MOF

Outlook for the U.S. Lodging Industry

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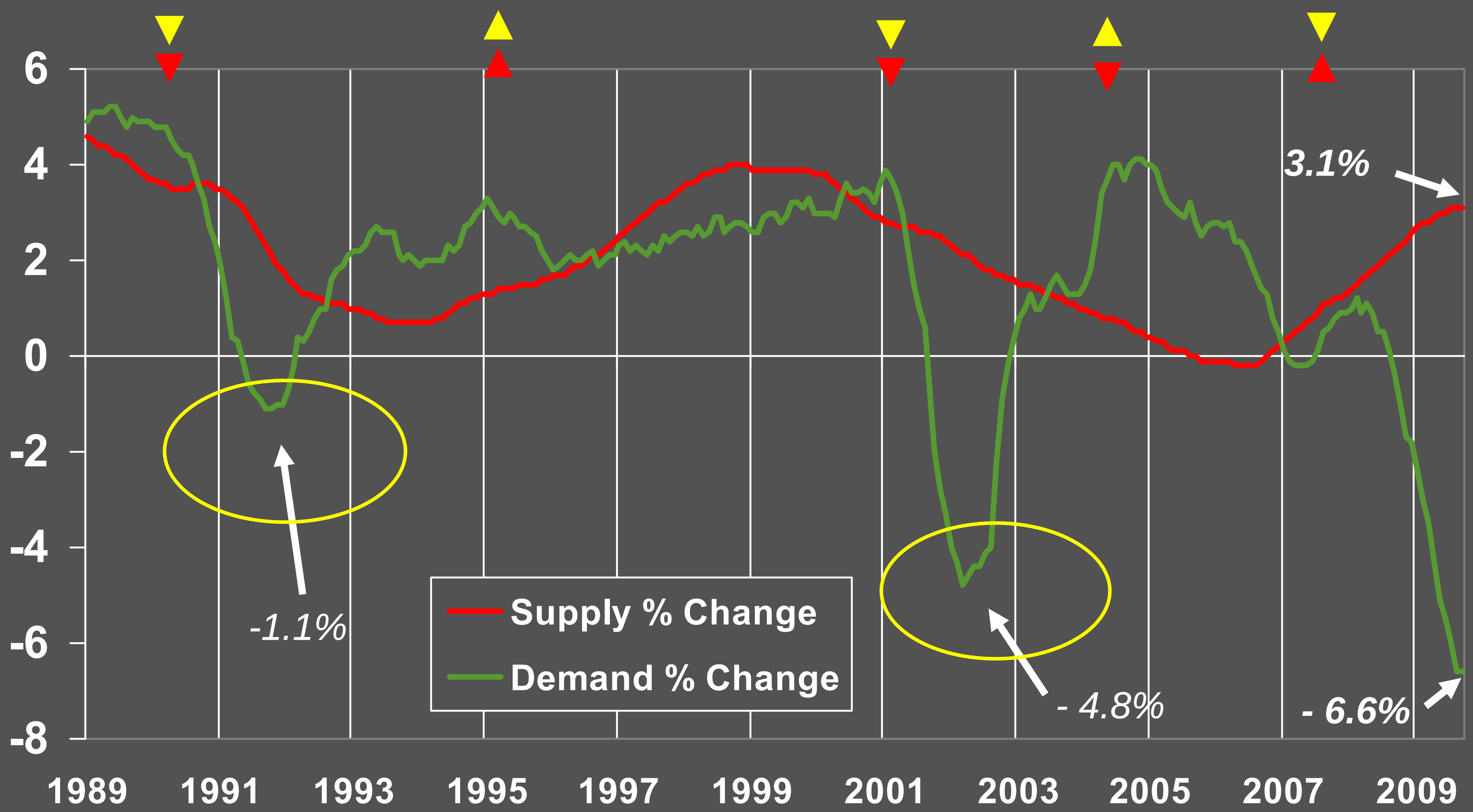
U.S. TRAVEL ASSOCIATION'S
MARKETING OUTLOOK FORUM
LITTLE ROCK

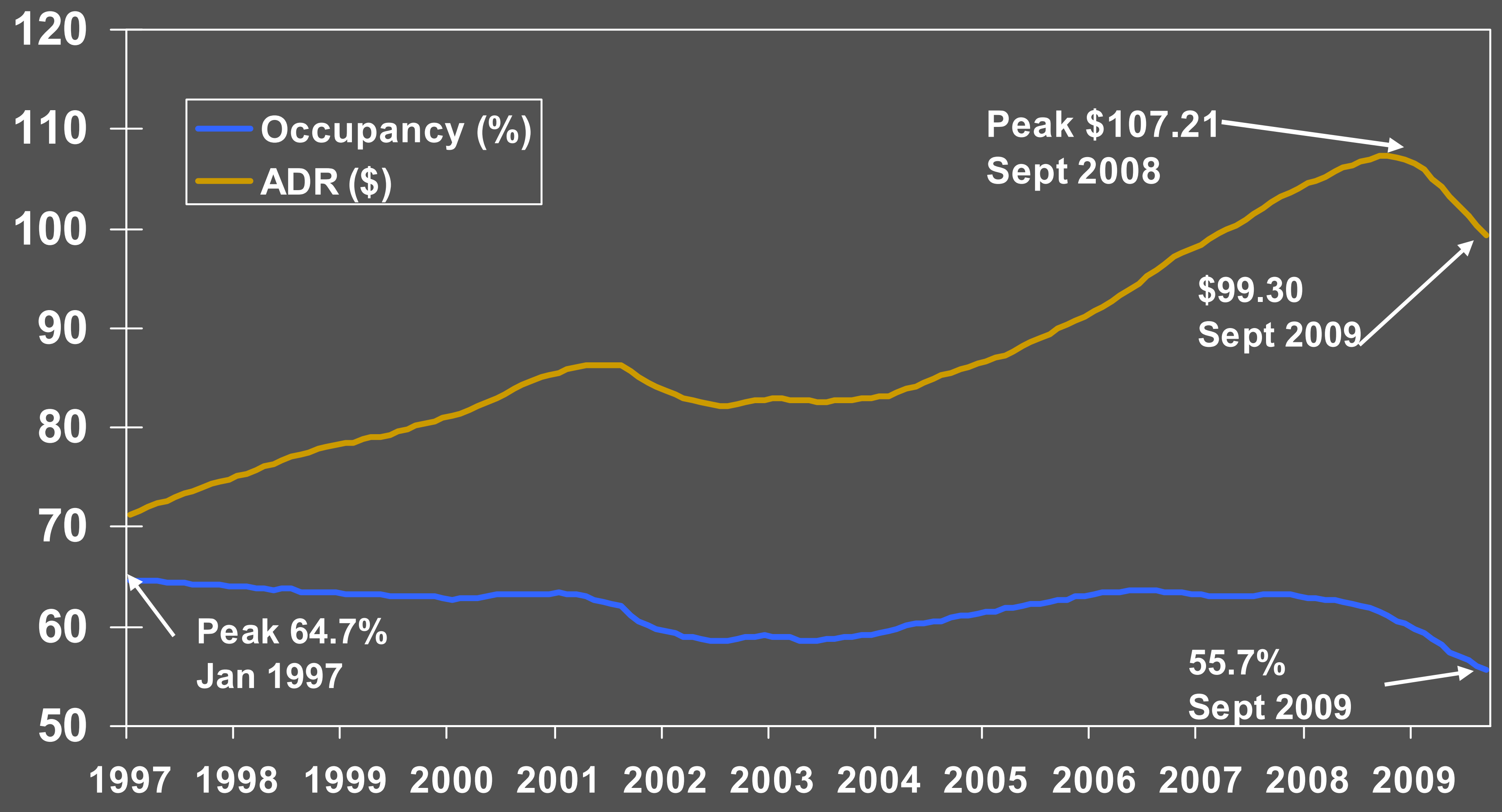
Total United States

Room Supply & Demand Percent Change
Twelve Month Moving Average – 1989 to September 2009



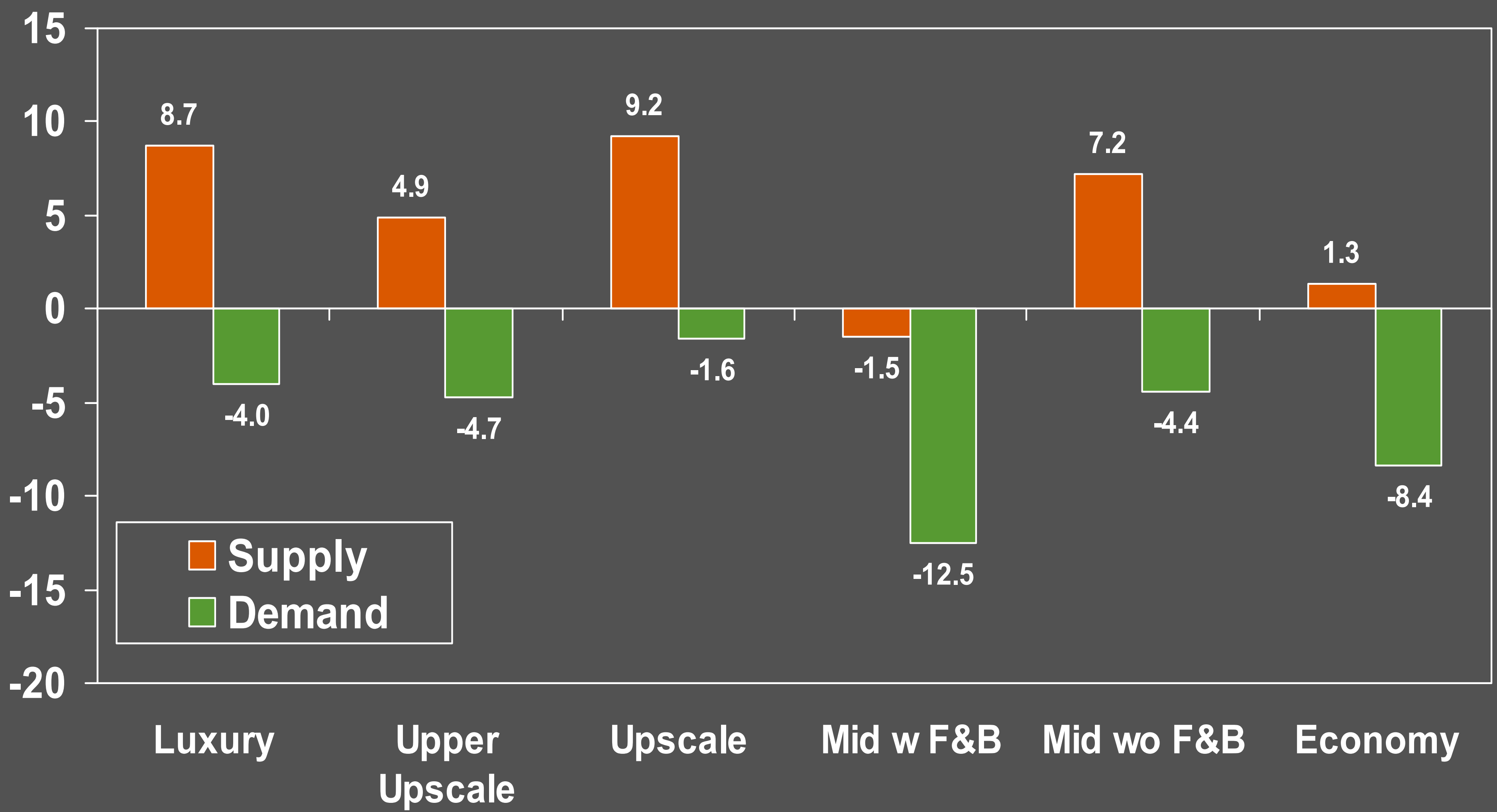
Total United States

Occupancy and ADR
Twelve Month Moving Average – September 2009



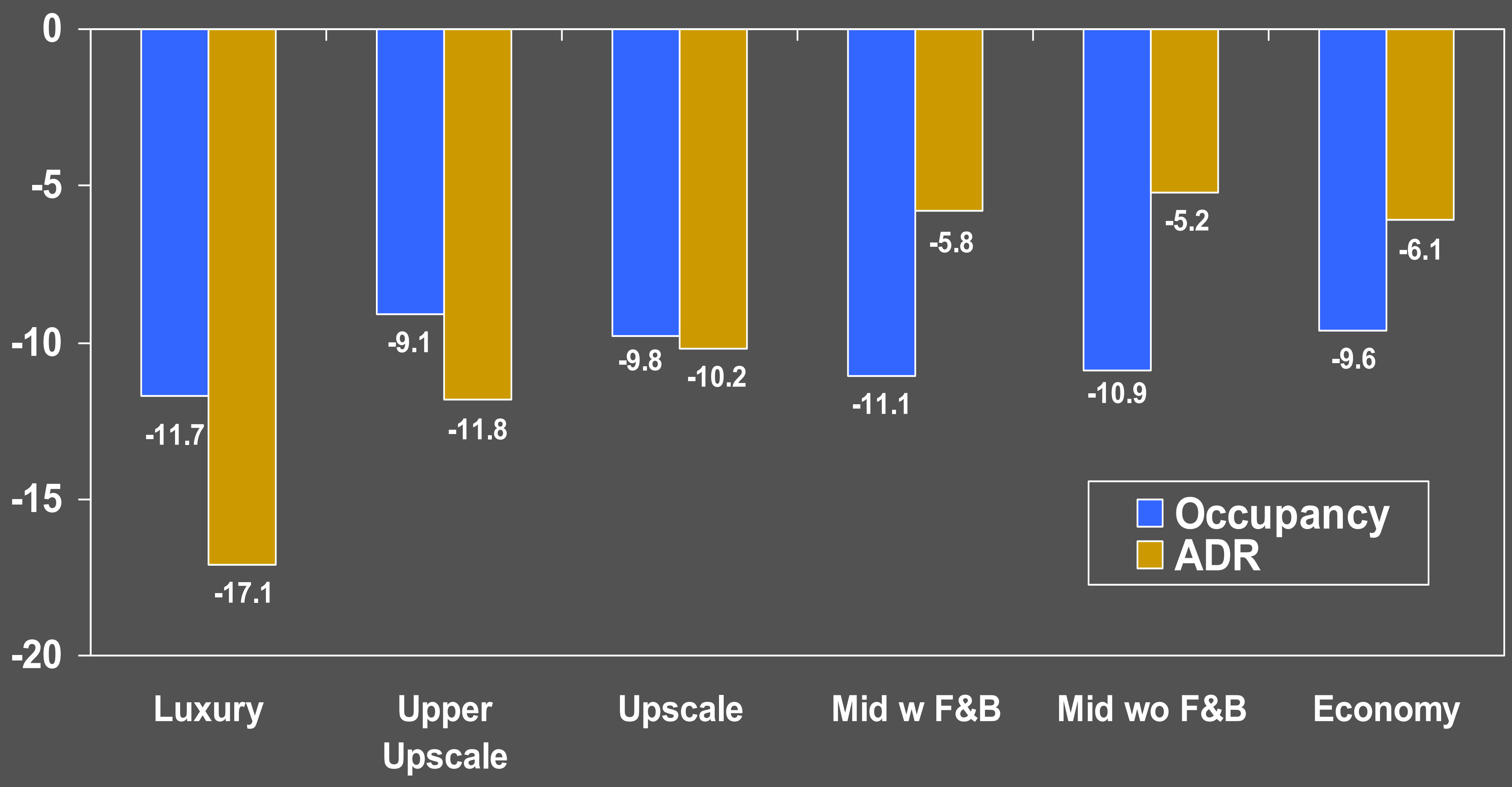
Chain Scales

Supply/Demand Percent Change
September 2009 YTD



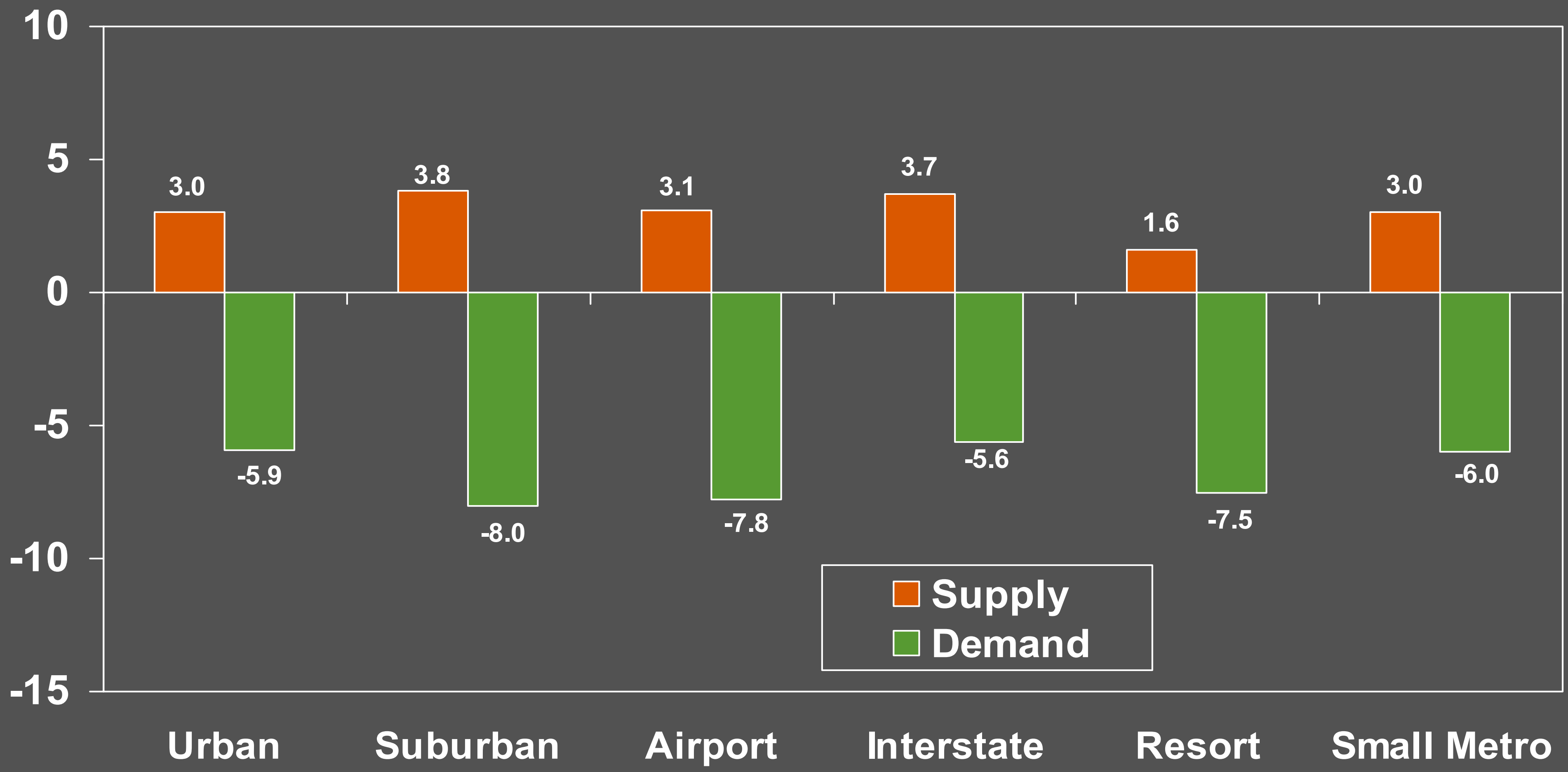
Chain Scales

Occupancy/ADR Percent Change
September 2009 YTD



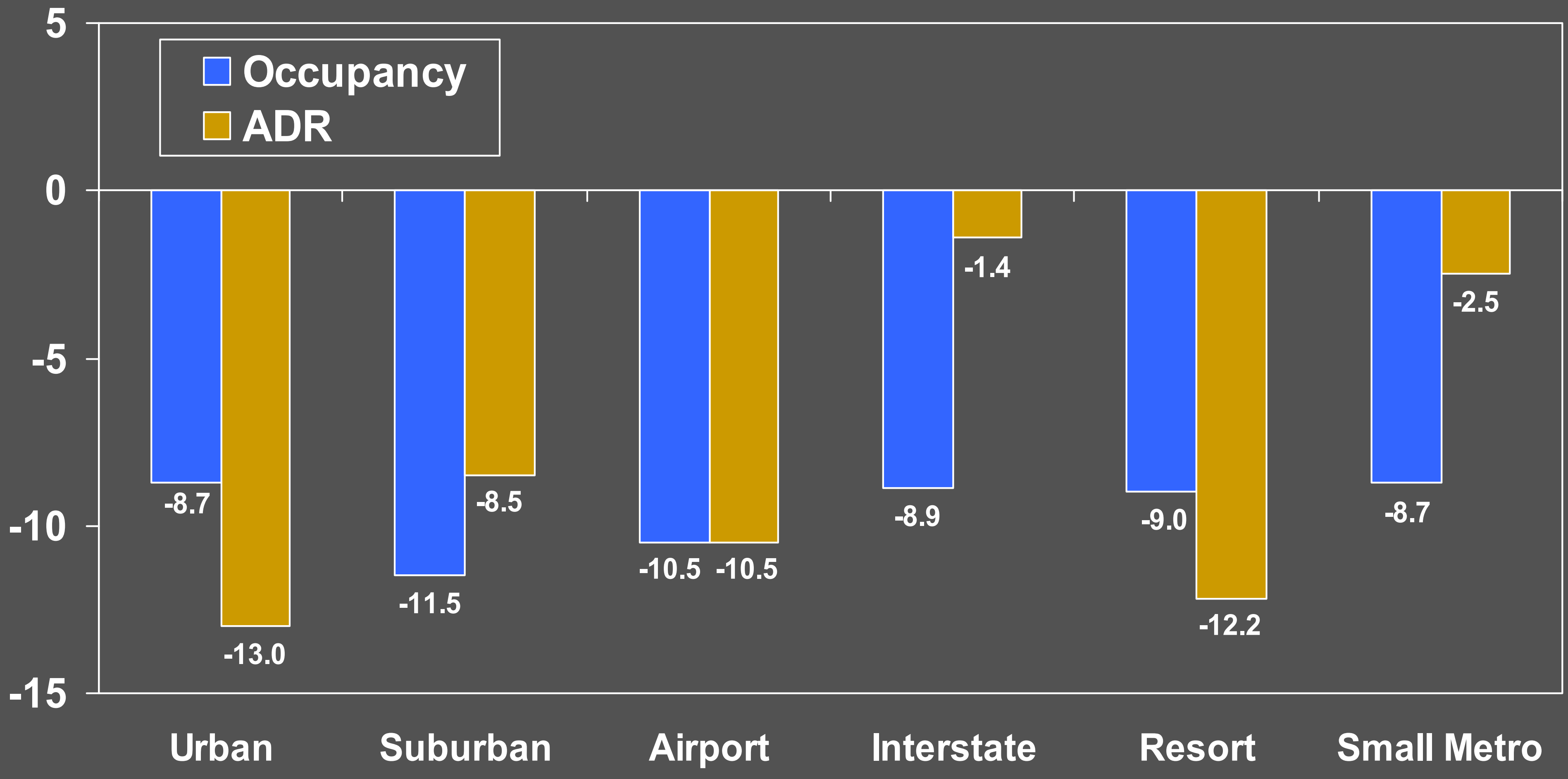
Location Segments

Supply/Demand Percent Change
September 2009 YTD



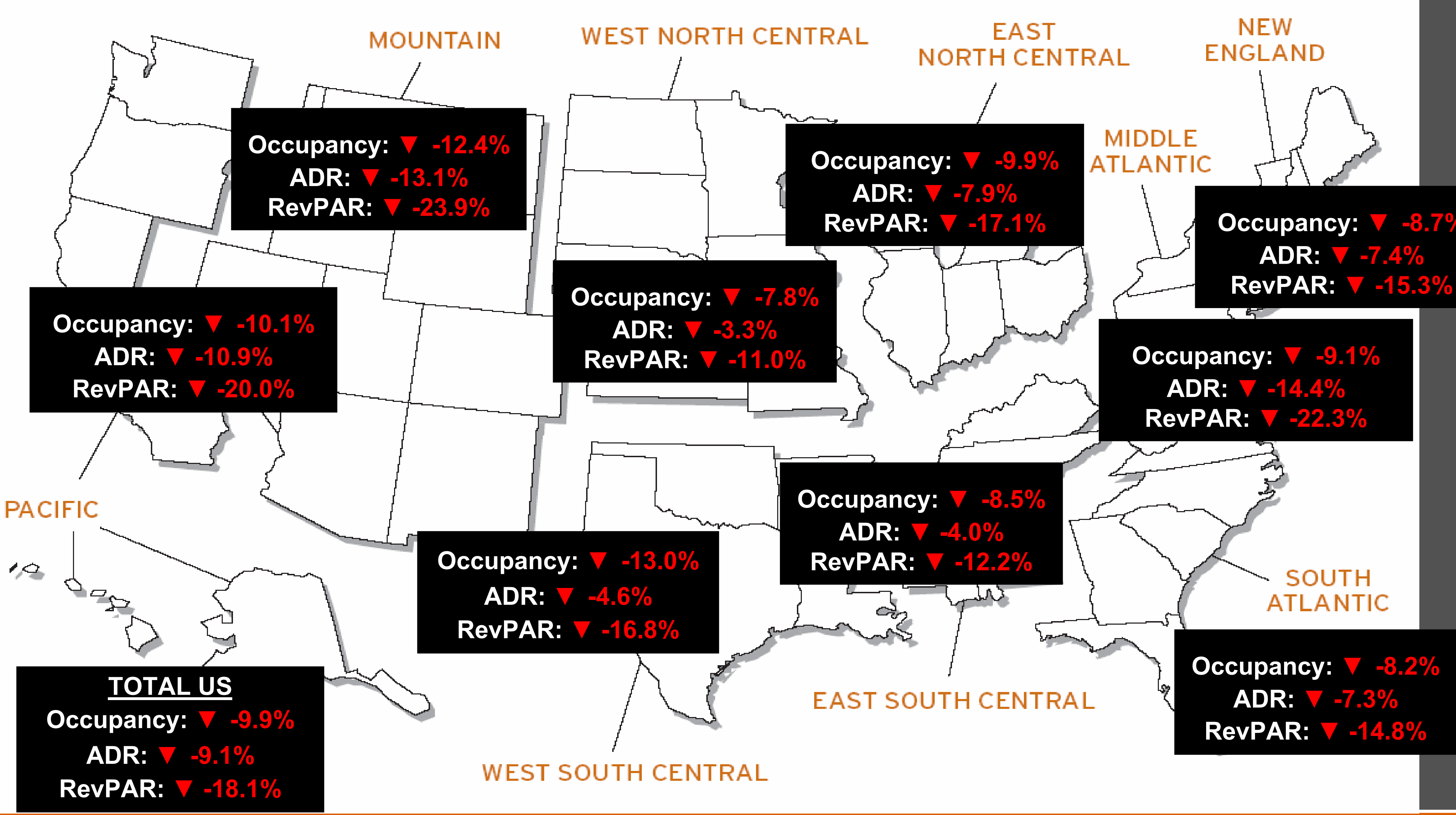
Location Segments

Occupancy/ADR Percent Change
September 2009 YTD



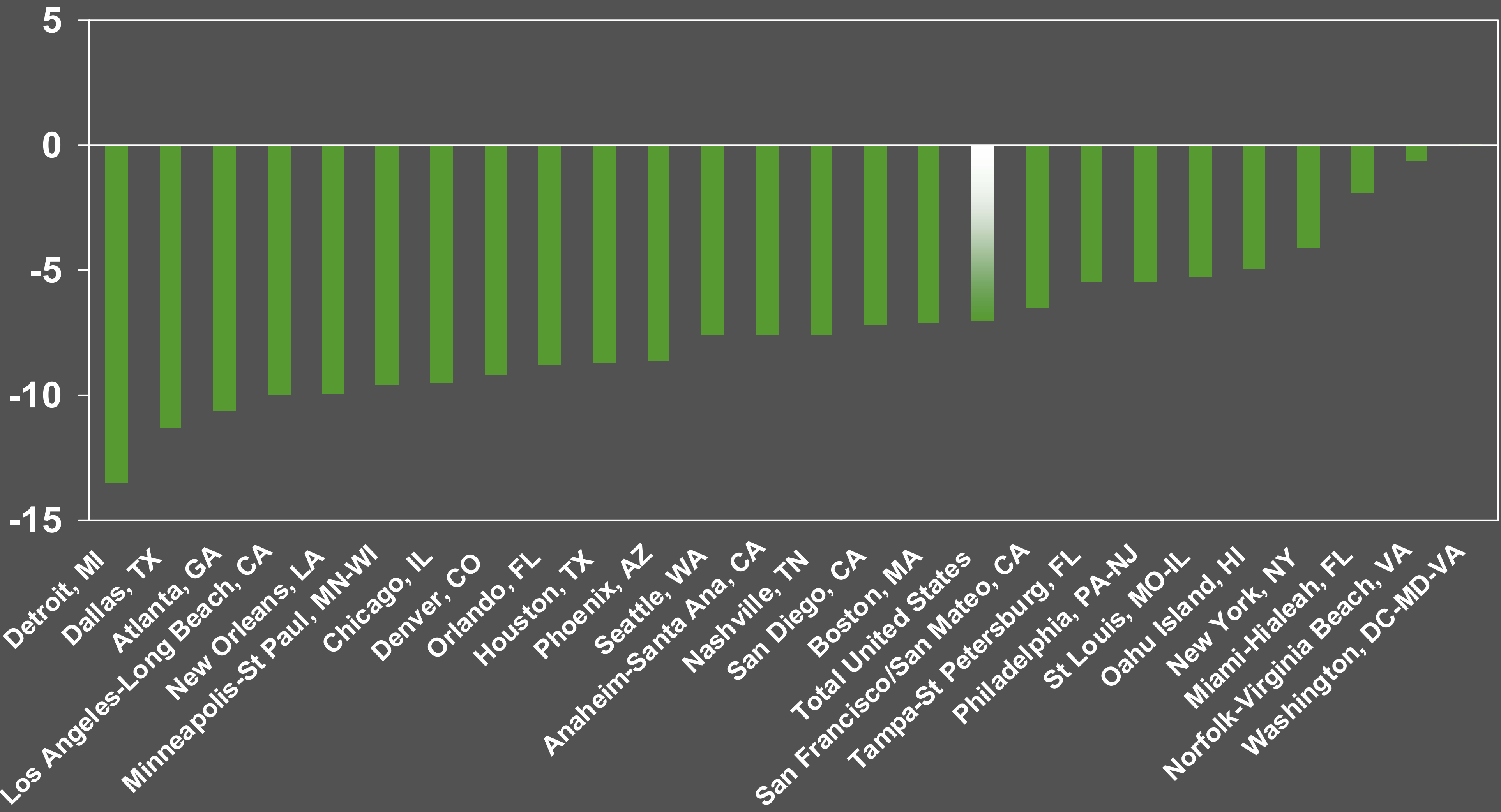
US Regions – Occupancy, ADR, & RevPAR Percent Change

September 2009 YTD



Top 25 Markets

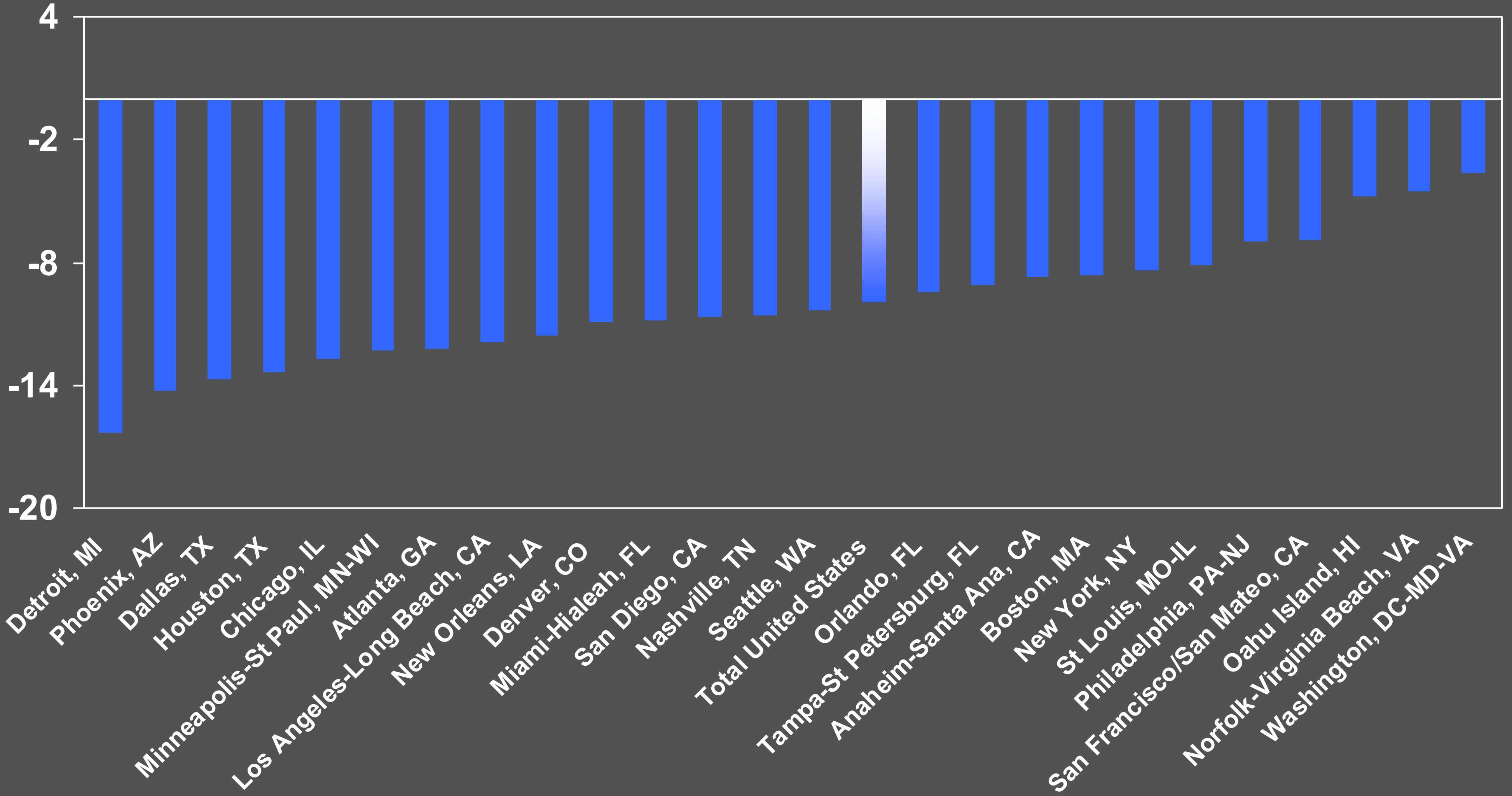
Room Demand Percent Change
September 2009 YTD



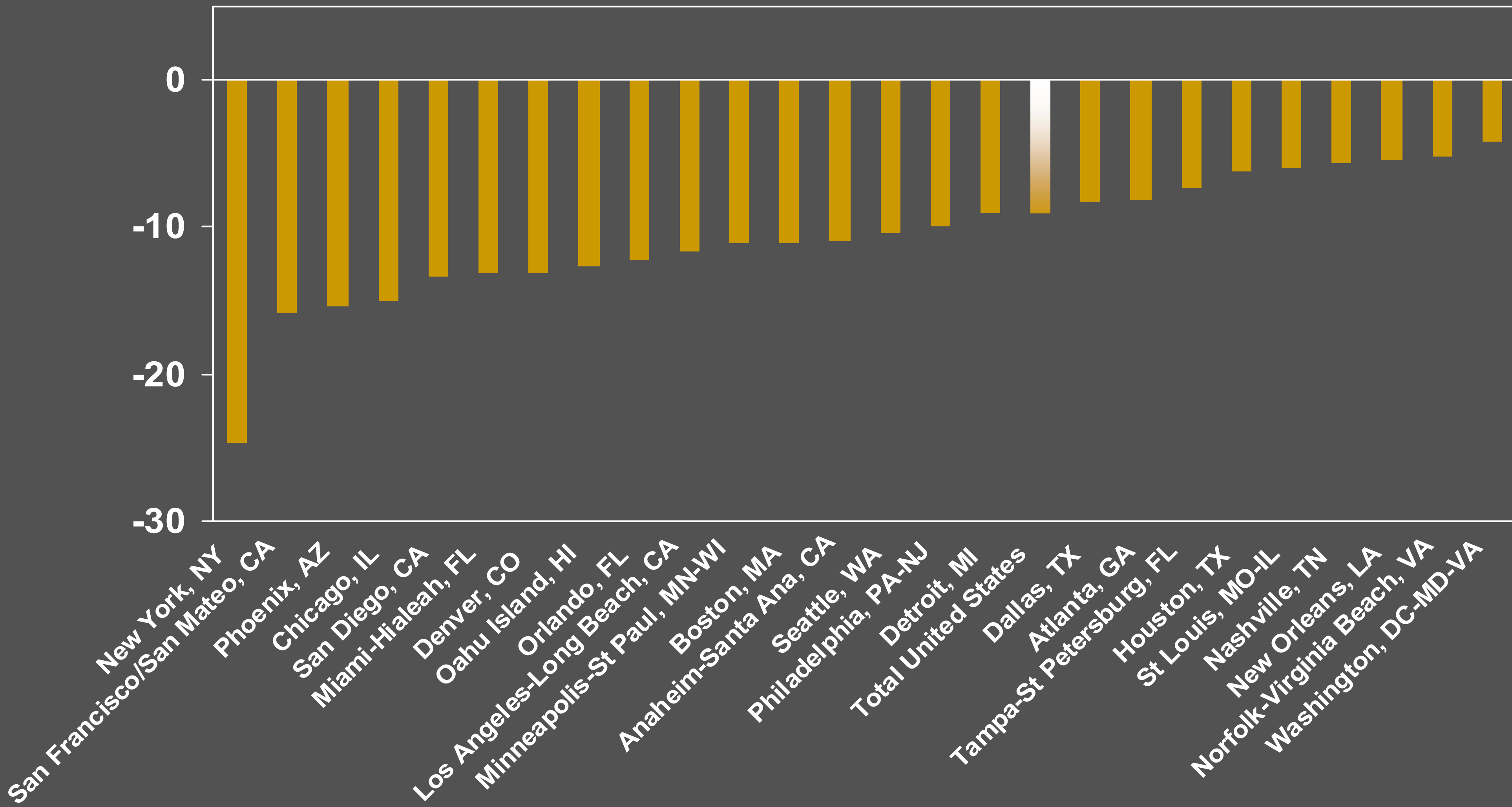
Top 25 Markets

Occupancy Percent Change

September 2009 YTD



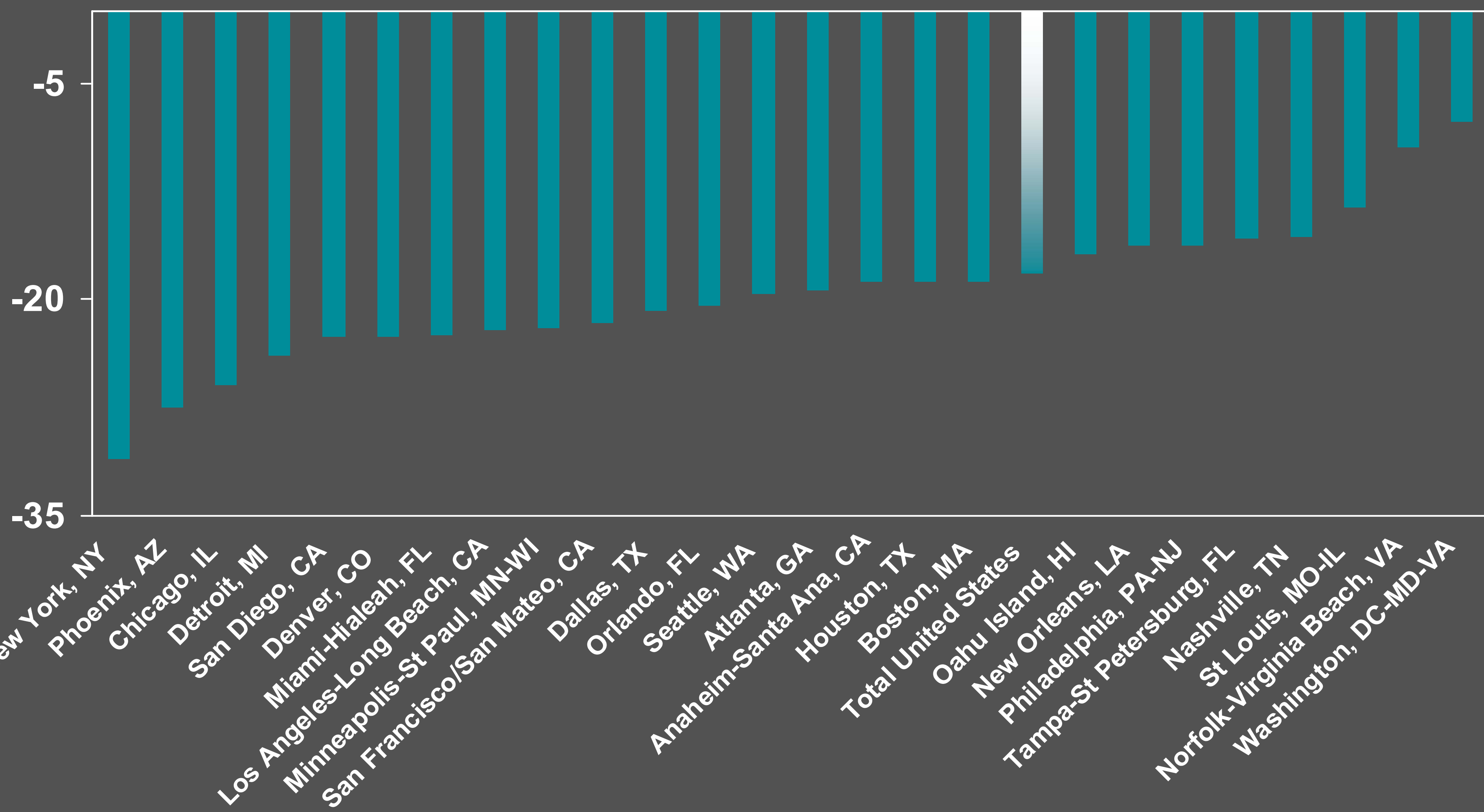
Top 25 Markets
ADR Percent Change
September 2009 YTD



Top 25 Markets

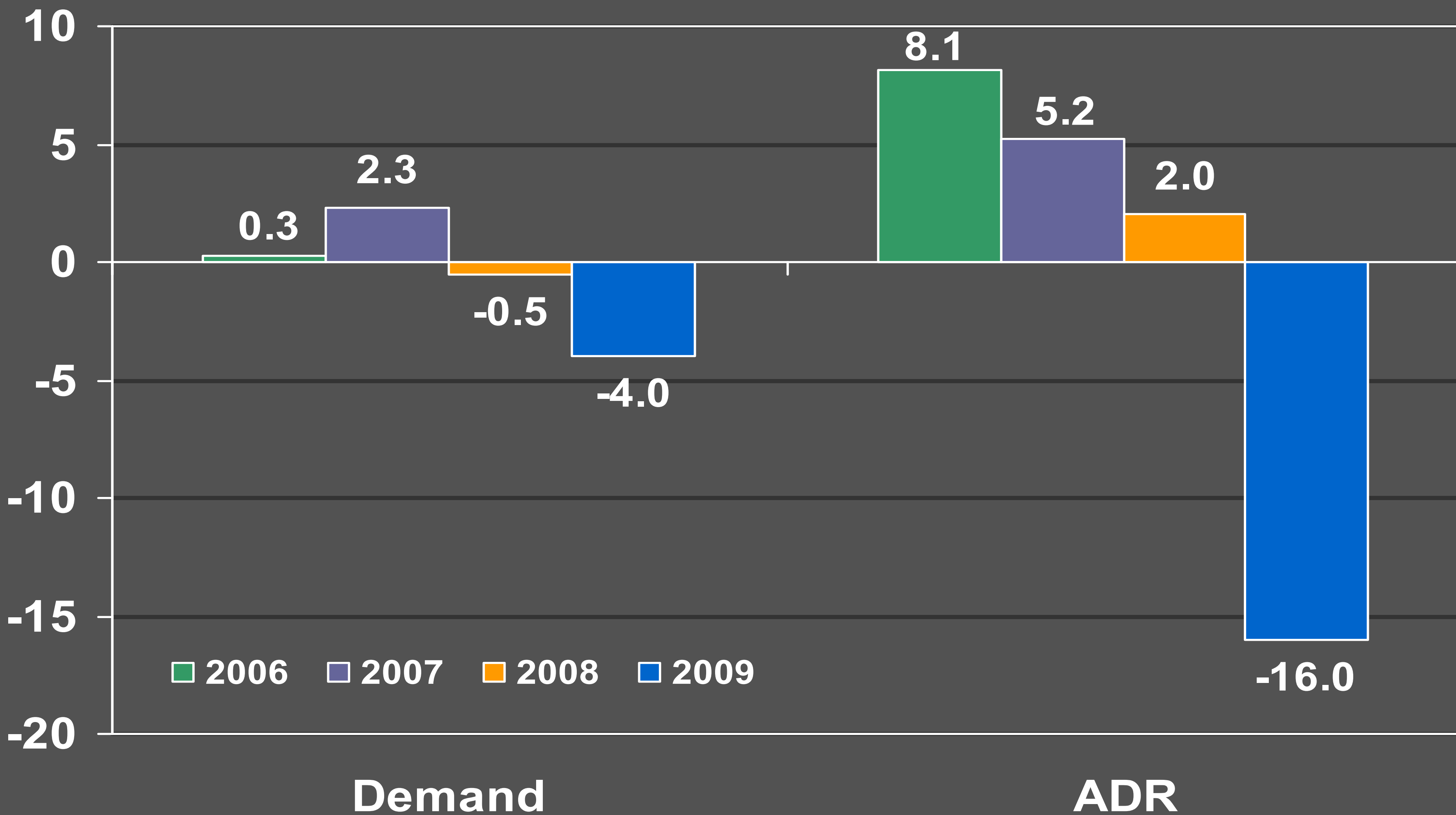
RevPAR Percent Change

September 2009 YTD



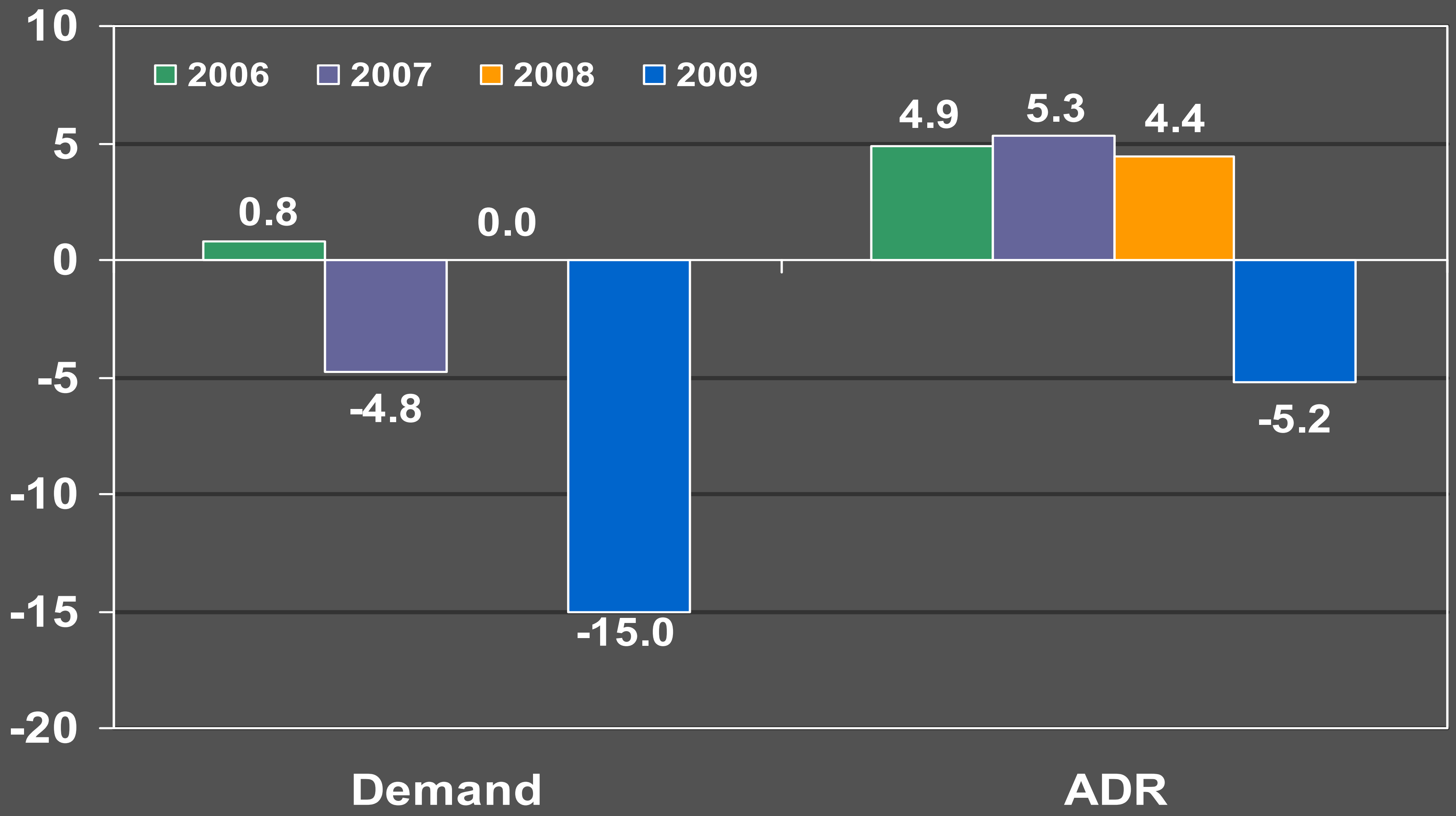
Transient Business Analysis

Luxury/Upper Upscale Chains
Percent Change Sept YTD 2006 - 2009



Group Business Analysis

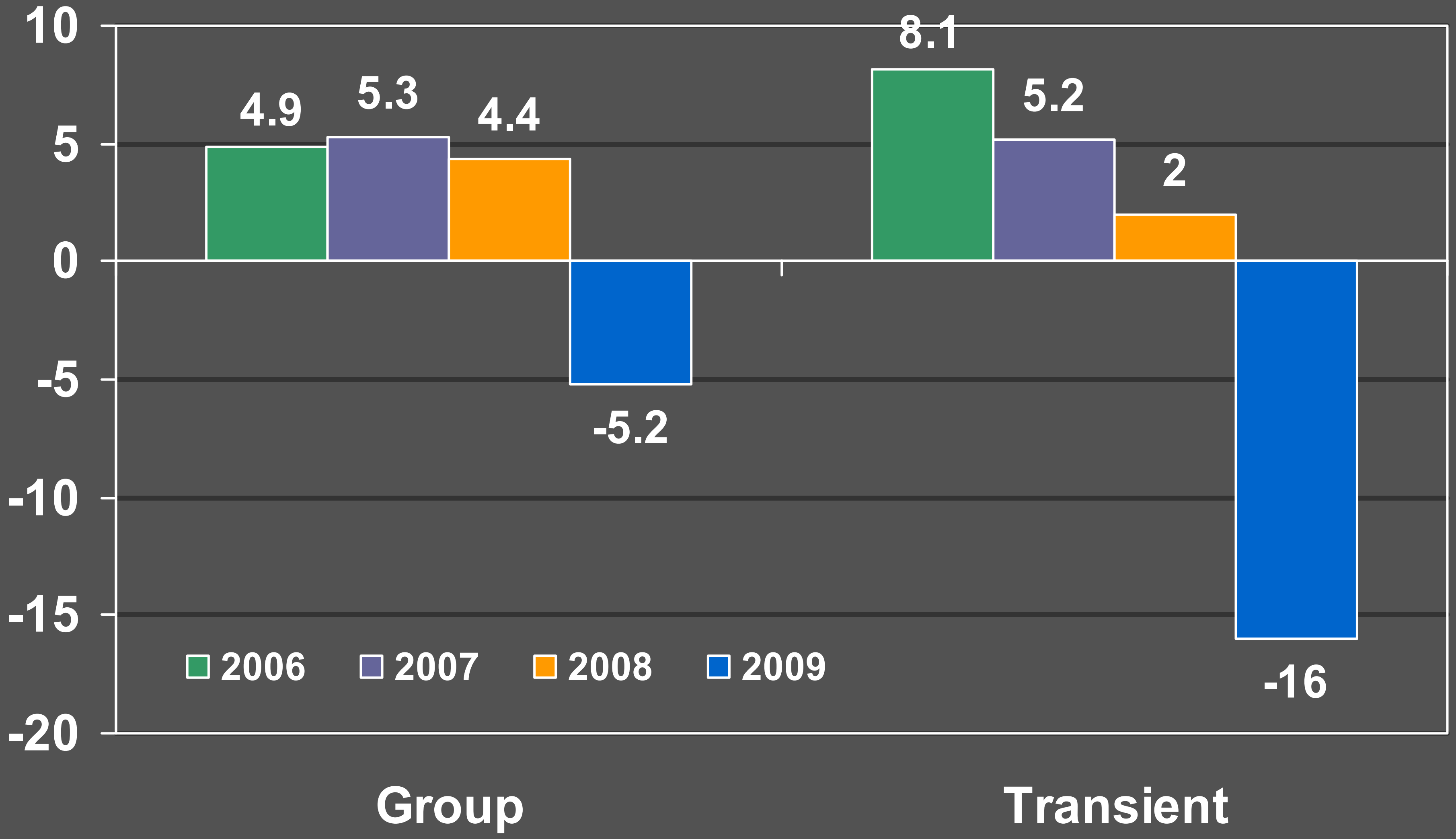
Luxury/Upper Upscale Chains
Percent Change Sept YTD 2006 - 2009



Group vs. Transient ADR % Change

Luxury/Upper Upscale Chains

Percent Change Sept YTD 2006 - 2009



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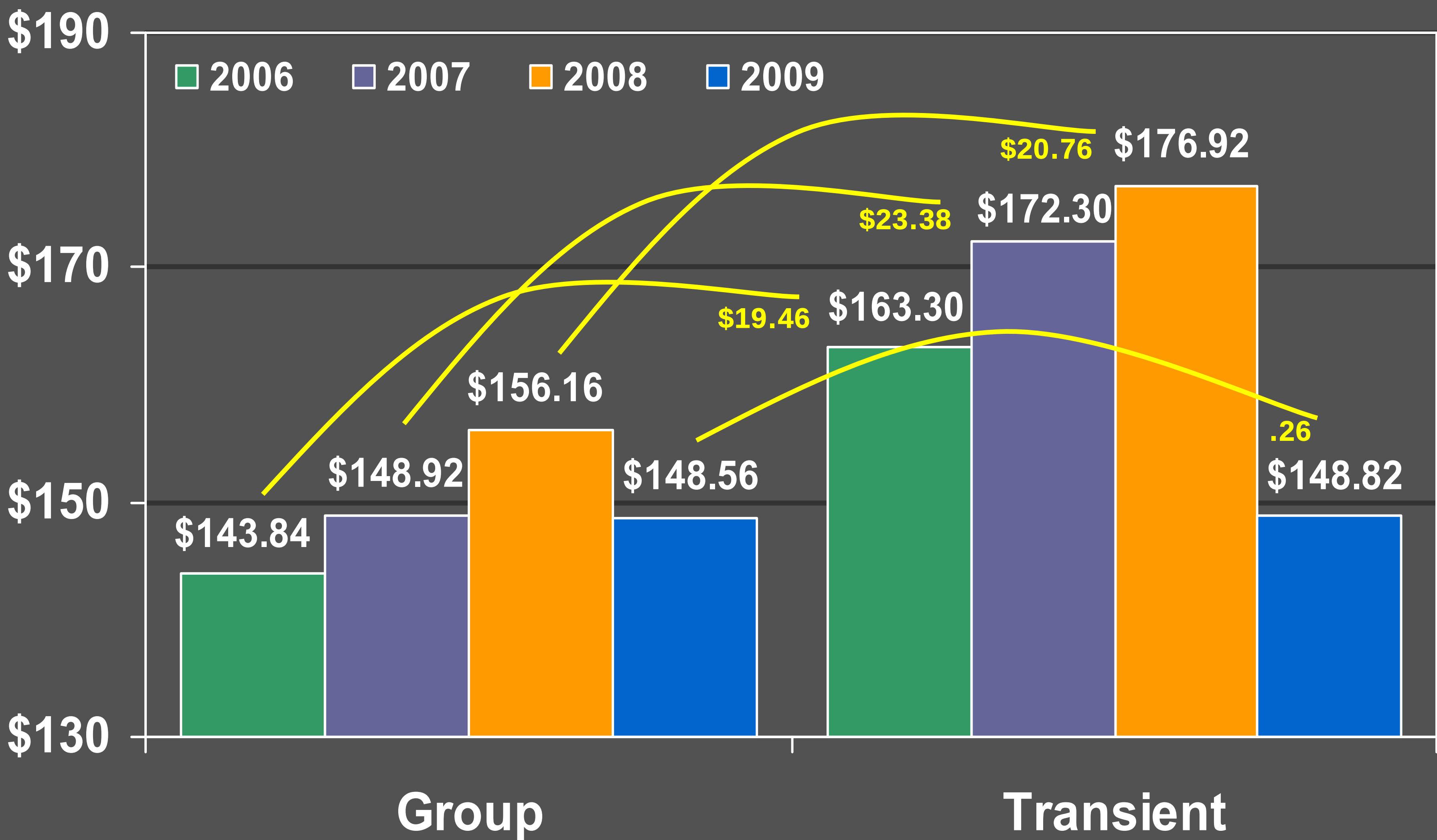
Group vs. Transient ADR

Luxury/Upper Upscale Chains

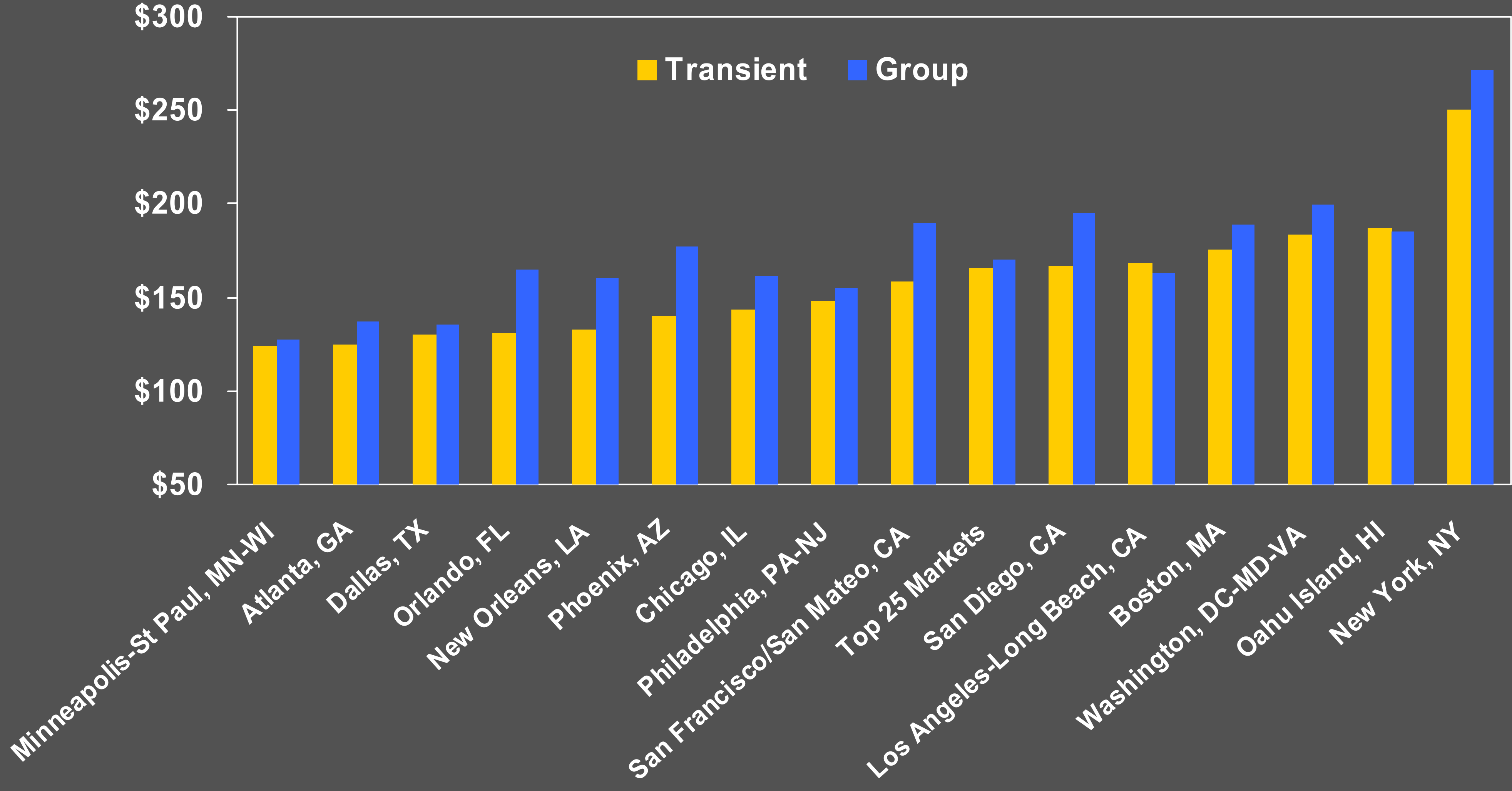
Sept YTD 2006 – 2009



Group vs. Transient ADR

15 Select Markets

September 2009 YTD



Total United States

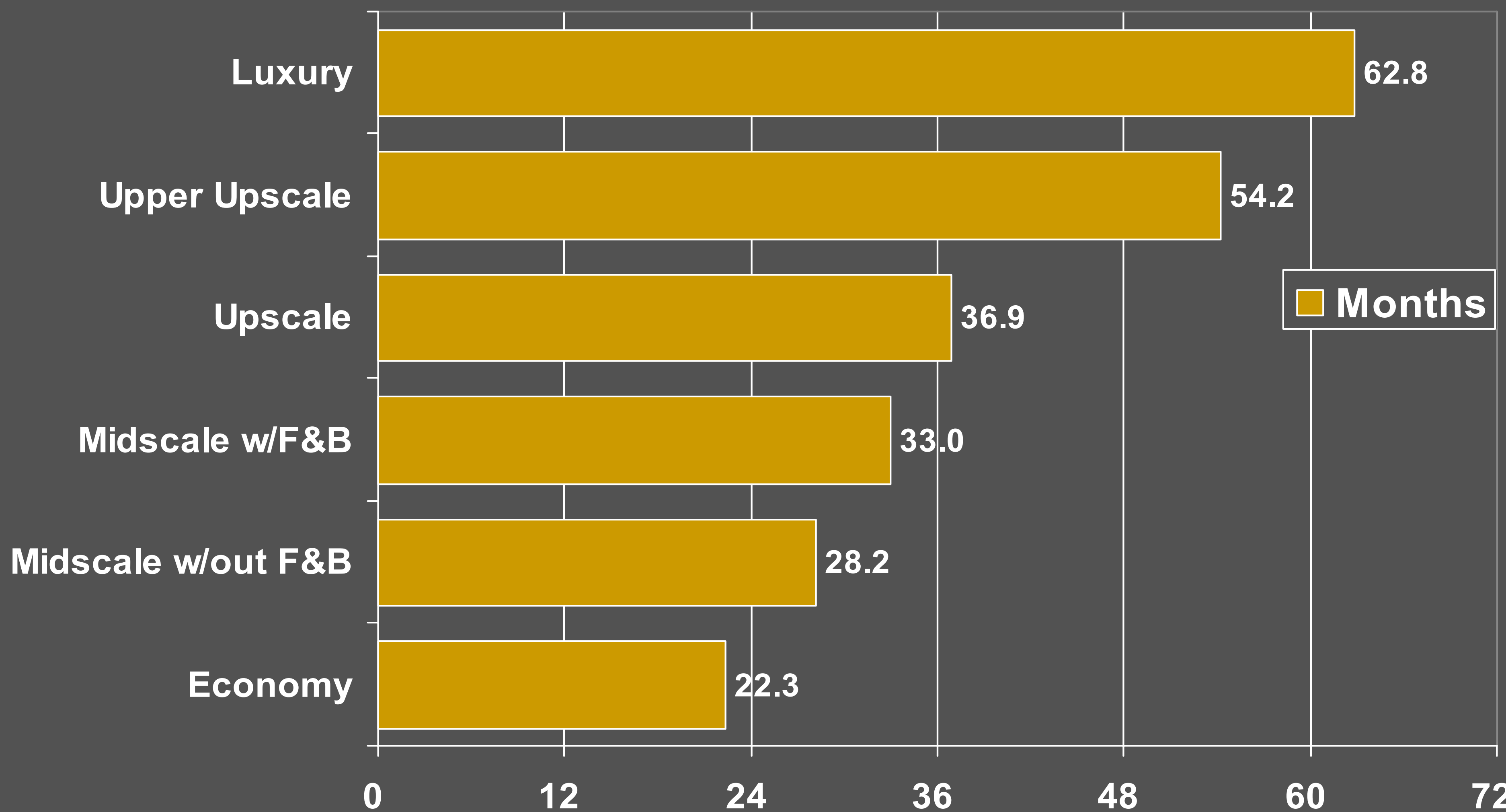
Active Development Pipeline - Rooms
Change From Last Year

Phase	September 2009	September 2008	Difference	% Change
In Construction	121,714	195,699	-73,985	-37.8%
Final Planning	72,295	107,239	-34,944	-32.6%
Planning	256,890	351,652	-94,762	-26.9%
Active Pipeline	450,899	654,590	-203,691	-31.1%
Pre-Planning	114,556	147,854	-33,298	-22.5%
Total	565,455	802,444	-236,989	-29.5%

Source: STR / TWR / Dodge Construction Pipeline

Pipeline Projects by Scale

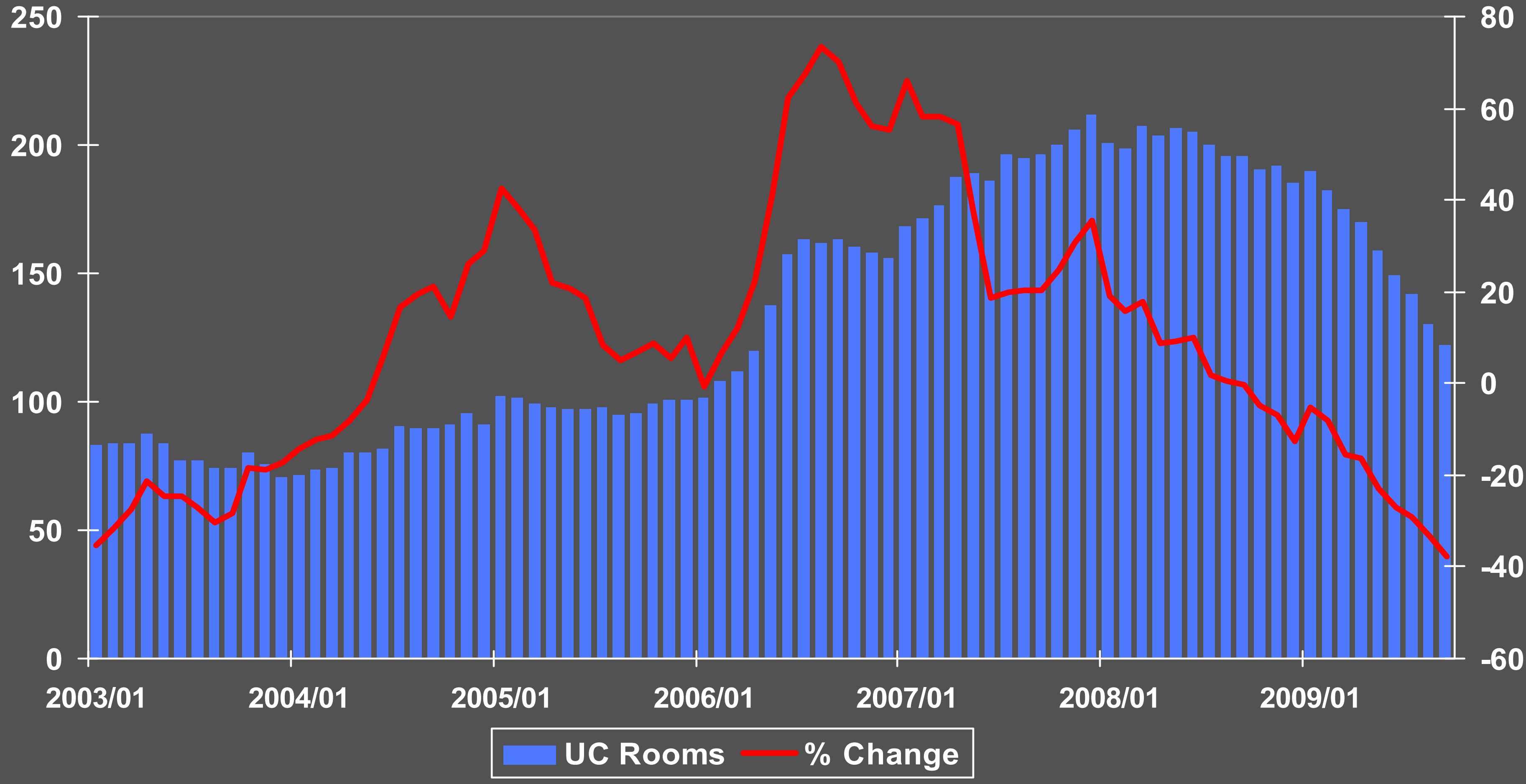
Average Duration From Pre-Planning to Open



Source: STR / TWR / Dodge Construction Pipeline

Total United States

Hotel Rooms Under Construction and Percent Change
January 2003 – September 2009

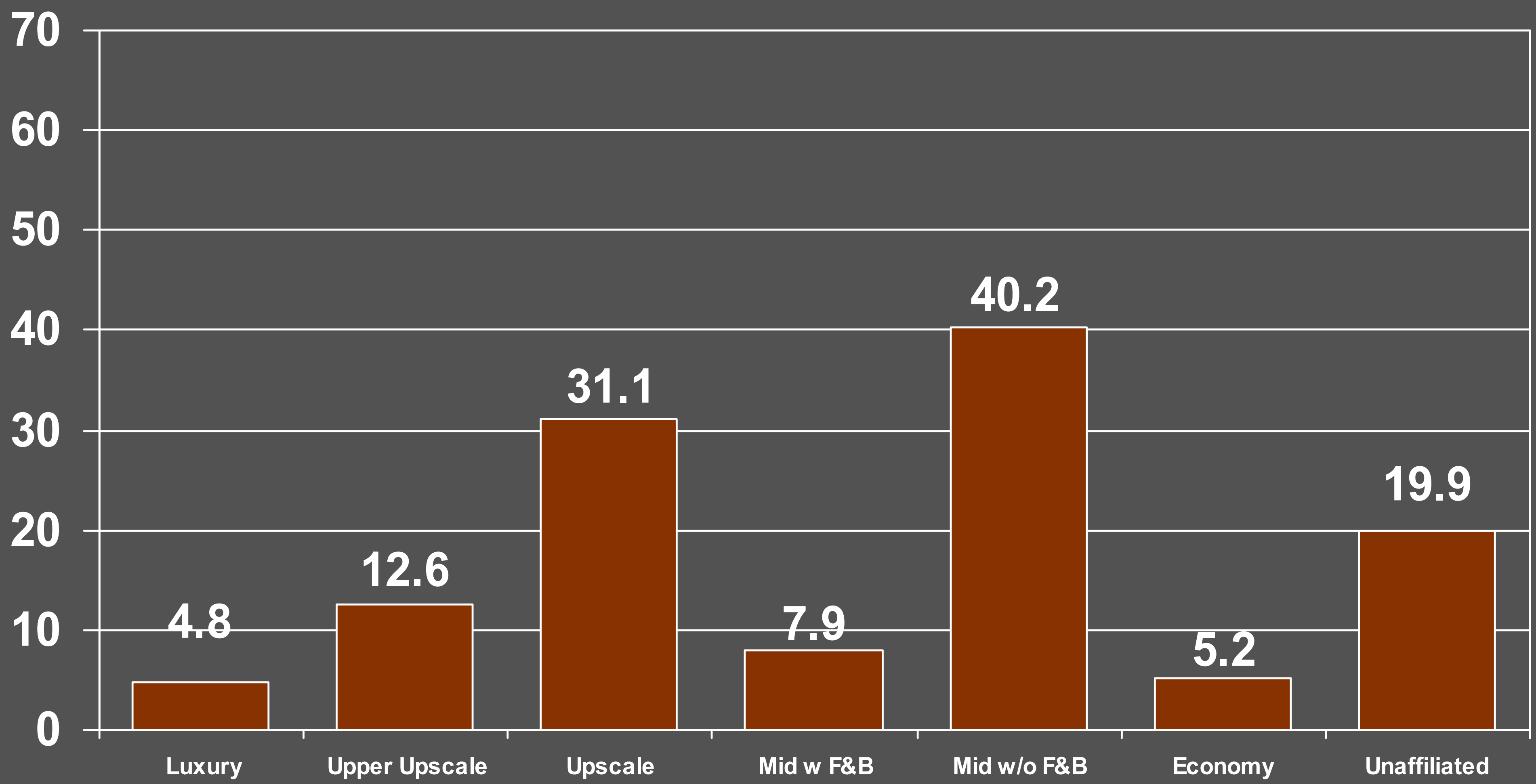


Source: STR / TWR / Dodge Construction Pipeline

Under Construction room percentage change measured against same month, prior year.

Total United States

Rooms In Construction by Scale – In Thousands
September 2009



Source: STR / TWR / Dodge Construction Pipeline

Markets with Most Rooms In-Construction

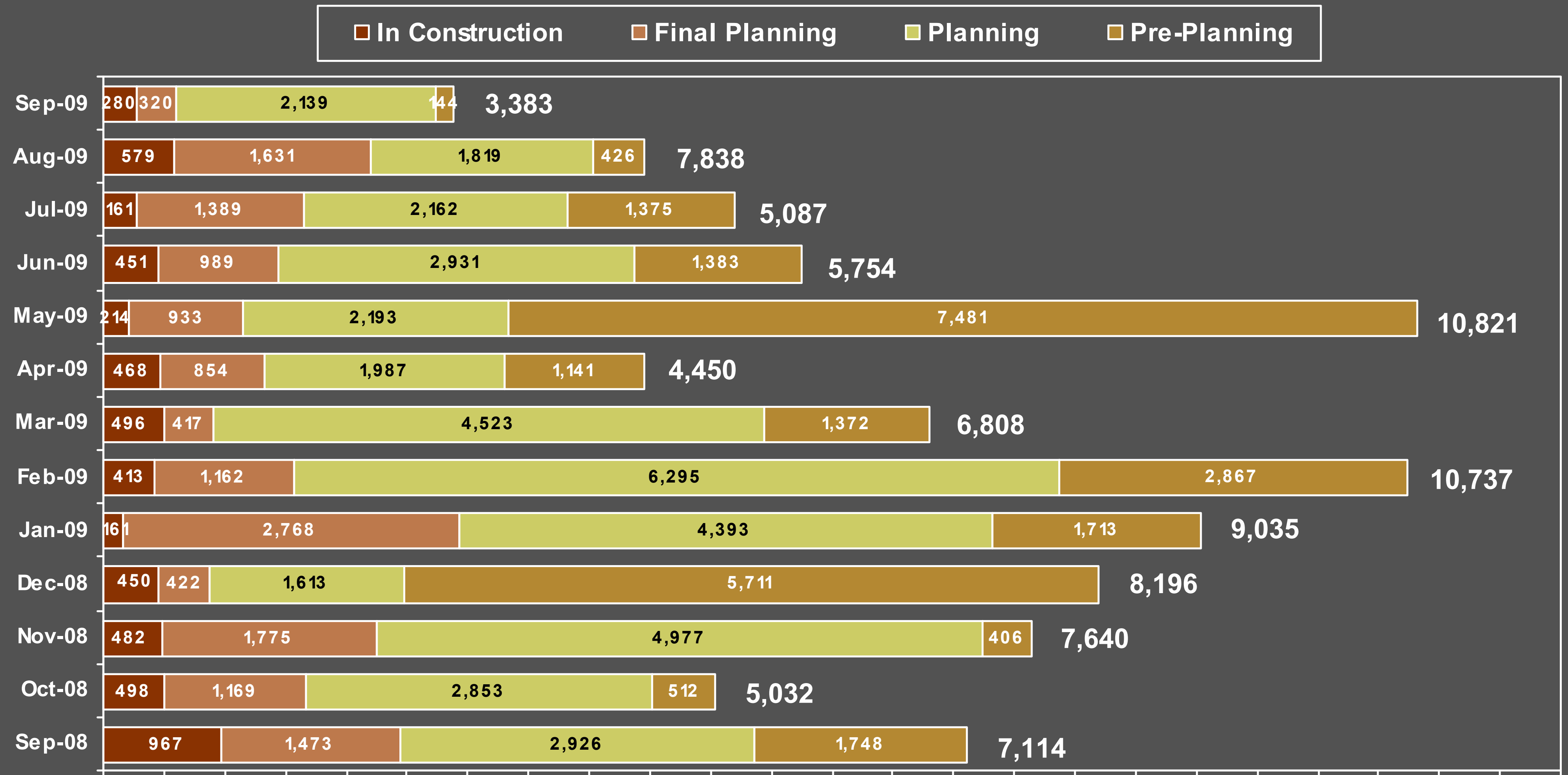
September 2009

Market	# Rooms	% Existing Supply
New York	**11,254**	**12.3**
Las Vegas	**7,011**	**4.4**
Houston	**4,561**	**6.7**
Washington, DC	**3,597**	**3.6**
Dallas	**3,272**	**4.3**
Atlanta	**3,195**	**3.4**
LA-Long Beach	**2,392**	**2.5**

Source: STR / TWR / Dodge Construction Pipeline

Total United States

Newly Abandoned Rooms by Month
September 2008 – September 2009



Source: STR / TWR / Dodge Construction Pipeline

Ten Largest Projects in the pipeline

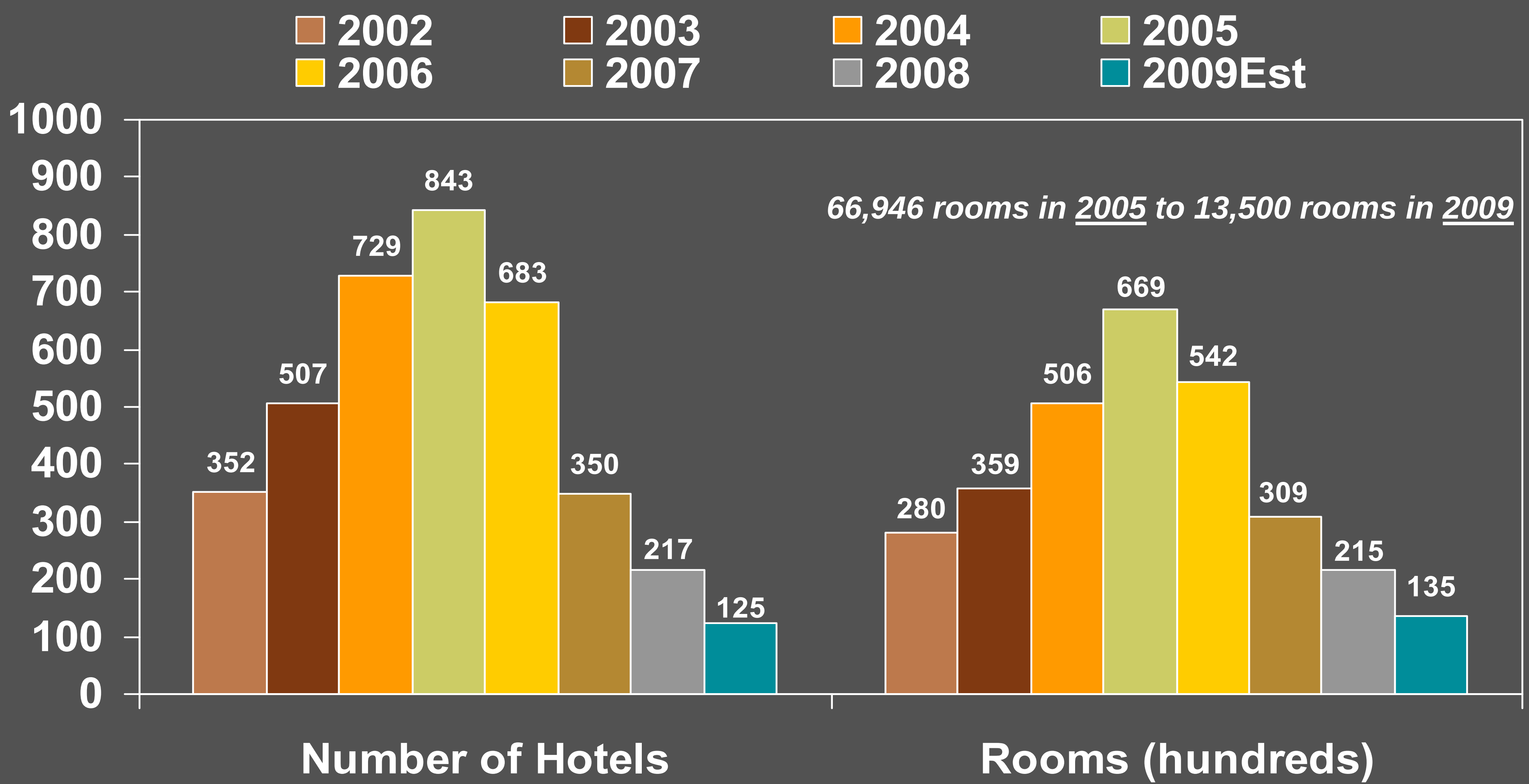
Name	Market	Open	Rooms	Phase
Aria Resort & Casino	Las Vegas-Paradise, NV	12/16/09	4004	In Construction
Marriott Marquis Hotel	Washington, DC	10/1/13	1167	Final Planning
JW Marriott Conv Ctr Hotel	Indianapolis-Carmel, IN	3/10/11	1083	In Construction
Omni Dallas	Dallas-Fort Worth, TX	3/1/12	1016	Final Planning
JW Marriott San Antonio	San Antonio, TX	1/22/10	1002	In Construction
Myriad Botanical Resort	Memphis, TN-MS-AR	9/1/11	1000	Planning
Marriott Marquis @ Music Cty	Nashville, TN	6/30/13	1000	Planning
JW Marriott @ LA Live	Los Angeles, CA	2/15/10	871	In Construction
Peabody Orlando Addition	Orlando, FL	11/1/10	750	In Construction
Cosmopolitan Resort	Las Vegas-Paradise, NV	7/1/10	708	In Construction

Source: STR / TWR / Dodge Construction Pipeline

Total US - Closed Hotels

Annual 2002 through 2009 estimated

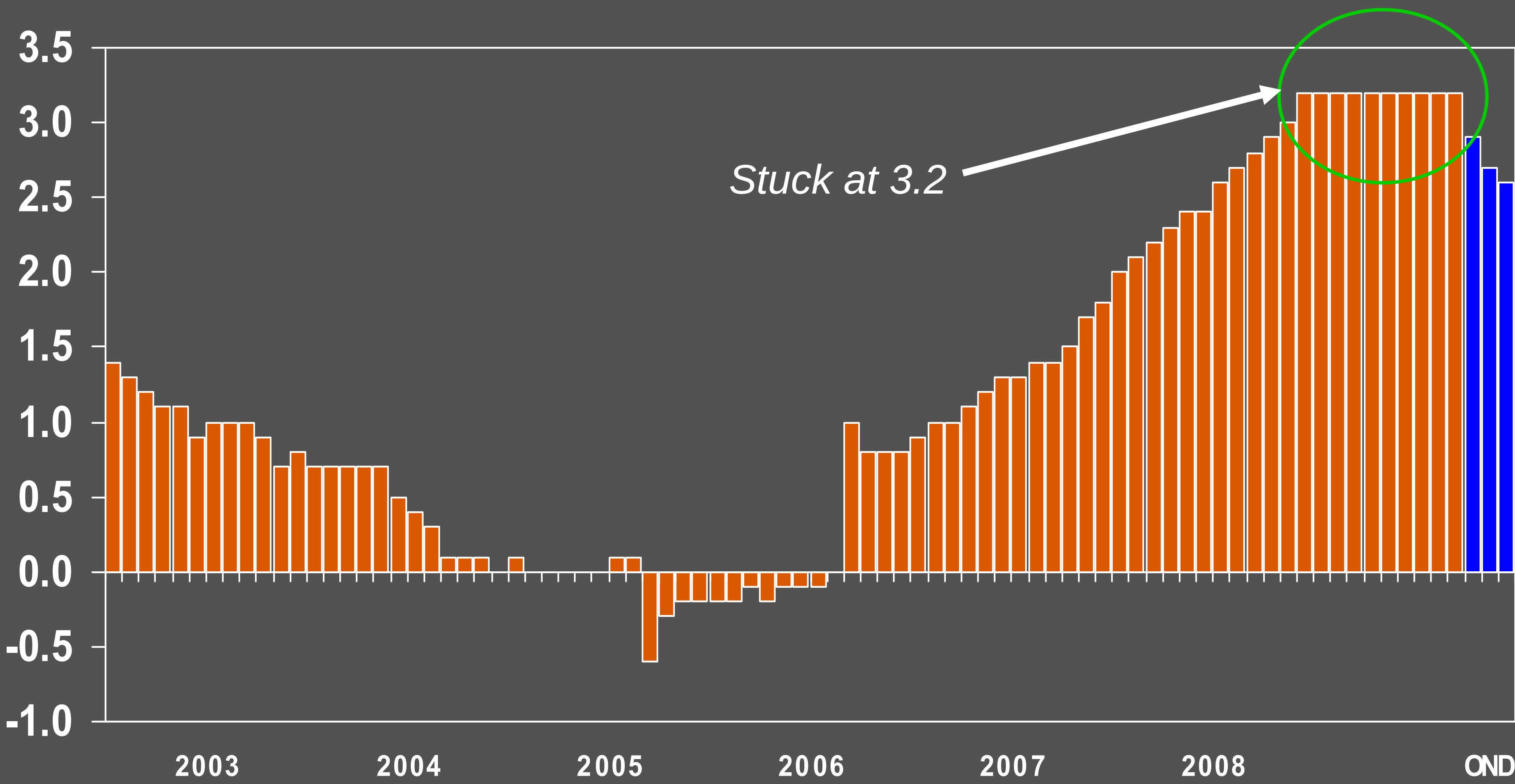
JQH: "not over developed, just under demolished"



Total United States

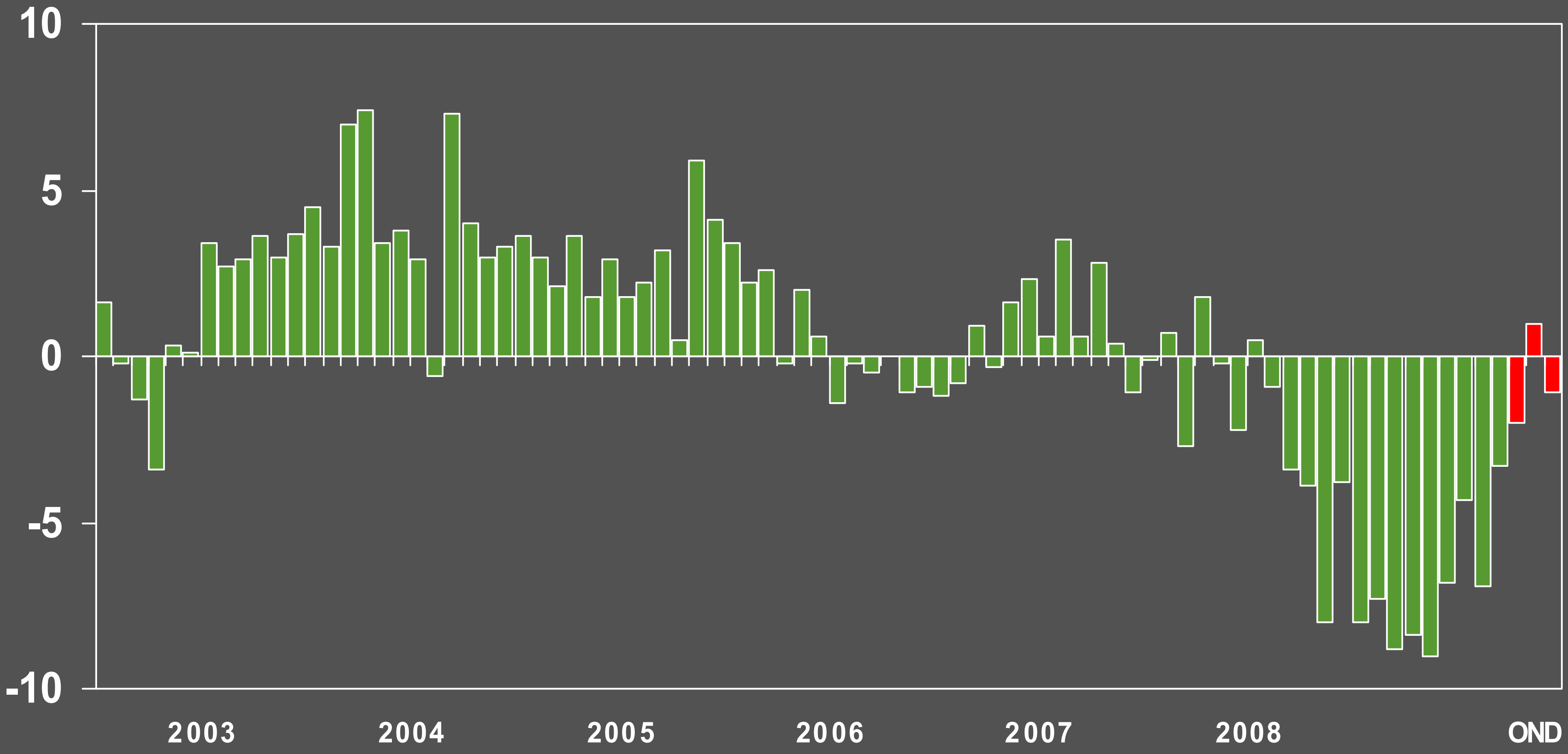
Room Supply Percent Change

Jan 2003 – Sep 2009 / Oct – Dec Forecast



Total United States

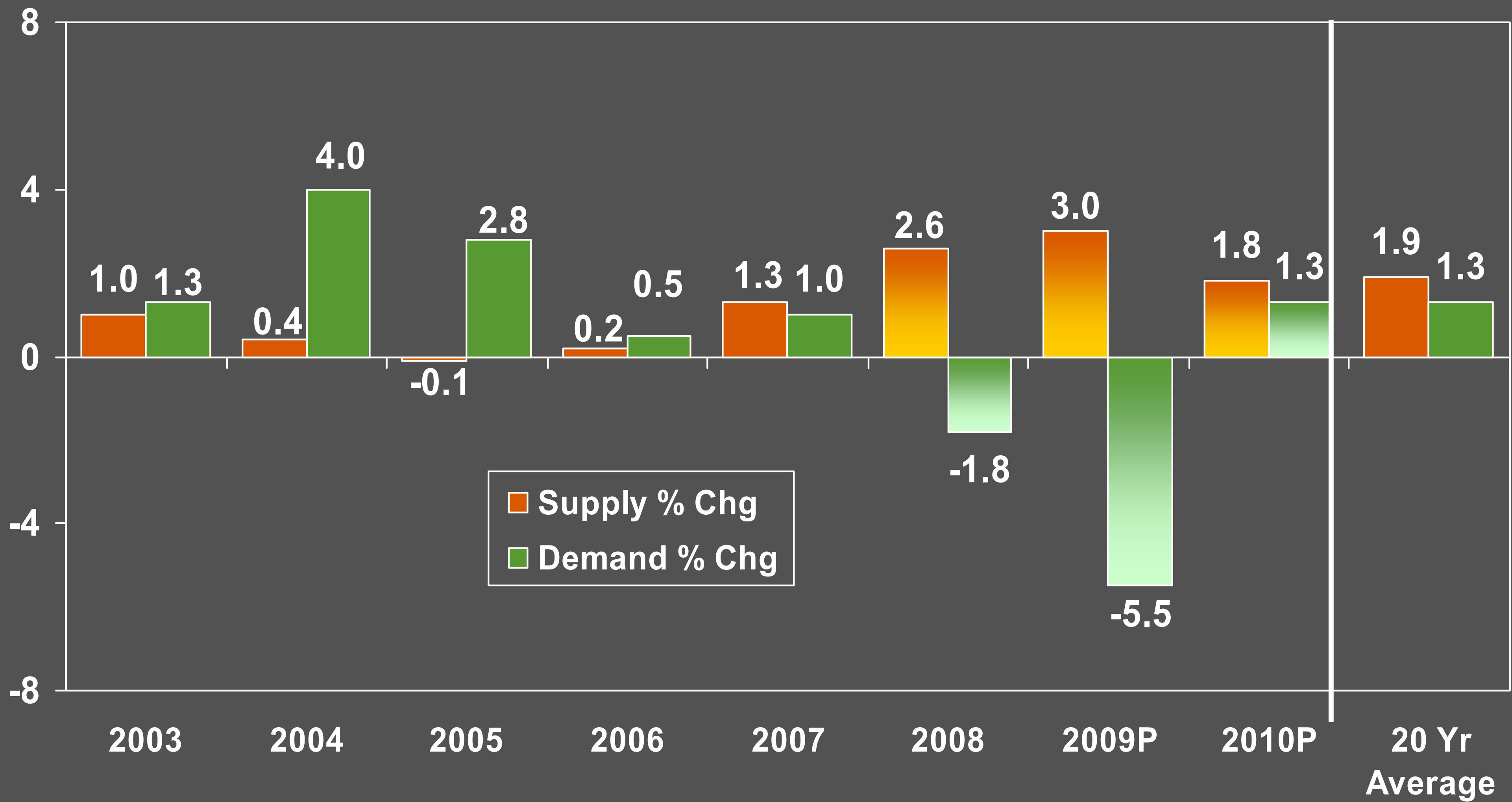
Room Demand Percent Change
Jan 2003 – Sep 2009 / Oct – Dec Forecast



Total United States

Supply/Demand Percent Change

2003 – 2010P



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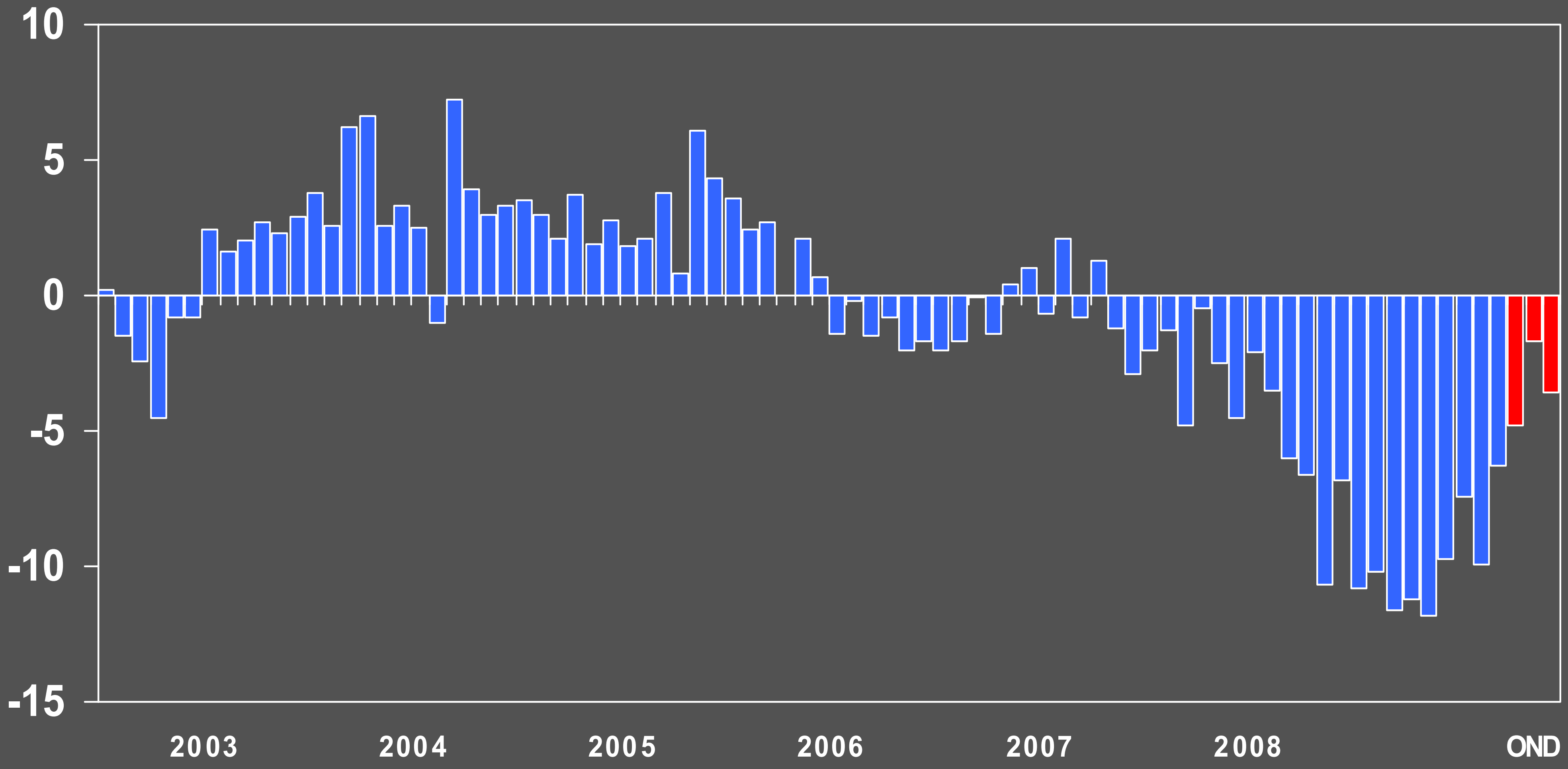
Total United States

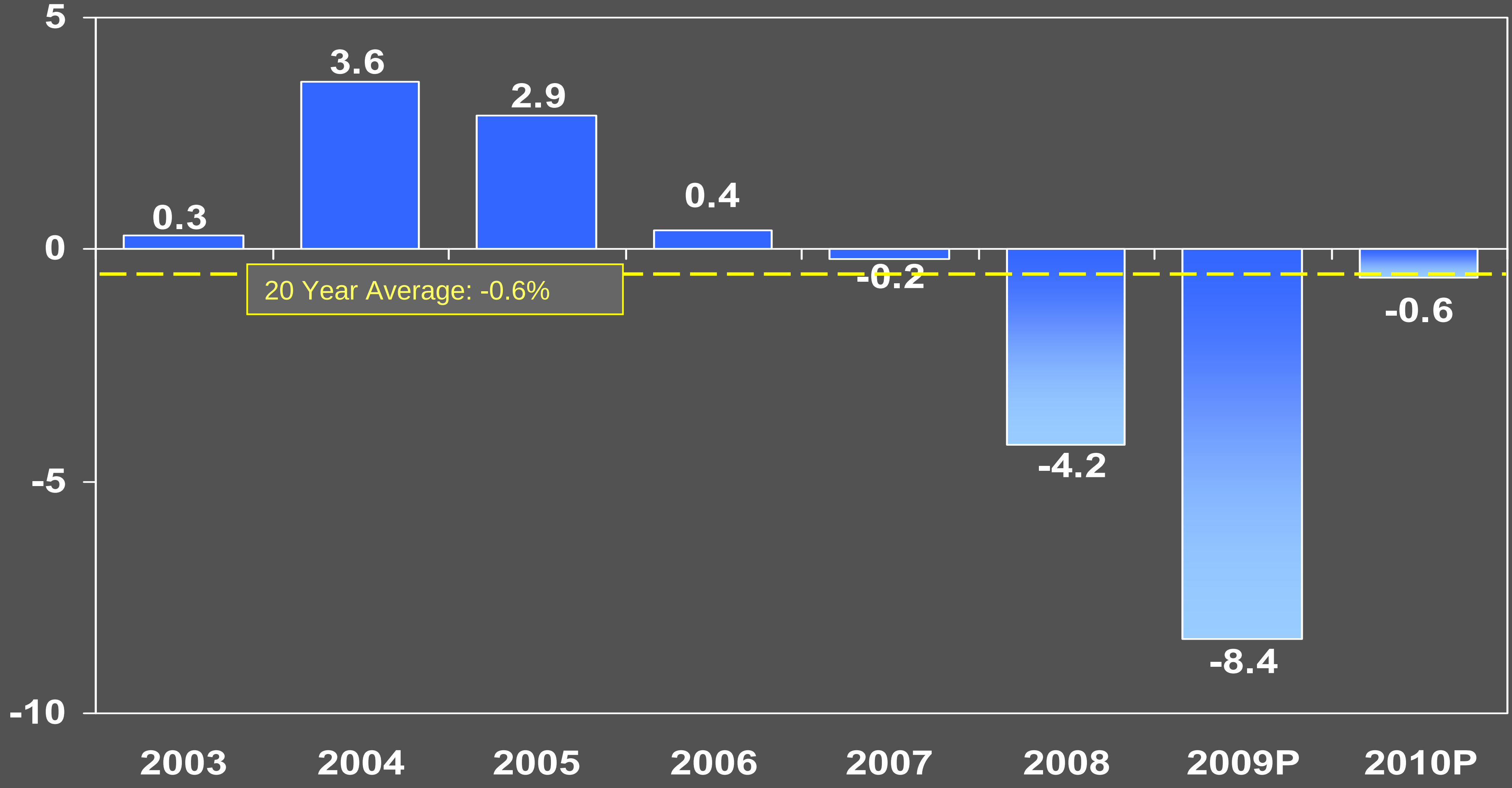
Occupancy Percent Change
Jan 2003 – Sep 2009 / Oct – Dec Forecast



Total United States

Occupancy Percent Change

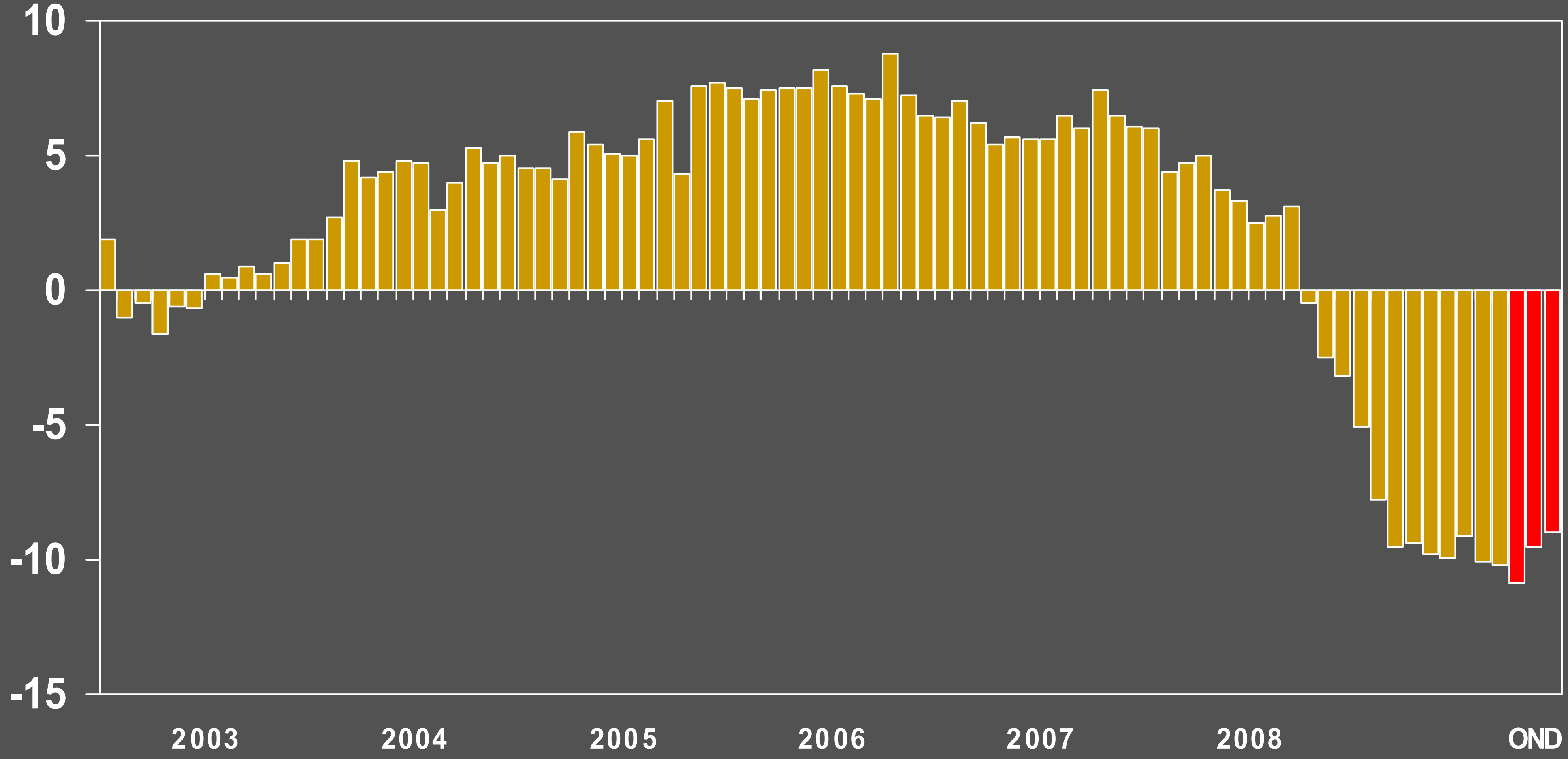
2003 – 2010P



Total United States

Room Rate Percent Change

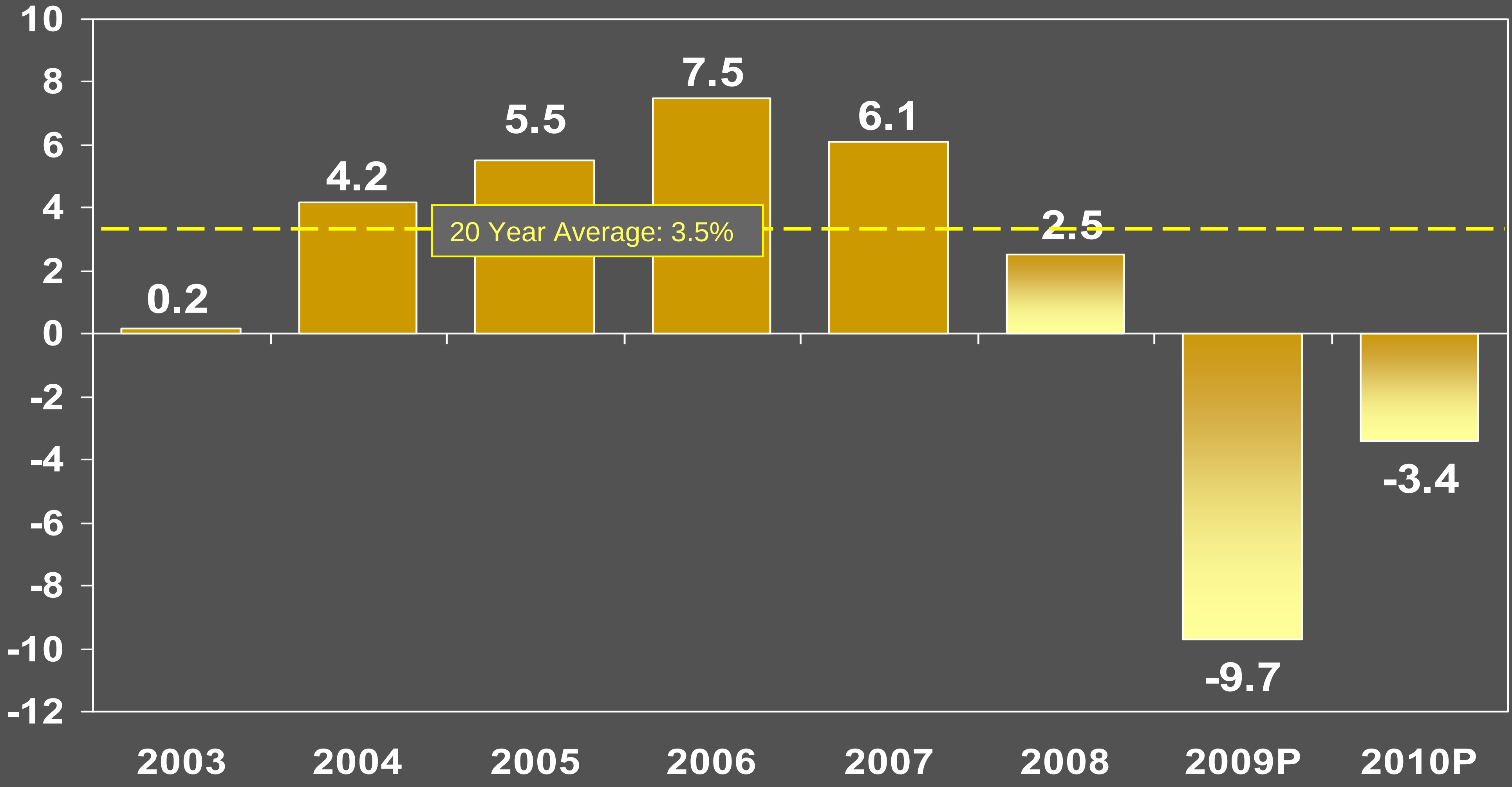
Jan 2003 – Sep 2009 / Oct – Dec Forecast



Total United States

ADR Percent Change

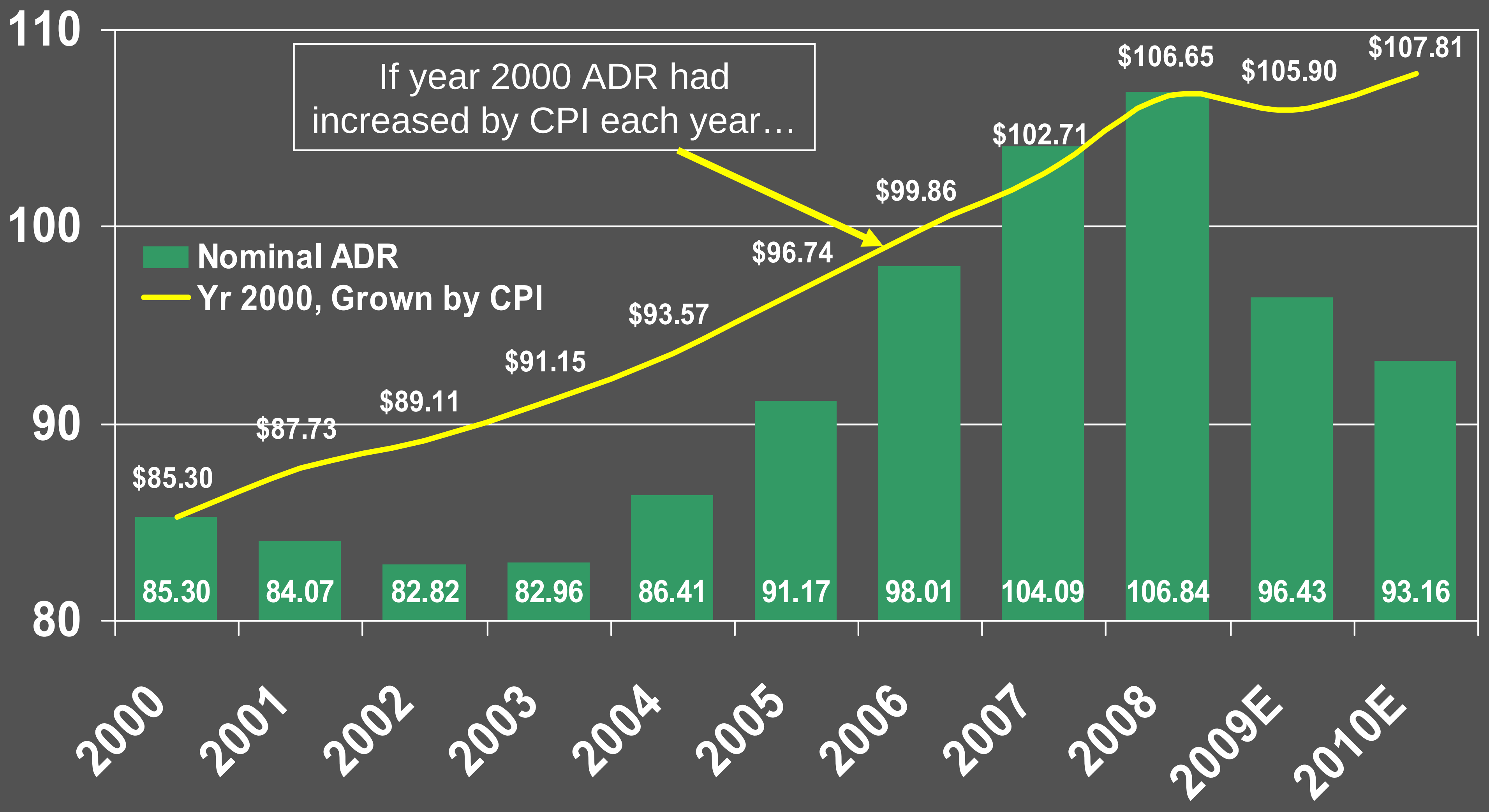
2003 – 2010P



Total US Room Rates

Actual vs. Inflation Adjusted

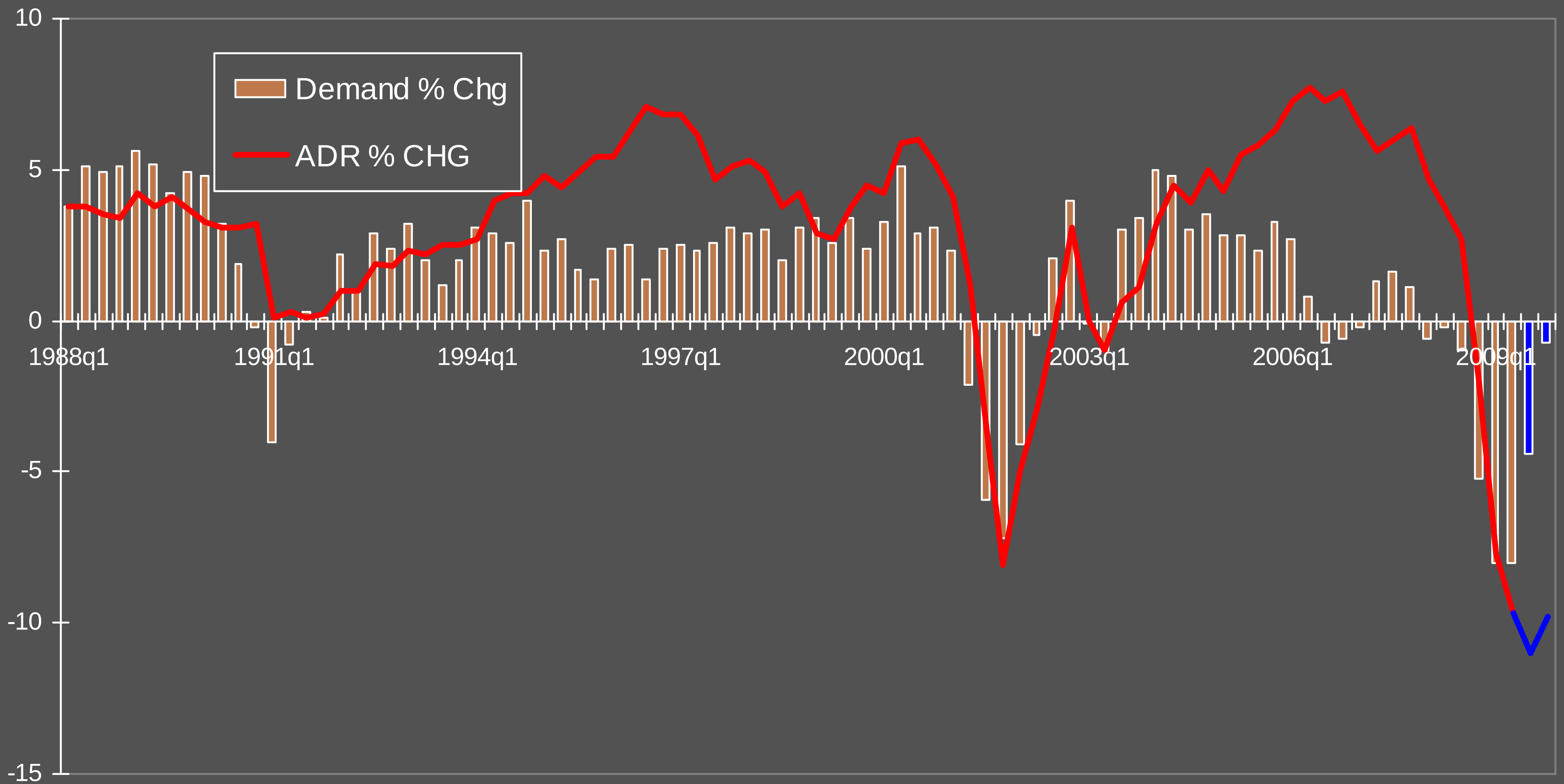
2000 – 2010E



Total United States

Hotel Rooms Sold vs. ADR Change

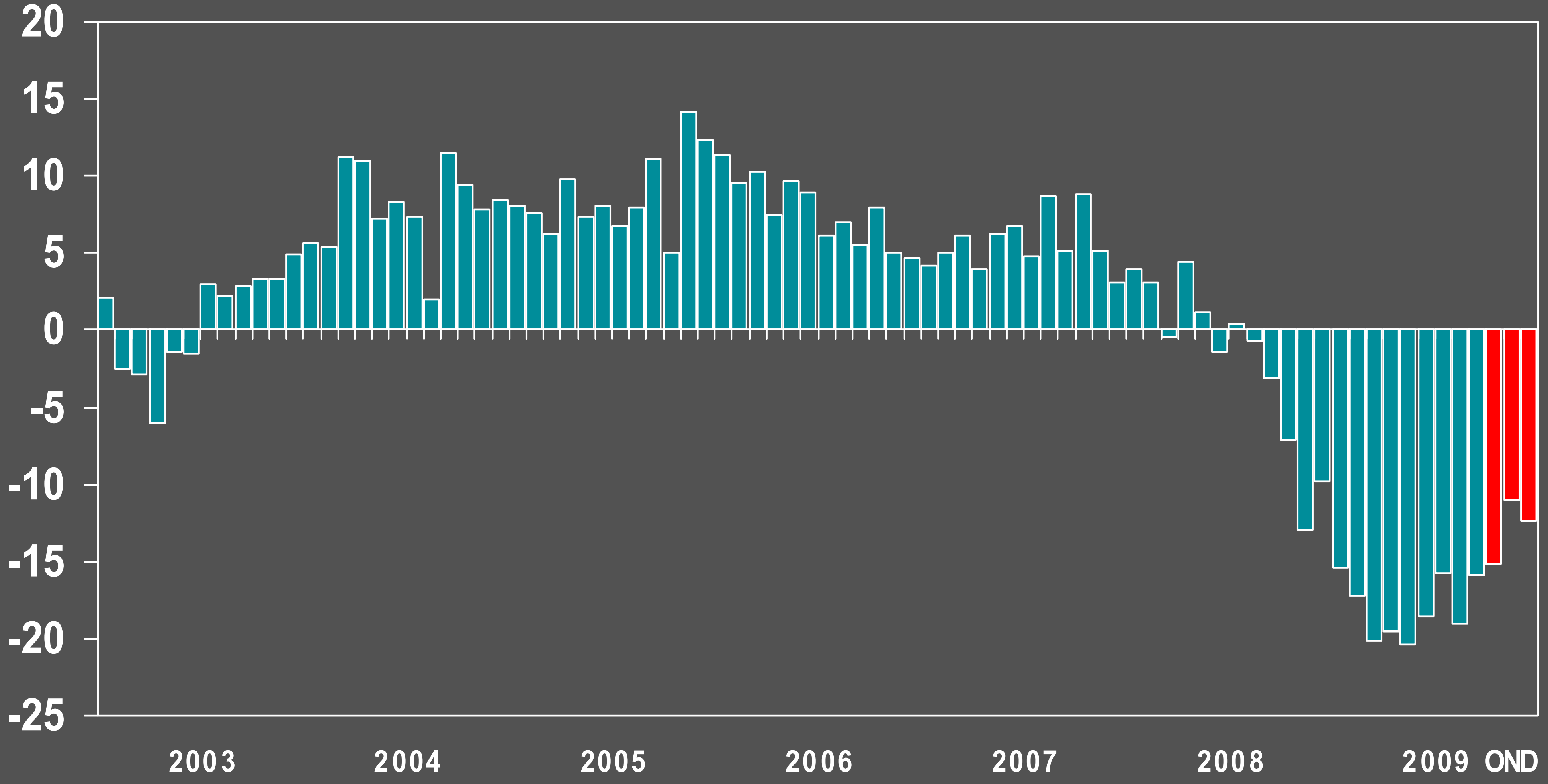
Quarterly Change – 1988 to Q4 2009E



Total United States

RevPAR Percent Change

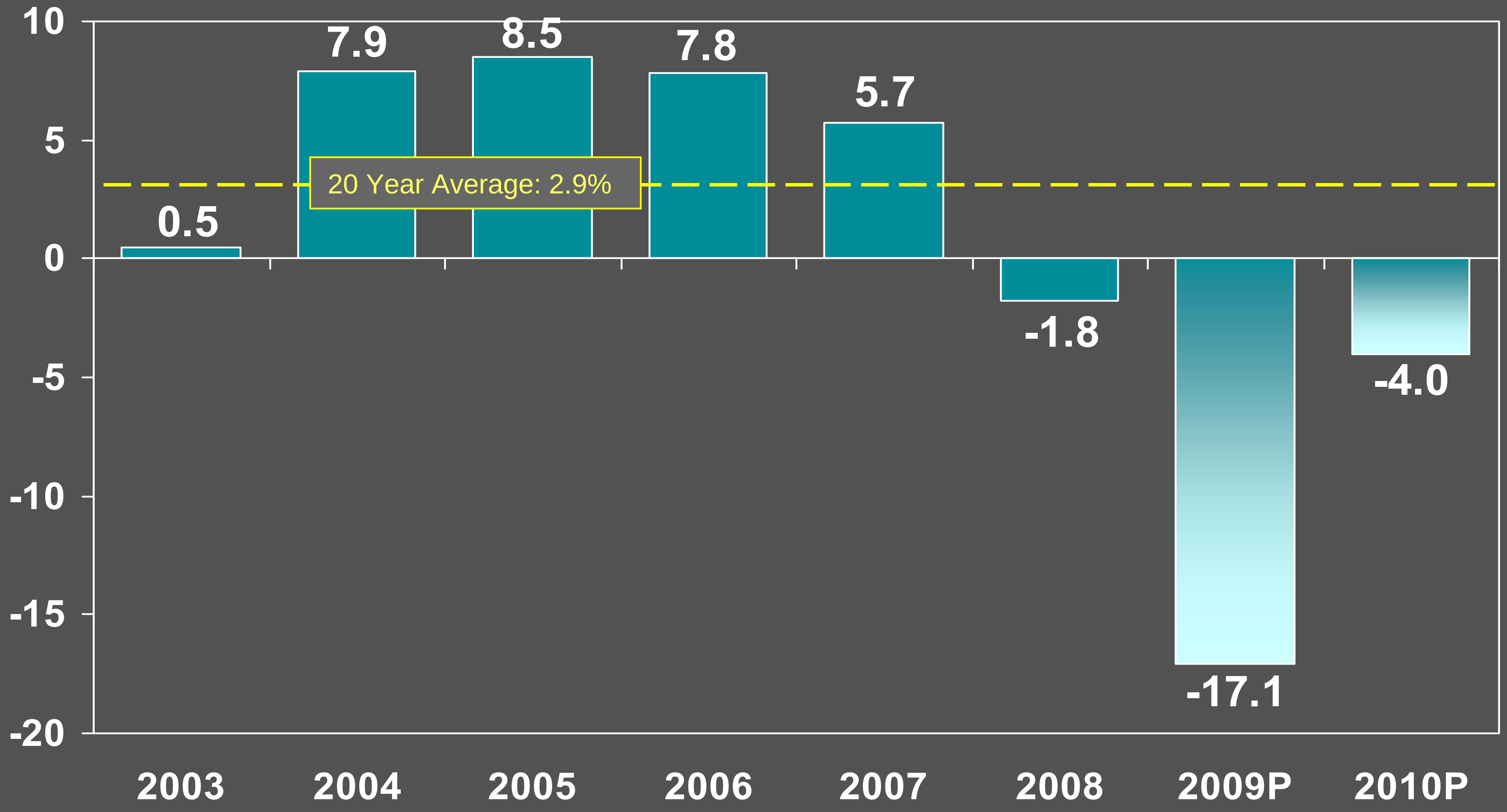
Jan 2003 – Sep 2009 / Oct – Dec Forecast



Total United States

RevPAR Percent Change

2003 – 2010P



Takeaways

- Supply growth still an issue
- Demand declines may be at or near bottom
- ADR weakness continues
- “Less Worse” 2H 2009
- Moderate improvement 2010
- Meaningful growth anticipated 2011

Questions

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