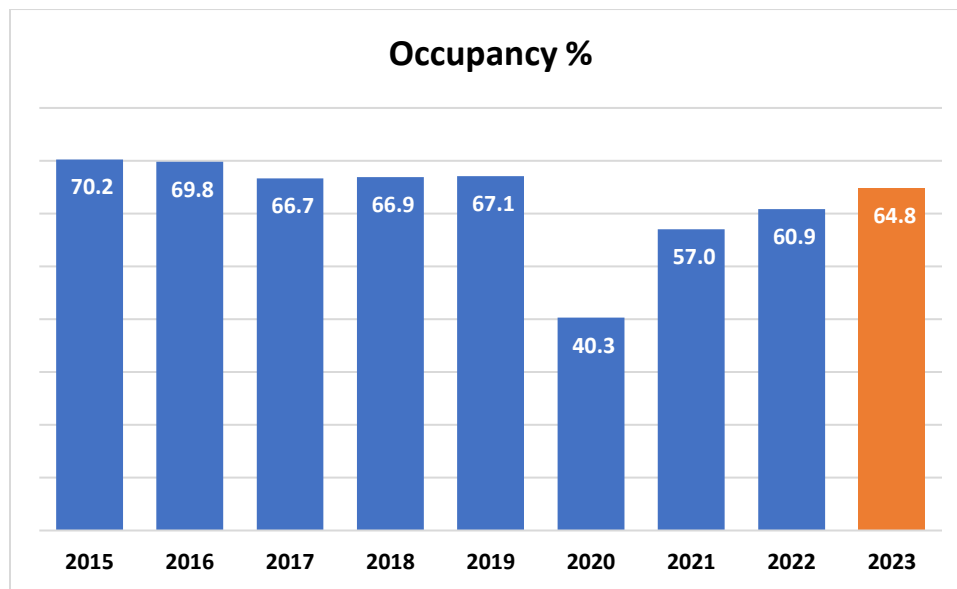


Lodging Outlook – 2023

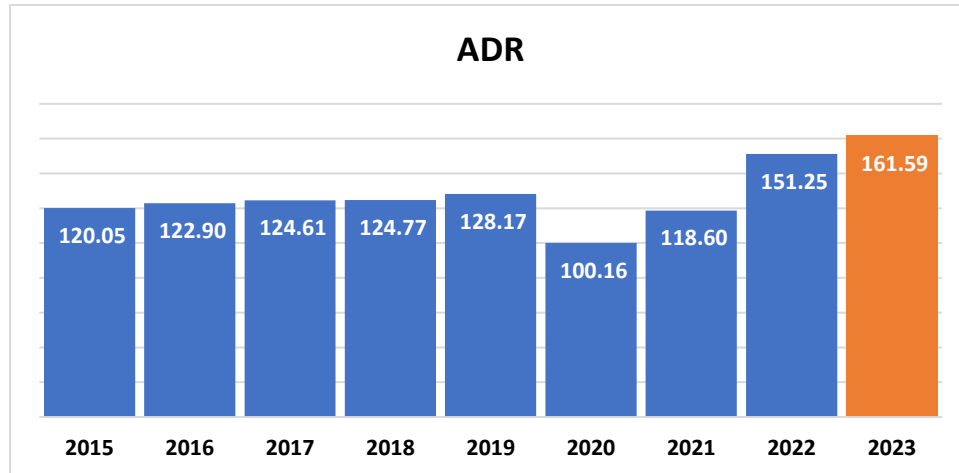
Smith Travel Research (STR) projects Occupancy recovery will lag into 2024 but ADR growth will continue pushing RevPAR to new highs. Smith Travel is forecasting RevPAR to be in the triple digits for the first time ever.

Occupancy



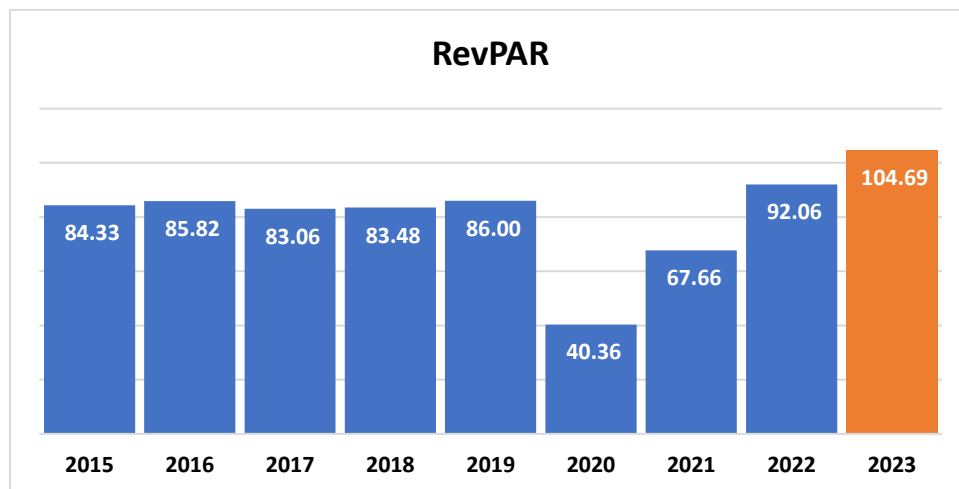
- Occupancy will reach the highest mark since the pandemic but still fall short to 2019. In 2019, Occupancy was 67.1% and had remained fairly static since 2017 (showing less than 0.5% growth year over year during that span).
- Since the recovery started in 2021, occupancy has been growing steadily at about 6.5%. STR predicts this growth will continue at the same pace into 2023. Should this trend continue, we should see occupancy fully recovered by 2024.
- STR forecasts 64.8% occupancy in 2024. This is only -2.3 points of occupancy behind 2019.

ADR



- STR predicts ADR growth will continue on the current trajectory reaching \$161.59 in 2023. ADR growth had been fairly stagnant pre-pandemic with the high of \$128.17 in 2019 only 7% greater than four years prior in 2015.
- 2022 will finish 18% higher than pre-pandemic ADR and 27.5% greater than 2021. Smith Travel projects ADR will grow another 7% in 2023 to over \$35 or 26.1% higher than 2019.

RevPAR



- As a result of the improving occupancy and the continued weighty ADR growth, RevPAR will grow to \$104.69 in 2023. This is much higher than pre-pandemic levels with nearly \$20 additional revenue captured per available room night.
- RevPAR growth has mirrored ADR trends post pandemic due to the significance of the ADR growth. The increased ADR resulted in RevPAR growth in 2022 when occupancies were still nearly -10% behind 2019.