



2021 Kalibri Labs Data Methodology Updates

Every year Kalibri Labs updates and refines some of its underlying data processes and assumptions in order to provide our clients and users with what we believe to be the most actionable hotel industry data metrics possible that best reflect the profile of the marketplace. In some cases, these modifications can affect historical results, depending on the nature of the updates/refinements. Recognizing the impact that any such data related changes may have on our clients, we refine our methodologies only when and where we believe the outcome will greatly enhance the value of the output.

In 2021 Kalibri Labs made modifications in the following areas:

1 – Competitive Hotel Supply

- Completed an extensive hotel supply audit to ensure that all properties in our census database fit the traditional definition of a hotel. Facilities that were excluded and/or removed included, but were not limited to timeshares, long-term rentals and other buildings that may offer sporadic, limited night stays but whose primary business is not daily accommodation sales.
- Verified the status of properties that closed beginning in March 2020 thru June 2021. The objective was to identify permanent vs. temporary closures

2 – Classification of Independent Hotels into their most logical Chain Class.

- Historically, Kalibri Labs reassessed and, where appropriate, reassigned independent hotels to a specific chain class on a monthly basis. Beginning at the end of the 1st Quarter of 2021 Kalibri Labs will now perform that assessment and any subsequent reassignment function, if necessary, annually at the end of each calendar year. This process change will reduce supply change variability within chain classes both at the national and market levels throughout the year.
- Changes to a properties chain class designation has no effect on supply numbers at any geographic level.
- The Kalibri Labs assessment/assignment methodology remains the same, it is only the frequency of these adjustments that has changed.

3 – Addition of New Data Providers.

- In February of 2021 Kalibri Labs added 2 major hotels companies to its database. Both of these companies provided a full historical data series dating back to January of 2015.
- For both of these data providers, actual historical hotel performance is now being used, which replaces performance estimation that had previously been used.
- The addition of these 2 data providers had no effect on supply numbers.



4 – Enhanced ADR estimation algorithms

- In markets with an especially high number of Upper Tier Independent hotels Kalibri Labs has modified its ADR estimation algorithms to account for unexpected volatility that has been observed in Upper Tier Independent hotels in those markets.
- A total of 9 markets had ADR modified through the enhanced algorithms. There was no change to Occupancy estimation in any of the 9 markets.

Beyond the changes listed above, which are all specific to 2021 projects related to data improvement, it is worth reminding data users that all of Kalibri Labs' data providers send along any/all revisions to their historical data on a monthly basis. Generally, data is provided for the current data month and the two prior months. Once the Kalibri Labs database has been updated, adjustments to the previously published data may be seen. In almost all cases the data adjustments are immaterial in nature.