F R E I T A G ' S

FIVE

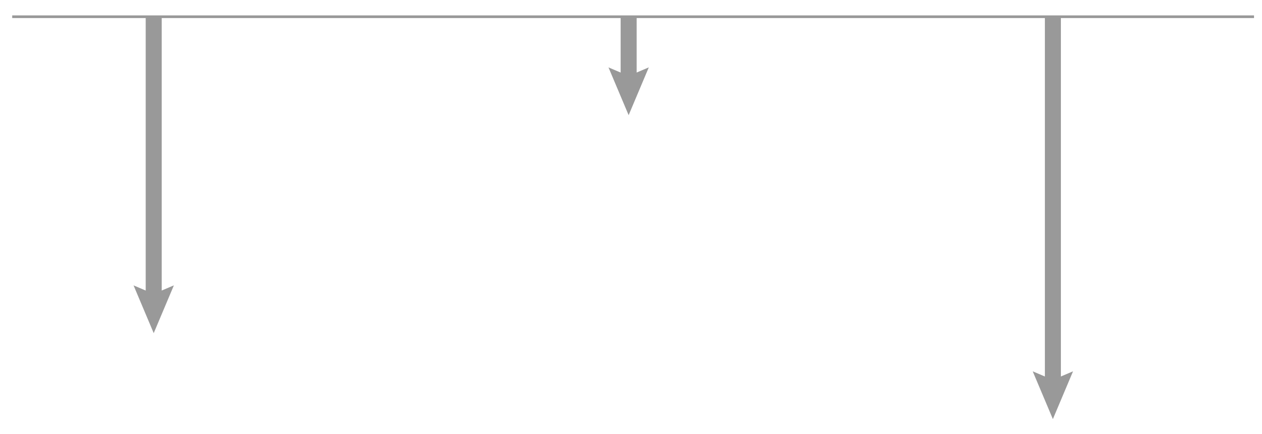
THINGS TO KNOW

U.S. MARCH PERFORMANCE DATA

The onset of a coronavirus (COVID-19) pandemic in March brought the most severe performance declines for the U.S. hotel industry and the end to the up cycle.

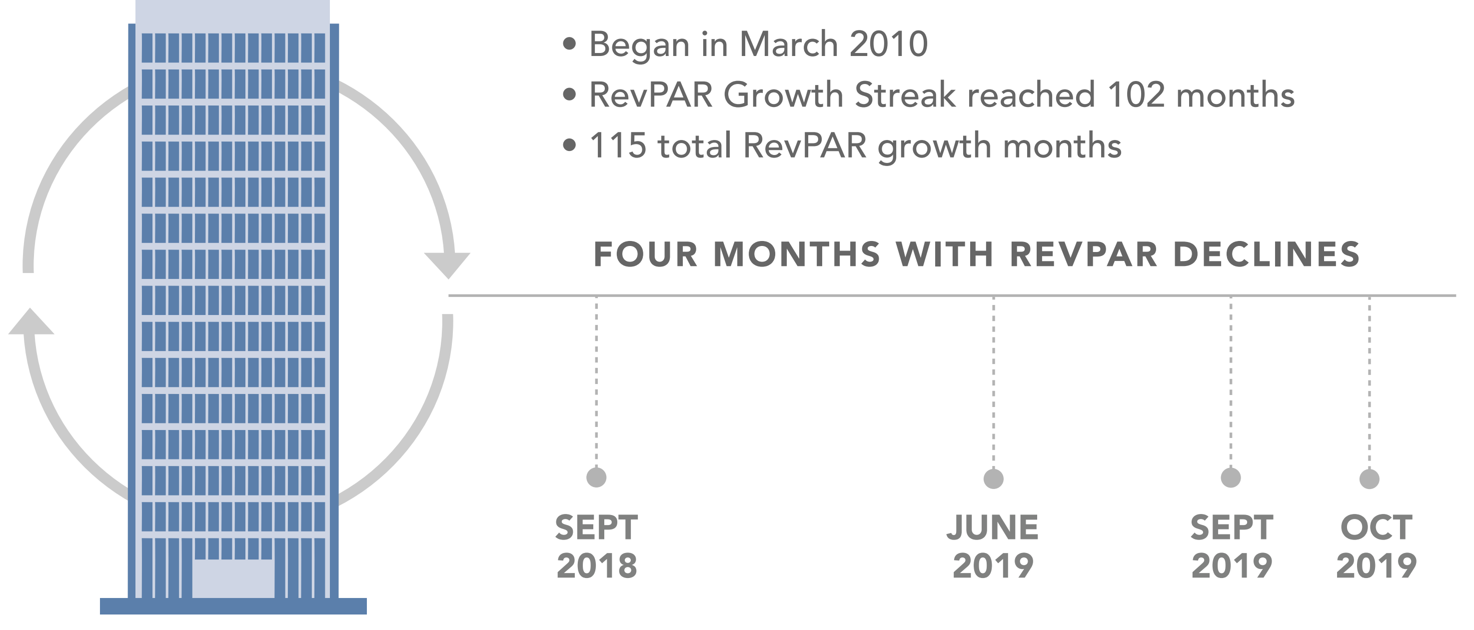
1. **Steepest RevPAR decline on record:** The U.S. hotel industry's key performance indicators were all bad in March, and a 51.9% drop in revenue per available room was the worst monthly decline in STR's 35-year history.

U.S. KPIs IN MARCH



2. **Say goodbye to the cycle:** This month, COVID-19 formally closed the book on the hotel industry's up cycle, which started in March 2010 and lasted 119 months (115 with RevPAR growth).

THE 119-MONTH U.S. HOTEL CYCLE



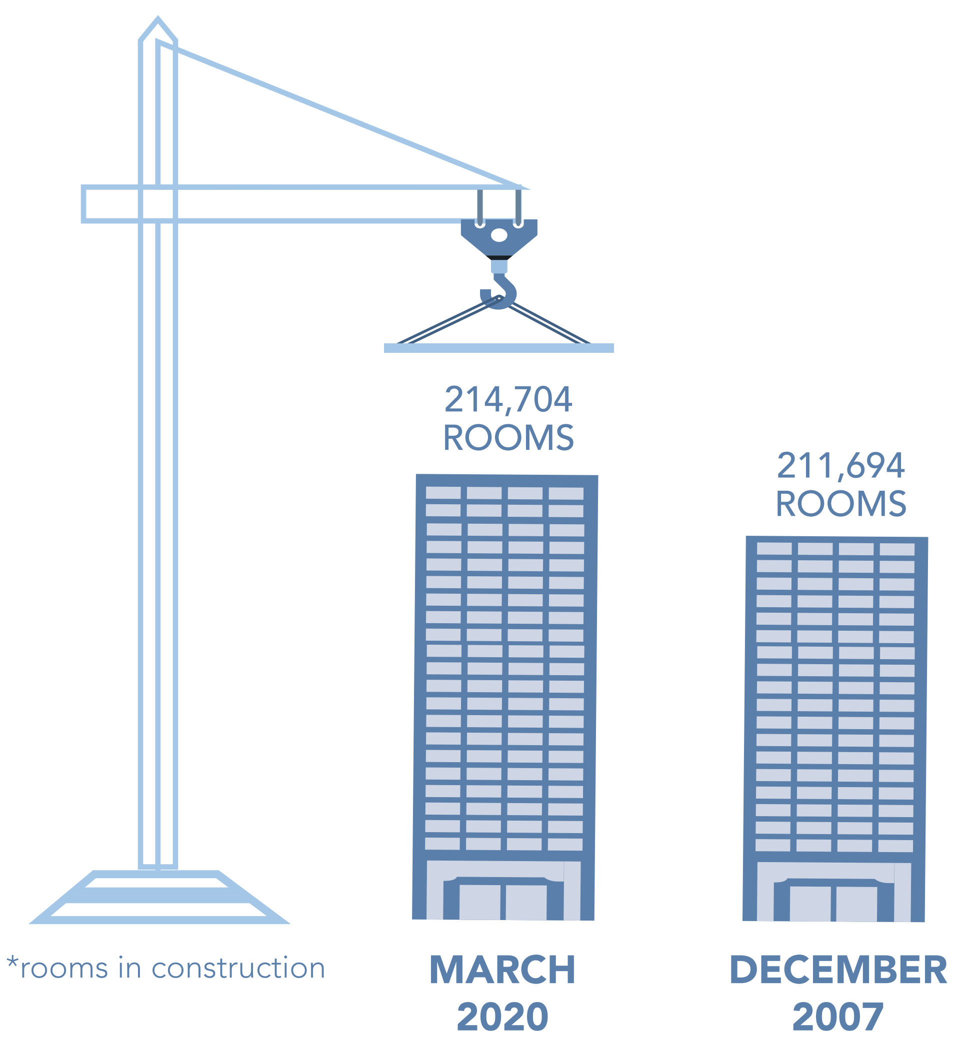
3. **Higher-tier classes feel loss of group demand:** Luxury, upper-upscale and upscale hotels saw the steepest performance declines in March, and the 28-day average data through mid-April is much worse.

MARCH KPIs OF THE TOP CLASS SEGMENTS

CLASS	ABSOLUTE OCCUPANCY %	OCC %	ADR %	REVPAR %
LUXURY	29.4	-59.8	-5.4	-62.0
UPPER UPSCALE	31.1	-58.8	-7.1	-61.7
UPSCALE	37.0	-49.8	-8.7	-54.2

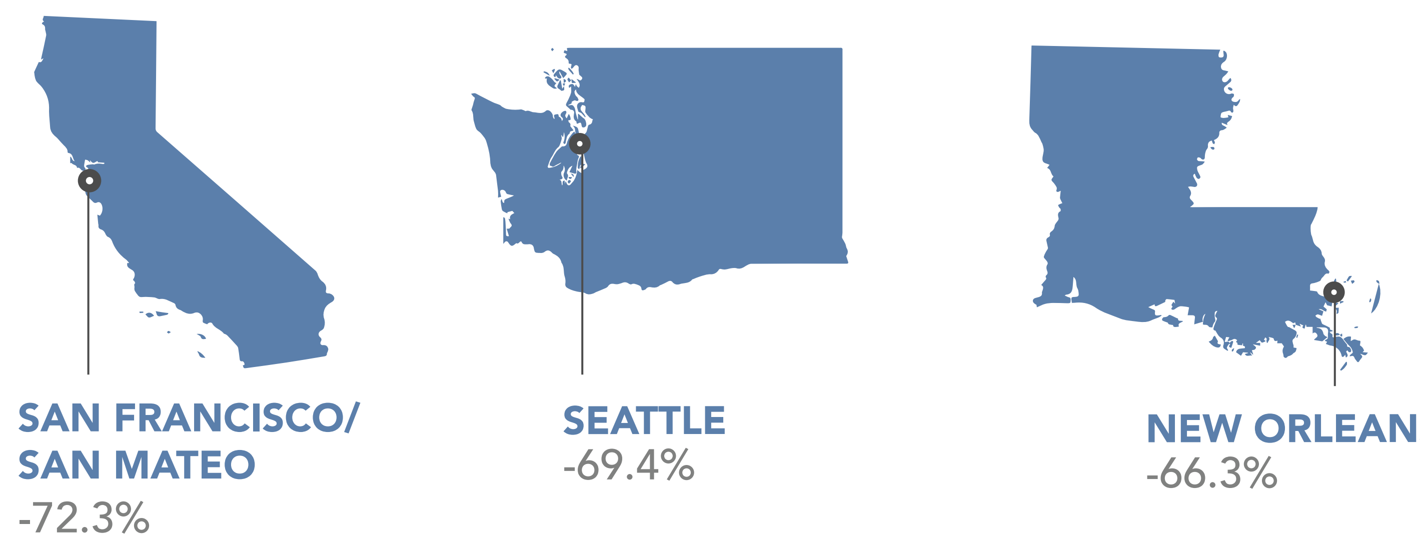
4. **U.S. pipeline exceeds prior peak:** Just before the Great Recession, in December 2007, U.S. hoteliers reported 211,694 rooms under construction. In 2020, the U.S. exceeded that total in both February (211,859 rooms) and March (214,704).

U.S. PIPELINE PEAKS IN PAST TWO CYCLES



5. **San Francisco sees biggest market performance declines:** San Francisco/San Mateo, California, reported occupancy fell 62.2% to 30.2%, ADR decreased 26.6% to $183.68 and RevPAR plummeted 72.3% to $55.42.

STEEPEST MARKET REVPAR DECLINES



Hotel News Now

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source: STR