



California Lodging Investment Conference



Who We Are

The Global Leaders for Hotel Development Intelligence and Decision-Maker Contacts

LE delivers industry-leading hotel development intelligence through:

- **Database of Hotel Records:** hosted online, updated weekly, available as an app on all iOS and Android devices, and can serve as your stand-alone management platform (CRM) or be integrated into your own Salesforce or management platform.
- **Management Guidance Reports:** customizable based on your company's growth strategies, aid in analysis and strategic planning, and identify new business opportunities.
- **Lodging Trend Reports:** monitor current development trends by company, brand, chain scale, and other metrics relevant to making informed decisions.

LE maintain relationships with over:

200 domestic and international brands, 800 developers and 1,500 ownership and management groups. We continuously monitor industry-wide news and conduct calls to bring you the most up-to-date and accurate hotel development intelligence and decision-maker contacts as possible.

No other company can offer this.

We are committed to your success!

LE will orient and train you and your team to effectively use our tools, answer any questions you may have, assist with the interpretation of trends, and share insights that may be helpful to you.



Going-in Assumptions Hotel Economy

- Lending rates remain very attractive
- 102 new brands since 2015 will drive continued new investment
- Ten-year demand run-up tracking at nearly two-times the long-term average
- Consolidation of portfolio sales & mergers are still very likely



Going-in Assumptions COVID-19 and Travel

- Travel into China from outside of Asia will be very challenging until May 1st
- Probably 60% of factory and shipping are back up and running in China
- Travel hangover will exist throughout 2020
- Hotel franchise companies and airlines are likely to be affected the most for your relationships.



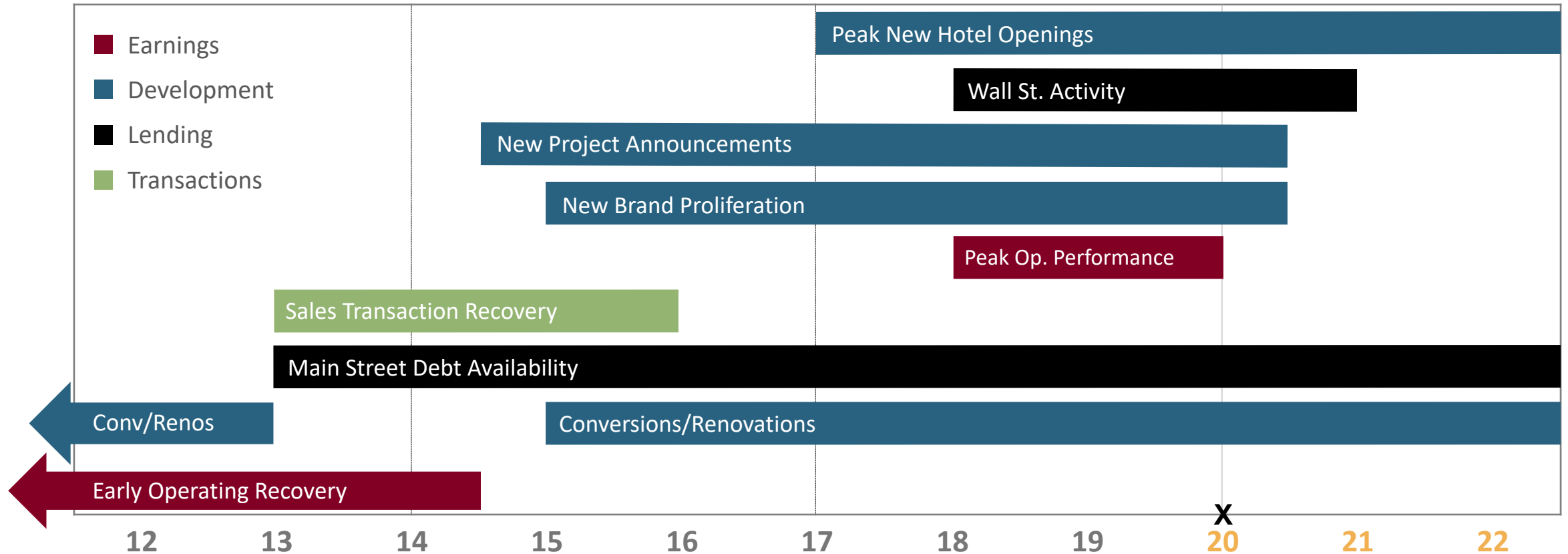
Going-in Assumptions Project Opportunities

- The current construction pipeline is the biggest it has been since 2008
- The renovation cycle is very likely accelerating under-foot, which will include 500,000 rooms per year in the U.S.
- Refinancing makes a world of sense for owners and investors
- Conditions look very positive through 2022



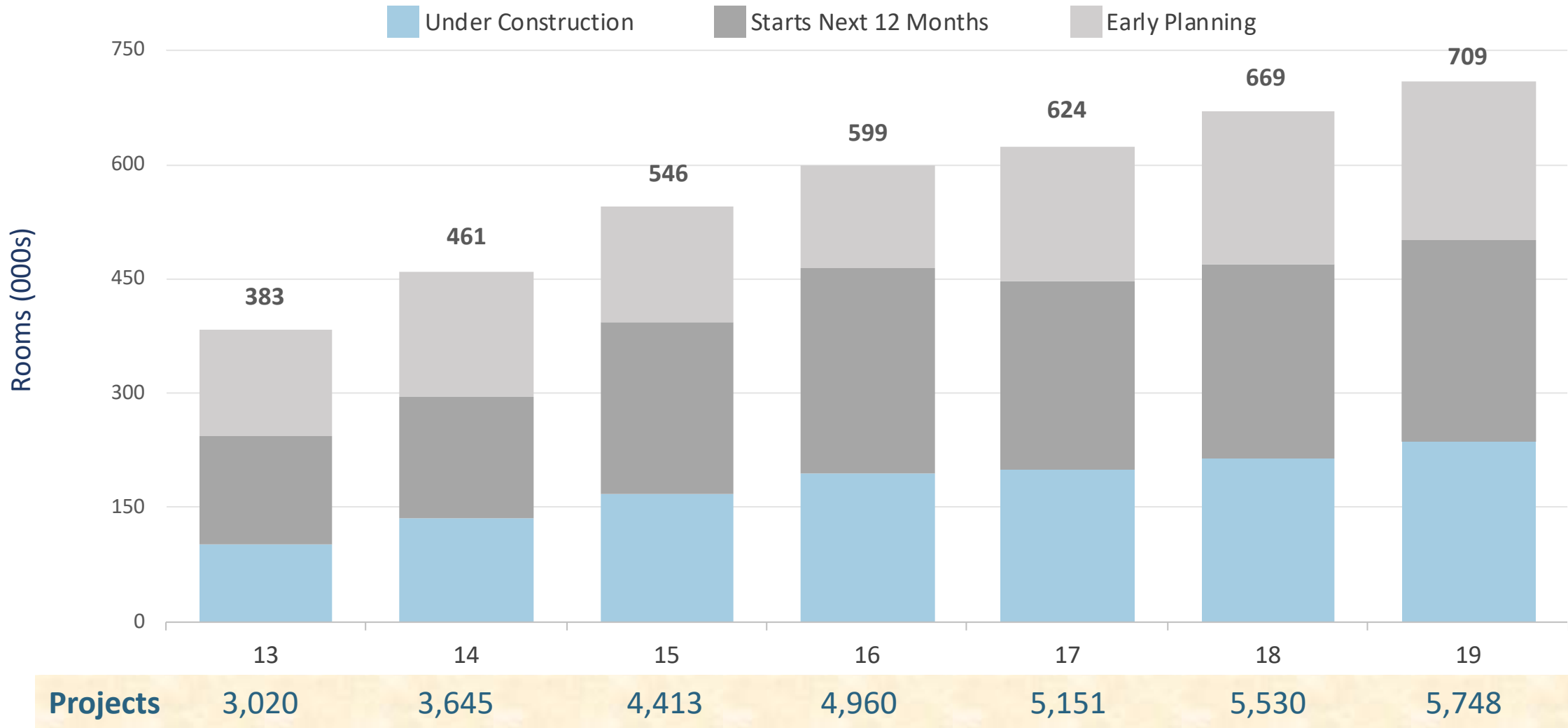
US Lodging Real Estate Cycle

Current Quarter: Q419 with 5,748 Projects/708,898 Rooms
Last Cycle Peak: Q208 with 5,883 Projects/785,547 Rooms
Last Cycle Bottom: Q112 with 2,720 Projects/331,129 Rooms





US Construction Pipeline By Projects and Rooms



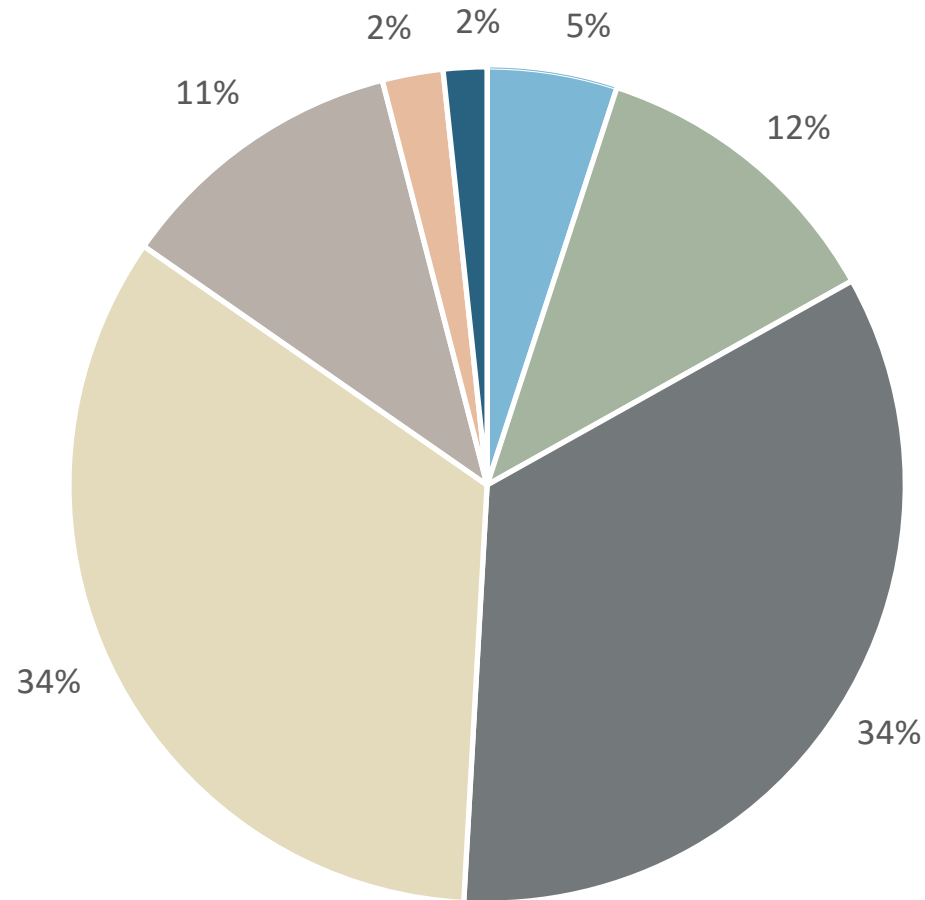


US Construction Pipeline By Project Stage Year-Over-Year

| | Q4 2019 | | Q4 2018 | | % Variance | |
|-----------------------|--------------|----------------|--------------|----------------|------------|-----------|
| | Projects | Rooms | Projects | Rooms | Projects | Rooms |
| Under Construction | 1,768 | 237,362 | 1,654 | 215,047 | 7% | 10% |
| Starts Next 12 Months | 2,283 | 265,161 | 2,153 | 255,083 | 6% | 4% |
| Early Planning | 1,697 | 206,375 | 1,723 | 199,326 | -2% | 4% |
| Total Pipeline | 5,748 | 708,898 | 5,530 | 669,456 | 4% | 6% |



US Construction Pipeline By Chain Scale with Unbranded Included



% by rooms

| Q4 2019 | Projects | Rooms |
|----------------|----------|---------|
| Luxury | 153 | 35,633 |
| Upper Upscale | 399 | 84,053 |
| Upscale | 1,774 | 241,079 |
| Upper Midscale | 2,339 | 239,483 |
| Midscale | 911 | 80,057 |
| Economy | 150 | 16,652 |
| Casino | 22 | 11,941 |
| Total | 5,748 | 708,898 |



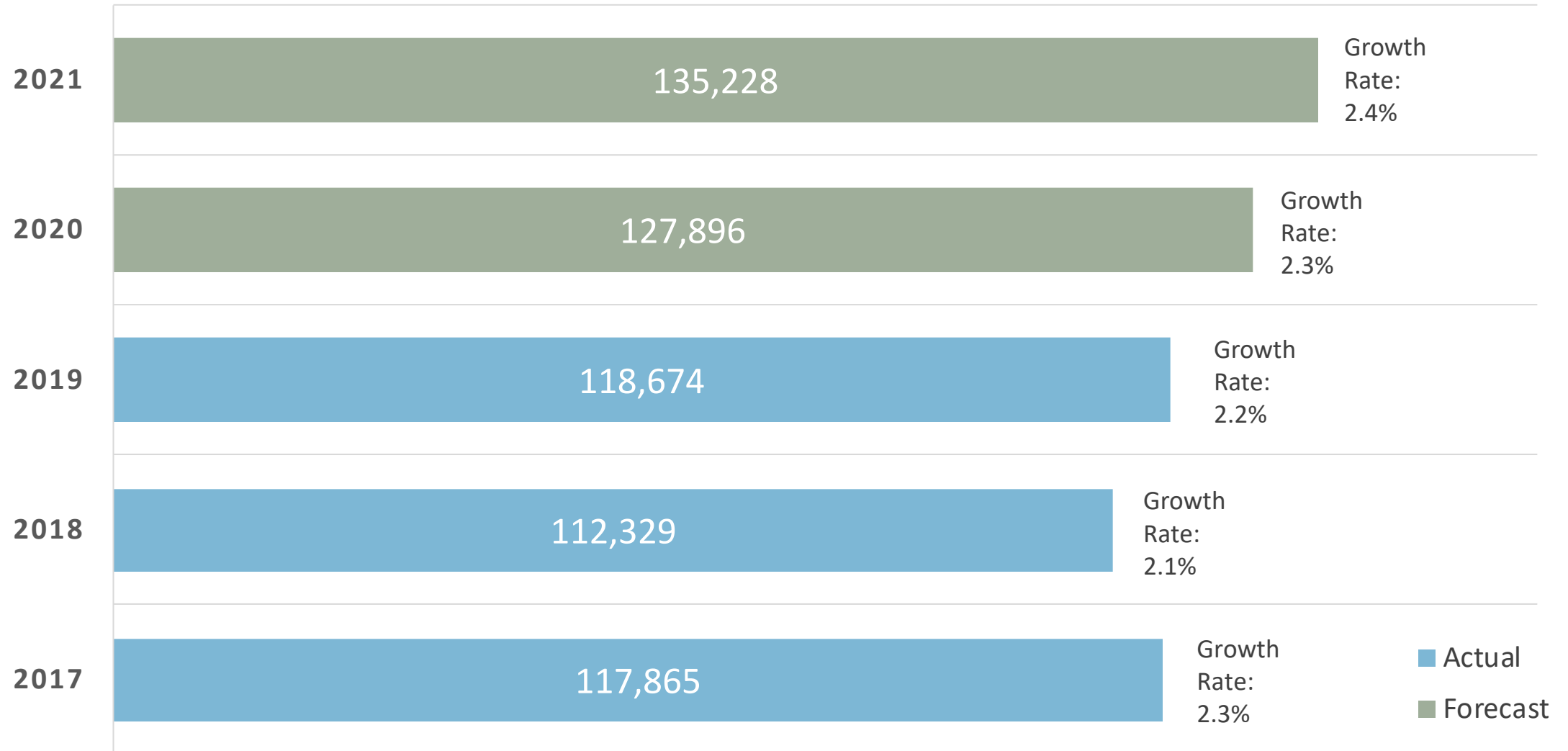
US Development Pipeline: Top US Parent Companies

New Construction Plus Conversions by Rooms

| | Q4 2019 | | Q4 2018 | |
|-------------------------------------|----------|---------|----------|---------|
| | Projects | Rooms | Projects | Rooms |
| Marriott International | 1,665 | 222,700 | 1,591 | 212,335 |
| Hilton Worldwide | 1,435 | 163,624 | 1,428 | 163,556 |
| InterContinental Hotels Group (IHG) | 1,003 | 102,808 | 1,042 | 106,590 |
| Choice Hotels | 754 | 60,591 | 779 | 60,974 |
| Best Western Hotels & Resorts | 298 | 26,195 | 322 | 29,004 |
| Hyatt Hotels | 147 | 23,411 | 103 | 17,633 |



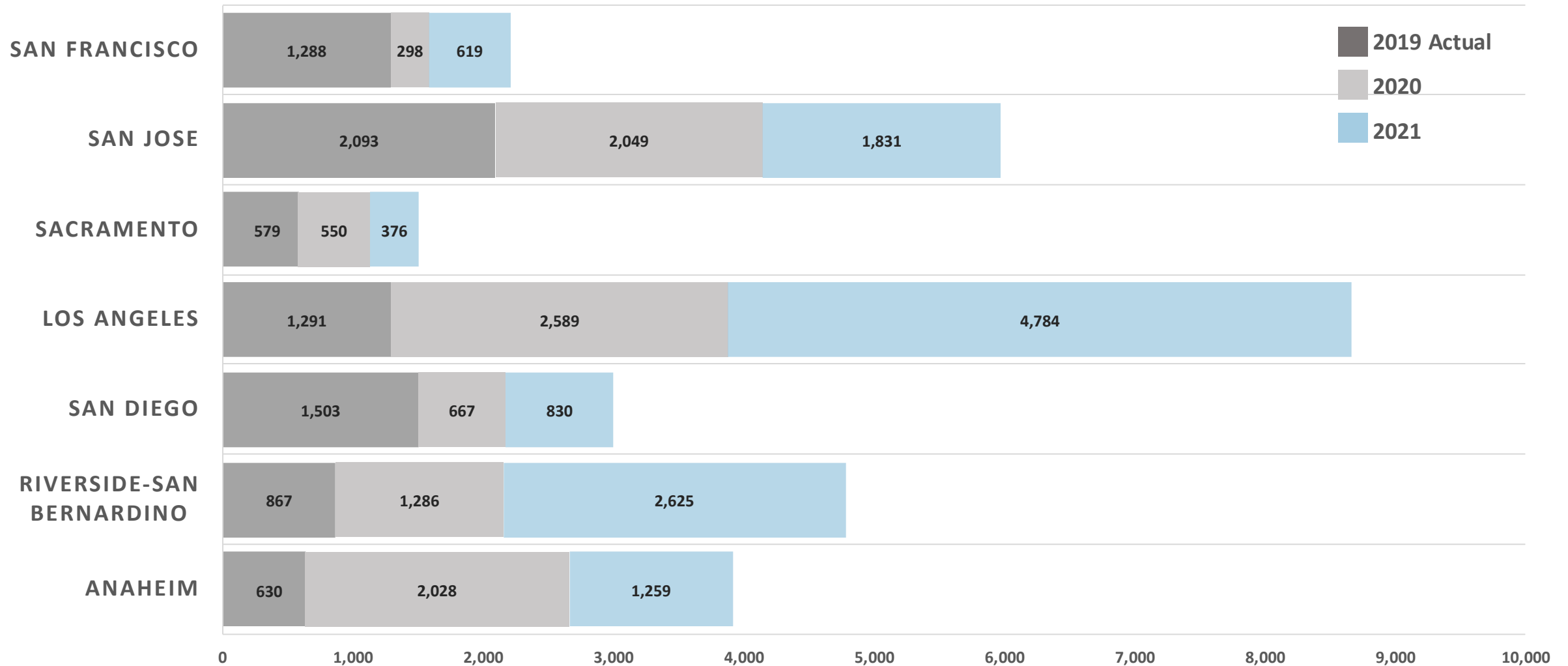
US Forecast New Hotel Openings by Rooms





California Forecast for New Hotel Openings

Select Markets by Rooms



2019 Actual

2020

2021



California Forecast for New Hotel Openings By Chain Scale

| | 2020 | | 2021 | |
|----------------|----------|--------|----------|--------|
| | Projects | Rooms | Projects | Rooms |
| Luxury | 3 | 681 | 4 | 628 |
| Upper Upscale | 8 | 1,320 | 13 | 2,900 |
| Upscale | 38 | 5,559 | 36 | 4,831 |
| Upper Midscale | 42 | 4,201 | 46 | 4,529 |
| Midscale | 0 | 0 | 5 | 579 |
| Economy | 3 | 311 | 5 | 614 |
| Unbranded | 11 | 1,218 | 11 | 1,541 |
| Casino | 0 | 0 | 1 | 450 |
| Total | 105 | 13,290 | 121 | 16,072 |



San Francisco

Total Construction Pipeline

- Under Construction.....1,369 rooms
- Start Next 12 Months.....2,934 rooms
- Early Planning.....2,708 rooms

- Brand Conversions.....1,155 rooms
- Announced Renovations.....1,745 rooms
- Total Transactions.....2,697 rooms



San Jose

Total Construction Pipeline

- Under Construction.....3,595 rooms
- Start Next 12 Months.....3,615 rooms
- Early Planning.....2,161 rooms

- Brand Conversions.....973 rooms
- Announced Renovations.....2,900 rooms
- Total Transactions.....1,335 rooms



Sacramento

Total Construction Pipeline

- Under Construction.....822 rooms
- Start Next 12 Months.....1,990 rooms
- Early Planning.....2,167 rooms

- Brand Conversions.....501 rooms
- Announced Renovations.....979 rooms
- Total Transactions.....857 rooms



Los Angeles

Total Construction Pipeline

- Under Construction.....7,064 rooms
- Start Next 12 Months.....9,199 rooms
- Early Planning.....12,238 rooms

- Brand Conversions.....988 rooms
- Announced Renovations.....3,017 rooms
- Total Transactions.....3,000 rooms



San Diego

Total Construction Pipeline

- Under Construction.....2,626 rooms
- Start Next 12 Months.....3,180 rooms
- Early Planning.....3,388 rooms

- Brand Conversions.....1,342 rooms
- Announced Renovations.....2,887 rooms
- Total Transactions.....2,691 rooms



Riverside-San Bernardino

Total Construction Pipeline

- Under Construction.....2,637 rooms
- Start Next 12 Months.....4,192 rooms
- Early Planning.....1,721 rooms

- Brand Conversions.....732 rooms
- Announced Renovations.....3,861 rooms
- Total Transactions.....1,306 rooms



Anaheim

Total Construction Pipeline

- Under Construction.....3,212 rooms
- Start Next 12 Months.....1,963 rooms
- Early Planning.....1,152 rooms

- Brand Conversions.....293 rooms
- Announced Renovations.....400 rooms
- Total Transactions.....2,299 rooms



Thank You



Bruce Ford

SVP, Director of Global Business Development

Office: +1 603.427.9546

Mobile: +1 603.770.5634

Email: bford@LodgingEconometrics.com

