Hotel Industry Overview

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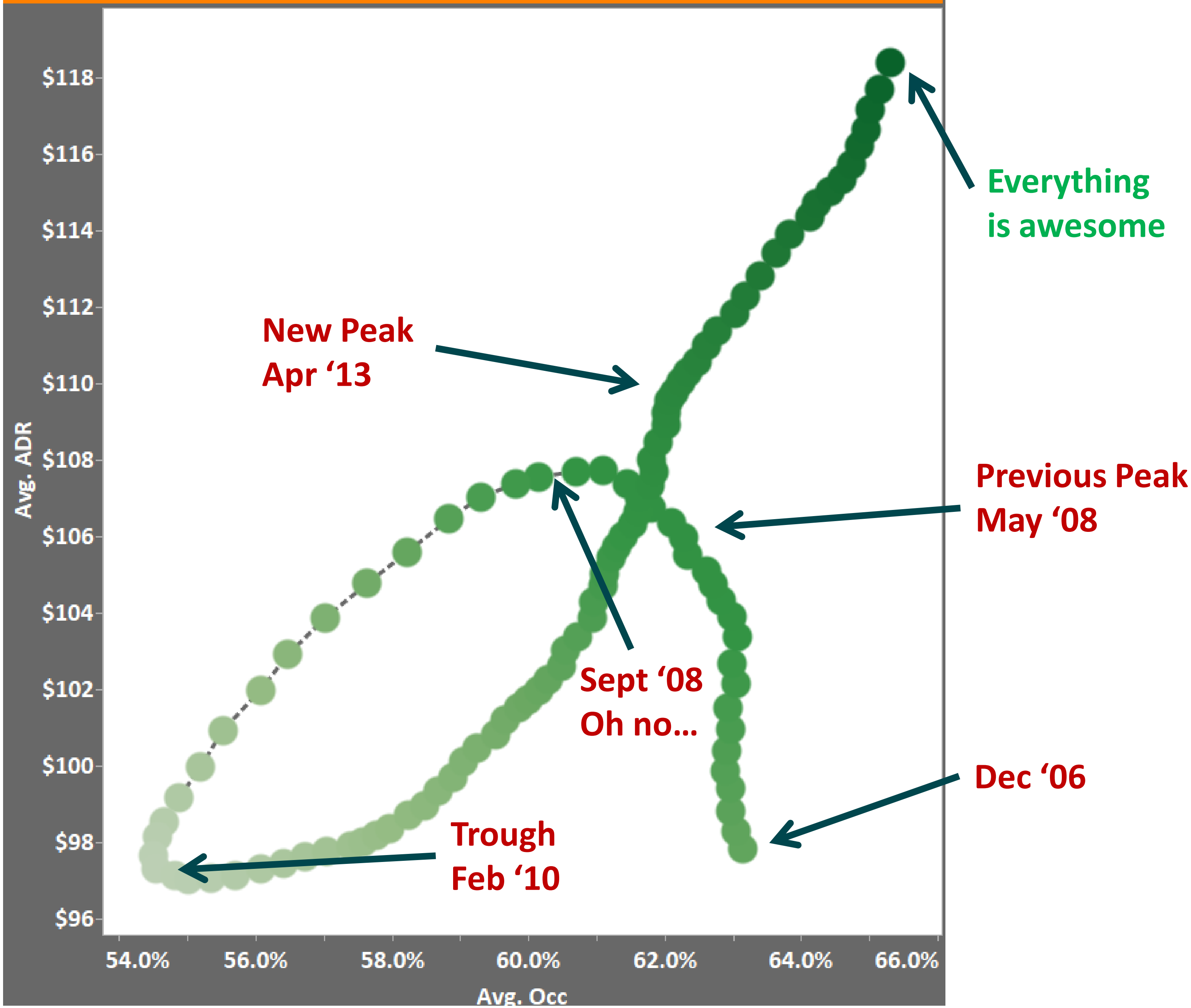
Director, STR Analytics

Lee County Visitors & Convention Bureau
February 11, 2016

Total U.S. Review



$118
$116
$114
$112
$110
$108
$106
$104
$102
$100
$98
$96
Avg. ADR
54.0%
56.0%
58.0%
60.0%
62.0%
64.0%
66.0%
Avg. Occ
Everything is awesome
New Peak Apr ‘13
Previous Peak May ‘08
Sept ‘08 Oh no…
Dec ‘06
Trough Feb ‘10

So where are we now?

2016

What Wall Street Expects:

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We all know how good predictions are…

Carolina Panthers vs. Denver Broncos (in Santa Clara, California)

Spread: *Opened Carolina -4; now Carolina -5.5*

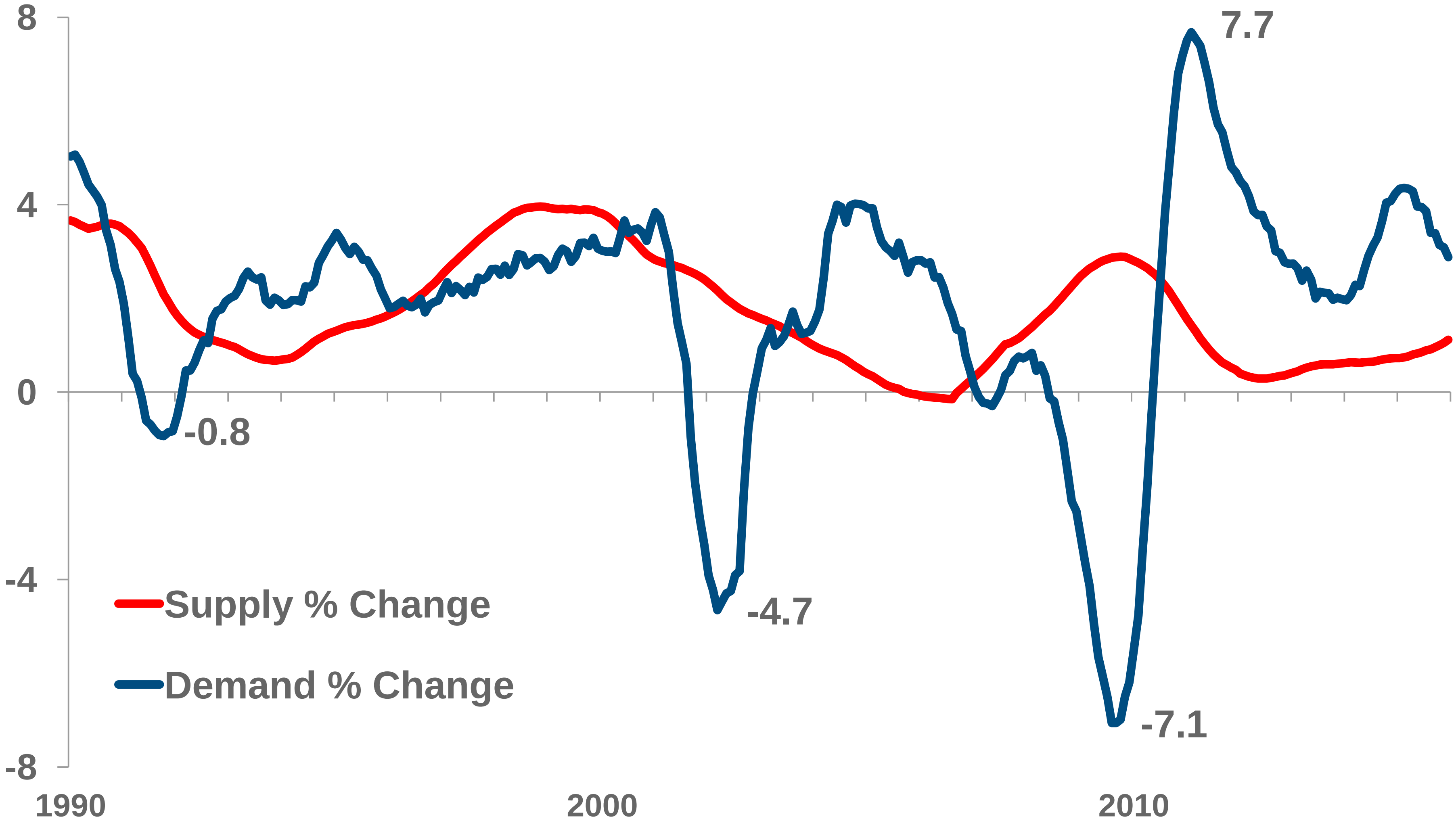
Total: *Opened at 45 points; now 45.5*

Public Consensus pick: 72 percent picked Carolina

U.S. Hotels Year-End 2015

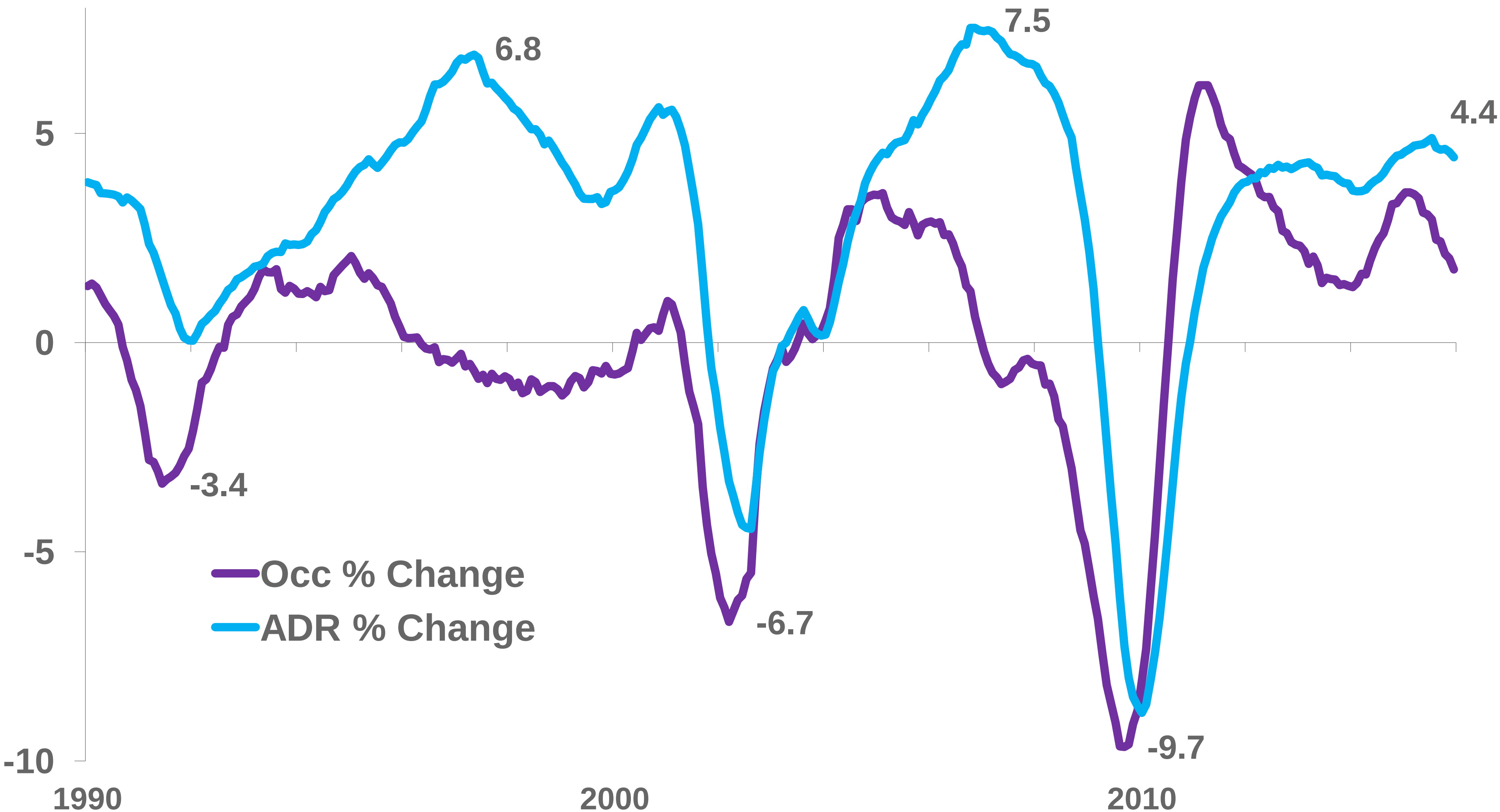
Metric	No.	Status	Remarks
OCC	65.6%	▲1.7%	RECORD
ADR	$120	▲4.4%	RECORD
REVPAR	$79	▲6.3%	RECORD
AVAIL ROOMS	1.8B	▲1.1%	RECORD
OCC ROOMS	1.2B	▲2.9%	RECORD
ROOM REV	$143B	▲7.4%	RECORD

Supply Growth Now Back Over 1%. Demand Growth Slows.



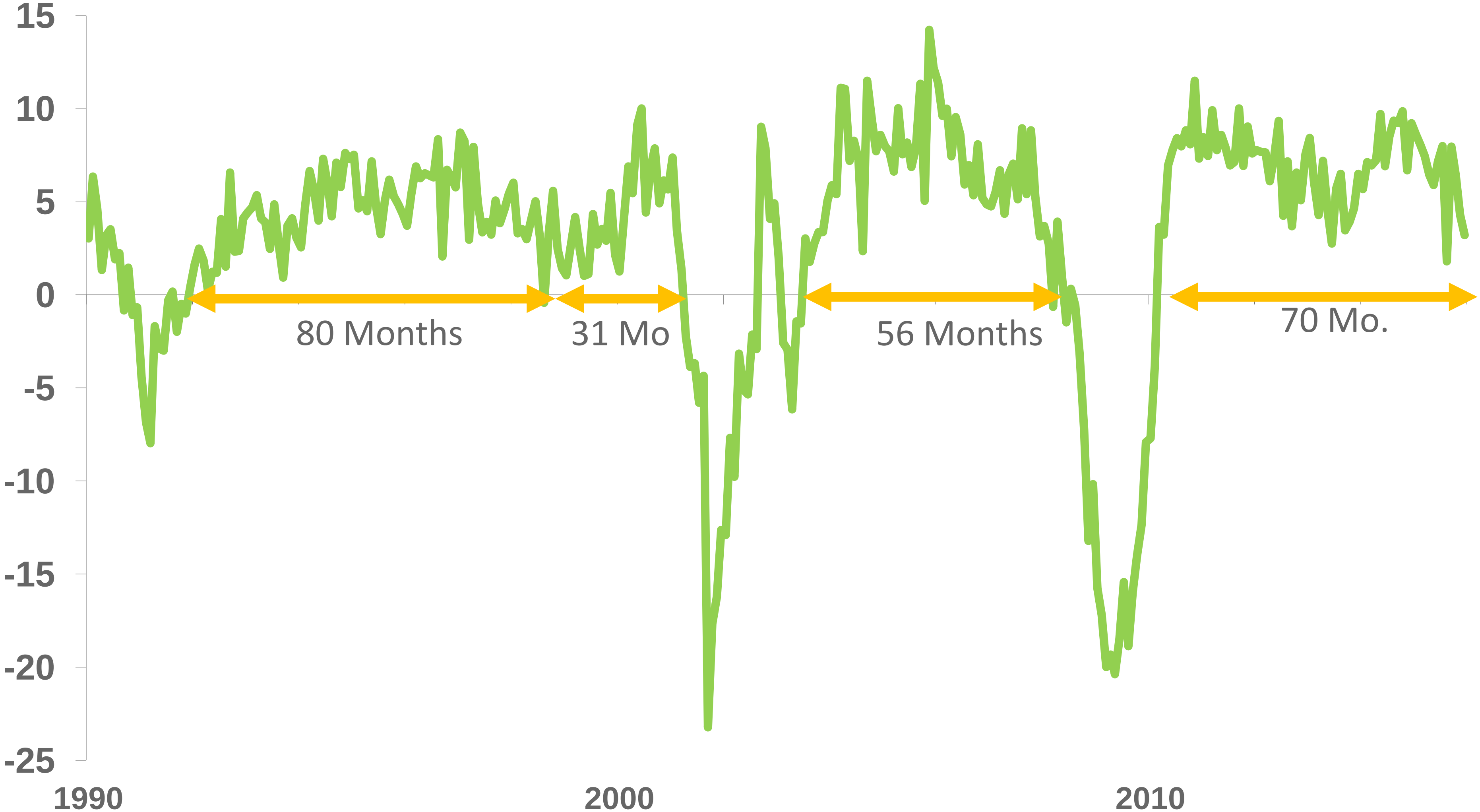
Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 12/2015

ADR Growth Steady. Occ Growth Decelerating Rapidly.



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

RevPAR Growth: It's Going To Be OK (but Not Great)



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

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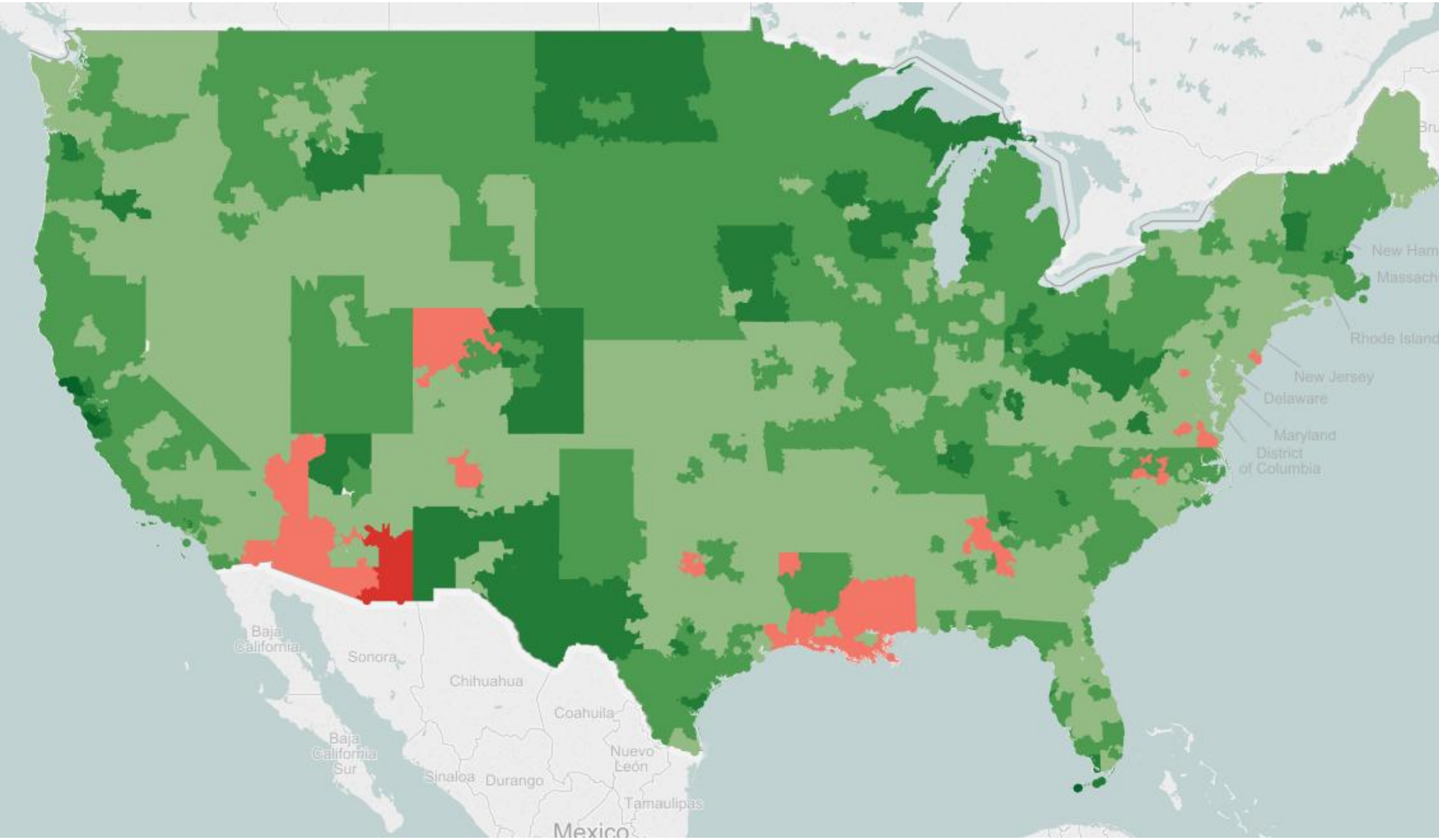
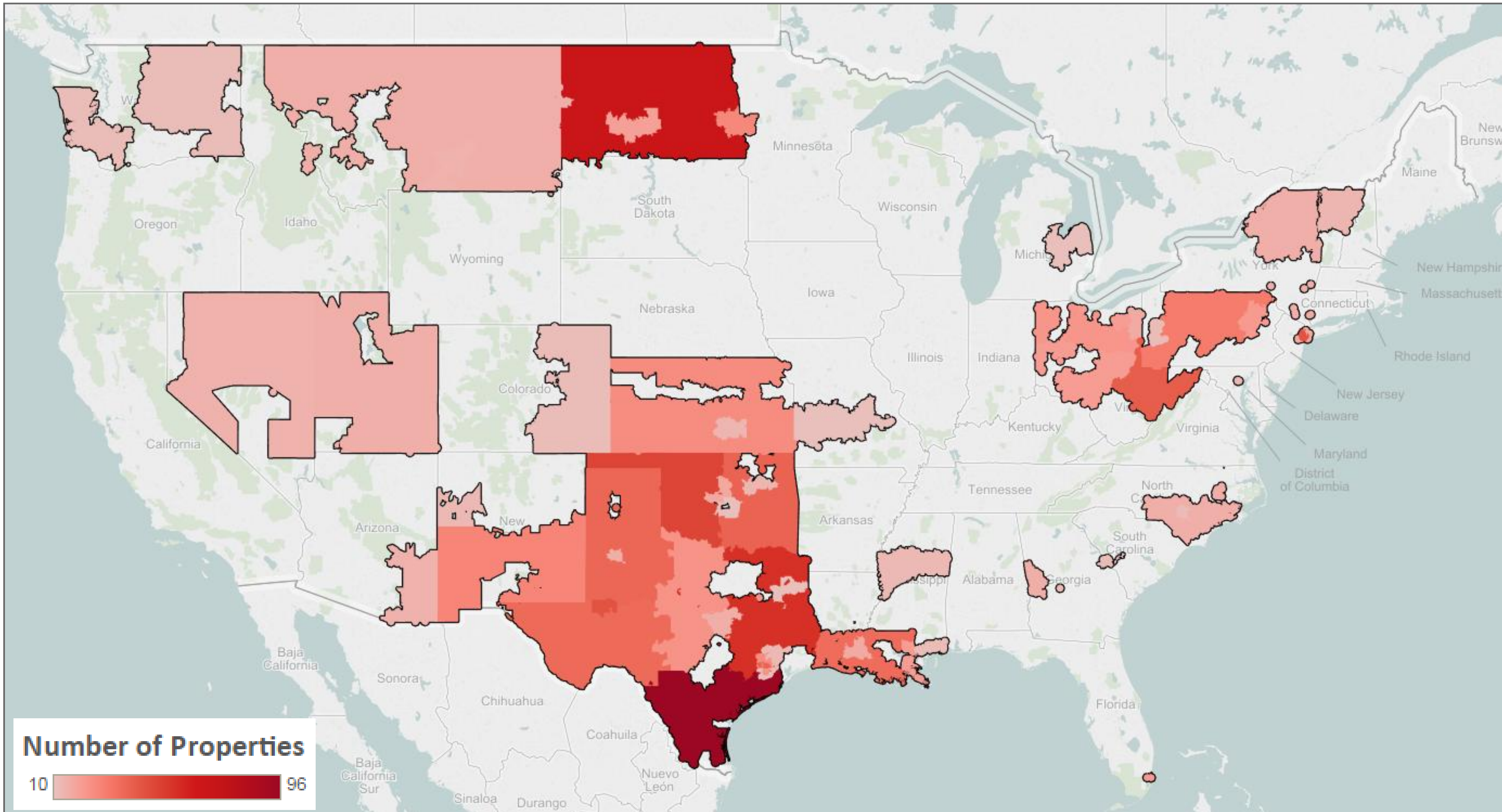
RevPAR Above Previous Peaks in Most Areas

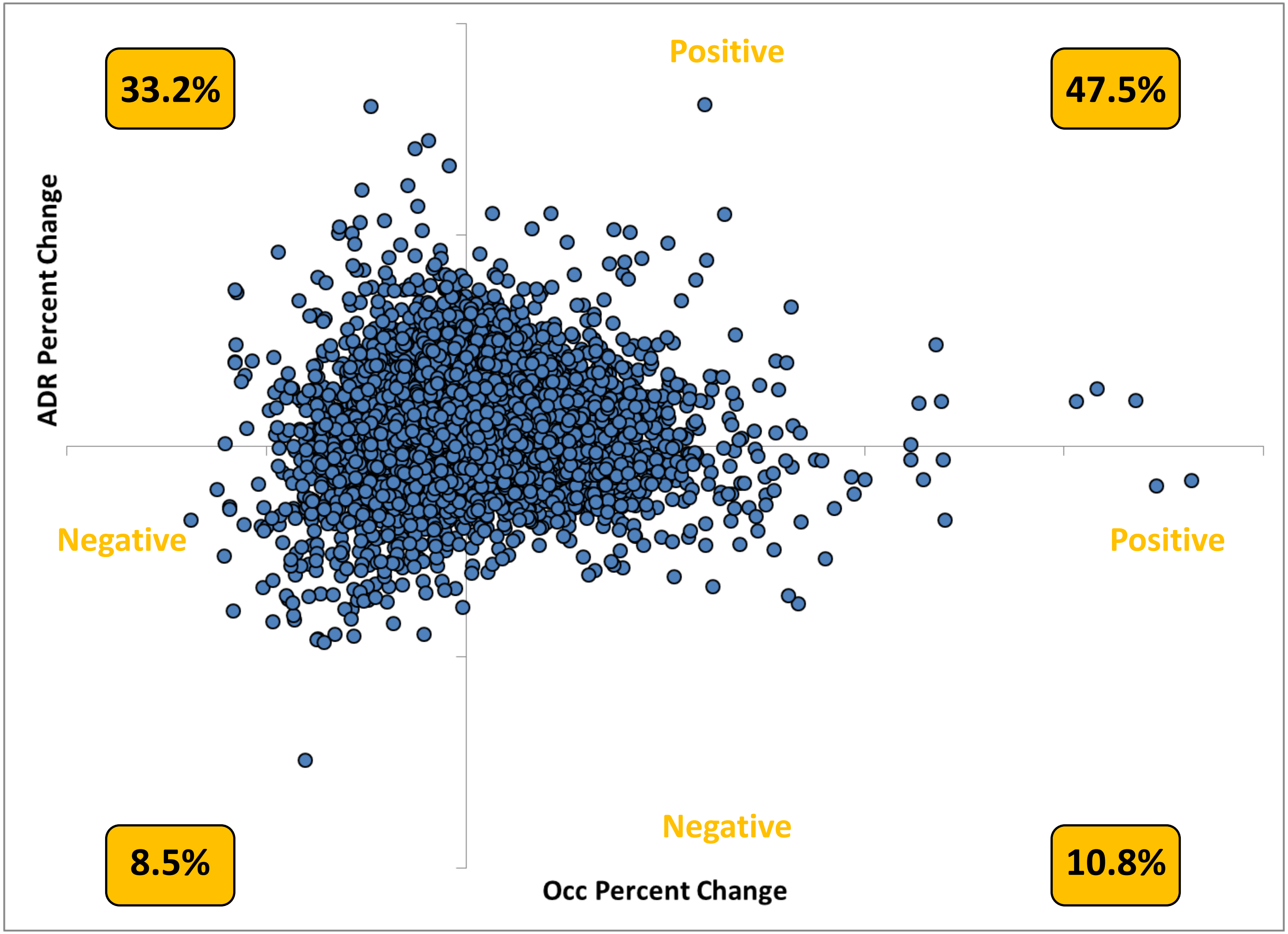


Total U.S., RevPAR compared to previous peak, 12 MMA

Submarkets with properties that had declines in Occ <u>and</u> ADR



Most properties saw growth in 2015



RevPAR December 2015 YTD: Winner: CA. Loser: Oil Markets.

Market	RevPAR % Change		Market	RevPAR % Change
Macon/Warner Robbins, GA	18.6		Ohio Area	(1.9)
San Jose/Santa Cruz, CA	17.3		Houston, TX	(3.3)
Oakland, CA	15.7		Texas North	(4.1)
Chattanooga, TN-GA	15.5		West Virginia	(4.5)
California North Central	14.9		New Mexico South	(5.4)
Fort Myers, FL	14.7		Augusta, GA-SC	(6.7)
Knoxville, TN	14.5		Oklahoma Area	(10.0)
Portland, OR	14.2		Texas South	(11.4)
Tampa/St Petersburg, FL	13.8		Texas West	(19.2)
Greenville/Spartanburg, SC	13.7		North Dakota	(20.9)

*December 2015 YTD RevPAR: Best / Worst Performing Markets

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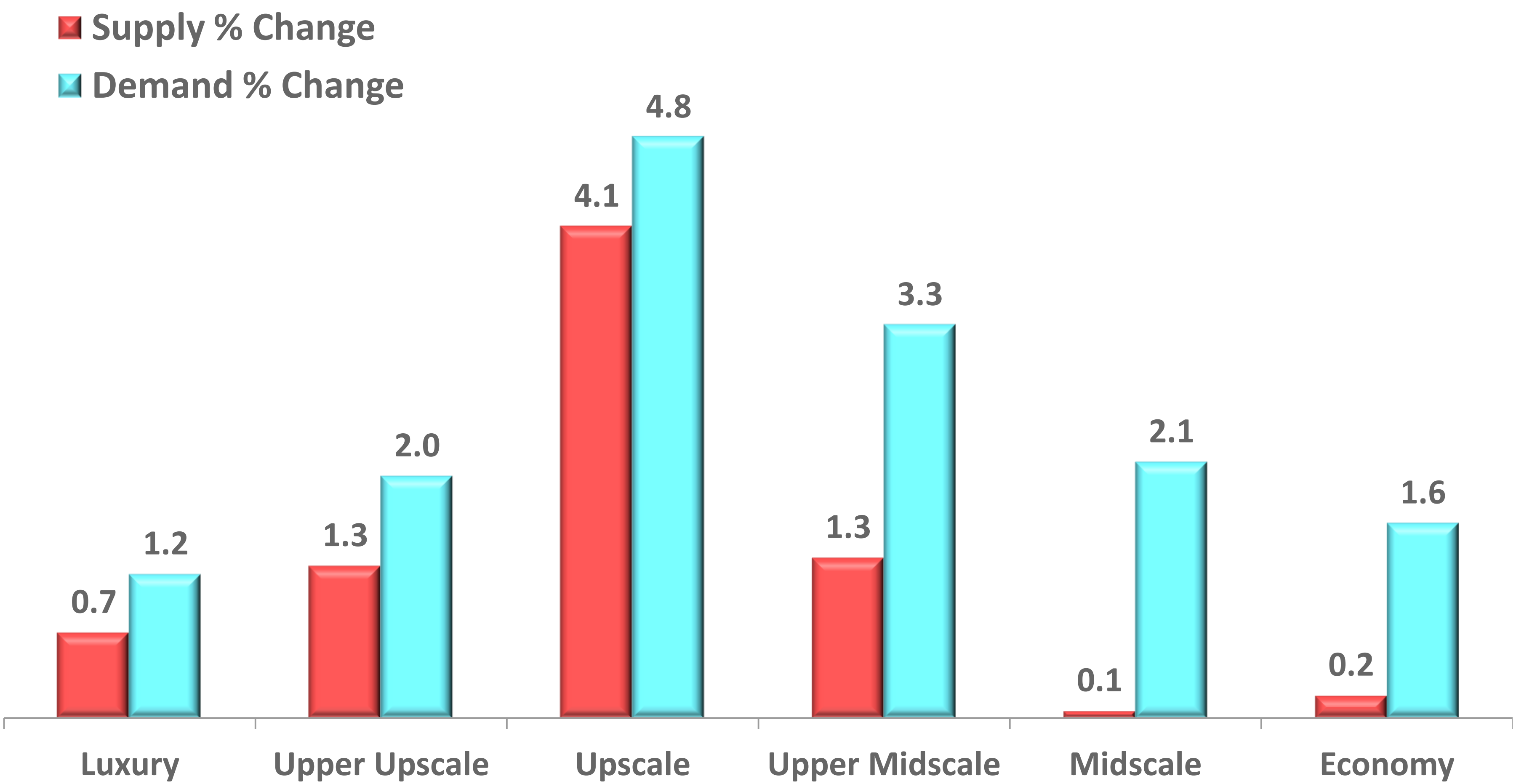
December 2015 YTD: High Occ = Higher ADR. (Except in NYC ???)

Market	OCC %	ADR % Change
Nashville, TN	73.5	8.7
Phoenix, AZ	65.9	8.0
Seattle, WA	76.2	7.8
Tampa/St Petersburg, FL	71.8	7.7
Los Angeles/Long Beach, CA	79.7	7.5
Washington, DC-MD-VA	70.7	3.0
Oahu Island, HI	85.3	3.0
New Orleans, LA	69.7	2.3
Houston, TX	68.5	1.6
New York, NY	84.7	-1.6

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

Chain Scale Review

Scales: Demand Growth Healthy. Upscale Supply Increases



*Supply / Demand % Change, by Scale, December 2015 YTD

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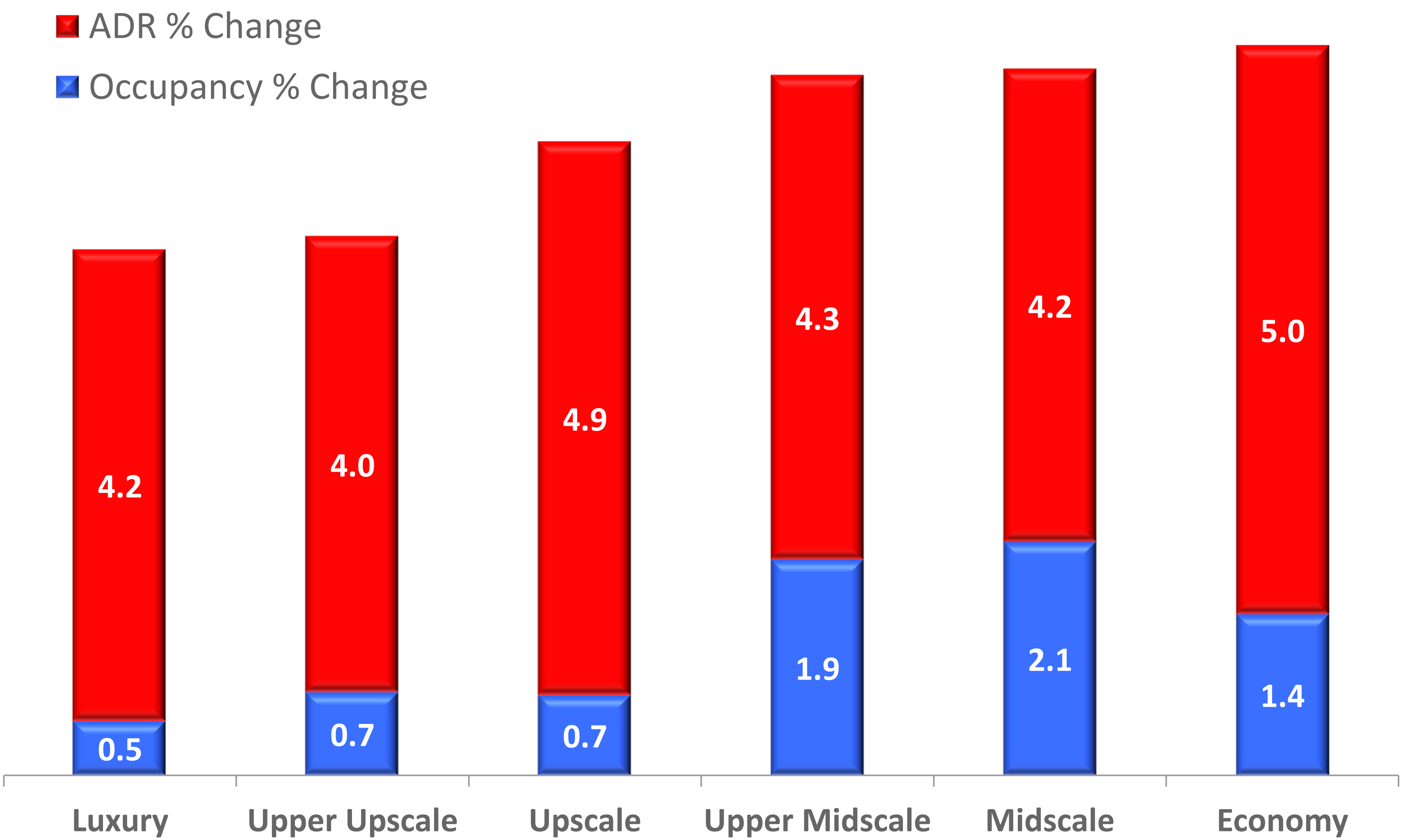
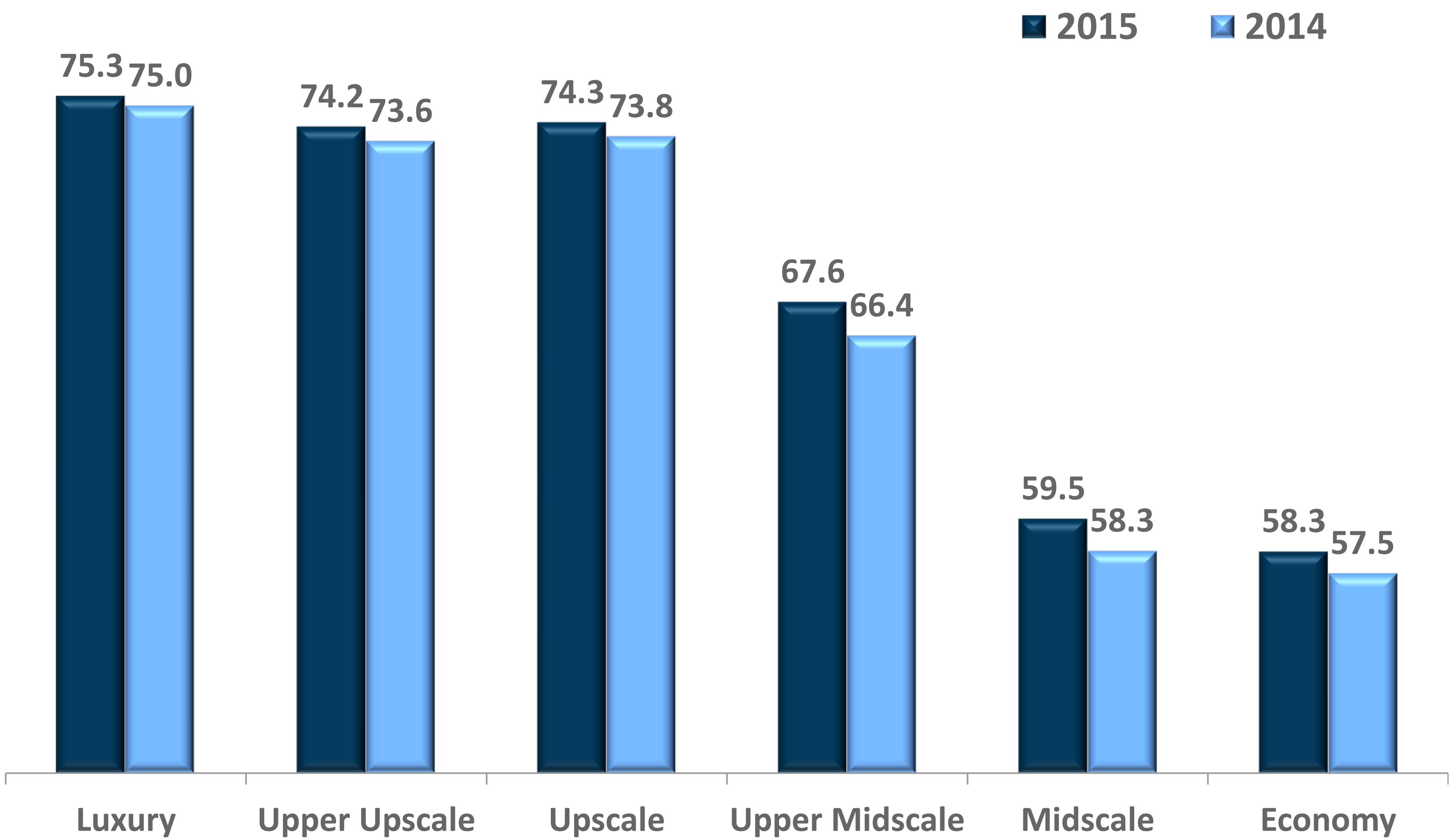
Scales RevPAR Composition: ADR Driven



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

Scales: Upper End Hotels Are Very Busy



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

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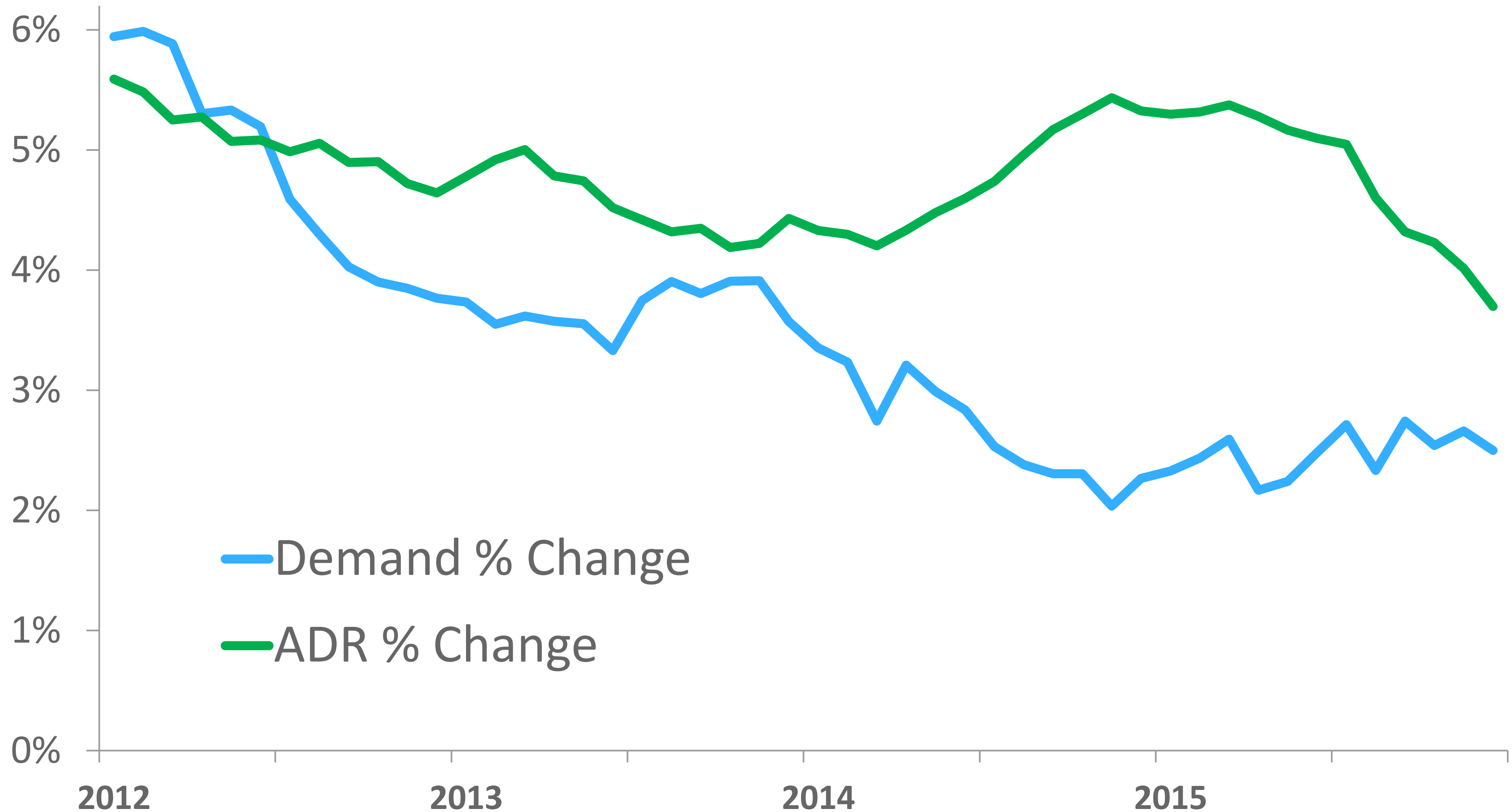
Segmentation

Transient ADR Growth Subsides Despite High Occupancies



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

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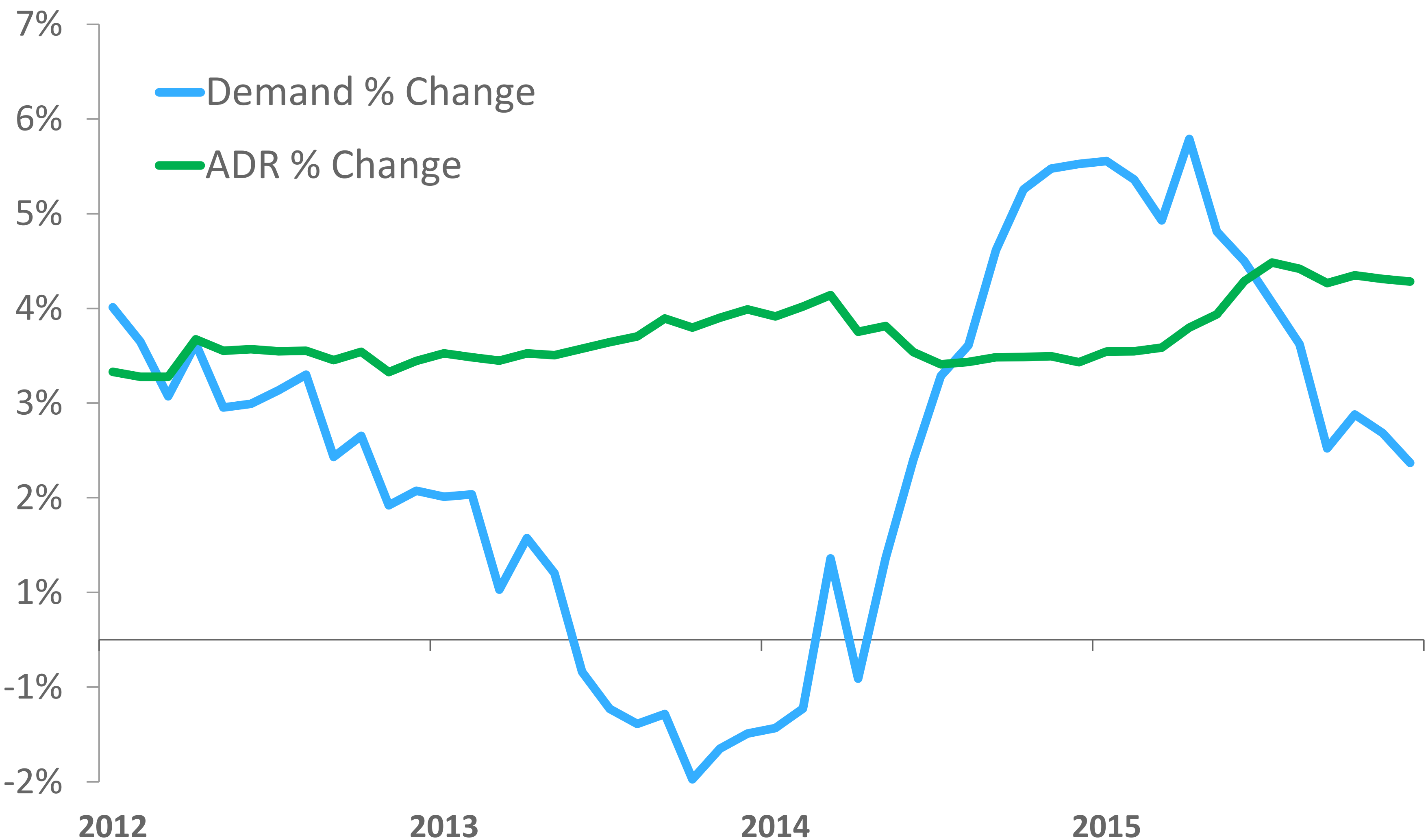
Group Demand Growth Slows Rapidly



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

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Pipeline

US Pipeline: Construction Today Will Impact 2016 / 2017

Phase	2015	2014	% Change
In Construction	141	120	17%
Final Planning	180	122	47%
Planning	147	170	-13%
Under Contract	**469**	**413**	**14%**

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

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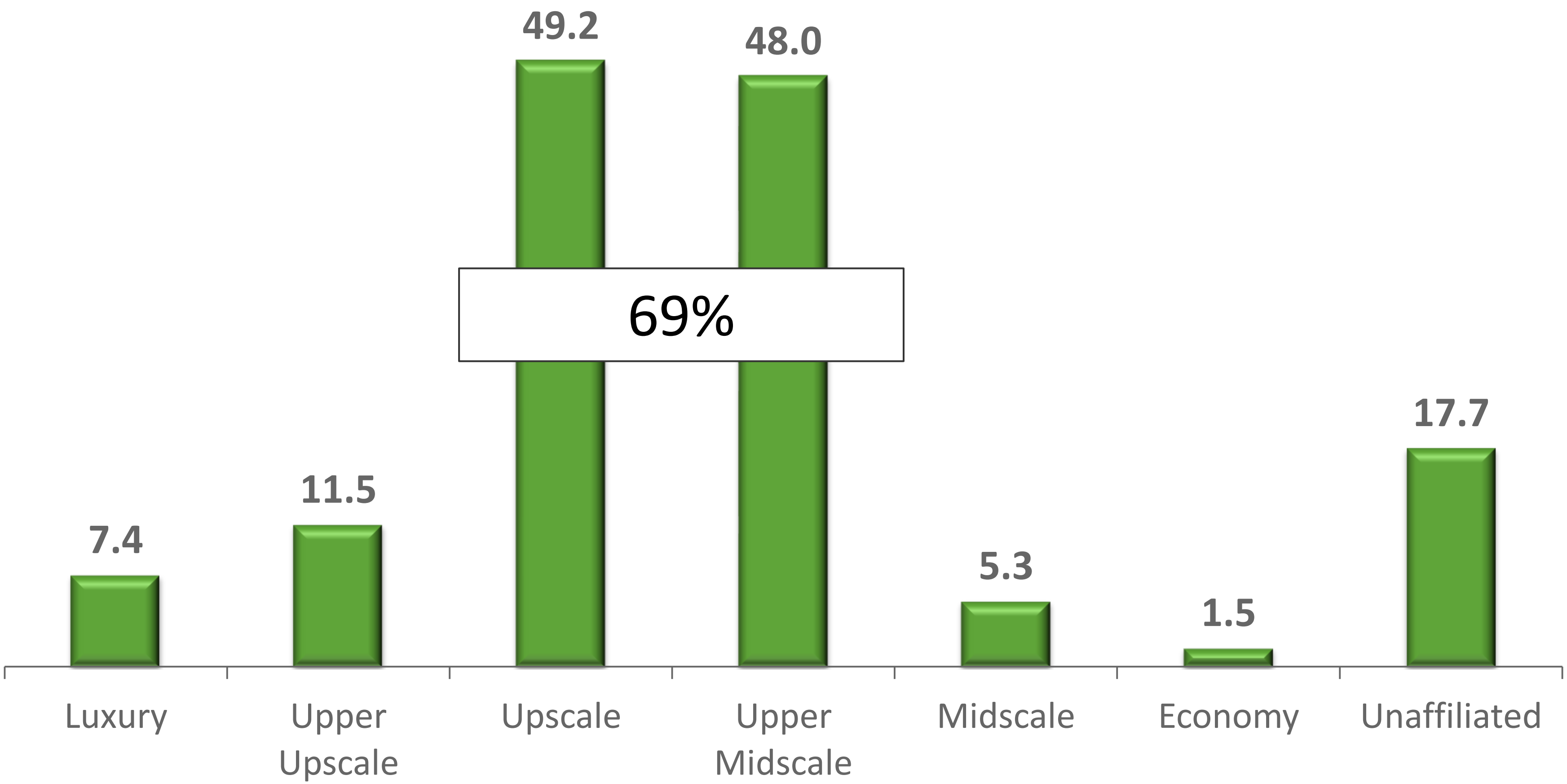
Limited Service Construction Has Been Strong For 2 Years



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

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Construction In Top 26 Markets: 20 With 2%+ Of Supply

Market	Rooms U/C	% Of Existing
Oahu Island, HI	175	0.6%
Norfolk/Virginia Beach, VA	300	0.8%
St Louis, MO-IL	407	1.1%
Atlanta, GA	1,255	1.3%
San Francisco/San Mateo, CA	751	1.5%
New Orleans, LA	618	1.6%
Orlando, FL	2,600	2.1%
Detroit, MI	954	2.3%
Las Vegas, NV	3,905	2.3%
Phoenix, AZ	1,536	2.5%
Chicago, IL	2,964	2.7%
Tampa/St Petersburg, FL	1,233	2.8%
Washington, DC-MD-VA	3,339	3.1%
San Diego, CA	1,951	3.2%
Denver, CO	1,794	4.1%
Anaheim/Santa Ana, CA	2,328	4.2%
Los Angeles/Long Beach, CA	4,240	4.3%
Minneapolis/St Paul, MN-WI	1,949	5.0%
Boston, MA	2,627	5.0%
Philadelphia, PA-NJ	2,343	5.1%
Nashville, TN	1,982	5.1%
Dallas, TX	4,177	5.2%
Seattle, WA	2,232	5.3%
Houston, TX	5,710	7.1%
Miami/Hialeah, FL	3,920	7.6%
New York, NY	14,090	12.0%

*US Pipeline, Top 26 Markets, U/C Rooms as % of Existing Supply, December 2015

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U.S. Forecast

Total United States

Key Performance Indicator Outlook (% Change vs. Prior Year)
2016 - 2017

Outlook		
	2016 Forecast	2017 Forecast
Supply	1.7%	1.9%
Demand	2.3%	2.1%
Occupancy	0.6%	0.2%
ADR	4.4%	4.3%
RevPAR	5.0%	4.5%

Lee County & Florida

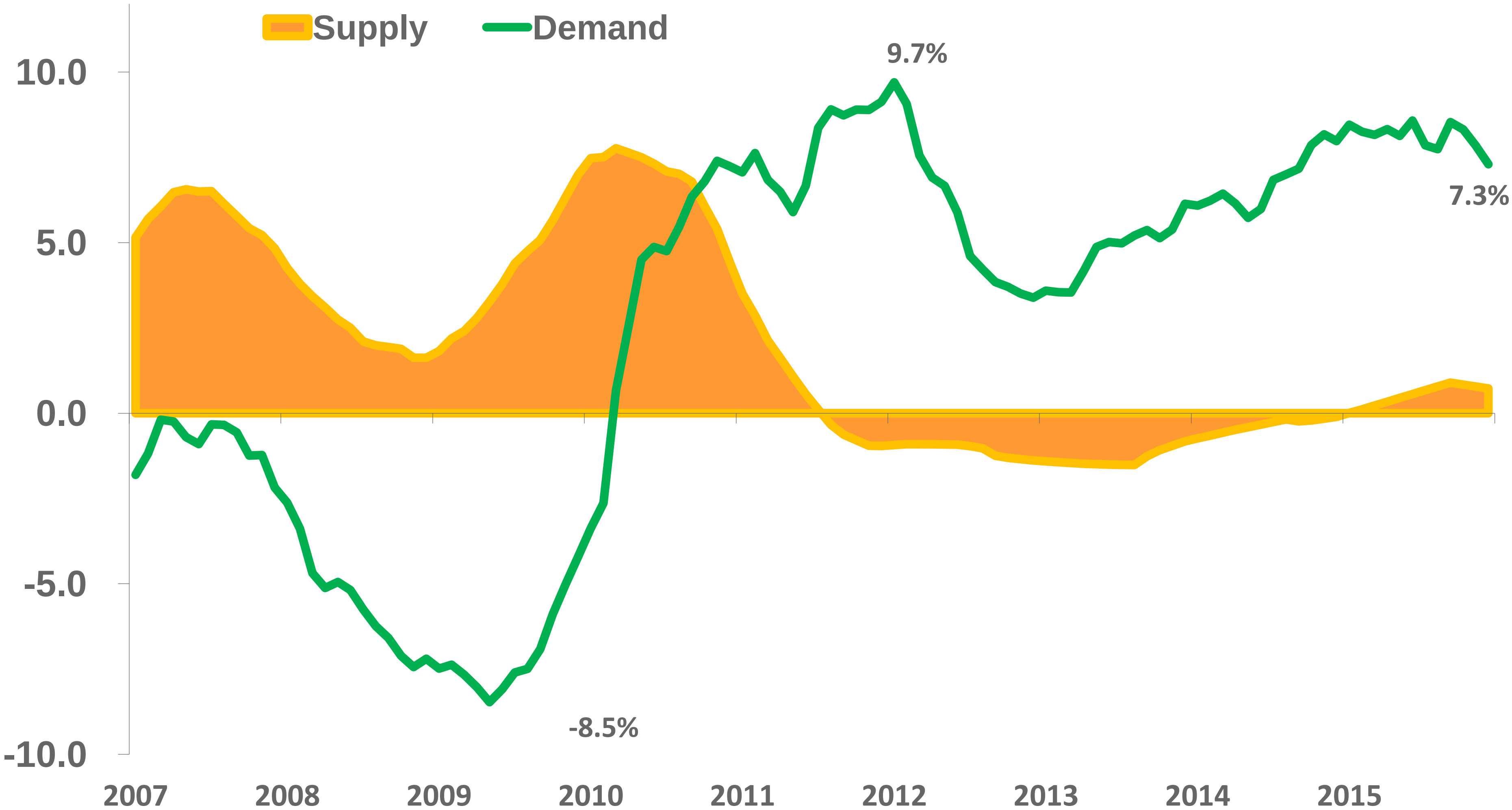

Welcome to Lee County

Lee County At A Glance: Impressive!

		% Change
• # of Hotels	134	
• Hotel Rooms	11,850	
• Occupancy	70.6%	6.5%
• ADR	$145	7.7%
• RevPAR	$102	14.7%
• Room Revenue	$441m	15.6%

Lee County, FL- Key Statistics; YTD Dec 2015

Demand Soars; Supply Growth Not A Threat At This Time



Lee County, FL; Supply & Demand% Change, 12 MMA, 01/07– 12/15

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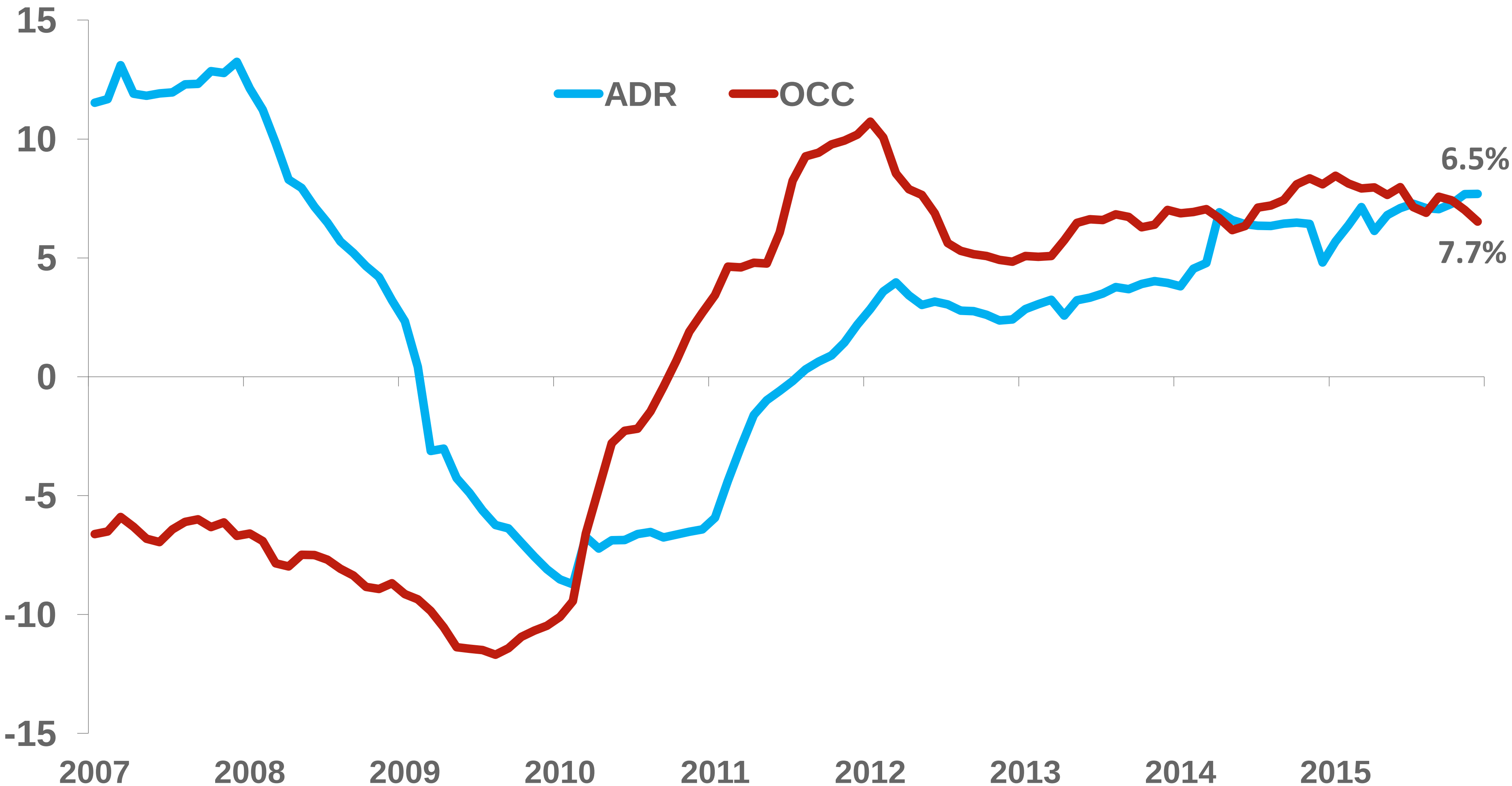
Not much in the pipeline…

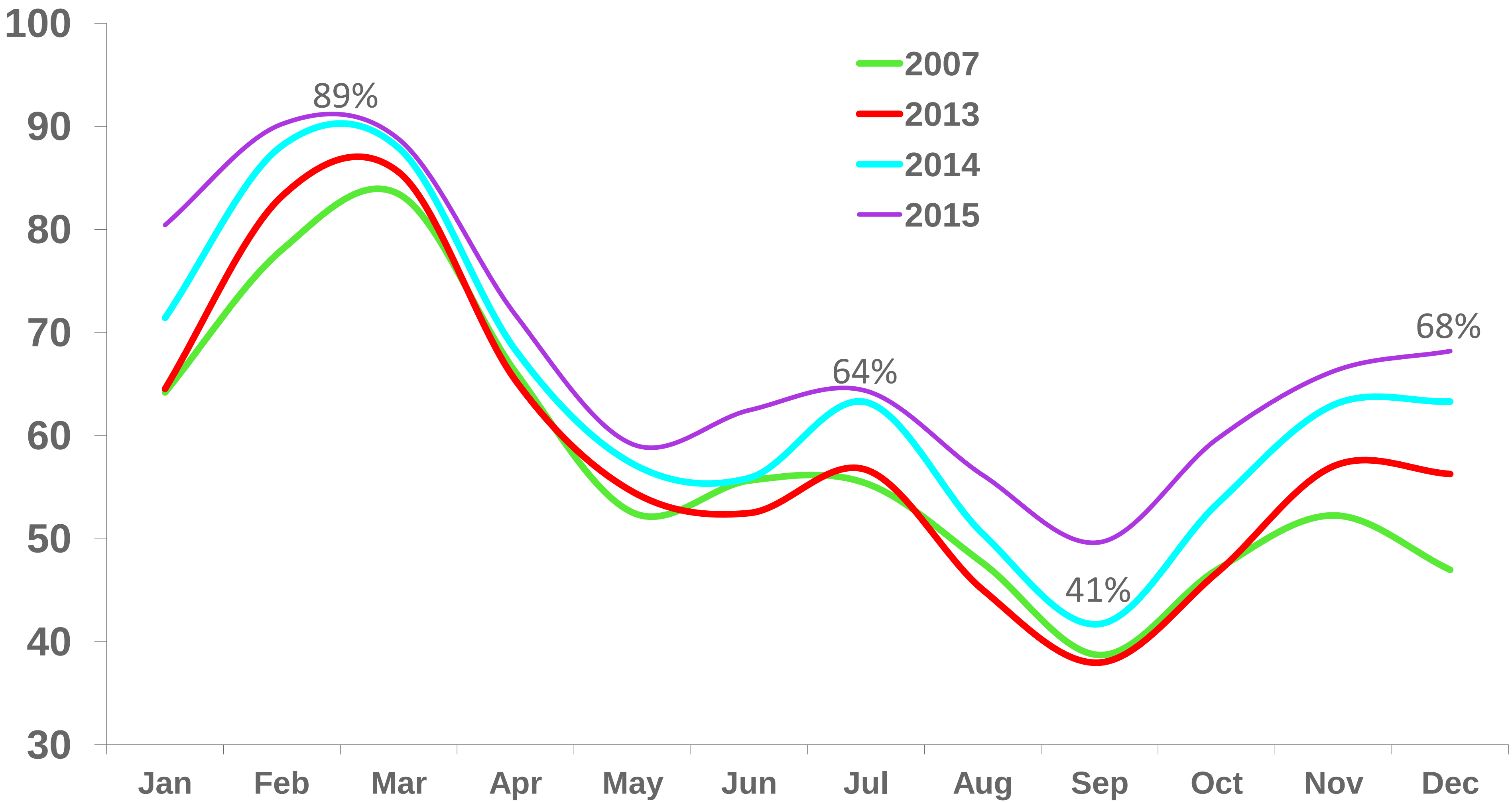
Project Name	Rooms
Harborside Event Center Hotel	200
TownePlace Suites Cape Coral Estero	114
Drury Inn & Suites Fort Myers	180
Holiday Inn Resort Fort Myers Beach	200

Rate Growth Remains Steady; Occ growth will slow



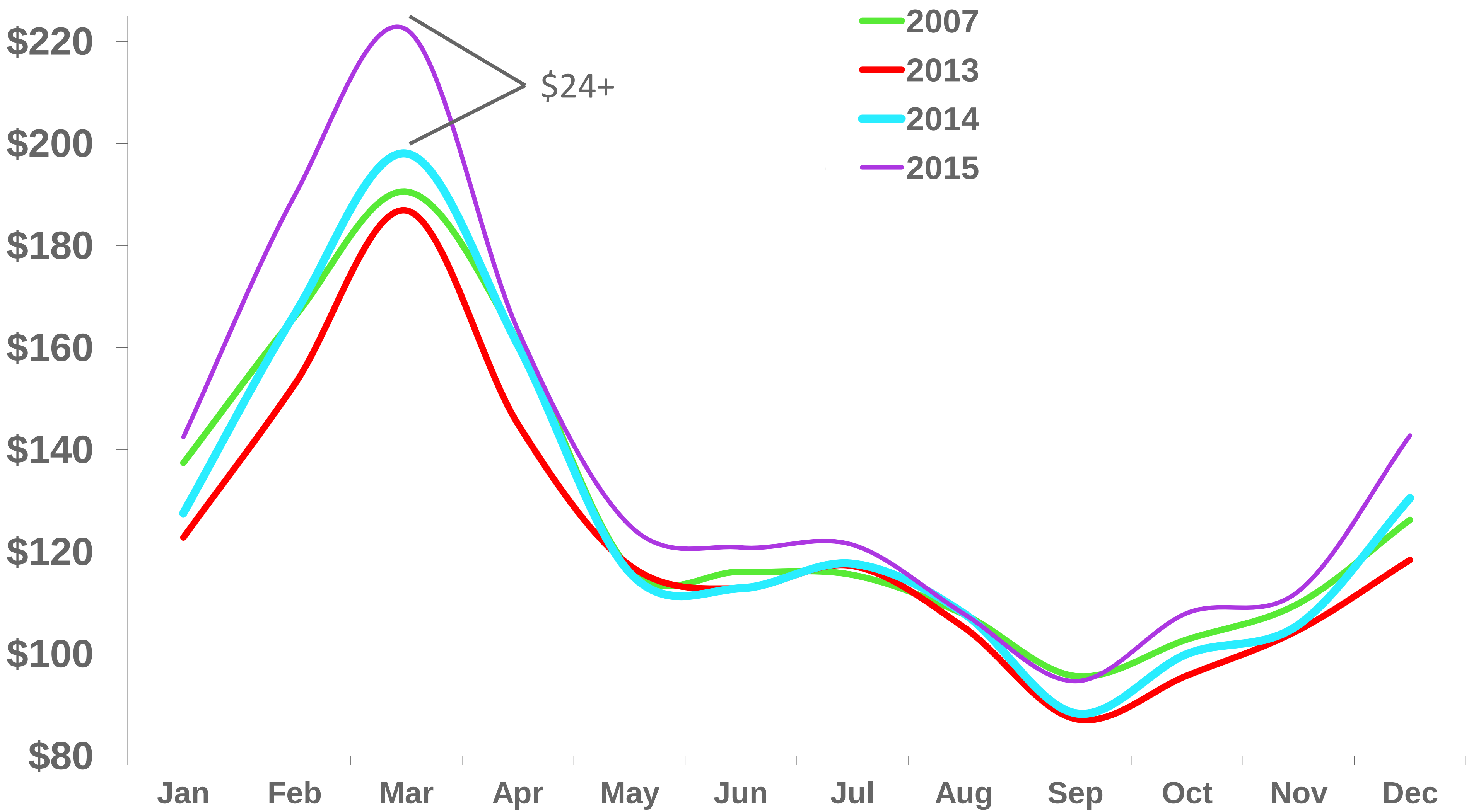
Lee County, FL; ADR & Occupancy % Change, 12 MMA, 01/07 – 12/15

Weekday Occupancy: Stronger than ever



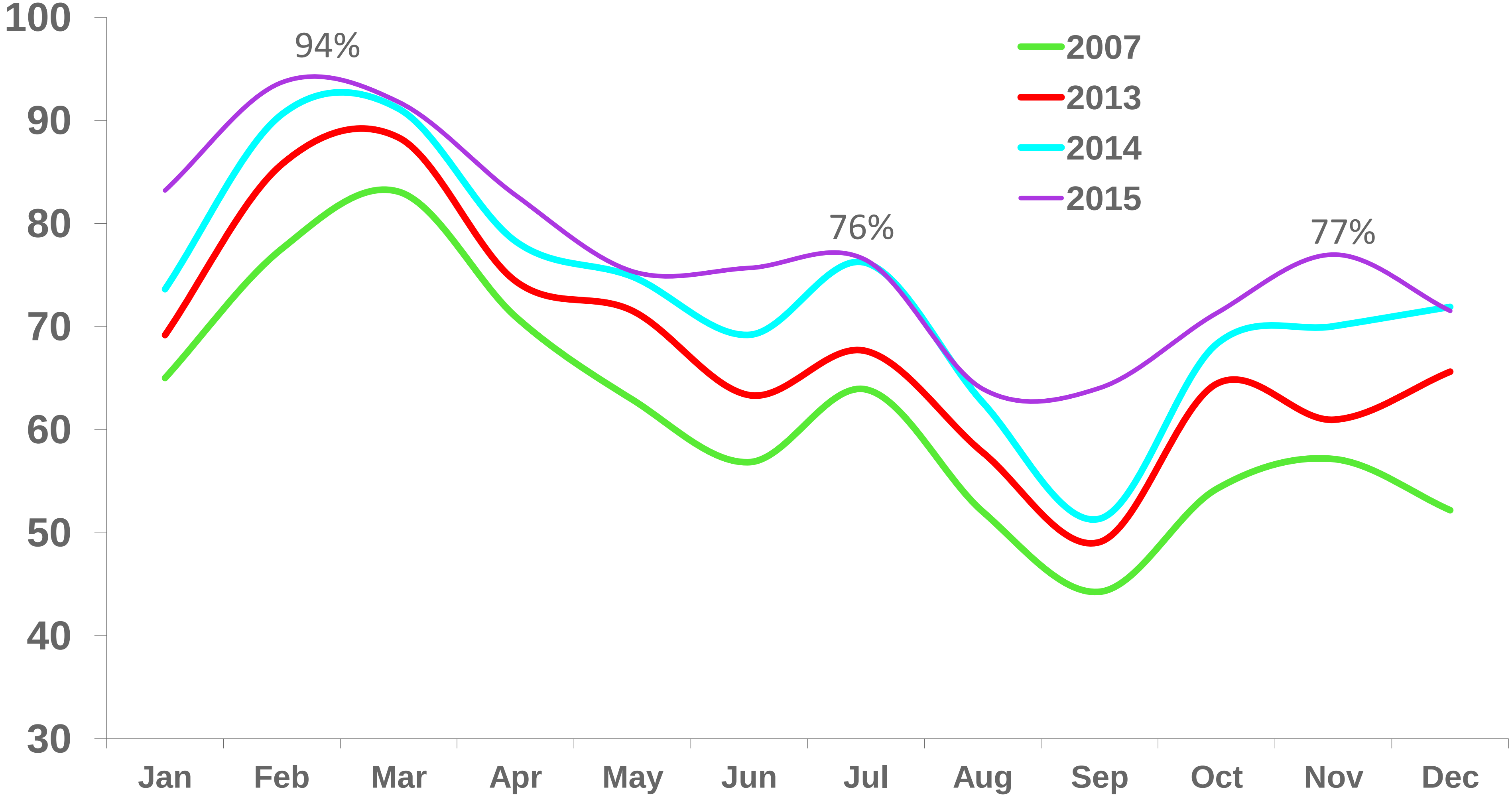
Lee County, FL Weekday Occupancy by Month; 2007, 2013, 2014, 2015

Weekday ADR: March Rate Peaks YOY



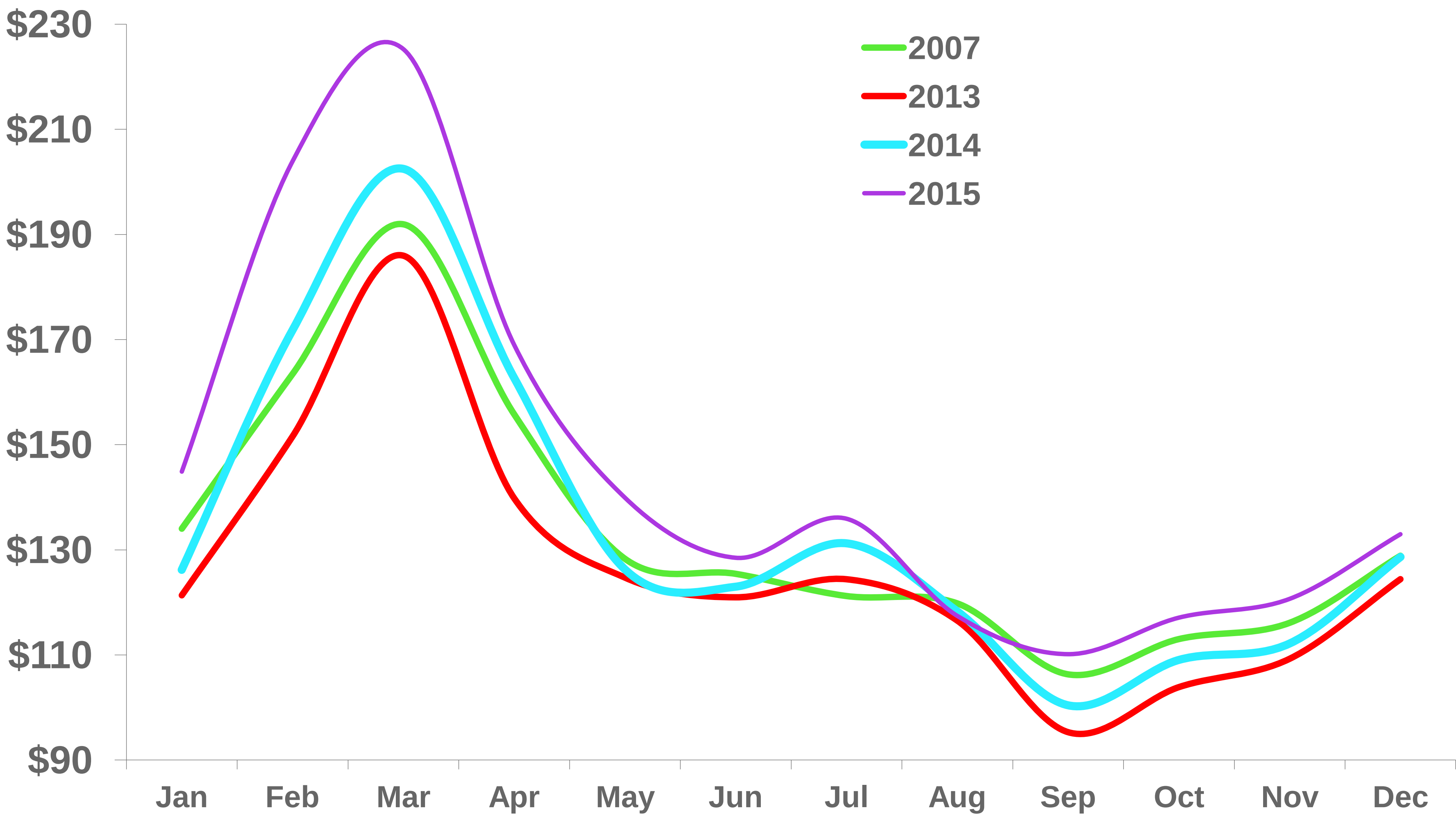
Lee County FL; Weekday ADR by Month, 2007, 2013, 2014, & 2015

Weekend Occupancy: Stronger Shoulder Season



Lee County, FL Weekend Occupancy by Month; 2007, 2013, 2014, & 2015

Weekend ADR: Huge jump in March; Fall remains tight



Lee County FL; Weekend ADR by Month, 2007, 2013, 2014, & 2015

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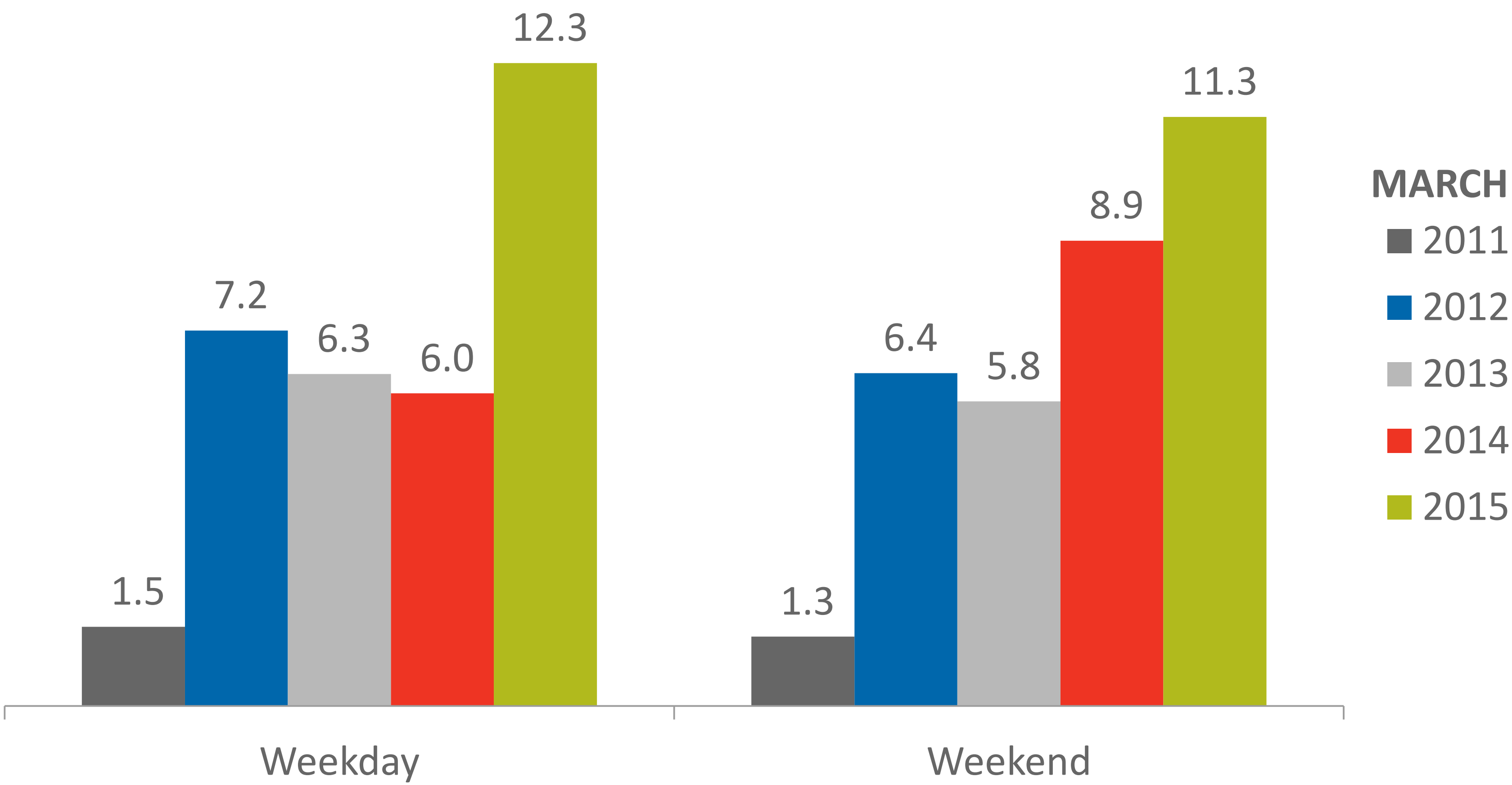
High Season = Maximizing Rate



Lee County, FL; ADR % Chng; Weekday & Weekend; March only 2011-2015

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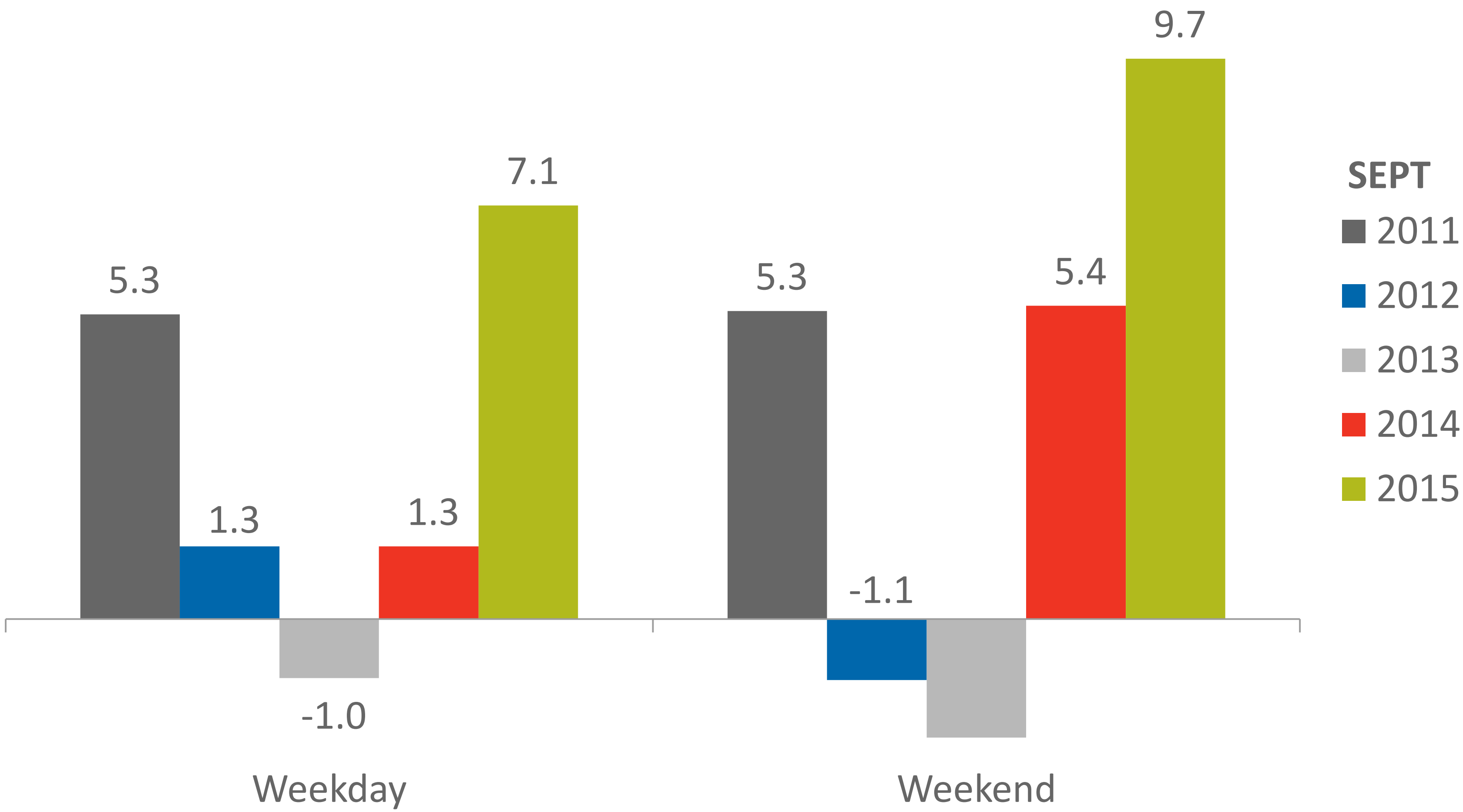
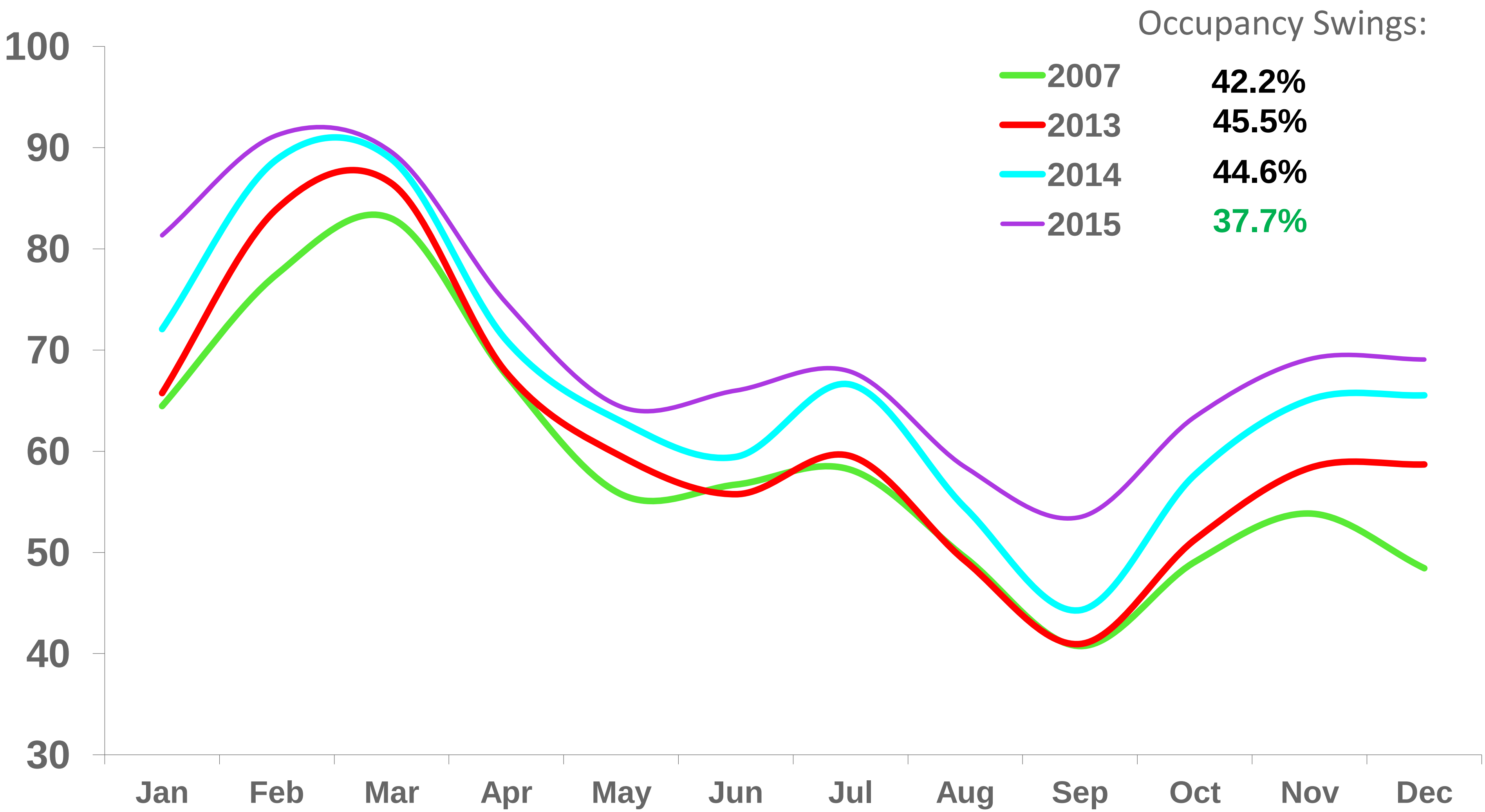
Low Season = Rate still great in 2015



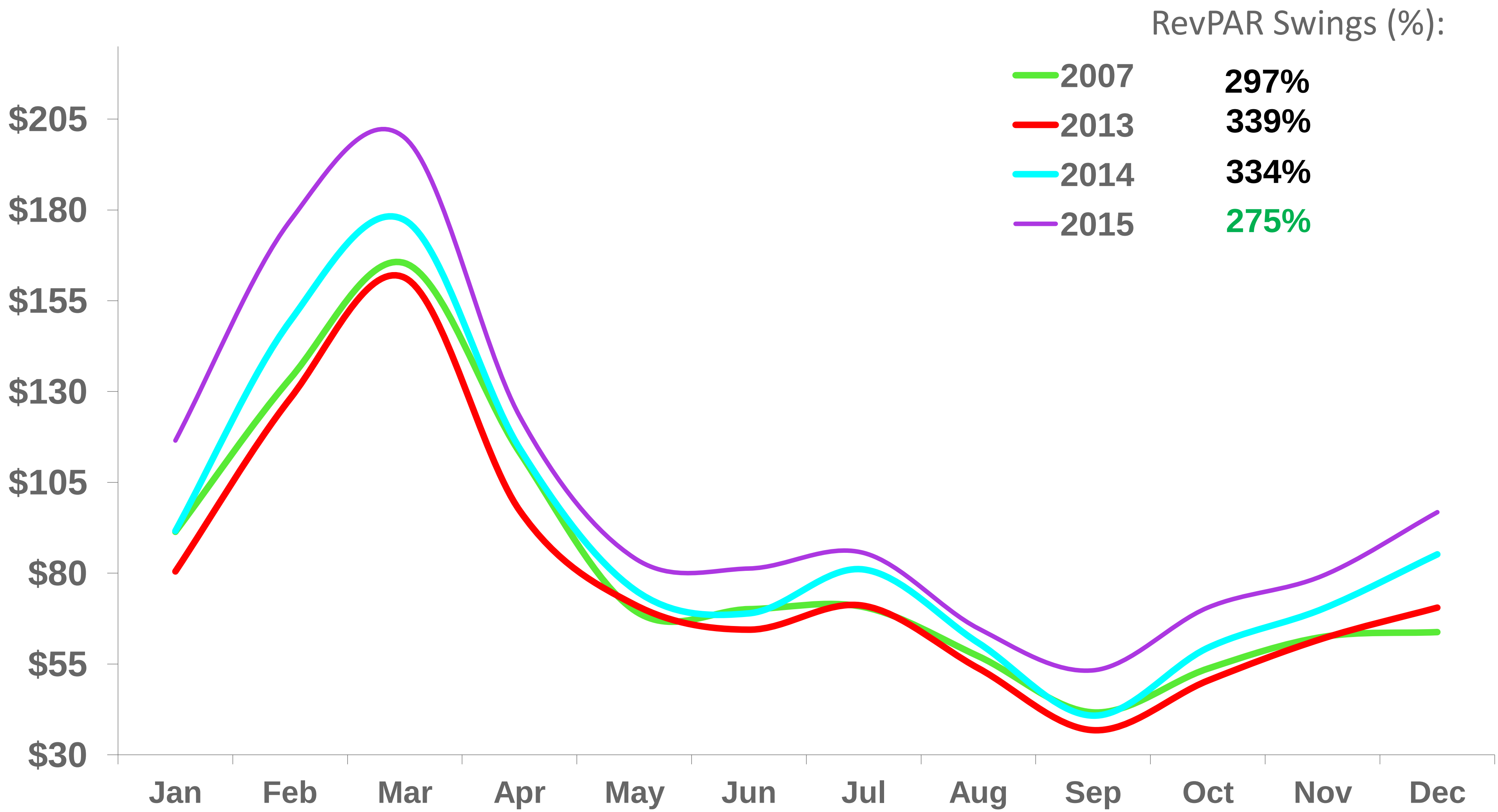
Lee County, FL; ADR % Chng; Weekday & Weekend; September only 2011-2015

Has Seasonality Changed? A Look at Occupancy



Lee County FL; Total Occupancy by Month, 2007, 2013, 2014, & 2015

Has Seasonality Changed? A Look at RevPAR



Lee County FL; Total RevPAR by Month, 2007, 2013, 2014, & 2015

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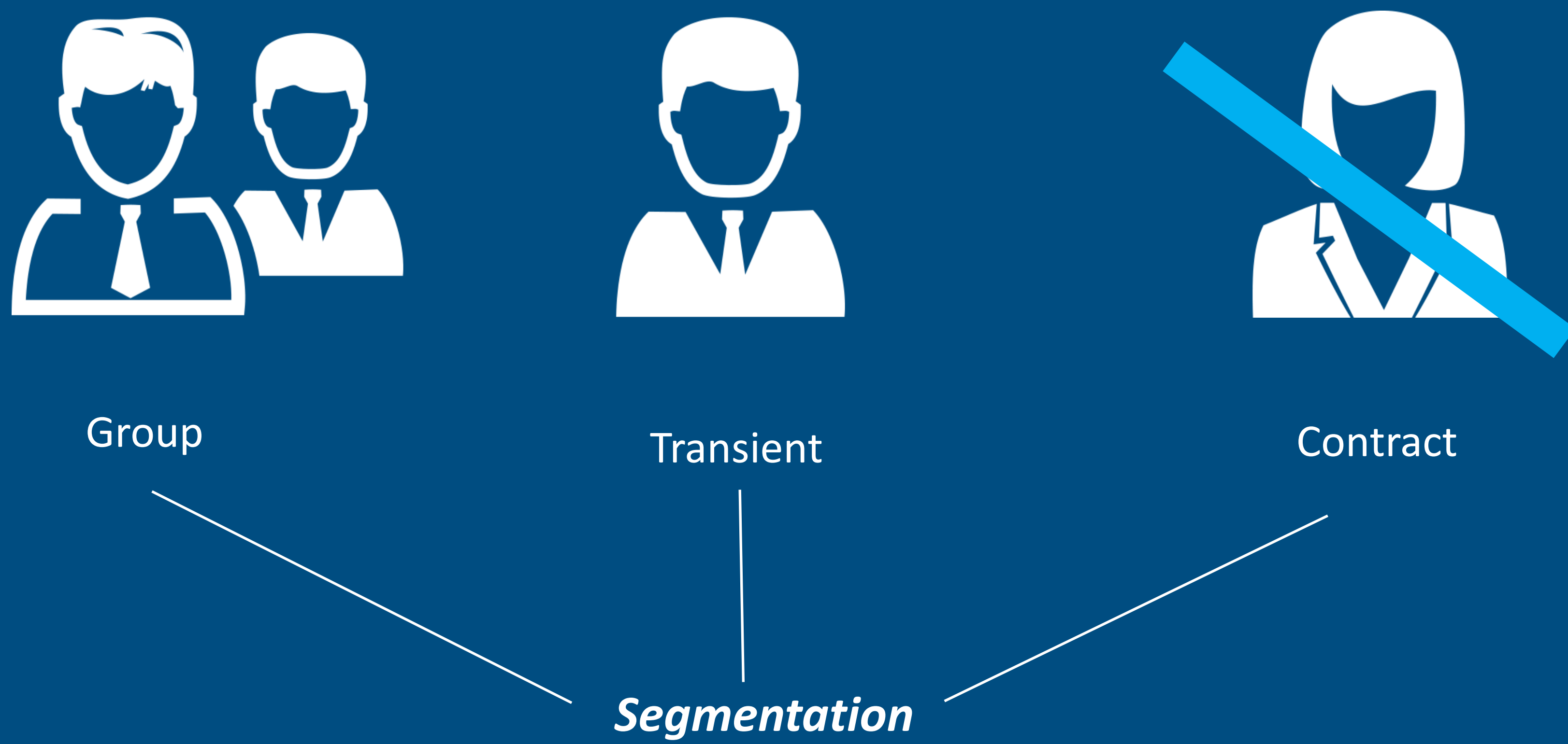
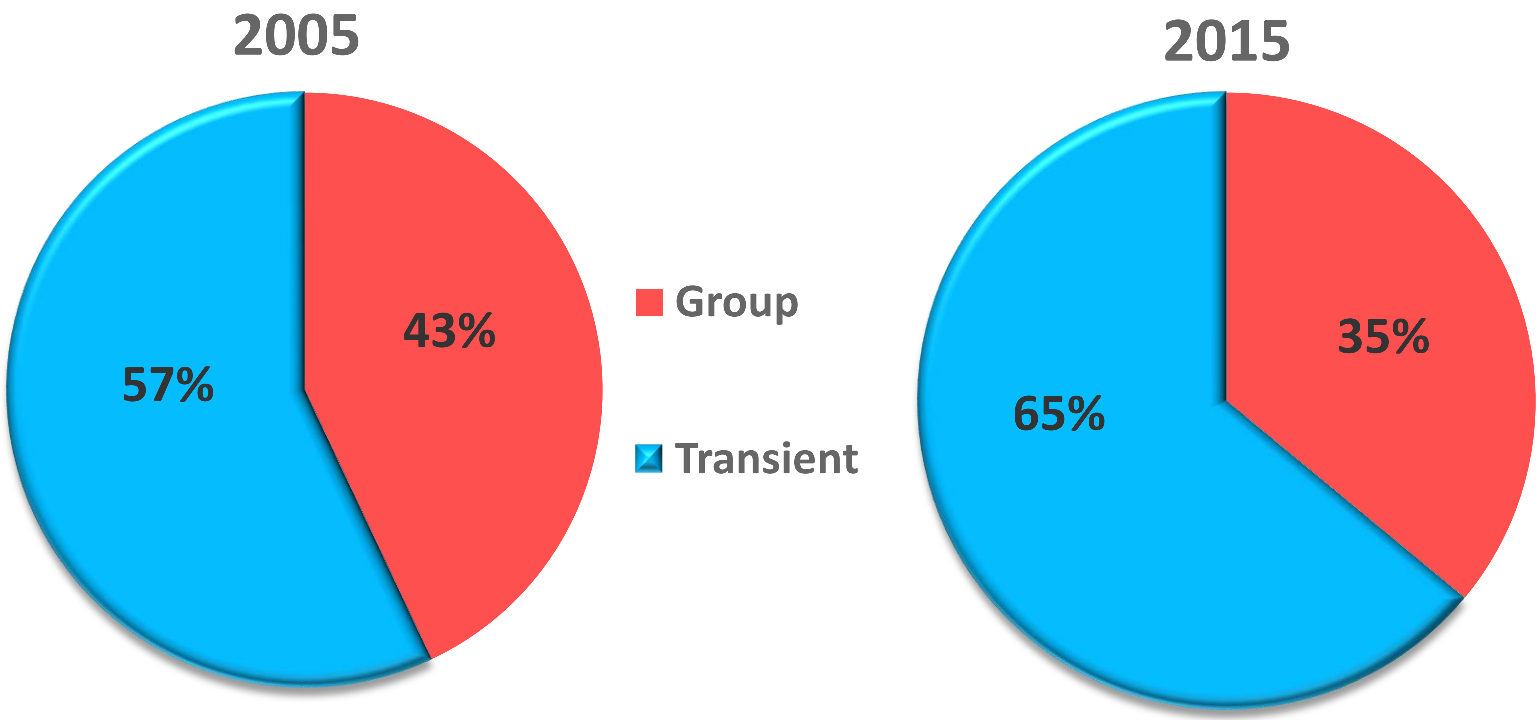
Segmentation Glance:

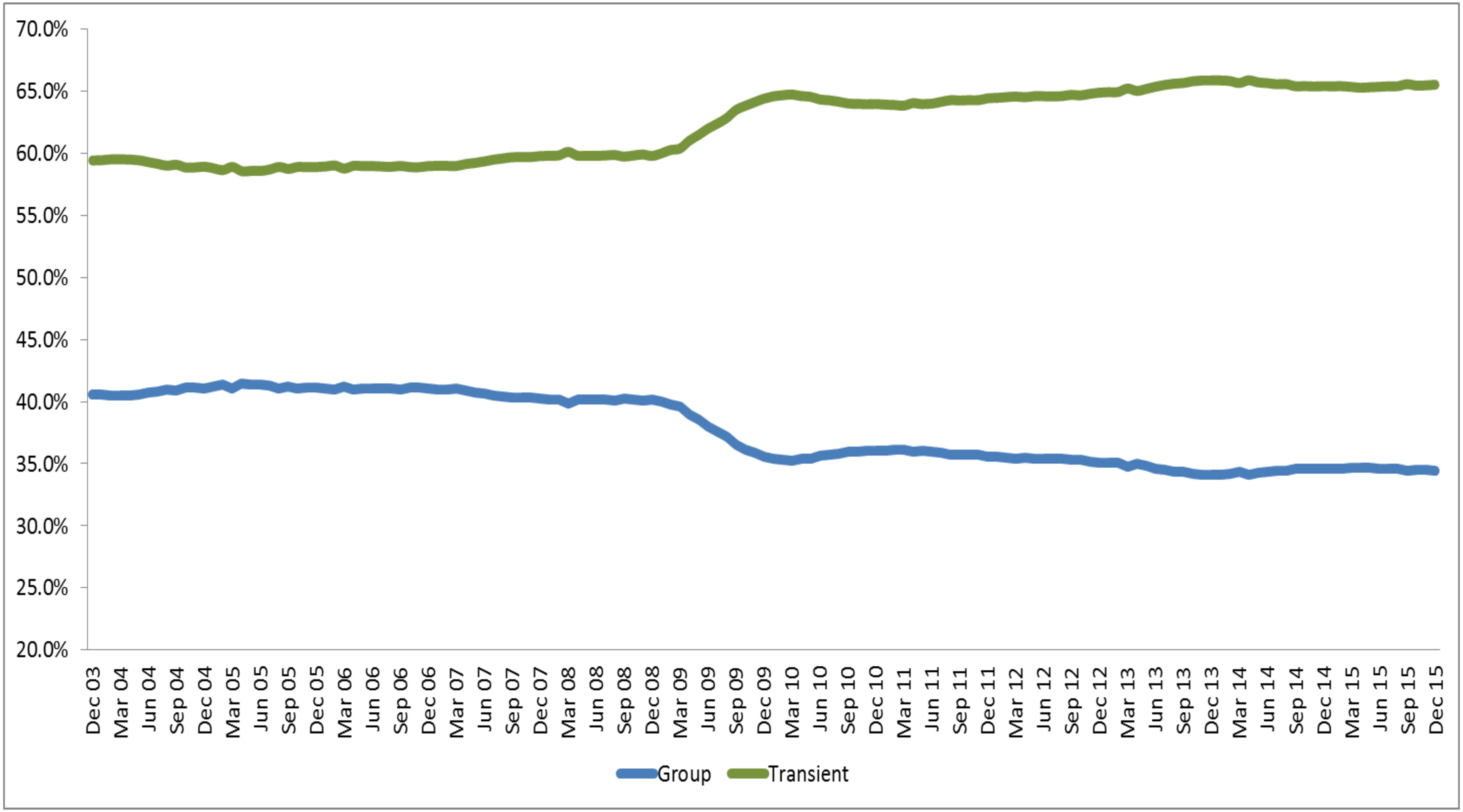


Total U.S.: Transient Occupancy Share Increases



Transient and Group Occupancy as Share of Total OCC, 2005 and 2015 (Share does not include contract)

While Transient Continues To Grow Share of Occupancy …..



U.S. Transient and Group Occupancy Mix of Total OCC

Dec 2003 thru Dec 2015

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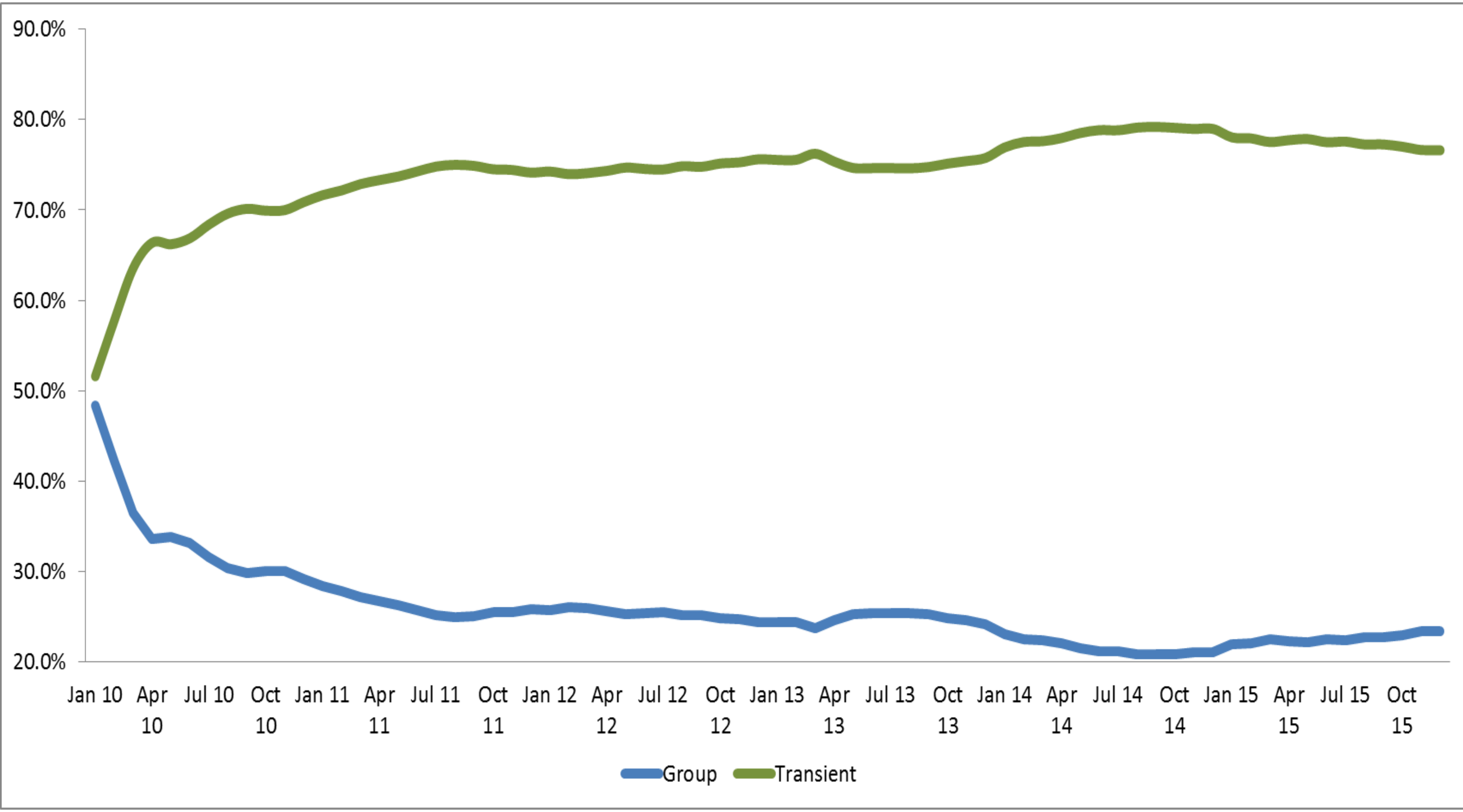
Lee Co. Occupancy Mix Transient Driven



Lee County, FL; Transient and Group Occupancy Mix of Total OCC; January 2010 thru Dec 2015

#3


Greetings from
FLORIDA
"The Land of Sunshine"
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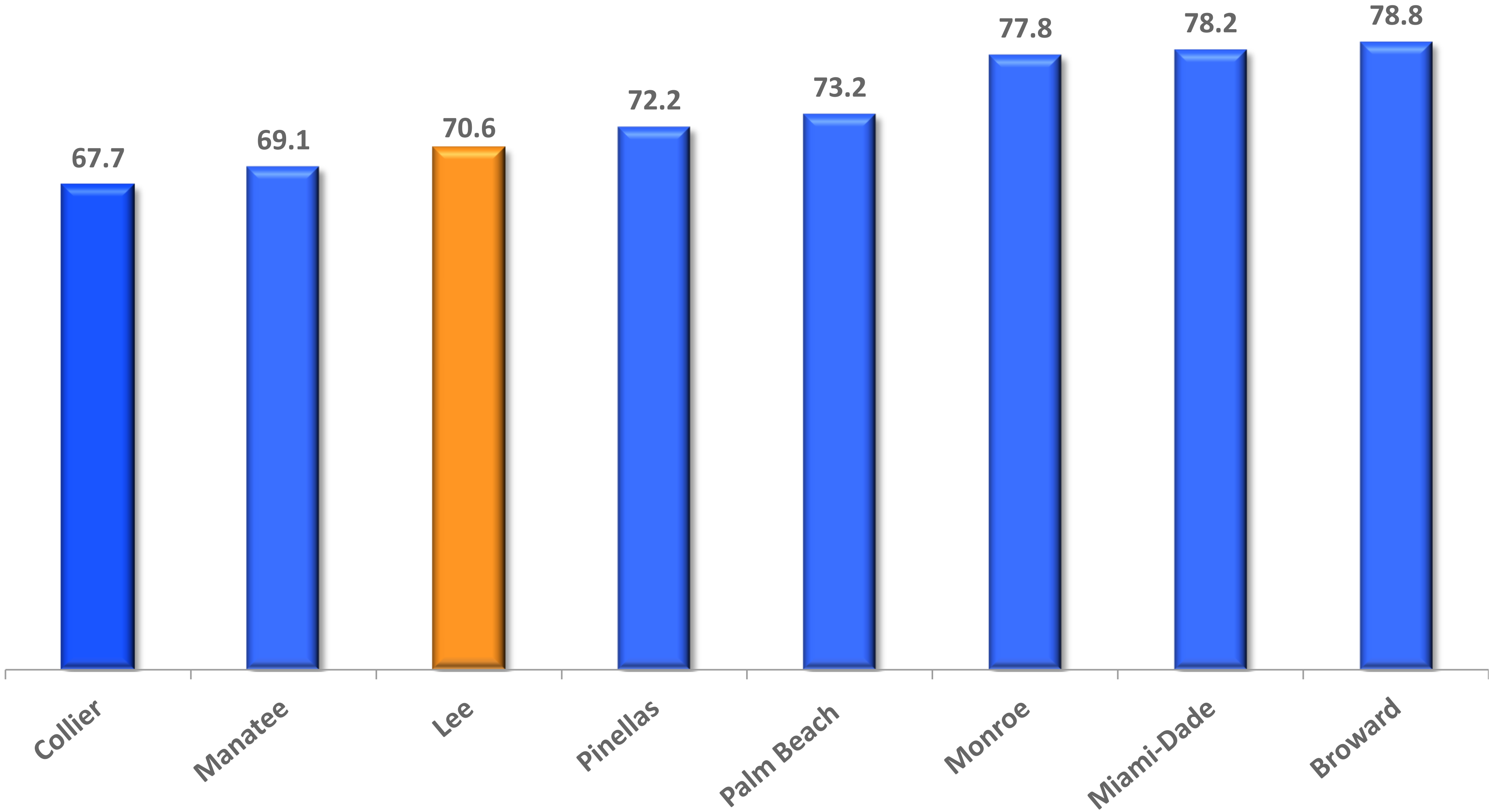
All Counties Selling at Least 6 Of 10 Room Nights



Select Florida Counties: Actual Occupancy %; YTD Dec 2015

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Rate Leader = Monroe County

Select Florida Counties : Actual ADR $; YTD Dec 2015

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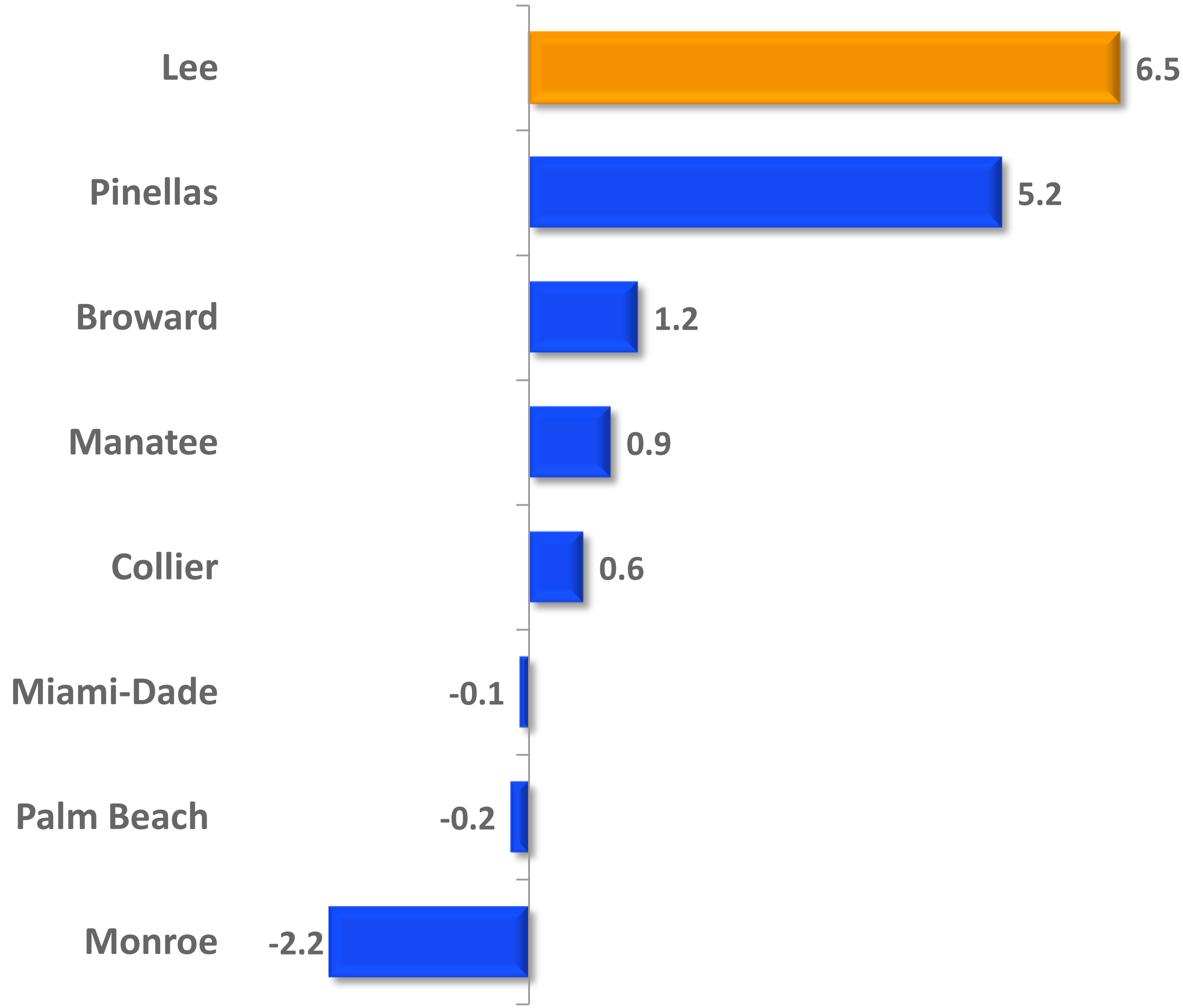
Lee County With Highest OCC Growth YOY



Select Florida Counties: OCC % Change; YTD Dec 2015

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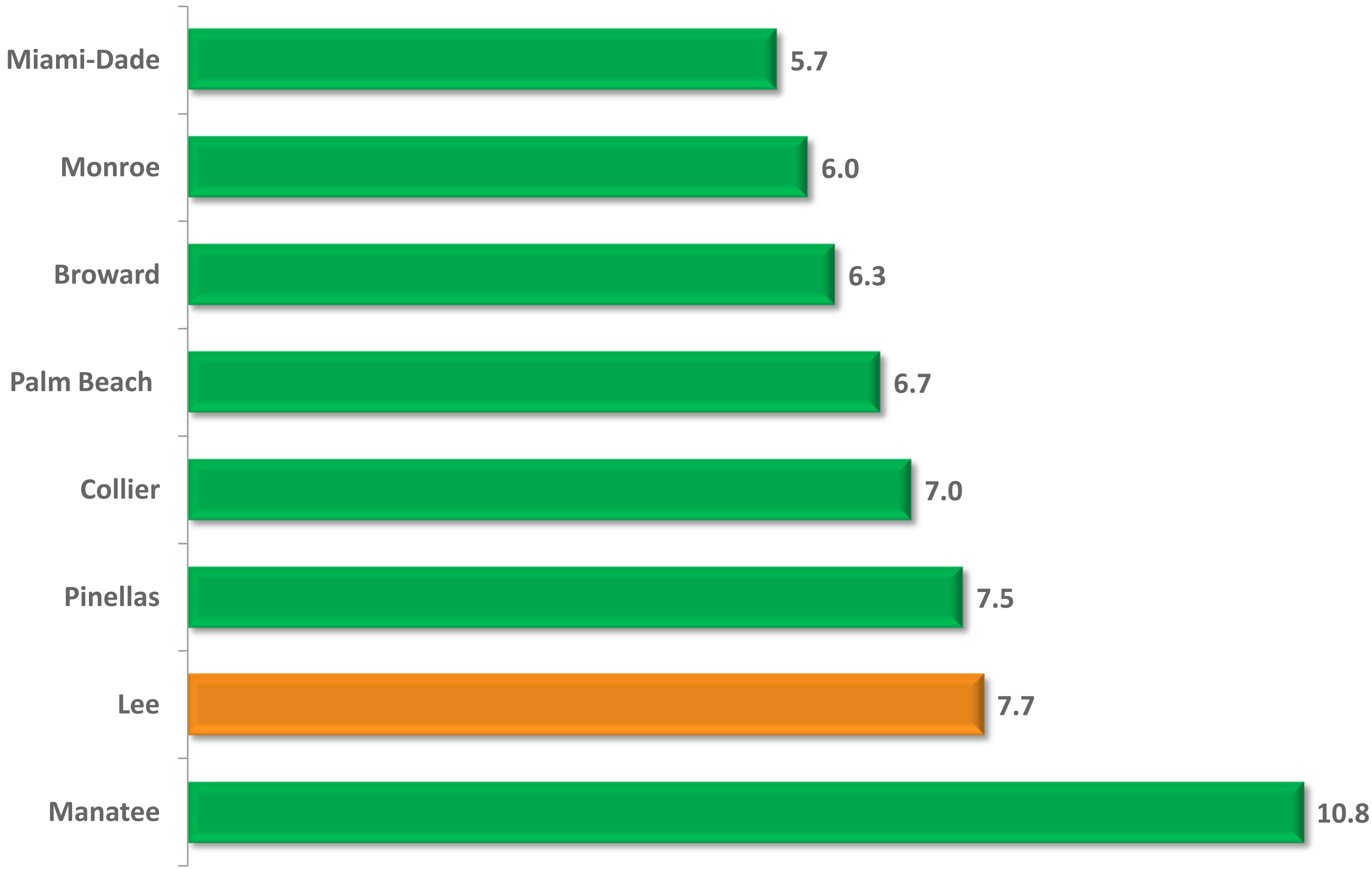
Most Seeing 6 to 9% Rate Growth YOY



Select Florida Counties: ADR % Change; YTD Dec 2015

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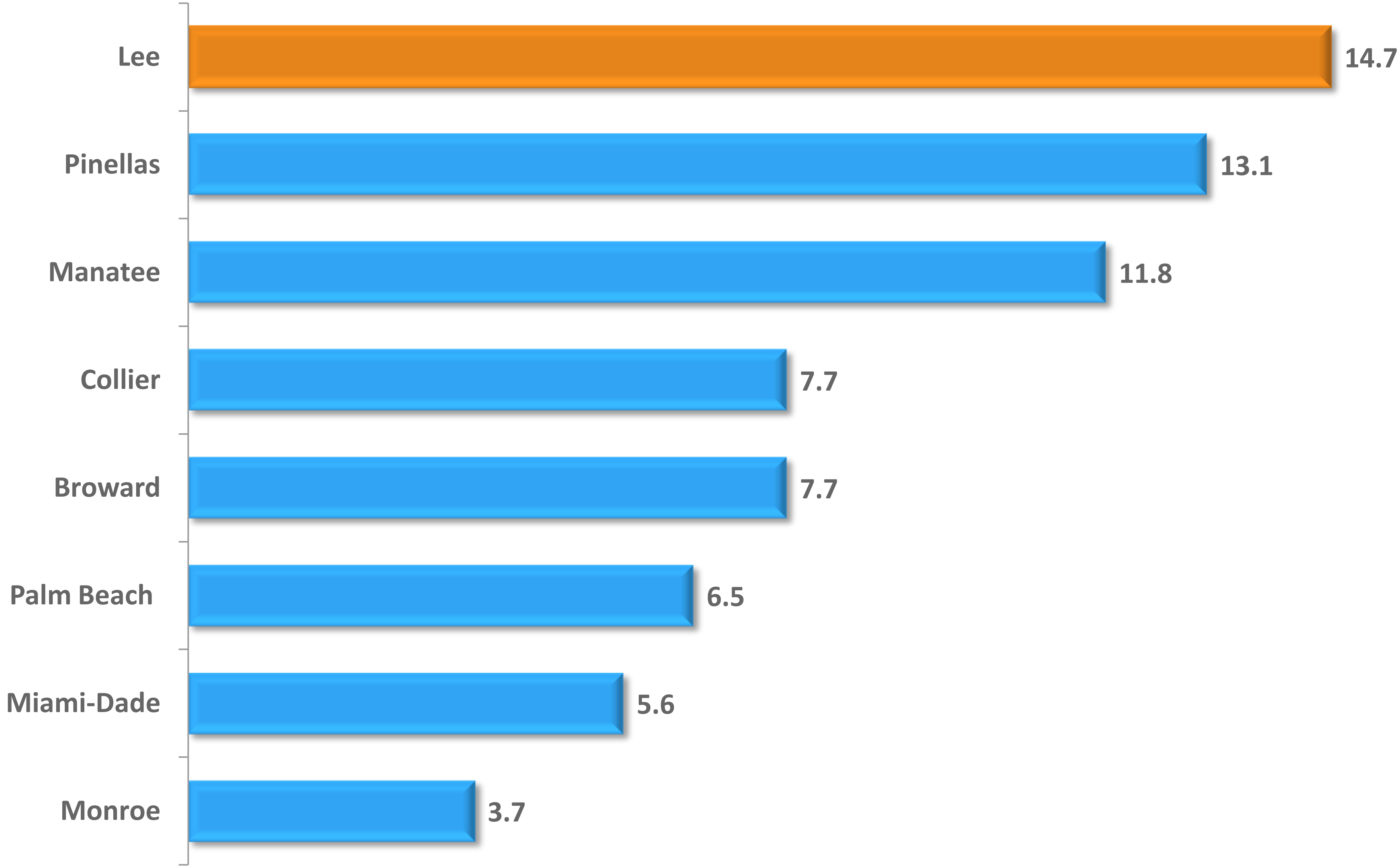
Lee County RevPAR Growth Leader



Select Florida Counties: RevPAR % Change; YTD Dec 2015

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Lee County Forecast

Lee County

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

2016 Outlook		
	% Change	Value
Occupancy	1.2%	71.5%
ADR	5.9%	$153.63
RevPAR	7.2%	$109.84

In sum.....

(for now)

But if you like to worry…

(yes, I'm looking at you)

Things to be aware of

- Airbnb, et al
- New supply
- Too much oil in the world
- Junk bonds
- Transient rate growth slowing
- Net RevPAR growth – negative?

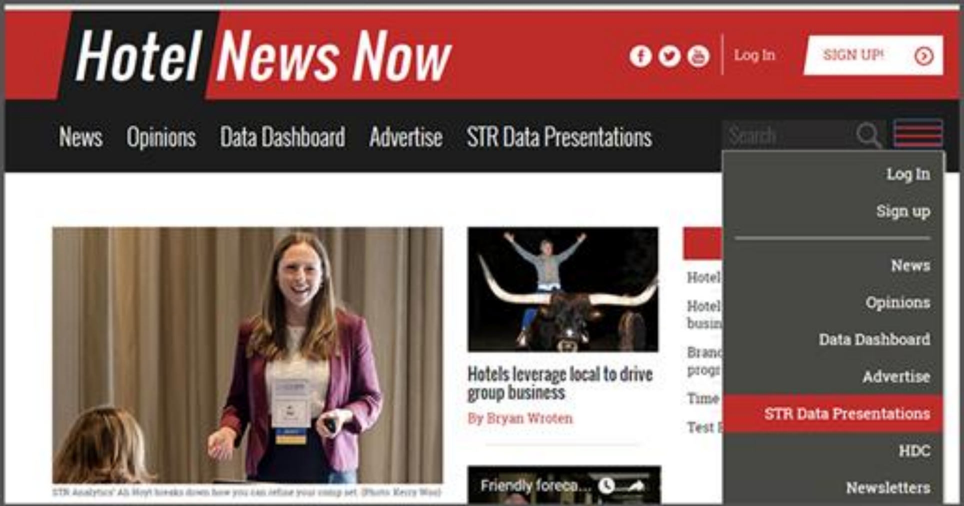
Recap:

- Life is good!
- 2015: Records shattered
- Rate growth driving profits
- New supply still low but creeping up
- There’s big difference between a soft landing and a crash

Questions?

Presentation is available for download.

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



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