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Forecast - US and Chain Scales - Sample



Created August 2017

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Source: 2017 STR, Inc. (USA) / STR Global, Ltd., trading as STR (UK).



US Forecast Summary - Sample

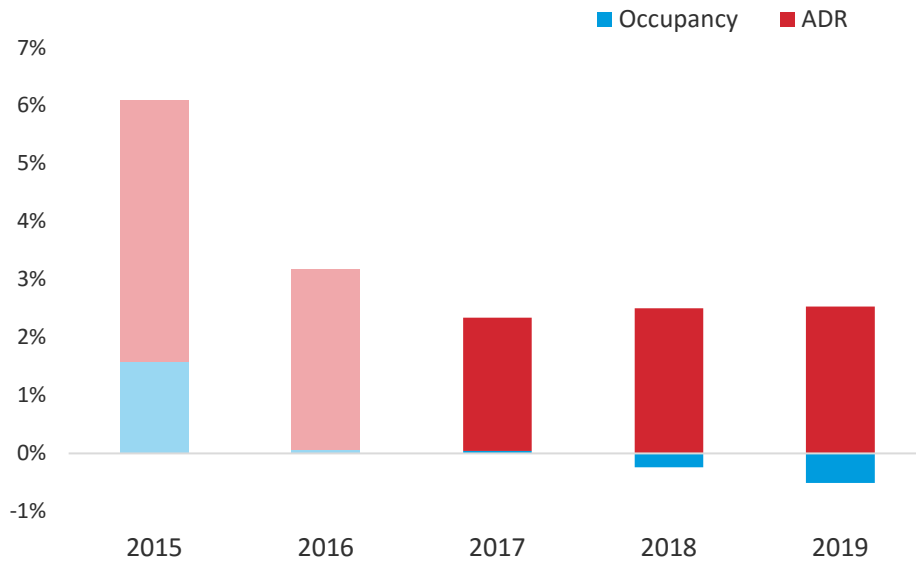
US Forecast Growth Rates

	Actual		Forecast		
	2015	2016	2017	2018	2019
Supply	1.0%	1.5%	2.0%	2.1%	2.3%
Demand	2.6%	1.6%	2.0%	1.9%	1.8%
Occupancy	1.6%	0.1%	0.0%	-0.2%	-0.5%
ADR	4.5%	3.1%	2.3%	2.5%	2.5%
RevPAR	6.2%	3.2%	2.3%	2.3%	2.0%

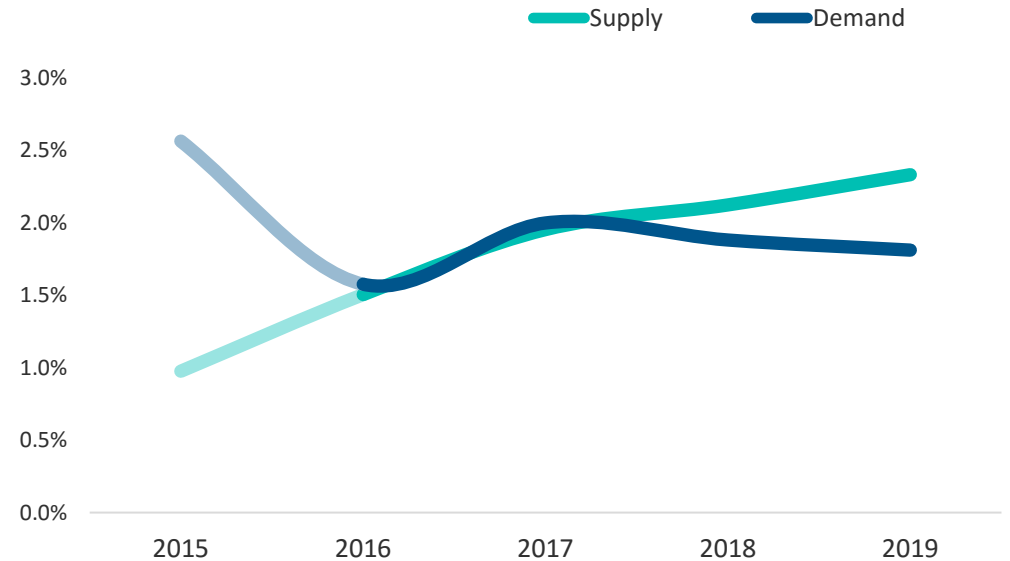
Forecast Highlights

- RevPAR is expected to increase 2.3% in 2017, slightly stronger than in the prior forecast, due to faster expected demand growth more than offsetting weaker than expected ADR growth. RevPAR is expected to increase 2.3% in 2018, held down by declining occupancy.
- Supply growth remains moderate for the US overall, with the strongest growth concentrated in the upscale and upper midscale chain scale segments.
- The outlook for GDP growth this year has improved slightly to 2.2%. However, expectations for 2018 GDP growth have been reduced to 2.4%, with a smaller expected fiscal stimulus package (tax cuts and infrastructure spending).

US RevPAR Growth Composition



US Supply and Demand Growth





Chain Scale Forecast Summary - Sample

Occupancy, % change

	2014	2015	2016	Forecast		
				2017	2018	2019
U.S.	3.4%	1.6%	0.1%	0.0%	-0.2%	-0.5%
Luxury	0.8%	0.2%	-0.4%	-0.2%	-0.1%	-0.4%
Upper Upscale	2.2%	0.7%	-0.3%	-0.2%	-0.2%	-0.5%
Upscale	3.2%	0.7%	-0.5%	-0.9%	-0.8%	-0.8%
Upper Midscale	4.0%	1.9%	-0.1%	-0.4%	-0.6%	-0.6%
Midscale	4.0%	1.9%	-0.2%	0.1%	-0.3%	-0.5%
Economy	3.5%	1.1%	-0.5%	0.2%	-0.2%	-0.3%
Independent	3.2%	2.0%	0.6%	0.4%	0.0%	-0.7%

ADR, % change

	2014	2015	2016	Forecast		
				2017	2018	2019
U.S.	4.7%	4.5%	3.1%	2.3%	2.5%	2.5%
Luxury	4.5%	4.1%	1.7%	2.3%	2.6%	2.6%
Upper Upscale	4.6%	3.8%	2.2%	2.0%	2.4%	2.4%
Upscale	6.0%	4.6%	2.7%	1.8%	2.0%	2.3%
Upper Midscale	4.2%	4.3%	2.4%	1.7%	2.0%	2.2%
Midscale	3.4%	4.0%	2.6%	2.1%	2.1%	2.4%
Economy	4.9%	5.1%	3.5%	2.2%	2.1%	2.2%
Independent	4.3%	4.8%	3.9%	2.8%	2.7%	2.6%

RevPAR, % change

	2014	2015	2016	Forecast		
				2017	2018	2019
U.S.	8.2%	6.2%	3.2%	2.3%	2.3%	2.0%
Luxury	5.3%	4.2%	1.3%	2.1%	2.5%	2.3%
Upper Upscale	6.9%	4.6%	1.9%	1.8%	2.2%	1.9%
Upscale	9.4%	5.4%	2.2%	1.0%	1.2%	1.6%
Upper Midscale	8.4%	6.3%	2.3%	1.3%	1.4%	1.6%
Midscale	7.6%	6.0%	2.4%	2.2%	1.8%	2.0%
Economy	8.6%	6.3%	3.0%	2.5%	1.9%	1.9%
Independent	7.6%	6.9%	4.5%	3.3%	2.6%	1.9%

Supply, % change

	2014	2015	2016	Forecast		
				2017	2018	2019
U.S.	0.6%	1.0%	1.5%	2.0%	2.1%	2.3%
Luxury	2.7%	1.4%	3.0%	1.5%	3.0%	2.9%
Upper Upscale	1.2%	1.7%	2.0%	1.8%	2.0%	2.0%
Upscale	3.6%	3.7%	5.3%	5.8%	5.0%	4.8%
Upper Midscale	0.8%	1.4%	2.0%	3.2%	2.7%	2.8%
Midscale	-0.8%	0.0%	1.3%	0.9%	0.8%	1.9%
Economy	0.0%	0.0%	0.2%	0.3%	1.1%	1.2%
Independent	-0.3%	0.1%	-0.1%	0.6%	1.3%	1.6%

Demand, % change

	2014	2015	2016	Forecast		
				2017	2018	2019
U.S.	4.0%	2.6%	1.6%	2.0%	1.9%	1.8%
Luxury	3.5%	1.6%	2.6%	1.2%	2.9%	2.6%
Upper Upscale	3.5%	2.5%	1.7%	1.7%	1.8%	1.5%
Upscale	6.9%	4.5%	4.8%	4.9%	4.2%	4.0%
Upper Midscale	4.8%	3.4%	1.9%	2.9%	2.1%	2.2%
Midscale	3.2%	1.9%	1.0%	1.1%	0.4%	1.4%
Economy	3.6%	1.2%	-0.2%	0.5%	0.9%	0.9%
Independent	2.8%	2.1%	0.5%	1.0%	1.3%	0.9%

Revenue, % change

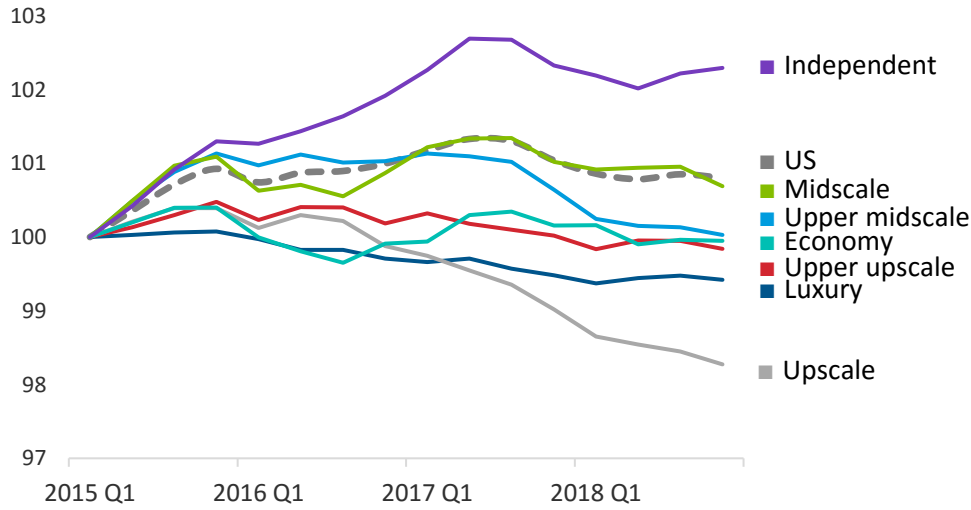
	2014	2015	2016	Forecast		
				2017	2018	2019
U.S.	8.9%	7.2%	4.7%	4.3%	4.4%	4.4%
Luxury	8.1%	5.7%	4.4%	3.6%	5.5%	5.3%
Upper Upscale	8.3%	6.4%	4.0%	3.7%	4.3%	4.0%
Upscale	13.3%	9.3%	7.6%	6.9%	6.3%	6.5%
Upper Midscale	9.3%	7.8%	4.4%	4.6%	4.2%	4.4%
Midscale	6.7%	6.0%	3.7%	3.2%	2.6%	3.9%
Economy	8.6%	6.4%	3.2%	2.7%	3.1%	3.1%
Independent	7.3%	7.0%	4.4%	3.9%	4.0%	3.5%



Trailing four quarters: Occupancy, ADR and RevPAR indexes - Sample

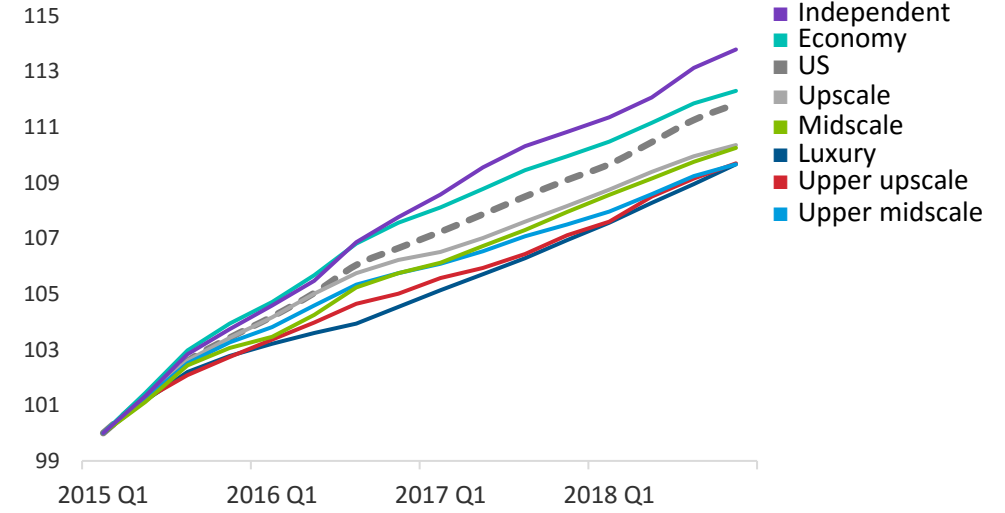
Occupancy Index

(Index 2015 Q1=100, trailing four quarters)



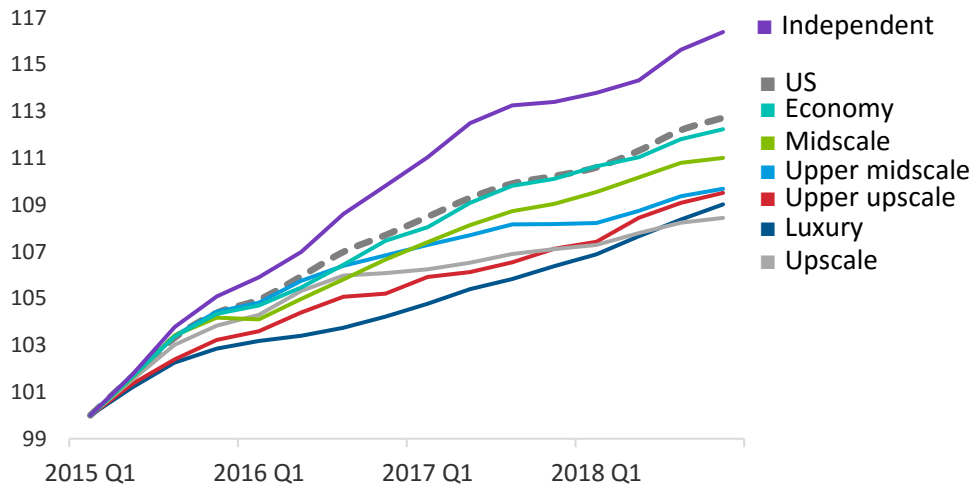
ADR Index

(Index 2015 Q1=100, trailing four quarters)



RevPAR Index

(Index 2015 Q1=100, trailing four quarters)





Outlook: Total US - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	62.3%	1.4%	110.02	3.8%	68.50	5.2%	1,778.8	0.5%	1,107.5	1.9%	121,852	5.8%	4,873.4	0.5%
	2014	64.4%	3.4%	115.14	4.7%	74.12	8.2%	1,789.8	0.6%	1,152.2	4.0%	132,661	8.9%	4,903.7	0.6%
	2015	65.4%	1.6%	120.34	4.5%	78.68	6.2%	1,807.3	1.0%	1,181.7	2.6%	142,201	7.2%	4,951.5	1.0%
	2016	65.4%	0.1%	124.09	3.1%	81.19	3.2%	1,834.5	1.5%	1,200.3	1.6%	148,939	4.7%	5,026.0	1.5%
Forecast	2017	65.5%	0.0%	126.94	2.3%	83.09	2.3%	1,870.3	2.0%	1,224.3	2.0%	155,405	4.3%	5,124.1	2.0%
	2018	65.3%	-0.2%	130.11	2.5%	84.97	2.3%	1,910.0	2.1%	1,247.3	1.9%	162,289	4.4%	5,232.8	2.1%
	2019	65.0%	-0.5%	133.41	2.5%	86.68	2.0%	1,954.5	2.3%	1,269.9	1.8%	169,409	4.4%	5,354.8	2.3%
	2020	64.7%	-0.5%	136.89	2.6%	88.54	2.1%	1,999.0	2.3%	1,292.9	1.8%	176,983	4.5%	5,476.6	2.3%
	2021	64.4%	-0.4%	140.44	2.6%	90.43	2.1%	2,043.1	2.2%	1,315.6	1.8%	184,766	4.4%	5,597.7	2.2%

Quarterly Data

Actual	2016 Q1	60.5%	-0.7%	121.29	3.3%	73.41	2.6%	445.9	1.4%	269.9	0.7%	32,737	4.0%	4,954.9	1.4%
	2016 Q2	69.2%	0.4%	124.70	3.1%	86.26	3.5%	457.8	1.4%	316.7	1.9%	39,492	5.0%	5,031.0	1.4%
	2016 Q3	71.1%	0.0%	127.26	3.4%	90.51	3.4%	466.5	1.5%	331.8	1.5%	42,221	5.0%	5,070.4	1.5%
	2016 Q4	60.7%	0.6%	122.35	2.6%	74.29	3.2%	464.2	1.7%	281.9	2.2%	34,489	4.9%	5,046.2	1.7%
	2017 Q1	61.1%	0.9%	124.34	2.5%	75.95	3.5%	454.0	1.8%	277.3	2.7%	34,482	5.3%	5,044.4	1.8%
	2017 Q2	69.5%	0.5%	127.43	2.2%	88.58	2.7%	466.3	1.8%	324.1	2.3%	41,300	4.6%	5,123.6	1.8%
Forecast	2017 Q3	70.9%	-0.3%	129.91	2.1%	92.16	1.8%	475.8	2.0%	337.6	1.7%	43,851	3.9%	5,171.9	2.0%
	2017 Q4	60.2%	-0.9%	125.39	2.5%	75.43	1.5%	474.2	2.2%	285.3	1.2%	35,772	3.7%	5,154.7	2.2%
	2018 Q1	60.7%	-0.6%	127.24	2.3%	77.23	1.7%	463.6	2.1%	281.4	1.5%	35,803	3.8%	5,150.8	2.1%
	2018 Q2	69.2%	-0.4%	130.86	2.7%	90.60	2.3%	476.2	2.1%	329.7	1.7%	43,146	4.5%	5,233.3	2.1%
	2018 Q3	71.0%	0.1%	133.23	2.6%	94.58	2.6%	486.0	2.1%	345.0	2.2%	45,964	4.8%	5,282.4	2.1%
	2018 Q4	60.1%	0.0%	128.35	2.4%	77.19	2.3%	484.2	2.1%	291.2	2.1%	37,376	4.5%	5,263.1	2.1%



Outlook: Luxury Chains - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	73.3%	1.9%	286.93	5.0%	210.39	7.0%	40.6	0.6%	29.8	2.5%	8,552	7.6%	111.4	0.6%
	2014	73.9%	0.8%	299.74	4.5%	221.55	5.3%	41.7	2.7%	30.8	3.5%	9,247	8.1%	114.3	2.7%
	2015	74.0%	0.2%	311.90	4.1%	230.96	4.2%	42.3	1.4%	31.4	1.6%	9,778	5.7%	116.0	1.4%
	2016	73.8%	-0.4%	317.22	1.7%	234.04	1.3%	43.6	3.0%	32.2	2.6%	10,204	4.4%	119.5	3.0%
Forecast	2017	73.6%	-0.2%	324.50	2.3%	238.86	2.1%	44.2	1.5%	32.6	1.2%	10,567	3.6%	121.2	1.5%
	2018	73.6%	-0.1%	332.78	2.6%	244.81	2.5%	45.6	3.0%	33.5	2.9%	11,151	5.5%	124.8	3.0%
	2019	73.3%	-0.4%	341.54	2.6%	250.32	2.3%	46.9	2.9%	34.4	2.6%	11,739	5.3%	128.5	2.9%
	2020	73.3%	0.0%	350.21	2.5%	256.60	2.5%	48.5	3.5%	35.5	3.4%	12,449	6.1%	132.9	3.5%
	2021	73.1%	-0.2%	358.47	2.4%	262.17	2.2%	50.1	3.2%	36.6	3.0%	13,130	5.5%	137.2	3.2%

Quarterly Data

Actual	2016 Q1	72.4%	-0.4%	322.30	1.7%	233.21	1.3%	10.6	2.1%	7.7	1.7%	2,469	3.4%	117.7	2.1%
	2016 Q2	76.4%	-0.6%	313.05	1.5%	239.23	0.8%	10.8	2.3%	8.2	1.6%	2,579	3.1%	118.5	2.3%
	2016 Q3	75.9%	-0.1%	306.84	1.4%	232.86	1.3%	11.1	3.8%	8.4	3.7%	2,583	5.2%	120.6	3.8%
	2016 Q4	70.5%	-0.3%	327.77	2.3%	230.98	1.9%	11.1	3.7%	7.9	3.4%	2,573	5.7%	121.1	3.7%
	2017 Q1	72.3%	-0.1%	329.78	2.3%	238.27	2.2%	10.8	2.4%	7.8	2.2%	2,583	4.6%	120.4	2.4%
	2017 Q2	76.5%	0.1%	319.92	2.2%	244.78	2.3%	11.0	1.8%	8.4	1.9%	2,687	4.2%	120.6	1.8%
Forecast	2017 Q3	75.5%	-0.6%	313.66	2.2%	236.71	1.7%	11.2	1.0%	8.5	0.4%	2,651	2.6%	121.7	1.0%
	2017 Q4	70.2%	-0.3%	335.76	2.4%	235.81	2.1%	11.2	0.7%	7.9	0.4%	2,647	2.8%	122.0	0.7%
	2018 Q1	72.0%	-0.4%	337.60	2.4%	242.92	2.0%	11.1	2.3%	8.0	1.9%	2,695	4.3%	123.2	2.3%
	2018 Q2	76.6%	0.2%	328.23	2.6%	251.52	2.8%	11.3	3.2%	8.7	3.4%	2,849	6.1%	124.5	3.2%
	2018 Q3	75.5%	0.1%	321.96	2.6%	243.12	2.7%	11.5	3.0%	8.7	3.0%	2,804	5.8%	125.4	3.0%
	2018 Q4	70.2%	-0.1%	344.51	2.6%	241.75	2.5%	11.6	3.3%	8.1	3.2%	2,803	5.9%	126.0	3.3%



Outlook: Upscale Chains - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	71.3%	1.0%	121.43	4.4%	86.56	5.4%	224.3	3.3%	159.9	4.4%	19,411	9.0%	614.4	3.3%
	2014	73.6%	3.2%	128.69	6.0%	94.67	9.4%	232.3	3.6%	170.9	6.9%	21,989	13.3%	636.3	3.6%
	2015	74.1%	0.7%	134.65	4.6%	99.79	5.4%	240.9	3.7%	178.5	4.5%	24,034	9.3%	659.9	3.7%
	2016	73.7%	-0.5%	138.28	2.7%	101.96	2.2%	253.6	5.3%	187.0	4.8%	25,862	7.6%	694.9	5.3%
Forecast	2017	73.1%	-0.9%	140.82	1.8%	102.94	1.0%	268.5	5.8%	196.2	4.9%	27,633	6.9%	735.5	5.8%
	2018	72.5%	-0.8%	143.66	2.0%	104.22	1.2%	281.7	5.0%	204.4	4.2%	29,364	6.3%	771.9	5.0%
	2019	72.0%	-0.8%	147.01	2.3%	105.85	1.6%	295.3	4.8%	212.7	4.0%	31,263	6.5%	809.2	4.8%
	2020	71.4%	-0.8%	150.52	2.4%	107.46	1.5%	308.5	4.5%	220.3	3.6%	33,156	6.1%	845.3	4.5%
	2021	70.9%	-0.7%	154.22	2.5%	109.32	1.7%	321.8	4.3%	228.1	3.6%	35,180	6.1%	881.6	4.3%

Quarterly Data

Actual	2016 Q1	70.0%	-0.9%	135.59	3.1%	94.97	2.2%	61.1	4.4%	42.8	3.5%	5,805	6.7%	679.2	4.4%
	2016 Q2	78.5%	0.4%	140.36	3.0%	110.12	3.4%	62.7	5.0%	49.2	5.4%	6,903	8.6%	688.9	5.0%
	2016 Q3	77.8%	-0.6%	140.49	2.6%	109.24	2.0%	64.4	5.7%	50.1	5.1%	7,037	7.8%	700.2	5.7%
	2016 Q4	68.7%	-1.0%	136.11	2.1%	93.49	1.0%	65.4	6.1%	44.9	5.0%	6,117	7.2%	711.1	6.1%
	2017 Q1	69.9%	-0.2%	137.34	1.3%	95.96	1.0%	64.8	6.1%	45.3	5.8%	6,222	7.2%	720.4	6.1%
	2017 Q2	77.6%	-1.1%	142.69	1.7%	110.74	0.6%	66.4	5.9%	51.5	4.8%	7,355	6.5%	729.8	5.9%
Forecast	2017 Q3	77.0%	-1.0%	143.29	2.0%	110.28	0.9%	68.1	5.7%	52.4	4.6%	7,509	6.7%	740.1	5.7%
	2017 Q4	68.0%	-1.0%	139.36	2.4%	94.75	1.3%	69.1	5.6%	47.0	4.6%	6,548	7.1%	751.2	5.6%
	2018 Q1	69.0%	-1.3%	140.68	2.4%	97.01	1.1%	68.4	5.5%	47.1	4.1%	6,633	6.6%	759.7	5.5%
	2018 Q2	77.1%	-0.7%	145.72	2.1%	112.30	1.4%	69.7	5.0%	53.7	4.3%	7,831	6.5%	766.3	5.0%
	2018 Q3	76.5%	-0.6%	145.99	1.9%	111.67	1.3%	71.5	4.9%	54.7	4.3%	7,979	6.3%	776.7	4.9%
	2018 Q4	67.7%	-0.5%	141.67	1.7%	95.88	1.2%	72.2	4.4%	48.8	4.0%	6,921	5.7%	784.5	4.4%



Outlook: Upper Upscale Chains - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	72.3%	1.4%	161.83	4.0%	116.94	5.5%	201.8	0.4%	145.8	1.8%	23,603	5.8%	553.0	0.4%
	2014	73.9%	2.2%	169.24	4.6%	125.04	6.9%	204.3	1.2%	151.0	3.5%	25,552	8.3%	559.8	1.2%
	2015	74.4%	0.7%	175.70	3.8%	130.78	4.6%	207.8	1.7%	154.7	2.5%	27,177	6.4%	569.3	1.7%
	2016	74.2%	-0.3%	179.58	2.2%	133.29	1.9%	212.0	2.0%	157.4	1.7%	28,262	4.0%	580.9	2.0%
Forecast	2017	74.1%	-0.2%	183.17	2.0%	135.72	1.8%	215.9	1.8%	160.0	1.7%	29,306	3.7%	591.6	1.8%
	2018	74.0%	-0.2%	187.59	2.4%	138.75	2.2%	220.2	2.0%	162.9	1.8%	30,554	4.3%	603.3	2.0%
	2019	73.6%	-0.5%	192.13	2.4%	141.39	1.9%	224.7	2.0%	165.4	1.5%	31,772	4.0%	615.7	2.0%
	2020	73.2%	-0.6%	196.93	2.5%	144.11	1.9%	229.4	2.1%	167.9	1.5%	33,062	4.1%	628.5	2.1%
	2021	73.0%	-0.3%	201.66	2.4%	147.16	2.1%	234.1	2.0%	170.8	1.7%	34,449	4.2%	641.4	2.0%

Quarterly Data

Actual	2016 Q1	70.8%	-0.9%	177.16	2.6%	125.48	1.7%	52.0	2.3%	36.8	1.3%	6,522	4.0%	577.5	2.3%
	2016 Q2	78.9%	0.6%	182.93	2.2%	144.27	2.8%	52.7	1.7%	41.6	2.3%	7,601	4.5%	579.0	1.7%
	2016 Q3	77.6%	-0.1%	178.97	2.5%	138.86	2.5%	53.5	1.9%	41.5	1.8%	7,425	4.4%	581.2	1.9%
	2016 Q4	69.6%	-0.8%	178.93	1.5%	124.54	0.7%	53.9	2.3%	37.5	1.5%	6,714	3.0%	585.9	2.3%
	2017 Q1	71.3%	0.7%	181.29	2.3%	129.25	3.0%	52.9	1.9%	37.7	2.5%	6,842	4.9%	588.2	1.9%
	2017 Q2	78.4%	-0.6%	185.17	1.2%	145.09	0.6%	53.8	2.1%	42.2	1.4%	7,805	2.7%	591.2	2.1%
Forecast	2017 Q3	77.3%	-0.4%	182.29	1.9%	140.88	1.5%	54.4	1.8%	42.1	1.4%	7,667	3.3%	591.6	1.8%
	2017 Q4	69.4%	-0.2%	183.80	2.7%	127.64	2.5%	54.8	1.6%	38.0	1.4%	6,991	4.1%	595.4	1.6%
	2018 Q1	70.8%	-0.7%	184.86	2.0%	130.88	1.3%	53.9	1.8%	38.1	1.1%	7,051	3.1%	598.6	1.8%
	2018 Q2	78.6%	0.4%	190.90	3.1%	150.11	3.5%	54.7	1.7%	43.0	2.1%	8,215	5.2%	601.4	1.7%
	2018 Q3	77.2%	-0.1%	186.51	2.3%	143.96	2.2%	55.7	2.3%	43.0	2.1%	8,013	4.5%	605.0	2.3%
	2018 Q4	69.2%	-0.3%	187.81	2.2%	130.01	1.9%	56.0	2.2%	38.7	1.8%	7,275	4.1%	608.2	2.2%



Outlook: Upper Midscale Chains - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	63.7%	1.1%	100.13	2.9%	63.78	4.0%	314.5	0.8%	200.3	1.9%	20,060	4.8%	861.7	0.8%
	2014	66.3%	4.0%	104.37	4.2%	69.15	8.4%	317.0	0.8%	210.0	4.8%	21,918	9.3%	868.4	0.8%
	2015	67.5%	1.9%	108.82	4.3%	73.50	6.3%	321.3	1.4%	217.0	3.4%	23,619	7.8%	880.4	1.4%
	2016	67.5%	-0.1%	111.44	2.4%	75.19	2.3%	327.9	2.0%	221.2	1.9%	24,656	4.4%	898.4	2.0%
Forecast	2017	67.2%	-0.4%	113.28	1.7%	76.14	1.3%	338.6	3.2%	227.6	2.9%	25,778	4.6%	927.6	3.2%
	2018	66.8%	-0.6%	115.56	2.0%	77.20	1.4%	347.8	2.7%	232.3	2.1%	26,849	4.2%	952.8	2.7%
	2019	66.4%	-0.6%	118.09	2.2%	78.43	1.6%	357.4	2.8%	237.4	2.2%	28,034	4.4%	979.2	2.8%
	2020	66.0%	-0.6%	120.48	2.0%	79.56	1.4%	365.7	2.3%	241.5	1.7%	29,097	3.8%	1,002.0	2.3%
	2021	65.8%	-0.3%	123.30	2.3%	81.17	2.0%	373.9	2.2%	246.1	1.9%	30,348	4.3%	1,024.3	2.2%

Quarterly Data

Actual	2016 Q1	61.6%	-0.6%	106.47	2.5%	65.56	1.9%	79.8	1.5%	49.1	0.9%	5,231	3.4%	886.5	1.5%
	2016 Q2	72.4%	0.4%	113.32	2.8%	82.02	3.2%	81.4	1.8%	58.9	2.2%	6,677	5.0%	894.6	1.8%
	2016 Q3	73.5%	-0.6%	116.58	2.4%	85.73	1.8%	83.1	2.2%	61.1	1.6%	7,122	4.1%	903.1	2.2%
	2016 Q4	62.3%	0.3%	107.99	1.9%	67.26	2.2%	83.6	2.7%	52.1	3.0%	5,625	5.0%	909.1	2.7%
	2017 Q1	62.0%	0.7%	108.19	1.6%	67.11	2.4%	82.2	3.0%	51.0	3.8%	5,517	5.5%	913.5	3.0%
	2017 Q2	72.1%	-0.3%	115.06	1.5%	83.01	1.2%	83.9	3.1%	60.6	2.8%	6,967	4.3%	922.4	3.1%
Forecast	2017 Q3	73.1%	-0.5%	118.50	1.6%	86.67	1.1%	85.9	3.4%	62.8	2.9%	7,448	4.6%	934.1	3.4%
	2017 Q4	61.5%	-1.3%	109.99	1.8%	67.60	0.5%	86.5	3.4%	53.2	2.0%	5,846	3.9%	940.0	3.4%
	2018 Q1	61.1%	-1.5%	110.39	2.0%	67.48	0.5%	84.8	3.1%	51.8	1.6%	5,720	3.7%	941.8	3.1%
	2018 Q2	71.8%	-0.5%	117.47	2.1%	84.29	1.5%	86.4	2.9%	62.0	2.3%	7,280	4.5%	949.2	2.9%
	2018 Q3	72.9%	-0.3%	120.88	2.0%	88.15	1.7%	88.1	2.5%	64.3	2.2%	7,767	4.3%	957.7	2.5%
	2018 Q4	61.3%	-0.2%	112.02	1.8%	68.69	1.6%	88.5	2.4%	54.3	2.2%	6,082	4.0%	962.4	2.4%



Outlook: Midscale Chains - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	56.1%	1.8%	77.20	2.3%	43.30	4.1%	173.4	1.1%	97.3	2.9%	7,509	5.3%	475.1	1.1%
	2014	58.4%	4.0%	79.85	3.4%	46.60	7.6%	172.0	-0.8%	100.4	3.2%	8,014	6.7%	471.2	-0.8%
	2015	59.5%	1.9%	83.06	4.0%	49.38	6.0%	172.0	0.0%	102.3	1.9%	8,496	6.0%	471.4	0.0%
	2016	59.3%	-0.2%	85.22	2.6%	50.56	2.4%	174.2	1.3%	103.4	1.0%	8,809	3.7%	477.3	1.3%
Forecast	2017	59.4%	0.1%	87.00	2.1%	51.69	2.2%	175.9	0.9%	104.5	1.1%	9,091	3.2%	481.8	0.9%
	2018	59.2%	-0.3%	88.86	2.1%	52.62	1.8%	177.2	0.8%	104.9	0.4%	9,324	2.6%	485.5	0.8%
	2019	58.9%	-0.5%	91.02	2.4%	53.65	2.0%	180.6	1.9%	106.4	1.4%	9,688	3.9%	494.7	1.9%
	2020	58.7%	-0.4%	93.24	2.4%	54.76	2.1%	183.5	1.6%	107.7	1.2%	10,046	3.7%	502.6	1.6%
	2021	58.3%	-0.7%	95.49	2.4%	55.67	1.7%	186.0	1.4%	108.4	0.6%	10,353	3.1%	509.5	1.4%

Quarterly Data

Actual	2016 Q1	53.2%	-1.9%	81.12	1.8%	43.14	-0.1%	42.8	1.4%	22.7	-0.5%	1,845	1.2%	475.1	1.4%
	2016 Q2	63.5%	0.2%	86.17	2.8%	54.75	3.1%	43.4	1.1%	27.6	1.3%	2,375	4.1%	476.6	1.1%
	2016 Q3	65.8%	-0.7%	90.48	3.2%	59.50	2.5%	44.1	1.4%	29.0	0.7%	2,622	3.9%	479.0	1.4%
	2016 Q4	54.7%	1.5%	81.69	2.3%	44.68	3.9%	44.0	1.2%	24.1	2.7%	1,967	5.2%	478.5	1.2%
	2017 Q1	54.1%	1.6%	82.56	1.8%	44.63	3.4%	43.1	0.8%	23.3	2.4%	1,923	4.2%	478.8	0.8%
	2017 Q2	63.8%	0.4%	87.97	2.1%	56.09	2.4%	44.0	1.3%	28.0	1.7%	2,465	3.8%	483.0	1.3%
Forecast	2017 Q3	65.7%	0.0%	92.12	1.8%	60.55	1.8%	44.4	0.8%	29.2	0.8%	2,690	2.6%	482.9	0.8%
	2017 Q4	54.0%	-1.3%	83.96	2.8%	45.32	1.4%	44.4	0.8%	24.0	-0.5%	2,012	2.3%	482.5	0.8%
	2018 Q1	53.8%	-0.4%	84.76	2.7%	45.64	2.3%	43.4	0.7%	23.4	0.4%	1,981	3.0%	482.3	0.7%
	2018 Q2	63.8%	0.1%	89.75	2.0%	57.27	2.1%	44.1	0.3%	28.1	0.4%	2,526	2.4%	484.7	0.3%
	2018 Q3	65.7%	0.0%	93.82	1.8%	61.66	1.8%	44.7	0.7%	29.4	0.6%	2,757	2.5%	486.1	0.7%
	2018 Q4	53.4%	-1.0%	85.73	2.1%	45.81	1.1%	45.0	1.3%	24.0	0.3%	2,060	2.4%	488.8	1.3%



Outlook: Economy Chains - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	55.5%	1.2%	53.34	3.3%	29.57	4.5%	283.2	-1.0%	157.0	0.2%	8,375	3.5%	775.8	-1.0%
	2014	57.4%	3.5%	55.93	4.9%	32.11	8.6%	283.3	0.0%	162.6	3.6%	9,097	8.6%	776.1	0.0%
	2015	58.1%	1.1%	58.81	5.1%	34.14	6.3%	283.4	0.0%	164.5	1.2%	9,675	6.4%	776.3	0.0%
	2016	57.8%	-0.5%	60.86	3.5%	35.17	3.0%	284.1	0.2%	164.1	-0.2%	9,989	3.2%	778.3	0.2%
Forecast	2017	57.9%	0.2%	62.21	2.2%	36.03	2.5%	284.8	0.3%	165.0	0.5%	10,263	2.7%	780.3	0.3%
	2018	57.8%	-0.2%	63.54	2.1%	36.73	1.9%	288.0	1.1%	166.4	0.9%	10,577	3.1%	789.0	1.1%
	2019	57.6%	-0.3%	64.94	2.2%	37.43	1.9%	291.4	1.2%	167.9	0.9%	10,906	3.1%	798.3	1.2%
	2020	57.4%	-0.3%	66.33	2.1%	38.10	1.8%	295.3	1.3%	169.6	1.0%	11,249	3.1%	809.0	1.3%
	2021	57.1%	-0.6%	67.82	2.2%	38.73	1.7%	299.1	1.3%	170.8	0.7%	11,586	3.0%	819.5	1.3%

Quarterly Data

Actual	2016 Q1	52.8%	-1.7%	57.02	3.4%	30.13	1.6%	69.8	0.1%	36.9	-1.6%	2,104	1.7%	776.1	0.1%
	2016 Q2	60.8%	-0.7%	61.46	3.5%	37.34	2.8%	70.8	0.2%	43.0	-0.5%	2,645	3.0%	778.4	0.2%
	2016 Q3	63.6%	-0.6%	65.25	3.7%	41.53	3.1%	71.7	0.3%	45.7	-0.3%	2,979	3.4%	779.6	0.3%
	2016 Q4	53.8%	1.2%	58.67	3.3%	31.56	4.4%	71.7	0.3%	38.5	1.5%	2,261	4.8%	778.8	0.3%
	2017 Q1	52.9%	0.1%	58.42	2.5%	30.91	2.6%	70.0	0.2%	37.0	0.3%	2,163	2.8%	777.5	0.2%
	2017 Q2	61.6%	1.4%	62.86	2.3%	38.71	3.7%	70.9	0.2%	43.7	1.5%	2,746	3.8%	779.6	0.2%
Forecast	2017 Q3	63.7%	0.1%	66.61	2.1%	42.45	2.2%	71.9	0.3%	45.8	0.4%	3,054	2.5%	781.9	0.3%
	2017 Q4	53.4%	-0.8%	59.89	2.1%	31.96	1.3%	72.0	0.4%	38.4	-0.3%	2,300	1.7%	782.2	0.4%
	2018 Q1	53.0%	0.1%	59.78	2.3%	31.66	2.4%	70.6	0.8%	37.4	0.9%	2,234	3.3%	784.0	0.8%
	2018 Q2	61.0%	-1.0%	64.30	2.3%	39.19	1.2%	71.8	1.2%	43.7	0.1%	2,813	2.4%	788.7	1.2%
	2018 Q3	63.8%	0.1%	67.98	2.1%	43.37	2.2%	72.8	1.1%	46.4	1.3%	3,156	3.3%	790.9	1.1%
	2018 Q4	53.4%	0.0%	61.00	1.9%	32.57	1.9%	72.9	1.3%	38.9	1.3%	2,374	3.2%	792.3	1.3%



Outlook: Independent - Sample

Annual Data		Occupancy		ADR		RevPAR		Supply		Demand		Revenue		Average Daily Supply	
		Year	%	% Change	USD	% Change	USD	% Change	Room nights (millions)	% Change	Room nights (millions)	% Change	USD (millions)	% Change	Avg daily rooms during year (thousands)
Actual	2013	58.7%	1.4%	108.20	3.4%	63.49	4.8%	541.0	0.0%	317.4	1.3%	34,344	4.7%	1,482.1	0.0%
	2014	60.5%	3.2%	112.87	4.3%	68.32	7.6%	539.3	-0.3%	326.4	2.8%	36,845	7.3%	1,477.5	-0.3%
	2015	61.8%	2.0%	118.28	4.8%	73.07	6.9%	539.5	0.1%	333.3	2.1%	39,422	7.0%	1,478.2	0.1%
	2016	62.2%	0.6%	122.86	3.9%	76.36	4.5%	539.0	-0.1%	335.0	0.5%	41,157	4.4%	1,476.7	-0.1%
Forecast	2017	62.4%	0.4%	126.36	2.8%	78.84	3.3%	542.4	0.6%	338.5	1.0%	42,767	3.9%	1,486.1	0.6%
	2018	62.4%	0.0%	129.73	2.7%	80.93	2.6%	549.5	1.3%	342.8	1.3%	44,470	4.0%	1,505.5	1.3%
	2019	61.9%	-0.7%	133.09	2.6%	82.42	1.9%	558.2	1.6%	345.7	0.9%	46,008	3.5%	1,529.3	1.6%
	2020	61.7%	-0.4%	136.79	2.8%	84.37	2.4%	568.0	1.8%	350.3	1.3%	47,924	4.2%	1,556.2	1.8%
	2021	61.3%	-0.5%	140.17	2.5%	85.99	1.9%	578.2	1.8%	354.7	1.2%	49,720	3.7%	1,584.1	1.8%

Quarterly Data

Actual	2016 Q1	56.9%	-0.1%	118.63	3.8%	67.46	3.7%	129.9	0.2%	73.8	0.1%	8,761	3.9%	1,442.8	0.2%
	2016 Q2	64.8%	0.6%	121.43	3.3%	78.74	3.9%	136.0	0.2%	88.2	0.9%	10,712	4.2%	1,495.0	0.2%
	2016 Q3	69.3%	0.7%	129.65	4.4%	89.83	5.2%	138.6	-0.4%	96.0	0.4%	12,453	4.8%	1,506.7	-0.4%
	2016 Q4	57.2%	1.2%	120.08	3.9%	68.66	5.1%	134.5	-0.5%	76.9	0.7%	9,232	4.6%	1,461.6	-0.5%
	2017 Q1	57.7%	1.5%	122.88	3.6%	70.96	5.2%	130.1	0.2%	75.1	1.7%	9,232	5.4%	1,445.5	0.2%
	2017 Q2	65.9%	1.6%	125.63	3.5%	82.76	5.1%	136.2	0.1%	89.7	1.7%	11,274	5.2%	1,497.1	0.1%
Forecast	2017 Q3	69.2%	-0.1%	132.66	2.3%	91.79	2.2%	139.8	0.9%	96.7	0.7%	12,833	3.1%	1,519.6	0.9%
	2017 Q4	56.4%	-1.4%	122.66	2.1%	69.18	0.8%	136.3	1.4%	76.9	0.0%	9,428	2.1%	1,481.4	1.4%
	2018 Q1	57.5%	-0.5%	125.61	2.2%	72.17	1.7%	131.5	1.1%	75.6	0.6%	9,490	2.8%	1,461.1	1.1%
	2018 Q2	65.4%	-0.7%	128.69	2.4%	84.17	1.7%	138.2	1.4%	90.4	0.7%	11,632	3.2%	1,518.6	1.4%
	2018 Q3	69.6%	0.5%	136.77	3.1%	95.16	3.7%	141.7	1.4%	98.6	1.9%	13,487	5.1%	1,540.6	1.4%
	2018 Q4	56.7%	0.5%	126.05	2.8%	71.42	3.2%	138.1	1.3%	78.2	1.8%	9,861	4.6%	1,500.9	1.3%



Forecast Comparison - Sample

Comparison of growth rates in current and prior forecast

Lodging Outlook: US

		2016	2017	2018			2016	2017	2018
Occupancy	Current	0.1%	0.0%	-0.2%	Supply	Current	1.5%	2.0%	2.1%
	Prior	0.1%	-0.3%	-0.2%		Prior	1.5%	2.0%	2.2%
	Difference	0.0%	0.3%	0.0%		Difference	0.0%	-0.1%	0.0%
		2016	2017	2018			2016	2017	2018
ADR	Current	3.1%	2.3%	2.5%	Demand	Current	1.6%	2.0%	1.9%
	Prior	3.1%	2.5%	2.7%		Prior	1.7%	1.7%	2.0%
	Difference	0.0%	-0.2%	-0.2%		Difference	-0.1%	0.3%	-0.1%
		2016	2017	2018			2016	2017	2018
RevPAR	Current	3.2%	2.3%	2.3%	Revenue	Current	4.7%	4.3%	4.4%
	Prior	3.2%	2.2%	2.5%		Prior	4.8%	4.3%	4.7%
	Difference	0.0%	0.1%	-0.3%		Difference	0.0%	0.0%	-0.3%

Economic Outlook

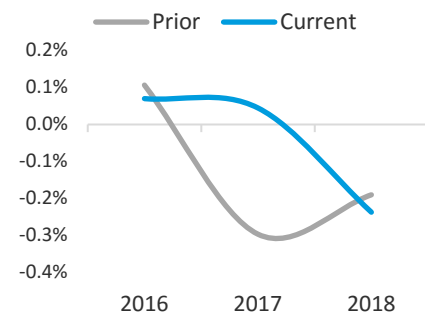
	2016	2017	2018
United States macro (diff. relative to prior)			
GDP growth	0.0%	0.2%	-0.2%
Unemployment rate	0.0%	-2.2%	-1.0%
Inflation rate	0.0%	-0.6%	-0.3%
Exchange rate index	0.0%	-1.8%	-3.2%

Chain Scale RevPAR Outlook

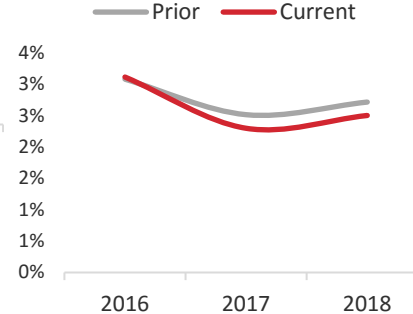
	2016	2017	2018
Difference in RevPAR growth relative to prior forecast			
U.S.	0.0%	0.1%	-0.3%
Luxury	0.0%	0.1%	-0.3%
Upper Upscale	0.0%	-0.3%	-0.4%
Upscale	0.1%	0.0%	-0.3%
Upper Midscale	0.0%	0.0%	-0.2%
Midscale	0.0%	0.2%	-0.3%
Economy	0.0%	0.2%	-0.3%
Independent	0.0%	0.5%	0.0%

Note: Prior refers to the lodging forecast prepared in May 2017, and the economic outlook at that time.

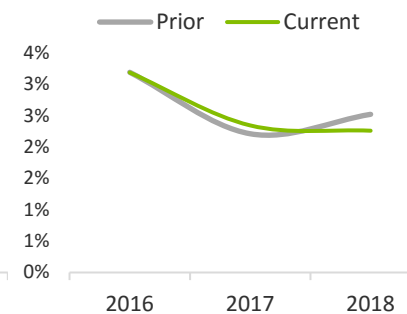
Occupancy growth: US



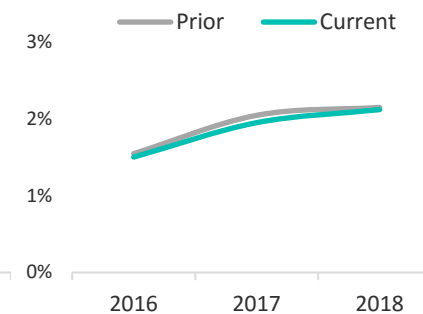
ADR growth: US



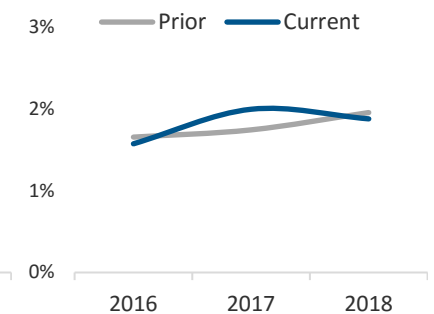
RevPAR growth: US



Supply growth: US



Demand growth: US





Pipeline - Sample

Room Supply Forecast, Year-End (Average daily rooms in fourth quarter of each year)

	Rooms, number					Rooms, % change from prior year				Rooms, change from prior year			
	2015	2016	Forecast 2017	2018	2019	2016	Forecast 2017	2018	2019	2016	Forecast 2017	2018	2019
U.S.	4,963,299	5,046,169	5,154,702	5,263,133	5,385,033	1.7%	2.2%	2.1%	2.3%	82,869	108,533	108,431	121,900
Luxury	116,765	121,104	121,999	126,034	129,909	3.7%	0.7%	3.3%	3.1%	4,340	894	4,036	3,874
Upper Upscale	573,023	585,947	595,360	608,179	620,396	2.3%	1.6%	2.2%	2.0%	12,924	9,413	12,820	12,217
Upscale	670,538	711,123	751,241	784,549	821,291	6.1%	5.6%	4.4%	4.7%	40,585	40,118	33,308	36,741
Upper Midscale	885,160	909,054	939,954	962,420	988,651	2.7%	3.4%	2.4%	2.7%	23,895	30,900	22,466	26,231
Midscale	472,637	478,474	482,522	488,822	497,430	1.2%	0.8%	1.3%	1.8%	5,837	4,048	6,300	8,608
Economy	776,381	778,828	782,245	792,260	803,010	0.3%	0.4%	1.3%	1.4%	2,447	3,417	10,015	10,750
Independent	1,468,796	1,461,638	1,481,381	1,500,868	1,524,346	-0.5%	1.4%	1.3%	1.6%	(7,158)	19,743	19,486	23,478

Pipeline by Phase						Pipeline: Under Construction						
	Rooms, by status					Rooms, ratio to existing supply			Rooms, under construction by opening year			
	Existing	Under construction	Final planning	Planning	Total	Under construction	Final planning	Planning	2017	2018	2019	2020
U.S.	5,153,753	186,945	221,517	174,566	5,736,781	3.6%	4.3%	3.4%	93,761	84,018	8,575	591
Luxury	121,592	7,782	3,588	2,488	135,450	6.4%	3.0%	2.0%	2,180	3,904	1,698	-
Upper Upscale	591,682	26,783	21,422	10,265	650,152	4.5%	3.6%	1.7%	10,401	13,995	1,936	451
Upscale	734,429	58,833	67,752	34,030	895,044	8.0%	9.2%	4.6%	29,949	25,389	3,495	-
Upper Midscale	927,931	62,237	80,289	47,994	1,118,451	6.7%	8.7%	5.2%	33,327	27,428	1,392	90
Midscale	484,347	9,505	29,269	18,376	541,497	2.0%	6.0%	3.8%	4,726	4,729	-	50
Economy	780,588	2,440	2,128	6,589	791,745	0.3%	0.3%	0.8%	2,440	-	-	-
Independent	1,513,184	19,365	17,069	54,824	1,604,442	1.3%	1.1%	3.6%	10,738	8,573	54	-

Rooms by Phase: US

Rooms under construction: US
By scheduled opening year

Note: Pipeline data based on June 2017 STR Pipeline.



United States

Despite a stronger global backdrop, the US economy remains in its “2% growth mode”. Our outlook anticipates a moderate pace of expansion, while policy represents a major risk.

We continue to see GDP growth at 2.2% this year, and we have dialed back our fiscal stimulus assumptions by 50%, resulting in growth of around 2.4% in 2018. In light of our downwardly revised growth and inflation forecasts, we see only two further Fed rate hikes before the end of 2018 while balance sheet normalization should start in the fourth quarter of 2017.

In light of Congress’ increasingly charged agenda, we have halved our expected fiscal stimulus package to about \$500 billion over the next decade. We see \$200 billion each in tax cuts for businesses and households, and a modest infrastructure package.

Economy still in 2% growth mode

Real GDP growth was revised up to 1.4% in Q1 2017, with final sales up 2.6% and inventories subtracting 1.1 percentage point (pp) from growth. But weak consumer spending, temporarily restrained by higher inflation, unusually warm weather and slower tax refunds, was not repeated in Q2. As such, we forecast a rebound in GDP growth to around 3.0% in Q2.

We believe the economy will grow 2.2% in 2017, with consumer spending moderating a little from the pace of 2016, but business investment and trade firming. We expect a fiscal stimulus package worth \$500 billion (down from \$1.2 trillion previously) over the next decade, including tax cuts for businesses and households and a modest infrastructure program. With less fiscal stimulus, the economy is now seen growing 2.4% in 2018 (down from 2.7% previously). Against a backdrop of modest growth and inflation below the Fed’s 2% mandate, we forecast only two further rate hikes before the end of 2018 and a gradual normalization of the Fed’s balance sheet starting in Q4 2017.

Solid fundamentals but policy uncertainty

The economy remains quite strong despite transitory weakness at the start of the year. Income growth should remain supportive of consumer spending despite higher inflation than last year, while business investment is expected to firm. Key forecast drivers include:

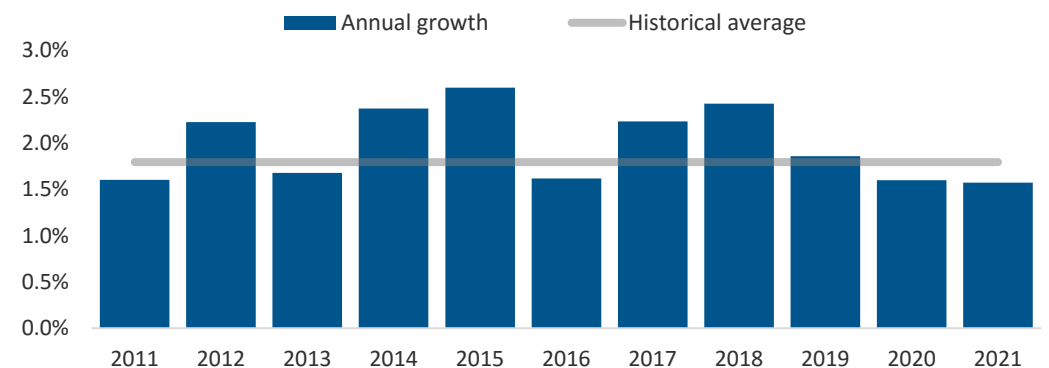
Solid but maturing labor market: healthy employment growth and gradually firming wage growth will support household income, confidence and outlays.

Oxford Economics Forecast Table: United States

	2015	2016	2017	2018	2019	2020	2021
Economic growth (%)							
GDP	2.6	1.6	2.2	2.4	1.9	1.6	1.6
Consumer spending	3.2	2.7	2.6	2.5	2.0	1.8	1.7
Fixed investment, private, nonres.	2.1	-0.5	4.3	3.9	2.9	2.8	2.9
Inflation and interest rates							
Inflation (PCE deflator, growth, %)	0.4	1.1	1.6	1.7	1.8	1.8	1.9
Short-term interest rate (level, %)	0.3	0.7	1.3	1.8	2.4	3.0	3.2
Long-term interest rate (level, %)	2.1	1.8	2.3	2.4	2.7	3.1	3.4
Exchange rate							
Exchange rate, effective real index							
Index level (2010=100)	110.5	114.5	114.2	112.1	111.4	110.2	109.1
Index growth (%)	10.9	3.6	-0.3	-1.8	-0.6	-1.1	-1.0
Exchange rate (US\$ per Euro)	1.11	1.11	1.12	1.19	1.20	1.21	1.21

GDP

Real, annual growth





United States

Solid consumer spending: boosted by buoyant private sector confidence, steady increases in employment, faster wage growth and lower taxes, consumer spending growth should average close to 2.6% annually in 2017-18.

A revival in business investment: business investment has firmed thanks to a stronger global backdrop and rebounding energy. Political uncertainty represents a downside risk to business expansion.

Moderate housing activity: stronger wage growth is supportive of housing activity but tight inventories and elevated home price inflation are important headwinds. We see residential investment contributing 0.2 percentage points to annual GDP growth in 2017-18.

Inflation undershooting the Fed’s mandate: the Fed’s favored inflation gauge – the personal consumption expenditure deflator – is expected to average 1.6-1.7% in 2017 and 2018.

Trade flows improving: firmer global activity will support trade flows, but we expect that net trade will be a drag on GDP growth during 2017-18.

Policy uncertainty: the uncertainty surrounding the likelihood, timing and magnitude of President Trump’s policy proposals explain why he is seen as the greatest upside and downside risk to growth.

What to watch

Presidency: Trump’s victory means that uncertainty is likely to linger over the near-term outlook.

Pro-growth fiscal reform: a large fiscal stimulus package, combining infrastructure outlays with income and corporate tax cuts, has the potential to boost economic activity over the next two years.

Protectionism: calls for unilateral tariffs could severely curtail growth and employment in US, and lead to much higher domestic inflation.

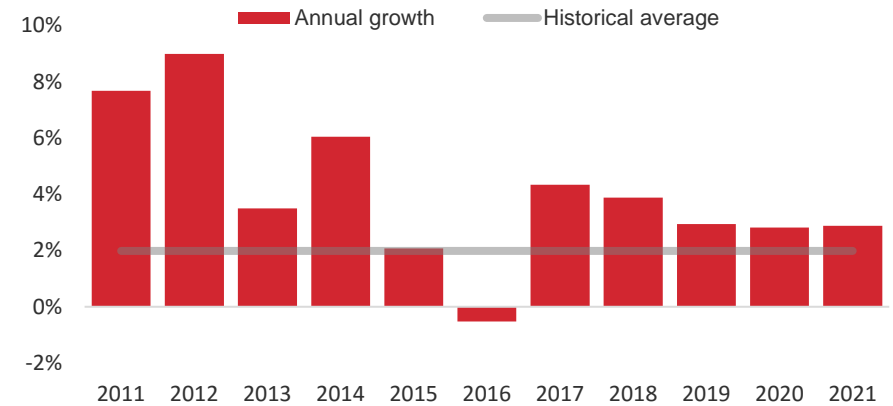
Tighter financial conditions: while financial conditions remain very loose, a tightening could occur.

Business aversion: we should not underestimate anti-immigration and protectionist rip currents.

US dollar appreciation: reduced growth and monetary policy divergence will limit the dollar upside, but a larger-than-expected fiscal stimulus program could boost the greenback.

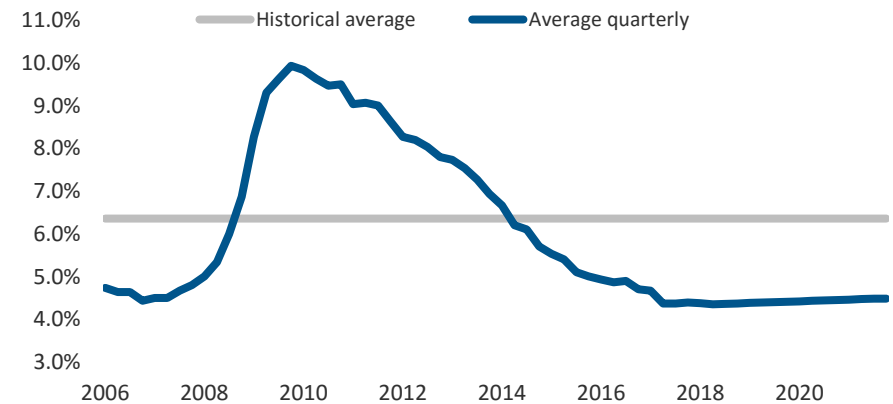
Fixed Investment

Private, nonresidential, real, growth



Unemployment Rate

Average quarterly level





International Visitation - Sample

International overnight visitor arrivals, share by origin and outlook*

United States (50-city aggregate)

Key aggregates

	International visitor growth CAGR (16-21)	International visitor share (2016)
Total	2.6%	100.0%
Overseas	3.1%	62.0%
Canada	3.2%	19.3%
Mexico	0.3%	18.7%

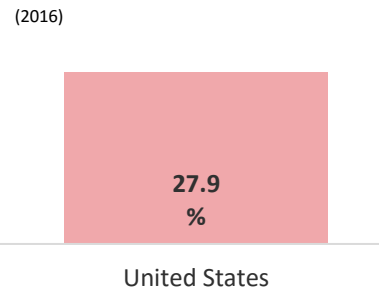
Regions

	International visitor growth CAGR (16-21)	International visitor share (2016)
North America	1.8%	37.8%
Europe	1.3%	25.8%
Asia	5.6%	17.5%
Latin America and Caribbean	3.8%	12.4%
Oceania	1.6%	4.0%
Africa	1.5%	0.8%

Top origin countries

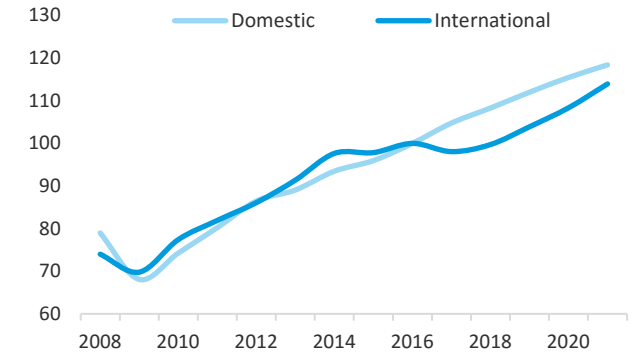
	International visitor growth CAGR (16-21)	International visitor share (2016)
Canada	3.2%	19.3%
Mexico	0.3%	18.7%
United Kingdom	1.0%	7.7%
China	7.3%	6.3%
Japan	3.0%	4.5%
Brazil	5.8%	4.4%
Germany	0.6%	3.8%
Australia	2.1%	3.5%
France	0.9%	2.9%

International visitor share



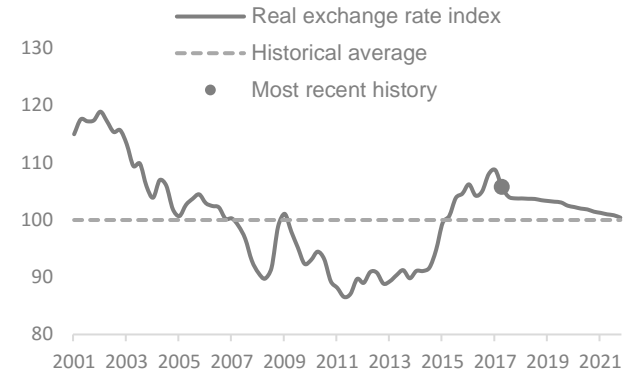
Int'l visitors relative to domestic visitors[†]

Index, 2016=100



Exchange rate index*

Real effective exchange rate index, historical average=100



Note:

* International visitation by city is based on the Global City Travel (GCT) database maintained by Tourism Economics. GCT tracks overnight visits by international visitors to 300 global cities. The data is tracked by country of origin on an annual basis, including historical and forecast years. The data shown here for the US city aggregate reflects the sum of 50 cities. International visitor share refers to overnight international visitors as a share of total overnight visitors to the destination.

** The exchange rate index shows the value of the domestic currency relative to a trade-weighted basket of foreign currencies. The index is calculated on a real basis, adjusting for differentials in price inflation between countries. Periods in which the index is above its historical average (2001 to 2016) represent periods in which the domestic currency is relatively stronger than it has been historically.



About Us

STR

STR provides premium global data benchmarking, analytics and insights for multiple market sectors. Our data is confidential, reliable, accurate and actionable, and our solutions empower our clients to strategize and compete within markets. Founded in 1985, STR's presence has expanded to 10 countries around the world with a corporate North American headquarters in Hendersonville, Tennessee, and an international headquarters in London, England. Our range of products and unrivalled market insights help our clients make better business decisions. But the work we do goes beyond the numbers. Every day, we empower people and their businesses to reach new heights.

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Tourism Economics

Tourism Economics is an Oxford Economics company with a singular focus on quantitative analysis of the travel industry. By combining rigorous modeling with industry knowledge, Tourism Economics develops custom market strategies, industry forecasts, policy analysis and economic impact studies. Our parent company, Oxford Economics, is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics enjoys a reputation for high quality, quantitative analysis and evidence-based advice.

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Glossary

The data used to compile this report has been formatted to comply with the accounting policies set out in the tenth Uniform System of Accounts

Supply The number of guest room nights available for sale in the period.

Average daily supply Total guest room nights available for sale in the period, divided by the number of days in the period.

Demand The number of guest room nights sold (excludes complimentary rooms) during the period.

Room Revenue Total room revenue generated from the sale of guest rooms excluding any taxes and service charges.

Occupancy The ratio of occupied rooms to total available rooms expressed as a percentage.

Average Daily Rate (ADR) Room revenue (excluding services and taxes) divided by the number of occupied rooms.

Revenue Per Available Room (RevPAR) Room revenue divided by available rooms. It can also be calculated by multiplying the average room rate by the room occupancy.

Percentage Change Amount of growth or decline from the same period last year (month, year-to-date, twelve months). Calculated as $((\text{This year} - \text{Last year}) / \text{Last Year}) * 100$.

Smooth Trend Statistical method to even out small shifts in data and distribute any performance peaks over time.

Twelve Month Moving Average The average value of the previous 12 months ending in the current month.

Compound Annual Growth Rate The smoothed annualized growth rate over a given time period. Calculated as $(\text{Ending Value} / \text{Beginning Value})^{(1 / \text{Number of Years})} - 1$.



Overview

Tourism Economics has worked with STR to develop a suite of models to accurately track and forecast hotel performance across a number of markets worldwide. Robust equations have been econometrically estimated that closely follow past movements in hotel performance as measured by STR. These equations are used to forecast hotel performance using economic forecasts from Oxford Economics' global macroeconomic database as well as Oxford Economics' global city and region forecasts.

Economic forecasts are augmented with specific intelligence to determine the additional effect on hotel demand and ADR of any events hosted within that market.

Detailed calculation is undertaken using estimated relationships for Supply, Demand and ADR. Occupancy, Revenue and RevPAR are calculated as identities: $\text{Occupancy} = \text{Demand} / \text{Supply}$; $\text{Revenue} = \text{Demand} * \text{ADR}$; $\text{RevPAR} = \text{Revenue} / \text{Supply}$

Supply

Expected room supply is calculated in the near term according to the STR and STR Global pipeline database, adjusted for each property's stage in the development process. Projects under construction are more likely to be completed, and completed on time, than those still in the planning process. Different probabilities of completion have also been calculated according to the size and complexity of each project. Property conversions and closures are also accounted for, with estimates of other commercial property demand.

In the medium to long-run the pipeline database is augmented with estimates of past supply trends and the relationship with occupancy. Typically supply growth follows periods of demand and occupancy growth. Notably, periods of sustained above average occupancy rates are followed by supply growth necessary to restore average occupancy. The historic volatility of supply is taken into consideration as well as the lag between occupancy and supply growth and the time taken for occupancy to return to the long-run average.

Demand

Room demand is estimated and forecast according to a set of key economic drivers relating to both the destination and key origin markets. The relative importance of each economic driver is estimated according to multi-variate regression analysis and the relative volatility of drivers and demand. Long-run trends are also included within the modelling as well as short-run dynamics.

The key drivers are listed below along with the average elasticity across all markets (economic drivers relate to data for the country where not stated). Actual coefficients applied vary to reflect estimated historic relationships specific to each market.

Note: elasticities refer to the percent change in demand according to the percent change in each driver - a combination of the volatility of each driver as well as its correlation with demand. For example, this does not necessarily mean that GDP is a better predictor of demand than wealth, but shows that wealth is more volatile so one percent change in wealth has less impact on demand than one percent change in GDP. All indicators are statistically valid.

Market GDP	0.24
Country GDP	0.39
Origin country GDP	0.45
Net Wealth	0.10
Company Profits	0.10
Unemployment	-0.02
Exchange Rate	-0.17
ADR (lagged)	-0.15

ADR

ADR is estimated and forecast according to recent changes in occupancy as well as price inflation within the country. Over time ADR tends to move in line with prices and wages in the wider economy. As with room demand, long-run trends are also included as well as short-run dynamics. Specifically long-run dynamics ensure that real inflation adjusted ADR returns to long-run trends over the medium to long-run outlook.

In the short-run the relationship between ADR and occupancy is crucial. The lag between changes in occupancy and ADR has been estimated for each market, with different lag timing identified for periods of rising and falling occupancy. With falling occupancy the effect on ADR is almost immediate while there is typically a lag of 6-12 months at other times. The level of occupancy relative to that market's long-run average is also an important factor in determining ADR. For example, falling occupancy but at a historically high level will not have a significant impact on ADR. Similarly rising occupancy will not have as large effect on ADR if occupancy is at a historically low level.