



# Hospitality Market Report

## Boston - MA

PREPARED BY



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**HOSPITALITY MARKET REPORT**

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12 Mo Occupancy

**70.9%**

12 Mo ADR

**\$219.59**

12 Mo RevPAR

**\$155.61**

12 Mo Supply

**22.6M**

12 Mo Demand

**16M**

Boston's hotel industry has experienced a significant recovery and growth in all primary metrics, with occupancy reaching a 12-month average of 70.9% in August. Moreover, the twelve-month average daily rate in August 2023 increased by 11.5% compared to July last year, reaching a twelve-month average of \$220. Based on the solid performance of hotels in the first half of the year, the positive trend is expected to continue through the summer months. The resurgence of large-scale events like the Boston Marathon in April and one-time concerts such as Taylor Swift's Eras Tour in May has boosted the leisure demand in the market. Additionally, the return of conventions and conferences has increased group travel demand during weekdays. Business travel remains lower toward recovery levels but has improved marginally from last year.

The future of the Boston market looks favorable; however, a full recovery depends on the return of groups, business travelers, and international tourists, along with the absorption of the new supply added over the past two and a half years.

Boston has a robust pipeline of hotels under construction and in the final planning phases, with 7 hotels under construction totaling over 1,000 rooms. Notable projects with expected openings in 2023 include the Luxury Raffles Hotel, with 147 rooms, part of a larger mixed-use project.

Transactions have been slower for this time of year, with 9 properties trading through August. Increased interest rates may be affecting some investors' decisions to purchase. Despite a muted first half of the year, the market has seen transactions over 12 months. January saw the Upper Upscale class Kimpton Nine Zero sale in the Boston CBD/Airport submarket.

Boston's diversified economy and focus on life sciences, financial services, and technology, combined with top universities and hospitals, excellent sports, and tourist attractions, positions the lodging market better than other major markets.

### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	24,973	71.2%	\$290.16	\$206.46	147	0
Upscale & Upper Midscale	30,577	71.4%	\$185.39	\$132.37	0	775
Midscale & Economy	7,119	67.4%	\$108.30	\$73.04	264	64
<b>Total</b>	<b>62,669</b>	<b>70.9%</b>	<b>\$219.59</b>	<b>\$155.61</b>	<b>411</b>	<b>839</b>

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	81.5%	81.5%	71.3%	70.9%	60.7%	72.5%
Occupancy Change	4.9%	4.3%	8.0%	10.8%	-0.8%	0.5%
ADR	\$229.76	\$237.63	\$217.34	\$219.59	\$190.18	\$235.43
ADR Change	4.0%	3.7%	6.5%	11.5%	2.4%	2.4%
RevPAR	\$187.14	\$193.75	\$154.91	\$155.61	\$115.39	\$170.78
RevPAR Change	9.1%	8.1%	15.0%	23.5%	1.5%	3.0%

The Boston hospitality industry has seen an upturn in the first half of 2023, with an increase in leisure visits, conventions, conferences, and returning corporate travel. Although Boston was a lower-performing market in 2022, it has since improved and achieved an occupancy rate of 81.5% in August 2023. However, this is still three percentage points below the occupancy rate in August 2019. ADR in August 2023 was \$229.76, with a 111% recovery index to August 2019 ADR. RevPAR in August 2023 was \$177.44, a 109% recovery index compared to 2019.

Boston's varied demand generators have contributed to its successful recovery. The group and convention business, which accounts for around 30% of the demand for downtown and Cambridge hotels, displays signs of improvement, a significant boost for hotels. Conventions fill downtown hotels and increase business demand in suburban hotels, resulting in higher occupancy rates.

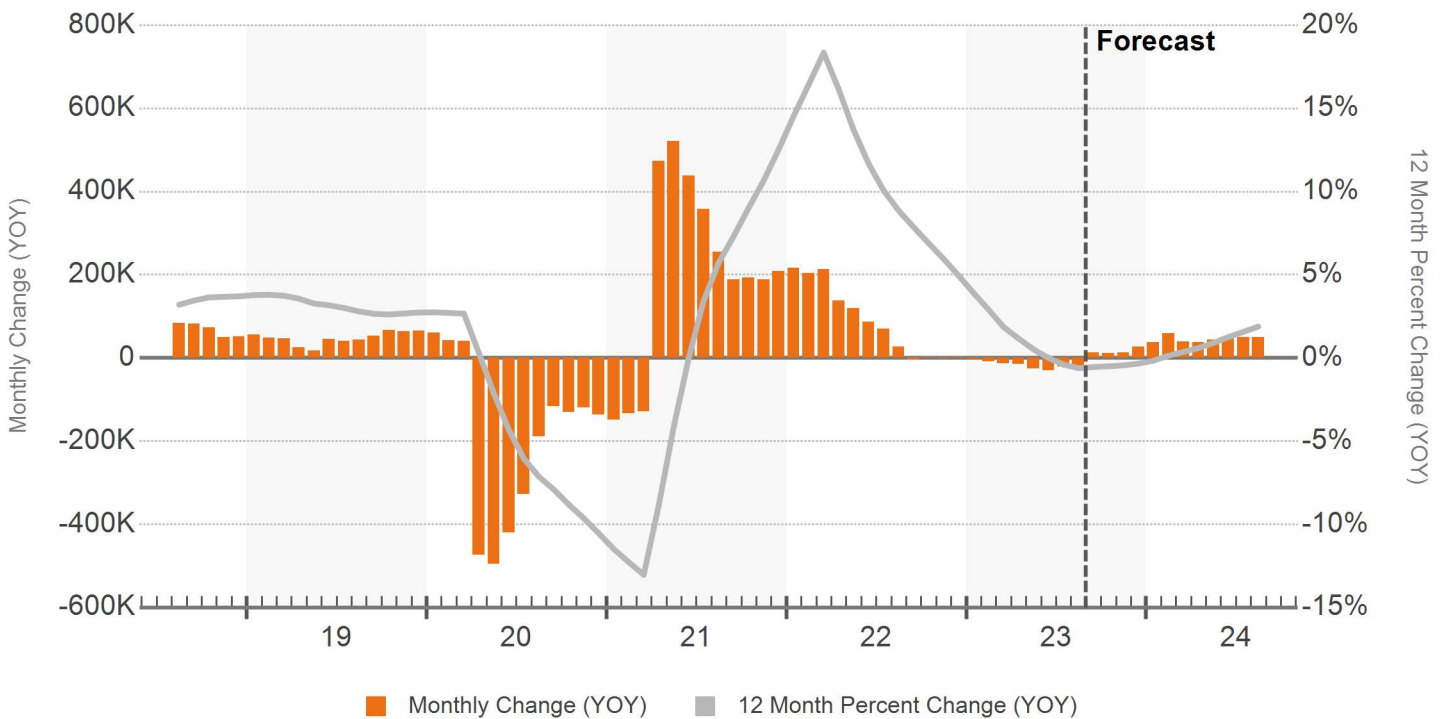
Boston's hotel occupancy is heavily influenced by international travel across all three major segments (i.e.,

commercial, group, and leisure). As international inbound travel resumes, Boston's hotel occupancy will benefit, particularly during the summer and fall. In addition, Boston's hotel occupancy heavily relies on sports events, such as the Boston Marathon and games featuring the Red Sox, Bruins, New England Patriots, and Celtics, which have traditionally attracted travelers from all over the region. As these events return and potentially exceed historical levels due to pent-up demand, the market will benefit from increased compression and further ADR growth.

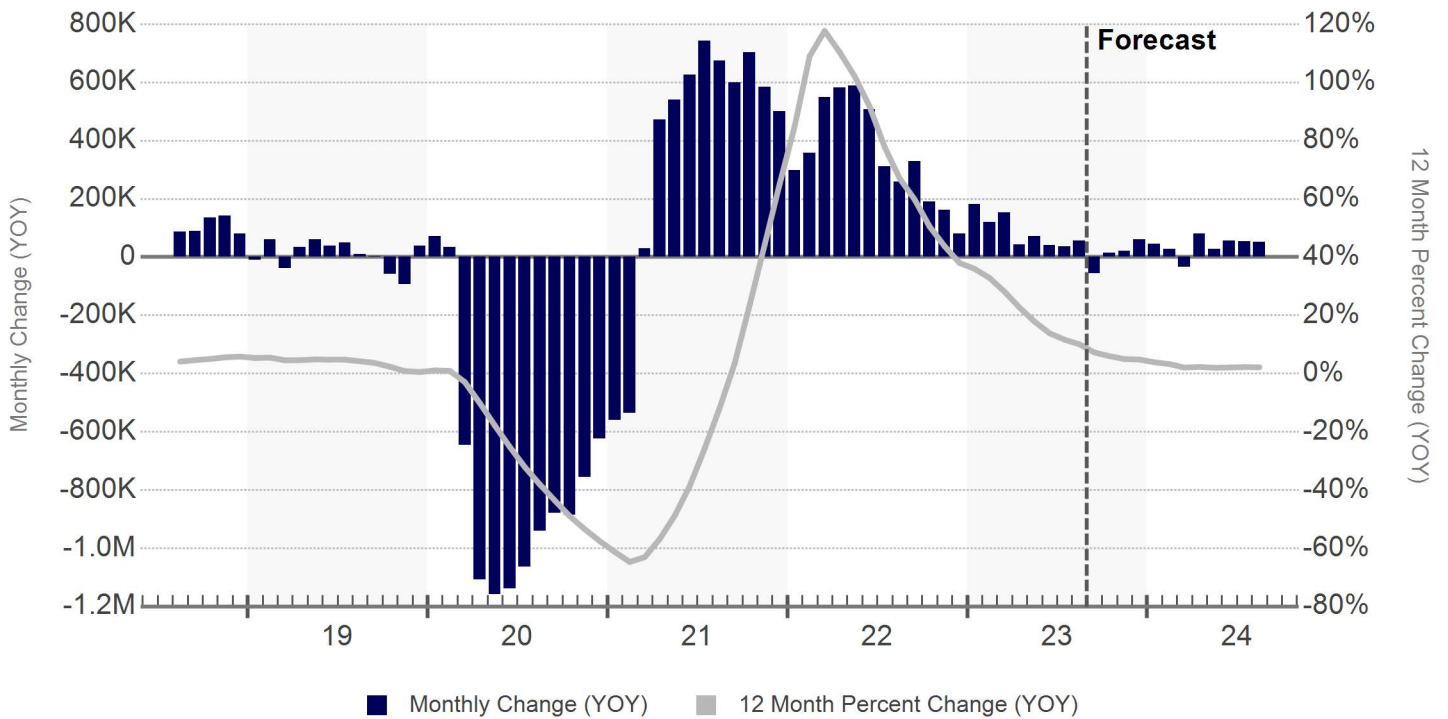
Despite the pandemic's impact, business travel in Boston has recovered relatively well compared to other major urban markets. Since August, business travel has recovered to 94% of 2019, particularly in the education, healthcare, and life sciences.

With Boston's main demand drivers showing solid signs of recovery, the market is set for a very positive second half of the year and beyond, extending into 2024.

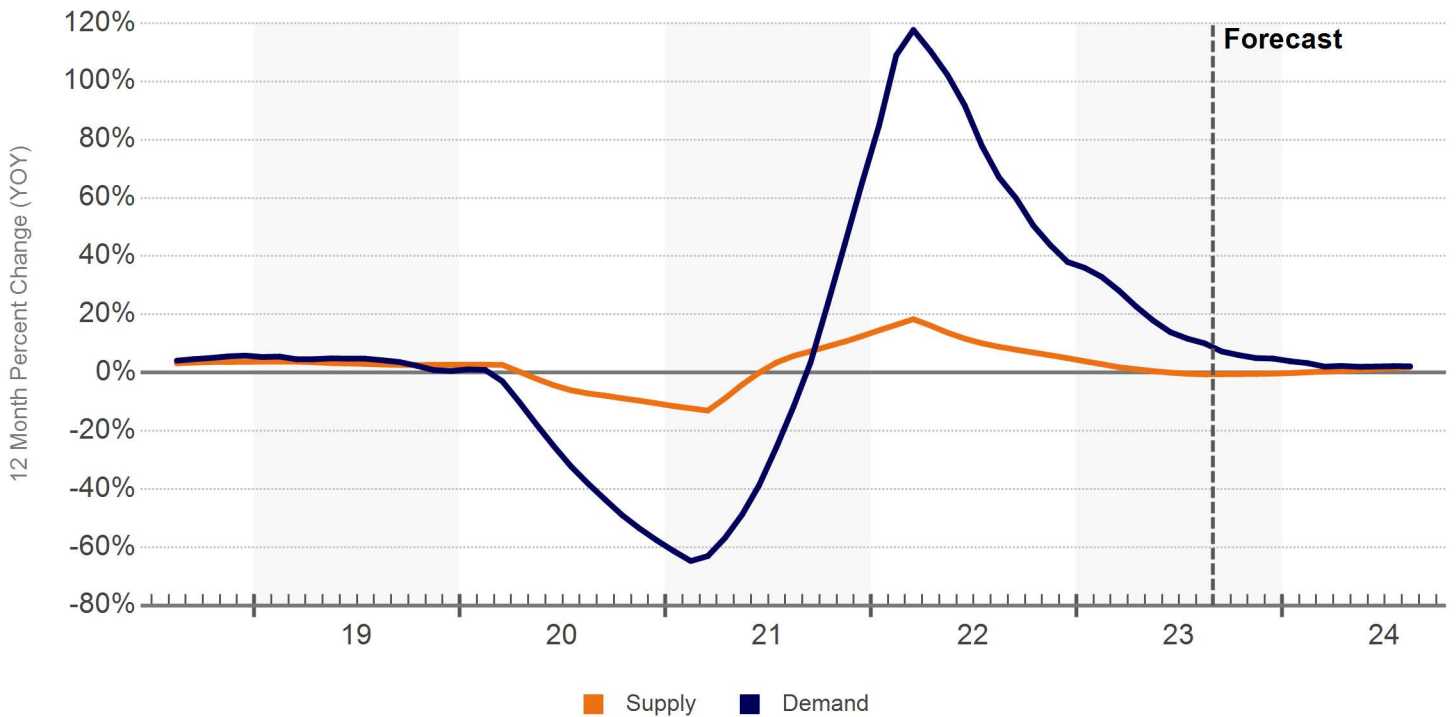
### SUPPLY CHANGE



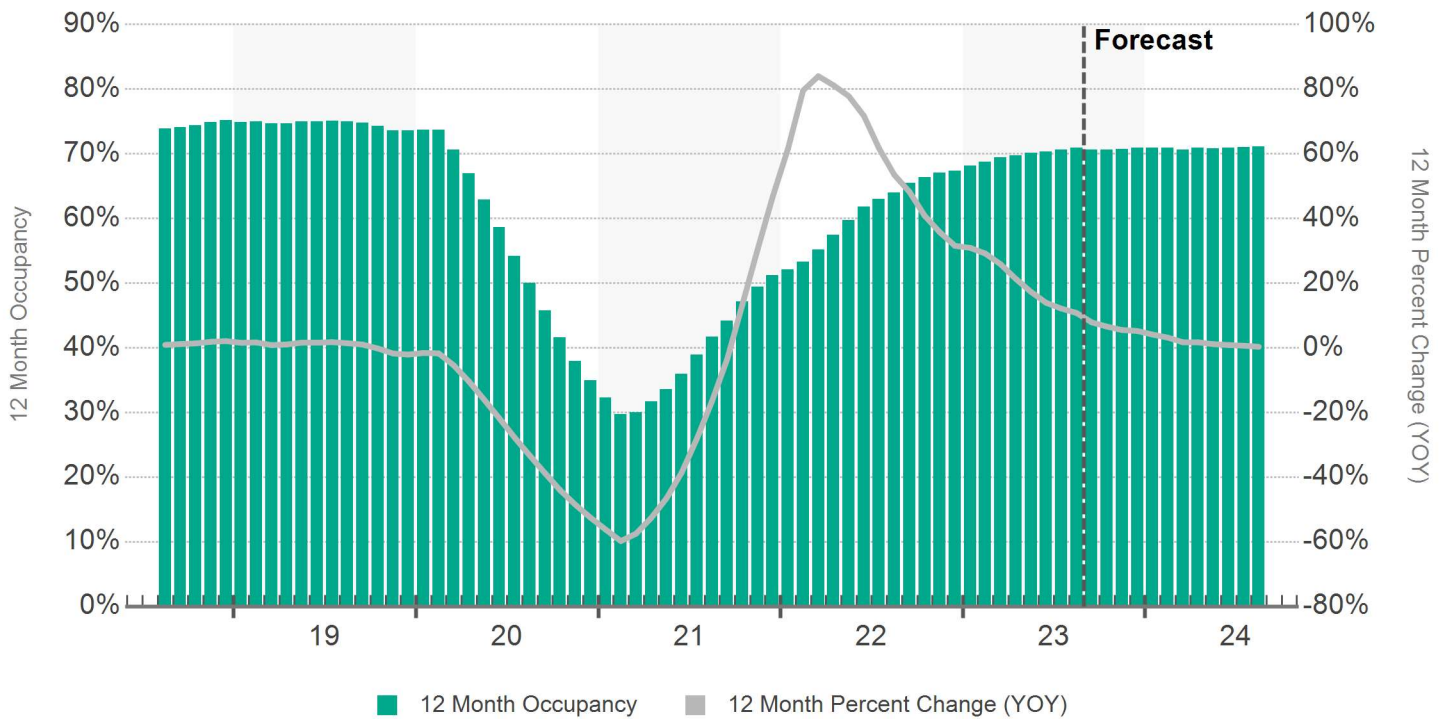
## DEMAND CHANGE



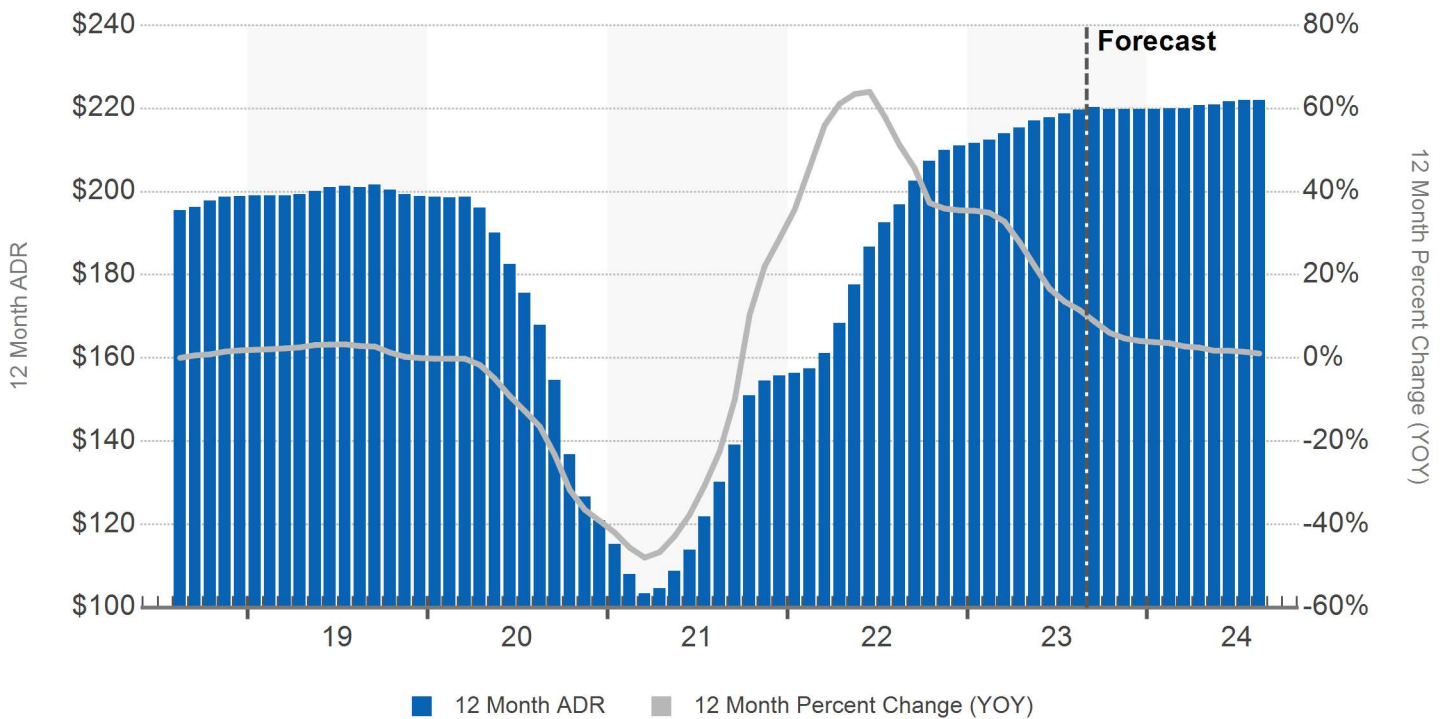
## SUPPLY & DEMAND CHANGE



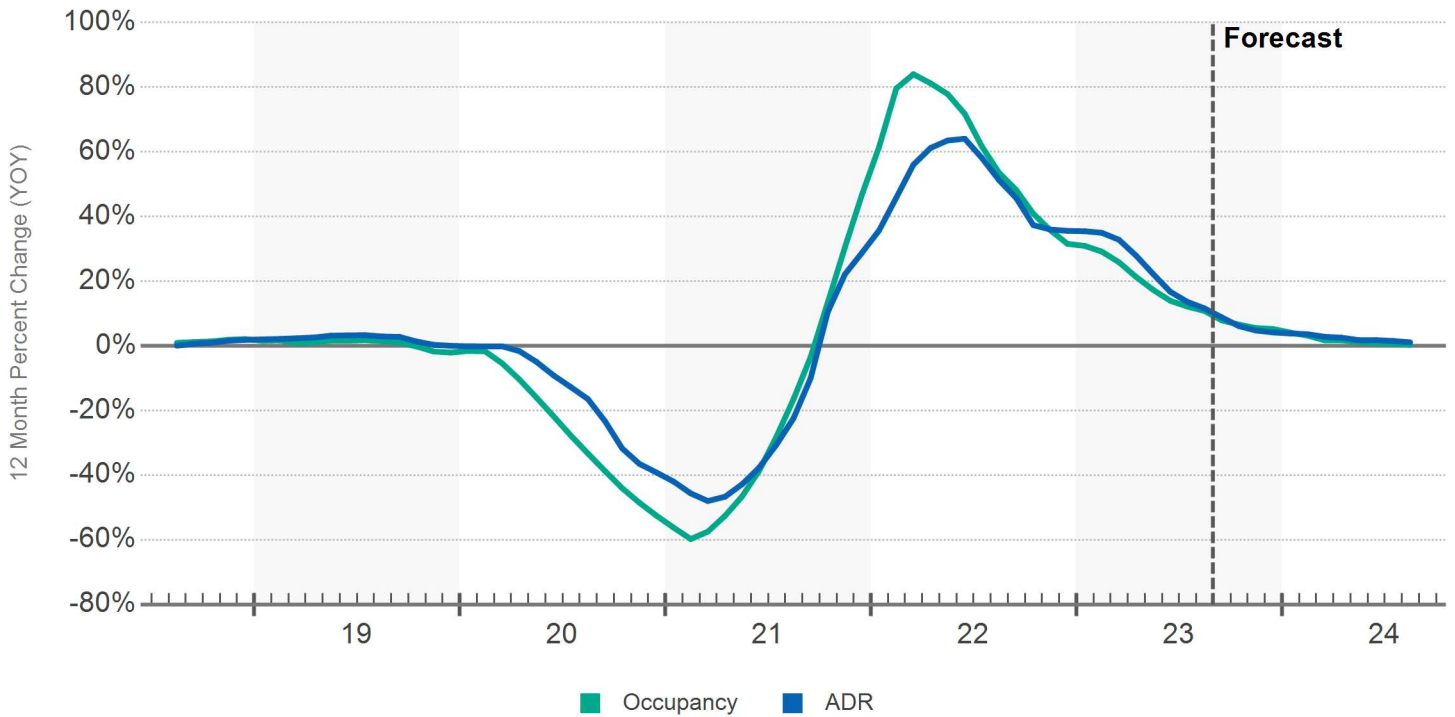
## OCCUPANCY



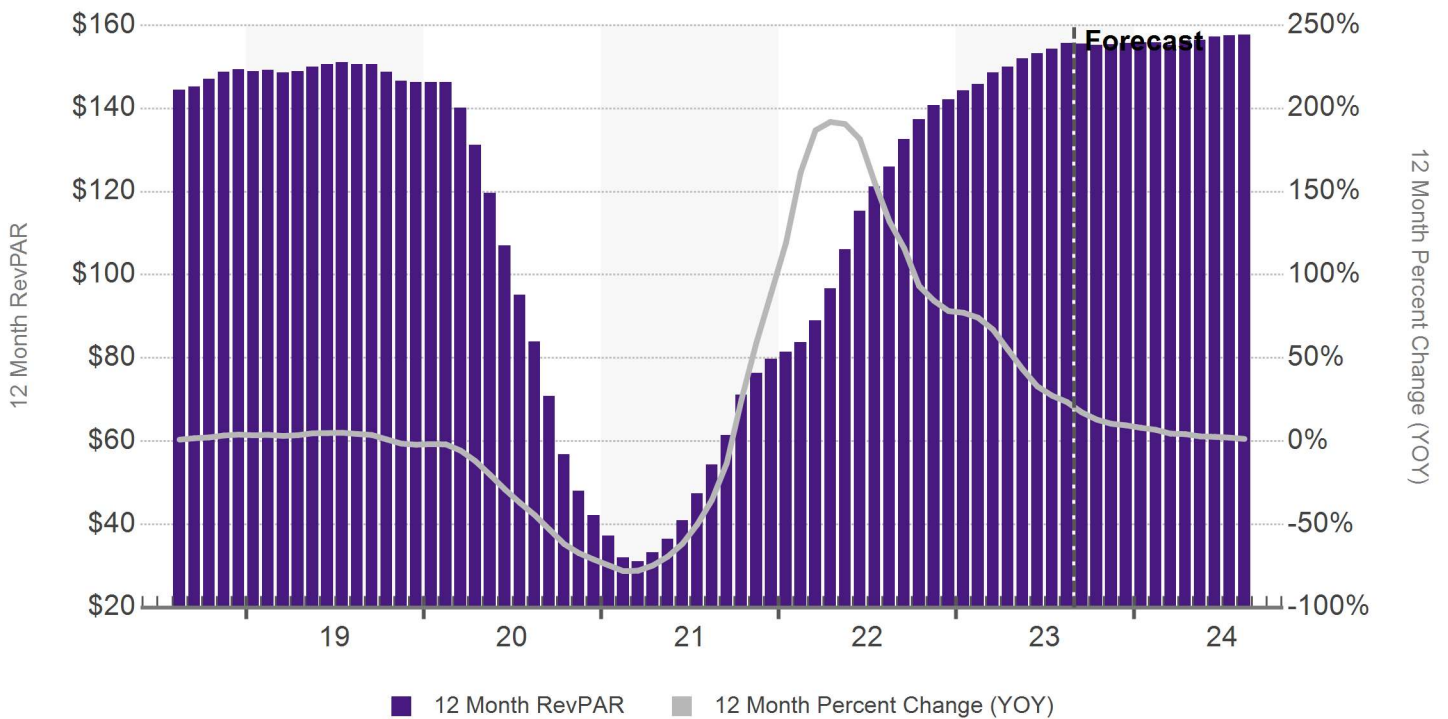
## ADR



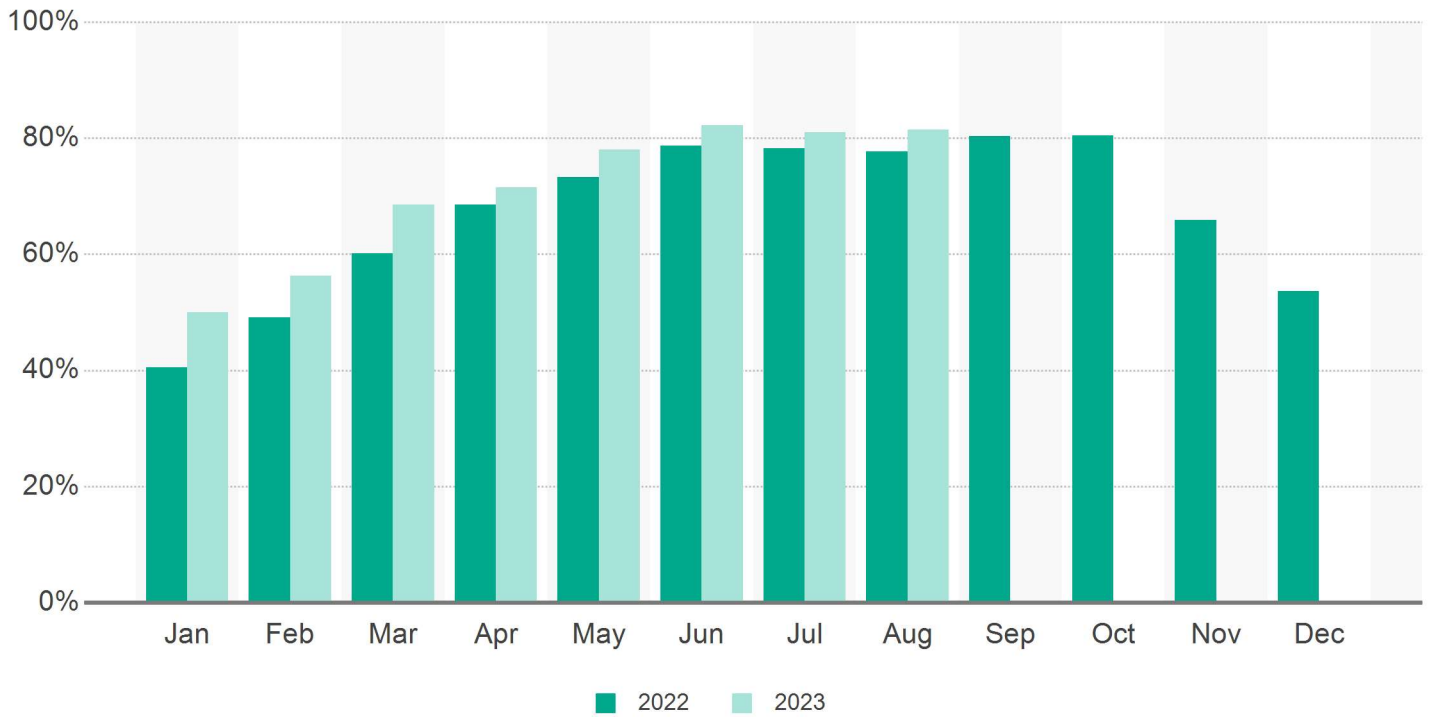
## OCCUPANCY & ADR CHANGE



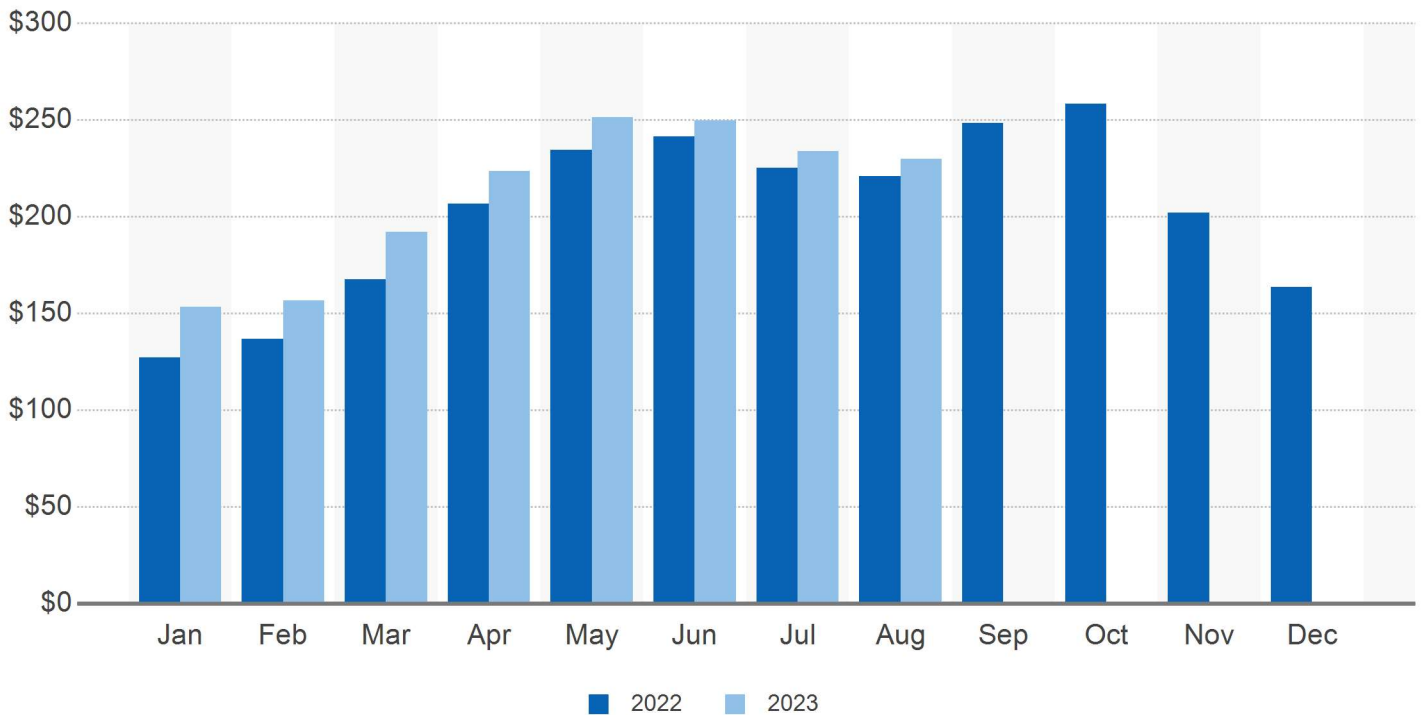
## REVPAR



## OCCUPANCY MONTHLY

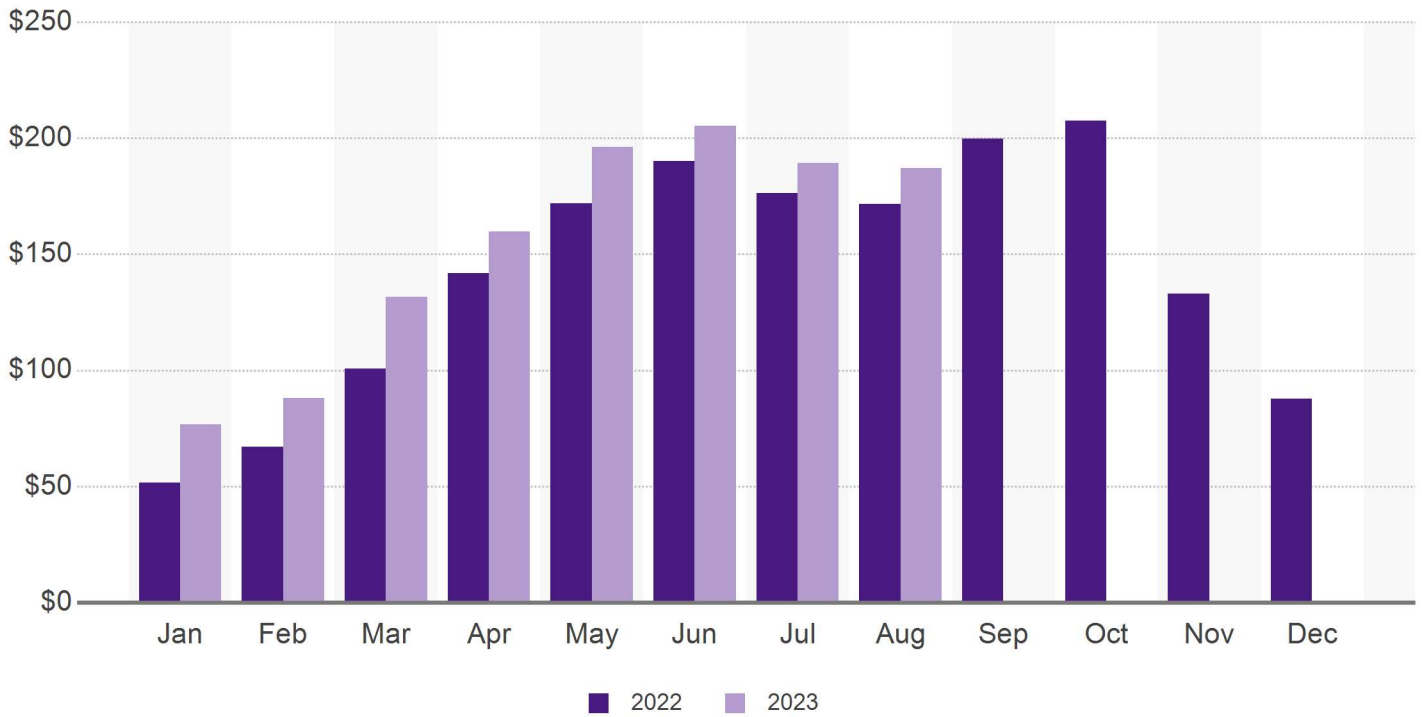


## ADR MONTHLY

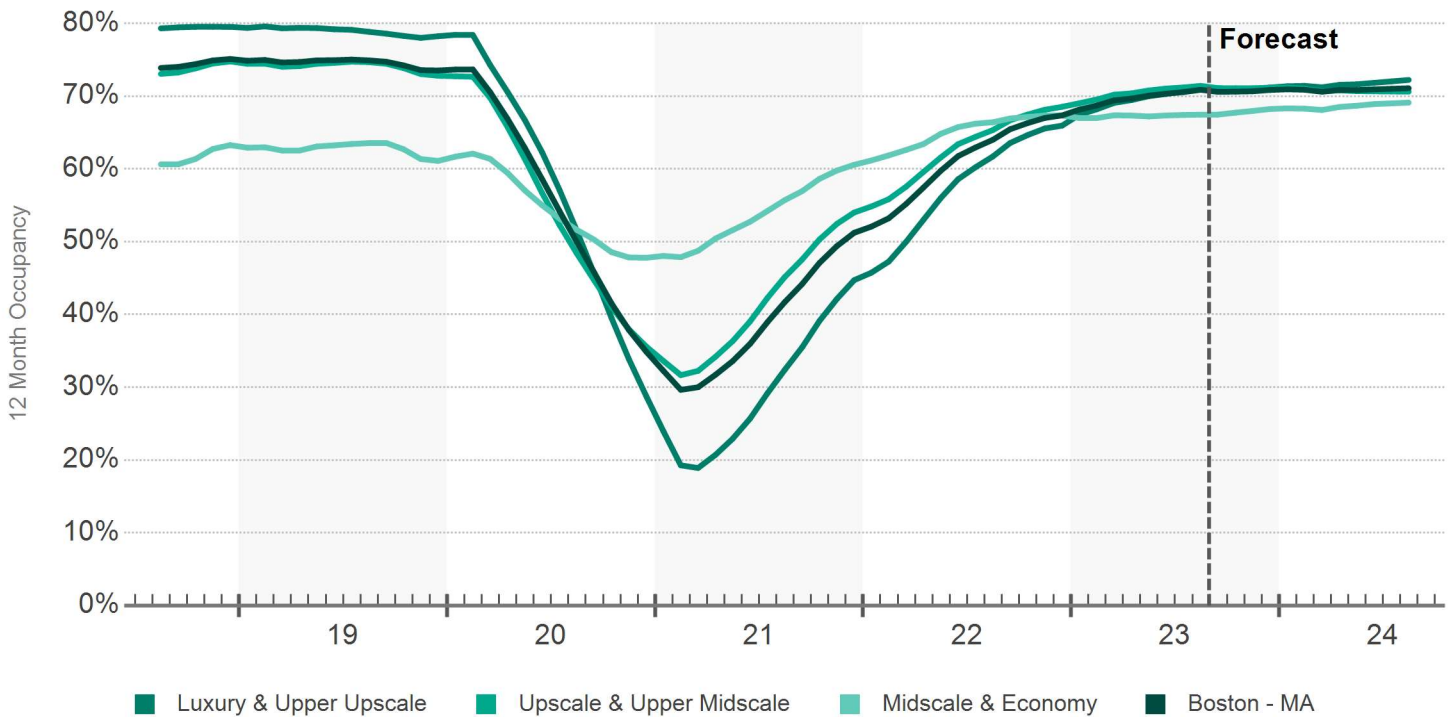




## REVPAR MONTHLY



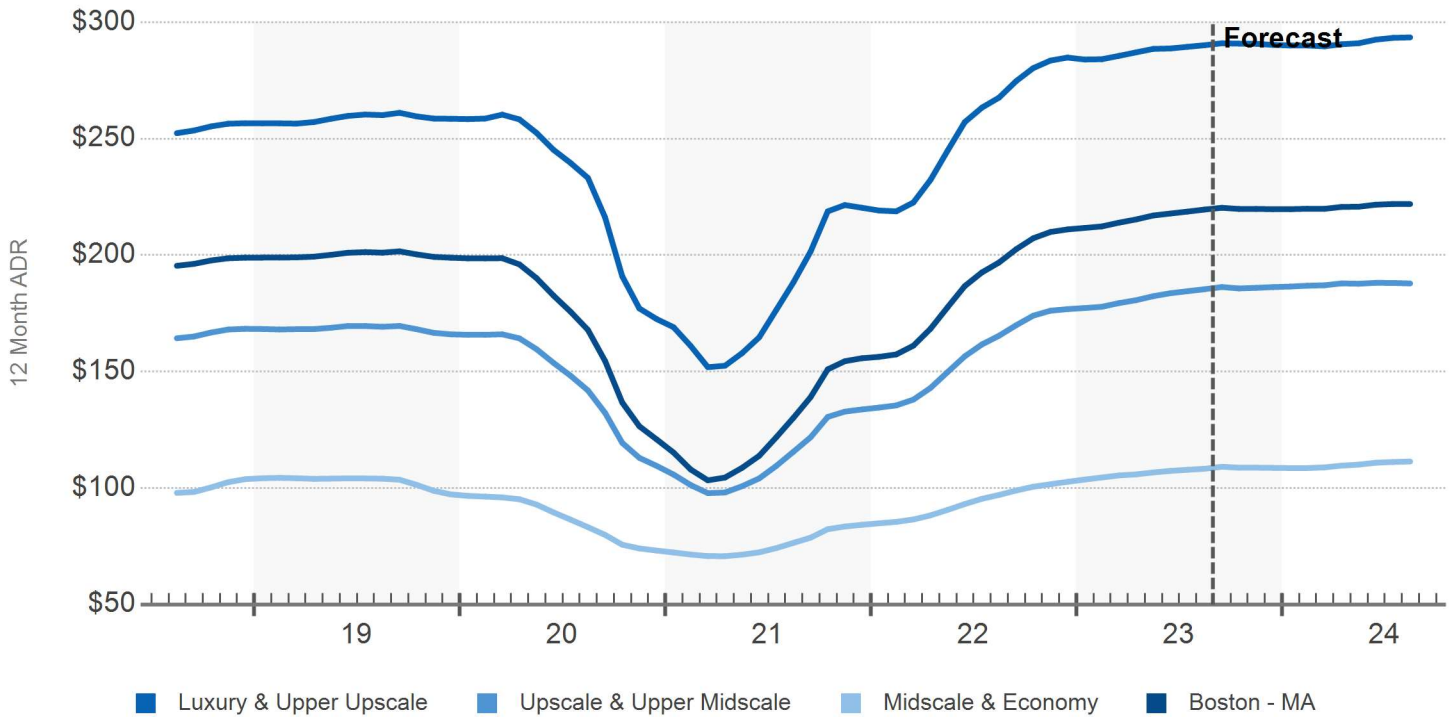
## OCCUPANCY BY CLASS



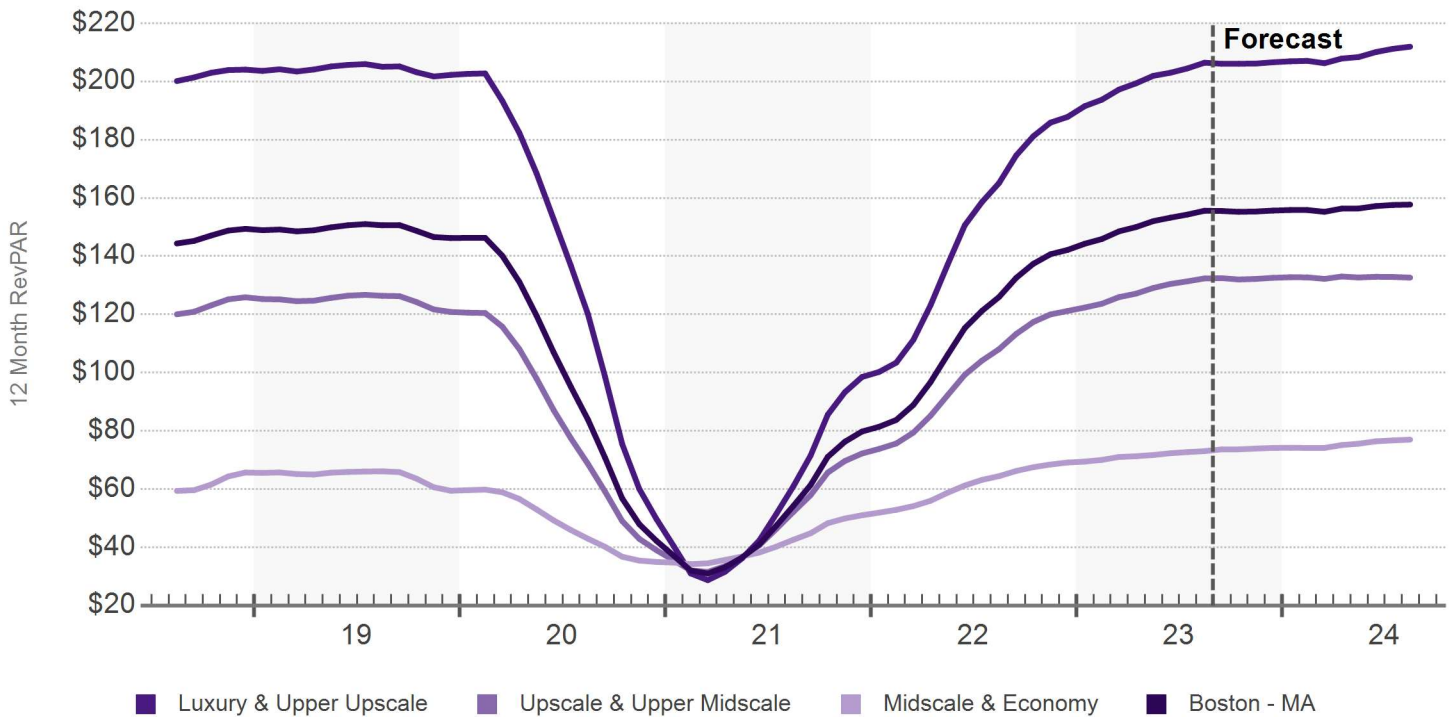
# Performance

Boston - MA Hospitality

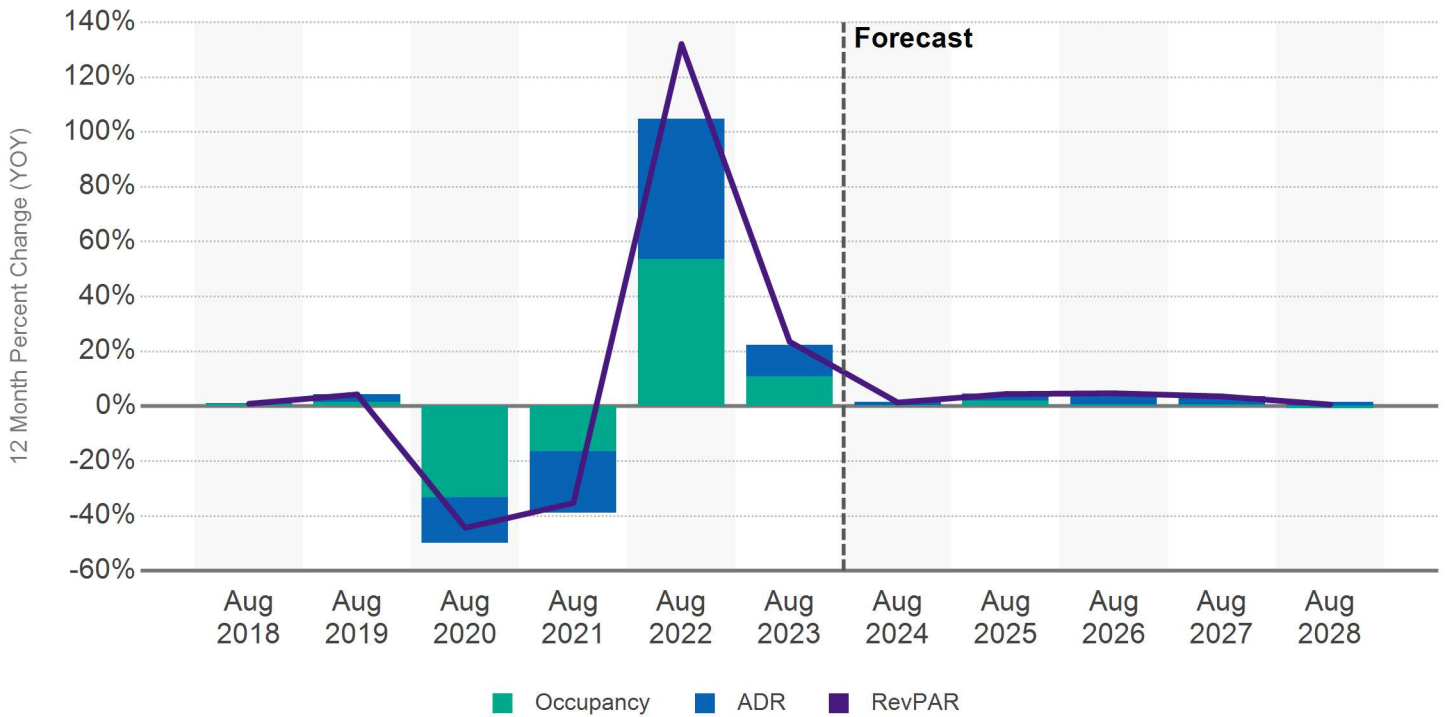
## ADR BY CLASS



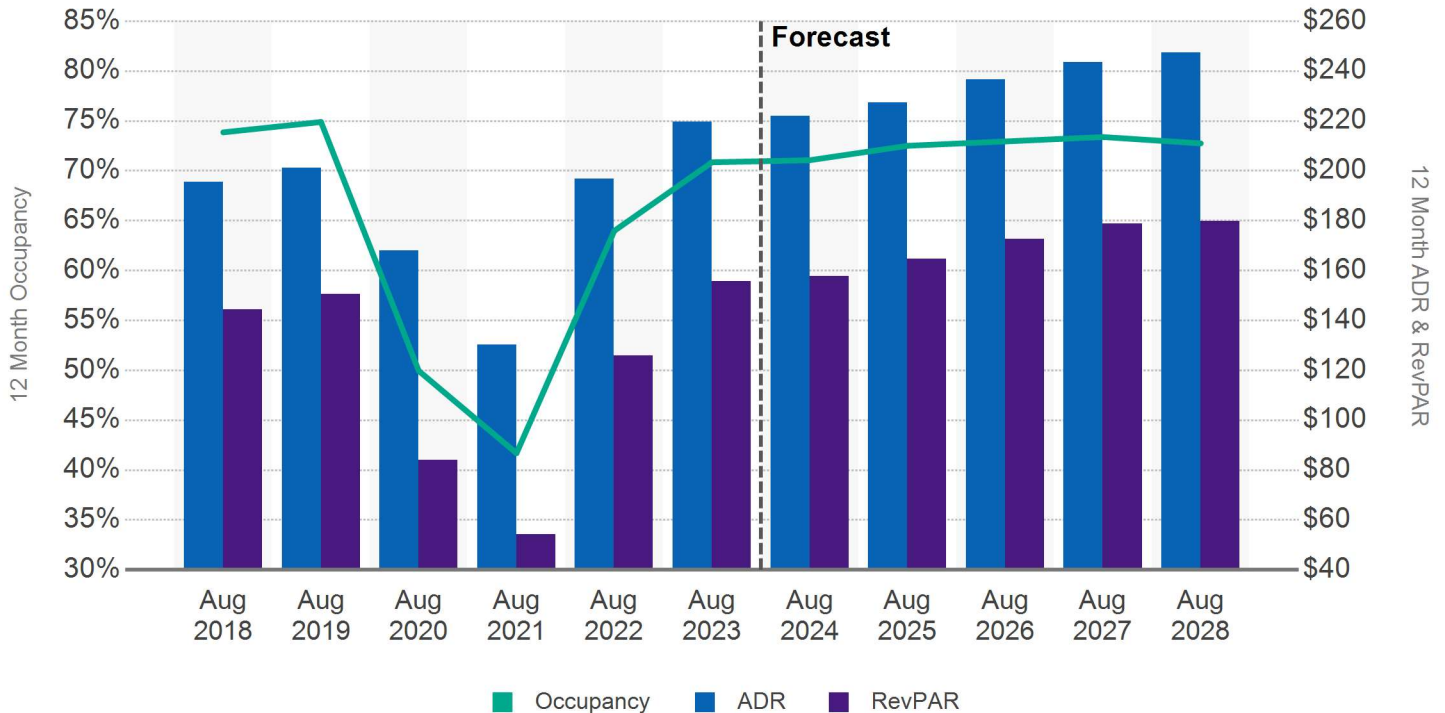
## REVPAR BY CLASS



## REVPAR GROWTH COMPOSITION



## OCCUPANCY, ADR & REVPAR



### FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	% of Revenues	2022		2021-2022 % Change	
		PAR	POR	PAR	POR
<b>Revenue</b>					
Rooms	74.6%	\$65,130	\$274.04	98.6%	32.6%
Food	11.8%	\$10,271	\$43.22	138.7%	59.4%
Beverage	3.5%	\$3,069	\$12.91	91.5%	27.8%
Other F&B	5.5%	\$4,784	\$20.13	157.0%	71.6%
Other Departments	2.4%	\$2,134	\$8.98	53.9%	2.8%
Miscellaneous Income	2.2%	\$1,898	\$7.98	18.1%	-21.1%
<b>Total Revenue</b>	<b>100%</b>	<b>\$87,286</b>	<b>\$367.26</b>	<b>100.4%</b>	<b>33.8%</b>
<b>Operating Expenses</b>					
Rooms	25.6%	\$16,647	\$70.04	63.3%	9.0%
Food & Beverage	76.0%	\$13,776	\$57.96	100.2%	33.6%
Other Departments	52.3%	\$1,116	\$4.70	71.8%	14.7%
Administrative & General	8.8%	\$7,686	\$32.34	49.6%	-0.1%
Information & Telecommunication Systems	1.3%	\$1,103	\$4.64	24.5%	-16.9%
Sales & Marketing	8.3%	\$7,223	\$30.39	72.8%	15.3%
Property Operations & Maintenance	4.0%	\$3,464	\$14.57	30.8%	-12.7%
Utilities	4.0%	\$3,498	\$14.72	28.3%	-14.3%
<b>Gross Operating Profit</b>	<b>37.5%</b>	<b>\$32,772</b>	<b>\$137.89</b>	<b>219.7%</b>	<b>113.4%</b>
Management Fees	3.5%	\$3,019	\$12.70	136.4%	57.8%
Rent	0.8%	\$669	\$2.82	-16.4%	-44.2%
Property Taxes	5.9%	\$5,143	\$21.64	2.0%	-31.9%
Insurance	0.8%	\$718	\$3.02	30.7%	-12.8%
<b>EBITDA</b>	<b>26.6%</b>	<b>\$23,223</b>	<b>\$97.71</b>	<b>800.2%</b>	<b>500.9%</b>
<b>Total Labor Costs</b>	<b>34.3%</b>	<b>\$29,979</b>	<b>\$126.14</b>	<b>63.5%</b>	<b>9.2%</b>

(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.

(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.

(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.



Boston experienced a surge in supply growth, adding 6.1% of new supply from 2020 through year-end 2022. The significant supply growth during the pandemic further exacerbated the market's lagging recovery. Currently, there are seven hotels under construction totaling 840 rooms, and there are sixteen hotels with over 2,000 rooms in the final planning stages with planned deliveries between 2024 and 2026. The majority of new supply is in the Upper Midscale and Upscale segments.

In 2023, a new hotel called MainStay Suites Foxboro - Mansfield, with 34 rooms, opened in the Boston Southshore Submarket. This is a significantly lower number of new hotel openings than in previous years. In the past year, only three hotels opened, but between 2018 and 2021, the market saw an average of 13 hotel openings per year.

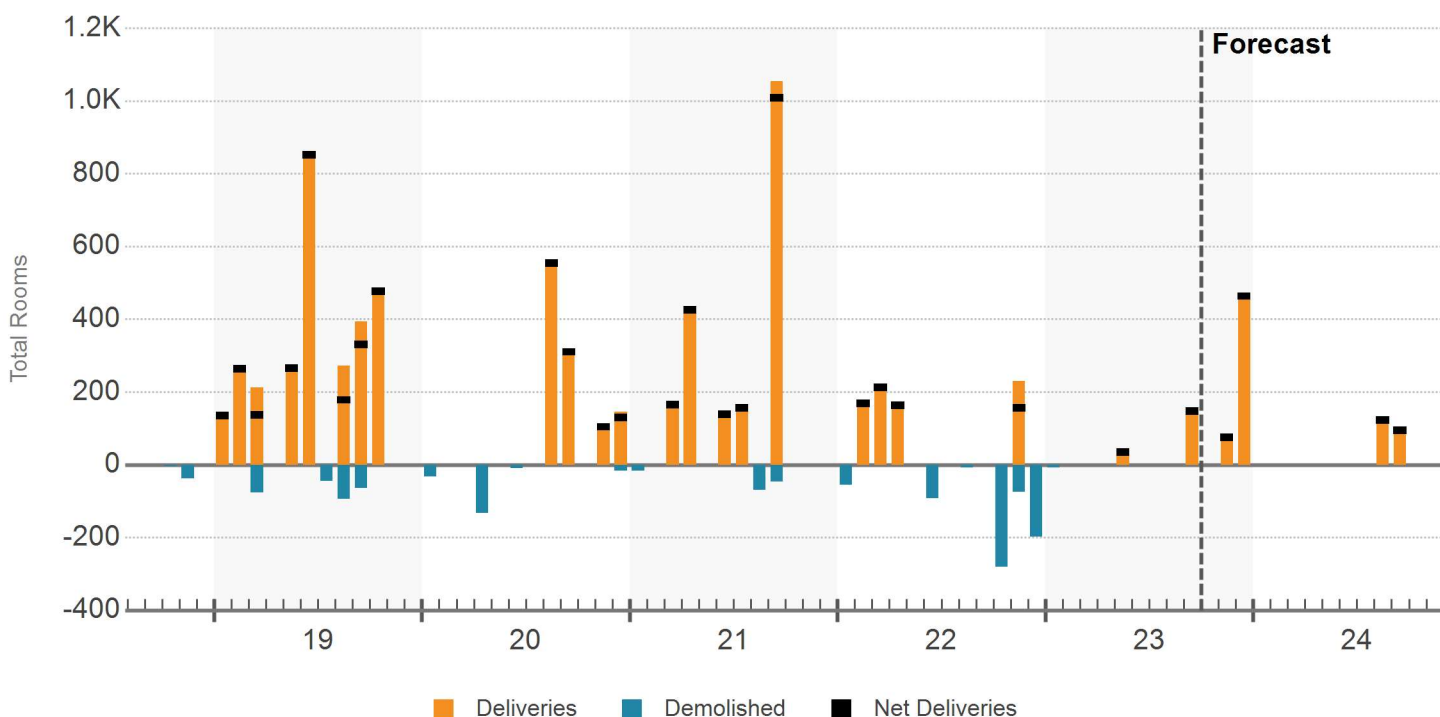
Notable projects include the 154-room luxury Raffles Hotel, part of a larger mixed-use project in Back Bay that provides for luxury residences. Slated for a 2023 opening, this will be Raffles' first hotel in North America.

Additionally, CitizenM is building its second Boston hotel on Boylston Street and is scheduled to open in 2023.

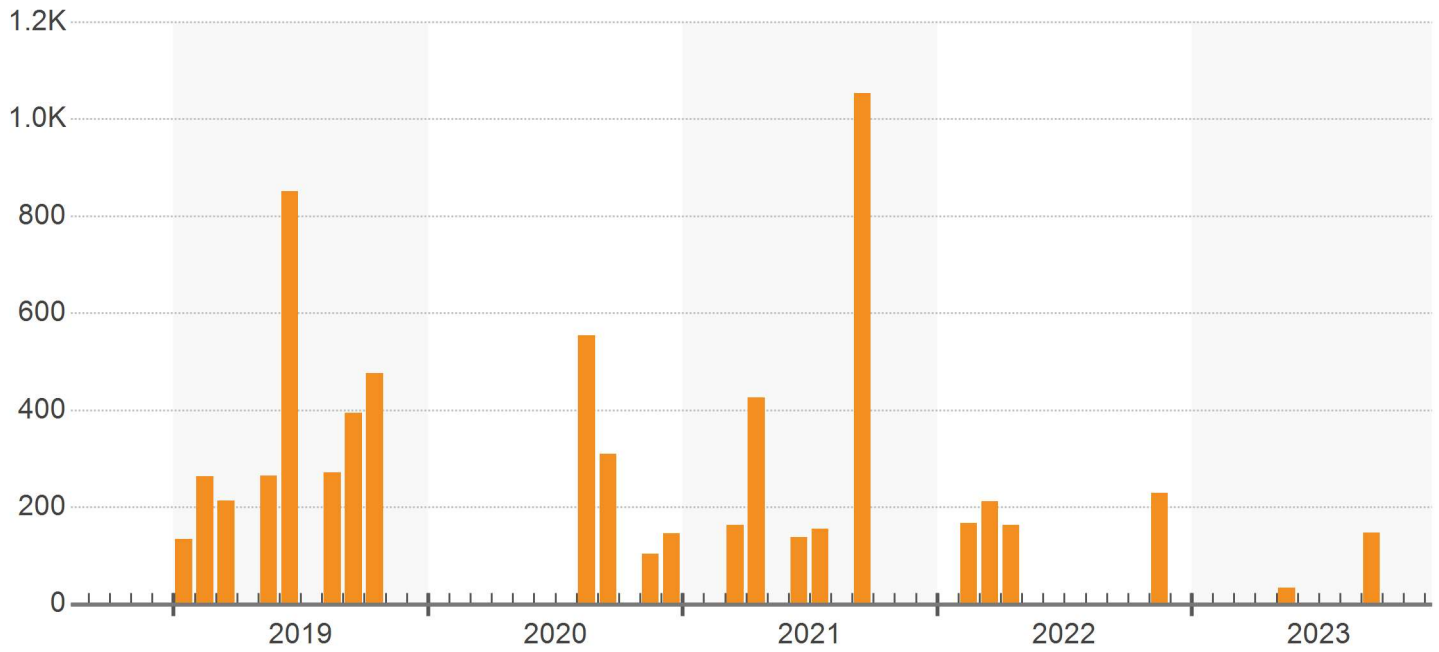
Over the past five years, Boston has experienced a significant increase in hotel development. This growth has been supported by historical solid fundamentals, with demand consistently exceeding supply by nearly a 2-to-1 ratio annually from 2004-2014. Despite a brief 11% decrease in 2009 due to the global financial crisis, demand has continued to outpace supply on average by 3.5% annually. As a result, developers and investors have found it easier to underwrite deals in a city known for its high barriers to entry and lengthy permitting process. This sustained growth has also led to an increase in average rates and room absorption, further supporting the hotel development industry in Boston.

Due to its strong long-term fundamentals, Boston remains a highly sought-after location for group, leisure, business, and international inbound travel. However, assimilating the current and planned new supply will undoubtedly take several years.

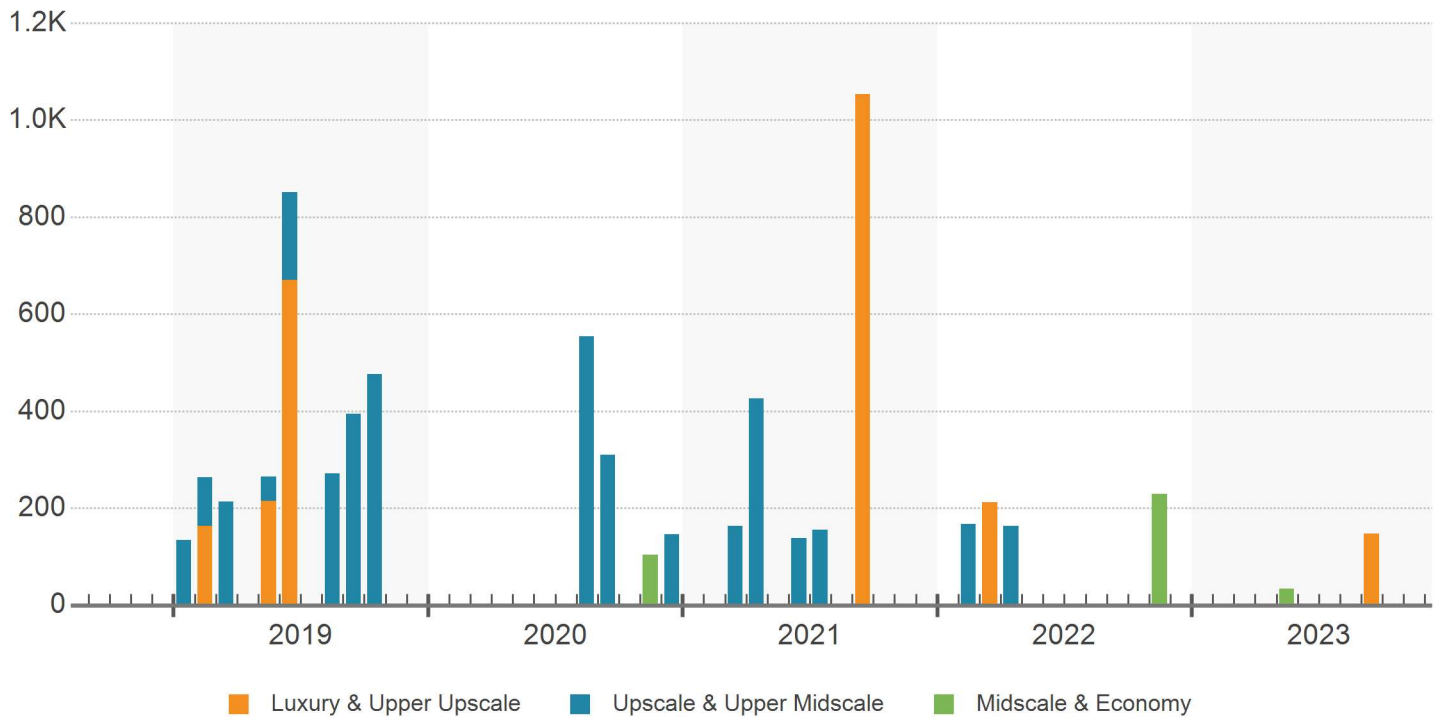
### DELIVERIES & DEMOLITIONS



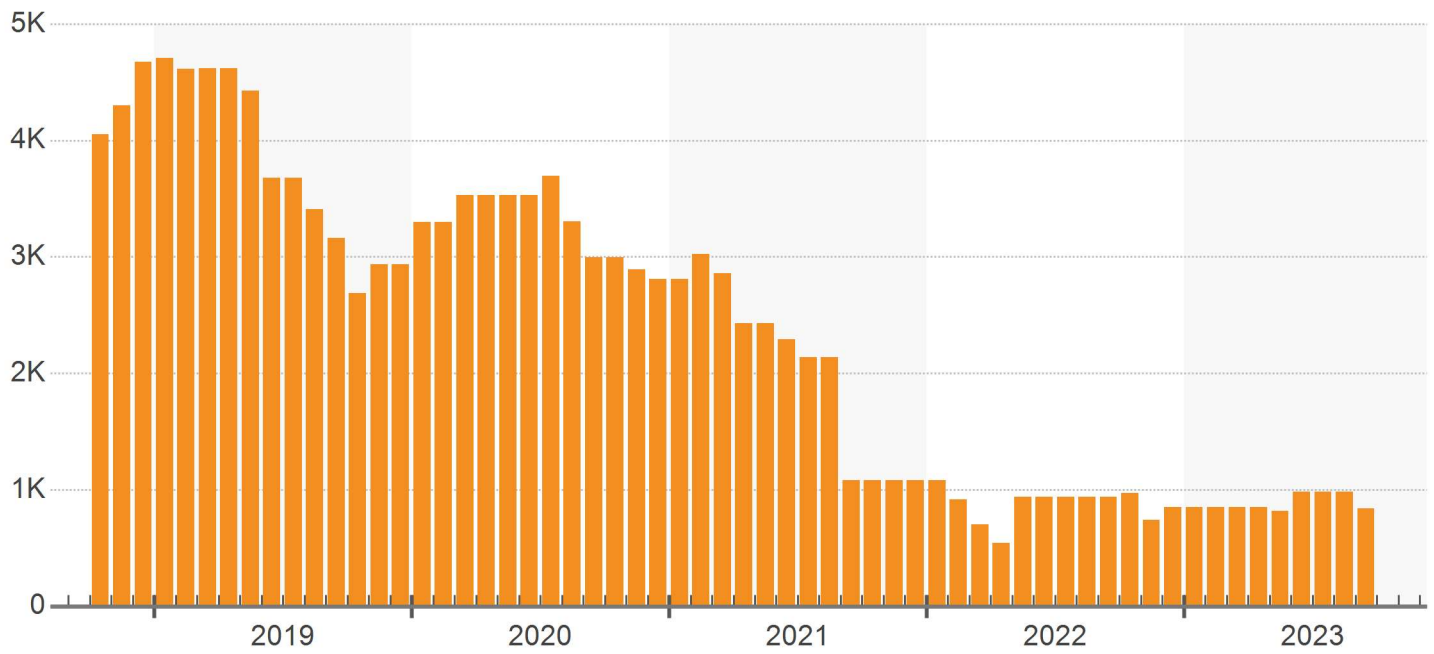
## ROOMS DELIVERED



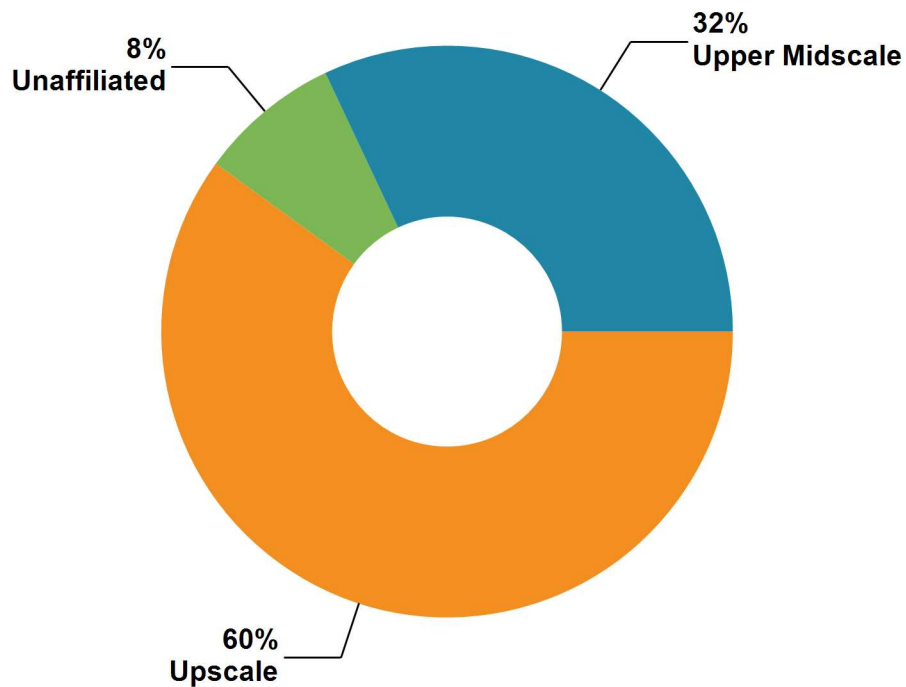
## ROOMS DELIVERED BY CLASS



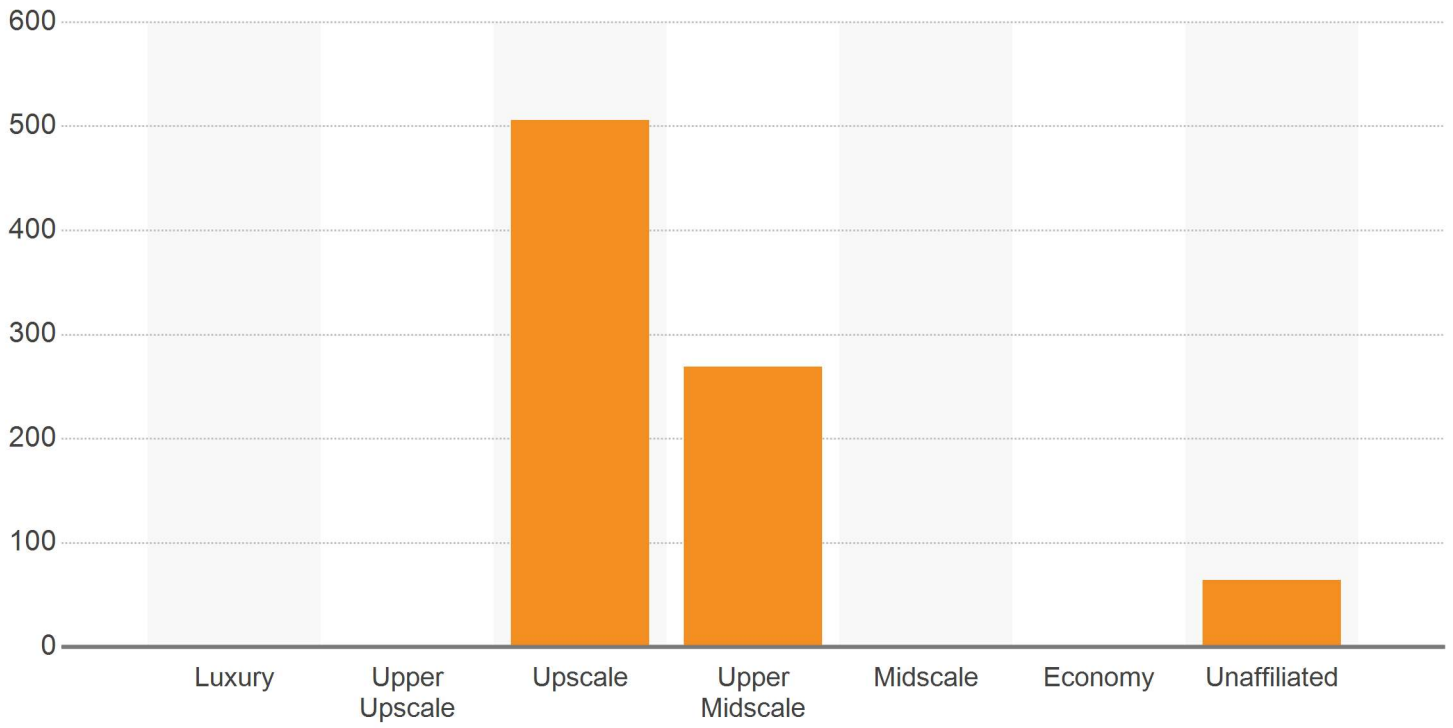
## ROOMS UNDER CONSTRUCTION



## TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



## ROOMS UNDER CONSTRUCTION BY SCALE





# Under Construction Properties

Boston - MA Hospitality

Properties

Rooms

Percent of Inventory

Average Rooms

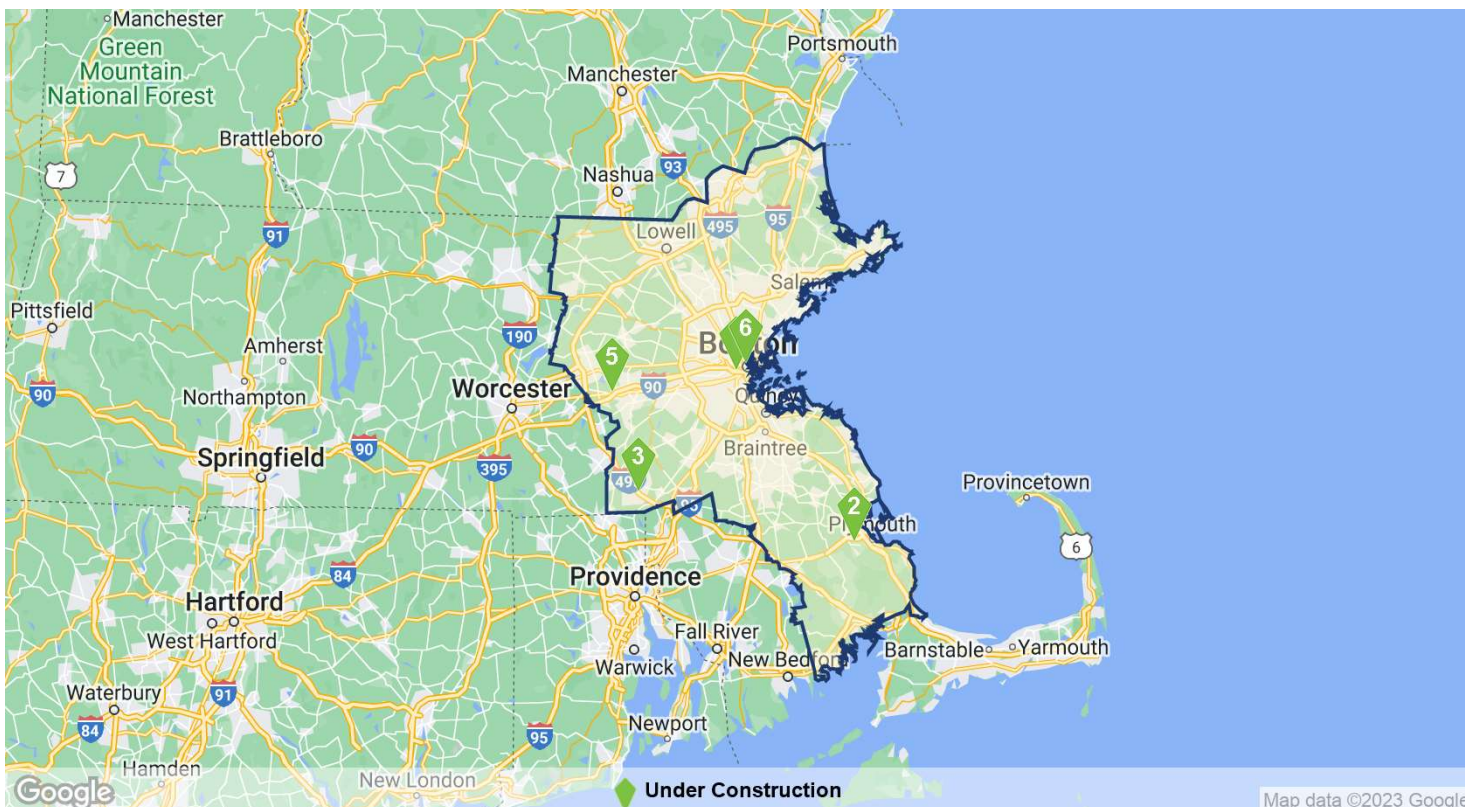
6

839

1.3%

140

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	<a href="#">citizenM Boston Back Bay</a> 1001 Boylston St	Upscale	399	13	May 2022	Dec 2023	citizenM Samuels & Associates
2	<a href="#">Cambria Hotels &amp; Suites Plymouth</a> 26 Plaza Way	Upscale	107	4	Dec 2022	Jul 2025	Cambria Hotels -
3	<a href="#">Home2 Suites by Hilton</a> 725 Union St	Upper Midscale	100	4	Jan 2020	Oct 2023	Home2 Suites by Hilton Jamsan Management
4	<a href="#">TownePlace Suites by Marriott Fr...</a> 1659 Worcester Rd	Upper Midscale	94	6	Jun 2023	Sep 2024	TownePlace Suites -
5	<a href="#">Fairfield Inn &amp; Suites Framingham</a> 1659 Worcester Rd	Upper Midscale	75	6	Jun 2023	Nov 2023	Fairfield Inn -
6	<a href="#">88NOWA</a> 88 N Washington St	Midscale	64	14	Dec 2020	Dec 2023	- LIMAC LLC

Hotel investment activity in Boston has been generally muted through 2023 with 9 transactions year-to-date through August. Trades have consisted mainly of Upper Midscale to Upscale class properties, including the March Holiday Inn Express Boston North Woburn sales for \$9.5 million (\$102,151/key) and the 282-room Upper Upscale Embassy Suites by Hilton in the Boston Logan Airport submarket, which was part of a bulk portfolio sale from the merger of USAA Real Estate of San Antonio and Square Mile Capital in New York under the new Corporate Brand will be known as Affinius Capital. USAA Real Estate acquired the balance of Square Mile Capital in 2021. These trades were preceded by the February sales of 147-room Courtyard Boston Norwood/Canton, a second 167-room Courtyard Boston in South Boston in January and the 147-room La Quinta Inns & Suites Boston Somerville for \$67.5 million (459,184/key).

In January, Electra America Hospitality Group acquired the 190-room Kimpton Nine Zero, a joint venture between Electra America and extended-stay company AKA. The seller was Brookfield Properties, and this investment was approaching the end of life in the fund it was acquired. The sale price was \$82.6 million (\$435,000/key). The buyer has converted the property into an AKA Hotel and plans to execute a renovation to reposition and operate the hotel as the second AKA-branded hotel in Boston.

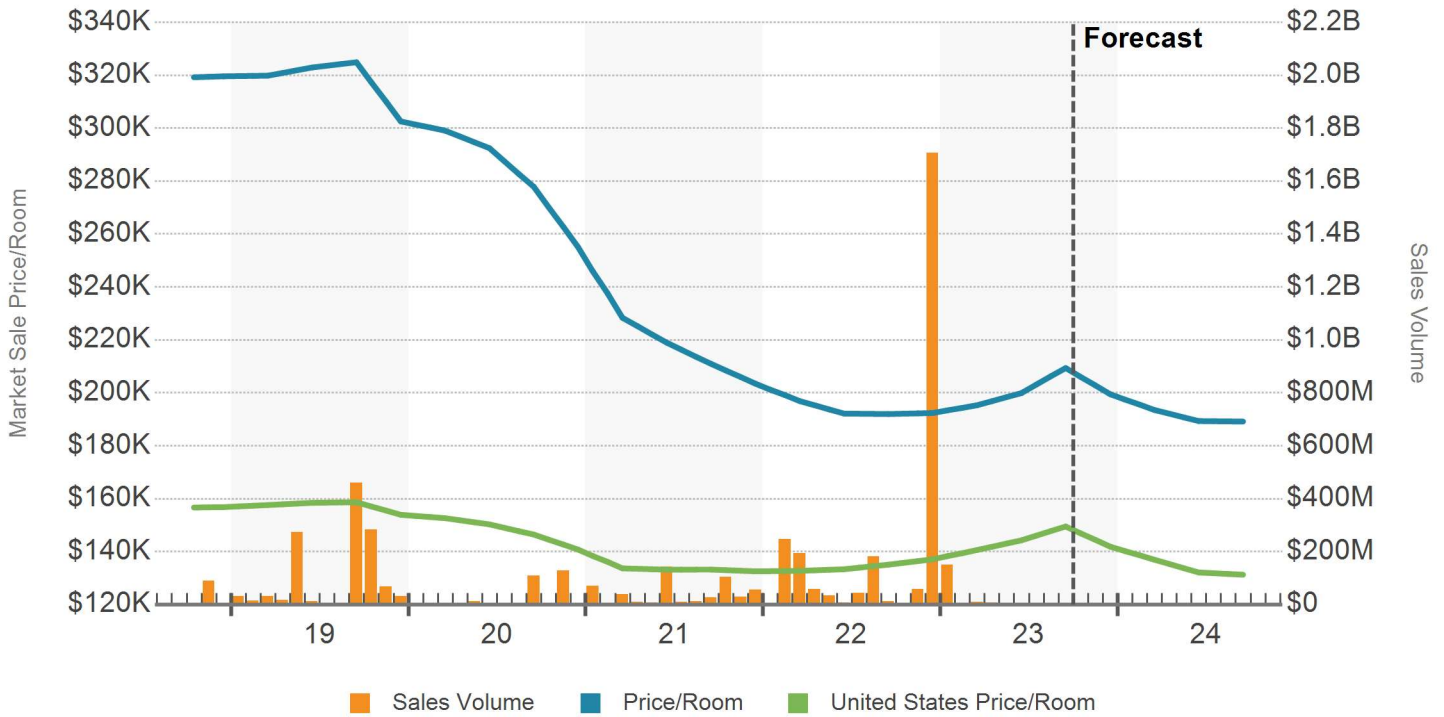
Transactions in the last twelve months were elevated due to December 2022, with the sale-leaseback of the Encore Boston Harbor by Wynn Resorts to Realty

Income Corp. for \$1.7 billion at a reported 5.9% capitalization rate. Wynn will pay \$100 million in annual rent for 30 years and holds another 30-year renewal option. Because the deal includes the large casino, the price was around \$2.5 million per key, much higher than for other, similarly sized, non-casino hotel properties.

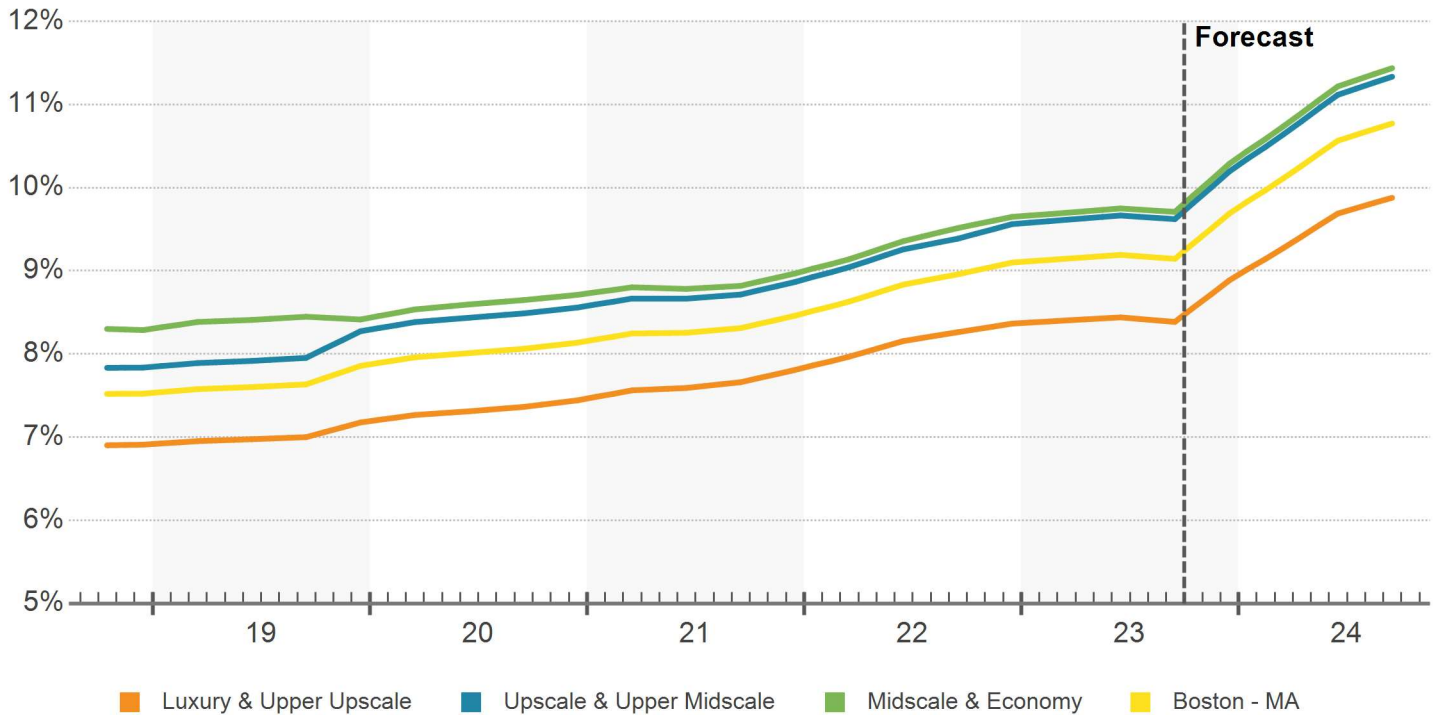
According to CoStar's CMBS data, 34 hotels have active CMBS loans. More than half of the 34 active CMBS loans are maturing in the next two years, providing potential opportunities for investors watching the market. Fourteen hotels are currently on the watchlist for possible distress. Eight of the fourteen hotels on the watchlist are Extended Stay America's Boston in the various submarkets of Cambridge/Waltham, Boston Southshor, Woburn/Tewksbury Northwest, Dedham/Marlborough, and Andover Danvers Northeast. One hotel on the watchlist is located in the Boston CBD/Airport submarket, the TownePlace Suites Boston Logan Airport Chelsea, due to the loan being pending maturity of 10/9/2023. Borrower has previously exercised three one-year extension options and has two remaining extension options available. The borrower has not yet indicated their plans for maturity.

The recent increase in interest rates has created potential challenges for financing deals and investments, as broader economic trends may impact lending practices. This is an essential consideration for those involved in financing and investment decisions, as it may require a more nuanced approach to assessing risk and evaluating potential opportunities.

## SALES VOLUME & MARKET SALE PRICE PER ROOM



## MARKET CAP RATE





# Sales Past 12 Months

Boston - MA Hospitality

Sale Comparables

**20**

Average Price/Room

**\$990K**

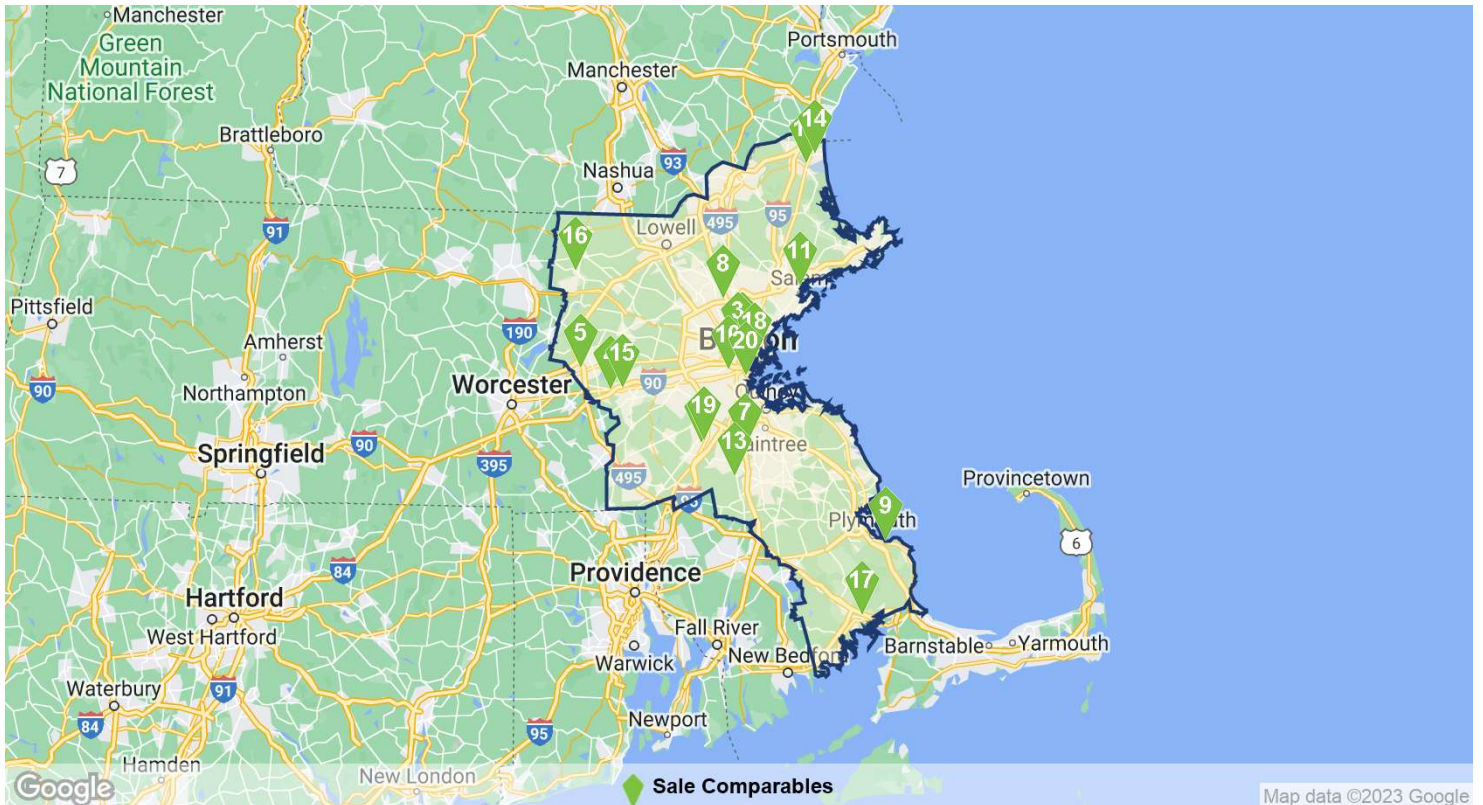
Average Price

**\$114.3M**

Average Cap Rate

**7.2%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$500,000	\$114,281,588	\$6,925,000	\$1,700,000,000
Price/Room	\$38,462	\$990,207	\$111,694	\$2,533,532
Cap Rate	5.9%	7.2%	5.9%	8.5%
Time Since Sale in Months	0.7	8.5	8.8	11.6
Property Attributes	Low	Average	Median	High
Property Size in Rooms	13	127	93	671
Number of Floors	1	5	3	27
Total Meeting Space	375	6,750	6,750	50,000
Year Built	1900	1978	1984	2019
Class	Economy	Upscale	Upper Midscale	Luxury



# Sales Past 12 Months

Boston - MA Hospitality

## RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	<a href="#">Encore Boston Harbor</a> 1 Broadway	Luxury	2019	671	-	12/1/2022	\$1,700,000,000	\$2,533,532
2	<a href="#">Hotel AKA Boston Common</a> 90 Tremont St	Luxury	2001	190	AKA	1/10/2023	\$82,630,000	\$434,895
3	<a href="#">La Quinta Inns &amp; Suites Boston S...</a> 23 Cummings St	Upper Midscale	1999	147	La Quinta Inns & Suites	1/5/2023	\$67,500,000	\$459,184
4	<a href="#">Residence Inn Boston Framingham</a> 400 Staples Dr	Upscale	2000	125	Residence Inn	11/3/2022	\$15,800,000	\$126,400
5	<a href="#">Courtyard Boston Marlborough</a> 75 Felton St	Upscale	1985	202	Courtyard	11/14/2022	\$15,322,000	\$75,851
6	<a href="#">Residence Inn Boston Norwood C...</a> 275 Norwood Park S	Upscale	2006	96	Residence Inn	11/3/2022	\$10,800,000	\$112,500
7	<a href="#">Sonesta Select Boston Stoughton</a> 200 Technology Center Dr	Upscale	1989	152	Sonesta Select	11/22/2022	\$10,000,000	\$65,789
8	<a href="#">Holiday Inn Express Boston North...</a> 315 Mishawum Rd	Upper Midscale	1984	93	Holiday Inn Express	3/24/2023	\$9,500,000	\$102,151
9	<a href="#">Pilgrim Sands Hotel</a> 150 Warren Ave	Upper Midscale	1964	62	-	4/14/2023	\$6,925,000	\$111,694
10	<a href="#">Longwood Inn</a> 123 Longwood Ave	Midscale	1900	22	-	11/1/2022	\$6,050,000	\$275,000
11	<a href="#">Clipper Ship Inn</a> 40 Bridge St	Midscale	1960	60	-	12/22/2022	\$4,450,000	\$74,167
12	<a href="#">The Inn At Ring's Island</a> 175 Bridge Rd	Economy	1960	18	-	9/11/2023	\$4,199,999	\$233,333
13	<a href="#">Stoughton Motel</a> 1919 Washington St	Economy	1950	16	-	5/30/2023	\$2,500,000	\$156,250
14	<a href="#">Beach Road Grove Cabins</a> 104 Beach Rd	Economy	1969	23	-	2/10/2023	\$2,250,000	\$97,826
15	<a href="#">Framingham Inn</a> 1186 Worcester Rd	Midscale	1960	30	-	10/14/2022	\$2,200,000	\$73,333
16	<a href="#">Ayer Motor Inn</a> 18 Fitchburg Rd	Economy	1960	42	-	12/7/2022	\$2,160,000	\$51,429
17	<a href="#">Village Motel</a> 2739 Cranberry Hwy	Economy	1961	13	-	10/31/2022	\$500,000	\$38,462
18	<a href="#">Embassy Suites by Hilton</a> 207 Porter St	Upper Upscale	2003	282	Embassy Suites by Hilton	3/9/2023	-	-
19	<a href="#">Courtyard Boston Norwood/Canton</a> 300 River Ridge Dr	Upscale	1989	147	Courtyard	2/23/2023	-	-
20	<a href="#">Courtyard Boston South-Boston</a> 63 R Boston St	Upscale	2005	164	Courtyard	1/9/2023	-	-

The Boston market experienced a strong rebound in the first half of 2023 after continuing a healthy recovery from the economic conditions brought about by 2020 and 2021. Situated in the United States' northeastern region, Boston is the largest city in New England. Its significant cultural and economic influence on the entire region has earned it the title of the unofficial Capital of New England. The city is renowned for its intellectual and medical prowess, with over 100 colleges and universities in Greater Boston. The area attracts more than a quarter of a million students, who flock to Boston and Cambridge to pursue their academic dreams. Additionally, Boston boasts a rich history, particularly concerning the American Revolution. This is evident in the Boston National Historical Park, a repository for several historic sites from that period.

Boston is a thriving city that boasts numerous technology companies and is recognized as the country's leading hub for biotechnology and life sciences. The city receives more funding from the National Institutes of Health annually than any other city in the United States. Innovation is a significant component of Boston's identity, thanks to its strong academic presence, access to venture capital, and the many high-tech companies operating within the city. The Route 128 corridor and Greater Boston remain significant centers for venture capital investment, and the high-tech industry is an essential sector of the local economy.

However, recent headwinds have impacted Boston's economy, particularly employment, which has significantly improved in the post-pandemic years. Remote work trends continue to affect the Boston office market, and office vacancy rates have steadily risen as companies continue to balance workplace dynamics.

Professional and Technical Services, Information, and Health Care and Social Assistance are job sectors

pushing past pre-pandemic levels. Many of these jobs are connected to Boston's Life Science research cluster, which continues to drive labor demand and real estate investment.

Tourism is a vital part of Boston and Massachusetts's economy. In 2019, Boston received 19.8 million domestic and 2.8 million international visitors, who spent about \$14 billion. International visitors from China made up 24% of Boston's international visitors and spent the most, contributing an estimated \$616 million to the local economy in 2018. The tourism industry is expected to recover as inbound international travel from China, the European Union, and the United Kingdom continues to ramp up to pre-pandemic levels.

Convention and group demand are crucial to the region's economy and the number of jobs it supports. The Boston Convention & Exhibit Center generates an estimated economic impact of \$640 million annually and supports over 5,000 jobs. Due to pandemic-related cancellations in 2020 and 2021, 2023 has fared much better, with the return of many groups to both the Hynes Convention Center and the BCEC. The group travel pace for 2022 was nearly 90% of 2019 levels, and the 2023 pace is expected to surpass 2019 levels, underscoring the strong recovery underway across the region.

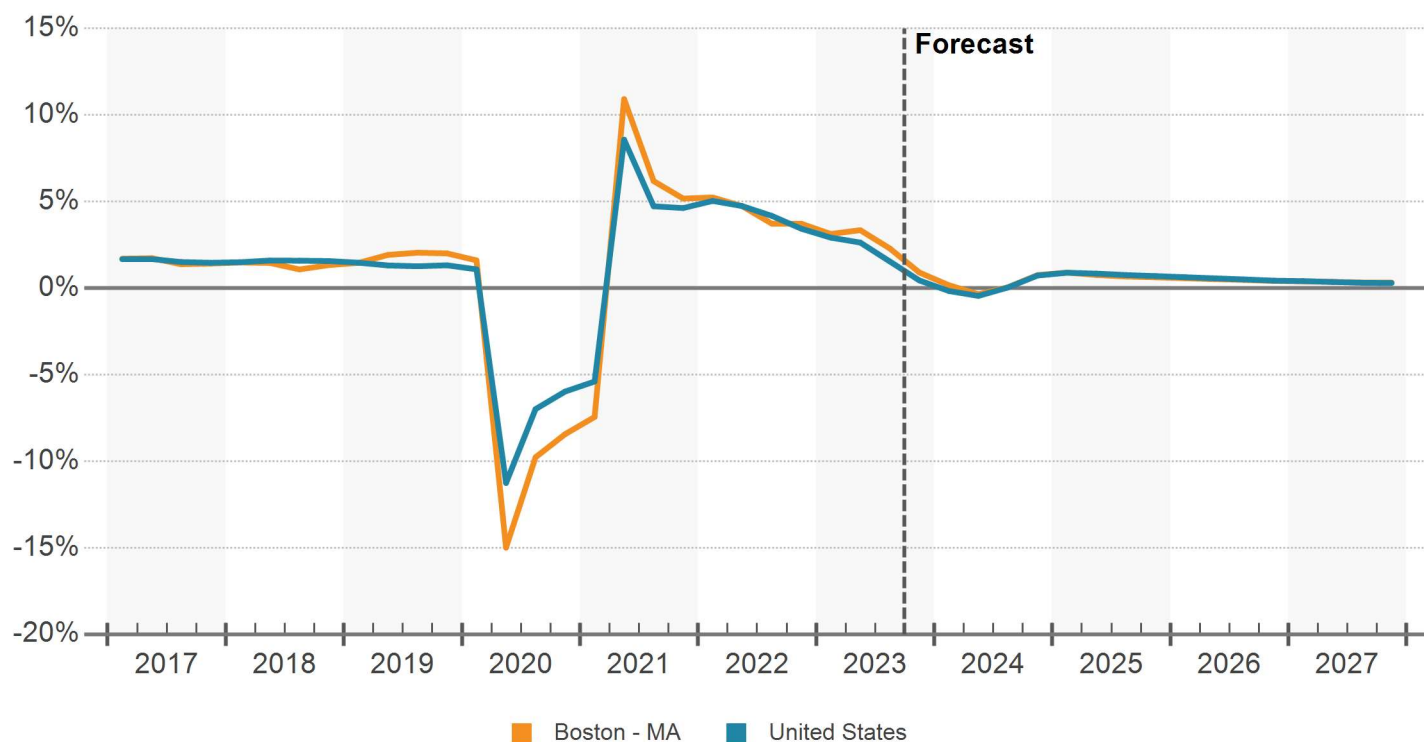
While further recovery in the hospitality industry remains, Boston's economy shows signs of a strong recovery across various sectors. In the year's third quarter and looking ahead into 2024, new challenges present some uncertainty as the Federal Reserve continues to battle against inflation, making securing financing for real estate development more difficult in the high-interest rate environment. Boston's economy has navigated past challenges in the last three years and has continued to emerge in a strong position.

### BOSTON - MA EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	149	0.7	0.21%	0.36%	-0.49%	0.75%	-0.33%	0.06%
Trade, Transportation and Utilities	364	0.7	1.96%	0.33%	0.27%	1.13%	-0.26%	0.10%
Retail Trade	211	0.8	2.18%	0.21%	-0.22%	0.29%	-0.15%	0.10%
Financial Activities	191	1.2	2.23%	0.50%	1.21%	1.43%	0.00%	0.13%
Government	286	0.7	0.14%	1.36%	0.44%	0.31%	0.32%	0.43%
Natural Resources, Mining and Construction	116	0.8	0.49%	1.76%	3.40%	2.39%	1.02%	0.23%
Education and Health Services	577	1.3	2.55%	2.80%	1.65%	1.78%	0.53%	0.69%
Professional and Business Services	537	1.4	2.62%	1.23%	2.52%	2.08%	0.32%	0.37%
Information	85	1.6	-1.01%	-1.49%	1.76%	1.24%	0.58%	0.29%
Leisure and Hospitality	250	0.9	8.41%	4.27%	1.13%	1.52%	1.31%	0.89%
Other Services	96	1.0	-0.06%	1.89%	0.51%	0.62%	0.61%	0.29%
<b>Total Employment</b>	<b>2,652</b>	<b>1.0</b>	<b>2.28%</b>	<b>1.53%</b>	<b>1.29%</b>	<b>1.31%</b>	<b>0.37%</b>	<b>0.38%</b>

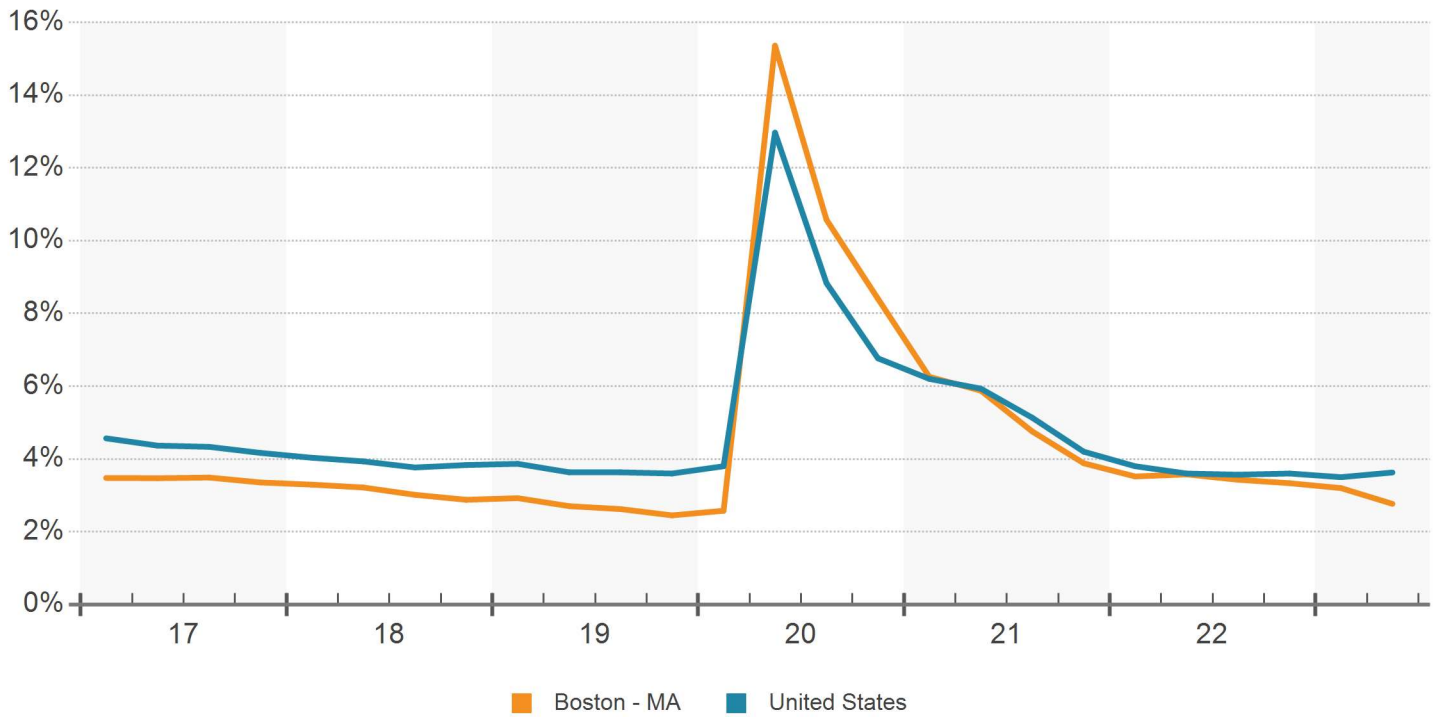
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

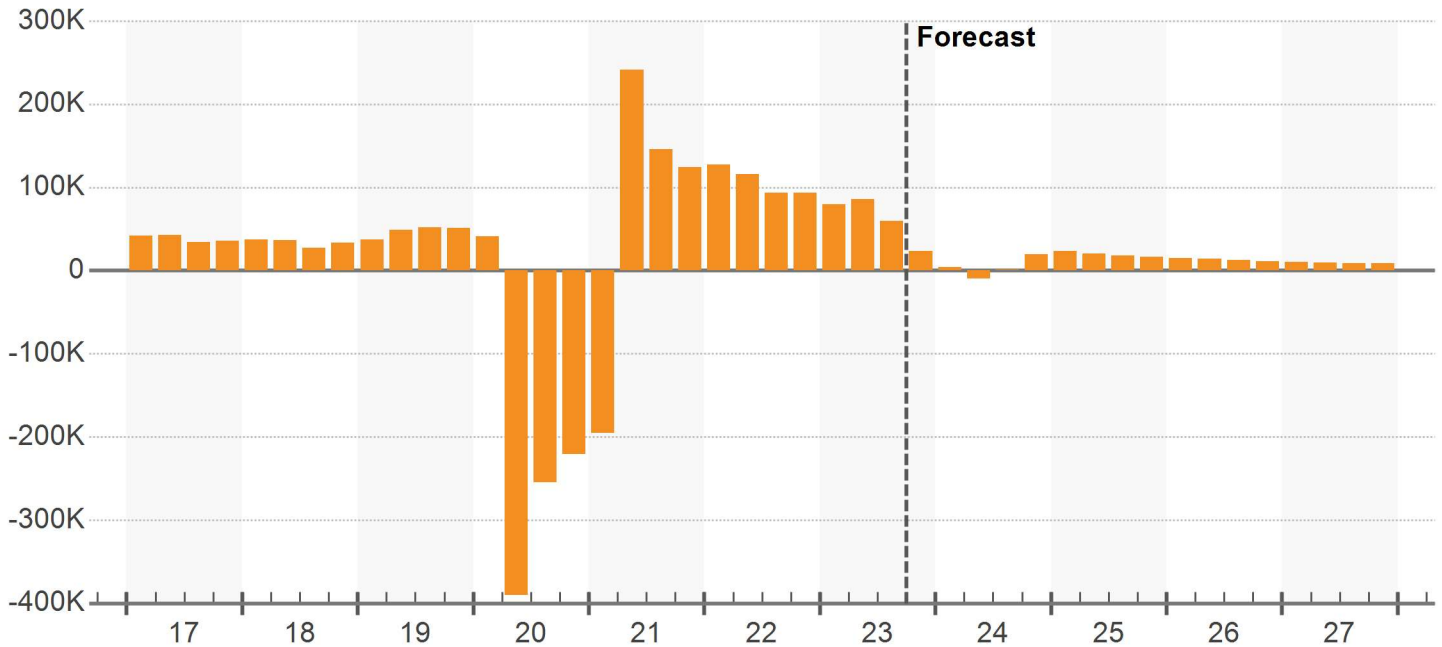


Source: Oxford Economics

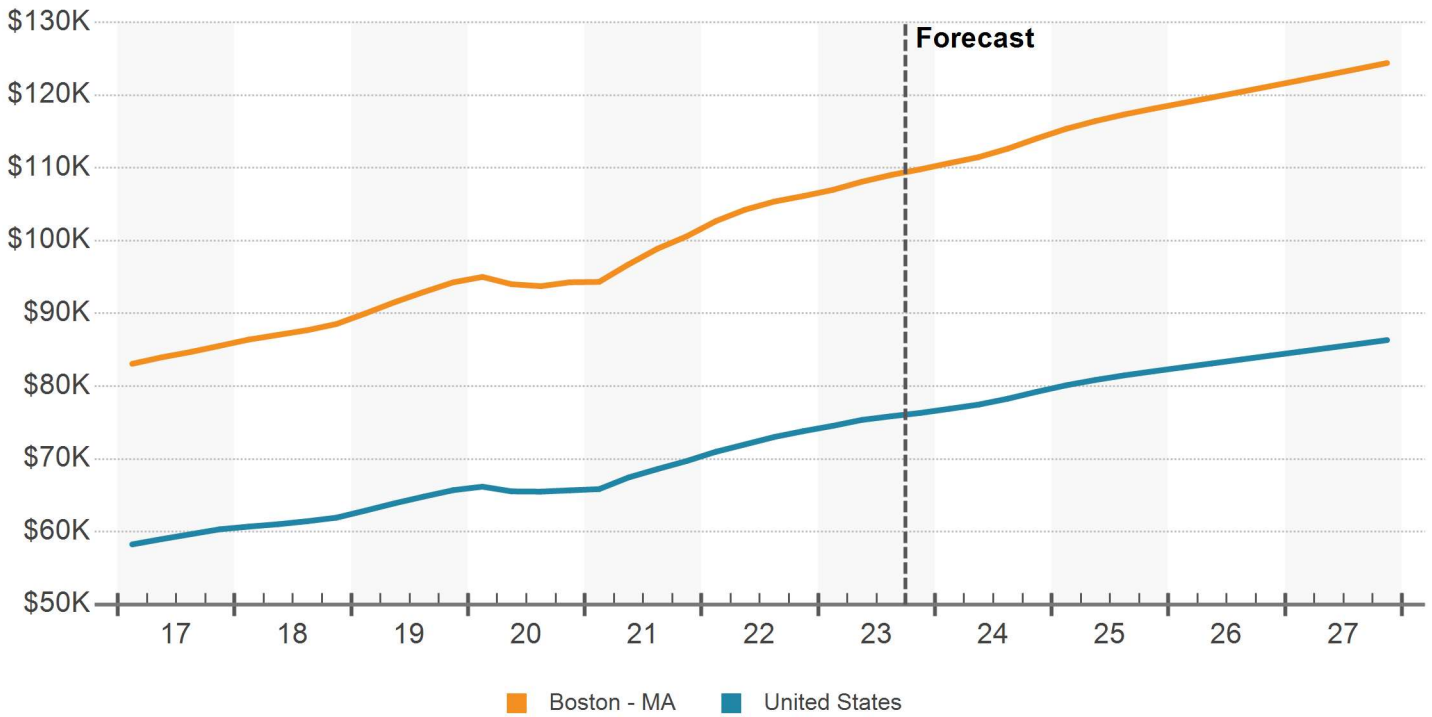
## UNEMPLOYMENT RATE (%)



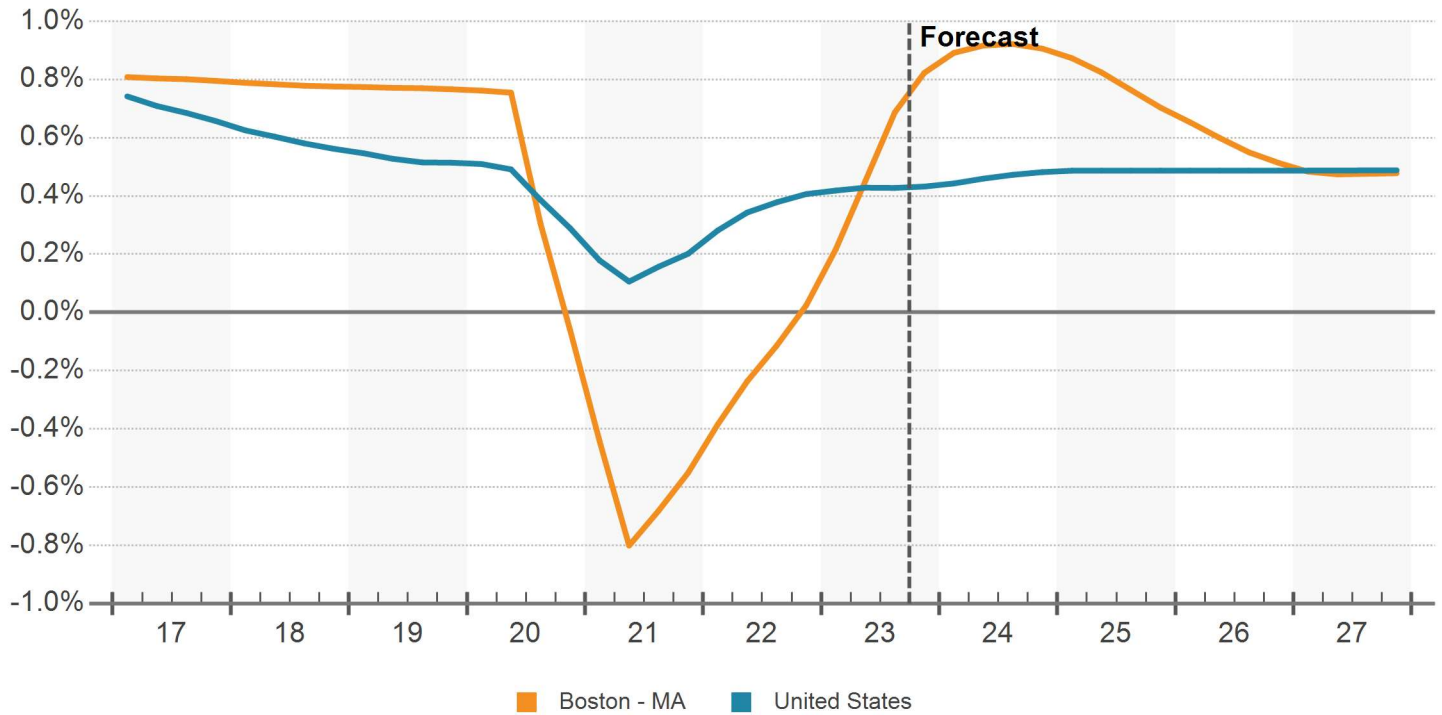
## NET EMPLOYMENT CHANGE (YOY)



## MEDIAN HOUSEHOLD INCOME

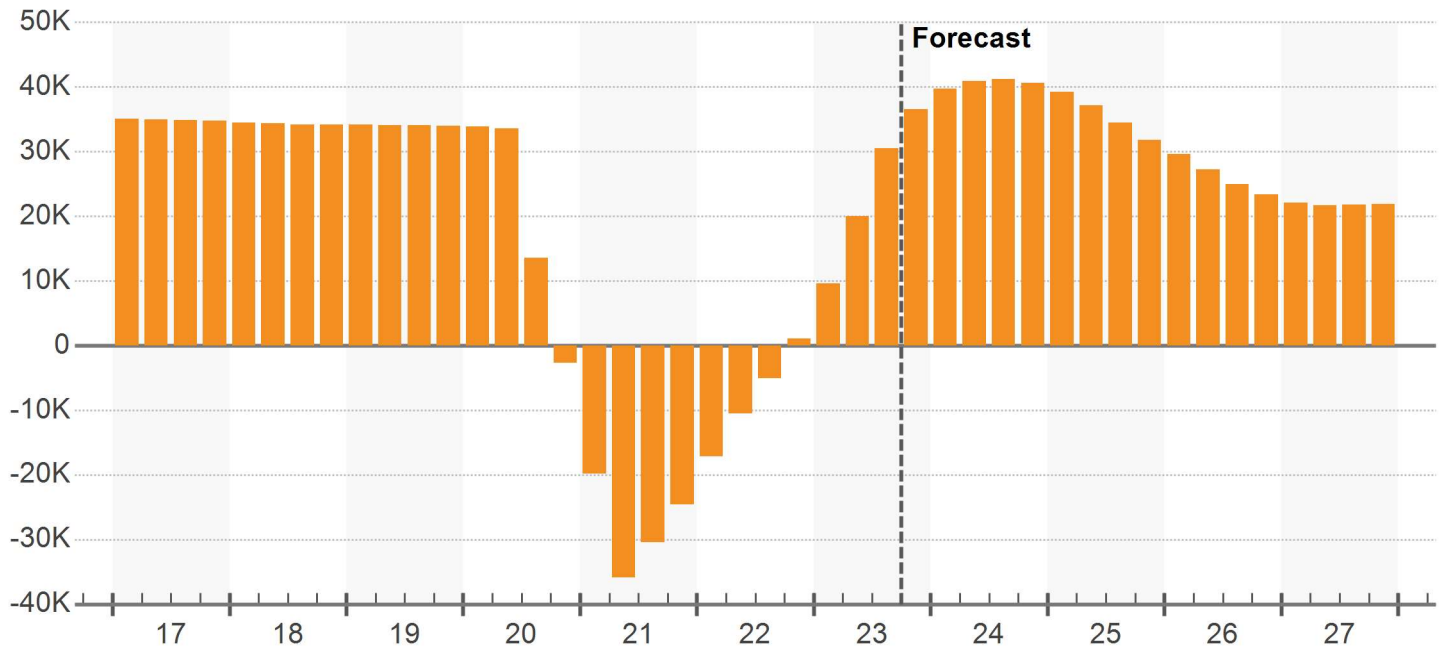


## POPULATION GROWTH (YOY %)





### NET POPULATION CHANGE (YOY)

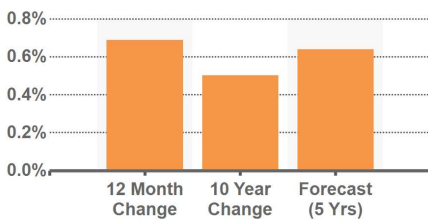


### DEMOGRAPHIC TRENDS

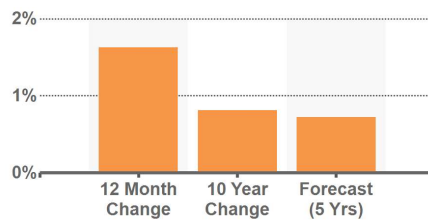
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,466,231	334,732,250	0.7%	0.4%	0.5%	0.5%	0.6%	0.5%
Households	1,765,826	129,995,234	0.9%	0.6%	0.9%	0.9%	0.7%	0.6%
Median Household Income	\$109,026	\$75,872	3.5%	3.9%	4.1%	3.8%	3.1%	3.0%
Labor Force	2,481,429	165,912,781	1.6%	0.9%	0.8%	0.6%	0.7%	0.4%
Unemployment	2.8%	3.6%	-0.7%	0.1%	-0.3%	-0.4%	-	-

Source: Oxford Economics

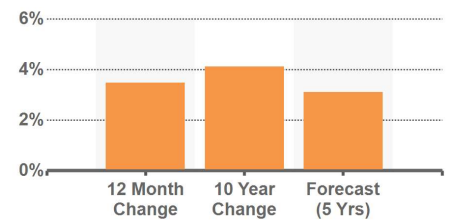
### POPULATION GROWTH



### LABOR FORCE GROWTH



### INCOME GROWTH



Source: Oxford Economics



## SUBMARKET INVENTORY

#	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Rooms	% Market	Rank	Bldgs	Rooms	%	Rank	Bldgs	Rooms	% Market	Rank
1	<a href="#">Andover/Danvers Northeast</a>	87	6,526	10.4%	6	0	0	-	-	0	0	0%	6
2	<a href="#">Boston CBD/Airport</a>	105	25,151	40.1%	1	1	147	0.6%	2	2	463	1.8%	2
3	<a href="#">Boston Southshore</a>	75	6,726	10.7%	5	1	34	0.5%	3	1	107	1.6%	3
4	<a href="#">Cambridge/Waltham</a>	65	9,291	14.8%	2	1	230	2.5%	1	0	0	0%	4
5	<a href="#">Dedham/Marlborough</a>	64	8,088	12.9%	3	0	0	-	-	3	269	3.3%	1
6	<a href="#">Woburn/Tewksbury Northwest</a>	52	6,887	11.0%	4	0	0	-	-	0	0	0%	5

## SUBMARKET PERFORMANCE

#	Submarket	12 Mo Occupancy			12 Mo ADR			12 Mo RevPAR		
		Rank	%	Year Growth	Rank	Per Room	Year Growth	Rank	Per Room	Year Growth
1	<a href="#">Andover/Danvers Northeast</a>	3	68.9%	7.7%	5	\$150.84	10.1%	4	\$103.86	18.6%
2	<a href="#">Boston CBD/Airport</a>	1	75.1%	13.0%	1	\$284.17	9.6%	1	\$213.29	23.8%
3	<a href="#">Boston Southshore</a>	5	67.8%	5.2%	4	\$154.21	8.4%	3	\$104.59	14.0%
4	<a href="#">Cambridge/Waltham</a>	2	70.7%	15.9%	2	\$224.67	13.4%	2	\$158.77	31.5%
5	<a href="#">Dedham/Marlborough</a>	6	64.6%	9.1%	3	\$156.76	11.2%	5	\$101.25	21.3%
6	<a href="#">Woburn/Tewksbury Northwest</a>	4	68.0%	5.4%	6	\$148.35	14.6%	6	\$100.83	20.9%

### OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	23,152,926	0	0%	16,926,377	101,202	0.6%
2026	23,152,926	19,920	0.1%	16,825,175	45,597	0.3%
2025	23,133,006	61,450	0.3%	16,779,578	107,623	0.6%
2024	23,071,556	430,282	1.9%	16,671,955	633,013	3.9%
2023	22,641,274	(76,741)	-0.3%	16,038,942	739,892	4.8%
YTD	14,997,897	(139,749)	-0.9%	10,689,587	700,430	7.0%
2022	22,718,015	1,073,197	5.0%	15,299,050	4,213,857	38.0%
2021	21,644,818	2,410,938	12.5%	11,085,193	4,373,031	65.2%
2020	19,233,880	(2,267,390)	-10.5%	6,712,162	(9,094,959)	-57.5%
2019	21,501,270	571,984	2.7%	15,807,121	89,858	0.6%
2018	20,929,286	747,909	3.7%	15,717,263	867,871	5.8%
2017	20,181,377	535,837	2.7%	14,849,392	351,938	2.4%
2016	19,645,540	639,932	3.4%	14,497,454	(33,398)	-0.2%
2015	19,005,608	243,620	1.3%	14,530,852	386,939	2.7%
2014	18,761,988	(1,471)	0%	14,143,913	414,132	3.0%
2013	18,763,459	140,103	0.8%	13,729,781	365,525	2.7%

### LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	9,112,932	0	0%	6,895,425	37,857	0.6%
2026	9,112,932	0	0%	6,857,568	234	0%
2025	9,112,932	0	0%	6,857,334	107,584	1.6%
2024	9,112,932	48,413	0.5%	6,749,750	297,738	4.6%
2023	9,064,519	(100,436)	-1.1%	6,452,012	408,853	6.8%
YTD	6,021,215	(72,108)	-1.2%	4,322,460	426,975	11.0%
2022	9,164,955	812,784	9.7%	6,043,159	2,309,547	61.9%
2021	8,352,171	1,587,742	23.5%	3,733,612	1,785,260	91.6%
2020	6,764,429	(2,004,161)	-22.9%	1,948,352	(4,910,941)	-71.6%
2019	8,768,590	239,303	2.8%	6,859,293	77,641	1.1%
2018	8,529,287	79,693	0.9%	6,781,652	100,282	1.5%
2017	8,449,594	28,635	0.3%	6,681,370	17,212	0.3%
2016	8,420,959	166,182	2.0%	6,664,158	92,758	1.4%
2015	8,254,777	68,021	0.8%	6,571,400	106,604	1.6%
2014	8,186,756	(24,255)	-0.3%	6,464,796	36,562	0.6%
2013	8,211,011	30,155	0.4%	6,428,234	189,780	3.0%



### UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	11,392,333	0	0%	8,235,880	67,397	0.8%
2026	11,392,333	19,920	0.2%	8,168,483	48,082	0.6%
2025	11,372,413	42,478	0.4%	8,120,401	6,825	0.1%
2024	11,329,935	289,191	2.6%	8,113,576	256,738	3.3%
2023	11,040,744	72,615	0.7%	7,856,838	341,127	4.5%
YTD	7,310,319	4,247	0.1%	5,238,059	318,783	6.5%
2022	10,968,129	324,500	3.0%	7,515,711	1,768,414	30.8%
2021	10,643,629	838,224	8.5%	5,747,297	2,256,383	64.6%
2020	9,805,405	(191,839)	-1.9%	3,490,914	(3,785,741)	-52.0%
2019	9,997,244	502,278	5.3%	7,276,655	178,800	2.5%
2018	9,494,966	692,798	7.9%	7,097,855	712,741	11.2%
2017	8,802,168	501,559	6.0%	6,385,114	366,353	6.1%
2016	8,300,609	461,716	5.9%	6,018,761	93,677	1.6%
2015	7,838,893	169,911	2.2%	5,925,084	277,830	4.9%
2014	7,668,982	76,628	1.0%	5,647,254	298,680	5.6%
2013	7,592,354	152,844	2.1%	5,348,574	206,309	4.0%

### MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	2,647,661	0	0%	1,795,072	(4,052)	-0.2%
2026	2,647,661	0	0%	1,799,124	(2,719)	-0.2%
2025	2,647,661	18,972	0.7%	1,801,843	(6,786)	-0.4%
2024	2,628,689	92,678	3.7%	1,808,629	78,537	4.5%
2023	2,536,011	(48,920)	-1.9%	1,730,092	(10,088)	-0.6%
YTD	1,666,363	(71,888)	-4.1%	1,129,068	(45,328)	-3.9%
2022	2,584,931	(64,087)	-2.4%	1,740,180	135,896	8.5%
2021	2,649,018	(15,028)	-0.6%	1,604,284	331,388	26.0%
2020	2,664,046	(71,390)	-2.6%	1,272,896	(398,277)	-23.8%
2019	2,735,436	(169,597)	-5.8%	1,671,173	(166,583)	-9.1%
2018	2,905,033	(24,582)	-0.8%	1,837,756	54,848	3.1%
2017	2,929,615	5,643	0.2%	1,782,908	(31,627)	-1.7%
2016	2,923,972	12,034	0.4%	1,814,535	(219,833)	-10.8%
2015	2,911,938	5,688	0.2%	2,034,368	2,505	0.1%
2014	2,906,250	(53,844)	-1.8%	2,031,863	78,890	4.0%
2013	2,960,094	(42,896)	-1.4%	1,952,973	(30,563)	-1.5%

## OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	73.1%	0.6%	\$244.09	1.6%	\$178.45	2.2%
2026	72.7%	0.2%	\$240.36	4.6%	\$174.67	4.7%
2025	72.5%	0.4%	\$229.89	2.5%	\$166.75	2.9%
2024	72.3%	2.0%	\$224.28	2.1%	\$162.07	4.1%
2023	70.8%	5.2%	\$219.75	4.1%	\$155.67	9.5%
YTD	71.3%	8.0%	\$217.34	6.5%	\$154.91	15.0%
2022	67.3%	31.5%	\$211.07	35.5%	\$142.14	78.2%
2021	51.2%	46.8%	\$155.76	28.8%	\$79.77	89.0%
2020	34.9%	-52.5%	\$120.97	-39.2%	\$42.21	-71.1%
2019	73.5%	-2.1%	\$198.91	0%	\$146.23	-2.1%
2018	75.1%	2.1%	\$198.93	1.8%	\$149.39	3.9%
2017	73.6%	-0.3%	\$195.37	1.7%	\$143.75	1.5%
2016	73.8%	-3.5%	\$192.01	2.8%	\$141.69	-0.8%
2015	76.5%	1.4%	\$186.80	6.1%	\$142.82	7.6%
2014	75.4%	3.0%	\$176.10	7.5%	\$132.76	10.8%
2013	73.2%	2.0%	\$163.79	3.4%	\$119.85	5.4%

## LUXURY &amp; UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	75.7%	0.6%	\$320.55	1.4%	\$242.55	1.9%
2026	75.3%	0%	\$316.25	4.3%	\$237.98	4.3%
2025	75.2%	1.6%	\$303.35	2.1%	\$228.26	3.7%
2024	74.1%	4.1%	\$297.14	2.4%	\$220.08	6.5%
2023	71.2%	7.9%	\$290.28	1.9%	\$206.62	10.0%
YTD	71.8%	12.3%	\$286.40	3.1%	\$205.60	15.8%
2022	65.9%	47.5%	\$284.86	29.3%	\$187.83	90.7%
2021	44.7%	55.2%	\$220.35	27.7%	\$98.50	98.1%
2020	28.8%	-63.2%	\$172.62	-33.2%	\$49.72	-75.4%
2019	78.2%	-1.6%	\$258.58	0.7%	\$202.28	-0.9%
2018	79.5%	0.6%	\$256.67	1.8%	\$204.08	2.4%
2017	79.1%	-0.1%	\$252.14	2.2%	\$199.37	2.1%
2016	79.1%	-0.6%	\$246.66	0.7%	\$195.20	0.1%
2015	79.6%	0.8%	\$244.86	5.4%	\$194.92	6.3%
2014	79.0%	0.9%	\$232.25	8.3%	\$183.40	9.3%
2013	78.3%	2.7%	\$214.41	2.6%	\$167.86	5.3%

## UPSCALE &amp; UPPER MIDSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	72.3%	0.8%	\$205.65	1.6%	\$148.67	2.4%
2026	71.7%	0.4%	\$202.43	4.9%	\$145.14	5.3%
2025	71.4%	-0.3%	\$193.02	2.3%	\$137.83	2.1%
2024	71.6%	0.6%	\$188.59	1.2%	\$135.05	1.9%
2023	71.2%	3.9%	\$186.30	5.3%	\$132.57	9.4%
YTD	71.7%	6.4%	\$184.15	7.7%	\$131.95	14.6%
2022	68.5%	26.9%	\$176.84	32.2%	\$121.18	67.8%
2021	54.0%	51.7%	\$133.76	22.1%	\$72.23	85.2%
2020	35.6%	-51.1%	\$109.56	-34.0%	\$39.01	-67.7%
2019	72.8%	-2.6%	\$166.01	-1.4%	\$120.83	-4.0%
2018	74.8%	3.1%	\$168.39	3.0%	\$125.88	6.1%
2017	72.5%	0%	\$163.48	2.1%	\$118.59	2.2%
2016	72.5%	-4.1%	\$160.10	3.5%	\$116.09	-0.7%
2015	75.6%	2.6%	\$154.66	7.5%	\$116.90	10.4%
2014	73.6%	4.5%	\$143.84	8.5%	\$105.92	13.4%
2013	70.4%	1.9%	\$132.61	4.0%	\$93.42	6.0%

## MIDSCALE &amp; ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	67.8%	-0.2%	\$126.77	2.8%	\$85.95	2.5%
2026	68.0%	-0.2%	\$123.35	5.9%	\$83.82	5.7%
2025	68.1%	-1.1%	\$116.52	3.6%	\$79.29	2.5%
2024	68.8%	0.9%	\$112.45	3.5%	\$77.37	4.4%
2023	68.2%	1.3%	\$108.68	5.8%	\$74.14	7.3%
YTD	67.8%	0.3%	\$106.97	8.4%	\$72.48	8.7%
2022	67.3%	11.2%	\$102.69	21.9%	\$69.13	35.5%
2021	60.6%	26.7%	\$84.23	15.1%	\$51.01	45.9%
2020	47.8%	-21.8%	\$73.17	-24.8%	\$34.96	-41.2%
2019	61.1%	-3.4%	\$97.27	-6.3%	\$59.43	-9.5%
2018	63.3%	3.9%	\$103.83	7.2%	\$65.69	11.5%
2017	60.9%	-1.9%	\$96.83	-0.3%	\$58.93	-2.3%
2016	62.1%	-11.2%	\$97.15	4.6%	\$60.29	-7.0%
2015	69.9%	-0.1%	\$92.83	6.5%	\$64.86	6.4%
2014	69.9%	6.0%	\$87.15	5.5%	\$60.93	11.8%
2013	66.0%	-0.1%	\$82.58	4.1%	\$54.48	4.0%

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$254,930	192	10.0%
2026	-	-	-	-	-	-	\$236,316	178	10.3%
2025	-	-	-	-	-	-	\$209,417	158	10.7%
2024	-	-	-	-	-	-	\$193,605	146	10.8%
2023	-	-	-	-	-	-	\$199,495	151	9.7%
YTD	7	\$175.5M	0.9%	\$25,072,143	\$319,681	8.5%	\$209,357	158	9.1%
2022	39	\$2.5B	10.1%	\$65,321,499	\$400,430	8.3%	\$192,362	145	9.1%
2021	26	\$504M	4.4%	\$19,386,042	\$180,788	7.3%	\$203,452	154	8.5%
2020	8	\$253.5M	1.3%	\$31,683,318	\$314,475	9.6%	\$255,034	192	8.1%
2019	20	\$1.2B	5.6%	\$60,843,280	\$354,255	6.3%	\$302,544	228	7.9%
2018	20	\$795.8M	5.7%	\$39,788,034	\$240,048	8.8%	\$319,589	241	7.5%
2017	17	\$586.2M	5.0%	\$34,484,143	\$206,655	6.1%	\$311,435	235	7.5%
2016	29	\$1.1B	6.5%	\$37,353,727	\$304,030	8.0%	\$293,235	221	7.5%
2015	42	\$1.1B	10.7%	\$26,728,943	\$198,509	7.0%	\$273,807	207	7.4%
2014	24	\$565.6M	5.3%	\$23,566,932	\$205,302	10.2%	\$243,750	184	7.5%
2013	14	\$717M	5.7%	\$51,213,993	\$243,217	6.1%	\$214,194	162	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### LUXURY & UPPER UPSCALE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$416,411	195	9.2%
2026	-	-	-	-	-	-	\$386,006	181	9.4%
2025	-	-	-	-	-	-	\$342,068	160	9.8%
2024	-	-	-	-	-	-	\$316,240	148	9.9%
2023	-	-	-	-	-	-	\$325,862	153	8.9%
YTD	1	\$82.6M	0.8%	\$82,630,000	\$434,895	-	\$341,970	160	8.4%
2022	6	\$2.1B	10.3%	\$357,337,500	\$822,095	7.1%	\$312,983	146	8.4%
2021	4	\$111.7M	2.7%	\$27,926,812	\$162,602	6.8%	\$328,421	154	7.8%
2020	2	\$116M	1.1%	\$58,000,000	\$421,818	-	\$414,000	194	7.4%
2019	8	\$1B	8.2%	\$128,503,692	\$508,926	4.8%	\$491,273	230	7.2%
2018	7	\$512.4M	7.3%	\$73,202,857	\$297,573	8.3%	\$516,193	242	6.9%
2017	2	\$265M	3.2%	\$132,500,000	\$358,593	4.3%	\$502,800	235	6.9%
2016	11	\$739.3M	6.1%	\$67,211,147	\$522,859	5.3%	\$475,267	222	6.9%
2015	11	\$767.7M	10.0%	\$69,791,759	\$339,362	6.7%	\$447,412	209	6.7%
2014	6	\$375.3M	4.0%	\$62,541,667	\$417,408	-	\$395,522	185	6.8%
2013	6	\$599.7M	8.3%	\$99,951,167	\$321,736	6.1%	\$345,120	162	7.1%

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### UPSCALE & UPPER MIDSACLE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$164,979	187	10.5%
2026	-	-	-	-	-	-	\$152,932	173	10.8%
2025	-	-	-	-	-	-	\$135,524	153	11.3%
2024	-	-	-	-	-	-	\$125,291	142	11.3%
2023	-	-	-	-	-	-	\$129,104	146	10.2%
YTD	3	\$83.9M	1.0%	\$27,975,000	\$277,897	8.5%	\$135,486	153	9.6%
2022	21	\$342.8M	9.8%	\$16,325,061	\$114,581	6.0%	\$125,402	142	9.6%
2021	15	\$366.5M	5.4%	\$24,434,990	\$219,345	7.8%	\$134,567	152	8.9%
2020	2	\$109.8M	0.9%	\$54,875,000	\$432,087	9.9%	\$167,307	189	8.6%
2019	8	\$155.4M	3.7%	\$19,422,354	\$145,622	10.5%	\$198,334	225	8.3%
2018	9	\$280.2M	5.5%	\$31,134,607	\$189,845	9.0%	\$212,801	241	7.8%
2017	12	\$313.3M	7.8%	\$26,108,369	\$158,733	7.2%	\$207,711	235	7.8%
2016	14	\$322.1M	7.7%	\$23,009,373	\$176,510	8.4%	\$194,162	220	7.8%
2015	26	\$323.8M	13.3%	\$12,453,013	\$110,693	7.8%	\$178,464	202	7.8%
2014	9	\$151.1M	5.2%	\$16,790,484	\$136,139	9.0%	\$160,983	182	7.8%
2013	6	\$112.5M	4.6%	\$18,758,150	\$115,316	-	\$143,453	162	8.0%

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### MIDSCALE & ECONOMY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$84,850	198	10.6%
2026	-	-	-	-	-	-	\$78,655	183	10.9%
2025	-	-	-	-	-	-	\$69,701	163	11.4%
2024	-	-	-	-	-	-	\$64,439	150	11.4%
2023	-	-	-	-	-	-	\$66,399	155	10.3%
YTD	3	\$8.9M	0.8%	\$2,983,333	\$157,018	-	\$69,682	162	9.7%
2022	12	\$60.7M	10.7%	\$5,057,264	\$79,642	12.8%	\$64,336	150	9.6%
2021	7	\$25.8M	5.8%	\$3,686,429	\$60,012	-	\$68,747	160	9.0%
2020	4	\$27.7M	3.7%	\$6,929,137	\$100,060	9.0%	\$84,120	196	8.7%
2019	4	\$33.5M	4.7%	\$8,364,308	\$96,141	6.5%	\$99,871	233	8.4%
2018	4	\$3.1M	1.5%	\$782,306	\$26,745	-	\$100,968	235	8.3%
2017	3	\$7.9M	1.5%	\$2,643,333	\$63,952	-	\$97,715	228	8.3%
2016	4	\$21.8M	4.0%	\$5,451,060	\$67,297	10.1%	\$91,658	214	8.3%
2015	5	\$31.1M	5.9%	\$6,225,581	\$66,513	-	\$85,193	199	8.2%
2014	9	\$39.2M	9.4%	\$4,360,222	\$52,603	11.9%	\$76,377	178	8.3%
2013	2	\$4.7M	1.3%	\$2,370,000	\$43,889	-	\$67,026	156	8.5%

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### DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	448	62,669	-0.4%	2	181	1	173	6	839
2022	447	62,914	-0.7%	4	773	(2)	65	6	851
2021	450	63,329	3.2%	7	1,938	4	1,807	7	1,084
2020	446	61,377	0.6%	9	1,114	3	923	13	2,810
2019	445	60,985	4.4%	16	2,870	10	2,591	14	2,939
2018	431	58,399	3.2%	12	1,592	8	1,452	22	4,677
2017	419	56,599	2.9%	13	1,850	12	1,733	21	3,497
2016	408	55,026	4.5%	16	2,303	13	2,243	18	3,197
2015	392	52,653	1.7%	7	831	6	818	19	2,978
2014	384	51,756	0%	2	173	0	58	11	1,414
2013	384	51,774	0.6%	4	447	(1)	202	3	503