



# Hotel InduSTRy Overview

## Caribbean Marketplace

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01/22/12



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# Agenda :

- Total U.S.
- Total Caribbean
- Pipeline
- Forecast
- Participant Overview

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No strategic or marketing recommendations or advice are intended or implied.

Source: 2011 Smith Travel Research, Inc.





**2011 / 2012**

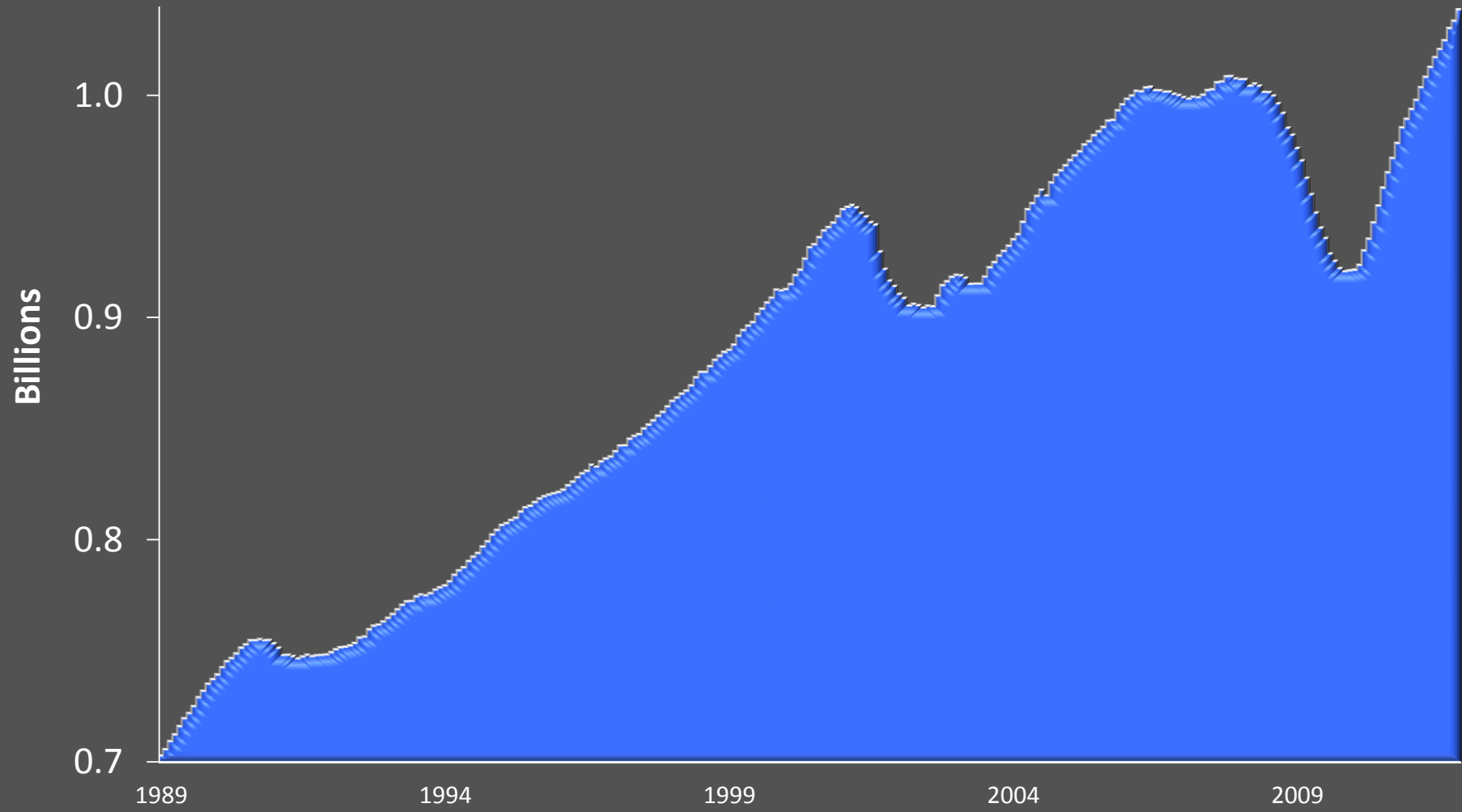
**Recovery? Or Recovery!**



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# On An Annualized Basis: Most Rooms Sold - EVER

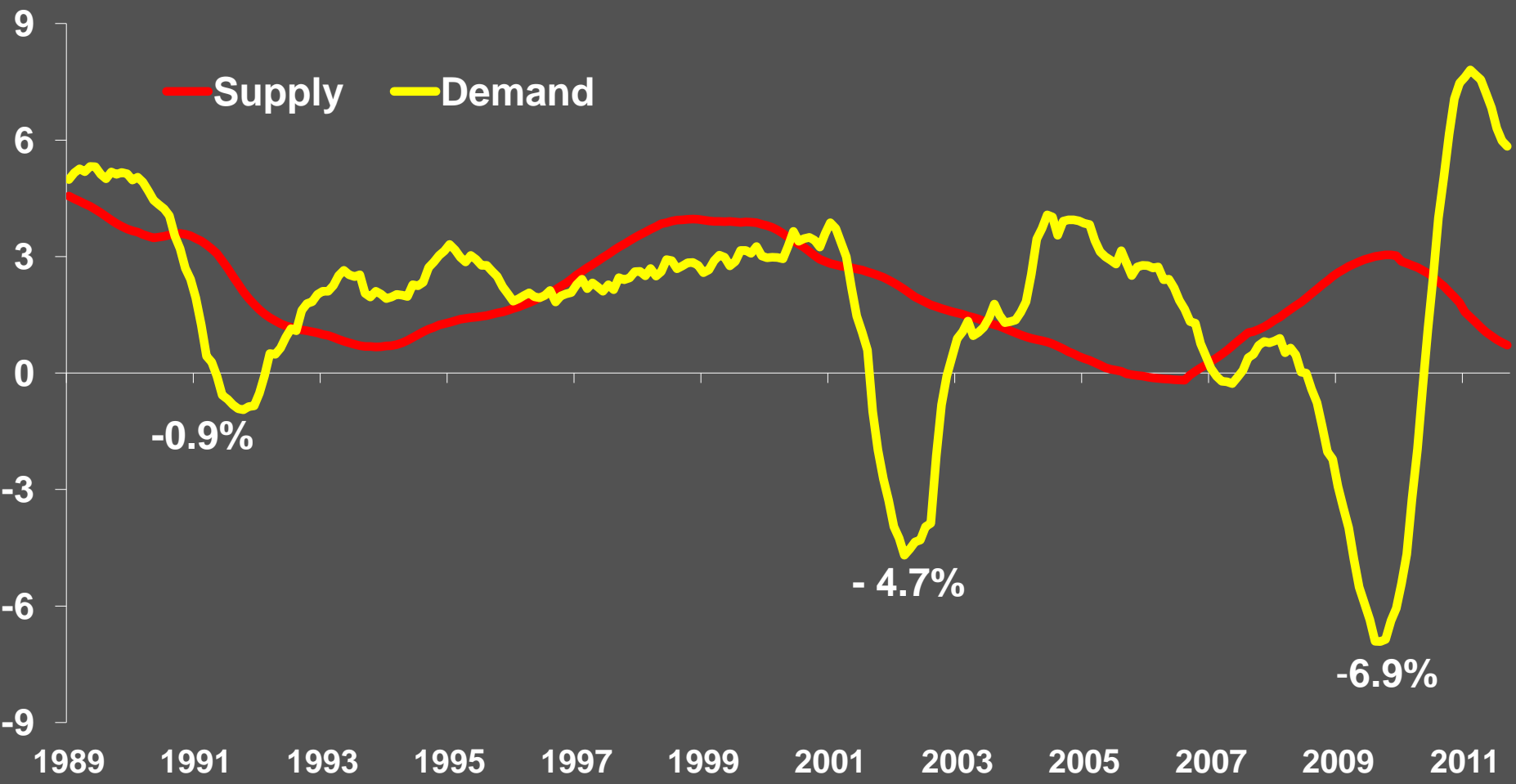


Total U.S. Number of Rooms Sold, 12 MMA, 1/89 – 12/11

Source: 2011 Smith Travel Research, Inc.



# Strongest Demand Rebound Ever. Supply Line Turning

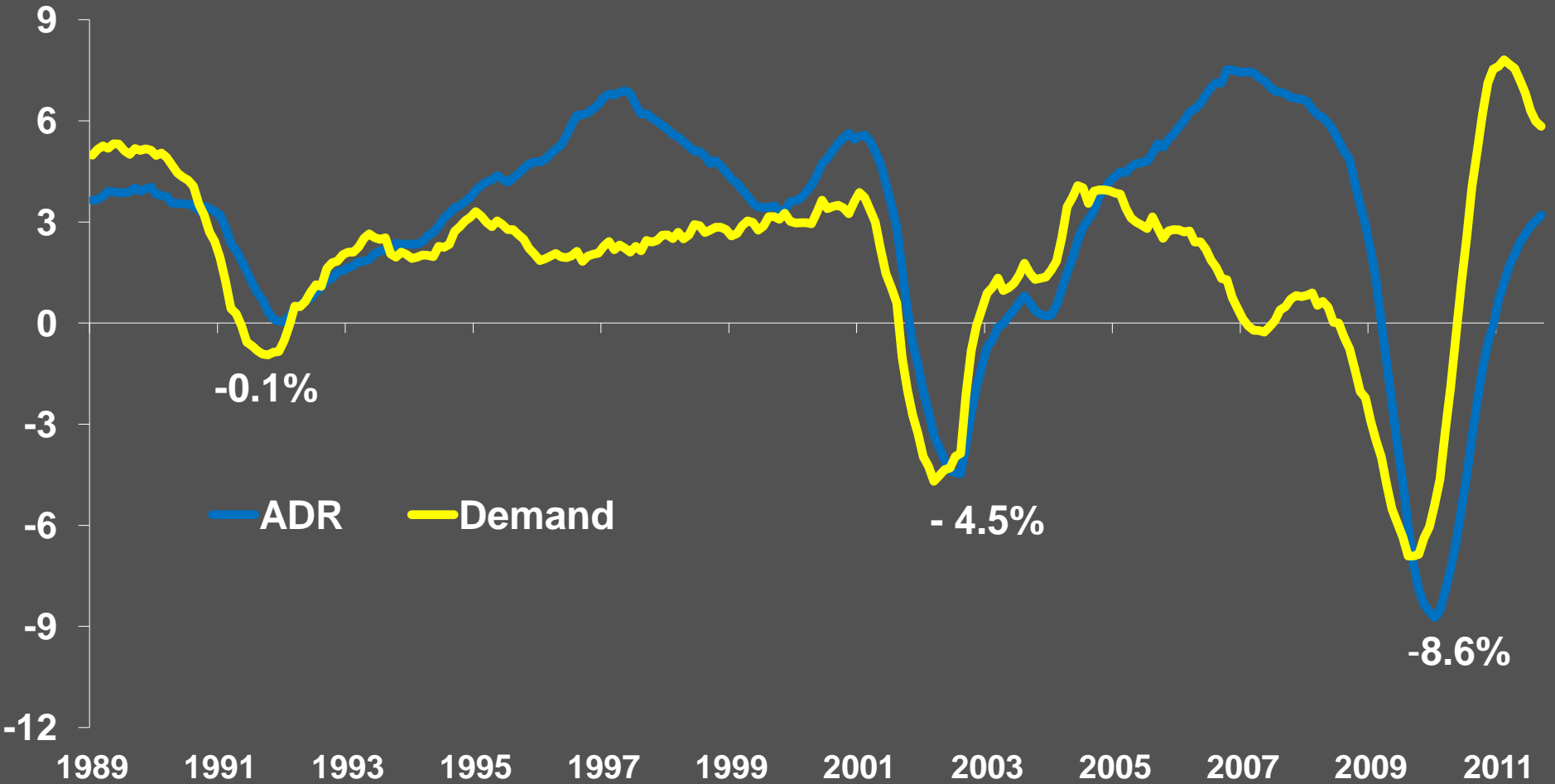


Total US, Supply & Demand % Change, 12 MMA 1/89 – 12/11

Source: 2011 Smith Travel Research, Inc.



# ADR Changes Get More Erratic in Each Downturn



Total US, ADR & Demand % Change, 12 MMA, 1/89 – 12/11

Source: 2011 Smith Travel Research, Inc.





# Caribbean Overview



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# Caribbean YE Strongest Rebound: RevPAR

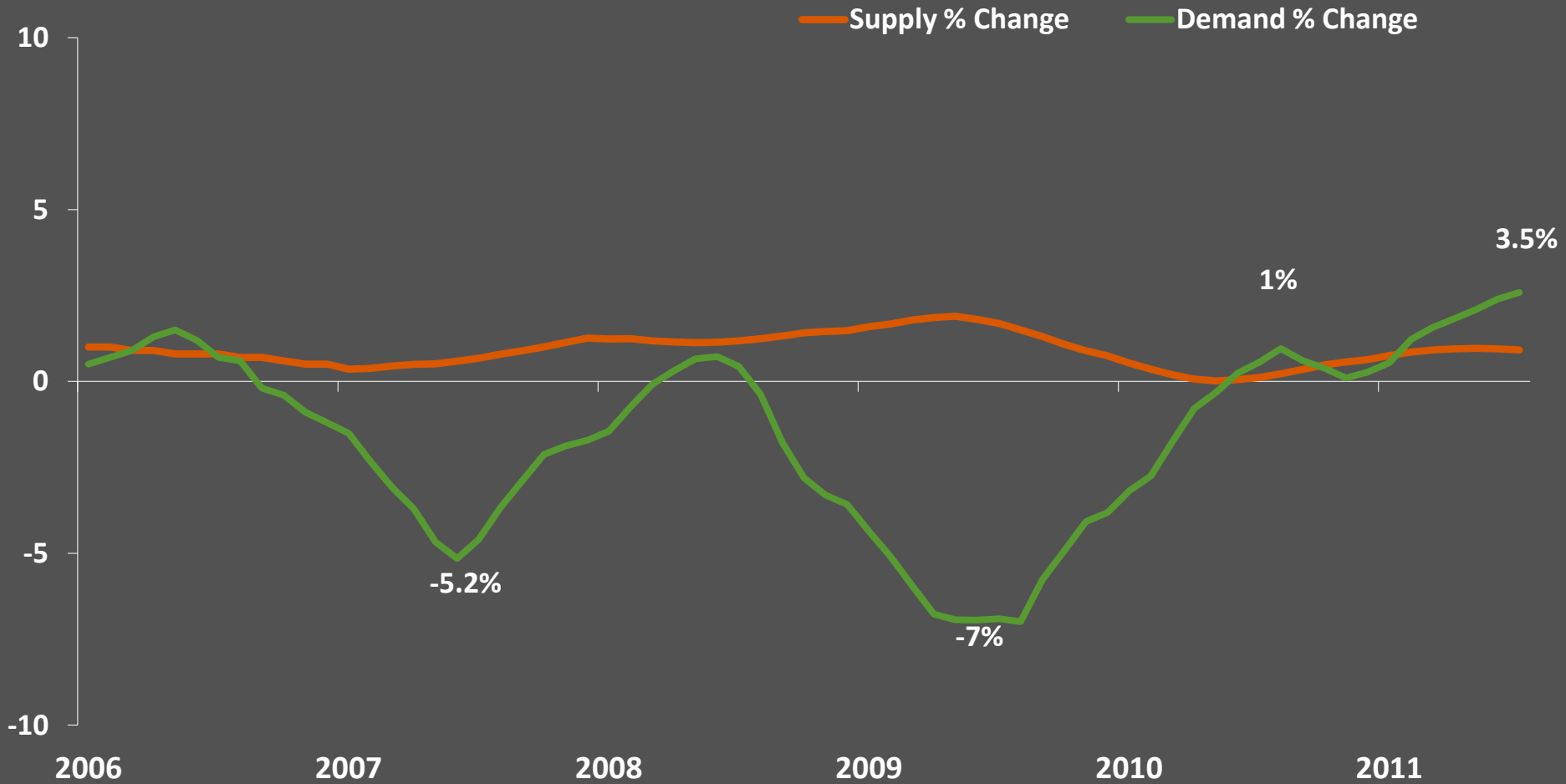
		<u>% Change</u>
• # of Hotels	2,272	
• Hotel Rooms	245,963	
• Occupancy	61.8%	2.6%
• ADR	\$167.54	2.6%
• RevPAR	\$103.57	5.2%
• Room Revenue	\$ 9.2B	6.2%

Caribbean Hotel Industry - Key Statistics  
YE December 2011

Source: 2011 Smith Travel Research, Inc.



# YE 2011 Highest Demand Since 2006

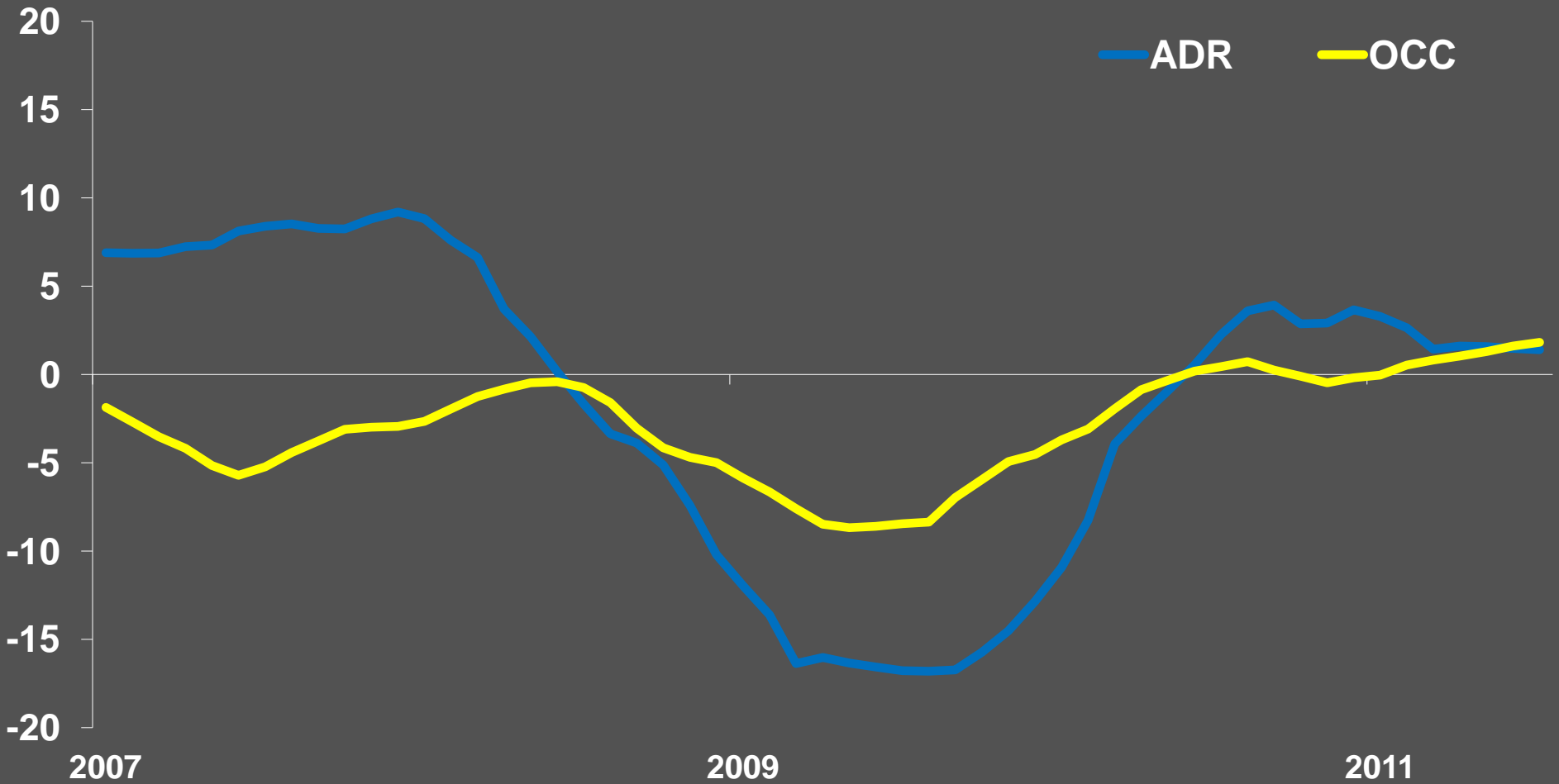


Total Caribbean, Supply & Demand % Change, 12 MMA, 01/06 – 12/11

Source: 2011 Smith Travel Research, Inc.



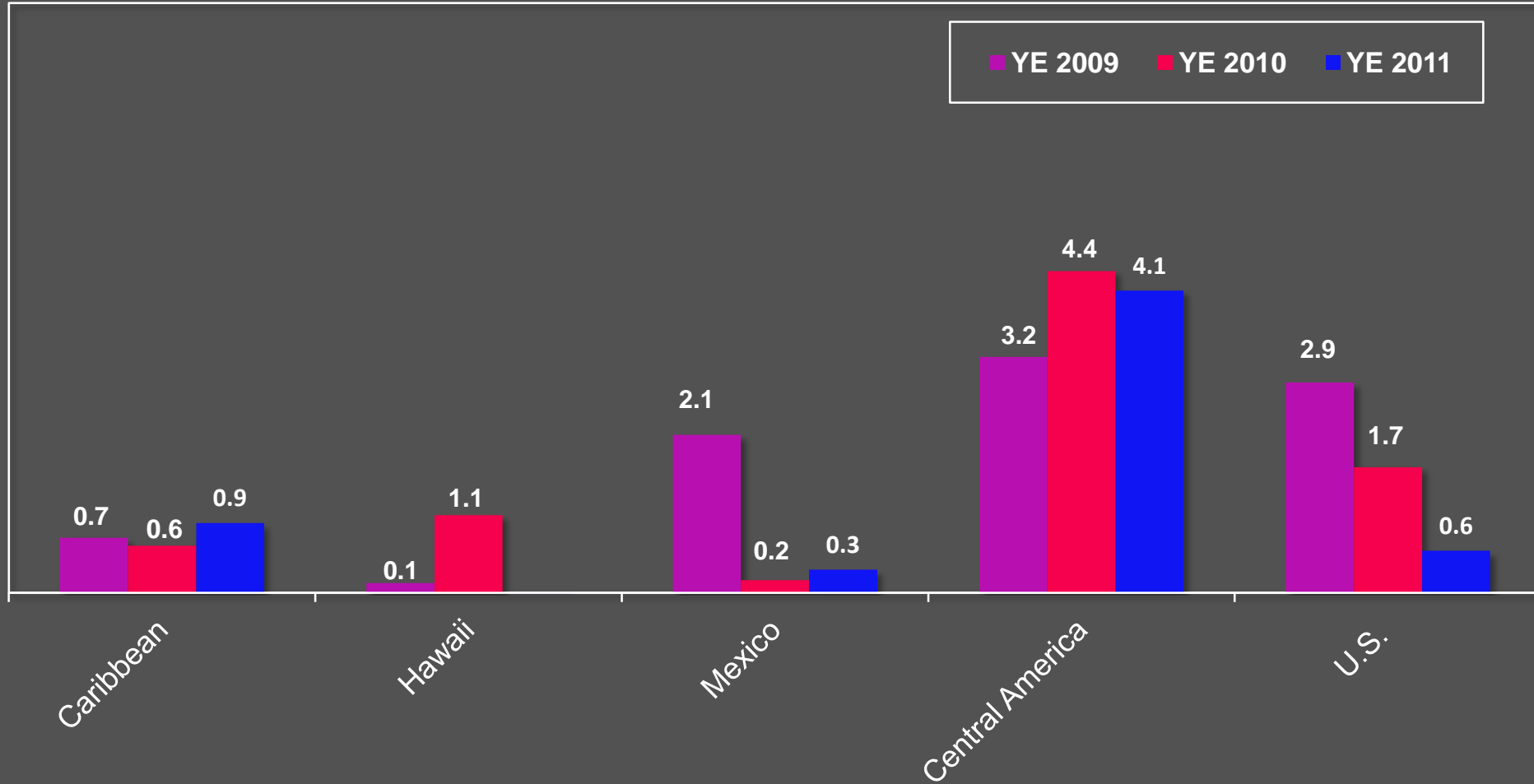
# Slight Signs of Recovery.....



Total Caribbean, ADR & Occupancy % Change, 12 MMA, 2007 – 12/11

Source: 2011 Smith Travel Research, Inc.

# YE Supply Muted Except for Most Regions

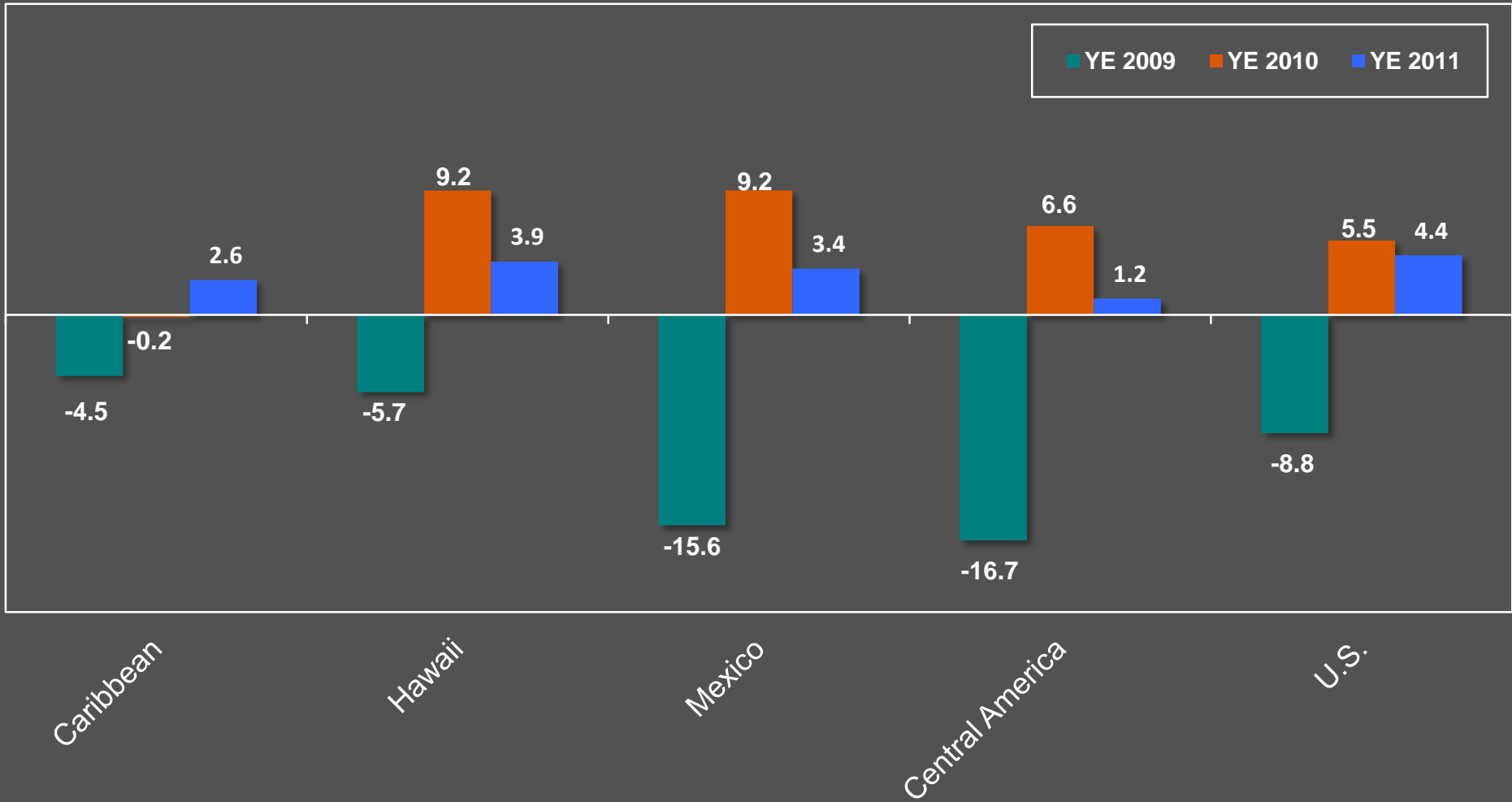


Source: 2011 Smith Travel Research, Inc.



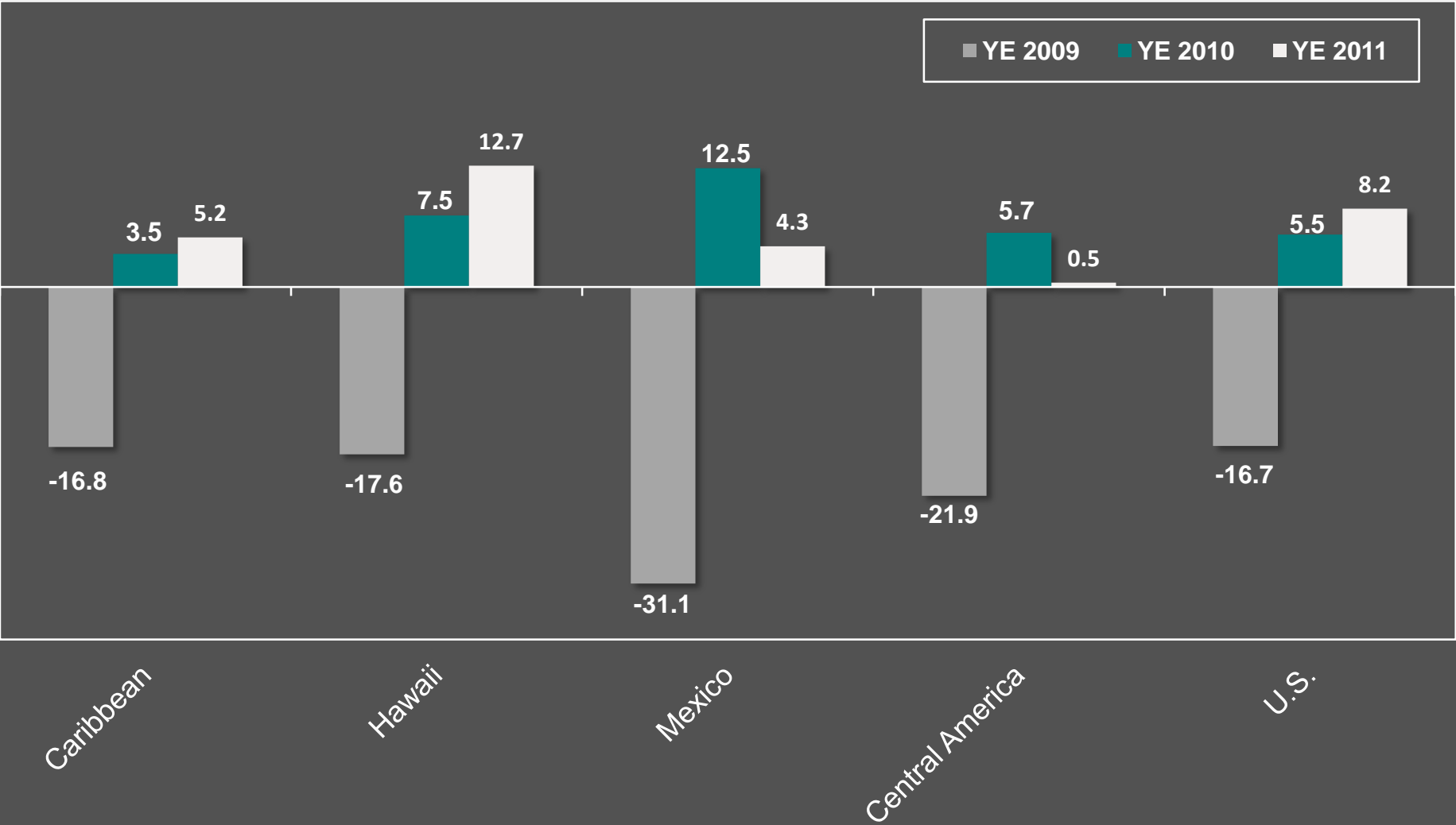
Supply % Chng vs. LY  
Dec YE 2009 – 2011





Source: 2011 Smith Travel Research, Inc.

# Hawaii Experiencing High RevPAR Recovery ...



Source: 2011 Smith Travel Research, Inc.



RevPAR % Chng vs. LY  
Dec YE 2009 – 2011





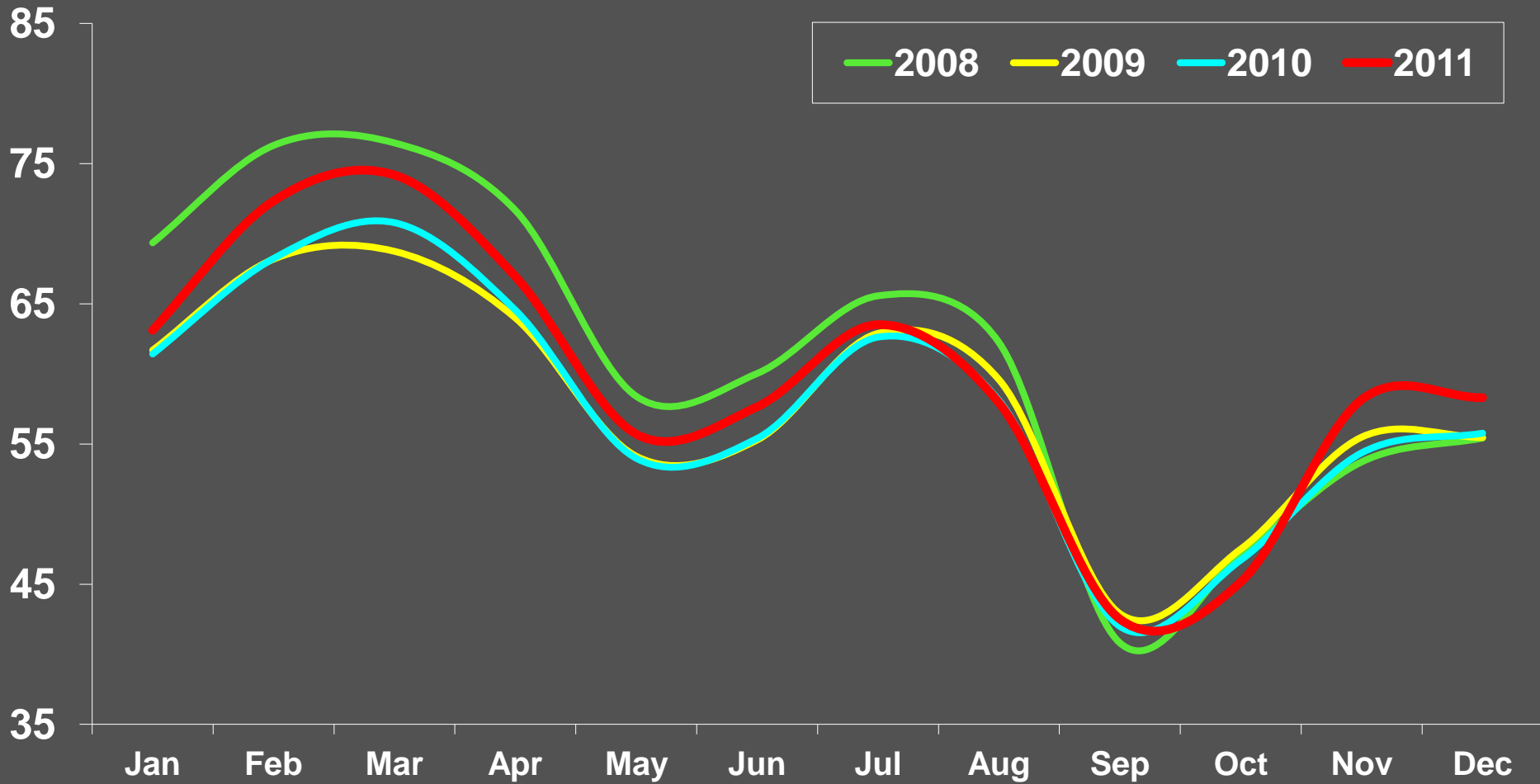
# Caribbean WD/WE



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# Weekday Occupancy: Nov-Dec Highest Since '08

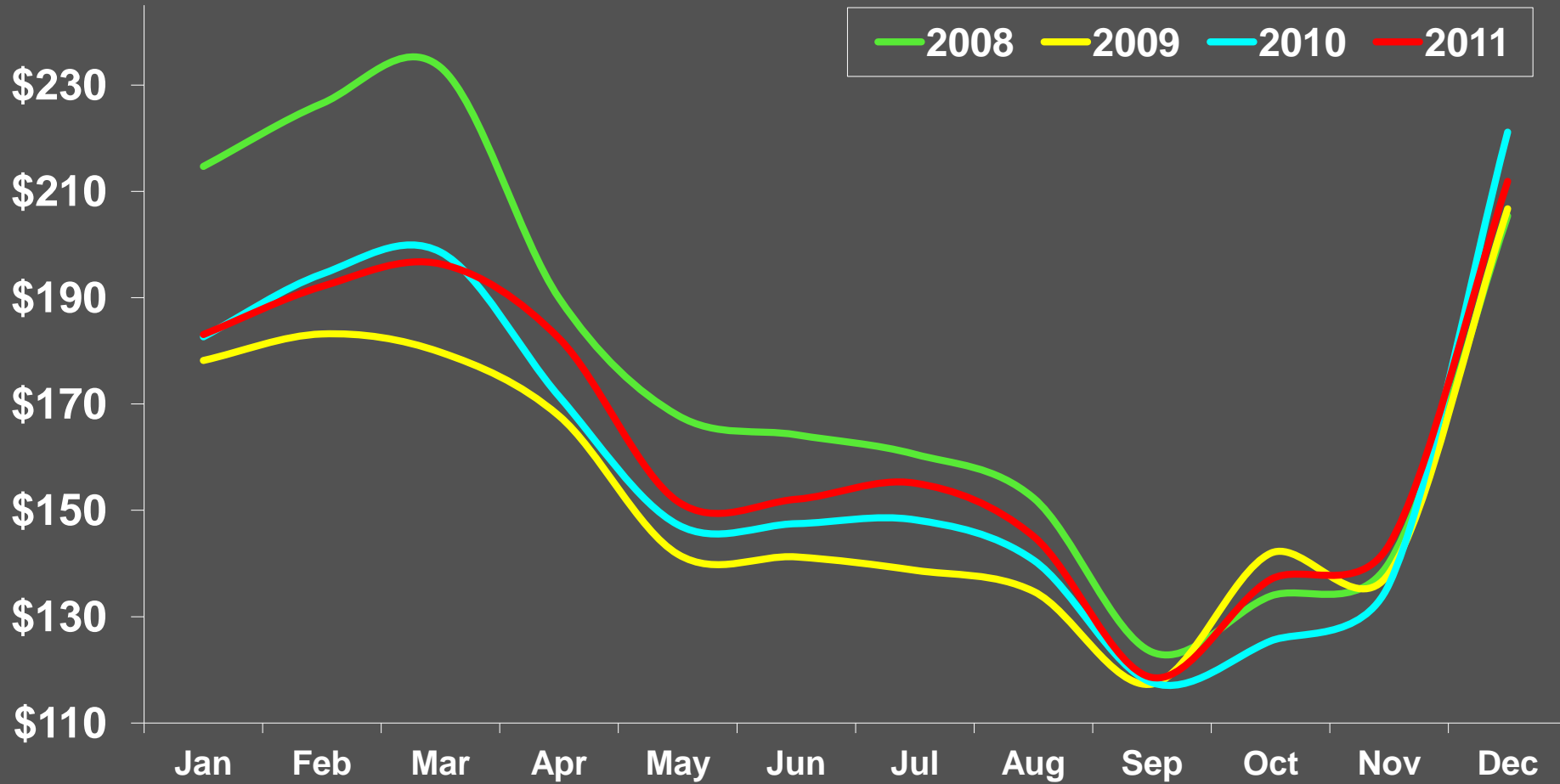


Caribbean Weekday Occupancy by Month, Jan'08 – Dec'11

Source: 2011 Smith Travel Research, Inc.



# Weekday ADR: On Track With Seasonal Cycle

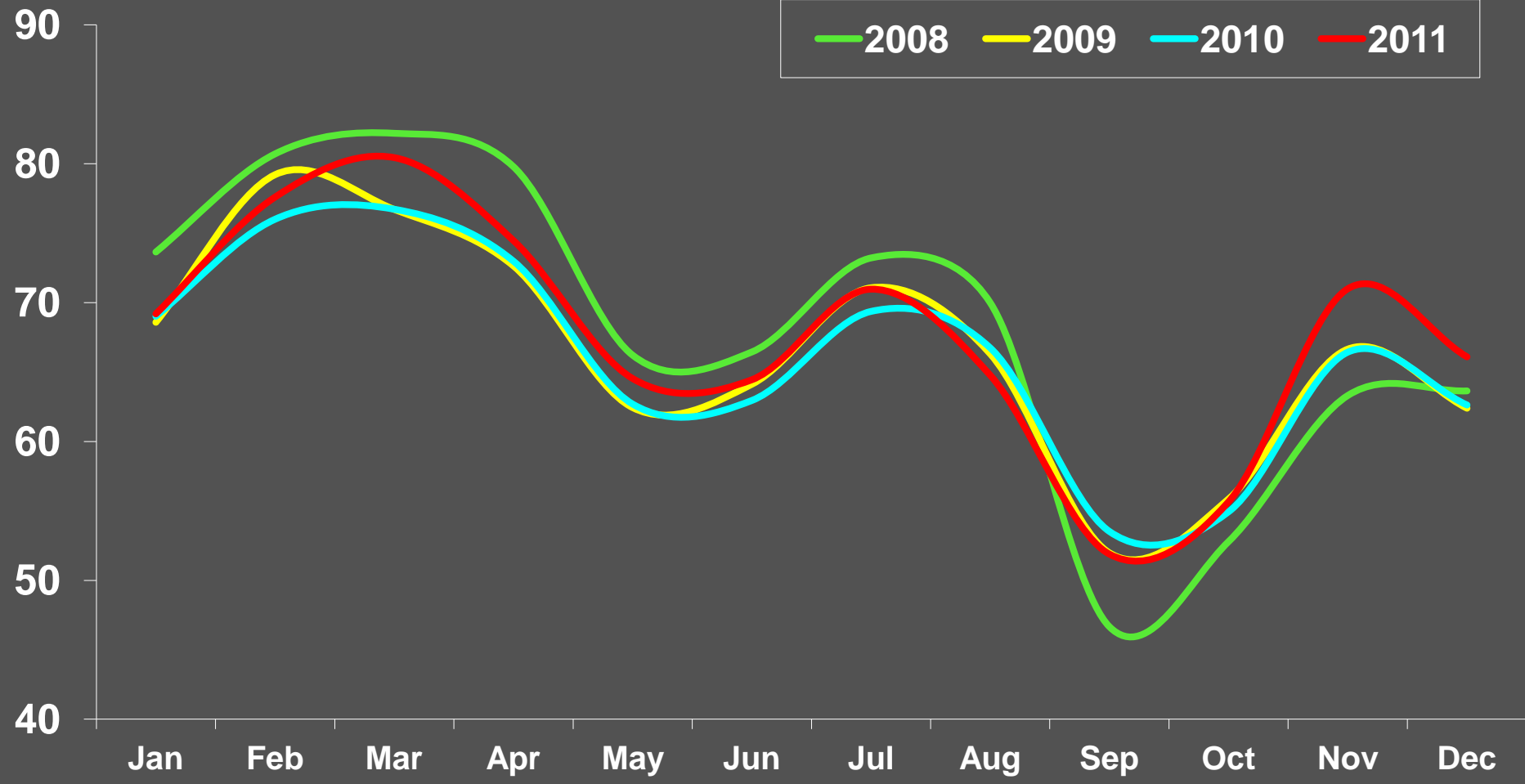


Caribbean Weekday ADR by Month, Jan'08 – Dec'11

Source: 2011 Smith Travel Research, Inc.



# Weekend Occupancy: Similar Story

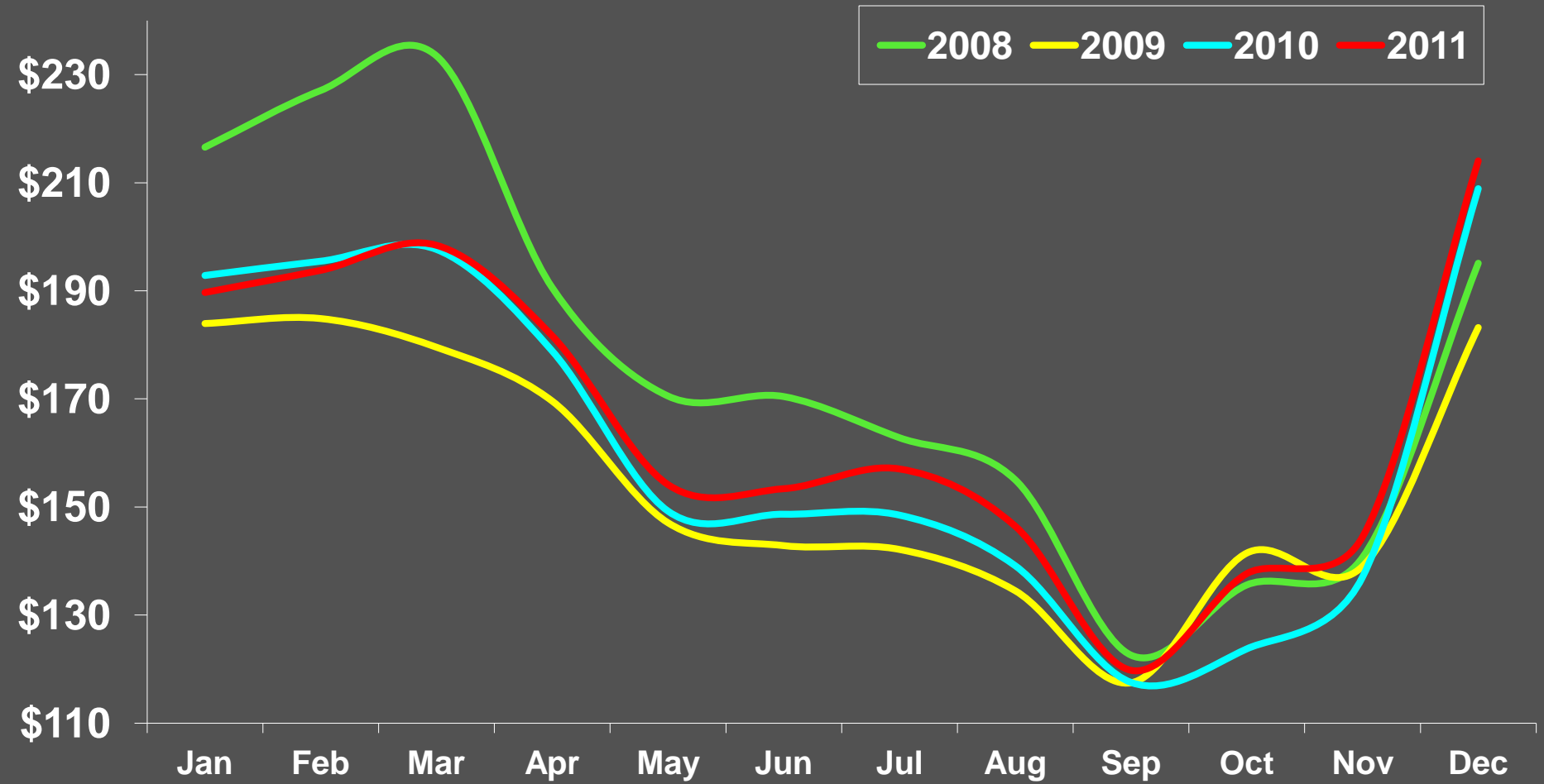


Caribbean Weekend Occupancy by Month, Jan'08 – Dec'11

Source: 2011 Smith Travel Research, Inc.



# Weekend ADR: Slight Improvement YOY



Caribbean Weekend ADR by Month, Jan'08 – Dec'11

Source: 2011 Smith Travel Research, Inc.





# Caribbean Pipeline



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# Pipeline Definitions:

**In Construction:** Ground broken or bids on general contractor being made

**Final Planning:** project out for bids, or construction to start within 4 months

**Planning:** An architect/engineer selected & plans are underway. (Initial approvals have usually been granted)

**Pre-Planning:** No architect has been selected

Source: 2011 Smith Travel Research, Inc.

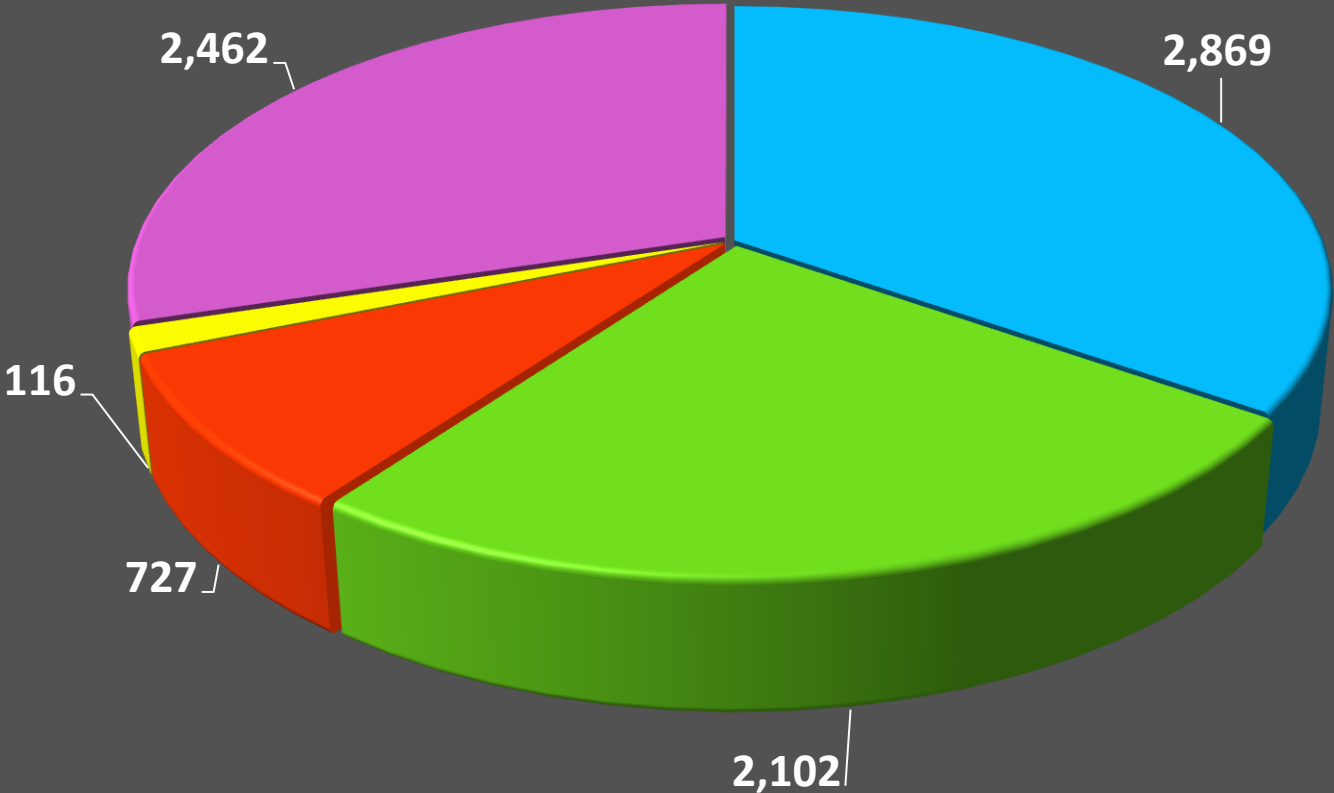


# Total Caribbean Active Development Pipeline

Phase	Projects	Rooms
In Construction	24	4049
Final Planning	13	2735
Planning	9	1014
<b>Active Pipeline</b>	<b>46</b>	<b>7798</b>
Pre-Planning	6	478
<b>Total</b>	<b>52</b>	<b>8276</b>

# Majority Of New Room Supply Coming From Luxury Chains

■ Luxury Chains   ■ Upscale Chains   ■ Upper Midscale Chains   ■ Midscale Chains   ■ Independent



Total Caribbean— December 2011  
Active Pipeline: planning/final planning/in-construction by chain scale

Source: 2011 Smith Travel Research, Inc.



\*Chain scales not mentioned do not have active pipeline projects at this time



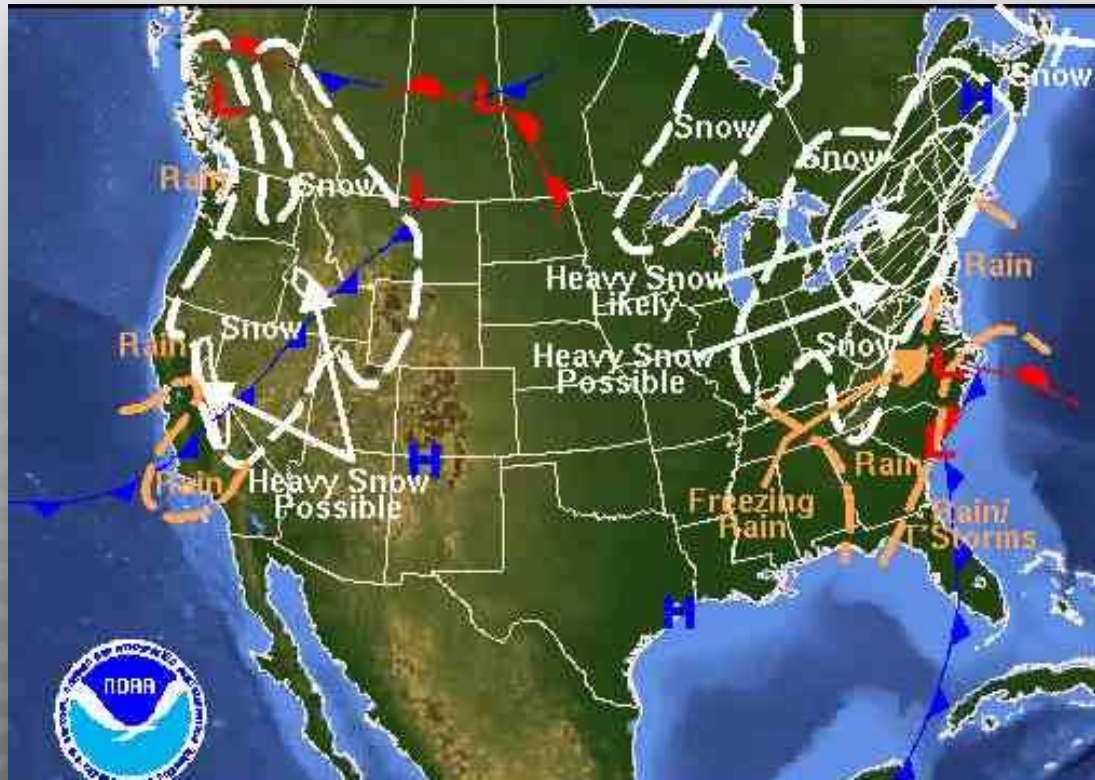
# 3 Largest Projects in Caribbean Active Pipeline

Project Name	Phase	Rooms
Palladium Hotel Grand Jamaica Resort & Spa (Jamaica)	Final Planning	900
Grand Hyatt Baha Mar (Bahamas)	In-Construction	733
Secrets Gems @ Cap Cana (D.R.)	In-Construction	350





# What's in the FORECAST?



# Hopeful for Clear & Sunny Skies ...

	U.S. 2012 Outlook		
	Low RevPAR Growth	Forecast	High RevPAR Growth
Supply	0.8	0.5	0.3
Demand	2.0	2.5	2.9
Occupancy	1.3	2.0	2.7
ADR	4.3	4.9	5.7
RevPAR	5.6	7.0	8.4

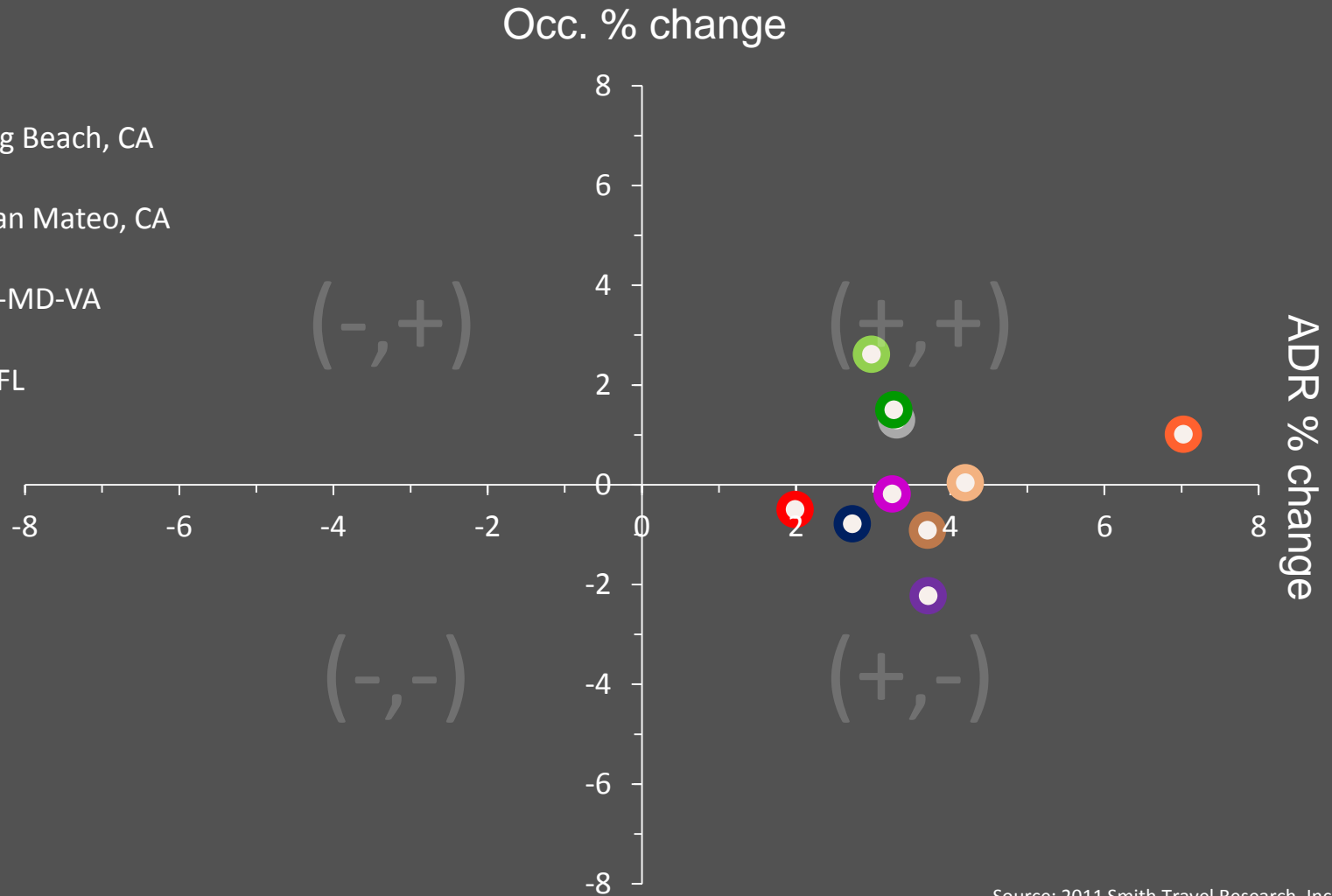
Outlook Scenarios (% change vs. Prior Year)

Source: 2011 Smith Travel Research, Inc.



# Top 10 US Market Performance Forecasted Occupancy/ADR % Change 2012

- Los Angeles-Long Beach, CA
- San Francisco/San Mateo, CA
- Washington, DC-MD-VA
- Miami-Hialeah, FL
- Orlando, FL
- Atlanta, GA
- Chicago, IL
- Boston, MA
- New York, NY
- Dallas, TX



Source: 2011 Smith Travel Research, Inc.

CARIBBEAN			
	Forecast		
	2010	2011 YE	2012 F
Occupancy	-0.4	2.8	2.6
ADR	3.9	3.0	5.1
RevPAR	3.6	5.9	7.8

Source: 2011 Smith Travel Research, Inc.



# Participation/ Program Overview



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# Participation Overview

As of YE 2011	United States	CARIBBEAN
Properties	52,457	2270
Rooms	4,881,386	246,277
Rm Sample % 2011	71.5 %	23.1%

- Caribbean sample too low. Need your help!

Source: 2011 Smith Travel Research, Inc.

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Source: 2011 Smith Travel Research, Inc.



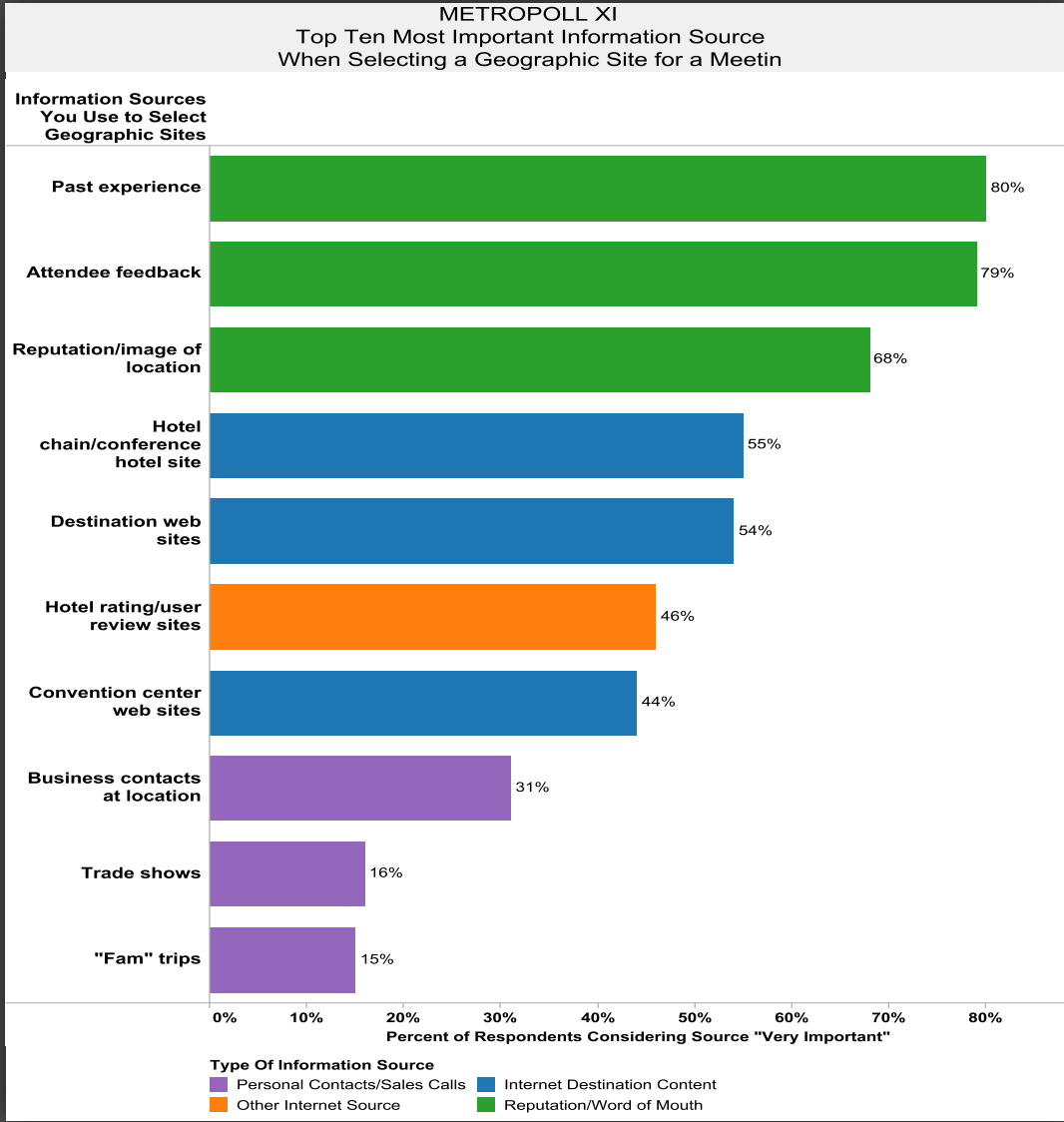
# During Marketplace....

Source: 2011 Smith Travel Research, Inc.





# Top 10 Most Important Information Sources in Meeting Site Selection



Source: 2011 Smith Travel Research, Inc.



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## VAT increase

Hotel industry executives believe that the VAT rate increase could hamper the country's competitiveness, but global brands are well placed to handle the change.

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## Chicago's recovery to continue in 2011

The recovery seen in Chicago during 2010 will extend into 2011 as supply continues to stall.



Chicago's recovery



Property-level decisions



AA's OTA battle



Lending is back



Customer  
 Centric  
 Strategies  
 for Travel  
 2011

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 to your  
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## Latest News

- Will the UK VAT rise affect the hotel industry?  
10 January 2011
- 5 things to know: 10 January 2011  
10 January 2011
- STR's Freitag on 5 trends for 2011: interview transcript  
10 January 2011
- Grosvenor House deal sets bar in Europe: CBRE  
07 January 2011
- 5 things to know: 7 January 2011  
07 January 2011
- Stock update: Ratings roundup and more  
07 January 2011
- US luxury hotel performance leading the charge

## Experts



### Lending—with careful underwriting—is back

Joel Ross - 07 January 2011  
 There are only a few lenders who are active, but renewed optimism in Washington and the capital markets spell better things for the year ahead.



### Experience matters when plotting your career

Andrew Lo - 05 January 2011  
 Trying your hand in different departments can help you hone in on your true passion.





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