

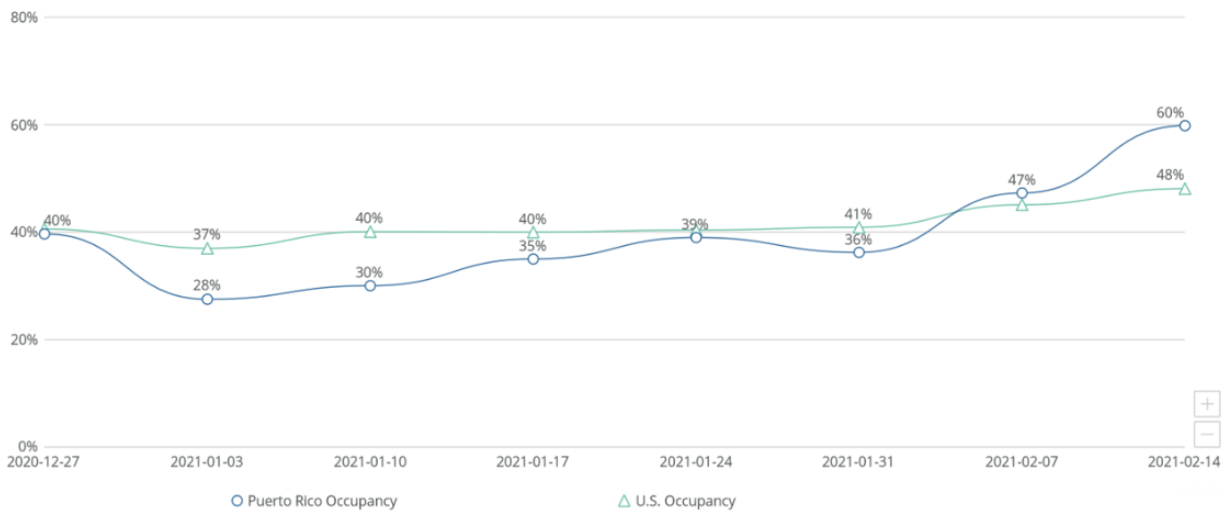


Research Update- March 2nd, 2021

Hotel occupancy’s upward trajectory continued the week ending February 20. The 60% hotel occupancy for the week is the highest since the week ending March 14, 2020 before lockdowns for coronavirus were implemented. The 13-point increase is the strongest seen on the Island outside of the week of Christmas, when occupancy jumped 15 points. Throughout the pandemic, hotel occupancy on the mainland U.S. has outpaced Puerto Rico. But now for the last two weeks, occupancy in Puerto Rico has surpassed the U.S. average.

OCCUPANCY JUMPS 13 POINTS LAST WEEK

Strongest weekly gain outside of Christmas week



Increasing occupancy is directly correlated to consumer safety perception and the distribution of vaccines. According to the New York Times, as of March 1, 2021, 15% of the U.S. population has received at least one dose of a COVID-19 vaccine. In Destination Analysts’ weekly Coronavirus Travel Sentiment Report fielded February 26-28, it is clear consumer anxiety around health safety is declining and their perception of travel safety is improving. In tracking dozens of travel activities, this week the report shows a record

low average 43.2% of travel activities are perceived to be unsafe. Just six weeks ago, the average was 57.8%, a significant decline in a short period of time.

The report shows that “less than half of American travelers are feeling flying on airplanes, dining in restaurants, visiting museums and attractions, shopping and staying in hotels and other lodging are unsafe. Although a majority still feel unsafe with international travel and conventions/large group meetings, the proportions avoiding conventions (58.5%) and international travel (67.1%) are at record lows. Nearly two-thirds feel at least somewhat confident they can travel safely right now, and travel guilt fell to 39.9%. Americans remain highly open to travel inspiration and another pandemic record 63.9% are in a travel readiness state-of-mind.”

PERCEPTION OF TRAVEL AS UNSAFE

Consumers feeling safer with travel, including air



A MAJORITY NO LONGER FEEL UNSAFE WITH:



A MAJORITY STILL FEEL UNSAFE WITH:



With improving perceptions of air travel and increasing vaccine distribution, the Transportation Security Administration reports nearly 6.7 million air passengers through TSA checkpoints the week of February 21. This is the highest passenger volume of any week outside of Christmas since the start of the pandemic.

Given this, airline seat capacity into Puerto Rico in the coming months is holding better than throughout the pandemic. Currently, the March through June seat capacity is down less than 3% from the first week of the year. Throughout the pandemic, the airlines had been cutting around 15% of seats into Puerto Rico in a similar six to eight week time period.

AIR CAPACITY IN COMING MONTHS

Seat capacity holding as travel perceptions improve

