



Hospitality Market Report

Boston - MA (USA)

PREPARED BY



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HOSPITALITY MARKET REPORT

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12 Mo Occupancy

72.9%

12 Mo ADR

\$224.60

12 Mo RevPAR

\$163.76

12 Mo Supply

22.4M

12 Mo Demand

16.3M

The hotel industry in Boston has been performing remarkably well in the past year and has a positive outlook for 2024. As of February, RevPAR and ADR are at historic peaks at \$164 and \$220, respectively. However, year-over-year topline performance growth slowed since the second quarter of 2023 as traveler trends normalized. The Boston hotel industry faced challenges in demand due to slower weekday travel from the return to the office. Still, due to lower supply and steady demand growth from leisure over weekends in the last year, occupancy rates have improved in the past 12 months, reaching 98% of 2019 peaks.

The industry is expected to remain strong in 2024, with leisure travel predicted to normalize gradually and group and business travel continuing their return to the market. Room rates will remain historically elevated but are expected to slow down. Supply-side pressures from new rooms' inventory entering the market will likely slow occupancy growth but generate pricing power for increased rate growth, sustaining RevPAR growth above past peaks and national levels.

Hotel construction in the Boston area was generally muted through 2023, with over 300 room deliveries for the year. New deliveries included mostly mid-tier hotels, although one new luxury class hotel, the Raffles Boston, was added in September 2023. The 2024 pipeline is looking up, as 780 rooms are under construction, with over 2,000 rooms sitting in final planning through 2027. Boston's hotel development is primarily driven by its diverse demand generators, including its profile as a business hub for large companies, two major convention

centers, The Boston Convention & Exhibition Center (BCEC) and the Hynes Convention Center, and international inbound travel and sports tourism.

In 2023, the market witnessed a significant event with the sale of the Sheraton Boston, comprising 792 rooms. This was one of the largest sales last year and had a notable impact on the market dynamics. However, due to the current economic climate, the transaction activity was much less active than in previous years as buyers are waiting for more favorable terms, possibly this year, as interest rates are expected to be lowered.

There are 26 properties in the market with CMBS loans maturing in the next two years. Fourteen properties are on the current distress watchlist, with one in special servicing.

The Boston hotel industry, like any other, faced its share of challenges. The return to the office led to slower weekday travel, impacting the demand. However, the industry's resilience was evident as due to lower supply and steady demand growth in the past year; occupancy rates have improved in the past 12 months, reaching 98% of 2019 peaks. The industry is expected to remain strong in 2024, with leisure travel predicted to normalize gradually and group and business travel continuing their return to the market. Room rates will remain elevated to historical levels but grow moderately as supply-side pressures from new rooms enter the market and demand softens. Despite this, the Boston hotel industry is expected to perform well in 2024, with mid-year RevPAR forecast to maintain healthy growth.

KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	25,553	73.3%	\$293.61	\$215.16	147	0
Upscale & Upper Midscale	29,749	73.1%	\$190.04	\$138.91	272	706
Midscale & Economy	7,121	70.8%	\$115.08	\$81.43	34	79
Total	62,423	72.9%	\$224.60	\$163.76	453	785

Overview

Boston Hospitality

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	61.1%	57.7%	57.4%	72.9%	60.5%	76.1%
Occupancy Change	8.6%	8.5%	8.4%	6.2%	-0.6%	1.3%
ADR	\$166.96	\$165.67	\$162.21	\$224.60	\$193.17	\$237.35
ADR Change	6.6%	4.8%	4.7%	5.8%	2.5%	2.3%
RevPAR	\$102.01	\$95.60	\$93.11	\$163.76	\$116.91	\$180.58
RevPAR Change	15.8%	13.7%	13.4%	12.3%	1.9%	3.6%

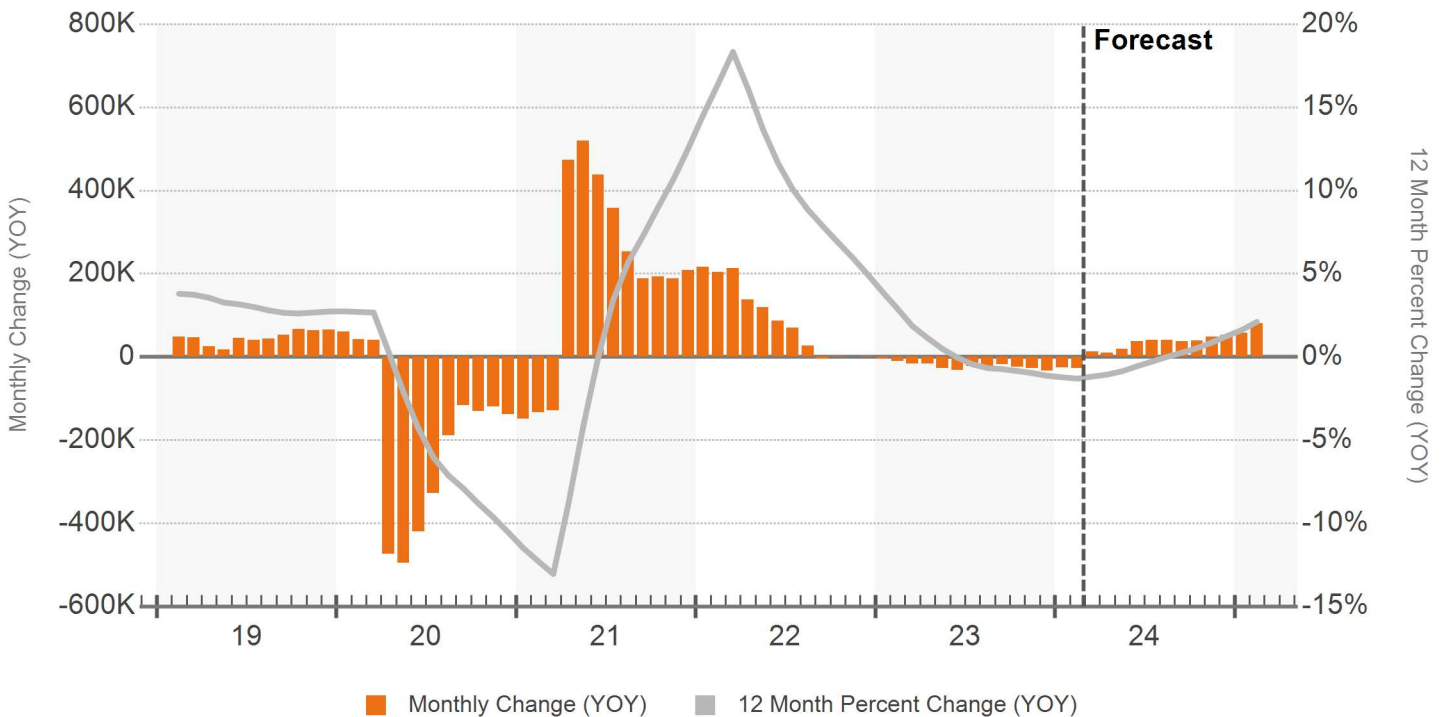
During the first two months of 2023, Boston's hotels saw a significant increase in performance compared to the same period in the previous year. However, travel patterns started to return to normal, and topline metrics slowed down in the second quarter of 2023. Despite this, RevPAR increased by 12.3%, reaching a new record high of \$164 in February. This was due to ADR's growth of 5.8%, pushing it to reach a new 12-month record of \$220. Occupancy remained steady at 72% through 23Q4 to the end of December, with a 12-month average of 73.3%, representing 98% of the peak level seen in 2019.

The resurgence of weekday business travel further bolstered this, as many significant corporations initiated a return-to-office policy, increasing office demand. Moreover, groups traveling for conferences and conventions started returning to the market in 2023, with 23Q4 providing the most optimism for a return; when the hotel industry in Boston experienced a boost in its performance due to the return of leisure demand, mainly during weekends. group demand exceeded 2019's quarterly peaks by 7% on a monthly average. However, the total number of groups traveling to the market is still about 10% lower year to date than 2019 levels, where it might remain in the short-term due to renovations at the Hynes Convention Center, one of two convention centers located in the Boston CBD/Airport Submarket.

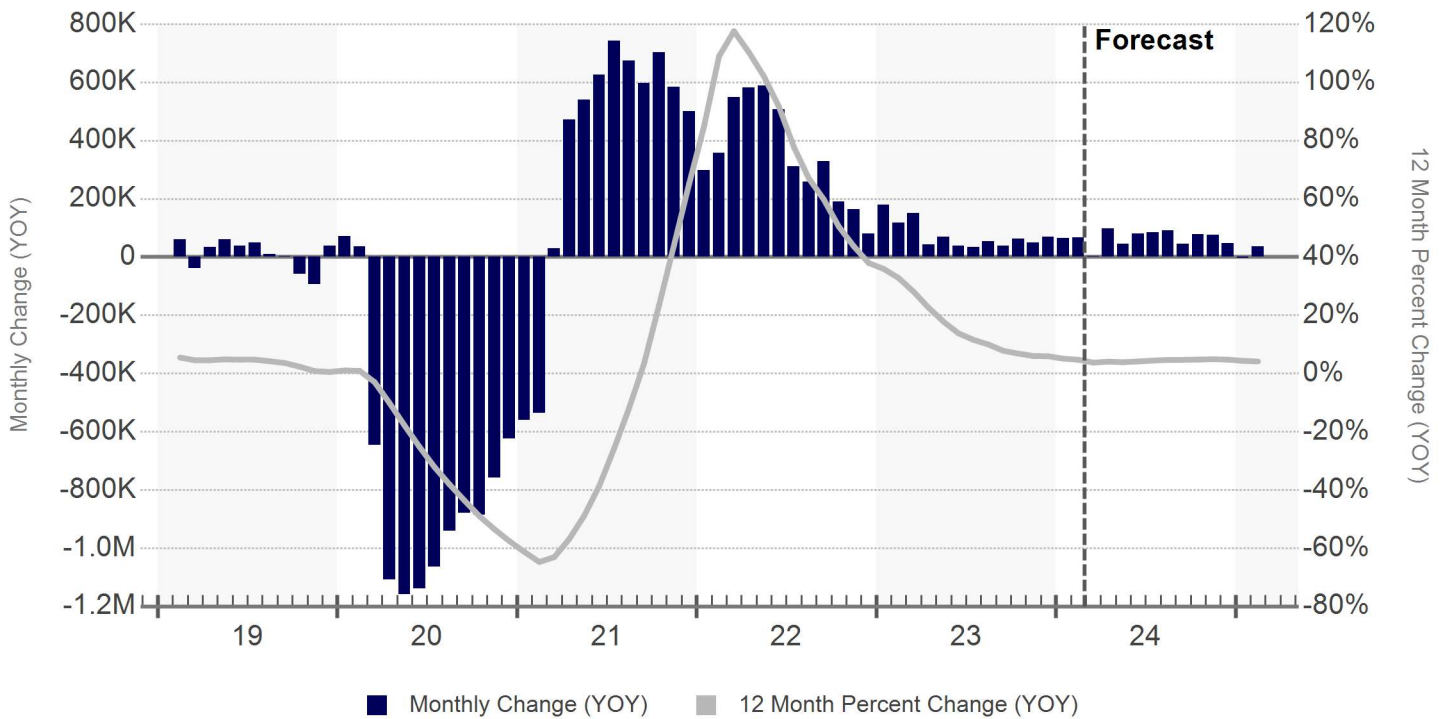
Boston's Seaport District, CBD/Airport, and districts such as Back Bay and Cambridge are booming with new developments driving interest in new hotel growth. This, combined with Boston's primary major headquarters operations, such as General Electric, John Hancock, Wayfair, and Fidelity, will continue to drive new supply to Boston submarkets and the CBD/Airport area. Boston is also home to two major convention centers, the Boston Convention & Exhibition Center (BCEC) and the aforementioned Hynes Convention Center, located in the Boston CBD/Airport Submarket: Approximately 50% of total market demand and 60% of group demand is drawn to the CBD/Airport Submarket. It is providing a significant boost for the hotels in that area and aiding it to be one of Boston's top-performing submarkets.

The Boston market can remain optimistic despite the economic headwinds and moderating performance levels. Steady performance is expected to stay above historic peaks, creating a favorable environment for hotels and potential investors. While leisure travel will gradually normalize from increased outbound travel options and softening economic growth, 2024 can expect group, business, and international travel to reemerge as return-to-office mandates grow and consumers and enterprises prioritize travel spending.

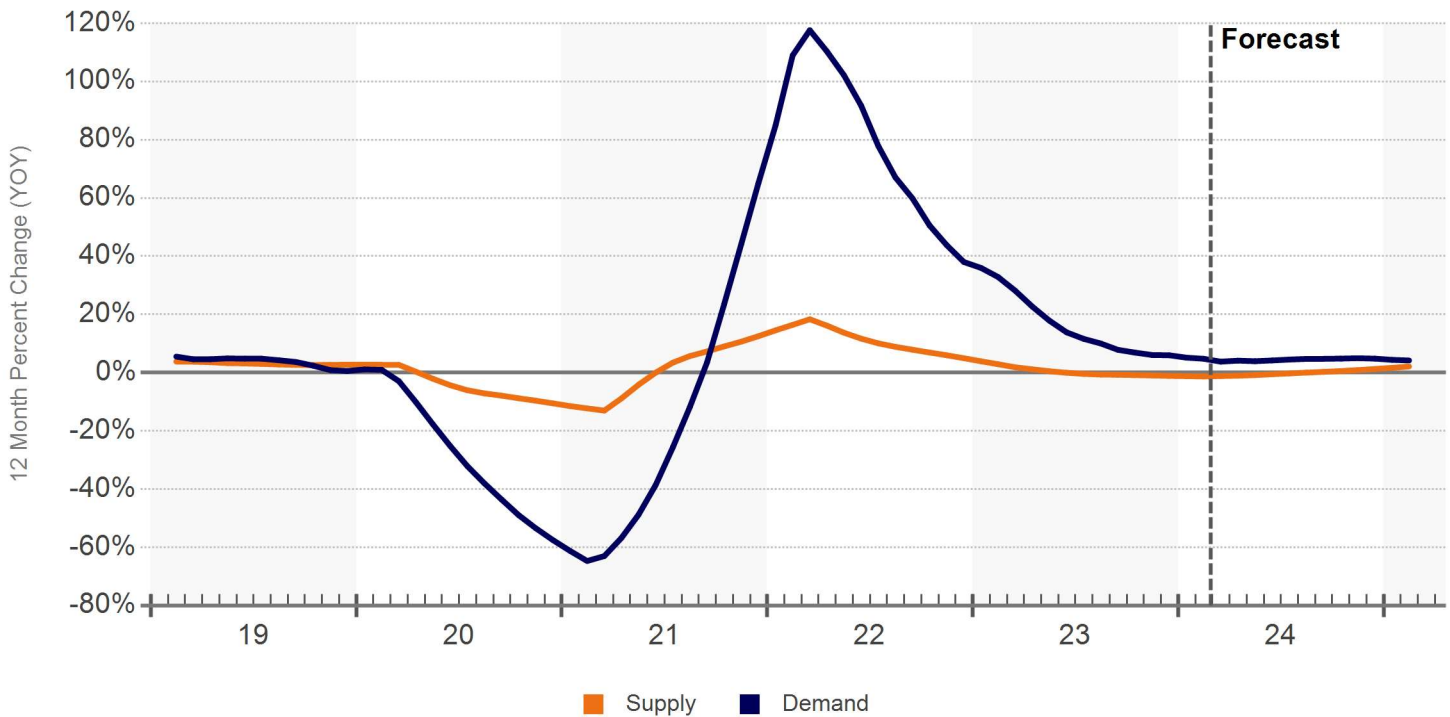
SUPPLY CHANGE



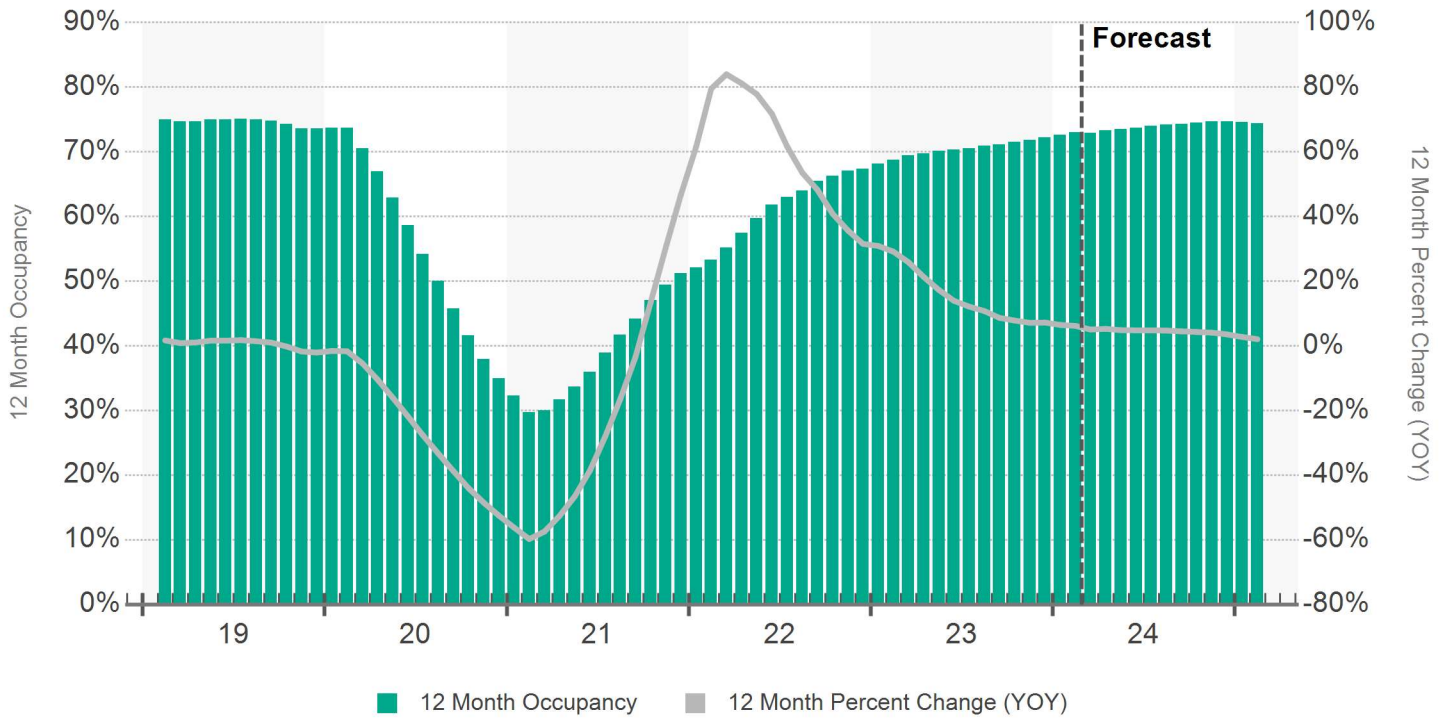
DEMAND CHANGE



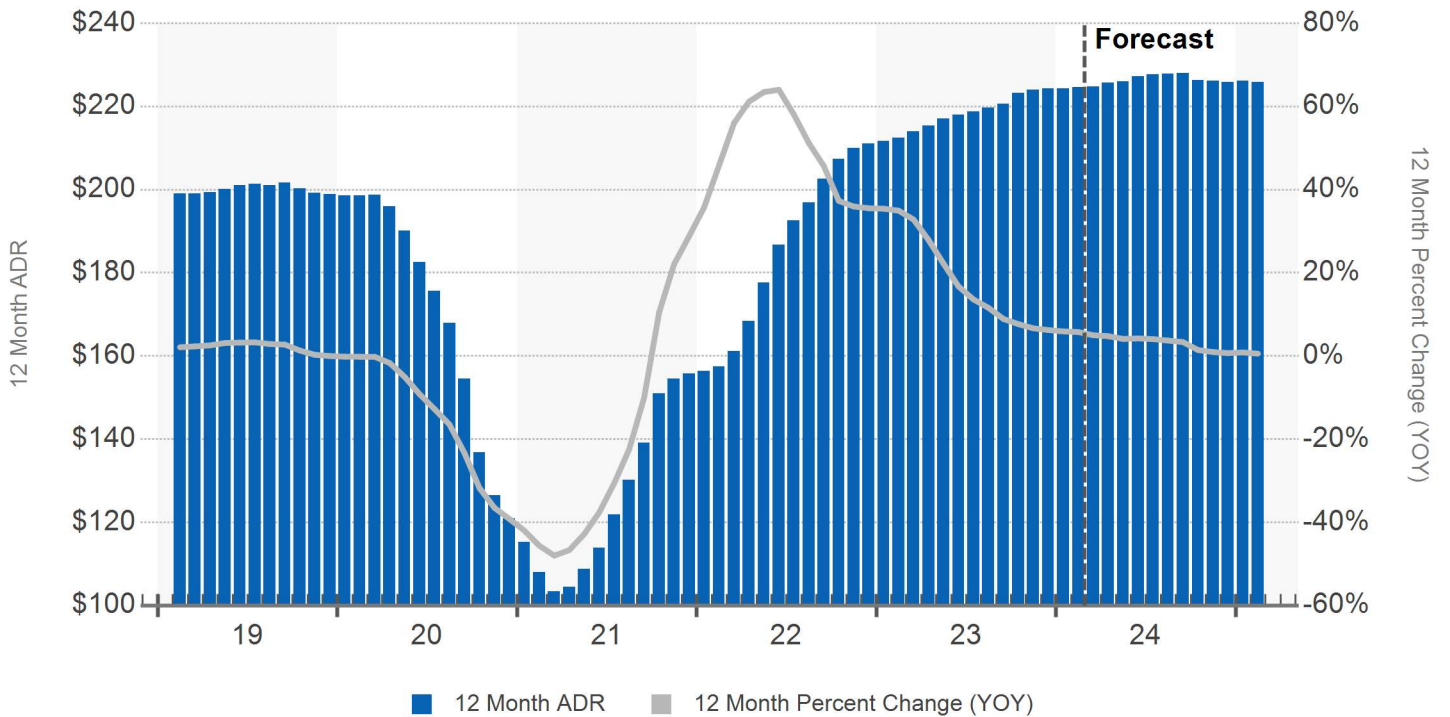
SUPPLY & DEMAND CHANGE



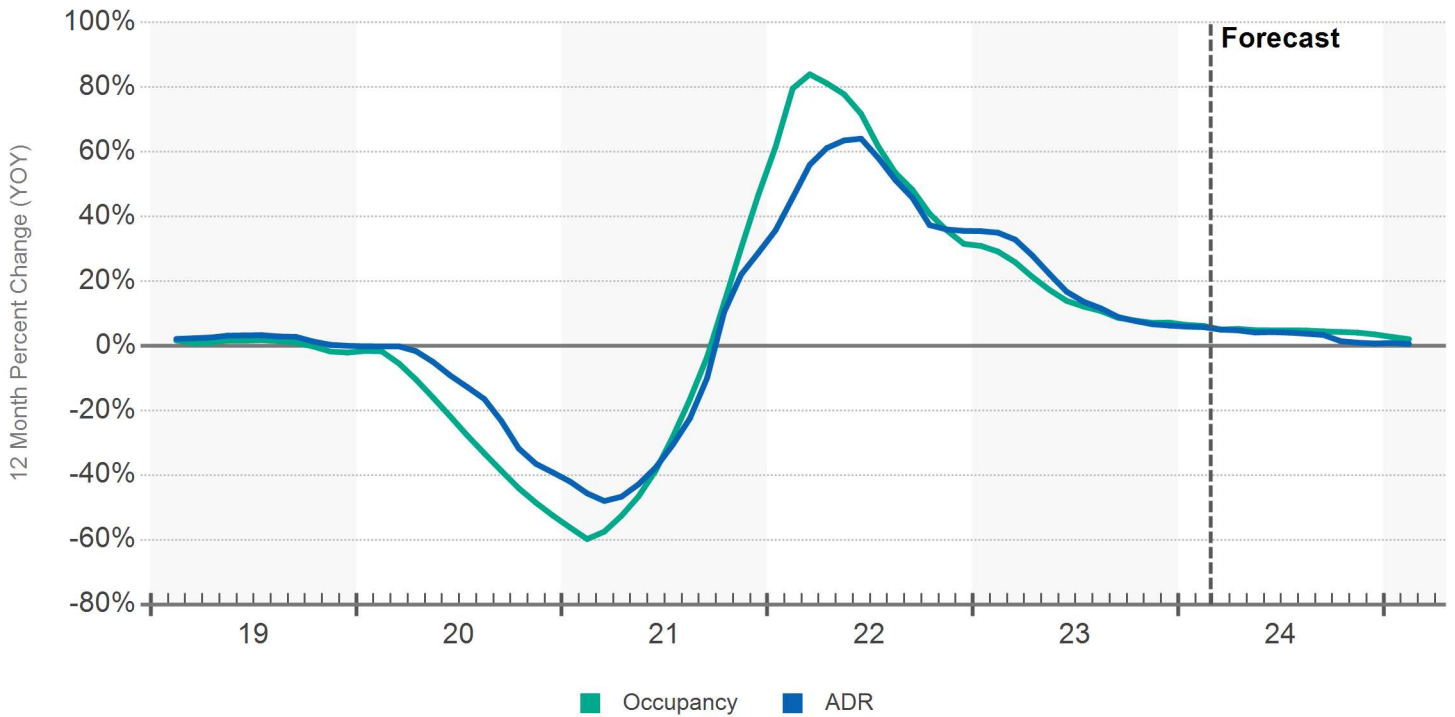
OCCUPANCY



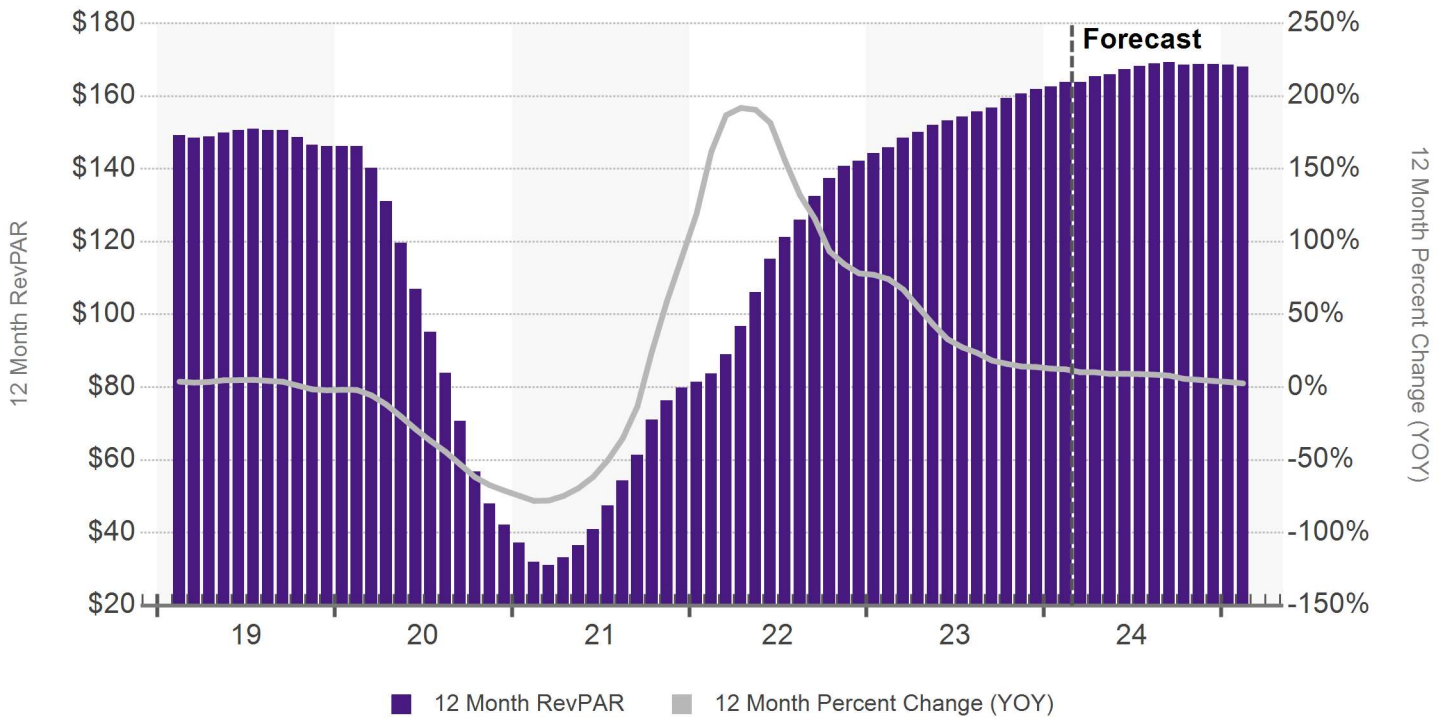
ADR



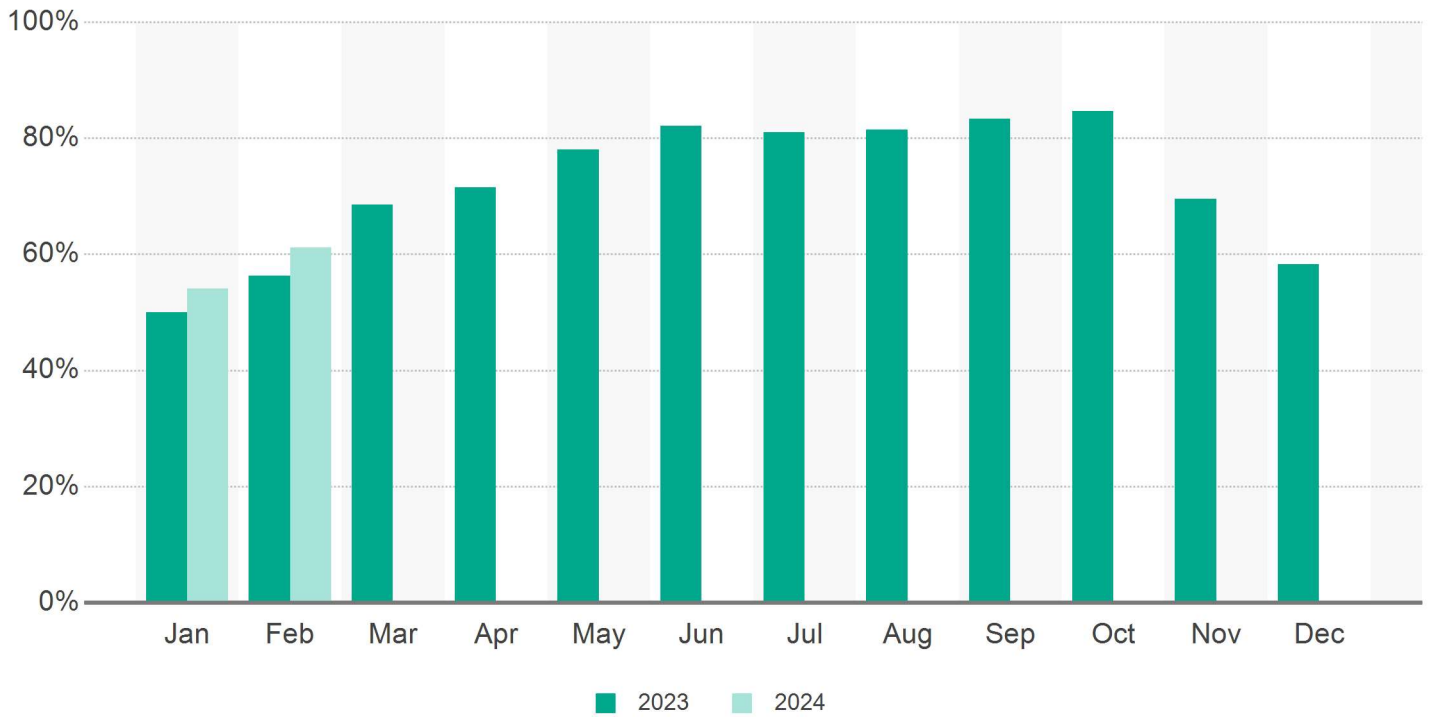
OCCUPANCY & ADR CHANGE



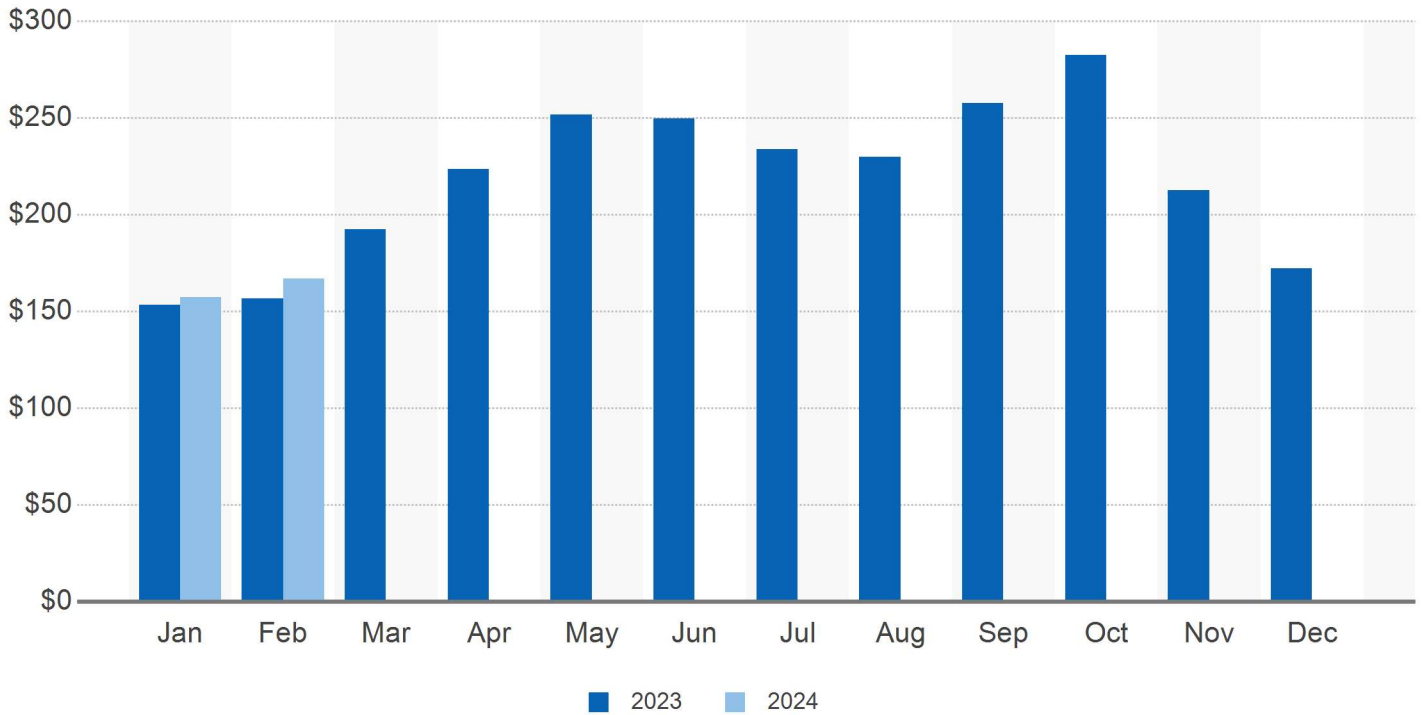
REVPAR



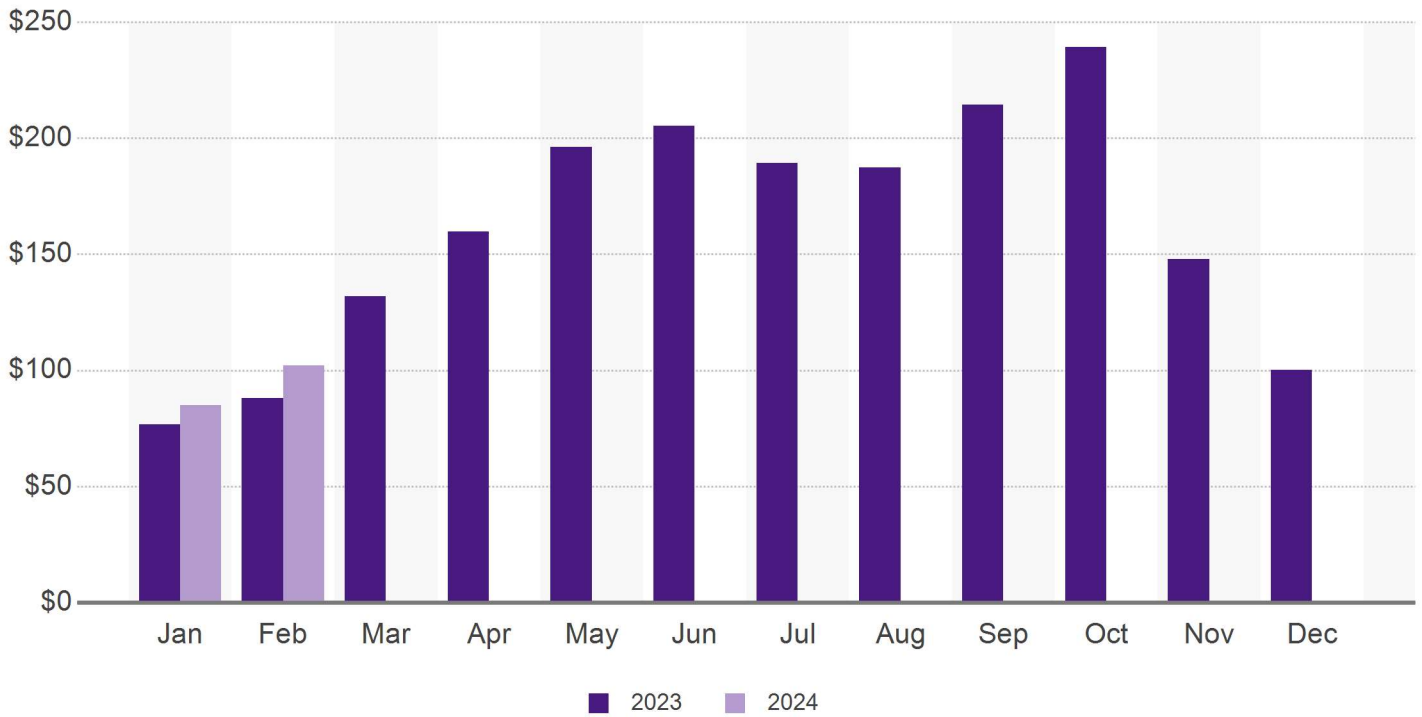
OCCUPANCY MONTHLY



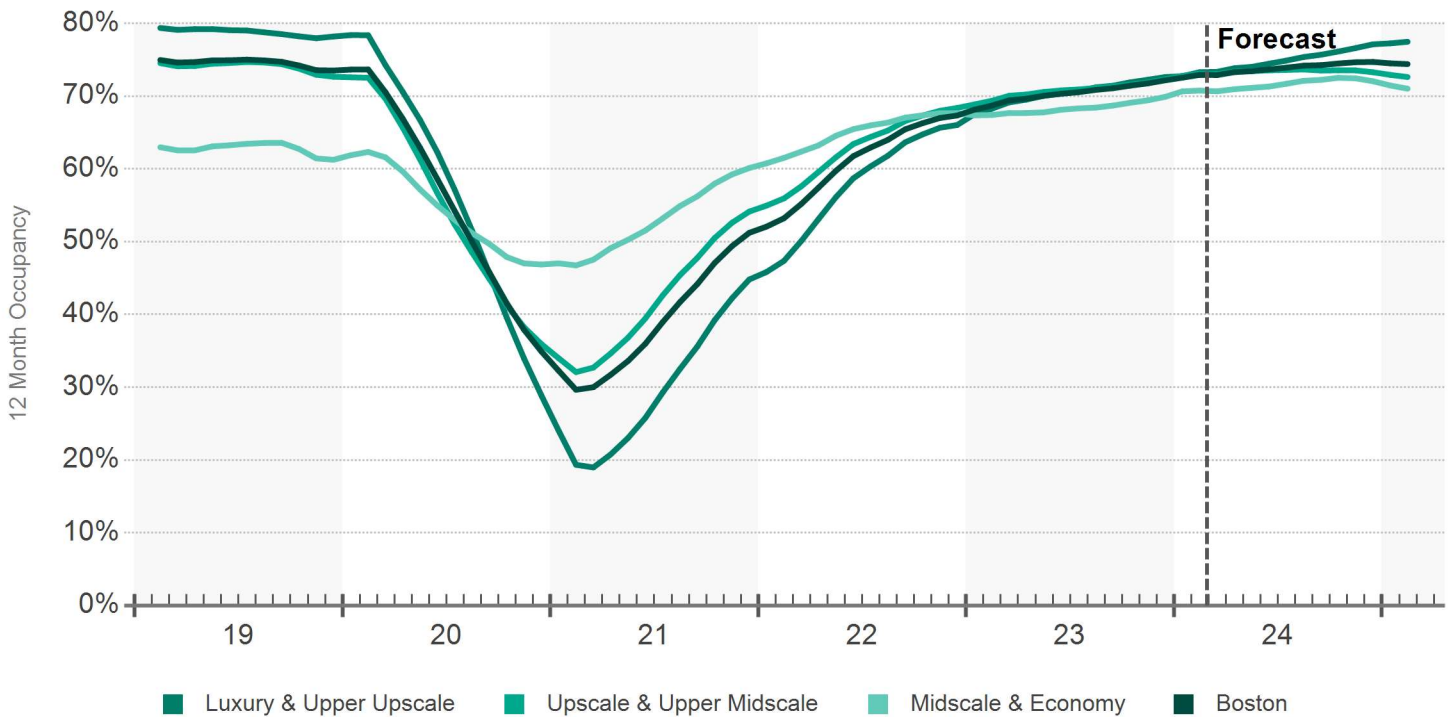
ADR MONTHLY



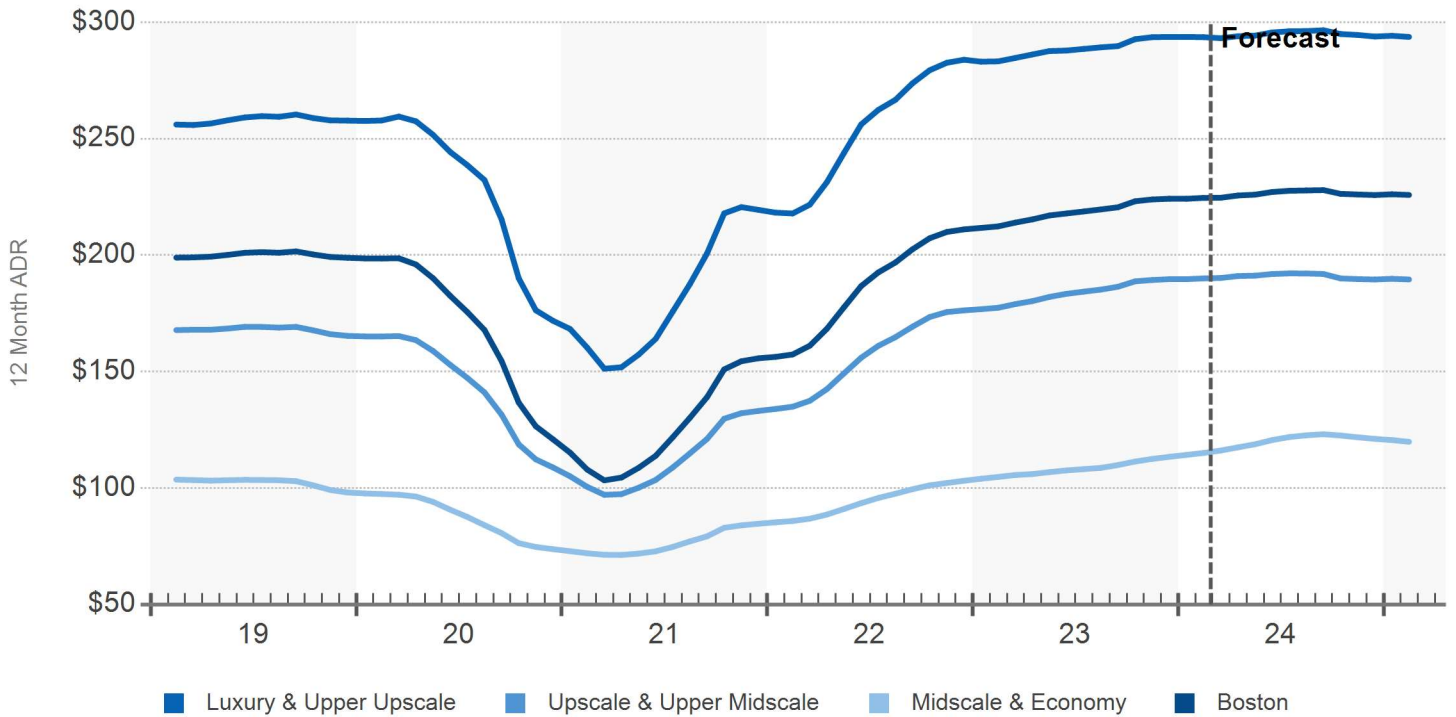
REVPAR MONTHLY



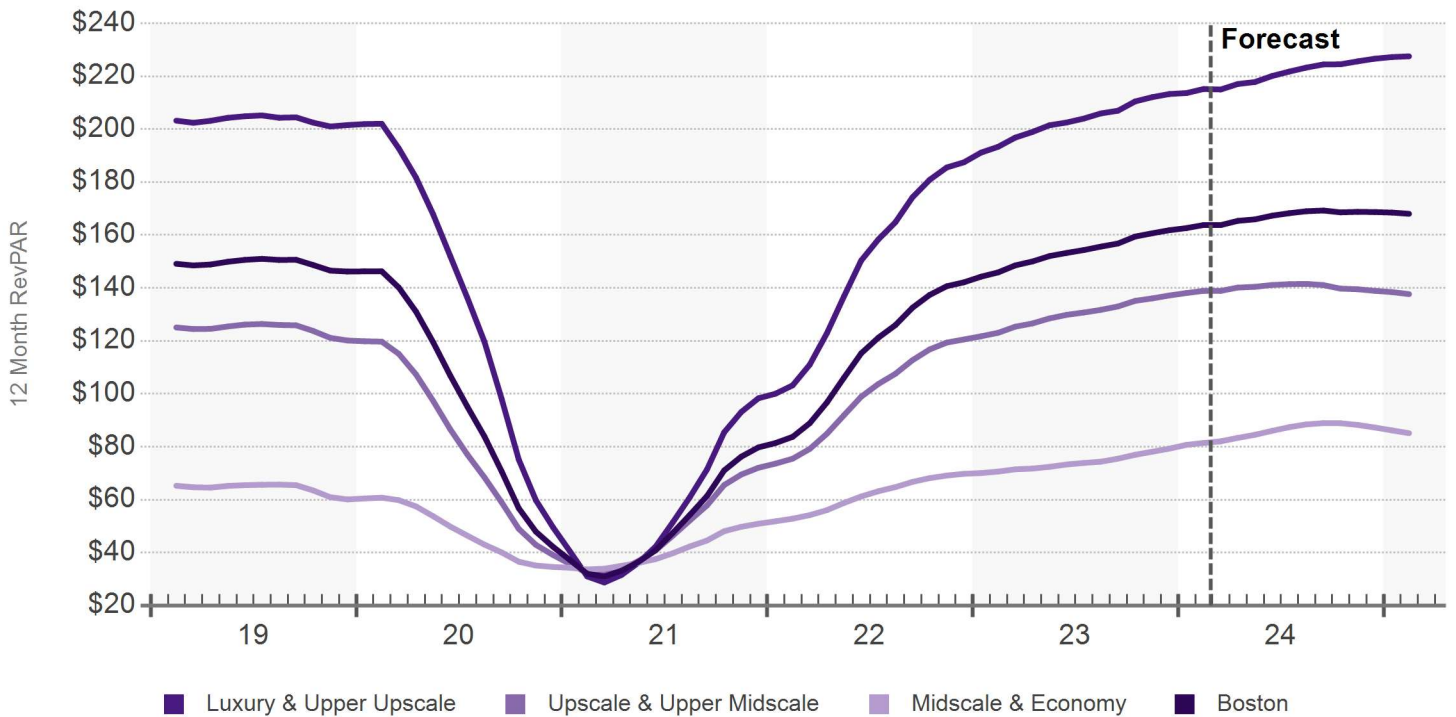
OCCUPANCY BY CLASS



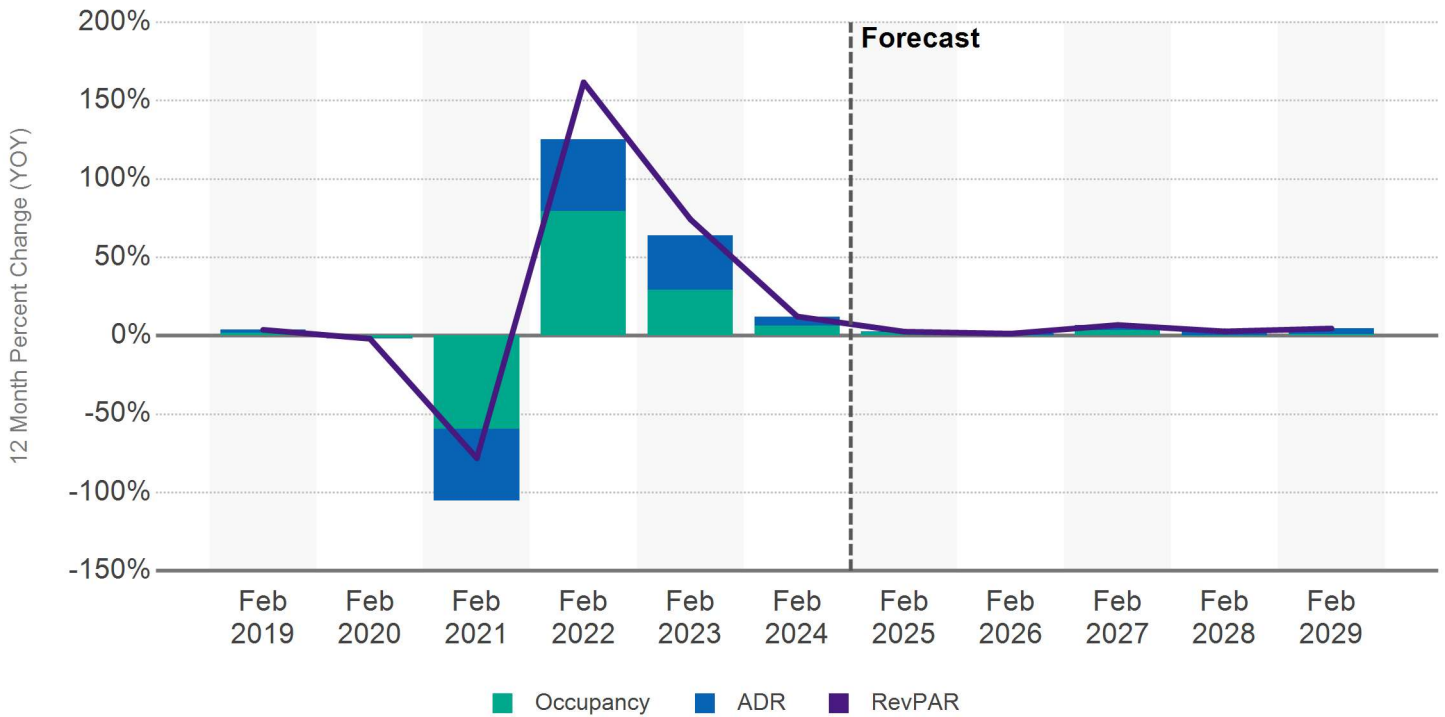
ADR BY CLASS



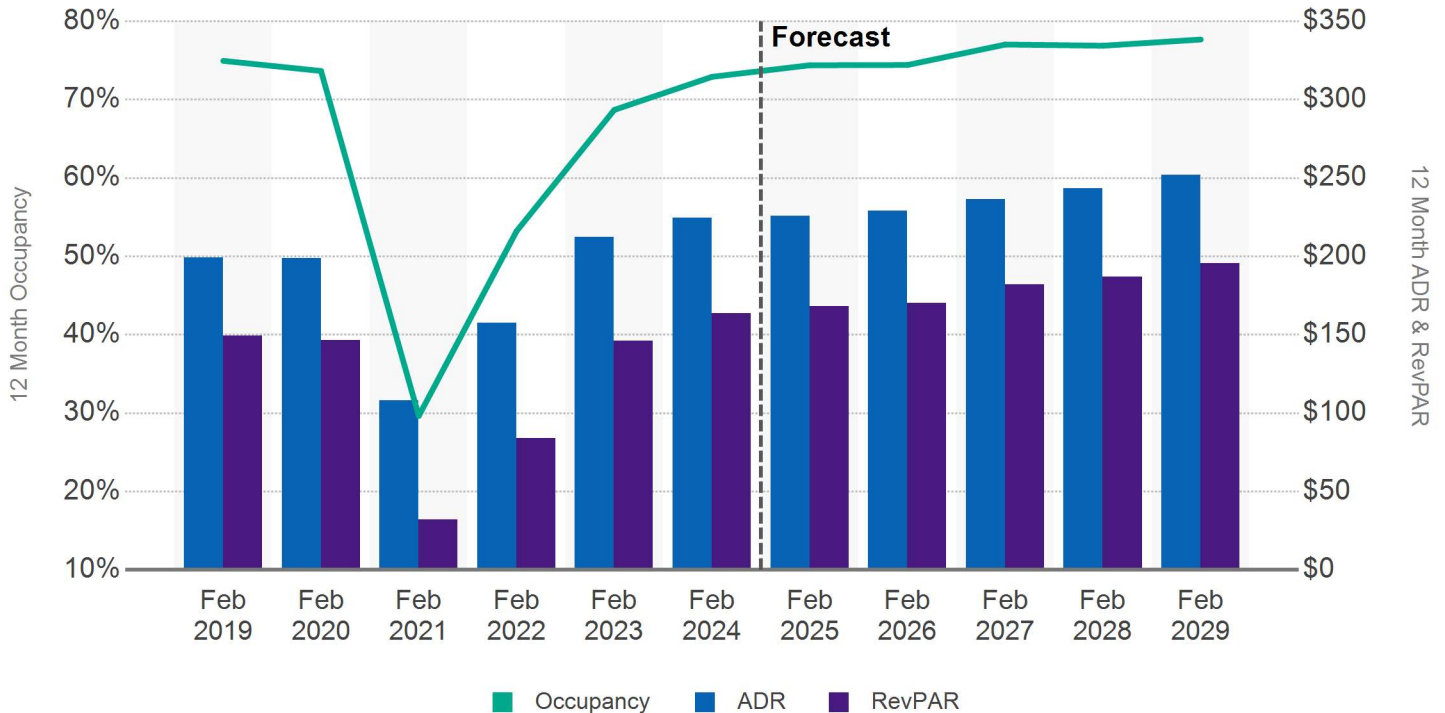
REVPAR BY CLASS



REVPAR GROWTH COMPOSITION



OCCUPANCY, ADR & REVPAR



FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	2022			2021-2022 % Change	
	% of Revenues	PAR	POR	PAR	POR
Revenue					
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%
Total Revenue	100%	\$87,286	\$367.26	100.4%	33.8%
Operating Expenses					
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%
Gross Operating Profit	37.5%	\$32,772	\$137.89	219.7%	113.4%
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%
EBITDA	26.6%	\$23,223	\$97.71	800.2%	500.9%
Total Labor Costs	34.3%	\$29,979	\$126.14	63.5%	9.2%

(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's development landscape is challenging due to a shortage of developable land, prolonged development, and high construction costs. These factors have led to a need for more hotel supply, making Boston an under-supplied hotel market.

Despite the competitive landscape, developers and investors have successfully identified value in new development opportunities. Currently, 5 hotels are under construction, adding a total of 780 rooms. This represents a modest 1.3% increase in hotel supply, compared to the U.S. under-construction percent of inventory at 2.7%.

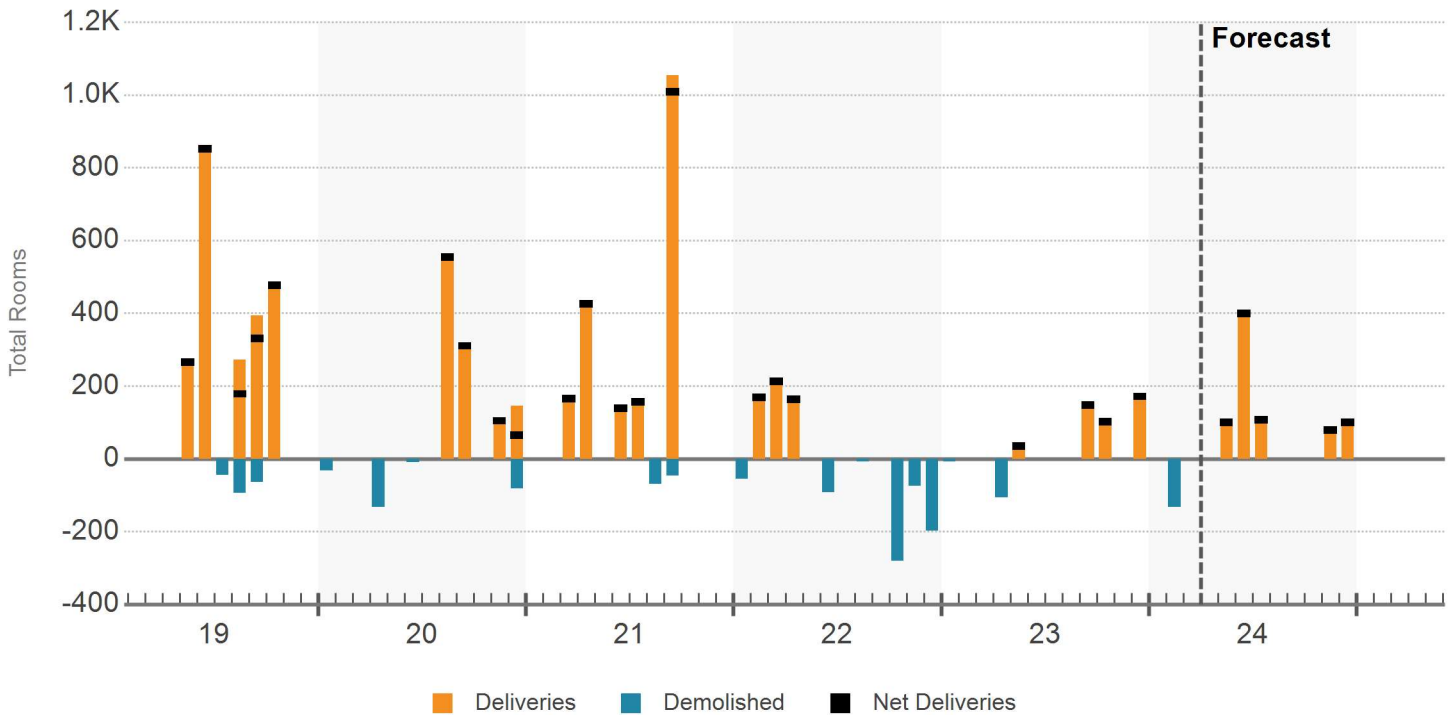
The construction pipeline in Boston is currently low. Projects are steadily gaining approval for final planning, but high debt and construction costs, coupled with a challenging economic landscape, could potentially delay the completion of hotels. The 147-room Raffles opened in September 2023, leaving the 380-room citizen in the

Back Bay as the only hotel under construction in the Boston CBD/Airport Submarket. It's scheduled to open in 2025. The other three hotels under construction are located in the Boston Southshore and Deham Marlborough submarkets and are expected to feature mid-tier hotel brands of Cambria Hotels and Suites, Tru by Hilton Brockton, and Home2 Suites by Hilton Boston, respectively.

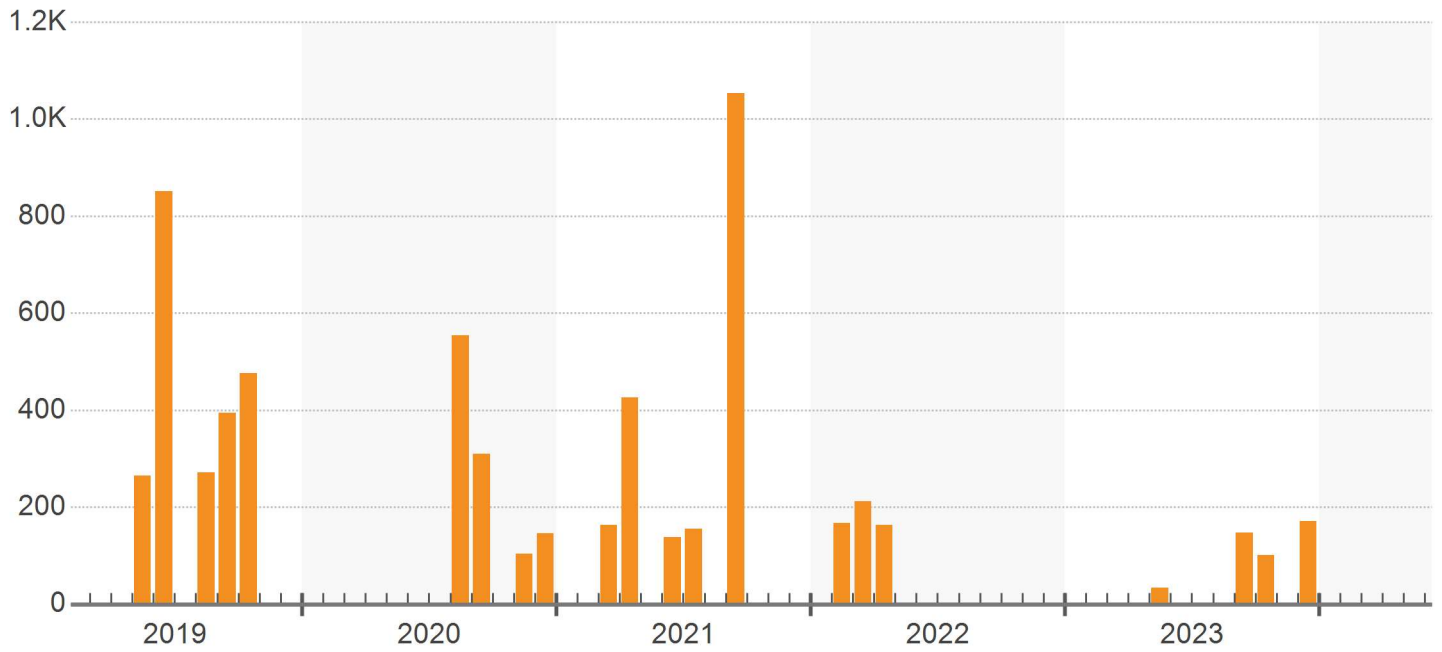
Due to the new owner's decision to turn in 2023, the total number of hotel rooms available in the city was reduced by 428 because the Sheraton Boston Hotel removed some of its rooms. In January, the hotel went from having 1,220 rooms to having 792, to the hotel's South Tower into a dormitory for students at Northeastern University.

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 take several years.

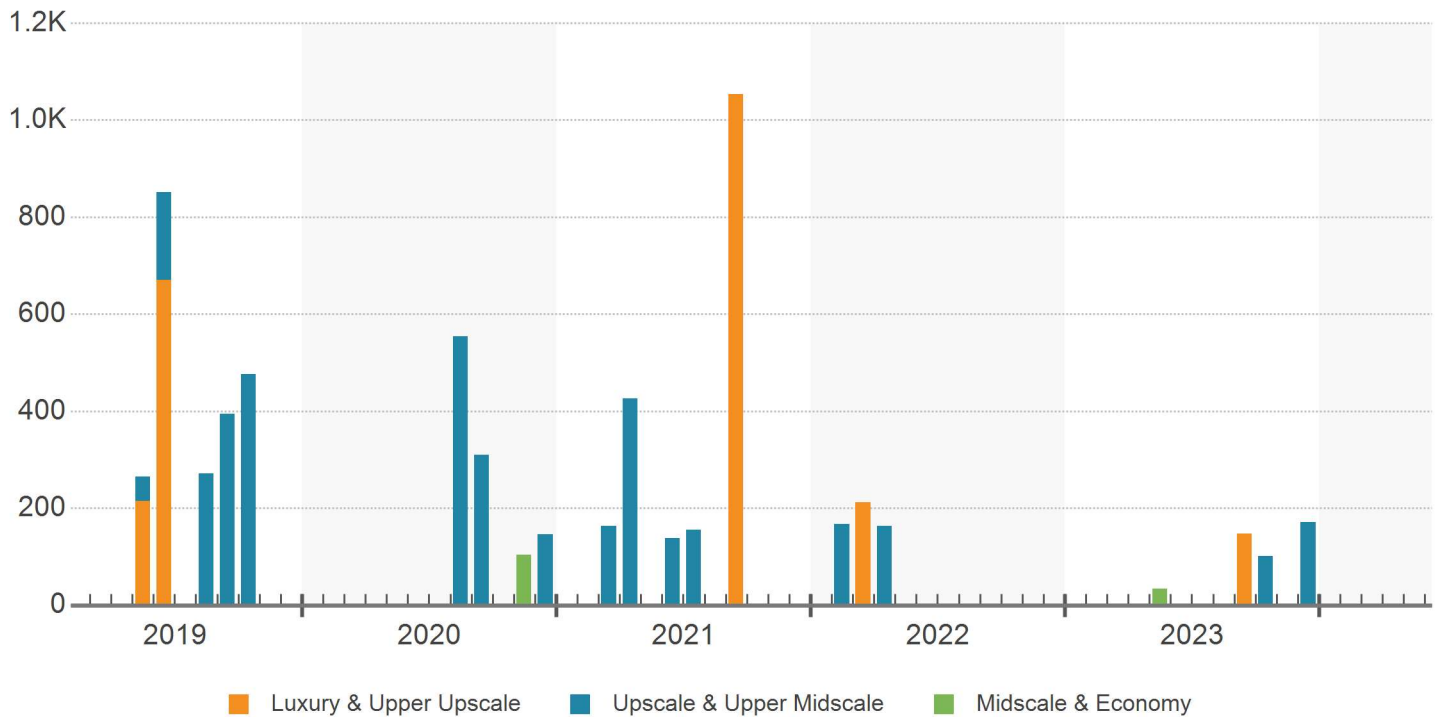
DELIVERIES & DEMOLITIONS



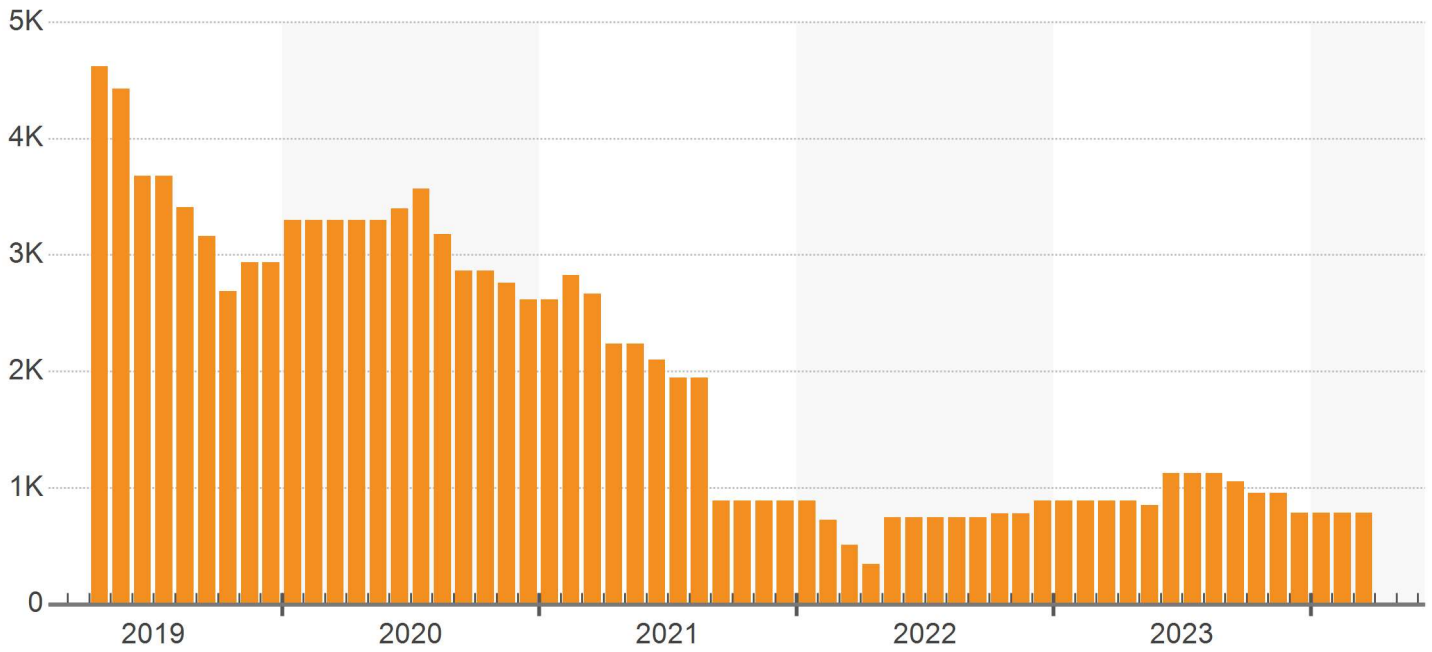
ROOMS DELIVERED



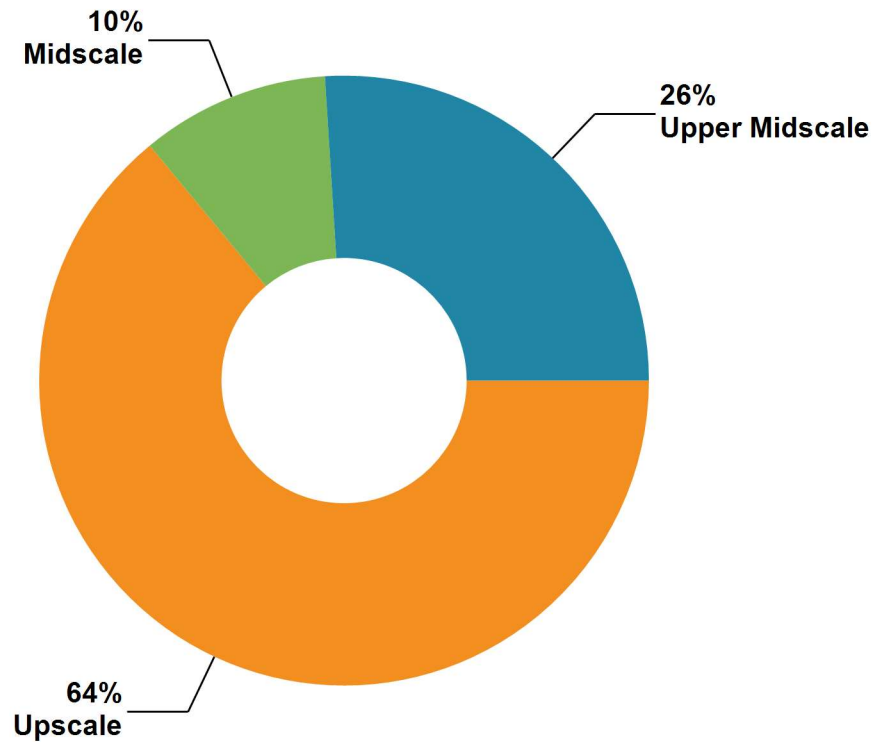
ROOMS DELIVERED BY CLASS



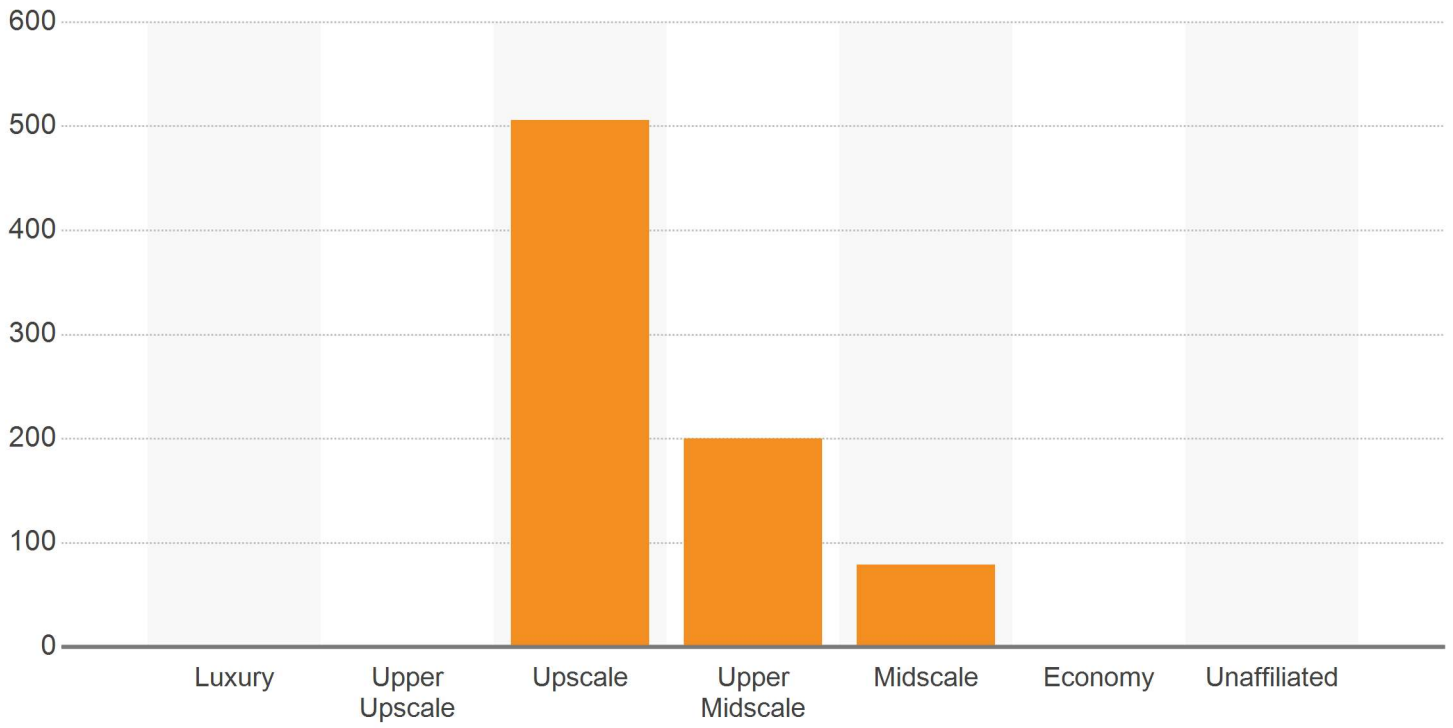
ROOMS UNDER CONSTRUCTION



TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



ROOMS UNDER CONSTRUCTION BY SCALE



Under Construction Properties

Boston Hospitality

Properties

Rooms

Percent of Inventory

Average Rooms

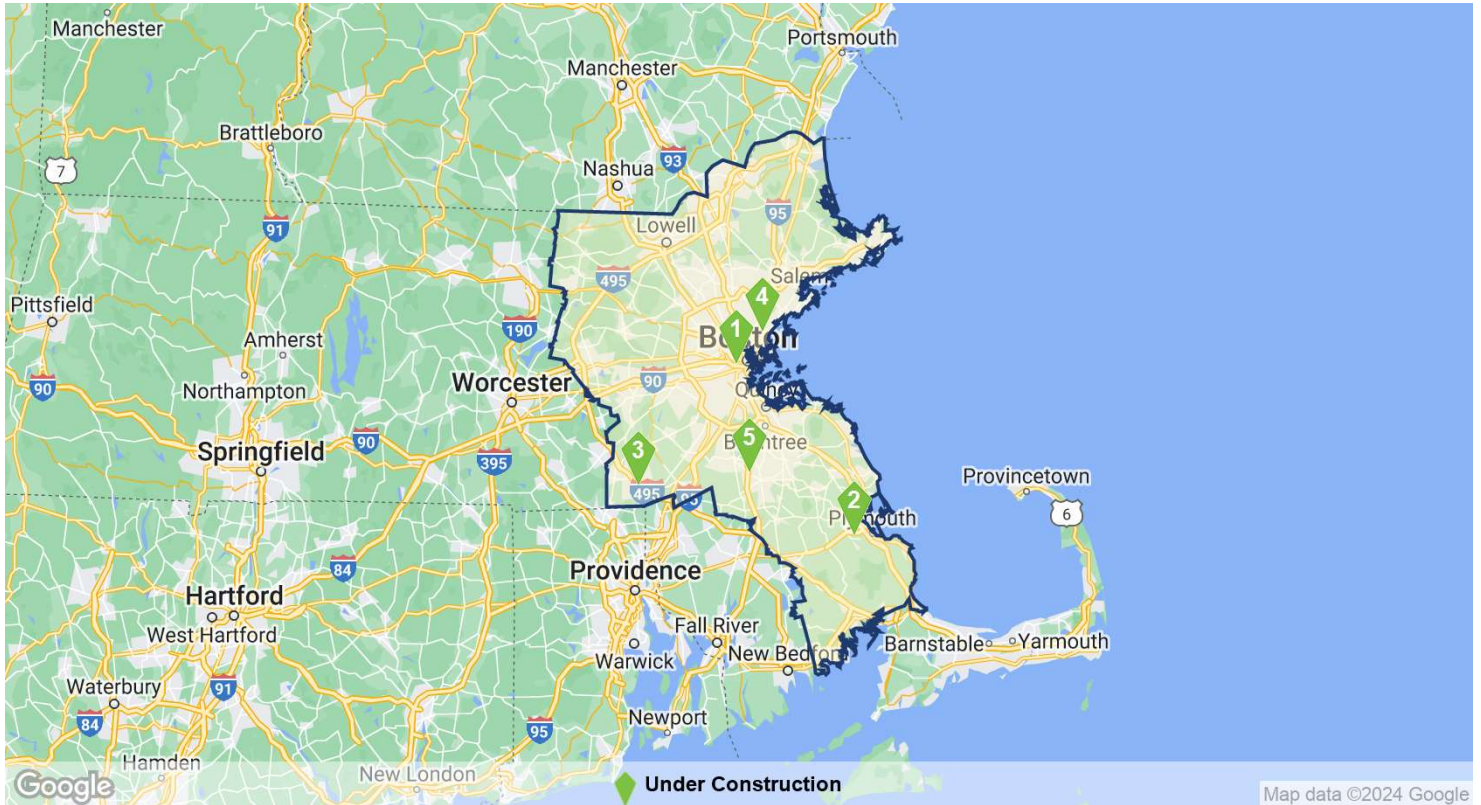
5

785

1.3%

157

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	citizenM Boston Back Bay 408 Newbury St	Upscale	399	13	May 2022	Jun 2024	citizenM Samuels & Associates
2	Cambria Hotels & Suites Plymouth 26 Plaza Way	Upscale	107	4	Dec 2022	Jul 2024	Cambria Hotels -
3	Home2 Suites by Hilton 725 Union St	Upper Midscale	100	4	Jan 2020	May 2024	Home2 Suites by Hilton Jamsan Management
4	La Quinta Inn & Suites Revere 125 Squire Rd	Upper Midscale	100	5	Jun 2023	Dec 2024	La Quinta Inns & Suites -
5	Tru by Hilton Brockton 0 Westgate Dr	Midscale	79	4	Sep 2023	Nov 2024	Tru by Hilton KARM Properties

Hotel investment activity in the Boston market significantly slowed, in line with national trends. In the past 12 months, there was \$574 million in hotel sales volume, compared to the three-year annual sales volume average of \$1.2 billion. But considering the higher interest rate environment and the trades that have taken place this year, trades have represented a good mix of different types of hotels, with approximately 40% being upper-tier hotels, 40% being mid-tier hotels, and 20% being economy hotels.

In November, it was announced that CBRE's Debt & Structured Finance Team acquired the Sheraton Boston Hotel for \$164.1 million (\$207,070/key). The Sheraton Boston Hotel is a 792-room hotel in Boston's Back Bay in the mixed-use Prudential Center. Starting in 23Q4, the hotel will undergo a comprehensive renovation to become the next-generation Sheraton Hotel. The renovation plan includes upgrading the guest rooms, refreshing the meeting and event spaces, and renovating and re-conceptualizing the F&B outlets.

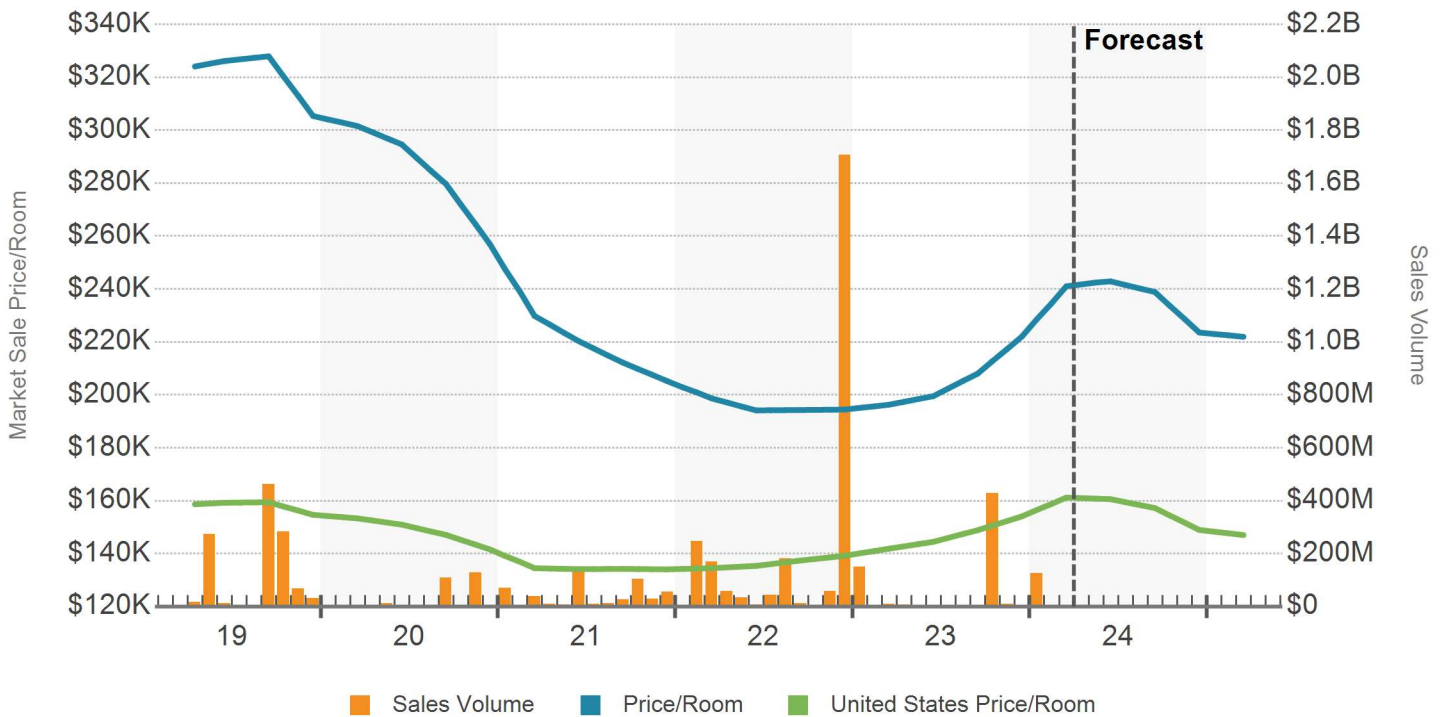
In October, the 1,060-room Hilton Boston Park Plaza hotel sold for \$370 million (\$349,057/key) from Parks Hospitality, the seller, to Sunstone Hotel Partnership,

LLC. Additionally, in October, The Whitney Hotel, a 65-room Luxury class hotel, sold for \$57 million (\$876,923/key). The hotel was traded from Egeria Real Estate Boston LLC to Related Management, and Pentucket Bank provided the buyer with a \$17.1 million loan toward the purchase.

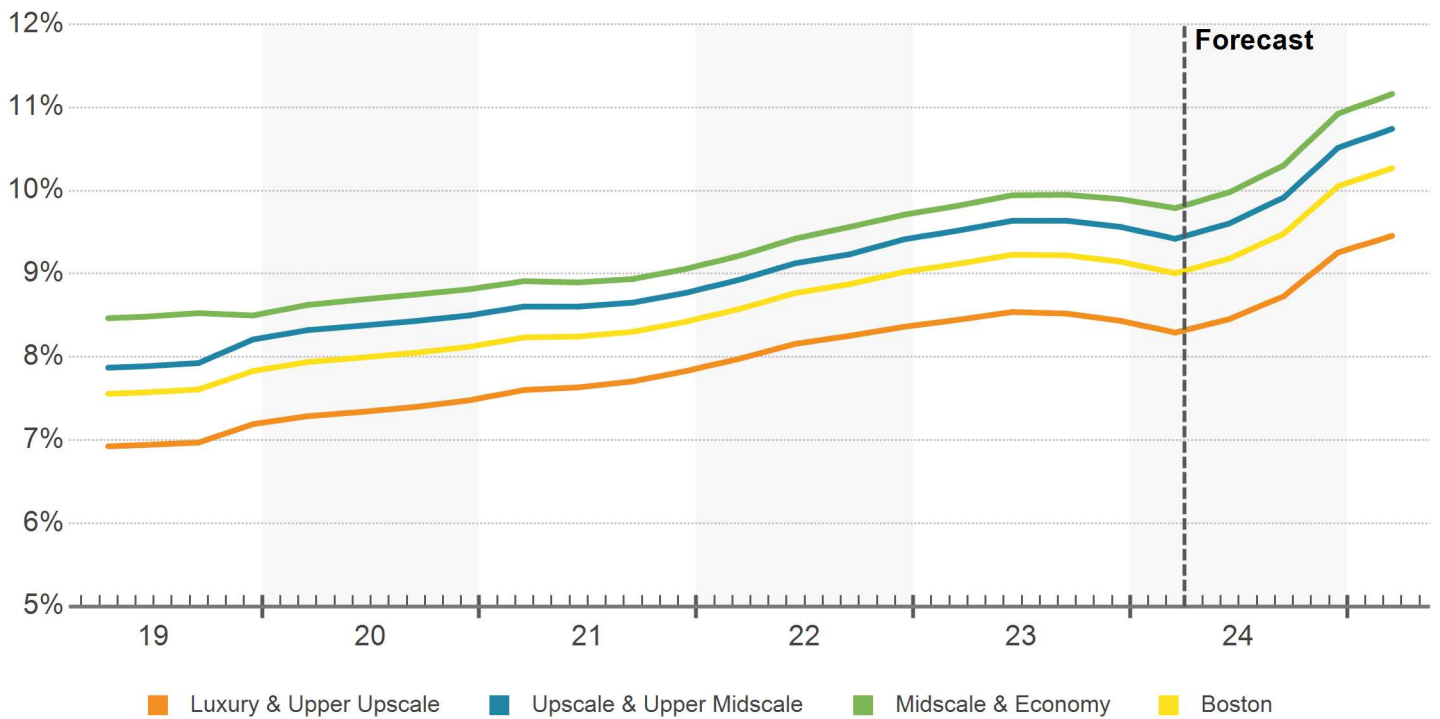
According to CoStar's CMBS data, 36 hotels have active CMBS loans. Over 75% of active loans are maturing in the next two years, providing potential opportunities for investors watching the market. Fourteen hotels are currently on the watchlist for possible distress. One of the 14 hotels on the watchlist is the 130-room Courtyard Boston Dedham in the Dedham/Marlborough Submarket.

The recent increase in interest rates is making it more difficult for buyers to finance their deals and investments, as overall economic trends may affect lending practices. However, the limited availability of new hotels in the market is a positive signal for current property owners and operators. The Fed is expected to lower interest rates in 2024, which could lead to increased transactions. Nevertheless, potential buyers may require a more detailed strategy to analyze the risks and assess these opportunities.

SALES VOLUME & MARKET SALE PRICE PER ROOM



MARKET CAP RATE



Sales Past 12 Months

Boston Hospitality

Sale Comparables

Average Price/Room

Average Price

Average Cap Rate

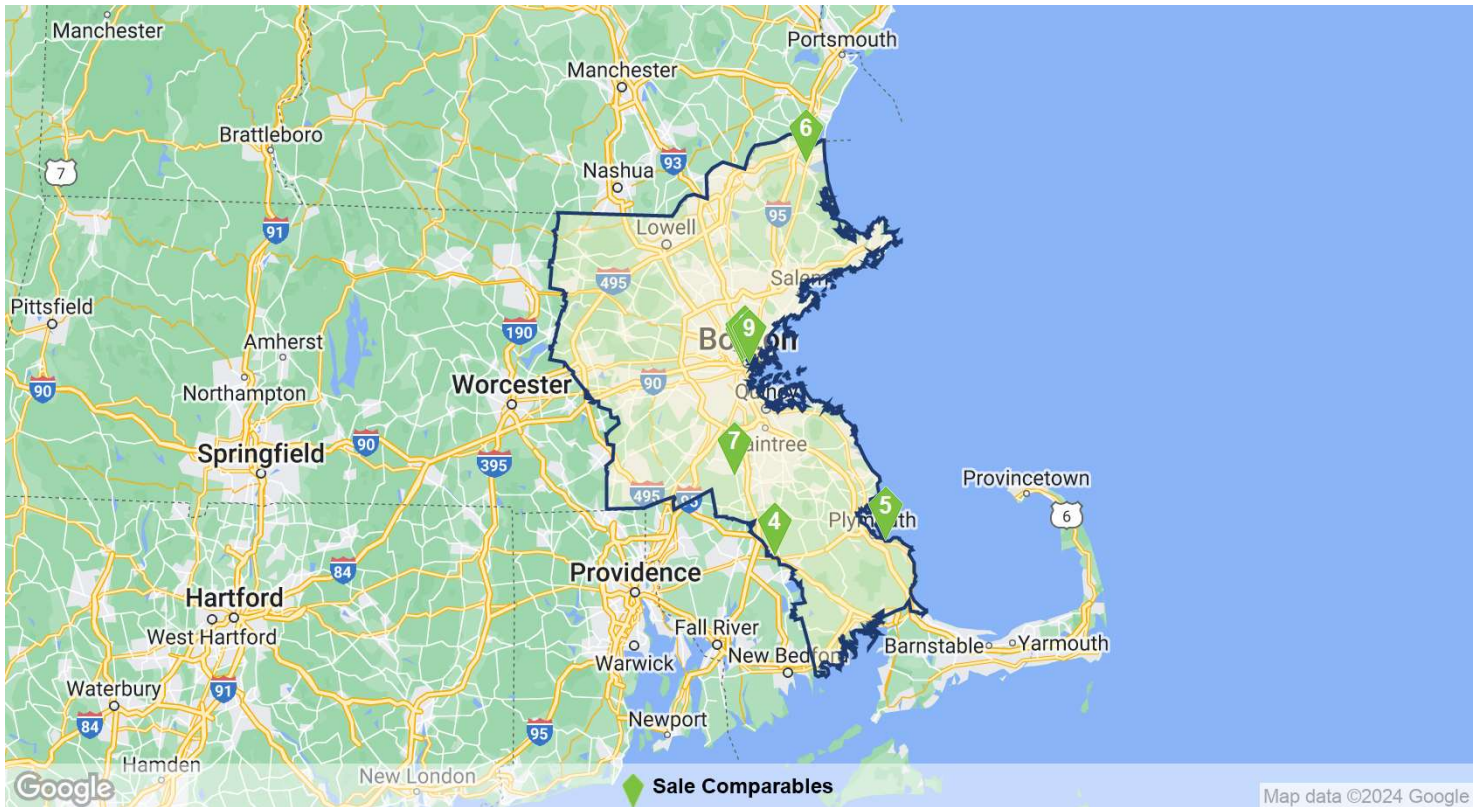
9

\$354K

\$82.1M

7.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$2,500,000	\$82,124,999	\$9,250,000	\$370,000,000
Price/Room	\$92,500	\$353,769	\$233,333	\$876,923
Cap Rate	7.1%	7.1%	7.1%	7.1%
Time Since Sale in Months	2.0	6.0	5.1	11.6
Property Attributes	Low	Average	Median	High
Property Size in Rooms	16	204	80	1,060
Number of Floors	2	6	4	15
Total Meeting Space	1,320	23,829	23,829	64,490
Year Built	1920	1957	1960	2013
Class	Economy	Upscale	Upscale	Luxury

Sales Past 12 Months

RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information			Sale Information			
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	Hilton Boston Park Plaza 50 Park Plz	Upper Upscale	1927	1060	Hilton	10/30/2023	\$370,000,000	\$349,057
2	Wyndham Boston Beacon Hill 5 Blossom St	Upscale	1968	304	Wyndham	1/31/2024	\$125,000,000	\$411,184
3	The Whitney Hotel 170 Charles St	Luxury	1925	65	-	10/16/2023	\$57,000,000	\$876,923
4	Fairfield Inn & Suites Raynham Mi... 4 Chalet Rd	Upper Midscale	1989	100	Fairfield Inn	11/1/2023	\$9,250,000	\$92,500
5	Pilgrim Sands Hotel 150 Warren Ave	Upper Midscale	1964	62	-	4/14/2023	\$6,925,000	\$111,694
6	The Inn At Ring's Island 175 Bridge Rd	Economy	1960	18	-	9/11/2023	\$4,199,999	\$233,333
7	Stoughton Motel 1919 Washington St	Economy	1950	16	-	5/30/2023	\$2,500,000	\$156,250
8	The Boxer 107 Merrimac St	Upper Upscale	1920	80	-	11/28/2023	-	-
9	The Envoy Hotel, Autograph Colle... 70 Sleeper St	Upper Upscale	2013	136	Autograph Collection	11/28/2023	-	-

Boston's economy rebounded strongly in 2023 and is expected to see stabilized growth this year, reaching pre-pandemic levels. As the largest city in New England, Boston has a significant cultural and economic influence on the entire region, earning it the title of the region's unofficial capital. The city has a robust academic and medical presence, with over 100 colleges and universities in Greater Boston that attract more than 250,000 students. Boston is also famous for its rich history, particularly concerning the American Revolution, evident in the Boston National Historical Park, a repository of several historical sites from that period.

Boston, a hub for technology companies, is recognized as the country's leading center for biotechnology and life sciences, receiving more funding from the National Institutes of Health annually than any other city in the United States. Innovation, a significant component of Boston's identity, is fostered by its strong academic presence, access to venture capital, and the many high-tech companies operating in the market. 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, driving innovation and economic growth.

Boston's economy has faced headwinds, particularly employment, but professional and technical services, information, healthcare, and social assistance sectors are pushing past pre-pandemic levels.

Tourism is a vital part of Boston and Massachusetts's economy, with Boston receiving 19.8 million domestic and 2.8 million international visitors in 2019, who spent about \$14 billion. 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 (BCEC) 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 2023 so far is nearly 90% of 2019 levels, and the 2023 pace is expected to surpass 2019 levels, underscoring the strong recovery underway across the region.

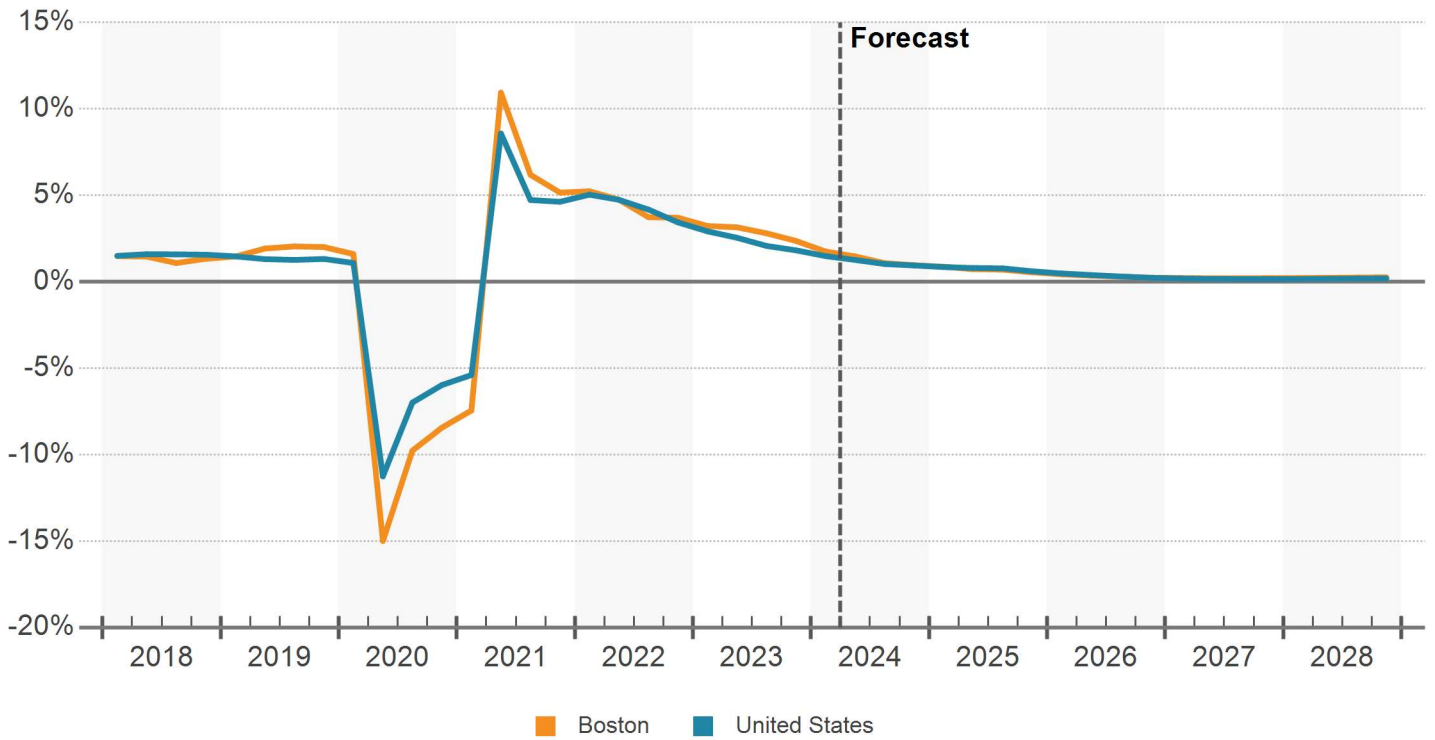
While further recovery in the hospitality industry remains a challenge, Boston's economy shows signs of a robust recovery across various sectors. However, new challenges present uncertainty as the Federal Reserve continues to battle against inflation, making securing financing for real estate development more difficult in the high-interest rate environment. Nonetheless, Boston's economy has navigated past challenges in the past three years and has emerged in a strong position.

BOSTON 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	148	0.7	-1.15%	0.03%	-0.58%	0.71%	-0.25%	0.14%
Trade, Transportation and Utilities	364	0.7	0.45%	0.08%	0.15%	1.04%	-0.13%	0.14%
Retail Trade	204	0.8	-1.81%	-0.16%	-0.64%	0.19%	0.00%	0.13%
Financial Activities	190	1.2	0.32%	0.61%	1.17%	1.45%	0.10%	0.18%
Government	291	0.7	2.36%	2.39%	0.41%	0.55%	0.19%	0.33%
Natural Resources, Mining and Construction	123	0.8	4.84%	2.21%	3.86%	2.38%	1.25%	0.25%
Education and Health Services	587	1.3	2.28%	3.45%	1.73%	1.98%	0.52%	0.64%
Professional and Business Services	548	1.4	1.97%	0.75%	2.64%	1.98%	0.48%	0.48%
Information	85	1.6	0.17%	-1.80%	1.76%	1.10%	0.59%	0.22%
Leisure and Hospitality	249	0.9	3.27%	2.55%	0.90%	1.52%	0.92%	0.70%
Other Services	98	1.0	1.44%	1.52%	0.41%	0.66%	0.77%	0.27%
Total Employment	2,683	1.0	1.74%	1.48%	1.30%	1.35%	0.40%	0.37%

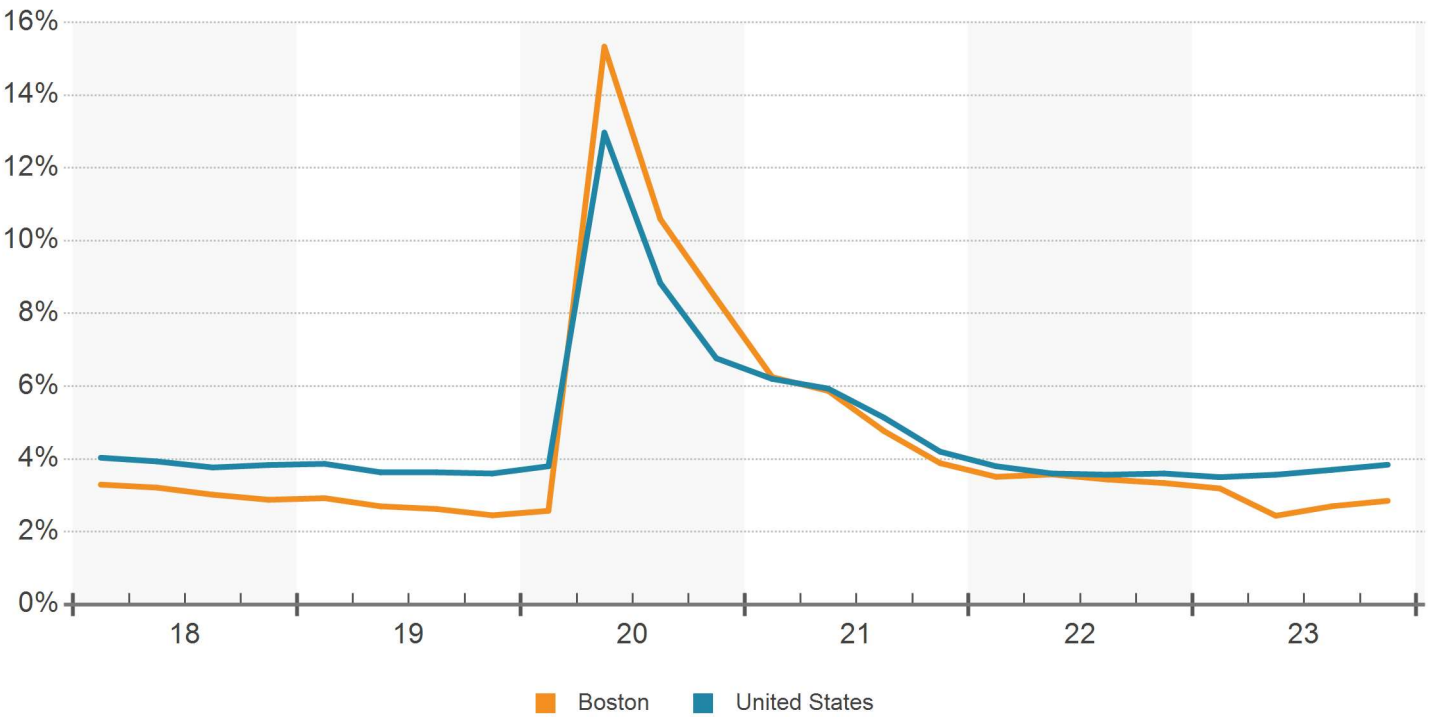
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

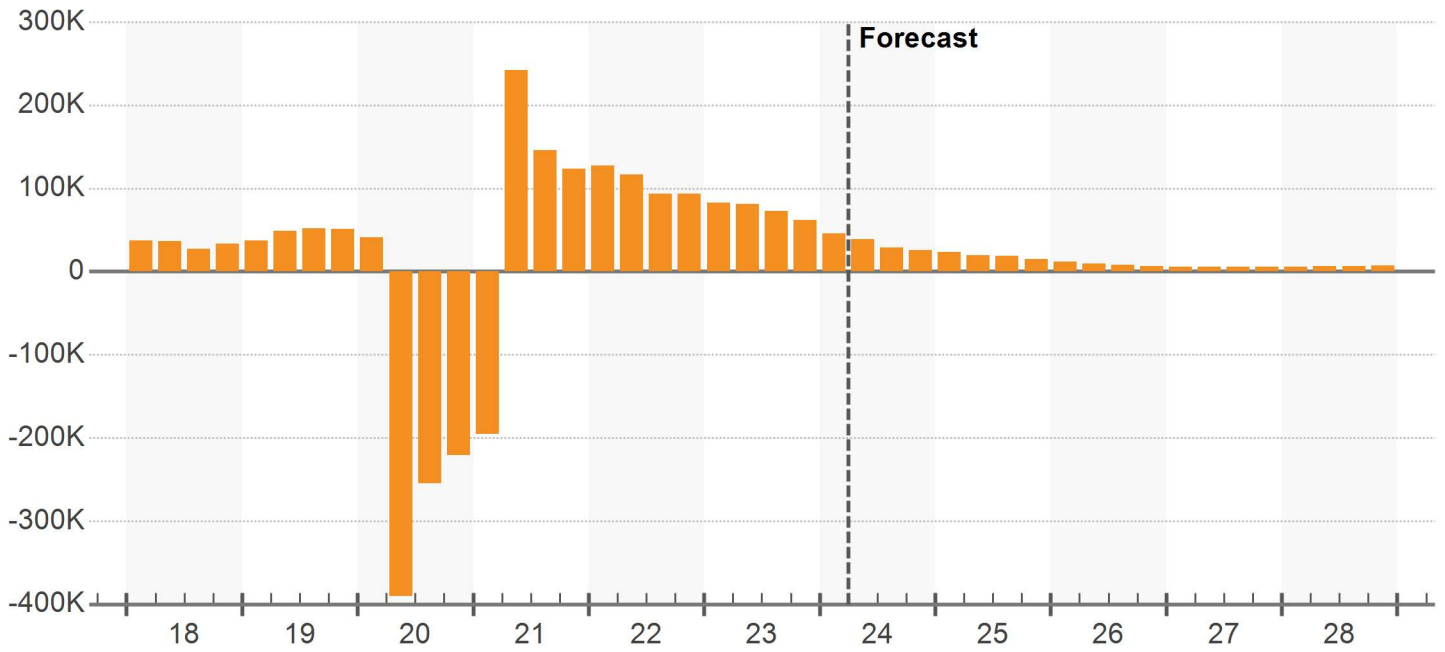


Source: Oxford Economics

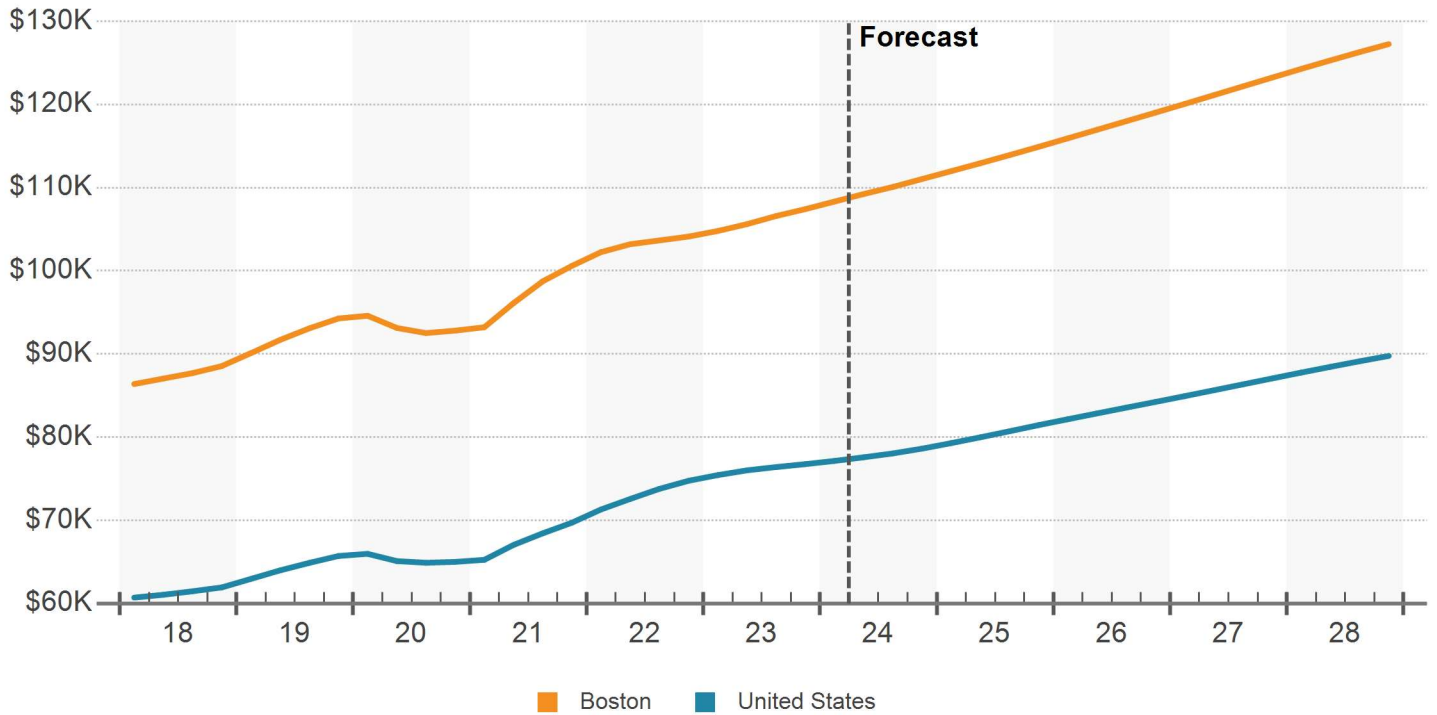
UNEMPLOYMENT RATE (%)



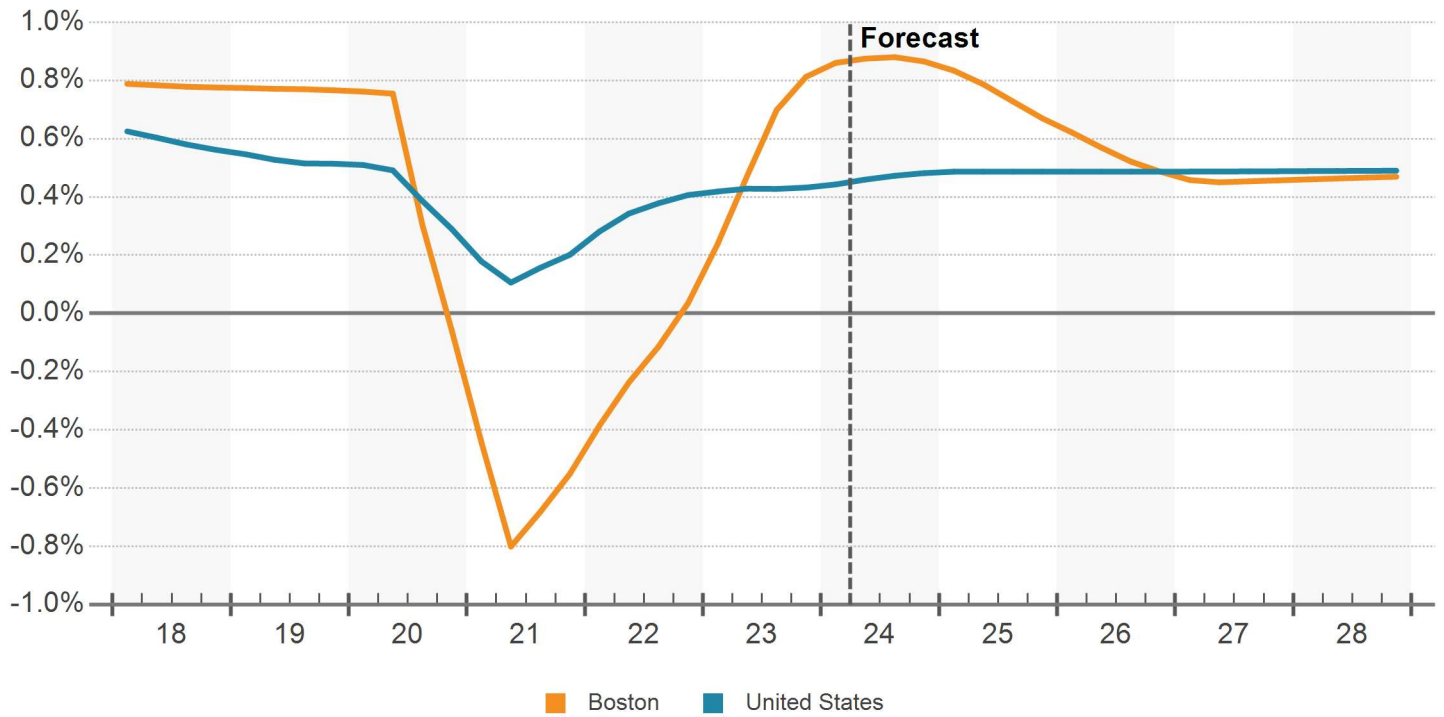
NET EMPLOYMENT CHANGE (YOY)



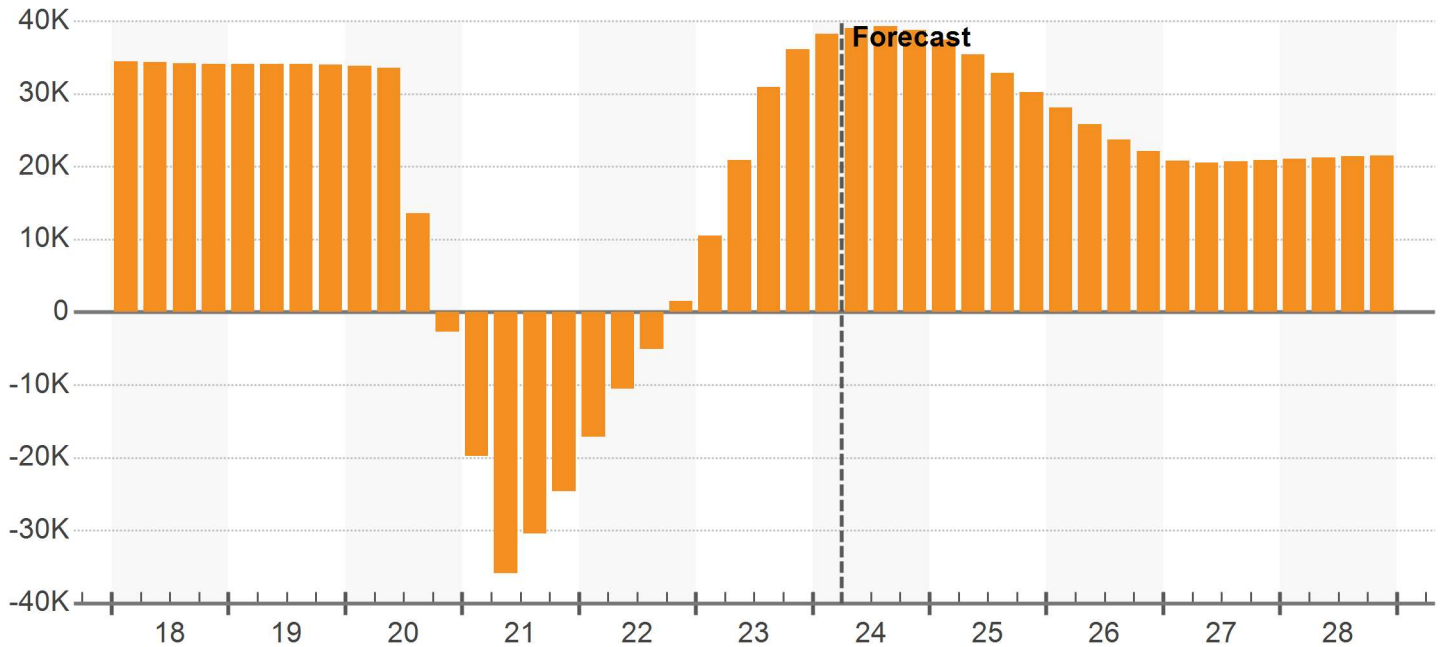
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

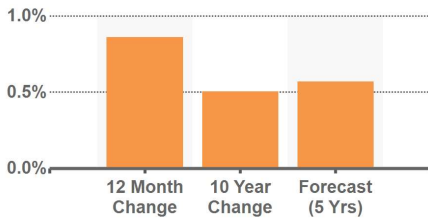


DEMOGRAPHIC TRENDS

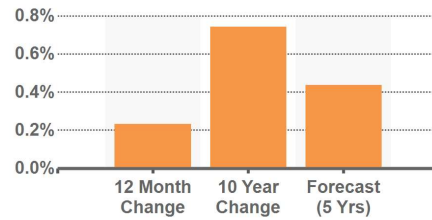
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,486,511	335,503,156	0.9%	0.4%	0.5%	0.5%	0.6%	0.5%
Households	1,789,180	131,034,789	1.0%	0.6%	1.0%	0.9%	0.7%	0.6%
Median Household Income	\$108,346	\$77,154	3.4%	2.3%	4.0%	3.9%	3.4%	3.2%
Labor Force	2,479,512	169,033,328	0.2%	1.7%	0.7%	0.8%	0.4%	0.1%
Unemployment	2.8%	3.8%	-0.3%	0.3%	-0.3%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH

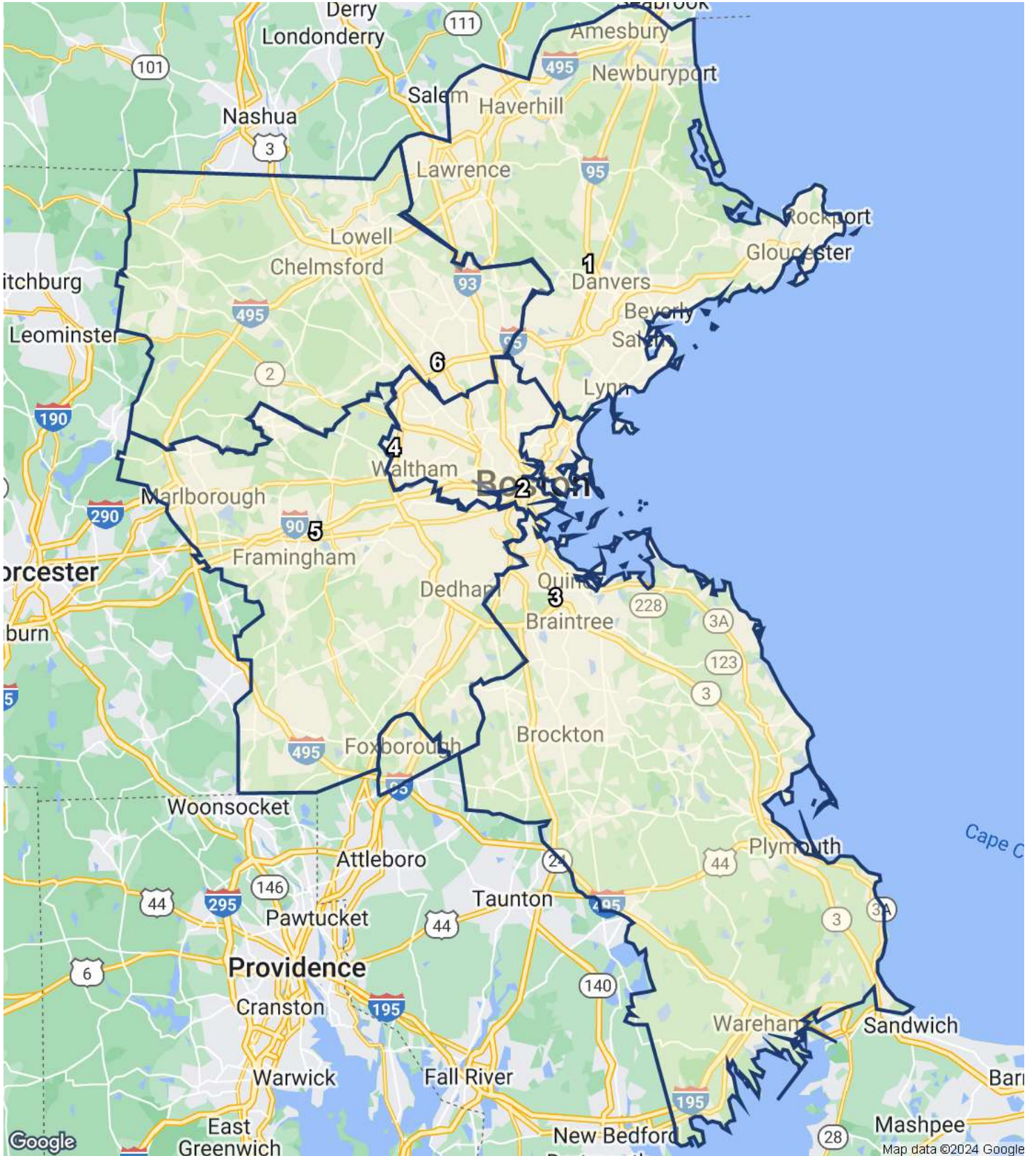


INCOME GROWTH



Source: Oxford Economics

BOSTON SUBMARKETS



SUBMARKET INVENTORY

#	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Rooms	% Market	Rank	Bldgs	Rooms	%	Rank	Bldgs	Rooms	% Market	Rank
1	Andover/Danvers Northeast	88	6,484	10.4%	6	0	0	-	-	0	0	0%	6
2	Boston CBD/Airport	107	25,061	40.1%	1	1	147	0.6%	3	2	499	2.0%	2
3	Boston Southshore	73	6,487	10.4%	5	2	135	2.1%	1	2	186	2.9%	1
4	Cambridge/Waltham	64	9,240	14.8%	2	0	0	-	-	0	0	0%	4
5	Dedham/Marlborough	66	8,259	13.2%	3	2	171	2.1%	2	1	100	1.2%	3
6	Woburn/Tewksbury Northwest	52	6,892	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	Andover/Danvers Northeast	3	70.4%	4.5%	5	\$155.55	6.5%	4	\$109.49	11.3%
2	Boston CBD/Airport	1	77.2%	6.7%	1	\$289.84	5.0%	1	\$223.84	12.0%
3	Boston Southshore	4	69.4%	4.1%	4	\$158.91	6.5%	3	\$110.33	10.8%
4	Cambridge/Waltham	2	73.6%	10.1%	2	\$226.85	4.0%	2	\$166.95	14.5%
5	Dedham/Marlborough	6	67.0%	7.3%	3	\$161.03	6.7%	5	\$107.96	14.5%
6	Woburn/Tewksbury Northwest	5	68.7%	0.8%	6	\$153.13	8.2%	6	\$105.14	9.1%

OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	22,958,593	0	0%	17,675,087	(18,015)	-0.1%
2027	22,958,593	0	0%	17,693,102	22,995	0.1%
2026	22,958,593	0	0%	17,670,107	637,558	3.7%
2025	22,958,593	212,136	0.9%	17,032,549	43,390	0.3%
2024	22,746,457	282,809	1.3%	16,989,159	779,325	4.8%
YTD	3,578,162	(52,907)	-1.5%	2,053,819	130,648	6.8%
2023	22,463,648	(256,410)	-1.1%	16,209,834	911,734	6.0%
2022	22,720,058	1,073,319	5.0%	15,298,100	4,212,443	38.0%
2021	21,646,739	2,407,258	12.5%	11,085,657	4,370,506	65.1%
2020	19,239,481	(2,269,830)	-10.6%	6,715,151	(9,096,539)	-57.5%
2019	21,509,311	571,984	2.7%	15,811,690	89,636	0.6%
2018	20,937,327	747,909	3.7%	15,722,054	867,974	5.8%
2017	20,189,418	535,837	2.7%	14,854,080	350,753	2.4%
2016	19,653,581	639,932	3.4%	14,503,327	(32,529)	-0.2%
2015	19,013,649	243,620	1.3%	14,535,856	387,613	2.7%
2014	18,770,029	(1,471)	0%	14,148,243	414,336	3.0%

LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	9,207,173	0	0%	7,494,103	(9,891)	-0.1%
2027	9,207,173	0	0%	7,503,994	30,174	0.4%
2026	9,207,173	0	0%	7,473,820	339,541	4.8%
2025	9,207,173	14,652	0.2%	7,134,279	45,786	0.6%
2024	9,192,521	32,836	0.4%	7,088,493	437,443	6.6%
YTD	1,478,057	3,966	0.3%	831,689	64,303	8.4%
2023	9,159,685	(98,673)	-1.1%	6,651,050	538,123	8.8%
2022	9,258,358	819,687	9.7%	6,112,927	2,332,398	61.7%
2021	8,438,671	1,611,134	23.6%	3,780,529	1,810,046	91.9%
2020	6,827,537	(2,040,576)	-23.0%	1,970,483	(4,962,872)	-71.6%
2019	8,868,113	257,033	3.0%	6,933,355	102,954	1.5%
2018	8,611,080	126,568	1.5%	6,830,401	130,794	2.0%
2017	8,484,512	30,095	0.4%	6,699,607	10,635	0.2%
2016	8,454,417	166,182	2.0%	6,688,972	91,912	1.4%
2015	8,288,235	68,021	0.8%	6,597,060	107,095	1.7%
2014	8,220,214	(24,255)	-0.3%	6,489,965	37,624	0.6%

UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	11,208,279	0	0%	8,411,333	(7,293)	-0.1%
2027	11,208,279	0	0%	8,418,626	(1,361)	0%
2026	11,208,279	0	0%	8,419,987	246,459	3.0%
2025	11,208,279	158,018	1.4%	8,173,528	76,506	0.9%
2024	11,050,261	220,843	2.0%	8,097,022	267,653	3.4%
YTD	1,712,003	(47,610)	-2.7%	989,327	51,483	5.5%
2023	10,829,418	(88,871)	-0.8%	7,829,369	364,648	4.9%
2022	10,918,289	309,969	2.9%	7,464,721	1,722,487	30.0%
2021	10,608,320	809,202	8.3%	5,742,234	2,221,919	63.1%
2020	9,799,118	(155,914)	-1.6%	3,520,315	(3,712,785)	-51.3%
2019	9,955,032	484,548	5.1%	7,233,100	148,523	2.1%
2018	9,470,484	645,923	7.3%	7,084,577	687,440	10.7%
2017	8,824,561	499,887	6.0%	6,397,137	372,430	6.2%
2016	8,324,674	461,563	5.9%	6,024,707	87,467	1.5%
2015	7,863,111	169,911	2.2%	5,937,240	275,688	4.9%
2014	7,693,200	76,628	1.0%	5,661,552	293,375	5.5%

MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	2,543,141	0	0%	1,769,652	(830)	0%
2027	2,543,141	0	0%	1,770,482	(5,818)	-0.3%
2026	2,543,141	0	0%	1,776,300	51,558	3.0%
2025	2,543,141	39,466	1.6%	1,724,742	(78,903)	-4.4%
2024	2,503,675	29,130	1.2%	1,803,645	74,230	4.3%
YTD	388,102	(9,263)	-2.3%	232,804	14,863	6.8%
2023	2,474,545	(68,866)	-2.7%	1,729,415	8,963	0.5%
2022	2,543,411	(56,337)	-2.2%	1,720,452	157,558	10.1%
2021	2,599,748	(13,078)	-0.5%	1,562,894	338,541	27.7%
2020	2,612,826	(73,340)	-2.7%	1,224,353	(420,882)	-25.6%
2019	2,686,166	(169,597)	-5.9%	1,645,235	(161,841)	-9.0%
2018	2,855,763	(24,582)	-0.9%	1,807,076	49,740	2.8%
2017	2,880,345	5,855	0.2%	1,757,336	(32,312)	-1.8%
2016	2,874,490	12,187	0.4%	1,789,648	(211,908)	-10.6%
2015	2,862,303	5,688	0.2%	2,001,556	4,830	0.2%
2014	2,856,615	(53,844)	-1.9%	1,996,726	83,337	4.4%

OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	77.0%	-0.1%	\$249.66	2.9%	\$192.21	2.8%
2027	77.1%	0.1%	\$242.65	3.0%	\$187	3.2%
2026	77.0%	3.7%	\$235.54	2.9%	\$181.28	6.8%
2025	74.2%	-0.7%	\$228.86	1.3%	\$169.79	0.7%
2024	74.7%	3.5%	\$225.82	0.7%	\$168.67	4.2%
YTD	57.4%	8.4%	\$162.21	4.7%	\$93.11	13.4%
2023	72.2%	7.2%	\$224.25	6.2%	\$161.82	13.9%
2022	67.3%	31.5%	\$211.07	35.5%	\$142.12	78.2%
2021	51.2%	46.7%	\$155.74	28.8%	\$79.76	88.9%
2020	34.9%	-52.5%	\$120.95	-39.2%	\$42.21	-71.1%
2019	73.5%	-2.1%	\$198.89	0%	\$146.20	-2.1%
2018	75.1%	2.1%	\$198.90	1.8%	\$149.36	3.9%
2017	73.6%	-0.3%	\$195.34	1.8%	\$143.72	1.4%
2016	73.8%	-3.5%	\$191.98	2.8%	\$141.67	-0.8%
2015	76.4%	1.4%	\$186.77	6.1%	\$142.78	7.6%
2014	75.4%	3.0%	\$176.08	7.5%	\$132.73	10.8%

LUXURY & UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	81.4%	-0.1%	\$324.30	2.9%	\$263.96	2.8%
2027	81.5%	0.4%	\$315.02	2.7%	\$256.75	3.1%
2026	81.2%	4.8%	\$306.65	2.5%	\$248.92	7.3%
2025	77.5%	0.5%	\$299.28	1.8%	\$231.90	2.3%
2024	77.1%	6.2%	\$293.88	0.1%	\$226.62	6.3%
YTD	56.3%	8.1%	\$206.80	3.2%	\$116.36	11.5%
2023	72.6%	10.0%	\$293.71	3.5%	\$213.27	13.8%
2022	66.0%	47.4%	\$283.92	29.4%	\$187.46	90.7%
2021	44.8%	55.2%	\$219.46	27.7%	\$98.32	98.2%
2020	28.9%	-63.1%	\$171.85	-33.3%	\$49.60	-75.4%
2019	78.2%	-1.4%	\$257.79	0.6%	\$201.55	-0.8%
2018	79.3%	0.5%	\$256.25	1.7%	\$203.26	2.2%
2017	79.0%	-0.2%	\$251.94	2.3%	\$198.94	2.1%
2016	79.1%	-0.6%	\$246.38	0.8%	\$194.93	0.1%
2015	79.6%	0.8%	\$244.54	5.4%	\$194.64	6.3%
2014	79.0%	0.9%	\$231.94	8.3%	\$183.12	9.3%

UPSCALE & UPPER MIDSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	75.0%	-0.1%	\$208.86	2.8%	\$156.74	2.8%
2027	75.1%	0%	\$203.09	3.2%	\$152.54	3.1%
2026	75.1%	3.0%	\$196.87	2.8%	\$147.89	5.9%
2025	72.9%	-0.5%	\$191.45	1.0%	\$139.62	0.5%
2024	73.3%	1.4%	\$189.57	-0.1%	\$138.90	1.3%
YTD	57.8%	8.4%	\$139.13	4.1%	\$80.40	12.9%
2023	72.3%	5.7%	\$189.71	7.6%	\$137.16	13.8%
2022	68.4%	26.3%	\$176.29	32.4%	\$120.53	67.3%
2021	54.1%	50.7%	\$133.12	22.3%	\$72.06	84.3%
2020	35.9%	-50.6%	\$108.86	-34.2%	\$39.11	-67.4%
2019	72.7%	-2.9%	\$165.35	-1.6%	\$120.14	-4.4%
2018	74.8%	3.2%	\$167.97	3.2%	\$125.66	6.5%
2017	72.5%	0.2%	\$162.77	2.1%	\$117.99	2.3%
2016	72.4%	-4.2%	\$159.38	3.5%	\$115.35	-0.8%
2015	75.5%	2.6%	\$154.03	7.6%	\$116.31	10.4%
2014	73.6%	4.4%	\$143.20	8.5%	\$105.39	13.3%

MIDSCALE & ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	69.6%	0%	\$127.49	2.8%	\$88.72	2.8%
2027	69.6%	-0.3%	\$124.02	3.6%	\$86.34	3.3%
2026	69.8%	3.0%	\$119.66	4.2%	\$83.58	7.3%
2025	67.8%	-5.9%	\$114.83	-5.2%	\$77.88	-10.8%
2024	72.0%	3.1%	\$121.13	6.8%	\$87.26	10.1%
YTD	60.0%	9.4%	\$100.99	16.1%	\$60.58	27.0%
2023	69.9%	3.3%	\$113.44	10.0%	\$79.28	13.6%
2022	67.6%	12.5%	\$103.14	21.8%	\$69.76	37.0%
2021	60.1%	28.3%	\$84.69	14.8%	\$50.91	47.3%
2020	46.9%	-23.5%	\$73.78	-24.8%	\$34.57	-42.5%
2019	61.2%	-3.2%	\$98.11	-5.1%	\$60.09	-8.2%
2018	63.3%	3.7%	\$103.43	5.4%	\$65.45	9.3%
2017	61.0%	-2.0%	\$98.14	-0.3%	\$59.88	-2.3%
2016	62.3%	-11.0%	\$98.39	5.3%	\$61.26	-6.3%
2015	69.9%	0%	\$93.46	6.5%	\$65.36	6.5%
2014	69.9%	6.3%	\$87.76	5.5%	\$61.34	12.2%

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
2028	-	-	-	-	-	-	\$293,114	220	9.6%
2027	-	-	-	-	-	-	\$273,708	206	9.8%
2026	-	-	-	-	-	-	\$248,440	187	10.2%
2025	-	-	-	-	-	-	\$228,389	172	10.4%
2024	-	-	-	-	-	-	\$223,537	168	10.1%
YTD	1	\$125M	0.5%	\$125,000,000	\$411,184	-	\$240,993	181	9.0%
2023	10	\$611.8M	2.8%	\$61,175,500	\$344,845	7.8%	\$222,024	167	9.1%
2022	37	\$2.5B	9.6%	\$68,214,528	\$417,387	8.3%	\$194,420	146	9.0%
2021	26	\$504.5M	4.4%	\$19,404,701	\$180,962	7.3%	\$205,118	154	8.4%
2020	8	\$253.5M	1.3%	\$31,683,318	\$314,475	9.6%	\$256,724	193	8.1%
2019	20	\$1.2B	5.6%	\$60,953,340	\$354,896	6.3%	\$305,346	230	7.8%
2018	20	\$795.8M	5.7%	\$39,790,831	\$240,065	8.8%	\$322,778	243	7.5%
2017	17	\$586.2M	5.0%	\$34,484,143	\$206,655	6.1%	\$314,395	236	7.4%
2016	29	\$1B	6.2%	\$35,088,822	\$295,463	8.0%	\$295,886	222	7.5%
2015	41	\$1.1B	10.7%	\$27,313,419	\$198,758	7.0%	\$275,854	207	7.4%
2014	24	\$566M	5.3%	\$23,581,802	\$205,431	10.2%	\$244,711	184	7.5%

(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
2028	-	-	-	-	-	-	\$471,302	223	8.8%
2027	-	-	-	-	-	-	\$440,099	208	9.0%
2026	-	-	-	-	-	-	\$399,469	189	9.4%
2025	-	-	-	-	-	-	\$367,230	174	9.6%
2024	-	-	-	-	-	-	\$359,429	170	9.3%
YTD	-	-	-	-	-	-	\$387,495	183	8.3%
2023	3	\$509.6M	5.1%	\$169,876,667	\$387,551	7.1%	\$357,262	169	8.4%
2022	6	\$2.1B	10.1%	\$357,337,500	\$822,095	7.1%	\$311,030	147	8.4%
2021	4	\$112.3M	2.7%	\$28,079,665	\$163,491	6.8%	\$325,720	154	7.8%
2020	3	\$118.3M	1.2%	\$39,416,667	\$383,929	12.0%	\$409,988	194	7.5%
2019	8	\$1B	8.0%	\$128,778,842	\$510,015	4.8%	\$488,045	231	7.2%
2018	7	\$512.4M	7.1%	\$73,202,857	\$297,573	8.3%	\$515,404	244	6.9%
2017	2	\$265M	3.1%	\$132,500,000	\$358,593	4.3%	\$501,870	238	6.8%
2016	12	\$757.1M	6.3%	\$63,094,732	\$512,271	5.3%	\$474,103	224	6.8%
2015	10	\$759.3M	9.7%	\$75,932,900	\$338,803	6.7%	\$444,935	211	6.7%
2014	6	\$375.3M	3.9%	\$62,541,667	\$417,408	-	\$391,272	185	6.9%

(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.

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
2028	-	-	-	-	-	-	\$189,972	215	10.0%
2027	-	-	-	-	-	-	\$177,394	200	10.2%
2026	-	-	-	-	-	-	\$161,018	182	10.6%
2025	-	-	-	-	-	-	\$148,023	167	10.9%
2024	-	-	-	-	-	-	\$144,878	164	10.5%
YTD	1	\$125M	1.0%	\$125,000,000	\$411,184	-	\$156,191	176	9.4%
2023	4	\$93.2M	1.3%	\$23,293,750	\$231,779	8.5%	\$143,475	162	9.6%
2022	20	\$326.2M	9.5%	\$16,308,768	\$114,689	6.0%	\$126,933	143	9.4%
2021	15	\$366.4M	5.6%	\$24,426,571	\$219,269	7.8%	\$135,796	153	8.8%
2020	1	\$107.5M	0.8%	\$107,500,000	\$486,425	7.8%	\$168,455	190	8.5%
2019	8	\$155.4M	3.8%	\$19,422,354	\$145,622	10.5%	\$199,967	226	8.2%
2018	9	\$280.3M	5.6%	\$31,140,823	\$189,883	9.0%	\$212,878	240	7.8%
2017	12	\$313.3M	7.9%	\$26,108,369	\$158,733	7.2%	\$207,668	235	7.8%
2016	12	\$229.7M	6.6%	\$19,144,568	\$148,985	8.4%	\$194,091	219	7.8%
2015	26	\$323.4M	13.6%	\$12,438,645	\$110,565	7.8%	\$178,621	202	7.7%
2014	10	\$154.5M	5.8%	\$15,447,126	\$126,824	9.0%	\$161,189	182	7.7%

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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
2028	-	-	-	-	-	-	\$96,696	221	10.4%
2027	-	-	-	-	-	-	\$90,295	206	10.6%
2026	-	-	-	-	-	-	\$81,959	187	11.0%
2025	-	-	-	-	-	-	\$75,344	172	11.3%
2024	-	-	-	-	-	-	\$73,744	168	10.9%
YTD	-	-	-	-	-	-	\$79,410	181	9.8%
2023	3	\$8.9M	0.8%	\$2,983,333	\$157,018	-	\$73,968	169	9.9%
2022	11	\$53.7M	8.2%	\$4,885,198	\$90,315	12.8%	\$65,757	150	9.7%
2021	7	\$25.8M	5.7%	\$3,686,429	\$60,012	-	\$70,107	160	9.1%
2020	4	\$27.7M	3.6%	\$6,929,137	\$100,060	9.0%	\$85,858	196	8.8%
2019	4	\$33.5M	4.6%	\$8,364,308	\$96,141	6.5%	\$102,312	234	8.5%
2018	4	\$3.1M	1.5%	\$782,306	\$26,745	-	\$103,766	237	8.4%
2017	3	\$7.9M	1.5%	\$2,643,333	\$63,952	-	\$100,282	229	8.3%
2016	4	\$21.8M	3.9%	\$5,451,060	\$67,297	10.1%	\$93,734	214	8.4%
2015	5	\$37.1M	5.7%	\$7,423,281	\$79,309	-	\$86,758	198	8.3%
2014	8	\$36.2M	7.9%	\$4,530,250	\$56,806	11.9%	\$77,679	177	8.4%

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DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	450	62,423	-0.3%	0	0	(1)	(132)	5	785
2023	452	62,606	-0.3%	5	453	3	338	5	785
2022	450	62,812	-0.7%	3	543	(3)	(165)	6	888
2021	453	63,230	3.2%	7	1,938	5	1,823	6	891
2020	449	61,278	0.3%	9	1,114	2	859	12	2,617
2019	449	61,065	4.4%	16	2,870	10	2,591	14	2,939
2018	436	58,517	3.2%	12	1,500	8	1,360	22	4,677
2017	424	56,717	2.9%	14	1,989	13	1,872	21	3,405
2016	413	55,144	4.5%	16	2,303	13	2,243	18	3,197
2015	397	52,771	1.7%	6	695	5	682	19	2,978
2014	389	51,874	0%	2	173	0	58	10	1,278