

Outlook for Lodging

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Hotel Industry Overview

TTRA Marketing Outlook Forum

Carter Wilson

Director, STR Analytics



www.hotelnewsnow.com
Click on “Data Presentations”

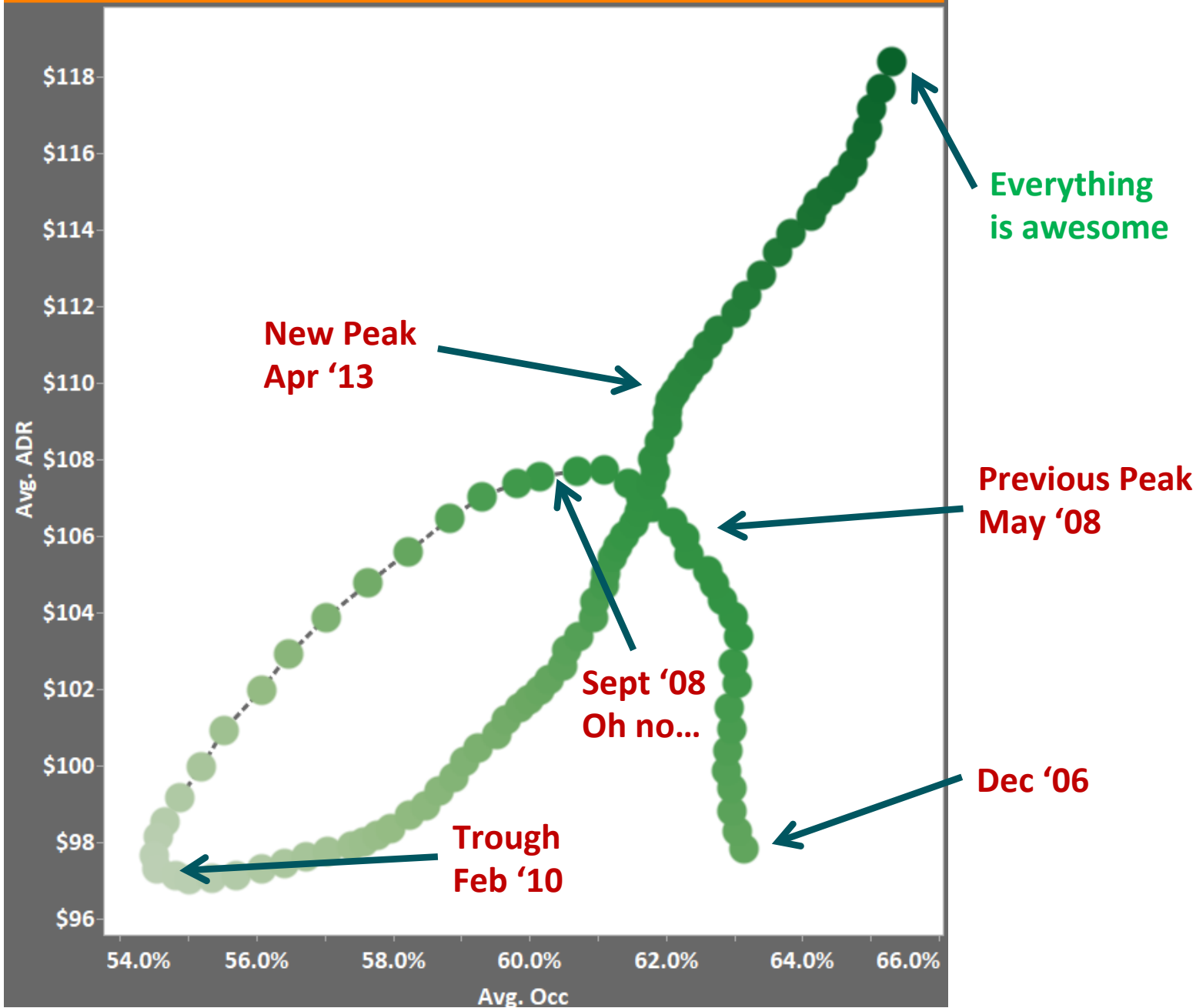


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Happy Halloween



Total U.S. Review



U.S. Hotels TTM Sept 2015

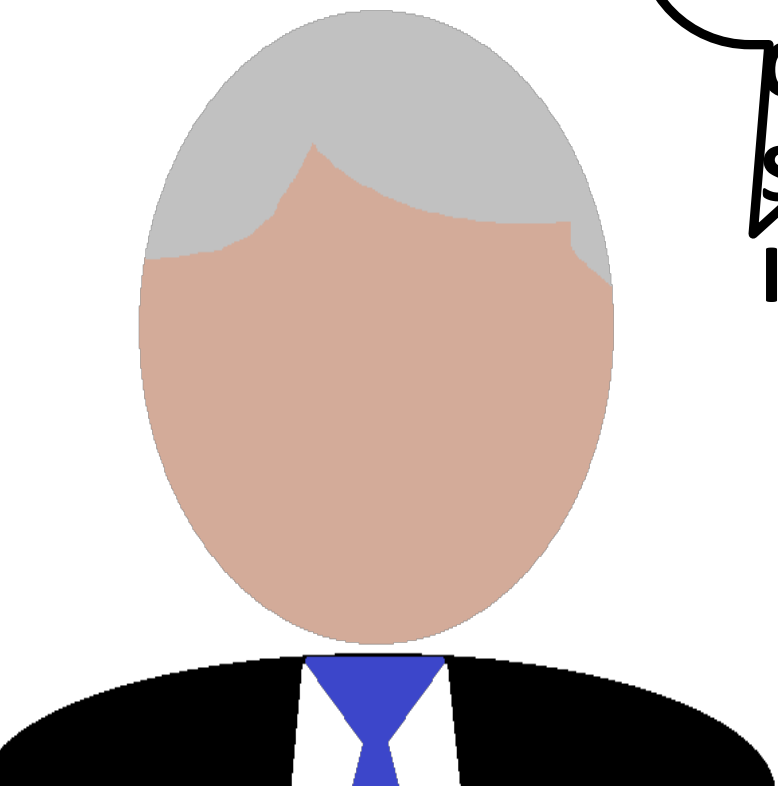
Metric	No.	Status	Remarks
OCC	65.4%	▲2.5%	RECORD
ADR	\$119	▲4.6%	RECORD
REVPAR	\$78	▲7.2%	RECORD
AVAIL ROOMS	1.8B	▲1.0%	RECORD
OCC ROOMS	1.2B	▲3.4%	RECORD
ROOM REV	\$141B	▲8.2%	RECORD

SOURCE: STR

Q2 2015 EARNINGS CALL TRANSCRIPTS

27 Public Companies
(10 Hotel Cos + 17 REITs)

185,000+ Words



18086	
8773	
340	152
649	
104	6
419	
61	5
360	
48	67
294	
47	28
268	160

SOURCES: Securities & Exchange Commission, Seeking Alpha

OCCUPIED ROOM NIGHT CHANGE SINCE PEAK

Oil & Gas
Major Urban
Destinations
Markets

49 of 630

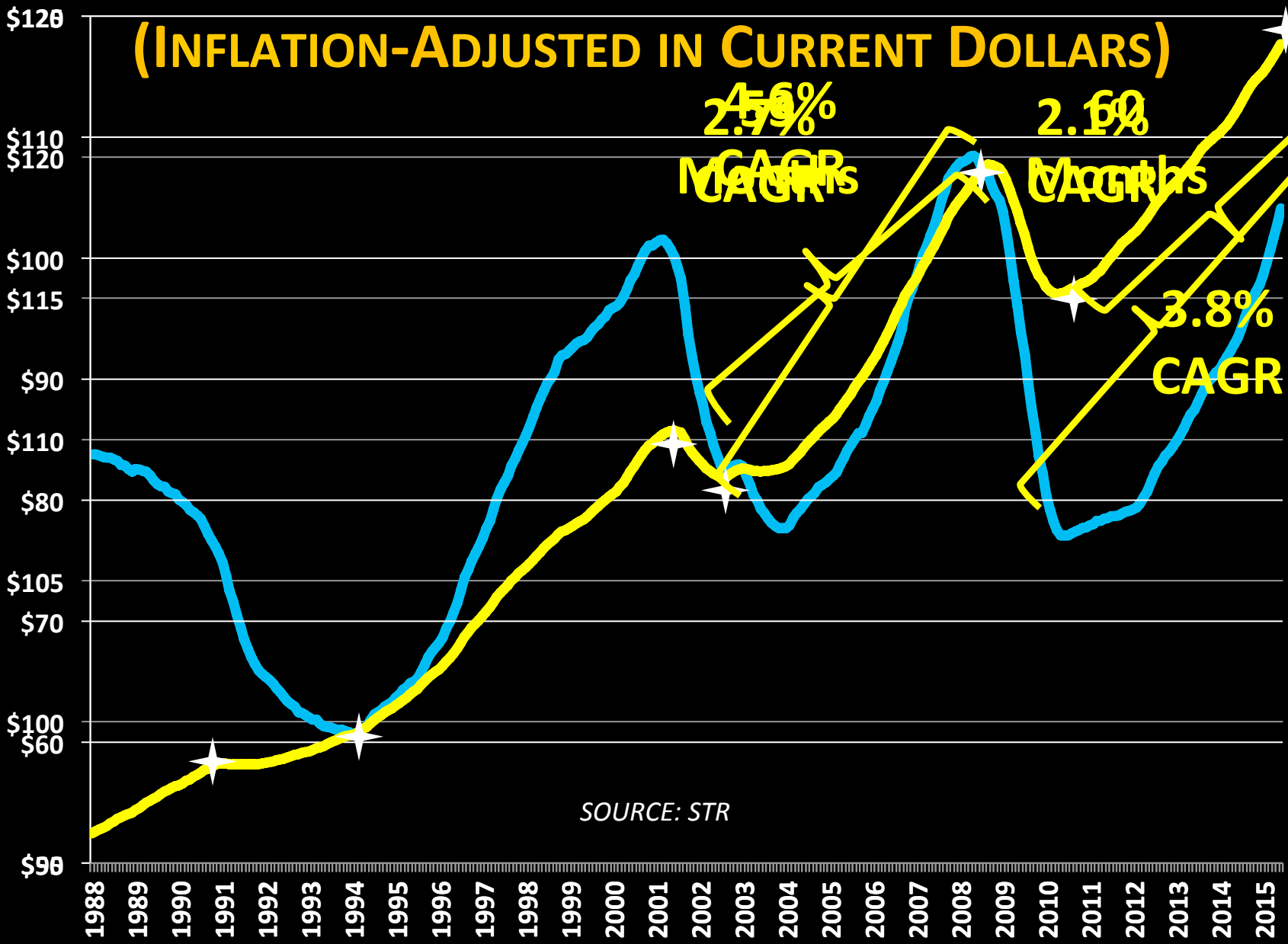
SUBMARKETS
AT RECORD
OCCUPANCY

500k+

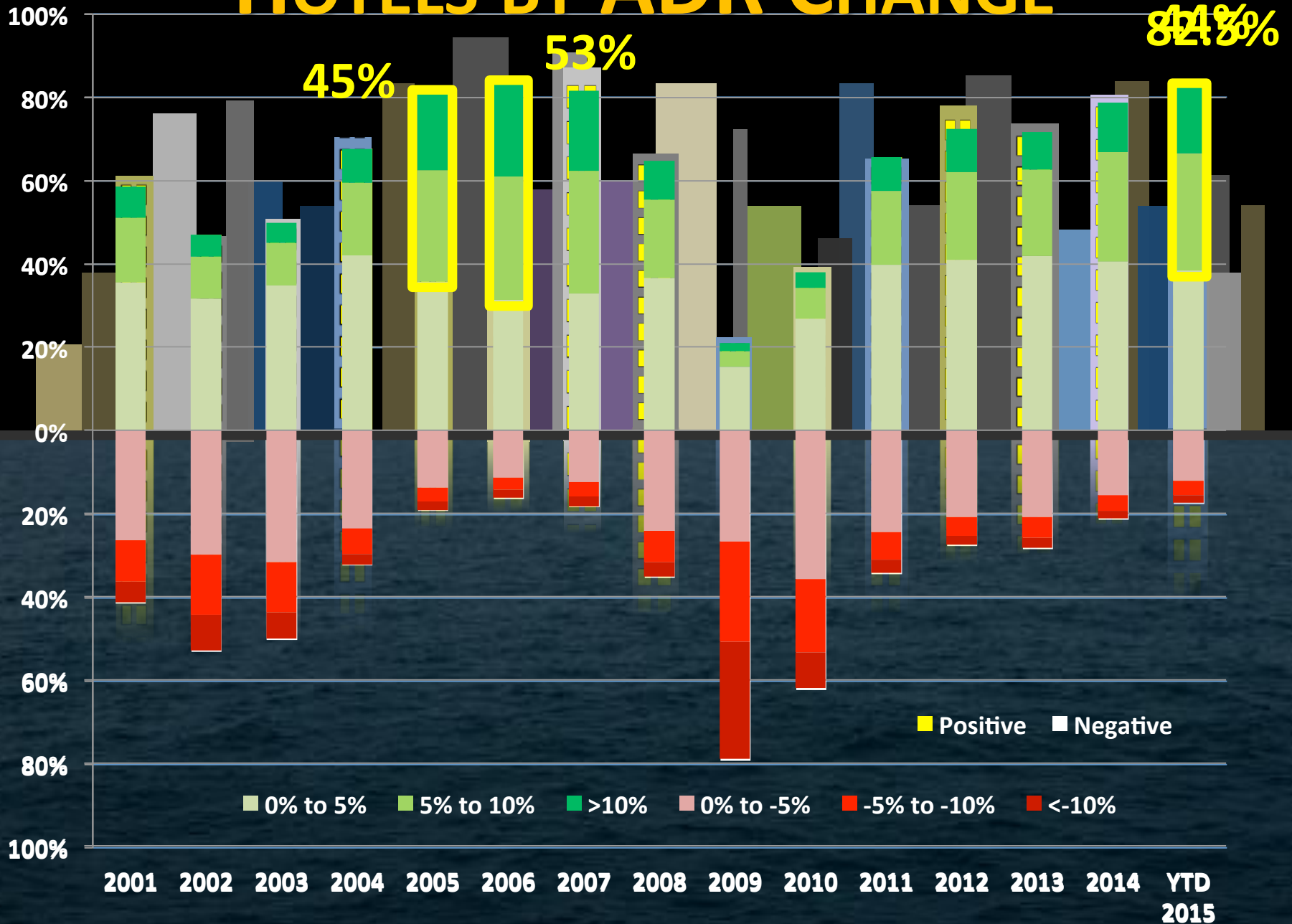
ABOVE PEAK

SOURCE: STR

ADR RUNNING 12-MONTHS

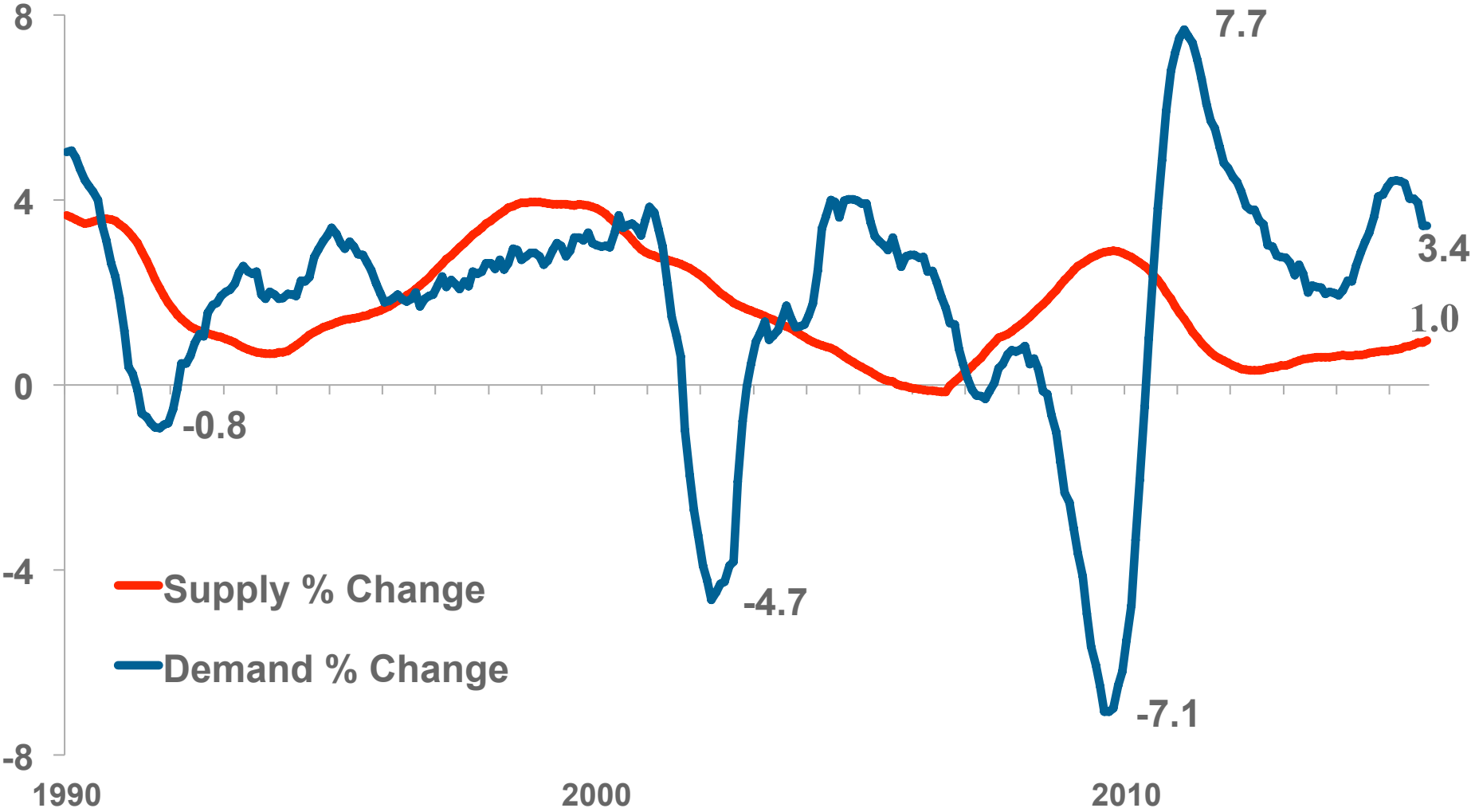


HOTELS BY ADR CHANGE



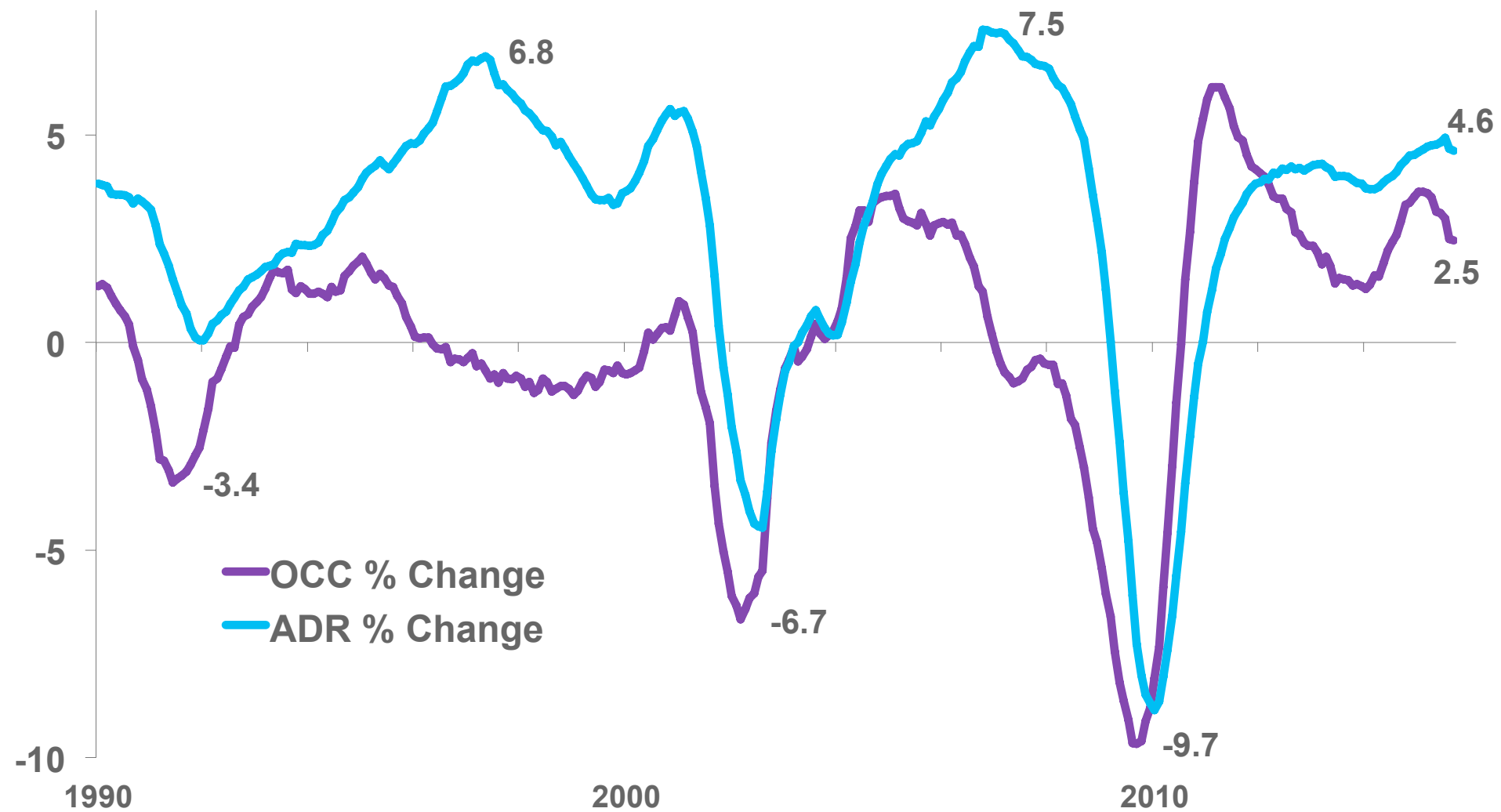
SOURCE: STR

Great Fundamentals, but the Supply/Demand Gap Narrows



Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 09/2015

ADR Growth Healthy. OCC Growth Will Now Start To Slow.

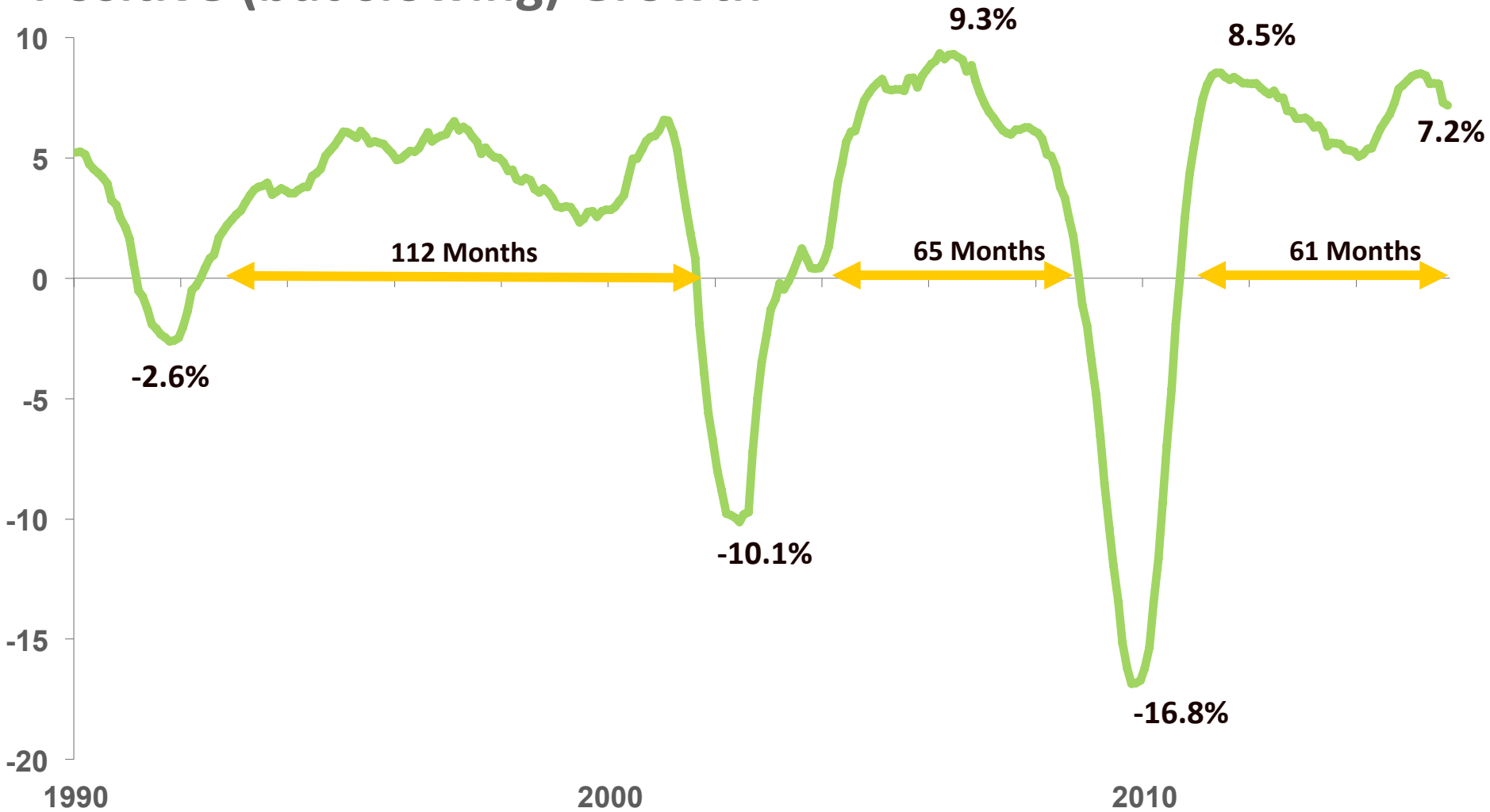


Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 09/2015

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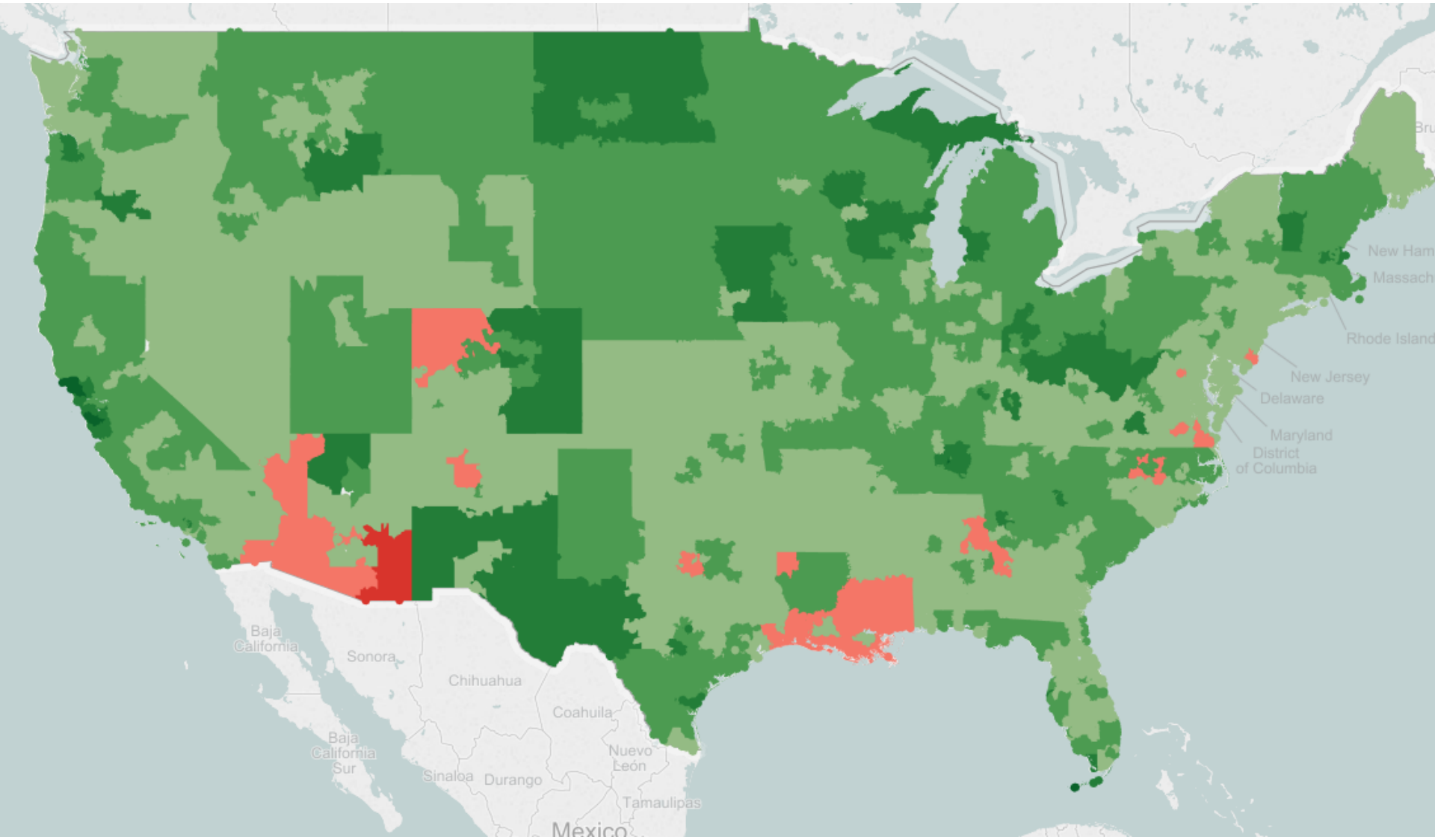
Expect More Of The Same: Positive (but slowing) Growth



Total U.S., RevPAR % Change, 12 MMA 1/1990 – 9/2015



RevPAR Above Previous Peaks in Most Areas



Total U.S., RevPAR compared to previous peak, 12 MMA

September 2015 YTD: Houston and NYC Perform Poorly.

Market	OCC %	ADR % Change
Phoenix, AZ	66.5	14.9
Tampa/St Petersburg, FL	73.4	13.1
Nashville, TN	74.6	11.8
Seattle, WA	79.0	10.1
Orlando, FL	77.7	9.7
New Orleans, LA	70.4	4.8
Minneapolis/St Paul, MN-WI	70.3	3.9
Oahu Island, HI	85.2	2.6
New York, NY	84.3	-1.6
Houston, TX	70.0	-2.4

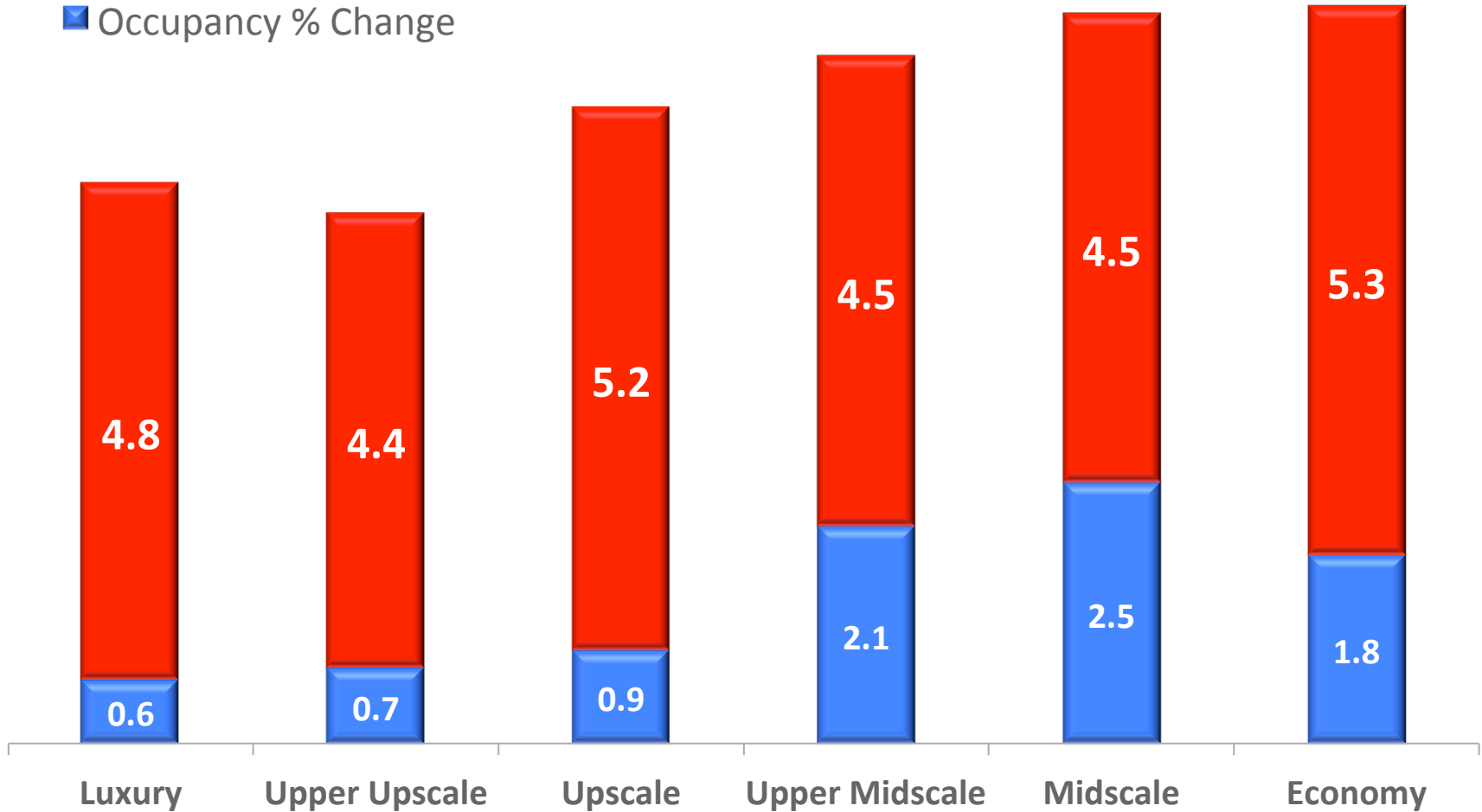
* September 2015 YTD ADR % Change in Top 25: 5 Best / 5 Worst Performing ADR % Markets



Scales RevPAR Composition: ADR Driven

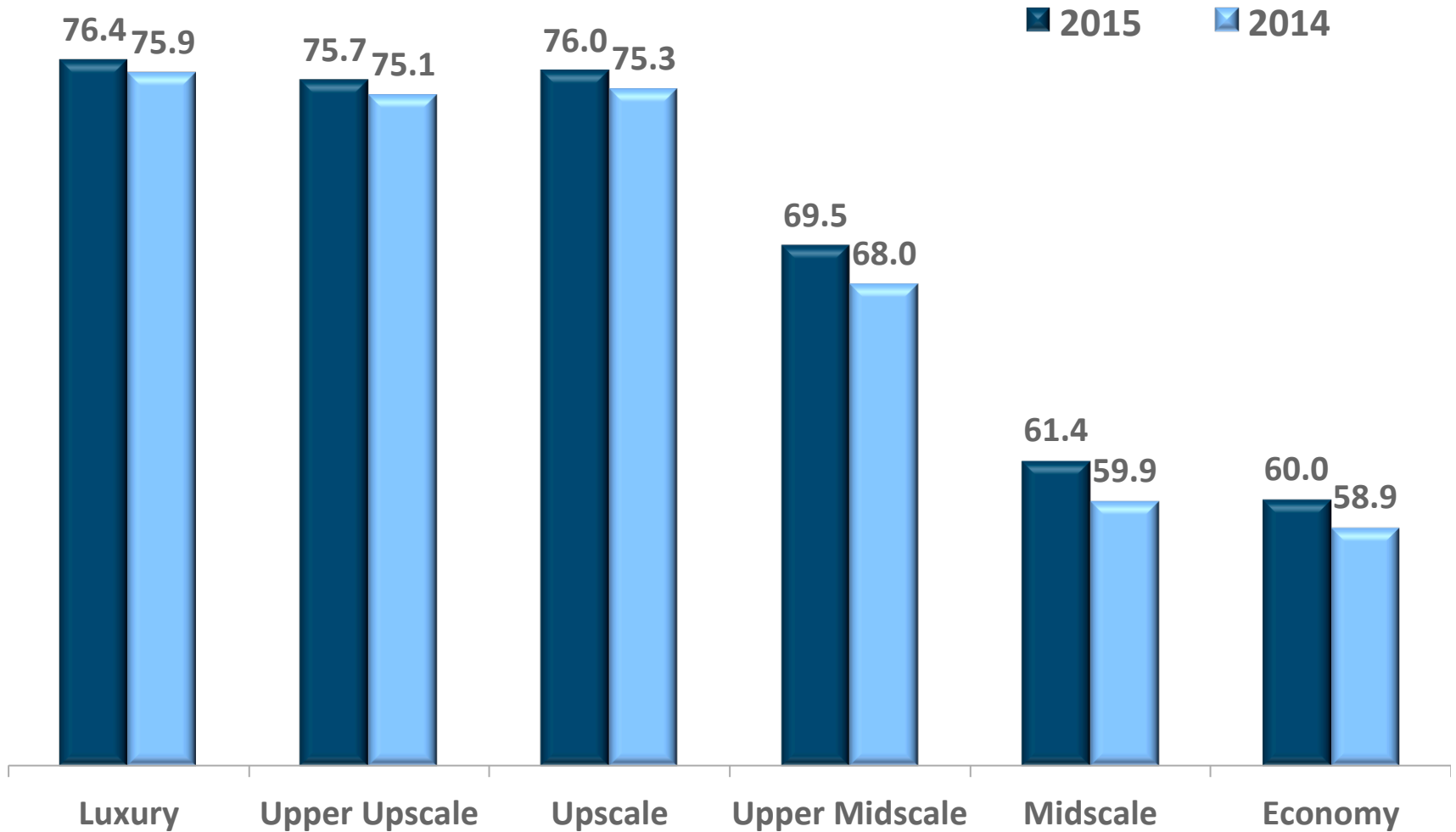
■ ADR % Change

■ Occupancy % Change



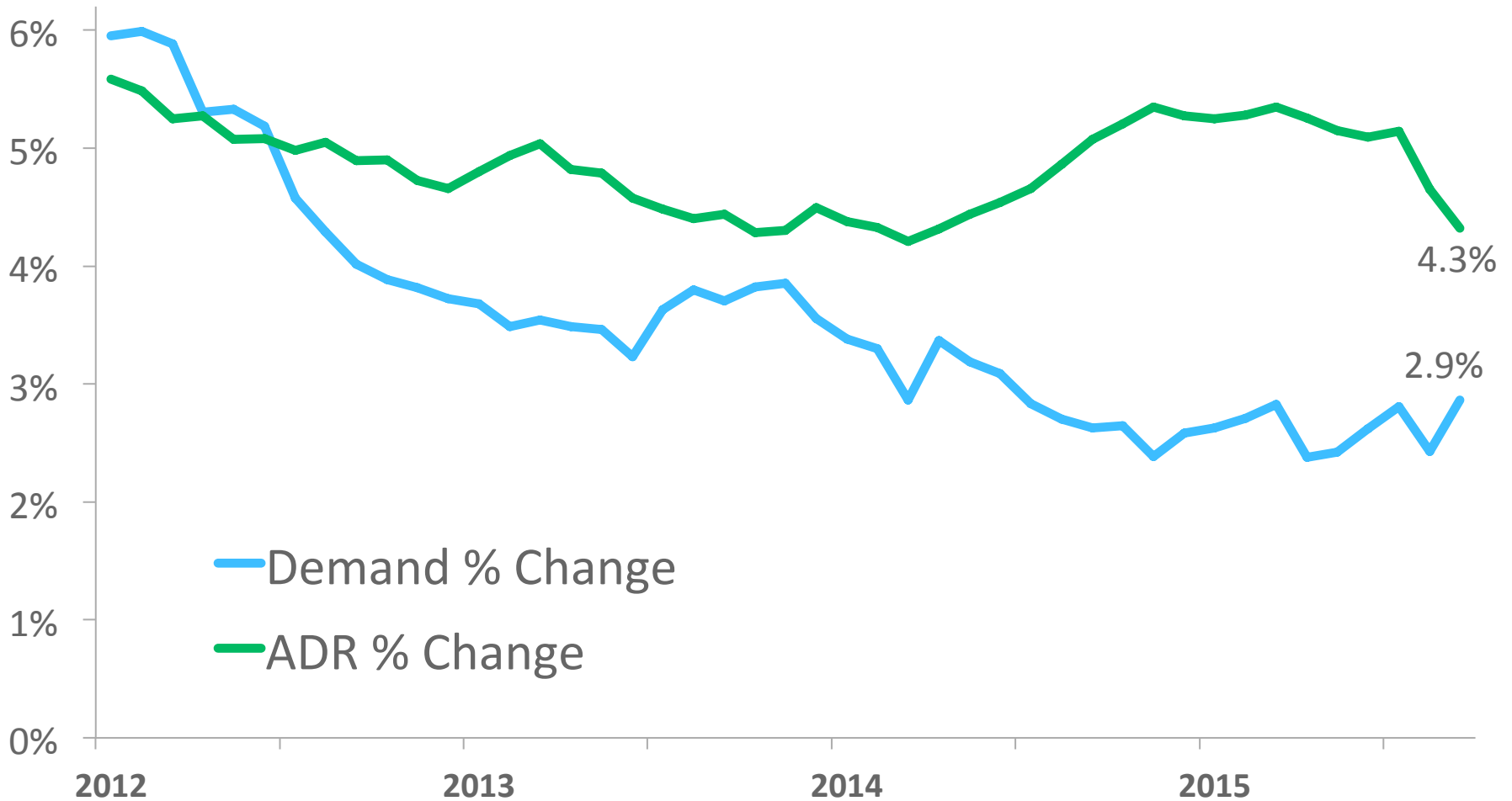
*RevPAR % Change by Contribution of OCC / ADR % Change, by Scale, Sept 2015 YTD

Scales: Absolute OCC Very Healthy On The Upper End



*OCC %, by Scale, Sept YTD 2015 & 2014

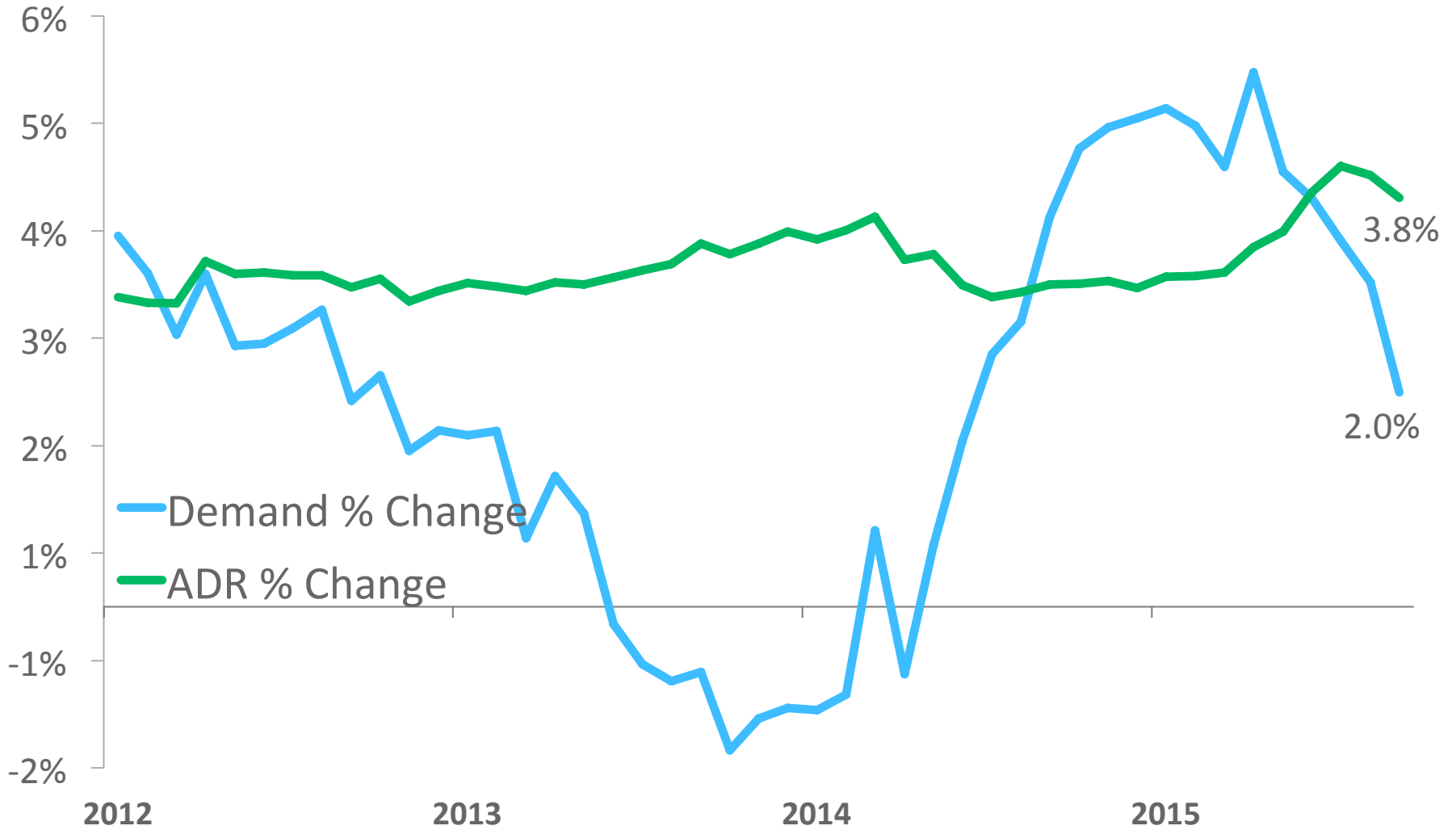
Transient ADR Growth Follows High Occupancies



*Transient Demand and ADR % Change, 12 MMA, 1/2012 – 09/2015



Group Pricing Showing Life, but Demand Softens

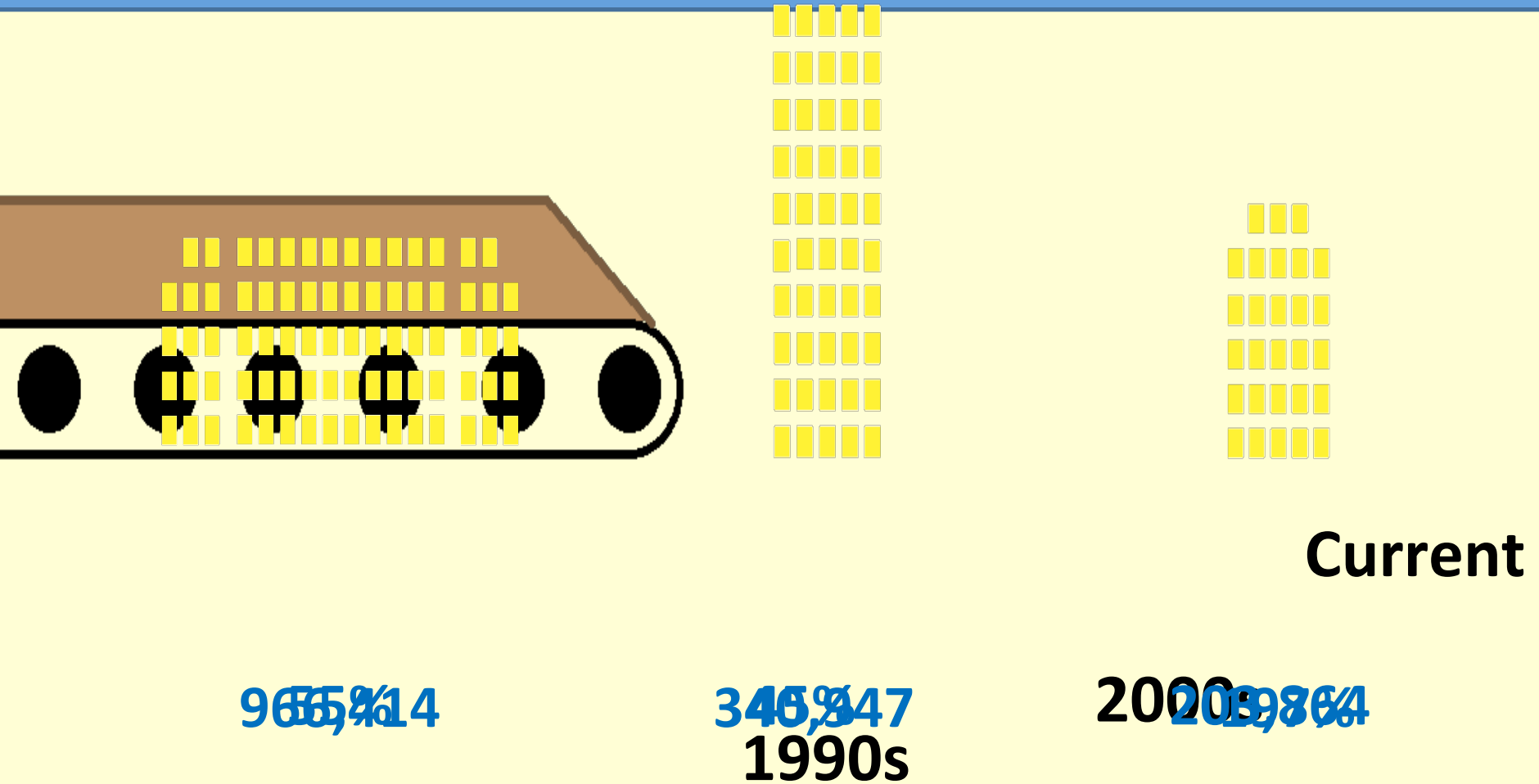


*Group Demand and ADR % Change, 12 MMA, 1/2012 – 09/2015



Pipeline

SUPPLY GROWTH BY CYCLE + OCCUPIED ROOM NIGHT GROWTH



SOURCE: STR

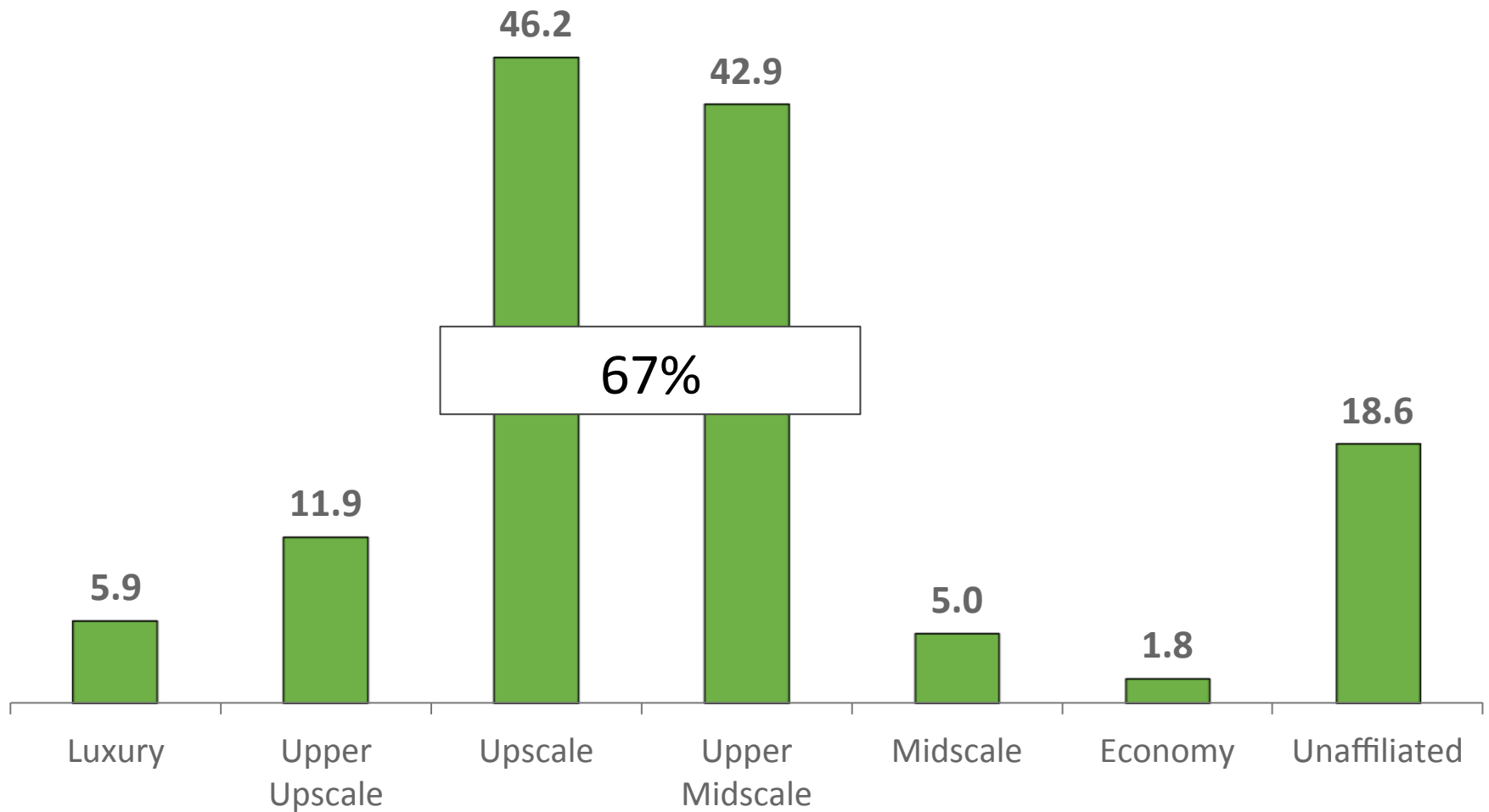
Construction Today Will Impact 2016/2017

<u>Phase</u>	<u>2015</u>	<u>2014</u>	<u>% Change</u>
In Construction	132	110	20%
Final Planning	175	120	46%
Planning	134	164	-18%
Under Contract	441	394	12%

Total US Pipeline, by Phase, '000s Rooms, Sept 2015 and 2014



Most Construction in the Middle of the Scales



US Pipeline, Rooms Under Construction , '000s Rooms, by Scale, Sept 2015

Forecast

Total United States

Key Performance Indicator Outlook (% Change vs. Prior Year)
2015 - 2016

Outlook		
	2015 Forecast	2016 Forecast
Supply	1.2%	1.4%
Demand	2.9%	2.2%
Occupancy	1.7%	0.8%
ADR	5.1%	5.2%
RevPAR	6.8%	6.0%

In sum.....



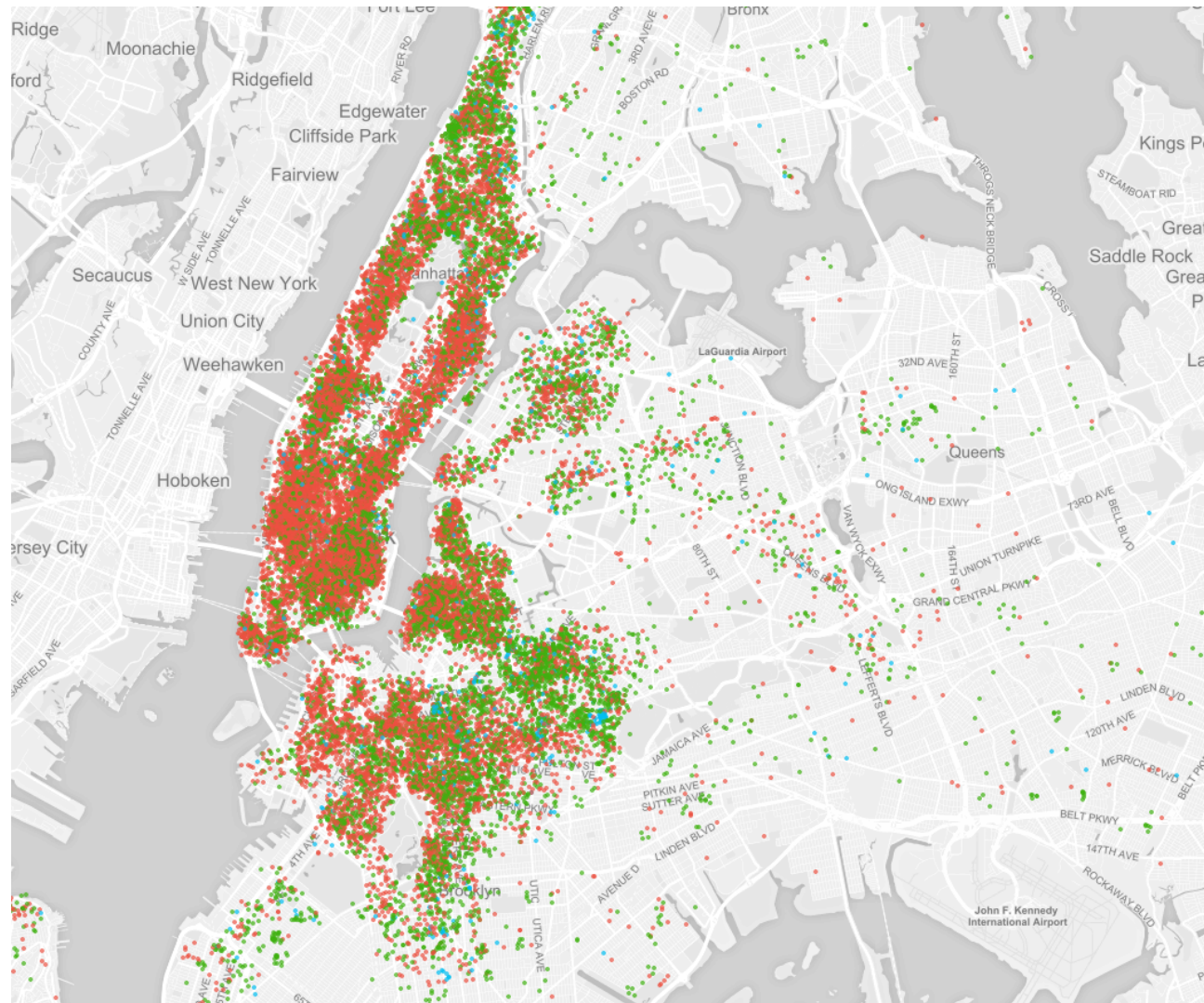


FX Impact Remarkable

Market	ADR % Change \$	ADR % Change (Euro)
Boston	6.7	32.2
Chicago	8.4	34.2
Los Angeles	6.8	32.1
Miami	7.6	33.0
New York	-2.5	20.7
Berlin	-13.5	6.9
Madrid	-10.9	10.2
Paris	-14.9	5.2
Rome	-16.5	3.4

*Q2 2015, select European & US markets, ADR % Change in \$ and Euro

We are not alone...



New York City- [About Airbnb in New York City](#)

Filter by:

New York City

27,392

out of 27,392 listings (100%)

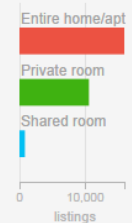
Airbnb affects the city's housing supply and affordability. Explore the key variables of Airbnb use and how it impacts your neighborhood.

Room Type

Only entire homes/apartments

Airbnb hosts can list entire homes/apartments, private or shared rooms.

Depending on the room type, **availability**, and **activity**, an airbnb listing could be more like a hotel, disruptive for neighbors, taking away housing for New Yorkers, and **illegal**.



58.3%
entire homes/apartments
\$171
price/night
15,977 (58.3%)
entire home/apartments
10,586 (38.6%)
private rooms
829 (3%)
shared rooms

Availability

Only highly available

An Airbnb host can setup a calendar for their listing so that it is only available for a few days or weeks a year.

Other listings are available all year round (except for when it is already booked).

Entire homes or apartments **highly available** and **rented frequently** year-round to tourists, probably don't have the owner present, are illegal, and more importantly, are displacing New Yorkers.

Even private rooms or sublets have also traditionally been homes for many New Yorkers,

86.3%
high availability
23,647 (86.3%)
listings w **high** availability
3,745 (13.7%)
listings w **low** availability
262.9 (72%)
days/year

GHOSTS





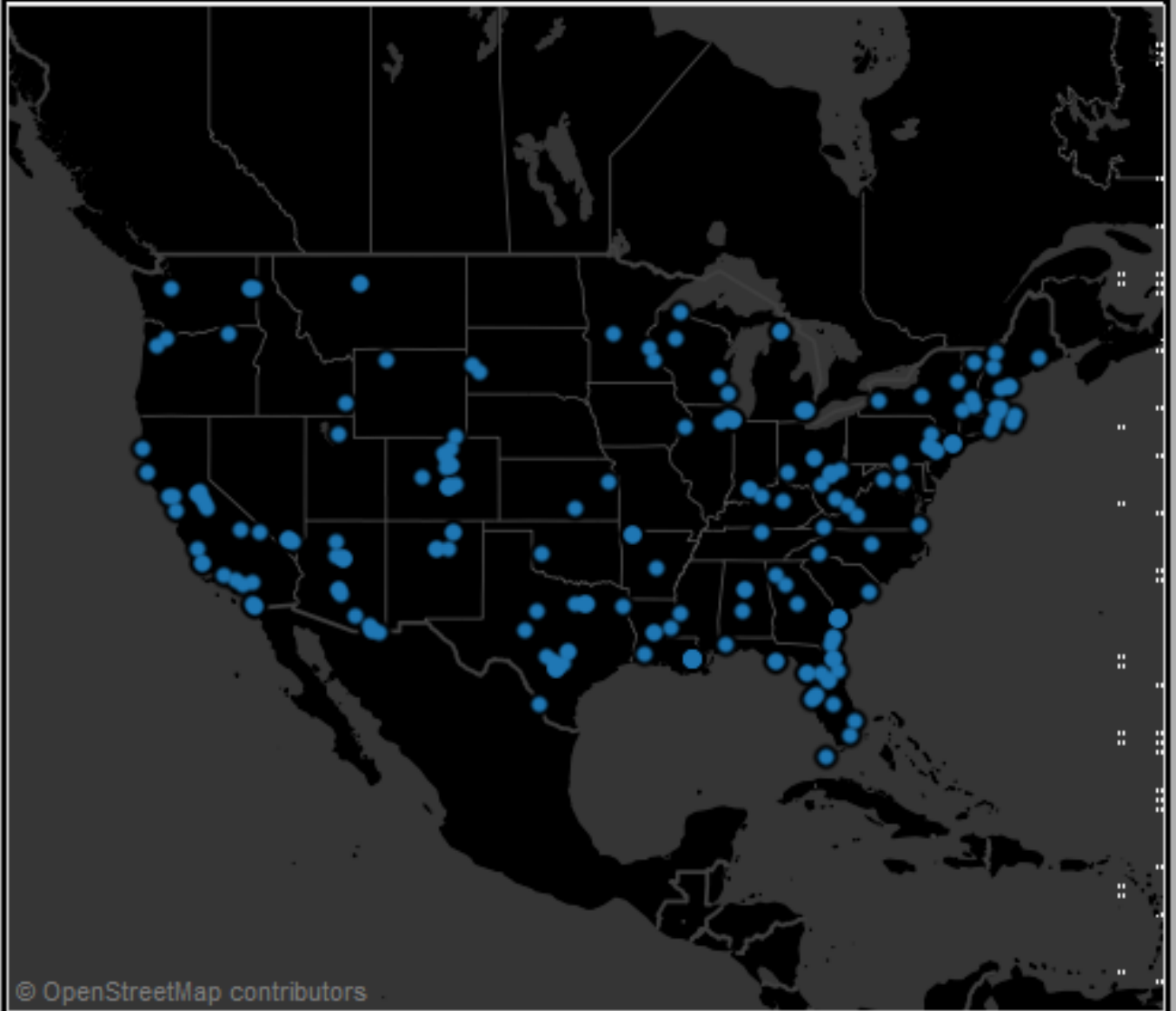
Ghost

Man

Type of Death

(All)

Guests Who Never Leave



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**Hotel
News
Now**



Ghost

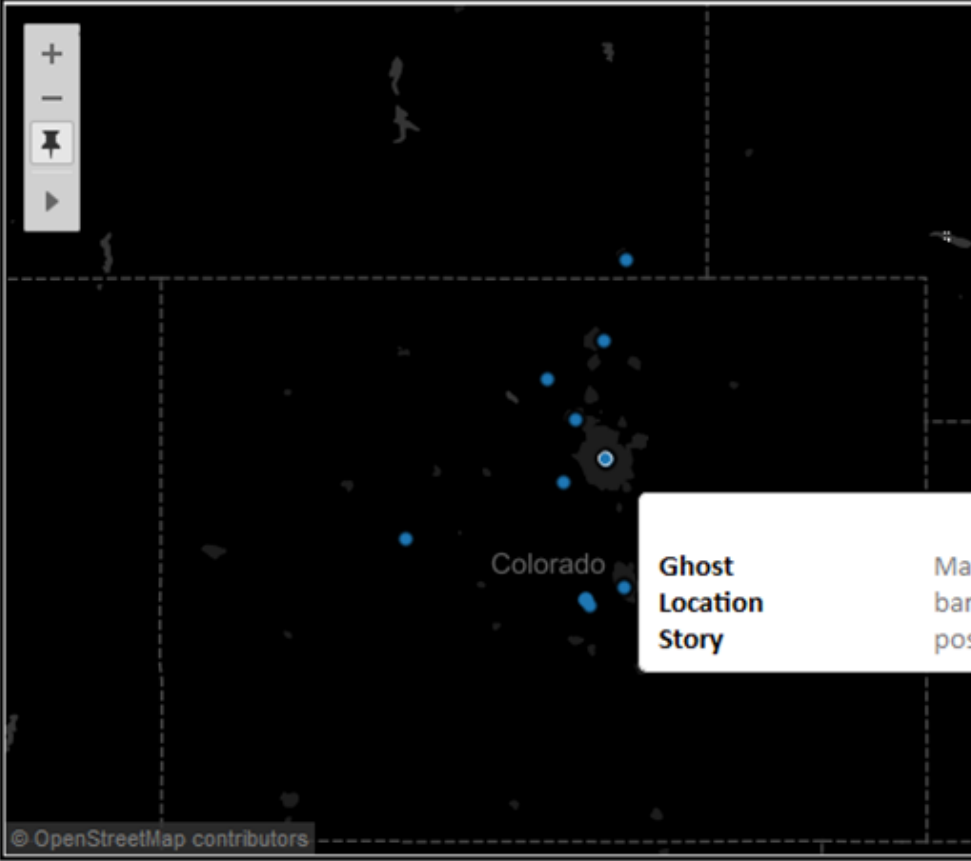
Man

Type of Death

(All)

Hotel
News
Now

Guests Who Never Leave



Recap:

- Life is good!
- 2015: Records shattered
- Rate growth driving profits
- New supply still low but creeping up
- Don't let things keep you up at night.



Questions?

Presentation is available for download.

To view this presentation, go to the “Data” drop-down menu on www.HotelNewsNow.com and click “Data Presentations.”



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