

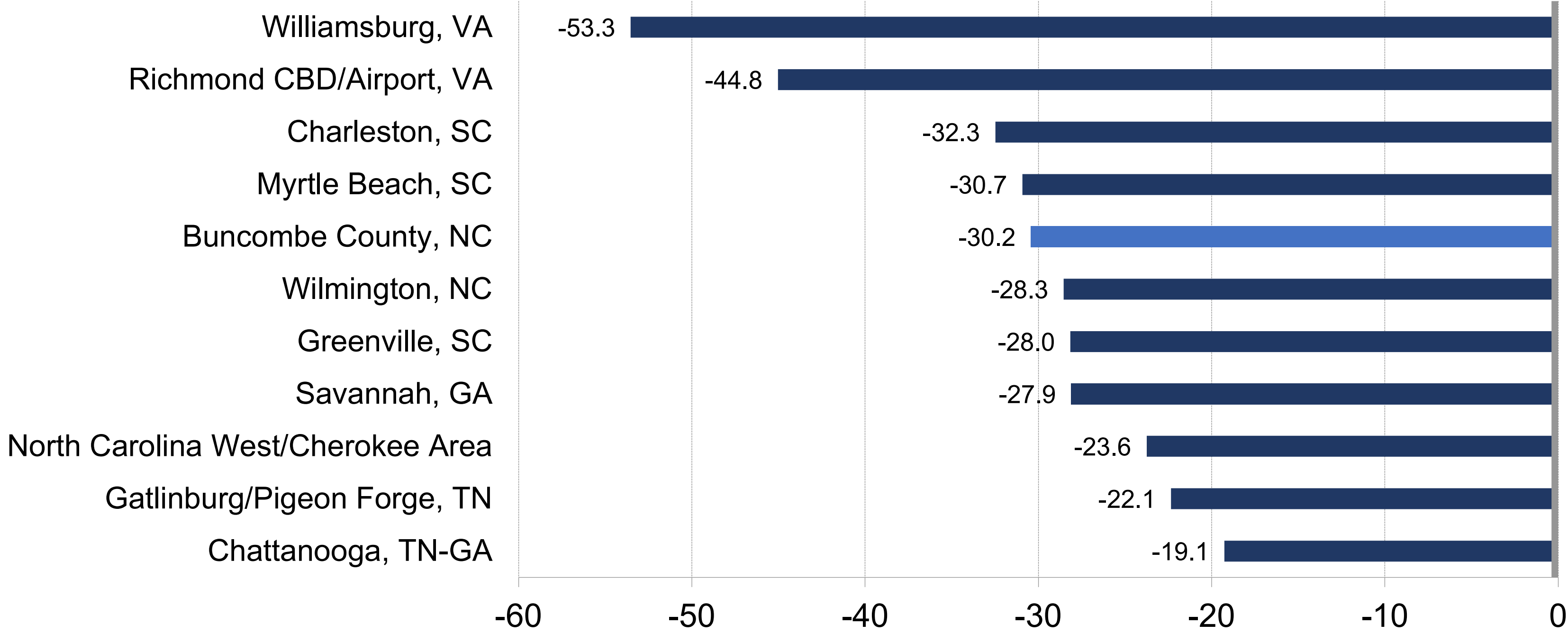
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When will travel recover?

# Asheville hotels performed in line with peers in 2020

## Hotel Room Demand

2020 % change

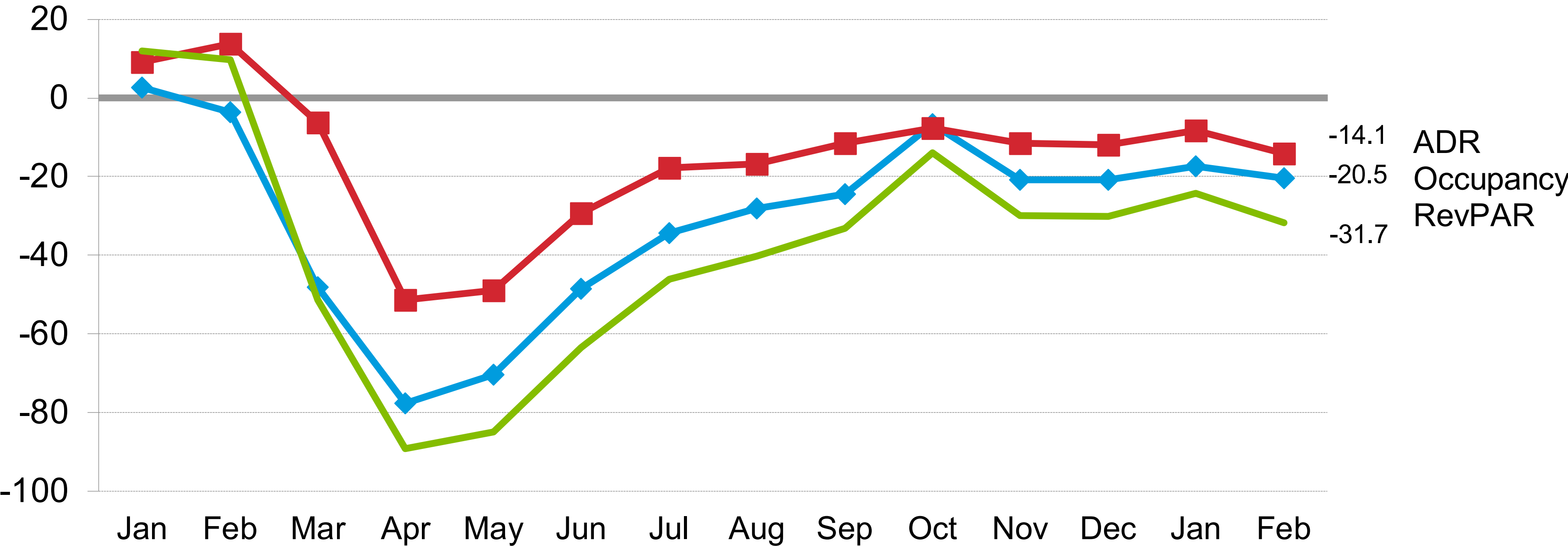


Source: STR

# The journey of the past year

## Buncombe County Hotel Performance

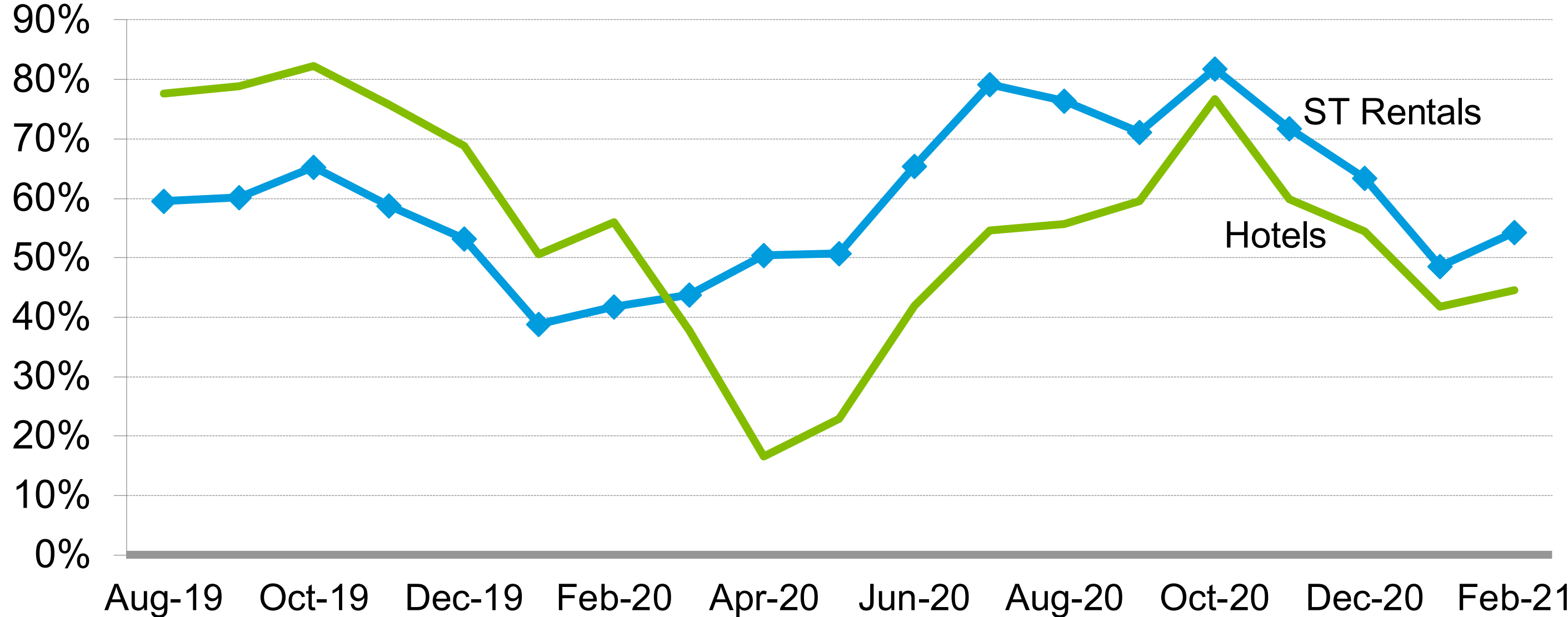
year-over-year % change



Source: STR

# Short-term rentals have outperformed hotels

## Buncombe County Occupancy Rates

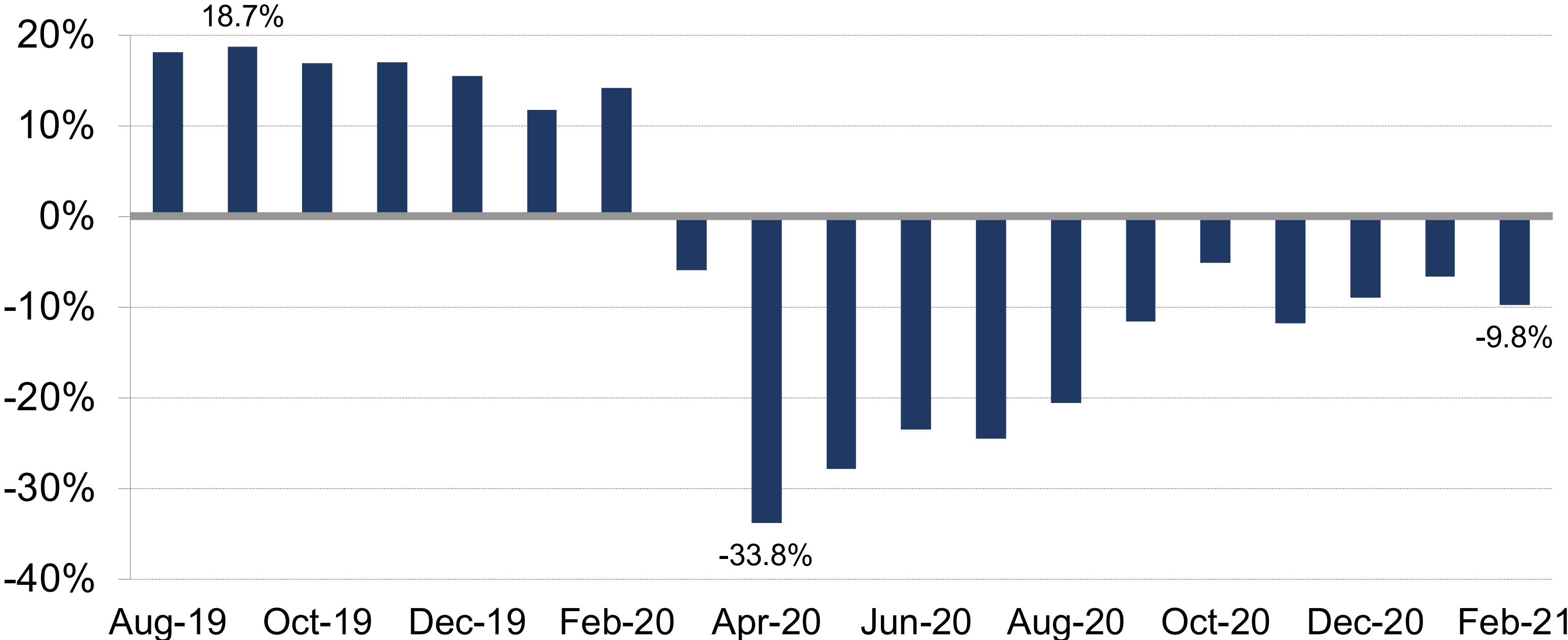


Source: STR, AirDNA

# But hotels are making a comeback

## Buncombe County Hotel Occupancy Premium

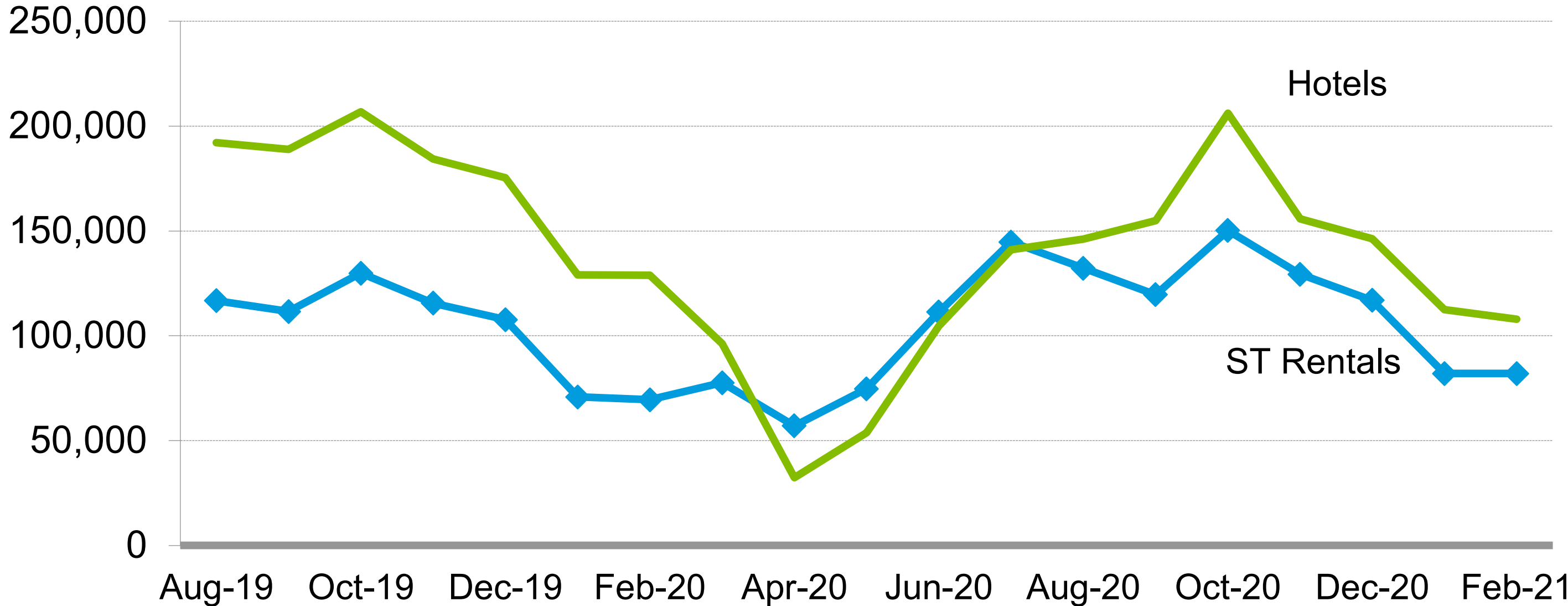
Hotel occupancy minus ST rental occupancy



Source: STR, AirDNA

# Hotels are once again the leading accommodation type

## Buncombe County Room Demand



Source: STR, AirDNA

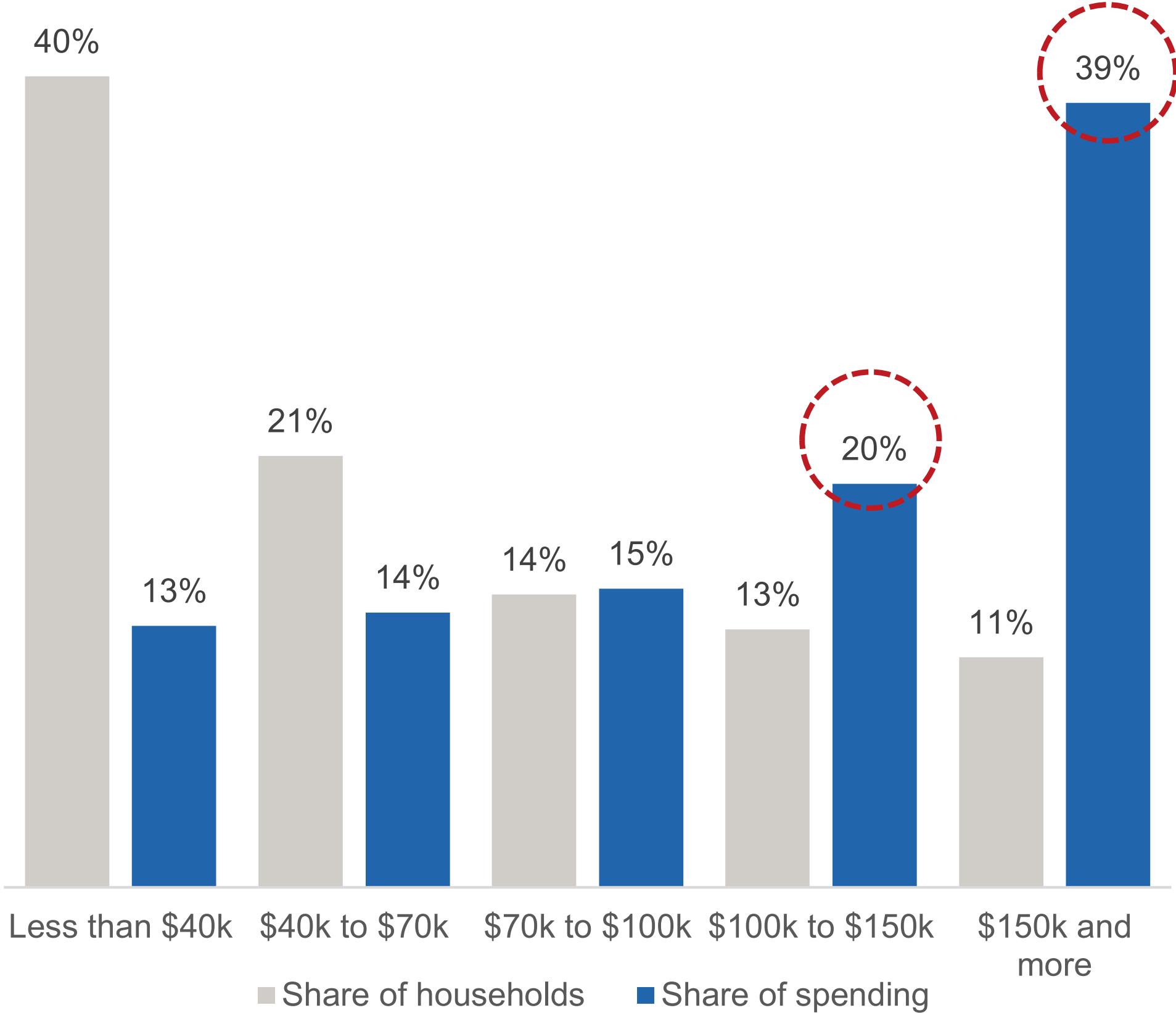
# Assumptions: Baseline

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- **2021 Q1**
  - Difficult start to year. Concerted efforts to get disease under control
- **2021 Q2-Q3**
  - Vaccination programs make a meaningful impact
  - Leisure travel picks up headed into summer
- **2021 Q4**
  - Context for business travel and group events has normalized substantially.
  - Group and business travel returns (but at 20%-30% below 2019 levels)

# Will higher income households support recovery?

## Share of leisure lodging spending by income



### Unemployment rate:

- Bachelor's or higher: 3.8%
- High school grad: 7.2%

**Households earning \$100k+ account for 24% of households... but 59% of leisure spending on lodging**

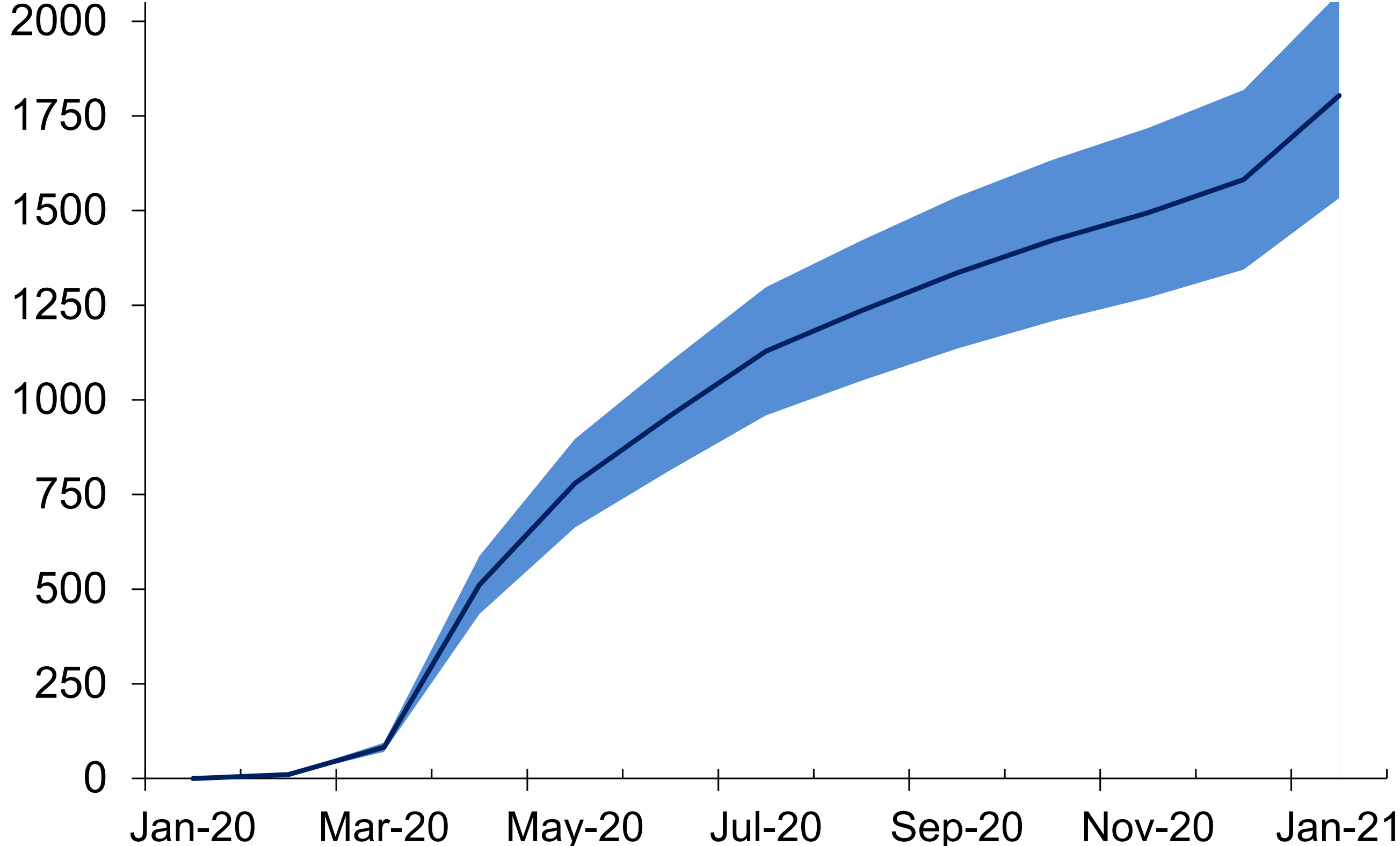
Note: Lodging spending is based on recent three-year average (2015 to 2018). Consumer spending represents leisure trips. Pre-tax annual income, in thousands.  
Source: BLS; Tourism Economics



# A massive \$1.7 tn cash stash for households

## US: Cumulative household savings

\$, billion, since January 2020

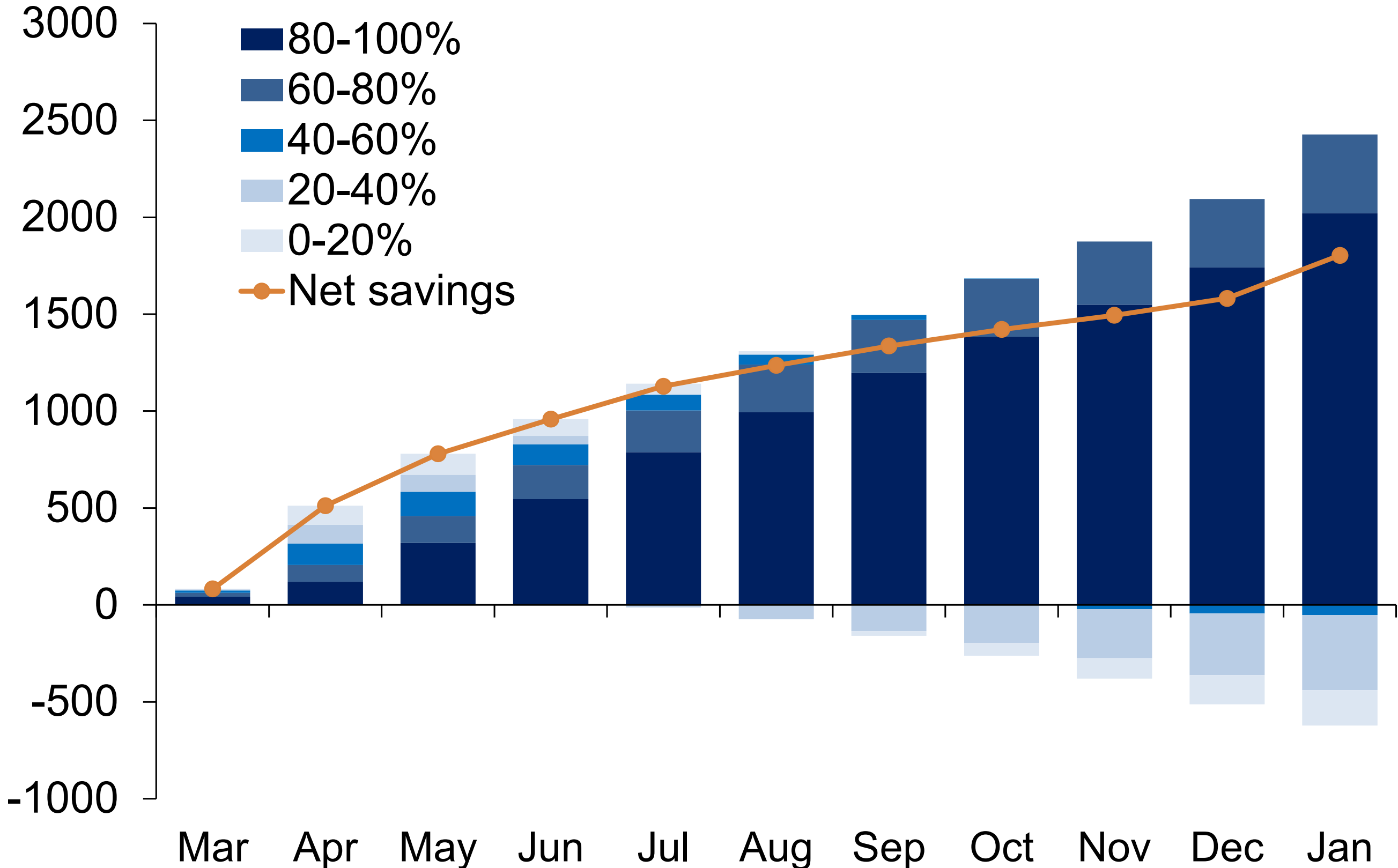


Source: Oxford Economics

# It's all the top 20% (and 40%) of income-earners

## US: Uneven savings across income quintiles

Cumulative excess personal savings since March (~\$1.8tn), \$, billion



Source: Oxford Economics

# Some reshuffling of the deck

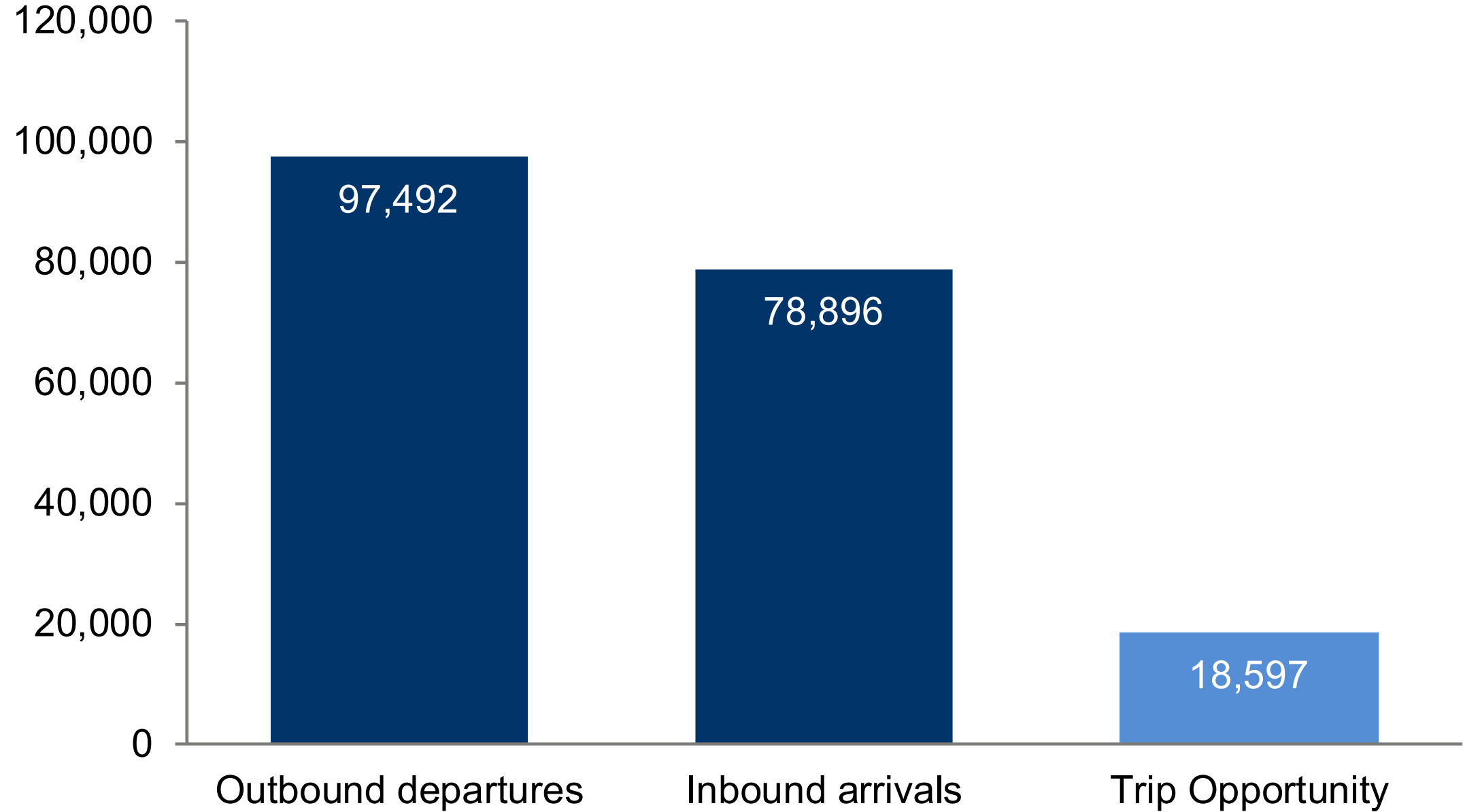
## Influence of COVID-19 on Travel Plans in the Next Six Months



# What happens if international travel stops? Domestic opportunity

## US Balance of Travel (2019, trips)

Thousands



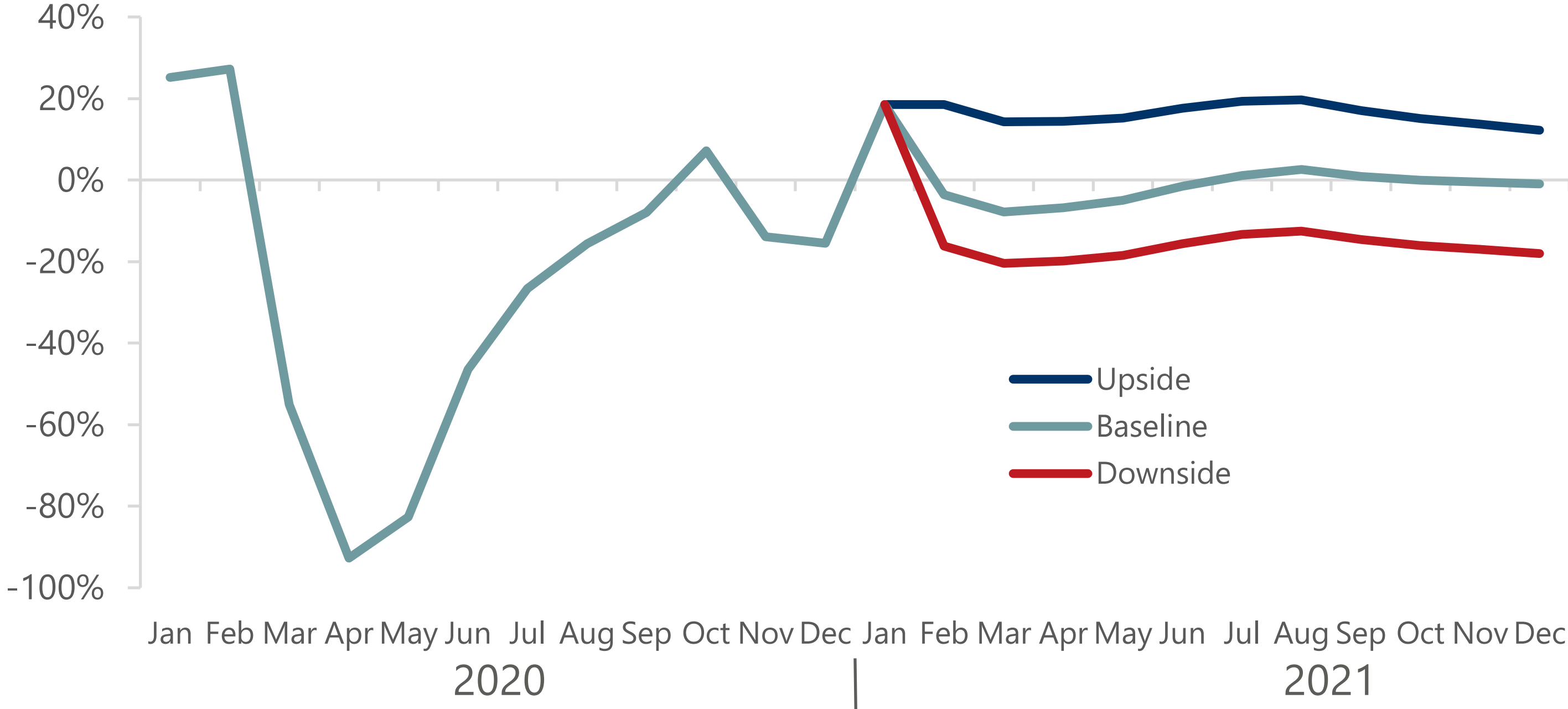
Source: Tourism Economics

**19 million more US outbound trips than inbound**

# Scenario models indicate a range of outcomes

## Lost room revenue in Buncombe County, three scenarios

Change in room revenue compared to 2019

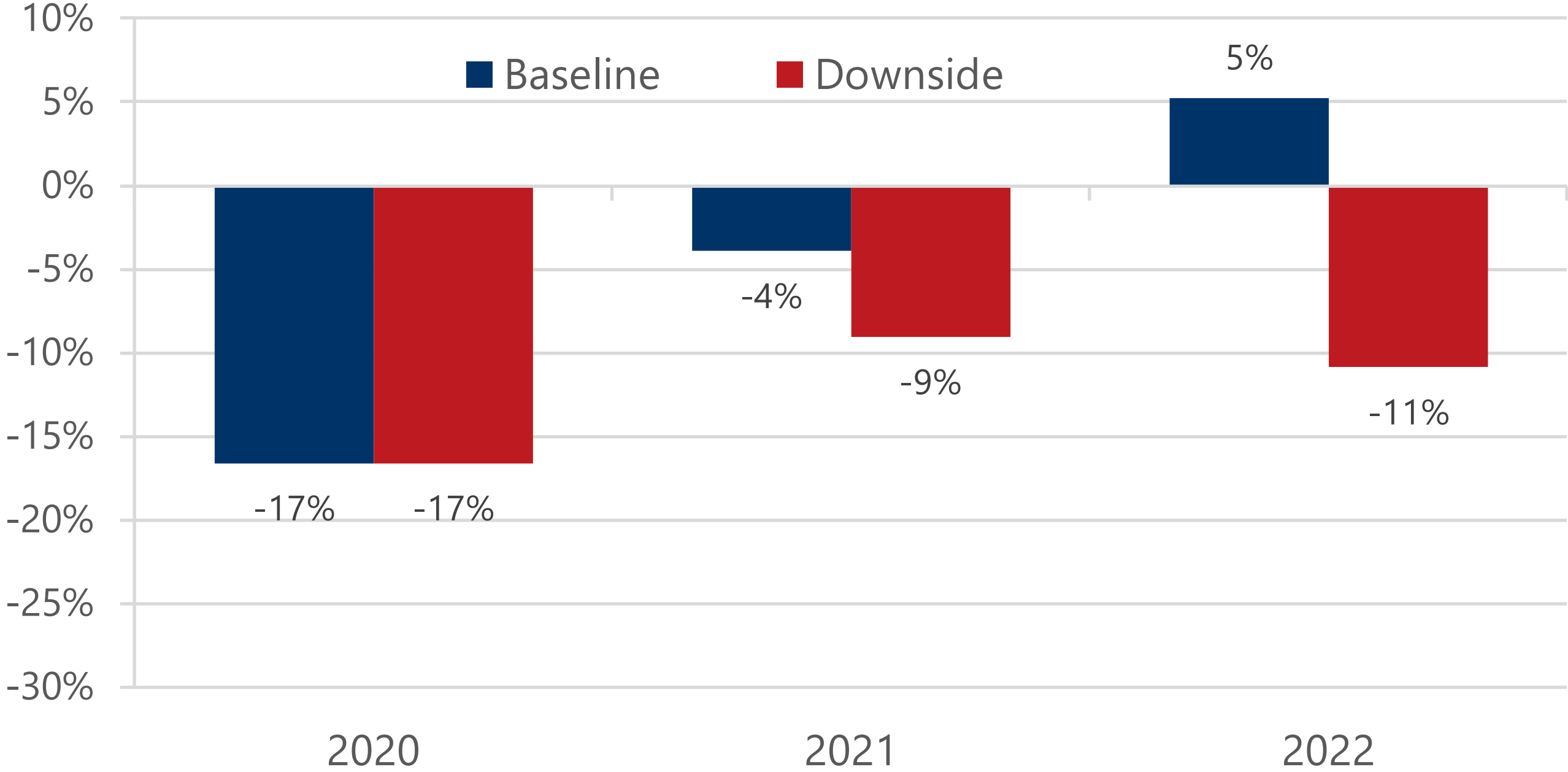


Source: Tourism Economics

# Baseline scenario indicates a recovery over two years

## Room revenue changes in Buncombe County, three scenarios

Change in room revenue compared to 2019

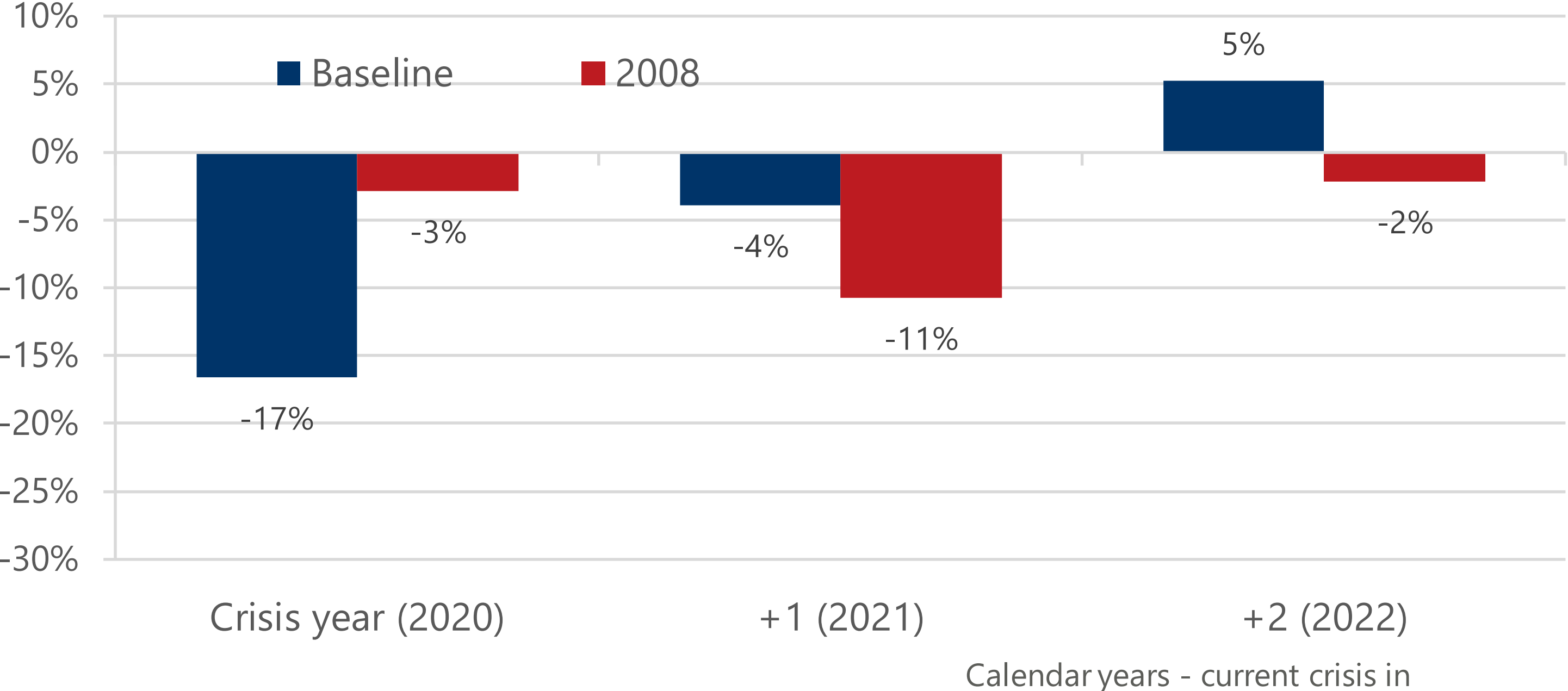


Source: Tourism Economics

# Loss much larger than in 2008 but recovery could be stronger

## Crisis comparison in Buncombe County

Change in room revenue compared to pre-crisis year

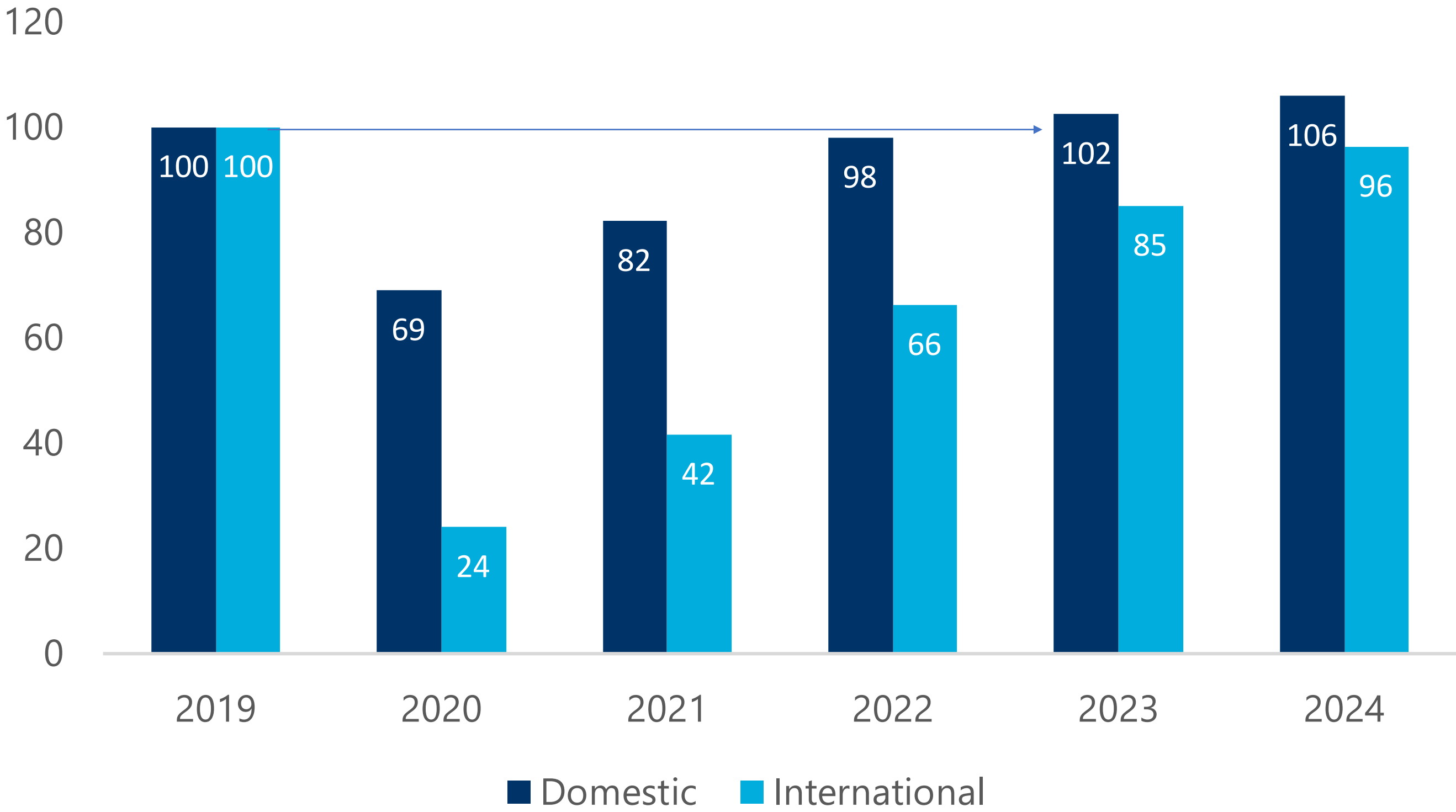


Source: Tourism Economics

# Domestic trips nearly back in 2022, international will take longer

## Domestic and international trips

Index (2019=100)



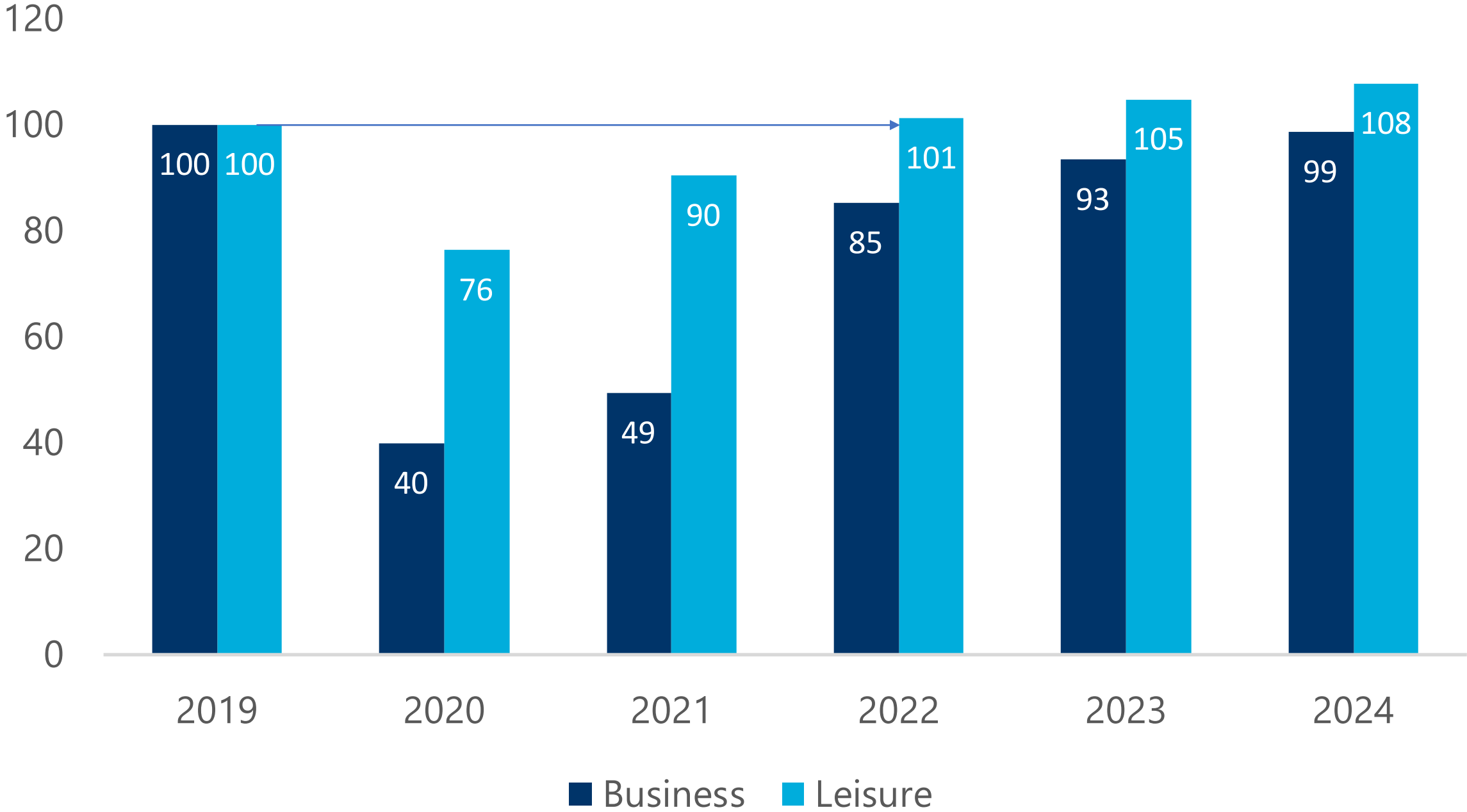
Source: U.S. Travel Association, Tourism Economics



# Leisure travel will fuel the recovery

## Business and leisure trips

Index (2019=100)



**Leisure back to 2019 levels in 2022**

**Business nearly back in 2024**

Note: Only domestic trips

Source: U.S. Travel Association, Tourism Economics

# Intentions to travel are surging

## Travelers with Travel Plans in the Next Six Months Comparison

