

The World Around Us

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U.S. Trends & Projections *State of the Industry*

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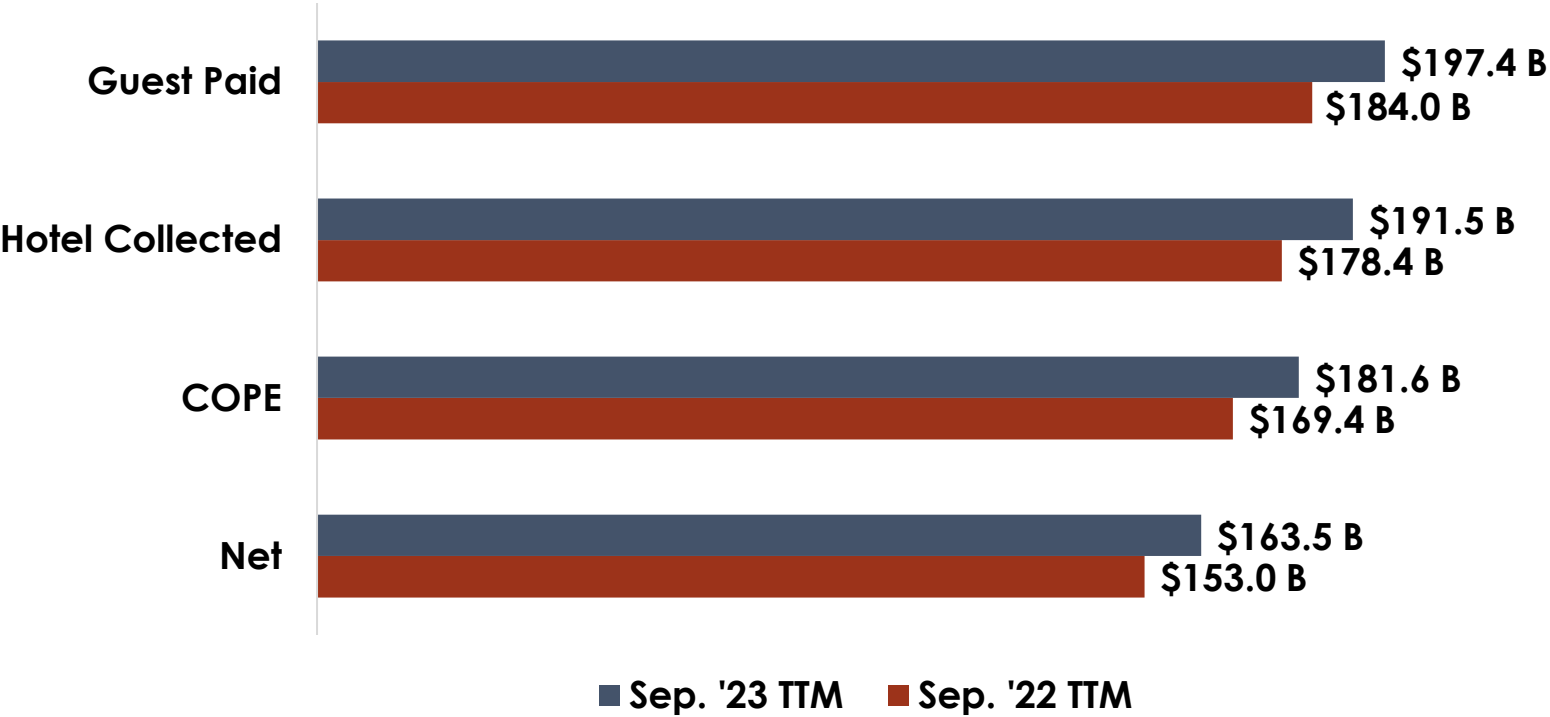
Me taking a picture of the notes knowing damn well I'll never look at it again





As Revenue Capture Declines, Real Estate Values Erode

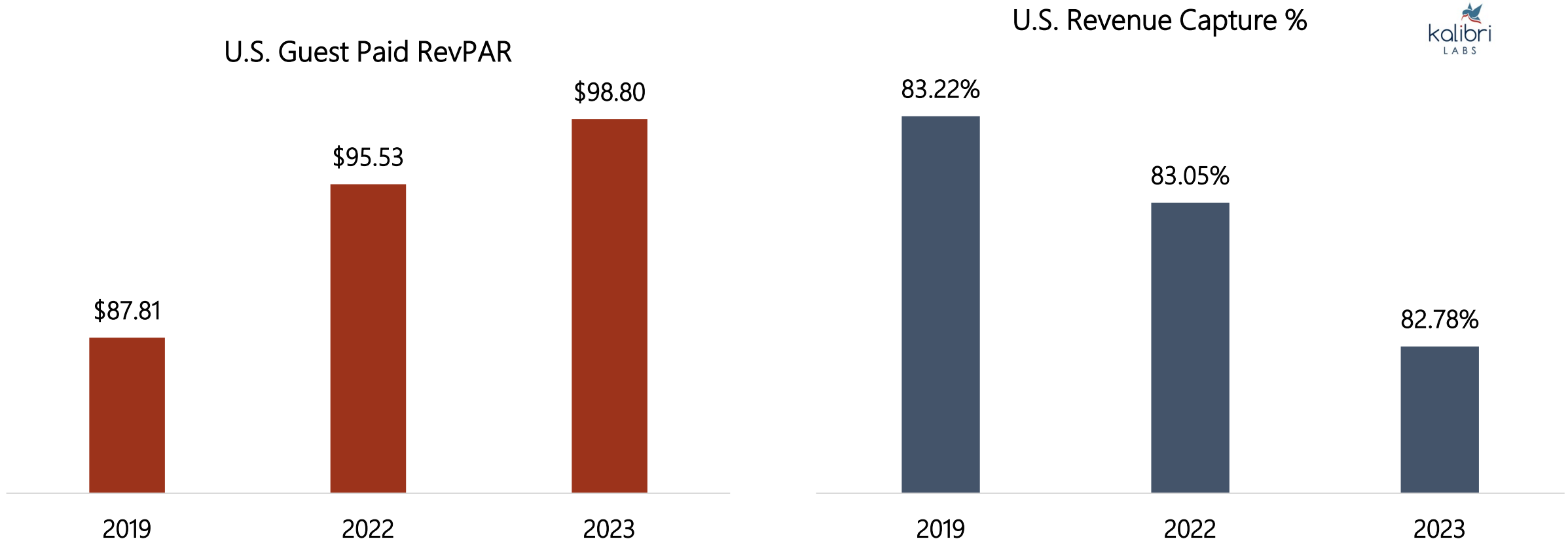
2022 and 2023 September Trailing 12 Months



	Net Revenue	Revenue Capture
Sep. '23 TTM	\$163.5B	82.80%
Sep. '22 TTM	\$153.0B	83.13%
Difference	\$10.5B	-0.33%

U.S. - As RevPAR Increases, Revenue Capture Declines

2019, 2022 and 2023(f) Full Year



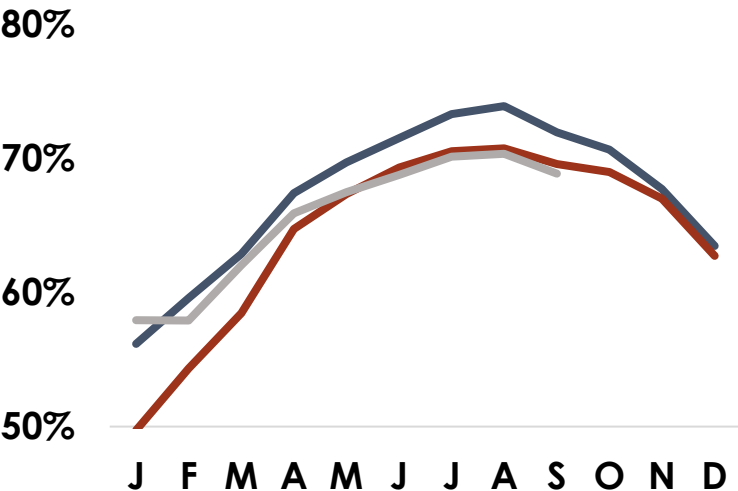
Occupancy, Guest Paid ADR, and Guest Paid RevPAR are flattening 2023 vs. 2022

2019, 2022 Full Year, and 2023 September YTD- All U.S. Hotels



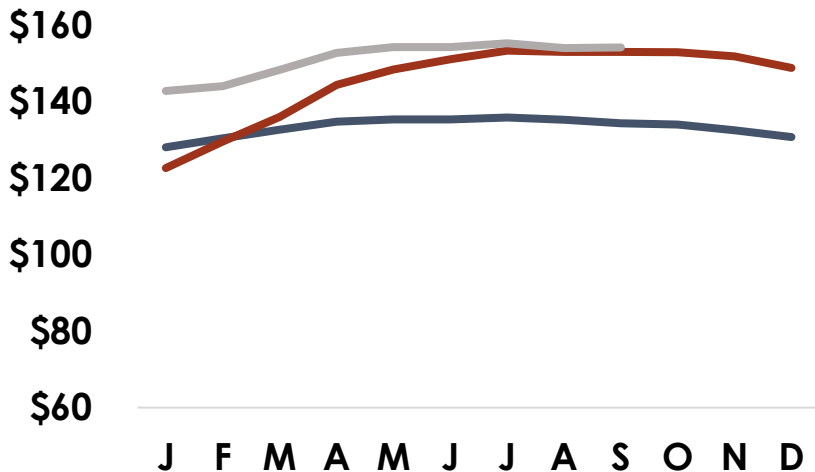
Occupancy by Month (T3M)

—2019 —2022 —2023



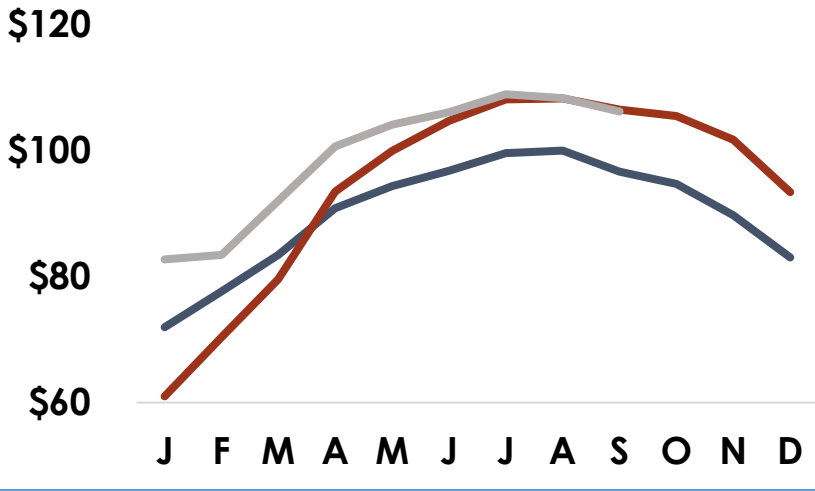
Guest-Paid ADR by Month (T3M)

—2019 —2022 —2023



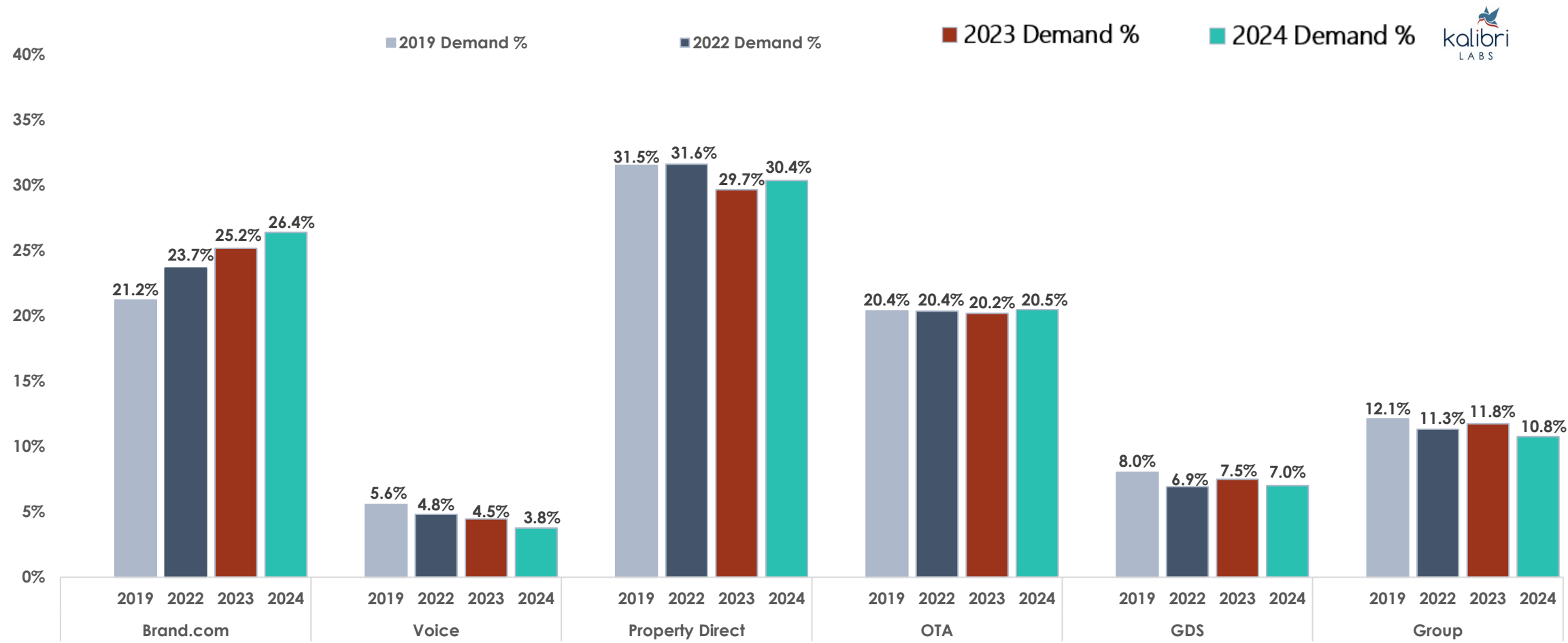
Guest-Paid RevPAR by Month (T3M)

—2019 —2022 —2023



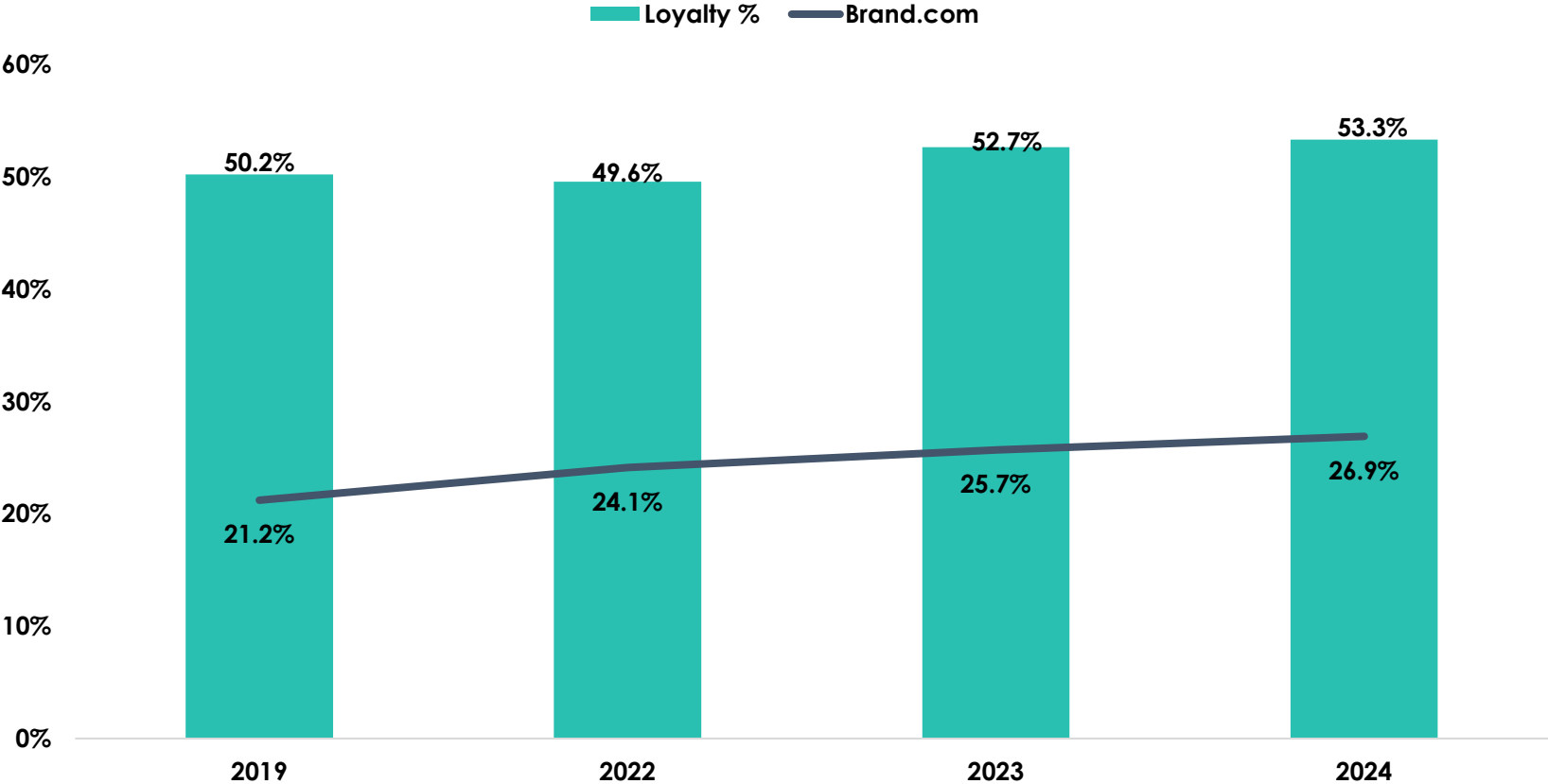
U.S. Channel Mix: Brand.com Room Night Demand grows while OTA has been steady since 2019

2019, 2022, 2023(f), and 2024(f)—All Tiers



U.S.: 2023 Loyalty Demand Share (+6.3%) vs. 2022

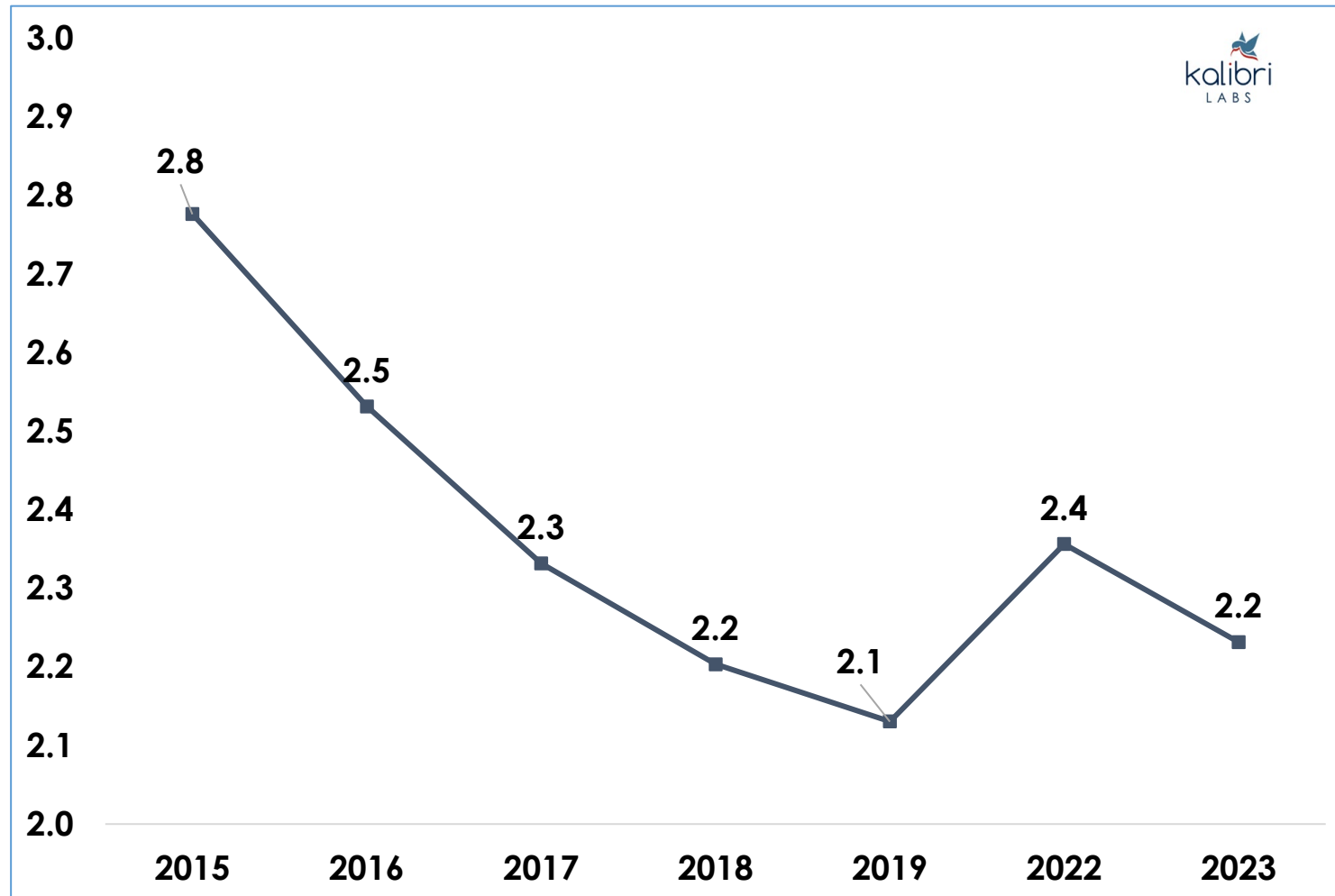
2019, 2022, 2023(f), and 2024(f) Full Year



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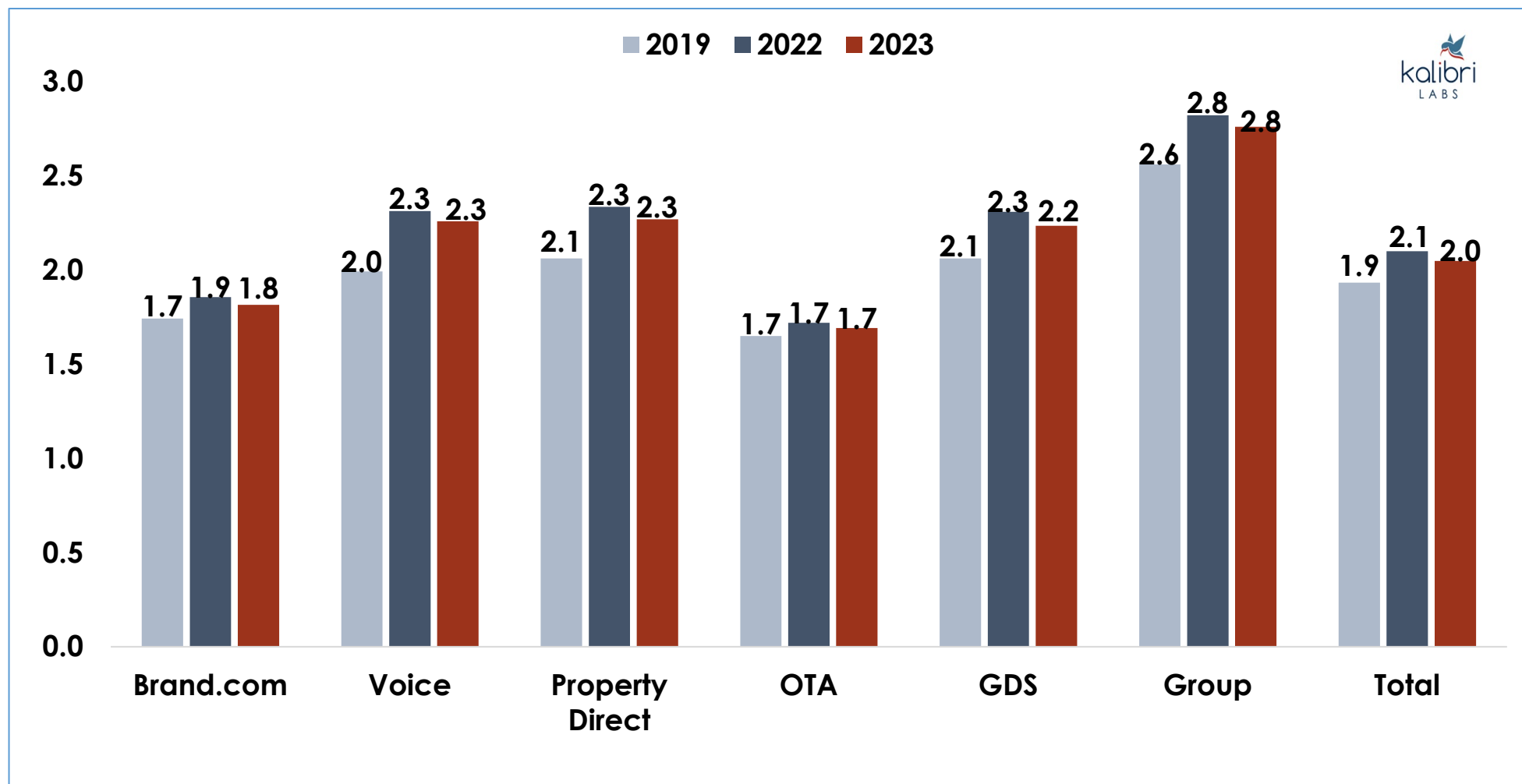
Booking Patterns: Direct/Indirect Ratio has increased post-pandemic

January 2015-September 2023 (Excludes 2020 and 2021)



U.S. Length of Stay: Strong LOS growth in '22 from '19 still holds in '23 despite a slight decline in all channels

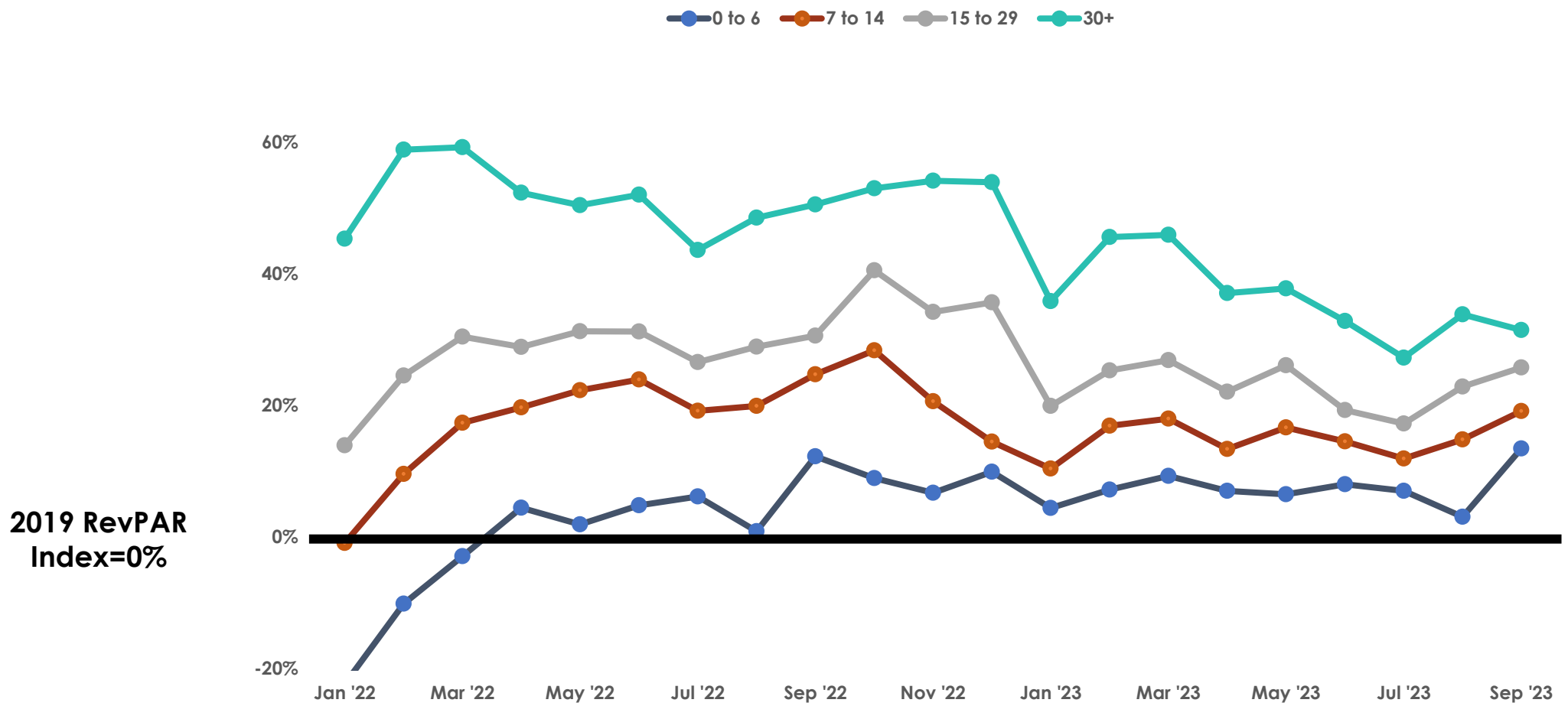
2019, 2022 Full Year and 2023 September YTD - All U.S. Hotels



2023—Sept. YTD Actual

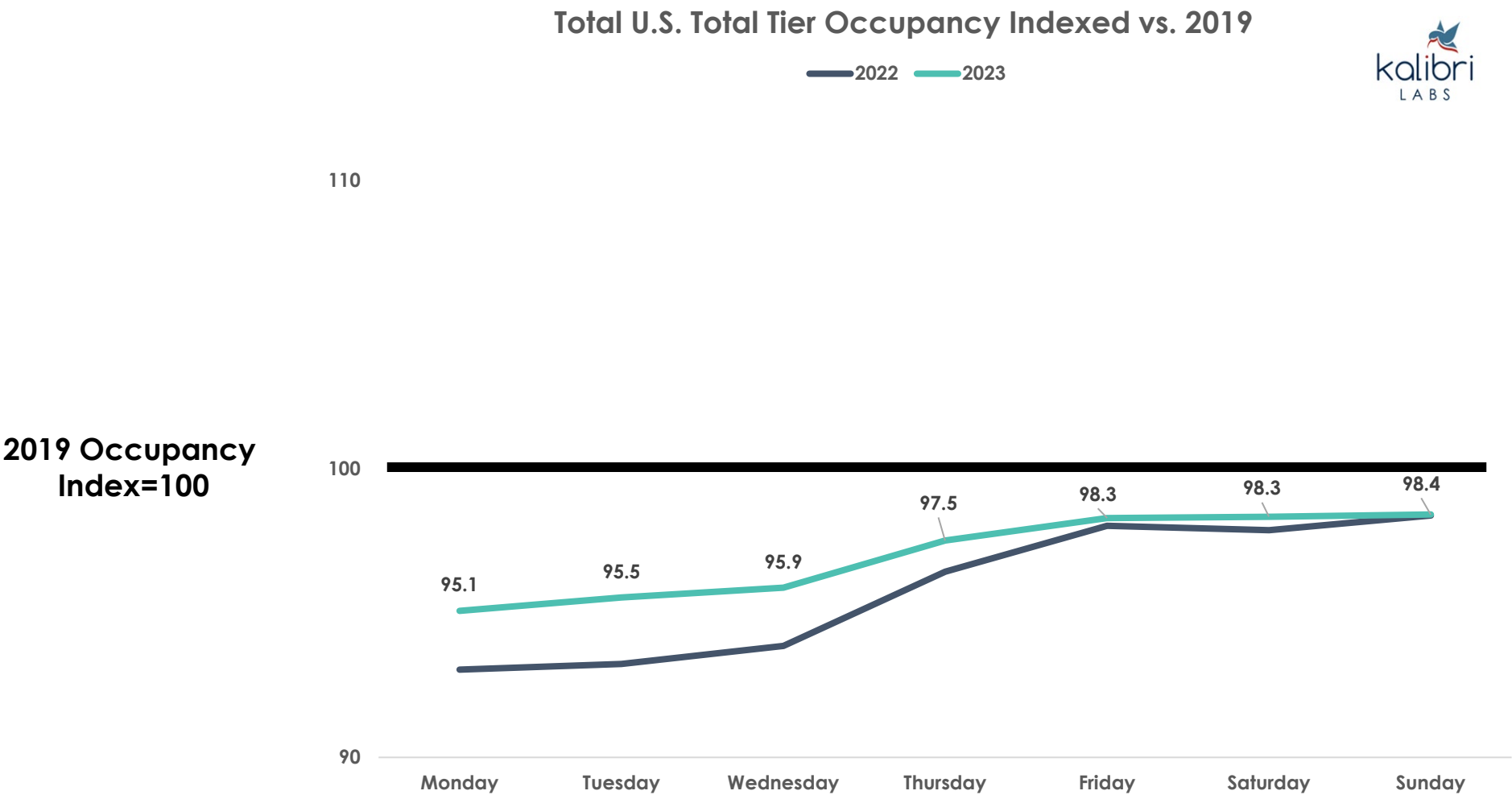
'23 has trended downward with declines in 15-29, 30+; 0-6 stays relatively flat across '23 with ~6% growth to '19

RevPAR Growth-January 2022 –September 2023-Indexed vs. 2019



U.S. Occupancy: Still underperforming on all Days of Week vs. 2019

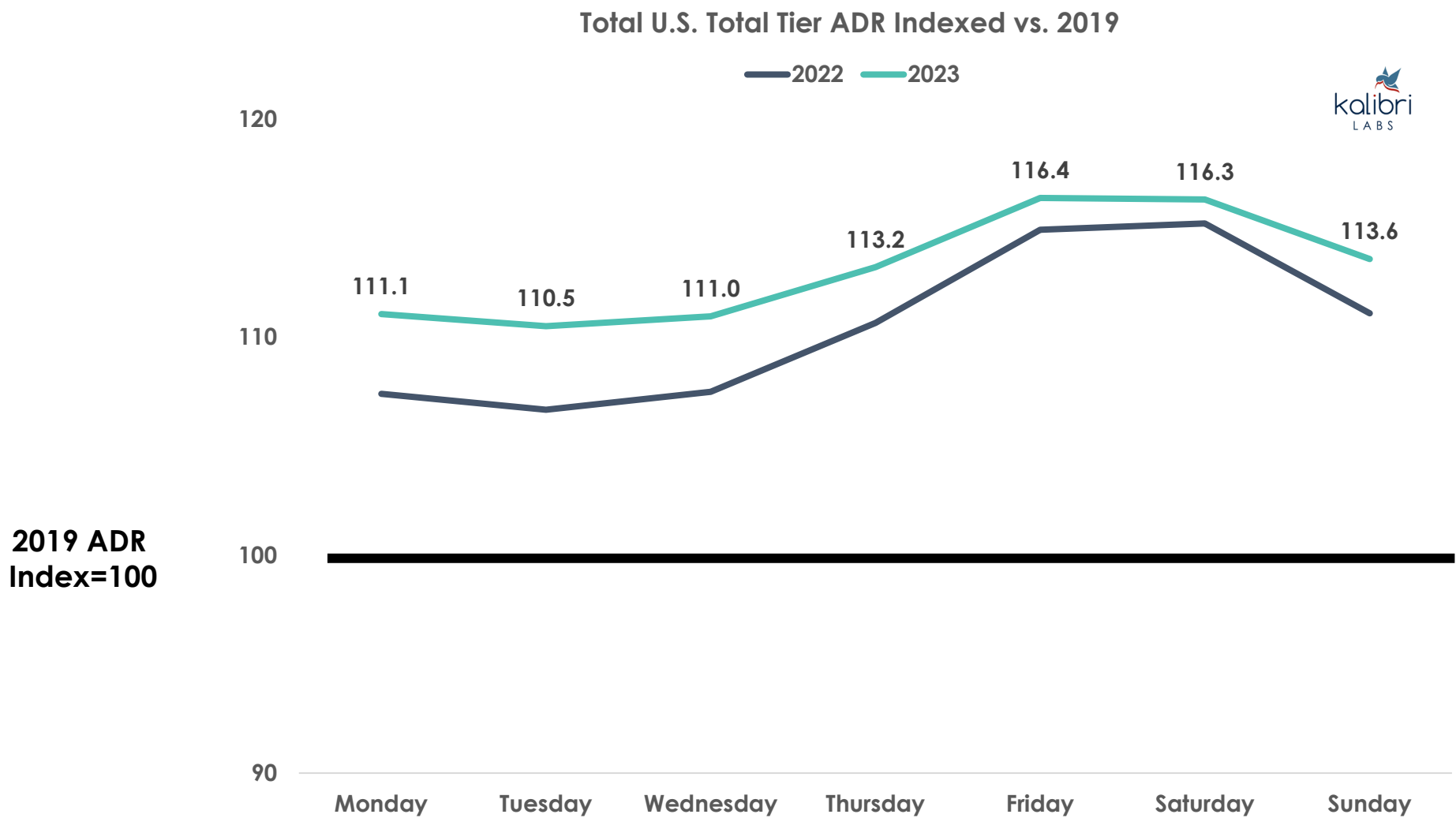
January 2022- December 2023(f) -Indexed vs. 2019



2023—Sept. YTD Actual+ FC

U.S. ADR: 2022 and 2023 are outperforming on all Days of Week vs. 2019

January 2022- December 2023(f) -Indexed vs. 2019

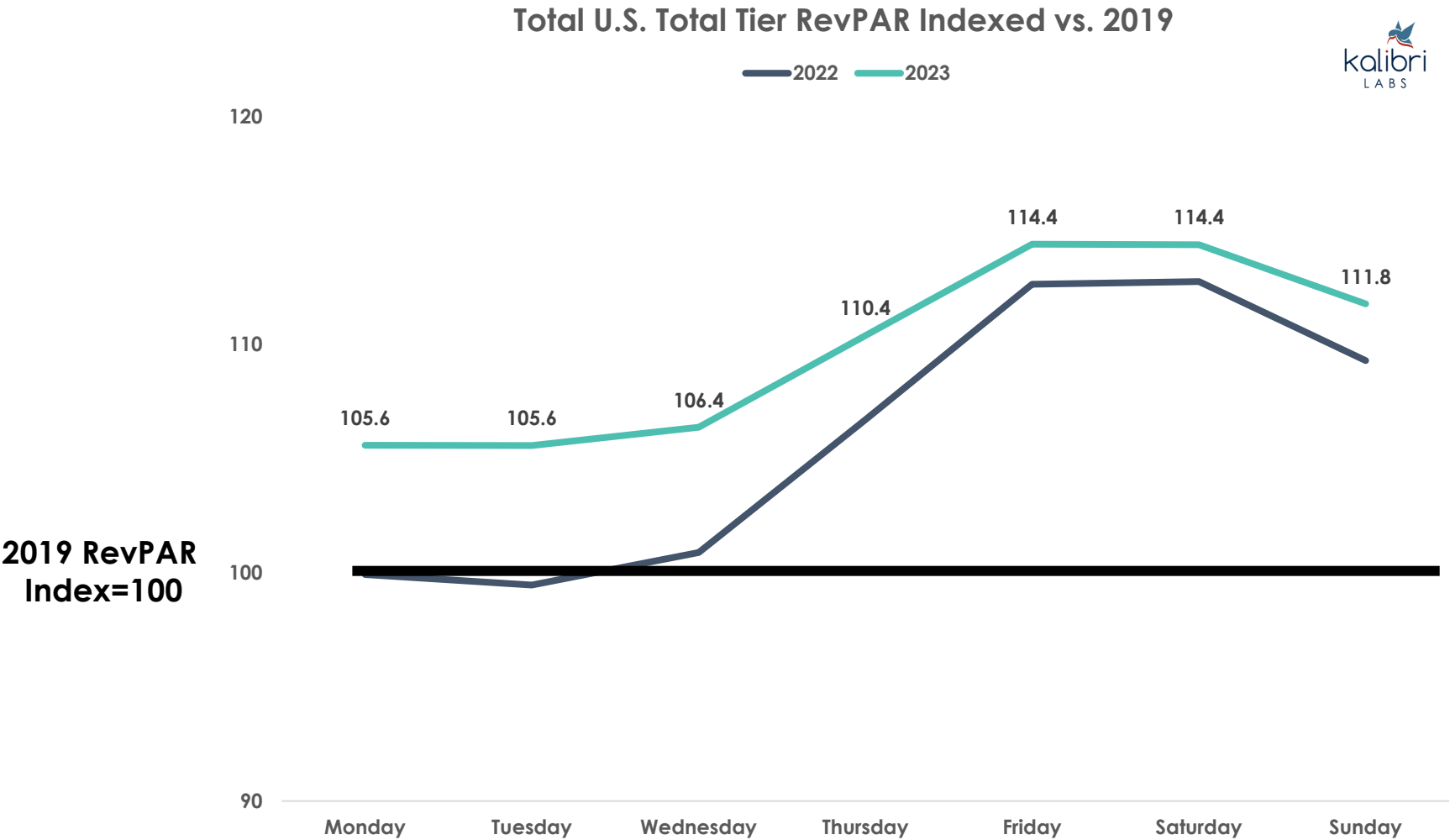


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2023—Sept. YTD Actual+ FC

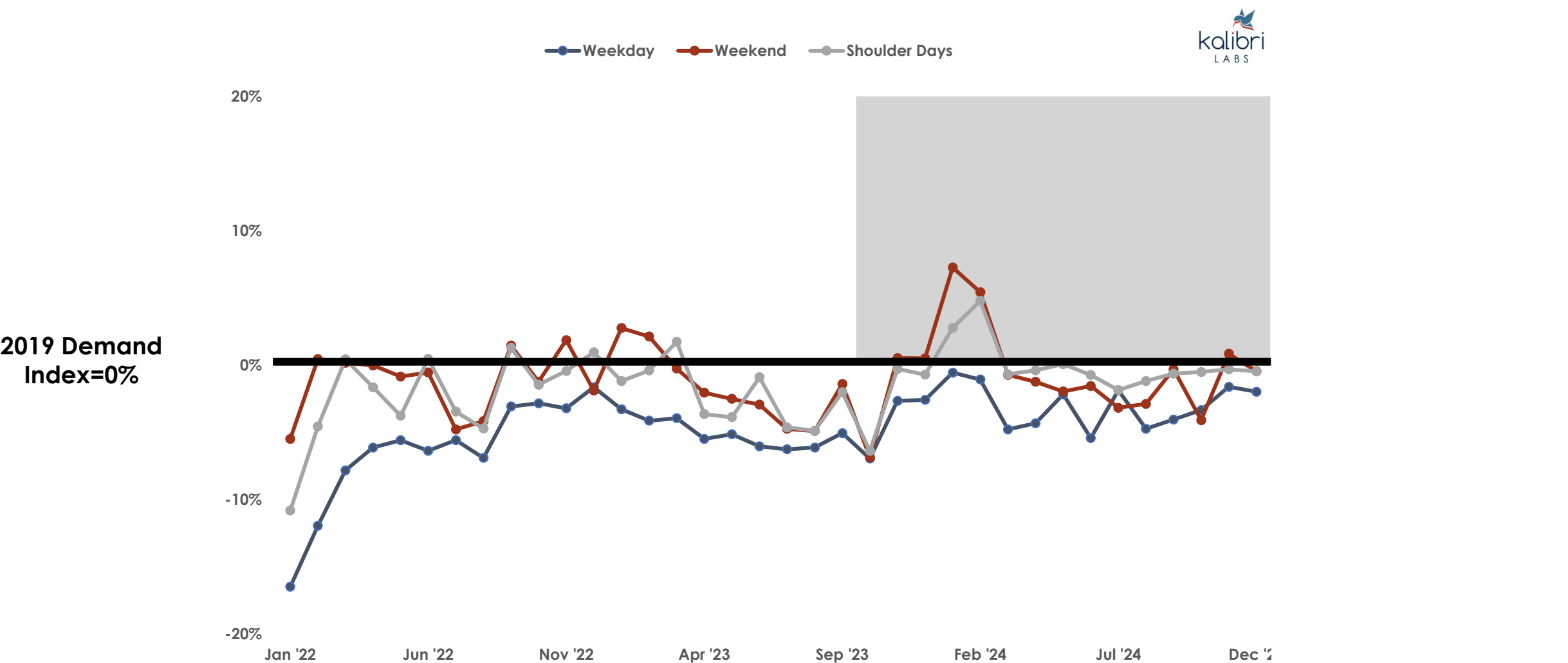
U.S. ADR: 2022 and 2023 are outperforming on all Days of Week vs. 2019

January 2022- December 2023(f) -Indexed vs. 2019



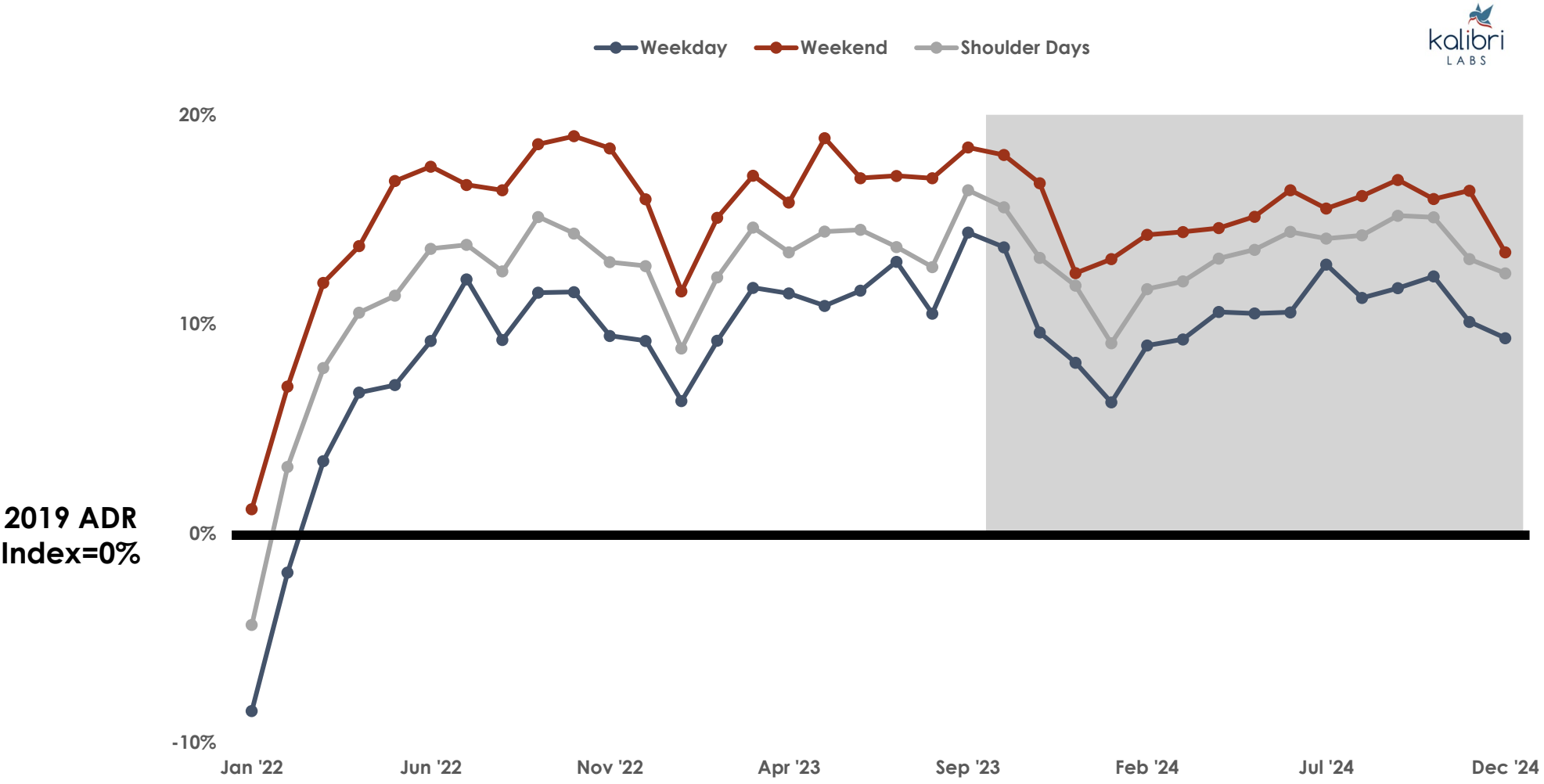
U.S. Room Nights Demand: All Day Parts are still below 2019 levels

January 2022 – December 2024(f)--Indexed vs. 2019



U.S. ADR: All Day Parts are Outperforming 2019, Driven by Weekends

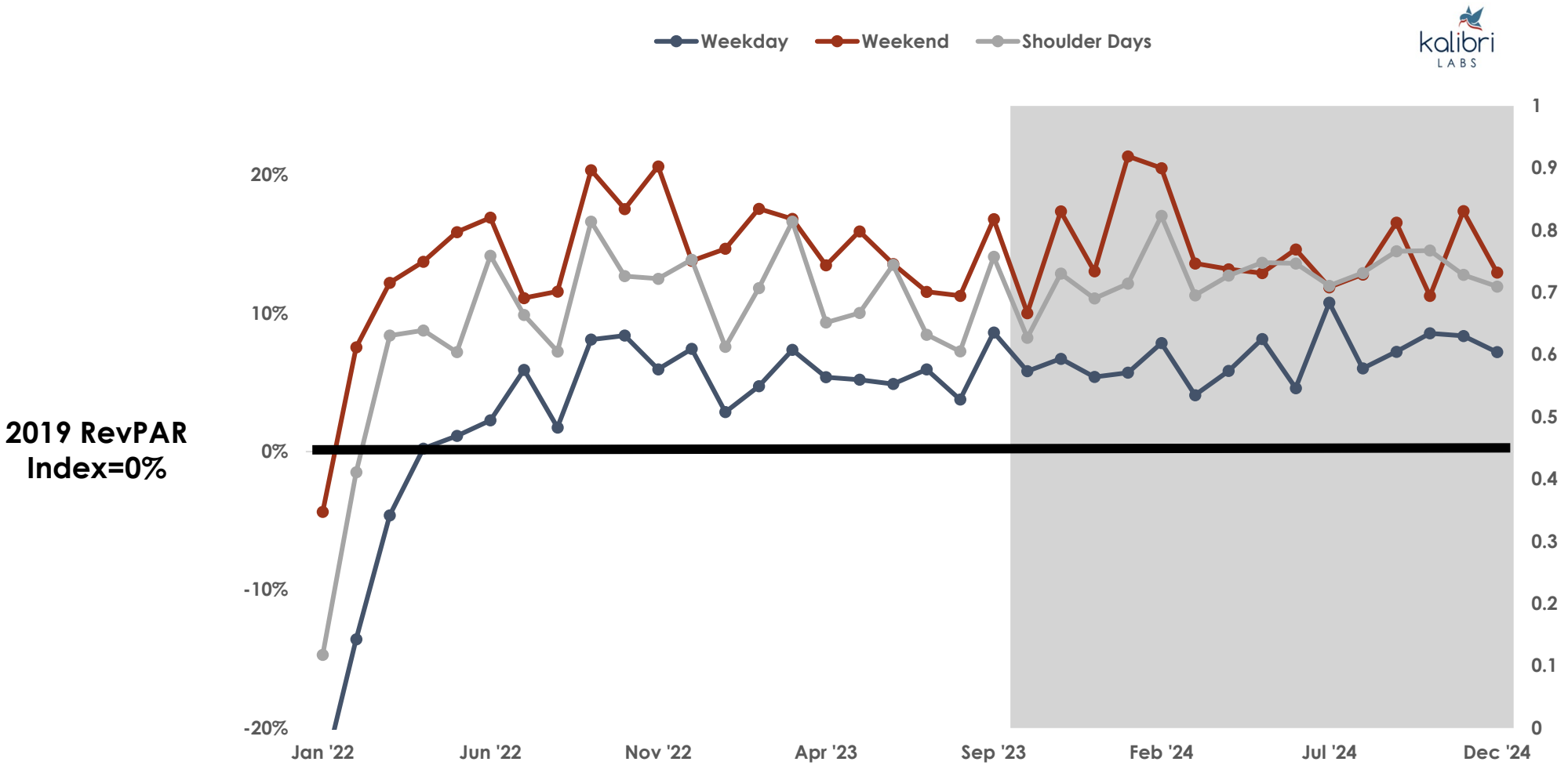
January 2022 – December 2024(f)--Indexed vs. 2019



2019 ADR
Index=0%

U.S. RevPAR Driven by Weekend and Shoulder Days

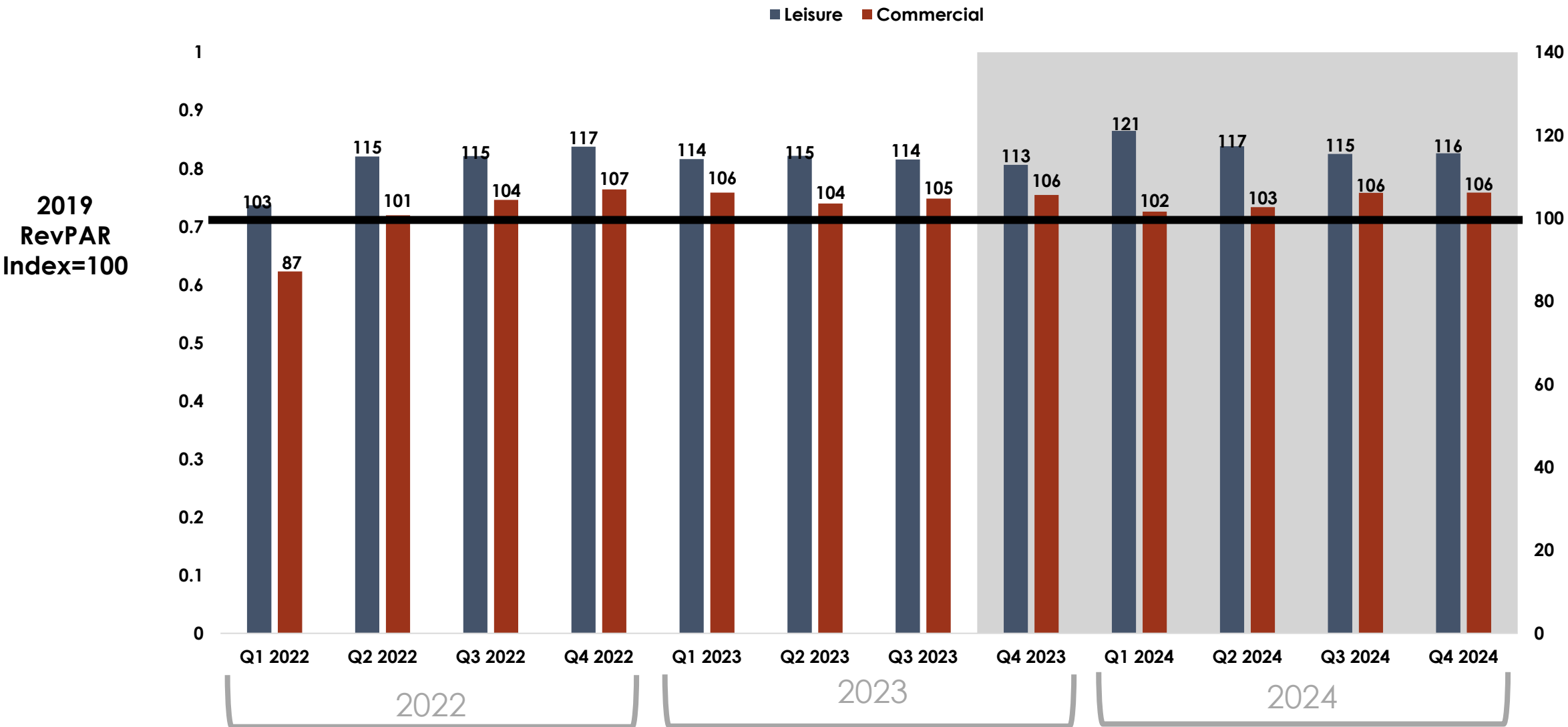
January 2022 – December 2024(f)--Indexed vs. 2019



2019 RevPAR
Index=0%

U.S. Guest Paid RevPAR Contribution – Commercial vs. Leisure

January 2022-December 2024(f) - Indexed vs. 2019



The World Around Us

Steve McCarthy
Senior Director
CoStar Group

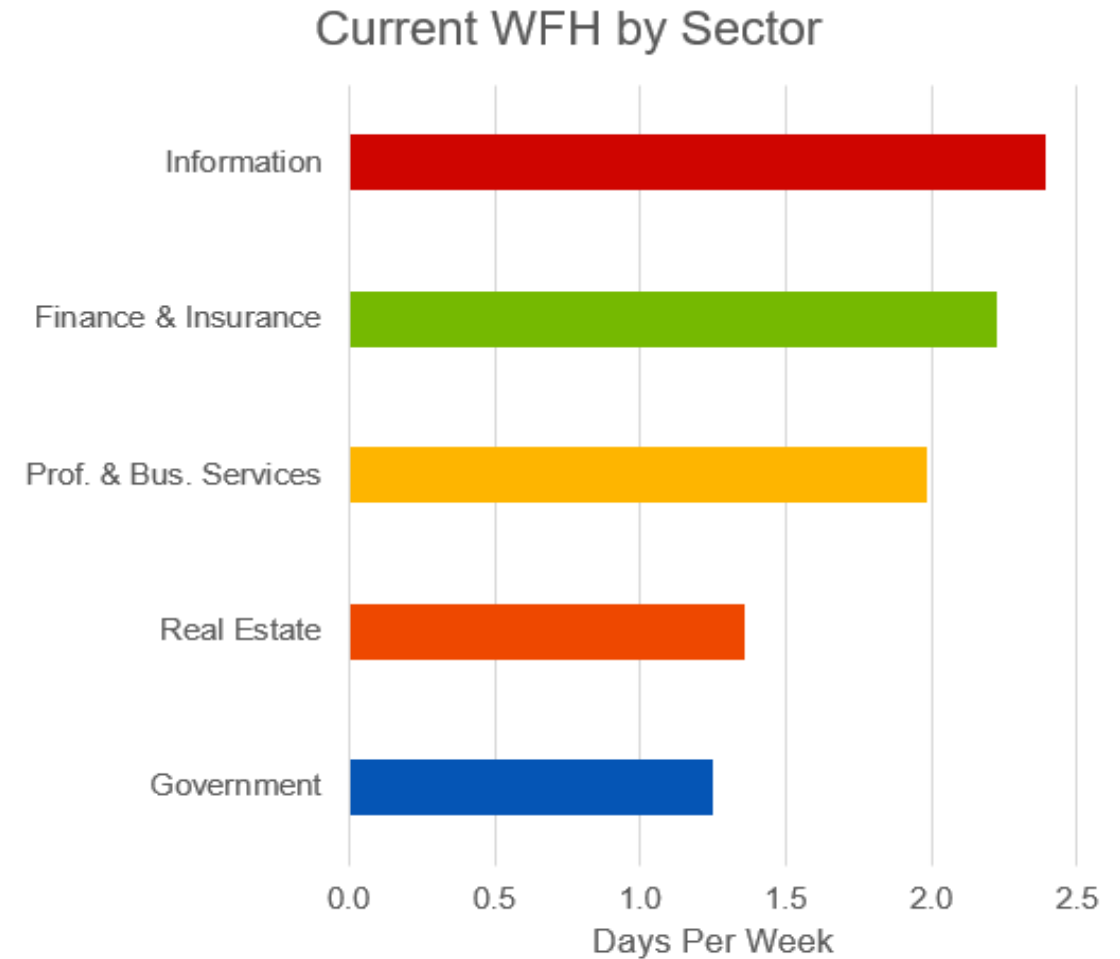
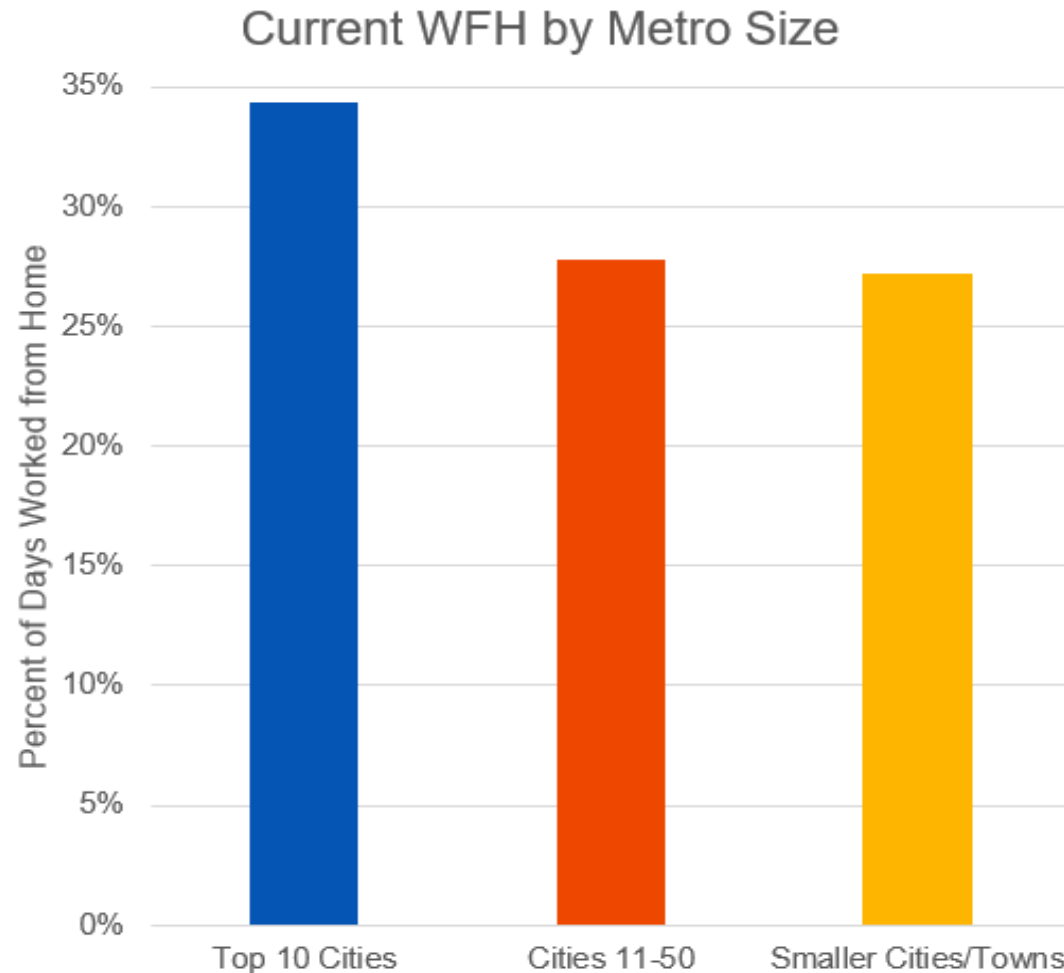




— Office Insight and the Hotel Market

Steve McCarthy
Senior Director

Remote Work Frequency Varies by Metro and Industry

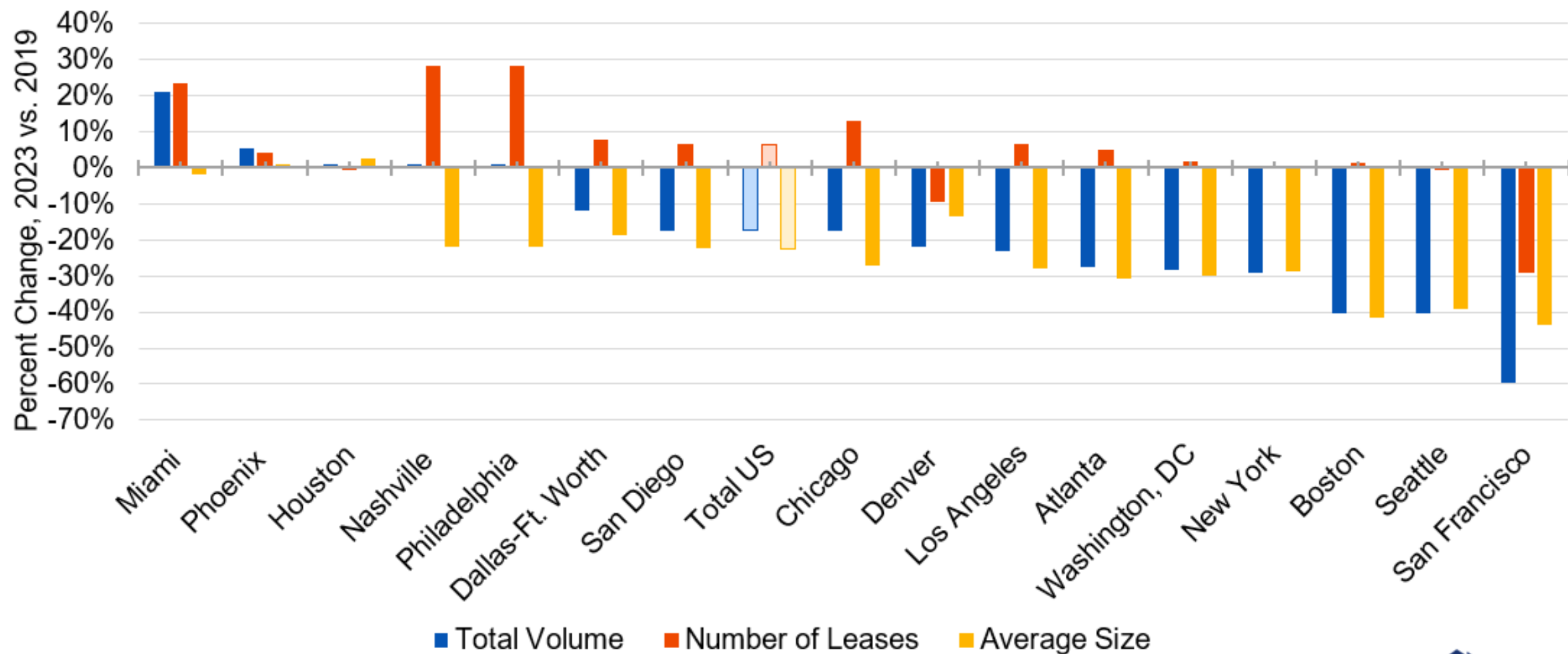


Source: Survey of Working Arrangements and Attitudes (SWAA), September 2023



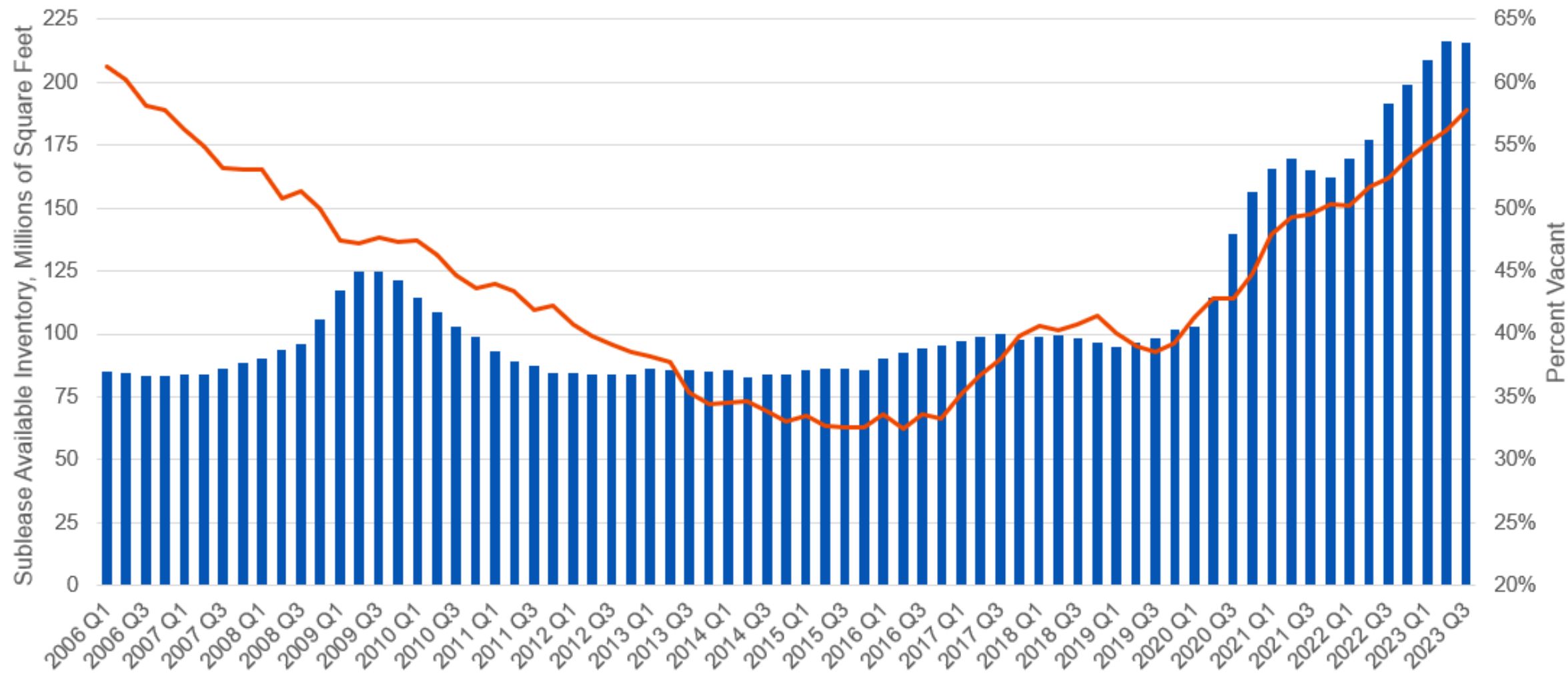
Leasing Volume is Well Below 2019 Levels through Three Quarters, Driven Mostly by Smaller Average Lease Sizes

New Office Leasing by Major Market, 2023 YTD vs. 2019 YTD

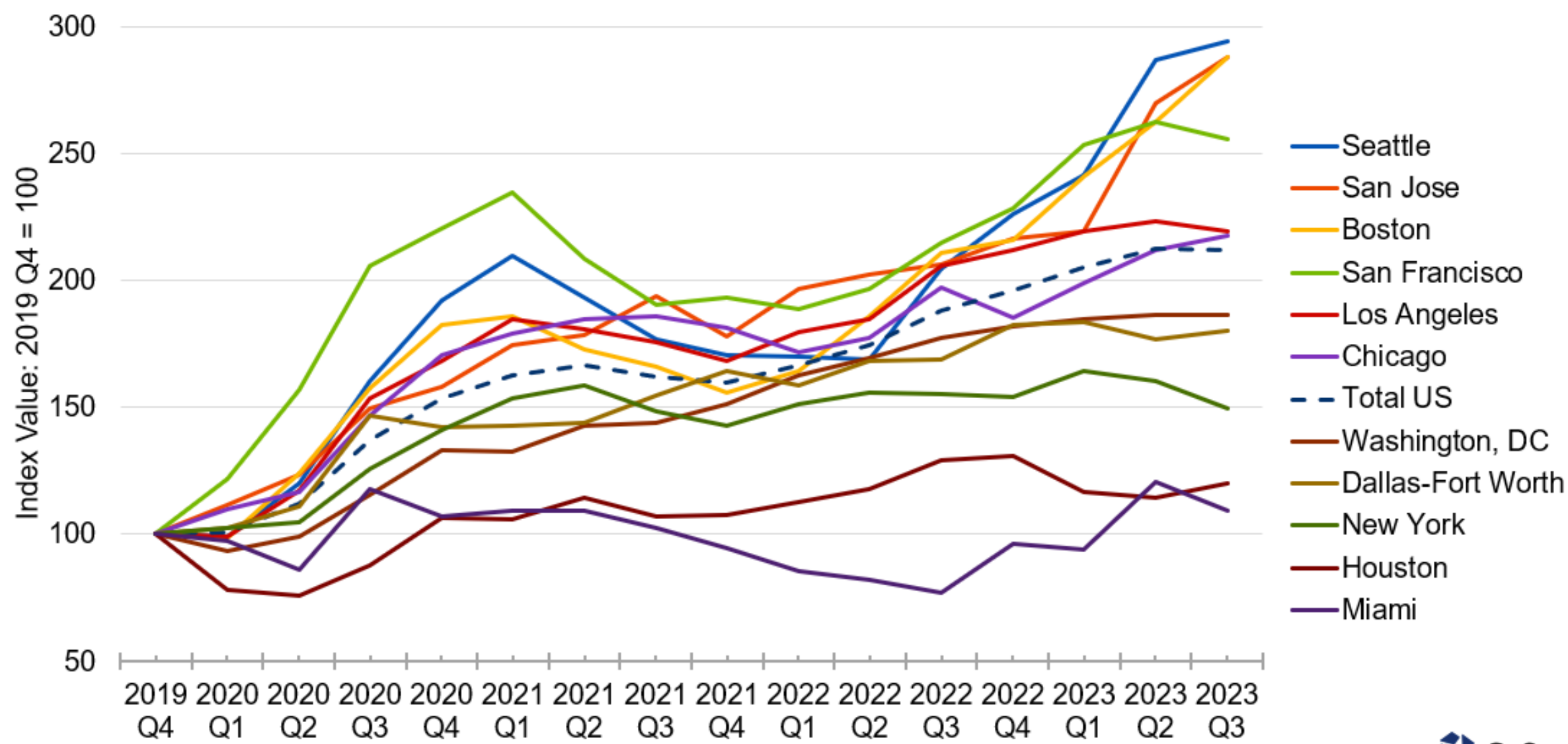


Sublet Availability May Have Peaked, But Is Still Up 112% vs. 2019

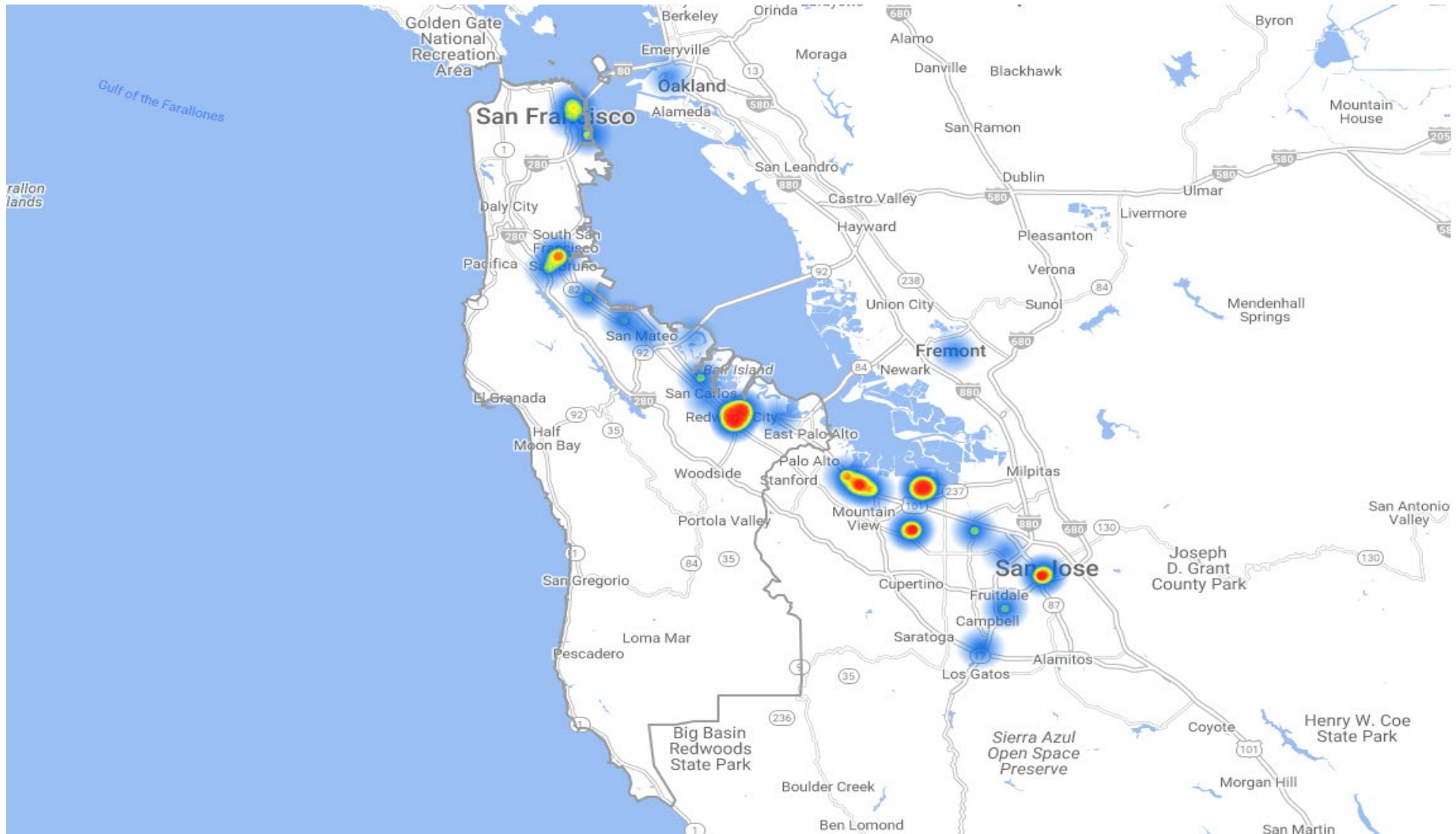
Sublease Availability, Total U.S.



Tech-Oriented Major Markets Lead Sublease Increase



Office Construction Is Highly Concentrated



Identifying Companies Within a Radius of your Hotels

99+

?

Add a Listing

News

Properties

Leasing

Sales

Funds

Tenants

Professionals

Markets

Public Record

Marketing Center

Benchmark

Enterprise

Tenant Companies

Tenant Locations

114 Tenant Locations / 99 Properties

3

Address or Location

Tenant Name or Ticker

Office

20K+ SF

Occupancy

☆☆☆☆☆

Clear

Filters 3

Sort

Save

More

MAP

LIST

GALLERY

+

-

Location

Polygon

Radius

Travel

Corridor

Layers

Map

Leased · Moving Oct 2024

Apple
9455 Towne Centre Dr
San Diego, CA 92121-3079
★★★★☆
9455 TCD
165,000 SF · Office · Floors 1-5
Leased · Moved Sep 2021

Takeda
9625 Towne Centre Dr
San Diego, CA 92121
★★★★☆
ARE Towne Centre
163,648 SF · Office · Floors 1-3
Leased · Moved Mar 2019

Illumina
5200 Illumina Way
San Diego, CA 92122-4616
★★★★☆
Building 2
159,272 SF · Office · Floors 1-4
Owned · Moved Mar 2012

Pfizer
10555 Science Center Dr
San Diego, CA 92121-1100
★★★★☆

What Companies Occupy Space Adjacent to your Hotels

CoStar

?

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Reports

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1 of 1 Property

4655 Executive Dr - One La Jolla Center

★★★★★

Office - UTC Submarket
San Diego, CA 92121 • Website

306,700
SF RBA


4.58
AC Lot

2015
Built

2,922 - 68,525
Available SF

22,854
Max Contig SF

\$4.25 - 5.85/FS
Asking Office Rent



Summary

Lease

Lease Analysis

Peers

Sale

Tenant

Analytics

Loan

Financials

Changes

Demographics

Public Record

Contacts

Images

Map

My Data

News

Tenants

12 Tenants

Show

My Data

CoStar

Both

Tenant	Industry	Floor	SF Occupied	# Emps	Move Date	Exp Date
Jones Day	Professional, Scientific, and Technical Services	12th, 14th, 15th	68,391	85	Jan 2017	-
Dentons	Professional, Scientific, and Technical Services	6th, 7th	45,708	220	Mar 2017	-
CoStar Group	Information	4th, 5th	45,706	208	Oct 2023	Feb 2029
KPMG LLP	Professional, Scientific, and Technical Services	1st, 11th	29,388	360	Nov 2017	-
Wells Fargo Home Mortgage	Finance and Insurance	10th	22,797	151	Jul 2023	-
Ameriprise Financial	Finance and Insurance	3rd	13,823	30	Mar 2023	-
Newmark	Real Estate	8th	10,000	52	Dec 2016	-
Unum	Finance and Insurance	8th	5,400	36	Dec 2018	-
Avison Young	Real Estate	3rd	4,572	25	May 2017	-
24 Carrots	Accommodation and Food Services	1st	3,000	15	Aug 2015	-
Breckinridge Capital Advisors	Finance and Insurance	8th	500	2	Feb 2018	-
Unmanned Systems Operations Group	Transportation and Warehousing	7th	500	3	Dec 2021	-

CoStar Research

Moving Out



Moving In

My Data

Shared Data

Stacking Plan

15th:	22,797 SF	Jones Day 22,797 SF
14th:	22,797 SF	Jones Day 22,797 SF
12th:	22,797 SF	Jones Day 22,797 SF
11th:	22,797 SF	KPMG LLP



In Conclusion

- Economic uncertainty and Office Vacancy in particular will continue to impact workforce concentration.
- Hybrid Work appears to be sticky and will further impact the way companies are evaluating office space.
- Its critical to track the shifts in CRE trends that have impacts on hospitality business services.
- There is opportunity for Hotel operators to take advantage in the relocation and shift in company workforce locations.



THANK YOU!

Presented by:

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Senior Director

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The World Around Us

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Beyond Rooms:
Meeting & Events Outlook



**Christian
Boerger**

CRME, CHDM, CHBA
Principal Industry Consultant,
Travel & Hospitality

IDEAS[™]
A sas COMPANY

Meetings are predicted to recover to
133.5% of 2019 levels in 2024

KNOWLAND

72% of companies report that meetings &
events spend is increasing



GLOBAL
BUSINESS
TRAVEL

The average lead time is **1-3 months**
compared to 6-12 months in the past

Skift
MEETINGS

81% of meetings will have an in-person component



17% of venue selection journey spent talking with sales





We have demand.



We have uncertainty.



Are we leaving profit
on the table?



?

**Booking Trends
& Patterns**

?

**Forecasting &
Pricing**

?

**Lead
Qualification**

?

**Strategy
Alignment**

5 Things to do in preparation for 2024

- 1 Get a handle on your data
- 2 Define your M&E KPIs
- 3 Ensure pricing is aligned
- 4 Start forecasting
- 5 Review your quoting processes

“What’s in
it for me?”

Learn more



**Christian
Boerger**

CRME, CHBA, CHDM



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IDEAS[™]
A SAS COMPANY

The World Around Us

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Vice President, Data Partnerships
Amadeus



HSMAI Sales Leader Forum

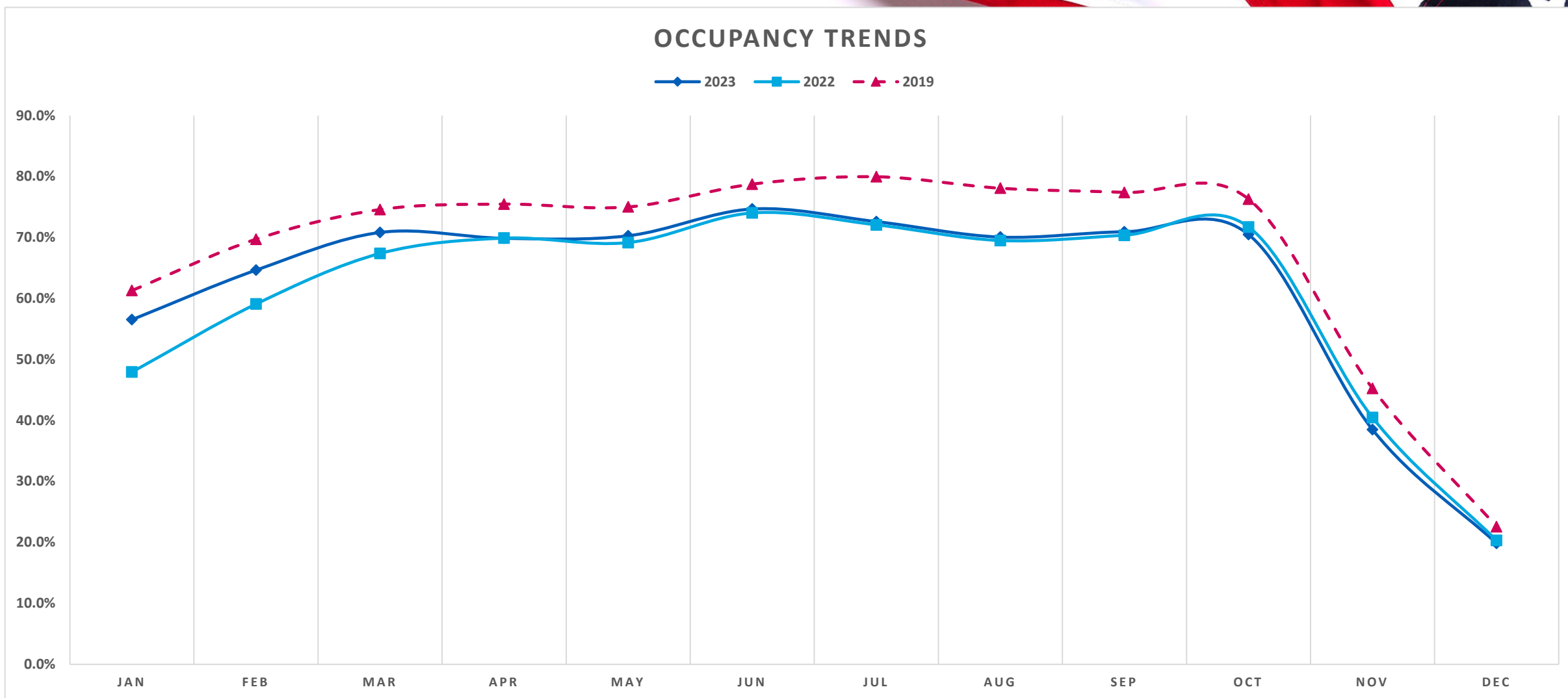
November 8, 2023

Katie Moro, VP Data Partnerships
Amadeus Hospitality

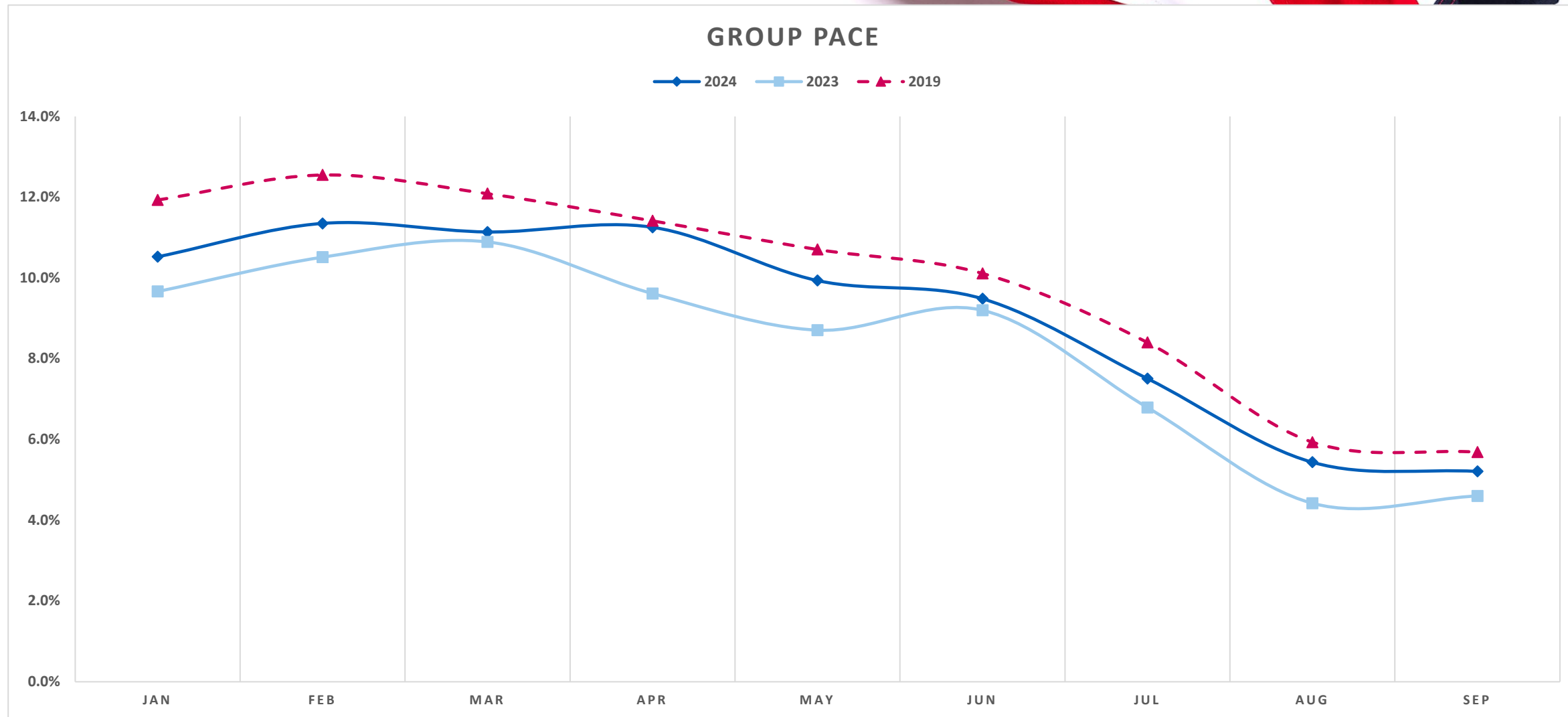


United States

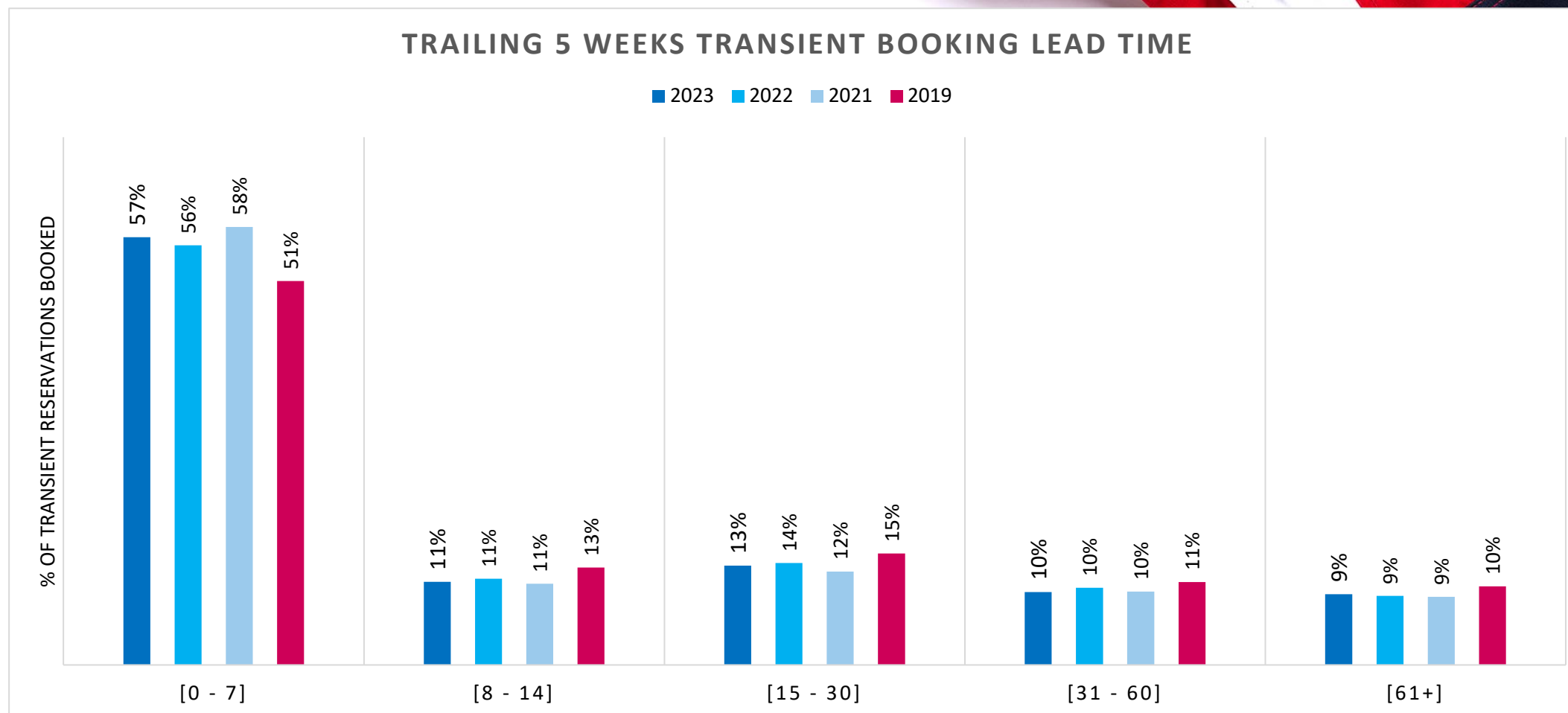
US Total Hotel Pace



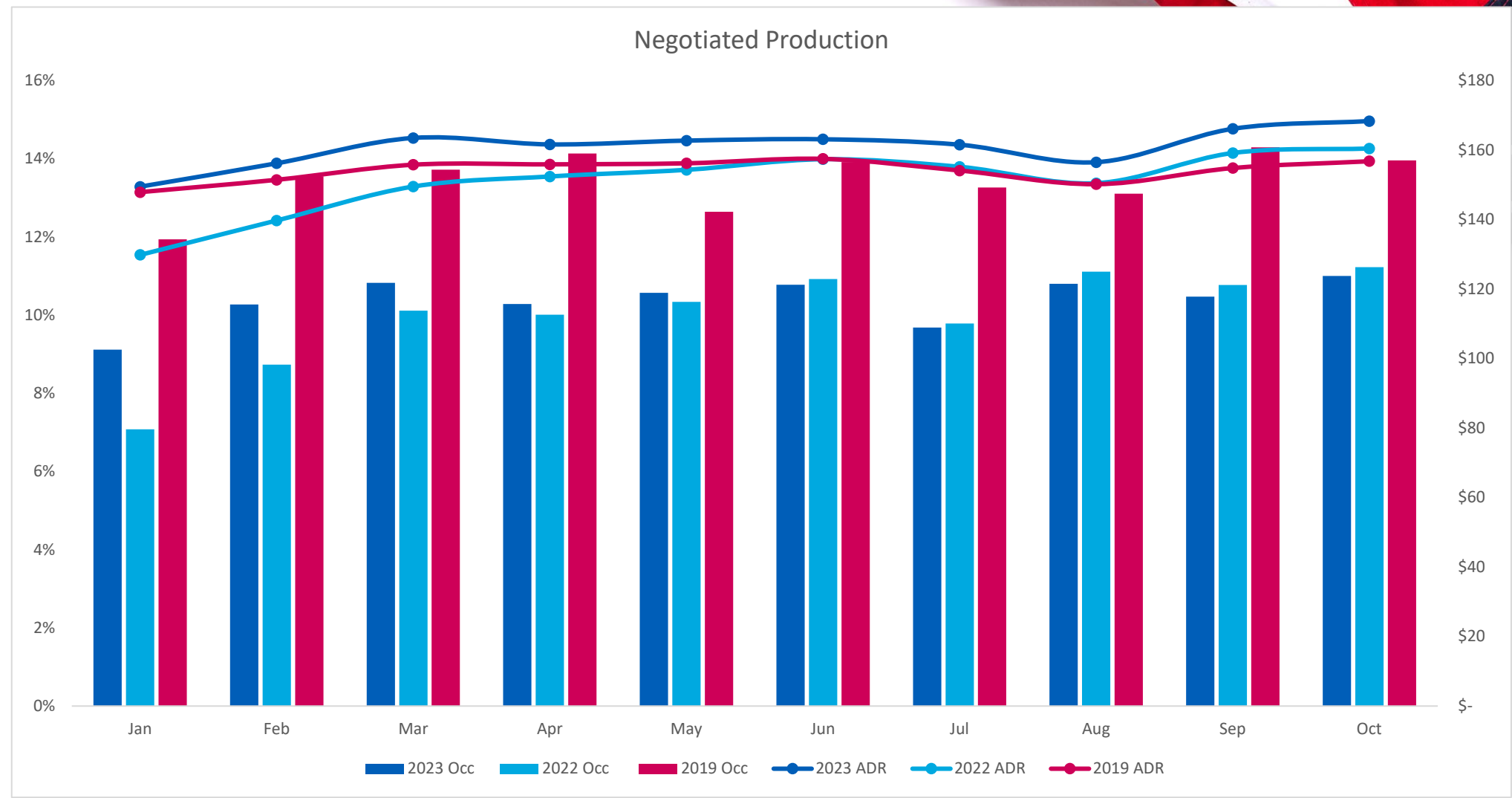
US Group Pace 2024 v 2023 v 2019



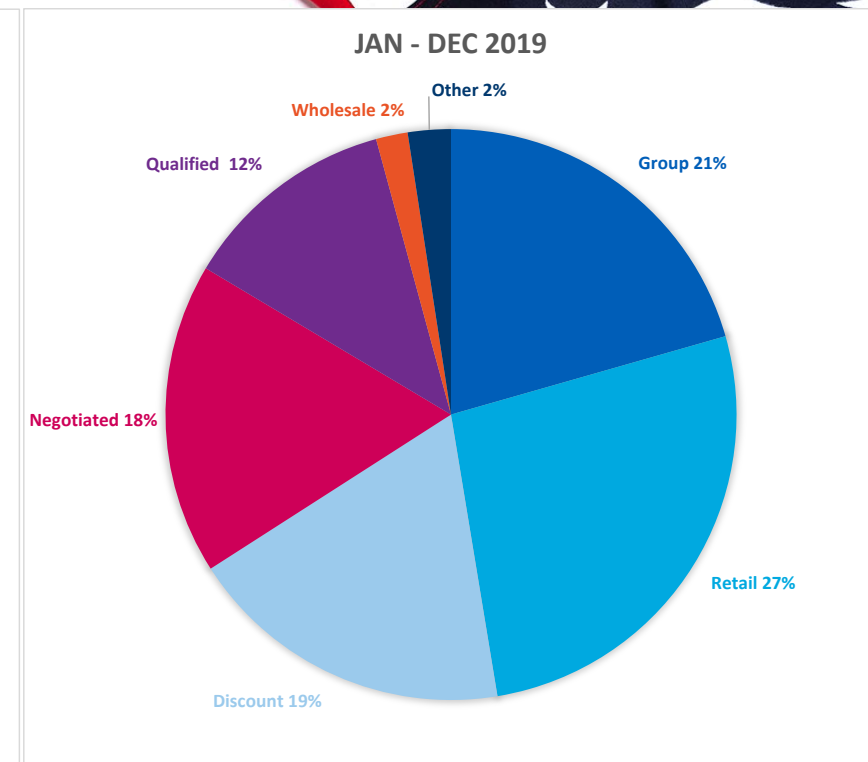
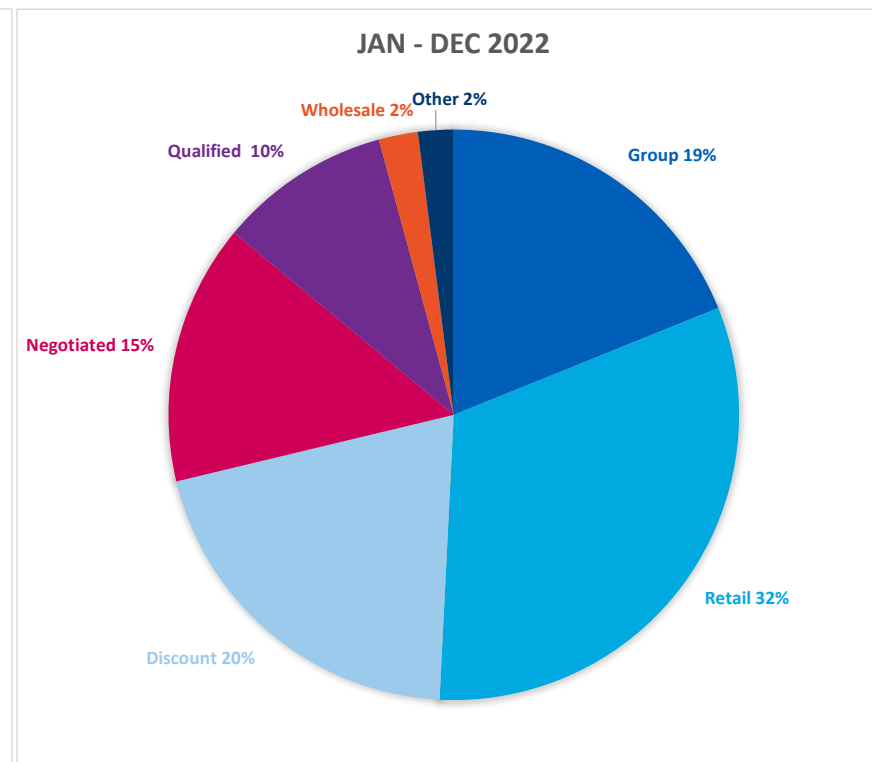
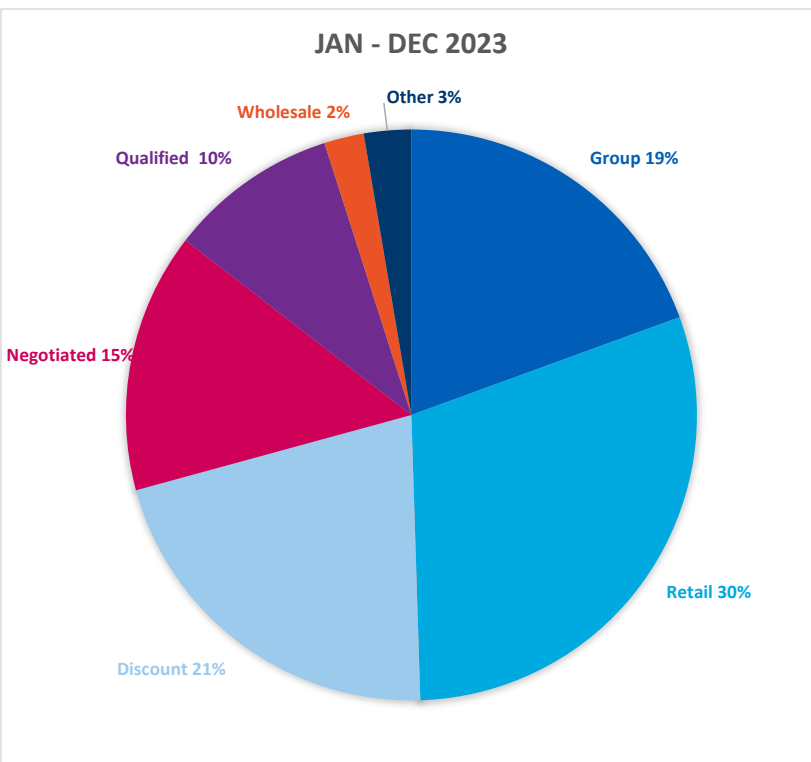
US Transient Lead Time



US Negotiated Occ & ADR 2023 v 2022 v 2019

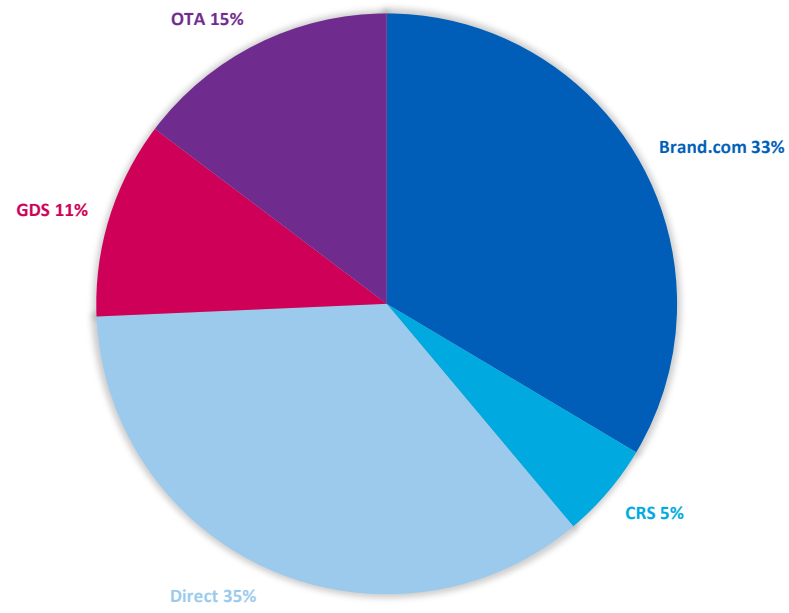


US Market Segmentation

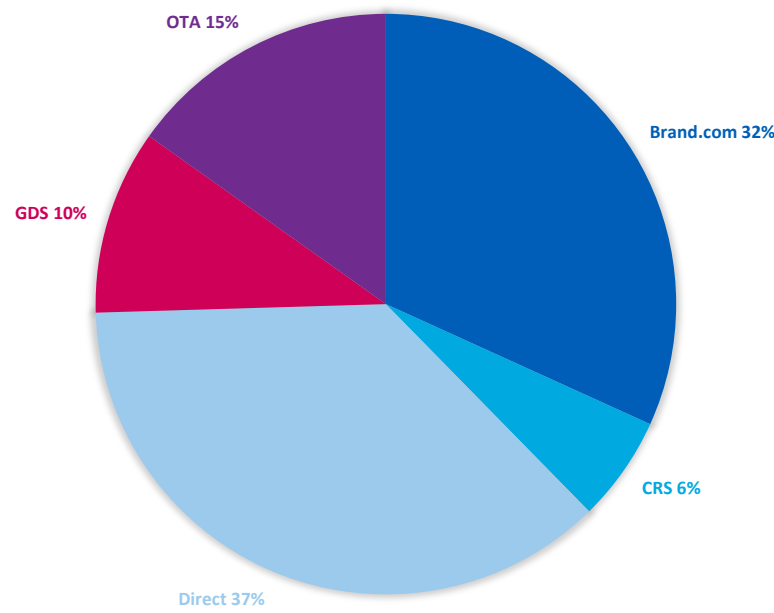


US Channel Distribution

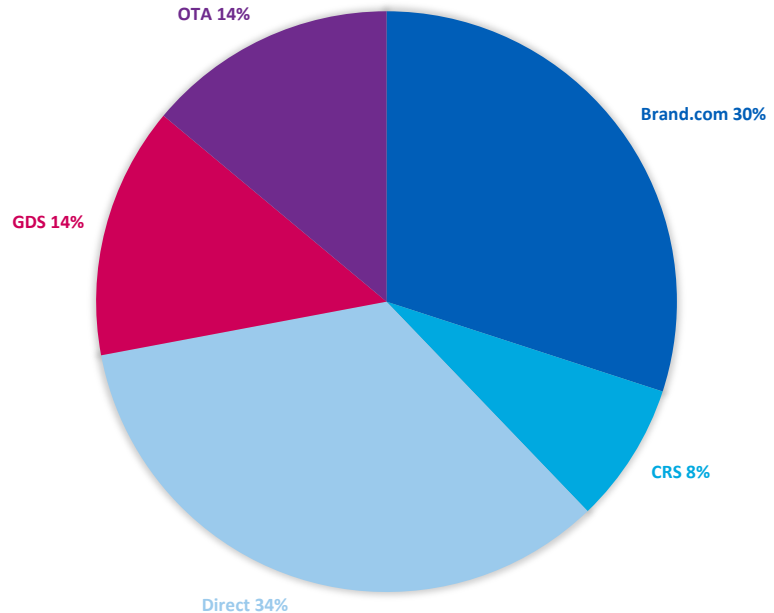
JAN - DEC 2023



JAN - DEC 2022



JAN - DEC 2019



US Top Corporate Accounts YTD – October

CORPORATE ACCOUNT	2023 YTD ROOM NIGHTS	Brand.com	CRS	Direct	GDS	OTA
Accenture	862,398	16%	5%	13%	49%	17%
ALE Solutions	866,372	57%	7%	13%	22%	0%
Amazon	319,289	20%	2%	22%	55%	0%
AT&T (Warner Media)	421,559	0%	0%	63%	37%	0%
Berkshire Hathaway	2,082,039	33%	6%	45%	3%	0%
Boeing	420,914	10%	1%	15%	73%	0%
Deloitte	278,354	3%	3%	7%	86%	0%
EY/Ernst and Young	1,208,920	16%	1%	11%	72%	0%
Fedrooms	3,080,681	1%	2%	10%	88%	0%
Fleetcor	1,075,747	45%	1%	2%	50%	1%
GE/General Electric	736,637	53%	0%	12%	34%	0%
General Dynamics	322,775	7%	1%	6%	54%	32%
IBM	1,288,150	66%	9%	5%	20%	0%
Lockheed Martin	797,613	59%	2%	27%	12%	0%
Northrop Grumman	1,473,731	78%	2%	6%	14%	0%
PWC	535,926	3%	0%	30%	66%	0%
RTX/Raytheon Technologies	500,243	6%	1%	60%	33%	0%
Siemens	851,875	19%	5%	60%	2%	14%
Stellantis (Fiat Chrysler/PGA)	263,674	34%	2%	8%	56%	0%
Walmart	580,854	17%	1%	39%	43%	0%

Airline Data



Amadeus Data Feed Overview

ACCURATELY TRACK THE FLOW OF AIR PASSENGERS' MOVEMENT AND THE DATA RELATED TO THE TRAVEL JOURNEY



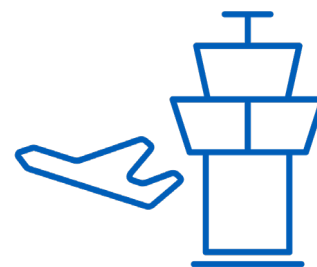
AIR SEARCH DATA

A unique view of over **200M true passengers** searched per day from over **20,000 TA's** including the world's **top 10 OTA's** worldwide.



AIR BOOKING DATA

Sourced from the **3 major GDS's** see booking by origin and destination, cabin class, business vs. leisure and travel agency profile



AIR TRAFFIC FORECAST

See historic and future visitor volume to your destination by the true origin and destination













AIR SCHEDULE DATA

Gain access to **900+ scheduled flights** with a combination of Amadeus, OAG & Innovata data

Top origin markets flight searches – U.S.

Flight search data: Travel date January -December, including market share, 2023 vs 2019

CANADA  12% vs 11%	UK  12% vs 11%	GERMANY  6% vs 7%	INDIA  5% vs 3%	BRAZIL  5% vs 5%
MEXICO  4% vs 4%	FRANCE  4% vs 3%	ITALY  4% vs 3%	SPAIN  3% vs 3%	KOREA  3% vs 3%

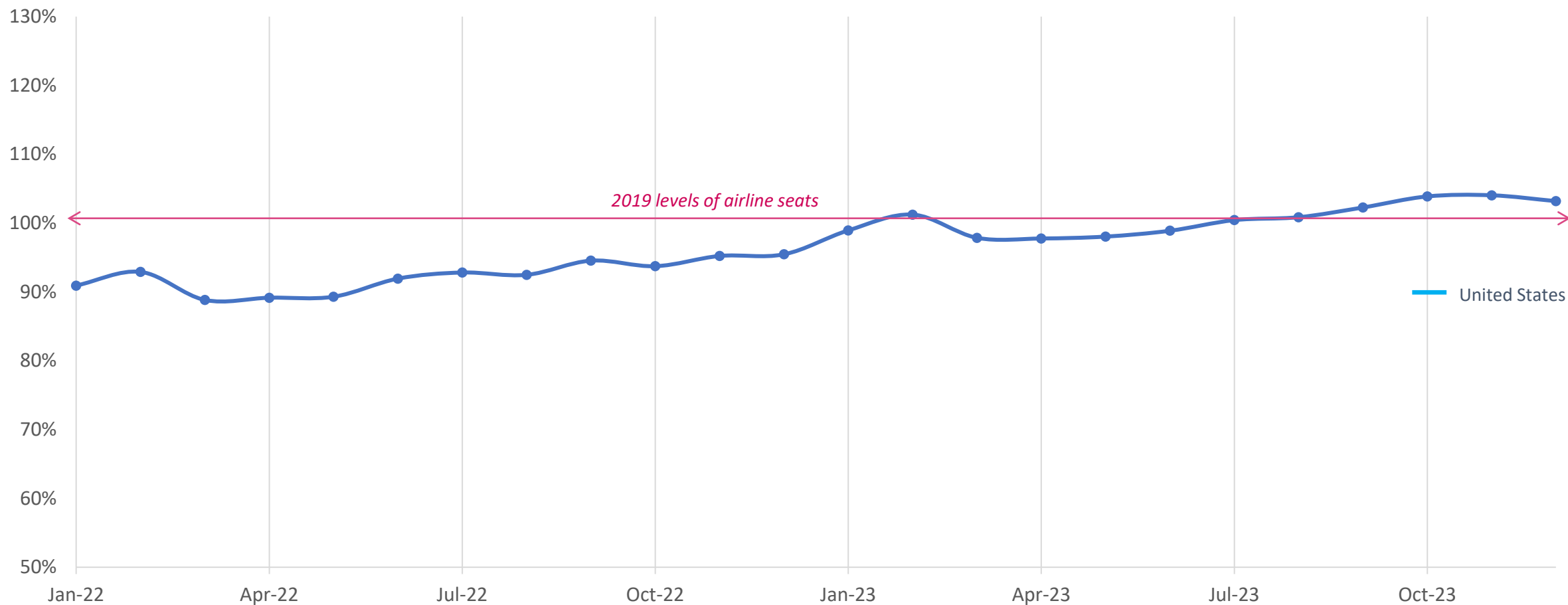
Guide your planning with
flight search data

Are you targeting these
countries already? Travelers
from these origin markets
are considering your
destination.

Source: Amadeus Search Analytics data as of November, 2023

Regional Recovery of Airline Capacity – US

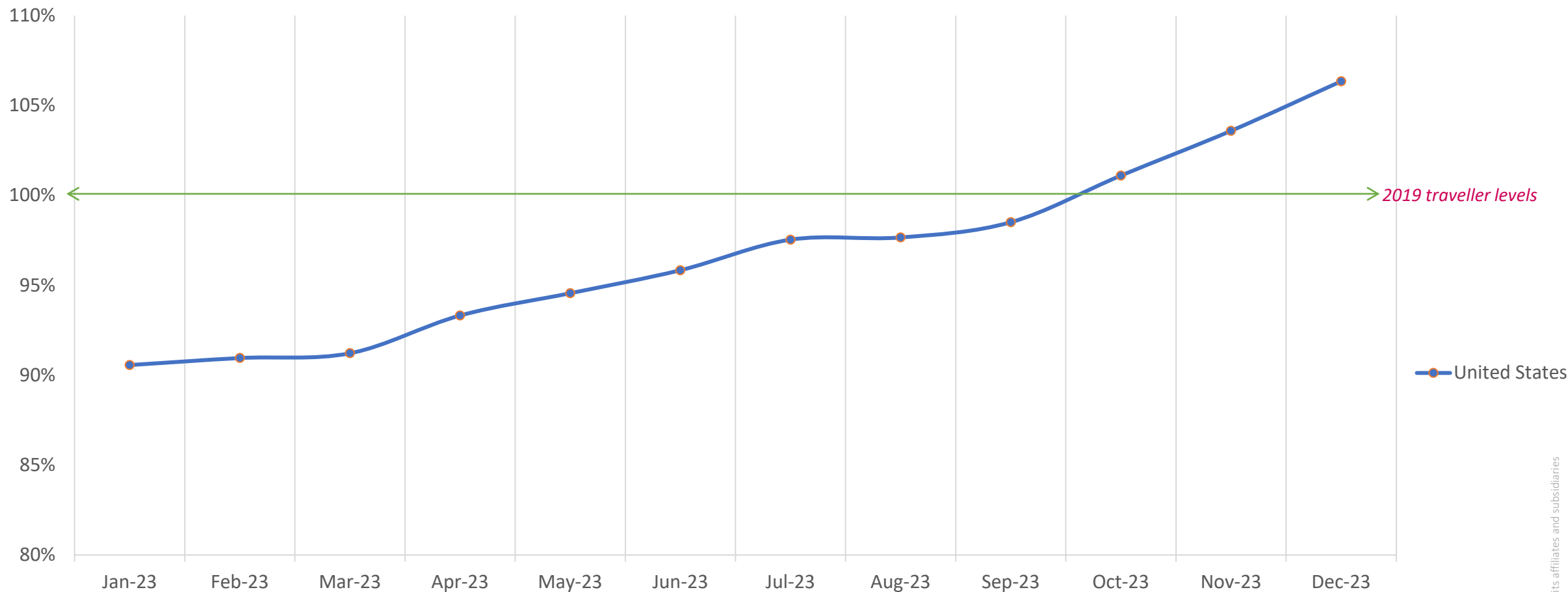
How close is the US to 2019 volumes of airline seats by departure month?



- In February 2023, the US surpassed 2019 levels, then dipped, and recovered again in the summer months.
- The recovery of air capacity is a key factor in improving search volumes (through increased travel options) and ultimately, visitor numbers.

2023 Forecasted Traveller Volumes - US

How are forecasted passenger volumes expected to look this year in comparison with 2019?



- In 2023, passenger volumes were at a minimum of 91% compared to 2019 levels. This indicates a very strong recovery.
- 2019 levels were surpassed in mid-September.
- US inbound travel is forecasted to remain above 100% for the remainder of the year.