



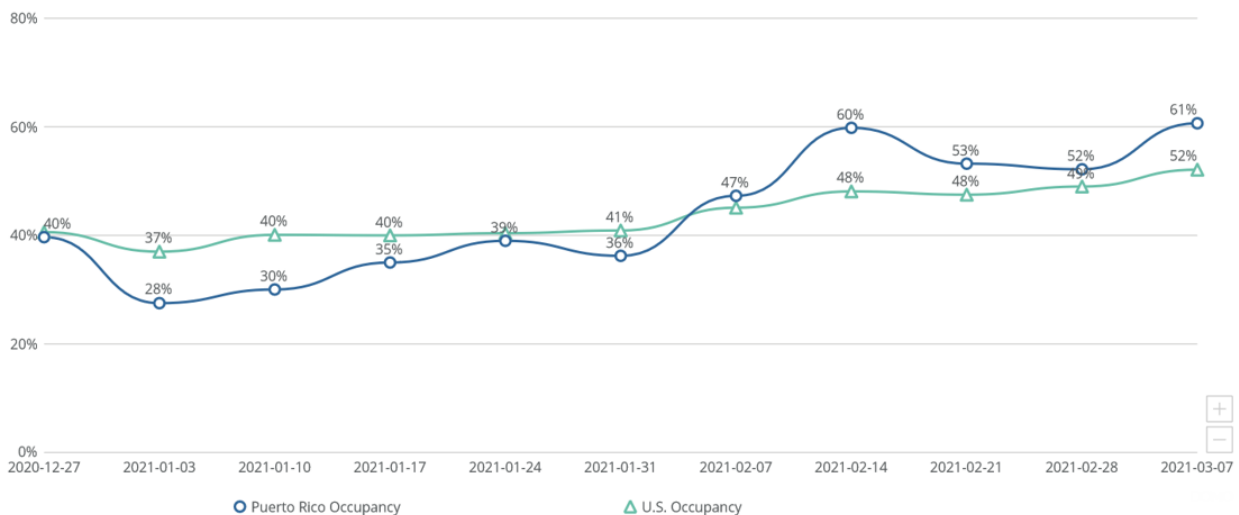
Research Dashboard- March 23, 2021

With the start of Spring Break coupled with rising vaccination rates and loosening restrictions, destinations across the U.S. have seen hotel occupancy climb in recent weeks. However, the increase for Puerto Rico has been far more dramatic, with a doubling of hotel occupancy since the beginning of the year. For the week ending March 13, 2021, hotel occupancy in Puerto Rico was off only 1% from a year ago before coronavirus restrictions were implemented.

In addition to an increase in occupancy, hotel rates are rising. The average daily rate (ADR) for Puerto Rico hotels, the week ending March 13, was up 10% from a year ago while on average, U.S. hotel rates remain 15% below a year ago.

OCCUPANCY HOLDING ABOVE U.S. AVERAGE

Puerto Rico lagged other destinations throughout pandemic

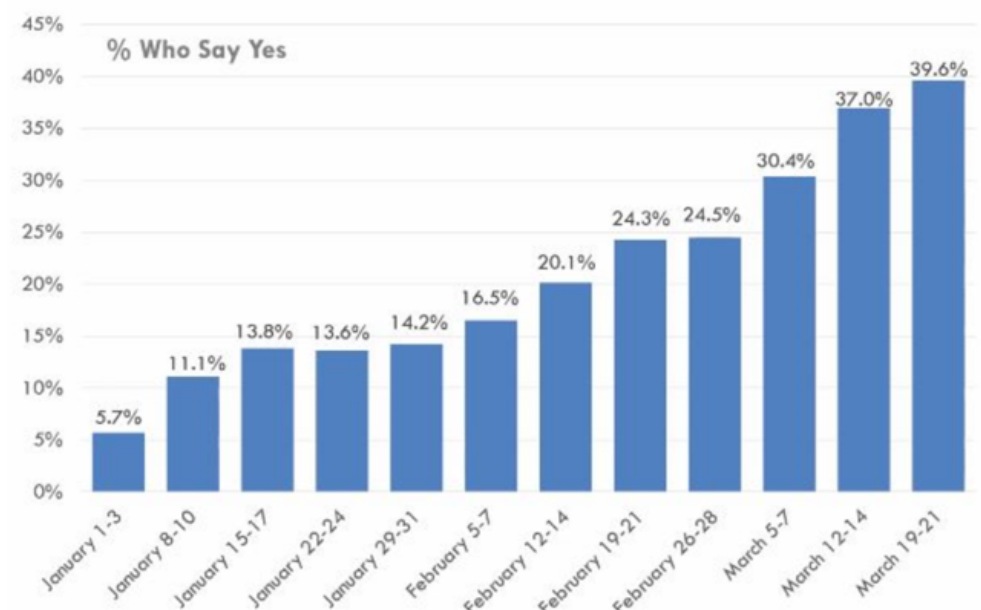


The significant increase in travel in Puerto Rico and across the U.S. is directly correlated to the increase in vaccination rates. The Center for Disease Control (CDC) reports that as of March 22, 2021, 25.3% of the U.S. population has received at least one dose of a COVID-19 vaccine. However, this includes children under 18 who are not yet eligible. For the adult population age 18 and older, the CDC reports that 32.4% of the population has been vaccinated. Given the current distribution pace, this could have half the population vaccinated in May and 70% by mid-July.

In the weekly Coronavirus Travel Sentiment Index fielded March 19-21, Destination Analysts finds that of those traveling now, 39.6% have been vaccinated, up from just 24.3% a month ago. With this, those who are traveling are more often vaccinated than the average U.S. adult population. Given vaccine distribution has been rolled out by age, Destination Analysts finds Baby Boomers and older who are most open to travel marketing.

VACCINATED TRAVELERS

Higher than average vaccination rate



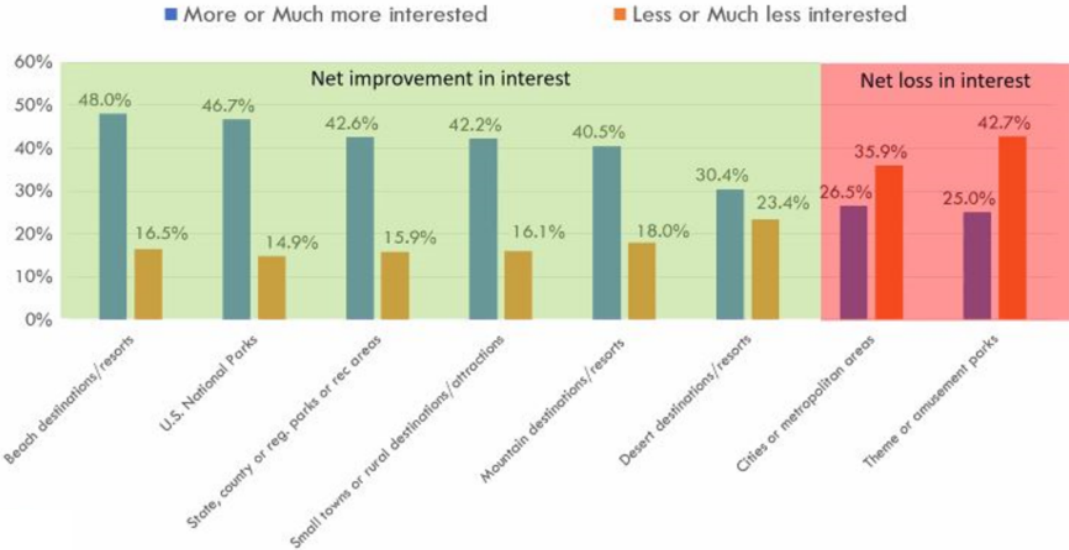
The weekly consumer sentiment research finds that being quarantined through a year-long pandemic will have long-term impacts on leisure travel. Destination Analysts finds that “nearly 60% agree that the pandemic has changed their outlook on life overall, with over 20% saying significantly. As a result, 46.9% agree they will put more effort into visiting places on their travel bucket list in the next few years.”

Puerto Rico is well positioned for how consumers anticipate they will change their travel behavior, preferring not only beaches, but also the outdoors, mountains, and small towns. When asked if the pandemic had changed their opinions about the types of destinations they want to visit for leisure in the future, 41.8% of American travelers said yes, to at least some degree. For beach, National Park, and other outdoor destinations, this is welcome news as 52.2% of Americans agree they will be visiting these types

of destinations more as a result of the pandemic. Urban, entertainment and theme park-focused destinations will face greater challenges in the recovery, as 44.6% of American travelers report they are less likely to visit these places in the next few years because of the pandemic.”

CHANGING TRAVEL BEHAVIOR

Consumers more interested in beaches and outdoor



Finally, federal government stimulus funds from the American Rescue Act began to be deposited in Americans bank accounts last week. Destination Analysts finds that “over half of American travelers surveyed believed they would receive some payment from this legislation. Travel looks to certainly benefit from this injection of money into citizen’s hands, as 38.3% of those who have or are expecting a stimulus check say they are likely to spend some portion of it on leisure travel. This is even more prevalent among Millennial age travelers, who are, in fact, twice as likely as Boomer age travelers to spend their stimulus money on travel (48.4% vs 24.9%).”

STIMULUS FUNDING LEISURE TRAVEL

Half of travelers anticipate American Rescue Act funds

