



Q4 2019

**U.S.
HOTEL
FIGURES**

Q4 2019 U.S. HOTEL FIGURES – EXECUTIVE SUMMARY

HOTEL DEMAND & SUPPLY GROWTH ON PAR AT 2%

 Demand
2.0%

 Supply
2.1%

 Occupancy
-0.1%

 ADR
0.7%

 RevPAR
0.7%

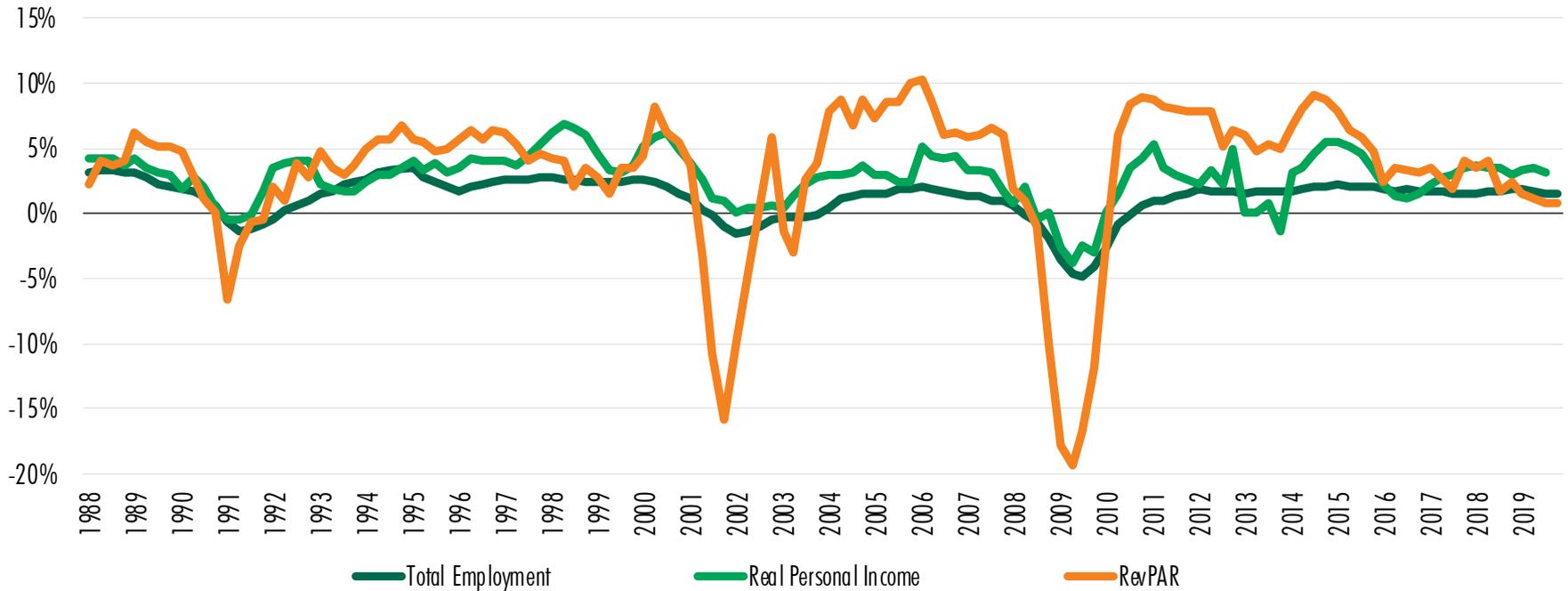
Percentages are year-over-year growth rates.

Arrows indicate change in year-over-year growth rates from those of the same quarter in the previous year.

- Hotel demand grew 2.0% nationally in Q4 2019, about 0.2% more than in Q2 on a year-over-year basis. Supply grew by 2.1%.
- Denver, boosted by several new hotel developments and rebounding from a 2018 season affected by wildfires, had the largest year-over-year demand increase (9.4%). Large gains also occurred in Austin (8.0%) and Houston (7.2%).
- National occupancy decreased 0.1% year-over-year to 61.8%.
- ADR grew by 0.7% year-over-year in Q4. RevPAR also grew by 0.7%, a slower pace than the 2.4% of a year ago but 0.1% higher than the previous quarter.
- 38 of the 60 markets tracked by CBRE Hotels' Americas Research had supply gains of more than 2% in Q4, five more than in Q3.
- 22 markets had declines in occupancy in Q4, eight fewer than in Q3.
- Albuquerque had the highest RevPAR gain (8.7%), driven by a nearly even split of occupancy and ADR growth. San Francisco (7.4%) and Oahu (7.1%) also had high RevPAR gains.
- Of the top 10 markets for RevPAR growth, half had increases driven primarily by ADR growth and half by increasing occupancy.

FIGURE 1

CHANGES IN EMPLOYMENT, REAL PERSONAL INCOME & REVPAR

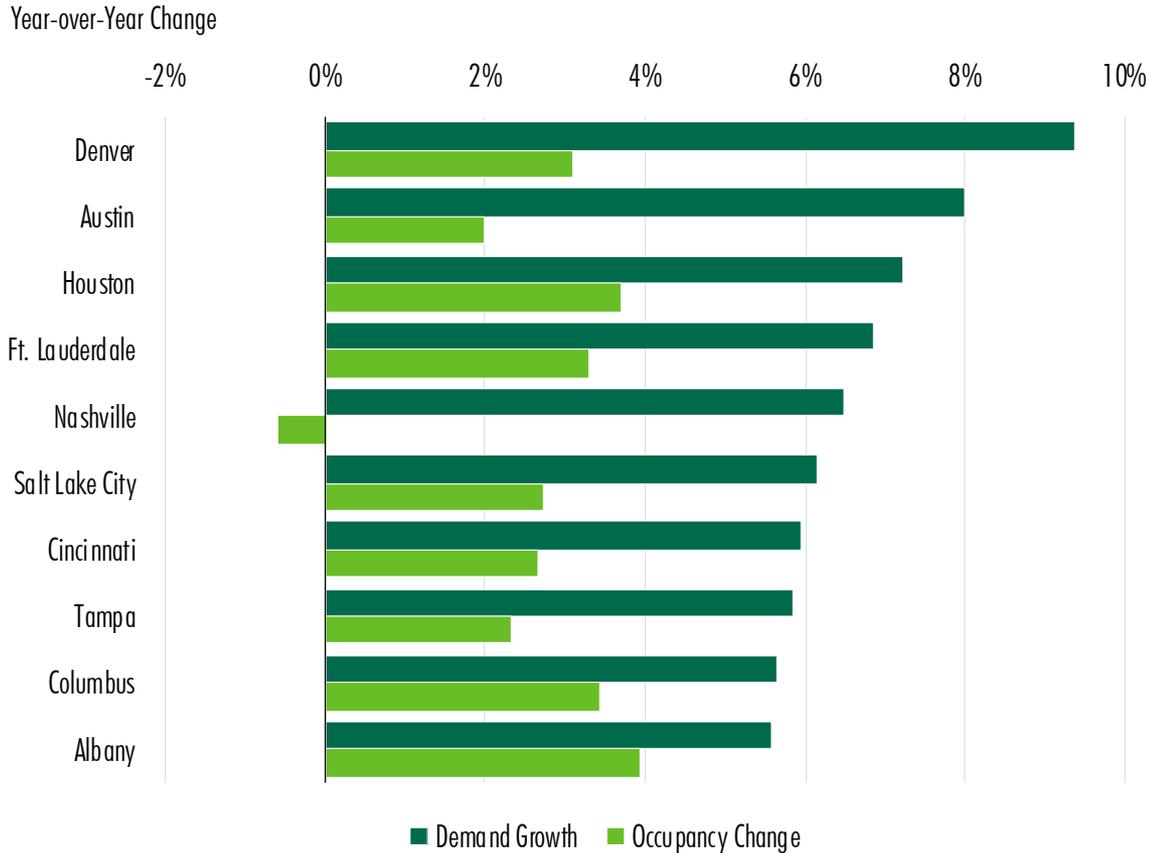


Source: CBRE Econometric Advisors, STR, Q4 2019.

- Employment grew by 1.4% year-over-year in Q4, slower than in Q3 (1.5%). The U.S. economy added an average of 190,000 jobs per month in Q4, up from 171,000 in Q3.

FIGURE 2

TOP 10 DEMAND GROWTH MARKETS WITH OCCUPANCY CHANGE

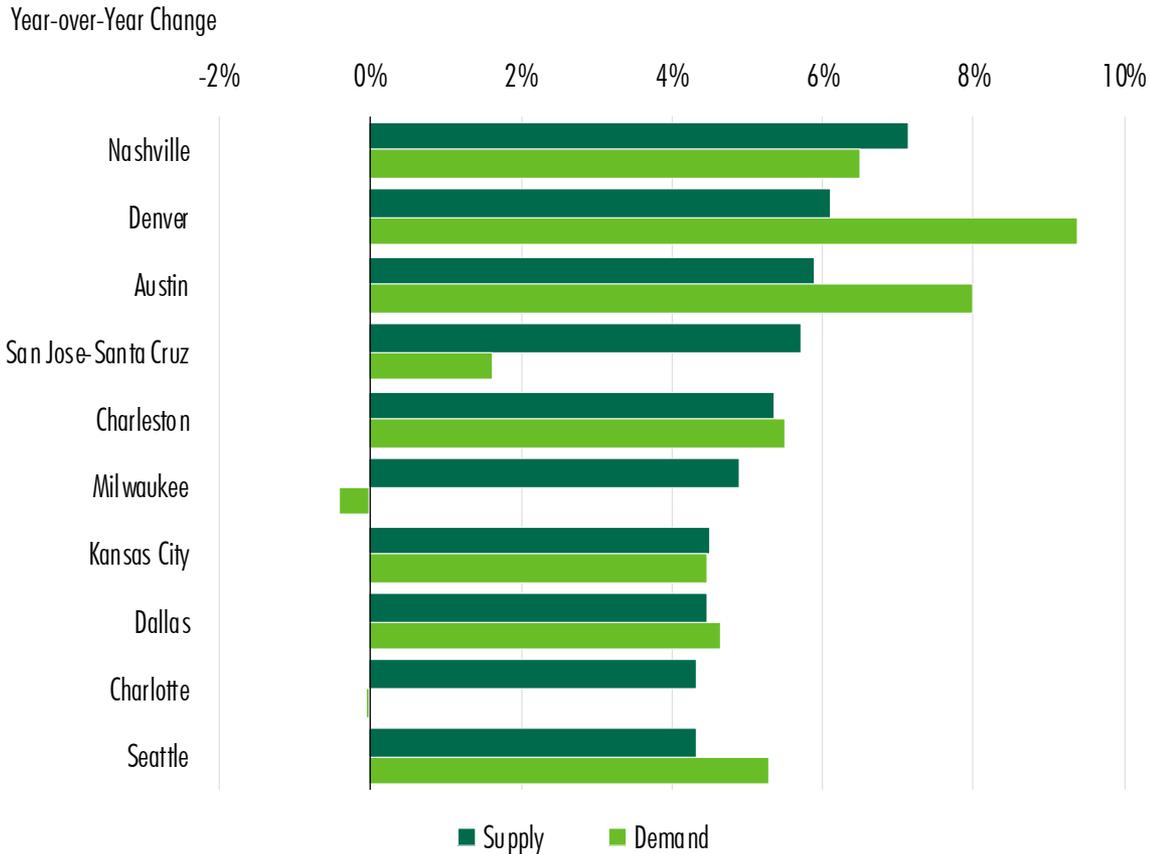


- Secondary and tertiary markets led demand growth for the fourth consecutive quarter.
- Demand growth outpaced supply growth and occupancy increased in all but one of the top 10 markets.

Source: CBRE Hotels' Americas Research, STR, Q4 2019.

FIGURE 3

TOP 10 SUPPLY GROWTH MARKETS WITH DEMAND CHANGE

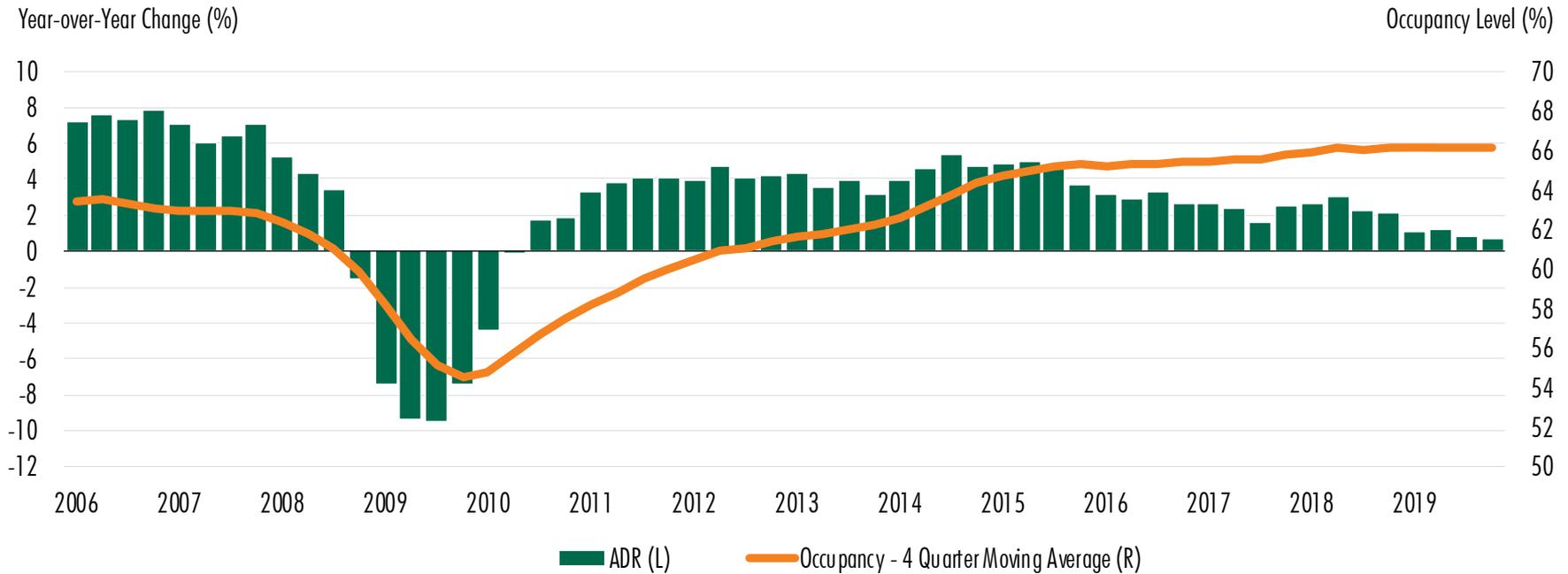


- Four of the top 10 supply growth markets had demand growth that failed to keep pace, and thus had declining occupancies.
- Only Denver had an occupancy gain of more than 3%.
- Although demand growth was slower than supply growth in four markets, only Milwaukee had a decline in demand.

Source: CBRE Hotels' Americas Research, STR, Q4 2019.

FIGURE 4

U.S. OCCUPANCY & ADR CHANGE

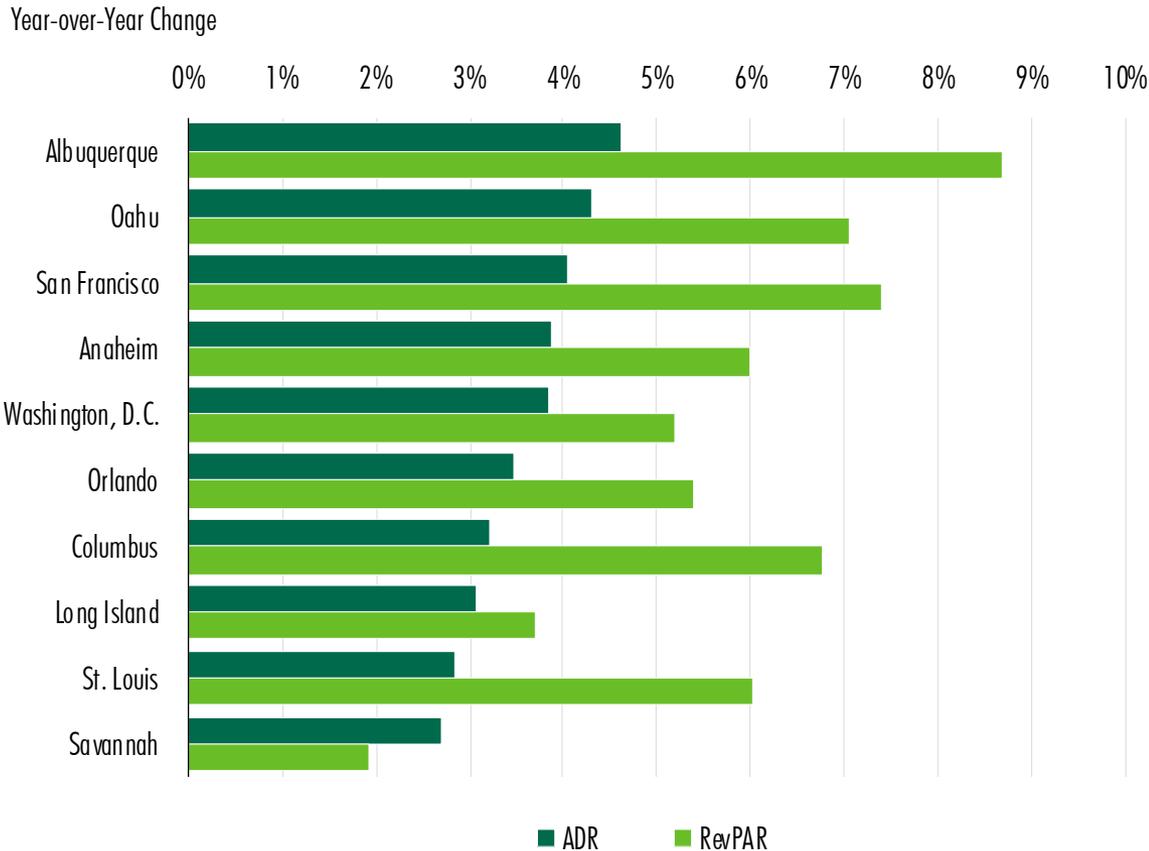


Source: CBRE Hotels' Americas Research, STR, Q4 2019.

- Occupancy stayed about the same in Q4, while ADR growth fell—continuing a general trend.
- ADR growth and occupancy began diverging in 2015. This trend briefly paused in late 2017, widened again in 2018 and stabilized in 2019.

FIGURE 5

TOP 10 ADR GROWTH MARKETS WITH REVPAR CHANGE

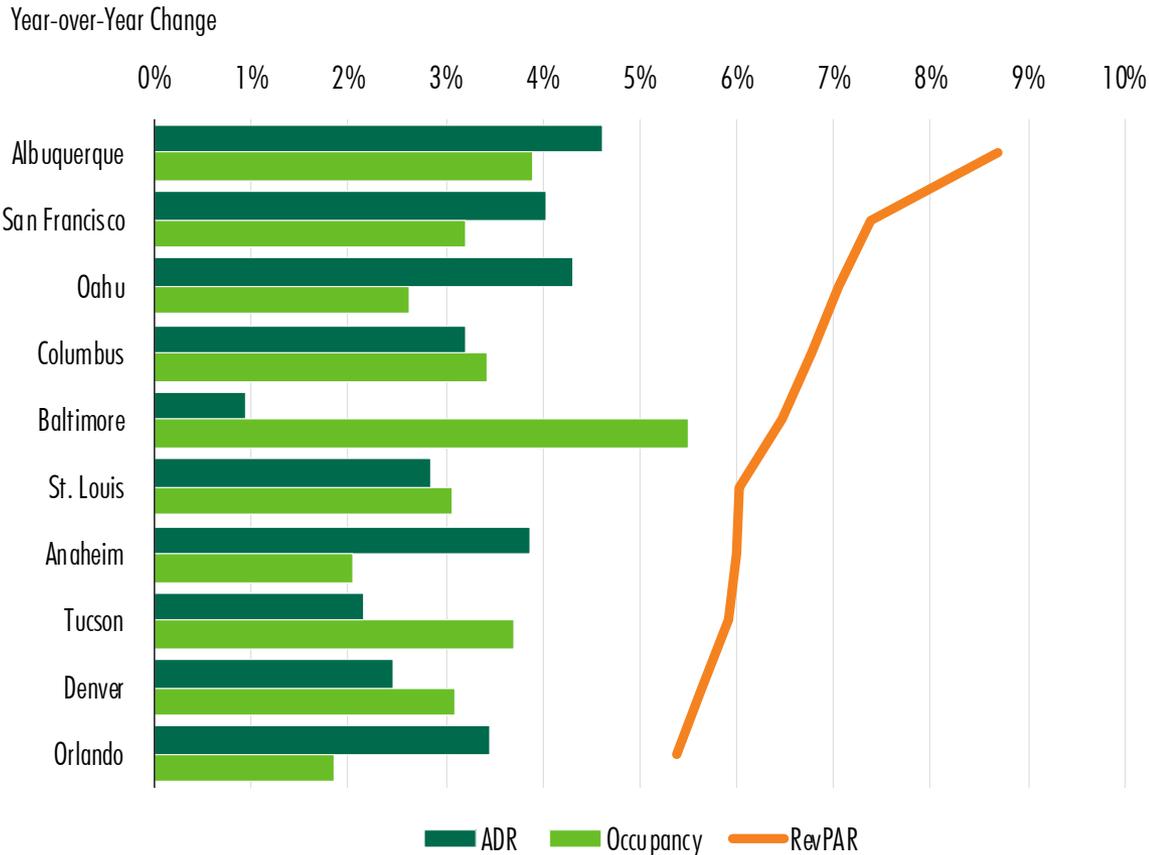


- Of the top 10 ADR growth markets, only Savannah had a negative occupancy change and thus a larger ADR gain than RevPAR gain.
- Albuquerque, a market that has had a relatively late recovery from the Great Recession, had the highest year-over-year ADR growth (4.6%) and strong occupancy growth (3.9%). It also had RevPAR growth of 8.7%—the highest of any market.

Source: CBRE Hotels' Americas Research, STR, Q4 2019.

FIGURE 6

TOP 10 REVPAR GROWTH MARKETS: ADR & OCCUPANCY CHANGE

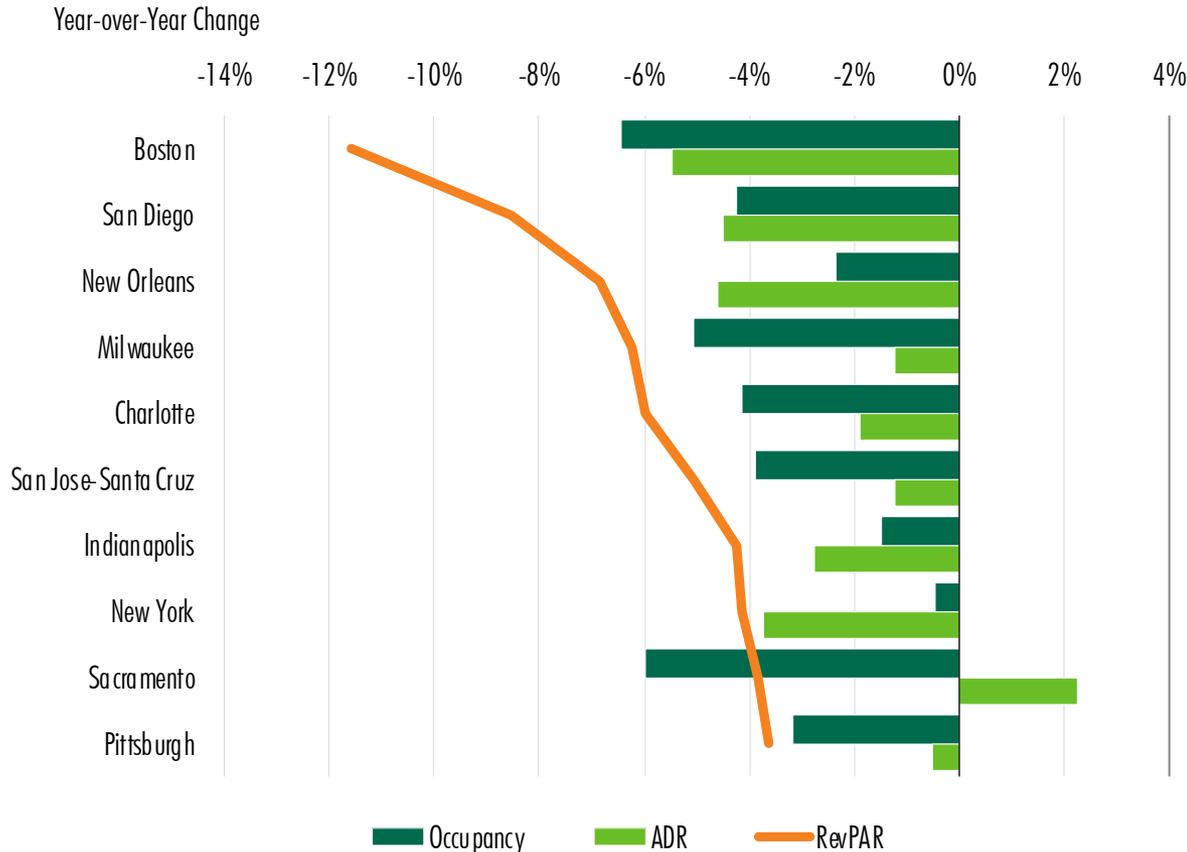


- Of the top 10 RevPAR growth markets, Columbus, Baltimore, St. Louis, Tucson and Denver had occupancy growth higher than ADR growth.
- No top 10 RevPAR growth market had an occupancy gain of less than 1.9%.

Source: CBRE Hotels' Americas Research, STR, Q4 2019.

FIGURE 7

BOTTOM 10 REVPAR GROWTH MARKETS: ADR & OCCUPANCY CHANGE



- Boston had the largest year-over-year drop in RevPAR (-11.6%). This was in part due to a strong basis of comparison in Q4 2018, when gas fires displaced many in Boston’s suburbs.
- 23 of the 60 markets tracked by CBRE Hotels’ Americas Research had declining RevPAR, two fewer than in Q3 2019.
- Only Sacramento had a drop in RevPAR despite a gain in ADR. None of the bottom 10 RevPAR growth markets had an increase in occupancy.

Source: CBRE Hotels' Americas Research, STR, Q4 2019.



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