

Current Month

Date Range: 2/1/2024 - 2/29/2024

	Current Month					Year-to-Date				
	Actuals Feb	Budget Feb	Budget Variance	Last Year	Last Year Variance	Actuals	Budget	Budget Variance	Last Year	Last Year Variance
OCCUPIED ROOMS	5,227	5,748	-521	5,580	-353	9,967	10,998	-1,031	11,115	-1,148
OCCUPANCY	74.5	81.9	-7.4	82.3	-7.9	68.6	75.7	-7.1	77.8	-9.2
ADR	290.60	308.15	-17.55	343.18	-52.58	262.05	267.17	-5.12	279.77	-17.72
REV PAR	216.44	252.39	-35.95	282.61	-66.17	179.88	202.36	-22.48	217.79	-37.91
TOTAL HOTEL REVENUE	1,809,012	1,964,746	-155,734	2,122,751	-313,739	3,103,610	3,322,383	-218,772	3,515,244	-411,633
HOUSE PROFIT	986,982	1,087,109	-100,128	1,154,326	-167,344	1,540,700	1,651,725	-111,025	1,742,903	-202,203
NET OPERATING INCOME	770,399	855,237	-84,838	908,712	-138,314	1,145,874	1,236,643	-90,769	1,318,255	-172,380

RevPAR

During the month of February, our RevPAR fell short of our projected budget. The projected budget RevPAR was \$252.39, however, our actual RevPAR came in at \$216.44, reflecting a decrease of approximately 14.23%. This deviation from our projected figures can be attributed to a softening in demand throughout February. Despite our initial projections, the Average Daily Rate was lower than budgeted. In response to the declining demand observed particularly in the first week of the month, we proactively adjusted our rates downward in an effort to stimulate additional occupancy for the remainder of the month. While these adjustments were made to adapt to the changing market conditions, they unfortunately contributed to the shortfall in RevPAR compared to our budgeted expectations.

Total Hotel Revenue

February, our hotel's revenue fell short of our projected budget. Total hotel revenue is down 252,292. This shortfall primarily stemmed from lower-than-expected room revenue, driven by decreases in both occupancy and ADR. While efforts were made to adjust rates to stimulate occupancy, the decline persisted. Although other areas of income exceeded expectations, it was not sufficient to offset the revenue decline from other streams.

House Profit

February, we experienced a decline in house profit, by 35.1% compared to the budgeted figure. This decline was driven by room revenue, including adjustments in ADR and occupancy levels as previously mentioned.

Rooms expense had an overage of \$5,666, mainly due to higher-than-expected travel agent commissions and commissions from the GCSA group, which served as an overflow group in February. These commissions were incurred on top of rebates, contributing to the expense overrun. Additionally, a labor cost saving of \$29,823 in rooms labor was offset by an increase in contract labor expenses, amounting to \$26,235, further impacting the overall profitability of the rooms division. We are actively addressing this issue by transitioning from contract labor to hiring our own employees, which we anticipate will improve cost efficiency in the long run.

Food expenses had an underage of \$8,354, but an overall overage of 76,947 mostly due to a long-term group occupying three of our five meeting spaces in February. SEIU contributed \$81,459 alone for the month of February.

The total house profit for February was down \$101,002, for a 35.1% flow through. This decline underscores the challenges we faced in both revenue generation and expense management during the month.

Net Operating Income

Outlook

Date Range: 3/01/2024 - 5/31/2024

	Next 90 Days					Year-to-Date				
	Actuals/FC	Budget	Budget Variance	Last Year Actuals	Last Year Variance	Forecast Jan-Till, 2024	Budget Jan-Till, 2024	Budget Variance	Last Year Jan-Till, 2023	Last Year Variance
OCCUPIED ROOMS	16,794	16,580	214.0	16,577	217.0	26,761	27,578	-817.0	27,692	-931.0
OCCUPANCY	75.4	74.5	1.0	74.5	1.0	72.8	75.0	-2.2	75.8	-3.0
ADR	254.50	266.36	-11.9	239.26	15.2	257.31	266.68	-9.4	255.52	1.8
REV PAR	191.97	198.36	-6.4	178.15	13.8	187.20	199.94	-12.7	193.64	-6.4
TOTAL HOTEL REVENUE	4,901,183	4,987,227	-86,045.0	4,524,471	376,711.7	8,004,793	8,309,610	-304,817.2	8,039,714	-34,921.4
HOUSE PROFIT	2,364,260	2,394,953	-30,692.9	1,987,454	376,806.2	3,904,960	4,046,678	-141,718.2	3,730,357	174,603.3
NET OPERATING INCOME	1,742,644	1,767,314	-24,669.7	1,405,205	337,439.1	2,888,518	3,003,957	-115,438.7	2,723,460	165,058.6

	Next Period				
	Current Year - Forecast April, 2024	Current Year - Budget April, 2024	Current Year Variance	Last Year - Actual April, 2024	Last Year Variance
OCCUPANCY	81.6	70.4	11.2	70.4	11.2
ADR	262.86	270.52	-7.65	211.74	51.12
REV PAR	214.49	190.44	24.05	149.09	65.40

Transient Outlook

Corporate Negotiated travel is still slow to return, but Local accounts are starting to pick up travel. We just booked 80+ nights for Osborn Maledon for April for a trial. We will see a decrease as Osaic is moving to the Scottsdale area next month. Perkins Coie will also vacate their office in Spring as they move to the Biltmore area. One focus will be extended stay/project business to fill those moving companies. Presentation to HSW Extending Stay/Project team provided a lead for April which could generate 200+ room nights for Lineage Logistics. Our top accounts (Dignity, HDR, and Cable One) are starting to pick up travel as more people are returning to the office.

Group Outlook

March is at 89% of budgeted group revenue, however we expect to be above last year's numbers. April is already at 130% of group revenue. May is at 40% of budgeted revenue but leads are steadily picking up for this month.

Permanent Outlook

N/A

Total Hotel Revenue

If budgeted hotel revenues are not met, we will ensure all managers take the necessary payroll and expense cuts.

House Profit

If budgeted hotel revenues are not met, we will ensure all managers take the necessary payroll and expense cuts.

EBITDA

N/A

Competitive Survey

Select Last Saturday of the Month: 02/24/2024

Running 28 Day Star Last Month 3 Month YTD	STAR Report Data					
	Occ Index	%Chg	Rate Index	%Chg	RevPAR Index	%Chg
	97.3	-2.4	112.3	-2.7	109.3	-5.1
	0.0	-100.0	0.0	-100.0	0.0	-100.0
	105.9	4.5	116.0	-1.1	122.7	3.4
	98.9	-3.5	113.2	-2.0	111.9	-5.4

RevPAR Index Performance Summary and Opportunities by Day of Week and Segment

The hotel ended February at a 104.5% RPI. \$215.63 RevPar vs the comp set at \$206.32. We were down -23.5 vs.-16.4 for the CS1. Downtown was down -10.7 for the month. We continue to have opportunities over the weekend.

Drivers of Occupancy Index Change

Although we had strong group bookings for the month, attendance was down for both Corporate and SMERF segments.

Drivers of ADR Index Change

Due to the market softening, we adjusted rates down in an effort to increase occupancy.

Group Rooms Pace

MONTHLY GROUP ON THE BOOKS vs. BUDGET (Next 12 Months)															
Month	Definite Group OTB				Tentative OTB	Budget			Variance to Budget		OTB STLY			Variance to STLY	
	Room Nights	Ave. Rate	Revenue			Room Nights	Ave. Rate	Revenue	Room Nights	Revenue	Room Nights	Ave. Rate	Revenue	Room Nights	Revenue
March, 2024	1,977	\$267.52	528,895	0		2,147	\$275.69	591,900	-170	-63,005	2,145	\$253.89	544,595	-168	-15,700
April, 2024	2,561	\$239.90	614,376	20		1,865	\$254.51	474,665	696	139,711	1,272	\$210.93	268,306	1,289	346,070
May, 2024	963	\$173.98	167,543	106		2,024	\$208.23	421,463	-1,061	-253,920	748	\$165.33	123,665	215	43,878
June, 2024	1,578	\$143.01	225,677	0		2,315	\$154.93	358,670	-737	-132,993	1,435	\$139.96	200,837	143	24,840
July, 2024	575	\$118.11	67,914	0		1,186	\$132.24	156,836	-611	-88,922	371	\$120.20	44,594	204	23,320
August, 2024	316	\$127.99	40,444	75		1,040	\$153.99	160,145	-724	-119,701	214	\$99.49	21,291	102	19,153
September, 2024	354	\$162.71	57,600	0		1,440	\$173.64	250,035	-1,086	-192,435	153	\$135.34	20,707	201	36,893
October, 2024	567	\$169.70	96,221	0		1,765	\$210.98	372,375	-1,198	-276,154	525	\$142.52	74,825	42	21,396
November, 2024	509	\$214.05	108,951	0		2,295	\$237.20	544,365	-1,786	-435,414	276	\$182.84	50,464	233	58,487
December, 2024	146	\$193.79	28,294	0		2,088	\$189.54	395,750	-1,942	-367,456	707	\$141.81	100,258	-561	-71,964
January, 2025	60	\$229.00	13,740	112		0	\$0.00	0	60	13,740	0	\$0.00	0	60	13,740
February, 2025	0	\$0.00	0	80		0	\$0.00	0	0	0	0	\$0.00	0	0	0

Revenue Opportunities (Need and Shoulder Date Plan)

We have a lot of opportunity for Sunday through Wednesday pattern groups. We will offer "better values" to move groups to need dates.

We continue to try to stay ahead of our comp set by offering multi-dates/multi-year promotions (Double HH points, flat rates, etc.) to win bookings.

- Identify past groups in Knowland and pursue for future potential
- Run all group prospects through GRO/Group Evaluator to determine how low we can go to win the business while still being profitable.
- Offer a complimentary meeting/study room for sports teams with 20+ rooms each night
- Offer need dates to all groups in addition to their preferred dates, in an effort to push business where we need it to fill

Catering Pace

MONTHLY ON THE BOOKS vs. BUDGET (Last 12 Months)					
Month	OTB Rev	Budget Rev	Variance to Budget	STLY Rev	Variance to STLY
March, 2024	117,195	56,296	60,899	37,146	80,048
April, 2024	40,389	65,588	-25,199	51,491	-11,102
May, 2024	22,052	63,530	-41,478	36,065	-14,013
June, 2024	16,544	51,738	-35,194	13,293	3,251
July, 2024	0	55,458	-55,458	0	0
August, 2024	8,432	57,292	-48,860	0	8,432
September, 2024	0	61,558	-61,558	775	-775
October, 2024	4,464	62,550	-58,086	775	3,689
November, 2024	0	58,768	-58,768	1,147	-1,147

December, 2024	4,340	71,552	-67,212	5,264	-924
January, 2025	0	0	0	0	0
February, 2025	0	0	0	0	0

Revenue Opportunities (Need and Shoulder Date Plan):

We continue to pursue catering business with the following

Solicit definite groups that did not contract food and beverage, i.e. teams, companies to suggest adding welcome receptions, dinners, etc. to increase catering revenues

Since we have several dates with sleeping "rooms only" blocks, catering is identifying these dates as "free sale" dates and soliciting local meetings to area businesses.

Guest Score Tracking

Guest Score Tracking	Current	6-Month	Goal	Var-to-Goal
Stay Score	83.40	83.10	74.00	9.10
Room Cleanliness	89.50	91.30	74.00	17.30
Breakfast satisfaction	91.90	90.30	67.00	23.30

Comments:

Guest Comments

Meh... Let me first start by saying do your research. This hotel is not downtown, but north of the downtown Phoenix area. Yes, a short drive, but definitely not in the hub of all of the downtown fun. Upon arrival, we had the most pleasant check in experience. Our room was not ready when we arrived, but they were able to find us one. We did have to pay the \$25 early check in, but that was fine since we arrived around 10am and regular check in time is 3pm. When we got to our room, it was ok. It was mostly clean, bathroom, linens, etc., however this hotel needs an update. The furniture in our room was chipped, carpet was clean, but worn in some areas, and housekeeping definitely does not dust the baseboards. Also only one itty bitty trash can in the room. Also, no fault to the hotel, but the shape of the room is weird. Almost like an off center rectangular shape. The lobby of the hotel is nice though. Parking is \$28/day. Not sure if I will stay at this hotel again, as it was too far away from our needs. I failed to do my research though. As I mentioned above, it's not downtown. I made the assumption by the name of the hotel. That was on me though...

Guest comments

Love Embassy's. This midtown Phoenix location had great bed and great pillows. Lovely housekeeping services and very friendly staff