

Caribbean HOST Almanac 2014

Caribbean Hotel Operating Statistics for the year 2013

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Caribbean Hotel Report: Consistent moderate growth



The hotel industry in the United States continues to strengthen, achieving new average daily rate (ADR) and revenue per available room (RevPAR) peak levels in 2013. Meanwhile, in the Caribbean, the hotel industry continues to illustrate positive trends in occupancy and ADR; however, growth in the Caribbean has been at a much slower pace. In fact, both occupancy and ADR for the region remain -3.7% and -9.1% from the previous peaks, respectively. So while the region has achieved three years of moderate-to-strong RevPAR growth, it still has ground to make up from two straight years of double-digit RevPAR declines in 2008 and 2009. However, 2014 could be the breakthrough year for the region, as 2014 year-to-date data (through September) has exhibited strong ADR growth of 7.9%, driving RevPAR growth of 9.6%.

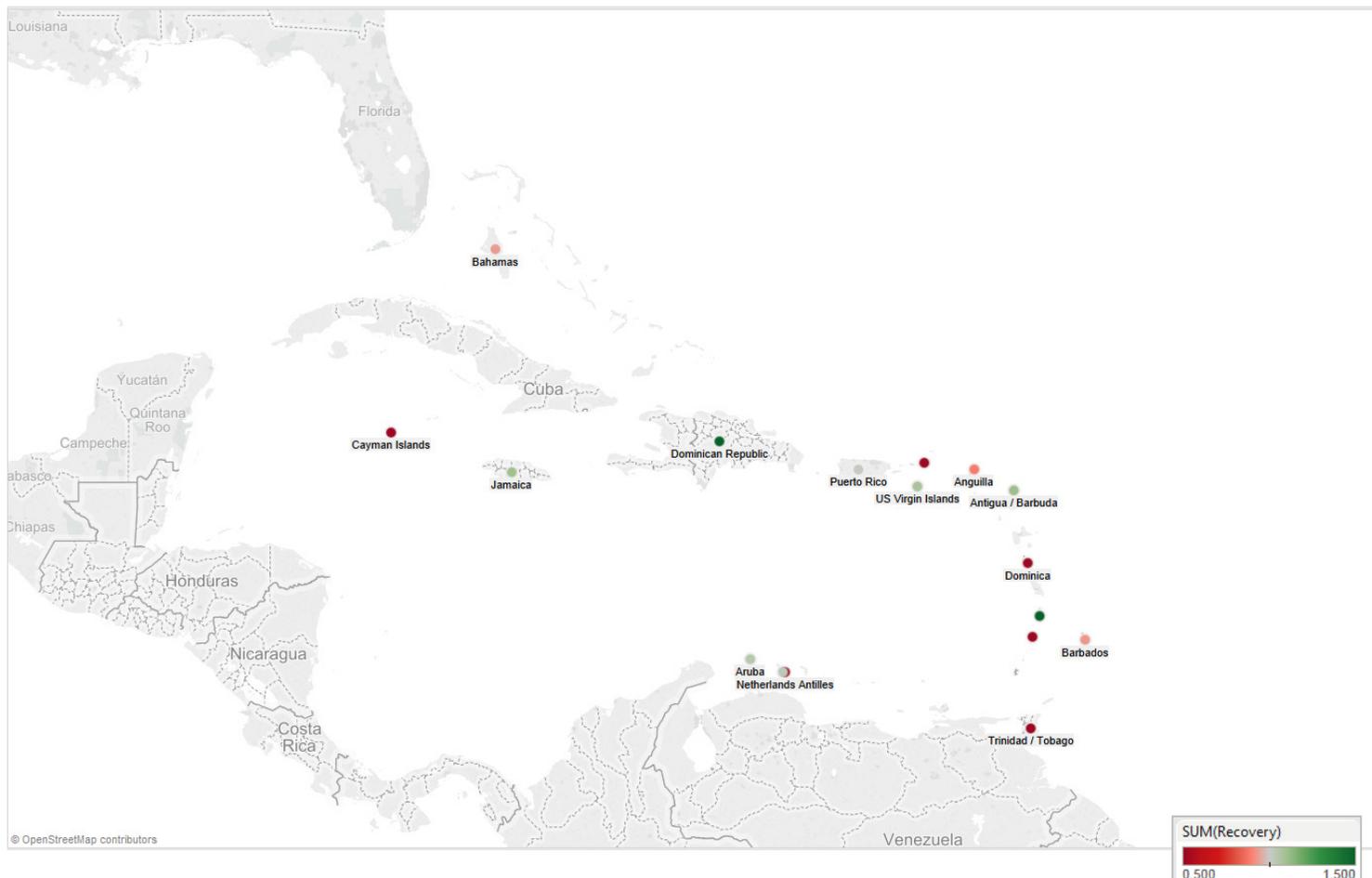
Caribbean Lodging Industry: 2004-2013

	Occupancy (%)		ADR (\$)		RevPAR (\$)		Supply	Demand
	This Year	% Change	This Year	% Change	This Year	% Change	% Change	% Change
2004	69.6%	6.1%	\$ 162.82	5.7%	\$ 113.39	12.2%	0.3%	6.4%
2005	70.2	0.7	177.32	8.9	124.39	9.7	0.3	1.1
2006	68.8	-1.9	190.67	7.5	131.19	5.5	0.2	-1.7
2007	66.5	-3.3	207.38	8.8	138.00	5.2	1.4	-1.9
2008	62.5	-6.0	205.25	-1.0	128.36	-7.0	1.4	-4.7
2009	58.9	-5.9	181.95	-11.4	107.09	-16.6	-0.5	-6.3
2010	58.7	-0.3	188.12	3.4	110.37	3.1	-3.8	-4.1
2011	61.9	5.5	197.11	4.8	121.99	10.5	-3.8	1.5
2012	65.6	6.1	200.96	2.0	131.91	8.1	-2.0	3.9
2013	66.6	1.4	205.81	2.4	136.99	3.8	0.0	1.4
2014 YTD	69.2	1.6	221.61	7.9	153.34	9.6	1.0	2.6

Caribbean RevPAR



*STAR Data



Benchmarking your performance allows you to accurately track and manage performance against competitors according to the real conditions in your marketplace and gain a reliable basis for sales, marketing and revenue management strategies.

two ways to participate:

1 STAR Report

- See how you measure up against your selected **competitive set** and **market**
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- Available monthly, weekly and/or daily

cost: monthly report: \$650
 (per annual subscription) weekly report: \$650
additional add-ons available

2 Hotel Survey

- See how you measure up against your local **market**
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- Challenge assumptions with facts and monitor the effect of business decisions you make with a clear financial picture
- Available monthly

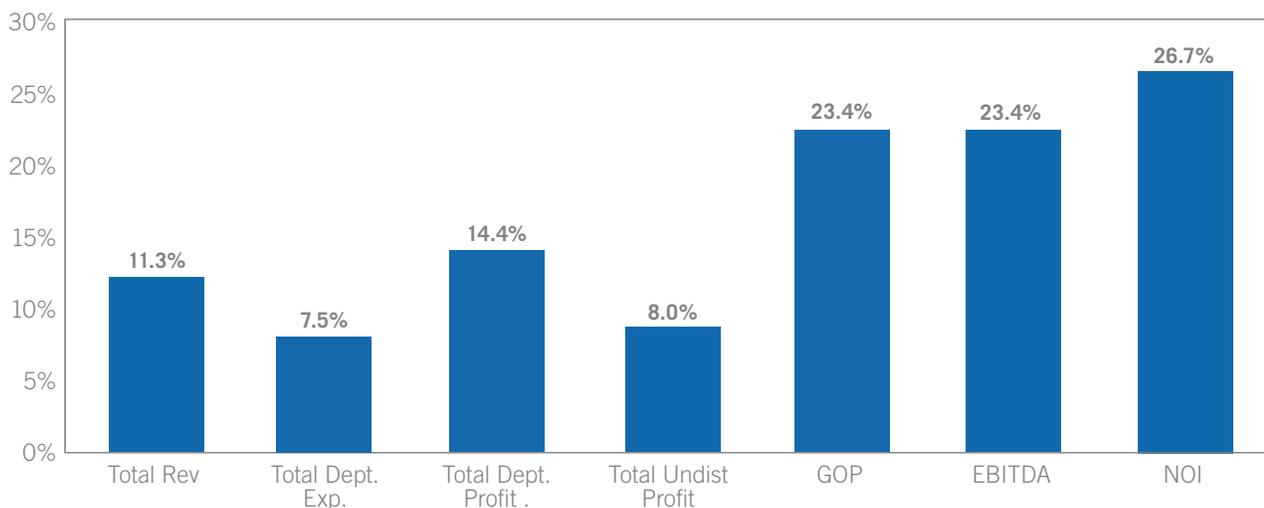
cost: free

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With respect to profitability, continued RevPAR growth in the Caribbean helped increase profitability in 2013. On a same-store, PAR basis, total revenue growth of 11.3 percent outpaced the increases of departmental and operating expenses, leading to a gross operating profit (GOP) increase of 23.4 percent. Operators continued to be successful in controlling expenses during a year of strong revenue growth. Departmental and undistributed operating expenses saw increases of 7.5 percent and 8.0 percent, respectively. As such, same-store hotels realized net operating income (NOI) increases of 26.7 percent in 2013.

2013 Variance from 2012 - Total Caribbean



*2013-12 HOST Data

Advertisement



	2012			2011			Variance %	
	Ratio to Total	Amount Per Available Room	Amount Per Occupied Room Night	Ratio to Total	Amount Per Available Room	Amount Per Occupied Room Night	Amount Per Available Room	Amount Per Occupied Room Night
REVENUE								
Rooms	74.2 %	\$19,343	\$91,52	74.1 %	\$18,390	\$88,08	5.2 %	3.9 %
Food	9.4	4,294	20,27	9.2	4,031	19,31	6.3	5.0
Beverage	3.7	966	4,57	3.6	885	4,24	9.2	7.6
Telecommunications	0.1	10	0,09	0.1	21	0,10	(14.3)	(10.0)
Other Operated Departments	0.3	79	0,38	0.3	76	0,36	3.9	5.6
Rentals & Other Income	9.3	1,394	6,55	9.8	1,431	6,85	(3.3)	(4.4)
Cancellation Fee	0.0	0	0,00	0.0	0	0,00		
TOTAL REVENUE	100.0 %	\$26,074	\$193,39	100.1 %	\$24,834	\$189,94	5.0 %	3.7 %
DEPARTMENTAL EXPENSES								
Rooms	29.1 %	\$5,632	\$26,61	28.8 %	\$5,500	\$26,00	2.3 %	1.9 %
Food & Beverage	10.4	2,194	10,47	10.2	2,121	10,18	3.4	2.8
Telecommunications	0.6	126	0,61	0.6	122	0,59	3.3	2.6
Rental Income	0.2	42	0,20	0.2	41	0,20	2.4	1.9
Other Expenses	0.4	84	0,40	0.4	81	0,39	3.7	2.9
TOTAL DEPARTMENTAL EXPENSES	40.7 %	\$8,078	\$38,00	40.2 %	\$7,665	\$37,28	5.7 %	4.5 %
DEPARTMENTAL PROFITS								
Rooms	45.1 %	\$13,711	\$64,91	45.3 %	\$12,890	\$61,88	6.2 %	5.0 %
Food & Beverage	19.0	2,100	10,00	19.0	1,910	9,19	9.4	7.6
Telecommunications	0.3	64	0,31	0.3	59	0,29	6.4	5.0
Rental Income	0.1	37	0,18	0.1	36	0,18	2.7	2.1
Other Expenses	0.1	43	0,21	0.1	45	0,22	(5.8)	(4.4)
TOTAL DEPARTMENTAL PROFITS	64.3 %	\$15,905	\$76,80	64.7 %	\$15,490	\$75,75	2.6 %	2.1 %
UNDISTRIBUTED OPERATING EXPENSES								
Rooms	1.1 %	\$286	\$1,37	1.1 %	\$273	\$1,31	4.8 %	3.8 %
Food & Beverage	0.3	63	0,30	0.3	60	0,29	5.0	3.9
Telecommunications	0.0	0	0,00	0.0	0	0,00		
Rental Income	0.0	0	0,00	0.0	0	0,00		
Other Expenses	0.0	0	0,00	0.0	0	0,00		
TOTAL UNDISTRIBUTED OPERATING EXPENSES	1.4 %	\$349	\$1,67	1.4 %	\$333	\$1,60	4.7 %	3.7 %
NET OPERATING INCOME (NOI)	62.9 %	\$15,556	\$75,13	63.3 %	\$15,157	\$74,15	2.6 %	2.1 %

NOTE: All data is random and generated for illustrative purposes only.

Custom HOST

Get detailed profitability data for your market.

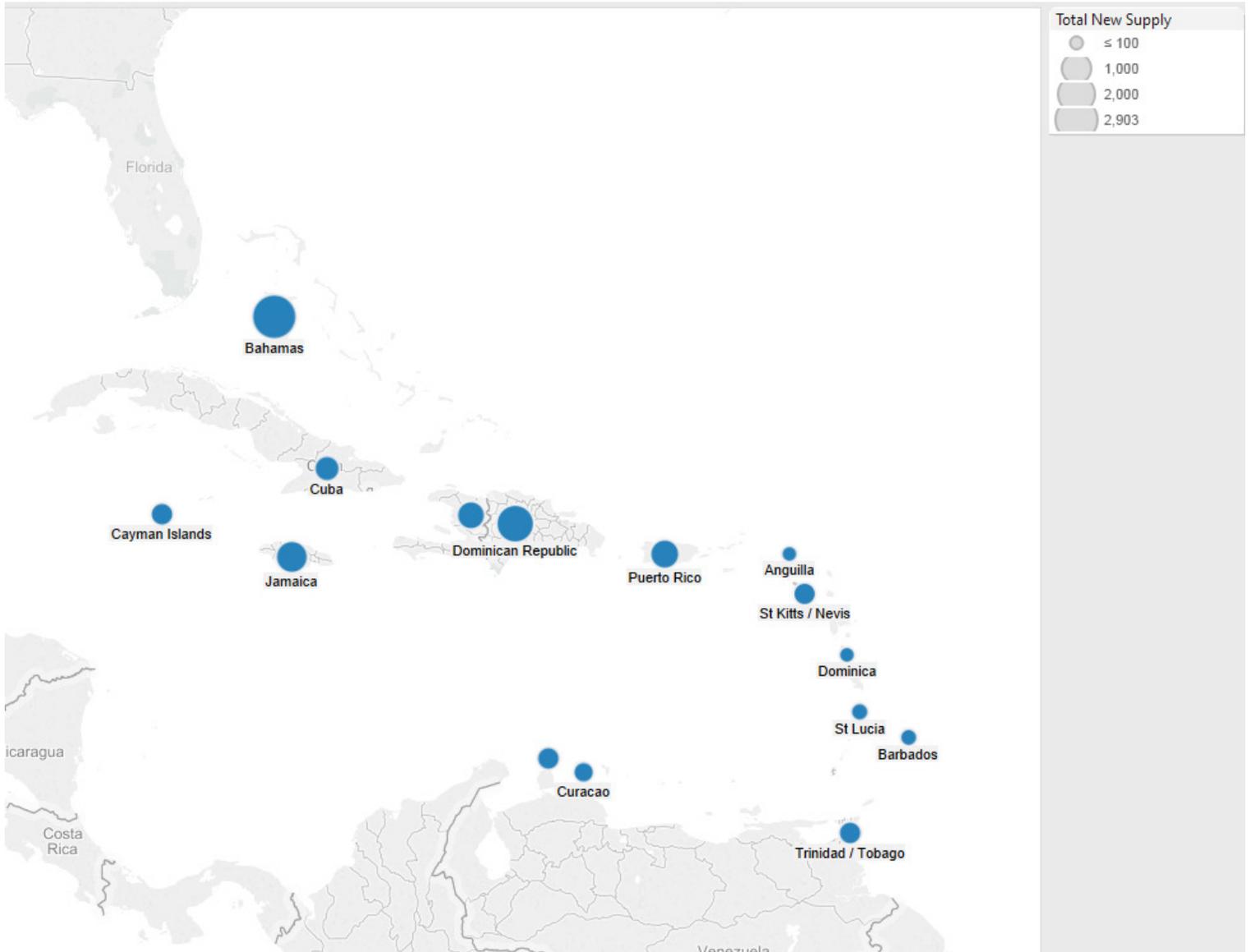
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Other highlights from the 2014 Caribbean HOST data:

- 81% of the Caribbean hotels that reported experienced an increase in rooms revenue.
- Turks and Caicos was the RevPAR leader in the region for 2013 with a RevPAR of US\$457, followed by Antigua/Barbuda with a RevPAR of US\$441.
- Turks and Caicos, St. Lucia, and Trinidad and Tobago experienced the largest RevPAR increases in 2013 with 53%, 36%, and 24%, respectively.
- Food and Beverage revenue increased 14.3% on a same-store basis for 2013.
- The Luxury class reported a GOP of 22.3%, while the Upper Upscale class reported a GOP of 26.5%.



*2013 STAR Data





Total Caribbean

Summary

Location Type

Class

TOTAL Caribbean SUMMARY

	Total			Total	Urban	Suburban	Resort	Luxury Class	Upper Upscale Class
	Occupancy	Average Size	ADR						
	70.4%	317	\$229.17		71.7%	69.2%	70.5%	65.8%	71.4%
					272	375	310	204	382
					\$260.55	\$158.30	\$280.92	\$434.09	\$205.32
	Ratio to Sales	Per Available Room	Per Occupied Roomnight	2013 Variance from 2012	Ratio to Sales				
REVENUE									
Rooms	52.6 %	\$57,640	\$229.17	11.4	56.7 %	51.9 %	49.8 %	53.3 %	54.3 %
Food	21.4	23,458	93.27	14.3	19.7	27.0	19.3	18.5	20.0
Beverage	8.8	9,640	38.33	13.4	7.7	10.4	8.7	7.8	7.3
Other Food and Beverage	2.5	2,693	10.71	20.0	2.8	3.6	1.5	2.4	3.4
Telecommunications	0.4	426	1.69	(6.3)	0.3	0.4	0.5	0.3	0.6
Other Operated Departments	12.7	13,925	55.37	5.8	11.5	6.1	17.8	16.4	11.8
Rentals & Other Income	1.6	1,749	6.95	5.0	1.3	0.6	2.4	1.2	2.6
Cancellation Fee	0.0	47	0.19	(24.5)	0.1	0.0	0.1	0.1	0.0
Total Revenue	100.0 %	\$109,578	\$436	11.3	100.0 %				
DEPARTMENTAL EXPENSES									
Rooms	23.3 %	\$13,455	\$53	9.1	23.2 %	23.7 %	23.2 %	24.6 %	22.1 %
Food & Beverage	67.6	24,186	96.16	8.7	74.0	60.0	68.9	76.8	73.2
Telecommunications	161.6	688	2.73	10.4	228.8	160.0	128.8	220.9	126.6
Other Operated Depts & Rentals	56.7	8,916	35.45	2.5	77.1	44.8	48.8	62.6	54.9
Total Departmental Expenses	43.1 %	\$47,245	\$188	7.5	46.1 %	40.5 %	42.4 %	46.9 %	43.2 %
Total Departmental Profit	56.9 %	\$62,333	\$248	14.4	53.9 %	59.5 %	57.6 %	53.1 %	56.8 %
UNDISTRIBUTED OPERATING EXPENSES									
Administrative & General	11.7 %	\$12,845	\$51	12.1	11.0 %	14.5 %	10.6 %	11.1 %	10.2 %
Marketing	6.3	6,956	27.66	8.1	6.7	6.8	5.8	6.3	6.5
Utility Costs	8.3	9,092	36.15	1.7	8.9	8.0	8.0	8.1	8.8
Property Operations & Maintenance	5.0	5,487	21.81	9.1	5.4	5.1	4.6	5.4	4.9
Total Undistributed Operating Expenses	31.4 %	\$34,379	\$137	8.0	32.0 %	34.4 %	29.0 %	30.9 %	30.3 %
GROSS OPERATING PROFIT	25.5 %	\$27,954	\$111	23.4	21.9 %	25.1 %	28.7 %	22.3 %	26.5 %
Franchise Fees (Royalty)	0.1	96	0.38	73.5	0.1	0.1	0.1	0.0	0.1
Management Fees	2.4	2,644	10.51	22.4	2.9	1.7	2.5	2.3	2.6
INCOME BEFORE FIXED CHARGES	23.0 %	\$25,214	\$100	23.4	18.9 %	23.4 %	26.1 %	19.9 %	23.8 %
Selected Fixed Charges									
Taxes	0.4 %	\$393	\$2	12.3	0.4 %	0.4 %	0.3 %	0.4 %	0.3 %
Insurance	2.8	3,042	12.10	4.5	3.5	2.3	2.5	3.6	2.9
Reserve for Replacement	2.5	2,762	10.98	25.6	3.2	1.8	2.5	2.3	3.3
AMOUNT AVAILABLE FOR DEBT SERVICE & OTHER FIXED CHARGES	17.4 %	\$19,016	\$75.60	26.7	11.8 %	18.9 %	20.9 %	13.6 %	17.2 %



Total Caribbean Payroll Summary

TOTAL Caribbean SUMMARY

	Ratio to Sales	Per Available Room	Per Occupied Roomnight
Rooms			
Salaries & Wages	8.3 %	\$5,594	\$22.14
Taxes & Benefits	3.5	2,349	9.30
Total Rooms Payroll	11.7	6,760	26.88
Food & Beverage			
Salaries & Wages	24.3 %	\$9,002	\$35.61
Taxes & Benefits	12.1	4,395	17.40
Total F&B Payroll	34.2	11,892	47.28
Telecommunications			
Salaries & Wages	77.6 %	\$454	\$1.82
Taxes & Benefits	33.6	197	0.79
Total Telecommunications Payroll	105.7	468	1.85
Other Operated Depts			
Salaries & Wages	22.0 %	\$3,697	\$14.58
Taxes & Benefits	10.0	2,226	8.82
Total Other Dept Payroll	34.5	5,109	20.20
Administrative & General			
Salaries & Wages	3.5 %	\$4,340	\$17.17
Taxes & Benefits	1.5	1,812	7.17
Total G&A Payroll	5.2	5,595	22.24
Marketing			
Salaries & Wages	1.1 %	\$1,351	\$5.34
Taxes & Benefits	0.4	441	1.74
Total Marketing Payroll	1.6	1,767	7.02
Property Operations & Maintenance			
Total POM Payroll	2.2 %	\$2,377	\$9.45
Total Payroll			
Salaries & Wages	22.8 %	\$28,565	\$113.06
Taxes & Benefits	8.8	10,970	43.42
Total Payroll	31.0	\$33,625	\$133.69



STR Analytics

Custom HOST Participation Report Caribbean HOST Participation

Custom HOST Report Data Set Requirements:

1. All data request samples must include a minimum of four (4) reporting hotels for the year 2012.
2. One brand can account for a maximum of 40% of aggregate room supply among reporting hotels in set.
3. One parent company can account for a maximum of 60% of aggregate room supply among reporting hotels in set.
4. To receive last year data in addition to this year data, apply the minimum of four (4) and 40/60 rules to hotels with 2011 data.
5. Changes to any HOST report must involve a minimum of two (2) reporting hotels (cannot add/delete one hotel).
6. Full Service and Limited Service Hotels can not be mixed on one report.
7. There is no maximum number of properties that may be included in a Custom HOST Report.
8. To order a Custom HOST Report, please email HOST@STRanalytics.com

STR #	PROPERTY NAME	CITY	ST	ZIP	ROOMS	CHAIN SCALE	BRAND	PARENT COMPANY	LOCATION	2013	2012
108208	Marriott Grand Cayman Beach Resort	Grand Cayman	GCY		295	Upper Upscale Chains	Marriott	Marriott International	Urban	•	•
108212	Radisson Ambassador Plaza Hotel & Casino San Juan	San Juan	SJ	00907	233	Upscale Chains	Radisson	Carlson Hospitality Company	Suburban	•	•
108214	Radisson Aruba Resort Casino & Spa	Palm Beach			355	Upscale Chains	Radisson	Carlson Hospitality Company	Suburban	•	•
108217	Hyatt Regency Aruba Resort & Casino	Palm Beach			357	Upper Upscale Chains	Hyatt	Hyatt	Urban	•	•
108414	Rosewood Jumby Bay Resort	St John's	ANT		40	Luxury Chains	Rosewood	New World Hotel Group	Resort	•	•
108445	Holiday Inn Resort Aruba Beach & Casino	Palm Beach			597	Upper Midscale Chains	Holiday Inn	Intercontinental Hotels Group	Urban	•	•
108551	Rosewood Little Dix Bay	Virgin Gorda	VGG		100	Luxury Chains	Rosewood	New World Hotel Group	Urban	•	•
108602	Hilton Curacao	Willemstad			196	Upper Upscale Chains	Hilton	Hilton Worldwide	Urban	•	•
108618	Wyndham Resort Nassau & Crystal Palace	Nassau	NPR		559	Upper Upscale Chains	Wyndham	Wyndham Worldwide	Resort	•	•
108622	Marriott Curacao Beach Resort & Emerald Casino	Curacao			247	Upper Upscale Chains	Marriott	Marriott International	Resort	•	•
108842	Round Hill Hotel & Villas	Montego Bay			124	Independents	Independent		Urban	•	•
109016	Four Seasons Resort Nevis	Charlestown	NEV		196	Luxury Chains	Four Seasons		Urban	•	•
109090	Sugar Beach	Soufriere			78	Independents	Independent		Urban	•	•
109211	InterContinental San Juan	Isla Verde	SJ	00979	398	Luxury Chains	InterContinental	Intercontinental Hotels Group	Resort	•	•
109363	Marriott Frenchman's Reef & Morning Star Beach Resort	Charlotte Amalie	STT	00802	478	Upper Upscale Chains	Marriott	Marriott International	Urban	•	•
109364	Marriott San Juan Resort & Stellaris Casino	San Juan	SJ	00907	525	Upper Upscale Chains	Marriott	Marriott International	Resort	•	•
109853	Marriott Aruba Resort & Stellaris Casino	Palm Beach			411	Upper Upscale Chains	Marriott	Marriott International	Resort	•	•
109864	Westin Grand Cayman Seven Mile Beach Resort & Spa	Grand Cayman	GCY		343	Upper Upscale Chains	Westin	Starwood Hotels & Resorts	Resort	•	•
109865	Wyndham Rio Mar Beach Resort & Spa	Rio Grande	HUM	00745	600	Upper Upscale Chains	Wyndham	Wyndham Worldwide	Urban	•	•
109867	Ritz-Carlton St Thomas	St Thomas	STT	00802	180	Luxury Chains	Ritz-Carlton	Marriott International	Urban	•	•
115925	Ritz-Carlton San Juan	Carolina	SJ	00979	416	Luxury Chains	Ritz-Carlton	Marriott International	Urban	•	•
119576	Paradisus Punta Cana	Punta Cana	LA		524	Upscale Chains	Paradisus	Grupo Sol Melia	Suburban	•	•
122315	Melia Caribe Tropical	Higüey	LA		1138	Upscale Chains	Melia	Grupo Sol Melia	Suburban	•	•
130716	Hilton Trinidad	Port Of Spain	TRN		418	Upper Upscale Chains	Hilton	Hilton Worldwide	Suburban	•	•
130784	Hilton British Colonial	Nassau	NPR		288	Upper Upscale Chains	Hilton	Hilton Worldwide	Urban	•	•
134077	W Hotel Retreat & Spa Vieques	Vieques	HUM	00765	156	Luxury Chains	W Hotel	Starwood Hotels & Resorts	Resort	•	•
135123	Marriott St Kitts Resort & Royal Beach Casino	Frigate Bay	KIT		393	Upper Upscale Chains	Marriott	Marriott International	Suburban	•	•
135952	Courtyard Santo Domingo	Santo Domingo	DN		145	Upscale Chains	Courtyard	Marriott International	Urban	•	•
136996	Gran Melia Puerto Rico	Rio Grande	HUM	00745	506	Luxury Chains	Gran Melia	Grupo Sol Melia	Resort	•	•
137867	Ritz-Carlton Grand Cayman	Grand Cayman	GCY		365	Luxury Chains	Ritz-Carlton	Marriott International	Resort	•	•
137938	Courtyard Port Of Spain	Port Of Spain	TRN		119	Upscale Chains	Courtyard	Marriott International	Suburban	•	•
137945	Hilton Santo Domingo	Santo Domingo	DN	10104	228	Upper Upscale Chains	Hilton	Hilton Worldwide	Suburban	•	•
137946	Hilton Barbados	Bridgetown			350	Upper Upscale Chains	Hilton	Hilton Worldwide	Suburban	•	•
141048	St Regis Bahia Beach Resort	Rio Grande	HUM	00745	139	Luxury Chains	St Regis	Starwood Hotels & Resorts	Suburban	•	•
142188	Paradisus Palma Real Golf & Spa Resort	Punta Cana	LA		554	Upscale Chains	Paradisus	Grupo Sol Melia	Resort	•	•
146245	Rosewood Tucker's Point Hotel & Spa	Hamilton Parish	HS 02		88	Luxury Chains	Rosewood	New World Hotel Group	Resort	•	•
152935	Sheraton Hotel Puerto Rico & Casino	San Juan	SJ	00907	503	Upper Upscale Chains	Sheraton Hotel	Starwood Hotels & Resorts	Suburban	•	•
153566	Hyatt Regency Trinidad	Port Of Spain	TRN		428	Upper Upscale Chains	Hyatt	Hyatt	Suburban	•	•
154106	Radisson Blu St Martin Resort Marina & Spa	St Martin	STM	97056	252	Upper Upscale Chains	Radisson Blu	Carlson Hospitality Company	Suburban	•	•
161796	Viceroy Anguilla	Barnes Bay		2640	155	Luxury Chains	Viceroy		Resort	•	•
169839	Holiday Inn Santo Domingo	Santo Domingo	DN	3164	179	Upper Midscale Chains	Holiday Inn	Intercontinental Hotels Group	Urban	•	•
186006	The Reserve @ Paradisus Palma Real	Punta Cana	LA		190	Upscale Chains	Paradisus	Grupo Sol Melia	Resort	•	•
193261	Courtyard Bridgetown	Bridgetown		BB15156	118	Upscale Chains	Courtyard	Marriott International	Urban	•	•
207298	Ritz-Carlton Reserve Dorado Beach	Dorado	ARE	00646-2058	115	Luxury Chains	Ritz-Carlton	Marriott International	Resort	•	•
210854	The Reserve @ Paradisus Punta Cana Resort	Punta Cana	LA		170	Upscale Chains	Paradisus	Grupo Sol Melia	Suburban	•	•

Total Properties: 45 Total Rooms: 14249

Source: STR Analytics, a division of STR, Inc. - The information contained in this report is based upon independent surveys and research from sources considered reliable but no representation is made as to its completeness or accuracy. This information is in no way to be constructed as a recommendation by STR Analytics of any industry standard and is intended solely for the internal purposes of your company and should not be published in any manner unless authorized by STR Analytics. Copyright 2013 STR Analytics, a division of STR, Inc. All rights reserved.

Based on the Uniform System of Accounts for the Lodging Industry (Tenth Revised Edition)

Type of Hotel

Full-Service Hotel

Hotels reporting food and beverage revenues and expenses, where food and beverage revenues are greater than 5% of room revenues.

Limited-Service Hotel

Hotels with rooms-only operations (i.e. without food and beverage service). These hotels are often in the budget or economy group and do not report food and beverage revenue. Hotels may be included that offer food and beverage, but do not collect the revenues from operation.

Revenues

Rooms

Revenues derived from the rental of sleeping rooms at the hotel, net of any rebates and discounts.

Rooms - Transient Revenue

Revenues derived from rental of rooms and suites by individuals or groups occupying less than 10 rooms per night.

Rooms - Group Revenue

Revenues derived from renting blocks of 10 or more rooms or suites per night to a group.

Rooms – Other

Miscellaneous revenue associated with an occupied room; no shows and late checkout fees.

Food

Revenues derived from the sale of food, including coffee, milk, tea and soft drinks. Includes food revenues from outlets, banquet/catering, in-room dining, mini bar and other food.

Outlet Food Revenue

Sales of food in specific dining areas in the property.

Banquet/Catering Food Revenue

Sales of food in a property's banquet rooms and for group functions outside the property.

In-Room Dining Food Revenue

Sales of food that require delivery to customers in the guestroom.

Mini Bar Food Revenue

Sales of packaged food placed in a guestroom; candy, snacks, soft drinks.

Other Food Revenue

Sales of consumable food items not designated as outlet, in-room dining, banquet/catering, or mini bar revenues.

Beverage

Revenues derived from the sale of beverages, including beer, wine and liquors. Includes beverage revenues from outlets, banquet/catering, in-room dining, mini bar and other beverage.

Outlet Beverage Revenue

Beverage sales in specific dining areas in the property.

Banquet/Catering Beverage Revenue

Beverage sales in the property's banquet rooms and for group functions outside the hotel.

In-Room Dining Beverage Revenue

Beverage sales that require delivery to customers in their guestroom.

Mini Bar Beverage Revenue

Sales of packaged beverages (bottles and cans) placed in a guestroom.

Other Beverage Revenue

Sales of consumable beverage items not designated as outlet, in-room dining, banquet/catering or mini bar revenues.

Other Food and Beverage

Revenues derived from other sources such as meeting room rentals, cover or service charges or revenues derived from the sale of goods or services made in connection with banquets, such as equipment rental, music, decorations and souvenirs. Also includes banquet service charges.

Audio Visual

Revenues and commissions derived from supplying audiovisual equipment and services to customers, whether the equipment is owned by the property or rented from a third party.

Room Rental

Revenue derived from the rental of public meeting rooms to customers.

Service Charges

Automatic charges added to any food sale to help cover the cost of staff service to the customer.

Telecommunications

Revenues derived from guest-use of telephones in the hotel, including local and long distance calls, service charges, high speed or wireless internet and commissions received from pay phones.

Internet Revenue

Revenue generated from the guest use of Internet services when the cost of providing these services is incurred directly by the hotel.

Phone Revenue

Revenues from calls made by guests.

Other Telecommunications Revenue

Revenue from service charges, owned pay stations and from other telecommunications services.

Other Operated Departments

Revenues generated from garage and parking, guest laundry, golf and tennis, health club, spa, swimming pool, barber/beauty shop, gift shop, newsstand, etc., when operated by the hotel. Excludes casinos.

Golf-Green Fees

Revenue derived from charges to customers for playing golf on the golf course.

Golf-Membership

Revenue derived from charging customers for a "membership" at the golf course, which allows the "member" to exercise privileges not given to the general public.

Golf-Retail

Revenue derived from all sales of merchandise and clothing in the golf shop or anywhere on the golf course.

Golf-Other

Revenue from providing any other services not previously specified.

Spa-Other

Revenue from providing any other services not previously specified.

Spa-Retail

Revenue derived from sales of merchandise and clothing in the health club/spa.

Spa-Treatments

Revenue derived from health treatments such as facials, body wraps and mud packs.

Rentals and Other

Income from rentals of space for business purposes, including concessions in any of the departments mentioned under other operated departments. Also includes income generated from sources not included elsewhere, but excludes investment income.

Cancellation Fee

Consists of non-refundable deposits and cancellation fees from convention/group meetings.

Departmental Expenses

Rooms

Rooms departmental expenses include labor costs such as salaries and wages for front desk, housekeeping, reservations, bell staff and laundry, plus employee benefits. Other operating expenses in the rooms department include linen, cleaning supplies, guest supplies, uniforms, central or franchise reservation fees, equipment leases and travel agent commissions.

Food and Beverage (F&B)

Food and Beverage departmental expenses include the cost of goods sold (food and beverages), labor and related benefits and other operating expenses. Labor costs include departmental management, cooks and kitchen personnel, service staff, banquet staff and bartenders. Other operating expenses include china, silverware, linens, restaurant and kitchen supplies, menus and printing and special promotions.

Salaries & Wages

Earnings paid to an employee, such as regular pay, overtime pay and shift differential pay.

Benefits

Includes all other payroll-related expenses, such as employer-paid health insurance expenses, cost of meals furnished to employees, pension contributions and union fees.

Payroll and Related Expenses

Includes salaries and wages of departmental personnel and management including overtime, severance, incentive, holiday, sick, vacation and bonus pay.

Payroll Taxes

Includes FICA, FUTA and SUTA, SDI and other mandated payroll-related taxes or social insurance items.

Telecommunications

Telephone departmental expenses include costs of calls and other related expenses, but excludes capital lease payments.

Other Operated Depts & Rentals

Other departmental expenses would comprise those expenses (labor and other) which offset the revenue generated by other operated departments such as garage, guest laundry, athletic facilities and gift shop, as well as rental activity.

Undistributed Operating Expenses**Administrative and General (A&G)**

Included in this category are the payroll and related expenses for the general manager, human resources and training, security, clerical staff, controller and accounting staff. Other A&G expenses include office supplies, computer services, accounting and legal fees, cash overages and shortages, bad debt expenses, travel insurance, credit card commissions, transportation (non-guest) and travel and entertainment.

Marketing

Marketing expenses include payroll and related expenses for the sales and marketing staff, direct sales expenses, advertising and promotion, travel expenses for the sales staff and civic and community projects. Includes national advertising fee or assessment paid to franchise company plus cost of frequent guest stay programs.

Utility Costs

Utility expenses typically include electricity, fuel (oil, gas and coal), purchased steam and water. Includes central plant and energy management systems.

Property Operations and Maintenance

This category includes payroll and related expenses for maintenance personnel, cost of maintenance supplies, cost of repairs and maintenance of the building, furniture and equipment, the grounds and the removal of waste matter.

Management Fees

Fees charged by management organizations for management services or supervision. Includes both base and incentive fees.

Franchise Fee

Includes only the royalty fees charged by franchise companies.

Fixed Charges

Property Taxes

Typically include taxes on real estate, business and occupation, personal property, utilities and other municipal taxes.

Land and Building Rent

Includes charges for lease of land and/or building.

Equipment Rental

Includes capital leases for rental of data processing equipment, telephone equipment and other major items.

Insurance

Cost of insuring the hotel building and contents against fire, weather, sprinkler leakage, boiler explosion, plate glass breakage or other perils such as terrorism. Includes all insurance except workers' compensation.

Reserve for Capital Replacement

Amount set aside for replacement of furniture, fixtures and equipment (as may be required by loan, franchise or management agreement).

Other Fixed Charges

Includes any other expenses that relate to the ownership of the hotel and gains or losses from any sale of assets.

Other Terms

Market Class

Class is an industry categorization which includes chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale. An independent hotel is assigned a class based on its ADR, relative to that of the chain-affiliated hotels in its geographic proximity.

Per-Available-Room (PAR)

Calculated by dividing by the number of keys in the hotel.

Per-Occupied-Room night (POR)

Calculated by dividing by the room nights occupied during the financial year.

Ratio-to-Sales (RTS)

Calculated by dividing by total revenue, with the exception of departmental expenses, which are based on the departmental revenue of the respective department.