

SH Insider

Status
Hospitality

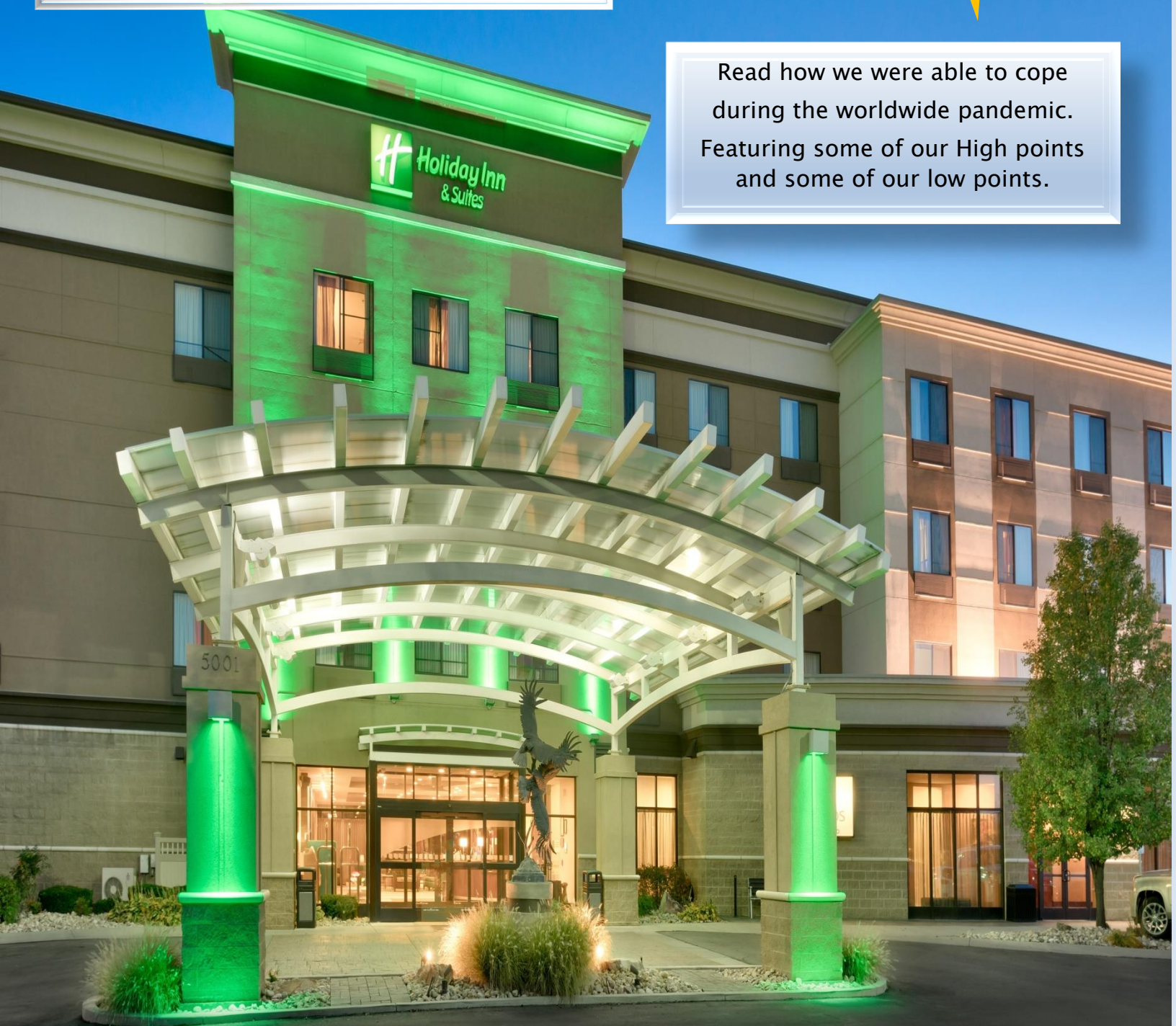
4th Quarter 2020 Edition

"WHATEVER It TAKES!"

What Happens in 2021?

Great article written by Robert Rauch *CEO* of RAR Hospitality

Read how we were able to cope during the worldwide pandemic. Featuring some of our High points and some of our low points.



Looking Forward.

An article from our Managing Director, Gary Patel.

During the 2020 year, we faced many hardships.

The worldwide pandemic effectively shut down the travel industry at the end of March 2020.

We at Status Hospitality while struggling, managed to keep the doors open for all our hotels, and as a team we were able to accomplish many of our goals across our portfolio despite having to deal with many crisis situations:



Full Year 2020 OCC Index	Full Year 2020 ADR Index	Full Year 2020 RevPAR Index	Q4 2020 OCC Index	Q4 2020 ADR Index	Q4 2020 RevPAR Index
105.71	109.93	116.55	108.48	111.11	122.69

Despite the significant negative effects of COVID-19 onto our bottom line, we were able to grant more than

\$70,000

in Christmas and Thanksgiving bonuses to our hard-working team members.

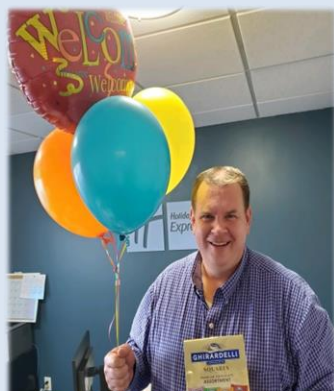
Full Year 2020 Our Portfolio OCC Chng %	Full Year 2020 Comp Set OCC Chng %	Full Year 2020 Our Portfolio ADR Chng %	Full Year 2020 Comp Set ADR Chng %	Full Year 2020 Our Portfolio RevPar Chng %	Full Year 2020 Comp Set RevPar Chng %
-29.95	-28.14	-9.94	-14.04	-36.22	-37.89

Q4 2020 Our Portfolio OCC Chng %	Q4 2020 Comp Set OCC Chng %	Q4 2020 Our Portfolio ADR Chng %	Q4 2020 Comp Set ADR Chng %	Q4 2020 Our Portfolio RevPar Chng %	Q4 2020 Comp Set RevPar Chng %
-21.32	-18.63	-8.80	-12.26	-27.37	-27.80

In March 2020, Status Hospitality issued 400+ paychecks to our associates.

After the hard impact of the worldwide pandemic; just shy of one month later those numbers drastically decreased to 200+ paychecks.

As we are recovering, we take great pride in reporting that as of December 2020, the total paychecks issued has increased to 300+ already and the number slowly continues to climb every pay period.



Allan Gale,
Holiday Inn Express of Heber

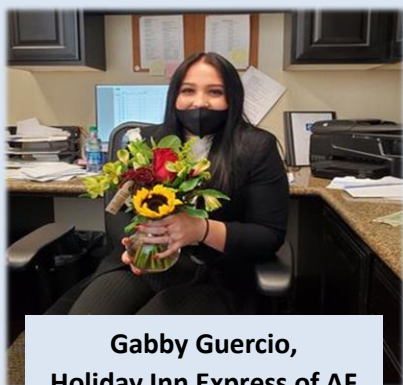
*In 2020, we added 5 wonderful new
General Managers to the Status
Hospitality Family!*



Jacob Bowler, Fairfield Inn of Provo



Brittney Dalebout, Hampton Inn of Provo



Gabby Guercio,
Holiday Inn Express of AF



Teni Kaufusi, Ramada of Provo

In a comparison of 2020 VS 2019 we have eliminated an additional **2,101** hours of unnecessary overtime!

Special thanks to Jayson Alexander and his team at the Fairfield Inn of SLC Airport, who succeeded in eliminating **736 hours** from their operation by a strategic approach to this matter.

By Robert Rauch-

Bob serves as CEO of RAR Hospitality. He is an internationally recognized hotelier with over 40 years of hospitality-related management experience.

We have made some assumptions for 2021 – first, Q4 2020 and Q1 2021 will remain flat as corporate business begins to build just as leisure business begins to decline. Second, a stimulus package is imminent right after the election, regardless of who wins. The politics of this election, coupled with the divisiveness of the nation, has disrupted everything except for the stock market. Third, gross domestic product will increase about 3% after being down close to 5% in 2020.

Our favorite economist, Bernard Baumohl sees a Biden victory as better for the economy with a 3.4% GDP growth and a Trump victory as bringing in GDP growth of 2.2% in 2021. His primary concerns are trade tension and the economic divide with a President Trump.

Changes that we see coming in 2021 and beyond are more remote work, US improvement in manufacturing at the expense of China and retail malls losing ground to delivery. Indicators like consumer confidence, employment, business growth and capital markets have been impacted significantly by the virus– without a stimulus package, the travel industry will be on the brink of collapse.

McKinsey, in their September survey, indicated that travelers are willing to travel, even without a vaccine. This is noticeable in September and October revenue numbers, showing summer vacations continue into fall. China is seeing both the leisure and business travel segments recover as it has effectively controlled the spread of the virus. In the US, we are seeing a considerable increase in searches and advance bookings but they are largely leisure travel as corporations have restricted business travel.

According to MMGY's Traveler Sentiment, psychologically Americans are becoming increasingly comfortable with pursuing travel-related activities. Even theme parks, meetings, conventions and cruising are seeing positive signs. We have learned how to incorporate safety measures such as wearing masks, social distancing and washing our hands into our day-to-day lives, and that is fast becoming a natural part of travel as well. As confidence rises, and with the holidays just around the corner, the desire for attractive travel deals is also on the upswing.

So, what happens in 2021? January to March remains largely the same as there is still no sign of group business. Corporate business continues to improve, albeit slowly, holding occupancy up to where it has been for the past 120 days.

By April, all three segments of corporate, group and leisure will improve, with or without a vaccine. Q2 is the beginning of a massive recovery that puts occupancy levels up over 50% nationally by the end of the year. Average rates begin to climb in summer of 2021, with rates within 15% – 20% of 2019 in some markets. Q4 ushers in a return of convention business. By the end of the year, everyone will be happy again as cash flow will return in 2022.



The bottom line is that we are a little bit beyond the halfway point of this virus disaster. March 2020 – March 2021 will go down in lodging history as the worst 13 months ever recorded. The recession will end but it will take until 2022 before we are 90% recovered and 2023 until we are back to 2019 numbers. For some hotels with heavy reliance on groups, recovery could be closer to 2025. By then, costs will have increased and hotel values will just begin to return to normal. Hang in there—we have endured over 7 months of this mess. If you want to be more conservative, mark June 2021 as the end of the recession. We are still almost halfway there! I'm ready to celebrate – are you?

Shake Up your Stand UP!

Each morning you have a great opportunity to connect with your team and get the day started on the right foot by holding a daily “stand up” meeting. Of course the goal of the “stand up” meeting is to keep everyone together, informed and energized for the day. The meeting is typically held while standing up, to avoid more lengthy meetings and to focus on the basics before a busy day.

While watching an episode of Hotel Impossible recently, I was very inspired by a head housekeepers take on a stand up meeting. The entire team met, discussed quick goals and a daily focus. Then they put on some music and stretched, danced and chanted their daily focus item together! Everyone was all smiles and energized for the day! I was so inspired by that daily stand up! What a unique and awesome way to bring your team together and energize your day!

I would like to challenge all of you in the New Year to **Shake up your Stand up!** Make it unique to your team and a fun energizing experience for everyone.

Celebrating New Additions



HAMPTON INN & SUITES OF SPANISH FORK

We entered a joint venture and opened the Hampton Inn, Spanish Fork!

HOLIDAY INN EXPRESS & SUITES OF NEPHI

We broke ground for the Holiday Inn Express & Suites, Nephi!



Looking forward-

Goodbye to 2020! While most may identify this year as one of the most difficult years in general, for me it has been a year of learning, a year of identifying new strength within myself and within those who I am surrounded by, a year that made us all smarter/better business leaders than ever before, a year that forced us to reevaluate our priorities, a year that blessed us with so much more precious family time and values, a year that helped us find so many new opportunities and possibilities and most importantly a year that taught us all very important lessons that we would not have been able to learn if we had not experienced a year such as 2020. I am grateful and proud for each and every one of us here at the Status family for their unconditional commitment to our company slogan "Whatever it Takes" as without it we would not have been able to survive 2020. So, thank you all for all that you do for us and our Status family. I feel so strong and positive to start the new year 2021 with such a strong and committed team for our Status family! I say, bring it on, we are more than ready to tackle anything and everything!

While we have already started to see some minor momentum toward recovery, I would like to remind all of us that the recovery may be long and slow however things can only get better from here and onward and the worst is behind us. Also remember that during this recovery period we must remain safe, focused, united, committed, positive and strategic in our operations. As we move forward, we must remain supportive to possible additional changes within our operation as brands announce new standards for a "new normal" operation. The health and safety of our guests and our associates must always remain our top priority. Together we have succeeded in overcoming many major crises and I am confident that together we will overcome the COVID-19 crisis and rise and shine bigger and better than ever before!

I wish you all the best health and happiness for year 2021 and beyond.

-Gary Patel

Getting to know you... Maeleen Robison!

Maeleen went to college to study Accounting forensics. Lucky for us, she ended up in the hospitality industry 13.5 years ago!

Maeleen has worked as a General Manager for the Holiday Inn Express & Suites of Price for 3.5 years since Status Hospitality purchased the property.

Maeleen has been with this location since opening in 2015! Maeleen is a twin; she has 4 kids, and she loves to go camping and fishing!



Some of Maeleen's Favorites:

Cartoon Character: Bugs Bunny
Candy: Chocolate
TV Show: Gilmore Girls
Snack: Chips & Salsa
Color: Purple, Black and Red
Drink: Coffee or Wine