

Tampa Bay Area Lodging Investment Update

25th ANNUAL HCHMA TRENDS & FORECASTING FORUM

PRESENTED BY LOU PLASENCIA
JULY 2025



THE PLASENCIA GROUP
Passion. Access. Certainty.

Disclaimer

Today we are presenting information regarding the economy and the lodging sector, as well as our firm's perceptions on the economy and the industry's performance.

We are not in any way recommending or urging you to take any action whatsoever as a result of our presentation. Any actions you may decide to take resulting from any comments today would be at your own discretion.

We make no representation that any information, data, statements or projections we may present today are correct or will actually come to fruition. We recommend you independently validate this information.

**A copy of this presentation will be
available tomorrow morning at:**

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Key Themes of Today's Presentation

- The economy continues to improve, albeit slowly, and is expected to stabilize in late 2025 and into 2026 as trade policy uncertainty clears up. Florida is the place to be for residents and corporations.
- Hotel top line performance remains strong while owners face significant operating challenges at the bottom line, mainly with the cost of labor.
- Transient demand fades but Group demand continues to grow.
- Commercial real estate insurance costs have dropped but remain vulnerable should a catastrophic event occur *anywhere* in the state.
- Brands are being demanding with PIPs while owners are being stingy.
- Interest rates remain high but are expected to come down slightly later in 2025.
- Very few transaction have taken place in the past year, but sales will increase when the Fed cuts rates.

STR Top 25 Markets: Annual ADR Trend

Tampa Bay Area Settling to the Middle of the Pack

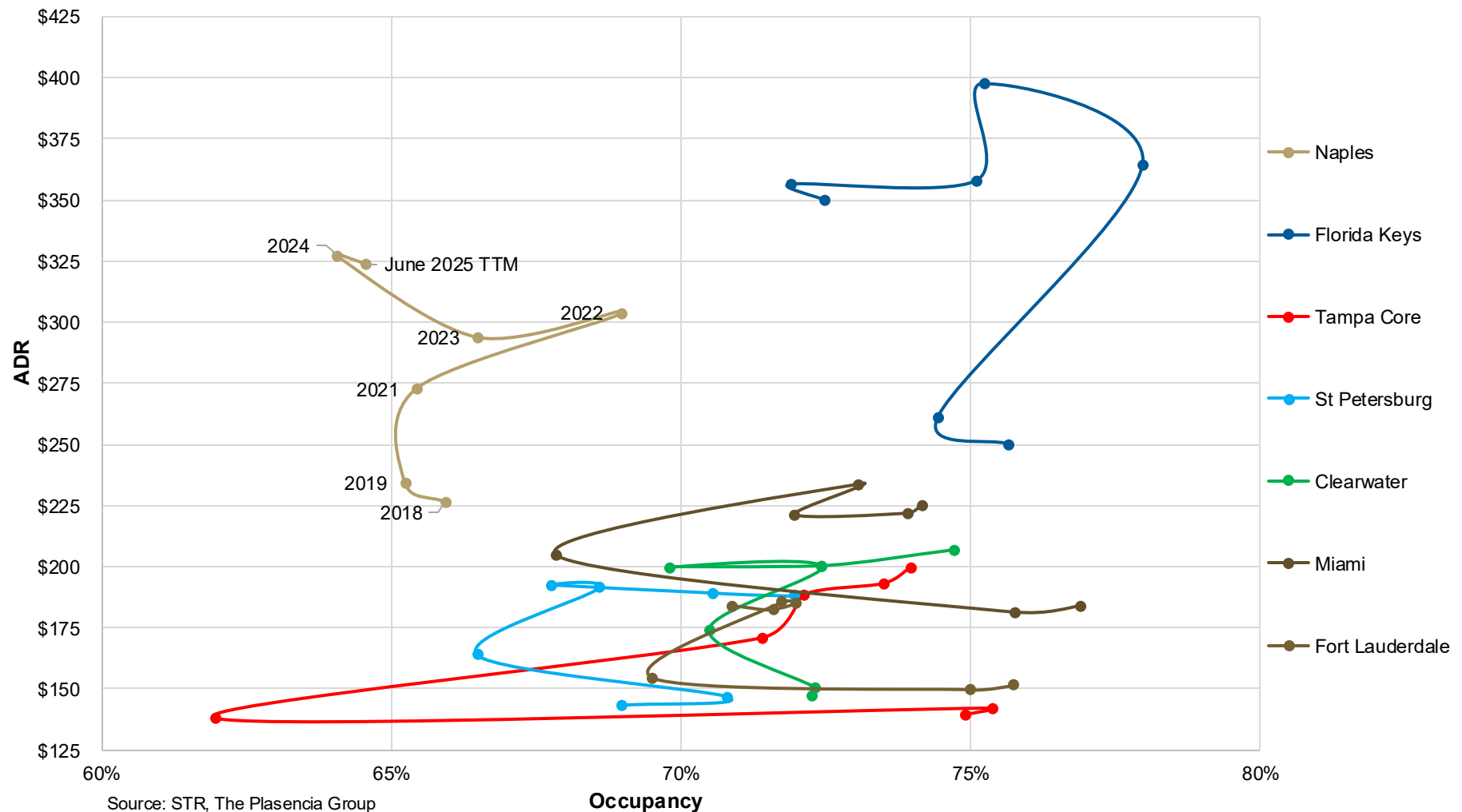
2020		2021		2022		2023		2024		June 2025 TTM	
Market	ADR	Market	ADR	Market	ADR	Market	ADR	Market	ADR	Market	ADR
Oahu Island	\$211.72	Oahu Island	\$222.63	New York	\$278.16	New York	\$301.20	New York	\$318.65	New York	\$324.17
San Francisco	\$173.94	Miami	\$205.02	Oahu Island	\$266.30	Oahu Island	\$281.14	Oahu Island	\$284.39	Oahu Island	\$284.16
Miami	\$171.13	New York	\$202.00	Miami	\$234.01	Boston	\$224.51	Boston	\$232.47	Boston	\$234.22
New York	\$148.54	Orange County	\$169.52	Boston	\$211.04	San Francisco	\$222.99	Miami	\$221.64	Miami	\$224.88
Orange County	\$135.70	San Diego	\$165.54	San Francisco	\$210.76	Miami	\$221.28	San Francisco	\$212.89	San Francisco	\$217.54
Los Angeles	\$133.97	Los Angeles	\$159.14	San Diego	\$205.03	Orange County	\$211.37	San Diego	\$212.49	San Diego	\$214.92
San Diego	\$130.09	Boston	\$155.74	Orange County	\$202.28	San Diego	\$209.97	Orange County	\$208.38	Orange County	\$207.90
Orlando	\$128.54	San Francisco	\$152.59	Los Angeles	\$195.42	Los Angeles	\$198.51	Los Angeles	\$195.03	Orlando	\$198.76
Boston	\$121.02	Orlando	\$145.40	Orlando	\$186.14	Orlando	\$193.65	Orlando	\$194.47	Los Angeles	\$196.57
Phoenix	\$115.87	Tampa	\$137.19	New Orleans	\$175.92	Washington	\$179.95	Washington	\$185.85	Washington	\$188.88
New Orleans	\$115.64	Nashville	\$137.04	Nashville	\$169.94	Nashville	\$179.07	Seattle	\$181.27	New Orleans	\$181.99
Tampa	\$115.55	New Orleans	\$129.64	Seattle	\$168.08	Seattle	\$177.50	Nashville	\$176.95	Seattle	\$181.13
Washington	\$113.75	Phoenix	\$128.25	Washington	\$163.99	Phoenix	\$174.47	Phoenix	\$173.09	Tampa	\$177.41
Seattle	\$106.78	Seattle	\$123.18	Tampa	\$163.56	Tampa	\$170.57	Tampa	\$172.26	Nashville	\$175.57
Nashville	\$104.63	Philadelphia	\$121.01	Phoenix	\$162.18	New Orleans	\$169.62	New Orleans	\$171.65	Phoenix	\$172.70
Philadelphia	\$98.86	Washington	\$120.52	Chicago	\$156.16	Chicago	\$160.93	Chicago	\$168.82	Chicago	\$170.98
Denver	\$94.91	Chicago	\$119.86	Philadelphia	\$146.31	Philadelphia	\$151.33	Philadelphia	\$151.65	Philadelphia	\$152.58
Chicago	\$91.20	Norfolk	\$118.17	Denver	\$141.40	Denver	\$149.49	Denver	\$151.18	Denver	\$151.09
Norfolk	\$89.47	Denver	\$116.94	Norfolk	\$125.86	Minneapolis	\$130.69	Minneapolis	\$135.23	Minneapolis	\$133.79
Minneapolis	\$87.67	Minneapolis	\$101.90	Minneapolis	\$125.32	Norfolk	\$129.57	Norfolk	\$129.57	Norfolk	\$129.70
Detroit	\$86.21	Saint Louis	\$101.40	Saint Louis	\$118.06	Atlanta	\$125.24	Dallas	\$128.32	Dallas	\$128.84
Atlanta	\$85.62	Atlanta	\$100.01	Atlanta	\$118.05	Dallas	\$124.03	Atlanta	\$124.95	Atlanta	\$126.22
Dallas	\$85.53	Detroit	\$99.23	Dallas	\$115.72	Saint Louis	\$123.66	Detroit	\$124.01	Detroit	\$125.08
Saint Louis	\$84.18	Dallas	\$95.63	Detroit	\$115.72	Detroit	\$121.25	Saint Louis	\$123.83	Saint Louis	\$124.47
Houston	\$83.53	Houston	\$94.69	Houston	\$106.46	Houston	\$113.35	Houston	\$121.06	Houston	\$123.39

Source: STR

Key Florida & Tampa Area Markets: Recent Performance

(2018 – June 2025 T-12; COVID impact in 2020 has been excluded)

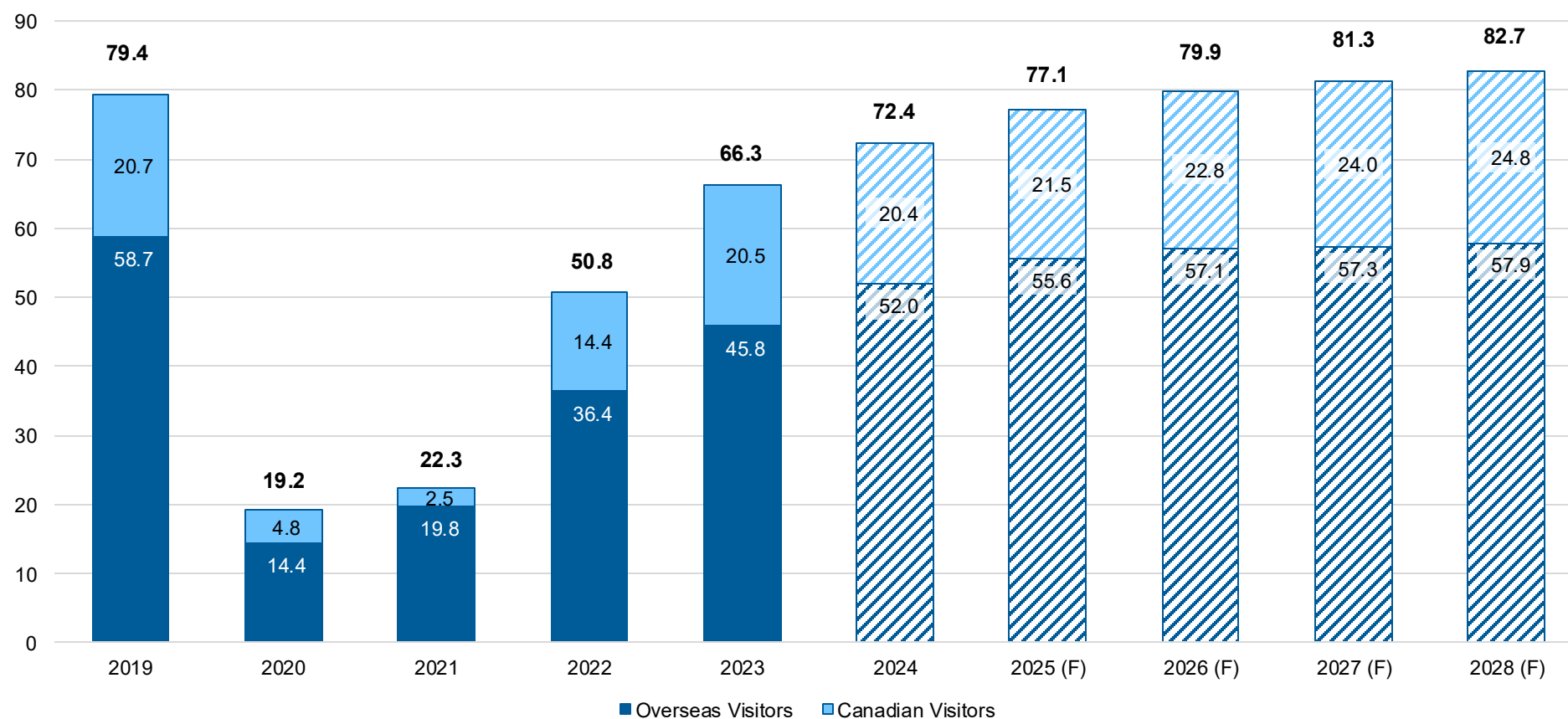
Most Florida Markets Seeing ADR Continue to Normalize



International Arrivals Into the United States

Foreign visitation remains below 2019 levels.

**United States Inbound International Visitors
(in millions)**

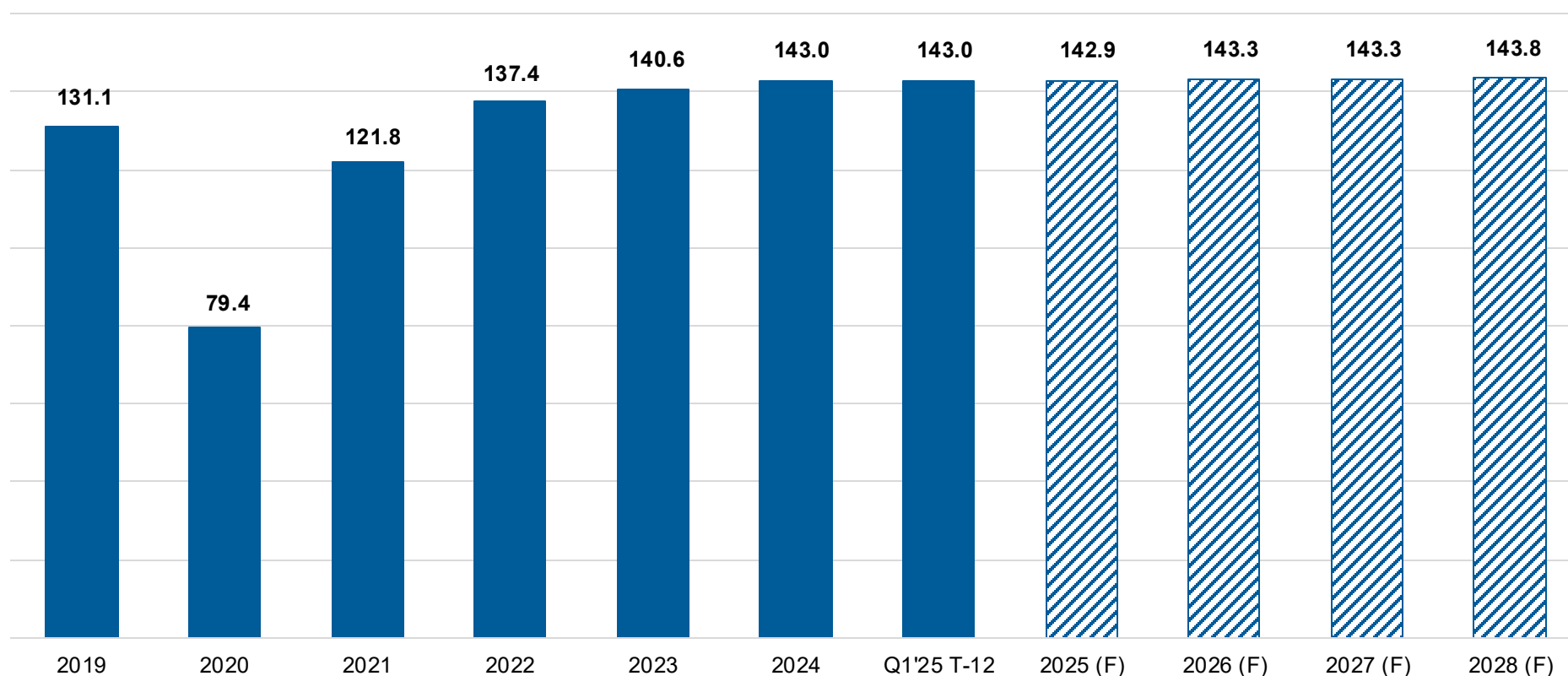


Source: International Trade Administration, The Plasencia Group
Note: Data in millions.

Arrivals Into Florida

Having recovered well past 2019 benchmarks, domestic and international inbound visitation to our state is expected to level off for the foreseeable future.

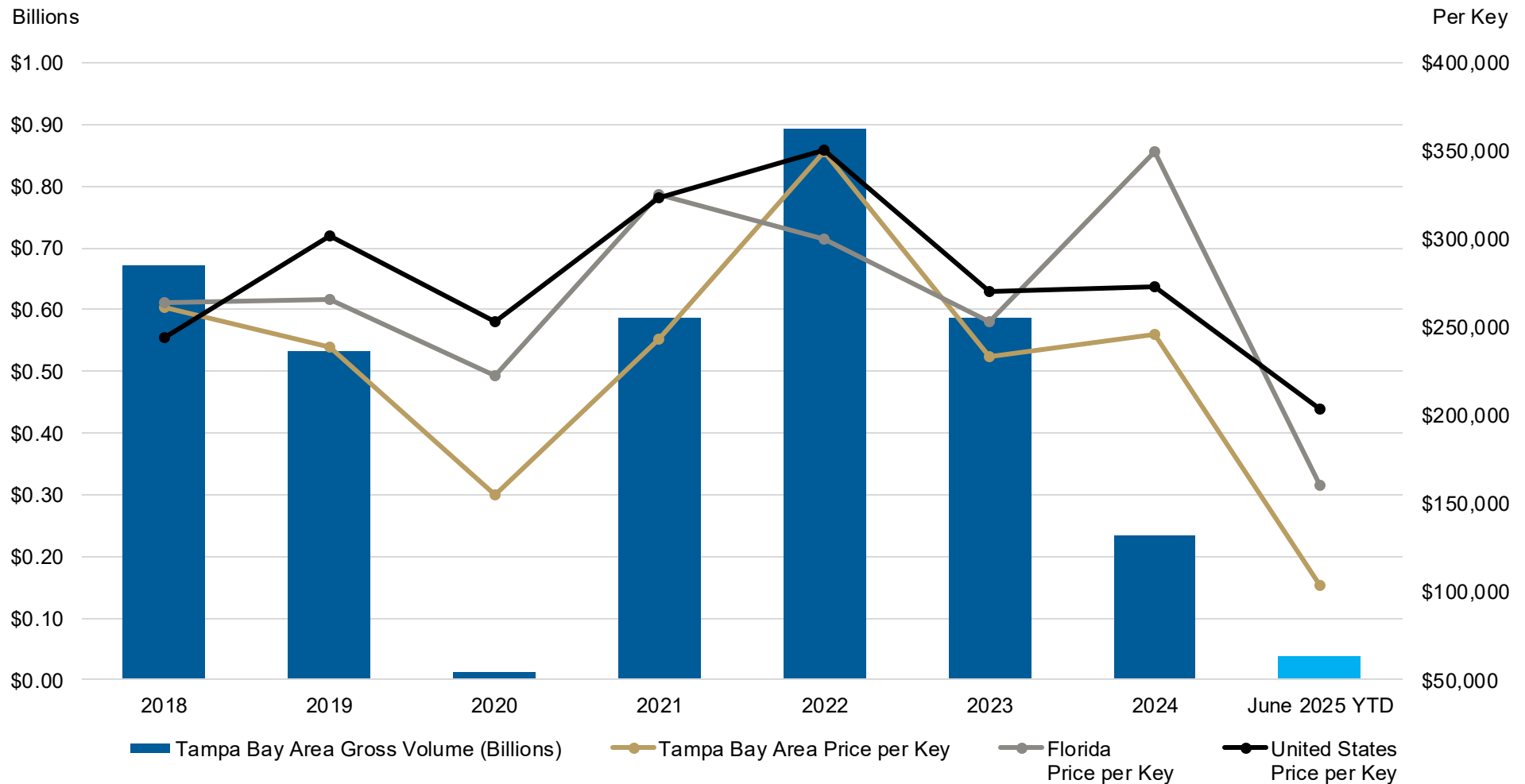
Inbound Tourism Visitation to Florida
(2019 through 2028F – In millions)



Source: U.S. Travel Association, Florida TaxWatch, The Plasencia Group
Note: Data in millions.

Transaction Trends: Tampa Bay Region / Florida / United States

Transaction activity today is comparable to COVID period, with declining values.



Source: CoStar, The Plasencia Group
Note: Transaction volume in billions.

Hillsborough/Pinellas County Select Transactions: Full-Service

Very few full-service hotels have transacted in the area with the last major sale occurring a year ago, in August of 2024!

Date	Property	City	Keys	Year Built	Price	Per Key
Feb-23	AC St. Petersburg Downtown	Saint Petersburg	172	2023	\$59,600,000	\$346,512
May-23	The Westin Tampa Bay	Tampa	252	2008	\$59,850,000	\$237,500
Jun-23	AC Hotel Clearwater Beach	Clearwater Beach	144	2022	\$58,300,000	\$404,861
Jun-23	Courtyard Clearwater Beach	Clearwater Beach	139	2021	\$55,400,000	\$398,561
Aug-24	Hyatt Regency Clearwater Beach Resort and Spa	Clearwater Beach	289	2010	\$200,000,000	\$692,042

Source: CoStar, The Plasencia Group

Hillsborough/Pinellas County Select Transactions: Select-Service

Transactions in the select-service segment have remained healthy given that smaller deals are easier to finance.

Date	Property	City	Keys	Year Built	Price	Per Key
Nov-23	Hilton Garden Inn Tampa Northwest/Oldsmar	Oldsmar	87	2006	\$11,020,000	\$126,667
Nov-23	Hilton Garden Inn Tampa North	Temple Terrace	148	2000	\$14,326,612	\$96,801
Dec-23	TownePlace Suites Tampa Westshore/Airport	Tampa	121	2008	\$18,450,000	\$152,479
Dec-23	Holiday Inn Express & Suites Clearwater US 19	Clearwater	119	2005	\$16,000,000	\$134,454
Dec-23	Residence Inn Tampa Westshore/Airport	Tampa	160	2001	\$45,000,000	\$281,250
Jan-24	Holiday Inn Express Plant City	Tampa	123	2008	\$14,200,000	\$115,447
Mar-24	Courtyard Tampa Northwest/Veterans Expressway	Tampa	128	2018	\$23,800,000	\$185,938
Jul-24	Hyatt Place Tampa Airport/Westshore	Tampa	124	1994	\$18,200,000	\$146,774
Jul-24	Homewood Suites St. Petersburg	Clearwater	112	1997	\$14,000,000	\$125,000
Sep-24	Chase Suite Hotel Tampa	Tampa	160	1986	\$21,465,000	\$134,156
May-25	Hampton Inn & Suites Tampa East (Casino Area)	Seffner	74	2005	\$9,650,000	\$130,405
Jun-25	Courtyard Tampa Brandon	Tampa	93	1997	\$10,275,000	\$110,484
Jun-25	Homewood Suites Tampa Brandon	Tampa	126	2006	\$18,800,000	\$149,206

Source: CoStar, The Plasencia Group

Hillsborough/Pinellas County: New Supply Pipeline

While the pipeline for new rooms (3,106) is robust, most of these will not be built.

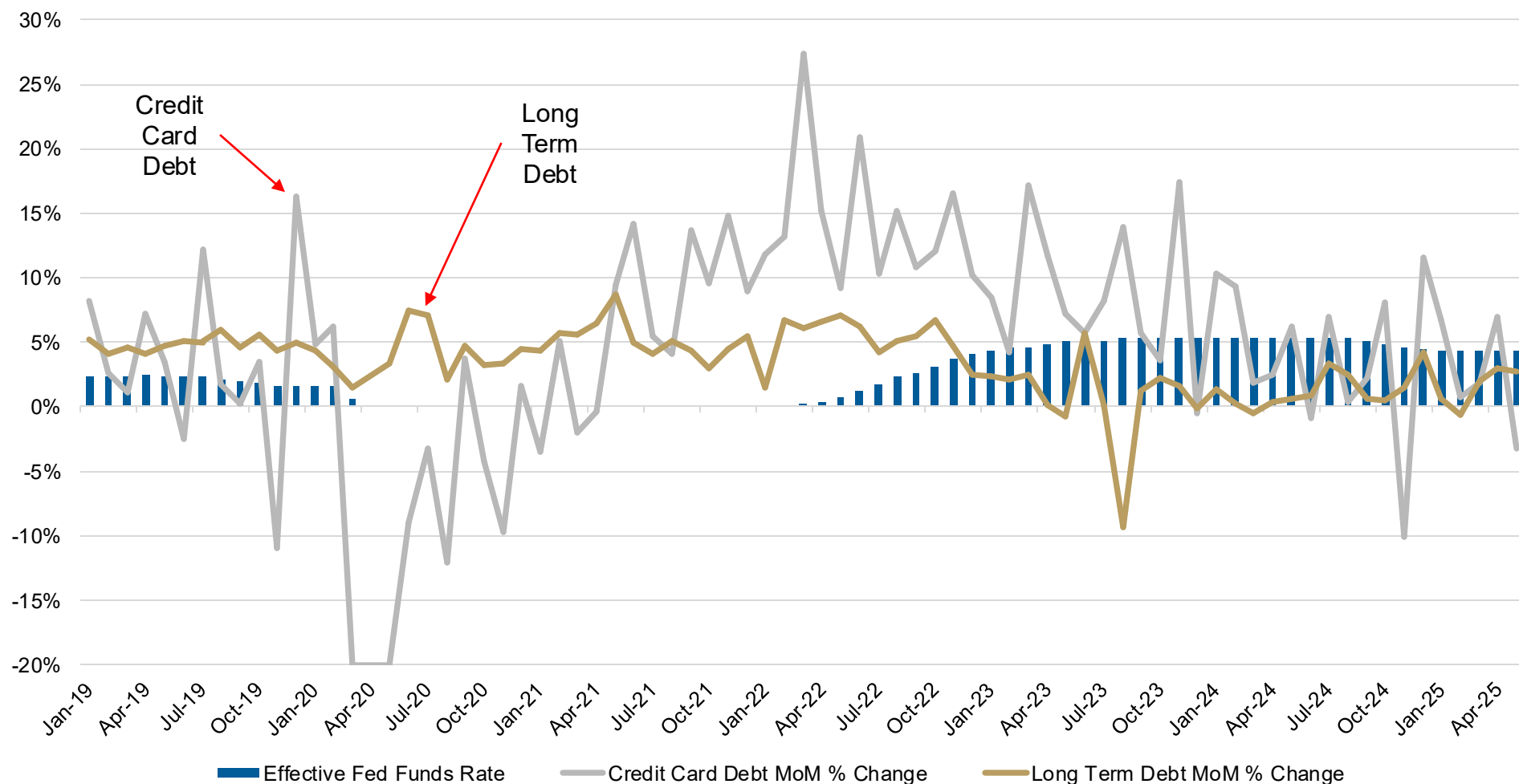
Planned Opening	Property	City	Keys	Hotel Class	Status
2025	Cigar Factory Boutique Hotel	Tampa	70	Upper Midscale	Under Construction
2026	Fairfield by Marriott Inn & Suites Tampa University Area	Tampa	83	Upper Midscale	Under Construction
2026	Pendry Tampa	Tampa	220	Luxury	Under Construction
2026	Clearwater Point Hotel	Clearwater	60	Midscale	Under Construction
2026	Home2 Suites by Hilton Riverview Tampa	Riverview	125	Upper Midscale	Under Construction
2026	CW Resort & Marina	Clearwater	91	Luxury	Under Construction
2026	Tarpon Springs Hotel	Tarpon Springs	8	Upper Midscale	Under Construction
2026	The St. James Hotel	Safety Harbor	36	Upper Upscale	Final Planning
2026	Hampton Inn & Suites Tampa South MacDill Air Force Base	Tampa	110	Upper Midscale	Final Planning
2027	Tru by Hilton Tampa Busch Blvd	Tampa	127	Midscale	Final Planning
2027	Mixed Use Hotel 1st Ave South	Saint Petersburg	60	Upper Midscale	Final Planning
2027	Tempo St. Petersburg Downtown	Saint Petersburg	185	Upscale	Final Planning
2027	Residence Inn by Marriott Tampa North	Tampa	102	Upscale	Final Planning
2027	Autograph Collection Madeira Beach	Madeira Beach	161	Upper Upscale	Final Planning
2027	TownePlace Suites by Marriott San Antonio	San Antonio	110	Upper Midscale	Final Planning
2027	Edge District Boutique Hotel	Saint Petersburg	114	Upscale	Final Planning
2027	Schooner Resort	Madeira Beach	56	Luxury	Final Planning
2027	element Tampa Downtown	Tampa	178	Upscale	Final Planning
2027	AC Hotel Tampa Downtown	Tampa	182	Upscale	Final Planning
2027	Moxy Tampa Downtown	Tampa	119	Upper Midscale	Final Planning
2027	Clearwater Downtown, Tapestry Collection by Hilton	Clearwater	228	Upper Upscale	Final Planning
2027	Unnamed Tampa Heights Hotel	Tampa	200	Upper Upscale	Final Planning
2027	TownePlace Suites by Marriott Spring Hill	Spring Hill	84	Upper Midscale	Final Planning
2027	Residence Inn by Marriott Tampa Brandon	Tampa	102	Upscale	Final Planning
2027	Residence Inn by Marriott Clearwater	Clearwater	125	Upscale	Final Planning
2028	Autograph Collection St. Petersburg Edge District	Saint Petersburg	170	Upper Upscale	Final Planning

Source: CoStar, The Plasencia Group

Note: Selected properties do not include projects in proposal stages.

Consumer and Long-Term Debt Trends

Consumer debt continues has dropped slightly, but high interest rates have done little to dissuade credit card debt. People continue to spend – on credit!



Source: United States Federal Reserve Board
Note: Data is seasonally adjusted.

Key Florida Cities Employment Levels

Florida Unemployment Holds at 3.7%

The disparity in job growth between Florida's major metro areas versus non-major metro regions continues. Simply put, more people continue to move into major markets.

Year over Year Job Growth

Larger MSAs

- Orlando MSA: +31,600 jobs
- Miami MSA: +20,300 jobs
- Tampa MSA: +14,700 jobs

Smaller MSAs

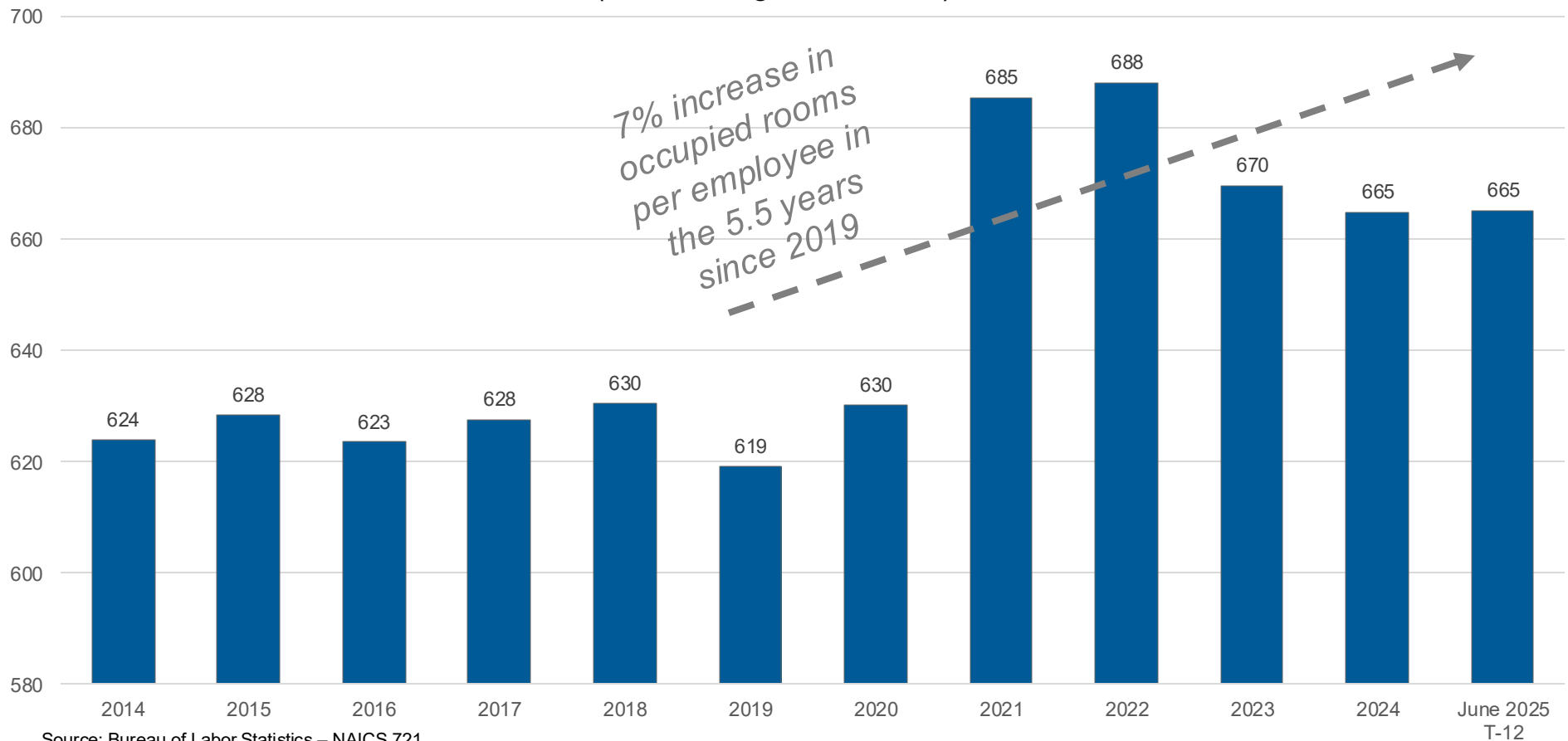
- St. Johns County (St. Augustine): -999 jobs
- Volusia County (Daytona Beach): -1,155 jobs

Source: University of Florida's Bureau of Economic and Business Research

Lodging Industry Employment Levels

Fewer employees in the lodging sector continue to clean more rooms and wash more dishes.

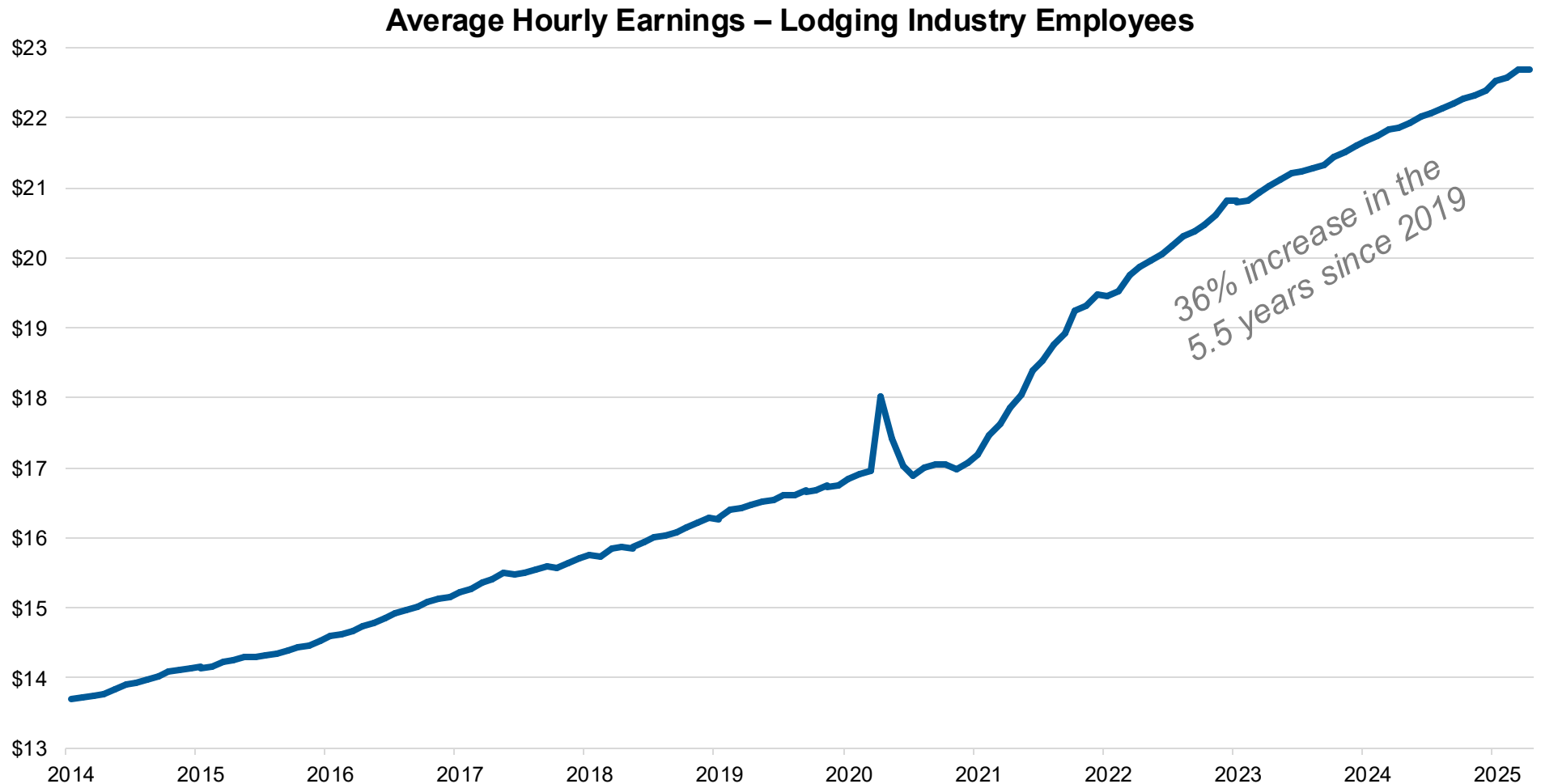
Annual Occupied Roomnights per Lodging Industry Employee
(2014 through June 2025)



Source: Bureau of Labor Statistics – NAICS 721

Lodging Industry Labor Costs

Those fewer employees are getting paid more, while owners are making less.



Source: Bureau of Labor Statistics – NAICS 721

Our Cracked Crystal Ball: As We See It



Our Cracked Crystal Ball: As We See It

■ Our annual “Cracked Crystal Ball” indicators:

- *Commercial Rail (Forward Contracts)*
- *Luggage Sales*
- *Dry Cleaning & Laundry Institute*
- *Sleep in America Poll*
- *Champagne Sales Index*
- *Cardboard Box Production Indicator*
- *Coupon Redemption Index*



New Indicators (introduced in 2024)

- As we predicted last summer, the Federal Reserve began to cut interest rates but stopped in December. Unless the Trump Administration’s tariff policies begin to grow inflation (which we do not expect), we anticipate the Fed to resume its rate step-down in September. This will bolster corporate spending and corporate travel later this year and into 2026. No one is talking about a recession.
- ADR growth will continue to flatten in Florida, especially with muted international travel. We project expenses such as energy, insurance and property taxes to continue their YOY decline. However, labor costs will wipe out a lot of those gains.
- Group demand continues to grow, both in Association and Corporate. Tampa has a bright future in this segment, although the size of our convention center has stymied our ability to not only bring in larger groups, but also to accommodate some of our long-time friends who have outgrown our facilities. Don’t expect to see the 20% RevPAR growth in Group next year that we just saw this year.

Our Cracked Crystal Ball: The Local Scene

- While YOY performance metrics may look very strong today, the picture will change beginning in September and October as we begin to compare 2025 numbers to the hurricane-induced demand data of 2024. The picture will not be pretty,
- The Tampa Bay area continues to attract companies and workers. Hotel performance has been better than in most other parts of the country, thanks mainly to growth in the Group segment. We do expect the pace growth in ADR and occupancy to slow slightly next year. Urban hotels will do better than other asset types, and higher-rated hotels will be able to grow rates at a faster pace. The opening of the Pendry will serve to boost ADRs.
- There will be very few new rooms or meeting facilities opening in the region during the next two years.
- Expect more of your owners to sell their assets, especially if your ownership group is made up of limited partners who have been waiting for distributions since before COVID. We expect more hotels will trade hands in the next 18 months.
- Several major developments are underway in the area which will bring meaningful demand over the next five to seven years. They include: Gasworx in Ybor City, the expansion of SPP's Water Street development, Tampa International's new Airside D, the Gas Plant District in St. Petersburg, a new sports and entertainment district for the Tampa Bay Rays (likely in Tampa), and the rapid growth of SPEROS, Moffitt's expansive MRD campus in western Pasco County, just 30 minutes north of TIA. The future is bright!

Our Cracked Crystal Ball: The Local Scene

Tampa Bay Area Metrics for 2026

(TPG projected rate of growth for Full-Service hotels only in Hillsborough and Pinellas Counties)

2026

Occupancy Increases: +1.7%

ADR Growth: +0.7%

RevPAR Growth: +2.4%

We thank you for your time this morning. Copies of this presentation will be available tomorrow morning at:

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