

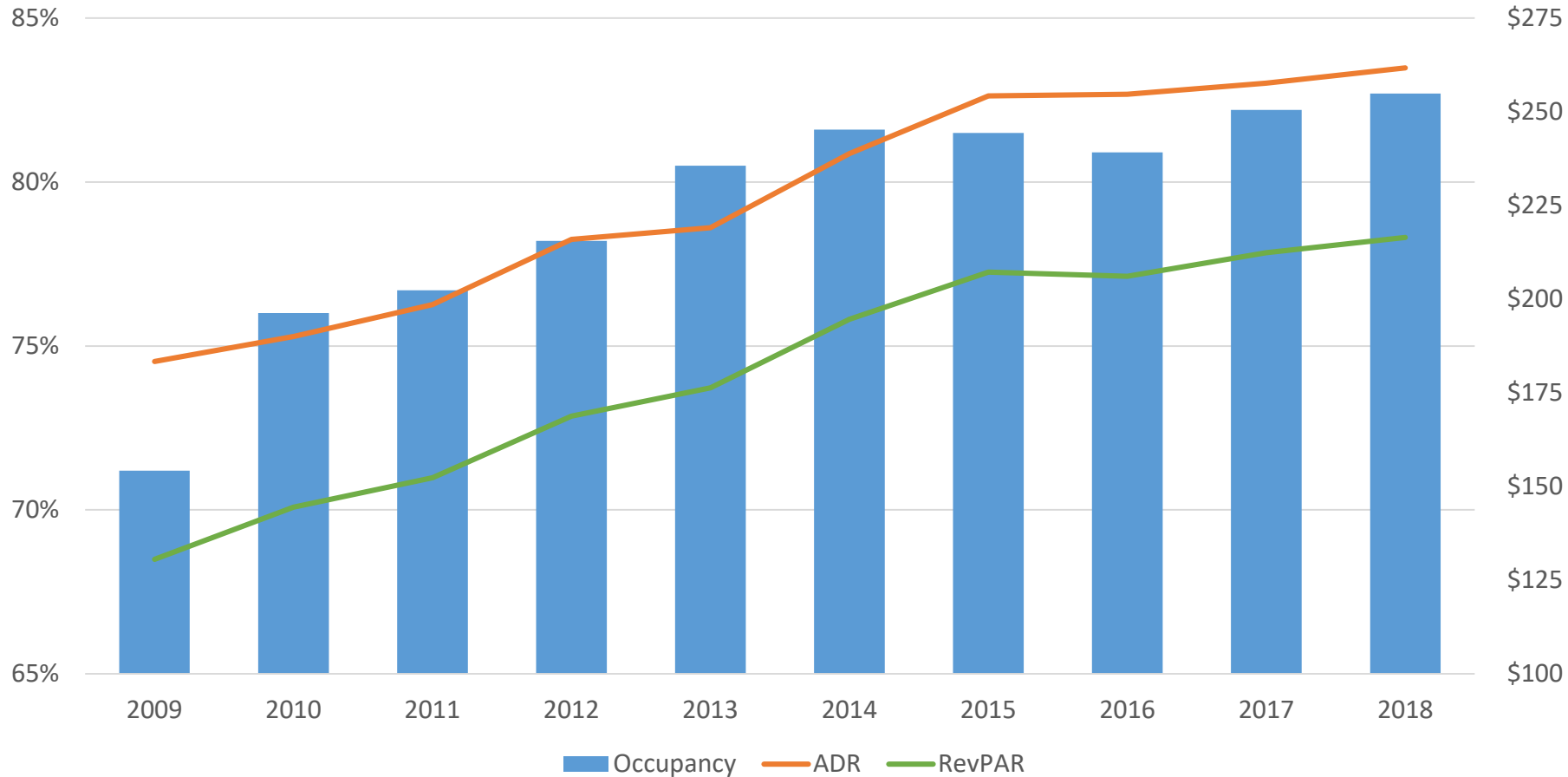
Boston & Cambridge OUTLOOK 2019

March 2019



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Boston & Cambridge Historic Performance



**2018
Historic Highs**

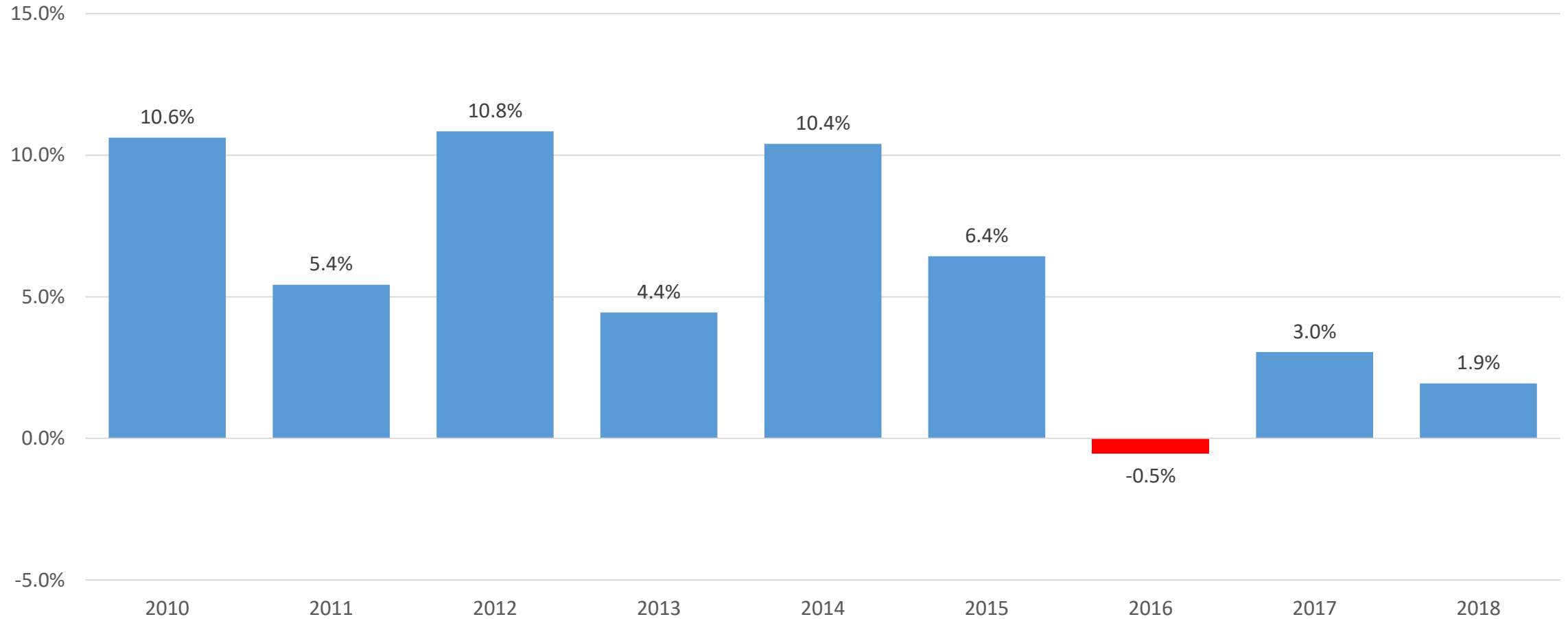
83%
Occupancy

\$262
A.D.R.

\$216
RevPAR

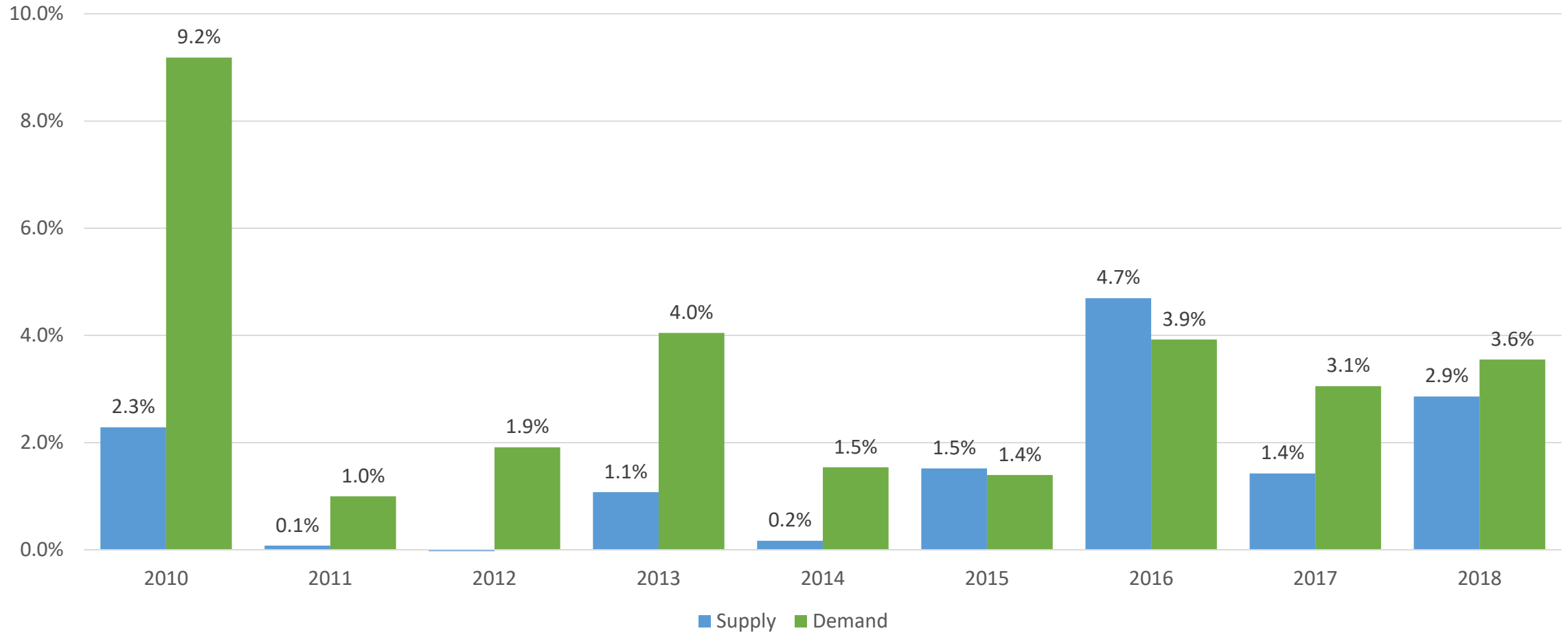
Source: Pinnacle Perspective, Pinnacle Advisory Group

Boston & Cambridge RevPAR % Change



Source: Pinnacle Perspective, Pinnacle Advisory Group

Boston & Cambridge Supply & Demand, % Change



Source: STR, Pinnacle Advisory Group

Boston & Cambridge New Supply, 2019

Hotel	Neighborhood	Chain Scale	Rooms	Est. Opening
Residence Inn West Roxbury	Roxbury	Upscale	135	Jan
Hyatt Centric Congress Square	Downtown	Upper Upscale	163	Feb
Four Seasons Back Bay	Back Bay	Luxury	211	Apr
Hotel 1868	Cambridge	Indep.	50	May
Luxury Boutique Beacon Hill	Beacon Hill	Indep.	66	Jun
Cambria South Boston	South Boston	Upscale	159	Jun
Moxy Theater District	Theater District	Upper Midscale (micro)	346	Aug
907 Main	Cambridge	Indep.	67	Dec
CitizenM North Station	West End	Upscale (micro)	269	Dec

1,416

New
Rooms

4.3%

Supply
Increase

Source: Various Sources, Compiled by Pinnacle Advisory Group



Boston & Cambridge YTD Performance, Feb 2019

	Jan 2019	Feb 2019	YTD Feb 2019	YTD %
Occupancy	-1.7%	+3.8%	67.6%	+0.9%
ADR	-1.3%	+3.5%	\$172	+1.1%
RevPAR	-3.9%	+9.1%	\$116	+2.5%

Source: Pinnacle Advisory Group

**February 2019:
35 consecutive months
of demand growth**



Boston & Cambridge Demand Trends, 2019

First Quarter



- Slow start to the year in January
- Surprising February with increase due to Yankee Dental and in-house group at Back Bay hotels
- March has been soft, especially weekends (with exception of PAX to end the month)

Second Quarter



- April and May seeing decent pick up, good rate growth. Easter/Passover moves from March to April
- June is down considerably, one less citywide

Third Quarter



- July/August with little group. One less citywide and convention rooms down ~50% between the two months
- Hotels already offering promos. Rate likely to fall without group base

Fourth Quarter



- Fall months were positively impacted in LY by Red Sox, Merrimack Valley Gas, and Oct/Nov citywides
- One citywide moving from Nov to Dec
- Some of the larger hotels were also negatively impacted by the union strike

**** Other market considerations: Renovations, closings, Encore Boston Harbor, etc**



Boston & Cambridge Projections 2019

	2018	2019	% Change
Occupancy	82.7%	82%	-0.8%
ADR	\$262	\$258	-1.5%
RevPAR	\$216	\$211	-2.4%

3.4%
growth in
demand!

Source: Pinnacle Advisory Group



Pinnacle Advisory Group

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New York City

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