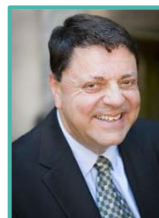

Maine Hospitality Market Review & 2019 Forecast



Steve Hewins
Hospitality Maine
steve@maininns.com
www.maineinns.com
45 Melville Street
Augusta, ME 04330
207-213-2060



Roger Daigle
Daigle Commercial Group
roger@daigleproperties.com
www.daigleproperties.com
75 Market St., Suite 404
Portland, ME 04101
207-773-4222



Welcome & Today's Agenda

January 17, 2018

2018 Review

- National Lodging Performance
- Maine Lodging Performance
- Regional Market Segments and Industry Interviews
- Current Trends
- Significant Transactions
- Development Pipeline
- Hot Topics

2019 Forecast

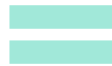
Lodging Industry Tracking Data



What is the STR report?
(Formerly Smith Travel Research)

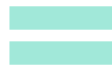


Occupancy:



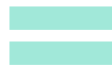
Occupancy = Number of Rooms Occupied /
Total Number of Rooms Available for sale * 100

Average Daily
Rate:



ADR = Room Revenue / Rooms Sold

Revenue Per
Available Room:



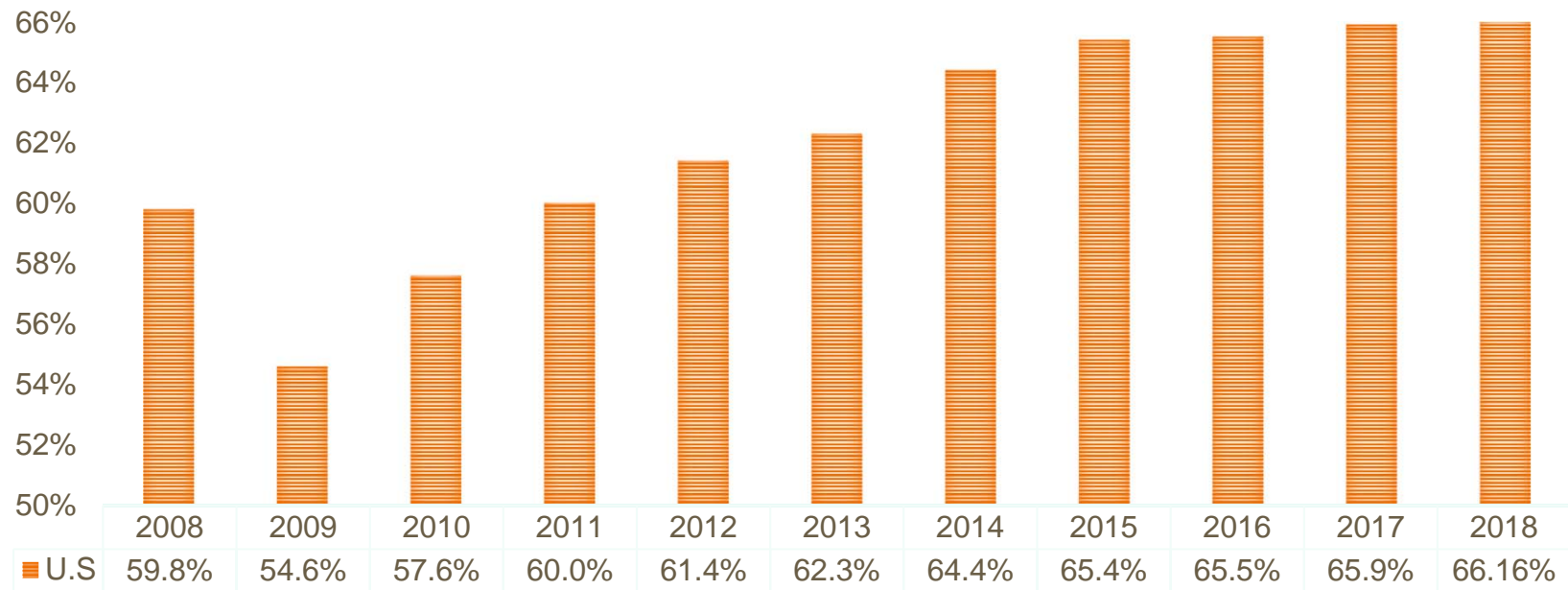
RevPar = Rooms Revenue / Available Rooms

Provided by STR. For detailed lodging performance data for your area, contact STR at (615) 824-8664 ext 3504 or infor@str.com.

National Lodging Performance

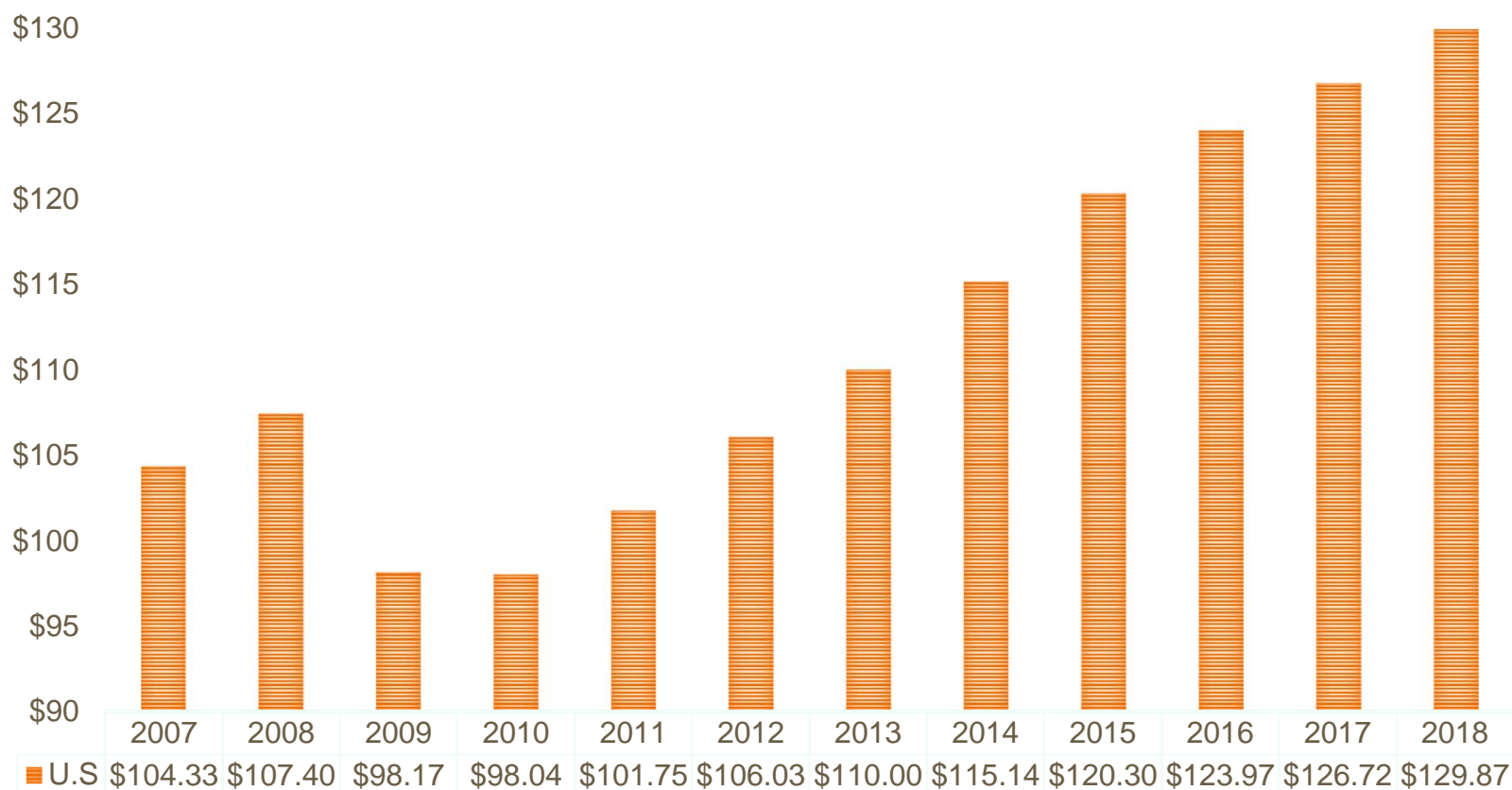


U.S. Occupancy 2008-2018



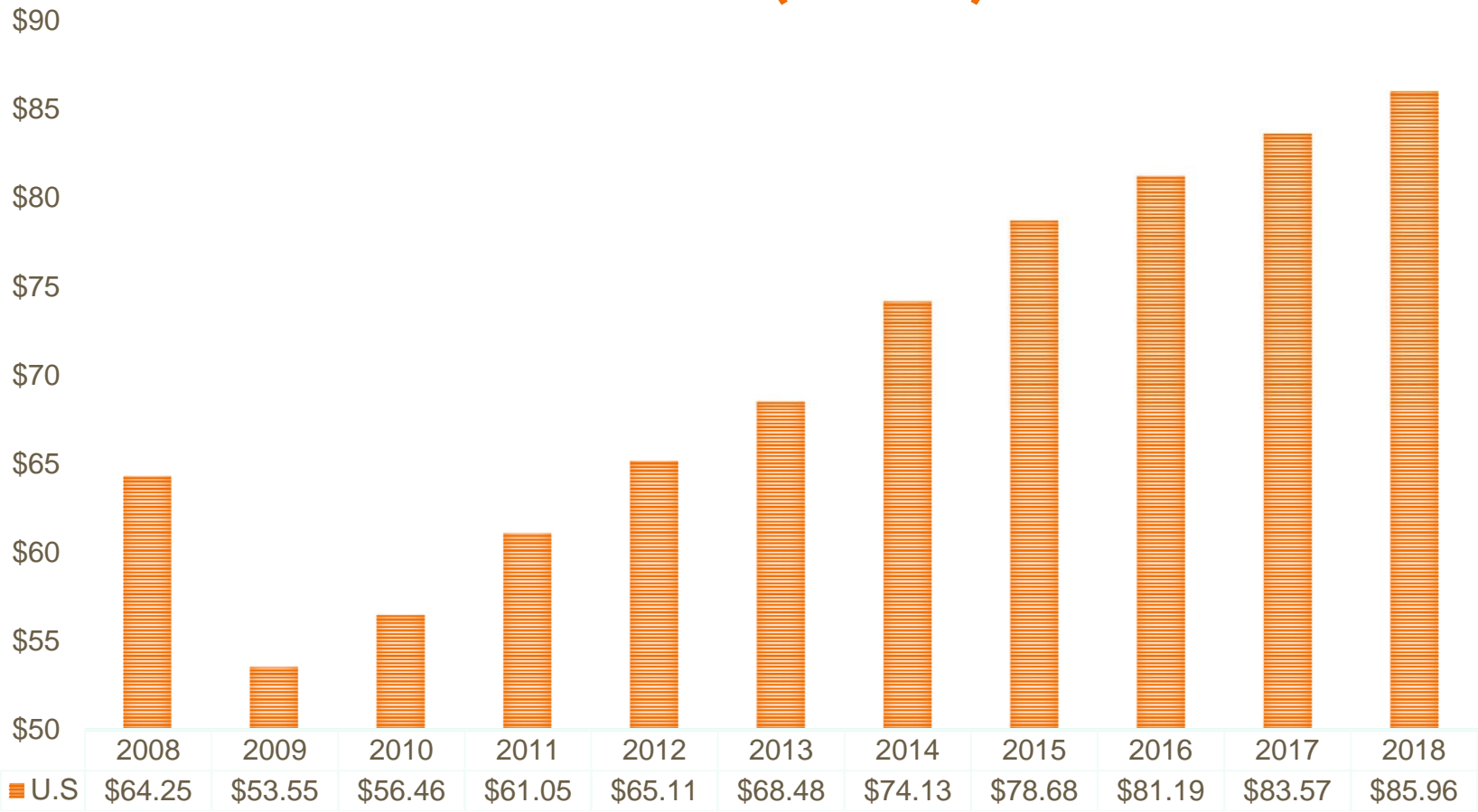
Source: Smith Travel Research; Pricewaterhouse Coopers.

U.S. Average Daily Rate (ADR) 2008-2018



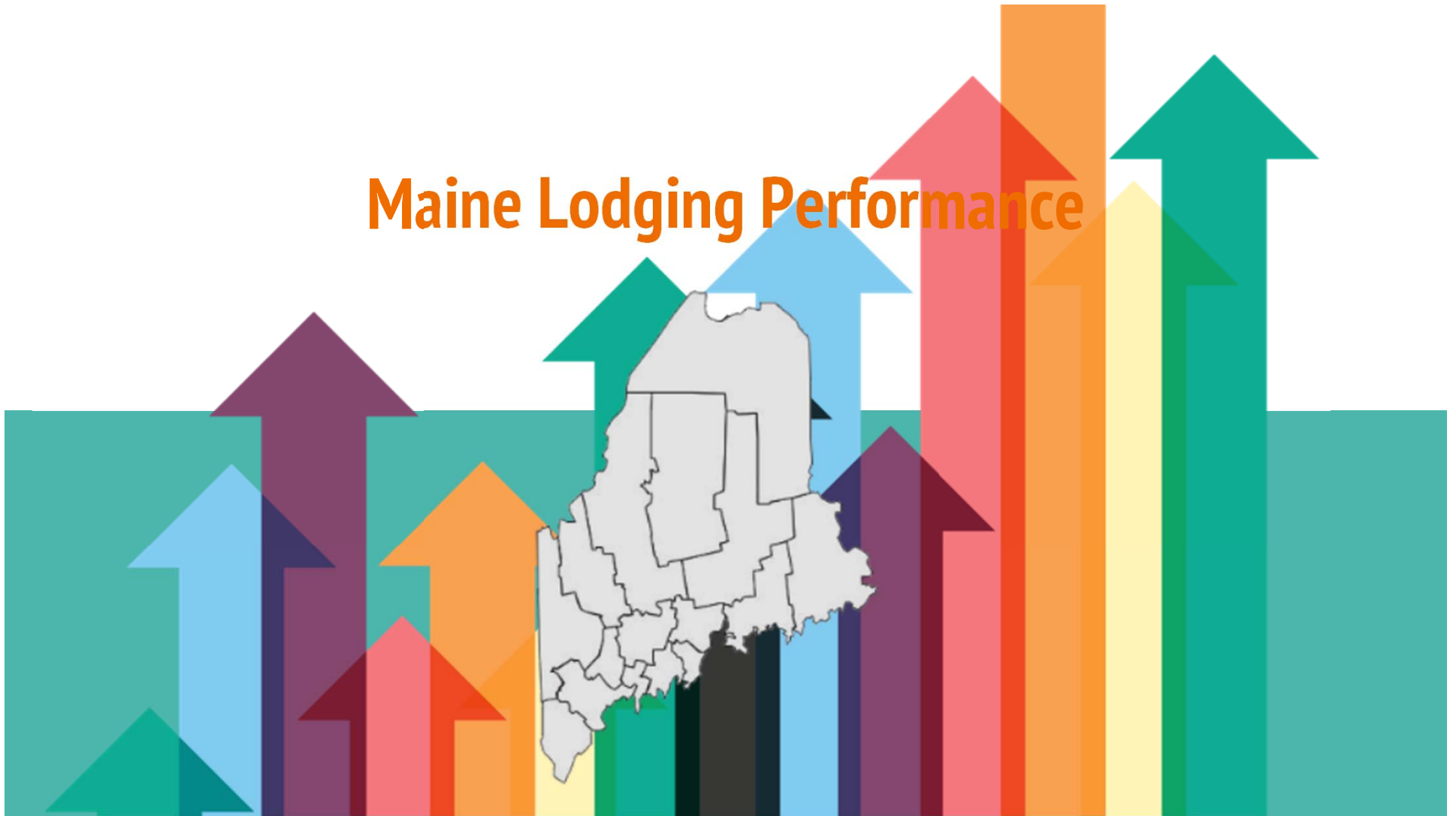
Source: Smith Travel Research; Pricewaterhouse Coopers.

U.S. Revenue Per Available Room (RevPar) 2008-2018

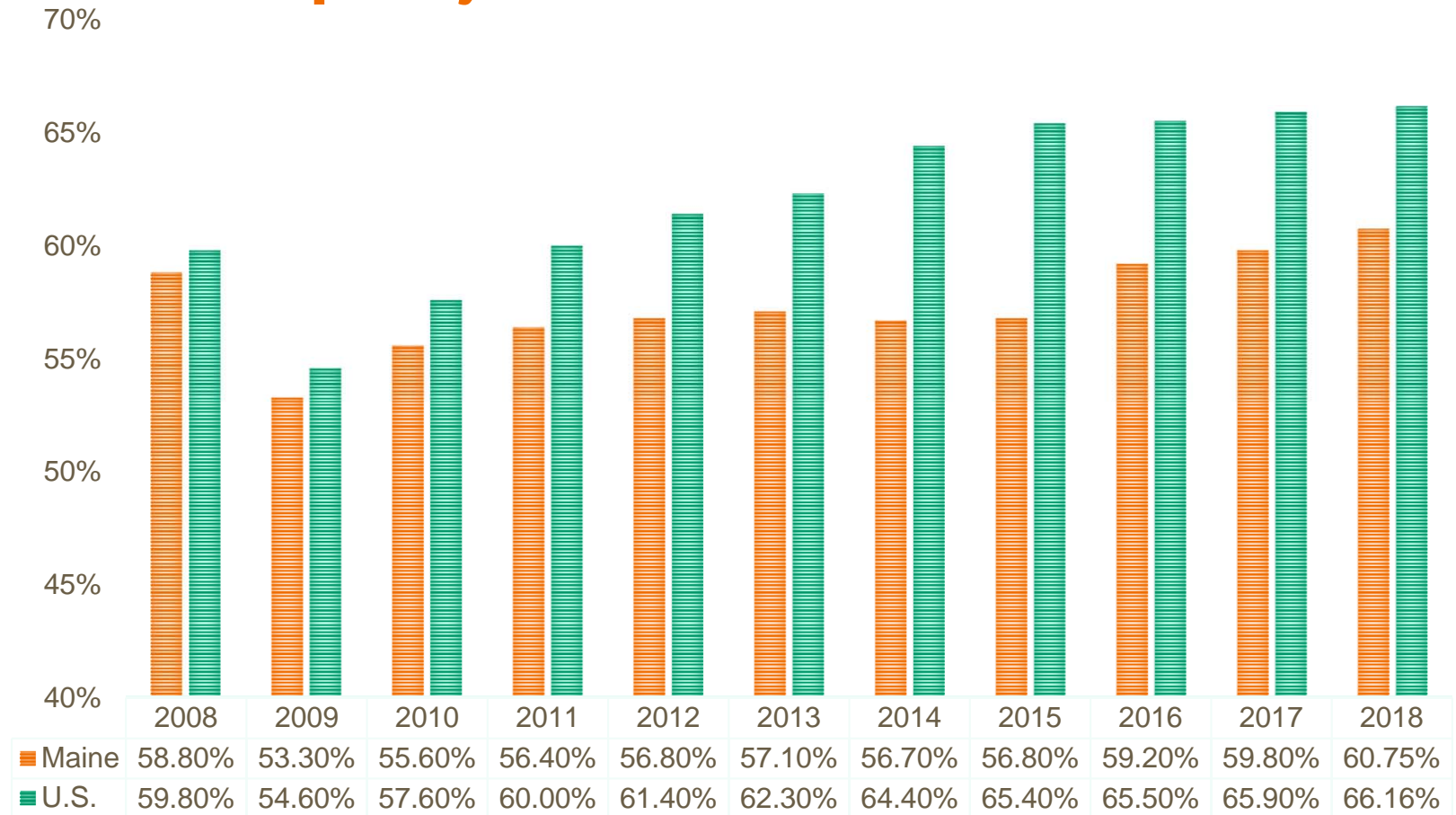


Source: Smith Travel Research; Pricewaterhouse Coopers.

Maine Lodging Performance



Maine Occupancy 2008-2018



Sources: Smith Travel Research; PwC

Maine ADR 2008-2018

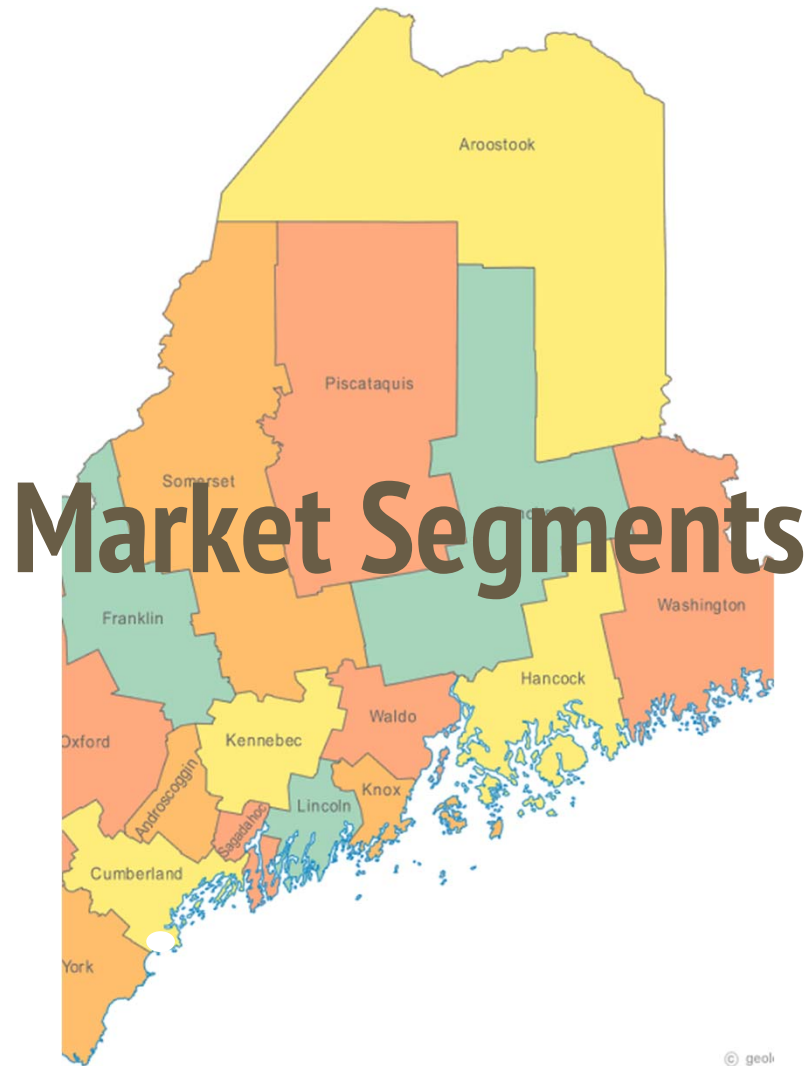


Sources: Smith Travel Research; PwC

Maine RevPar 2008-2018



Sources: Smith Travel Research; PwC



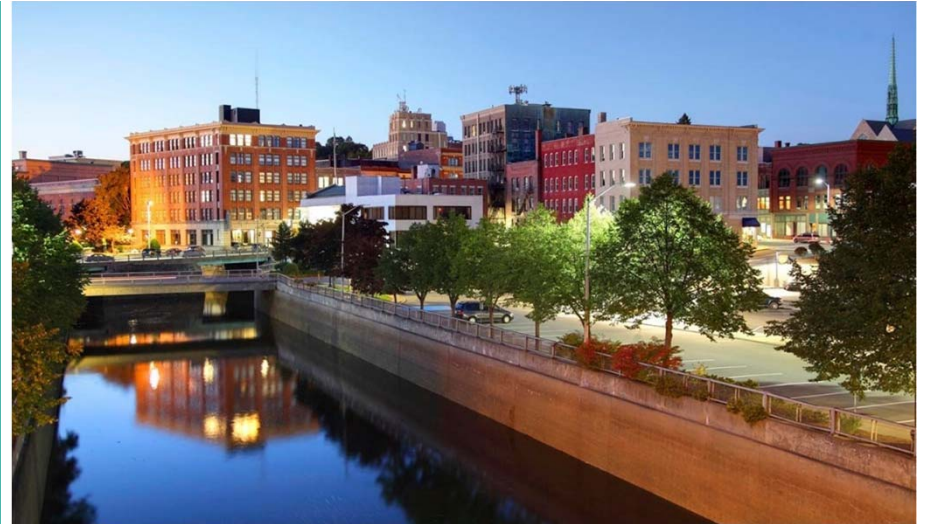
- Maine North & Bangor
 - Maine Midcoast
 - York County
 - Greater Portland
-

MAINE NORTH & BANGOR

T-12 November 2018 Change from 2017

Occupancy	61.9%	2.6%
ADR	\$117.45	1.4%
RevPAR	\$72.72	4.1%

- Central Maine's downtowns continue to revitalize
- Colby College investing in Waterville
- Augusta/Hallowell area riverfront being reclaimed and redeveloped
- Bangor growth spurred by success of Cross Center, Hollywood Casino and Darling's Waterfront Pavilion
- Inland areas now focusing more on recreation and tourism



MAINE MIDCOAST

T-12 November 2018 Change from 2017

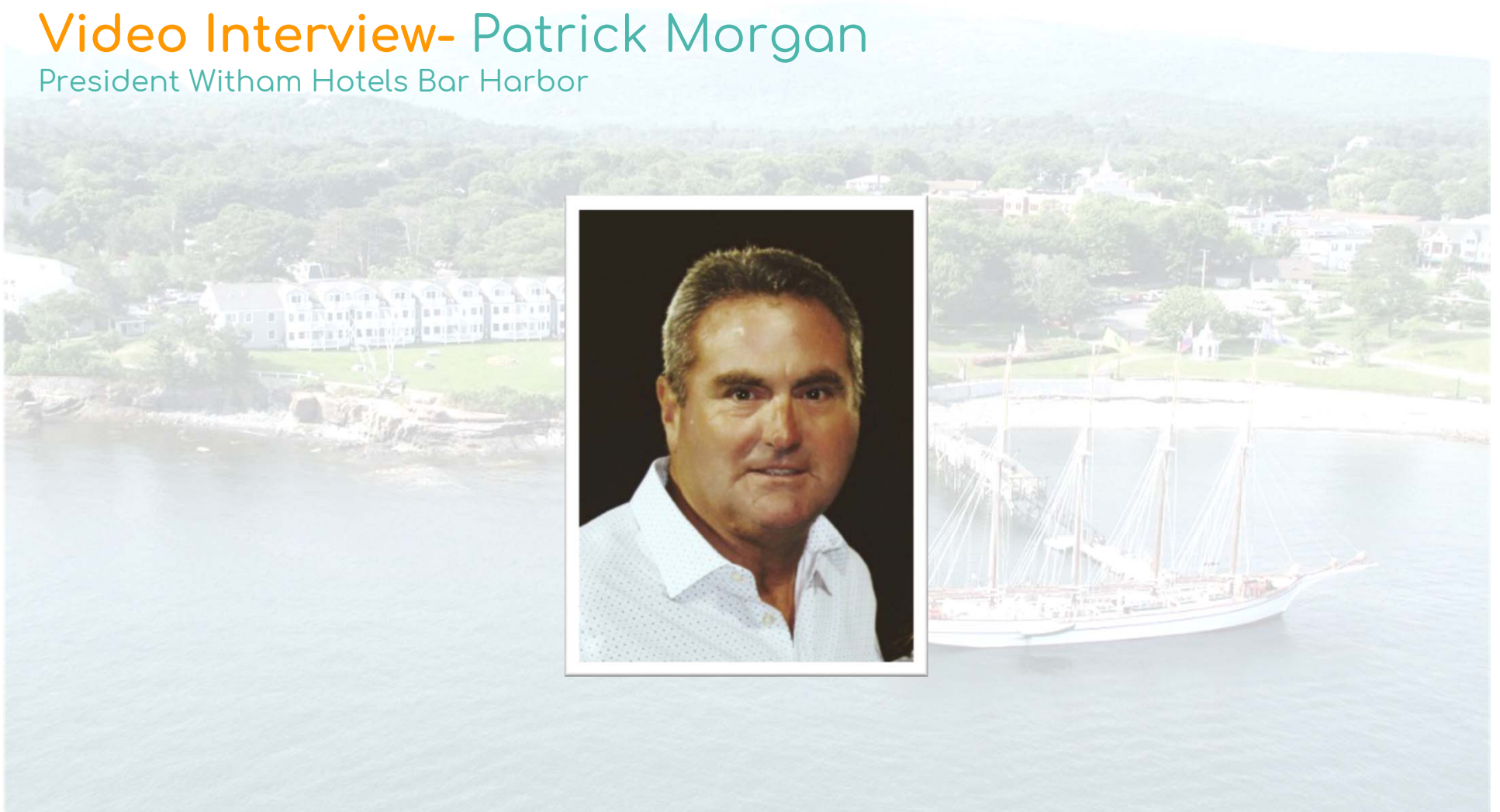
Occupancy	61.6%	2.6%
ADR	\$156.78	0.9%
RevPAR	\$96.53	3.6%

- Camden/Rockland strong growth buoyed by restaurants and hotels
- Ellsworth is growing as a regional hub and vacation destination
- Bar Harbor continues to manage growth with cruises and the National Park
- Seasonality still a struggle



Video Interview- Patrick Morgan

President Witham Hotels Bar Harbor



YORK COUNTY

T-12 November 2018 Change from 2017

Occupancy	58.2%	1.2%
ADR	\$163.94	13.8%
RevPAR	\$95.43	15.2%

- Strongest market in the state?
- Highly seasonal, but expanding in Ogunquit, Kennebunkport, and Kittery
- Biddeford/Saco emerging in regional importance
- Significant workforce challenges both for staffing and housing



Video Interview- Allyson Cavaretta

General Manager Meadowmere Resort Ogunquit



GREATER PORTLAND

	T-12 November 2018	Change from 2017
Occupancy	70.8%	3.9%
ADR	\$154.03	2.6%
RevPAR	\$109.06	6.7%

- Continues receiving national recognition for restaurants
- Hotel development continues in the India Street, waterfront, mall, and Thompson's Point areas
- New meeting space offers more options for business planners
- Pressures on short-term rental market



Video Interview- Gerard Kiladjian

General Manager Portland Harbor Hotel



MAINE HOSPITALITY AT A GLANCE

LODGING



1,343
Lodging Properties



38,944 ±
Guest Rooms

DINING



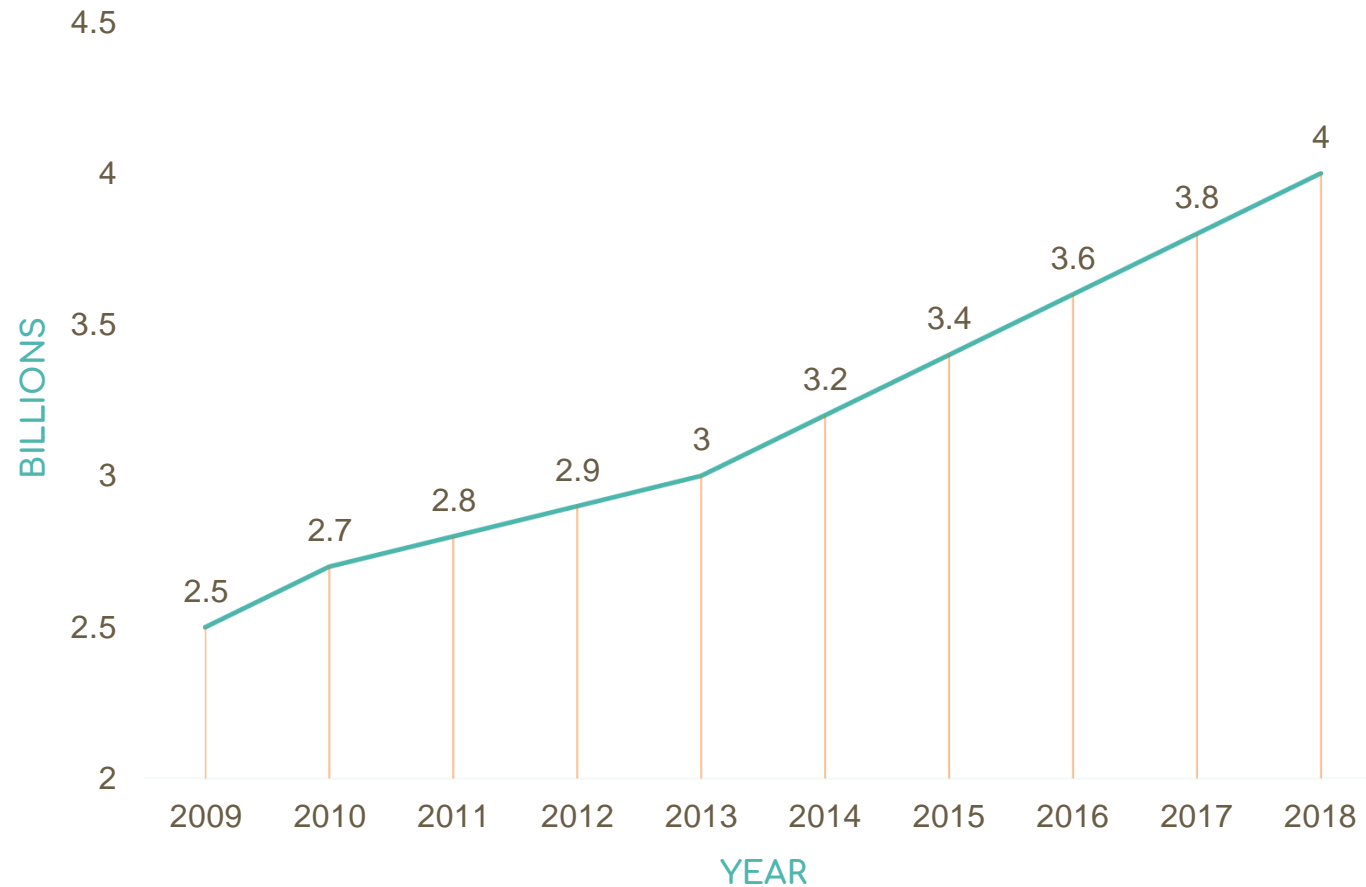
5,132
Eating
Establishments



346,817 ±
Seats

Source: Maine Health Inspections Program Licensing List

10 Record Years for Maine's Restaurants and Hotels



CURRENT TRENDS

- 'Resort Fees' being instituted more and more at both resorts and non-resort hotels
- Increased focus on direct bookings to offset rising acquisition costs through other channels
- Longer booking windows are on the rise due to strong occupancy rates
- Hotels are less reliant on food and beverage as local restaurants become stronger attractors
- Better technology, especially for guest internet access
- Increased use of social media and Instagram to promote individual property features
- Local, culturally immersive experiences on the rise



Notable Transactions of 2018



Hilton Garden Inn - *Freeport*
Confidential Price - 99 Rooms
Holliday Fenoglio Fowler (HFF)



Hilton Garden Inn- *Portland Airport*
Confidential Price - 124 Rooms
CBRE

Notable Transactions of 2018



Fairfield Inn Portland Maine Mall- *Scarborough*
Confidential Price - 116 Rooms
CBRE



Riverside Motel - *Ogunquit*
Confidential Price - 42 Rooms



Beach House Inn - *Kennebunk*
 \$6,000,000 - 34 Rooms
 \$176,471 / Unit
 CBRE



Breakwater Inn & Spa - *Kennebunkport*
 \$7,000,000 - 35 Rooms
 \$200,000 / Unit
 CBRE



Fireside Inn & Suites - *Auburn*
 \$2,975,000 - 100 Rooms
 \$29,750 / Unit
 Wason Associates



Normandie Inn - *Old Orchard Beach*
 In excess of \$5,500,000 - 65 Rooms
 \$85,000+ / Unit
 Charlene's Coastal Properties



Country Inn - *Rockport*
 \$2,915,000 - 46 Rooms
 \$63,370 / Unit
 Daigle Commercial Group



Bass Cottage Inn - *Bar Harbor*
 \$2,636,000 - 10 Rooms
 \$263,600 / Unit
 The Swan Agency Sotheby's International



Augusta Inn - *Augusta* (being converted to Days Inn)
 \$1,470,000 - 67 Rooms (est. \$1mm in renovations)
 \$21,940 / Unit (\$36,866 / Unit after renovations)
 Daigle Commercial Group



Cedar Crest Inn - *Camden*
 \$2,200,000 - 37 Rooms
 \$59,459 / Unit
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New Products

Property Name	Location	Rooms	Type	Opening Date
AC by Marriott	158 Fore Street, Portland	178	Upscale	July 11, 2018
Home2 Suites	50 Main Mall Road, South Portland	111	Upper Midscale/Extended Stay	July 20, 2018

Development Pipeline

Property	Location	Rooms	Type	Opening Date
Hampton Inn	Brighton Ave - Portland	86	Upper Midscale	2019
TBD	Center St / Commercial St - Portland	135	Boutique	Planning/2021
TBD	India St - Portland	105	Brewtel	Planning
TBD	Waterville	42	Boutique	Planning
West Elm	Portland Company Site- Portland	150	Boutique	Planning / 2020
TBD	Thompson's Point - Portland	148	Marriott International	Planning
Aloft	Rufus Deering Lumber - Portland	155	Upscale	Planning
Holiday Inn Express	28 Mile Rd – Wells	60	Upper Midscale	Planning
TBD	Saco Island	50	Boutique	Planning

LOCAL HOT TOPICS

- Airbnb and Short-term Rentals
- Maine's Hospitality Workforce Shortage
- Local Option Taxes
- Development Fees



2018 FORECAST PREDICTIONS & RESULTS

Our predictions for 2018

OCCUPANCY

★ We estimated
2018 would be
flat



2018 Results

Maine: ↑ .95%

US: ↑ .26%

ADR

★ We estimated
2018 would
increase 2-3%



2018 Results

Maine: ↑ 6.65%

US: ↑ 3.15%

RevPar

★ We estimated
2018 would
see 2-3%
growth



2018 Results

Maine: ↑ 5.65%

US: ↑ 2.39%

FORECAST 2019



- 1. Occupancy
Increase 0.1% to 66.2%
- 1. Average Daily Rate
Increase 2.3% to \$133.40
- 1. Revenue Per Available Room
Increase 2.4% to \$88.07

THANK YOU!



Support. Education. Advocacy.



Steve Hewins
Hospitality Maine
steve@hospitalitymaine.com
www.hospitalitymaine.com

45 Melville Street
Augusta, ME
04330
207-623-2178



Roger Daigle
Daigle Commercial Group
roger@daigleproperties.com
www.daigleproperties.com

75 Market St.
Suite 404
Portland, ME 04101
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