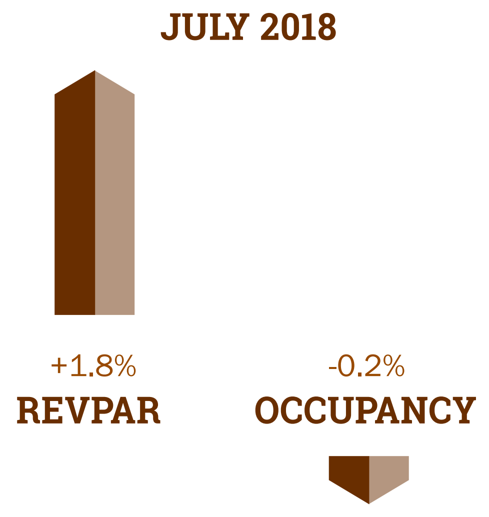
JAN FREITAG'S 5 THINGS TO KNOW U.S. JULY PERFORMANCE DATA

The U.S. hotel industry's hot streak continued, as July marked the 101st consecutive month of RevPAR growth, despite a slight decline in occupancy and slow ADR growth.

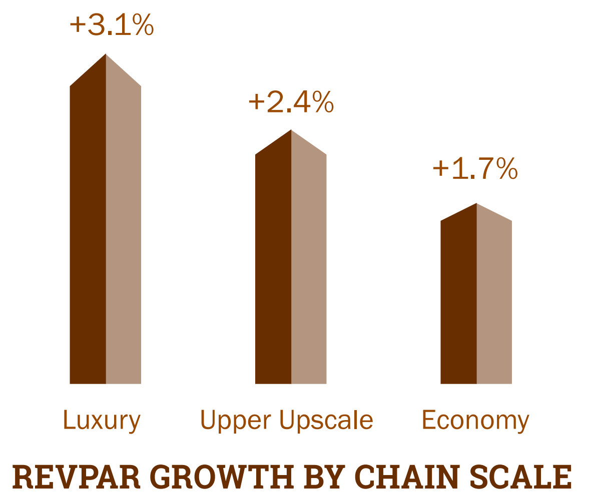
1 OCCUPANCY DIPS FOR FIRST TIME IN 12 MONTHS

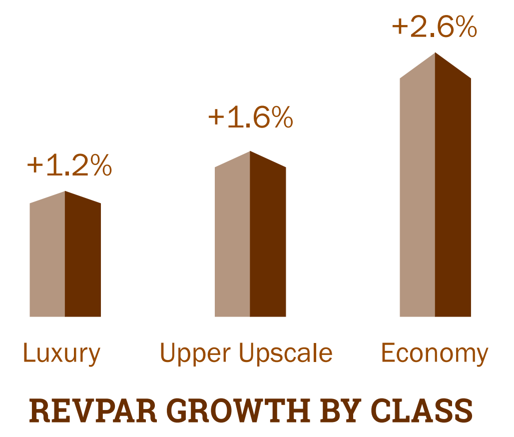
U.S. hotel RevPAR increased by 1.8% in July, despite occupancy decreasing (-0.2%) for the first time in a year. However, July also set a new demand record—120 million roomnights.



2 CLASS VS. CHAIN SCALE

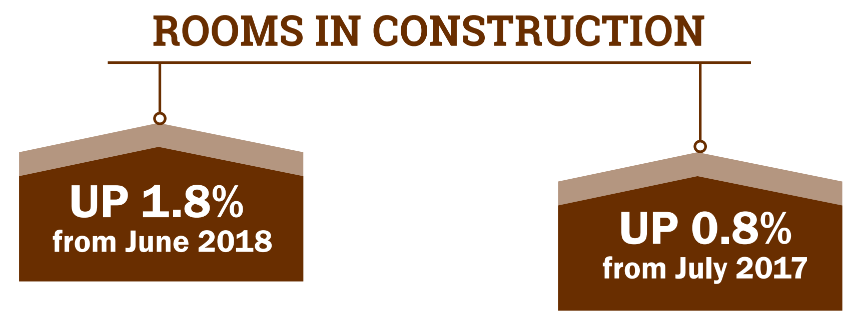
The luxury and upper-upscale chain scales grew RevPAR by 3.1% and 2.4%, respectively, while hotels in the economy class reported the highest RevPAR growth (+2.6%).





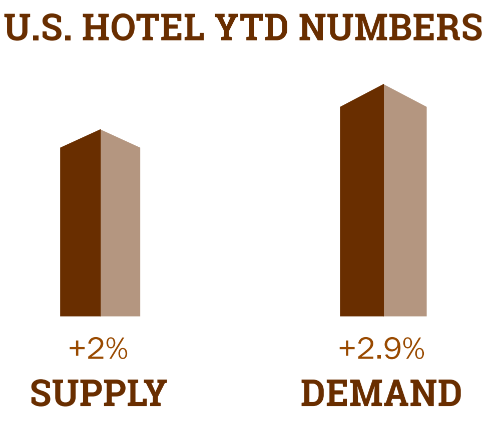
3 PIPELINE GROWS YEAR OVER YEAR

The number of rooms in construction increased 0.8% from July 2017, the first year-over-year increase in eight months. The total number of rooms in construction has been flat at around 190,000.



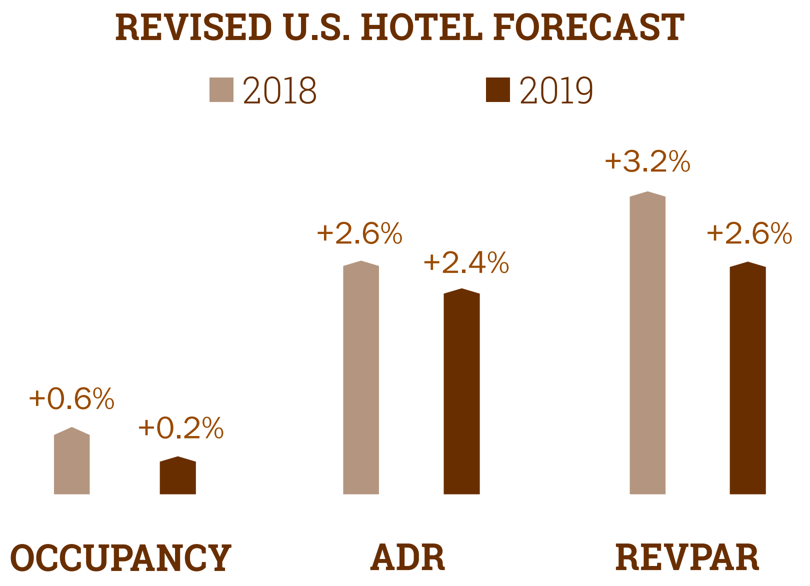
4 YEAR-TO-DATE GROWTH APPEARS STRONG

Supply growth (+2%) is in check, and demand growth (+2.9%) remains in front. Year-to-date absolute occupancy is 67.1%, and ADR has increased 2.6%, pushing RevPAR up 3.5%.



5 CONTINUED GROWTH AHEAD

Revising its U.S. hotel forecasts for 2018 and 2019, STR notes continued demand growth—expected to increase by 2.6% in 2018 and 2.1% in 2019—should contribute to full-year RevPAR growth of 3.2% in 2018 and 2.6% in 2019.



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Source: STR, Inc.