NYU 2010

Mark Lomanno

President

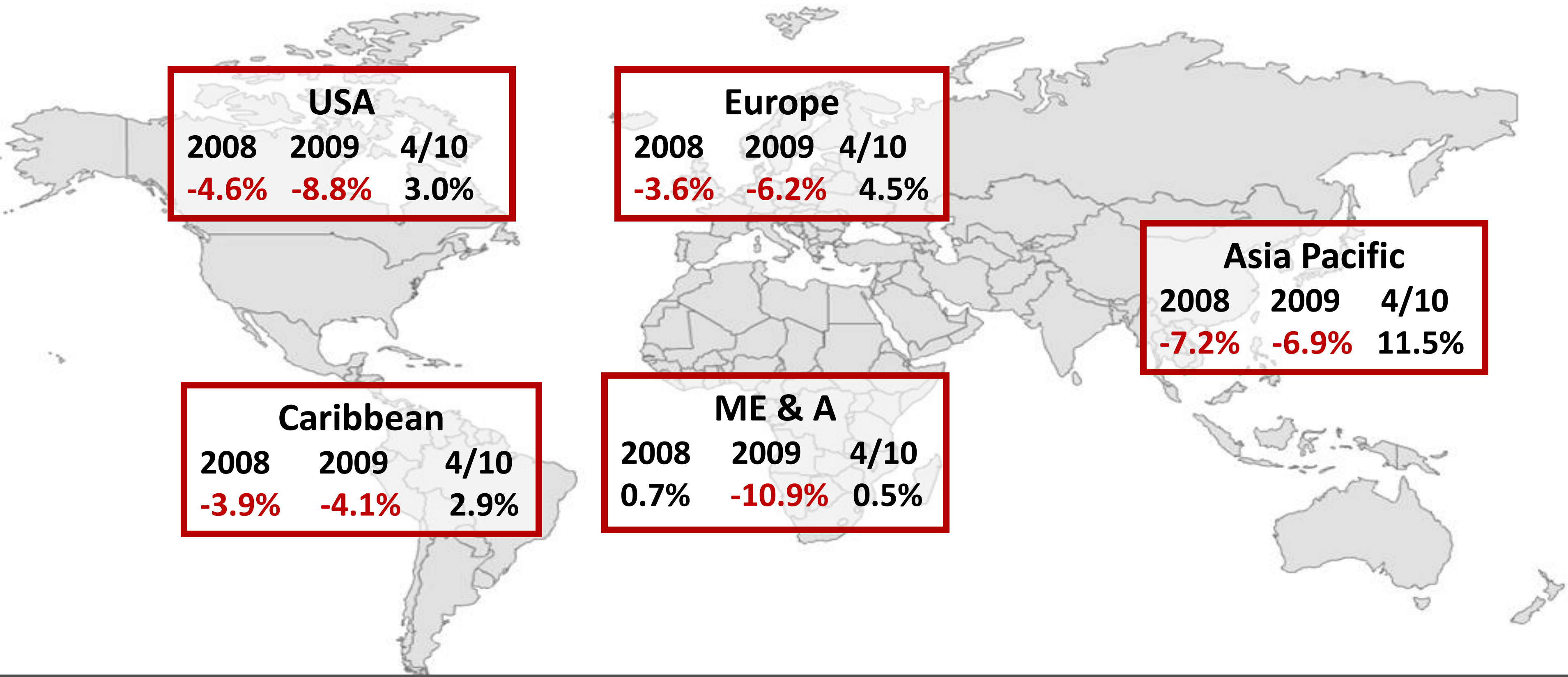
Smith Travel Research /

STR Global

Agenda

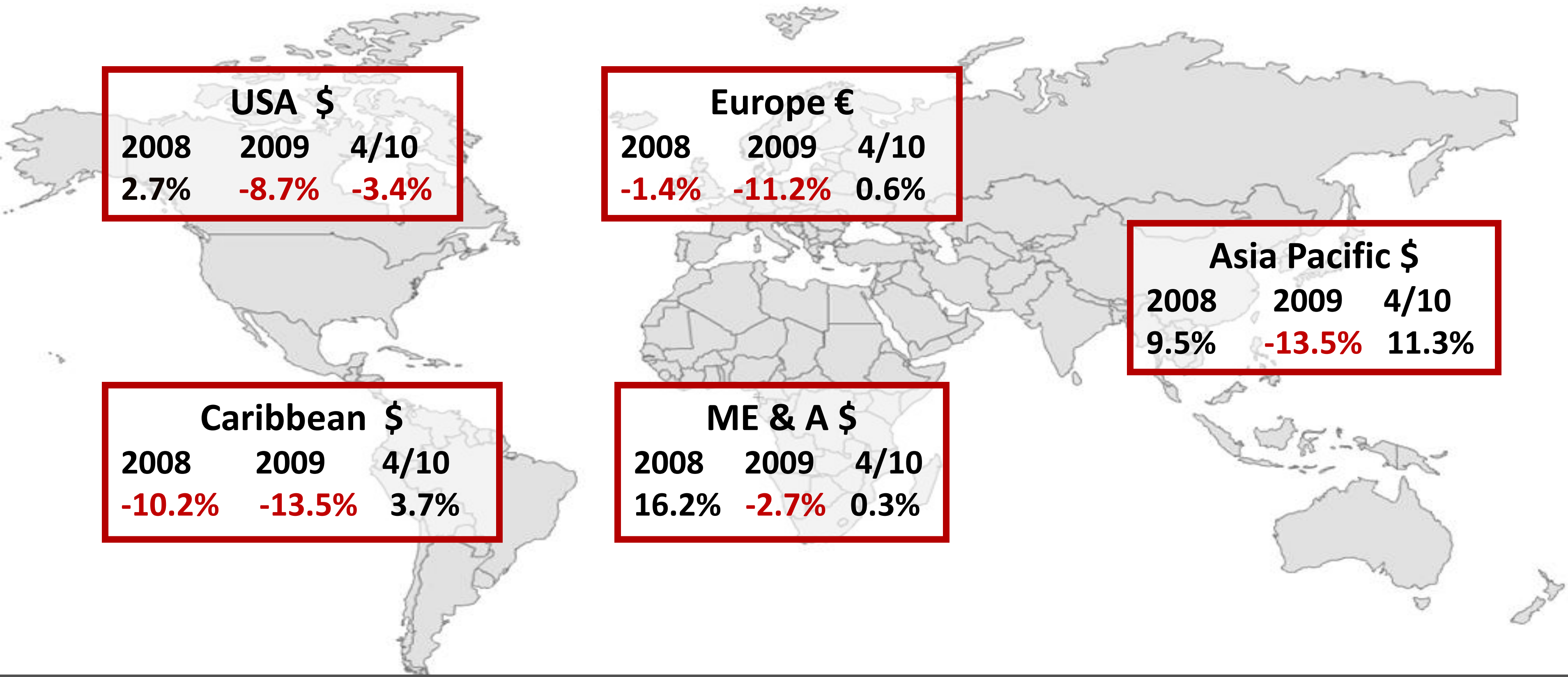
- Global Overview
- US Focus
- Chain Scales
- Group/Transient
- Market
- Forecast/Takeaways

Positive Occupancy Change Around The Globe



* Global Occupancy % Change, Yr '08, Yr'09, YTD April '10

ADR Increases in AsiaPac.
US Hoteliers Continue To Discount.



USA $

2008	2009	4/10
2.7%	-8.7%	-3.4%

Europe €

2008	2009	4/10
-1.4%	-11.2%	0.6%

Asia Pacific $

2008	2009	4/10
9.5%	-13.5%	11.3%

Caribbean $

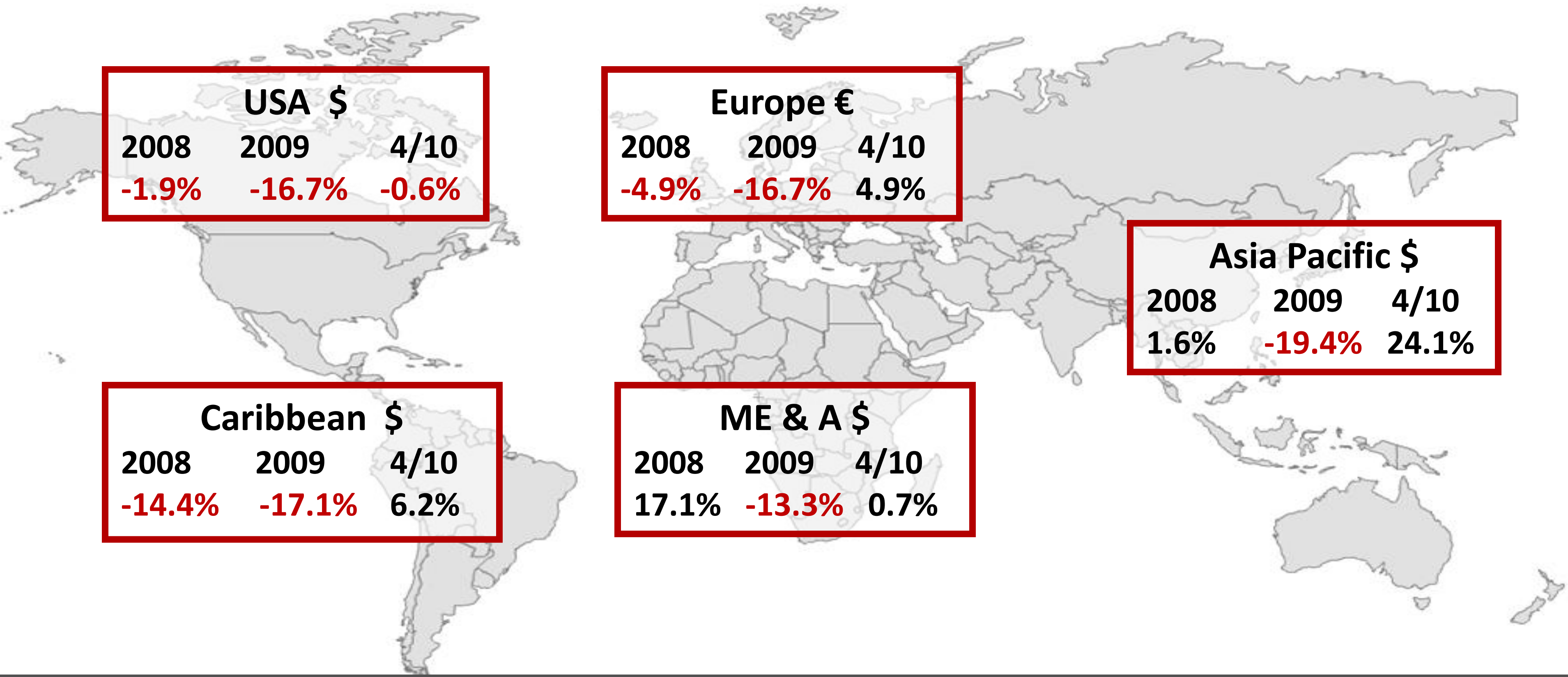
2008	2009	4/10
-10.2%	-13.5%	3.7%

ME & A $

2008	2009	4/10
16.2%	-2.7%	0.3%

* Global ADR % Change, Yr ’08, Yr’09, YTD April ‘10

Global RevPAR



USA $

2008	2009	4/10
-1.9%	-16.7%	-0.6%

Europe €

2008	2009	4/10
-4.9%	-16.7%	4.9%

Asia Pacific $

2008	2009	4/10
1.6%	-19.4%	24.1%

Caribbean $

2008	2009	4/10
-14.4%	-17.1%	6.2%

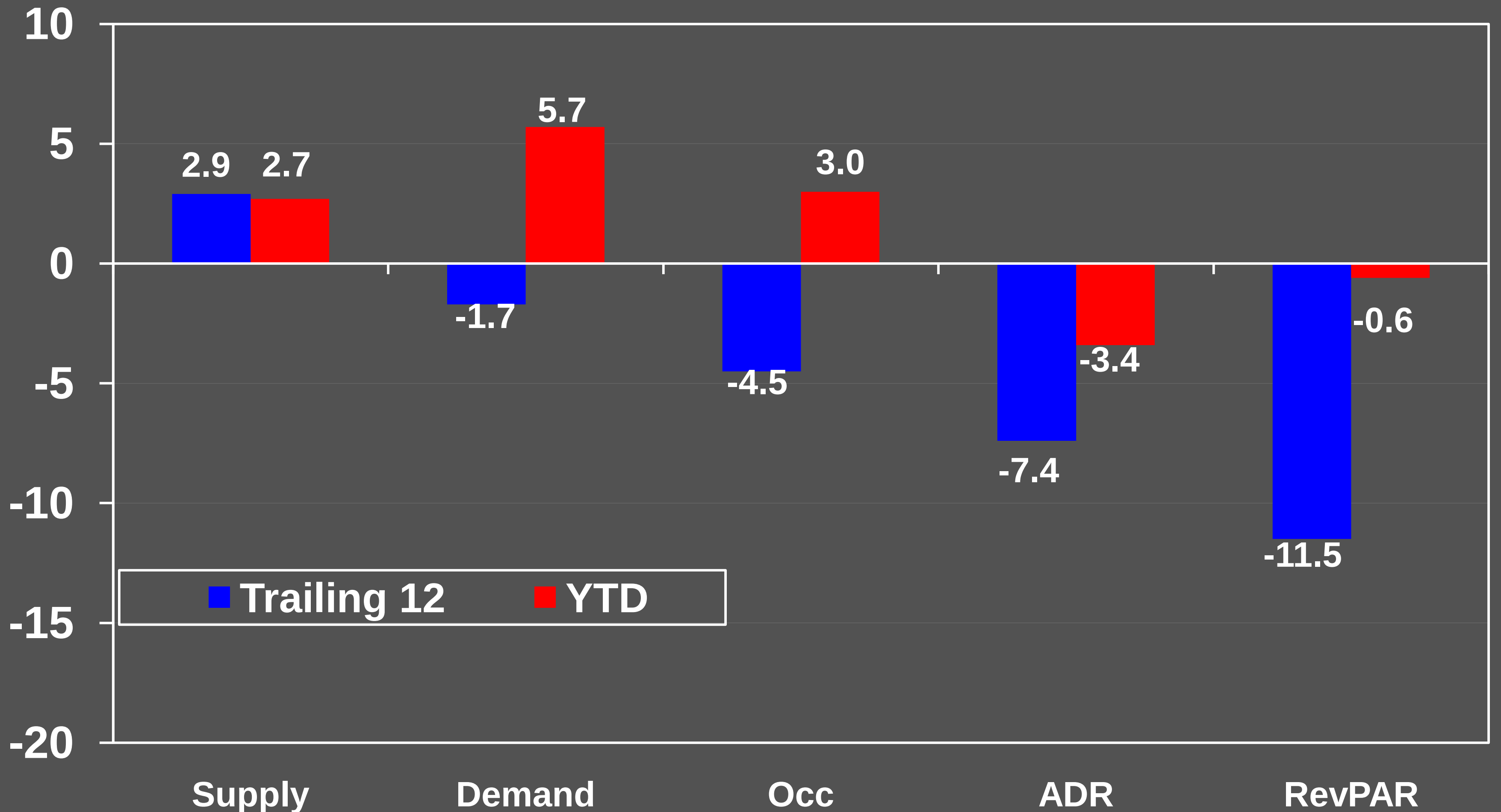
ME & A $

2008	2009	4/10
17.1%	-13.3%	0.7%

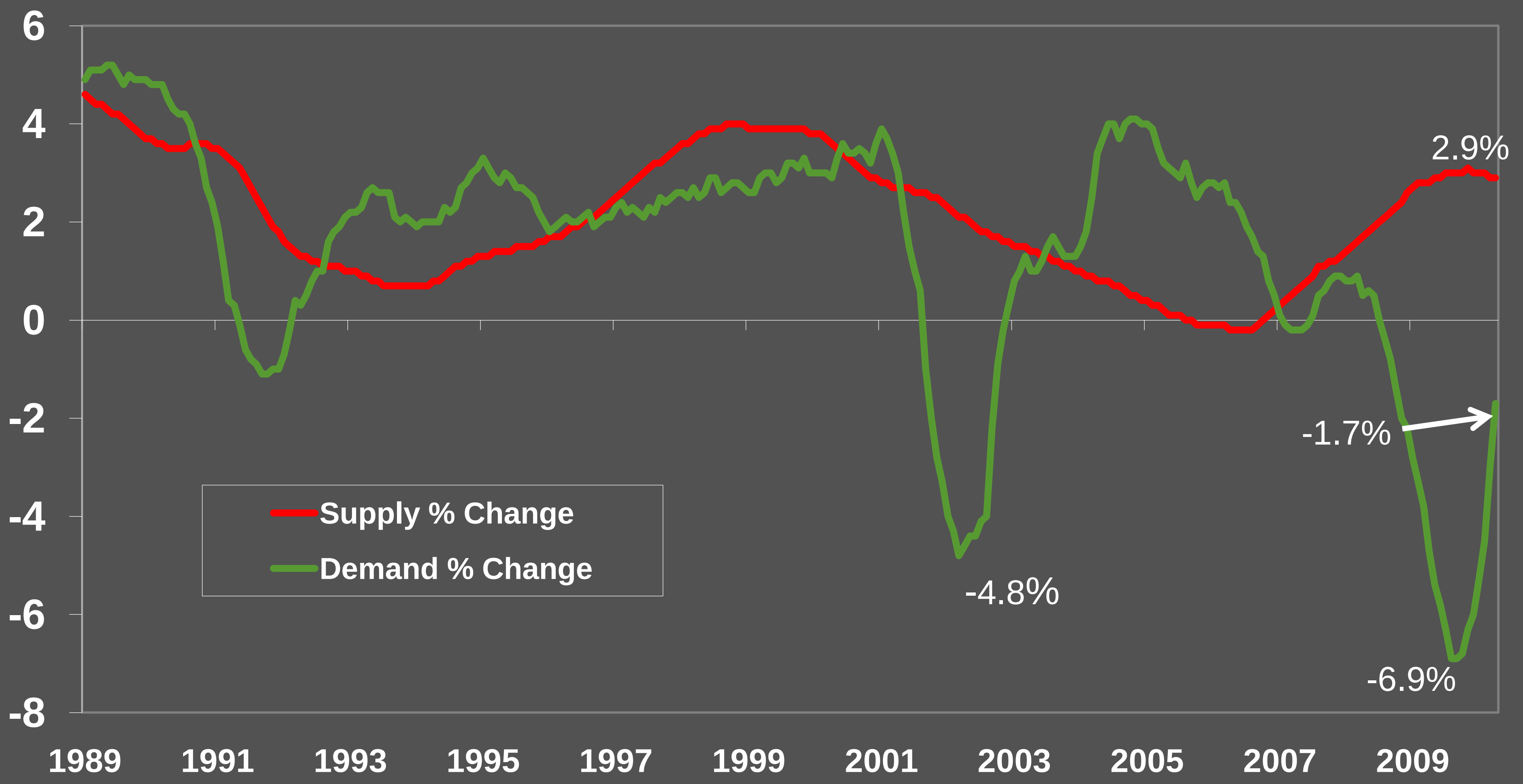
* Global RevPAR % Change, Yr ’08, Yr’09, YTD April ‘10

Total United States

Key Performance Indicators Percent Change
April 2010 – Trailing 12 Months & YTD



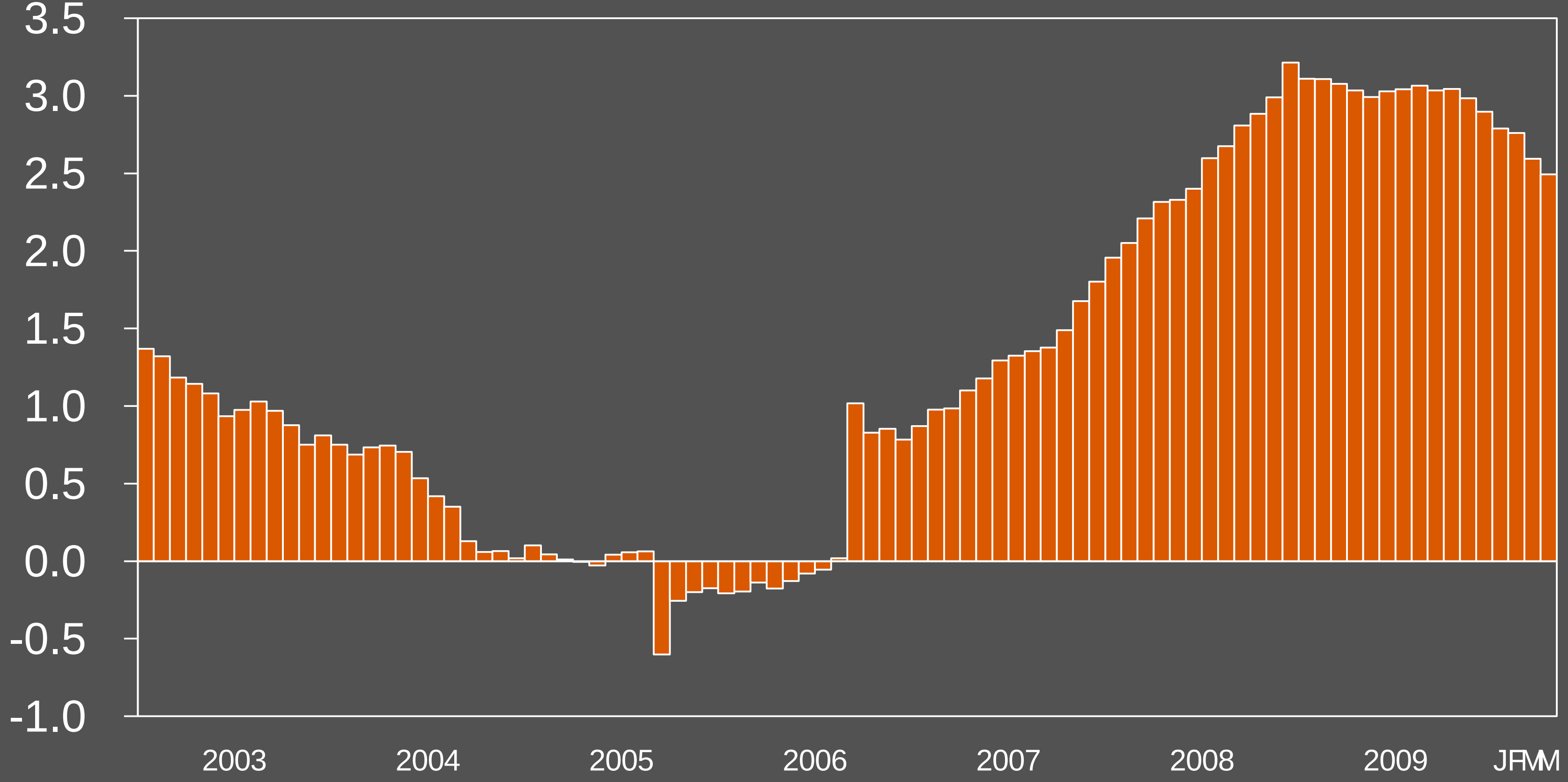
Supply Growth Stubborn- Strong Demand Rebound



Total United States
Twelve Month Moving Average1989 through April 2010

Total United States

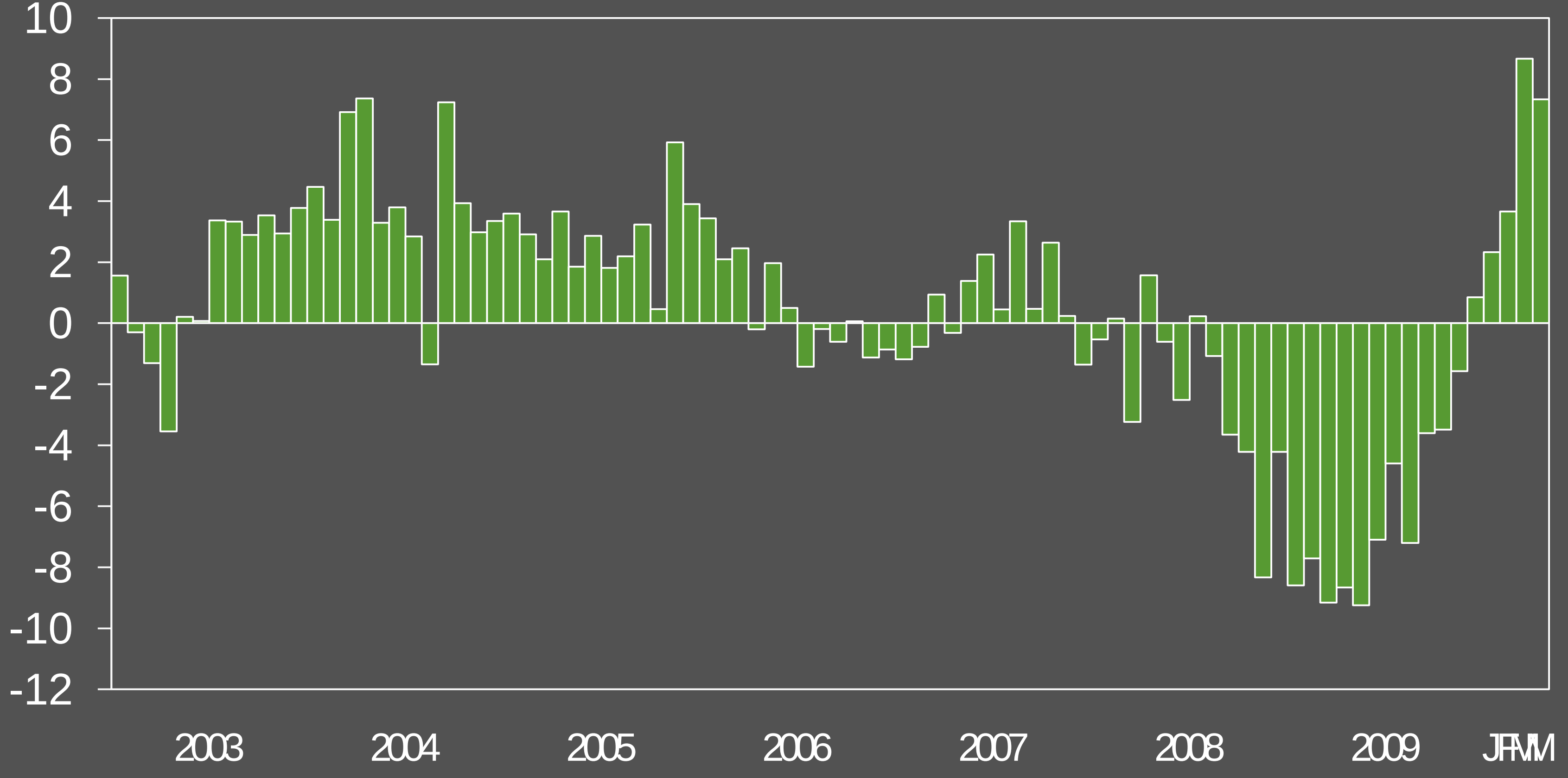
Room Supply Percent Change
Jan 2003 – April 2010



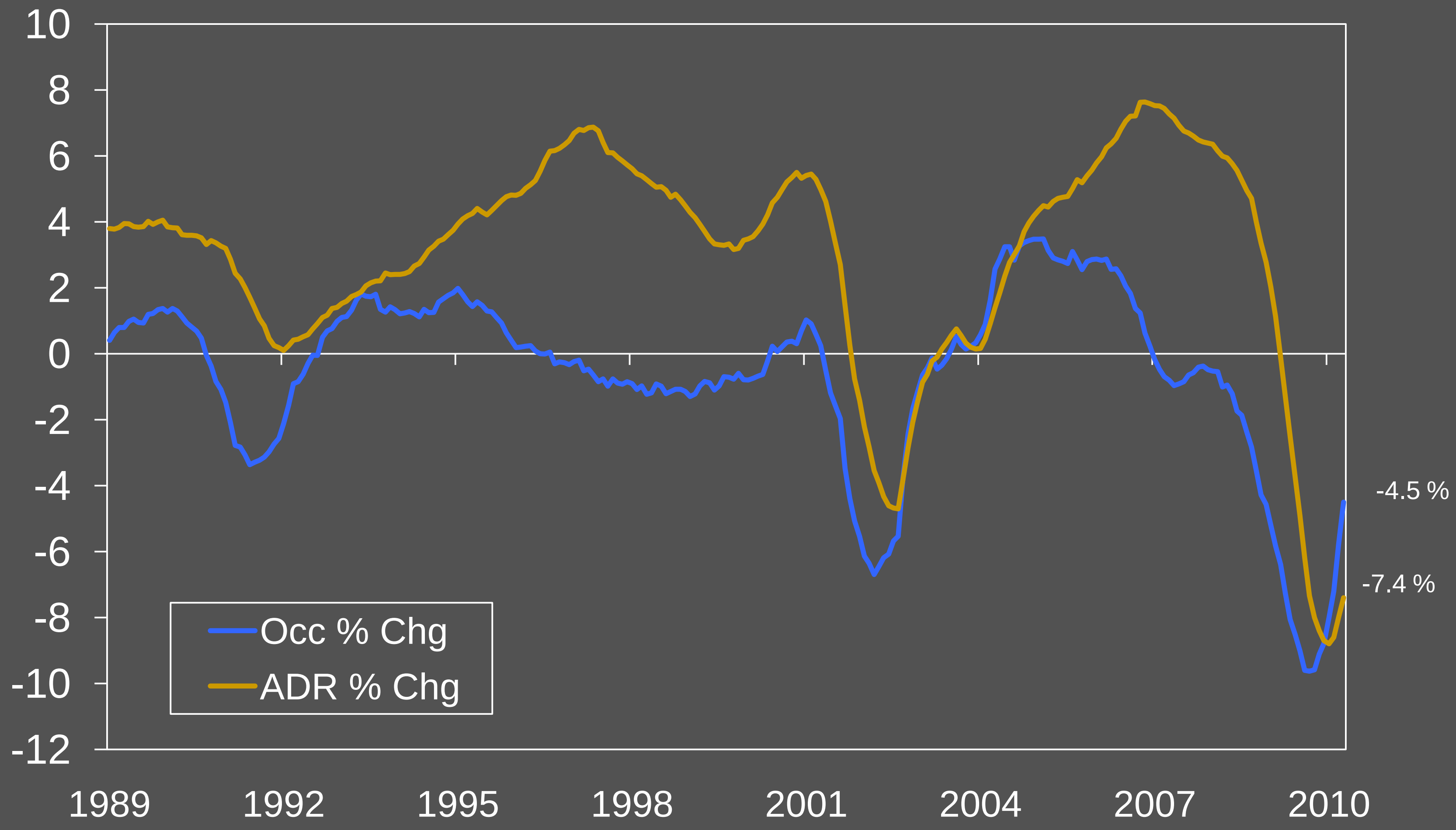
Total United States

Room Demand Percent Change

Jan 2003 – April 2010



ADR Growth Remains Elusive

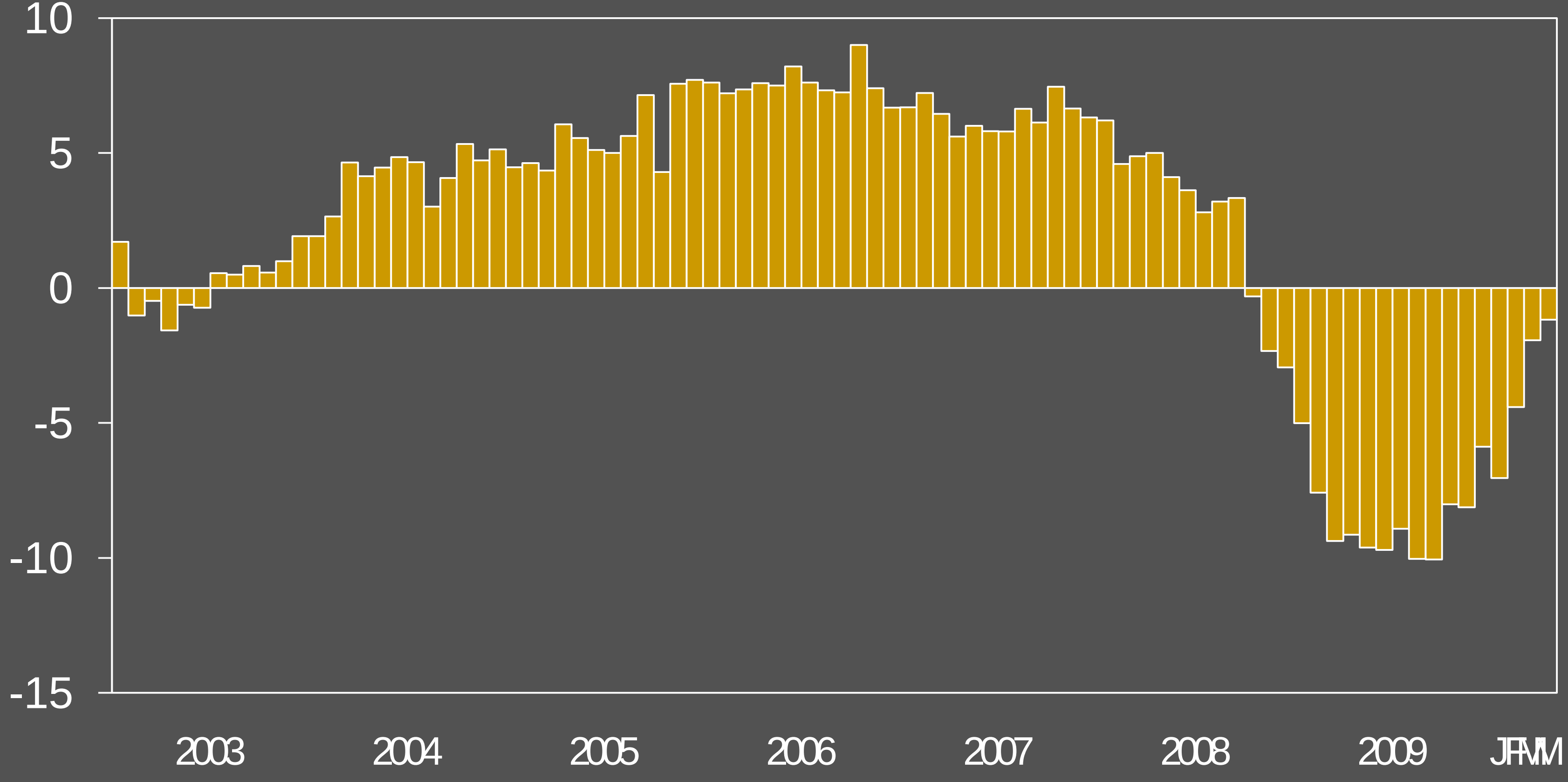


Total US – 12 Month Moving Average Ending April 2010

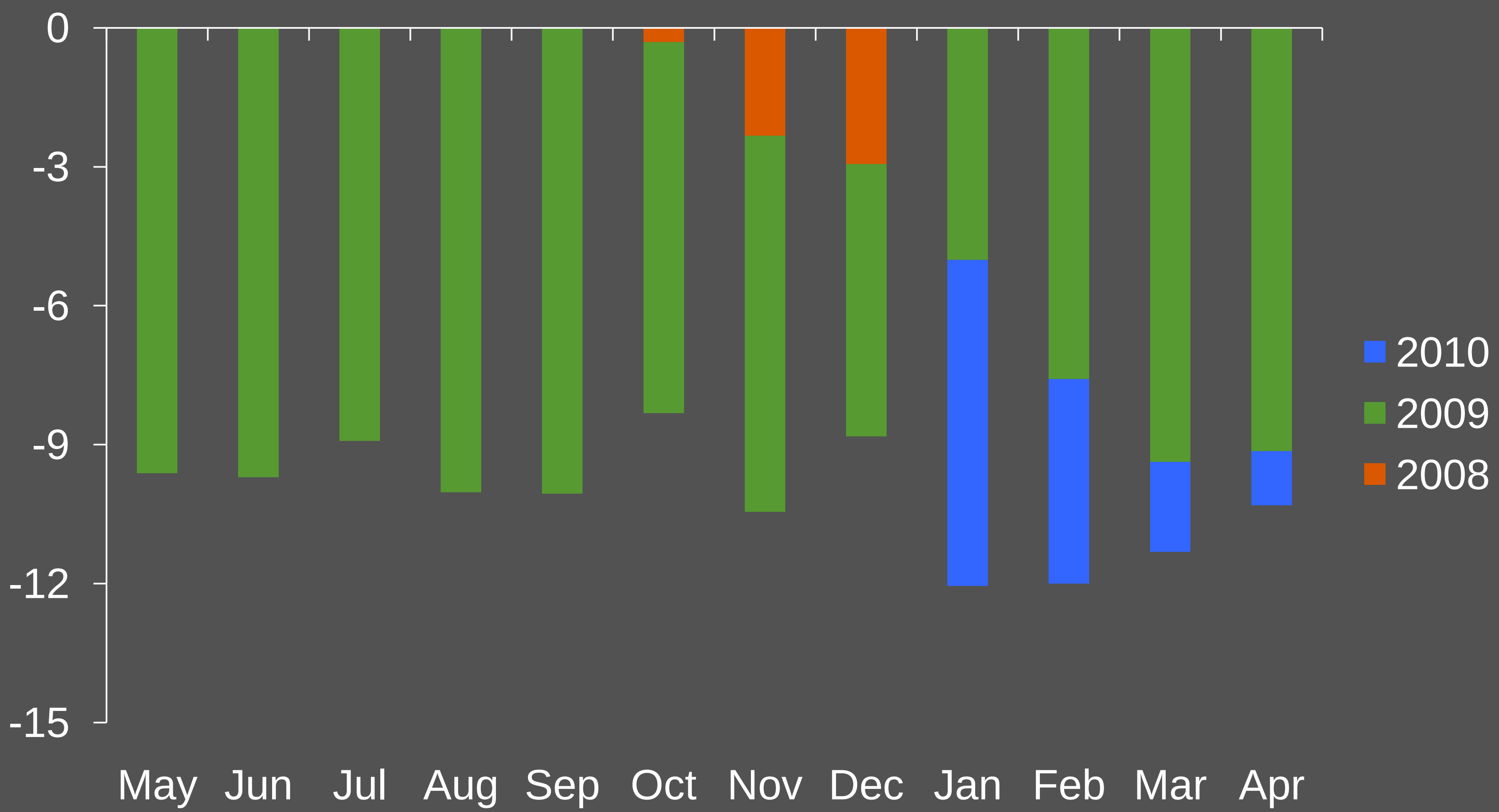
Total United States

Room Rate Percent Change

Jan 2003 – April 2010

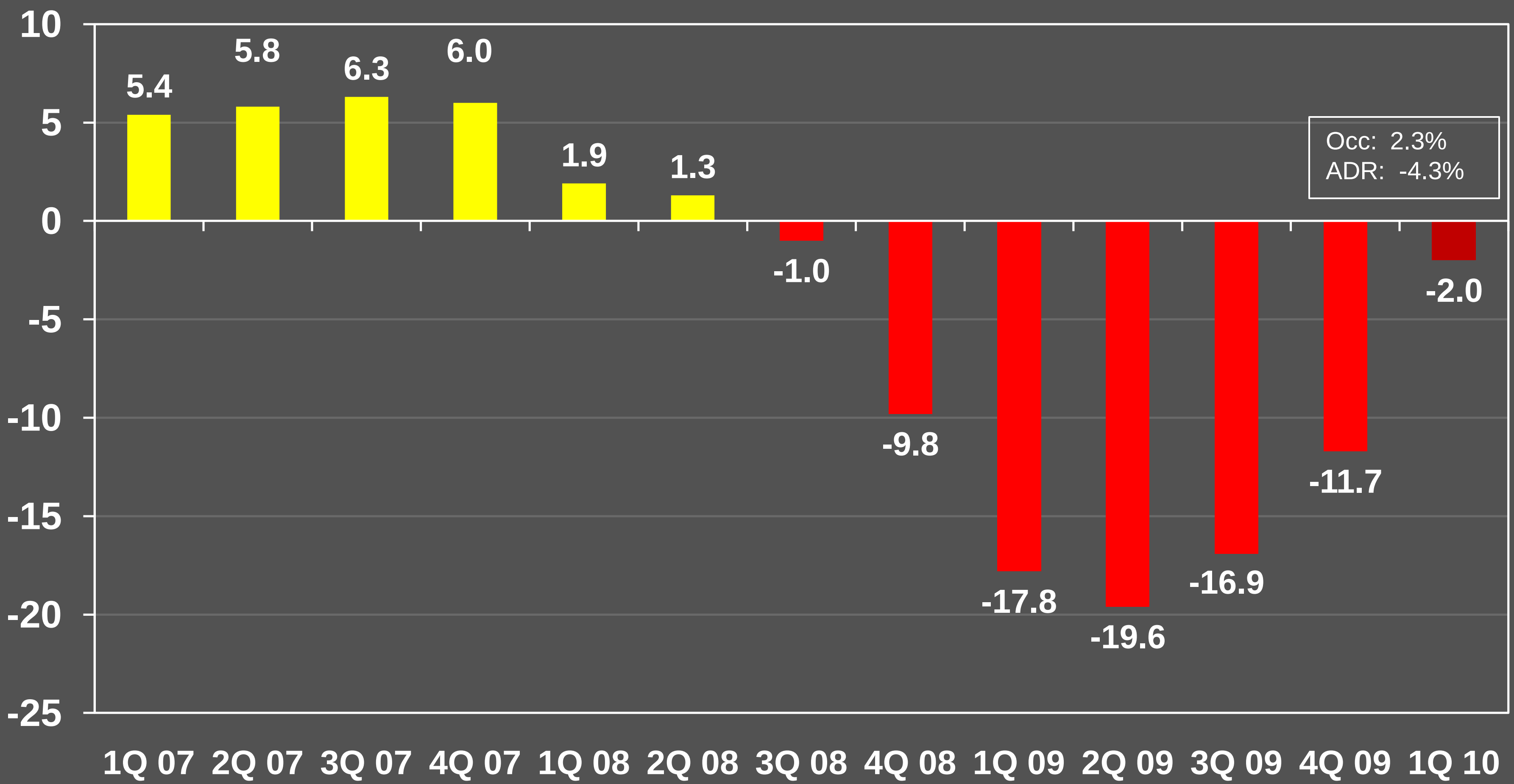


Total US
ADR % Change from October 2008
Month over Month



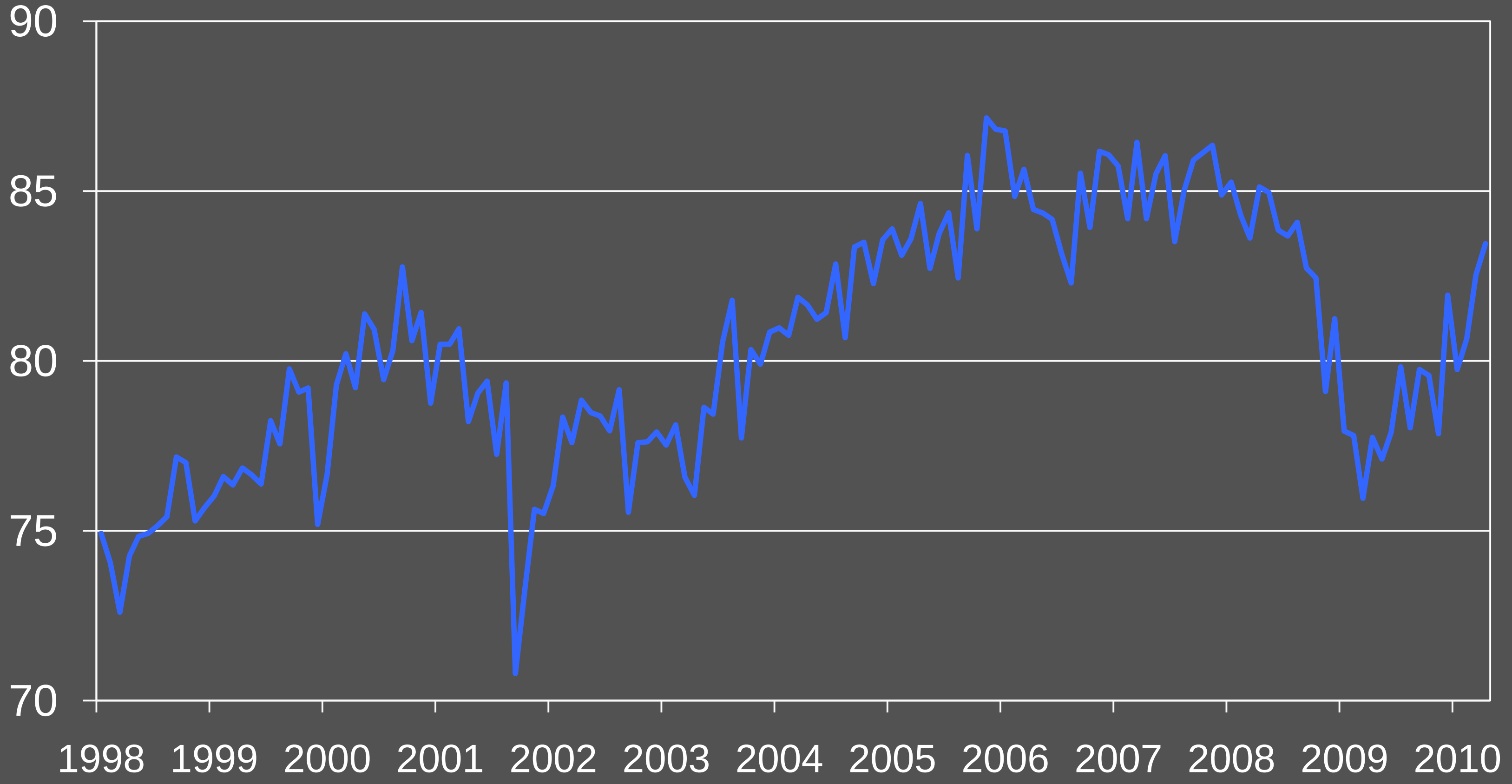
Total United States

Quarterly RevPAR Percent Change: 2007 – 1Q 2010



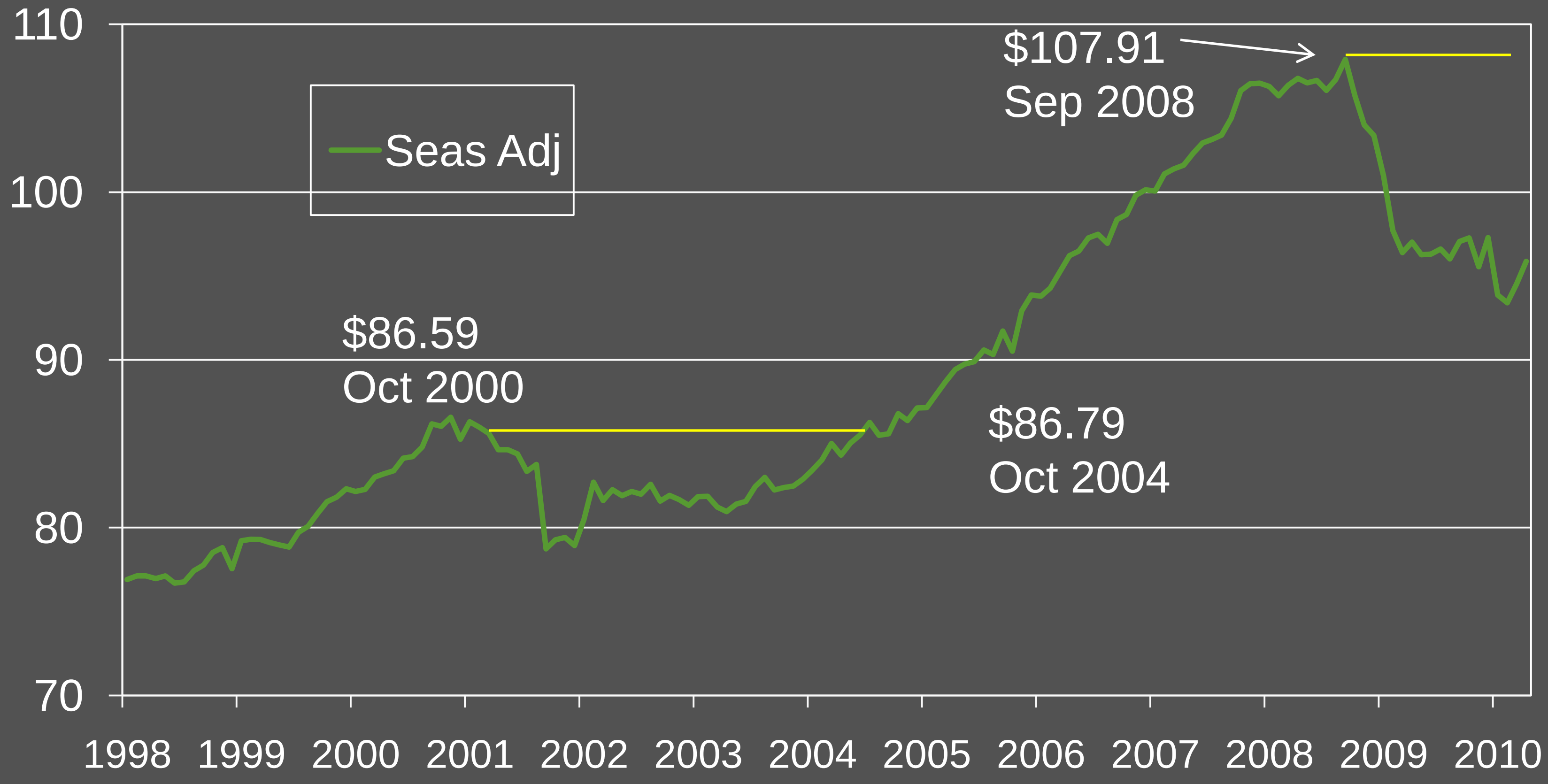
Total United States

Monthly Room Demand – Seasonally Adjusted
1998 to April 2010



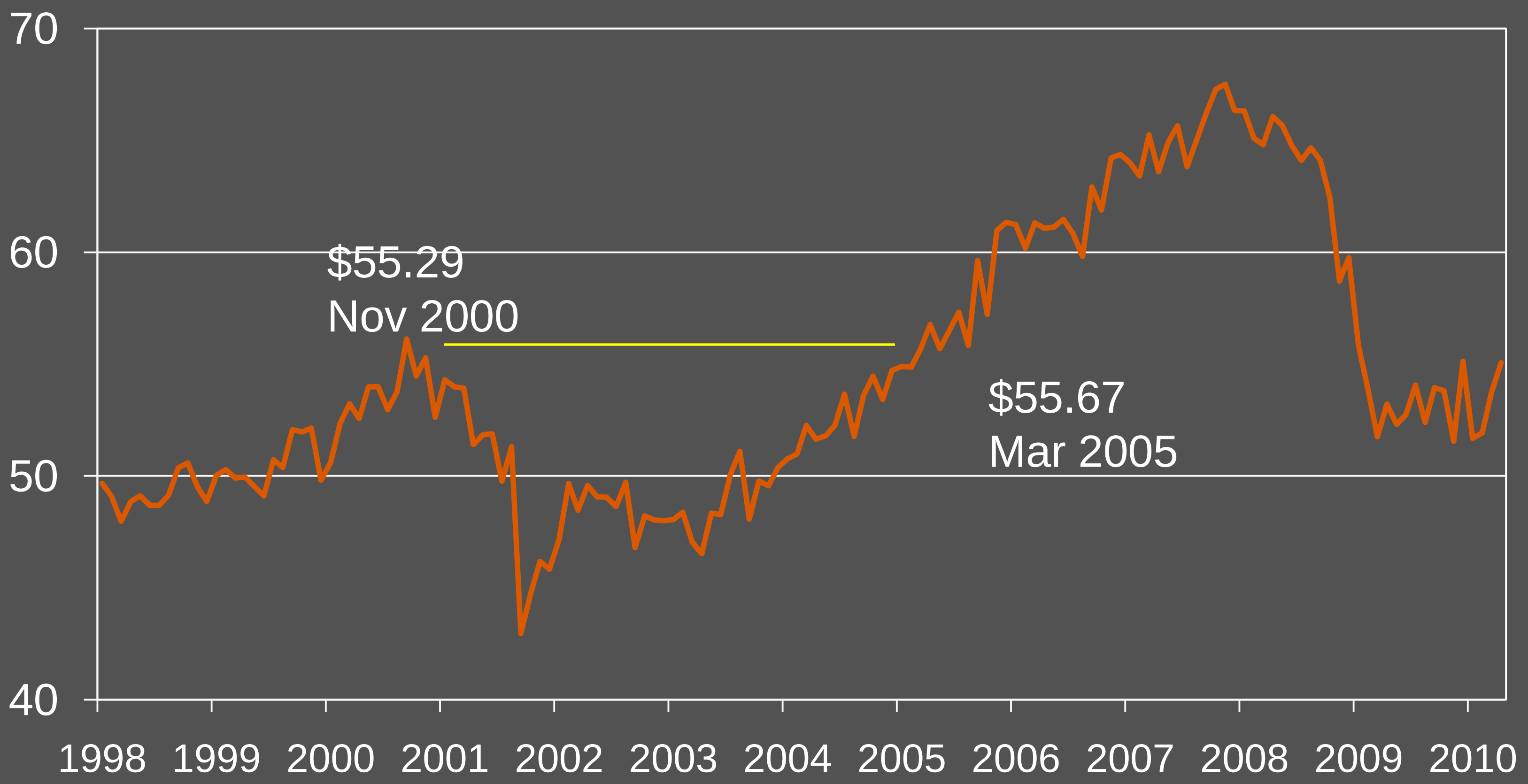
Total United States

ADR – Seasonally Adjusted
1998 to April 2010



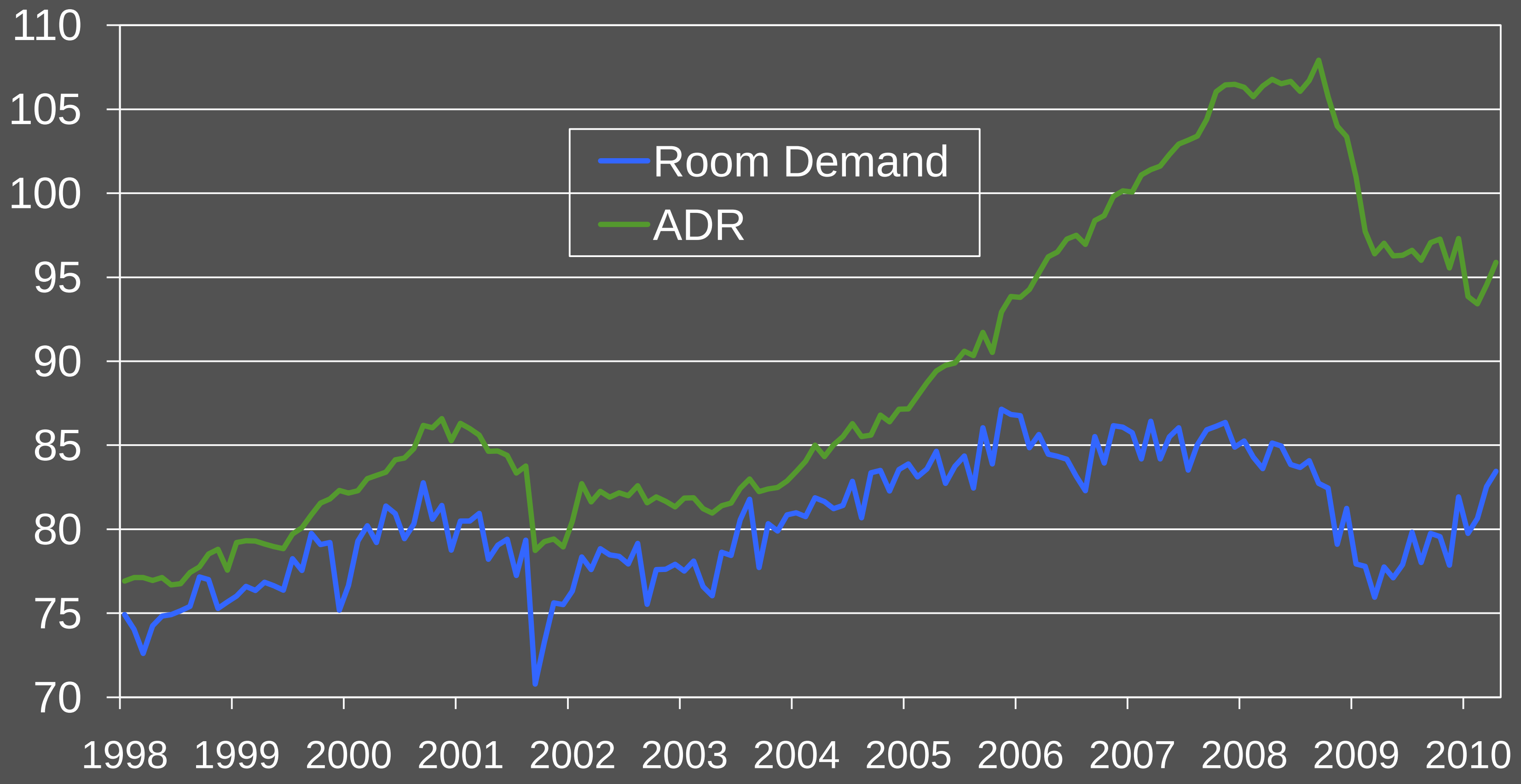
Total United States

RevPAR – Seasonally Adjusted
1998 to April 2010



Total United States

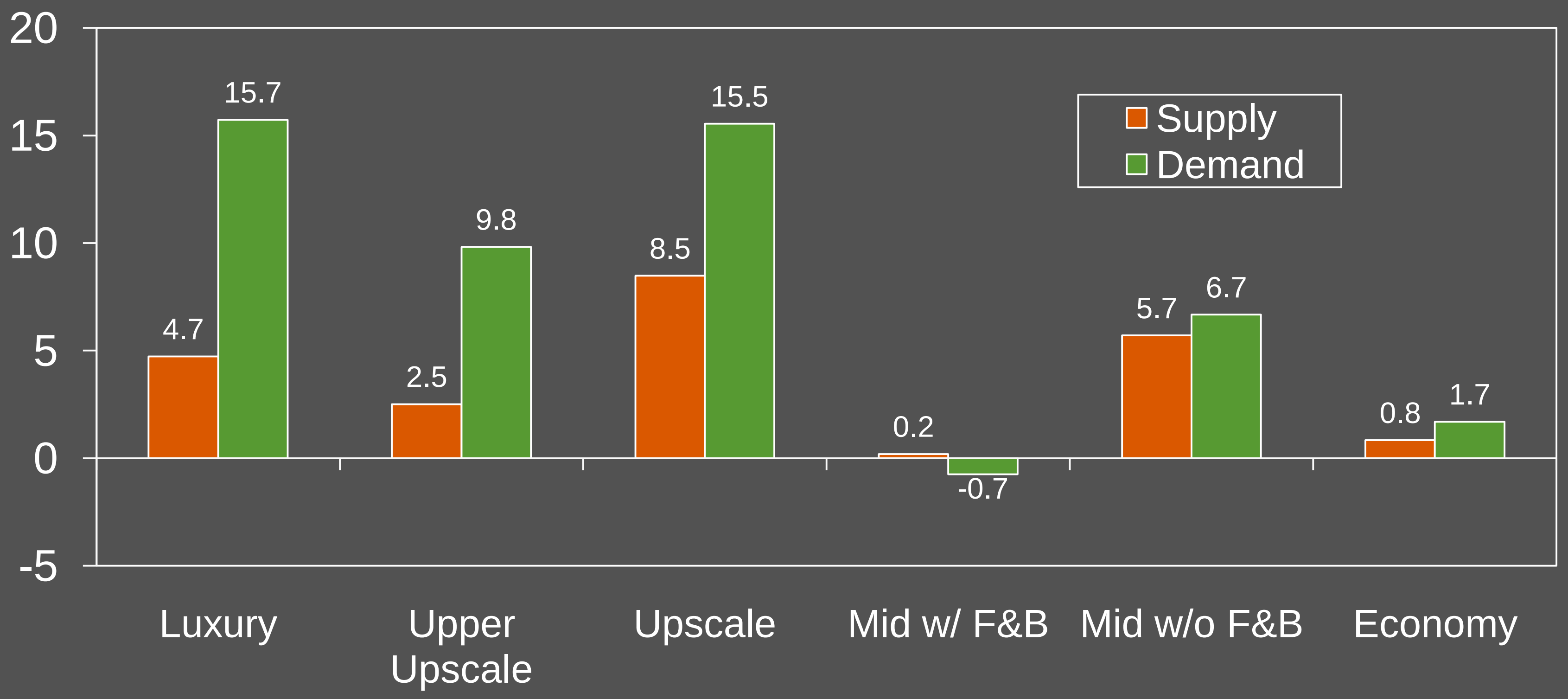
Monthly Room Demand and ADR – Seasonally Adjusted
1998 to April 2010



Chain Scales

Chain Scales

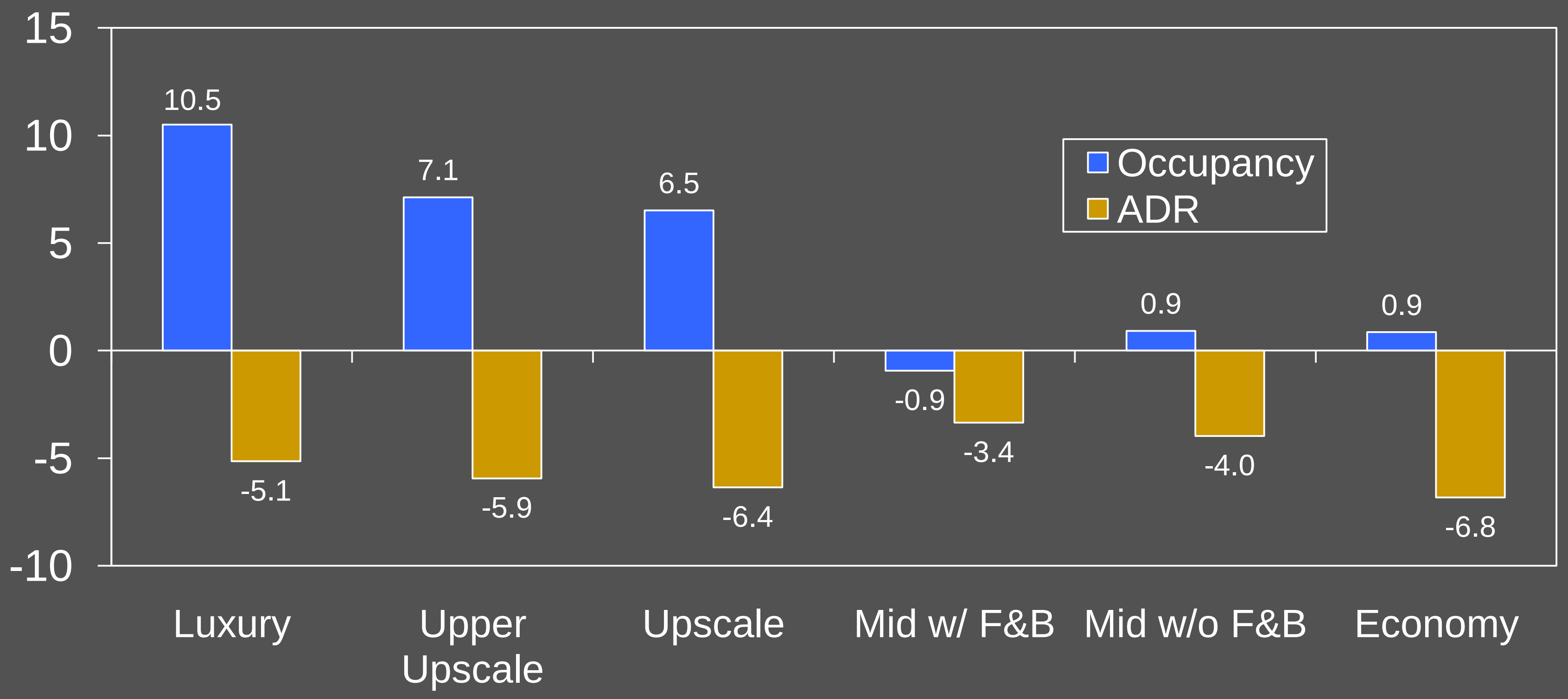
Supply / Demand Percent Change
April 2010 YTD



Chain Scales

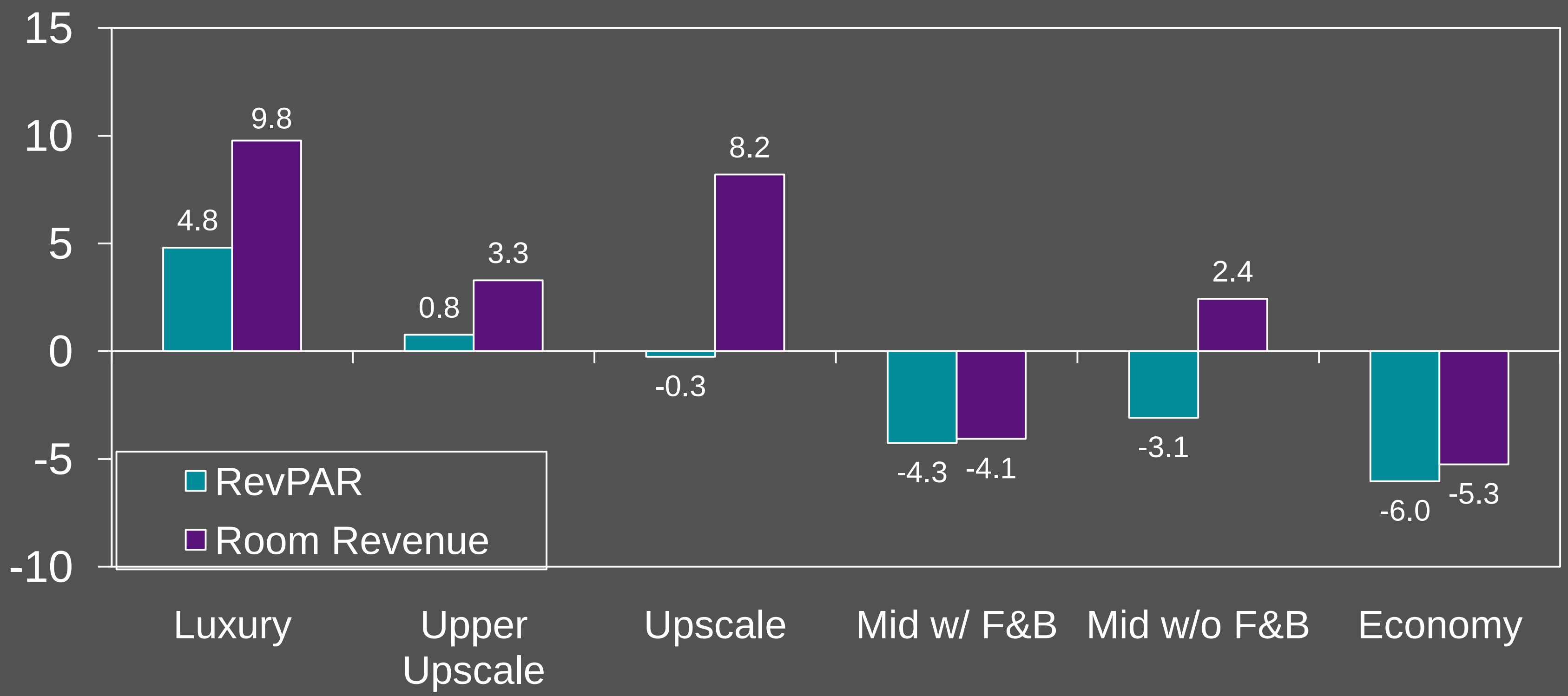
Occupancy / ADR Percent Change

April 2010 YTD

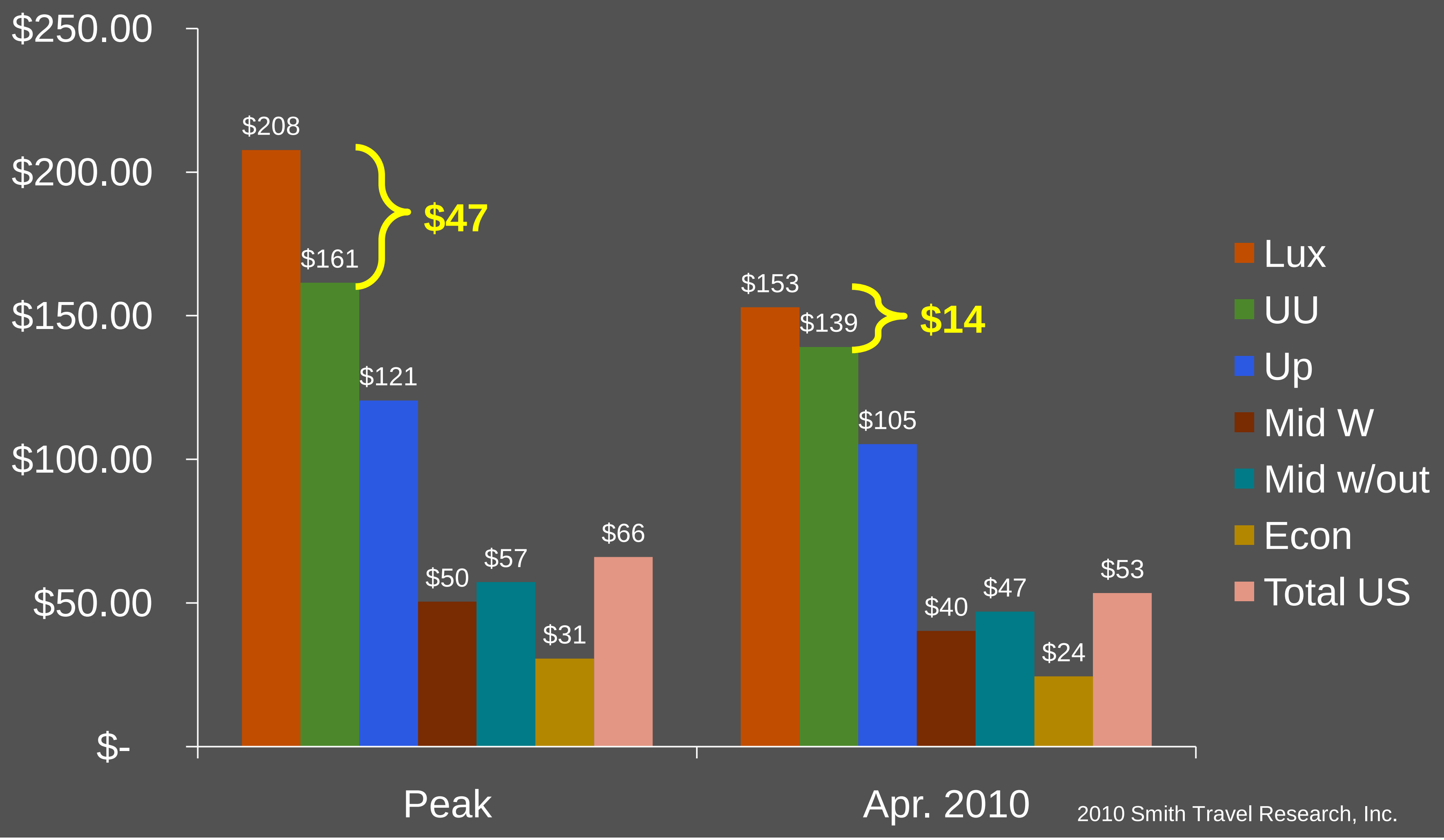


Chain Scales

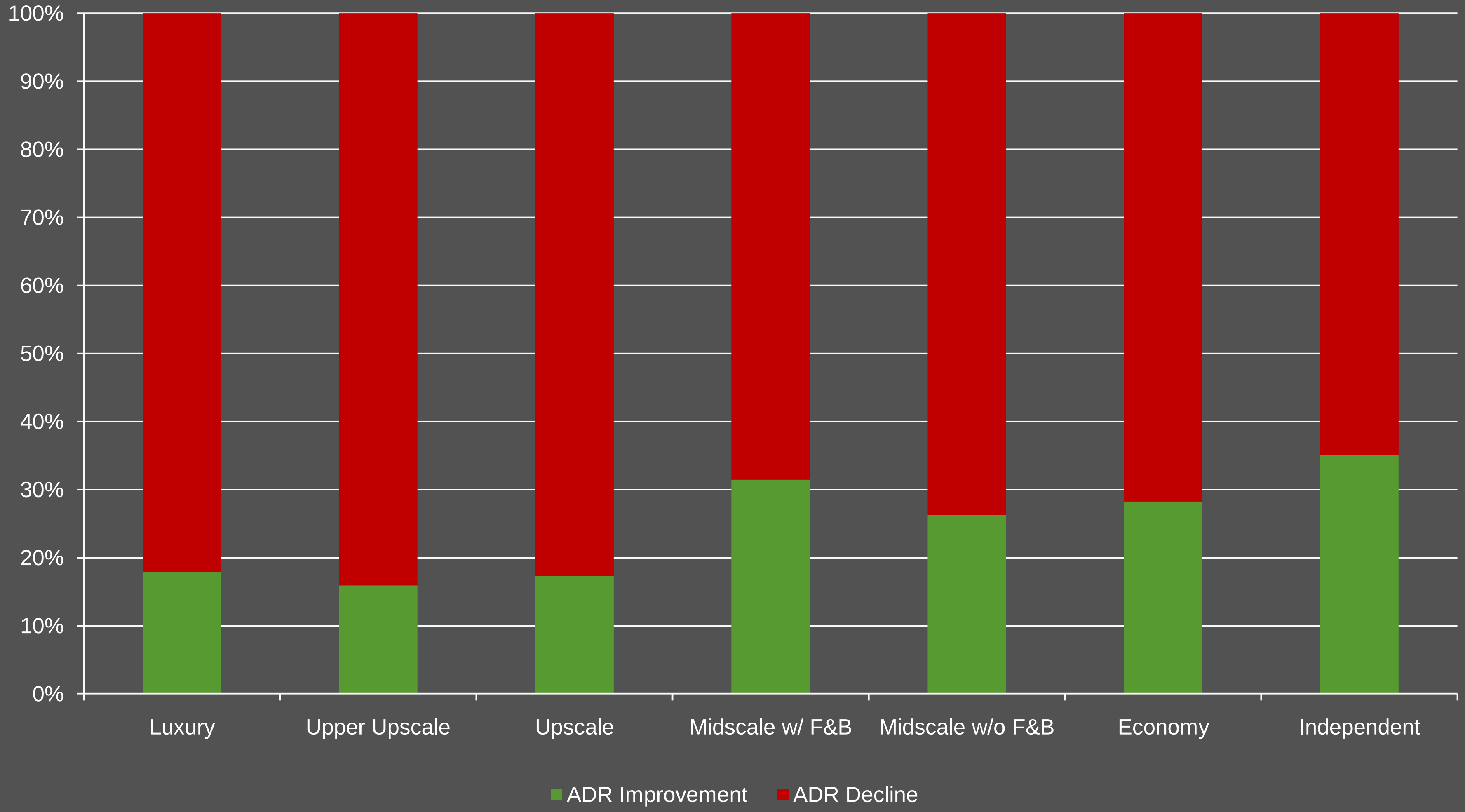
RevPAR / Room Revenue Percent Change
April 2010 YTD



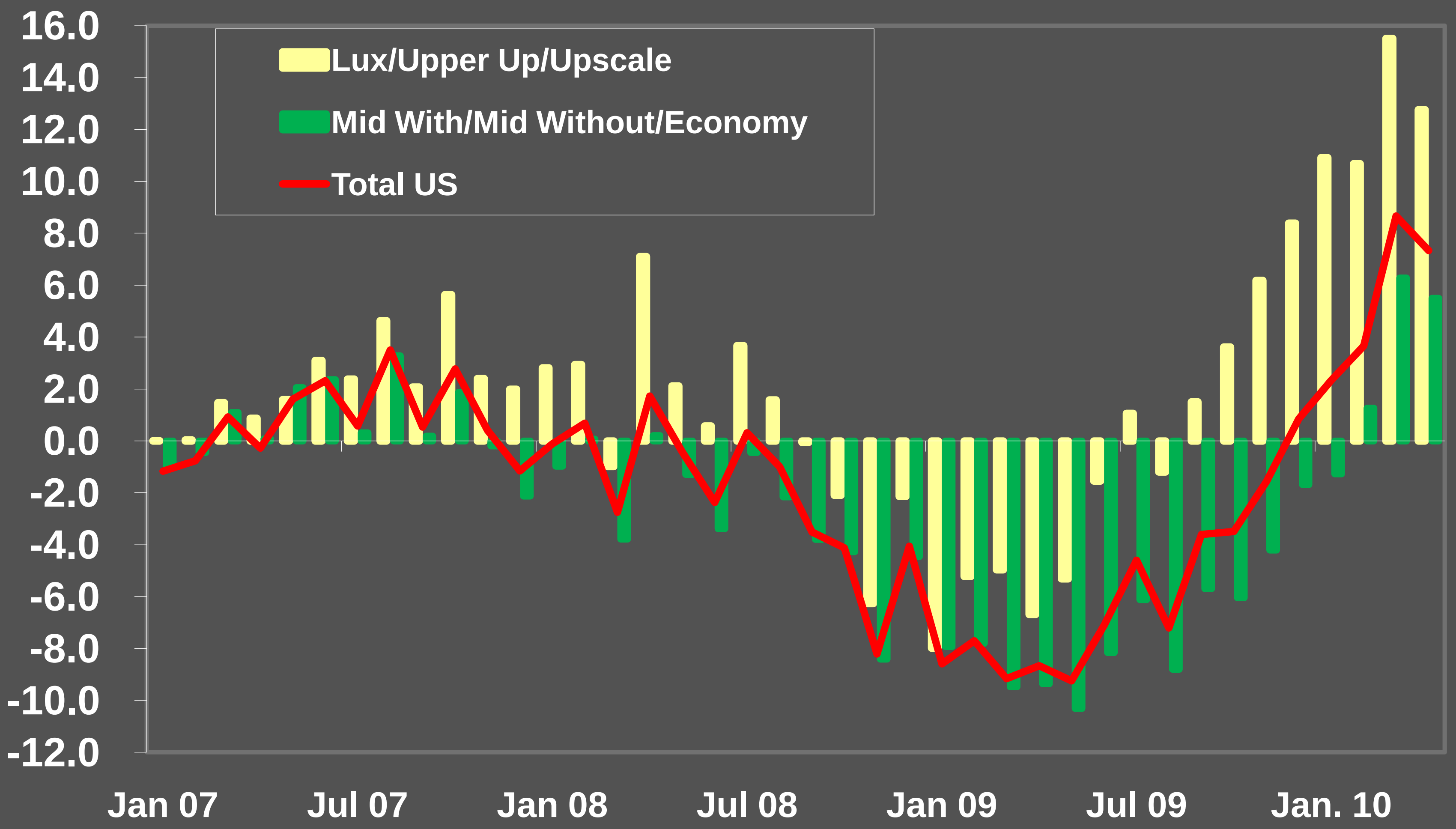
Total US
Chain Scale
RevPAR Peak vs April 2010



Total US – Chain Scale
ADR Increase / Decline
April YTD

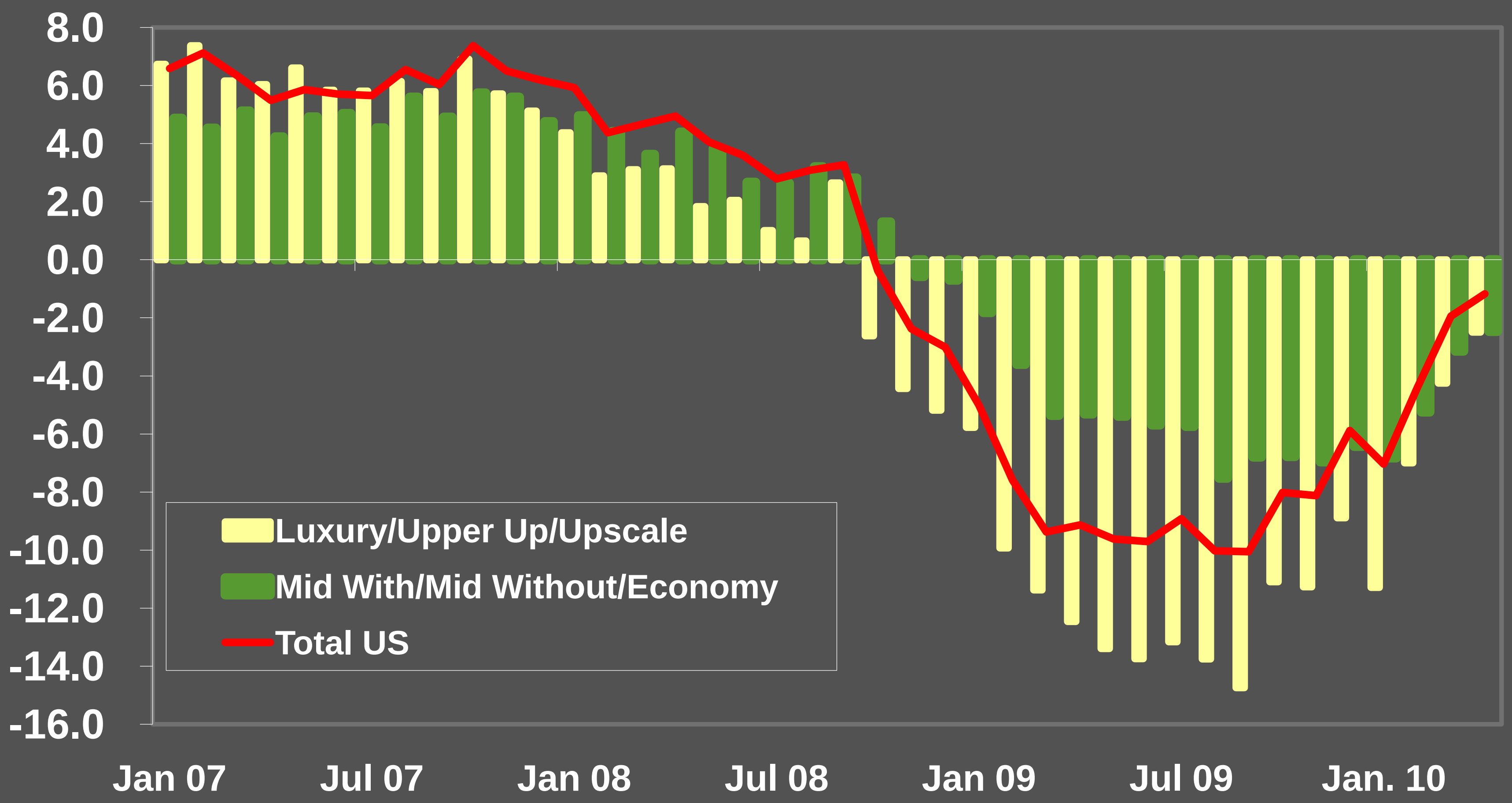


Appears To Be A Top Down Recovery…



U.S. Chain Scales
Demand % Change by Month through April 2010

ADR Data is Now “Less Bad”

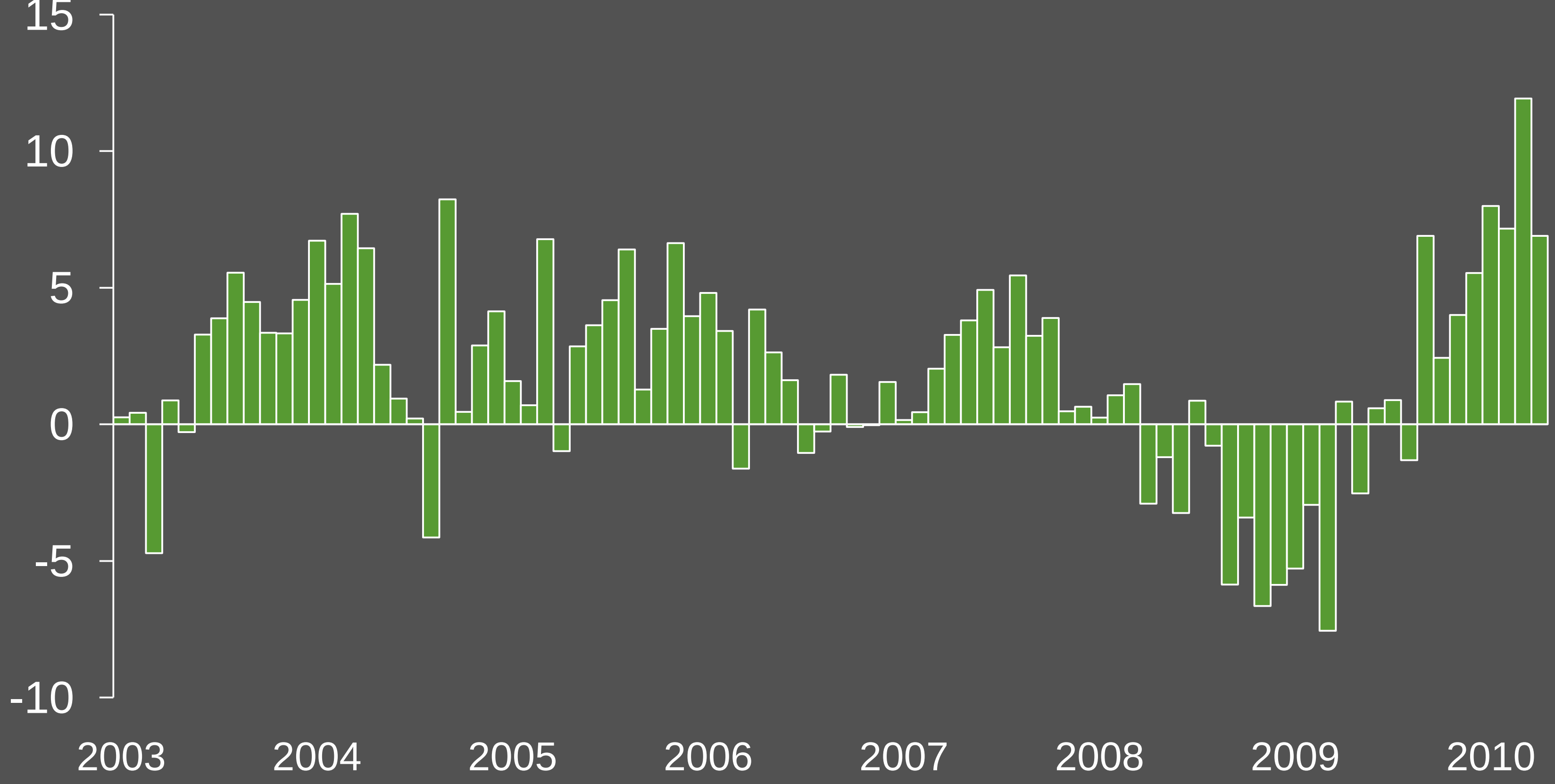


U.S. Chain Scales
ADR % Change by Month through April 2010

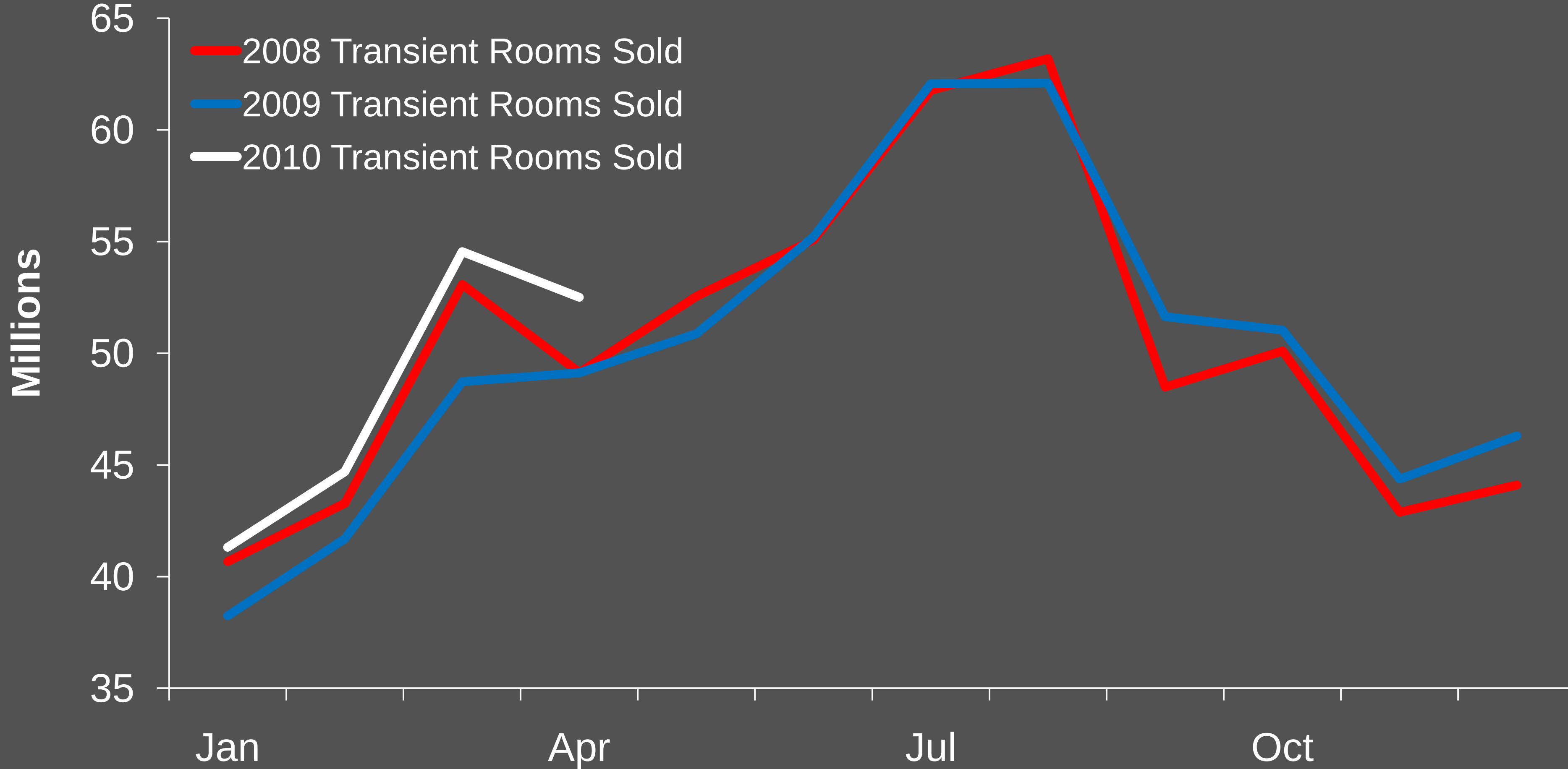
Group vs. Transient Performance

Total United States – Transient Segment

Room Demand Percent Change
Jan 2003 – April 2010



Transient Room Demand Recovering



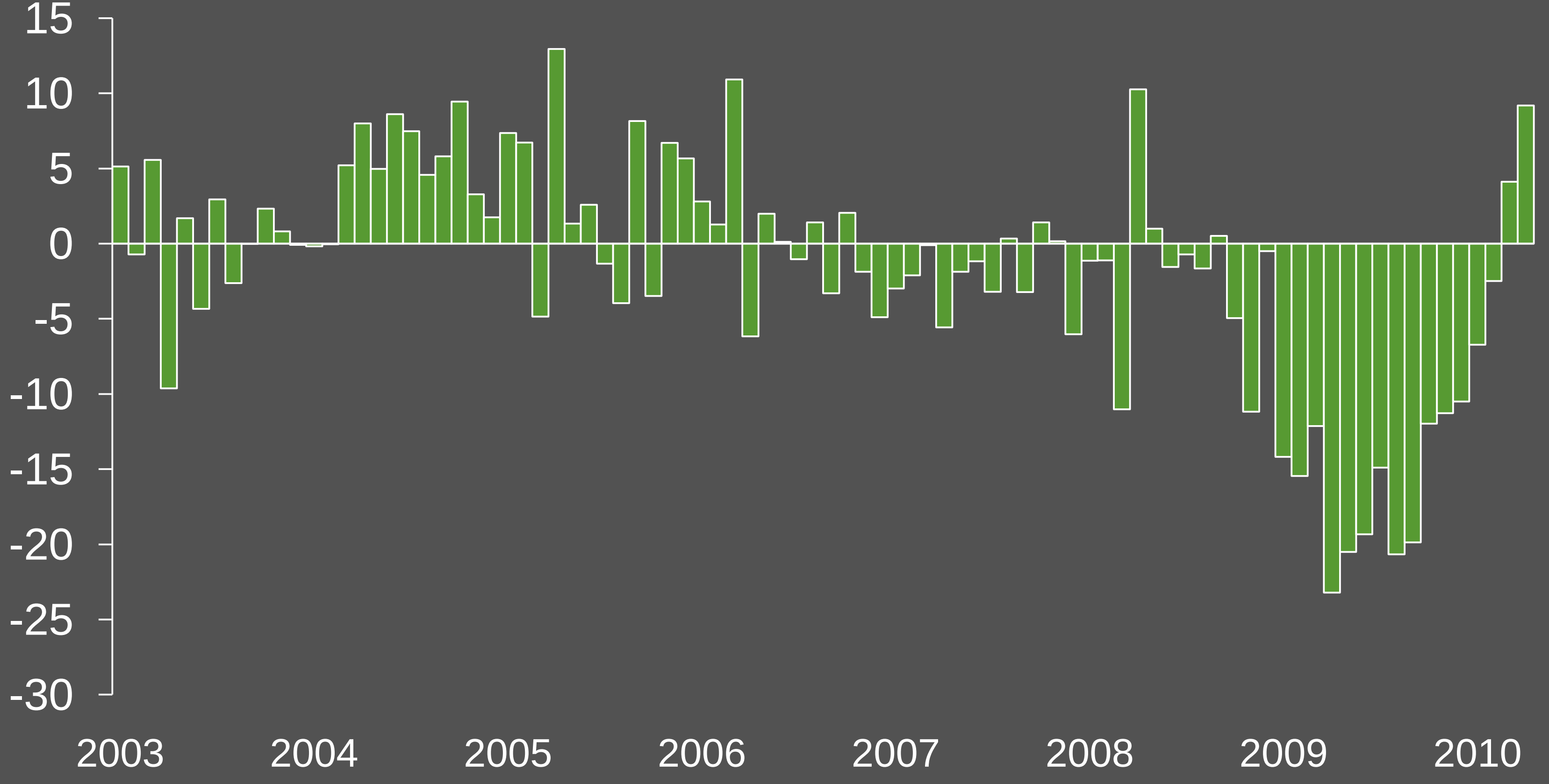
Total United States

Upper Tier Hotels = Luxury / Upper Upscale chains & Upper tier Indep.

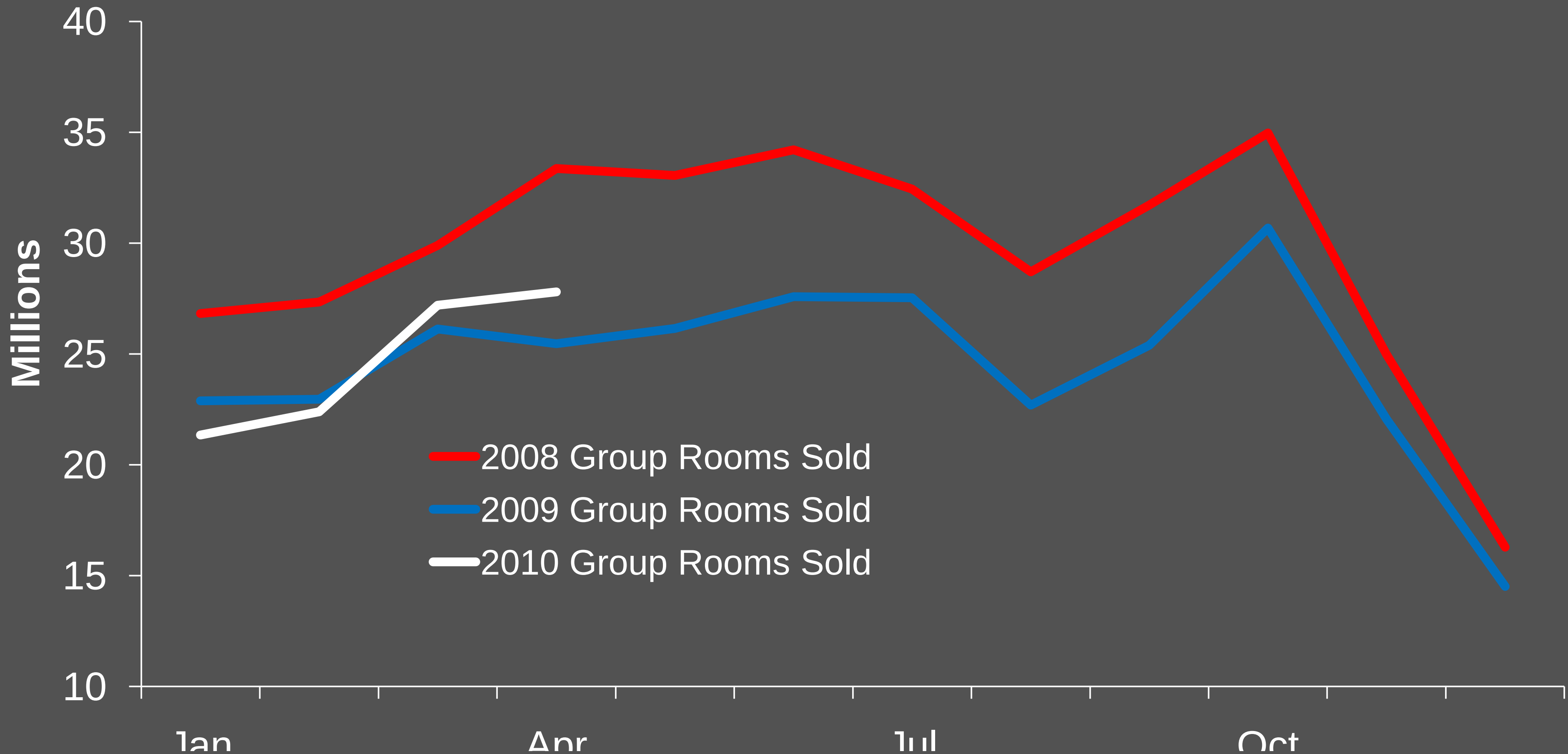
Total United States – Group Segment

Room Demand Percent Change

Jan 2003 – April 2010



Sluggish Group Room Demand Has Major Implications For The Industry



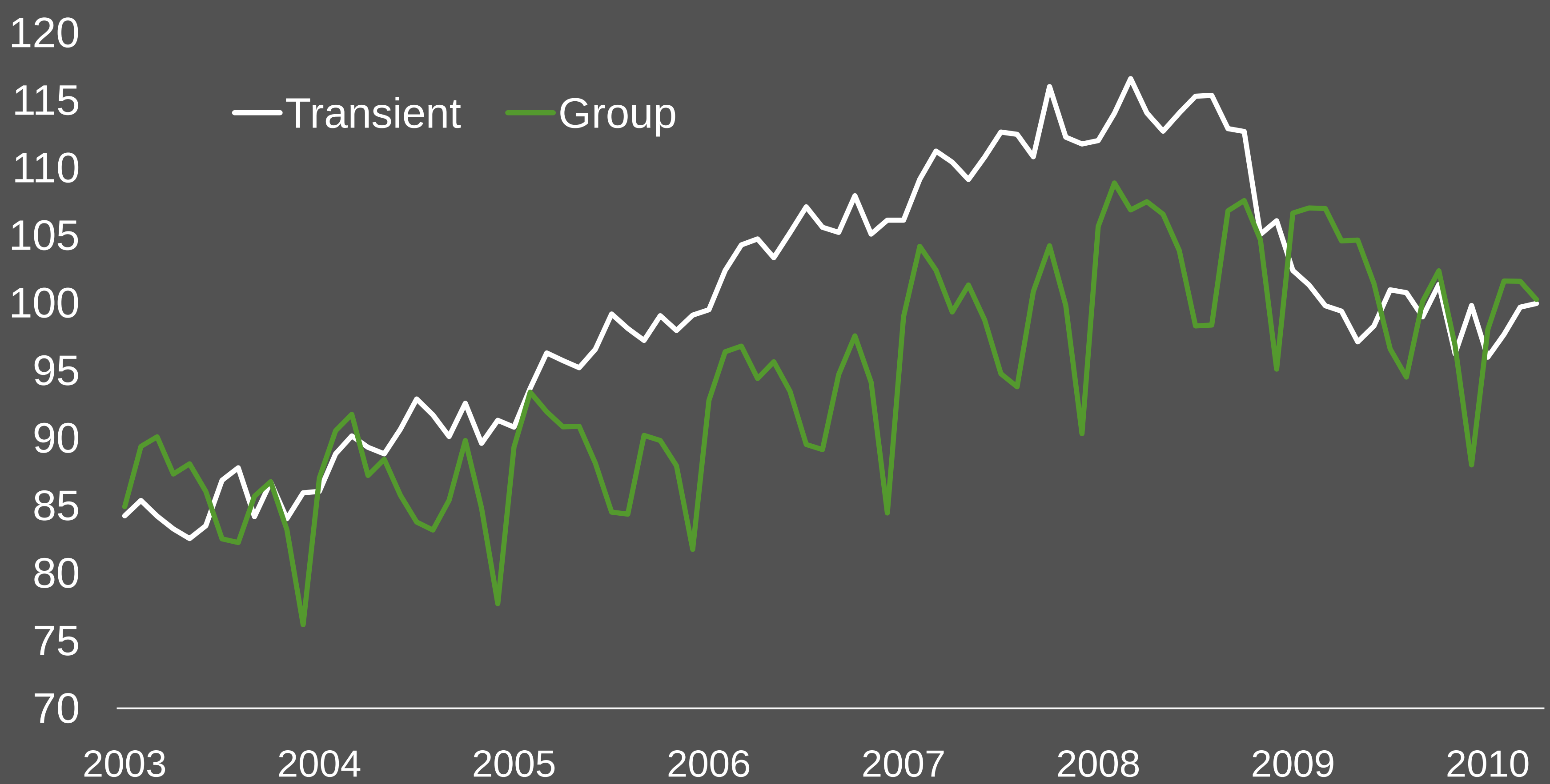
Total United States

Upper Tier Hotels = Luxury / Upper Upscale chains & Upper tier Indep.

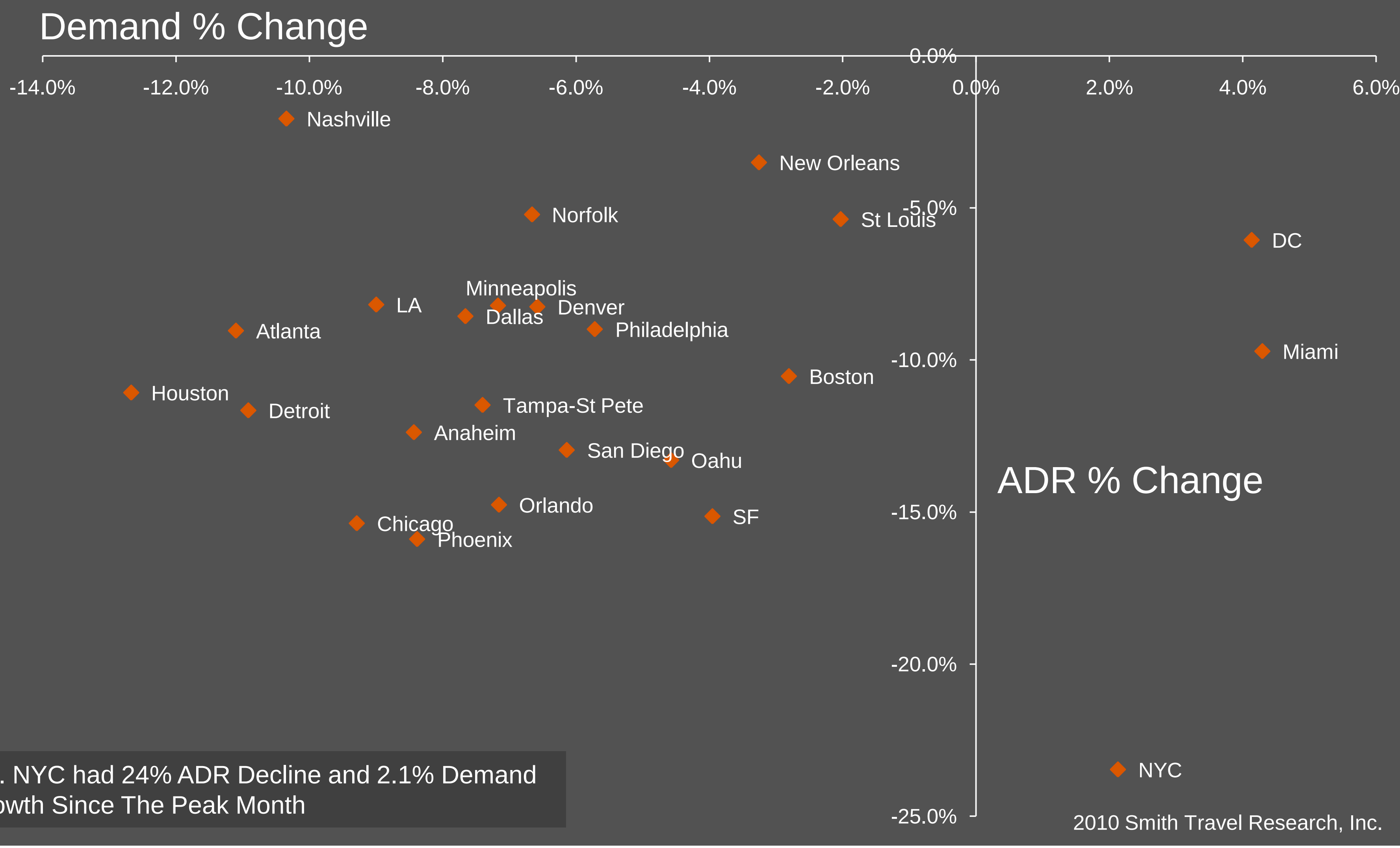
Total United States – Transient vs. Group

Monthly ADR ($)

Jan 2003 – April 2010

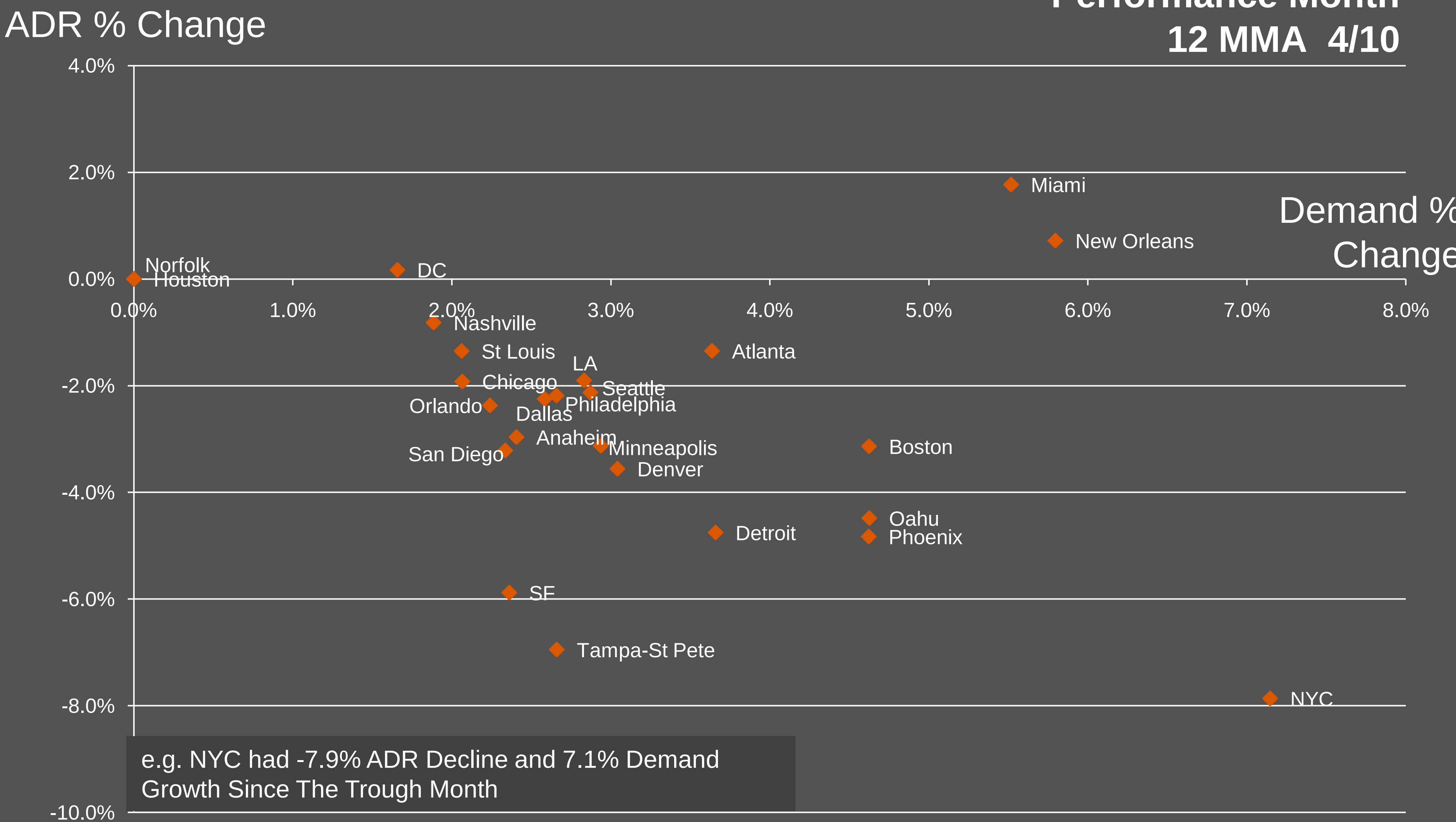


Top 25 Markets
Rooms Demand and ADR % Change vs Peak OCC Performance Month
12 MMA 4/10



e.g. NYC had 24% ADR Decline and 2.1% Demand Growth Since The Peak Month

Top 25 Markets
Rooms Demand and ADR % Change vs Trough OCC Performance Month
12 MMA 4/10



U.S. Lodging Industry Projections

As of June 2, 2010

US Economic Outlook - Blue Chip Economic Indicators May 2010

	2009	2010F	2011F
Real GDP	-2.5%	+3.2%	+3.1%
CPI	-0.4%	+2.0%	+1.9%
Corporate Profits	-5.8%	+19.4%	+8.1%
Disp. Personal Income	+1.0%	+1.3%	+2.6%
Unemployment Rate	9.3%	9.6%	8.9%

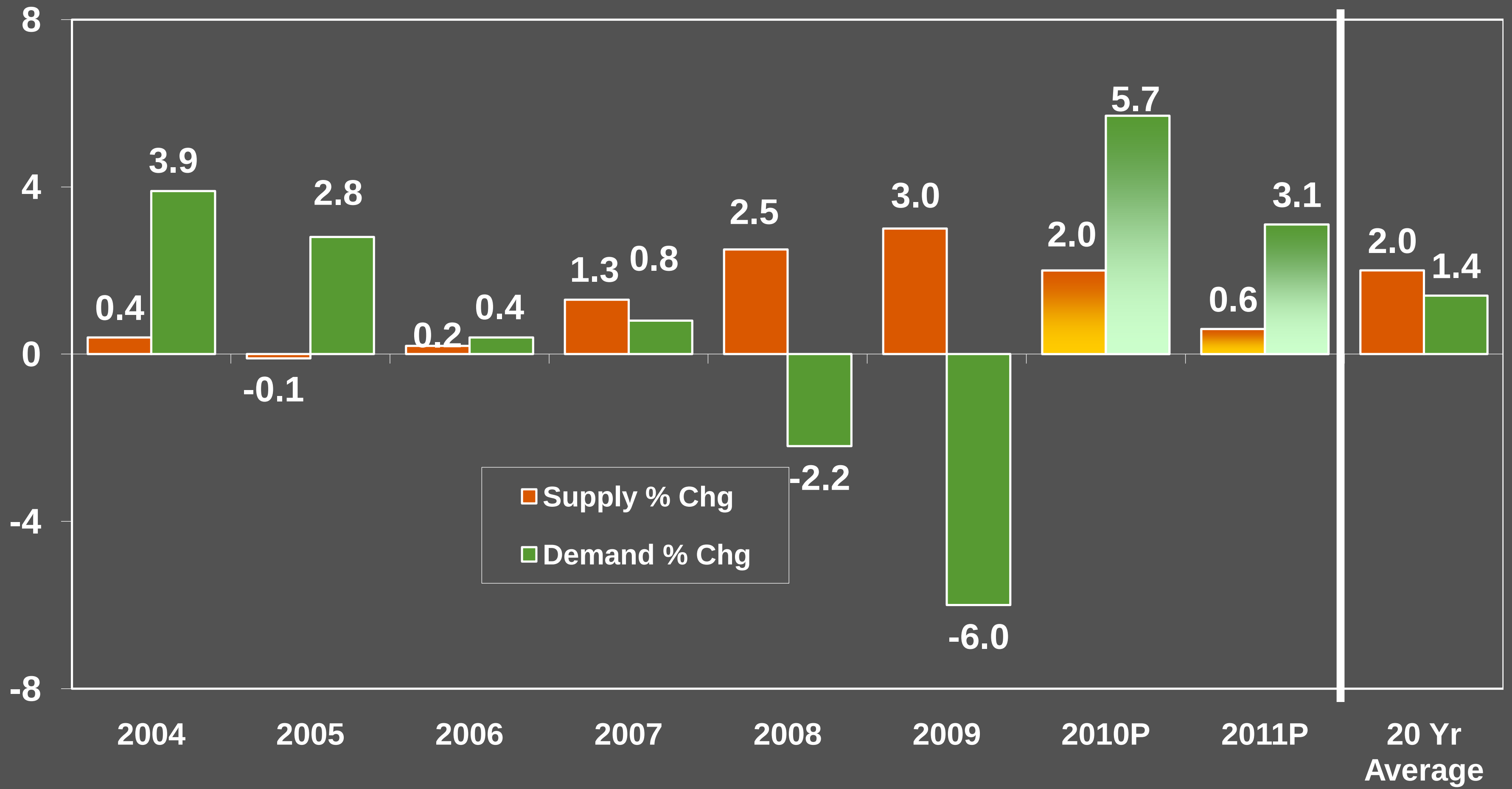
Total United States

Active Development Pipeline - Rooms
Change From Last Year

Phase	April 2010	April 2009	Difference	% Change
In Construction	77,404	170,242	-92,838	-54.5%
Final Planning	72,723	65,641	7,082	10.8%
Planning	216,953	297,685	-80,732	-27.1%
Active Pipeline	367,080	533,568	-166,488	-31.2%
Pre-Planning	107,872	141,313	-33,441	-23.7%
Total	474,952	674,881	-199,929	-29.6%

Total United States

Supply/Demand Percent Change
2004 – 2011P

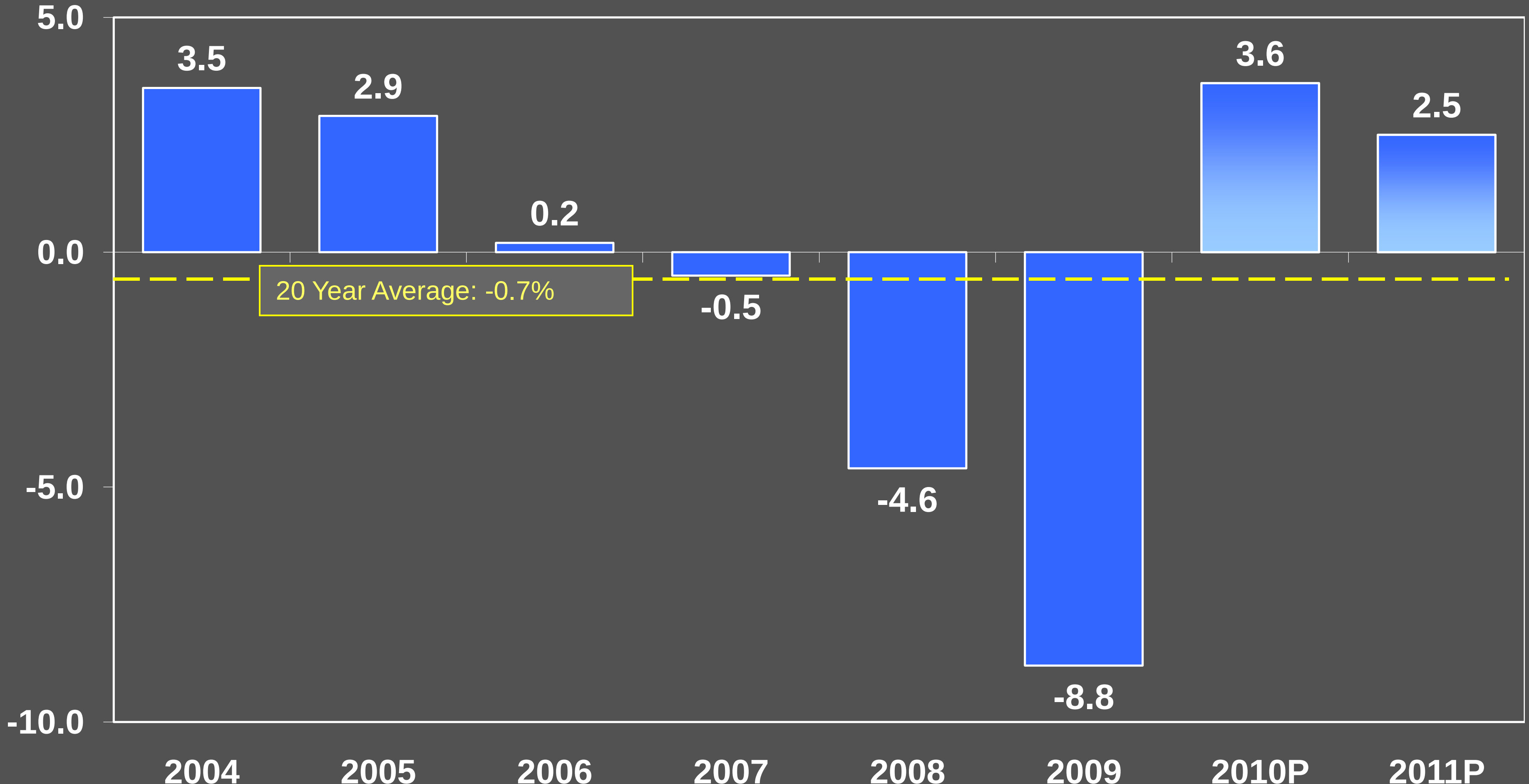


2010 Smith Travel Research, Inc.

Total United States

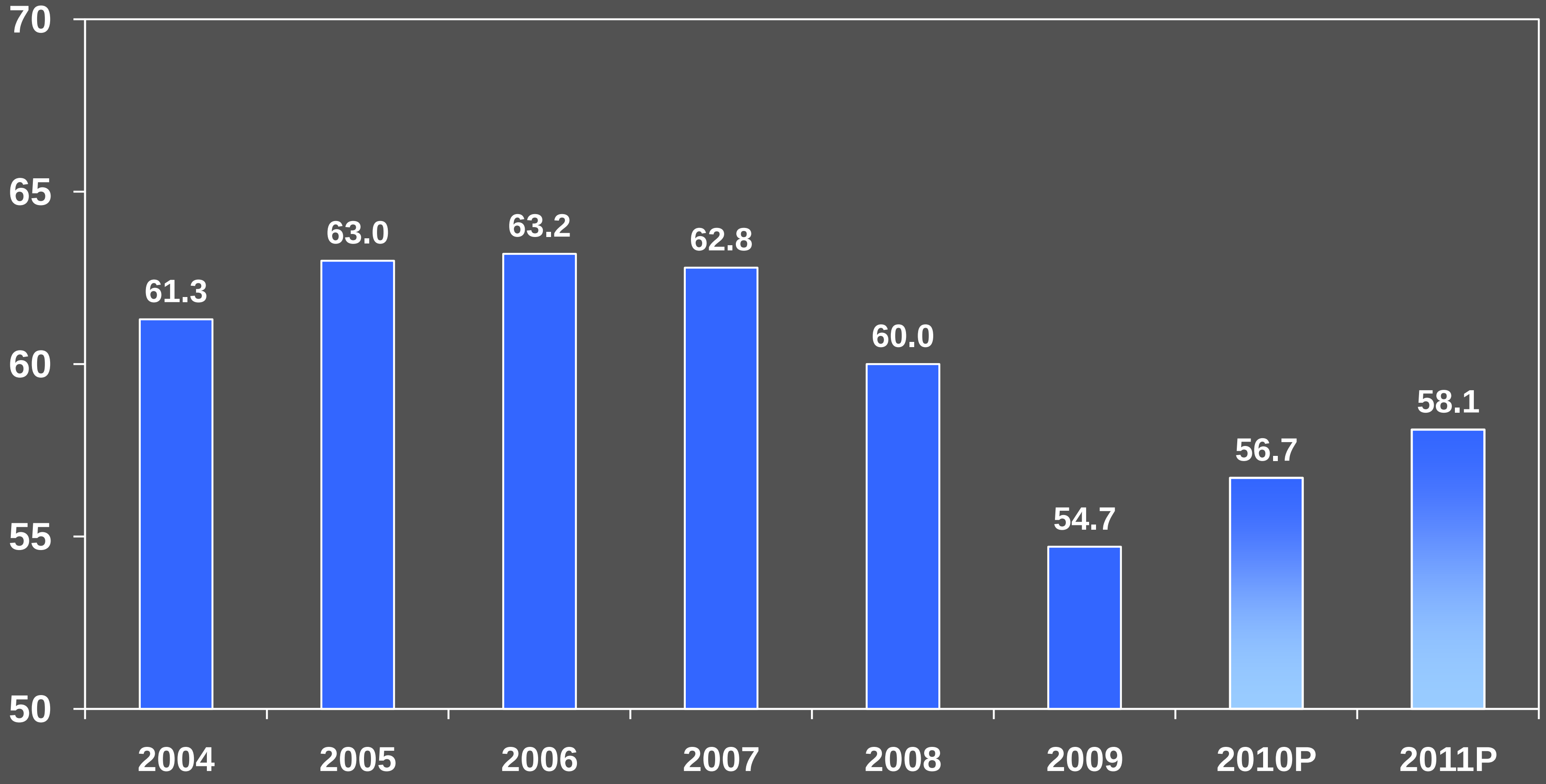
Occupancy Percent Change

2004 – 2011P



Total United States

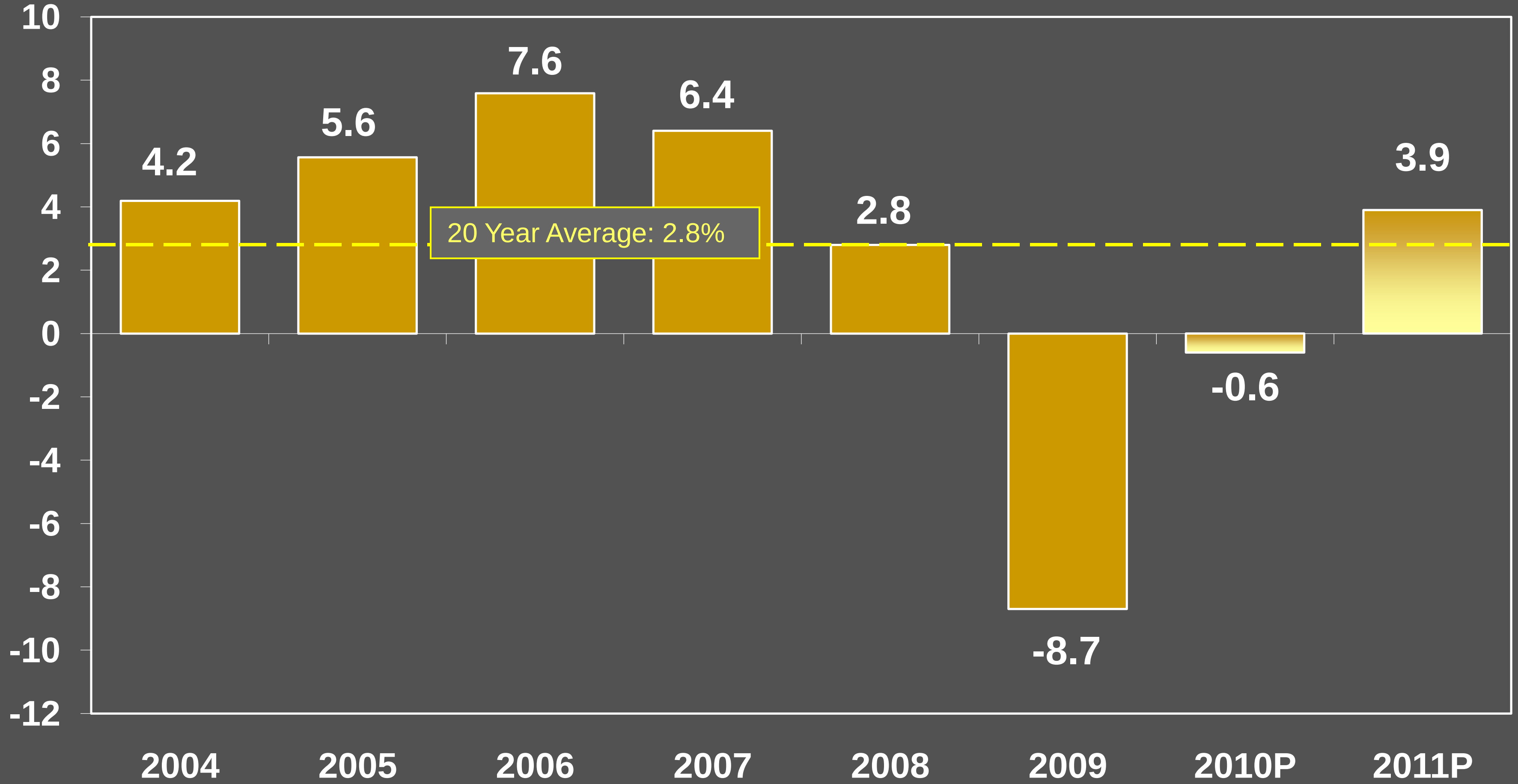
Occupancy Percent
2004 – 2011P



Total United States

ADR Percent Change

2004 – 2011P



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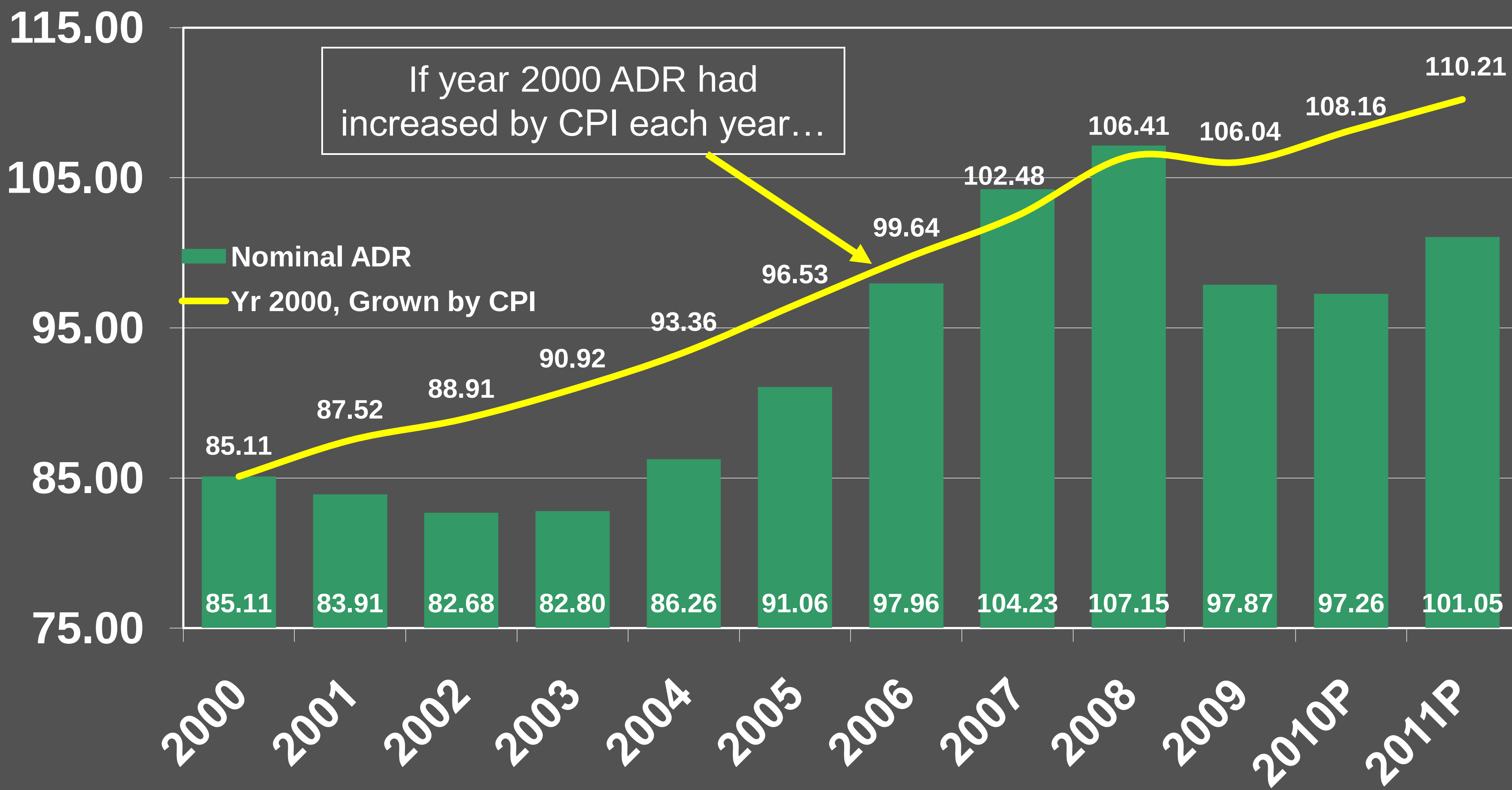
Total United States

Average Daily Rate (In Dollars)

2004 – 2011P

Total US Room Rates

Actual vs. Inflation Adjusted
2000 – 2011F

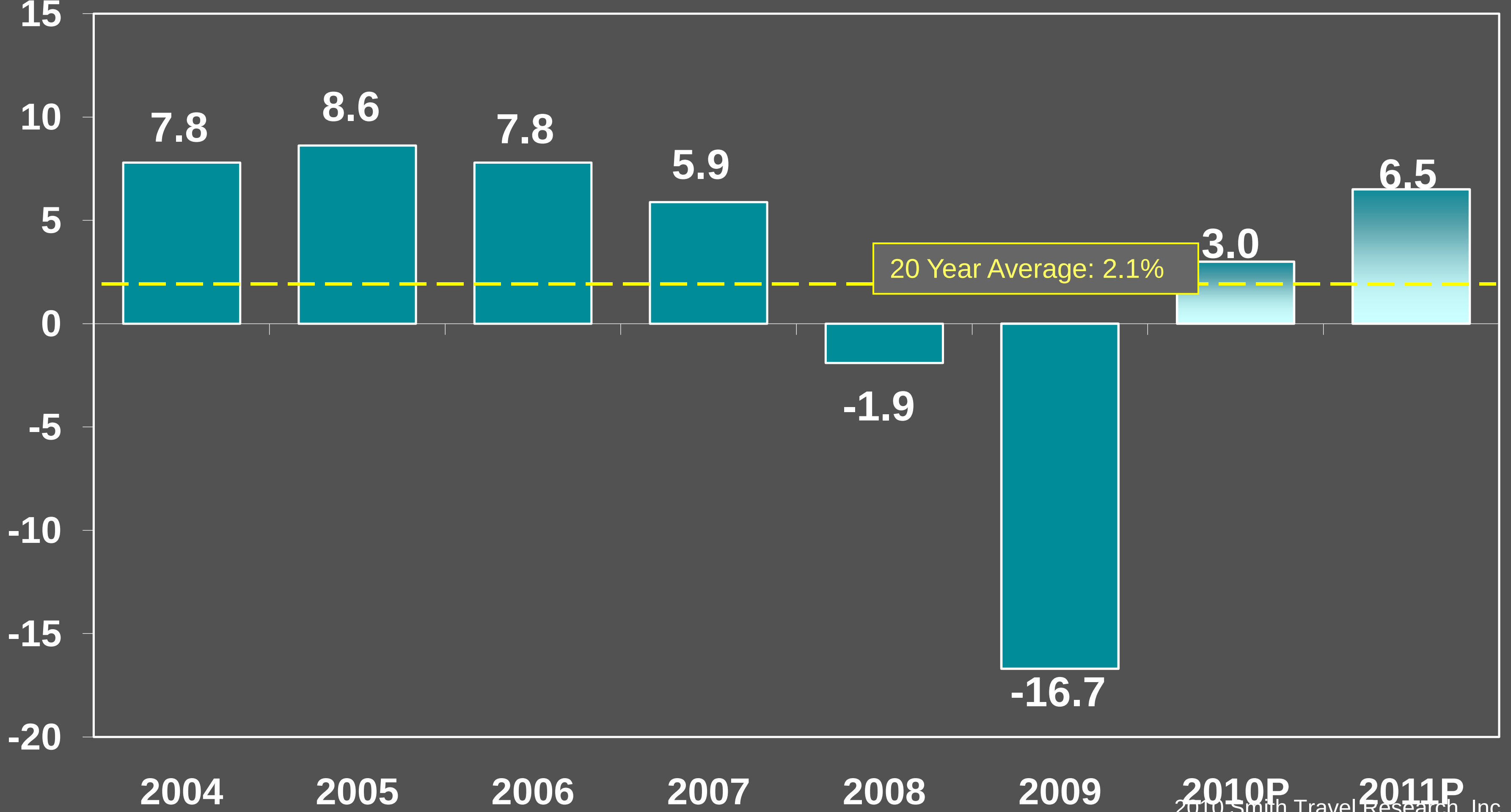


Note: 2010 & 2011 inflation rate forecast from Blue Chip Economic Indicators

Total United States

RevPAR Percent Change

2004 – 2011P



Total United States
Key Performance Indicator Outlook Scenario (% change vs. Prior Year)
2010-2011F

Hotel Industry Performance Scenarios						
	2010			2011		
	Low Growth	Forecast	High Growth	Low Growth	Forecast	High Growth
Supply	2.2	2.0	1.8	1.0	0.6	0.4
Demand	5.2	5.7	6.0	2.7	3.1	3.4
Occupancy	3.0	3.6	4.1	1.7	2.5	3.0
ADR	-1.1	-0.6	-0.3	3.6	3.9	4.4
RevPAR	2.0	3.0	3.8	5.4	6.5	7.4

Total United States

Key Performance Indicator Outlook Scenario
2010E by Chain Scale

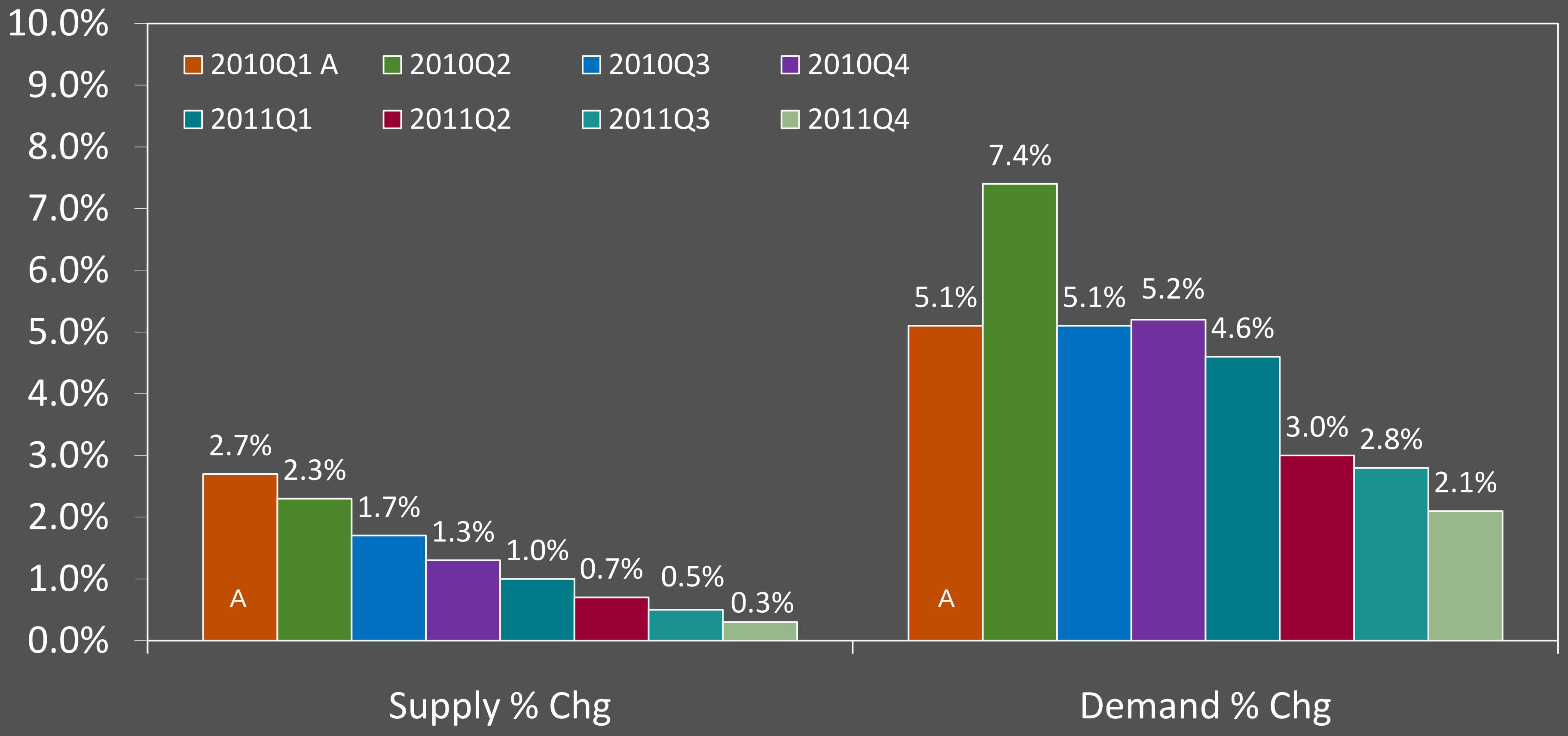
	2010 Year End Outlook		
Chain Scale	Occupancy (% chg)	ADR (% chg)	RevPAR (%chg)
Luxury	8.2	0.3	8.5
Upper Upscale	6.0	-0.7	5.4
Upscale	4.7	-1.2	3.5
Midscale w/ F&B	0.8	-1.6	-0.8
Midscale w/o F&B	3.4	0.8	4.2
Economy	2.8	-3.2	-0.4
Independent	3.6	-0.3	3.4

Total US Industry
Consecutive Quarterly Declines
Key Indicators

	1990/ 1991	2001/ 2002	**Current (Q1-10)**	*Estimate 2010*
Demand	3	5	**8**	*8 (+ in Q1 2010)*
Occupancy	7	6	**9**	*9 (+ in Q1 2010)*
ADR	0	5	**6**	*8*
RevPAR	5	5	**7**	*8*
Room Revenue	2	5	**5**	*5 (+ in Q1 2010)*

Total United States

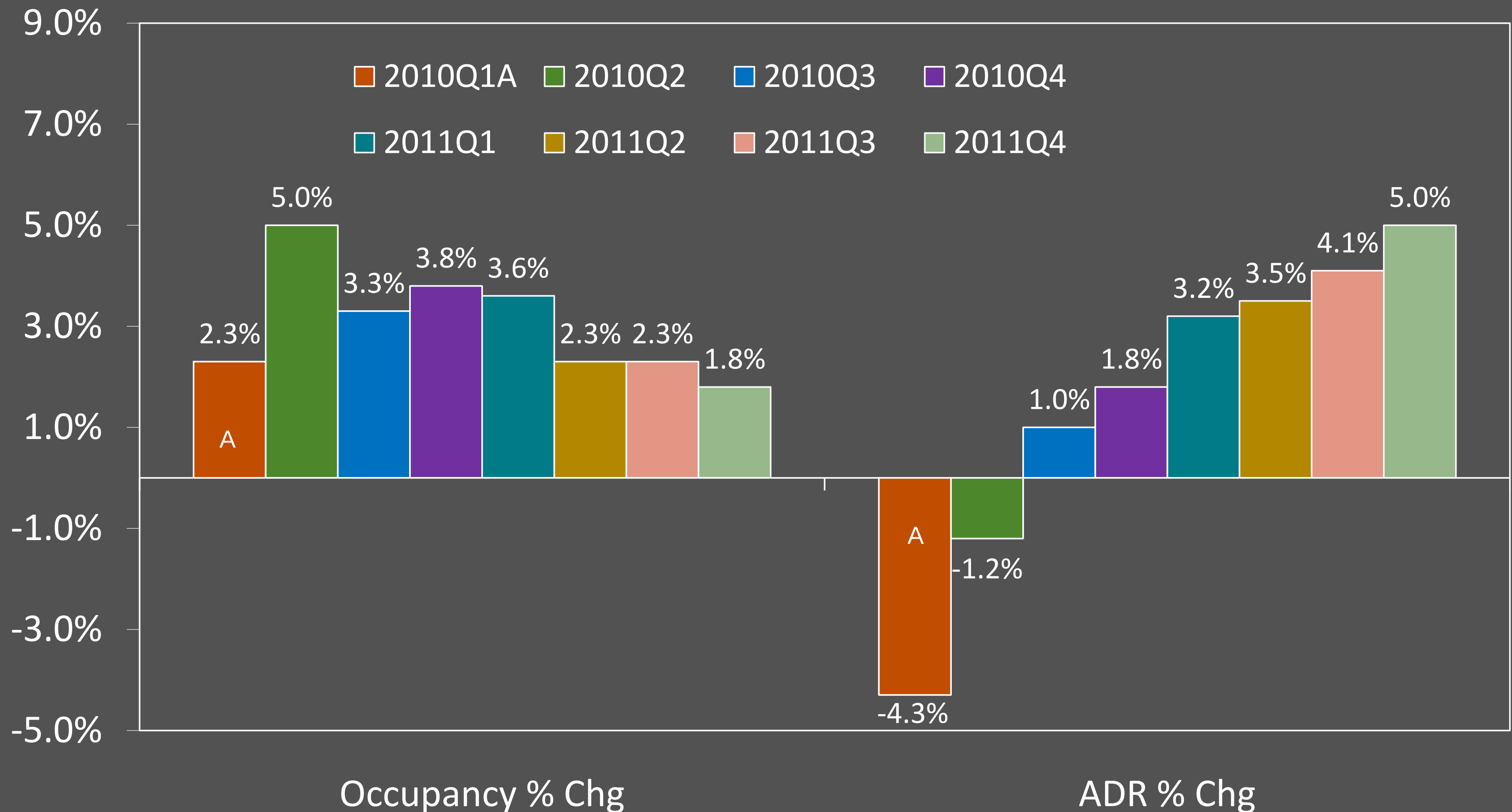
Supply & Demand Outlook
Quarterly 2010-11 vs. Same Quarter Prior Year



Note: Q1 2010 data is actual

Total United States

Occupancy & ADR Outlook
Quarterly 2010-11 vs. Same Quarter Prior Year



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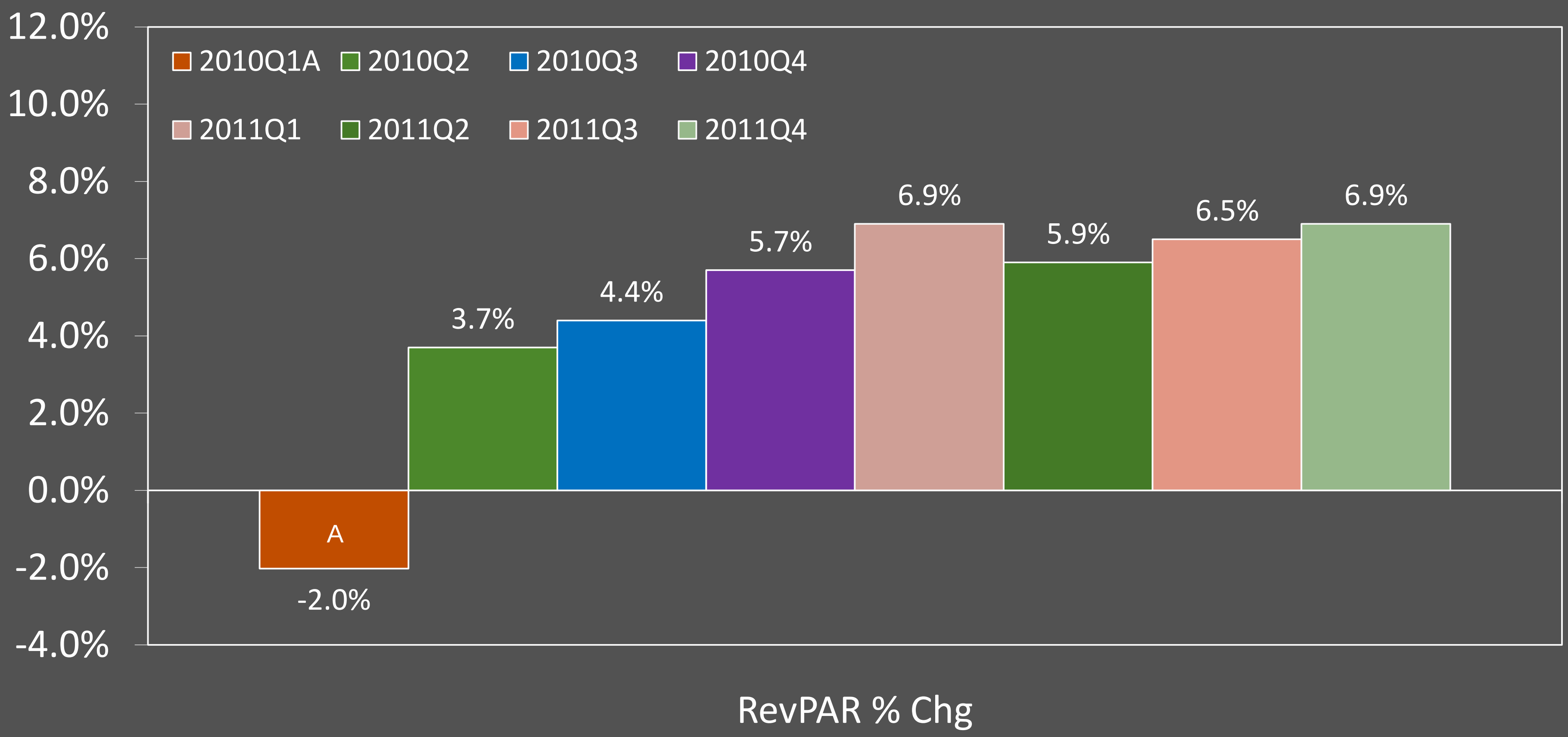
Note: Q1 2010 data is actual

Total United States

RevPAR Outlook

Quarterly 2010-11 vs. Same Quarter Prior Year



Takeaways

- Global Hotel Industry Recovers
- Demand is Back – Pricing is Not
- RevPAR Growth all Occupancy Driven
- Room Rate Growth Trajectory Will Determine Magnitude of Recovery

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