



Washington, DC Metro and CBD Hotel Industry Performance

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Agenda

Total US Review

Washington, DC Metro Market

Washington, DC CBD

The background of the slide is a photograph of an American flag waving on a flagpole. The flag is positioned on the left side of the frame, with its stars and stripes clearly visible. The sky is a deep teal color, and there are white, fluffy clouds scattered across the lower half of the image. The overall tone of the slide is professional and patriotic.

Total U.S. Review



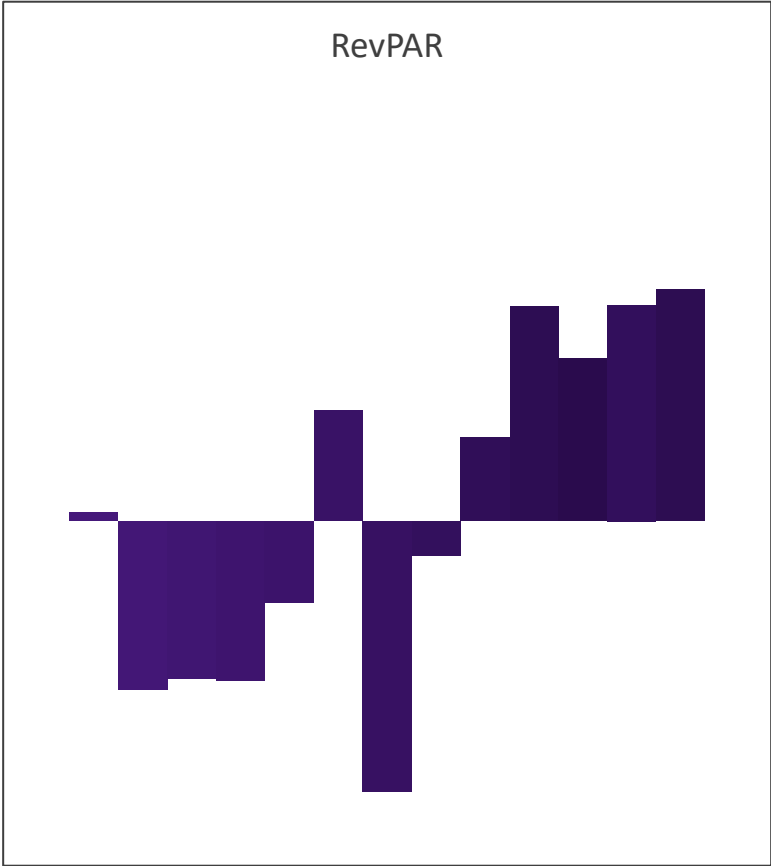
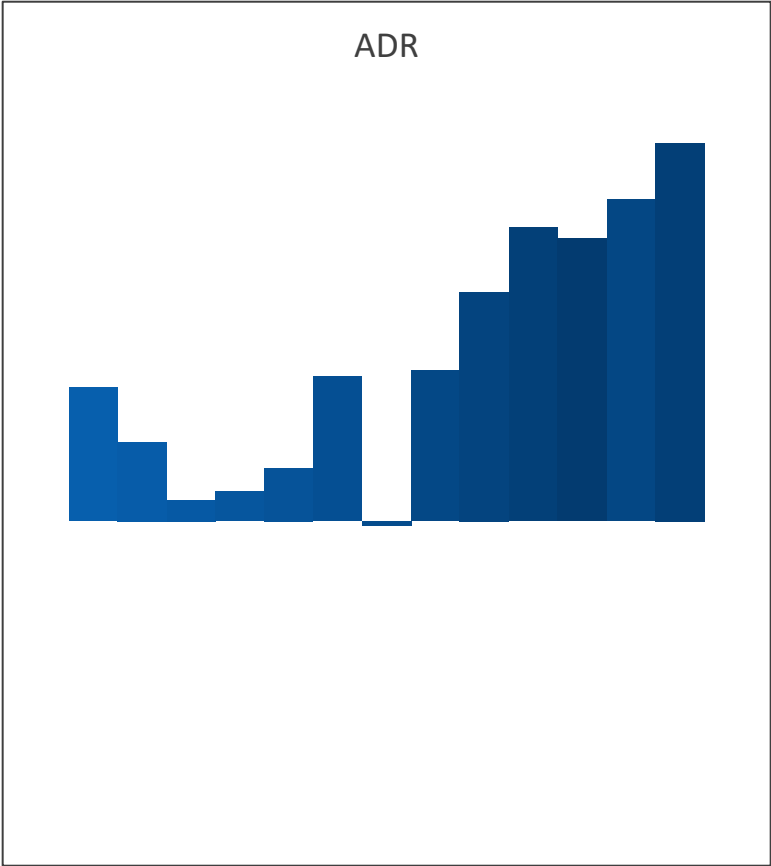
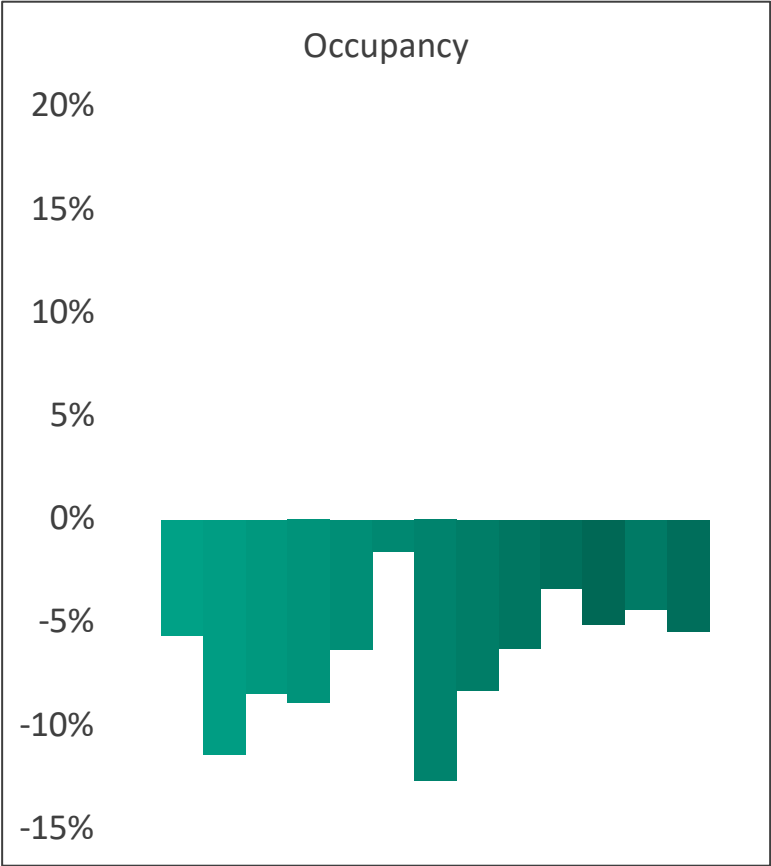
Demand is hovering around recovery

Total US, July YTD 2022

	Actual	2019 % Chg.
Room Supply	1b	3%
Room Demand	736m	-3%
Occupancy	62.7%	-6%
ADR	\$147	12%
RevPAR	\$93	5%
Room Revenue	\$108b	8%

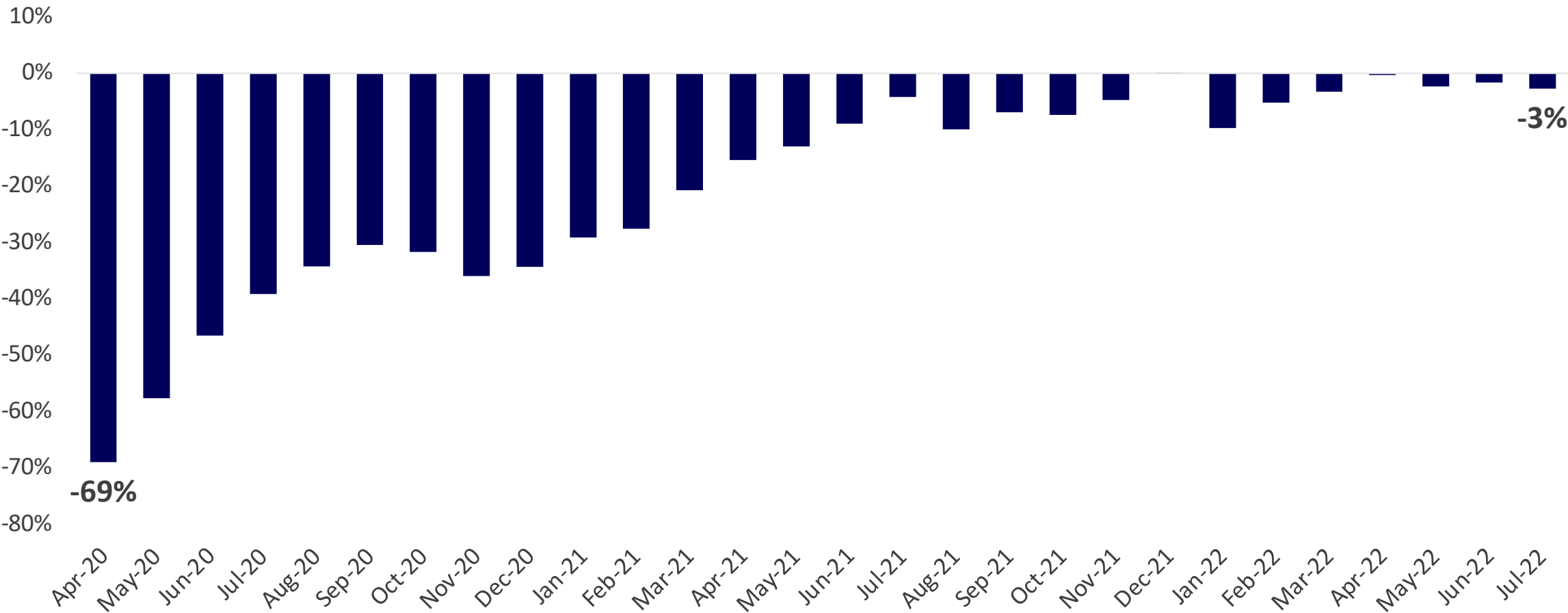
Summer ADR drives RevPAR compensating for Occ

US, KPI % change to 2019, July 20201 – July 2022



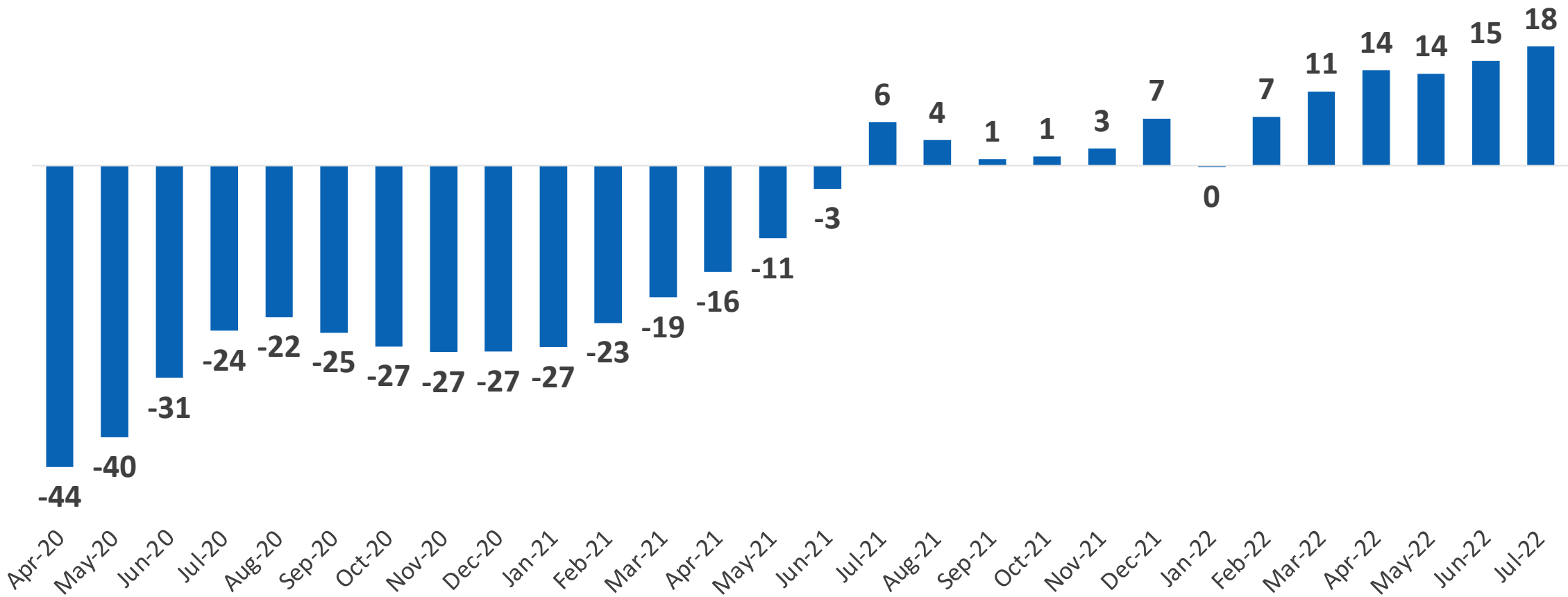
Demand % change softens back to March level

Total U.S., demand % chg. to 2019, Apr 2020 – July 2022



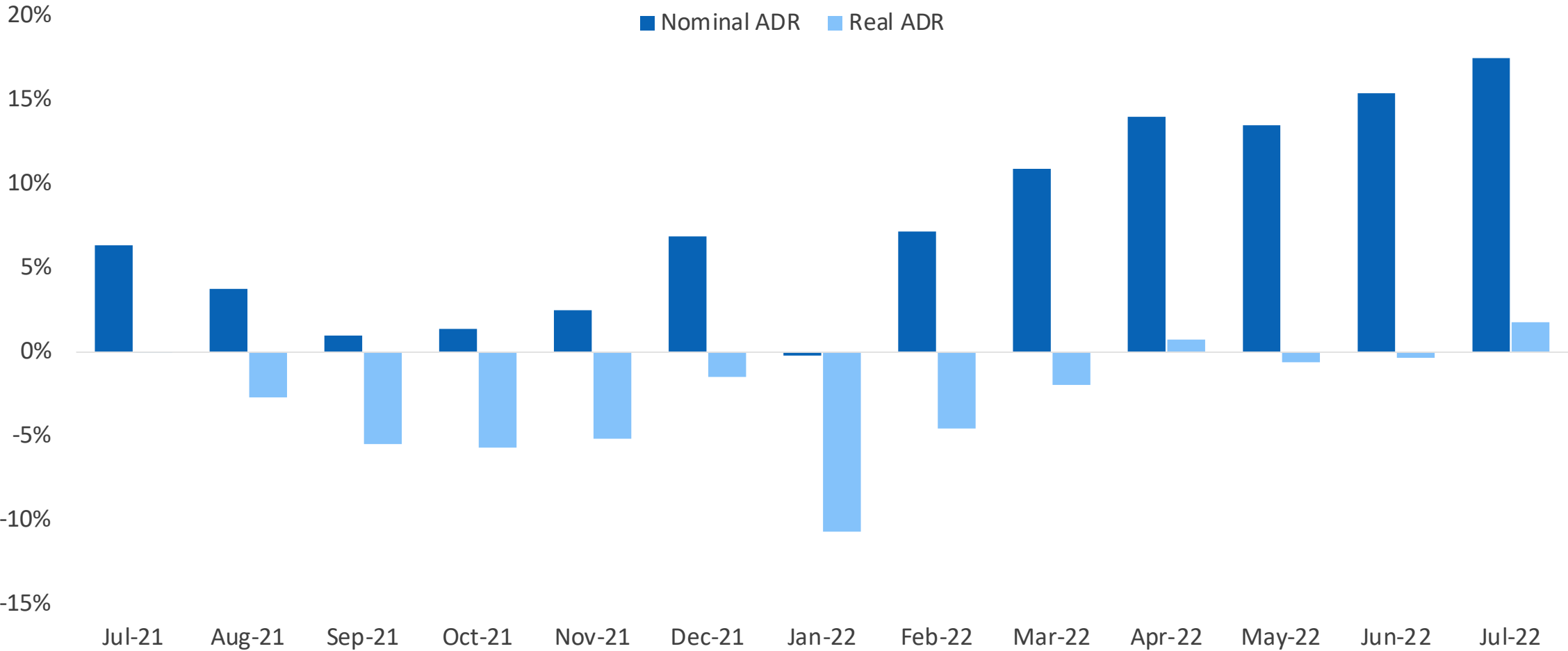
ADR's still going up, but is this all a case of inflation?

Total U.S., ADR % chg. to 2019, Apr 2020 – July 2022



Real ADR tells the true rate story

Total U.S., ADR % change to 2019, Jul 2021 – July 2022



U.S. Forecast

Key Performance Indicators

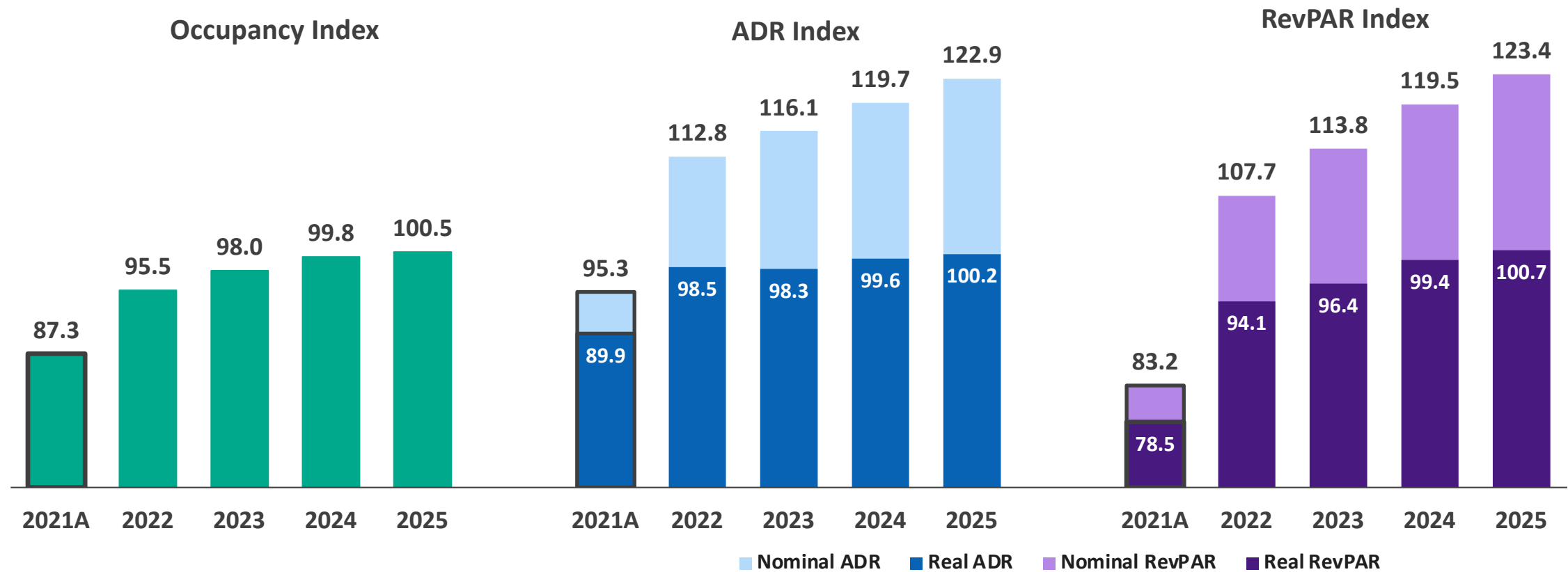
2019-2021 Historical, 2022–2023F

Metric	2019 Actual	2020 Actual	2021 Actual	2022 Forecast	2023 Forecast
Occupancy	65.9%	43.9%	57.6%	63.0%	64.6%
ADR	\$131.10	\$103.45	\$124.92	\$147.83	\$152.20
RevPAR	\$86.43	\$45.45	\$71.89	\$71.89	\$98.32

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Relative to 2019, RevPAR projected to fully recover (in real terms) in 2025

U.S. KPIs, indexed to 2019





Washington, DC

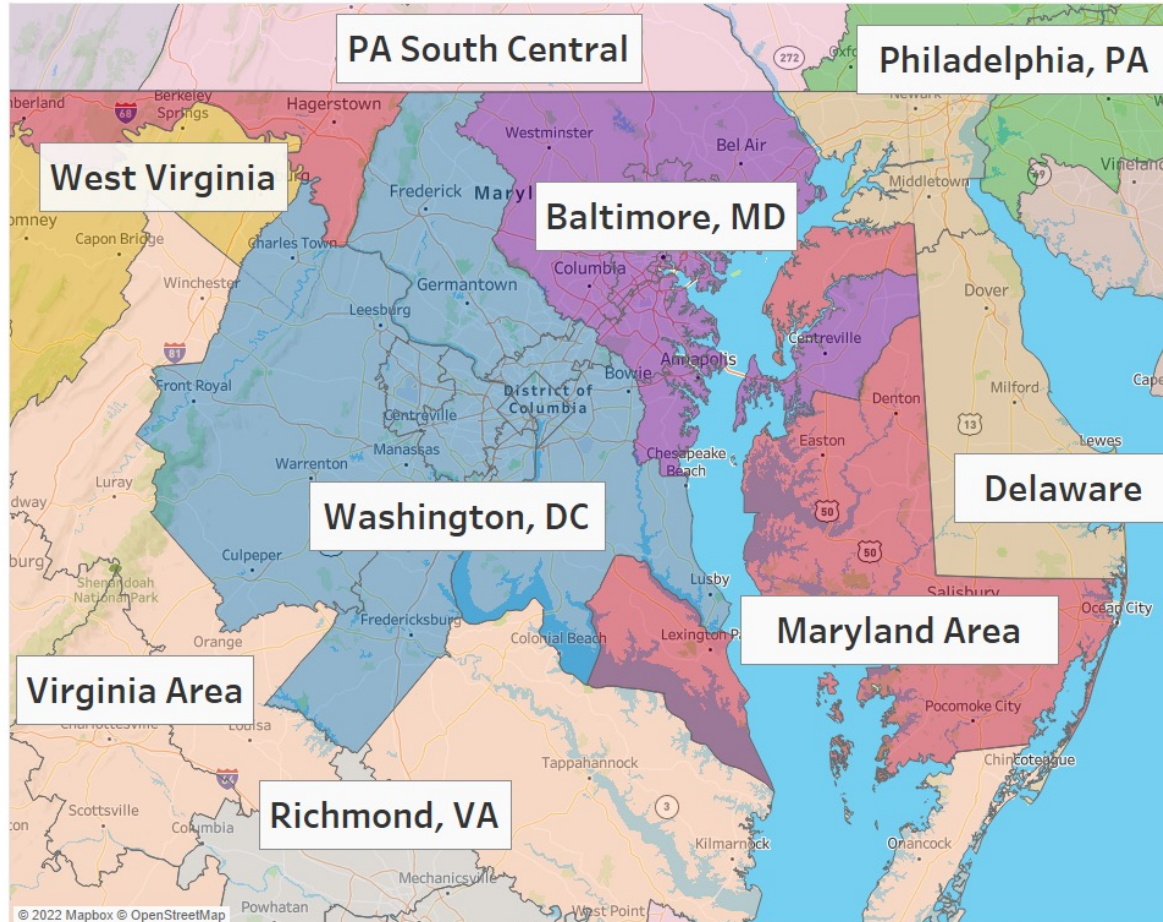
Metro Market Performance



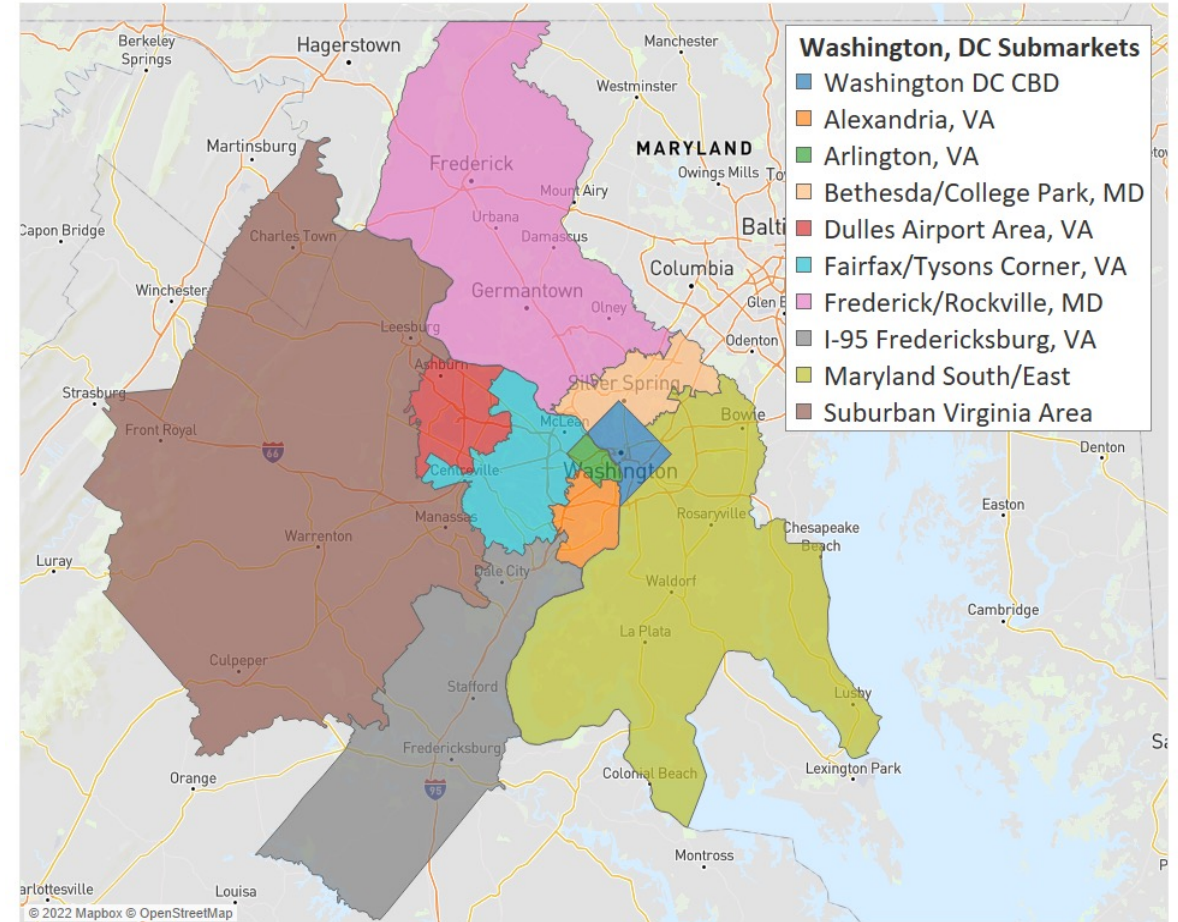
Washington, DC Metro Area As Defined by STR



Regional Markets



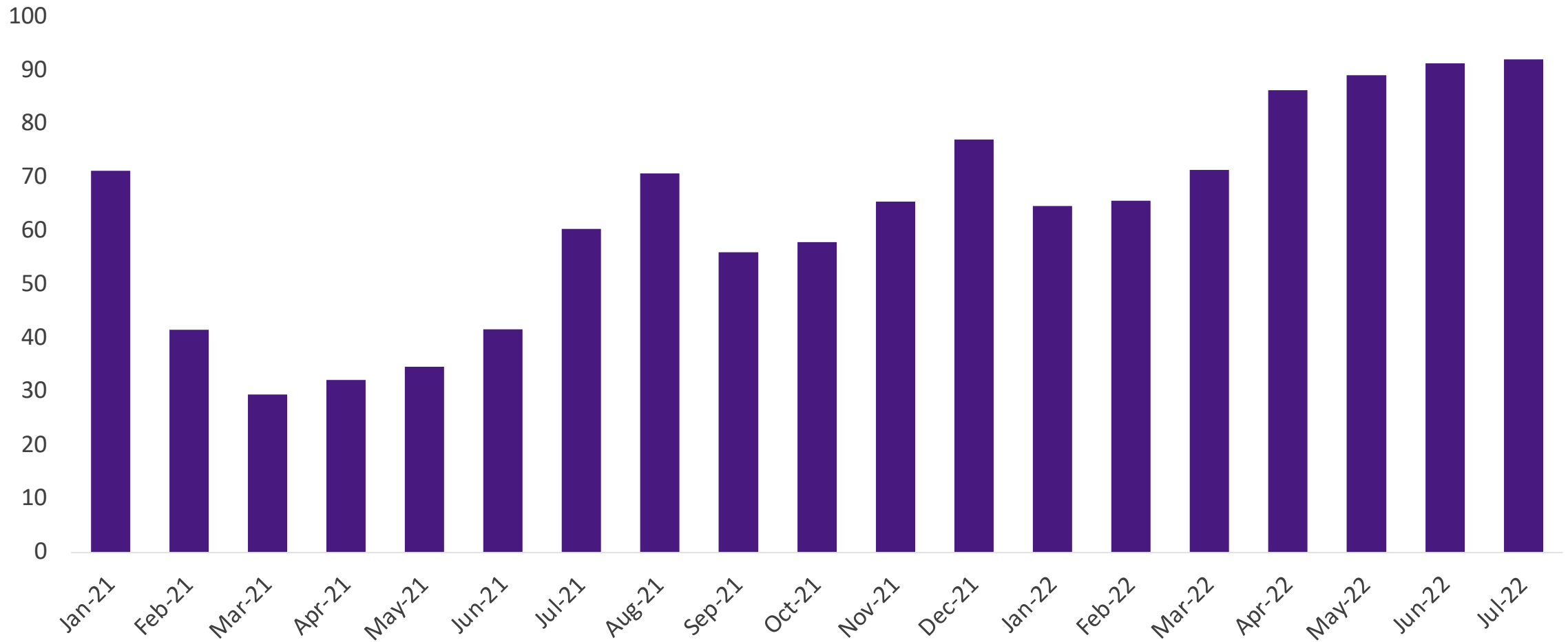
Washington, DC w/Submarkets





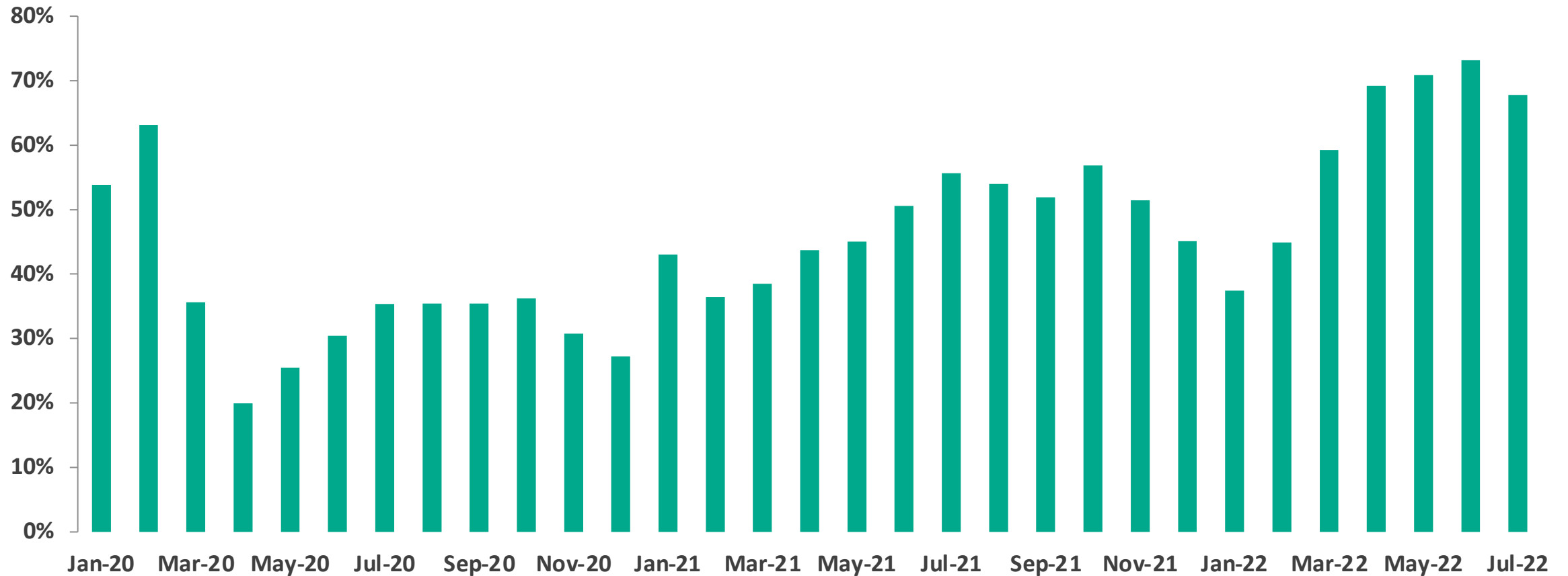
RevPAR about 10% behind pre-pandemic levels

DC Metro Market, RevPAR indexed to 2019, Jan 2021 – Jul 2022



Occupancy setting new COVID-era records each month

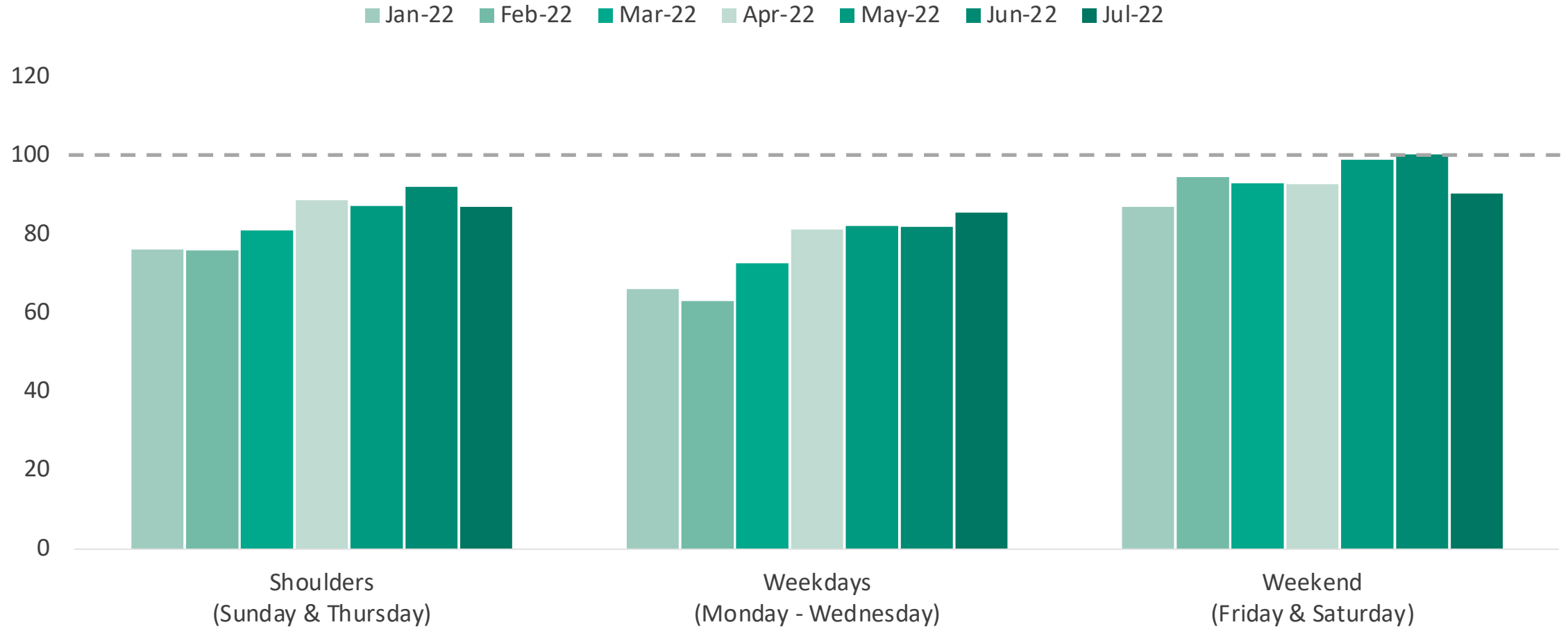
Metro Market, occupancy, Jan 2020 – Jul 2022





Shoulder days and weekends are returning to normal

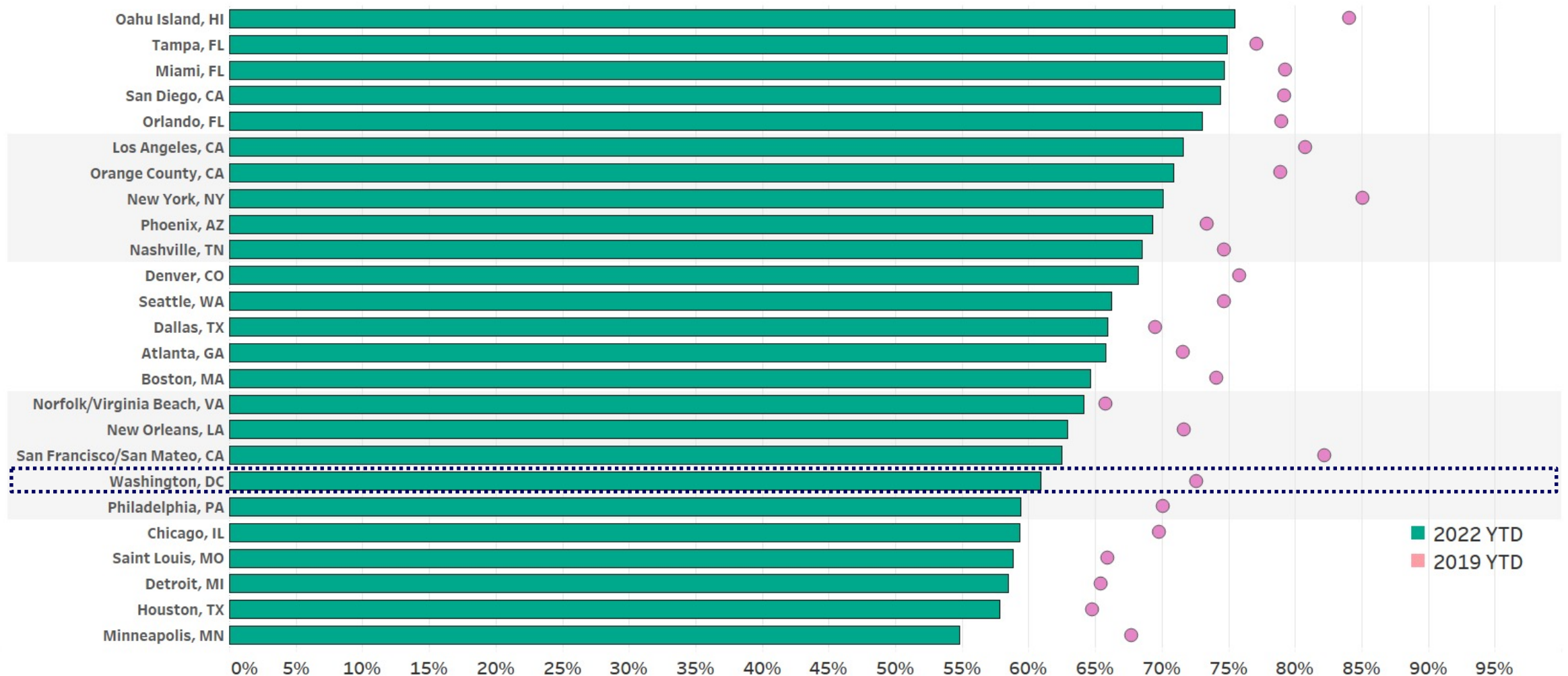
Washington DC Metro Market, Occ by day of week, indexed to 2019, Jan 2022 – Jul 2022





Top 25: Occupancy Deficits of 2-20 Percentage Pts from 2019

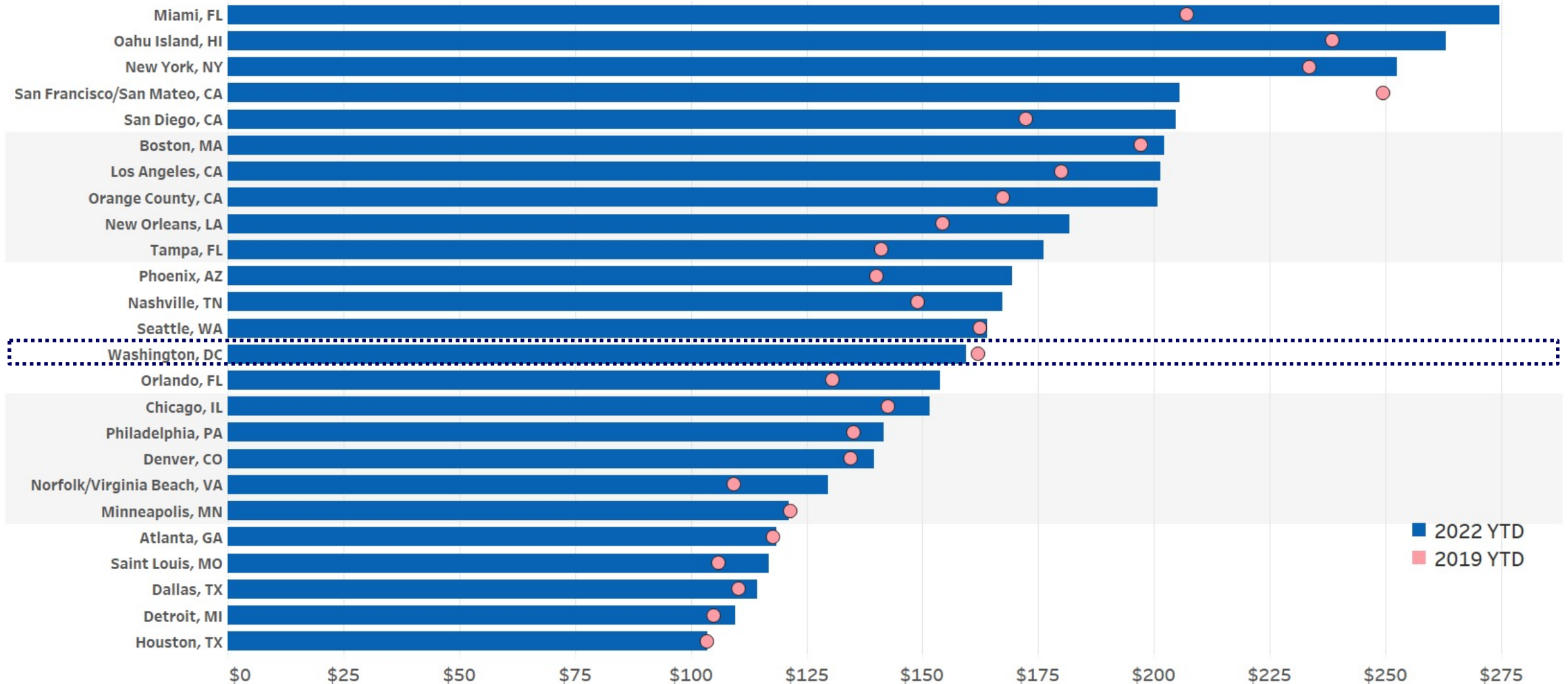
Occupancy %, Matched 2019-2022 YTD to Week 33, ending 13 August 2022





Top 25 ADR: Gaps Only In SFA, DC, Minneapolis; Miami Rules

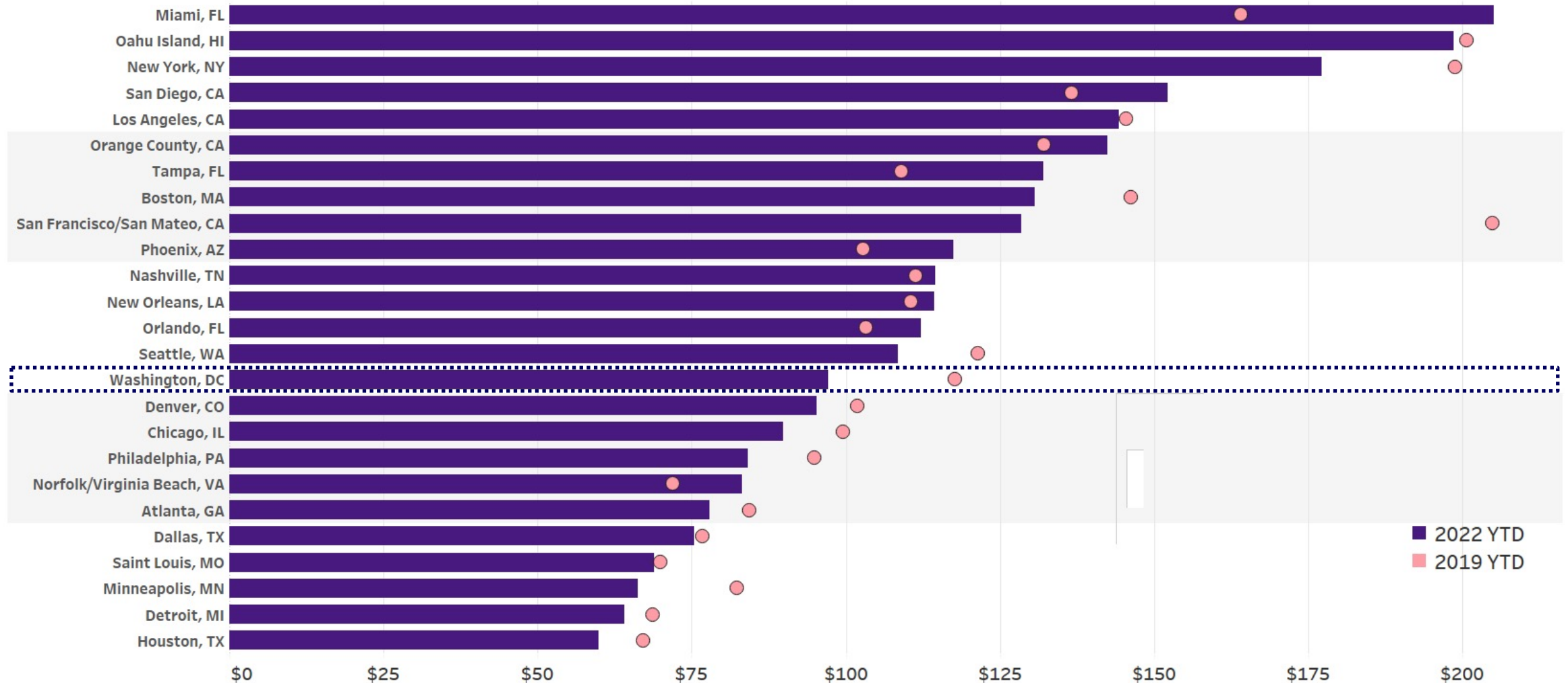
ADR, Matched 2019-2022 YTD to Week 33, ending 13 August 2022





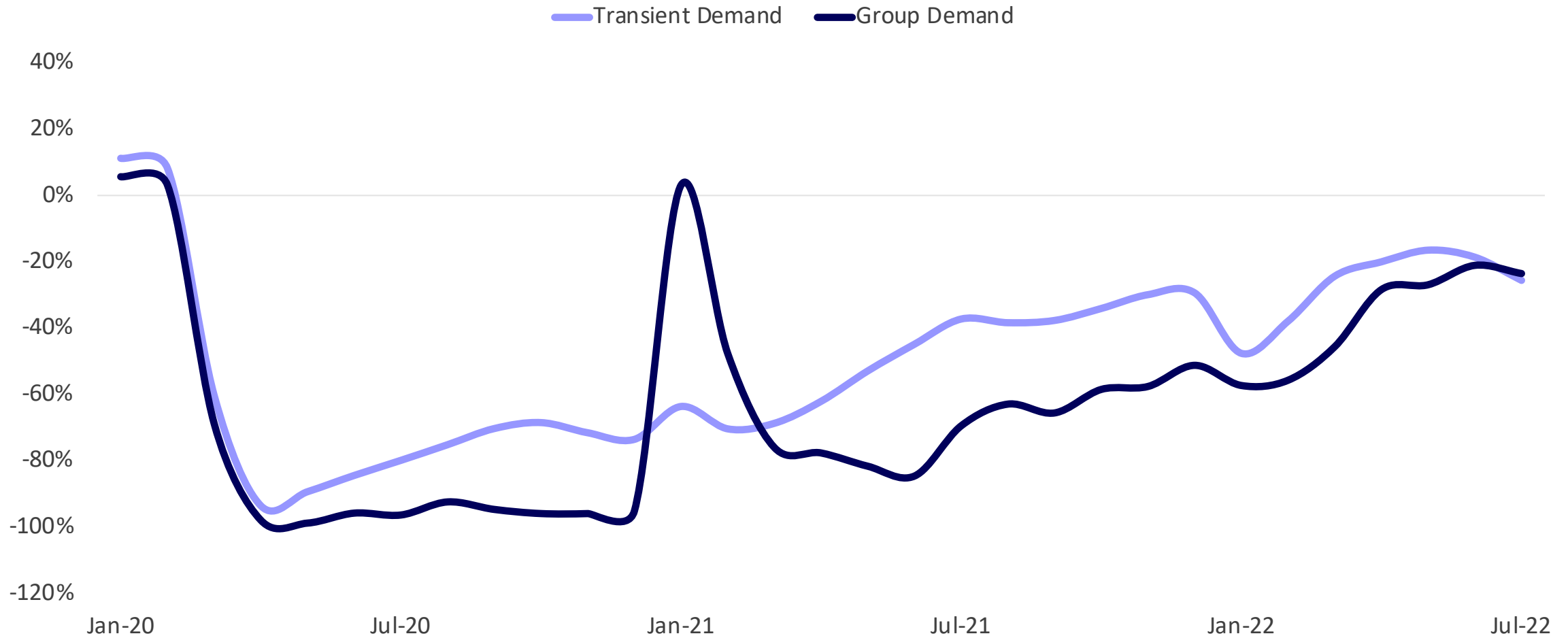
Top 25 RevPAR: Nine Markets Matching-Beating 2019 Comp

ADR, Matched 2019-2022 YTD to Week 33, ending 13 August 2022



Strong events calendar pushes group demand recovery in line w/ transient

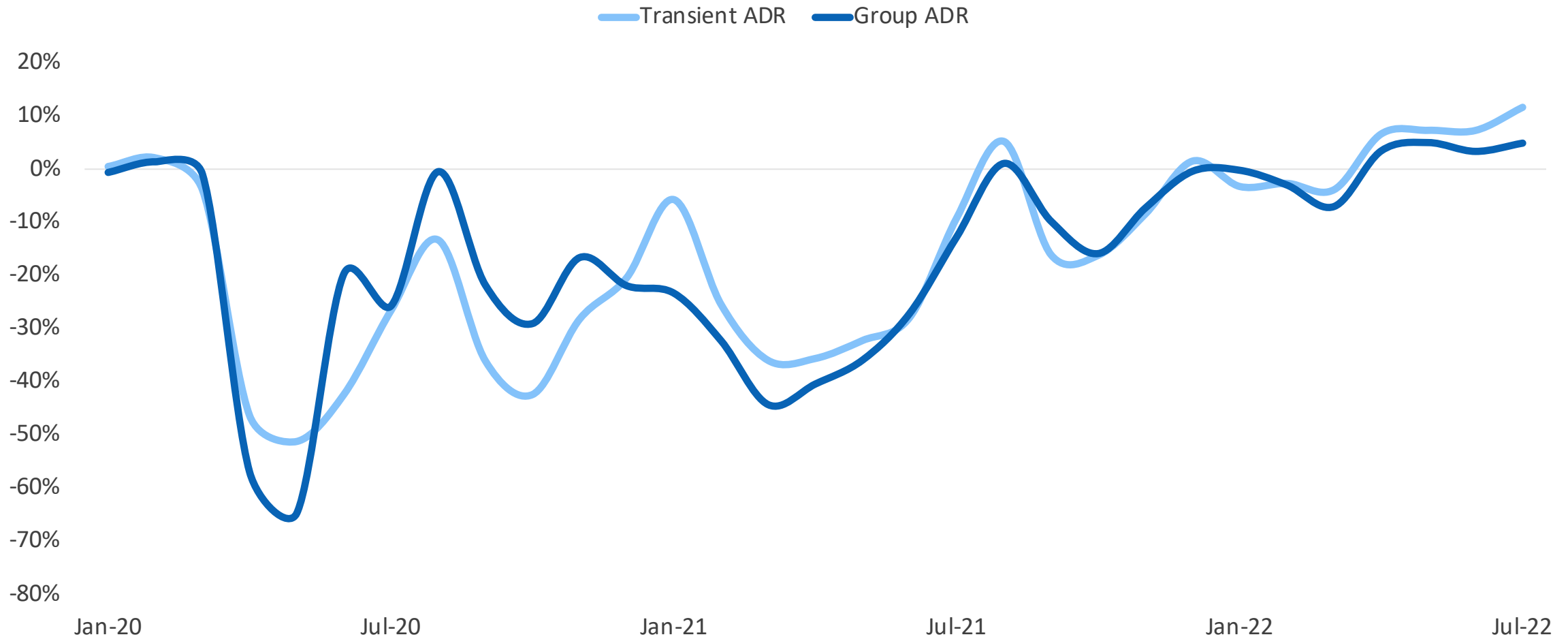
DC Metro Market, Luxury & Upper Ups classes, demand indexed to 2019, Jan 2020 – Jul 2022





Group rate recovery keeping pace with transient

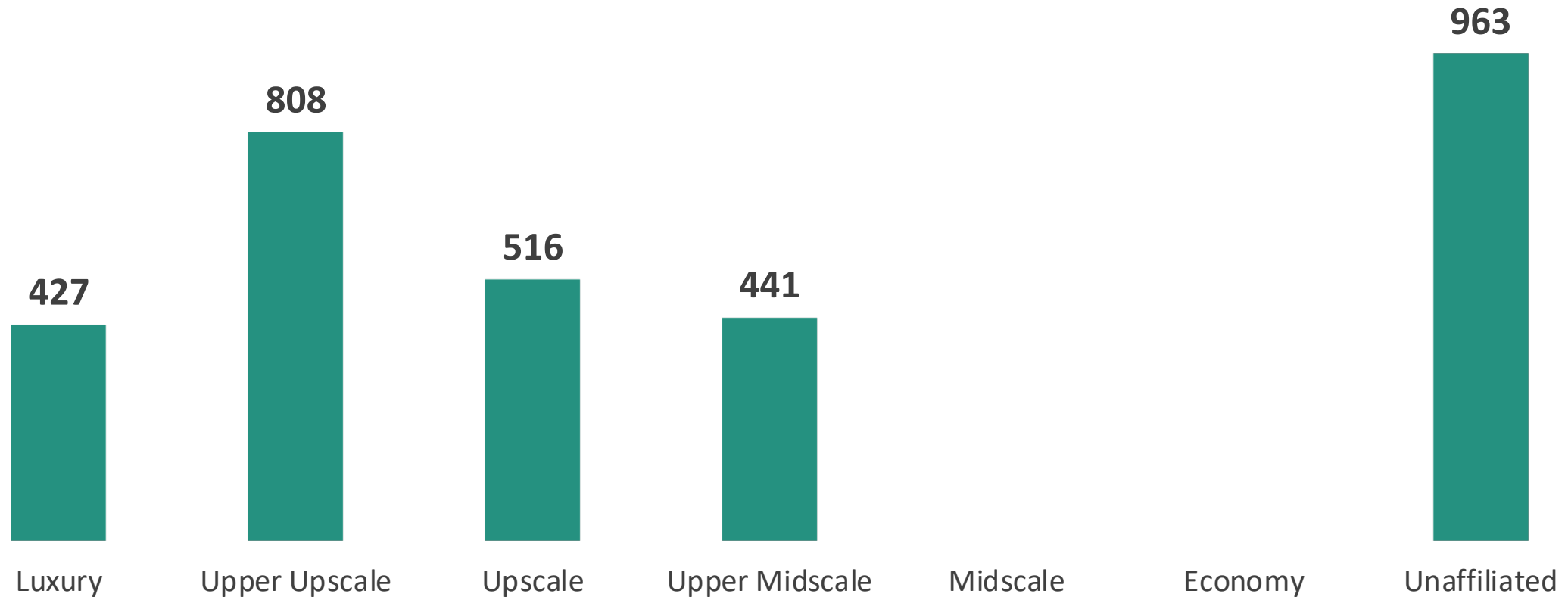
DC Metro Market, Luxury & Upper Ups classes, ADR indexed to 2019, Jan 2020 – Jul 2022





Metro Pipeline Still Active; About Two Thirds of Rooms in CBD

In construction rooms, '000s rooms, by scale, July 2022



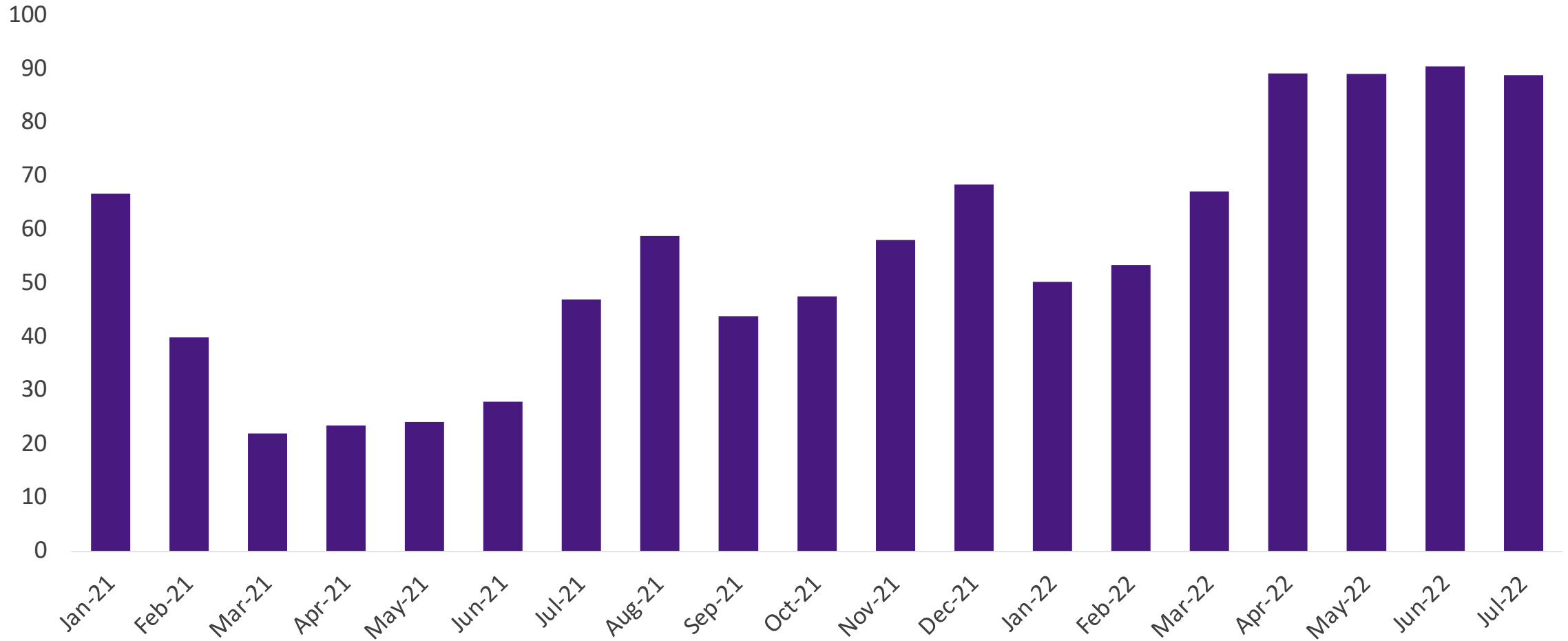


Washington, DC – CBD Submarket Performance



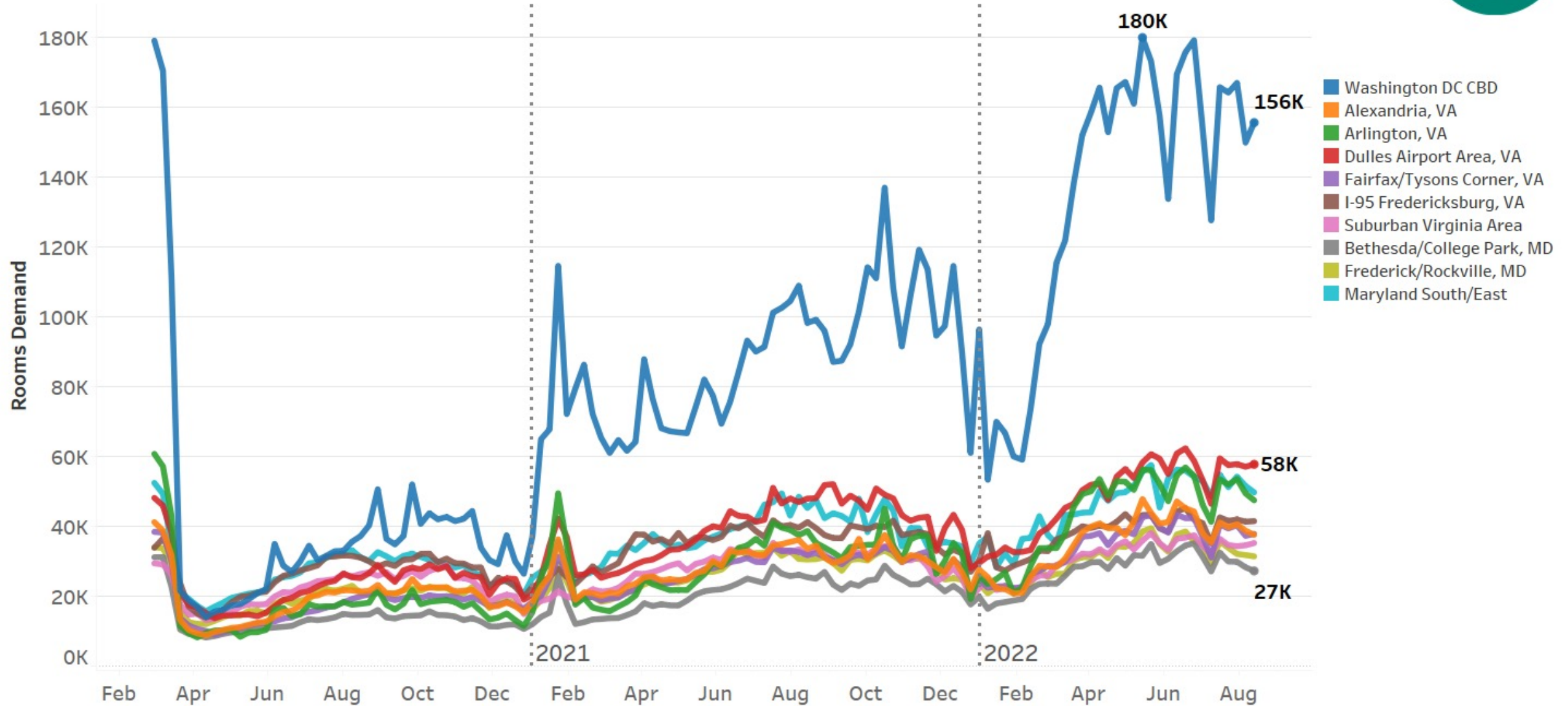
RevPAR about 10% behind pre-pandemic levels

Washington DC CBD, RevPAR indexed to 2019, Jan 2021 – Jul 2022



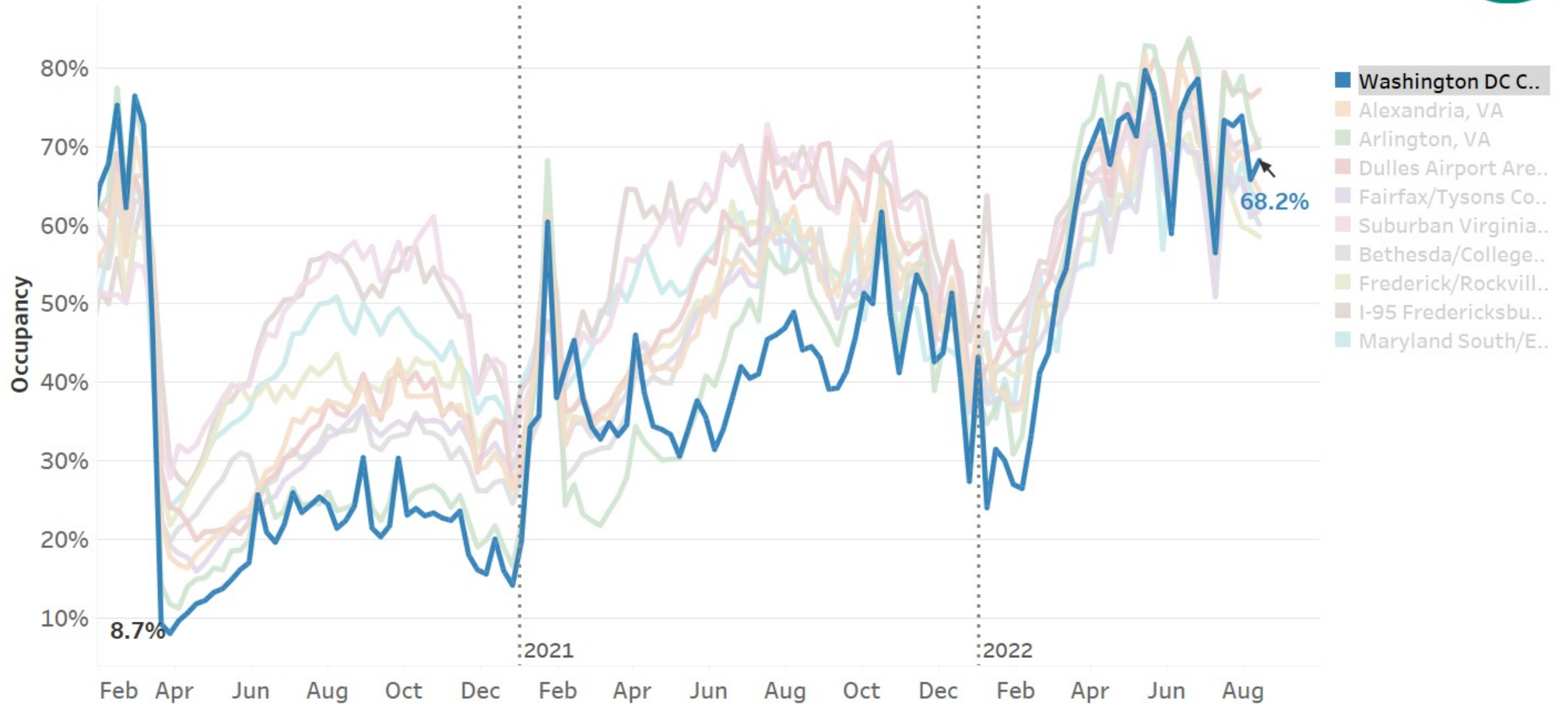
Weekly Demand: CBD Closed Deficit in Spring 2022

Feb 2020 to Aug 13, 2022



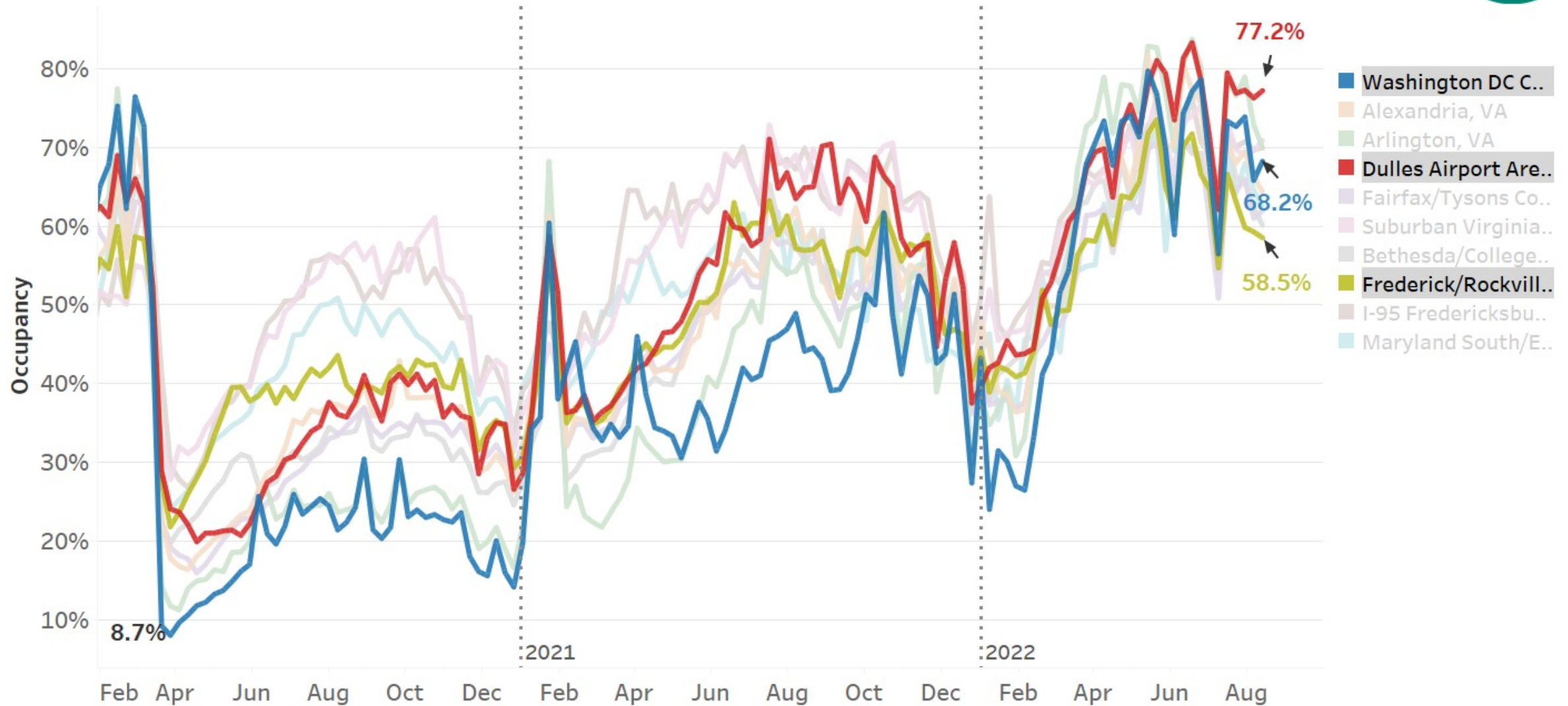
Weekly Occupancy: Solid Summer Kickoff for CBD

Feb 2020 to Aug 13, 2022



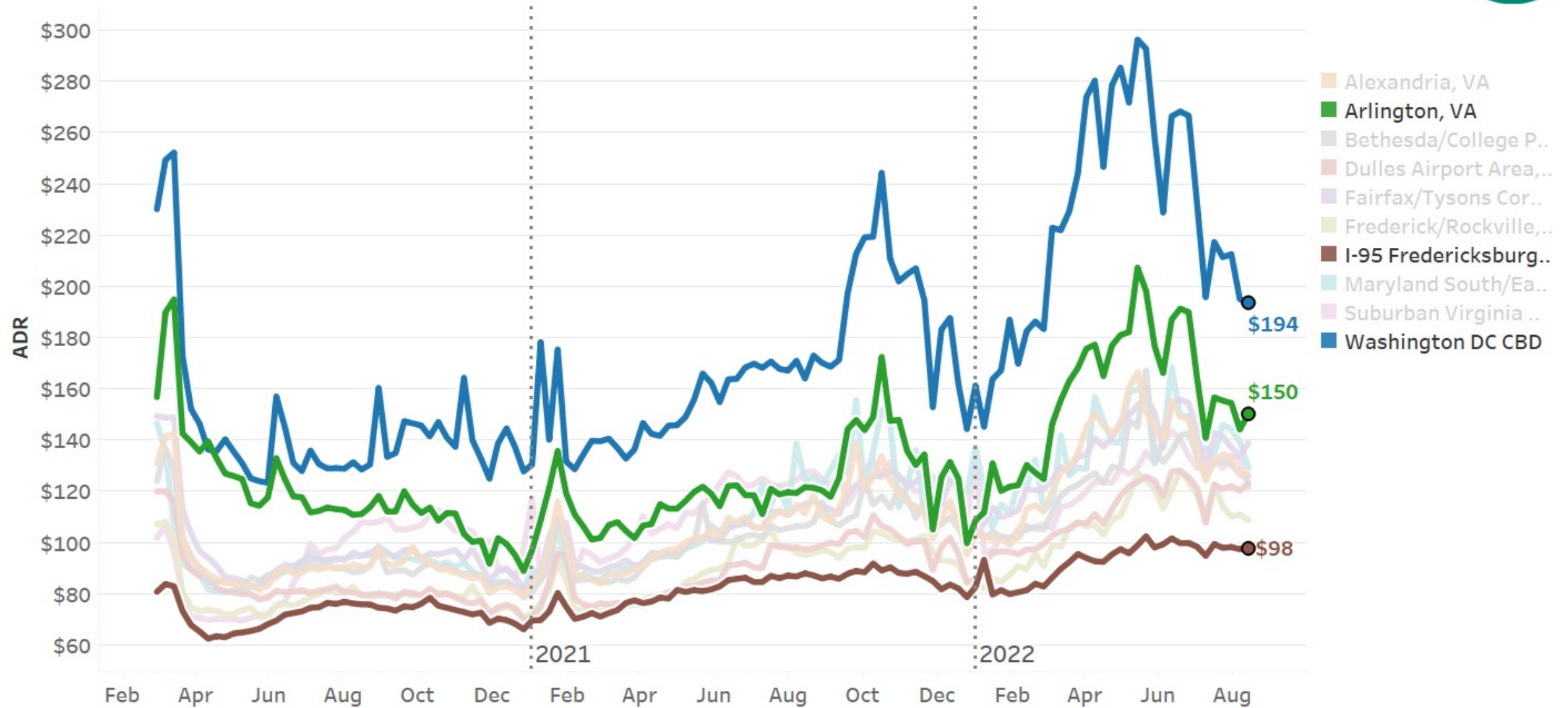
Weekly Occupancy: Recent DC Leader/Laggard Submarkets

Feb 2020 to Aug 13, 2022



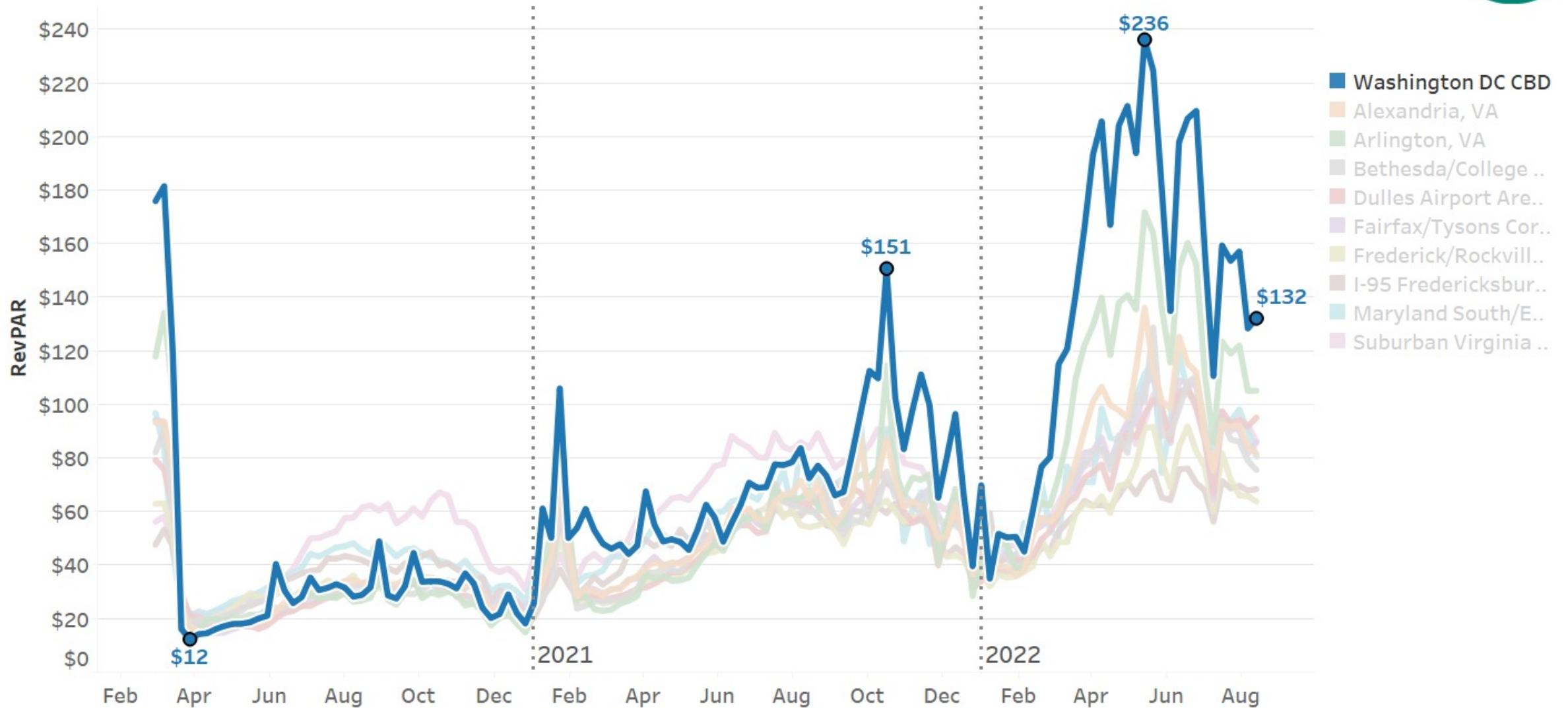
Weekly ADR: CBD Still Leads

Feb 2020 to Aug 13, 2022



Weekly RevPAR: Solid Early Summer for CBD, Second Half Softer

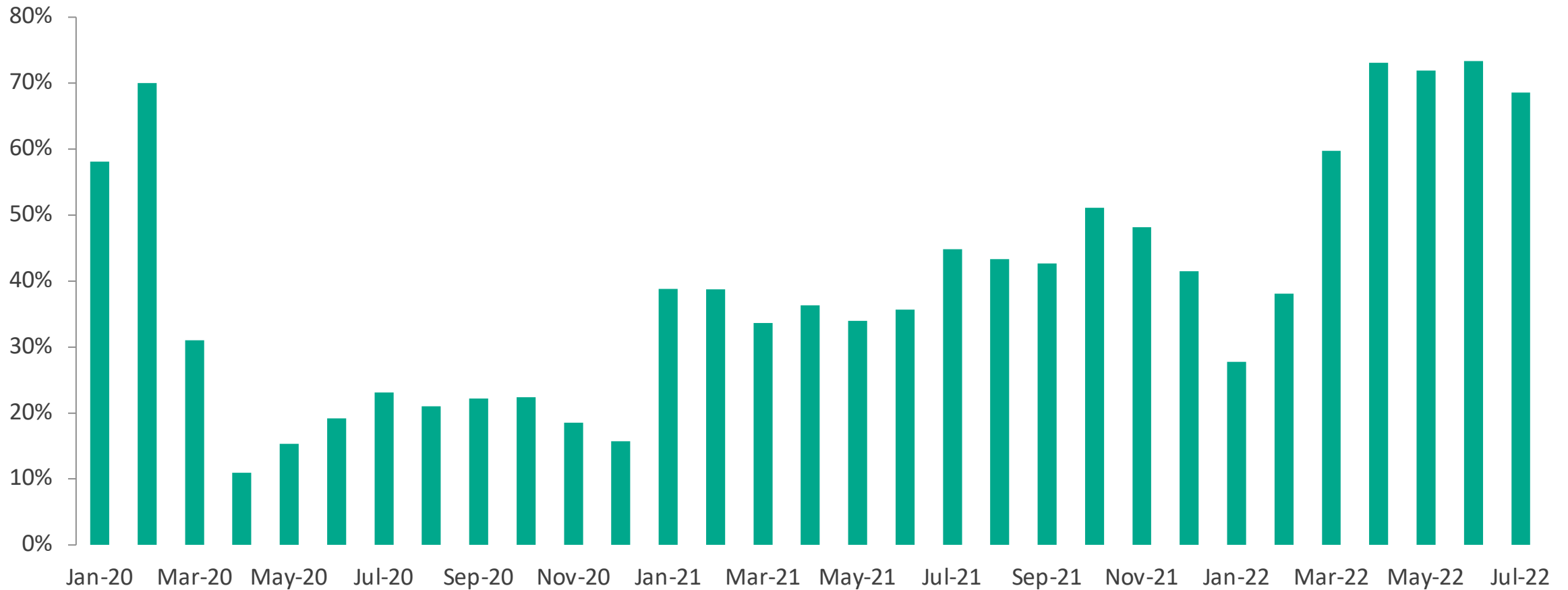
Feb 2020 to Aug 13, 2022





CBD occupancy improves substantially beginning Q2 2022

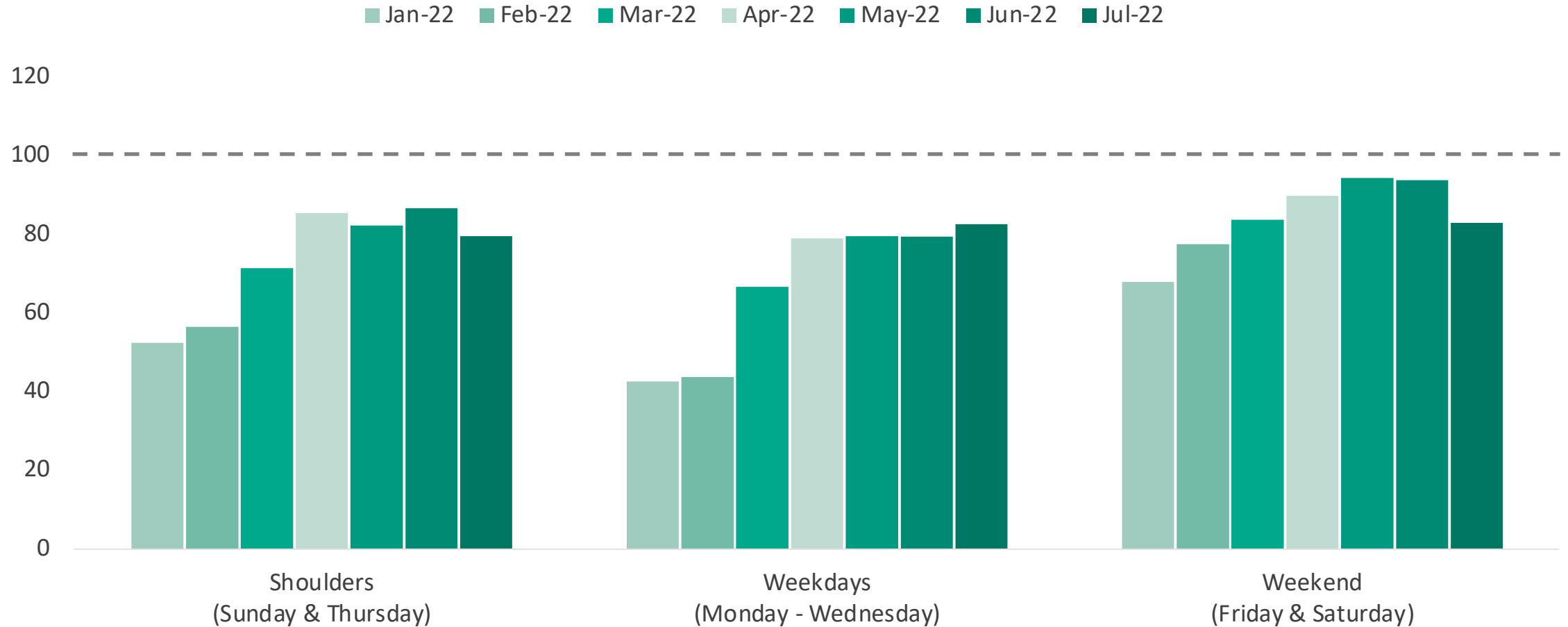
Washington DC CBD, occupancy, Jan 2020 – Jul 2022





DOW segments recovering at similar pace until July

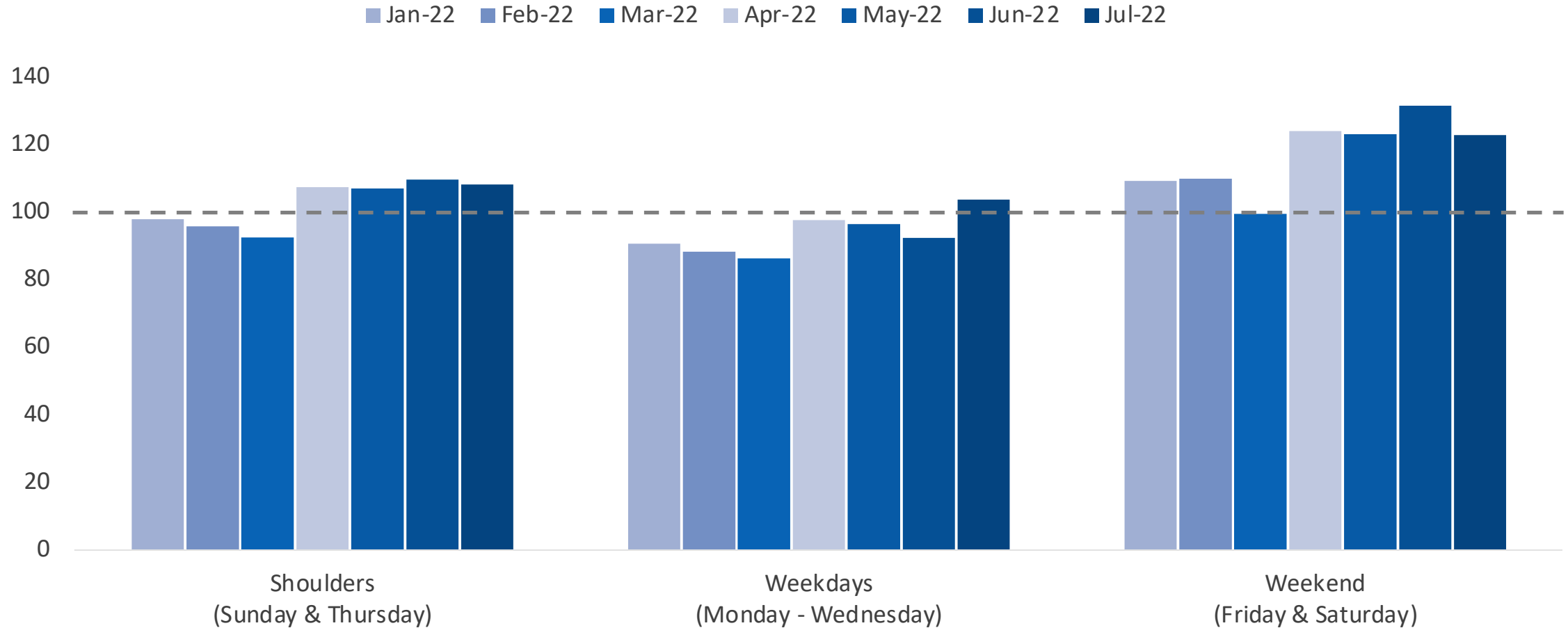
Washington DC CBD, occ by day of week, indexed to 2019, Jan 2022 – Jul 2022





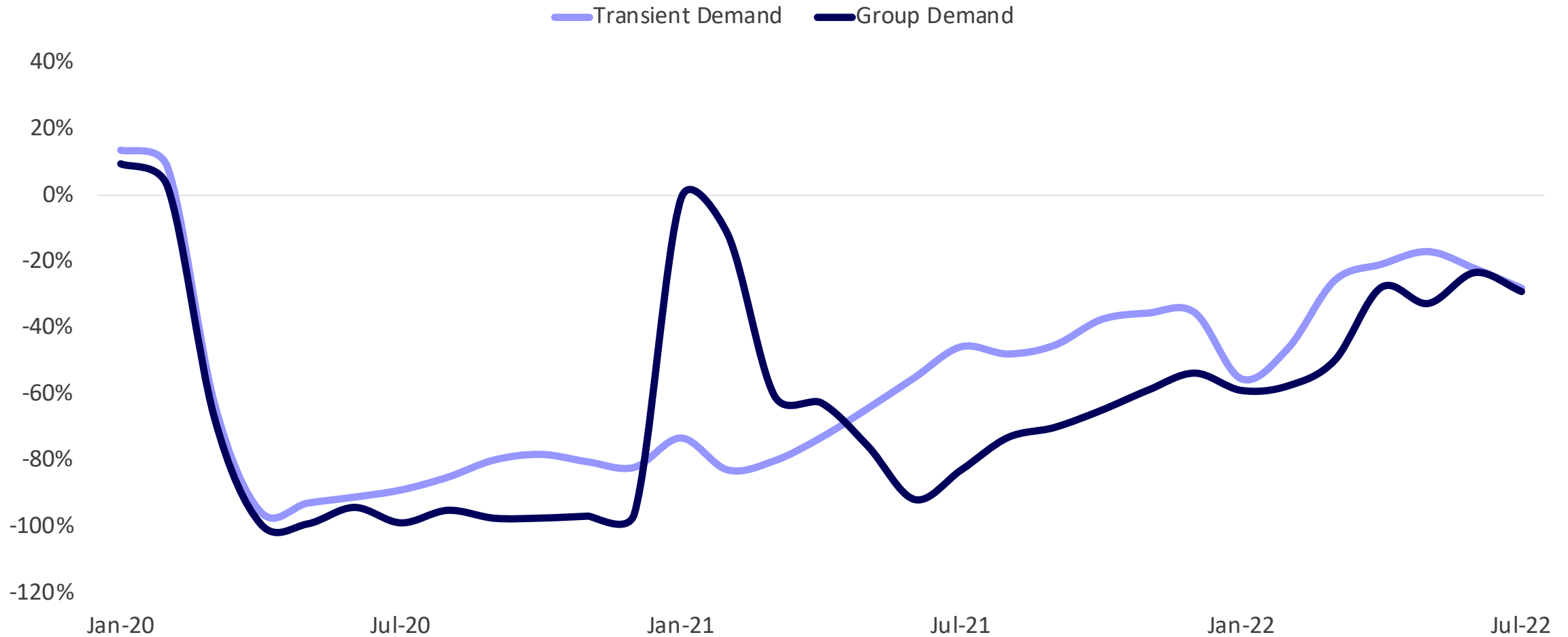
While weekend ADR leads CBD rate recovery

Washington DC CBD, ADR by day of week, indexed to 2019, Jan 2022 – Jul 2022



CBD demand recovery reflects slow rebound to biz transient travel

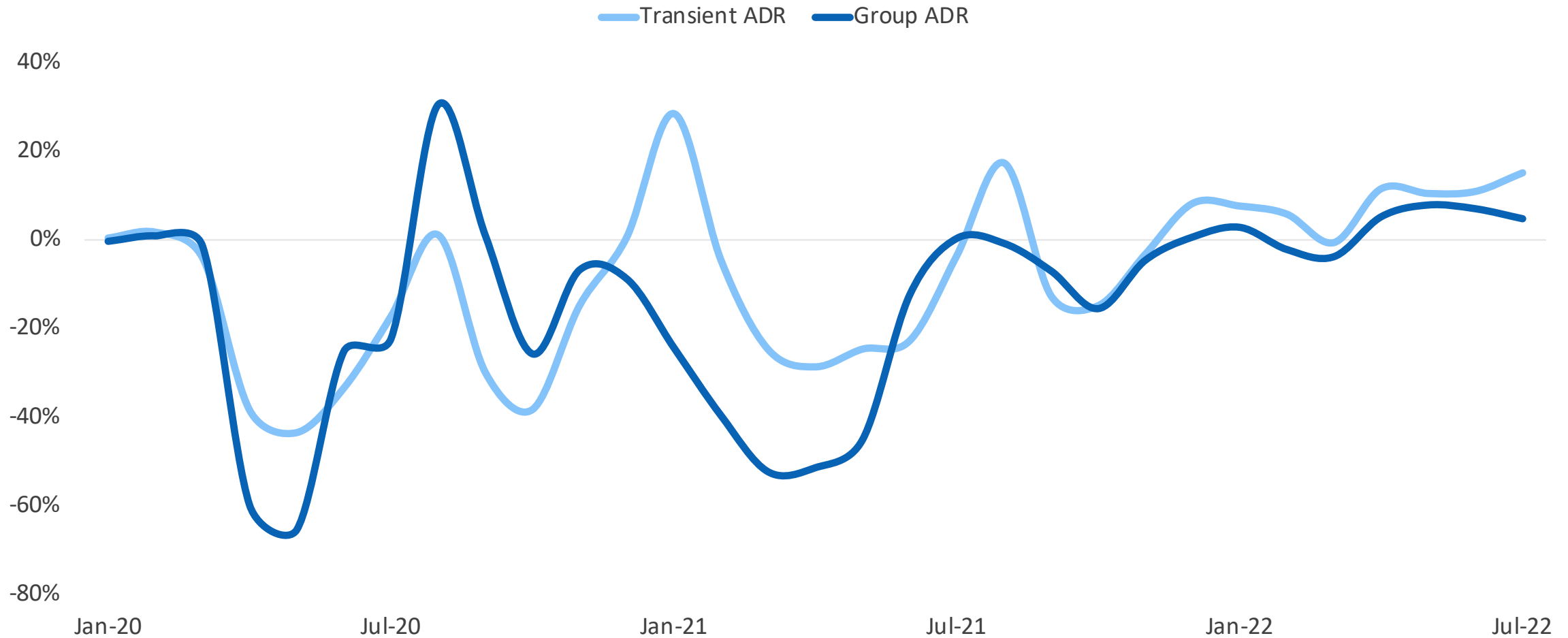
DC CBD, Luxury & Upper Ups classes, demand indexed to 2019, Jan 2020 – Jul 2022





CBD ADR growth slow but steady

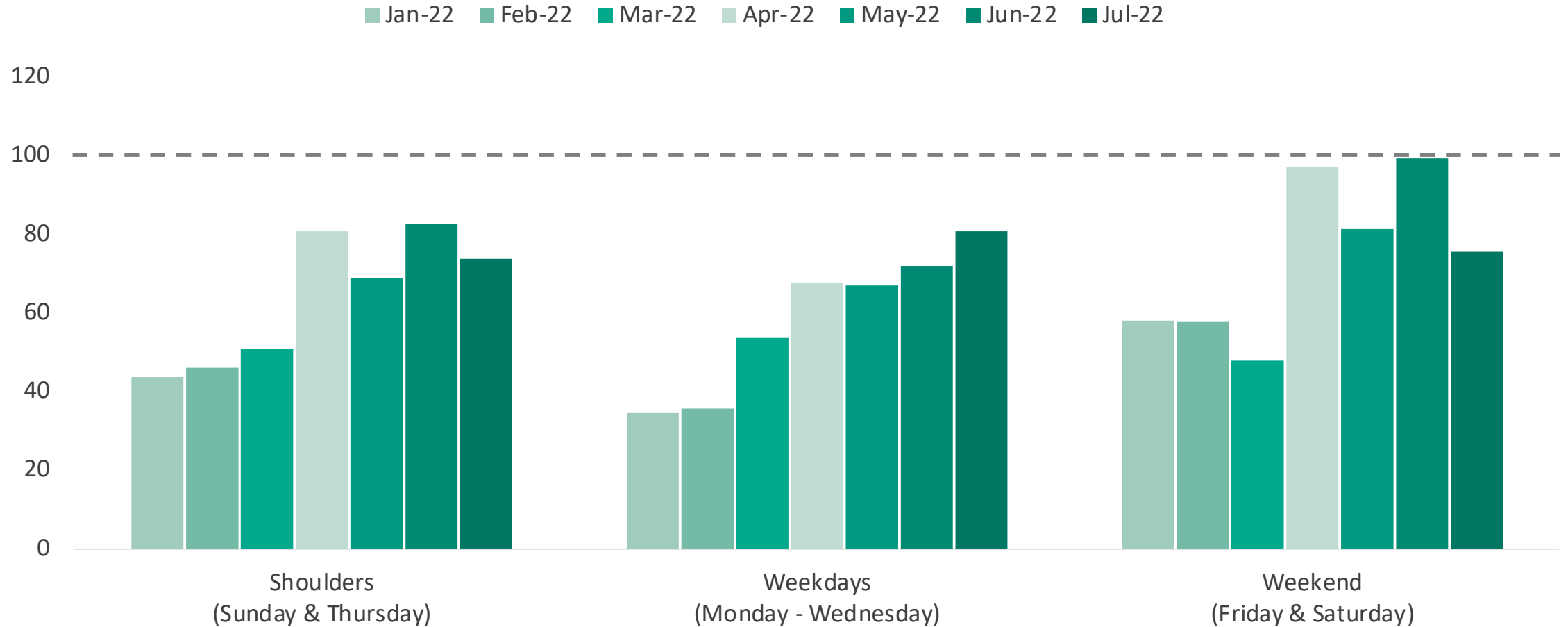
DC CBD, Luxury & Upper Ups classes, ADR indexed to 2019, Jan 2020 – Jul 2022





Group recovery skewed to weekend, shoulders

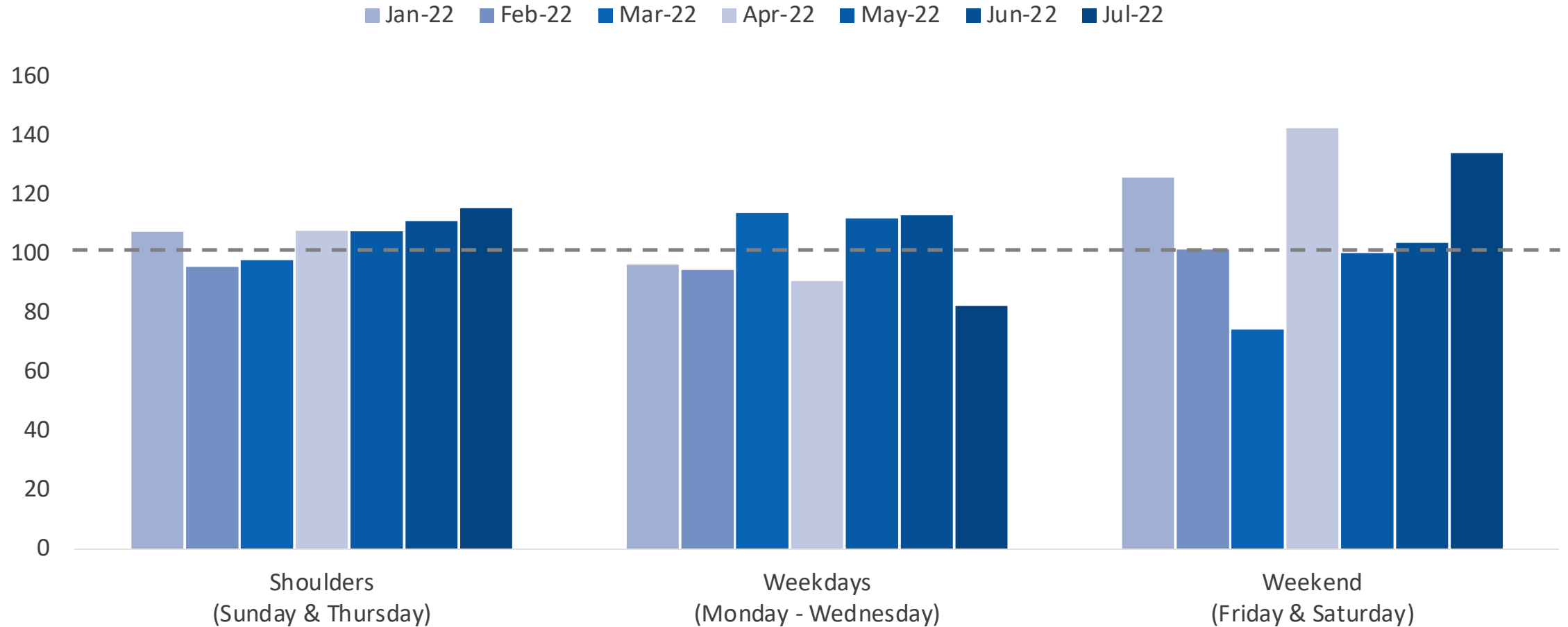
Washington DC CBD, Lux & Upper Ups, **Group** occ, indexed to 2019, Jan 2022 – Jul 2022





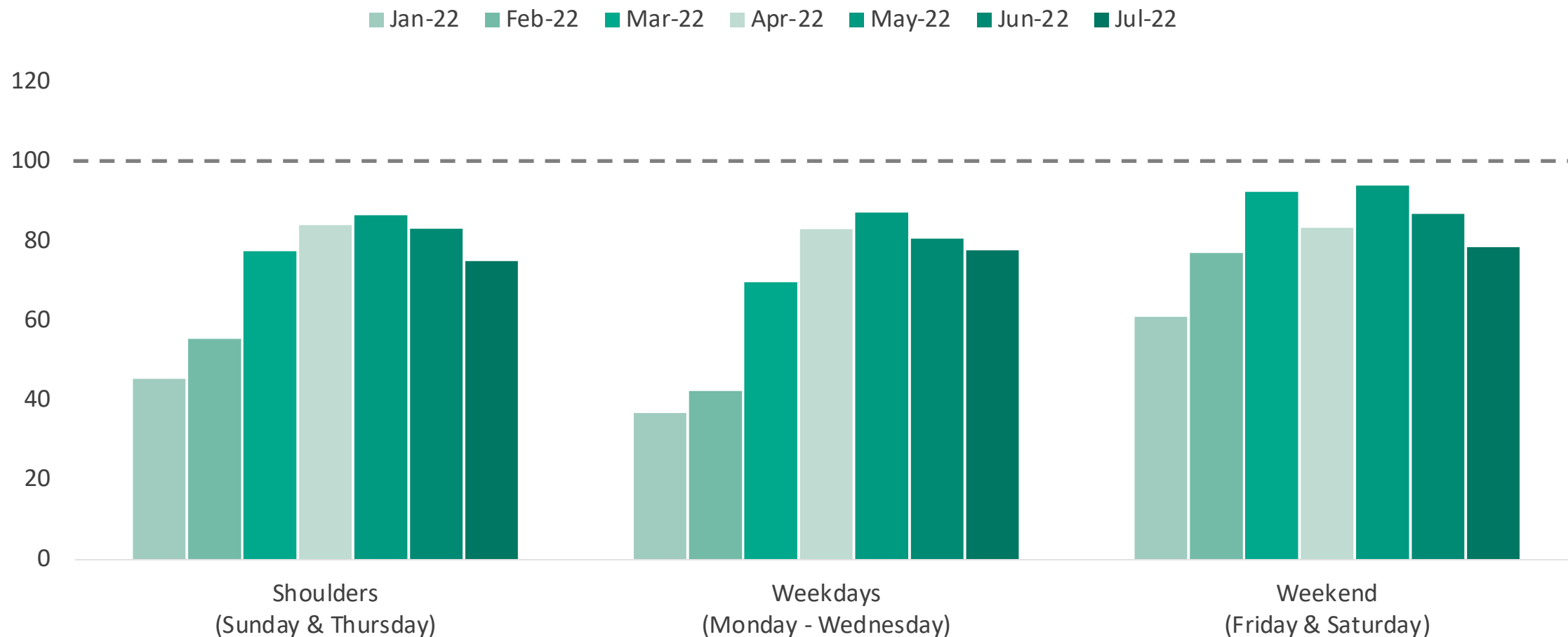
Group rate recovery evenly distributed by DOW until July

Washington DC CBD, Lux & Upper Ups, **Group** ADR, indexed to 2019, Jan 2022 – Jul 2022



Summer vacations push weekend demand recovery ahead of weekday in July

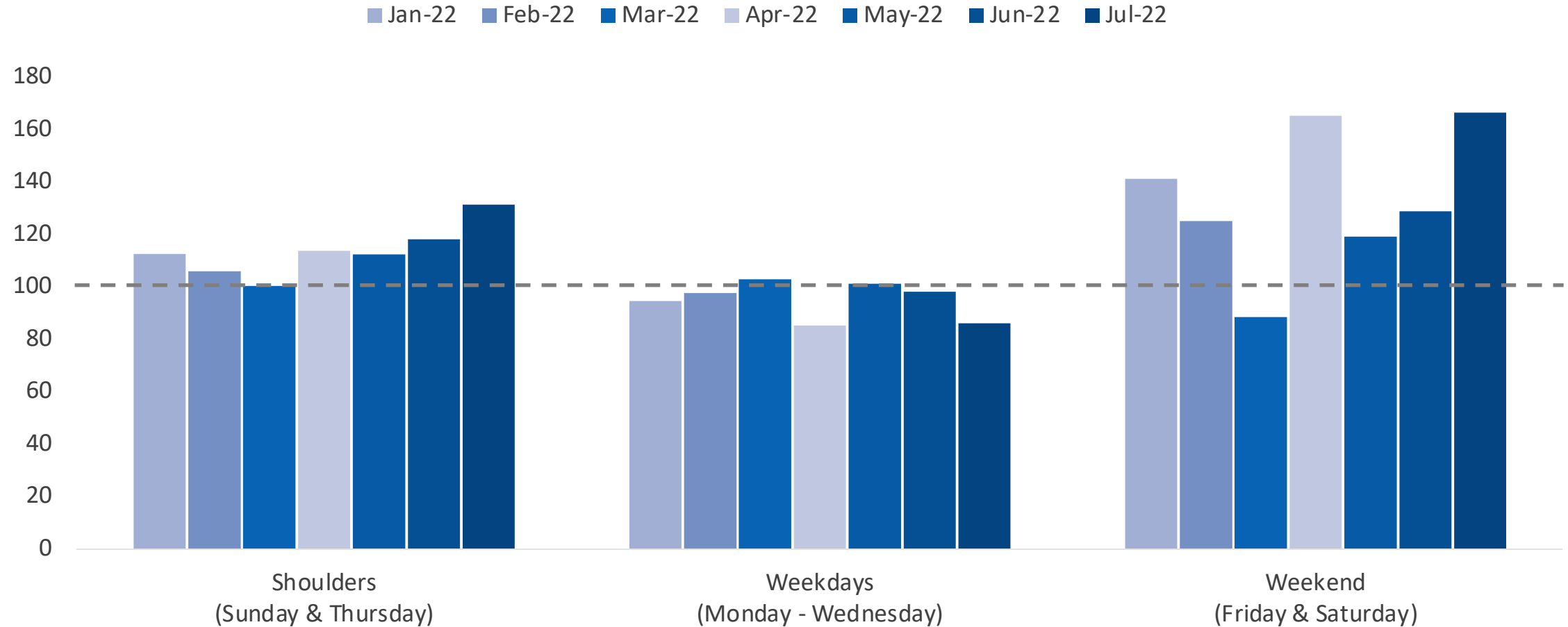
Washington DC CBD, Lux & Upper Ups, **Transient** occ, indexed to 2019, Jan 2022 – Jul 2022





Transient ADR reflects the skew to summer leisure travel

Washington DC CBD, Lux & Upper Ups, Transient ADR, indexed to 2019, Jan 2022 – Jul 2022





Washington, D.C. Metro Market Forecast

Washington, DC Metro Market Forecast

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Key Performance Indicators

2020 – 2021 – 2022F – 2023F



Metric	2019 Actual	2021 Actual	2022 Forecast	2023 Forecast
Occupancy*	71%	48%	62%	67%
ADR	\$161	\$120	\$161	\$172
RevPAR*	\$113	\$58	\$99	\$115

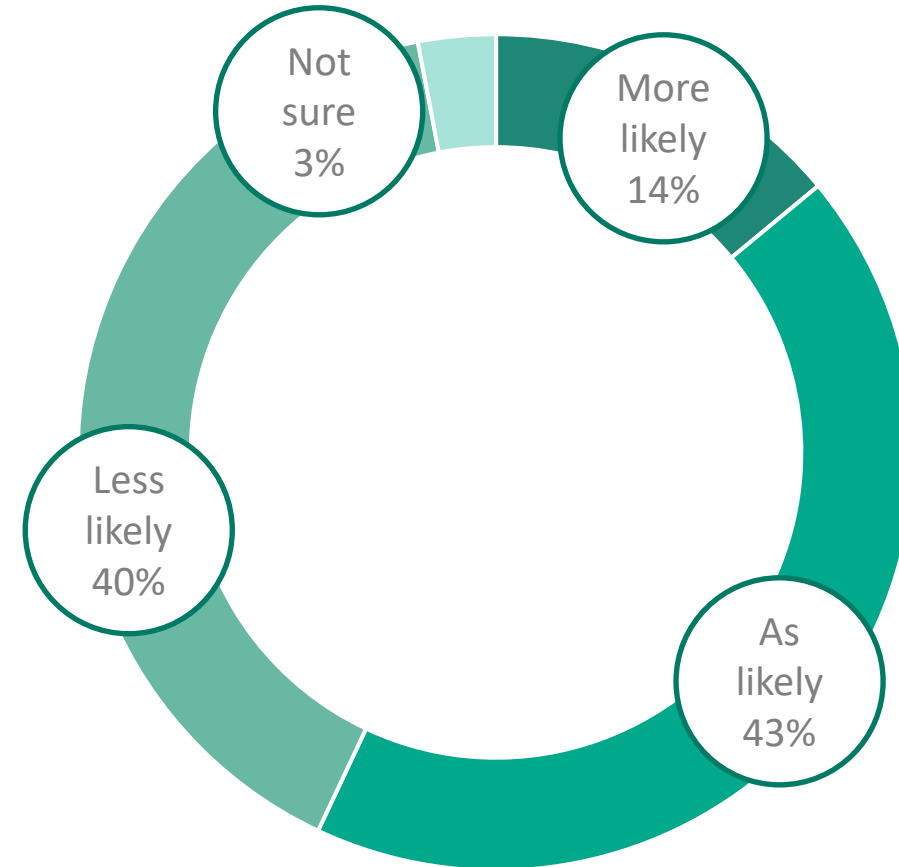


Outlook for Business Travel



Outlook for Business Travel is Cloudy At Best

Likelihood of business travel (Post pandemic)



Less likely – “I **see airport issues as a major problem** for travel currently. I think business travel will be reduced by the fact that businesses have become **accustomed to virtual meetings**”

Less likely – “Business travels reduced drastically because **remote meetings and virtual conference came to replace old habits.**”

Less likely – “More to do with my **employer's concerns and rules than what I would prefer to do.**”

As likely – “In reality, I believe that in the future, the possibilities for business or leisure travel will be **influenced mainly by economic conditions**”

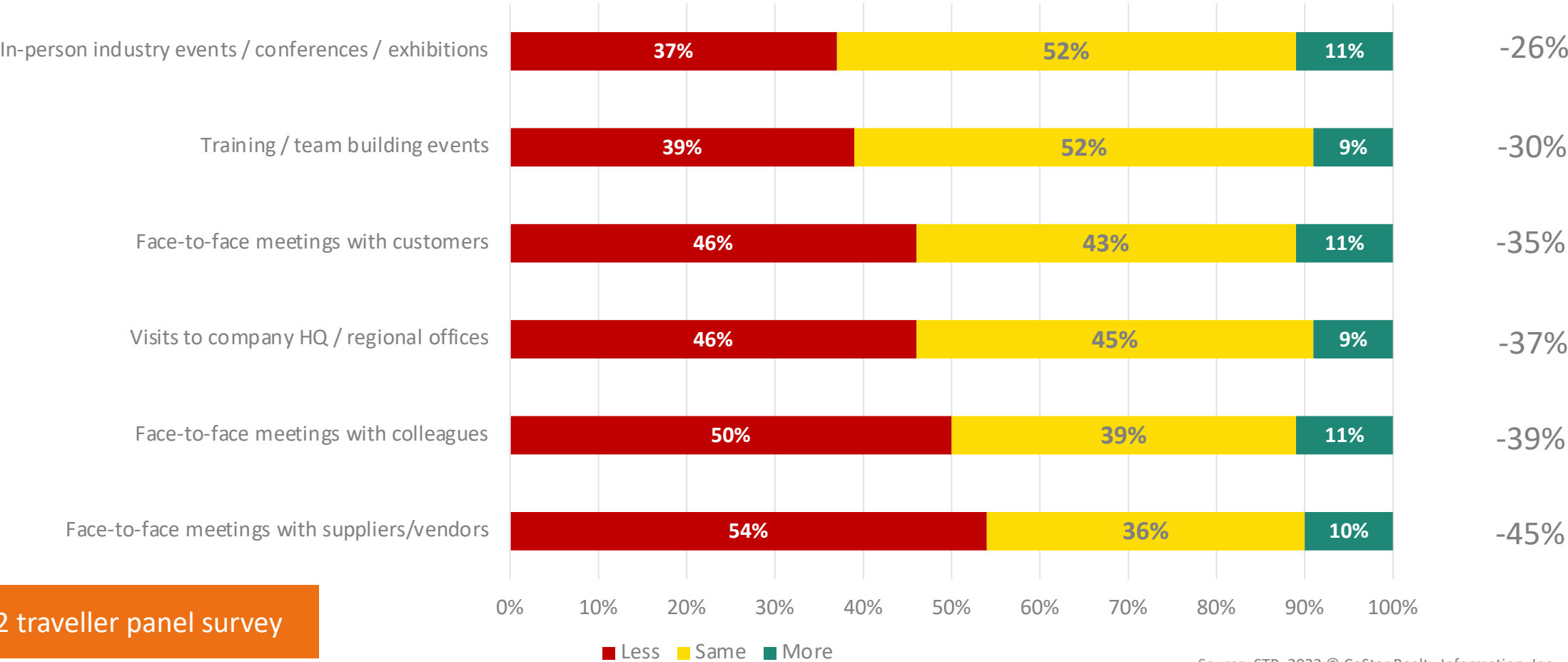
Jul 2022 traveller panel survey



Business travel to meet suppliers and vendors is most likely to be reduced in the future while travel for in-person events is least likely to be reduced.

Types of business travel in future compared with pre-COVID-19

Net Result

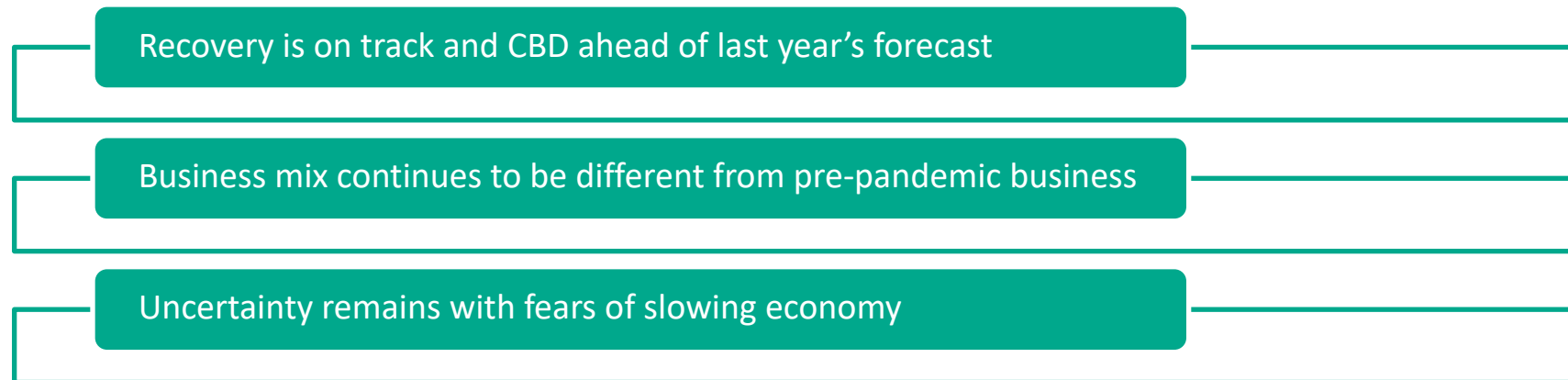


Jul 2022 traveller panel survey

Source: STR. 2022 © CoStar Realty Information, Inc.

Q: Are you likely to undertake more, the same or less of the following types of business travel in the future compared with before the pandemic?
Base (Business Travelers excludes N/A and Not Sure responses): Jul 22 (n=max 345) | Net Result is difference between 'Less' and 'More' responses

Summary





Thank You

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HOTEL DATA
CONFERENCE
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