



US LODGING INDUSTRY OVERVIEW

Jan D. Freitag

Vice President



a new name in global hotel benchmarking





Agenda

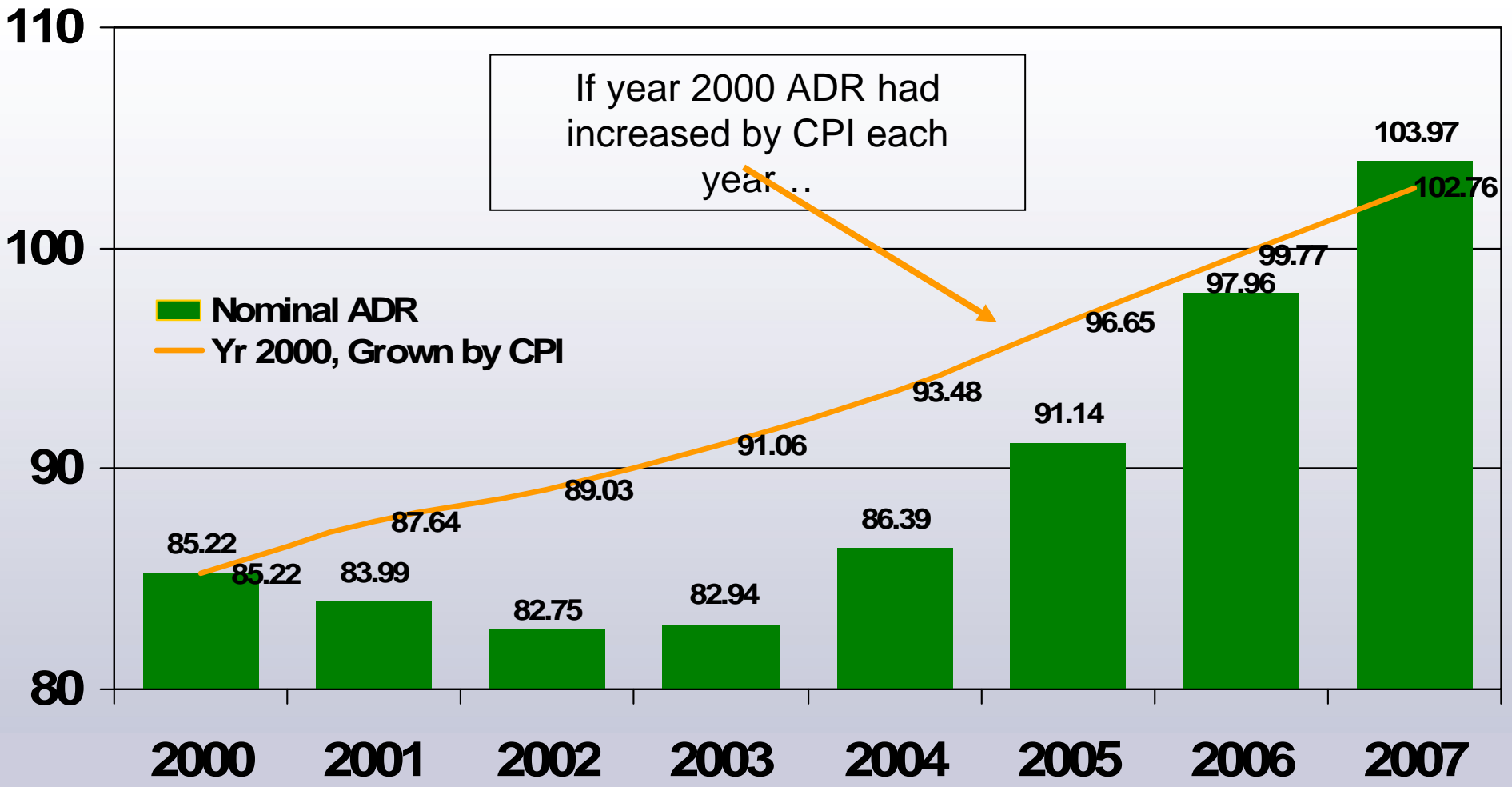
- Projections
- Total US Overview
- US Top Markets
- Group vs. Transient Demand / ADR
- Global Top Markets



Total US Room Rates

Actual vs. Inflation Adjusted

2000 - 2007



If year 2000 ADR had increased by CPI each year ..

Rate Cuts on '01 Were Felt for 6 Years



U.S. Lodging Industry Projections

As of January 2009



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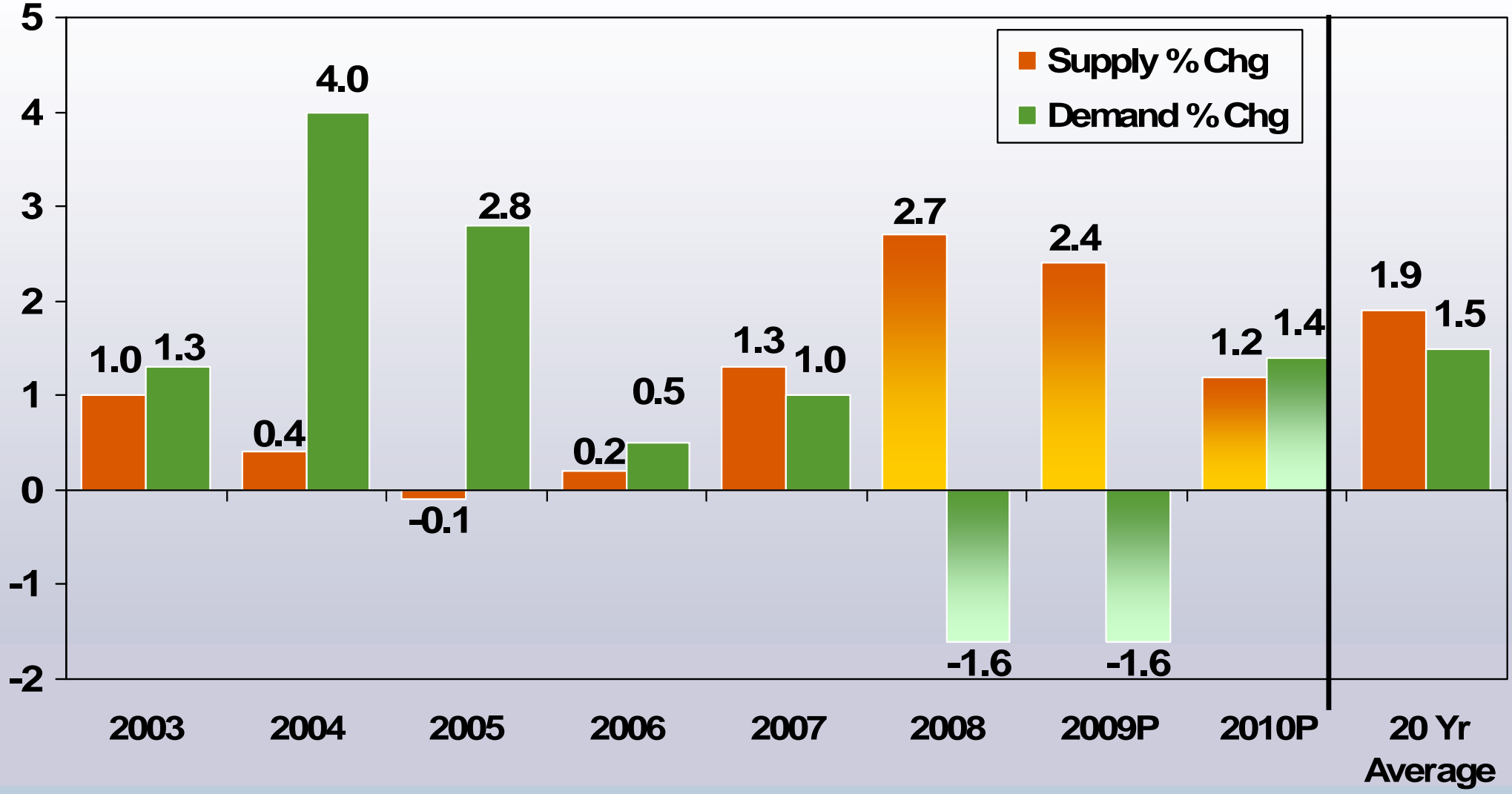




Total United States

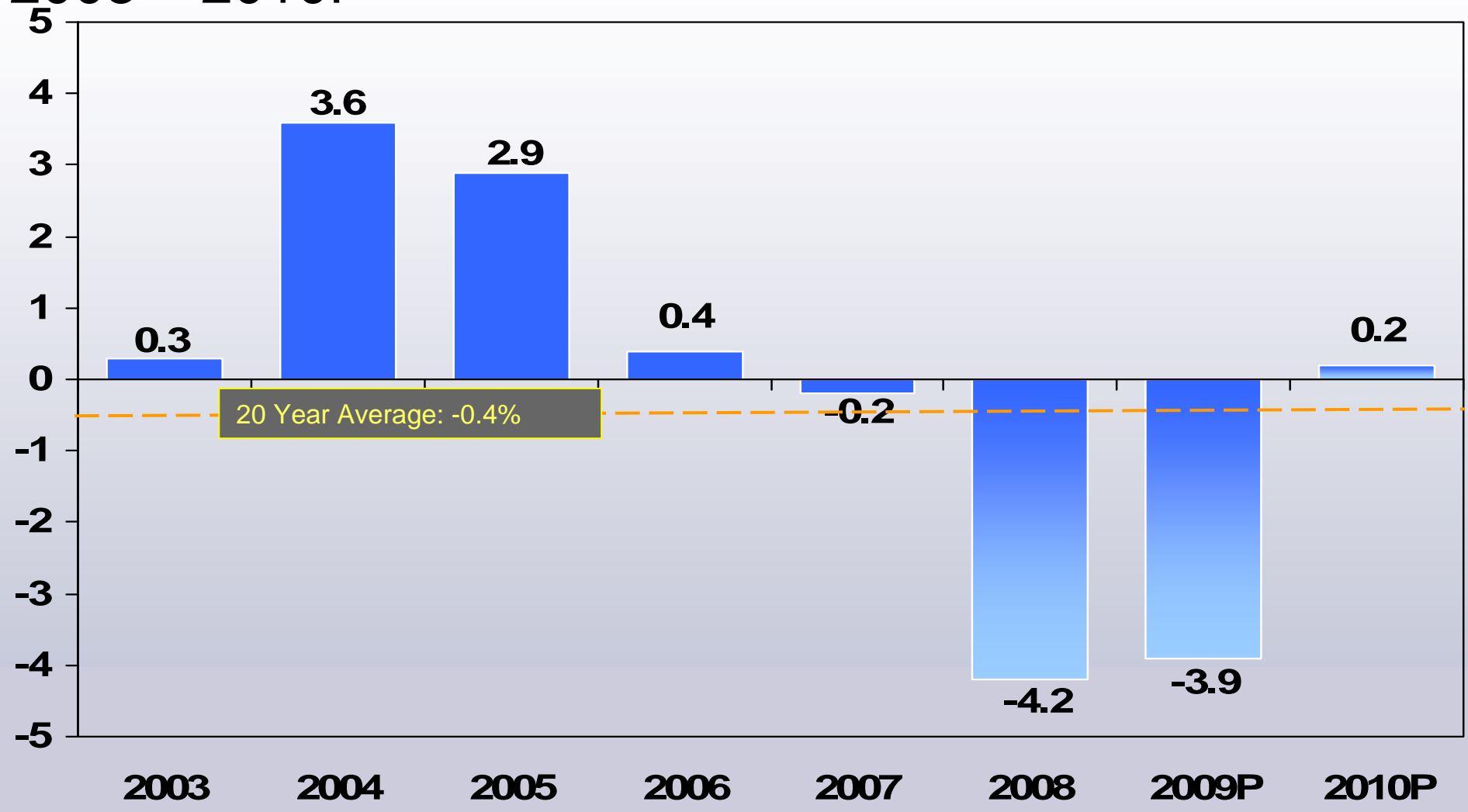
Supply/Demand Percent Change

2003 – 2010P



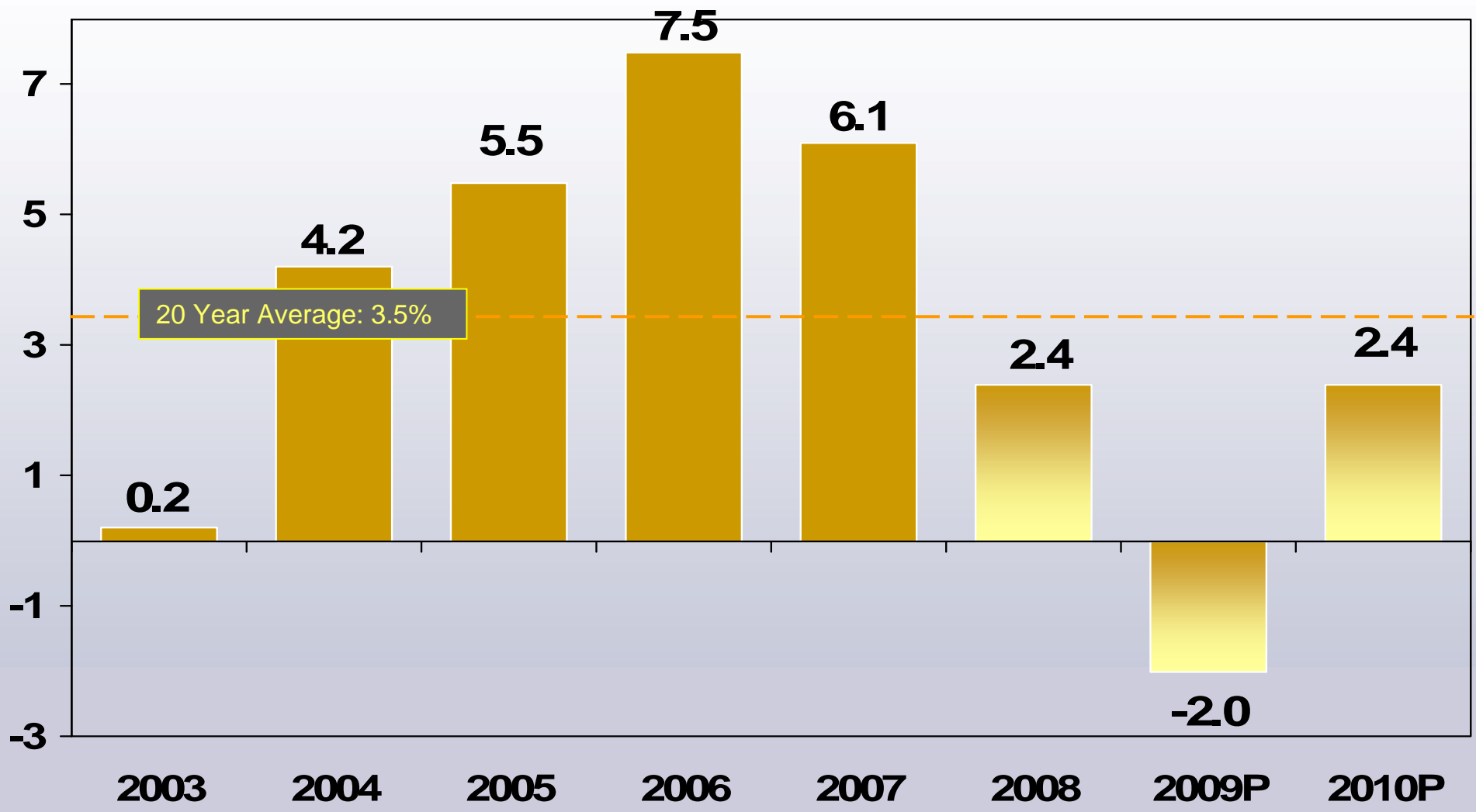


Total United States Occupancy Percent Change 2003 – 2010P





Total United States ADR Percent Change 2003 – 2010P





Industry Overview



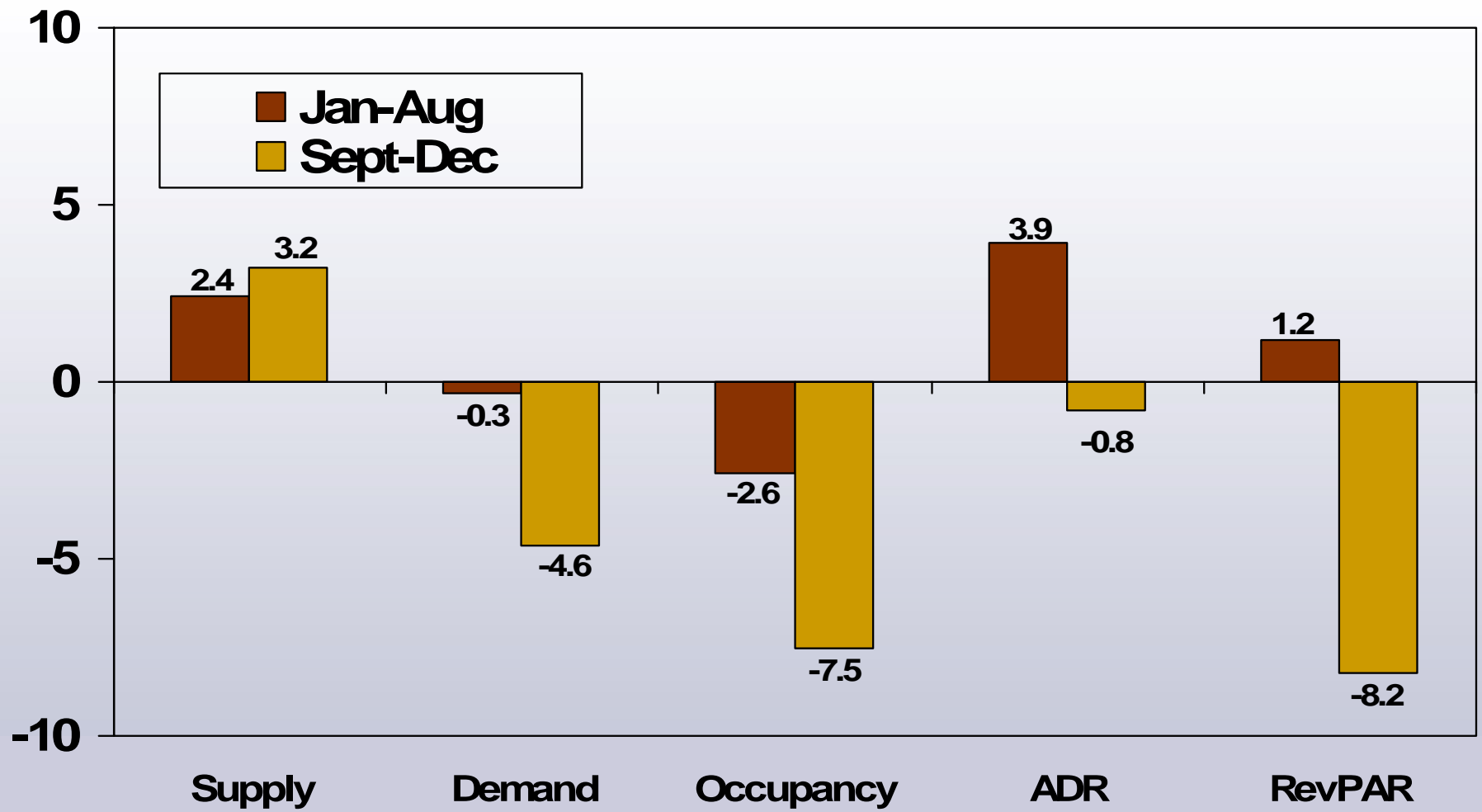
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Total United States

Key Performance Indicators Percent Change First 8 Months vs. Last 4 Months 2008



2008: Two Very Different Years

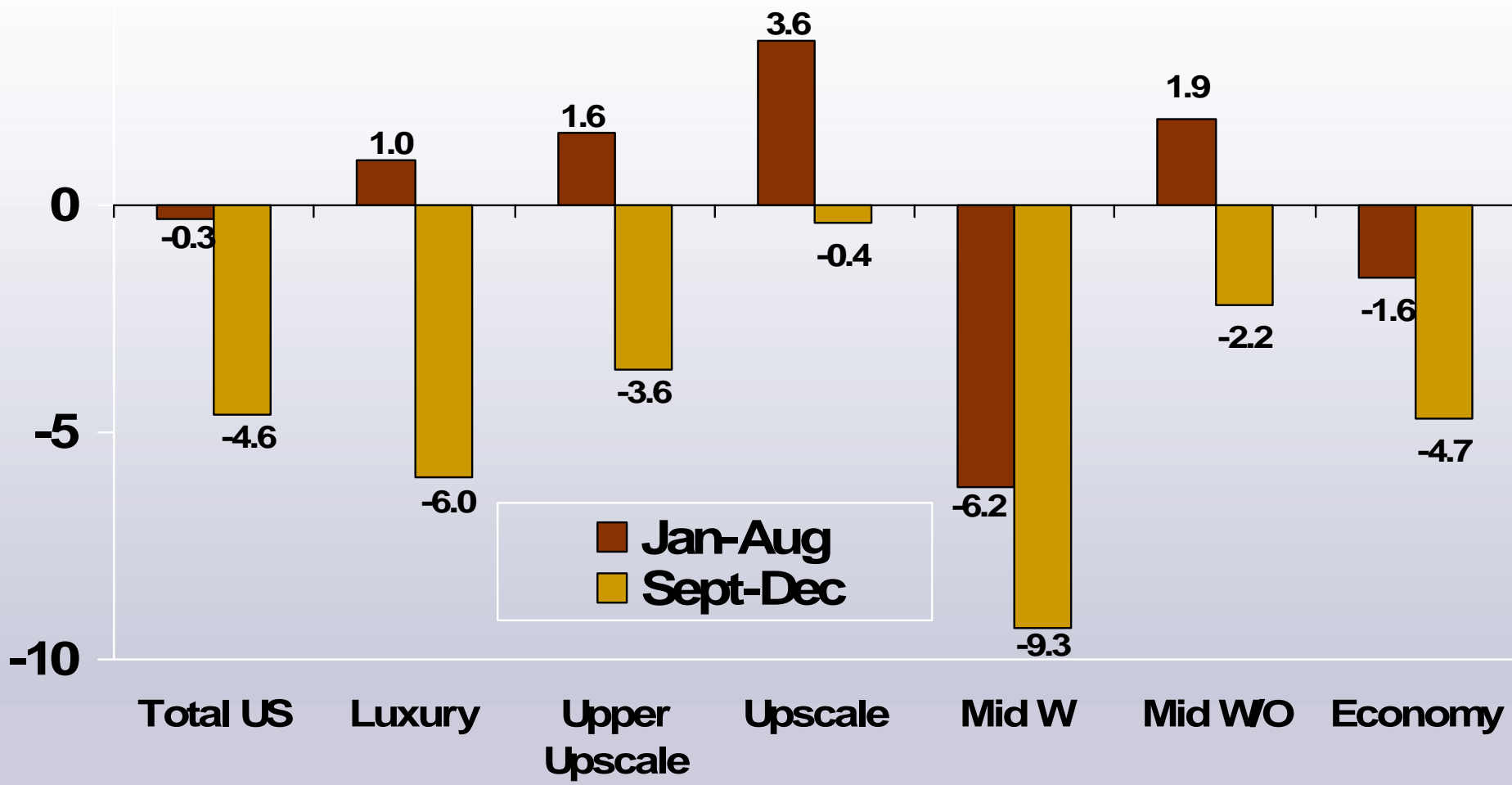


Total United States

Demand Percent Change – Chain Scale

First 8 Months vs. Last 4 Months 2008

5



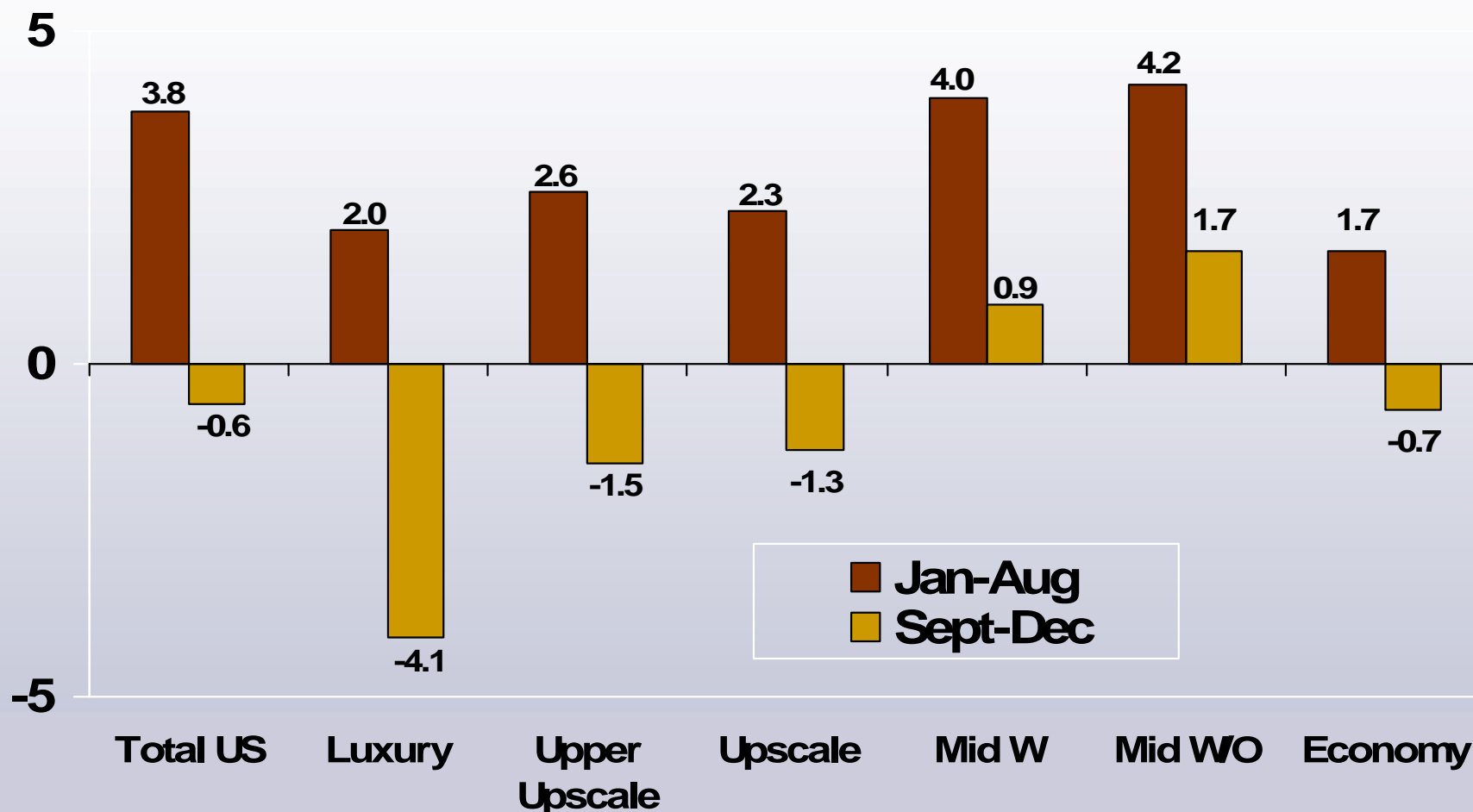
Upper End Got Hit Hard



Total United States

ADR Percent Change – Chain Scale

First 8 Months vs. Last 4 Months 2008

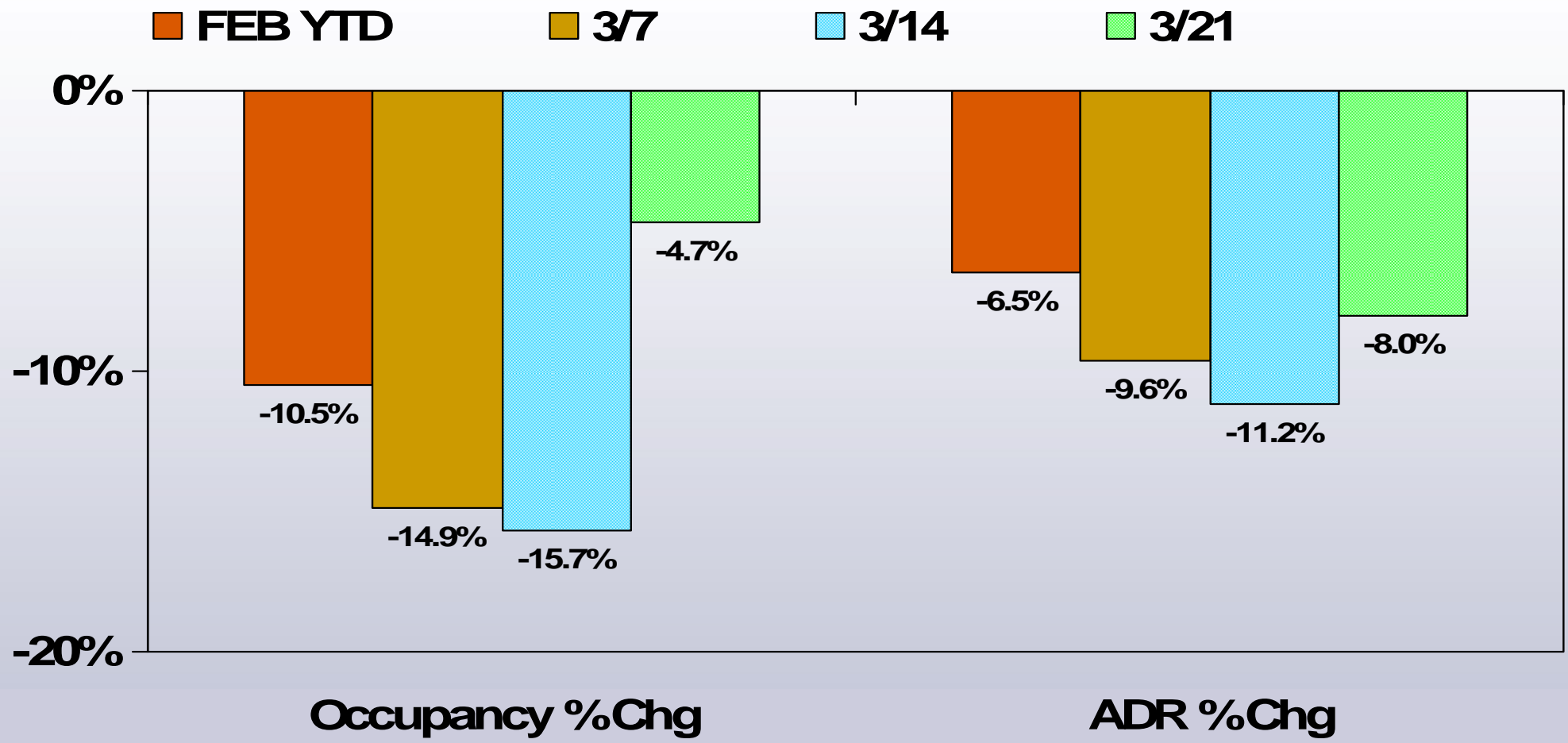


Lower End Held Rate (A Little) Better



Total United States

Occupancy and ADR Percent Change YTD through 3/21



(...Insert Groaning From The Hoteliers Here...)



US Top Markets



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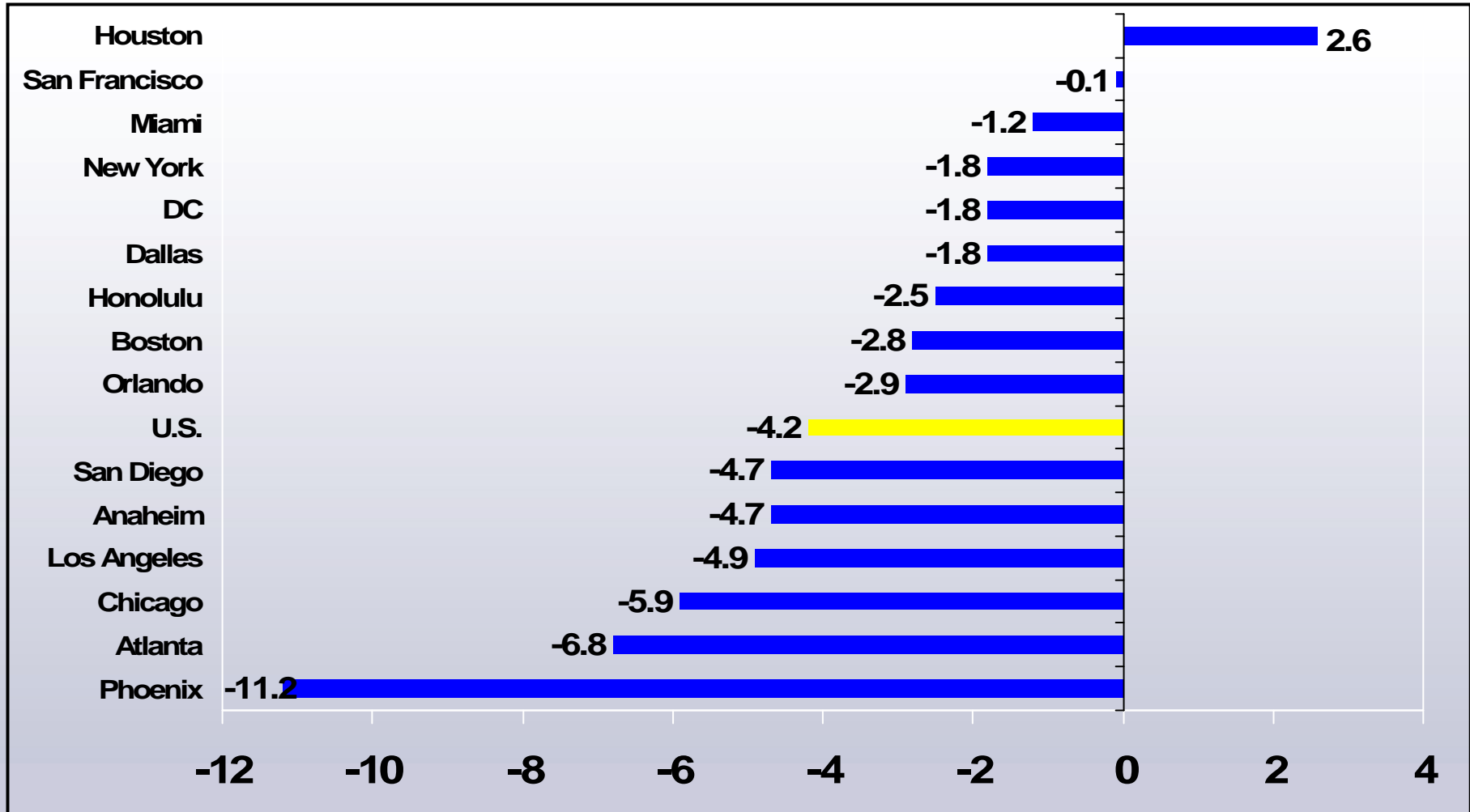




Key 15 Markets

Occupancy Percent Change

Full Year 2008



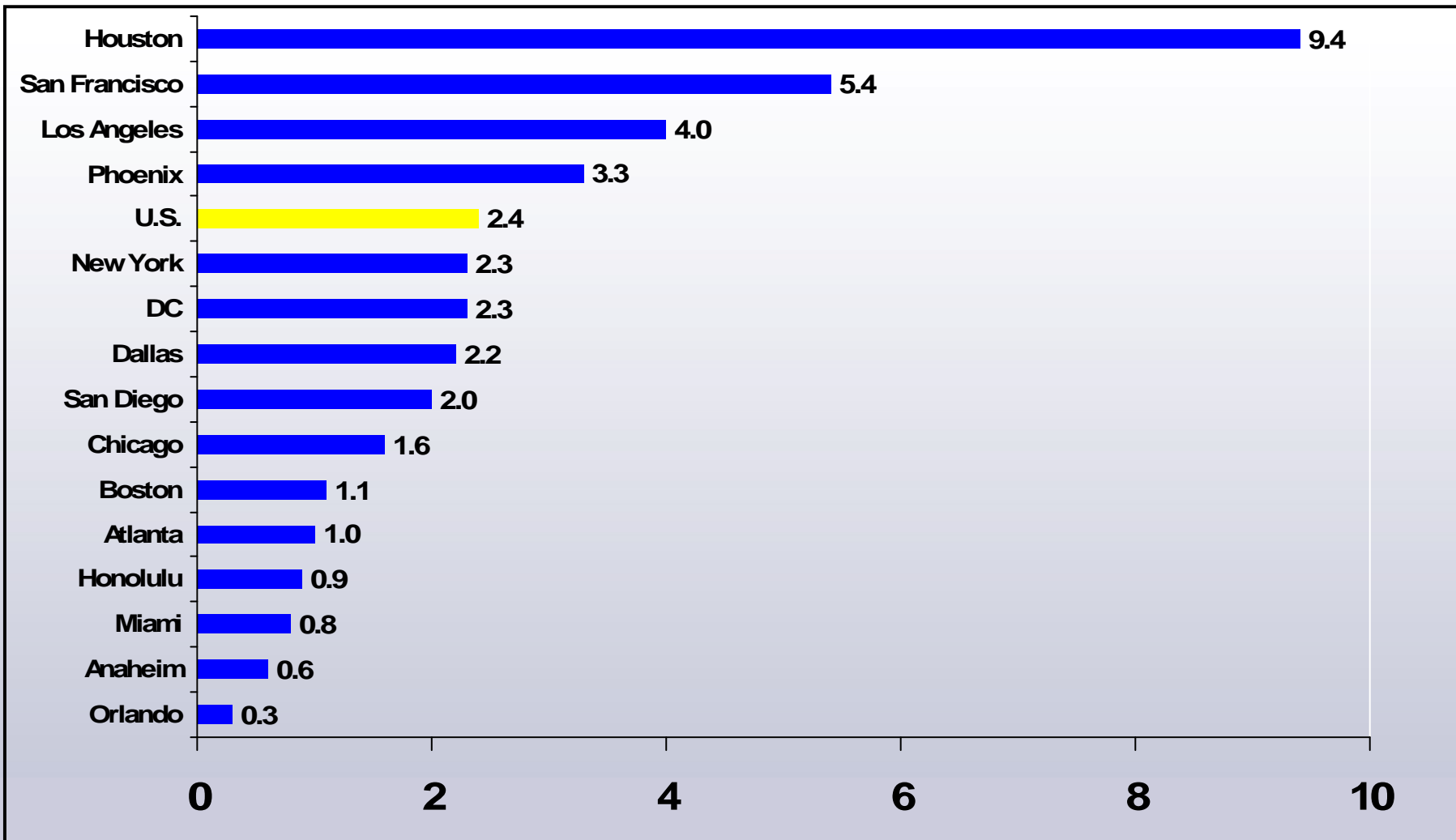
OCC Declines Across The Board



Key 15 Markets

ADR Percent Change

Full Year 2008



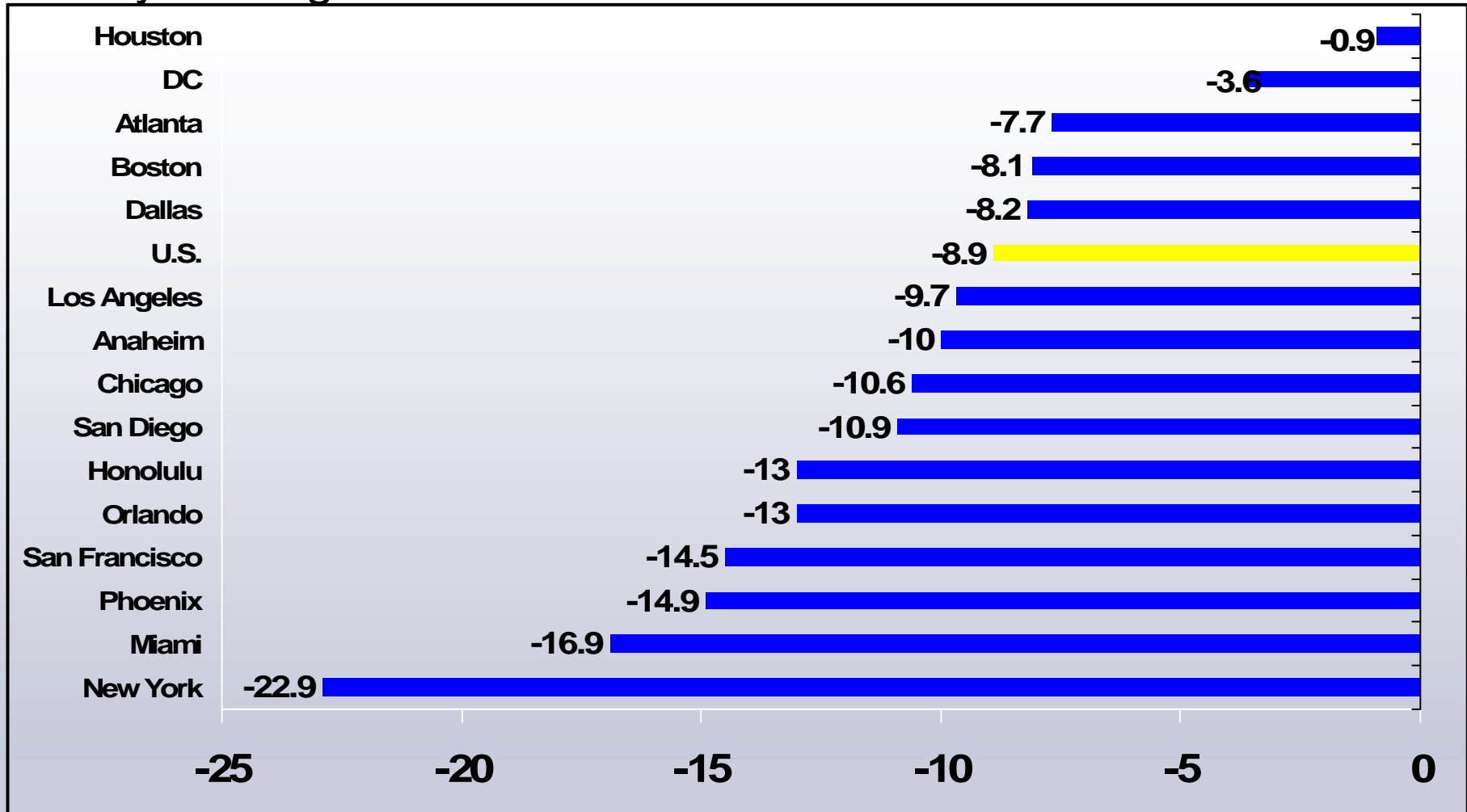
Most ADR Increases Below Inflation



Key 15 Markets

ADR Percent Change

28 Day Ending 3/21/09

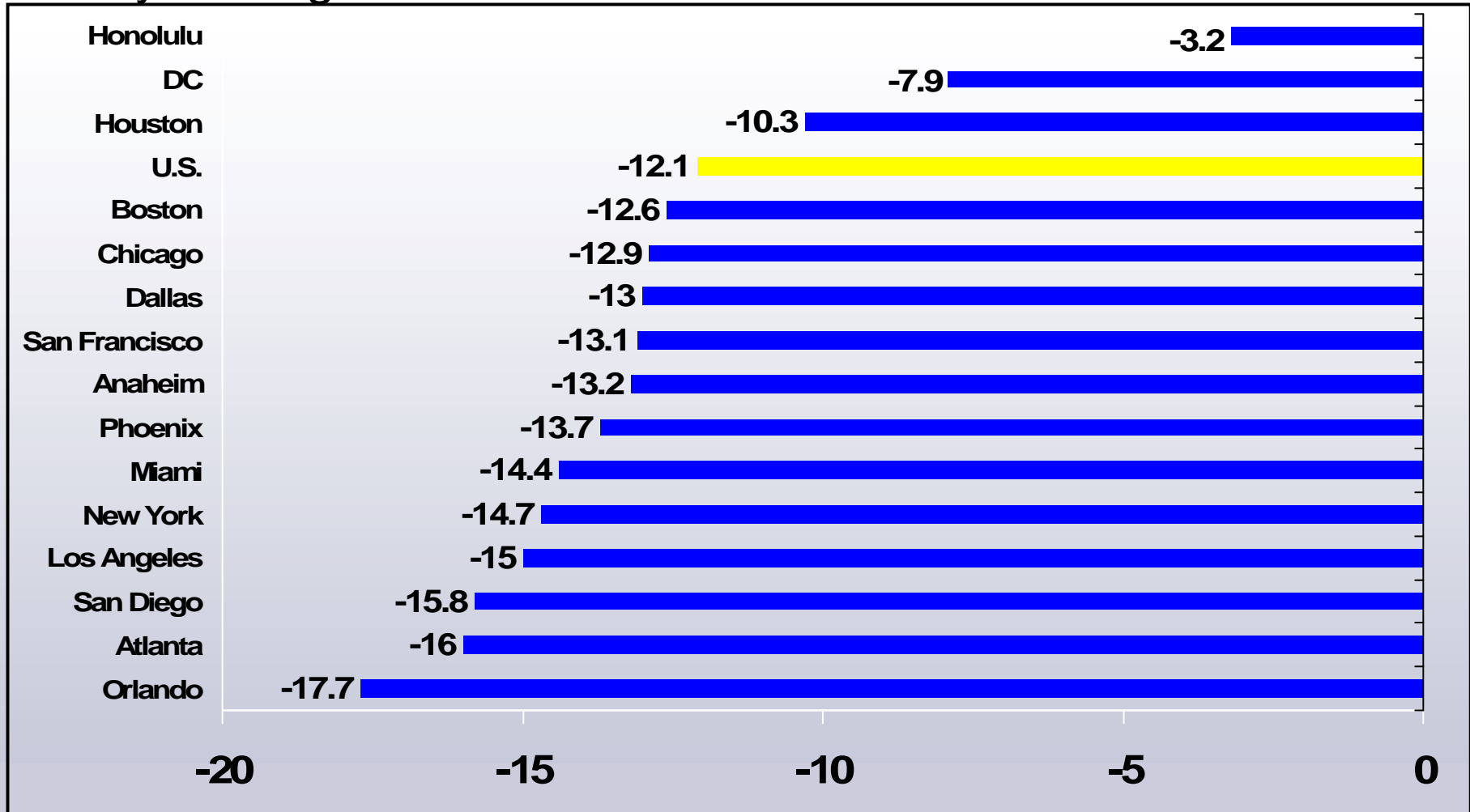


Discounts Everywhere ...



Key 15 Markets

Occupancy Percent Change 28 Day Ending 3/21/09



... But Are They Working?



Luxury / Upper Upscale Chains Group vs. Transient Performance



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NE
FINA
 A WALL STREET
 New York, NY



**INTERNATIONAL BUSINESS
 TRAVEL ASSOCIATION**
connecting the Business Travel World

October 3, 2008

AIG America's General
 9/22/2008 - 9/30/2008

Invoice Summary

Description	Invoice Amount	Paid	Balance Due
MASTER #1			
Rooms	\$ 139,375.30		\$ 139,375.30
Comp Rooms per Contract	\$ (2,478.60)		\$ (2,478.60)
Attrition per Contract	\$ 58,373.12		\$ 58,373.12
Gratuities	\$ 2,949.00		\$ 2,949.00
MASTER #2			
Banquets	\$ 147,301.71		\$ 147,301.71
MASTER #3			
In Room Dining + Lobby Lounge	\$ 3,064.71		\$ 3,064.71
StoneHill Tavern	\$ 5,016.32		\$ 5,016.32
Monarch Bayclub	\$ 1,900.99		\$ 1,900.99
MASTER #4			
Spa Garcia	\$ 23,380.00		\$ 23,380.00
Salon Vogue	\$ 1,488.00		\$ 1,488.00
Golf	\$ 6,939.09		\$ 6,939.09
Paid Out	\$ 33,485.00		\$ 33,485.00
PSAV	\$ 21,219.36		\$ 21,219.36
Summit Limo	\$ 101.50		\$ 101.50
Shipping	\$ 1,228.21		\$ 1,228.21
Sub Total	\$ 442,115.50		\$ 443,343.71
Deposit		\$ (402,701.04)	\$ (402,701.04)

Total Amount Due \$ 40,642.67

Please be so kind as to remit payment for the current balance due to:

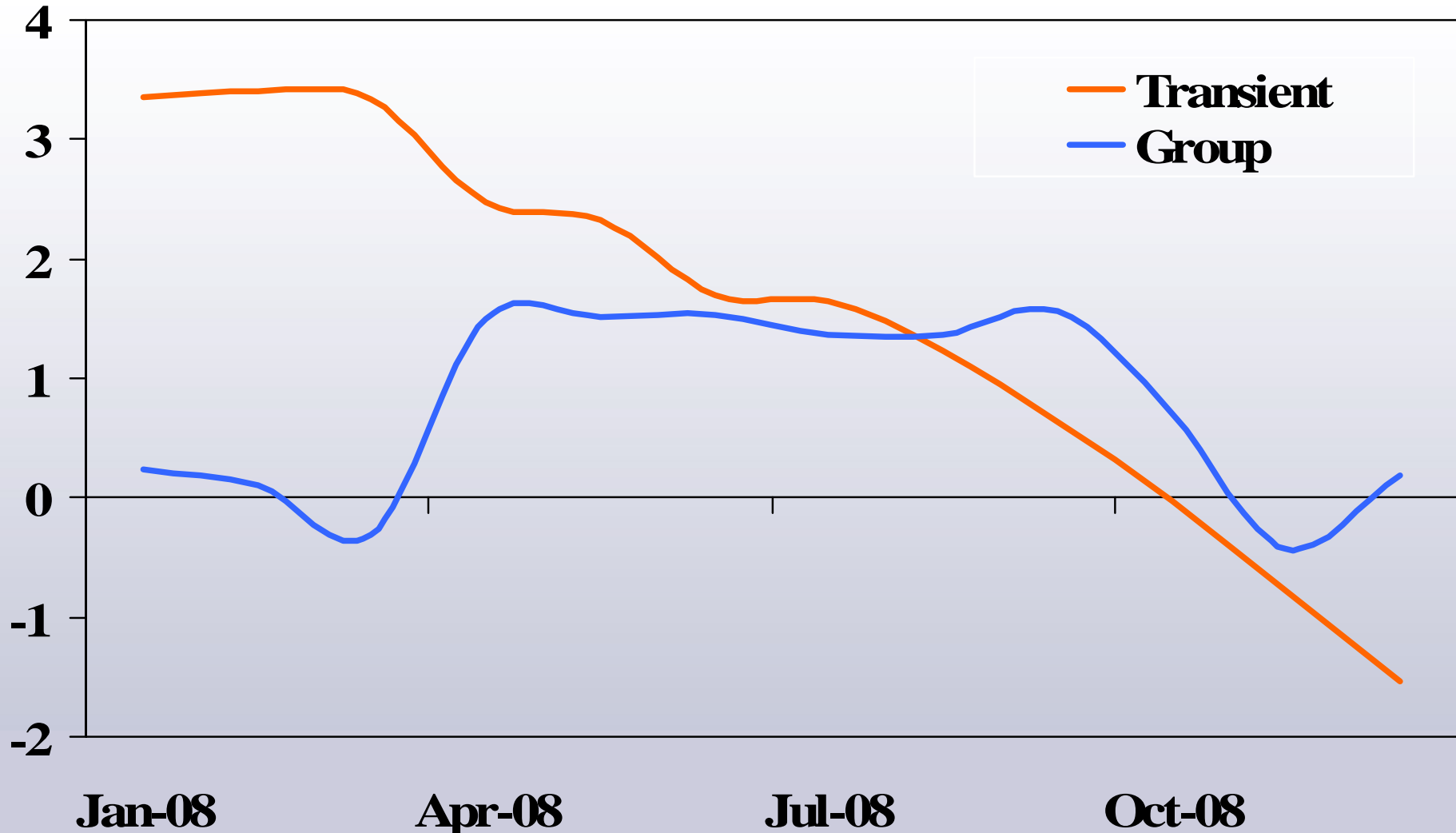
The St. Regis Resort, Monarch Beach
 One Monarch Beach Resort Drive
 Dana Point, CA 92629



Total US Luxury Hotels

Transient vs. Group Demand % Change

12 MMA 2008



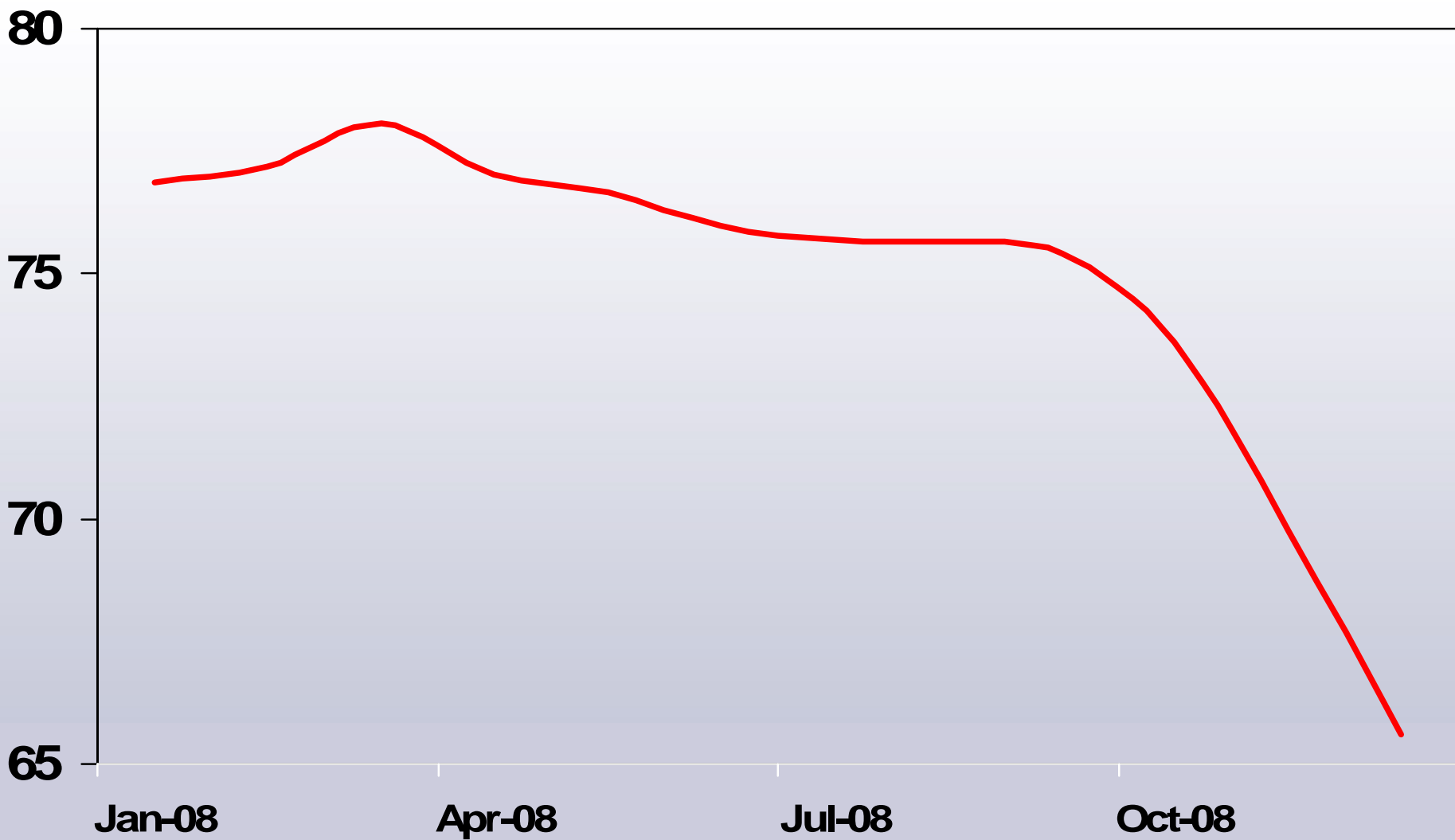
Sharp Transient Demand Drop



Total US Luxury Hotels

Difference Transient vs. Group ADR

Jan - Dec 2008



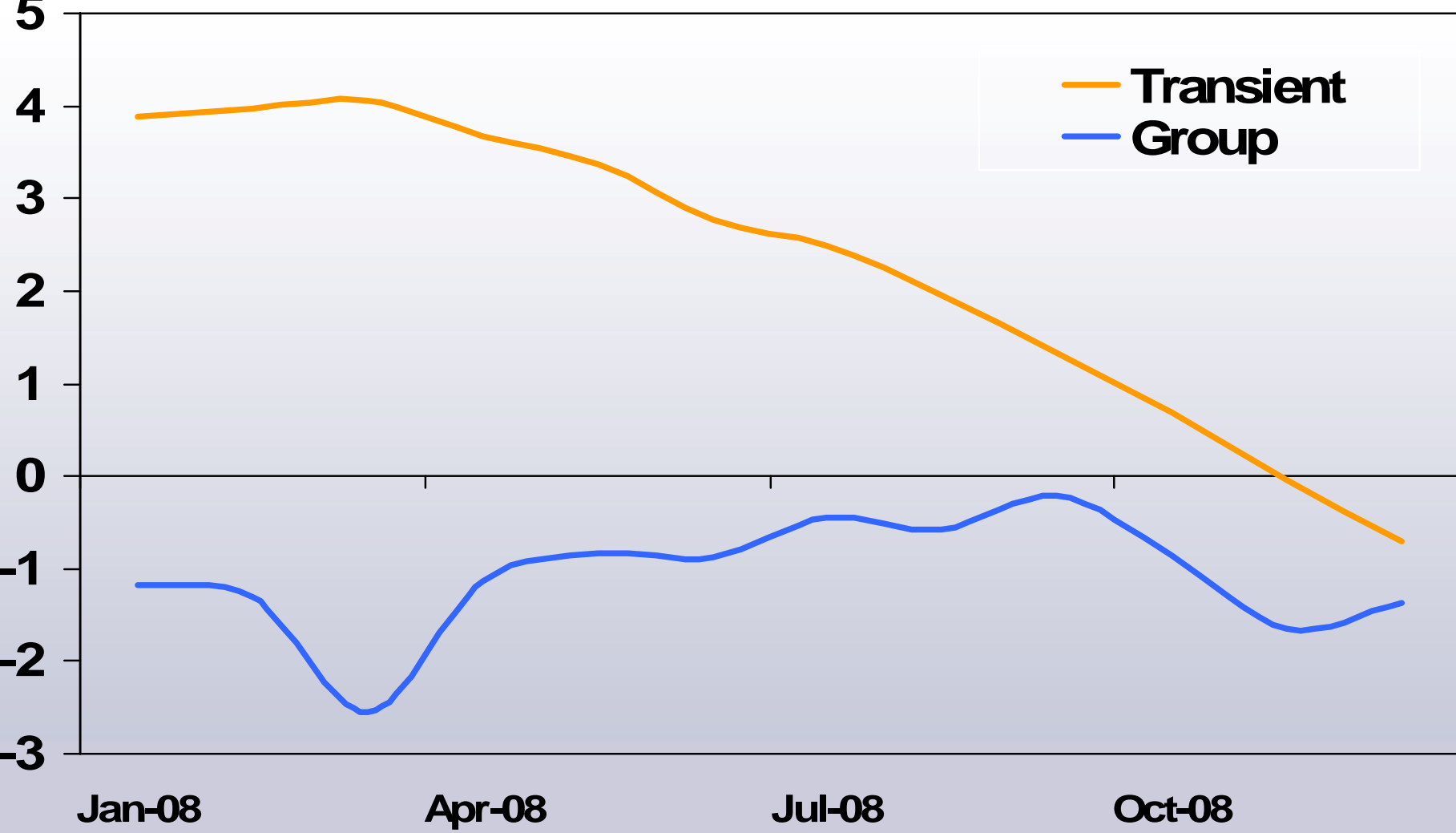
Rate Premium Deteriorates



Total Upper Upscale Hotels

Transient vs. Group Demand % Change

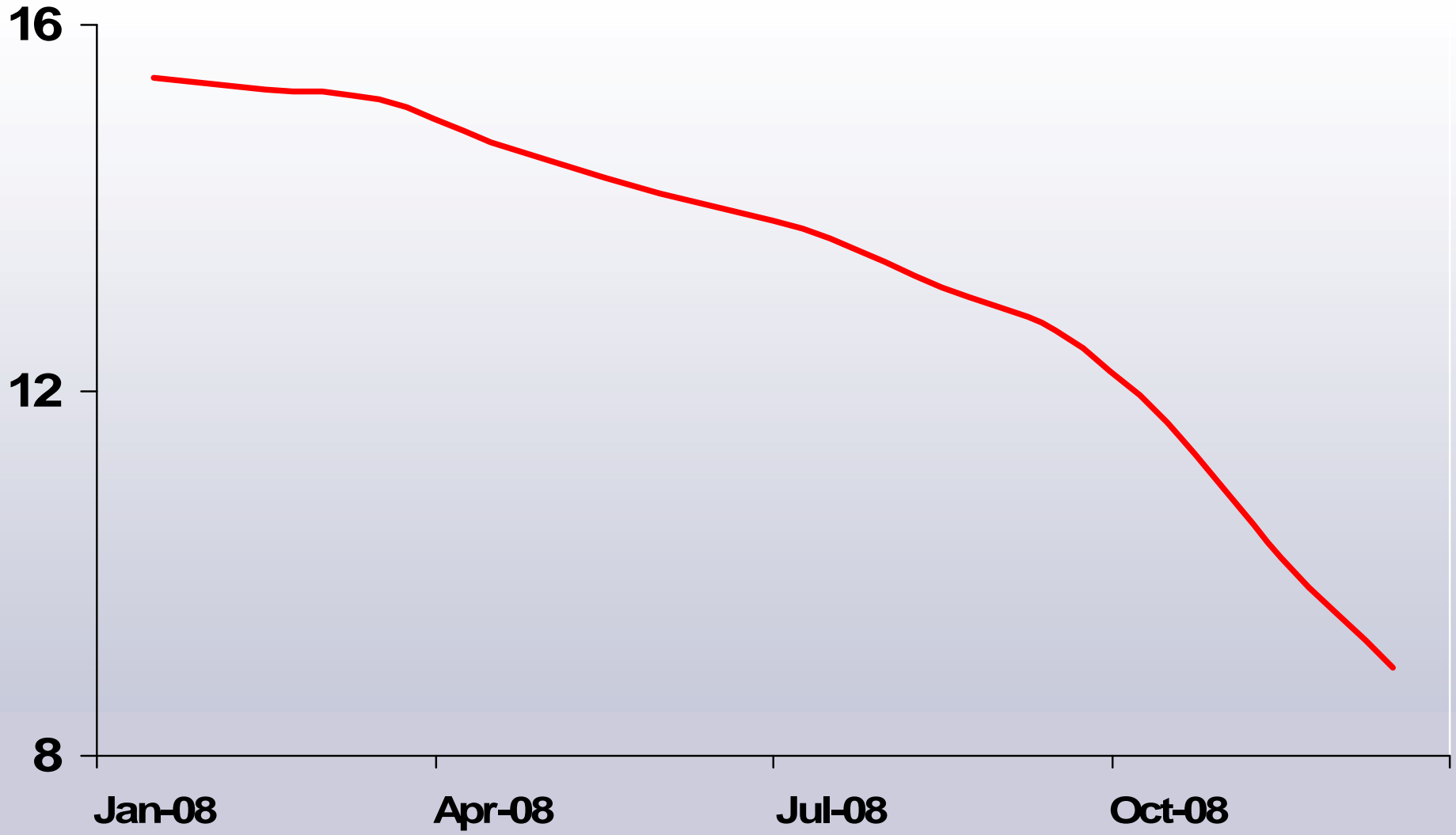
12 MMA 2008



Group Demand Had Been Declining



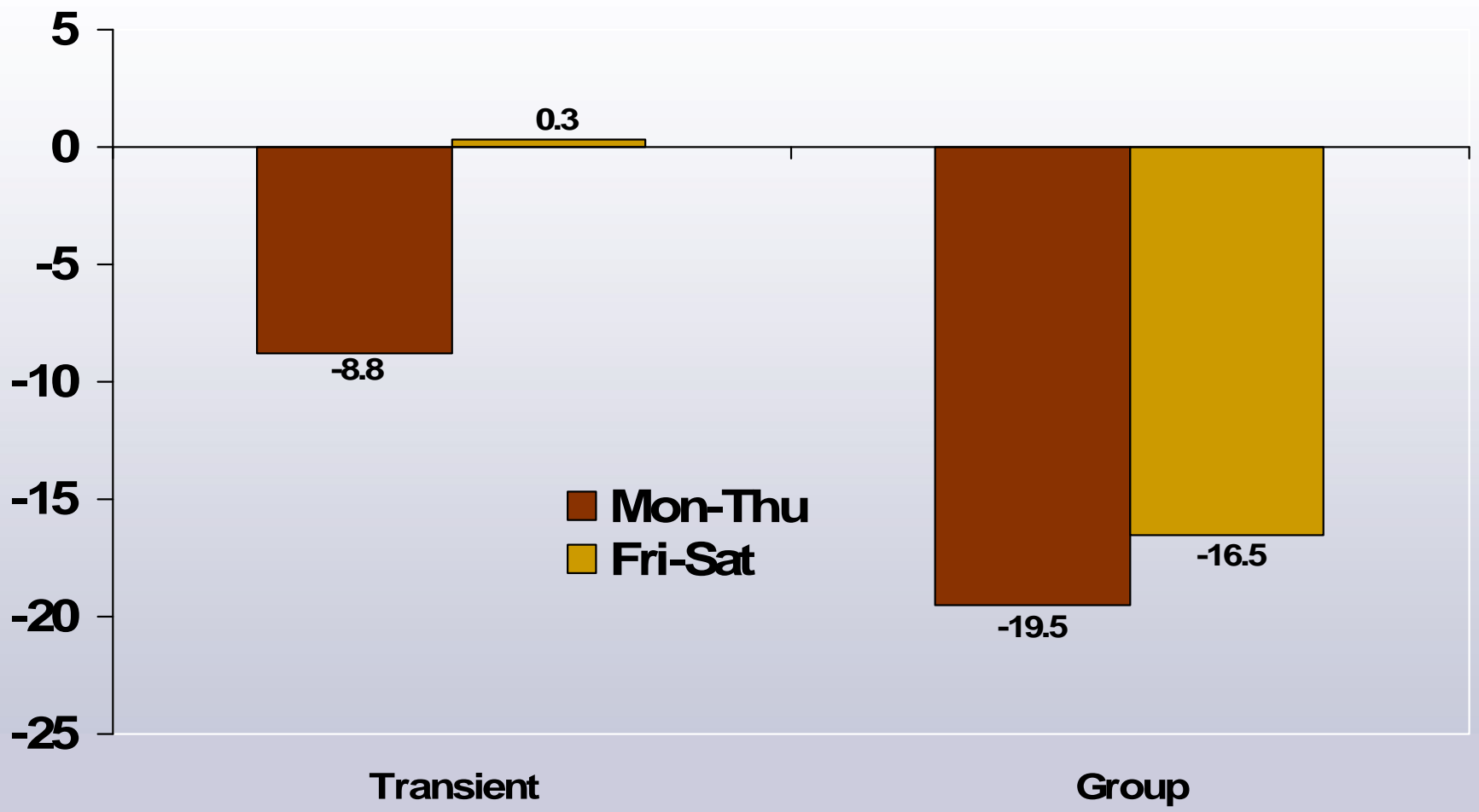
Total US Upper Upscale Hotels Difference Transient vs. Group ADR Jan - Dec 2008



Rate Premium Started to Decline Early



Transient & Group Mon-Thu vs. Fri-Sat Demand % Change - Jan / Feb 2009 (vs. Jan/Feb'08)



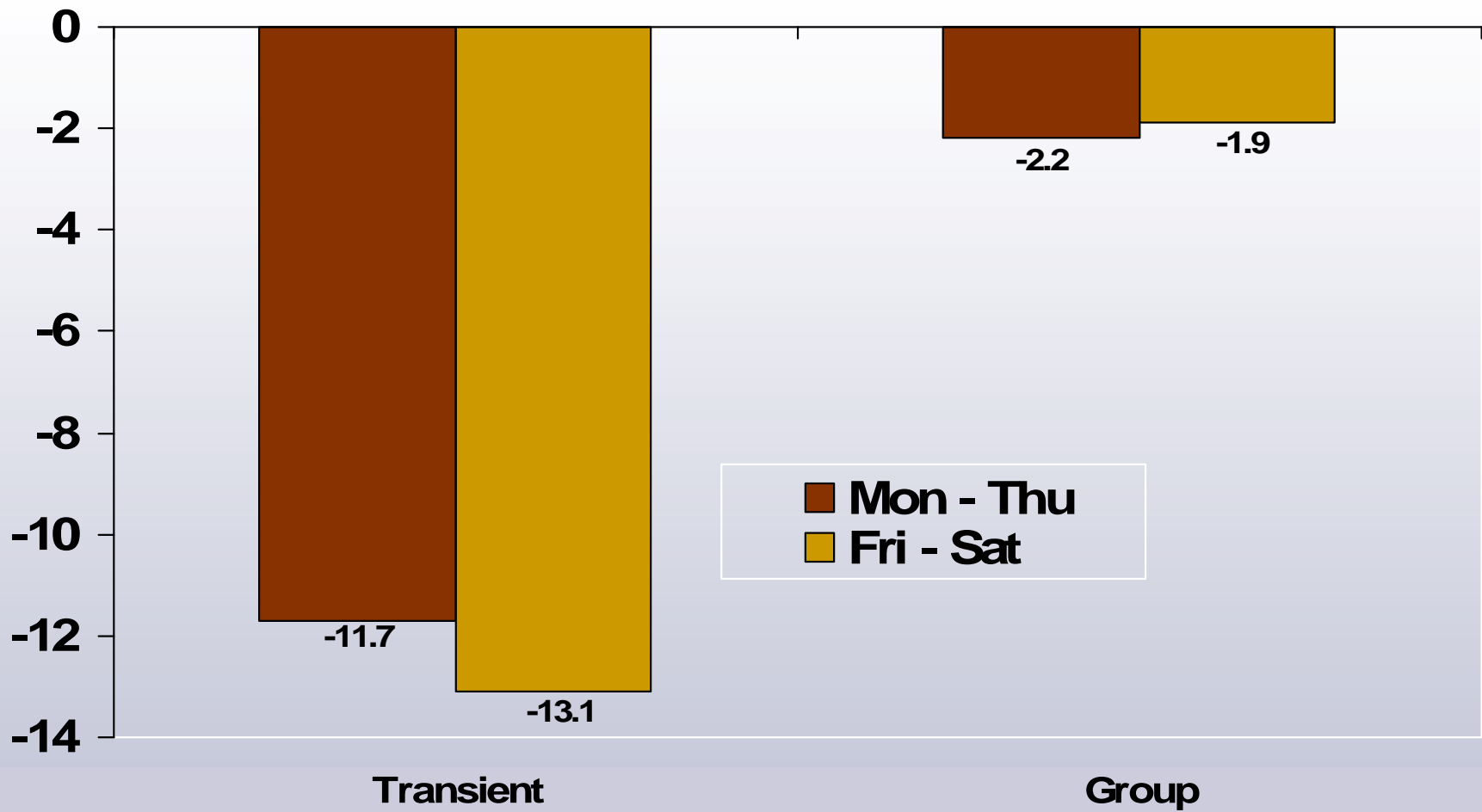
Jan 2nd (Fri.)+ Valentines Day (Sat.) Helped Weekends



Transient & Group

Mon-Thu vs. Fri-Sat

ADR % Change - Jan / Feb 2009 (vs. Jan/Feb'08)



Now Group Rates Start to Decrease As Well



Global Markets



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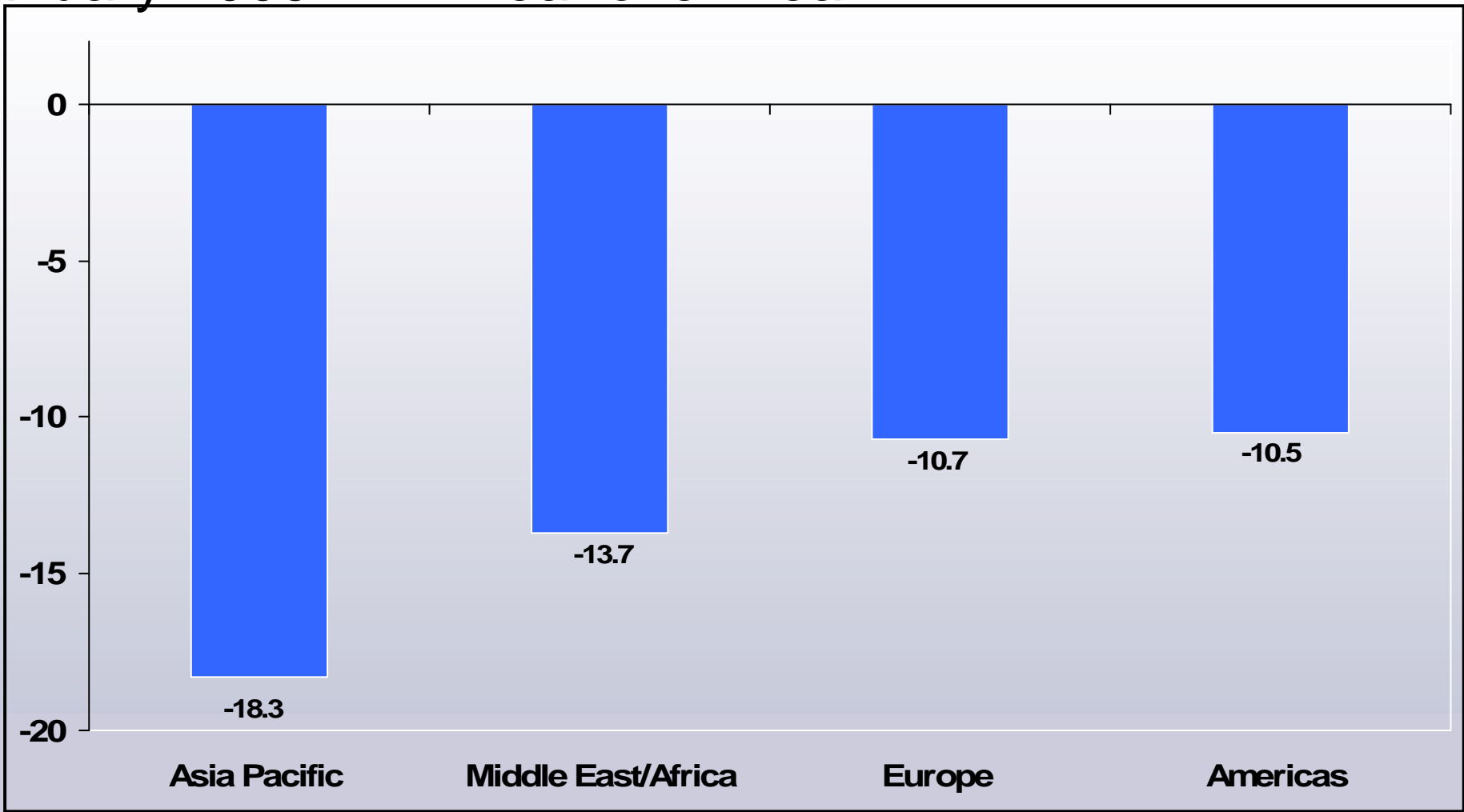




Global Regions

Occupancy Percent Change

January 2009 YTD Year over Year

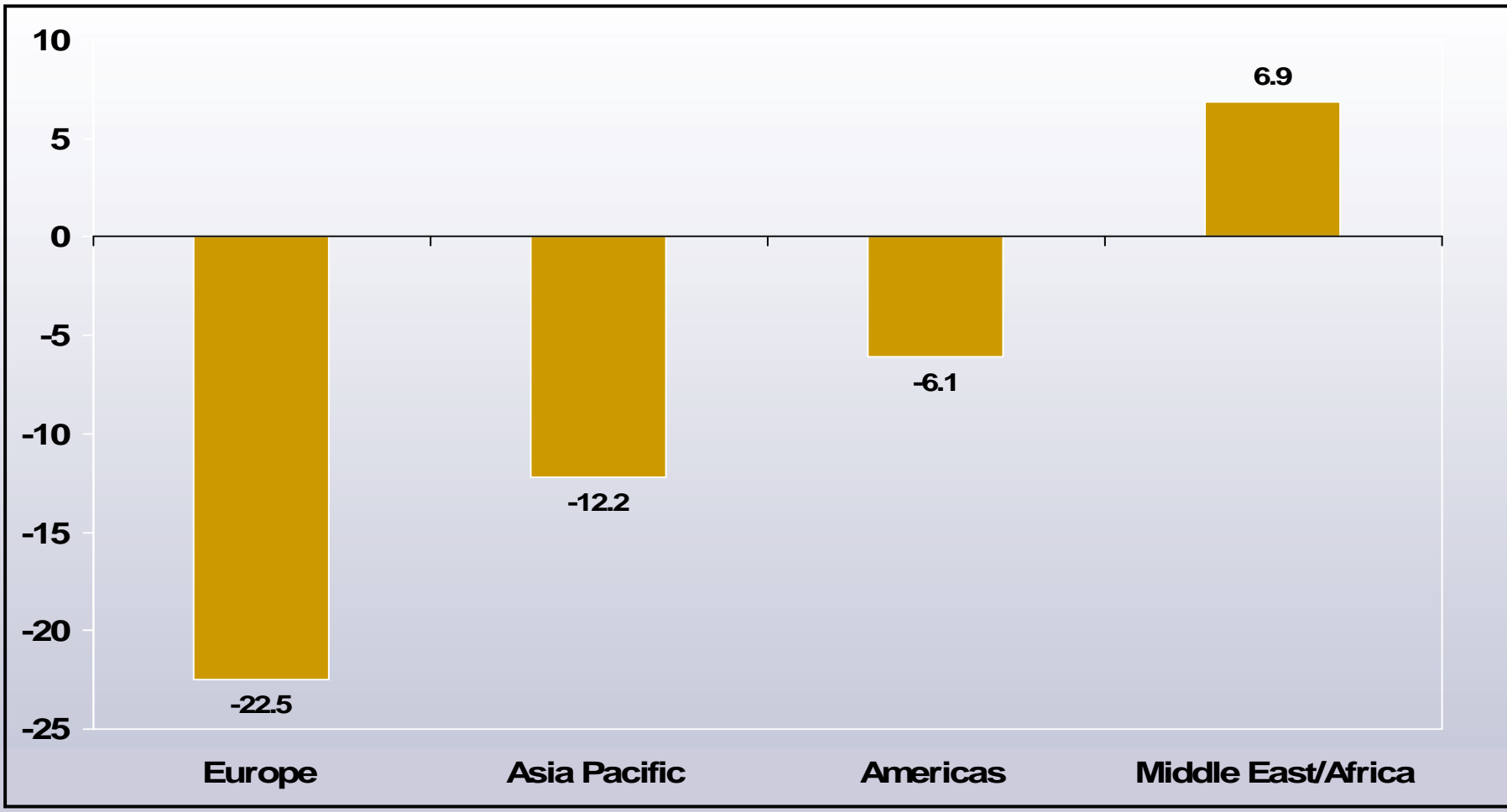




Global Regions

ADR Percent Change (In US \$)

January 2009 YTD Year over Year

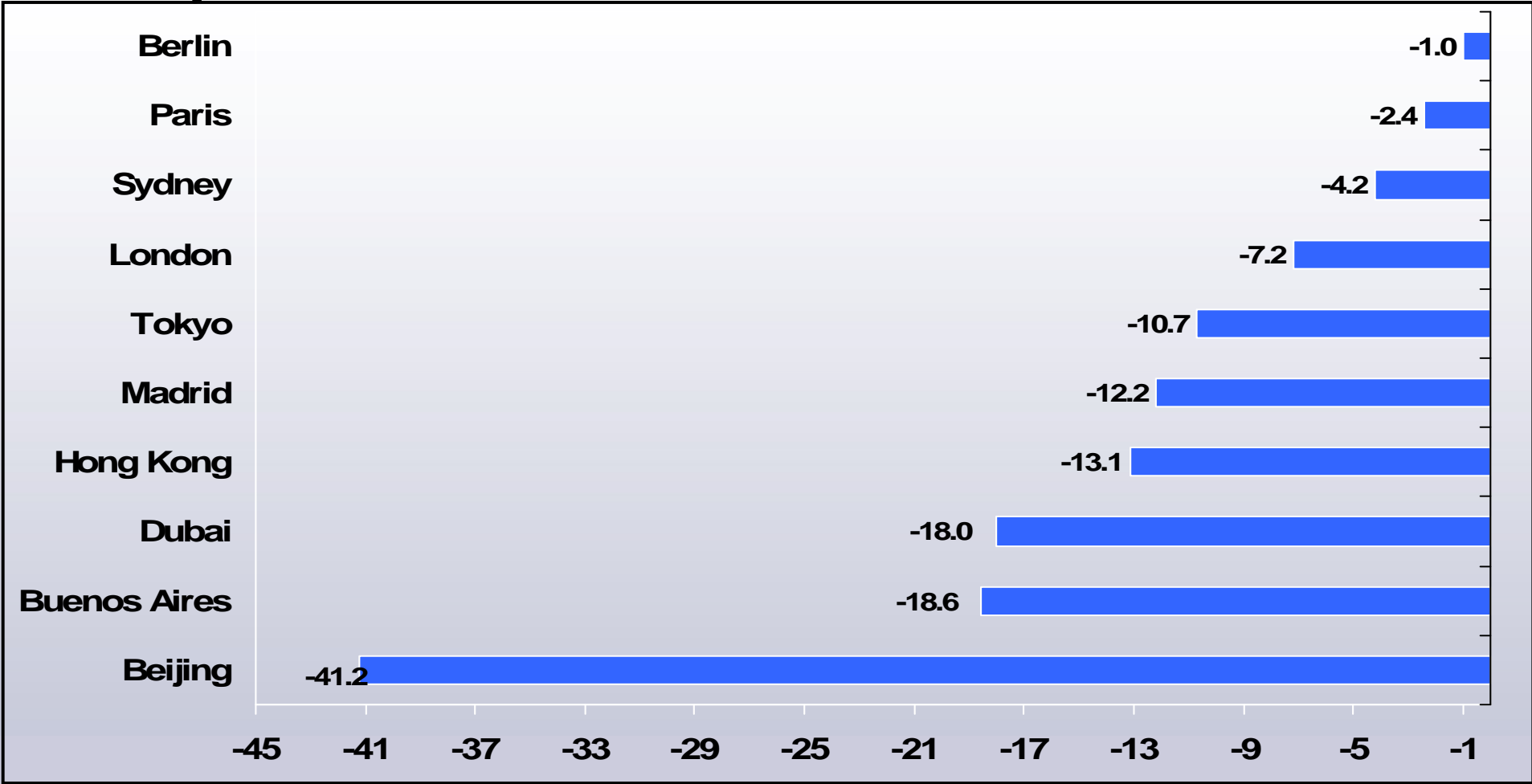




Key 10 Global Markets

Occupancy Percent Change

January 2009 YTD Year over Year

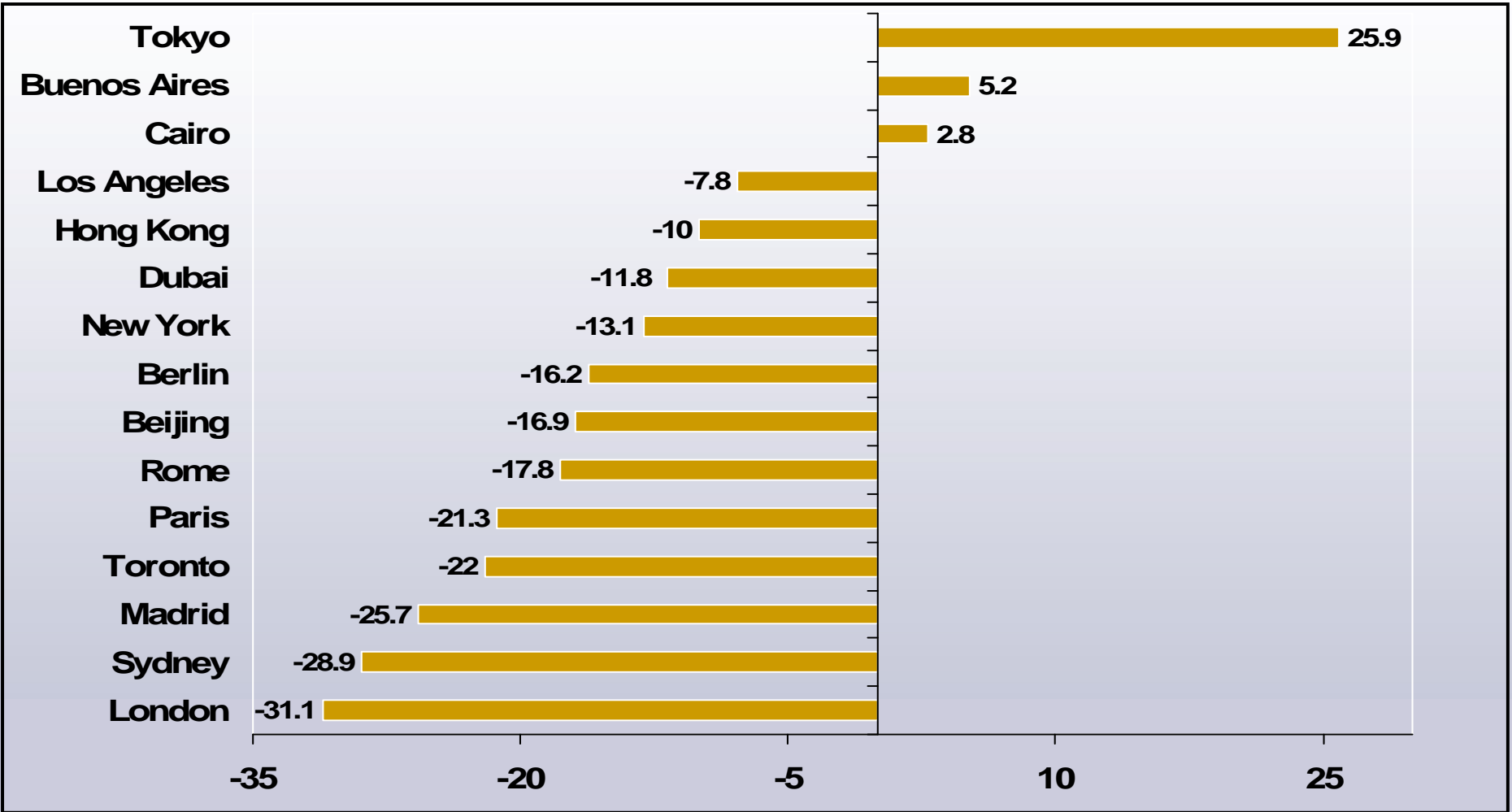




Key 10 Global Markets

ADR Percent Change (US\$)

January 2009 YTD Year over Year

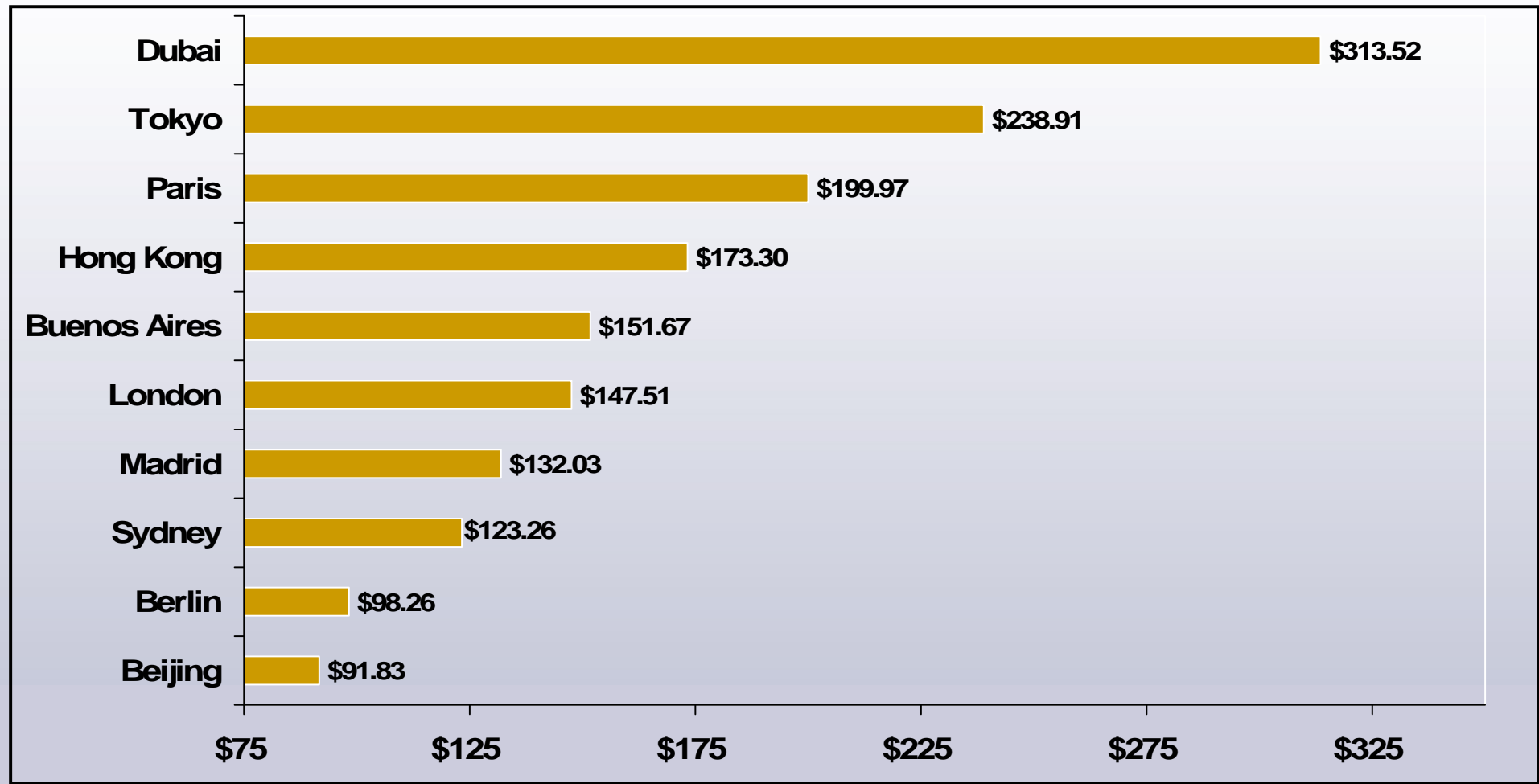




Key 10 Global Markets

ADR (In US \$)

January 2009 YTD Year over Year





STR Global RevPAR Forecast 2009

(-20%-10%)

- Amsterdam
- Munich
- Brussels
- Warsaw
- Lisbon
- Vienna
- Geneva
- Zurich

(-10% – 0%)

- Berlin
- Frankfurt
- Hamburg
- Budapest
- Milan
- Edinburgh
- London
- Athens
- Glasgow
- Rome
- Prague



Takeaways

- It's a Buyers' Market - Today
- Lack Of Funding Restricts Pipeline - Tomorrow
- Look at Luxury Hotels
- Negotiate For Value
- Group vs. Transient Rate Interplay
- It's Always Cyclical – Build Relationships



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