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ULI Boston

Hotel Class of Boston: A Panel Discussion on the Boston Hotel Market
March 30, 2006



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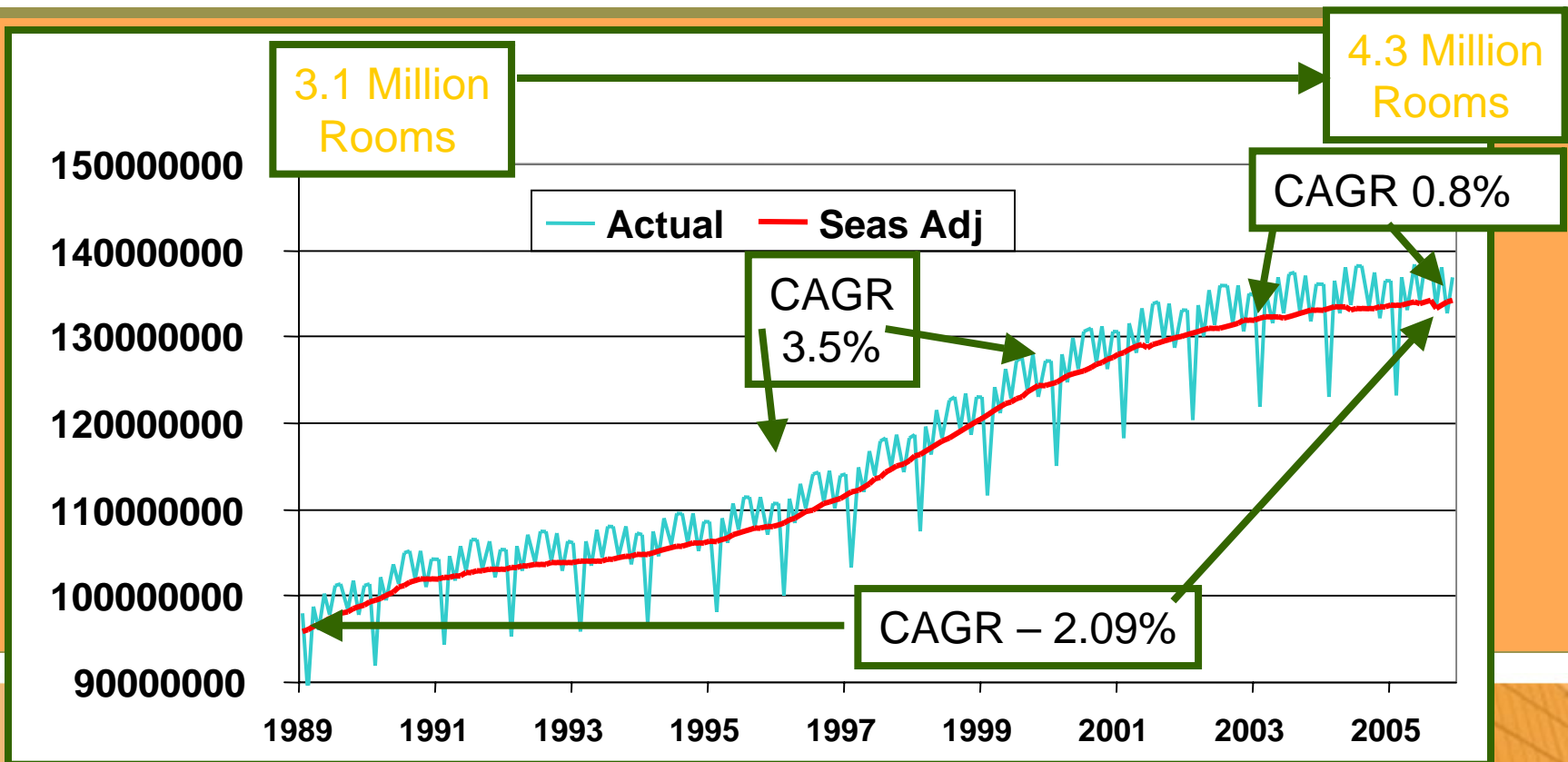


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National Trends



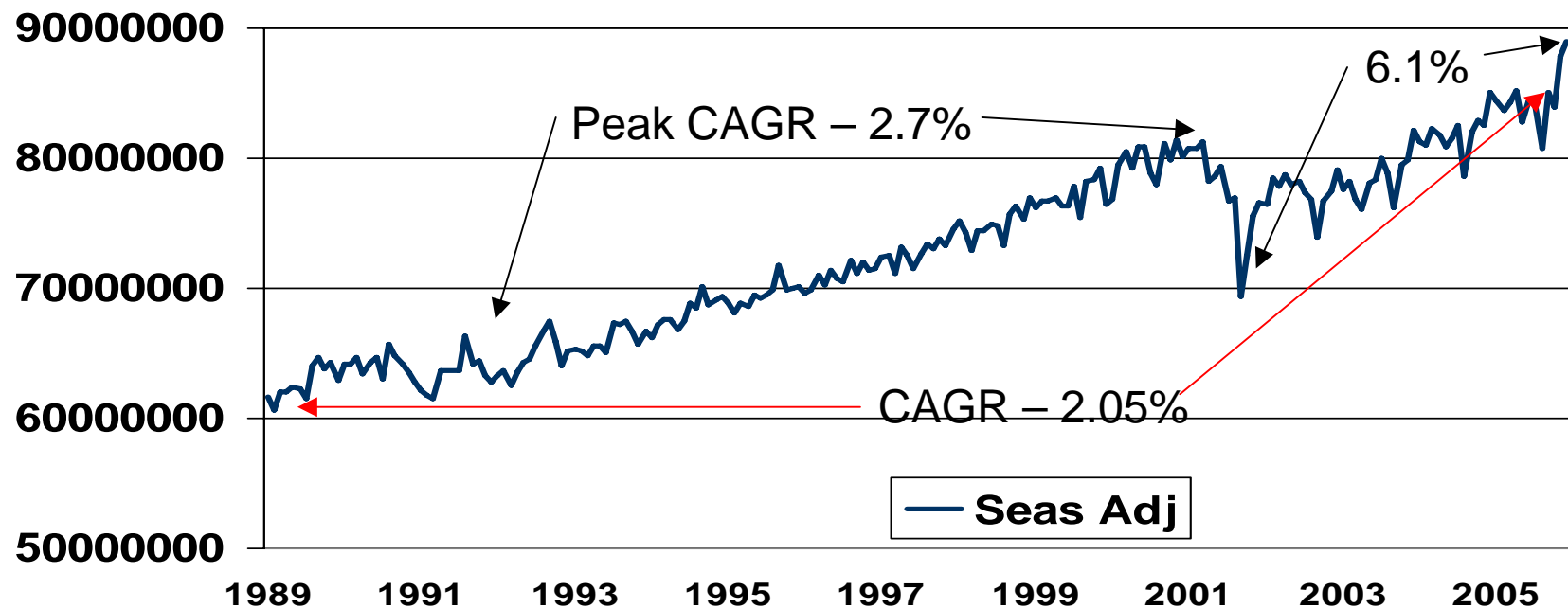
Total U.S. Monthly Room Supply – Actual and Seasonally Adjusted January 1989 to December 2005





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

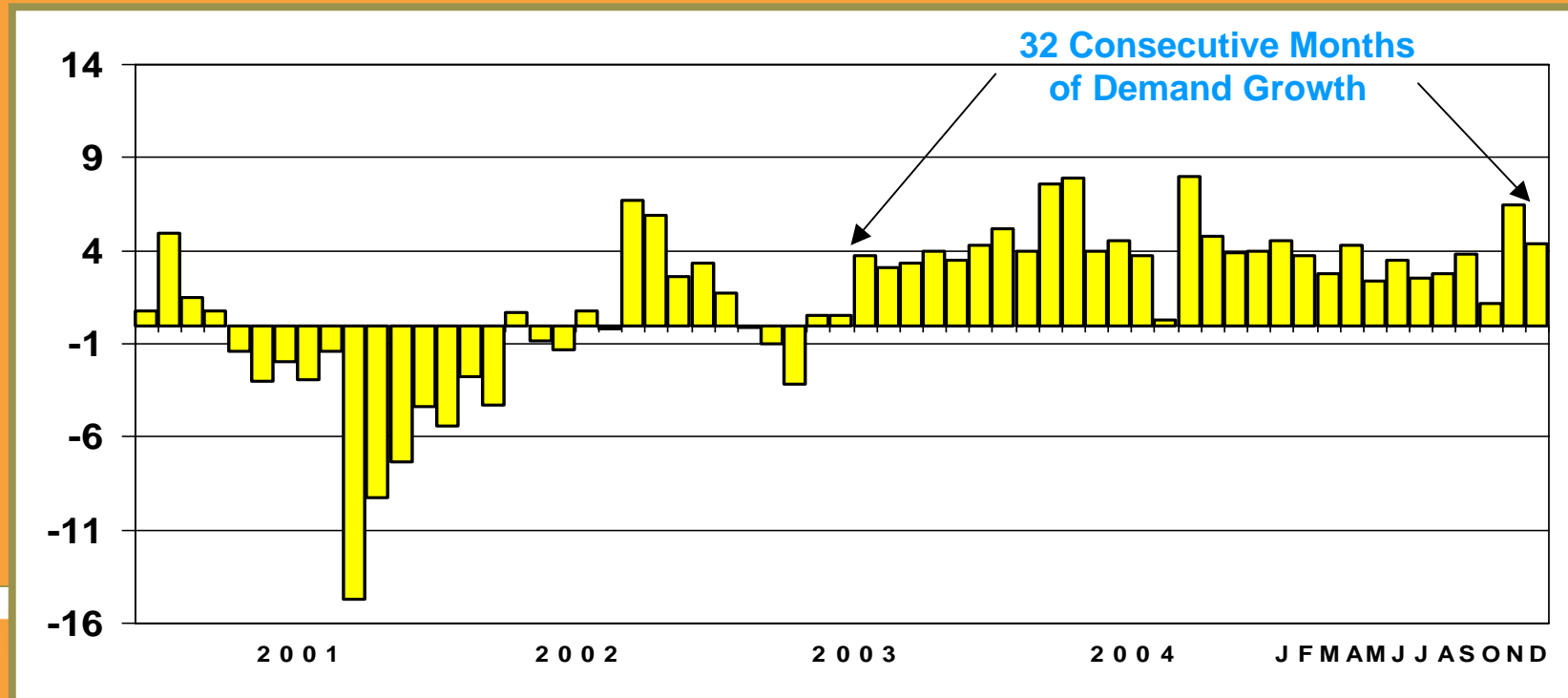


Source: Smith Travel Research



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

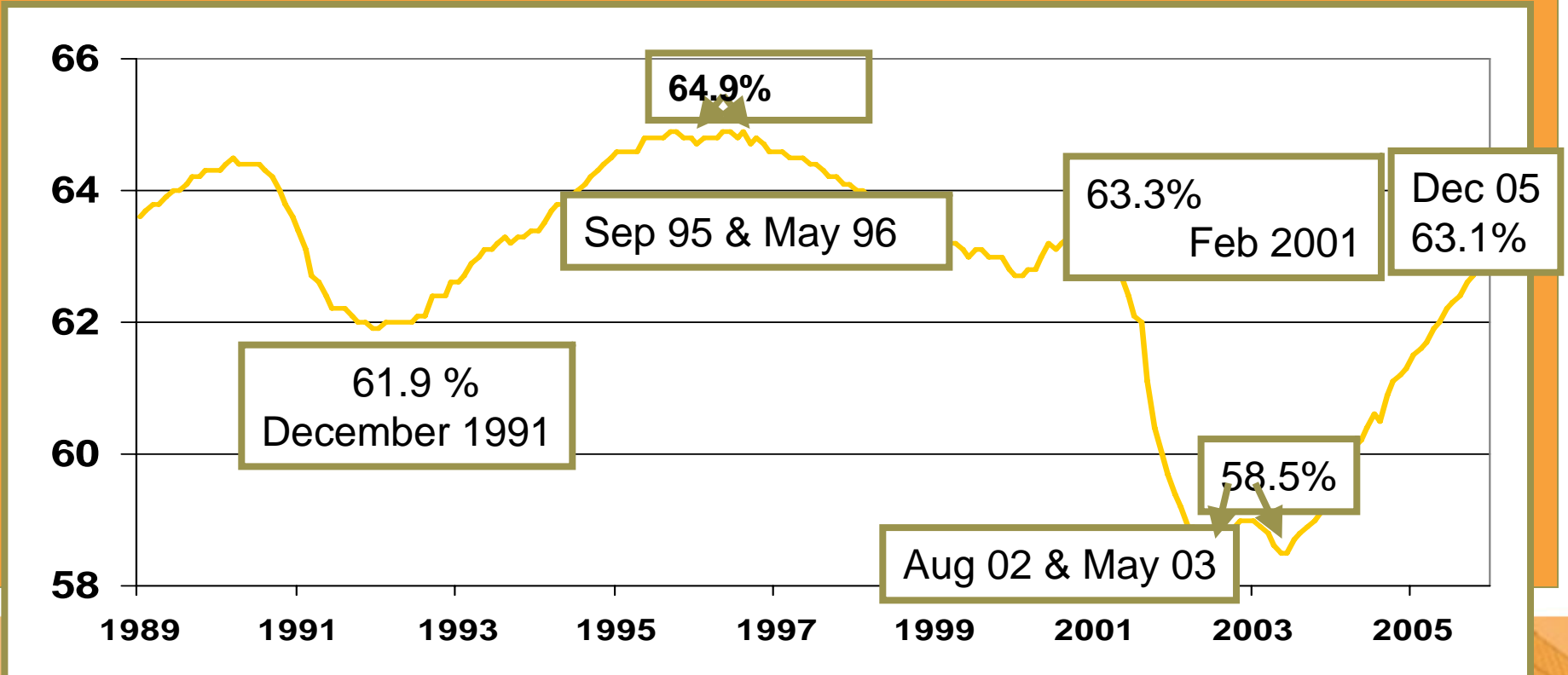


Source: Smith Travel Research



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

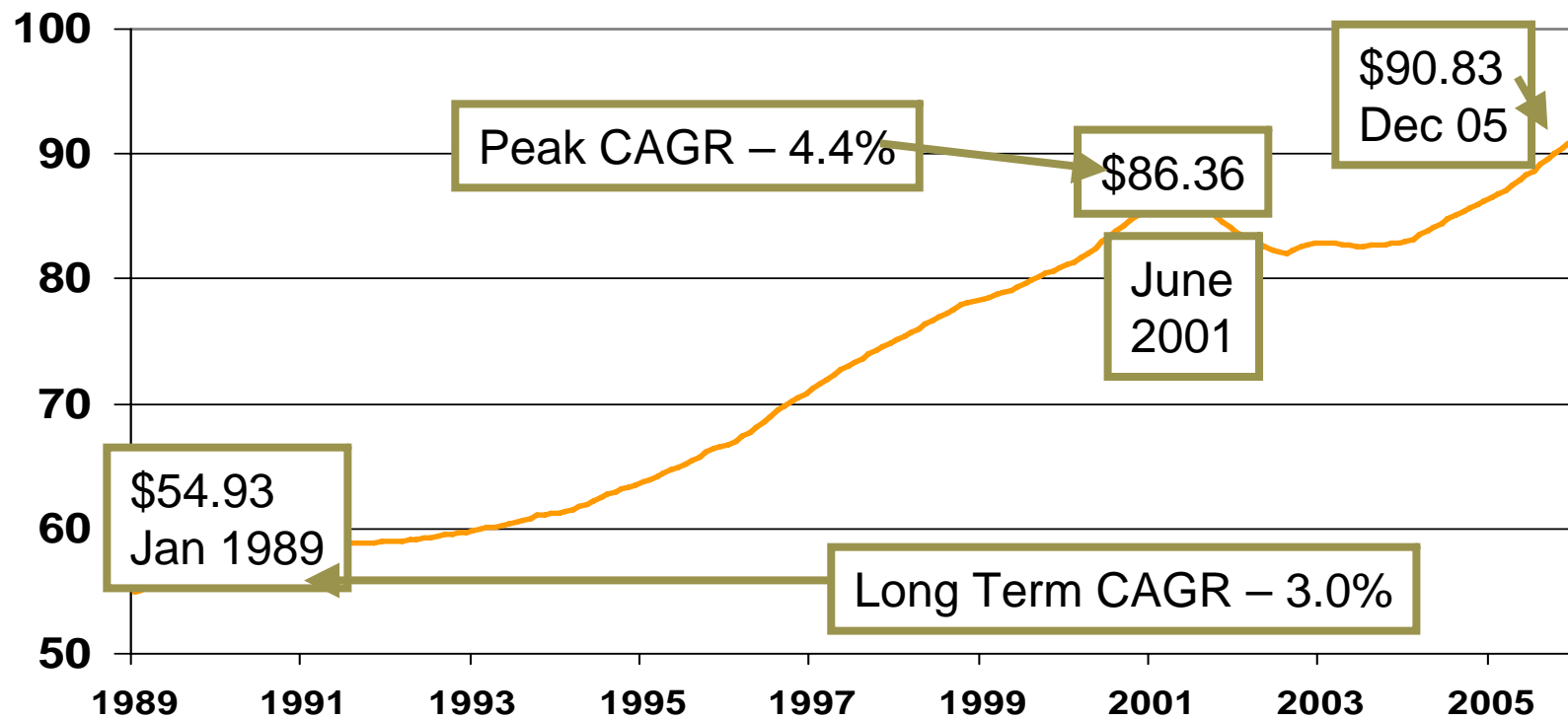


Source: Smith Travel Research



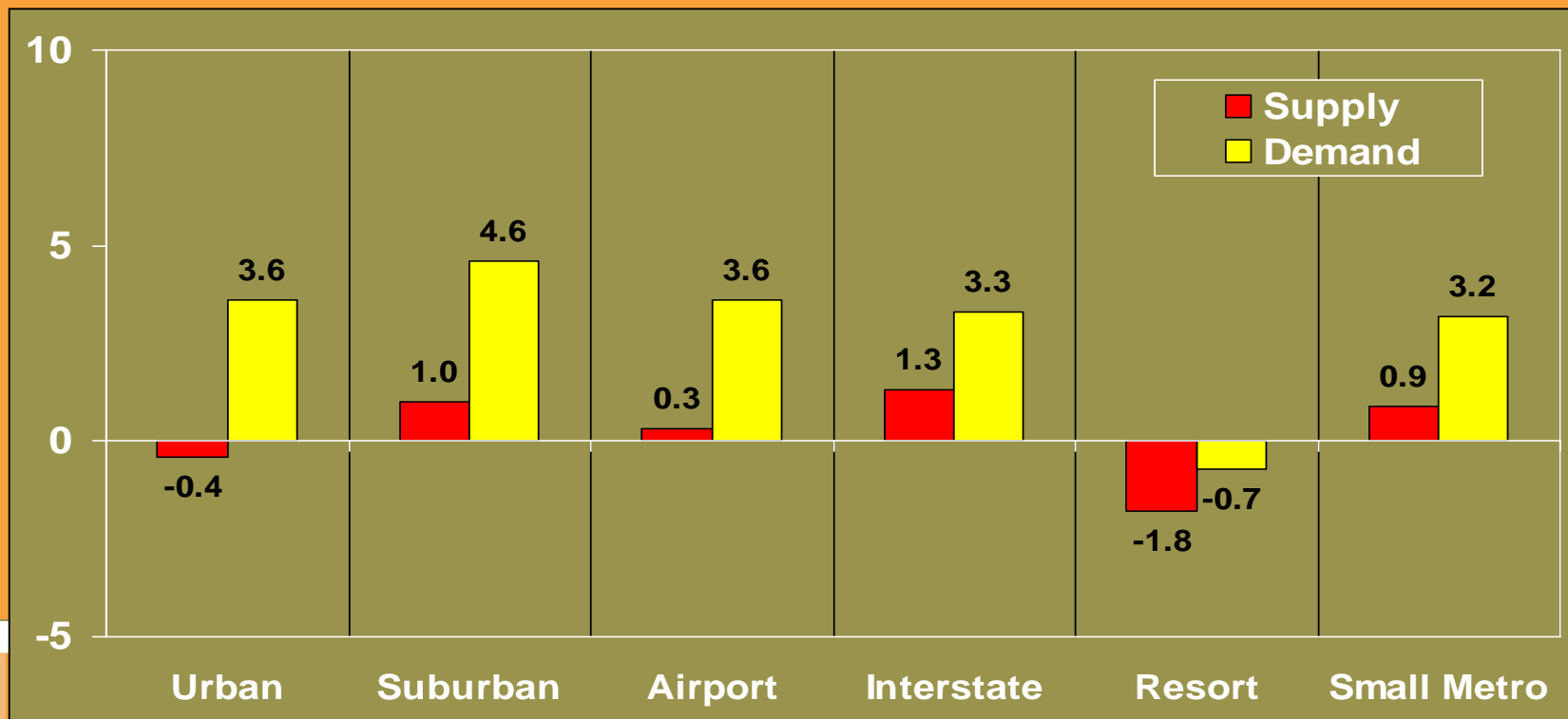
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Total United States Average Daily Rate Twelve Month Moving Average – 1989 to December 2005





Location Segments
Supply/Demand Percent Change
Twelve Months Ended November





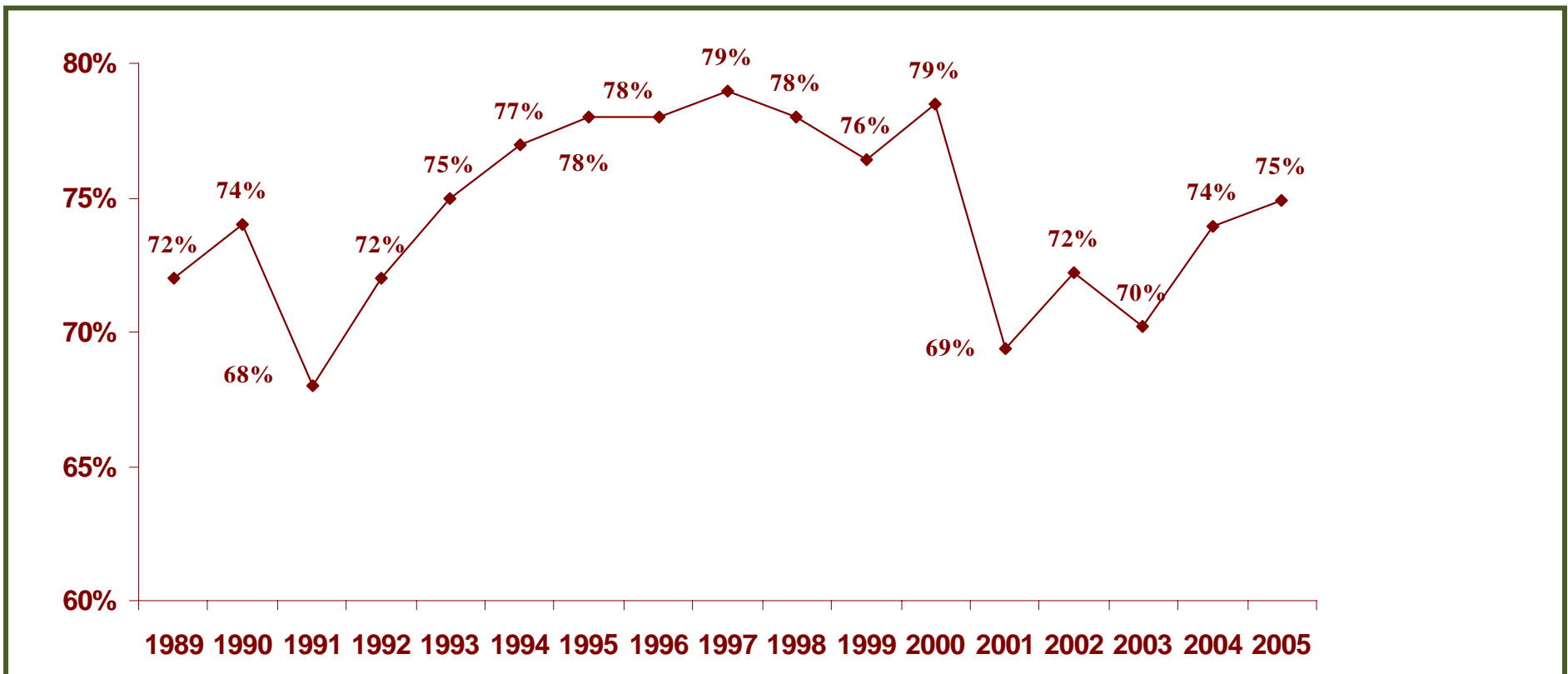
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BOSTON CAMBRIDGE LODGING MARKET



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Boston / Cambridge Occupancy 1989-2005

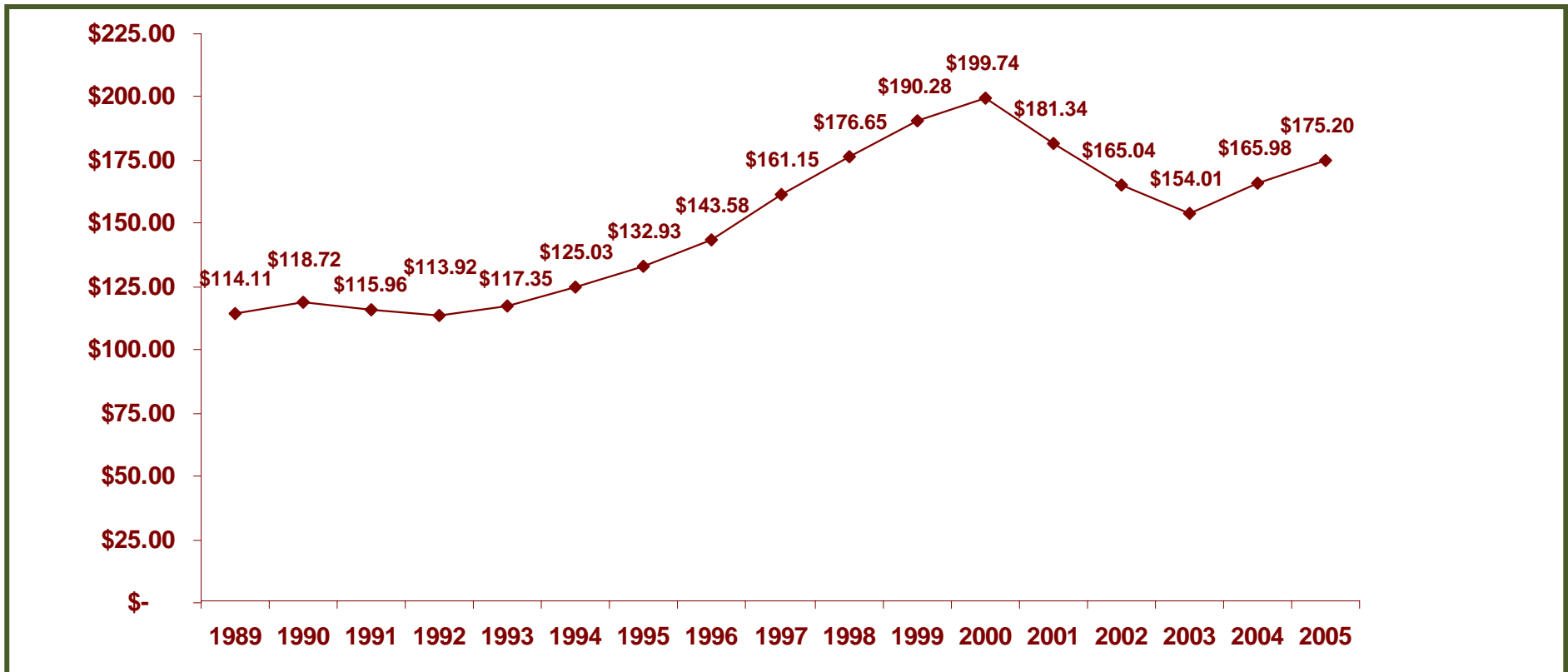


Source: Pinnacle Advisory Group



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Boston / Cambridge ADR 1989-2005

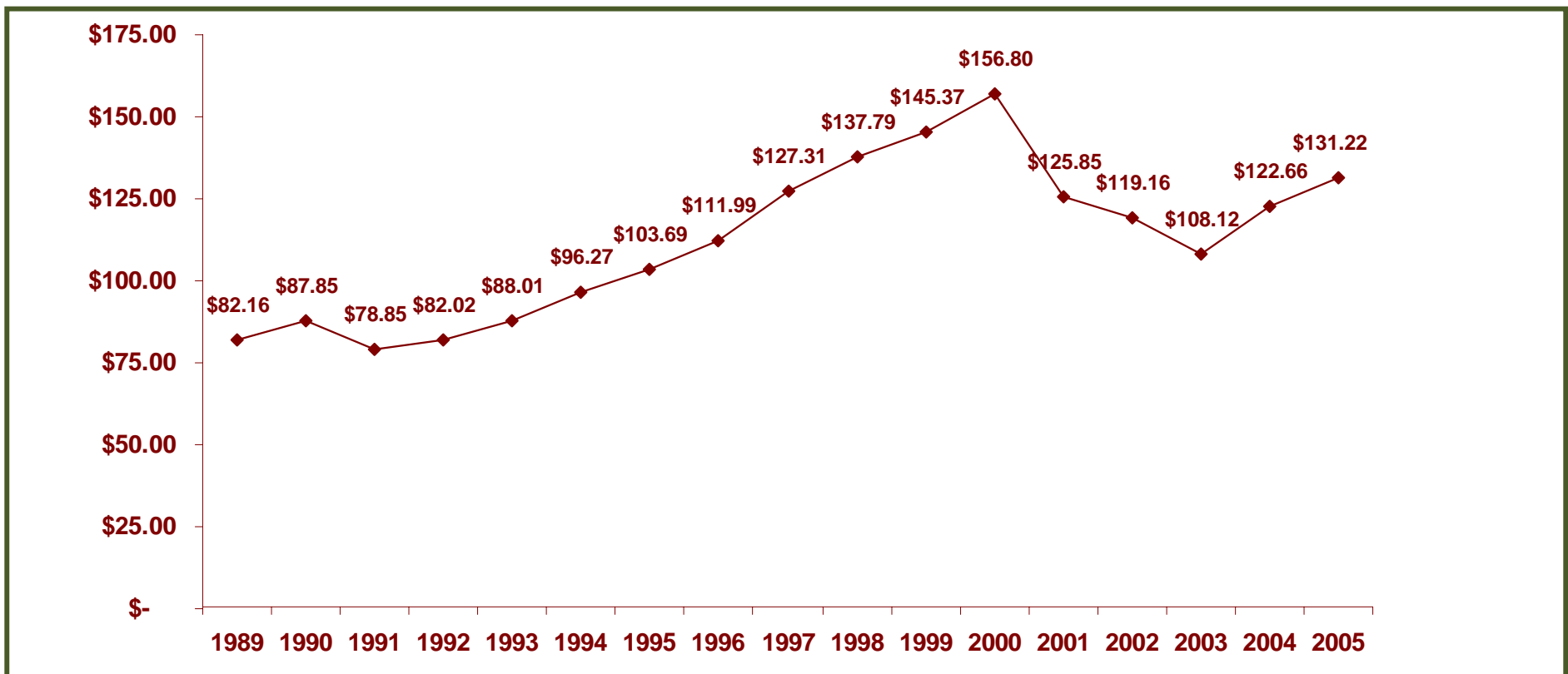


Source: Pinnacle Advisory Group



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Boston / Cambridge RevPAR 1989-2005

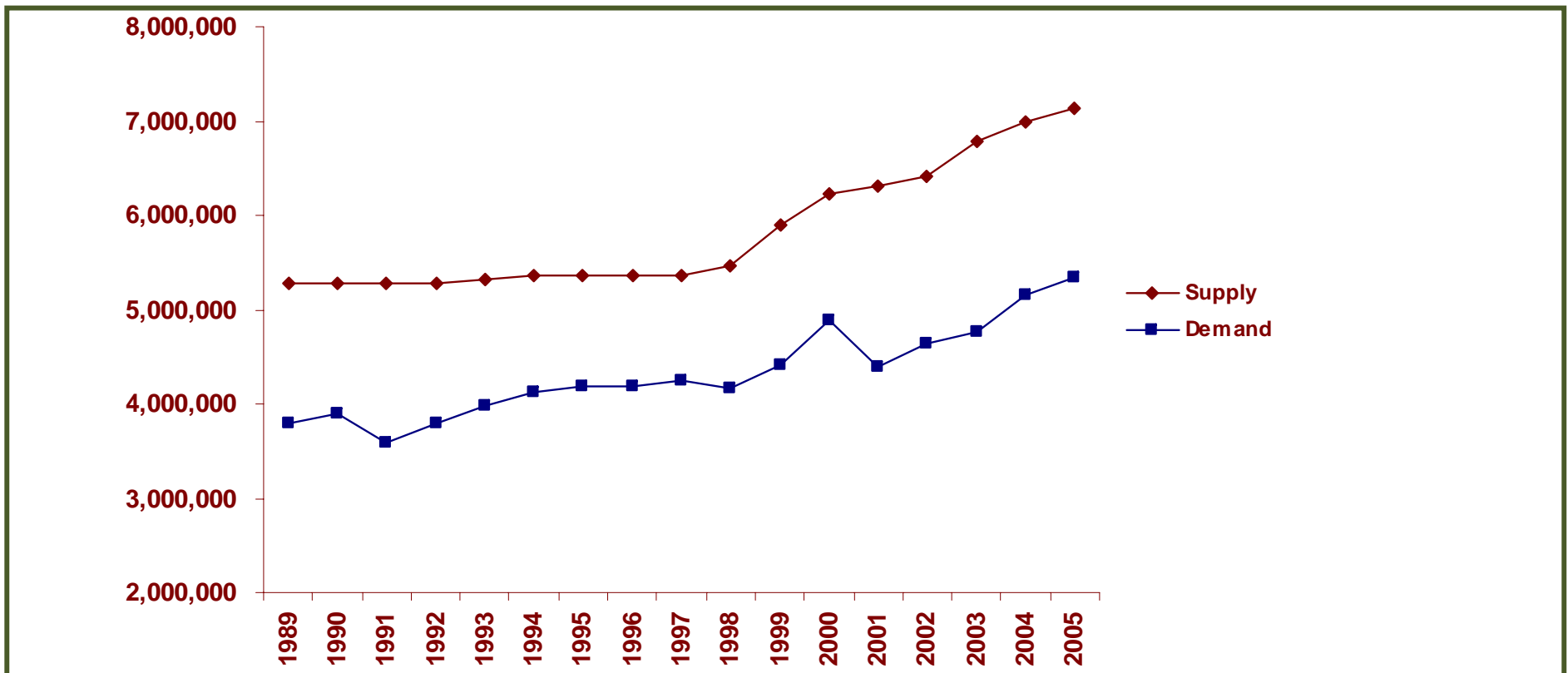


Source: Pinnacle Advisory Group



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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



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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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Factors Affecting Demand 2006

- Very Strong Convention Year
- First Quarter Advertising Campaign
- Improving Economy
- Impact of new supply will be limited



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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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