Hotel Industry Overview

Fort Lauderdale, FL

Kelsey Fenerty
Research Analyst

kfenerty@str.com
@STR_Data
Agenda

Total US Review

Class, Segmentation, Markets, Pipeline

Looking Forward

Fort Lauderdale

Class, Submarkets, Segmentation, Pipeline

Looking Forward
www.hotelnewsnow.com
Data Dashboard>View All Data Presentations
The world’s largest hotel performance sample

- Data from 180 countries
- 64,000 hotel customers globally (properties)
- 8.7 million rooms on the platform

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Total U.S. Review
June 2019, Total US Results

- **RevPAR**: -0.4%
- **Transient RevPAR**: +0.4%
- **Group RevPAR**: -2.0%
- **ADR**: +0.9%
- **In Construction Rooms**: 7.9%
- **June Room Demand**: 118 Million
Supply & Demand Growth Curves Meet. Now What?

Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 06/2019
Real ADR Growth (ADR% minus CPI%) Has Now Been Negative For Four Quarters

Total U.S., Real ADR % Change (ADR minus CPI), by quarter, Q1/1990 – Q2/2019
RevPAR Growth: Slow Growth / No Growth Story Continues

*Total U.S., RevPAR % Change by month and 12 MMA, 1/2016 – 06/2019
Class Review
Class: 3 Classes With Strong Demand Growth Nine Years Into the Upcycle

*Supply / Demand % Change, by Class, YTD June 2019
Class RevPAR Results: Totally Mixed Bag; Supply Growth Takes Its Toll

*RevPAR % Change by Contribution of OCC / ADR % Change, by Class, YTD June 2019

- Luxury
- Upper Upscale
- Upscale
- Upper Midscale
- Midscale
- Economy

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Class RevPAR Results: Growth (But Barely)

*RevPAR % Change, by Class, YTD June 2019
Class Occupancy: Results Will Soften Throughout 2019

*OCC %, by Class, YTD June 2019 & 2018
Segmentation
Transient Performance: ADR Growth Now Below 2%

*Transient Demand and ADR % Change, 12 MMA, 1/2018 – 06/2019*
Group Performance: ADR Growth Holds Steady – For Now

*Group Demand and ADR % Change, 12 MMA, 1/2018 – 06/2019

Easter Shift
Markets
### June YTD Market Performance: San Francisco is Crushing It

<table>
<thead>
<tr>
<th>Top 5 Markets</th>
<th>OCC %</th>
<th>RevPAR % Change</th>
<th>Influenced By</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco/San Mateo, CA</td>
<td>81.1</td>
<td>8.1</td>
<td>Moscone Reopens &amp; Groups Return Full Force</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>71.3</td>
<td>7.8</td>
<td>Super Bowl LIII</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>75.7</td>
<td>4.6</td>
<td>3.1% ADR Increase</td>
</tr>
<tr>
<td>Tampa/St Petersburg, FL</td>
<td>77.9</td>
<td>4.1</td>
<td>3.6% Demand Increase</td>
</tr>
<tr>
<td>Nashville, TN</td>
<td>73.9</td>
<td>3.6</td>
<td>Bachelorettes + NFL Draft</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bottom 5 Markets</th>
<th>OCC %</th>
<th>RevPAR % Change</th>
<th>Influenced By</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orlando, FL</td>
<td>79.6</td>
<td>-2.7</td>
<td>-0.4% Demand Decline</td>
</tr>
<tr>
<td>New York, NY</td>
<td>83.4</td>
<td>-3.8</td>
<td>Surprisingly Weak</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>72.3</td>
<td>-4.6</td>
<td>7% Supply Growth</td>
</tr>
<tr>
<td>Minneapolis/St Paul, MN-WI</td>
<td>64.9</td>
<td>-5.9</td>
<td>Superbowl LII</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>64.6</td>
<td>-7.2</td>
<td>Hurricane Comp and 4% Supply Growth</td>
</tr>
</tbody>
</table>

*RevPAR % Change and absolute OCC in Top 25: 5 Best / 5 Worst Performing RevPAR % Markets, YTD June 2019*
Pipeline
US Pipeline: I/C Rooms Increase, But Still Manageable

<table>
<thead>
<tr>
<th>Phase</th>
<th>2019</th>
<th>2018</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>In Construction</td>
<td>202</td>
<td>187</td>
<td>7.9%</td>
</tr>
<tr>
<td>Final Planning</td>
<td>225</td>
<td>221</td>
<td>1.5%</td>
</tr>
<tr>
<td>Planning</td>
<td>229</td>
<td>194</td>
<td>17.5%</td>
</tr>
<tr>
<td><strong>Under Contract</strong></td>
<td><strong>656</strong></td>
<td><strong>603</strong></td>
<td><strong>8.6%</strong></td>
</tr>
</tbody>
</table>

*Total US Pipeline, by Phase, ‘000s Rooms, June 2019 and 2018*
Number of I/C Rooms: Slowly Increasing. Time To Pay Attention

*Total U.S Pipeline, Rooms In Construction and % Change from Same Month Prior Year, 1/2017 – 06/2019
I/C Pipeline Closing In On Prior Peak

High: Dec ‘07 211K
Low: June ‘11 50K
June ’19 202K

Thousands

*Total US Pipeline; Rooms In Construction, in ‘000s; 01/2006 – 06/2019
Limited Service Construction Is The Name Of The Game

13.5
60.8
64.9
13.9
2.9
19.5

Luxury  Upper Upscale  Upscale  Upper Midscale  Midscale  Economy  Unaffiliated

71%

*US Pipeline, Rooms In Construction, ‘000s Rooms, by Scale, June 2019
Total Hotel Meeting SqFt On The Rise In The Later Part Of The Cycle

*US Meeting space Square Feet, open by year 2000-2018, and in the US pipeline 2019-2021
Total United States pipeline attrition most prominent in planning phase

- Planning: 36% Abandoned, 65% Opened
- Final Planning: 24% Abandoned, 76% Opened
- In Construction: 4% Abandoned, 96% Opened

STR Pipeline Attrition Rate, Long Term Average (2013-2016)
The Canary In The Coalmine
We are monitoring the Number of Submarkets with Negative RevPAR %

Number of Submarkets with Negative RevPAR % By Month: Slowing Increasing

*Submarkets with Negative RevPAR % Change out of all 639 Submarkets, by month and YTD, 2018 & 2019
When % of Tracts with Negative RevPAR % is 44.7% The US Data Flips

Submarkets with Negative RevPAR % Change out of all 649 Submarkets, by month Jan 1989 – July 2019

Turning Point: 44.7%
Notable Calendar Shifts Impacting US Lodging Performance Data in 2019:

Easter: Shift from March to April (also affects Q1/Q2)
Passover: Shift from March to April (also affects Q1/Q2)
Weekend Night: June/Sept/Dec lose. May/Aug/Nov gain.

Notable Market Level Events / Comps:
Super Bowl: From Minneapolis to Atlanta
North Carolina: Hurricane Florence 9/14/2018 and thereafter
Florida: Hurricane Michael 10/10/18 and thereafter
California: Wildfires 11/8 through 11/25/2018 and thereafter
### Total United States

#### Key Performance Indicator Outlook (% Change vs. Prior Year)

#### 2019F – 2020F

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019 Forecast</th>
<th>2020 Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>1.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Demand</td>
<td>2.0%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Occupancy</td>
<td>0.1%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>ADR</td>
<td>1.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>RevPAR</td>
<td>2.0%</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

as of NYU 2019
Fort Lauderdale
Fort Lauderdale Performance: High supply growth hinders market growth

11.6M Supply
8.8M Demand
76.4% Occupancy
$147 ADR
$112 RevPAR
$1.3B Revenue

June 2019 12MMA, FLL Market

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# Florida Market Overview

<table>
<thead>
<tr>
<th></th>
<th>US</th>
<th>Florida</th>
<th>Fort Lauderdale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>2.0%</td>
<td>2.5%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Occ</td>
<td>0.0%</td>
<td>-1.8%</td>
<td>-1.8%</td>
</tr>
<tr>
<td>ADR</td>
<td>1.6%</td>
<td>1.8%</td>
<td>-1.7%</td>
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<tr>
<td>RevPAR</td>
<td>1.7%</td>
<td>0.0%</td>
<td>-3.5%</td>
</tr>
</tbody>
</table>

US, Florida, FLL markets, June 2019 12MMA Percent Change
Supply growth is now outpacing demand growth

The pitfalls of high supply growth: Occ, ADR falling

FLL Market, Occupancy/ADR Percent Change, TTM Jan 2016 – Jun 2019
Class Review: Luxury, Upper Midscale with strong demand growth

FLL Market Classes, Supply / Demand % Change, TTM June 2019
Only two classes growing ADR

FLL Market Classes, Occupancy / ADR % Change, TTM June 2019
Congratulations to luxury hotels?

FLL Market Classes, RevPAR % Change, TTM June 2019
Submarkets Post Similar Occupancy and Different ADR

- **FLL Market: $79.5**
- **Coral Springs/Pompano Beach: $77.1**
- **Fort Lauderdale/Beach: $81.0**
- **Hollywood/Airport: $77.4**
- **West Broward/Plantation: $82.0**

FLL and Submarkets, Actual ADR/Occupancy, YTD June 2019
Biggest submarkets see highest supply growth

FLL and Submarkets, Supply / Demand % Change, YTD June 2019
Submarket Changes Similar to FLL Overall

FLL and Submarkets, % Change, YTD June 2019
Transient Performance: demand stable but ADR a concern

FLL Market transient demand and ADR % Change, Luxury/Upper Upscale Classes TTM 1/2018 – 06/2019
Group Performance: ADR Growth Holds Steady – For Now

Demand % Change

ADR % Change

Easter Shift

FLL Market group demand and ADR % Change, Luxury/Upper Upscale Classes, TTM, 1/2018 – 06/2019
Fort Lauderdale/Beach Submarket Group Performance: recent demand decline

Demand % Change

ADR % Change

Fort Lauderdale/Beach Submarket group demand and ADR % Change, Luxury/Upper Upscale Classes, TTM, 1/2018 – 06/2019

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Transient travel provides majority of demand, revenue

FLL Market demand and revenue share, Luxury/Upper Upscale Classes, June 2019 YTD
Post-Moscone Center Expansion: San Francisco welcomes back groups

San Francisco/San Mateo Market group demand and ADR % Change, Luxury/Upper Upscale Classes, TTM, 1/2018 – 06/2019

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Pipeline

**In Construction:**
Vertical construction on the physical building has begun.

**Final Planning:**
Construction will begin within the next 12 months.

**Planning:**
Construction will begin in more than 13 months.
Fort Lauderdale Pipeline:

- 45 Hotels
- 7,477 rooms
- ~23% Growth

FLL Total Active Pipeline (Planning, Final Planning, In Construction), June 2019
Upper Upscale chains dominate In Construction rooms

FLL Market I/C rooms, June 2019
# Fort Lauderdale Market

## Key Performance Indicator Outlook (% Change vs. Prior Year)

### 2019F – 2020F

## Fort Lauderdale Outlook

<table>
<thead>
<tr>
<th></th>
<th>June 2019 YTD (% change)</th>
<th>2019 Forecast</th>
<th>2020 Forecast</th>
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<tr>
<td><strong>Supply</strong></td>
<td>4.6%</td>
<td>↑↑</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Demand</strong></td>
<td>3.3%</td>
<td>↑</td>
<td>↑</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>-1.2%</td>
<td>↓</td>
<td>↓</td>
</tr>
<tr>
<td><strong>ADR</strong></td>
<td>-2.5%</td>
<td>↓</td>
<td>↑</td>
</tr>
<tr>
<td><strong>RevPAR</strong></td>
<td>-3.7%</td>
<td>↓</td>
<td>↑</td>
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Questions?

Presentation is available for download.

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Thank You!

Kelsey Fenerty
Research Analyst

kfenerty@str.com

@STR_Data

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