



Hospitality Market Report

Boston - MA USA

PREPARED BY



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HOSPITALITY MARKET REPORT

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12 Mo Occupancy

73.5%

12 Mo ADR

\$225.84

12 Mo RevPAR

\$165.95

12 Mo Supply

22.4M

12 Mo Demand

16.4M

The hotel industry in Boston has been performing remarkably well in the past year and has a positive outlook for 2024. As of April, RevPAR and ADR are at historic peaks at \$166 and \$230, respectively. However, year-over-year topline performance growth slowed since the second quarter of 2023 as traveler trends normalized. The Boston hotel industry faced challenges in demand due to slower weekday travel from the return to the office. Still, due to lower supply and steady demand growth from leisure over weekends in the last year, occupancy rates have improved in the past 12 months, reaching 98% of 2019 peaks.

The industry is not just expected but poised to remain strong in 2024, with leisure travel predicted to normalize gradually and group and business travel continuing their return to the market. Room rates will remain historically elevated but are expected to slow down. Supply-side pressures from new rooms' inventory entering the market will likely slow occupancy growth but generate pricing power for increased rate growth, sustaining RevPAR growth above past peaks and national levels.

Hotel construction in the Boston area was generally muted through 2023, with over 300 room deliveries for the year. New deliveries included mostly mid-tier hotels, although one new luxury class hotel, the Raffles Boston, was added in September 2023. The 2024 pipeline is looking up, as 720 rooms are under construction, with over 2,000 rooms sitting in final planning through 2027. Boston's hotel development is primarily driven by its diverse demand generators, including its profile as a business hub for large companies, two major convention

centers, The Boston Convention & Exhibition Center (BCEC) and the Hynes Convention Center, and international inbound travel and sports tourism.

In 2023, the market witnessed a significant event with the sale of the Sheraton Boston, comprising 792 rooms. This was one of last year's most important sales and notably impacted the market dynamics. However, due to the current economic climate, transaction activity was much less active than in previous years. Buyers are waiting for more favorable terms, possibly this year, as interest rates are expected to be lowered.

There are 26 properties in the market with CMBS loans maturing in the next two years. Fourteen properties are on the current distress watchlist, with one in special servicing.

The Boston hotel industry, like any other, faced its share of challenges. The return to the office led to slower weekday travel, impacting the demand. However, the industry's resilience was evident due to lower supply and steady demand growth in the past year; occupancy rates have improved in the past 12 months, reaching 98% of 2019 peaks. The industry is expected to remain strong in 2024, with leisure travel predicted to normalize gradually and group and business travel continuing their return to the market. Room rates will remain elevated to historical levels but grow moderately as supply-side pressures from new rooms enter the market and demand softens. Despite this, the Boston hotel industry is expected to perform well in 2024, with mid-year RevPAR forecast to maintain healthy growth.

KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	25,367	74.0%	\$294.31	\$217.66	147	0
Upscale & Upper Midscale	30,003	73.5%	\$190.96	\$140.40	372	641
Midscale & Economy	7,239	71.5%	\$117.04	\$83.69	0	79
Total	62,609	73.5%	\$225.84	\$165.95	519	720

Overview

Boston Hospitality

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	75.8%	69.4%	65.5%	73.5%	60.6%	76.2%
Occupancy Change	6.0%	5.7%	6.2%	5.5%	-0.3%	1.1%
ADR	\$232.70	\$201.72	\$192.20	\$225.84	\$194.19	\$238.24
ADR Change	4.1%	3.9%	3.5%	4.9%	2.5%	2.3%
RevPAR	\$176.41	\$140.07	\$125.85	\$165.95	\$117.62	\$181.59
RevPAR Change	10.3%	9.8%	9.9%	10.6%	2.2%	3.4%

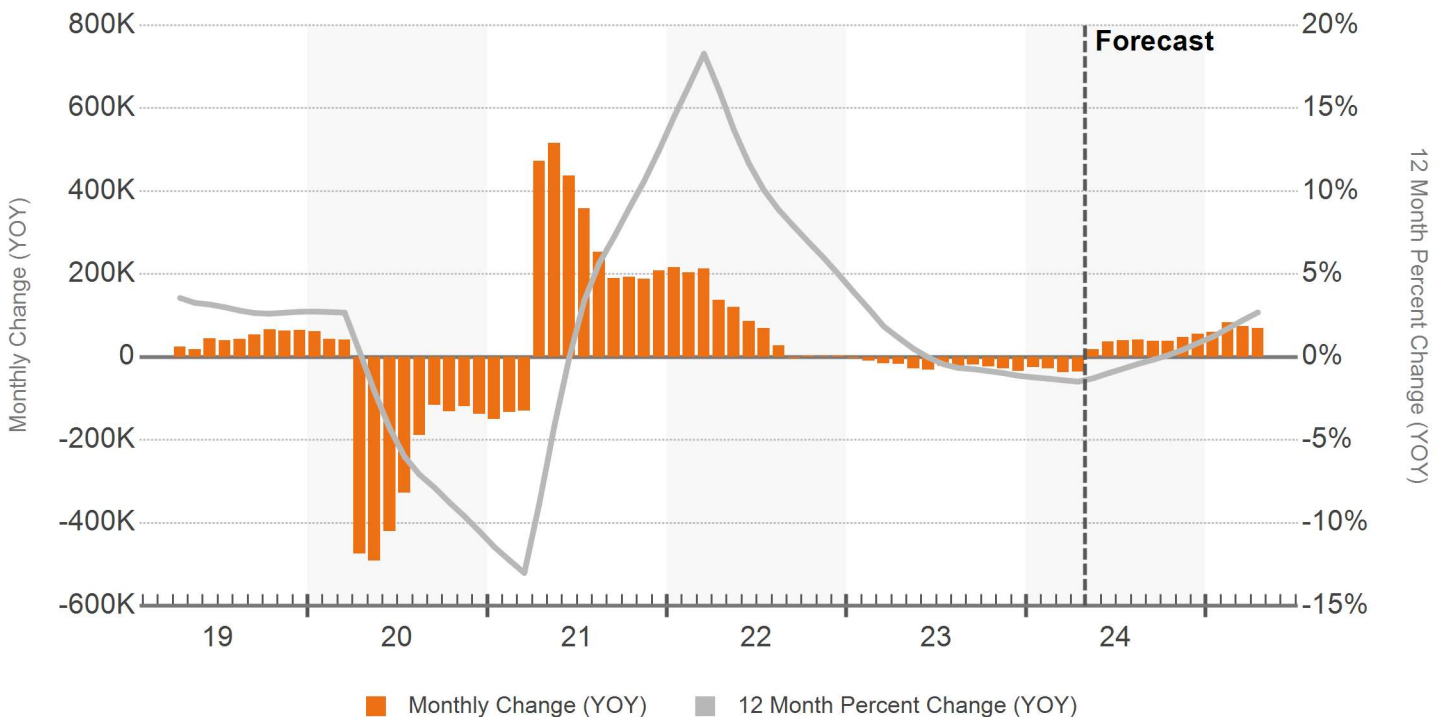
During the first two months of 2023, Boston's hotels saw a significant increase in performance compared to the same period in the previous year. However, travel patterns started to return to normal, and topline metrics slowed down in the second quarter of 2023. Despite this, RevPAR increased by 10.6%, reaching a new record high of \$166 in April. This was due to ADR's growth of 4.9%, pushing it to reach a new 12-month record of \$230. Occupancy remained steady at 72% through 23Q4 to the end of December, with a 12-month average of 74.0%, representing 98% of the peak level seen in 2019.

The resurgence of weekday business travel further bolstered this, as many significant corporations initiated a return-to-office policy, increasing office demand. Moreover, groups traveling for conferences and conventions started returning to the market in 2023, with 23Q4 providing the most optimism for a return, when theGroupDemand hotel industry in Boston experienced a boost in its performance due to the return of leisure demand, mainly during weekends which exceeded 2019's quarterly peaks by 7% on a monthly average. However, the total number of groups traveling to the market is still about 10% lower year to date than 2019 levels, where it might remain in the short-term due to renovations at the Hynes Convention Center, one of two convention centers located in the Boston CBD/Airport Submarket.

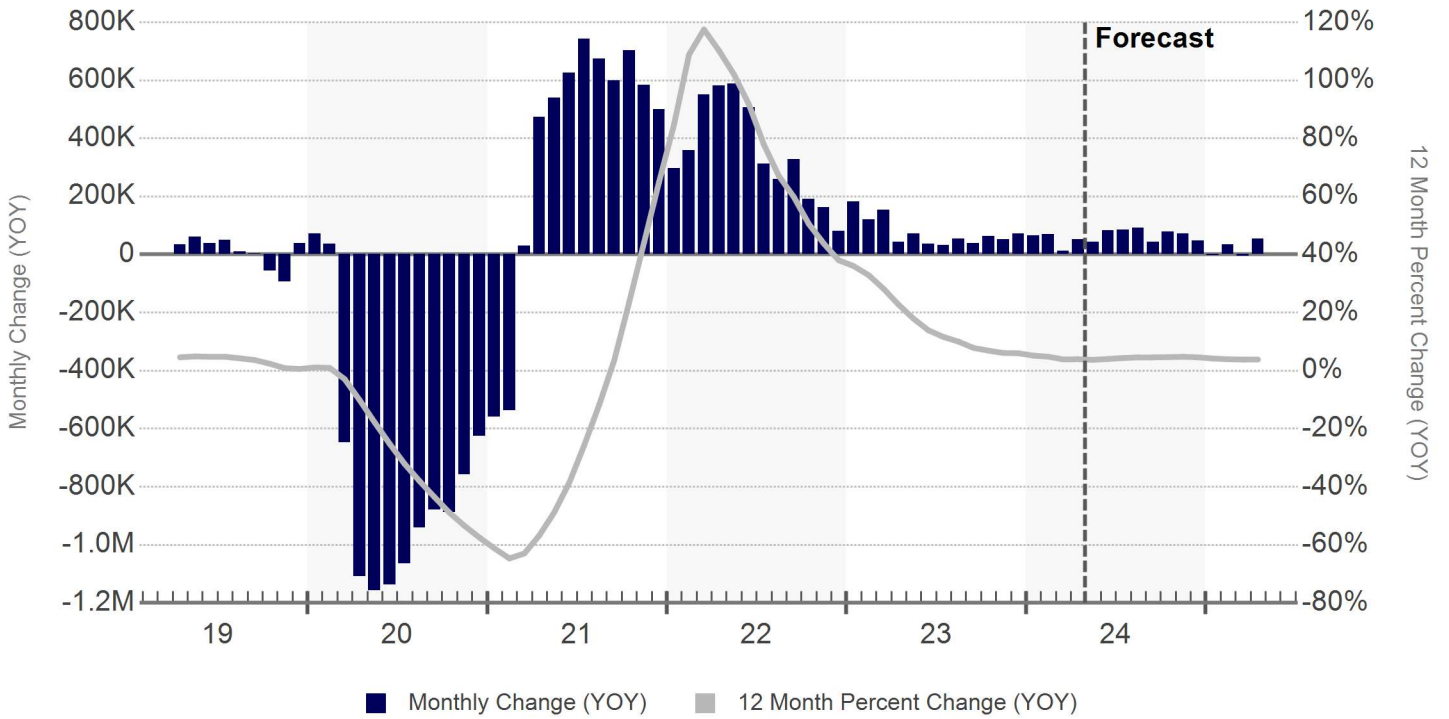
Boston's Seaport District, CBD/Airport, and districts such as Back Bay and Cambridge are booming with new developments driving interest in new hotel growth. This, combined with Boston's primary major headquarters operations, such as General Electric, John Hancock, Wayfair, and Fidelity, will continue to drive new supply to Boston submarkets and the CBD/Airport area. Boston is also home to two major convention centers, the Boston Convention & Exhibition Center (BCEC) and the aforementioned Hynes Convention Center, located in the Boston CBD/Airport Submarket: Approximately 50% of total market demand and 60% of group demand is drawn to the CBD/Airport Submarket. It is providing a significant boost for the hotels in that area and aiding it to be one of Boston's top-performing submarkets.

Despite economic headwinds and moderating performance levels, the Boston hotel market remains optimistic. Steady performance is expected to stay above historic peaks, creating a favorable environment for hotels and potential investors. As leisure travel gradually normalizes from increased outbound travel options and softening economic growth, 2024 can expect a resurgence in group, business, and international travel. This is likely as return-to-office mandates grow and consumers and enterprises prioritize travel spending, further boosting the Boston hotel market.

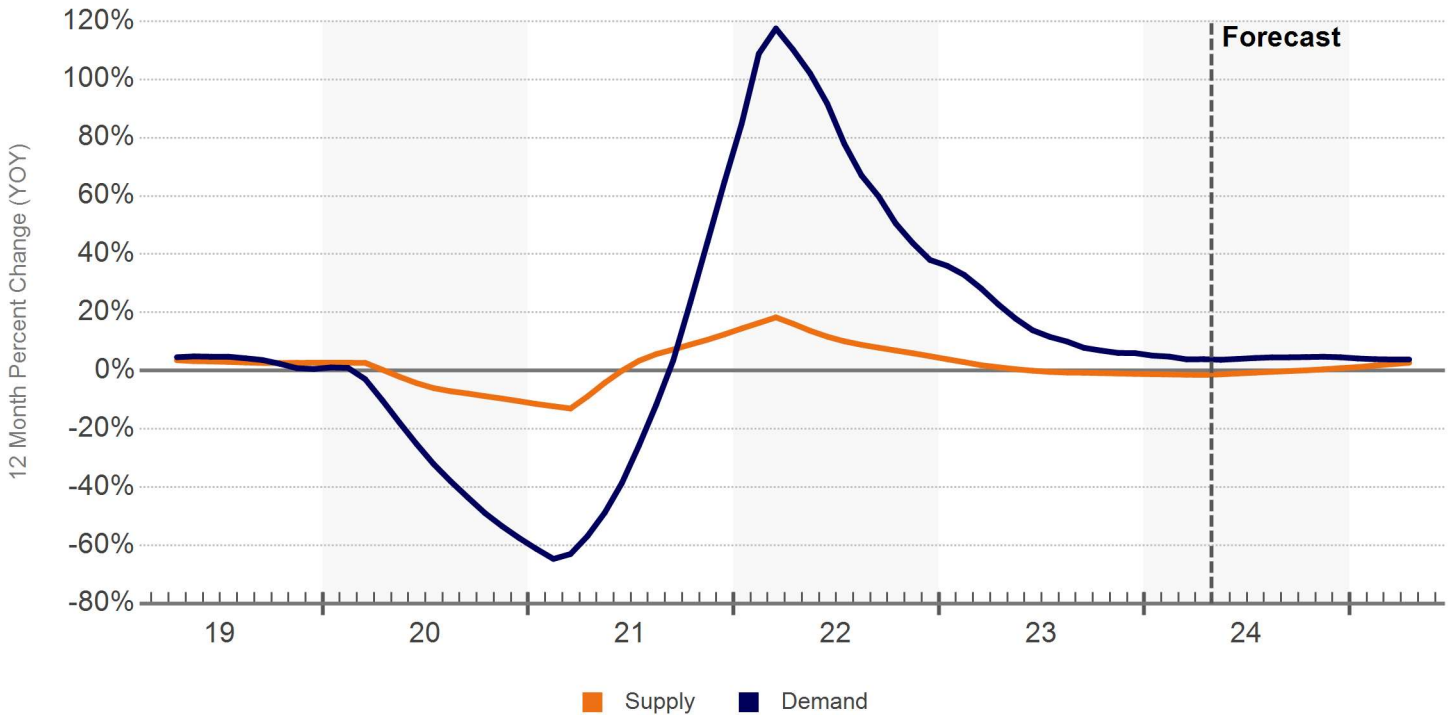
SUPPLY CHANGE



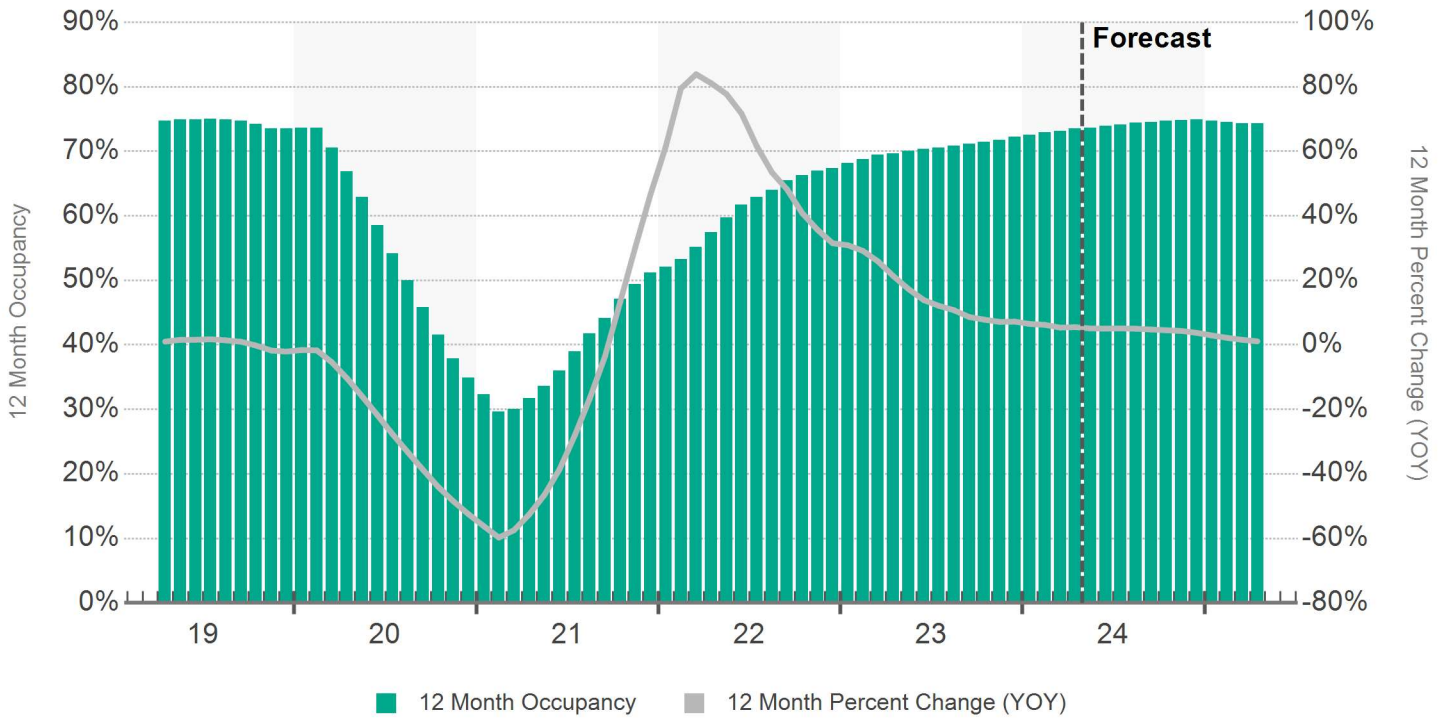
DEMAND CHANGE



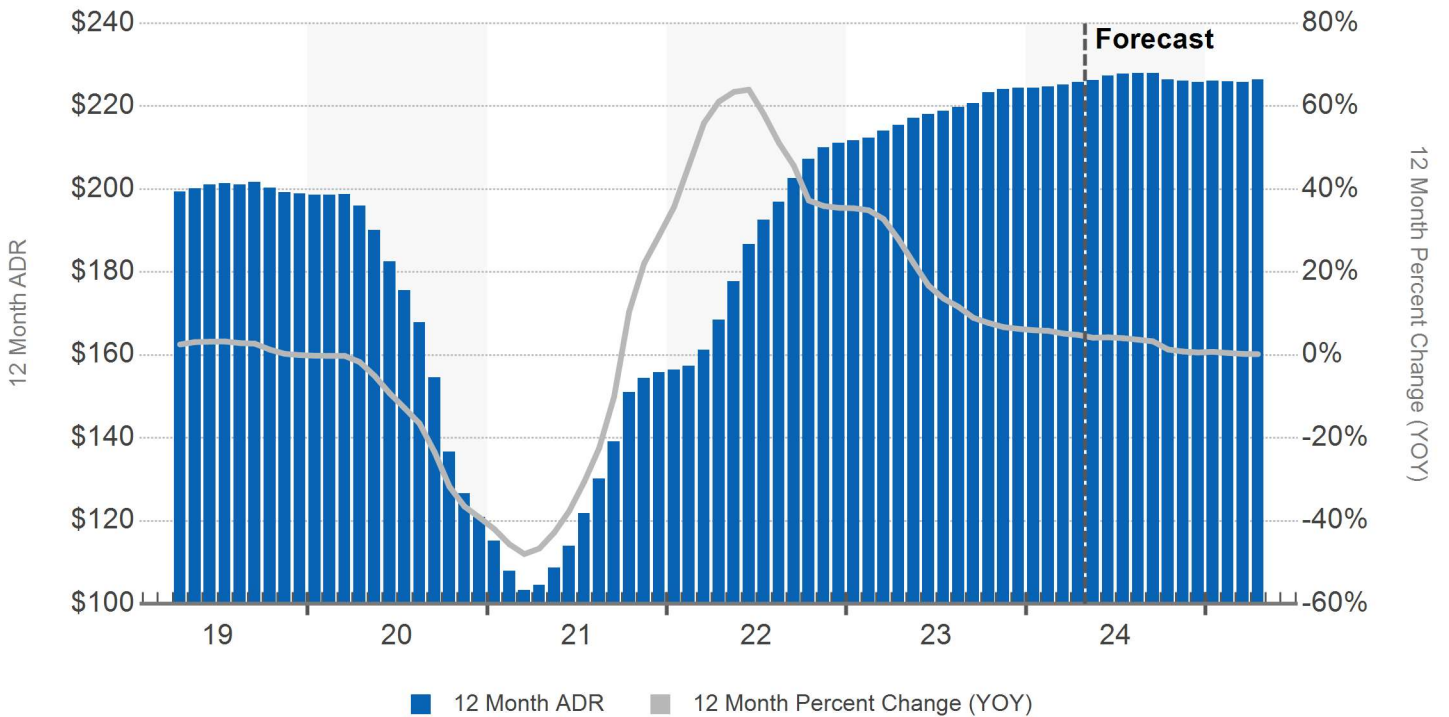
SUPPLY & DEMAND CHANGE



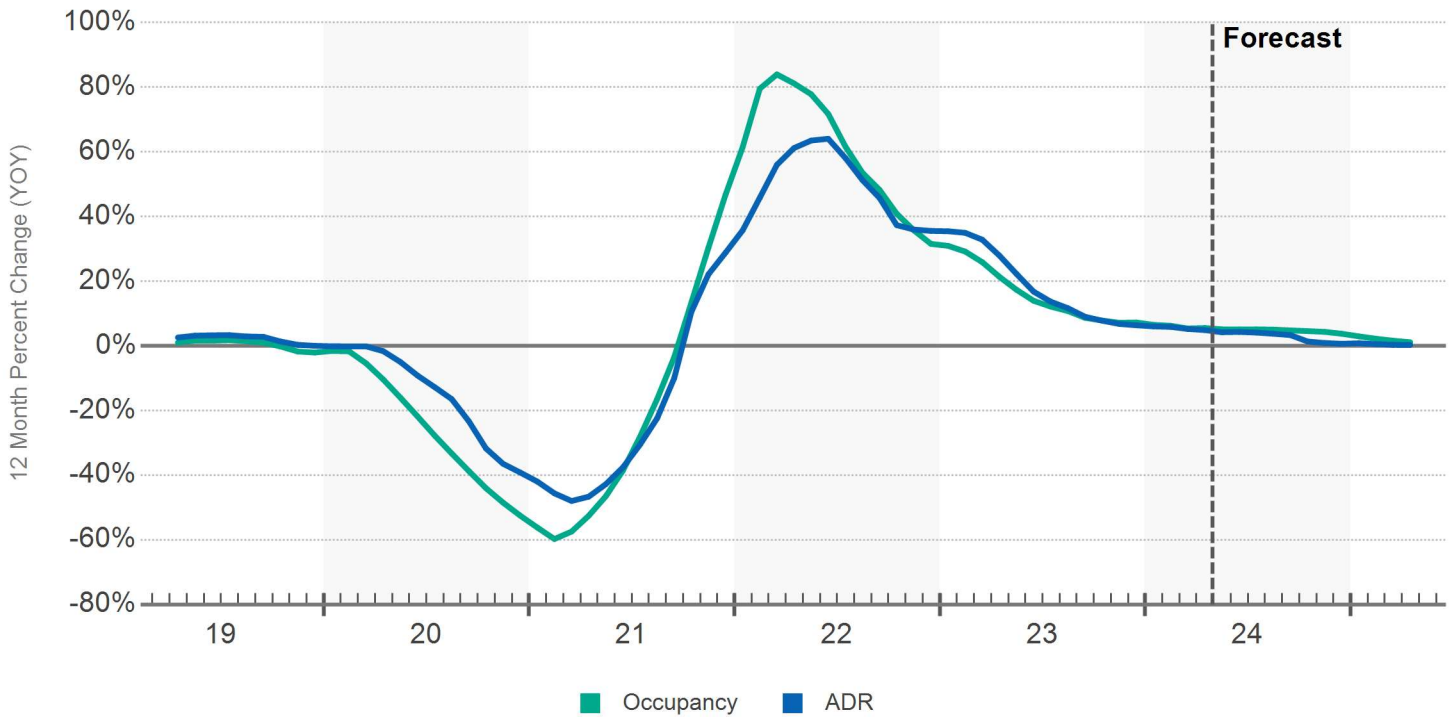
OCCUPANCY



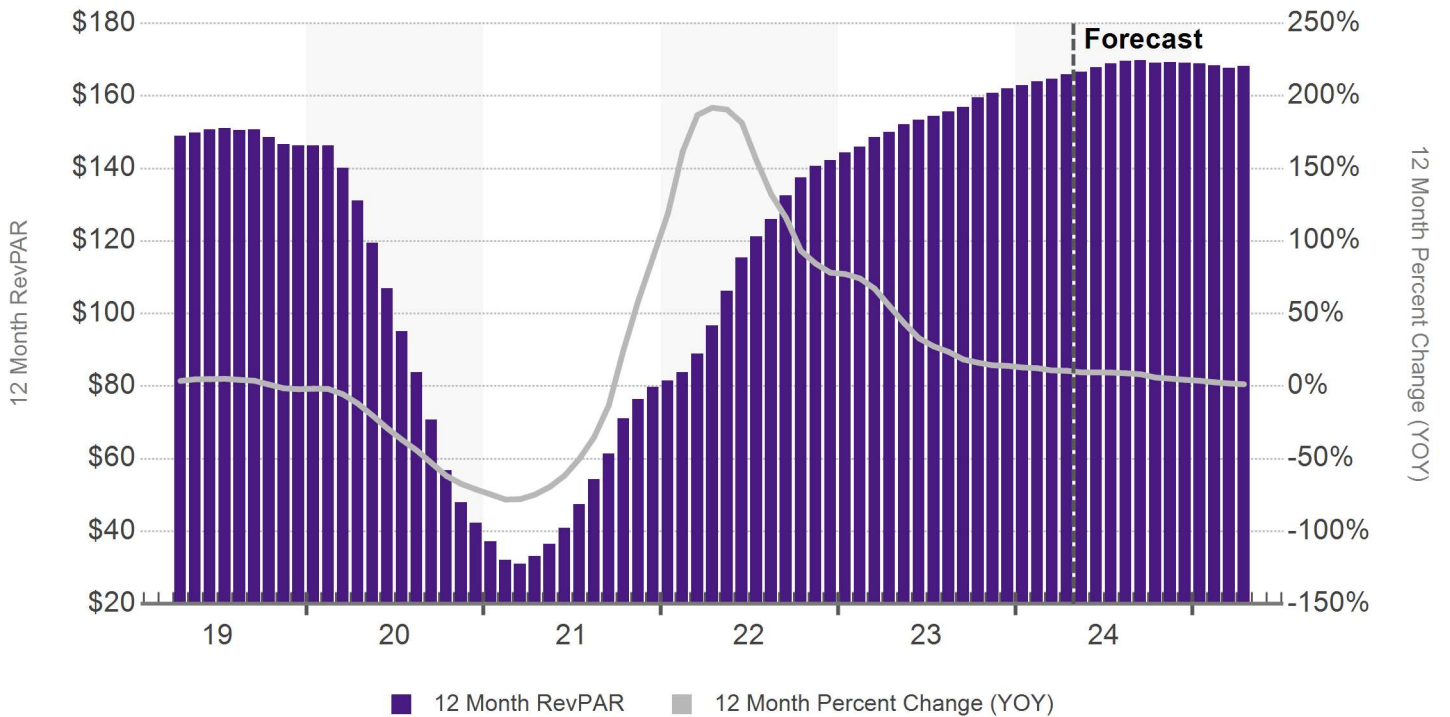
ADR



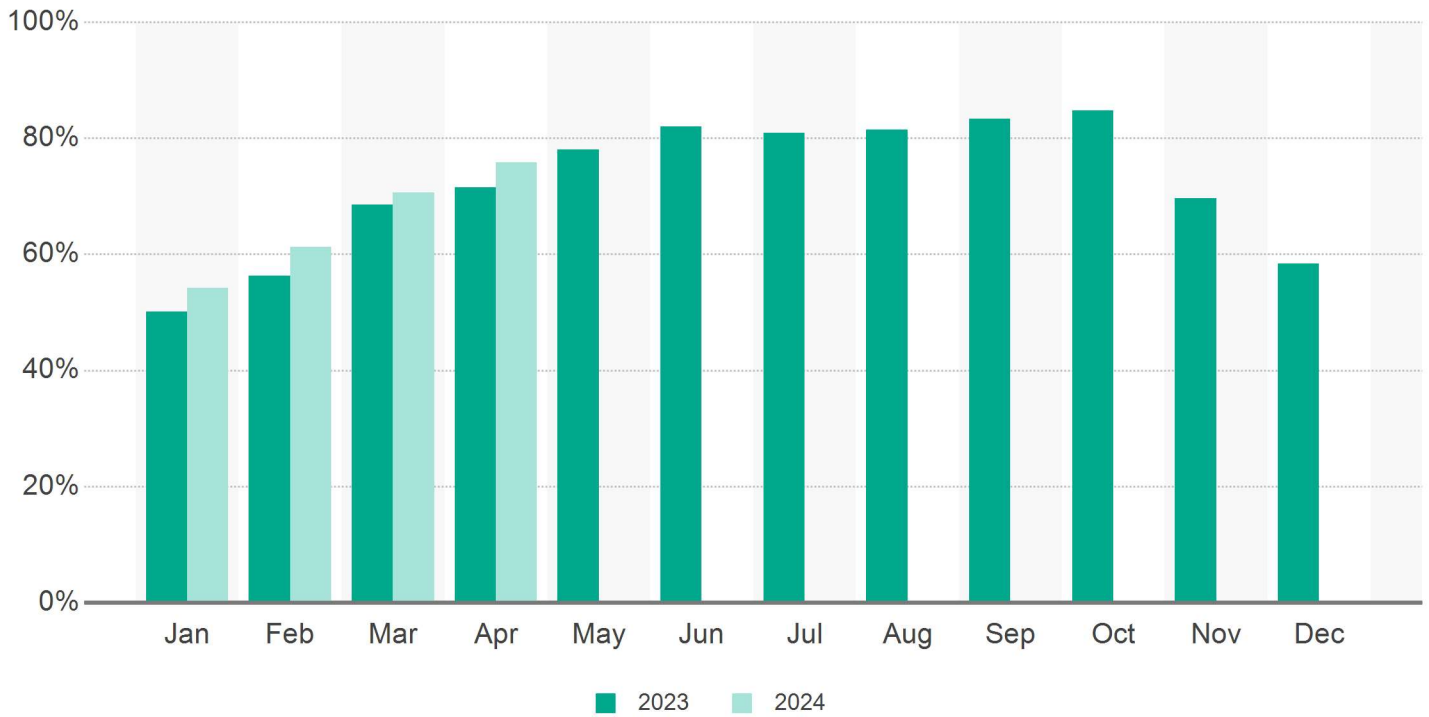
OCCUPANCY & ADR CHANGE



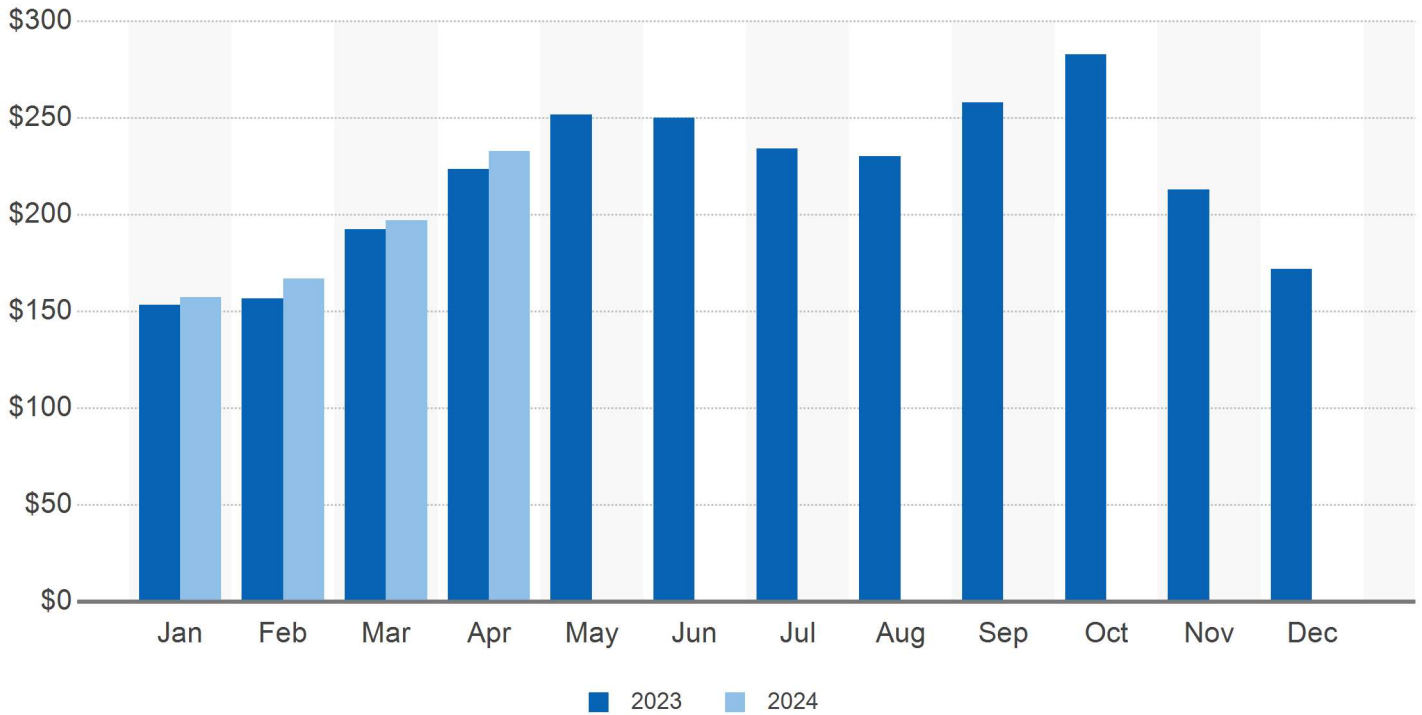
REVPAR



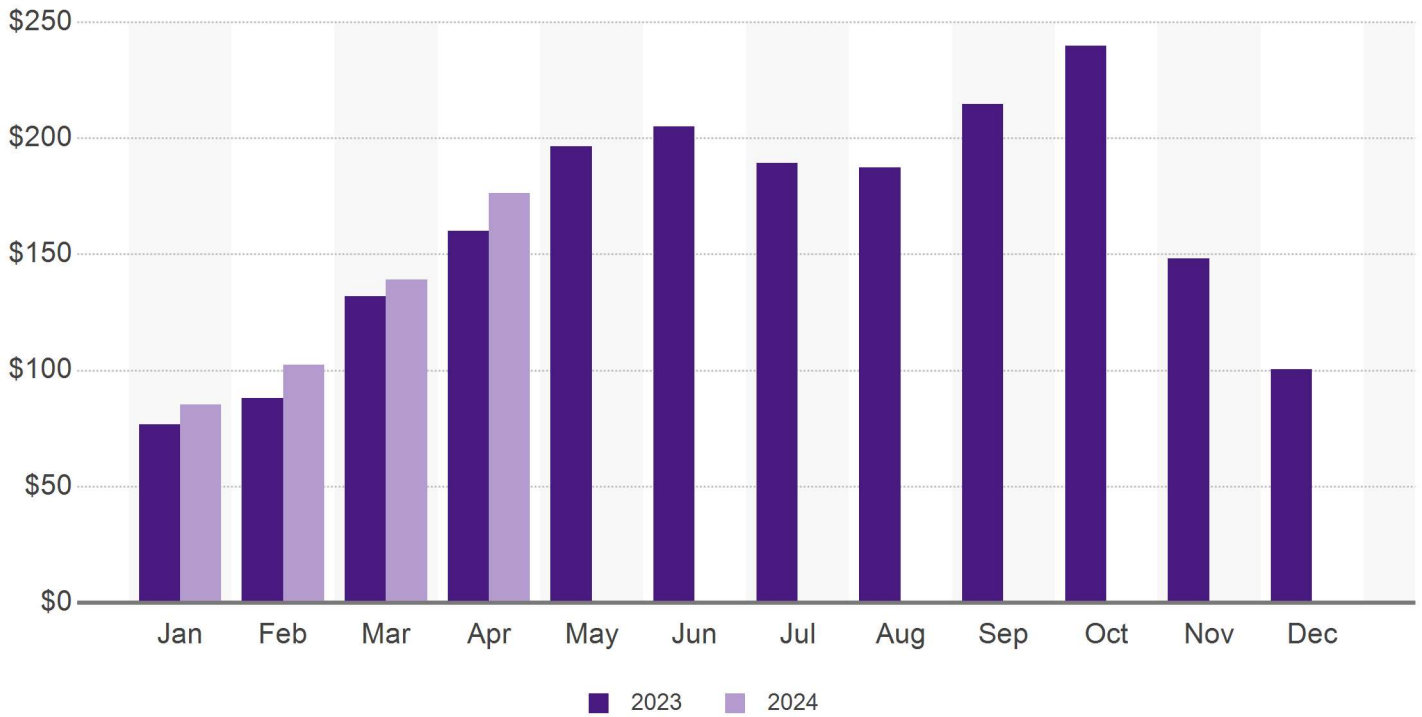
OCCUPANCY MONTHLY



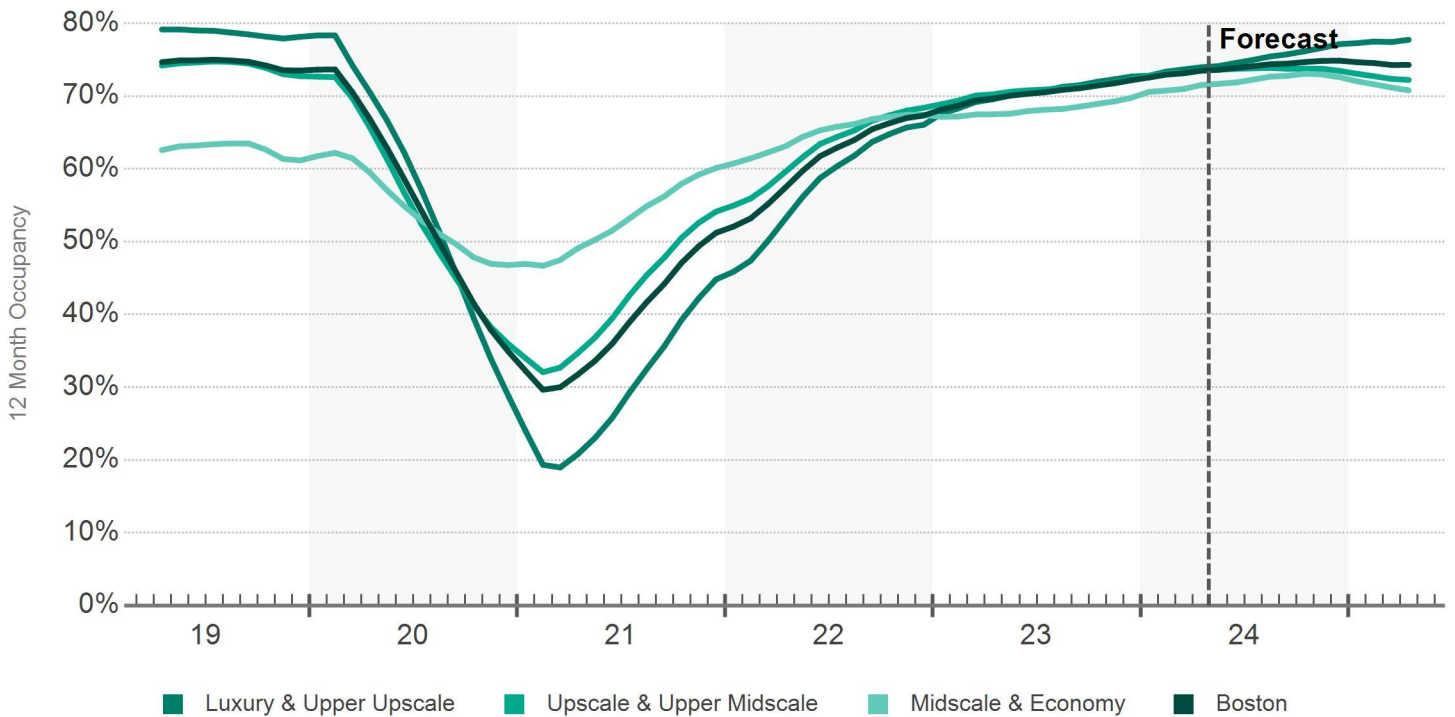
ADR MONTHLY



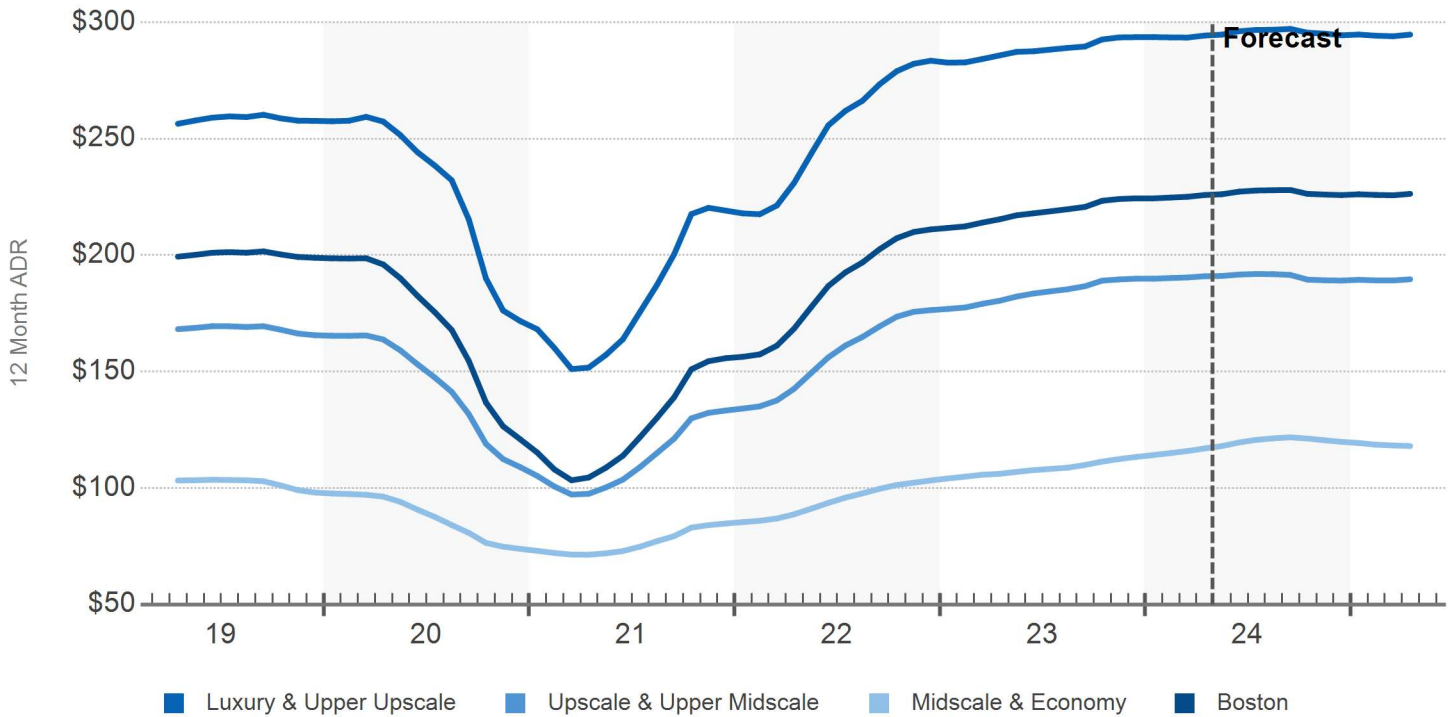
REVPAR MONTHLY



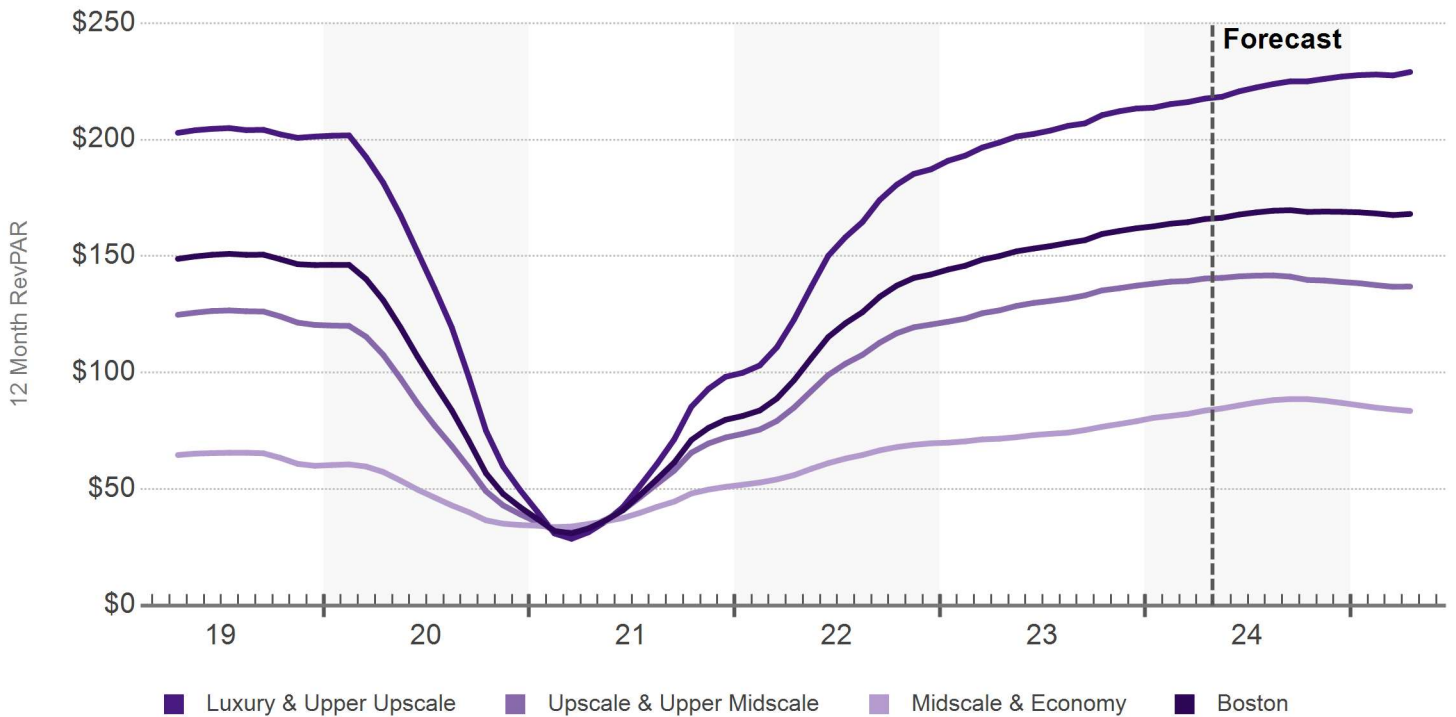
OCCUPANCY BY CLASS



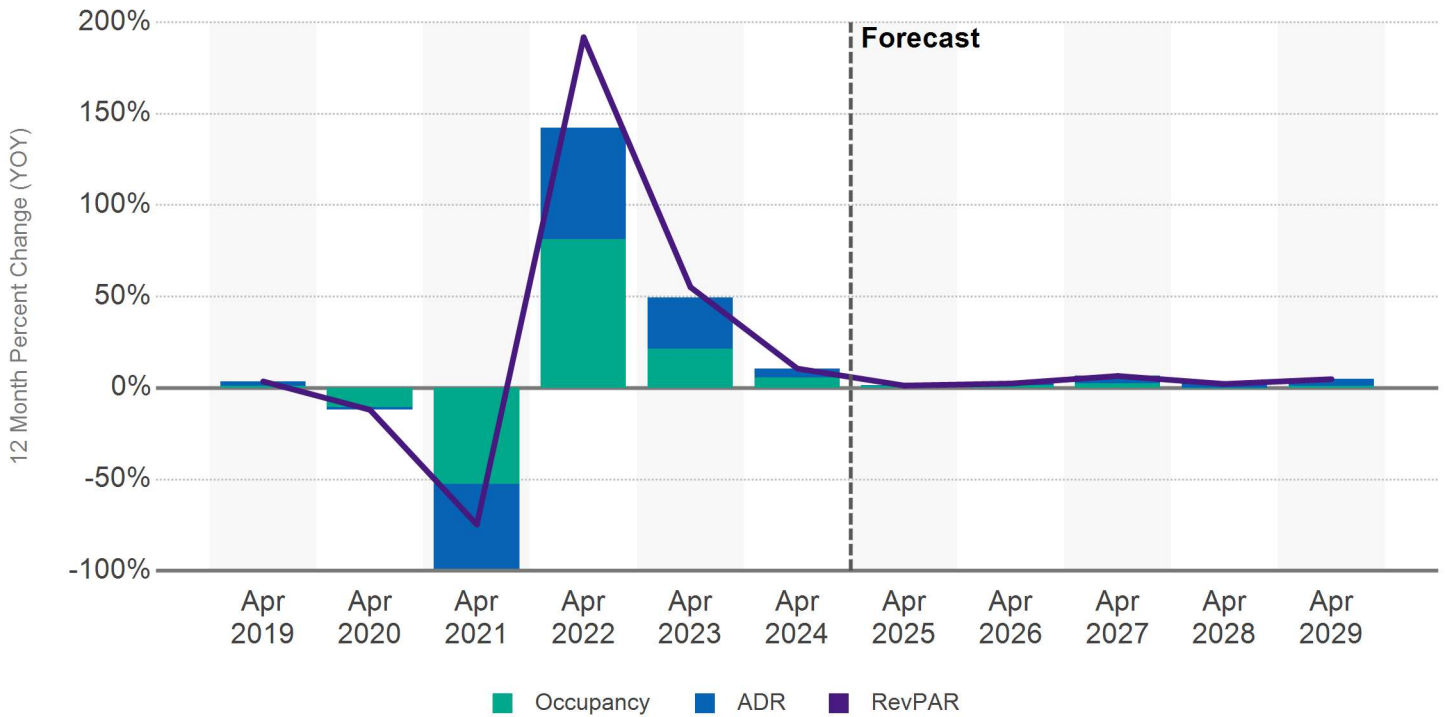
ADR BY CLASS



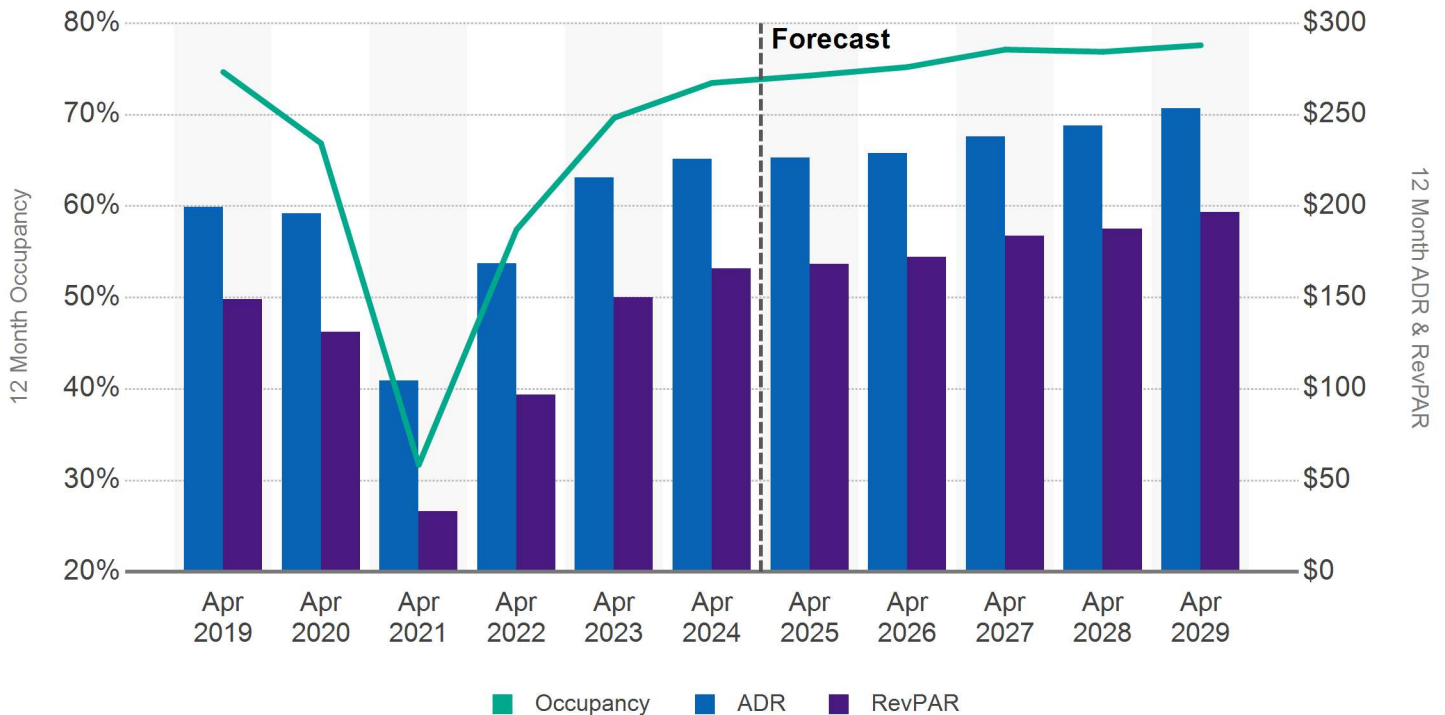
REVPAR BY CLASS



REVPAR GROWTH COMPOSITION



OCCUPANCY, ADR & REVPAR



FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	2022			2021-2022 % Change	
	% of Revenues	PAR	POR	PAR	POR
Revenue					
Rooms	74.6%	\$65,130	\$274.04	98.6%	32.6%
Food	11.8%	\$10,271	\$43.22	138.7%	59.4%
Beverage	3.5%	\$3,069	\$12.91	91.5%	27.8%
Other F&B	5.5%	\$4,784	\$20.13	157.0%	71.6%
Other Departments	2.4%	\$2,134	\$8.98	53.9%	2.8%
Miscellaneous Income	2.2%	\$1,898	\$7.98	18.1%	-21.1%
Total Revenue	100%	\$87,286	\$367.26	100.4%	33.8%
Operating Expenses					
Rooms	25.6%	\$16,647	\$70.04	63.3%	9.0%
Food & Beverage	76.0%	\$13,776	\$57.96	100.2%	33.6%
Other Departments	52.3%	\$1,116	\$4.70	71.8%	14.7%
Administrative & General	8.8%	\$7,686	\$32.34	49.6%	-0.1%
Information & Telecommunication Systems	1.3%	\$1,103	\$4.64	24.5%	-16.9%
Sales & Marketing	8.3%	\$7,223	\$30.39	72.8%	15.3%
Property Operations & Maintenance	4.0%	\$3,464	\$14.57	30.8%	-12.7%
Utilities	4.0%	\$3,498	\$14.72	28.3%	-14.3%
Gross Operating Profit	37.5%	\$32,772	\$137.89	219.7%	113.4%
Management Fees	3.5%	\$3,019	\$12.70	136.4%	57.8%
Rent	0.8%	\$669	\$2.82	-16.4%	-44.2%
Property Taxes	5.9%	\$5,143	\$21.64	2.0%	-31.9%
Insurance	0.8%	\$718	\$3.02	30.7%	-12.8%
EBITDA	26.6%	\$23,223	\$97.71	800.2%	500.9%
Total Labor Costs	34.3%	\$29,979	\$126.14	63.5%	9.2%

(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.

(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.

(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.

Boston's development landscape is challenging due to a shortage of developable land, prolonged development, and high construction costs. These factors have led to a need for more hotel supply, making Boston an under-supplied hotel market.

Despite the competitive landscape, developers and investors have successfully identified value in new development opportunities. Currently, 5 hotels are under construction, adding a total of 780 rooms. This represents a modest 1.1% increase in hotel supply, compared to the U.S. under-construction percent of inventory at 2.7%.

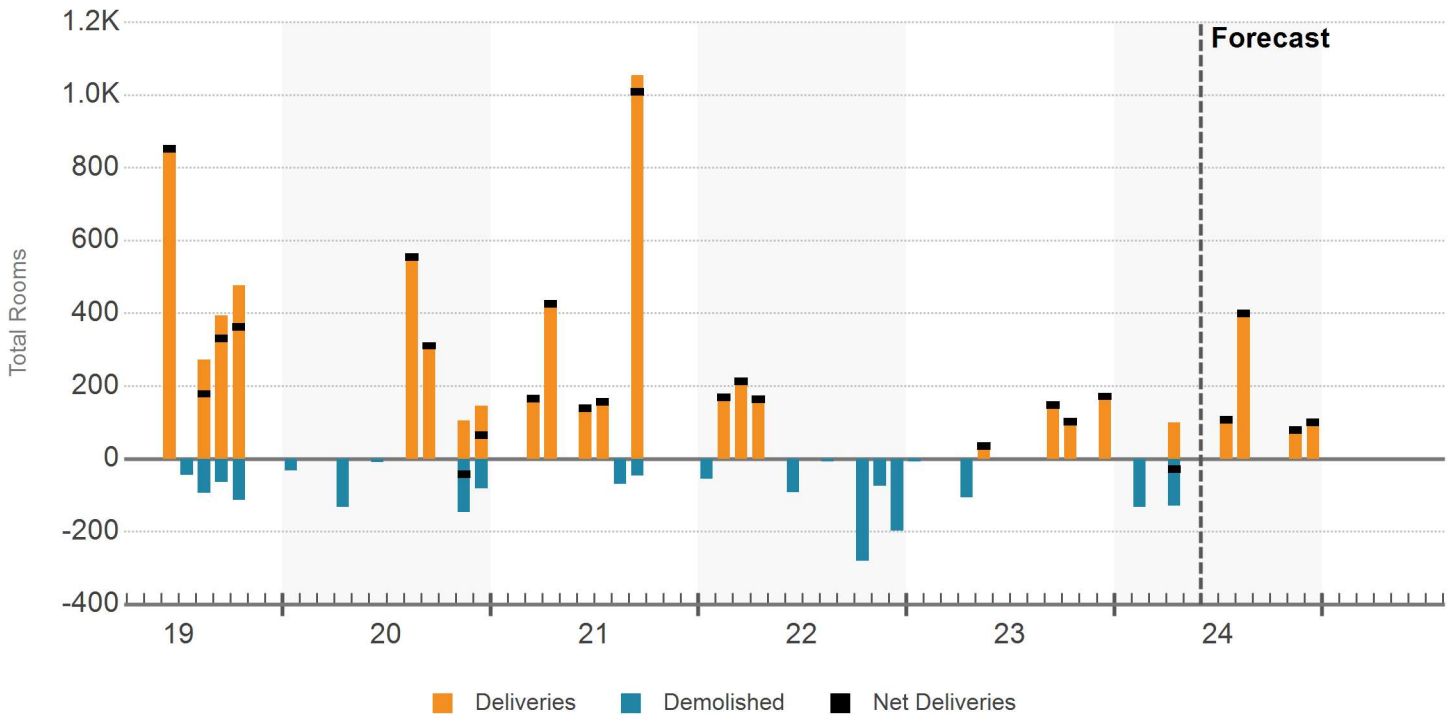
The construction pipeline in Boston is currently low. Projects are steadily gaining approval for final planning, but high debt and construction costs, coupled with a challenging economic landscape, could delay the completion of hotels. The 147-room Raffles opened in September 2023, leaving the 380-room citizenM in the

Back Bay as the only hotel under construction in the Boston CBD/Airport Submarket. It's scheduled to open in 2025. The other three hotels under construction are located in the Boston Southshore and Deham Marlborough submarkets. They are expected to feature mid-tier hotel brands Cambria Hotels and Suites, Tru by Hilton Brockton, and Home2 Suites by Hilton Boston, respectively.

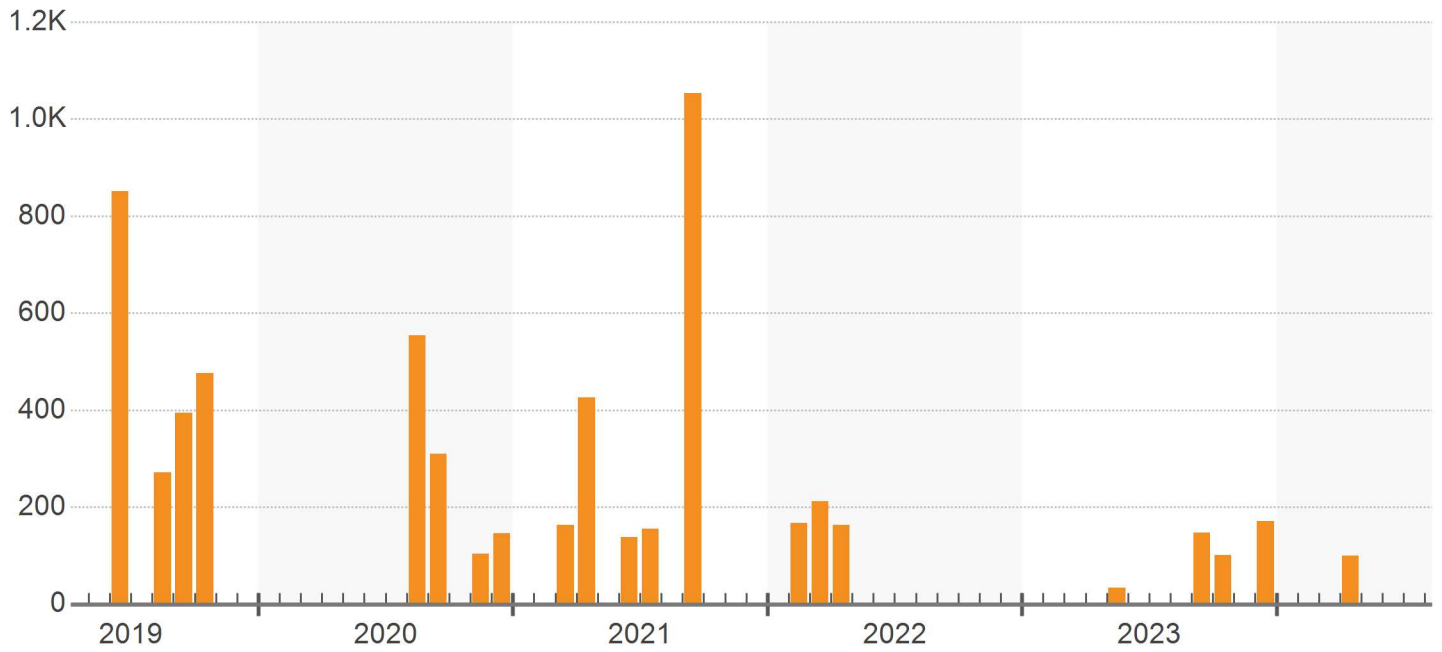
Due to the new owner's decision to turn in 2023, the total number of hotel rooms available in the city was reduced by 428 because the Sheraton Boston Hotel removed some of its rooms. In January, the hotel went from having 1,220 rooms to having 792, to the hotel's South Tower into a dormitory for students at Northeastern University.

Due to its strong long-term fundamentals, Boston remains a highly sought-after location for group, leisure, business, and international inbound travel. However, it will take several years to assimilate the current and planned new supply.

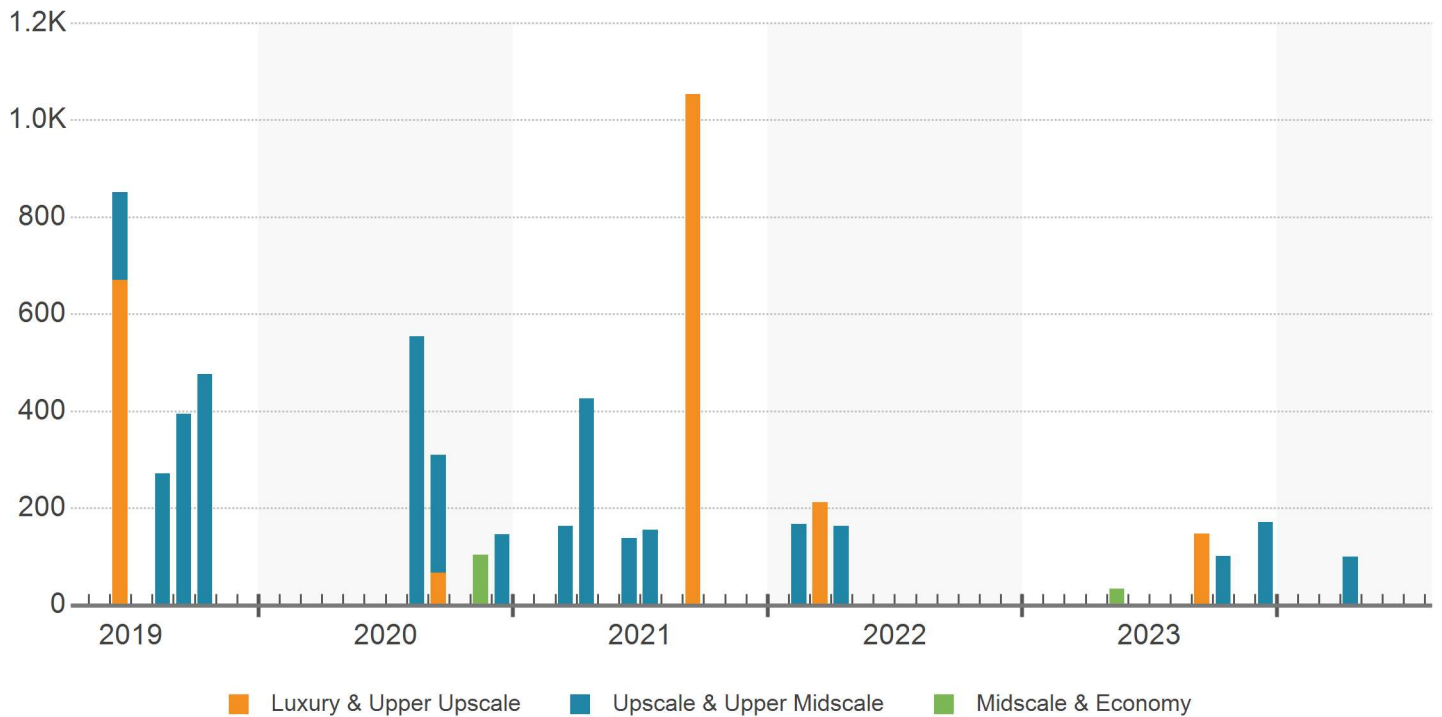
DELIVERIES & DEMOLITIONS



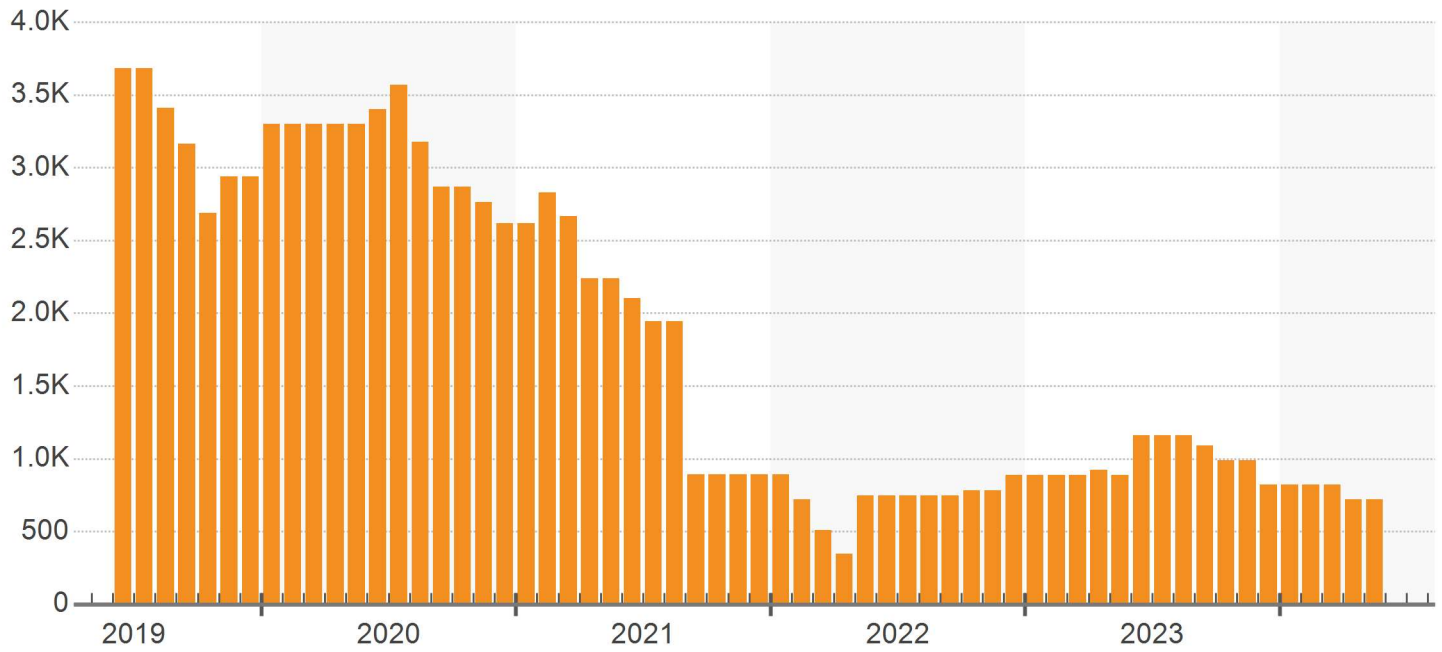
ROOMS DELIVERED



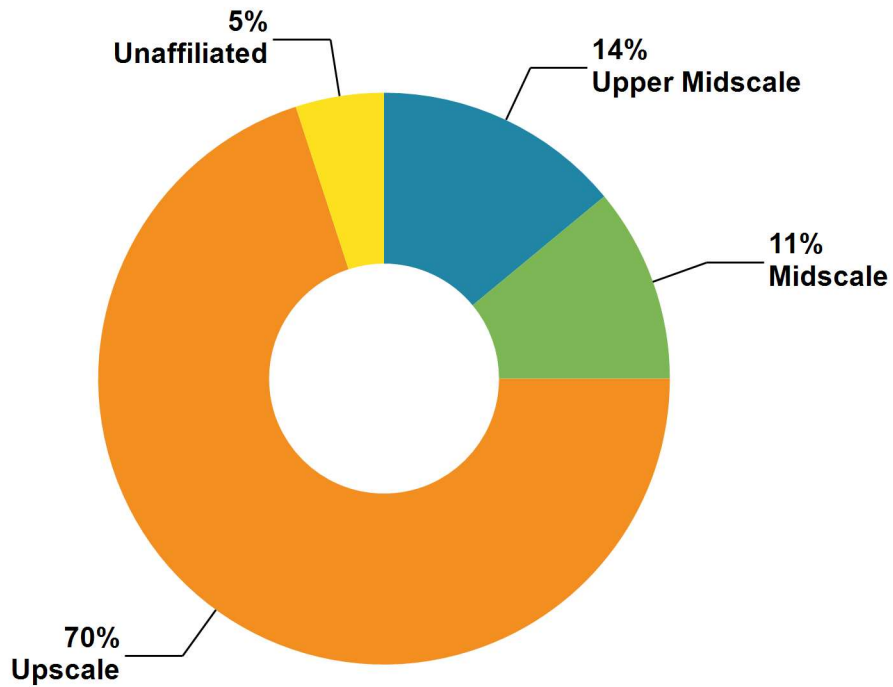
ROOMS DELIVERED BY CLASS



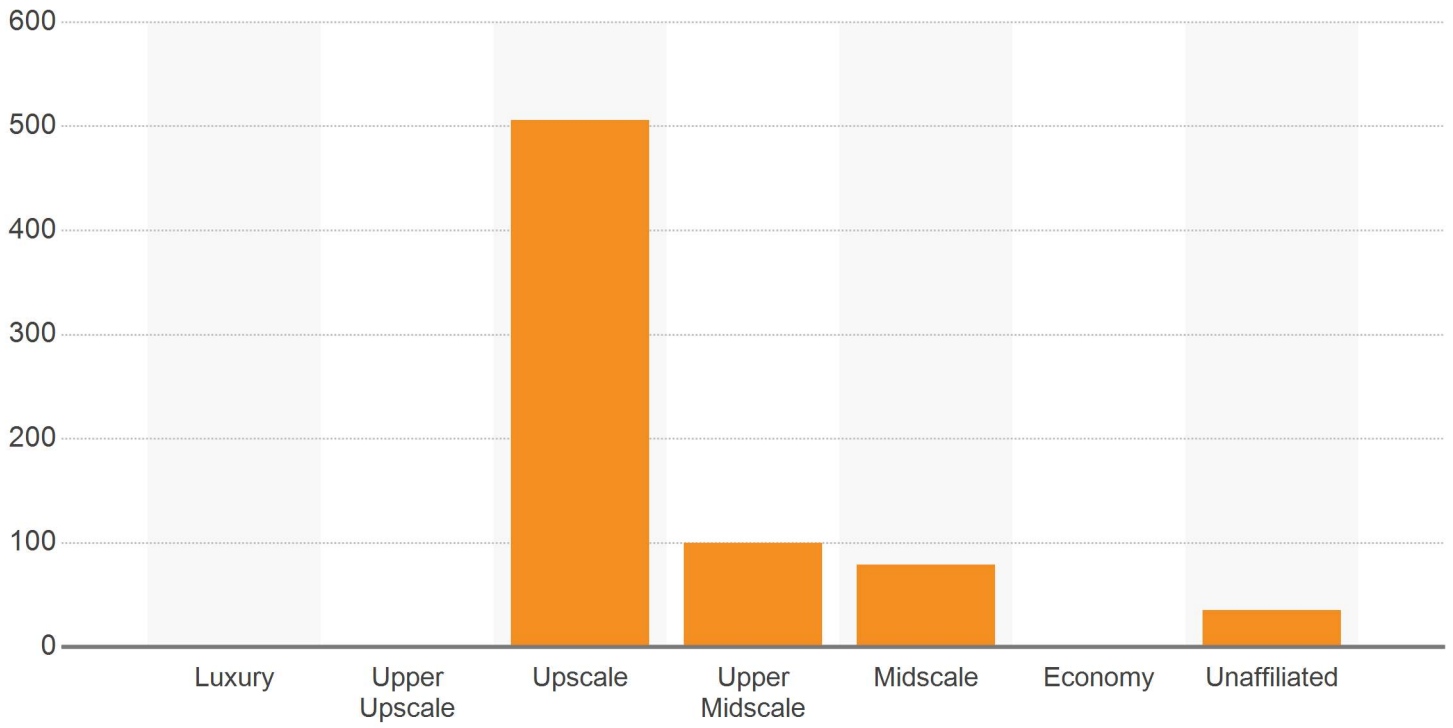
ROOMS UNDER CONSTRUCTION



TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



ROOMS UNDER CONSTRUCTION BY SCALE



Under Construction Properties

Boston Hospitality

Properties

Rooms

Percent of Inventory

Average Rooms

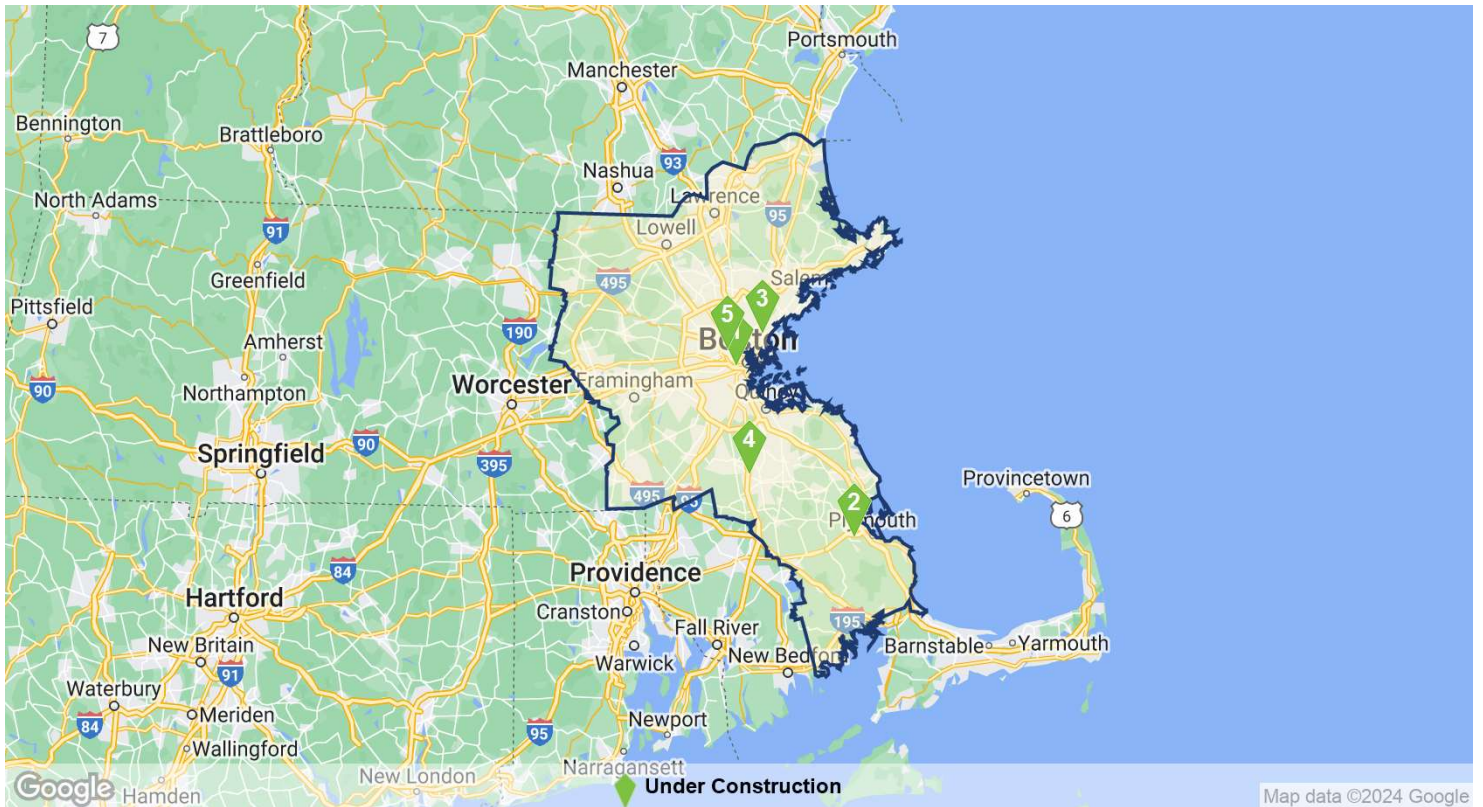
5

720

1.1%

144

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	citizenM Boston Back Bay 408 Newbury St	Upscale	399	13	May 2022	Aug 2024	citizenM Samuels & Associates
2	Cambria Hotels & Suites Plymouth 26 Plaza Way	Upscale	107	4	Dec 2022	Jul 2024	Cambria Hotels -
3	La Quinta Inn & Suites Revere 125 Squire Rd	Upper Midscale	100	5	Jun 2023	Dec 2024	La Quinta Inns & Suites -
4	Tru by Hilton Brockton 0 Westgate Dr	Midscale	79	4	Sep 2023	Nov 2024	Tru by Hilton KARM Properties
5	Beacon Street Hotel 371 Beacon St	Upscale	35	4	Apr 2023	Jul 2025	- Young Construction Company

Hotel investment activity in the Boston market significantly slowed, in line with national trends. In the past 12 months, there was \$768 million in hotel sales volume, compared to the three-year annual sales volume average of \$1.2 billion. But considering the higher interest rate environment and the trades that have taken place this year, trades have represented a good mix of different types of hotels, with approximately 40% being upper-tier hotels, 40% being mid-tier hotels, and 20% being economy hotels.

The Boston hotel market has experienced a decline in trades over the last year. Still, the Wyndham Boston Beacon Hill hotel was sold for \$125 million in January 2024, signaling a positive start to the year. RLJ Lodging Trust purchased the 304-room hotel for \$411,184 per key. The property was sold due to the owner's death, who had plans to redevelop it. However, the hotel sold for the land's assessed value, according to Wall Street analysts.

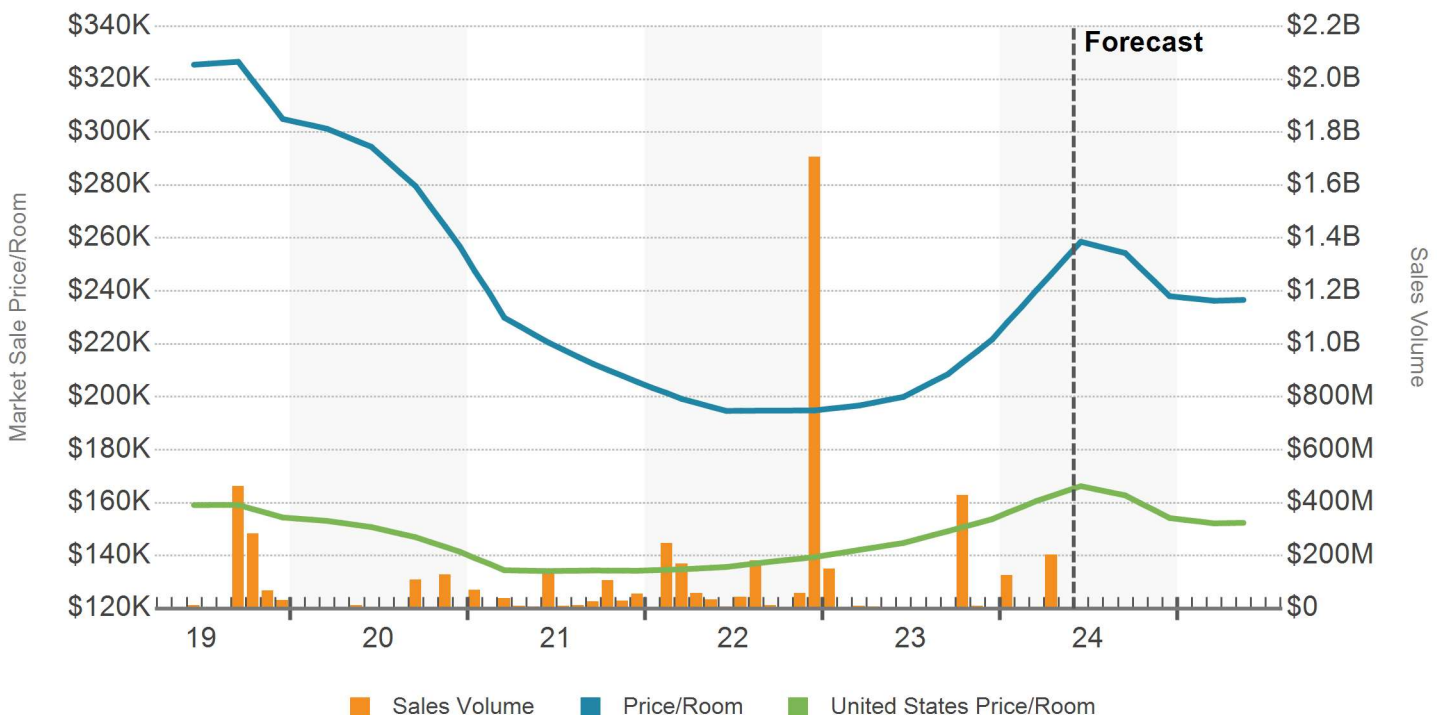
The recent increase in interest rates is making it more difficult for buyers to finance their deals and investments, as overall economic trends may affect lending practices. However, the limited availability of new hotels in the market is a positive signal for current property owners and operators. The Fed is expected to lower interest rates in 2024, which could stimulate increased

transactions. Nevertheless, potential buyers may require a more detailed strategy to analyze the risks and assess these opportunities.

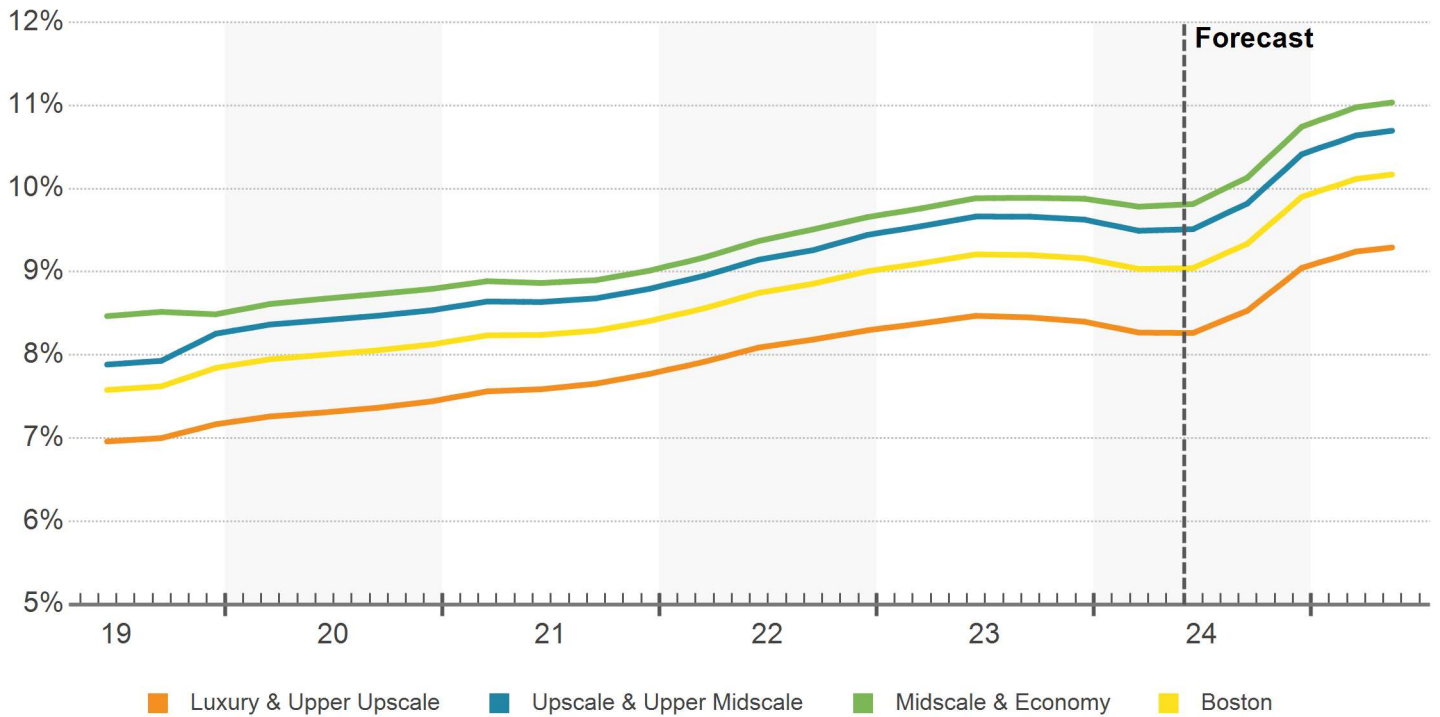
The market may witness a positive shift, with Ashford Hospitality Trust, Inc. making significant strides in its asset sales. These sales are not only providing much-needed capital to repay financing borrowed from Oaktree Capital Management but also aiding in the restructuring of the balance sheet. As a result, Ashford has listed its highest RevPAR property, the Hilton Boston Back Bay, for \$171 million. This 390-room hotel, with a RevPAR of \$264, is being sold for \$438,500 per key. The sale price of the hotel represents a 10.2x EBITDA and an 8.7% NOI cap rate (2023A). Ashford estimates it will forego approximately \$34 million in capital expenditures and receive roughly \$70 million in net proceeds after debt repayment and other costs, further bolstering the market's outlook.

According to CoStar's CMBS data, 36 hotels have active CMBS loans. Over 75% of active loans are maturing in the next two years, providing potential opportunities for investors watching the market. Fourteen hotels are currently on the watchlist for possible distress. One of the 14 hotels on the watchlist is the 130-room Courtyard Boston Dedham in the Dedham/Marlborough Submarket.

SALES VOLUME & MARKET SALE PRICE PER ROOM



MARKET CAP RATE



Sales Past 12 Months

Boston Hospitality

Sale Comparables

Average Price/Room

Average Price

Average Cap Rate

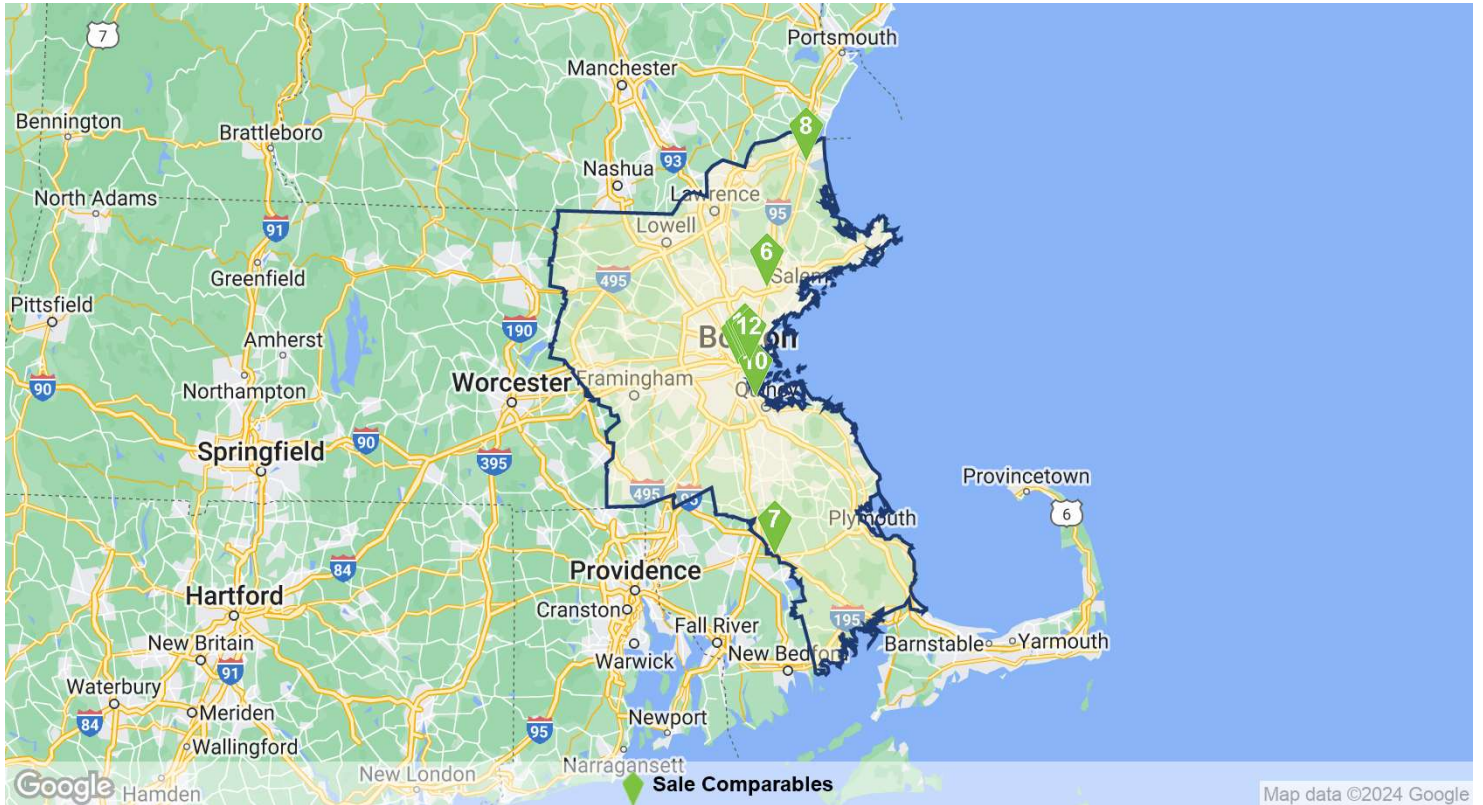
12

\$359K

\$96M

7.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$4,199,999	\$96,000,624	\$17,678,000	\$370,000,000
Price/Room	\$92,500	\$358,546	\$233,333	\$876,923
Cap Rate	7.1%	7.1%	7.1%	7.1%
Time Since Sale in Months	1.1	4.5	4.1	8.8
Property Attributes	Low	Average	Median	High
Property Size in Rooms	18	211	92	1,060
Number of Floors	2	8	6	26
Total Meeting Space	460	15,600	15,600	64,490
Year Built	1920	1976	1982	2019
Class	Economy	Upscale	Upscale	Luxury

Sales Past 12 Months

RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	Hilton Boston Park Plaza 50 Park Plz	Upper Upscale	1927	1060	Hilton	10/30/2023	\$370,000,000	\$349,057
2	Hilton Boston Back Bay 40 Dalton St	Upper Upscale	1982	390	Hilton	4/10/2024	\$171,000,000	\$438,462
3	Wyndham Boston Beacon Hill 5 Blossom St	Upscale	1968	304	Wyndham	1/31/2024	\$125,000,000	\$411,184
4	The Whitney Hotel 170 Charles St	Luxury	1925	65	-	10/16/2023	\$57,000,000	\$876,923
5	Hampton Inn Boston/Peabody 59 Newbury St	Upper Midscale	1998	120	Hampton by Hilton	4/24/2024	\$17,678,000	\$147,317
6	Homewood Suites by Hilton Boston 57 Newbury St	Upscale	1998	85	Homewood Suites by Hilton	4/24/2024	\$13,877,000	\$163,259
7	Fairfield Inn & Suites Raynham Mills 4 Chalet Rd	Upper Midscale	1989	100	Fairfield Inn	11/1/2023	\$9,250,000	\$92,500
8	The Inn At Ring's Island 175 Bridge Rd	Economy	1960	18	-	9/11/2023	\$4,199,999	\$233,333
9	Holiday Inn Express Boston - Quincy 1 Arlington St	Upper Midscale	2019	92	Holiday Inn Express	5/3/2024	-	-
10	Staybridge Suites Boston - Quincy 1 Arlington St	Upscale	2019	88	Staybridge Suites	5/3/2024	-	-
11	The Boxer 107 Merrimac St	Upper Upscale	1920	80	-	11/28/2023	-	-
12	The Envoy Hotel, Autograph Collection 70 Sleeper St	Upper Upscale	2013	136	Autograph Collection	11/28/2023	-	-

Boston's economy rebounded strongly in 2023 and is expected to see stabilized growth this year, reaching pre-pandemic levels. As the largest city in New England, Boston has a significant cultural and economic influence on the entire region, earning it the title of the region's unofficial capital. The city has a robust academic and medical presence, with over 100 colleges and universities in Greater Boston that attract more than 250,000 students. Boston is also famous for its rich history, particularly concerning the American Revolution, evident in the Boston National Historical Park, a repository of several historical sites from that period.

Boston, a hub for technology companies, is recognized as the country's leading center for biotechnology and life sciences, receiving more funding from the National Institutes of Health annually than any other city in the United States. Innovation, a significant component of Boston's identity, is fostered by its strong academic presence, access to venture capital, and the many high-tech companies operating in the market. The Route 128 corridor and Greater Boston remain significant centers for venture capital investment, and the high-tech industry is an essential sector of the local economy, driving innovation and economic growth.

Boston's economy has faced headwinds, particularly employment, but professional and technical services, information, healthcare, and social assistance sectors are pushing past pre-pandemic levels.

Tourism is a vital part of Boston and Massachusetts's economy, with Boston receiving 19.8 million domestic and 2.8 million international visitors in 2019, who spent about \$14 billion. The tourism industry is expected to recover as inbound international travel from China, the European Union, and the United Kingdom continues to ramp up to pre-pandemic levels. Convention and group demand are crucial to the region's economy and the number of jobs it supports. The Boston Convention & Exhibit Center (BCEC) generates an estimated economic impact of \$640 million annually and supports over 5,000 jobs. Due to pandemic-related cancellations in 2020 and 2021, 2023 has fared much better, with the return of many groups to both the Hynes Convention Center and the BCEC. The group travel pace for 2023 so far is nearly 90% of 2019 levels, and the 2023 pace is expected to surpass 2019 levels, underscoring the strong recovery underway across the region.

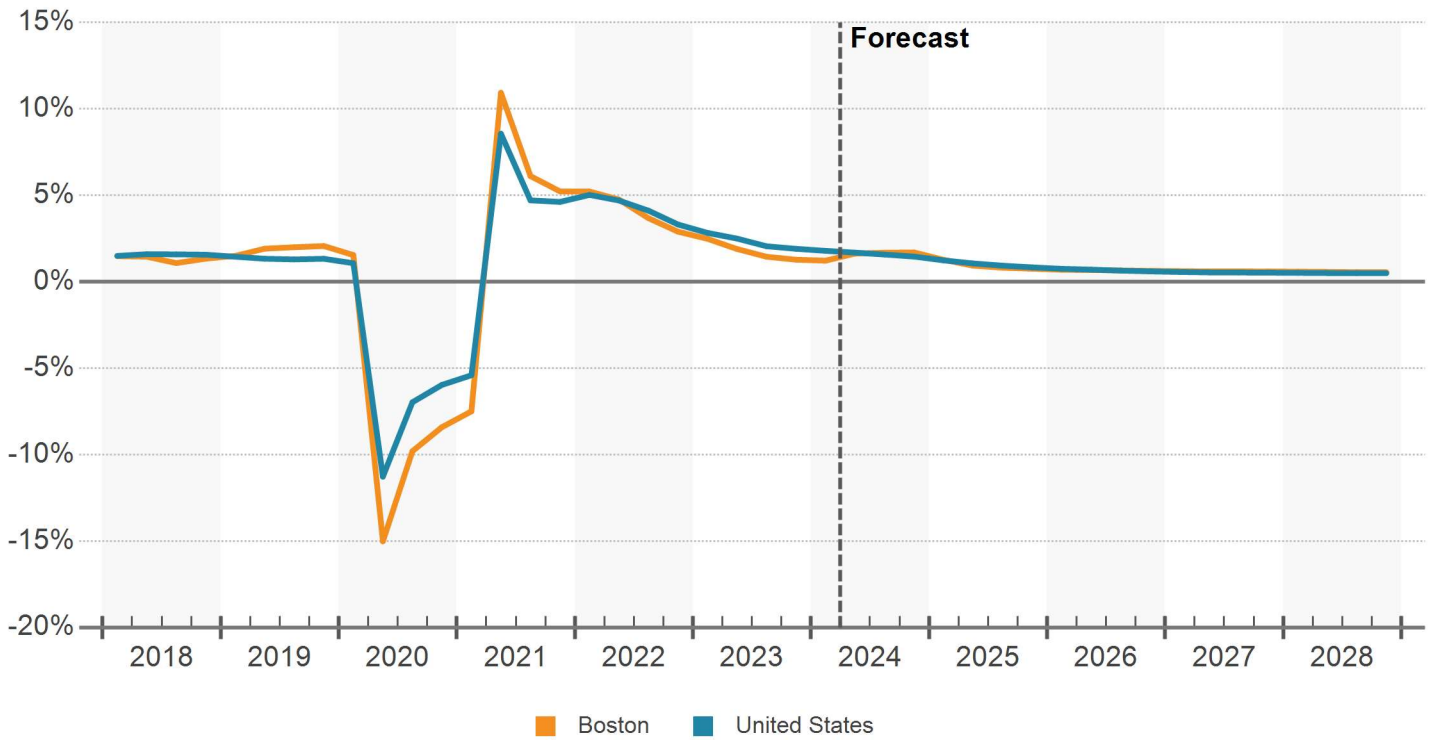
While further recovery in the hospitality industry remains a challenge, Boston's economy shows signs of a robust recovery across various sectors. However, new challenges present uncertainty as the Federal Reserve continues to battle against inflation, making securing financing for real estate development more difficult in the high-interest rate environment. Nonetheless, Boston's economy has navigated past challenges in the past three years and has emerged in a strong position.

BOSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	148	0.7	-0.38%	0.40%	-0.52%	0.68%	0.10%	0.46%
Trade, Transportation and Utilities	357	0.7	-0.13%	0.31%	-0.05%	1.02%	0.10%	0.38%
Retail Trade	207	0.8	0.12%	0.48%	-0.50%	0.26%	0.13%	0.27%
Financial Activities	191	1.2	1.00%	0.69%	1.17%	1.52%	0.17%	0.37%
Government	290	0.7	1.84%	2.54%	0.40%	0.62%	0.64%	0.71%
Natural Resources, Mining and Construction	122	0.8	3.21%	2.55%	3.62%	2.40%	1.94%	0.87%
Education and Health Services	589	1.3	3.31%	3.87%	1.70%	2.04%	0.76%	0.82%
Professional and Business Services	529	1.4	0.38%	0.66%	2.23%	1.89%	0.77%	0.74%
Information	85	1.7	0.99%	-0.79%	1.73%	1.07%	0.95%	0.66%
Leisure and Hospitality	248	0.9	2.19%	2.85%	0.84%	1.50%	1.15%	1.04%
Other Services	99	1.0	2.90%	1.60%	0.41%	0.59%	0.79%	0.56%
Total Employment	2,658	1.0	1.52%	1.71%	1.17%	1.35%	0.68%	0.67%

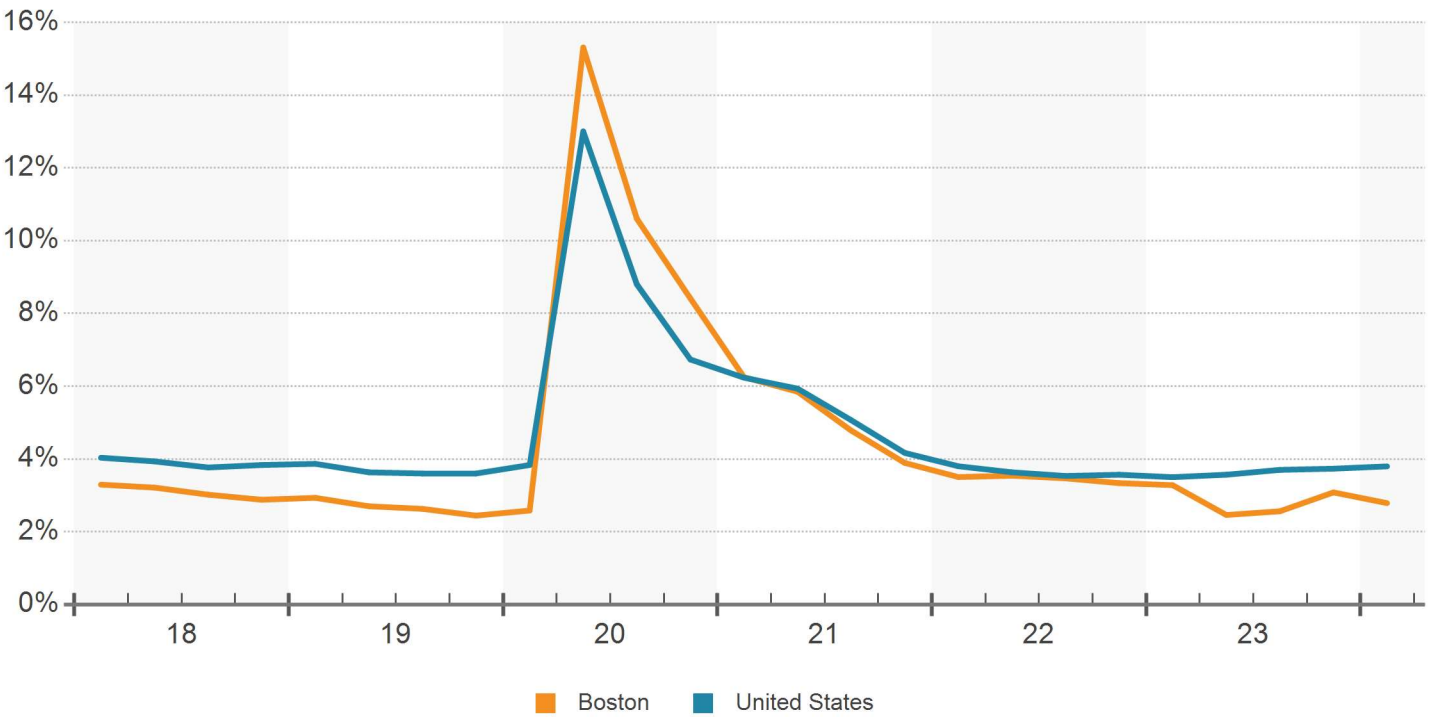
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

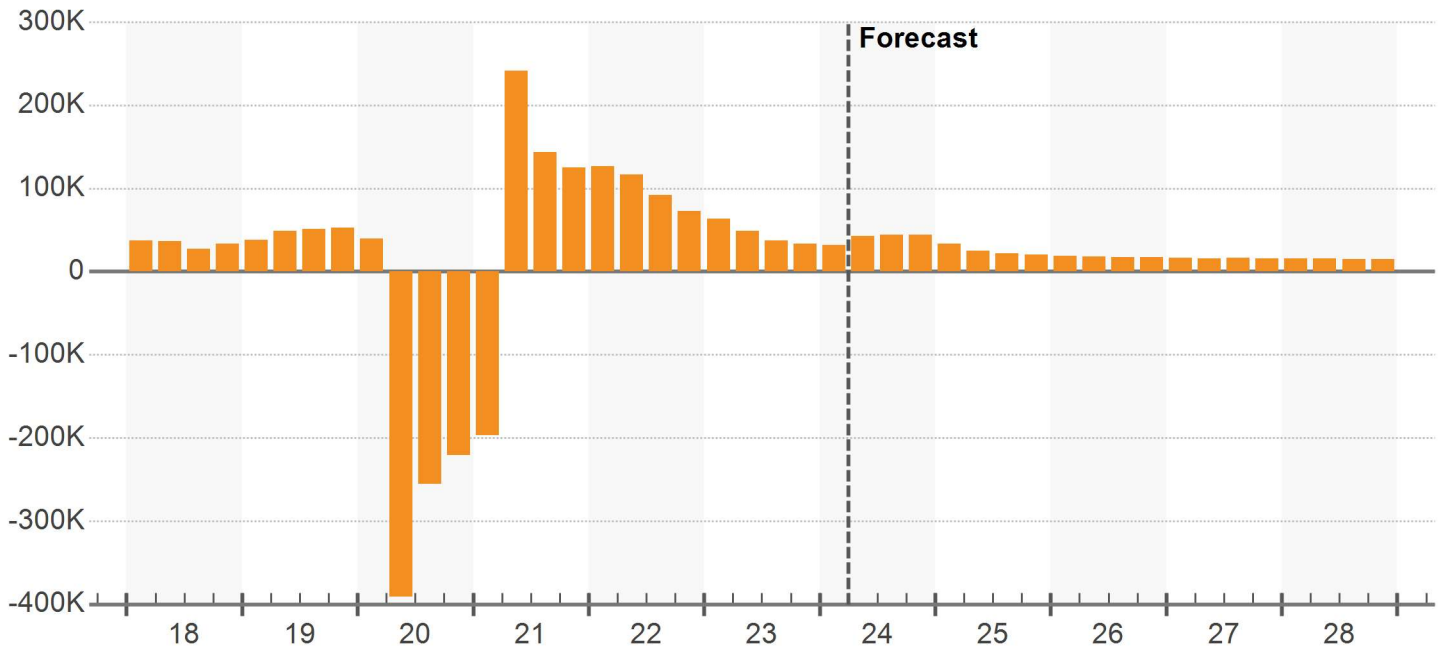


Source: Oxford Economics

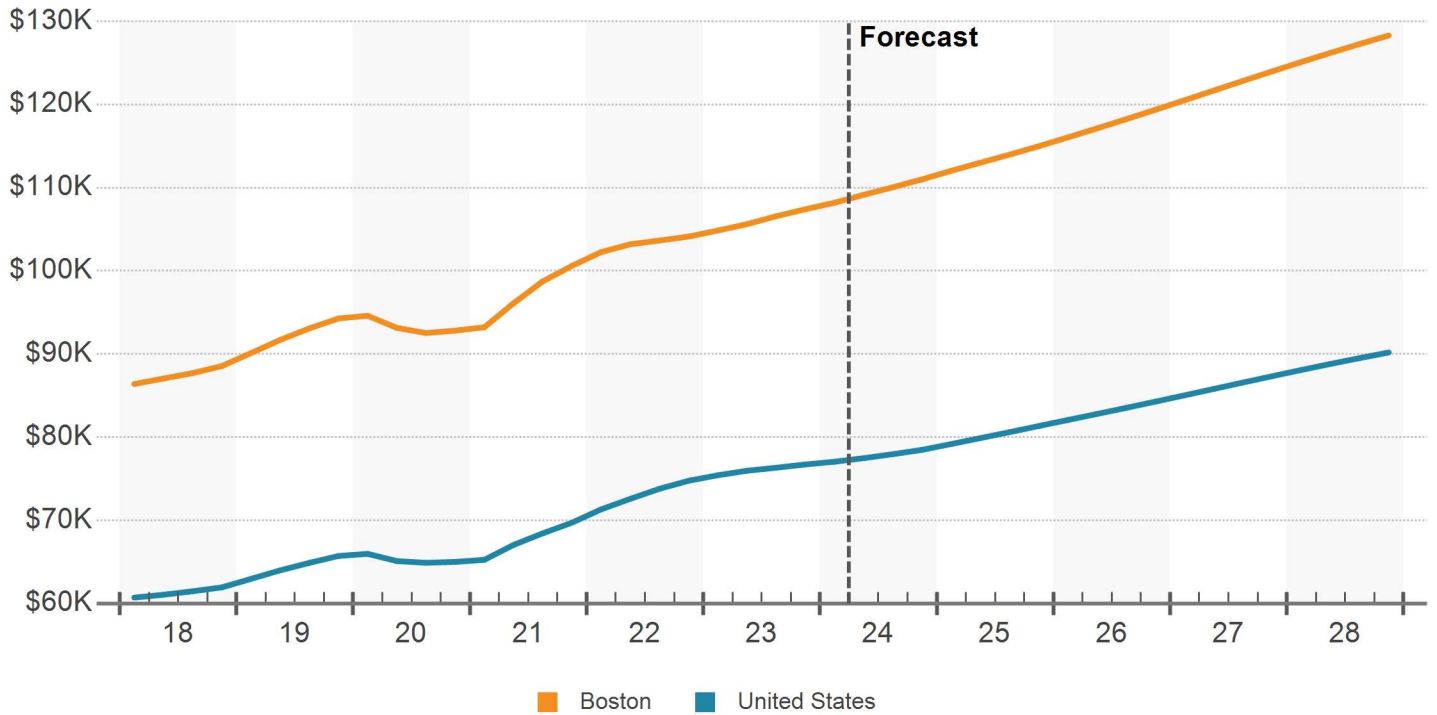
UNEMPLOYMENT RATE (%)



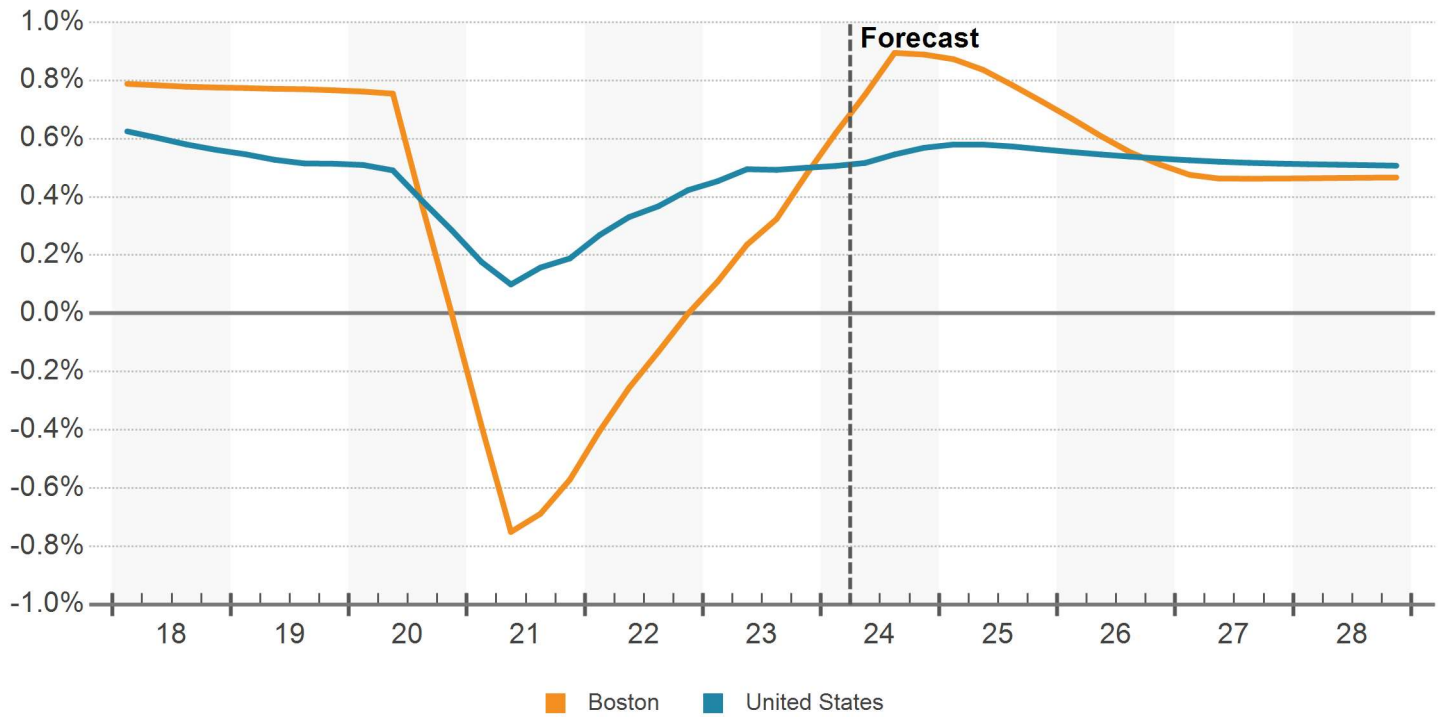
NET EMPLOYMENT CHANGE (YOY)



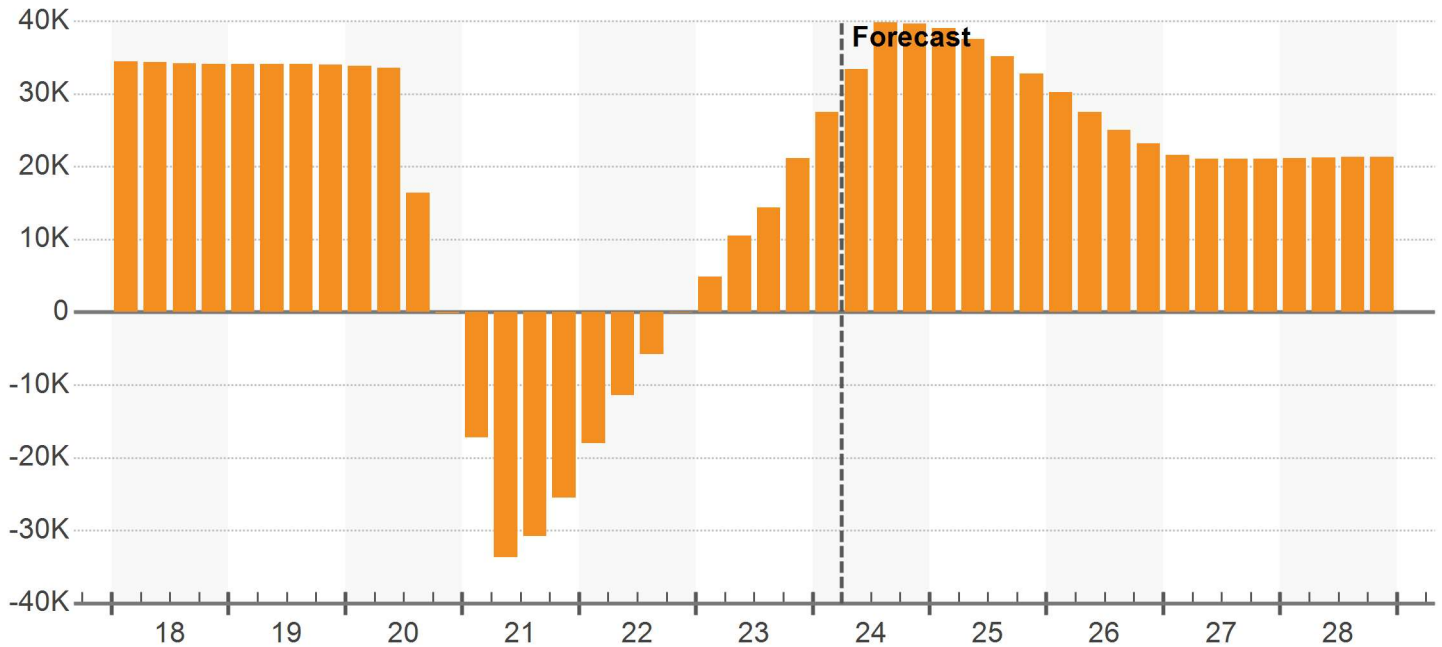
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)



DEMOGRAPHIC TRENDS

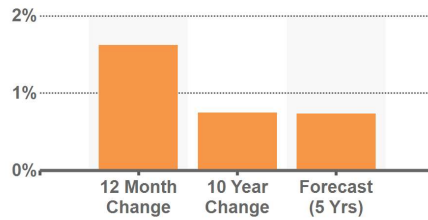
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,478,746	336,121,125	0.7%	0.5%	0.5%	0.5%	0.6%	0.5%
Households	1,786,394	131,309,234	0.9%	0.7%	1.0%	0.9%	0.7%	0.6%
Median Household Income	\$108,870	\$77,356	3.3%	2.0%	4.0%	3.9%	3.6%	3.4%
Labor Force	2,485,742	167,784,188	1.6%	0.7%	0.7%	0.8%	0.7%	0.5%
Unemployment	2.8%	3.8%	0.1%	0.2%	-0.2%	-0.3%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

SUBMARKET INVENTORY

#	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Rooms	% Market	Rank	Bldgs	Rooms	%	Rank	Bldgs	Rooms	% Market	Rank
1	Andover/Danvers Northeast	89	6,504	10.4%	5	0	0	-	-	0	0	0%	6
2	Boston CBD/Airport	107	25,061	40.0%	1	1	147	0.6%	3	2	499	2.0%	2
3	Boston Southshore	73	6,487	10.4%	6	1	101	1.6%	2	2	186	2.9%	1
4	Cambridge/Waltham	65	9,255	14.8%	2	0	0	-	-	1	35	0.4%	3
5	Dedham/Marlborough	67	8,409	13.4%	3	3	271	3.2%	1	0	0	0%	4
6	Woburn/Tewksbury Northwest	52	6,893	11.0%	4	0	0	-	-	0	0	0%	5

SUBMARKET PERFORMANCE

#	Submarket	12 Mo Occupancy			12 Mo ADR			12 Mo RevPAR		
		Rank	%	Year Growth	Rank	Per Room	Year Growth	Rank	Per Room	Year Growth
1	Andover/Danvers Northeast	3	71.4%	5.2%	5	\$155.77	5.5%	4	\$111.16	11.0%
2	Boston CBD/Airport	1	77.8%	5.8%	1	\$290.81	4.0%	1	\$226.33	10.0%
3	Boston Southshore	4	70.0%	3.9%	4	\$160.35	6.5%	3	\$112.23	10.7%
4	Cambridge/Waltham	2	74.2%	8.5%	2	\$227.92	3.0%	2	\$169.02	11.7%
5	Dedham/Marlborough	6	67.6%	6.6%	3	\$162.25	6.1%	5	\$109.60	13.1%
6	Woburn/Tewksbury Northwest	5	68.6%	0.6%	6	\$154.32	7.3%	6	\$105.92	8.0%

OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	23,029,664	0	0%	17,733,729	(18,137)	-0.1%
2027	23,029,664	0	0%	17,751,866	23,735	0.1%
2026	23,029,664	6,513	0%	17,728,131	647,763	3.8%
2025	23,023,151	347,253	1.5%	17,080,368	104,622	0.6%
2024	22,675,898	189,620	0.8%	16,975,746	744,724	4.6%
YTD	7,273,085	(126,011)	-1.7%	4,762,352	199,006	4.4%
2023	22,486,278	(256,800)	-1.1%	16,231,022	918,057	6.0%
2022	22,743,078	1,077,359	5.0%	15,312,965	4,218,434	38.0%
2021	21,665,719	2,401,081	12.5%	11,094,531	4,370,655	65.0%
2020	19,264,638	(2,261,828)	-10.5%	6,723,876	(9,099,268)	-57.5%
2019	21,526,466	571,984	2.7%	15,823,144	89,938	0.6%
2018	20,954,482	747,909	3.7%	15,733,206	865,976	5.8%
2017	20,206,573	535,837	2.7%	14,867,230	351,701	2.4%
2016	19,670,736	639,932	3.4%	14,515,529	(33,914)	-0.2%
2015	19,030,804	243,620	1.3%	14,549,443	387,649	2.7%
2014	18,787,184	(1,471)	0%	14,161,794	413,895	3.0%

LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	9,256,856	0	0%	7,532,313	(9,788)	-0.1%
2027	9,256,856	0	0%	7,542,101	22,226	0.3%
2026	9,256,856	0	0%	7,519,875	314,295	4.4%
2025	9,256,856	28,420	0.3%	7,205,580	86,734	1.2%
2024	9,228,436	19,111	0.2%	7,118,846	424,993	6.3%
YTD	3,016,632	855	0%	1,984,116	117,616	6.3%
2023	9,209,325	(98,673)	-1.1%	6,693,853	545,011	8.9%
2022	9,307,998	825,276	9.7%	6,148,842	2,347,623	61.8%
2021	8,482,722	1,628,128	23.8%	3,801,219	1,824,924	92.3%
2020	6,854,594	(2,030,309)	-22.9%	1,976,295	(4,966,665)	-71.5%
2019	8,884,903	256,853	3.0%	6,942,960	103,302	1.5%
2018	8,628,050	126,018	1.5%	6,839,658	127,209	1.9%
2017	8,502,032	30,095	0.4%	6,712,449	10,131	0.2%
2016	8,471,937	166,182	2.0%	6,702,318	91,869	1.4%
2015	8,305,755	68,021	0.8%	6,610,449	108,021	1.7%
2014	8,237,734	(24,255)	-0.3%	6,502,428	37,715	0.6%

UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	11,188,027	0	0%	8,396,874	(7,424)	-0.1%
2027	11,188,027	0	0%	8,404,298	8,012	0.1%
2026	11,188,027	6,513	0.1%	8,396,286	308,888	3.8%
2025	11,181,514	250,856	2.3%	8,087,398	57,648	0.7%
2024	10,930,658	165,585	1.5%	8,029,750	245,226	3.2%
YTD	3,467,924	(91,445)	-2.6%	2,265,712	63,137	2.9%
2023	10,765,073	(82,771)	-0.8%	7,784,524	365,040	4.9%
2022	10,847,844	304,380	2.9%	7,419,484	1,712,865	30.0%
2021	10,543,464	787,651	8.1%	5,706,619	2,200,569	62.8%
2020	9,755,813	(161,624)	-1.6%	3,506,050	(3,707,972)	-51.4%
2019	9,917,437	484,728	5.1%	7,214,022	154,837	2.2%
2018	9,432,709	646,473	7.4%	7,059,185	689,451	10.8%
2017	8,786,236	499,887	6.0%	6,369,734	374,996	6.3%
2016	8,286,349	461,563	5.9%	5,994,738	87,260	1.5%
2015	7,824,786	169,911	2.2%	5,907,478	273,349	4.9%
2014	7,654,875	76,628	1.0%	5,634,129	292,520	5.5%

MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2028	2,584,781	0	0%	1,804,542	(925)	-0.1%
2027	2,584,781	0	0%	1,805,467	(6,503)	-0.4%
2026	2,584,781	0	0%	1,811,970	24,580	1.4%
2025	2,584,781	67,977	2.7%	1,787,390	(39,760)	-2.2%
2024	2,516,804	4,924	0.2%	1,827,150	74,505	4.3%
YTD	788,529	(35,421)	-4.3%	512,524	18,253	3.7%
2023	2,511,880	(75,356)	-2.9%	1,752,645	8,006	0.5%
2022	2,587,236	(52,297)	-2.0%	1,744,639	157,946	10.0%
2021	2,639,533	(14,698)	-0.6%	1,586,693	345,162	27.8%
2020	2,654,231	(69,895)	-2.6%	1,241,531	(424,631)	-25.5%
2019	2,724,126	(169,597)	-5.9%	1,666,162	(168,201)	-9.2%
2018	2,893,723	(24,582)	-0.8%	1,834,363	49,316	2.8%
2017	2,918,305	5,855	0.2%	1,785,047	(33,426)	-1.8%
2016	2,912,450	12,187	0.4%	1,818,473	(213,043)	-10.5%
2015	2,900,263	5,688	0.2%	2,031,516	6,279	0.3%
2014	2,894,575	(53,844)	-1.8%	2,025,237	83,660	4.3%

OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	77.0%	-0.1%	\$249.57	2.9%	\$192.18	2.8%
2027	77.1%	0.1%	\$242.56	3.0%	\$186.97	3.2%
2026	77.0%	3.8%	\$235.45	2.9%	\$181.25	6.8%
2025	74.2%	-0.9%	\$228.78	1.3%	\$169.73	0.4%
2024	74.9%	3.7%	\$225.81	0.6%	\$169.05	4.4%
YTD	65.5%	6.2%	\$192.20	3.5%	\$125.85	9.9%
2023	72.2%	7.2%	\$224.42	6.3%	\$161.99	14.0%
2022	67.3%	31.5%	\$211.08	35.5%	\$142.12	78.2%
2021	51.2%	46.7%	\$155.77	28.8%	\$79.77	88.9%
2020	34.9%	-52.5%	\$120.95	-39.2%	\$42.22	-71.1%
2019	73.5%	-2.1%	\$198.90	0%	\$146.20	-2.1%
2018	75.1%	2.0%	\$198.92	1.8%	\$149.35	3.9%
2017	73.6%	-0.3%	\$195.34	1.7%	\$143.72	1.4%
2016	73.8%	-3.5%	\$191.99	2.8%	\$141.68	-0.8%
2015	76.5%	1.4%	\$186.77	6.1%	\$142.79	7.6%
2014	75.4%	3.0%	\$176.10	7.5%	\$132.75	10.8%

LUXURY & UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	81.4%	-0.1%	\$324.54	3.0%	\$264.08	2.8%
2027	81.5%	0.3%	\$315.21	2.9%	\$256.82	3.2%
2026	81.2%	4.4%	\$306.28	2.6%	\$248.81	7.1%
2025	77.8%	0.9%	\$298.53	1.4%	\$232.37	2.3%
2024	77.1%	6.1%	\$294.43	0.3%	\$227.12	6.4%
YTD	65.8%	6.3%	\$251.32	2.1%	\$165.30	8.5%
2023	72.7%	10.0%	\$293.61	3.6%	\$213.41	14.0%
2022	66.1%	47.4%	\$283.50	29.4%	\$187.28	90.7%
2021	44.8%	55.4%	\$219.16	27.6%	\$98.21	98.3%
2020	28.8%	-63.1%	\$171.73	-33.4%	\$49.51	-75.4%
2019	78.1%	-1.4%	\$257.67	0.6%	\$201.35	-0.8%
2018	79.3%	0.4%	\$256.16	1.7%	\$203.07	2.2%
2017	79.0%	-0.2%	\$251.78	2.3%	\$198.79	2.0%
2016	79.1%	-0.6%	\$246.24	0.8%	\$194.80	0.2%
2015	79.6%	0.8%	\$244.38	5.4%	\$194.50	6.3%
2014	78.9%	0.9%	\$231.83	8.3%	\$182.99	9.3%

UPSCALE & UPPER MIDSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	75.1%	-0.1%	\$208.67	2.8%	\$156.61	2.7%
2027	75.1%	0.1%	\$202.92	3.0%	\$152.43	3.1%
2026	75.0%	3.8%	\$196.92	2.8%	\$147.78	6.6%
2025	72.3%	-1.5%	\$191.65	1.4%	\$138.62	-0.2%
2024	73.5%	1.6%	\$189.09	-0.4%	\$138.91	1.1%
YTD	65.3%	5.6%	\$160.18	2.9%	\$104.65	8.7%
2023	72.3%	5.7%	\$189.92	7.7%	\$137.34	13.8%
2022	68.4%	26.4%	\$176.41	32.4%	\$120.66	67.2%
2021	54.1%	50.6%	\$133.29	22.3%	\$72.14	84.2%
2020	35.9%	-50.6%	\$108.99	-34.2%	\$39.17	-67.5%
2019	72.7%	-2.8%	\$165.63	-1.6%	\$120.48	-4.3%
2018	74.8%	3.2%	\$168.25	3.2%	\$125.91	6.5%
2017	72.5%	0.2%	\$163.05	2.1%	\$118.21	2.3%
2016	72.3%	-4.2%	\$159.69	3.5%	\$115.53	-0.9%
2015	75.5%	2.6%	\$154.35	7.5%	\$116.53	10.3%
2014	73.6%	4.4%	\$143.51	8.5%	\$105.63	13.3%

MIDSCALE & ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2028	69.8%	-0.1%	\$126.93	2.7%	\$88.61	2.7%
2027	69.8%	-0.4%	\$123.56	3.0%	\$86.30	2.6%
2026	70.1%	1.4%	\$120	3.8%	\$84.12	5.2%
2025	69.2%	-4.7%	\$115.59	-3.6%	\$79.93	-8.1%
2024	72.6%	4.0%	\$119.84	5.7%	\$87	10.0%
YTD	65.0%	8.4%	\$104.90	14.6%	\$68.18	24.2%
2023	69.8%	3.5%	\$113.39	9.8%	\$79.12	13.6%
2022	67.4%	12.2%	\$103.28	21.8%	\$69.64	36.7%
2021	60.1%	28.5%	\$84.77	14.7%	\$50.96	47.4%
2020	46.8%	-23.5%	\$73.90	-24.7%	\$34.57	-42.4%
2019	61.2%	-3.5%	\$98.08	-5.2%	\$59.99	-8.6%
2018	63.4%	3.6%	\$103.50	5.3%	\$65.61	9.1%
2017	61.2%	-2.0%	\$98.31	-0.2%	\$60.13	-2.3%
2016	62.4%	-10.9%	\$98.53	5.3%	\$61.52	-6.1%
2015	70.0%	0.1%	\$93.58	6.5%	\$65.55	6.6%
2014	70.0%	6.2%	\$87.86	5.5%	\$61.47	12.1%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$312,110	234	9.4%
2027	-	-	-	-	-	-	\$291,447	219	9.6%
2026	-	-	-	-	-	-	\$264,541	198	10.0%
2025	-	-	-	-	-	-	\$243,191	182	10.2%
2024	-	-	-	-	-	-	\$238,025	178	9.9%
YTD	4	\$327.6M	1.4%	\$81,888,750	\$364,355	-	\$258,946	194	8.9%
2023	10	\$611.8M	2.8%	\$61,175,500	\$345,429	7.8%	\$221,661	166	9.2%
2022	37	\$2.5B	9.6%	\$68,214,528	\$417,387	8.3%	\$194,862	146	9.0%
2021	27	\$505.9M	4.4%	\$18,736,174	\$180,735	7.3%	\$205,584	154	8.4%
2020	8	\$253.5M	1.3%	\$31,683,318	\$314,475	9.6%	\$256,717	193	8.1%
2019	20	\$1.2B	5.6%	\$60,953,340	\$354,896	6.3%	\$304,994	229	7.8%
2018	20	\$795.8M	5.7%	\$39,791,016	\$240,066	8.8%	\$322,681	242	7.5%
2017	17	\$586.2M	5.0%	\$34,484,143	\$206,655	6.1%	\$314,974	236	7.4%
2016	29	\$1B	6.2%	\$35,088,822	\$295,463	8.0%	\$296,552	222	7.5%
2015	41	\$1.1B	10.7%	\$27,113,011	\$197,300	7.0%	\$276,557	207	7.4%
2014	24	\$565.2M	5.3%	\$23,547,984	\$205,137	10.2%	\$245,307	184	7.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

LUXURY & UPPER UPSCALE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$504,998	239	8.6%
2027	-	-	-	-	-	-	\$471,564	223	8.8%
2026	-	-	-	-	-	-	\$428,030	202	9.1%
2025	-	-	-	-	-	-	\$393,486	186	9.3%
2024	-	-	-	-	-	-	\$385,126	182	9.0%
YTD	1	\$171M	1.5%	\$171,000,000	\$438,462	-	\$418,898	198	8.1%
2023	3	\$509.6M	5.2%	\$169,876,667	\$387,551	7.1%	\$358,643	169	8.4%
2022	6	\$2.1B	10.2%	\$357,337,500	\$822,095	7.1%	\$313,537	148	8.3%
2021	5	\$113.7M	2.7%	\$22,743,732	\$162,921	6.8%	\$328,260	155	7.8%
2020	3	\$118.3M	1.2%	\$39,416,667	\$383,929	12.0%	\$412,117	195	7.4%
2019	8	\$1B	8.1%	\$128,778,842	\$510,015	4.8%	\$489,938	231	7.2%
2018	7	\$512.4M	7.2%	\$73,202,857	\$297,573	8.3%	\$515,175	243	6.9%
2017	2	\$265M	3.2%	\$132,500,000	\$358,593	4.3%	\$502,357	237	6.8%
2016	12	\$757.1M	6.3%	\$63,094,732	\$512,271	5.3%	\$474,846	224	6.8%
2015	10	\$750.6M	9.8%	\$75,059,308	\$334,905	6.7%	\$445,959	211	6.7%
2014	6	\$375.3M	4.0%	\$62,541,667	\$417,408	-	\$392,158	185	6.8%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

UPSCALE & UPPER MIDSACLE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$200,959	225	9.9%
2027	-	-	-	-	-	-	\$187,654	210	10.1%
2026	-	-	-	-	-	-	\$170,330	191	10.5%
2025	-	-	-	-	-	-	\$156,584	176	10.8%
2024	-	-	-	-	-	-	\$153,257	172	10.4%
YTD	3	\$156.6M	1.7%	\$52,185,000	\$307,574	-	\$166,783	187	9.4%
2023	4	\$93.2M	1.3%	\$23,293,750	\$231,779	8.5%	\$142,455	160	9.6%
2022	20	\$326.2M	9.5%	\$16,308,768	\$114,689	6.0%	\$126,461	142	9.4%
2021	15	\$366.4M	5.6%	\$24,423,536	\$219,242	7.8%	\$135,371	152	8.8%
2020	1	\$107.5M	0.8%	\$107,500,000	\$486,425	7.8%	\$167,658	188	8.5%
2019	8	\$155.4M	3.8%	\$19,422,354	\$145,622	10.5%	\$198,862	223	8.3%
2018	9	\$280.3M	5.6%	\$31,141,234	\$189,886	9.0%	\$214,021	240	7.8%
2017	12	\$313.3M	7.9%	\$26,108,369	\$158,733	7.2%	\$209,539	235	7.7%
2016	12	\$229.7M	6.5%	\$19,144,568	\$148,985	8.4%	\$195,880	220	7.8%
2015	26	\$323.9M	13.5%	\$12,458,831	\$110,744	7.8%	\$180,225	202	7.7%
2014	10	\$153.7M	5.8%	\$15,365,962	\$126,157	9.0%	\$162,527	182	7.7%

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MIDSCALE & ECONOMY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$102,848	233	10.2%
2027	-	-	-	-	-	-	\$96,039	217	10.5%
2026	-	-	-	-	-	-	\$87,173	197	10.9%
2025	-	-	-	-	-	-	\$80,137	181	11.1%
2024	-	-	-	-	-	-	\$78,435	178	10.7%
YTD	-	-	-	-	-	-	\$85,373	193	9.7%
2023	3	\$8.9M	0.7%	\$2,983,333	\$165,741	-	\$74,190	168	9.9%
2022	11	\$53.7M	8.2%	\$4,885,198	\$90,315	12.8%	\$66,168	150	9.7%
2021	7	\$25.8M	5.7%	\$3,686,429	\$60,012	-	\$70,474	160	9.0%
2020	4	\$27.7M	3.6%	\$6,929,137	\$100,060	9.0%	\$86,056	195	8.8%
2019	4	\$33.5M	4.6%	\$8,364,308	\$96,141	6.5%	\$102,479	232	8.5%
2018	4	\$3.1M	1.5%	\$782,306	\$26,745	-	\$104,292	236	8.3%
2017	3	\$7.9M	1.5%	\$2,643,333	\$63,952	-	\$100,951	229	8.3%
2016	5	\$30.7M	5.2%	\$6,140,848	\$72,416	10.1%	\$94,390	214	8.4%
2015	5	\$37.1M	5.7%	\$7,422,151	\$79,296	-	\$87,350	198	8.3%
2014	8	\$36.2M	7.8%	\$4,530,250	\$56,806	11.9%	\$78,222	177	8.3%

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DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	453	62,609	-0.1%	1	100	(1)	(161)	5	720
2023	454	62,695	-0.3%	5	453	3	338	6	820
2022	452	62,901	-0.7%	3	543	(3)	(165)	6	888
2021	455	63,323	3.2%	7	1,938	5	1,823	6	891
2020	451	61,371	0.5%	9	1,114	1	712	12	2,617
2019	449	61,043	4.4%	16	2,870	8	2,444	14	2,939
2018	436	58,495	3.2%	12	1,500	8	1,360	22	4,677
2017	424	56,695	2.9%	14	1,989	13	1,872	21	3,405
2016	413	55,122	4.5%	16	2,303	13	2,243	18	3,197
2015	397	52,749	1.7%	6	695	5	682	19	2,978
2014	389	51,852	0%	2	173	0	58	10	1,278