

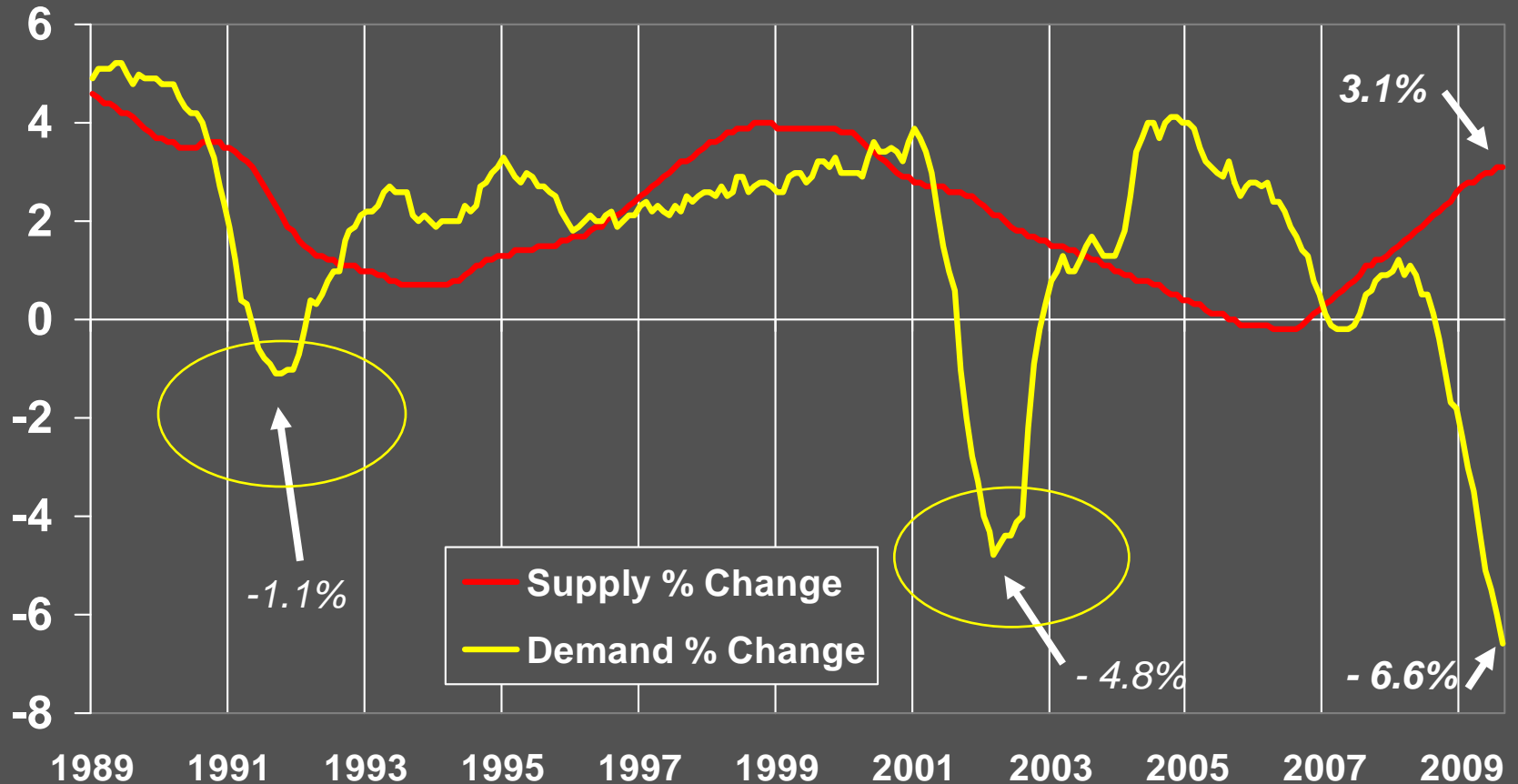


# ***LODGING INDUSTRY OVERVIEW***

**Mark V. Lomanno**

**President**

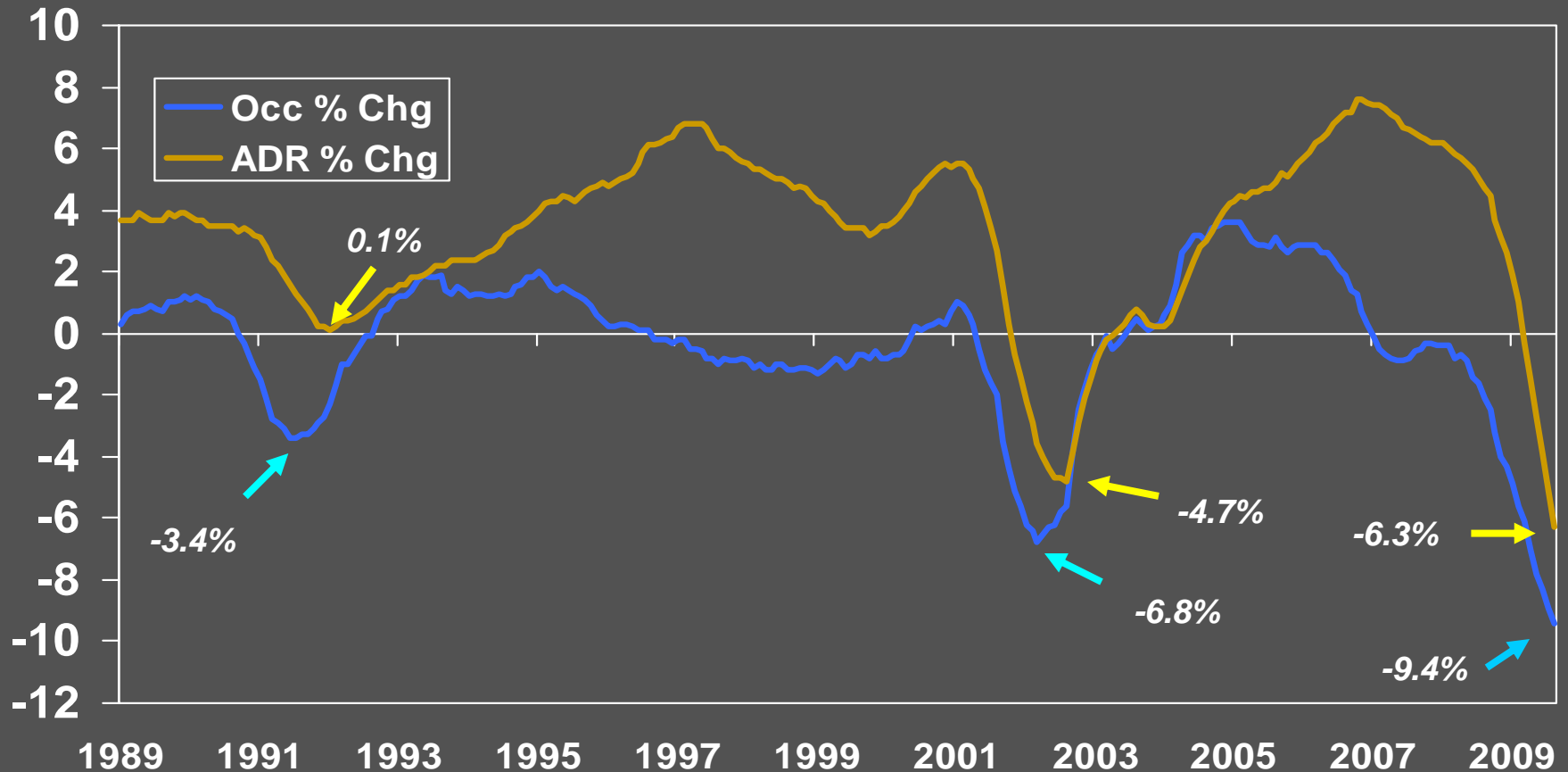
# Total US - Room Supply & Demand Percent Change Twelve Month Moving Average – 1989 to August 2009



2008 Smith Travel Research, Inc.

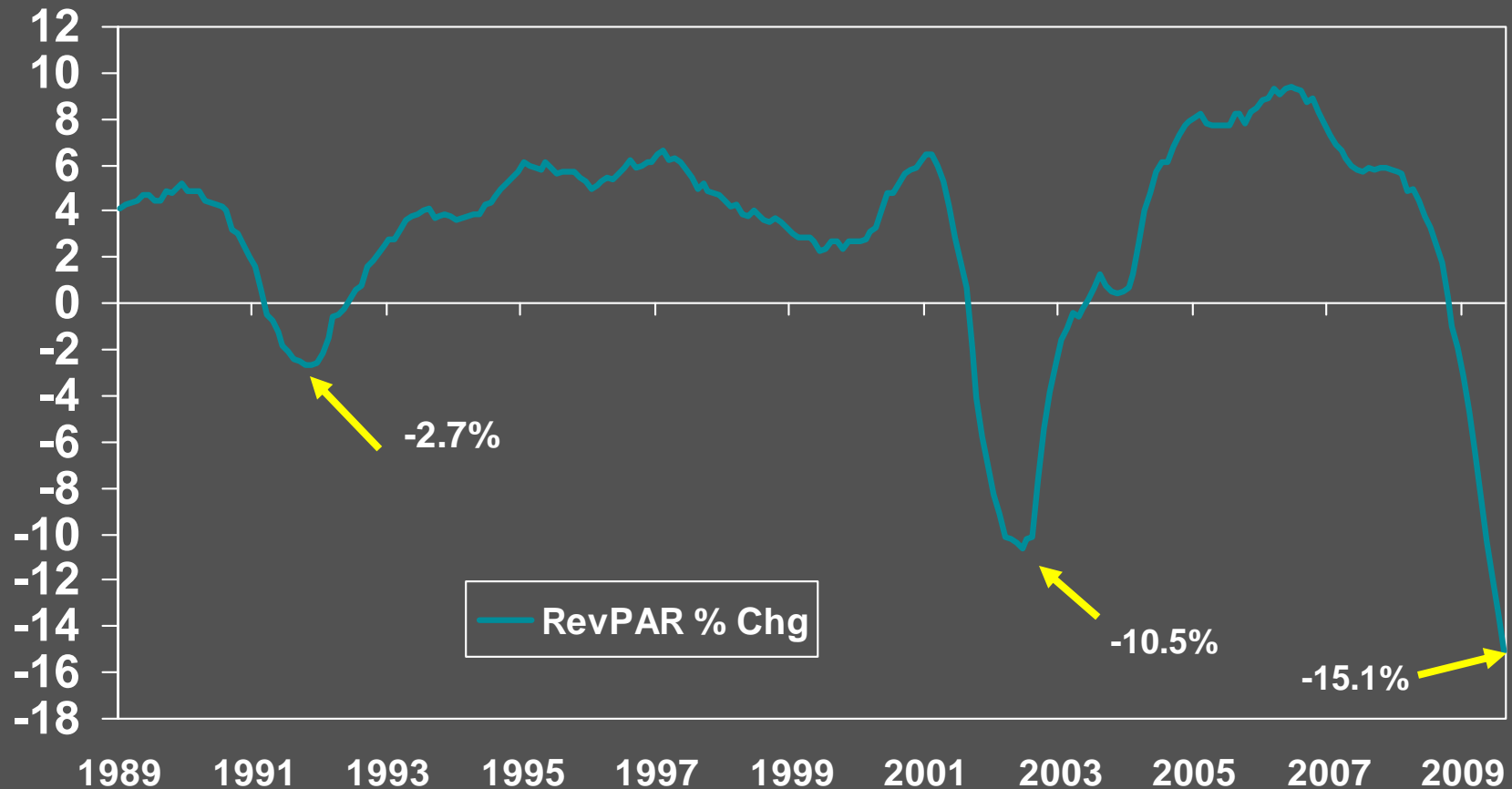
# Total US – Occupancy & ADR Percent Change

## Twelve Month Moving Average – 1989 to August 2009



# Total US - RevPAR Percent Change

Twelve Month Moving Average – 1989 to August 2009

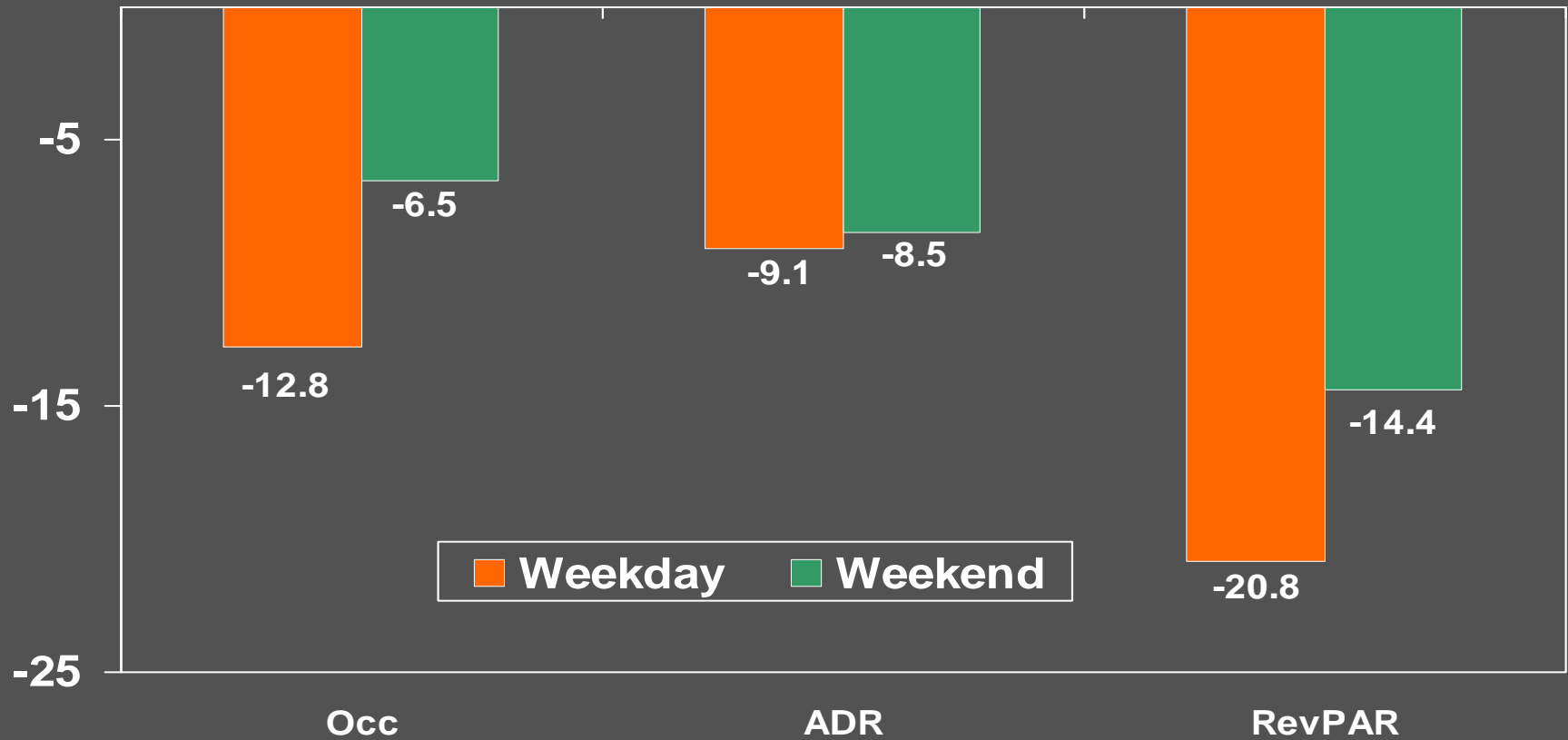


2008 Smith Travel Research, Inc.

# Total United States

Weekday / Weekend Percent Change

September 12<sup>th</sup> 2009 YTD



Weekends = Friday / Saturday

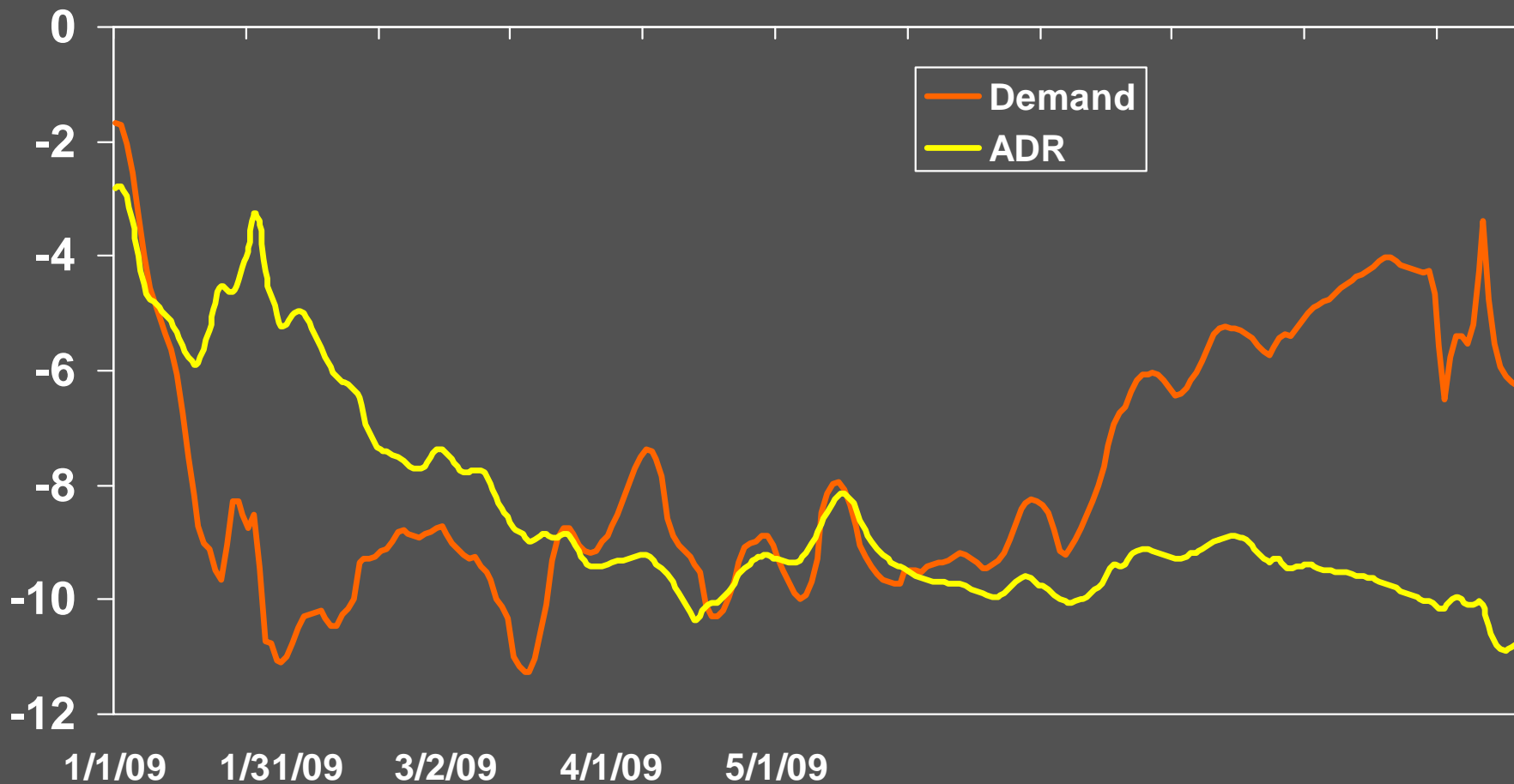
2009 Smith Travel Research, Inc.

# Total United States

28 Day Moving Average

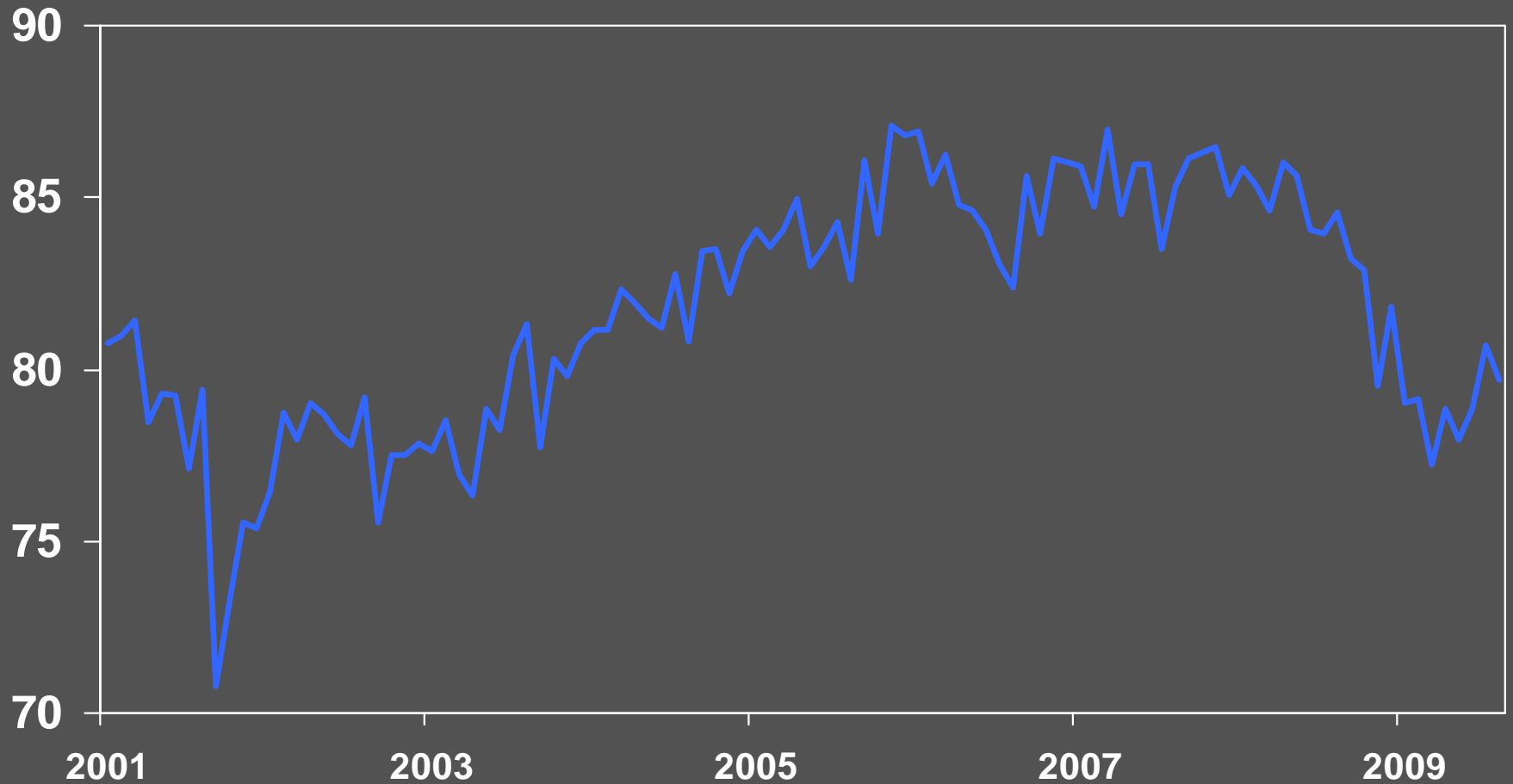
Demand & ADR % Change

Jan 1<sup>st</sup>, 2009 – September 12<sup>th</sup>, 2009



# Total United States

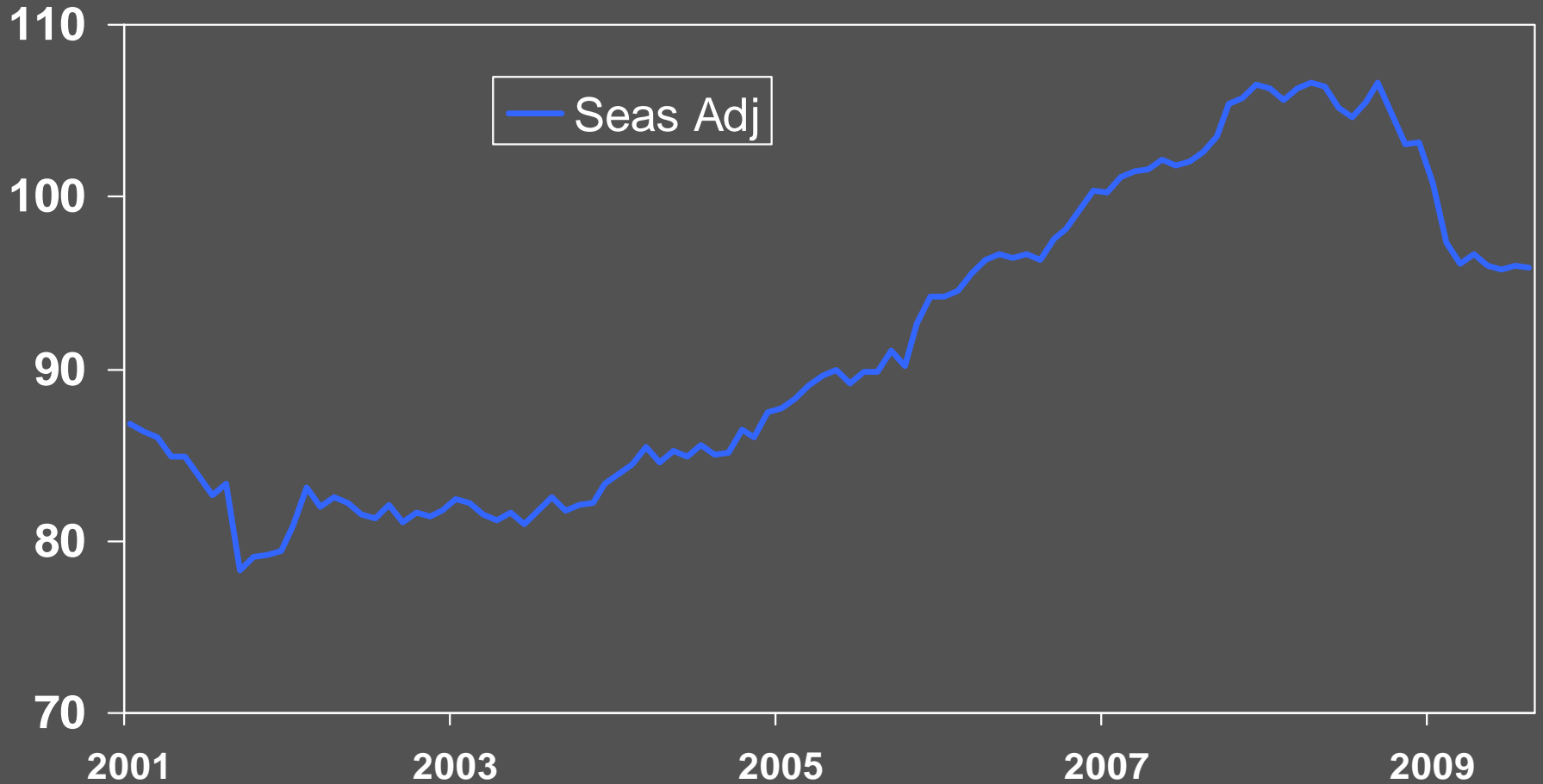
Monthly Room Demand (In Millions) – Seasonally Adjusted  
January 2001 – to Aug 2009



2009 Smith Travel Research, Inc.

# Total United States

Monthly ADR – Seasonally Adjusted  
January 2001 – to Aug 2009

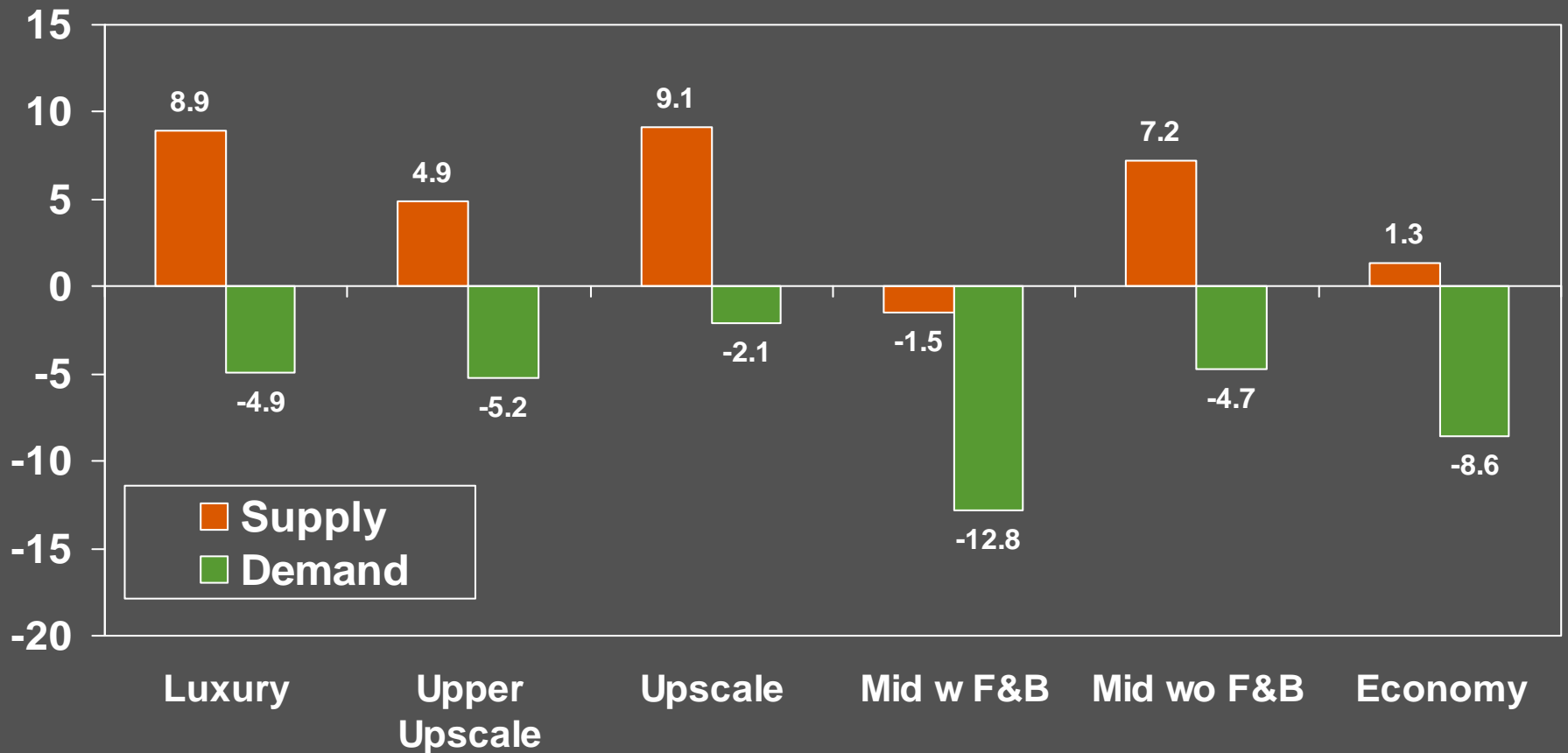


2009 Smith Travel Research, Inc.

# Chain Scales

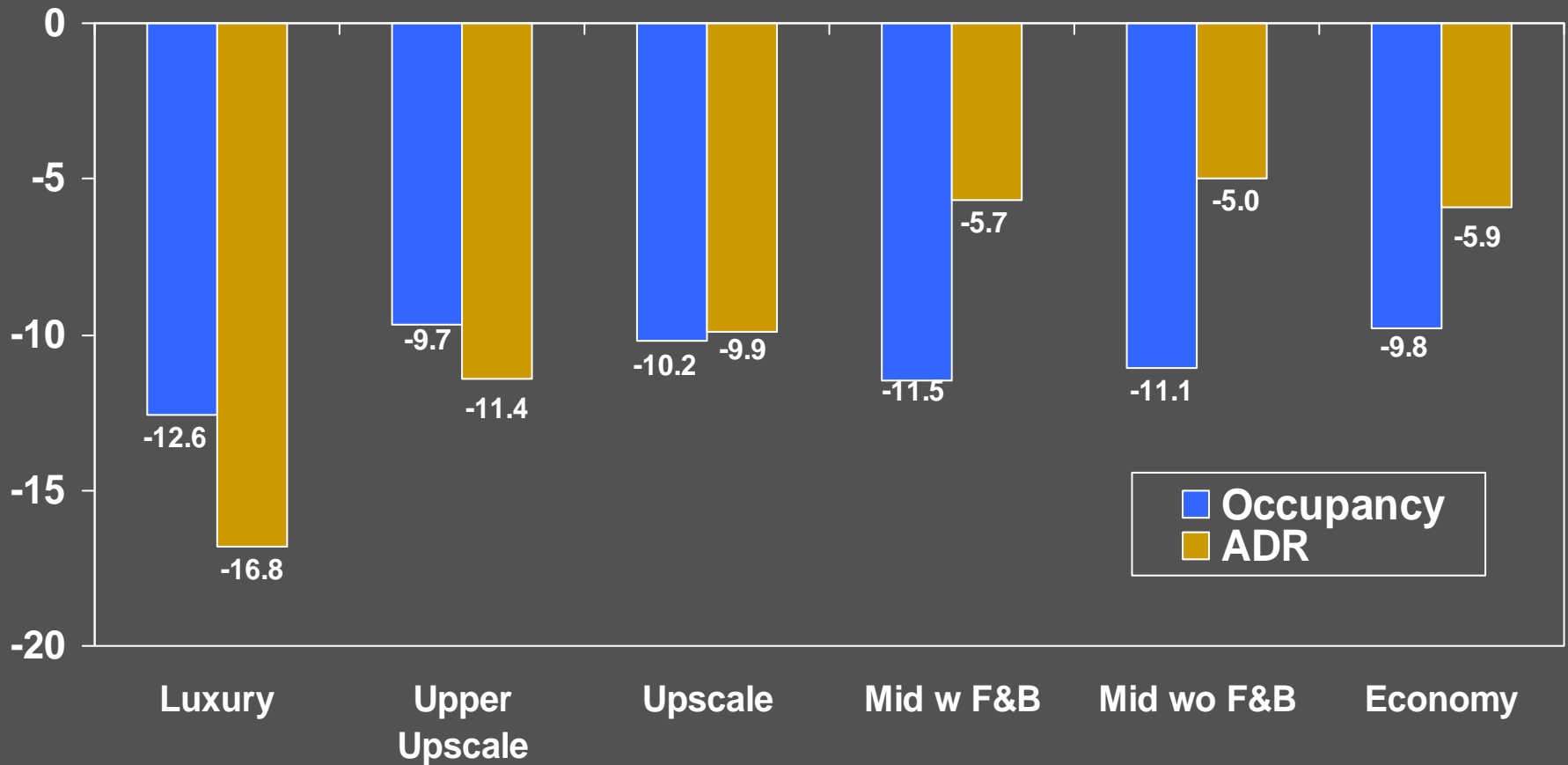
Supply/Demand Percent Change

August 2009 YTD



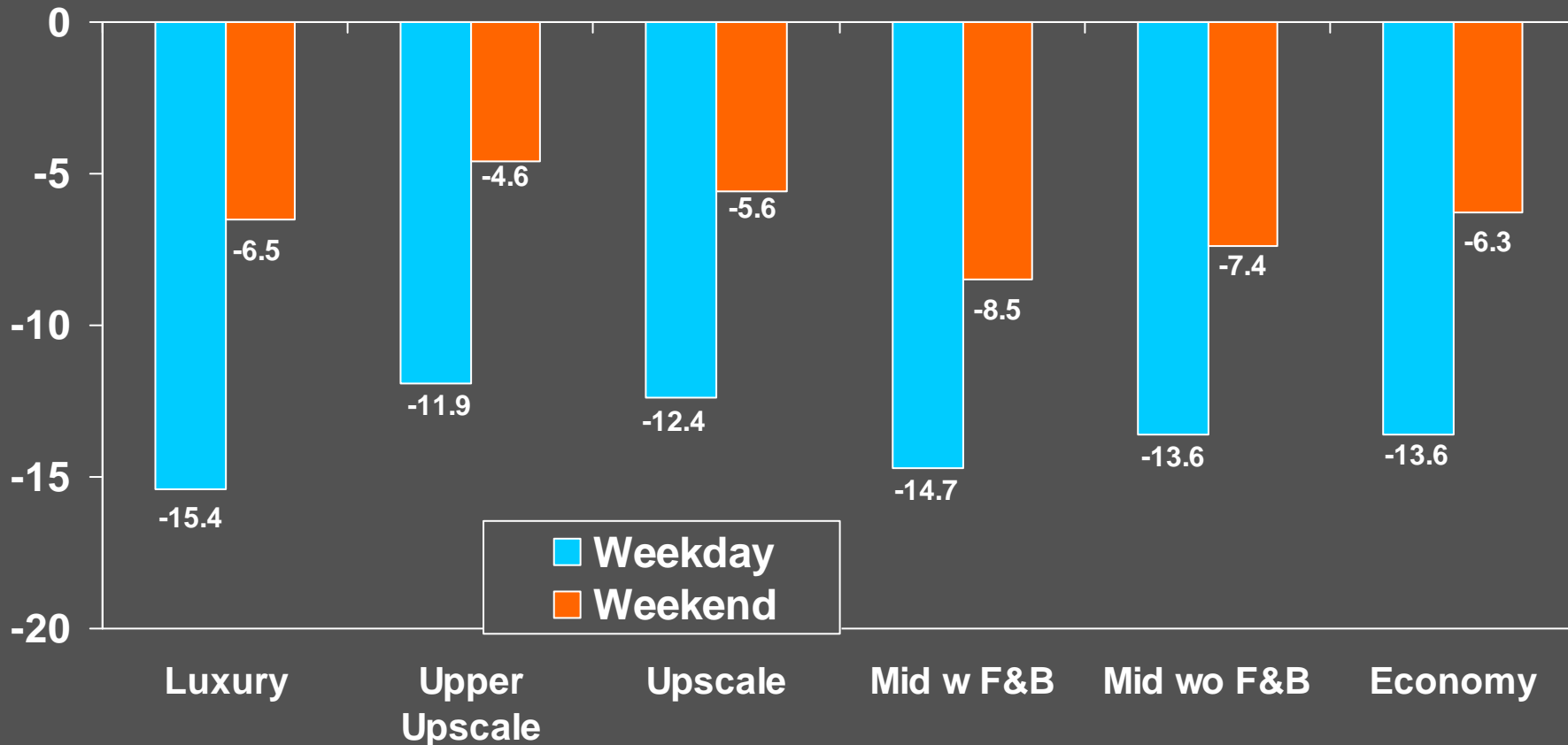
# Chain Scales

Occupancy/ADR Percent Change  
August 2009 YTD



# Chain Scales

Weekday vs. Weekend Occupancy Percent Change  
Jan 1<sup>st</sup> through Sept 12<sup>th</sup>, 2009

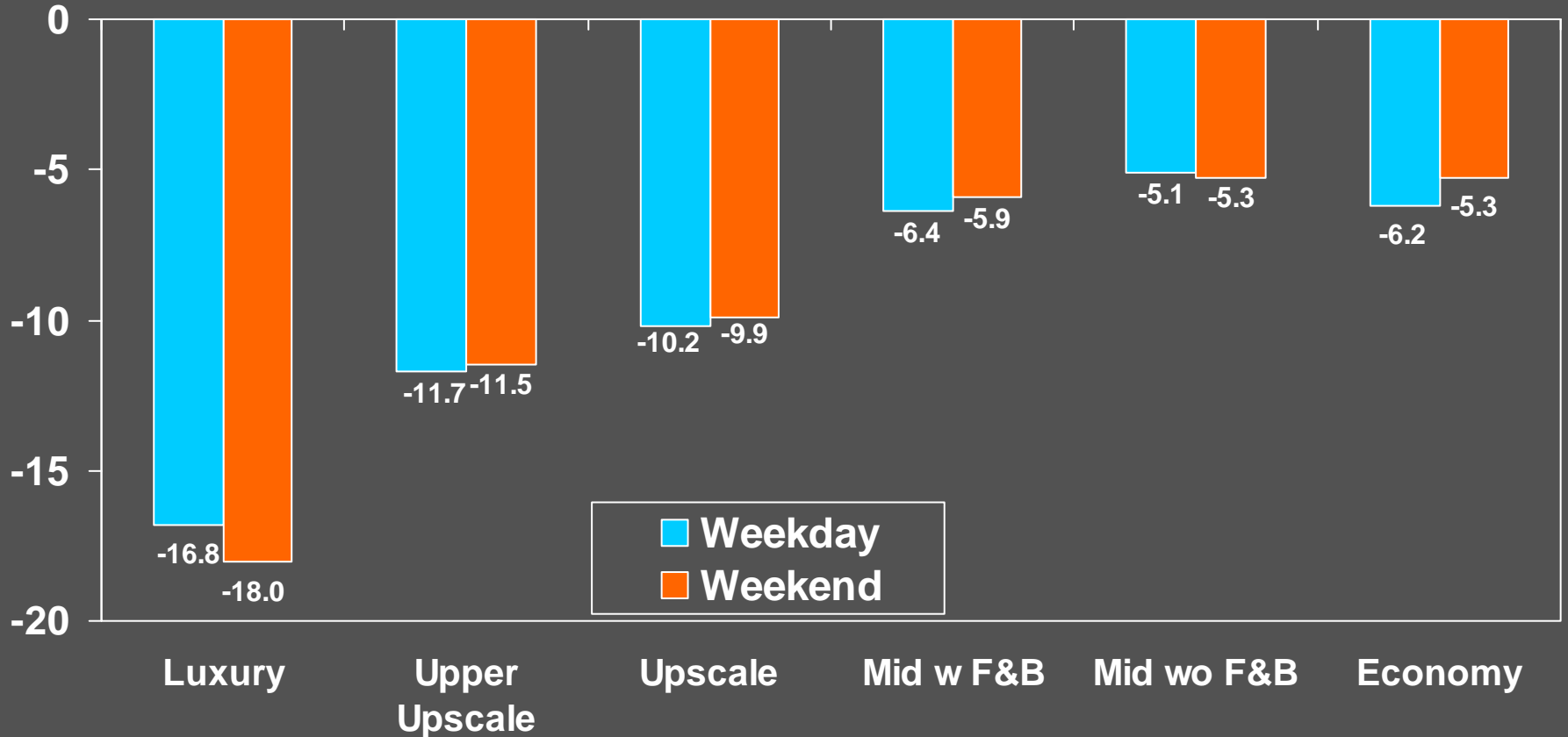


2009 Smith Travel Research, Inc.

# Chain Scales

Weekday vs. Weekend ADR Percent Change

Jan 1<sup>st</sup> through Sept 12<sup>th</sup>, 2009



2009 Smith Travel Research, Inc.



# Group vs. Transient Performance



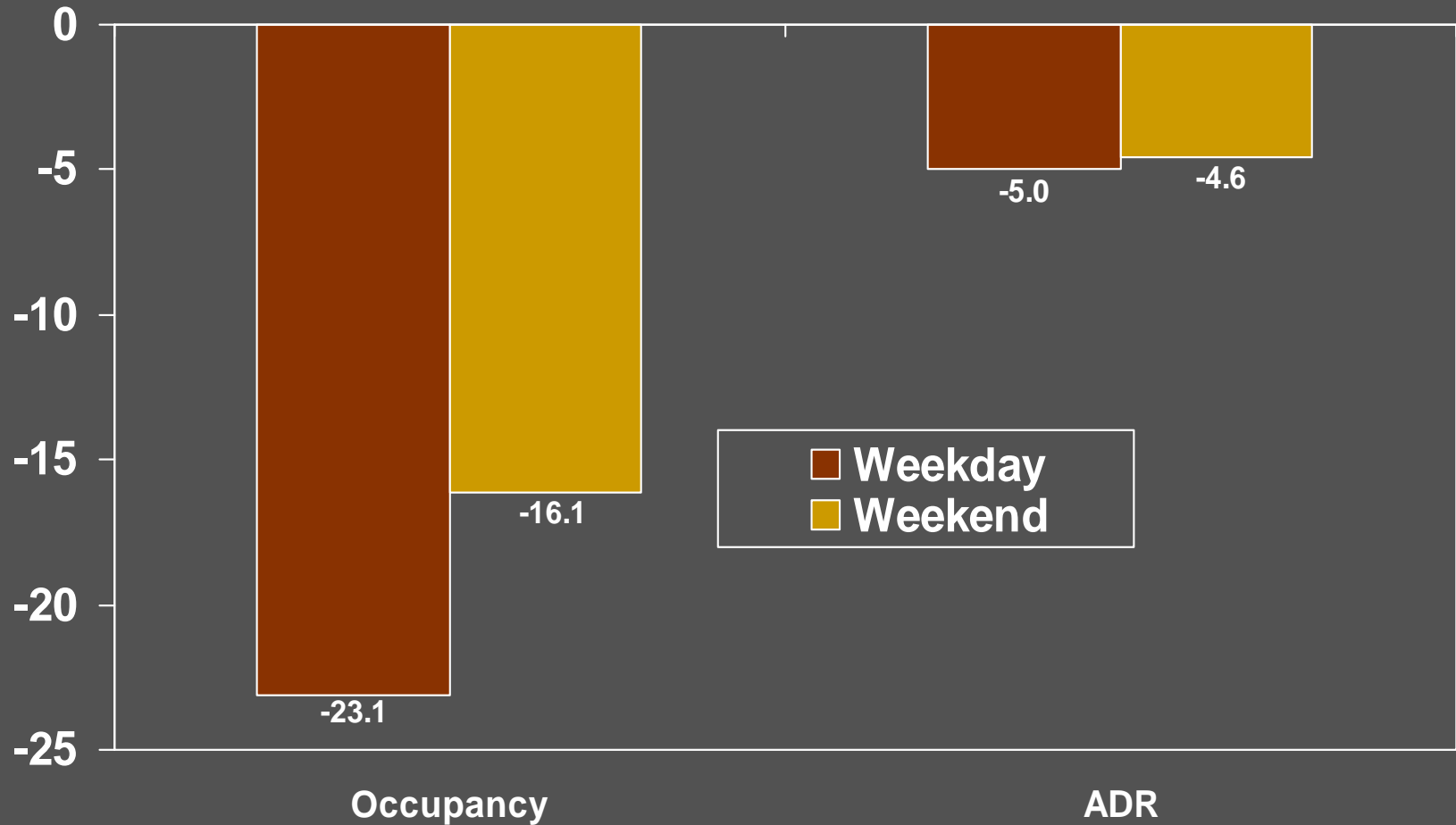
the new name in global hotel benchmarking



# Group - Occupancy / ADR Performance

## Weekday / Weekend

### August 2009 YTD

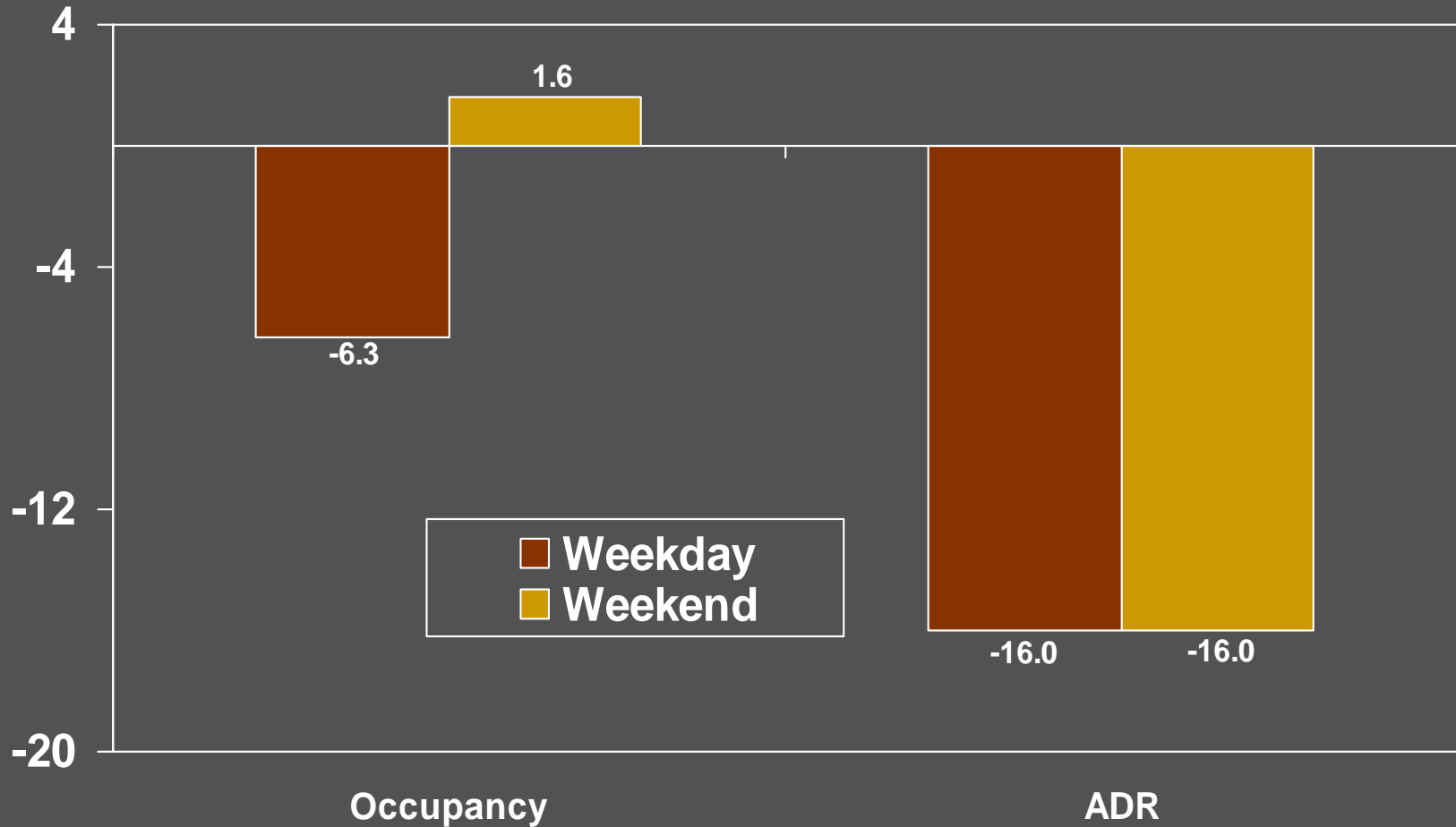


2009 Smith Travel Research, Inc.

# Transient - Occupancy / ADR Performance

## Weekday / Weekend

### August 2009 YTD



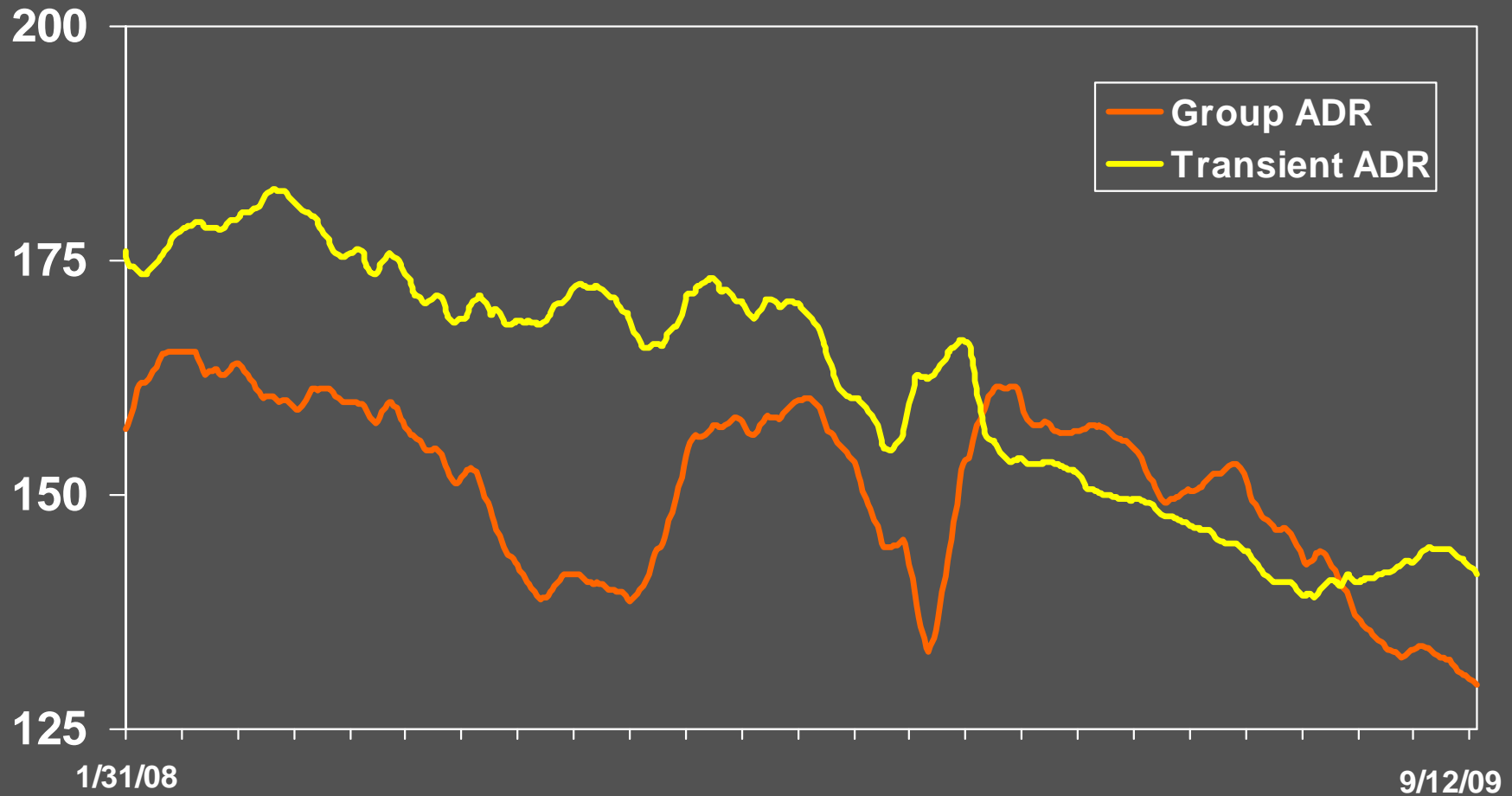
2009 Smith Travel Research, Inc.

# Total United States

28 Day Moving Average

Group & Transient Absolute ADR

Jan 31, 2008 – September 12<sup>th</sup>, 2009





# U.S. Lodging Industry Projections



the new name in global hotel benchmarking



# Total United States Active Development Pipeline - Rooms Change From Last Year

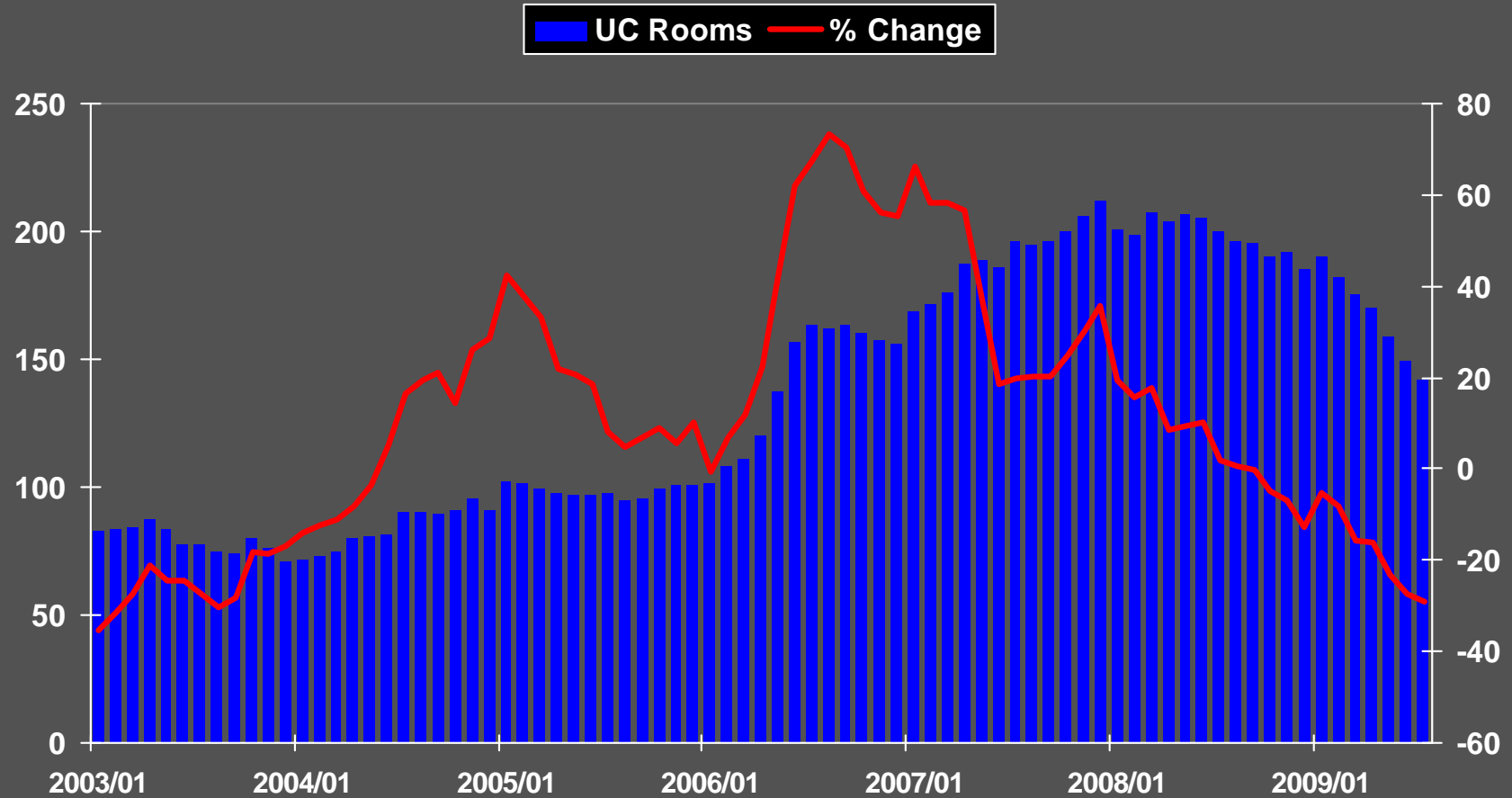
<u>Phase</u>	<u>August 2009</u>	<u>August 2008</u>	<u>Difference</u>	<u>% Change</u>
In Construction	130,471	195,947	-65,476	-33.4%
Final Planning	70,811	110,553	-39,742	-35.9%
Planning	274,239	353,290	-79,051	-22.4%
<b>Active Pipeline</b>	<b>475,521</b>	<b>659,790</b>	<b>-184,269</b>	<b>-27.9%</b>
Pre-Planning	114,986	144,517	-29,531	-20.4%
<b>Total</b>	<b>590,507</b>	<b>804,307</b>	<b>-213,800</b>	<b>-26.6%</b>

Source: STR / TWR / Dodge Construction Pipeline



# Total U.S.

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

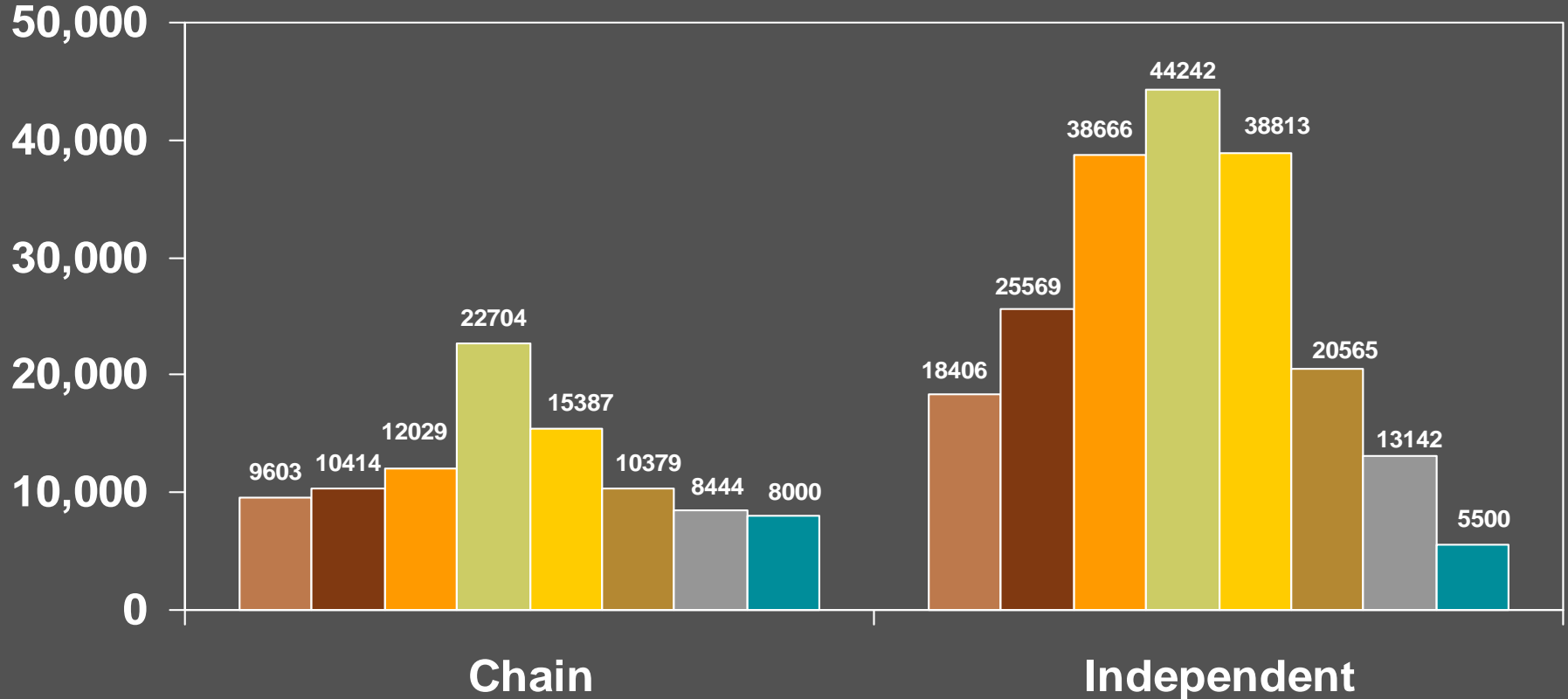


# Total United States

## Closed Rooms (In Closed Properties): Chain vs. Independent

2002 through June 2009

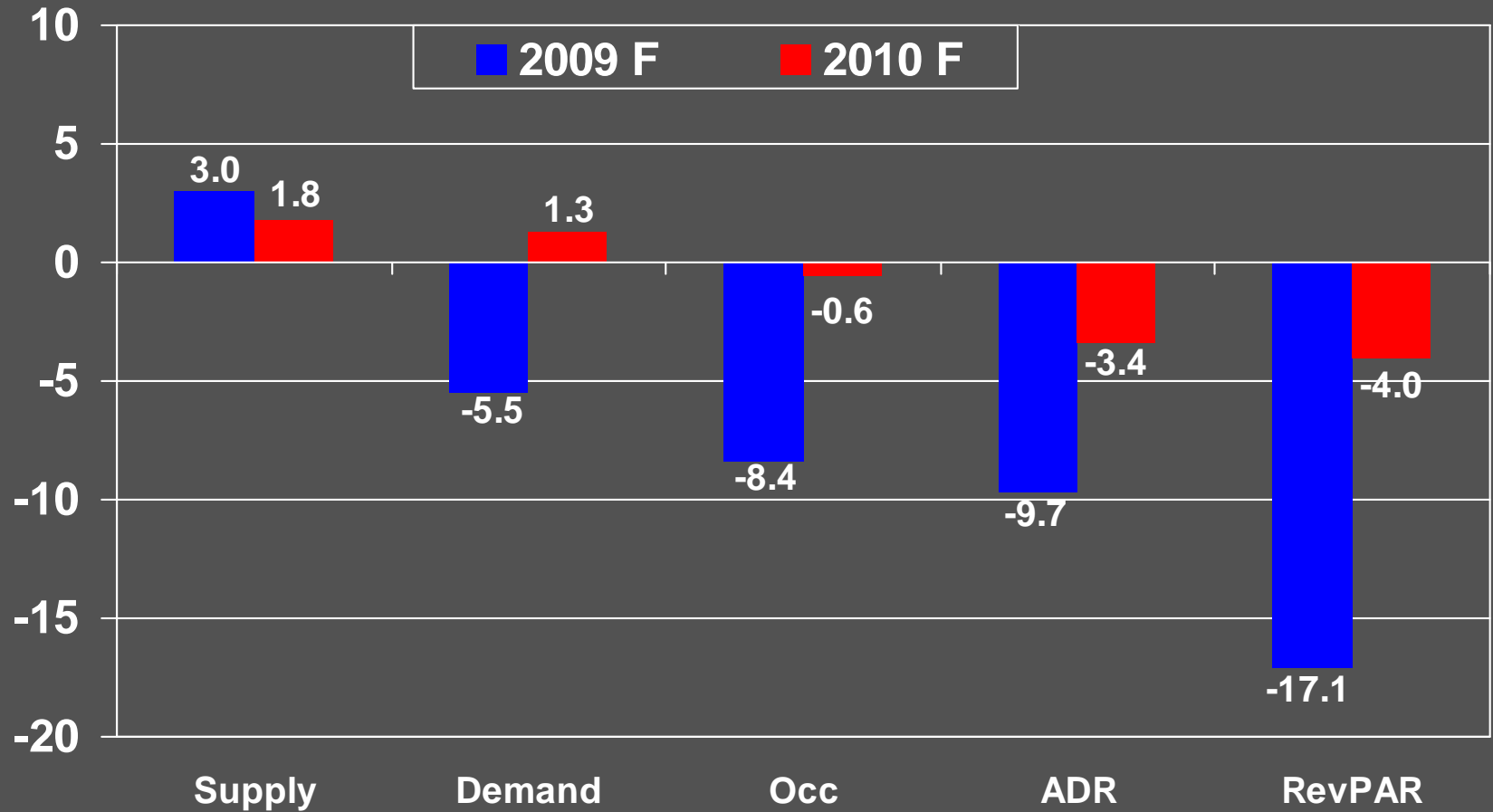
2002 2003 2004 2005  
2006 2007 2008 2009E



2009 Smith Travel Research, Inc.

# Total United States

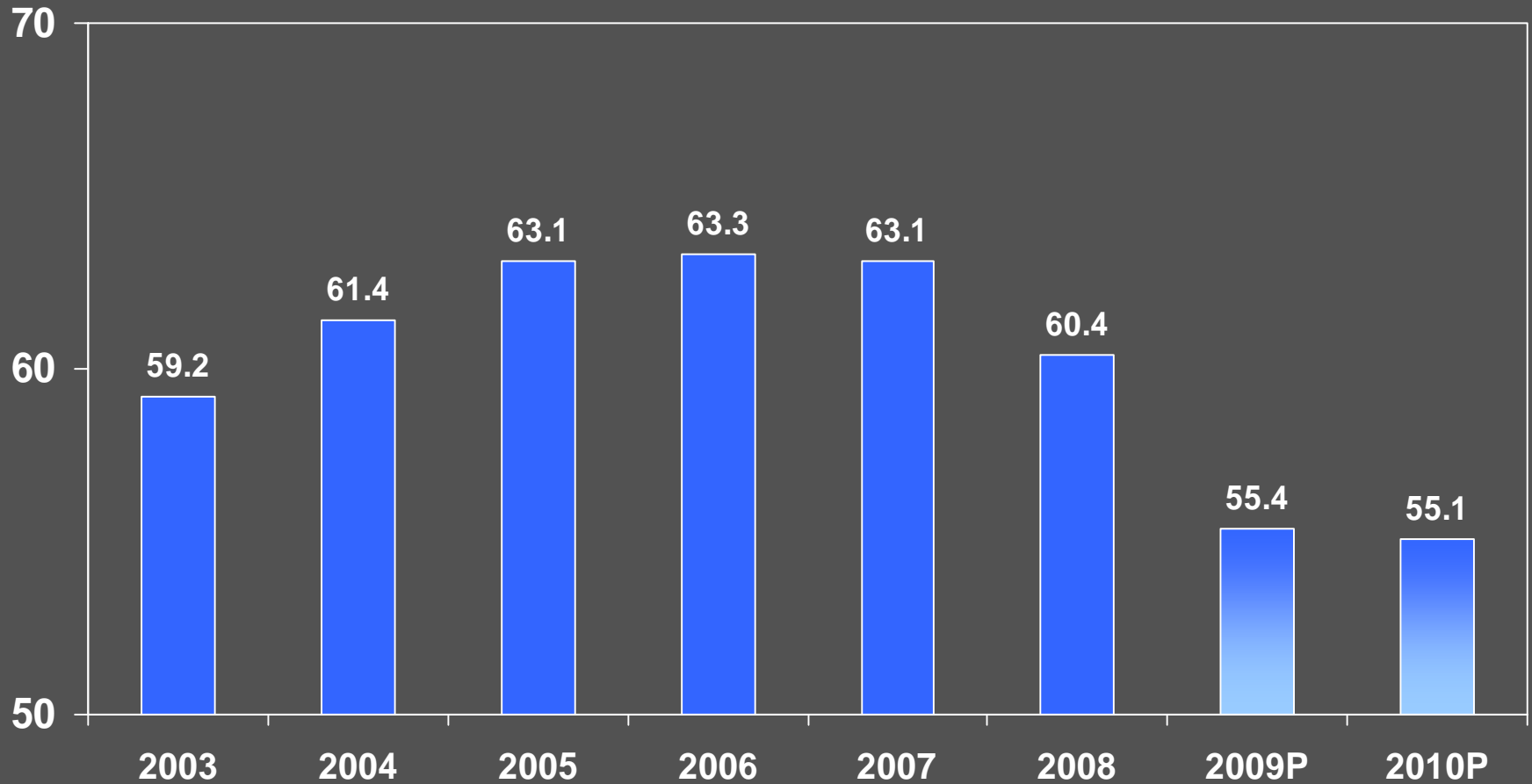
Key Performance Indicators Percent Change  
Full Year 2009 2010 Forecast



# Total United States

Occupancy Percent

2003 – 2010P



# Total United States

Average Daily Rate (In Dollars)

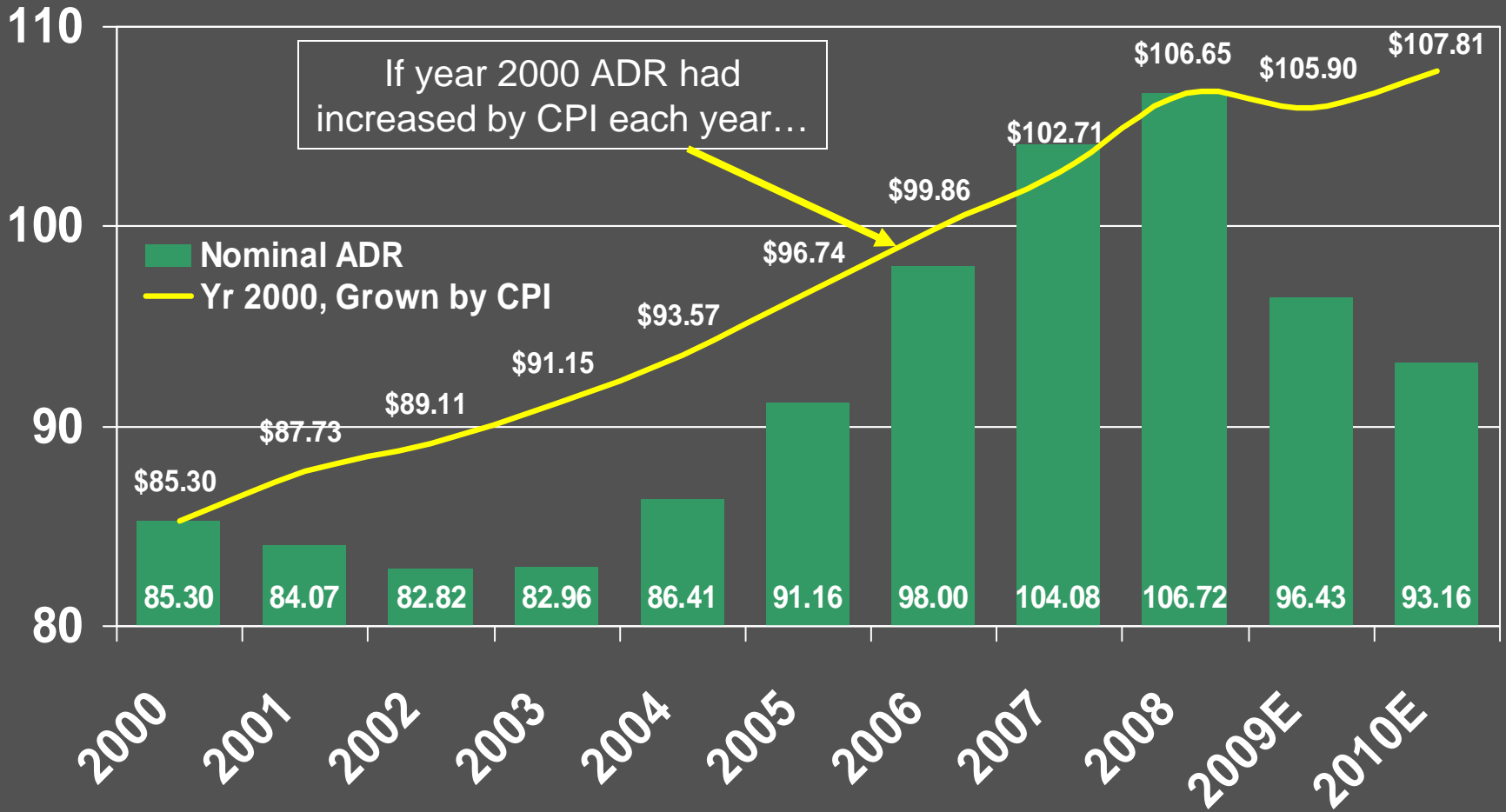
2003 – 2010P



# Total US Room Rates

Actual vs. Inflation Adjusted

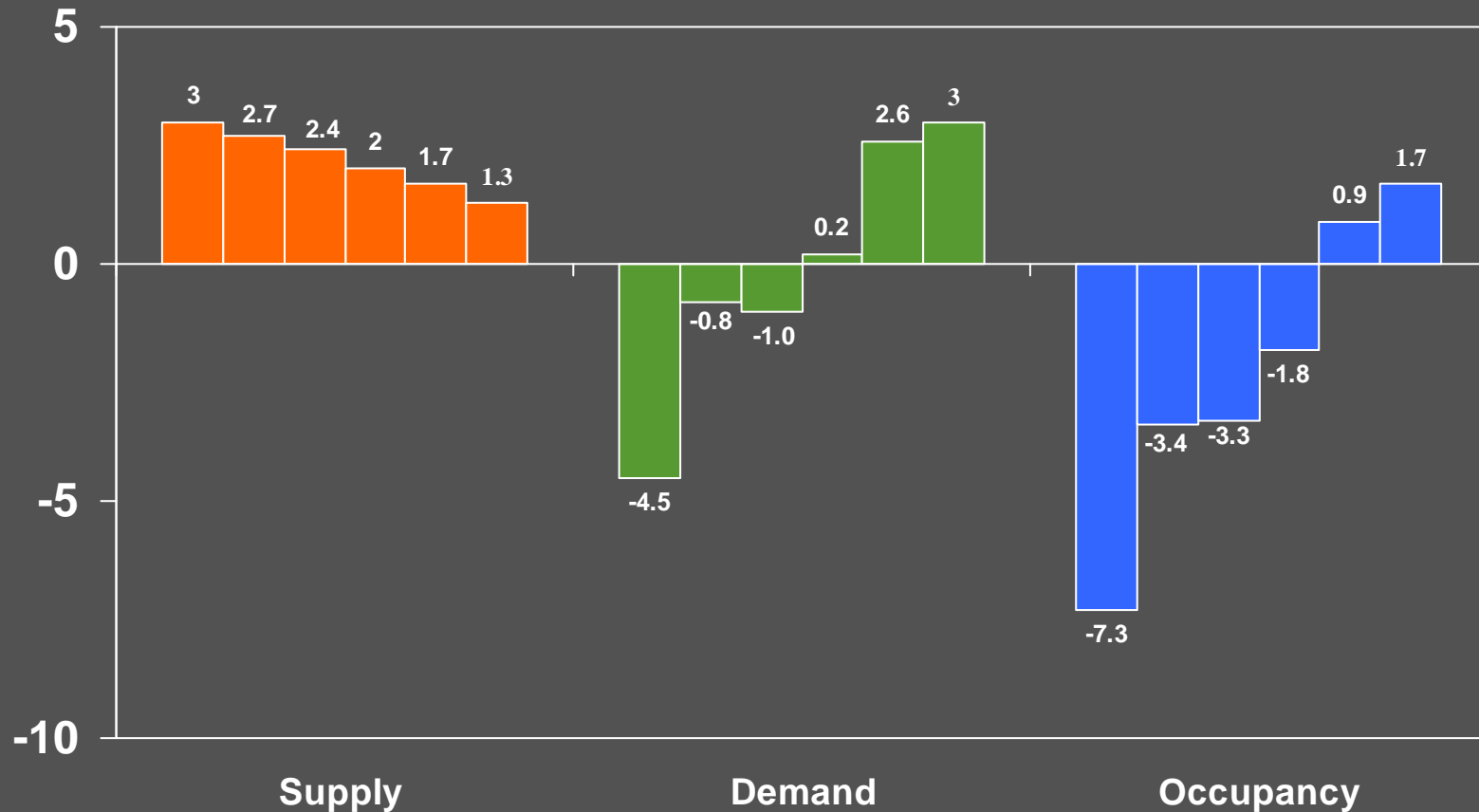
2000 – 2010E



# Total United States

## Supply, Demand & Occupancy Forecast

Q3 2009 – Q4 2010

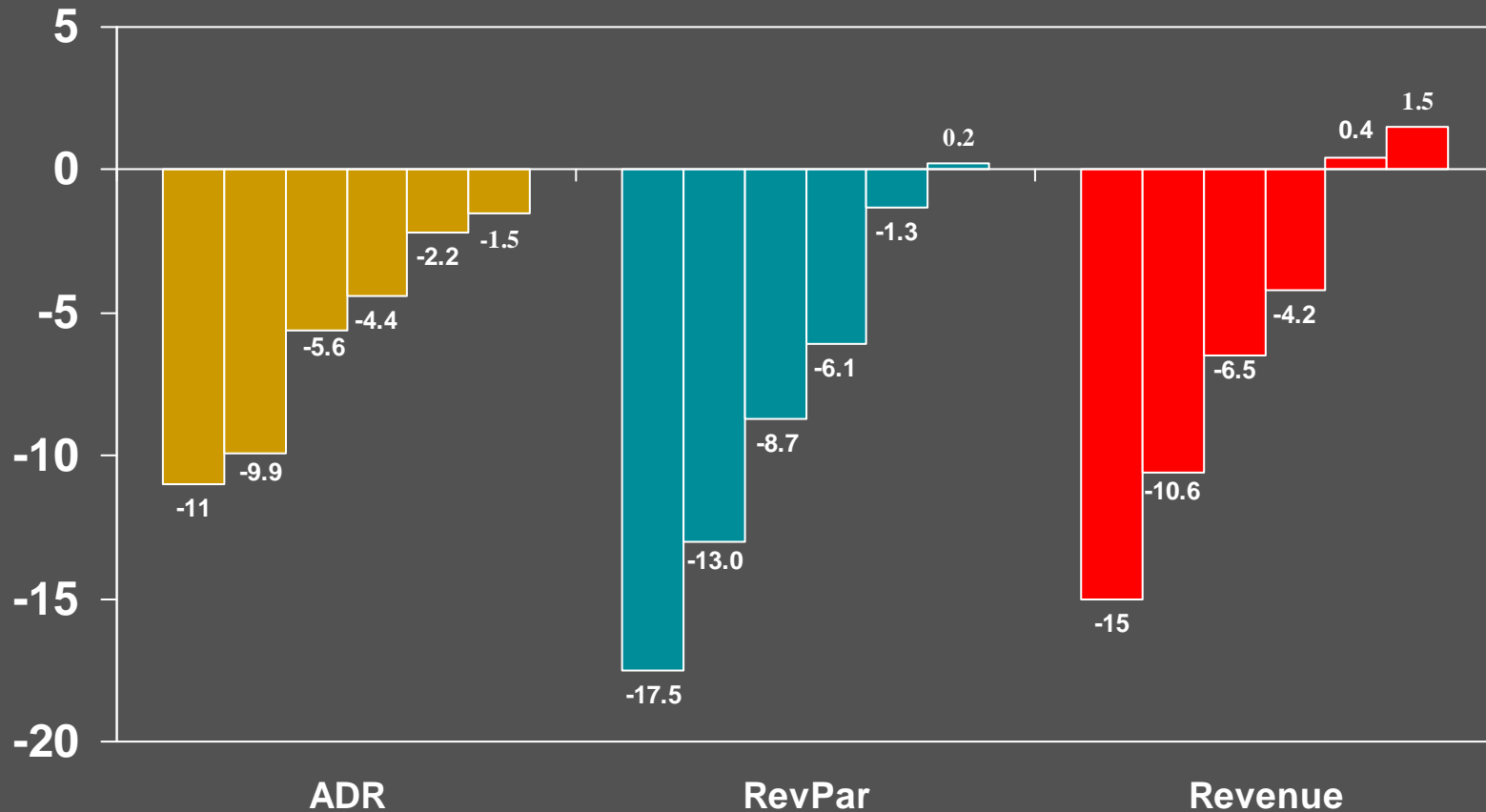


2008 Smith Travel Research, Inc.

# Total United States

## ADR, RevPar and Room Revenue Forecast

Q3 2009 – Q4 2010



2008 Smith Travel Research, Inc.

# Total US Industry Consecutive Quarterly Declines Key Indicators

	1990/ 1991	2001/ 2002	<b>Current (Q2-09)</b>	<i>Estimate 2008/09</i>
Demand	3	5	6	9
Occupancy	7	6	7	11
ADR	0	5	3	9
RevPAR	5	5	4	9
Room Revenue	2	5	4	7

# STR Chain Scale Forecast

<u>Segment</u>	2009 <u>RevPar Chg</u>	2010 <u>RevPar Chg</u>
Luxury	-25.0 / -28.0	-7.0 / -10.0
Upper Upscale	-18.0 / -21.0	-1.0 / -4.0
Upscale	-16.0 / -19.0	-5.0 / -8.0
Midscale with F&B	-12.5 / -15.5	-3.0 / -6.0
Midscale without F&B	-10.5 / -13.5	+1.0 / -2.0
Economy	-13.0 / -16.0	Flat / -3.0



Forecast produced August 2009



# Takeaways

- Decline is global
- Supply growth still an issue
- Demand declines may be near bottom
- ADR weakness continues
- “Less Worse” 4Q 2009
- Moderate improvement 2010
- Meaningful growth anticipated 2011