ADR (Average Daily Rate) — A measure of the average rate paid for rooms sold, calculated by dividing roomrevenue by rooms sold.

ADR = Room Revenue / Rooms Sold

ADR (Rate) Index — The ADR Index measures a hotel's ADR performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket/tract). An ADR Index of 100 equals fair share of ADR, compared to the aggregated group of hotels. An ADR Index greater than 100 represents more than a fair share of the aggregated group's ADR performance. Conversely, an ADR Index below 100 reflects less than a fair share of the aggregated group's ADR performance.

To calculate an ADR Index: (Hotel ADR / Aggregated group of hotels' ADR) x 100 = ADR Index

Fair share can be thought of as the subject hotel's "piece of the pie" in the market. For example, if the subject hotel's ADR is $50 and the ADR of its competitive set is $50, the subject hotel's index would total 100. If the subject hotel's ADR totaled $60, its index would be 120, indicating the hotel has captured more than its fair share. If the subject hotel's ADR totaled $40, its index would be 80, indicating the hotel has captured less than its fair share.

Average Published Rate (APR) — The average published rate (APR) is measured by averaging the range of published room rates for various room sizes (single, double, etc.) during different times of the year. When hotels in our Census Database do not report data to us, an estimate of actual Average Daily Rate (ADR) is derived using published rates.

Census — The total number of hotels and rooms in our database in a particular segment.

Chain Scales — Chain scale segments are a method by which branded hotels are grouped based on the actual average room rates. Independent hotels, regardless of their average room rates, are included as a separate chain scale category. The chain scale segments are:

• Luxury Chains
• Upper Upscale Chains
• Upscale Chains
• Upper Midscale Chains
• Midscale Chains
• Economy Chains
• Independents

Collapsed Submarket Class —This designation is similar to market class with the following exceptions: Luxury and Upper Upscale are collapsed to form a single class (Luxury and Upper Upscale). Upscale and Mid with F&B are collapsed to form a single class (Upscale and Mid w/ F&B). Mid without F&B and Economy are collapsed to form a single class (Mid w/o FB and Economy). The submarket classes are:

• Luxury and Upper Upscale
• Upscale and Upper Midscale
• Midscale and Economy

Company Types —

• Owner Company — A company which primarily owns rather than franchises or manages lodging properties. To be coded as "the" owner in the STR database a company must have majority (51% or more) ownership in the property.

• Management Company — A company that manages hotels for owners typically in return for fees and/or a share of revenues. A management company may or may not have any of its own funds invested in a hotel that it manages.

• Franchise Company — A group of independently-owned operations which have been issued a contract to use a specific name and logo, purchased for an annual fee plus "royalties" usually based on a percentage of sales. Members share such benefits as brand-name identity, corporate image advertising, centralized reservation systems, corporate training programs, and volume purchasing.
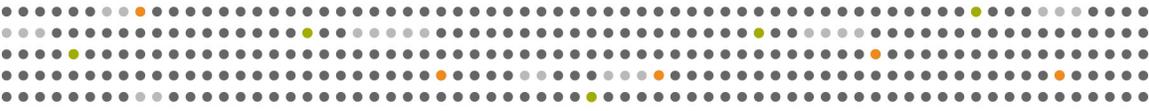
• **Asset Manager** — Hotel asset management is the fiduciary responsibility of managing the lodging investment to meet the specific objectives of ownership. The asset manager's role in building value is analyzed at both the portfolio and property levels.

• **Membership Company** — A company whereby independently owned and operated lodging properties operate under a single membership affiliation while taking advantage of a global reservations system, marketing, advertising, purchasing, training and quality standards. There are usually fewer constraints than a traditional franchise company and each member has a voice in the operation of the company.

• **Referral Company** — A group of independently owned, non-affiliated properties who have banded together primarily to recommend and refer business. This type of connection typically does not carry the same involvement and standardized requirements as a membership or franchise company.

• **Architect** — The company responsible for the design, planning and construction supervision of a hotel project. The architect typically works very closely with the owner and development company to ensure correct design standards. An architect may or may not be involved with the smallest of design details such as landscaping, furnishings, and other accoutrements.

• **Developer** — A company which prepares the site and builds for commercial use as a lodging facility.

• **REIT – Real Estate Investment Trust** — A corporation or trust that uses the pooled capital of many investors to purchase and manage income property and/or mortgage loans. Typically they distribute the majority of earnings directly to shareholders as dividends without taxation at the corporate level.

Competitive Set — A competitive set, or comp set, consists of a group of hotels by which a property can compare itself to the group's aggregate performance. In North America, Caribbean and Asia Pacific, competitive sets must include a minimum of three participating properties. The three properties exclude the subject property and other properties from the same company as the subject. To protect proprietary data, a single hotel or brand must not exceed 40% of the of the total participating room supply of a comp set and a single hotel company (i.e. Marriott brands, Choice brands, etc.) may only comprise a maximum 60% of the competitive set room supply.

In Europe, MEA, Central and South America, comp sets must include at least four participating properties. The subject property is not counted as one of the four hotels. To protect proprietary data, a single hotel or brand must not exceed 50% of the of the total participating room supply of a comp set. A single hotel company (i.e. Marriott brands, Choice brands, etc.) may only comprise a maximum 60% of the competitive set room supply.

Contract Rooms — Contract rooms are occupied at rates stipulated by contracts – such as for airline crews and permanent guests. Room allotments that do not require guaranteed use or payment should not be classified as contract. Rooms sold under such allotments should be classified as transient. (This type of data is seen in the Segmentation portion of our reports.)

Exchange Rate — The factor used to convert revenue from US Dollars to the local currency. Reports display the monthly exchange rates (the rate on the last day of the month) and the daily exchange rates on the Daily by Month pages. STR obtains exchange rate data from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Extended Stay — Extended Stay hotels focus on attracting hotel guests for extended periods of time. These hotels quote weekly rates.

Food & Beverage (F&B) Revenue — Revenues derived from the sale of food (including coffee, milk, tea and soft drinks), beverages (including, beer, wine and liquors), banquet beverages and other F&B sources. Other F&B sources include meeting room rentals, audio-visual equipment rentals, cover or service charges or other revenues within the food and beverage department (includes banquet services charges).

Full-Service Hotel — Full-service hotels are generally mid-price, upscale or luxury hotels with a restaurant, lounge facilities and meeting space as well as minimum service levels often including bell service and room service. These hotels report food and beverage revenue.
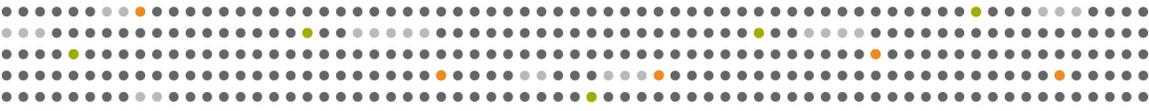
Group Rooms — Group rooms are sold simultaneously in blocks of a minimum of ten rooms or more (e.g. group tours, domestic and international groups, association, convention and corporate groups). (This type of data is seen in the Segmentation portion of our reports.)

Holiday Closure — When a property is closed for a short period of time, less than one month, voluntarily or due to holiday.

HOST Study — The HOST (Hotel Operating Statistics) Study contains information on hotel revenues and expenses broken down by departments including rooms, food and beverage, marketing, utility costs, and maintenance. This report is annually published by STR and the results are based on the operating statements of over 5,000 U.S. hotels. Custom HOST Reports are also available for entire states, metropolitan areas or competitive sets.

Hotel Types — Hotel classifications are driven primarily by building structure and secondarily by service level. Chain management has provided us with hotel type classifications for a significant number of locations. Hotel types include:

• All-Suite: All guest rental units consist of one or more bedrooms and may include a separate living area. Many suites contain kitchenettes or mini-refrigerators. Suite hotels often have no integrated dining facilities available; however, many offer complimentary breakfast.

• Boutique: These are hotels that appeal to their guests because of their unusual amenity and room configurations. They are normally independent and smaller than 200 rooms with a high rack rate. However there are three chains whose hotels are automatically coded as "Boutique": W Hotels (a Starwood brand), Kimpton Hotels and Joie de Vivre Hotels.

• Conference: Lodging hotels that place major focus on conference operations. Hotels must meet guidelines of the International Association of Conference Centers.

• Convention: Hotels with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 Square feet) and not part of the Conference Center Group.

• Destination Resorts: Hotels that appeal to leisure and family vacation travelers, typically located in resort markets, and are considered a destination in and of themselves. Destination resorts provide guests with extensive amenities normally associated and oriented toward the vacation and/or family experience- such as: pools, golf, tennis, restaurants, spa facilities, beach, ski, casino, etc. These more exclusive hotels are typically larger, full-service, Luxury chains, Upper Upscale chains, or higher priced (ADR) independents.

• Gaming/Casino: Lodging hotels that place major focus on casino operations.

• Golf: Hotel must have a golf course on hotel to be considered. It is not sufficient if the hotel only has privileges on the course next door.

• Hotel/Motel: A standard hotel or motel operation.

• Ski: Guests have easy access to ski slopes.

• Spa: Hotel must have designated spa facility and offer treatments. Offering a sauna or hot tub/whirlpool would not qualify.

• Waterpark: An indoor or outdoor waterpark resort as a lodging establishment containing an aquatic facility with a minimum of 10,000 square feet of waterpark space and inclusive of amenities such as slides, tubes and a variety of water play features.

Index — An index measures a hotel's performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR.

An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

Index (Occupancy, ADR, RevPAR) — An index measures a hotel's performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR.

Limited-Service Hotel — Limited-service hotels have rooms-only operations, (i.e. without food and beverage service) or offer a bedroom and bathroom for the night, but very few other services and amenities. These hotels are often in the budget or economy group and do not report food and beverage revenue.

Location Segment — Location segments are hotel classifications driven by physical location. Chain management has provided us with location classifications for a significant number of hotels. Location segments include:

• Urban - A densely populated area in a large metropolitan area. (e.g. Atlanta, Boston, San Francisco, London, Tokyo.).

• Suburban - Suburbs of metropolitan markets. Examples are Sags Harbor and White Plains, New York, near New York City, USA and Croydon and Wimbledon near London, UK. Distance from center city varies based on population and market orientation.

• Airport - Hotels in close proximity of an airport that primarily serve demand from airport traffic. Distance may vary.

• Interstate/motorway - Hotels in close proximity of major highways, motorways or other major roads whose primary source of business is through passerby travel. Hotels located in suburban areas have the suburban classification.

• Resort - Any hotel located in a resort area or market where a significant source of business is derived from leisure/destination travel. Examples are: Orlando, Lake Tahoe, Daytona Beach, Hilton Head Island, Virginia Beach.

• Small Metro/Town - Areas with either smaller population or limited services, in remote locations. Size can vary dependent on market orientation. Suburban locations do not exist in proximity to these areas. In North America, metropolitan small town areas are populated with less than 150,000 people.

Market — In the U.S., a market is defined as a geographic area composed of a Metropolitan Statistical Area (i.e. Atlanta, GA), a group of Metropolitan Statistical Areas (i.e. South Central Pennsylvania) or a group of counties (i.e. Texas North). Outside the U.S., a market can be defined as a city, region or country with at least 30 participating hotels. A market must contain a sufficient number of hotels to permit further subdivision into submarket and price segments.

Market Class — Class is an industry categorization which includes chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale (see chain scale). An independent hotel is assigned a class based on its ADR, relative to that of the chain-affiliated hotels in its geographic proximity. There are six class segments:

• Luxury
• Upper-upscale
• Upscale
• Upper-midscale
• Midscale
• Economy

Market Class Collapsed — If a single class segment is insufficient for reporting, classes are collapsed into the following segments:

• Luxury and Upper Upscale
• Upscale and Upper Midscale
• Midscale and Economy

Market Price Segments (U.S. Only) — The five categories of a metro STR market which are defined by actual or estimated average room rate. The five price categories are shown below:

• Luxury - top 15% average room rates
• Upscale - next 15% average room rates
• Mid-Price - middle 30% average room rates
• Economy - next 20% average room rates
• Budget - lowest 20% average room rates

In rural or non-metro STR markets, the luxury and upscale segments collapse into the upscale and form four price segment categories:

• Upscale - top 30% average room rates
• Mid-Price - next 30% average room rates
• Economy - next 20% average room rates
• Budget - lowest 20% average room rates

Market Scale — Hotels located in the same market and classified in the same chain scale segment as the subject hotel are grouped with the subject hotel into one of seven Market Scale groups:

• Luxury
• Upper Upscale
• Upscale
• Upper Midscale
• Midscale
• Economy
• Independent

Market Scale Collapsed — Hotels located in the same market and classified in the same chain scale segment as the subject hotel. There are two market scale (collapsed) groups:

• Upscale (includes Luxury, Upper Upscale, Upscale and Independent)
• Midscale/Economy (includes Upper Midscale, Midscale, and Economy)

Market Tract — See Submarket

Market Tract Scale — See Submarket Scale

OCC (Penetration) Index — An index designed to measure a hotel's share of the segment's (comp set, market, tract, etc.) demand (demand = rooms sold).

(Hotel Occupancy / Segment Occupancy) x 100 = Occupancy Index

Fair share can be thought of as the subject hotel's "piece of the pie" in the market. For example, if there are 1,000 rooms in the competitive set and the subject hotel has 100 rooms, the subject hotel's fair share is 10.00 percent. If the subject hotel accounts for 10.00 percent of the room nights generated within the competitive set in a given time period, the subject hotel's actual share equals its fair share, giving it an occupancy index of 100 percent.

Occupancy (Occ) — Occupancy is the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by rooms available.

Occupancy = Rooms Sold / Rooms Available

Other Revenue — Includes all other revenue excluding room revenue and F&B revenue.

Other Revenue = Total Revenue - (Room Revenue + F&B Revenue)

(This type of data is seen in the Segmentation portion of STR reports.)

Percent Change (% Chg) — Amount of growth — up, down or flat — this period versus same period last year (day, week, running 28 days, running month-to-date). Calculated as ((TY-LY)/LY)*100.

Percent Change Rank (Occupancy, ADR, RevPAR) — The percent change for the property is compared to the percent change of each hotel in the comp set.

Pipeline — Pipeline data details existing hotel supply and projected growth globally. Construction data is gathered from the major chains and management companies, through information located by our web crawler, STR/STR GLOBAL SONAR, powered by Revcaster, and from data provided by Convention and Visitors Bureaus, periodicals, consultant reviews and developers.

Phase Definitions – (NOTE: The availability of financing, issuance of building permits, owner commitment, and many other factors can alter anticipated completion dates, number of rooms to be constructed, or the viability of the project. Number of projects and number of rooms in the construction pipeline are subject to change. Projects in early stages of development are less likely to be completed than projects in later stages.)

• Existing Supply – All hotels opened and operating, including those opened in the last 12 months.

• Recently Opened (Pipeline) – Opened within the last 12 months.

• In Construction – Vertical construction on the physical building has begun. This does not include construction on any sub-grade structures including, but not limited to, parking garages, underground supports/footers or any other type of sub-grade construction.

• Final Planning – Confirmed, under contract projects where construction will begin within the next 12 months.

• Planning – Confirmed, under contract projects where construction will begin in more than 13 months.

• Unconfirmed – Potential projects that remain unconfirmed at this time. STR is unable to verify the existence of these projects through a corporate chain feed or other verifiable source.

• Deferred – Activity on the project has stopped but may resume within the next 12 months.

• Abandoned – Project has been terminated. No further information is available.

• New Projects – Projects that did not previously exist.

Price Tier (U.S. Only) — The three categories of a state, STR market or submarket which are defined by actual average daily room rate or average published rate. The three categories are:

• Upper Tier - top 33% room rates
• Middle Tier - middle 33% room rates
• Lower Tier - lowest 33% room rates

Rank — We utilize ranking to measure a hotel's performance in three key areas: Occupancy, ADR and RevPAR. Hotel performance is ranked versus hotels in the competitive set.

For example if you have Occupancy of 70.1% and a hotel in your comp set has 70.3% they would be ranked higher.

Example: "2 of 6" ADR ranking means the subject hotel's absolute ADR is the second highest of the six competitors.
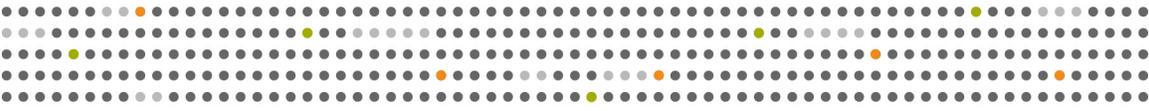
Regions (U.S.) — There are nine that divide the United States:

- New England (Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island)
- Middle Atlantic (New York, Pennsylvania, New Jersey)
- South Atlantic (Maryland, Delaware, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida)
- East North Central (Michigan, Wisconsin, Illinois, Indiana, Ohio)
- East South Central (Kentucky, Tennessee, Alabama, Mississippi)
- West North Central (Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Missouri, Kansas)
- West South Central (Arkansas, Oklahoma, Texas, Louisiana)
- Mountain (Montana, Idaho, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico)
- Pacific (Alaska, Washington, Oregon, California, Hawaii)

See World Regions

RevPAR (Revenue Per Available Room) — Revenue per Available Room (RevPAR) is the total guest room revenue divided by the total number of available rooms. RevPAR differs from ADR because RevPAR is affected by the amount of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold.

Occupancy x ADR = RevPAR

RevPAR (Yield) Index — A RevPAR (Yield) Index measures a hotel's fair market share of their segment's (competitive set, market, submarket, etc.) revenue per available room. If a hotel is capturing its fair market share, the index will be 100; if capturing less than its fair market share, a hotel's index will be less than 100; and if capturing more than its fair market share, a hotel's index will be greater than 100.

RevPAR Index is calculated:
(Hotel RevPAR / Segment RevPAR) x 100 = RevPAR Index

Fair share can be thought of as the subject hotel's "piece of the pie" in the market. For example, if the subject hotel's RevPAR is $50 and the RevPAR of its competitive set is $50, the subject hotel's index would total 100. If the subject hotel's RevPAR totaled $60, its index would be 120, which indicates that the subject hotel has captured more than its fair share. If the subject hotel's RevPAR totaled $40, its index would be 80, which indicates that the subject hotel has captured less than its fair share.

Room Revenue — Total room revenue generated from the sale or rental of rooms.

Rooms Available (Room Supply) — The number of rooms in a hotel or set of hotels multiplied by the number of days in a specified time period.
Example: 100 available rooms in subject hotel x 31 days in the month = Room Supply of 3,100 for the month

Rooms Sold (Room Demand) — The number of rooms sold in a specified time period (excludes complimentary rooms).

Sample — The number of hotels and rooms from which data is received.

Seasonal Closure — When a property is closed for at least a month or longer around the same time each year. For example, ski lodge would be closed during the summer or a beach resort may be closed during the winter.

Segmentation — Rooms sold and revenue data broken down by source of business (transient, group, contract) and source of revenue (room, F&B, other).

Size — Based on physical room count of the hotel.

Submarket — A geographic area which is a subset of a market. A market is made up of one or more submarkets.

Submarket Class — This designation is similar to Market Class with the following exceptions: The Luxury and Upper Upscale Classes are collapsed to form a single class. The Upscale and Upper Midscale classes are collapsed to form a single class. The Midscale F&B and Economy classes are collapsed to form a single class.

Total Revenue (from Segmentation report only) — Revenue from all hotel operations, including rooms sold, F&B, parking, laundry, phone, miscellaneous, etc. (This type of data is seen in the Segmentation portion of our reports.)

Transient Rooms — Transient rooms Include rooms occupied by those with reservations at rack, corporate, corporate negotiated, package, government, or foreign traveler rates. Also includes occupied rooms booked via third party web sites (exception: simultaneous bookings of ten or more rooms which should be defined as group). (This type of data is seen in the Segmentation portion of our reports.)

TrevPOR (Total Revenue per Occupied Room)- A measure of total revenue per occupied room, calculated by sum of room, food and beverage (F&B), and other revenue divided by total occupied rooms.

(Room + F&B + Other Revenue)/total occupied rooms= TrevPOR

TrevPAR (Total Revenue per Available Room)- A measure of total revenue per available room, calculated by sum of room, food and beverage (F&B), and other revenue divided by total available rooms.

 (Room + F&B + Other Revenue)/total available rooms= TrevPAR

World Regions — There are four World Regions which are divided into 15 sub-continents as follows:

- Americas (North America, South America, Central America, Caribbean)
- Asia Pacific (Central & South Asia, Northeastern Asia, Southeastern Asia, Australia & Oceania)
- Europe (Northern Europe, Southern Europe, Eastern Europe, Western Europe)
- Middle East/Africa (Middle East, Northern Africa, Southern Africa)

FAQ

How is my hotel performing versus competition?
The monthly STAR report provides timely occupancy, average room rate, revenue per available room benchmarking of your hotel's performance versus your own selected competitors and an STR defined industry segment.

Is my hotel's data included in the competitive numbers?
The header of each report indicates if your hotel's data is included within the competitive set. Your hotel's data is included within the industry numbers.

How are percent changes computed?
Hotel and competitive performance changes are measured against same period prior year.

Why do my percent change numbers have such a large range?
The data for this year vs. the same period last year may vary greatly. Consider if you sold 2294 rooms this year vs. 743 last year, the percent change would be 208.7% ((2294-743)/743)*100.

What is an index?
An index is an easy way to compare your hotel's performance versus competition. An index of 100 or higher means your hotel's absolute performance is the same or better than competition.

What does the "Rank" information mean?
Your hotel's performance is ranked against the other properties in your competitive set. If your hotel's RevPAR rank is "2 of 6," that means your hotel's RevPAR was second highest of the six hotels in your competitive set.

What if there are blanks in my competitive set numbers?
Your competitive set did not include sufficient data for reporting. A minimum of three (3) hotels excluding the subject property must report data in order for STR to provide competitive set performance.

What if there are blanks in my competitive set percentage change?
Your competitive set did not include sufficient data for reporting prior year data.

Who can contact if I have more questions?
Send an e-mail to info@str.com or info@strglobal.com.