

May 19, 2021

U.S. & ILLINOIS HOTEL OUTLOOK

National and Illinois Hotel Market Update

01 THE ECONOMY

02 LEADING INDICATORS

07 CAPITAL MARKETS

03 CURRENT TRENDS

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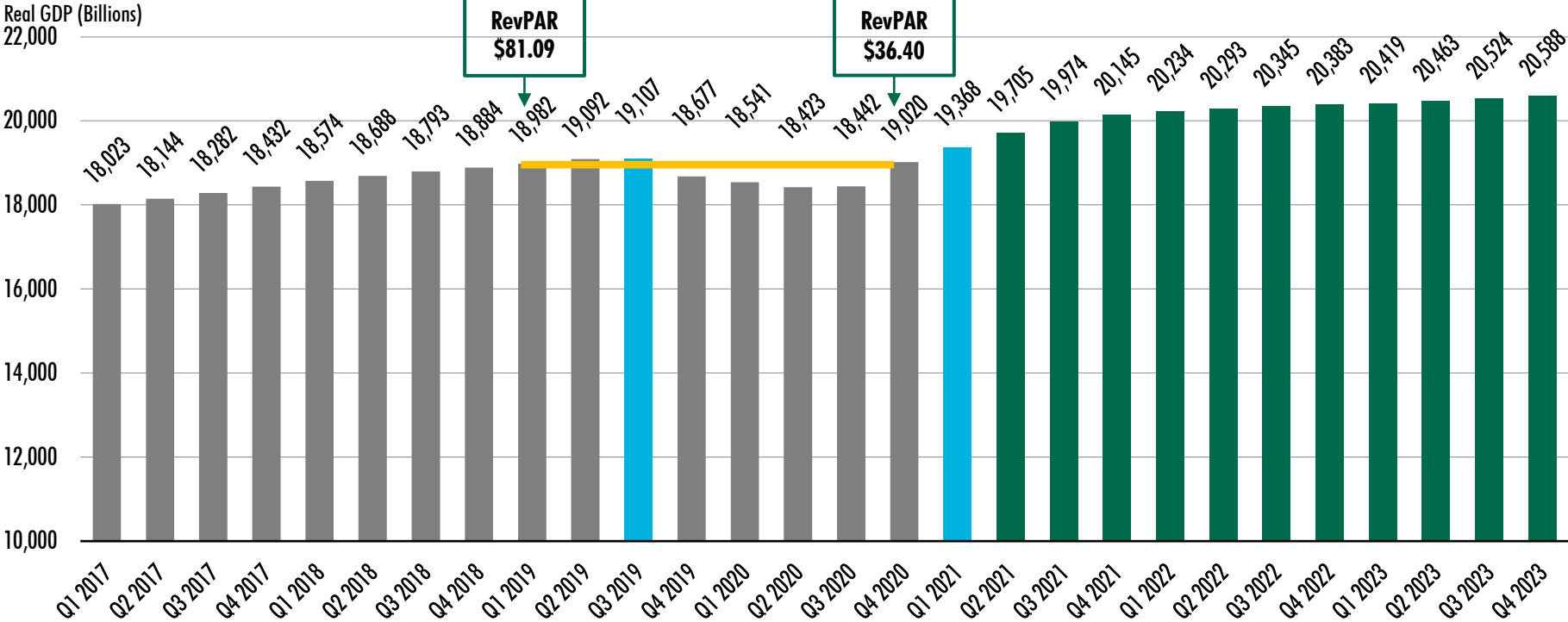
05 U.S. HOTEL FORECAST

06 REGIONAL FORECAST CHICAGO

The Economy

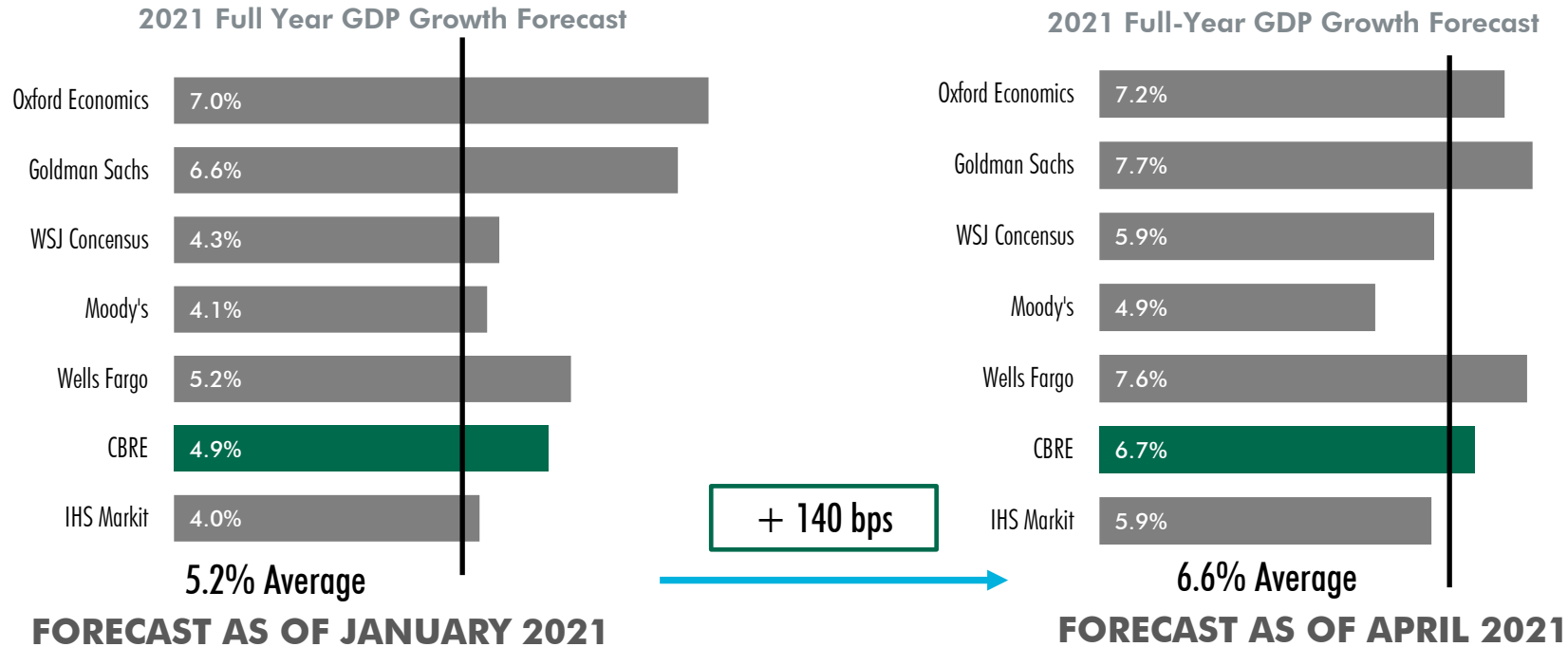


The Question Is When, Not If RevPAR Will Recover



Source: CBRE Hotels Research, CBRE EA, BLS.

GDP Forecasts - January vs April

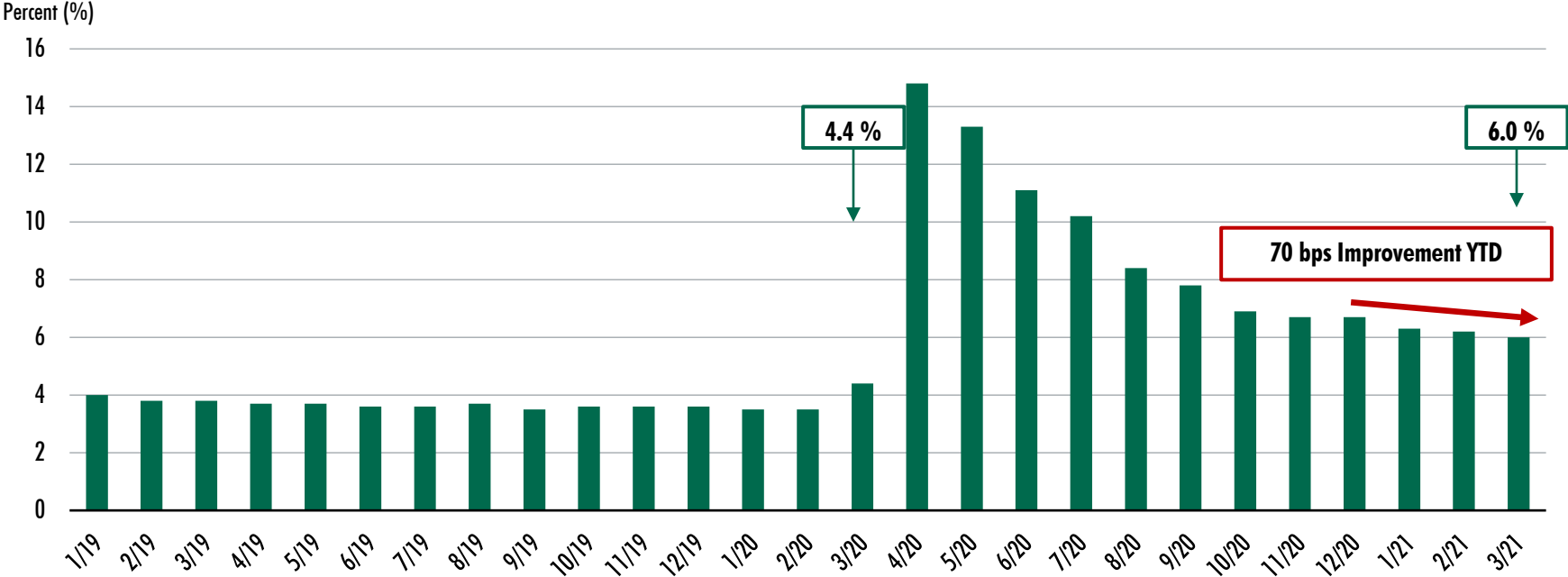


Source: CBRE Hotels Research, CBRE EA, Wall Street Journal.
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Overall Labor Market

CBRE Forecasts 4.6% 2021 Unemployment

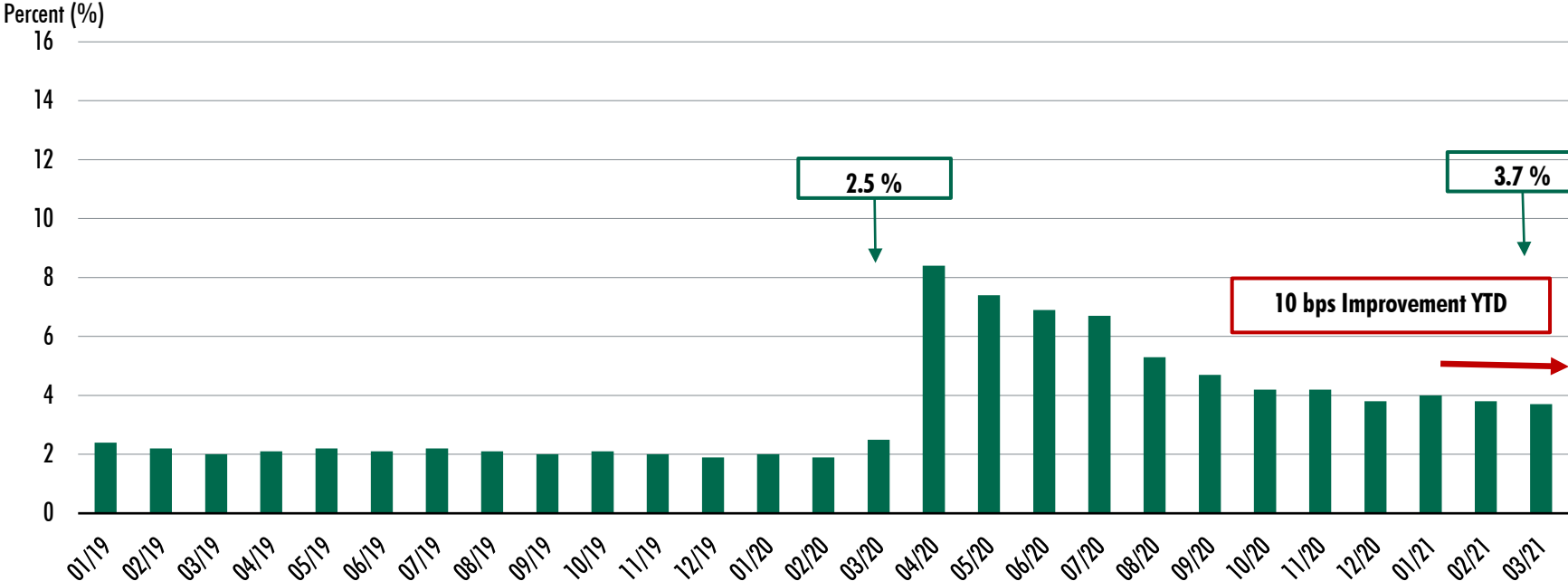
UNEMPLOYMENT RATE



Source: CBRE Hotels Research, BLS.

College Educated Labor Market

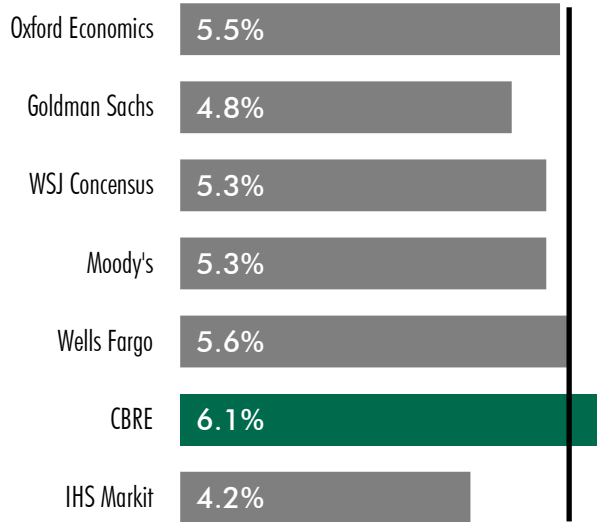
UNEMPLOYMENT RATE – BACHELOR’S DEGREE AND HIGHER, 25 YRS. & OVER



Source: CBRE Hotels Research, BLS.

Unemployment Forecasts- January vs March

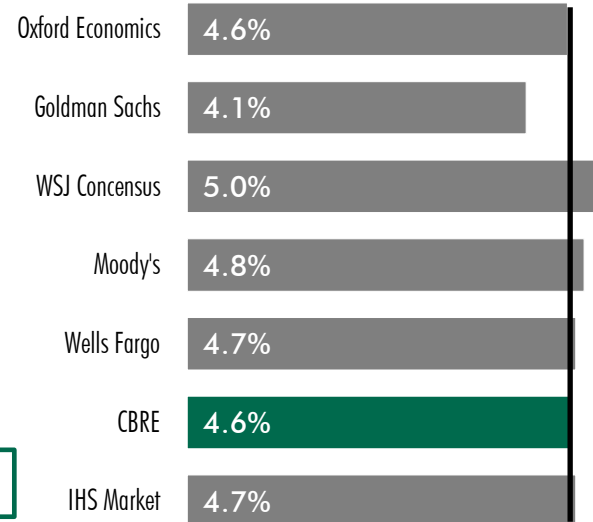
2021 Unemployment Rate Forecast



5.2% Average

FORECAST AS OF JANUARY 2021

2021 Unemployment Rate Forecast

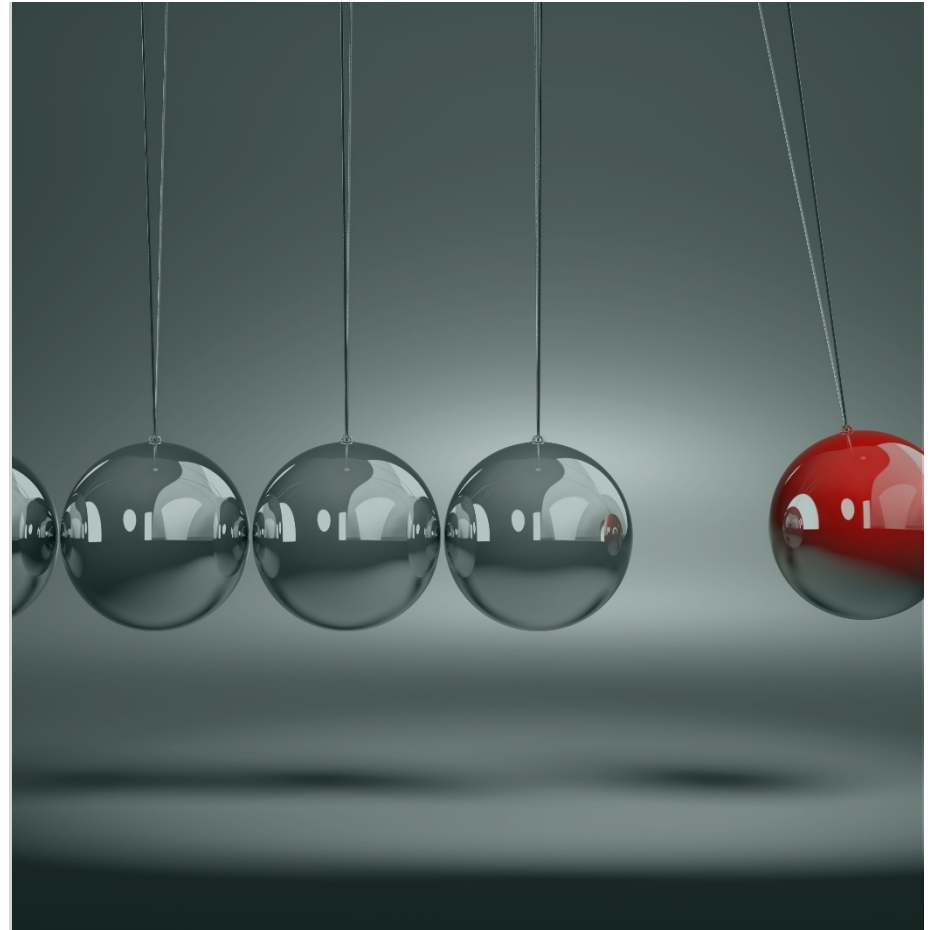


4.6% Average

FORECAST AS OF MARCH 2021

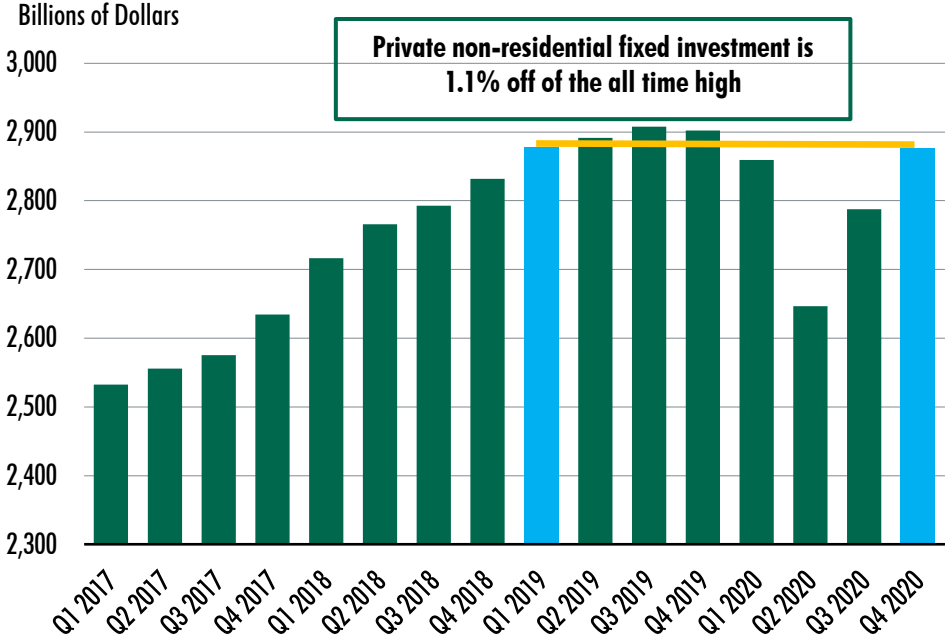
60 bps Improvement

Leading Indicators

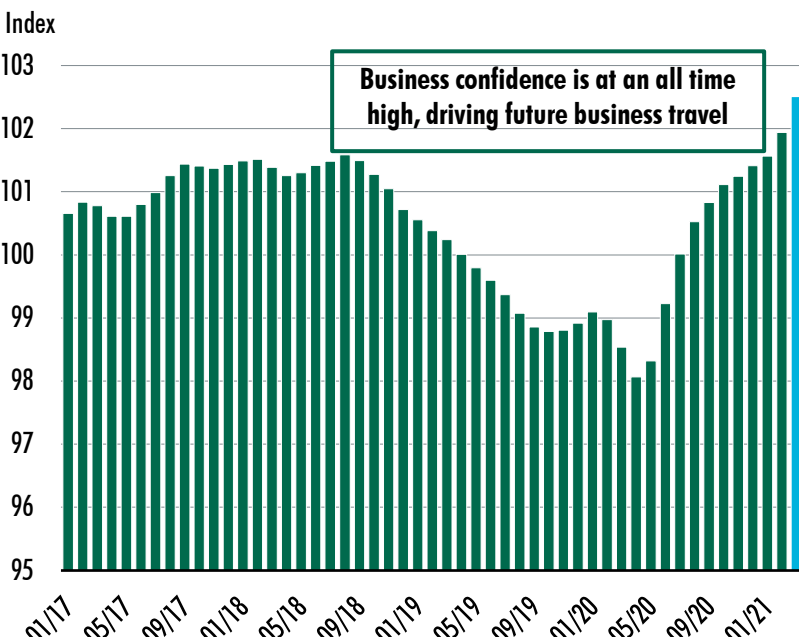


High Fixed Investment and Record Level Business Confidence

PRIVATE NONRESIDENTIAL FIXED INVESTMENT



BUSINESS CONFIDENCE INDEX

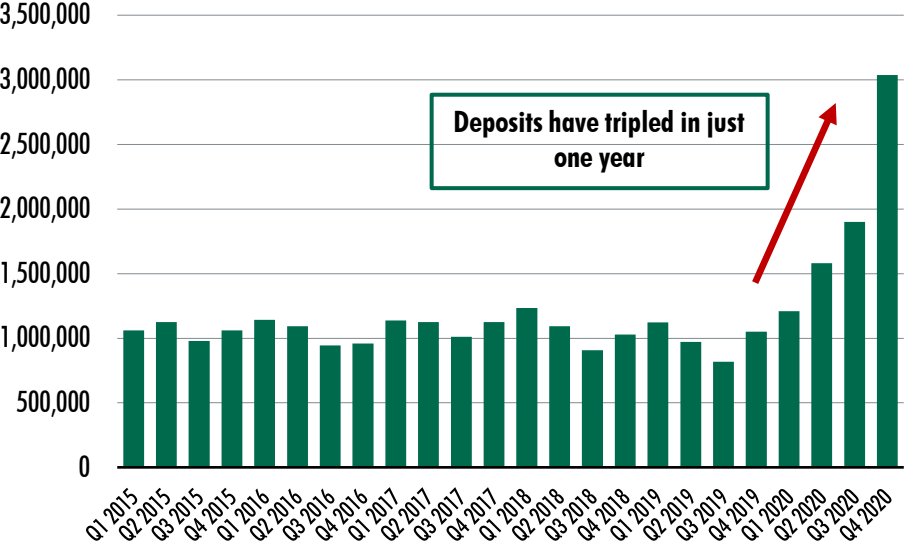


Source: CBRE Hotels Research, BLS.

Record Level Household Savings But Consumer Confidence is Lagging

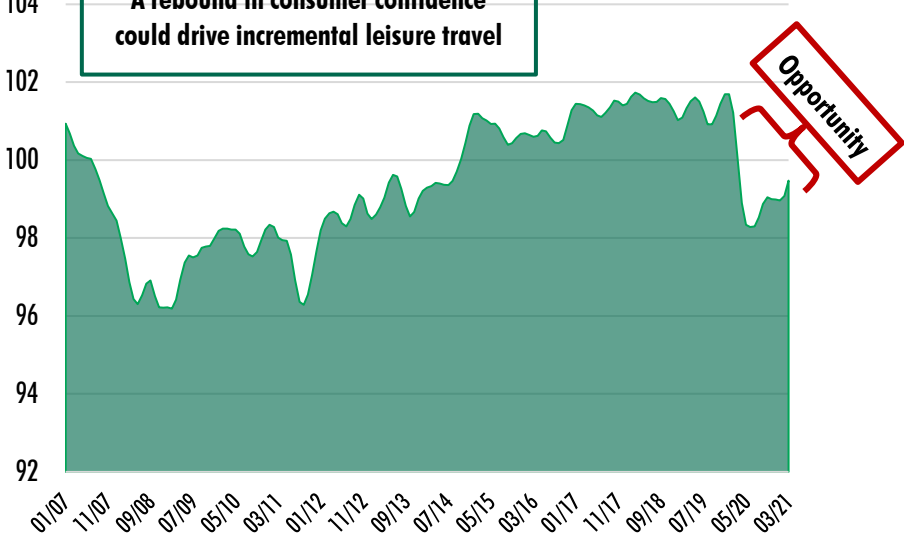
HOUSEHOLD CHECKABLE DEPOSITS

Millions of Dollars



CONSUMER CONFIDENCE INDEX

Index

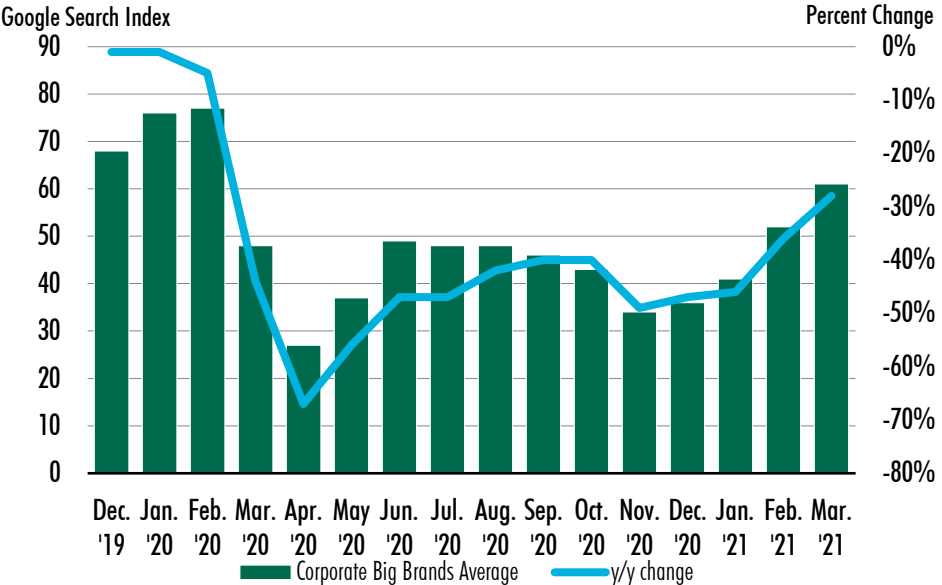


Source: CBRE Hotels Research, BLS.

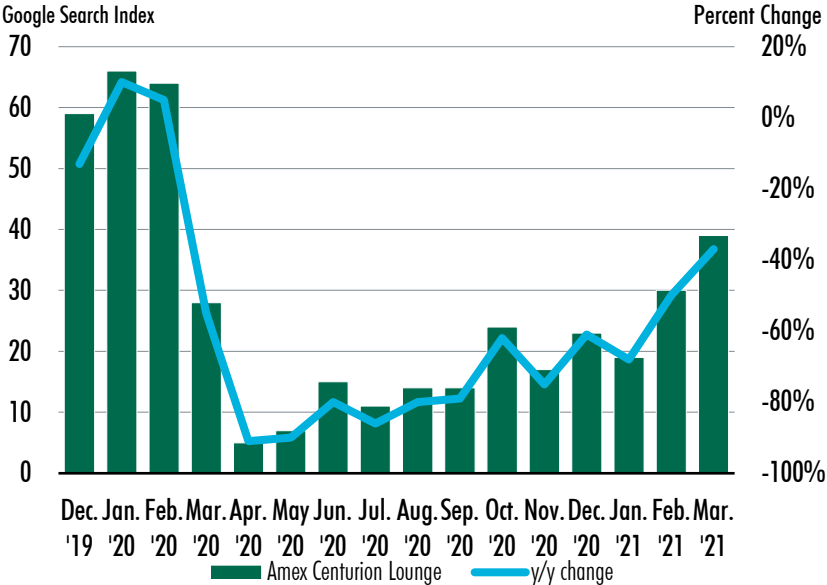
Google Trends Analysis Business Travel Recovery

BUSINESS TRAVEL LEADING INDICATORS

Corporate Big Brands Average



Amex Centurion Lounge

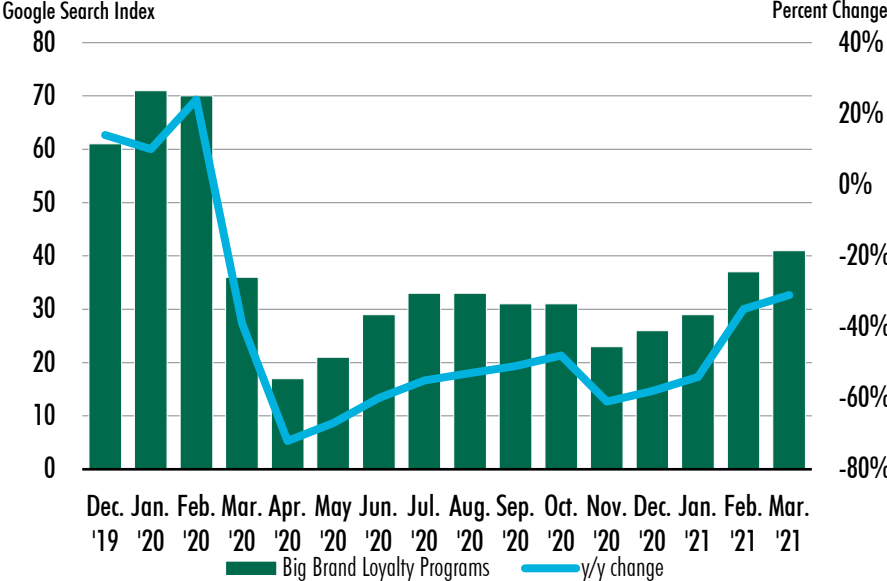


Source: CBRE Hotels Research, Google Trends. Key words: Hilton, Marriott, Hyatt, IHG Hotels, Amex Lounge, Centurion Lounge

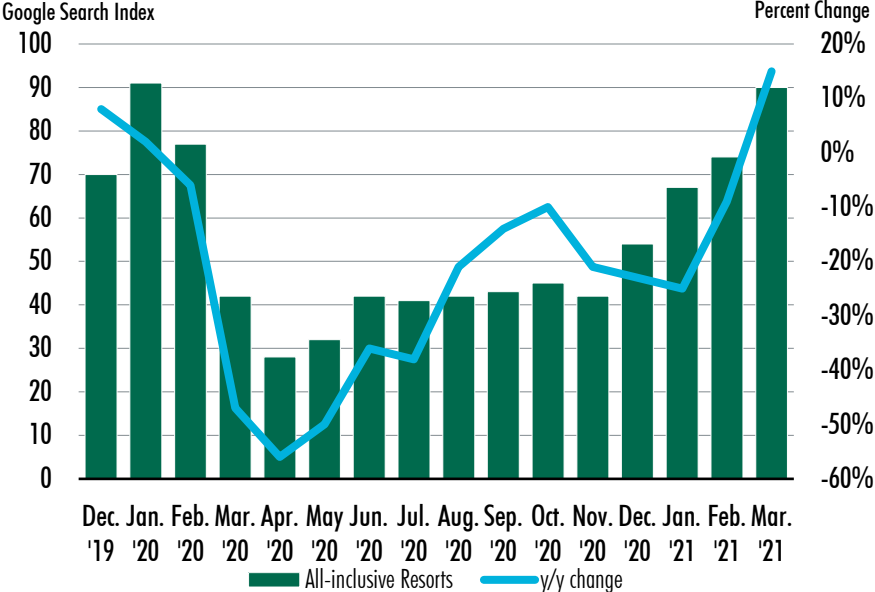
Google Trends Analysis Leisure Travel Recovery

LEISURE TRAVEL LEADING INDICATORS

Big Brand Loyalty Program



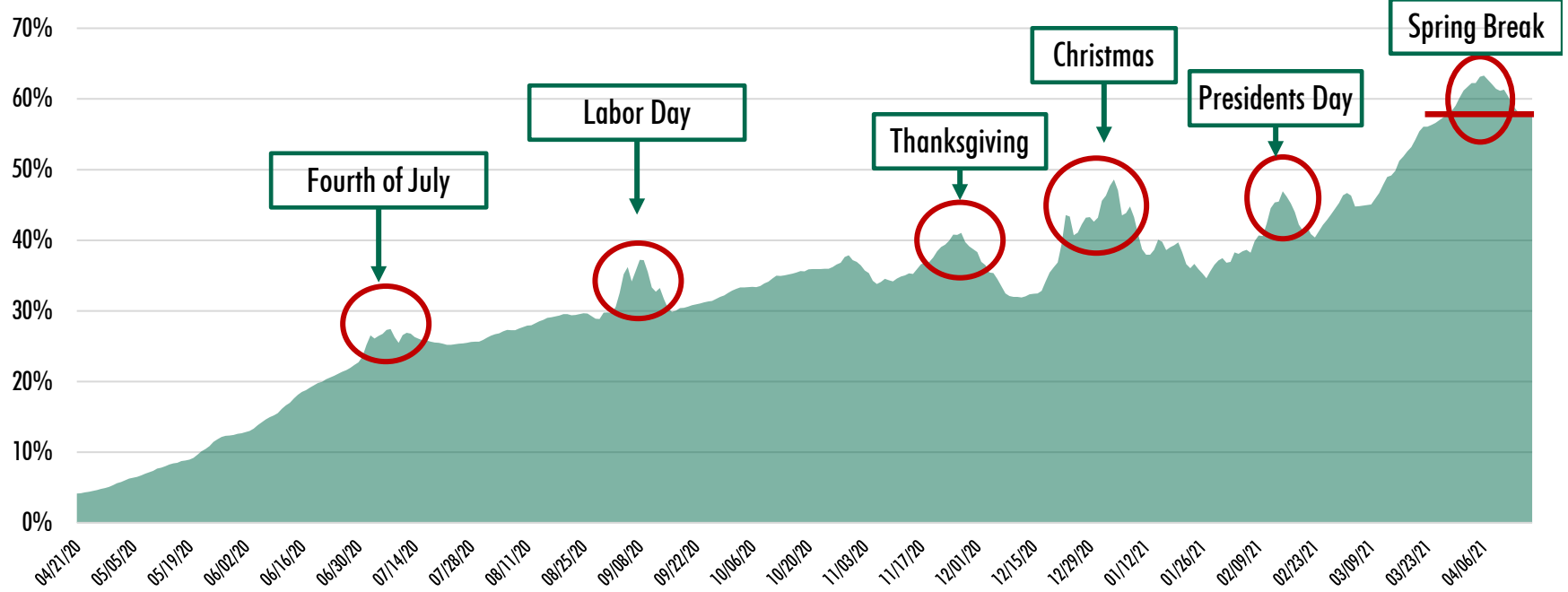
All-Inclusive Resorts



Source: CBRE Hotels Research, Google Trends. Key words: Bonvoy, Hilton Honors, World of Hyatt, IHG Rewards, All-inclusive Resort.

Non-Holiday Air Travel Is Also Strengthening

TSA THROUGHPUT AS A PERCENT OF 2019 LEVELS



Source: CBRE Hotels Research, TSA.

Current Trends



Quarter to Date Forecast vs Preliminary Results

CBRE Hotel Horizons ® Forecast

Forecast As Of

Q1

2020.4

Occupancy: 36.29%
ADR: \$95.12
RevPAR: \$34.52

1st Quarter Preliminary Results

Data As Of

Q1

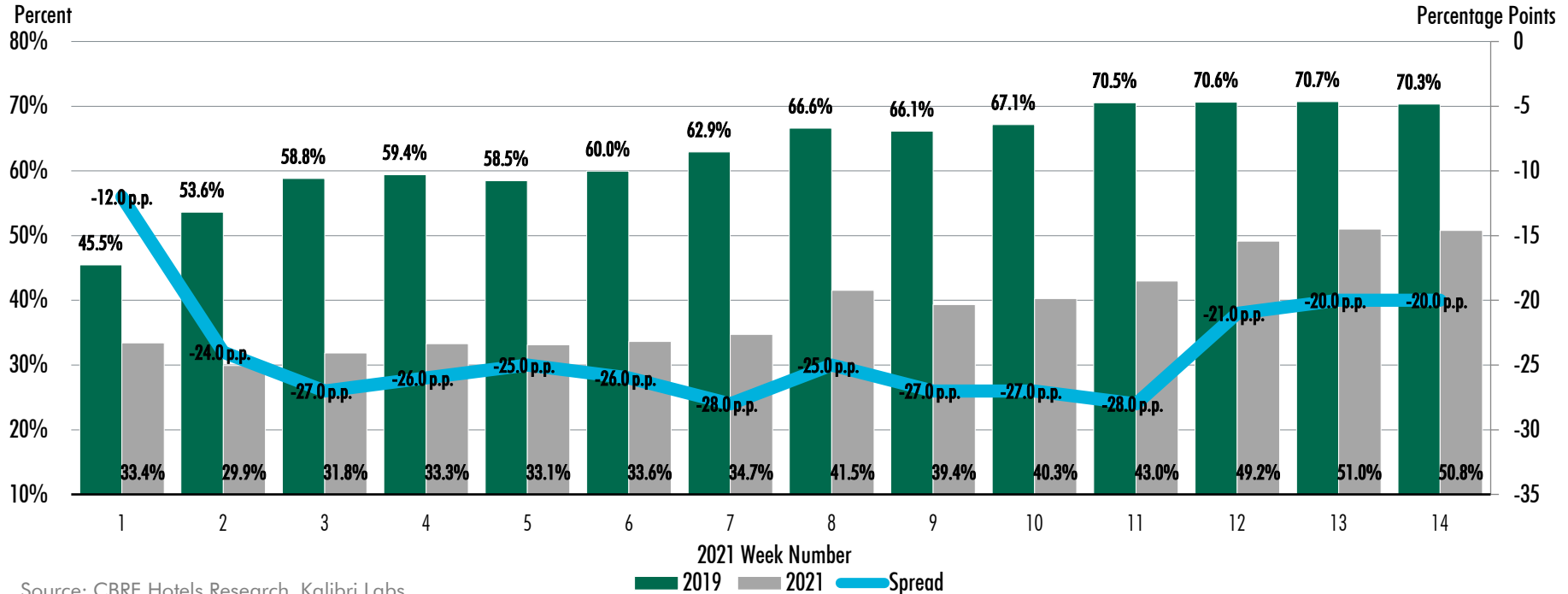
3.31.21

Occupancy: 37.07%
ADR: \$95.77
RevPAR: \$36.13

Preliminary RevPAR results came
in 4.7% higher than forecasted

Rebounding Hotel Performance

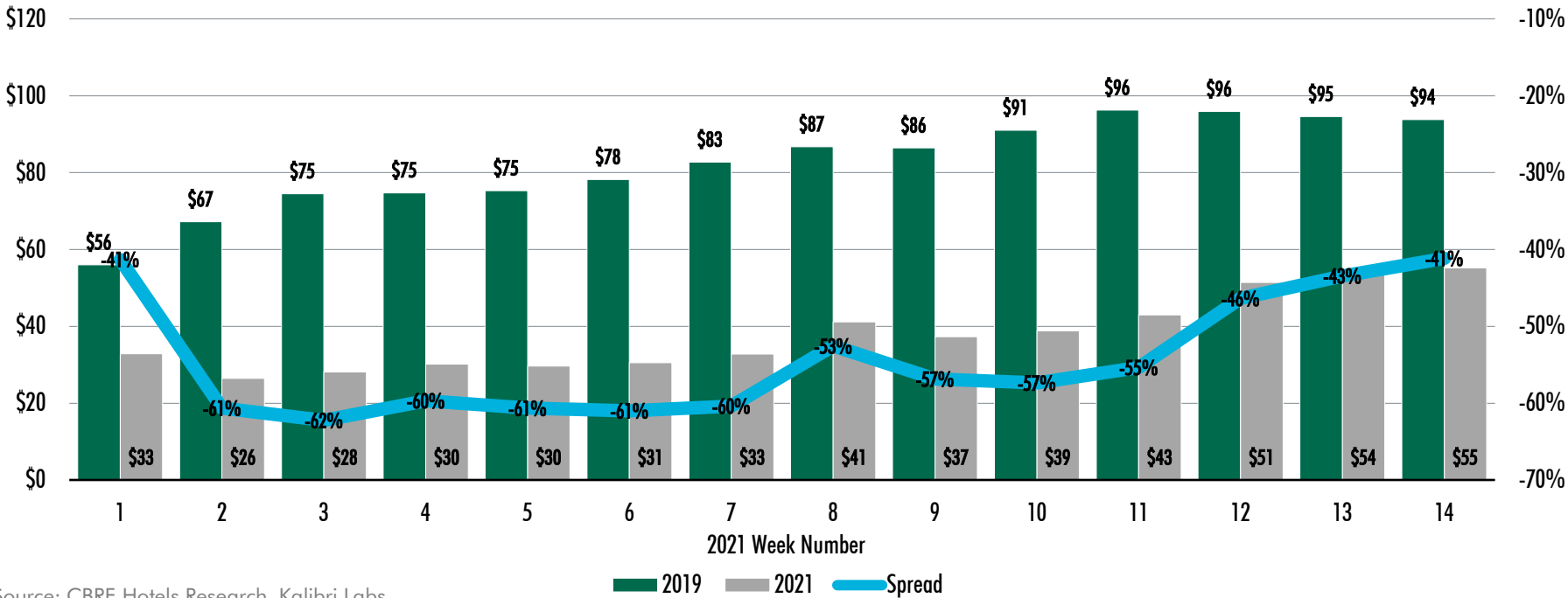
US WEEKLY OCCUPANCY



Source: CBRE Hotels Research, Kalibri Labs.

Rebounding Hotel Performance

US WEEKLY REVPAR



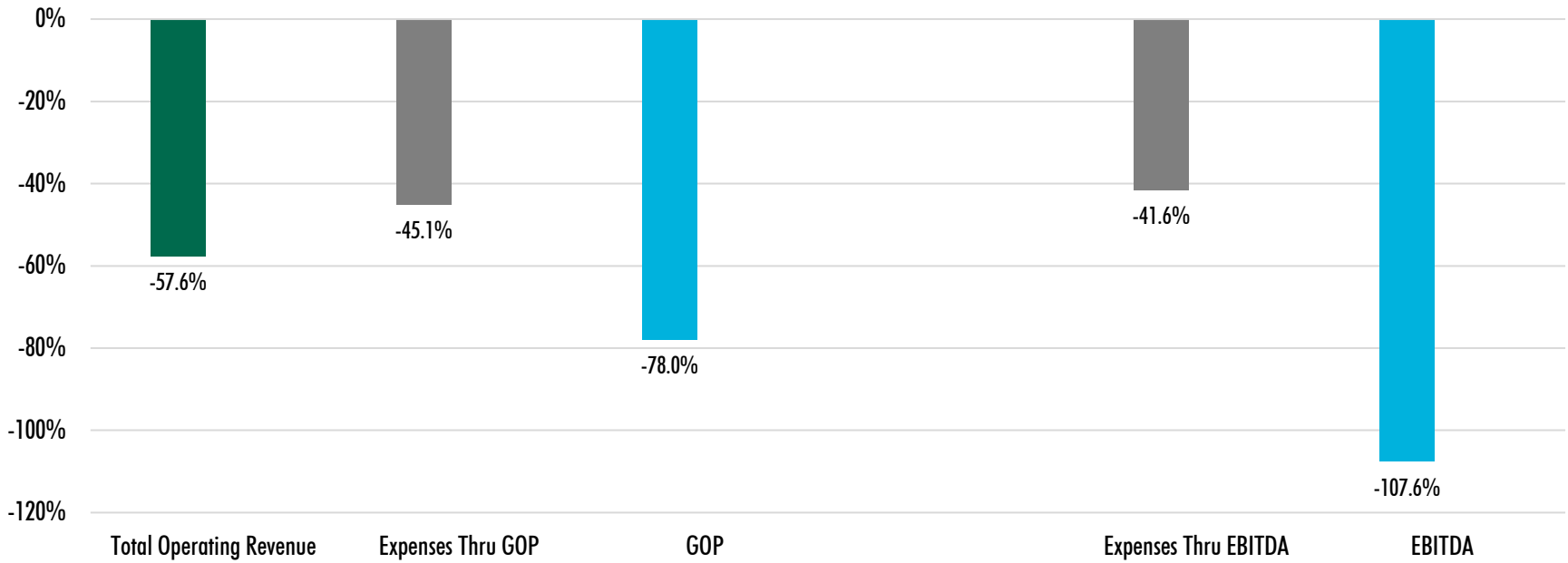
Source: CBRE Hotels Research, Kalibri Labs.

Operating Performance



Change in Revenues, Expenses and Profits: All hotels

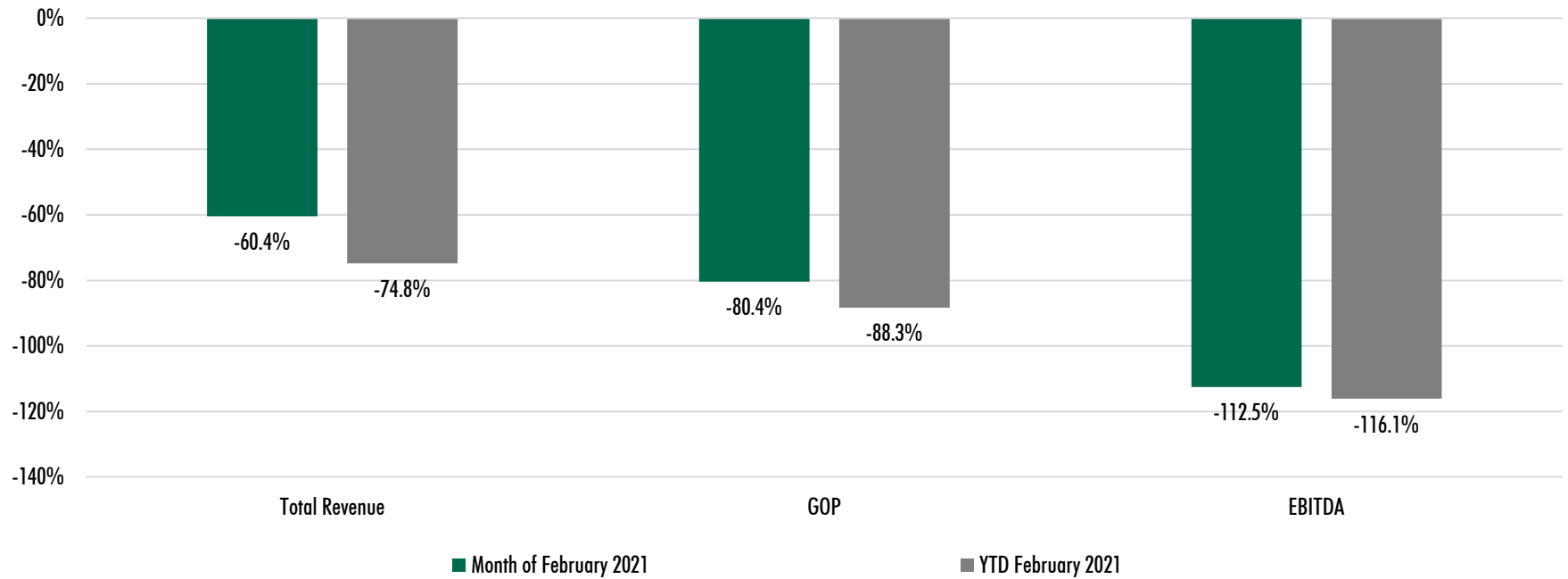
DECEMBER YTD 2020 VS DECEMBER YTD 2019



Source: CBRE Hotels Research, Same-Store Sample, Open All Twelve Months.
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U.S. Hotels Operating Performance: All Hotels

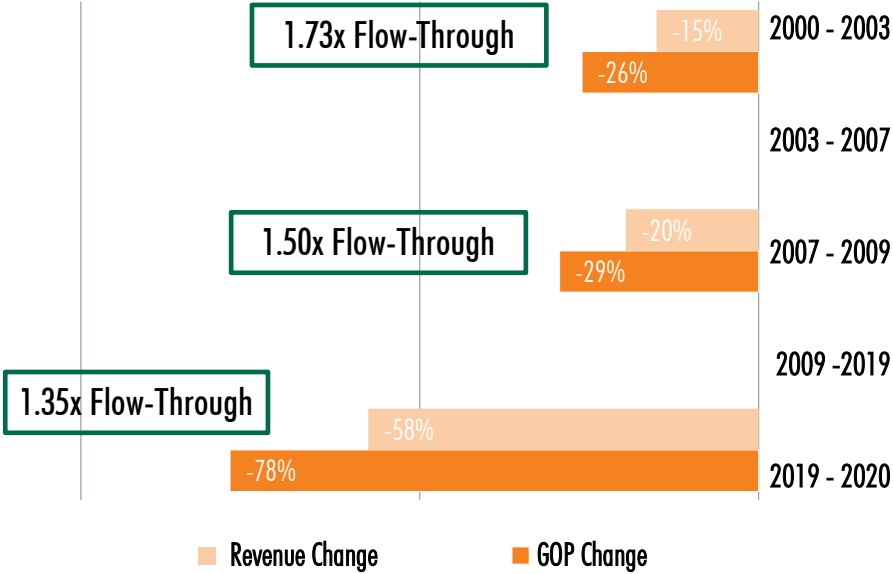
DOLLARS PER AVAILABLE ROOM: FEBRUARY 2021 VS FEBRUARY 2020



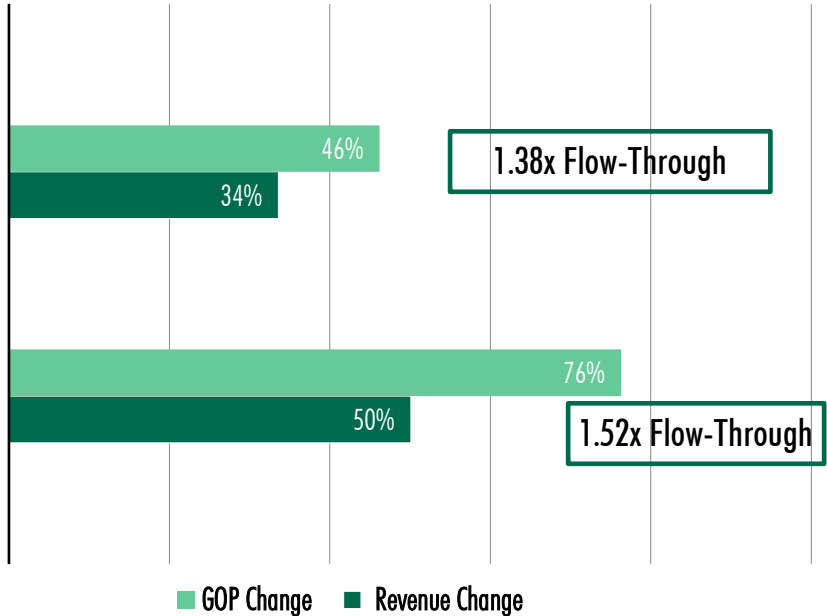
Source: CBRE Hotels Research, Same-Store Sample, Open All Twelve Months.

Operators have Become More Efficient With Each Cycle

CONTRACTION



EXPANSION



Source: CBRE Hotels Research, CBRE Econometric Advisors.

Q4 2020 Forecast



CBRE Hotel Horizons®

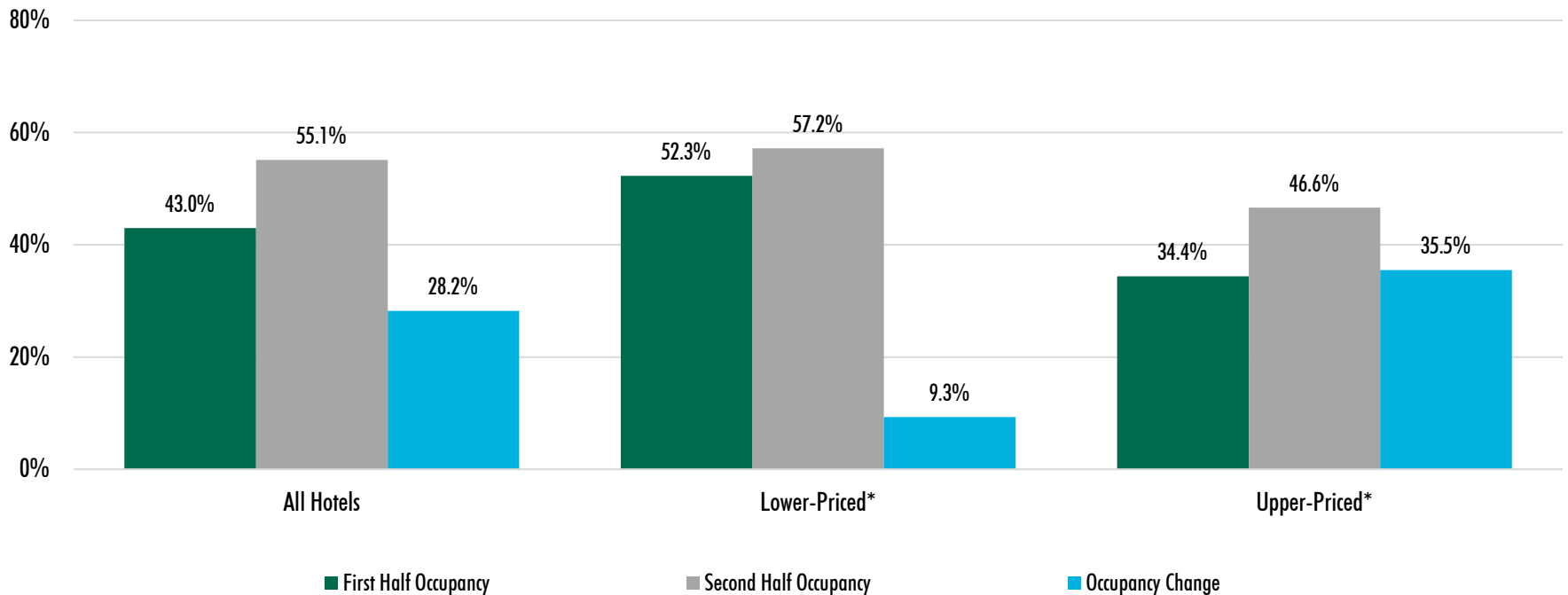
Q4 2020 US Lodging Forecast

Year	Occ	ΔOcc	ADR	ΔADR	RevPAR	ΔRevPAR	RevPAR % of 2019
2019	67.0%	0.4%	\$132.93	0.6%	\$89.05	0.9%	100%
2020	41.7%	-37.8%	\$103.05	-22.5%	\$42.96	-51.8%	48%
2021	49.1%	17.7%	\$99.46	-3.5%	\$48.81	13.6%	55%
2022	61.7%	25.7%	\$113.21	13.8%	\$69.85	43.1%	78%
2023	65.1%	5.5%	\$127.02	12.2%	\$82.65	18.3%	93%
2024	65.5%	0.7%	\$136.63	7.6%	\$89.51	8.3%	101%
2025	65.2%	-0.5%	\$143.07	4.7%	\$93.27	4.2%	105%

Source: CBRE Hotels Research, Kalibri Labs.

CBRE Hotel Horizons®

2021 U.S. Lodging Forecast

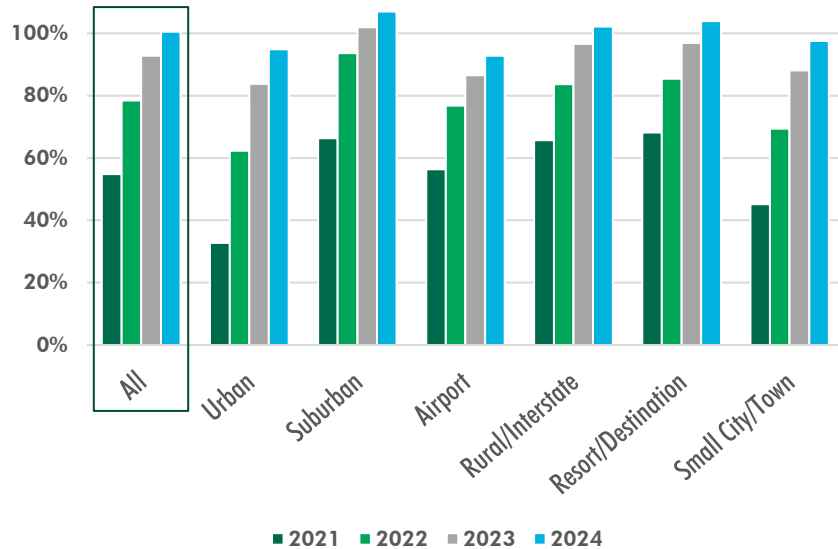


Source: CBRE Hotels Research as of Q4 2020, Kalibri Labs.
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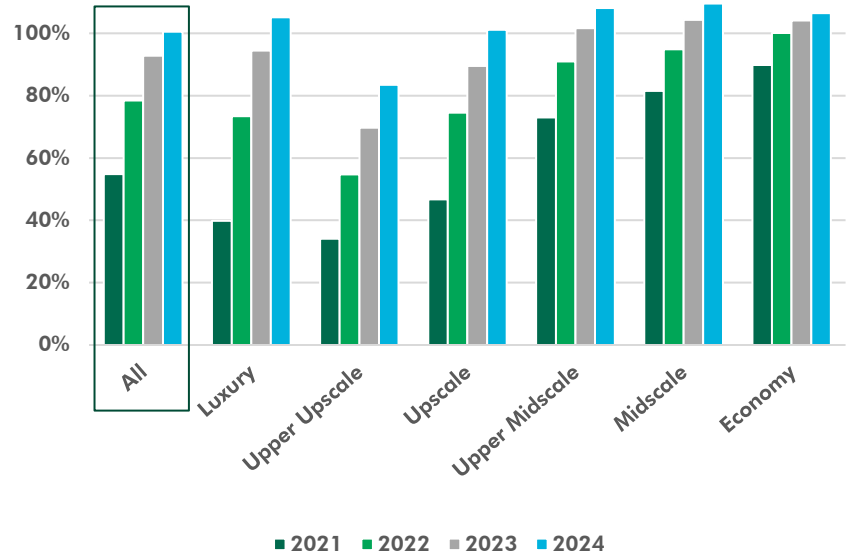
CBRE Hotel Horizons®

'21-'24 Forecast by Category

% OF 2019 REVPAR - BY LOCATION TYPE

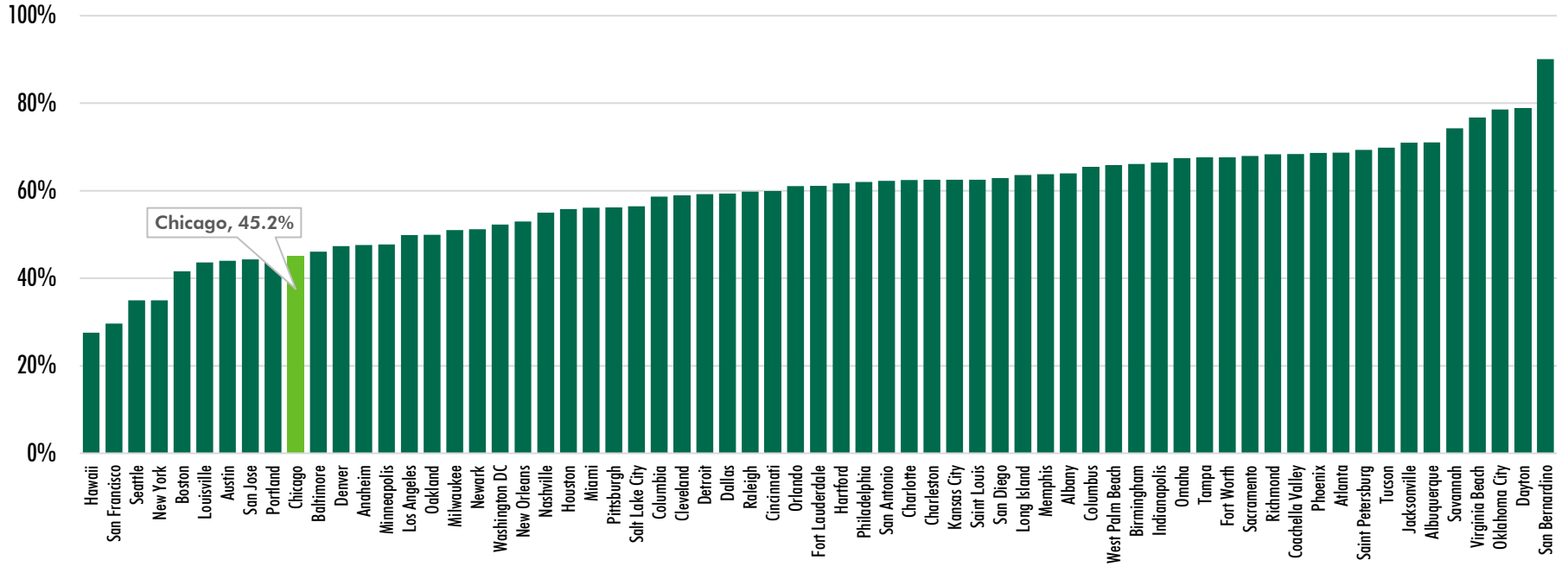


- BY PRODUCT TYPE



CBRE Hotel Horizons®

2021 RevPAR Recovery Index By Market



Source: CBRE Hotels Research, Kalibri Labs.
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Illinois Data & Chicago Forecast



CBRE Hotel Horizons®

Chicago Lodging Forecast

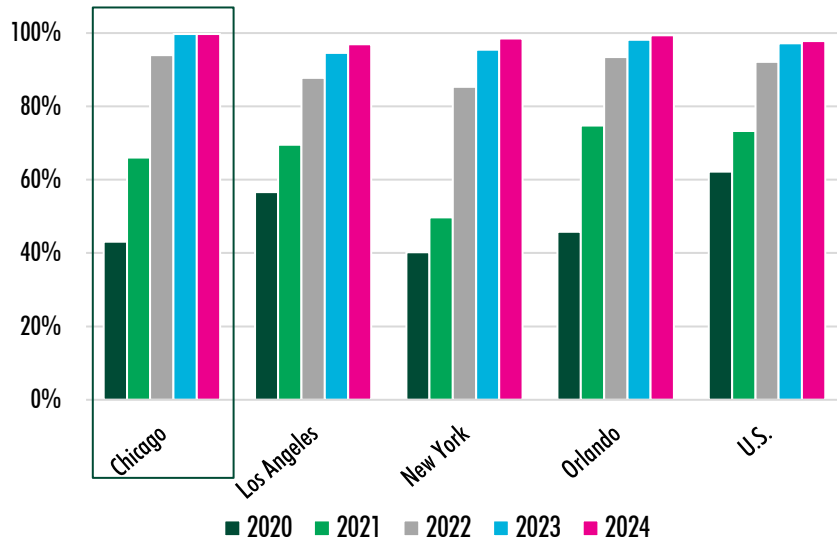
Year	Occ	ΔOcc	ADR	ΔADR	RevPAR	ΔRevPAR	RevPAR % of 2019
2019	69.4%	1.3%	\$144.57	-2.4%	\$100.36	-1.1%	
2020	29.9%	-57.0%	\$91.10	-37.0%	\$27.19	-72.9%	27.1%
2021	45.8%	53.3%	\$99.11	8.8%	\$45.36	66.8%	45.2%
2022	65.2%	42.4%	\$119.94	21.0%	\$78.17	72.3%	77.9%
2023	69.2%	6.1%	\$140.94	17.5%	\$97.47	24.7%	97.1%
2024	69.2%	0.1%	\$153.57	9.0%	\$106.30	9.1%	105.9%
2025	68.9%	-0.4%	\$161.32	5.0%	\$111.23	4.6%	110.8%

Source: CBRE Hotels Research, Kalibri Labs.

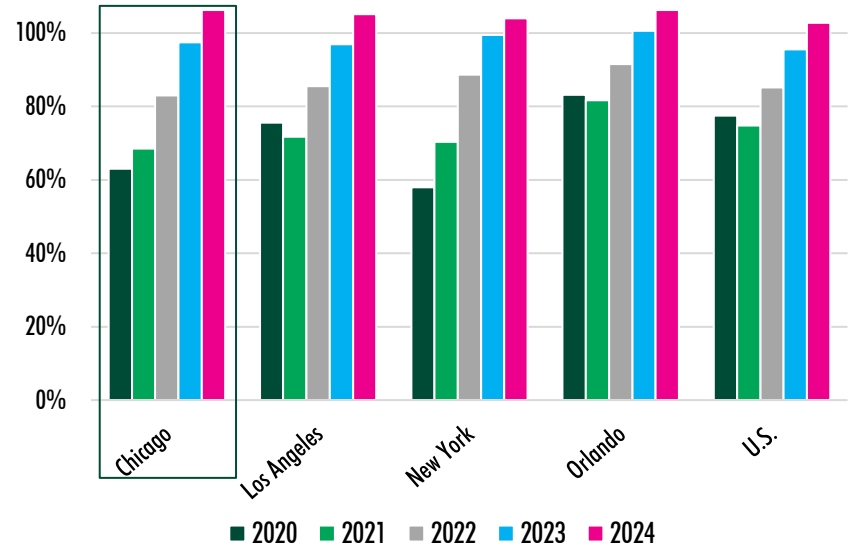
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2020-24 Chicago vs. Peers

% OF 2019 OCCUPANCY - BY MARKET



% OF 2019 ADR - BY MARKET



Source: CBRE Hotels Research, Kalibri Labs.

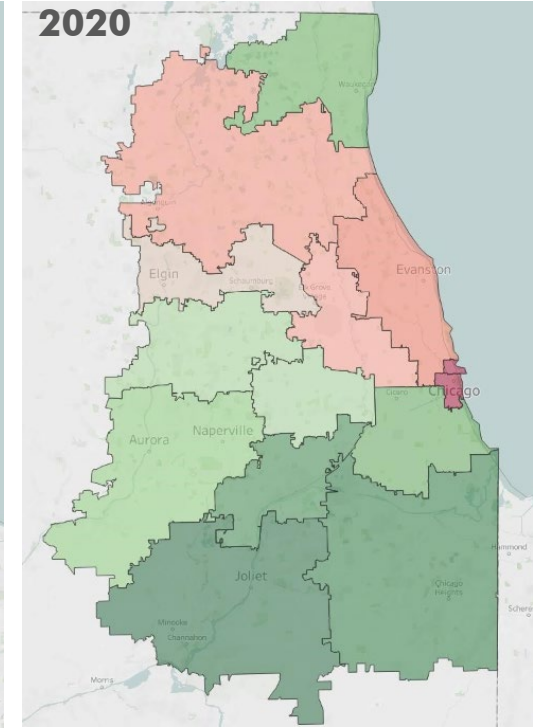
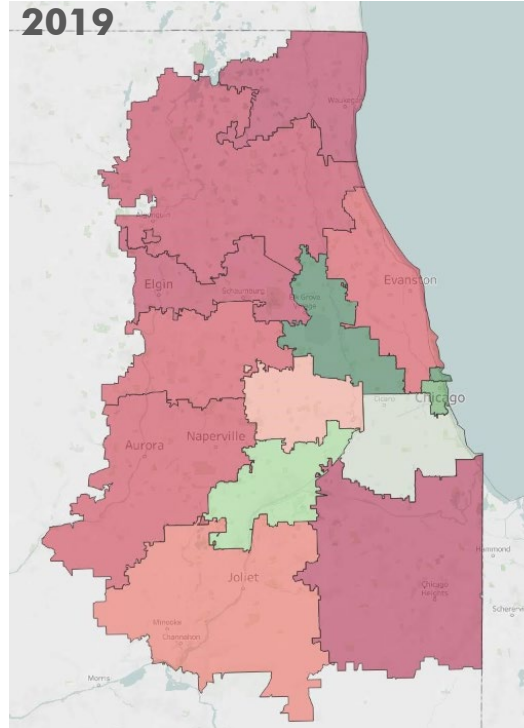
Submarket Performance & Occupancy 'Heat Map'

2019 VS 2020 PERFORMANCE

2020 Year End Performance

SUBMARKET	OCCUPANCY	ADR	REVPAR	REVPAR
All	29.8%	\$91.05	\$27.17	-73.0%
North Shore/Evanston Area	29.3%	\$84.68	\$24.77	-69.6%
Schaumburg	34.5%	\$70.74	\$24.37	-58.4%
ORD Airport	32.5%	\$91.80	\$29.87	-69.0%
Downers Grove	35.9%	\$76.60	\$27.47	-60.3%
Chicago Heights	48.7%	\$75.71	\$36.90	-36.9%
Magnificent Mile	19.5%	\$124.28	\$24.18	-83.7%
Lake Zurich	31.5%	\$85.22	\$26.88	-62.8%
Joliet	50.4%	\$74.90	\$37.78	-40.9%
Downtown/Loop	19.7%	\$127.30	\$25.02	-82.8%
MDW Airport	42.2%	\$88.89	\$37.50	-53.1%
Romeoville	46.1%	\$68.61	\$31.65	-48.6%
Naperville/Aurora	40.5%	\$68.21	\$27.61	-51.7%
Geneva/West Chicago	35.9%	\$73.12	\$26.26	-57.5%
Waukegan	41.3%	\$72.78	\$30.09	-50.9%

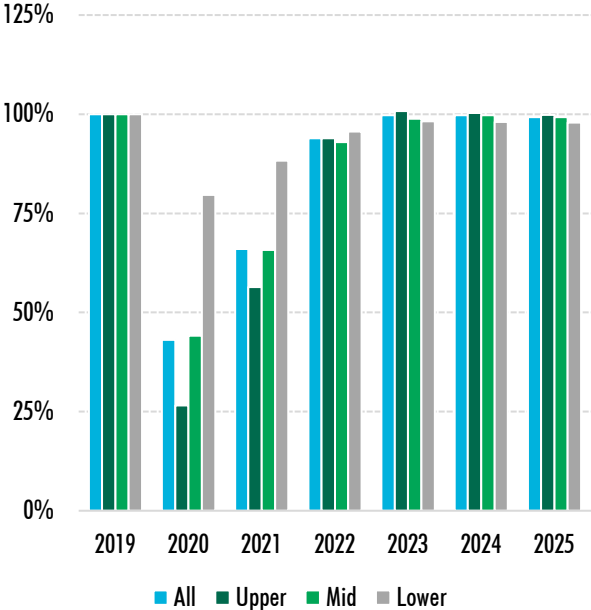
Source: Kalibri Labs, Q4 2020



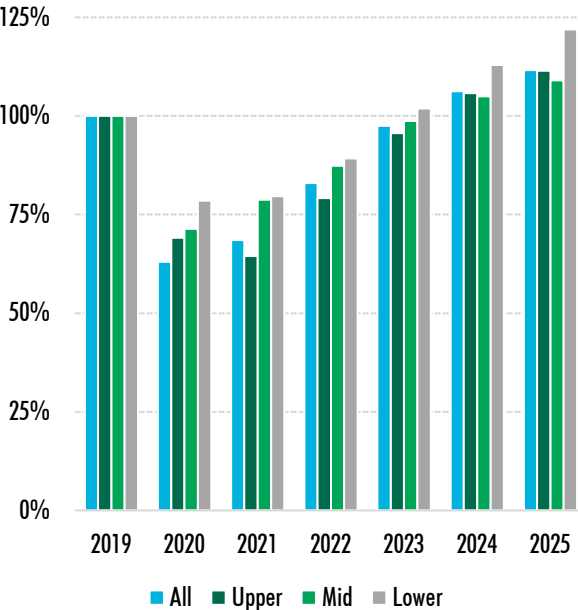
Source: CBRE Hotels Research, Kalibri Labs.

Chicago Market Recovery by Price Tier

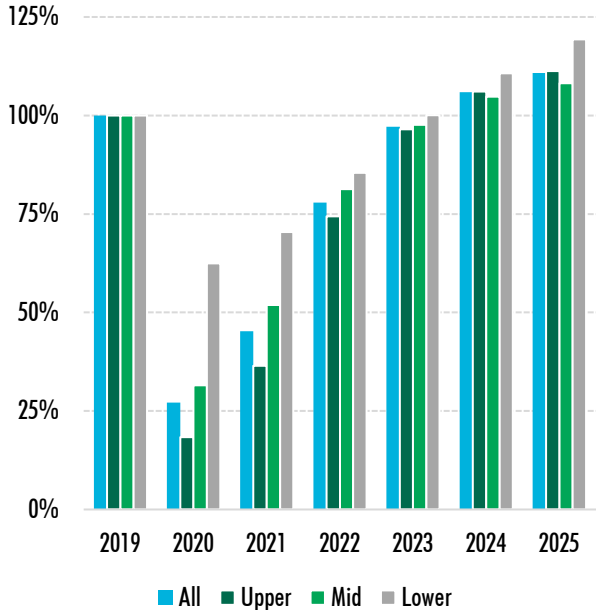
OCCUPANCY



ADR

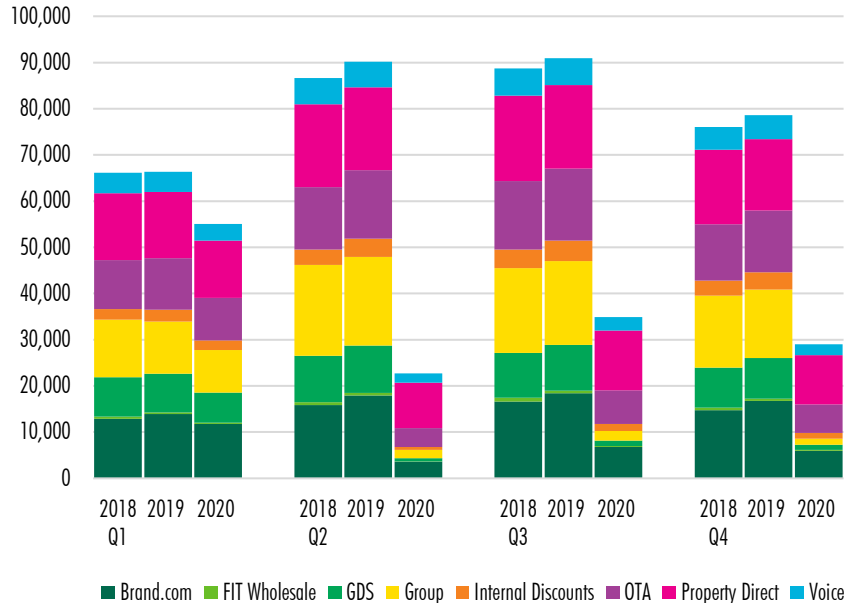


REVPAR

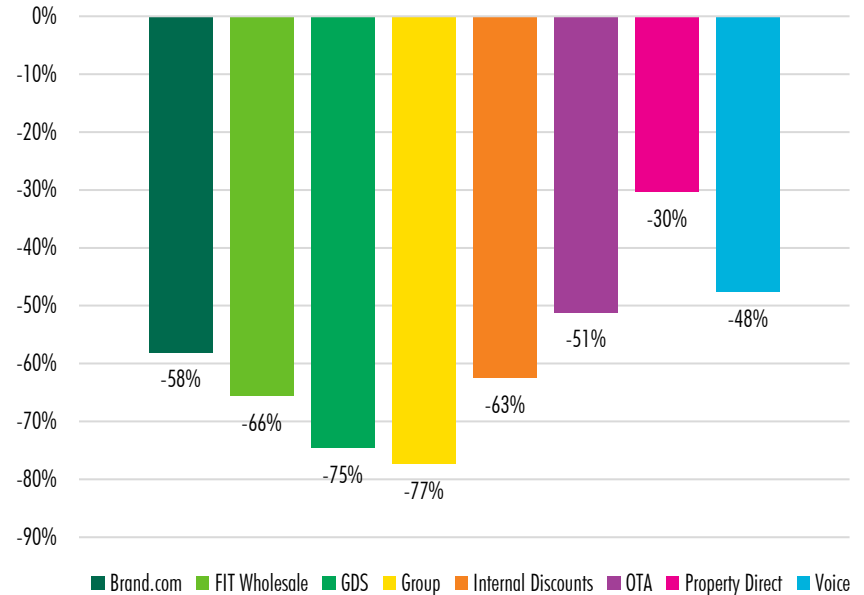


Channel Mix Data Chicago Market

DAILY ROOM NIGHTS BY CHANNEL MIX



2020 YOY VOLUME CHANGE BY CHANNEL

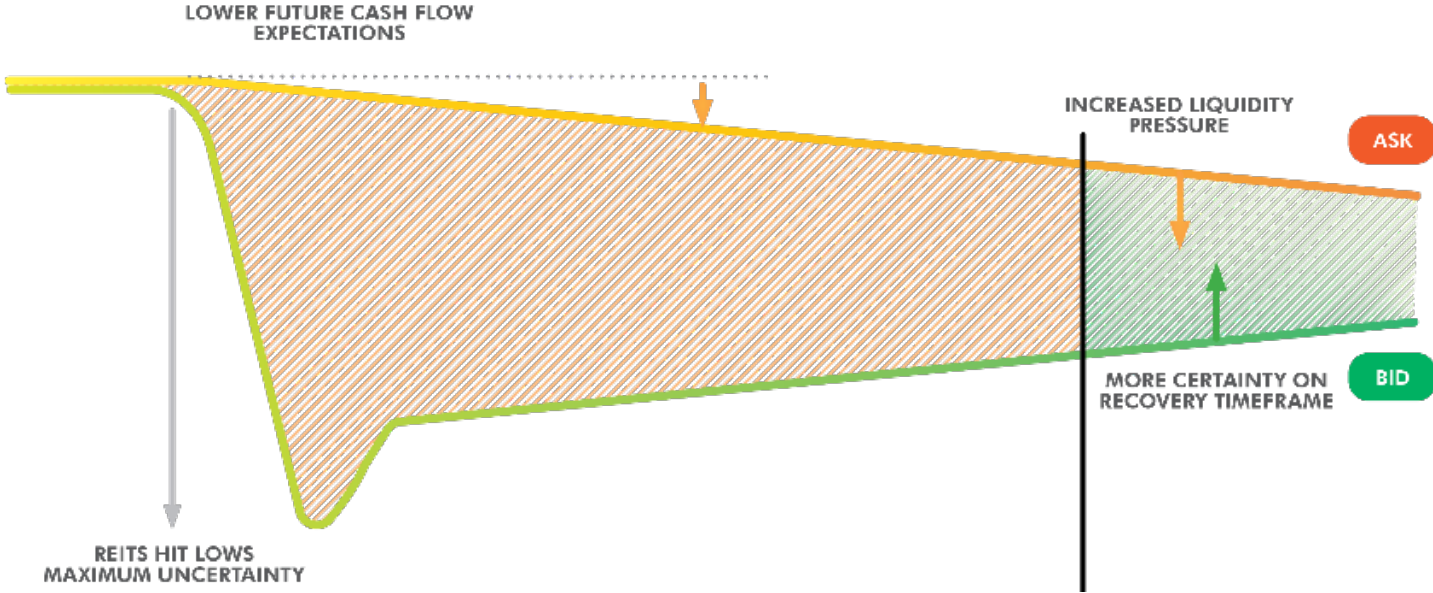


Source: CBRE Hotels Research, Kalibri Labs

Capital Markets



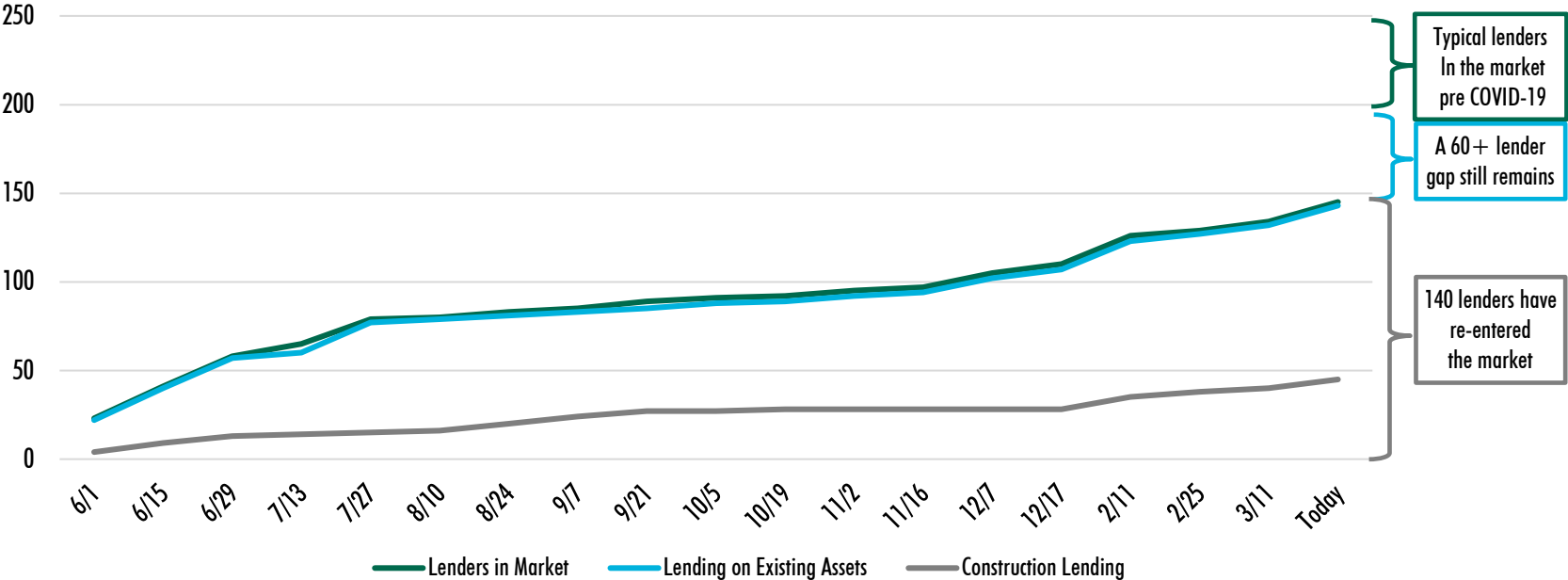
Mechanics of Today's Bid-Ask Spread



Debt and Structured Finance

All Hospitality Lenders

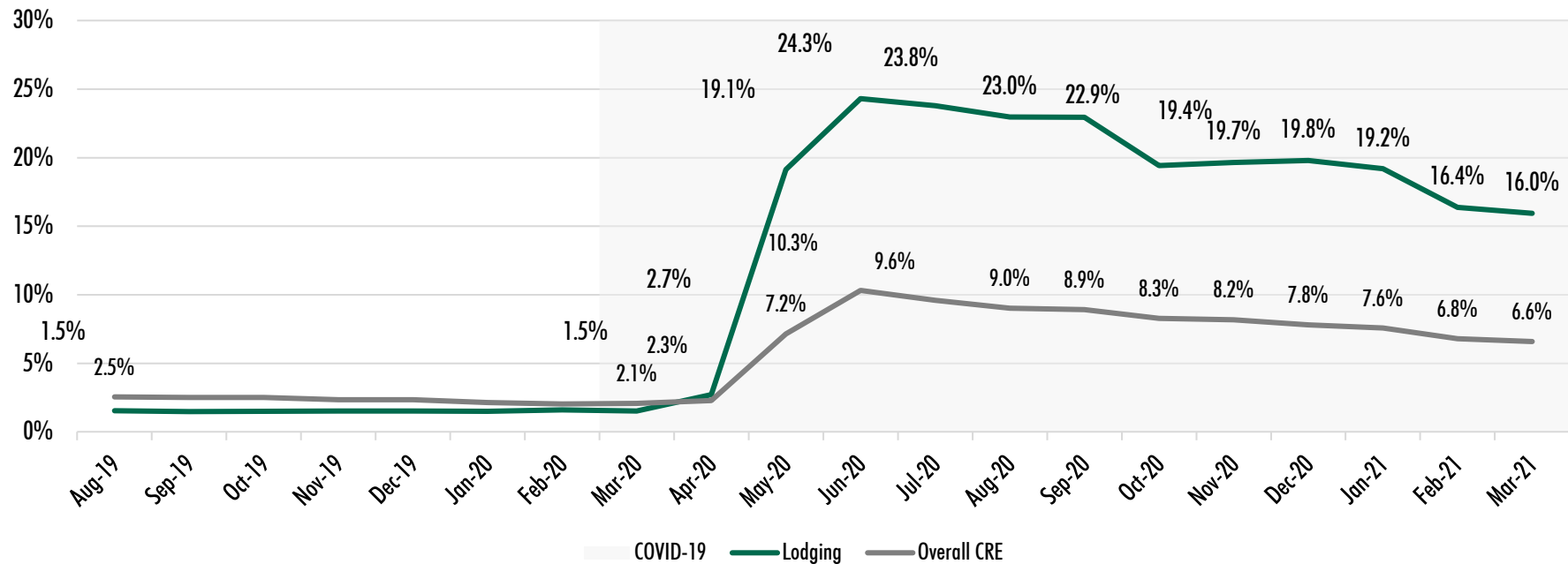
ACTIVE HOSPITALITY LENDERS BY WEEK



Source: CBRE Hotels Research, CBRE Debt & Structured Finance.

Lodging CMBS Delinquency

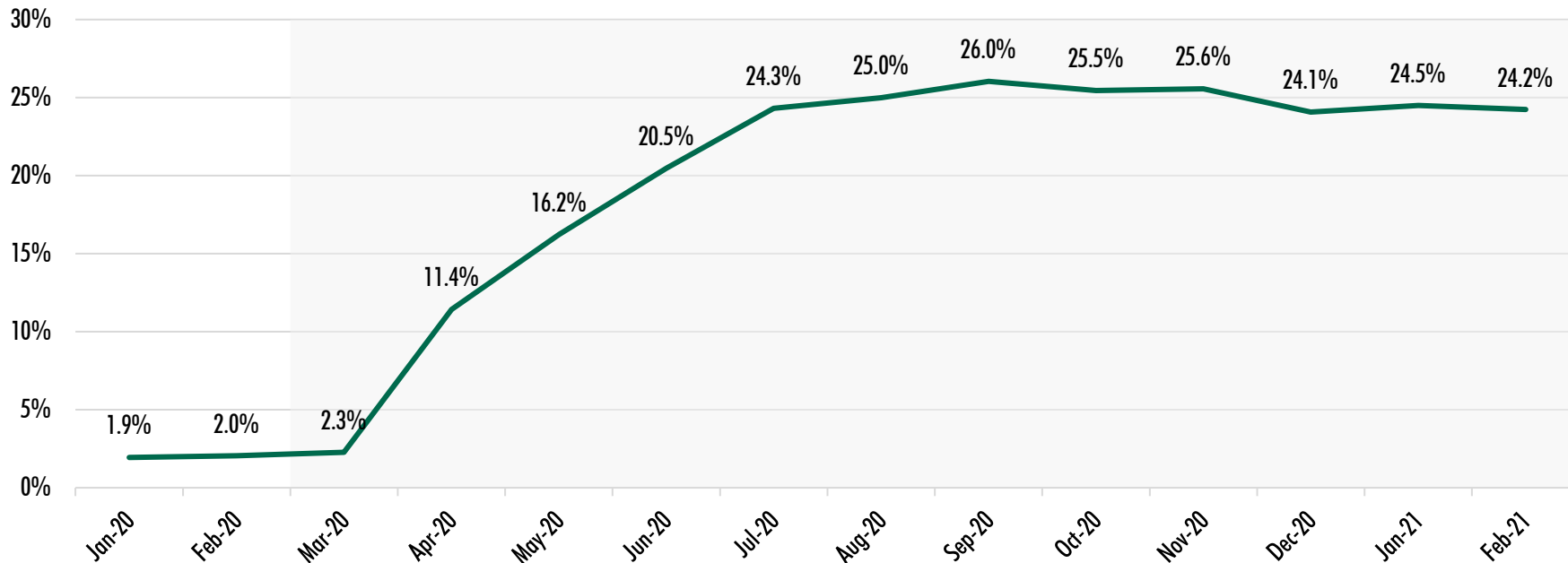
PRE-/POST-COVID - PERCENTAGE OF CMBS MARKED 30+ DAYS DELINQUENT



Source: CBRE Hotels Research, CBRE Debt & Structured Finance.
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Lodging CMBS Special Servicing

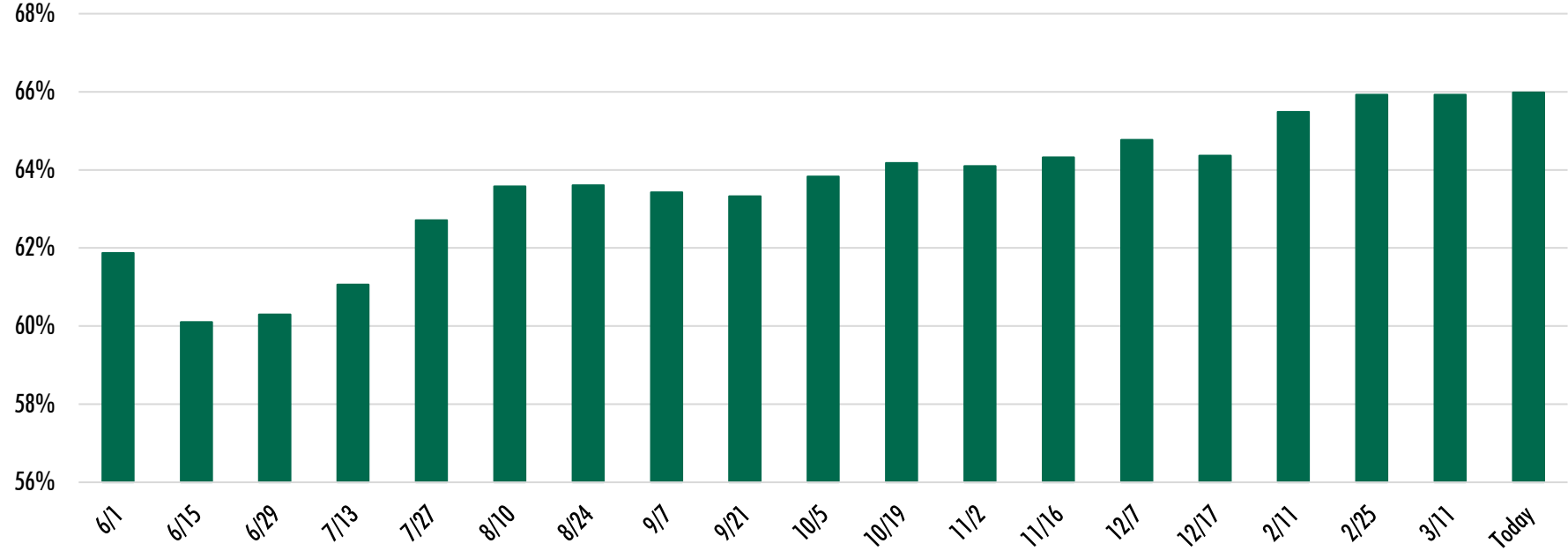
PRE-/POST-COVID - SPECIAL SERVICING RATE LODGING CMBS



Source: CBRE Hotels Research, CBRE Debt & Structured Finance.

Debt and Structured Finance Hospitality Leverage

MAXIMUM LEVERAGE



Source: CBRE Hotels Research, CBRE Debt & Structured Finance Loan to Value.

Thank You

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CBRE

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