



Lee County Tourist Development Council

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Benchmarking
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Agenda



Total U.S. Overview

Economic & Travel Indicators

Lee County Performance

Comparable Counties

Pipeline

Forecast



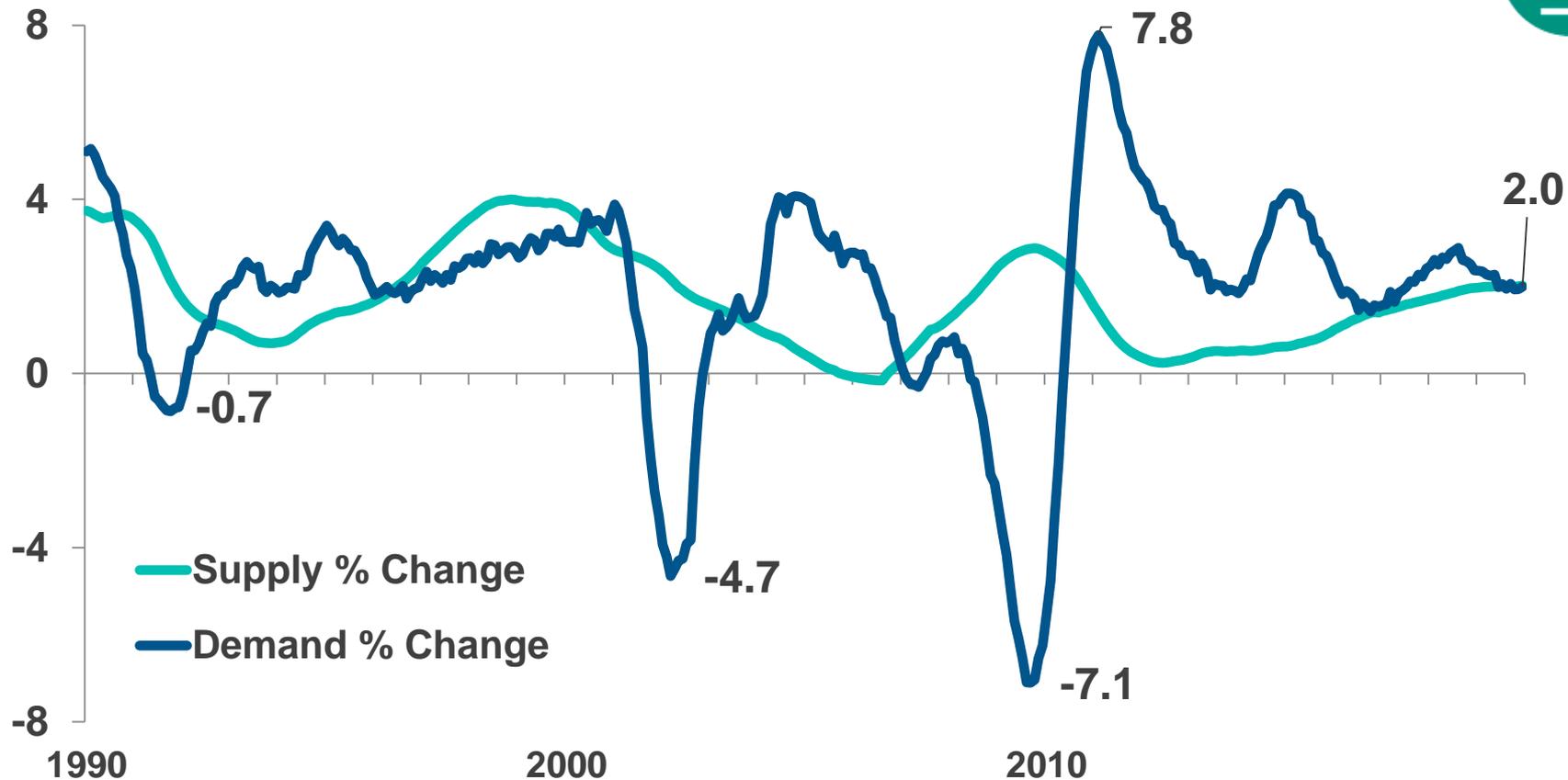
Total U.S. Overview

2019 Results: Flat Is The New “Up” Persistent Weak ADR Change



	Highest Ever?		% Change
Room Supply	<input checked="" type="checkbox"/>		2.0%
Room Demand	<input checked="" type="checkbox"/>		2.0%
Occupancy	<input checked="" type="checkbox"/>	66.1%	-0.0%
ADR	<input checked="" type="checkbox"/>	\$131	1.0%
RevPAR	<input checked="" type="checkbox"/>	\$87	0.9%
Room Revenue	<input checked="" type="checkbox"/>		3.0%

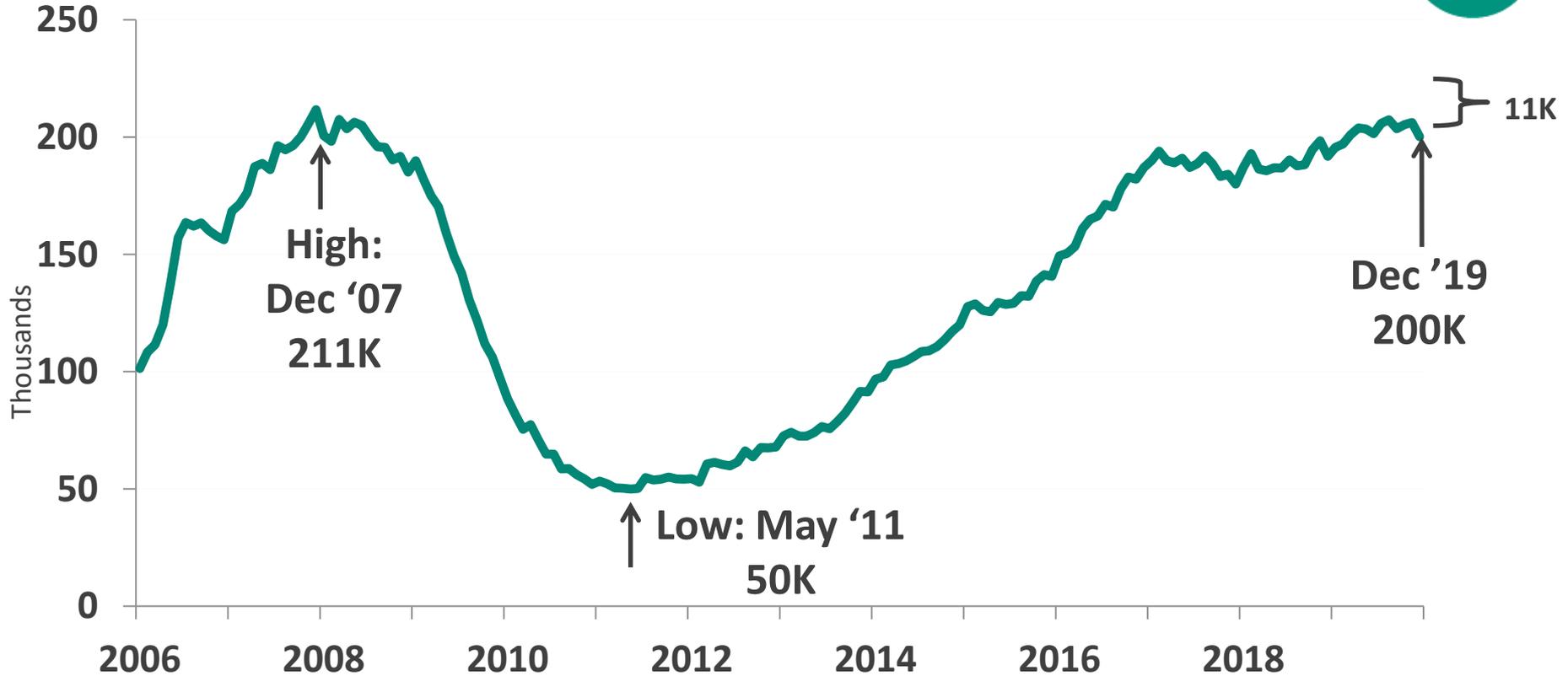
Supply & Demand Growth In Equilibrium Will Drive 2020 / 2021 Results



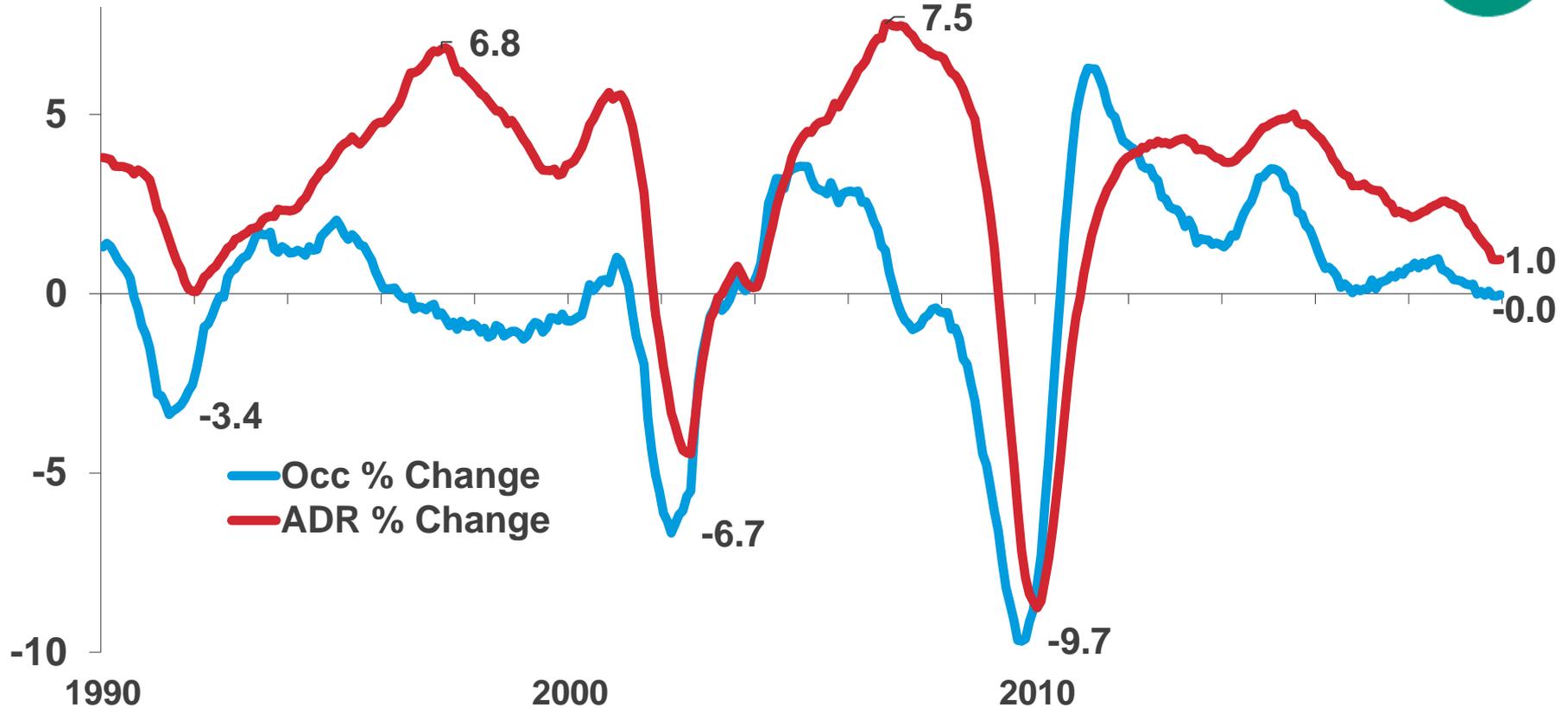
Total U.S., Supply & Demand % Change, 12 TTM 1/1990 – 12/2019

Source: STR
2020 © CoStar Realty Information, Inc.

I/C Pipeline: After Sharp Run-Up Now Steady Around 205k



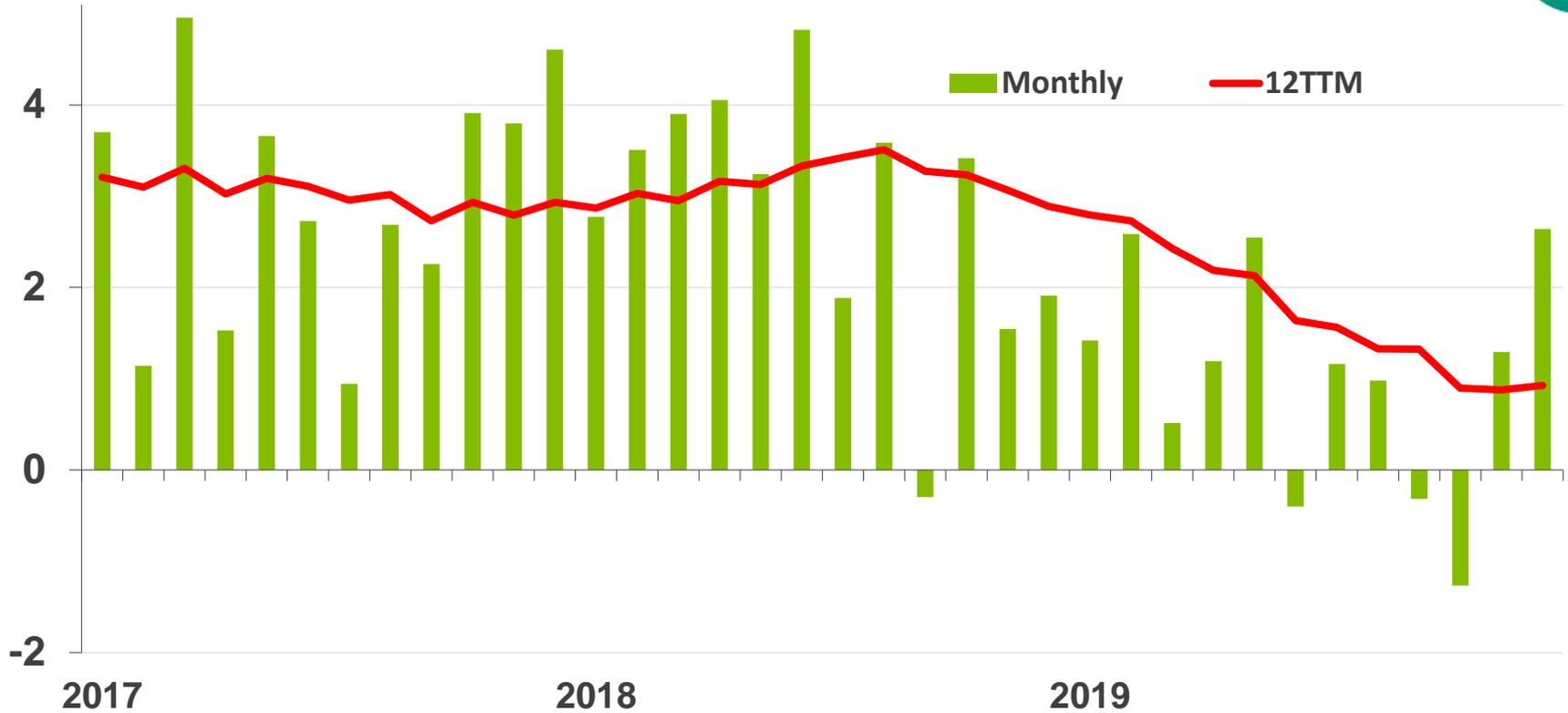
Long Run Trends Point In One Direction: Down!



Total U.S., ADR & OCC % Change, 12 TTM 1/1990 – 12/2019

Source: STR
2020 © CoStar Realty Information, Inc.

RevPAR Growth: Declines in 3 Months in 2019





Economic & Travel Indicators for Total U.S.

U.S. economic fundamentals a mixed bag



The good

- Low unemployment
- Rising wages
- Consumer spending is driving GDP
- Corporate earnings still strong

...BUT

- The labor market is cooling
- Wage growth peak has likely passed (above 3%)
- Gently cooling income growth will lead to softer spending
- Business investment activity is slumping

❖ U.S. to outpace rest of G7 in 2020 for GDP growth

❖ 2020 US recession odds are lower than 25%

The good

- Unabated growth through 2019
- Domestic air travel bookings remain steady
- US Household Vacation Intentions remained above prior levels 11 of 12 months in 2019
- Leisure forward-looking bookings and searches are still growing

Indicators to be aware of:

- International inbound arrivals is in recession
- Coronavirus could have loss of 4.6 million hotel room nights resulting in a loss of \$5.8 billion in visitor spending in 2020



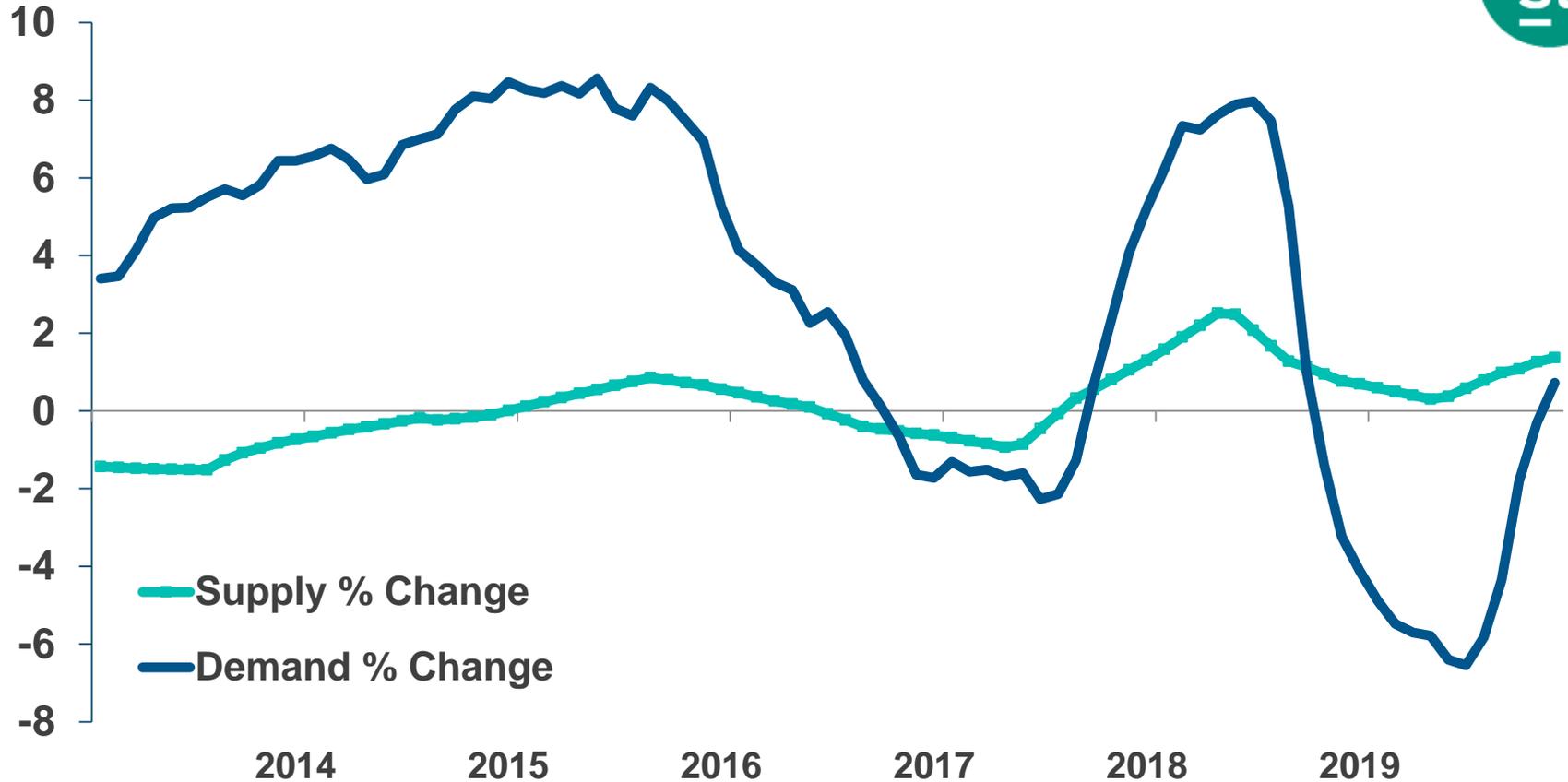
Lee County Performance

Lee County At A Glance

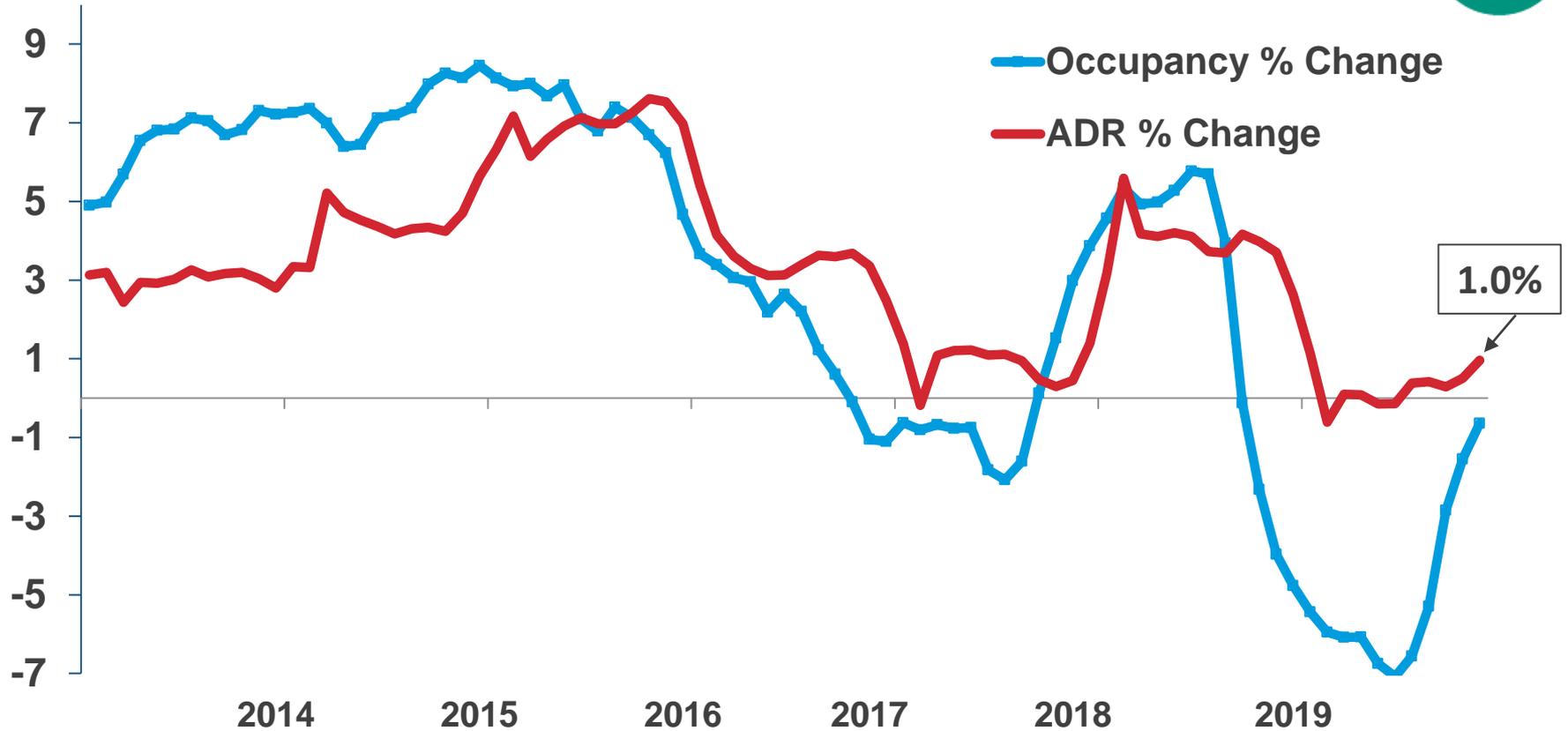


	Actual	% Change	
Room Supply		1.4%	▲
Room Demand		0.7%	▲
Occupancy	68.5%	-0.6%	▼
ADR	\$157.24	1.0%	▲
RevPAR	\$107.75	0.3%	▲

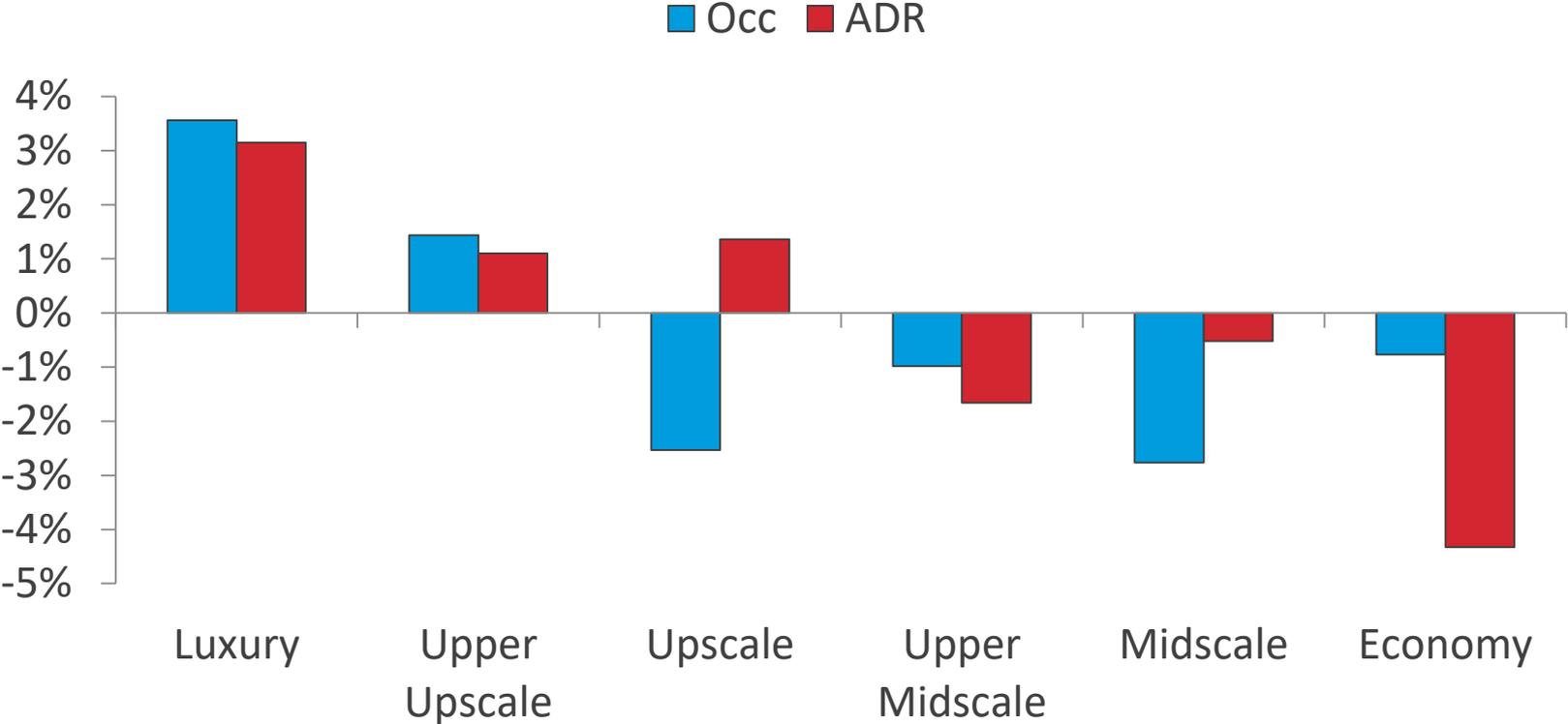
Demand Growth is Gaining Traction



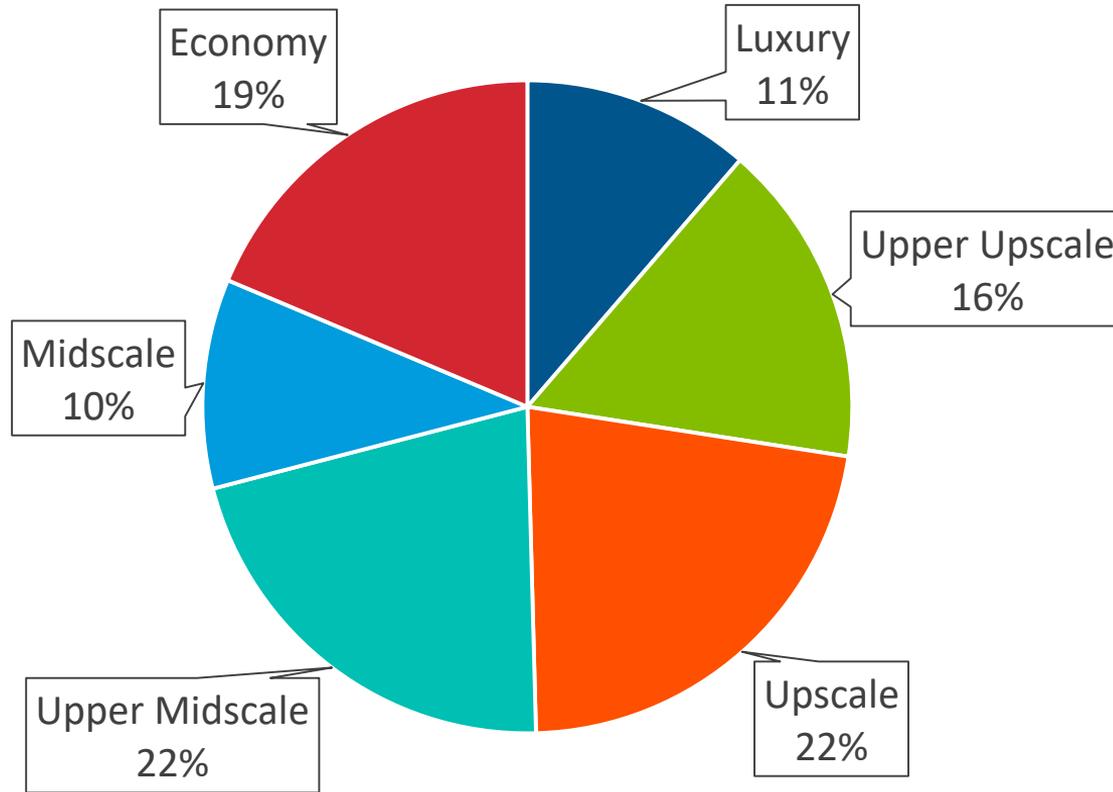
ADR Growth is On the Rise



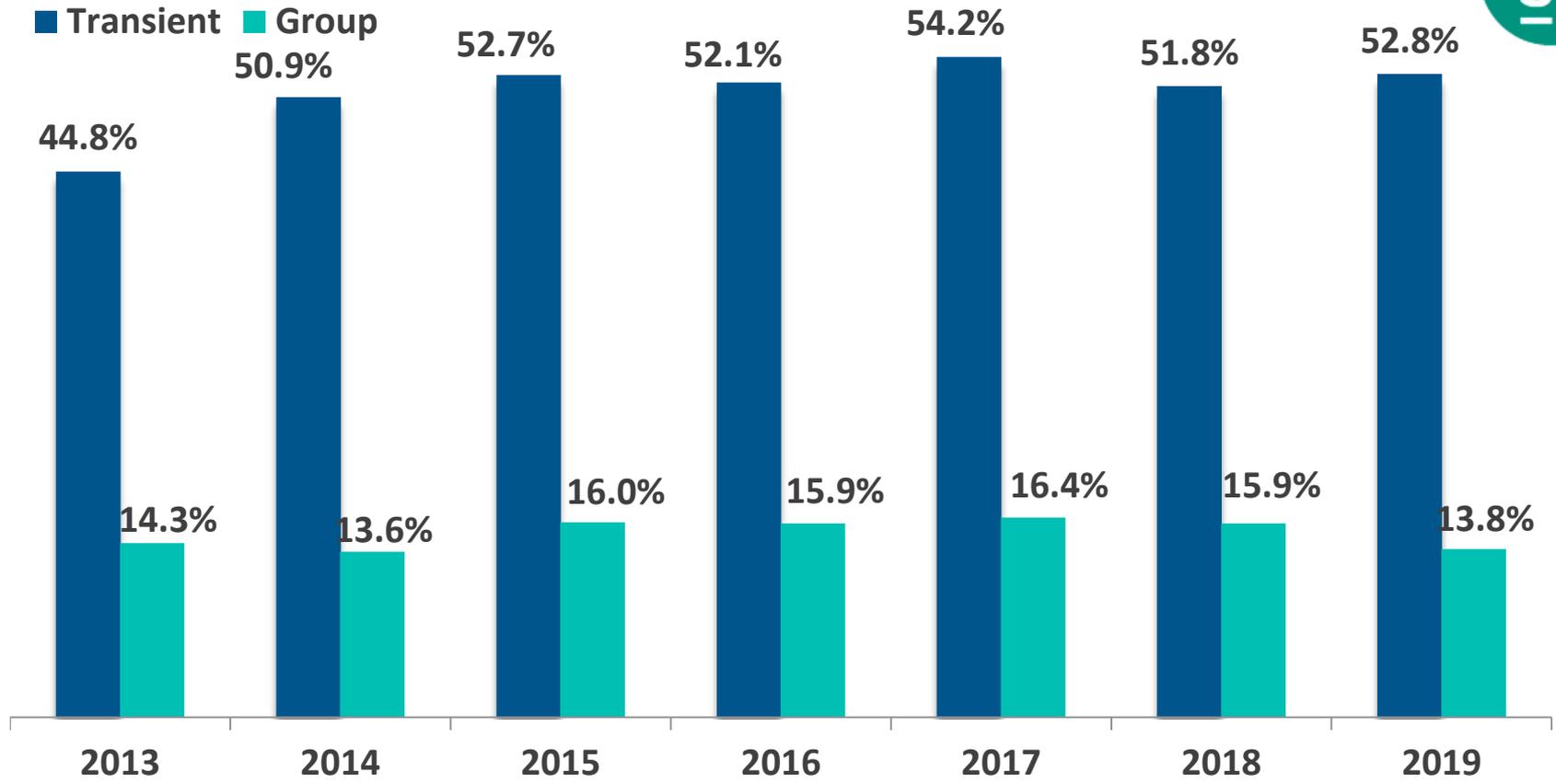
RevPAR Growth driven by upper tier classes



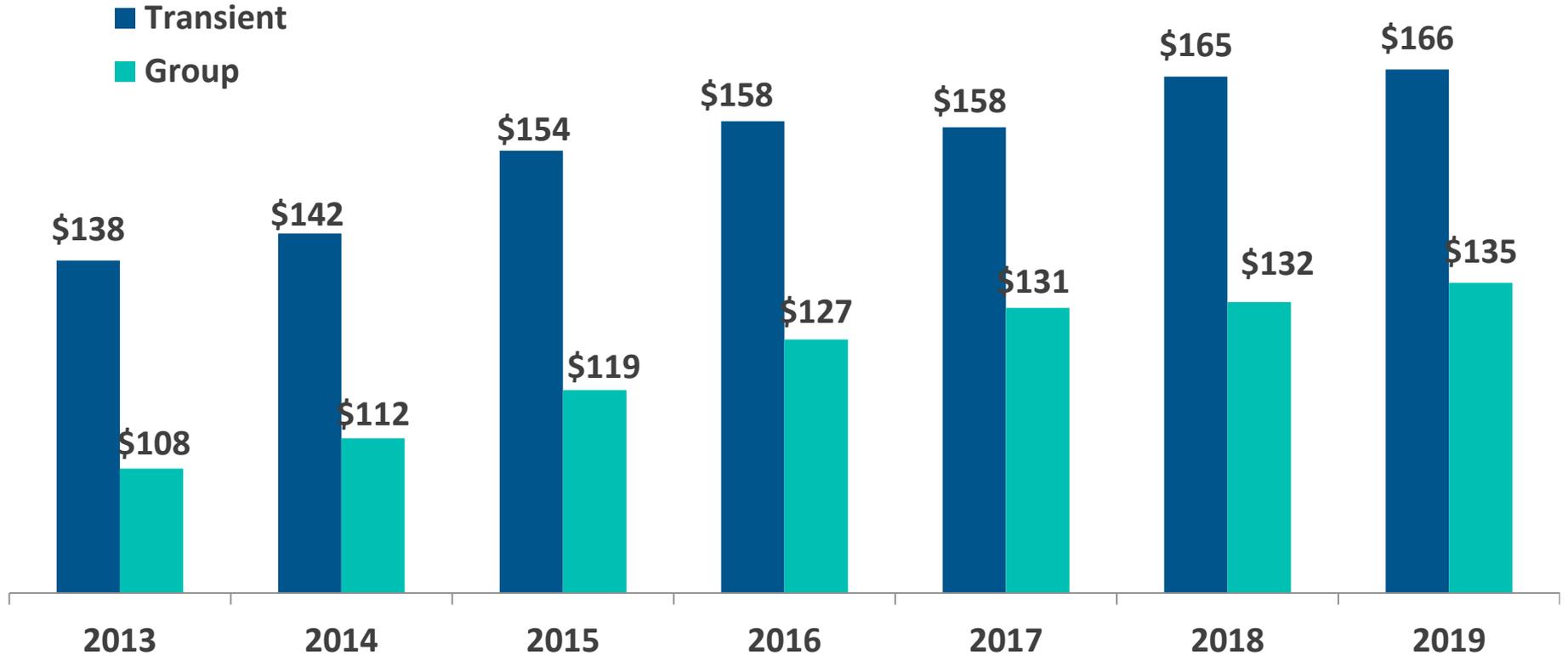
Lee County Distribution of Room Supply



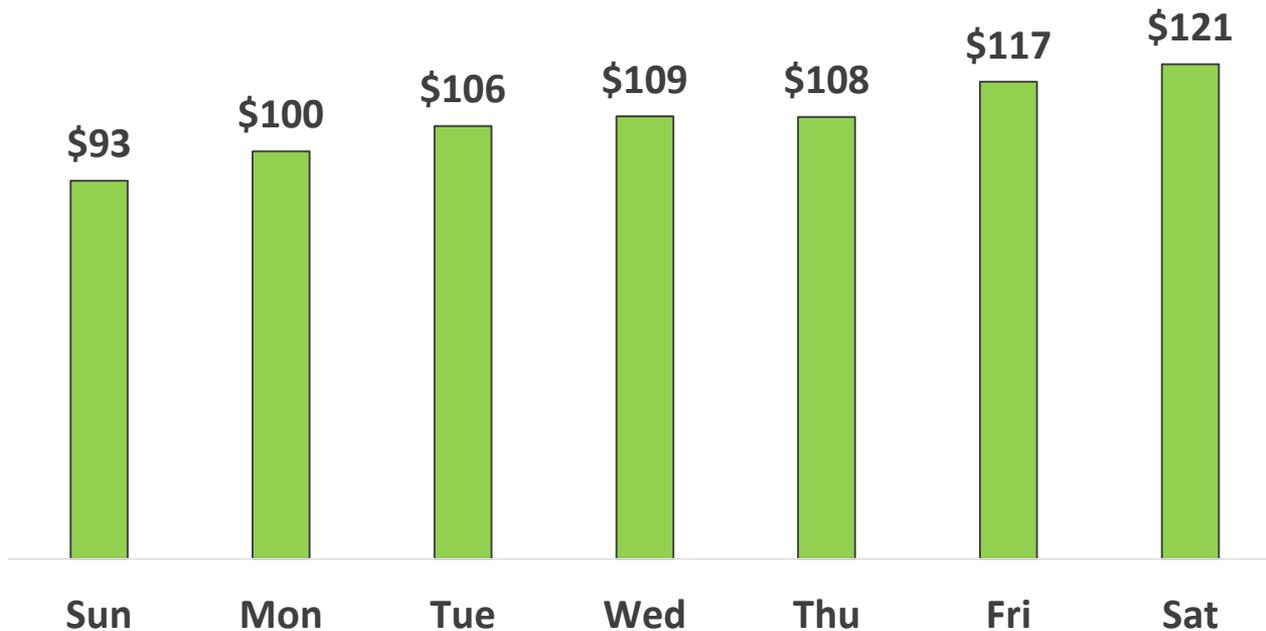
Transient vs. Group Occupancy Trends



Rate Disparity between Transient & Group Remains Consistent



Weekend Induces Peak RevPAR

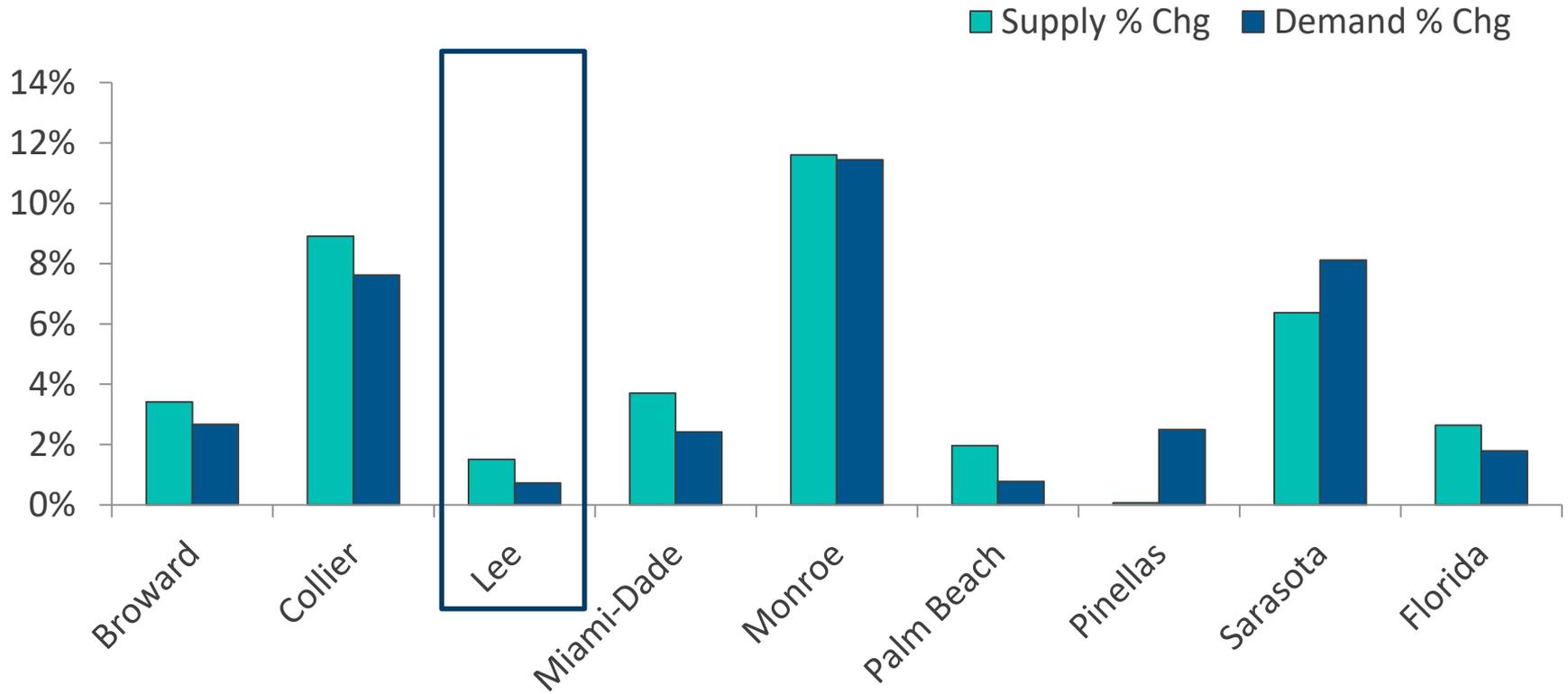


Occ	59.8	66.1	70.4	71.8	70.7	73.6	76.0
ADR	\$155	\$151	\$151	\$151	\$153	\$159	\$159

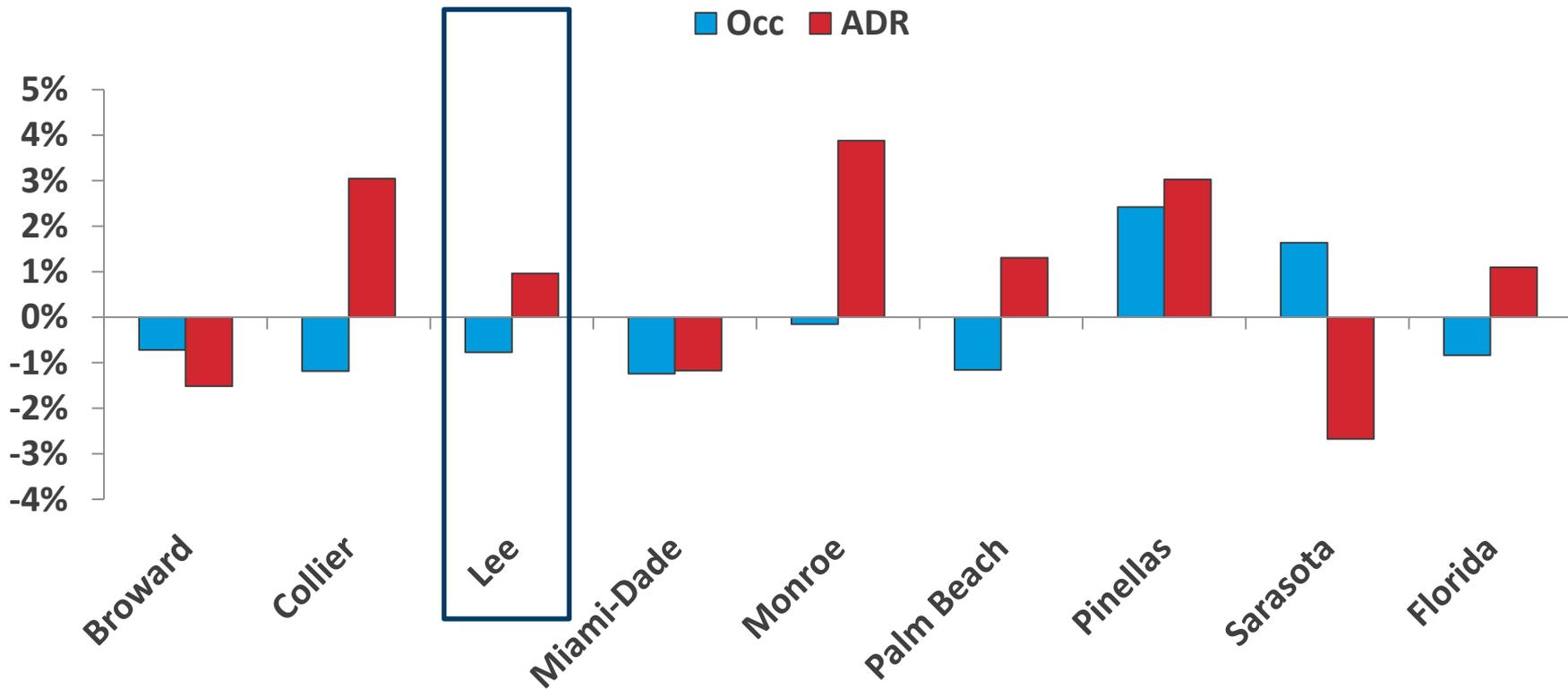


Comparable Counties

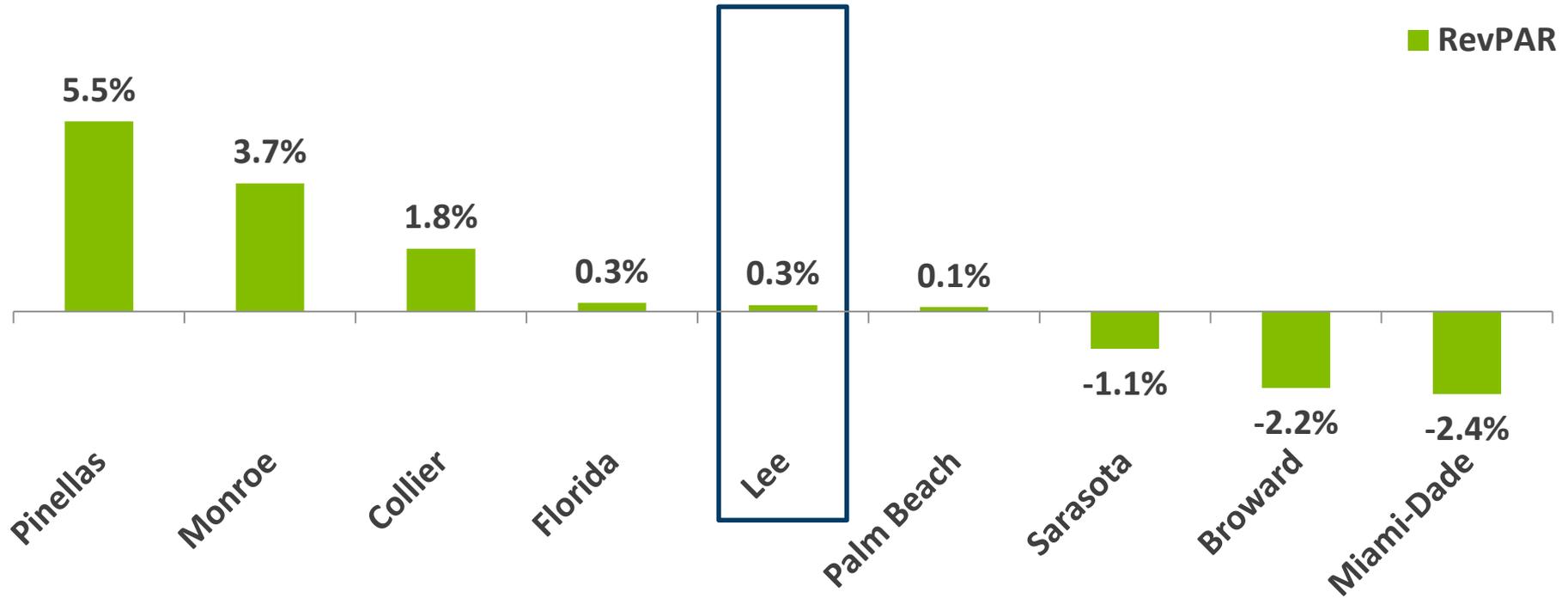
Demand Growth Across All Counties



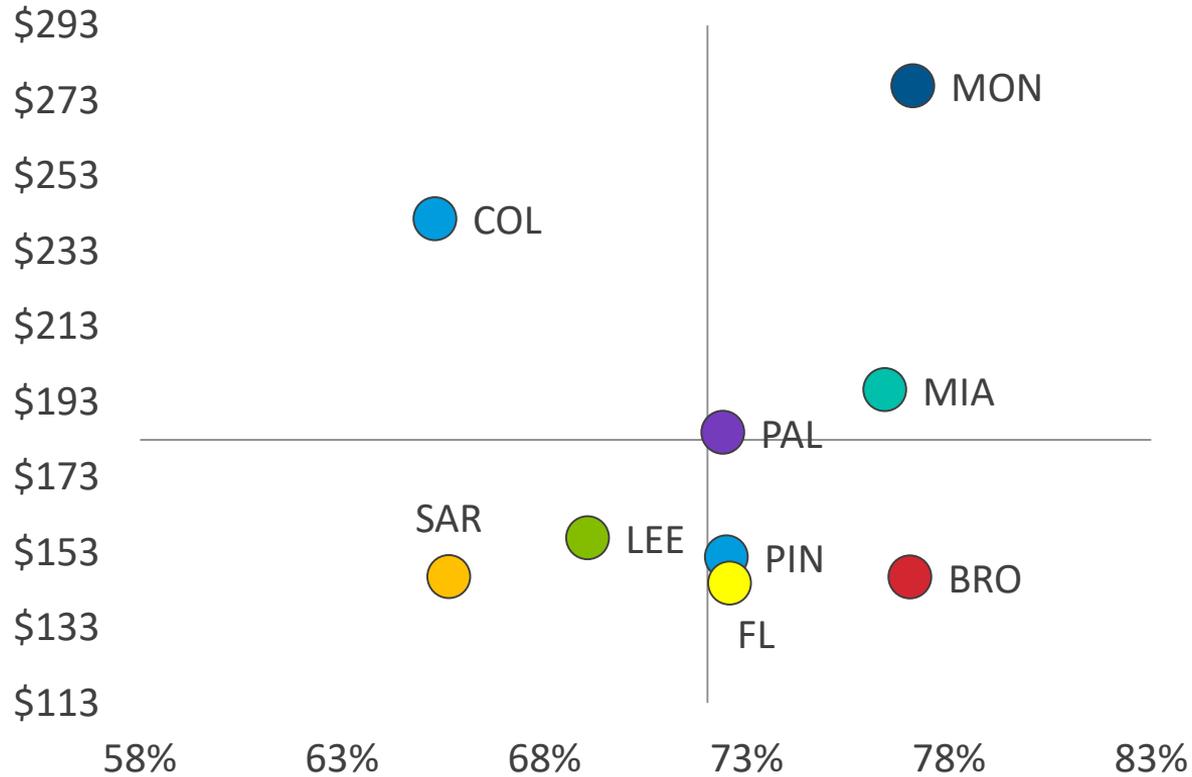
ADR Growth & Occ Decline Among Most Counties



RevPAR Growth in Most Counties



RevPAR Positioning Matrix





Pipeline

Lee County Supply Continues to Rise



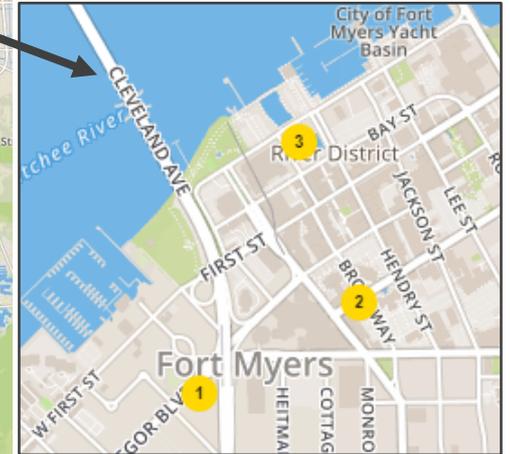
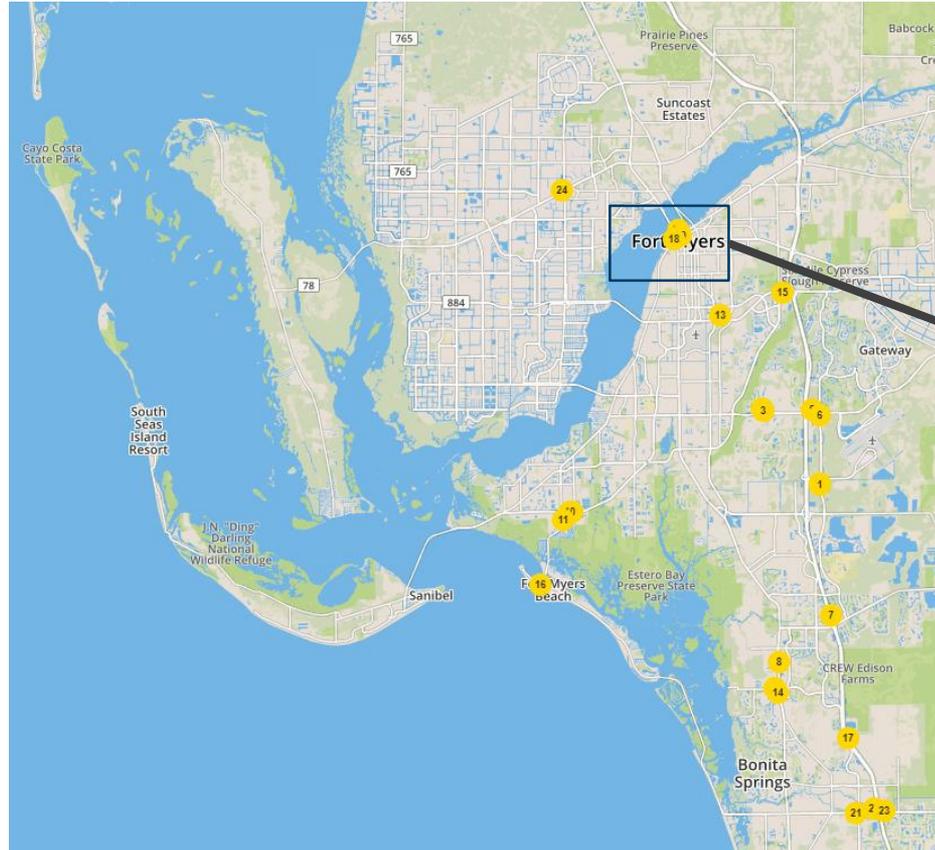
<u>Phase</u>	<u># of Properties</u>	<u># of Rooms</u>
In Construction	7	893
Final Planning	10	1,268
Planning	9	956
Total Pipeline	26	3,117

What: Upper Midscale Dominates New Supply

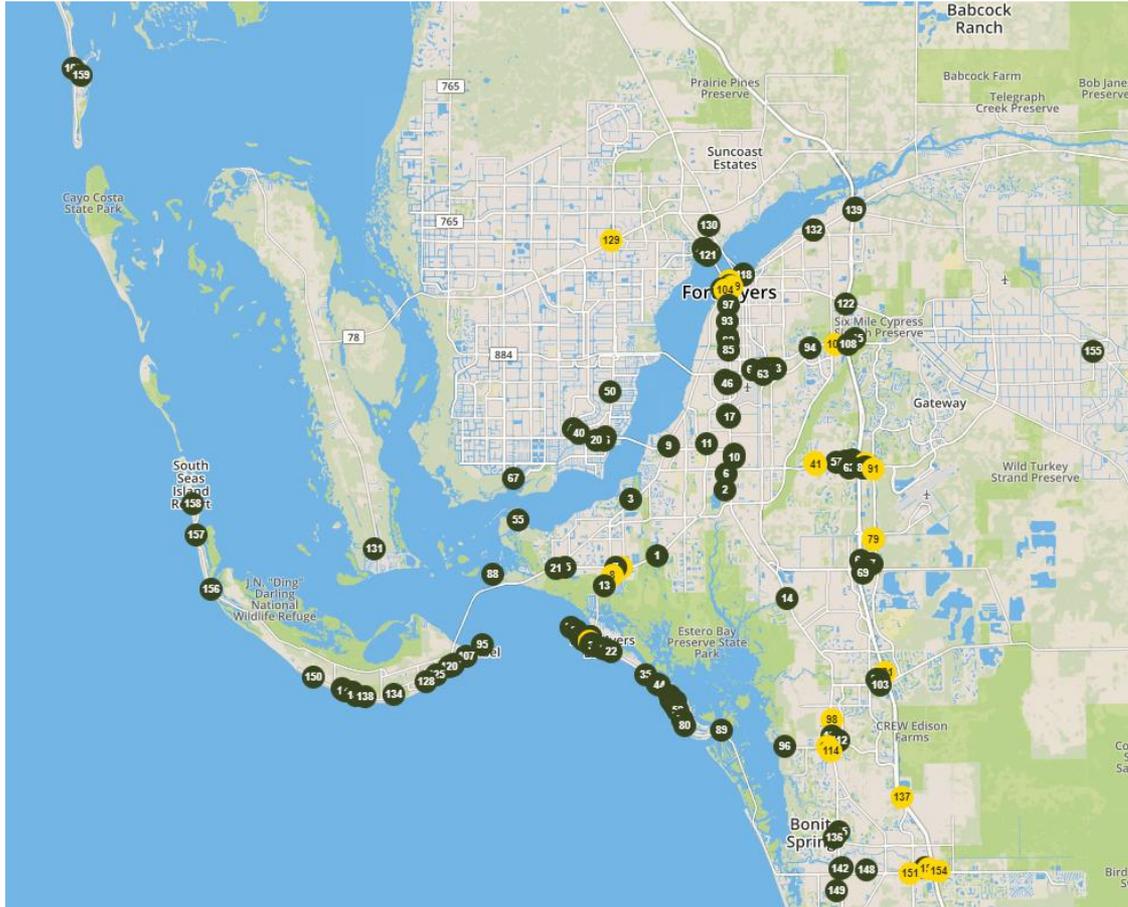


Chain Scale	Number of Properties	Number of Rooms	% of New Supply (rooms)
Luxury	0	0	0.0%
Upper Upscale	2	497	15.9%
Upscale	6	661	21.2%
Upper Midscale	13	1,410	45.2%
Midscale	3	246	9.7%
Economy	0	0	0.0%
Independent	2	303	7.9%

Where: New Supply is Spread among County



Current Supply with New Supply Map



When: Historic Records of Supply Growth



<u>Year</u>	<u># of Properties</u>	<u># of Rooms</u>
2020	4	576
2021	17	1,929
2022	3	309
Unknown	2	303

Who: Recent/Upcoming Openings



Springhill Suites
Estero

100 Rooms

Open Date: Nov 2019

Fairfield Inn & Suites
Bonita Springs U/C

114 Rooms Final Planning

Open Date: Mar 2020

Holiday Inn Express &
Suites
Fort Myers

101 Rooms

Open Date: Jul 2020

Autograph Collection
Fort Myers Downtown

243 Rooms U/C

Open Date: Aug 2020



Forecast

Total United States

Key Performance Indicator Outlook (% Change vs. Prior Year)

2020F – 2021F

Outlook		
Metric	2020 Forecast	2021 Forecast
Supply	1.9%	1.9%
Demand	1.6%	1.7%
Occupancy	-0.3%	-0.1%
ADR	0.3%	0.6%
RevPAR	0.0%	0.5%

ADR Increases Translate Into Very Small Real Results



Outlook		
Metric	2020 Forecast	2021 Forecast
ADR % Change	0.3%	0.6%
Translates To	~\$0.40	~\$0.80

2020 forecast growth due to strong January



STR Lee County, FL Forecast		
	2020 Forecast	% Change
Occupancy	68.6%	0.0%
ADR	\$158.35	0.7%
RevPAR	\$108.57	0.8%



Questions?

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Thank You!

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