

Manhattan lodging index

Fourth quarter 2014



This quarter:

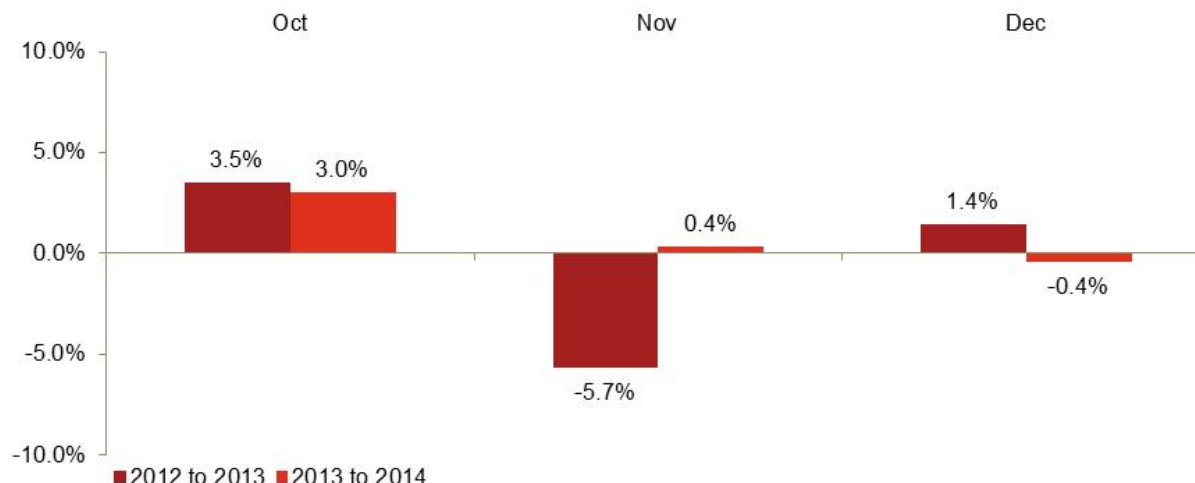
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Manhattan lodging overview

After stronger performance in the third quarter, lodging performance slowed down in the final three months of the year, with a modest increase in occupancy levels and flat average daily rate (“ADR”) resulting in a 1.0 percent increase in revenue per available room (“RevPAR”).

Manhattan’s lodging performance started stronger in the beginning of the fourth quarter, with RevPAR increasing 3.0 percent in October, but slowed down as the quarter progressed, increasing only 0.4 percent in November and decreasing 0.4 percent in December, for a growth of 1.0 percent for the quarter overall. This quarterly growth was primarily driven by occupancy. For the year, the opposite was true, with RevPAR growth driven primarily by ADR.

Manhattan Q4 RevPAR growth by month



Source: PwC, based on STR data

RevPAR growth was mixed across hotel classes in the fourth quarter, with the Upper Midscale segment being the only class that experienced a decline in RevPAR levels, compared to the same period last year, declining 1.9 percent. The Luxury segment experienced the most significant RevPAR growth, with a 2.9 percent increase, while the Upper Upscale and Upscale segments grew 0.3 and 0.8 percent, respectively. RevPAR growth was completely occupancy driven across all classes, except the Luxury segment, where ADR drove much of the increase in RevPAR. All other classes experienced declines in ADR. For the year, Manhattan hotels across all classes experienced increased RevPAR levels, with varying combinations of occupancy and ADR increases across classes.

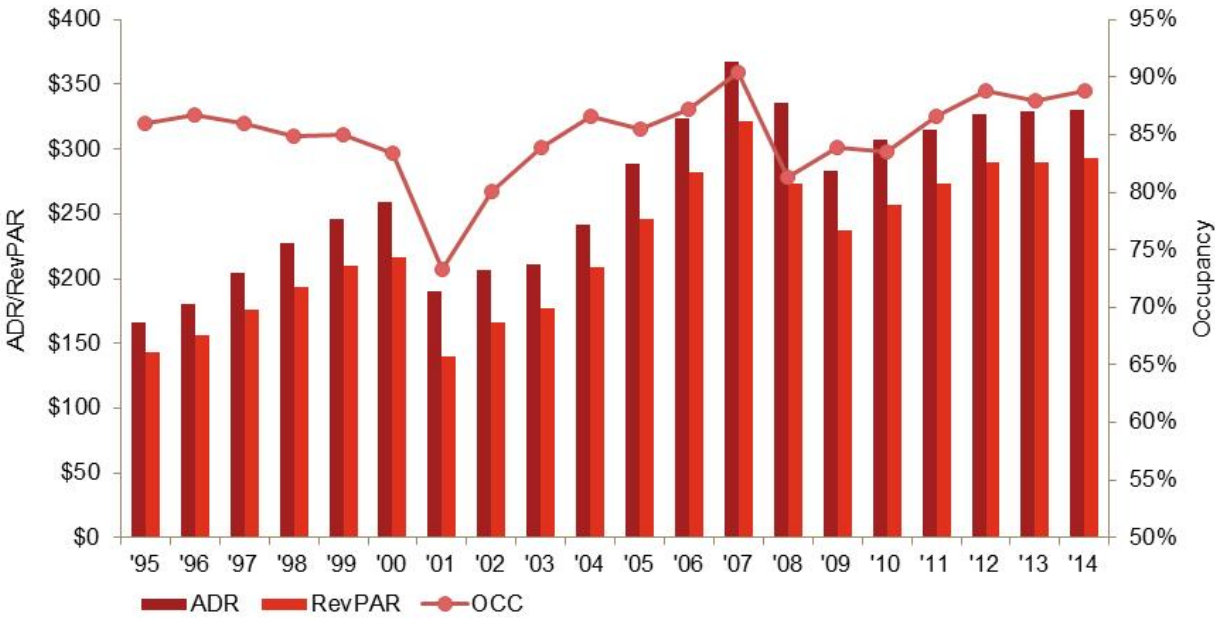
Midtown South outperformed the other neighborhoods in terms of RevPAR growth, increasing 2.7 percent compared to year ago levels. Midtown West and Midtown East followed, increasing 1.9 percent and 1.1 percent, respectively, with Upper Manhattan and Lower Manhattan decreasing 0.5 percent and 2.9 percent, respectively. For Midtown West, RevPAR was driven by occupancy gains, while Upper Manhattan and Lower Manhattan were marked by occupancy losses. For Midtown South, ADR drove the RevPAR increase. Midtown East ADR and occupancy increases were relatively balanced with modest improvement compared to year ago levels. For the year, all

neighborhoods experienced RevPAR growth, with Midtown East leading all other neighborhoods with a 6.3 percent increase.

In the fourth quarter, limited service RevPAR growth significantly outperformed full service hotels. While both full service and limited service hotels experienced similar increases in ADR, with a 0.4 percent and 0.6 percent increase, respectively, limited service hotels had higher gains in occupancy, resulting in a 3.0 percent RevPAR growth for limited service hotels, compared to 0.9 percent for full service. For the year, however, both limited service and full service hotels experienced similar levels of RevPAR growth, driven primarily by increasing ADR.

Independent hotels continued to outperform chain-affiliated hotels, in terms of RevPAR growth, in the fourth quarter. Independent hotels' occupancy and ADR continued to increase, while chain-affiliated hotels experienced a decline in ADR levels and only a slight gain in occupancy. As a result, independent hotels' RevPAR increased 3.1 percent in the fourth quarter, compared to a decrease of 0.3 percent at chain-affiliated hotels. Independent hotels significantly outperformed chain-affiliated hotels, in terms of RevPAR growth, for 2014 overall, with an increase of 4.5 percent, compared to a 1.5 percent for chain-affiliated hotels.

Manhattan Q4 performance, 20-year trend



Source: PwC, based on STR data

Employment trends

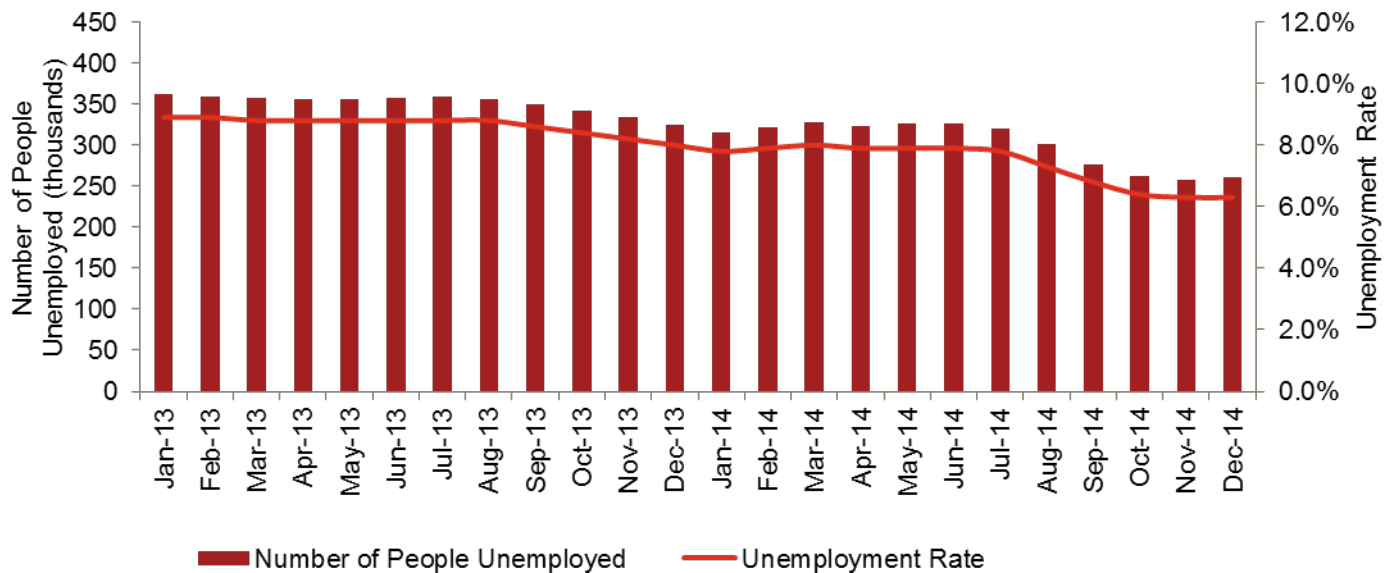
New York City's labor market improved markedly in the fourth quarter, as unemployment rates declined significantly compared to year-ago levels. According to the New York State Department of Labor, New York City's seasonally adjusted unemployment rate averaged 6.3 percent in the fourth quarter, a decline of approximately 22.8 percent from the same period last year. New York State's seasonally adjusted unemployment rate averaged 5.9 percent in the fourth quarter, down 17.7 percent from the same period last year.

The overall US unemployment rate continued to decline as well, decreasing from 6.1 percent in the third quarter to 5.7 percent in the fourth quarter.

On an annual basis, the US unemployment rate averaged 6.2 percent in 2014, representing a 16.5 percent decline from the 2013 rate of 7.4 percent.

According to the New York State Department of Labor, for the twelve-month period ended December 2014, New York City's private sector employment increased by 95,900, or 2.7 percent, to 3,602,600. During the period, job growth occurred in professional business services, which added 30,700 jobs, education and health services, which added 29,800 jobs, leisure and hospitality, which added 19,500 jobs, trade, transportation, and utilities, which added 9,100 jobs, other services, which added 7,600 jobs, financial activities, which added 4,100 jobs, and construction, which added 2,300 jobs. The information sector lost 5,600 jobs, while the manufacturing sector lost 1,600 jobs during the twelve-month period.

New York City Unemployment for the 24-month period ended December 2014



Source: New York State Department of Labor

Gross metro product and consumer price Index

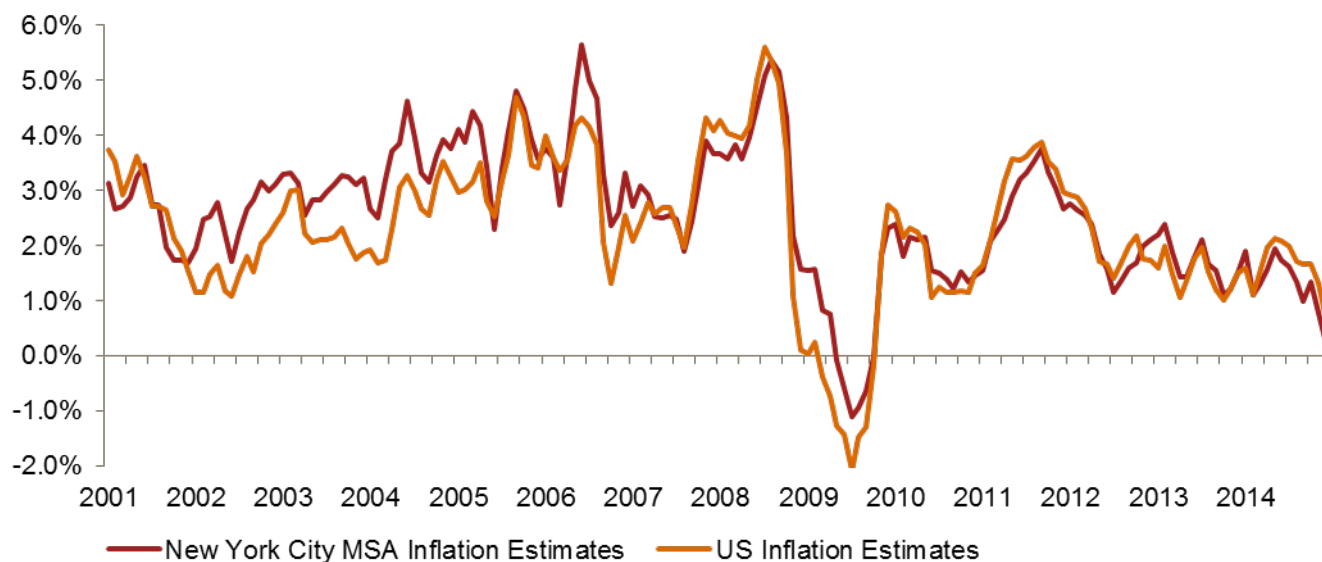
US economic growth continued in the fourth quarter of 2014, albeit at a slower pace than the third quarter. According to the second estimate released by the Bureau of Economic Analysis, US real gross domestic product ("GDP") increased at a seasonally-adjusted, annualized pace of 2.2 percent, compared to a 5.0 percent increase in the third quarter of 2014. This growth was driven, in part, by an increase in real personal consumption expenditures ("PCE"), a positive sign for the domestic lodging sector. Other positive

contributions to GDP in the fourth quarter included private inventory investment, exports, nonresidential fixed investment, state and local government spending, and residential fixed investment, which were partly offset by a negative contribution from federal government spending and an increase in imports.

At the local level, New York's gross metro product is expected to increase by 3.9 percent in 2015, according to Moody's Economy.com forecast as of January 2015.

New York City's consumer price index ("CPI") increased by an average of 0.8 percent during the quarter, less than the 1.2 percent increase nationally.

Consumer price index



Source: Bureau of Labor Statistics

Office market statistics

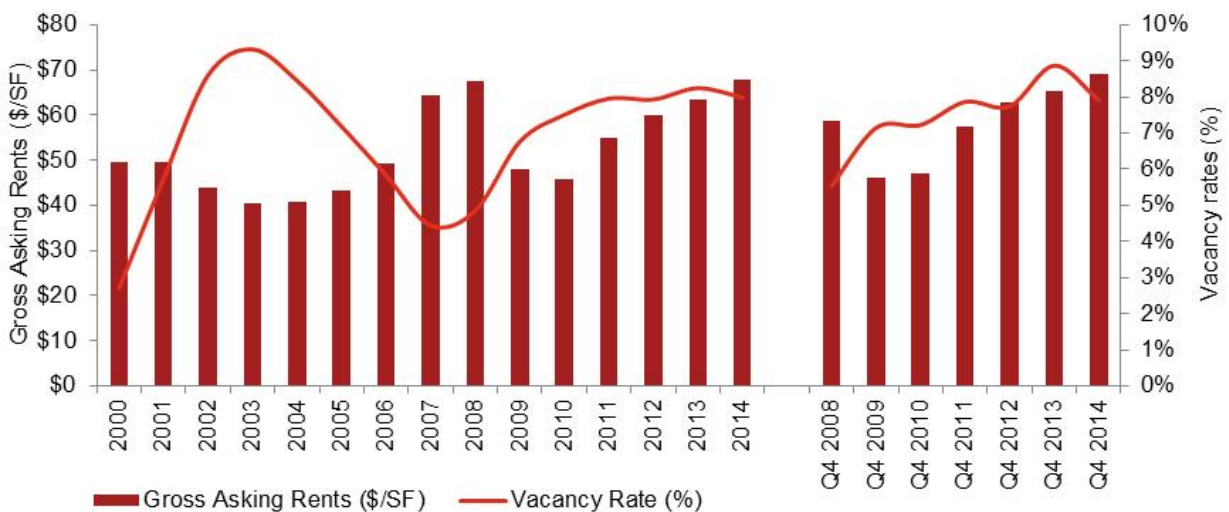
Manhattan's office market showed positive results in the fourth quarter. Overall vacancy rates decreased to 7.9 percent, a decrease of 10.8 percent from year-ago levels, and gross asking rents increased by approximately 5.9 percent, to \$69.15 per square foot.

On an annual basis, office market results mirrored those of the fourth quarter, with vacancy rates decreasing and asking rents increasing, compared to 2013 levels. Vacancy rates in 2014 averaged approximately 8.0 percent for the year, down 3.2 percent from 2013, and asking rents increased to

\$67.88 per square foot, an increase of 7.0 percent over 2013 levels.

During the fourth quarter, vacancy in the Downtown submarket decreased, compared to year-ago levels, to 9.0 percent, a decrease of 1.2 percentage points. The Midtown submarket's vacancy rate was 7.5 percent, a decrease of 0.9 percentage point, compared to year-ago levels. During the same period, the Downtown submarket experienced gross asking rents of \$54.47 per square foot, up 14.4 percent from the same period last year, while the Midtown submarket experienced gross asking rents of \$74.63 per square foot, up 4.3 percent.

Gross asking rents and vacancy rates



Source: PwC, based on CBRE Econometric Advisors data

According to CompStak.com, the following lease transactions took place during the fourth quarter.

Transaction date	Tenant	Address	SF	Rental Rate PSF
Oct-14	MUFG Union Bank	1221 Avenue of The Americas	209,710	\$70.00
Dec-14	BuzzFeed	225 Park Avenue South	194,123	\$64.55
Dec-14	Fiduciary Trust/Franklin Templeton	280 Park Avenue	126,000	\$84.38
Oct-14	Schulte, Roth & Zabel	919 3rd Avenue	283,894	\$75.17

Source: CompStak.com

According to Real Capital Analytics, in November 2014, TIAA-CREF purchased 21 Penn Plaza, a 375,000 square-foot office building at approximately \$651 per square foot from a joint venture between Savanna and Feil Organization, for a total purchase price of \$244 million. In November 2014, MetLife sold 85 Broad Street, a 1.1 million square-foot office building, to Beacon Capital Partners for \$318 per square foot, for a total purchase price of approximately \$350 million. Finally, in December 2014, Blackstone purchased 1740 Broadway, a 601,000 square-foot office building for approximately \$1,007 per square foot from Vornado Realty Trust, for a total purchase price of \$605 million.

Air traffic statistics

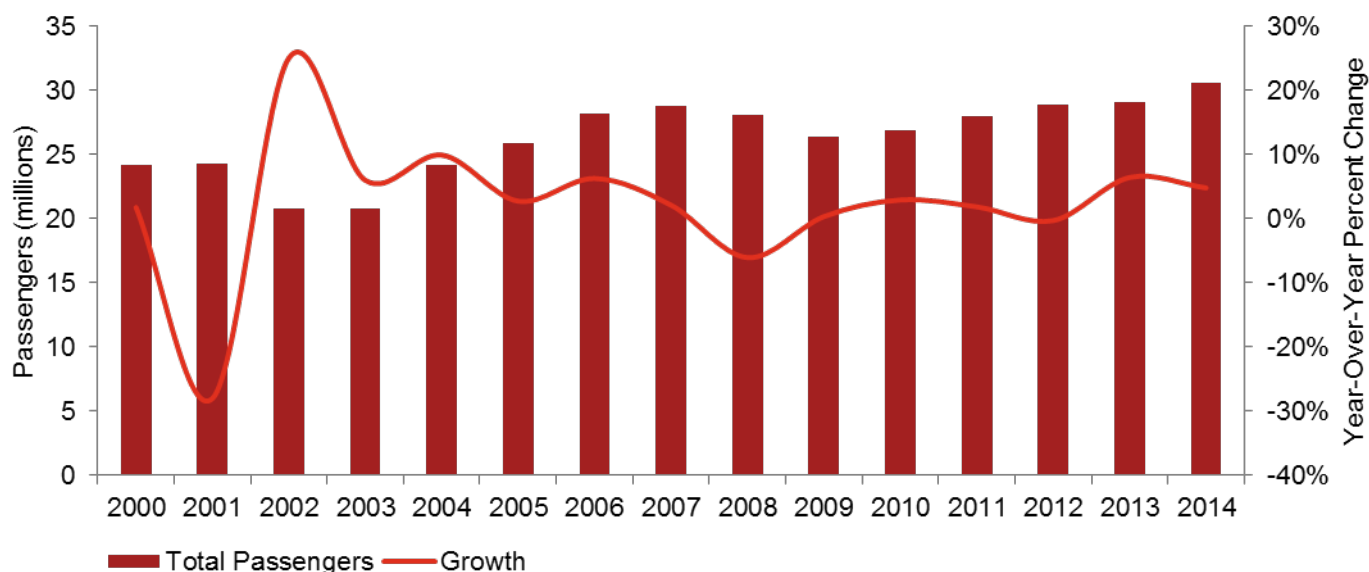
Air traffic levels during the fourth quarter of 2014 increased approximately 4.8 percent from year-ago levels. The three major New York metropolitan airports - Newark Liberty International Airport, LaGuardia International Airport and John F. Kennedy International Airport - combined to serve approximately 28.98 million passengers from October through December 2014, up from 27.66 million

passengers over the same period a year ago.

International passenger traffic increased approximately 5.0 percent to a level of approximately 9.89 million passengers, compared to approximately 9.42 million passengers during the same period last year.

The following chart displays fourth quarter passenger traffic and growth over the past fifteen years.

Q4 passenger traffic



Source: Port Authority of New York and New Jersey

Recent Manhattan hotel transactions

Two hotel transactions occurred during the fourth quarter in Manhattan. In October, the joint venture between GEM Investors, Whitehall Real Estate Fund, and Accor sold the 398-room Sofitel, located at 45 West 44th Street, to Keck Seng Investments (HK) Ltd. for a reported transaction price of approximately \$265 million. In December, the Al Khalifa family purchased the 282-unit Residence Inn New York Manhattan/World Trade Center Area by Marriott, located at 170 Broadway, from a joint venture between Highgate Holdings, Crown Acquisitions, the Carlyle Group, and Tribeca Associates for a reported transaction price of approximately \$151 million.

The following table summarizes these recent transactions.

Transaction date	Hotel name	Rooms	Transaction price	Price per room
Oct - 2014	Sofitel	398	\$265,000,000	\$665,829
Dec - 2014	Residence Inn New York	243	\$151,150,000	\$622,016
	Manhattan/World Trade Center Area			

Source: Real Capital Analytics

Recent and planned hotel openings/closings

Manhattan/World Trade Center Area opened. In February 2015, the 117-room The Paul opened, as did the 330-room Knickerbocker Hotel.

Three hotels recently opened in Manhattan. In January 2015, the 228-unit Residence Inn New York

2015

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Fairfield Inn New York Manhattan Financial District	161 Front St	Lower Manhattan	Lam Generations LLC	Mar-15	176
Baccarat Luxury Hotel & Condominium	20 W 53rd St	Midtown East	VII Hotel II Tribeca Holdings LLC	Mar-15	114
Cambria Suites Chelsea	123 W 28 th St	Lower Manhattan	We Care Trading Co. Ltd.	Mar-15	140
Executive Hotel Le Soleil	38 W 36th St	Times Square Area	8th & Pine Partners LP	Apr-15	162
Gatsby Hotel	163 Orchard St	Lower Manhattan	163 Orchard Street LLC	Apr-15	52
Nobleden Hotel	196 Grand St	Lower Manhattan	196 Grand LLC	Apr-15	47
Four Points by Sheraton New York Downtown	6 Platt St	Lower Manhattan	The Lam Group	Apr-15	261
Marmara Park Avenue	114 E 32nd St	Times Square Area	N/A	Apr-15	128
1 Hotel Central Park	1414 Avenue of the Americas	Times Square Area	Starwood Capital Group	May-15	229
Marriott Clocktower Edition	5 Madison Ave	Lower Manhattan	N/A	May-15	273
EVEN Hotel	219 E 44th St	Midtown East	CCW Realty Inc	Jun-15	173
Cambria Suites Times Square	30 W 46th St	Times Square Area	CS HOTEL 30W46TH, LLC	Jun-15	196
aloft Manhattan Downtown - Financial District	49 Ann St	Lower Manhattan	The Lam Group	Jun-15	128
SLS Hotel New York	444 Park Avenue South	Lower Manhattan	444 Park Avenue Associates	Jun-15	190
Empire Hotel	160 W 56th Street	Times Square Area	Carnegie Towers LLC	Jun-15	63
Hampton Inn Manhattan Times Square Central	220-246 W 41st St	Times Square Area	OTO Development LLC	Jun-15	300
Jarmulowsky Hotel	54 Canal St	Lower Manhattan	Nine Orchard Partners LLC	Jun-15	140
Riff Hotels	102 Greenwich St	Lower Manhattan	102 Greenwich Realty LLC	Jun-15	36
Jade Hotel Bryant Park	34-36 W 38th St	Times Square Area	Gemini Real Estate Advisors	Jun-15	72
Renaissance by Marriott	218 W 35th St	Times Square Area	Cayre Investments	Jul-15	345
John Street Hotel	24 John St	Lower Manhattan	Westbury Realty Associates LLC	Jul-15	128
Audubon Hotel	507 W 181st St	Uptown	505 West 181 Associates LLC	Jul-15	52
Unnamed Hotel	514 W 168th St	Uptown	514 West 168th Street LLC	Aug-15	54

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Tommie Hotel SoHo	231 Hudson St	Lower Manhattan	Eagle Point Hotels	Oct-15	330
Hotel Indigo Lower East Side New York	171 Ludlow St	Lower Manhattan	LES Realty Group LLC	Oct-15	151
EVEN Hotel	321 W 35th St	Times Square Area	CCW Realty Inc	Oct-15	150
Graves Charney Hotel	120 W 41st St	Times Square Area	Stanford Hotels Corporation	Oct-15	130
Residence Inn	215 Pearl St	Lower Manhattan	The Lam Group	Oct-15	200
Courtyard by Marriott	215 Pearl St	Lower Manhattan	The Lam Group	Oct-15	200
Holiday Inn	585 8th Avenue	Times Square Area	IMDN HOLDING LLC	Oct-15	271
Unnamed Hotel	18-20 W 56th St	Times Square Area	Firmdale Hotels	Oct-15	86
Courtyard by Marriott	133 Greenwich St	Lower Manhattan	Hidrock Realty LLC	Oct-15	317
The Beekman – A Thompson Hotel	5 Beekman St	Lower Manhattan	GFI Capital Resources Group Inc	Nov-15	287
RIU Plaza New York Times Square Hotel	301 W 46th ST	Times Square Area	RIU Hotels & Resorts	Nov-15	654
Unnamed Hotel	10 South St	Lower Manhattan	NYC Economic Development Corporation	Nov-15	61
Allen Street Hotel	139 Orchard St	Lower Manhattan	D.A.B. Group LLC	Dec-15	185
Furnished Quarters	70 Pine St	Lower Manhattan	EBNB 70 Pine Owner LLC	Dec-15	132
Unnamed Hotel	88 Allen St	Lower Manhattan	Sun Sun Property Investment	Dec-15	45

2016

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Hyatt House Manhattan Chelsea	101 W 28th St	Lower Manhattan	Celebration Downtown Developers LLC	Jan-16	126
Unnamed Hotel	145 E 47th St	Midtown East	32 East 32nd Realty, LLC	Jan-16	93
Unnamed Hotel	245 W 34th St	Times Square Area	The Cherit Group	Jan-16	180
Fairfield Inn by Marriott	538 W 58th St	Times Square Area	RNMB West 58 LLC	May-16	230
Unnamed Hotel	439 W 54th St	Times Square Area	Mdtn Holdings 42 LLC.	May-16	110
Unnamed Hotel	215 Chrystie St	Lower Manhattan	Chrystie Land Associates LLC	May-16	370
Unnamed Hotel	326 W 37th St	Times Square Area	Bridgeton LLC	May-16	242
Renaissance Hotel	233 -237 W 125th St	Uptown	Danforth Development Partners LLC/ Exact Capital	Jun-16	200+
Four Seasons Hotel and Private Residences New York Downtown	30 Park Place	Lower Manhattan	Silverstein Properties Inc	Jun-16	185
Unnamed Hotel	44 W 29th St	Lower Manhattan	Devli Properties Inc	Jun-16	109
Unnamed Hotel	577 9th Ave	Times Square Area	400 Times Square	Jun-16	527

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
			Associates LLC		
Unnamed Hotel	50 Bowery	Lower Manhattan	Bower Holdings LLC	Jun-16	229
Holiday Inn	100 Greenwich St	Lower Manhattan	Sun Moon New York LLC	Jun-16	192
Hotel Indigo NYC Financial District	8 Maiden Ln	Lower Manhattan	10-12 MLane LLC	Jun-16	192
Unnamed Hotel	132 W 27th St	Lower Manhattan	132 West 27th Equities LLC	Jun-16	313
Tommie Hotel Midtown	11 E 31st St	Lower Manhattan	Simon Development Group	Jul-16	250
Viceroy Hotel	414 W 15th St	Lower Manhattan	LM Legacy Group LLC	Aug-16	158
Hilton Garden Inn Financial Center	6 Water St	Lower Manhattan	Magna Hospitality Group	Aug-16	249
Unnamed Hotel	310 W 40th St	Times Square Area	310 Group LLC	Sep-16	287
Four Points by Sheraton Manhattan Hudson Yards	444 10th Ave	Lower Manhattan	Joy Construction Corp	Sep-16	151
Courtyard By Marriott Hotel	461 W 34th St	Lower Manhattan	34-10 Development LLC	Oct-16	399
Embassy Suites New York Midtown	60 W 37th St	Times Square Area	Hidrock Realty Inc.	Oct-16	310
Bryant Park Hotel	20 W 40th St	Times Square Area	20 W 40 Bryant Park Owner LLC	Oct-16	215
Unnamed Hotel	16 E 30th St	Lower Manhattan	16-18 East 30th Street LLC	Nov-16	36
aloft New York Midtown	25 W 38th St	Times Square Area	Fortuna Fifth Ave LLC	Dec-16	175

2017 and Hotels in permitting and planning

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Times Square Edition Hotel	701 7th Ave	Times Square Area	Ian Schrager Company	May-17	452
Renaissance Hotel	112 W 25th St	Lower Manhattan	The Lam Group	Jul-17	330
Hilton Garden Inn W 37th St Times Square South	326-330 W 37th St	Times Square Area	McSam Hotel Group	Aug-17	250
aloft New York - Hudson Yards at the Convention Center	450 11th Ave	Midtown West	N/A	Nov-17	483
Unnamed Hotel	11 W 29TH St	Lower Manhattan	HFZ Capital Group	Feb-20	306
Unnamed Hotel	50 Trinity Pl	Lower Manhattan	Fit Investment Corporation	N/A	188
Midtown Boutique Hotel	333 W 38th St	Times Square Area	Optima Real Estate LLC	N/A	79
CitizenM on Bowery Boutique Hotel	189 Bowery	Lower Manhattan	OSIB-BCRE	N/A	300
Unnamed Hotel	72 9th Ave	Lower Manhattan	Jamestown Premier Chelsea Market LP	N/A	N/A
Unnamed Hotel	1150 Avenue of the	Times Square Area	Fortuna Realty Group	N/A	187

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Americas					
Unnamed Hotel	520 5th Ave	Uptown/Midtown East	Thor 692 LLC	N/A	208
Virgin Hotel	1227 Broadway	Lower Manhattan	The Lam Group	N/A	489
Unnamed Hotel	217 W 57th St	Times Square Area	Extell Development Co	N/A	433
Unnamed Hotel	710 3rd Ave	Uptown/Midtown East	710 Third Partners LLC	N/A	96
Unnamed Hotel	238 Madison Ave	Lower Manhattan	JSR Capital LLC	N/A	35
Unnamed Hotel	11 Stone St	Lower Manhattan	Premier Emerald LLC	N/A	170
Boutique Hotel at James Farley Post Office	Eighth Avenue- Between West	Lower Manhattan	Moynihan Station Development Corporation	N/A	
Unnamed Hotel	292 5th Ave	Lower Manhattan	DDG	N/A	130
Unnamed Hotel	17 W 24th St	Lower Manhattan	Prime Hotel Management LLC	N/A	68
Dream Hotel & Retail Center	560 Fashion Ave	Times Square Area	560 Seventh Avenue Owner, LLC	N/A	235
Crowne Plaza Times Square	320 W 36th St	Times Square Area	Landmark Realty LLC & Run 78 LLC	N/A	250
Hudson Yards Hotel	432 W 31st St	Lower Manhattan	Arisa Realty 85 LLC	N/A	240
Comfort Inn/Days Inn	337 W 36th St	Times Square Area	338 West LLC	N/A	72
Unnamed Hotel	451 10th Ave	Times Square Area	Madd Equities LLC	N/A	362
Unnamed Hotel	1162 Broadway	Lower Manhattan	1162 Broadway LLC	N/A	52
Unnamed Hotel	138 E 50th St	Uptown/Midtown East	Ceruzzi Properties Inc.	N/A	764
Unnamed Hotel	11 W 37th St	Times Square Area	823 39th Street Brooklyn LLC	N/A	68
Unnamed Hotel	20 W 15th St	Lower Manhattan	NMR Realty LLC	N/A	30
Unnamed Hotel	350 W 39th St	Times Square Area	Mikesam Construction Corporation	N/A	
Unnamed Hotel	28 Desbrosses St	Lower Manhattan	CBCS Washing Street LLC	N/A	113
Unnamed Hotel	244 W 49th St	Times Square Area	250 West 49 Associates LLC	N/A	246
Unnamed Hotel	468 11th Ave	Times Square Area	Bifrost LLC	N/A	242
Hudson Yards Hotel & Apartment Building	540-44 W 38th St	Times Square Area	Panoramic Hudson LLC	N/A	450
Unnamed Hotel	308 W 40th St	Times Square Area	RS308 LLC	N/A	130
Hotel/Apartment Building	131 W 23rd St	Lower Manhattan	The Chelsea Associates LLC	N/A	21
Unnamed Hotel	260 W 40th St	Times Square Area	Palmetto Hospitality of Manhattan	N/A	290
Mixed Use Building	219 Hudson St	Lower Manhattan	Hudson Square Hotel LLC	N/A	56

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	31 W 57th St	Times Square Area	Marina Towers Assocs	N/A	
Unnamed Hotel	322-326 W 44th St	Times Square Area	M&R Hotel Management	N/A	100
Unnamed Hotel	4 W 37th St	Times Square Area	4 WEST 37th Street LLC	N/A	120
Unnamed Hotel	338 W 36th St	Times Square Area	338 West LLC	N/A	406
Unnamed Hotel	324 W 44th St	Times Square Area	338 West LLC	N/A	111
Unnamed Hotel	23 E 39th St	Lower Manhattan	SLC2 Holdings LLC	N/A	98
Unnamed Hotel	319 W 38th St	Times Square Area	319 WEST 38th Street LLC	N/A	142
Unnamed Hotel	1009 3rd Ave	Uptown/Midtown East	Astoria Blvd Realty LLC	N/A	71
Unnamed Hotel	501 W 17th St	Lower Manhattan	HFZ Capital Group	N/A	664
Ace Hotel	225 Bowery	Lower Manhattan	Ace Hotel	N/A	200
Unnamed Hotel	346-354 W 40th St	Times Square Area	McSam Hotel Group	N/A	594
Unnamed Hotel	35 Hudson Yards	Lower Manhattan	The Related Companies	N/A	175
Unnamed Hotel	105 W 28th St	Lower Manhattan	Phyllis M. Jacobson	N/A	364
Comfort Inn	337 W 36th St	Times Square Area	McSam Hotel Group	N/A	72
Unnamed Hotel	360 10th Ave	Lower Manhattan	Sherwood Equities	N/A	N/A

Source: PwC, based on CBRE Econometric Advisors data, news reports, and industry contacts

Fourth quarter 2014 Manhattan lodging index

All Manhattan

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
2013 Market Average	90.9%	86.0%	87.0%	88.0%	\$339.99	\$306.90	\$339.44	\$329.31	\$309.16	\$264.06	\$295.26	\$289.78	86.6%	\$286.08	\$247.86
2014 Market Average	91.3%	86.7%	88.2%	88.8%	\$348.82	\$305.63	\$333.25	\$329.85	\$318.45	\$265.01	\$293.98	\$292.78	87.3%	\$291.95	\$254.73
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Market Average	0.4%	0.8%	1.4%	0.9%	2.6%	-0.4%	-1.8%	0.2%	3.0%	0.4%	-0.4%	1.0%	0.7%	2.1%	2.8%

By Class

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Luxury – 2013	87.1%	83.3%	83.8%	84.7%	\$492.89	\$467.20	\$512.57	\$491.28	\$429.40	\$389.13	\$429.39	\$416.26	83.1%	\$424.30	\$352.58
Luxury – 2014	88.0%	83.1%	84.4%	85.2%	\$510.98	\$480.14	\$515.25	\$502.59	\$449.90	\$399.22	\$434.93	\$428.33	82.9%	\$436.67	\$361.94
Upper Upscale – 2013	91.2%	86.6%	86.6%	88.2%	\$345.69	\$314.02	\$345.87	\$335.67	\$315.26	\$272.02	\$299.69	\$295.94	86.4%	\$291.24	\$251.56
Upper Upscale – 2014	91.5%	86.9%	88.8%	89.1%	\$348.49	\$311.00	\$337.89	\$333.01	\$319.00	\$270.33	\$300.14	\$296.78	87.5%	\$294.56	\$257.60
Upscale – 2013	94.0%	89.6%	90.4%	91.3%	\$289.44	\$249.43	\$284.93	\$275.29	\$272.03	\$223.44	\$257.69	\$251.44	89.3%	\$240.69	\$214.90
Upscale – 2014	94.7%	90.9%	92.0%	92.5%	\$298.02	\$245.95	\$275.61	\$273.84	\$282.10	\$223.52	\$253.56	\$253.38	90.5%	\$245.13	\$221.78
Upper Midscale – 2013	90.8%	84.5%	88.7%	88.1%	\$261.21	\$220.20	\$247.02	\$243.55	\$237.21	\$186.14	\$219.14	\$214.47	88.2%	\$216.68	\$191.14
Upper Midscale - 2014	88.4%	85.0%	86.6%	86.7%	\$269.60	\$217.54	\$239.25	\$242.74	\$238.25	\$184.83	\$207.23	\$210.38	88.1%	\$217.98	\$192.00
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Luxury	1.1%	-0.2%	0.8%	0.6%	3.7%	2.8%	0.5%	2.3%	4.8%	2.6%	1.3%	2.9%	-0.3%	2.9%	2.7%
Upper Upscale	0.4%	0.3%	2.5%	1.1%	0.8%	-1.0%	-2.3%	-0.8%	1.2%	-0.6%	0.2%	0.3%	1.2%	1.1%	2.4%
Upscale	0.7%	1.5%	1.7%	1.3%	3.0%	-1.4%	-3.3%	-0.5%	3.7%	0.0%	-1.6%	0.8%	1.3%	1.8%	3.2%
Upper Midscale	-2.7%	0.5%	-2.4%	-1.6%	3.2%	-1.2%	-3.1%	-0.3%	0.4%	-0.7%	-5.4%	-1.9%	-0.1%	0.6%	0.5%

By Neighborhood

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Upper Manhattan – 2013	88.5%	82.3%	84.5%	85.1%	\$423.51	\$417.62	\$420.25	\$420.57	\$375.01	\$343.68	\$355.03	\$358.06	83.6%	\$359.23	\$300.29
Upper Manhattan – 2014	88.4%	81.2%	83.7%	84.5%	\$430.58	\$412.54	\$421.53	\$421.90	\$380.62	\$334.96	\$352.74	\$356.34	82.9%	\$366.00	\$303.51
Midtown West – 2013	91.8%	86.7%	87.8%	88.8%	\$333.91	\$301.81	\$344.52	\$327.41	\$306.67	\$261.67	\$302.60	\$290.73	88.0%	\$282.50	\$248.60
Midtown West – 2014	93.0%	89.0%	90.5%	90.8%	\$341.98	\$298.29	\$336.59	\$326.21	\$317.98	\$265.46	\$304.49	\$296.31	88.5%	\$286.95	\$253.96
Midtown East – 2013	90.8%	87.5%	88.5%	88.9%	\$362.30	\$326.56	\$371.67	\$353.98	\$328.92	\$285.63	\$328.87	\$314.79	85.0%	\$303.33	\$257.69
Midtown East – 2014	91.5%	87.3%	89.6%	89.5%	\$371.01	\$328.52	\$365.31	\$355.54	\$339.54	\$286.88	\$327.19	\$318.18	87.4%	\$313.52	\$273.90
Midtown South – 2013	91.8%	86.9%	87.1%	88.6%	\$288.67	\$250.60	\$269.04	\$269.98	\$264.96	\$217.86	\$234.46	\$239.28	88.6%	\$239.93	\$212.62
Midtown South – 2014	92.2%	87.2%	87.4%	89.0%	\$301.62	\$253.80	\$270.88	\$276.16	\$278.18	\$221.30	\$236.87	\$245.71	88.4%	\$245.86	\$217.38
Lower Manhattan – 2013	88.8%	83.4%	84.2%	85.5%	\$359.05	\$320.25	\$325.69	\$335.64	\$318.97	\$267.13	\$274.08	\$286.94	84.8%	\$302.55	\$256.55
Lower Manhattan - 2014	85.7%	80.9%	83.3%	83.3%	\$368.19	\$319.86	\$313.77	\$334.40	\$315.52	\$258.77	\$261.26	\$278.60	84.5%	\$304.45	\$257.19
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Upper Manhattan	-0.2%	-1.3%	-0.9%	-0.8%	1.7%	-1.2%	0.3%	0.3%	1.5%	-2.5%	-0.6%	-0.5%	-0.8%	1.9%	1.1%
Midtown West	1.2%	2.6%	3.0%	2.3%	2.4%	-1.2%	-2.3%	-0.4%	3.7%	1.5%	0.6%	1.9%	0.6%	1.6%	2.2%
Midtown East	0.8%	-0.2%	1.2%	0.6%	2.4%	0.6%	-1.7%	0.4%	3.2%	0.4%	-0.5%	1.1%	2.8%	3.4%	6.3%
Midtown South	0.5%	0.3%	0.3%	0.4%	4.5%	1.3%	0.7%	2.3%	5.0%	1.6%	1.0%	2.7%	-0.2%	2.5%	2.2%
Lower Manhattan	-3.5%	-3.0%	-1.1%	-2.5%	2.5%	-0.1%	-3.7%	-0.4%	-1.1%	-3.1%	-4.7%	-2.9%	-0.4%	0.6%	0.3%

Neighborhood Index

Upper Manhattan 59th Street and North	Midtown West 5th Avenue and West from 34th Street to 58th Street	Midtown East 5th Avenue and East from 34th Street to 58th Street	Midtown South 14th Street to 34th Street	Lower Manhattan 14th Street and South
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By Service

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Full Service – 2013	91.0%	86.4%	87.2%	88.3%	\$351.36	\$319.21	\$354.03	\$342.02	\$319.87	\$275.92	\$308.88	\$301.84	86.6%	\$296.14	\$256.42
Full Service – 2014	91.0%	86.7%	88.4%	88.7%	\$360.96	\$318.85	\$348.75	\$343.44	\$328.37	\$276.41	\$308.28	\$304.66	87.3%	\$302.73	\$264.15
Limited Service – 2013	90.5%	84.3%	85.9%	86.9%	\$291.03	\$252.72	\$278.24	\$274.71	\$263.33	\$213.13	\$238.99	\$238.76	86.9%	\$242.90	\$211.02
Limited Service - 2014	92.6%	86.8%	87.5%	89.0%	\$301.59	\$253.33	\$272.21	\$276.48	\$279.15	\$219.89	\$238.21	\$245.99	87.2%	\$248.63	\$216.91
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Full Service	-0.1%	0.3%	1.3%	0.5%	2.7%	-0.1%	-1.5%	0.4%	2.7%	0.2%	-0.2%	0.9%	0.8%	2.2%	3.0%
Limited Service	2.3%	2.9%	1.9%	2.4%	3.6%	0.2%	-2.2%	0.6%	6.0%	3.2%	-0.3%	3.0%	0.4%	2.4%	2.8%

By Affiliation

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Chain Affiliated – 2013	91.3%	87.4%	88.8%	89.2%	\$357.28	\$323.29	\$360.29	\$347.55	\$326.31	\$282.41	\$319.94	\$309.94	87.5%	\$303.45	\$265.64
Chain Affiliated – 2014	91.5%	87.7%	89.5%	89.6%	\$362.85	\$320.25	\$350.36	\$345.05	\$331.88	\$280.82	\$313.59	\$309.07	88.1%	\$306.18	\$269.73
Independent – 2013	90.3%	84.1%	84.1%	86.2%	\$312.62	\$280.39	\$304.37	\$299.63	\$282.40	\$235.73	\$256.01	\$258.22	85.3%	\$258.48	\$220.61
Independent - 2014	91.1%	85.3%	86.1%	87.5%	\$325.86	\$281.01	\$303.70	\$304.27	\$296.90	\$239.57	\$261.40	\$266.24	85.9%	\$268.19	\$230.45
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Chain Affiliated	0.1%	0.4%	0.8%	0.4%	1.6%	-0.9%	-2.8%	-0.7%	1.7%	-0.6%	-2.0%	-0.3%	0.6%	0.9%	1.5%
Independent	0.9%	1.4%	2.3%	1.5%	4.2%	0.2%	-0.2%	1.5%	5.1%	1.6%	2.1%	3.1%	0.7%	3.8%	4.5%

Source: PwC, based on STR data

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Further reading



Hospitality Directions US January 2015

Room rate driven RevPAR gains take hold in 2015, as the US lodging industry flirts with highest occupancy levels since 1984.

Our updated outlook for 2015 anticipates RevPAR growth of 7.4% with accelerating rate growth, as favorable demand-supply continues.



PwC Real Estate Investor Survey Fourth Quarter 2014

Fervent competition for a limited pool of quality offerings, still-low interest rates, and an abundance of debt and equity pursuing commercial real estate continue to compress yields for the best properties and the best locations across each major property sector.

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PwC US Real Estate Insights Winter 2015

Where do we go from here? The impact of millennials on urban real estate.

This issue also discusses the resurgence of the mortgage REIT.

We also provide our perspective on the latest market and economic trends, regulatory activities and legislative changes affecting the real estate industry.

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