

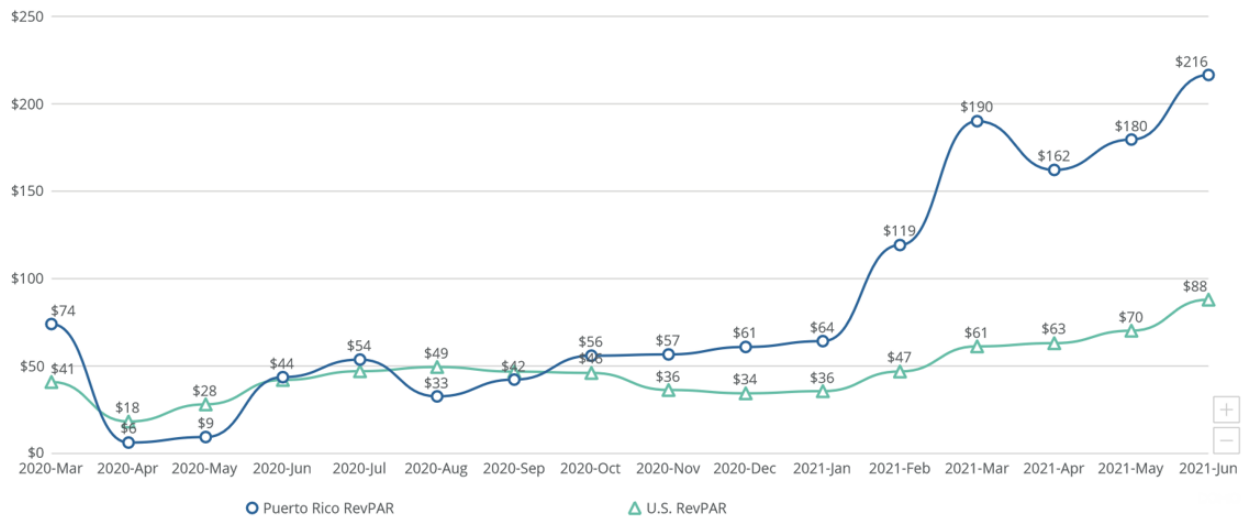


### Research Update- July 9<sup>th</sup>, 2021

As both hotel occupancy and room rates have skyrocketed, the revenue per available room set a new record in June. Puerto Rico’s hotel RevPAR of \$216 in June was 145% higher than the U.S. average. This is also 48% higher than the previous high for a June in Puerto Rico which came in 2018 when a significant portion of the hotel demand was driven by hurricane relief and recovery efforts. And finally, it is the highest of any monthly RevPAR on record. In January 2015, the hotel RevPAR reached \$198. With this, June is the first month ever for Puerto Rico hotels to have a RevPAR above \$200.

## HOTEL RevPAR SETTING RECORDS

### June Revenue per Available Room the Highest on Record



Future booking data indicates Puerto Rico will continue to book well ahead of 2019’s record setting visitation pace through September. However, the pace slows considerably in the fourth quarter, and the first quarter of 2022 is booking below the same pace from two years ago. This booking behavior is aligned

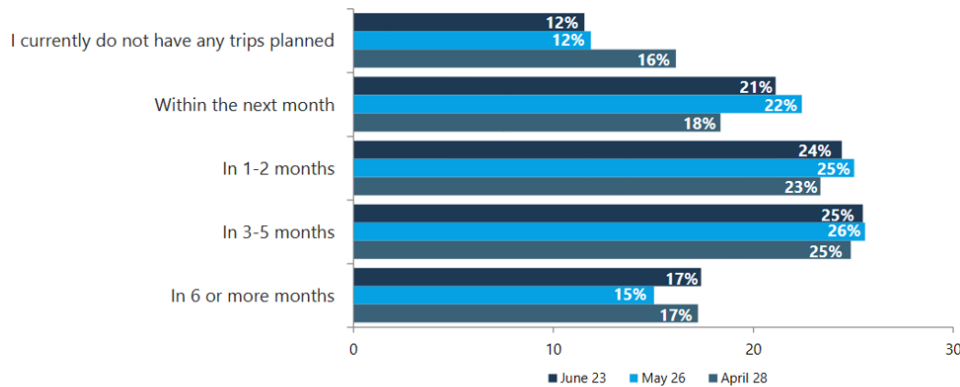
with the latest Travel Sentiment Study from Longwoods International. The June 29, 2021 report shows that though more consumers are planning travel, much of the increase has come from those deciding to travel in a very short timeframe. There is very little long-term travel planning happening, with only 17% having a trip planned for six months or beyond.

## UPCOMING TRAVEL PLANS

### Strong summer with little long-term planning



#### When Is Your Next Trip?

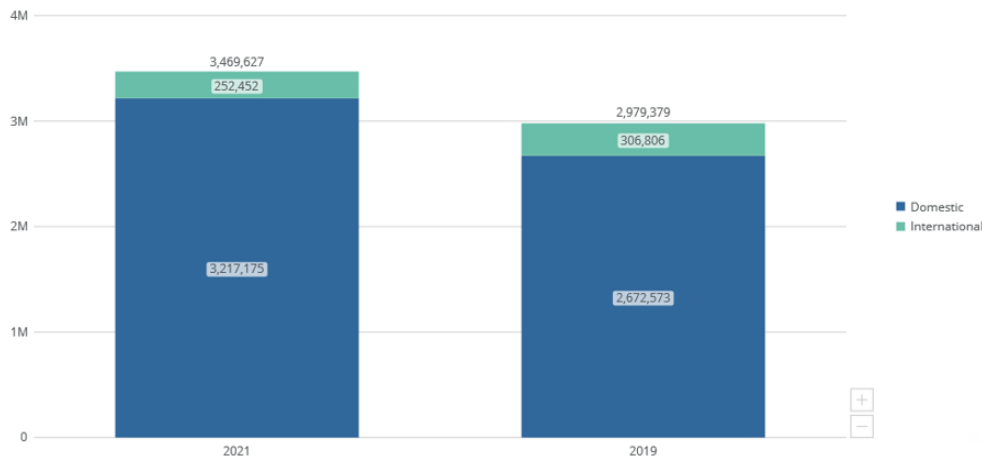


Travel Sentiment Study Wave 40

With significant increases in the booking pace over 2019, airlines have added capacity through December. The 20% increase in domestic markets not only comes from seats in the largest origin markets such as New York City and Orlando but also in markets such as Chicago and Boston, with capacity increasing 73% and 47% respectively. In addition, new service from Austin, Buffalo, and St. Louis is set to begin in the fourth quarter.

## AIRLINE SEAT CAPACITY NEXT 6 MONTHS

### Domestic seats increased 20% from 2019



Given continued concerns about COVID-19 in international markets, seat capacity outside of the U.S. has declined 16% from 2019. Though the Delta variant of the virus has been spreading world-wide for months, it has begun to take hold in the U.S. *The New York Times* reports that the number of new cases as of July 8 increased 38% from two weeks prior. With this, Destination Analysts' Coronavirus Travel Sentiment Index research from June 29, 2021 shows a significant increase in consumers' expectations that the virus will get worse in the next month.

# EXPECTATIONS FOR CORONAVIRUS

## Increase in concern with the rise in the Delta variant

