

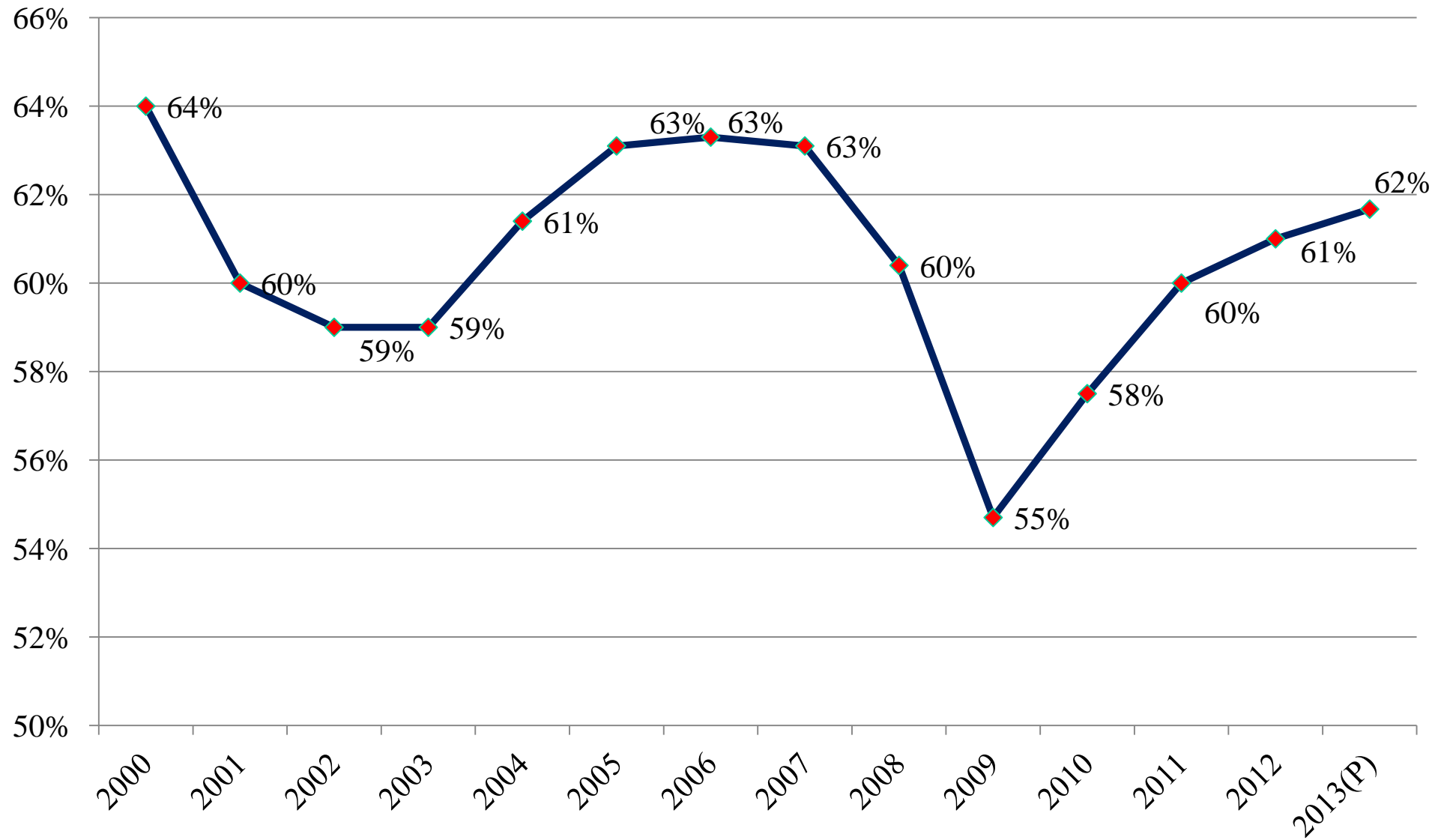


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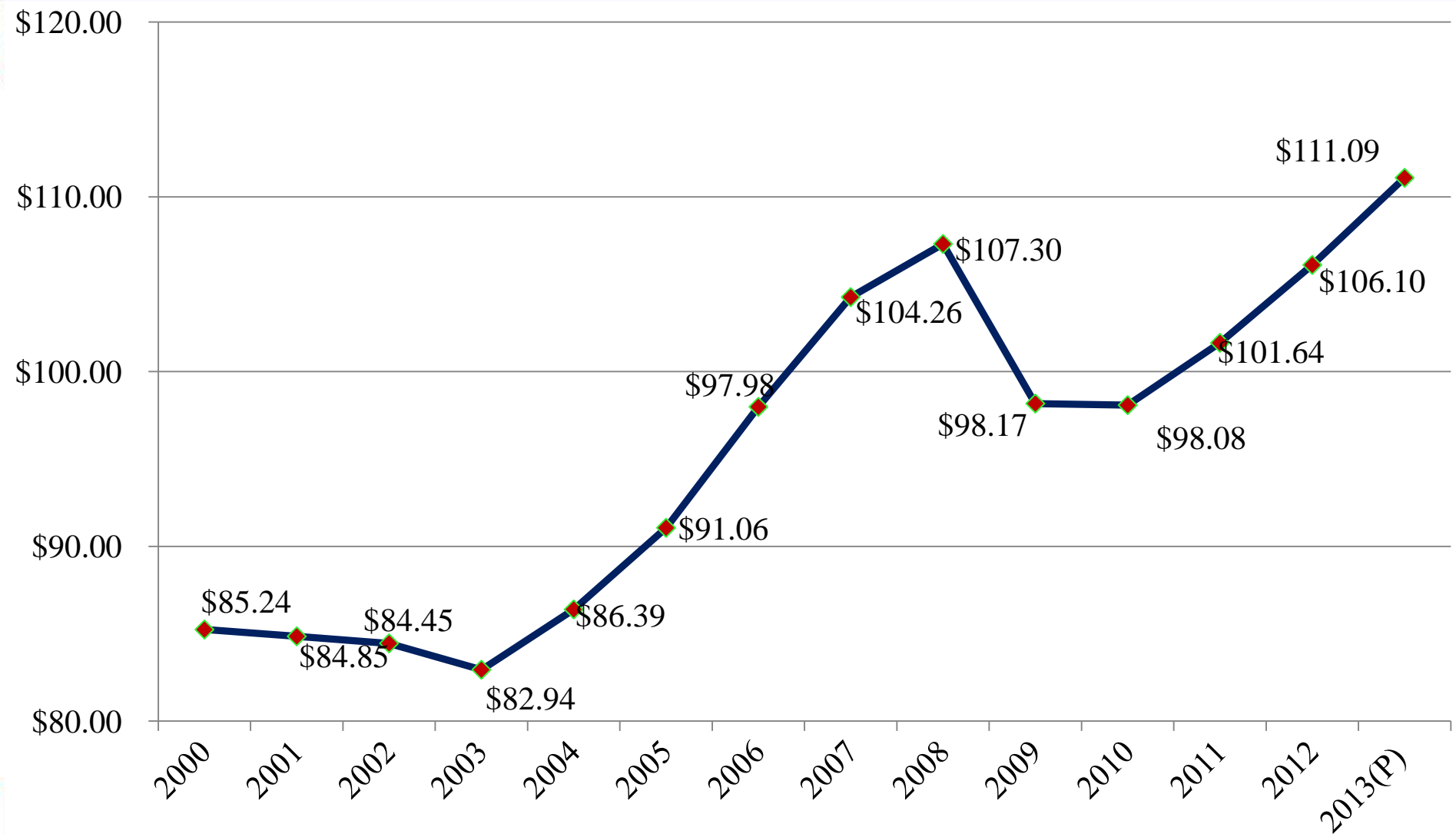
# MAINE OUTLOOK 2014

Matthew R Arrants, ISHC  
[marrants@pinnacle-advisory.com](mailto:marrants@pinnacle-advisory.com)

# U.S. Occupancy 2000 – 2013(P)



# U.S. Average Daily Rate (ADR) 2000 – 2013(P)

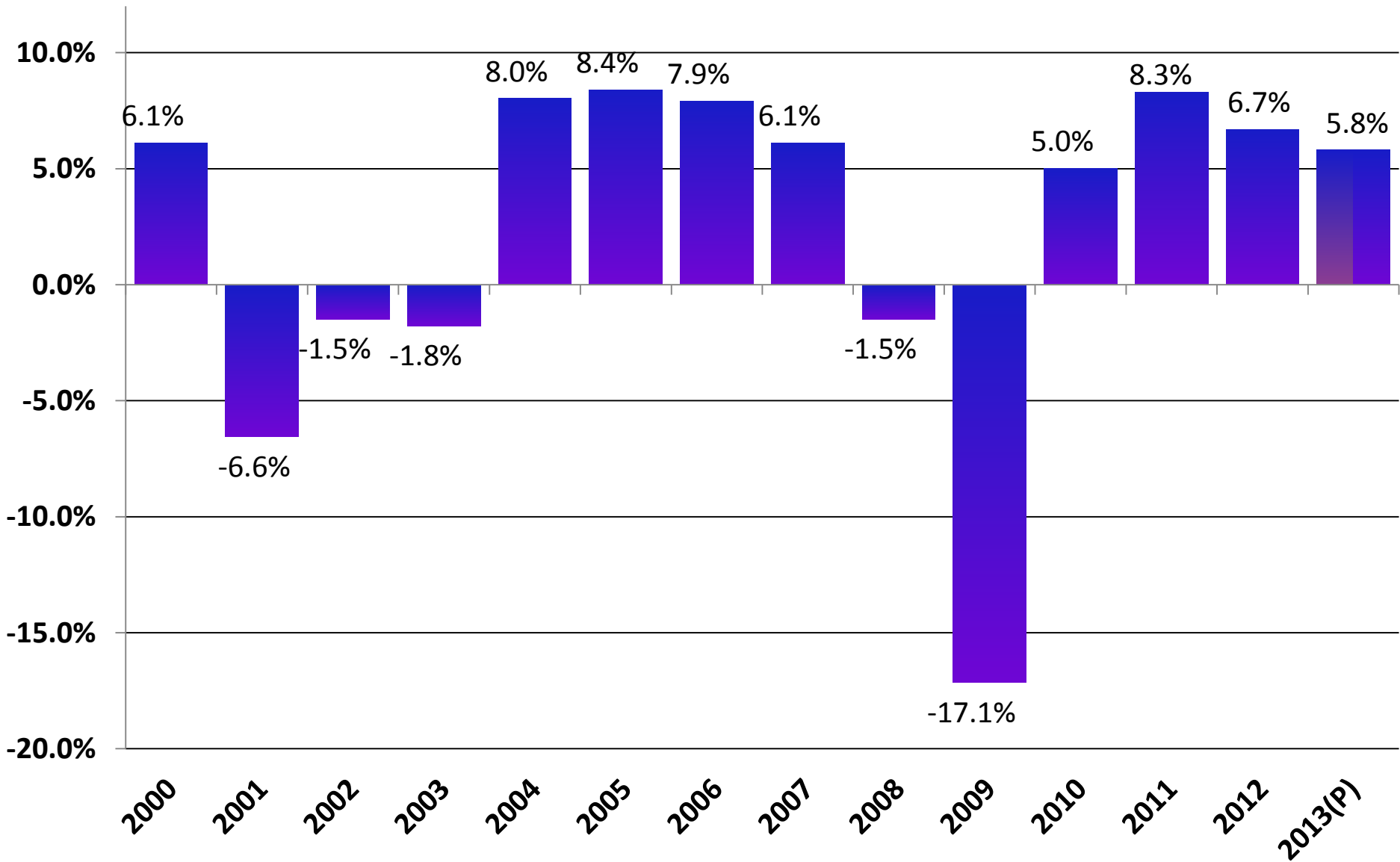


# U.S. Revenues Per Available Room (RevPAR) 2000 – 2013(P)



Source: Smith Travel Research

# U.S. RevPAR Percent Change 2000 – 2013(P)





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# Leisure Travel Outlook

- Amex (National Survey): 63% of respondents plan the same or more trips in 2014 than 2013
- Davidson Peterson Associates (Maine Winter Visitors): 78% of respondents plan the same or more trips in 2014 than 2013, versus 75 percent last year.
- Increased Focus on Wellness Travel
- “It’s the Economy Stupid”



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# Corporate Travel Outlook

- It's the economy...sort of
  - Uncertainty inhibits corporate travel
- Carlton Wagonlit – Expect rates in N.A. to be up 1 to 5 percent.
- Amex – Expect rates in N.A. to be up 3 to 6 percent
- Moderate economic growth expected both nationally and at the state level.



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# Group Travel Outlook

- TravelClick: Through October 2014 the number of committed group rooms is up 8.4 percent and average rate on those rooms is up 3.5 percent versus prior year
- Strategic Hotels – 2014 Group rooms up 9 percent and average rate on those rooms is up 4%
- Growth is expected in all group segments (corporate meeting, incentive, association, SMERF etc.)





# Projected Supply and Demand Growth 2014

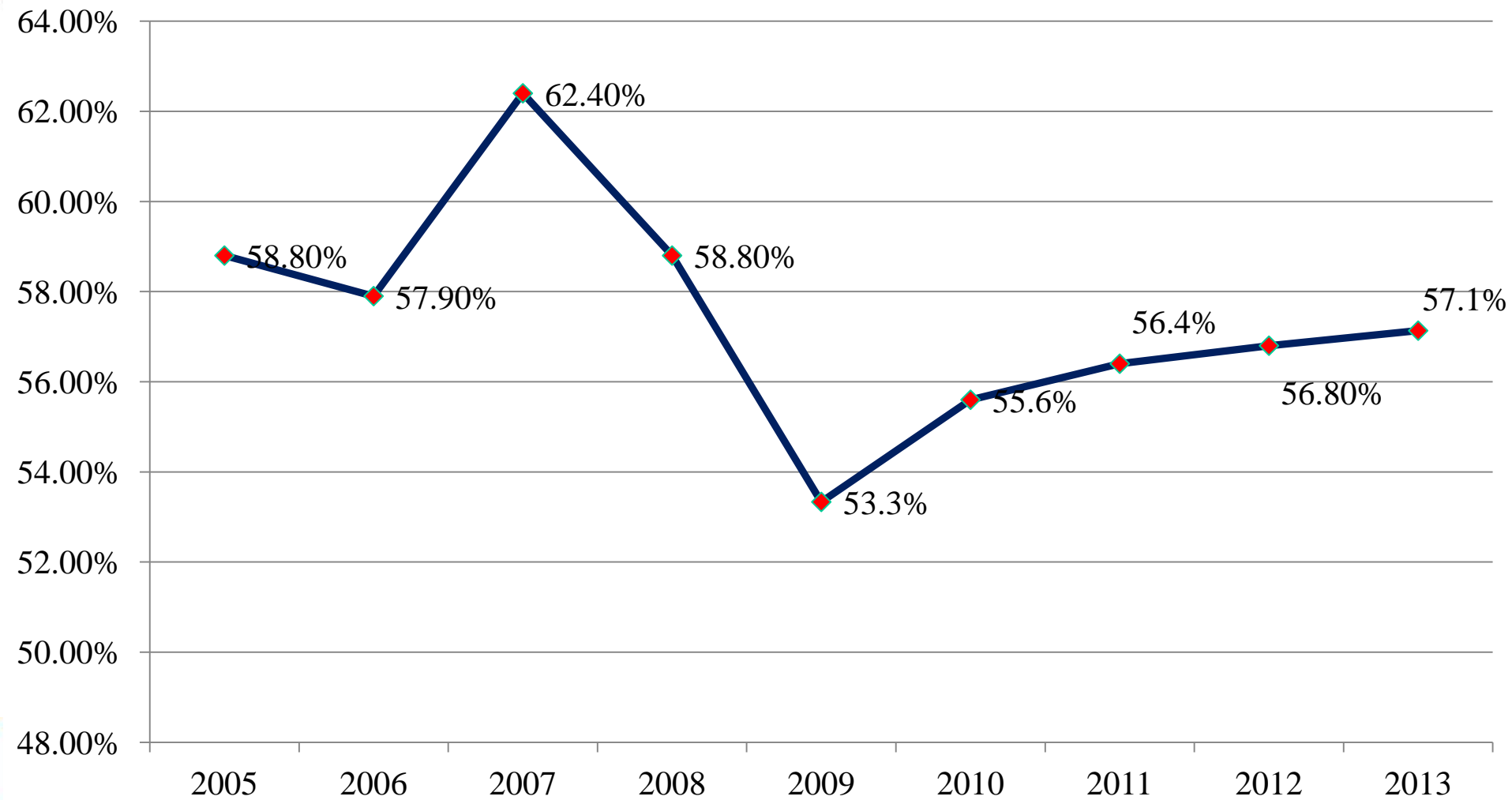
<b>Company</b>	<b>Supply</b>	<b>Demand</b>
STR	1.1%	2.4%
PKF	1.1%	3.1%
PWC	1.0%	2.1%



# Projected Change in Occupancy, ADR and RevPAR - 2014

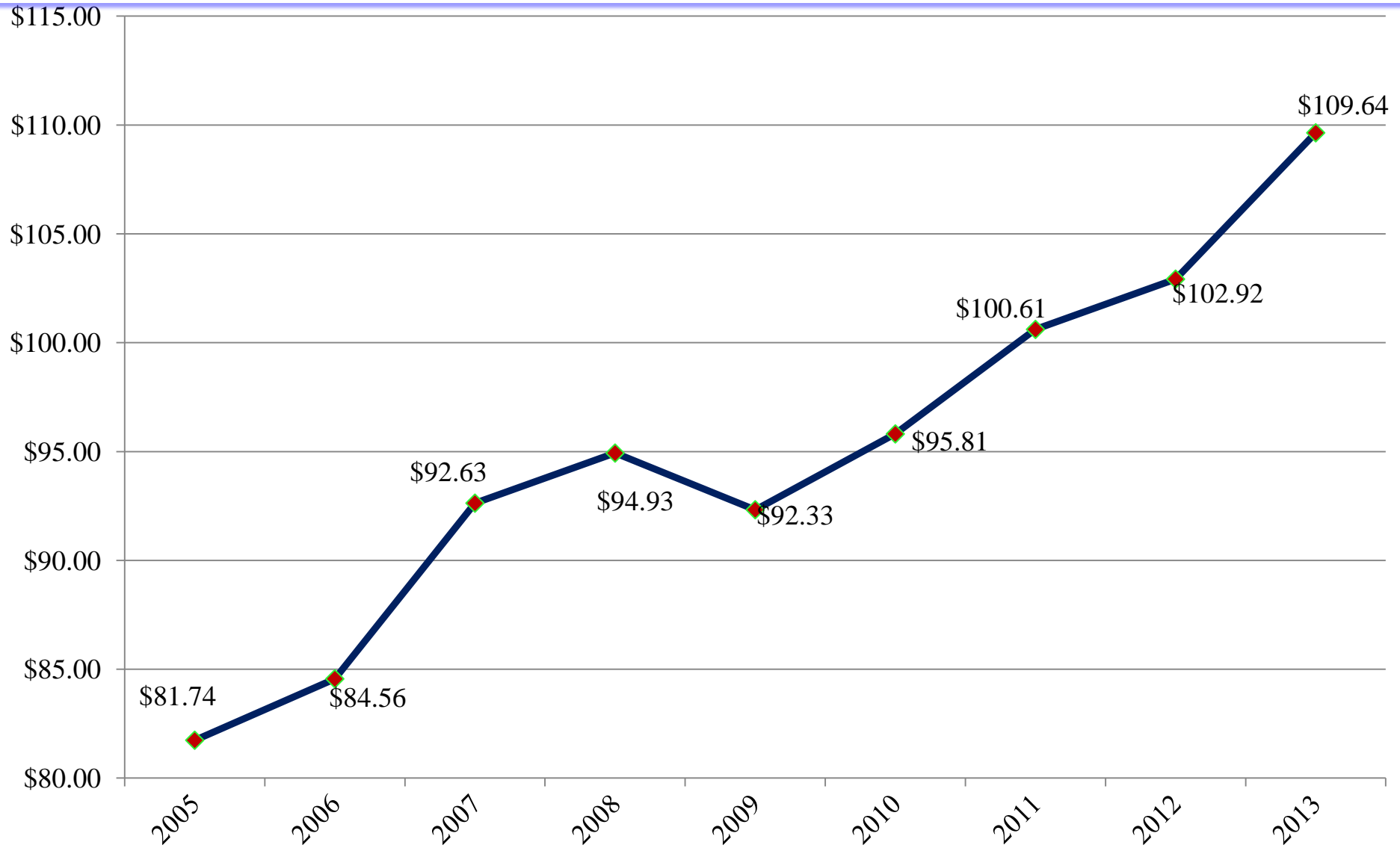
<b>Company</b>	<b>Occupancy</b>	<b>ADR</b>	<b>RevPAR</b>
STR	1.3%	4.6%	6.0%
PKF	1.9%	5.2%	7.2%
PWC	1.2%	4.7%	5.9%

# Maine Occupancy 2005 – 2013(P)



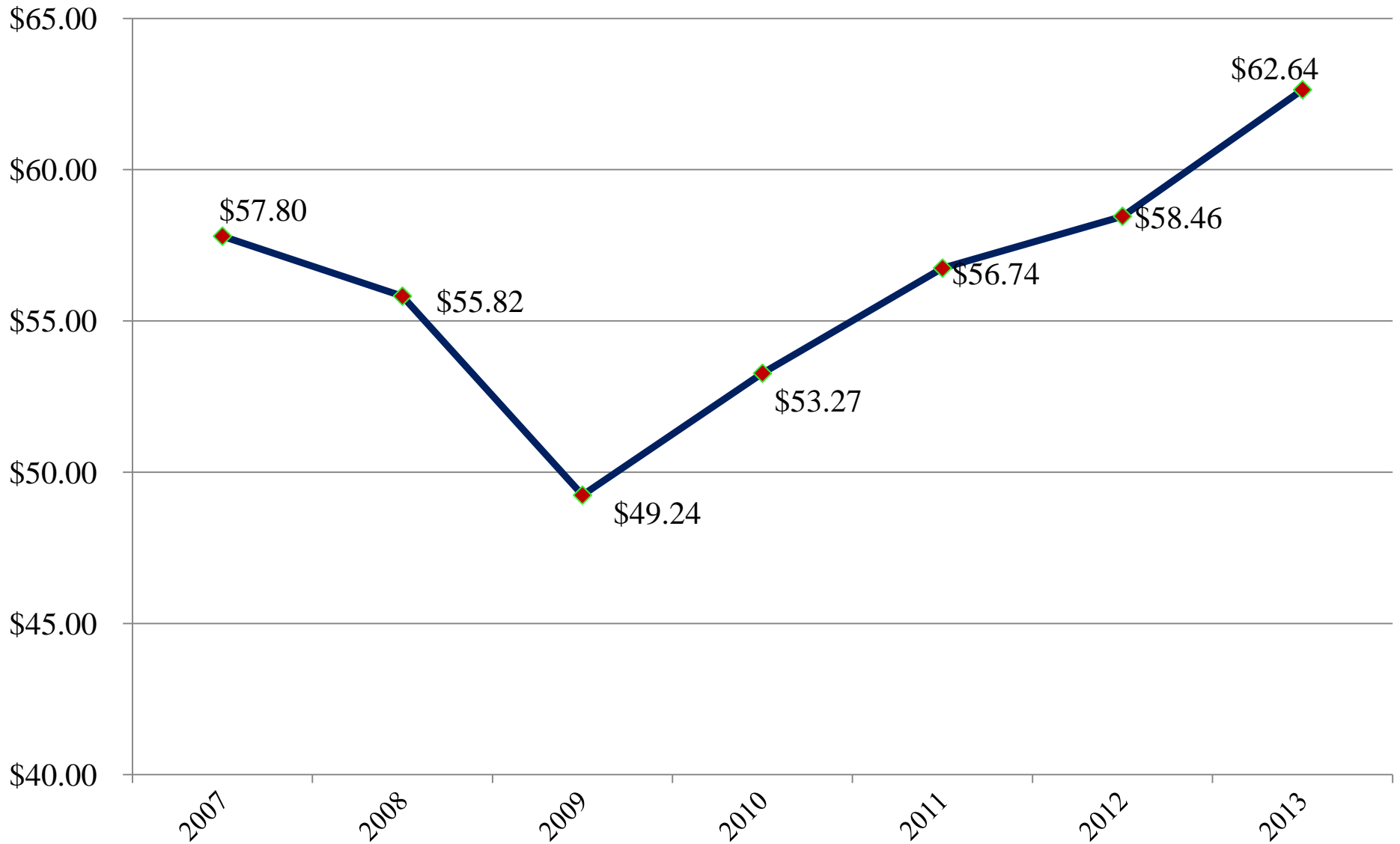
Source: Smith Travel Research

# Maine Average Daily Rate (ADR) 2005 – 2013(P)



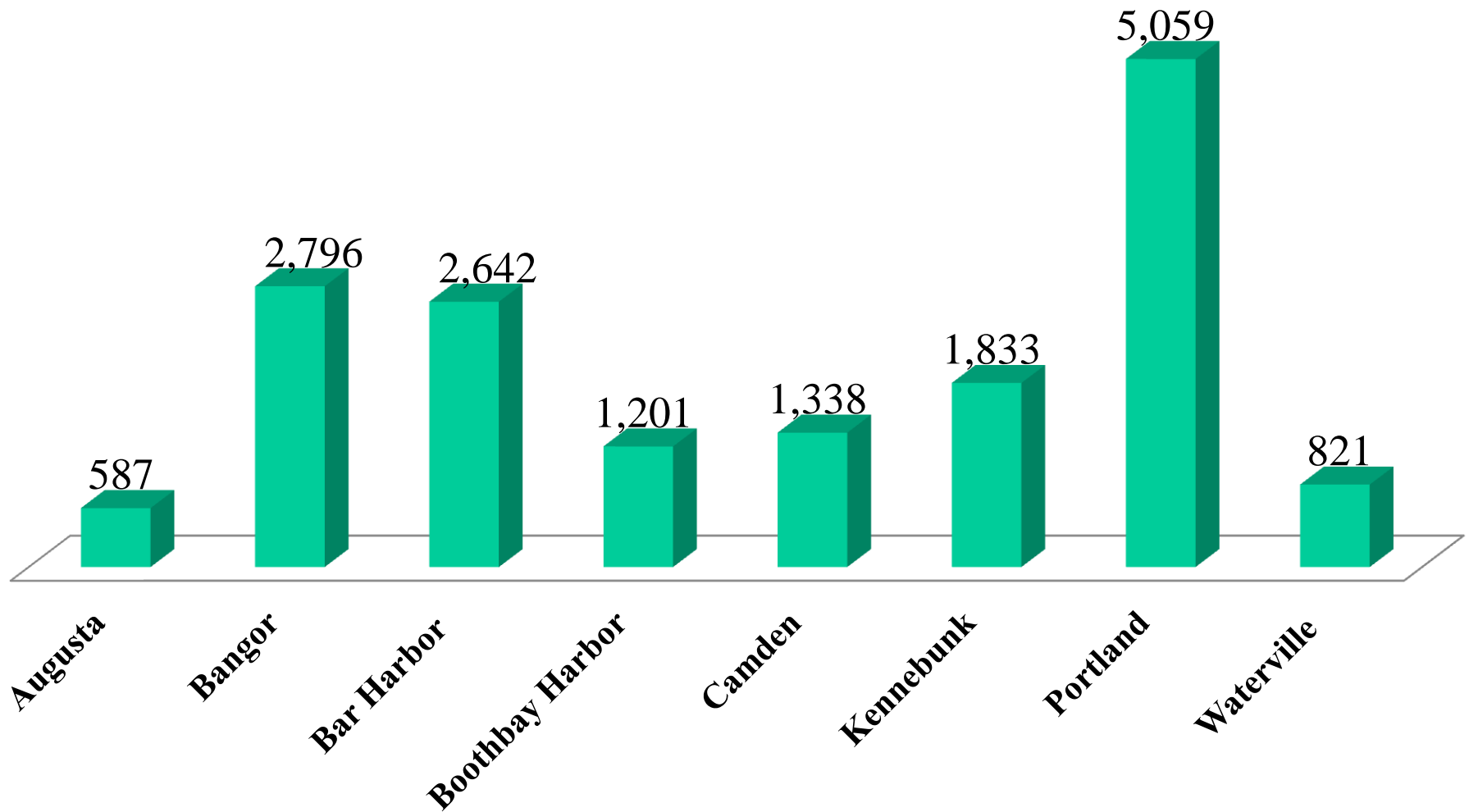
Source: Smith Travel Research

# Maine Revenues Per Available Room (RevPAR) 2000 – 2013(P)



Source: Smith Travel Research

# Maine Supply Overview – Where are the Rooms?





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## Augusta Market Snapshot

	T12 November 2013	Change from Prior Year
Occupancy	53%	1.7%
ADR	\$109.37	3.8%
RevPAR	\$57.42	5.5%

Source: Smith Travel Research

- No additions to supply expected
- No major changes to demand
- Occupancy and Rate expected to reflect national projections



## Bangor Market Snapshot

	T12 November 2013	Change from Prior Year
Occupancy	50%	-5.0%
ADR	\$100.14	3.4%
RevPAR	\$50.17	-1.8%

Source: Smith Travel Research

- New Supply –TownPlace Suites (July 2014), Proposed Residence Inn (2015?)
- Demand – Cross Insurance Center still ramping up; Airport layoffs;
- Demand growth will not be strong enough to compensate for increased supply.





## Portland Market Snapshot

	T12 November 2013	Change from Prior Year
Occupancy	62%	4.7%
ADR	\$114.10	5.3%
RevPAR	\$70.51	10.3%

Source: Smith Travel Research

- New Supply – - Westin Eastland (Dec. 2013); Courtyard (May 2014); Hyatt Place (May 2014); Hilton Garden Jetport Expansion (May 2014 Press Hotel (2015)
- Demand – New Ferry Service; TD Bank move to NJ; Hannaford tech move.



## Portland Market New Supply Impact

- Westin Eastland
  - Will induce group demand to the market and capture existing demand from other hotels in the market
  - Likely to capture some existing corporate, group and leisure demand from hotels downtown by virtue of the quality of the new facilities and its brand affiliation
- Courtyard and Hyatt Place
  - Likely to compete for corporate and leisure demand primarily at the downtown branded hotels





## Portland Market New Supply Impact

- Market wide, operators may start to drop rates on their base business (corporate, group, and OTA's) in reaction to the new supply.
- Impact to the market will most likely start in the late fall, once peak leisure demand begins to decline; impact will be most apparent in the off season.
- A “trickle down” affect is likely. Hotels with strong locations, brands and products will lower rates and have minimal impact to occupancy. “Weaker” hotels will be forced to lower rates and may still lose occupancy.



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## Lodging Industry in 2040

- More variation in product:
  - Ultra high-tech – Automated guest room controls
  - Ultra low-tech – No electronics
- Increased efficiency
  - Booking
  - Pricing
  - Product
  - People
- Increased Customization
  - More of what you want, less of what you don't



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## PINNACLE ADVISORY GROUP

**6 Town Landing Road, Falmouth, ME 04105 ~ 207/781-0922**

164 Canal Street Boston, MA 02114 ~ 617/722-9916

1271 Avenue of the Americas, Suite 4300, New York, NY 10020 ~ 212/292-4824

3030 North Rocky Point Drive, Ste. 150 Tampa, FL 33067 ~ 813/350-7969

567 San Nicolas Drive, Ste. 370, Newport Beach, CA 92660 ~ 949/734-6455