

An aerial photograph of the Tampa Bay Area skyline at sunset. The sky is filled with dramatic, dark clouds illuminated from below by the setting sun, creating a warm orange and yellow glow. The city skyline is visible in the background with various skyscrapers. In the foreground, the Tampa Bay History Center, a large white building with a curved roof, is prominent. To its left is a marina with several boats docked. To its right is a modern glass skyscraper. A multi-lane highway runs along the waterfront in the lower right. The water of the bay is calm, reflecting the sky's colors.

Tampa Bay Area Lodging Market Outlook

PRESENTED BY LOU PLASENCIA
SEPTEMBER 2026



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 local market and lodging 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 this afternoon at:**

tpghotels.com/publications

Key Themes of Today's Presentation

- Quick review and outlook of national performance (ADR, Occ, Supply, etc.)
- What is making the Tampa Bay area so attractive to guests, investors, corporations and our new residents.
- A review of transaction activity.
- Suggested areas of attention as we prepare for the 2027 budget season.
- Our perspective on the local hotel scene.
- Our expectations for ADR, Occupancy and RevPAR.

National Lodging Outlook

United States Hotel Forecast All Segments

Year-over-year (% change)

	2025 Actual	2026 Forecast	2027 Forecast
Supply (YoY)	+0.6%	+0.4%	+0.6%
Demand (YoY)	-0.6%	+1.7%	+1.1%
Occupancy	62.3%	63.1%	63.4%
ADR (YoY)	+1.0%	+3.1%	+1.6%
RevPAR (YoY)	-0.2%	+4.4%	+2.1%

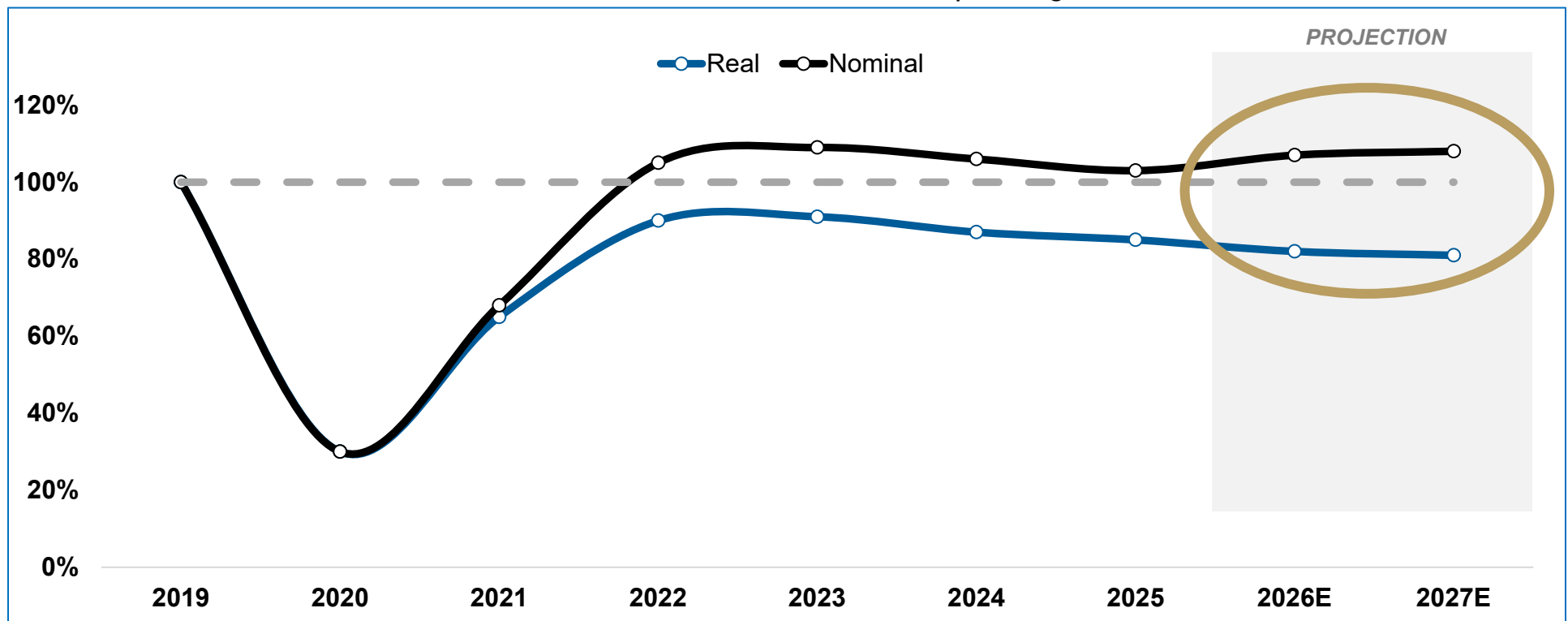
Source: CoStar, STR, Tourism Economics

Lackluster Hotel Profits

- While GOP has surpassed 2019 on an unadjusted basis, inflation-adjusted GOP remains approximately 10% below pre-pandemic levels given the significant impact of higher labor, insurance, utilities and other operating costs.

Hotel Gross Operating Profit Indexed to 2019

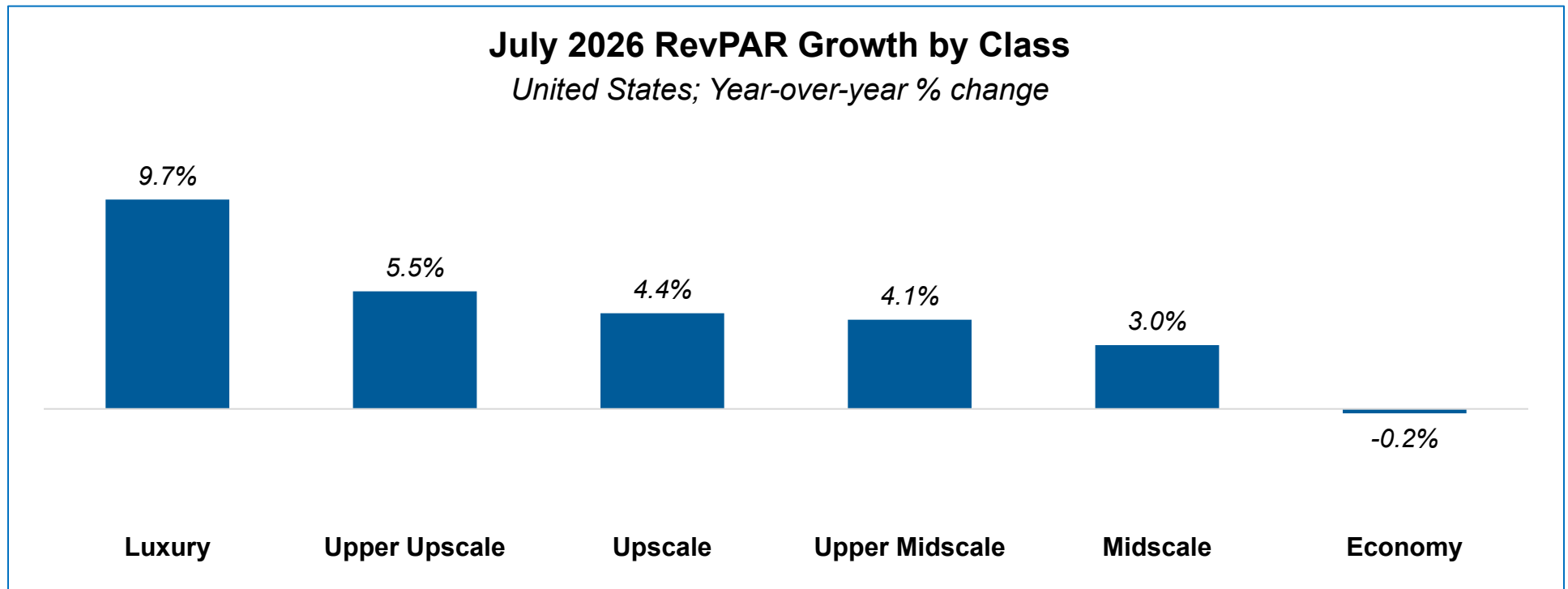
United States; Real & Nominal Gross Operating Profit



Source: CoStar, STR, The Plascencia Group

U.S. RevPAR Performance by Class

- Luxury leads the way due to the lack of supply growth. There are only 42 branded luxury hotels with ~9,000 rooms being built in the US today!
- STR recently bumped up RevPAR for 2026 as a result of exceptionally strong first-half demand; STR expects a significant deceleration in 2027, with only modest ADR growth.
- Tampa Bay will lag the nation in 2027, but 2028 looks considerably better.



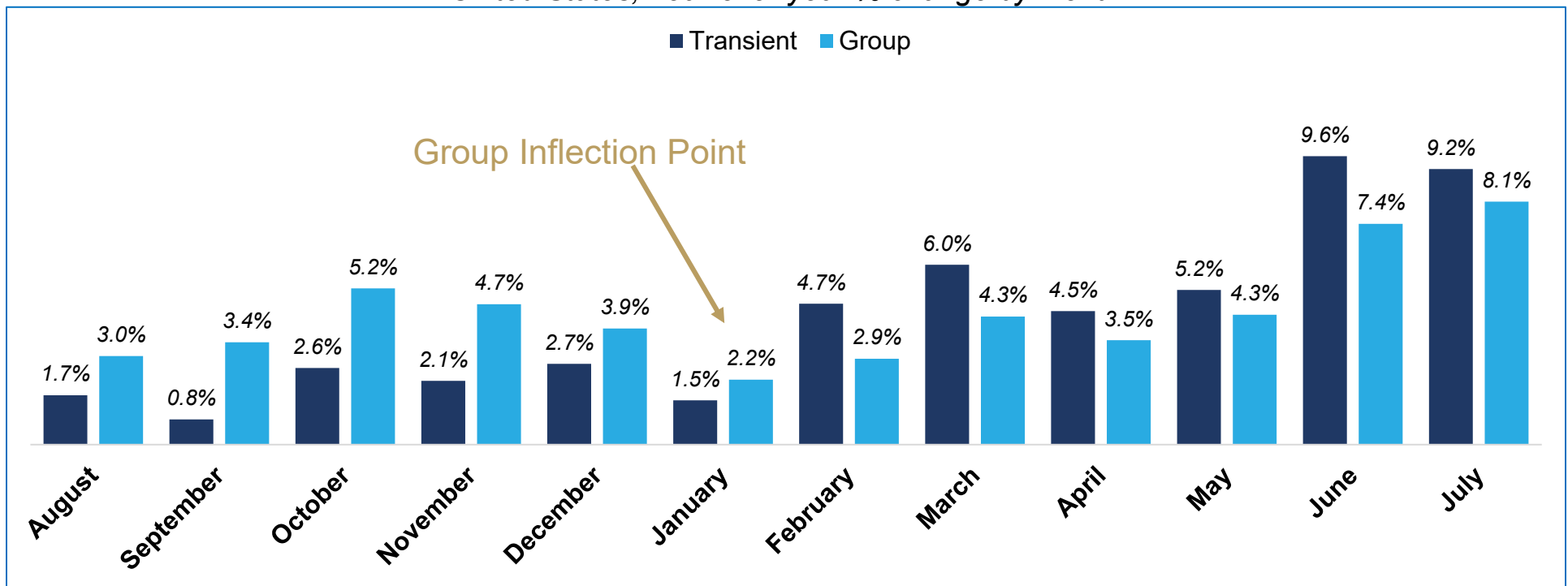
Source: CoStar, STR, The Plasencia Group

Group ADR Finally Doing Some Heavy Lifting

- Transient ADR growth has been impressive, but the Group segment remains an important source of potential pricing power for the industry.
- Group ADR is increasingly being supported by modest demand recovery rather than simply hotels sacrificing occupancy to maintain rate, but that demand is anemic.

Trailing-Twelve-Month ADR Growth

United States; Year-over-year % change by month



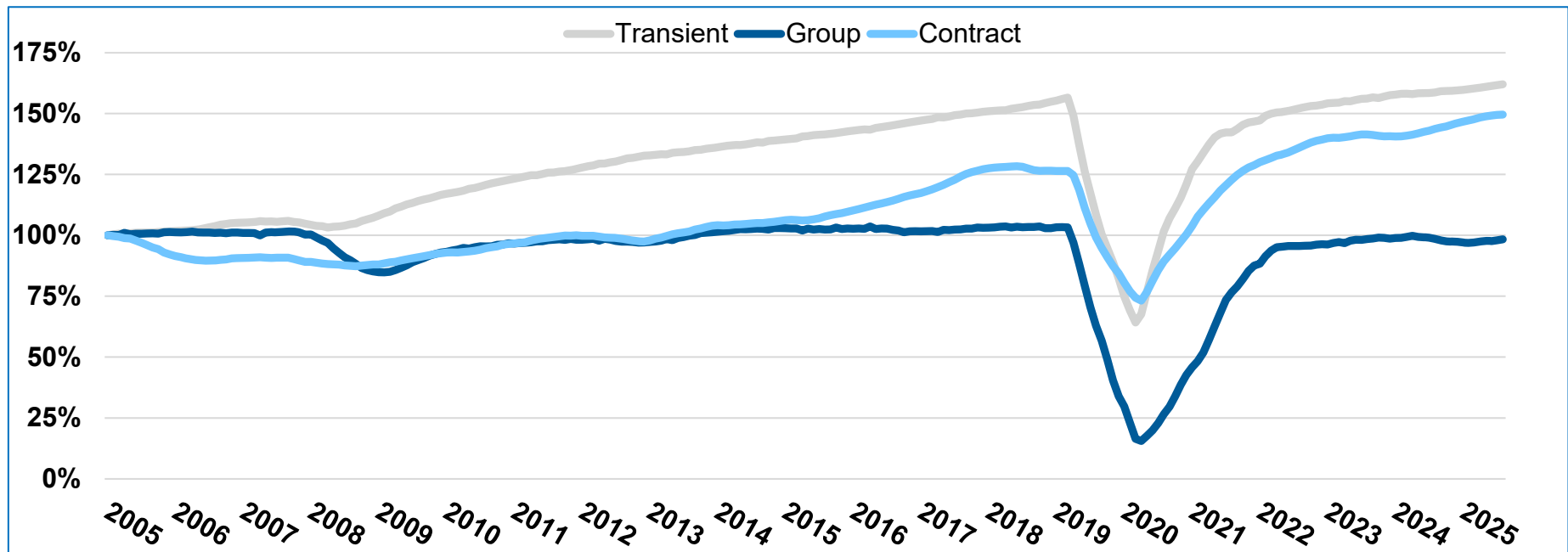
Source: CoStar, STR, The Plasencia Group

Group Demand Virtually Unchanged

- Annualized Group demand, indexed to 2005, has been virtually unchanged for the past 21 years!
- Transient demand is where it's at these days.
- Slow supply growth for larger group hotels has helped, but the lack of Group demand growth is striking.

National Demand by Segment Indexed to 2005

United States; Luxury & Upper Upscale Classes



Source: CoStar, STR, The Plasencia Group

New Hotel Supply

National pipeline

- More than 703,000 rooms in 5,975 projects as of Q2 2026.
- Expected U.S. guestroom openings: 2026 = 74,820; 2027 = 78,909; 2028 = 88,321.

Florida pipeline

- More than 40,400 guestroom in 271 projects (I/P and U/C) as of Q2 2026 across Florida.

Tampa Bay Region pipeline

- Roughly 1,100 rooms opened during 2025.
- 8,370 rooms across 61 projects, in all stages, as of Q2 2026.
- Approximately 3,227 rooms now under construction and about 3,900 rooms in final planning.
- Actual delivery timing, submarket and chain-scale mix matter more than the headline pipeline numbers.

Selected Hillsborough County projects to watch

- Pendry Tampa: 220 rooms; under construction; expected September 2027 opening.
- Moxy + AC Channel District: 304 rooms; permitted; mid-2028 opening.
- Element Tampa Downtown: 178 rooms; planning; late 2028 opening.
- Moffitt McKinley Hotel (Tribute): 200 rooms; planning; early 2029 opening.
- ORA Hotel & Residences: 627 rooms; permitted; late 2029 opening.

Source: CoStar, The Plasencia Group

STR Top 25 Markets: Annual ADR Trends

2021		2022		2023		2024		2025		July 2026 T-12	
Market	ADR	Market	ADR	Market	ADR	Market	ADR	Market	ADR	Market	ADR
Oahu Island	\$222.06	New York	\$279.18	New York	\$302.36	New York	\$319.72	New York	\$334.87	New York	\$348.18
Miami	\$205.37	Oahu Island	\$265.69	Oahu Island	\$280.47	Oahu Island	\$283.36	Oahu Island	\$284.30	Oahu Island	\$283.01
New York	\$202.73	Miami	\$234.37	Boston	\$224.92	Boston	\$232.90	Boston	\$233.03	Miami	\$244.45
Orange County	\$169.58	Boston	\$211.34	San Francisco	\$223.95	Miami	\$222.01	San Francisco	\$226.97	San Francisco	\$243.52
San Diego	\$166.12	San Francisco	\$211.16	Miami	\$221.64	San Francisco	\$214.06	Miami	\$224.66	Boston	\$239.67
Los Angeles	\$159.42	San Diego	\$205.63	Orange County	\$211.11	San Diego	\$213.31	San Diego	\$213.15	San Diego	\$219.14
Boston	\$155.92	Orange County	\$202.31	San Diego	\$210.71	Orange County	\$207.75	Orange County	\$209.69	Orange County	\$217.53
San Francisco	\$152.87	Los Angeles	\$196.02	Los Angeles	\$199.27	Los Angeles	\$195.77	Orlando	\$202.83	Orlando	\$207.46
Orlando	\$145.66	Orlando	\$186.19	Orlando	\$193.72	Orlando	\$194.51	Los Angeles	\$196.89	Los Angeles	\$203.86
Tampa Bay	\$137.31	New Orleans	\$176.08	Washington	\$180.07	Washington	\$185.98	Washington	\$187.20	Washington	\$188.72
Nashville	\$136.93	Nashville	\$169.87	Nashville	\$179.03	Seattle	\$181.42	Seattle	\$180.12	Seattle	\$183.27
New Orleans	\$129.75	Seattle	\$168.06	Seattle	\$177.44	Nashville	\$176.93	New Orleans	\$176.85	Chicago	\$177.69
Phoenix	\$128.39	Washington	\$164.11	Phoenix	\$174.63	Phoenix	\$173.19	Tampa Bay	\$176.84	Phoenix	\$177.37
Seattle	\$123.19	Tampa Bay	\$163.67	Tampa Bay	\$170.67	Tampa Bay	\$172.48	Nashville	\$174.36	Tampa Bay	\$176.03
Philadelphia	\$121.01	Phoenix	\$162.38	New Orleans	\$169.75	New Orleans	\$171.92	Phoenix	\$173.68	Nashville	\$174.78
Washington	\$120.58	Chicago	\$156.32	Chicago	\$161.09	Chicago	\$168.98	Chicago	\$171.58	New Orleans	\$166.79
Chicago	\$119.96	Philadelphia	\$146.30	Philadelphia	\$151.30	Philadelphia	\$151.71	Philadelphia	\$152.14	Philadelphia	\$159.38
Norfolk	\$118.36	Denver	\$141.40	Denver	\$149.50	Denver	\$151.29	Denver	\$149.26	Denver	\$150.38
Denver	\$116.95	Norfolk	\$126.24	Minneapolis	\$130.70	Minneapolis	\$135.24	Minneapolis	\$133.27	Minneapolis	\$137.35
Minneapolis	\$101.90	Minneapolis	\$125.32	Norfolk	\$130.02	Norfolk	\$130.13	Norfolk	\$130.72	Norfolk	\$132.86
Saint Louis	\$101.42	Saint Louis	\$118.08	Atlanta	\$125.26	Dallas	\$128.31	Dallas	\$128.75	Dallas	\$131.70
Atlanta	\$99.98	Atlanta	\$118.05	Dallas	\$123.95	Atlanta	\$124.96	Saint Louis	\$127.44	Saint Louis	\$130.76
Detroit	\$99.27	Detroit	\$115.77	Saint Louis	\$123.73	Detroit	\$124.08	Atlanta	\$126.14	Atlanta	\$127.70
Dallas	\$95.63	Dallas	\$115.60	Detroit	\$121.31	Saint Louis	\$123.90	Detroit	\$125.49	Detroit	\$127.08
Houston	\$94.72	Houston	\$106.46	Houston	\$113.27	Houston	\$120.94	Houston	\$120.38	Houston	\$124.90

Source: CoStar, The Plasencia Group

Tampa Bay Demand Catalysts



Group and convention

- Tampa Convention Center and Water Street meeting complex; compression nights support ADR.



Sports and events

- NFL, NHL, NCAA, Gasparilla, concerts and major events; price aggressively around peaks (more than normal) and protect shoulder nights.



Corporate and employment

- Health / Life Sciences, FinTech and Defense / Cyber support weekday demand. Major Florida Council of 100 and TB Partnership initiatives underway.



Leisure and beach

- Clearwater/St. Pete and attractions support higher ADR but are more susceptible to weather and discretionary spending.



Airlift and international

- TPA capacity growth and Airside D provide a long-term tailwind.



Cruise and port

- Port Tampa Bay creates pre/post-cruise package, parking and shoulder-night opportunities.

What is Driving Our Growth for the Next Five Years

The region's future remains bright. We expect corporations and investors to continue to pour into the Tampa Bay area, further strengthening and diversifying our economy, for a variety of key reasons:



Business-Friendly Environment

- No individual state income tax, competitive operating costs, and a pro-business climate make Tampa Bay attractive to companies and investors.



Strong Population Growth

- Continued in-migration and household formation are expanding the region's workforce, consumer base, and demand for real estate. Not only are we creating talent supply, we are now retaining it!



Diversified Economy

- Strong financial services, healthcare, technology, defense, logistics, manufacturing, and hospitality sectors.



Excellent Connectivity

- One of the most attractive and appealing airports in America, deep-water port, interstate highways, and rail infrastructure connect Tampa Bay to Florida, the Southeast, and global markets.



Exceptional Quality of Life

- Waterfront living, recreation, professional sports, cultural amenities, and relatively affordable living help attract and retain talent.

What is Driving Our Growth (continued)



Institutional Investment Appeal

- Tampa Bay offers major-market scale and growth with comparatively attractive pricing and investment yields.



Exceptional Lodging Sector Performance

- Hotel revenues have grown faster than most US markets. Hillsborough County is approaching its fourth consecutive fiscal year exceeding \$1 billion in taxable hotel revenue. May 2026 alone exceeded \$100 million for the first time ever.



Increasing Ability to Command Premium Rates

- Tampa has evolved from a relatively inexpensive secondary lodging market into a respectable destination capable of consistently generating substantial ADR premiums during periods of compression.



Tampa Bay Offers a Compelling Growth/Value Combination

- Tampa Bay offers an unusual combination of a rapidly expanding economy and population, increasingly sophisticated leisure and corporate demand, major infrastructure investment, strong hotel revenue growth, constrained replacement economics and the opportunity to acquire assets, often at a discount to replacement.

Tampa Bay Hotel Transactions and Capital Markets

A number of record-setting transactions have taken place in the region since 2023.

	Date	Property	City	Keys	Price	Per Key
	Aug-26	Epicurean Hotel, Autograph Collection	Tampa, FL	188	\$67,500,000	\$359,000
	Sep-25	Hilton Garden Inn Ybor Historic District	Tampa, FL	96	\$95,000,000	\$311,000
	Sep-25	Westin Tampa Waterside	Tampa, FL	309	\$27,000,000	\$307,000
	Dec-23	Residence Inn Tampa Westshore	Tampa, FL	160	\$45,000,000	\$281,000
	Jan-23	DoubleTree Tampa Rocky Point	Tampa, FL	291	\$76,000,000	\$261,000
	Mar-24	Courtyard Veterans Expressway	Tampa, FL	128	\$23,800,000	\$186,000
	Jun-25	Homewood Suites Tampa Brandon	Brandon, FL	126	\$18,800,000	\$149,000
	Jun-25	Courtyard Tampa Brandon	Brandon, FL	93	\$10,300,000	\$110,000

Per-Key pricing is still well below replacement cost.

 Denotes transaction facilitated by The Plasencia Group

Source: CoStar, STR, The Plasencia Group

2027's Budget Challenges and Roadmap



Real GDP Growth

- *Stability:* Domestic GDP continues to grow, projected at 2.1% in 2027, and is poised to take off if petroleum prices decline.



Hotel Demand

- *Pick-up in second half:* A growing economy, resilient employment and new business investment means more corporate, group and leisure.



Inflation

- *In check:* Inflation is projected at about 2.0%. When combined with a real growth economy, this implies roughly 4% nominal GDP growth.



Expenses

- *Costs moderate:* Expenses should moderate. Owners expect you to convert revenue growth to stronger GOP / NOI growth. The battle is in the margins.



Economic Expansion

- *No recession:* The U.S. economy will remain in expansion in 2027, with growth around its long-term potential of roughly 2%.



Ruthlessness Wins

- *Attack productivity over service:* The key is producing more profit per occupied room without diminishing the guest experience. Forget about enhancing it.



Interest Rates

- *Economic accelerator:* Fed cuts anticipated in June and December 2027 will boost economic activity.



STR Ranking and The Bottom Line

- *Every dollar matters:* Obsess over market share and flow-through. Winning means taking share at the top line and converting it at the bottom line.

2027's Budget Challenges and Roadmap



Labor

- *Massive wage pressure:* Manage through cross-training, forecast-based scheduling and increased automation.



Insurance

- *Premiums remain high:* Rebid your policy early, document mitigation efforts and model deductibles.



Property tax

- *Amendment 3 impact:* Budget for reassessment risk and engage a tax appeal specialist.



Utilities

- *Increased utility costs, especially water:* Upgrade energy management and preventive maintenance to address water, electricity and HVAC intensity.



Brand and distribution

- *High acquisition costs:* Aggressively and consistently measure net ADR, by channel, after fees, commissions and loyalty costs.



CapEx and PIP

- *Creeping obsolescence:* Prioritize guest-facing ROI as aging assets compete with new product, but don't ignore BOH systems.



Profit Outlook

- *Profit squeeze:* U.S. GOPPAR expected to grow approximately 4% in 2026 and only about 1% in 2027, as expenses rise faster than inflation. Tampa should fare slightly better due to lower overall costs.

Our Cracked Crystal Ball: The Local Scene

Takeaway: Demand is resilient, but “back to normal” is the new mantra when it comes to Occupancy

Tampa Bay remains a top-tier U.S. occupancy market, although 2026 metrics are impacted by unusually strong 2025 performance.



Takeaway: Average Daily Rate remains the primary lever through at least 2028

It is important to continue protecting Average Daily Rate on strong compression nights while getting used to some occupancy “normalization” for the next two years.

Our Cracked Crystal Ball: The Local Scene

Takeaway: Supply risk is always local, not national

U.S. supply growth remains constrained; very little new competition locally, **for now**, allows you to push rate; new luxury product benefits everyone.

Takeaway: Tampa International is about to soar (even more!)

TPA's 16 Airside D gates opening in 2029 will boost annual enplanements to approximately 29.0 million passengers by 2030 (FYI: 2026 = 26.0 million), with growth in both domestic and international numbers.



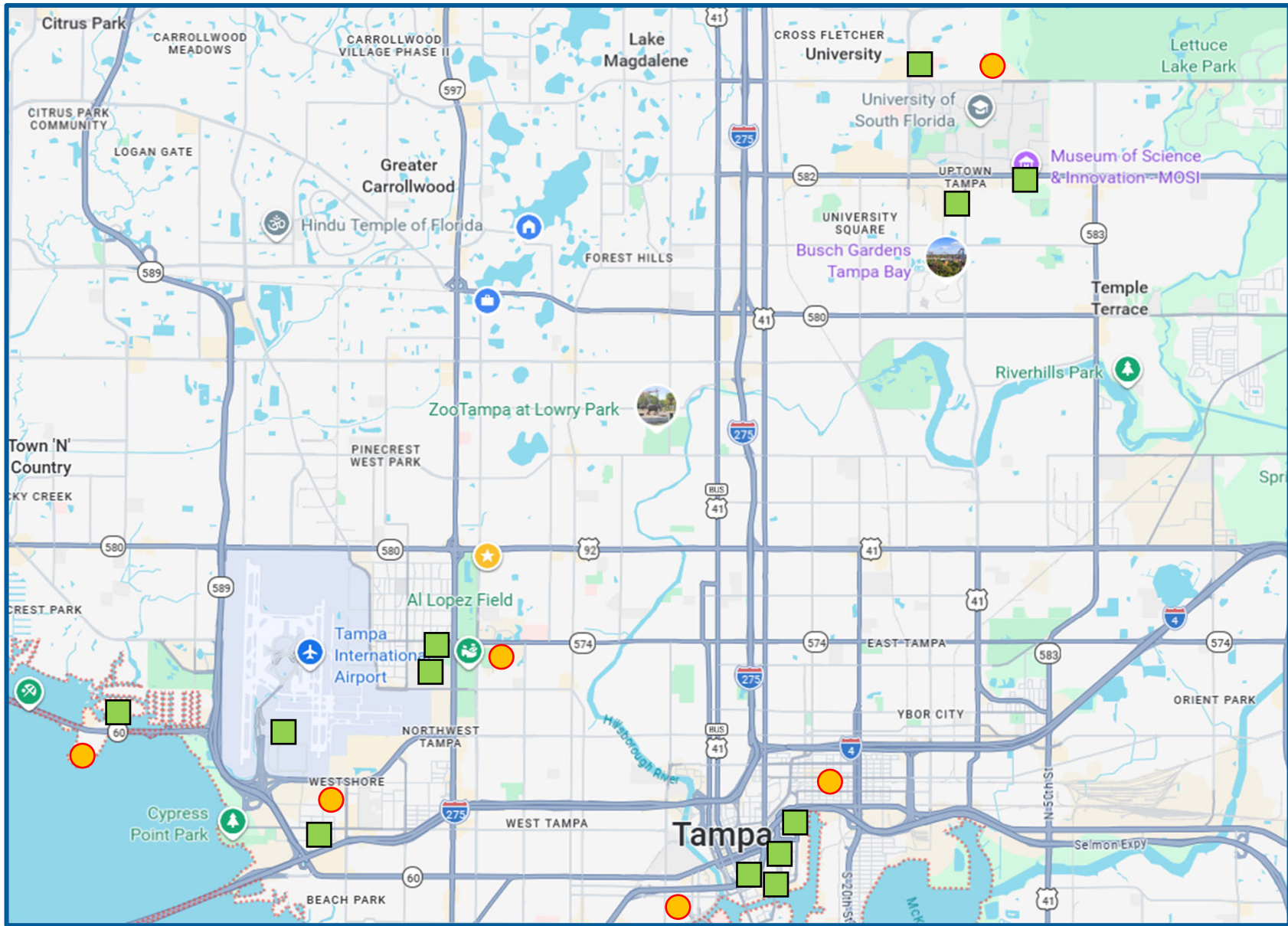
Takeaway: Tampa Bay is the bull's eye for hotel transactions

The region will be one of the most active in the U.S. with respect to hotel transactions in 2027 and 2028 given the financial prognosis for the local hotel sector and continued economic expansion.

Takeaway: Hotel explosion is on the way

Expect several new hotels to be announced in the next 18 months, possibly including some new brands such as Omni, Loews and Fairmont, with big supply increases in Downtown, East Tampa and Westshore in the next 4-5 years.

Our Cracked Crystal Ball: The Next Big Room Boom* (2029 – 2033)



* Hotels not yet under construction.

Our Cracked Crystal Ball: 2027 Projections

Tampa Bay Area Performance for 2027 & 2028

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

	<u>2027</u>	<u>2028</u>
Occupancy Growth:	+0.2%	+1.0
ADR Growth:	+1.9%	+2.1
RevPAR Growth:	+2.1%	+3.1

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