

CBRE HOTELS RESEARCH

TRENDS[®] IN THE HOTEL INDUSTRY

U.S. Edition 2021

SAMPLE

\$350

CBRE

TABLE OF CONTENTS

03. Credits
06. Publishers' Message
12. Glossary of Terms
16. A Note to Readers
26. U.S. Major Markets: RevPAR Recovery Lags
34. Geographic Regions Map
ALL HOTELS
36. Consumer Price Index vs. Average Daily Room Rate
37. Figure 1: How Hotels Performed – 2020 vs. 2019
38. Figure 2: Statistical Highlights – 2020
39. Figure 3: Source and Disposition of the Industry Dollar
40. Figure 4: Summary Operating Statement – Dollars Per Available and Occupied Room
41. Figure 5: Summary Operating Statement – Percent of Revenue
42. Figure 6: Departmental Expenses
43. Figure 7: Labor Costs
44. Figure 8: Management Fees – Franchise Fees – 2020
45. Figure 9: Selected Revenue and Expense Items – 20 Year Trend

FULL-SERVICE HOTELS
46. Performance in 2020
47. Figure 10: Summary Operating Statement – Dollars Per Available and Occupied Room
48. Figure 10A: Summary Operating Statement – By Rate Groups
50. Figure 10B: Summary Operating Statement – By Geographic Regions
53. Figure 10C: Summary Operating Statement – By Property Size Classifications
55. Figure 11: Departmental Expenses
56. Figure 12: Labor Costs
LIMITED-SERVICE HOTELS
57. Performance in 2020
58. Figure 13: Summary Operating Statement – Dollars Per Available and Occupied Room
59. Figure 13A: Summary Operating Statement – By Rate Groups
61. Figure 13B: Summary Operating Statement – By Geographic Regions
64. Figure 13C: Summary Operating Statement – By Property Size Classifications
66. Figure 14: Departmental Expenses
67. Figure 15: Labor Costs

SUITE HOTELS WITH FOOD AND BEVERAGE

- 68. Performance in 2020
- 69. Figure 16: Summary Operating Statement – Dollars Per Available and Occupied Room
- 70. Figure 16A: Summary Operating Statement – By Rate Groups
- 72. Figure 16B: Summary Operating Statement – By Geographic Regions
- 75. Figure 16C: Summary Operating Statement – By Property Size Classifications
- 77. Figure 17: Departmental Expenses
- 78. Figure 18: Labor Costs

SUITE HOTELS WITHOUT FOOD AND BEVERAGE

- 79. Performance in 2020
- 80. Figure 19: Summary Operating Statement – Dollars Per Available and Occupied Room
- 81. Figure 19A: Summary Operating Statement – By Rate Groups
- 83. Figure 19B: Summary Operating Statement – By Geographic Regions
- 86. Figure 19C: Summary Operating Statement – By Property Size Classifications
- 88. Figure 20: Departmental Expenses
- 89. Figure 21: Labor Costs

CONVENTION HOTELS

- 90. Performance in 2020
- 91. Figure 22: Summary Operating Statement – Dollars Per Available and Occupied Room
- 92. Figure 22A: Summary Operating Statement – By Rate Groups
- 94. Figure 22B: Summary Operating Statement – By Geographic Regions
- 97. Figure 22C: Summary Operating Statement – By Property Size Classifications
- 99. Figure 23: Departmental Expenses
- 100. Figure 24: Labor Costs

RESORT HOTELS

- 101. Performance in 2020
- 102. Figure 25: Summary Operating Statement – Dollars Per Available and Occupied Room
- 103. Figure 25A: Summary Operating Statement – By Rate Groups
- 105. Figure 25B: Summary Operating Statement – By Geographic Regions
- 108. Figure 25C: Summary Operating Statement – By Property Size Classifications
- 110. Figure 26: Summary Operating Statement – Dollars Per Guest Day
- 111. Figure 27: Departmental Expenses
- 112. Figure 28: Labor Costs
- 114. CBRE Hotels Contact Information
- 118. CBRE Hotel Advisory Leadership
- 120. Research and Data Products

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

	2020 Dollars Per Available Room	Change From Prior Year	2020 Percent of Revenue	2020 Dollars Per Occupied Room
Revenues				
Rooms	\$ 17,149	(66.1) %	72.9 %	\$ 144.39
Food and Beverage	4,518	(72.9)	19.2	38.04
Other Operated Departments	1,071	(53.5)	4.6	9.11
Miscellaneous Income	800	(37.6)	3.4	6.73
Total Operating Revenue	\$ 23,538	(66.7) %	100.0 %	\$ 196.27
Departmental Expenses*				
Rooms	\$ 5,884	(54.0) %	34.3 %	\$ 49.54
Food and Beverage	4,286	(64.6)	18.2	35.32
Other Operated Departments	472	(54.8)	4.1	3.98
Total Departmental Expenses	\$ 10,642	(59.0) %	45.9 %	\$ 89.60
Total Departmental Profit	\$ 12,896	(71.2) %	54.1 %	\$ 108.58
Undistributed Operating Expenses				
Administrative and General	\$ 3,493	(71.2) %	14.8 %	\$ 29.41
Information and Telecommunications Systems	751	(11.1)	3.2	6.32
Sales and Marketing	774	(54.4)	13.1	25.88
Property Operations and Maintenance	665	(81.9)	8.3	16.54
Utilities	1,717	(24.7)	6.5	12.86
Total Undistributed Expenses	\$ 10,800	(42.1) %	45.9 %	\$ 91.01
Gross Operating Profit	\$ 2,087	(92.0) %	8.9 %	\$ 17.57
Management Fees	\$ 747	(67.8) %	3.2 %	\$ 6.29
Income Before Non-Operating Income and Expenses	\$ 1,340	(94.4) %	5.7 %	\$ 11.28
Non-Operating Income and Expenses				
Income	\$ 101	N/C	0.4 %	\$ 0.85
Rent	1,059	(16.9) %	4.5	8.91
Property and Other Taxes	2,773	2.6	11.8	23.35
Insurance	645	10.4	2.7	5.43
Other	726	(26.1)	3.1	6.11
Total Non-Operating Income and Expenses	\$ 5,102	(7.3) %	21.7 %	\$ 42.96
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ (3,762)	N/C	(16.0) %	\$ (31.68)
Percent of Occupancy	32.5 %	(56.8) %		
Average Daily Rate	\$144.39	(21.7) %		
RevPAR	\$ 46.89	(66.1) %		
Average Size (Rooms)	232	—		

* Expressed as a percent of departmental revenue.
N/C Data not comparable.

SUITE HOTELS WITH FOOD AND BEVERAGE

FIGURE 16
SUMMARY OPERATING STATEMENT – DOLLARS PER AVAILABLE AND OCCUPIED ROOM

	2020 Dollars Per Available Room	Change From Prior Year	2020 Percent of Revenue	2020 Dollars Per Occupied Room
Revenues				
Rooms	\$ 18,562	(61.0) %	84.0 %	\$ 132.90
Food and Beverage	2,004	(71.8)	9.1	14.35
Other Operated Departments	987	(49.4)	4.5	7.06
Miscellaneous Income	542	(18.3)	2.5	4.00
Total Operating Revenue	\$ 22,095	(61.4) %	100.0 %	\$ 158.31
Departmental Expenses*				
Rooms	\$ 5,688	(52.5) %	30.6 %	\$ 40.72
Food and Beverage	1,804	(66.7)	90.0 %	12.97
Other Operated Departments	489	(45.6)	2.5	3.60
Total Departmental Expenses	\$ 7,980	(56.4) %	33.1 %	\$ 57.14
Total Departmental Profit	\$ 14,114	(63.8) %	66.9 %	\$ 101.06
Undistributed Operating Expenses				
Administrative and General	\$ 2,788	(51.0) %	12.6 %	\$ 19.96
Information and Telecommunications Systems	564	(51.1)	2.6	4.04
Sales and Marketing	1,174	(55.7)	15.1	23.88
Property Operations and Maintenance	1,192	(55.4)	8.2	13.04
Utilities	1,500	(19.8)	7.2	11.36
Total Undistributed Expenses	\$ 10,098	(40.6) %	45.7 %	\$ 72.29
Gross Operating Profit	\$ 4,016	(81.7) %	18.2 %	\$ 28.77
Management Fees	\$ 687	(62.2) %	3.0 %	\$ 4.77
Income Before Non-Operating Income and Expenses	\$ 3,352	(83.4) %	15.2 %	\$ 24.00
Non-Operating Income and Expenses				
Income	\$ 205	(20.5) %	0.9 %	\$ 1.47
Rent	1,299	(16.1)	5.9	9.30
Property and Other Taxes	2,196	6.3	9.9	15.72
Insurance	509	13.9	2.3	3.64
Other	348	(41.9)	1.6	2.49
Total Non-Operating Income and Expenses	\$ 4,147	(5.8) %	18.8 %	\$ 29.69
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ (796)	N/C	(3.6) %	\$ (5.70)
Percent of Occupancy	38.2 %	(51.1) %		
Average Daily Rate	\$132.90	(20.4) %		
RevPAR	\$ 50.72	(61.1) %		
Average Size (Rooms)	221	0.5 %		

* Expressed as a percent of departmental revenue.

N/C – Data not comparable.

FIGURE 22
SUMMARY OPERATING STATEMENT – DOLLARS PER AVAILABLE AND OCCUPIED ROOM

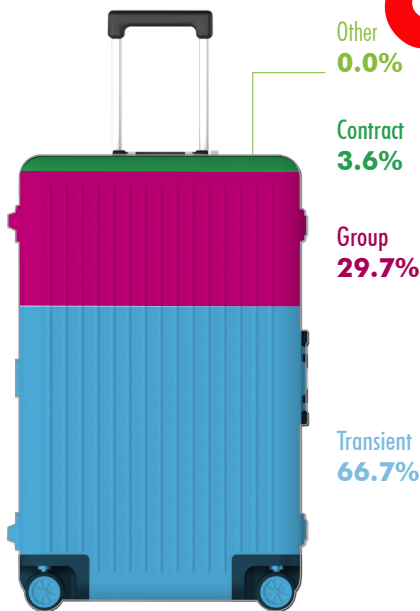
	2020 Dollars Per Available Room	Change From Prior Year	2020 Percent of Revenue	2020 Dollars Per Occupied Room
Revenues				
Rooms	\$ 15,007	(72.5) %	56.2 %	\$ 164.78
Food and Beverage	8,282	(74.6)	31.0	90.93
Other Operated Departments	2,311	(42.9)	8.7	25.38
Miscellaneous Income	1,093	(23.7)	4.1	11.60
Total Operating Revenue	\$ 26,693	(71.2) %	100.0 %	\$ 277.69
Departmental Expenses*				
Rooms	\$ 5,883	(59.7) %	39.2 %	\$ 64.60
Food and Beverage	7,164	(64.9)	86.5	78.41
Other Operated Departments	769	(47.7)	33.3	8.44
Total Departmental Expenses	\$ 13,816	(62.1) %	118.8 %	\$ 151.70
Total Departmental Profit	\$ 12,877	(77.1) %	40.8 %	\$ 141.39
Undistributed Operating Expenses				
Administrative and General	\$ 3,515	(71.1) %	13.2 %	\$ 38.59
Information and Telecommunications Systems	914	(7.8)	3.4	10.03
Sales and Marketing	1,000	(58.3)	10.7	31.22
Property Operations and Maintenance	2,278	(7.0)	8.3	24.47
Utilities	1,700	(27.1)	6.6	19.21
Total Undistributed Expenses	\$ 11,255	(45.7) %	42.1 %	\$ 123.52
Gross Operating Profit	\$ 1,622	(95.4) %	6.1 %	\$ 17.87
Management Fees	\$ 773	(78.1) %	2.9 %	\$ 8.49
Income Before Non-Operating Income and Expenses	\$ 854	(97.3) %	3.2 %	\$ 9.37
Non-Operating Income and Expenses				
Income	\$ 13	(18.7) %	—	\$ 0.14
Rent	678	(18.2)	2.5 %	7.44
Property and Other Taxes	3,387	4.0	12.7	37.19
Insurance	678	5.1	2.5	7.44
Other	1,008	4.2	3.8	11.07
Total Non-Operating Income and Expenses	\$ 5,738	1.0 %	21.5 %	\$ 63.01
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ (4,885)	N/C	(18.3) %	\$ (53.63)
Percent of Occupancy	24.9 %	(67.0) %		
Average Daily Rate	\$164.78	(16.8) %		
RevPAR	\$ 41.09	(72.5) %		
Average Size (Rooms)	801	(0.3) %		

* Expressed as a percent of departmental revenue.
N/C Data not comparable.

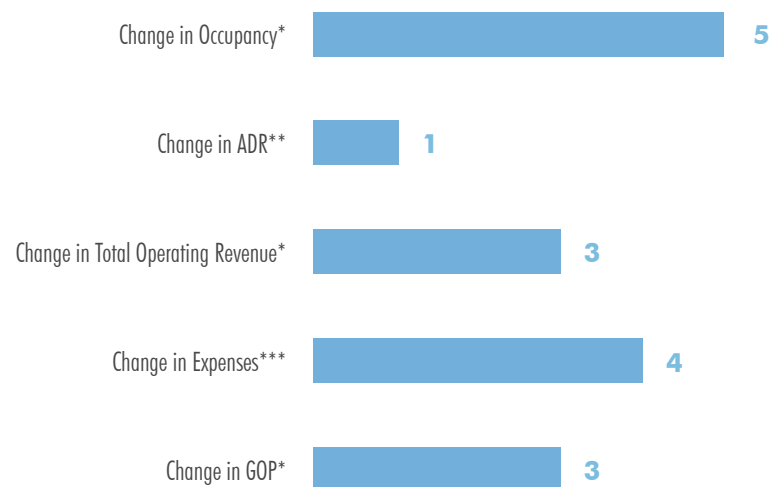
PERFORMANCE IN 2020

- Total resort hotel revenue declined by 56.5% from 2019 to 2020. The leisure orientation of these properties in this category helped to lessen the declines in occupancy and increase ADR. Resort hotels were the only property type to achieve ADR growth in 2020.
- In response to the lower levels of occupancy and revenue, operators were able to cut operated and undistributed department expenses by 48.1% during 2020.
- The reduced expenses helped preserve a positive gross operating profit margin of 24.1% in 2020 which is less than the 36.5% margin achieved in 2019.
- In 2020, resort hotels suffered earnings before interest, taxes, depreciation, and amortization (EBITDA) decline of 87.9% from 2019. Resort hotels were one of the two property types able to achieve positive EBITDA in 2020.
- Labor costs at resort hotels declined by 47.4% in 2020. The combined costs of salaries, wages, bonuses, and benefits represented 53.3% of operating expenses for the year.

RESORT HOTELS: MARKET MIX



PERFORMANCE RANKING: RANK AMONG SIX PROPERTY TYPE CATEGORIES CHANGE FROM 2019 TO 2020



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

FIGURE 25A
SUMMARY OPERATING STATEMENT – BY RATE GROUPS

	Under \$150				\$150 to \$250			
	2020 Dollars Per Available Room	Change From Prior Year	2020 Percent of Revenue	2020 Dollars Per Occupied Room	2020 Dollars Per Available Room	Change From Prior Year	2020 Percent of Revenue	2020 Dollars Per Occupied Room
Revenues								
Rooms	\$ 11,966	(57.3) %	62.5 %	\$ 111.99	\$ 22,085	(59.1) %	50.8 %	\$ 197.39
Food and Beverage	3,560	(70.0)	18.6	33.32	13,610	(66.4)	31.3	121.64
Other Operated Departments	1,783	(34.9)	9.3	16.69	6,458	(37.1)	14.9	57.72
Miscellaneous Income	1,842	(44.8)	9.6	17.24	1,288	(39.7)	3.1	11.87
Total Operating Revenue	\$ 19,152	(58.3) %	100.0 %	\$ 179.23	\$ 44,811	(59.3) %	100.0 %	\$ 388.62
Departmental Expenses*								
Rooms	\$ 4,153	(50.5) %	34.7 %	\$ 38.6	\$ 6,408	(52.8) %	29.7 %	\$ 58.62
Food and Beverage	3,055	(63.8)	85.8	28.3	10,492	(58.3)	77.1	93.78
Other Operated Departments	1,396	(41.0)	78.3	12.06	1,872	(42.4)	29.0	16.74
Total Departmental Expenses	\$ 8,604	(55.2) %	44.9 %	\$ 80.52	\$ 18,923	(55.3) %	43.5 %	\$ 169.13
Total Departmental Profit	\$ 10,549	(60.6) %	55.1 %	\$ 98.72	\$ 24,558	(62.0) %	56.5 %	\$ 219.50
Undistributed Operating Expenses								
Administrative and General	\$ 2,330	(40.1)	12.2	\$ 21.80	\$ 4,394	(38.7) %	10.1 %	\$ 39.27
Information and Telecommunications Systems	645	(10.7)	3.5	6.03	1,022	(32.3)	2.4	9.14
Sales and Marketing	2,465	(7.1)	13.9	23.07	3,605	(51.0)	8.3	32.22
Property Operations and Maintenance	1,832	(4.1)	9.6	17.15	3,089	(30.7)	7.1	27.61
Utilities	1,424	(1.1)	7.5	13.42	2,182	(26.0)	5.0	19.51
Total Undistributed Expenses	\$ 8,706	(3.1) %	45.5 %	\$ 81.47	\$ 14,294	(39.0) %	32.9 %	\$ 127.75
Gross Operating Profit	\$ 1,843	(85.8) %	9.6 %	\$ 17.25	\$ 10,265	(75.1) %	23.6 %	\$ 91.74
Management Fees	\$ 512	(57.7) %	2.7 %	\$ 4.79	\$ 1,375	(64.1) %	3.2 %	\$ 12.29
Income Before Non-Operating Income and Expenses	\$ 1,331	(88.5) %	6.9 %	\$ 12.46	\$ 8,890	(76.2) %	20.4 %	\$ 79.45
Non-Operating Income and Expenses								
Income	\$ 122	N/C	0.6 %	\$ 1.14	\$ 27	(25.4) %	0.1 %	\$ 0.24
Rent	272	(12.0) %	1.4	2.55	782	(24.2)	1.8	6.99
Property and Other Taxes	1,176	0.6	6.1	11.01	3,355	3.7	7.7	29.98
Insurance	729	21.0	3.8	6.82	1,208	8.1	2.8	10.80
Other	364	(49.2)	1.9	3.41	1,732	(32.5)	4.0	15.48
Total Non-Operating Income and Expenses	\$ 2,420	(11.9) %	12.6 %	\$ 22.65	\$ 7,049	(10.9) %	16.2 %	\$ 63.00
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization)	\$ (1,089)	N/C	(5.7) %	\$ (10.19)	\$ 1,841	(93.7) %	4.2 %	\$ 16.46
Percent of Occupancy	29.2 %	(54.2) %			30.6 %	(59.1) %		
Average Daily Rate	\$ 111.99	(6.9) %			\$ 197.39	—		
RevPAR	\$ 32.74	(57.4) %			\$ 60.45	(59.1) %		
Average Size (Rooms)	391	0.5 %			541	—		

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

RESEARCH AND DATA PRODUCTS

CBRE Hotels Research's experts deliver the most sought-after analytical hotel market research in the world. These trusted specialists in economics, data science and forecasting algorithms work together to enrich CBRE's vast trove of lodging data and to produce forward-looking market performance scenarios that power forward-thinking ideas. 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 & 435+ Submarkets:** 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 are presented monthly.
- **Market Segmentation:** National data is presented by six chain-scale segments (Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy), six location categories (urban, suburban, rural/interstate, airport, small city/town, and destination) as well as the lodging industry as a whole. The reports cover 10 year forecasts of supply, demand, occupancy, revenue, ADR, and RevPAR for the upper-priced, mid-priced and lower-priced segments.
- **On-demand Analysis:** A variety of economic, demographic, and other informational statistics applied to the reports to provide the reader with a deeper understanding of local market conditions.

NEW SUPPLY [SUPPLYTRACK]

- **Identify Projects in the Development Pipeline:** 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.
- **Project Information:** For projects in the pipeline, identify the location, status, room count, opening date, brand affiliation, owner, and developer of the property.

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 that you select. View a side-by-side comparison of six Departmental Sub-Schedules and a Labor Cost Analysis.
- **Customized Criteria:** Select from a list of 7,000+ properties that is searchable based on customized criteria.
- **Operating Performance Data:** Explore aggregate data from the company's Financial 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:** For comparability, CBRE ensures that the data conforms to the reporting guidance provided by the Uniform System of Accounts for the Lodging Industry.

MYSHARE®

- **User Guided Forecast:** Calculate the future performance of any submarket, competitive set, or subject property based on the movements of the overall market.
- **Penetration Forecasting:** Choose from prior year performance, a 5-year average, or linear trend, to adjust and refine future submarket performance against the relevant market performance.
- **Portfolio Level Analysis:** Managers and owners can quickly and efficiently adapt broader market forecasts to their submarket, competitive set, and subject property to derive a portfolio level forecast.

INVESTMENT PERFORMANCE

- **Hotel Value Series:** Analyze historical and expected profitability of 65 major U.S. lodging markets, with 10 years of data.
- **Value Forecast:** Track revenues, expenses, NOI, Cap Rate, and Value for upper-priced, mid-priced and lower-priced segments at the market level.
- **Investment Insights:** Variables can be compared alongside top-line performance forecasts of occupancy and ADR through ranking and charting tools.

FORECASTS COVERAGE | 435+ NEW SUBMARKETS



- | | | | | |
|-------------|------------------|--------------|------------------|---------------------|
| Albany | Coachella Valley | Jacksonville | Norfolk-VA Beach | Saint Petersburg |
| Albuquerque | Columbia | Kansas City | Oakland | Salt Lake City |
| Anaheim | Columbus | Long Island | Oklahoma City | San Antonio |
| Atlanta | Dallas | Los Angeles | Omaha | San Bernardino |
| Austin | Dayton | Louisville | Orlando | San Diego |
| Baltimore | Denver | Memphis | Philadelphia | San Francisco |
| Birmingham | Detroit | Miami | Phoenix | San Jose-Santa Cruz |
| Boston | Fort Lauderdale | Milwaukee | Pittsburgh | Savannah |
| Charleston | Fort Worth | Minneapolis | Portland | Seattle |
| Charlotte | Hartford | Nashville | Raleigh-Durham | Tampa |
| Chicago | Hawaii | New Orleans | Richmond | Tucson |
| Cincinnati | Houston | New York | Sacramento | Washington, D.C. |
| Cleveland | Indianapolis | Newark | Saint Louis | West Palm Beach |
| | | | | United States |

SUBMARKET FORECASTS

Utilize your understanding of local market conditions and CBRE's market forecasts as a guidewire to generate a submarket forecast with CBRE's [myShare](#) tool.

To learn more about the products and services provided by CBRE Hotels Research, please contact a Client Services representative at (404) 812-5024 or at websales@cbre.com.