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2012 UNITED STATES

HOTEL VALUATION INDEX

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2012 U.S. HOTEL VALUATION INDEX

The 2012 edition of the HVS U.S. Hotel Valuation Index is quite optimistic. In fact, the U.S. lodging market has recovered much of the occupancy loss it experienced during the 2009 downturn. In most markets, average rate appears to have bottomed out or is expected to do so in the near future. Demand growth and the limited new supply are anticipated to boost average rate and occupancy growth further.

KEY TAKEAWAYS

1. Less buying but more selling opportunities
2. Still plenty of upside potential in value growth
3. Average rate will drive RevPAR and NOI growth
4. Extended period of increased values through 2016
5. Limited growth of new hotel supply
6. Construction financing still scarce

U.S. Economic Trends

In the first half of 2011, growth occurred at a relatively slow pace as the U.S. real gross domestic product (GDP) increased by as little as 0.4% after inflation, when compared with earlier estimates of 1.9%. As a result, economists lowered their growth forecasts for the second half of the year. Stock market turmoil, the downgrade of the U.S. Treasury's credit rating, the European debt crisis and the debt ceiling debate contributed to a weakened forecast. Growth accelerated in the latter half of 2011, and real GDP increased by 2.0%. In the first quarter of 2012, real GDP increased by 2.0%, followed by 1.5% in the second quarter (that is, from the first quarter to the second quarter). The increase in real GDP in the second quarter primarily reflected positive contributions from personal consumption expenditures (PCE), exports, non-residential fixed investment, private inventory investment, and residential fixed investment that were partly offset by a negative contribution from state and local government spending. Imports, which are a subtraction in the calculation of GDP, increased. Growth is expected to accelerate in the second half of 2012, and real GDP is forecast to increase by 2.0% by the end of 2012.

The unemployment rate in the U.S. reached its peak of 10.0% in October of 2009 and has since continued to decline. In July of 2012, the national unemployment rate was 8.3%, a decline of 0.8% percentage points, when compared with July 2011 (9.1%). Even though unemployment levels are declining, when compared with last year or earlier periods, the rate has remained stagnate around 8.2% in the first half of 2012. However, American employers added more jobs in July than predicted, and wages climbed. Payrolls rose by 117,000 workers after a 46,000 increase in June, which was larger than earlier estimated. The unemployment rate is forecast to decline to 8.0% by the end of 2012.

The housing market is also showing signs of recovery. Residential real estate prices declined less than predicted in the last twelve months. The S&P/Chase-Schiller index, which measures property values in 20 cities, decreased by 0.7% over the past twelve-month-period ending May 2012; the smallest twelve-month fall since September 2010. Twelve of the 20 cities in the index showed a year-over-year gain, and the number of existing homes on the market decreased from 3.22 million in 2010 and 2.93 in 2011 to 2.39 through the year-to-date period June 2012. The data indicate that the housing market is finally recovering from the latest economic recession. Home prices are expected to increase by approximately 3.0% in 2013 and 4.0% in 2014, on average.

Corporate profits at U.S. companies listed on the Standard and Poor's 500 have grown for ten consecutive quarters and have been a very strong indicator of the ongoing recovery of the latest economic recession. However, as growth in China and Europe slowed, growth of corporate profits has also decelerated. As of March 2012, corporate profits grew at an estimated annual rate of 4.8%. Through the year-to-date period July 2012, profits grew at an estimated annual rate of 3.3%, a slight decrease from the previous quarter.

Interest rates have been extraordinarily low and are expected to remain low through the remainder of 2012. Thereafter, interest rates are anticipated to increase by 0.5% in 2013 as the inflationary pressure from the growing debt burden should push rates slightly. Mortgage rates fell to a record low of 3.5% in July of 2012, however, are expected to increase in the near future up to 4.0%, as a modest recovery of the housing market is anticipated.

Most indicators reflect a positive outlook for the U.S. economy and indicate an ongoing recovery from the latest recession. However, the global slowdown tied to uncertainty about the eurozone's debt crisis, the upcoming presidential election, and the rising anxiety about tax hikes and spending cuts due at year-end are expected to slow down investments slightly in the second half of 2012. Investors are more cautious about the economic outlook.

U.S. Hospitality Trends

Following in the path of the U.S. economy, the U.S. hotel industry also shows signs of recovery. Limited supply growth (0.6%) paired with a strong increase in demand (5.0%), helped boost all three key performance metrics in 2011. According to Smith Travel Research (STR), the hotel industry's occupancy increased by 4.4% to 60.1%, and average rate increased by 3.7% to \$101.64, which resulted in an increase in RevPAR of 8.2% to \$61.06.

This upward trend continued throughout the year-to-date period June 2012. The hotel industry's occupancy rose to 65.1%, and average rate increased to \$106.41 in the second quarter of 2012. This resulted in a RevPAR of \$69.32, representing an \$8.26 increase when compared with the year-end 2011 level. Increases in RevPAR in 2011 were attributed primarily to increases in occupancy; however, this year's increases in RevPAR are attributed to higher average rates.

The analyses for this year's Hotel Valuation Index are supported by HVS's forecasts for occupancy and average rate. HVS presently anticipates modest RevPAR growth of 7.0% to 9.0% for 2012, which is supported by continued strong occupancy growth and an increase in average rates. Given the current pace and outlook for the economic recovery, RevPAR is anticipated to exceed its pre-recession level by 2013.

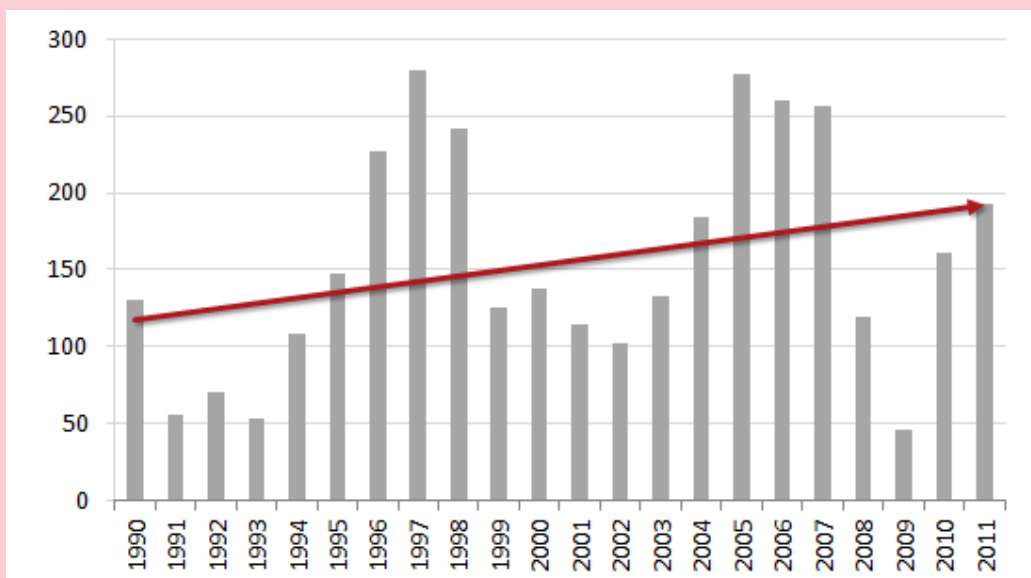
While most consulting firms focus on RevPAR results, HVS believes that value trends are significantly more meaningful to hotel owners, operators, and lenders. Through the Hotel Valuation Index (HVI), HVS monitors hotel value changes in 66 individual U.S. markets and the United States as a whole. The HVI looks at hotel supply, demand, occupancy, and average rate trends for each market area and creates an income-and-expense projection based on local operating costs. It then capitalizes the resulting net income by an appropriate capitalization rate, producing an estimate of value for a typical hotel in that market. The HVI tracks historical hotel values back to 1987 and offers projections through 2016. This tool points out the high and low points of each cycle, the velocity of the declines and the recovery, and the overall value volatility of each market.

U.S. Lodging Sales Activity and Investment Metrics

SALES ACTIVITY 2005 THROUGH 2011

A useful barometer to the income approach of hotel valuation is the presence of comparable sales data. The following graph illustrates the history of U.S. hotel sales priced at \$10,000,000 and above between 1990 and 2011.

MAJOR HOTEL SALES TRANSACTION VOLUME INTERSECTS 20-YEAR MOVING AVERAGE



The profound impact of the latest recession on lodging sales activity is exemplified by the trends of 2008 and 2009. Between 2007 and 2009, the number of hotel transactions declined by over 80%, while the average price per room declined by approximately 15%. Net operating income (NOI) suffered drastic losses in 2009 in particular, causing numerous hotel defaults.

In 2010, the per-room pricing increased by approximately 10%. As markets demonstrated signs of recovery, buyers and sellers became more compatible. Cash-rich buyers were actively seeking realistically priced hotels in order to reap the benefits of the forthcoming stronger rebound phase. In response, lenders were providing reasonable levels of financing for such investors, albeit primarily for

assets that were in tier-one markets and were not hindered by any extenuating circumstances. By the end of 2010, per-room pricing had already recovered to 2007 levels, and the number of hotel transactions increased for the first time since 2007, by nearly 80%.

In 2011, total transactions of sales \$10 million and over jumped 40%, following the 80% gain in 2010 over the 2009 market nadir. The average price-per-key increased by 16%, from \$185,000 to \$214,000. As occupancy and NOI started to rebound in the beginning of 2010, major sales activity throughout the first half of the year was robust. REIT acquisition activity dominated the major hotel transactions market; however, due to the US debt ceiling debacle, the bond rating downgrade, and the European financial crisis, share prices declined and the economic conditions hindered many transactions during the latter half of 2011.

REIT share prices have experienced a recovery; however, given the economic uncertainty, it appears that REITs have been cautious about acquisitions, as noted during the first half of 2012. In 2011, REITs accounted for 35.0% of hotel sales, whereas in the first half of 2012, REITs only accounted for 16.0% of hotels acquired. The gap has been filled primarily by private equity investors who have increased their involvement in sales, from approximately 7.0% in 2011 to 16.0% in the first half of 2012.

Since hotel owners cannot justify the cost of mandated property improvement plans (PIPs), more hotels are expected to be put on the market in the near future. Furthermore, loan maturities are anticipated to stimulate more sales of underperforming hotels in 2012/2013. However, average rates have started to rebound, demand is increasing, and cash flows are growing. Consequently, buying opportunities seem to be decreasing.

MAJOR PROPERTYS SOLD IN 2011 AND YEAR-TO-DATE 2012

The following tables show major hotel transactions (\$50 million and above), which occurred in 2011 and the year-to-date period through June 2012. All sales listed below have been confirmed by HVS.

MAJOR HOTEL SALES IN 2011

Property Name	City	State	Number Of		Date of Sale	Interest Conveyed	Price Paid	Price Per Room	Buyer	Property Name
			Rooms							
Sheraton Universal City	Universal City	CA	451		1/1/2011	Fee Simple	\$90,000,000	\$199,557	Shenzhen New World Group Co., Ltd.	Sheraton Universal City
Hilton Alexandria Mark Center	Alexandria	VA	496		1/1/2011	Fee Simple	\$121,000,000	\$243,952	Crow Holdings Realty Partners V, LP	Hilton Alexandria Mark Center
Madison Washington	Washington	DC	353		1/1/2011	Fee Simple	\$123,000,000	\$348,442	Jamestown Properties	Madison Washington
Best Western Plus Tuscan Inn at Fishermans Wharf	San Francisco	CA	221		2/1/2011	Fee Simple	\$52,500,000	\$237,557	Walnut Hill Group	Best Western Plus Tuscan Inn at Fishermans Wharf
Argonaut Hotel San Francisco	San Francisco	CA	252		2/1/2011	Leasehold Ground	\$84,000,000	\$333,333	Pebblebrook Hotel Trust	Argonaut Hotel San Francisco
JW Marriott New Orleans	New Orleans	LA	494		2/1/2011	Leasehold Ground, Air Rights	\$93,800,000	\$189,879	Sunstone Hotel Investors	JW Marriott New Orleans
JW Marriott San Francisco	San Francisco	CA	338		2/1/2011	Leasehold Ground	\$96,000,000	\$284,024	Thayer Lodging Group	JW Marriott San Francisco
Courtyard Portland City Center	Portland	OR	256		3/1/2011	Fee Simple	\$55,600,000	\$217,188	Cornerstone Real Estate Advisors, Inc.	Courtyard Portland City Center
Four Seasons Resort Jackson Hole	Teton Village	WY	124		3/1/2011	Fee Simple	\$57,500,000	\$463,710	Strategic Hotels & Resorts, Inc.	Four Seasons Resort Jackson Hole
Hilton Garden Inn Denver Downtown	Denver	CO	221		3/1/2011	Fee Simple	\$58,500,000	\$264,706	Apple REIT Ten, Inc.	Hilton Garden Inn Denver Downtown
Hilton Garden Inn Arlington Courthouse Plaza	Arlington	VA	189		3/1/2011	Fee Simple	\$60,300,000	\$319,048	CP-IPERS Arlington Hotel, LLC	Hilton Garden Inn Arlington Courthouse Plaza
Viceroy Santa Monica Hotel	Santa Monica	CA	162		3/1/2011	Leasehold Ground	\$80,100,000	\$494,444	LaSalle Hotel Properties	Viceroy Santa Monica Hotel
New York Helmsley Hotel	New York	NY	775		3/1/2011	Fee Simple	\$313,500,000	\$404,516	Host Hotels & Resorts, Inc.	New York Helmsley Hotel
Hyatt Manchester Grand San Diego	San Diego	CA	1625		3/1/2011	Leasehold Ground	\$570,000,000	\$350,769	Host Hotels & Resorts, Inc.	Hyatt Manchester Grand San Diego
Hotel Monaco Seattle	Seattle	WA	189		4/1/2011	Fee Simple	\$51,200,000	\$270,899	Pebblebrook Hotel Trust	Hotel Monaco Seattle
W San Diego	San Diego	CA	258		4/1/2011	Fee Simple	\$56,000,000	\$217,054	Rockpoint Group, JV	W San Diego
Continental Hotel South Beach	Miami Beach	FL	251		4/1/2011	Fee Simple	\$61,000,000	\$243,028	InSite Group/Cube Capital, JV	Continental Hotel South Beach
Westin San Diego Gaslamp Quarter	San Diego	CA	450		4/1/2011	Fee Simple	\$110,000,000	\$244,444	Pebblebrook Hotel Trust	Westin San Diego Gaslamp Quarter
Royal Palm Hotel Miami Beach	Miami Beach	FL	409		4/1/2011	Fee Simple	\$130,000,000	\$317,848	KSL Capital Partners, LLC	Royal Palm Hotel Miami Beach
Jumer's Casino & Hotel	Rock Island	IL	205		4/1/2011	Fee Simple	\$180,000,000	\$878,049	Delaware North Companies	Jumer's Casino & Hotel
Hilton San Diego Bayfront	San Diego	CA	1190		4/1/2011	Leasehold Ground	\$475,000,000	\$399,160	Sunstone Hotel Investors, Inc.	Hilton San Diego Bayfront
Morgans Hotel	New York	NY	114		5/1/2011	Fee Simple	\$51,800,000	\$454,386	Felcor Lodging Trust, Inc.	Morgans Hotel
Homewood Suites Seattle Convention Center	Seattle	WA	195		5/1/2011	Fee Simple	\$53,000,000	\$271,795	Chesapeake Lodging Trust	Homewood Suites Seattle Convention Center
Sheraton National Arlington	Arlington	VA	408		5/1/2011	Fee Simple	\$70,500,000	\$172,794	HEI Hotels & Resorts	Sheraton National Arlington
JW Marriott Denver at Cherry Creek	Denver	CO	196		5/1/2011	Fee Simple	\$72,600,000	\$370,408	DiamondRock Hospitality Company	JW Marriott Denver at Cherry Creek
Algonquin Hotel	New York	NY	174		5/1/2011	Fee Simple	\$82,000,000	\$471,264	Cornerstone Real Estate Advisors, Inc.	Algonquin Hotel
Royalton Hotel	New York	NY	168		5/1/2011	Fee Simple	\$88,200,000	\$525,000	Felcor Lodging Trust, Inc.	Royalton Hotel
Westin Pasadena	Pasadena	CA	350		5/1/2011	Fee Simple	\$92,000,000	\$262,857	HEI Hotels & Resorts	Westin Pasadena
Montelucia Resort & Spa Scottsdale	Paradise Valley	AZ	293		5/1/2011	Fee Simple	\$105,000,000	\$358,362	ML Resort Holdings, LLC	Montelucia Resort & Spa Scottsdale
W Chicago City Center	Chicago	IL	368		5/1/2011	Fee Simple	\$128,800,000	\$350,000	Chesapeake Lodging Trust	W Chicago City Center
Mondrian Hotel	West Hollywood	CA	237		5/1/2011	Fee Simple, Leased Fee	\$137,000,000	\$578,059	Pebblebrook Hotel Trust	Mondrian Hotel
Hotel Indigo San Diego Gaslamp Quarter	San Diego	CA	210		6/1/2011	Fee Simple	\$55,500,000	\$264,286	Chesapeake Lodging Trust	Hotel Indigo San Diego Gaslamp Quarter
Courtyard Washington Capitol Hill Navy Yard	Washington	DC	204		6/1/2011	Fee Simple	\$68,000,000	\$333,333	Chesapeake Lodging Trust	Courtyard Washington Capitol Hill Navy Yard
Red Lion Fifth Avenue Seattle	Seattle	WA	297		6/1/2011	Fee Simple	\$71,000,000	\$239,057	Lowe Enterprises	Red Lion Fifth Avenue Seattle
InterContinental Chicago Magnificent Mile	Chicago	IL	792		6/1/2011	Partial	\$82,000,000	\$103,535	Strategic Hotels & Resorts, Inc.	GIC Real Estate International
Courtyard by Marriott Waikiki Beach	Honolulu	HI	401		6/1/2011	Fee Simple, Leased Fee	\$85,000,000	\$211,970	Lodging Capital Partners/Rockpoint Group	WB - LCP Kuhio Owner, LLC
W Hotel & Residences Boston	Boston	MA	235		6/1/2011	Fee Simple	\$89,500,000	\$380,851	Pebblebrook Hotel Trust	W Hotel & Residences Boston
Four Points by Sheraton Midtown Times Square	New York	NY	244		6/1/2011	Fee Simple	\$112,000,000	\$459,016	Gehr Development Corporation	Four Points by Sheraton Midtown Times Square
Yotel New York	New York	NY	669		6/1/2011	Fee Simple, Leased Fee	\$315,000,000	\$470,852	IFA Hotels & Resorts/Kuwait Real Estate	Related Company
Radisson Lexington Hotel	New York	NY	712		6/1/2011	Fee Simple	\$335,000,000	\$470,506	DiamondRock Hospitality Company	Whitehall Street Real Estate/Highgate Holdings
Residence Inn Anaheim Resort Area Garden Grove	Garden Grove	CA	200		7/1/2011	Fee Simple	\$51,555,094	\$257,775	Chatham Lodging Trust	Innkeepers USA Trust
Residence Inn San Diego Mission Valley	San Diego	CA	192		7/1/2011	Fee Simple	\$53,086,565	\$276,493	Chatham Lodging Trust	Innkeepers USA Trust

MAJOR HOTEL SALES IN 2011 AND YEAR-TO-DATE 2012

Property Name	City	State	Number Of		Date of Sale	Interest Conveyed	Price Paid	Price Per Room	Buyer	Property Name
			Rooms							
Marriott San Diego La Jolla	La Jolla	CA	360		7/1/2011	Fee Simple	\$71,000,000	\$197,222	HEI Hotels & Resorts	Cornerstone Real Estate Advisers, Inc.
Bacara Resort and Spa	Goleta	CA	360		7/1/2011	Fee Simple	\$105,000,000	\$291,667	Ohana Real Estate Investors/Rockpoint Group	The Adco Group
New York Palace	New York	NY	899		7/1/2011	Leasehold Ground	\$400,000,000	\$444,939	Northwood Investors, LLC	Amedeo Hotels, LP/Brunei Investment Agency
Mandarin Oriental San Francisco	San Francisco	CA	158		8/1/2011	Fee Simple	\$63,000,000	\$398,734	222 Sansome Hotel Investors, LP	Massachusetts Mutual Life Insurance Company
Fairmont Dallas	Dallas	TX	545		8/1/2011	Fee Simple	\$69,000,000	\$126,606	Inland American Real Estate Trust, Inc.	DiNapoli Capital Partners, LLC/PCCP DCP Dallas
Marriott Napa Valley Hotel & Spa	Napa	CA	274		8/1/2011	Fee Simple	\$72,000,000	\$262,774	Inland American Real Estate Trust, Inc.	Lighthouse Lodging Group/Privet Investments
Cheeca Lodge & Spa	Islamorada	FL	214		8/1/2011	Fee Simple	\$101,250,000	\$473,131	Northwood Investors, LLC	Cheeca Holdings, LLC
Cypress Hotel	Cupertino	CA	224		10/1/2011	Fee Simple	\$56,500,000	\$252,232	CH Cupertino Owner, LLC	AEW/RP Cupertino Hotel, LLC
Villa Florence Hotel	San Francisco	CA	182		10/1/2011	Fee Simple, Leased Fee	\$67,200,000	\$369,231	LaSalle Hotel Properties	Villa Florence Hotel, LLC
Marriott Boston Burlington	Burlington	MA	415		10/1/2011	Fee Simple	\$73,350,000	\$176,747	Cornerstone Real Estate Advisers, Inc.	Finard Properties, LLC
Marriott Denver City Center	Denver	CO	613		10/1/2011	Leasehold Ground	\$119,000,000	\$194,127	Chesapeake Lodging Trust	WTCC City Center Investors V, LLC
Paramount Hotel New York	New York	NY	597		10/1/2011	Fee Simple	\$275,000,000	\$460,637	RFR Realty, LLC	Northwood Street Capital/Highgate Holdings, LLC
IP Casino Resort & Spa	Biloxi	MS	1,100		10/1/2011	Fee Simple	\$278,000,000	\$252,727	Boyd Gaming Corporation	Imperial Palace of Mississippi, LLC/Key Largo
Standard East Village New York	New York	NY	145		11/1/2011	Fee Simple, Leasehold Ground	\$91,000,000	\$627,586	Andre Balazs Properties Hotels AB	Westport Capital Partners, LLC
Courtyard Miami Beach Oceanfront	Miami Beach	FL	263		11/1/2011	Fee Simple	\$95,000,000	\$361,217	Hersha Hospitality Trust	Beta, Epsilon, & Cadillac, LLC
Fairmont Orchid Hawaii Hotel	Kohala Coast	HI	540		11/1/2011	Fee Simple	\$125,000,000	\$231,481	Oaktree Capital Management, LP/Woodridge	Barclays Capital Real Estate Finance, Inc.
Holiday Inn Midtown 31st Street	New York	NY	122		12/1/2011	Fee Simple	\$52,200,000	\$427,869	Chesapeake Lodging Trust	Heena Hotel, LLC
Estancia La Jolla Hotel and Spa	La Jolla	CA	210		12/1/2011	Leasehold Ground	\$54,061,342	\$257,435	Pacific Hospitality Group, LLC	Lowe Enterprises, Inc.
Sutton Place Hotel	Chicago	IL	246		12/1/2011	Fee Simple	\$64,000,000	\$260,163	AJ Capital Partners/Walton Street Capital, LLC	Chicago Grande, Inc.
Hampton Inn New York 35th Street Empire State Bldg	New York	NY	146		12/1/2011	Fee Simple	\$69,500,000	\$476,027	RockBridge Capital, LLC	Magna Hospitality Group
Hilton Crystal City at Washington National	Arlington	VA	386		12/1/2011	Fee Simple	\$79,000,000	\$204,663	The JBG Companies	Westmont Hospitality Group
Sheraton Austin Hotel	Austin	TX	365		12/1/2011	Fee Simple	\$95,200,000	\$260,822	Private Investor	HEI Hospitality Fund II, LP
Park Central New York	New York	NY	934		12/1/2011	Fee Simple	\$396,200,000	\$424,197	LaSalle Hotel Properties	Highgate Hotels
<u>Year-to-date 2012 through July</u>										
Novotel New York Times Square	New York	NY	480		2/1/2012	Fee Simple	\$92,000,000	\$191,667	Chartres Lodging Group, LLC/Apollo Global Real Estate Management, LP	Accor
Perry South Beach	Miami Beach	FL	340		2/1/2012	Fee Simple	\$230,000,000	\$676,471	Starwood Capital Group, LeFrak Organization, INVESCO	Credit Suisse Securities USA, LLC
Marriott Lexington Griffin Gate Resort & Spa	Lexington	KY	409		3/1/2012	Fee Simple	\$75,500,991	\$184,599	Inland American Real Estate Trust, Inc.	DiamondRock Hospitality Company
Fairmont Sonoma Mission Inn & Spa	Sonoma	CA	226		3/1/2012	Fee Simple	\$88,000,000	\$389,381	Sonoma Resort Holdings II, LLC	SMI Real Estate, LLC
Renaissance Austin Arboretum	Austin	TX	492		3/1/2012	Fee Simple	\$90,822,708	\$184,599	Inland American Real Estate Trust, Inc.	DiamondRock Hospitality Company
Renaissance Waverly Hotel & Convention Center Atlanta	Atlanta	GA	521		3/1/2012	Fee Simple	\$96,176,079	\$184,599	Inland American Real Estate Trust, Inc.	DiamondRock Hospitality Company
Marriott San Francisco Airport Waterfront	Burlingame	CA	685		3/1/2012	Fee Simple	\$108,000,000	\$157,664	Inland American Real Estate Trust, Inc.	Host Hotels & Resorts
Hotel Palomar Washington D.C.	Washington	DC	335		3/1/2012	Fee Simple	\$143,800,000	\$429,254	LaSalle Hotel Properties	Kimpton Hotels & Restaurants
Residence Inn Bethesda	Bethesda	MD	187		5/1/2012	Fee Simple	\$64,500,000	\$344,920	RLJ Lodging Trust	Thayer Lodging Group
Courtyard New York Manhattan Upper East Side	New York	NY	226		5/1/2012	Fee Simple	\$82,000,000	\$362,832	RLJ Lodging Trust	Madison Equities, LLC
Fairmont San Francisco	San Francisco	CA	591		5/1/2012	Fee Simple, Leasehold Ground, Leased Fee	\$192,000,000	\$324,873	Mason Street Associates, LLC/Oaktree Capital Management, LP/Woodridge Capital Partners, LLC	Fairmont Hotel Company San Francisco, LP
Hyatt Chicago Magnificent Mile	Chicago	IL	417		6/1/2012	Leasehold Ground	\$88,400,000	\$211,990	Sunstone Hotel Investors, Inc.	Blackstone Hotel, LP
Doral Golf Resort & Spa	Miami	FL	693		6/1/2012	Fee Simple	\$150,000,000	\$216,450	Trump Organization	Paulson & Co., Inc.
Loews Hollywood	Hollywood	CA	632		6/1/2012	Fee Simple, Leased Fee	\$169,000,000	\$267,405	Loews Hotels & Resorts	CIM Group, LP

MOST ACTIVE MARKET IN THE FIRST HALF OF 2012

The following table shows the six most active markets in the first half of 2012. California led the list in terms of number of properties sold, followed by Florida, whereas New York City achieved the highest dollar-amount-per-room paid. In general, these markets are attractive to investors given their rapid recovery from the recession, high barriers to entry, and a rather diversified demand base.

CALIFORNIA TOPS MOST ACTIVE MARKET FOR TRANSACTIONS IN FIRST HALF OF 2012

Market	Sales	Volume	Rooms	\$/Room
California	11	\$745,000,000	3,115	\$239,165
Florida	9	482,000,000	2,982	161,636
Texas	4	152,000,000	1,421	106,967
New York	3	207,000,000	770	268,831
Maryland	3	97,000,000	596	162,752
North Carolina	3	40,000,000	652	61,350

INVESTMENT METRICS

Given the preceding data, the following figures detail the recent prevailing investment metrics such as the loan-to-value ratio, interest rates, equity yield, and total property yield rates by property type. HVS prepared these data through analysis of recent sales, appraisal work, and extensive interviews with market participants.

TYPICAL FINANCING TERMS

	Leverage	Interest Rate	Equity Yield	Total Property Yield
Trophy (Top 3%)	65 to 70%	5 to 6%	13 to 15%	9 to 9.5%
High Quality	65 to 70%	5.5 to 6.5%	15 to 17%	9.5 to 11%
Middle Quality	60 to 65%	6.5 to 7%	17 to 18%	11.5 to 13%
Lower Quality	60%	7.5 to 9%	19 to 22%	13.5 to 16%

In the initial months of the latest downturn, equity yields increased, reflecting the elevated level of the perceived risk of the hospitality sector and the uncertainty concerning the length and depth of the downturn. As cash flows are improving significantly and only a limited number of assets are currently available for sale,

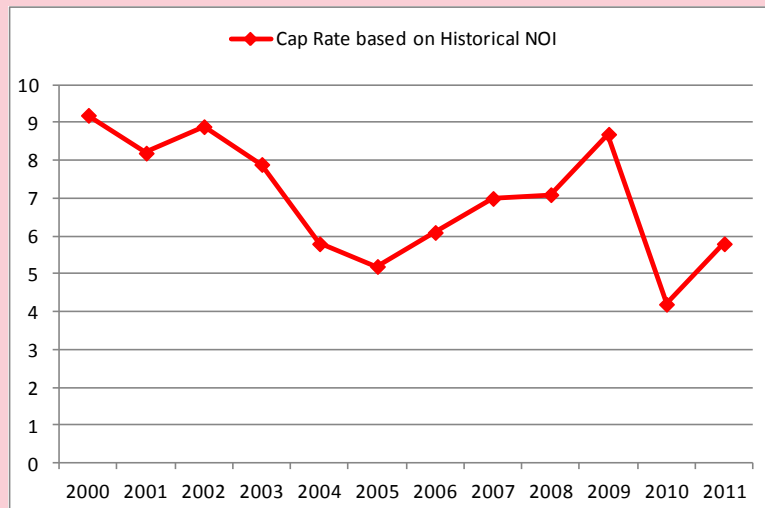
equity yields, as well as total property yields, have trended downward over the last years. Other investment metrics such as loan-to-value ratios and interest rates have also improved. These attractive financing terms will lead to additional refinancing of existing properties, and will potentially lead to an increase in transactions.

As NOI recovers, capitalization rates also increase, reflecting less upside potential, as illustrated in the table and graph below.

CAP RATE BASED ON HISTORICAL NOI

	Cap Rate based on Historical NOI	Cap Rate based on 1st Yr. Projected NOI	Free and Clear Discount Rate	Equity Yield
2011	5.8	6.9	11.4	16.3
2010	4.2	5.2	11.2	15.2
2009	8.7	6.5	11.8	14.1
2008	7.1	7.2	11.2	18.2
2007	7.0	8.1	11.1	20.4
2006	6.1	7.3	10.9	19.3
2005	5.2	6.9	11.4	19.7
2004	5.8	7.4	12.2	19.7
2003	7.9	8.2	14.0	21.4
2002	8.9	9.8	13.6	21.0
2001	8.2	9.8	14.6	22.2
2000	9.2	10.4	14.0	21.0

CAP RATES APPEAR TO HAVE BOTTOMED OUT



The following table compares the 2010 and 2011 derived capitalization rates for full-service, select-service and extended-stay, and limited-service hotels.

DERIVED CAPITALIZATION RATES BY PRODUCT TYPE

Property Type	2010	2011	Change
Full Service	5.30%	5.60%	5.7%
Select and Extended-Stay	7.80%	6.70%	-14.1%
Limited Service	8.50%	9.40%	10.6%

Full-service hotels, and especially luxury and trophy assets, showed strong declines in performance in 2009 and in the first half of 2010; powerful recoveries were anticipated for these assets in 2011. As the hotel industry continued to recover, the upside potential for these assets decreased slightly; therefore, the derived capitalization rates increased. Derived capitalization rates also increased for limited-service hotels, whereas rates decreased by 14.0% for select-service and extended-stay properties, thus reflecting their upside potential. Capitalization rates are expected to remain stable for the balance of the year.

Understanding the HVI

The Hotel Valuation Index (HVI) tracks hotel values in 66 major markets and the United States as a whole. Created in 1987 by HVS, the HVI is derived from an income capitalization approach, utilizing market area data provided by Smith Travel Research (STR) and historical operational information from HVS's extensive global experience in hotel feasibility studies and valuations. The data are then aggregated to produce a pro-forma performance for a typical full-service hotel in each respective market of the United States. Based upon our experience of real-life hotel financing structures gained from valuing thousands of hotels each year, we then apply appropriate valuation parameters for each market, including loan-to-value ratios, real interest rates, and equity return expectations. These market-specific valuation parameters are applied to the net operating income (NOI) for a typical full-service hotel in each city.

The HVI is an indexed value that uses the 1987 value of a typical U.S. hotel (1987 = 1.0000) as a base. Each market area is then indexed off this base, with a number showing the value relationship of that market area to the base. For example, in 1987, the index for New York was 1.3121, which means that the value of a hotel located in New York was approximately 31% higher than that of a similar hotel in the U.S. in 1987.

Another useful comparison highlights the value differences between hotels in two different U.S. cities. For example, if a hotel in Philadelphia, Pennsylvania sold in 2008 for \$100,000 per room and a similar hotel located in New York sold for \$464,922 per room, the figure is calculated by taking the 2008 HVI for New York and dividing it by the 2008 HVI for Philadelphia to determine the value adjustment.

$$\mathbf{2008\ HVI\ New\ York\ (12.7412)\ / \ 2008\ HVI\ Philadelphia\ (2.7405)\ =\ 4.6492}$$

The 2008 sales price of \$100,000 per room is then multiplied by the amount of the previously calculated factor of 4.6160, yielding the estimated 2008 sales price per room for New York.

$$\mathbf{\$100,000\ x\ 4.6492\ =\ \$464,922}$$

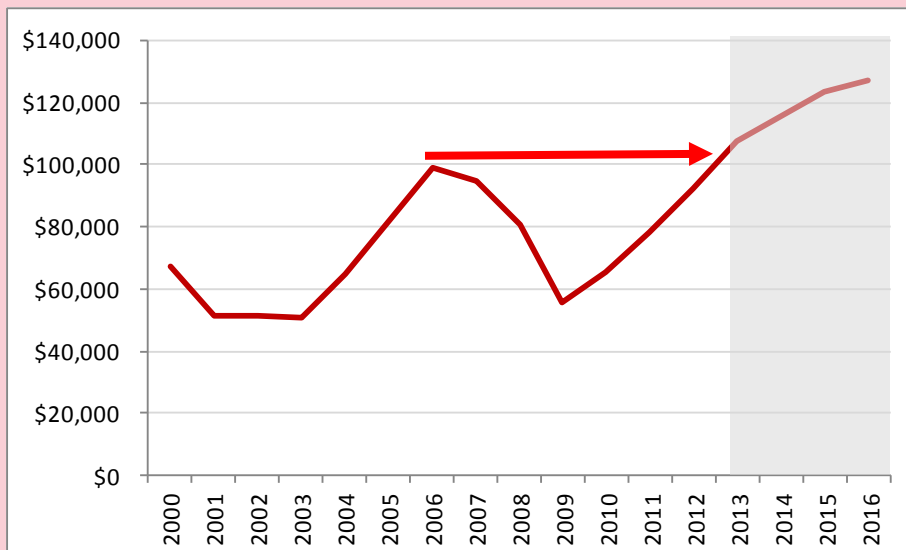
To calculate the percentage change of hotel values in the same market at different points in time using the HVI, divide the HVI for the last year by the HVI for the first year, and then subtract 1 from this calculation. For example, in 2006, the HVI for Miami was 6.1717, and in 2008, the HVI for the city was 6.8243. To calculate the estimated percentage change in value for a typical Miami hotel from 2006 to 2008, divide the 2008 HVI for Miami by the 2006 HVI, and then subtract 1 to get an approximate 11% increase in value from 2006 to 2008.

$$(7.0004/6.1370) - 1 = 0.1413, \text{ or } 14\%$$

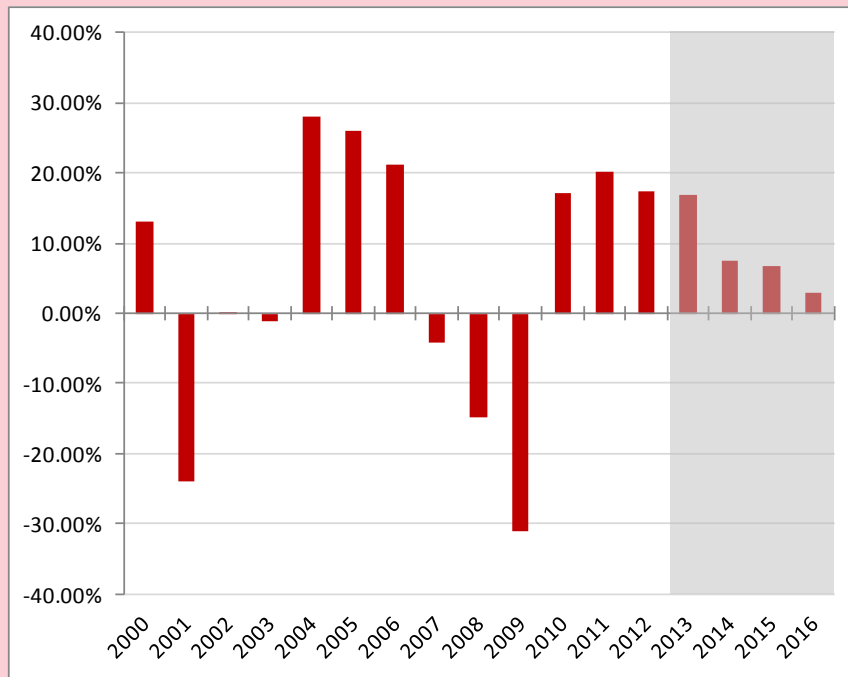
2012 HVI – Overall U.S Values

The two following graphs show the HVI for the United States as a whole. The first graph illustrates the value change on a per-room basis in dollar amounts from 2000 through 2016, whereas the second graph demonstrates the value change on a per-room basis in percentages from 2000 through 2016.

U.S HOTEL VALUES PROJECTED TO SURPASS 2006 PEAK IN 2013



U.S. VALUE GROWTH PROJECTED TO PERSIST THROUGH 2016



Value declines occurred from 2001 to 2003 when hotel values dipped approximately 26% from their high in 2000, a result of the terrorist attacks of 9/11 and the concurrent nationwide recession. The recovery following this downturn was relatively robust, with values increasing roughly 22% to 28% between 2004 and 2006. The strong economy, lack of new product, and readily available financing fueled this growth period, which was highlighted by hotel values nearly doubling.

The latest downturn set in during the fourth quarter of 2007 and was exacerbated by the collapse of the real estate lending market. The resulting recession led hotel values to decline by 15% in 2008 and 31% in 2009. While this drop was severe, positive outlook abounds for the recovery given the absence of new product since overbuilding precipitated the 1991 recession. Fortunately, the CMBS lending vehicle that fueled the collapse of the real estate lending market worked well for existing hotels with established cash flow, but was inappropriate for proposed lodging facilities that produce no cash flow during construction.

U.S. hotel values started to recover in 2010 as the potential growth of RevPAR was increasing. Hampering the recovery somewhat in 2010 was the lack of available financing, and most hotel buyers were buying “all cash.”

The trend of cap rates presented earlier indicates a strong recovery of NOI. Occupancy levels have more or less recovered and rates are steadily increasing as the latest STR data shows, which will result in strong RevPAR growth. Even though the U.S. economy is recovering slowly, and investors appear to have been more cautious in the first half of 2012, we still believe that U.S. hotel values bottomed out in 2009. Financing for new construction is still scarce and will be for another year. This factor is a reinforcing characteristic of the recovery as the already limited supply pipeline is unlikely to increase substantially given the challenges involved in securing financing. Our estimates for supply conclude that the threat of overbuilding in most markets has been eliminated for the next three to five years.

Based on the HVI, U.S. hotel values peaked in 2006 at \$100,000 per room. The low point during the recent downturn occurred in 2009, with values dropping to \$56,000 per room. We project that U.S. hotel value growth will persist through 2016, surpassing 2006 values by 2013, as the graphs above illustrate.

2012 HVI – Highlights

HISTORICAL VALUE CHANGES

We previously discussed our value projections for the U.S. as a whole. The following tables provide insight into the changes in per-room value in dollar amounts in 2011 over 2010 for the ten markets that experienced the worst declines and the ten markets that fared the best, along with the U.S. average.

MIAMI AND SAN FRANCISCO VALUES INCREASED MOST FROM 2010 TO 2011

<u>Rank</u>		
1	Miami	\$83,280
2	San Francisco	\$81,389
3	New York	\$63,493
4	Boston	\$41,523
5	Los Angeles	\$40,918
6	San Jose	\$38,057
7	West Palm Beach	\$35,244
8	Las Vegas	\$33,786
9	Oahu	\$32,412
10	Oakland	\$30,329
33	United States	\$13,205

Source: HVS

SANTA FE VALUES DECREASED MOST FROM 2010 TO 2011

<u>Rank</u>		
57	Atlanta	\$867
58	Memphis	\$379
59	Rochester	(\$2)
60	Huntsville	(\$1,280)
61	Albuquerque	(\$1,996)
62	Syracuse	(\$2,151)
63	Norfolk	(\$2,156)
64	Omaha	(\$4,207)
65	Tucson	(\$5,240)
66	Santa Fe	(\$9,186)

Source: HVS

The latest economic recession had a severe impact on per-room values in the U.S. However, the lodging industry experienced a moderate turn-around in 2010. In 2011, values on a per-room basis increased further; the U.S. average change in per-room value equated to an increase of \$13,000 (rounded), which ranks 33 out of the 66 major markets evaluated.

Ranking first in 2011 with the most significant per-room increase was Miami, closely followed by San Francisco. Historically, both markets have been prone to a high degree of volatility; both Miami and San Francisco were ranked within the top ten most volatile markets in 2010. Extremely volatile markets usually experience strong declines in RevPAR during recession years, which are followed by even stronger increases during recovery years. The most recent recession is anticipated to be no exception. Both markets were quick to recover from the economic downturn in 2009; Miami experienced an increase of \$15.00 (rounded) in RevPAR from 2010 to 2011, and San Francisco experienced an increase of \$20.00 (rounded) in RevPAR from 2010 to 2011. These dynamics translated into staunch value growth in 2011.

Ranking last in 2011 with the most significant per-room decline was Santa Fe, followed by Tucson. Occupancy in Tucson peaked in 2006 at 68.0% (rounded) and declined to 53.0% (rounded) by 2009. Average rate peaked in 2008 at \$102.00 (rounded) and declined to \$89.00 (rounded) by 2010. Occupancy increased only minimally in 2010, resulting in a RevPAR level of \$49.00 (rounded). In 2011, RevPAR increased slightly by \$0.50. RevPAR levels are anticipated to stay flat in 2012. Historically, Tucson has been a less pricy option to Phoenix, especially for the meeting and group segment. As Phoenix experienced major declines in average rate during the latest economic recession, the price difference between the two

cities is minimal, and Phoenix has been capturing most of the meeting and group demand historically captured by Tucson. However, as Phoenix is recovering from the latest economic recession, Tucson is also expected to recover. RevPAR is anticipated to increase approximately \$13.00 from 2011 through 2016.

Santa Fe's average occupancy stagnated around 64.0% from 2005 through 2008 and dropped to a low of 55.5% in 2009. Average rate in that market peaked in 2008 at \$114.00 (rounded) and dropped to \$108.00 (rounded) by 2010. RevPAR was \$62.00 in 2010 and decreased even further in 2011. However, RevPAR appears to have bottomed out in 2011 and is expected to increase by \$2.00 to \$64.00 in 2012, indicating a slow recovery of the market.

The following tables provide insight into the changes in per-room value, expressed as a percentage, in 2011 over 2010 for the ten markets that experienced the worst declines and the ten markets that fared the best, along with the U.S. average.

LAS VEGAS VALUES INCREASED THE MOST FROM 2010 TO 2011

Rank	Market	Percentage Increase
1	Las Vegas	125%
2	Hartford	80%
3	Tampa	76%
4	Oakland	54%
5	Detroit	52%
6	Wilmington	52%
7	WPB - Boca Raton	42%
8	Nashville	40%
9	San Jose	38%
10	West Palm Beach	37%
27	United States	20%

Source: HVS

TUSCON VALUES DECREASED THE MOST FROM 2010 TO 2011

<u>Rank</u>		
57	Atlanta	1%
58	Memphis	1%
59	Rochester	0%
60	Huntsville	-2%
61	Syracuse	-3%
62	Albuquerque	-4%
63	Omaha	-8%
64	Santa Fe	-8%
65	Norfolk	-9%
66	Tucson	-15%

Source: HVS

Hotel values in the Las Vegas market, which incurred a dramatic decline in 2009, continued to erode in 2010. This market has been particularly impacted by major additions to supply in recent years. Lodging supply in this market increased by 2.7% in 2008, 3.5% in 2009, and 5.1% in 2010. MGM Resorts International and Dubai World opened their massive CityCenter complex in December of 2009, which represented three properties totaling roughly 5,900 rooms. Moreover, the Las Vegas market specifically relies on demand generated by the meeting and group segment. As the economy continues to recover, group demand from corporations is steadily increasing and Las Vegas is experiencing increases in demand.

As previously mentioned, Tucson has yet to recover any occupancy and average rate lost during the latest economic recession.

PROJECTED VALUE CHANGES FOR 2012

The following figures present the per-room values forecast for the top ten and bottom ten markets for 2012. We note that the annual HVI represents per-room values as of the end of the year. Increases in occupancy, average rate, and demand, along with limited growth in supply, are anticipated to result in relatively strong growth in net operating income (NOI). These improving dynamics coupled with a reduced amount of buying opportunities are expected to yield a positive per-room value change for the U.S. in 2012.

CONVENTION CITIES PROJECTED TO CAPTURE LARGEST VALUE GROWTH IN 2012

<u>Rank</u>		
1	Las Vegas	57%
2	New Orleans	50%
3	Tampa	47%
4	Sacramento	46%
5	Richmond	43%
6	WPB - Boca Raton	39%
7	Chicago	34%
8	Nashville	33%
9	Winston-Salem	33%
10	Oakland	32%
43	United States	17%

Source: HVS

TUSCON VALUE EXPECTED TO DECLINE THE MOST IN 2012

<u>Rank</u>		
57	Atlanta	10%
58	St. Louis	8%
59	Rochester	7%
60	Santa Fe	7%
61	Denver	5%
62	Dallas	5%
63	San Diego	2%
64	Phoenix	-5%
65	Washington DC	-8%
66	Tucson	-23%

Source: HVS

As corporate budgets tightened and most companies cut allowances for business travel during the economic downturn, the meeting and group segment experienced severe decreases in demand; most convention cities were hit hard during the latest recession. As the U.S. economy continues to recover, relatively strong increases in demand in the meeting and group segment are expected. Therefore, values on a per-room basis for the top three convention cities—Las Vegas, New Orleans, and Tampa—are anticipated to increase the most during 2012. Moreover, Chicago and Nashville are listed under the top ten cities that are expected to realize strong growth.

As previously discussed, occupancy and average rate in Tucson are recovering very slowly, and no changes in RevPAR levels are anticipated for 2012; therefore, Tucson's per-room value is expected to decrease the most within our selected set of 66 markets.

PROJECTED VALUE CHANGES THROUGH 2016 (PERCENTAGE)

The following tables provide insight into the changes in per-room value, on a percentage basis, through 2016 for the ten markets that are anticipated to fare the best, and the ten markets that are anticipated to experience the worst declines, along with the U.S. average.

TUCSON IS EXPECTED TO SHOW THE MOST SIGNIFICANT VALUE INCREASE THROUGH 2016

<u>Rank</u>		
1	Tucson	170%
2	Tallahassee	94%
3	Norfolk	89%
4	Sacramento	88%
5	Las Vegas	82%
6	Hartford	76%
7	WPB - Boca Raton	74%
8	Kansas City	72%
9	Wilmington	65%
10	Phoenix	62%
35	United States	38%

Source: HVS

CITIES WITH THE SMALLEST VALUE APPRECIATION PROJECTION THROUGH 2016

<u>Rank</u>		
57	Oahu	24%
58	Albuquerque	22%
59	Washington DC	21%
60	Denver	20%
61	Miami	16%
62	Anaheim	15%
63	Buffalo	14%
64	Charlotte	10%
65	Boston	7%
66	San Francisco	-1%

Source: HVS

As previously discussed, Tucson's recovery is lagging behind most U.S. markets. However, Tucson is expected to have recovered by 2016, and RevPAR is forecast to increase from roughly \$50.00 in 2011 to \$62.00 by 2016. As such, Tucson is anticipated to experience the highest increase in per-room value through 2016 on a percentage basis.

San Francisco led the list of the ten markets that increased most in value in 2010. As previously discussed, the San Francisco lodging market was quick to recover from the economic downturn in 2009, already registering positive gains in both occupancy and average rate by mid-year 2010. These dynamics translated into staunch value growth in 2010 and 2011. Boston was third on the list of the ten markets that increased most in value in 2010. Similar to San Francisco, the Boston lodging market quickly recovered from the 2009 downturn and registered positive gains in occupancy and average rate in 2010; RevPAR increased by \$11.00 (rounded) in 2010. As San Francisco and Boston per-room values recovered already in 2010 and 2011, the upside potential through 2016 is limited; therefore, San Francisco's per-room value is anticipated to experience a slight decline, whereas Boston's per-room value is anticipated to experience only minimal growth by 2016.

PROJECTED VALUE CHANGES THROUGH 2016 (DOLLAR AMOUNTS)

The following tables provide insight into the changes in per-room value in dollar amounts through 2016 for the ten markets that experienced the worst declines and the ten markets that fared the best, along with the U.S. average.

NEW YORK IS EXPECTED TO SHOW THE MOST SIGNIFICANT VALUE INCREASE THROUGH 2016

<u>Rank</u>		
1	New York	\$277,142
2	Oahu	\$106,433
3	West Palm Beach	\$89,902
4	Los Angeles	\$84,441
5	WPB - Boca Raton	\$79,692
6	Las Vegas	\$78,176
7	Fort Lauderdale	\$72,149
8	Long Island	\$69,985
9	San Diego	\$67,280
10	Seattle	\$66,998
39	United States	\$35,249

Source: HVS

CITIES WITH THE SMALLEST VALUE APPRECIATION PROJECTION THROUGH 2016

<u>Rank</u>		
57	Dayton	\$21,406
58	Memphis	\$21,393
59	Tallahassee	\$20,995
60	St. Louis	\$20,903
61	Columbia	\$19,500
62	Cincinnati	\$18,079
63	Buffalo	\$15,673
64	Albuquerque	\$11,664
65	Charlotte	\$11,424
66	San Francisco	(\$3,401)

Source: HVS

On a dollar basis, New York is expected to register the most growth throughout 2016. Historically, New York has been one of the top markets in terms of highest per-room values. As previously presented, the New York lodging market achieved the highest average per-room price of properties sold during the first half of 2012. As San Francisco per-room values have already recovered during 2010 and 2011, this lodging market’s per-room value is expected to decrease throughout 2016.

LONG-TERM HOLD: 1987-2016

The following tables provide insight into the average annual compounded changes in value, on a percentage basis, from 1987 through 2016 for the ten markets that are anticipated to fare the best, and the ten markets that are expected to experience the worst declines, along with the U.S. average.

AVERAGE ANNUAL COMPOUNDED CHANGE 1987-2016		
<u>Rank</u>		
1	Miami	11%
2	Austin	10%
3	New York	10%
4	Houston	8%
5	Omaha	7%
6	Oahu	7%
7	Portland	7%
8	New Orleans	6%
9	Denver	6%
10	San Antonio	6%
31	United States	4%

Source: HVS

**VALUE-PER-ROOM RANKINGS – AVERAGE ANNUAL COMPOUNDED CHANGE
1987 THROUGH 2016**

<u>Rank</u>		
57	Hartford	2%
58	Dayton	2%
59	Long Island	2%
60	New Haven	1%
61	Tucson	1%
62	Winston-Salem	1%
63	Albuquerque	1%
64	Detroit	1%
65	Rochester	1%
66	Norfolk	0%

Source: HVS

The following figures present the historical and projected estimates for the Hotel Valuation Index (HVI), per-room values expressed as U.S. dollar amounts, and the change of values expressed as a percentage for all 66 markets. The HVI covers the period from 1987 through 2016. The tables presenting the per-room values expressed in U.S. dollar amounts, as well as the tables presenting the change in value expressed as a percentage, cover the period from 2002 through 2016. We have presented the HVI results between 1987 and 2001 in the first two tables, followed by the data for the 2002 through 2016 in the subsequent tables.

HOTEL VALUATION INDEX – 1987 THROUGH 2001

Market	Historical Estimates														
	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Albuquerque	1.2920	1.2715	1.5875	1.5734	1.6285	1.6788	1.8569	1.8257	1.7577	1.5838	1.5771	1.1705	1.0065	1.1055	0.9709
Anaheim	1.3220	1.3788	1.4348	0.9901	0.7907	0.6258	0.8377	0.7409	1.1265	1.3862	1.6576	1.5586	1.6188	2.2215	2.3113
Atlanta	1.3769	1.2371	1.1933	1.0519	1.0225	1.2162	1.6778	2.0243	2.4677	2.7416	2.2445	2.2484	2.2969	2.2976	1.7564
Austin	0.4026	0.3563	0.5460	0.6557	0.8001	1.0672	1.3956	1.6581	2.4003	2.2708	2.5258	2.4184	2.4491	3.0232	2.0045
Baltimore	1.5679	1.3252	1.2837	0.9079	0.7761	0.8607	0.9616	1.2048	1.5362	1.8092	2.3617	2.5493	2.8316	3.3735	2.9723
Boston	2.5818	2.7100	2.3341	2.4638	1.8156	2.0223	2.4704	3.2629	4.1331	4.7363	6.4296	6.7406	7.0526	8.2119	5.3784
Buffalo	1.3577	1.2744	1.5676	1.5366	1.5453	1.3009	1.2092	1.1350	1.1933	1.2126	1.4041	1.2384	1.3451	1.4229	1.1680
Charlotte	1.1752	1.1515	1.0878	0.7622	0.5690	0.6310	0.7102	0.9964	1.3629	1.7435	1.9974	1.9619	1.9436	1.6175	1.0227
Chicago	1.6638	1.5886	1.4107	1.4237	1.1719	1.2102	1.4625	2.0694	2.5550	3.1012	3.9502	3.9924	4.0650	4.1994	2.7134
Cincinnati	1.1507	1.1976	1.1589	1.0955	1.0211	1.0882	1.1119	1.2457	1.3744	1.5046	1.6930	1.5996	1.5388	1.4425	0.9982
Cleveland	0.8412	0.9144	0.9650	0.7681	0.6968	0.7707	0.9699	1.2645	1.7626	1.7037	1.9670	1.7775	1.6925	1.5655	1.0733
Columbia	0.9707	0.7868	0.7969	0.6885	0.6438	0.8242	0.9175	0.9378	1.2234	1.3502	1.4703	1.1178	1.1224	1.1511	1.0047
Dallas	0.9158	0.9921	1.2213	1.1479	1.1720	1.4451	1.5963	1.9861	2.4586	2.6649	2.8754	2.7874	2.4799	2.5687	1.6208
Dayton	1.2155	1.0771	1.0549	0.7039	0.6457	0.6370	0.7526	0.7700	0.9031	0.8630	1.0575	1.1995	1.1486	1.1149	0.8473
Denver	0.8627	0.7986	0.7790	0.9151	1.0690	1.2679	1.6377	1.8619	2.2055	2.4472	2.9071	2.6529	2.2352	2.3987	1.8420
Detroit	1.4729	1.1607	0.8725	0.5206	0.3356	0.4456	0.5763	0.9547	1.2811	1.3976	1.5774	1.7080	1.9692	2.1074	1.4822
Fort Lauderdale	1.0922	1.0125	1.1409	0.9734	0.8139	1.5293	1.2991	0.9826	1.3665	1.6356	2.2332	2.0381	2.2238	2.3203	2.0057
Hartford	2.2797	1.8703	1.6280	1.4373	0.6834	0.4723	0.4006	0.5338	0.8879	1.1120	1.5246	1.7161	2.0695	2.4242	2.0685
Houston	0.5425	0.7471	0.8188	1.0504	1.1241	1.1621	1.1389	1.1461	1.3044	1.3886	1.8970	1.9673	1.6587	1.8104	1.9034
Huntsville	0.7336	0.7406	0.6022	0.5231	0.5383	0.6268	0.4712	0.3714	0.4308	0.5154	0.8995	0.5814	0.6918	0.7322	0.6612
Indianapolis	1.2020	1.1052	1.1558	0.9654	0.9451	1.0561	1.1855	1.3968	1.7341	1.7079	1.8536	1.5875	1.4771	1.7648	1.5896
Jacksonville	0.9167	0.8587	0.9240	0.7338	0.5498	0.7611	0.8748	1.0915	1.4381	1.6797	1.9306	1.5955	1.7102	1.8666	1.7122
Kansas City	1.0065	1.0162	0.9501	0.7564	0.6739	0.8148	1.1001	1.2921	1.6921	1.9008	2.0984	1.8235	1.6157	1.5515	1.3244
Las Vegas	0.9709	0.9550	1.0098	1.1577	0.7161	0.8506	1.3528	2.1396	2.5351	3.2646	3.2266	2.6845	2.9730	3.8527	3.3034
Long Island	3.7511	2.8614	2.2323	1.2617	0.8457	0.7721	0.9392	1.2262	1.6720	2.0790	2.6719	3.1701	4.1177	5.2713	4.6146
Los Angeles	1.6381	1.5226	1.5360	1.5628	1.0026	0.5503	0.4267	0.8391	0.8682	1.2514	2.0195	2.4192	2.6858	3.3478	2.4974
Memphis	0.9265	0.6737	0.6653	0.5621	0.6510	0.7385	0.9397	1.2883	1.4858	1.4817	1.7249	1.5767	1.3095	1.1106	0.9133
Miami	0.7022	0.8259	1.0019	1.3447	1.2987	2.2474	1.7405	0.8268	1.5068	1.7537	2.4528	2.5272	3.0894	3.1259	2.1376
Milwaukee	0.9477	0.9234	0.8639	0.8291	0.6334	0.6232	0.7233	0.8108	0.9388	0.9276	1.1659	1.2225	1.2138	1.3326	0.9825
Minneapolis	1.0890	0.8881	0.7533	0.6402	0.8620	1.1571	1.4325	1.7551	2.0971	2.0760	2.3559	2.3711	2.2201	2.3837	1.8597
Nashville	1.1122	1.1671	1.2631	0.9806	0.9279	1.1347	1.3496	1.7230	2.0959	2.1308	2.3776	1.9660	1.8035	1.6579	1.2535
New Haven	2.1900	2.0101	1.5251	1.0611	0.6129	0.5238	0.5830	0.6510	0.8953	1.0444	1.5139	1.6908	1.9583	2.2499	2.0570
New Orleans	1.0694	1.3708	1.4632	1.5820	1.6898	2.1197	2.0835	2.6591	3.0457	2.9520	3.4061	3.5002	3.8719	4.1132	3.4306

HOTEL VALUATION INDEX – 1987 THROUGH 2001 (CONTINUED)

Market	Historical Estimates														
	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
New York	1.3121	1.3483	1.1146	0.8723	0.8372	0.6977	0.8372	0.5581	1.3155	2.6095	4.7031	6.3016	6.8390	8.2174	3.7115
Norfolk	1.4251	1.2056	1.1275	0.7859	0.6759	0.7188	0.7309	0.7536	0.9127	0.8400	1.0931	1.1967	1.0917	1.2035	1.1747
Oahu	2.1888	2.5464	3.1913	4.0251	3.4276	3.9964	2.8951	3.2324	4.5844	4.6169	5.1190	3.9534	3.4957	4.6623	3.4824
Oakland	1.2815	1.1905	1.2160	0.9748	0.9330	0.9534	0.7996	0.8979	1.2851	1.8013	2.7035	2.9388	3.0370	4.1533	3.2367
Omaha	0.2959	0.3829	0.5493	0.5266	0.4239	0.3790	0.5479	0.5461	0.8939	0.8395	1.0504	1.2977	1.2931	1.1281	1.0899
Orlando	1.7399	1.8315	2.3925	2.1629	1.8645	2.2073	2.0561	1.9579	2.2856	2.9981	3.7679	3.4432	3.1900	3.3346	2.2352
Philadelphia	1.9962	1.6051	1.3753	0.9451	0.6178	0.5217	0.7003	0.9943	1.3530	1.8504	2.4515	2.3982	2.2714	2.3290	1.7420
Phoenix	1.3402	1.0623	1.5439	1.3979	1.1741	1.3503	1.8518	2.5897	3.3059	3.6140	3.8636	3.1016	2.6005	2.6239	1.9707
Pittsburgh	1.2953	1.1749	1.2772	1.1976	1.1364	1.2915	1.3396	1.5192	1.5637	1.6770	1.6937	1.5473	1.6207	1.7076	1.2009
Portland	0.8488	1.1578	1.6797	1.7074	1.8128	1.7706	1.9557	2.0755	2.5453	2.7547	2.6849	2.1556	1.8506	1.7570	1.4098
Raleigh-Durham	1.0706	0.8949	0.7531	0.6285	0.5620	0.7655	1.0022	1.1166	1.6708	2.1064	2.3042	1.7037	1.5946	1.7273	1.3355
Richmond	1.4689	1.3998	1.3533	1.2086	0.9196	0.9163	1.0133	1.0506	1.1916	1.3634	1.5974	1.5621	1.3679	1.4269	1.1343
Rochester	1.8582	1.7048	1.7913	1.6250	1.7110	1.2920	1.1139	0.8557	1.1307	0.9857	1.0982	1.4259	1.4480	1.4094	1.0865
Sacramento	0.9090	0.8954	0.9326	0.8172	0.7351	0.9625	1.1114	1.2203	1.4240	1.2734	1.5353	1.6661	1.6908	2.1168	1.8327
Salt Lake City	1.1490	1.3887	1.6193	1.5817	1.6668	1.8330	2.1908	2.3850	2.6455	3.1369	3.1257	2.5241	1.9400	1.8554	1.7629
San Antonio	0.8252	1.1686	1.3583	1.3377	1.4659	1.9840	2.4168	2.3088	2.3109	2.0634	2.1908	2.3434	2.2787	2.4330	2.2560
San Diego	1.8970	1.6992	1.7106	1.2226	1.2450	1.1918	1.0614	1.2518	1.6651	2.0315	2.9616	3.7088	3.8793	4.3352	3.8935
San Francisco	2.6892	2.5047	2.4164	2.8993	2.4303	2.4437	2.8613	3.3354	4.2532	5.3417	7.3178	7.4917	7.4457	9.0916	5.2710
San Jose	1.5764	1.6673	1.8953	1.5781	1.2936	1.1744	1.2192	1.4743	2.2907	3.2142	4.4166	4.4502	4.6228	6.5908	4.0680
Santa Fe	1.8640	2.3570	3.1520	3.5146	3.4673	3.8052	4.4918	3.6582	3.4863	2.9735	3.5126	3.3496	3.3621	3.3927	3.1854
Seattle	1.4672	1.6255	2.0275	1.9904	1.8872	1.8905	2.0086	2.1587	2.7946	3.0267	3.4674	3.3754	3.0483	3.1044	2.4128
St. Louis	0.8171	0.7624	0.8138	0.7259	0.6788	0.7662	0.9657	1.1742	1.3702	1.4091	1.4965	1.3322	1.3601	1.4780	1.2352
Stamford	1.9814	1.9413	1.6738	1.3569	1.0902	0.9085	1.1284	1.1775	1.5649	2.1668	2.8700	3.4910	3.5133	4.1827	2.9389
Syracuse	1.5834	1.6884	1.8481	1.8545	1.4490	1.3518	1.1895	1.0735	1.2097	1.1461	1.2557	1.4386	1.5065	1.2600	1.1760
Tallahassee	0.3149	0.3477	0.3967	0.5968	0.4531	0.4112	0.5414	0.5377	0.6801	0.6483	0.8705	0.9514	1.0341	1.1297	0.9956
Tampa	0.6706	0.7052	0.9718	0.9193	0.8891	0.9122	0.9221	0.9567	1.0888	1.3821	1.8913	1.8566	1.9539	2.0470	1.8889
Tucson	1.1740	1.2008	1.3491	1.2338	1.1754	1.3268	1.7985	1.9299	2.4960	2.5447	2.5240	2.2693	2.1330	2.0805	1.6928
United States	1.0000	0.9838	1.0208	0.8591	0.7344	0.7916	0.8698	1.0011	1.2021	1.3393	1.5998	1.6178	1.6595	1.8756	1.4282
Washington DC	1.9281	1.9088	2.0016	1.7581	1.5102	1.7242	2.2818	2.2491	2.7770	2.7488	3.7382	3.7326	4.0413	4.6355	3.6802
West Palm Beach	1.5520	1.6345	1.7444	1.2175	0.8705	1.0217	1.2391	1.2687	1.5739	1.7282	2.5539	2.3438	2.5254	2.9740	2.7541
Wilmington	1.8903	2.1871	1.5126	1.0668	0.6044	0.5402	0.3663	0.4727	0.7601	0.9797	1.6067	1.7448	1.8950	1.8437	1.5114
Winston-Salem	1.3394	1.2225	1.3678	1.1476	1.0036	1.4501	1.6052	1.4474	1.7054	1.5838	1.6782	1.5130	1.2126	1.1935	0.9896
WPB - Boca Raton	1.1133	1.0531	1.0713	0.5128	0.2816	0.7398	1.2795	1.2416	1.5053	1.6018	2.2717	2.2775	2.3486	2.7750	2.4205

HOTEL VALUATION INDEX – 2002 THROUGH 2016

Market	Historical Estimates										Forecast				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Albuquerque	1.0454	0.9891	1.0377	1.2614	1.5983	1.5589	1.5283	1.1623	1.3416	1.2859	1.4860	1.6253	1.7559	1.8244	1.8115
Anaheim	2.0299	2.3203	2.9580	4.0212	4.7332	4.5461	3.8021	3.0296	3.4950	4.1669	5.1087	5.8998	5.9635	5.9426	5.8517
Atlanta	1.6386	1.3704	1.7787	2.4669	3.0379	2.6494	2.0651	1.5302	1.9920	2.0162	2.2124	2.4682	2.7551	2.9134	2.8380
Austin	1.5719	1.3610	1.4912	2.5143	3.7269	3.9946	3.9389	3.5120	3.5832	4.2220	5.0808	5.8805	6.2120	6.5167	6.5928
Baltimore	3.4191	3.4499	3.7981	4.0274	4.3300	3.7532	2.8139	2.5639	2.7248	2.9083	3.3344	3.9619	4.1978	4.5427	4.7944
Boston	4.5966	3.1821	4.4782	5.3297	5.9928	7.3041	6.3855	5.4267	7.0875	8.2463	10.2015	10.8343	10.7756	11.0964	10.9650
Buffalo	1.2224	1.1149	1.0407	1.3247	1.7073	1.8821	2.1374	2.4917	2.4240	2.6208	3.1072	3.5714	3.6018	3.6319	3.5446
Charlotte	1.0930	1.0550	1.2683	1.8368	2.7320	2.9571	2.5420	1.8912	2.3510	2.7996	3.3209	3.7979	3.7244	3.6832	3.6397
Chicago	2.5003	2.5546	2.7770	3.8733	5.5131	5.8913	4.6823	2.4980	3.4669	4.2198	5.6382	6.4174	7.0133	7.5715	7.4317
Cincinnati	1.1439	1.2338	1.4787	1.6684	1.9943	1.8145	1.7424	1.5015	1.5605	1.7698	2.0302	2.4784	2.5097	2.5852	2.5348
Cleveland	0.9574	0.8029	1.0146	1.0573	1.6289	1.5278	1.1207	0.7879	0.9962	1.1044	1.3648	1.6831	1.9481	2.0067	1.9991
Columbia	1.2352	1.2255	1.6623	2.1007	2.3193	2.1730	2.0195	1.6573	1.4345	1.7268	2.1283	2.5024	2.5821	2.7280	2.6725
Dallas	1.5052	1.2411	1.5588	2.3278	2.9814	2.7439	2.4789	1.6947	2.0546	2.6201	2.7457	3.2702	3.3627	3.5423	3.8194
Dayton	0.9523	1.0942	0.9917	1.0537	1.1945	0.9026	0.7029	0.7017	0.7844	1.0591	1.3157	1.5561	1.7163	1.8567	1.9130
Denver	1.6500	1.4355	1.7234	2.4172	3.4334	3.6947	3.6177	3.0227	3.6992	4.0390	4.2475	4.7069	4.9000	4.9449	5.0933
Detroit	1.1684	0.9499	1.1148	1.2870	1.6589	1.4153	1.1027	0.5581	0.6977	1.0636	1.3085	1.6644	1.8259	1.9447	2.0042
Fort Lauderdale	1.7681	2.1627	3.2617	3.8786	4.4623	3.9512	3.2007	2.3380	3.0111	3.4751	3.8179	4.7222	5.1373	5.5461	5.8314
Hartford	1.8683	1.4489	1.9160	1.7881	1.7863	1.6553	1.2764	0.7044	0.9486	1.7051	2.2267	2.8376	3.2765	3.5679	3.9297
Houston	1.7451	1.2790	1.5102	2.4731	2.9526	3.0310	3.6141	2.4361	2.0060	2.5938	3.2423	3.9431	4.2208	4.4390	4.4731
Huntsville	0.9861	1.0376	1.1792	1.4903	1.5988	1.8254	1.6126	1.3852	1.7406	1.7049	1.9348	2.2982	2.5682	2.8284	2.9914
Indianapolis	1.6337	1.6070	1.9515	2.0562	2.5184	2.2355	1.8681	1.3975	1.3751	1.7027	2.2194	2.7906	2.9641	3.0556	3.0662
Jacksonville	1.9910	2.3725	2.7271	3.3323	3.3747	2.9554	2.1251	1.2700	1.4077	1.4782	1.7484	2.0598	2.5085	2.6604	2.8215
Kansas City	1.3112	1.0273	1.2968	1.5036	1.8799	1.7775	1.4994	1.0916	1.2151	1.3664	1.6025	1.9852	2.3048	2.6822	2.7624
Las Vegas	3.5125	4.5873	5.8810	5.8766	5.3046	5.9204	4.4310	1.1496	0.7545	1.6974	2.6639	3.6312	4.3159	4.5666	4.8455
Long Island	4.0604	3.8685	3.7521	4.3420	4.1145	4.0330	3.3907	2.6413	2.7249	3.2488	3.8636	4.5811	5.0742	5.5807	5.8167
Los Angeles	2.3973	2.5131	3.7498	4.8851	5.4097	6.0451	5.3501	3.6035	4.5894	5.7313	6.4306	7.3533	7.4738	8.3433	8.7871
Memphis	1.0198	0.9670	1.2136	1.6657	2.1505	2.0452	1.4661	1.1750	1.1508	1.1613	1.3062	1.5421	1.7264	1.9113	1.9032
Miami	1.5413	2.0086	3.5293	5.8441	6.1370	7.8851	7.0004	4.4890	6.3023	8.6263	11.2237	12.9715	13.5333	13.1274	12.9658
Milwaukee	1.1268	1.1749	1.2707	1.5628	2.1906	1.9641	1.9565	1.0549	1.3055	1.4856	1.6469	2.0023	2.1677	2.1754	2.2768
Minneapolis	1.7787	1.5498	2.0260	2.5892	3.0643	2.8439	2.4553	1.6542	2.0711	2.5001	2.9578	3.4429	3.7980	4.1114	4.3639
Nashville	1.4211	1.5945	1.8537	2.0848	2.9710	2.7919	2.3251	1.9322	2.0334	2.8422	3.7925	4.4263	4.7424	4.9851	5.0521
New Haven	2.0943	1.7964	1.8601	1.8611	1.9228	1.9044	1.7397	1.6383	1.5906	1.8857	2.3554	2.8232	2.9753	3.0642	3.2390
New Orleans	3.3037	2.9878	3.2513	3.8219	3.2468	1.9803	2.3641	2.0688	3.0535	3.2917	4.9339	5.8925	6.1724	6.3924	6.4451

HOTEL VALUATION INDEX – 2002 THROUGH 2016 (CONTINUED)

Market	Historical Estimates										Forecast				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
New York	2.7621	2.7907	5.1978	8.7150	10.6442	13.8863	12.7412	8.3720	8.9302	10.7020	12.8212	14.9459	17.8532	18.5104	20.5554
Norfolk	1.7429	2.0560	1.9152	1.7880	1.7951	1.7863	1.0320	0.8962	0.7057	0.6455	0.7790	1.0003	1.1481	1.2857	1.4719
Oahu	3.6885	4.3576	6.3429	9.3429	9.5102	9.0042	7.5965	6.6773	8.5205	9.4250	12.3161	14.4296	14.8268	14.9018	15.2863
Oakland	2.2308	1.5580	1.7636	2.1805	2.8135	2.8910	2.2801	1.2966	1.5699	2.4163	3.2013	3.5748	4.0200	4.2425	4.2173
Omaha	1.1650	1.2177	1.4505	1.7393	2.3663	2.1358	1.9909	1.5194	1.5532	1.4358	1.7259	2.0420	2.2572	2.3252	2.3371
Orlando	2.3310	2.1843	3.2514	3.2987	3.5206	3.1851	2.5542	1.5522	1.8266	2.3307	2.8155	3.3468	3.8227	4.2593	4.5237
Philadelphia	2.1708	1.9765	2.3985	2.8557	3.3282	3.2672	2.7405	2.0133	2.0199	2.5873	3.1314	3.7647	3.9204	4.0640	4.0713
Phoenix	1.7603	2.0268	2.8852	3.7506	4.7775	4.2973	3.0800	1.3502	1.4855	1.8515	1.7616	1.8968	2.1493	2.9812	2.8538
Pittsburgh	1.2610	1.2176	1.4884	1.6254	2.4565	2.3728	2.8604	2.5666	3.2701	3.7730	4.4771	4.9789	5.5681	5.9434	6.2997
Portland	1.4134	1.3418	1.6477	2.3191	3.0941	3.2653	3.2629	2.7261	3.0669	3.5050	4.1328	4.8267	5.1699	5.5327	5.7302
Raleigh-Durham	1.2912	1.2517	1.5047	1.6476	2.2767	2.3047	1.8840	1.2583	1.2586	1.4991	1.9776	2.4569	2.7102	2.9537	2.9790
Richmond	1.1632	1.5773	1.7395	1.9607	2.2734	2.3407	1.8204	1.0490	1.0278	1.2883	1.8443	2.3087	2.4970	2.5720	2.5935
Rochester	1.2012	1.4197	1.2986	1.4565	2.0382	2.1115	1.8238	1.5006	1.7025	1.7025	1.8236	1.9875	2.0928	2.2699	2.5068
Sacramento	1.9027	2.0060	2.2657	2.4543	2.8879	2.2758	1.6885	0.8372	0.8930	0.9947	1.4542	1.9061	2.1090	2.4254	2.7355
Salt Lake City	2.8863	1.8505	2.0285	2.6872	3.5652	3.5089	3.1625	2.5939	2.7066	2.9755	3.3000	3.7341	3.9501	4.1594	4.2158
San Antonio	2.7307	2.4783	2.6437	3.2135	3.9294	3.3859	3.3025	2.2941	2.4763	2.5852	3.1614	3.6497	3.9460	4.3581	4.5143
San Diego	4.0625	4.4478	4.8213	5.3286	6.3900	6.0424	5.3850	4.0274	4.1448	4.6029	4.6992	5.2236	5.6435	6.1121	6.5767
San Francisco	3.2886	2.9157	4.1396	5.7107	6.7042	8.0059	8.3749	6.4587	8.5556	10.8269	12.5824	13.5402	12.8040	13.1867	12.4875
San Jose	2.4198	1.2962	1.6015	2.4556	3.6779	3.9140	3.5136	2.0938	2.8186	3.8806	4.5380	5.0202	5.3205	5.6022	5.6757
Santa Fe	3.8114	3.5327	3.8234	4.1946	4.3598	3.9606	3.1920	3.1185	3.2935	3.0372	3.2493	3.5358	3.6964	4.0724	4.3475
Seattle	2.1735	2.2643	2.8052	3.5644	4.8733	4.7866	4.3553	3.2997	3.6726	4.3927	5.3137	6.1569	6.6055	7.0712	7.1834
St. Louis	1.4182	1.1947	1.3230	1.5514	1.7531	1.7667	1.4888	1.1482	1.2796	1.4081	1.5176	1.9362	1.9688	2.0285	2.1009
Stamford	2.4646	2.0620	2.3140	2.6389	3.0286	2.8889	2.0551	0.9797	1.4258	1.9204	2.4337	3.0282	3.1709	3.3194	3.7143
Syracuse	1.5742	1.5705	1.5378	1.7879	1.8144	1.8612	1.7067	1.9125	2.2430	2.1830	2.4016	2.6544	2.7393	2.8977	3.0016
Tallahassee	1.2014	1.4301	1.8688	2.0256	2.0517	1.3174	0.6838	0.3736	0.3761	0.4926	0.6252	0.7655	0.8773	1.0061	1.2111
Tampa	1.6106	1.6037	2.1886	2.6512	2.8764	2.3672	1.6560	0.8799	0.8141	1.4361	2.1118	2.6269	2.9973	3.2319	3.3974
Tucson	1.5333	1.5070	1.8308	2.6077	3.3128	3.0417	2.2380	0.9153	0.9567	0.8105	0.6280	0.9068	1.1855	1.4884	1.6982
United States	1.4287	1.4124	1.8087	2.2774	2.7598	2.6468	2.2527	1.5546	1.8200	2.1885	2.5695	3.0057	3.2319	3.4502	3.5532
Washington DC	3.9739	4.2516	5.6695	7.2133	6.7013	7.3688	6.8443	7.3730	7.1202	7.5033	6.9205	6.5512	7.1246	7.7338	8.3817
West Palm Beach	2.7050	3.3165	5.0219	6.3896	6.5088	5.3112	4.3144	2.4235	2.6433	3.6268	4.4620	5.2397	5.6103	6.2106	6.9708
Wilmington	1.5023	1.9053	1.9225	2.0440	2.5768	2.5049	1.7830	0.7887	1.1981	1.8152	2.1962	2.6358	2.8974	3.2204	3.6185
Winston-Salem	1.0344	1.1040	0.9685	1.2619	1.6396	1.7699	1.3294	0.7726	0.7617	0.9132	1.2123	1.4963	1.6165	1.7603	1.9236
WPB - Boca Raton	2.4413	2.8177	4.3514	5.2808	5.3671	4.0605	2.9498	1.2558	1.5349	2.1749	3.0221	3.8712	4.3421	4.7655	5.2461

PER-ROOM VALUE BY MARKET (\$) – 2002 THROUGH 2016

Market	Historical Estimates										Forecast				
	2002	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Albuquerque	\$37,460	\$37,184	\$45,201	\$57,274	\$55,860	\$54,763	\$41,649	\$48,075	\$46,078	\$53,249	\$58,240	\$62,920	\$65,375	\$64,913	
Anaheim	\$72,740	\$105,995	\$144,095	\$169,607	\$162,905	\$136,245	\$108,563	\$125,239	\$149,316	\$183,065	\$211,412	\$213,693	\$212,946	\$209,689	
Atlanta	\$58,716	\$63,738	\$88,399	\$108,857	\$94,939	\$73,999	\$54,831	\$71,379	\$72,246	\$79,280	\$88,443	\$98,724	\$104,398	\$101,697	
Austin	\$56,325	\$53,436	\$90,097	\$133,548	\$143,140	\$141,144	\$125,847	\$128,400	\$151,291	\$182,064	\$210,719	\$222,597	\$233,519	\$236,244	
Baltimore	\$122,520	\$136,101	\$144,317	\$155,160	\$134,491	\$100,833	\$91,872	\$97,640	\$104,214	\$119,483	\$141,970	\$150,422	\$162,780	\$171,800	
Boston	\$164,714	\$160,470	\$190,981	\$214,745	\$261,734	\$228,817	\$194,458	\$253,972	\$295,495	\$365,557	\$388,232	\$386,130	\$397,623	\$392,916	
Buffalo	\$43,803	\$37,293	\$47,468	\$61,180	\$67,442	\$76,590	\$89,287	\$86,862	\$93,913	\$111,343	\$127,977	\$129,066	\$130,143	\$127,016	
Charlotte	\$39,167	\$45,449	\$65,818	\$97,896	\$105,965	\$91,090	\$67,769	\$84,245	\$100,321	\$119,001	\$136,093	\$133,459	\$131,984	\$130,425	
Chicago	\$89,597	\$99,511	\$138,795	\$197,554	\$211,108	\$167,784	\$89,512	\$124,230	\$151,212	\$202,036	\$229,960	\$251,313	\$271,315	\$266,306	
Cincinnati	\$40,989	\$52,985	\$59,785	\$71,462	\$65,019	\$62,437	\$53,804	\$55,919	\$63,418	\$72,751	\$88,809	\$89,933	\$92,638	\$90,830	
Cleveland	\$34,307	\$36,357	\$37,888	\$58,370	\$54,747	\$40,159	\$28,233	\$35,698	\$39,576	\$48,907	\$60,311	\$69,806	\$71,909	\$71,635	
Columbia	\$44,263	\$59,568	\$75,277	\$83,111	\$77,865	\$72,367	\$59,388	\$51,405	\$61,877	\$76,266	\$89,671	\$92,526	\$97,755	\$95,766	
Dallas	\$53,936	\$55,858	\$83,414	\$106,834	\$98,322	\$88,829	\$60,727	\$73,622	\$93,888	\$98,388	\$117,182	\$120,499	\$126,935	\$136,862	
Dayton	\$34,123	\$35,538	\$37,758	\$42,805	\$32,343	\$25,188	\$25,144	\$28,109	\$37,953	\$47,145	\$55,759	\$61,502	\$66,532	\$68,551	
Denver	\$59,125	\$61,756	\$86,617	\$123,030	\$132,393	\$129,635	\$108,315	\$132,555	\$144,734	\$152,202	\$168,665	\$175,583	\$177,193	\$182,513	
Detroit	\$41,869	\$39,946	\$46,117	\$59,444	\$50,714	\$39,513	\$20,000	\$25,000	\$38,112	\$46,889	\$59,642	\$65,428	\$69,687	\$71,816	
Fort Lauderdale	\$63,358	\$116,879	\$138,984	\$159,900	\$141,584	\$114,694	\$83,780	\$107,899	\$124,524	\$136,810	\$169,215	\$184,089	\$198,736	\$208,959	
Hartford	\$66,949	\$68,658	\$64,073	\$64,011	\$59,314	\$45,736	\$25,241	\$33,991	\$61,100	\$79,790	\$101,682	\$117,409	\$127,851	\$140,817	
Houston	\$62,533	\$54,117	\$88,621	\$105,804	\$108,611	\$129,505	\$87,295	\$71,882	\$92,944	\$116,182	\$141,296	\$151,248	\$159,064	\$160,289	
Huntsville	\$35,336	\$42,257	\$53,402	\$57,292	\$65,409	\$57,785	\$49,636	\$62,372	\$61,093	\$69,331	\$82,354	\$92,027	\$101,350	\$107,191	
Indianapolis	\$58,543	\$69,929	\$73,682	\$90,243	\$80,108	\$66,941	\$50,077	\$49,275	\$61,014	\$79,528	\$99,999	\$106,213	\$109,494	\$109,874	
Jacksonville	\$71,345	\$97,722	\$119,410	\$120,928	\$105,904	\$76,150	\$45,508	\$50,445	\$52,970	\$62,651	\$73,811	\$89,888	\$95,333	\$101,106	
Kansas City	\$46,987	\$46,470	\$53,880	\$67,363	\$63,696	\$53,728	\$39,117	\$43,543	\$48,964	\$57,424	\$71,137	\$82,589	\$96,113	\$98,989	
Las Vegas	\$125,865	\$210,736	\$210,580	\$190,083	\$212,151	\$158,778	\$41,195	\$27,038	\$60,824	\$95,457	\$130,118	\$154,654	\$163,637	\$173,633	
Long Island	\$145,498	\$134,450	\$155,590	\$147,438	\$144,516	\$121,501	\$94,647	\$97,642	\$116,415	\$138,448	\$164,156	\$181,828	\$199,976	\$208,433	
Los Angeles	\$85,904	\$134,367	\$175,050	\$193,848	\$216,617	\$191,714	\$129,128	\$164,454	\$205,372	\$230,432	\$263,495	\$267,813	\$298,969	\$314,874	
Memphis	\$36,543	\$43,488	\$59,688	\$77,061	\$73,285	\$52,537	\$42,103	\$41,236	\$41,614	\$46,806	\$55,261	\$61,864	\$68,490	\$68,199	
Miami	\$55,229	\$126,467	\$209,416	\$219,913	\$282,553	\$250,851	\$160,858	\$225,833	\$309,113	\$402,185	\$464,816	\$484,948	\$470,402	\$464,611	
Milwaukee	\$40,376	\$45,532	\$56,002	\$78,499	\$70,380	\$70,108	\$37,801	\$46,780	\$53,234	\$59,015	\$71,748	\$77,677	\$77,953	\$81,586	
Minneapolis	\$63,738	\$72,599	\$92,779	\$109,805	\$101,909	\$87,983	\$59,276	\$74,215	\$89,588	\$105,988	\$123,370	\$136,096	\$147,328	\$156,374	
Nashville	\$50,925	\$66,425	\$74,707	\$106,462	\$100,045	\$83,317	\$69,238	\$72,864	\$101,845	\$135,900	\$158,610	\$169,936	\$178,633	\$181,036	
New Haven	\$75,046	\$66,652	\$66,690	\$68,901	\$68,240	\$62,339	\$58,706	\$56,996	\$67,573	\$84,402	\$101,164	\$106,615	\$109,800	\$116,064	
New Orleans	\$118,384	\$116,506	\$136,953	\$116,346	\$70,960	\$84,714	\$74,134	\$109,417	\$117,954	\$176,801	\$211,150	\$221,181	\$229,064	\$230,950	

PER-ROOM VALUE BY MARKET (\$) – 2002 THROUGH 2016 (CONTINUED)

Market	Historical Estimates										Forecast				
	2002	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
New York	\$98,974	\$186,256	\$312,291	\$381,420	\$497,595	\$456,564	\$300,000	\$320,000	\$383,493	\$459,430	\$535,564	\$639,746	\$663,293	\$736,573	
Norfolk	\$62,453	\$68,627	\$64,072	\$64,326	\$64,010	\$36,980	\$32,114	\$25,287	\$23,131	\$27,915	\$35,845	\$41,141	\$46,072	\$52,742	
Oahu	\$132,171	\$227,288	\$334,790	\$340,785	\$322,652	\$272,209	\$239,270	\$305,321	\$337,733	\$441,332	\$517,066	\$531,298	\$533,986	\$547,764	
Oakland	\$79,936	\$63,198	\$78,136	\$100,819	\$103,596	\$81,704	\$46,462	\$56,255	\$86,584	\$114,716	\$128,097	\$144,049	\$152,024	\$151,120	
Omaha	\$41,746	\$51,976	\$62,326	\$84,792	\$76,534	\$71,340	\$54,445	\$55,657	\$51,450	\$61,845	\$73,173	\$80,883	\$83,319	\$83,746	
Orlando	\$83,530	\$116,508	\$118,205	\$126,158	\$114,134	\$91,525	\$55,621	\$65,453	\$83,519	\$100,888	\$119,928	\$136,983	\$152,627	\$162,100	
Philadelphia	\$77,787	\$85,946	\$102,331	\$119,261	\$117,077	\$98,201	\$72,143	\$72,379	\$92,714	\$112,209	\$134,902	\$140,482	\$145,626	\$145,891	
Phoenix	\$63,077	\$103,389	\$134,398	\$171,194	\$153,987	\$110,366	\$48,382	\$53,231	\$66,345	\$63,124	\$67,970	\$77,016	\$106,828	\$102,262	
Pittsburgh	\$45,187	\$53,335	\$58,245	\$88,025	\$85,027	\$102,498	\$91,972	\$117,179	\$135,201	\$160,432	\$178,412	\$199,527	\$212,972	\$225,741	
Portland	\$50,645	\$59,043	\$83,102	\$110,873	\$117,007	\$116,920	\$97,685	\$109,899	\$125,598	\$148,092	\$172,957	\$185,255	\$198,256	\$205,333	
Raleigh-Durham	\$46,269	\$53,917	\$59,038	\$81,582	\$82,585	\$67,511	\$45,090	\$45,099	\$53,718	\$70,865	\$88,038	\$97,117	\$105,841	\$106,750	
Richmond	\$41,682	\$62,331	\$70,261	\$81,463	\$83,877	\$65,233	\$37,591	\$36,829	\$46,164	\$66,088	\$82,728	\$89,476	\$92,163	\$92,934	
Rochester	\$43,044	\$46,534	\$52,192	\$73,036	\$75,663	\$65,354	\$53,773	\$61,007	\$61,005	\$65,347	\$71,220	\$74,994	\$81,339	\$89,827	
Sacramento	\$68,181	\$81,186	\$87,947	\$103,484	\$81,549	\$60,504	\$30,000	\$32,000	\$35,643	\$52,110	\$68,304	\$75,573	\$86,912	\$98,021	
Salt Lake City	\$103,428	\$72,687	\$96,292	\$127,753	\$125,736	\$113,322	\$92,948	\$96,987	\$106,621	\$118,249	\$133,805	\$141,548	\$149,046	\$151,066	
San Antonio	\$97,849	\$94,732	\$115,151	\$140,806	\$121,330	\$118,341	\$82,207	\$88,734	\$92,637	\$113,283	\$130,781	\$141,401	\$156,165	\$161,765	
San Diego	\$145,573	\$172,765	\$190,944	\$228,976	\$216,521	\$192,965	\$144,315	\$148,522	\$164,939	\$168,388	\$187,179	\$202,228	\$219,018	\$235,667	
San Francisco	\$117,842	\$148,336	\$204,635	\$240,235	\$286,879	\$300,101	\$231,439	\$306,579	\$387,968	\$450,874	\$485,195	\$458,814	\$472,528	\$447,474	
San Jose	\$86,711	\$57,386	\$87,994	\$131,793	\$140,252	\$125,905	\$75,029	\$101,000	\$139,057	\$162,613	\$179,892	\$190,654	\$200,746	\$203,380	
Santa Fe	\$136,575	\$137,007	\$150,307	\$156,228	\$141,924	\$114,380	\$111,746	\$118,019	\$108,833	\$116,436	\$126,702	\$132,456	\$145,928	\$155,785	
Seattle	\$77,885	\$100,522	\$127,724	\$174,628	\$171,521	\$156,067	\$118,238	\$131,602	\$157,408	\$190,410	\$220,625	\$236,698	\$253,387	\$257,408	
St. Louis	\$50,818	\$47,406	\$55,594	\$62,820	\$63,308	\$53,349	\$41,143	\$45,853	\$50,456	\$54,379	\$69,383	\$70,551	\$72,688	\$75,282	
Stamford	\$88,314	\$82,919	\$94,563	\$108,525	\$103,521	\$73,642	\$35,108	\$51,092	\$68,814	\$87,210	\$108,510	\$113,623	\$118,947	\$133,098	
Syracuse	\$56,408	\$55,106	\$64,066	\$65,016	\$66,695	\$61,156	\$68,533	\$80,375	\$78,224	\$86,059	\$95,118	\$98,158	\$103,834	\$107,557	
Tallahassee	\$43,052	\$66,967	\$72,583	\$73,520	\$47,208	\$24,504	\$13,386	\$13,476	\$17,651	\$22,403	\$27,432	\$31,436	\$36,051	\$43,398	
Tampa	\$57,714	\$78,426	\$95,002	\$103,073	\$84,826	\$59,341	\$31,531	\$29,173	\$51,461	\$75,675	\$94,132	\$107,403	\$115,811	\$121,742	
Tucson	\$54,942	\$65,605	\$93,442	\$118,710	\$108,996	\$80,195	\$32,800	\$34,283	\$29,042	\$22,502	\$32,494	\$42,481	\$53,335	\$60,852	
United States	\$51,196	\$64,812	\$81,607	\$98,893	\$94,844	\$80,723	\$55,709	\$65,216	\$78,421	\$92,074	\$107,704	\$115,811	\$123,632	\$127,323	
Washington DC	\$142,400	\$203,160	\$258,477	\$240,130	\$264,051	\$245,257	\$264,200	\$255,143	\$268,870	\$247,988	\$234,753	\$255,299	\$277,129	\$300,347	
West Palm Beach	\$96,929	\$179,953	\$228,963	\$233,233	\$190,320	\$154,600	\$86,842	\$94,718	\$129,962	\$159,888	\$187,757	\$201,038	\$222,547	\$249,790	
Wilmington	\$53,833	\$68,891	\$73,244	\$92,338	\$89,761	\$63,893	\$28,263	\$42,931	\$65,044	\$78,697	\$94,450	\$103,825	\$115,399	\$129,665	
Winston-Salem	\$37,066	\$34,705	\$45,220	\$58,754	\$63,423	\$47,639	\$27,684	\$27,293	\$32,723	\$43,442	\$53,618	\$57,926	\$63,079	\$68,931	
WPB - Boca Raton	\$87,479	\$155,927	\$189,231	\$192,321	\$145,504	\$105,703	\$45,000	\$55,000	\$77,933	\$108,295	\$138,721	\$155,592	\$170,766	\$187,987	

ANNUAL PERCENTAGE CHANGES IN PER-ROOM VALUE- 2002 THROUGH 2016

Market	Historical Estimates										Forecast				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Albuquerque	7.7%	-5.4%	4.9%	21.6%	26.7%	-2.5%	-2.0%	-23.9%	15.4%	-4.2%	15.6%	9.4%	8.0%	3.9%	-0.7%
Anaheim	-12.2%	14.3%	27.5%	35.9%	17.7%	-4.0%	-16.4%	-20.3%	15.4%	19.2%	22.6%	15.5%	1.1%	-0.3%	-1.5%
Atlanta	-6.7%	-16.4%	29.8%	38.7%	23.1%	-12.8%	-22.1%	-25.9%	30.2%	1.2%	9.7%	11.6%	11.6%	5.7%	-2.6%
Austin	-21.6%	-13.4%	9.6%	68.6%	48.2%	7.2%	-1.4%	-10.8%	2.0%	17.8%	20.3%	15.7%	5.6%	4.9%	1.2%
Baltimore	15.0%	0.9%	10.1%	6.0%	7.5%	-13.3%	-25.0%	-8.9%	6.3%	6.7%	14.7%	18.8%	6.0%	8.2%	5.5%
Boston	-14.5%	-30.8%	40.7%	19.0%	12.4%	21.9%	-12.6%	-15.0%	30.6%	16.3%	23.7%	6.2%	-0.5%	3.0%	-1.2%
Buffalo	4.7%	-8.8%	-6.7%	27.3%	28.9%	10.2%	13.6%	16.6%	-2.7%	8.1%	18.6%	14.9%	0.9%	0.8%	-2.4%
Charlotte	6.9%	-3.5%	20.2%	44.8%	48.7%	8.2%	-14.0%	-25.6%	24.3%	19.1%	18.6%	14.4%	-1.9%	-1.1%	-1.2%
Chicago	-7.9%	2.2%	8.7%	39.5%	42.3%	6.9%	-20.5%	-46.7%	38.8%	21.7%	33.6%	13.8%	9.3%	8.0%	-1.8%
Cincinnati	14.6%	7.9%	19.8%	12.8%	19.5%	-9.0%	-4.0%	-13.8%	3.9%	13.4%	14.7%	22.1%	1.3%	3.0%	-2.0%
Cleveland	-10.8%	-16.1%	26.4%	4.2%	54.1%	-6.2%	-26.6%	-29.7%	26.4%	10.9%	23.6%	23.3%	15.7%	3.0%	-0.4%
Columbia	22.9%	-0.8%	35.6%	26.4%	10.4%	-6.3%	-7.1%	-17.9%	-13.4%	20.4%	23.3%	17.6%	3.2%	5.7%	-2.0%
Dallas	-7.1%	-17.5%	25.6%	49.3%	28.1%	-8.0%	-9.7%	-31.6%	21.2%	27.5%	4.8%	19.1%	2.8%	5.3%	7.8%
Dayton	12.4%	14.9%	-9.4%	6.2%	13.4%	-24.4%	-22.1%	-0.2%	11.8%	35.0%	24.2%	18.3%	10.3%	8.2%	3.0%
Denver	-10.4%	-13.0%	20.1%	40.3%	42.0%	7.6%	-2.1%	-16.4%	22.4%	9.2%	5.2%	10.8%	4.1%	0.9%	3.0%
Detroit	-21.2%	-18.7%	17.4%	15.4%	28.9%	-14.7%	-22.1%	-49.4%	25.0%	52.4%	23.0%	27.2%	9.7%	6.5%	3.1%
Fort Lauderdale	-11.8%	22.3%	50.8%	18.9%	15.0%	-11.5%	-19.0%	-27.0%	28.8%	15.4%	9.9%	23.7%	8.8%	8.0%	5.1%
Hartford	-9.7%	-22.4%	32.2%	-6.7%	-0.1%	-7.3%	-22.9%	-44.8%	34.7%	79.8%	30.6%	27.4%	15.5%	8.9%	10.1%
Houston	-8.3%	-26.7%	18.1%	63.8%	19.4%	2.7%	19.2%	-32.6%	-17.7%	29.3%	25.0%	21.6%	7.0%	5.2%	0.8%
Huntsville	49.1%	5.2%	13.7%	26.4%	7.3%	14.2%	-11.7%	-14.1%	25.7%	-2.1%	13.5%	18.8%	11.7%	10.1%	5.8%
Indianapolis	2.8%	-1.6%	21.4%	5.4%	22.5%	-11.2%	-16.4%	-25.2%	-1.6%	23.8%	30.3%	25.7%	6.2%	3.1%	0.3%
Jacksonville	16.3%	19.2%	14.9%	22.2%	1.3%	-12.4%	-28.1%	-40.2%	10.8%	5.0%	18.3%	17.8%	21.8%	6.1%	6.1%
Kansas City	-1.0%	-21.7%	26.2%	15.9%	25.0%	-5.4%	-15.6%	-27.2%	11.3%	12.5%	17.3%	23.9%	16.1%	16.4%	3.0%
Las Vegas	6.3%	30.6%	28.2%	-0.1%	-9.7%	11.6%	-25.2%	-74.1%	-34.4%	125.0%	56.9%	36.3%	18.9%	5.8%	6.1%
Long Island	-12.0%	-4.7%	-3.0%	15.7%	-5.2%	-2.0%	-15.9%	-22.1%	3.2%	19.2%	18.9%	18.6%	10.8%	10.0%	4.2%
Los Angeles	-4.0%	4.8%	49.2%	30.3%	10.7%	11.7%	-11.5%	-32.6%	27.4%	24.9%	12.2%	14.3%	1.6%	11.6%	5.3%
Memphis	11.7%	-5.2%	25.5%	37.3%	29.1%	-4.9%	-28.3%	-19.9%	-2.1%	0.9%	12.5%	18.1%	12.0%	10.7%	-0.4%
Miami	-27.9%	30.3%	75.7%	65.6%	5.0%	28.5%	-11.2%	-35.9%	40.4%	36.9%	30.1%	15.6%	4.3%	-3.0%	-1.2%
Milwaukee	14.7%	4.3%	8.2%	23.0%	40.2%	-10.3%	-0.4%	-46.1%	23.8%	13.8%	10.9%	21.6%	8.3%	0.4%	4.7%
Minneapolis	-4.4%	-12.9%	30.7%	27.8%	18.4%	-7.2%	-13.7%	-32.6%	25.2%	20.7%	18.3%	16.4%	10.3%	8.3%	6.1%
Nashville	13.4%	12.2%	16.3%	12.5%	42.5%	-6.0%	-16.7%	-16.9%	5.2%	39.8%	33.4%	16.7%	7.1%	5.1%	1.3%
New Haven	1.8%	-14.2%	3.5%	0.1%	3.3%	-1.0%	-8.6%	-5.8%	-2.9%	18.6%	24.9%	19.9%	5.4%	3.0%	5.7%
New Orleans	-3.7%	-9.6%	8.8%	17.5%	-15.0%	-39.0%	19.4%	-12.5%	47.6%	7.8%	49.9%	19.4%	4.8%	3.6%	0.8%

ANNUAL PERCENTAGE CHANGES IN PER-ROOM VALUE- 2002 THROUGH 2016 (CONTINUED)

Market	Historical Estimates										Forecast				
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
New York	-26%	1%	86%	68%	22%	30%	-8%	-34%	7%	20%	20%	17%	19%	4%	11%
Norfolk	48.4%	18.0%	-6.9%	-6.6%	0.4%	-0.5%	-42.2%	-13.2%	-21.3%	-8.5%	20.7%	28.4%	14.8%	12.0%	14.5%
Oahu	5.9%	18.1%	45.6%	47.3%	1.8%	-5.3%	-15.6%	-12.1%	27.6%	10.6%	30.7%	17.2%	2.8%	0.5%	2.6%
Oakland	-31.1%	-30.2%	13.2%	23.6%	29.0%	2.8%	-21.1%	-43.1%	21.1%	53.9%	32.5%	11.7%	12.5%	5.5%	-0.6%
Omaha	6.9%	4.5%	19.1%	19.9%	36.0%	-9.7%	-6.8%	-23.7%	2.2%	-7.6%	20.2%	18.3%	10.5%	3.0%	0.5%
Orlando	4.3%	-6.3%	48.9%	1.5%	6.7%	-9.5%	-19.8%	-39.2%	17.7%	27.6%	20.8%	18.9%	14.2%	11.4%	6.2%
Philadelphia	24.6%	-8.9%	21.3%	19.1%	16.5%	-1.8%	-16.1%	-26.5%	0.3%	28.1%	21.0%	20.2%	4.1%	3.7%	0.2%
Phoenix	-10.7%	15.1%	42.4%	30.0%	27.4%	-10.1%	-28.3%	-56.2%	10.0%	24.6%	-4.9%	7.7%	13.3%	38.7%	-4.3%
Pittsburgh	5.0%	-3.4%	22.2%	9.2%	51.1%	-3.4%	20.5%	-10.3%	27.4%	15.4%	18.7%	11.2%	11.8%	6.7%	6.0%
Portland	0.3%	-5.1%	22.8%	40.7%	33.4%	5.5%	-0.1%	-16.5%	12.5%	14.3%	17.9%	16.8%	7.1%	7.0%	3.6%
Raleigh-Durham	-3.3%	-3.1%	20.2%	9.5%	38.2%	1.2%	-18.3%	-33.2%	0.0%	19.1%	31.9%	24.2%	10.3%	9.0%	0.9%
Richmond	2.5%	35.6%	10.3%	12.7%	15.9%	3.0%	-22.2%	-42.4%	-2.0%	25.3%	43.2%	25.2%	8.2%	3.0%	0.8%
Rochester	10.6%	18.2%	-8.5%	12.2%	39.9%	3.6%	-13.6%	-17.7%	13.5%	0.0%	7.1%	9.0%	5.3%	8.5%	10.4%
Sacramento	3.8%	5.4%	12.9%	8.3%	17.7%	-21.2%	-25.8%	-50.4%	6.7%	11.4%	46.2%	31.1%	10.6%	15.0%	12.8%
Salt Lake City	63.7%	-35.9%	9.6%	32.5%	32.7%	-1.6%	-9.9%	-18.0%	4.3%	9.9%	10.9%	13.2%	5.8%	5.3%	1.4%
San Antonio	21.0%	-9.2%	6.7%	21.6%	22.3%	-13.8%	-2.5%	-30.5%	7.9%	4.4%	22.3%	15.4%	8.1%	10.4%	3.6%
San Diego	4.3%	9.5%	8.4%	10.5%	19.9%	-5.4%	-10.9%	-25.2%	2.9%	11.1%	2.1%	11.2%	8.0%	8.3%	7.6%
San Francisco	-37.6%	-11.3%	42.0%	38.0%	17.4%	19.4%	4.6%	-22.9%	32.5%	26.5%	16.2%	7.6%	-5.4%	3.0%	-5.3%
San Jose	-40.5%	-46.4%	23.5%	53.3%	49.8%	6.4%	-10.2%	-40.4%	34.6%	37.7%	16.9%	10.6%	6.0%	5.3%	1.3%
Santa Fe	19.6%	-7.3%	8.2%	9.7%	3.9%	-9.2%	-19.4%	-2.3%	5.6%	-7.8%	7.0%	8.8%	4.5%	10.2%	6.8%
Seattle	-9.9%	4.2%	23.9%	27.1%	36.7%	-1.8%	-9.0%	-24.2%	11.3%	19.6%	21.0%	15.9%	7.3%	7.1%	1.6%
St. Louis	14.8%	-15.8%	10.7%	17.3%	13.0%	0.8%	-15.7%	-22.9%	11.4%	10.0%	7.8%	27.6%	1.7%	3.0%	3.6%
Stamford	-16.1%	-16.3%	12.2%	14.0%	14.8%	-4.6%	-28.9%	-52.3%	45.5%	34.7%	26.7%	24.4%	4.7%	4.7%	11.9%
Syracuse	33.9%	-0.2%	-2.1%	16.3%	1.5%	2.6%	-8.3%	12.1%	17.3%	-2.7%	10.0%	10.5%	3.2%	5.8%	3.6%
Tallahassee	20.7%	19.0%	30.7%	8.4%	1.3%	-35.8%	-48.1%	-45.4%	0.7%	31.0%	26.9%	22.4%	14.6%	14.7%	20.4%
Tampa	-14.7%	-0.4%	36.5%	21.1%	8.5%	-17.7%	-30.0%	-46.9%	-7.5%	76.4%	47.1%	24.4%	14.1%	7.8%	5.1%
Tucson	-9.4%	-1.7%	21.5%	42.4%	27.0%	-8.2%	-26.4%	-59.1%	4.5%	-15.3%	-22.5%	44.4%	30.7%	25.5%	14.1%
United States	0.0%	-1.1%	28.1%	25.9%	21.2%	-4.1%	-14.9%	-31.0%	17.1%	20.2%	17.4%	17.0%	7.5%	6.8%	3.0%
Washington DC	8.0%	7.0%	33.4%	27.2%	-7.1%	10.0%	-7.1%	7.7%	-3.4%	5.4%	-7.8%	-5.3%	8.8%	8.6%	8.4%
West Palm Beach	-1.8%	22.6%	51.4%	27.2%	1.9%	-18.4%	-18.8%	-43.8%	9.1%	37.2%	23.0%	17.4%	7.1%	10.7%	12.2%
Wilmington	-0.6%	26.8%	0.9%	6.3%	26.1%	-2.8%	-28.8%	-55.8%	51.9%	51.5%	21.0%	20.0%	9.9%	11.1%	12.4%
Winston-Salem	4.5%	6.7%	-12.3%	30.3%	29.9%	7.9%	-24.9%	-41.9%	-1.4%	19.9%	32.8%	23.4%	8.0%	8.9%	9.3%
WPB - Boca Raton	0.9%	15.4%	54.4%	21.4%	1.6%	-24.3%	-27.4%	-57.4%	22.2%	41.7%	39.0%	28.1%	12.2%	9.8%	10.1%

Volatility Index

Investing in hotels is an exercise in balancing risks with rewards. An attractive hotel acquisition would offer low risk coupled with high returns. Hotels are subject to varied risks that impact the certainty of achieving specific levels of return. Examples of hotel investment risks include the potential for overbuilding (e.g., excessive hotel supply), a decline in demand (e.g., employer closure, recession), incompetent management, functional and external obsolescence, poor brand recognition, over-leverage, and natural or man-made disasters (e.g., volcanic ash in the atmosphere, oil spills). Each one of these risks translates into either lower than anticipated revenues and/or higher operating expenses, which affect bottom-line profit (return). With so many different types of risks, quantifying the overall risk of a hotel investment is difficult.

The Volatility Index is an analysis of the historical and projected rates of per-room value changes for an individual market. For the purposes of this analysis, we have utilized the data period of 2011 through 2016. Hotel value volatility is measured by calculating the standard deviation of the annual change in value, year-over-year. This result is then indexed to the volatility of a typical hotel in the United States. The Volatility Index shows the percentage relationship of the value volatility of a specific market to the value volatility of the United States. For example, Fort Lauderdale has a Volatility Index of 73%, which means that hotel values are 73% more volatile than the value of a typical hotel in the United States.

The following two tables exhibit the index of volatility, including the top ten most volatile and ten least volatile markets based on historical and projected changes in value between 2011 and 2016.

GATEWAY CITIES ARE THE MOST VOLATILE

<u>Rank</u>		
1	New York	194%
2	WPB - Boca Raton	184%
3	Las Vegas	142%
4	Miami	129%
5	Wilmington	108%
6	Hartford	106%
7	Los Angeles	105%
8	San Jose	99%
9	Detroit	91%
10	Fort Lauderdale	73%

Source: HVS

SECONDARY CITIES ARE THE LEAST VOLATILE

<u>Rank</u>		
66	Cincinnati	-26%
65	Syracuse	-22%
64	Buffalo	-19%
63	Albuquerque	-16%
62	St. Louis	-15%
61	Santa Fe	-14%
60	Indianapolis	-9%
59	Washington DC	-4%
58	Pittsburgh	-1%
57	Seattle	-1%

Source: HVS

As illustrated above, New York represents the most volatile at 194%, while Seattle and Pittsburgh are the least volatile, at -1%. We note that Seattle and Pittsburgh are forecast to exhibit a recovery through 2016 at a rate significantly lower than U.S. national average, while New York is forecast to exceed the U.S. average.

The following table illustrates the relationship between the top five most volatile markets, the historical change in value from 1988 through 2011, and the projected change in value through 2016, as well as the comparison to the U.S. average.

“HIGHER RISK HIGHER RETURNS?”

Market	Volatility (1988-2011)	Historical Value Change (1988-2011)	Projected Value Change (2012-2016)
New York	194%	9.1%	60.3%
WPB - Boca Raton	184%	2.8%	73.6%
Las Vegas	142%	2.4%	81.9%
Miami	129%	11.0%	15.5%
Wilmington	108%	-0.2%	64.8%
<i>United States</i>	<i>0%</i>	<i>3.3%</i>	<i>38.3%</i>

Source: HVS

During the historical period reviewed, the per-room values of WPB-Boca Raton, Las Vegas, and Wilmington either increased slightly or decreased, which can be largely attributed to declines in value especially in 2009. As previously mentioned, extremely volatile markets usually experience strong declines in RevPAR during recession years, which are followed by even stronger increases during recovery years; the most recent recession is anticipated to be no exception. The per-room values of WPB-Boca Raton, Las Vegas, and Wilmington are anticipated to increase well above the U.S. average by 74%, 82% and 65%, respectively. The data indicate that there is no distinct relationship between risk and return, and would as such suggest that investors require a deep understanding of market dynamics in order to sell or buy assets at the right time to yield high returns.

As previously discussed, Miami was fairly quick to recover from the latest economic recession and therefore has increased most in value during the historical period reviewed. Consequently, the upside potential through 2016 is limited, and Miami’s per-room value is forecast to increase well below the U.S. average. The data again indicate that there is a potential for high returns, but would also suggest that investors must comprehend the dynamics and timing of the market in order to yield these higher returns.

Historically, New York has always been a strong market and is therefore an exception. New York’s per-room values increased during the historical period reviewed; furthermore, values are forecast to increase well above the U.S. average by 2016.

Although hotel value volatility is not the only measure of investment risk and the projected change in value is not the only measure of investment return, they are both important factors to consider when making a hotel investment, particularly in today's uncertain market.

Final Recommendations

As the U.S. economy and the U.S. lodging market continue to recover, demand for hotel assets is anticipated to increase. Based upon our discussions with hotel investors, lenders, and brokers, as well as recent trends of occupancy, average rate and RevPAR, we anticipate a strong recovery of NOI. The pullback by lodging REITs from their aggressive acquisition activity is expected to open up the market for investors that had recently been priced out of the market. Once market stability and consistent macroeconomic growth become commonplace, the U.S. lodging industry is anticipated to recover in its entirety. As highlighted in this report, U.S. hotel values peaked in 2006 at \$100,000 per room. The low point during the recent downturn occurred in 2009, with values dropping to \$56,000 per room. We project that U.S. hotel value growth will persist through 2016, surpassing 2006 values by 2013. Based upon our findings, we recommend that investors sell properties in San Francisco, Boston, and Washington, D.C. this year, whereas we suggest investors sell properties in New Orleans, Atlanta, Chicago, Philadelphia, and Cleveland in 2013.



Interpreting the Hotel Valuation Index

HVS routinely receives numerous inquiries as to how the Hotel Valuation Index data can be interpreted by hotel owners, investors, and lenders considering their own assets and investment strategies. The HVI tracks hotel values in the U.S. as a whole, as well as for 66 major lodging markets. It is calculated using occupancy and average rate data provided by Smith Travel Research (STR) for each of the markets reviewed. These market data represent the aggregate performance of virtually all the hotels within the defined geographic market.

The HVI is an index, a statistical concept reflecting a measure of the difference in the magnitude of a group of related variables compared with a base period. As such, it is a measure of broad market trends, rather than a conclusion as to the specific value of any asset, and cannot be applied to an individual asset. A good comparison is the Consumer Price Index. While this index provides a reliable measure of the overall rate of inflation in a region, it does not indicate how the price of milk has changed at one grocery store.

In any market, the aggregate nature of the STR occupancy and average rate data limits its comparability to an individual asset. In the case of the STR data used in developing the HVI, the breadth of the sample included in the report is a material factor. The sample for each market area includes virtually all the hotels in the defined market, ranging from economy to luxury properties; limited-service to full-service operations; assets in poor to excellent condition; and a wide array of locations, from Tier 1 urban settings to peripheral locations in tertiary submarkets. The resulting data, while an excellent measure of the overall trends in the market as a whole, cannot be applied to any individual submarket or asset group, much less any one hotel. For example, the addition of new supply, or a change in the performance of an individual submarket within the broader market, can cause that submarket to have significantly different results than the market as a whole.

Numerous factors influence the value of an individual asset, including the property's age, condition, location, amenities and services, brand, management expertise, and reputation. These factors must all be considered in the context of the hotel's specific competitive market, including the nature, strength, and trends in demand generators, the character and competitive posture of the existing hotels, and the potential addition of any new properties. The value of any individual asset can only be concluded after a thorough investigation of all these factors. That conclusion will invariably differ, often materially, from the index indicated by the HVI.

Change to "How, then, can the HVI be of use to an individual investor?" Although the HVI cannot tell you what a particular hotel is worth, it does provide excellent "big picture" data, indicating



which market areas are experiencing positive trends, and thus may present good investment opportunities. The HVI for the U.S. is a measure of the strength of the lodging industry as a whole and, specifically, the hospitality investment market. The HVI for the various identified markets can provide a basis to evaluate and compare different geographic regions.



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In 2000, Stephen founded Roadfood.com, a web site dedicated to finding the most memorable local eateries along the highways and back roads of America. The award-winning site has been recognized by Forbes Magazine as the best restaurant guide on the Internet, and Yahoo! awarded it the very prestigious “Web Site of the Year.” Over a half million visitors access the site on a monthly basis.

Stephen is member of the Young Presidents Organization (YPO) and is on the Advisory Board for the Appalachian Mountain Club (AMC), the nation’s oldest outdoor recreation and conservation organization.

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