



Hotel Industry Overview

*ORLA Convention:
Oregon Lodging Industry Trends Breakout*

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Welcome!

Allison Cowan

Business Development Associate



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71%

of U.S. rooms

participate with STR

STR provides monthly,
weekly and daily reports
to more than

47,000

worldwide hotels,
which represent

6.1 million rooms.



What We Do

Raw Data Collected:

Total Rooms Available
(Supply)

Total Rooms Sold
(Demand)

Total Room Revenue
(Revenue)



KPIs

(Key Performance Indicators)

Occ
(Occupancy)

ADR
(Average Daily Rate)

RevPAR
(Revenue per Available Room)



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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Agenda

October 14, 2013

- Total U.S. Overview
- State of Oregon
- Deeper Dive Into Oregon
- Pipeline
- Future Performance
- Q&A



Total U.S. Review

Demand Growth Back to Normal. RevPAR Driven by ADR.

		<u>% Change</u>
Supply*	1.8 bn	0.7%
Demand*	1.1 bn	2.4%
Occupancy	62.0%	1.7%
ADR*	\$109	4.0%
RevPAR*	\$68	5.8%
Room Revenue*	\$121 bn	6.6%

Total U.S. – Key Performance Indicators

12 MMA through August 2013

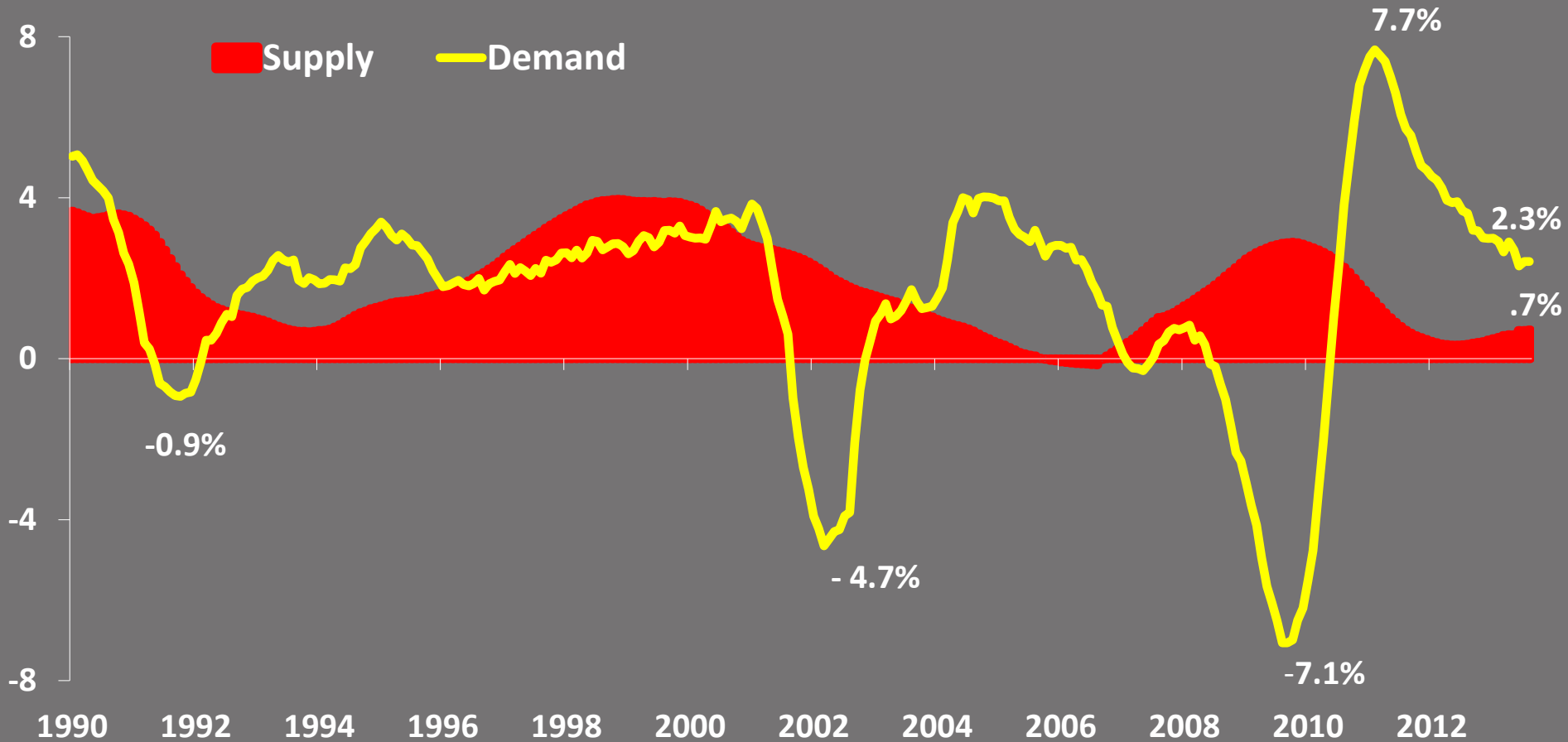
* All Time High



July 2013:

**Highest Monthly Room Revenue
EVER
(\$12.2 Billion)**

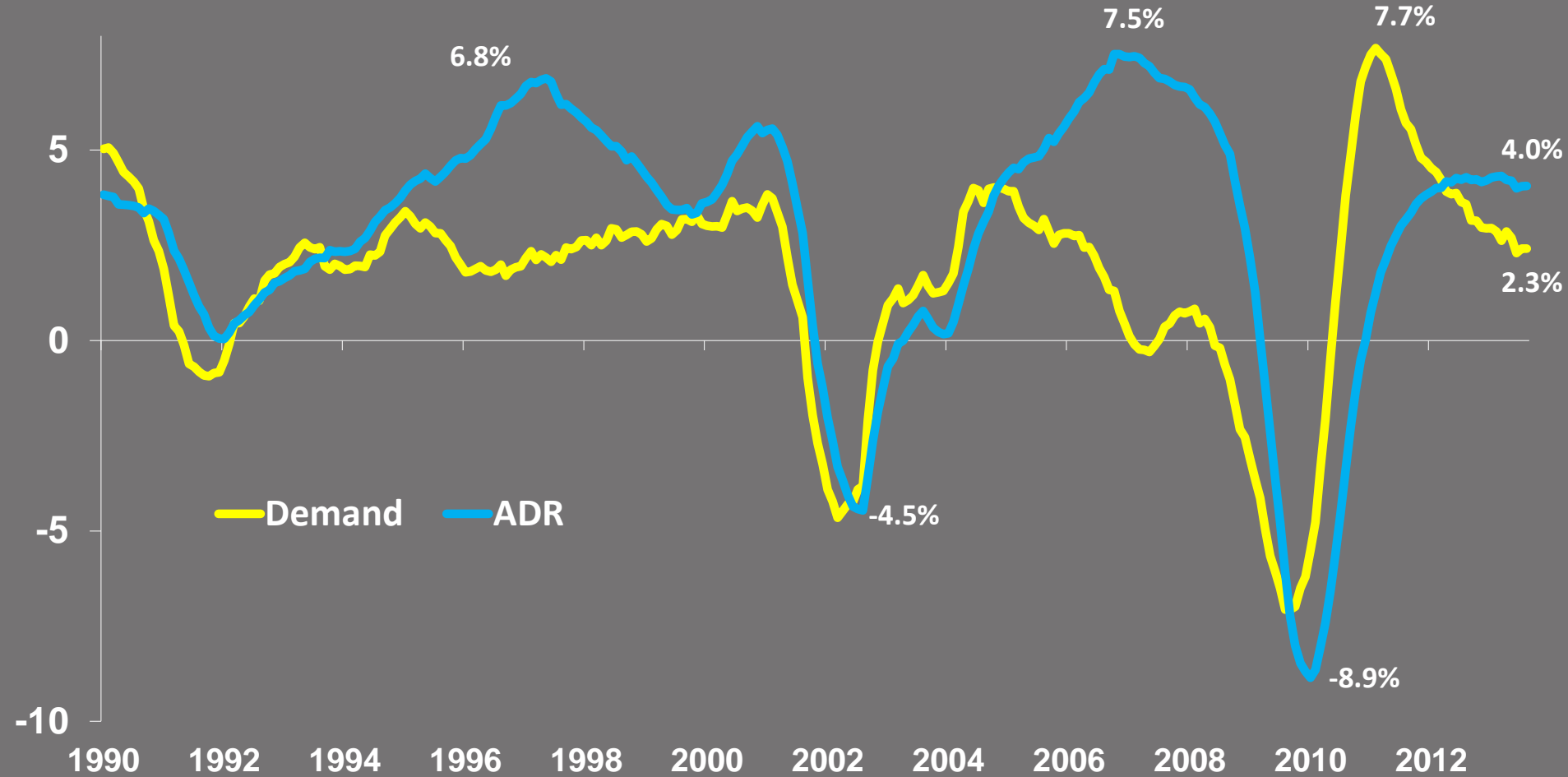
Favorable Supply / Demand Fundamentals for 2013



Total U.S. – Supply & Demand % Change
12 MMA January 1990 – August 2013



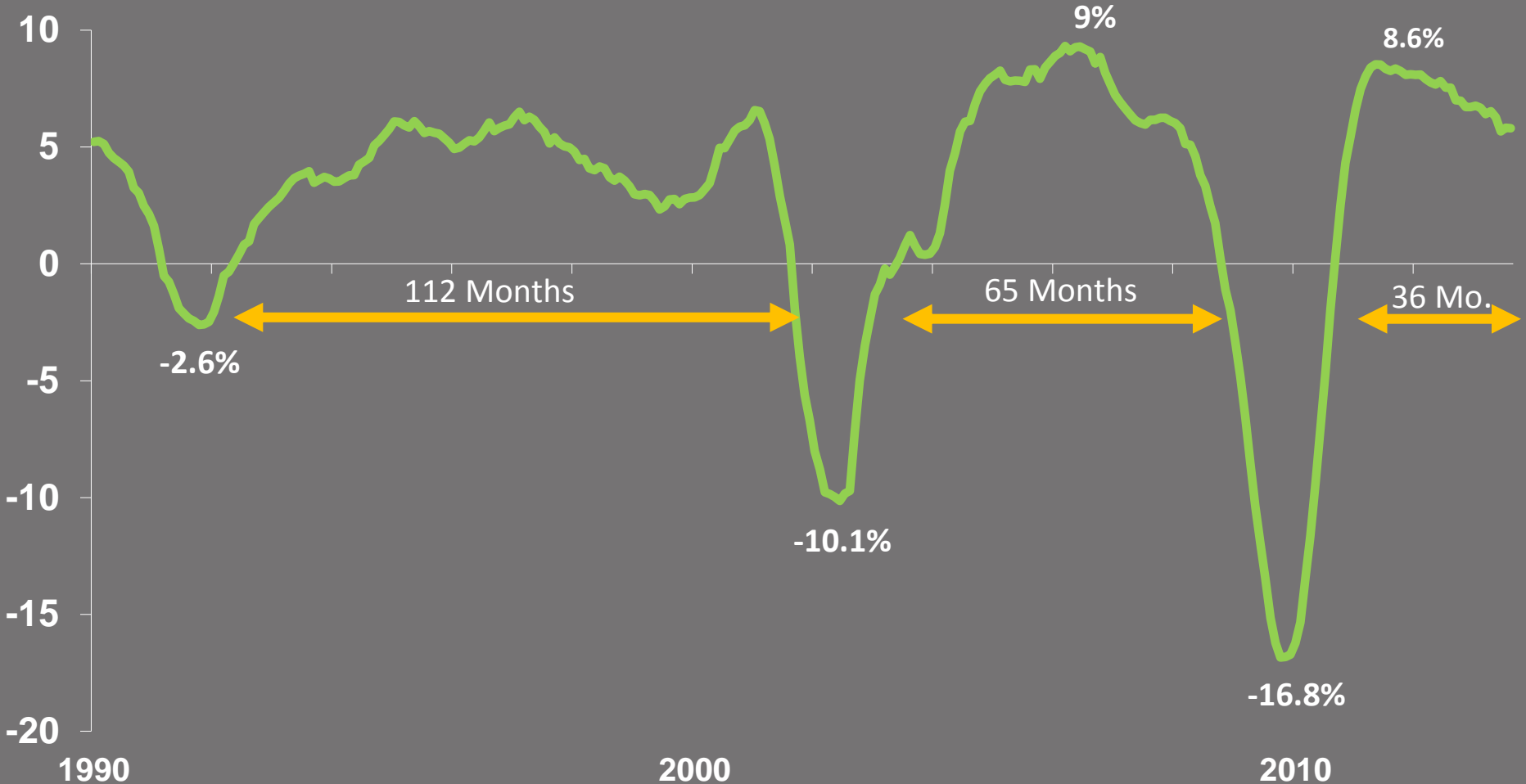
ADR Growth Stalls. Smooth Sailing From Here?



Total U.S. – ADR & Demand % Change
12 MMA January 1990 – August 2013



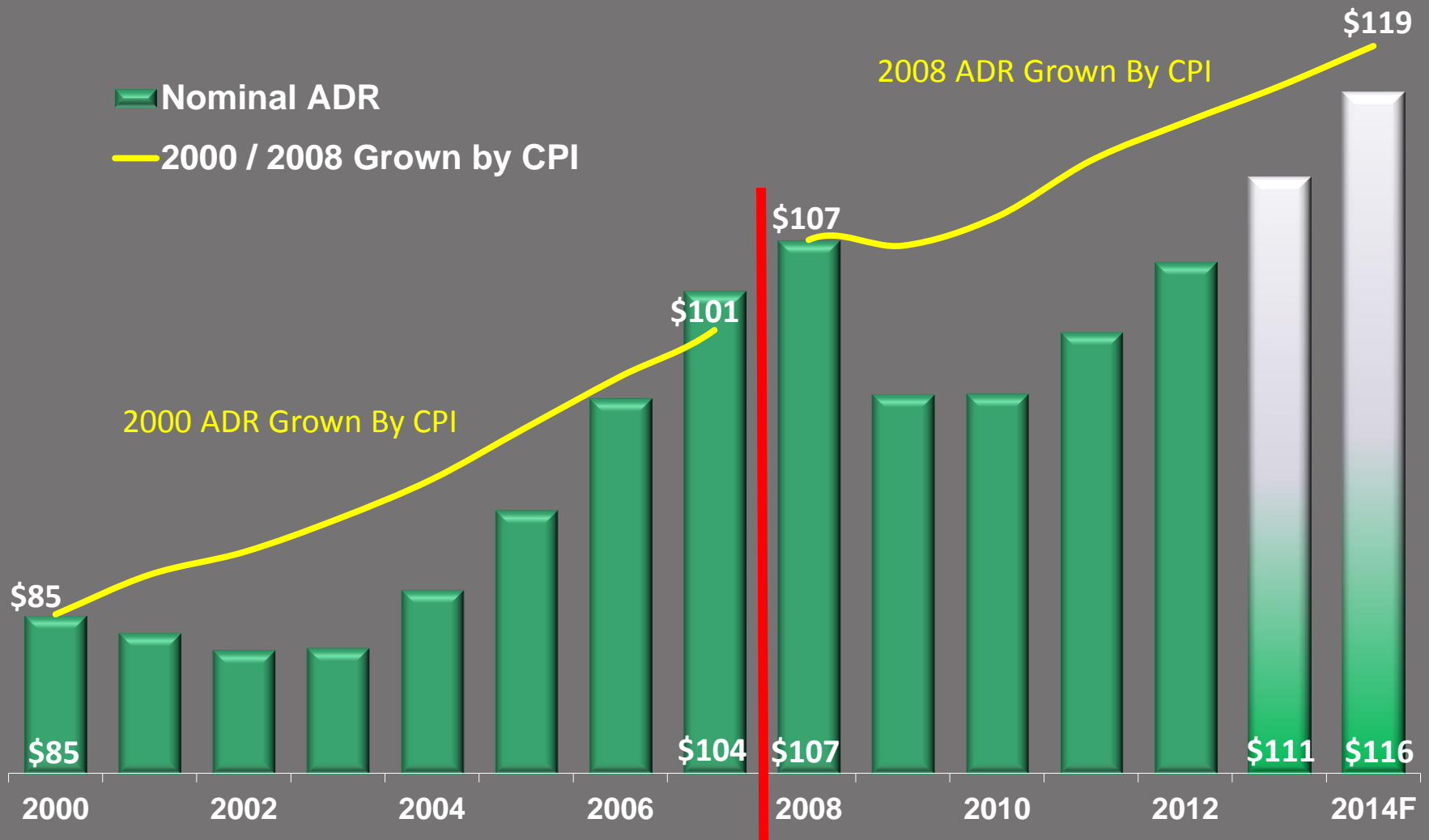
Positive RevPAR Growth For The Foreseeable Future



Total U.S. – RevPAR % Change
12 MMA January 1990 – August 2013



Inflation Adjusted ADRs Still Not Reached – Yet



Total U.S. – ADR \$ and Inflation Adjusted ADR \$, 2000 – 2014F

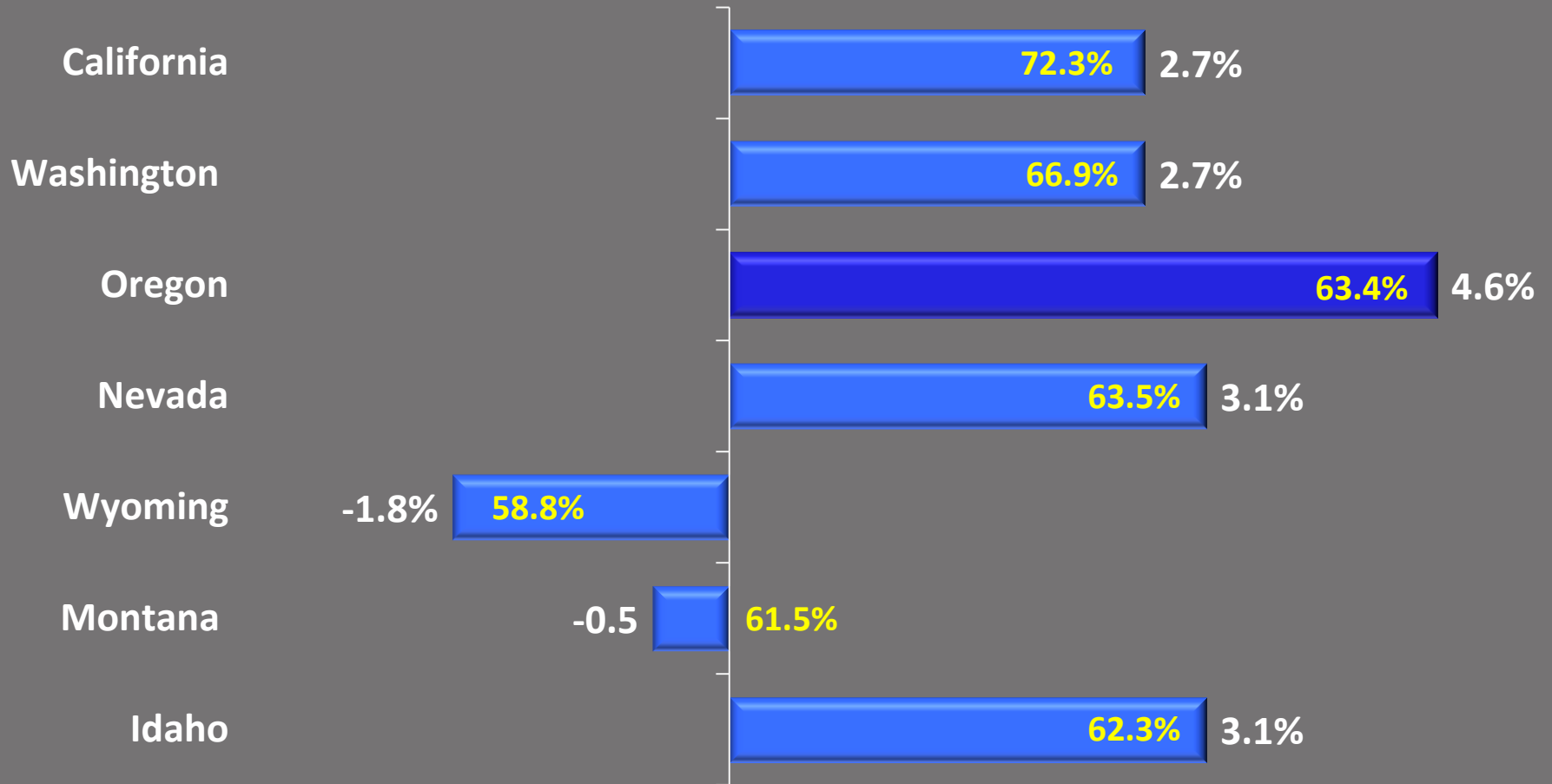
2000 – 2012 CPI from bls.gov, 2013– 2014 CPI from Blue Chip Economic Indicators





State of Oregon

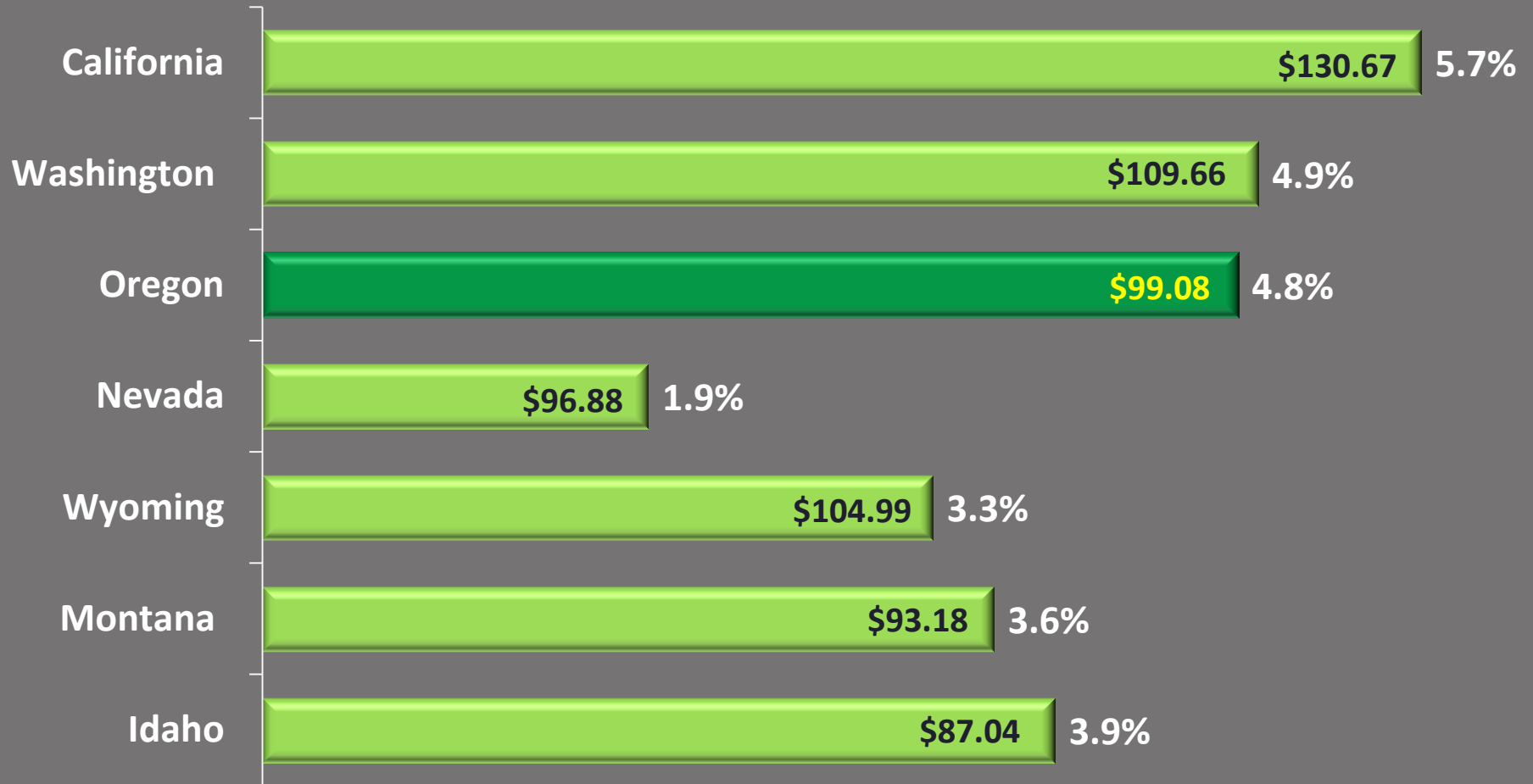
High Growth, Surpassing Peak



Neighboring States: %Change & Actual OCC
YTD August 2013



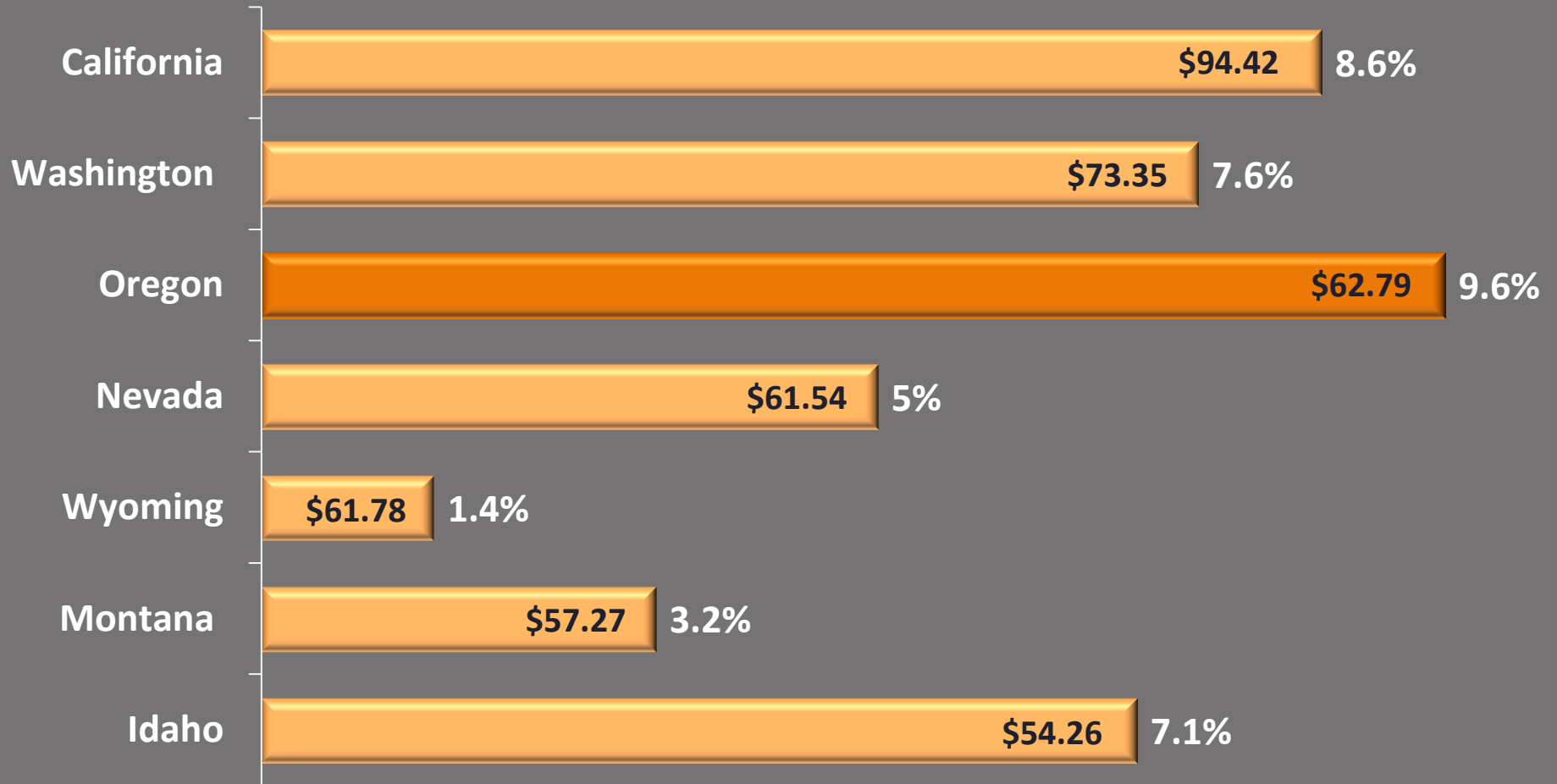
California At Least \$20 Higher Than Neighbors



Neighboring States: %Change & Actual ADR
YTD August 2013



Oregon Close To Double Digit RevPAR Growth



Neighboring States: %Change & Actual RevPAR
YTD August 2013

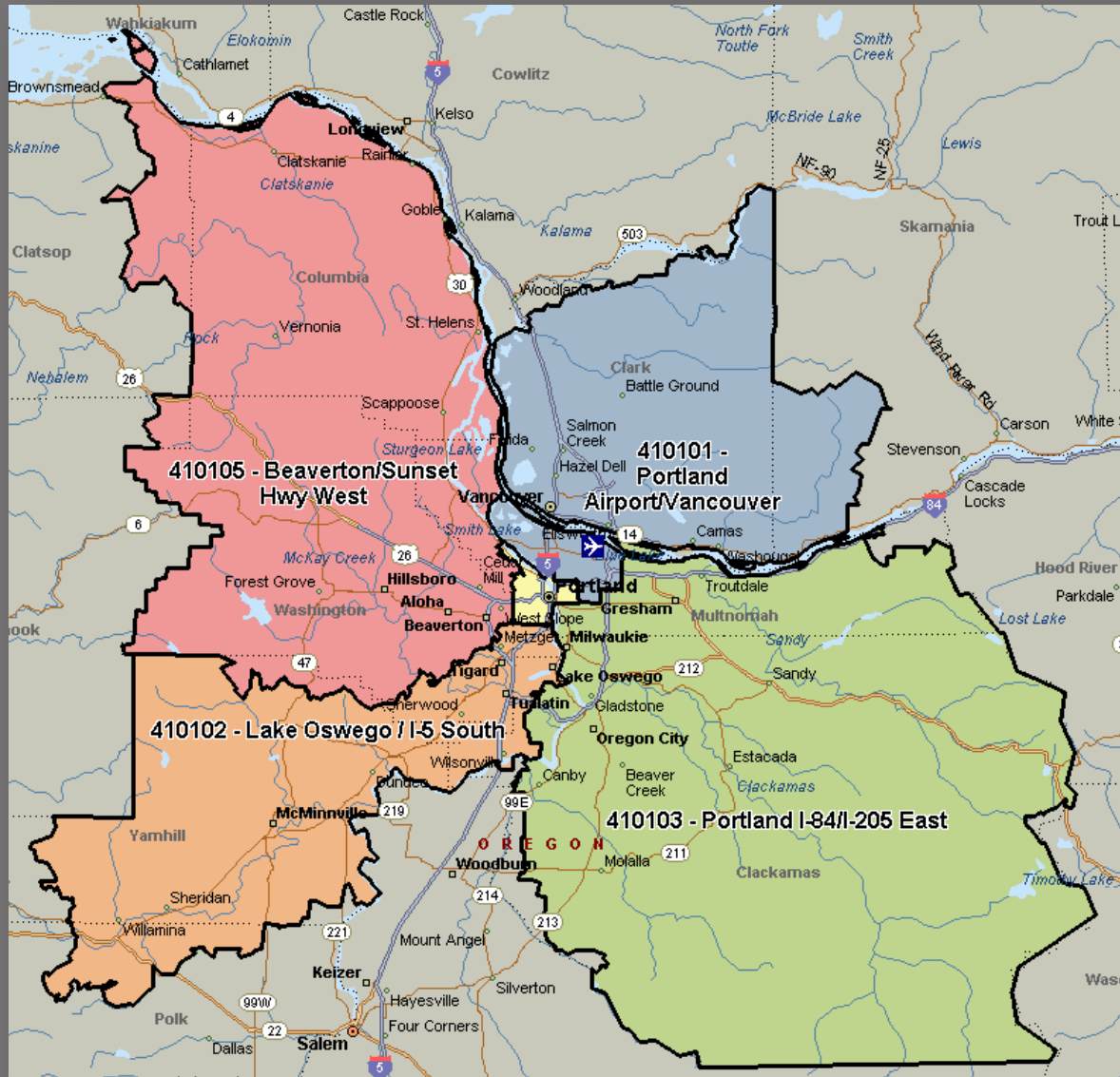




Deeper Dive Into Oregon



Portland Market



Portland Market

Hotels	263	
Rooms	25,924	
Sample	89%	
Supply	6.3m	0.0%
Demand	4.5m*	3.9%
Occupancy	72%	4.0%
ADR	\$107*	6.7%
RevPAR	\$77*	11.0%
Room Revenue	\$482m*	10.9%

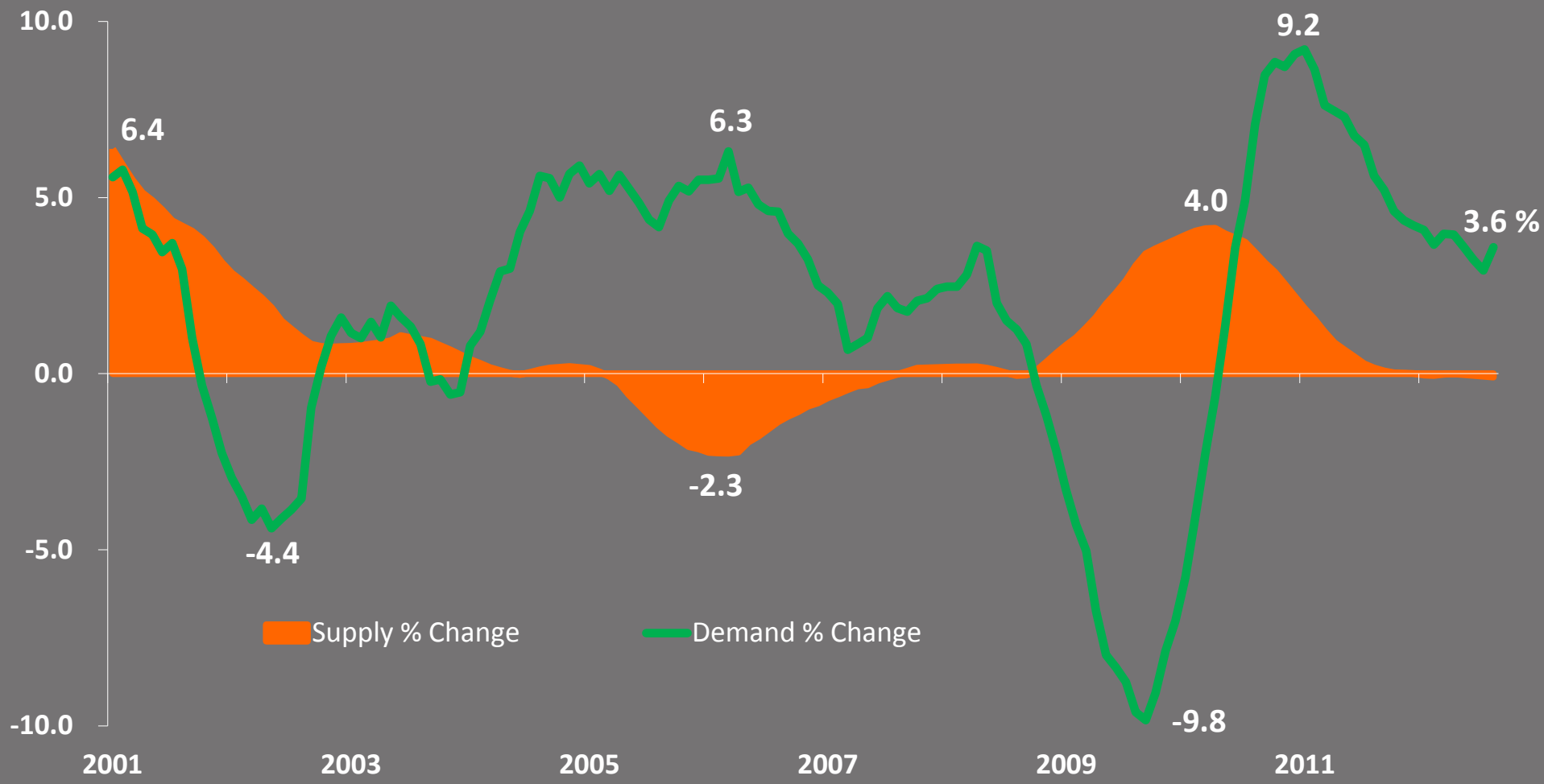
Portland Mkt: Key Performance Indicators

August YTD 2013

*All time high



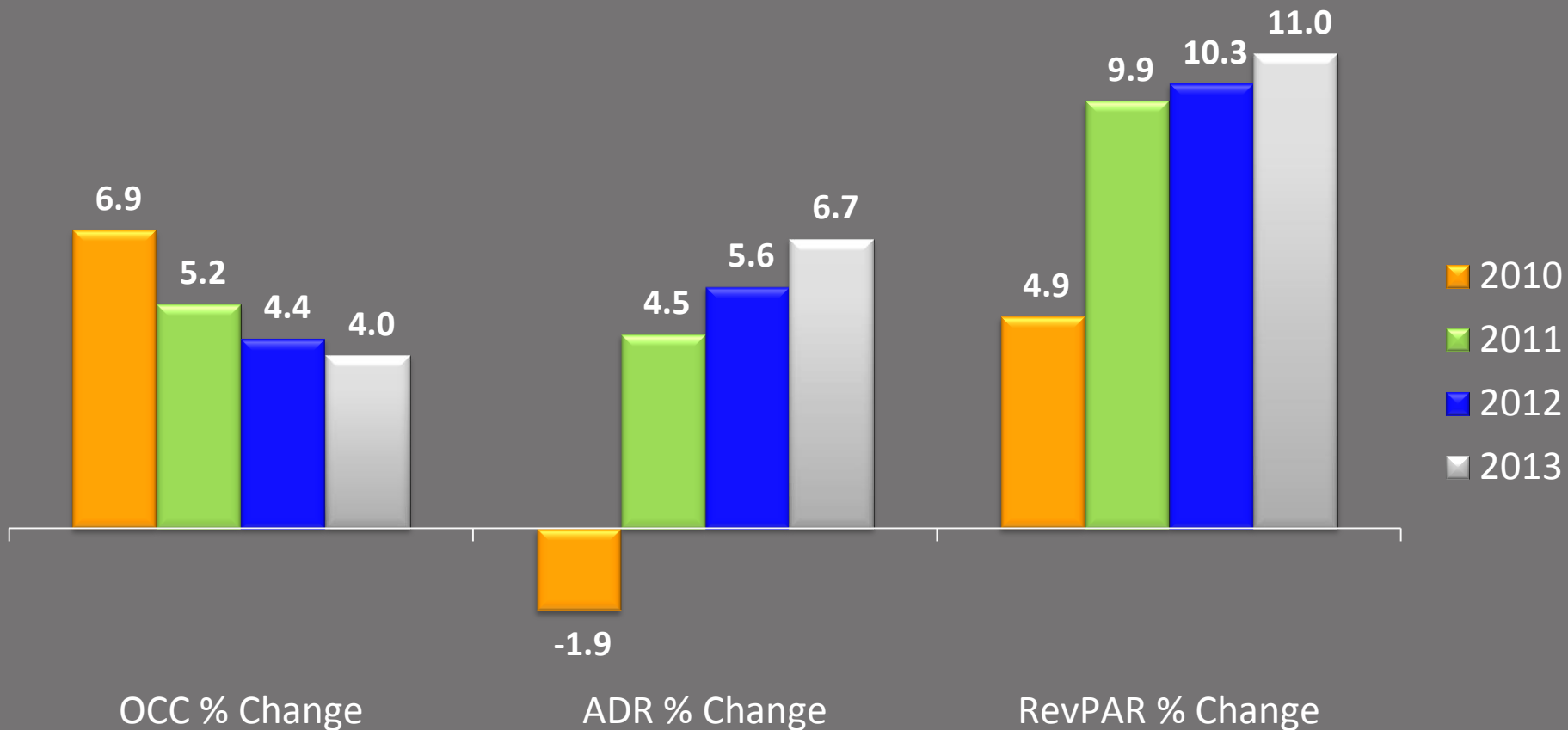
Supply Not An Issue, Strong Demand Growth Continues



Portland Mkt: Room Supply & Demand %Change
12MMA 2001 to August 2013



Year After Year of (almost) Continuous Growth



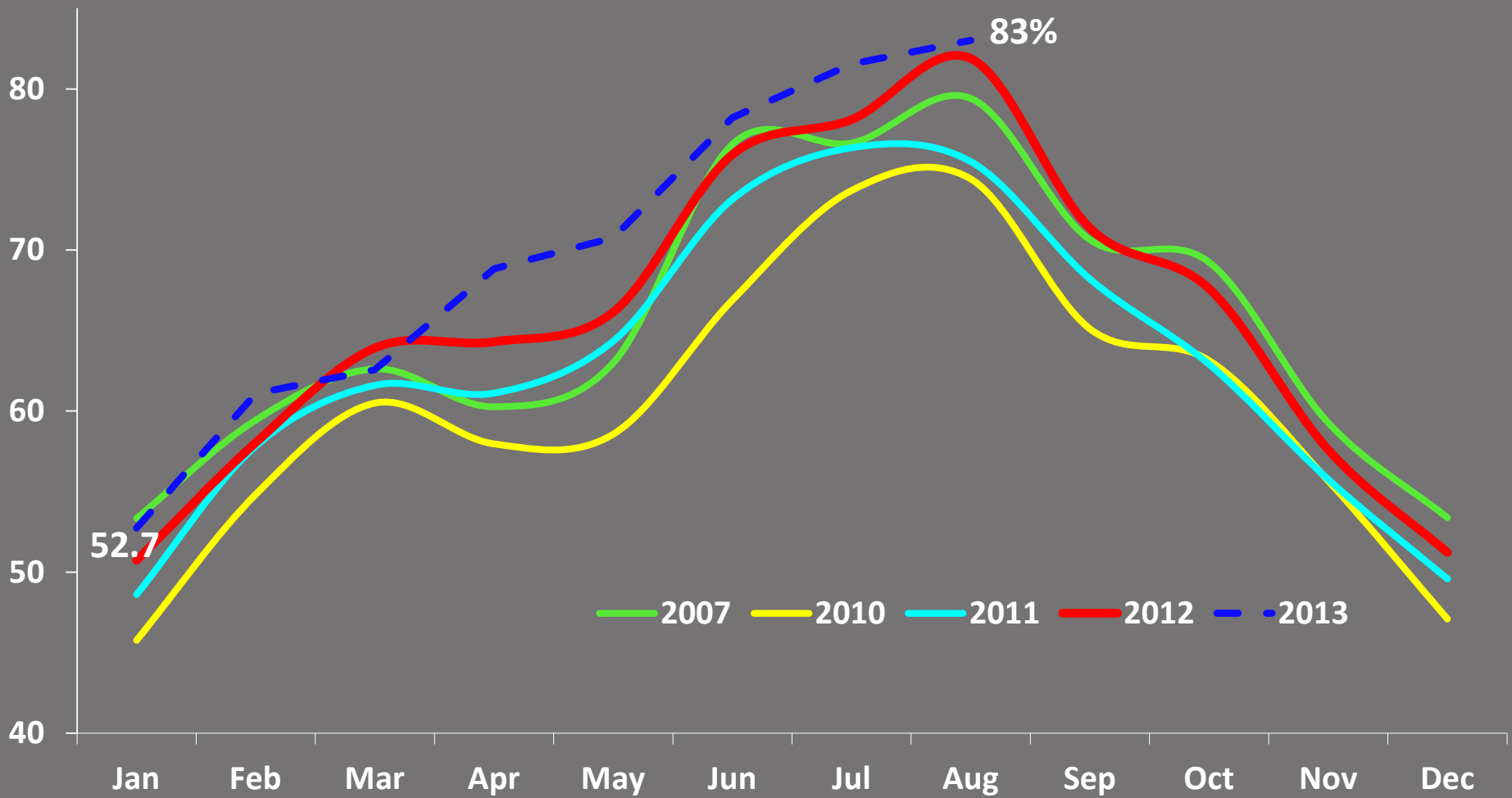
Portland Mkt: ADR, OCC & RevPAR %Change
August YTD 2010– 2013



Weekday= Sunday-Thursday

Weekend= Friday & Saturday

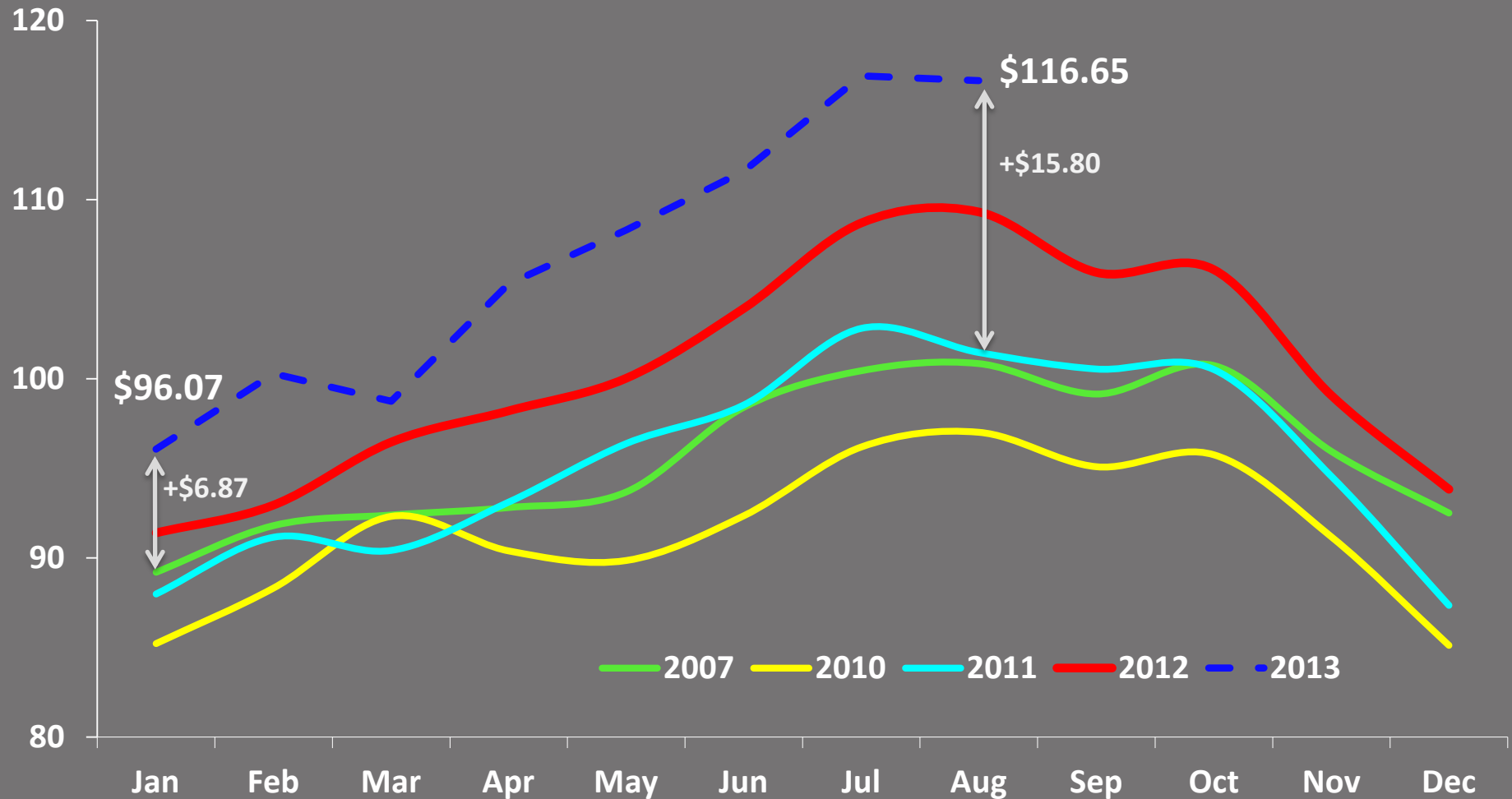
Weekday OCC: Chart Topping Rooms Sold



Portland Mkt: Actual Weekday OCC by Month
2007 & Jan 10' - Aug'13



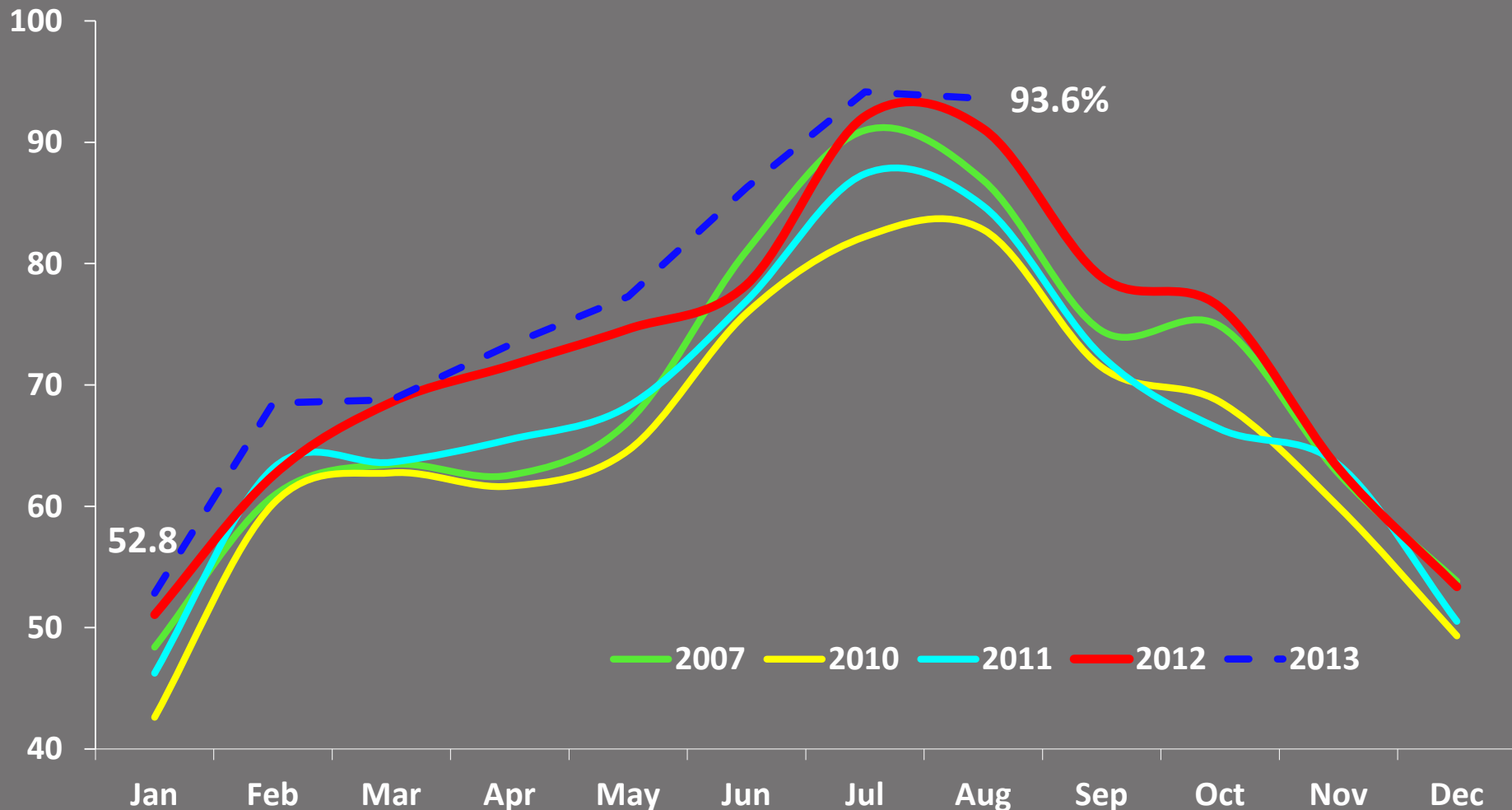
Weekday ADR: Highest August Rate On Record



Portland Mkt: Actual Weekday ADR by Month
2007 & Jan 10' - Aug'13



Weekend OCC: August Selling 9 Out Of 10 Rooms

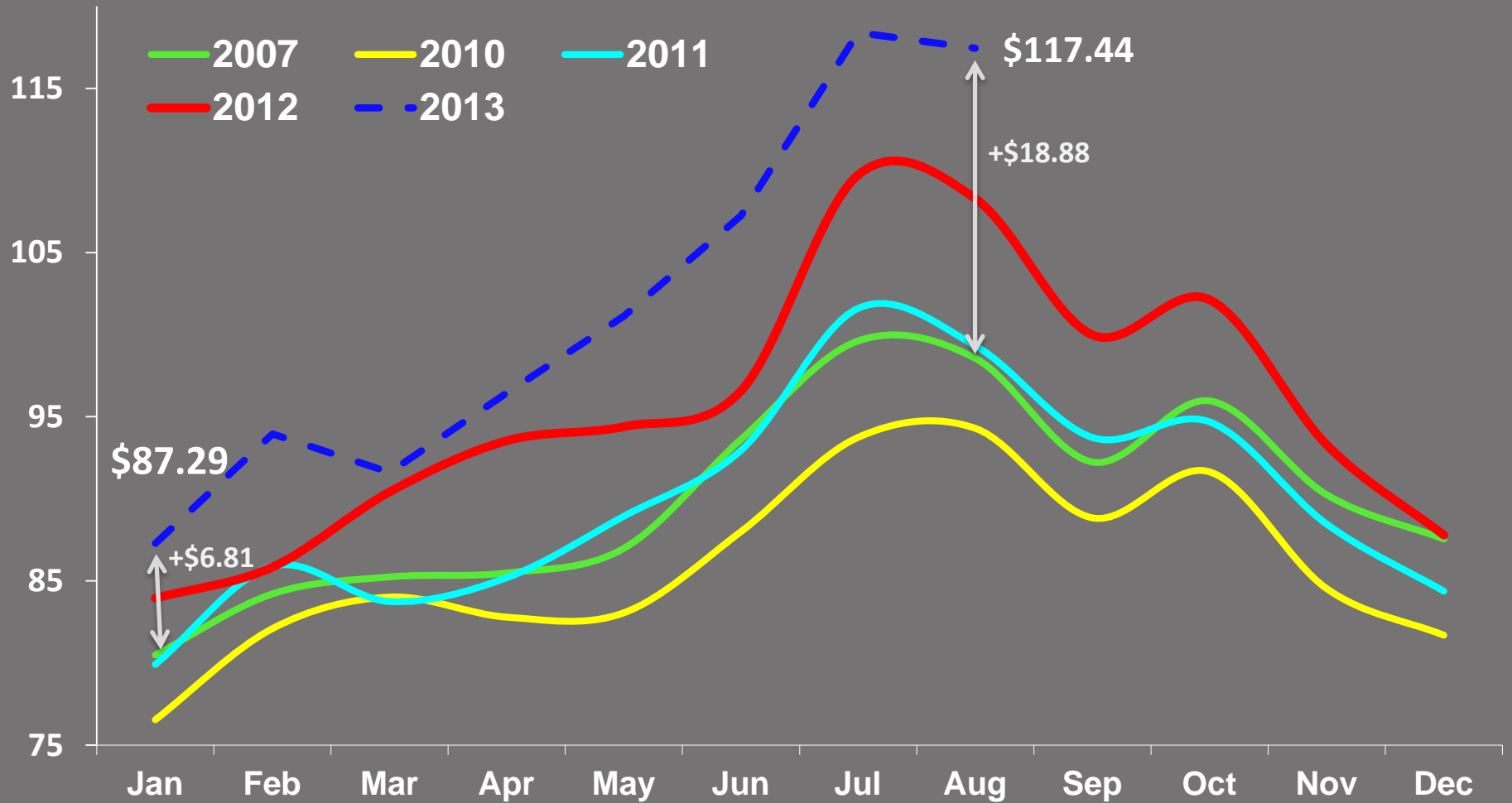


Portland Mkt: Actual Weekend OCC by Month

2007 & Jan 10' - Aug'13



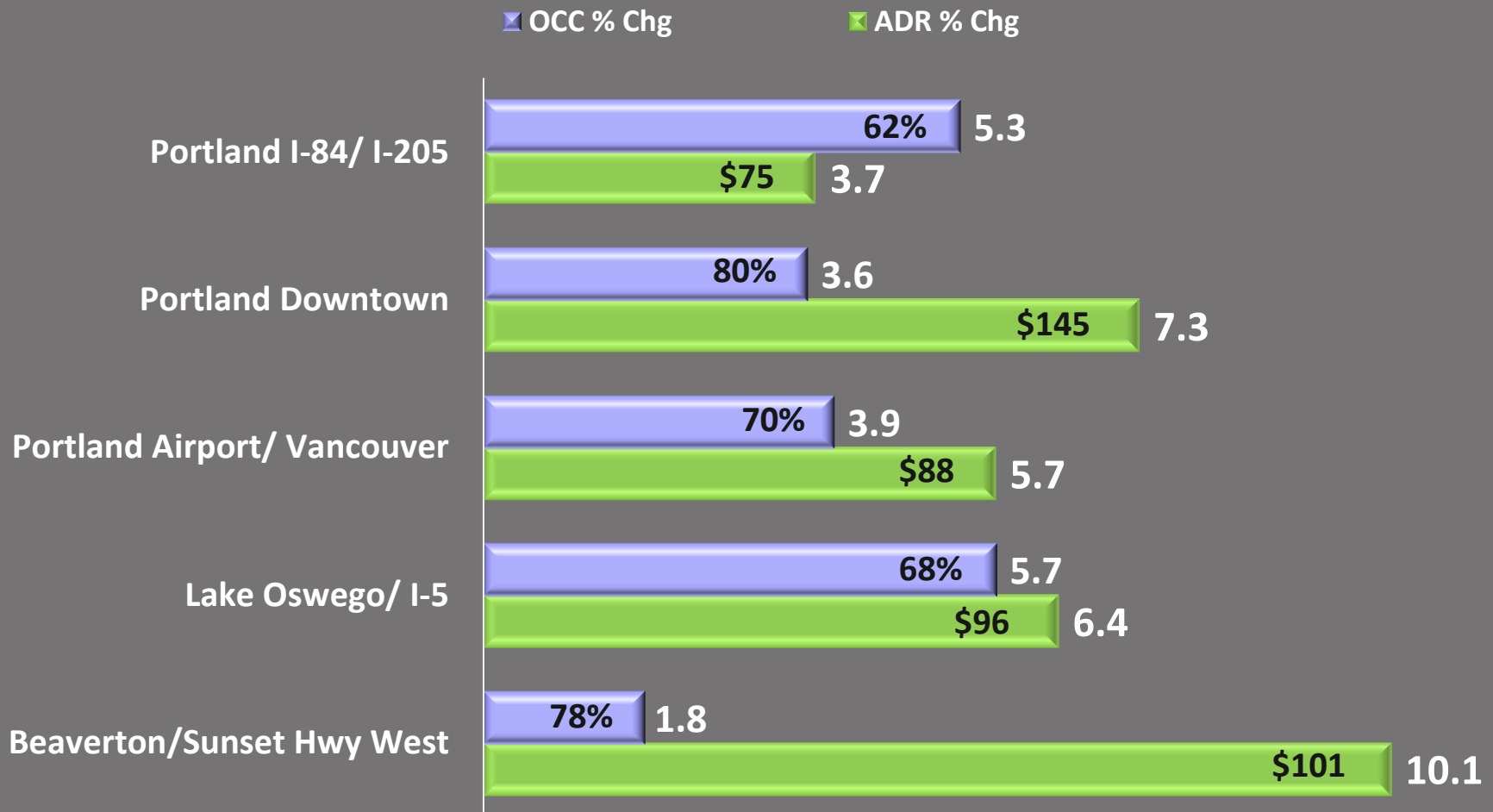
Weekend ADR: Strong Rate Growth



Portland Mkt: Actual Weekend ADR by Month
2007 & Jan 10' - Aug'13



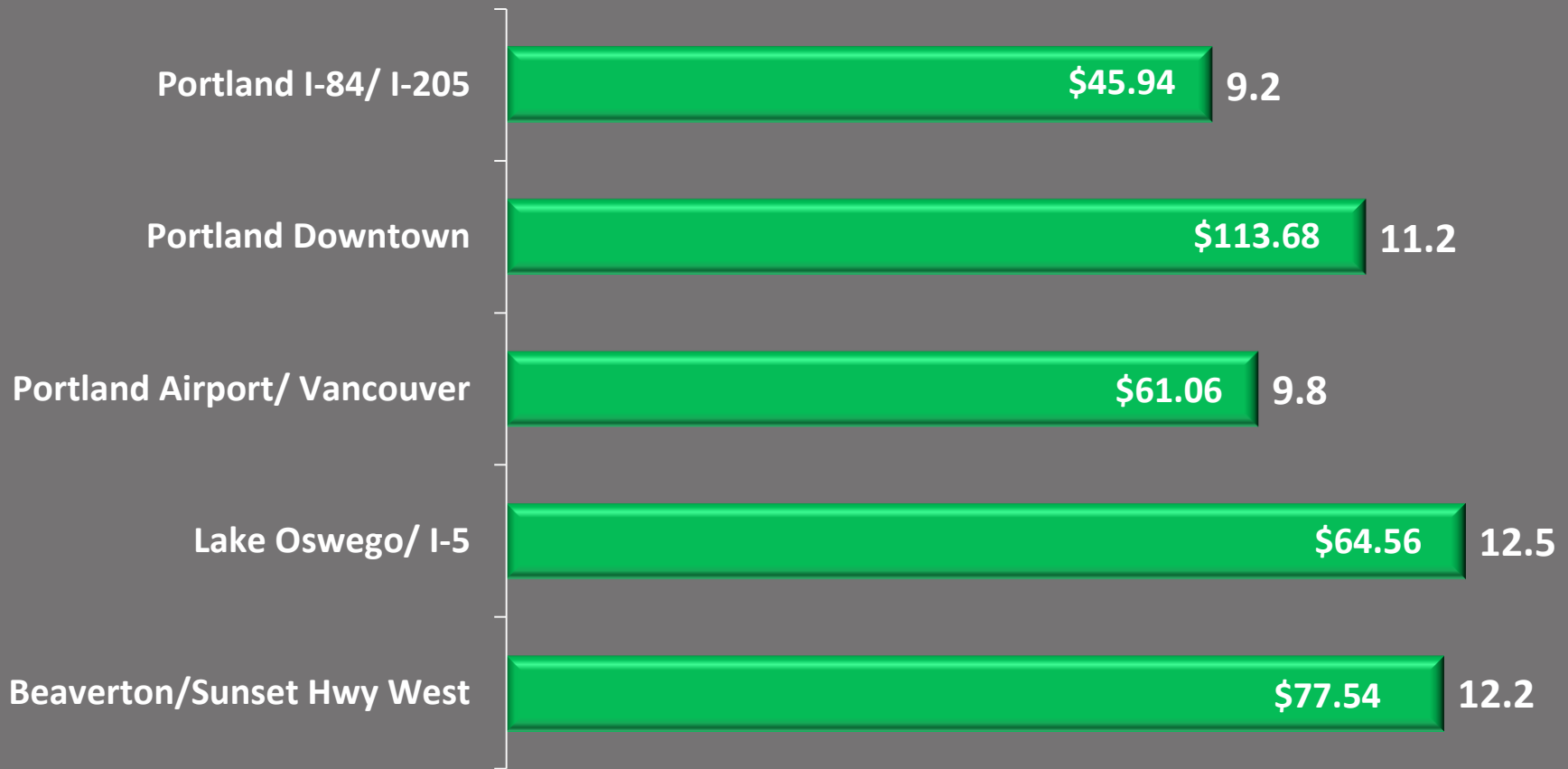
Downtown & Beaverton With Strong Performance



Portland Submarkets: OCC & ADR %Change
YTD August 2013



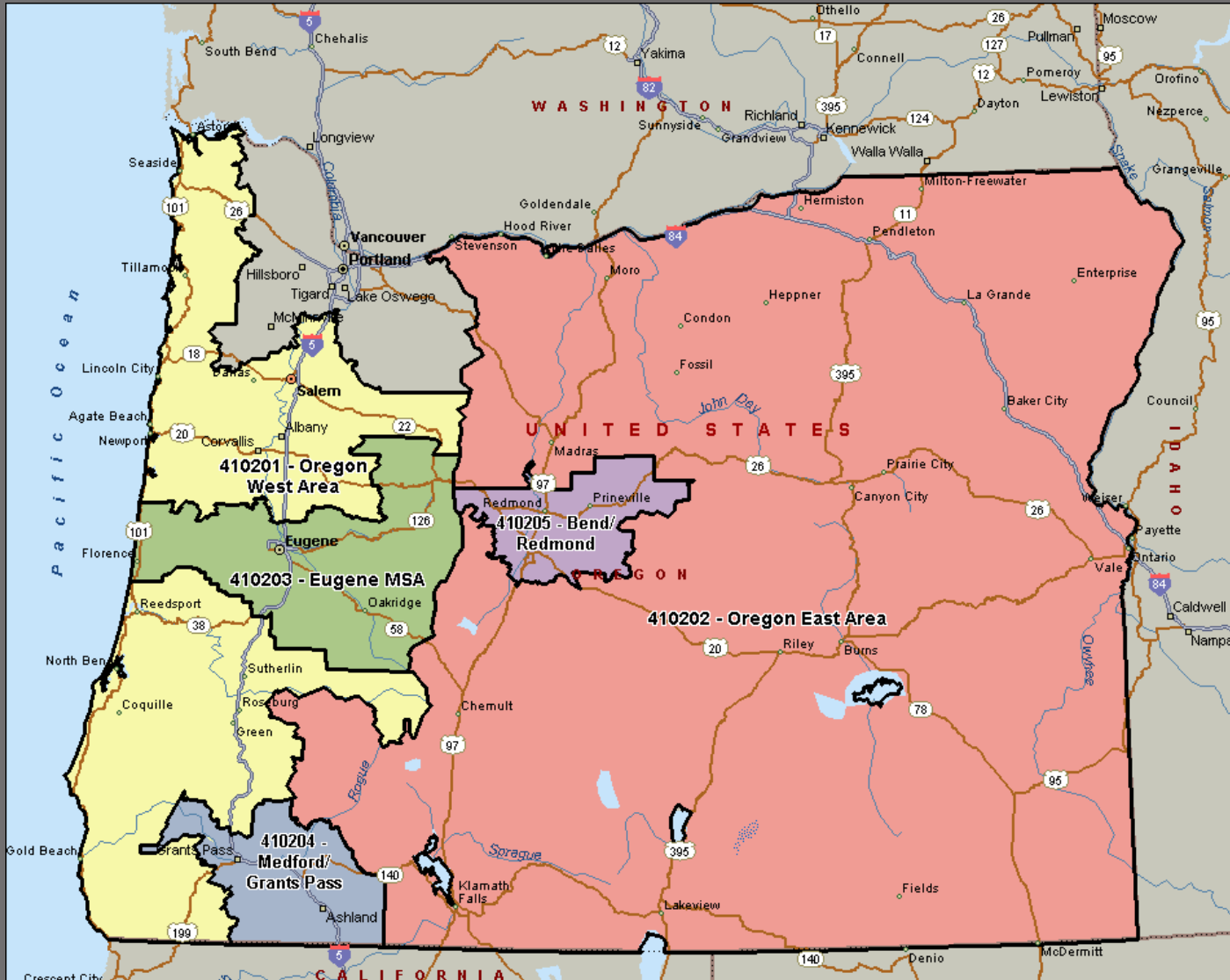
9%+ RevPAR Growth Across the Board



Portland Sub-Markets – RevPAR % Change
YTD Ending August 2013



Oregon Area Market



Oregon Area Market

Hotels	652	
Rooms	38,973	
Sample	55%	
Supply	9.4m*	0.4%
Demand	5.5m*	5.7%
Occupancy	57.9%	5.3%
ADR	\$92*	3.1%
RevPAR	\$53*	8.5%
Room Revenue	\$503m*	9.0%

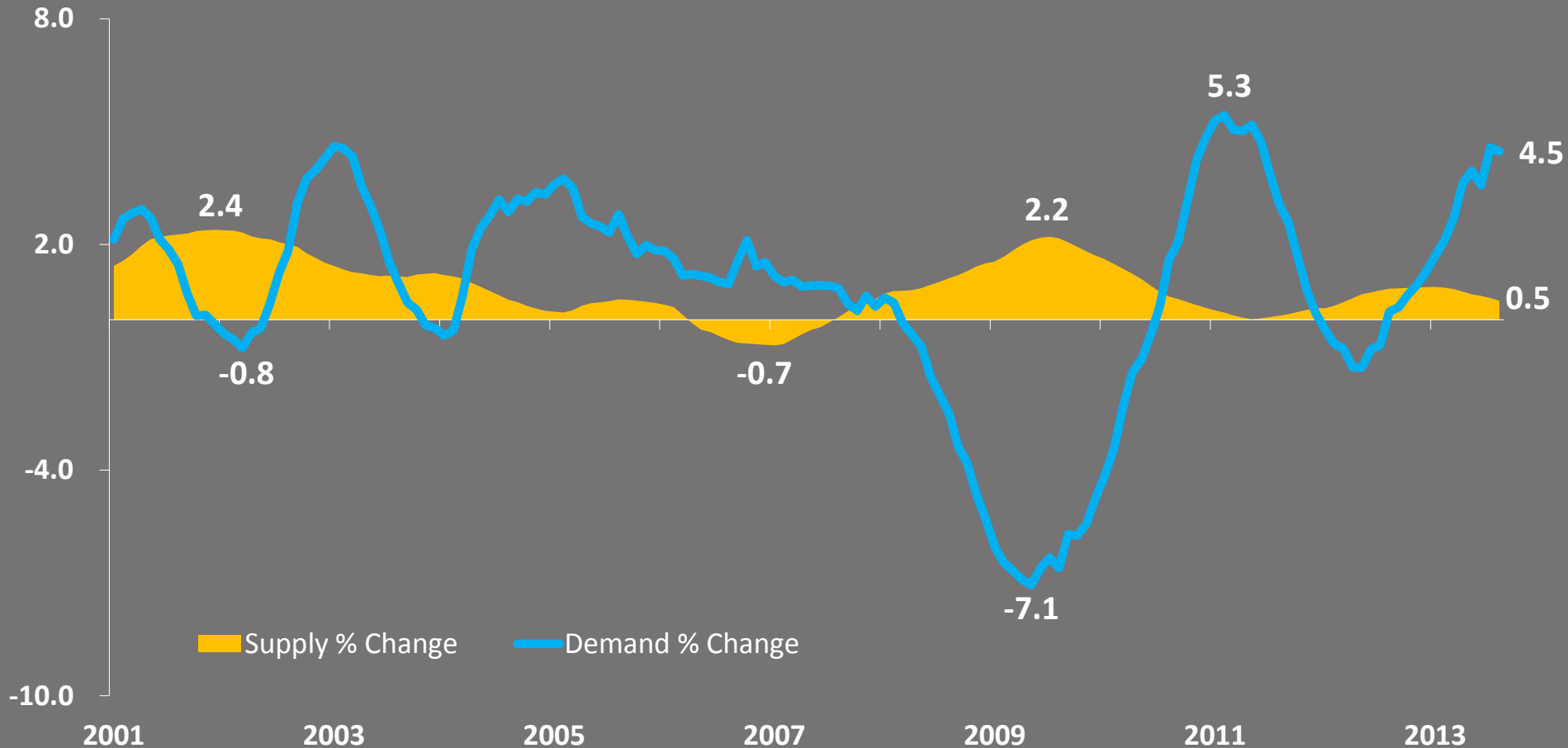
OR Area Mkt: Key Performance Indicators

August YTD 2013

*All time high



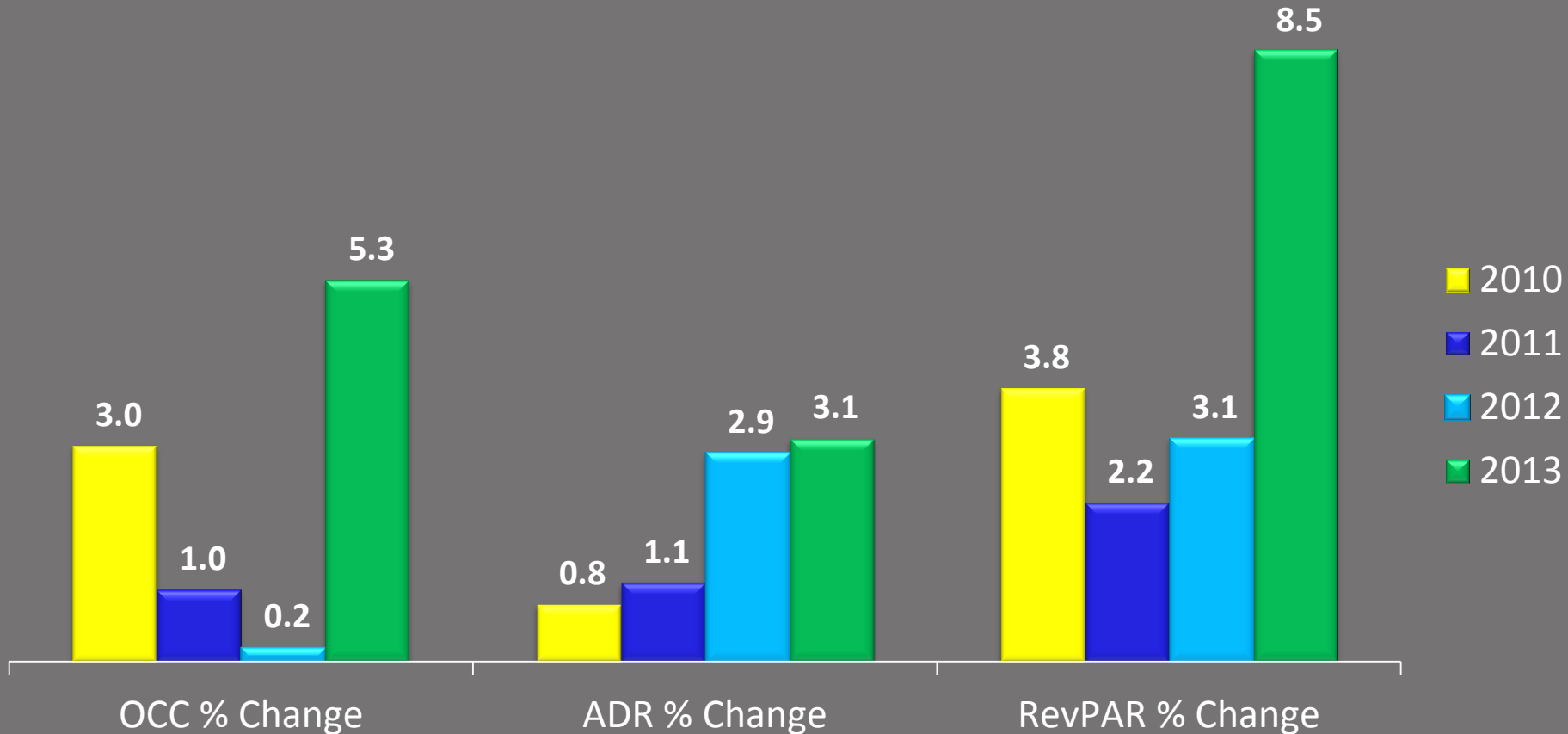
Strong KPI= Favorable Supply/Demand



Oregon Area Mkt: Room Supply & Demand %Change
12MMA 2001 to August 2013



Positive OCC/ADR Mix Across The Board



Oregon Area Mkt: ADR, OCC & RevPAR & Change
August YTD 2010– 2013

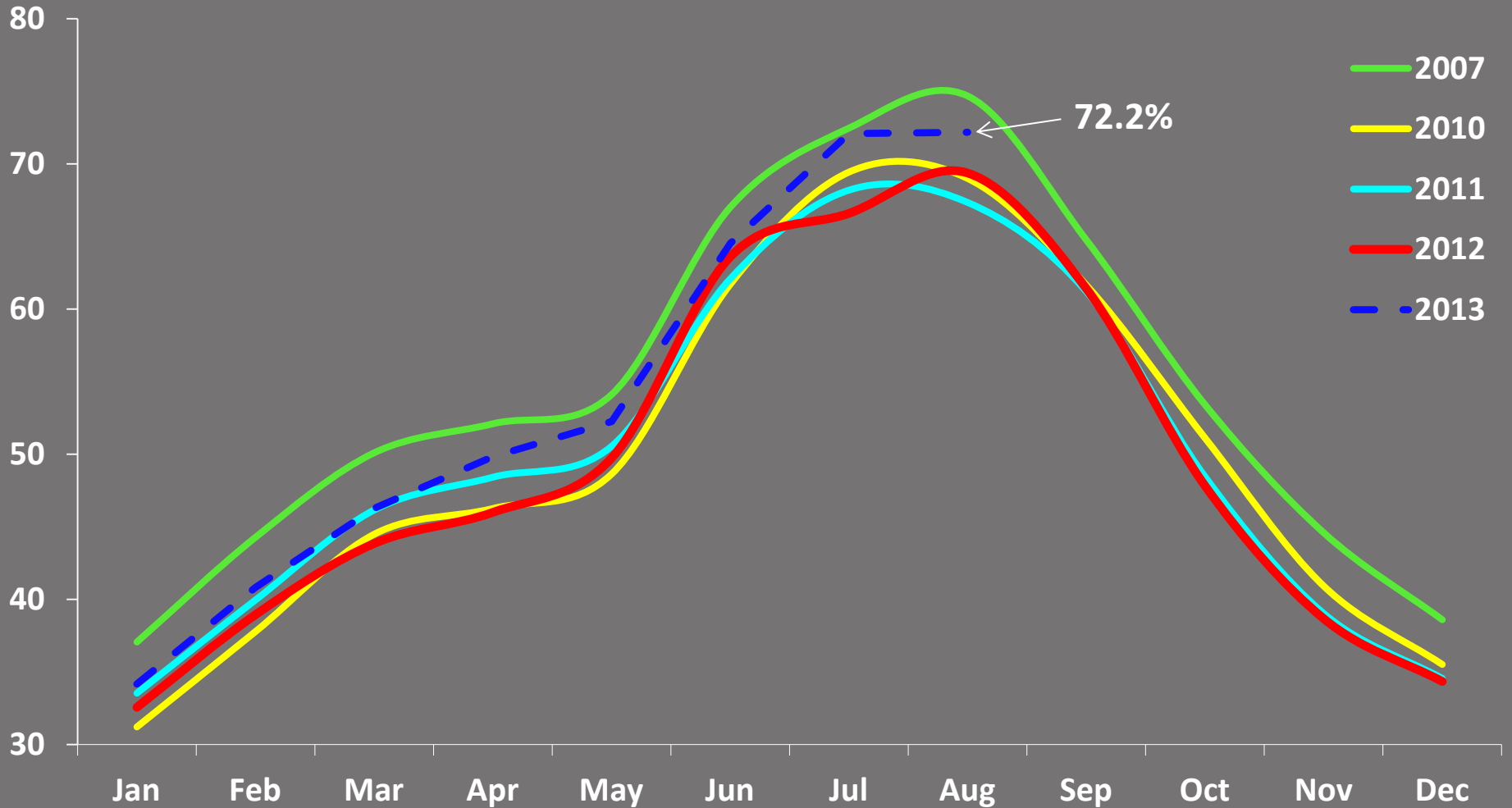


Weekday= Sunday-Thursday

Weekend= Friday & Saturday



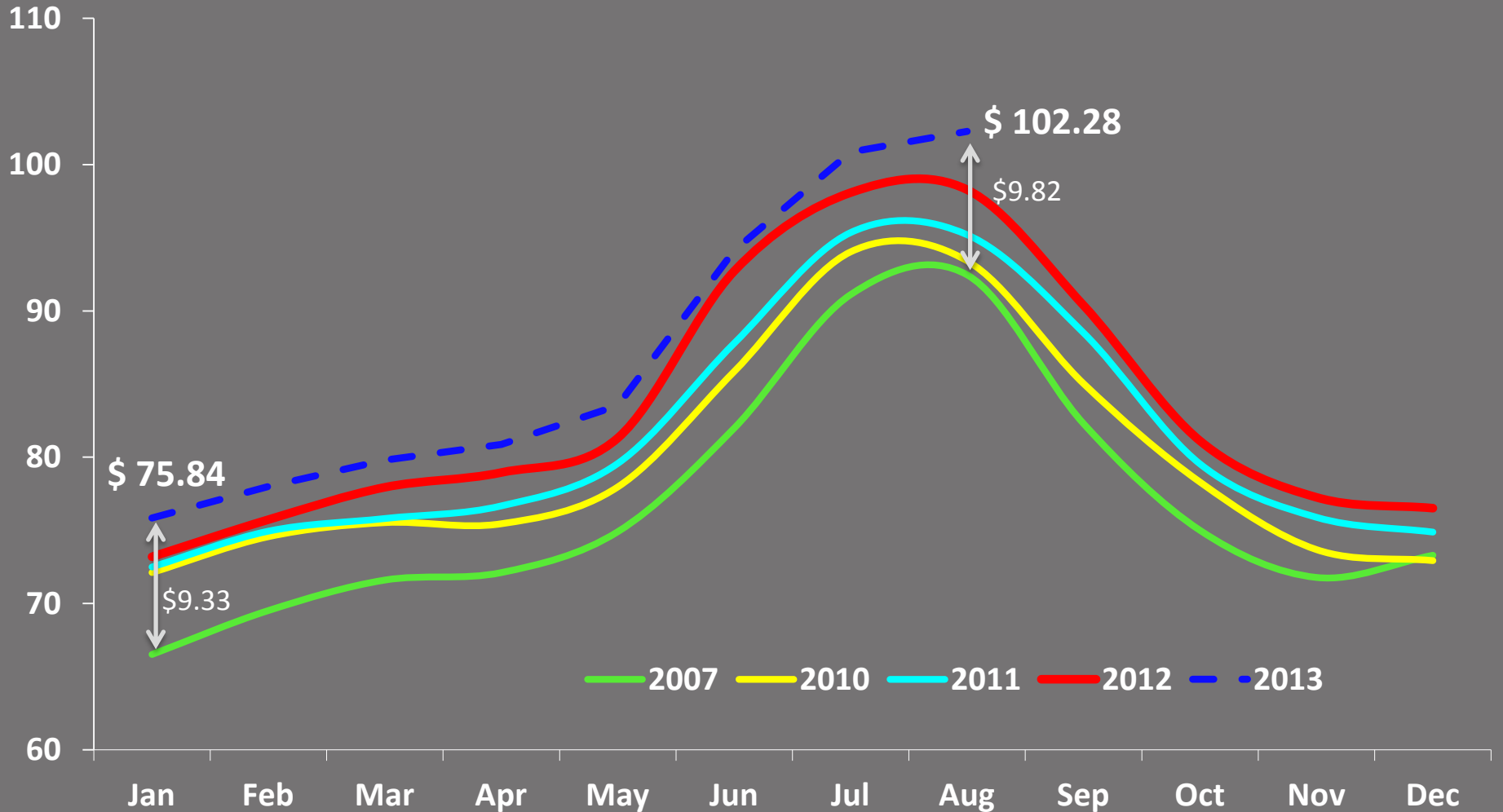
Weekday OCC: Still Playing Catch Up From 2007



Oregon Area Mkt: Actual Weekday OCC by Month
2007 & Jan 10'- Aug'13



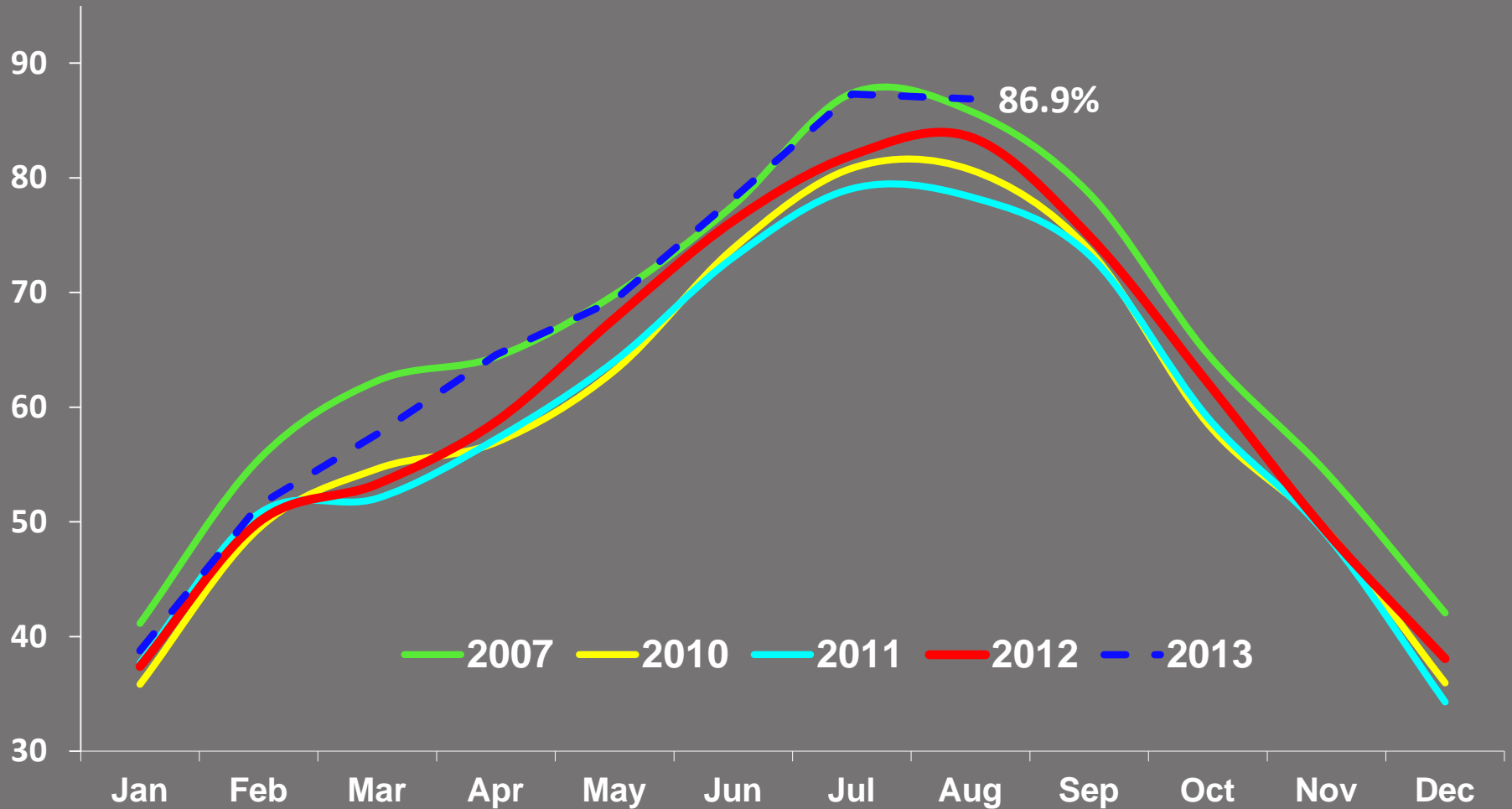
Weekday ADR: Breaking Records



Oregon Area Mkt: Actual Weekday ADR by Month
2007 & Jan 10' - Aug'13



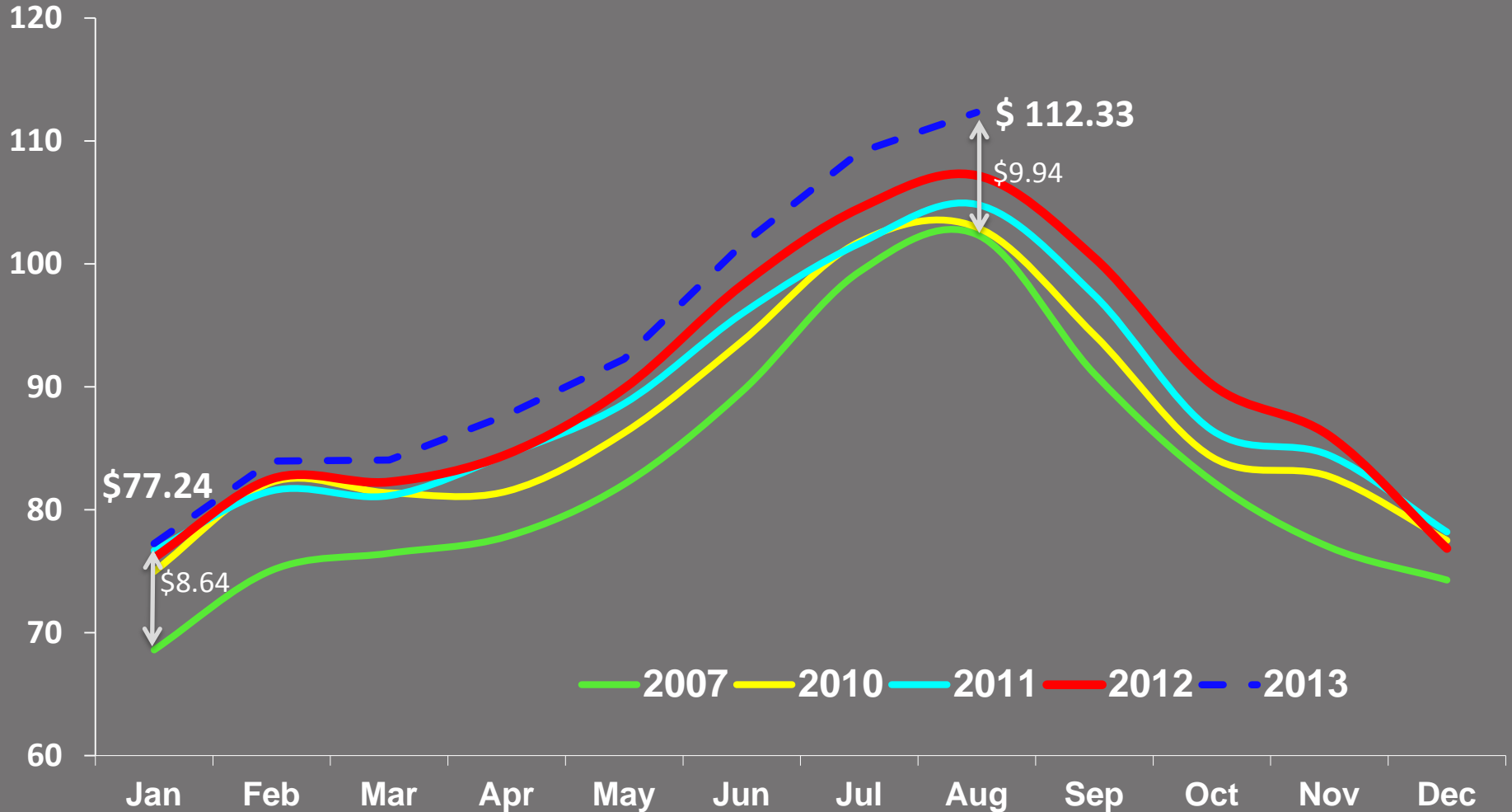
Weekend OCC: Finally Surpassing Peak



Oregon Area Mkt: Actual Weekend OCC by Month
2007 & Jan 10' - Aug'13



Weekend ADR: Breaking Records...Again



Oregon Area Mkt: Actual Weekend ADR by Month
2007 & Jan 10' - Aug'13



Oregon Area Submarkets

Bend/Redmond:

Hotels: 60

Rooms: 3,983

Oregon West Area:

Hotels: 280

Rooms: 16,462

Eugene MSA:

Hotels: 71

Rooms: 4,711

Medford/ Grants Pass:

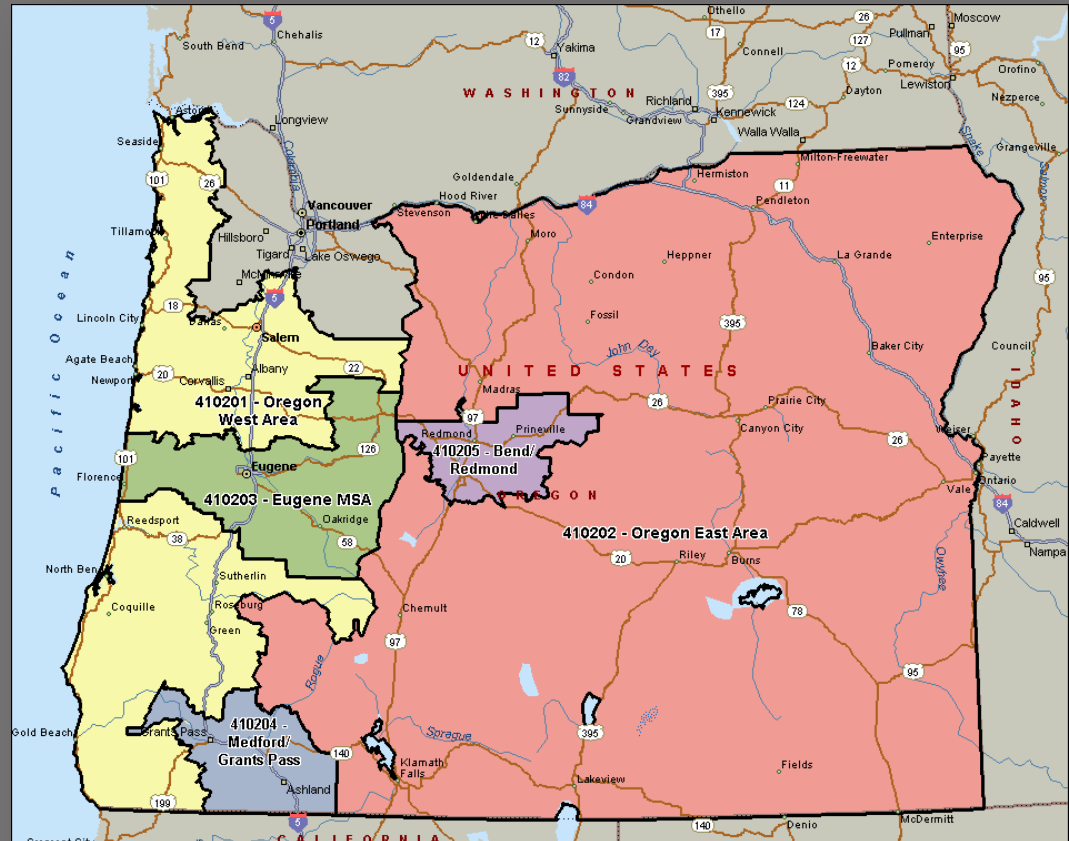
Hotels: 89

Rooms: 5,137

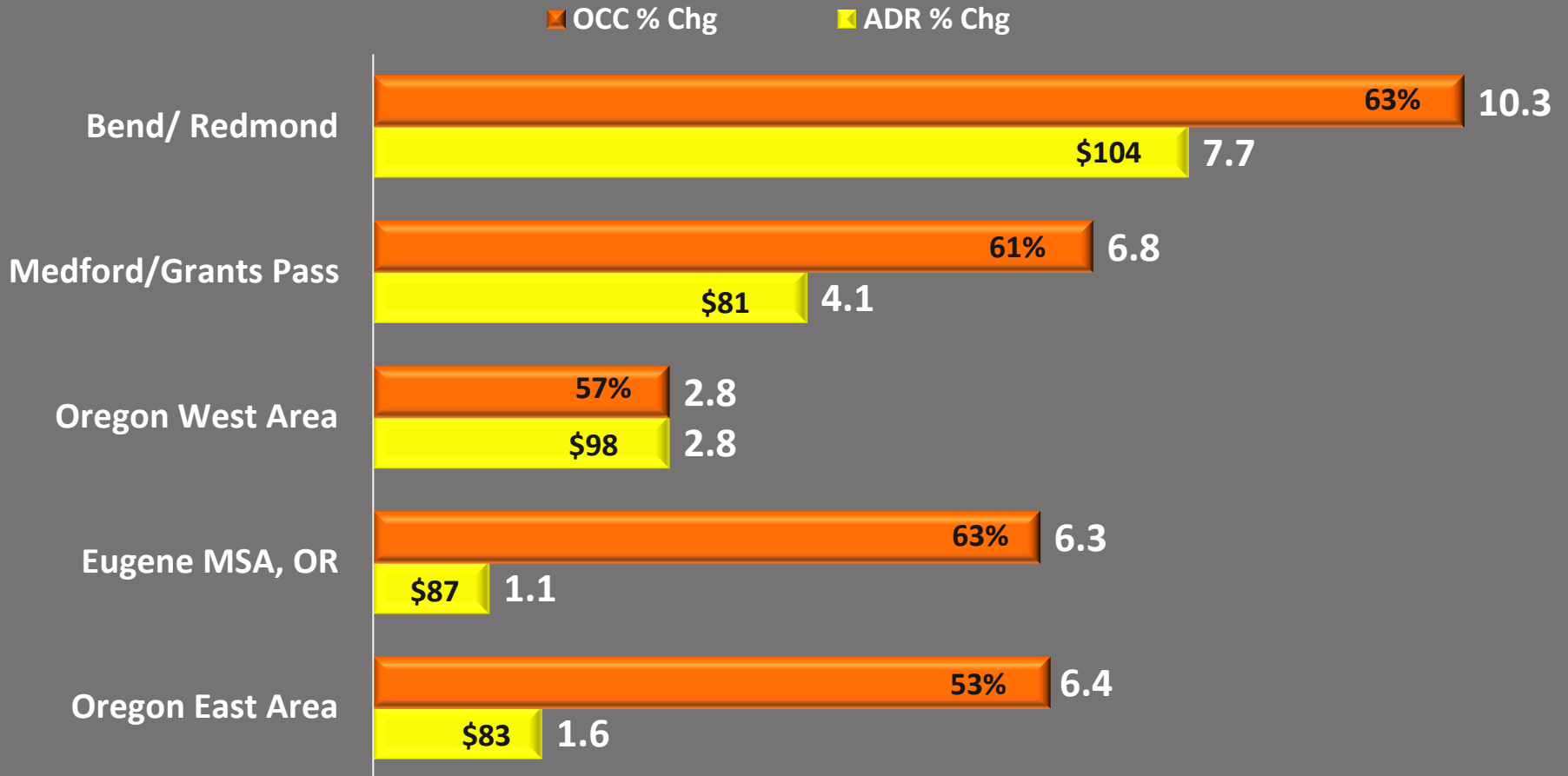
Oregon East Area:

Hotels: 152

Rooms: 8,680



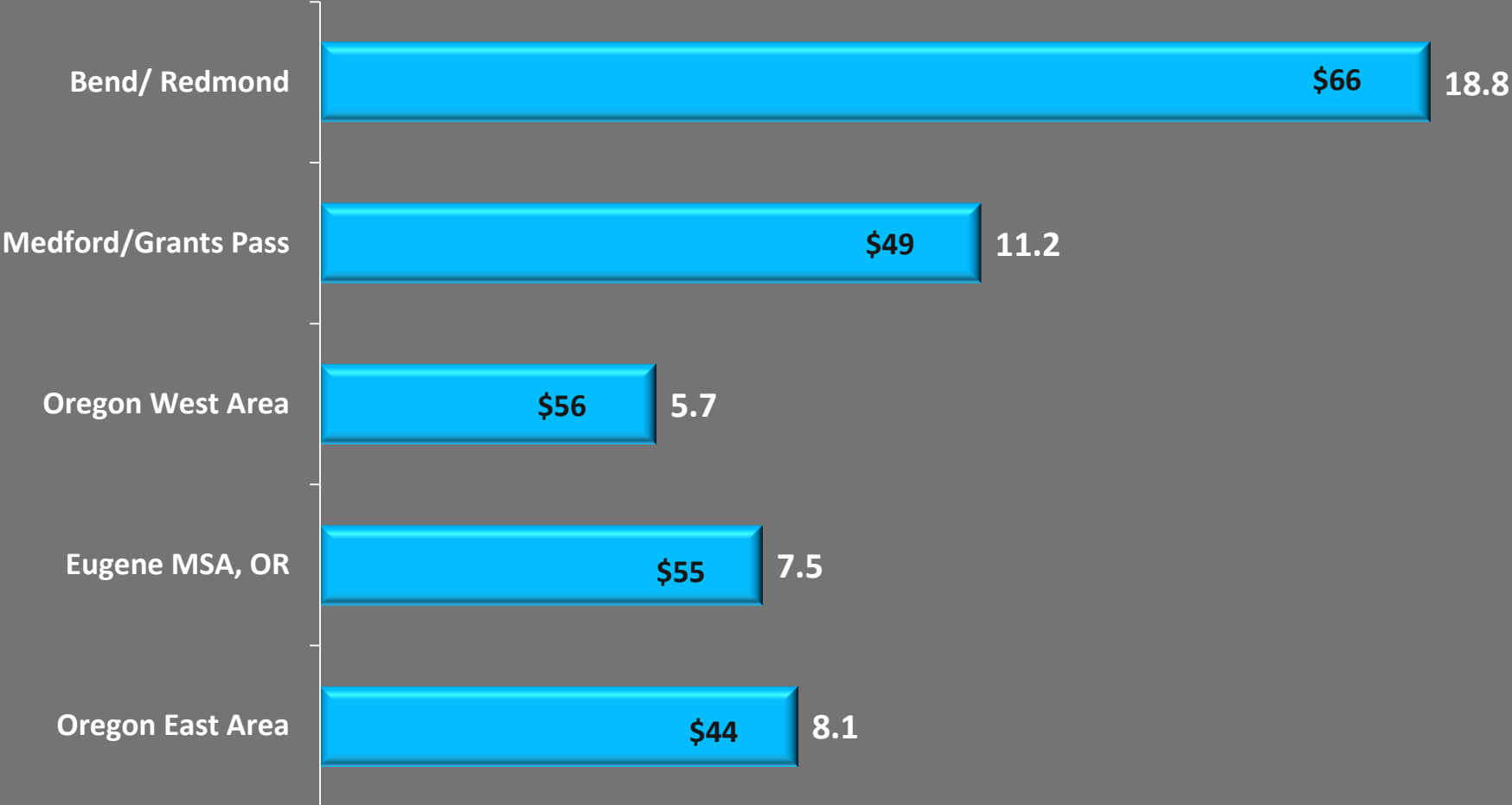
3 of 5 Submarkets Surpassing Peak



Oregon Area Submarkets: OCC & ADR %Change
YTD Ending August 2013



Strong RevPAR Growth Across the Board



Oregon Area Sub-Markets – RevPAR % Change
YTD Ending August 2013



Pipeline

In Construction: Ground has been broken

Final Planning: Construction will begin within 12 months

Planning: Construction will begin within 13-24 months

Pre-Planning: Construction will begin in more than 24 months

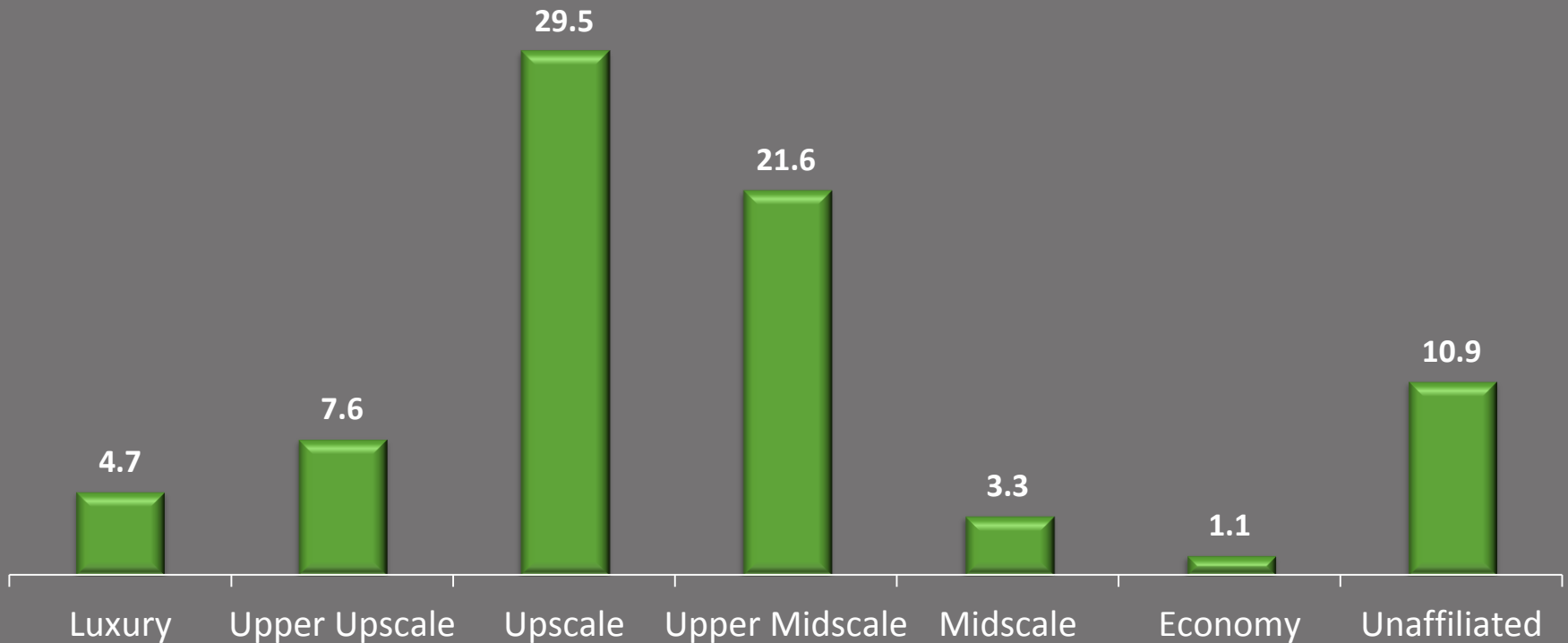
Rooms in the Active Pipeline Accelerating

<u>Phase</u>	<u>August 2013</u>	<u>August 2012</u>	<u>Difference</u>	<u>% Change</u>
In Construction	78,739	66,071	12,668	19.2%
Final Planning	124,591	106,281	18,310	17.2%
Planning	126,337	132,259	-5,922	-4.5%
Active Pipeline	329,667	304,611	25,056	8.2%

Total U.S. – Rooms in Active Pipeline
%Change From Last Year



Under Construction Rooms Mostly In Middle Segments

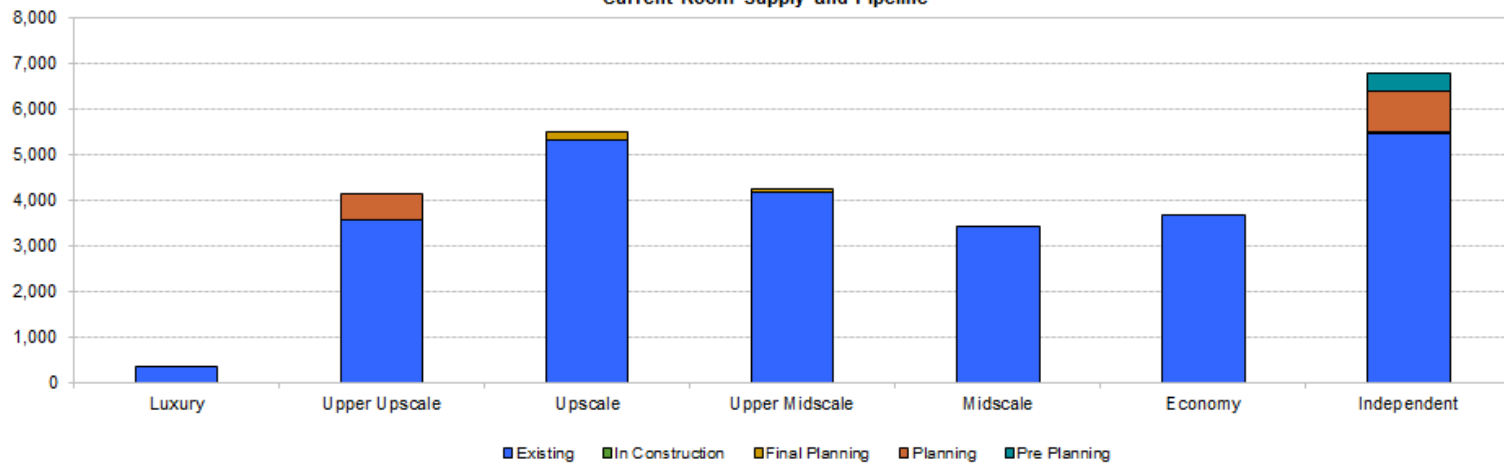


Total U.S. – Rooms Under Construction
'000s Rooms, by Scale, August 2013



Portland Market Pipeline Snapshot

Current Room Supply and Pipeline



Hotels

	Historic Supply					
	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13
Luxury		1	1	1	1	1
Upper Upscale	12	12	12	12	13	13
Upscale	31	34	35	35	34	34
Upper Midscale	40	40	40	44	44	43
Midscale	40	39	38	34	35	35
Economy	42	46	50	51	51	51
Independent	90	90	90	88	85	86
Total	255	262	266	265	263	263

In Constr.	Pipeline Projects		
	Final Planning	Planning	Pre Planning
1		1	
1	1		
1			
3	3	7	2

Rooms

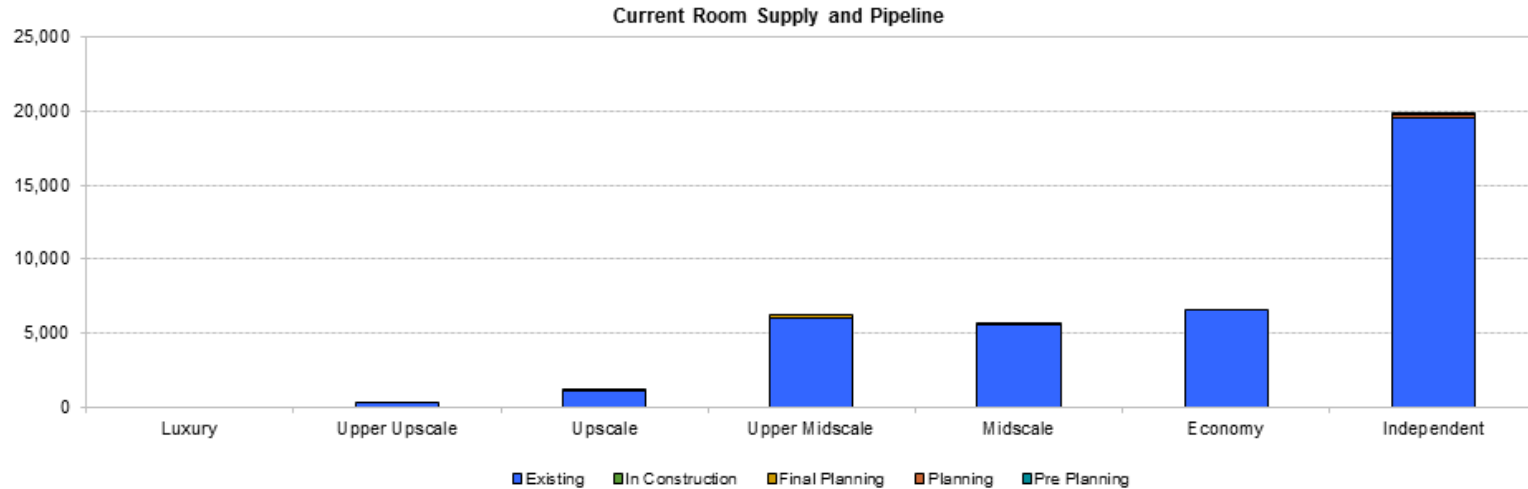
	Historic Supply					
	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13
Luxury		331	331	331	331	331
Upper Upscale	3,478	3,478	3,478	3,478	3,561	3,557
Upscale	4,795	5,311	5,444	5,444	5,360	5,304
Upper Midscale	3,861	3,944	4,010	4,264	4,262	4,164
Midscale	3,872	3,794	3,653	3,379	3,433	3,430
Economy	3,076	3,276	3,524	3,594	3,666	3,683
Independent	5,391	5,521	5,531	5,489	5,301	5,455
Total	24,473	25,655	25,971	25,979	25,914	25,924

In Constr.	Pipeline Projects		
	Final Planning	Planning	Pre Planning
165		600	
223	203		
106	99		
494	338	1,518	390

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Oregon Area Market Pipeline Snapshot



Hotels

	Historic Supply					
	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13
Luxury						
Upper Upscale	1	1	1	1	1	1
Upscale	6	7	7	8	9	10
Upper Midscale	57	58	57	72	76	77
Midscale	91	91	89	73	71	67
Economy	85	88	91	97	102	104
Independent	410	409	409	400	393	393
Total	650	654	654	651	652	652

In Constr.	Pipeline Projects		
	Final Planning	Planning	Pre Planning
			1
2	2		1
		5	2
2	2	5	4

Rooms

	Historic Supply					
	Aug-08	Aug-09	Aug-10	Aug-11	Aug-12	Aug-13
Luxury						
Upper Upscale	269	269	269	269	269	269
Upscale	653	762	762	911	1,007	1,087
Upper Midscale	4,269	4,386	4,302	5,578	5,950	6,010
Midscale	7,705	7,698	7,526	6,190	6,002	5,518
Economy	5,530	5,697	5,805	6,136	6,471	6,560
Independent	19,524	19,677	19,767	19,498	19,237	19,529
Total	37,950	38,489	38,431	38,582	38,936	38,973

In Constr.	Pipeline Projects		
	Final Planning	Planning	Pre Planning
			130
194	185		82
		242	35
194	185	242	247

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Forecasts

Total U.S.:

ADR to Drive RevPAR for the Next 2 Years

	2013 Forecast	2014 Forecast
Supply	0.8%	1.1%
Demand	2.2%	2.4%
Occupancy	1.4%	1.3%
ADR	4.2%	4.6%
RevPAR	5.7%	6.0%

Total U.S. Forecasts (%Change vs. Prior Year)
2013 - 2014



Portland Market-

STRA Custom Forecast

	2013 Forecast		2014 Forecast	
		%Chg.		%Chg.
Occupancy	70%	4.1	70%	0.5%
ADR	\$107	7.0%	\$114	6.8%
RevPAR	\$75	11.4%	\$80	7.3%

Oregon Area Market-

STRA Custom Forecast

	2013 Forecast		2014 Forecast	
		%Chg.		%Chg.
Occupancy	56%	5.2%	57%	0.5%
ADR	\$91	3.0%	\$94	3.3%
RevPAR	\$50	8.4%	\$53	5.5%



Questions?

Presentation is available for download.

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5 Things to Know

1. **Total U.S.-** Positive Demand, Rate Driven Recovery
2. **Oregon-** Strong Performance Across the Board
3. **Portland-** Setting KPI Highs
4. **Oregon Area-** Demand Recovering, Rate Driven Recovery
5. **Outlook-** Steady As She Goes



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