U.S. Hotel Industry Performance

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Agenda

- Total US Review
- Scale Review
- Markets
- Pipeline
- Comparing Cycles: 1990s vs. Today
- 2016 / 2017 Forecast
- AirBnB

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Total U.S. Review

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April
RevPAR +5%

Group RevPAR +10.8%

March 2016 YTD: A Slow Start To 2016

		% Change
• Room Supply		1.5%
• Room Demand		1.0%
• Occupancy	57.6%	-0.5%
• A.D.R.	$119	3.2%
• RevPAR	$68	2.7%
• Room Revenue		4.2%

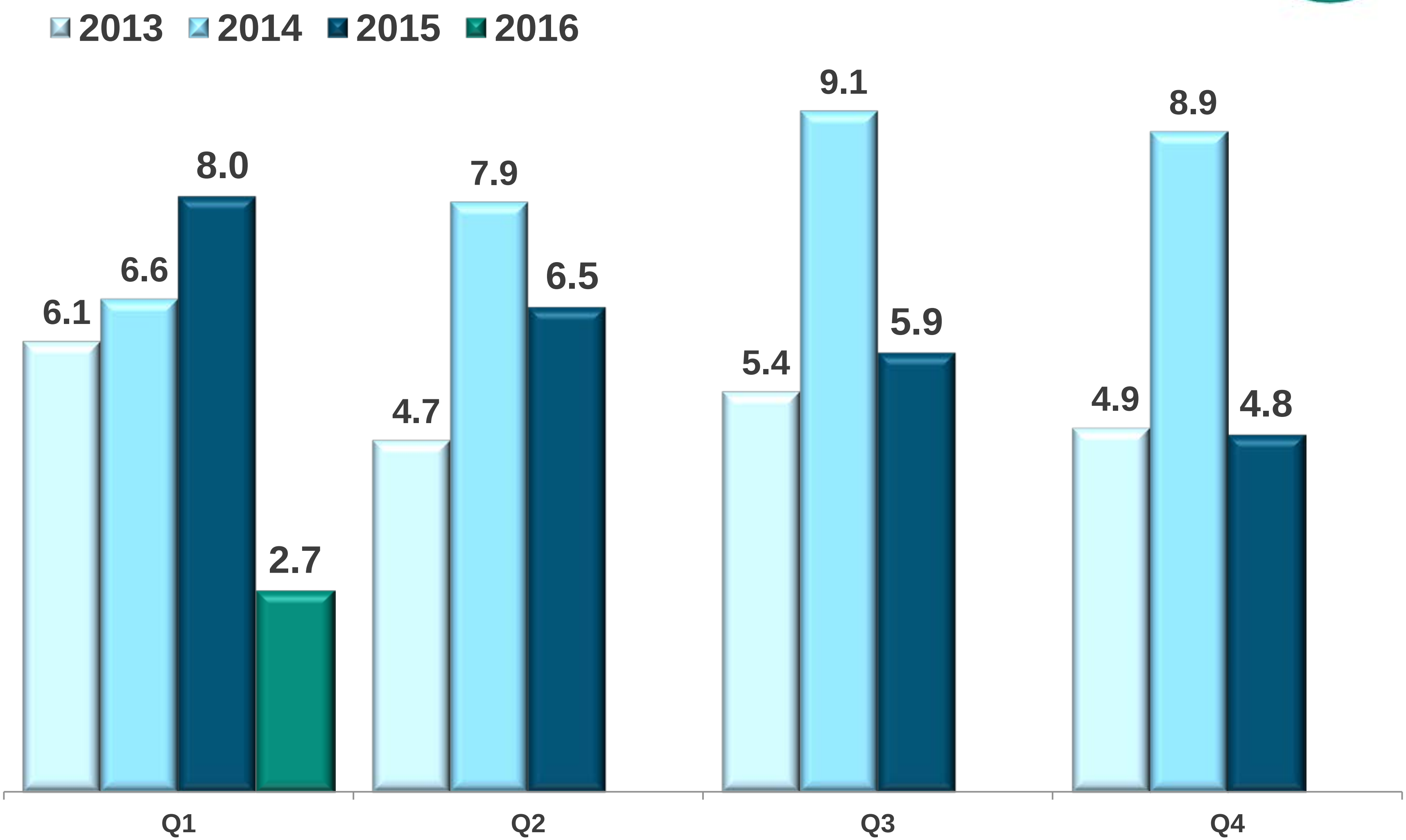
March 2016 YTD, Total US Results

Total US March 2016 RevPAR: NYC and Houston Dragged

Total US YTD:		**+2.7%**
	NYC:	-1.2%
	Houston:	-9.5%
Total US excluding NYC & Houston:		**+3.5%**

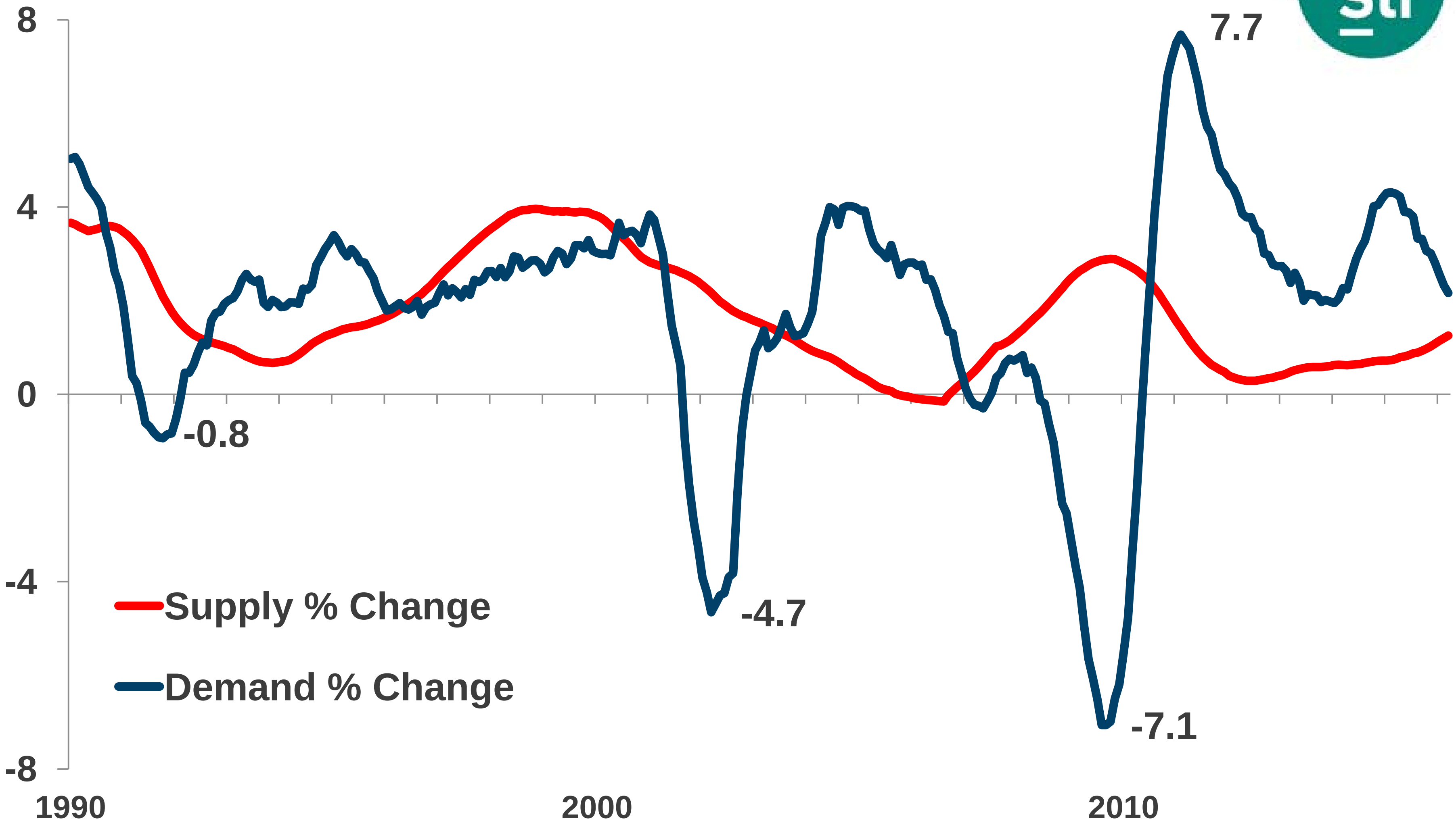
*RevPAR % Change March 2016 YTD

Quarterly RevPAR % Change: Weak Q1 2016



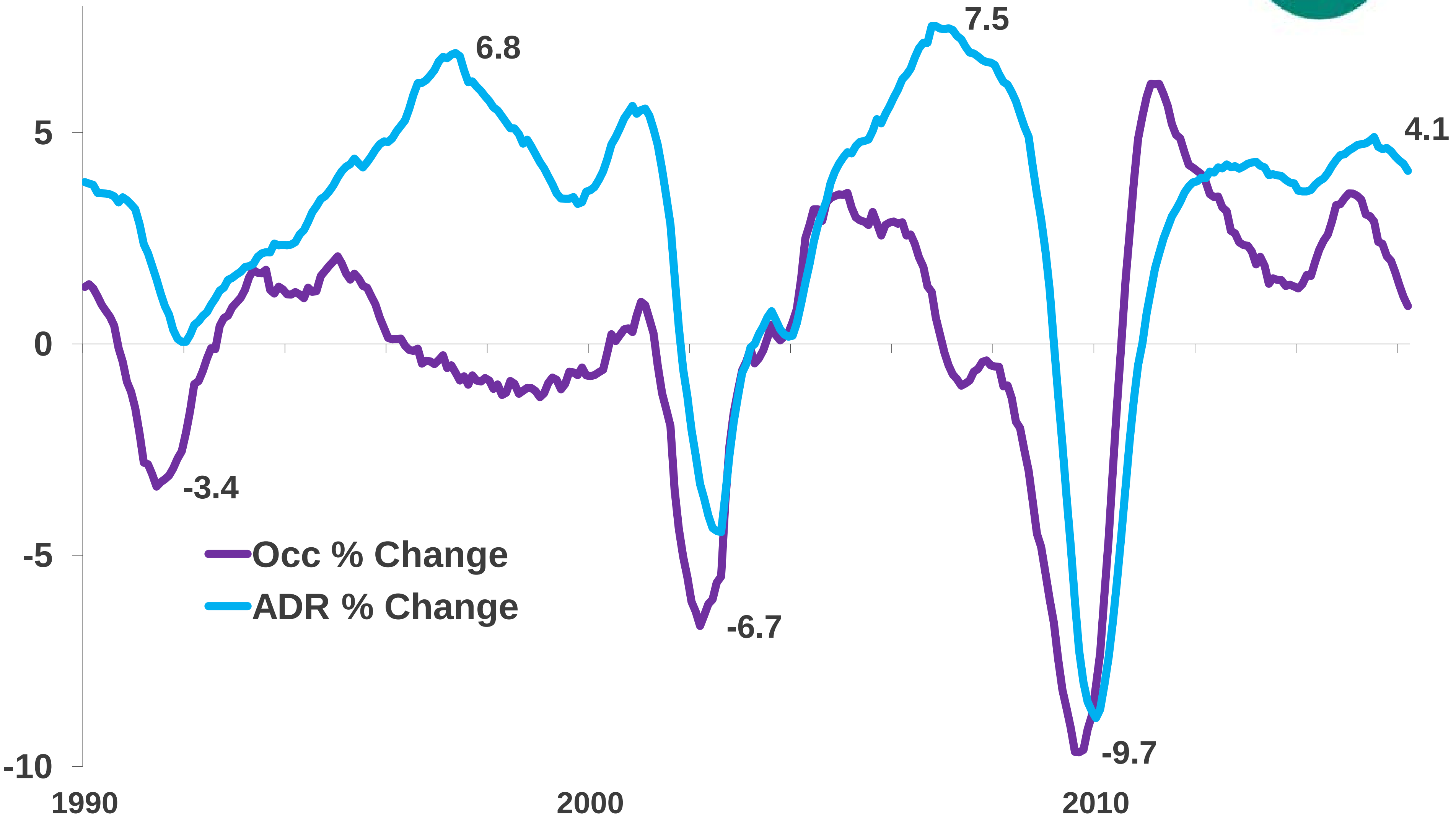
* Total US, RevPAR % Change, by Quarter, Q1 2013 – Q1 2016

Demand Growth Slows. Supply Growth Increases To 1.3%.



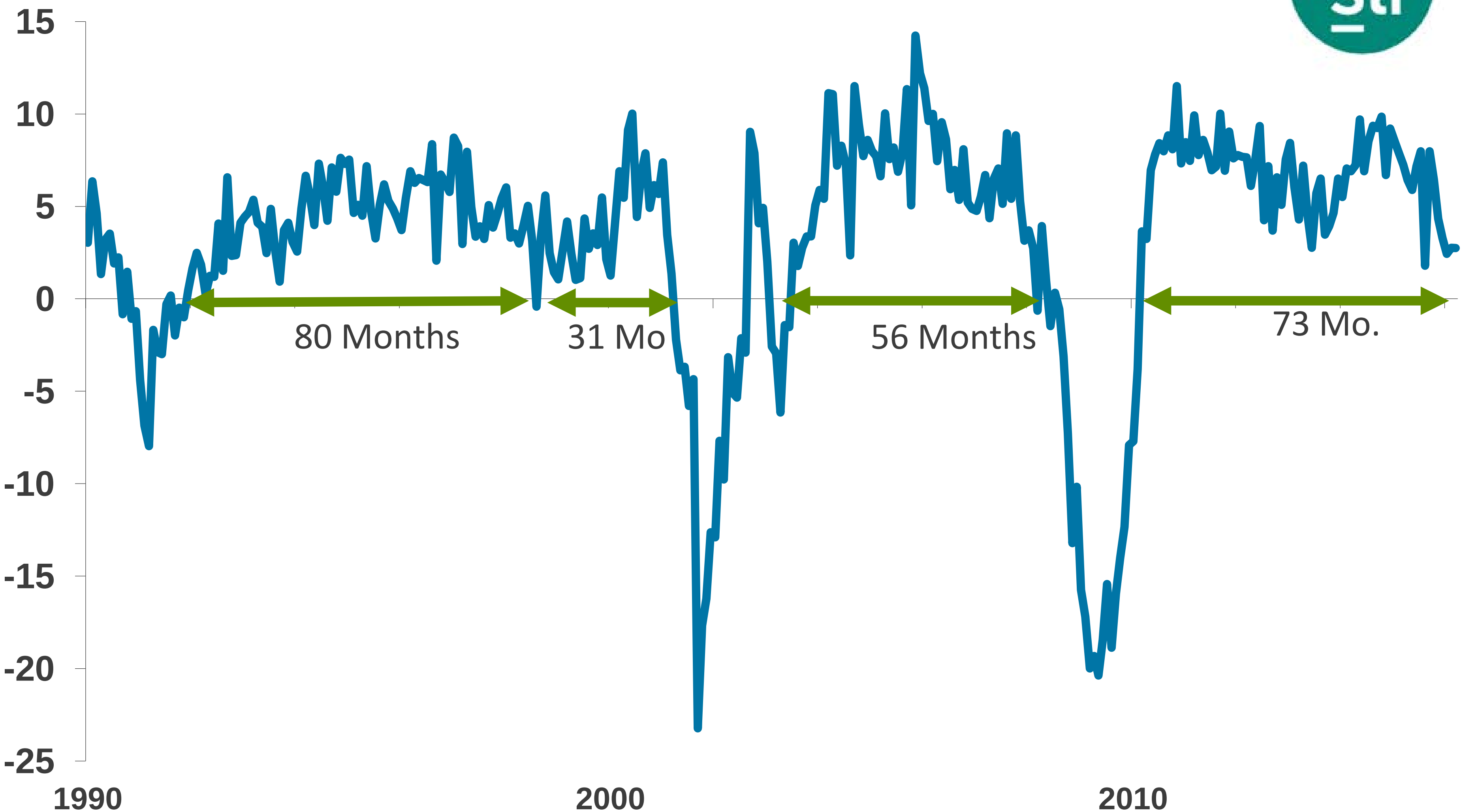
Total U.S., Supply & Demand % Change, 12 MMA 1/1990 – 03/2016

ADR Growth Softer. Occ Growth Decelerating Rapidly.



Total U.S., ADR & OCC % Change, 12 MMA 1/1990 – 03/2016

RevPAR Growth: Slowing Down After 6 Yrs. Of Growth



Total U.S., RevPAR % Change, 1/1990 – 03/2016

Chain Scale Review

- March YTD -

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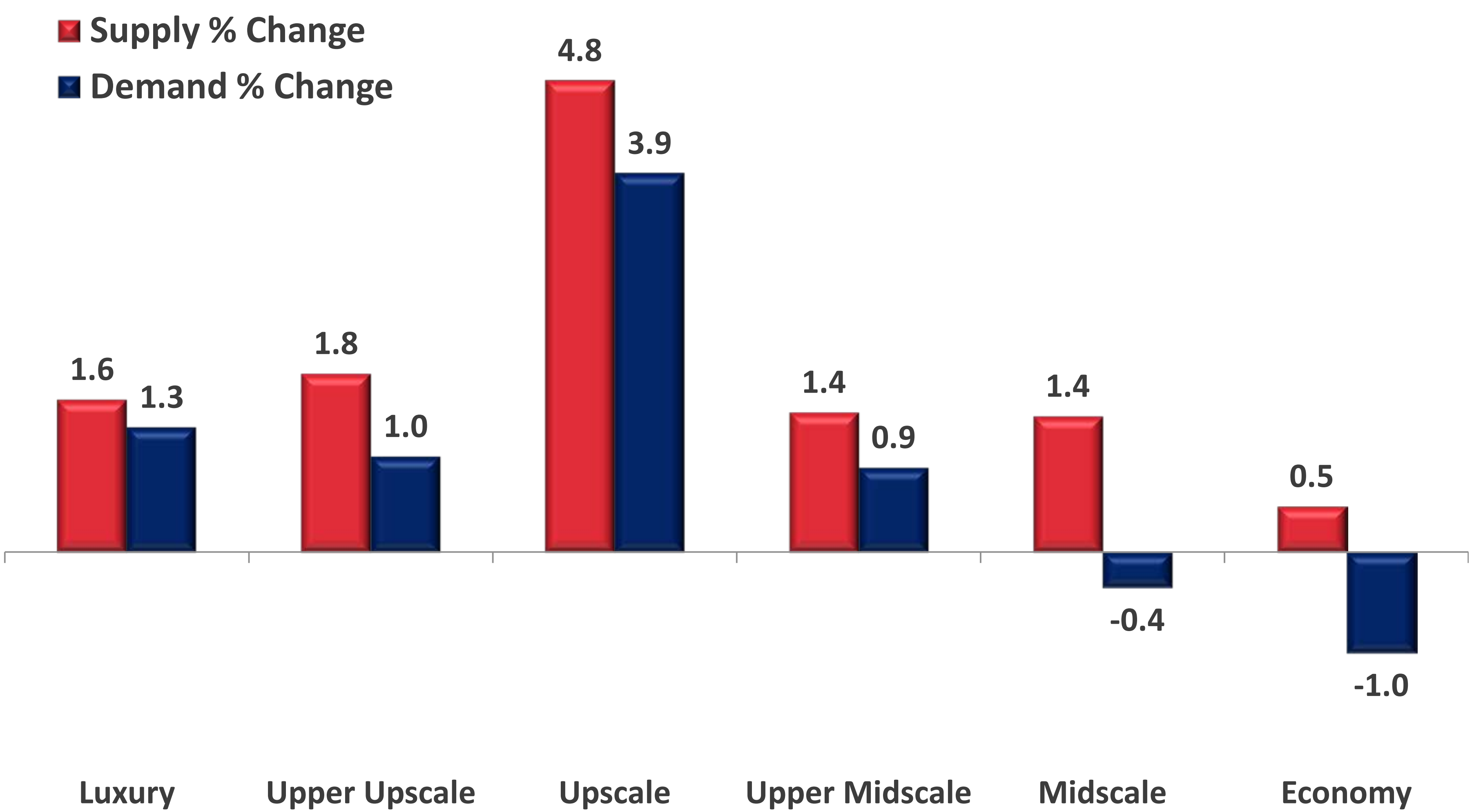
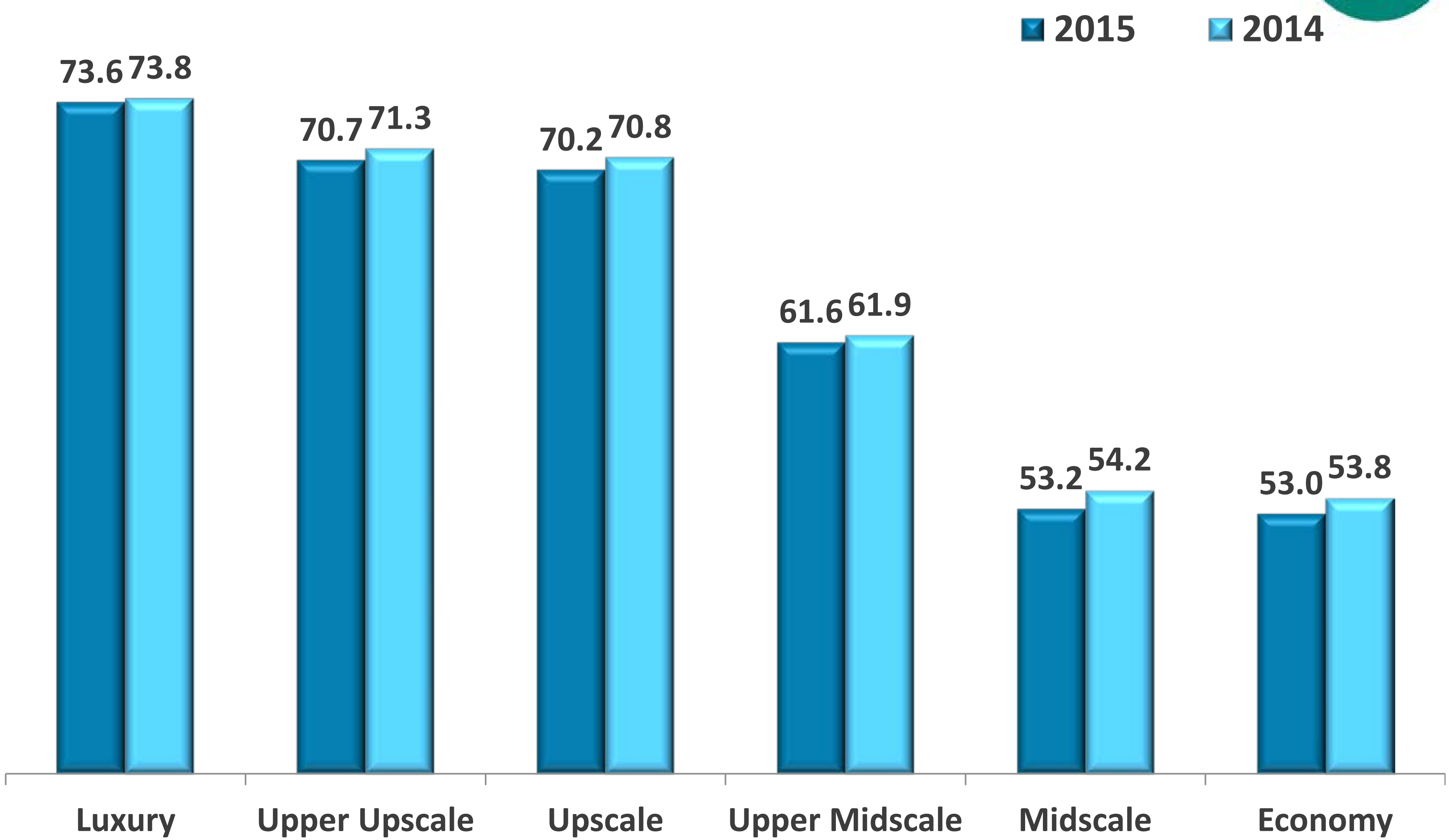
Scales: Supply Growth Drives Results For All Scales



*Supply / Demand % Change, by Scale, March 2016 YTD

Scale Occ: Slight Declines Across The Board



*OCC %, by Scale, March YTD 2015 & 2014

Markets

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RevPAR March YTD 2016:
Winner: California. Loser: Oil Markets.

Market	RevPAR % Change		Market	RevPAR % Change
California North Central	21.9		Syracuse, NY	(9.7)
Los Angeles/Long Beach, CA	16.6		Oklahoma Area	(12.5)
Myrtle Beach, SC	15.9		Vermont	(12.7)
San Francisco/San Mateo, CA	15.7		Wyoming	13.5)
Greenville/Spartanburg, SC	14.7		New Mexico South	(14.9)
Colorado Springs, CO	13.9		Pittsburgh, PA	(16.1)
Knoxville, TN	13.4		Texas South	(18.1)
Sacramento, CA	13.1		West Virginia	(24.6)
Oakland, CA	12.9		Texas West	(29.2)
South Carolina Area	12.5		North Dakota	(34.0)

*March 2016 YTD RevPAR: Best / Worst Performing Markets

March 2016 : SFO Very Strong. New Supply Hits NYC, Miami, Houston.

Market	OCC %	ADR % Change
San Francisco/San Mateo, CA	80.5	13.0
Los Angeles/Long Beach, CA	81.6	11.3
Tampa/St Petersburg, FL	80.2	7.4
Atlanta, GA	69.6	7.2
Orlando, FL	81.0	6.4
Phoenix, AZ	80.3	-1.1
Houston, TX	65.8	-1.5
Miami/Hialeah, FL	83.2	-1.7
Chicago, IL	55.4	-1.9
New York, NY	77.4	-3.1

* March 2016 YTD ADR % Change in Top 25: 5 Best / 5 Worst Performing ADR % Markets

NYC

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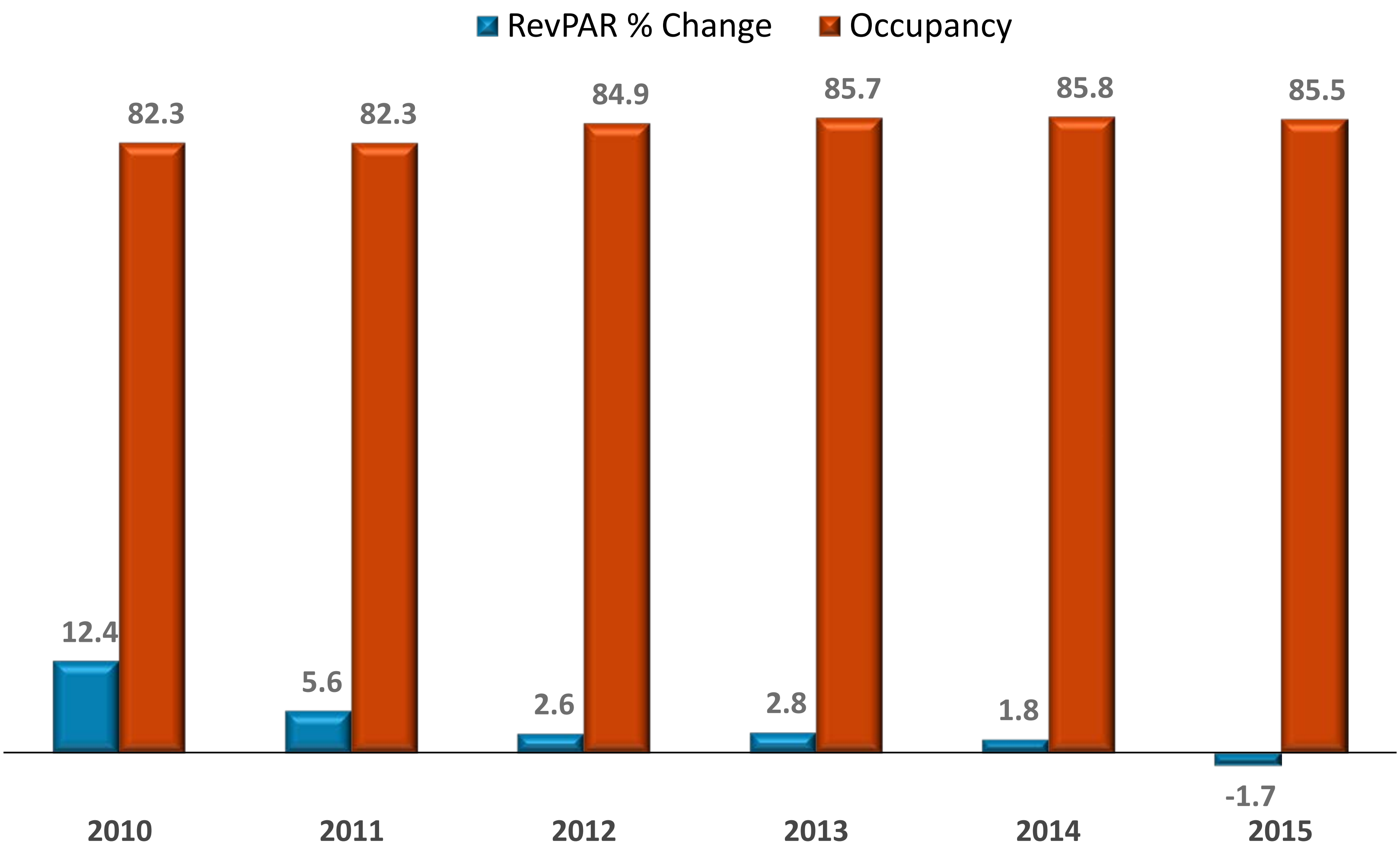
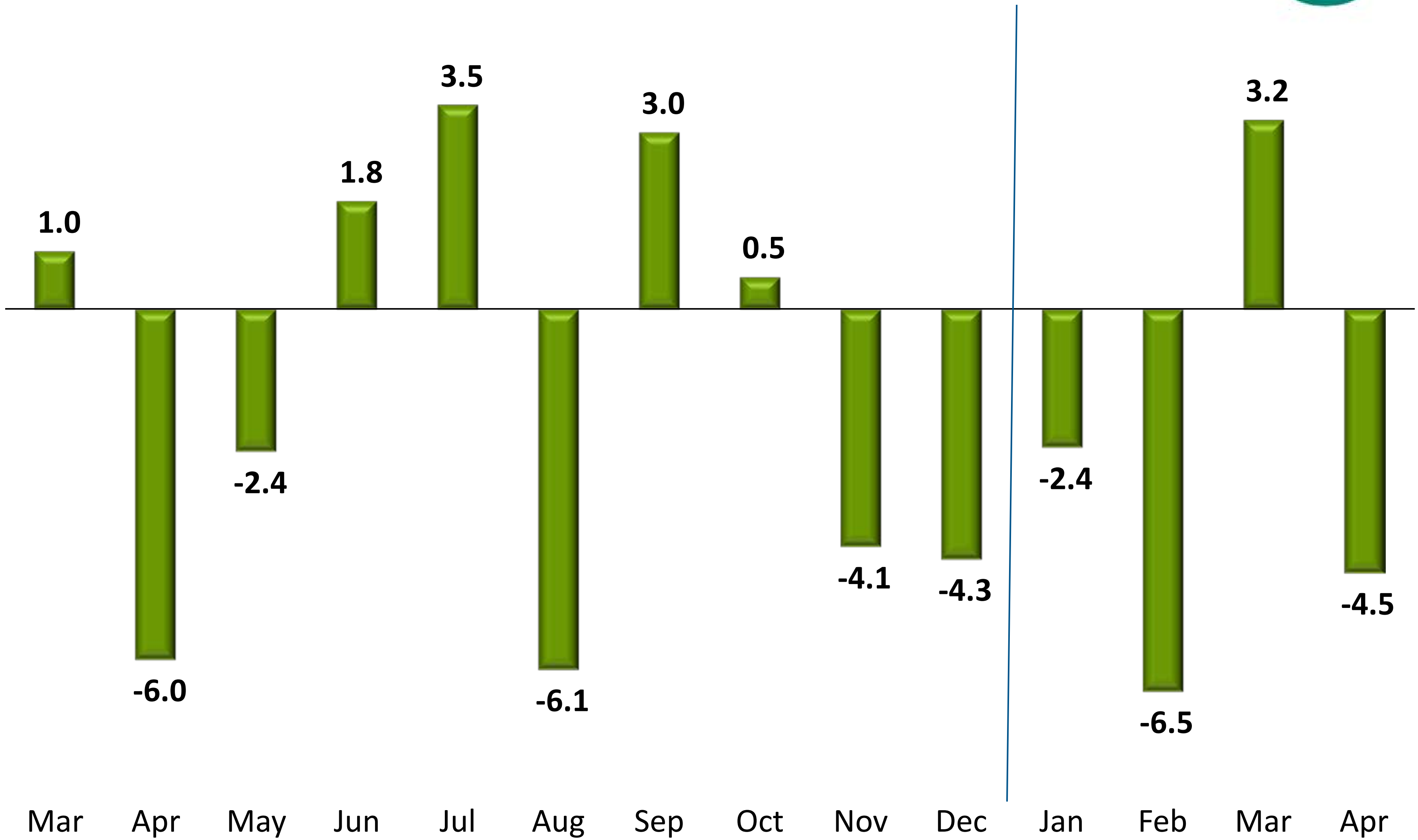
NYC YTD RevPAR & Occupancy: Full House But No RevPAR Growth



* NYC RevPAR % Change & Absolut Occupancy, December YTD, by year

NYC Monthly RevPAR: Continued Softness (But Easter Helped)



* NYC RevPAR % Change, by Month, 3/2015 – 4/2016

Houston

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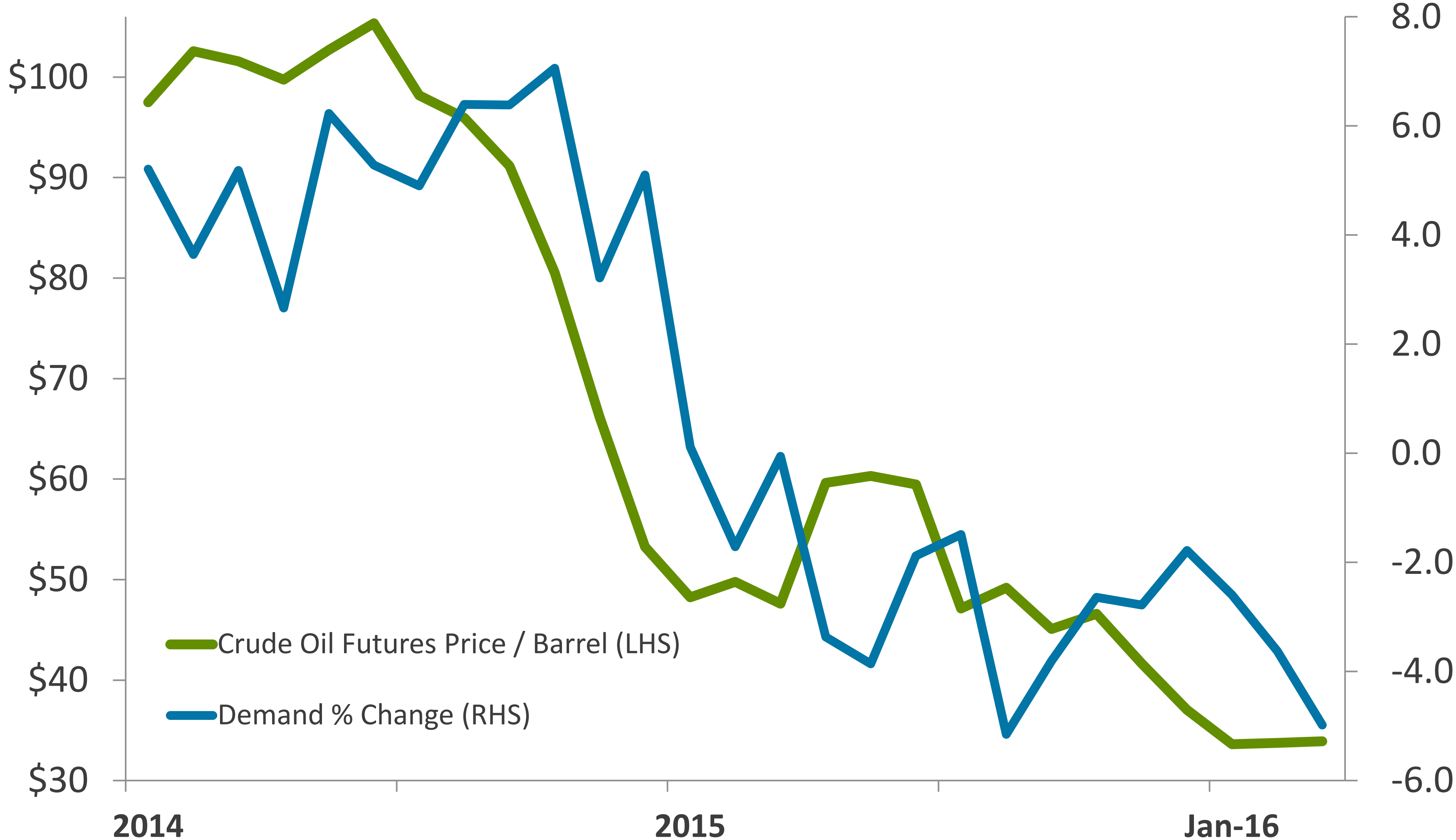
Houston: Oil Price Predicts Houston Room Demand



*Monthly Oil price Future / Barrel vs. Houston, TX Room Demand % Change 1/2014 – 03/2016
http://www.investing.com/commodities/crude-oil

Pipeline

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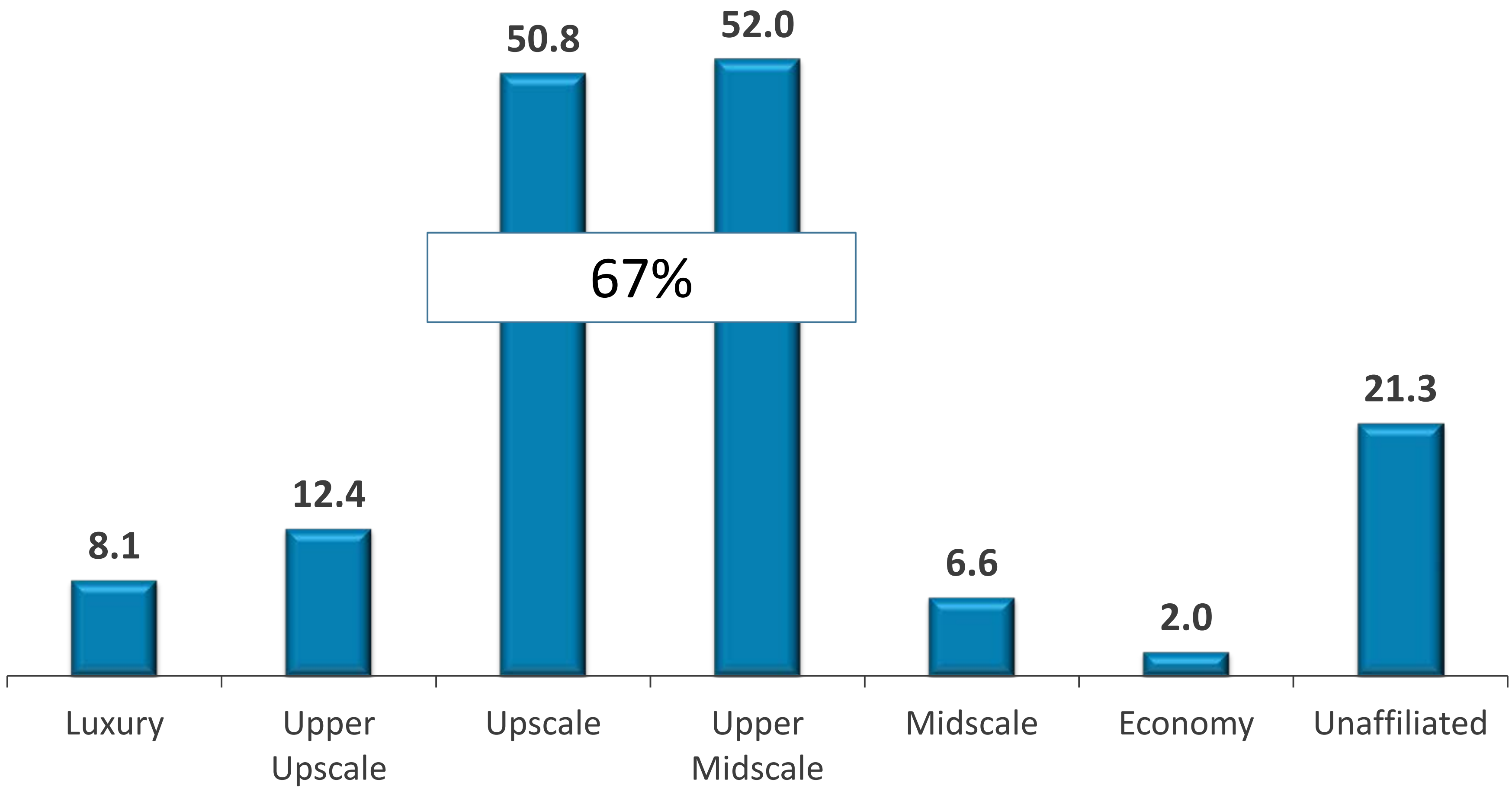
US Pipeline: Construction Today Will Impact 2016 / 2017

Phase	2016	2015	% Change
In Construction	153	128	22%
Final Planning	177	156	9%
Planning	169	150	17%
Under Contract	**500**	**435**	**15%**

*Total US Pipeline, by Phase, '000s Rooms, March 2015 and 2016

Where Are Not Building Ballrooms Anymore!



*US Pipeline, Rooms Under Construction , '000s Rooms, by Scale, March 2016

Comparing Cycles: 1990s vs. Today

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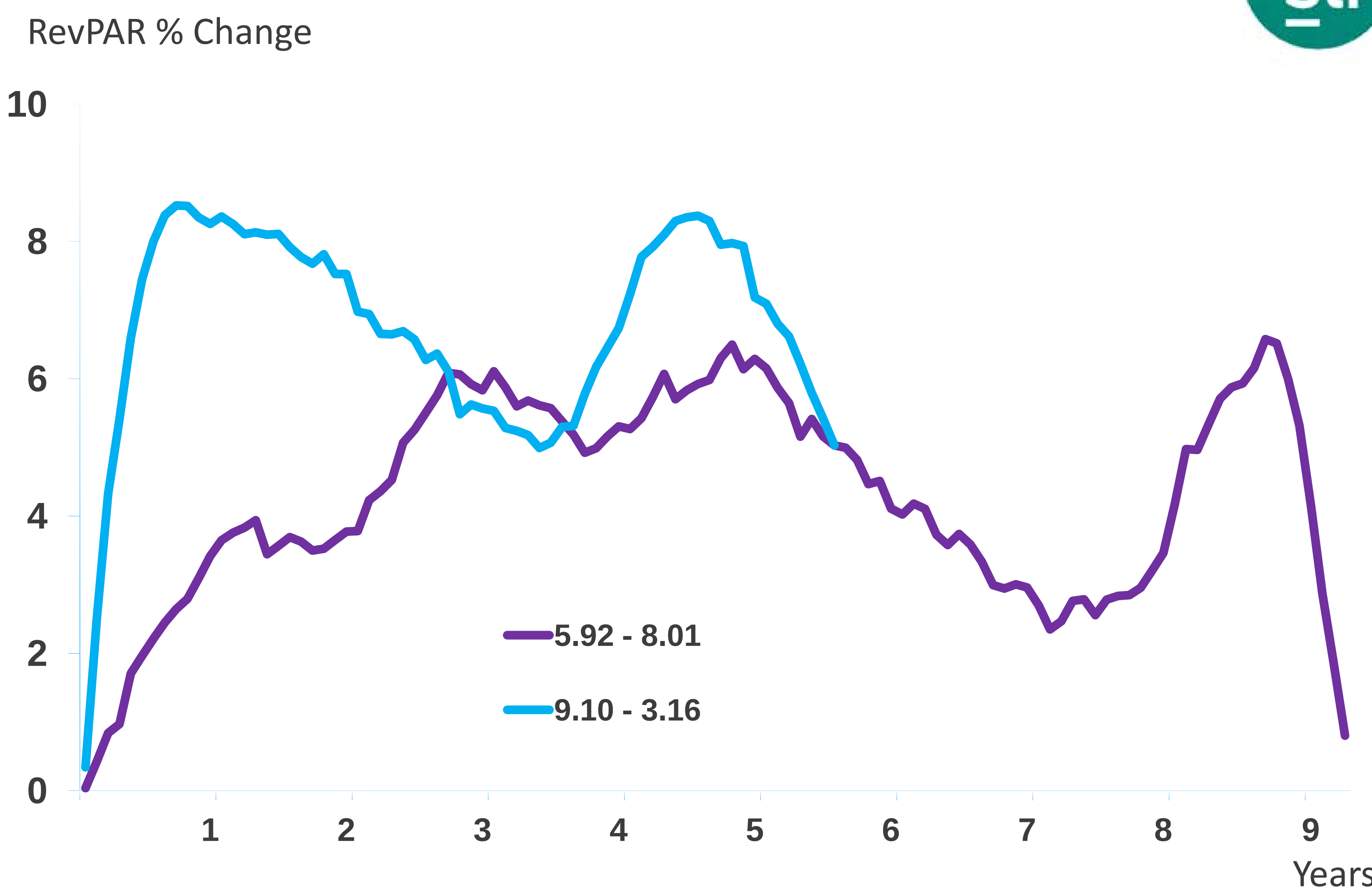
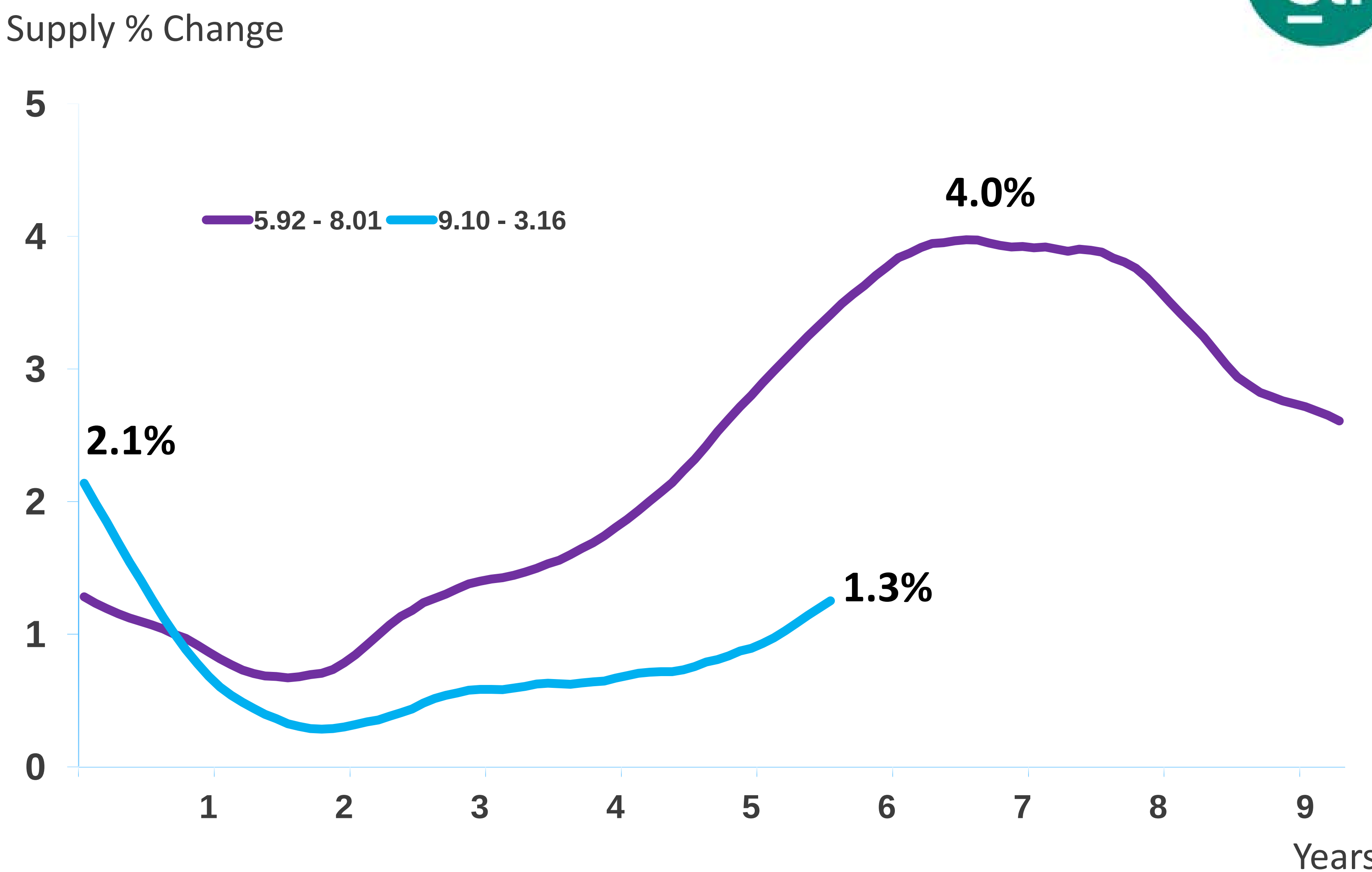
Current Cycle vs. 1992/2001 Cycle: RevPar Growth



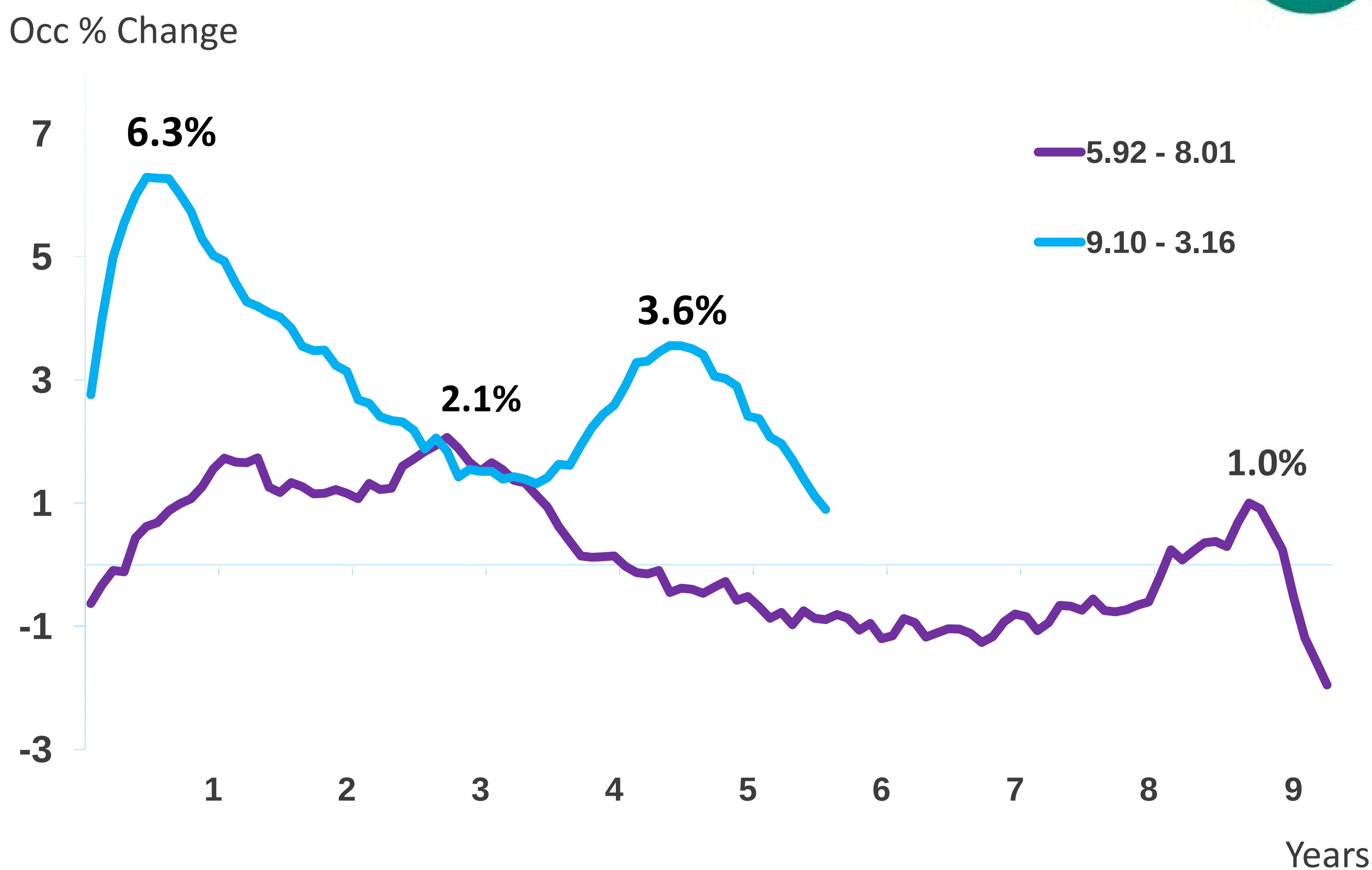
*12 MMA RevPAR % Change by Cycle

Current Cycle vs. 1992/2001 Cycle: Supply Growth Was Worse Back Then



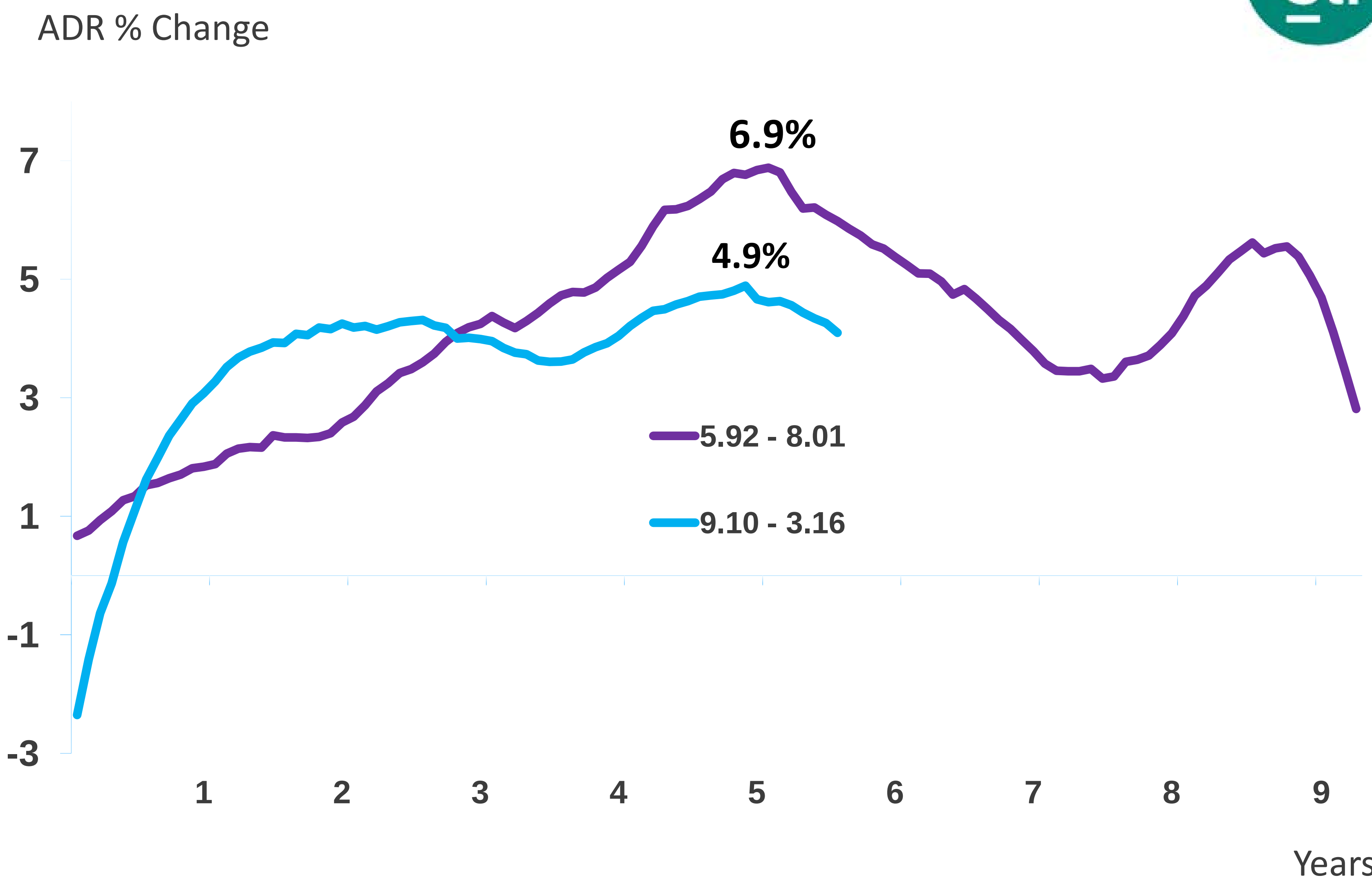
*12 MMA Supply % Change

Current Cycle vs. 1992/2001 Cycle: Occupancy Growth Slows Rapidly



*12 MMA Occupancy % Change

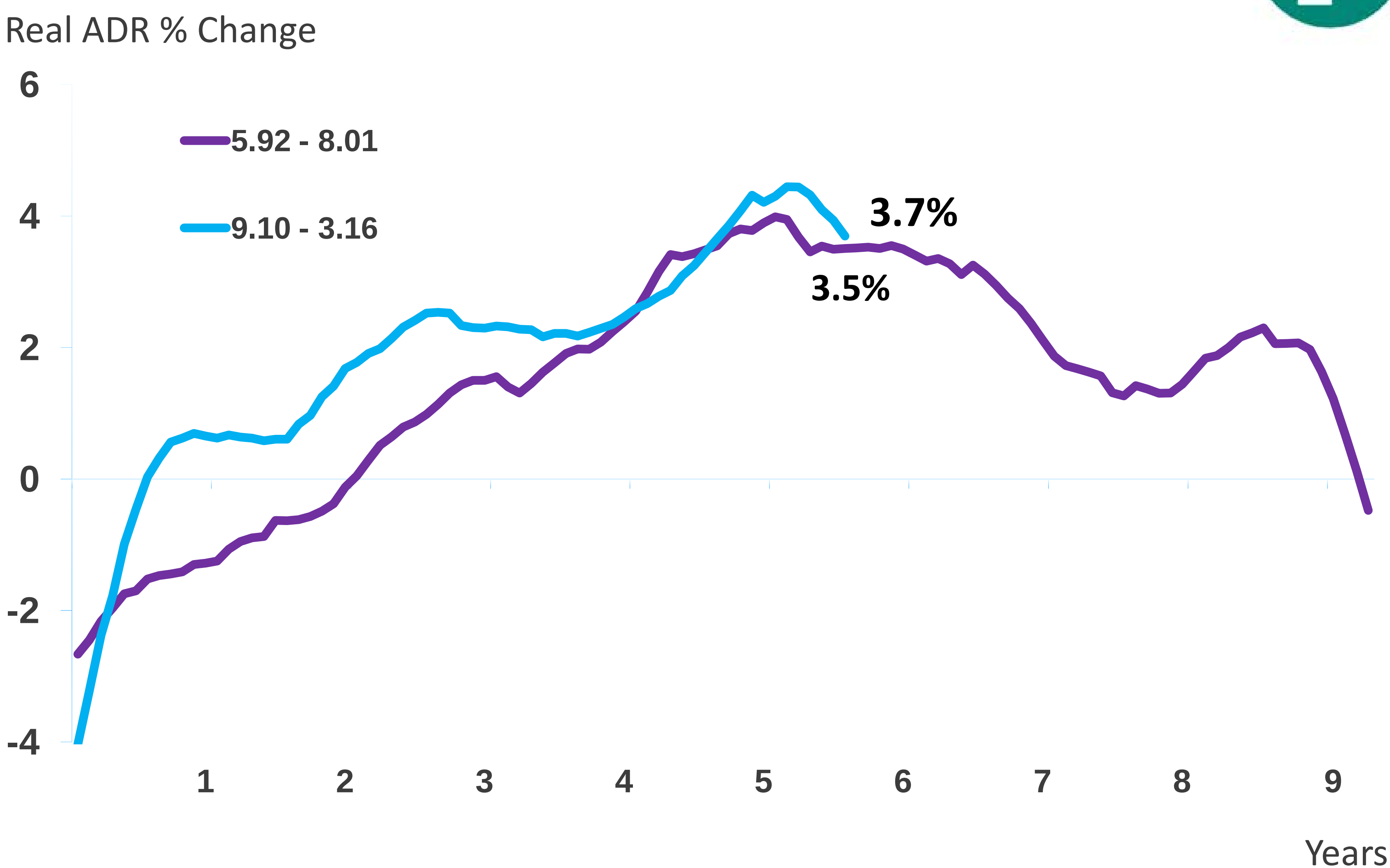
Current Cycle vs. 1992/2001 Cycle: Positive ADR Change Despite Occ Slowing



*12 MMA ADR % Change

Current Cycle vs. 1992/2001 Cycle: Real ADR Change Remarkably Similar

Inflation Adjusted ADR Change



*12 MMA Real ADR % Change

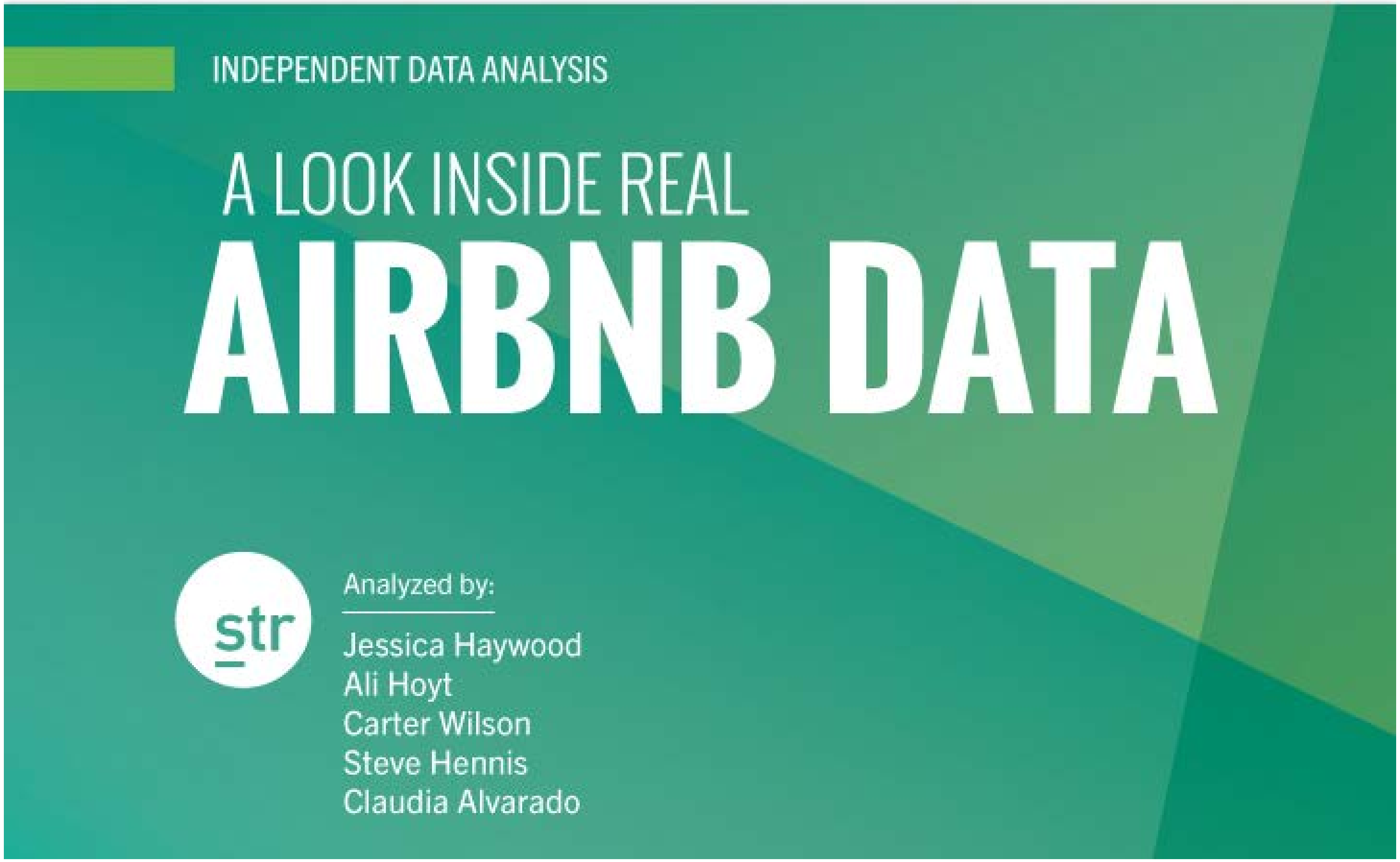
2016 / 2017 Forecast

Total United States

Key Performance Indicator Outlook (% Change vs. Prior Year)
2016 - 2017

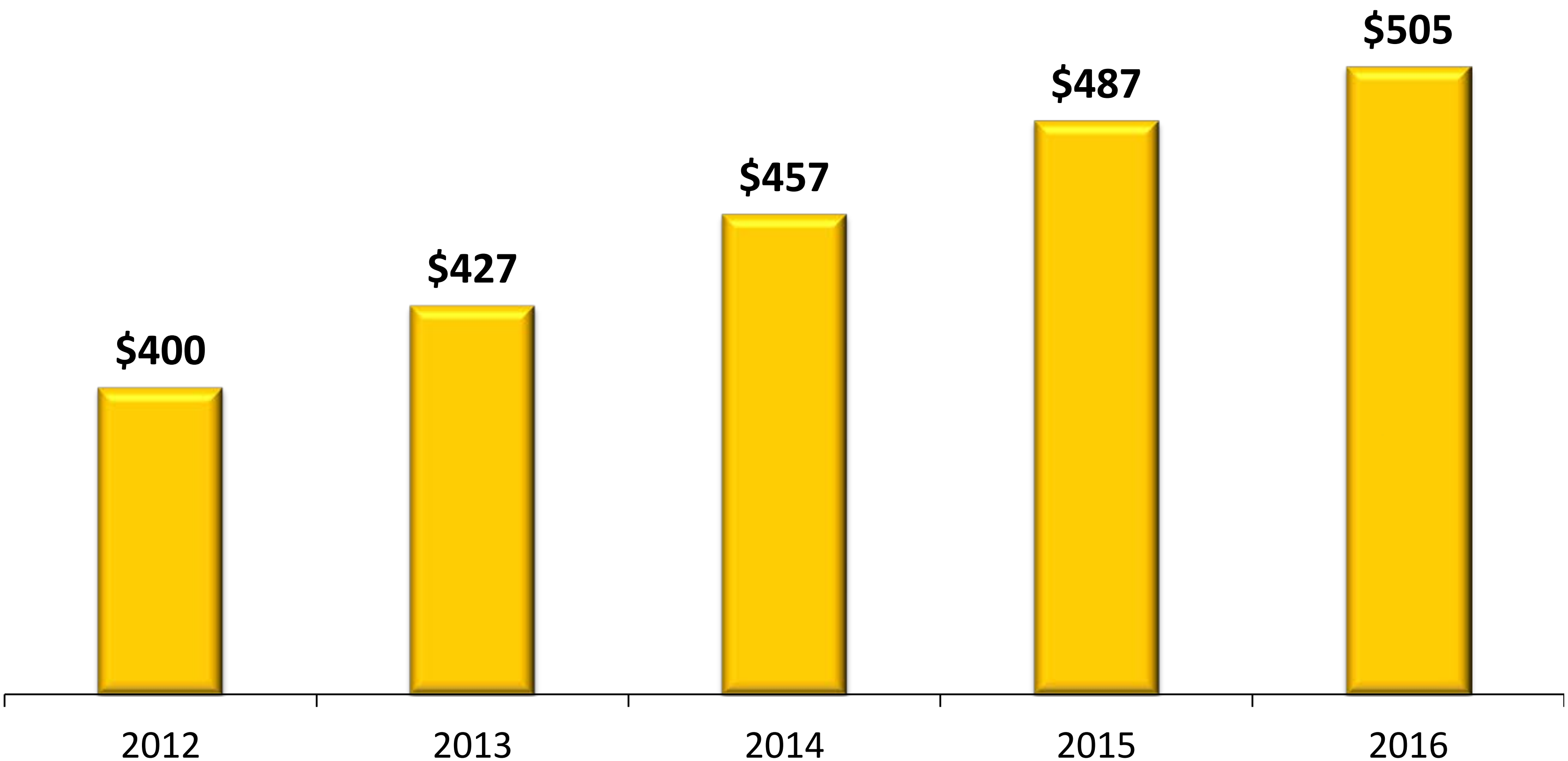
Outlook		
	2016 Forecast	2017 Forecast
Supply	1.7%	1.9%
Demand	2.3%	2.1%
Occupancy	0.6%	0.2%
ADR	4.4%	4.3%
RevPAR	5.0%	4.5%

Airbnb



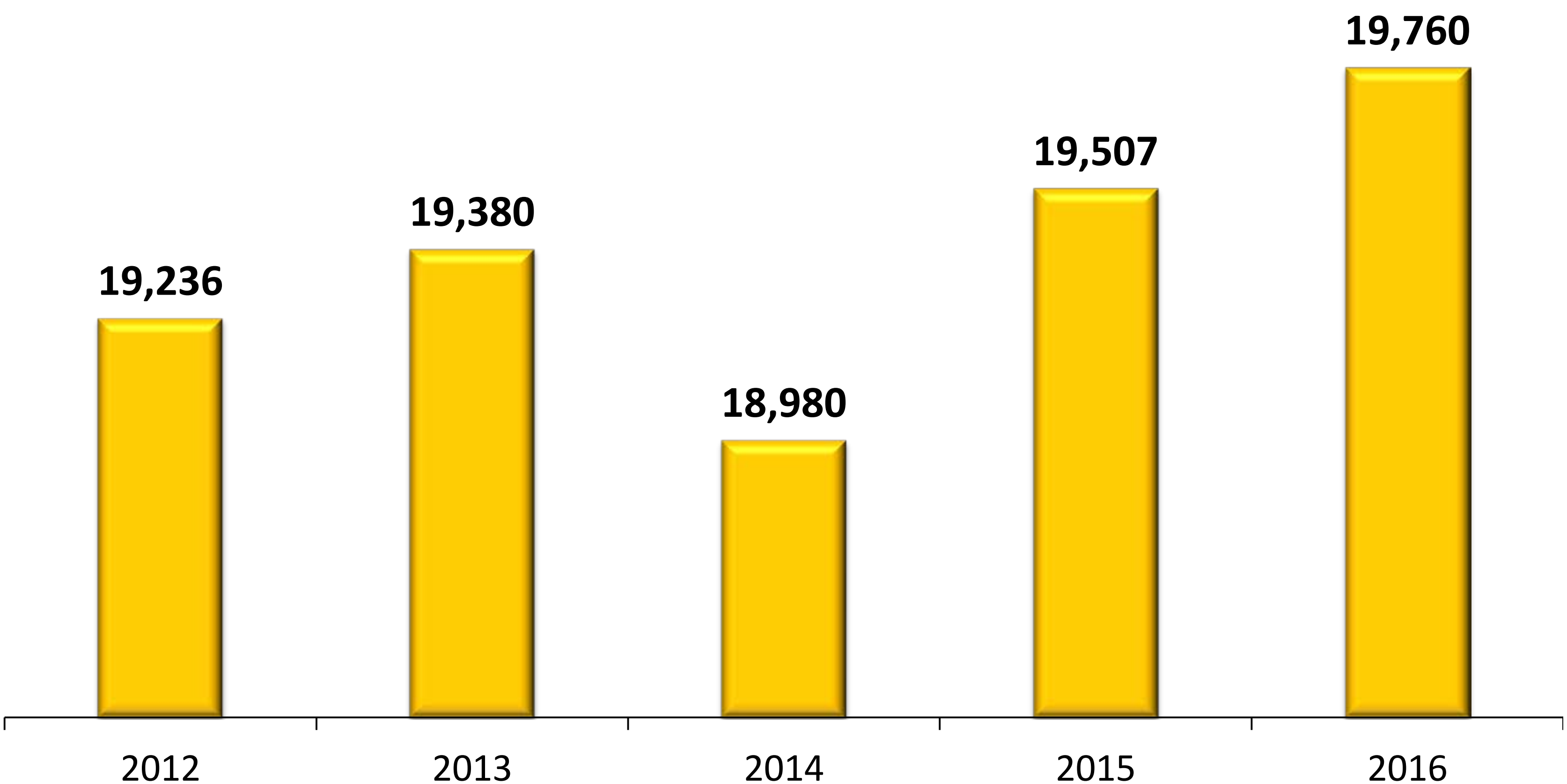
http://www.hotelnewsnow.com/Articles/32006/STR-analysis-A-look-inside-real-Airbnb-data

Friday of Kentucky Derby: Healthy ADR



*Louisville, KY; ADR by year; Friday before Kentucky Derby

Friday of Kentucky Derby: Room Demand Increases



*Louisville, KY; Rooms Sold by year; Friday before Kentucky Derby

Questions?

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