

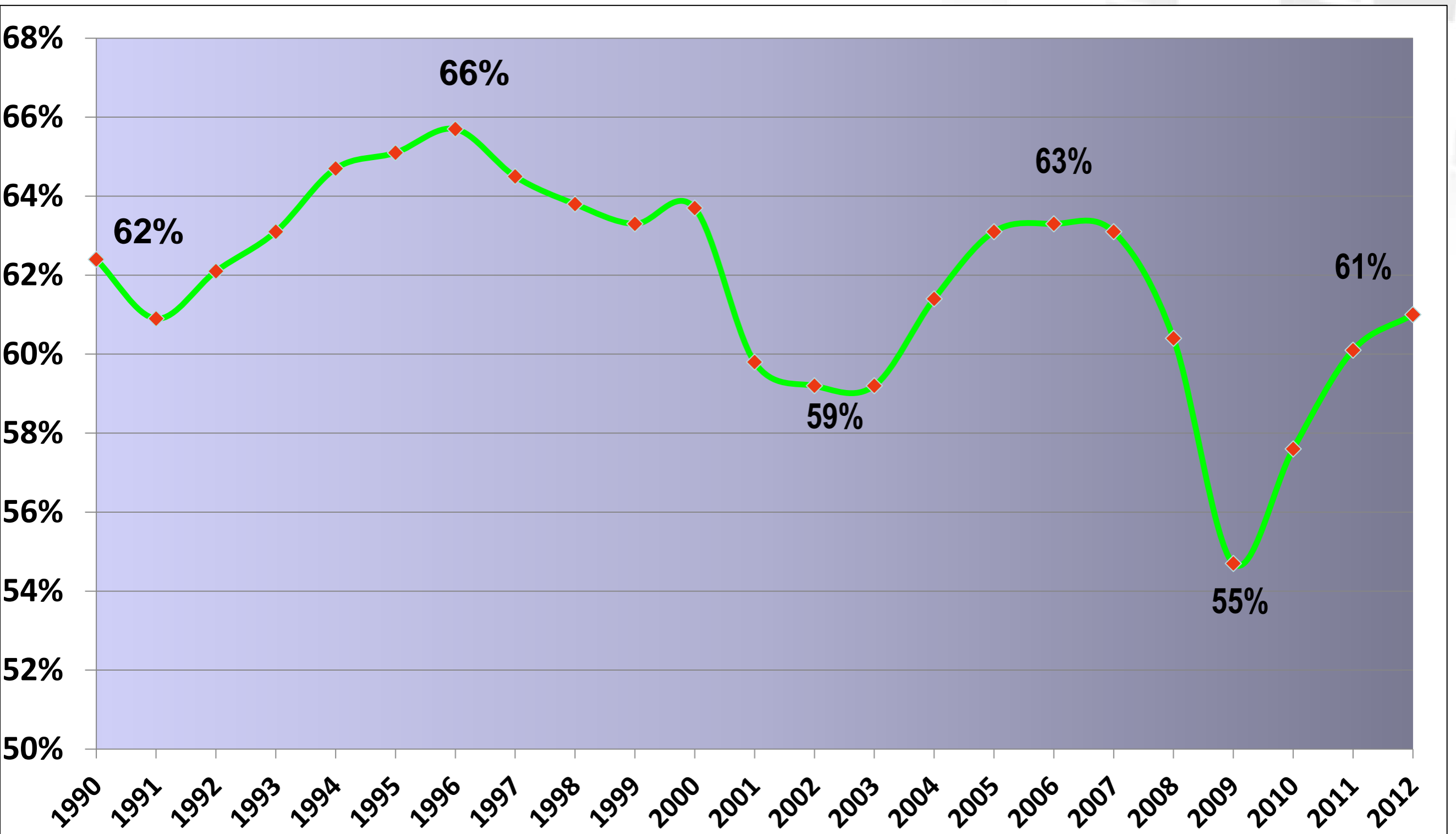
# The Hotel Perspective

Where is the industry now?  
Where is it headed?  
What markets should I look to?  
What time of year?

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NEW ENGLAND  
CHAPTER  
 MPI

# U.S. Hotel Occupancy 1990 – 2012

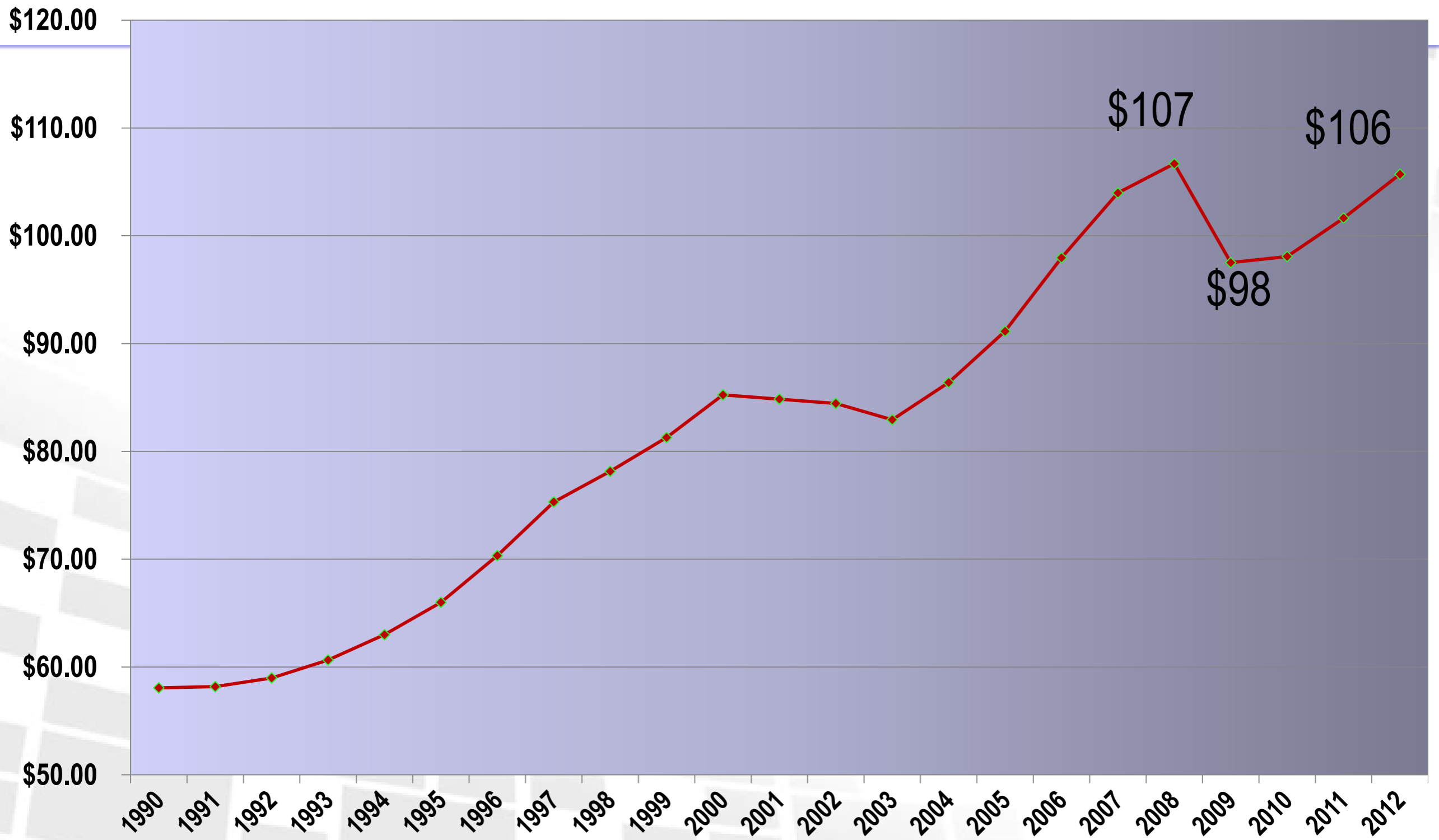


Source: Smith Travel Research

# Occupancy

- Luxury, Upper Upscale, and Upscale (primary suppliers to the group market) are all at record occupancy levels.
- Transient demand came back stronger than group
- Transient and Group Demand are both at record levels
- Occupancy has been suppressed by new supply

# U.S. Average Daily Rate 1990 – 2012(P)



Source: Smith Travel Research



# Average Daily Rate

- Average Rates in the Upper end of the market are still below 2008 levels
- Transient and group rates are still below historic levels
- Group rates take longer to recover (more static)

## National Forecasts 2013

Category	STR	PKF	Long Range Avg.
Supply	1.1%	0.8%	2.1%
Demand	1.8%	2.0%	1.9%
Occupancy	0.3%	1.1%	N/A
<b>Average Rate</b>	<b>4.6%</b>	<b>5.0%</b>	<b>2.9%</b>
RevPAR	4.9%	6.2%	2.7%

# Implications for the Group Market

- Operators are under pressure from owners to increase rates
- Many markets will continue to have capacity constraints
- Supply for group hotels will not grow significantly until late 2014 at the earliest

# What markets should I look to?

- Secondary Markets Continue to Struggle From a Demand perspective
- New Supply will become more of a factor in these cities over the next 18 months:
  - New York
  - Washington
  - Nashville
  - Denver
  - Miami
  - Philadelphia





# When Will I have the Most Leverage?

- CVB has great information, you just need to ask for it.
- Boston and New York – Group Booking Pace
  - Boston group pace for 2013 is flat
  - NYC group pace for 2013 is down slightly
- Other Markets (e.g. Providence) use the TAP report and the Rubicon Report

