



Current trends and outlook

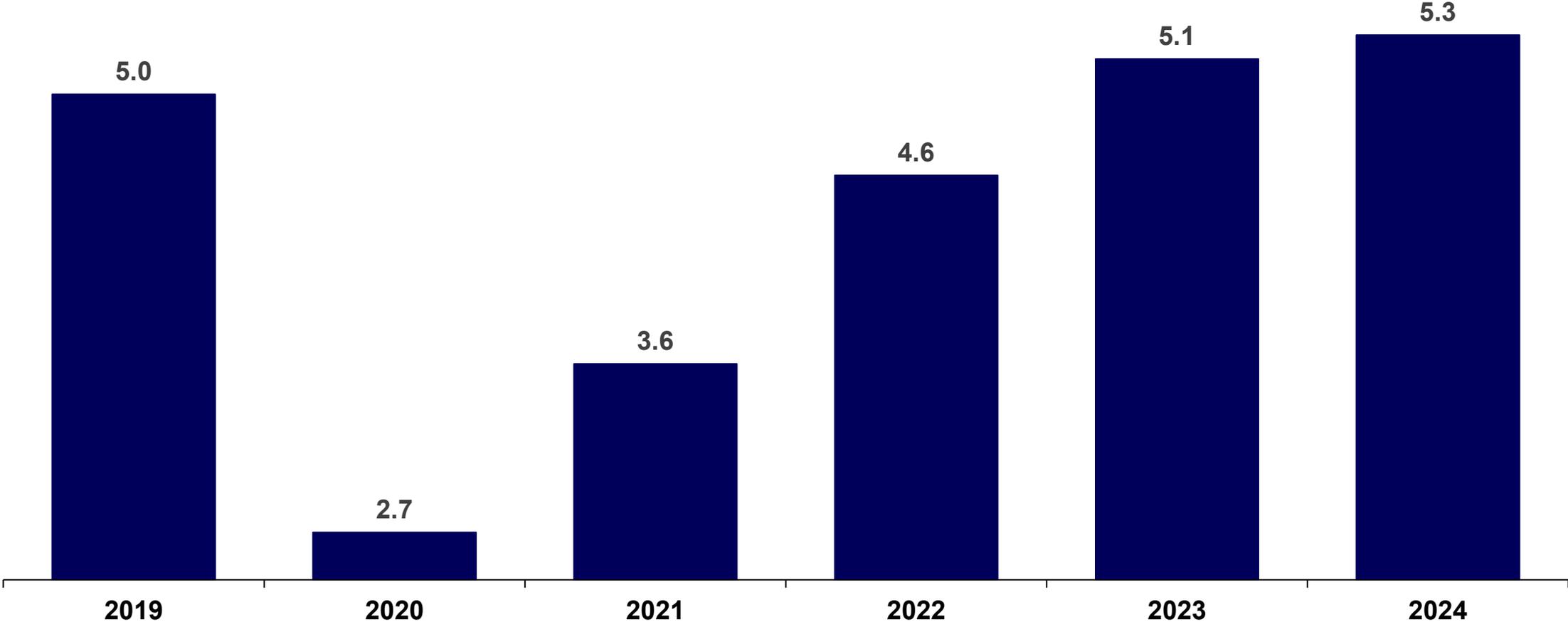
Isaac Collazo

January 2025



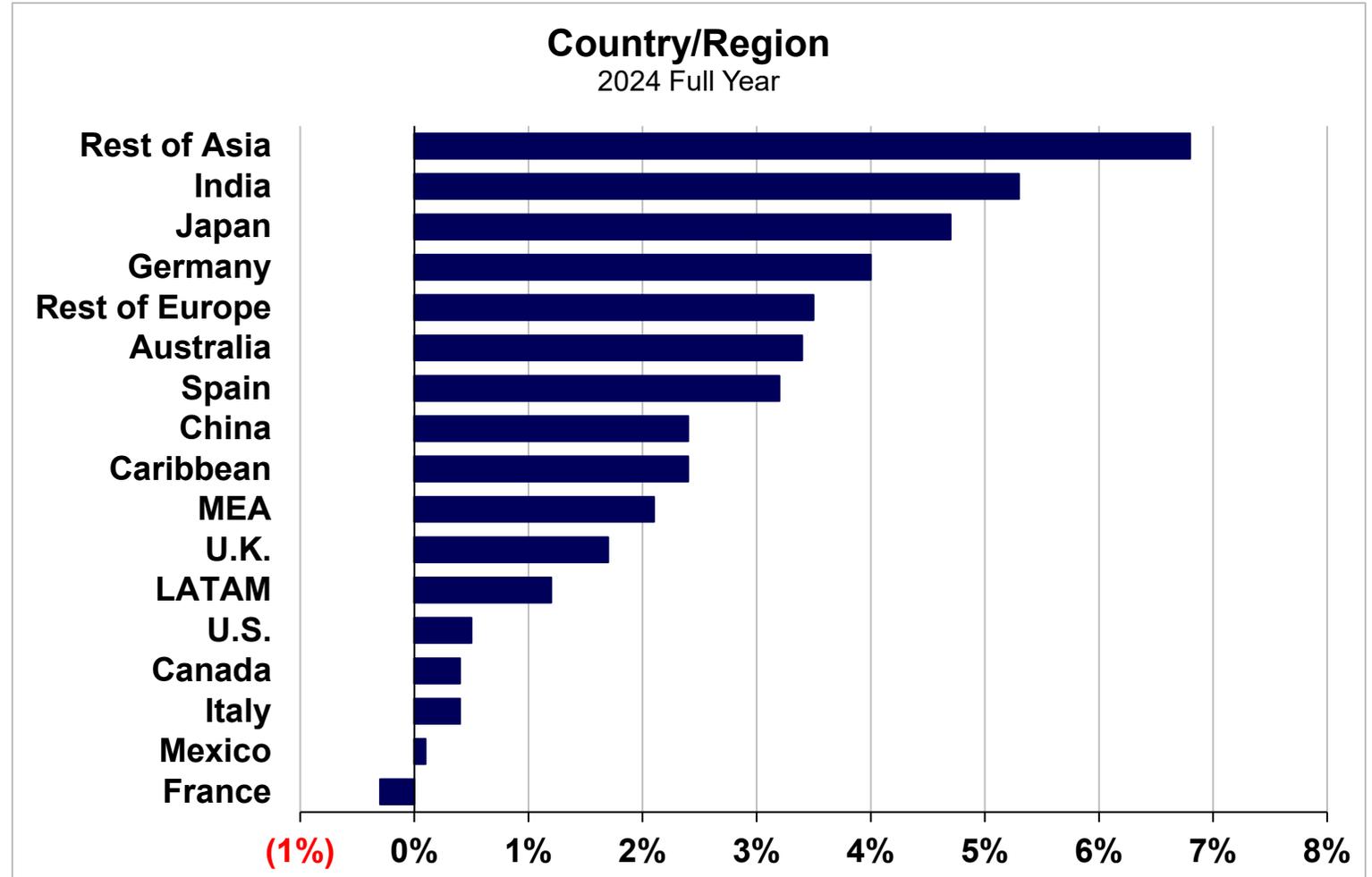
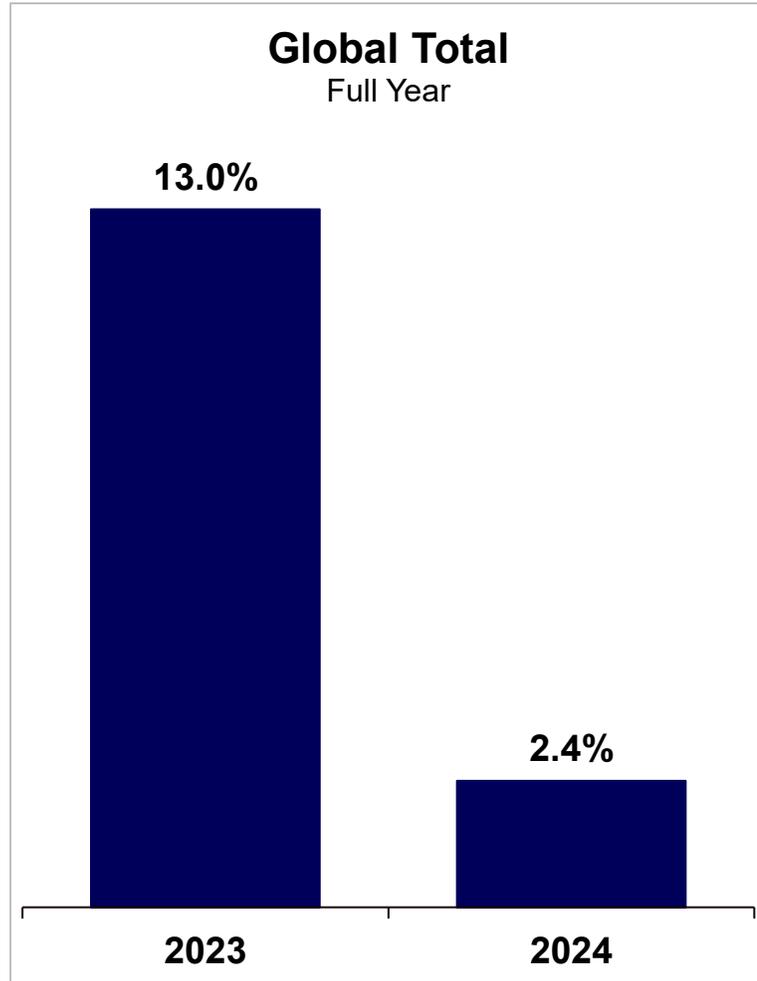
Global room demand above 2019 levels

Global room demand, in billions, full year



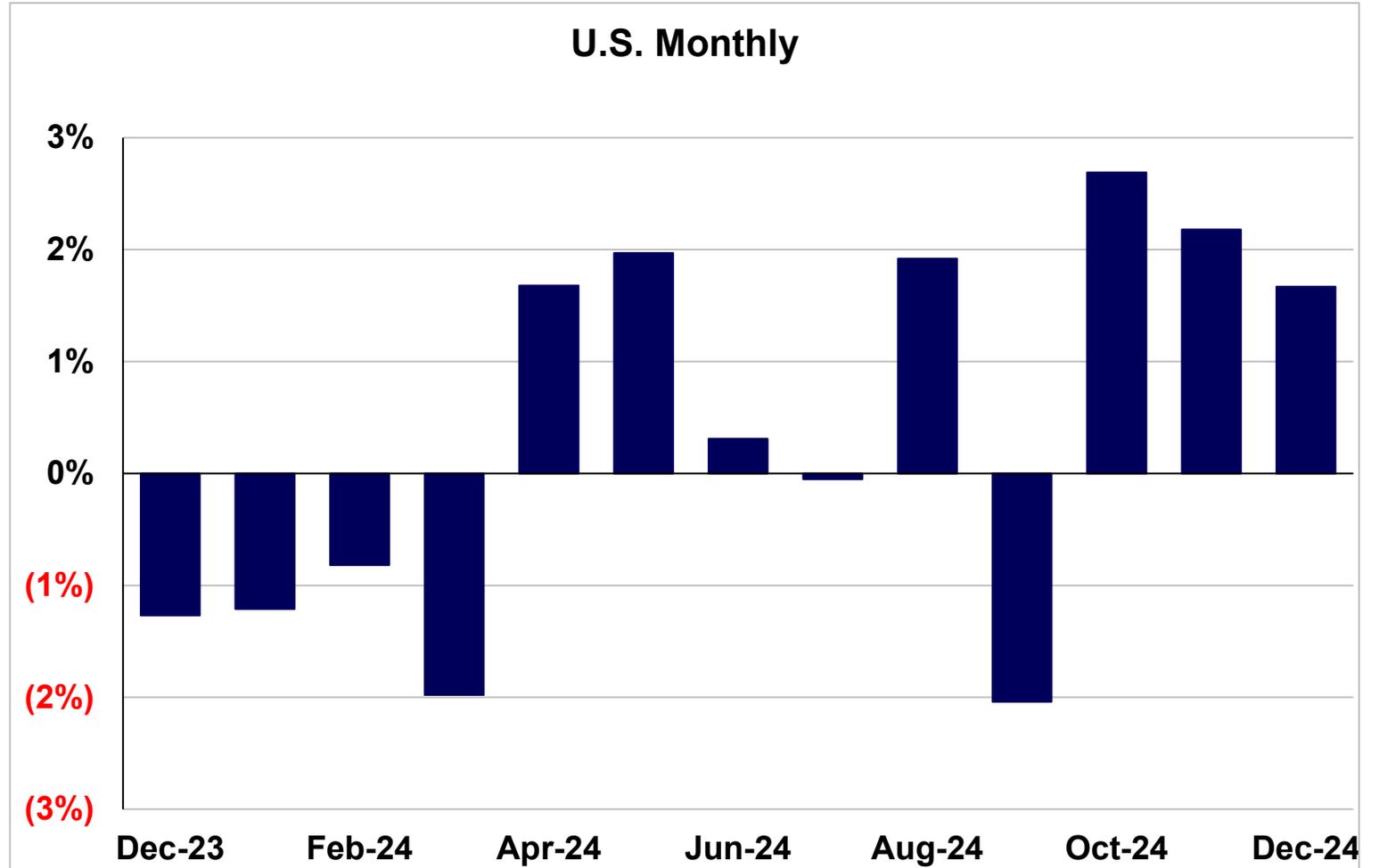
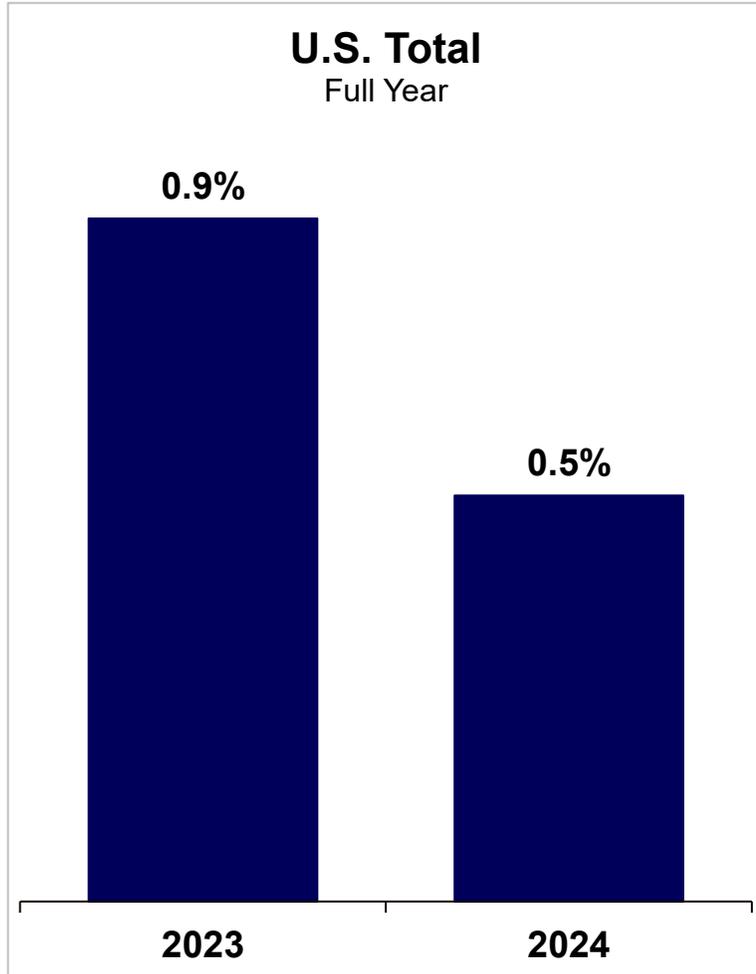
Demand growing but moderating

Room demand change



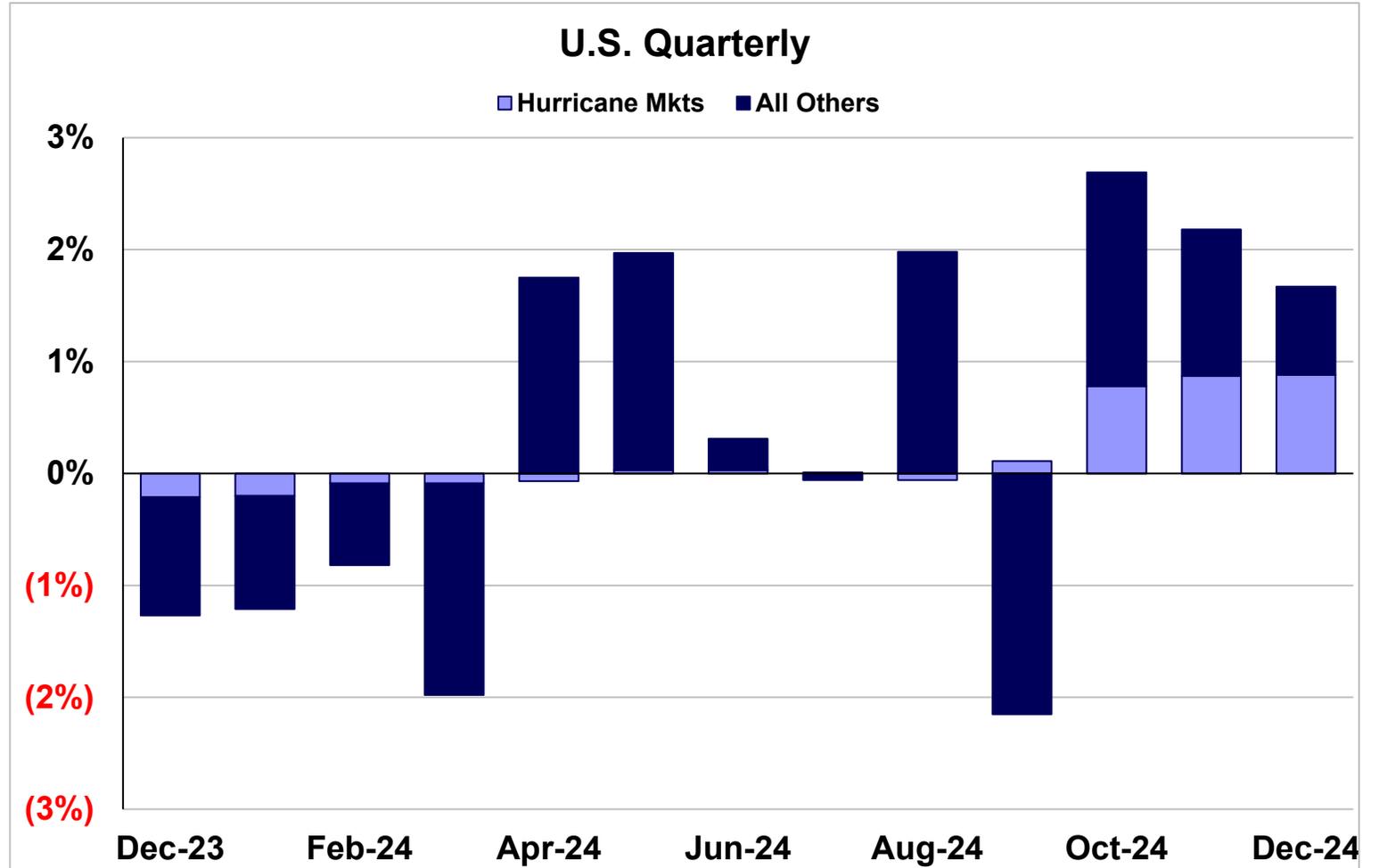
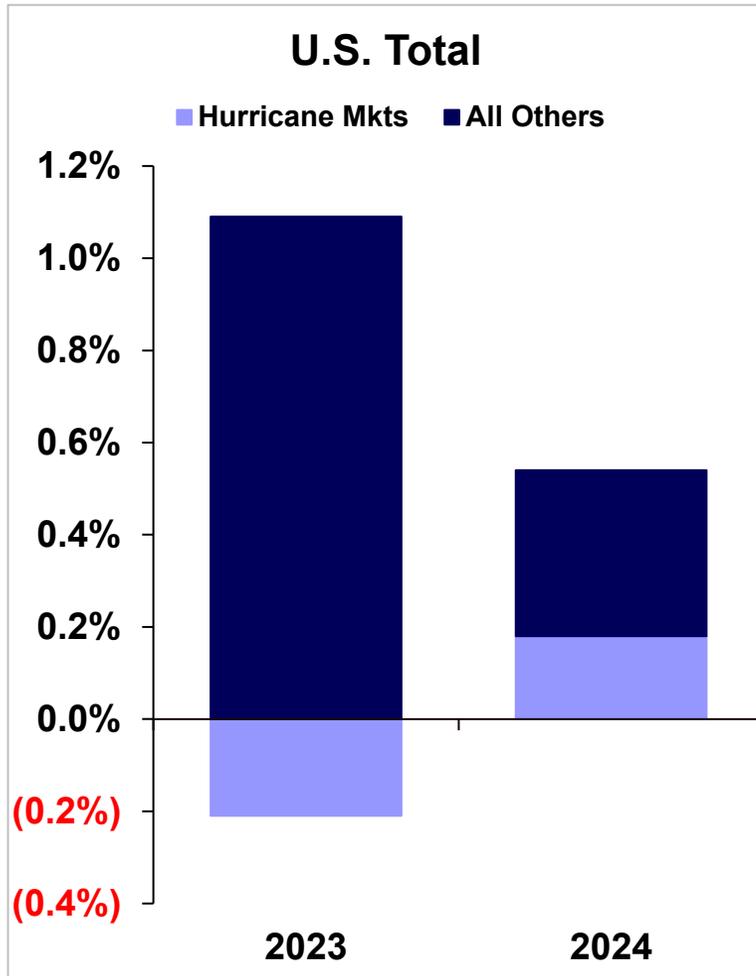
U.S. room demand strengthening

Room demand change



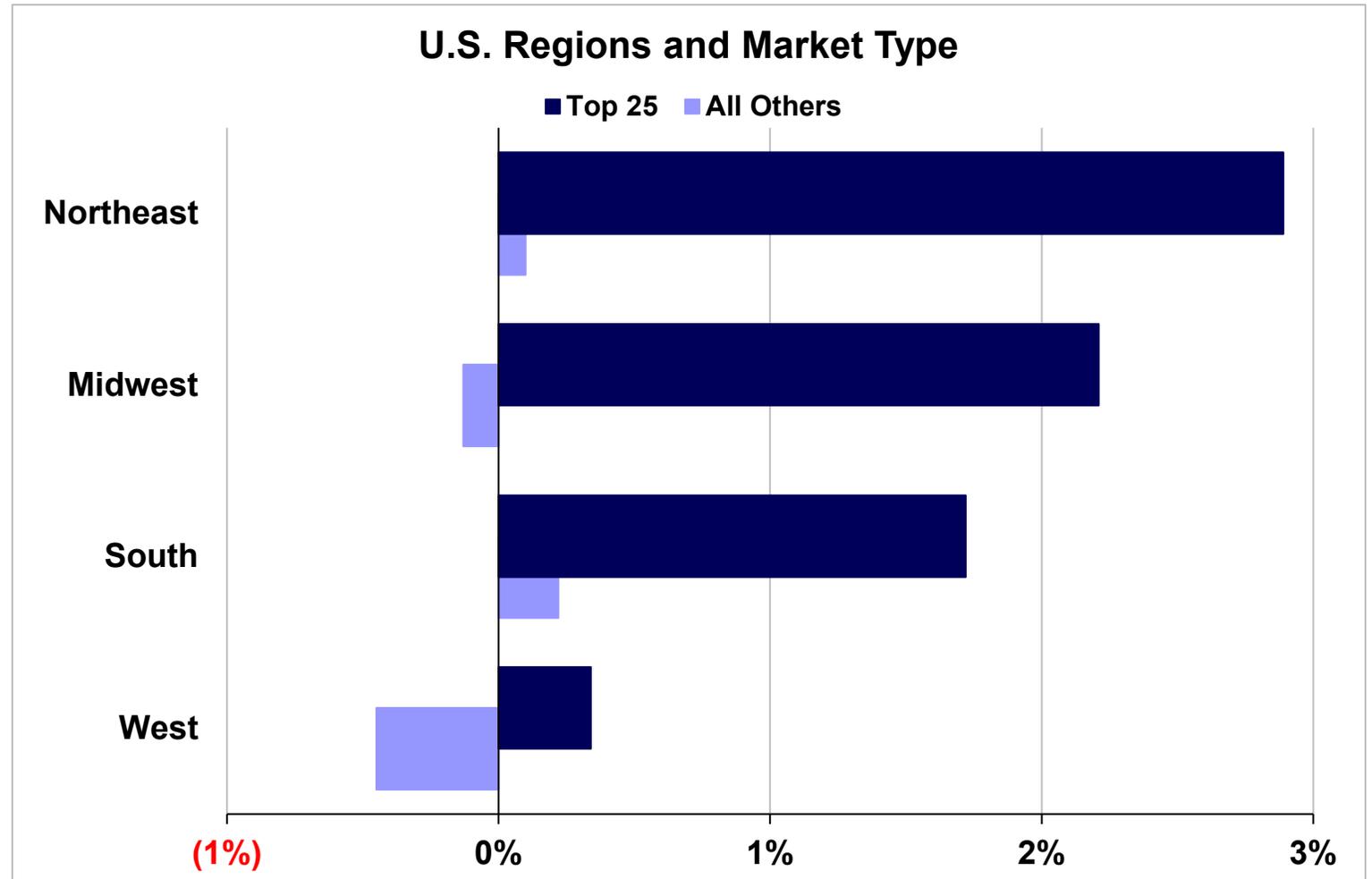
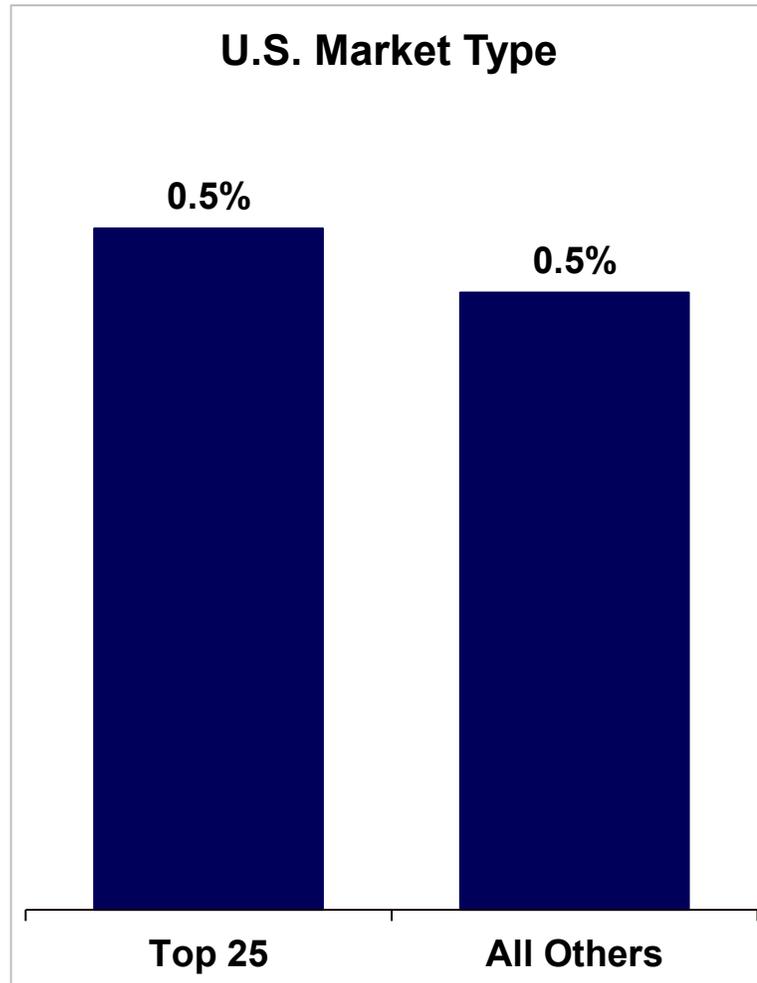
Hurricanes Helene and Milton drove 4Q U.S. demand

Room demand change



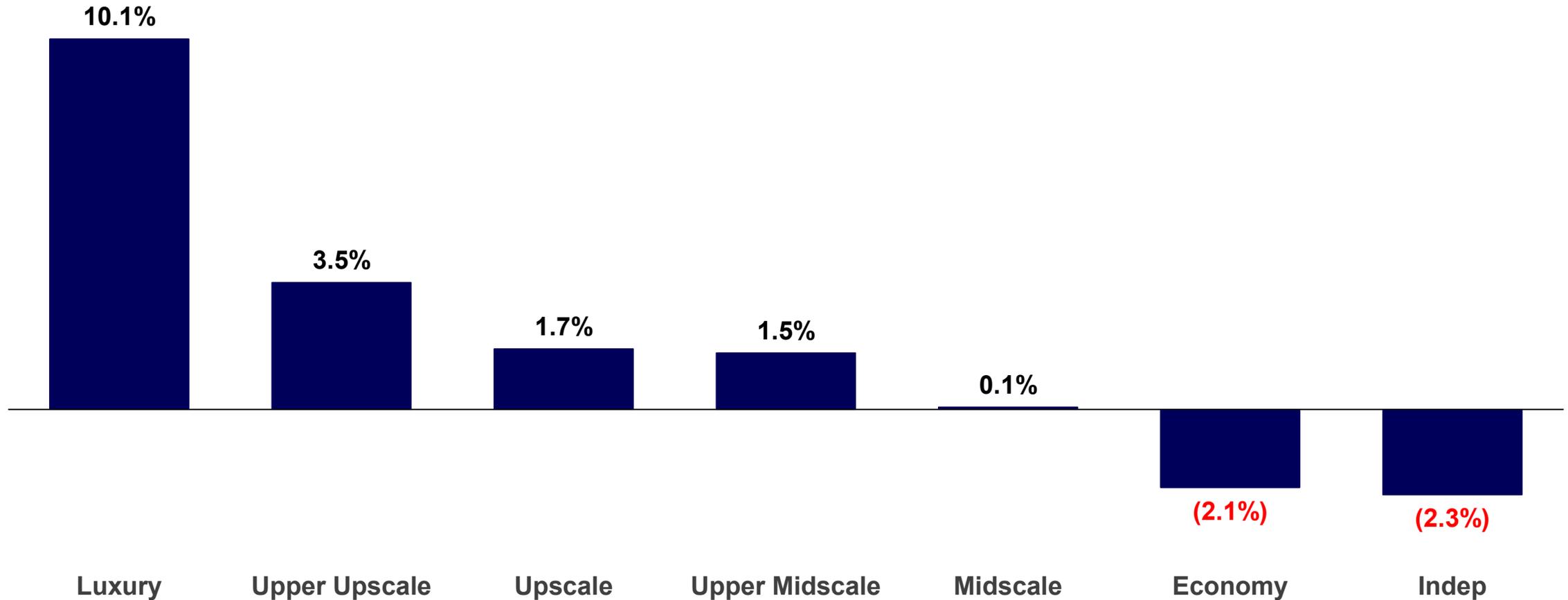
Top 25 driving U.S. demand gains

Room demand change by market location, 2024 full year



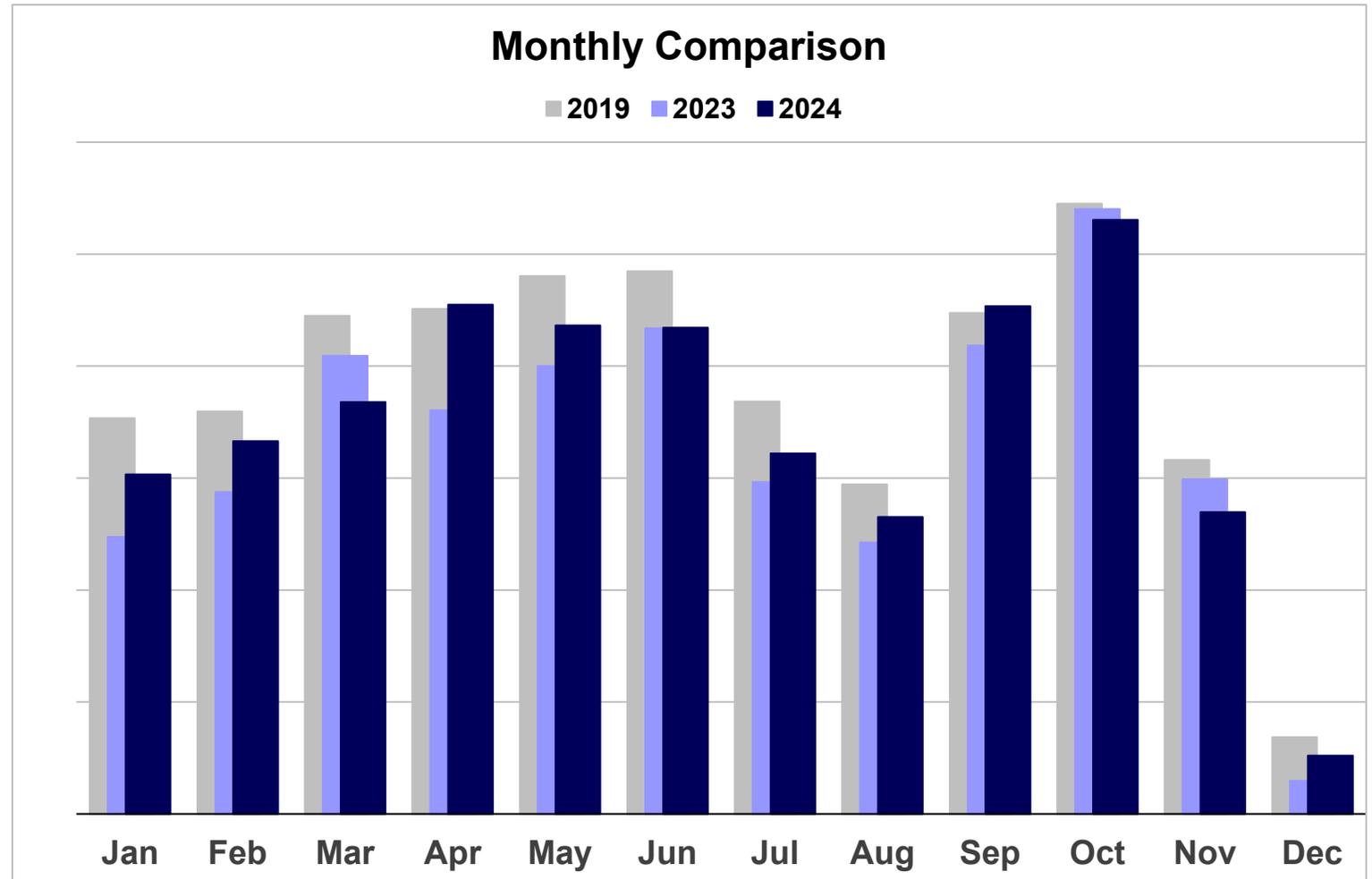
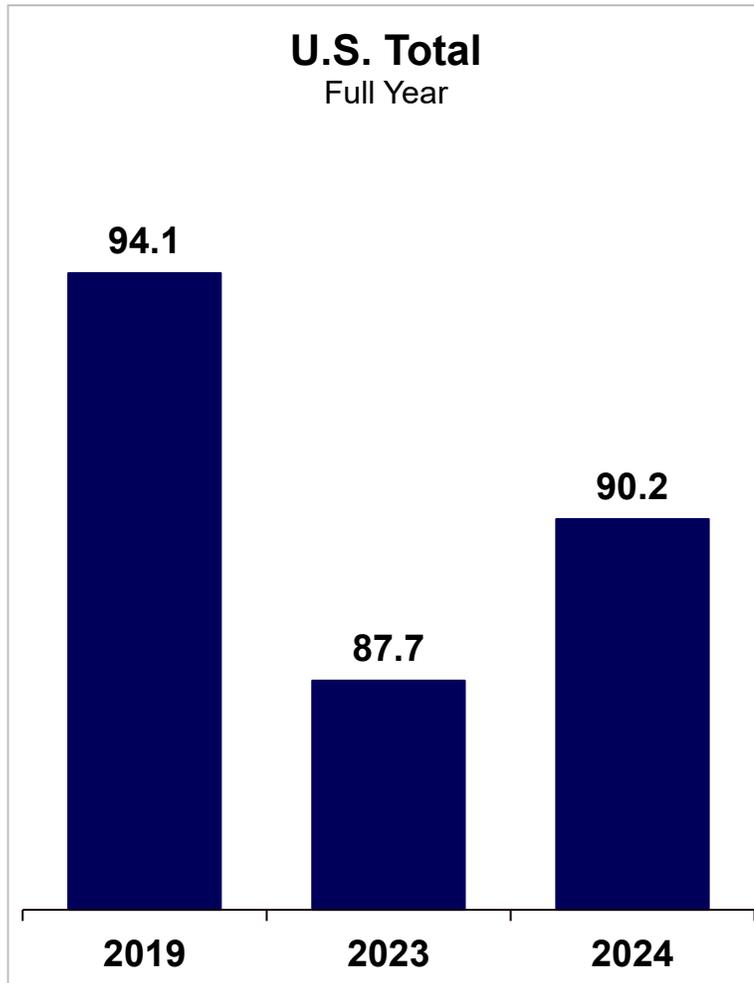
Demand bifurcated by hotel type

Chain scale room demand change, 2024 full year



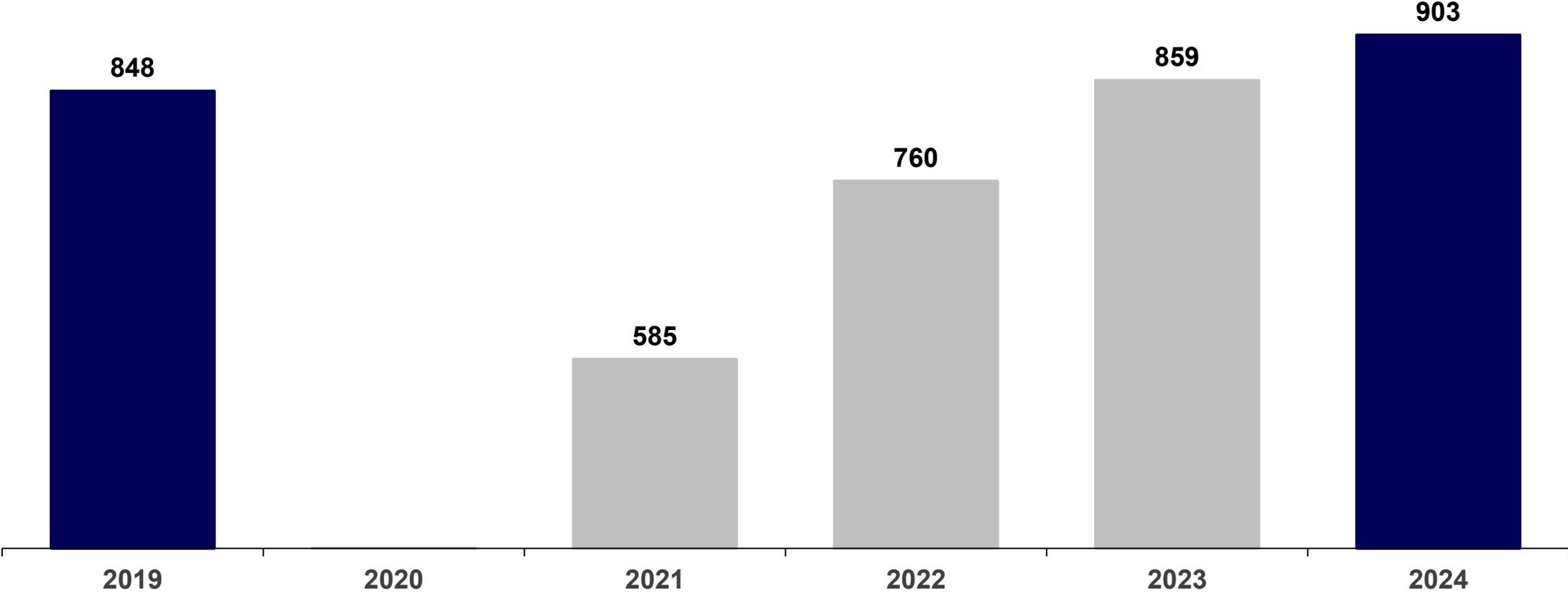
Group demand strengthening

Luxury and Upper Upscale group room demand (in millions)



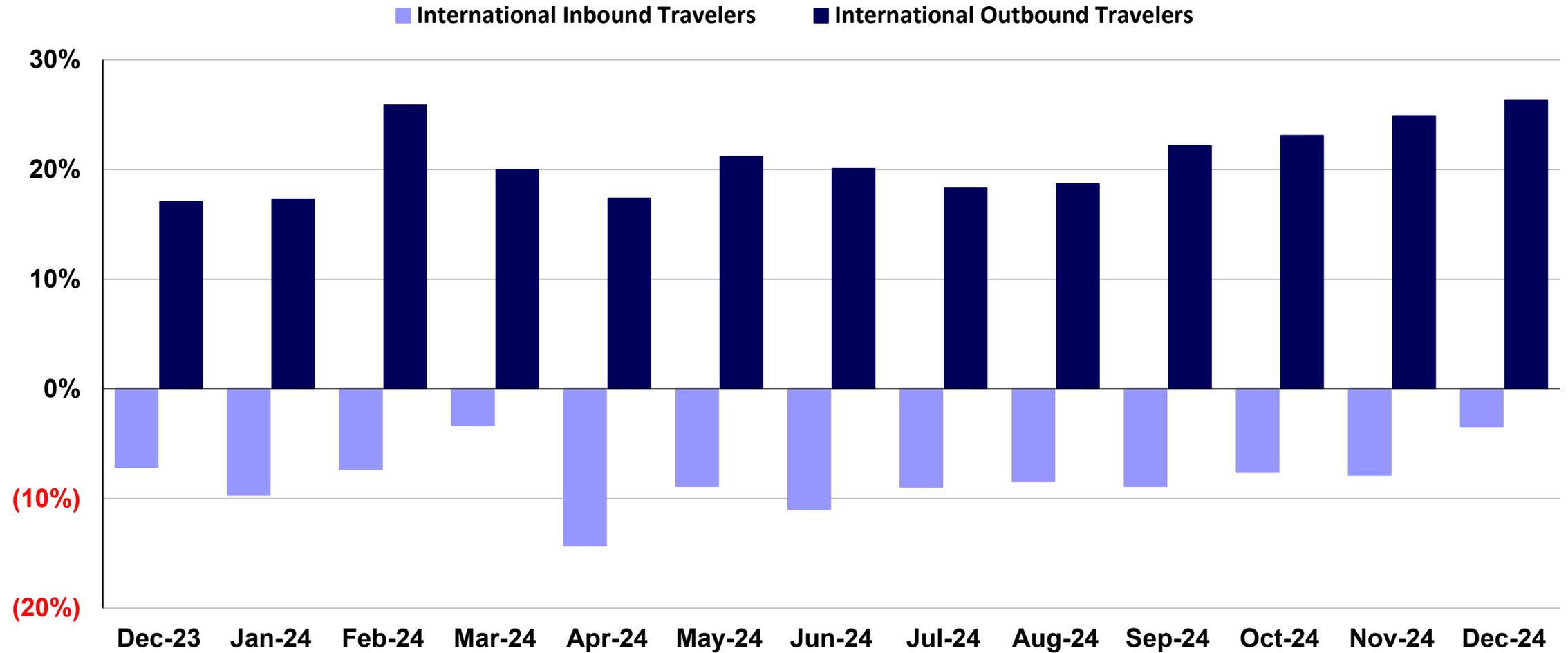
Air travel still on the rise

U.S. TSA airport screenings (millions), full year



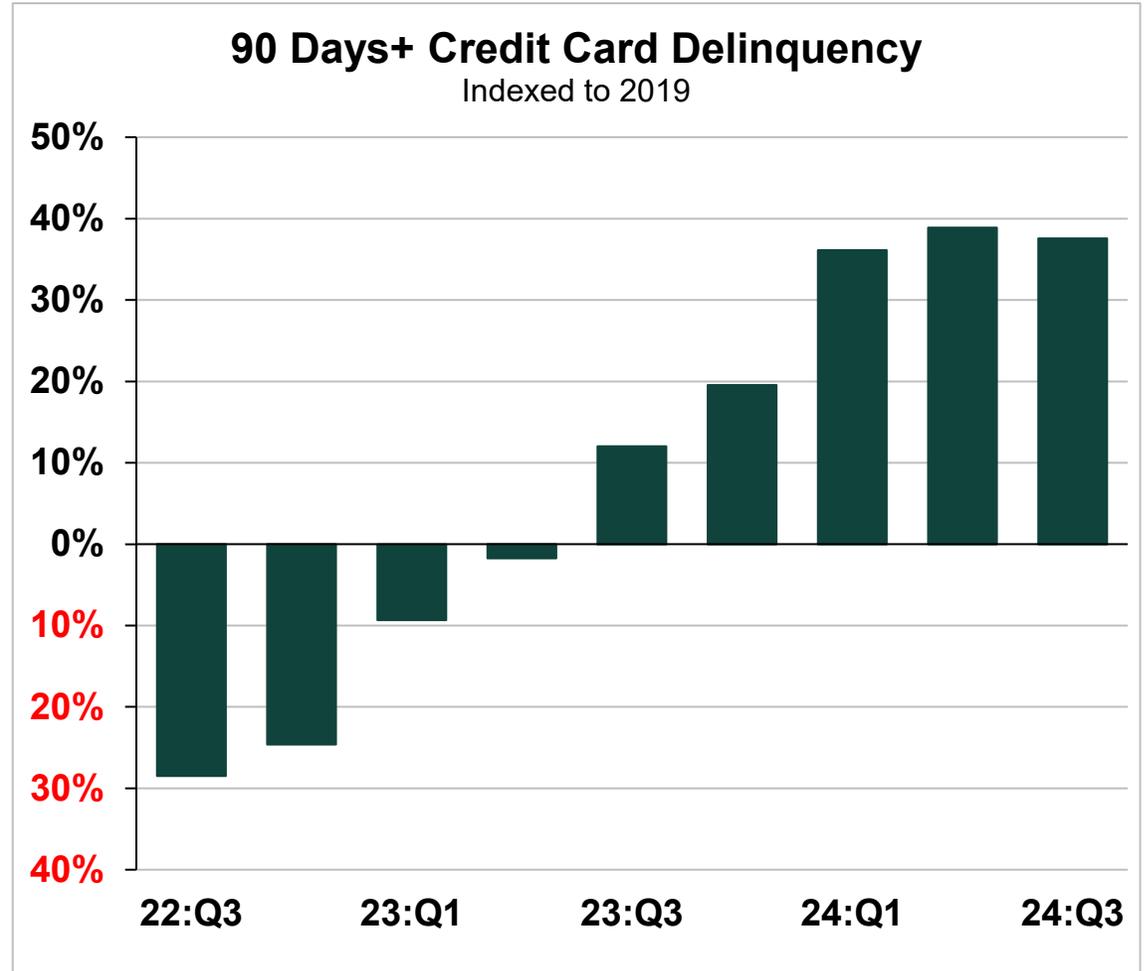
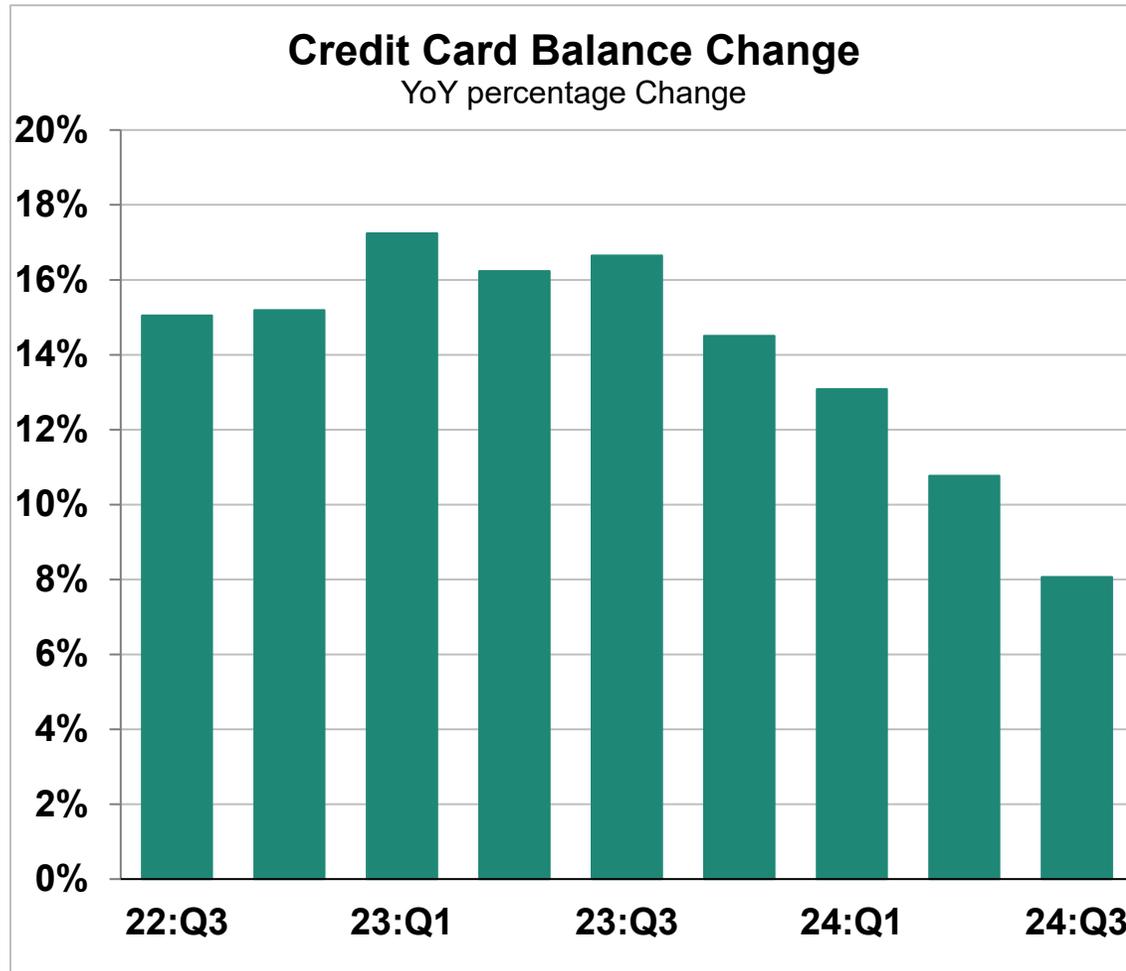
Inbound travel below 2019; outbound very strong

U.S. international inbound/outbound, indexed to 2019



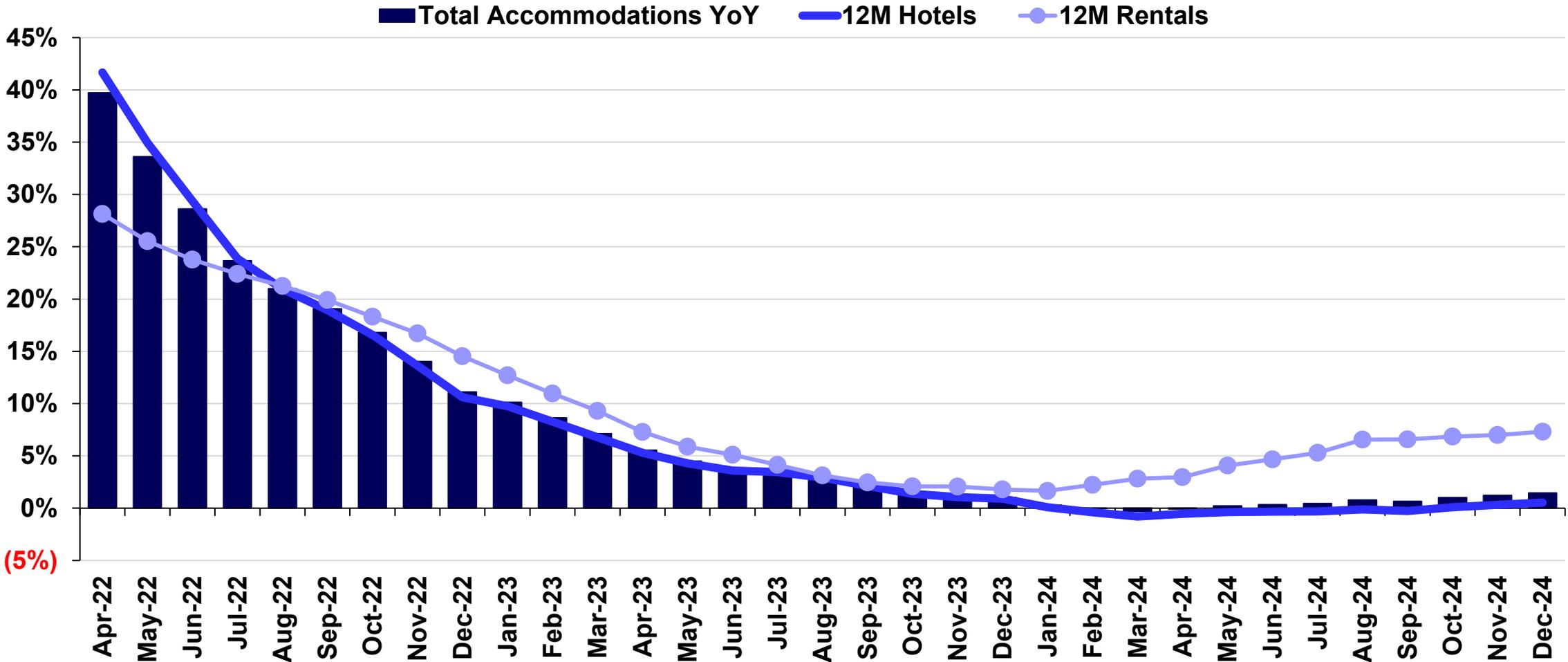
Credit card growth slowing; delinquencies elevated

U.S. credit card balance, YoY change and delinquency change



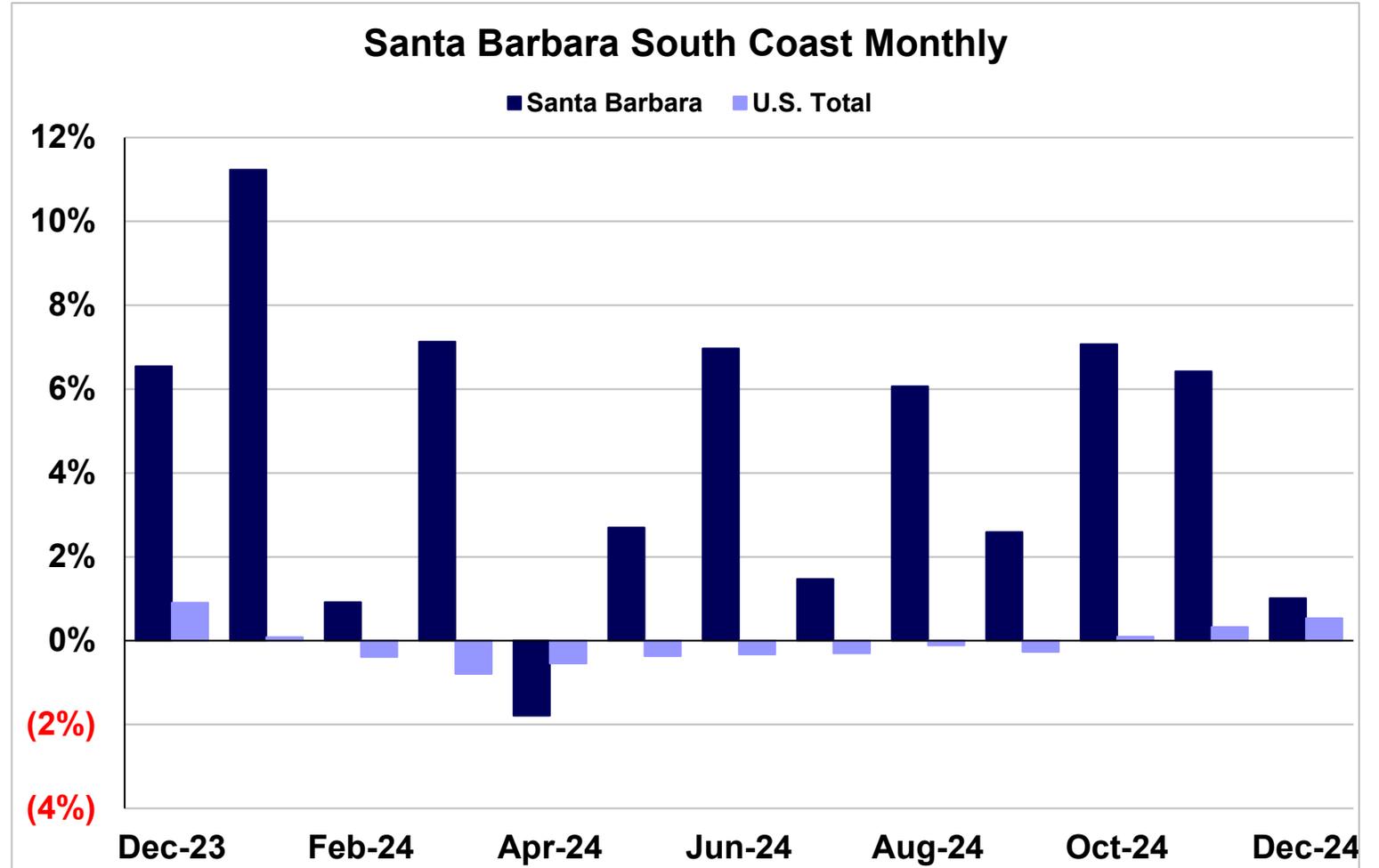
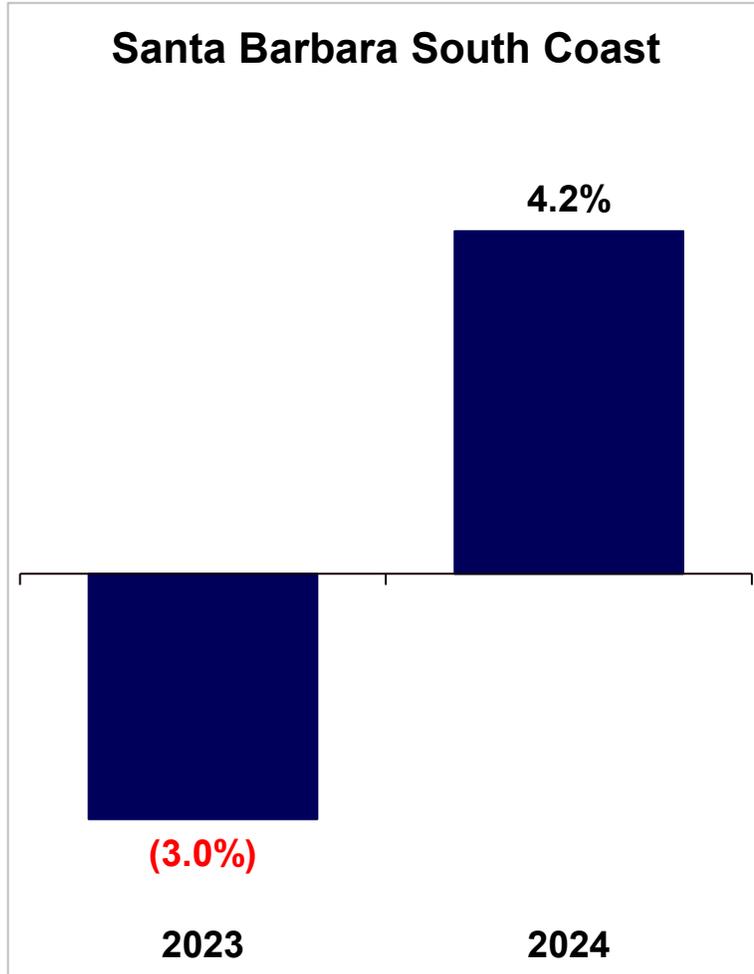
Alternative accommodations demand growth still outpacing hotels

U.S. hotels and short-term rentals, year-over-year change, 12-month moving total



Santa Barbara outperformed the U.S.

Santa Barbara and U.S. room demand change

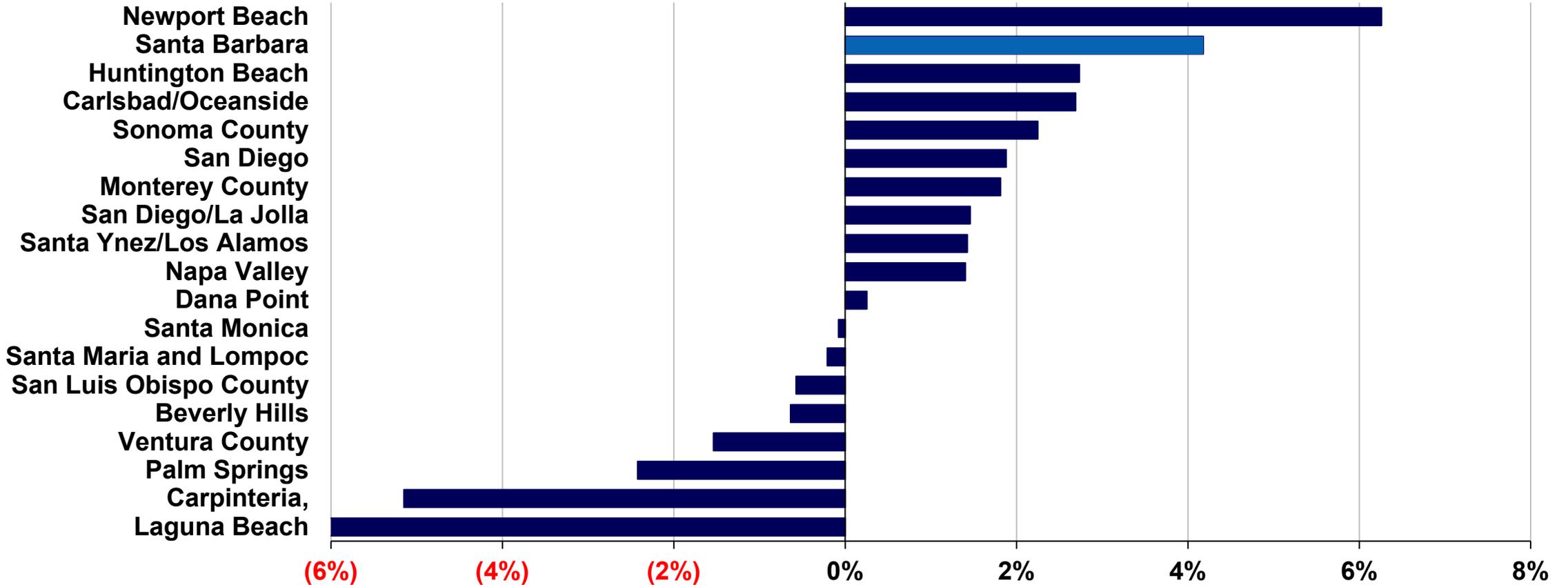


Santa Barbara still in recovery as demand remains down to 2019

Room demand change

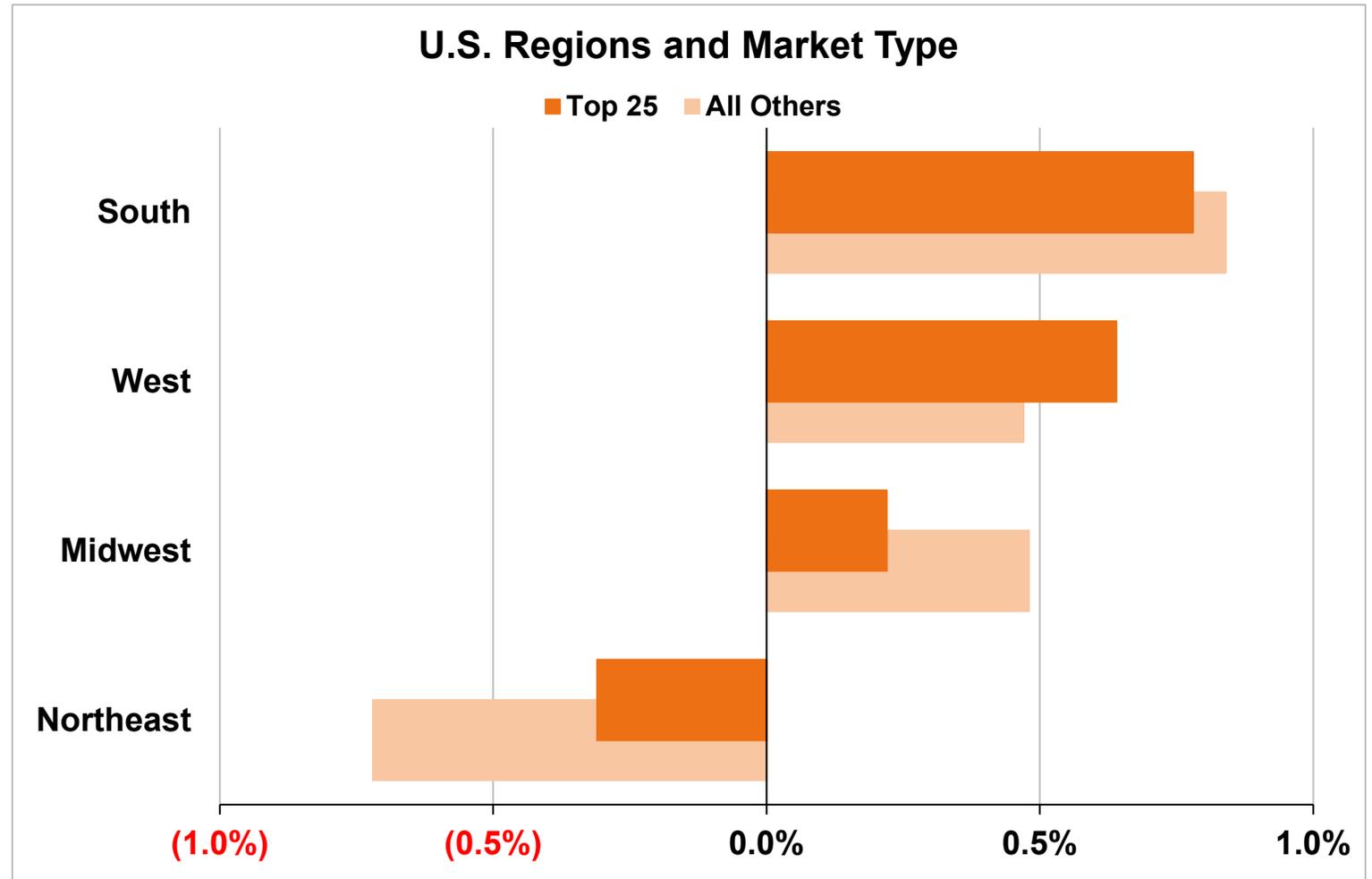
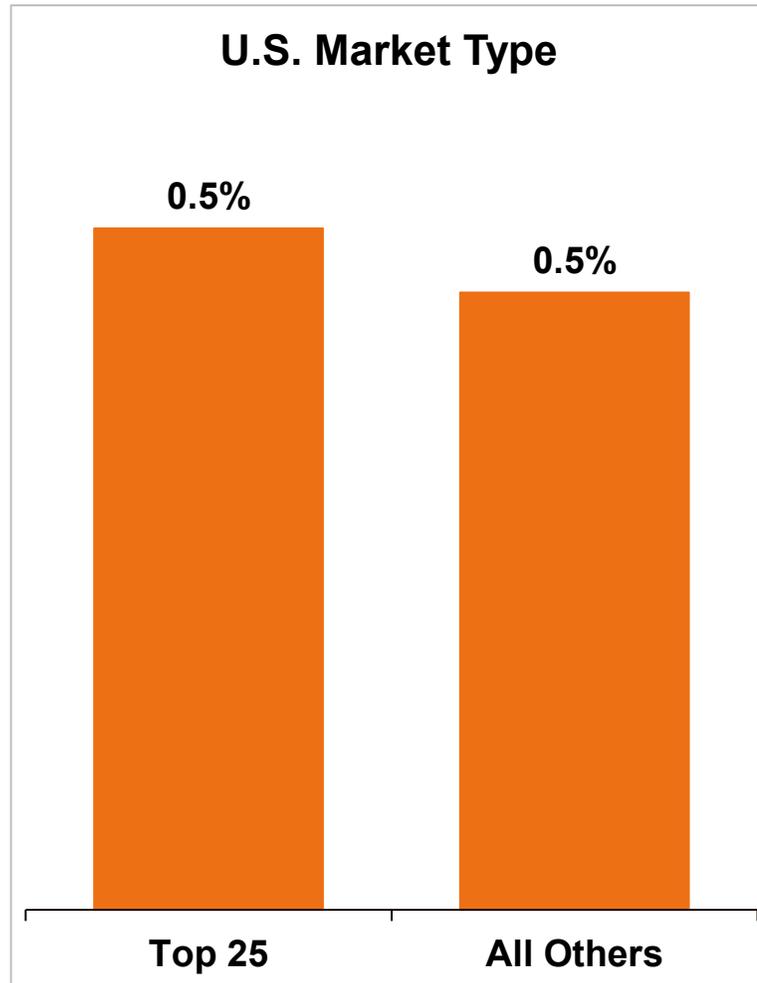
Competitive Benchmark

2024 Full Year



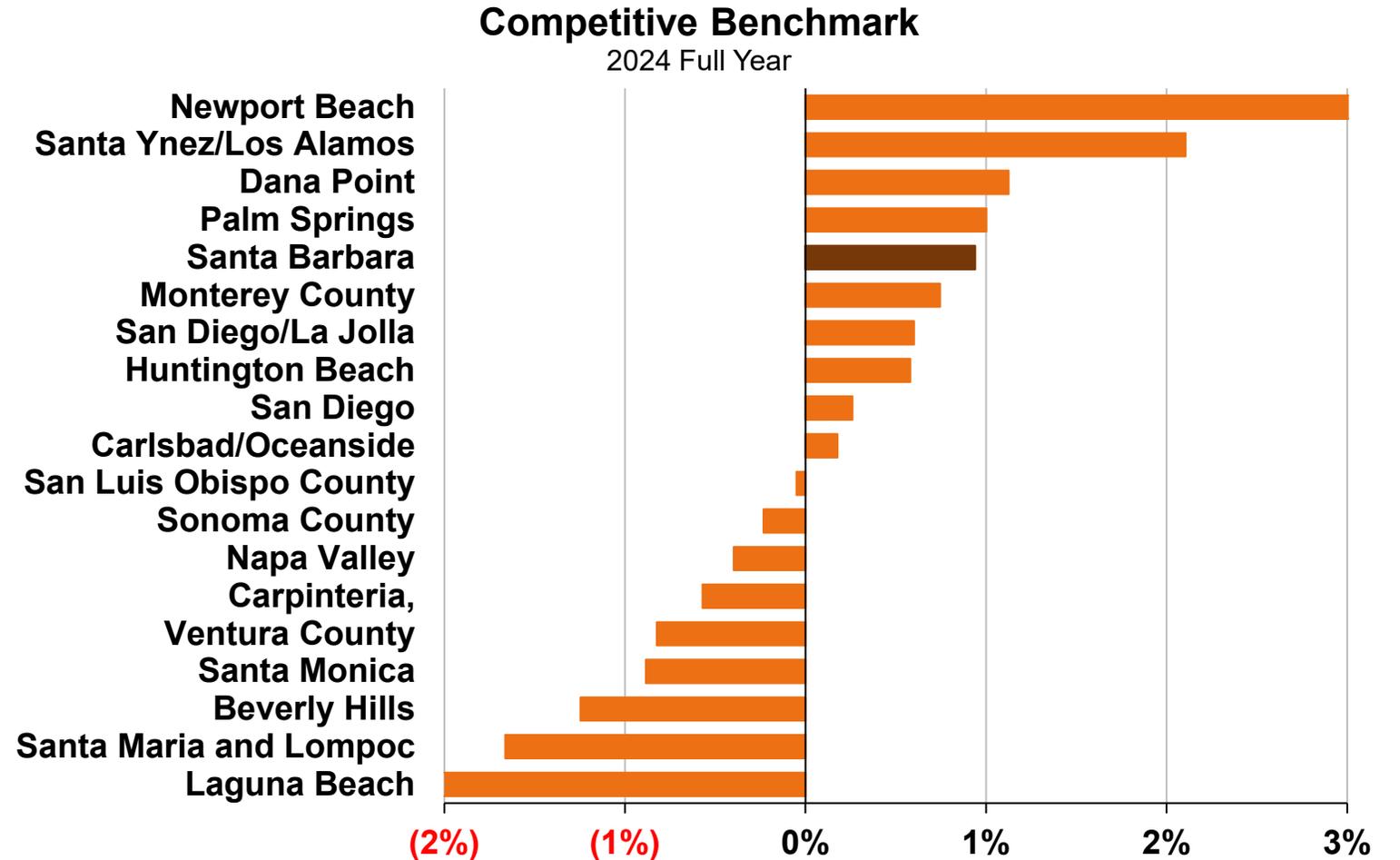
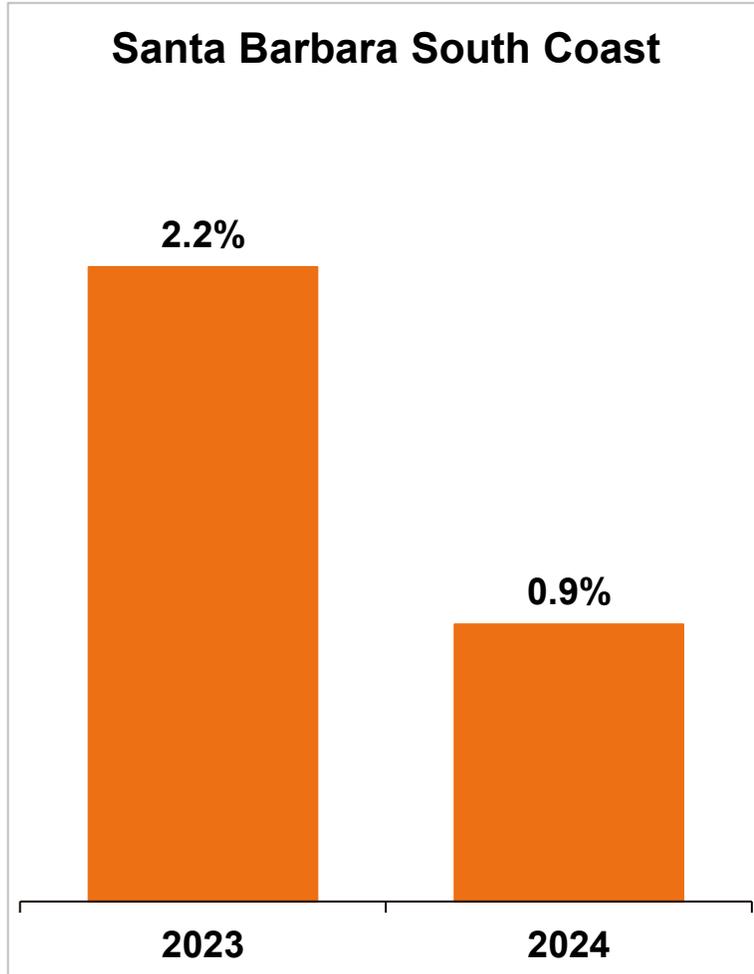
U.S. supply increasing slowly and mostly in the South and West

U.S. supply change by market location, 2024 full year



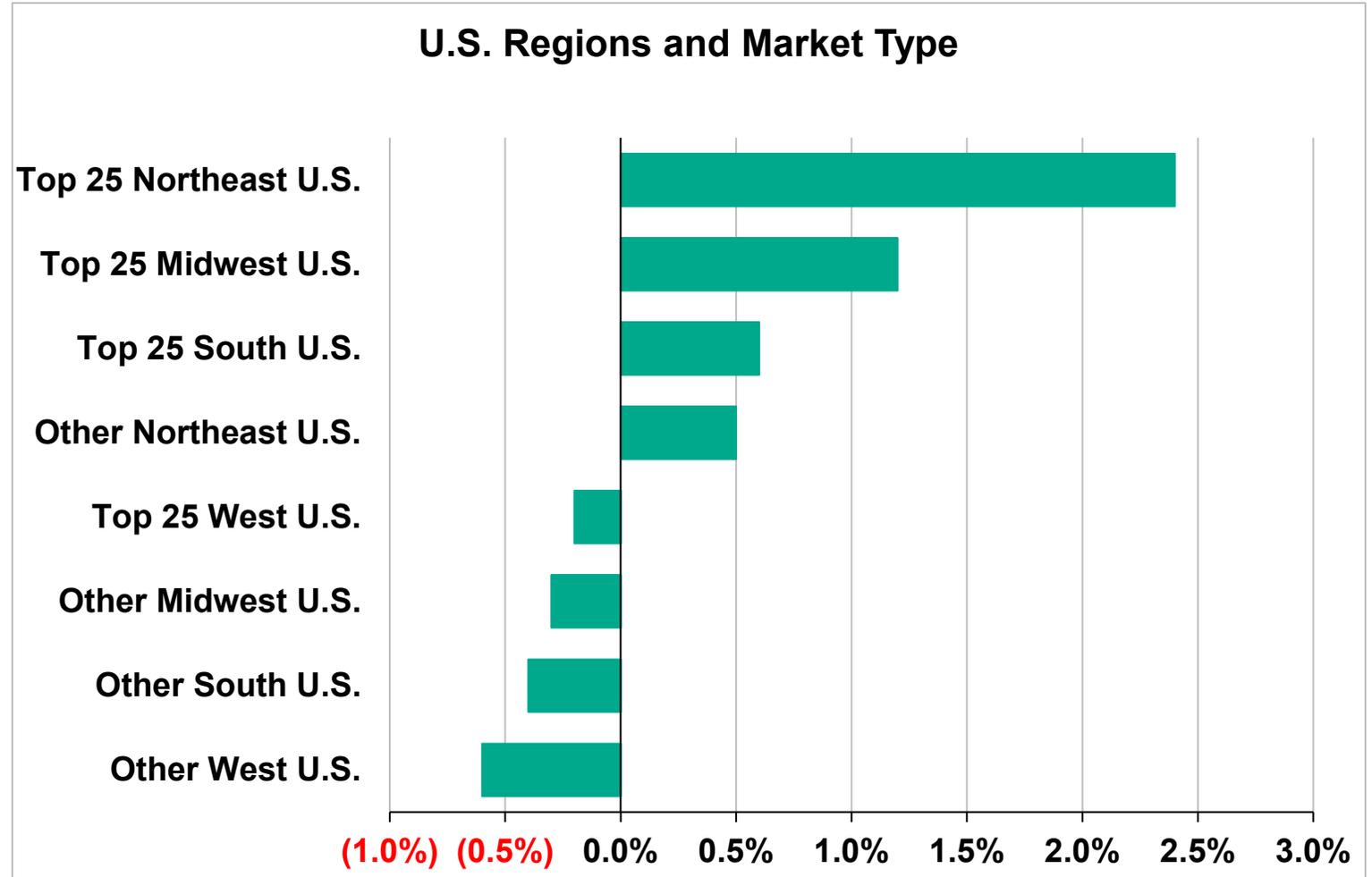
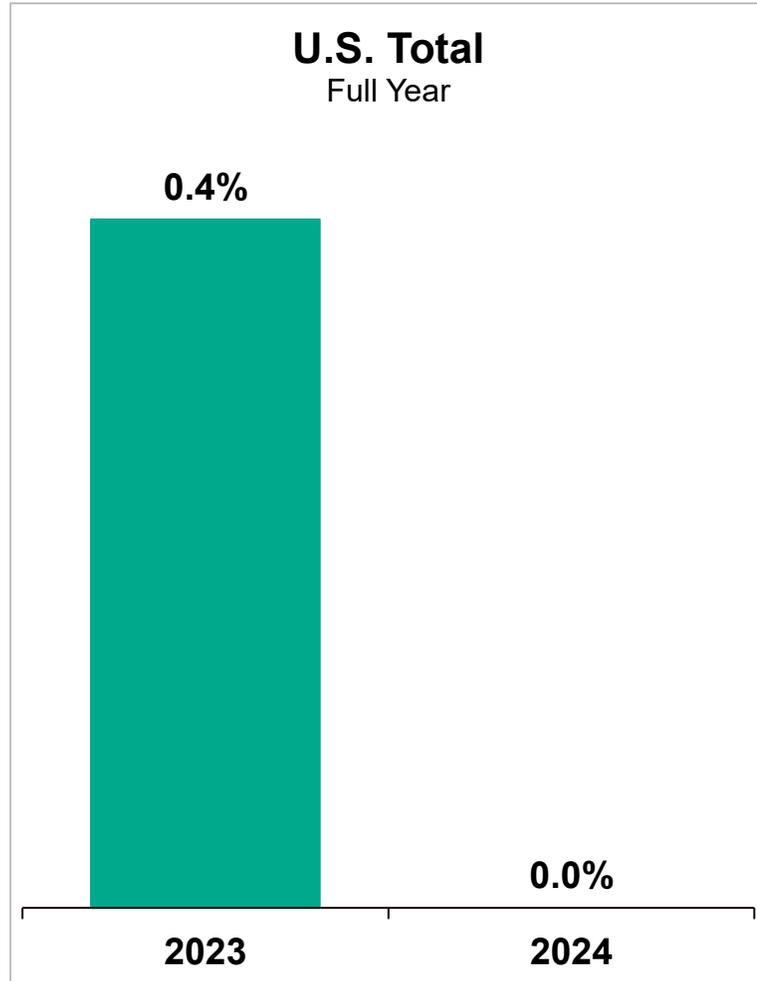
Supply in the market down compared to pre-pandemic level

Room supply change



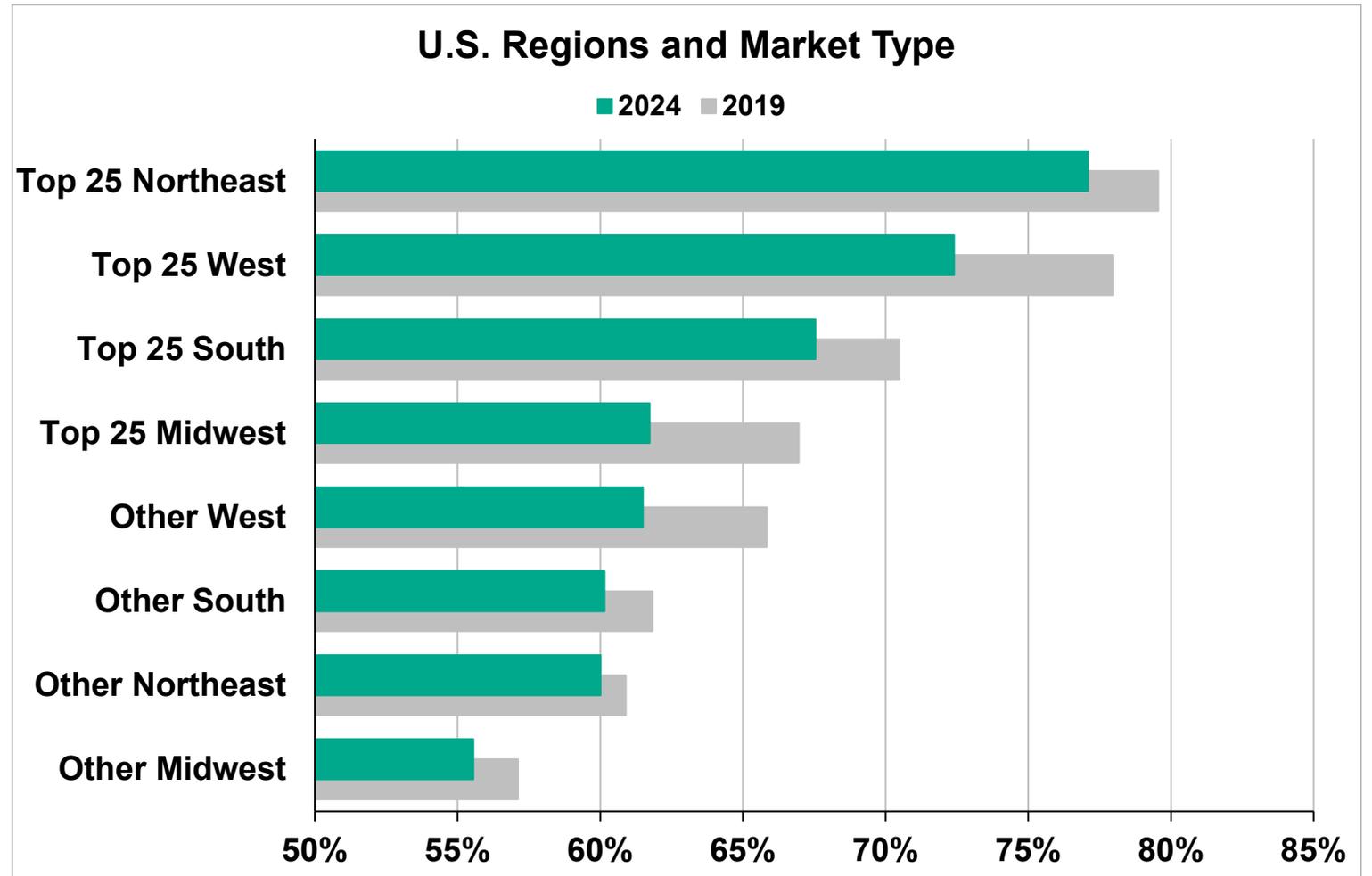
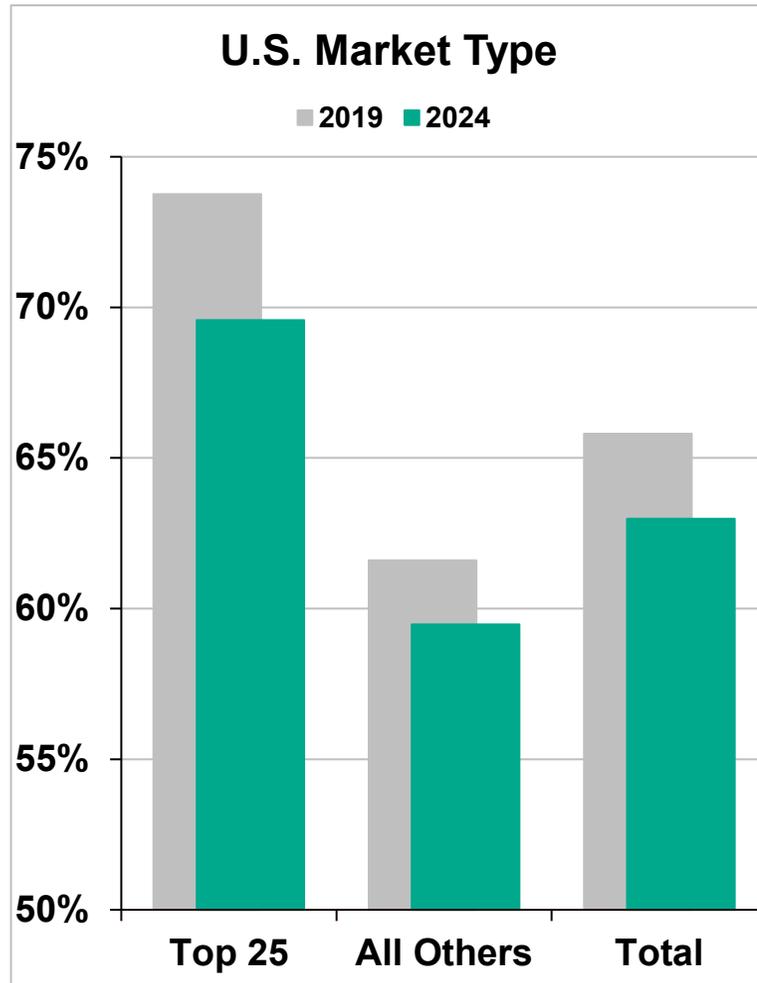
Occupancy growth was mostly in Top 25 markets

Occupancy change, percentage points



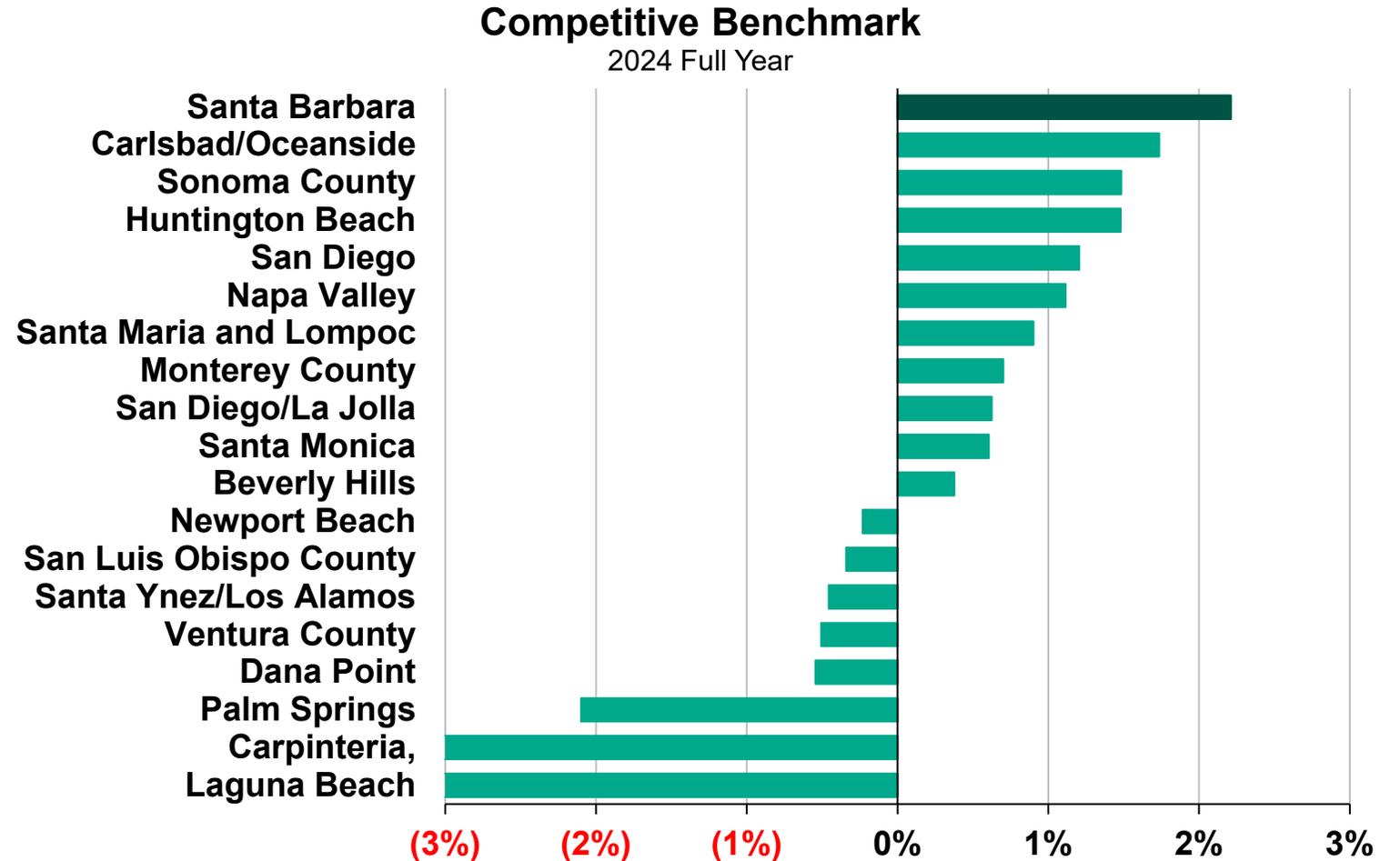
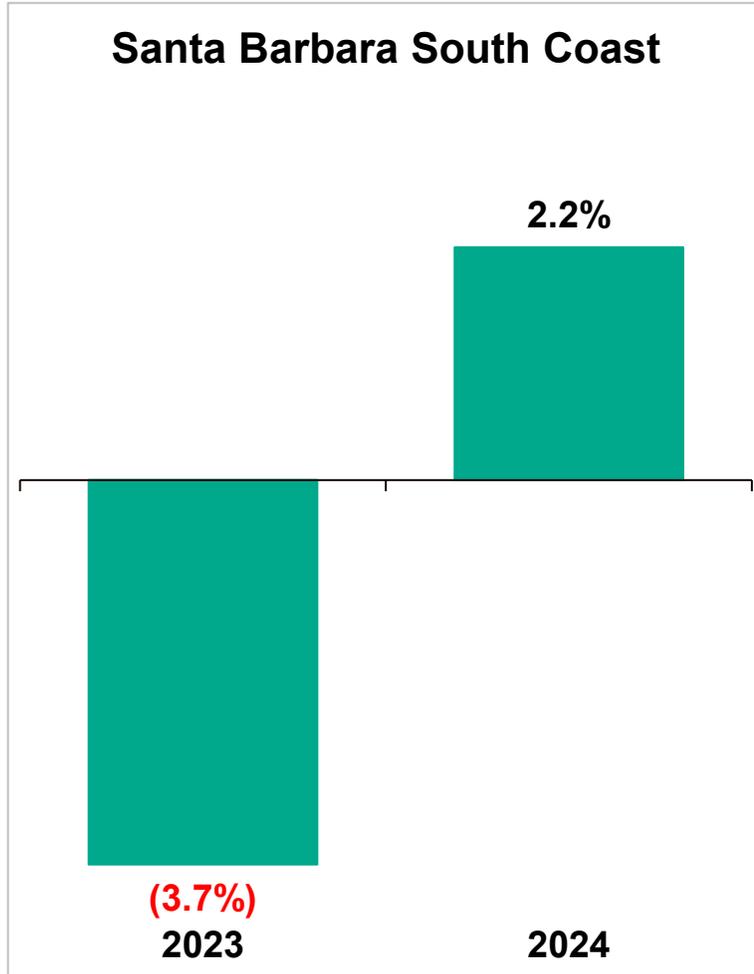
While growing, Top 25 occupancy gap to 2019 significant

U.S. occupancy by market location, full year



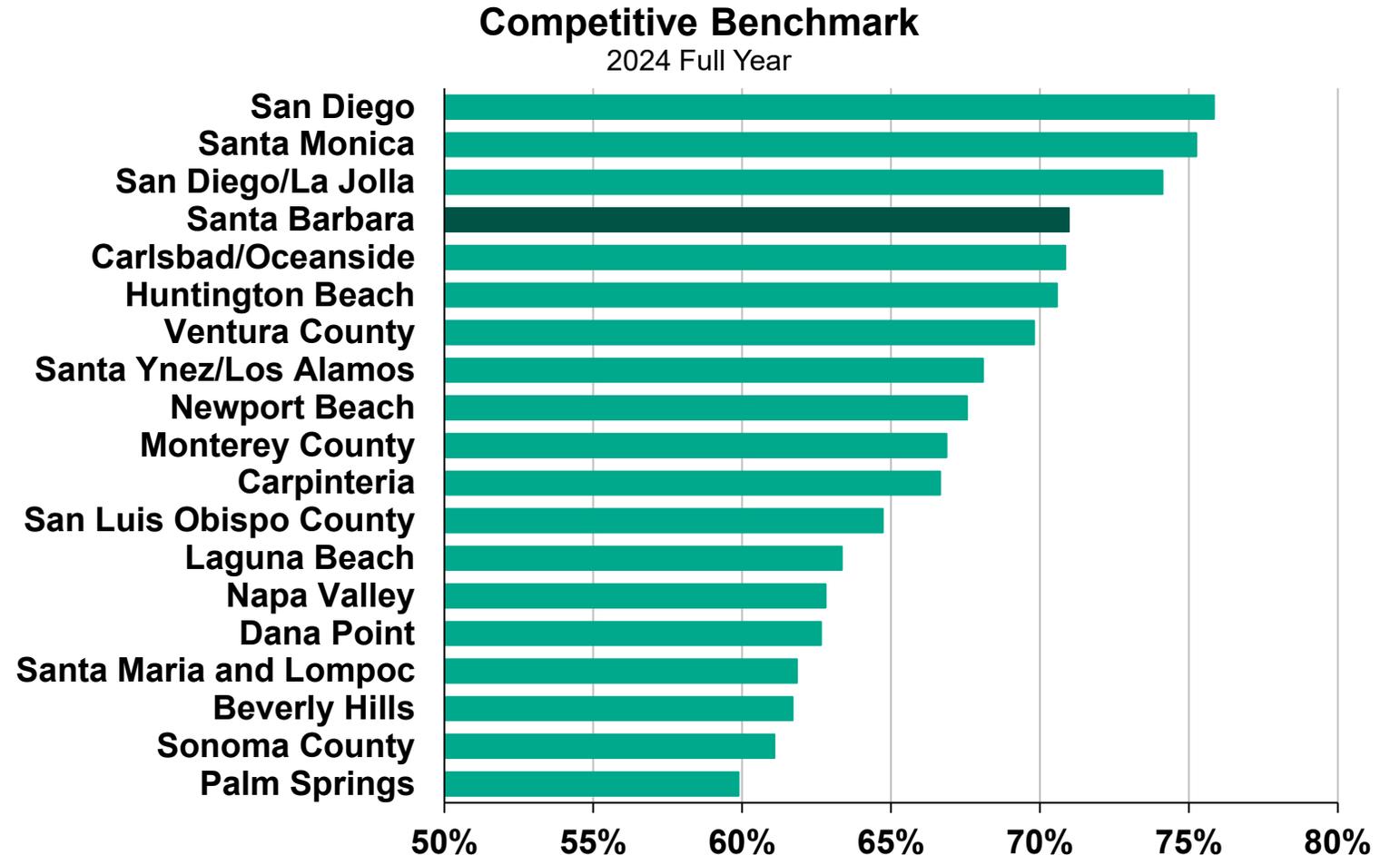
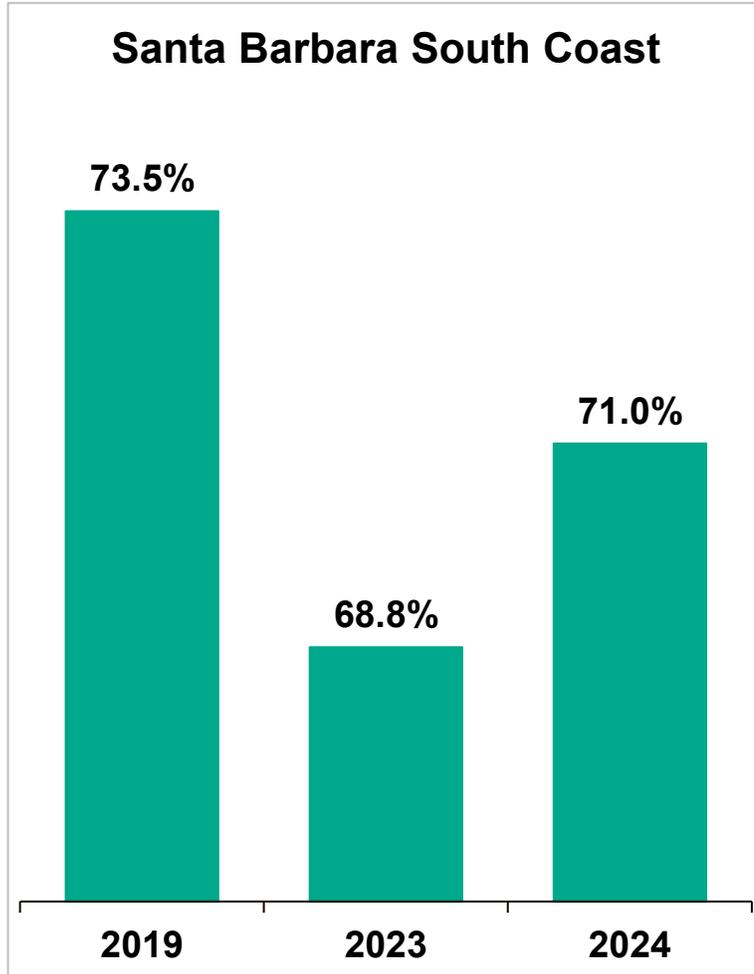
Occupancy on the rise

Occupancy change



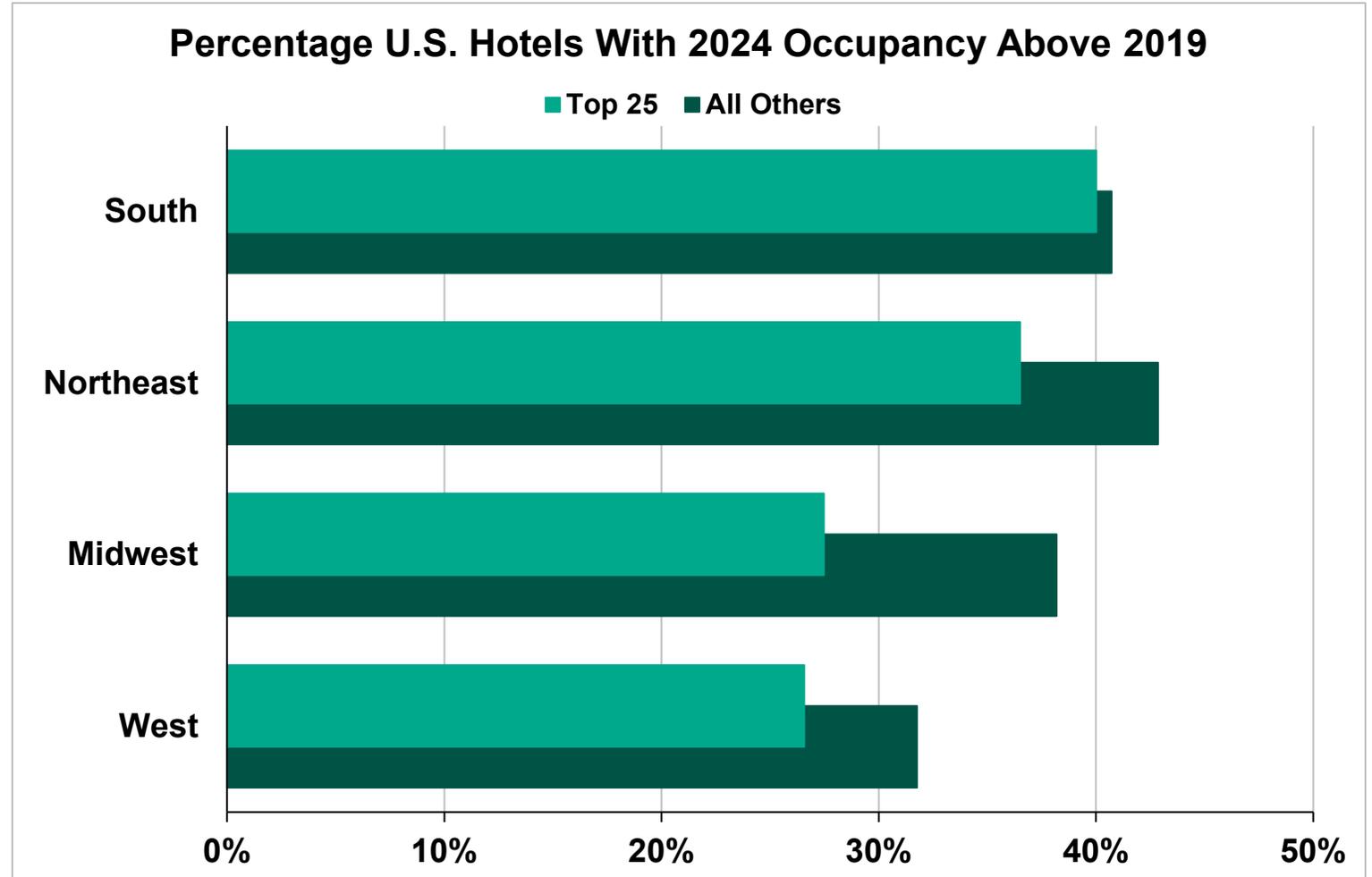
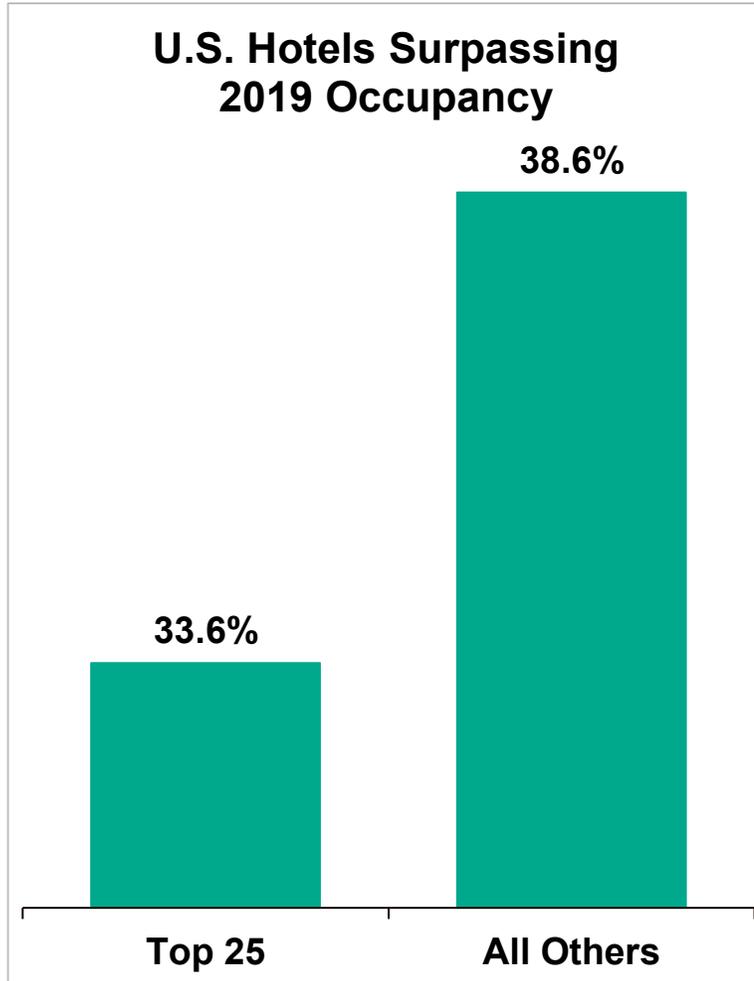
While strong, Santa Barbara occupancy down compared to 2019

Occupancy change



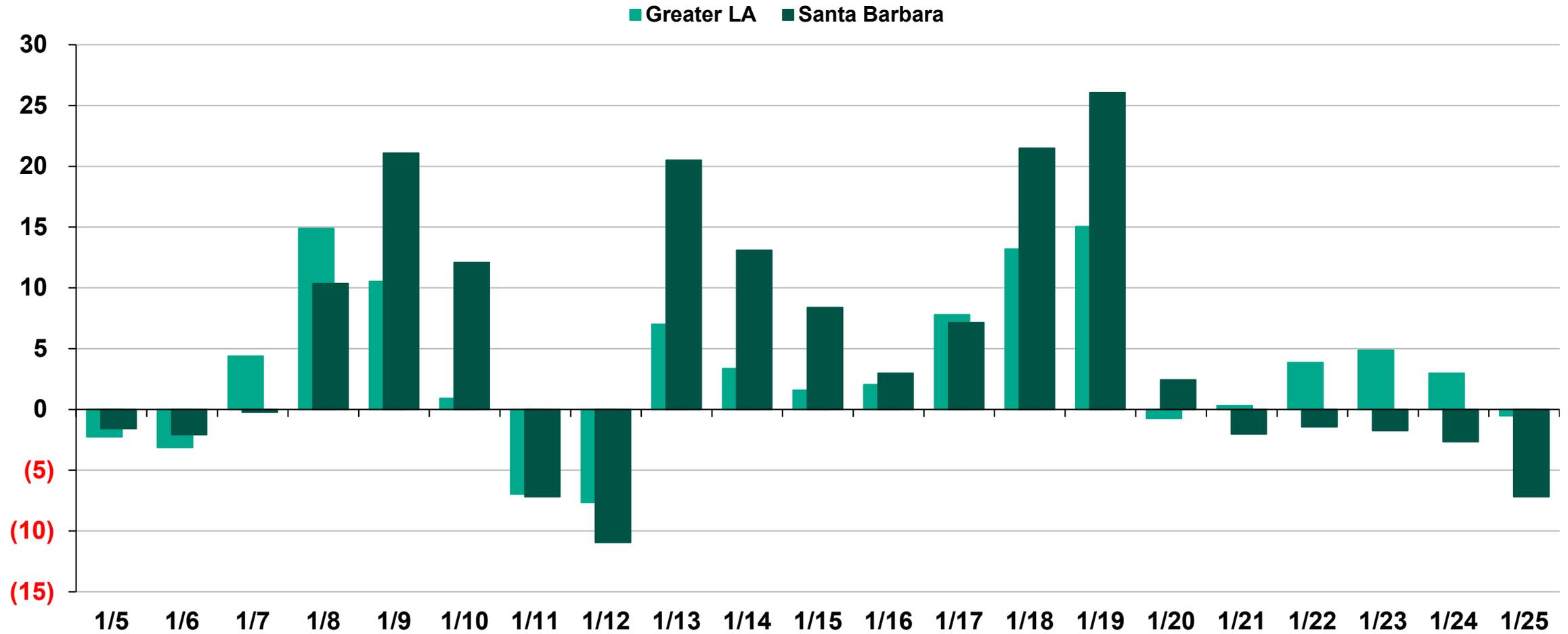
Northeast leads in the percentage of hotels fully recovered in occupancy

Percentage of U.S. hotels with occupancy above 2019 levels, November YTD*



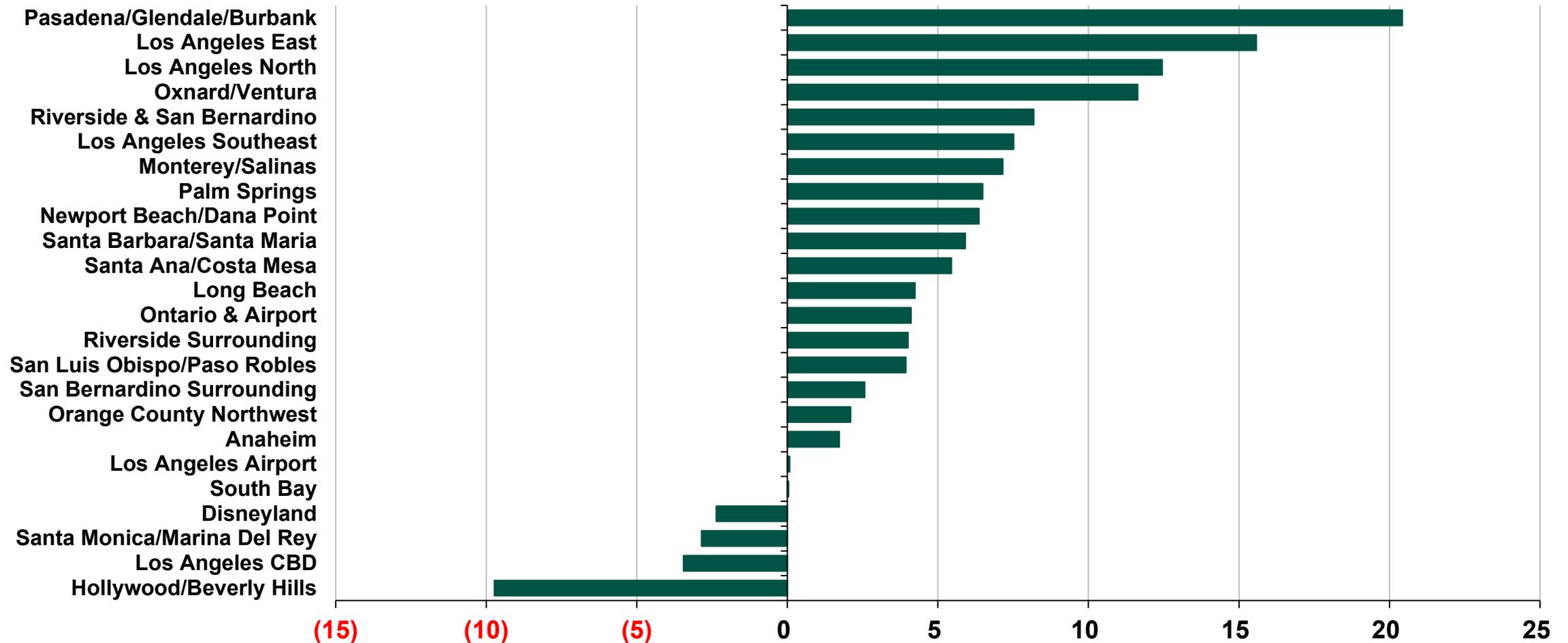
Los Angeles area occupancy elevated

Occupancy change



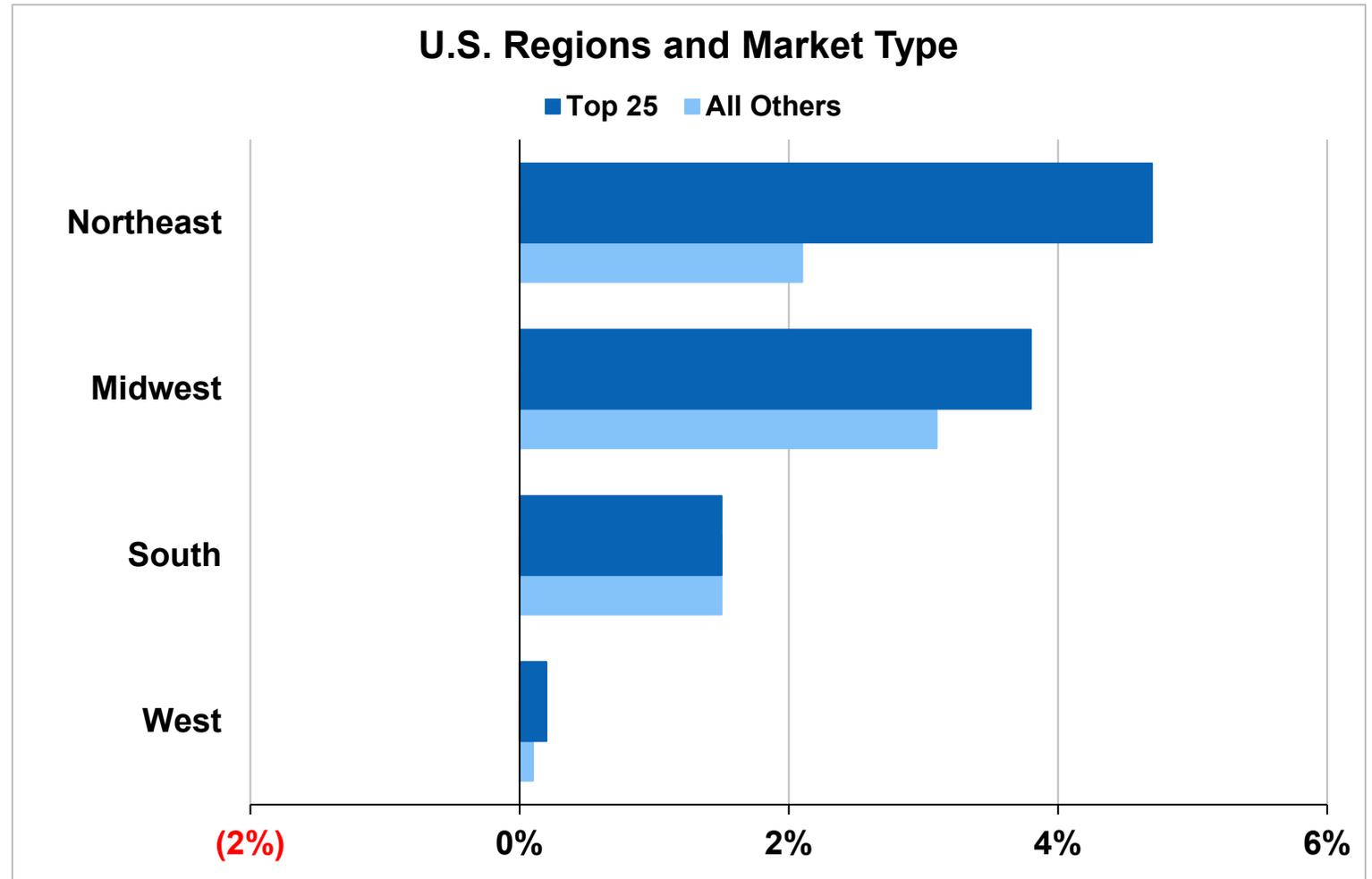
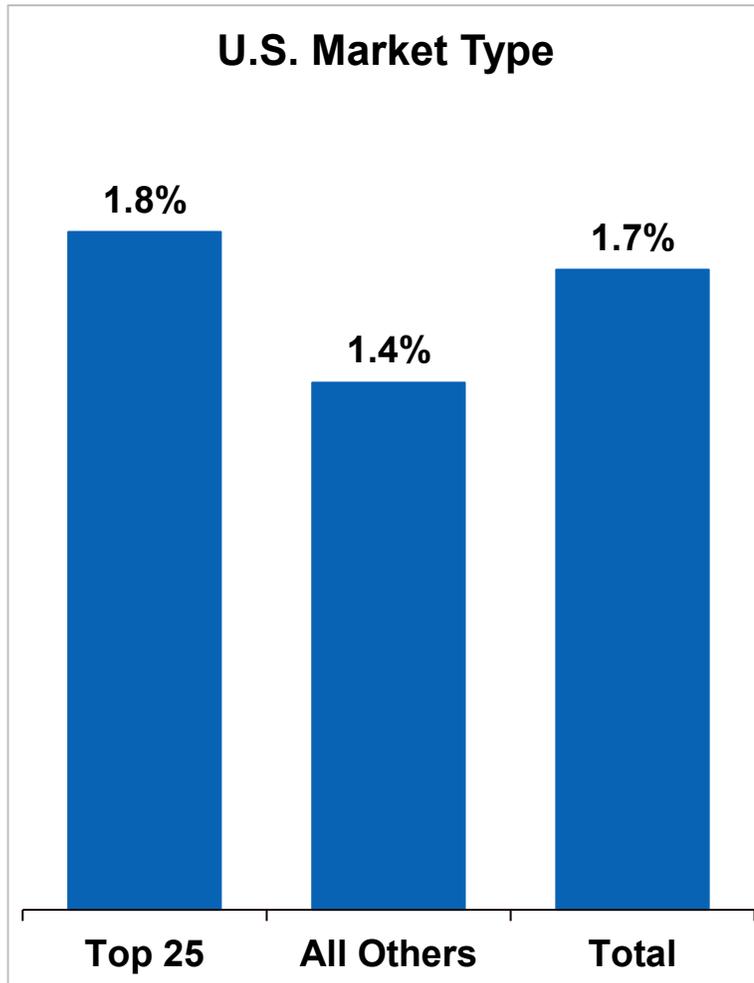
LA tourist areas seeing sharp occupancy decreases

Greater Los Angeles submarket occupancy, January 7-25, 2025



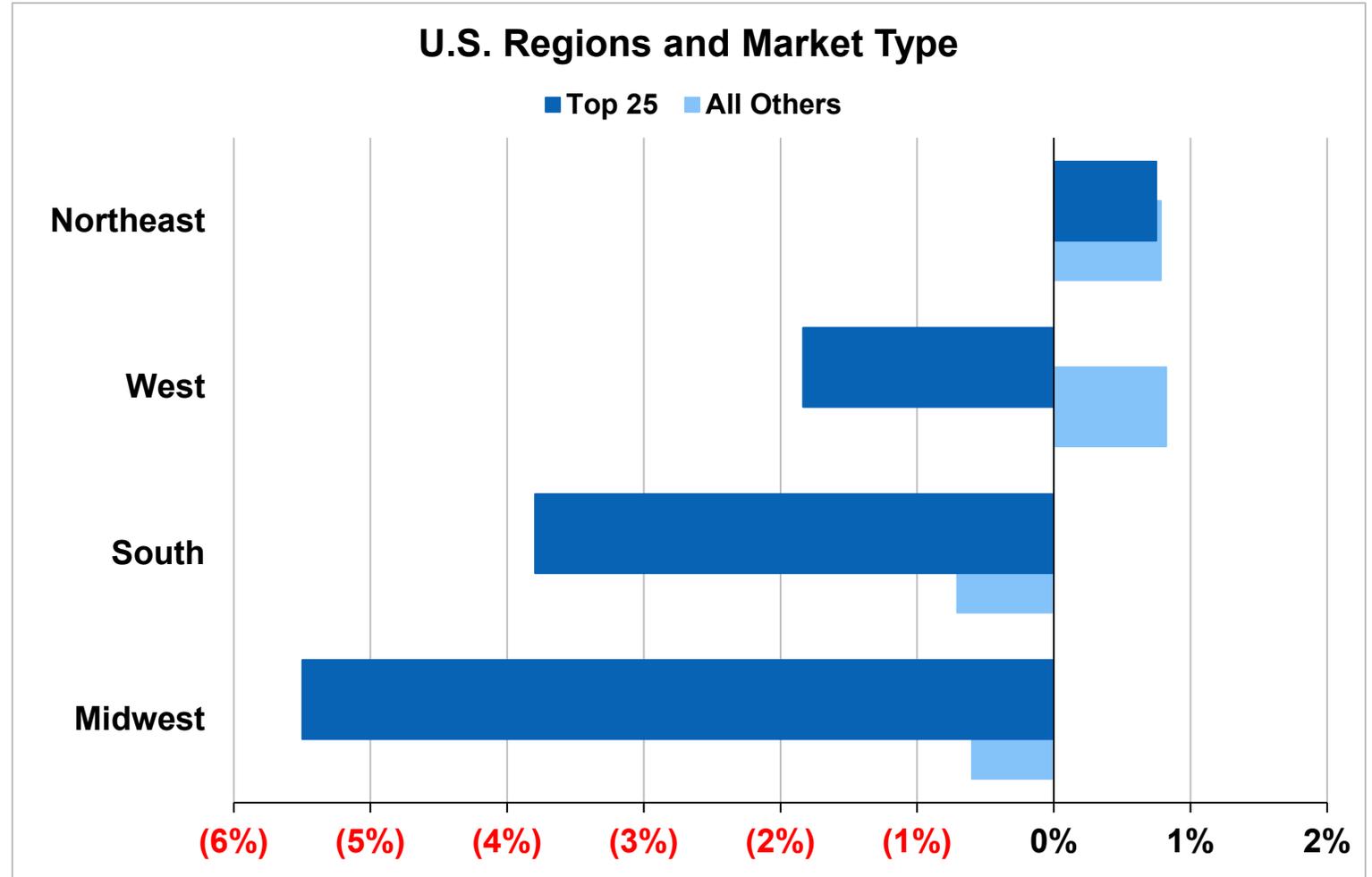
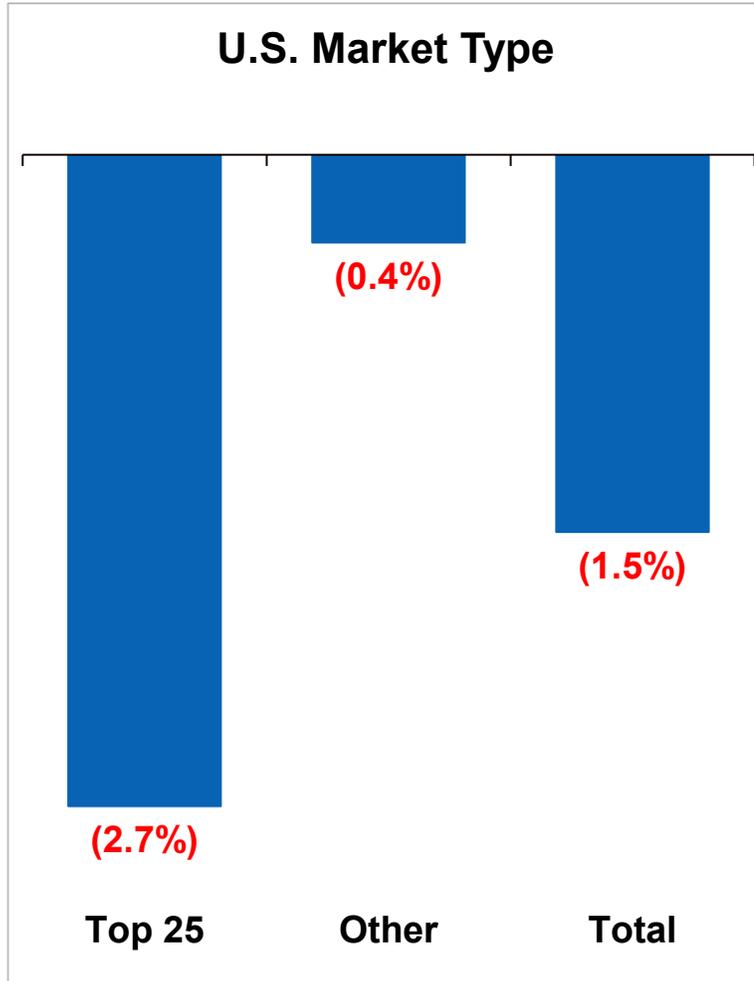
U.S. ADR growth led by top markets

ADR change by market location, 2024 full year



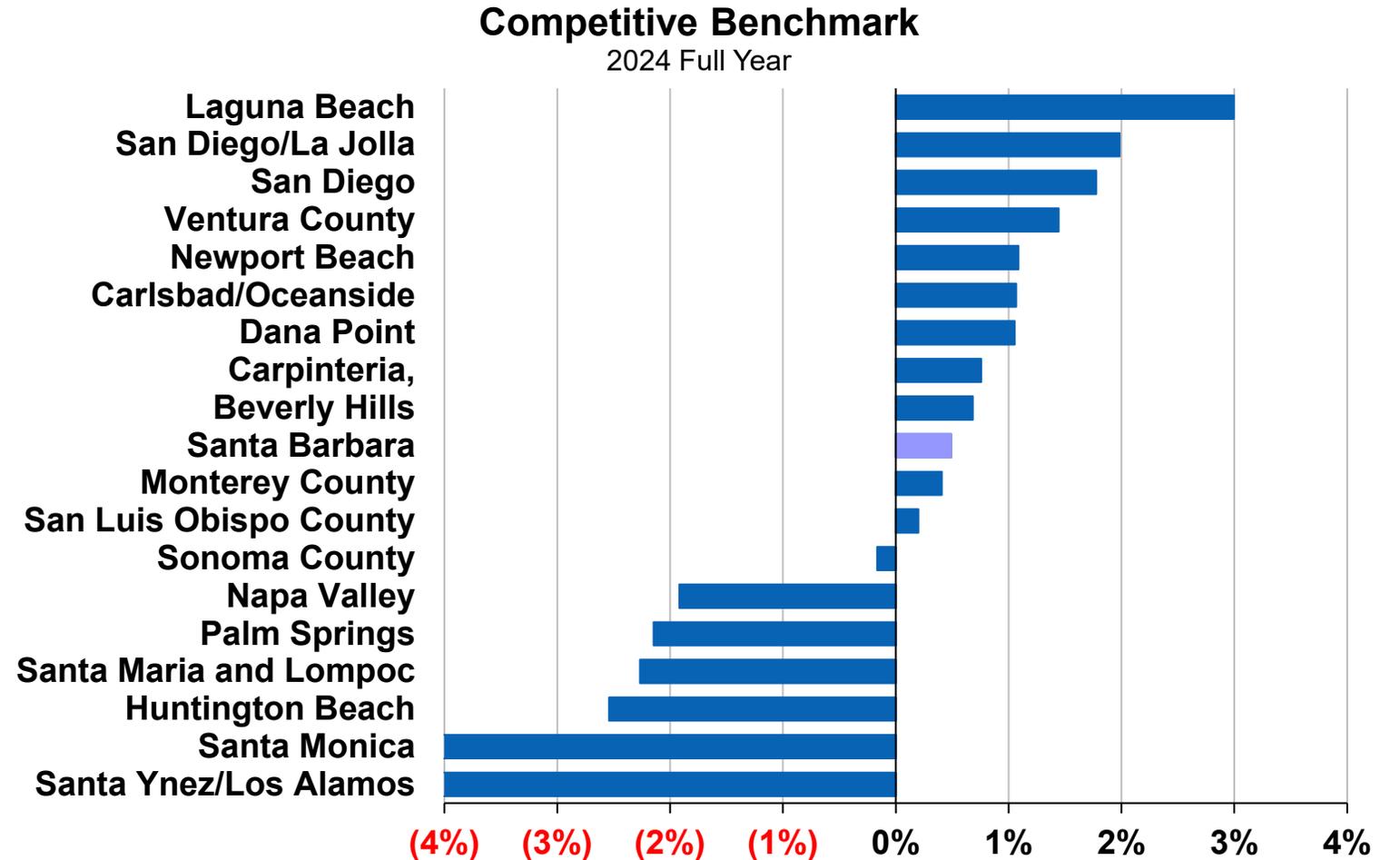
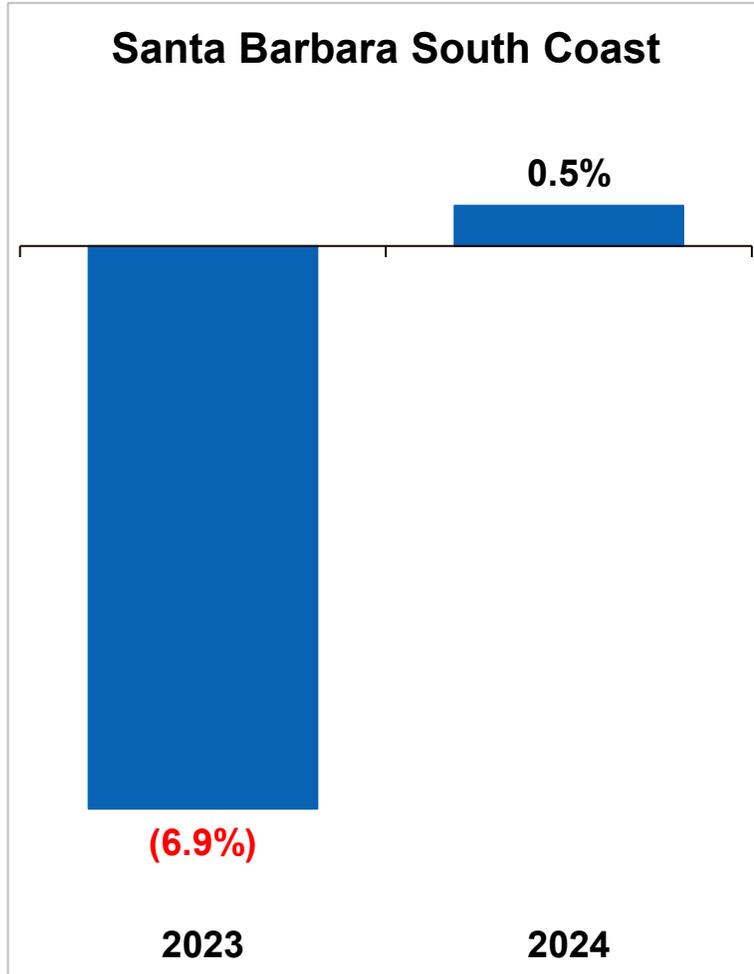
Top 25 Markets outside of the Northeast keeping real ADR in arrears

Real (inflation-adjusted) ADR change by market location versus 2019, 2024 full year



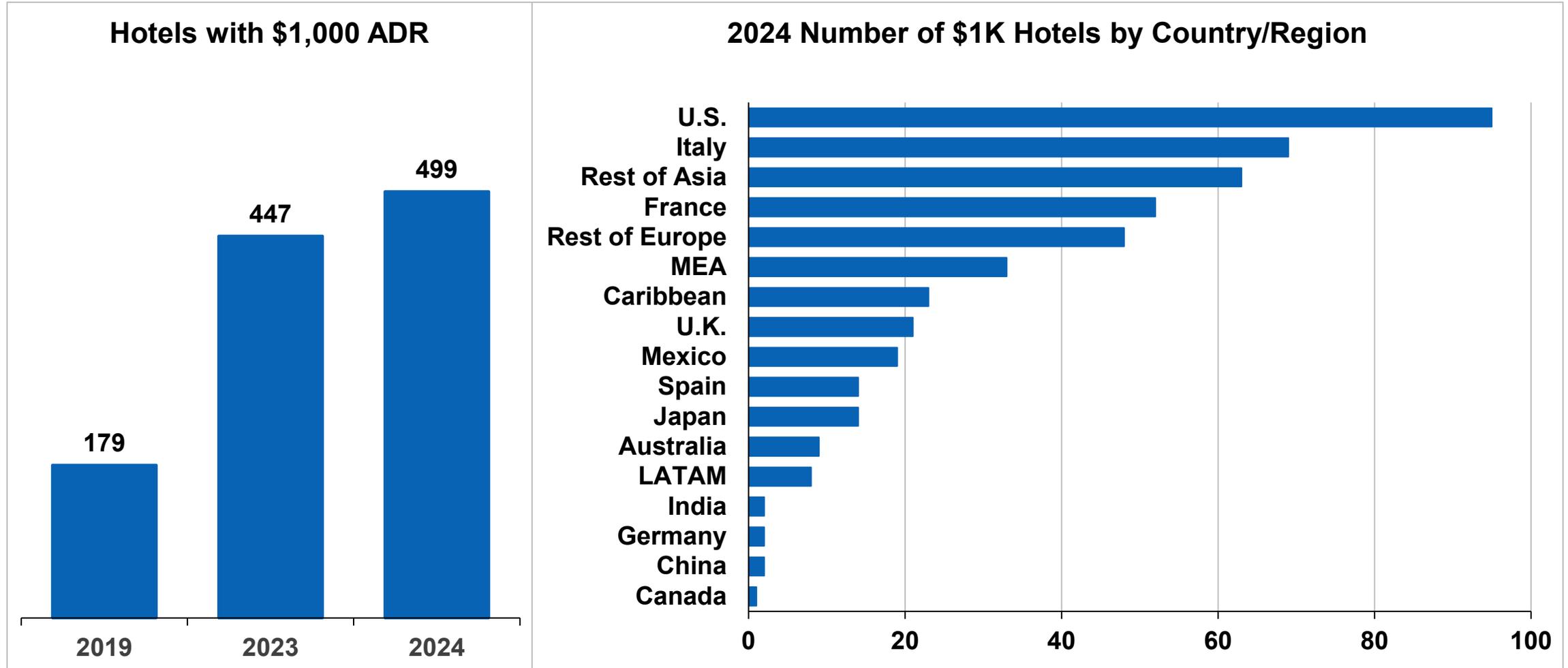
Despite the decrease in 2023, real ADR well above 2019

ADR change



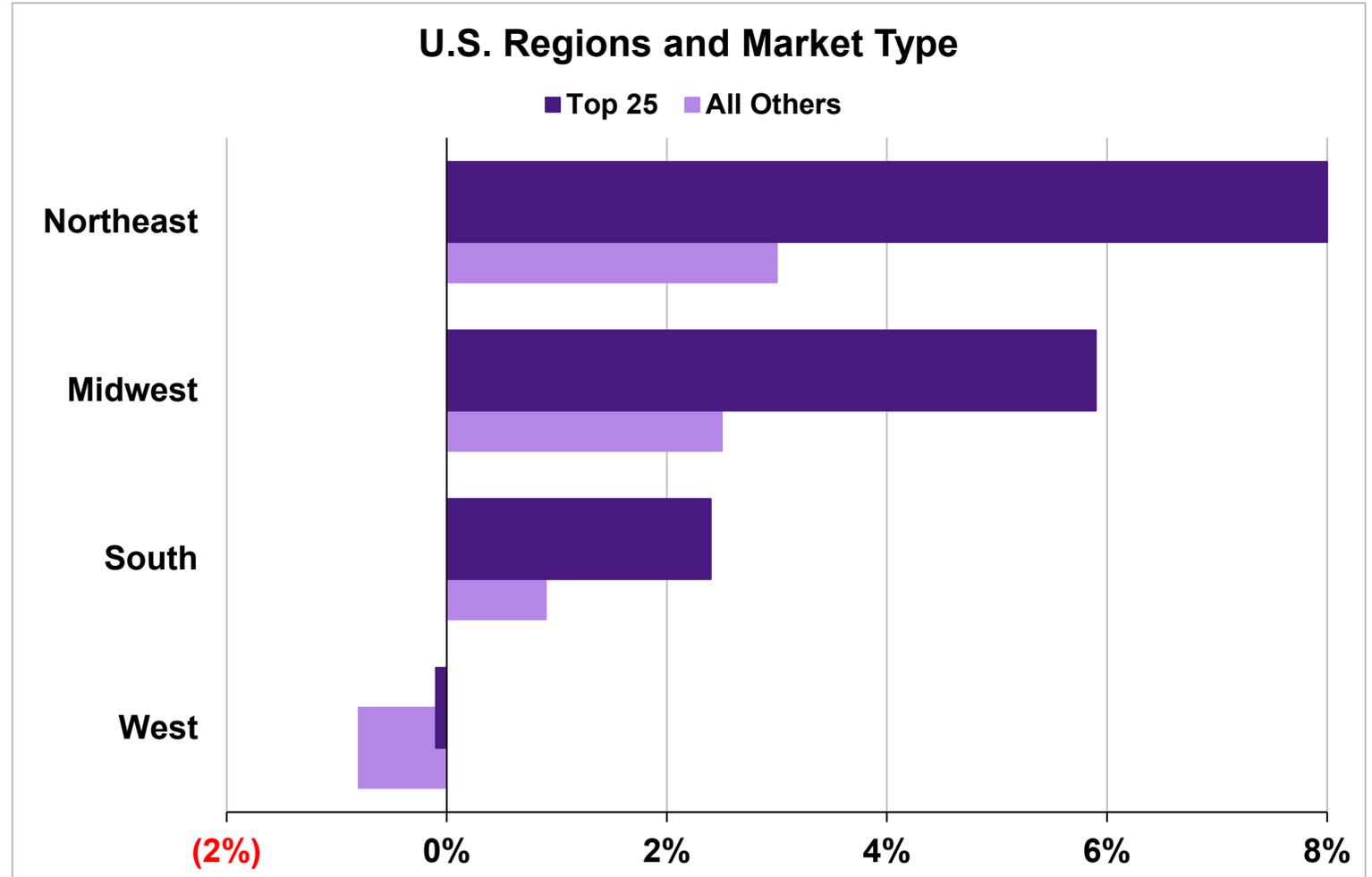
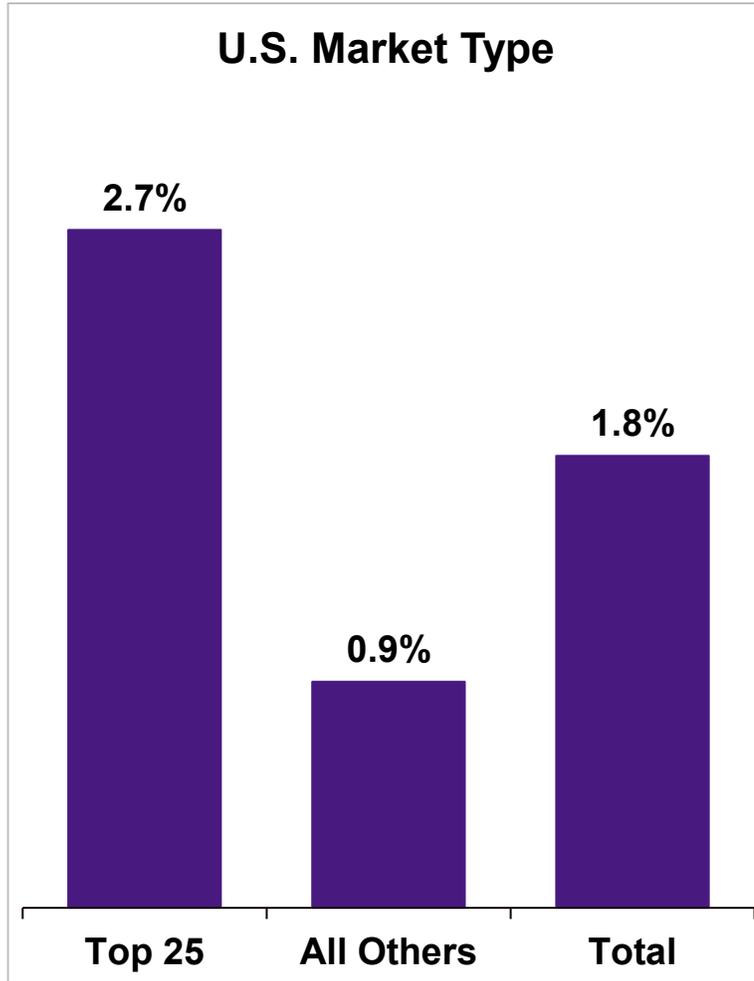
\$1,000 ADR hotels increasing

Number of hotels with an average ADR above \$1,000, reporting hotels



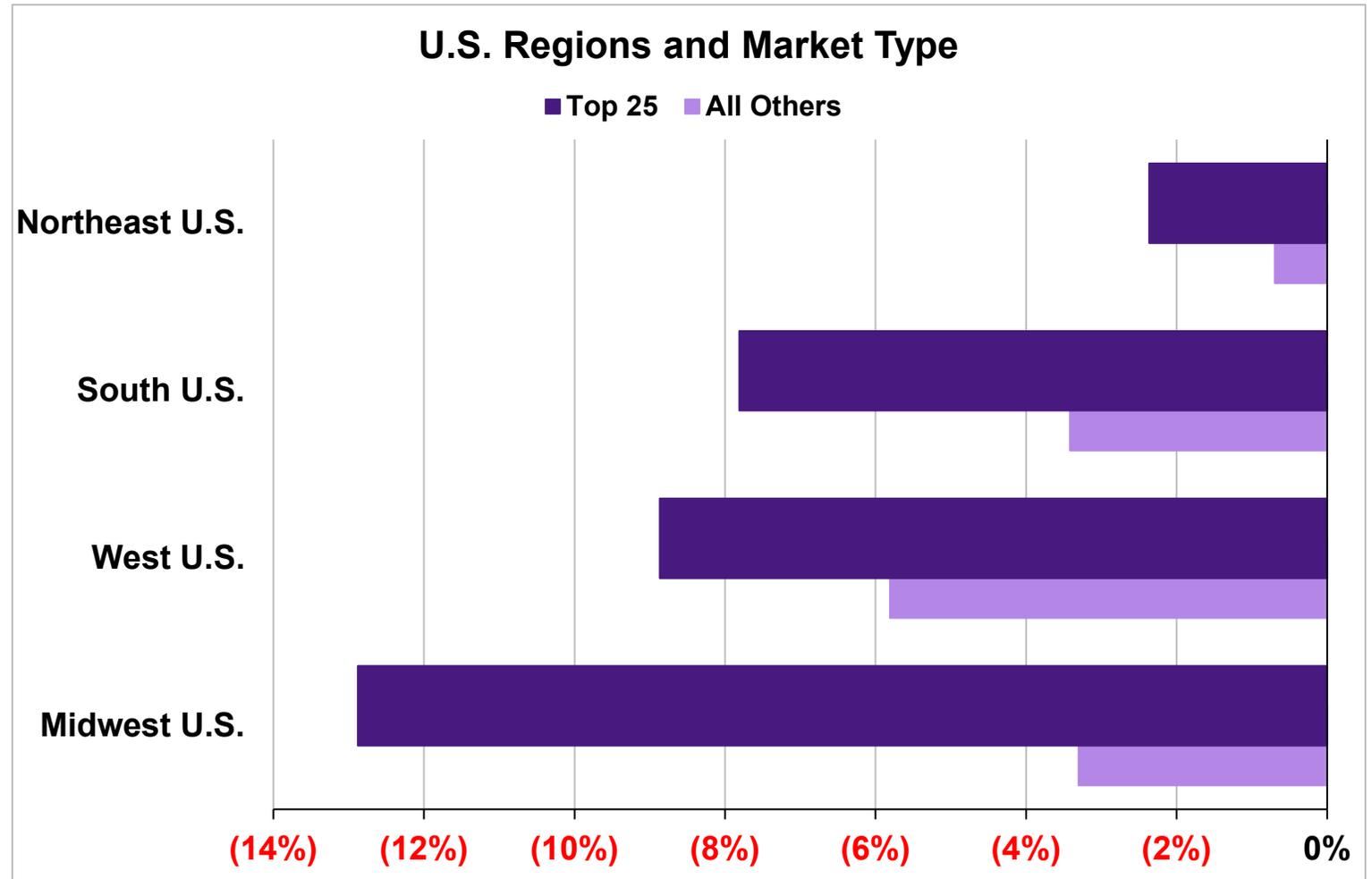
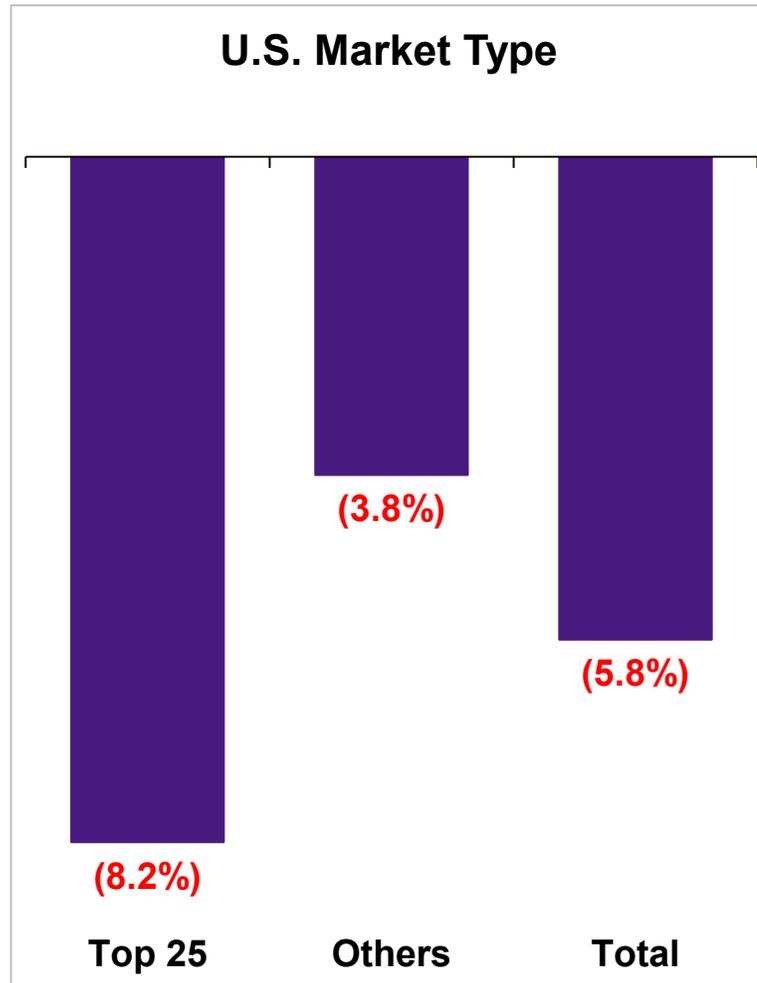
Large cities drove 2024 RevPAR growth

RevPAR change by market location, 2024 full year



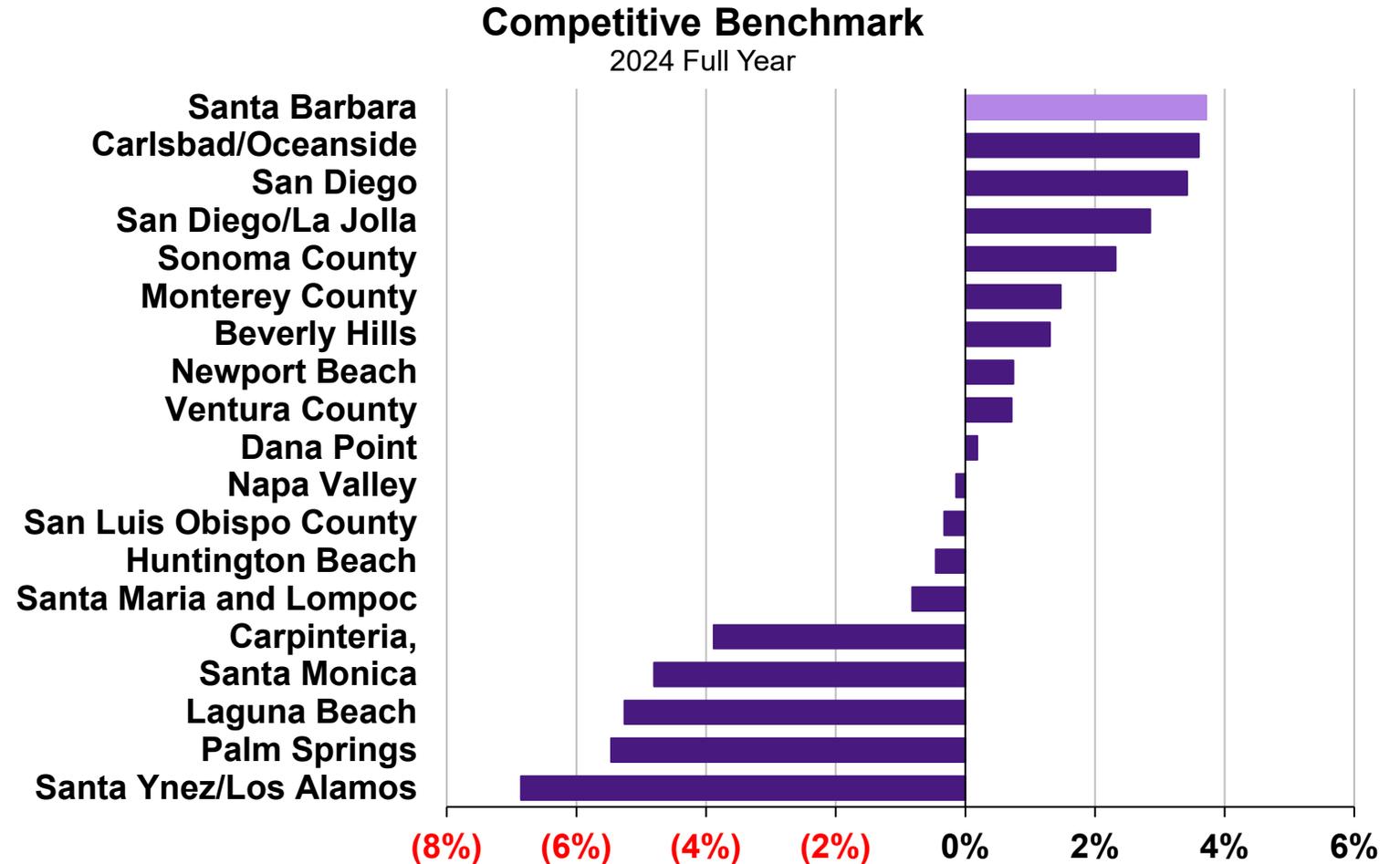
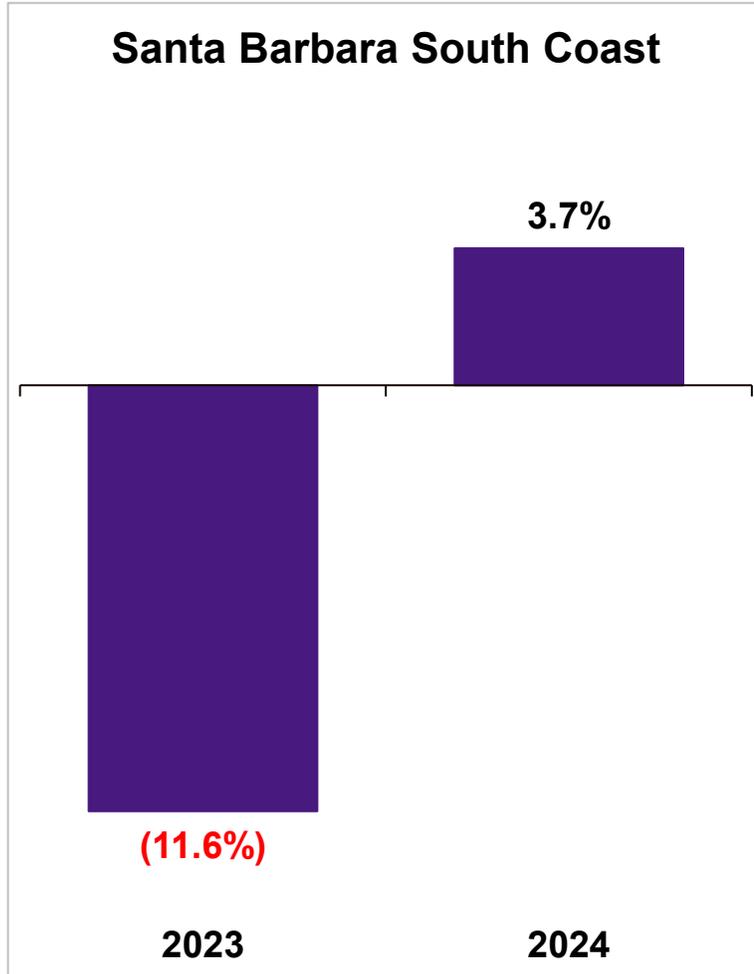
Real RevPAR not yet at 2019 levels

Real (inflation-adjusted) RevPAR change by market location versus 2019, 2024 full year



Santa Barbara RevPAR growth ahead of peers

RevPAR change



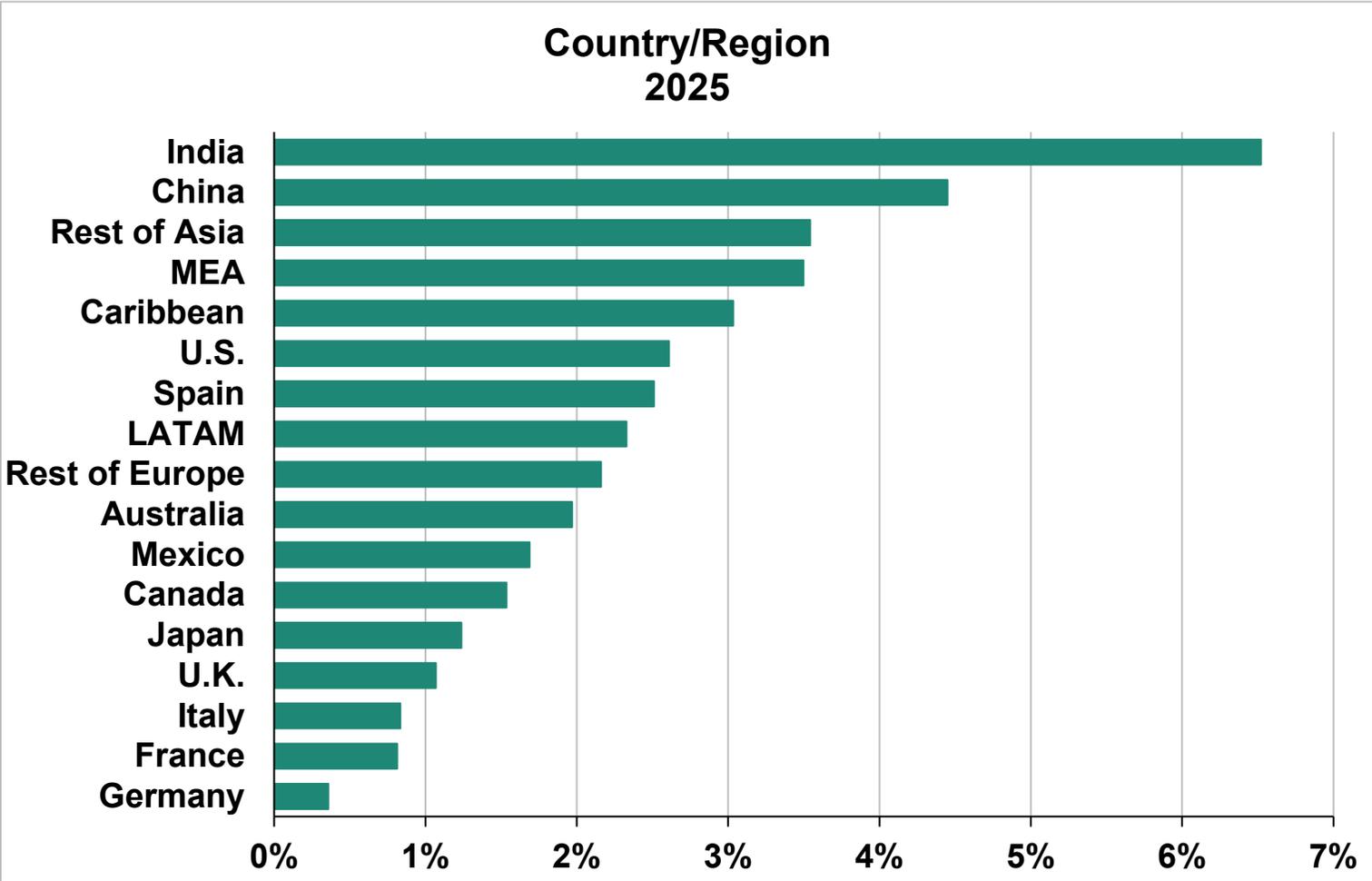
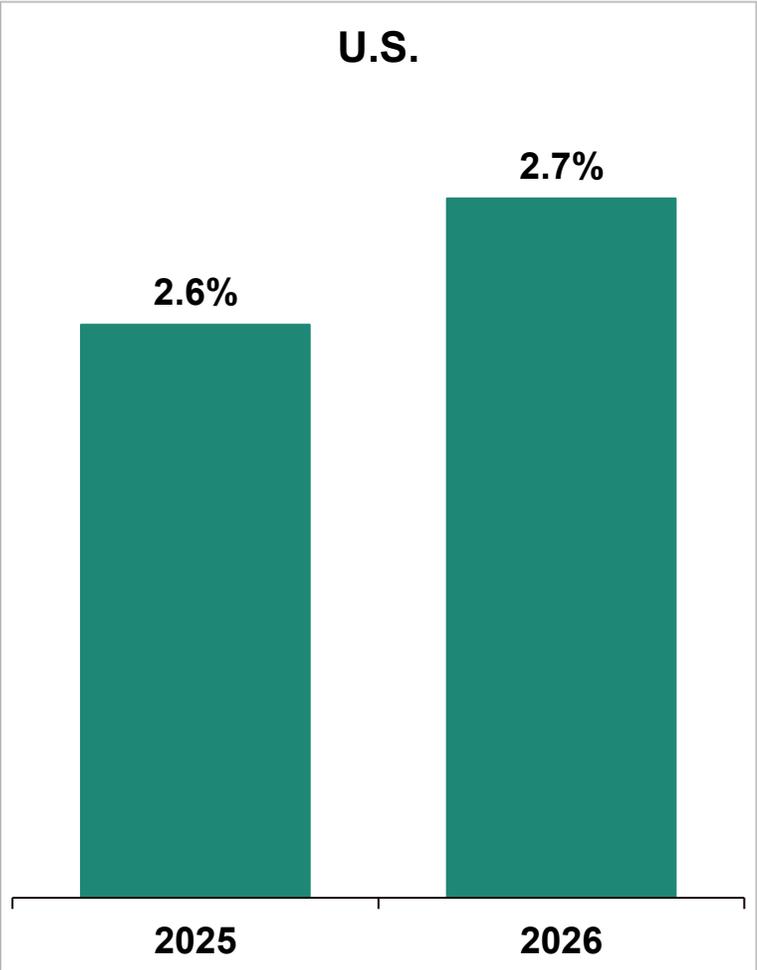


Outlook



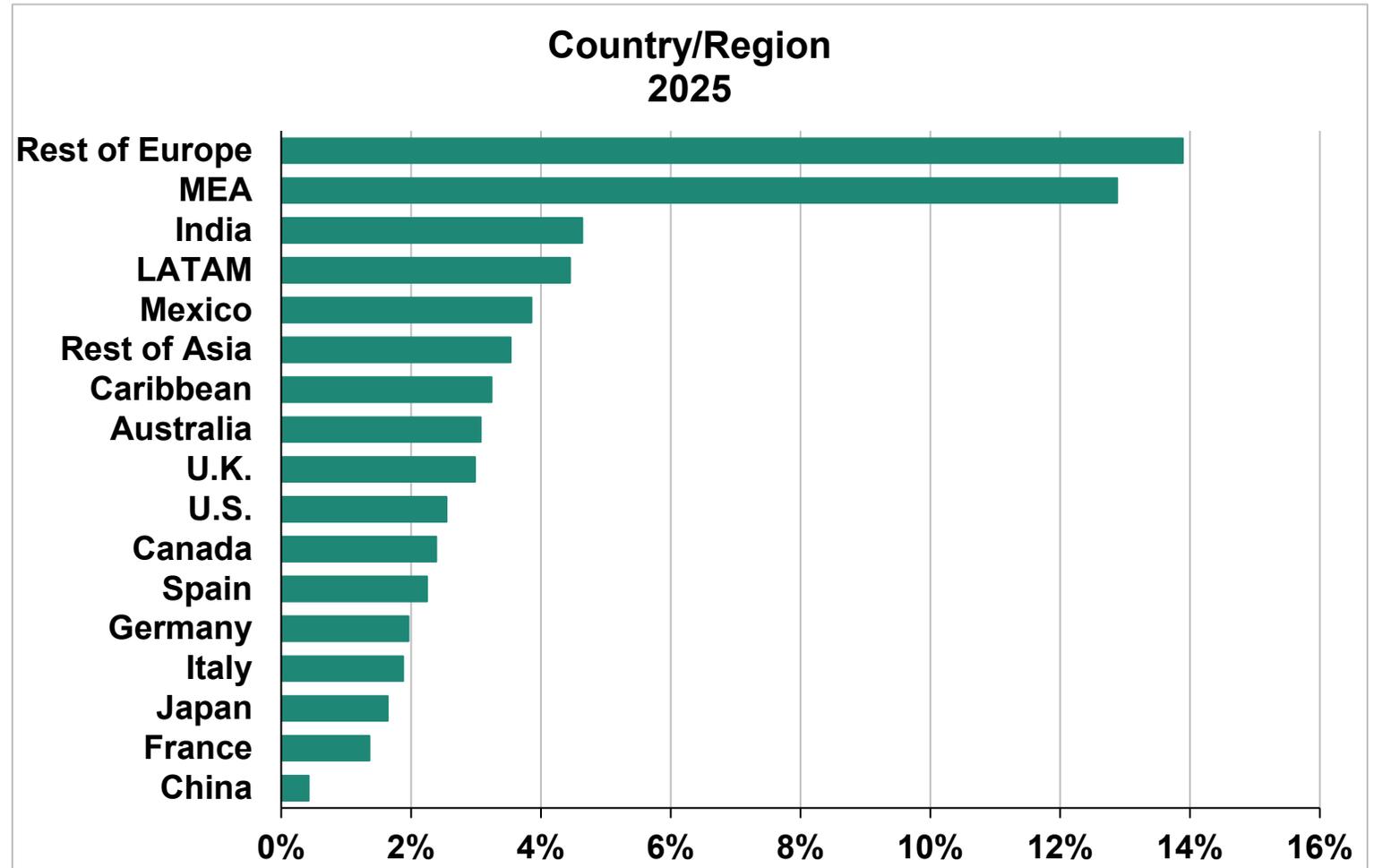
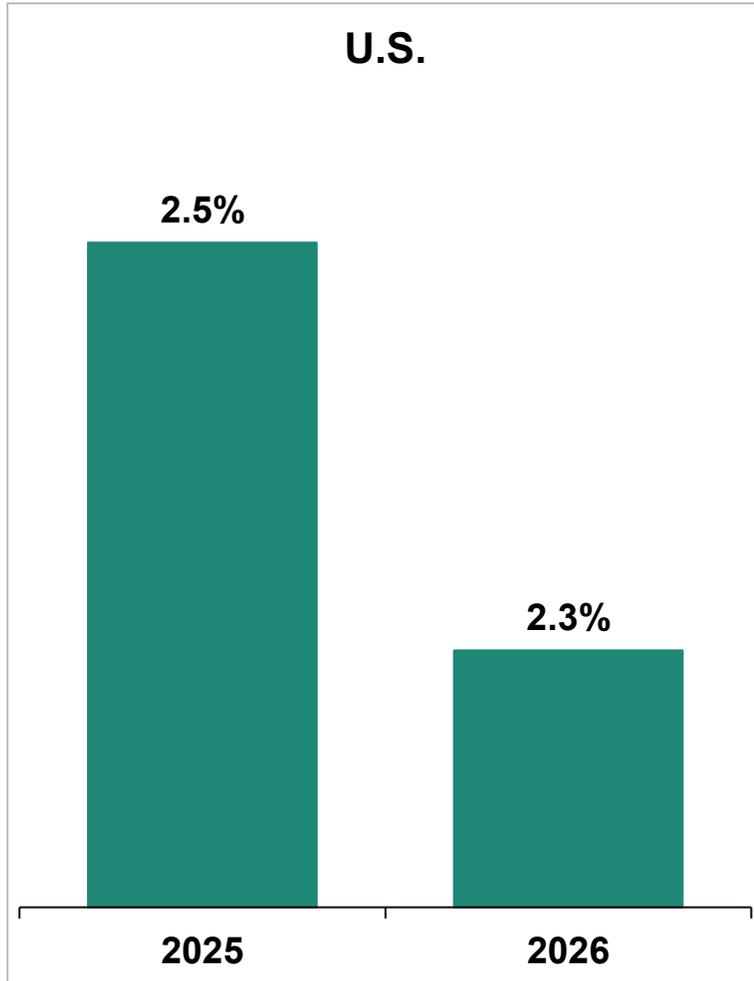
The global economy looks favorable for travel

Real GDP, year over year change



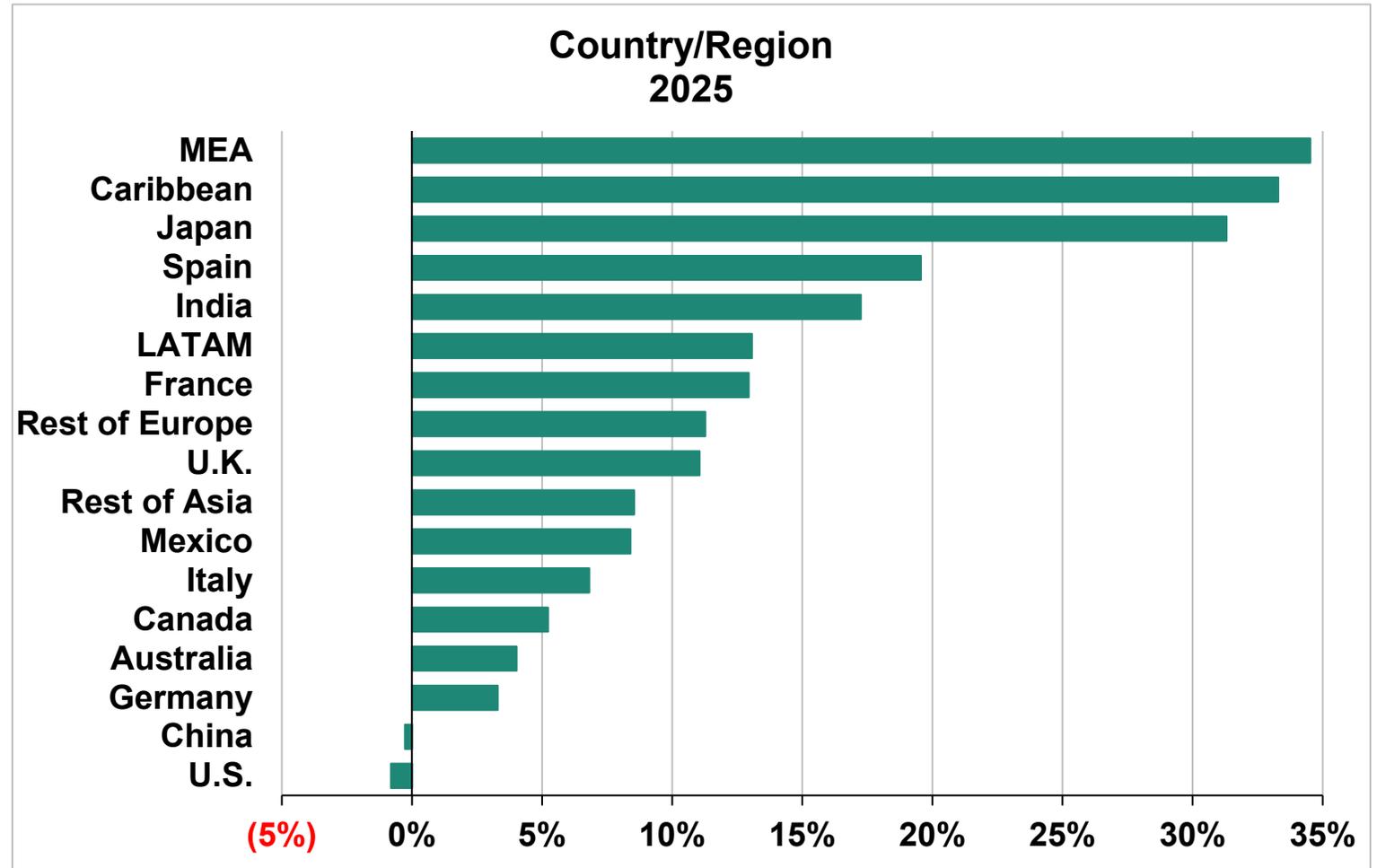
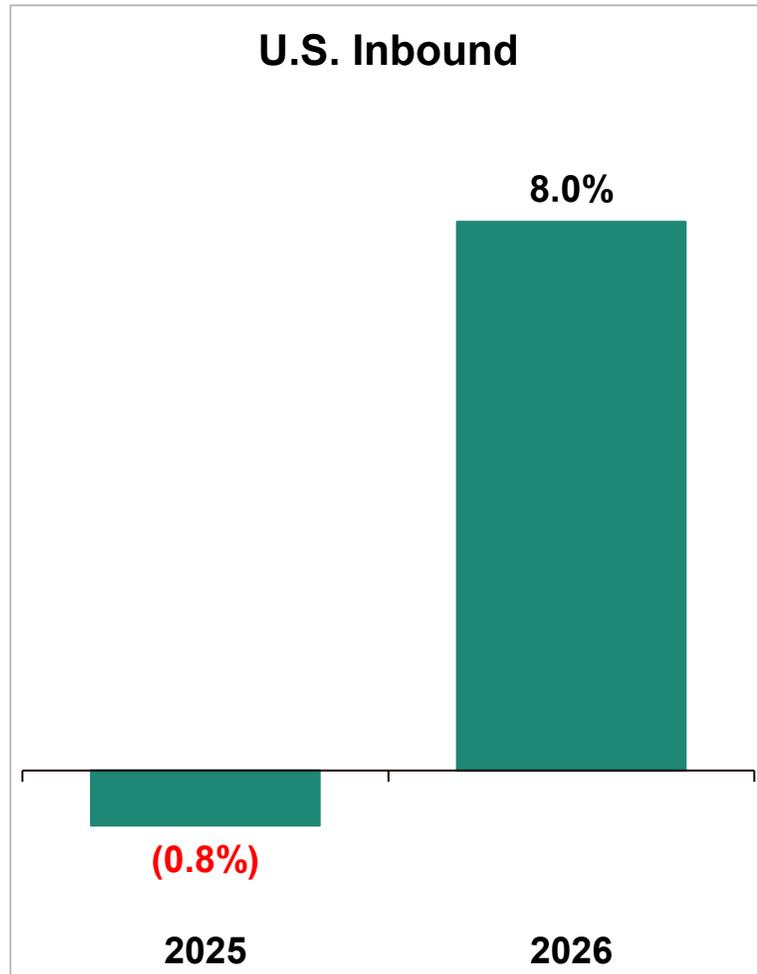
Inflation slowing

Inflation, year-over-year change, regions weighted by GDP



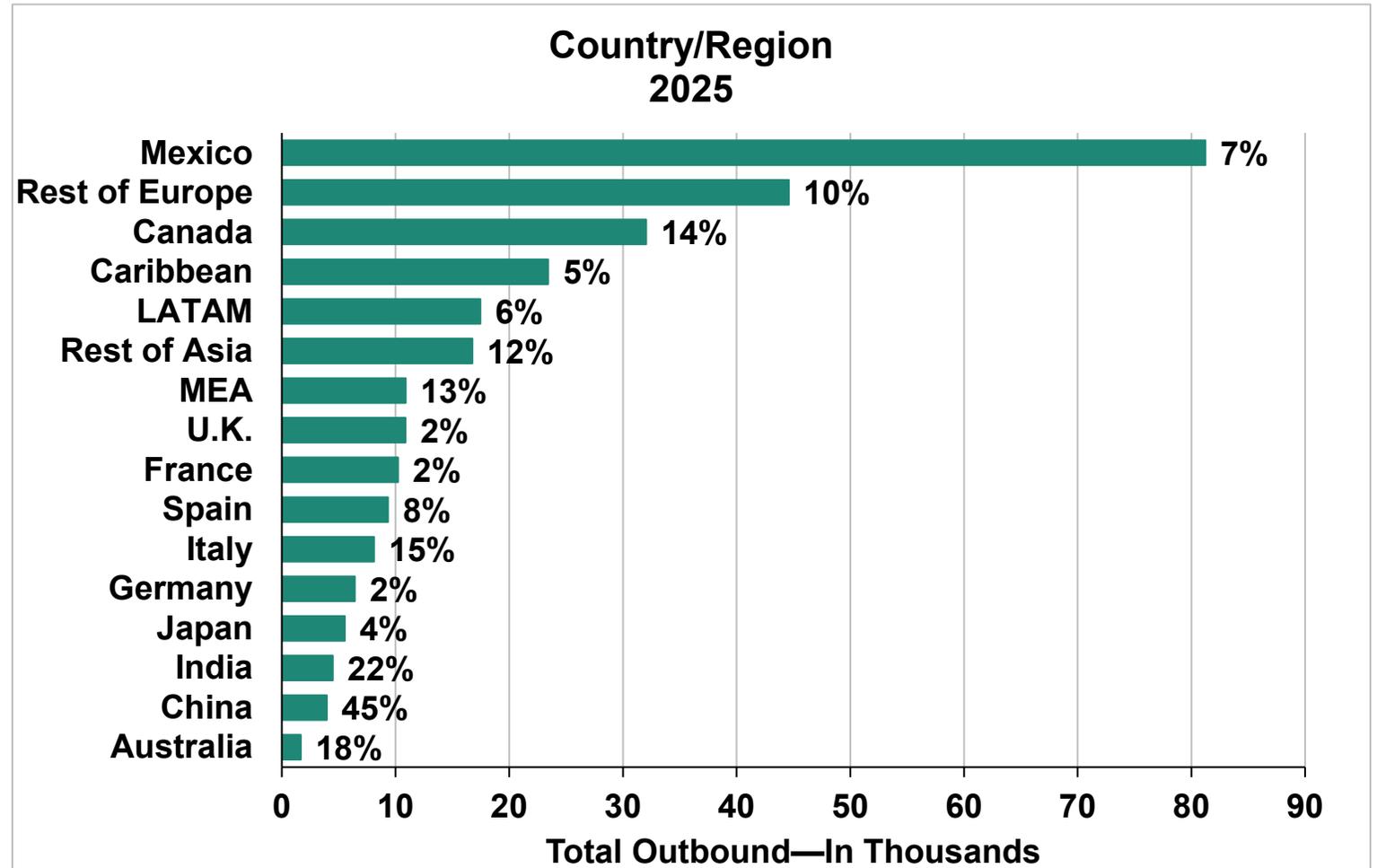
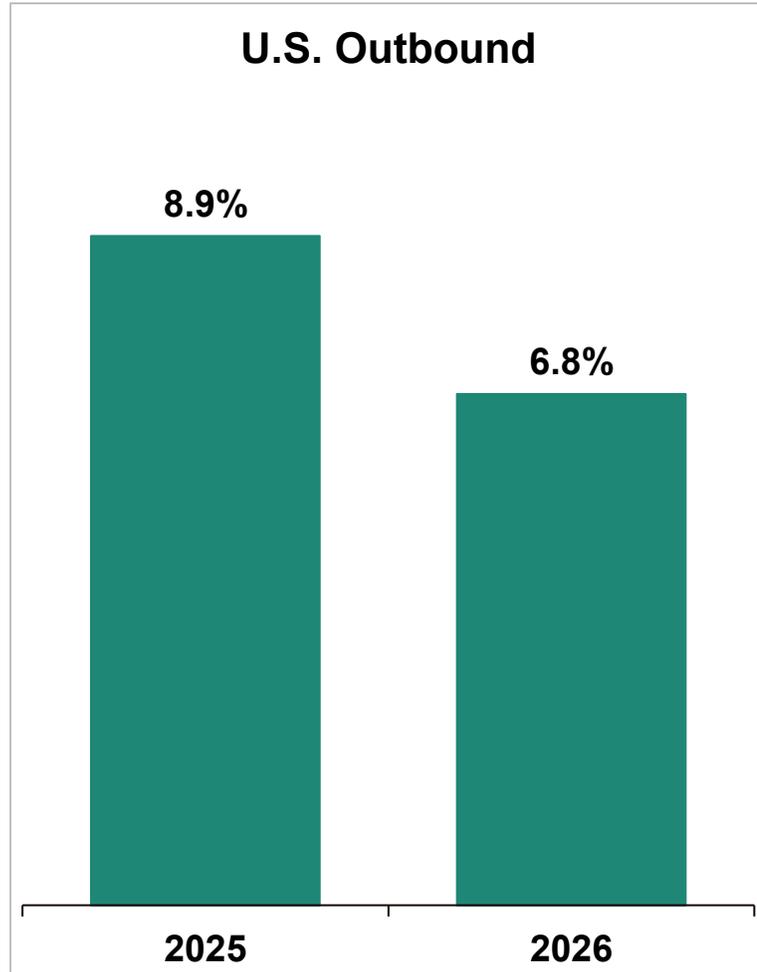
International travel to surpass pre-pandemic levels

International overnight arrivals, indexed to 2019



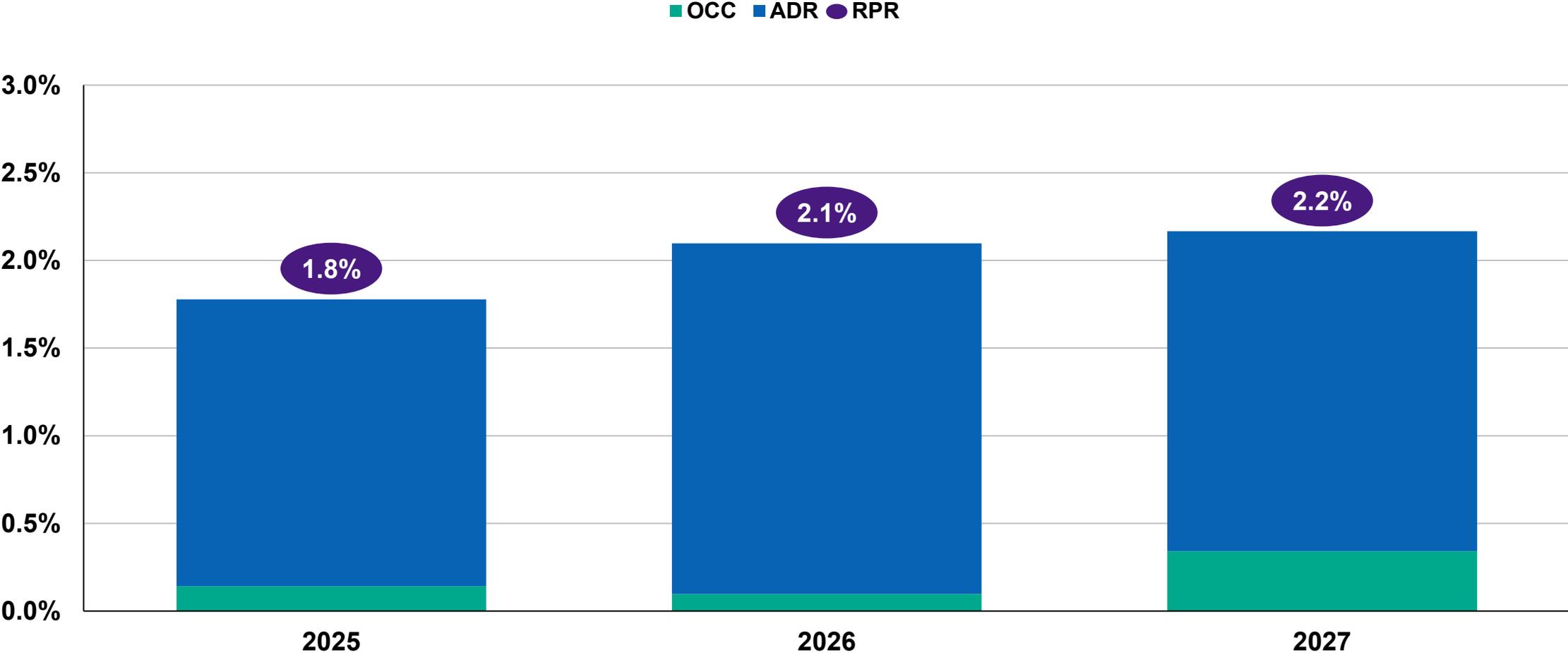
U.S. outbound to continue growing

U.S. outbound arrivals, year over year change



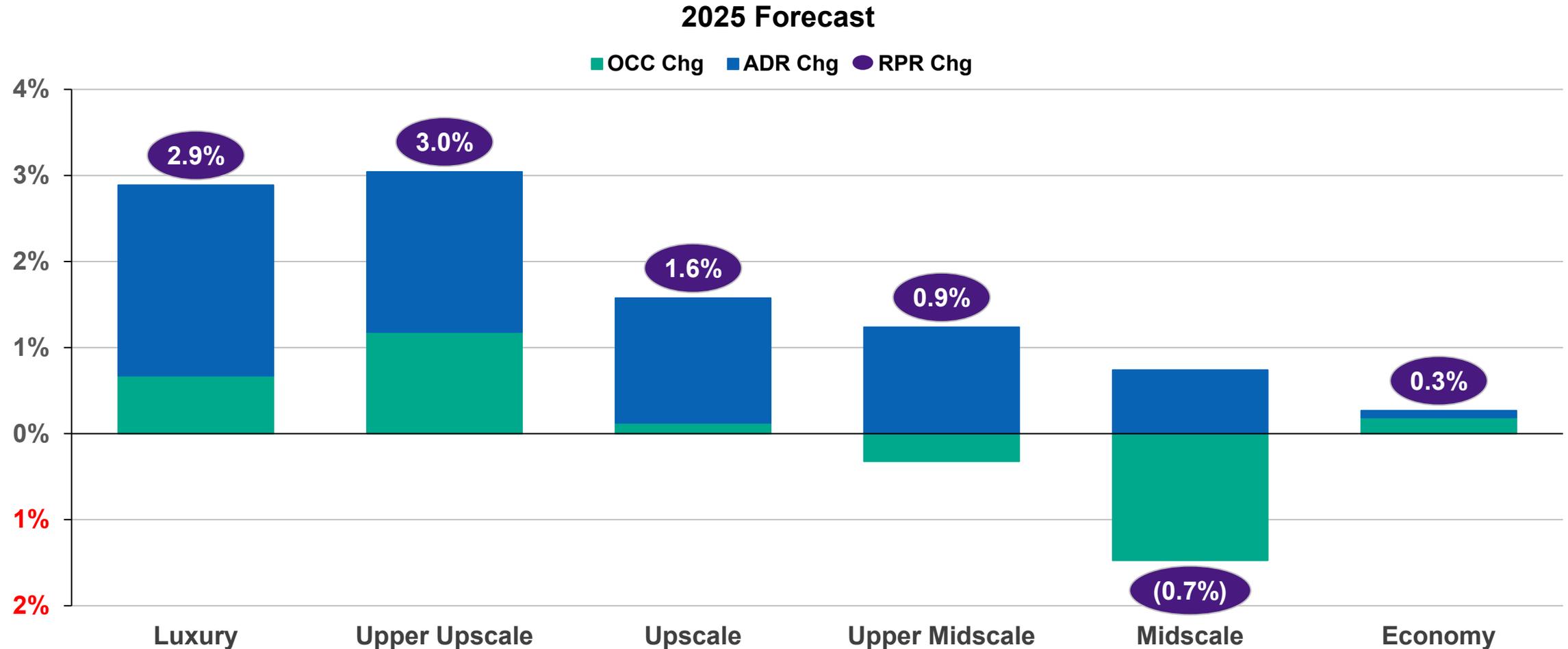
Moderate RevPAR growth still expected in U.S.

U.S. forecast, January 20225 update



Mainstream brands to drive RevPAR growth

U.S. chain scale forecast, January 2025 update



Key Takeaways

Moderating performance

Significant gaps to 2019 remain

Increasing optimism



Tell Me More
A HOSPITALITY DATA PODCAST





Thank you.

Isaac Collazo

icollazo@str.com

www.linkedin.com/in/isaaccollazo

