



Lee County Tourist Development Council

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Agenda

Total U.S. Overview

State of Florida

Lee County Performance

Comparable Counties

Pipeline

Forecast



Total U.S. Overview

Records Still being Broken



	Highest Ever?		% Change
Room Supply	<input checked="" type="checkbox"/>		2.0%
Room Demand	<input checked="" type="checkbox"/>		2.5%
Occupancy	<input checked="" type="checkbox"/>	66.2%	0.5%
ADR	<input checked="" type="checkbox"/>	\$130	2.4%
RevPAR	<input checked="" type="checkbox"/>	\$88	2.9%
Room Revenue	<input checked="" type="checkbox"/>		5.0%

Total US Results, 2018

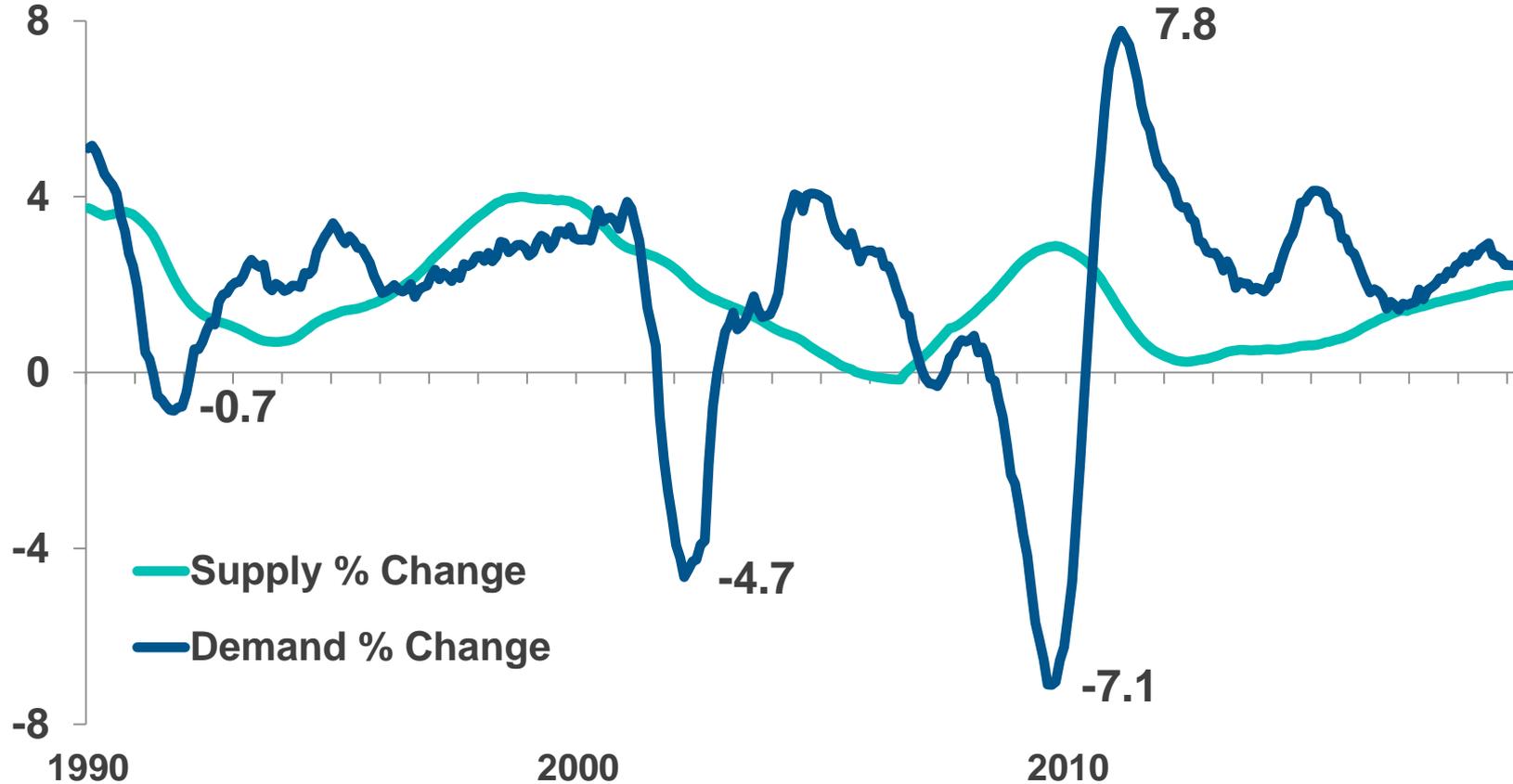
February 2019 Update



		% Change
Room Supply		2.1%
Room Demand		2.8%
Occupancy	62.2%	0.7%
ADR	\$129	1.9%
RevPAR	\$80	2.6%
Room Revenue		4.8%

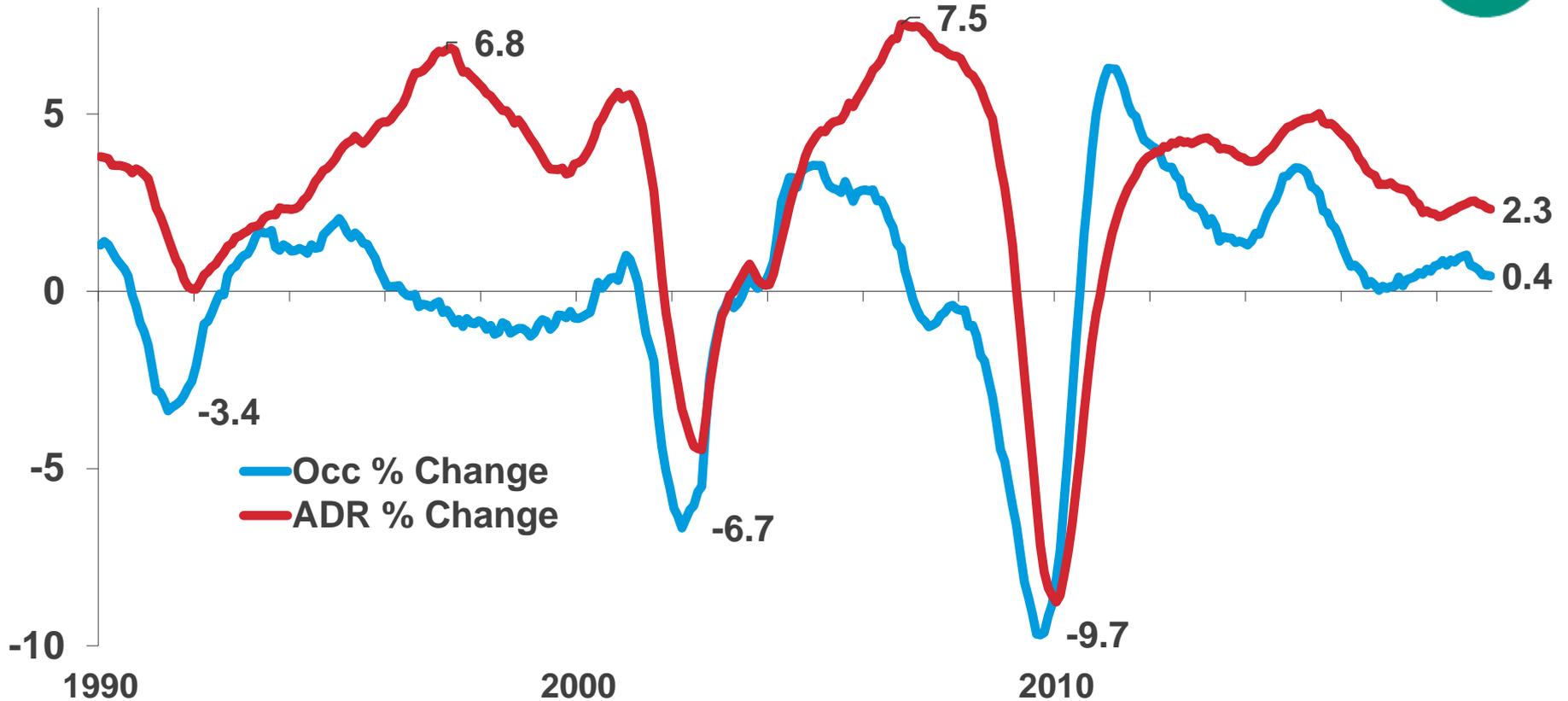
Total US Results, February 2019

Demand Growth Trajectory Slows. Supply Growth Still At 2%



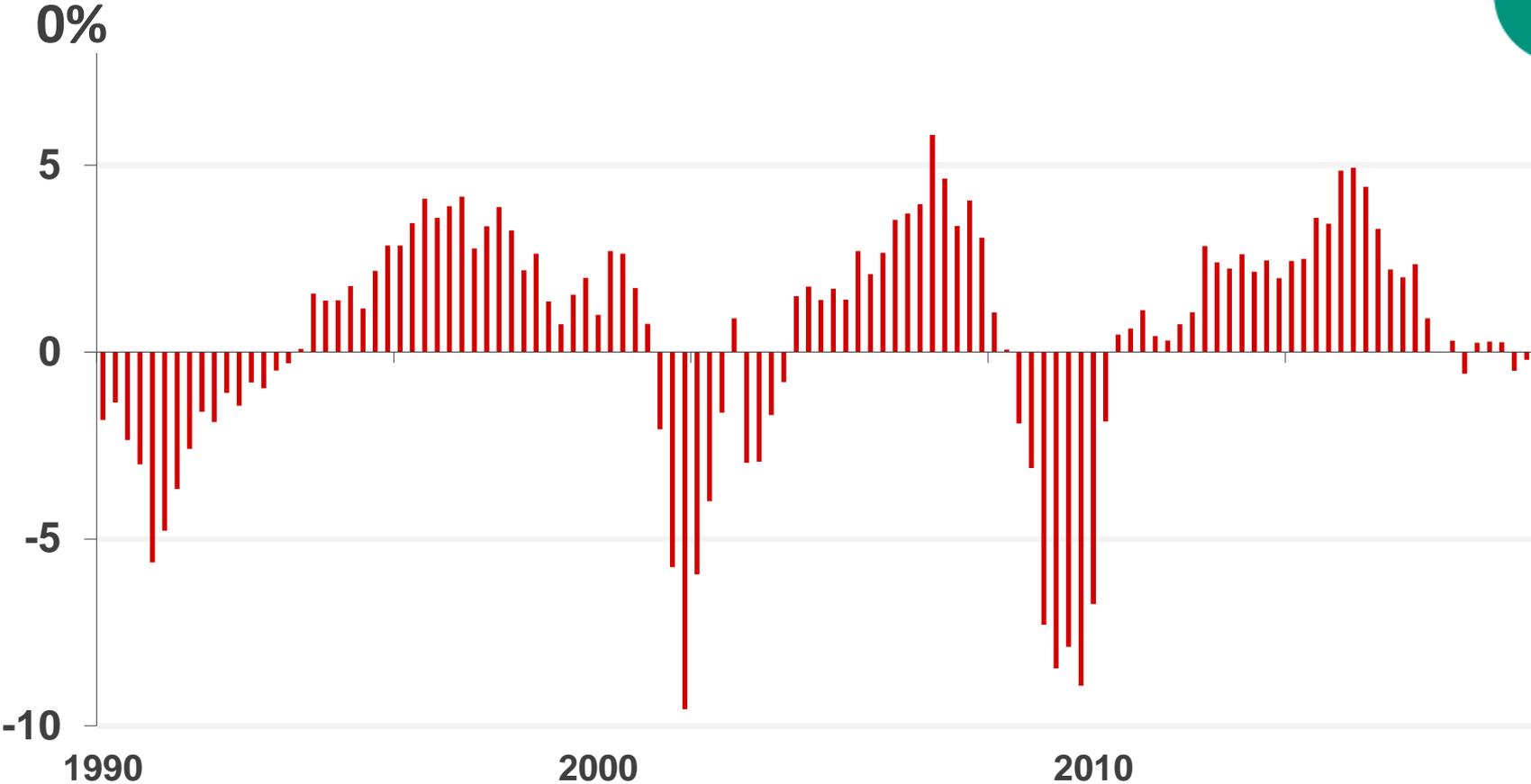
Total U.S., Supply & Demand % Change, 12 TTM 1/1990 – 02/2019

Occupancy Growth Still Positive Nine Years Into the Cycle



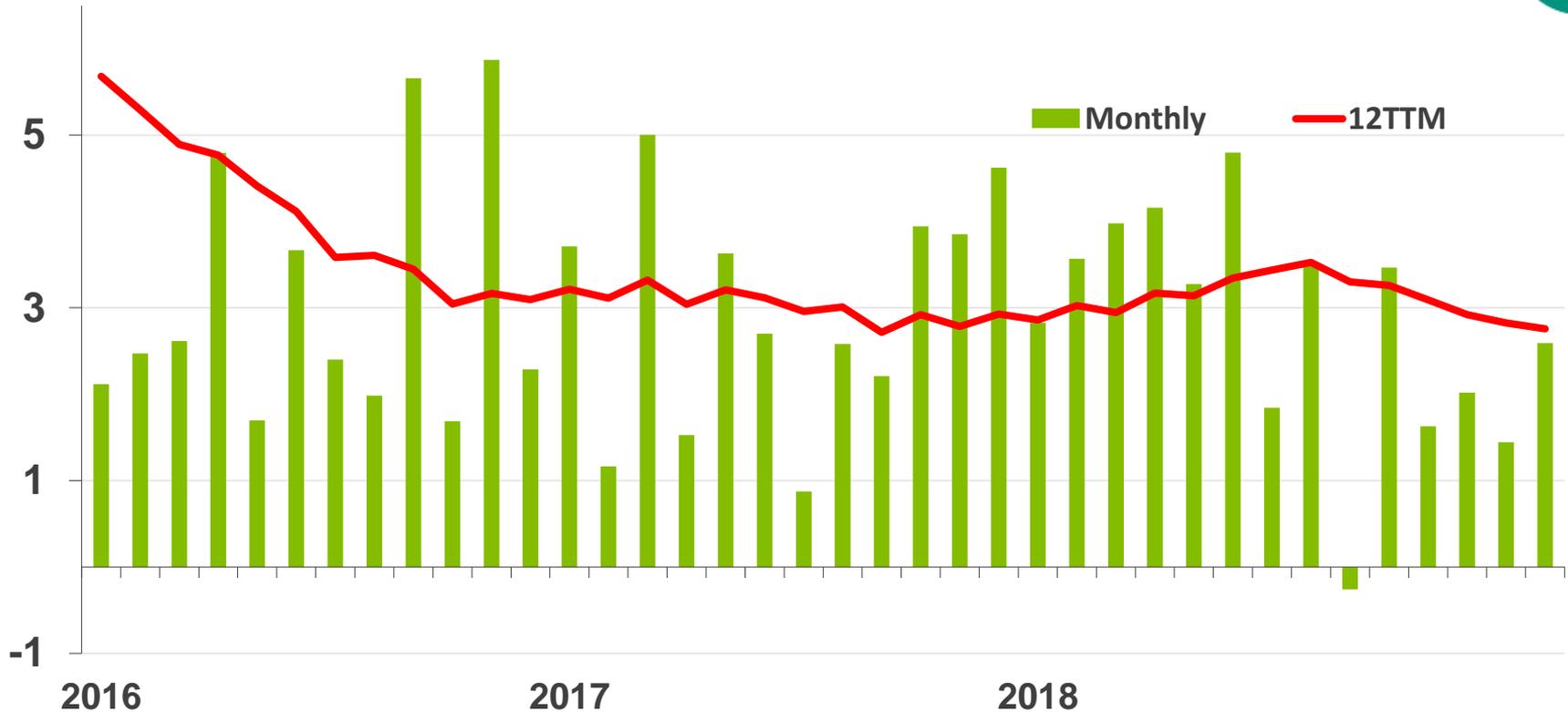
Total U.S., ADR & OCC % Change, 12 TTM 1/1990 – 02/2019

Real ADR Growth (ADR% minus CPI%) Now Hovers Around



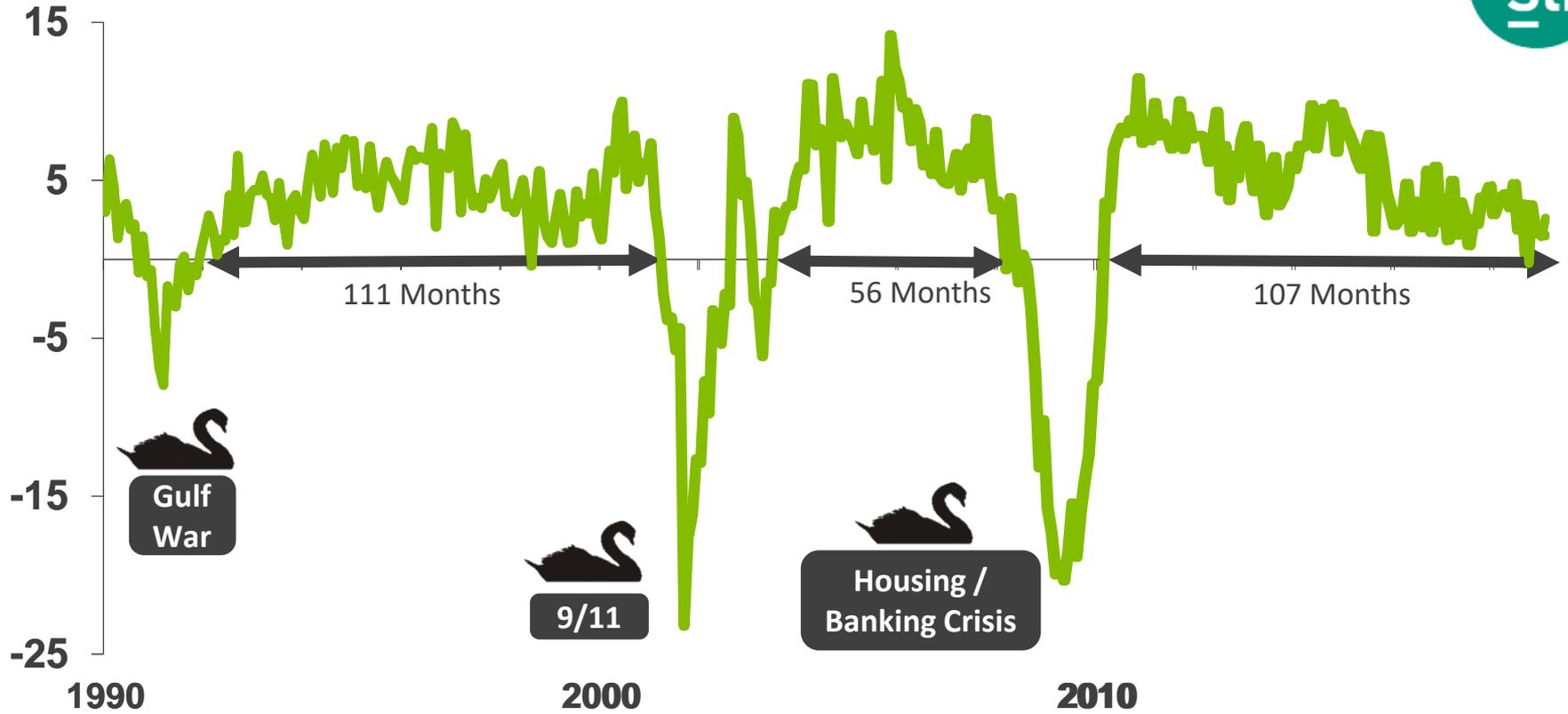
Total U.S., Real ADR % Change (ADR minus CPI), by quarter, Q1/1990 – Q4/2018

RevPAR Growth: The Beginning Of A Long Slow Winter



*Total U.S., RevPAR % Change by month and 12 TTM, 1/2016 – 02/2019

RevPAR Growth: Positive in 107 out of 108 last months (= Nine Years!)



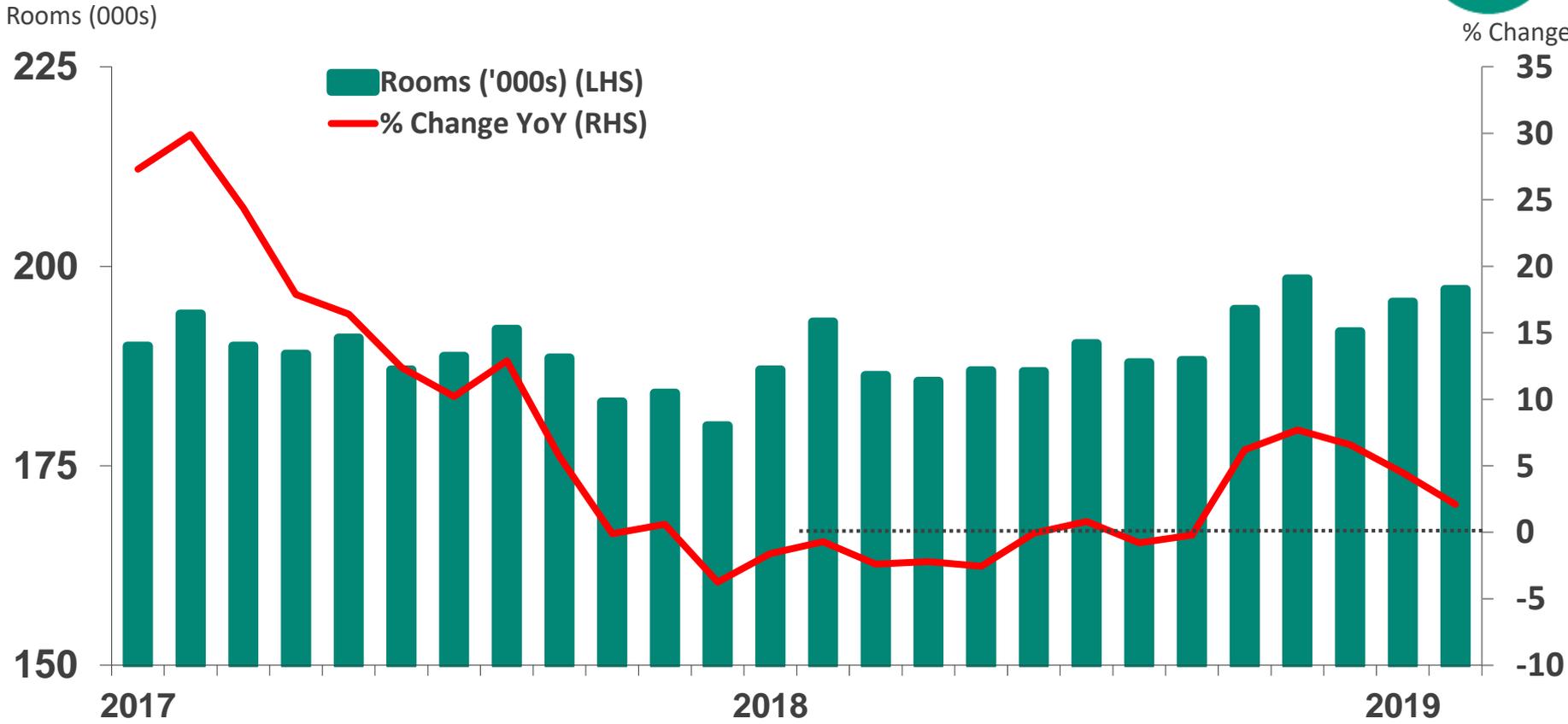
Total U.S., RevPAR % Change, 1/1990 – 02/2019

This Expansion Cycle Fueled by High Demand, Low Supply



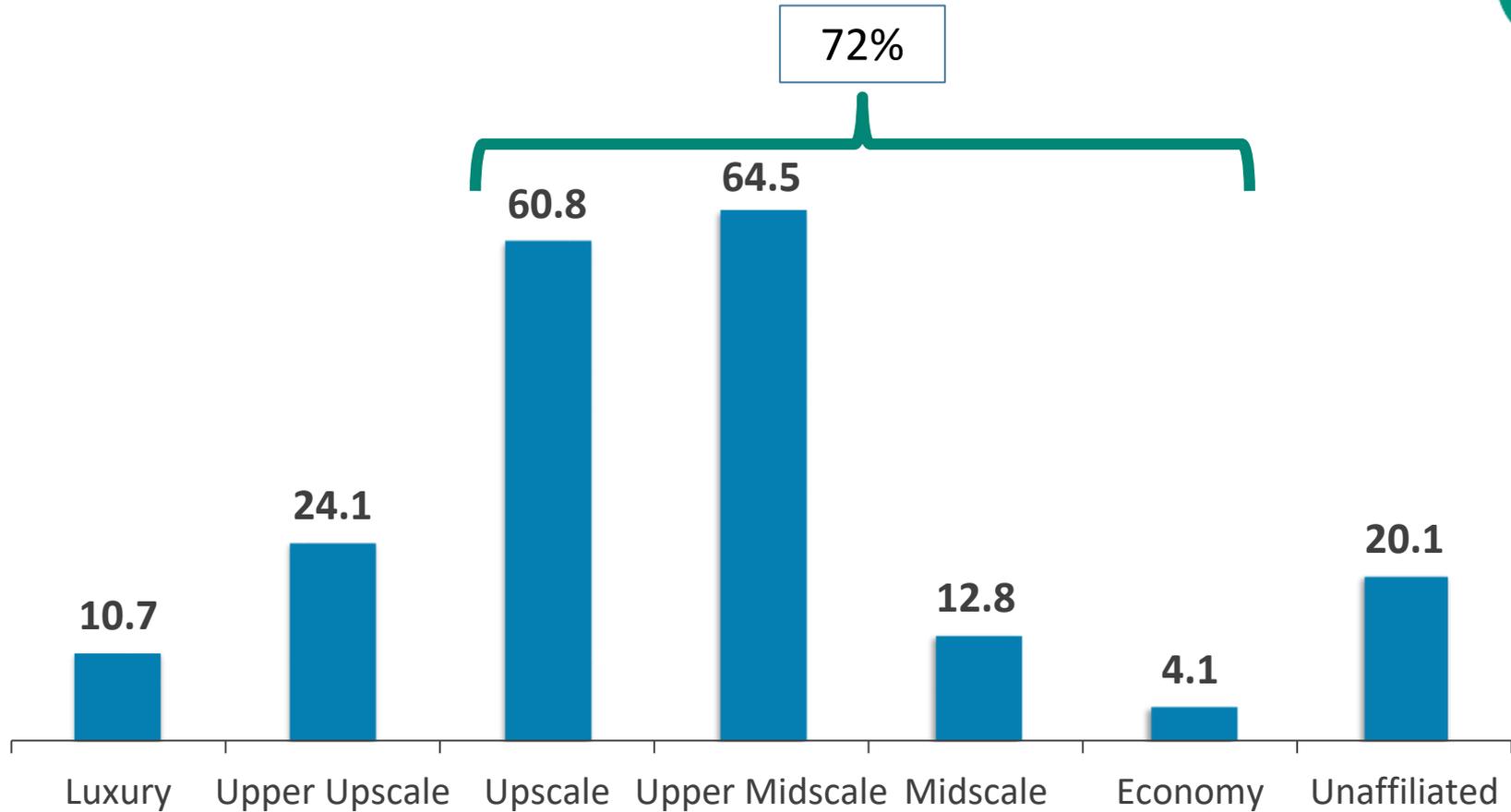
Cycle Period:	Dec. 1991 – Mar. 2001	Mar. 2010 – Dec. 2018
Length (months):	111	106
Avg. Monthly Supply Growth:	2.4	1.0
Avg. Monthly Demand Growth:	2.6	3.3
Avg. Monthly ADR Growth:	4.2	3.3
Avg. Monthly RevPAR Growth:	4.4	5.6

Number of I/C Rooms: Slight Acceleration, But Not Of Concern



*Total U.S Pipeline, Rooms In Construction and % Change from Same Month Prior Year, 1/2017 – 02/2019

Limited Service Construction Is The Name Of The Game



*US Pipeline, Rooms In Construction , '000s Rooms, by Scale, February 2019

Many Economic Indicators Remain Strong



Robust Job Growth/Low Unemployment

GDP Growth in Excess of 3.0%

Consumer Spending Still Growing 5% to 6%*

Manufacturing on the Rise

*<https://www.cnbc.com/2019/01/22/bank-of-america-ceo-brian-moynihan-consumer-strong-as-economy-slows.html>



State of Florida

Revenue is high, while demand is slowing



	Highest Ever?		% Change
Room Supply	<input checked="" type="checkbox"/>		1.9%
Room Demand	<input checked="" type="checkbox"/>		0.8%
Occupancy		72.8%	-1.1%
ADR	<input checked="" type="checkbox"/>	\$144	4.4%
RevPAR	<input checked="" type="checkbox"/>	\$105	3.2%
Room Revenue	<input checked="" type="checkbox"/>		5.2%

Florida Markets Make Waves in 2018



Big Waves (Top 25 Markets):

- Miami/Hialeah had the **second highest** RevPAR growth
- Tampa had one of the lowest RevPAR gains

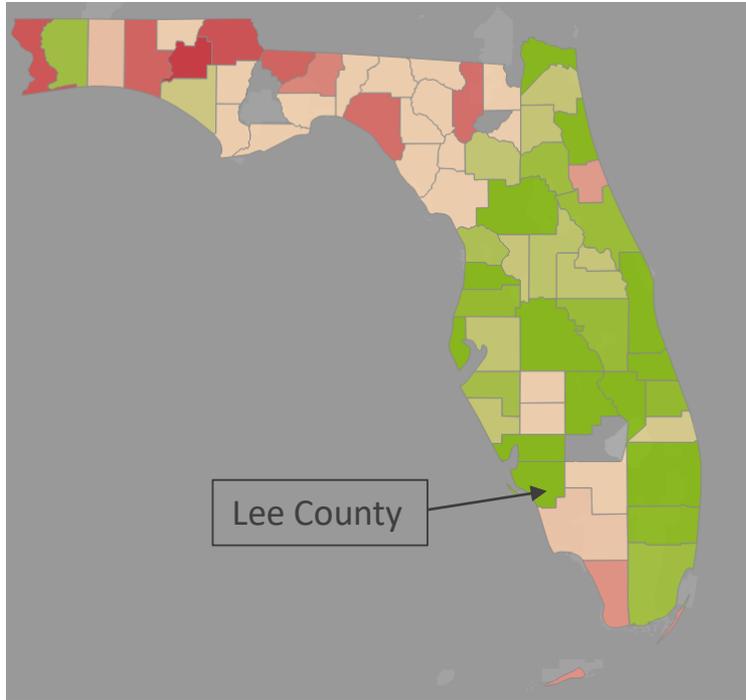
Little Waves (all Markets):

- Florida Panhandle had a **10.6% RevPAR growth**
- Sarasota/Bradenton had second worst RevPAR result of **-5.5%**

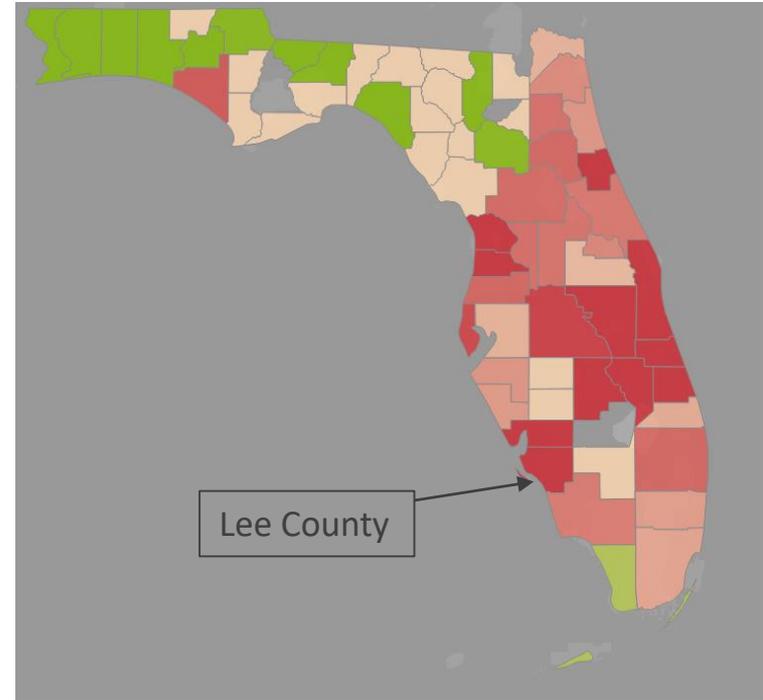
Demand Impact of Hurricanes are Significant



October 2017



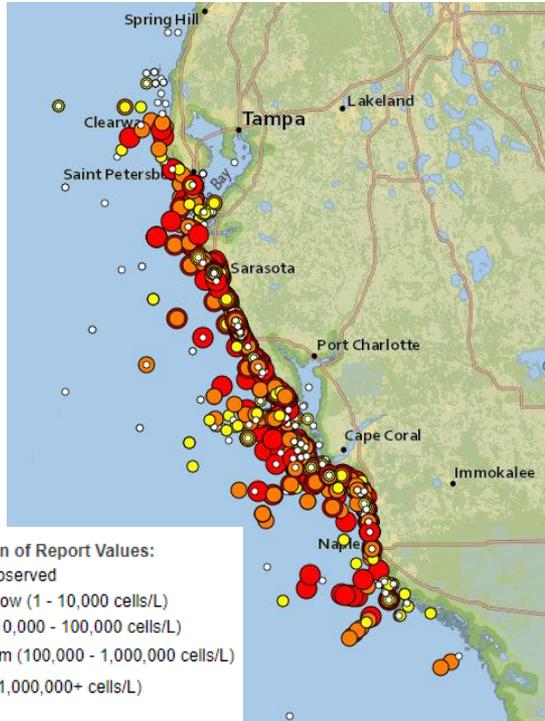
October 2018



Florida Demand % Change, October 2017 & October 2018

If not Hurricanes, Red Tide?

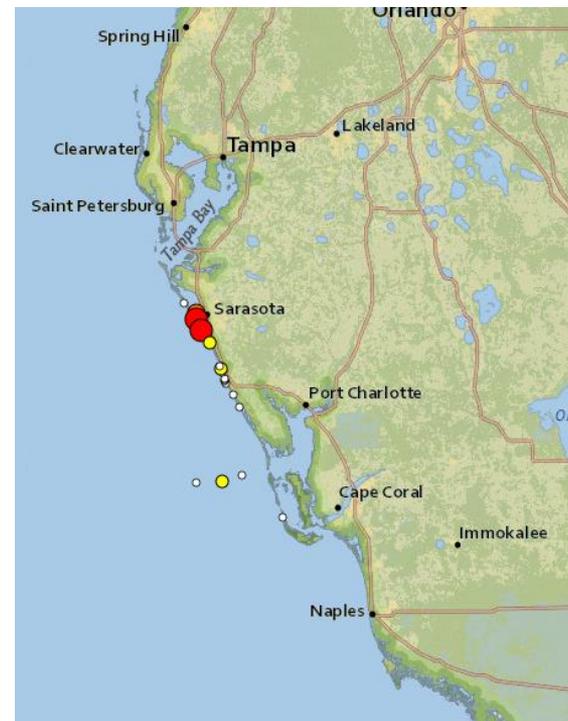
June 2018



November 2018



January 2019

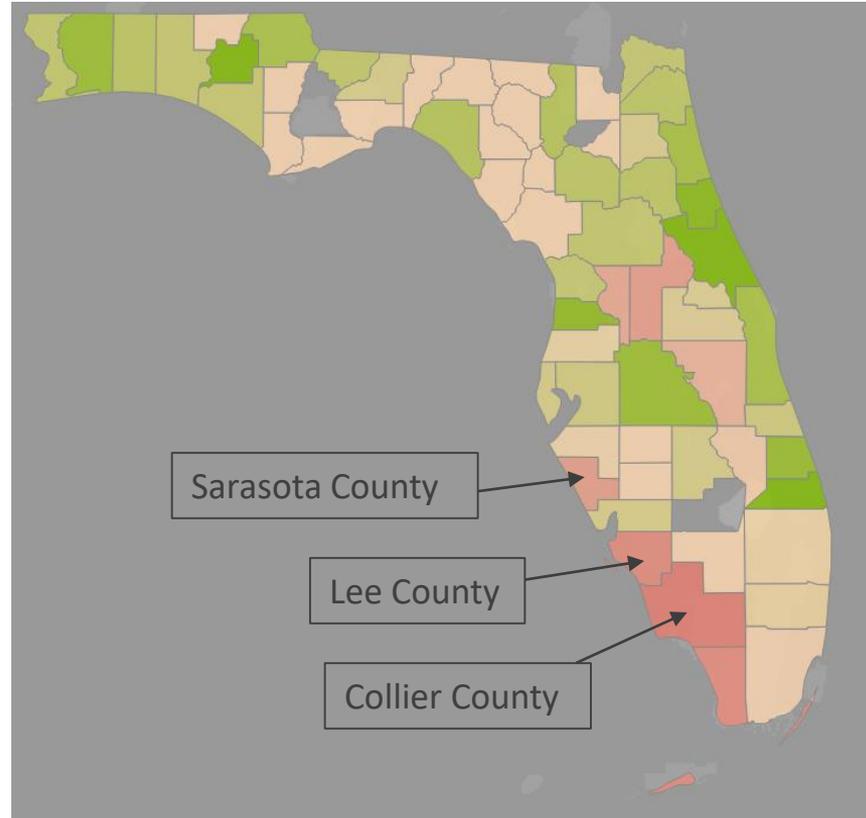


NOAA Harmful Algal Blooms Observing System; June 2018-January 2019

Demand Declines without Hurricane Impact, Red Tide?



August 2018



Florida Demand % Change, August 2018

Florida A Glimpse into 2019



	Actual	% Change	
Room Supply		2.9%	▲
Room Demand		2.3%	▲
Occupancy	76.1%	-0.5%	▼
ADR	\$165	1.0%	▲
RevPAR	\$125	0.5%	▲



Lee County Performance

Lee County At A Glance



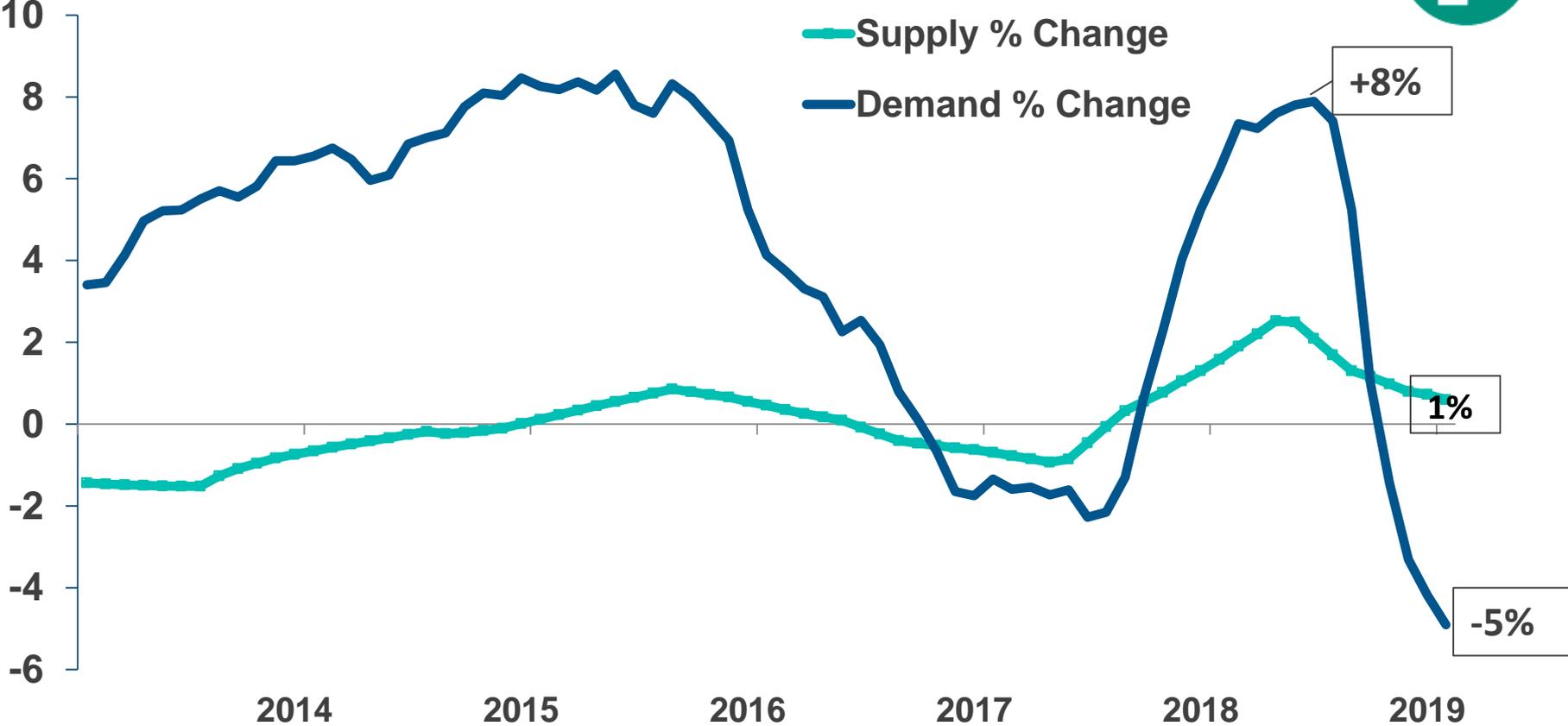
	Actual	% Change	
Room Supply		0.8%	▲
Room Demand		-3.3%	▼
Occupancy	68.9%	-4.1%	▼
ADR	\$156	3.8%	▲
RevPAR	\$107	-0.4%	▼

Lee County A Glimpse into 2019

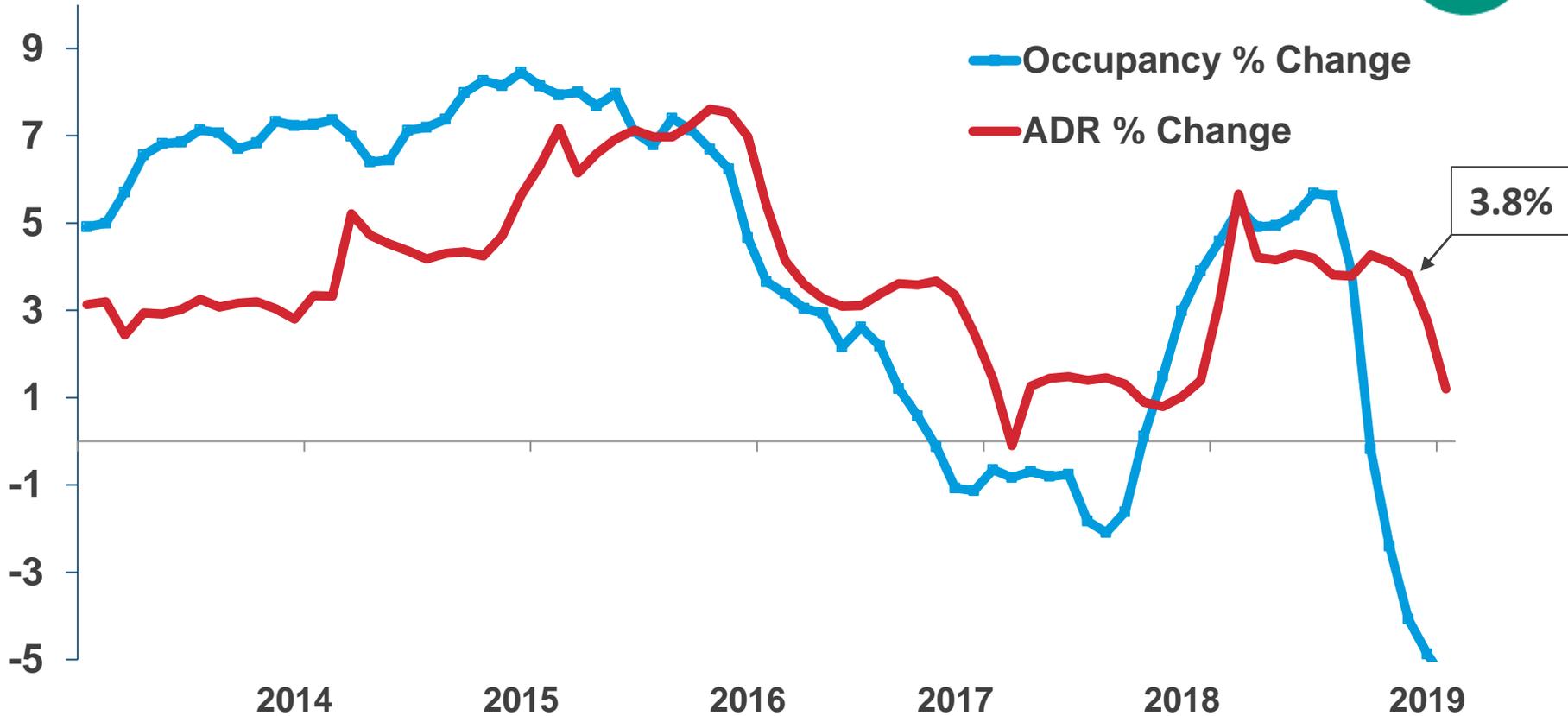


	Actual	% Change	
Room Supply		1.3%	▲
Room Demand		-1.9%	▼
Occupancy	80.7%	-3.2%	▼
ADR	\$187	-1.8%	▼
RevPAR	\$151	-4.9%	▼

Previous Demand Growth is Correcting Resulting in Decline

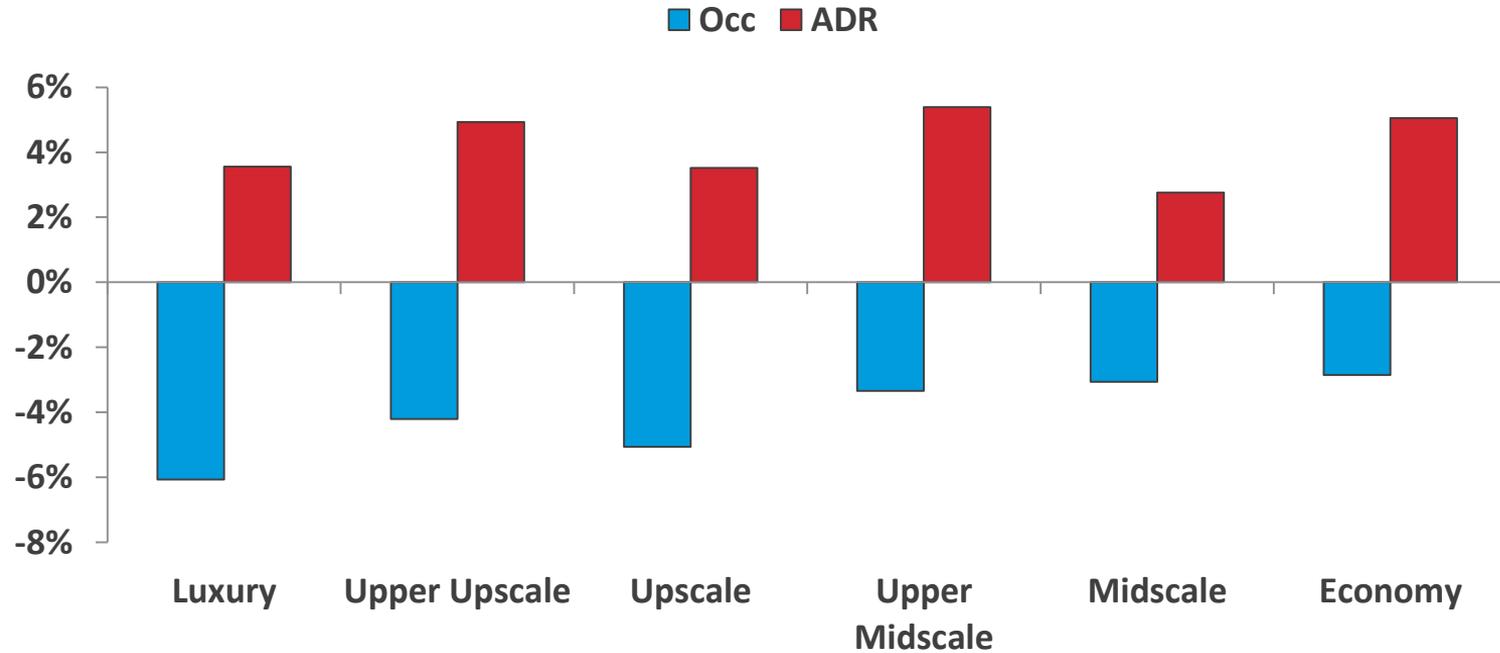


ADR Growth Exceeds Total U.S. Growth in 2018



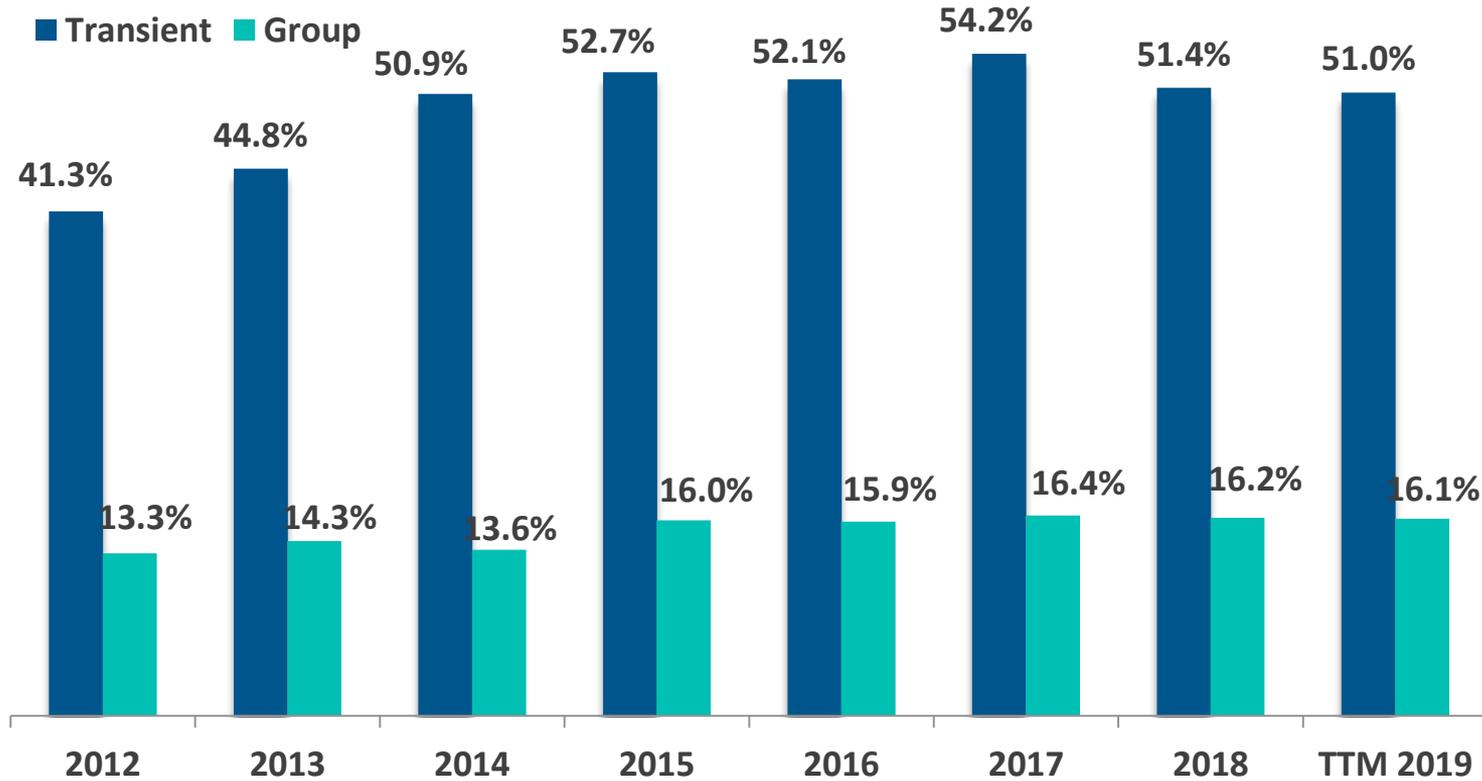


Rate Growth in All Classes

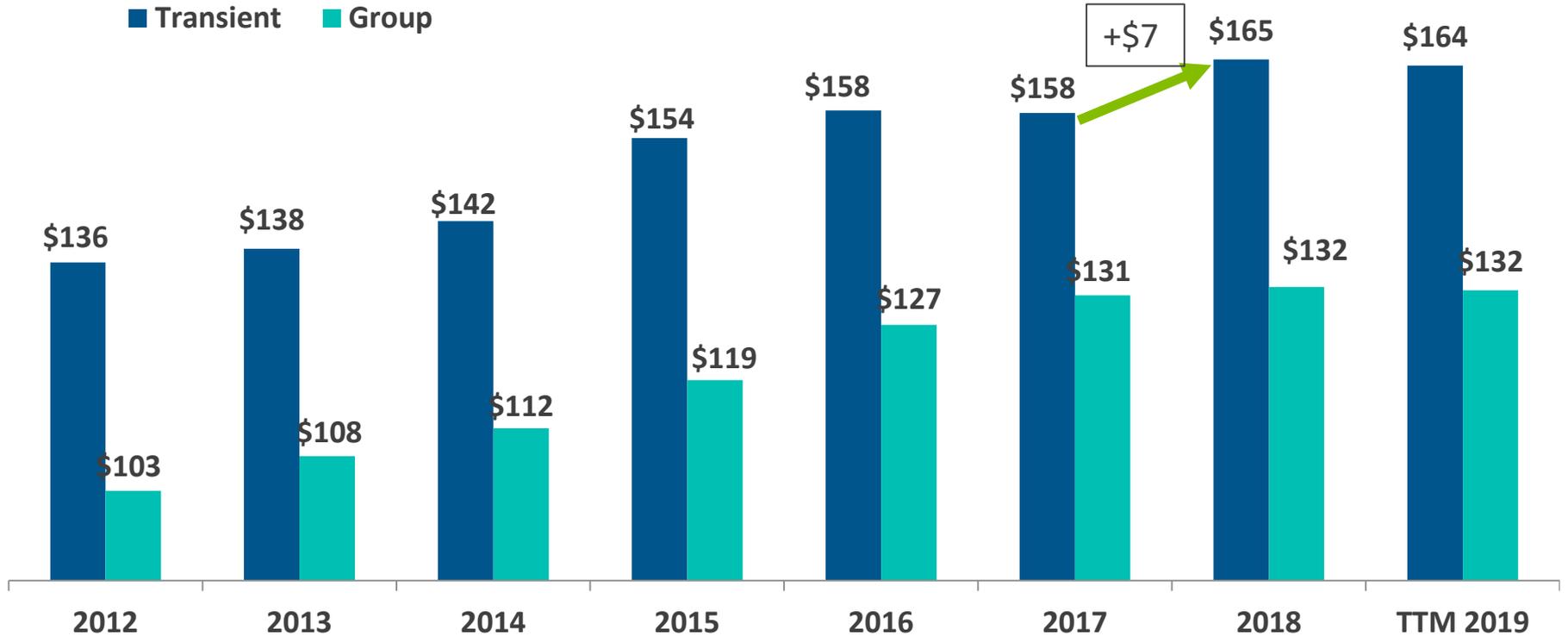


Lee County, FL Classes, Occ and ADR Percent Change, 2018

Transient vs. Group Occupancy Trends



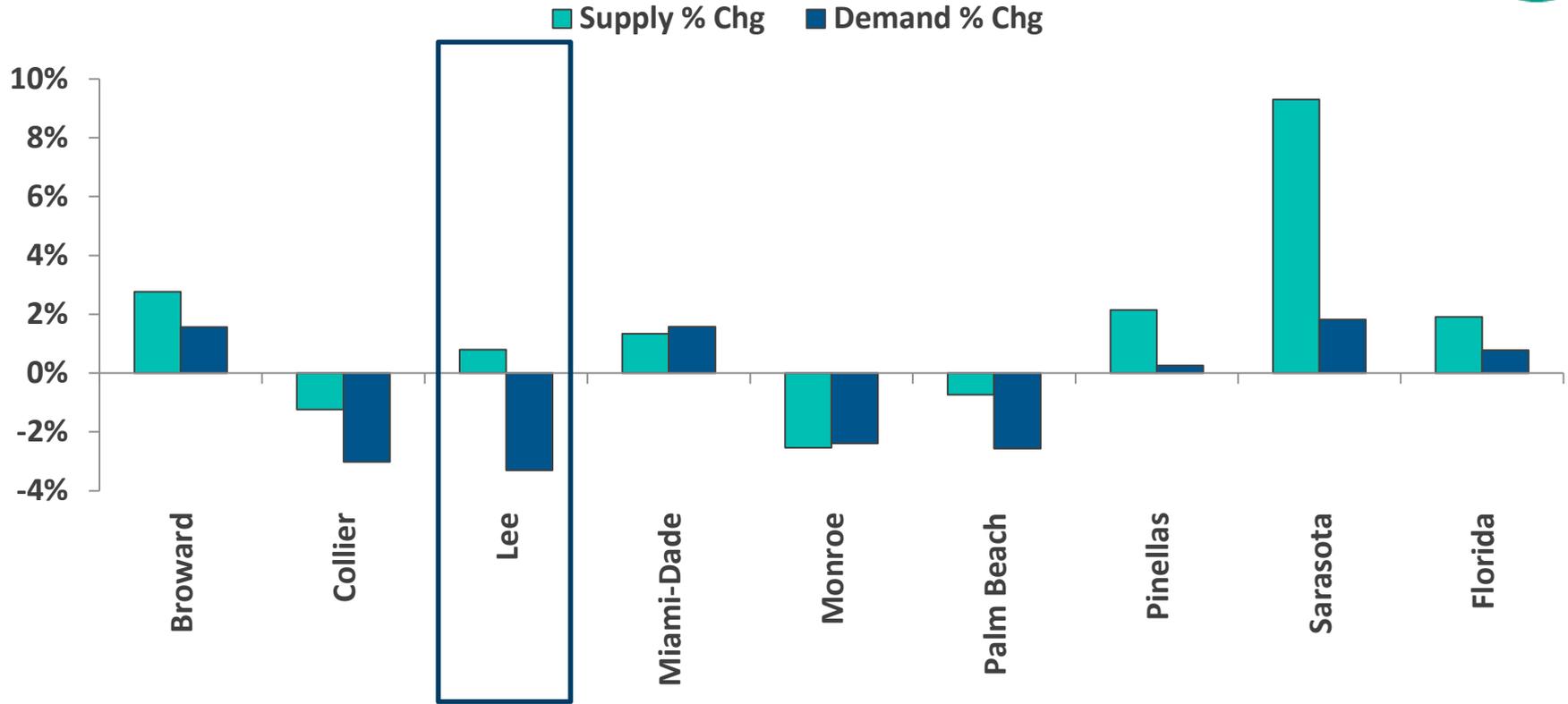
Transient vs. Group ADR Trends





Comparable Counties

Stagnant Demand Growth or Declines Across Most Counties

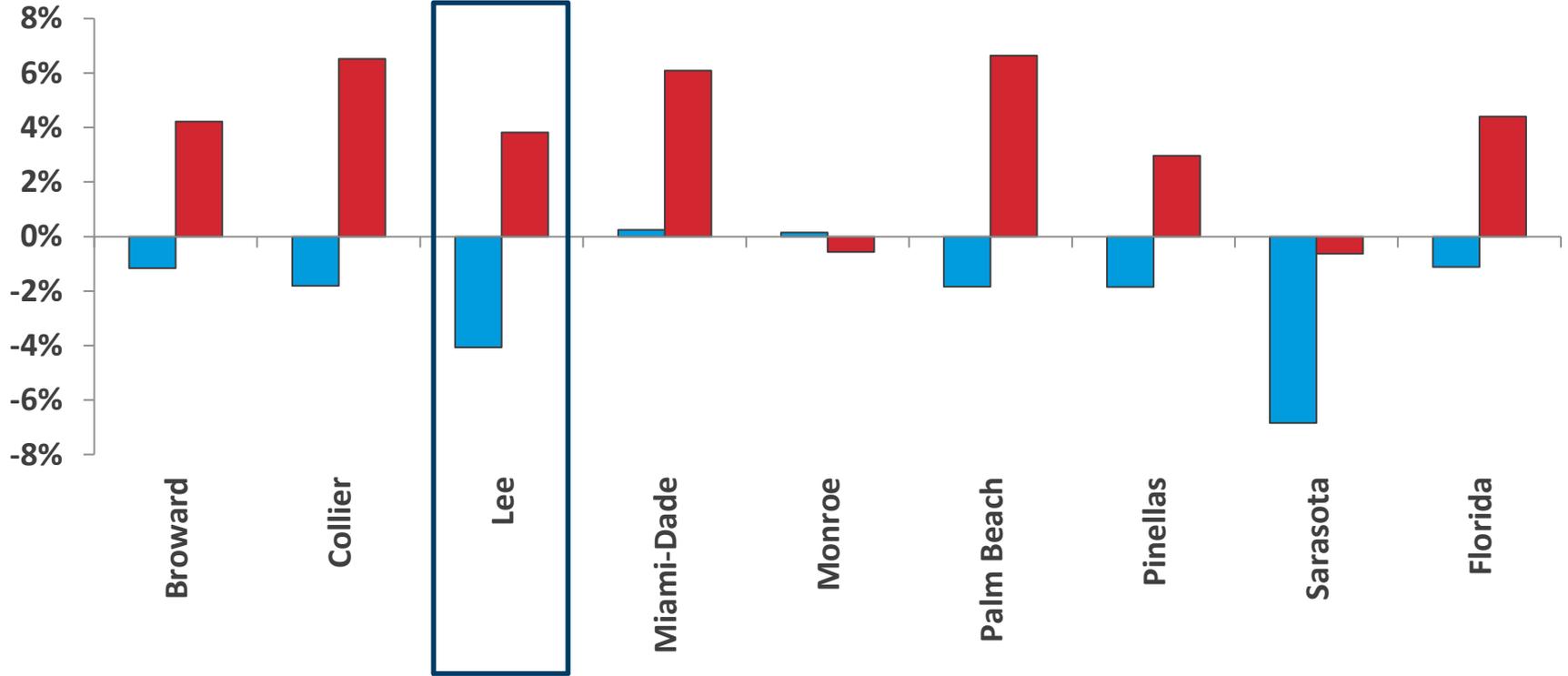


Supply / Demand Percent Change by County; YTD December 2018

ADR is Driving County Growth

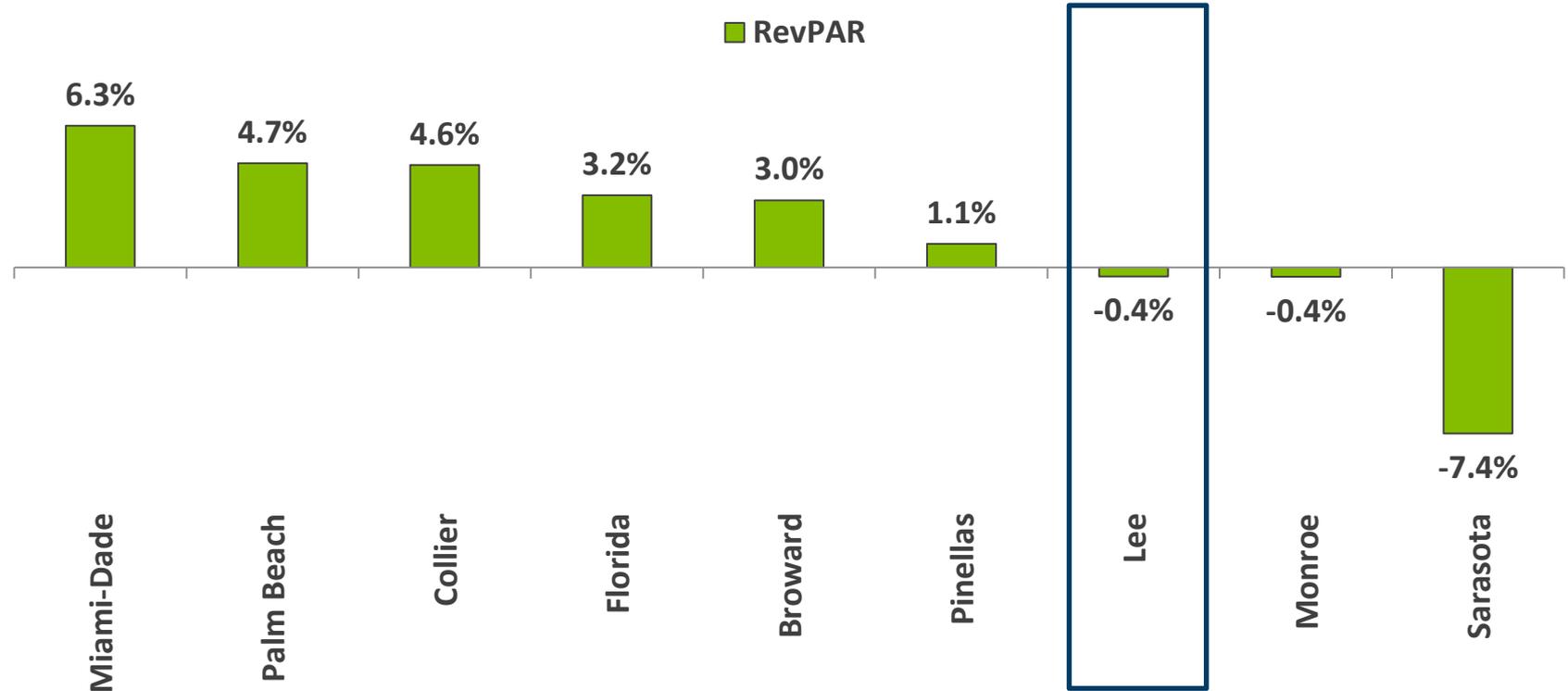


■ Occ ■ ADR



Occupancy and ADR Percent Change by County; YTD December 2018

RevPAR Growth in Most Counties





Pipeline

Lee County Supply Continues to Rise



<u>Phase</u>	<u># of Properties</u>	<u># of Rooms</u>
In Construction	2	348
Final Planning	6	844
Planning	15	1,562
Total Pipeline	23	2,754

Lee County Pipeline, by Project Phase
March 2019

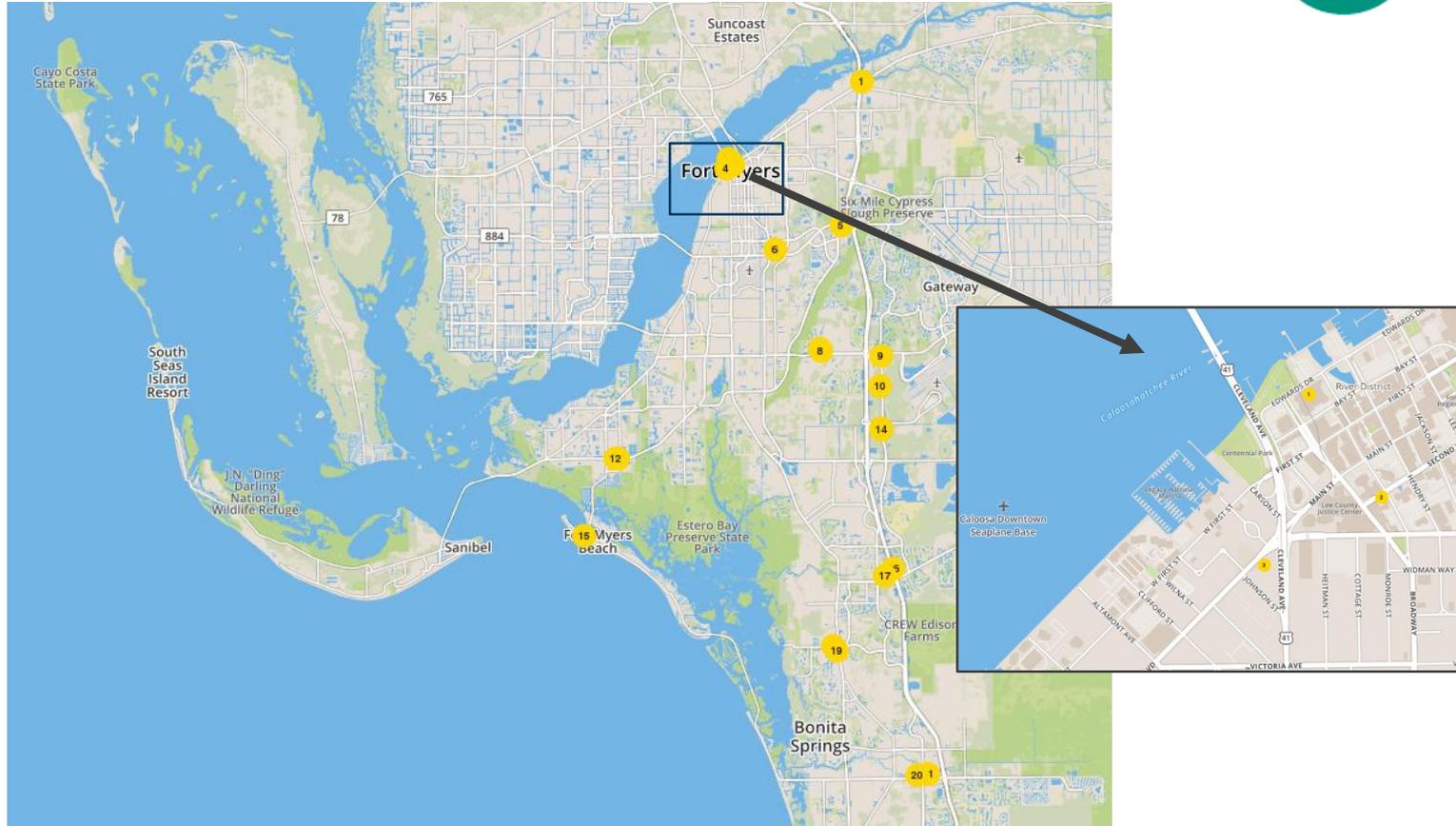


What: Upper Midscale Dominates New Supply

Chain Scale	Number of Properties	Number of Rooms	% of New Supply (rooms)
Luxury	0	0	0.0%
Upper Upscale	1	248	9.0%
Upscale	5	508	18.4%
Upper Midscale	11	1,195	43.4%
Midscale	3	246	8.9%
Economy	0	0	0.0%
Independent	3	557	20.2%

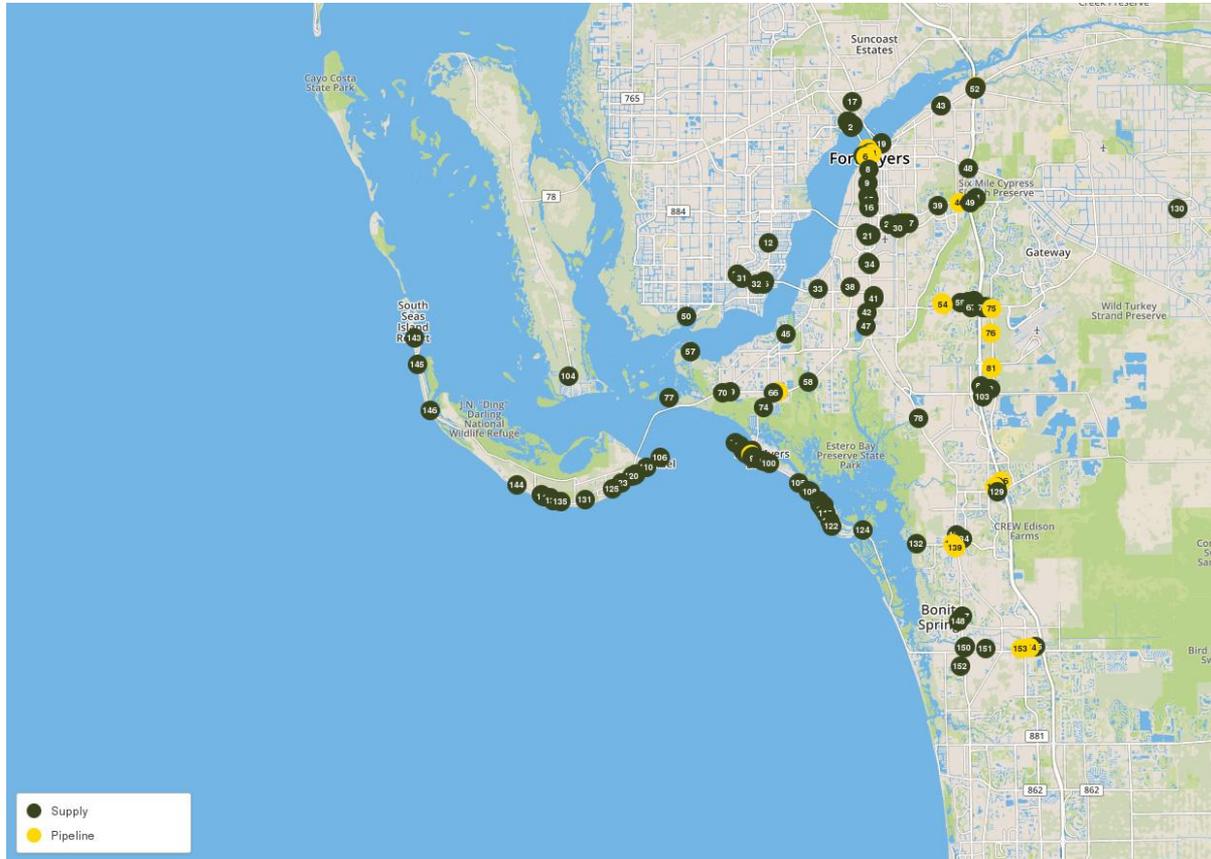
Lee County Pipeline, by Chain Scale
March 2019

Where: New Supply is Spread among County



Lee County Pipeline AM:PM
March 2019

Current Supply with New Supply Map



Lee County Supply & Pipeline
AM:PM
March 2019

When: Historic Records of Supply Growth



<u>Year</u>	<u># of Properties</u>	<u># of Rooms</u>
2019	1	100
2020	5	718
2021	14	1,538
2022	1	95
Unknown	2	303

Lee County Pipeline, by Projected Opening Date
March 2019



Who: Upcoming Openings

Springhill Suites
Estero

100 Rooms U/C

Open Date: Oct 2019

Autograph Collection
Fort Myers Downtown

248 Rooms U/C

Open Date: Oct 2020

Staybridge Suites
Fort Myers

90 Rooms

Open Date: Jul 2020

Fairfield Inn & Suites
Bonita Springs

114 Rooms Final Planning

Open Date: Sep 2020



Forecast

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)
- Hanukkah: Shift from 12/3 to 12/23, impacting weekly results
- Weekend Night: Jun/Sept/Dec loose. 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

Outlook	
Metric	2019 Forecast
Supply	1.9%
Demand	1.9%
Occupancy	0.0%
ADR	2.3%
RevPAR	2.3%

Lee County Seasonality – Q1 is Critical



RevPAR (\$)	January	February	March	April	May	June	July	August	September	October	November	December
1998	80.46	118.30	128.15	95.05	61.89	52.16	54.65	48.25	34.36	49.72	54.53	58.56
1999	78.52	118.69	137.59	98.48	60.58	53.48	57.46	48.51	39.20	46.72	55.22	52.17
2000	76.51	120.60	141.58	102.59	63.00	56.18	58.63	47.57	37.86	47.33	56.80	56.54
2001	82.23	125.52	145.55	102.63	63.66	55.07	53.87	46.03	28.43	35.00	42.57	42.94
2002	63.63	106.76	130.30	82.48	54.46	48.17	50.12	43.85	28.92	40.49	46.92	46.14
2003	69.12	103.62	131.24	87.98	58.85	50.36	54.34	45.02	28.52	44.16	49.63	48.20
2004	69.70	119.56	138.92	93.86	59.67	55.94	58.63	45.77	53.10	57.79	59.98	57.63
2005	77.18	112.14	145.94	85.16	62.88	59.93	62.11	45.44	40.45	49.00	65.55	58.56
2006	81.70	120.62	145.39	103.50	67.24	63.64	61.90	47.56	40.34	50.15	62.28	61.20
2007	87.93	128.79	159.15	107.69	66.36	66.82	67.42	54.52	40.03	51.64	60.09	61.62
2008	86.88	128.62	155.40	98.22	66.84	62.51	64.55	50.26	32.33	43.49	52.67	56.04
2009	74.07	106.42	116.84	83.62	50.36	53.43	56.04	40.71	28.46	37.42	44.88	49.41
2010	62.68	91.62	118.61	81.44	52.13	49.06	50.90	37.94	30.02	38.82	46.20	48.34
2011	61.00	101.43	135.86	92.28	57.71	56.25	63.40	44.50	33.81	44.12	52.66	54.38
2012	67.83	113.61	147.39	94.98	58.78	59.20	66.50	46.83	35.72	47.93	56.31	60.63
2013	80.48	128.05	161.32	97.28	71.37	64.45	71.03	53.82	36.78	50.43	62.00	70.52
2014	91.47	149.34	176.67	114.38	75.50	68.98	81.05	60.81	40.72	59.55	70.21	85.17
2015	116.19	176.97	199.78	123.32	81.82	81.25	85.58	64.30	52.83	69.93	78.57	95.91
2016	120.42	176.04	208.46	122.79	83.30	82.46	95.79	65.12	55.13	72.54	79.22	91.43
2017	113.64	167.68	197.17	139.94	84.83	84.54	91.65	64.82	63.50	91.55	96.10	106.96
2018	129.08	190.89	221.70	133.37	87.07	91.73	91.63	56.72	47.17	64.99	81.38	97.08
2019	120.72	183.83										



2019 is Stabilization Year

STR Lee County Forecast		
	2019 Forecast	% Change
Occupancy	69.2%	0.5%
ADR	\$155	-0.4%
RevPAR	\$108	0.1%



Questions?

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