Texas Hotel Performance Research 2017

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JLL

Pictured above: Gaylord Texan Resort Hotel & Convention Center

Texas Lodging Sector

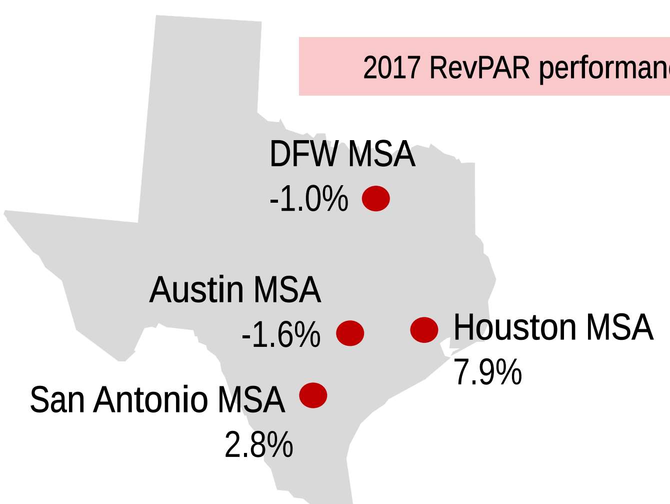
Texas hotel room revenue reached $10.8 billion in 2017, 8.0% higher than in 2016.

Texas Lodging Performance Summary – 2017	
4,916 Number of hotels	3.8% Annual % change
475,630 Number of rooms	4.5% Annual % change
173.6 Estimated room nights available (mil)	4.2% Annual % change
112.5 Estimated room nights sold (mil)	7.6% Annual % change
$10.8B Room revenue	8.0% Annual % change
64.8% Estimated occupancy rate	3.2% Annual % change
$96.15 Estimated average daily rate (ADR)	0.4% Annual % change
$62.30 Revenue per Available Room (RevPAR)	3.6% Annual % change

Texas Hotel Market – 2017 Performance Summary

- The U.S. lodging sector recorded its eighth consecutive year of revenue per available room (RevPAR) growth in 2017. The current recovery cycle is underpinned by strong corporate and leisure lodging demand, along with growth of the group segment.
- Statewide hotel room revenue recorded an 8.0% increase in 2017, posting a new high of $10.8 billion, according to data compiled from the Texas State Comptroller's Office.
- Overall, the Texas lodging sector achieved RevPAR growth of 3.6% in 2017. This performance was largely driven by an increase in state-wide lodging demand following Hurricane Harvey. The performance of the Houston MSA and surrounding regions, the areas most affected by hurricane damage, saw sustained growth in the months.
- While average hotel rates across the state only rose by 0.4% in 2017, occupancy increased by an estimated 3.2%
- Room supply in the state of Texas posted growth of 4.5% in 2017. This is approximately 2.7 percentage points greater than overall U.S. supply growth.
- Select service hotels generally benefitted the most from the increase in demand as a result of Hurricane Harvey due to their lower price points.
- The standout MSAs with regard to growth in lodging performance were Midland, Odessa, and Victoria. All of which are significantly exposed to the energy sector and benefitted from the oil and gas industry's comparatively stronger performance in 2017.
- Lodging markets across the state of Texas are expected to continue performing alongside U.S. growth levels as a result of strong lodging fundamentals in the state in 2018.
- Performance of the markets most affected by Hurricane Harvey are likely to not show the same levels of growth next year as the effect of the hurricane will no longer exist to underpin performance.

2017 RevPAR performance – largest markets in Texas



Source: JLL, texas.gov

Texas – Major Markets Performance Summary

- Together, Dallas-Ft. Worth, Houston, San Antonio and Austin account for nearly two-thirds of hotel room stock in the state, and over 75% of room revenue.
- Performance across these large markets was varied in 2017. Houston posted the highest growth rates of the major markets, driven by the aforementioned impact of the hurricane.
- San Antonio recorded growth that was in line with national averages, amid a relatively tepid pace of new room additions in 2017 which underpinned performance of existing hotels.
- Dallas-Ft. Worth and Austin both saw a slight softening in hotel revenue per available room, while overall room revenues rose driven by the new supply openings.

United States, Texas, and Texas Metropolitan Statistical Area Lodging performance

United States lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % change
2015	53,898		5,034,502		1,800.0		1,200.0		$144,230		65.4%		$120.30		$78.68	
2016	54,322	0.8%	5,110,020	1.5%	1,870.3	3.9%	1,218.4	1.5%	$151,154	4.8%	65.4%	0.0%	$124.13	3.2%	$81.15	3.1%
2017	55,300	1.8%	5,202,000	1.8%	1,898.7	1.5%	1,251.3	2.7%	$158,560	4.9%	65.9%	0.8%	$126.72	2.1%	$83.57	3.0%

Source: JLL, publicly available data from STR

Texas lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	4,606		442,387		161.5		105.9		$9,919		65.6%		$93.66		$61.43	
2016	4,735	2.8%	455,053	2.9%	166.5	3.1%	104.6	-1.2%	$10,013	0.9%	62.8%	-4.3%	$95.73	2.2%	$60.12	-2.1%
2017	4,916	3.8%	475,630	4.5%	173.6	4.2%	112.5	7.6%	$10,816	8.0%	64.8%	3.2%	$96.15	0.4%	$62.30	3.6%

Abilene, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	42		3,411		1.2		0.7		$51		58.2%		$71.05		$41.35	
2016	44	4.0%	3,529	3.4%	1.3	3.7%	0.7	-0.7%	$50	-3.7%	55.7%	-4.3%	$68.93	-3.0%	$38.39	-7.2%
2017	44	0.6%	3,554	0.7%	1.3	0.4%	0.8	4.6%	$53	7.0%	58.0%	4.1%	$70.55	2.3%	$40.92	6.6%

Amarillo, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	62		5,665		2.1		1.4		$104		66.8%		$75.16		$50.21	
2016	62	-0.7%	5,603	-1.1%	2.1	-0.8%	1.5	6.6%	$105	0.8%	71.8%	7.5%	$71.07	-5.4%	$51.03	1.6%
2017	63	3.0%	5,588	-0.3%	2.0	-0.5%	1.5	-0.1%	$105	0.1%	72.1%	0.4%	$71.25	0.3%	$51.37	0.7%

Austin-Round Rock, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	280		34,009		12.4		9.1		$1,206		73.7%		$131.85		$97.17	
2016	295	5.4%	36,140	6.3%	13.2	6.6%	9.5	4.2%	$1,301	7.8%	72.1%	-2.2%	$136.41	3.5%	$98.35	1.2%
2017	313	6.0%	38,435	6.4%	14.0	6.1%	10.1	5.8%	$1,357	4.3%	71.9%	-0.3%	$134.57	-1.3%	$96.76	-1.6%

Beaumont-Port Arthur, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	80		6,350		2.3		1.4		$91		62.1%		$63.51		$39.44	
2016	79	-1.8%	6,289	-1.0%	2.3	-0.7%	1.2	-14.9%	$89	-2.6%	53.2%	-14.3%	$72.70	14.5%	$38.68	-1.9%
2017	81	3.1%	6,531	3.8%	2.4	3.6%	1.4	12.1%	$105	18.4%	57.6%	8.3%	$76.79	5.6%	$44.23	14.4%

Brownsville-Harlingen, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	95		7,166		2.6		1.4		$118		53.7%		$83.95		$45.08	
2016	95	0.3%	7,048	-1.6%	2.6	-1.4%	1.4	-3.8%	$115	-2.3%	52.4%	-2.4%	$85.22	1.5%	$44.66	-0.9%
2017	97	1.6%	7,177	1.8%	2.6	1.6%	1.4	2.3%	$118	2.8%	52.8%	0.8%	$85.59	0.4%	$45.19	1.2%

College Station-Bryan, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	55		4,826		1.8		1.1		$105		65.1%		$91.14		$59.34	
2016	58	4.7%	5,011	3.8%	1.8	4.1%	1.2	1.6%	$104	0.0%	63.5%	-2.5%	$89.71	-1.6%	$56.97	-4.0%
2017	63	7.8%	5,515	10.1%	2.0	9.8%	1.3	10.6%	$116	11.1%	64.0%	0.8%	$90.07	0.4%	$57.64	1.2%

Corpus Christi, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	144		11,803		4.3		2.7		$228		62.0%		$85.54		$53.03	
2016	144	0.1%	11,700	-0.9%	4.3	-0.6%	2.6	-3.8%	$217	-4.8%	60.0%	-3.2%	$84.64	-1.0%	$50.78	-4.2%
2017	147	1.6%	12,028	2.8%	4.4	2.5%	2.9	11.1%	$246	13.3%	65.0%	8.3%	$86.36	2.0%	$56.13	10.5%

Dallas-Fort Worth-Arlington, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	943		116,005		42.3		29.9		$2,761		70.5%		$92.50		$65.22	
2016	965	2.3%	118,437	2.1%	43.3	2.4%	30.9	3.4%	$2,997	8.5%	71.2%	1.0%	$97.11	5.0%	$69.14	6.0%
2017	1,003	3.9%	123,508	4.3%	45.1	4.0%	31.4	1.8%	$3,085	2.9%	69.7%	-2.1%	$98.17	1.1%	$68.43	-1.0%

United States, Texas, and Texas Metropolitan Statistical Area Lodging performance (continued)

El Paso, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	85		9,730		3.6		2.4		$172		66.8%		$72.36		$48.34	
2016	82	-2.6%	9,570	-1.6%	3.5	-1.4%	2.5	3.4%	$184	7.0%	70.0%	4.8%	$74.90	3.5%	$52.43	8.5%
2017	85	3.6%	9,968	4.2%	3.6	3.9%	2.5	0.2%	$179	-2.4%	67.5%	-3.6%	$72.96	-2.6%	$49.25	-6.1%

Houston-The Woodlands-Sugar Land, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	881		88,126		32.2		22.0		$2,280		68.4%		$103.64		$70.89	
2016	925	5.0%	92,508	5.0%	33.9	5.3%	21.1	-4.3%	$2,158	-5.3%	62.2%	-9.1%	$102.49	-1.1%	$63.75	-10.1%
2017	987	6.6%	98,243	6.2%	35.9	5.9%	24.0	13.7%	$2,467	14.3%	66.8%	7.4%	$103.01	0.5%	$68.81	7.9%

Killeen-Temple, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	81		5,961		2.2		1.2		$71		56.8%		$57.51		$32.67	
2016	80	-1.4%	5,849	-1.9%	2.1	-1.6%	1.3	4.8%	$75	4.9%	60.5%	6.5%	$57.55	0.1%	$34.82	6.6%
2017	83	4.2%	6,032	3.1%	2.2	2.9%	1.4	8.0%	$83	10.8%	63.5%	5.0%	$59.08	2.7%	$37.52	7.8%

Laredo, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	40		4,110		1.5		1.0		$62		64.8%		$64.26		$41.64	
2016	40	0.4%	4,141	0.8%	1.5	1.0%	0.8	-12.7%	$59	-6.1%	56.0%	-13.6%	$69.08	7.5%	$38.69	-7.1%
2017	38	-4.0%	3,931	-5.1%	1.4	-5.3%	0.9	2.8%	$63	8.1%	60.8%	8.6%	$72.62	5.1%	$44.15	14.1%

Longview, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	54		3,282		1.2		0.7		$42		57.6%		$60.24		$34.70	
2016	55	2.0%	3,451	5.2%	1.3	5.4%	0.7	1.4%	$36	-12.8%	55.4%	-3.8%	$51.81	-14.0%	$28.70	-17.3%
2017	54	-0.5%	3,531	2.3%	1.3	2.0%	0.7	6.1%	$39	8.2%	57.6%	4.0%	$52.82	2.0%	$30.43	6.0%

Lubbock, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	57		5,176		1.9		1.2		$102		65.8%		$81.81		$53.83	
2016	60	3.9%	5,406	4.4%	2.0	4.7%	1.1	-9.4%	$107	5.3%	56.9%	-13.5%	$95.12	16.3%	$54.12	0.5%
2017	66	10.4%	5,869	8.6%	2.1	8.3%	1.2	2.7%	$107	-0.1%	54.0%	-5.1%	$92.49	-2.8%	$49.94	-7.7%

McAllen-Edinburg-Mission, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	94		6,882		2.5		1.5		$119		60.5%		$78.55		$47.52	
2016	95	1.0%	7,033	2.2%	2.6	2.5%	1.4	-6.8%	$113	-5.6%	55.0%	-9.1%	$79.56	1.3%	$43.76	-7.9%
2017	97	2.8%	7,604	8.1%	2.8	7.8%	1.4	-3.9%	$101	-9.9%	49.0%	-10.9%	$74.62	-6.2%	$36.56	-16.5%

Midland, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	49		4,580		1.7		1.1		$115		65.2%		$105.52		$68.80	
2016	53	8.9%	4,937	7.8%	1.8	8.1%	1.0	-8.8%	$86	-25.4%	55.0%	-15.6%	$86.29	-18.2%	$47.46	-31.0%
2017	54	0.6%	5,059	2.5%	1.8	2.2%	1.3	33.8%	$136	58.5%	72.0%	30.9%	$102.23	18.5%	$73.60	55.1%

Odessa, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	42		4,112		1.5		0.9		$99		60.1%		$109.93		$66.07	
2016	45	7.5%	4,356	5.9%	1.6	6.2%	0.9	-2.8%	$69	-30.0%	55.0%	-8.5%	$79.21	-27.9%	$43.56	-34.1%
2017	48	6.3%	4,936	13.3%	1.8	13.0%	1.2	41.8%	$111	60.4%	69.0%	25.5%	$89.63	13.2%	$61.84	42.0%

United States, Texas, and Texas Metropolitan Statistical Area Lodging performance (continued)

San Angelo, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	32		2,647		1.0		0.5		$37		53.1%		$71.56		$38.00	
2016	34	4.9%	2,855	7.9%	1.0	8.2%	0.6	8.0%	$31	-16.7%	53.0%	-0.2%	$55.22	-22.8%	$29.26	-23.0%
2017	33	-1.5%	2,826	-1.0%	1.0	-1.3%	0.6	13.6%	$38	23.4%	61.0%	15.1%	$59.95	8.6%	$36.57	25.0%

San Antonio-New Braunfels, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	410		47,532		17.3		11.2		$1,151		64.3%		$103.17		$66.34	
2016	413	0.9%	47,197	-0.7%	17.3	-0.4%	11.0	-1.1%	$1,201	4.4%	63.9%	-0.6%	$108.82	5.5%	$69.54	4.8%
2017	426	3.1%	48,188	2.1%	17.6	1.8%	11.4	3.3%	$1,258	4.7%	64.8%	1.4%	$110.37	1.4%	$71.52	2.8%

Sherman-Denison, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	23		1,928		0.7		0.4		$20		55.2%		$52.43		$28.94	
2016	22	-3.6%	1,973	2.3%	0.7	2.6%	0.4	12.7%	$21	1.2%	60.6%	9.8%	$47.09	-10.2%	$28.53	-1.4%
2017	23	2.3%	2,001	1.4%	0.7	1.1%	0.5	3.3%	$22	4.5%	61.9%	2.1%	$47.65	1.2%	$29.49	3.4%

Texarkana, TX-AR lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	20		1,754		0.6		0.3		$22		53.4%		$65.64		$35.05	
2016	20	0.8%	1,785	1.8%	0.7	2.0%	0.3	1.5%	$24	6.3%	53.1%	-0.6%	$68.77	4.8%	$36.52	4.2%
2017	21	1.2%	1,876	5.1%	0.7	4.8%	0.4	2.0%	$24	0.9%	51.7%	-2.6%	$68.01	-1.1%	$35.16	-3.7%

Tyler, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	44		3,459		1.3		0.7		$57		58.7%		$77.31		$45.38	
2016	46	4.0%	3,656	5.7%	1.3	6.0%	0.8	12.1%	$48	-15.7%	62.1%	5.8%	$58.11	-24.8%	$36.09	-20.5%
2017	48	4.8%	3,967	8.5%	1.4	8.2%	0.9	5.3%	$50	3.9%	60.4%	-2.7%	$57.34	-1.3%	$34.63	-4.0%

Victoria, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	27		1,954		0.7		0.4		$27		54.5%		$69.95		$38.13	
2016	26	-4.6%	1,892	-3.2%	0.7	-2.9%	0.3	-16.3%	$24	-11.3%	47.0%	-13.8%	$74.10	5.9%	$34.83	-8.7%
2017	25	-1.9%	1,849	-2.3%	0.7	-2.5%	0.4	16.1%	$30	26.1%	56.0%	19.1%	$80.45	8.6%	$45.05	29.4%

Waco, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	53		4,202		1.5		1.0		$73		68.3%		$69.39		$47.40	
2016	56	4.6%	4,415	5.1%	1.6	5.4%	1.1	5.7%	$82	13.4%	68.5%	0.3%	$74.49	7.3%	$51.02	7.7%
2017	56	1.1%	4,453	0.9%	1.6	0.6%	1.2	7.1%	$91	10.1%	72.9%	6.4%	$76.63	2.9%	$55.86	9.5%

Wichita Falls, TX lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	29		2,292		0.8		0.5		$29		62.1%		$55.49		$34.46	
2016	29	0.3%	2,356	2.8%	0.9	3.0%	0.5	2.9%	$32	9.3%	62.0%	-0.2%	$58.94	6.2%	$36.54	6.1%
2017	30	5.5%	2,507	6.4%	0.9	6.1%	0.5	1.9%	$31	-0.8%	59.5%	-4.0%	$57.41	-2.6%	$34.16	-6.5%

Non-MSA lodging performance

Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	884		55,426		20.2		11.1		$776		54.9%		$69.85		$38.35	
2016	913	3.3%	57,916	4.5%	21.2	4.8%	9.8	-12.2%	$685	-11.7%	46.0%	-16.2%	$70.27	0.6%	$32.32	-15.7%
2017	932	2.0%	60,453	4.4%	22.1	4.1%	11.5	18.4%	$799	16.5%	52.3%	13.7%	$69.19	-1.5%	$36.19	12.0%

Texas Travel Region Lodging performance

Big Bend lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	260		24,247		8.9		5.7		$506		64.9%		$88.04		$57.13	
2016	272	4.5%	25,090	3.5%	9.2	3.8%	5.7	0.1%	$452	-10.6%	62.6%	-3.5%	$78.63	-10.7%	$49.23	-13.8%
2017	280	3.3%	26,455	5.4%	9.7	5.2%	6.7	15.9%	$588	30.0%	69.0%	10.2%	$88.21	12.2%	$60.87	23.6%

Gulf Coast lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	1,189		110,848		40.5		26.9		$2,584		66.5%		$96.12		$63.87	
2016	1,231	3.5%	114,516	3.3%	41.9	3.6%	25.5	-5.0%	$2,457	-4.9%	60.9%	-8.3%	$96.22	0.1%	$58.61	-8.2%
2017	1,297	5.4%	120,799	5.5%	44.1	5.2%	28.8	12.8%	$2,799	13.9%	65.3%	7.3%	$97.17	1.0%	$63.48	8.3%

Hill Country lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	432		44,060		16.1		11.9		$1,354		73.7%		$114.21		$84.18	
2016	450	4.2%	46,569	5.7%	17.0	6.0%	12.3	3.7%	$1,448	7.0%	72.1%	-2.2%	$117.85	3.2%	$84.97	0.9%
2017	475	5.6%	50,049	7.5%	18.3	7.2%	13.1	6.9%	$1,525	5.3%	71.9%	-0.3%	$116.08	-1.5%	$83.46	-1.8%

Prairies & Lakes lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	1,388		147,131		53.7		37.3		$3,242		69.4%		$86.93		$60.36	
2016	1,419	2.2%	150,480	2.3%	55.1	2.6%	38.7	3.7%	$3,489	7.6%	70.2%	1.1%	$90.23	3.8%	$63.35	5.0%
2017	1,471	3.6%	157,132	4.4%	57.4	4.1%	39.7	2.6%	$3,609	3.4%	69.2%	-1.4%	$90.92	0.8%	$62.92	-0.7%

Panhandle Plains lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	398		28,794		10.5		6.0		$461		56.8%		$77.21		$43.88	
2016	412	3.5%	29,848	3.7%	10.9	3.9%	5.4	-8.9%	$442	-4.1%	49.8%	-12.4%	$81.31	5.3%	$40.49	-7.7%
2017	427	3.7%	30,873	3.4%	11.3	3.1%	6.1	13.0%	$466	5.4%	54.6%	9.6%	$75.85	-6.7%	$41.39	2.2%

Piney Woods lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	306		22,184		8.1		4.6		$394		57.2%		$85.04		$48.63	
2016	314	2.6%	23,366	5.3%	8.6	5.6%	4.9	6.6%	$366	-7.0%	57.7%	0.9%	$74.27	-12.7%	$42.85	-11.9%
2017	323	2.9%	24,588	5.2%	9.0	4.9%	5.2	4.8%	$407	11.2%	57.6%	-0.2%	$78.81	6.1%	$45.40	6.0%

South Texas Plains lodging performance																
Year	Hotels	Hotels % chg	Rooms	Rooms % chg	Est room nights available (mil)	Est room nights available % chg	Est room nights sold (mil)	Est room nights sold % chg	Total room revenue (mil)	Total room revenue % chg	Occupancy	Occupancy % chg	ADR	ADR % chg	RevPAR	RevPAR % chg
2015	633		65,122		23.8		15.1		$1,379		63.6%		$91.25		$58.02	
2016	638	0.7%	65,185	0.1%	23.9	0.4%	14.7	-2.5%	$1,358	-1.6%	61.8%	-2.8%	$92.10	0.9%	$56.91	-1.9%
2017	643	0.9%	65,734	0.8%	24.0	0.6%	15.0	1.4%	$1,422	4.8%	62.3%	0.9%	$95.11	3.3%	$59.28	4.2%

Source: JLL, texas.gov

The seven Texas Travel Regions are defined by the Economic Development and Tourism branch within the Office of the Governor and cover the entire geography of the state. The table below outlines each of the state's MSAs with corresponding Texas Travel Region in which it is situated.

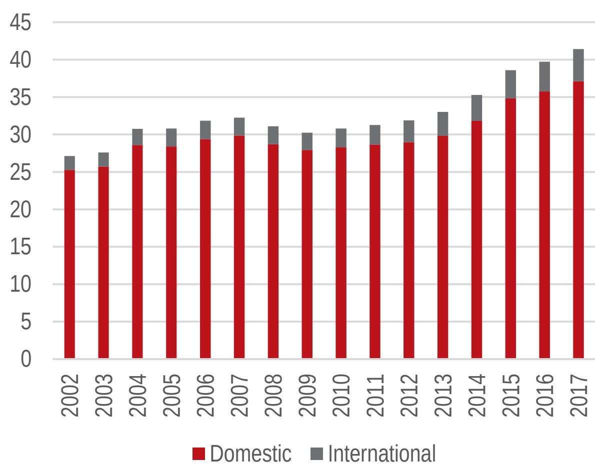
Texas Travel Regions by MSA									
MSA	Travel Region	MSA	Travel Region	MSA	Travel Region	MSA	Travel Region	MSA	Travel Region
Abilene, TX	Panhandle Plains	College Station-Bryan, TX	Prairies & Lakes	Killeen-Temple, TX	Prairies & Lakes	Midland, TX	Big Bend	Texarkana, TX-AR	Piney Woods
Amarillo, TX	Panhandle Plains	Corpus Christi, TX	Gulf Coast	Laredo, TX	South Texas Plains	Odessa, TX	Big Bend	Tyler, TX	Piney Woods
Austin-Round Rock, TX	Hill Country	Dallas-Fort Worth-Arlington, TX	Prairies & Lakes	Longview, TX	Piney Woods	San Angelo, TX	Panhandle Plains	Victoria, TX	Gulf Coast
Beaumont-Port Arthur, TX	Gulf Coast	El Paso, TX	Big Bend	Lubbock, TX	Panhandle Plains	San Antonio-New Braunfels, TX	South Texas Plains	Waco, TX	Prairies & Lakes
Brownsville-Harlingen, TX	Gulf Coast	Houston-The Woodlands-Sugar Land, TX	Gulf Coast	McAllen-Edinburg-Mission, TX	South Texas Plains	Sherman-Denison, TX	Prairies & Lakes	Wichita Falls, TX	Panhandle Plains

Source: Texas Tourism

Dallas-Fort Worth-Arlington snapshot

- The Dallas-Fort Worth-Arlington metropolitan statistical area has grown into the fourth largest MSA in the country, which is leading to increased hotel demand. This has been coupled with the increase in lodging accommodations, with the market seeing 4.3% growth in the number of hotel rooms in 2017.
- The new hotel openings put pressure on occupancy of existing hotels, which saw softening of 2.1%. At the same time, operators' continued to show their ability to increase room rates, with hotel average daily rates rising by 1.1%.
- Estimated room revenue increased 2.9% to $3.1 billion in 2017.
- Given that the Dallas MSA was not in the path of Hurricane Harvey, the market was not exposed to a surge in hotel demand from displaced residents and aid workers, but the area did see some boost in travel from meetings that were moved from Houston to Dallas.
- The expected gross metro product growth for the Dallas MSA in 2018 is above the national average as the metro area sees strong demographic and economic trends.

DFW and DAL passenger enplanement figures (millions)



Source: Bureau of Transportation Statistics T-100 Market data, dfwairport.com, JLL
Note: DFW pertains to Dallas/Fort Worth International Airport; DAL pertains to Dallas Love Field Airport

Dallas-Fort Worth-Arlington lodging performance summary

		Annual % change
1,003	Number of hotels	3.9%
123,508	Number of rooms	4.3%
45.1	Estimated room nights available (mil)	4.0%
31.4	Estimated room nights sold (mil)	1.8%
$3.1B	Room revenue	2.9%
69.7%	Estimated occupancy rate	-2.1%
$98.17	Estimated average daily rate (ADR)	1.1%
$68.43	Revenue per Available Room (RevPAR)	-1.0%

Dallas-Fort Worth-Arlington, TX MSA hotel room inventory by level of positioning

Positioning	Hotels	Hotels % of total	Rooms	Rooms % of total
Luxury	11	1%	3,094	3%
Full Service	76	8%	28,221	23%
Upscale Select Service	165	16%	23,355	19%
Midscale Select Service	330	33%	31,587	26%
Economy Select Service	377	38%	32,787	27%
Unidentified	44	4%	4,464	4%
Total	1,003	100%	123,508	100%

Source: JLL, texas.gov

Dallas-Fort Worth-Arlington Economic Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F
GDP, real - Total (mil)	347,521	359,073	372,082	391,199	412,305	432,223	455,140	465,478	481,159	496,896	508,905	518,783	528,585	538,920
% change	-	3.3%	3.6%	5.1%	5.4%	4.8%	5.3%	2.3%	3.4%	3.3%	2.4%	1.9%	1.9%	2.0%
TX % change	-0.7%	3.0%	3.8%	6.0%	5.3%	3.7%	4.4%	-0.3%	2.9%	3.8%	2.3%	1.7%	1.7%	1.7%
U.S. % change	-2.8%	2.5%	1.6%	2.2%	1.7%	2.6%	2.9%	1.5%	2.3%	2.7%	1.9%	1.5%	1.5%	1.5%
Unemployment rate (%)	7.8	8.1	7.6	6.6	6.1	5.0	4.1	3.8	3.7	3.2	3.3	3.5	3.5	3.6
TX unemployment rate	7.6	8.2	7.8	6.7	6.2	5.1	4.4	4.7	4.4	3.8	3.9	4.1	4.2	4.2
U.S. unemployment rate	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.8	4.4	4.0	4.0	4.1	4.1	4.2
Personal income, real (mil)	251,216	257,793	280,119	292,603	295,745	315,036	330,677	333,629	340,902	350,512	360,362	368,883	377,386	385,968
% change	-	2.6%	8.7%	4.5%	1.1%	6.5%	5.0%	0.9%	2.2%	2.8%	2.8%	2.4%	2.3%	2.3%
TX % change	-5.2%	3.4%	6.9%	5.4%	0.7%	6.0%	3.6%	-0.7%	1.3%	3.3%	2.9%	2.4%	2.3%	2.3%
U.S. % change	-3.2%	1.5%	3.7%	3.0%	-0.2%	3.7%	4.6%	1.2%	1.3%	2.2%	2.1%	1.7%	1.7%	1.7%
Total population (ths)	6,324	6,439	6,558	6,686	6,801	6,930	7,072	7,215	7,356	7,481	7,597	7,717	7,839	7,962
% change	-	1.8%	1.8%	2.0%	1.7%	1.9%	2.1%	2.0%	1.9%	1.7%	1.6%	1.6%	1.6%	1.6%
TX % change	2.0%	1.4%	1.5%	1.6%	1.6%	1.7%	1.8%	1.6%	1.3%	1.4%	1.5%	1.4%	1.4%	1.4%
U.S. % change	0.9%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

Source: Oxford Economics

- The Dallas area's three largest hotels currently under construction with opening projected in 2018 include the 300-room Delta Hotels Dallas Allen Watters Creek Convention Center, the 236-room Sandman Inn & Suites Plano, and a 227-room hotel across the street from the Trammell Crow Center skyscraper.
- The majority of new developments in Dallas proper are comprised of full service and premium select service properties.

Dallas MSA hotels under construction				
Project Name	City	Room Count	Projected Opening Date	Positioning
Canopy by Hilton Dallas Uptown	Dallas	152	Apr-18	Premium select service
aloft Hotel Fort Worth Downtown	Fort Worth	180	Apr-18	Premium select service
Sandman Inn & Suites Plano	Plano	236	Apr-18	Full service
WaterWalk Las Colinas	Irving	153	May-18	Midscale select service
Thompson Dallas	Dallas	217	Jun-18	Full service
element Dallas East	Dallas	151	Jul-18	Premium select service
Unnamed Hotel on Ross Avenue	Dallas	227	Jul-18	Full service
Residence Inn Dallas Frisco	Frisco	175	Dec-18	Premium select service
AC Hotels by Marriott Dallas Frisco	Frisco	150	Dec-18	Premium select service
Delta Hotels Dallas Allen Watters Creek Convention Center	Allen	300	Dec-18	Full service

Note: Projects subject to change; hotels greater than 150 rooms
Source: Publicly available information, JLL

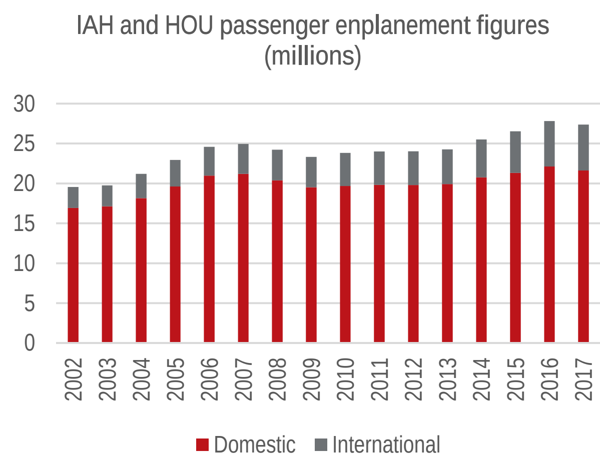
- Since 2016 a wide array of hotels have transacted in Dallas, from select service to luxury property, highlighting investors' execution of a diverse array of investment strategies.
- Two notable 2017 transactions include the 224-room Hilton Dallas Park Cities and the 404-room Marriott Dallas Plano @ Legacy Town Center, both hotels transacted at or greater than $250,000 per room.
- In 2016, the former 220-room the Hotel Crescent Court sold for $76.5 million or $348,000 per room. While the property is no longer affiliated with the Rosewood brand, it continues to operate as a luxury hotel.

Dallas MSA hotel transactions since 2016					
Property Name	City	Rooms	Price	Price per Room	Contract Date
Holiday Inn Express & Suites Ennis	Ennis	68	$5,750,000	$84,600	Mar-16
Holiday Inn Express & Suites Irving Convention Center Las Colinas	Irving	128	$10,500,000	$82,000	May-16
Hotel Crescent Court	Dallas	220	$76,500,000	$347,700	Jun-16
Hyatt Place Dallas Las Colinas	Irving	122	$14,000,000	$114,800	Jul-16
Hyatt Regency North Dallas Richardson	Richardson	342	$33,500,000	$98,000	Sep-16
Radisson Hotel Dallas North Addison	Addison	101	$9,000,000	$89,100	Nov-16
Magnolia Hotel Dallas Park Cities	Dallas	292	$36,000,000	$123,300	Nov-16
TownePlace Suites Dallas Las Colinas	Irving	135	$17,200,000	$127,400	Jan-17
Hilton Dallas Park Cities	Dallas	224	$56,000,000	$250,000	Apr-17
Marriott Dallas Addison Quorum By The Galleria	Dallas	547	$81,000,000	$148,100	Jun-17
Sheraton Hotel DFW Airport	Irving	302	$46,000,000	$152,300	Jul-17
Marriott Dallas Plano Legacy Town Center	Plano	404	$104,000,000	$257,400	Nov-17
Hilton Dallas Rockwall Lakefront	Rockwall	231	$41,800,000	$181,000	Nov-17

Note: Pertains to single-asset transactions greater than $5 million
Source: JLL

Houston-The Woodlands-Sugar Land snapshot

- In 2017, Hurricane Harvey provided a boost for the Houston-The Woodlands-Sugar Land lodging market.
- Also underpinning market performance in 2017 was Super Bowl LI held at NRG Stadium in February 2017.
- Room inventory increased by 6.2%, driven in part by the opening of the Marriott Marquis Houston.
- Room revenue grew to $2.5B, an increase of 14.3% over 2016 levels.
- RevPAR rose by 7.9% with gains coming from a 7.4% increase in occupancy and a 0.5% increase in average rates. Occupancy increased significantly in 2017 as a result of displaced residents from Hurricane Harvey.
- Population growth is anticipated to benefit the Houston economy going forward. Although airport enplanements declined in 2017, Houston-The Woodlands-Sugar Land tends to be a drive-in market as airport activity and hotel performance are less correlated than in other cities.
- JLL anticipates that 2018 will show continued growth, though not at the same level as seen in 2017.



Source: Source: Bureau of Transportation Statistics T-100 Market data, fly2houston.com
Note: IAH pertains to George Bush Intercontinental Airport and HOU pertains to William P. Hobby Airport

Houston-The Woodlands-Sugar Land lodging performance summary

		Annual % change
987	Number of hotels	6.6%
98,243	Number of rooms	6.2%
35.9	Estimated room nights available (mil)	5.9%
24.0	Estimated room nights sold (mil)	13.7%
$2.5B	Room revenue	14.3%
66.8%	Estimated occupancy rate	7.4%
$103.01	Estimated average daily rate (ADR)	0.5%
$68.81	Revenue per Available Room (RevPAR)	7.9%

Houston-The Woodlands-Sugar Land, TX MSA hotel room inventory by level of positioning

Positioning	Hotels	Hotels % of total	Rooms	Rooms % of total
Luxury	13	1%	3,686	4%
Full Service	55	6%	17,470	18%
Upscale Select Service	138	14%	18,502	19%
Midscale Select Service	314	32%	28,183	29%
Economy Select Service	368	37%	24,040	24%
Unidentified	98	10%	6,362	6%
Total	987	100%	98,243	100%

Source: JLL, texas.gov

Houston-The Woodlands-Sugar Land Economic Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F
GDP, real - Total (mil)	370,243	372,462	384,812	408,468	425,122	433,925	452,693	434,323	435,077	456,125	468,111	476,290	484,199	492,557
% change	-	*0.6%*	*3.3%*	*6.1%*	*4.1%*	*2.1%*	*4.3%*	*-4.1%*	*0.2%*	*4.8%*	*2.6%*	*1.7%*	*1.7%*	*1.7%*
TX % change	*-0.7%*	*3.0%*	*3.8%*	*6.0%*	*5.3%*	*3.7%*	*4.4%*	*-0.3%*	*2.9%*	*3.8%*	*2.3%*	*1.7%*	*1.7%*	*1.7%*
U.S. % change	*-2.8%*	*2.5%*	*1.6%*	*2.2%*	*1.7%*	*2.6%*	*2.9%*	*1.5%*	*2.3%*	*2.7%*	*1.9%*	*1.5%*	*1.5%*	*1.5%*
Unemployment rate (%)	7.6	8.3	7.8	6.6	6.0	4.9	4.6	5.2	5.1	4.4	4.3	4.3	4.4	4.4
TX unemployment rate	*7.6*	*8.2*	*7.8*	*6.7*	*6.2*	*5.1*	*4.4*	*4.7*	*4.4*	*3.8*	*3.9*	*4.1*	*4.2*	*4.2*
U.S. unemployment rate	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.8	4.4	4.0	4.0	4.1	4.1	4.2
Personal income, real (mil)	253,465	260,379	276,347	300,960	299,815	319,716	327,032	317,371	317,550	329,459	340,685	349,850	359,055	368,306
% change	-	*2.7%*	*6.1%*	*8.9%*	*-0.4%*	*6.6%*	*2.3%*	*-3.0%*	*0.1%*	*3.8%*	*3.4%*	*2.7%*	*2.6%*	*2.6%*
TX % change	*-5.2%*	*3.4%*	*6.9%*	*5.4%*	*0.7%*	*6.0%*	*3.6%*	*-0.7%*	*1.3%*	*3.3%*	*2.9%*	*2.4%*	*2.3%*	*2.3%*
U.S. % change	*-3.2%*	*1.5%*	*3.7%*	*3.0%*	*-0.2%*	*3.7%*	*4.6%*	*1.2%*	*1.3%*	*2.2%*	*2.1%*	*1.7%*	*1.7%*	*1.7%*
Total population (ths)	5,806	5,932	6,045	6,167	6,308	6,467	6,625	6,756	6,848	6,954	7,081	7,190	7,300	7,411
% change	-	*2.2%*	*1.9%*	*2.0%*	*2.3%*	*2.5%*	*2.4%*	*2.0%*	*1.4%*	*1.5%*	*1.8%*	*1.5%*	*1.5%*	*1.5%*
TX % change	*2.0%*	*1.4%*	*1.5%*	*1.6%*	*1.6%*	*1.7%*	*1.8%*	*1.6%*	*1.3%*	*1.4%*	*1.5%*	*1.4%*	*1.4%*	*1.4%*
U.S. % change	*0.9%*	*0.9%*	*0.8%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*

Source: Oxford Economics

- The most notable recent hotel opening in Houston is the 1,000-room Marriott Marquis Houston, which opened its doors in December 2016. The property has a direct connection with the George R. Brown Convention Center and housed visitors during the Super Bowl in February 2017.
- The Houston area's three largest hotels under construction with opening anticipated to occur in 2018 include the 353-room InterContinental Houston, the 337-room Marriott Houston North Spring, and the 250-room Post Oak in Uptown Houston.
- The majority of new developments in downtown Houston are comprised of full service and or premium select service hotels.
- Notably, the 159-room Hotel Zaza Memorial City opened in March 2018 and is the brand's second property in Houston, with the existing hotel being located in the Museum District.

Houston MSA hotels under construction

Project Name	City	Room Count	Projected Opening Date	Positioning
Post Oak Uptown Houston	Houston	250	Mar-18	Full service
Hilton Garden Inn Houston Hobby Airport	Houston	135	May-18	Premium select service
Holiday Inn Express & Suites Houston West Westchase	Houston	127	May-18	Premium select service
Homewood Suites Houston NW Beltway 8	Houston	125	Jul-18	Premium select service
InterContinental Houston	Houston	353	Oct-18	Full service
Marriott Houston North Spring	Spring	337	Oct-18	Full service

Note: Projects subject to change; hotels greater than 125 rooms

Source: Publicly available information, JLL

- Houston was home to a number of hotel transactions during 2017. Among the largest was the sale of the 388-room DoubleTree Houston Greenway Plaza Hotel, which sold for $59.0 million or $152,000 per room.
- Over the past two years, there have been a number of other hotel sales in the airport submarket, such as the DoubleTree and the Best Western Plus, as detailed in the table below.
- On a per room basis, among the most expensive transaction in the past two years was the 313-room DoubleTree Hotel Houston Intercontinental Airport, which sold for $58.5 million or $187,000 per room.

Houston MSA hotel transactions since 2016

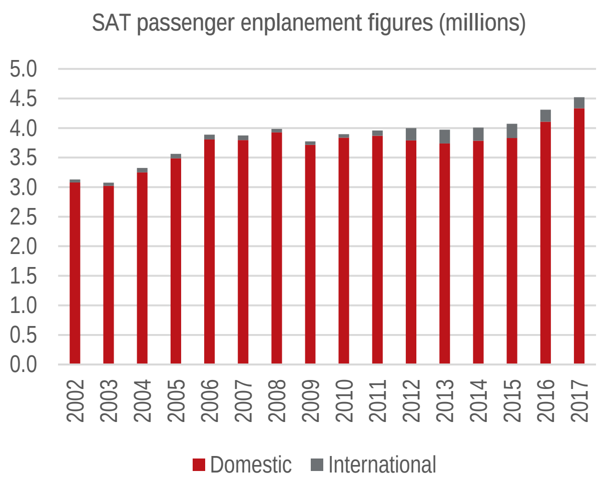
Property Name	City	Rooms	Price	Price per Room	Contract Date
DoubleTree Hotel Houston Intercontinental Airport	Houston	313	$58,500,000	$186,900	Jan-16
Sheraton Hotel North Houston George Bush	Houston	419	$68,000,000	$162,300	Feb-16
Best Western Plus Intercontinental Airport Inn	Humble	80	$5,930,000	$74,100	Mar-16
WoodSpring Suites Houston La Porte	La Porte	121	$12,429,280	$102,700	Apr-16
Doubletree Houston Downtown	Houston	350	$52,000,000	$148,600	Nov-16
DoubleTree Houston Greenway Plaza Hotel	Houston	388	$59,000,000	$152,100	Jan-17
TownePlace Suites Houston Northwest	Houston	127	$7,000,000	$55,100	May-17
Holiday Inn Houston Energy Corridor Eldridge	Houston	122	$14,000,000	$114,800	May-17
The Lancaster Hotel	Houston	93	$17,000,000	$182,800	Jul-17
Holiday Inn Express & Suites Houston East Baytown	Baytown	91	$13,000,000	$142,900	Aug-17
Springhill Suites Houston Medical Center NRG Park	Houston	190	$34,000,000	$178,900	Aug-17
Hilton Houston Galleria Area	Houston	292	$25,400,000	$87,000	Oct-17

Note: Pertains to single-asset transactions greater than $5 million

Source: JLL

San Antonio-New Braunfels snapshot

- The San Antonio-New Braunfels MSA boasts a diverse economy, which has attracted people to the market and provided continued economic growth. Unemployment has been below 4% since 2015, and population growth is anticipated to remain above the national average in the years ahead.
- Given favorable economic conditions, and rising airline enplanements, lodging sector demand grew in 2017.
- The area's hotel sector achieved RevPAR growth of 2.8% in 2017, a result of 1.4% increase in rate and a 1.4% increase in occupancy compared with 2016.
- Meanwhile, room inventory increased only modestly in 2017, at a rate below the national average growth figure. This bodes well for continued RevPAR growth.
- In terms of hotel inventory, San Antonio's upper-tier lodging supply makes up 23% of inventory, which is in line with that of the other major Texas markets. Specifically, the area's room supply is comprised of approximately 8% luxury and 15% full service hotels.



Source: Source: Bureau of Transportation Statistics T-100 Market data, sanantonio.gov, JLL
Note: SAT pertains to San Antonio International Airport

San Antonio-New Braunfels lodging performance summary

426 Number of hotels	**3.1%** Annual % change
48,188 Number of rooms	**1.2%** Annual % change
17.6 Estimated room nights available (mil)	**1.8%** Annual % change
11.4 Estimated room nights sold (mil)	**3.3%** Annual % change
$1.3B Room revenue	**4.7%** Annual % change
64.8% Estimated occupancy rate	**1.4%** Annual % change
$110.37 Estimated average daily rate (ADR)	**1.4%** Annual % change
$71.52 Revenue per Available Room (RevPAR)	**2.8%** Annual % change

San Antonio-New Braunfels, TX MSA hotel room inventory by level of positioning

Positioning	Hotels	Hotels % of total	Rooms	Rooms % of total
Luxury	9	2%	3,768	8%
Full Service	27	6%	7,056	15%
Upscale Select Service	59	14%	6,935	14%
Midscale Select Service	152	36%	16,079	33%
Economy Select Service	140	33%	10,952	23%
Unidentified	39	9%	3,398	7%
Total	426	100%	48,188	100%

Source: JLL, texas.gov

San Antonio-New Braunfels Economic Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F
GDP, real - Total (mil)	79,363	80,917	83,823	88,052	93,776	100,324	105,762	108,277	111,097	114,844	117,432	119,526	121,628	123,831
% change	-	*2.0%*	*3.6%*	*5.0%*	*6.5%*	*7.0%*	*5.4%*	*2.4%*	*2.6%*	*3.4%*	*2.3%*	*1.8%*	*1.8%*	*1.8%*
TX % change	*-0.7%*	*3.0%*	*3.8%*	*6.0%*	*5.3%*	*3.7%*	*4.4%*	*-0.3%*	*2.9%*	*3.8%*	*2.3%*	*1.7%*	*1.7%*	*1.7%*
U.S. % change	*-2.8%*	*2.5%*	*1.6%*	*2.2%*	*1.7%*	*2.6%*	*2.9%*	*1.5%*	*2.3%*	*2.7%*	*1.9%*	*1.5%*	*1.5%*	*1.5%*
Unemployment rate (%)	6.7	7.2	7.1	6.3	5.8	4.6	3.8	3.8	3.6	3.0	3.0	3.1	3.1	3.2
TX unemployment rate	*7.6*	*8.2*	*7.8*	*6.7*	*6.2*	*5.1*	*4.4*	*4.7*	*4.4*	*3.8*	*3.9*	*4.1*	*4.2*	*4.2*
U.S. unemployment rate	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.8	4.4	4.0	4.0	4.1	4.1	4.2
Personal income, real (mil)	72,832	75,536	80,506	82,573	84,760	90,111	95,996	97,118	98,675	101,531	104,385	106,975	109,558	112,205
% change	-	*3.7%*	*6.6%*	*2.6%*	*2.6%*	*6.3%*	*6.5%*	*1.2%*	*1.6%*	*2.9%*	*2.8%*	*2.5%*	*2.4%*	*2.4%*
TX % change	*-5.2%*	*3.4%*	*6.9%*	*5.4%*	*0.7%*	*6.0%*	*3.6%*	*-0.7%*	*1.3%*	*3.3%*	*2.9%*	*2.4%*	*2.3%*	*2.3%*
U.S. % change	*-3.2%*	*1.5%*	*3.7%*	*3.0%*	*-0.2%*	*3.7%*	*4.6%*	*1.2%*	*1.3%*	*2.2%*	*2.1%*	*1.7%*	*1.7%*	*1.7%*
Total population (ths)	2,100	2,147	2,189	2,232	2,277	2,325	2,375	2,423	2,468	2,510	2,552	2,596	2,640	2,686
% change	-	*2.2%*	*2.0%*	*2.0%*	*2.0%*	*2.1%*	*2.2%*	*2.0%*	*1.9%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*
TX % change	*2.0%*	*1.4%*	*1.5%*	*1.6%*	*1.6%*	*1.7%*	*1.8%*	*1.6%*	*1.3%*	*1.4%*	*1.5%*	*1.4%*	*1.4%*	*1.4%*
U.S. % change	*0.9%*	*0.9%*	*0.8%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.7%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*

Source: Oxford Economics

- The area's largest hotels under construction with opening anticipated to occur in 2018 include the 203-room Embassy Suites San Antonio Landmark and the 124-room WoodSpring Suites San Antonio North.
- The Embassy Suites San Antonio Landmark will serve a number of the area's growing corporate campuses including USAA, Valero Energy, and Security Service Federal Credit Union, among others. Additionally the full service hotel will be located proximate to Six Flags Fiesta Texas and the University of Texas San Antonio.
- Given the relatively limited number of new properties slated to open in 2018, the projects are expected to have a relatively minimal impact on the performance of existing hotels.

San Antonio MSA hotels under construction

Project Name	City	Room Count	Projected Opening Date	Positioning
Embassy Suites San Antonio Landmark	San Antonio	203	Aug-18	Full service
WoodSpring Suites San Antonio North	San Antonio	124	May-18	Midscale select service

Note: Projects subject to change; hotels greater than 100 rooms
Source: Publicly available information, JLL

- San Antonio saw a limited number of hotel transactions in 2017. The largest transaction was the sale of the 226-room Hilton San Antonio Hill Country Hotel & Spa for $23.3 million or $103,000 per room.

San Antonio MSA hotel transactions since 2016

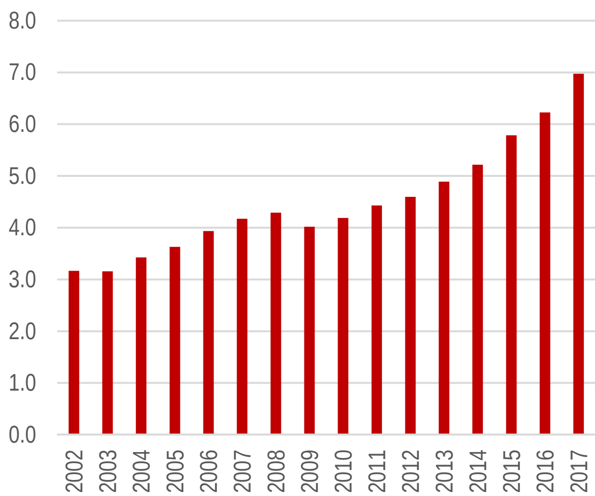
Property Name	City	Rooms	Price	Price per Room	Contract Date
Hampton Inn Suites Schertz	Schertz	98	$7,065,000	$72,100	Jan-16
Hampton Inn Suites New Braunfels	New Braunfels	87	$6,000,000	$69,000	Feb-16
Budget Lodge Fort Sam Houston	San Antonio	175	$5,900,000	$33,700	Mar-16
Riverwalk Plaza Hotel	San Antonio	129	$14,000,000	$108,500	Mar-16
Hilton San Antonio Hill Country Hotel & Spa	San Antonio	226	$23,300,000	$103,100	Oct-16
Hotel Valencia Riverwalk	San Antonio	213	$14,250,000	$66,900	Jul-17
Hotel Indigo San Antonio Riverwalk	San Antonio	149	$16,100,000	$108,100	Nov-17

Note: Pertains to single-asset transactions greater than $5 million
Source: JLL

Austin-Round Rock snapshot

- The Austin market has achieved GDP growth averaging nearly 6% annually since 2010, making it one of the top performing MSAs over this period.
- This technology hub boasts a highly-skilled workforce and one of the largest research universities in the country, two major drivers of lodging demand.
- Moreover, Austin-Bergstrom International Airport continues to sustain increases in passenger traffic, with passenger enplanements rising approximately 6% annually from 2009 to 2016.
- The MSA's hotel room stock increased by 6.0% in 2017. As a result of a significant amount of supply coming online in 2017, RevPAR declined 1.6%, due to a 1.3% decline in average rates and a 0.3% occupancy decline.
- Austin's upper-tier lodging supply makes up approximately 28% of room inventory, more than the other major MSAs in Texas, with 6% of rooms being of luxury positioning.

AUS passenger enplanement figures (millions)



Source: Source: Bureau of Transportation Statistics T-100 Market data, austintexas.gov, JLL
Note: AUS pertains to Austin–Bergstrom International Airport

Austin-Round Rock lodging performance summary

	Value	Annual % change
Number of hotels	313	6.0%
Number of rooms	38,435	6.4%
Estimated room nights available (mil)	14.0	6.1%
Estimated room nights sold (mil)	10.1	5.8%
Room revenue	$1.4B	4.3%
Estimated occupancy rate	71.9%	-0.3%
Estimated average daily rate (ADR)	$134.57	-1.3%
Revenue per Available Room (RevPAR)	$96.76	-1.6%

Austin-Round Rock, TX MSA hotel room inventory by level of positioning

Positioning	Hotels	Hotels % of total	Rooms	Rooms % of total
Luxury	11	4%	2,461	6%
Full Service	32	10%	8,587	22%
Upscale Select Service	50	16%	7,071	18%
Midscale Select Service	122	39%	11,350	30%
Economy Select Service	82	26%	6,946	18%
Unidentified	16	5%	2,020	5%
Total	313	100%	38,435	100%

Source: JLL, texas.gov

Austin-Round Rock Economic Indicators	2009	2010	2011	2012	2013	2014	2015	2016	2017E	2018F	2019F	2020F	2021F	2022F
GDP, real - Total (mil)	82,327	87,421	93,389	98,982	104,907	111,466	119,272	124,292	127,885	132,609	136,222	139,273	142,349	145,602
% change	-	6.2%	6.8%	6.0%	6.0%	6.3%	7.0%	4.2%	2.9%	3.7%	2.7%	2.2%	2.2%	2.3%
TX % change	-0.7%	3.0%	3.8%	6.0%	5.3%	3.7%	4.4%	-0.3%	2.9%	3.8%	2.3%	1.7%	1.7%	1.7%
U.S. % change	-2.8%	2.5%	1.6%	2.2%	1.7%	2.6%	2.9%	1.5%	2.3%	2.7%	1.9%	1.5%	1.5%	1.5%
Unemployment rate (%)	6.9	7.0	6.6	5.7	5.2	4.2	3.4	3.2	3.2	2.7	2.6	2.7	2.7	2.8
TX unemployment rate	7.6	8.2	7.8	6.7	6.2	5.1	4.4	4.7	4.4	3.8	3.9	4.1	4.2	4.2
U.S. unemployment rate	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.8	4.4	4.0	4.0	4.1	4.1	4.2
Personal income, real (mil)	65,639	68,111	73,455	79,450	81,033	87,090	93,311	95,714	97,608	100,671	103,937	106,822	109,726	112,674
% change	-	3.8%	7.8%	8.2%	2.0%	7.5%	7.1%	2.6%	2.0%	3.1%	3.2%	2.8%	2.7%	2.7%
TX % change	-5.2%	3.4%	6.9%	5.4%	0.7%	6.0%	3.6%	-0.7%	1.3%	3.3%	2.9%	2.4%	2.3%	2.3%
U.S. % change	-3.2%	1.5%	3.7%	3.0%	-0.2%	3.7%	4.6%	1.2%	1.3%	2.2%	2.1%	1.7%	1.7%	1.7%
Total population (ths)	1,676	1,722	1,774	1,827	1,877	1,934	1,991	2,049	2,104	2,154	2,202	2,251	2,301	2,353
% change	-	2.8%	3.0%	3.0%	2.7%	3.0%	3.0%	2.9%	2.7%	2.4%	2.2%	2.2%	2.2%	2.2%
TX % change	2.0%	1.4%	1.5%	1.6%	1.6%	1.7%	1.8%	1.6%	1.3%	1.4%	1.5%	1.4%	1.4%	1.4%
U.S. % change	0.9%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%

Source: Oxford Economics

- The largest property currently under construction is the 1,048-room Fairmont Austin, which is located adjacent to the convention center. In 2015 the 1,012-room JW Marriott Austin delivered and when the Fairmont is completed, the market will offer two new 1,000+ room properties by the convention center. This is anticipated to increase the market's capacity for large conventions.
- Another notable project is the Hotel ZaZa Austin, which will also be of a luxury positioning. The majority of the remaining projects under construction are comprised of premium select service hotels due to lower development costs in a market with high barriers to entry at present.

Austin MSA hotels under construction

Project Name	City	Room Count	Projected Opening Date	Positioning
Fairmont Austin	Austin	1,048	Mar-18	Full service
Courtyard Austin Northwest Lakeline	Austin	120	Apr-18	Full service
TownePlace Suites Austin North Lakeline	Austin	103	Apr-18	Premium select service
Homewood Suites Austin Downtown	Austin	150	May-18	Premium select service
La Quinta Inn & Suites Lakeway	Lakeway	103	Sep-18	Midscale select service
Hotel ZaZa Austin	Austin	160	Oct-18	Full service
Proper Hotel Austin	Austin	245	Oct-18	Full service

Note: Projects subject to change; hotels greater than 100 rooms

Source: Publicly available information, JLL

- Austin has become a highly sought-after market from a hotel investment perspective and boasts some of the most valuable hotel transactions in the state. The Austin Four Seasons, which sold for $197.0 million or $677,000 per room in 2015, is an example of this; however, as the market's popularity has increased among investors, higher asset valuations have followed and the lower-yield environment, amid investors' disciplined underwriting, has resulted in a decline in transaction volume over the past two years.
- No major hotels transacted in 2017, with the largest recent sale being the Radisson Hotel & Suites Austin Downtown, which sold for $130.0 million or $315,000 per room in May 2016. The hotel is slated to be converted to another name as part of a $75 million repositioning, with opening expected in late-spring 2018.

Austin MSA hotel transactions since 2016

Property Name	City	Rooms	Price	Price per Room	Contract Date
Comfort Inn Austin	Austin	73	$5,250,000	$71,900	Jan-16
Holiday Inn Express & Suites Austin Northwest Highway 620 & 183	Austin	65	$6,000,000	$92,300	Feb-16
TownePlace Suites Austin Northwest Arboretum	Austin	127	$10,000,000	$78,700	Mar-16
Radisson Hotel & Suites Austin Downtown	Austin	413	$130,000,000	$314,800	May-16
Fairfield Inn & Suites Austin Northwest Research Boulevard	Austin	84	$12,000,000	$142,900	Sep-16

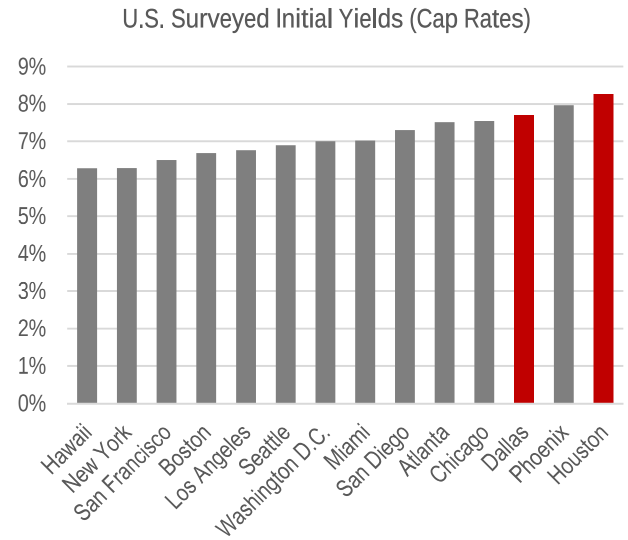
Note: Pertains to single-asset transactions greater than $5 million

Source: JLL

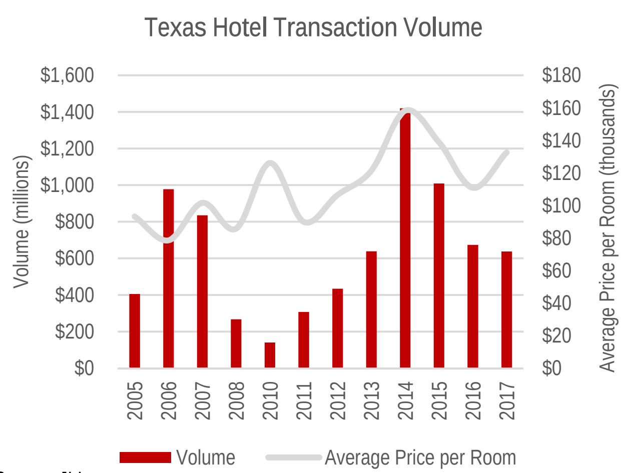
Texas Hotel transaction landscape

- Hurricane Harvey had a notable impact on the overall Texas lodging market—while boosting occupancy levels, transactions activity slowed as investors had less clarity on asset performance and value.
- In 2017, total transaction volume softened to $640 million, marking the third consecutive annual decline since peaking at $1.4 billion in 2014. At the same time, the average price per room increased over this period to approximately $133,000 in 2017.
- The 2017 buyer audience remained generally in line with the year prior. Real estate investment trusts' transaction activity remained more muted in 2017, while there was an uptick in transactions executed by investment funds backed by high-net-worth individuals.

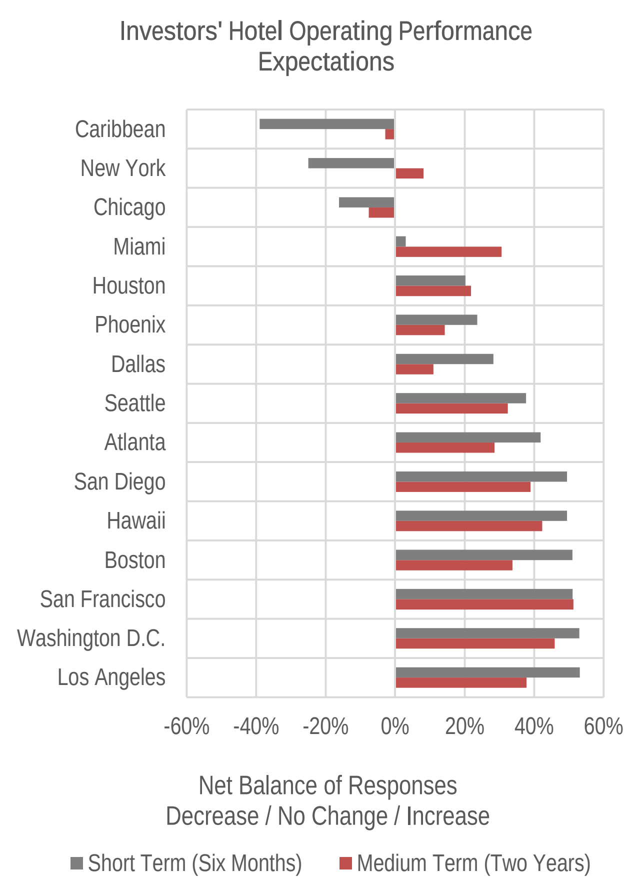
- JLL conducts an annual hotel investor survey as a gauge of industry sentiment among hotel investors.
- Target investment capitalization rates pertain to the rate of return an entity seeks when acquiring real estate, with lower cap rates driving higher pricing. Respondents with opinions pertaining to Dallas and Houston, the two Texas markets in the survey, rank average cap rates toward the higher end of the markets surveyed. Houston cap rates are among the highest in the survey due to the market's more tepid hotel performance landscape over recent years, notwithstanding recent improvements following Hurricane Harvey.
- Per investors' operating performance expectations, the majority of investors expect to increase over the next six months to two years. Over the medium term, growth fundamentals for Houston are anticipated to outperform those in Dallas, notwithstanding the lower basis.

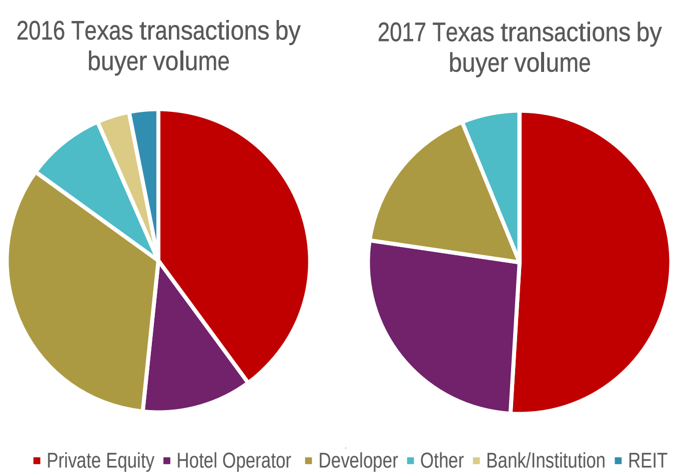


Source: JLL
Note: Respective geographies are generally representative of MSAs



Source: JLL





Source: JLL

Source: JLL
Note: Respective geographies are generally representative of MSAs

Texas and Texas Metropolitan Statistical Area Lodging performance

Texas hotel lodging performance by MSA - YTD Dec 2017

MSA	Hotels YTD Dec 2016	Hotels YTD Dec 2017	Hotels % chg	Rooms YTD Dec 2016	Rooms YTD Dec 2017	Rooms % chg	Est room nights available (ths) YTD Dec 2016	Est room nights available (ths) YTD Dec 2017	Est room nights available % chg	Est room nights sold (ths) YTD Dec 2016	Est room nights sold (ths) YTD Dec 2017	Est room nights sold % chg	Total room revenue (mil) YTD Dec 2016	Total room revenue (mil) YTD Dec 2017	Total room revenue % chg	Occupancy YTD Dec 2016	Occupancy YTD Dec 2017	Occupancy % chg	ADR YTD Dec 2016	ADR YTD Dec 2017	ADR % chg	RevPAR YTD Dec 2016	RevPAR YTD Dec 2017	RevPAR % change
Abilene, TX	44	44	0.6%	3,529	3,554	0.7%	1,292	1,297	0.4%	719	752	4.6%	$50	$53	7.0%	55.7%	58.0%	4.1%	$68.93	$70.55	2.3%	$38.39	$40.92	6.6%
Amarillo, TX	62	63	3.0%	5,603	5,588	-0.3%	2,051	2,040	-0.5%	1,472	1,471	-0.1%	$105	$105	0.1%	71.8%	72.1%	0.4%	$71.07	$71.25	0.3%	$51.03	$51.37	0.7%
Austin-Round Rock, TX	295	313	6.0%	36,140	38,435	6.4%	13,227	14,029	6.1%	9,537	10,087	5.8%	$1,301	$1,357	4.3%	72.1%	71.9%	-0.3%	$136.41	$134.57	-1.3%	$98.35	$96.76	-1.6%
Beaumont-Port Arthur, TX	79	81	3.1%	6,289	6,531	3.8%	2,302	2,384	3.6%	1,225	1,373	12.1%	$89	$105	18.4%	53.2%	57.6%	8.3%	$72.70	$76.79	5.6%	$38.68	$44.23	14.4%
Brownsville-Harlingen, TX	95	97	1.6%	7,048	7,177	1.8%	2,580	2,620	1.6%	1,352	1,383	2.3%	$115	$118	2.8%	52.4%	52.8%	0.8%	$85.22	$85.59	0.4%	$44.66	$45.19	1.2%
College Station-Bryan, TX	58	63	7.8%	5,011	5,515	10.1%	1,834	2,013	9.8%	1,165	1,288	10.6%	$104	$116	11.1%	63.5%	64.0%	0.8%	$89.71	$90.07	0.4%	$56.97	$57.64	1.2%
Corpus Christi, TX	144	147	1.6%	11,700	12,028	2.8%	4,282	4,390	2.5%	2,569	2,854	11.1%	$217	$246	13.3%	60.0%	65.0%	8.3%	$84.64	$86.36	2.0%	$50.78	$56.13	10.5%
Dallas-Fort Worth-Arlington, TX	965	1,003	3.9%	118,437	123,508	4.3%	43,348	45,080	4.0%	30,864	31,421	1.8%	$2,997	$3,085	2.9%	71.2%	69.7%	-2.1%	$97.11	$98.17	1.1%	$69.14	$68.43	-1.0%
El Paso, TX	82	85	3.6%	9,570	9,968	4.2%	3,503	3,638	3.9%	2,452	2,456	0.2%	$184	$179	-2.4%	70.0%	67.5%	-3.6%	$74.90	$72.96	-2.6%	$52.43	$49.25	-6.1%
Houston-The Woodlands-Sugar Land, TX	925	987	6.6%	92,508	98,243	6.2%	33,858	35,859	5.9%	21,060	23,954	13.7%	$2,158	$2,467	14.3%	62.2%	66.8%	7.4%	$102.49	$103.01	0.5%	$63.75	$68.81	7.9%
Killeen-Temple, TX	80	83	4.2%	5,849	6,032	3.1%	2,141	2,202	2.9%	1,295	1,398	8.0%	$75	$83	10.8%	60.5%	63.5%	5.0%	$57.55	$59.08	2.7%	$34.82	$37.52	7.8%
Laredo, TX	40	38	-4.0%	4,141	3,931	-5.1%	1,516	1,435	-5.3%	849	872	2.8%	$59	$63	8.1%	56.0%	60.8%	8.6%	$69.08	$72.62	5.1%	$38.69	$44.15	14.1%
Longview, TX	55	54	-0.5%	3,451	3,531	2.3%	1,263	1,289	2.0%	700	742	6.1%	$36	$39	8.2%	55.4%	57.6%	4.0%	$51.81	$52.82	2.0%	$28.70	$30.43	6.0%
Lubbock, TX	60	66	10.4%	5,406	5,869	8.6%	1,979	2,142	8.3%	1,126	1,157	2.7%	$107	$107	-0.1%	56.9%	54.0%	-5.1%	$95.12	$92.49	-2.8%	$54.12	$49.94	-7.7%
McAllen-Edinburg-Mission, TX	95	97	2.8%	7,033	7,604	8.1%	2,574	2,775	7.8%	1,416	1,360	-3.9%	$113	$101	-9.9%	55.0%	49.0%	-10.9%	$79.56	$74.62	-6.2%	$43.76	$36.56	-16.5%
Midland, TX	53	54	0.6%	4,937	5,059	2.5%	1,807	1,846	2.2%	994	1,329	33.8%	$86	$136	58.5%	55.0%	72.0%	30.9%	$86.29	$102.23	18.5%	$47.46	$73.60	55.1%
Odessa, TX	45	48	6.3%	4,356	4,936	13.3%	1,594	1,802	13.0%	877	1,243	41.8%	$69	$111	60.4%	55.0%	69.0%	25.5%	$79.21	$89.63	13.2%	$43.56	$61.84	42.0%
San Angelo, TX	34	33	-1.5%	2,855	2,826	-1.0%	1,045	1,032	-1.3%	554	629	13.6%	$31	$38	23.4%	53.0%	61.0%	15.1%	$55.22	$59.95	8.6%	$29.26	$36.57	25.0%
San Antonio-New Braunfels, TX	413	426	3.1%	47,197	48,188	2.1%	17,274	17,589	1.8%	11,038	11,397	3.3%	$1,201	$1,258	4.7%	63.9%	64.8%	1.4%	$108.82	$110.37	1.4%	$69.54	$71.52	2.8%
Sherman-Denison, TX	22	23	2.3%	1,973	2,001	1.4%	722	730	1.1%	438	452	3.3%	$21	$22	4.5%	60.6%	61.9%	2.1%	$47.09	$47.65	1.2%	$28.53	$29.49	3.4%
Texarkana, TX-AR	20	21	1.2%	1,785	1,876	5.1%	653	685	4.8%	347	354	2.0%	$24	$24	0.9%	53.1%	51.7%	-2.6%	$68.77	$68.01	-1.1%	$36.52	$35.16	-3.7%
Tyler, TX	46	48	4.8%	3,656	3,967	8.5%	1,338	1,448	8.2%	831	875	5.3%	$48	$50	3.9%	62.1%	60.4%	-2.7%	$58.11	$57.34	-1.3%	$36.09	$34.63	-4.0%
Victoria, TX	26	25	-1.9%	1,892	1,849	-2.3%	693	675	-2.5%	326	378	16.1%	$24	$30	26.1%	47.0%	56.0%	19.1%	$74.10	$80.45	8.6%	$34.83	$45.05	29.4%
Waco, TX	56	56	1.1%	4,415	4,453	0.9%	1,616	1,625	0.6%	1,107	1,185	7.1%	$82	$91	10.1%	68.5%	72.9%	6.4%	$74.49	$76.63	2.9%	$51.02	$55.86	9.5%
Wichita Falls, TX	29	30	5.5%	2,356	2,507	6.4%	862	915	6.1%	535	544	1.9%	$32	$31	-0.8%	62.0%	59.5%	-4.0%	$58.94	$57.41	-2.6%	$36.54	$34.16	-6.5%
Non-MSA	913	932	2.0%	57,916	60,453	4.4%	21,197	22,065	4.1%	9,751	11,540	18.4%	$685	$799	16.5%	46.0%	52.3%	13.7%	$70.27	$69.19	-1.5%	$32.32	$36.19	12.0%
State total / average	4,735	4,916	3.8%	455,053	475,630	4.5%	166,549	173,605	4.2%	104,595	112,495	7.6%	$10,013	$10,816	8.0%	62.8%	64.8%	3.2%	$95.73	$96.15	0.4%	$60.12	$62.30	3.6%

Source: JLL, texas.gov

Texas hotel lodging performance by level of positioning - YTD Dec 2017

Positioning	Hotels YTD Dec 2016	Hotels YTD Dec 2017	Hotels % chg	Rooms YTD Dec 2016	Rooms YTD Dec 2017	Rooms % chg	Est room nights available (ths) YTD Dec 2016	Est room nights available (ths) YTD Dec 2017	Est room nights available % chg	Est room nights sold (ths) YTD Dec 2016	Est room nights sold (ths) YTD Dec 2017	Est room nights sold % chg	Total room revenue (mil) YTD Dec 2016	Total room revenue (mil) YTD Dec 2017	Total room revenue % chg	Occupancy YTD Dec 2016	Occupancy YTD Dec 2017	Occupancy % chg	ADR YTD Dec 2016	ADR YTD Dec 2017	ADR % chg	RevPAR YTD Dec 2016	RevPAR YTD Dec 2017	RevPAR % change
Luxury	56	58	3.3%	13,830	14,269	3.2%	5,062	5,208	2.9%	3,407	3,526	3.5%	$840	$849	1.0%	67.3%	67.7%	0.6%	$246.72	$240.82	-2.4%	$166.04	$163.04	-1.8%
Full Service	230	236	2.5%	66,978	68,778	2.7%	24,514	25,104	2.4%	17,013	17,598	3.4%	$2,641	$2,721	3.0%	69.4%	70.1%	1.0%	$155.25	$154.60	-0.4%	$107.74	$108.37	0.6%
Upscale Select Service	537	578	7.6%	66,722	71,704	7.5%	24,420	26,172	7.2%	16,874	18,320	8.6%	$1,937	$2,156	11.3%	69.1%	70.0%	1.3%	$114.77	$117.70	2.6%	$79.31	$82.39	3.9%
Midscale Select Service	1,631	1,700	4.2%	143,884	150,517	4.6%	52,662	54,939	4.3%	32,650	35,545	8.9%	$2,873	$3,135	9.1%	62.0%	64.7%	4.4%	$88.00	$88.19	0.2%	$54.56	$57.06	4.6%
Economy Select Service	1,861	1,884	1.2%	131,926	132,526	0.5%	48,285	48,372	0.2%	28,054	29,217	4.1%	$1,320	$1,416	7.2%	58.1%	60.4%	4.0%	$47.06	$48.47	3.0%	$27.34	$29.27	7.1%
Unidentified	419	460	9.8%	31,714	37,836	19.3%	11,607	13,810	19.0%	6,598	8,289	25.6%	$401	$539	34.5%	56.8%	60.0%	5.6%	$60.76	$65.03	7.0%	$34.53	$39.04	13.0%
State total / average	4,735	4,916	3.8%	455,053	475,630	4.5%	166,549	173,605	4.2%	104,595	112,495	7.6%	$10,013	$10,816	8.0%	62.8%	64.8%	3.2%	$95.73	$96.15	0.4%	$60.12	$62.30	3.6%

Source: JLL, texas.gov

Texas rooms inventory by MSA

MSA	Hotels	Hotels % of total	Rooms	Rooms % of total
Abilene, TX	44	0.9%	3,554	0.7%
Amarillo, TX	63	1.3%	5,588	1.2%
Austin-Round Rock, TX	313	6.4%	38,435	8.1%
Beaumont-Port Arthur, TX	81	1.6%	6,531	1.4%
Brownsville-Harlingen, TX	97	2.0%	7,177	1.5%
College Station-Bryan, TX	63	1.3%	5,515	1.2%
Corpus Christi, TX	147	3.0%	12,028	2.5%
Dallas-Fort Worth-Arlington, TX	1,003	20.4%	123,508	26.0%
El Paso, TX	85	1.7%	9,968	2.1%
Houston-The Woodlands-Sugar Land, TX	987	20.1%	98,243	20.7%
Killeen-Temple, TX	83	1.7%	6,032	1.3%
Laredo, TX	38	0.8%	3,931	0.8%
Longview, TX	54	1.1%	3,531	0.7%
Lubbock, TX	66	1.3%	5,869	1.2%
McAllen-Edinburg-Mission, TX	97	2.0%	7,604	1.6%
Midland, TX	54	1.1%	5,059	1.1%
Odessa, TX	48	1.0%	4,936	1.0%
San Angelo, TX	33	0.7%	2,826	0.6%
San Antonio-New Braunfels, TX	426	8.7%	48,188	10.1%
Sherman-Denison, TX	23	0.5%	2,001	0.4%
Texarkana, TX-AR	21	0.4%	1,876	0.4%
Tyler, TX	48	1.0%	3,967	0.8%
Victoria, TX	25	0.5%	1,849	0.4%
Waco, TX	56	1.1%	4,453	0.9%
Wichita Falls, TX	30	0.6%	2,507	0.5%
Non-MSA	932	19.0%	60,453	12.7%
State total / average	4,916	100.0%	475,630	100.0%

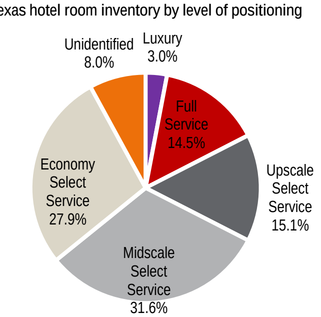
Source: JLL, texas.gov

Texas hotel room inventory by level of positioning

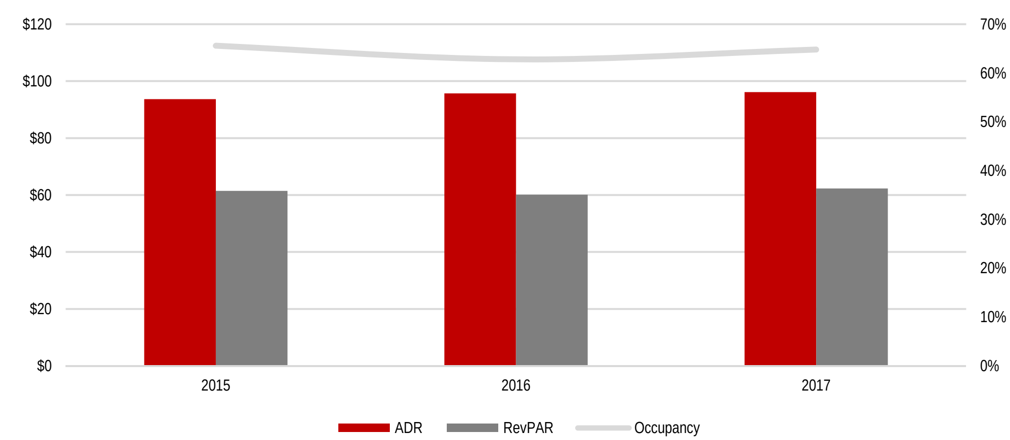
Positioning	Hotels	Hotels % of total	Rooms	Rooms % of total
Luxury	58	1.2%	14,269	3.0%
Full Service	236	4.8%	68,778	14.5%
Upscale Select Service	578	11.8%	71,704	15.1%
Midscale Select Service	1,700	34.6%	150,517	31.6%
Economy Select Service	1,884	38.3%	132,526	27.9%
Unidentified	460	9.4%	37,836	8.0%
State total / average	4,916	100.0%	475,630	100.0%

Source: JLL, texas.gov

Texas hotel room inventory by level of positioning



Texas lodging performance



Appendix

Definitions

The following terms are used throughout this report. These common hospitality industry terms are defined below:

- Room nights available = the number of hotel rooms available X the number of nights during the time period analyzed.
- Room nights sold = the number of room nights rented.
- Occupancy = room nights sold / room nights available
- Total rooms revenue = the amount of money hotels earn by renting out their dwellings. This pertains to rooms revenue only as defined by the *Uniform System of Accounts for the Lodging Industry Eleventh Revised Edition* and therefore excludes other revenues earned by a hotel such as food and beverage revenue. Total rooms revenue figures are reported by the Texas Comptroller on a monthly basis.
- Revenue Per Available Room (RevPAR) = rooms revenue / room nights available
- Average Daily Rate (ADR) = Revenue Per Available Room / Occupancy
- MSA = Metropolitan Statistical Area

Data Sources and Methodology

- The research approach used to analyze information utilized in this report was created by JLL.
- Throughout the analysis, JLL leveraged the Texas Comptroller's data to quantify RevPAR figures. This data is publicly available.
- The cities, counties and Texas travel regions making up the MSAs were provided by the Texas Tourism Office of the Governor Economic Development and Tourism and the publicly available Texas Comptroller database. The Texas Metropolitan Statistical Areas utilized in JLL's report are defined by the U.S. Census Bureau.
- JLL modified select outliers in the Texas Comptroller data, particularly with respect to hotel room counts that were deemed inaccurate.
- Supply and supply growth figures, pertaining to both hotels and rooms, are based on the number of hotels and rooms in the comptroller database.
- RevPAR figures are calculations based on room count and room revenue figures reported by the Texas Comptroller data, and an assumed annual operating period of 365 days per year—366 days in leap years. Given that some hotels, or rooms within hotels, may be closed for one or more days in a given year, for instance if undergoing a renovation, JLL notes that room nights available are estimates.
- JLL estimated occupancy rates and average daily rates by using the calculated RevPAR figures. The estimated occupancy rate was used to project room nights sold. These estimates are based on JLL's experience in the market, current and/or recent hotel advisory projects and assignments where JLL has performance figures on individual hotels and/or submarkets, discussions with hotel operators, owners and investors, JLL's ongoing collaboration with a number of convention and visitors bureaus in the state of Texas, and overall knowledge of trends with regards to the various market areas, geographies and hotel types.
- JLL takes reasonable efforts to validate but makes no warranties about the accuracy of the data provided by the Texas Comptroller's and disclaims any liability in connection with the use of the data or any reliance on the data for any purpose. The results of this analysis are to be relied upon at the discretion of the user.
- Economic and enplanement figures shown in the market write-up sections were gathered by JLL and sourced accordingly. However, JLL understands that these data are available from a number of different sources, and therefore does not have the intention of serving as the primary source for this information.
- Given the increasing prevalence of shared accommodations in which residents make available their dwellings for short term rentals, room revenues for shared accommodations, which are subject to hotel occupancy taxes, are reported by the Texas Comptroller. While such properties are a valid source of accommodations in the market, they do not reflect broader performance of the hotel sector given that, unlike traditional hotels, the supply of shared accommodations can fluctuate based on when the host decides to rent his or her respective space(s). In order to hone in on the performance of traditional hotels in Texas, throughout the analysis, JLL aggregates the performance among hotels with 30 or more rooms. Furthermore, JLL al omits from the analysis the revenues that are reported by large home sharing companies. Doing so accounts for approximately 95% of both units and revenues, reported in the texas.gov data. This room count minimum also generally excludes campsites and recreational vehicle parks from the analysis, which are likewise deemed by JLL to not be representative of traditional hotels' performance.
- Below are examples of hotel brands represented in the positioning of hotels utilized by JLL:
  - Luxury: Four Seasons, Ritz-Carlton, JW Marriott, unbranded hotels of comparable positioning
  - Full Service: Hyatt, Marriott, Hilton, unbranded hotels of comparable positioning
  - Upscale Select Service: Courtyard by Marriott, aloft, Hilton Garden Inn, unbranded hotels of comparable positioning
  - Midscale Select Service: Comfort Inn, Holiday Inn Express, Fairfield Inn, unbranded hotels of comparable positioning
  - Economy Select Service: Extended Stay America, Motel 6, America's Best Value Inn, unbranded hotels of comparable positioning
- If there are any questions about the methodology or data, or if there is additional information available that was not considered in this report, please direct inquiries to the JLL contacts listed on the final page of this report.

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