



Pinnacle
Advisory Group

OUTLOOK 2007

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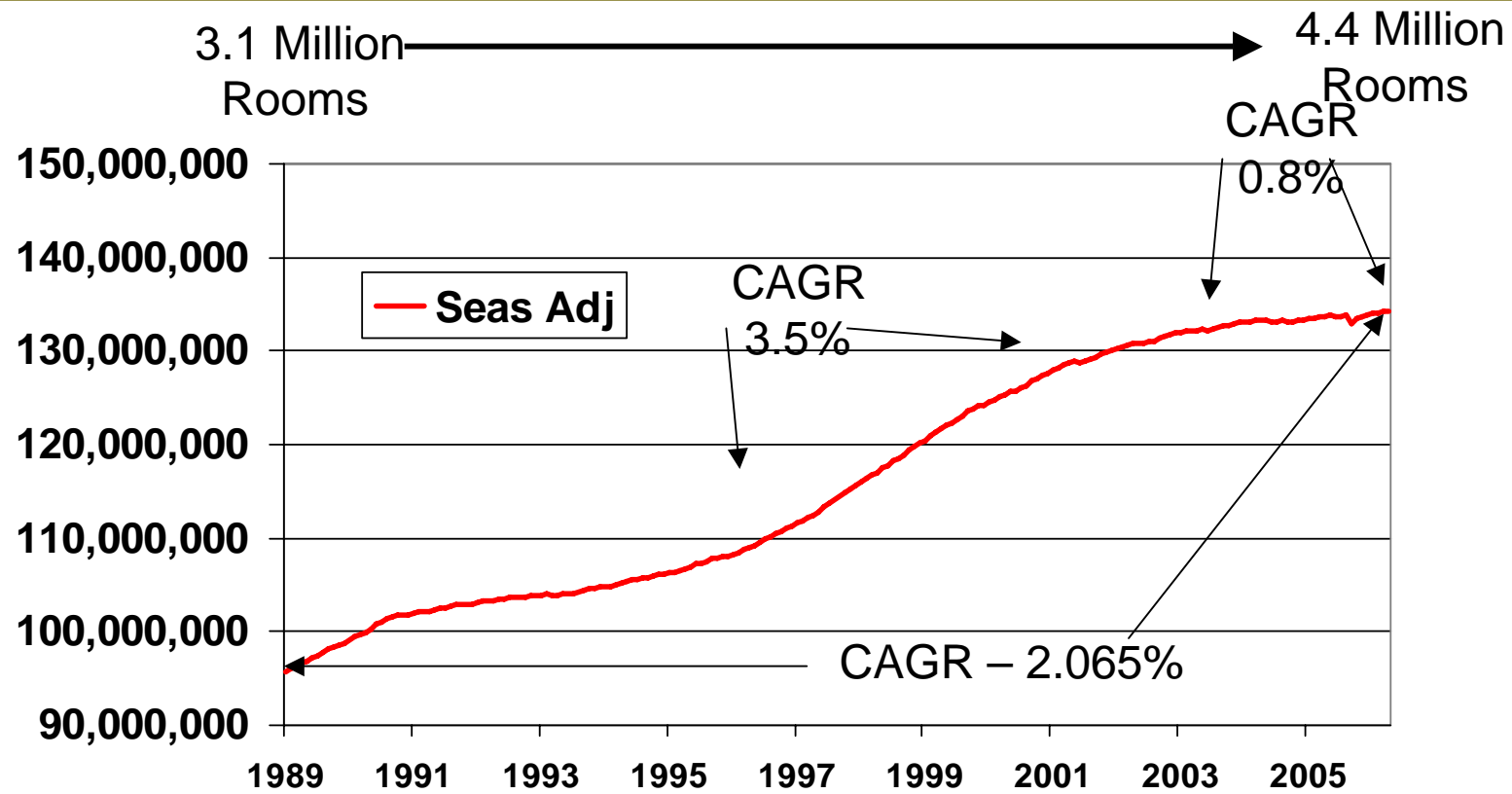
NATIONAL LODGING MARKET





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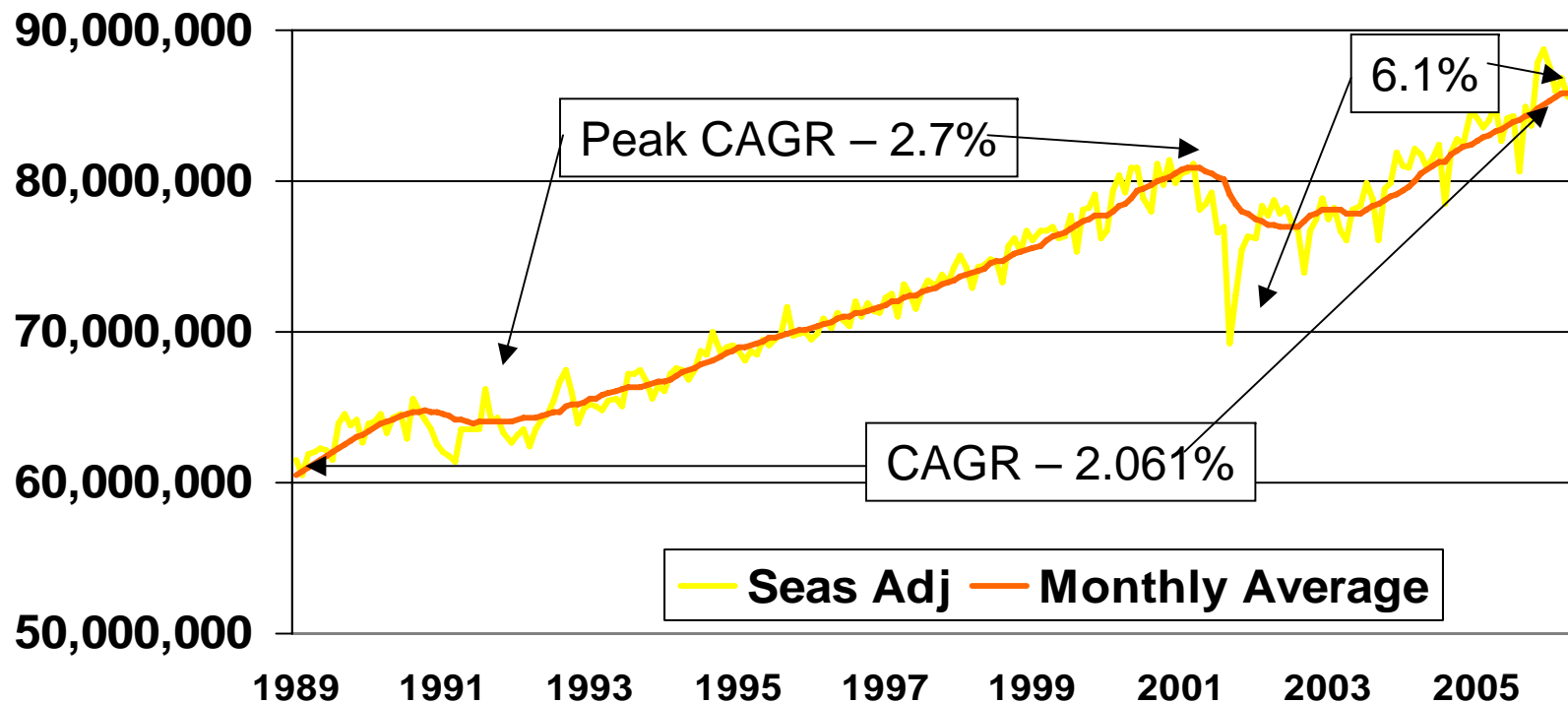
Total U.S. Monthly Room Supply – Seasonally Adjusted January 1989 to April 2006





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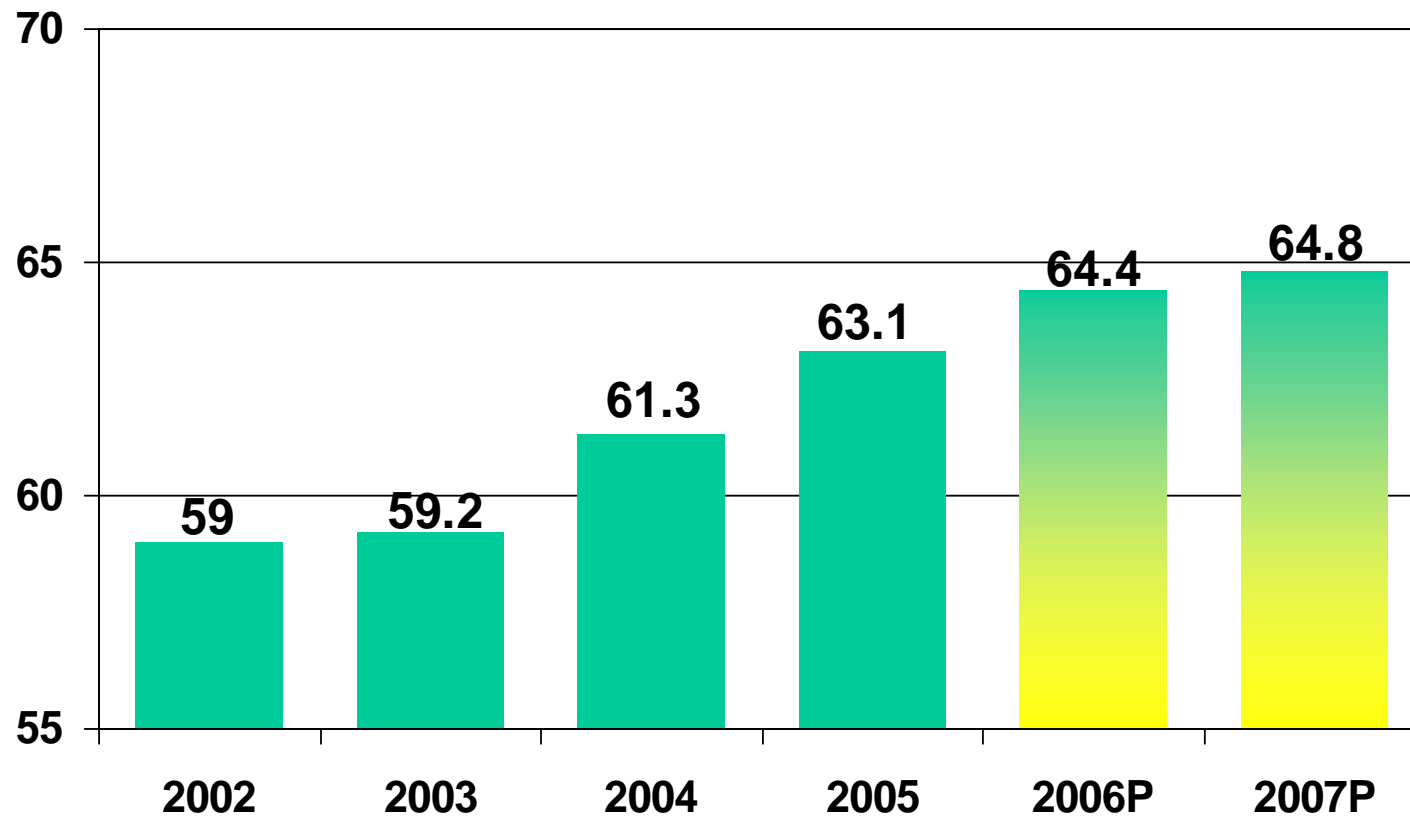
Total U.S. Monthly Room Demand – Seasonally Adjusted January 1989 to April 2006





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Total United States Occupancy Percent 2002 – 2007P

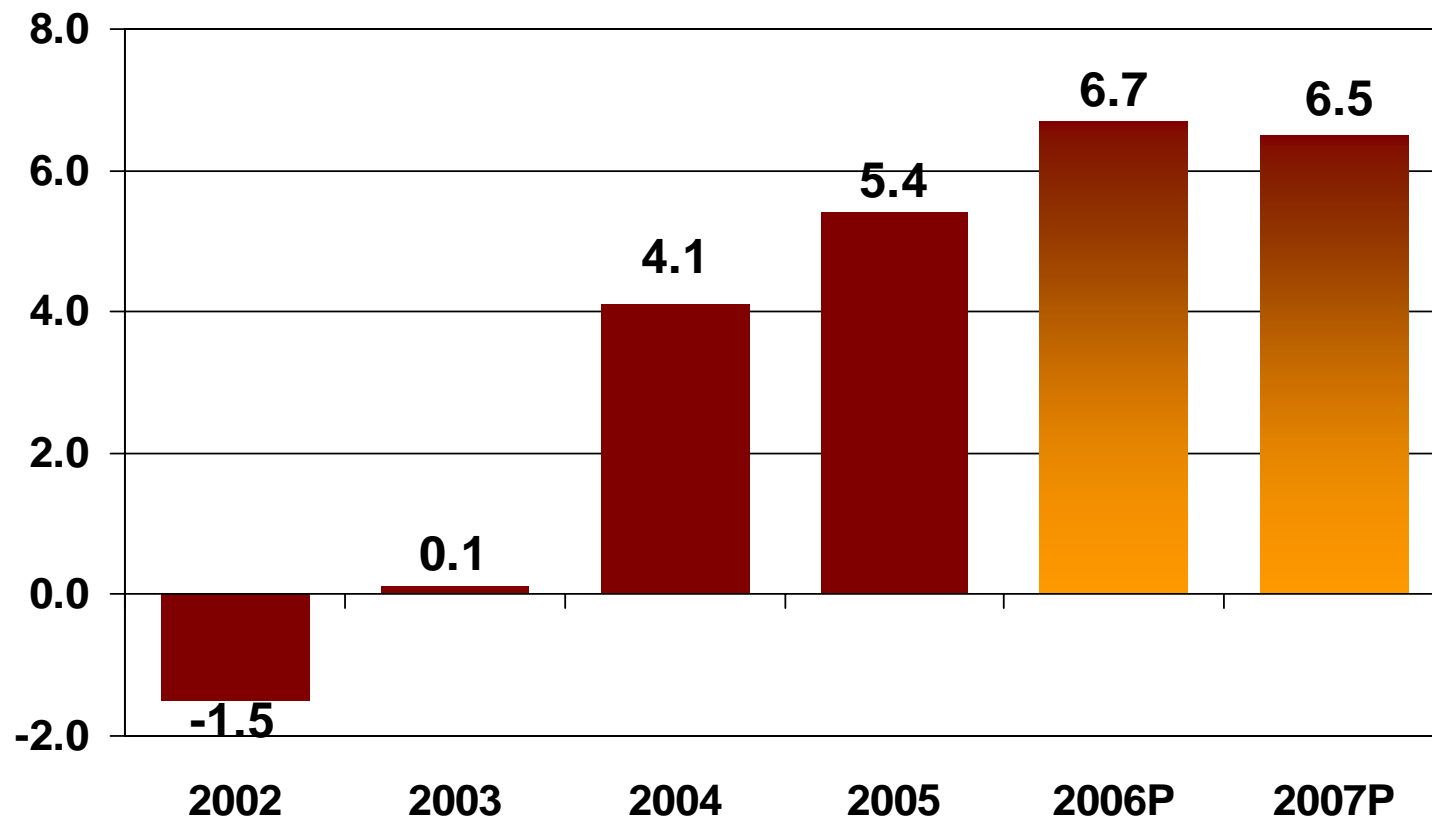


Source: Smith Travel Research



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Total United States ADR Percent Change 2002 – 2007P

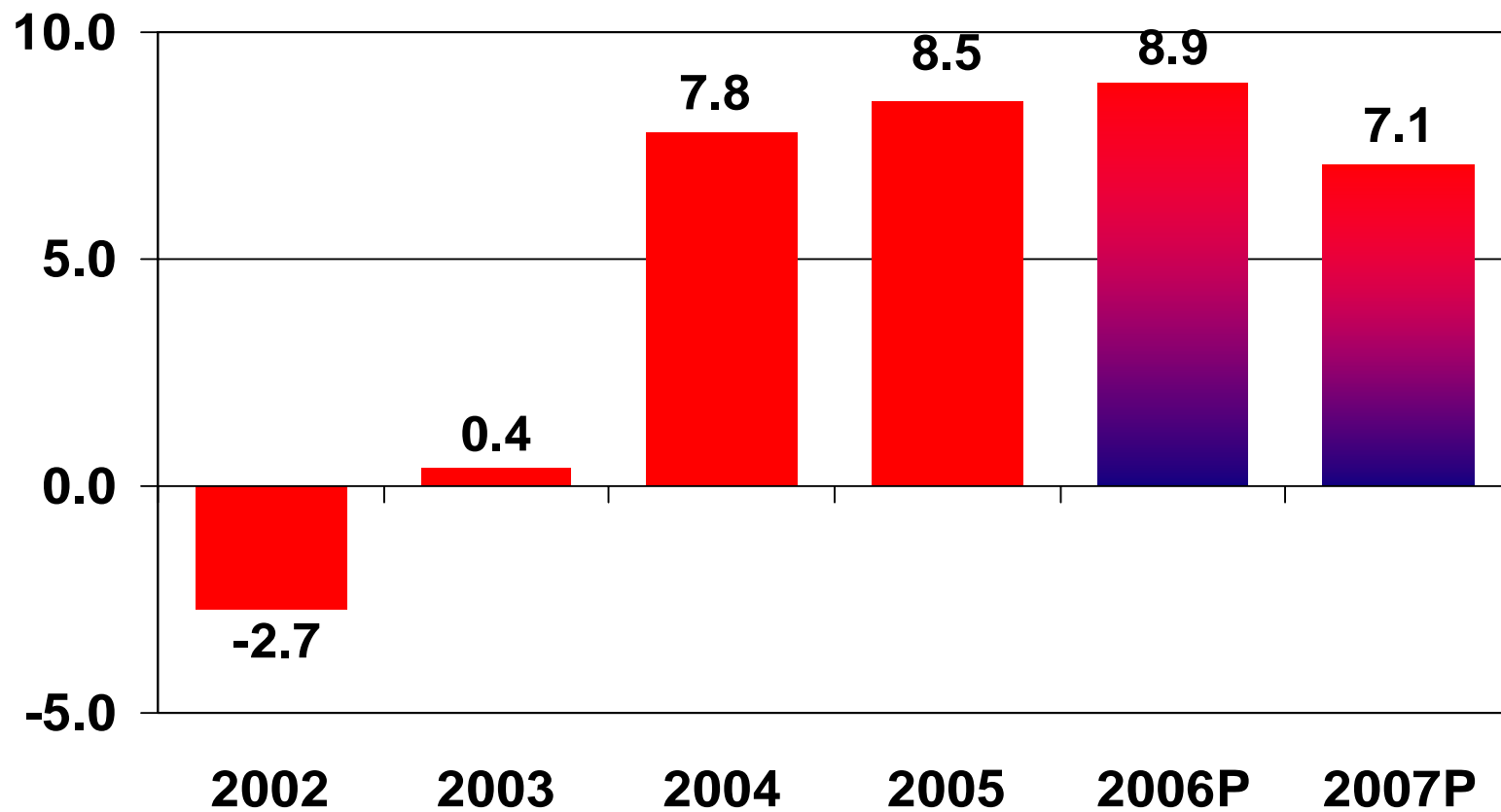


Source: Smith Travel Research



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Total United States RevPAR Percent Change 2002 – 2006P

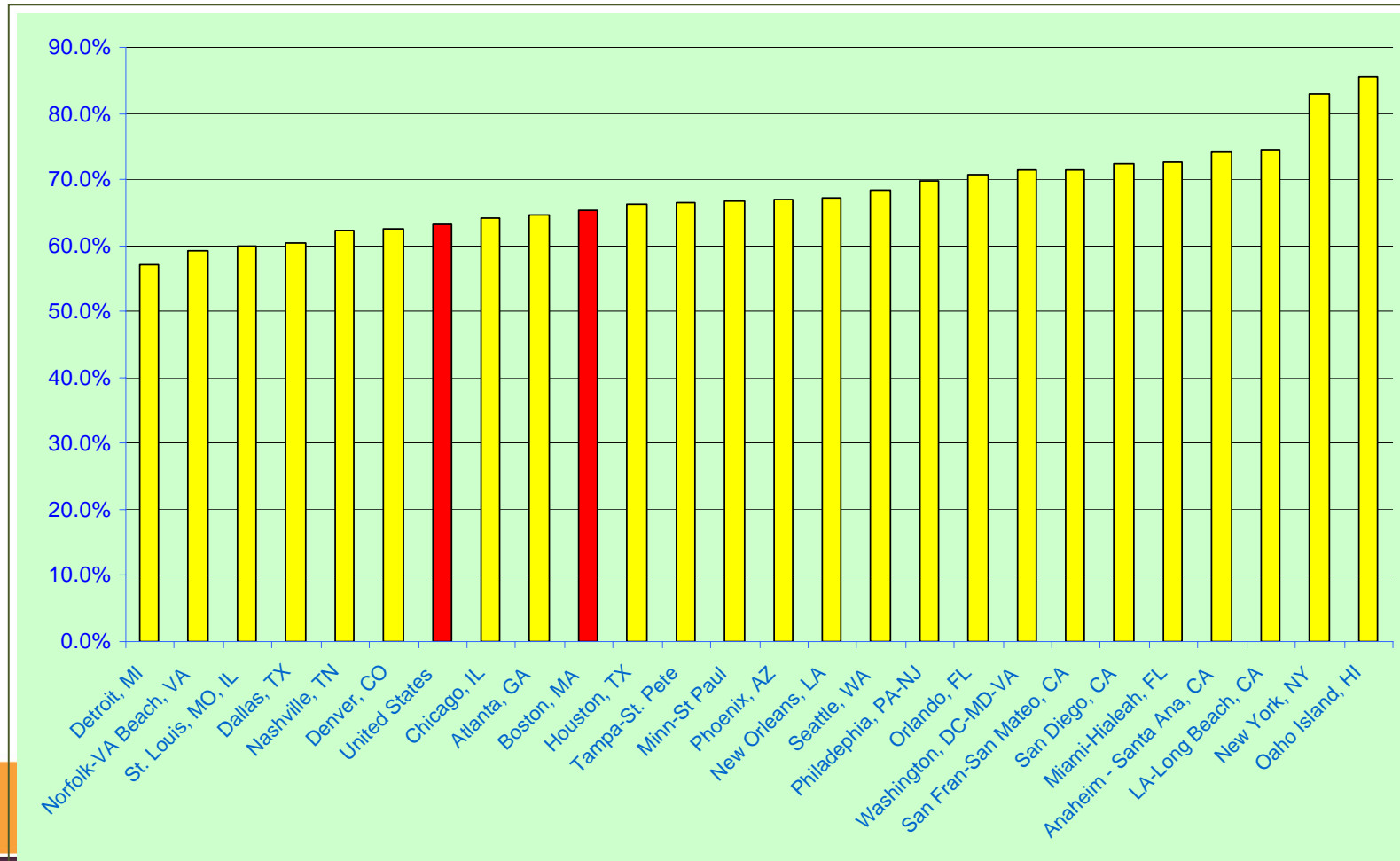


Source: Smith Travel Research



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Top 25 Market Areas – Occupancy Percent 2005

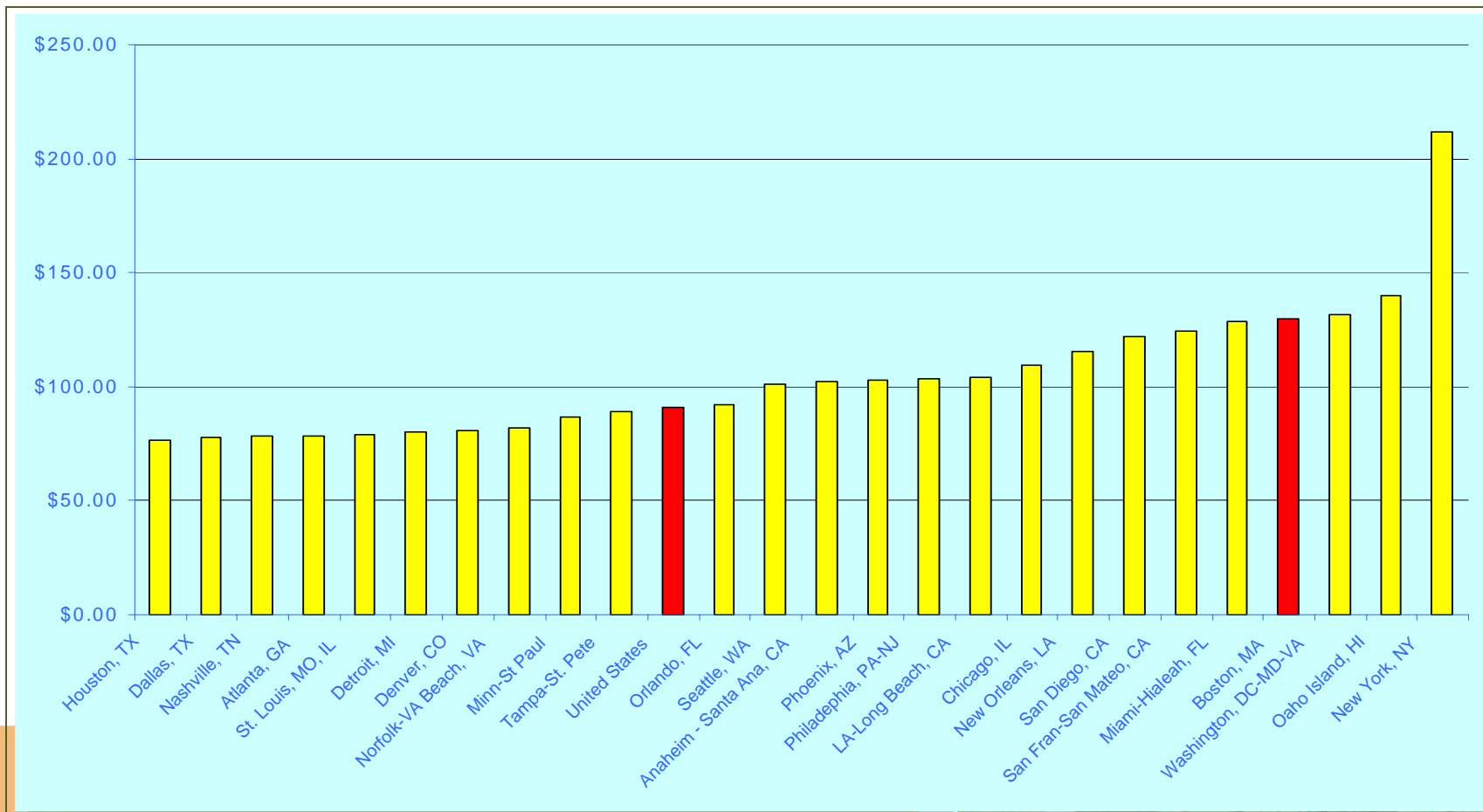


Source: Smith Travel Research



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Top 25 Market Areas – Average Daily Rate 2005

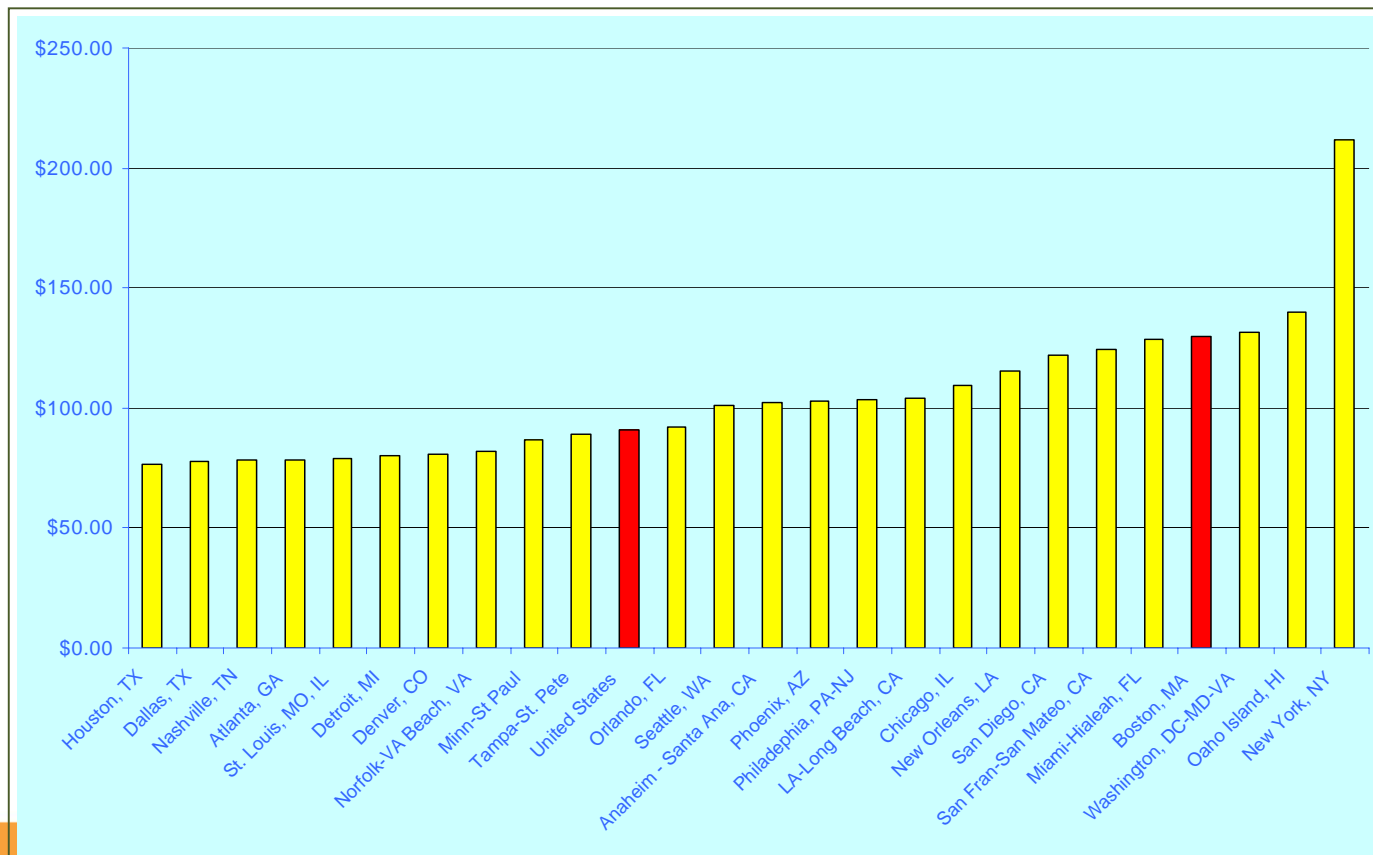


Source: Smith Travel Research



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Top 25 Market Areas – RevPAR 2005

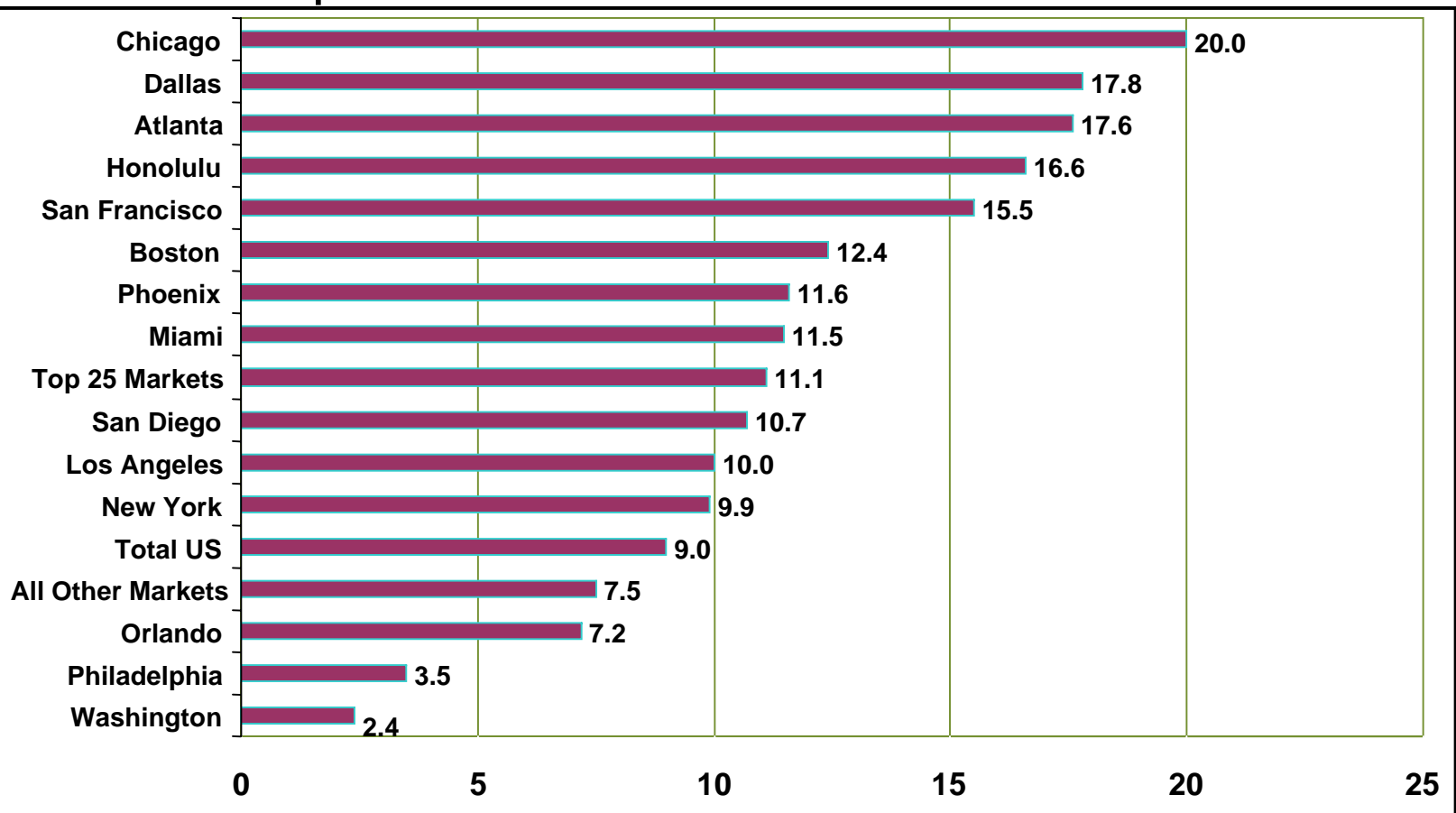


Source: Smith Travel Research



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



Source: Smith Travel Research



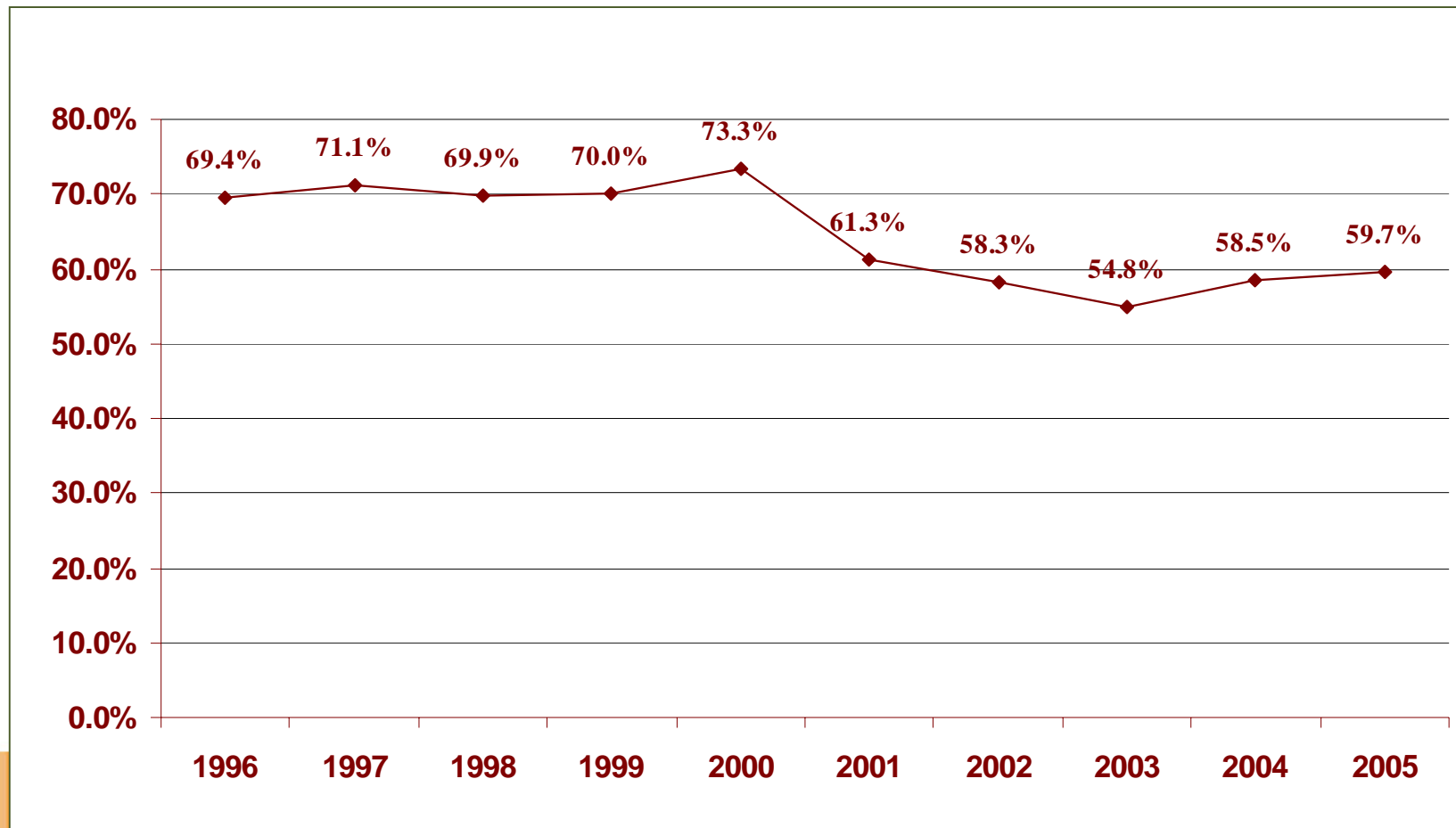
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SUBURBAN BOSTON LODGING MARKET



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Suburban Boston Occupancy 1996 - 2005

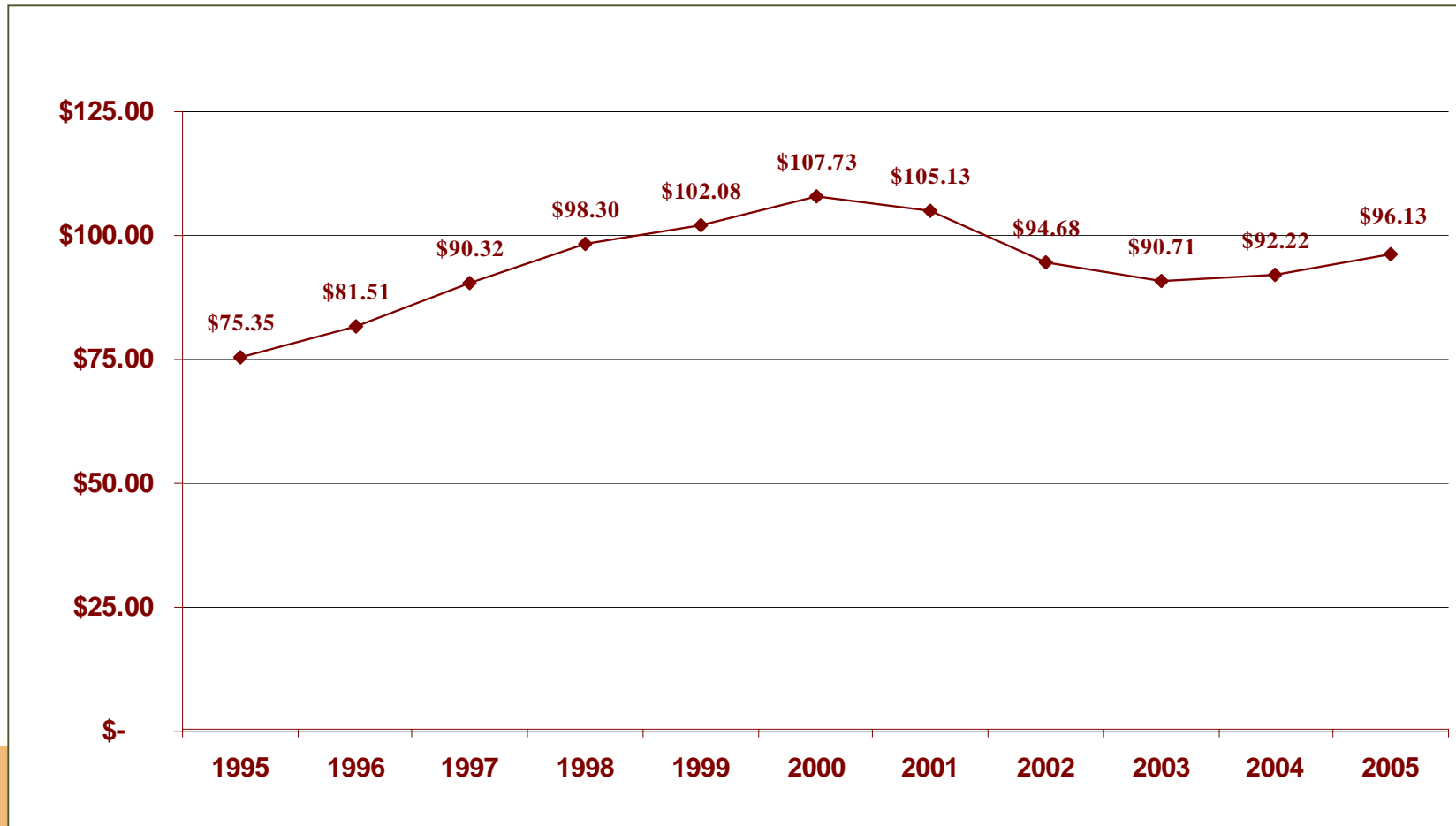


Source: Smith Travel Research/Pinnacle Advisory Group



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Suburban Boston Average Daily Rate 1996-2005

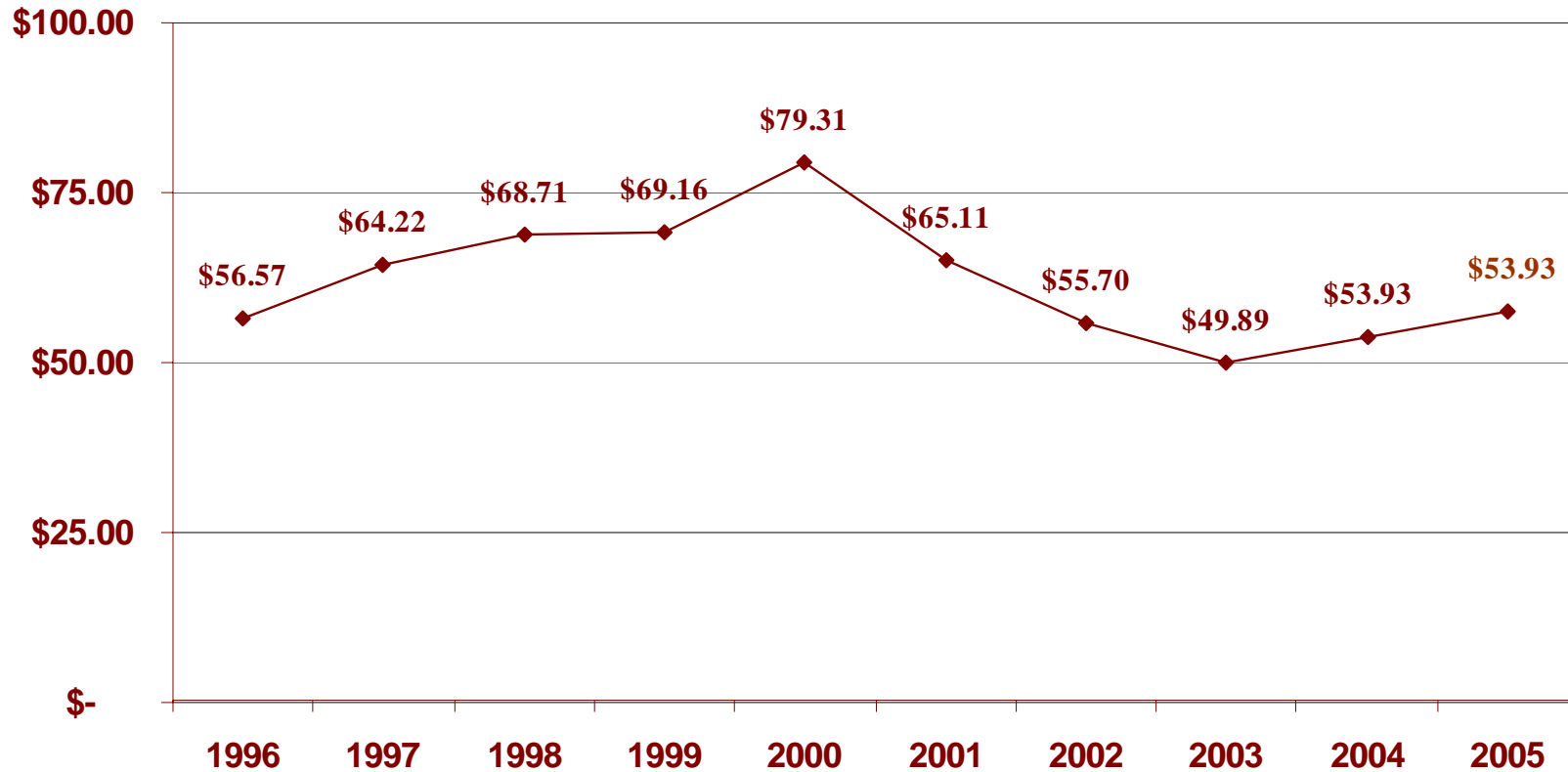


Source: Smith Travel Research/Pinnacle Advisory Group



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Suburban Boston RevPAR 1996 - 2005

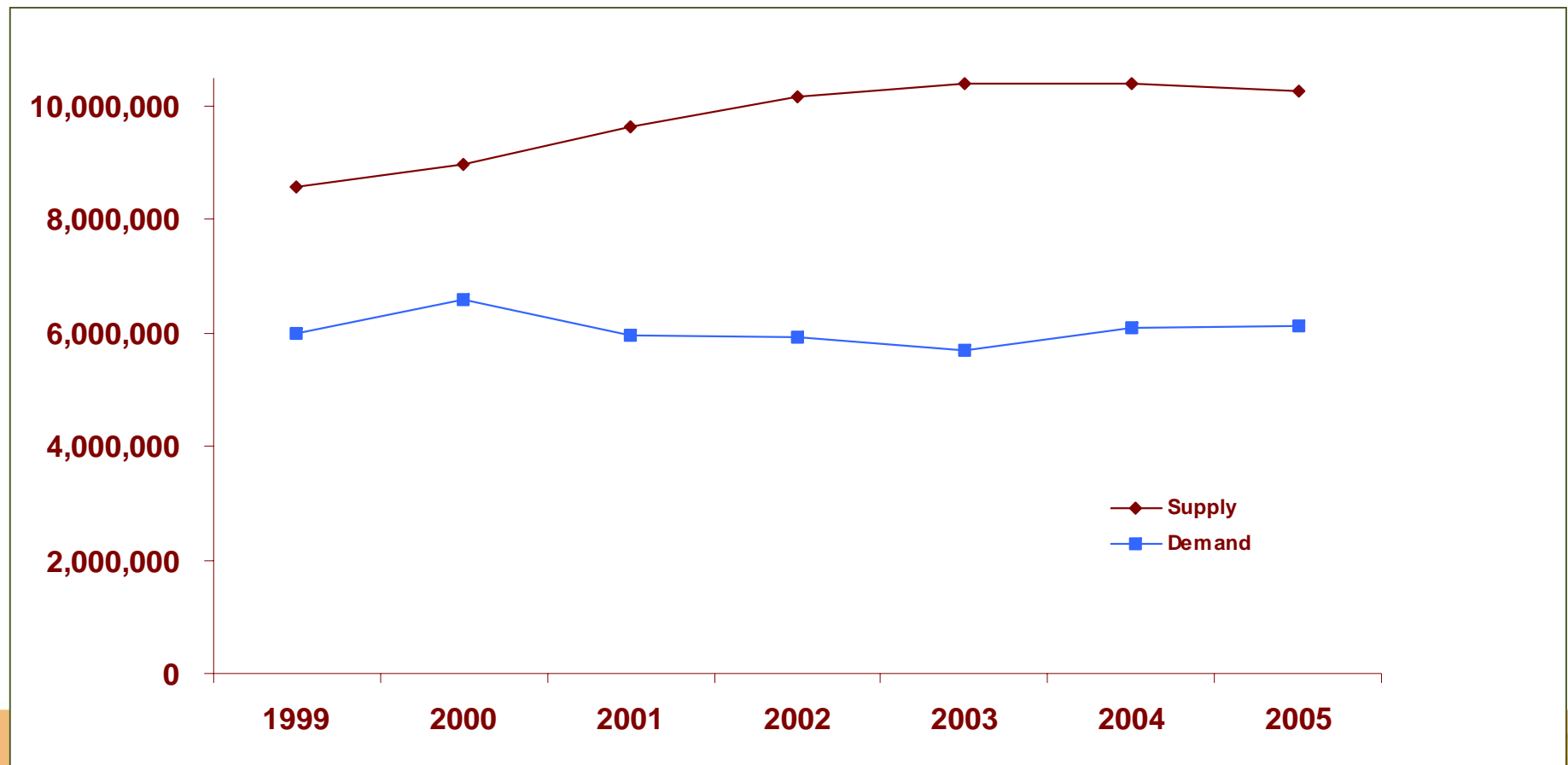


Source: Smith Travel Research/Pinnacle Advisory Group



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Suburban Boston Supply and Demand 1999 - 2005

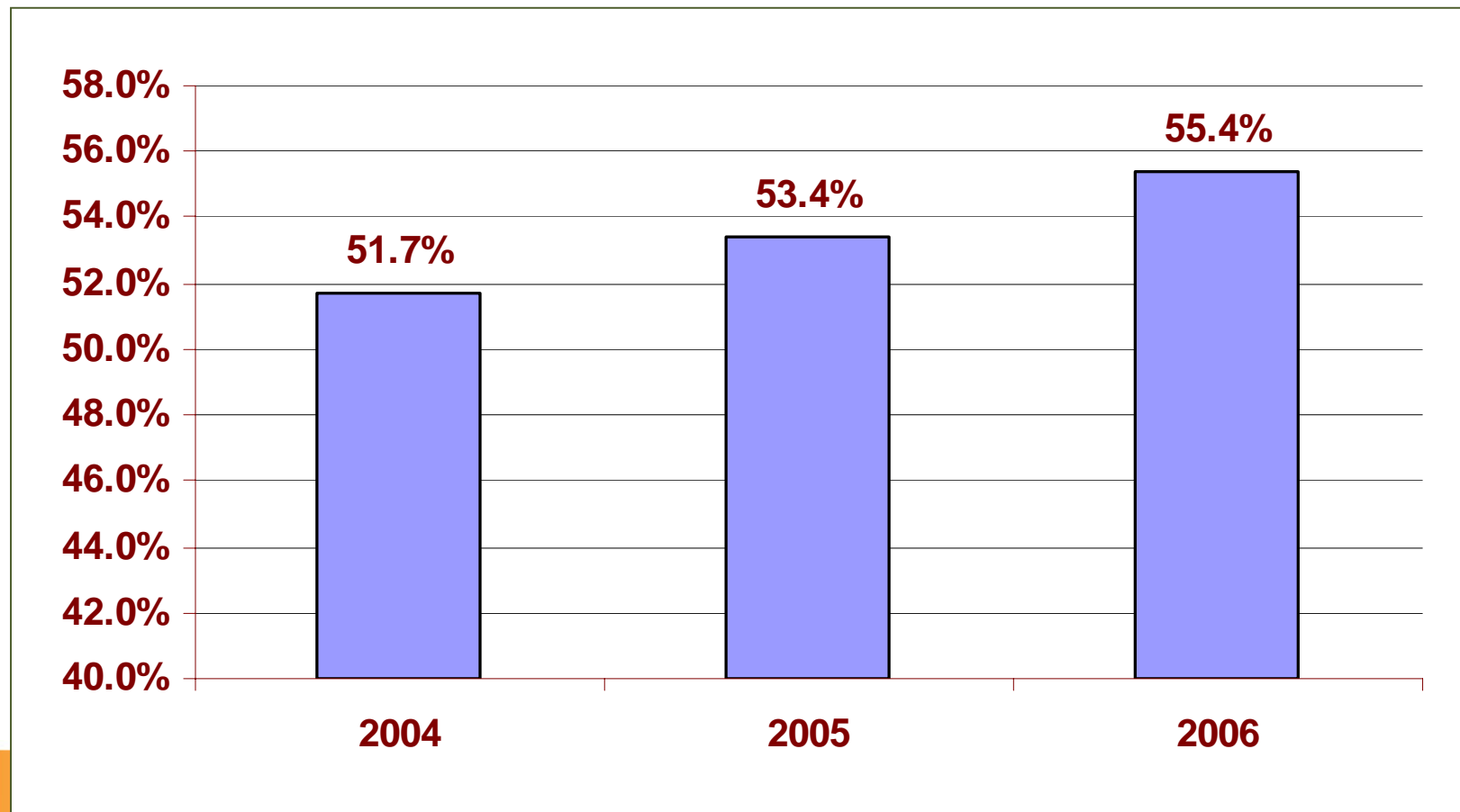


Source: Smith Travel Research/Pinnacle Advisory Group



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Suburban Boston Occupancy YTD May 2004 - 2006

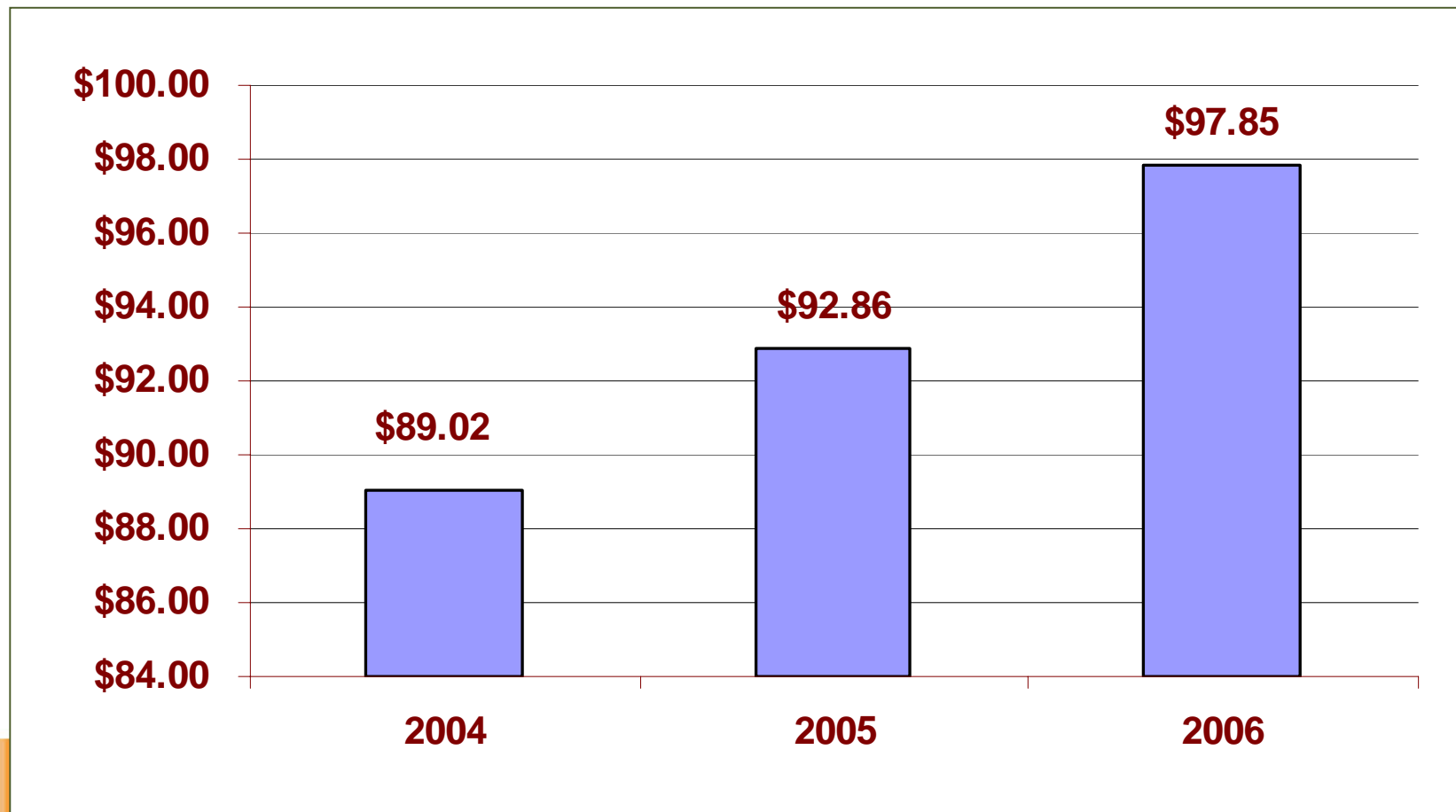


Source: Smith Travel Research/Pinnacle Advisory Group



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Suburban Boston Average Daily Rate YTD May 2004 - 2006



Source: Smith Travel Research/Pinnacle Advisory Group



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Suburban Boston RevPAR YTD May 2004 - 2006



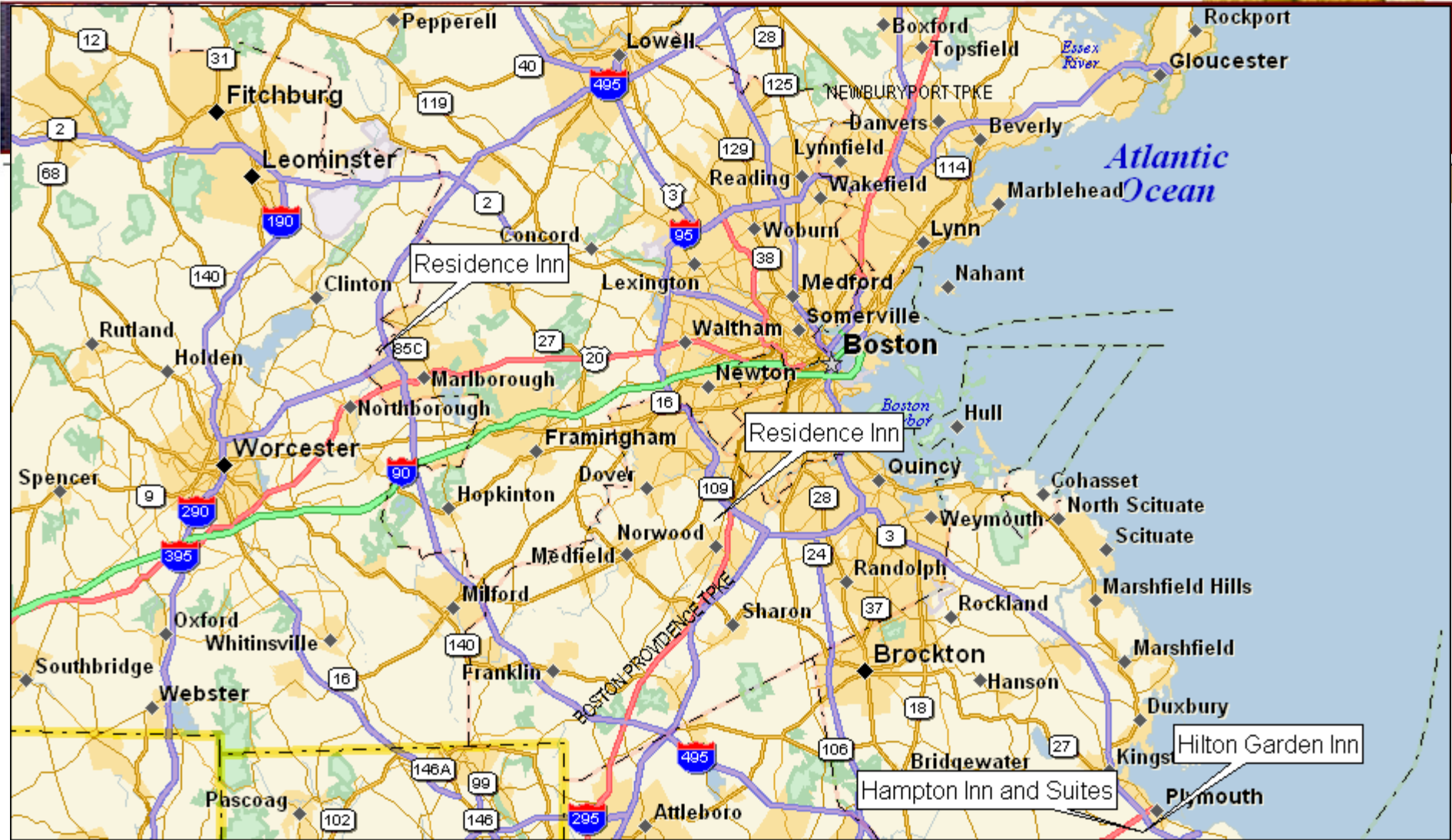
Source: Smith Travel Research/Pinnacle Advisory Group



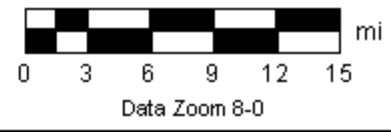
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Suburban Boston New Supply 2006

- Hilton Garden Inn – Plymouth – 130 Rooms – May
- Hampton Inn and Suites – Plymouth - 122-rooms – August
- Residence Inn – Marlborough – 112 Rooms - October
- Residence Inn – Norwood – 96 Rooms – November



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Suburban Boston 2006

- Improving Economy
- Stronger Office Market
- Limited New Supply
 - Compression



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Suburban Boston Projections 2006

	2005	2006	Change
Occupancy	60%	62%	3.9%
Average Rate	\$96.13	\$100.94	5.0%
RevPAR	\$57.39	\$62.58	9.0%

Source: Pinnacle Advisory Group



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Suburban Boston 2007

- Limited New Supply
- Slightly less Compression
- Improved Economy
 - Conversions



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Suburban Boston Projections 2007

	2006	2007	Change
Occupancy	62%	63%	1.6%
Average Rate	\$100.94	\$105.98	5.0%
RevPAR	\$62.58	\$66.77	6.7%

Source: Pinnacle Advisory Group



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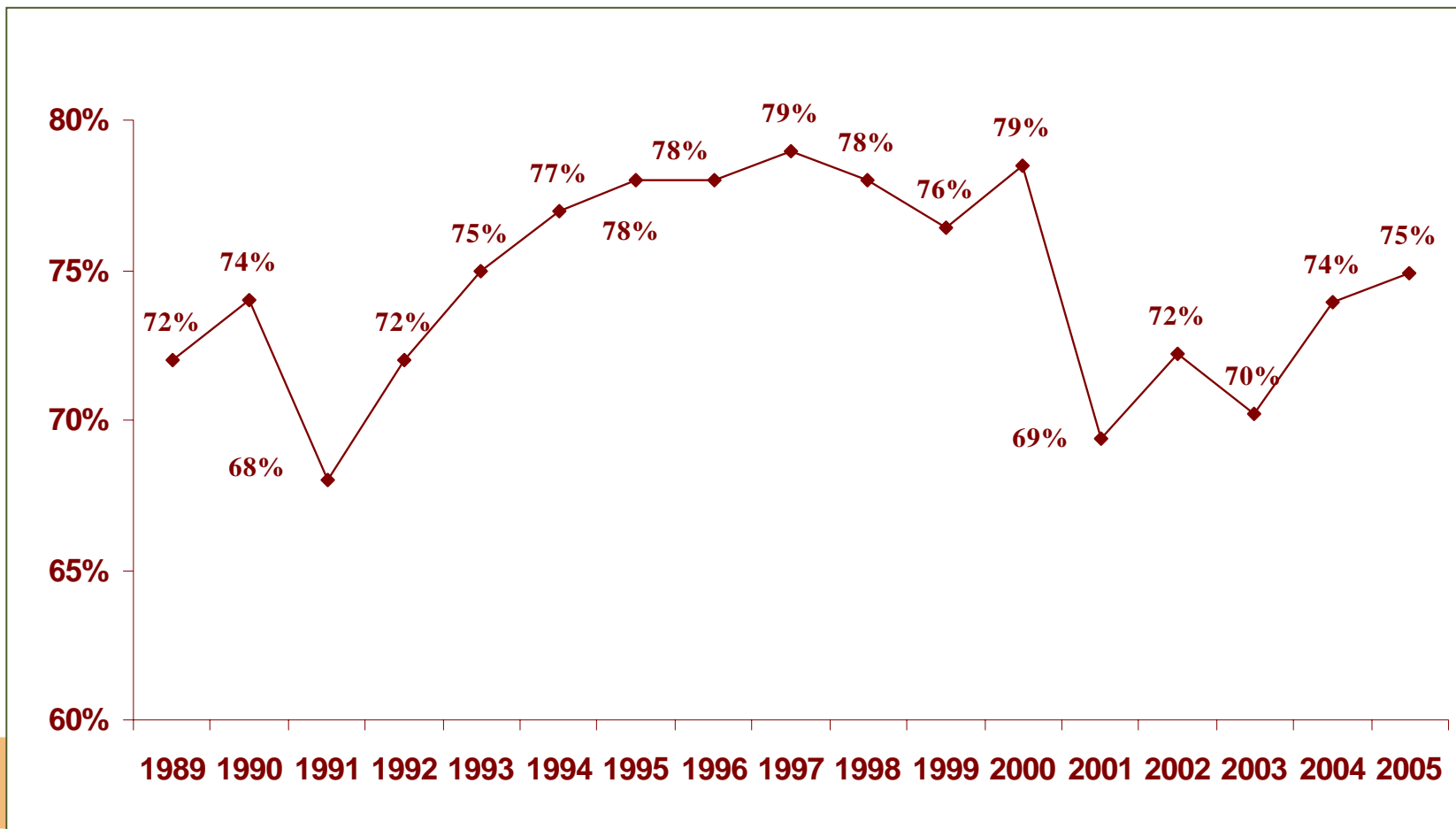
BOSTON CAMBRIDGE LODGING MARKET





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Boston / Cambridge Occupancy 1989-2005

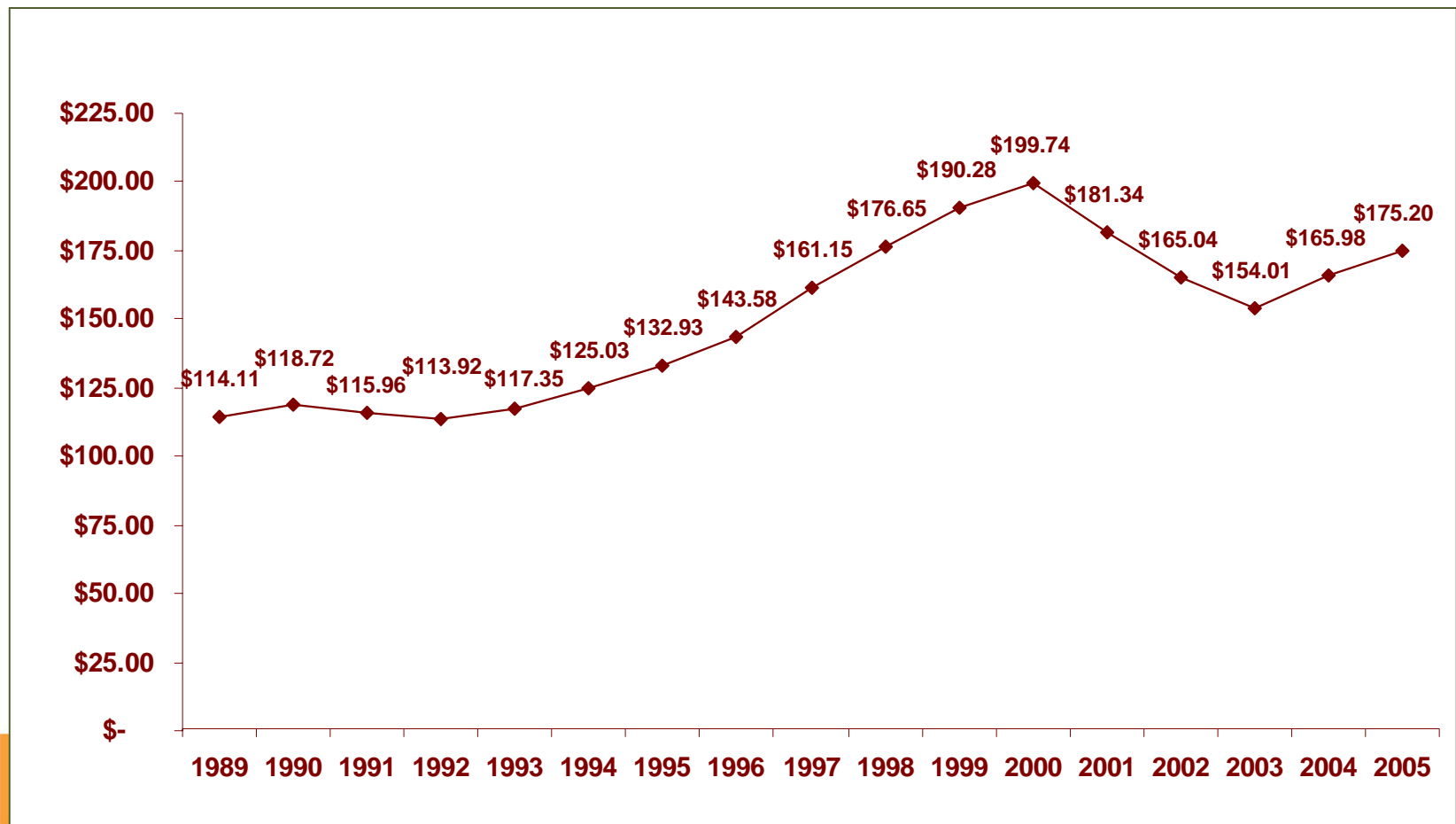


Source: Pinnacle Advisory Group



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Boston / Cambridge ADR 1989-2005

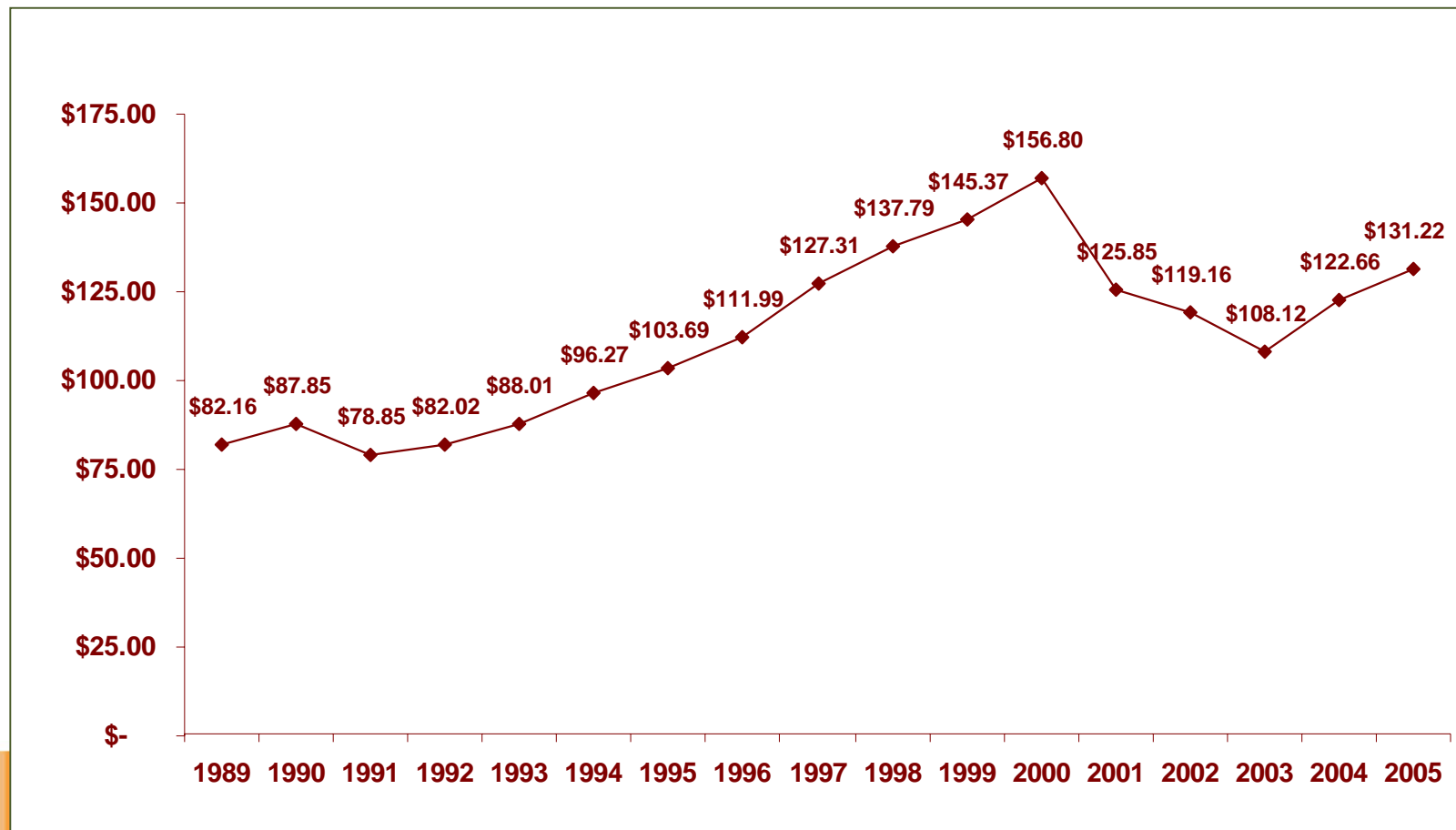


Source: Pinnacle Advisory Group



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Boston / Cambridge RevPAR 1989-2005

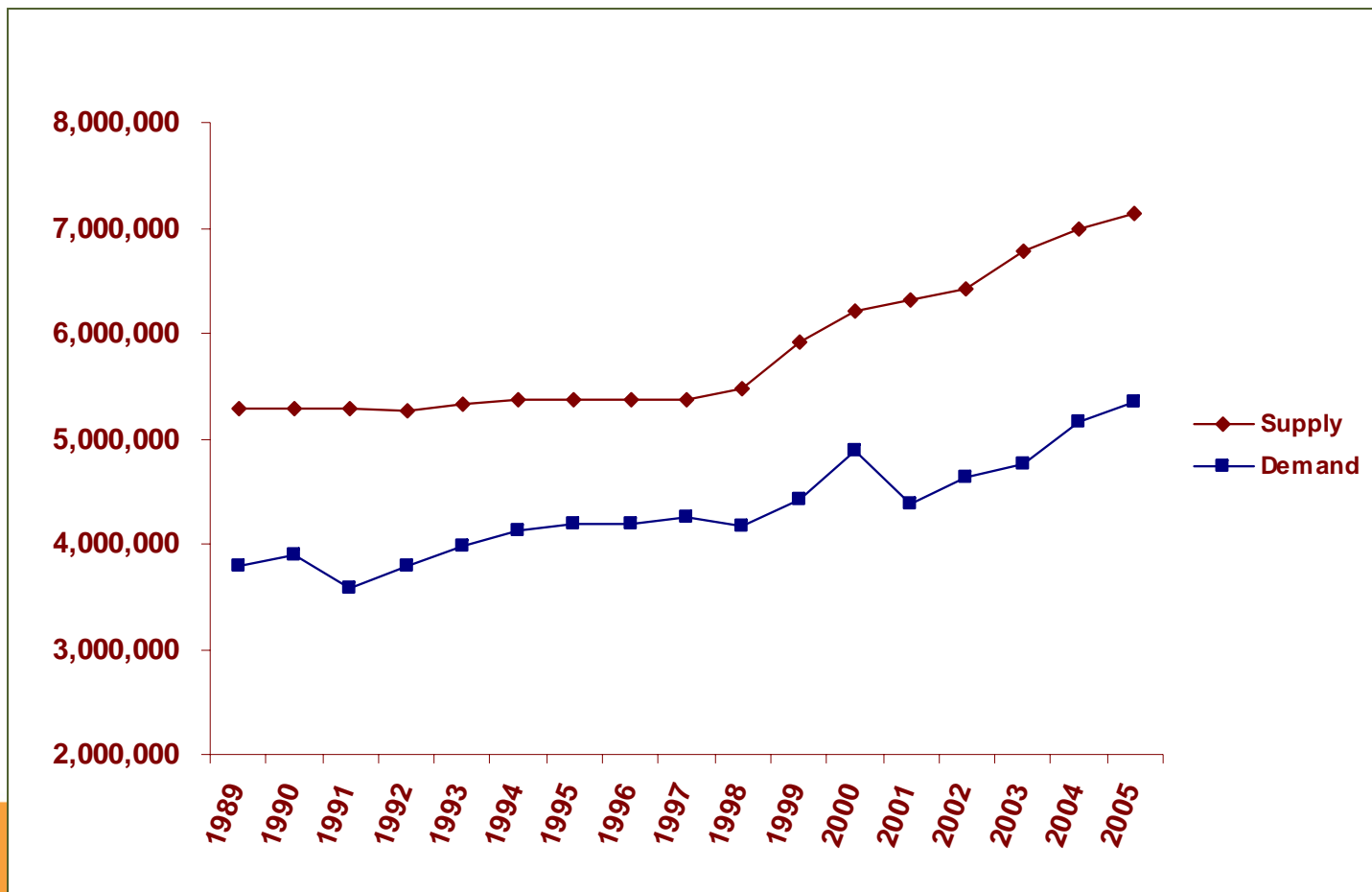


Source: Pinnacle Advisory Group



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Boston / Cambridge Supply and Demand 1989-2005

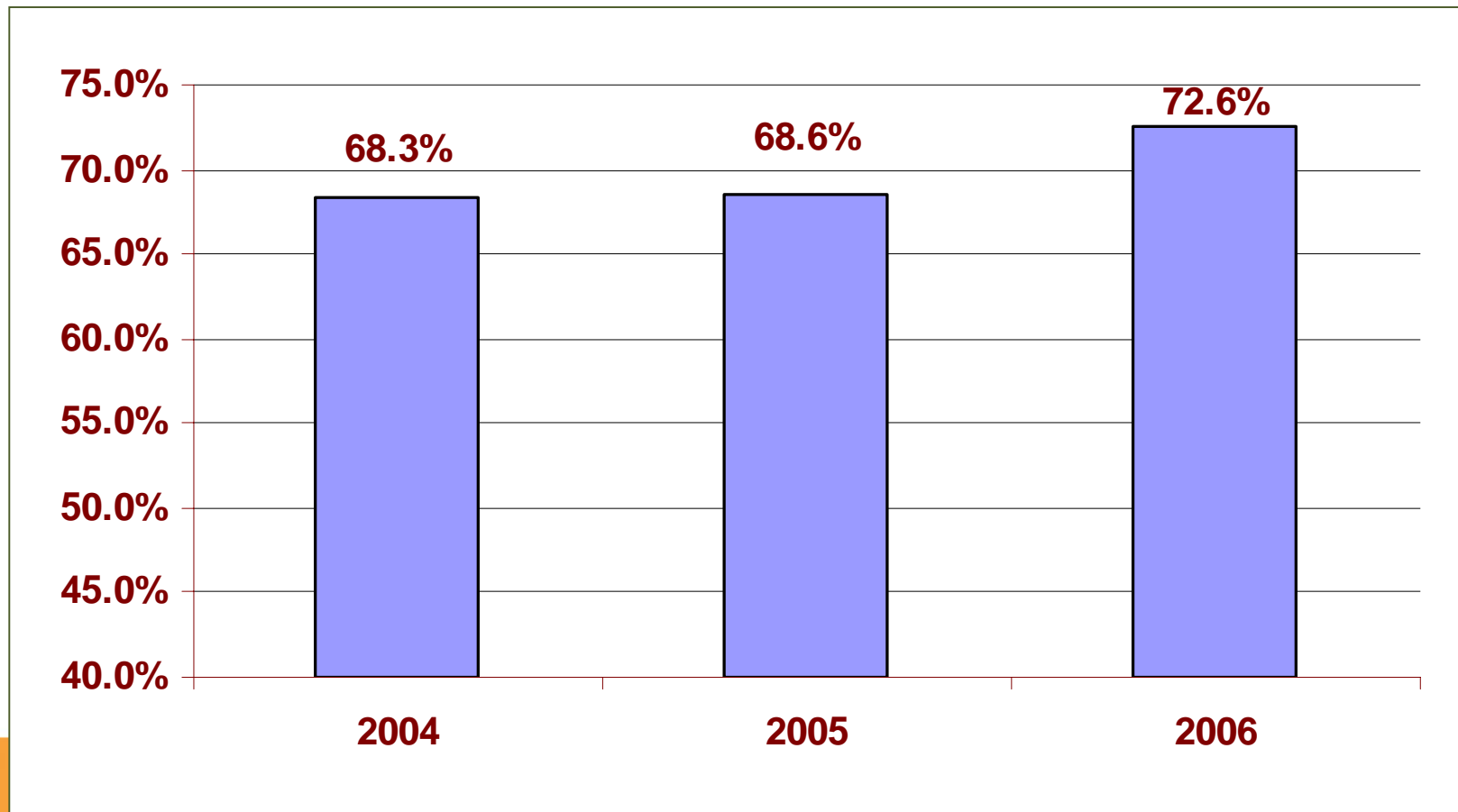


Source: Pinnacle Advisory Group



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Boston / Cambridge Occupancy YTD May 2004-2006



Source: Pinnacle Advisory Group



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Boston / Cambridge ADR YTD May 2004-2006



Source: Pinnacle Advisory Group



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Boston / Cambridge RevPAR YTD May 2004-2006

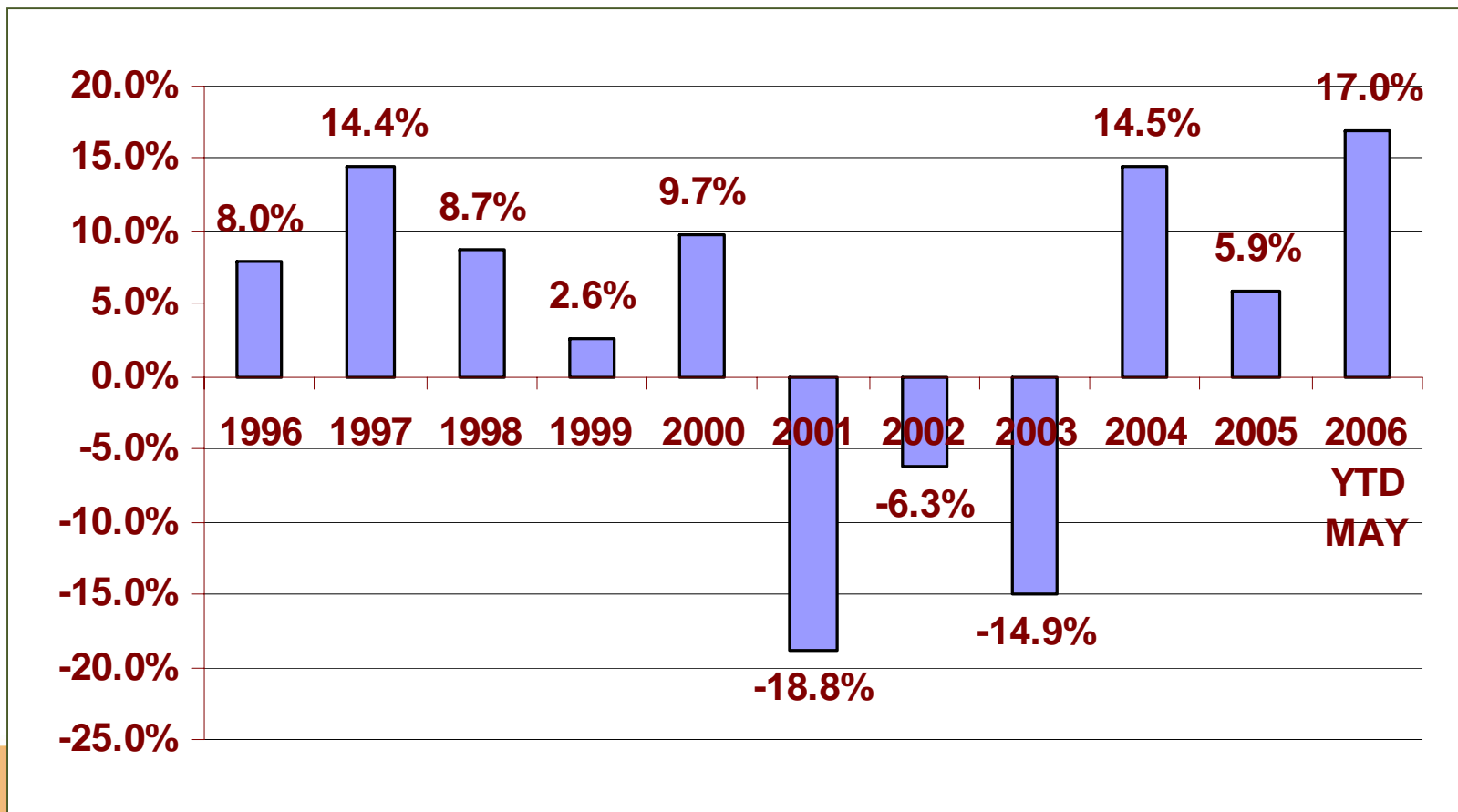


Source: Pinnacle Advisory Group



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Boston / Cambridge Change In RevPAR 1996 – YTD May 2006

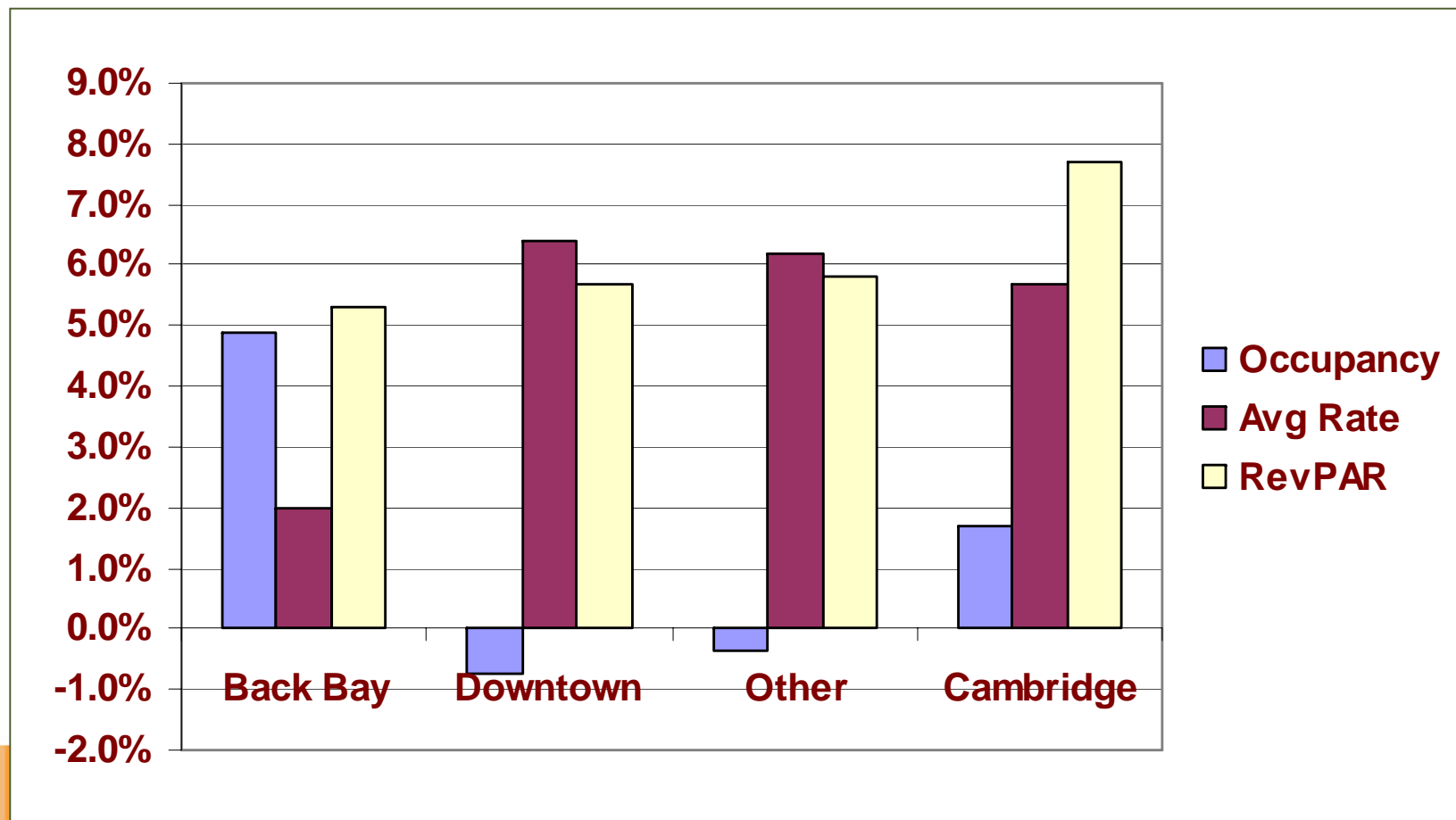


Source: Pinnacle Advisory Group



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Boston / Cambridge Change In RevPAR By Market Area 2005

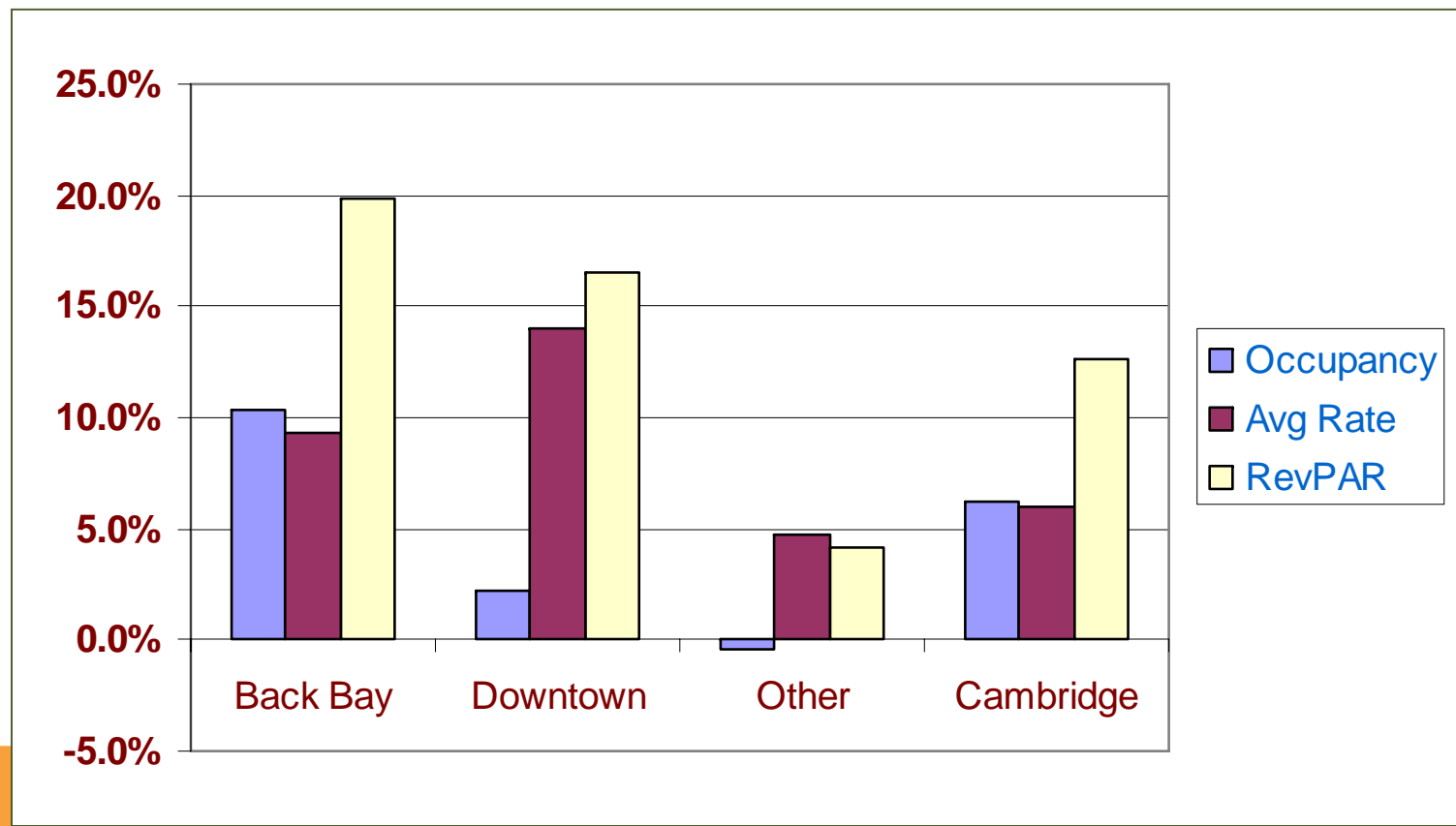


Source: Pinnacle Advisory Group



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Boston / Cambridge Change In Performance By Market Area YTD May 2006



Source: Pinnacle Advisory Group



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Boston / Cambridge New Supply 2006

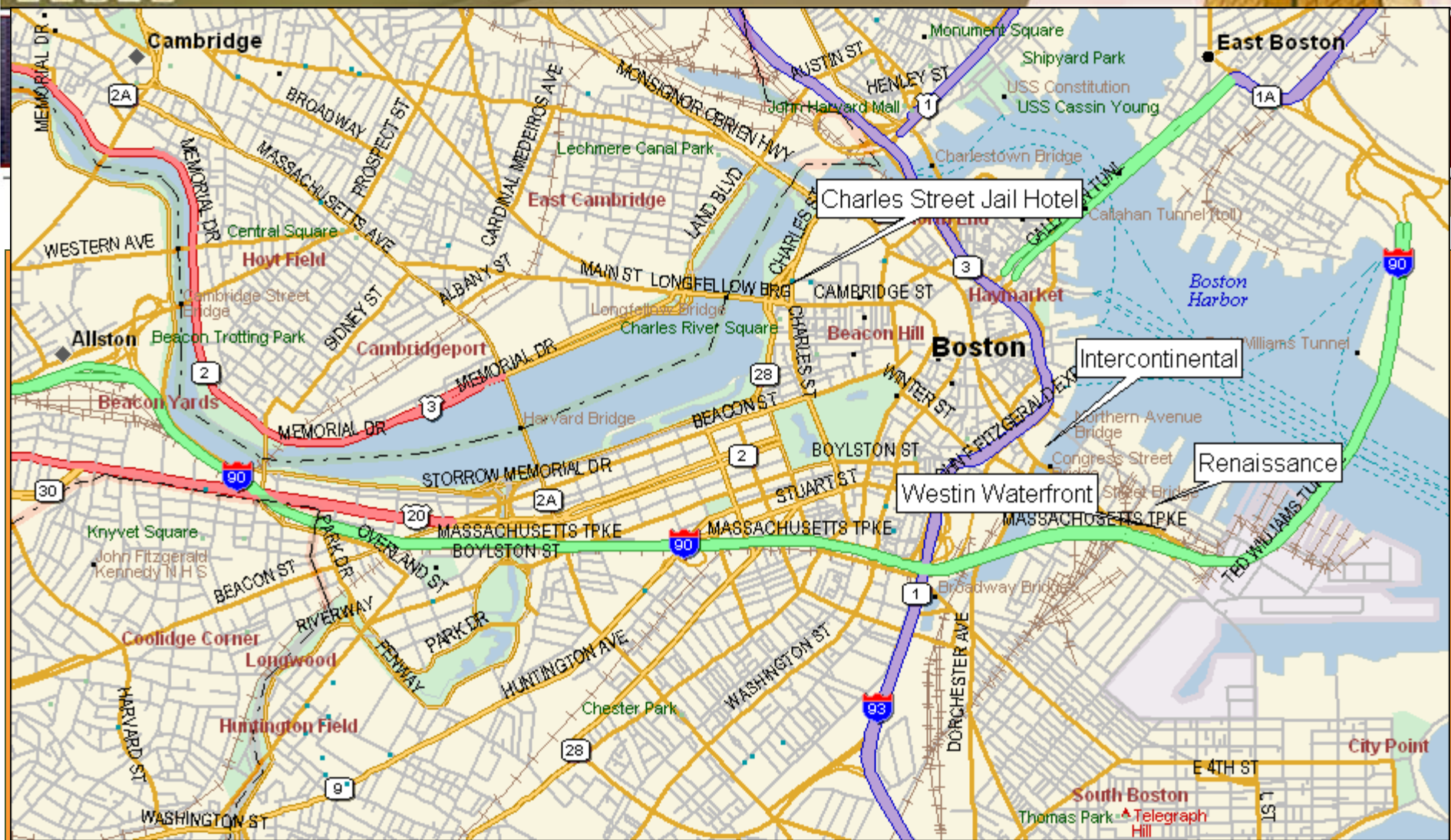
- Westin Headquarters Hotel – Waterfront – 790 Rooms – June
 - Intercontinental – Downtown - 424-rooms - November



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Boston / Cambridge New Supply 2007

- Charles Street Jail – Beacon Hill – 308 Rooms - May
- Renaissance – 477 Rooms – Waterfront District – December



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Boston / Cambridge Demand Factors

- Continued Strong Corporate Growth Anticipated
- 2006 Record Convention Year
- 2007 Conventions On Pace with 2006
- Winter Advertising Campaign will help off-season Leisure



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Boston / Cambridge Average Rates

- Strong increases in other national markets
- Momentum from 2006 Likely to Carry-Over to 2007
- Luxury Orientation of New Product Will Help
- Large Citywides and Continued Strong demand will Help Compression



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Pinnacle Operator's Survey 2007 Outlook

- Several Regional Executives
 - 5-7% RevPAR Growth



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Boston Cambridge Projections 2006

	2005	2006	Change
Occupancy	75%	78%	4.1%
Average Rate	\$175.20	\$192.72	10%
RevPAR	\$131.22	\$150.32	14.6%

Source: Pinnacle Advisory Group



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Boston Cambridge Projections 2006

	2006	2007	Change
Occupancy	78%	77%	-1.2%
Average Rate	\$192.72	\$204.94	6.3%
RevPAR	\$150.32	\$157.94	5.1%

Source: Pinnacle Advisory Group



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