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# *Manhattan lodging index*

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*First quarter 2014*

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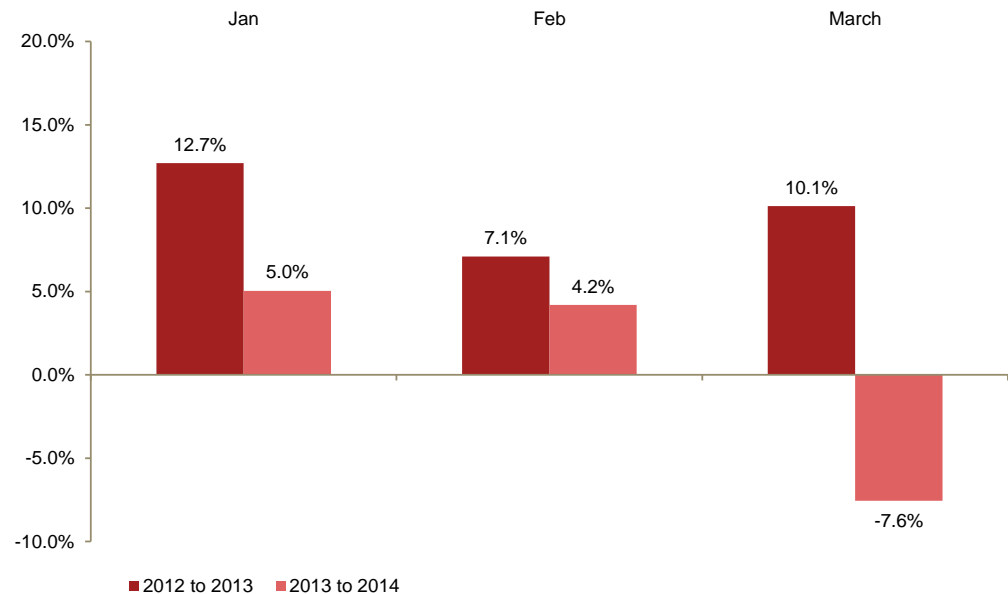
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# *Manhattan lodging overview*

**In the first quarter, modest increases in average daily rate (“ADR”) did not offset Manhattan’s declining occupancy levels, resulting in a marginal decrease in revenue per available room (“RevPAR”).**

During the first quarter of 2014, Manhattan’s occupancy levels decreased by 2.3 percent, compared to the same period last year, as elevated demand levels in Q1 2013 resulting from the after effects of Superstorm Sandy did not exist in Q1 2014. After strong growth in January and February, ADR decreased sharply in March, resulting in ADR growth of 1.9 percent in the first quarter. As a result, RevPAR declined 0.5 percent in the first quarter.

### ***Manhattan Q1 RevPAR growth by month***



Source: PwC, based on Smith Travel Research data

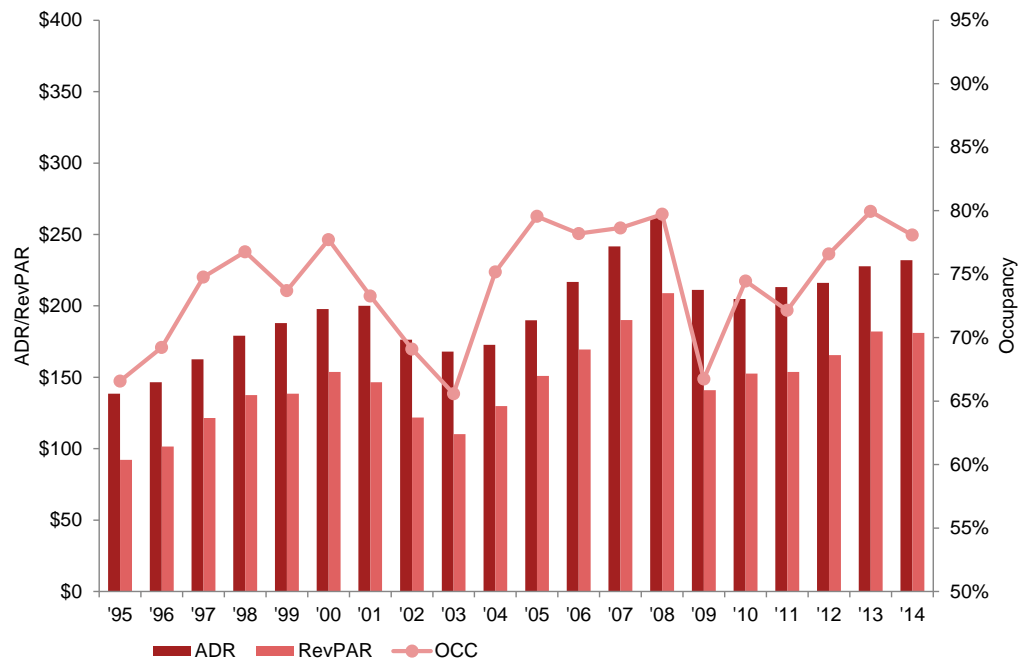
On the basis of class, RevPAR for the upper upscale segment remained relatively flat, increasing 0.1 percent from year-ago levels, while RevPAR declined for all other segments, driven primarily by a decline in occupancy levels. The upper midscale segment ended the first quarter with the largest decline in RevPAR, decreasing 3.6 percent compared to the prior year period, followed by the upscale and luxury segments, with year-over-year RevPAR declines of 2.0 percent and 0.4 percent, respectively. Across all segments, RevPAR declines were also driven, in part, by significant declines in ADR in March, which served to slow first quarter ADR growth. Upper midscale was the only segment to have an overall decline in ADR for the quarter.

At the neighborhood level, all submarkets experienced a decline in RevPAR in the first quarter, with the exception of Midtown East, which was also the only neighborhood to experience an increase in occupancy levels, resulting in RevPAR growth of 6.9 percent. Midtown West and Lower Manhattan experienced the most significant decreases in RevPAR, declining 2.9 percent and 2.5 percent, respectively.

In the first quarter, while as a group, both full service and limited service hotels experienced occupancy declines in the quarter, full service hotels outperformed limited service, primarily due to strong ADR growth in January and February, offsetting ADR declines in March. As a result, RevPAR levels at full service hotels increased at a marginal pace of 0.2 percent, while limited service hotels experienced a decline of 3.1 percent.

Continuing the trend from prior quarters, independent hotels outperformed chain-affiliated hotels in terms of RevPAR growth, with a 1.0 percent increase in the first quarter, compared to a 1.9 percent decline for chain-affiliated hotels.

## ***Manhattan Q1 performance, 20-year trend***



Source: PwC, based on Smith Travel Research data

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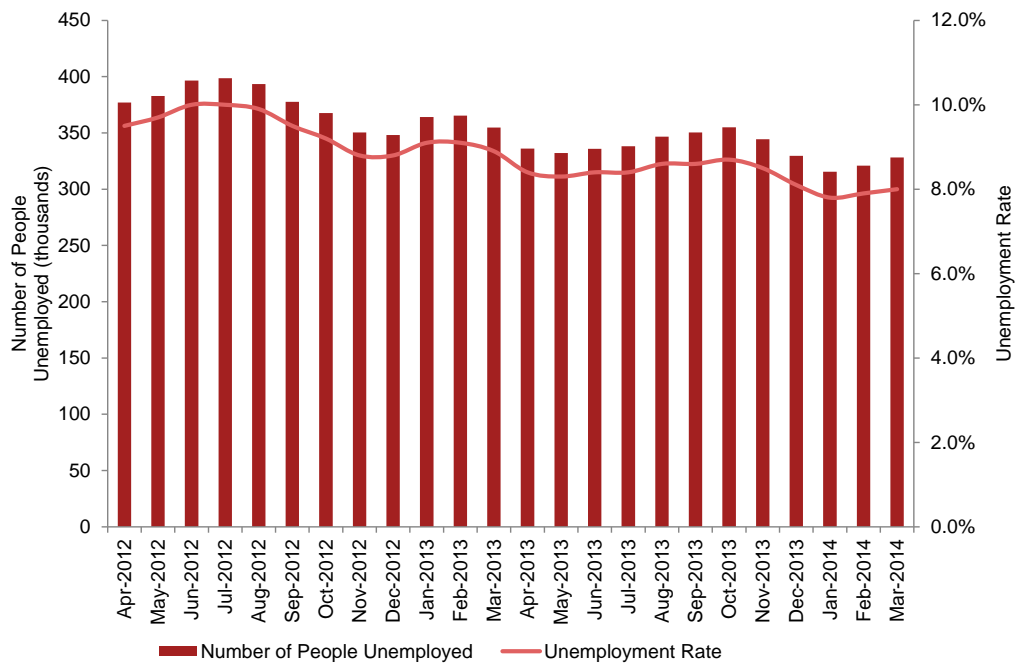
# *Employment trends*

The New York City labor market continued to improve, as unemployment rates declined compared to year-ago levels. According to the New York State Department of Labor, New York City's seasonally adjusted unemployment rate averaged 7.9 percent in the first quarter of 2014, a decline of approximately 12.5 percent from the same period last year. New York State's seasonally adjusted unemployment rate averaged 6.8 percent in the first quarter of 2014, down 18.0 percent from the same period last year.

The US unemployment rate continued to decline during the first quarter of 2014, decreasing from 7.0 percent in the fourth quarter of 2013 to 6.7 percent in the first quarter of 2014.

According to the New York State Department of Labor, for the twelve-month period ended March 2014, New York City's private sector employment increased by 76,200, or 2.3 percent, to 3,456,700. During the period, job growth occurred in education and health services, which added 28,000 jobs, trade, transportation, and utilities, which added 15,800 jobs, professional & business services, which added 15,500 jobs, leisure and hospitality, which added 8,000 jobs, other services, which added 3,600 jobs, information services, which added 3,000 jobs, and manufacturing, which added 2,300 jobs. The job growth in financial activities and construction sectors remained flat during the twelve-month period.

### ***New York City Unemployment for the 24-month period ended March 2014***



Source: New York State Department of Labor

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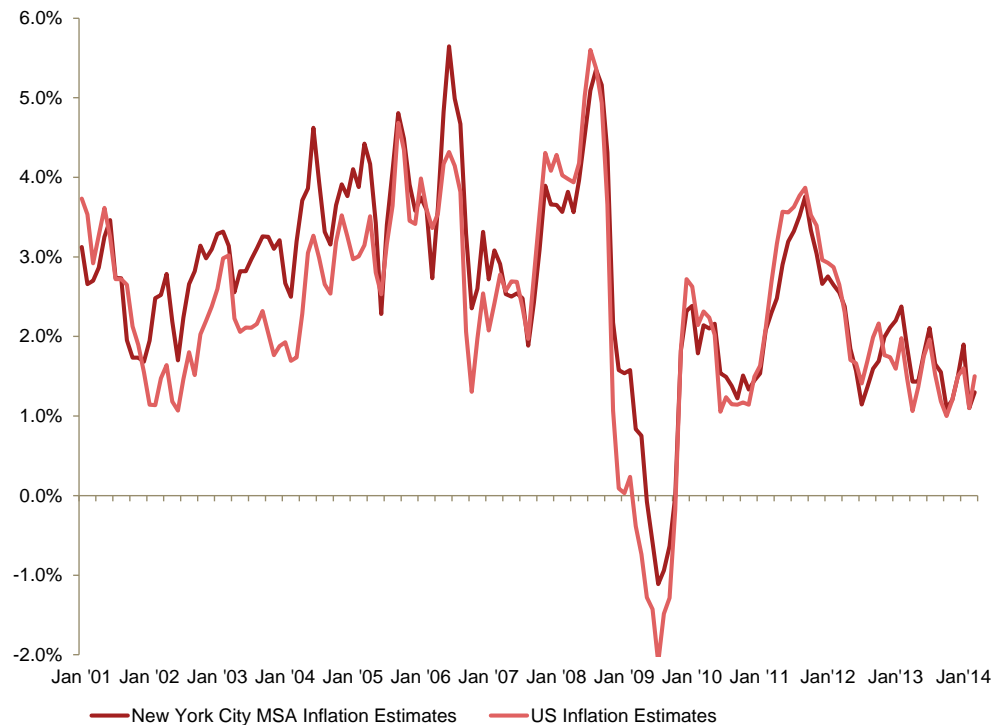
# *Gross metro product and consumer price Index*

The US economic recovery decelerated in the first quarter of 2014. According to the advance estimate released by the Bureau of Economic Analysis, US real gross domestic product ("GDP") increased at a seasonally-adjusted, annualized pace of only 0.1 percent, compared to a 2.6 increase in the fourth quarter of 2013. Although personal consumption expenditures ("PCE") increased by 3.0 percent, a positive sign for the domestic lodging sector, this increase was almost entirely offset by declines in other sectors of the economy.

At the local level, New York's gross metro product is expected to increase by 2.9 percent in 2014, according to Moody's Economy.com forecast as of January 2014.

New York City's consumer price index ("CPI") increased by an average of 1.4 percent during the first quarter compared to year-ago levels, in line with the 1.4 percent national increase.

## *Consumer price index*



Source: Bureau of Labor Statistics

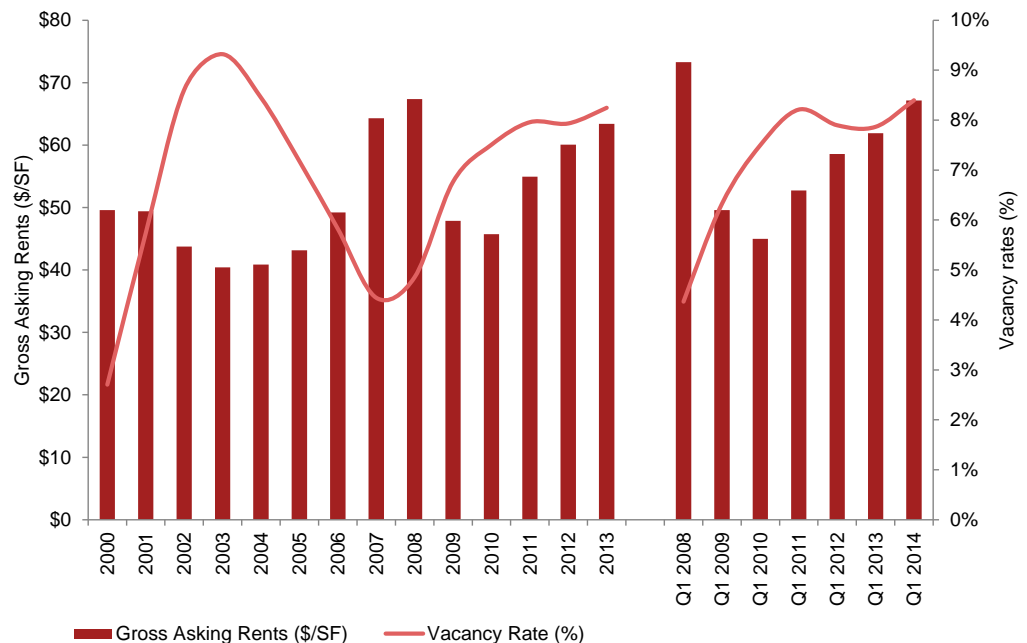
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# *Office market statistics*

Manhattan's office market continued to show mixed results in the first quarter of 2014. Overall vacancy rates increased to approximately 8.4 percent, an increase of 6.7 percent from year-ago levels, while gross asking rents increased by approximately 8.5 percent, to \$67.16 per square foot, compared to the same period last year.

During the first quarter, vacancy in the Downtown submarket continued to rise above year-ago levels as supply from the 4 World Trade Center building, which added 1.8 million square feet in November 2013, continues to be absorbed. The Downtown submarket's vacancy rate was 9.5 percent in the first quarter, an increase of 2.6 percentage points compared to the same period last year. The Midtown submarket's vacancy rate was 8.0 percent, a decrease of 0.2 percentage point compared to the same period last year. However, during the same period, the Downtown submarket experienced gross asking rents of \$48.57 per square foot, up 10.6 percent from the same period last year, while the Midtown submarket experienced gross asking rents of \$73.85 per square foot, up 8.4 percent.

## *Gross asking rents and vacancy rates*



Source: PwC, based on CBRE Econometric Advisors data

According to the Real Deal, in January 2014, City University of New York (CUNY) renewed a 20-year lease for 167,072 square feet at 255 Greenwich Street. In February 2014, GroupM became the first tenant at 3 World Trade Center when it signed a 20-year lease for nine floors. In March 2014, TripAdvisor signed a 10-year lease for 38,000 square feet at 330 Hudson Street. In addition, Cushman & Wakefield reported that Time Warner leased 943,438 square feet at 60 Columbus Circle, Sony Corporation of America leased 525,000 square feet at 11 Madison Avenue, and New York & Company leased 176,932 square feet at 330 West 34<sup>th</sup> Street in the first quarter.

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According to Cushman & Wakefield, in the first quarter, a joint venture between Rockpoint Group and Fisher Brothers Affiliates purchased a 50% interest in the office space at 1345 Avenue of the Americas, totaling approximately 1.7 million square feet, for a purchase price of \$844 per square foot.

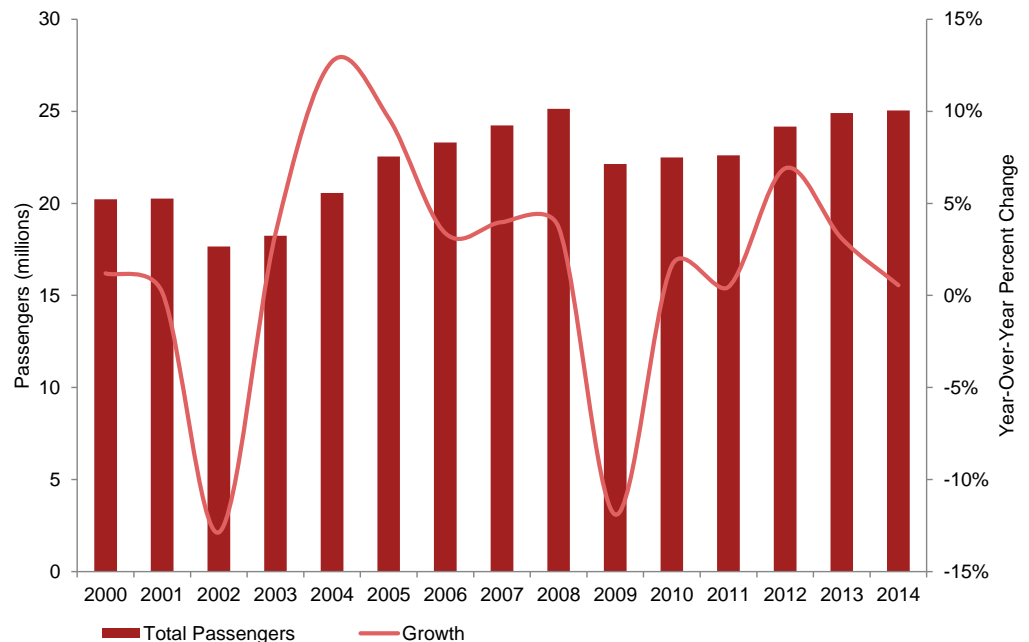
According to Real Capital Analytics, in January 2014, a joint venture between the Related Companies, the Government of Singapore, and Abu Dhabi Investment Authority purchased the 1.1 million square-foot office building at 10 Columbus Circle for approximately \$1,185 per square foot from Time Warner. Bloomberg News reported that the owners leased the space back to Time Warner under a five-year lease, at the end of which the media giant would relocate to an 80-story building planned for Related's Hudson Yards development in Midtown West. In February 2014, Scholastic Inc. purchased the 216,000 square-foot office building at 555 Broadway for \$1,181 per square foot from ISE America. Finally, in March 2014, a joint venture between Jeff Sutton and SL Green purchased the 196,000 square-foot office building at 530-536 Broadway for \$1,663 per square foot from a joint venture between Thor Equities and Premier Equities.

# *Air traffic statistics*

Air traffic levels during the first quarter of 2014 increased approximately 0.6 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 25.05 million passengers from January through March 2014, up from 24.91 million passengers over the same period a year ago. International passenger traffic increased approximately 2.8 percent to a level of approximately 8.57 million passengers, compared to approximately 8.34 million passengers during the same period last year.

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

### *Q1 passenger traffic*



Source: Port Authority of New York and New Jersey

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# *Recent Manhattan hotel transactions*

Three hotel transactions occurred during the first quarter in Manhattan. In February 2014, the 135-room Bedford Hotel was sold by Metropole Realty Advisors to Meadow Partners for a reported transaction price of \$22 million. In March 2014, Qatar Holding LLC purchased an 80% partial interest in the 686-room InterContinental Barclay from InterContinental Hotels Group for a reported transaction price of approximately \$240 million. Also in March, the 72-room Best Western Plus Seaport Inn was sold by WNW Hospitality Group to PSF Seaport Realty Corporation for a reported transaction price of approximately \$31 million.

The following table summarizes these recent transactions.

Transaction date	Hotel name	Rooms	Transaction price	Price per room
March 2014	InterContinental Barclay	686	\$240,000,000 <sup>1</sup>	\$349,854
March 2014	Best Western Plus Seaport Inn	72	\$31,000,000	\$430,556
February 2014	Bedford Hotel	135	\$22,000,000	\$162,963

<sup>1</sup>Represents 80 percent partial interest sale

Source: Real Capital Analytics

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# *Recent and planned hotel openings/closings*

Two hotels recently opened in Manhattan. In April 2014, both the 230-room CitizenM Times Square and the 122-room Hotel Hugo opened.

## 2014

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Hilton Garden Inn New York Manhattan Midtown East	206 E 52nd St	Uptown/Midtown East	Nevins Street Lessee Associates	Jun-14	206
Hampton Inn Manhattan/Downtown Financial District	32 Pearl St	Lower Manhattan	Hersha Hospitality	Jun-14	81
The Ludlow Hotel	180 Ludlow St	Lower Manhattan	180 Ludlow Development LLC	Jun-14	184
Four Points by Sheraton New York Downtown	6 Platt St	Lower Manhattan	The Lam Group	Jul-14	264
Homewood Suites Midtown Manhattan Times Square South	312 W 37th St	Times Square Area	West 37th Street Partners LLC c/o Albanese Organiz	Jul-14	293
Archer New York	45-49 W 38th St	Times Square Area	Lodgeworks	Jul-14	180
Comfort Inn & Suites New York	154 Madison St	Lower Manhattan	USA Senwell Fund Management LLC	Jul-14	41
Cassa Hotel and Residences	515 9th Ave	Times Square Area	511 9th LLC	Aug-14	87
Fairfield Inn New York Manhattan Financial District	161 Front St	Lower Manhattan	Lam Generations LLC	Aug-14	176
aloft Manhattan Downtown - Financial District	49 Ann St	Lower Manhattan	The Lam Group	Aug-14	125
Hilton Garden Inn New York Midtown Park Avenue	45 E 33rd St	Lower Manhattan	Empire 33rd Street LLC	Aug-14	232
The Knickerbocker Hotel	1462 Broadway	Times Square Area	AC Broadway 1466 LP	Sep-14	330
Holiday Inn Hotel Manhattan Financial District	99 Washington St	Lower Manhattan	McSam Hotel Group	Sep-14	400
One 57 Park Hyatt Hotel	151-161 W 57th St	Times Square Area	Extell Development Co	Sep-14	201
Hilton Garden Inn New York Times Square Central	136 W 42nd St	Times Square Area	AC Broadway 1466 LP	Sep-14	282
Cambria Suites Chelsea	123 W 28th St	Lower Manhattan	We Care Trading Co. Ltd.	Oct-14	135
1 Hotel Central Park	1414 Avenue of the Americas	Times Square Area	Starwood Capital Group	Oct-14	230
Residence Inn New York Lower Manhattan	170 Broadway	Lower Manhattan	AC Broadway 1466 LP	Oct-14	228
Baccarat Hotel & Residences	20 W 53rd St	Uptown/Midtown East	VIII Hotel II Tribeca Holdings LLC	Oct-14	113
Furnished Quarters	70 Pine St	Lower Manhattan	EBNB 70 Pine Owner LLC c/o Rose	Oct-14	132

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
SLS Hotel New York	444 Park Ave S	Lower Manhattan	444 Park Avenue Associates	Oct-14	190
Audubon Hotel	507 W 181st St	Uptown/Midtown East	505 West 181 Associates LLC	Oct-14	54
Marmara Park Avenue	114 E 32nd St	Times Square Area	N/A	Oct-14	128
Unnamed Hotel	102 Greenwich St	Lower Manhattan	102 Greenwich Realty LLC	Nov-14	36
Unnamed Hotel	163 Orchard St	Lower Manhattan	163 Orchard Street LLC	Dec-14	52
Unnamed Hotel	145 E 47th St	Midtown East	32 East 32nd Realty, LLC	Dec-14	93
Hotel Indigo	180 Orchard St	Lower Manhattan	LES Realty Group LLC	Dec-14	290
CitizenM	185-191 Bowery	Lower Manhattan	Brack Capital Real Estate	Dec-14	315
Thompson Hotel Downtown	5 Beekman St	Lower Manhattan	5 Beekman Property Owner LLC	Dec-14	287
Unnamed Hotel	514 W 168th St	Uptown/Midtown East	514 West 168th Street LLC	Dec-14	54
John Street Hotel	24 John St	Lower Manhattan	N/A	Dec-14	128

## 2015

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	218 W 35th St	Times Square Area	Cayre Investments	Jan-15	342
Unnamed Hotel	32 W 29th St	Lower Manhattan	32-34 W. 29th Realty LLC	Feb-15	117
Grand Street Hotel	196 Grand St	Lower Manhattan	196 Grand LLC	Mar-15	47
Unnamed Hotel	160 W 56th St	Times Square Area	Carnegie Towers LLC	Mar-15	63
Executive Hotel Le Soleil New York	38 W 36th St	Times Square Area	8th & Pine Partners LP	Mar-15	160
Marriott Edition Clocktower	5 Madison Ave	Midtown East	N/A	Mar-15	355
Cambria Suites Times Square	30 W 46th St	Times Square Area	CS HOTEL 30W46TH, LLC	Apr-15	196
aloft New York Midtown	25 W 38th St	Times Square Area	Fortuna Fifth Ave LLC	Apr-15	N/A
Hampton Inn Manhattan Times Square Central	220-246 W 41st St	Times Square Area	OTO Development LLC	May-15	300
Unnamed Hotel	538 W 58th St	Times Square Area	McSam Hotel Group	May-15	230
EVEN Hotel	219 E 44th St	Uptown/Midtown East	CCW Realty Inc	Jun-15	150

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Times Square Hotel	577 9th Ave	Times Square Area	Friedman Group and Landis Group	Jun-15	510
Graves Charney Hotel	120 W 41st St	Times Square Area	Stanford Hotels Corporation	Jun-15	130
Residence Inn	215 Pearl St	Lower Manhattan	The Lam Group	Jun-15	120
Courtyard by Marriott	216 Pearl St	Lower Manhattan	The Lam Group	Jun-15	200
Hyatt House Manhattan Chelsea	101 W 28th St	Lower Manhattan	Lexin Capital	Jun-15	132
EVEN Hotel	321 W 35th St	Lower Manhattan	CCW Realty Inc	Jun-15	150
Unnamed Hotel	88 Allen St	Lower Manhattan	Sun Sun Property Investment	Jun-15	45
Unnamed Hotel	245 W 34th St	Times Square Area	The Chetrit Group	Jun-15	180
Holiday Inn Manhattan New York	585 8th Ave	Times Square Area	IMDN HOLDING LLC	Jul-15	199
Unnamed Hotel	10 South St	Lower Manhattan	NYC Economic Development Corporation	Jul-15	58
RIU Plaza New York Times Square Hotel	301 W 46th St	Times Square Area	RIU Hotels & Resorts	Aug-15	600
Unnamed Hotel	54 Canal St	Lower Manhattan	DLJ Real Estate Partners	Sep-15	140
Unnamed Hotel	18-20 W 56th St	Times Square Area	Firmdale Hotels	Oct-15	N/A
Courtyard by Marriott	133 Greenwich St	Lower Manhattan	Hidrock Realty LLC	Oct-15	317
Jade Hotel Bryant Park	34-36 W 38th St	Times Square Area	Gemini Real Estate Advisors	Dec-15	114

## *2016 and Hotels in permitting and planning*

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Embassy Suites New York Midtown	60 W 37th St	Times Square Area	N/A	Jan-16	310
Four Seasons	99 Church St	Lower Manhattan	Silverstein Properties Inc	Mar-16	185
Tommie Hotel	11 E 31st St	Midtown East	Simon Development Group	Mar-16	250
Four Points by Sheraton Manhattan Hudson Yards	444 10th Ave	Midtown West	YYY West 36th Street LLC	Mar-16	N/A
Tommie Hotel SoHo	Renwick St	Lower Manhattan	N/A	Apr-16	329
Hotel Indigo	22 Maiden Lane	Lower Manhattan	10-12 MLane LLC	Jun-16	190
Hilton Garden Inn Financial Center	6 Water St	Lower Manhattan	Magna Hospitality Group	Aug-16	249

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Marriott Edition	701 7th Ave	Times Square Area	Vimar Realty Corp c/o W & S Inc	Jan-17	452
Unnamed Hotel	233 -237 W 125th St	Uptown	Danforth Development Partners LLC/Exact Capital	N/A	210
Unnamed Hotel	53 W 53rd St	Midtown East	W205 Hines West Fifth Realty LLC	N/A	100
Unnamed Hotel	16 E 30th St	Midtown East	16-18 East 30th Street LLC	N/A	61
Unnamed Hotel	N/A	N/A	Dewberry Capital Corporation	N/A	80
Unnamed Hotel	112 W 25th St	Midtown West	The Lam Group	N/A	360
Unnamed Hotel	1212 Broadway	Lower Manhattan	1212 Broadway NYC LLC c/o Fantas	N/A	N/A
Unnamed Hotel	333 W 38th St	Midtown West	Optima Real Estate LLC	N/A	79
Unnamed Hotel	72 9th Ave	Lower Manhattan	Jamestown Premier Chelsea Market LP	N/A	N/A
Unnamed Hotel	231 Hudson St	Lower Manhattan	McSam Hotel Group	N/A	129
Unnamed Hotel	501 Canal St	Lower Manhattan	McSam Hotel Group	N/A	93
Unnamed Hotel	708 Broadway	Lower Manhattan	King & Grove	N/A	249
Unnamed Hotel	516 5th Ave	Times Square Area	Thor Equities	N/A	N/A
Unnamed Hotel	215 Chrystie St	Lower Manhattan	Chrystie Land Associates LLC	N/A	367
Virgin Hotel	1227 Broadway	Lower Manhattan	The Lam Group	N/A	300
Unnamed Hotel	50 Bowery	Lower Manhattan	Bower Holdings LLC	N/A	229
Unnamed Hotel	217 W 57th St	Times Square Area	Extell Development Co	N/A	N/A
Unnamed Hotel	44 W 29th St	Midtown East	Devli Properties Inc	N/A	110
Unnamed Hotel	19 W 55th St	Times Square Area	AREP 19 Fifty-Fifth LLC	N/A	376
Unnamed Hotel	710 3rd Ave	Midtown East	710 Third Partners LLC	N/A	47
Unnamed Hotel	238 Madison Ave	Lower Manhattan	JSR Capital LLC	N/A	N/A
Unnamed Hotel	100 Greenwich St	Lower Manhattan	Sun Moon New York LLC	N/A	90
Unnamed Hotel	439 W 54th St	Times Square Area	Mdtn Holdings 42 LLC.	N/A	110
Unnamed Hotel	448 11th Ave	Times Square Area	Marx Development Group	N/A	420

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	11 Stone St	Lower Manhattan	Premier Emerald LLC	N/A	170
MTA Headquarter Renovation	341 Madison Ave	Midtown East	Cushman & Wakefield	N/A	N/A
Unnamed Hotel	421 8th Ave	Lower Manhattan	Moynihan Station Development Corporation	N/A	N/A
Courtyard by Marriott	461 W 34th St	Midtown West	Marx Development Group	N/A	399
Unnamed Hotel	310 W 40th St	Times Square Area	310 Group LLC	N/A	287
Unnamed Hotel	132 W 27th St	Midtown West	132 West 27th Equities LLC	N/A	313
Unnamed Hotel	326 W 37th St	Times Square Area	McSam Hotel Group	N/A	242
Unnamed Hotel	20 W 40th St	Times Square Area	20 W 40 Bryant Park Owner LLC	N/A	215
Unnamed Hotel	292 5th Ave	Lower Manhattan	DDG	N/A	130
Unnamed Hotel	17 W 24th St	Lower Manhattan	Suzuki Capital LLC	N/A	68
Unnamed Hotel	205 W 40th St	Times Square Area	Soho Properties Inc/ Murray Hill Properties	N/A	260
Unnamed Hotel	152-154 Leroy St	Lower Manhattan	N/A	N/A	N/A
Ace Hotel	225 Bowery	Lower Manhattan	Ace Hotel	N/A	180
Unnamed Hotel	346-354 W 40th St	Times Square Area	McSam Hotel Group	N/A	594
Unnamed Hotel	346 Broadway	Lower Manhattan	Peebles Corp	N/A	N/A
Unnamed Hotel	35 Hudson Yards	Lower Manhattan	The Related Companies	N/A	150
Unnamed Hotel	105 W 28th St	Midtown West	Phyllis M. Jacobson	N/A	364
Comfort Inn	337 W 36th St	Times Square Area	McSam Hotel Group	N/A	80
Unnamed Hotel	11 W 37th St	Times Square Area	McSam Hotel Group	N/A	N/A
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

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## All Manhattan

	Occupancy				ADR				RevPAR				Mar YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ.	ADR	RevPAR
2013 Market Average	75.6%	78.0%	86.0%	79.9%	\$210.22	\$211.10	\$256.61	\$227.74	\$158.97	\$164.65	\$220.62	\$182.05	79.9%	\$227.74	\$182.05
2014 Market Average	73.8%	76.3%	83.9%	78.1%	\$226.30	\$224.83	\$242.95	\$232.03	\$166.98	\$171.56	\$203.95	\$181.15	78.1%	\$232.03	\$181.15
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Market Average	-2.4%	-2.2%	-2.4%	-2.3%	7.7%	6.5%	-5.3%	1.9%	5.0%	4.2%	-7.6%	-0.5%	-2.3%	1.9%	-0.5%

## By Class

	Occupancy				ADR				RevPAR				Mar YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ.	ADR	RevPAR
Luxury – 2013	72.8%	75.1%	81.6%	76.6%	\$331.02	\$333.52	\$378.16	\$349.09	\$241.12	\$250.62	\$308.68	\$267.35	76.6%	\$349.09	\$267.35
Luxury – 2014	68.7%	72.0%	78.1%	72.9%	\$360.34	\$365.76	\$368.49	\$365.01	\$247.48	\$263.17	\$287.65	\$266.20	72.9%	\$365.01	\$266.20
Upper Upscale – 2013	74.7%	77.3%	86.4%	79.6%	\$221.29	\$221.27	\$265.27	\$237.79	\$165.35	\$170.94	\$229.30	\$189.18	79.6%	\$237.79	\$189.18
Upper Upscale – 2014	73.7%	75.3%	84.1%	77.8%	\$240.47	\$236.27	\$251.48	\$243.31	\$177.31	\$177.92	\$211.57	\$189.32	77.8%	\$243.31	\$189.32
Upscale – 2013	82.0%	81.3%	86.0%	83.2%	\$163.64	\$164.22	\$216.51	\$182.84	\$134.20	\$133.54	\$186.14	\$152.07	83.2%	\$182.84	\$152.07
Upscale – 2014	77.2%	80.4%	86.6%	81.4%	\$176.22	\$171.17	\$199.25	\$183.10	\$136.06	\$137.59	\$172.46	\$149.07	81.4%	\$183.10	\$149.07
Upper Midscale – 2013	77.2%	80.4%	89.6%	82.6%	\$144.79	\$145.82	\$194.64	\$164.19	\$111.80	\$117.20	\$174.48	\$135.59	82.6%	\$164.19	\$135.59
Upper Midscale - 2014	77.9%	79.4%	87.0%	81.5%	\$151.97	\$147.66	\$178.21	\$160.38	\$118.39	\$117.27	\$155.11	\$130.77	81.5%	\$160.38	\$130.77
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Luxury	-5.7%	-4.2%	-4.4%	-4.8%	8.9%	9.7%	-2.6%	4.6%	2.6%	5.0%	-6.8%	-0.4%	-4.8%	4.6%	-0.4%
Upper Upscale	-1.3%	-2.5%	-2.7%	-2.2%	8.7%	6.8%	-5.2%	2.3%	7.2%	4.1%	-7.7%	0.1%	-2.2%	2.3%	0.1%
Upscale	-5.9%	-1.1%	0.7%	-2.1%	7.7%	4.2%	-8.0%	0.1%	1.4%	3.0%	-7.3%	-2.0%	-2.1%	0.1%	-2.0%
Upper Midscale	0.9%	-1.2%	-2.9%	-1.3%	5.0%	1.3%	-8.4%	-2.3%	5.9%	0.1%	-11.1%	-3.6%	-1.3%	-2.3%	-3.6%

## By Neighborhood

	Occupancy				ADR				RevPAR				Mar YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ.	ADR	RevPAR
Upper Manhattan – 2013	67.5%	69.7%	83.3%	73.6%	\$278.53	\$287.56	\$312.74	\$294.52	\$187.91	\$200.33	\$260.40	\$216.74	73.6%	\$294.52	\$216.74
Upper Manhattan – 2014	68.2%	70.0%	81.1%	73.2%	\$287.03	\$293.67	\$291.69	\$290.79	\$195.84	\$205.63	\$236.63	\$212.93	73.2%	\$290.79	\$212.93
Midtown West – 2013	78.9%	80.2%	86.9%	82.1%	\$203.84	\$202.00	\$254.87	\$221.94	\$160.81	\$162.07	\$221.59	\$182.19	82.1%	\$221.94	\$182.19
Midtown West – 2014	74.4%	76.6%	84.2%	78.5%	\$220.60	\$215.79	\$237.50	\$225.39	\$164.13	\$165.30	\$200.01	\$176.86	78.5%	\$225.39	\$176.86
Midtown East – 2013	73.5%	74.8%	82.5%	77.0%	\$225.25	\$223.07	\$273.26	\$242.38	\$165.49	\$166.81	\$225.55	\$186.66	77.0%	\$242.38	\$186.66
Midtown East – 2014	74.5%	76.4%	83.6%	78.2%	\$249.61	\$245.41	\$268.05	\$255.13	\$186.03	\$187.42	\$224.04	\$199.58	78.2%	\$255.13	\$199.58
Midtown South – 2013	75.9%	81.6%	90.9%	82.8%	\$169.20	\$176.28	\$215.38	\$188.83	\$128.38	\$143.77	\$195.76	\$156.38	82.8%	\$188.83	\$156.38
Midtown South – 2014	75.6%	80.4%	87.3%	81.1%	\$181.07	\$184.92	\$201.07	\$189.67	\$136.82	\$148.64	\$175.60	\$153.85	81.1%	\$189.67	\$153.85
Lower Manhattan – 2013	72.2%	76.9%	85.2%	78.2%	\$237.34	\$243.65	\$270.33	\$251.85	\$171.44	\$187.33	\$230.34	\$196.98	78.2%	\$251.85	\$196.98
Lower Manhattan - 2014	71.6%	74.9%	82.4%	76.3%	\$243.71	\$251.83	\$258.05	\$251.53	\$174.57	\$188.52	\$212.54	\$192.02	76.3%	\$251.53	\$192.02
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Upper Manhattan	1.1%	0.5%	-2.6%	-0.5%	3.1%	2.1%	-6.7%	-1.3%	4.2%	2.6%	-9.1%	-1.8%	-0.5%	-1.3%	-1.8%
Midtown West	-5.7%	-4.5%	-3.1%	-4.4%	8.2%	6.8%	-6.8%	1.6%	2.1%	2.0%	-9.7%	-2.9%	-4.4%	1.6%	-2.9%
Midtown East	1.4%	2.1%	1.3%	1.6%	10.8%	10.0%	-1.9%	5.3%	12.4%	12.4%	-0.7%	6.9%	1.6%	5.3%	6.9%
Midtown South	-0.4%	-1.4%	-3.9%	-2.1%	7.0%	4.9%	-6.6%	0.4%	6.6%	3.4%	-10.3%	-1.6%	-2.1%	0.4%	-1.6%
Lower Manhattan	-0.8%	-2.6%	-3.3%	-2.4%	2.7%	3.4%	-4.5%	-0.1%	1.8%	0.6%	-7.7%	-2.5%	-2.4%	-0.1%	-2.5%

### 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				Mar YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ.	ADR	RevPAR
Full Service – 2013	75.3%	78.1%	85.8%	79.8%	\$219.40	\$219.90	\$265.98	\$236.81	\$165.32	\$171.66	\$228.33	\$188.99	79.8%	\$236.81	\$188.99
Full Service – 2014	73.7%	76.3%	84.0%	78.1%	\$237.64	\$236.00	\$252.43	\$242.63	\$175.24	\$180.06	\$212.12	\$189.45	78.1%	\$242.63	\$189.45
Limited Service – 2013	76.8%	77.7%	86.5%	80.5%	\$170.51	\$173.32	\$217.41	\$189.06	\$131.00	\$134.69	\$188.10	\$152.21	80.5%	\$189.06	\$152.21
Limited Service - 2014	74.0%	76.4%	83.6%	78.0%	\$180.48	\$179.60	\$204.48	\$189.10	\$133.47	\$137.13	\$170.95	\$147.56	78.0%	\$189.10	\$147.56
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Full Service	-2.1%	-2.3%	-2.1%	-2.2%	8.3%	7.3%	-5.1%	2.5%	6.0%	4.9%	-7.1%	0.2%	-2.2%	2.5%	0.2%
Limited Service	-3.7%	-1.8%	-3.4%	-3.1%	5.8%	3.6%	-5.9%	0.0%	1.9%	1.8%	-9.1%	-3.1%	-3.1%	0.0%	-3.1%

## By Affiliation

	Occupancy				ADR				RevPAR				Mar YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ.	ADR	RevPAR
Chain Affiliated – 2013	78.1%	79.0%	86.3%	81.2%	\$225.67	\$226.72	\$275.58	\$244.41	\$176.26	\$179.00	\$237.94	\$198.53	81.2%	\$244.41	\$198.53
Chain Affiliated – 2014	75.2%	77.8%	84.9%	79.3%	\$240.54	\$236.61	\$256.95	\$245.39	\$180.91	\$183.99	\$218.05	\$194.67	79.3%	\$245.39	\$194.67
Independent – 2013	72.3%	76.6%	85.4%	78.2%	\$185.26	\$186.50	\$227.24	\$201.47	\$133.95	\$142.84	\$194.09	\$157.47	78.2%	\$201.47	\$157.47
Independent - 2014	71.5%	73.9%	82.4%	76.0%	\$201.78	\$204.57	\$219.40	\$209.22	\$144.17	\$151.23	\$180.89	\$159.03	76.0%	\$209.22	\$159.03
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Chain Affiliated	-3.7%	-1.5%	-1.7%	-2.3%	6.6%	4.4%	-6.8%	0.4%	2.6%	2.8%	-8.4%	-1.9%	-2.3%	0.4%	-1.9%
Independent	-1.2%	-3.5%	-3.5%	-2.7%	8.9%	9.7%	-3.4%	3.8%	7.6%	5.9%	-6.8%	1.0%	-2.7%	3.8%	1.0%

Source: PwC, based on Smith Travel Research data

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## ***Contact us***

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Convention center  
Cruise  
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Lodging  
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This report is available from our website ([www.lodgingresearch.com](http://www.lodgingresearch.com)).

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## Further reading

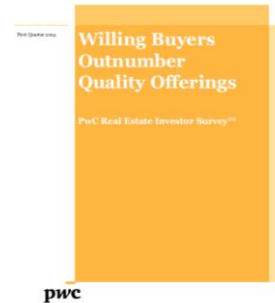


### **Hospitality Directions US**

May 2014

Group demand strengthens, while occupancy and rate growth accelerate in lower priced chain-scale segments.

Our updated outlook for 2014 anticipates: RevPAR growth of 6.5%, with stronger occupancy growth than previously expected; demand growth of 3.1%, with group demand picking up pace significantly; and accelerating recovery in lower priced chain-scale segments. Our outlook for 2015 anticipates a RevPAR growth of 6.4%, with accelerating rate growth.



### **PwC Real Estate Investor Survey**

First Quarter 2014

Investors in the commercial real estate industry are optimistic, eager, and well capitalized, but the missing piece of most acquisition strategies is quality offerings.

Although some investors expect quality offerings to grow throughout 2014, in part, due to upcoming debt maturities and stronger CRE fundamentals that prompt owners to sell, others speculate that owners will opt to hold stabilized assets in order to capitalize on growing rents and avoid the task of determining where to redeploy capital in an industry thought to have a limited number of quality buying options.

*(Subscription required)*



### **PwC Real Estate 2020**

Looking forward to 2020 and beyond, the real estate investment industry will find itself at the center of rapid economic and social change, which is transforming the built environment.

The growing emerging markets' middle class and ageing global population are increasing demand for specific types of real estate. Subsectors such as agriculture, education, healthcare and retirement will be far bigger by 2020.