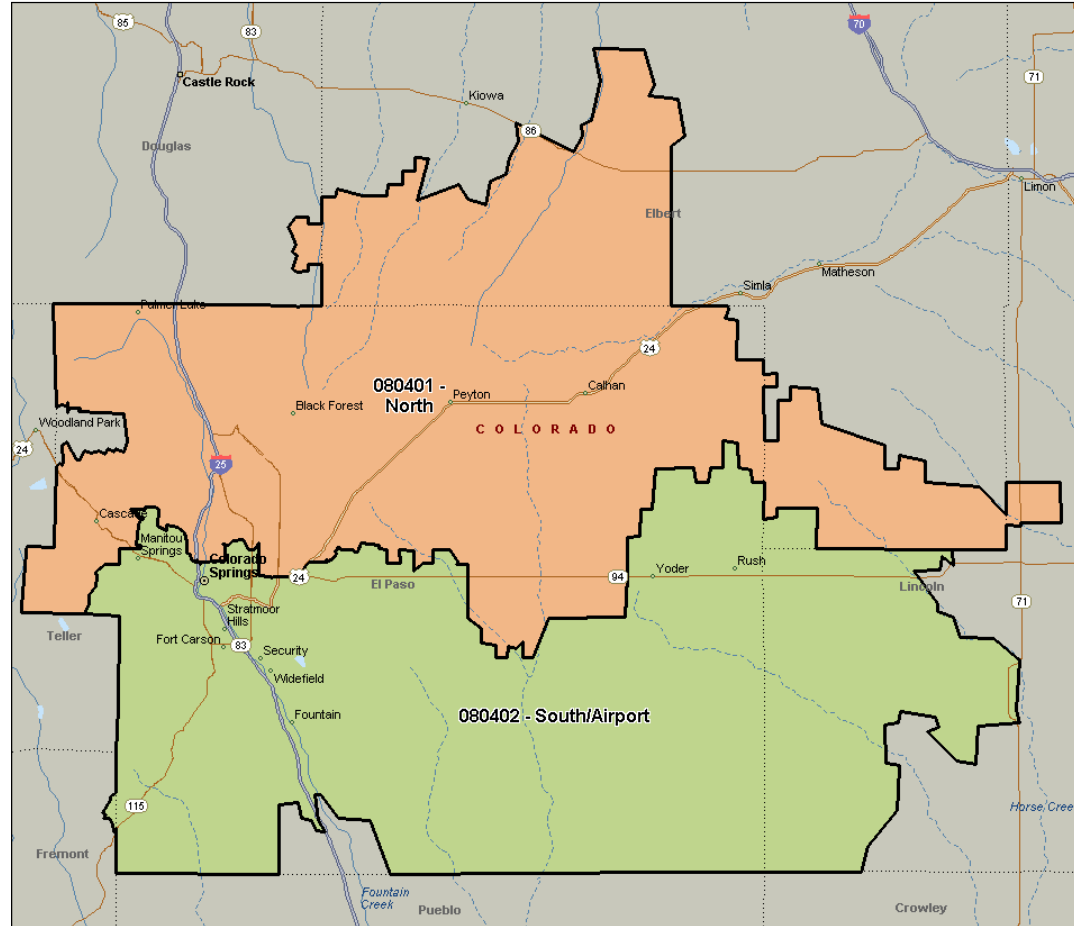
\*ADR % Change, Transient & Group, 1/2016 – 03/2018

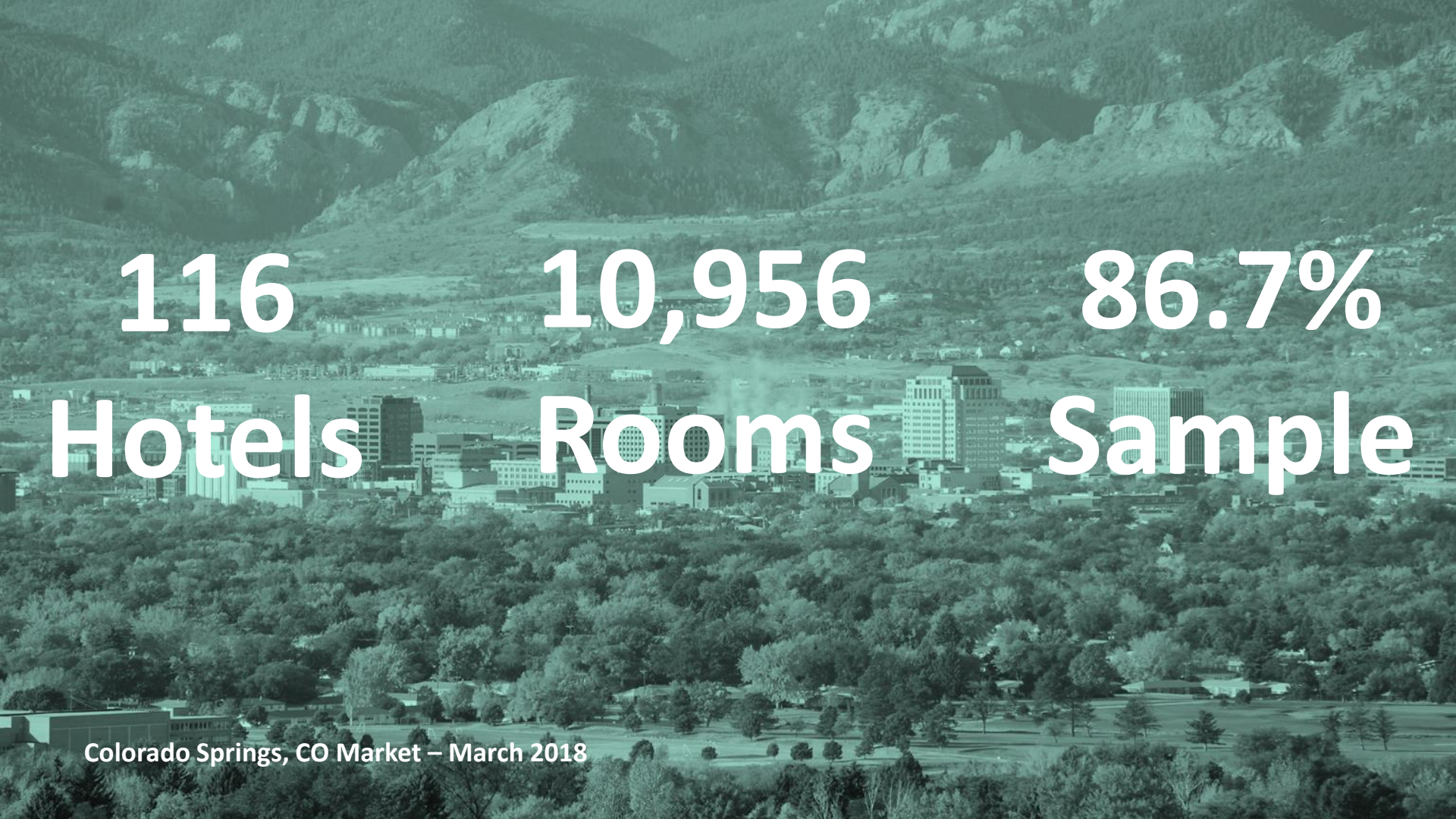


# Market Performance Colorado Springs, CO

## COLORADO SPRINGS MARKET

- 080401 - North
- 080402 - South/Airport





**116**  
**Hotels**

**10,956**  
**Rooms**

**86.7%**  
**Sample**

Colorado Springs, CO Market – March 2018



**68.3%**

**Occupancy**

**+0.3%**

**\$124**

**ADR**

**+6.6%**

**\$85**

**RevPAR**

**+6.8%**

**Colorado Springs, CO Market— 12 MMA ending March 2018**

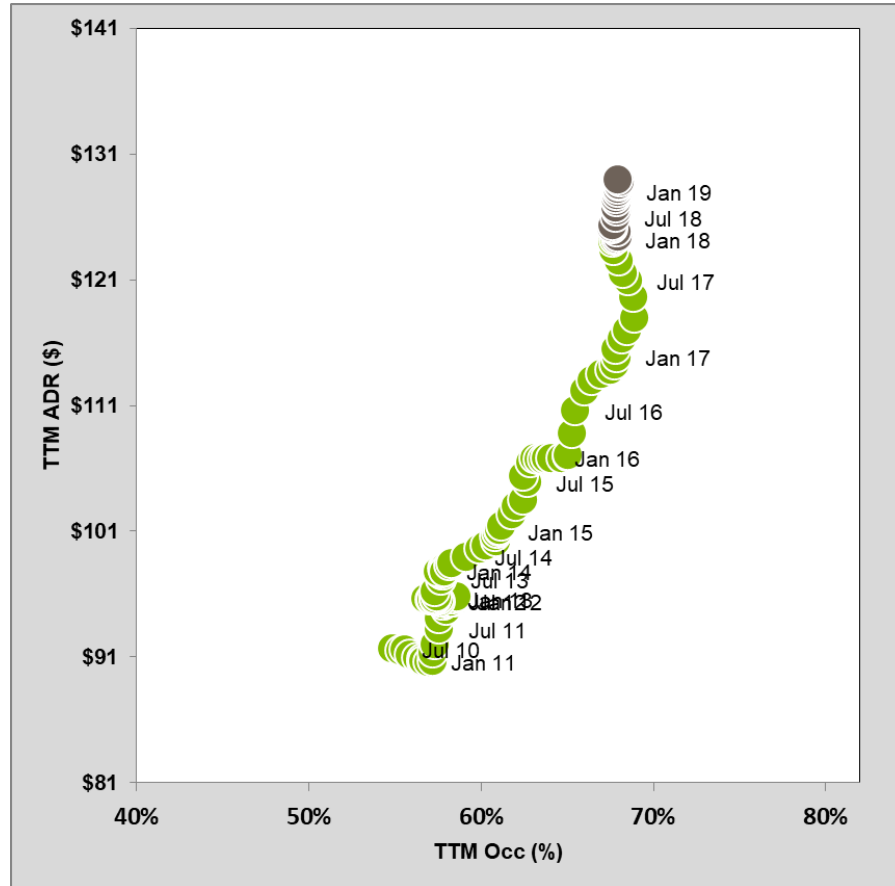
# Demand Outpacing Supply, Occ driving RevPAR



	Actual	% Change
Room Supply		-0.9%
Room Demand		<b>2.9%</b>
Occupancy	57.7%	3.9%
ADR	\$98	-0.0%
RevPAR	\$57	<b>3.9%</b>

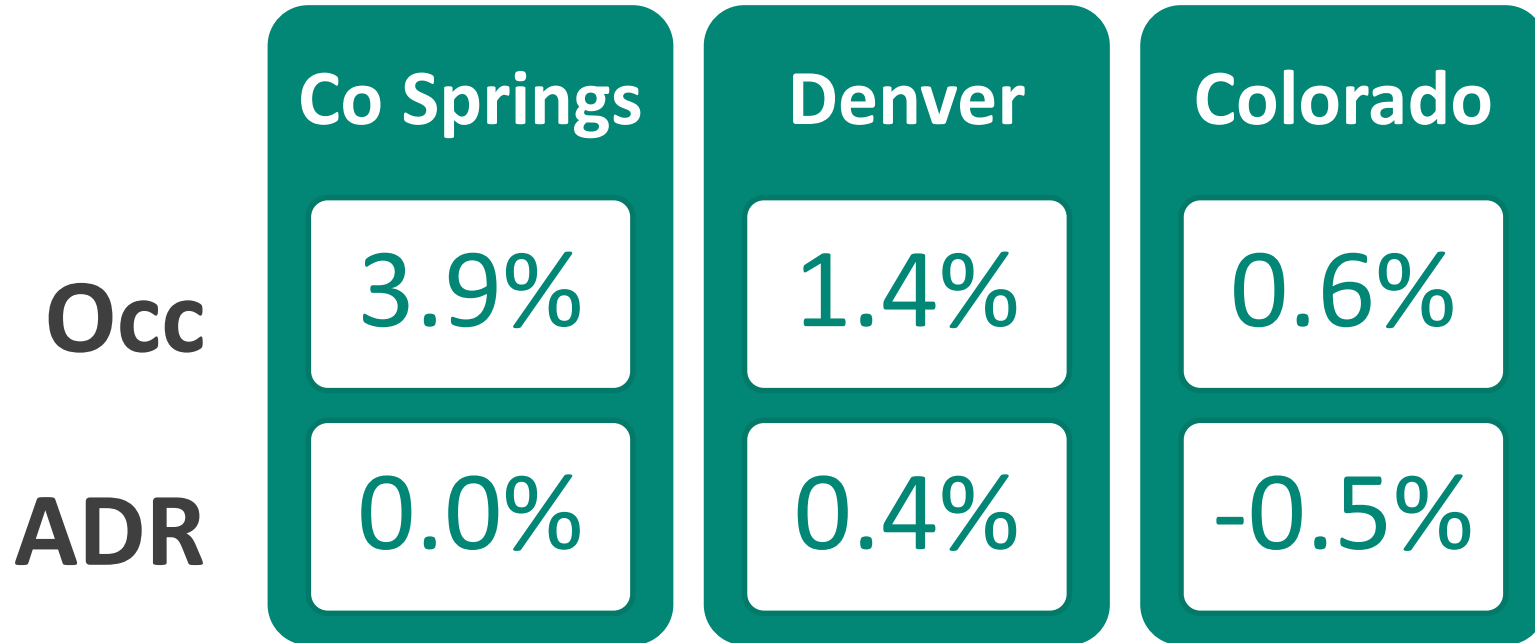
Colorado Springs, CO Market, Mar 2018 YTD

# Colorado Springs, CO Market Cycle



- Legend**
- Historical Data
  - Forecasted Data

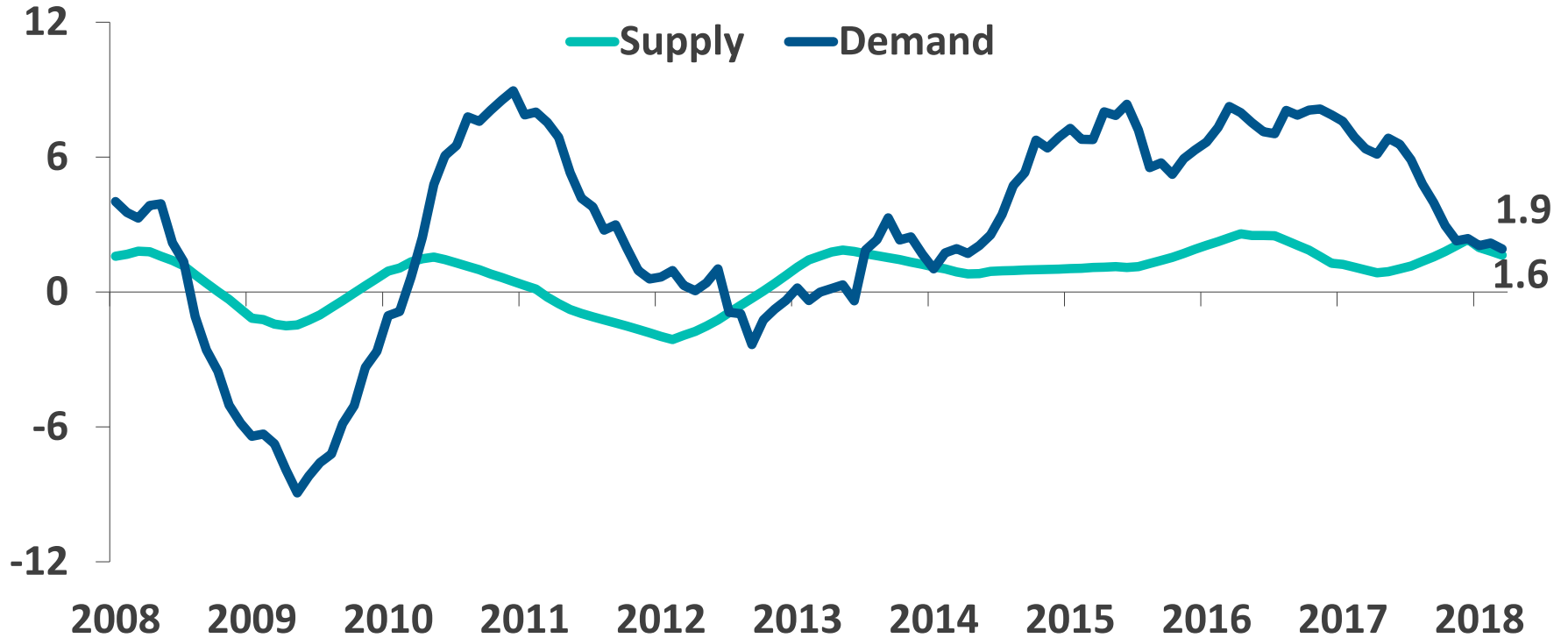
# Colorado Springs, CO Market Overview



Colorado Markets, Mar 2018 YTD

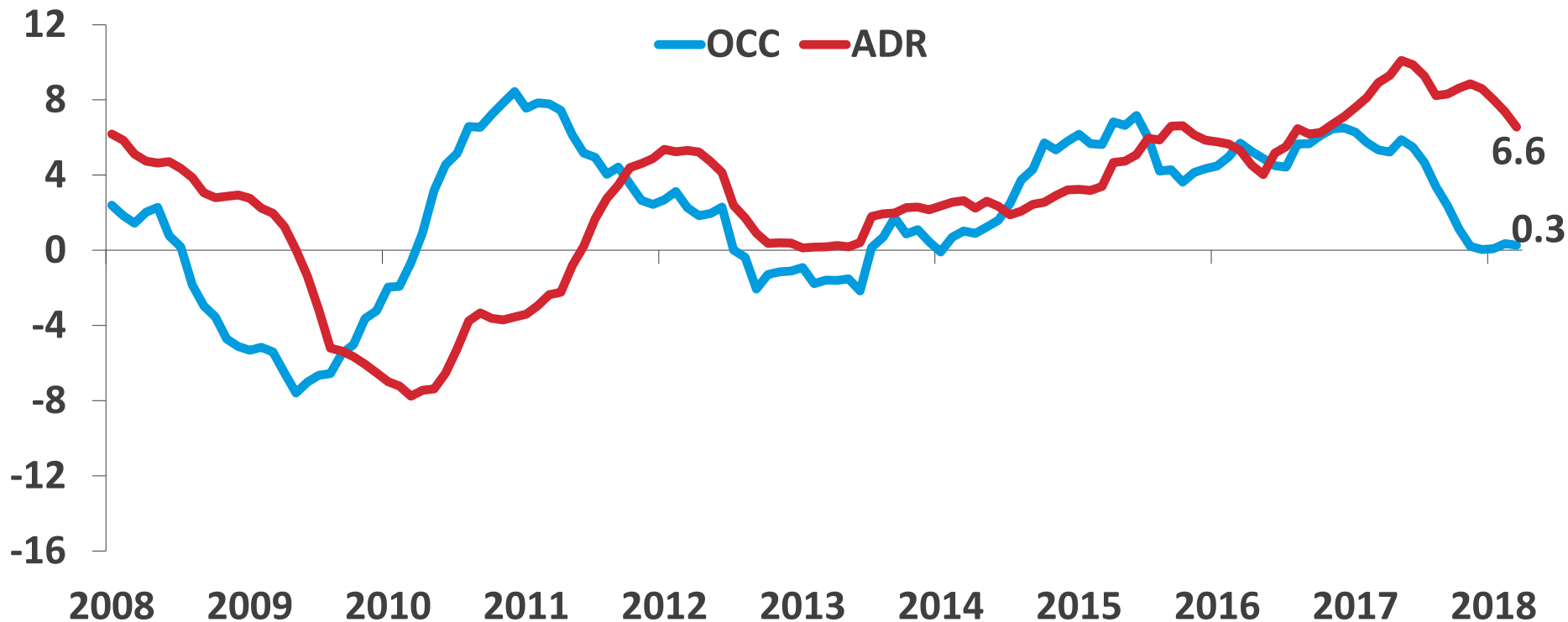


# Demand Growth Decreasing, Continues to Outpace New Supply



Colorado Springs, CO Market, Supply/Demand Percent Change, TTM Jan 2008 – Mar 2018

# Strong Rates Slowly Decelerate, Occ Steady

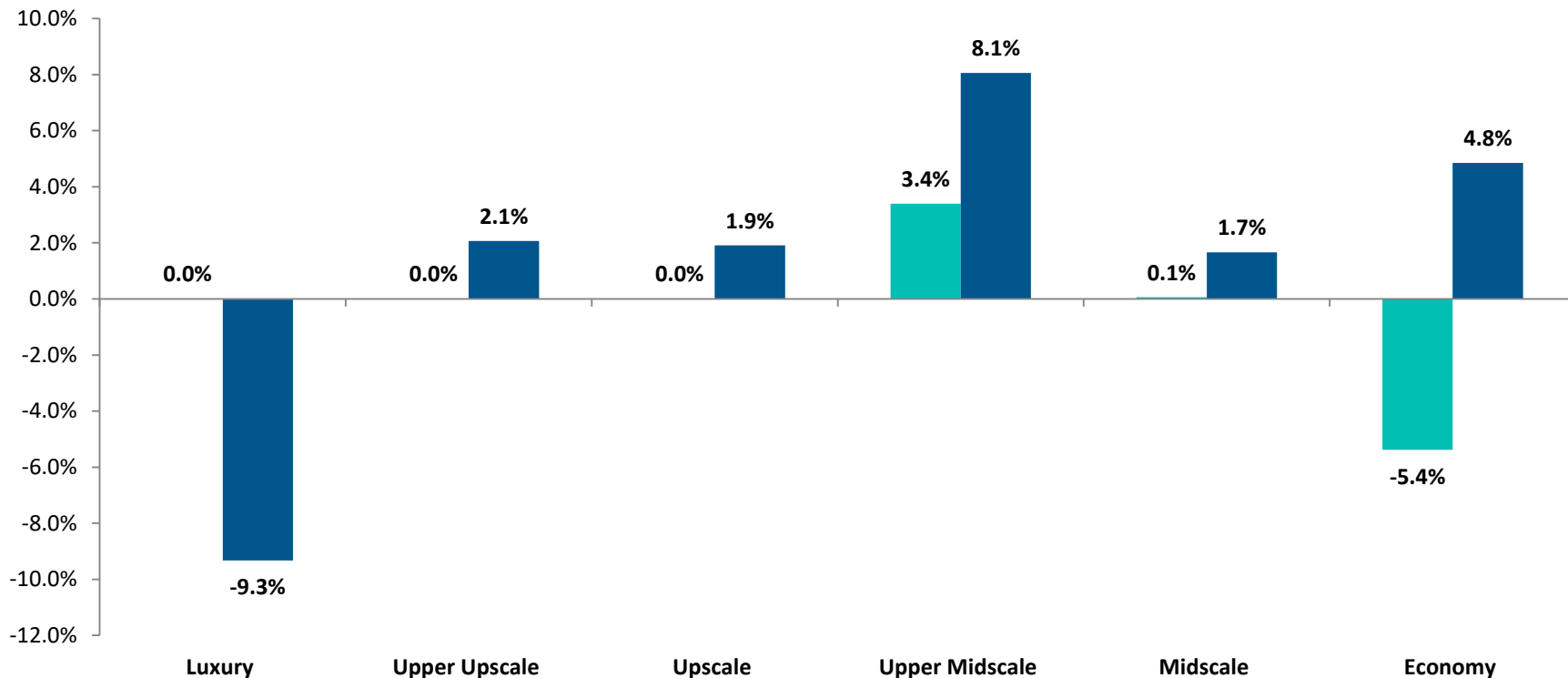


Colorado Springs, CO Market, TTM Jan 2008 – Mar 2018

# Demand Growth in Most Segments, Drop in Luxury

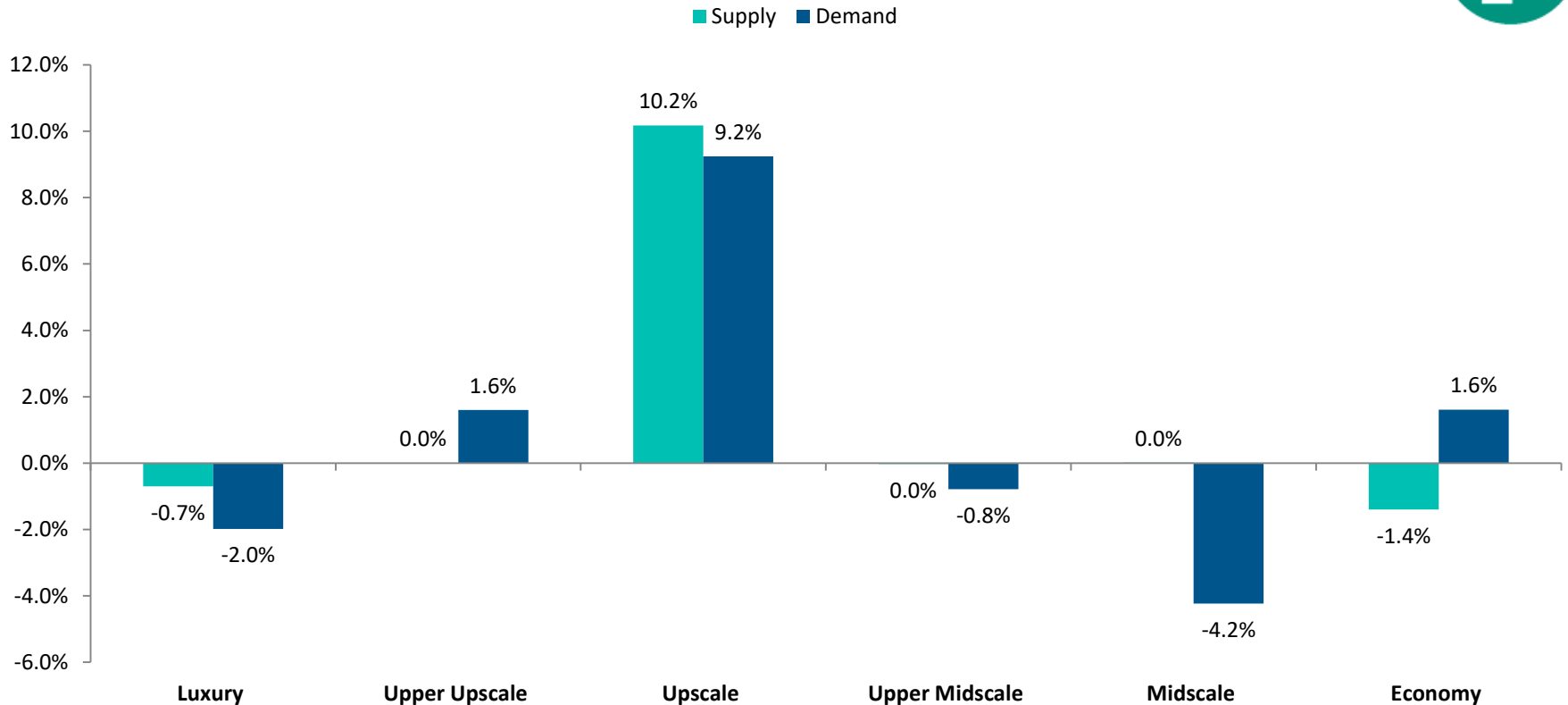


■ Supply ■ Demand



Colorado Springs, CO Market, Supply / Demand % Change, March YTD 2018

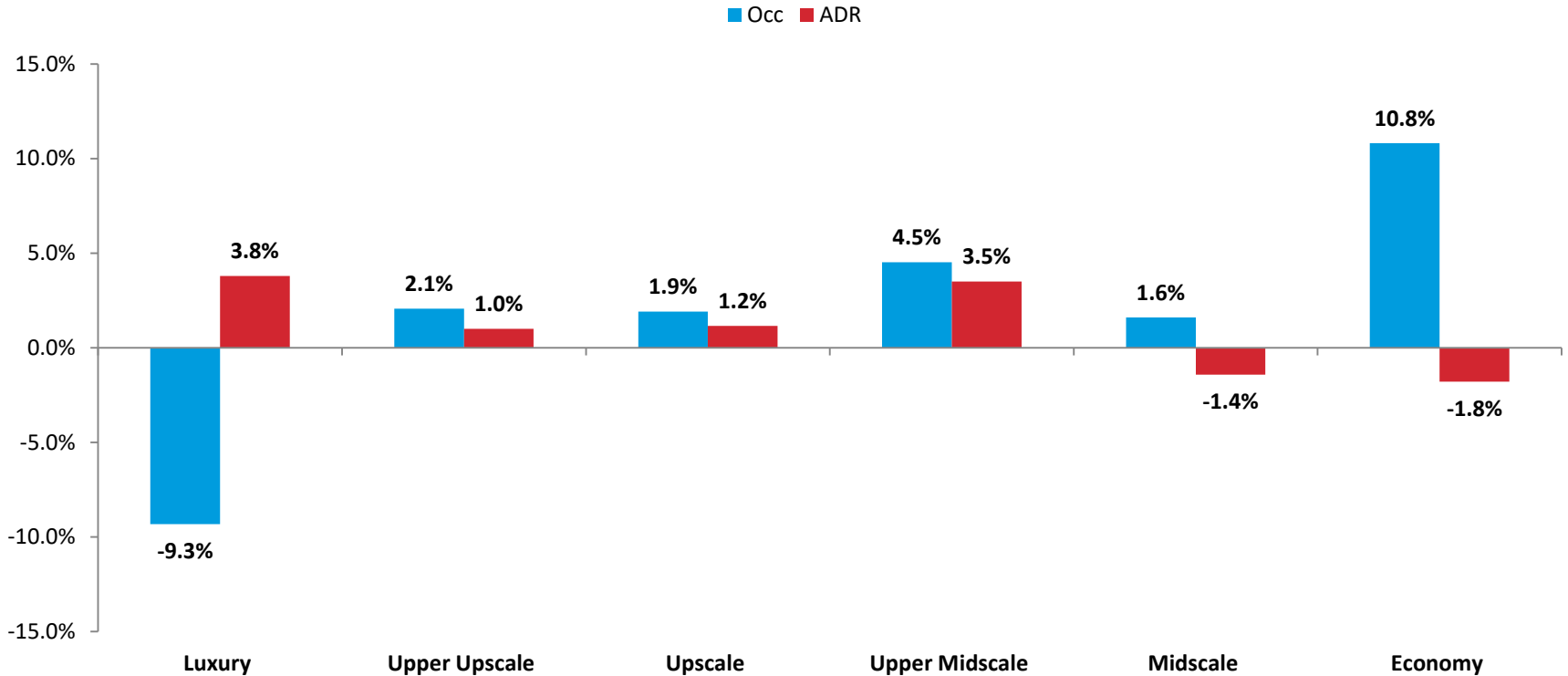
# Strong Supply & Demand Growth in Upscale Class



Colorado Springs, CO Market, Supply / Demand % Change, March TTM 2018



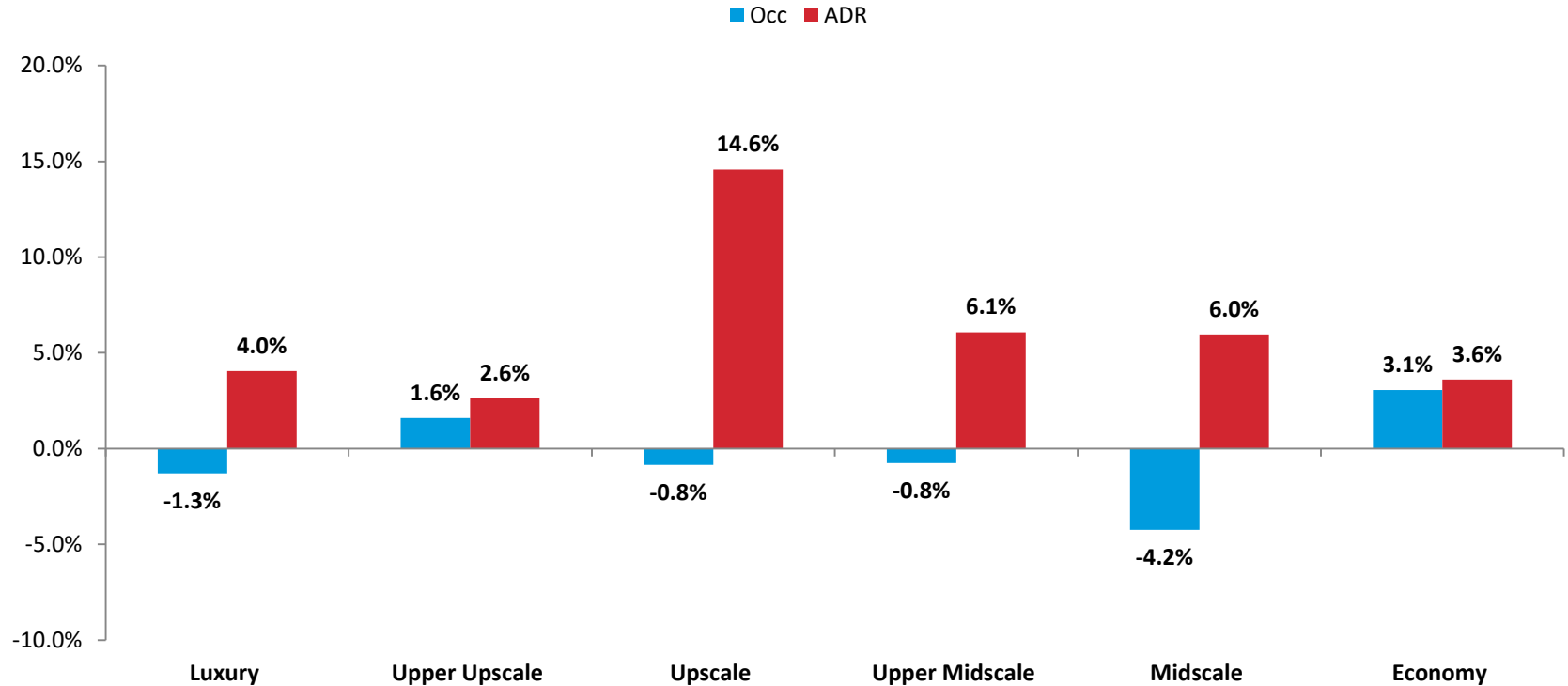
# 10.8% Occ Growth for Economy Hotels



Colorado Springs, CO Market, Occupancy/ ADR% Change, March YTD 2018



# ADR Growth Across All Segments

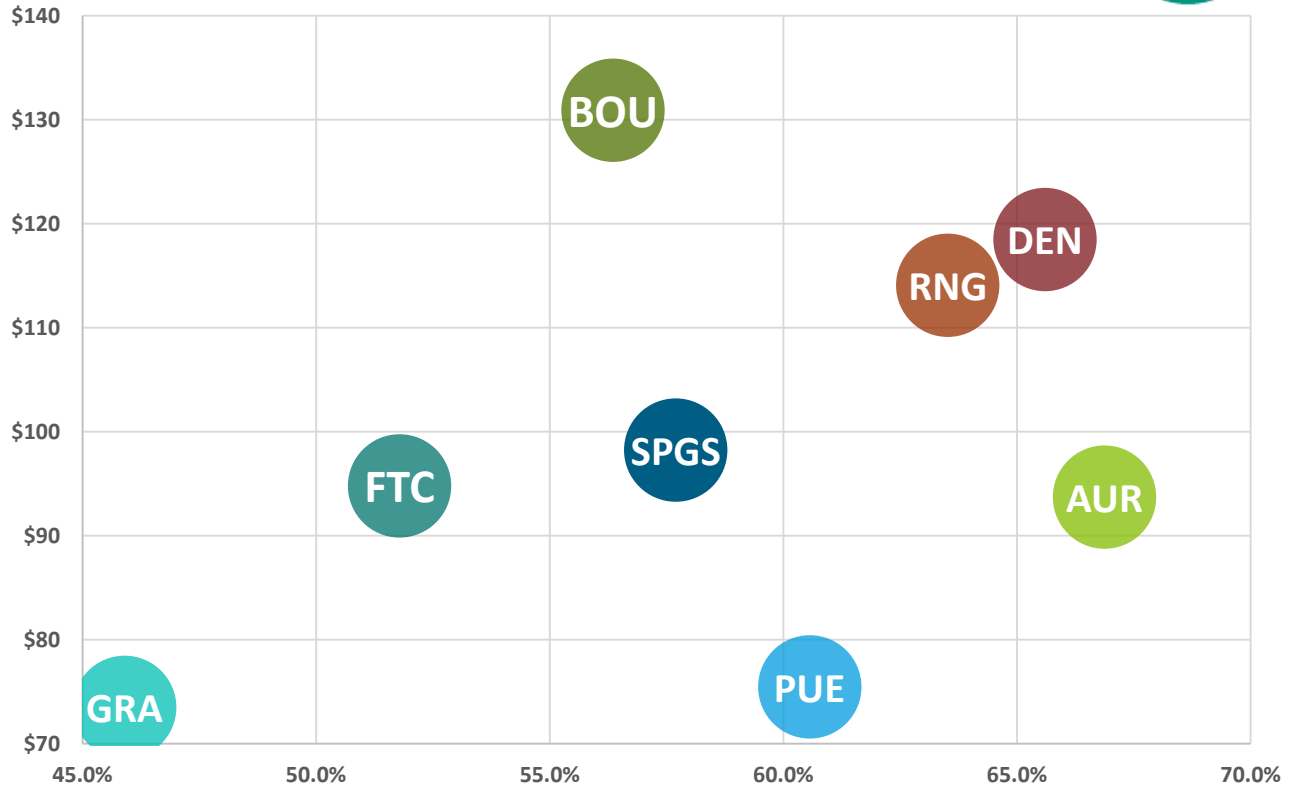


Colorado Springs, CO Market, Occupancy/ ADR% Change, March TTM 2018

# Colorado Springs, CO Market Position vs. Other Colorado Markets



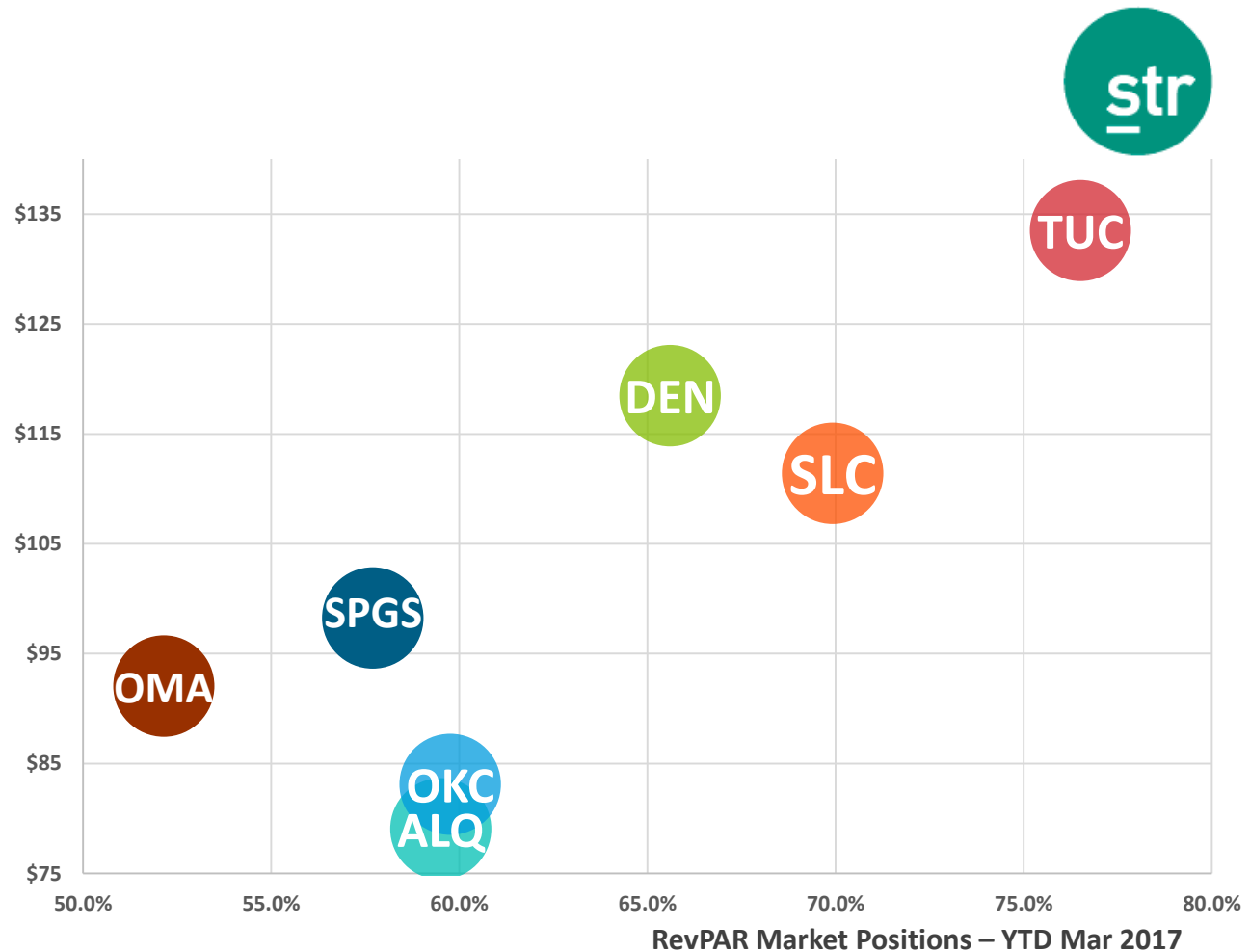
Market	Abbr.
Colorado Springs, CO	SPGS
Aurora (City of), CO+	AUR
Boulder-Longmont MSA	BOU
Colorado Front Range+	RNG
Denver, CO	DEN
Fort Collins/Loveland, CO	FTC
Grand Junction (City of), CO+	GRA
Pueblo (City of), CO+	PUE



RevPAR Market Positions – YTD Mar 2017

# Colorado Springs, CO Market Position vs. Other U.S. Markets

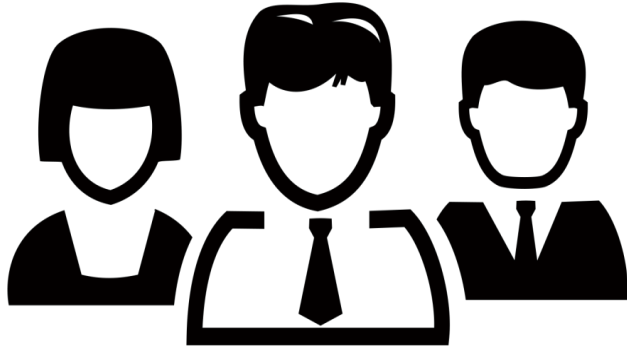
Market	Abbr.
Colorado Springs, CO	SPGS
Albuquerque, NM	ALQ
Denver, CO	DEN
Oklahoma City, OK	OKC
Omaha, NE	OMA
Salt Lake City-Ogden, UT	SLC
Tucson, AZ	TUC



RevPAR Market Positions – YTD Mar 2017



## GROUP



 -16.1%

## TRANSIENT

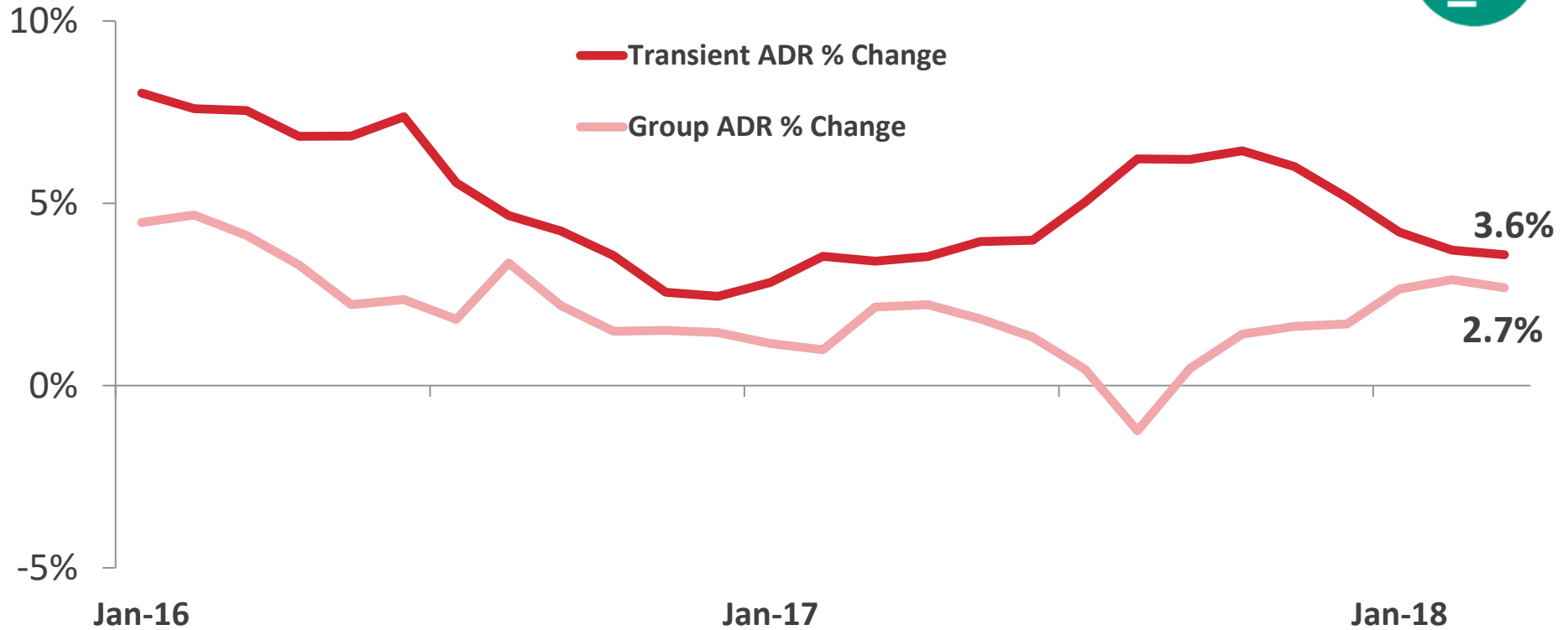


 7.4%

**Colorado Springs, CO Market: Customer Segmentation Demand**  
March 2018 YTD, Luxury & Upper Upscale Classes



# Segmentation ADR % Change: Transient Outpacing Group



\*ADR % Change, Colorado Springs, CO Market, Transient & Group, Luxury & Upper Upscale Classes, 1/2016 – 03/2018



# Pipeline

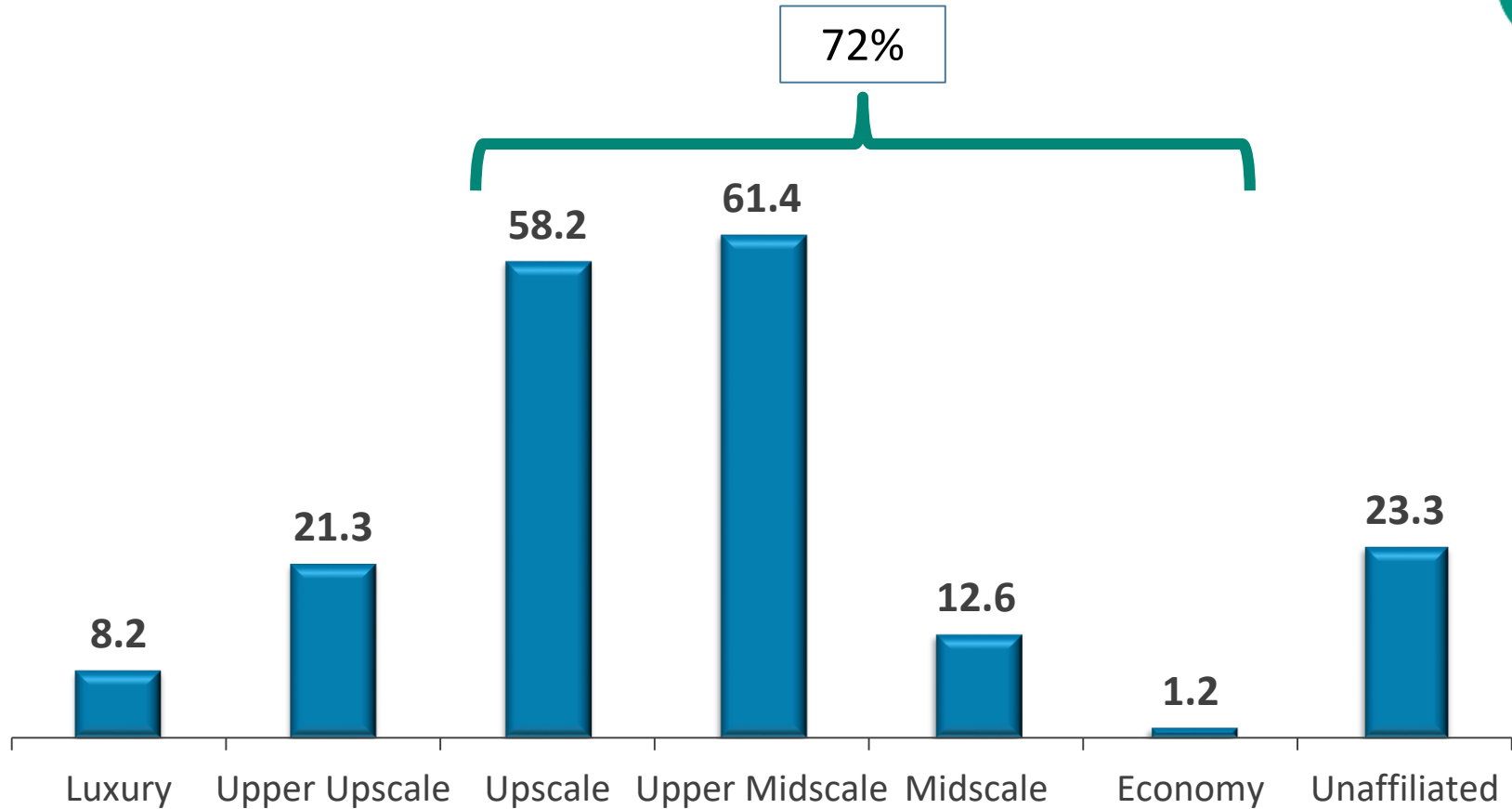


## US Pipeline: First Decline in I/C since the Recovery (Now for 4 Months Running)

<u>Phase</u>	<u>2018</u>	<u>2017</u>	<u>% Change</u>
In Construction	186	190	-2.4%
Final Planning	221	200	10.4%
Planning	181	180	0.2%
<b>Under Contract</b>	<b>588</b>	<b>571</b>	<b>3.0%</b>

\*Total US Pipeline, by Phase, '000s Rooms, March 2018 and 2017

# Limited Service Construction Is The Name Of The Game



\*US Pipeline, Rooms In Construction , '000s Rooms, by Scale, March 2018

# 23 Projects Under Contract in Co Springs



<u>Phase</u>	<u>Rooms</u>	<u>Projects</u>
In Construction	354	3
Final Planning	757	9
Planning	598	11
<b>Under Contract Pipeline</b>	<b>1,709</b>	<b>23</b>

# In Construction Projects



## Upper Midscale

- **Holiday Inn Express & Suites Colorado Springs** Colorado Springs North, CO
- **Best Western Plus Fillmore Inn** Colorado Springs North, CO

## Upscale

- **Hilton Garden Inn Colorado Springs Downtown** Colorado Springs South/Airport, CO



# Forecast



# Total United States

## Key Performance Indicator Outlook (% Change vs. Prior Year) 2018F – 2019F



Outlook		
Metric	2018 Forecast	2019 Forecast
Supply	2.0%	1.9%
Demand	2.3%	2.0%
Occupancy	0.3%	0.1%
ADR	2.4%	2.3%
RevPAR	2.7%	2.4%



# Colorado Springs, CO Market Forecast

Outlook	
	2018 Forecast
Occupancy	0.1%
ADR	2.9%
RevPAR	3.0%

# Summary

- Growth to continue for foreseeable future
- Growing ADR will be key moving forward
- Some markets facing new supply, overall construction slowing
- No crash in sight, but certain uncertainty is the new norm

# Thank You!



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