



# Fort Worth/Arlington Lodging Industry Update And Forecast

August 2022

**Josh Ford | Texas Sales Representative | STR**

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# What we do

Trusted, with 35 years of experience, in 180 countries, 70K hotels & 9.3M room sample, globally



## Performance Reports

Occ, ADR, RevPAR  
Supply/Demand  
Revenue  
P&L  
Future Occ



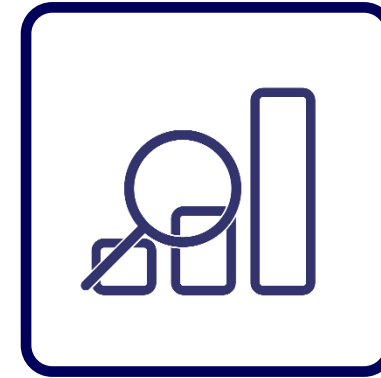
## Research Studies

Event Impact  
Regional  
Performance Reviews  
Whitepapers  
Ad Hoc studies



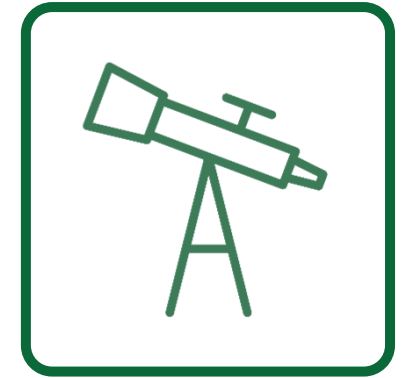
## Supply Reports

Existing supply  
Future supply  
Pipeline  
Characteristics



## Analysis

Compression  
Day of Week  
Event Impact  
Bespoke client reporting



## Forecast Reports

Main KPIs  
5 years/6 quarters/  
18 months  
Macro economic input  
Micro economic input



CoStar Group™

# Agenda



**U.S. Overview**

**Texas Overview**

**Fort Worth/Arlington  
Market Overview**

**Fort Worth/Arlington  
Submarket Analysis**

# We're really close to fully recovered

Total US, Month of July 2022



5,627,141 ↑  
Inventory Rooms

155,209 ↓  
Under Construction Rooms

61.5% ↑  
12 Mo Occupancy

\$142.09 ↑  
12 Mo ADR

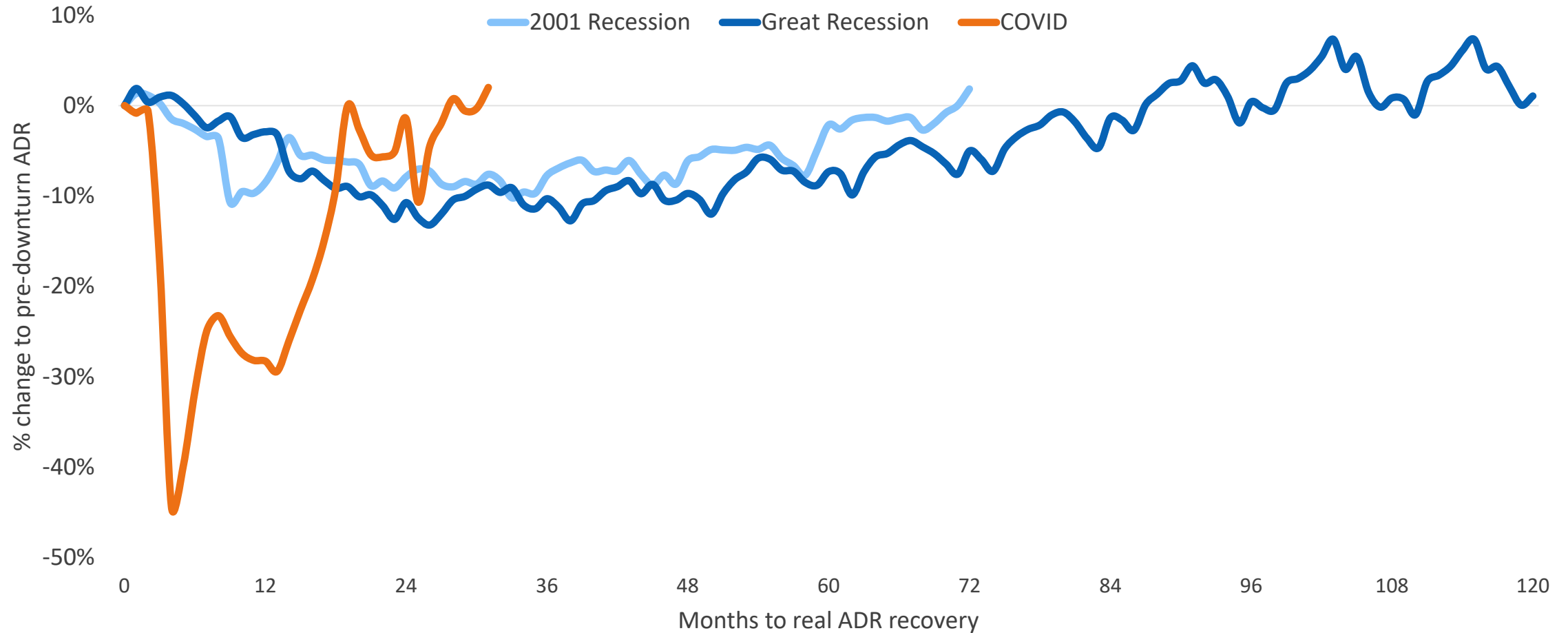
\$87.32 ↑  
12 Mo RevPAR

\$135K ↑  
Market Sale Price/Room

	Actual	% Chg. Vs LY	2019 Index
Occupancy	69.6%	0.0	95
ADR	\$159	10.3	118
RevPAR	\$111	8.1	111

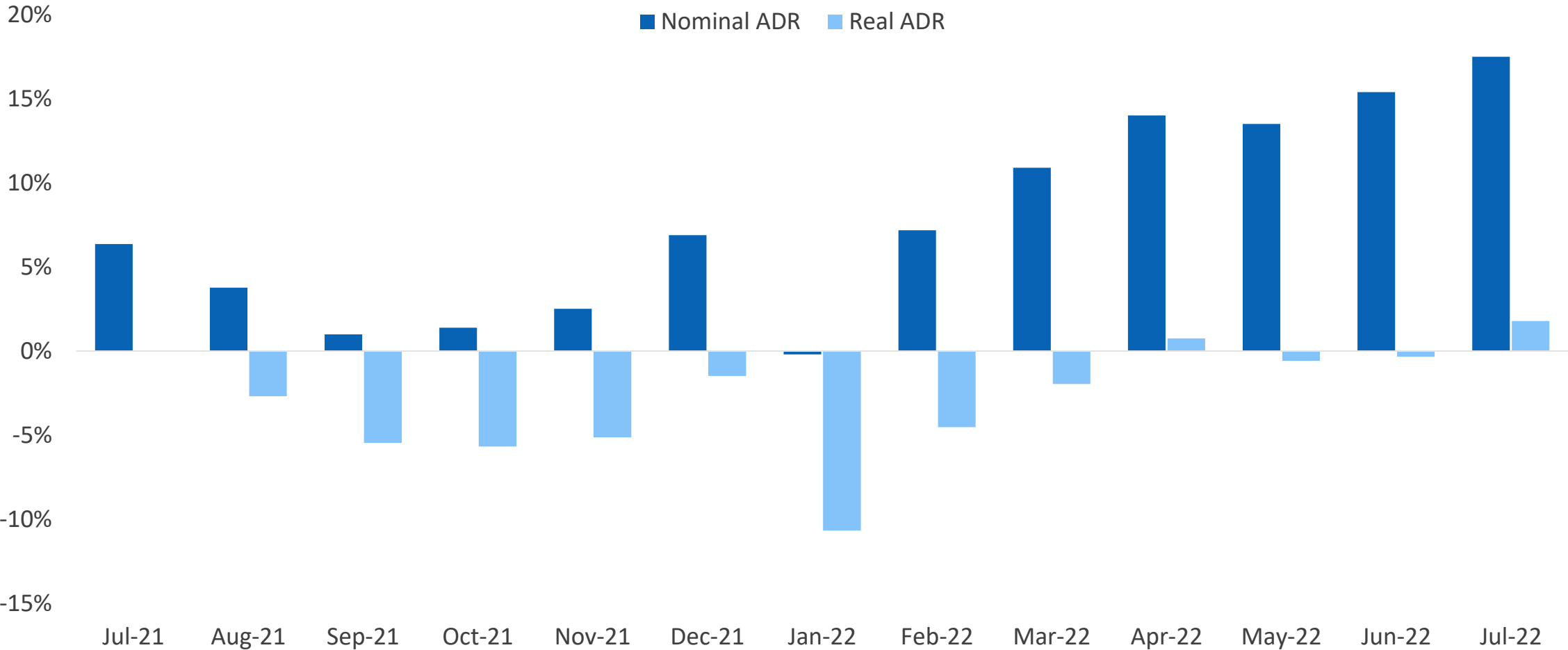
# Real ADR after Covid breaks in to positive figures after 31 months

Total U.S., real ADR % change to pre-recession year



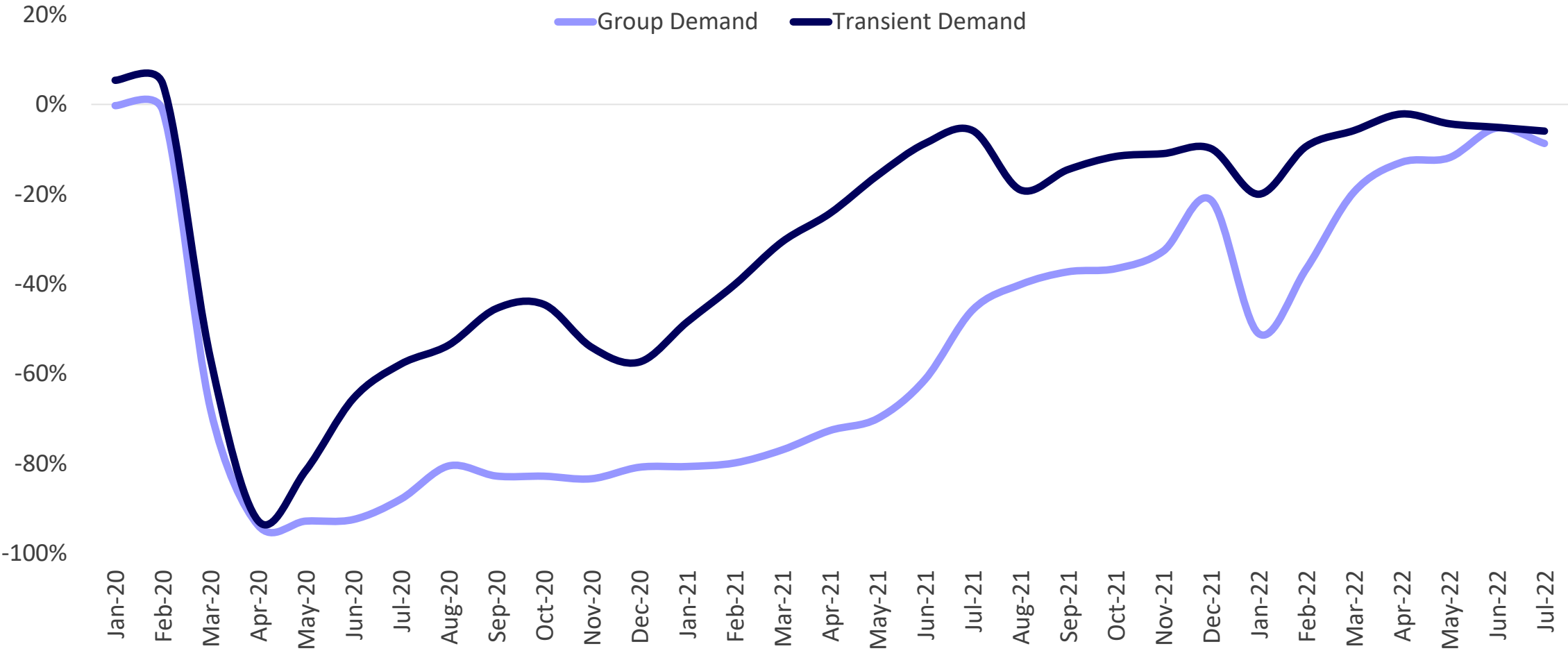
# Real ADR tells the true rate story

Total U.S., ADR % change to 2019, Jul 2021 – July 2022



# Group demand recovery catches up to transient demand

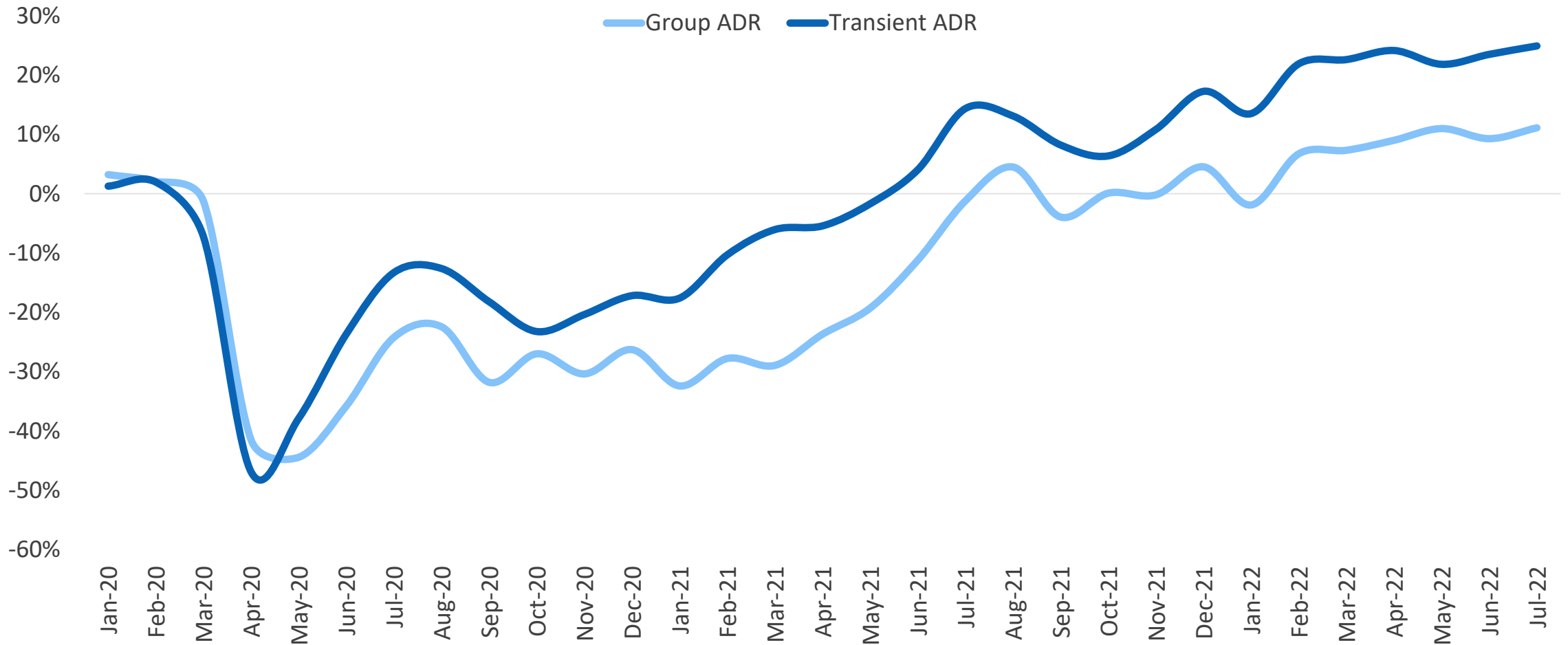
Total U.S., segmentation demand % chg. to 2019, Luxury & upper upscale, Jan 2020 – Jul 2022





# Both segments continue trending upwards

Total U.S., segmentation ADR % chg. to 2019, Luxury & upper upscale, Jan 2020 – Jul 2022



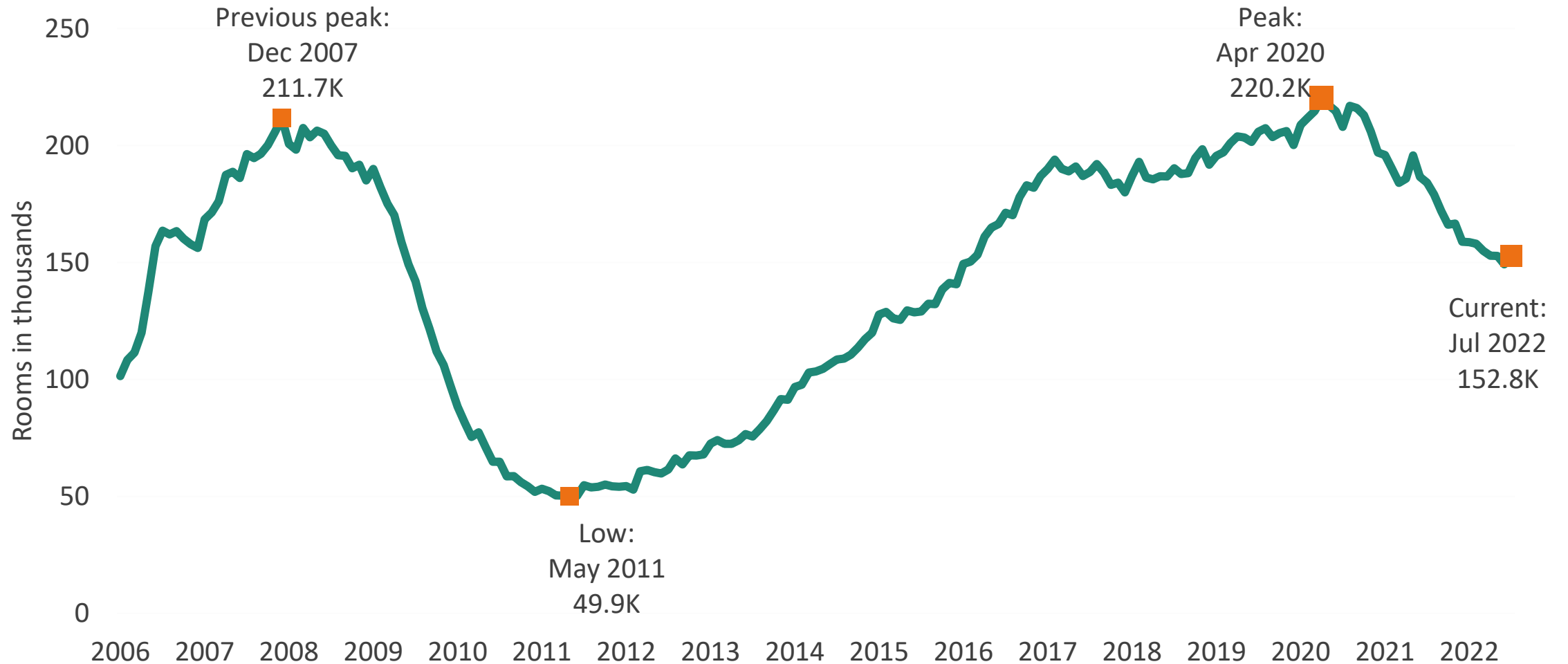
# Summer heat keeping some markets in the red

Top 25 markets, Weekly data July 2022



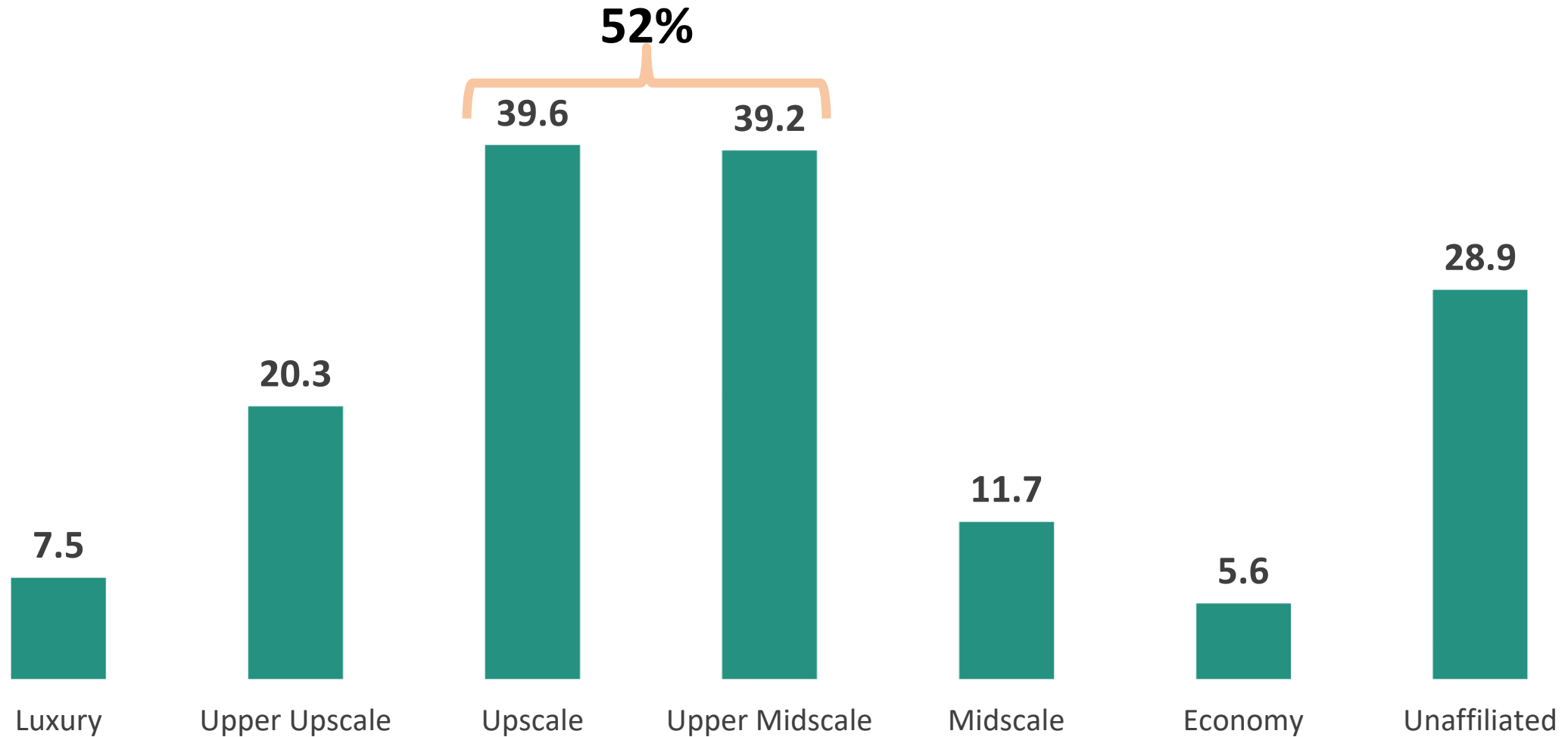
# Rooms I/C roughly at same level as Jan 2016

U.S., In construction rooms in thousands, Jan 2006 – Jul 2022



# Limited-service construction (still) dominates...

U.S. in construction rooms in thousands, by scale, Jul 2022



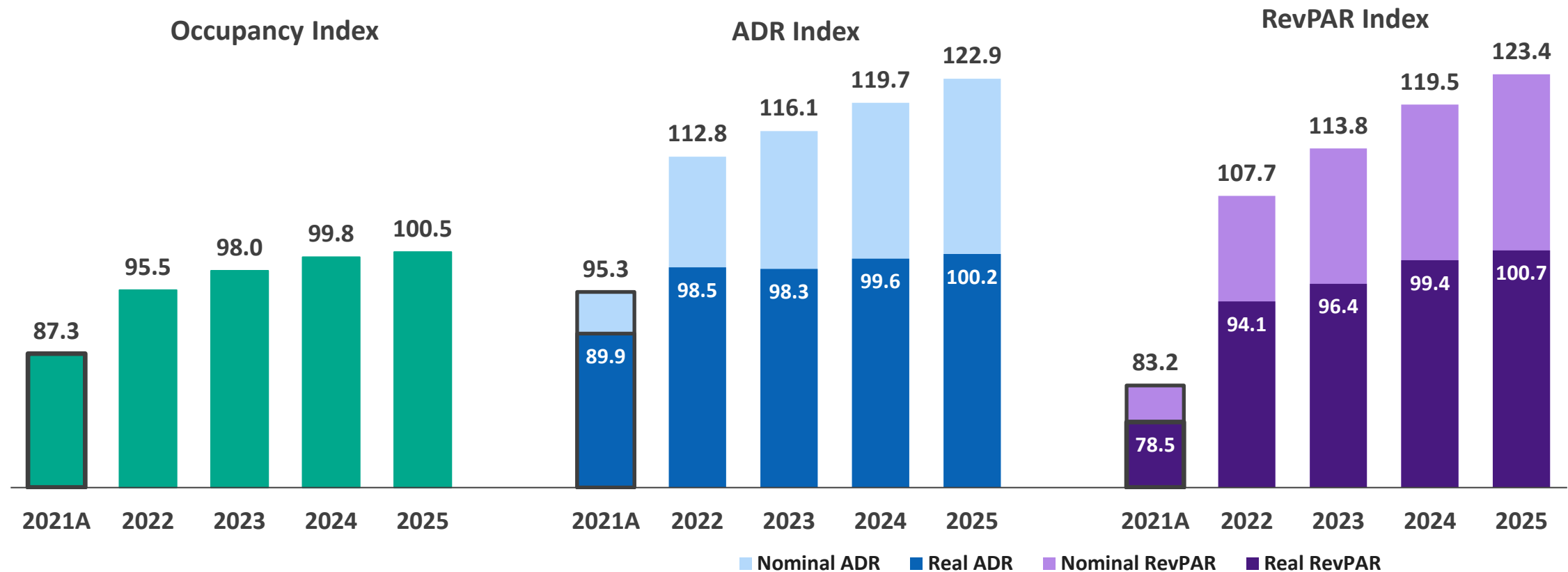
# US RevPAR projected to exceed 2019 RevPAR in 2022 (nominally...)

U.S. KPIs (standard methodology)

Metric	2021 Actual	2022 Forecast	2023 Forecast	2024 Forecast
Occupancy	57.6%	63.0%	64.6%	65.8%
ADR	\$125	\$148	\$152	\$157
RevPAR	\$72	\$93	\$98	\$103
RevPAR Compared to 2019	-17%	+8%	+14%	+20%

# Relative to 2019, RevPAR projected to fully recover (in real terms) in 2025

U.S. KPIs, indexed to 2019



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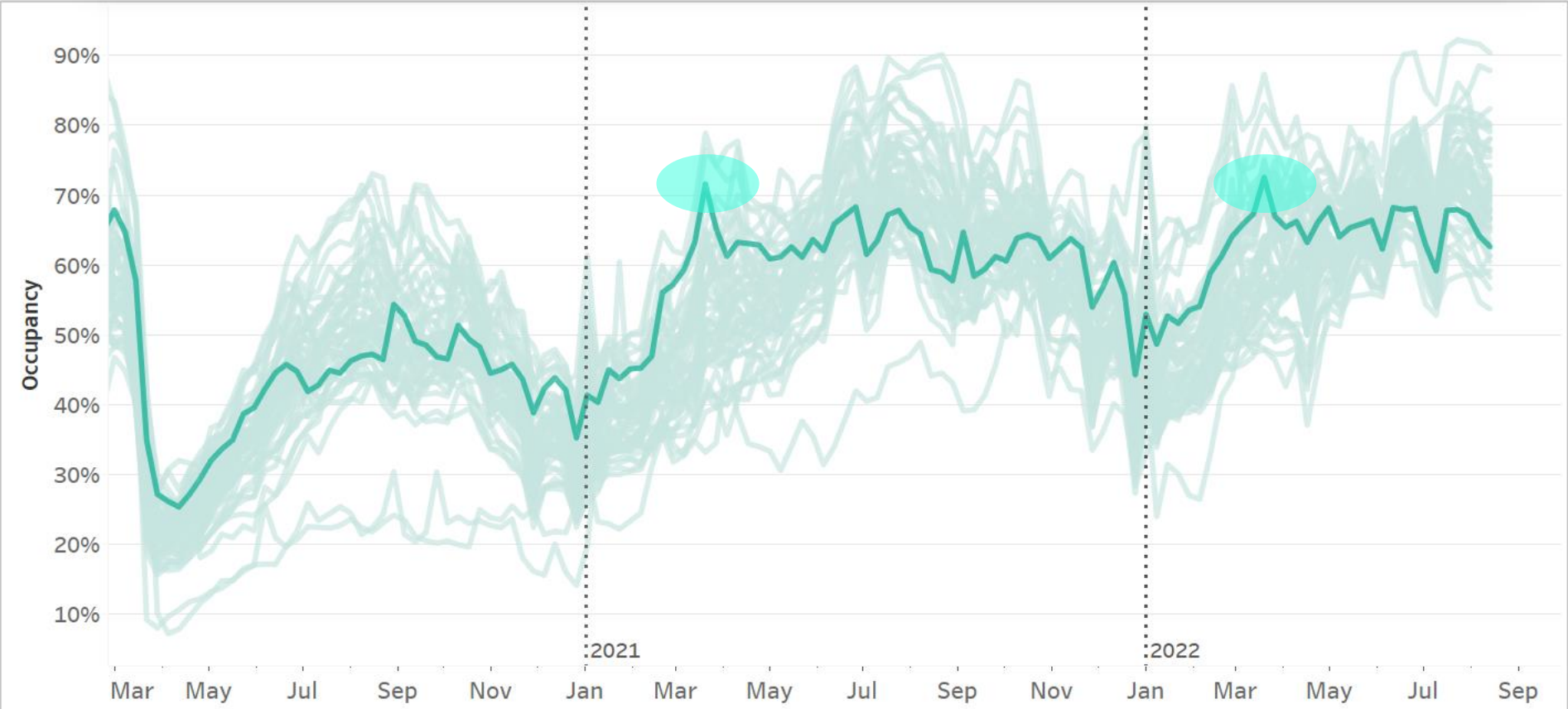
Fort Worth/Arlington  
Submarket Analysis

# Texas faired better than other states when COVID hit

State Occupancy over time, week ending Aug 13<sup>th</sup>



INVENTORY ROOMS	UNDER CONSTRUCTION ROOMS	12 MO OCC RATE	12 MO ADR	12 MO REVPAR	MARKET SALE PRICE/ROOM
520,683 <span>+0.7%</span>	17,134 <span>-5.5%</span>	61.5% <span>+16.8%</span>	\$109 <span>+26.5%</span>	\$67 <span>+47.6%</span>	\$104K <span>+0.7%</span>
Prior Period 516,955	Prior Period 18,126	Prior Period 52.7%	Prior Period \$86	Prior Period \$46	Prior Period \$104K



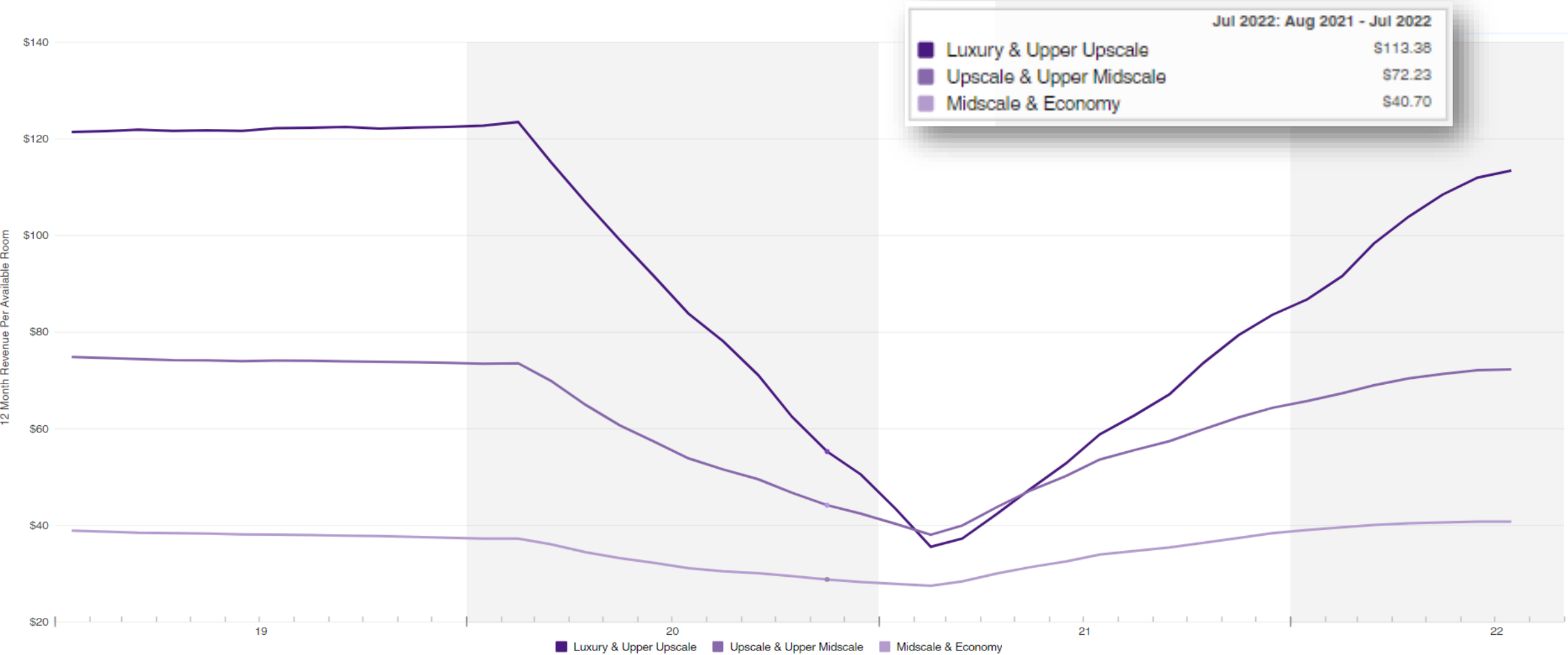
Weekly Occupancy Highlight:  x

Source: STR. © 2022 CoStar Group



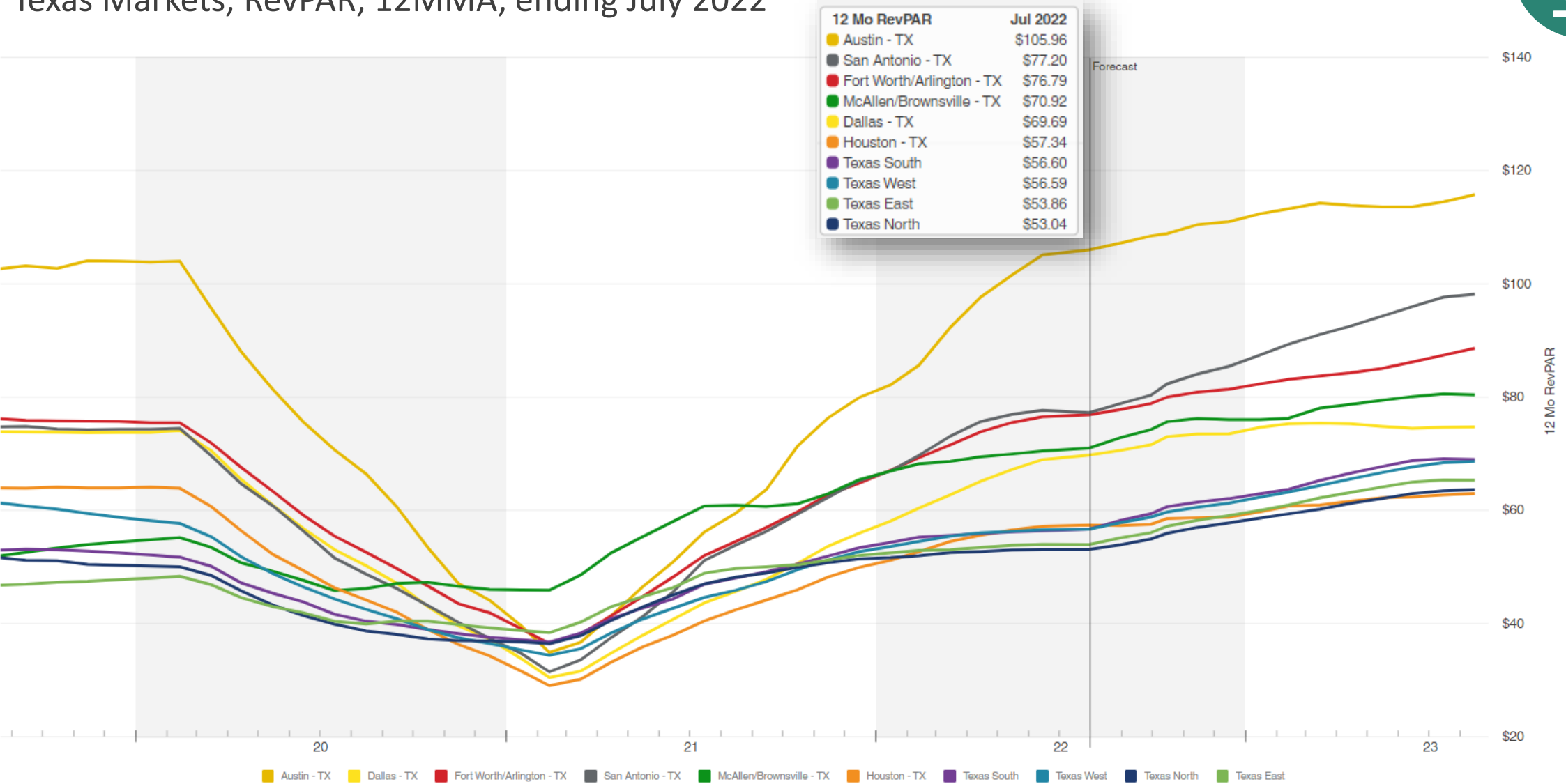
# Lower classes recovered early this year

Texas RevPAR by collapsed Class, 12 MMA, ending July 2022



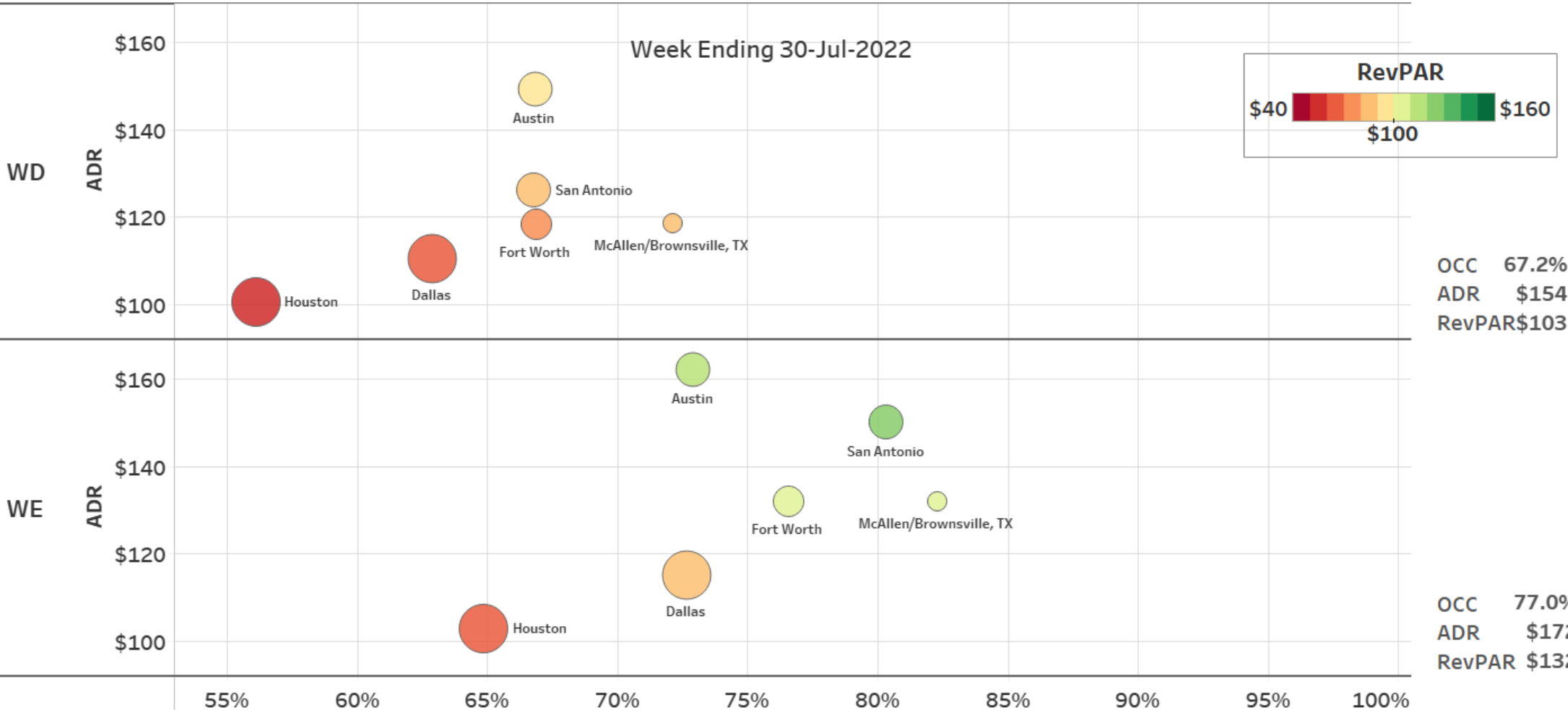
# Top 4 markets listed already recovered using annualized data

Texas Markets, RevPAR, 12MMA, ending July 2022



# San Antonio & Austin making the most out of July

Select Texas Markets, R28, week ending July 30<sup>th</sup>

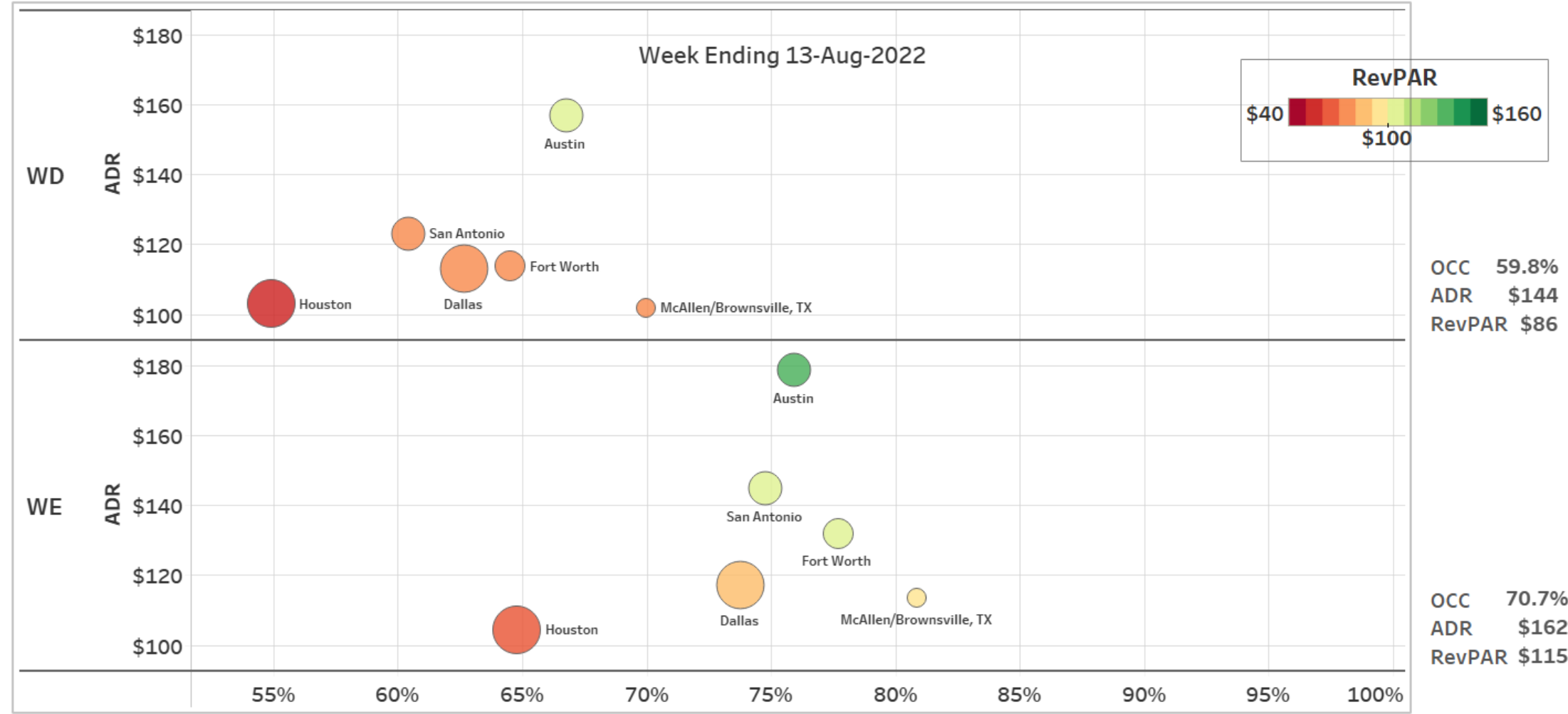


WD/WE Weekly Performance - WE = Friday & Saturday / Mkts. Sized by Supply

Source: STR. © 2022 CoStar Group

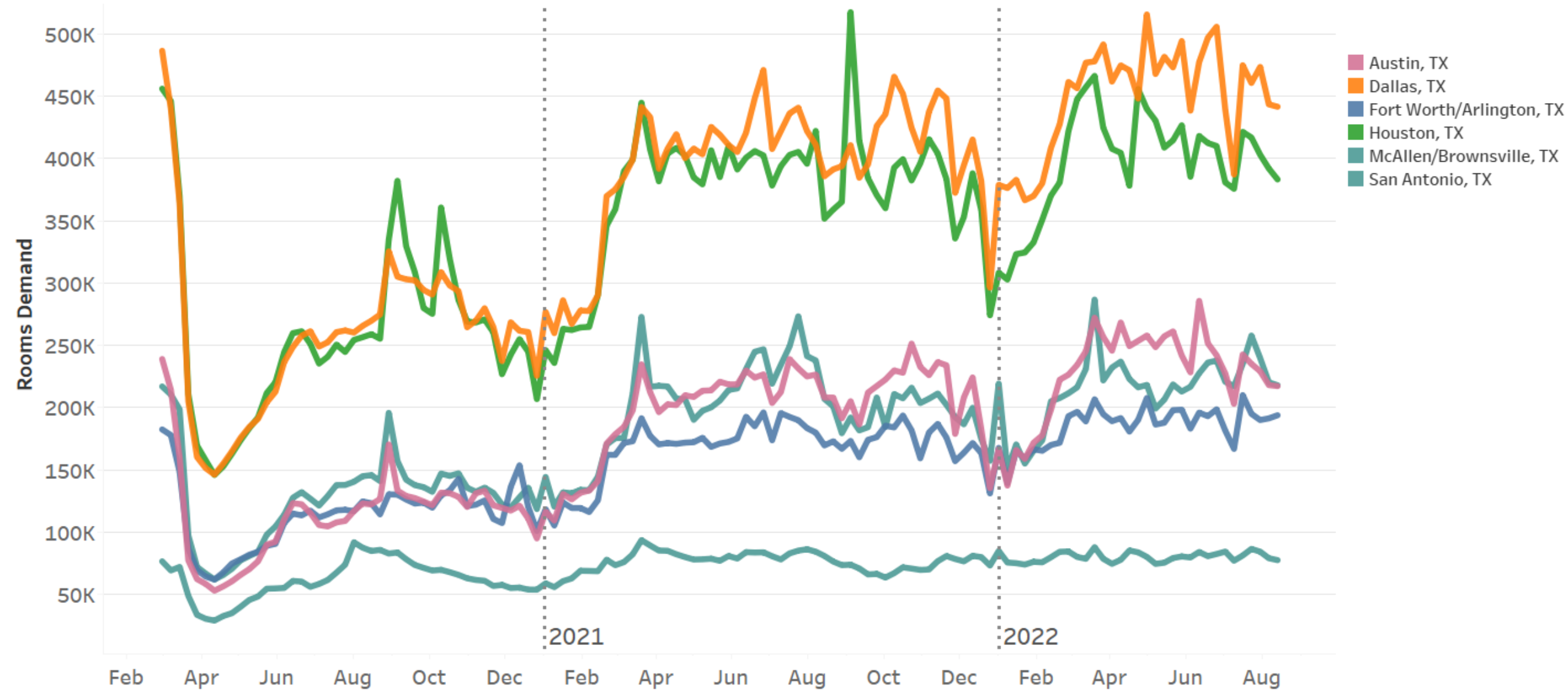
# Them weekends! - 7 out of 10 rooms occupied on average

Select Texas Markets, YTD, week ending Aug 13<sup>th</sup>

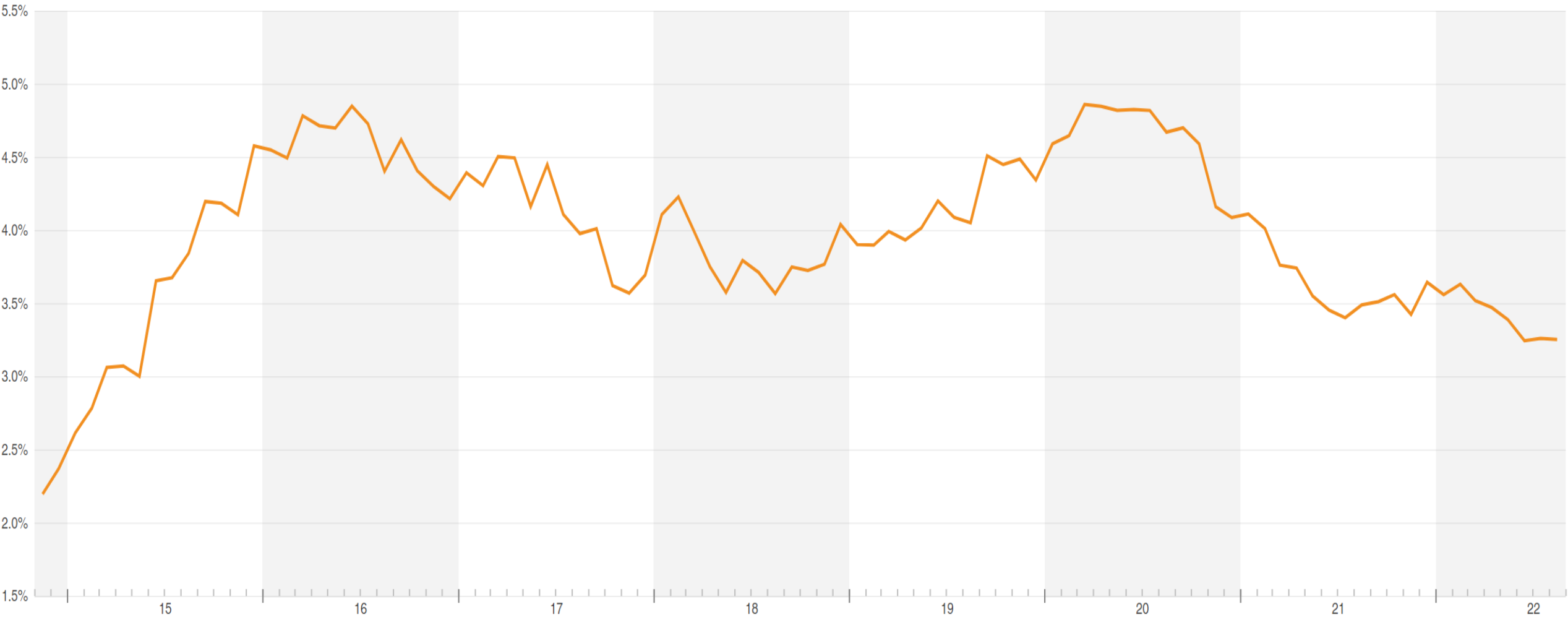


# Most Texas markets continue to spike to new demand highs

TX markets, Demand, running 7, week ending August 13<sup>th</sup>, 2022

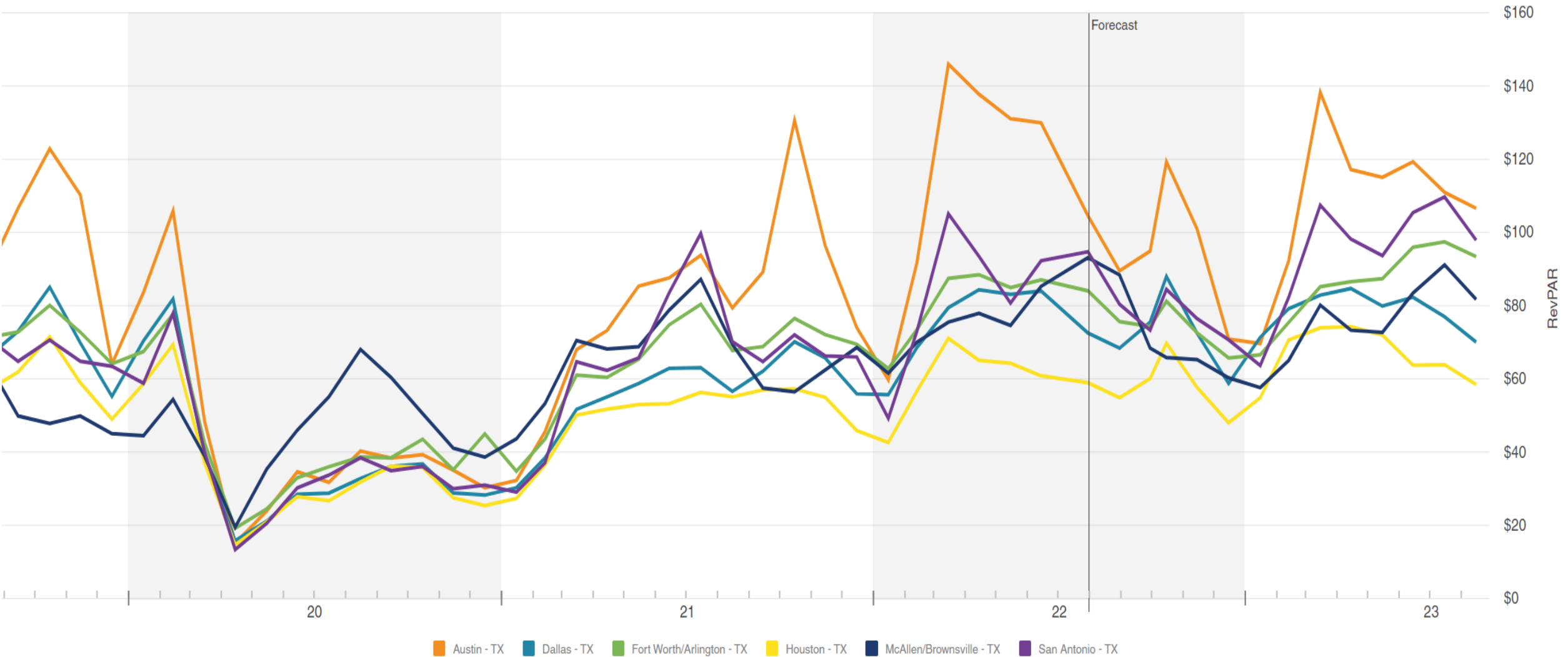


# Lowest Percentage of Rooms U/C Compared to Current Inventory Since 2015



# Most Texas markets RevPAR expected to peak this winter/spring

TX markets, RevPAR, Monthly, Aug 2019 – Aug 2023 (Forecasted)



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# Rates continue to climb past pre-pandemic highs

Fort Worth/Arlington Market, Month of July 2022 vs 2019



Fort Worth/Arlington - TX

Hospitality Market Classification ▼

39,063 ↑

Inventory Rooms

2,540 ↑

Under Construction Rooms

66.0% ↑

12 Mo Occupancy

\$116.36 ↑

12 Mo ADR

\$76.79 ↑

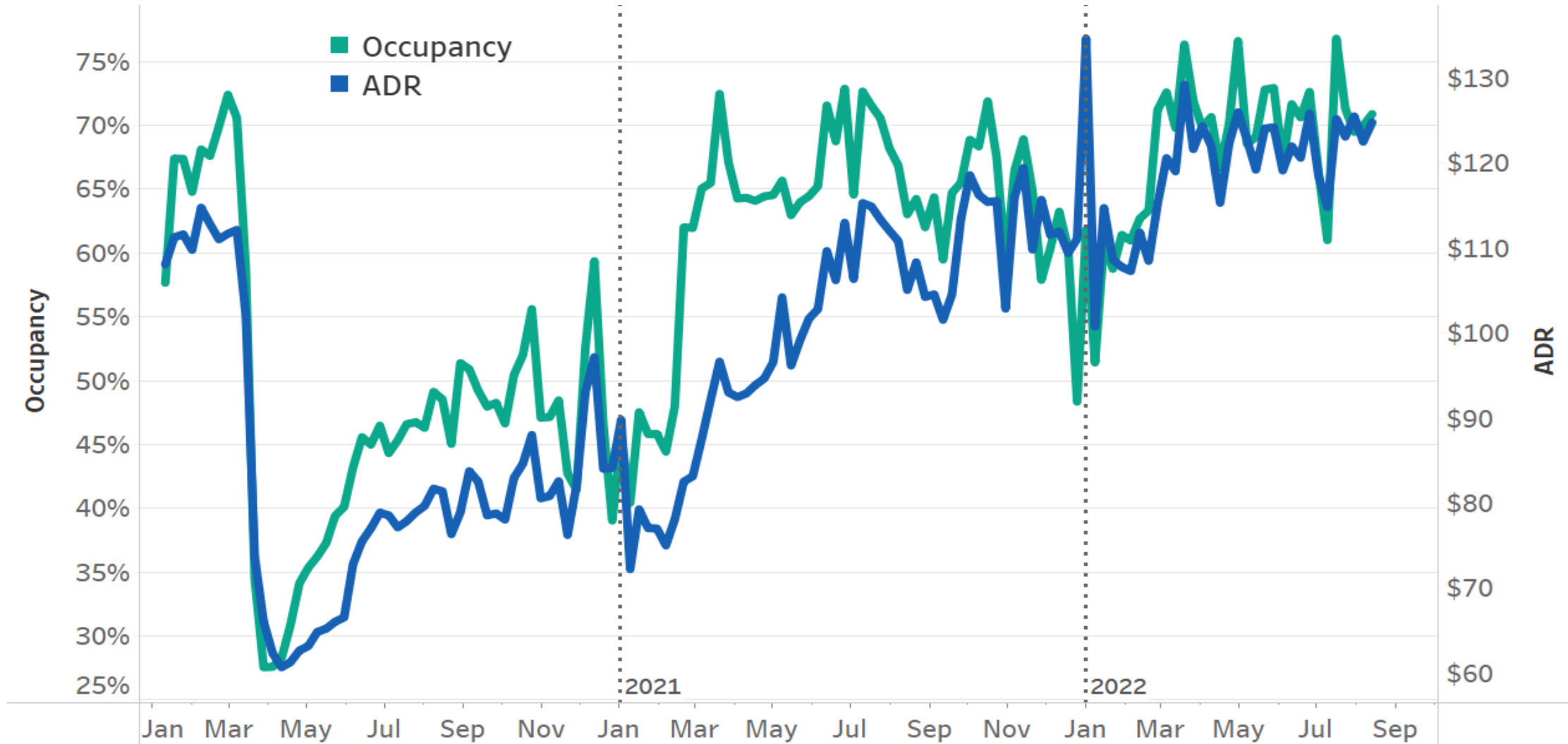
12 Mo RevPAR

July 2022	Actual	2019 Index
Occupancy	68.9%	98
ADR	\$ 122	107
RevPAR	\$ 84	105

Year-To-Date 2022	Actual	2019 Index
Occupancy	68.0%	110
ADR	\$ 119	123
RevPAR	\$ 81	135

# Fort Worth/Arlington Rate and Occ are in sync

Fort Worth/Arlington Market, Occ/ADR, running 7, week ending August 13<sup>th</sup>, 2022



Weekly Average Occupancy & ADR

# More new highs incoming?



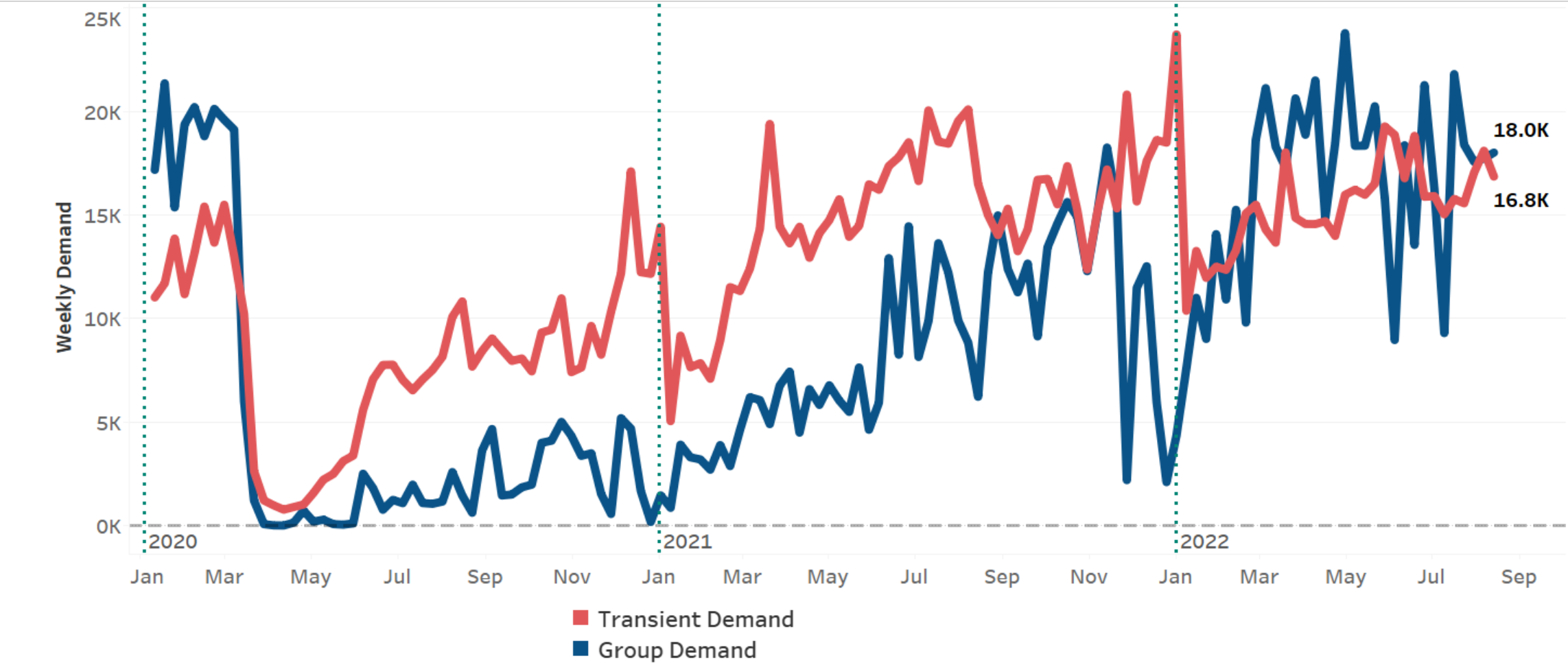
Fort Worth/Arlington Market, RevPAR, Monthly (Daily Rollup), Jan 2021 – August 2022



Monthly RevPAR Daily Rate with RevPAR Last Year (Daily Processed Results)

# Transient and Group are both fighting for the drivers seat

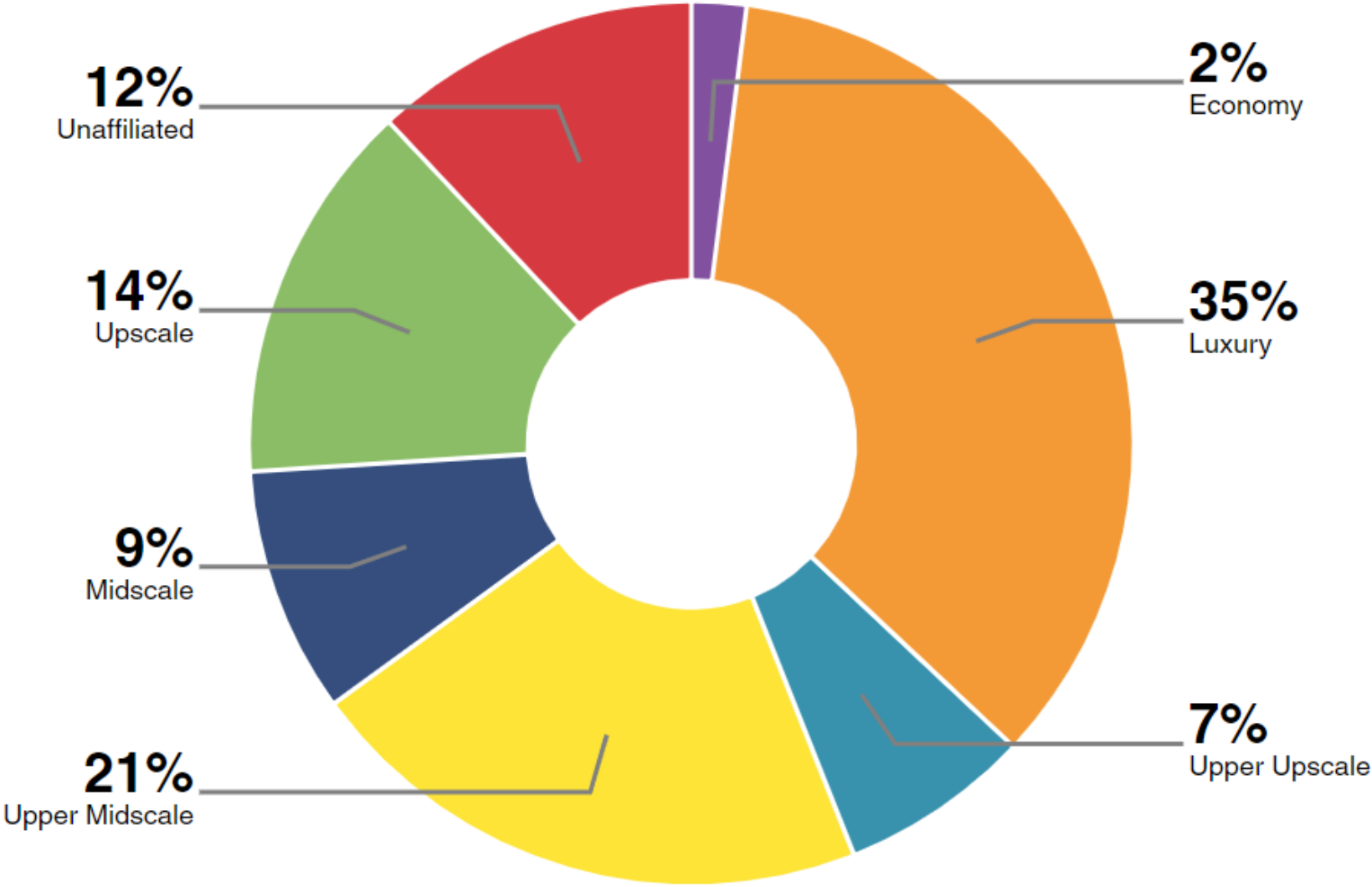
Fort Worth/Arlington Market, Demand, running 7, week ending August 13<sup>th</sup>, 2022



CY/LY Weekly Segmented Demand - Luxury & Upper Upscale Classes Only

# A Rare Market with Full Service Leading the Way

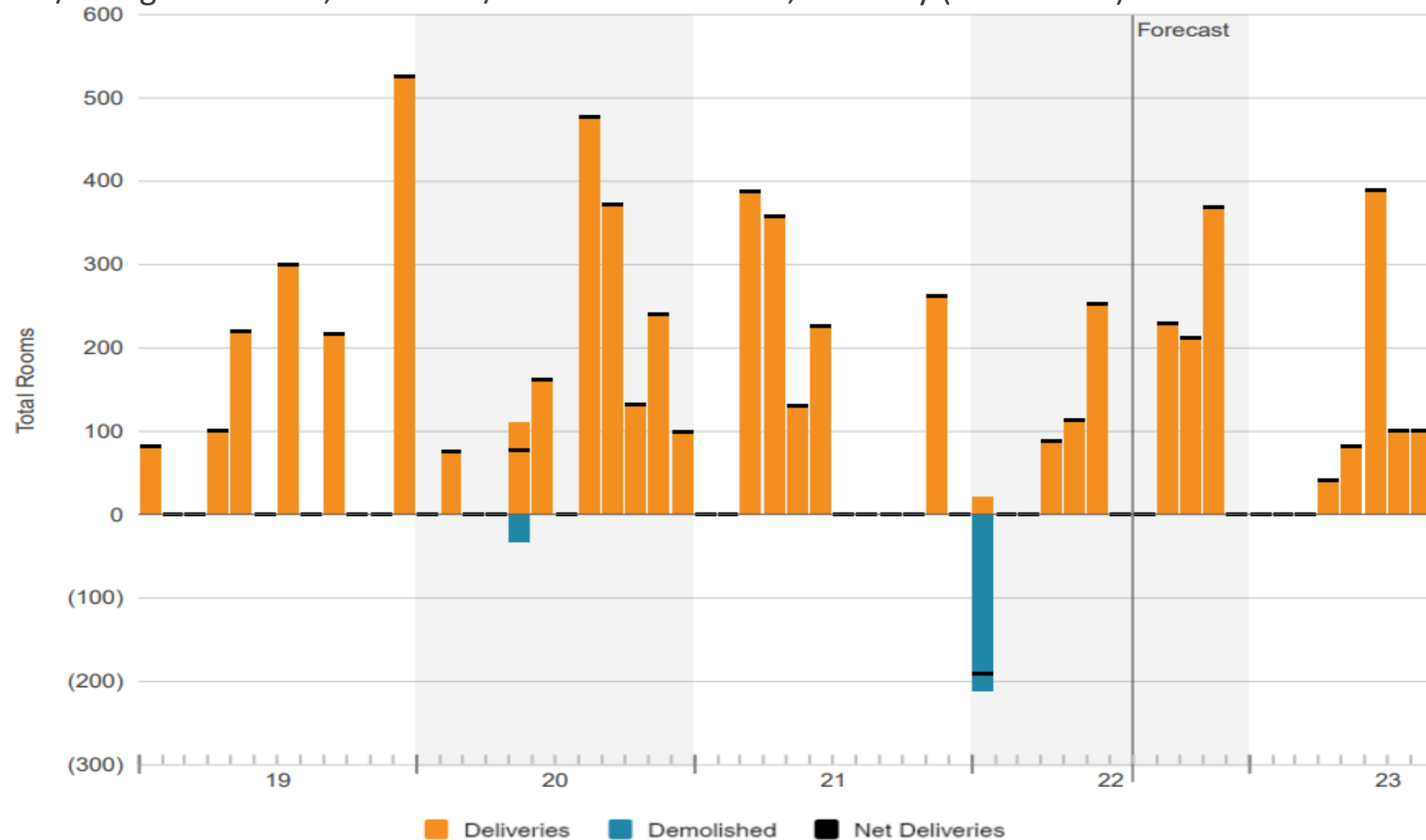
Fort Worth/Arlington Market, Percentage of Room U/C by Scale



# Market has seen steady supply growth, even through a pandemic



Fort Worth/Arlington Market, Delivered/Demolished Rooms, Monthly (Forecasted)



# Year-End RevPAR to flirt with \$100 by 2026

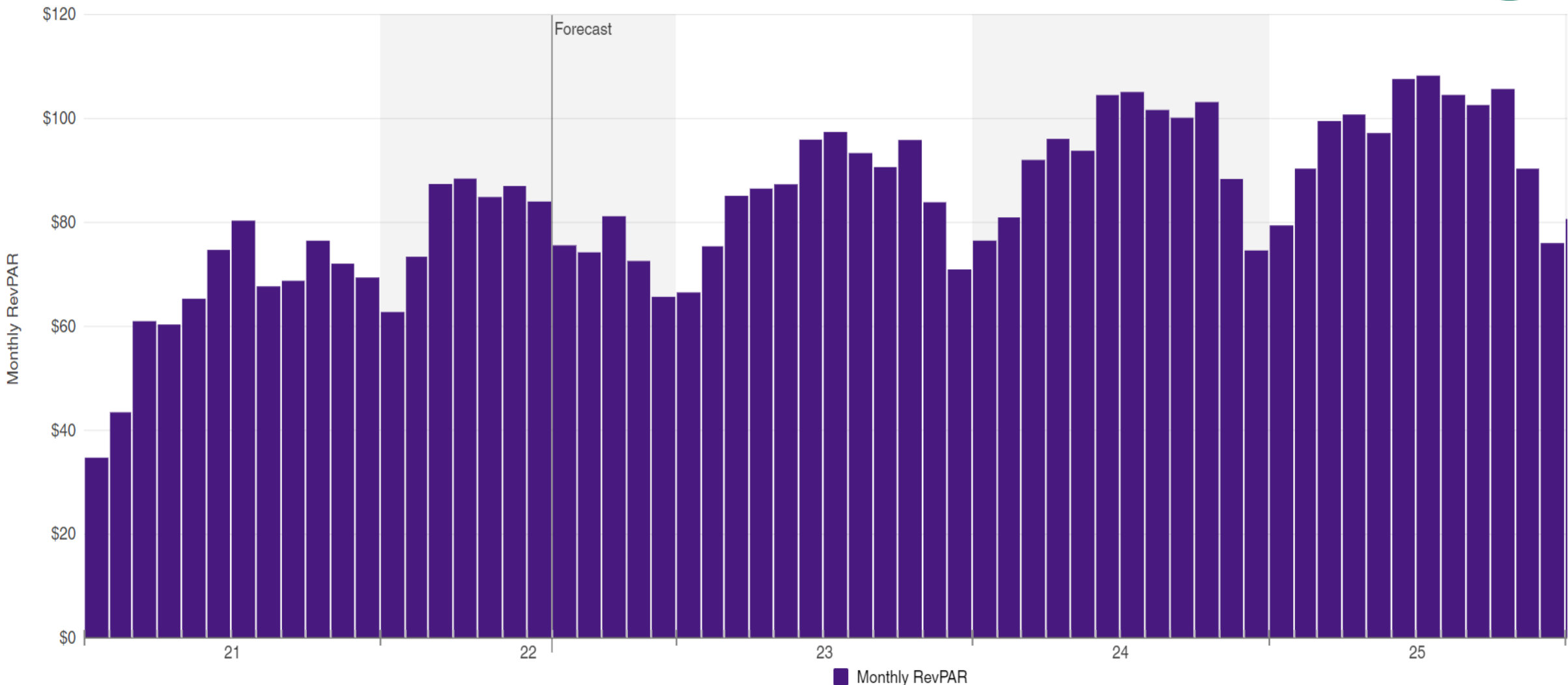
Fort Worth/Arlington KPI Forecast



KPI	YE 2022	YE 2023	YE 2024	YE 2025	YE 2026
Occupancy	64.9%	65.6%	66.0%	66.8%	66.7%
ADR	\$120	\$131	\$141	\$145	\$148
RevPAR	\$78	\$86	\$93	\$97	\$99

# Projections of Steady Growth for Several Years

Fort Worth/Arlington Market, Historical/Forecast Monthly RevPAR, Jan 2021 – Dec 2025





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**U.S. Overview**

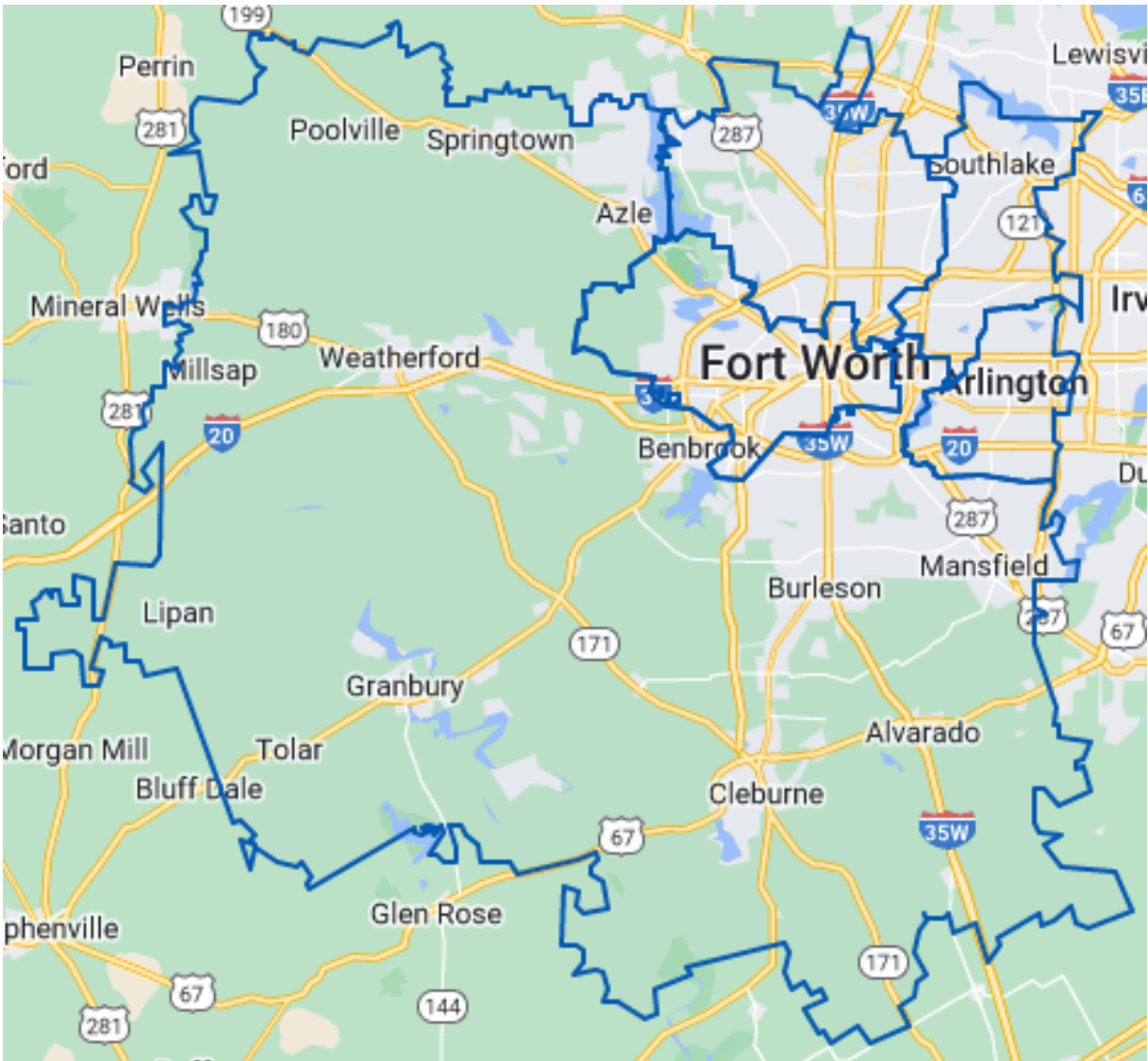
**Texas Overview**

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# Fort Worth/Arlington Submarkets Snapshot

July 2022



## Arlington | 7,024 Inventory Rooms

Fort Worth/Arlington - TX			
Under Construction Rooms	1,012	12 Mo ADR	\$104.11 ↑
12 Mo Delivered Rooms	0	12 Mo ADR Chg	23.1% ↑
12 Mo Occupancy	66.7% ↑	12 Mo RevPAR	\$69.45 ↑
12 Mo Occupancy Chg	11.6% ↑	12 Mo RevPAR Chg	37.4% ↑

## Bedford/Grapevine | 10,390 Inventory Rooms

Fort Worth/Arlington - TX			
Under Construction Rooms	0	12 Mo ADR	\$144.95 ↑
12 Mo Delivered Rooms	261 ↓	12 Mo ADR Chg	19.2% ↑
12 Mo Occupancy	67.7% ↑	12 Mo RevPAR	\$98.19 ↑
12 Mo Occupancy Chg	34.1% ↑	12 Mo RevPAR Chg	59.8% ↑

## Fort Worth CBD/I-820 West | 9,608 Inventory Rooms

Fort Worth/Arlington - TX			
Under Construction Rooms	1,048	12 Mo ADR	\$134.85 ↑
12 Mo Delivered Rooms	51 ↓	12 Mo ADR Chg	33.7% ↑
12 Mo Occupancy	64.7% ↑	12 Mo RevPAR	\$87.21 ↑
12 Mo Occupancy Chg	21.0% ↑	12 Mo RevPAR Chg	61.8% ↑

## Fort Worth North | 5,663 Inventory Rooms

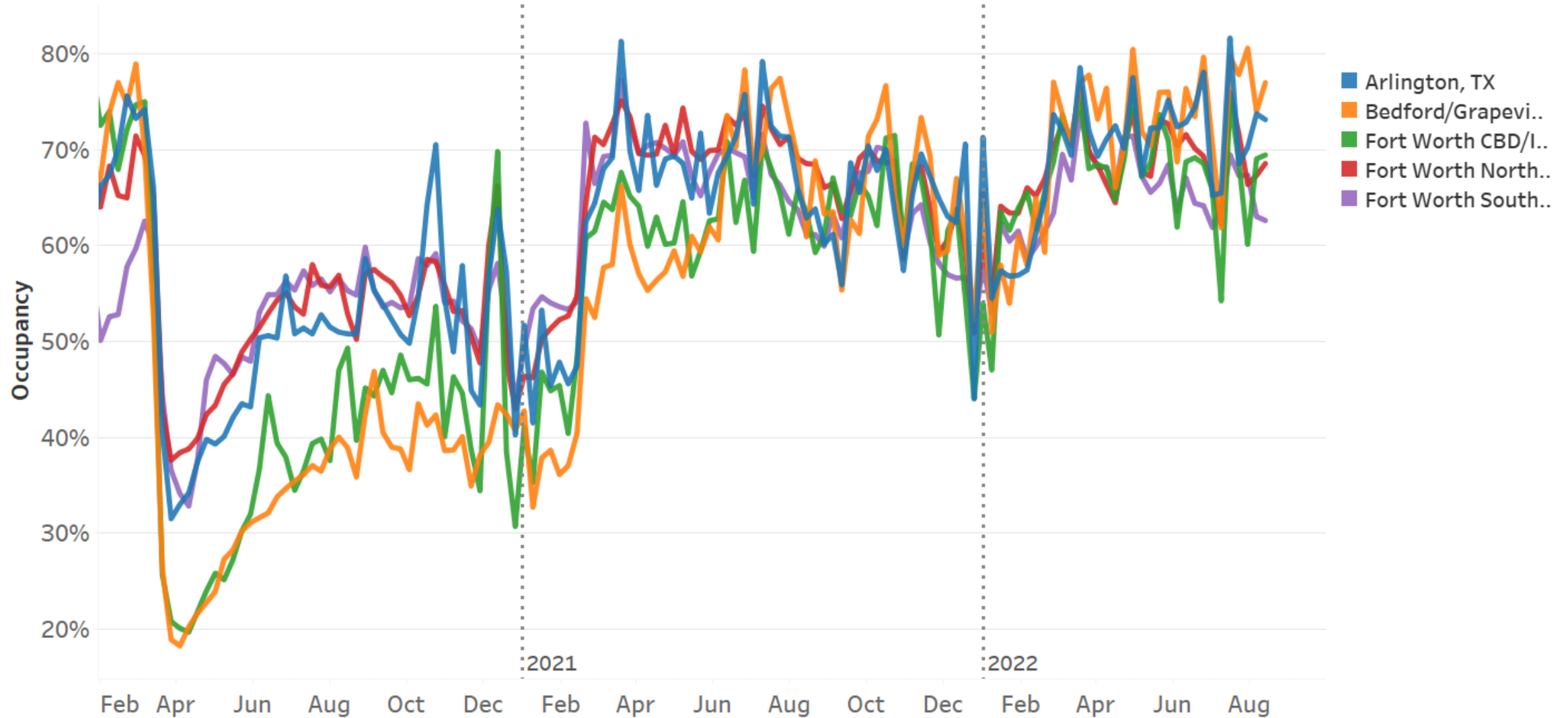
Fort Worth/Arlington - TX			
Under Construction Rooms	329	12 Mo ADR	\$82.01 ↑
12 Mo Delivered Rooms	243 ↑	12 Mo ADR Chg	16.1% ↑
12 Mo Occupancy	66.7% ↑	12 Mo RevPAR	\$54.68 ↑
12 Mo Occupancy Chg	7.8% ↑	12 Mo RevPAR Chg	25.2% ↑

## Fort Worth South/West | 6,378 Inventory Rooms

Fort Worth/Arlington - TX			
Under Construction Rooms	151	12 Mo ADR	\$83.51 ↑
12 Mo Delivered Rooms	181	12 Mo ADR Chg	17.8% ↑
12 Mo Occupancy	63.8% ↑	12 Mo RevPAR	\$53.27 ↑
12 Mo Occupancy Chg	4.8% ↑	12 Mo RevPAR Chg	23.4% ↑

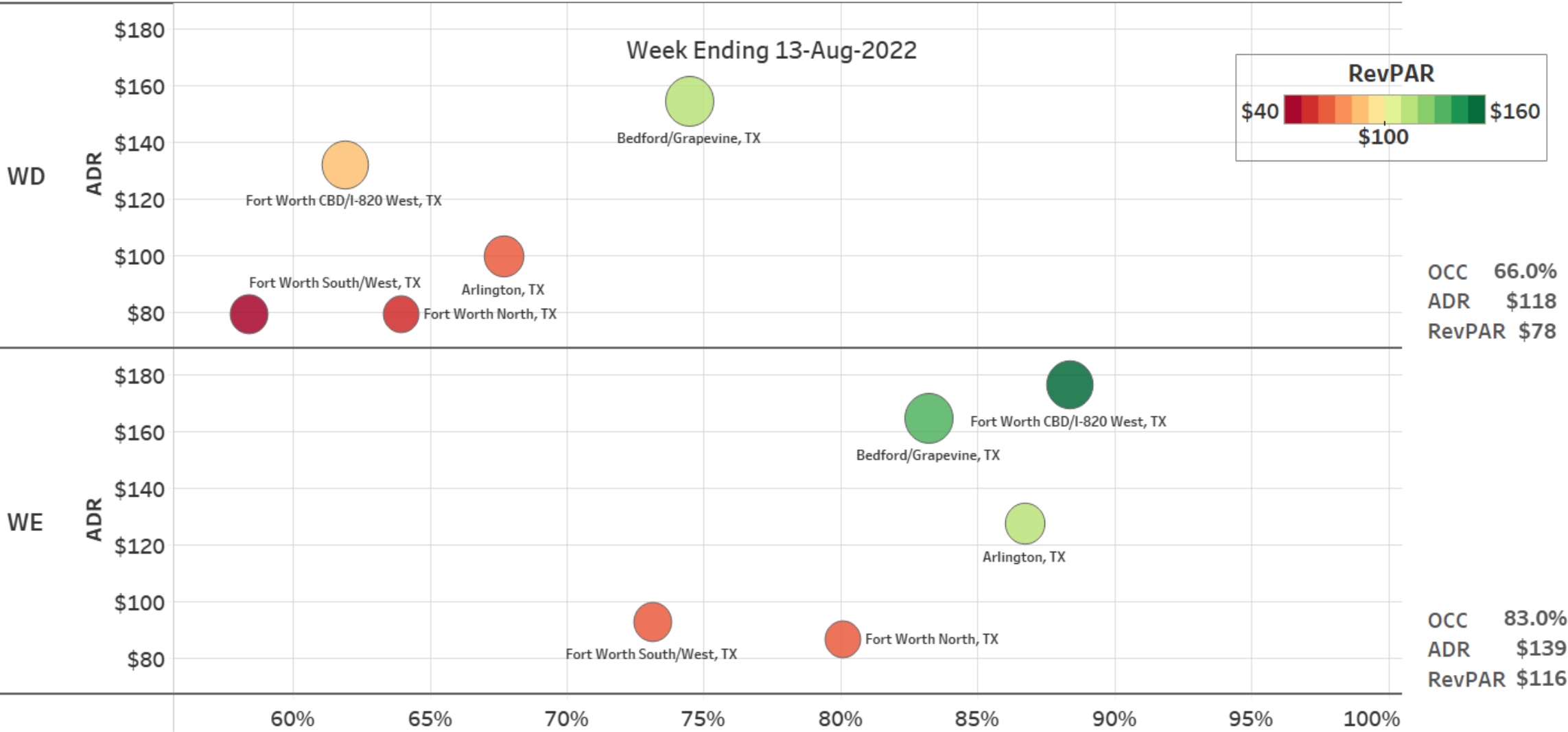
# Fort Worth/Arlington Submarkets in line with pre-pandemic Occ Band

Fort Worth/Arlington Submarkets, Running 7 Occ, Week ending August 13<sup>th</sup>, 2022



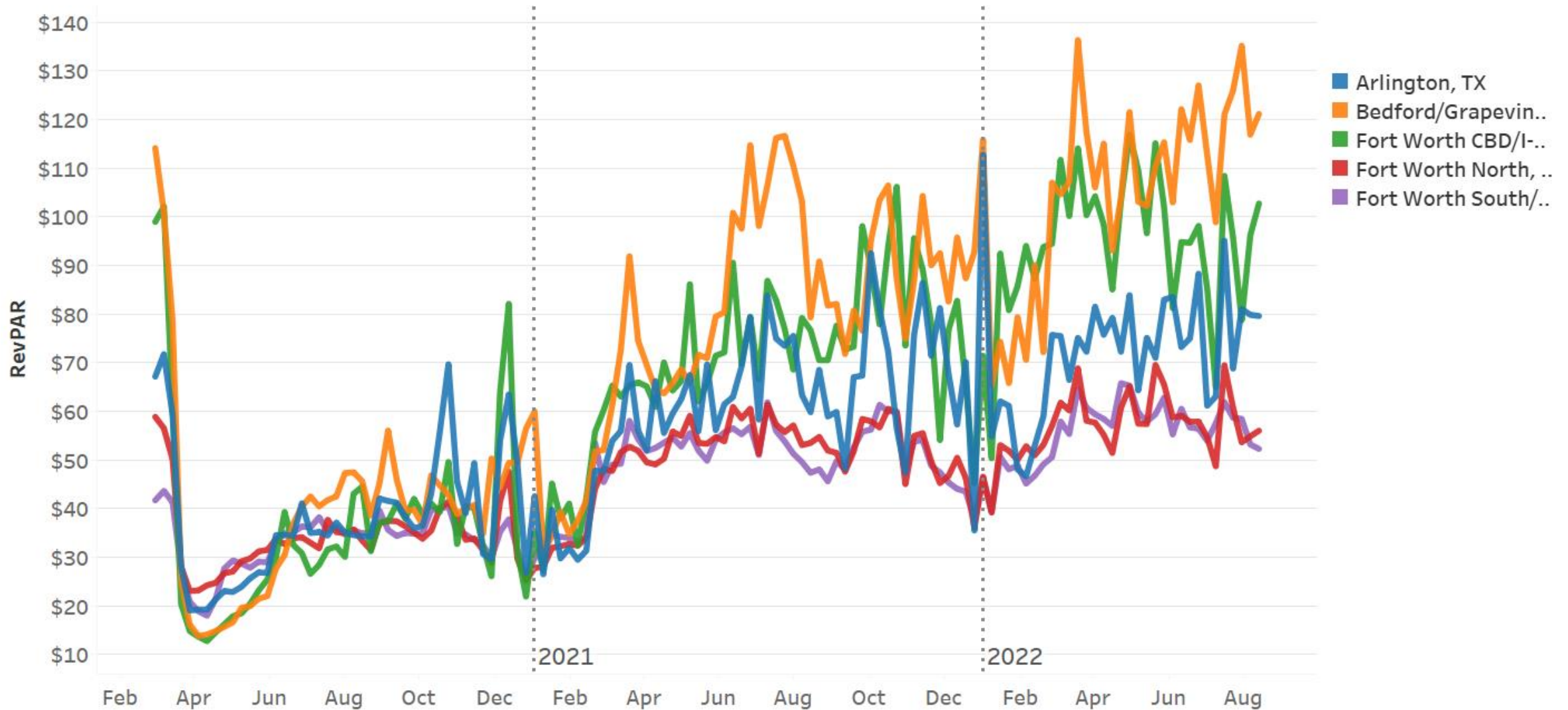
# The market comes alive on the Weekends!

Fort Worth/Arlington Submarkets, WD/WE YTD, Week ending Aug 13<sup>th</sup>



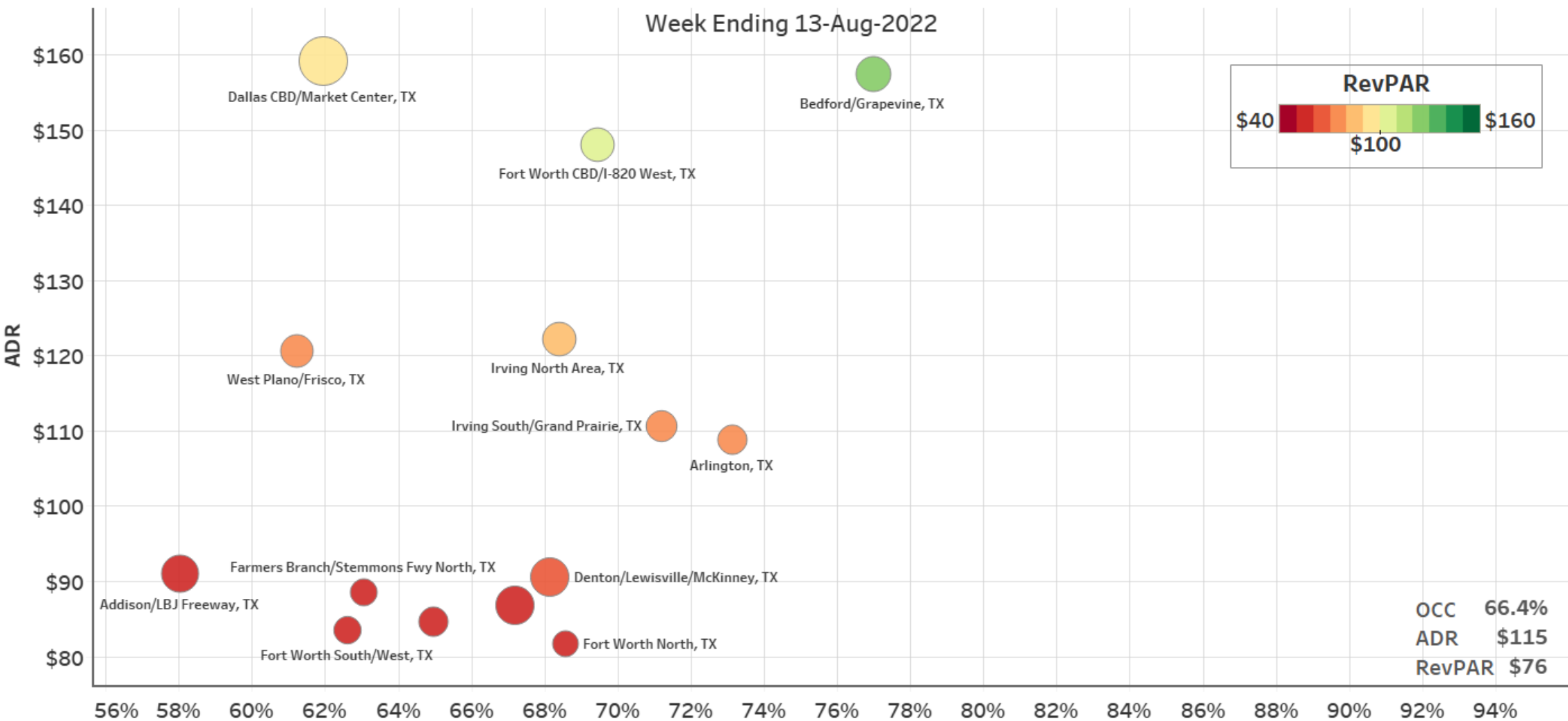
# All Submarkets are in full RevPAR recovery and pushing higher

Fort Worth/Arlington submarkets, Running 7 RevPAR, Week ending August 13<sup>th</sup>, 2022



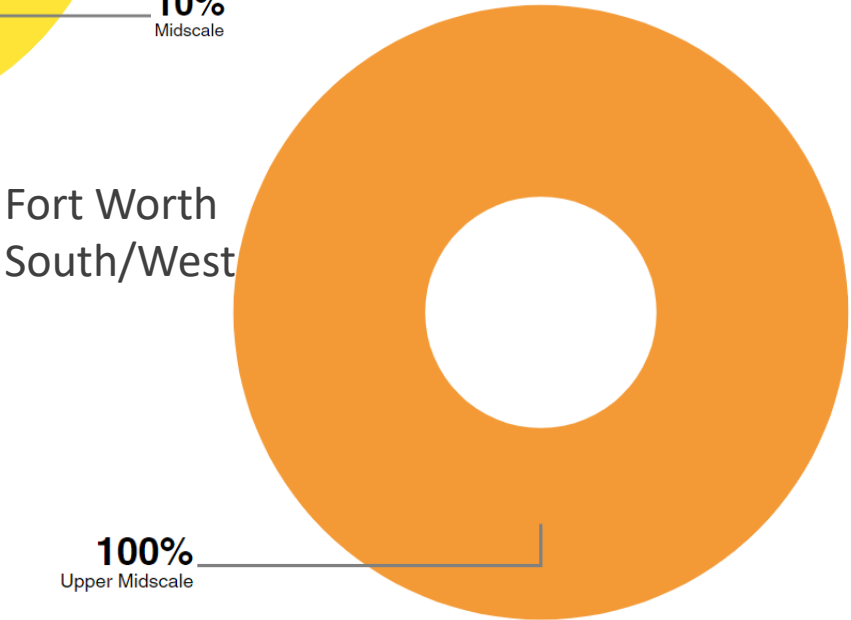
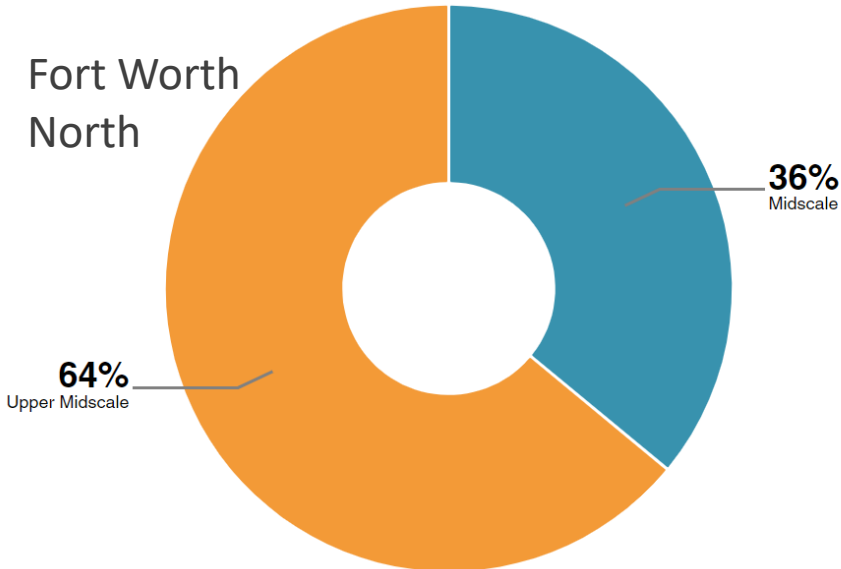
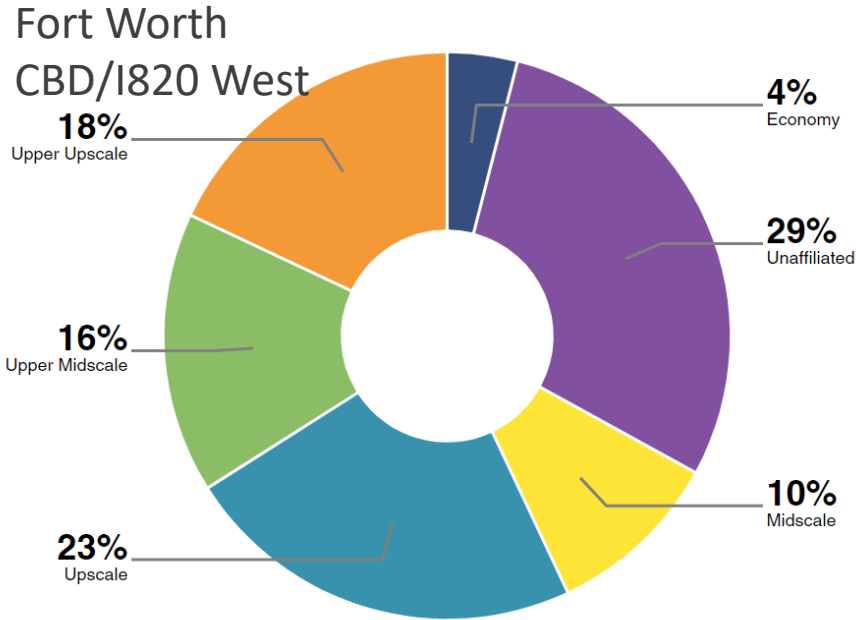
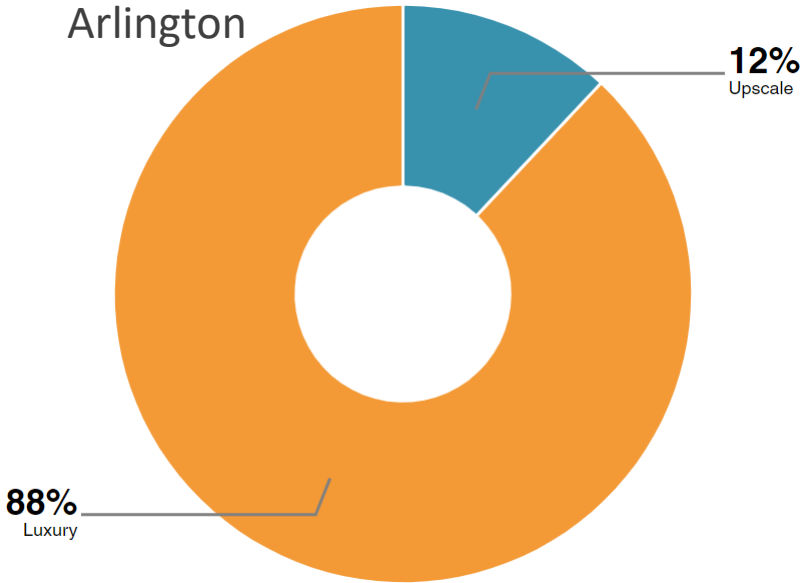
# DFW RevPAR Bragging Rights

Fort Worth/Arlington & Dallas Sumarkets, Weekly YTD, Week ending Aug 13<sup>th</sup>





# Submarket Pipeline Breakdown by Scale



# Rate continues to be the driver of continuous growth in RevPAR

Fort Worth/Arlington submarkets, KPI forecast,



Arlington	YE 2022	YE 2023	YE 2024	YE 2025	YE 2026
Occupancy	66.8%	67.3%	66.7%	67.8%	67.6%
ADR	\$109	\$121	\$142	\$150	\$152
RevPAR	\$73	\$82	\$95	\$101	\$103

Bedford/Grapevine	YE 2022	YE 2023	YE 2024	YE 2025	YE 2026
Occupancy	65.8%	68.3%	69.6%	70.4%	70.2%
ADR	\$154	\$168	\$176	\$179	\$182
RevPAR	\$101	\$115	\$122	\$126	\$128



# Further out forecast only sees Occupancy flatten

Fort Worth/Arlington submarkets, KPI forecast,, continued



Fort Worth CBD/I820 West	YE 2022	YE 2023	YE 2024	YE 2025	YE 2026
<b>Occupancy</b>	63.1%	63.7%	64.8%	65.4%	65.5%
<b>ADR</b>	\$136	\$143	\$153	\$155	\$159
<b>RevPAR</b>	\$86	\$91	\$99	\$102	\$104

Fort Worth North	YE 2022	YE 2023	YE 2024	YE 2025	YE 2026
<b>Occupancy</b>	65.0%	65.1%	66.0%	66.7%	66.5%
<b>ADR</b>	\$84	\$97	\$105	\$108	\$110
<b>RevPAR</b>	\$55	\$63	\$69	\$72	\$73

Fort Worth South/West	YE 2022	YE 2023	YE 2024	YE 2025	YE 2026
<b>Occupancy</b>	63.8%	62.7%	61.5%	62.4%	62.2%
<b>ADR</b>	\$86	\$91	\$94	\$97	\$99
<b>RevPAR</b>	\$55	\$57	\$58	\$60	\$61



# To wrap up, some big STR news

Visualize your hotel's demand build up against your local market and competition.

Inform your pricing, sales and marketing strategies with accurate forward-looking data obtained directly from the source.

Look ahead to get ahead and make data-driven decisions for the days, weeks and months that lie ahead on the calendar.

Contact [sales@str.com](mailto:sales@str.com)



For more information,  
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Austin, TX launched March 29<sup>th</sup>  
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Forward looking. Forward planning. Forward thinking.



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