

**CBRE**

**2019 TRAVEL OUTLOOK  
SANTA BARBARA COUNTY LODGING  
FORECAST**

**OCTOBER 25, 2018**

**CBRE HOTELS | CONSULTING**

# SANTA BARBARA COUNTY HOTEL MARKET

Santa Barbara County									
Historical Market Performance and Forecast									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2013	2,011,241	N/A	1,460,900	N/A	72.6%	\$182.57	N/A	\$132.61	N/A
2014	2,015,165	0.2%	1,517,573	3.9%	75.3%	196.45	7.6%	147.94	11.6%
2015	1,986,573	-1.4%	1,533,045	1.0%	77.2%	207.13	5.4%	159.84	8.0%
2016	1,986,391	0.0%	1,527,834	-0.3%	76.9%	214.59	3.5%	164.85	3.1%
2017	2,067,449	4.1%	1,612,574	1.0%	74.7%	220.68	3.0%	164.77	0.0%
<b>2018E</b>	<b>2,190,487</b>	<b>6.0%</b>	<b>1,543,669</b>	<b>1.0%</b>	<b>73.6%</b>	<b>210.32</b>	<b>-4.7%</b>	<b>154.83</b>	<b>-6.0%</b>
<b>2019F</b>	<b>2,334,236</b>	<b>6.6%</b>	<b>1,612,574</b>	<b>8.1%</b>	<b>74.7%</b>	<b>222.99</b>	<b>6.0%</b>	<b>166.49</b>	<b>7.5%</b>
CAAG	2.5%		3.0%			3.4%		3.9%	

Source: CBRE Hotels

SANTA BARBARA AIRPORT ON PACE IN 2018 FOR SECOND CONSECUTIVE YEAR OF INCREASED PASSENGER TRIPS

AFTER A CHALLENGING 2018, LIMITED ADDITIONS TO SUPPLY IN 2019 TO SHOULD HELP STEER THE MARKET BEYOND THE REVPAR LEVEL REACHED IN 2017

# SOUTHERN CALIFORNIA HOTEL MARKETS COMPARISON

Area	YE 2017	YE 2018E	YoY Change
National	65.4%	65.6%	0.3%
Santa Barbara County	74.7%	73.6%	-1.1%
Los Angeles County	82.3%	82.3%	0.0%
Orange County	79.4%	79.7%	0.3%
San Diego County	79.2%	79.1%	-0.1%

Area	YE 2017	YE 2018E	YoY Change
National	\$127.16	\$130.11	2.3%
Santa Barbara County	\$220.68	\$210.32	-4.7%
Los Angeles County	\$206.89	\$209.82	1.4%
Orange County	\$172.80	\$178.73	3.2%
San Diego County	\$187.01	\$190.16	1.7%

Source: CBRE Hotels' Americas Research - Hotel Horizons® September – November 2017; STR, Inc.; CBRE Hotels 2018 Southern California Lodging Forecast

# SOUTHERN CALIFORNIA HOTEL MARKETS COMPARISON

Area	YE 2017E	YE 2018F	YoY Change
National	65.9%	66.1%	0.2%
Santa Barbara County	75.7%	74.3%	-1.4%
Los Angeles County	81.7%	81.0%	-0.7%
Orange County	78.6%	78.3%	-0.3%
San Diego County	79.6%	79.3%	-0.3%

Area	YE 2017E	YE 2018F	YoY Change
National	\$126.56	\$130.08	2.8%
Santa Barbara County	\$221.45	\$226.89	2.5%
Los Angeles County	\$205.28	\$210.05	2.3%
Orange County	\$166.90	\$172.48	3.3%
San Diego County	\$189.29	\$195.94	3.5%

Source: CBRE Hotels' Americas Research - Hotel Horizons® September – November 2017; STR, Inc.; CBRE Hotels 2018 Southern California Lodging Forecast

# BEACH COAST SUBMARKET

Beach Coast Submarket									
Historical Market Performance and Forecast									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2013	812,946	N/A	592,591	N/A	72.9%	\$254.34	N/A	\$185.40	N/A
2014	817,235	0.5%	622,471	5.0%	76.2%	275.89	8.5%	210.14	13.3%
2015	817,965	0.1%	618,573	-0.6%	75.6%	291.16	5.5%	220.18	4.8%
2016	829,706	1.4%	623,098	0.7%	75.1%	301.25	3.5%	226.24	2.7%
2017	857,385	3.3%	630,321	1.2%	73.5%	307.19	2.0%	225.84	-0.2%
<b>2018E</b>	<b>845,827</b>	<b>-1.3%</b>	<b>608,481</b>	<b>-3.5%</b>	71.9%	<b>290.68</b>	<b>-5.4%</b>	<b>209.11</b>	<b>-7.4%</b>
<b>2019F</b>	<b>957,456</b>	<b>13.2%</b>	<b>699,753</b>	<b>15.0%</b>	73.1%	<b>306.67</b>	<b>5.5%</b>	<b>224.13</b>	<b>7.2%</b>
CAAG	2.8%		2.8%			3.2%		3.2%	

Source: CBRE Hotels

## NEW SUPPLY IN 2018 AND 2019:

HARBOR VIEW INN: EXPANDED BY 34 ROOMS, OPENED SEPTEMBER 2018

ROSEWOOD MIRAMAR: 161 ROOMS, OPEN JANUARY 2019

## HOTEL CLOSURES/REOPENINGS DUE TO THOMAS FIRE/MUDSLIDES:

FOUR SEASONS BILTMORE CLOSED FROM JANUARY 2018 THROUGH MAY 2018

SAN YSIDRO RANCH CLOSED FROM JANUARY 2018 THROUGH FEBRUARY 2019

# TOWN SUBMARKET

Town Submarket									
Historical Market Performance and Forecast									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2013	272,655	N/A	209,599	N/A	76.9%	\$167.03	N/A	\$128.40	N/A
2014	272,655	0.0%	215,071	2.6%	78.9%	177.47	6.3%	139.99	9.0%
2015	243,698	-10.6%	199,444	-7.3%	81.8%	193.25	8.9%	158.16	13.0%
2016	231,775	-4.9%	190,623	-4.4%	82.8%	202.61	4.8%	166.64	5.4%
2017	231,775	0.0%	181,480	-4.8%	78.3%	207.73	2.5%	162.65	-2.4%
<b>2018E</b>	<b>231,775</b>	<b>0.0%</b>	<b>179,398</b>	<b>-1.1%</b>	<b>77.4%</b>	<b>202.98</b>	<b>-2.3%</b>	157.11	<b>-3.4%</b>
<b>2019F</b>	<b>263,895</b>	<b>13.9%</b>	<b>200,295</b>	<b>12.0%</b>	<b>76.1%</b>	<b>209.07</b>	<b>3.0%</b>	159.18	<b>1.3%</b>
CAAG	-0.5%		-0.7%			3.8%		3.6%	

Source: CBRE Hotels

## NEW SUPPLY IN 2018 AND 2019

HYATT PLACE: 88-ROOM, OPEN JANUARY 2019

# GOLETA SUBMARKET

Goleta Submarket									
Historical Market Performance and Forecast									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2013	310,250	N/A	234,578	N/A	75.6%	\$140.20	N/A	\$106.00	N/A
2014	309,885	-0.1%	232,451	-0.9%	75.0%	147.97	5.5%	110.99	4.7%
2015	309,520	-0.1%	248,236	6.8%	80.2%	163.78	10.7%	131.36	18.3%
2016	309,520	0.0%	247,221	-0.4%	79.9%	168.23	2.7%	134.37	2.3%
2017	329,656	6.5%	251,170	1.6%	76.2%	175.90	4.6%	134.02	-0.3%
<b>2018E</b>	<b>404,420</b>	<b>22.7%</b>	<b>314,723</b>	<b>25.3%</b>	<b>77.8%</b>	<b>178.32</b>	<b>1.4%</b>	<b>138.77</b>	<b>3.5%</b>
<b>2019F</b>	<b>404,420</b>	<b>0.0%</b>	<b>319,444</b>	<b>1.5%</b>	<b>79.0%</b>	<b>182.78</b>	<b>2.5%</b>	<b>144.37</b>	<b>4.0%</b>
CAAG	4.5%		5.3%			4.5%		5.3%	

Source: CBRE Hotels

NO NEW HOTEL OPENINGS IN 2018 AND 2019

## HOTEL OPENINGS IN LATE 2017:

HILTON GARDEN INN: 142 ROOMS, OPEN OCTOBER 2017

RESIDENCE INN: 118 ROOMS, OPEN NOVEMBER 2017

# ALL OTHER SANTA BARBARA COUNTY SUBMARKET

All Other Santa Barbara County Submarket									
Historical Market Performance and Forecast									
Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2013	615,390	N/A	424,132	N/A	68.9%	\$113.41	N/A	\$78.16	N/A
2014	615,390	5.5%	447,579	5.5%	72.7%	120.28	6.1%	87.48	11.9%
2015	615,390	4.3%	466,793	4.3%	75.9%	124.76	3.7%	94.63	8.2%
2016	615,390	0.0%	466,892	0.0%	75.9%	127.51	2.2%	96.74	2.2%
2017	648,633	3.0%	480,697	3.0%	74.1%	135.52	6.3%	100.043	3.8%
<b>2018E</b>	<b>708,465</b>	<b>6.1%</b>	<b>509,973</b>	<b>6.1%</b>	<b>72.0%</b>	<b>136.78</b>	<b>0.9%</b>	98.46	<b>-2.0%</b>
<b>2019F</b>	<b>708,465</b>	<b>2.5%</b>	<b>522,722</b>	<b>2.5%</b>	<b>73.8%</b>	<b>140.89</b>	<b>3.0%</b>	103.95	<b>5.6%</b>
CAAG	2.4%		3.5%			3.7%		4.9%	

Source: CBRE Hotels

NO NEW HOTEL OPENINGS IN 2018 AND 2019

## HOTEL OPENINGS IN LATE 2017:

HAMPTON INN BUELLTON: 99 ROOMS, OPEN JUNE 2017

HILTON GARDEN INN LOMPOC: 156 ROOMS, OPEN NOVEMBER 2017