



FIVE

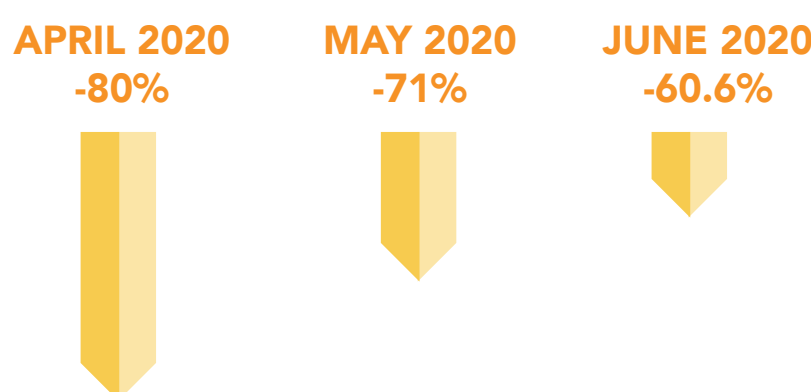
THINGS TO KNOW

U.S. JUNE PERFORMANCE DATA

The U.S. hotel industry reported a slight uptick in June, but the effects of the recent surge in COVID-19 cases have yet to be seen in the data.

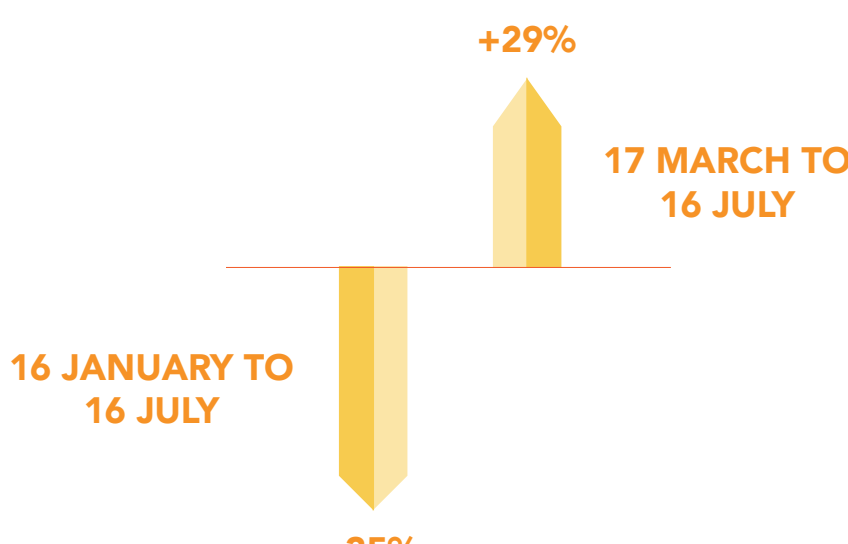
- 1. RevPAR still down but improving:** U.S. revenue per available room declined by 60.6% in June, which was not as bad as the decreases in April or May.

U.S. REVPAR CHANGE



- 2. Turbulent times for hotel stocks:** Stock values for Baird/STR Hotel Stock Index companies are down by 35% from January 2020, but have increased by 29% since mid-March.

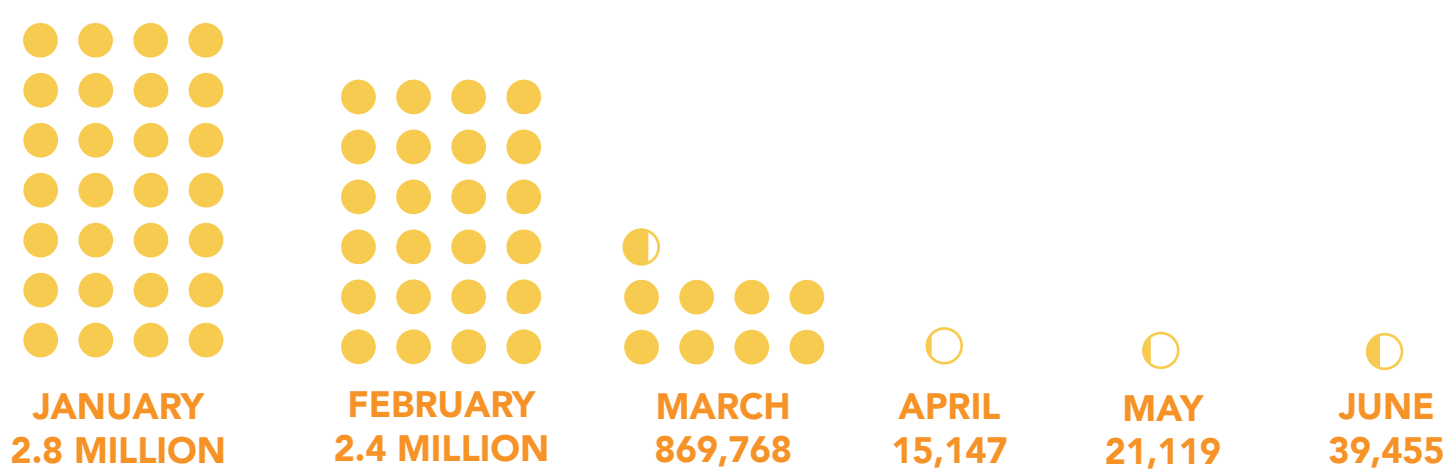
BAIRD/STR HOTEL STOCK INDEX



- 3. International travel demand disappearing:** On average, the U.S. welcomes between 2 million and 3 million international visitors per month. That dropped to 15,147 in April and was slightly less than 40,000 in June.

NON-RESIDENT ARRIVALS TO THE U.S. IN 2020

● = 100,000 PEOPLE



- 4. Lower classes continue to outperform upper classes:** Economy (51.5%) and midscale (46.3%) hotels led in absolute occupancy for June. Luxury class occupancy was just 27.7%.

U.S. HOTEL CLASS OCCUPANCY

| CLASS | ABSOLUTE OCCUPANCY % | OCCUPANCY % CHANGE |
|----------------|----------------------|--------------------|
| LUXURY | 27.7 | -63.5 |
| UPPER UPSCALE | 24.9 | -68.5 |
| UPSCALE | 37.2 | -52.7 |
| UPPER MIDSCALE | 44.1 | -42.0 |
| MIDSCALE | 46.3 | -32.1 |
| ECONOMY | 51.5 | -22.1 |

- 5. Rooms in construction decline again:** The U.S. reported 214,700 rooms in construction in June, which is down from April's pipeline peak (220,000 rooms in construction).

U.S. ROOMS IN CONSTRUCTION

