

U.S. Lodging Industry 2020

COVID – 19: Shocking Unprecedented Downturn

Peak -> Free Fall -> Bottom -> Stay Alive Until 2025



May 20, 2020

Daniel H. Lesser

President & CEO

(212) 300-6684 x101

daniel.lessor@lwhadvisors.com

www.lwhospitalityadvisors.com

LWHA[®]
LW HOSPITALITY ADVISORS

U.S. Lodging Industry 2020

Ten Year Increase of Rooms Revenue Metrics & Record 2019

<u>U.S. Hotel Performance</u>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Supply	▲ 2.6%	▲ 3.2%	▲ 2.0%	▲ 0.6%	▲ 0.5%	▲ 0.7%	▲ 0.9%	▲ 1.1%	▲ 1.6%	▲ 1.8%	▲ 2.0%	▲ 2.0%
Demand	▼ 1.9%	▼ 5.8%	▲ 7.8%	▲ 5.0%	▲ 3.0%	▲ 2.2%	▲ 4.5%	▲ 2.9%	▲ 1.7%	▲ 2.7%	▲ 2.5%	▲ 2.0%
Occupancy	▼ 4.4%	▼ 8.7%	▲ 5.7%	▲ 4.4%	▲ 2.5%	▲ 1.5%	▲ 3.6%	▲ 1.7%	▲ 0.1%	▲ 0.9%	▲ 0.5%	FLAT
ADR	▲ 2.7%	▼ 8.8%	▼ 0.1%	▲ 3.7%	▲ 4.2%	▲ 3.9%	▲ 4.6%	▲ 4.4%	▲ 3.1%	▲ 2.1%	▲ 2.4%	▲ 1.0%
RevPAR	▼ 1.8%	▼ 16.7%	▲ 5.5%	▲ 8.2%	▲ 6.8%	▲ 5.4%	▲ 8.3%	▲ 6.3%	▲ 3.2%	▲ 3.0%	▲ 2.9%	▲ 0.9%

2019 U.S. Hotel Profits At All-time High



U.S. Lodging Industry 2020

Been There, Done That, Doing It Again



REGIONAL ORAL HISTORY OFFICE • THE BANCROFT LIBRARY • UNIVERSITY OF CALIFORNIA, BERKELEY

Slaying the Dragon of Debt

Fiscal Politics & Policy from the 1970s to the Present

HOME ABOUT TIMELINE NEWS INTERVIEWS MULTIMEDIA RESOURCES

Timeline 1990-92 Early 1990s Recession

SUMMARY:
The recession of the early 1990s lasted from July 1990 to March 1991. It was the largest recession since that of the early 1980s and contributed to George H.W. Bush's re-election defeat in 1992. Although mainly attributable to the workings of the business cycle and restrictive monetary policy, the 1990-91 recession demonstrated the growing importance of financial markets to the American and world economies.



STATISTICS: THE GREAT RECESSION IN NUMBERS

- The national unemployment rate rose from **5%** in December, 2007 to **10%** in October, 2009.
- Mass layoffs (occurring when 50 or more claims for unemployment insurance are filed) involved **326,392** workers in just February of 2009.
- 3M** households were foreclosed on from 2005 - 2009 (* estimated).
- In 2007, The Dow Jones Industrial Average declined by **50%** in the following years to a low of under **10K** for the first time ever.
- GDP declined by **4.3%** from 2007-2009.
- The S&P 500 declined by **57.8%**.

TheStreet

U.S. Lodging Industry 2020 **Stay Alive Until '25**

Investment Cycle – COVID-19 Version

March 2021 and Beyond THE NEW NORMAL

- Viral treatments improving / vaccine timeline more clear
- Business activity reflects the new normal
- Growing efficiency in capital markets
- Normalized investment sale market
- Distressed debt market is active
- Strategic and portfolio sale activity begins to re-occur

November 2020 to February 2021 SURVIVE THE WINTER

- Potential for virus resurgence
- Seasonality challenges for travel
- Growing pressure on owners
- Increased investment sales
- Increased distressed debt
- Active rescue capital market
- Debt markets begin to normalize
- Increased M&A Activity

March 2020 to July 2020 "KICKING THE CAN"

- 90-120 day forbearance
- Heavy focus on asset management initiatives
- Whole loan sales focused on performing loans
- Investment sales limited to strategic sales with clear use of proceeds
- Illiquid / choppy debt capital markets

August 2020 to October 2020 "COME TO JESUS"

- Markets begin to re-open
- Valuation metrics become more clear
- Complex loan restructuring begins
- Emergence of rescue capital
- Refinancing market becomes more active
- Investment sales of most distressed assets
- Increasing loan sale activity



ROBERTDOUGLAS MARKET PULSE
MAY 7, 2020

U.S. Lodging Industry 2020

U.S. Economy Shrinks at 4.8% Pace, Signaling Start of Recession

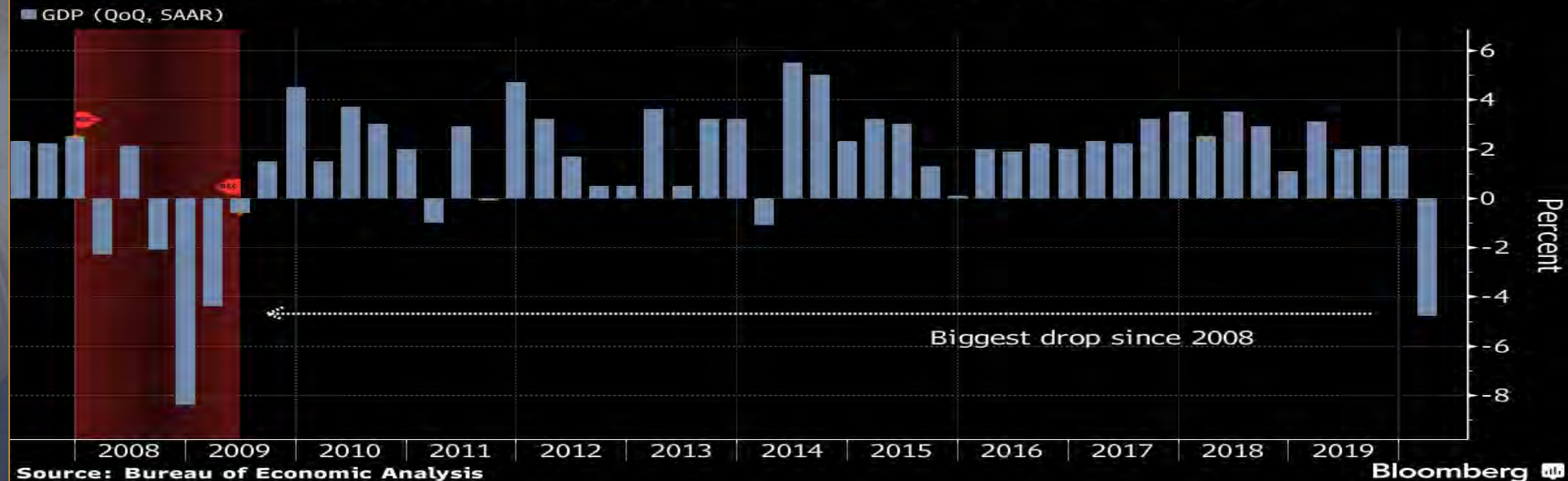
By [Katia Dmitrieva](#)

April 29, 2020, 8:35 AM EDT Updated on April 29, 2020, 10:08 AM EDT

Bloomberg

Contraction Hits

U.S. gross domestic product plunged 4.8% in the first quarter amid virus



U.S. Lodging Industry 2020

CNBC
 MARKETS BUSINESS INVESTING TECH POLITICS CNBC TV

HOTELS, RESTAURANTS AND LEISURE

Marriott CEO: Coronavirus outbreak worse for business than 9/11 and 2008 financial crises combined

PUBLISHED TUE, MAR 24 2020-12:56 PM EDT | UPDATED TUE, MAR 24 2020-6:19 PM EDT

Kevin Stankiewicz @KEVIN_STANE

Programs / Toolkits April 15, 2020

COVID-19 Travel Industry Research

CARES Act Relief Resources | OXFORD ECONOMICS | U.S. TRAVEL ASSOCIATION*

"A \$519 billion decline in travel spending in the U.S. this year will translate into a total economic loss of \$1.2 trillion in economic output. This is more than nine times the impact of 9/11 on travel sector revenue."

AHLA AMERICAN HOTEL & LODGING ASSOCIATION

COVID-19 DEVASTATING HOTEL INDUSTRY

Low to zero hotel revenue driving unprecedented job loss

Hotel Type	Pre-Crisis	April 2020
Select-Service Hotel	20	7
Full-Service Hotel	50	14
Resort Hotel	90	5

Source: Hotel Effectiveness

Daniel H. Lesser
 President & CEO

Wide and Deep Impact

"The coronavirus has already had a more severe economic impact on the hotel industry than Sept. 11 and the 2008 recession combined."

Chip Rogers, CEO of the American Hotel and Lodging Association



March 17, 2020

Tycoon Running 500 Hotels Says Virus Crisis Is Worst He's Seen

Bloomberg

By Natnicha Chuwiruch

April 24, 2020, 7:00 PM EDT

It's a depression, not economic recession, Bill Heinecke says

100% OF GLOBAL DESTINATIONS NOW HAVE COVID-19 TRAVEL RESTRICTIONS, UNWTO REPORTS

ALL REGIONS | 28 APR 20



The COVID-19 pandemic has prompted all destinations worldwide to introduce restrictions on travel, research by the World Tourism Organization (UNWTO) has found. This represents the most severe restriction on international travel in history and no country has so far lifted restrictions introduced in response to the crisis.

U.S. Lodging Industry 2020

2020 Compared With Same Period 2019 U.S. Hotel Market RevPAR

Atlanta		San Diego		New York		Seattle		Anaheim		Minneapolis	
Period	% Change	Period	% Change	Period	% Change	Period	% Change	Period	% Change	Period	% Change
March 1 - 7	-15.1%	March 1 - 7	-11.3%	March 1 - 7	-20.3%	March 1 - 7	-34.8%	March 1 - 7	-41.8%	March 1 - 7	-13.6%
March 8 - 14	-27.8%	March 8 - 14	-44.5%	March 8 - 14	-54.6%	March 8 - 14	-66.1%	March 8 - 14	-45.8%	March 8 - 14	-34.6%
March 15 - 21	-72.2%	March 15 - 21	-77.0%	March 15 - 21	-86.5%	March 15 - 21	-81.6%	March 15 - 21	-84.6%	March 15 - 21	-76.1%
March 22 - 28	-80.2%	March 22 - 28	-82.3%	March 22 - 28	-87.8%	March 22 - 28	-85.5%	March 22 - 28	-88.6%	March 22 - 28	-83.8%
Mar 29 - Apr 4	-81.4%	Mar 29 - Apr 4	-83.3%	Mar 29 - Apr 4	-88.6%	Mar 29 - Apr 4	-84.1%	Mar 29 - Apr 4	-89.6%	Mar 29 - Apr 4	-90.0%
April 5 - 11	-84.5%	April 5 - 11	-83.2%	April 5 - 11	-85.7%	April 5 - 11	-82.8%	April 5 - 11	-89.8%	April 5 - 11	-90.7%
April 12 - 18	-77.8%	April 12 - 18	-82.8%	April 12 - 18	-83.9%	April 12 - 18	-78.3%	April 12 - 18	-87.8%	April 12 - 18	-83.5%
April 19 - 25	-77.5%	April 19 - 25	-80.3%	April 19 - 25	-77.6%	April 19 - 25	-83.0%	April 19 - 25	-85.7%	April 19 - 25	-85.4%
April 26 - May 2	-74.6%	April 26 - May 2	-78.4%	April 26 - May 2	-77.9%	April 26 - May 2	-83.2%	April 26 - May 2	-83.7%	April 26 - May 2	-85.0%
May 3 - 9	-71.8%	May 3 - 9	-72.1%	May 3 - 9	-77.7%	May 3 - 9	-83.6%	May 3 - 9	-80.6%	May 3 - 9	-82.3%
May 10 - 16	-73.1%	May 10 - 16	-74.7%	May 10 - 16	-80.5%	May 10 - 16	-82.4%	May 10 - 16	-78.8%	May 10 - 16	-82.8%

Miami		New Orleans		San Francisco		Boston		Orlando		Oahu	
Period	% Change	Period	% Change	Period	% Change	Period	% Change	Period	% Change	Period	% Change
March 1 - 7	-10.4%	March 1 - 7	-25.8%	March 1 - 7	-45.5%	March 1 - 7	-8.8%	March 1 - 7	-16.8%	March 1 - 7	-10.6%
March 8 - 14	-33.1%	March 8 - 14	-41.8%	March 8 - 14	-63.3%	March 8 - 14	-48.9%	March 8 - 14	-46.3%	March 8 - 14	-21.2%
March 15 - 21	-74.1%	March 15 - 21	-86.5%	March 15 - 21	-89.3%	March 15 - 21	-82.4%	March 15 - 21	-84.9%	March 15 - 21	-56.7%
March 22 - 28	-90.5%	March 22 - 28	-92.8%	March 22 - 28	-89.1%	March 22 - 28	-88.1%	March 22 - 28	-90.6%	March 22 - 28	-90.0%
Mar 29 - Apr 4	-86.9%	Mar 29 - Apr 4	-90.6%	Mar 29 - Apr 4	-90.1%	Mar 29 - Apr 4	-89.0%	Mar 29 - Apr 4	-92.1%	Mar 29 - Apr 4	-93.7%
April 5 - 11	-90.2%	April 5 - 11	-91.7%	April 5 - 11	-93.5%	April 5 - 11	-92.4%	April 5 - 11	-92.4%	April 5 - 11	-94.0%
April 12 - 18	-89.3%	April 12 - 18	-88.8%	April 12 - 18	-91.0%	April 12 - 18	-89.3%	April 12 - 18	-92.0%	April 12 - 18	-94.0%
April 19 - 25	-88.2%	April 19 - 25	-87.4%	April 19 - 25	-87.5%	April 19 - 25	-88.3%	April 19 - 25	-90.8%	April 19 - 25	-92.1%
April 26 - May 2	-84.6%	April 26 - May 2	-89.1%	April 26 - May 2	-87.3%	April 26 - May 2	-89.6%	April 26 - May 2	-89.9%	April 26 - May 2	-93.5%
May 3 - 9	-86.5%	May 3 - 9	-85.7%	May 3 - 9	-87.8%	May 3 - 9	-89.5%	May 3 - 9	-90.3%	May 3 - 9	-91.2%
May 10 - 16	-83.7%	May 10 - 16	-85.0%	May 10 - 16	-87.7%	May 10 - 16	-90.9%	May 10 - 16	-84.6%	May 10 - 16	-91.2%

Compiled by LW Hospitality Advisors®; Data Source: STR®

Daniel H. Lesser
President & CEO

U.S. Lodging Industry 2020 **Astonishing Metrics**

Total U.S. Forecast

Key Performance Indicators
2019A – 2020F – 2021F



Metric	2019 Actual	2020 Forecast	2021 Forecast
Occupancy*	66.1%	35.8%	52.1%
ADR	\$131.11	\$102.83	\$104.58
RevPAR*	\$86.66	\$36.84	\$54.53

*Reflects economic methodology, which assumes no temporary hotel closures.

Total U.S. Forecast – % Change

Key Performance Indicators (% Change vs. Prior Year)
2019A – 2020F – 2021F



Metric	2019 Actual	2020 Forecast	2021 Forecast
Supply	+2.0%	-5.2%	+7.7%
Economic Supply*	+2.0%	+1.4%	+2.5%
Demand	+2.0%	-45.0%	+49.1%
Occupancy*	-0.1%	-45.8%	+45.5%
ADR	+0.9%	-21.6%	+1.7%
RevPAR*	+0.9%	-57.5%	+48.0%

*Reflects economic methodology, which assumes no temporary hotel closures.

Source: STR, 2020 © Lodging Industry Association, Inc.

U.S. Lodging Industry 2020

Interim Uses

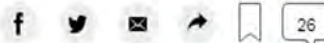
The New York Times

No Trading Floor? No Problem. A Financial Firm Quarantines at the Four Seasons.

Shutdown orders in New York and Chicago prompted Citadel Securities to set up a makeshift trading floor at the resort in Palm Beach, Fla.

By Julia Echikson and Patricia Mazzei

April 7, 2020



CNBC
MARKETS BUSINESS INVESTING TECH POLITICS CNBC TV

Empty hotels 'keep the lights on' by converting into coronavirus quarantines, emergency housing for first responders

PUBLISHED WED, APR 8 2020 7:01 AM EDT | UPDATED WED, APR 8 2020 12:58 PM EDT

William Feuer @WILLFOIA Emma Newburger @EMMA_NEWBURGER



npr WNYC

San Francisco Lawmakers Order Mayor To Lease Hotel Rooms For Homeless

April 15, 2020 · 2:00 AM ET



NEW YORK POST

Four Seasons offers free stay for medical workers fighting coronavirus

By Vincent Barone

March 25, 2020 | 3:47pm



5 CHICAGO LOCAL WEATHER VIDEO INVESTIGATIONS ENTERTAINMENT TRAFFIC
Coronavirus Live Blog How to Help List of Cases Daily Coronavirus Briefings Guide to Staying at Home Map of Cases by County Thank You Essential Workers

Chicago Uses Hotels for Quarantine to Ease Hospital Demand

By Kathleen Foody · Published March 26, 2020 · Updated on March 26, 2020 at 5:49 am



Daniel H. Lesser
President & CEO

U.S. Lodging Industry 2020

Liquidity Is Lifeblood To Staying Alive

Hersha Hospitality Trust Provides Additional Update on Portfolio Related to COVID-19

April 6, 2020 8:06 am ET

BARRON'S

Hilton Draws Down \$1.75 Billion Credit Line to Ease Virus Hit

By Gillian Tan

March 11, 2020, 2:38 PM EDT Updated on March 11, 2020, 6:00 PM EDT

Bloomberg

Park Hotels & Resorts Revamps Credit Facilities

The giant hotel REIT has bolstered its financial situation, in part through extended maturities on its \$1 billion line of credit.

MAY 11 2020

COMMERCIAL PROPERTY EXECUTIVE

Chatham Lodging Trust Executes Credit Facility Amendment

Published: May 6, 2020 at 5:05 p.m. ET

MarketWatch

Provides Ample Liquidity and Relieves Key Covenant Requirements



Baird Equity Research
Global Hotel Brands

April 14, 2020

Marriott International, Inc. (MAR)

\$1.6 Billion Bond Offering Eases Near-Term Liquidity Constraints

BRIEF-Marriott International Announces New \$1.5 Bln 364-Day Revolving Credit Facility Commitment

APRIL 14, 2020



Hyatt Hotels Corporation (H)

April 22, 2020



Another Day, Another Hotel Brand Bond Deal; \$900 Million of Debt Raised

Hotels group Accor secures 560 mln euros credit line, sees some signs of recovery

MAY 18, 2020



U.S. Lodging Industry 2020

Cash Is KING!

EXPLORE TRAVEL+ LEISURE

Home + Hotels + Resorts

Marriott's Gift Cards Are 20% Off Right Now and Require No Commitment to Location or Date (Video)

The gift cards can be used at any Marriott locations around the world and partner brands including the EDITION, Moxy, Ritz Carlton, St. Regis, Aloft, and JW Marriott.

BY CAILEY RIZZO | MAY 12, 2020

Hotels roll out new initiatives designed to boost reservations and cash flow

The Washington Post May 6, 2020

Marriott Gets \$920 Million in Card Deals With AmEx, Chase

By Patrick Clark and Jennifer Surane
May 5, 2020, 7:45 AM EDT Updated on May 5, 2020, 9:40 AM EDT

Bloomberg

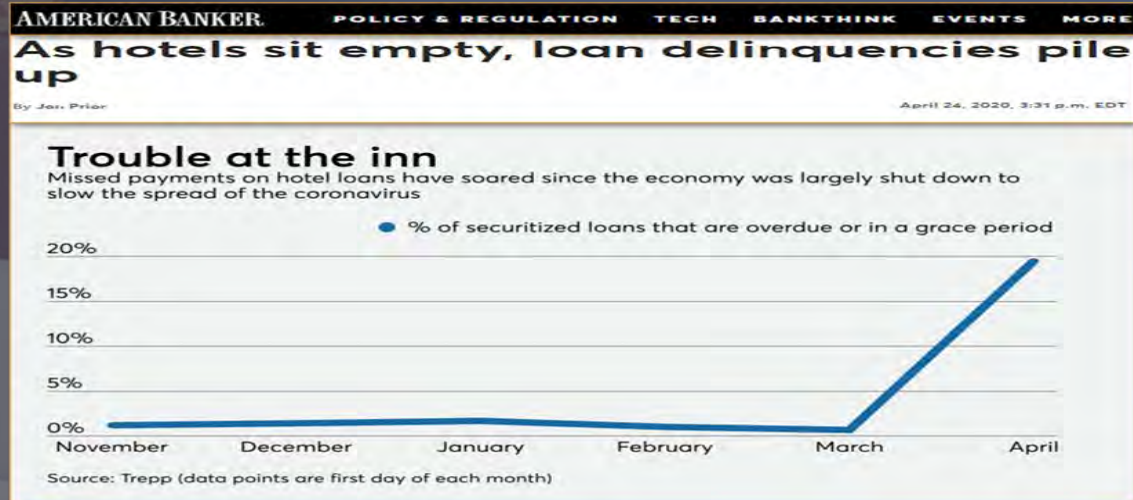
Hilton Selling \$1 Billion Loyalty Points to American Express

By Patrick Clark, Molly Smith, and Jennifer Surane
April 16, 2020, 9:46 AM EDT Updated on April 16, 2020, 10:20 AM EDT

Bloomberg

U.S. Lodging Industry 2020

Braced For Rise In Loan Defaults & Delinquencies



COMMERCIAL OBSERVER LEASES FINANCE SALES DESIGN + CONSTRUCTION

Wave of Hotel CMBS Portfolio Deals Begins Crashing Into Special Servicing

BY MACK BURKE APRIL 16, 2020 1:36 PM

Three massive CMBS hotel portfolio loans, covering 186 hotels with a total outstanding balance of about \$2 billion, were among the largest to be transferred into special servicing so far this month, Commercial Observer reported citing Trepp. Single-borrower transactions backed by only hotels have been the hardest hit of all.

Coronavirus Puts \$11 Billion of Looming CMBS Hotel Loan Maturities at Risk

CoStar Analysis: Los Angeles, San Diego and Orlando Among Markets With Highest Potential for Default

April 02, 2020

The coronavirus pandemic is threatening about \$11 billion of commercial mortgage-backed security loans coming due in the next six months, according to new CoStar analysis. The loans are backed by more than 1,500 U.S. hotel

Stay of Execution: COVID-19 Has Hotel CMBS Backed into a Corner

A flailing hotel sector has CMBS borrowers and servicers staring down a critical juncture

BY MACK BURKE APRIL 3, 2020 10:39 AM

COMMERCIAL OBSERVER

U.S. Lodging Industry 2020 **Litigation Is On The Rise**

Anbang Unit Sues Mirae to Complete \$5.8 Billion Hotel Deal

Bloomberg

By [Jef Feeley](#) and [Gillian Tan](#)
April 27, 2020, 12:27 PM EDT

Virgin Hotels Files Lawsuit Against Owner Of San Francisco Property

May 06, 2020,



THE REAL DEAL LOS ANGELES NEW YORK SOUTH FLORIDA CHICAGO
LOS ANGELES REAL ESTATE NEWS

Blackstone sues over scotched \$265M hotel deal

Buyer KS Development cited coronavirus downturn

TRD LOS ANGELES / By [Matthew Blake](#) Research by [Jerome Dineen](#) March 30, 2020 02:30 PM

THE BUSINESS TIMES

COMPANIES & MARKETS

Eagle Hospitality Trust gets notice of default on US\$341m loan, delays distribution

TUE, MAR 24, 2020 - 10:37 AM

THE REAL DEAL NEW YORK
NEW YORK REAL ESTATE NEWS

Pandemic ignites battle over unpaid wages at Manhattan hotel

City's largest hotel manager, powerful union and big private equity owner in three-way dispute

TRD NEW YORK / By [Rich Bockmann](#)

April 20, 2020 05:21 PM

U.S. Lodging Industry 2020

Investors Swoop In

THE REAL DEAL NEW YORK LOS ANGELES SOUTH FLORIDA CHICAGO NATIONAL TRI-STATE
NEW YORK REAL ESTATE NEWS

Blackstone, Starwood pick up stakes in Extended Stay America

Both firms had sought control of the hotel chain years ago

Forbes Billionaires Innovation Leadership Money

EDITORS' PICK | 5,708 views | Apr 9, 2020, 08:10am EDT

Airbnb's New Billion-Dollar Deal Signals Confidence In Recovery



Jennifer Leigh Parker Contributor

Consumer Tech

Jennifer Leigh Parker is a Forbes.com contributor covering the intersection between tech and travel.

Bloomberg



Deals

London Ritz's Sale Fetches Less Than 800 Million Pounds

By Jack Sidders, David Hellier, Ellen Milligan, and Benjamin Stupples

March 27, 2020, 5:13 PM EDT Updated on March 28, 2020, 7:04 AM EDT

JAPAN APRIL 3, 2020 / 2:42 AM / 15 DAYS AGO



Lone Star succeeds in \$1.9-billion buyout of Japan hotel chain Unizo

Skift

News

Research

Online Events

Newsletters

Advertising

Coronavirus and Cruises

Carnival Sells 8 Percent Stake to Saudis After Dire Financial Warning

Rosie Spinks, Skift - Apr 06, 2020 1:30 pm

Sonder investors bet \$150M more on hospitality startup

"If they weather this storm they'll be one of the leading companies in the space."

TRD NATIONAL / By E.B. Solomont

May 04, 2020

THE REAL DEAL
NEW YORK REAL ESTATE NEWS

Expedia Group raises \$3.2B, names new CEO, makes further cuts as bookings plunge up to 43%

BY TODD BISHOP on April 23, 2020 at 7:55 am

GeekWire

Bloomberg

Deals

Airbnb Raises Another \$1 Billion in Debt, IPO Prospects Diminish

By Gillian Tan, Eric Newcomer, and Davide Scigliuzzo

April 14, 2020, 6:41 PM EDT Updated on April 14, 2020, 11:30 PM EDT

Daniel H. Lesser
President & CEO

U.S. Lodging Industry 2020

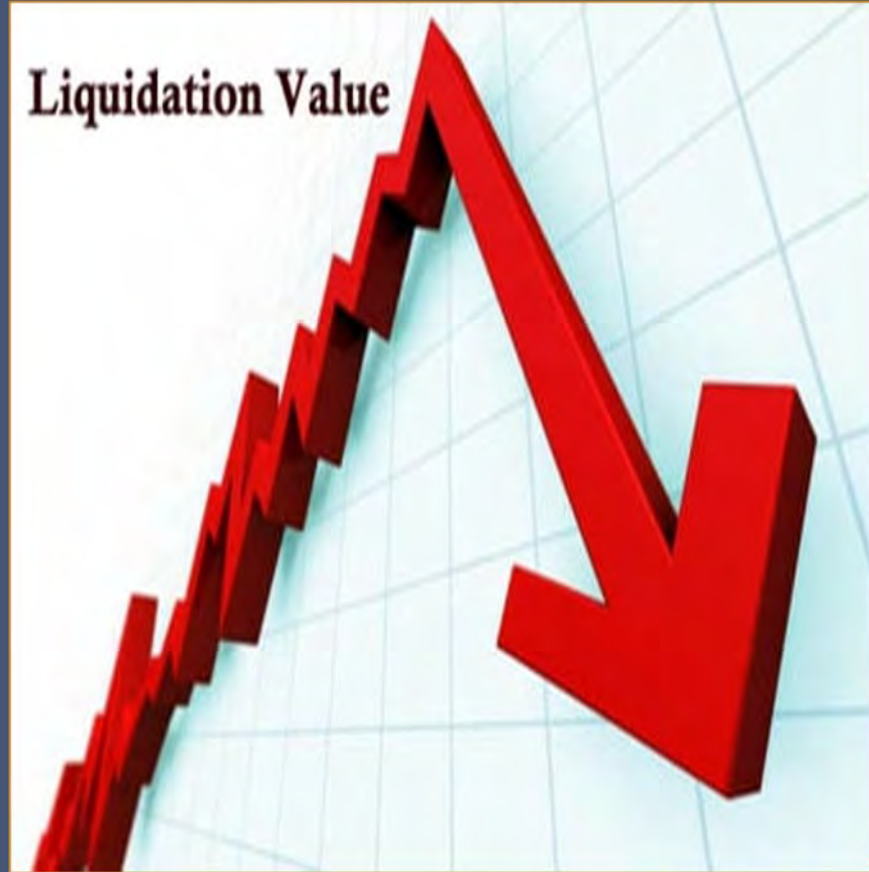
The Million Dollar Question

M A R K E T

V A L U E

An opinion expressed in terms of money, at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts, as of a specific date.

Liquidation Value



U.S. Lodging Industry 2020 Awaiting Price Discovery

"Our values are moving, but they're not moving nearly to the extent equity markets."

"We really don't understand the full impact of what's going on."

"You need to have a long-term outlook."

"This is a crisis that will pass. We don't know where we and I'm not going to make guesses about how bad this is going to be."

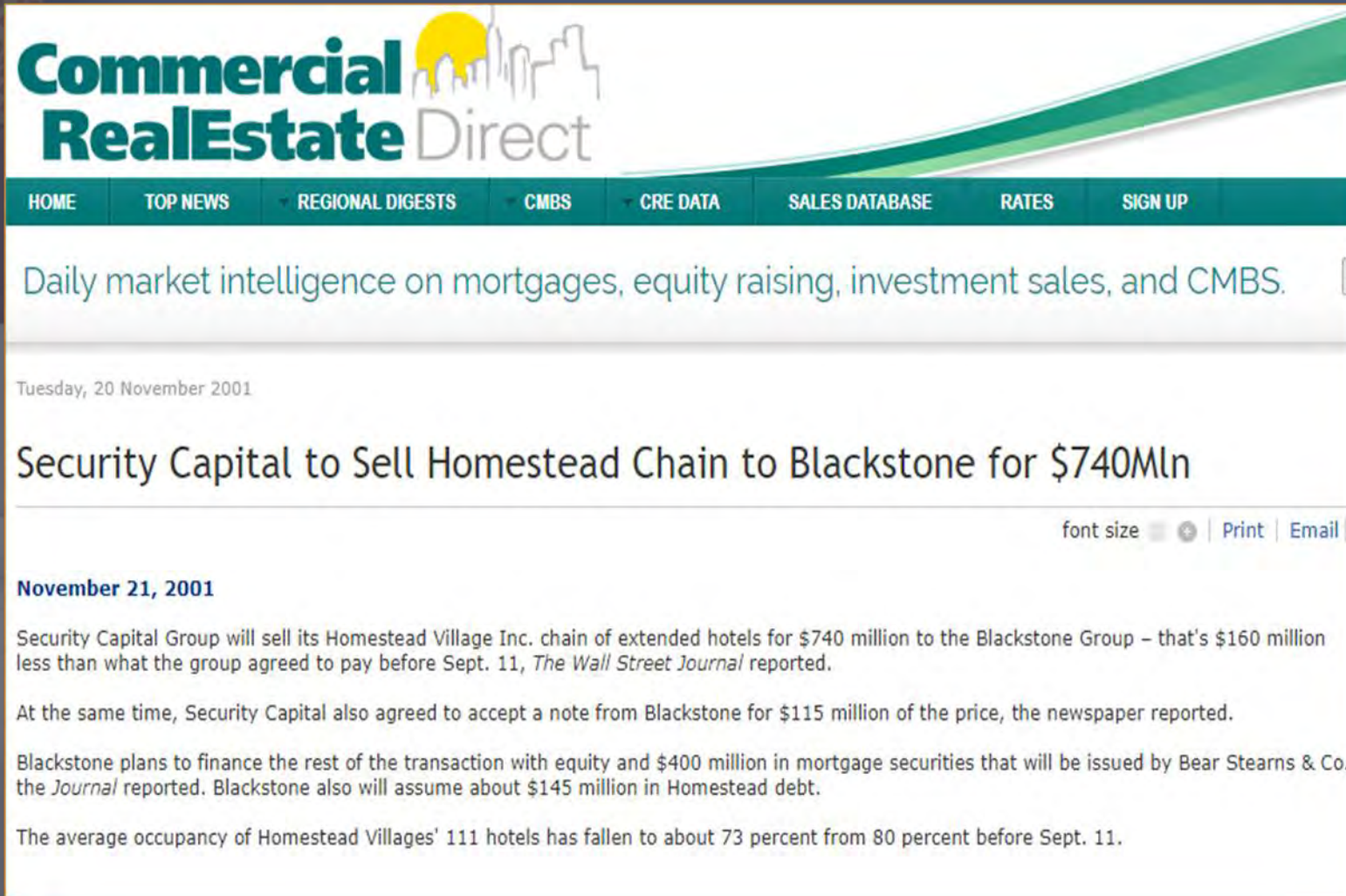


The screenshot shows the top portion of a web article. At the top right is the logo 'GlobeSt.com' and a 'My Account' link. Below this is a navigation menu with items: TECHNOLOGY, BEST PRACTICES, REAL ESTATE FORUM, EVENTS, NOMINATIONS, THOUGHT LEADERS, and MORE. The main title of the article is 'One Private Equity Firm's View on the Coronavirus'. Below the title is a sub-headline: 'While debt will grow cheaper with the crisis, NOI risks lurk.' The author is 'Les Shaver' and the date is 'March 06, 2020 at 07:23 AM'. The first paragraph of the article begins: 'After watching the equity markets lose more than 10% of value and seeing the general panic about the novel Coronavirus last week, Michael Episcopo and David Scherer, principals of Chicago-based Origin Investments, decided to send out a letter to their investors. The good'



U.S. Lodging Industry 2020

2001 Data Point



Commercial Real Estate Direct

HOME TOP NEWS REGIONAL DIGESTS CMBS CRE DATA SALES DATABASE RATES SIGN UP

Daily market intelligence on mortgages, equity raising, investment sales, and CMBS.

Tuesday, 20 November 2001

Security Capital to Sell Homestead Chain to Blackstone for \$740Mln

font size | Print | Email

November 21, 2001

Security Capital Group will sell its Homestead Village Inc. chain of extended hotels for \$740 million to the Blackstone Group – that's \$160 million less than what the group agreed to pay before Sept. 11, *The Wall Street Journal* reported.

At the same time, Security Capital also agreed to accept a note from Blackstone for \$115 million of the price, the newspaper reported.

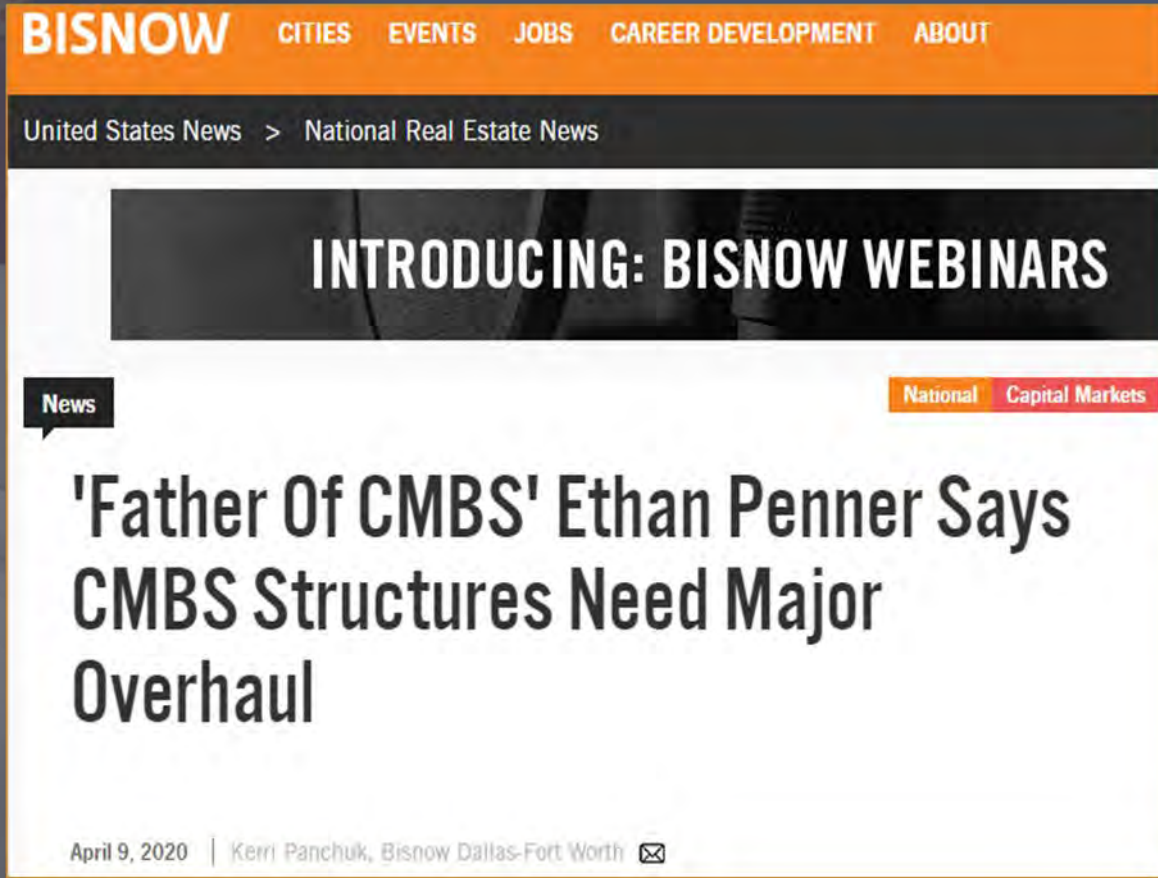
Blackstone plans to finance the rest of the transaction with equity and \$400 million in mortgage securities that will be issued by Bear Stearns & Co., the *Journal* reported. Blackstone also will assume about \$145 million in Homestead debt.

The average occupancy of Homestead Villages' 111 hotels has fallen to about 73 percent from 80 percent before Sept. 11.



U.S. Lodging Industry 2020

CMBS Structures Need Major Overhaul



The screenshot shows a Bisnow article page. At the top, there is a navigation bar with 'BISNOW' in large white letters on an orange background, followed by links for 'CITIES', 'EVENTS', 'JOBS', 'CAREER DEVELOPMENT', and 'ABOUT'. Below this is a breadcrumb trail: 'United States News > National Real Estate News'. A large black banner with white text reads 'INTRODUCING: BISNOW WEBINARS'. Underneath, there are two small red buttons: 'News' and 'National Capital Markets'. The main headline is in large, bold black font: ''Father Of CMBS' Ethan Penner Says CMBS Structures Need Major Overhaul'. At the bottom left, it says 'April 9, 2020 | Kerri Panchuk, Bisnow Dallas-Fort Worth' with an email icon.

"CMBS back in that early period was built to fill a void," Penner said. "There was a massive void. Real estate borrowers back in the early 1990s had no access to even first-mortgage capital."

Turning CMBS into a vehicle that can easily steer through market rises and disruptions was not in the cards in the '90s even though Penner believes it should be in the cards going forward.

"CMBS was born out of necessity, and I think there were shortcomings," Penner said.

"When you rapidly create something to fill a void and serve a need, it's not perfected. And, I think the CMBS model that was built in the early 1990s had certain imperfections built into it that are still limiting factors to making [CMBS] its best version and its full value proposition."

The biggest flaw in CMBS is borrowers have little ability to create short-term solutions to sudden liquidity freezes or market downturns like the **COVID-19** crisis, Penner said.

While traditional borrowers have lenders to call for modifications and work-out solutions to buy them valuable time, CMBS borrowers often find themselves in downturns without a sympathetic ear to listen.

"CMBS doesn't facilitate that, there is no lender to talk to," Penner said. "There is a master servicer, who as long as the loan is not in default, is your go-to relationship. But that's not really a relationship that is going to be fruitful for you if you're the owner."

U.S. Lodging Industry 2020

Where We Are Now

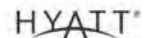
- Sponsors and managers:
 - In defense positioning and particularly company's with exposure to real estate.
 - Bolster liquidity, mitigate cash burn, and position hotels for a relatively low occupancy environment for the remainder of the year.
- Lodging debt markets are generally paused, particularly CMBS and Debt Funds which are halted due to illiquidity in the commercial mortgage bond market.
- Existing lenders are generally accommodating 60 to 90-day interest accruing forbearance agreements, however, expect increased early-stage transaction activity, including: short sales, loan sales, foreclosure sales, and discounted loan payoffs (DPO).
- Private markets flush with capital in offense and poised to take advantage of the dislocation.

U.S. Lodging Industry 2020

Where We Are Now

Hotel Brands Have Offered Significant Fee Relief to Franchised Hotels

Major global hotel brands have implemented a number of fee reductions and relaxed several brand standards and initiatives amidst the coronavirus outbreak.



	Marriott	Hilton	IHG	HYATT
Fee Relief	<ul style="list-style-type: none"> 50.0% credit for the fixed portion of the PSF for April and May, with payment deferred until 9/1/20 ~60.0 – 70.0% reductions in shared services costs, including RMAS and Field Marketing 	<ul style="list-style-type: none"> RMCC hotels – 50.0% fee reduction for 90 days for any hotel with occupancy < 50.0% over that time period Suspended RMCC hotels will receive a 75.0% fee reduction while out of operation Temporary suspension of guest assistance intervention fees 	<ul style="list-style-type: none"> Fee relief and fee deferral options from 3/1/20 – 5/31/20 (excluding Kimpton Hotel & Restaurants), including: <ul style="list-style-type: none"> Services contribution: 50.0% discount through 5/31 and deferrable for 90 days Technology fee: 25.0% discount through 5/31 10.0% discount on royalties (franchised) or base & imf fees (managed) 	<ul style="list-style-type: none"> Centralized Revenue Management Fee (applicable to all select-service properties participating in Hyatt's CRM services): 50% relief in April and May or \$775 per month
Cycle Renovations	<ul style="list-style-type: none"> Deferring all cycle renovations that are due in 2020 by one year 	<ul style="list-style-type: none"> Awaiting announcement 	<ul style="list-style-type: none"> Mid-cycle renovations are deferred until 1/21 	<ul style="list-style-type: none"> Deferring all cycle renovations that are due now through 6/30/21
FF&E	<ul style="list-style-type: none"> Waiving required funding of FF&E reserves for six months with ability to borrow FF&E for working capital needs, with lender consent as needed 	<ul style="list-style-type: none"> Does not have an FF&E reserve in franchise agreement 	<ul style="list-style-type: none"> Waiving FF&E and Capital reserve requirements through 12/31/20 	<ul style="list-style-type: none"> Deferring FF&E deposits for the remainder of 2020. Hotels may use the amounts on deposit in replacement funds to cover general operating expenses, which may be subject to lender approval
Brand Standards / Initiatives	<ul style="list-style-type: none"> Guest Satisfaction Surveys (GSS) will be suspended for Wave 1, 2020 (1/1 - 6/30) Deferred all brand and global initiatives with only mission-critical areas continuing, specific to necessary system maintenance and cyber security efforts Mobile Key deployment has been extended until 7/21 and the Associate Alert Device deadline for compliance has been extended to the end of '21, unless required by law or collective bargaining agreement 	<ul style="list-style-type: none"> SALT scores have been suspended Reassessing compliance dates for technology refreshes, as well as suspending all OnQ refreshes for at least 60 days Deferring the launch of several product initiatives as well as extending compliance dates until further notice Several brand standards have been temporarily relaxed including hotel shuttle service, dry cleaning and laundry service, newspaper service, removing non-essential amenities and in-room services 	<ul style="list-style-type: none"> LOVE scores remain in operation IHG will defer the publication of any new standards until 11/20 Relaxing brand standards in multiple areas, including F&B Operations, Training, Technology and Loyalty, with some compliance dates extended to later this year and others into 2021 	<ul style="list-style-type: none"> All brand initiatives with budgetary implications will be postponed for the remainder of 2020 Temporarily suspended HySat in-stay and post-stay global guest experience surveys, as well as meeting planner satisfaction surveys For hotels with temporarily suspended operations: post-stay surveys will restart upon resuming business operations For operating hotels – HySat surveys will restart on 5/31/20
Audits and PIPs	<ul style="list-style-type: none"> Brand Standard Audit (BSA) activities are paused until 6/30/20. This includes BSAs as well as audits for beverage and experiential; will continue to monitor food safety protocols 	<ul style="list-style-type: none"> For any items due in 2020 – there is a potential to extend by 12 months (owners should contact their PIP editor). All other items will be addressed on a case-by-case basis While QA remains incredibly important during this time, Hilton will adjust the frequency to accommodate the current business climate; QA penalties waived for 2020 	<ul style="list-style-type: none"> Any PIP milestone dates due between now and 12/31/20, will get a nine-month extension to that due date Suspending in-person quality evaluations. IHG is currently designing virtual touchpoints to support cleanliness and brand safety standards until 6/30/20, and there will not be any quality-related fees associated with this virtual approach 	<ul style="list-style-type: none"> Will suspend formal brand standard audit activities for 2020, and will suspend PIPs, as approved by Hyatt, through 12/31/20
Meetings and Trainings	<ul style="list-style-type: none"> Paused all mandatory, in-person, off-site training classes and will instead leverage Digital Learning Zone 	<ul style="list-style-type: none"> All in-person trainings will be put on hold until after June. In the meantime, Hilton is encouraging all Team Members who require training to do so via Hilton University online where appropriate 	<ul style="list-style-type: none"> IHG will suspend all in-person training and move to all-virtual training sessions. Cancellation fees will be waived for current registered courses, and the training credit standard for hotels will be reduced by 25% 	<ul style="list-style-type: none"> Suspended all in-person and off-site Hyatt meetings and training classes, and will instead leverage Hyatt connect and digital training tools to conduct all mandatory and recommended training

Daniel H. Lesser
President & CEO

April 23, 2020

Baird Equity Research
Real Estate



Real Estate: Hotel REITs

Hotel Check-In: A Real-Time Debt Modification Example

- Procaccianti Hotel REIT, a public, non-traded REIT, disclosed via Form 8-K modifications to two loans documents.** We believe the filing provides a real-time data point on how lenders and borrowers are working together to find amicable solutions in today's challenging operating environment. We expect lenders (banks) to provide near-term flexibility and covenant relief for borrowers; however, the big wildcard remains how CMBS servicers and bondholders will respond. We summarize modifications to the loans below ([link](#)).
- Loan 1 – Hotel Indigo Traverse City, MI (107 rooms):**
 - Lender = Citizens Bank
 - Interest-only payments due April 1, May 1, and June 1, have been deferred, will not accrue interest, and will be due and payable in full on or before June 30, 2021.
 - Regularly scheduled interest payments will recommence on July 1, 2020.
 - The minimum required debt service coverage ratio has been waived for the period from January 1, 2020, through June 30, 2021.
- Loan 2 – Hilton Garden Inn Providence, RI (137 rooms):**
 - Lender = East Boston Savings Bank
 - Interest-only payments for the next six months (beginning with the payment scheduled for April 2020) will be deferred for twelve months from the date that each payment was originally due.
 - All financial covenant tests will be waived until the year ending December 31, 2021.

U.S. Lodging Industry 2020

The Road Back

APRIL 14, 2020 / 8:57 AM / 2 DAYS AGO

 **REUTERS**

Marriott sees China bookings improving even as March room revenue plunges

InterContinental reopens nearly all hotels in China

 **FINANCIAL TIMES** April 27, 2020

Marriott CEO calls a bottom as occupancy trends show signs of improvement

 **MarketWatch**

Published: May 12, 2020 at 7:39 a.m. ET


Americans Still Optimistic About Travel in 2020

 **TRAVEL PULSE**

FEATURES & ADVICE | JANEEN CHRISTOFF | APRIL 15, 2020

Shanghai Disneyland Reopening Tickets Sell Out Fast

Bloomberg News
May 7, 2020, 10:21 PM EDT *Corrected May 15, 2020, 1:44 AM EDT*

 **Bloomberg**

Hilton Reopening All Chinese Mainland Hotels

MAY 18, 2020

 **TRAVEL PULSE**

Resort-town hotels bounce back in reopening states, providing industry with hope of a return


May 06, 2020

 **THE REAL DEAL**
NEW YORK REAL ESTATE NEWS

Towns in Florida and Texas saw occupancy rates rise in first "real weekend" of relaxed restrictions, according to STR

Dive into US weekly hotel data reveals 'green shoots'

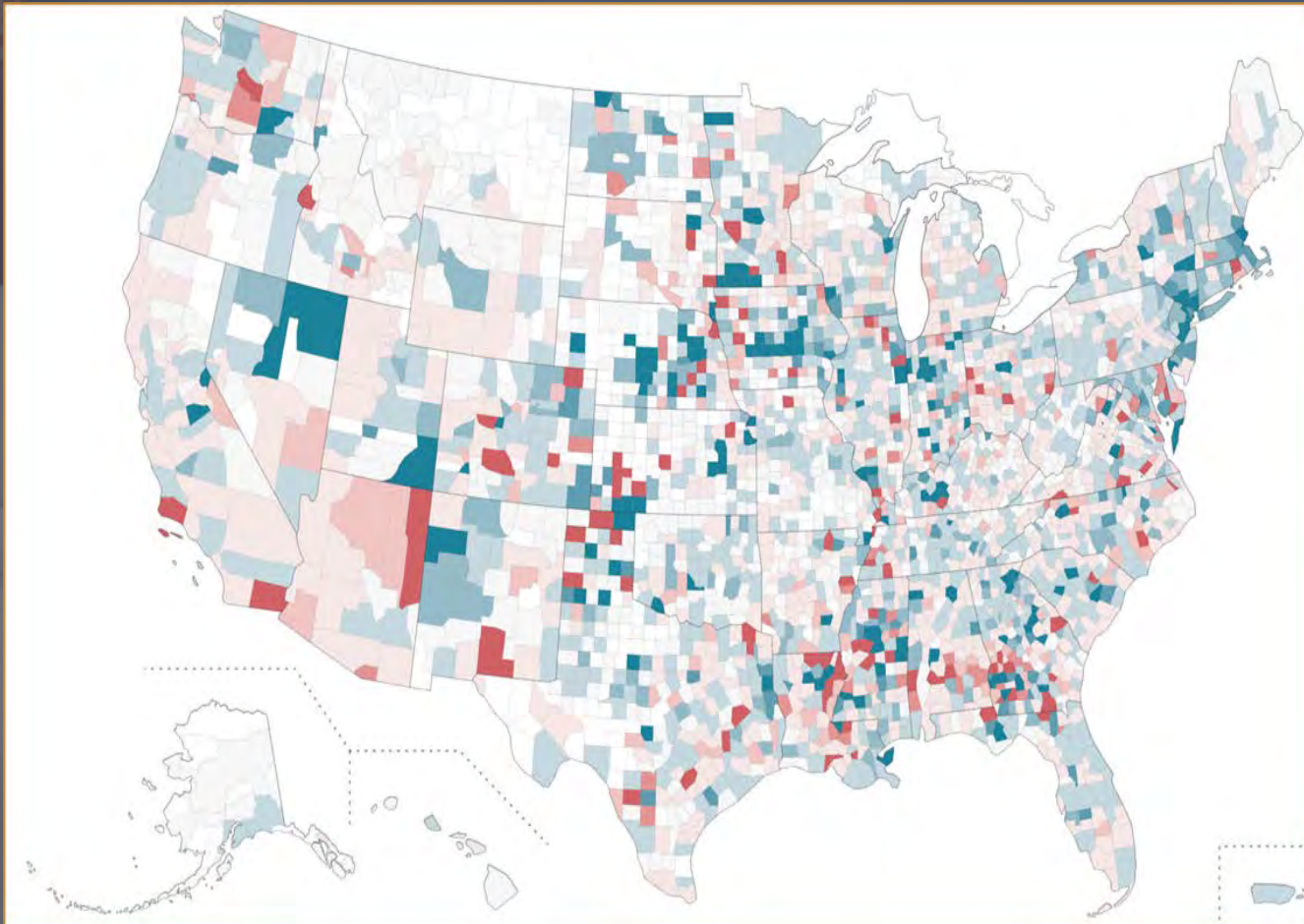
15 MAY 2020 7:44 AM

 **Hotel News Now**

STR's Jan Freitag offered insights into weekly performance data for U.S. hotels as national occupancy's slow and steady ascent continued.

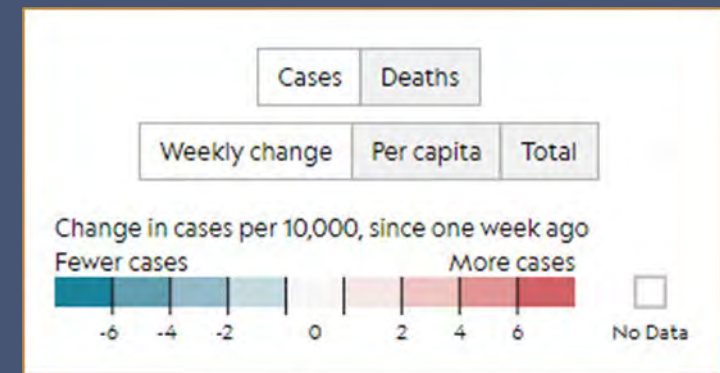
U.S. Lodging Industry 2020

It Ain't Over Till It's Over



Coronavirus in the U.S.: Where cases are growing and declining

UPDATED MAY 15, 2020, 12:13 P.M. E.T.



U.S. Lodging Industry 2020

In Many Ways We Have Seen This Movie Before

Host Hotels CEO: Group Business Travel Will Be Last to Recover But Remains Key to Industry

Skift.

May 08, 2020

Mnuchin Says International Travel May Have to Wait Until 2021

IMPACTING TRAVEL | LAURIE BARATTI | MAY 04, 2020



Daniel H. Lesser
President & CEO

U.S. Lodging Industry 2020

Challenges

Pandemic Shatters World Order, Sowing Anger and Mistrust

By [Nick Wadhams](#)
May 17, 2020, 7:00 AM EDT

Bloomberg

U.S. Economy Adds to Grim Records, Signaling Yearslong Recovery

Bloomberg
May 15, 2020

Delta to retire Boeing 777s as pandemic dims outlook for international travel

MAY 14 2020



Buffett says he dumped entire stake in airline-sector stocks: 'The world changed for airlines' amid coronavirus

Published: May 3, 2020 at 1:39 p.m. ET

By [Mark DeCampre](#)



'I was wrong about that business,' Warren Buffett says of decision to unload stocks in United, American, Delta and Southwest Airlines

Worst Property Debt Crash in Years Looms for Workout Specialists

By [John Gittelsohn](#)
May 5, 2020, 1:00 PM EDT

Bloomberg

'Airlines are way behind': Hilton CEO says hotels more likely to recover faster from coronavirus

[David Oliver](#) USA TODAY

Published 1:28 p.m. ET May 7, 2020 | Updated 10:24 a.m. ET May 8, 2020



Empty US hotels increase pressure on debt investors

Joe Rennison MAY 5 2020

FINANCIAL TIMES

COVID-19 puts \$11b of CMBS loan maturities at risk

07 APRIL 2020 8:58 AM



U.S. Lodging Industry 2020

More Challenges

Las Vegas workers push back after mayor's call to reopen casinos and hotels

"We're not test subjects. We're people. We are employees," said a bartender.



April 22, 2020

'We can't go back to the way things were before.' Pandemic job actions offer hope for renewed labor movement

Across the country, the unexpected front-line workers of the pandemic – grocery store workers among them – are taking action to protect themselves.

Nicholas Riccardi and Dee-Ann Durbin Associated Press

Published 3:58 p.m. ET Apr. 28, 2020 | Updated 5:06 p.m. ET Apr. 28, 2020



THE HILL

The \$2 trillion relief package makes unemployment pay more than work

BY STEPHEN MOORE AND PHIL KERPEN, OPINION CONTRIBUTORS — 03/31/20 07:00 PM EDT
THE VIEWS EXPRESSED BY CONTRIBUTORS ARE THEIR OWN AND NOT THE VIEW OF THE HILL

541 COMMENTS

L.A. County could keep stay-at-home orders in place well into summer, depending on conditions

MAY 12, 2020

Los Angeles Times

Reopening the US: States relax rules, but some could return to stay-at-home orders if coronavirus cases surge



U.S. Lodging Industry 2020

Inc. NOV 25, 2019

Scientists Found Something Absolutely Stomach-Turning in These Hotel Rooms

The discovery of large amounts of bacteria in a scientific sampling of hotel rooms raises concern about their safety.

Never Let a Crisis Go To Waste

Hidden cameras reveal how much (and how little) some hotel maids really clean

Rossen Reports: How well do hotel maids really clean?

NOV. 18, 2014 / 06:06



Bedbugs reported in some of NYC's swankiest hotels

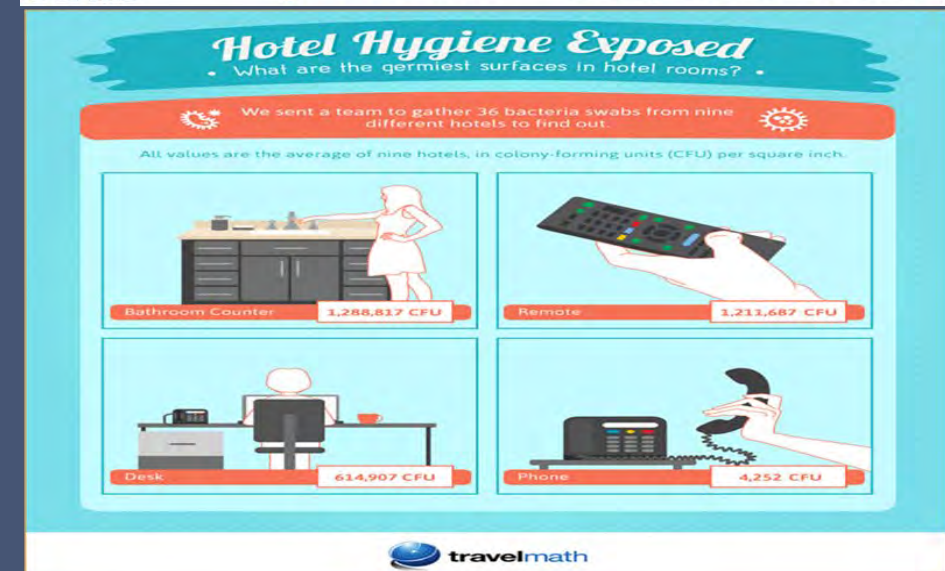
By LEONARD GREENE
NEW YORK DAILY NEWS | FEB 08, 2016 | 9:49 PM

DAILY NEWS

Eww! New Study Finds Expensive Hotels Have More Germs

yahoo!life

January 18, 2016, 7:00 AM EST



11 Totally Gross Facts About Hotel Rooms You Probably Didn't Know, Because They Are Dirtier Than You Think

By CAROLYN STEBER | Feb. 8, 2017 | **f**

Daniel H. Lesser
President & CEO

U.S. Lodging Industry 2020

New Normal

U.S. Travel Industry Releases Guidance for “Travel in the New Normal”



Task force of physicians and travel leaders authored health-focused travel guidance across all segments of travel

PRESS RELEASE | May 04, 2020

The word "TRAVEL" is rendered in large, white, 3D block letters. Each letter is filled with a different scenic image: 'T' shows a road winding through green hills; 'R' shows a road with a guardrail; 'A' shows a road with a guardrail; 'V' shows a road with a guardrail; 'E' shows a road with a guardrail; 'L' shows a road with a guardrail.

in the **New** *Normal*

Industry Guidance for Promoting the Health and Safety of All Travelers

Developed based on Centers for Disease Control and Prevention (CDC) and White House guidelines:
“Opening Up America Again” and in consultation with public health experts

U.S. Lodging Industry 2020

AHLA



**ENHANCED INDUSTRY-WIDE
HOTEL CLEANING STANDARDS**
in response to COVID-19.



“

The industry's enhanced hotel cleaning practices, social interactions, and workplace protocols will continue to evolve to meet new health and safety challenges.

- **Chip Rogers, AHLA President and CEO**



#TAKEMEBACK
AN AHLA CAMPAIGN



**Safe Stay Advisory Council Is Comprised of Industry Leaders
Representing All Segments of the Hotel Industry**

ADVISORY COUNCIL

Accor	Loews Hotels & Co.
AAHOA	Marriott International
Aimbridge Hospitality	My Place Hotels
Best Western Hotels & Resorts	Noble Investment Group
Choice Hotels International	Omni Hotels & Resorts
Davidson Hotels & Resorts	Pebblebrook Hotel Trust
G6 Hospitality LLC	Radisson Hotel Group
Hersha Hospitality Trust	Red Lion Hotels Corporation
Hilton	Red Roof
Host Hotels	Remington Hotels
Hyatt Hotels Corporation	Vision Hospitality Group
InterContinental Hotels Group (IHG)	Wyndham Hotels & Resorts

U.S. Lodging Industry 2020

Cleanliness Assurances

STAYconfident
A whole new standard in hotel stays.

We are besting our partnership with P&G Professionals to make sure you get the best protection for your stay.

STAY safe
Extended Stay America is committed to your safety. That's why we've:

- Enhanced our cleaning protocols with EPA-approved disinfecting solutions.
- Implemented contactless check-in and check-out.
- Introduced our new StayShield™ disinfectant spray.

STAY healthy
Extended Stay America is committed to your health. That's why we've:

- Enhanced our cleaning protocols with EPA-approved disinfecting solutions.
- Implemented contactless check-in and check-out.
- Introduced our new StayShield™ disinfectant spray.

STAY comfortable
Extended Stay America is committed to your comfort. That's why we've:

- Enhanced our cleaning protocols with EPA-approved disinfecting solutions.
- Implemented contactless check-in and check-out.
- Introduced our new StayShield™ disinfectant spray.

Hilton
CleanStay
with *Lysol* protection

Marriott
INTERNATIONAL
COMMITMENT TO CLEAN

GBAC
GLOBAL BIORISK ADVISORY COUNCIL
A Division of IFA

APPROVED
APPROVED
APPROVED

HYATT

#ALLSAFE

BUREAU VERITAS
1828

SITE CHECKED BY
BUREAU VERITAS CERTIFICATION ON
ACCOR ALL SAFE REFERENTIAL FOR THE 2020 PERIOD

7,274 views | May 13, 2020, 03:20pm EDT

**Four Seasons Announces
Collaboration With Johns
Hopkins For New Global
Safety Program**

Forbes

Red Roof RadiClean

HIGH TOUCH, DEEP CLEAN AREAS

- ENTRANCE: DOOR HANDLES, ENTRY LOCK, SECURITY LATCH, LIGHT SWITCHES, CURTAIN ROD PULL
- SWITCHES & CONTROLS: LAMP SWITCHES, LIGHT SWITCHES, THERMOSTAT CONTROLS
- FURNITURE: DESK, DRESSER, NIGHTSTAND, CHAIRS
- ELECTRONICS: KEYPAD, HANDSET, TV REMOTE
- BATHROOM: TUB/FACET, SINK/Faucet, TOWEL HANDLE AND SEAT, DOOR HANDLE
- BATH AMENITIES: TISSUE, HAIR DRYER, SINGLE SERVICE AMENITIES
- GUEST ROOM & BATHROOM FLOORING
- BEEDING/TERRY: BAG ALL LINENS, COVERLET, BLANKET, TERRY
- GUEST ROOM AMENITIES: SAFE HANDLE & KEYPAD, IRON, ICE BUCKET, COFFEE MAKER, REFRIGERATOR HANDLE, MICROWAVE HANDLE

COUNT ON USSM
to put safety first with:

- More frequent cleaning of high-touch areas
- Use of EPA-approved disinfectants
- Sanitizing wipes with your key card at check-in
- Complimentary travel-size hand sanitizer for each room
- Enhanced social distancing measures in public spaces

WYNDHAM
HOTELS & RESORTS

CLEAN
IHG
PROMISE

Best Western
We Care Clean.

CHOICE
COMMITMENT TO CLEAN

U.S. Lodging Industry 2020 **Travel Paradigm Shifts**

04-27-20 | THE REBUILDERS

Flying after COVID-19 will never be the same. Here's what airplane seats could look like

The bad news: You still won't have any personal space.

FAST COMPANY



REUTERS

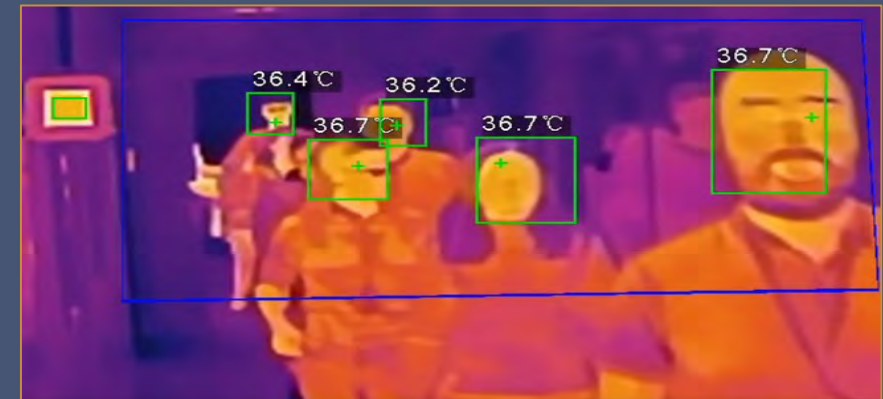
U.S. APRIL 27, 2020 / 9:24 PM / UPDATED 2 HOURS AGO

JetBlue mandates face coverings for customers during travel

Delta will add flights to keep planes no more than 60% full as demand rises: sources

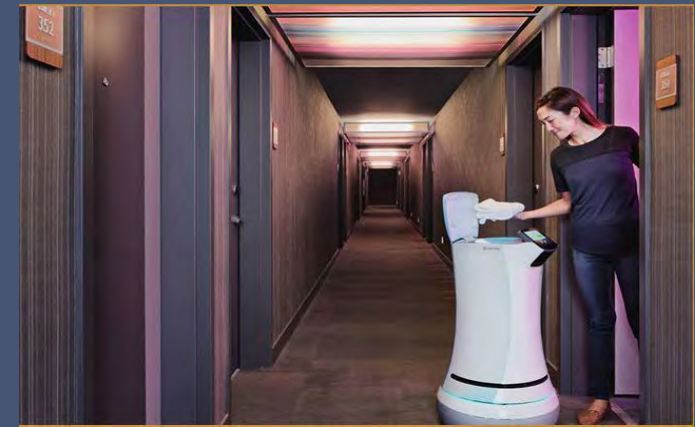
FOX BUSINESS
May 19, 2020

CEO Ed Bastian believes consumers' perceptions of safety will be instrumental in reviving more routine travel



U.S. Lodging Industry 2020

Hotel Paradigm Shifts



So long, minibar: How the coronavirus will change hotel stays



A hotel that doesn't include a breakfast buffet and minibars would have been inconceivable to many Americans three months ago. But coronavirus has changed all that.

April 21, 2020, 5:28 PM EDT
By Mary Pflum

U.S. Lodging Industry 2020

BUSINESS + REAL ESTATE
The Dallas Morning News
Commercial property buyers are watching for deals following the pandemic
By Steve Broym
5:03 PM on Apr 27, 2020
Investors say they'll be ready for opportunities created by the economic shakeout.

Abundant Availability of Capital

Starwood's Barry Sternlicht Poised to Invest in Struggling Hotels When Time Is Right
Cameron Sperance. Skift - May 07, 2020 10:30 am
Skift

Ultra-Rich Families With Cash on Hand Pile Into Private Debt
By Benjamin Stupples
May 4, 2020, 3:00 AM EDT Updated on May 4, 2020, 8:41 AM EDT
Bloomberg
► Family offices boost holdings as pandemic drives yields higher
► They can provide extra flexibility and faster access to cash
LIVE ON BLOOMBERG
Watch Live TV >
Listen to Live Radio >

Real estate mogul Barbara Corcoran on navigating real estate uncertainty: 'For somebody like me, it's the perfect time to buy.'
Business Insider May 6, 2020, 9:32 AM

"We had to turn investors away:" Distressed RE funds raising cash at breakneck pace
One debt fund raised \$1.3B in two weeks
April 21, 2020
THE REAL DEAL
NEW YORK REAL ESTATE NEWS

Blackstone Sees Prospect of Buying Opportunities in Crisis
Bloomberg April 23, 2020

Thayer Ventures Closes \$80 Million Fund to Back Travel Startups
Sean O'Neill. Skift - May 12, 2020 8:00 am
Skift

THE WALL STREET JOURNAL.
English Edition | May 15, 2020 | Print Edition | Video
Apollo Plans to Raise \$20 Billion, Shift to Distressed Strategies
Private-equity firm moves to distressed and credit investing from traditional private equity as coronavirus pandemic opens up opportunities

U.S. Lodging Industry 2020

The Future

- World being challenged with geopolitical stresses on top of worst economic shock in a century.
- Hotels that were already over levered or had stressed cash flows prior to the pandemic cannot be resurrected via an interest payment forbearance.
- Capital stacks will be restructured and rationalized to create controlling classes and owners of strong assets who have liquidity will seize opportunities to de-lever on favorable terms and reinvest in hotel properties.
- Well located assets and high-quality borrowers will benefit from initial capital allocations.
- Significant growth for soft hotel brands will come from conversions of independent boutique hotels and the sector will consolidate.
- Brand proliferation will be placed on pause....hopefully for a long time.

U.S. Lodging Industry 2020

The Future

- Supply growth will lag reflecting permanent hotel closures in certain cities and fewer (if any) construction starts for several years.
- The "return" of air travel and hotel stays will be in two waves, not one: occupancy then rate.
- Recovery will be asymmetrical trajectories that will be hotel and market-specific.
- Leisure and VFR travel will rebound with strength.
- Some business travel will rebound as other corporate and group meeting/convention travel may not return for a long time, or even forever.
- Suburban markets will see a wave of interest as companies decentralize.
- Convention center and large group meeting hotels will be challenged for several years.

U.S. Lodging Industry 2020

The Future

- Managers will evaluate operations to implement opportunistic changes such as automation.
- Low inflation period will endure keeping cost of goods and services low.
- Energy glut = low utility costs.
- Property tax appeals.
- Ramp up of renovations.
- Near term PIP's less onerous, particularly elements that do not provide ROI for owners.
- Acceleration of incurable functional obsolescence will result in many hotels never reopening
- CMBS model will be challenged to survive in current form.

U.S. Lodging Industry 2020

Near Term

Move Over Revenue Models: Hotel Recoveries Will Also Need to Factor In Psychology, Sociology

Cameron Sperance, Skift - May 15, 2020 3:00 pm

Skift

The Pandemic Sprawl: Suburban Flex Offices See Wave Of Interest As Companies Decentralize

May 15, 2020 **BISNOW**



Hotel Buckminster's closure starkest sign of coronavirus' effect on Boston-area hotels

The inn's shuttering underscores just how much the pandemic has dimmed the once burning-bright prospects of the region's hospitality industry

By Tom Actelli | @tomacllell | Apr 7, 2020, 6:08am EDT

Vornado might never reopen century-old Hotel Pennsylvania, CEO says

Pandemic seen as chance to pursue long-sought development

May 06, 2020

THE REAL DEAL
NEW YORK REAL ESTATE NEWS



U.S. Lodging Industry 2020

Near Term

Coronavirus and Hospitality

41 Percent of Americans Say First Trip Will Be by Car Within 100 Miles: Skift Research Travel Tracker

Haixia Wang, Skift Research - May 01, 2020 8:00 am

Skift

Restaurant, travel, retail industries call for liability shield for businesses

THE HILL

05/11/20

Thousands Are Headed to Alaska's Fishing Towns. So Is the Virus.

As the famed Copper River salmon season begins, isolated fishing towns are bracing for an influx of workers and their first brush with the coronavirus.

May 14, 2020

The New York Times

Over 100 Million in China's Northeast Face Renewed Lockdown

Bloomberg News

May 18, 2020, 2:58 AM EDT Updated on May 18, 2020, 5:42 AM EDT

- ▶ Conditions return to height of China's epidemic in February
- ▶ Frustration as restrictions tighten again after earlier easing

Bloomberg

Tech Could Be Used to Track Employees—in the Name of Health

Makers of product-tracking beacons suggest using the tools to help enforce social distancing in the workplace.

05.17.2020

WIRED

Estimote launches wearables for workplace-level contact tracing for COVID-19

TC TechCrunch

April 2, 2020

Tax Attorneys Expect A Wave Of Coronavirus Tax Appeals

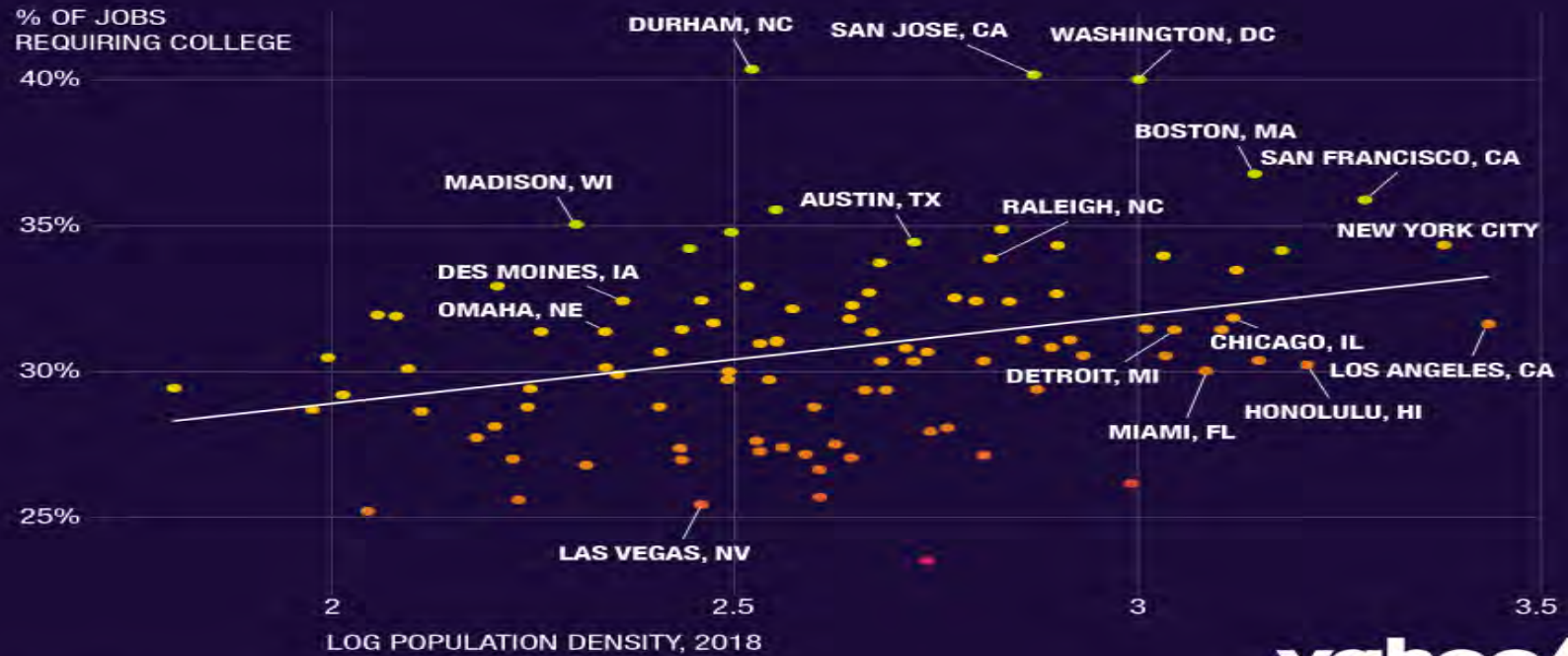
BISNOW

May 5, 2020 | Jonathan Berr, Bisnow Philadelphia and New Jersey

U.S. Lodging Industry 2020

U.S. METROS IN BEST AND WORST POSITIONS FOR PANDEMIC RECOVERY

Cities best prepared to bounce back from a coronavirus-induced recession have low population densities and high levels of educational attainment (top left) — as opposed to dense metro areas and low educational attainment (bottom right).



SOURCE: MOODY'S ANALYTICS

yahoo!
finance

U.S. Lodging Industry 2020

Airbnb

Airbnb to Roll Out Sanitization Plan for Hosts That Would Include 72-Hour Wait Between Stays

Dennis Schaal, Skift - Apr 27, 2020 7:30 am

Skift

Airbnb's Woe Now Includes IBM's Patent Infringement Suit

Mar 13, 2020,

Forbes

THE WALL STREET JOURNAL.

English Edition | May 15, 2020 | Print Edition | Video

'A Bargain With the Devil' – Bill Comes Due for Overextended Airbnb Hosts

Entrepreneurs built mini-empires of short-term rental properties, borrowing against revenue that's now vanishing under coronavirus lockdowns

Hotels vs. Airbnb: Has Covid-19 Disrupted the Disrupter?

For years, home sharing has put pressure on hotel rates and occupancy levels. Social distancing, hygiene and refund policies may be the new game changers.

The New York Times May 14, 2020,

Airbnb's latest \$1B raise may dash IPO plans

The company, which planned to go public in 2020, has seen its valuation drop to a reported \$18B

THE REAL DEAL
NEW YORK REAL ESTATE NEWS

April 16, 2020

Is it safe to rent an Airbnb or vacation home right now?

May 14, 2020,

TODAY

U.S. Lodging Industry 2020 **Outlook (Glass Half Empty)**

Buffett says he dumped entire stake in airline-sector stocks: 'The world changed for airlines' amid coronavirus

Published: May 3, 2020 at 1:39 p.m. ET

By Mark DeCambre

MarketWatch

'I was wrong about that business,' Warren Buffett says of decision to unload stocks in United, American, Delta and Southwest Airlines

Wealthy Investors Get the Private Memo: A Stock Market Crash is Coming

BlackRock CEO isn't buying a stock market recovery, warning of a cascade of bankruptcies, wrecked airlines, and cautious consumers.

Published: May 7, 2020 8:58 AM UTC

CCN

Billionaire Sam Zell Sees Economy Permanently Scarred by Pandemic

By Erik Schatzker

May 5, 2020, 8:00 AM EDT

- ▶ Investor likens impact on U.S. society to the Great Depression
- ▶ Social distancing, working from home likely to persist a while

Bloomberg

Project Syndicate

Opinion: The coming Greater Depression of the 2020s

Published: April 28, 2020 at 9:45 a.m. ET

By Nouriel Roubini

MarketWatch

10 trends that will make this a decade of despair for the global economy

U.S. Lodging Industry 2020 **Outlook (Glass Half Full)**

Moderna Coronavirus Vaccine Trial Shows Promising Early Results

The company said its preliminary test in 8 healthy volunteers was safe. It is on an accelerated timetable to begin a larger human trial soon.

The New York Times

May 18, 2020

Fed's Powell says an economic recovery could take until the end of 2021 — but doesn't see a full-blown depression taking hold

MARKETSINSIDER

May 18, 2020

'A Lot To Be Hopeful For': Crisis Seen As Historic, Not Another Great Depression

May 17, 2020 - 8:00 AM ET



U.S. Lodging Industry 2020

Inspiration

Grit and red wine: Famous war photographer beats virus at 97



by: The Associated Press

Posted: May 9, 2020 / 12:04 PM CDT / Updated: May 9, 2020 / 12:04 PM CDT

NEW YORK (AP) – Tony Vaccaro’s mother died in childbirth, and at a tender age he also lost his father to tuberculosis. By age 5, he was an orphan in Italy, enduring beatings from an uncle. As an American GI during World War II, he survived the Battle of Normandy.

Now, a celebrated wartime and celebrity photographer at age 97, he is getting over a bout with COVID-19. He attributes his longevity to “blind luck, red wine” and determination.

“To me, the greatest thing that you can do is challenge the world,” Vaccaro said. “And most of these challenges I win. That’s what keeps me going.”

U.S. Lodging Industry 2020

More Inspiration

The 107-year-old who survived 1918 Spanish flu pandemic and COVID-19

NEWISH News

Marilee Shapiro Asher contracted the Spanish flu aged six in 1918 and COVID-19 in April. The acclaimed artist is one of only a handful of people to overcome both deadly pandemics.

By BEN HARRIS (JTA)

May 8, 2020, 4:09 pm | 2



After Marilee Shapiro Asher was admitted to the hospital in mid-April sick with COVID-19, her daughter got a call from the doctor telling her she ought to get down there right away. Her mother likely had only 12 hours to live.

“Well, he doesn’t know my mother, does he?” Joan Shapiro said.

U.S. Lodging Industry 2020



*In all things it is better to hope than to
despair*

JOHANN WOLFGANG VON GOETHE

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COVID – 19: Shocking Unprecedented Downturn

Peak -> Free Fall -> Bottom -> Stay Alive Until 2025



May 20, 2020

Daniel H. Lesser

President & CEO

(212) 300-6684 x101

daniel.lesser@lwhadvisors.com

www.lwhospitalityadvisors.com

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