

CBRE HOTELS RESEARCH

TRENDS[®] IN THE HOTEL INDUSTRY

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CBRE

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

	2019 Dollars Per Available Room	Change From Prior Year	2019 Percent of Revenue	2019 Dollars Per Occupied Room
Revenues				
Rooms	\$ 50,507	0.6 %	72.3 %	\$ 184.46
Food and Beverage	15,880	0.1	22.7	58.00
Other Operated Departments	2,266	2.8	3.2	8.28
Miscellaneous Income	1,195	4.4	1.7	4.37
Total Operating Revenue	\$ 69,848	0.6 %	100.0 %	\$ 255.09
Departmental Expenses*				
Rooms	\$ 12,961	0.8 %	25.7 %	\$ 47.33
Food and Beverage	11,703	1.6	73.7	42.74
Other Operated Departments	1,007	(0.3)	44.5	3.68
Total Departmental Expenses	\$ 25,671	1.1 %	36.8 %	\$ 93.75
Total Departmental Profit	\$ 44,177	0.3 %	63.2 %	\$ 161.34
Undistributed Operating Expenses				
Administrative and General	\$ 5,945	4.9 %	8.5 %	\$ 21.71
Information and Telecommunications Systems	1,048	(2.6)	1.5	3.83
Sales and Marketing	6,683	3.0	9.6	24.41
Property Operations and Maintenance	2,903	3.6	4.2	10.60
Utilities	2,016	(1.4)	2.9	7.36
Total Undistributed Expenses	\$ 18,595	2.9 %	26.6 %	\$ 67.91
Gross Operating Profit	\$ 25,582	(1.6) %	36.6 %	\$ 93.43
Management Fees	\$ 2,406	0.4 %	3.4 %	\$ 8.79
Income Before Non-Operating Income and Expenses	\$ 23,176	(1.7) %	33.2 %	\$ 84.64
Non-Operating Income and Expenses				
Income	\$ 35	(13.2) %	0.1 %	\$ 0.13
Rent	1,440	(2.3)	2.1	5.26
Property and Other Taxes	2,841	2.9	4.1	10.37
Insurance	567	8.9	0.8	2.07
Other	871	2.6	1.2	3.18
Total Non-Operating Income and Expenses	\$ 5,684	2.2 %	8.1 %	\$ 20.76
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ 17,492	(3.0) %	25.0 %	\$ 63.88
Percent of Occupancy	75.0 %	—		
Average Daily Rate	\$ 184.46	0.6 %		
RevPAR	\$ 138.36	0.6 %		
Average Size (Rooms)	231	—		

* Expressed as a percent of departmental revenue.

SUITE HOTELS WITH FOOD AND BEVERAGE

FIGURE 18
LABOR COSTS

	2019 Dollars Per Available Room	Change From Prior Year	2019 Percent of Revenue	2019 Dollars Per Occupied Room
Rooms Department*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 5,317	2.5 %	11.6 %	\$ 18.98
Payroll-Related Expenses	1,595	1.8	3.5	5.70
Total Labor Costs and Related Expenses	\$ 6,912	2.3 %	15.1 %	\$ 24.67
Food and Beverage Department*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 2,546	0.8 %	26.8 %	\$ 9.09
Payroll-Related Expenses	801	2.7	8.4	2.86
Total Labor Costs and Related Expenses	\$ 3,347	1.3 %	35.2 %	\$ 11.95
Other Operated Departments*				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 132	16.8 %	7.1 %	\$ 0.47
Payroll-Related Expenses	41	12.1	2.2	0.15
Total Labor Costs and Related Expenses	\$ 173	15.7 %	9.3 %	\$ 0.62
Administrative and General Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 1,647	2.2 %	2.8 %	\$ 5.88
Payroll-Related Expenses	457	(28.1)	0.8	1.63
Total Labor Costs and Related Expenses	\$ 2,104	2.9 %	3.6 %	\$ 7.51
Information and Telecommunications Systems Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 41	8.8 %	0.1 %	\$ 0.15
Payroll-Related Expenses	13	16.4	—	0.05
Total Labor Costs and Related Expenses	\$ 55	10.6 %	0.1 %	\$ 0.19
Marketing Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 1,405	(0.3)%	2.4 %	\$ 5.01
Payroll-Related Expenses	396	(0.3)	0.7	1.41
Total Labor Costs and Related Expenses	\$ 1,800	(0.3)%	3.1 %	\$ 6.43
Maintenance Department**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 903	4.4 %	1.6 %	\$ 3.22
Payroll-Related Expenses	289	2.4	0.5	1.03
Total Labor Costs and Related Expenses	\$ 1,192	3.9 %	2.1 %	\$ 4.25
All Departments**				
Salaries, Wages, Service Charges, Contracted Labor, and Bonuses	\$ 11,990	2.0 %	20.6 %	\$ 42.80
Payroll-Related Expenses	3,592	2.5	6.2	12.82
Total Labor Costs and Related Expenses	\$ 15,582	2.1 %	26.8 %	\$ 55.63

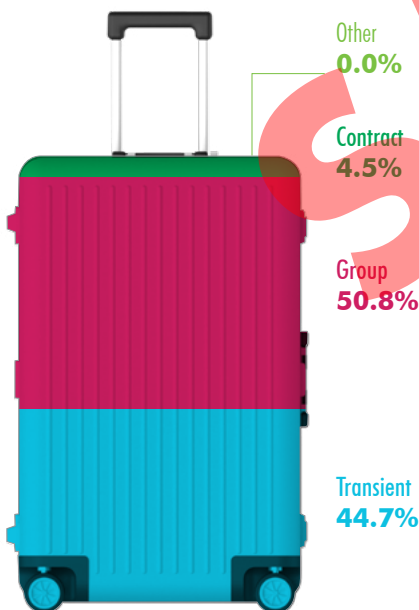
* Expressed as a percent of department revenue. ** Expressed as a percent of total revenue.

CONVENTION HOTELS

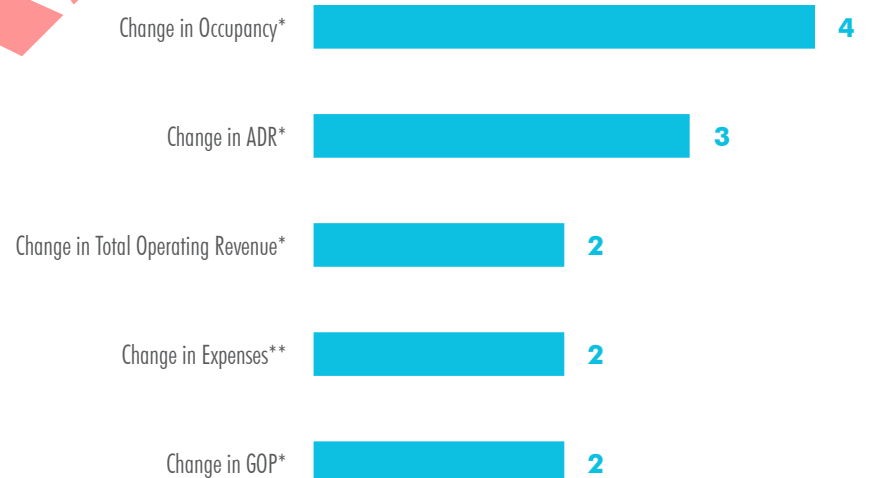
PERFORMANCE IN 2019

- Total convention hotel operating revenues increased 0.7 percent in 2019, the result of a 0.5 percent decline in occupancy and a 0.6 percent increase in ADR.
- With operating expenses growing at 3.1 percent, convention hotel GOP declined by 0.1 percent.
- Measured on a percentage change basis, expenses within the undistributed departments increased greater than operated department expenses from 2018 to 2019.
- Labor costs at convention hotels increased 3.3 percent in 2019. The combined costs of salaries, wages, bonuses, and benefits represented 54.1 percent of operating expenses for the year.
- Convention hotels in the South Central and South Atlantic regions achieved gains in GOP during 2019.
- Convention hotels with a room count over 1,000, as well as those with an ADR between \$140 and \$200, enjoyed gains in GOP in 2019.

CONVENTION HOTELS: MARKET MIX



RANKING: RANK AMONG SIX PROPERTY TYPE CATEGORIES CHANGE FROM 2018 TO 2019



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

FIGURE 23
DEPARTMENTAL EXPENSES

	2019 Dollars Per Available Room	Change From Prior Year	2019 Percent of Revenue	2019 Dollars Per Occupied Room
Rooms Department*				
Total Labor Costs and Related Expenses	\$ 10,130	4.3 %	18.1 %	\$ 37.06
Other Expenses	5,587	(2.1)	10.0	20.44
Total Department Expenses	\$ 15,717	1.9 %	28.1 %	\$ 57.50
Food and Beverage Department*				
Total Labor Costs and Related Expenses	\$ 13,072	3.4 %	40.4 %	\$ 47.82
Other Expenses***	8,114	(4.5)	25.1	29.68
Total Department Expenses	\$ 21,186	0.2 %	65.5 %	\$ 77.50
Other Operated Departments*				
Total Labor Costs and Related Expenses	\$ 856	5.4 %	20.7 %	\$ 3.13
Other Expenses***	559	3.4	13.5	2.04
Total Department Expenses	\$ 1,415	4.6 %	34.3 %	\$ 5.18
Administrative and General Department**				
Total Labor Costs and Related Expenses	\$ 3,280	0.5 %	3.5 %	\$ 12.00
Other Expenses	3,482	4.8	3.7	12.74
Total Department Expenses	\$ 6,763	2.7 %	7.2 %	\$ 24.74
Information and Telecommunications Systems Department**				
Total Labor Costs and Related Expenses	\$ 555	0.6 %	0.6 %	\$ 2.03
Other Expenses	957	(5.0)	1.0	3.50
Total Departmental Expenses	\$ 1,512	(3.0)%	1.6 %	\$ 5.53
Marketing Department**				
Total Labor Costs and Related Expenses	\$ 2,155	2.1 %	2.3 %	\$ 7.88
Other Expenses	4,679	1.6	5.0	17.11
Total Department Expenses	\$ 6,834	1.7 %	7.3 %	\$ 25.00
Maintenance Department**				
Total Labor Costs and Related Expenses	\$ 2,220	3.1 %	2.4 %	\$ 8.12
Other Expenses	1,566	2.2	1.7	5.73
Total Department Expenses	\$ 3,785	2.8 %	4.0 %	\$ 13.85
Utilities Department**				
Other Expenses	\$ 2,457	(1.7)%	2.6 %	\$ 8.99
Total Operating Expenses**				
Total Labor Costs and Related Expenses	\$ 32,270	3.3 %	34.4 %	\$ 118.05
Other Expenses***	27,400	(1.1)	29.2	100.23
Total Department Expenses****	\$ 59,669	1.2 %	63.6 %	\$ 218.28

* 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.

RESORT HOTELS

FIGURE 26
SUMMARY OPERATING STATEMENT – DOLLARS PER GUEST DAY

	2019 Dollars Per Guest Day	Prior Year Amount Per Guest Day	Change From Prior Year Guest Day
Revenues			
Rooms	\$ 146.91	\$ 143.85	2.0 %
Food and Beverage	95.36	92.54	2.9
Other Operated Departments	30.63	28.54	7.2
Miscellaneous Income	9.90	9.29	6.4
Total Operating Revenue	\$ 282.79	\$ 274.23	3.0 %
Departmental Expenses*			
Rooms	\$ 36.66	\$ 35.64	2.8 %
Food and Beverage	64.80	62.44	3.7
Other Operated Departments	17.19	16.59	3.5
Total Departmental Expenses	\$ 118.66	\$ 114.66	3.4 %
Total Departmental Profit	\$ 164.13	\$ 159.56	2.7%
Undistributed Operating Expenses			
Administrative and General	\$ 18.95	\$ 18.31	3.3 %
Information and Telecommunications Systems	3.83	3.86	(0.9)
Sales and Marketing	18.85	18.20	3.5
Property Operations and Maintenance	11.97	11.54	3.6
Utilities	7.95	7.96	(0.3)
Total Undistributed Expenses	\$ 61.54	\$ 59.88	2.7 %
Gross Operating Profit	\$ 102.59	\$ 99.69	2.8%
Management Fees	\$ 9.87	\$ 9.55	3.1%
Income Before Non-Operating Income and Expenses	\$ 92.72	\$ 90.13	2.8%
Non-Operating Income and Expenses			
Income	\$ (0.06)	\$ (0.06)	6.3 %
Rent	3.80	3.83	(0.8)
Property and Other Taxes	6.48	6.29	3.0
Insurance	3.23	3.12	3.4
Other	4.96	4.53	9.3
Total Non-Operating Income and Expenses	\$ 18.54	\$ 17.82	3.9 %
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ 74.19	\$ 72.31	2.5%
Percent of Occupancy	\$ 0.73	\$ 0.74	(0.8)%
Average Daily Rate	\$ 277.40	\$ 269.84	2.8 %
RevPAR	\$ 203.58	\$ 199.58	2.0 %
Average Size (Rooms)	436	436	—

* Expressed as a percent of departmental revenue.

RESEARCH AND DATA PRODUCTS

CBRE Hotels Research specializes in analyzing and reporting on both the historical and future performance of the lodging industry. We prepare a variety of forecast and benchmarking reports, as well as maintain extensive databases of hotel income statements and property values. These reports and data provide the foundation for strategic planning by all who have an interest in hotel property financial performance.

MARKET FORECASTS [HOTEL HORIZONS®]

- **Econometrically Derived Reports:** Reports prepared on a quarterly basis that analyze historical and expected lodging performance.
- **65 Major U.S. Markets:** Coverage of over 65 major U.S. markets in addition to national summary report of the entire U.S. lodging industry.
- **Forecast & Historical Data:** Reports contain annual and quarterly forecast data, plus five years of historical market and submarket performance. Analyze baseline, upside, and downside forecast scenarios. U.S. and market historical data is presented monthly.
- **Market Segmentation:** National data is presented by chain scale. Market reports display Upper, Middle and Lower priced segmentation. Two-year market level history broken out by booking channel.
- **On-demand Analysis:** A variety of economic, demographic, and other benchmarking statistics appear in the reports to provide the reader with a deeper understanding of local market conditions.

NEW SUPPLY [SUPPLYTRACK]

- **Project Phases:** Search and analyze the same construction data used in our forecasting, through nine phases.
- **Supply Statistics:** Build reports by phase, displaying number of projects, room count, and value.
- **Project Level Search:** Query the database geographically, by location type, and scope of project.
- **Report Builder:** Generate summary and full detail reports, design and build custom reports for analysis within the tool or export to excel.

BENCHMARKING [BENCHMARKERSM]

- **Financial Reporting:** Instantly generate reports that compare the profitability of your property against the aggregated financial performance of a group of U.S. hotels.
- **Customized Criteria:** Selection+7,000 properties searchable based on customized criteria.
- **Operating Performance Data:** Explore aggregate data from the firm's annual *Trends® in the Hotel Industry* survey of operating statements from thousands of U.S. hotels.
- **Data Analysis:** Dive into 220 P&L line items, comparing average revenue, expense & profit information.
- **Reports Presented in USALI Format:** View a side-by-side comparison of six Departmental Sub-Schedules and a Labor Cost Analysis.

HOTEL AVM [EVA]

- **Electronic Valuation Algorithm [EVA]:** Automates the DCF component of a valuation.
- **Superior Hotel Performance Data:** Culminates CBRE Hotels datasets to produce an entirely objective process using a variety of CBRE/vendor data in a complex modeling framework to value hotels.
- **Consistent, Efficient Hotel Valuation:** Generates objective property values off a subject property's room count, location and hotel type.
- **PIP Dataset Integration:** Builds off many other existing tools already on the PIP (Hotel Horizons®, BenchmarkerSM, myProperty, myShare, Investment Performance, etc.) and is integrated into one application.