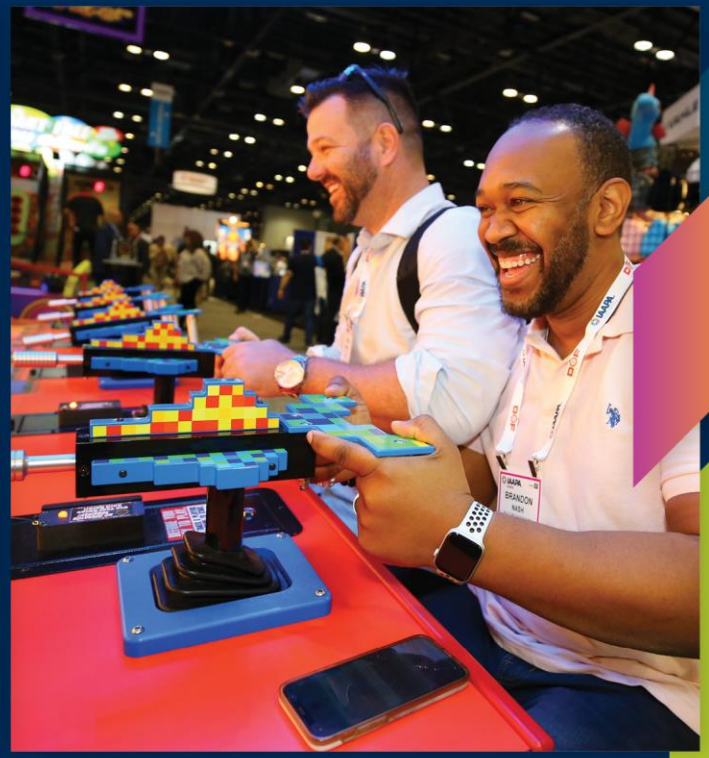
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Impact of WhiteWater Waterpark Equipment on Hotels and Resorts

November 14, 2022

Presented by: David J. Sangree, MAI, CPA, ISHC, President of Hotel & Leisure Advisors

Una DeBoer, Director, Global Marketing & Strategy, WhiteWater

About H&LA and WhiteWater

- **Hotel & Leisure Advisors** is a hospitality consulting firm specializing in appraisals, feasibility studies, impact analyses, economic impact studies, and litigation support for hotels, resorts, waterparks, casinos, conference and convention centers, golf courses, ski resorts, amusement parks, and other leisure real estate. As a boutique firm with offices in Cleveland and San Antonio, we consist of experienced professionals in the hospitality industry. Our experienced consultants travel nationwide analyzing hospitality trends, studying leisure industries, and understanding local communities. Our consultants have analyzed and prepared studies on more than 3,000 properties in more than 49 states, Canada, and the Caribbean including more than 700 waterpark studies.
- **WhiteWater**, known as the "original" waterparks and attractions company, was established in 1980 in Richmond, British Columbia, Canada. The company manufactures a wide variety of products for water parks including water slides, water play areas, wave pools, and surf pools. WhiteWater started as a waterpark operator that began making its own slides. Having acquired a fiberglass manufacturing plant and a local engineering firm within five years, WhiteWater has grown to become the world's largest designer of waterparks, completing more than 5,000 projects worldwide across theme parks, cruise ships, waterparks, and hotels and resorts. WhiteWater has 600 employees around the world with additional offices in Barcelona, Dubai, and Shanghai, and manufacturing operations in Turkey, the Philippines, and Canada.

About the Study

H&LA was retained by Whitewater to analyze the global performance of hotels and resorts that have installed WhiteWater waterpark equipment such as water slides, interactive multi-level aqua play structures, splash pads, lazy rivers and wave pools. We have quantified the changes that the installation of WhiteWater products had on select properties. We analyzed changes in occupancy, ADR, net income, overall financial performance, market segmentation, customer satisfaction, property ranking, and other factors among properties that have installed WhiteWater waterpark equipment.

Methodology

H&LA relied on data from WhiteWater and STR, and our own data sources of waterpark hotels and resorts to analyze the following:

- Reviewed all hotel and resort properties that have purchased WhiteWater equipment
- Online surveys sent to hotels that have added WhiteWater equipment in past 10 years
- Analyzed international trends in the hotel and waterpark resort industries
- Analyzed multiple lodging trend reports from STR for groups of hotels and resorts with waterparks with WhiteWater equipment
- Analyzed data concerning performance levels of hotels and resorts with waterparks
- Interviewed select properties with WhiteWater waterpark equipment
- Analyzed occupancy and ADR statistics of hotels and resorts with WhiteWater waterpark equipment, along with comparisons to STR statistics for the region, nation, and/or state/province

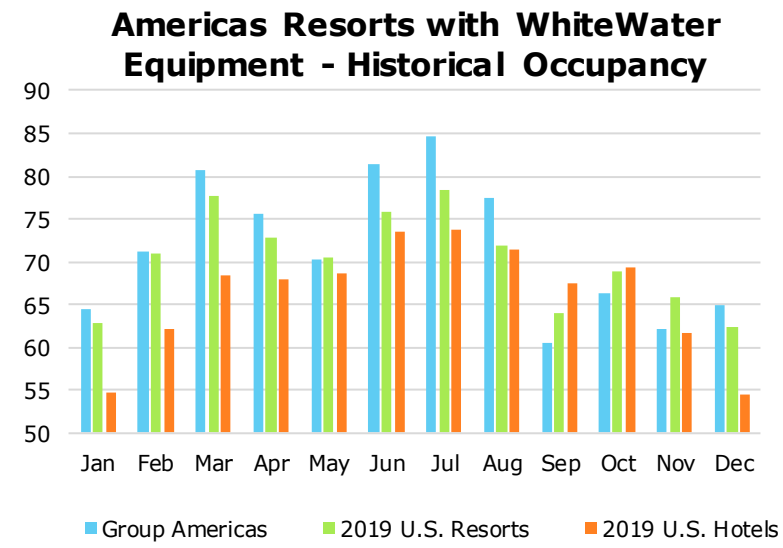
STR Performance Data

• **Americas**	Hotels and resorts with indoor and outdoor waterparks or aquatic features in North America
• **Group A**	Hotels and resorts in Florida and the Caribbean with outdoor waterparks or aquatic features
• **Group B**	Hotels and resorts in the United States (excluding Florida and Caribbean) with outdoor waterparks or aquatic features
• **Group C**	Hotels and resorts with indoor waterparks over 50,000 square feet in the United States
• **Group D**	Hotels and resorts with indoor waterparks or aquatic features less than 50,000 square feet in North America
• **Group E**	Hotels and resorts with outdoor waterparks in Asia and the Middle East

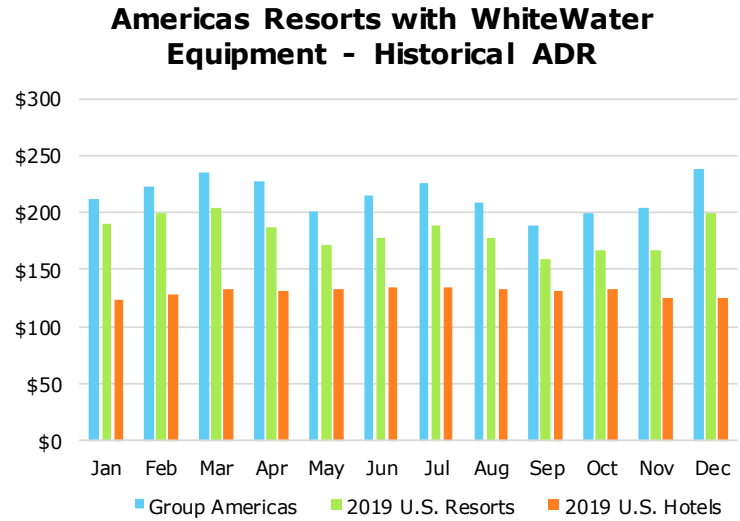
STR Performance Data - Americas

Americas			
Historical Performance of Hotels with WhiteWater Equipment			
Year	**Occ**	**ADR**	**RevPAR**
2018	71.9%	$208.77	$150.06
2019	71.7%	$215.53	$154.46
Resorts in United States			
2018	70.2%	$178.81	$125.52
2019	70.1%	$182.96	$128.25
Percent Difference (Americas vs Resorts in United States)			
2018	2.4%	16.8%	19.5%
2019	2.2%	17.8%	20.4%
All Hotels in United States			
2018	66.1%	$129.97	$85.91
2019	66.1%	$131.21	$86.73
Percent Difference (Americas vs All Hotels in United States)			
2018	8.7%	60.6%	74.7%
2019	8.4%	64.3%	78.1%

Source: STR



Source:STR

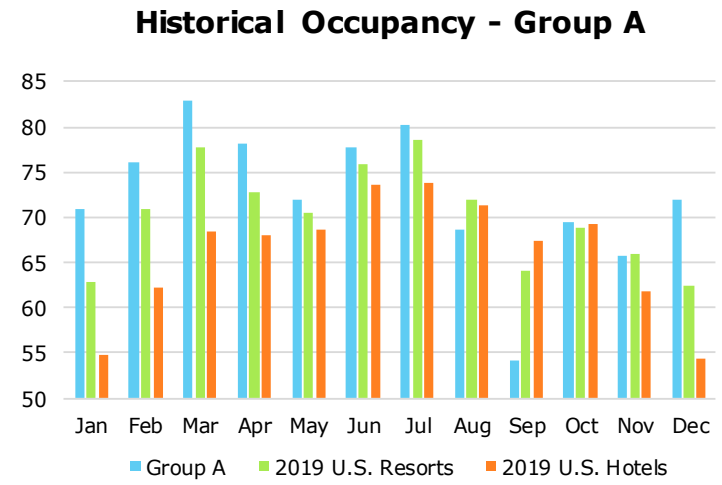


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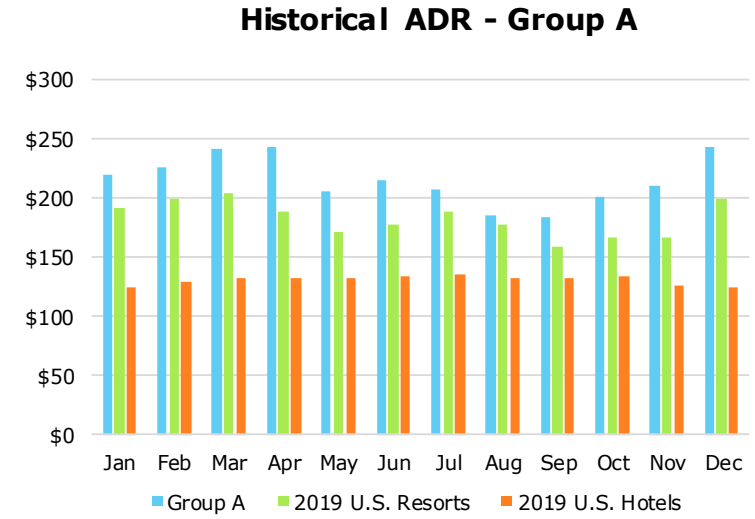
STR Performance Data – Group A

Group A - Florida and Caribbean Resorts Historical Performance of Hotels with WhiteWater Equipment			
Year	**Occ**	**ADR**	**RevPAR**
2018	74.1%	$206.03	$152.57
2019	72.3%	$216.21	$156.37
Resorts in United States			
2018	70.2%	$178.81	$125.52
2019	70.1%	$182.96	$128.25
Percent Difference (Group A vs Resorts in United States)			
2018	5.5%	15.2%	21.5%
2019	3.2%	18.2%	21.9%
All Hotels in United States			
2018	66.1%	$129.97	$85.91
2019	66.1%	$131.21	$86.73
Percent Difference (Group A vs All Hotels in United States)			
2018	12.0%	58.5%	77.6%
2019	9.4%	64.8%	80.3%

Source: STR



Source: STR



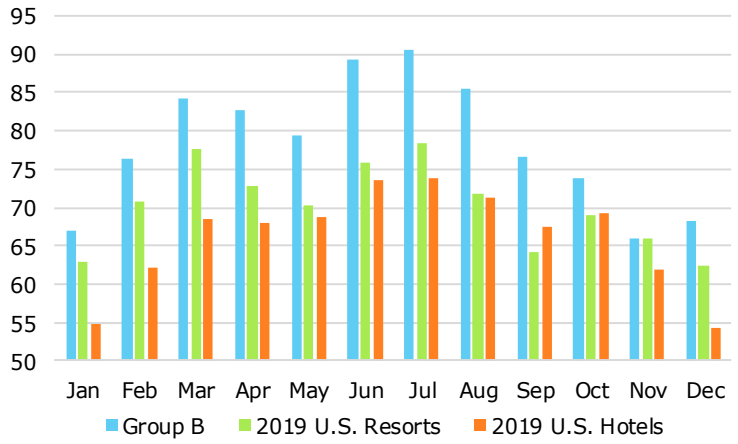
Source: STR

STR Performance Data – Group B

Group B - All hotels in United States excluding Florida and Caribbean			
Historical Performance of Hotels with WhiteWater Equipment			
Year	**Occ**	**ADR**	**RevPAR**
2018	78.4%	$236.81	$185.66
2019	78.3%	$243.47	$190.63
Resorts in United States			
2018	70.2%	$178.81	$125.52
2019	70.1%	$182.96	$128.25
Percent Difference (Group B vs Resorts in United States)			
2018	11.7%	32.4%	47.9%
2019	11.7%	33.1%	48.6%
All Hotels in United States			
2018	66.1%	$129.97	$85.91
2019	66.1%	$131.21	$86.73
Percent Difference (Group B vs All Hotels in United States)			
2018	18.6%	82.2%	116.1%
2019	18.5%	85.6%	119.8%

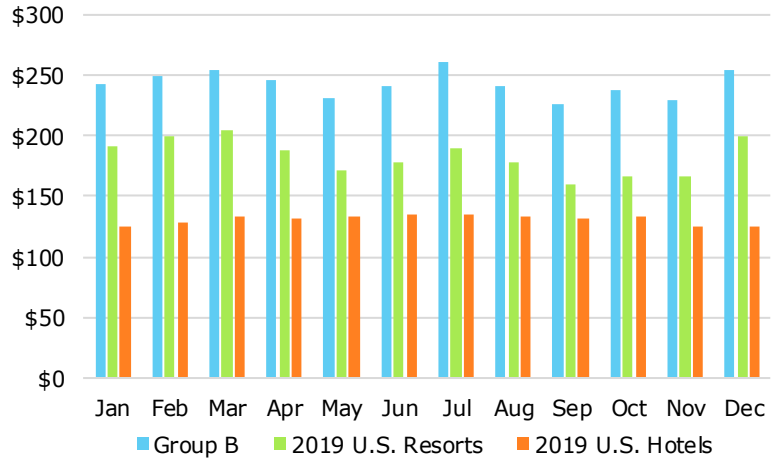
Source: STR

Historical Occupancy - Group B



Source: STR

Historical ADR - Group B

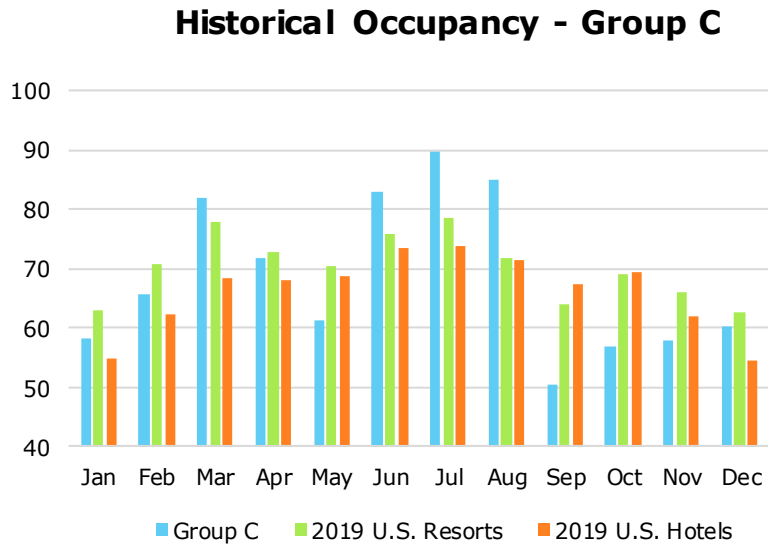


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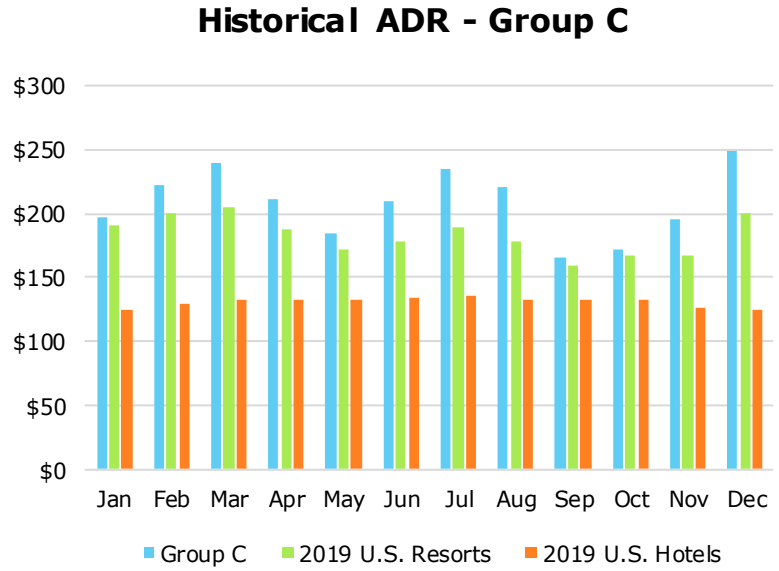
STR Performance Data – Group C

Group C - Large Indoor Waterpark Resorts in United States			
Historical Performance of Hotels with WhiteWater Equipment			
Year	**Occ**	**ADR**	**RevPAR**
2018	65.7%	$208.09	$136.75
2019	68.5%	$211.53	$144.98
Resorts in United States			
2018	70.2%	$178.81	$125.52
2019	70.1%	$182.96	$128.25
Percent Difference (Group C vs Resorts in United States			
2018	-6.4%	16.4%	8.9%
2019	-2.2%	15.6%	13.0%
All Hotels in United States			
2018	66.1%	$129.97	$85.91
2019	66.1%	$131.21	$86.73
Percent Difference (Group C vs All Hotels in United State			
2018	-0.6%	60.1%	59.2%
2019	3.7%	61.2%	67.2%
Great Wolf Lodge Chain			
2018	73.8%	$255.45	$188.52
FY Oct 2019	76.9%	$254.53	$195.73
Percent Difference (Great Wolf Lodge vs Resorts in Unite States)			
2018	5.1%	42.9%	50.2%
2019	9.7%	39.1%	52.6%

Source: STR



Source: STR

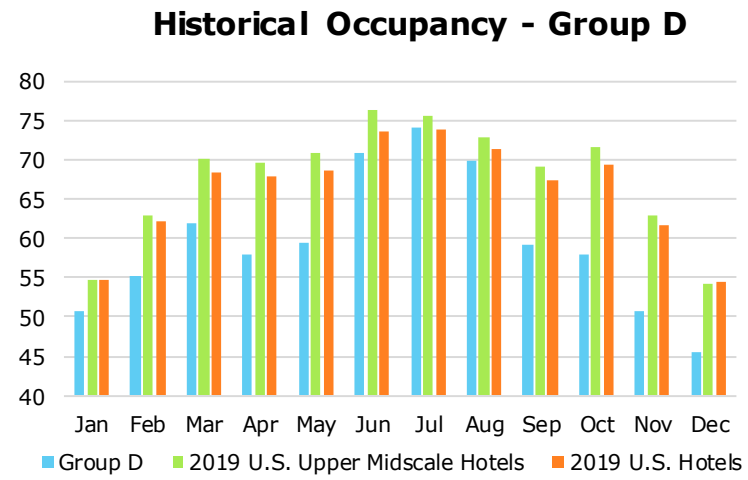


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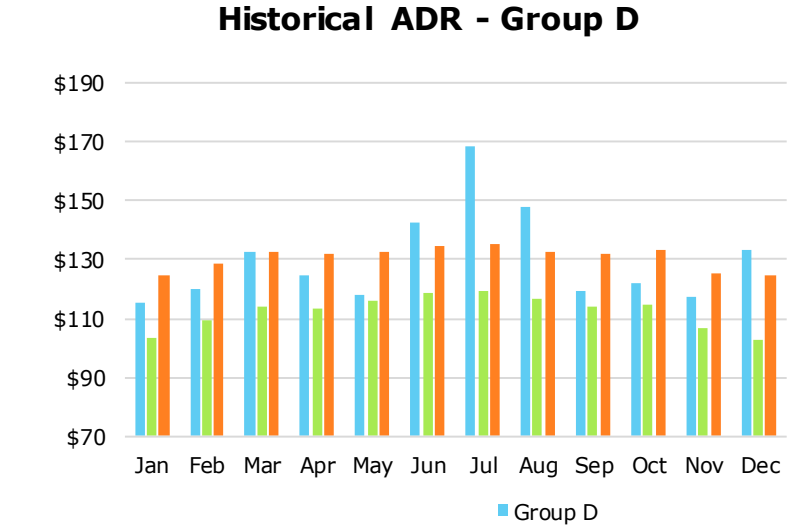
STR Performance Data – Group D

Group D - U.S. Hotels with Smaller Indoor Waterpark			
Historical Performance of Hotels with WhiteWater Equipment			
Year	Occ	ADR	RevPAR
2018	60.7%	$128.40	$77.98
2019	59.5%	$132.06	$78.58
Upper Midscale Hotels in United States			
2018	67.8%	$115.40	$78.24
2019	67.6%	$115.93	$78.37
Percent Difference (Group D vs Upper Midscale Hotels in United States)			
2018	-10.4%	11.3%	-0.3%
2019	-12.0%	13.9%	0.3%
All Hotels in United States			
2018	66.1%	$129.97	$85.91
2019	66.1%	$131.21	$86.73
Percent Difference (Group D vs All Hotels in United States)			
2018	-8.1%	-1.2%	-9.2%
2019	-10.0%	0.6%	-9.4%

Source: STR



Source: STR

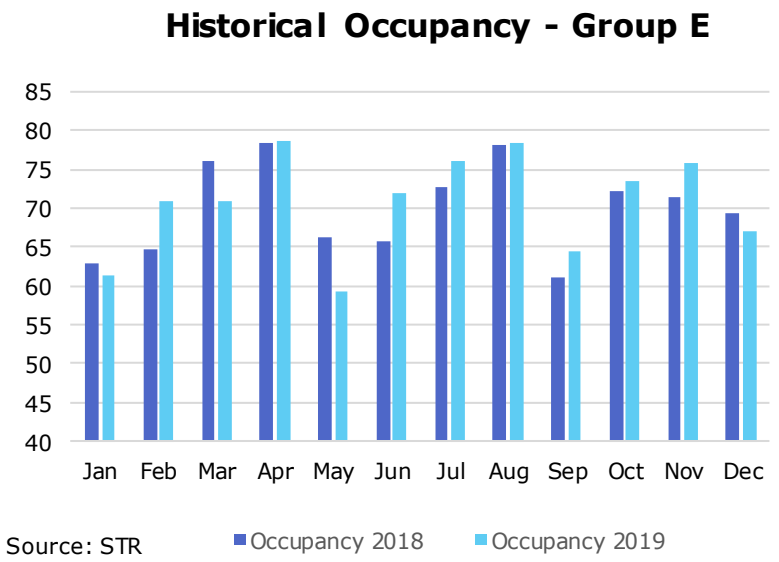


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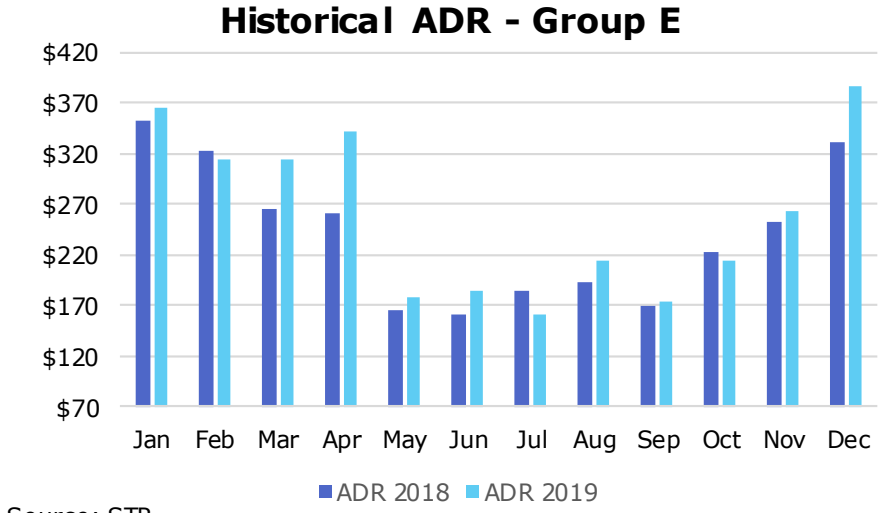
STR Performance Data – Group E

Group E - Asia and Middle East			
Historical Performance of Hotels with WhiteWater Equipment			
Year	**Occ**	**ADR**	**RevPAR**
2018	69.9%	$239.13	$167.27
2019	70.6%	$258.59	$182.66
2019 Performance			
Thailand	72.8%	$113.85	$82.88
Qatar	66.4%	$102.27	$67.91
UAE	73.0%	$136.64	$99.75
Average	70.7%	$117.59	$83.17
Percent Difference (Group E vs Average of Three Country Results)			
2019	-0.1%	119.9%	119.6%
Center Parcs Resorts, United Kingdom			
FY Mar 2019	97.1%	$266.00	$258.29
FY Mar 2020	88.0%	$270.00	$237.60
All Hotels in United Kingdom			
2018	76.0%	$99.27	$75.45
2019	76.0%	$100.65	$76.49
Percent Difference (Center Parcs vs All Hotels in the United Kingdom			
2018	27.8%	168.0%	242.3%
2019	15.8%	168.3%	210.6%

Source: STR, PWC, Center Parcs



Source: STR



Source: STR

STR Performance Data – All Groups

2019 Comparison of Select Waterpark Resorts with Hotel Segment Performance					
Occ	**ADR**	**RevPAR**	**Market Category**	**RevPAR**	**% Difference**
Group Americas			**Comparison**		
71.7%	$215.53	$154.46	All U.S. Resorts	$128.25	20.4%
			All U.S. Hotels	$86.73	78.1%
Group A - Florida and Caribbean Resorts					
72.3%	$216.21	$156.37	All U.S. Resorts	$128.25	21.9%
			All U.S. Hotels	$86.73	80.3%
Group B - All hotels in United States excluding Florida and Caribbean					
78.3%	$243.47	$190.63	All U.S. Resorts	$128.25	48.6%
			All U.S. Hotels	$86.73	119.8%
Group C - Large Indoor Waterpark Resorts in United States					
68.5%	$211.53	$144.98	All U.S. Resorts	$128.25	13.0%
			All U.S. Hotels	$86.73	67.2%
Group D - U.S. Hotels with Smaller Indoor Waterparks					
59.5%	$132.06	$78.58	All U.S. Upper Midscale Hotels	$78.37	0.3%
			All U.S. Hotels	$86.73	-9.4%
Group E - Asia and Middle East					
70.6%	$258.59	$182.66	Average of 3 Countries	$83.17	119.6%

Source: STR and Hotel & Leisure Advisors

STR Results

- The data highlights that when compared to larger market data, all groups (except hotels with small waterparks, Group D) achieved higher RevPAR.
- The addition of waterpark amenities helps the hotel attract more family guests during the weekends and on holidays, and in many cases allows the hotel to charge a higher room rate than other comparable hotels.
- Smaller waterpark additions provide less performance boost than larger ones

Case Studies & Interviews

- We interviewed a number of properties and analyzed performance data on 14 lodging properties and compared performance levels with regional and local market data

- Our analysis showed that lodging properties with waterparks and/or waterpark equipment had RevPAR levels ranging from -17% lower to +145% higher when compared to the local/state level market data and -23% lower to 144% higher when compared to national data.

- All properties offer indoor and/or outdoor WhiteWater waterpark features and amenities of varying sizes

Case Studies & Interviews

- Hilton Salwa Beach Resort in Qatar achieved a competitive advantage over other resorts in the market area because of the waterpark amenity.
- Paradise Resort Gold Coast in Australia increased length of stay and higher food and beverage spending.
- Great Wolf Lodge and Kalahari Resorts in United States achieved higher occupancy, ADR and guest spending levels compared to other resorts in the market
- JW Marriott Hill County and Gaylord Texan in Texas attracted more families after the waterpark addition and higher food and beverage revenues

Online Survey Results

- We prepared and sent an online survey to over 100 previous WhiteWater customers that installed waterpark equipment in the last 10 years. The survey was completed by 26 respondents.
- 100% of the respondents from properties opening with waterpark equipment believe having these amenities gives them a competitive advantage over hotels without them
- Among hotels that added a waterpark or aquatic feature after opening, 90% saw an increase in occupancy
- All hotels adding a waterpark or aquatic feature after opening saw an increase in ADR, with more than half reporting ADR increases of 11% or more.
- All hotels adding a waterpark or aquatic feature after opening saw an increase in ADR, with more than half reporting ADR increases of 11% or more
- Properties received positive customer reviews and ratings after opening with waterpark equipment
- Waterpark operators are likely to recommend WhiteWater products to a colleague.

Conclusion

- Over the past few decades, there has been a growing trend globally of hotels and resorts adding waterpark attractions and features
- As consumer spending and shopping habits change to reflect a focus on experiences, hotels and resorts are in a good position to adapt. This is where the inclusion of waterpark equipment can set a property apart as a market leader.
- Most hotels and resorts have benefited from having a waterpark or aquatic feature in terms of increase in occupancy and/or average daily rate and/or food and beverage revenues, increase leisure segment demand, increase customer satisfaction and improvement in ratings, remain competitive with or to gain a competitive advantage over other hotels and resorts, and extended length of stay at the property
- Hotels and resorts are expanding their reach as leisure destinations for families looking for a convenient weekend getaway or vacation. Growth continues across a multitude of market types. The inclusion of waterpark equipment may bridge the gap for many properties, bringing a renewed energy, along with a complementary boost in performance.