



# Hotels and Hospitality The Commercial Real Estate Impact

# Hotels and Hospitality Commercial Real Estate



**Douglas Nysse**  
**Arrival Partners**



**Peggy Williams-Smith**  
**VISIT Milwaukee**

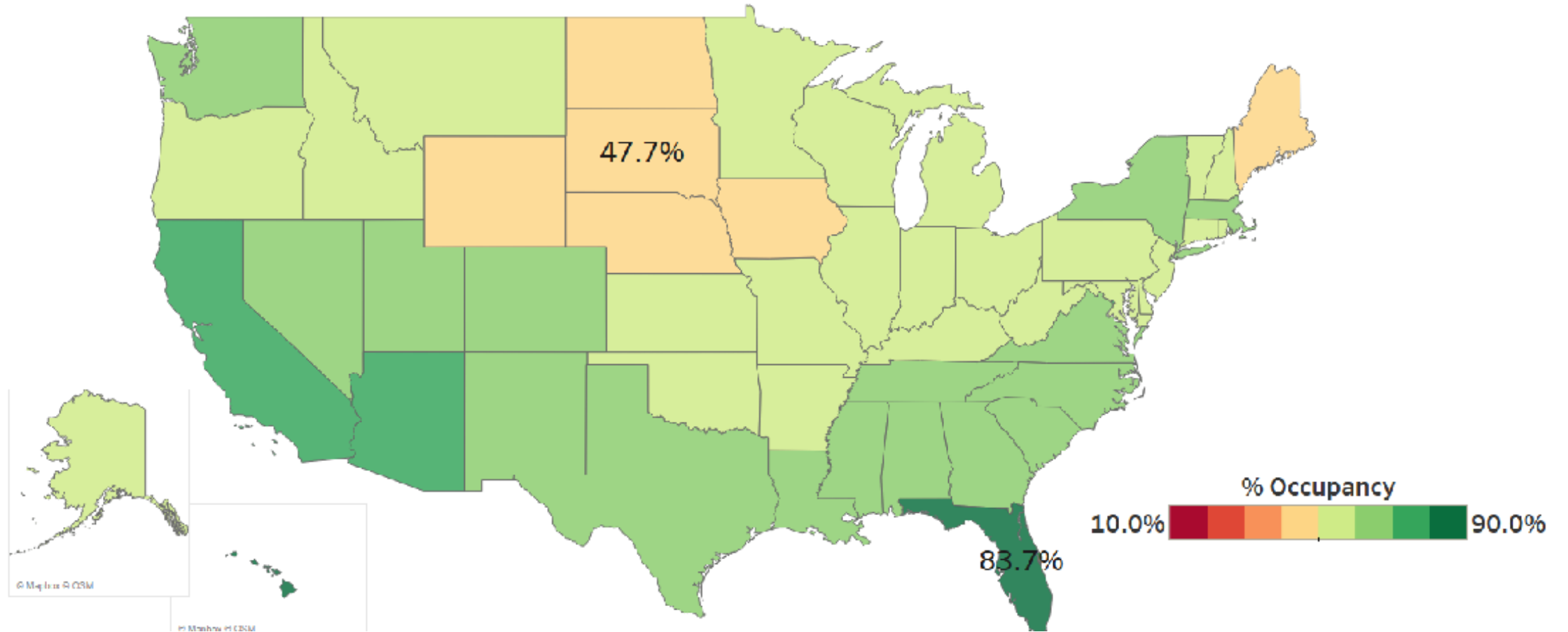


**Andrea Foster**  
**Marcus Hotels and Resorts**



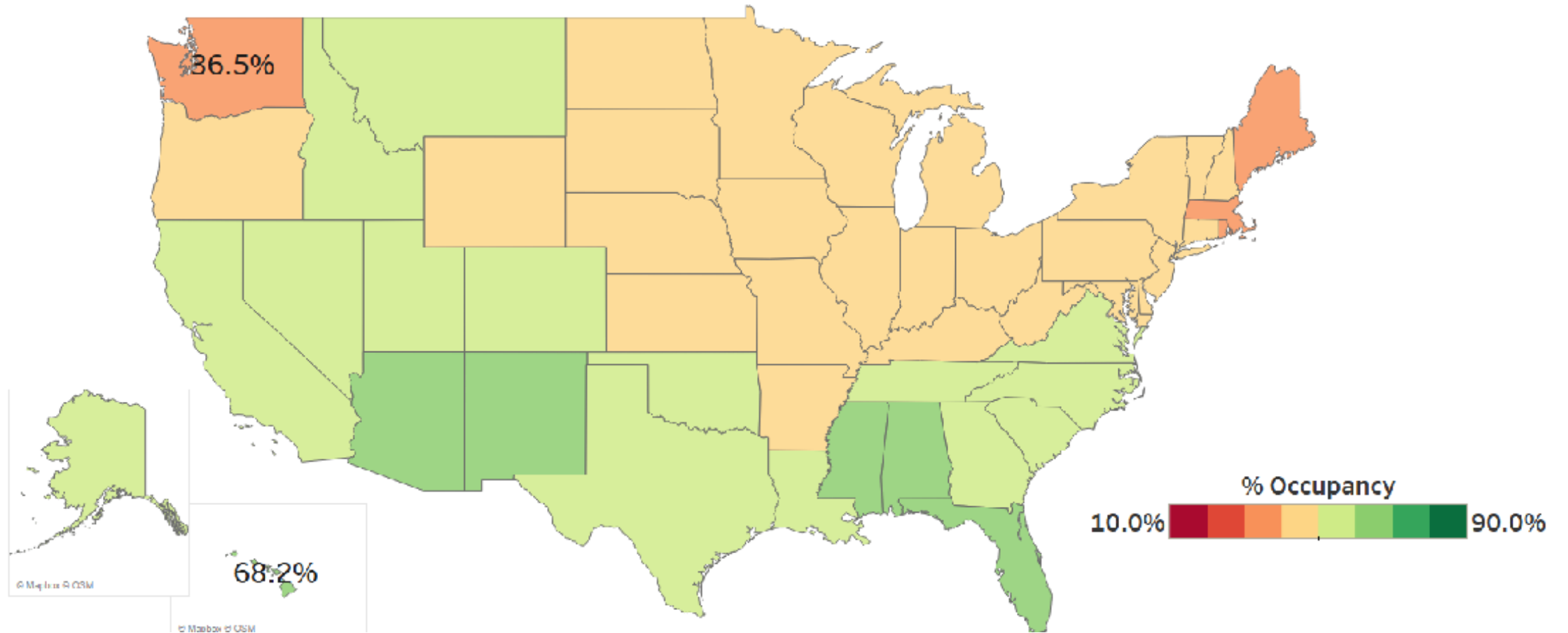
# LOOKING BACK: A RECENT HISTORY

# LOOKING BACK



## OCC ENDING 2/29/20: NORMAL

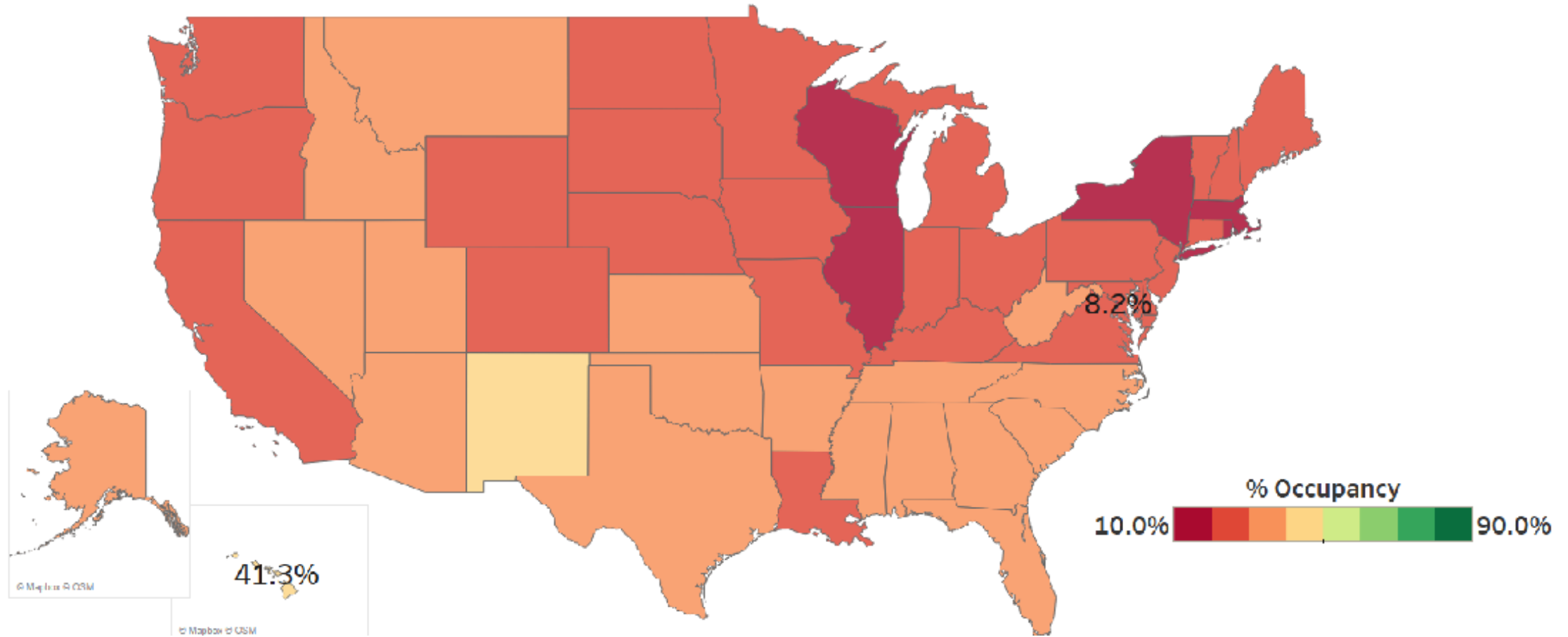
# LOOKING BACK



## OCC ENDING 3/14/20: SEATTLE CRACKING

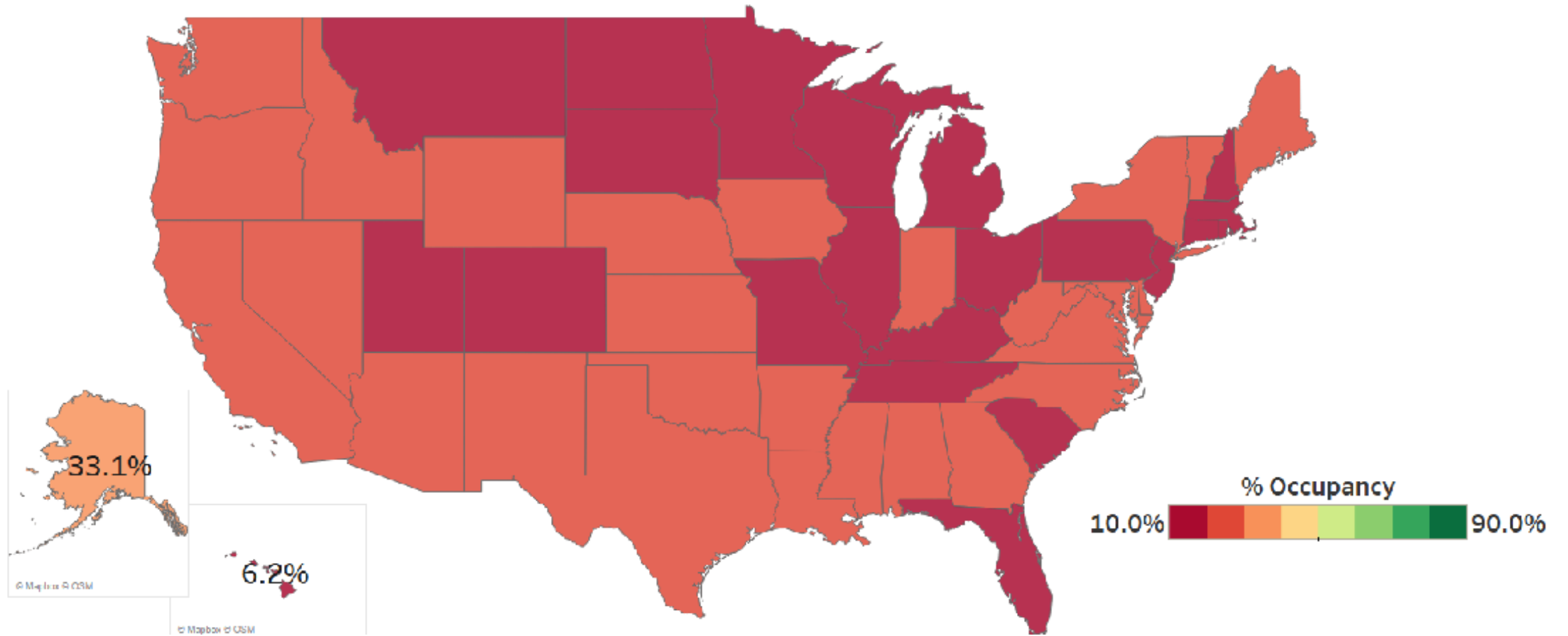


# LOOKING BACK



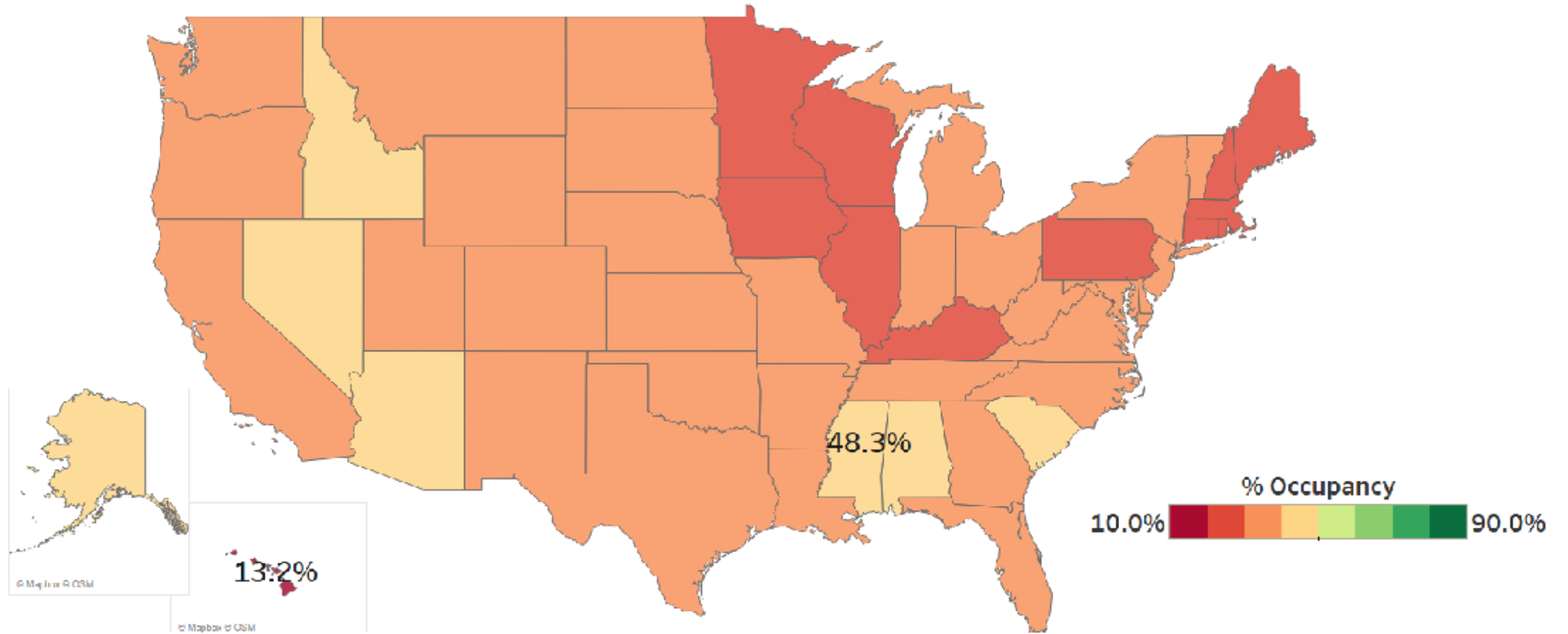
## OCC ENDING 3/21/20: SPREADING

# LOOKING BACK



## OCC ENDING 4/11/20: HIT BOTTOM

# LOOKING BACK



## OCC ENDING 5/30/20: IMPROVING



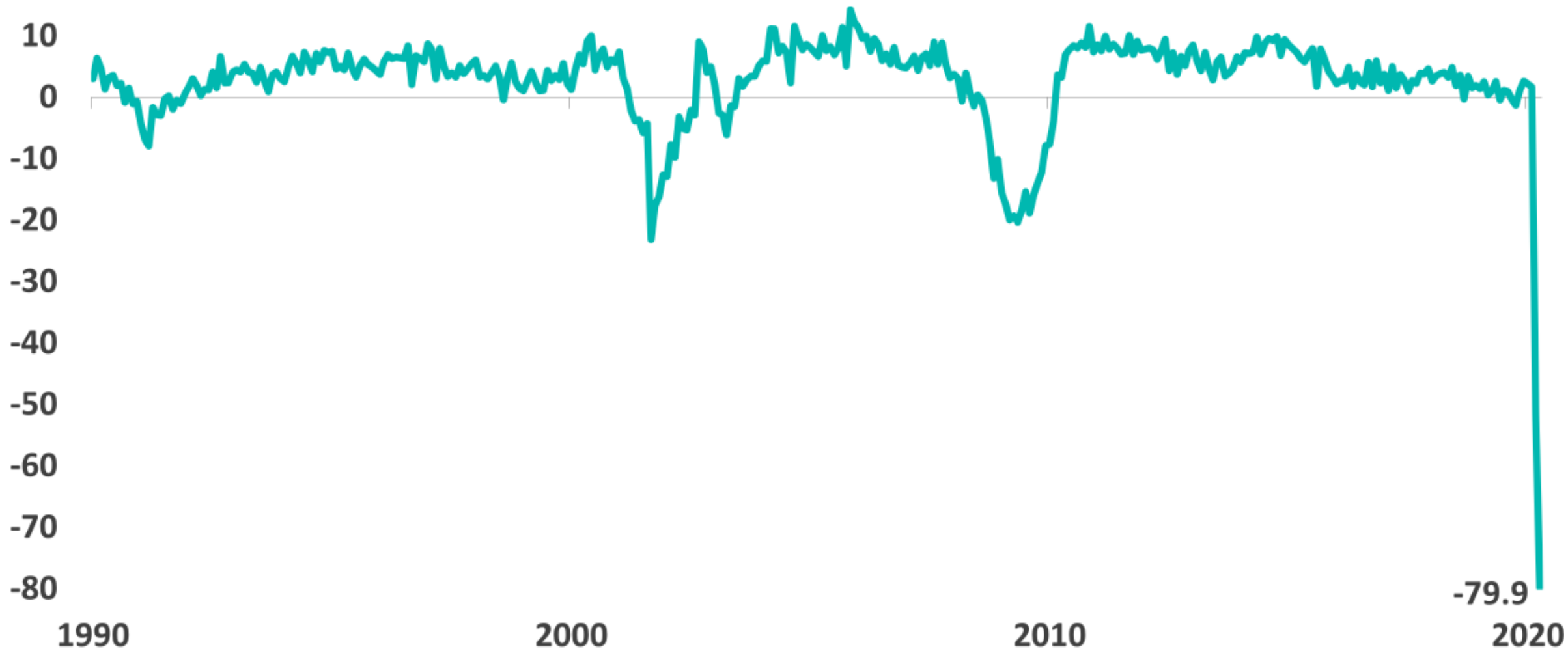
# LOOKING BACK

	2/2-2/8	2/9-2/15	2/16-2/22	2/23-2/29	3/1-3/7	3/8-3/14	3/15-3/21	3/22-3/28	3/29-4/4
Airlines	-1.3%	-1.2%	-3.2%	-17.1%	-31.1%	-47.3%	-77.0%	-89.2%	-92.1%
Auto Rental	4.2%	3.2%	2.7%	0.6%	0.5%	-9.6%	-32.1%	-64.3%	-69.4%
Clothing Stores	-2.3%	-0.3%	-0.8%	-1.9%	-3.5%	-21.0%	-58.4%	-68.5%	-64.1%
Department Stores	3.0%	6.6%	3.9%	0.9%	-2.0%	-29.2%	-53.8%	-58.6%	-61.9%
Mass Discounters	10.5%	13.1%	10.7%	10.9%	20.8%	32.8%	18.7%	0.1%	9.4%
Drug Stores	-0.4%	0.3%	-0.6%	0.0%	9.4%	27.0%	30.4%	-6.3%	-9.7%
Education	6.4%	-4.5%	5.0%	-21.2%	20.6%	-19.1%	-33.8%	-48.6%	-48.5%
Electric Appliance Stores	-1.4%	-1.8%	-2.6%	-5.7%	-0.6%	-2.2%	0.3%	-19.7%	-14.0%
Grocery	2.5%	3.0%	1.4%	3.4%	13.9%	50.1%	54.5%	11.1%	15.6%
Gas Stations	6.8%	8.3%	7.4%	3.4%	2.2%	-1.2%	-21.0%	-46.2%	-47.8%
Health Care	11.8%	7.9%	11.1%	1.1%	9.0%	1.4%	-22.1%	-46.9%	-45.9%
Hotel/Motel	8.4%	8.1%	5.6%	0.0%	-6.5%	-21.9%	-60.8%	-83.9%	-84.8%
Home Stores	6.7%	9.8%	11.6%	8.9%	12.3%	7.4%	-2.5%	-16.4%	-15.4%
Other Transportation	3.7%	-2.6%	-3.1%	-13.7%	-15.3%	-37.4%	-67.4%	-80.8%	-81.8%
Professional Services	18.7%	5.7%	10.4%	-13.1%	23.8%	-0.3%	-1.0%	-15.5%	-1.7%
Recreation	22.1%	11.9%	10.6%	-14.5%	18.8%	-26.2%	-48.5%	-70.5%	-67.1%
Repair Shops	-7.9%	-3.4%	4.4%	-5.2%	3.1%	-2.0%	-6.6%	-17.1%	-21.0%
Restaurants/Bars	4.4%	5.1%	6.9%	5.2%	4.2%	-9.5%	-49.5%	-62.9%	-60.0%
Sporting Goods/Toy Stores	2.7%	5.3%	3.5%	1.8%	6.8%	25.1%	19.9%	-16.6%	-22.1%
Travel Agencies	-6.6%	-5.3%	-0.6%	-15.0%	-34.6%	-54.2%	-81.1%	-90.0%	-91.4%
Vehicles	-0.2%	2.4%	2.3%	0.9%	4.4%	-3.5%	-18.9%	-36.1%	-34.3%
Wholesale Retailers	9.3%	12.8%	10.4%	15.5%	22.4%	28.7%	19.0%	-6.5%	-3.1%

## CONSUMER SPENDING CHANGE 2019-2020

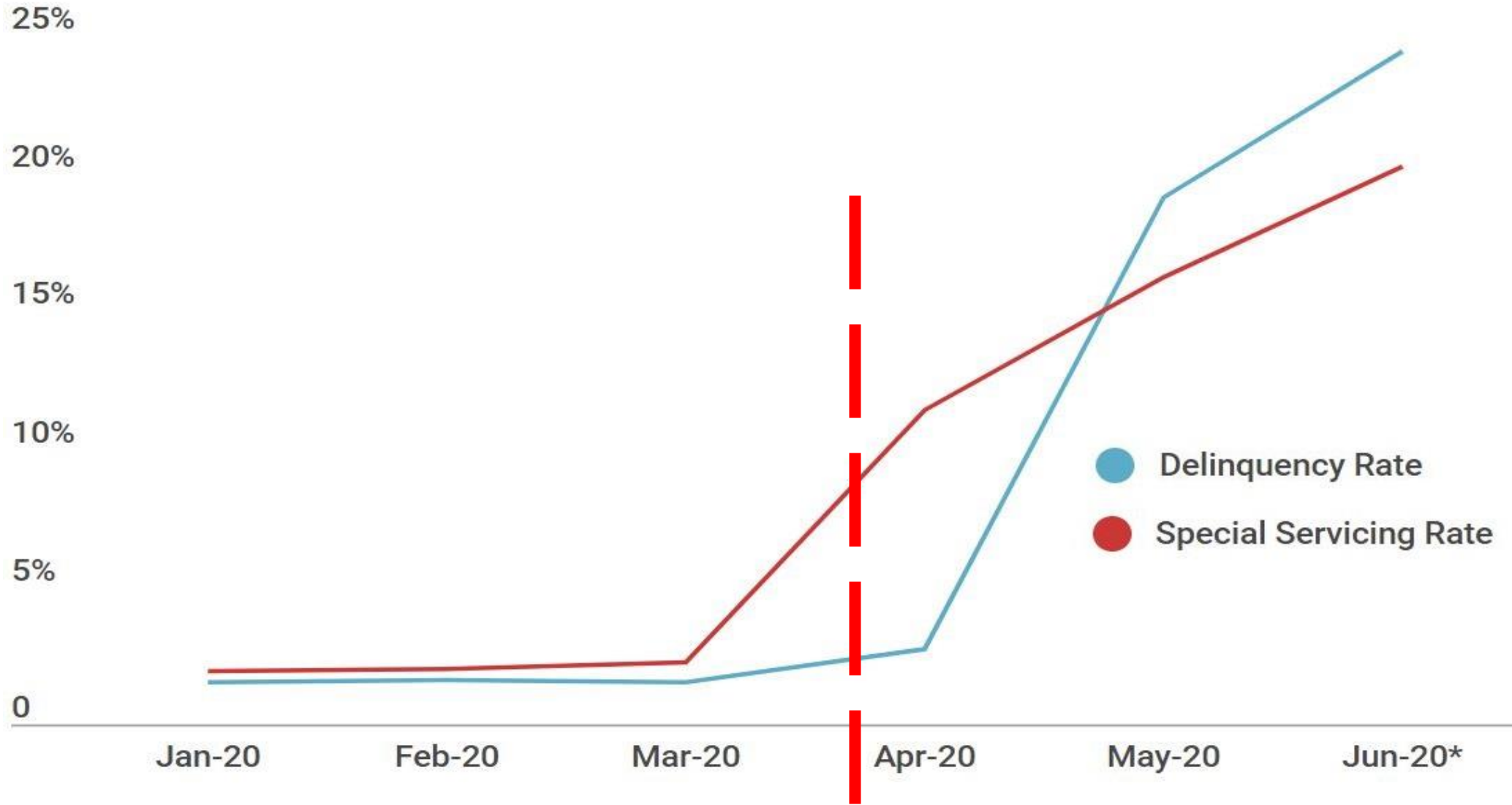


# LOOKING BACK



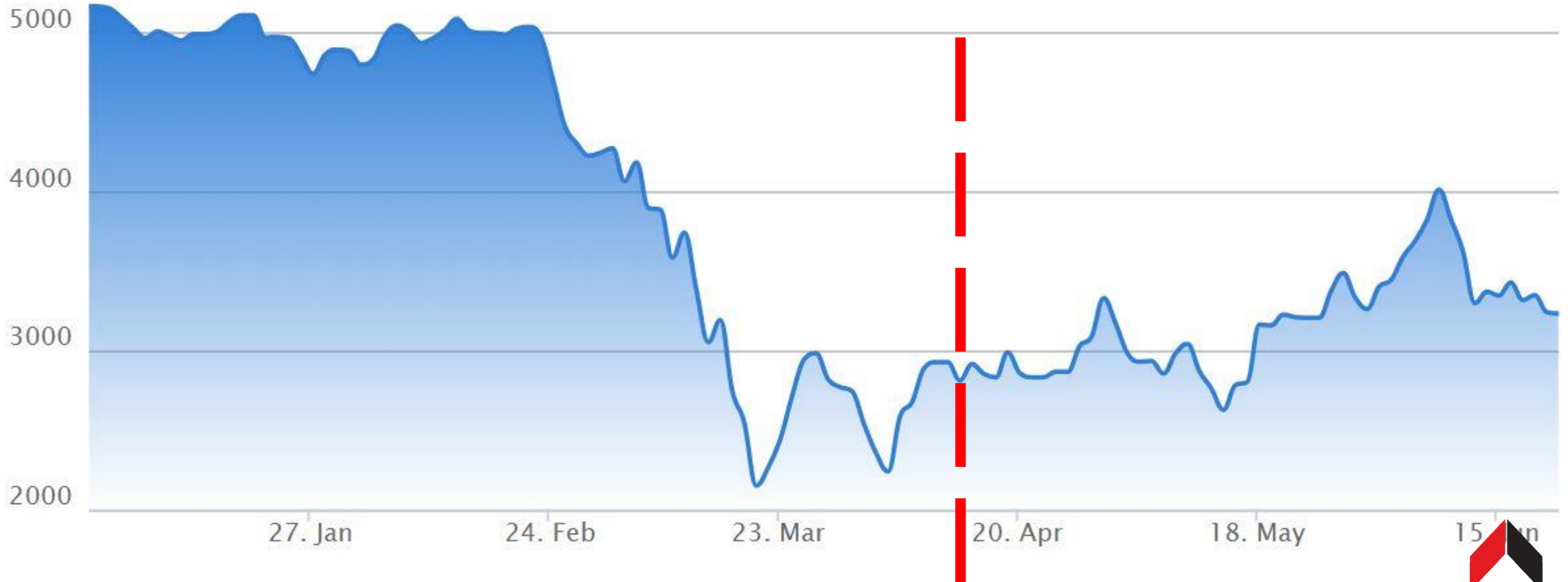
MONTHLY REVPAR 1/1990 – 4/2020

# LOOKING BACK



## CMBS LODGING DELINQUENCY

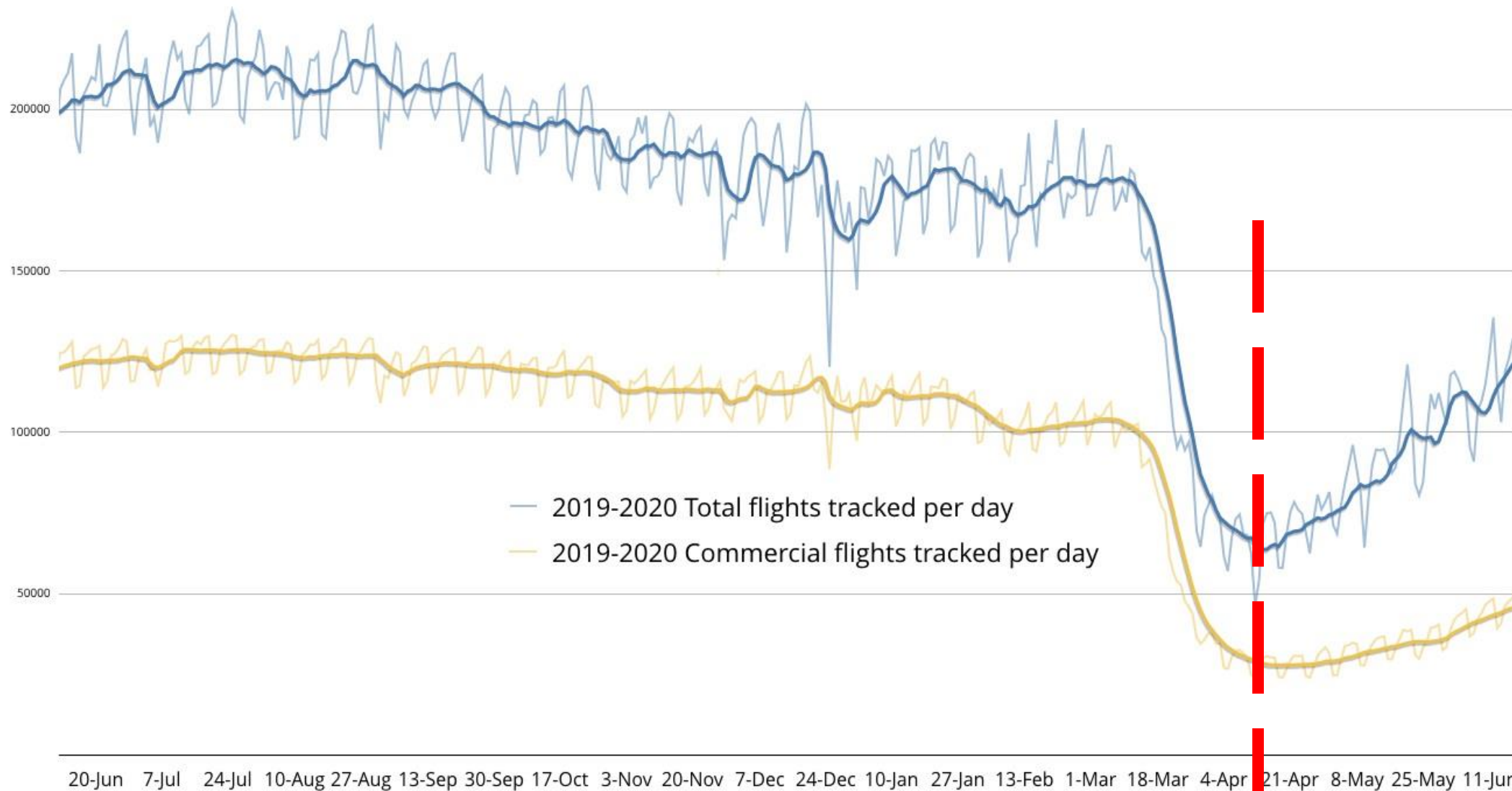
# LOOKING BACK



**BAIRD STR STOCK INDEX 1/1/20 – 6/22/20**



# LOOKING BACK



## WORLDWIDE FLIGHT ACTIVITY – T12

# LOOKING AROUND: THE CURRENT ENVIRONMENT



# LOOKING AROUND



**PARKED**

ARRIVALPARTNERS





# LOOKING AROUND

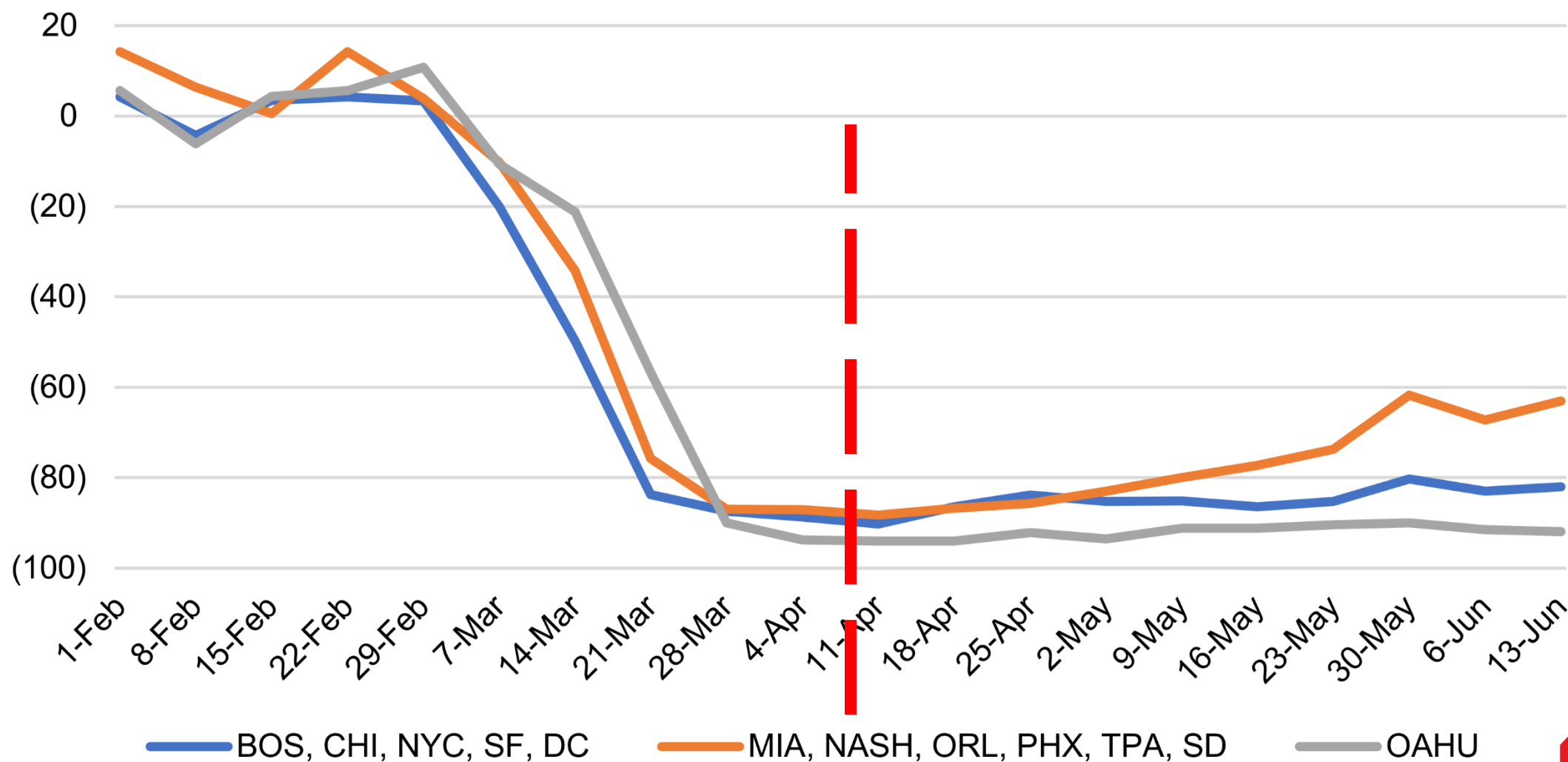


**PARKED**

ARRIVALPARTNERS

**CARW**  
COMMERCIAL ASSOCIATION OF REALTORS®

# LOOKING AROUND



## DIVERGING REVPAR PERFORMANCE

# LOOKING AHEAD

- U.S. Occupancy, Saturday June 20<sup>th</sup>

52.3%\*

# LOOKING AHEAD: HOTELS & HOSPITALITY REAL ESTATE OUTLOOK



# LOOKING AHEAD

- CBRE Hotels' Hotel Horizons' National Forecast

	OCC	Chg	ADR	Chg	RevPAR	Chg
2019	66.1%	-0.1%	\$131.11	0.9%	\$86.64	0.9%
2020	41.0%	-38.0%	\$101.67	-22.5%	\$41.67	-51.9%
2021	55.9%	36.3%	\$110.69	8.9%	\$61.83	48.4%
2022	65.0%	16.4%	\$122.93	11.1%	\$79.95	29.3%
2023	66.6%	2.4%	\$130.47	6.1%	\$86.92	8.7%
2024	66.5%	-0.2%	\$135.63	4.0%	\$90.18	3.7%

- STR's Latest RevPAR Forecast

- 2020: -50.6%
- 2021: +40.6%



# LOOKING AHEAD

- CBRE Hotels' Hotel Horizons: Milwaukee Forecast

	OCC	Chg	ADR	Chg	RevPAR	Chg
2019	64.5%	1.4%	\$113.42	2.0%	\$73.13	3.4%
2020	34.6%	-46.4%	\$81.83	-27.9%	\$28.29	-61.3%
2021	54.2%	56.7%	\$90.70	10.8%	\$49.13	73.6%
2022	62.2%	14.9%	\$107.37	18.4%	\$66.83	36.0%
2023	62.8%	0.8%	\$113.43	5.6%	\$71.18	6.5%
2024	62.6%	-0.2%	\$119.04	4.9%	\$74.53	4.7%

**THANK YOU**