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Cape and Islands Outlook



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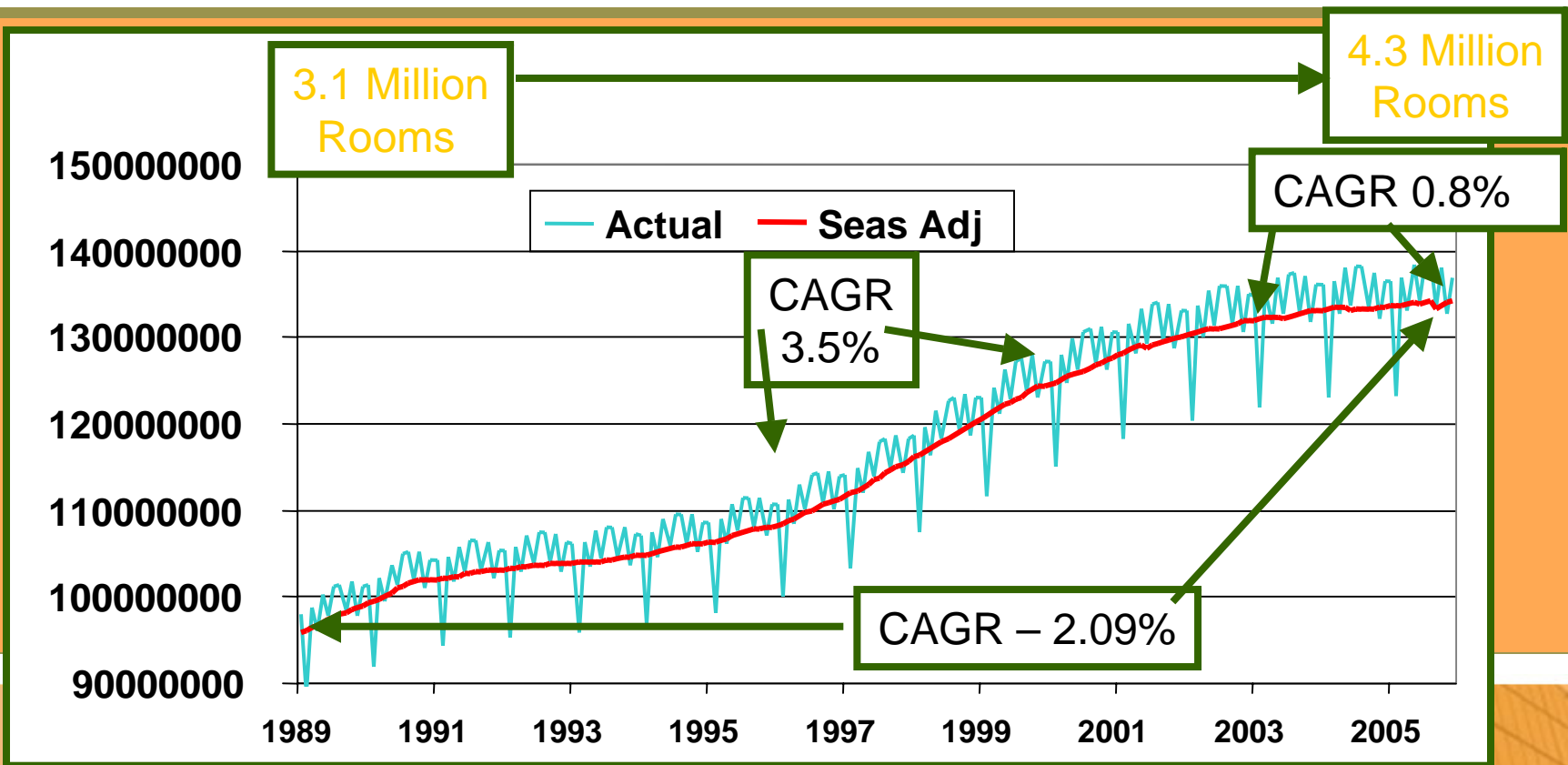


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National Trends



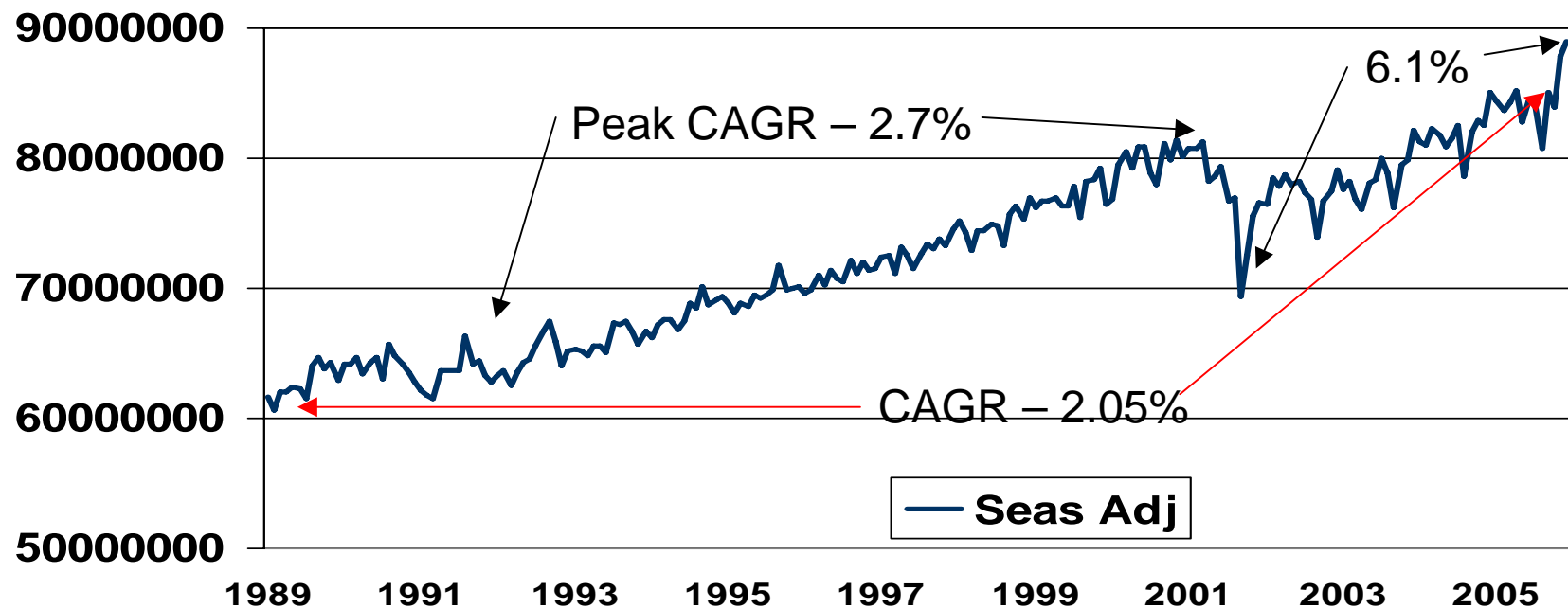
Total U.S. Monthly Room Supply – Actual and Seasonally Adjusted January 1989 to December 2005





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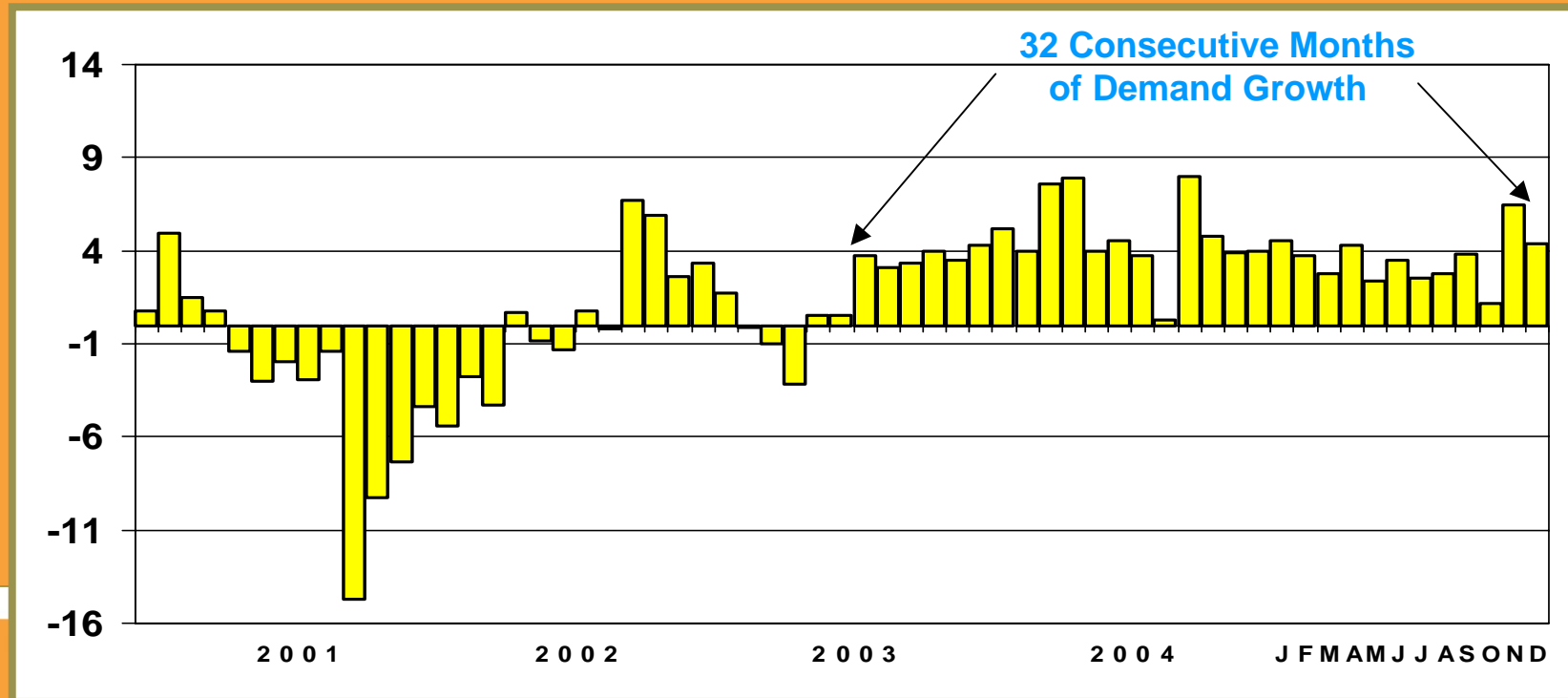
Total U.S. Monthly Room Demand – Seasonally Adjusted January 1989 to December 2005





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

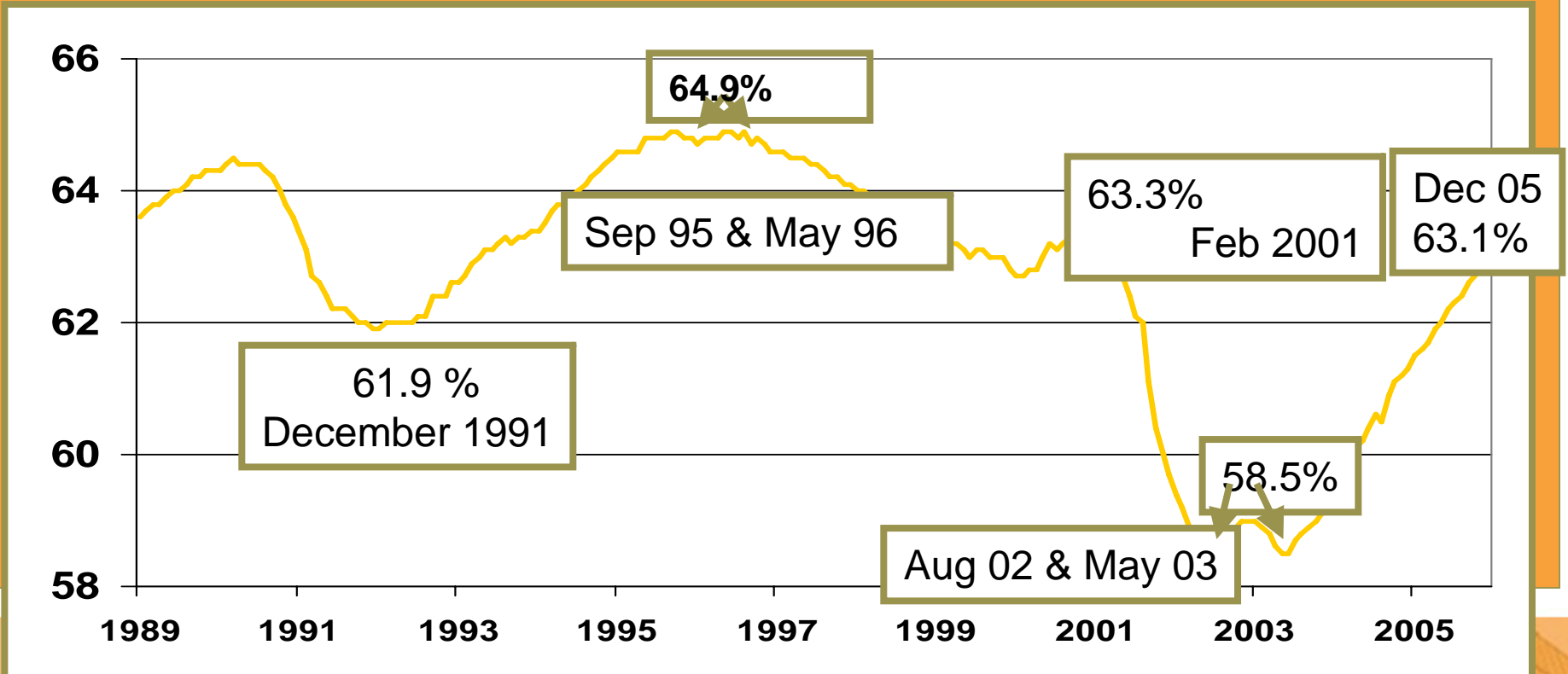


Source: Smith Travel Research



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Total United States Occupancy Percent Twelve Month Moving Average – 1989 to December 2005

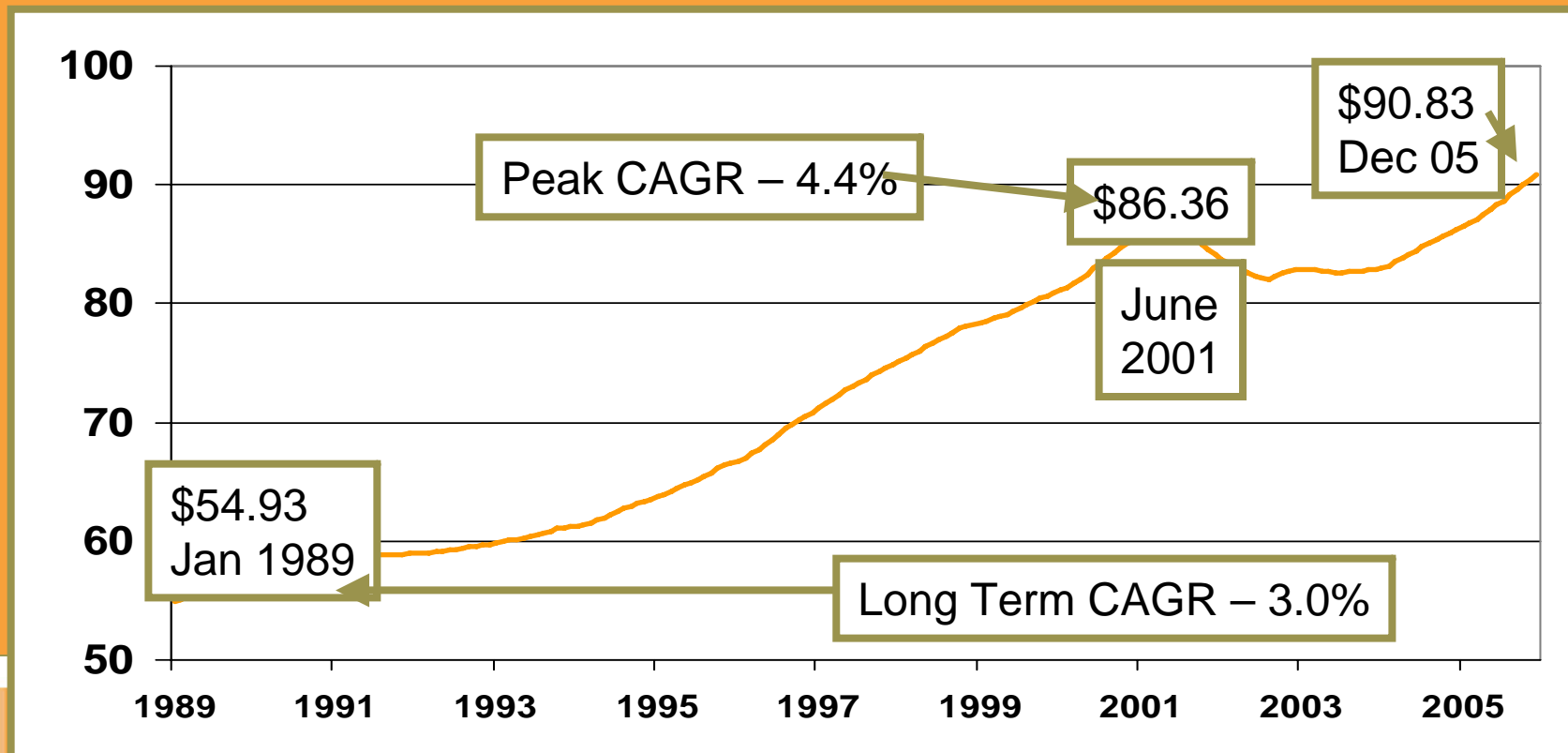


Source: Smith Travel Research



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Total United States Average Daily Rate Twelve Month Moving Average – 1989 to December 2005

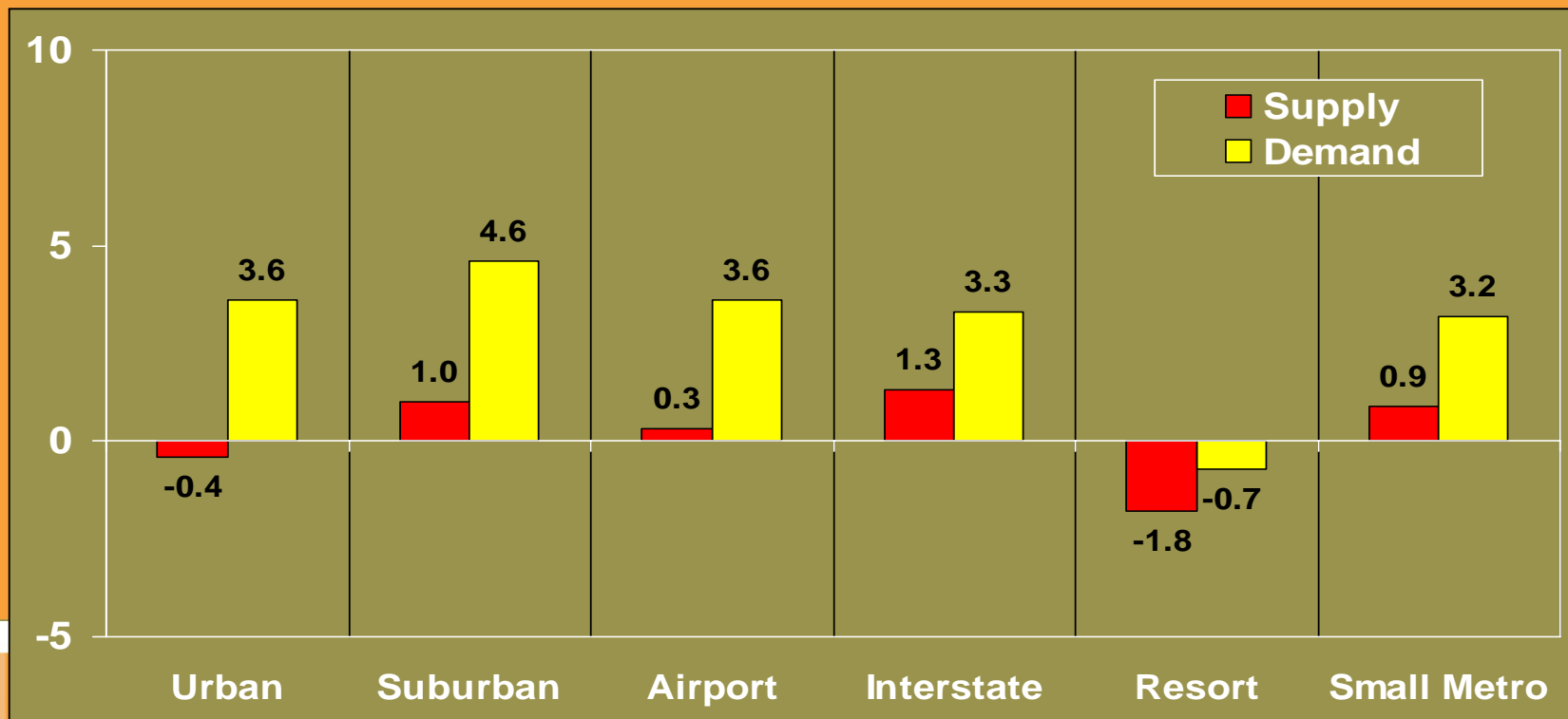


Source: Smith Travel Research



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Location Segments
Supply/Demand Percent Change
Twelve Months Ended November





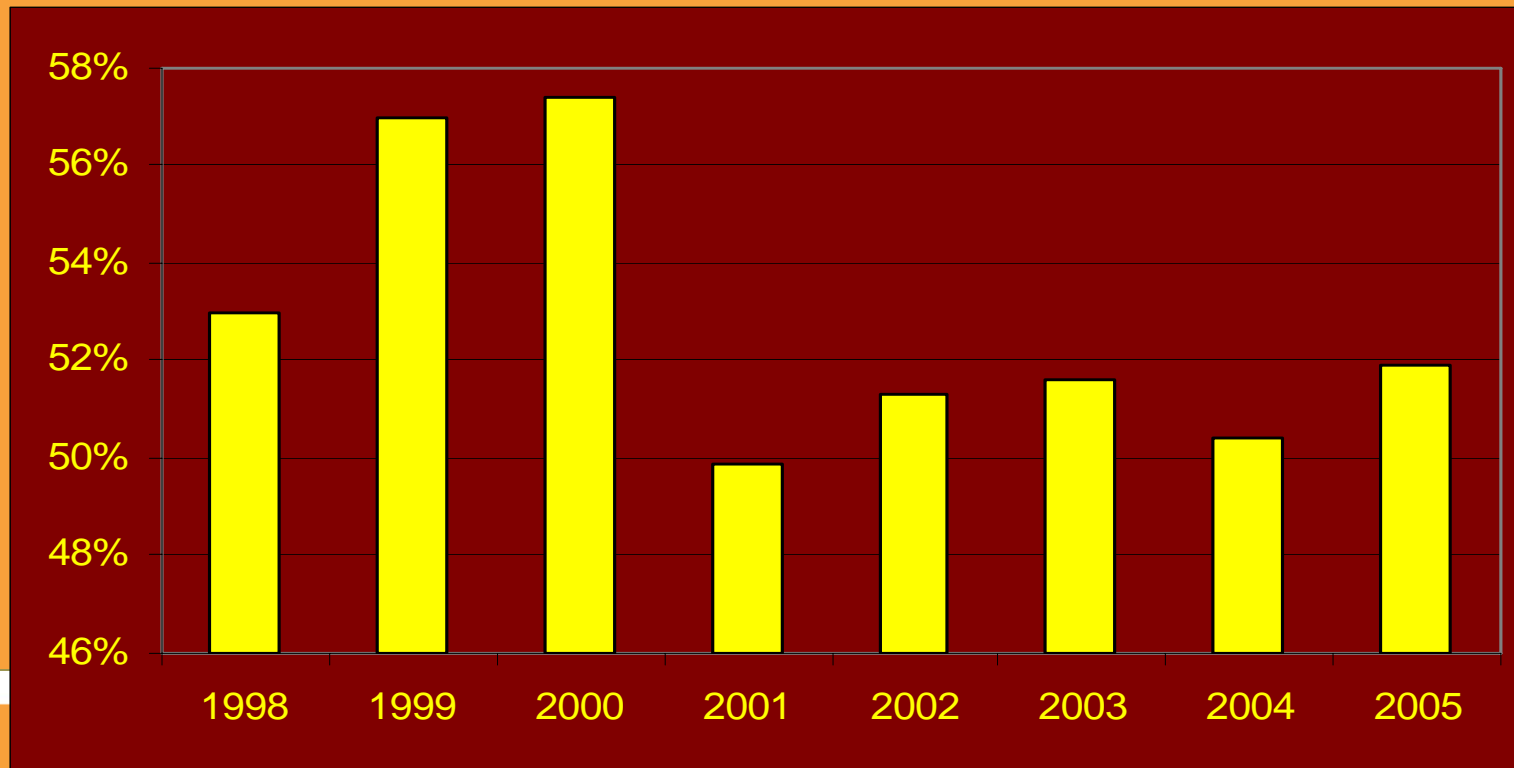
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Cape and Islands Occupancy 1998 - 2005

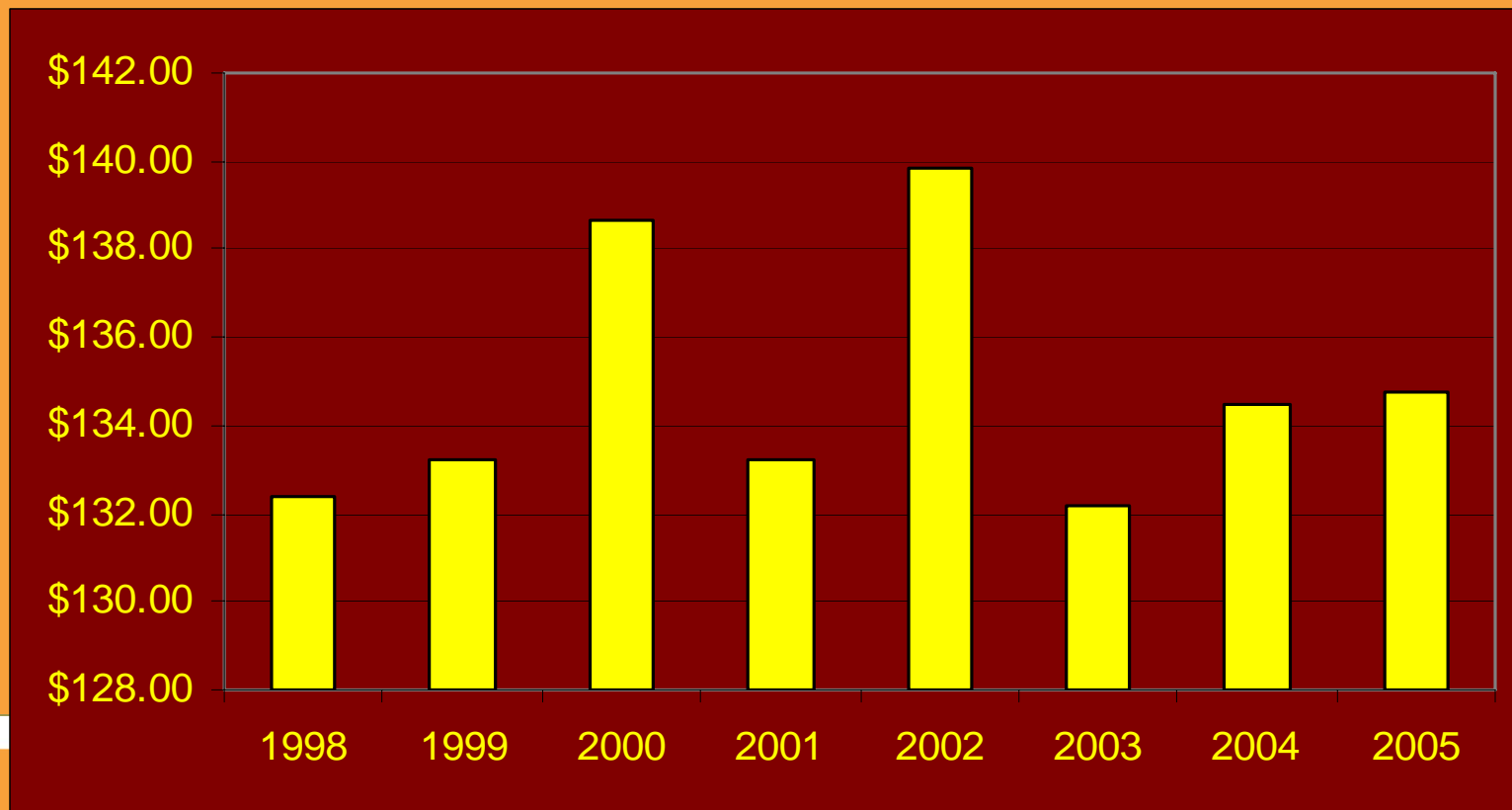


Source: Pinnacle Advisory Group



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Cape and Islands Average Rate 1998-2005

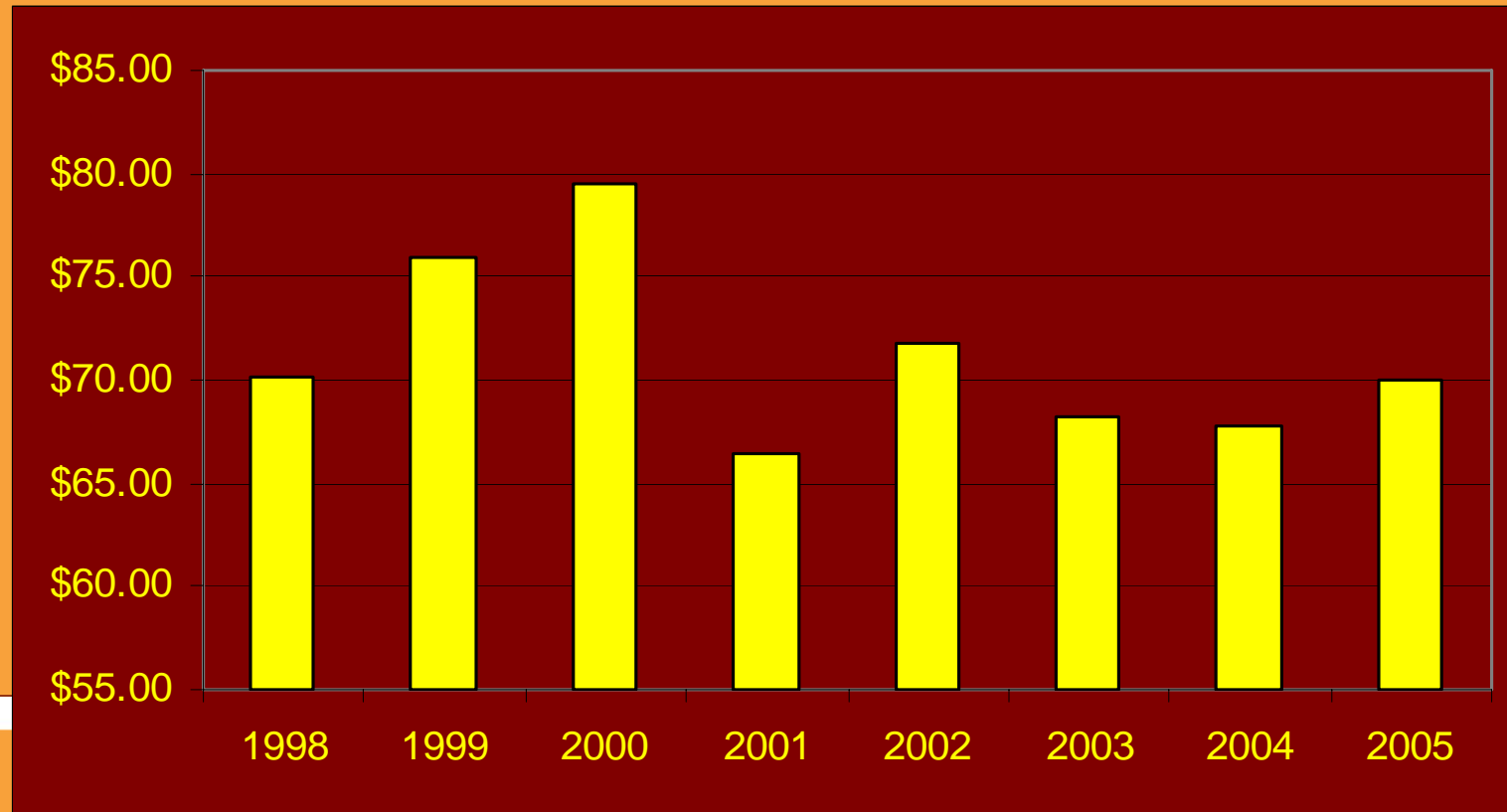


Source: Pinnacle Advisory Group



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Cape and Islands RevPAR 1998 - 2005



Source: Pinnacle Advisory Group



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Factors Effecting Demand



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Recent Industry Trends

- New Supply is not an issue (yet)
- International demand is strong
- Aggressive Pricing
- Higher Operating Costs



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Cape and Islands Demand Factors

- The Weather
- Strong Convention Year For Boston
- Increased Competition from Rentals
- Improving Group Demand
- Gas Prices
- Stable/decreasing supply



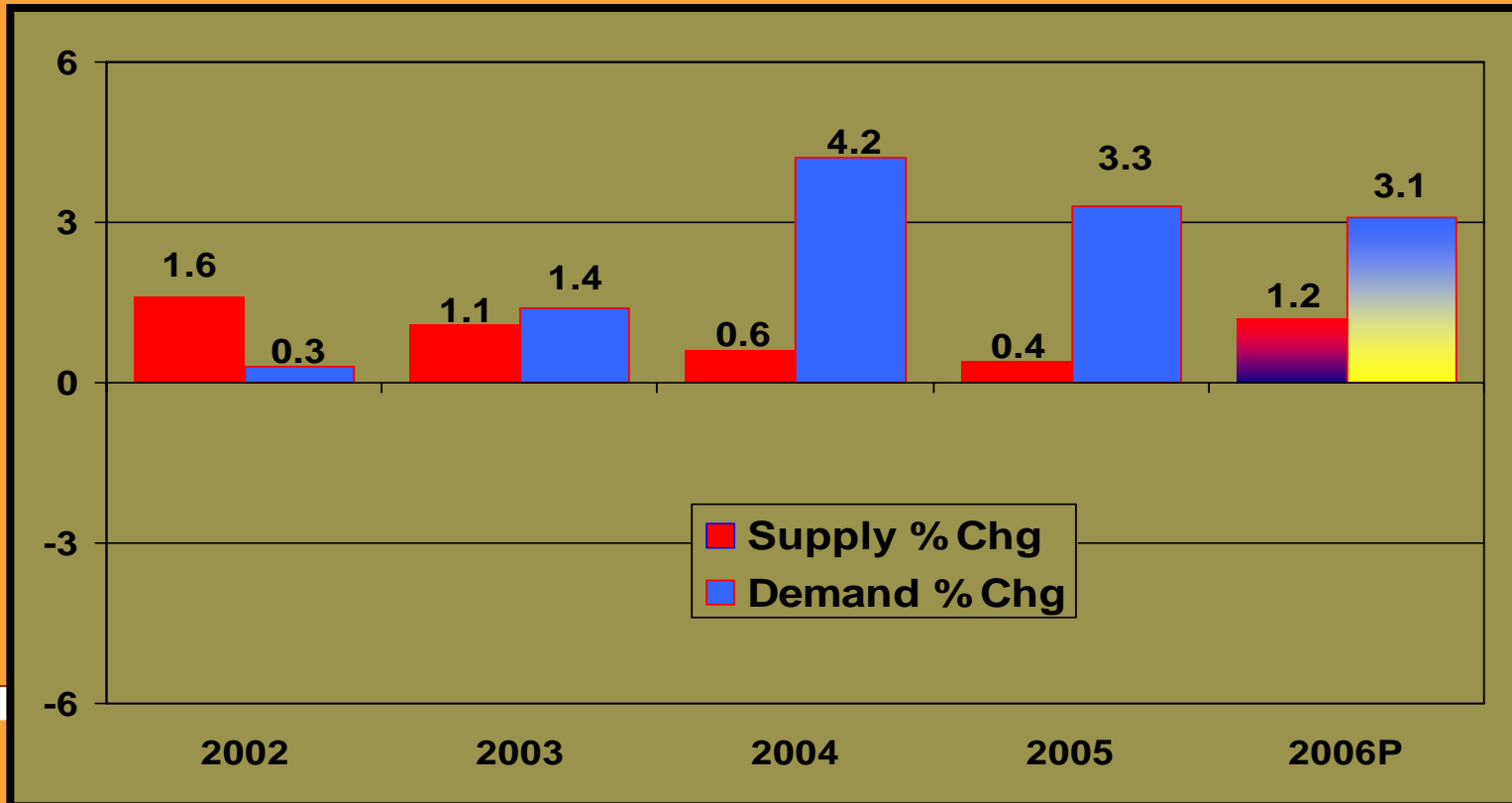
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National Projections



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Total United States Supply/Demand Percent Change 2002 – 2006P

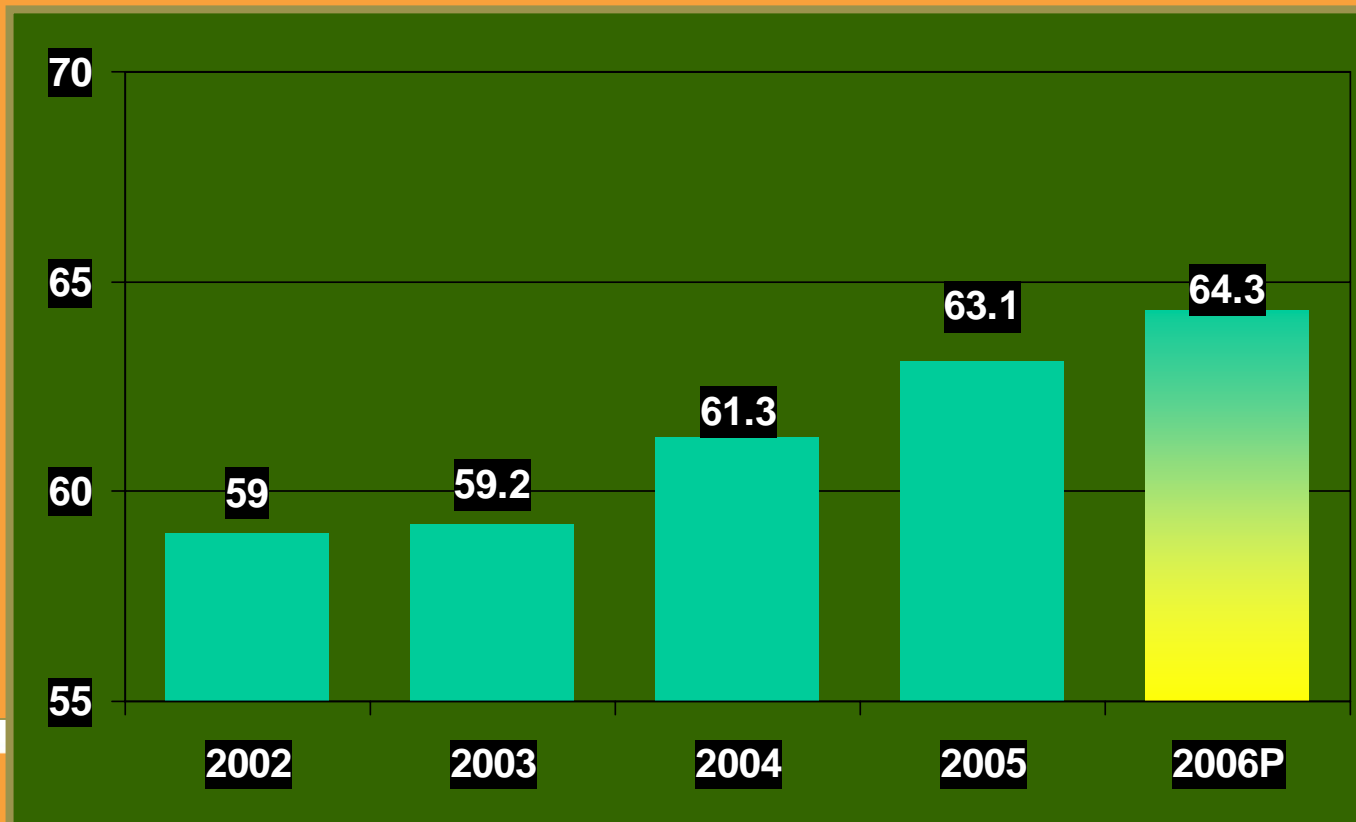


Source: Smith Travel Research



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Total United States Occupancy Percent 2002 – 2006P

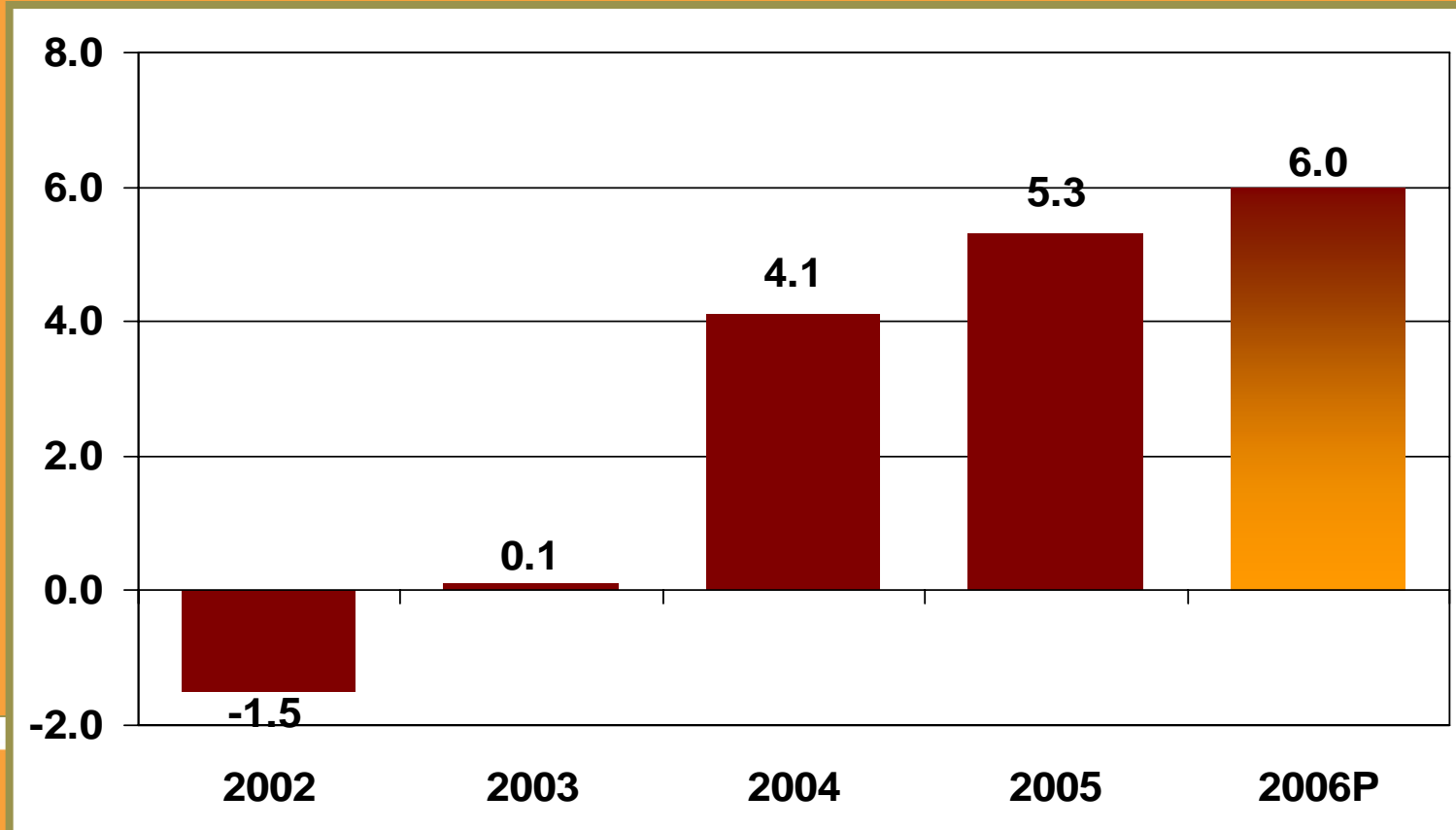


Source: Smith Travel Research



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Total United States ADR Percent Change 2002 – 2006P



Source: Smith Travel Research



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Cape and Islands Projections



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Pinnacle Projections

2006

- Occupancy up 1 – 2 points
- Average Rate up 4 - 6 percent
- RevPAR up 5 - 8 percent



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