



MLA Updates – June 24, 2020

As we continue to move forward, we recognize the difficulties that everyone is facing both operationally as reopening begins to occur, as well as with sales and marketing efforts as you try to drive business to your property. The MLA is pleased to provide you with the following information that we hope you find useful. We have included updates on legislation, as well as research information on traveler sentiment and industry forecasts. In addition, if you haven't completed the MLA Clean & Safe Self Certification, please see information below.

GOVERNMENT AFFAIRS:

We have been working on a number of issues on your behalf with our lobbying team at O'Neill & Associates, Matt, Lindsay and Jennifer, as well as our partners at the American Hotel & Lodging Association.

CMBS Assistance

We understand that many of our members are struggling to make debt payments on their mortgages, including commercial mortgage-backed securities (CMBS) debt to keep their doors open and avoid foreclosure. Actions by Congress and other federal agencies have provided critical assistance to many businesses suffering due to the pandemic through programs such as the Paycheck Protection Program and Main Street Lending Programs. However, for many borrowers in the commercial real estate market these various response programs do not fit their needs. Several industries (including hotels) with CMBS debt have a particular challenge in that your loan covenants are governed by multiparty state law contracts which typically prohibit additional indebtedness. Further, because bondholders of CMBS trusts expect principal and interest payments to be maintained, the flexibility to modify loans may take longer due to the CMBS servicing process. If this \$540 billion market is left without assistance, we may witness a historic wave of foreclosures in the fall, permanently destroying jobs for Americans.

Working in collaboration with AHLA and our lodging association partners from around the country, we continue to request swift action by the U.S. Treasury and the Federal Reserve to assist. Congressional leaders have taken notice and are also calling on Treasury and the Fed to provide desperately needed relief to the commercial real estate market, including hotels.

Without action to shore up debt servicing, including in the CMBS market, this crisis will lead to widespread foreclosures, snowballing into mass disruption and a critical lack of liquidity in the commercial real estate market.

H-1B, H-2B, J and L Visa Status

Earlier this week President Donald Trump signed a Presidential Proclamation "Suspending Entry of Aliens who Present a Risk to the U.S. Labor Market Following the Coronavirus Outbreak." This executive action extends foreign worker restrictions put in place on April 22, 2020 through the end of the year. The order impacts H-1B, H-2B, J and L visas, equating to more than 500,000 legal guest workers according to the White House. Certain exemptions have been allowed under the order, including for H-2B workers employed in our nation's food supply.

Unfortunately, this executive order will have a profound impact on many members, especially those in the resort segment, who rely on seasonal, legal guest workers to augment their domestic workforce during their peak season. The MLA is working in collaboration with AHLA, which co-chairs the H-2B Workforce Coalition, continues to work closely with our allies on Capitol Hill and in the Administration to determine what can be done to allow seasonal workers at a time they are needed most. With no change, this Executive action could significantly delay the economic recovery in the hotel and hospitality sector.

Massachusetts Taxpayers Foundation FY2021 Tax Revenue Projections

After downgrading their forecasted FY 2021 tax revenue shortfall to \$6 billion, MTF released a **follow-up report** entitled "Massachusetts Fiscal Challenges Could Last Years." The report examines the two past recessions to estimate the length of the recovery and its impact on future state budgets. Following the recessions of 2002 and 2009, it took three years for state tax revenues to recover to pre-recession levels. Looking forward, the state faces stark challenges over the next several years and public sector leaders must prepare to respond to the harsh realities of the state's increasingly precarious fiscal situation.

SALES & MARKETING

As businesses start to reopen and sales and marketing efforts begin to resume, we thought the following information may prove useful to your efforts:

Arrivalist's Daily Travel Index

Arrivalist's Daily Travel Index measures consumer road trips of 50 miles or more in all 50 U.S. states. The data is drawn from a panel of GPS signals representing road trips taken by car. This is a great resource for hotels to help gauge fluctuations in drive market trips in any of the 50 United States. Click [here](#) for today's daily view.

Morning Consult Consumer Sentiment Polling

Morning Consultant surveyed 2,200 adults from June 6 - 7. They found that:

- *Half of Americans would feel safe traveling domestically within the next year*
- *34% expect to be able to stay in a hotel within the next 3 months, and 47% expect to within the next 6 months*
- *33% say they would feel comfortable staying in a hotel in the next 3 months*
- *73% trust hotels to keep them safe – expressing higher trust of hotels than airlines, rental cars, or homesharing spaces*
- *49% would be likely to stay in a hotel near a COVID-19 hotspot within a month after containment*
- *The number one step a hotel can take to make consumers feel more comfortable staying is increasing the frequency of cleaning public areas*

MMGY Global Intelligence Travel Intentions Survey, June 15, 2020

The likelihood of participating in a number of key travel activities increased considerably in recent weeks:

- After dipping last month, there is rising intent in staying in hotels and resorts in the next six months; 38% now say it is likely they will do so, compared to 31% in May
- 40% of those who took a business trip in the past 12 months now say they will do so again in the next six months, compared to 30% who said so in early June

Interest in attending off-site business meetings or conventions/conferences in the next six months is rising. Among those who participated in these activities in past 12 months:

- 22% now say they will likely attend an offsite business meeting in the next six months, compared to 16% who said so in May
- 20% now say they will likely attend a conference or conventions in the next six months, compared to 15% who said so in May

CBRE Forecasts Hotel Demand will Recover by 2022

Last week, CBRE issued a forecast predicting a full demand recovery in the lodging industry by 2022. According to the forecast, ADR will reach full recovery by 2023 despite a contraction in overall activity and the need for social distancing. Locations popular for motorists are predicted to be among the first to see increased demand. Click [here](#) to read the full release.

Morning Consult Survey

A new study conducted by Morning Consult commissioned by the American Hotel & Lodging Association (AHLA) found that while Americans remain hesitant about traveling, they overwhelmingly support efforts by Congress to help the travel industry recover including helping hotels keep their doors open and bring back employees, as well as incentivizing Americans to travel again. With only 18 percent of respondents reporting taking an overnight trip since March, the devastation caused to the hotel industry is already nine times worse than 9/11, with more than 8 in 10 hotels having to lay off or furlough workers during the pandemic.

Key findings:

- 70 percent of Americans support the passage of additional economic stimulus for the industries most negatively impacted by the pandemic, including the travel and hospitality sectors.
- By nearly a 3-1 margin, Americans support a new, temporary federal travel tax credit to encourage people to travel (61% support, 21% oppose).
- By nearly a 3-1 margin, Americans support restoring the business entertainment expense deduction to encourage business travel (57% support, 21% oppose).
- By more than a 3-1 margin, Americans support efforts by the federal government to require banks to offer debt relief or forbearance on commercial hotel mortgages (63% support, 16% oppose).

Read the full report [here](#).

MLA “Clean + Safe” Certifications

Travelers are looking to escape their towns more than ever. Help show them you are clean, safe, and ready for guests through a Clean + Safe certification. Upon completion of the certification, you will receive branding materials denoting that your hotel is Clean + Safe certified, providing guests essential peace of mind.

Click [here](#) to download the Clean & Safe Reopening Guidance for the Hotel Industry. Click [here](#) to download the Clean & Safe Checklist.

We will continue to update our website, www.Masslodging.com with pertinent information as it becomes available.