

Intelligent Investment

Trends[®] in the Hotel Industry

REPORT

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



CBRE

Table of Contents

02. Credits	
06. Publisher’s Message	
08. Glossary of Terms	
12. U.S. Major Market RevPAR Rebounds in 2023	
20. Reduced New Hotel Supply in the Coming Years	
26. Sustainability in Hotels	
30. Summary of 2023 Trends® in the Hotel Industry Survey Results	
34. A Note to Readers	
36. Geographic Regions Map	
ALL HOTELS	
38. Consumer Price Index vs. Average Daily Room Rate	
39. Figure 1: How Hotels Performed – 2022 vs. 2021	
40. Figure 2: Statistical Highlights – 2022	
41. Figure 3: Source and Disposition of the Industry Dollar	
42. Figure 4: Summary Operating Statement – Dollars Per Available and Occupied Room	
43. Figure 5: Summary Operating Statement – Percent of Revenue	
44. Figure 6: Departmental Expenses	
45. Figure 7: Labor Costs	
46. Figure 8: Management Fees – Franchise Fees – 2022	
47. Figure 9: Selected Revenue and Expense Items – 20 Year Trend	
FULL-SERVICE HOTELS	
48. Performance in 2022	
49. Figure 10: Summary Operating Statement – Dollars Per Available and Occupied Room	
50. Figure 10A: Summary Operating Statement – By Rate Groups	
52. Figure 10B: Summary Operating Statement – By Geographic Regions	
55. Figure 10C: Summary Operating Statement – By Property Size Classifications	
57. Figure 11: Departmental Expenses	
58. Figure 12: Labor Costs	
LIMITED-SERVICE HOTELS	
59. Performance in 2022	
60. Figure 13: Summary Operating Statement – Dollars Per Available and Occupied Room	
61. Figure 13A: Summary Operating Statement – By Rate Groups	
63. Figure 13B: Summary Operating Statement – By Geographic Regions	
66. Figure 13C: Summary Operating Statement – By Property Size Classifications	
68. Figure 14: Departmental Expenses	
69. Figure 15: Labor Costs	
SUITE HOTELS WITH FOOD AND BEVERAGE	
70. Performance in 2022	
71. Figure 16: Summary Operating Statement – Dollars Per Available and Occupied Room	

- 72. Figure 16A: Summary Operating Statement – By Rate Groups
- 74. Figure 16B: Summary Operating Statement – By Geographic Regions
- 77. Figure 16C: Summary Operating Statement – By Property Size Classifications
- 79. Figure 17: Departmental Expenses
- 80. Figure 18: Labor Costs

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

- 81. Performance in 2022
- 82. Figure 19: Summary Operating Statement – Dollars Per Available and Occupied Room
- 83. Figure 19A: Summary Operating Statement – By Rate Groups
- 85. Figure 19B: Summary Operating Statement – By Geographic Regions
- 88. Figure 19C: Summary Operating Statement – By Property Size Classifications
- 90. Figure 20: Departmental Expenses
- 91. Figure 21: Labor Costs

CONVENTION HOTELS

- 92. Performance in 2022
- 93. Figure 22: Summary Operating Statement – Dollars Per Available and Occupied Room
- 94. Figure 22A: Summary Operating Statement – By Rate Groups
- 96. Figure 22B: Summary Operating Statement – By Geographic Regions

- 99. Figure 22C: Summary Operating Statement – By Property Size Classifications
- 101. Figure 23: Departmental Expenses
- 102. Figure 24: Labor Costs

RESORT HOTELS

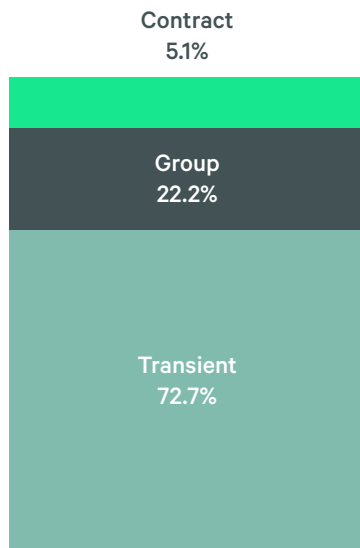
- 103. Performance in 2022
- 104. Figure 25: Summary Operating Statement – Dollars Per Available and Occupied Room
- 105. Figure 25A: Summary Operating Statement – By Rate Groups
- 107. Figure 25B: Summary Operating Statement – By Geographic Regions
- 110. Figure 25C: Summary Operating Statement – By Property Size Classifications
- 112. Figure 26: Summary Operating Statement – Dollars Per Guest Day
- 113. Figure 27: Departmental Expenses
- 114. Figure 28: Labor Costs
- 116. CBRE Hotels Contact Information
- 120. CBRE Hotels Advisory Leadership
- 122. CBRE Hotels Research and Data Products
- 129. Team Overview

Full-Service Hotels

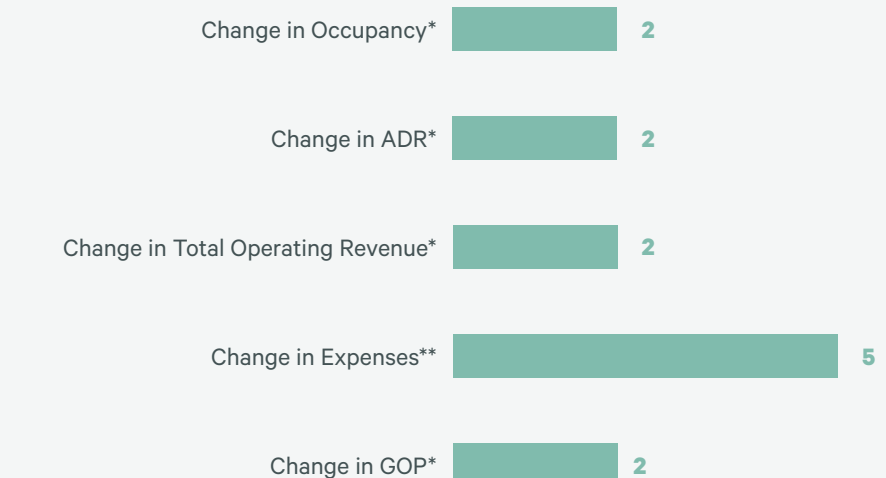
PERFORMANCE IN 2022

- 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 %	\$ 201.71
Food and Beverage	14,358	99.8	21.7	60.52
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	64.6 %	100.0 %	\$ 279.36
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	64.4 %	36.9 %	\$ 102.97
Total Departmental Profit	\$ 41,846	64.7 %	63.1 %	\$ 176.38
Undistributed Operating Expenses				
Administrative and General	\$ 5,913	37.4 %	8.9 %	\$ 24.92
Information and Telecommunications Systems	973	19.4	1.5	4.10
Sales and Marketing	6,126	52.1	9.2	25.82
Property Operations and Maintenance	3,035	26.9	4.6	12.79
Utilities	2,251	21.9	3.4	9.49
Total Undistributed Expenses	\$ 18,297	36.7 %	27.6 %	\$ 77.12
Gross Operating Profit	\$ 23,549	95.9 %	35.5 %	\$ 99.26
Management Fees	\$ 2,262	74.5 %	3.4 %	\$ 9.53
Income Before Non-Operating Income and Expenses	\$ 21,287	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 %	10.1 %	\$ 0.37
Other Expenses***	371	39.3	37.7	1.37
Total Department Expenses	\$ 471	47.2 %	47.8 %	\$ 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	21.4 %	9.0 %	\$ 13.08
Information and Telecommunications Systems Department**				
Total Labor Costs and Related Expenses	\$ 2	5.8 %	—	\$ 0.01
Other Expenses	534	8.7	1.4 %	1.97
Total Departmental Expenses	\$ 536	8.7 %	1.4 %	\$ 1.98
Marketing Department**				
Total Labor Costs and Related Expenses	\$ 619	17.6 %	1.6 %	\$ 2.28
Other Expenses	3,532	30.5	9.0	13.02
Total Department Expenses	\$ 4,151	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 Department 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	25.5 %	\$ 31.49
Payroll-Related Expenses	3,445	N/C	12.6	15.54
Total Labor Costs and Related Expenses	\$ 10,426	N/C	38.1 %	\$ 47.03
Other Operated Departments*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 473	72.6 %	9.5 %	\$ 2.14
Payroll-Related Expenses	163	69.0	3.3	0.74
Total Labor Costs and Related Expenses	\$ 637	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	\$ 194	48.9 %	0.2 %	\$ 0.87
Payroll-Related Expenses	103	31.7	0.1	0.47
Total Labor Costs and Related Expenses	\$ 297	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	34.8
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	\$ 41.96	9.0 %
Food and Beverage	78.80	63.51	24.1
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	3.87	4.23	(8.4)
Sales and Marketing	21.37	19.36	10.4
Property Operations and Maintenance	14.15	14.50	(2.4)
Utilities	10.21	10.16	0.5
Total Undistributed Expenses	\$ 74.12	\$ 72.26	2.6 %
Gross Operating Profit	\$ 147.92	\$ 123.43	19.8 %
Management Fees	\$ 15.56	\$ 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.