

## 2009 STR/STR GLOBAL DATA REPORTING GUIDELINES

### Reporting Room Revenue

Only revenue generated from guestroom rental should be included in room revenue figures reported to STR/STR Global. Revenue produced from food and beverage or other sources, including the “non-room revenue” components of package rates, should be excluded from room revenue figures reported to STR/STR Global. Room revenue reported to STR/STR Global should also exclude rebates, refunds, allowances, overcharges and taxes. Specifics of what should be included and excluded from room revenue reported to STR/STR Global are provided below.

STR tracks Food & Beverage and “other” revenue sources for North American hotels in the STR Segmentation program (see Segmentation Definitions). STR Global (non-North American hotels) does not yet offer Segmentation benchmarking.

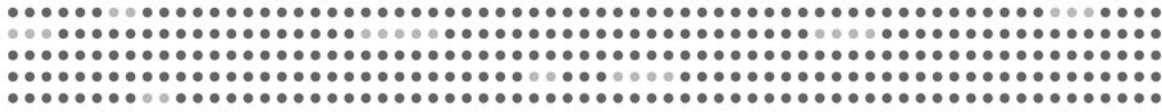
**Include** in room revenue figures reported to STR/STR Global:

- **Room revenue; net of rebates/refunds.** Rebates and refunds are defined as revenue reductions due to service related issues or payments made to a group or third party provider for sale of rooms.
- **Transient guaranteed “no-shows.”** Defined as revenue from guests who guaranteed their arrival but did not show should be included in room revenue when collection is reasonably assured.
- **Service charges as customary or mandated by foreign/local government** (Middle East and Asia Pacific regions). *Any part of the service charge allocated specifically to employees (i.e. tips & gratuities), should NOT be included in room revenue.*
- **Partial day and “day use” room revenue.**
- **Early/late departure fees.**
- **Rollaway bed/crib rental.**

**Exclude** from room revenue figures reported to STR/STR Global:

- **Rebates and refunds.** Rebates and refunds are defined as revenue reductions due to service related issues or payments made to a group or third party provider for sale of rooms.
- **Group attrition or cancellation fees.** Fees received due to cancellations (generally advance deposits for meetings, conventions, groups, guest sleeping room blocks, etc.) should be excluded from room revenue reported to STR/STR Global. Revenue of this nature is usually credited to the “rentals and other income” section of the property’s financial statement.
- **Food and beverage and ancillary fees** (e.g. parking, transportation, internet, golf/spa) included in package rates or at all-inclusive hotels.
- **Resort fees and surcharges.** Resort fees and surcharges include any mandatory charges to offset expenses. Such fees and surcharges include: fitness facilities, spa, pool, local phone calls, internet access, airport transportation, golf driving range, other recreational facilities and energy. *If any fee/surcharge can **NOT** be allocated/included to a revenue-producing department, it is included in Other Rooms Revenue.*<sup>1</sup>

<sup>1</sup>Uniform System of Accounts for the Lodging Industry; Tenth Revised Edition (pp. 42)



Other room revenue notes:

- **Wholesale/internet rates:** Net (not gross) room revenue from wholesale and internet rates should be reported to STR/STR Global.
- **Package rates:** Only the room revenue portion of package rates should be reported to STR/STR Global. To identify the room revenue component in package rates, the fair market value (FMV) of each package item should be determined. The FMV room revenue percentage should then be applied to the package rate to determine the room revenue figure reported to STR Global. Example: room revenue from a \$150 package rate that includes guest room (FMV = \$100), F&B (FMV = \$50) and golf/spa (FMV = \$50) should be \$75, or 50% of the package rate. If no discount is applied to the total package rate, room revenue would be recorded at FMV.
- **Loyalty program redemptions:** Conservative average of prevailing rate for similar accommodations in the hotel.

### **Reporting Rooms Sold**

Only revenue generating guestrooms should be reported to STR/STR Global as rooms sold. Complimentary rooms should not be included in the rooms sold figures. Specifics of what should be included and excluded from rooms sold reported to STR/STR Global are provided below.

**Include** in rooms sold figures reported to STR/STR Global:

- **Revenue generating rooms sold.**
- **Partial day rooms sold.**
- **Rooms occupied without charge in connection with a promotion or contract** (e.g. stay two nights, get one free; book a 50 room group, get one room free).<sup>2</sup>

**Exclude** from rooms sold figures reported to STR/STR Global:

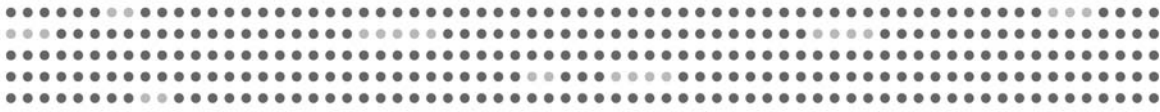
- **Complimentary rooms** not associated with a promotion or contract (e.g. gratis rooms provided to employees, owners, and familiarization tours).
- **Guaranteed “no-shows”** should not be reported to STR/STR Global as rooms sold.
- **Owner occupied** condominiums should not be reported to STR/STR Global.

### **Reporting Rooms Available**

Full room night availability (i.e. number of rooms at the property multiplied by the days in the period) should be reported for each hotel.

There should be NO adjustment in room availability reported to STR/STR Global if rooms are temporarily out of service (e.g. renovation, natural disaster, fire, etc.). If rooms are permanently removed from inventory, hotel management should contact STR/STR Global to adjust the hotel's room count.

<sup>2</sup>Uniform System of Accounts for the Lodging Industry; Tenth Revised Edition (pp. 191)



**Mixed-use properties (i.e. hotels including timeshare/condo inventory):** Timeshare and condo units that are never made available to the public for rental are defined as residences and should be excluded from a hotel's room availability. Units that are made available to the public at any time for rental should be included in a hotel's room availability.

Rooms available figures reported to STR/STR Global should be based on the actual number of rooms made available to the public for rental during the period. Rooms sold and room revenue figures reported to STR/STR Global should **exclude** owner occupied timeshare/condo rooms sold and room revenue. Rooms sold and room revenue figures reported to STR/STR Global should include units occupied by transient guests.

## Segmentation Program Definitions — Customer

### Group

Includes rooms occupied which were sold simultaneously in blocks of a minimum of ten (10) rooms or more (e.g. group tours, domestic and international groups, association, convention and corporate groups, SMERF group business).

### Contract

Rooms occupied at rates that are stipulated by contracts including airline crews, on-going training seminars and permanent guests. Room allotments that do **not** require guaranteed use or payment should **not** be classified as contract. Rooms sold under such allotments should be classified as transient.

### Transient

Includes rooms occupied by those with reservations at Rack, Corporate, Corporate Negotiated, Package, Government, or foreign traveler rates. Also includes occupied rooms booked via third party web sites (exception: simultaneous bookings of ten or more rooms which should be defined as group).

## Segmentation Program Definitions — Room Revenue

See STR/STR Global room revenue section

### Food & Beverage Revenue

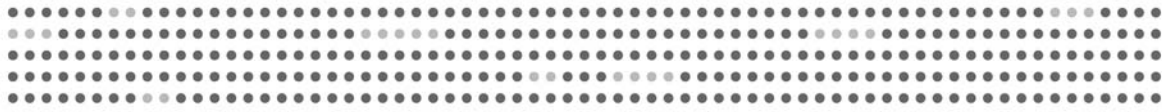
- Revenues derived from the sale of food, including coffee, milk, tea and soft drinks.
- Revenues derived from the sale of beverages including, beer, wine, liquors and ale, including banquet beverage revenues.
- Revenues derived from other sources such as meeting room rentals, audio-visual equipment rentals, cover or service charges or other revenues within the food and beverage department (includes banquet service charges).

### Other Revenue

Includes all revenues collected by the property that are not defined above as Room Revenue or Food & Beverage Revenue (i.e.; parking, spa, phone).

### Total Revenue

Includes all revenues generated from hotel operations listed above as room, F&B, and other (i.e.; parking, spa, phone).



### Other Data Reporting Issues

- **Partial month data:** Monthly data for hotels new to a company's portfolio (i.e. new construction, acquisitions, conversions) should be reported to STR/STR Global only if the property was open fifteen (15) or more days in the initial month of operation.
- **Hotel "Soft Openings":** Management of newly constructed hotels should provide STR/STR Global the correct physical room inventory at the time of opening and should report full room night availability based on the current room count. As rooms are opened and added to the property count, management should provide STR/STR Global with updates on physical room inventory count, including date of room addition and number of rooms added, until the hotel reaches its full availability.

**Should you have any questions about these reporting guidelines, please do not hesitate to contact us.**

*Last revision date: March 2, 2009*