Pinnacle Advisory Group

2010 Summary and 2011 Lodging Forecast

March 3, 2011

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NATIONAL LODGING MARKET

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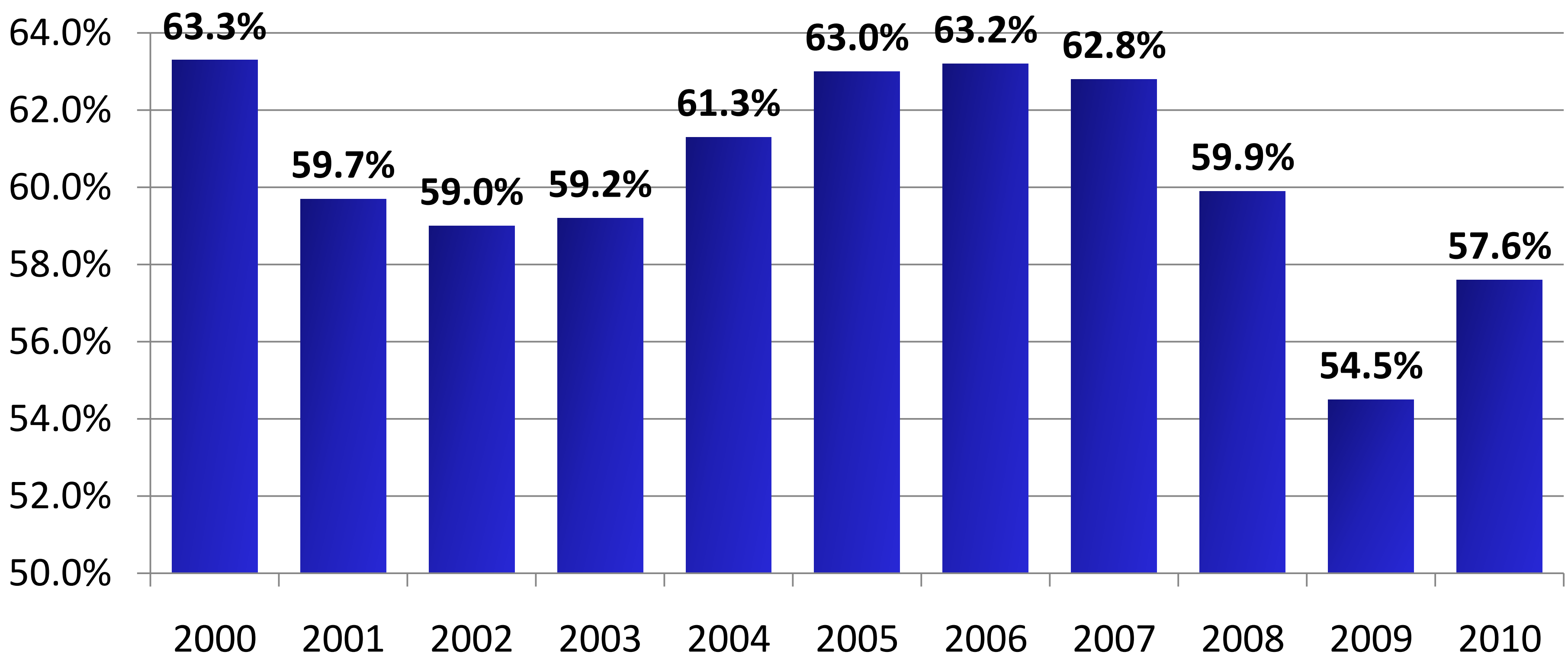
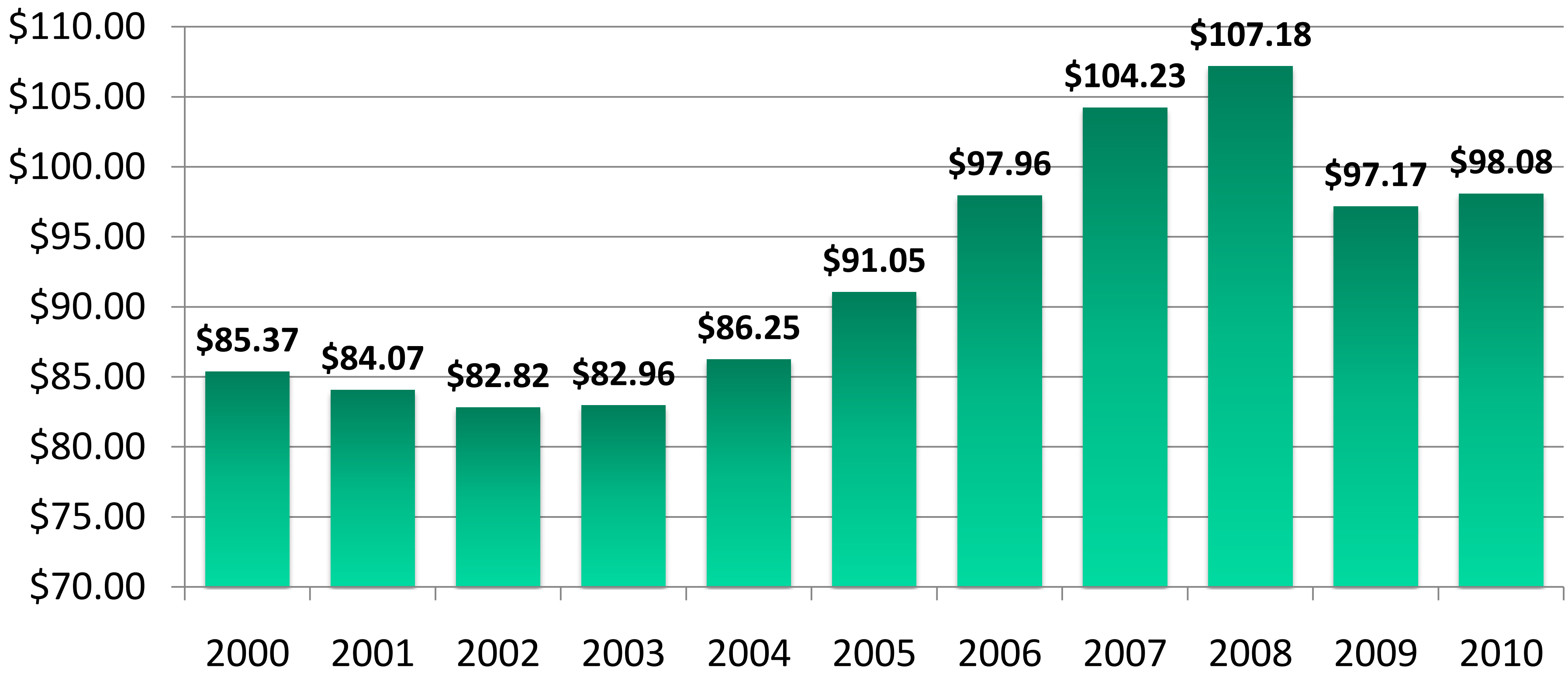
U.S. Occupancy Percent 2000 – 2010



Source: Smith Travel Research

U.S. Average Daily Rate 2000 – 2010



Source: Smith Travel Research

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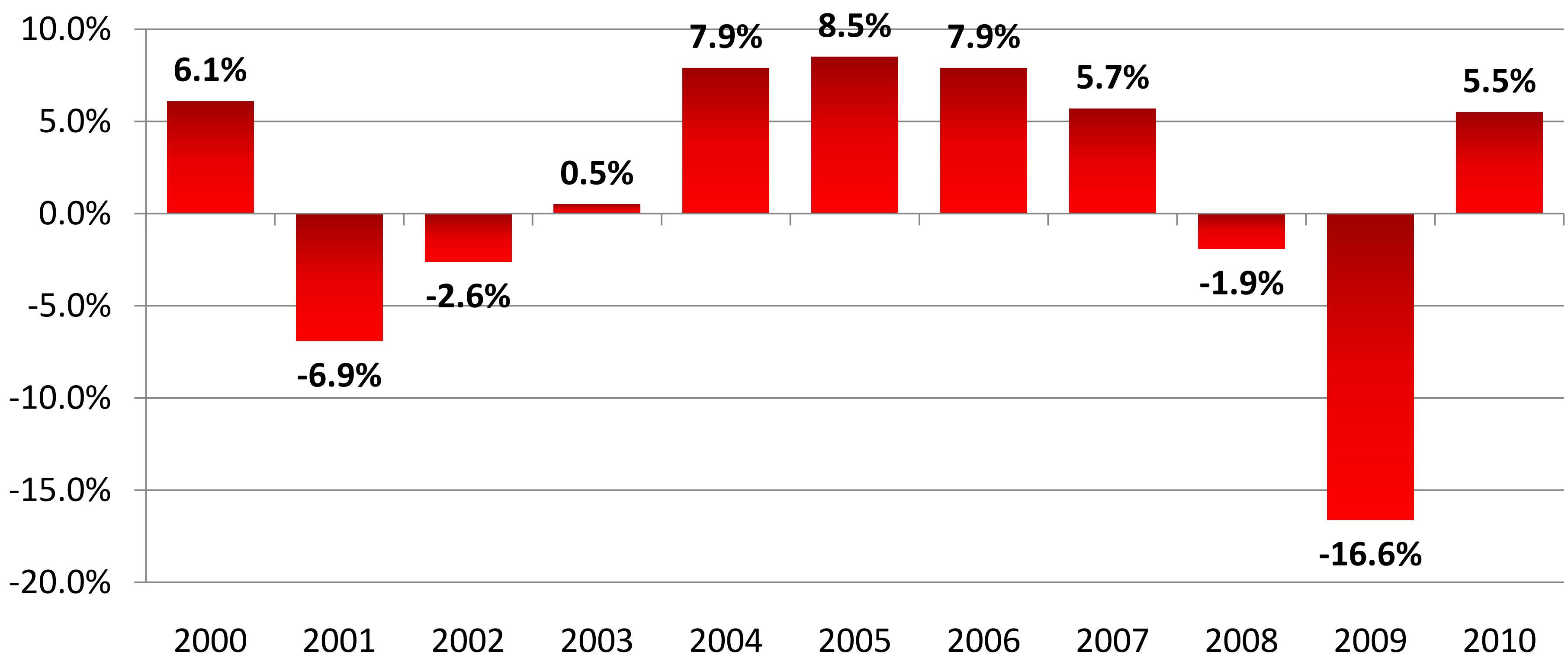
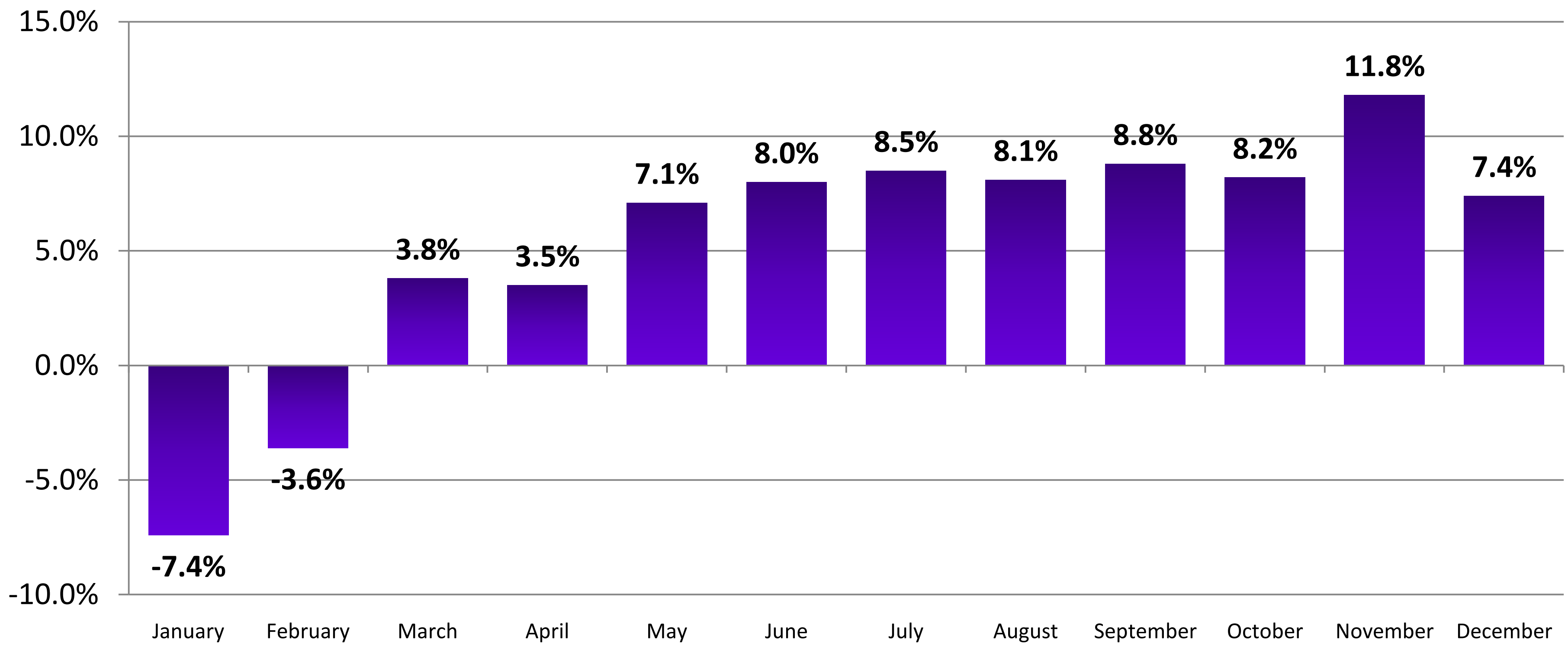
U.S. RevPAR Percent Change 2000 – 2010



Source: Smith Travel Research

2010 Month by Month RevPAR % Change from 2009



Source: Smith Travel Research

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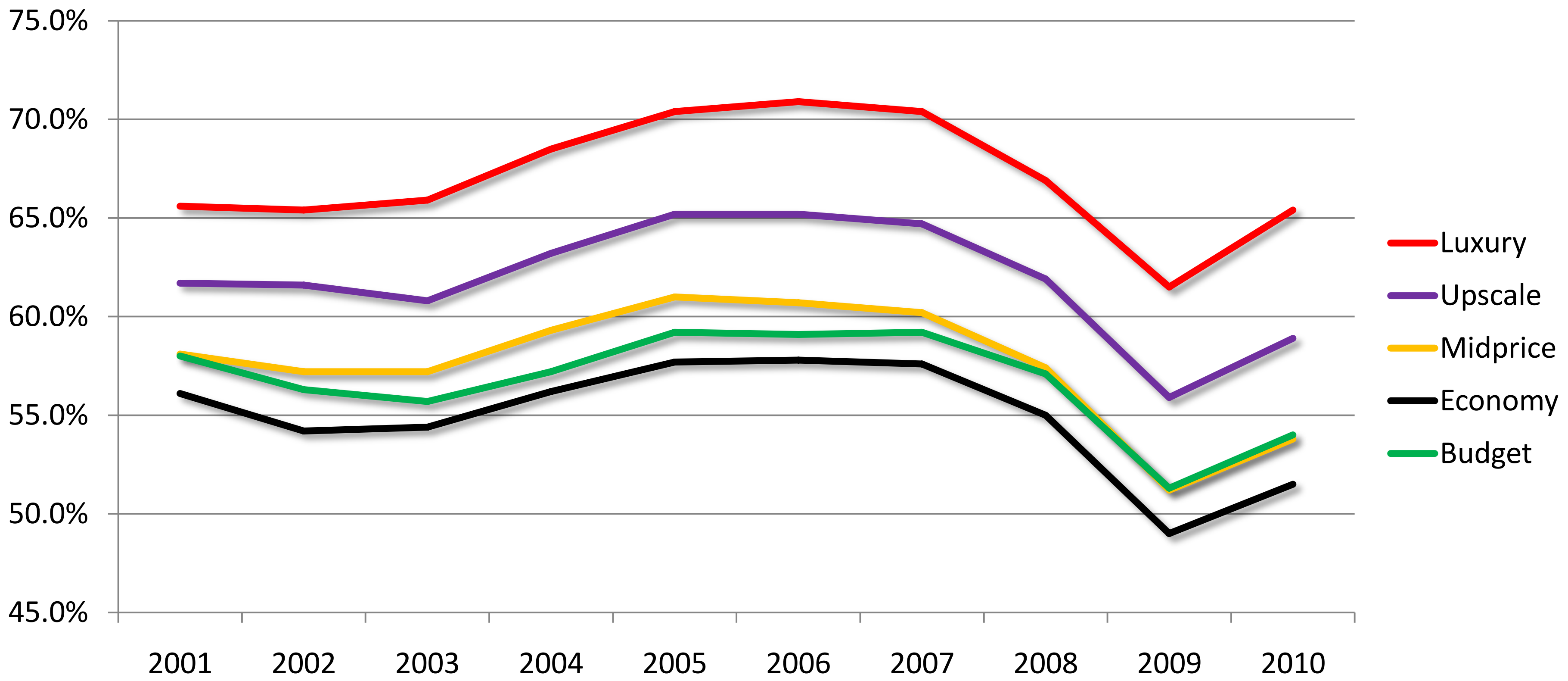
Historical Occupancies by Price Segment– 2001-2010



Source: Smith Travel Research

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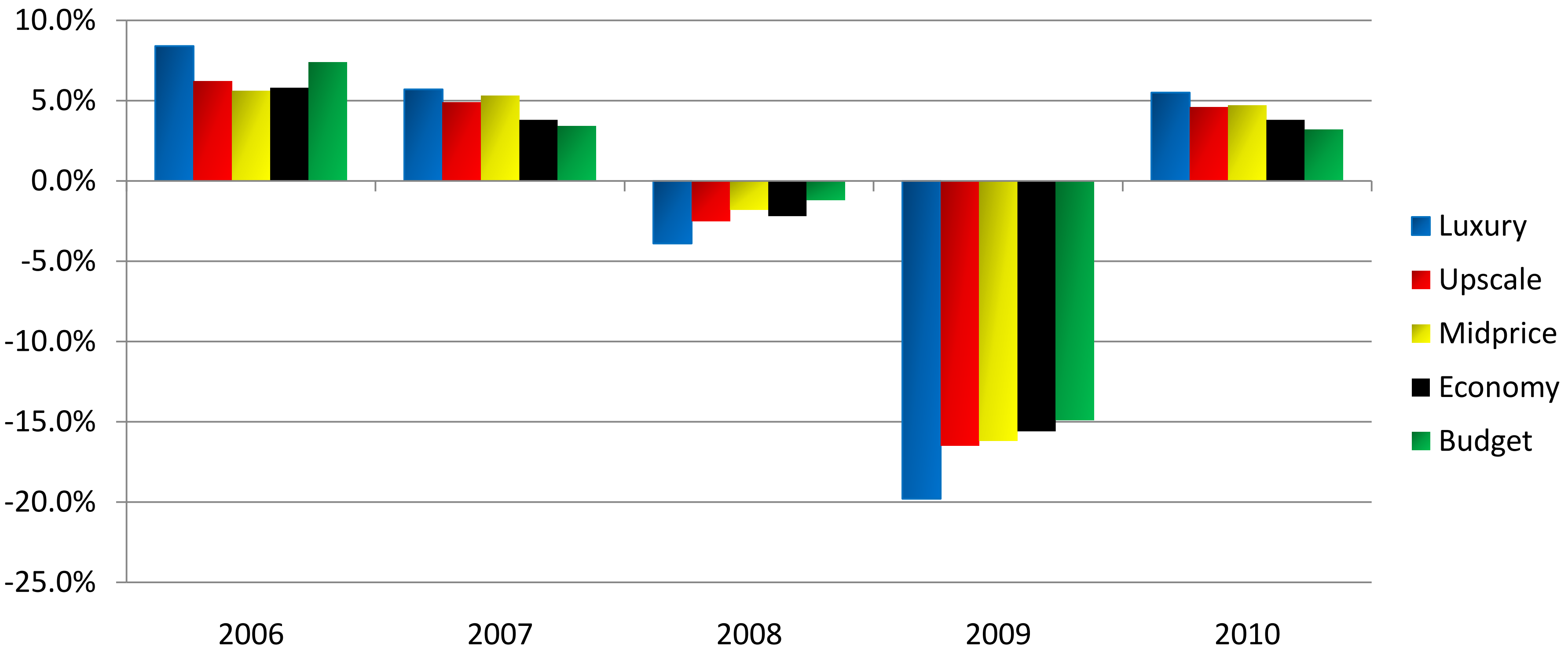
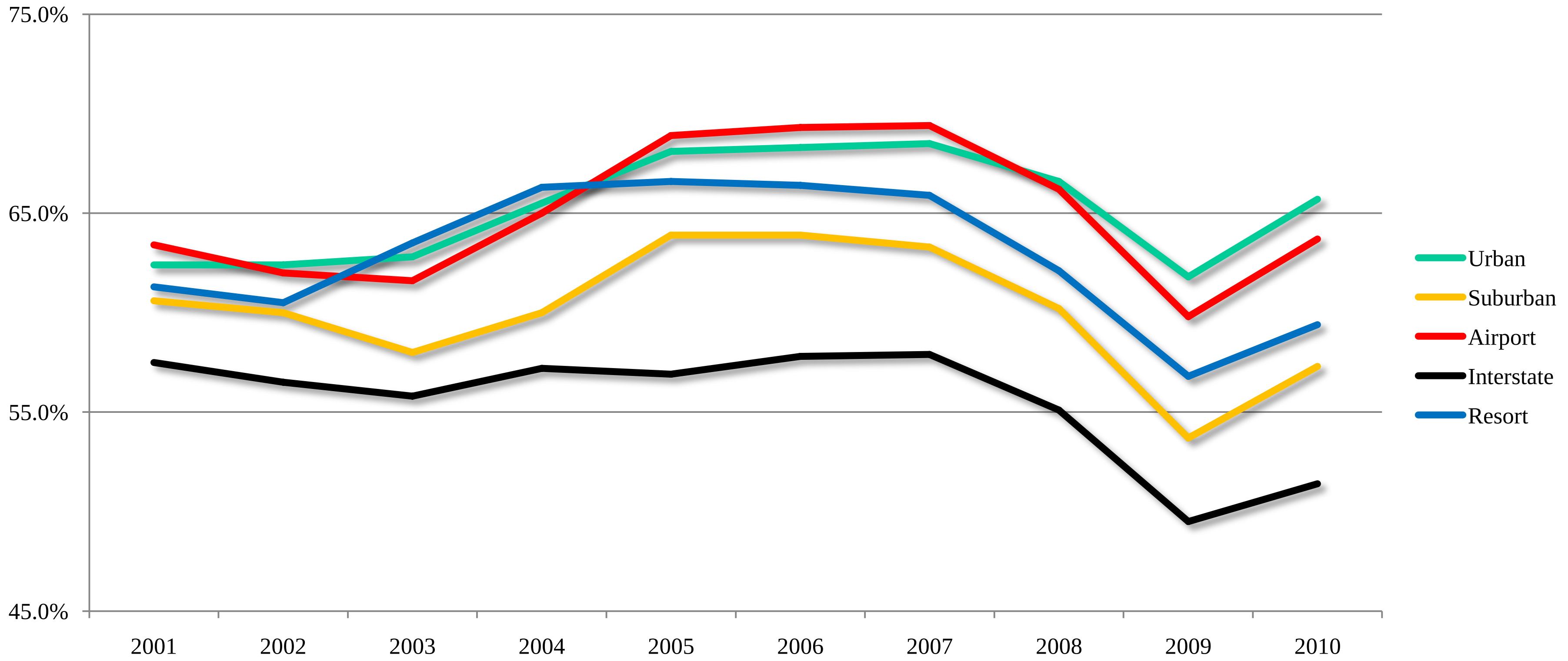
Historical RevPAR % Change by Price Segment– 2006-2010



Source: Smith Travel Research

Historical Occupancies by Location Type– 2001-2010



Source: Smith Travel Research

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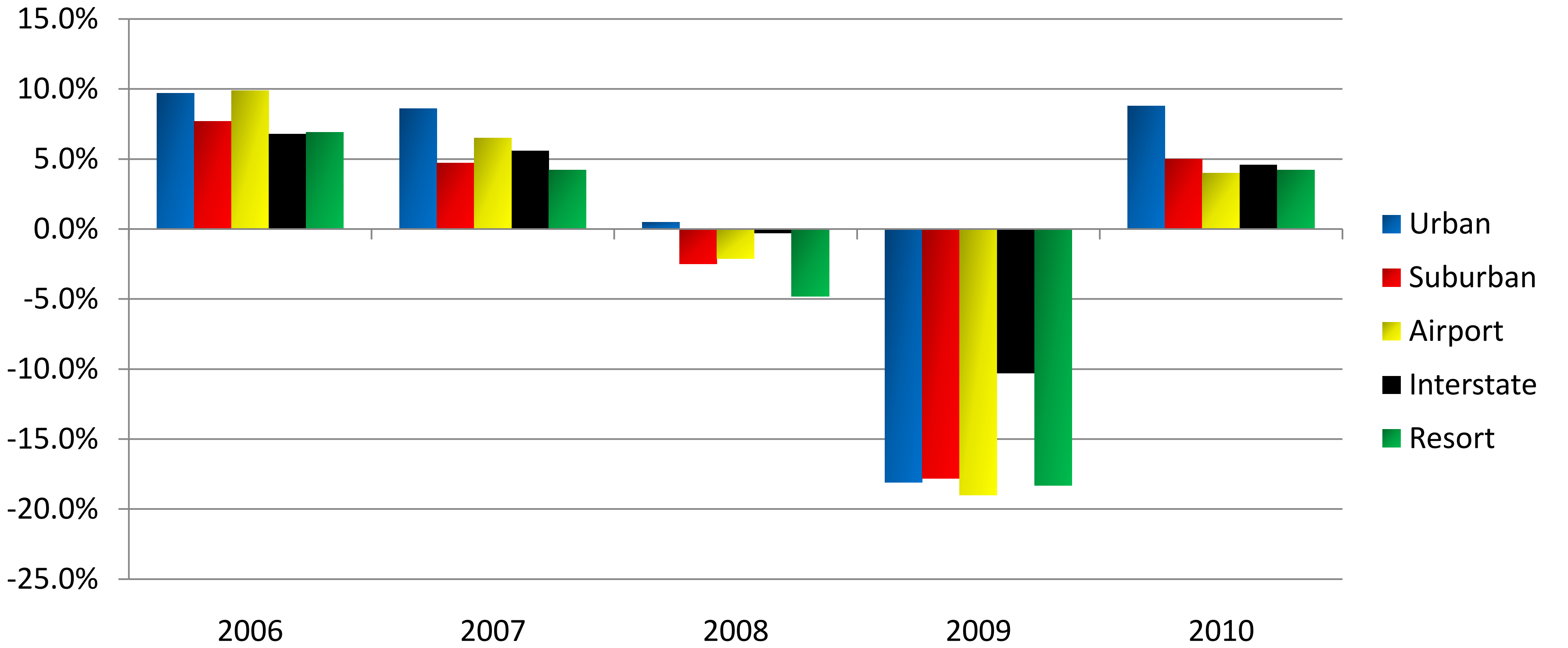
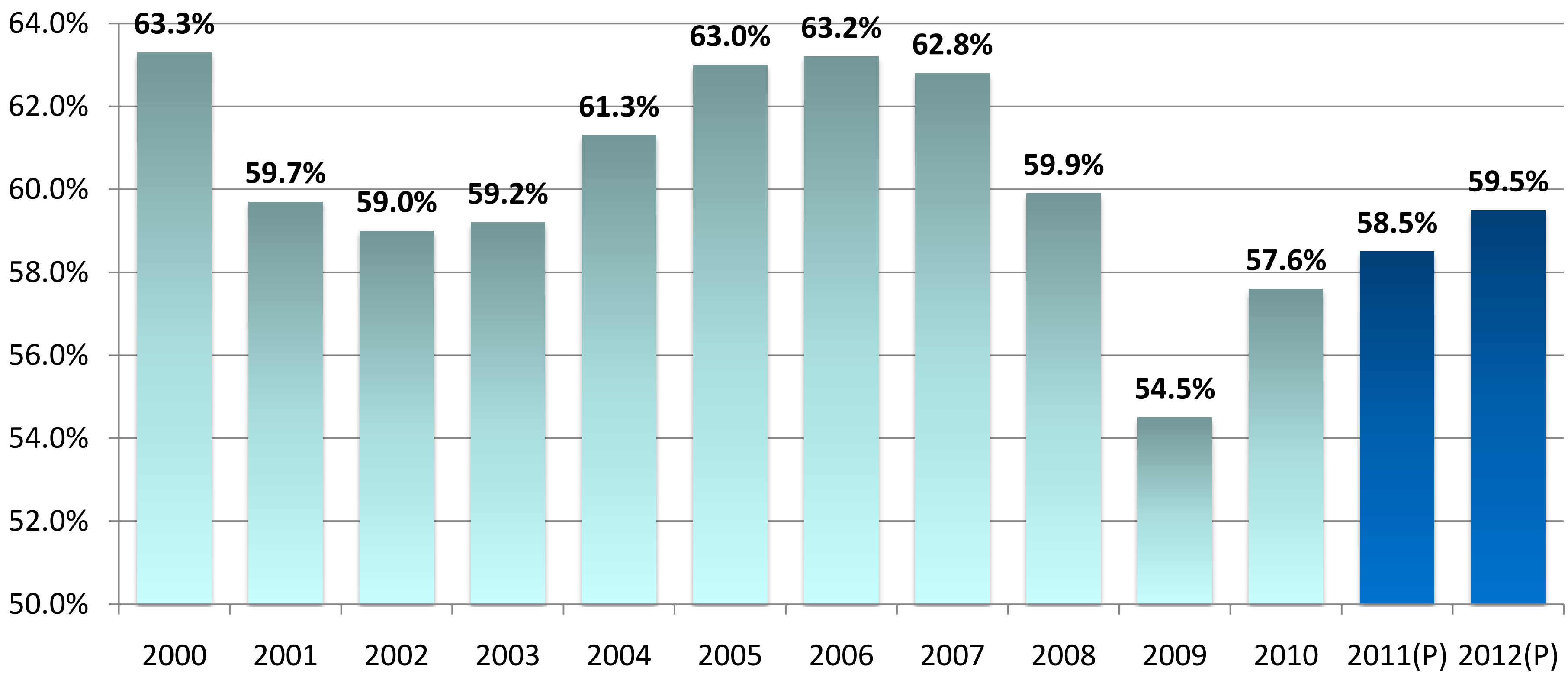
Historical RevPAR % Change by Location Type– 2006-2010



Source: Smith Travel Research

2011 and 2012 Occupancy Forecasts



Source: Smith Travel Research

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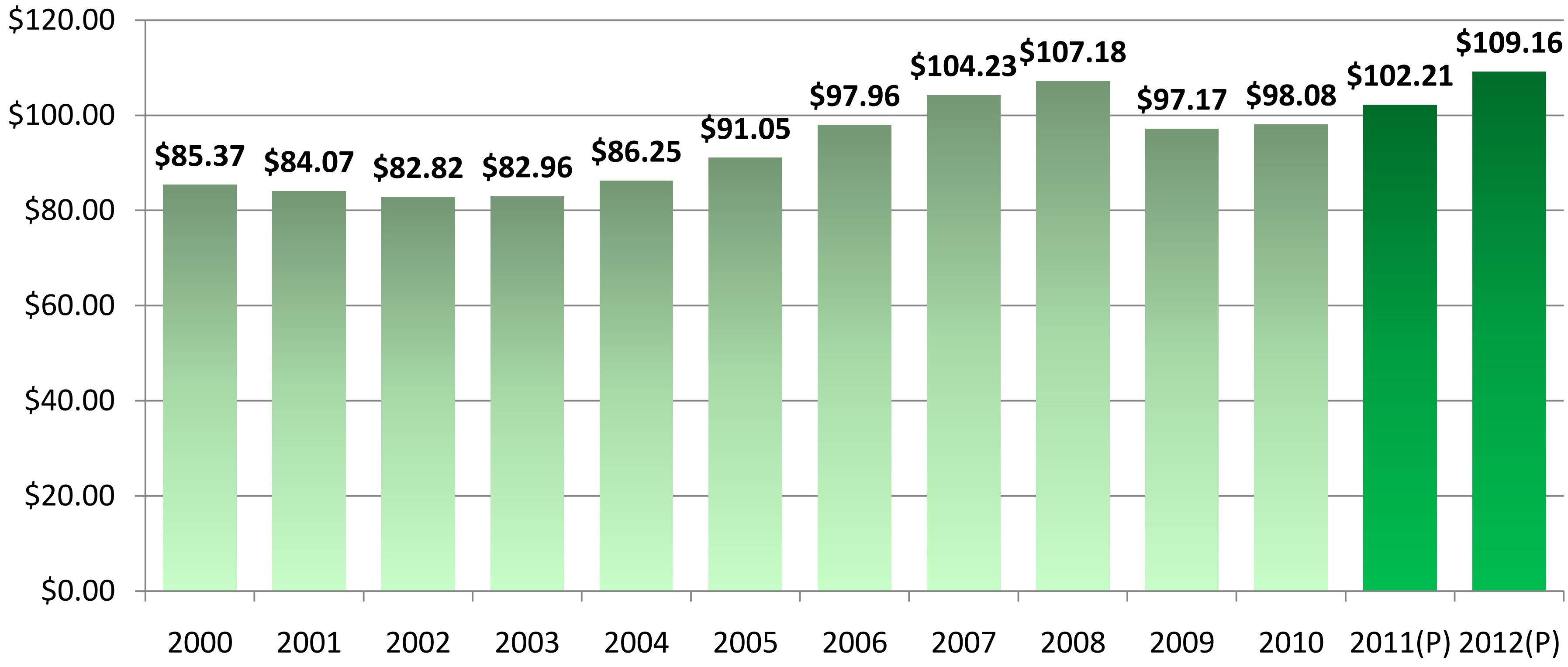
2011 and 2012 ADR Forecasts



Source: Smith Travel Research

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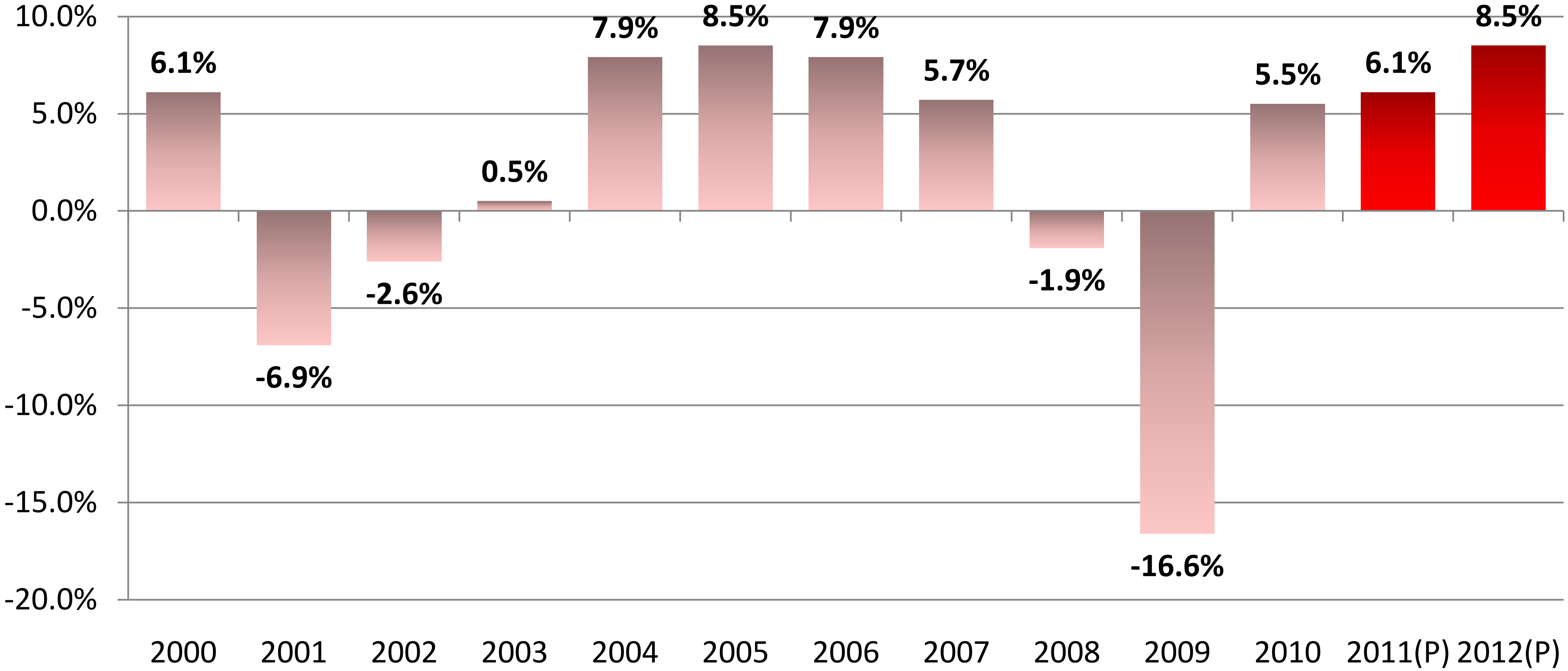
2011 and 2012 Projected RevPAR % Change Compared to Historical



Source: Smith Travel Research

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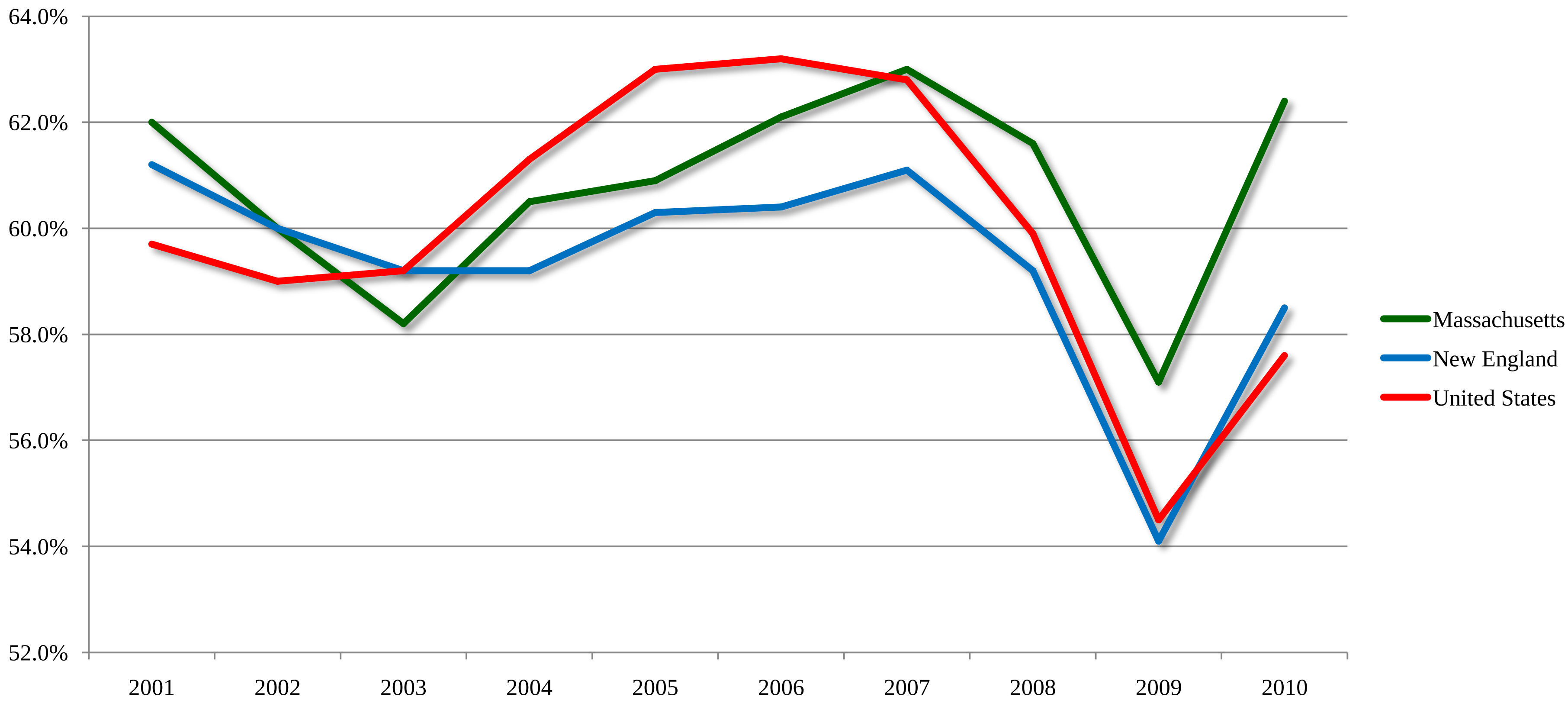
NEW ENGLAND and MASSACHUSETTS LODGING MARKET

New England and Massachusetts Occupancies Compared to US



Source: Smith Travel Research

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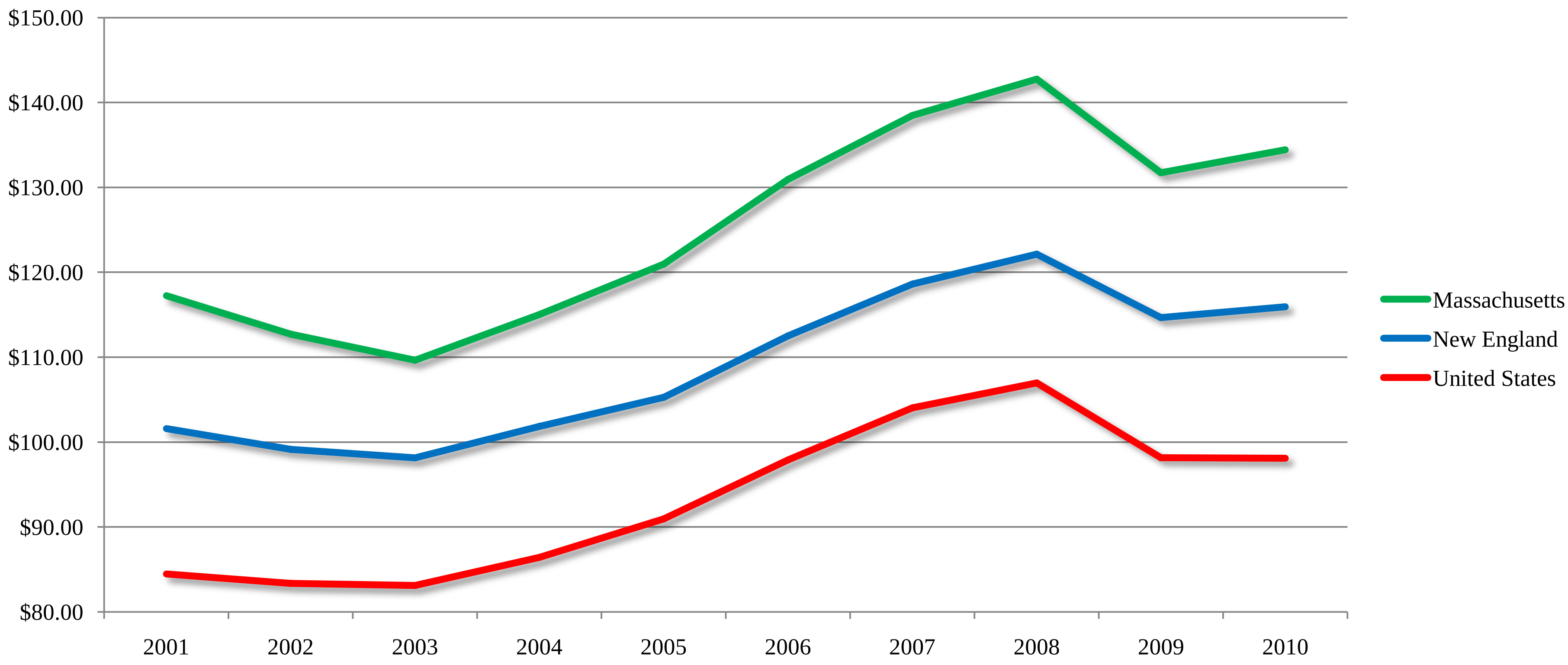
New England and Massachusetts Average Rate Compared to US



Source: Smith Travel Research

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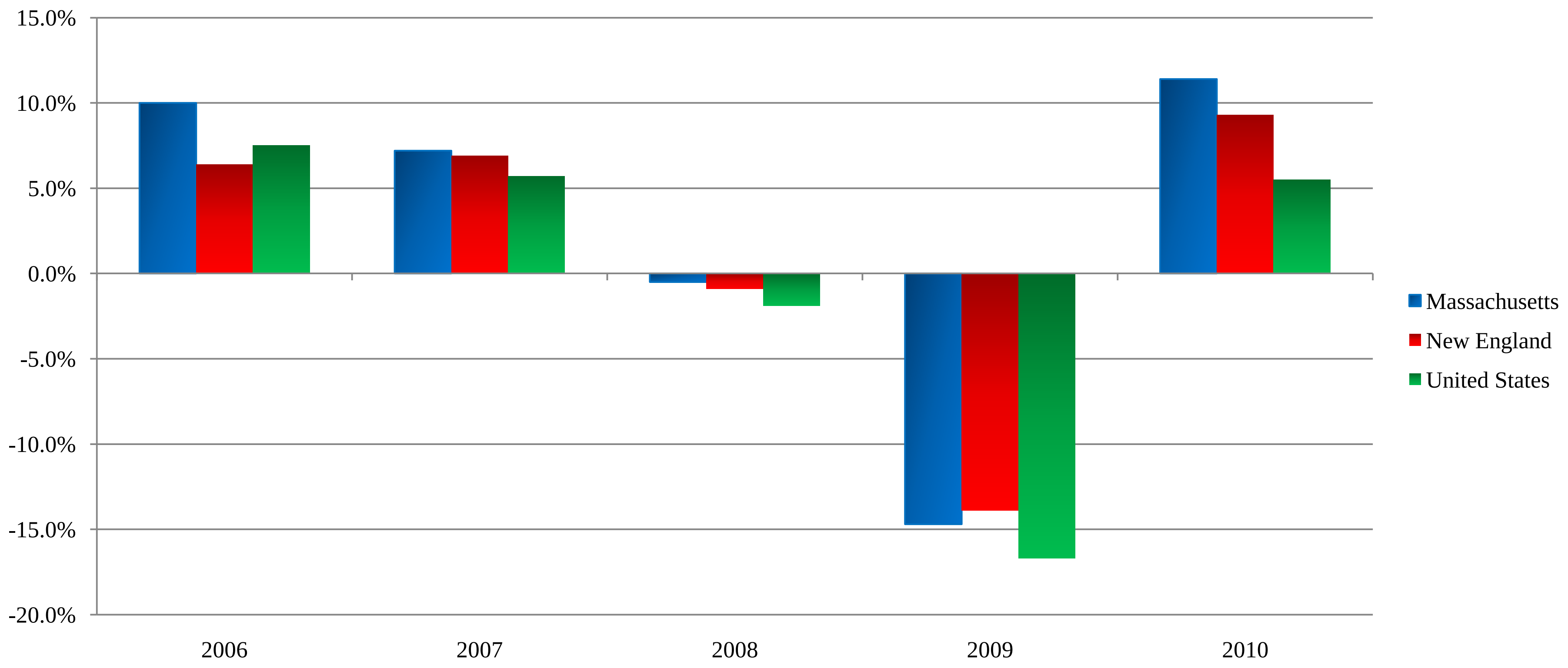
New England and MA RevPAR % Change Compared to US



Source: Smith Travel Research

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BOSTON LODGING MARKET

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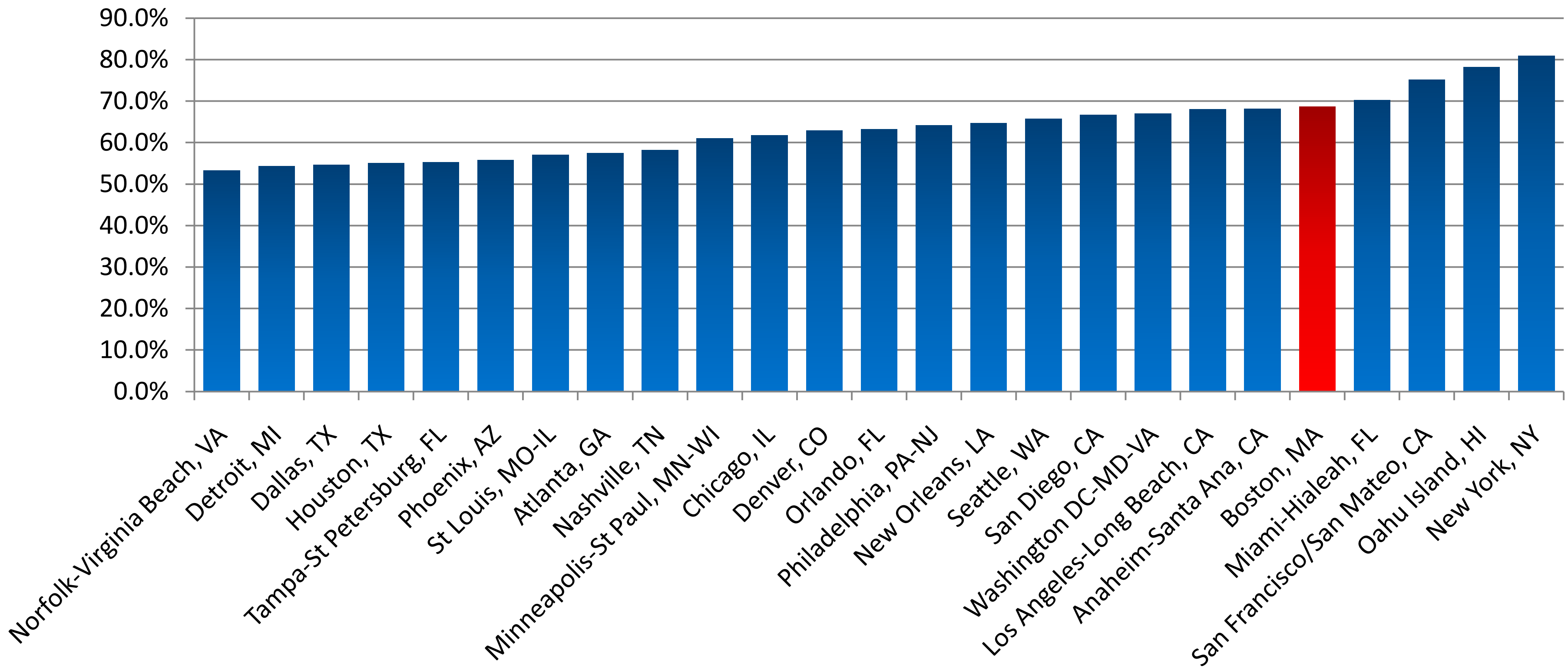
Top 25 Market Areas – Occupancy Percent 2010



Source: Smith Travel Research

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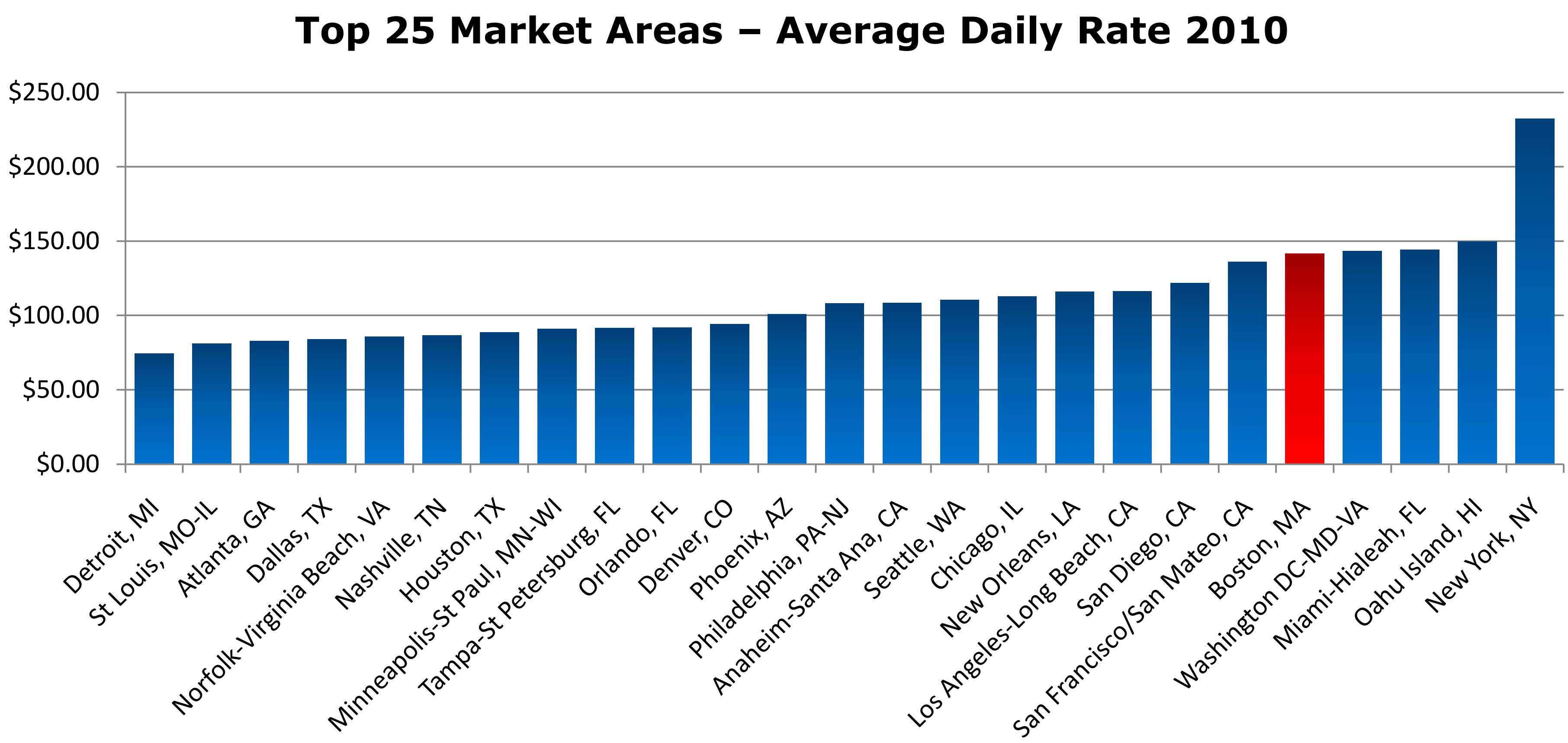

Source: Smith Travel Research

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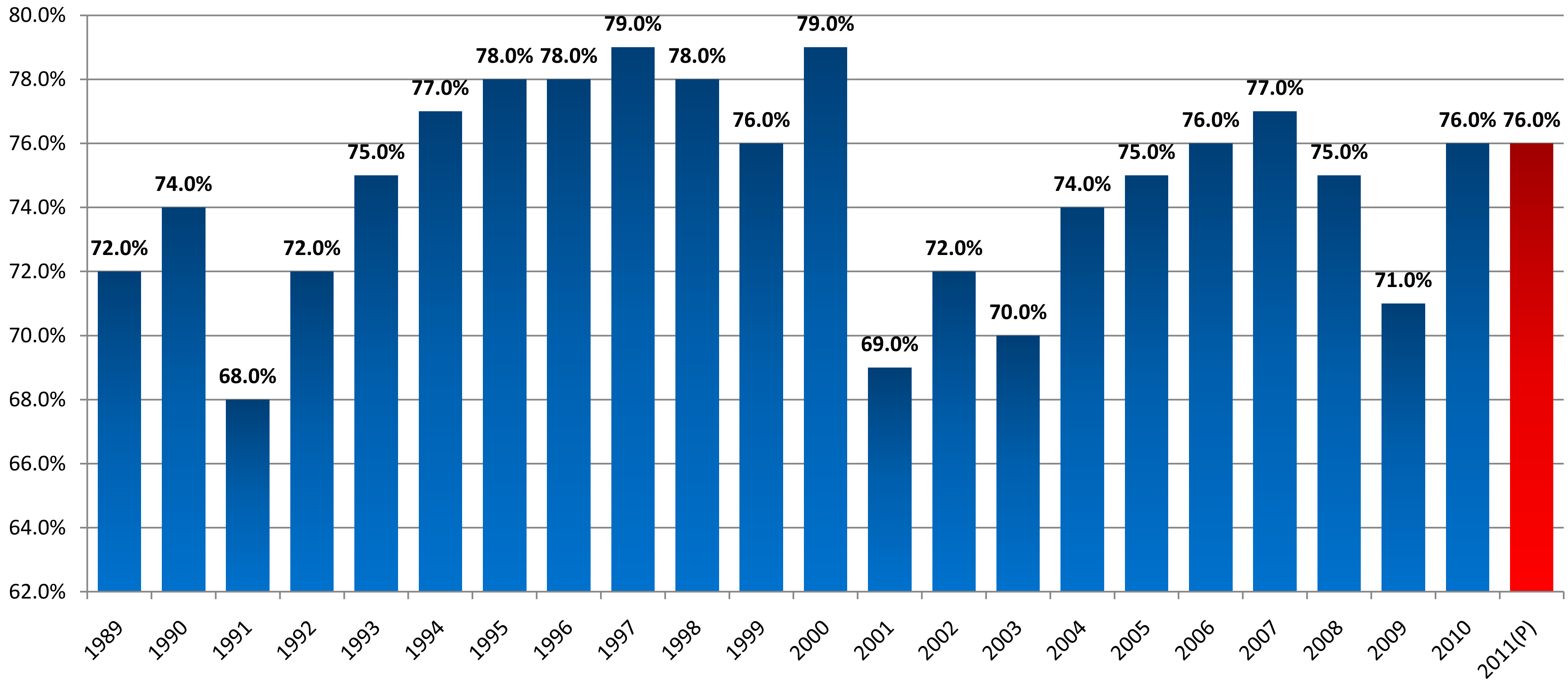
Boston/Cambridge Occupancy 1989-2011(P)



Source: Pinnacle Advisory Group

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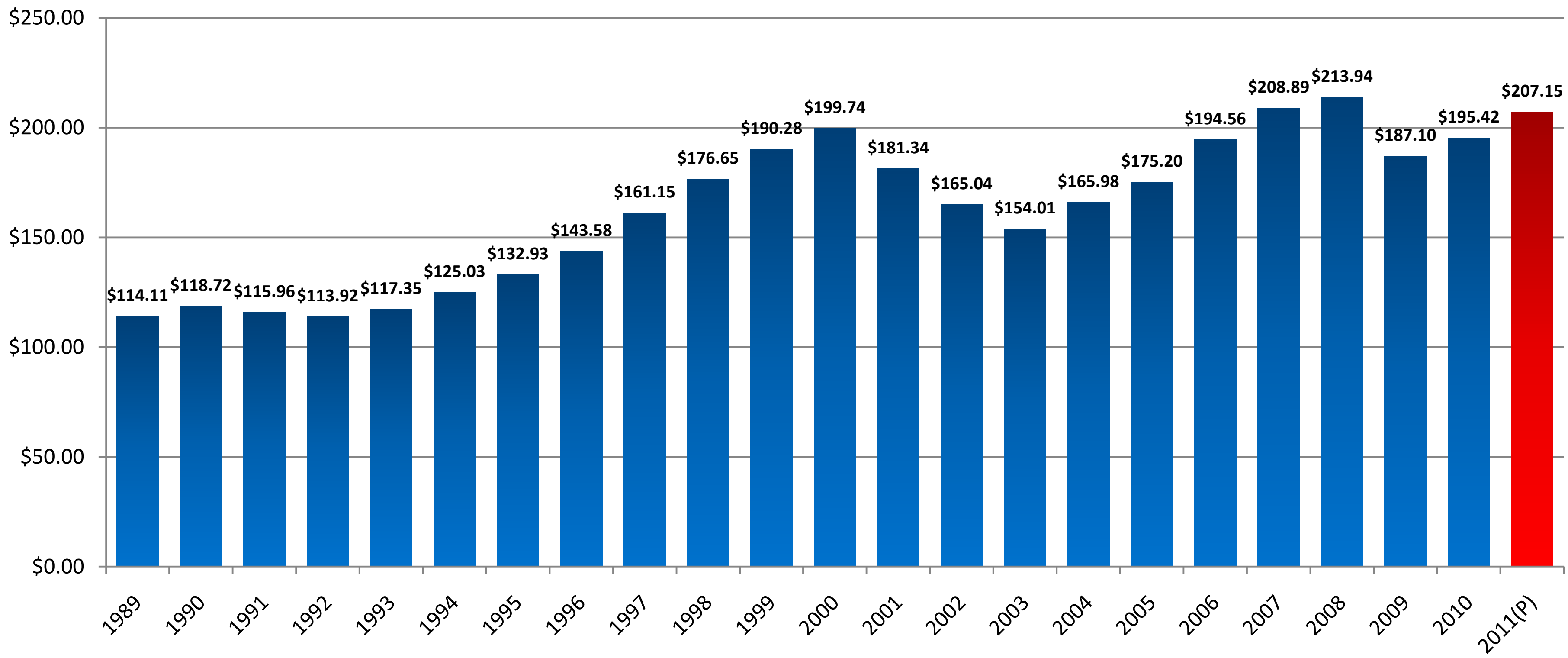
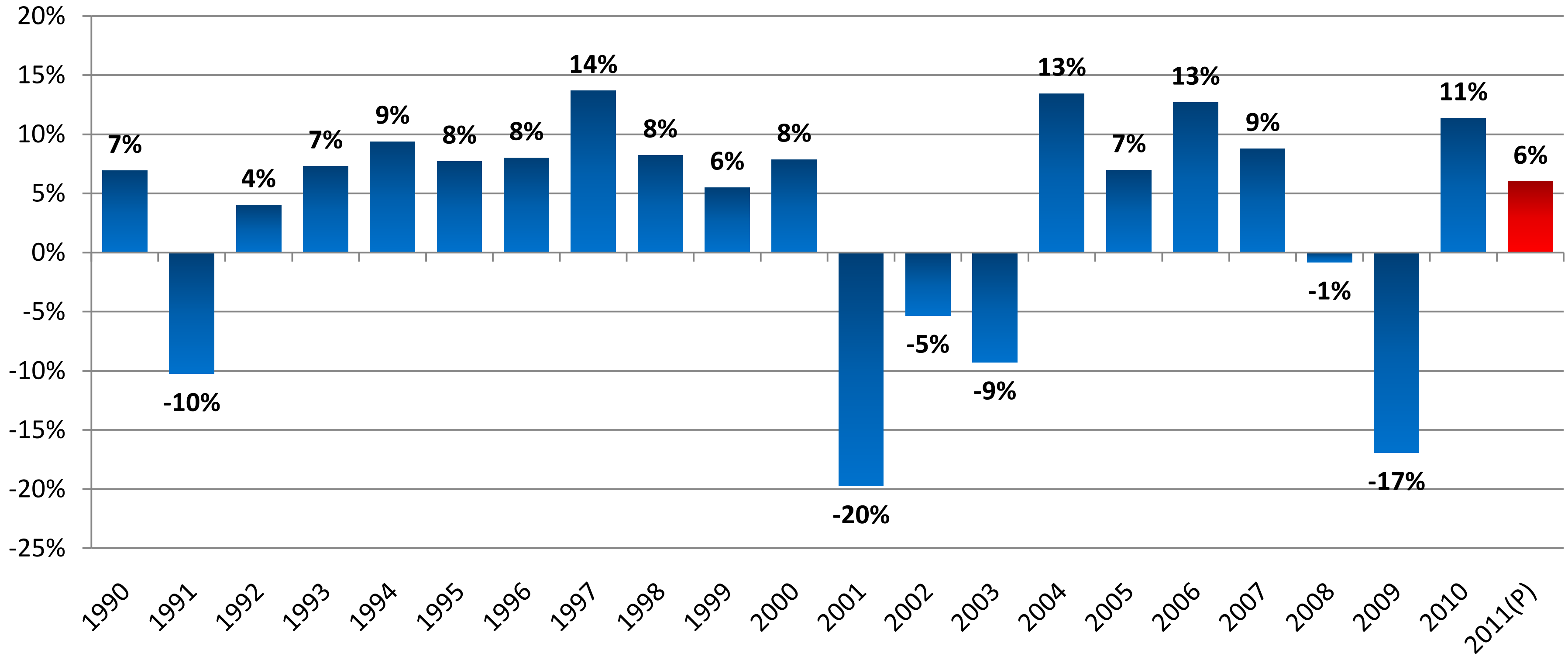
Boston/Cambridge Average Daily Rate 1989-2011(P)



Source: Pinnacle Advisory Group

Boston/Cambridge 1989-2011(P) RevPAR % Change



Source: Pinnacle Advisory Group

Conclusion

Conclusions:

•Signs point to improving metrics in the hotel industry in 2011 and 2012

•Supply pipeline is down drastically, while demand has regained ground

•Hotel development likely will not occur until 2013 or 2014

•Growth in occupancy should prompt operators to be more aggressive in their pricing

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