

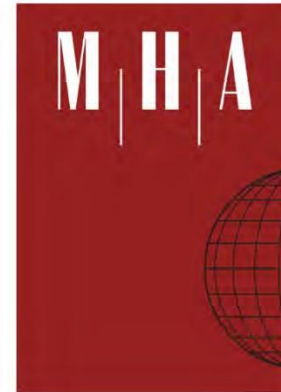
Back To The Future Ahead To 2019

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Global Hospitality Alliance™



GLOBAL HOSPITALITY GROUP



GLOBAL
HOSPITALITY
ADVISORY
SOLUTIONS

The Year 2020

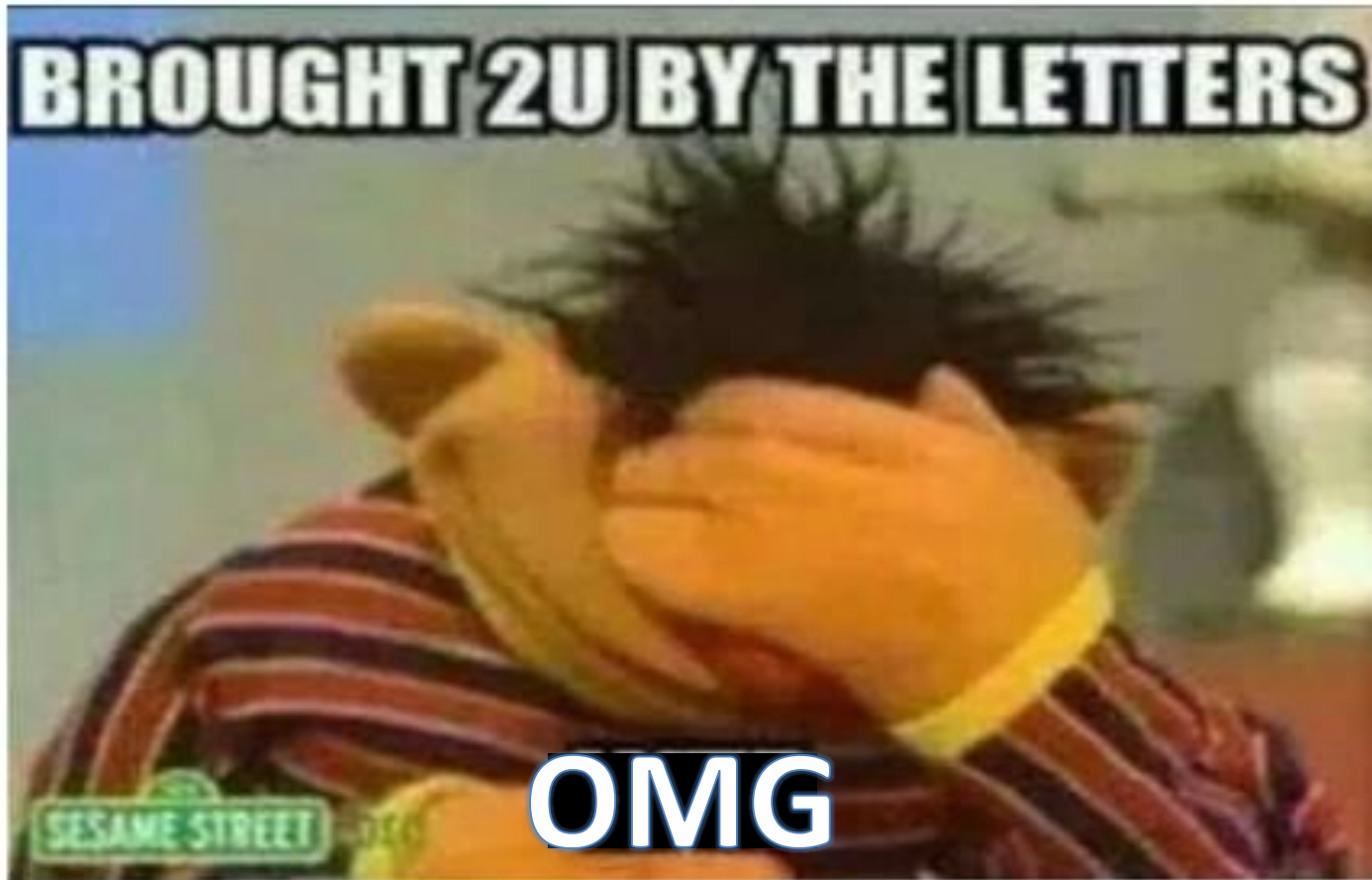
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2020 Strongest
2020
Strangest Year In History

The Year 2020

A Year Most Would Like To Forget

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Outlook for the U.S. Lodging Industry

STR & HVS

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The following forecasts for the U.S. lodging industry reflect the current outlook of market participants. Approximately 35% of the RevPAR decline is expected to be recovered by the end of 2021 (and 32% in 2022), with full RevPAR recovery by 2024.

	Historical		Forecast				
	2018	2019	2020	2021	2022	2023	2024
Occupancy	66.1%	66.1%	42.0%	53.5%	61.0%	65.0%	65.5%
Percent Change		0.0%	-36%	27%	14%	7%	1%
Average Rate	\$129.97	\$131.17	\$103.00	\$109.25	\$119.00	\$127.25	\$133.75
Percent Change		0.9%	-21%	6%	9%	7%	5%
RevPAR	\$85.96	\$86.76	\$43.26	\$58.45	\$72.59	\$82.71	\$87.61
Percent Change		0.9%	-50%	35%	24%	14%	6%

This represents the current expectation for the timing and pattern of recovery, with occupancy anticipated to recover first, followed by ADR. All forecasts are in current dollars.

Source: STR (Historical Years) and HVS (Forecast)

Outlook for the U.S. Lodging Industry- STR & Tourism Economics

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Total US Forecast

Key Performance Indicators

2019A, 2020F & 2021F, Total US, August Forecast (USD)



	2019 Actual	2020 Forecast	2021 Forecast
Occupancy*	66.0%	42.2%	52.2%
ADR	\$131.22	\$103.65	\$109.21
RevPAR*	\$86.67	\$43.76	\$57.03

2010 RevPAR:
\$56.45

-34%

**Reflects total-room-inventory methodology, which assumes no temporary hotel closures.*

Source: STR. 2020 © CoStar Realty Information, Inc.

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2021 It's A New Year

Formula For Return To Normal

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☐ CV-19

☐ + Vaccine

☐ - Fear

☐ _____

☐ = Return to Normal

2021 It's A New Year With Lots of Hope & Promise

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- We have a new President.
- We have a new congress with one party in the majority.
- We have new vaccines available with more on the way.
- We anticipate we will soon get a new Pandemic Economic Package passed.
- We have a new round of PPP funds available to select businesses.
- There is new hope for an end to the pandemic.
- There is growing hope for a return to normal business in the CRE and Hospitality Sectors.

2021 It's A New Year-But Is It?

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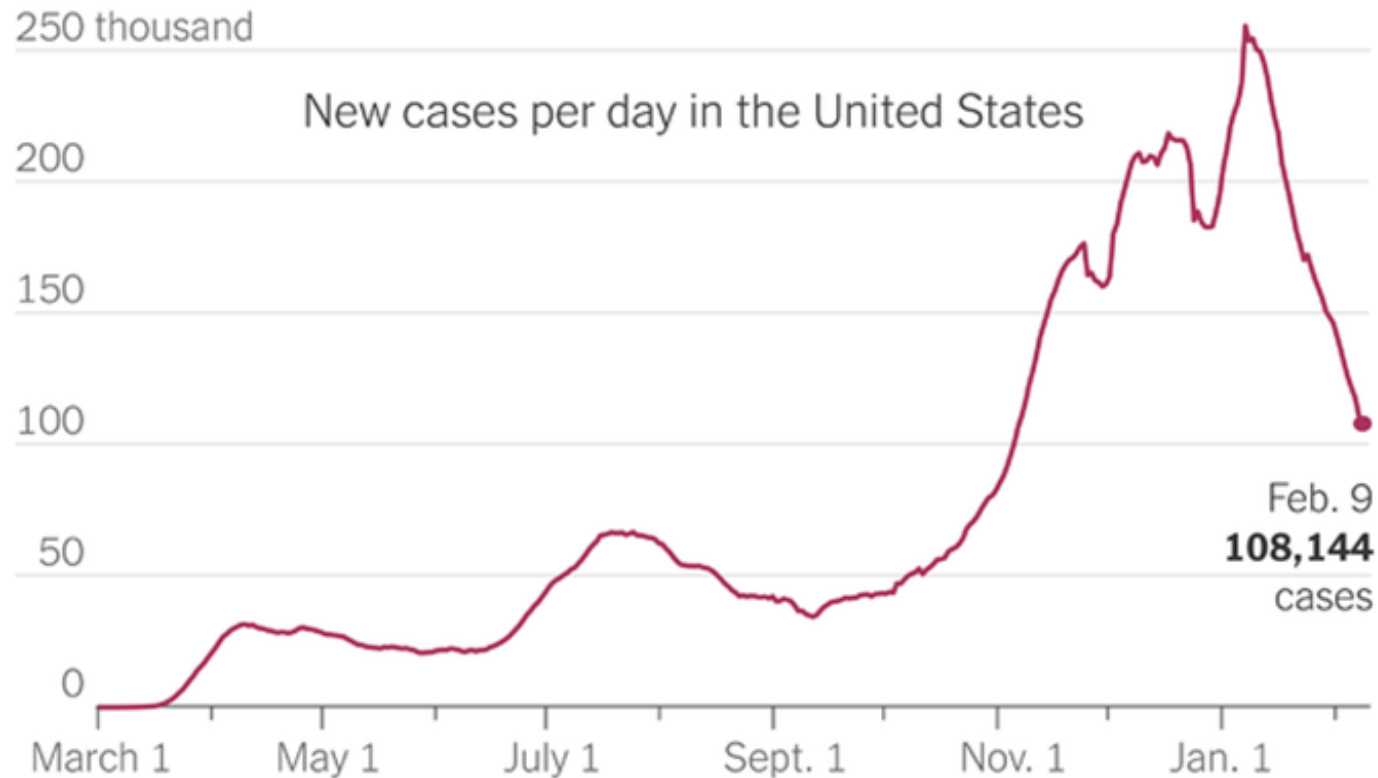
- ❑ We still have grid lock in congress.
- ❑ We are short on vaccine although, more is promised.
- ❑ Vaccine distribution is slower than anticipated with each state deciding how to distribute.
- ❑ New CV-19 Variants appear to have out-maneuvered the Vaccine.
- ❑ Airlines continue to furlough workers.
- ❑ Required testing for all U.S. flights is now being considered.
- ❑ The horizon for “return to 2019 normal” seems to have stretched out to year’s end.

2021-The Virus in Retreat?

The Drop is Real

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The recent decline in new virus cases is larger than any of last year's declines:



Graph shows 7-day rolling averages.

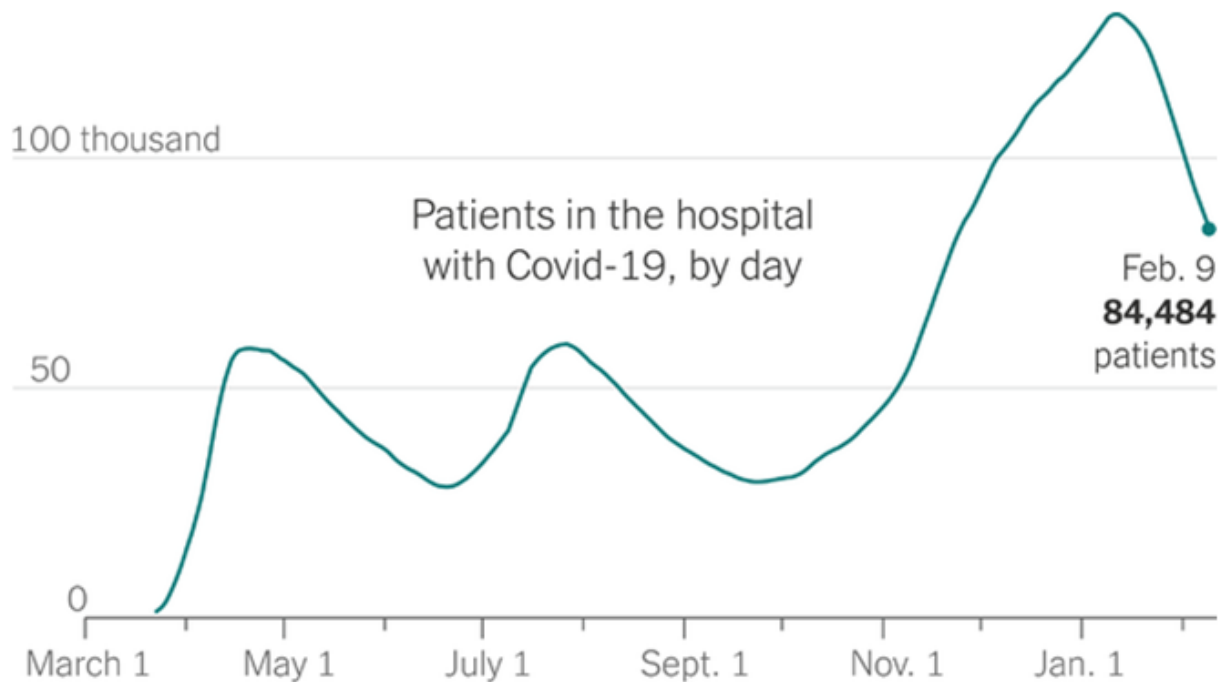
By The New York Times | Sources: State and local health agencies and hospitals

2021- The Virus in Retreat?

The Drop is Real

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But most of the decline in the chart above is real. We know that because the percentage of tests that came back positive has also dropped sharply (to 7 percent, from 14 percent on Jan. 8). The number of people hospitalized with Covid-19 symptoms is falling, too:



Graph shows 7-day rolling averages.

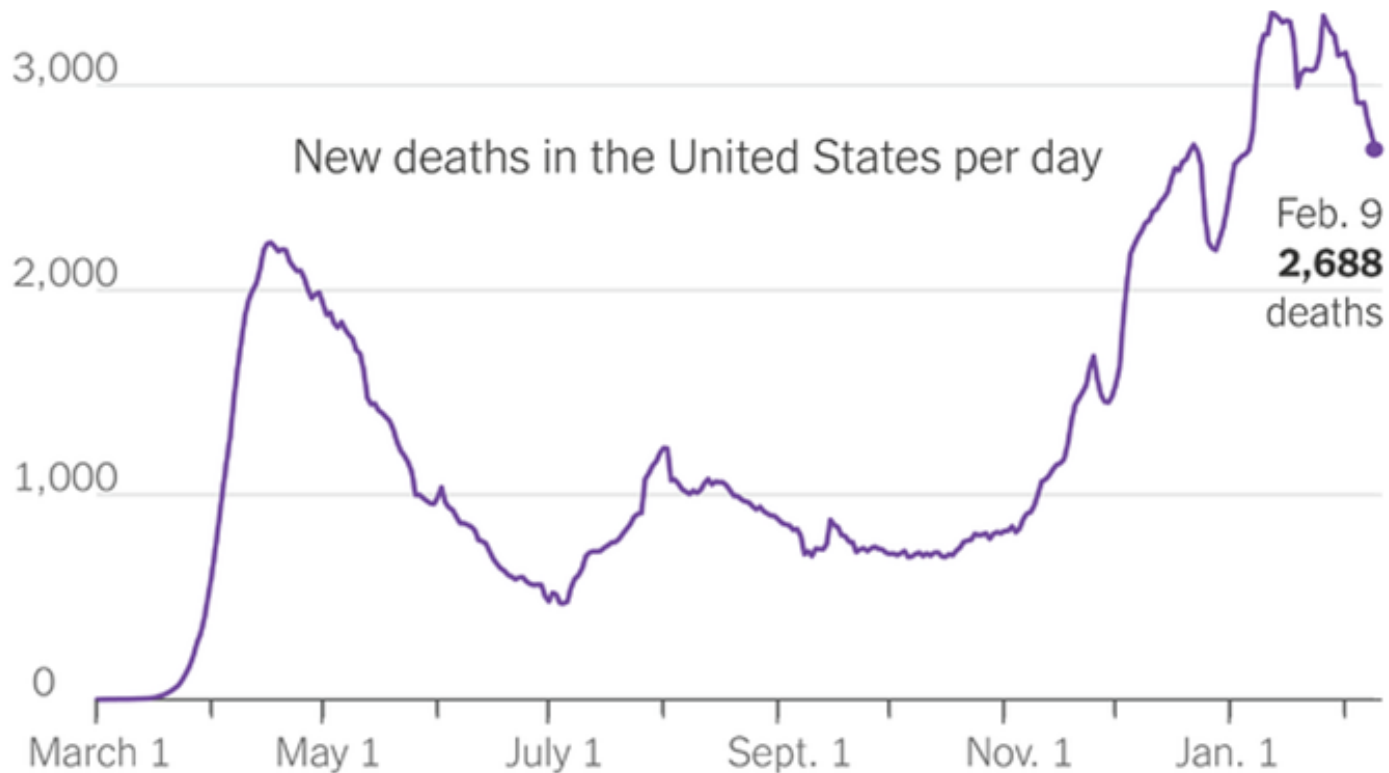
By The New York Times | Source: The COVID Tracking Project

2021-The Virus in Retreat?

The Drop is Real

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Most important, deaths have begun to decline:



Graph shows 7-day rolling averages.

By The New York Times | Sources: State and local health agencies and hospitals

Is The Vaccine Cavalry Coming To The Rescue Or Is It Just A Mirage

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Signs of Hope

Tracking Net Bookings

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- ❑ Net bookings for January 2021 begins to show a bit of promise when compared to December 2020, according to Duetto.
- ❑ Group RFP's are up significantly for 2021, according to CVENT.
- ❑ According to Knowland, many meeting planners count on booking group meetings for later in 2021.
- ❑ Week brands are being replaced with stronger brands.
- ❑ Week sponsors are being replaced with stronger ones.

Signs of Hope - CVENT Group RFP's 2021 and 2022 Market Pace

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Weaker 2021,
Stronger 2022

New York City

Portland

Chicago

Boston

Dallas / Ft. Worth

Houston

Signs of Hope - CVENT Group RFP's 2021 and 2022 Market Pace

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Stronger

both years

Orlando
Phoenix / Scottsdale
Indianapolis
Minneapolis / St. Paul
Nashville
Louisville
Northern New Jersey
Las Vegas
San Diego
St. Louis
San Antonio

Signs of Hope - CVENT Group RFP's 2021 and 2022 Market Pace

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Weaker both
years

San Francisco
Washington, D.C.
Atlanta
Charlotte
Baltimore
Philadelphia

Signs of Hope - CVENT Group RFP's 2021 and 2022 Market Pace

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Denver
Tampa / St. Pete
Charleston
Salt Lake / Park City
Orange County
Kansas City
Ft. Lauderdale
New Orleans
Caribbean
Austin

Stronger 2021,
Weaker 2022

Final Thoughts

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- Pent up demand exists for leisure travel and group meetings.
- Alternative health care and government related business has helped fill hotel rooms.
- Essential Travel has found a way to travel.
- Many Luxury and Ultra-luxury resort travelers have switched to private jet travel.
- Travelers trading down to Select Service and budget hotels has helped those hotels outperform the rest.

Final Thoughts

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- ❑ Robust occupancy recovery should set in during the summer and fall of 2021, concurrent with the majority roll-out of the vaccines behind us.
- ❑ Corporate rated business room rates will take years to recover.
- ❑ Overall ADR recovery will lag the occupancy recovery, with full RevPAR recovery expected by 2024.
- ❑ Transactional volume is anticipated to pick up when lending opens up more widely, a recovery in NOI is documented, and price declines diminish.
- ❑ Meetings business is expected to return with strength. Zoom fatigue has set in, and people are ready and excited to meet again in person.

Final Thoughts

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- High and continually increasing construction costs will keep new supply in check through the near term.
- Numerous potential investors will create competition for deals, which is anticipated to fuel transaction activity and mitigate value declines.

Hope Springs Eternal

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Final Final Thoughts

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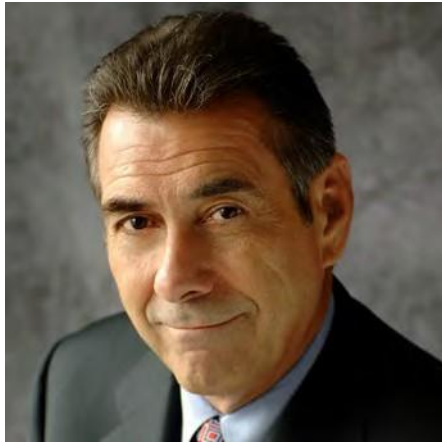
**Great Uncertainty
Means Great Opportunity**

THANK YOU

THE END

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Jack Westergom is Managing Director and Founder of Manhattan Hospitality Advisors. Mr. Westergom is a veteran hotelier whose background includes asset management, hotel/resort operations, international marketing, investment relations and real estate development including many of the top 25 hotels and resorts in the world. Manhattan Hospitality Advisors has provided oversight on over \$18 billion of hospitality assets around the world and has helped hotels to successfully navigate through four real estate downturns.