

Intelligent Investment

Trends® in the Hotel Industry

REPORT

CBRE HOTELS RESEARCH
U.S. EDITION 2023
\$450



CBRE

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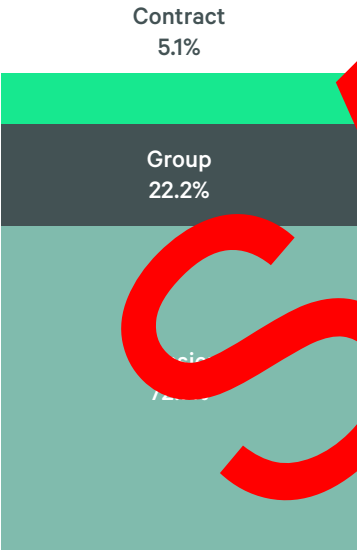
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Full-Service Hotels

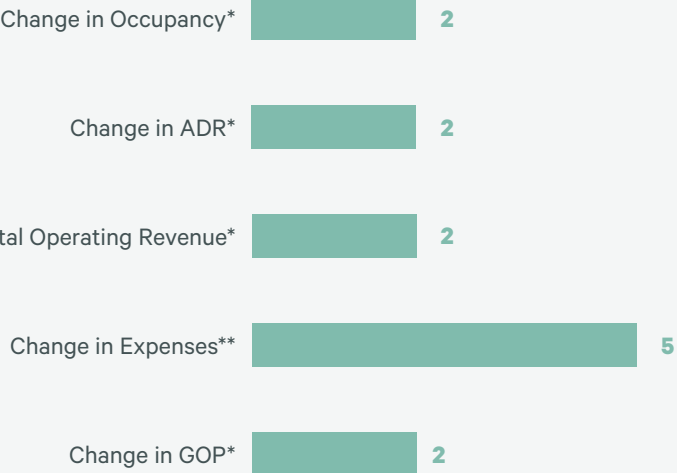
PERFORMANCE IN 2022

- Total full-service hotel operating revenue increased by 64.6 percent from 2021 to 2022. A 99.8 percent increase in food and beverage revenue contributed to the rise in total revenue.
- As occupancy and revenue rose, operated and undistributed department expenses increased by 51.3 percent during 2022.
- With revenues growing greater than expenses, the gross operating profit (GOP) margin increased from 29.9 percent in 2021 to 35.5 percent in 2022.
- Full-service hotels with an ADR greater than \$300, as well as those with more than 300 rooms, enjoyed the greatest GOP growth in 2022.
- Labor costs at full-service hotels increased by 53.8 percent in 2022. The combined costs of salaries, wages, bonuses and benefits represented 50.5 percent of operating expenses for the year.

FULL-SERVICE HOTELS: MARKET MIX



RANKING: RANK AMONG SIX PROPERTY TYPE CATEGORIES CHANGE FROM 2021 TO 2022



Note: * 1 = greatest increase, 6 = least increase
** 1 = least increase, 6 = greatest increase

Full-Service Hotels

FIGURE 10
SUMMARY OPERATING STATEMENT – DOLLARS PER AVAILABLE AND OCCUPIED ROOM

	2022 Dollars Per Available Room	Change from Prior Year	2022 Percent of Revenue	2022 Dollars Per Occupied Room
Revenues				
Rooms	\$ 47,854	58.8 %	72.2 %	\$ 1,571
Food and Beverage	14,358	99.8	21.7	60.9
Other Operated Departments	2,462	41.1	3.7	10.38
Miscellaneous Income	1,601	33.6	2.4	6.75
Total Operating Revenue	\$ 66,276	65.8 %	100.0 %	\$ 2,649
Departmental Expenses*				
Rooms	\$ 12,808	50.9 %	26.8 %	53.99
Food and Beverage	10,615	87.8	73.9	44.74
Other Operated Departments	1,006	40.8	40.9	4.24
Total Departmental Expenses	\$ 24,429	60.2 %	36.9 %	\$ 102.97
Total Departmental Profit	\$ 41,847	65.8 %	63.1 %	\$ 176.38
Undistributed Operating Expenses				
Administrative and General	\$ 5,911	37.4 %	8.9 %	\$ 24.92
Information and Telecommunications Systems	973	2.4	1.5	4.10
Sales and Marketing	6,126	52.1	9.2	25.82
Property Operations and Maintenance	1,711	26.9	4.6	12.79
Utilities	2,251	21.9	3.4	9.49
Total Undistributed Expenses	\$ 12,972	36.7 %	27.6 %	\$ 77.12
Gross Operating Profit	\$ 28,875	95.9 %	35.5 %	\$ 99.26
Management Fees	\$ 2,262	74.5 %	3.4 %	\$ 9.53
Income Before Non-Operating Income and Expenses	\$ 26,613	98.4 %	32.1 %	\$ 89.73
Non-Operating Income and Expenses				
Income	\$ 319	(33.9) %	0.5 %	\$ 1.34
Rent	1,595	31.2	2.4	6.72
Property and Other Taxes	2,546	(6.9)	3.8	10.73
Insurance	868	16.0	1.3	3.66
Other	749	56.0	1.1	3.16
Total Non-Operating Income and Expenses	\$ 5,440	15.8 %	8.2 %	\$ 22.93
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ 15,847	N/C	23.9 %	\$ 66.80
Percent of Occupancy	65.0 %	27.9 %		
Average Daily Rate	\$ 201.71	24.2 %		
RevPAR	\$ 131.10	58.8 %		
Average Size (Rooms)	237	—		

* Expressed as a percent of departmental revenue.

N/C – Data not comparable.

Suite Hotels Without Food and Beverage

FIGURE 20
DEPARTMENTAL EXPENSES

	2022 Dollars Per Available Room	Change from Prior Year	2022 Percent of Revenue	2022 Dollars Per Occupied Room
Rooms Department*				
Total Labor Costs and Related Expenses	\$ 5,713	31.8 %	15.2 %	\$ 21.06
Other Expenses	3,428	32.1	9.1	12.63
Total Department Expenses	\$ 9,141	31.9 %	24.2 %	\$ 33.69
Other Operated Departments*				
Total Labor Costs and Related Expenses	\$ 100	86.8 %	10.0 %	\$ 0.37
Other Expenses***	371	30.0	37.7	1.35
Total Department Expenses	\$ 471	29.9 %	47.7 %	\$ 1.74
Administrative and General Department**				
Total Labor Costs and Related Expenses	\$ 1,646	15.4 %	4.2 %	\$ 6.07
Other Expenses	1,904	27.2	4.8	7.02
Total Department Expenses	\$ 3,550	21.3 %	9.0 %	\$ 13.08
Information and Telecommunications Systems Department**				
Total Labor Costs and Related Expenses	\$ 2	5.8 %	—	\$ 0.01
Other Expenses	1,936	18.7	1.4 %	1.97
Total Departmental Expenses	\$ 1,938	17.7 %	1.4 %	\$ 1.98
Marketing Department**				
Total Labor Costs and Related Expenses	\$ 641	17.6 %	1.6 %	\$ 2.28
Other Expenses	3,532	30.5	9.0	13.02
Total Department Expenses	\$ 4,173	28.4 %	10.6 %	\$ 15.30
Maintenance Department**				
Total Labor Costs and Related Expenses	\$ 870	24.3 %	2.2 %	\$ 3.21
Other Expenses	1,088	16.1	2.8	4.01
Total Departmental Expenses	\$ 1,958	19.6 %	5.0 %	\$ 7.22
Utilities Department**				
Other Expenses	\$ 1,621	13.8 %	4.1 %	\$ 5.97
Total Operating Expenses**				
Total Labor Costs and Related Expenses	\$ 8,950	27.1 %	22.8 %	\$ 32.98
Other Expenses***	12,478	25.8	31.8	45.99
Total Department Expenses****	\$ 21,428	26.3 %	54.6 %	\$ 78.97

* Expressed as a percent of department revenue. ** Expressed as a percent of total revenue.

*** Includes cost of sales. **** Before management fees and non-operating income and expenses.

Convention Hotels

FIGURE 24
LABOR COSTS

	2022 Dollars Per Available Room	Change from Prior Year	2022 Percent of Revenue	2022 Dollars Per Occupied Room
Rooms Department*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 5,883	83.3 %	12.3 %	\$ 26.54
Payroll-Related Expenses	2,868	73.1	6.0	12.94
Total Labor Costs and Related Expenses	\$ 8,752	79.8 %	18.3 %	\$ 39.48
Food and Beverage Department*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 6,981	N/C	2.9 %	\$ 31.49
Payroll-Related Expenses	3,445		12.0	15.41
Total Labor Costs and Related Expenses	\$ 10,426	N/C	31.9 %	\$ 47.03
Other Operated Departments*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 4,150	72.6	9.5 %	\$ 2.14
Payroll-Related Expenses	1,771	69.0	3.3	0.74
Total Labor Costs and Related Expenses	\$ 5,921	71.7 %	12.8 %	\$ 2.87
Administrative and General Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 2,286	37.2	2.8 %	\$ 10.31
Payroll-Related Expenses	777	41.8	0.9	3.51
Total Labor Costs and Related Expenses	\$ 3,063	38.3 %	3.7 %	\$ 13.82
Information and Telecommunication Systems**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 1,194	48.9 %	0.2 %	\$ 0.87
Payroll-Related Expenses	173	31.7	0.1	0.47
Total Labor Costs and Related Expenses	\$ 1,367	42.4 %	0.4 %	\$ 1.34
Marketing Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 1,552	57.2 %	1.9 %	\$ 7.00
Payroll-Related Expenses	468	46.8	0.6	2.11
Total Labor Costs and Related Expenses	\$ 2,020	54.7 %	2.5 %	\$ 9.11
Maintenance Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 1,238	38.5 %	1.5 %	\$ 5.58
Payroll-Related Expenses	635	31.7	0.8	2.86
Total Labor Costs and Related Expenses	\$ 1,873	36.1 %	2.3 %	\$ 8.45
All Departments**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 18,607	84.9 %	22.7 %	\$ 83.94
Payroll-Related Expenses	8,460	76.2	10.3	38.16
Total Labor Costs and Related Expenses	\$ 27,067	82.1 %	33.0 %	\$122.10

* Expressed as a percent of department revenue. ** Expressed as a percent of total revenue.
N/C – Data not comparable.

Resort Hotels

FIGURE 26
SUMMARY OPERATING STATEMENT – DOLLARS PER GUEST DAY

	2022 Dollars Per Guest Day	2021 Dollars Per Guest Day	Change from Prior Year
Revenues			
Rooms	\$ 197.52	\$ 181.90	8.6 %
Food and Beverage	113.70	84.38	34.6 %
Other Operated Departments	41.27	41.30	(0.1) %
Miscellaneous Income	13.86	13.59	2.0 %
Total Operating Revenue	\$ 366.35	\$ 321.17	14.1 %
Departmental Expenses*			
Rooms	\$ 45.72	\$ 45.65	0.2 %
Food and Beverage	78.80	65.41	20.3 %
Other Operated Departments	19.79	20.00	(1.0) %
Total Departmental Expenses	\$ 144.31	\$ 125.48	15.0 %
Total Departmental Profit	\$ 222.04	\$ 195.69	13.5 %
Undistributed Operating Expenses			
Administrative and General	\$ 24.51	\$ 24.01	2.1 %
Information and Telecommunications Systems	10.97	14.23	(8.4) %
Sales and Marketing	31.37	28.86	10.4 %
Property Operations and Maintenance	11.55	14.00	(2.4) %
Utilities	10.52	10.76	0.5 %
Total Undistributed Expenses	\$ 74.12	\$ 72.26	2.6 %
Gross Operating Profit	\$ 147.92	\$ 123.43	19.8 %
Management Fees	\$ 13.14	\$ 13.14	18.5 %
Income Before Non-Operating Income and Expenses	\$ 132.36	\$ 110.29	20.0 %
Non-Operating Income and Expenses			
Income	\$ 0.60	\$ 0.74	(19.2) %
Rent	2.69	3.30	(18.5) %
Property and Other Taxes	8.06	9.98	(19.2) %
Insurance	5.38	5.70	(5.6) %
Other	7.74	7.25	6.8 %
Total Non-Operating Income and Expenses	\$ 23.28	\$ 25.49	(8.7) %
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ 109.08	\$ 84.80	28.6 %
Percent of Occupancy	66.3 %	52.9 %	25.4 %
Average Daily Rate	\$ 382.67	\$ 351.67	8.8 %
RevPAR	\$ 253.57	\$ 185.89	36.4 %
Average Size (Rooms)	409	409	—

* Expressed as a percent of departmental revenue.