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REFA Hotel Conference

A Panel Discussion on the Boston Lodging Market
June 22, 2006



Rachel J. Roginsky, ISHC

164 Canal Street, Boston, MA 02114 ~ 617/722-9916

Rroginsky@pinnacle-advisory.com

www.pinnacle-advisory.com



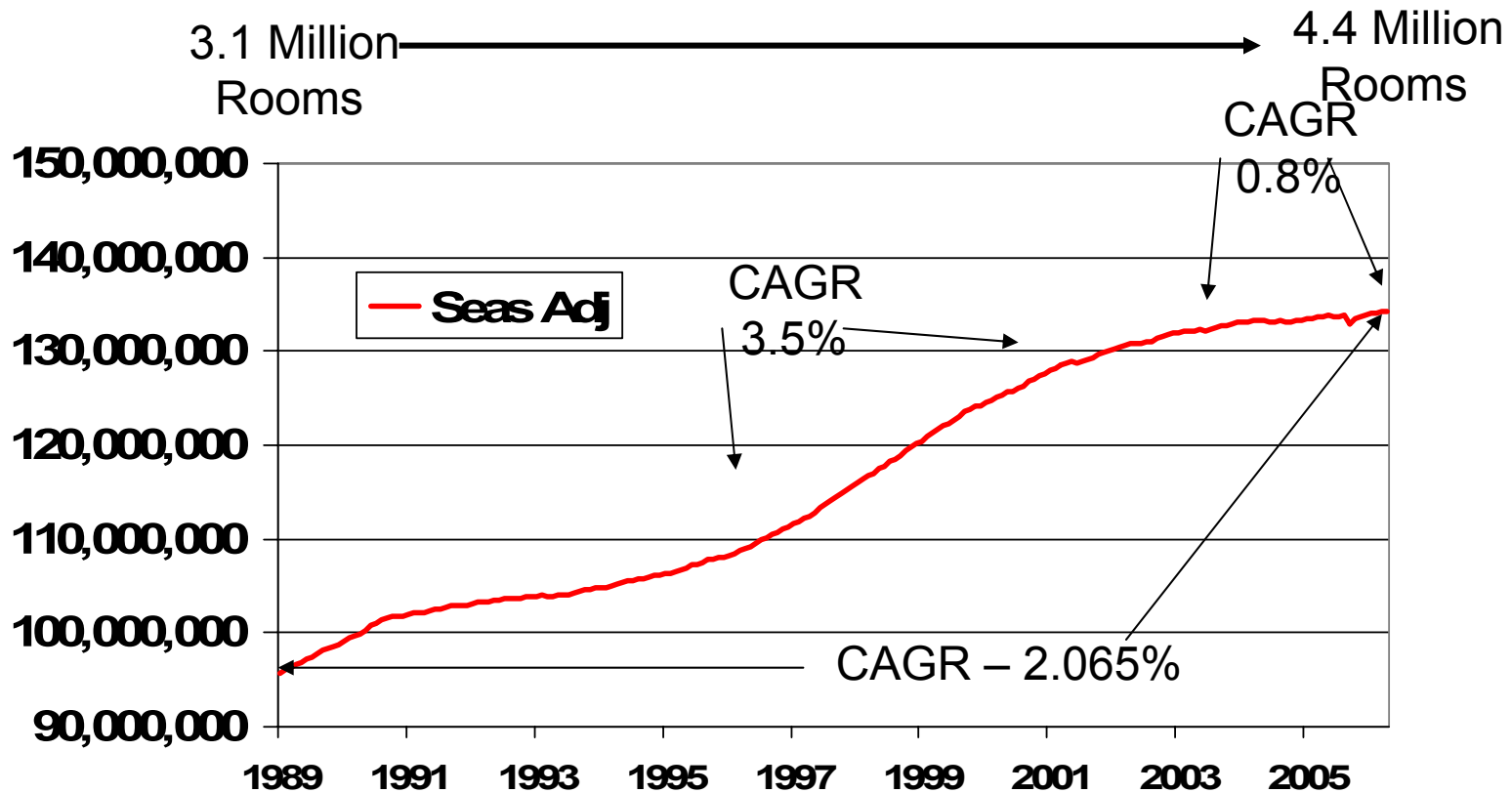
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National Trends



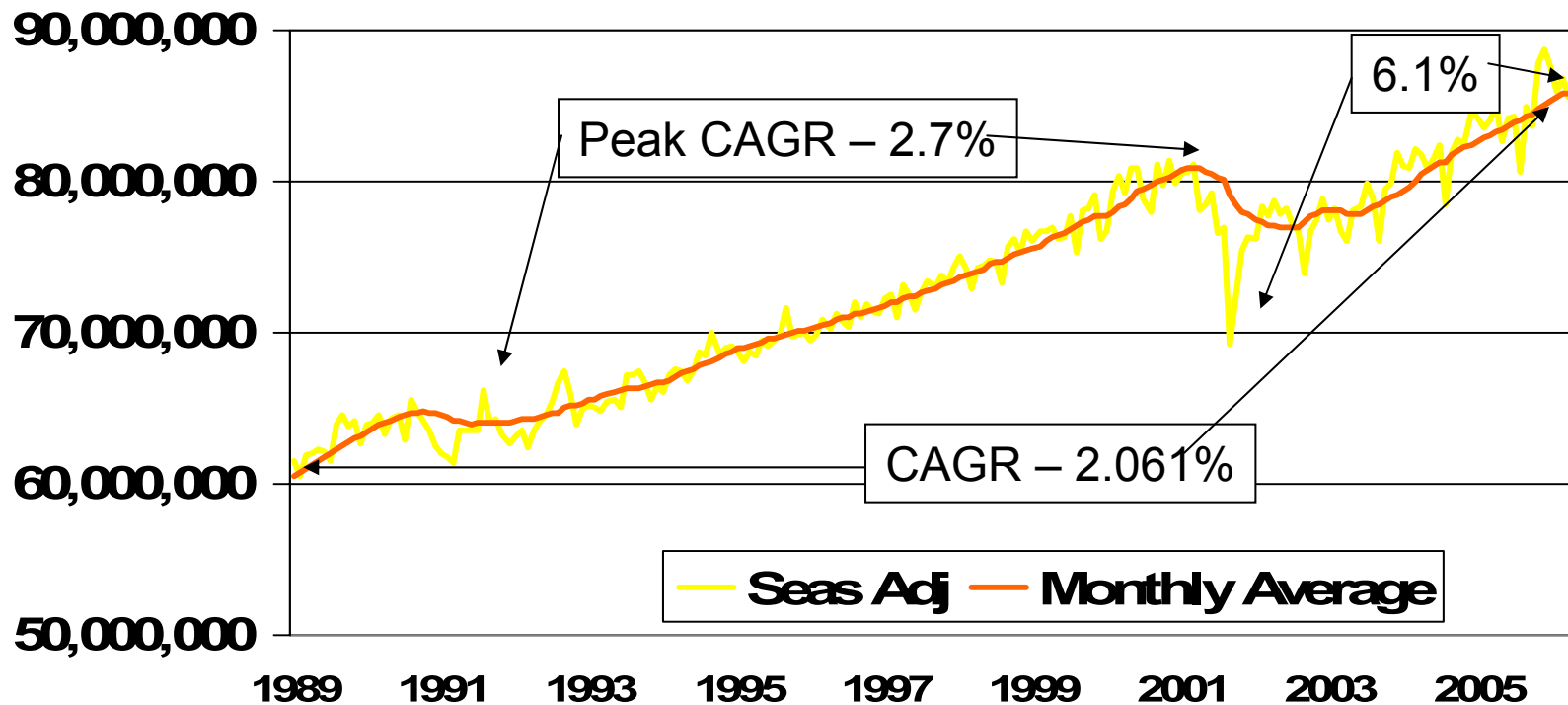
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Total U.S. Monthly Room Supply – Seasonally Adjusted January 1989 to April 2006





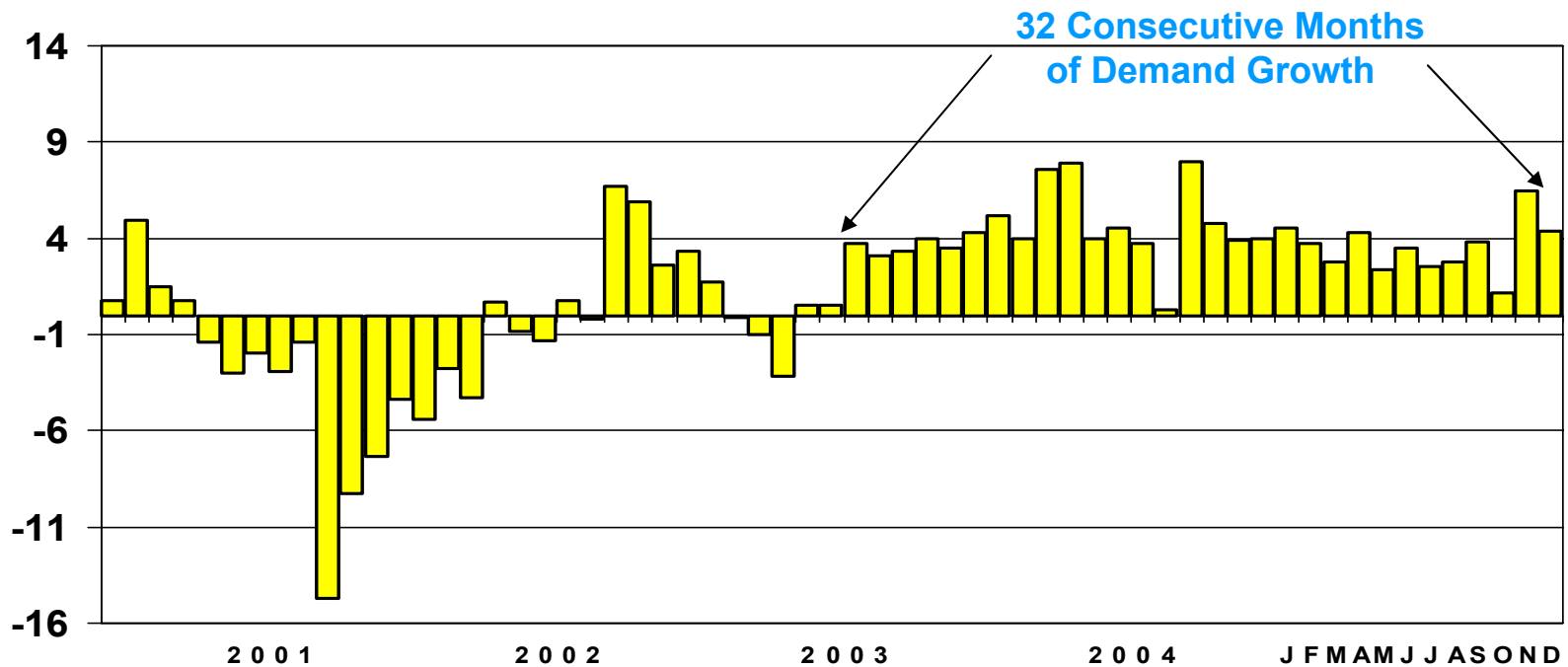
Total U.S. Monthly Room Demand – Seasonally Adjusted January 1989 to April 2006





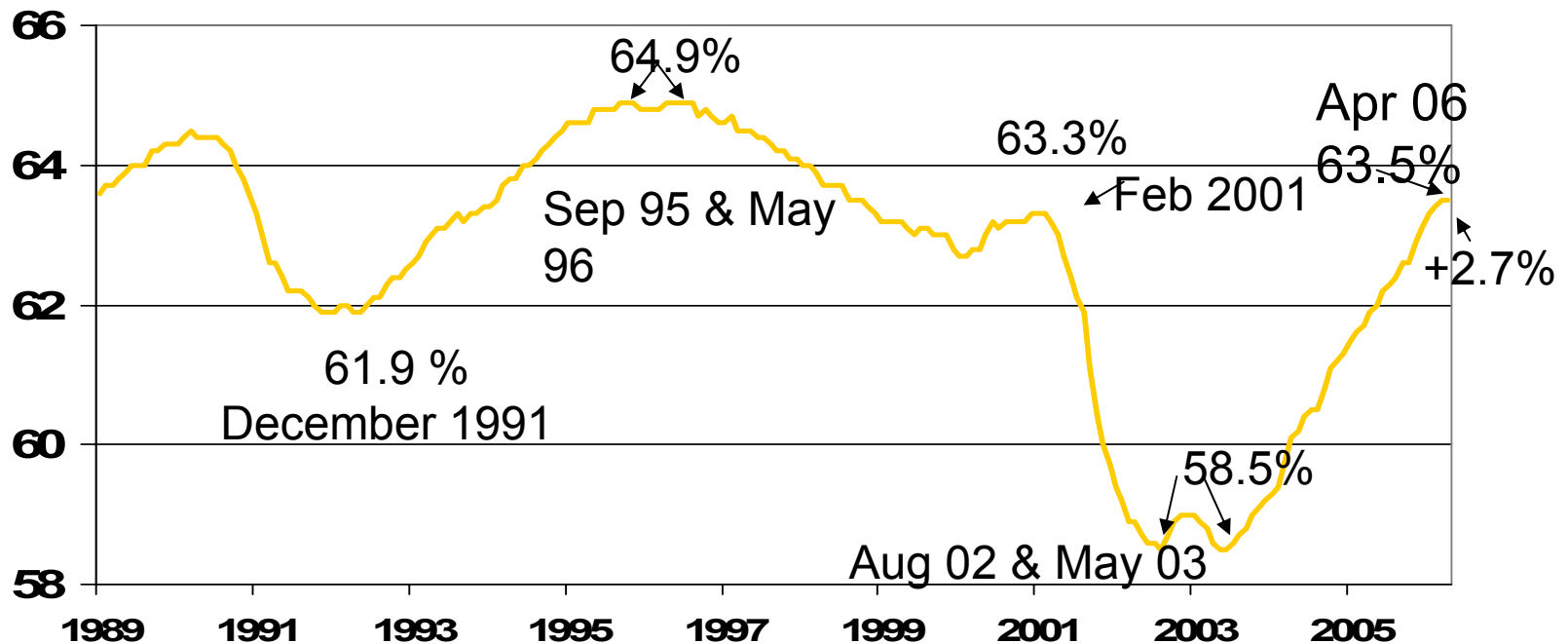
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Total United States Monthly Room Demand Percent Change January 2001 – December 2005



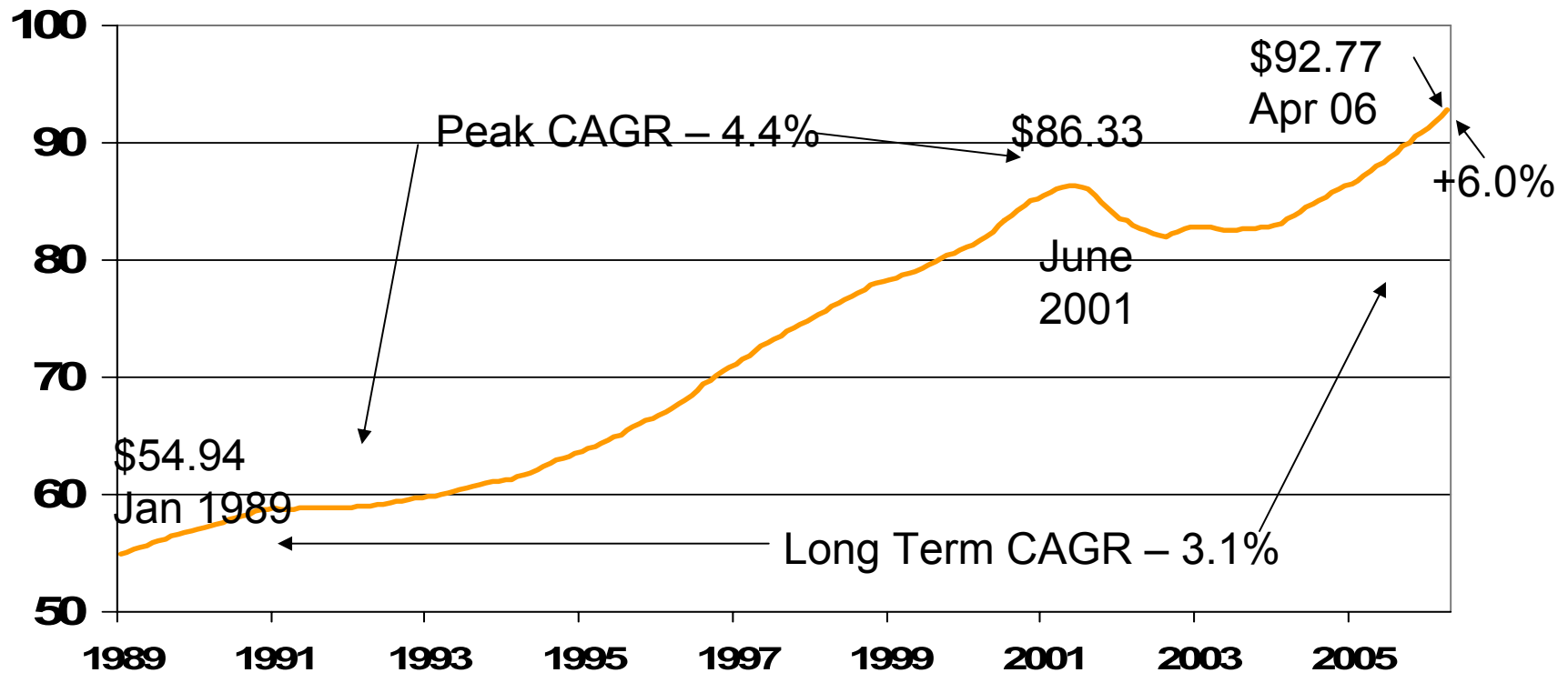


Total United States Occupancy Percent Twelve Month Moving Average - 1989 to April 2006



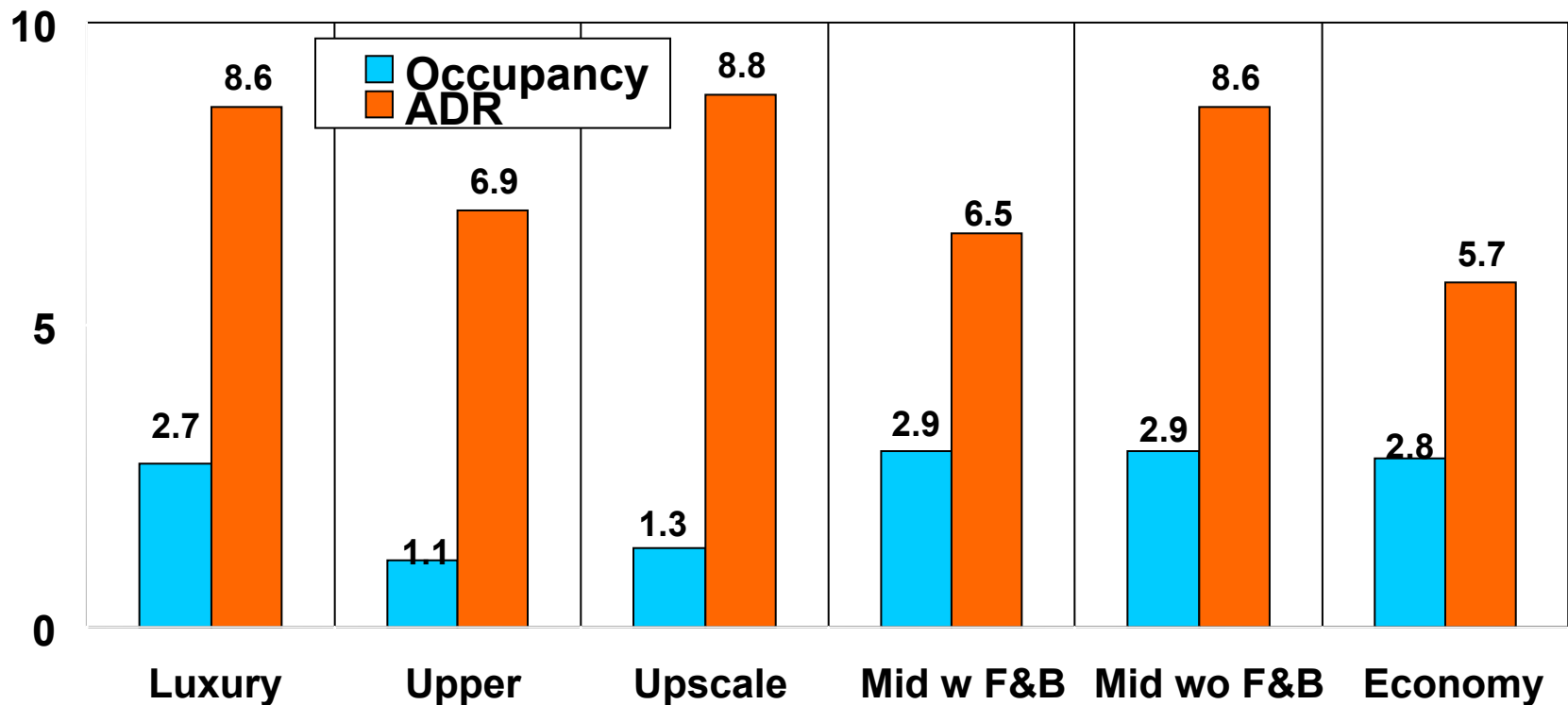


Total United States Average Daily Rate Twelve Month Moving Average – 1989 to April 2006



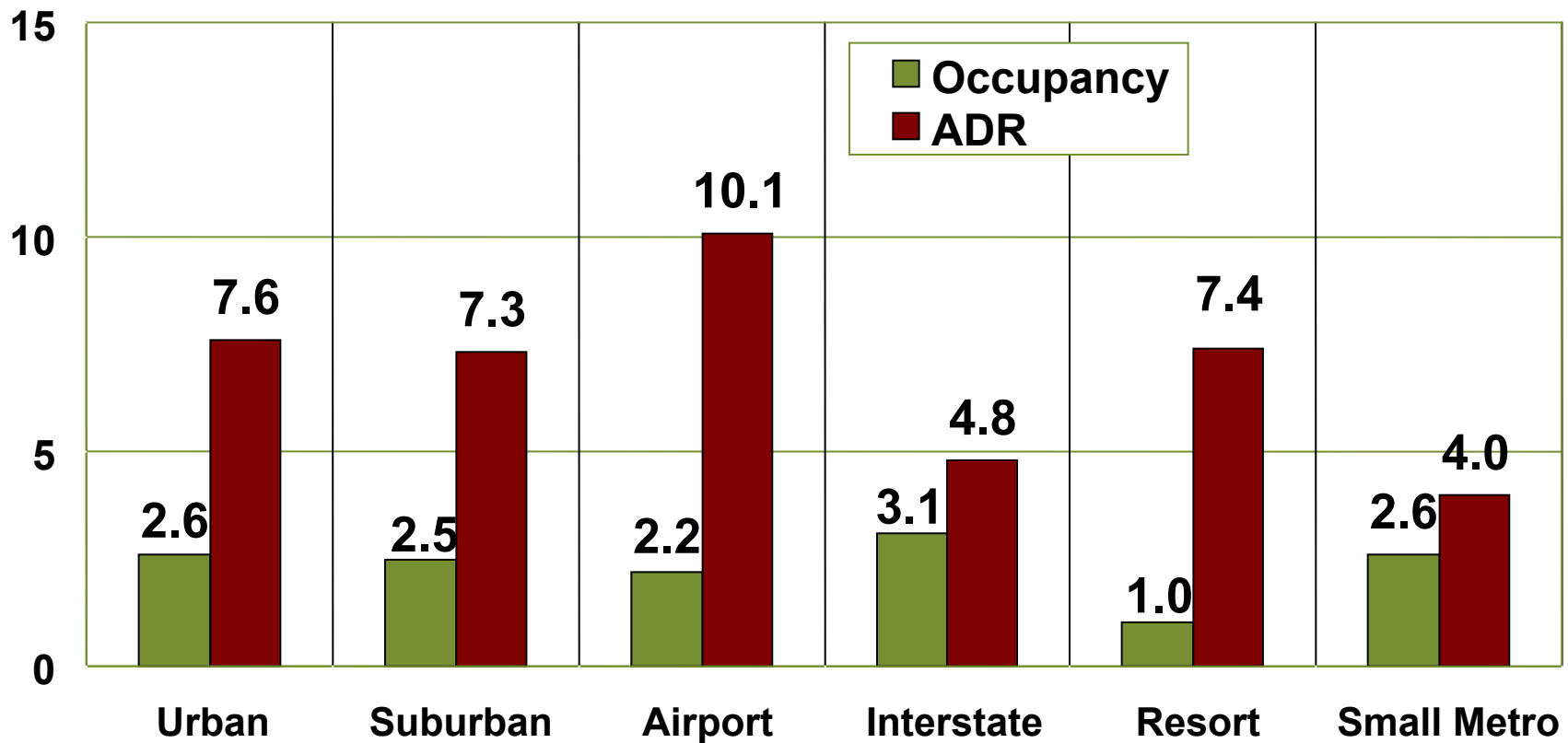


Chain Scales Occupancy/ADR Percent Change April 2006 YTD



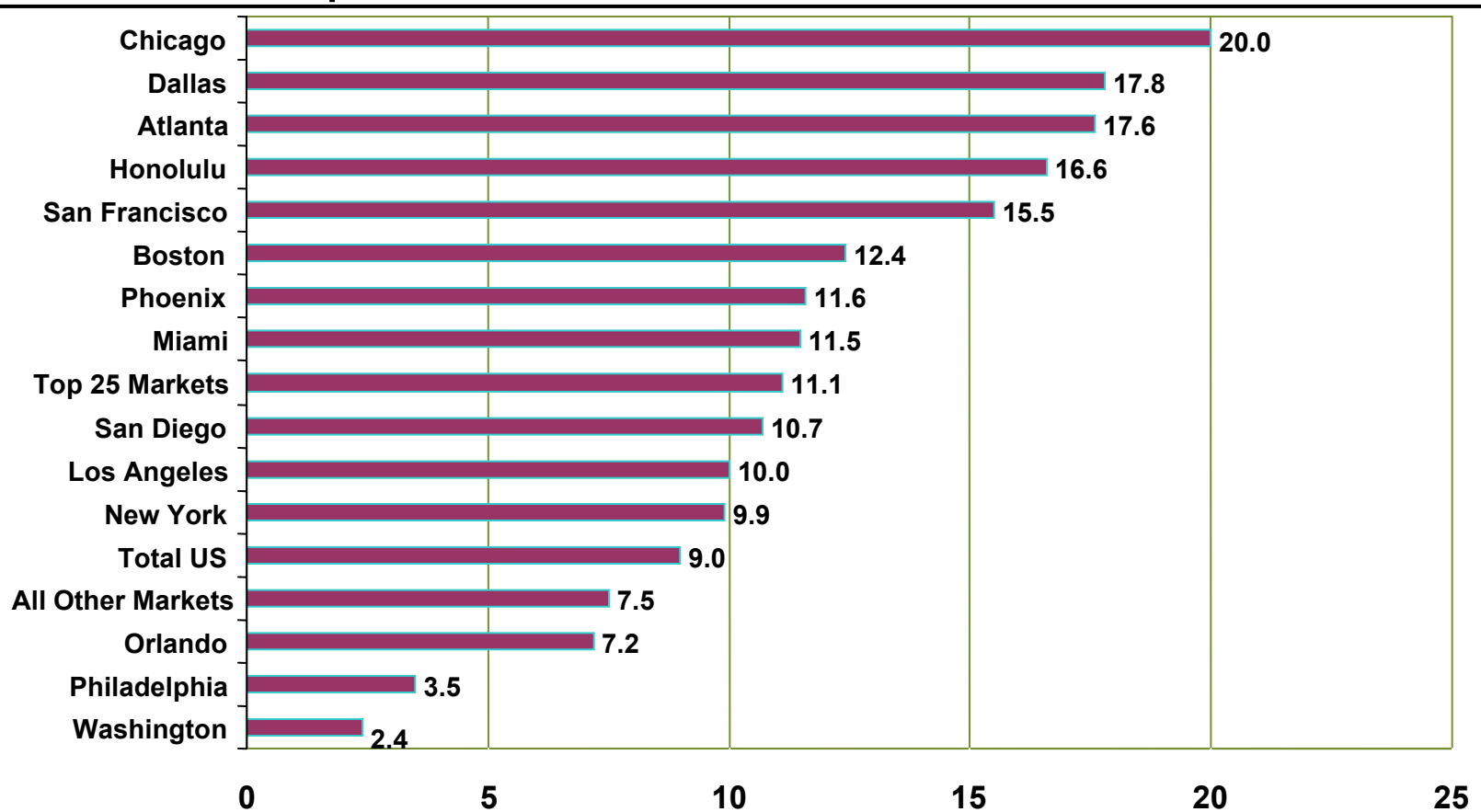


Location Segments Occupancy/ADR Percent Change April 2006 YTD



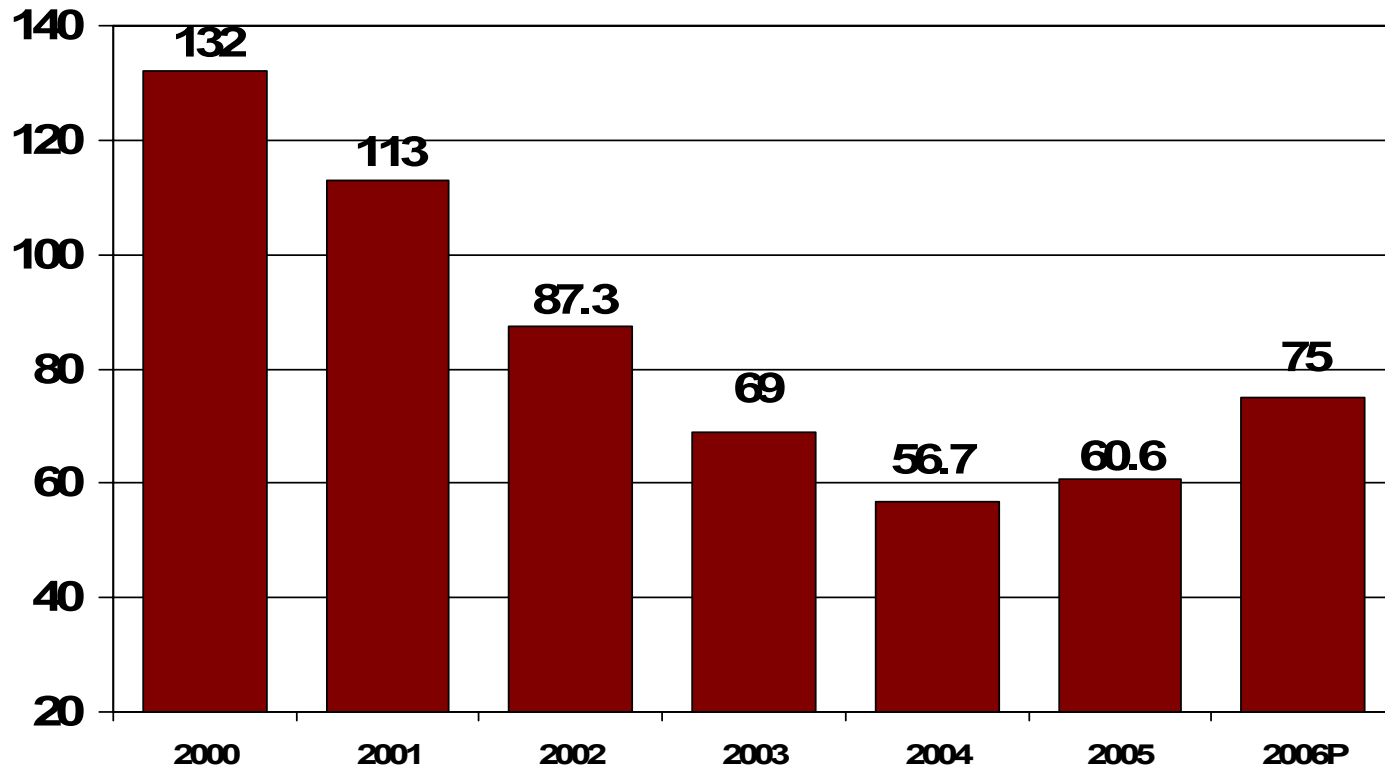


Key 15 Markets RevPAR Percent Change April 2006 YTD Year over Year





Total United States Rooms Opened In Thousands 2000 – 2006P

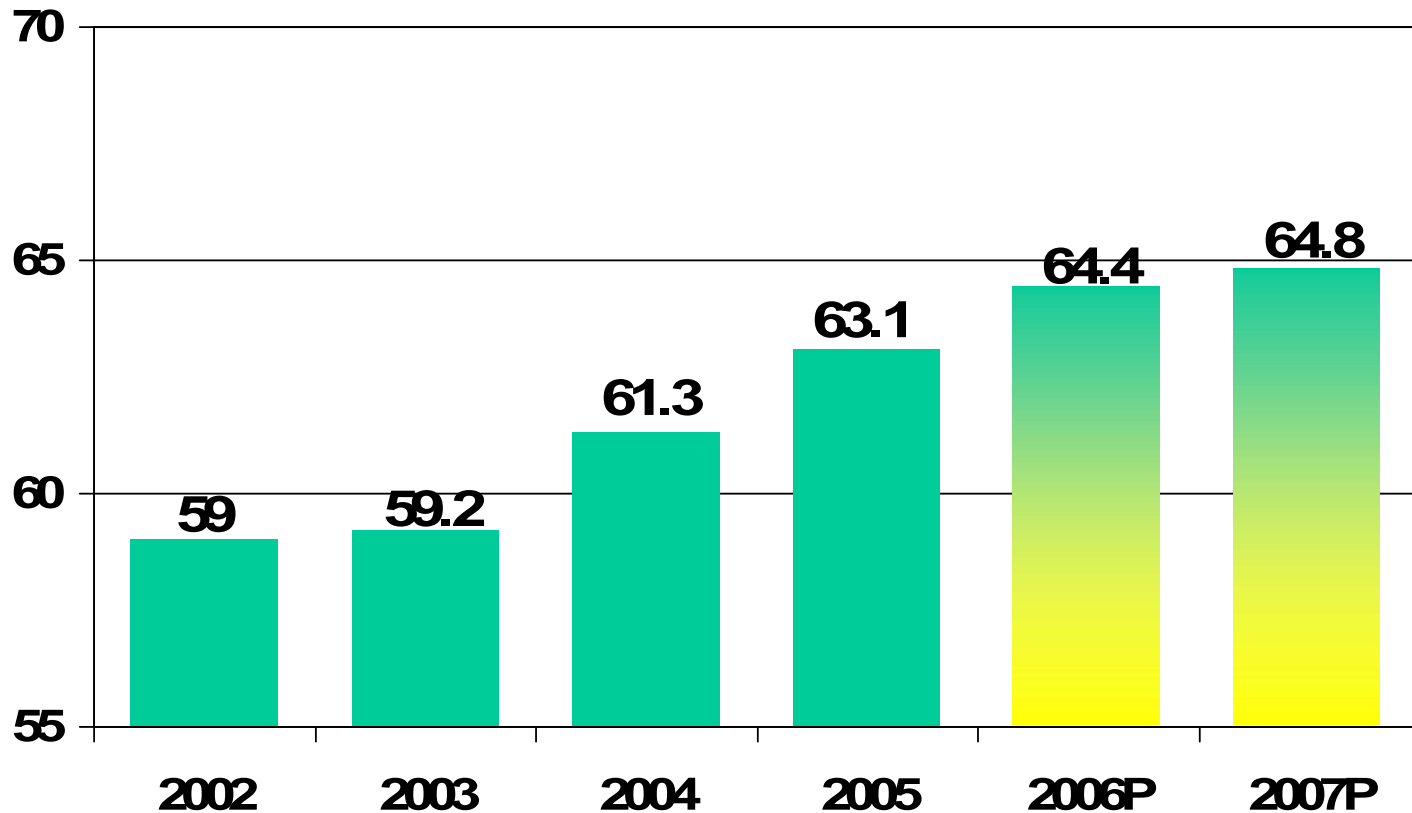


Slight Increase in Supply Still is No Threat



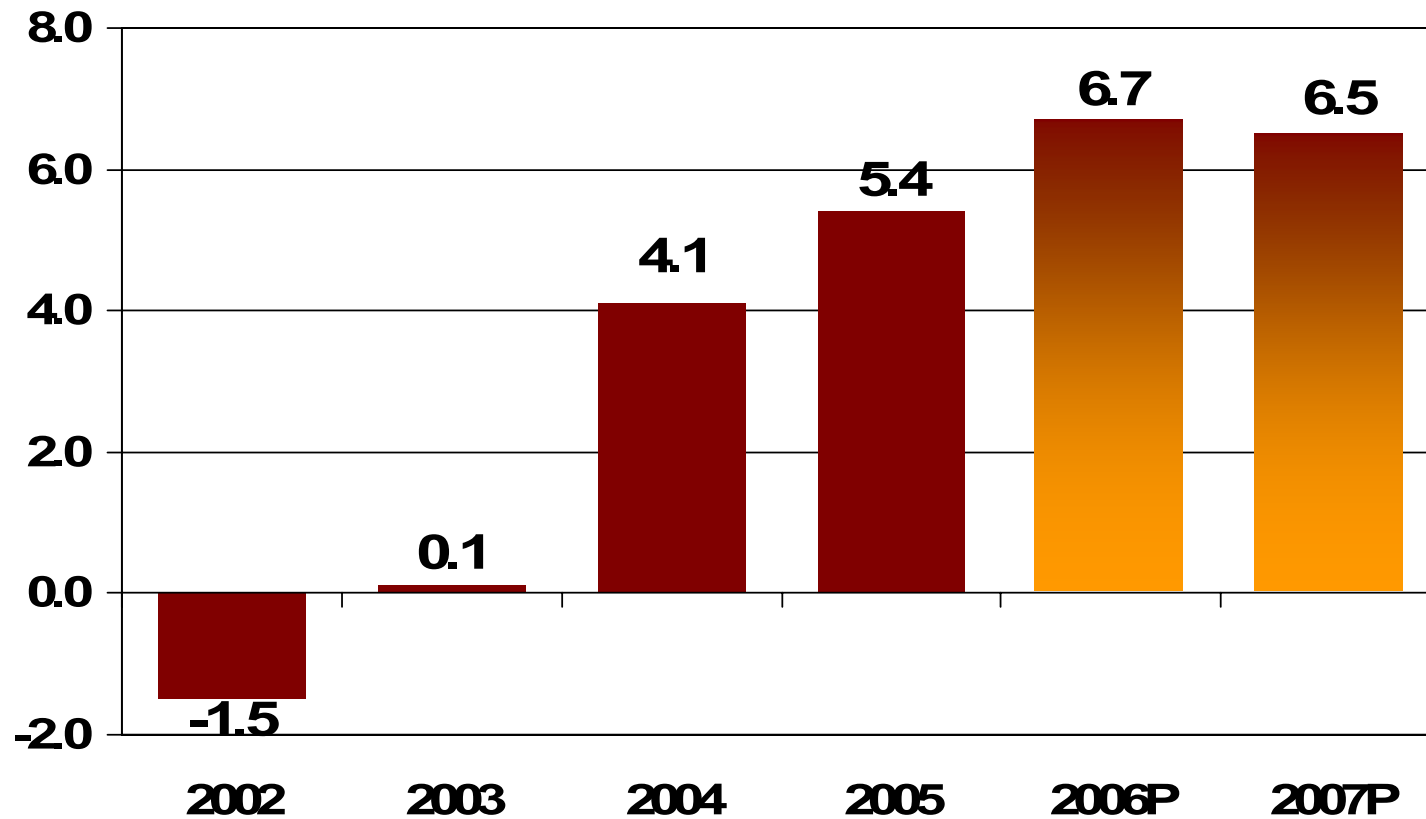
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Total United States Occupancy Percent 2002 – 2007P





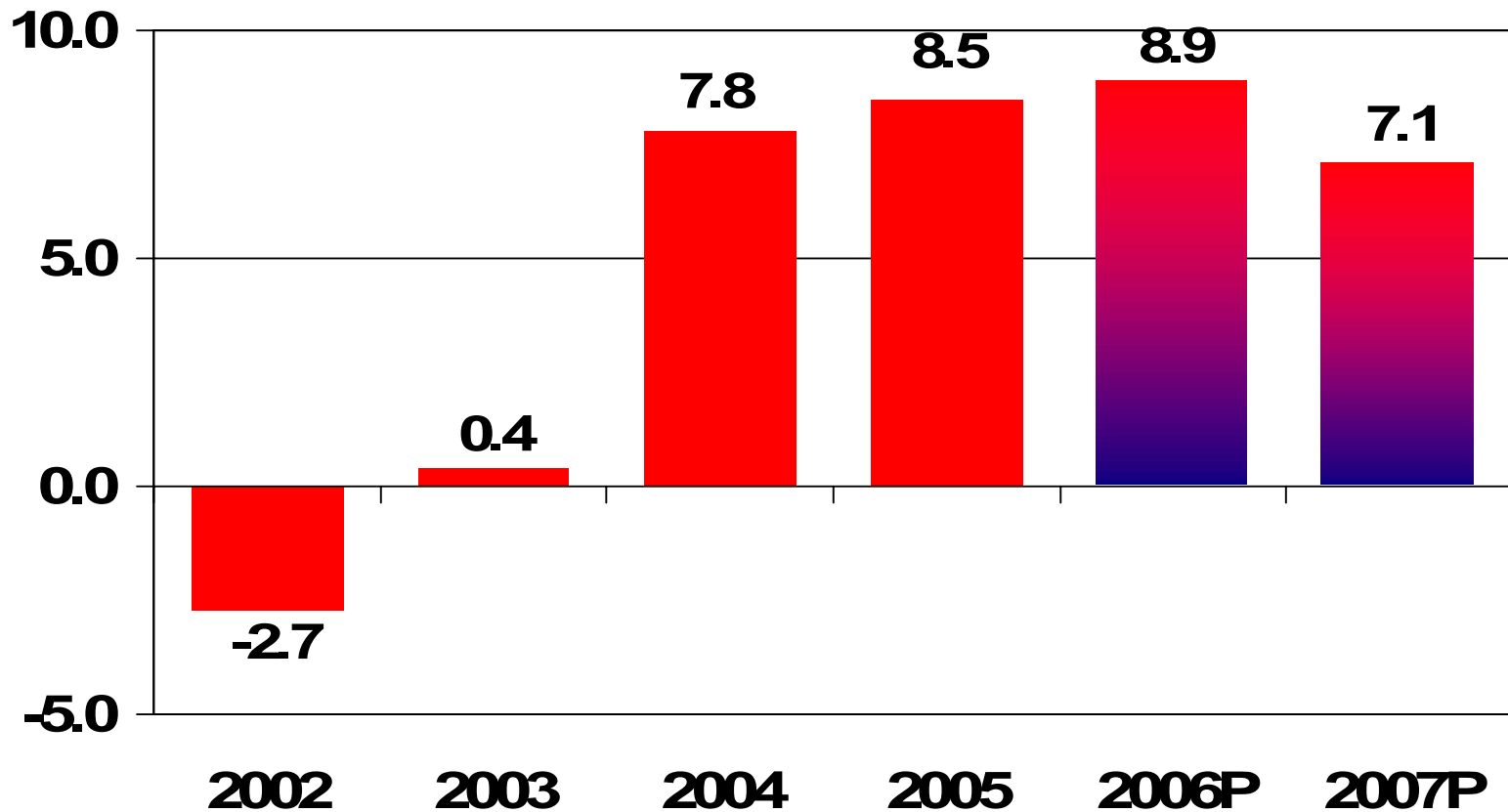
Total United States ADR Percent Change 2002 – 2007P





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Total United States RevPAR Percent Change 2002 – 2006P





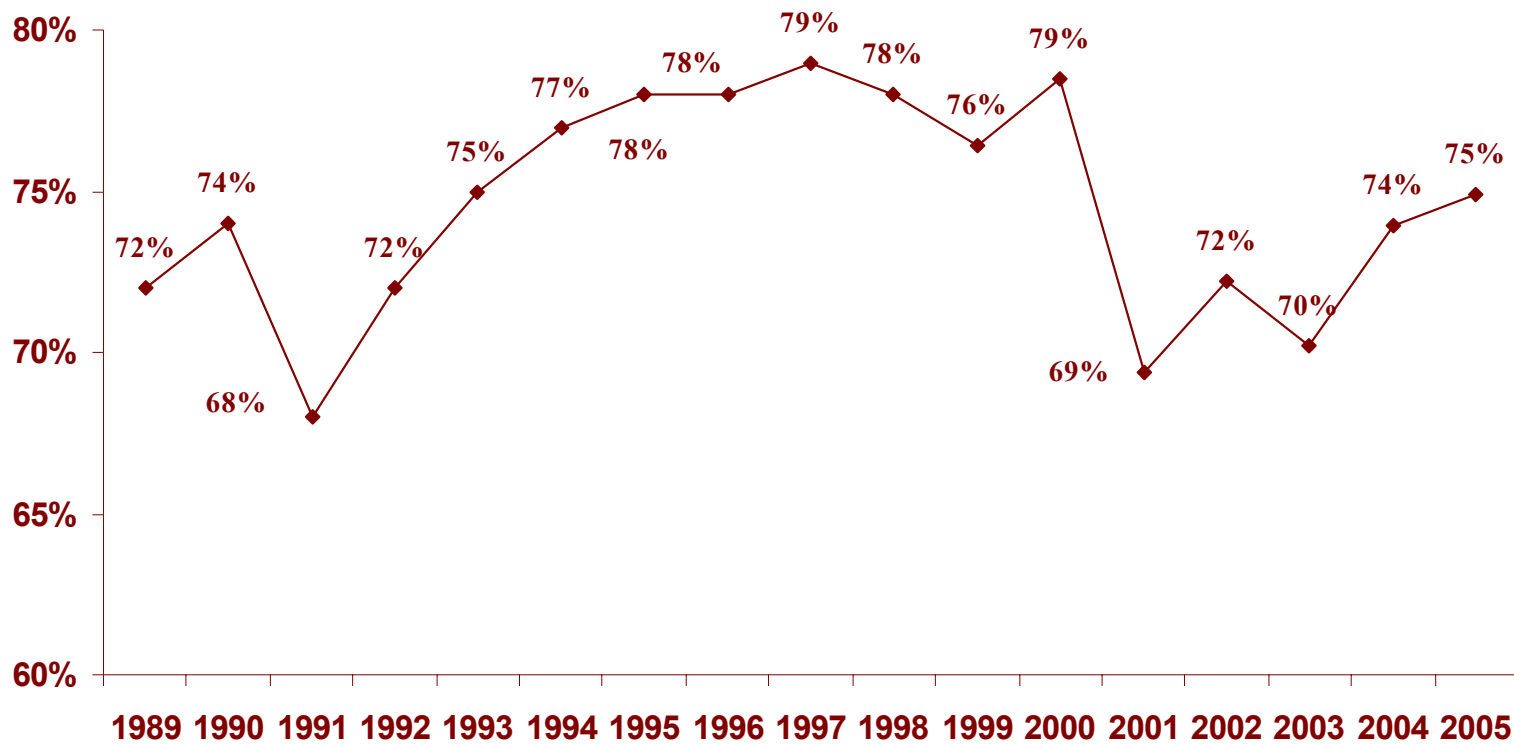
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BOSTON CAMBRIDGE LODGING MARKET



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Boston / Cambridge Occupancy 1989-2005

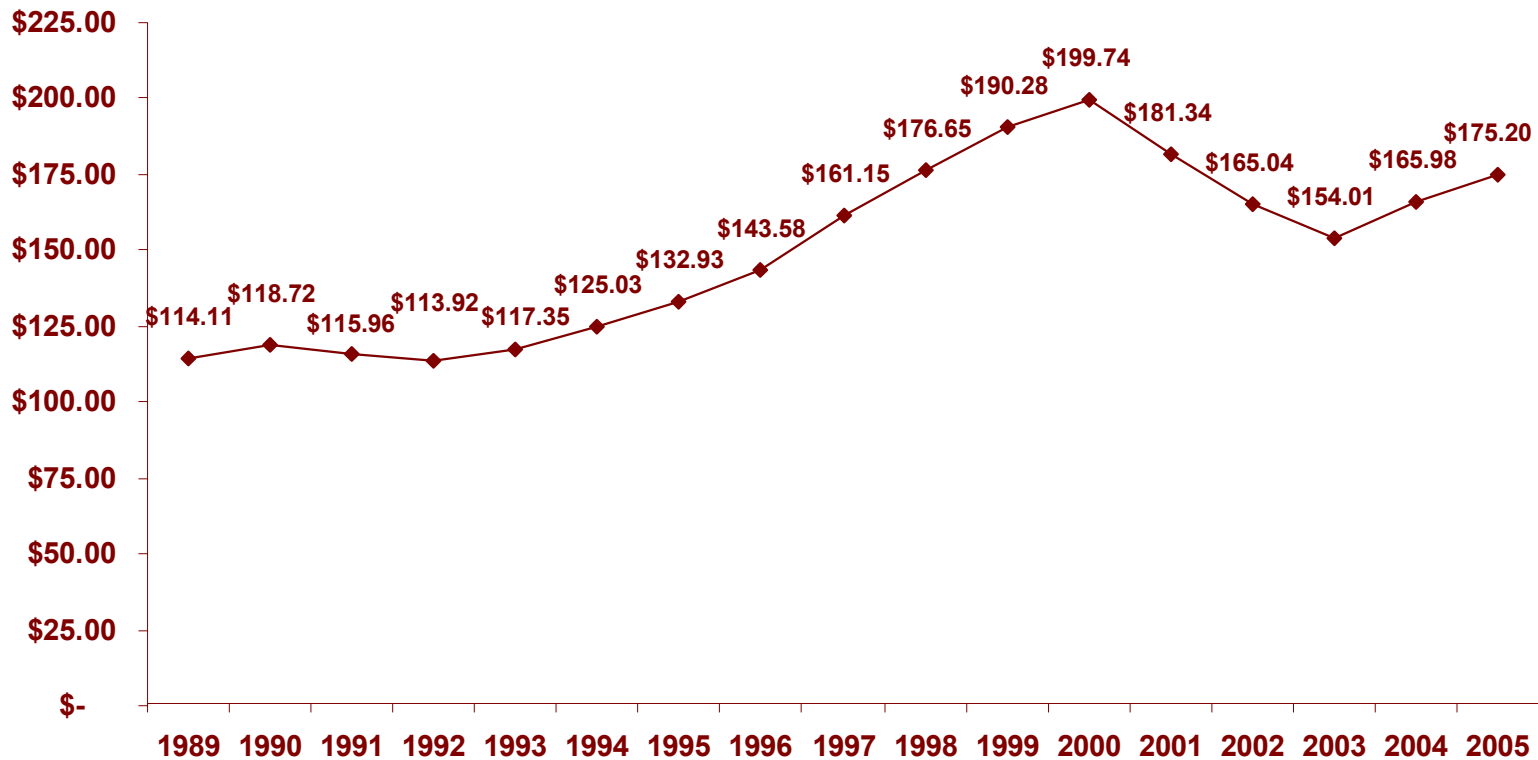


Source: Pinnacle Advisory Group



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Boston / Cambridge ADR 1989-2005

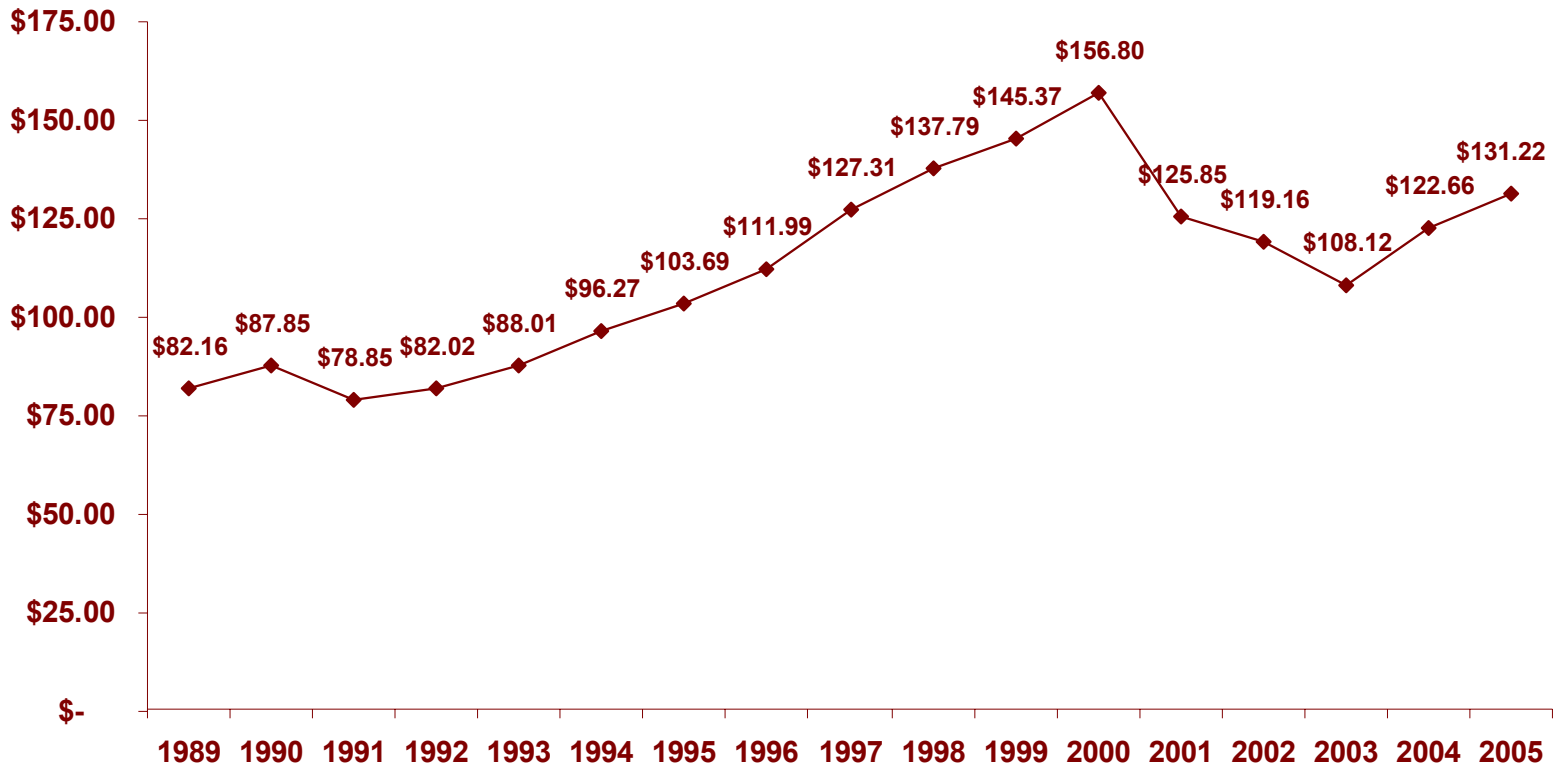


Source: Pinnacle Advisory Group



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Boston / Cambridge RevPAR 1989-2005

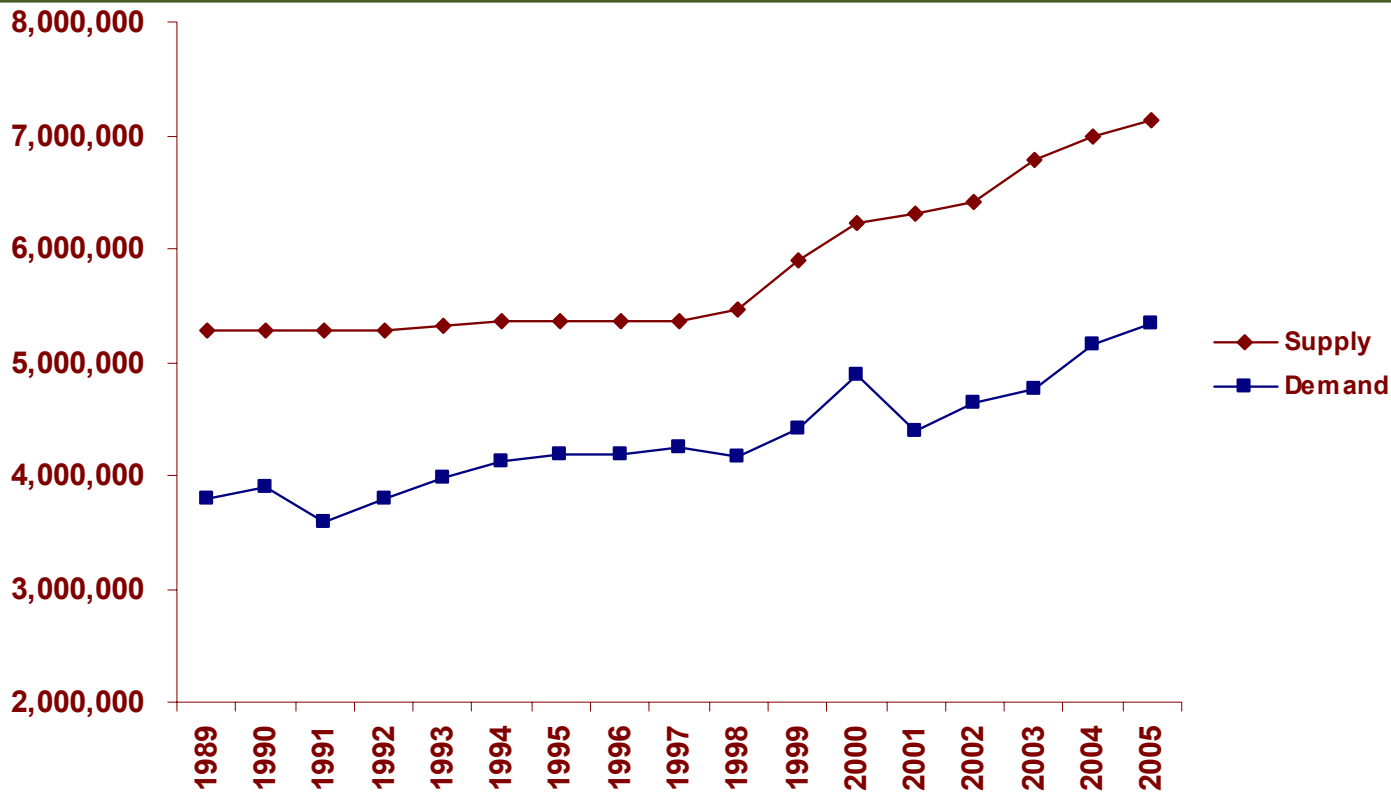


Source: Pinnacle Advisory Group



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Boston / Cambridge Supply and Demand 1989-2005



Source: Pinnacle Advisory Group



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Boston / Cambridge Demand Factors

- **Corporate**

- Recent Strong Growth Likely to Continue

- **Group**

- 2006 VERY Strong convention year
- Strong short term pick-up

- **Leisure**

- Benefits from DNC publicity
- Big Dig Completion and Logan Modernization



Citywide Outlook 2006

Year	2002	2003	2004*	2005	2006	2006 vs. 2005
City-Wide Conventions	15	15	18	21	29	+38%
Room Nights (Peak x 2.5)	110,250	107,262	160,250	168,000	262,725	+56%

*DNC Represented 42,000 room nights.



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Boston Cambridge Projections 2006

	2005	2006	Change
Occupancy	75%	76%	1.5%
Average Rate	\$175.20	\$191.00	9.0%
RevPAR	\$131.22	\$145.16	10.6%

Source: Pinnacle Advisory Group



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2007 and Beyond...

- New Supply
- Increased Convention Demand
- Increased Leisure Demand



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Cap Rates

- Upper Upscale/Luxury 5%-6%
 - Full-Service 6%-8%
 - Limited Service 6%-8%



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Financing

Existing

- Up to 90% floating
- Spreads 100-250 basis points
- 75% fixed rate first mortgages
- Spreads mid/upper 100-200 basis points

New Construction

- Up to 70% with higher interest rates
- Spreads up to 250-350 basis points



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76 Canal Street Boston, MA 02114 ~ 617/722-9916

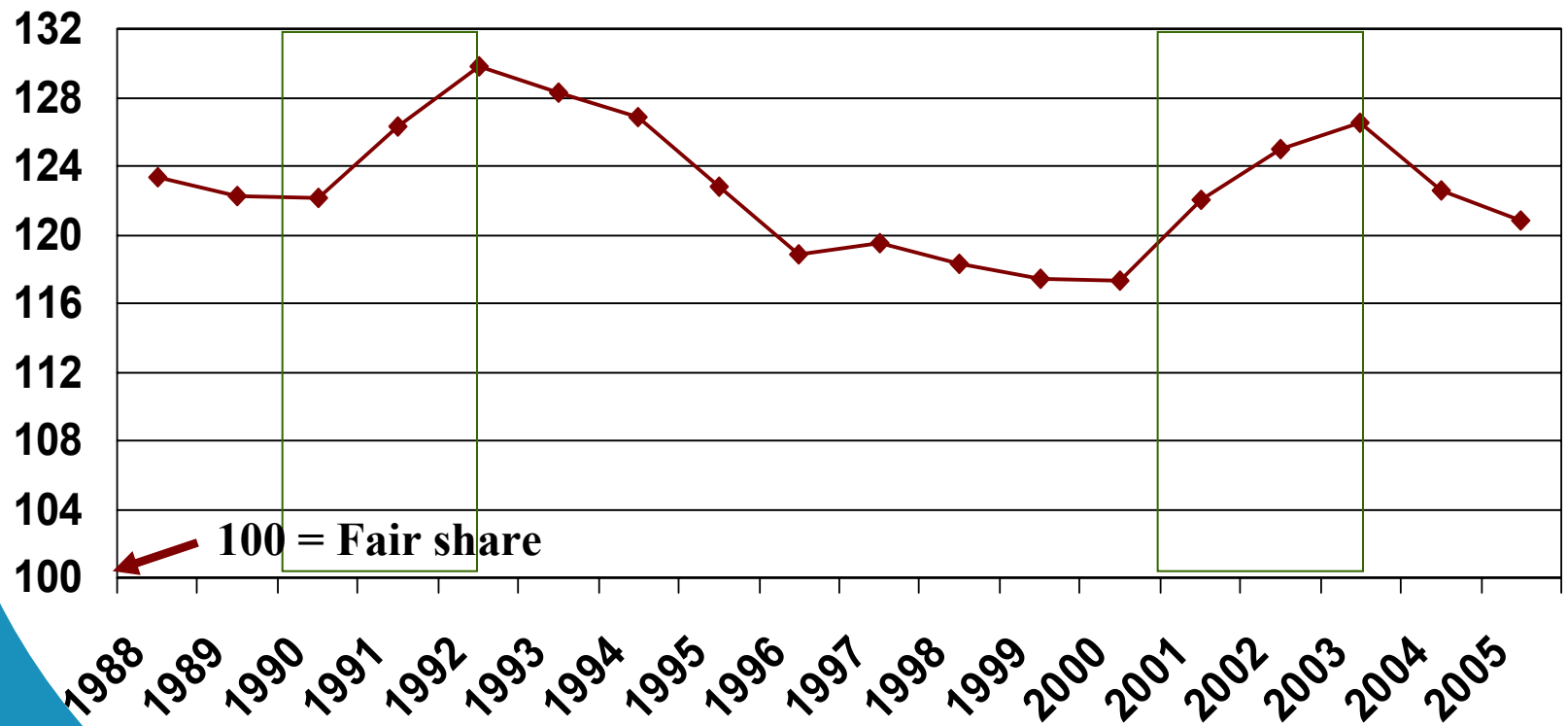
238 South State Street, Newtown, PA 18940 ~ 215/579-1804

3418 Norfolk Street, Pompano Beach, FL 33062 ~ 954/786-2019

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Periods of recession