

Pinnacle Advisory Group

BOUTIQUE HOSPITALITY CONSULTING FIRM

- **Offices in Boston, Nashville, New York, Newport Beach, Portland, Tampa, Washington DC**
- **Leader in hospitality for 28 years**
- **Over 300 engagements annually conducted throughout the US and Caribbean**



CHMWarnick

ASSET MANAGEMENT PORTFOLIO (AS OF MARCH 2019)



OF PROPERTIES

70+



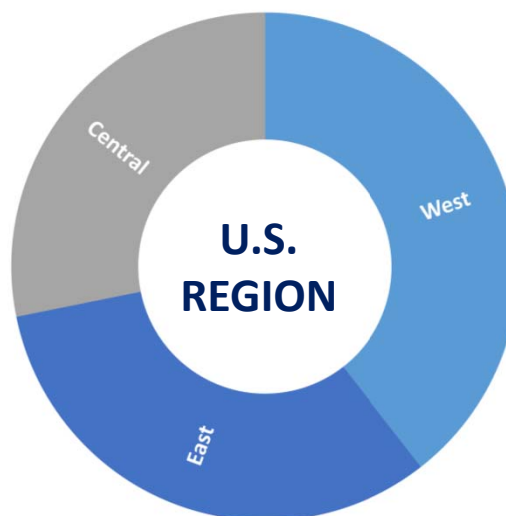
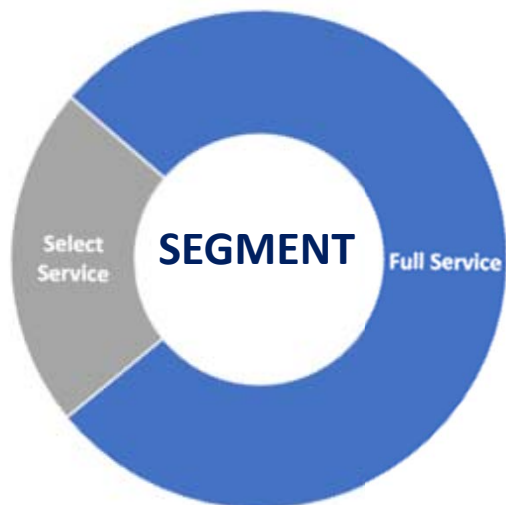
OF ROOMS

29,000+



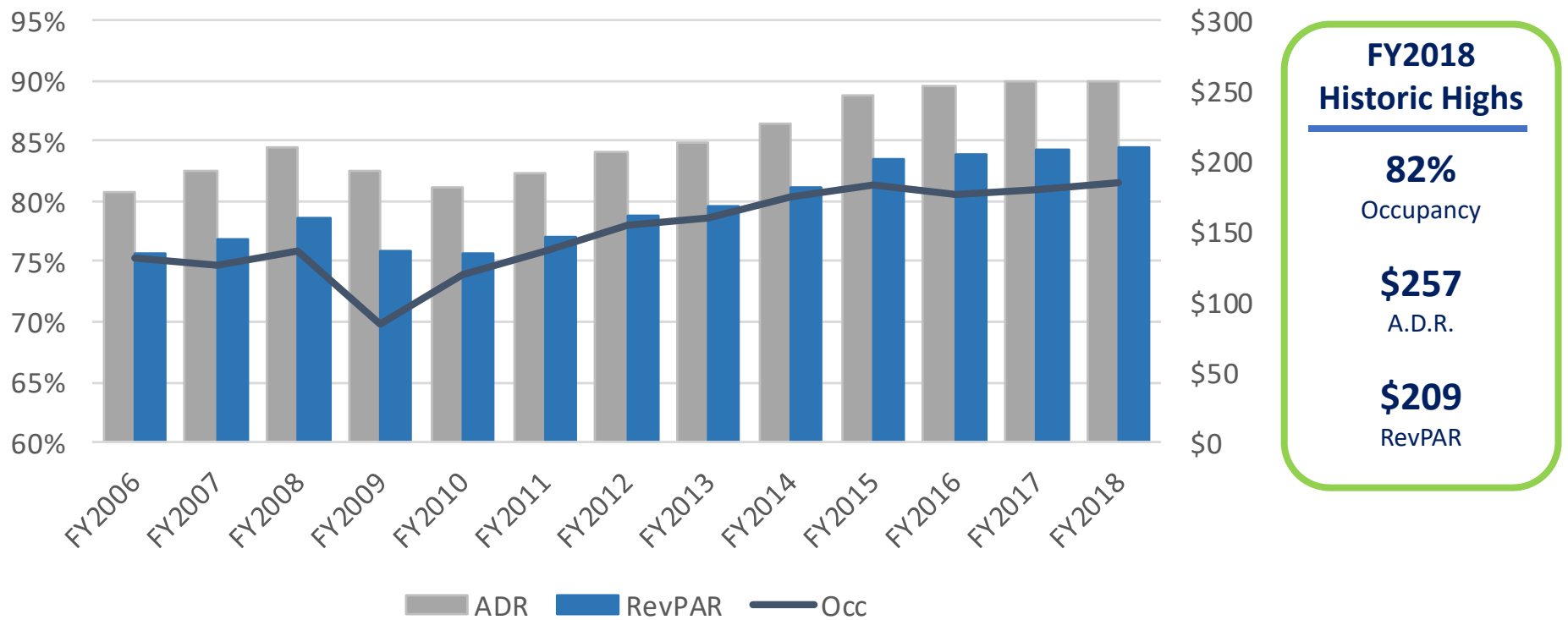
ASSET VALUE

\$15B



Historic Market Performance

Boston & Cambridge
Historic Market Performance



Boston & Cambridge market reached historic highs in FY2018.

Compression

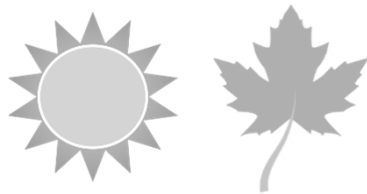
com·pres·sion

(kuh m-presh-uhn, *noun*)

Date or periods of time when a hotel is nearing full occupancy, presenting revenue-management opportunities (ADR growth). The threshold for compression is often defined as 95% occupancy, but for some markets it may be higher or lower.



95% Occupancy



SEASONALITY

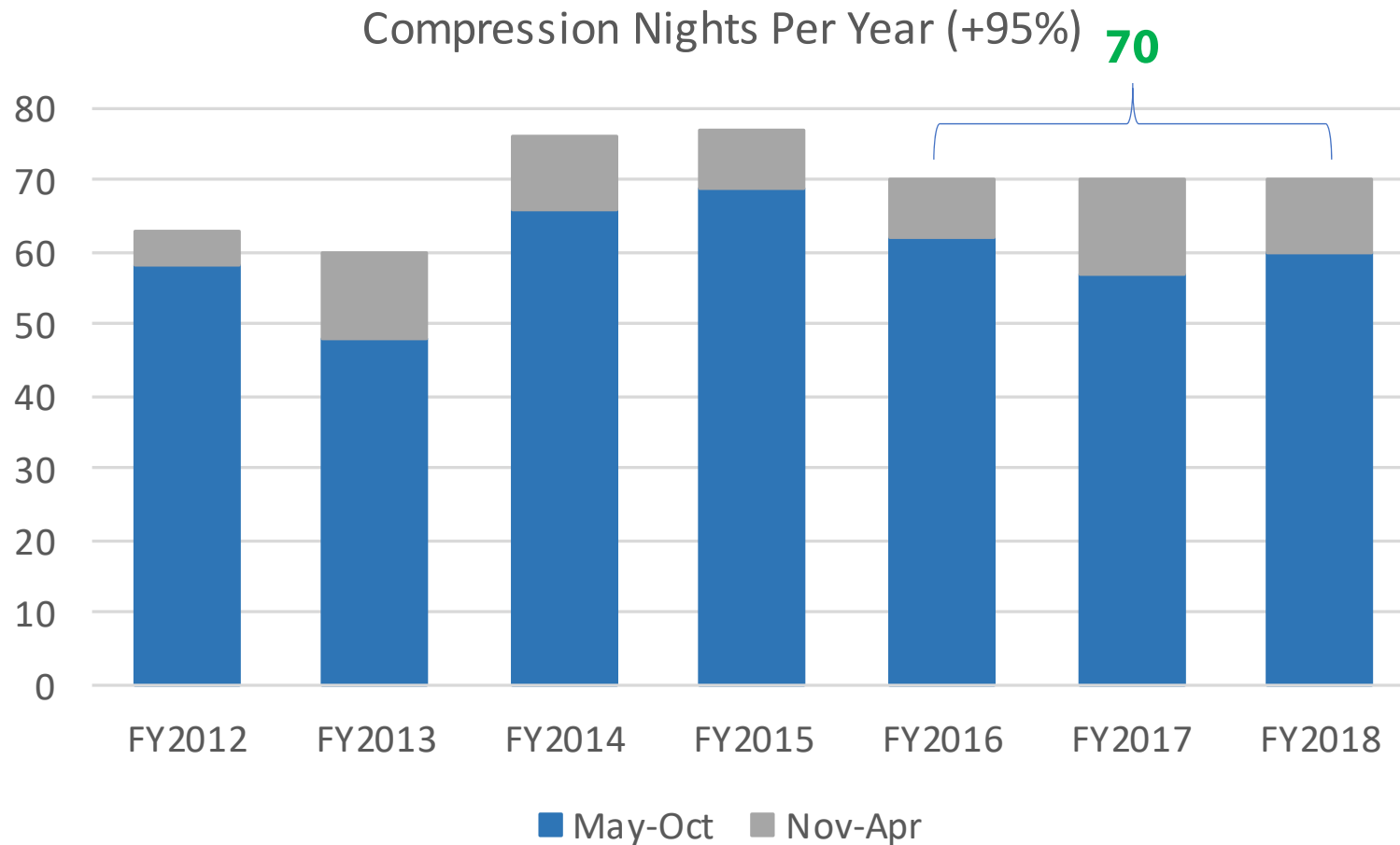


CITYWIDE



EVENTS

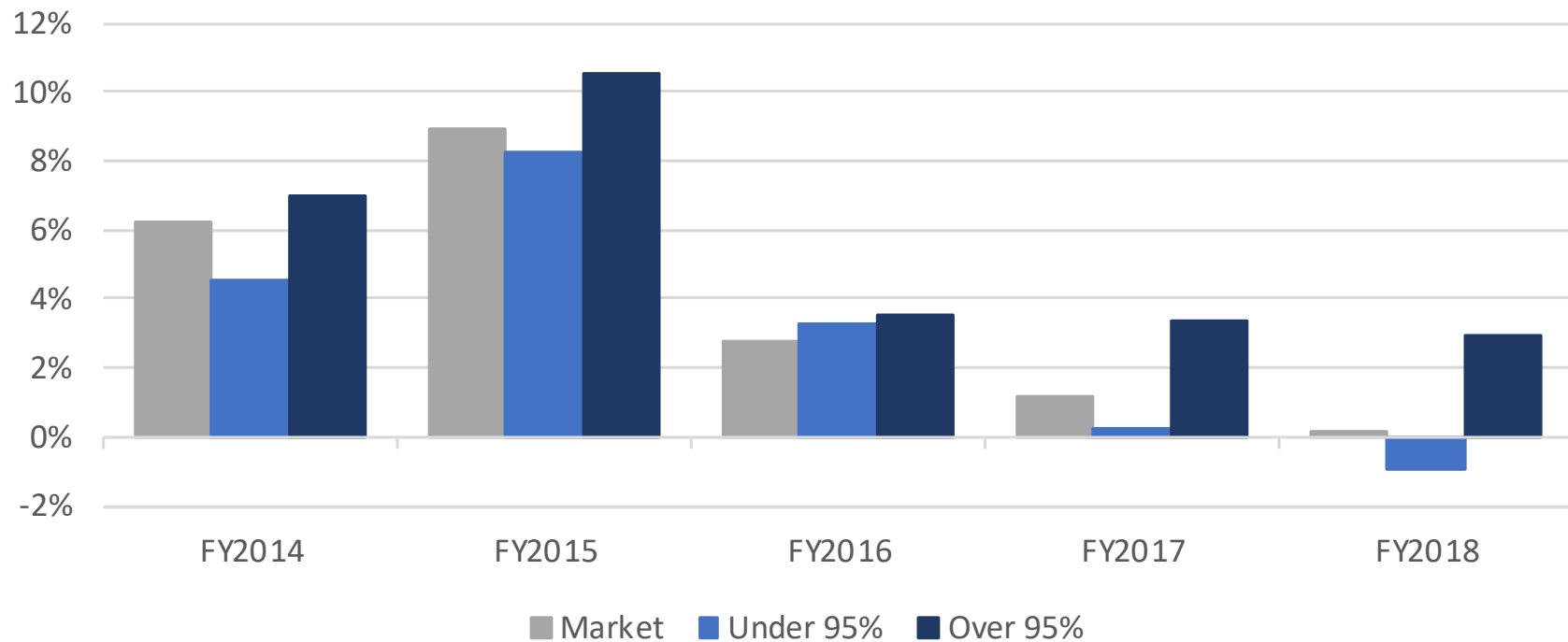
Historic Compression Analysis



Compression nights in Boston have stabilized at 70 per year for the past three years.

Compression ADR Growth

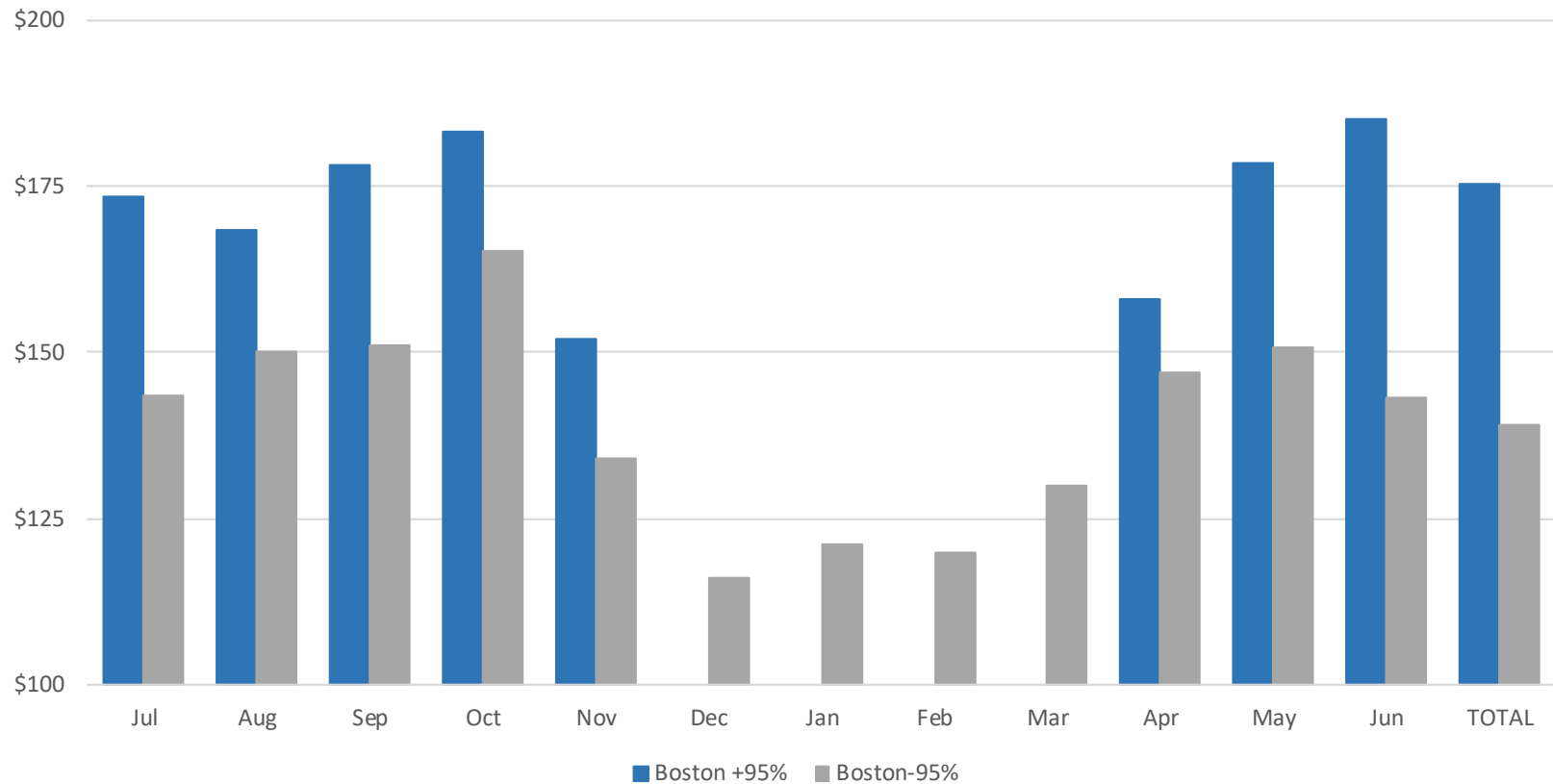
Historic Market ADR Growth
% Change



Boston ADR growth is driven by ADR growth over compression nights.

Suburban Compression

FY2018 Suburban ADR



When Boston is compressed, the suburb markets benefit in both occupancy and ADR.

STR Compression Study

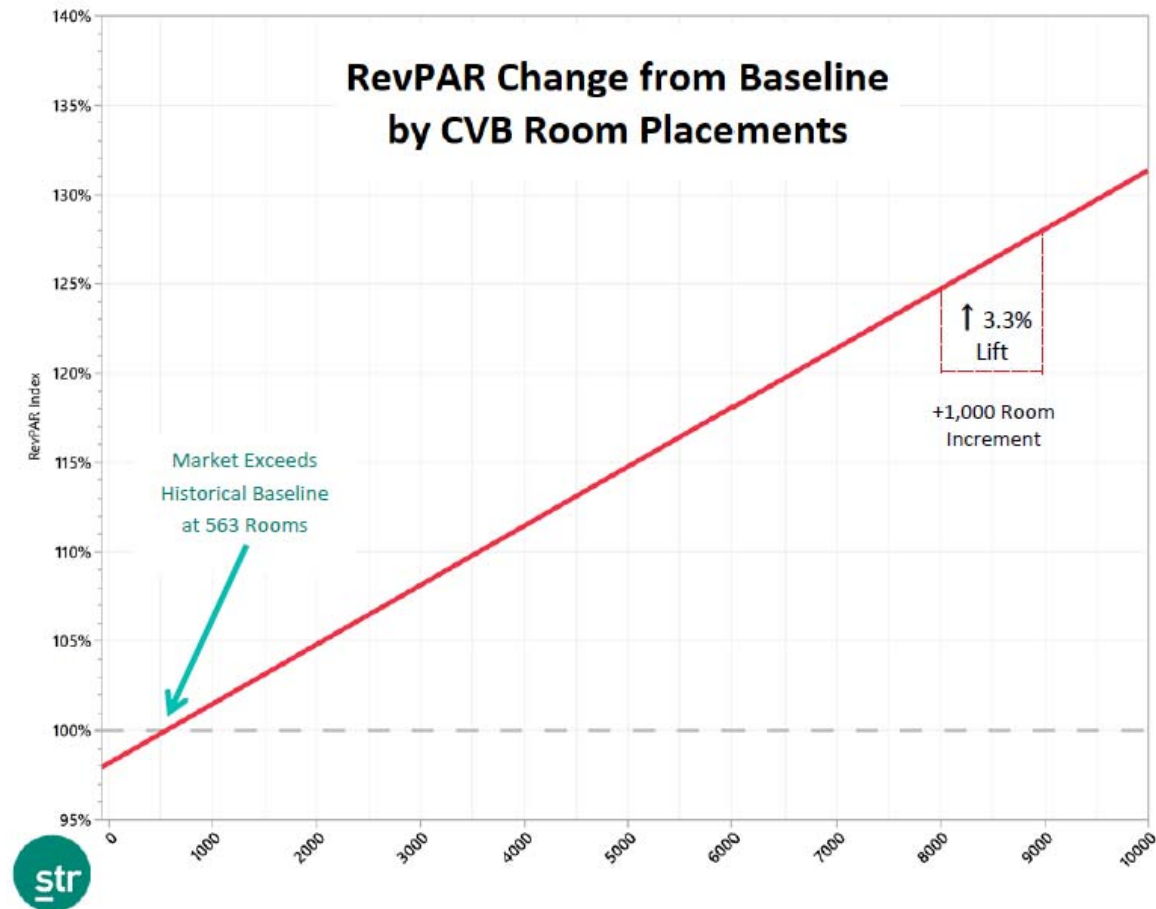
Market Zone RevPAR Impact from Baseline by Room Placements

Daily Placed Rooms	Market	Airport	Downtown	Back Bay 1	Back Bay 2	Cambridge	Fenway & West	Waterfront
0-399 Rooms	0%	0%	1%	-4%	0%	-2%	-1%	0%
400-799	-2%	-2%	-2%	-3%	-3%	-2%	-1%	-6%
800-1199	3%	2%	3%	2%	4%	2%	3%	0%
1200-1599	2%	0%	0%	1%	1%	1%	1%	0%
1600-1999	6%	4%	4%	6%	6%	5%	5%	6%
2000-2399	3%	0%	0%	4%	2%	1%	1%	0%
2400-2799	5%	2%	2%	6%	5%	2%	0%	4%
2800-3199	8%	4%	6%	10%	8%	7%	4%	6%
3200-3799	12%	6%	8%	14%	11%	8%	10%	11%
3800-4399	10%	7%	6%	13%	9%	7%	6%	10%
4400-4999	12%	6%	11%	12%	12%	7%	9%	19%
5000-5599	16%	13%	15%	16%	14%	14%	11%	19%
5600-6199	20%	17%	18%	22%	21%	12%	14%	25%
6200-6799	18%	13%	16%	17%	19%	11%	10%	26%
6800-7799	20%	19%	20%	17%	24%	15%	14%	30%
7800-8999	25%	21%	24%	27%	28%	19%	17%	24%
9000+ Rooms	37%	22%	37%	38%	39%	34%	17%	43%



When 3,200 or more rooms are placed in the city, RevPAR begins to experience double-digit growth.

STR Compression Study



Over the past three years, there was an increase of 3.3% in RevPAR for Boston for every 1,000 additional convention rooms.

Case Study: BIO Event



June 2018
Four Day Event
29 Hotels
30,000 roomnights

Five Key Nights with over 1,500 rooms

Boston & Cambridge

93.6%
Occupancy

\$362
A.D.R.

Suburbs

88.1%
Occupancy

\$183
A.D.R.

Compared to June Weekday Nights without a Citywide

Boston & Cambridge

+0.3%
Occupancy

+18.7%
A.D.R.

Suburbs

+5.7%
Occupancy

+9.6%
A.D.R.

When compared to other midweek days in June, Boston & Cambridge had a 19% premium in ADR during the BIO Event while the suburban market saw considerable increases to both occupancy and rate

Compression

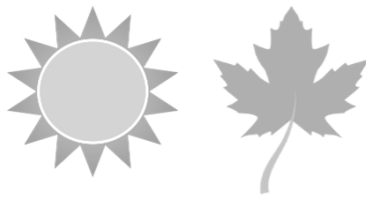
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95% Occupancy



SEASONALITY



CITYWIDE



EVENTS

Goal: Increase Compression Nights

