

# ***Manhattan lodging index***

## Third quarter 2014



### ***This quarter:***

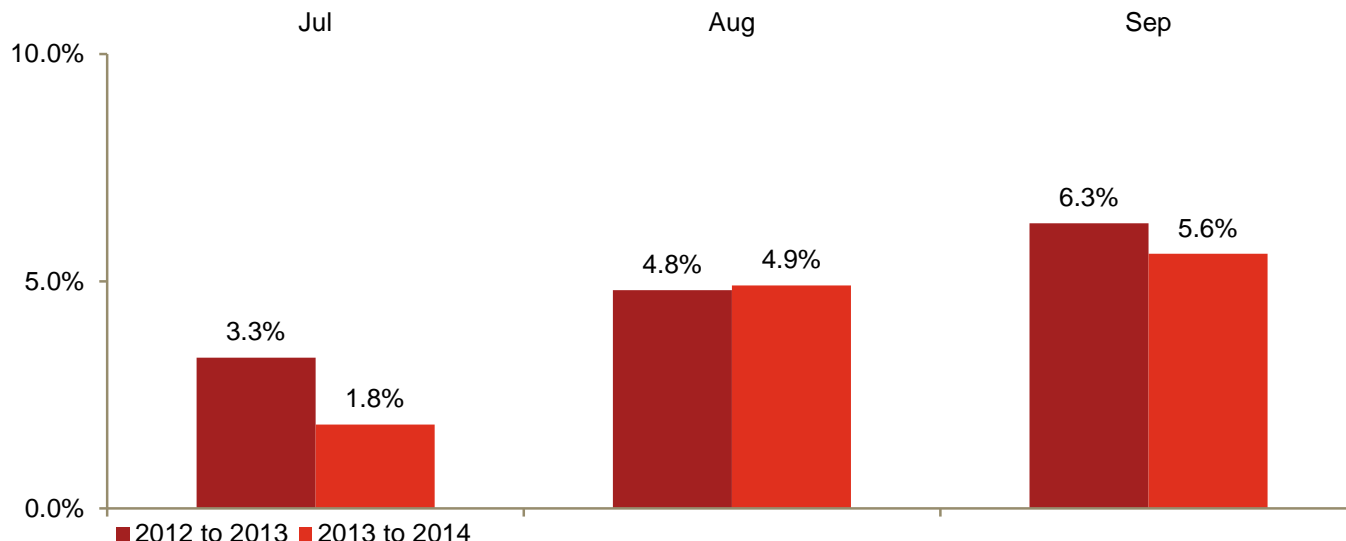
- *Manhattan Lodging Overview*
- *Employment Trends*
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### ***Manhattan lodging overview***

**After rebounding in the second quarter, lodging performance continued to improve, with modest increases in occupancy levels combining with solid gains in average daily rate (“ADR”) to drive a 4.3 percent increase in revenue per available room (RevPAR) in the third quarter.**

Manhattan’s lodging performance started slow in the third quarter, with RevPAR increasing only 1.8 percent in July but picked up pace as the quarter progressed, increasing 4.9 percent and 5.6 percent in August and September, respectively, for growth of 4.3 percent for the quarter overall. This growth was primarily driven by ADR, which increased 3.4 percent in the third quarter, while occupancy gains were more moderate, increasing only 0.9 percent over year ago levels.

## Manhattan Q3 RevPAR growth by month



Source: PwC, based on STR data

RevPAR growth was positive across all classes in the third quarter. The upscale and luxury segments experienced the most significant growth, with 4.4 percent and 4.3 percent growth, respectively, while the upper upscale segment grew 3.9 percent and upper midprice increased by 3.5 percent. RevPAR growth was primarily ADR driven across all classes, except the upper upscale segment, where increases occupancy and ADR were more balanced.

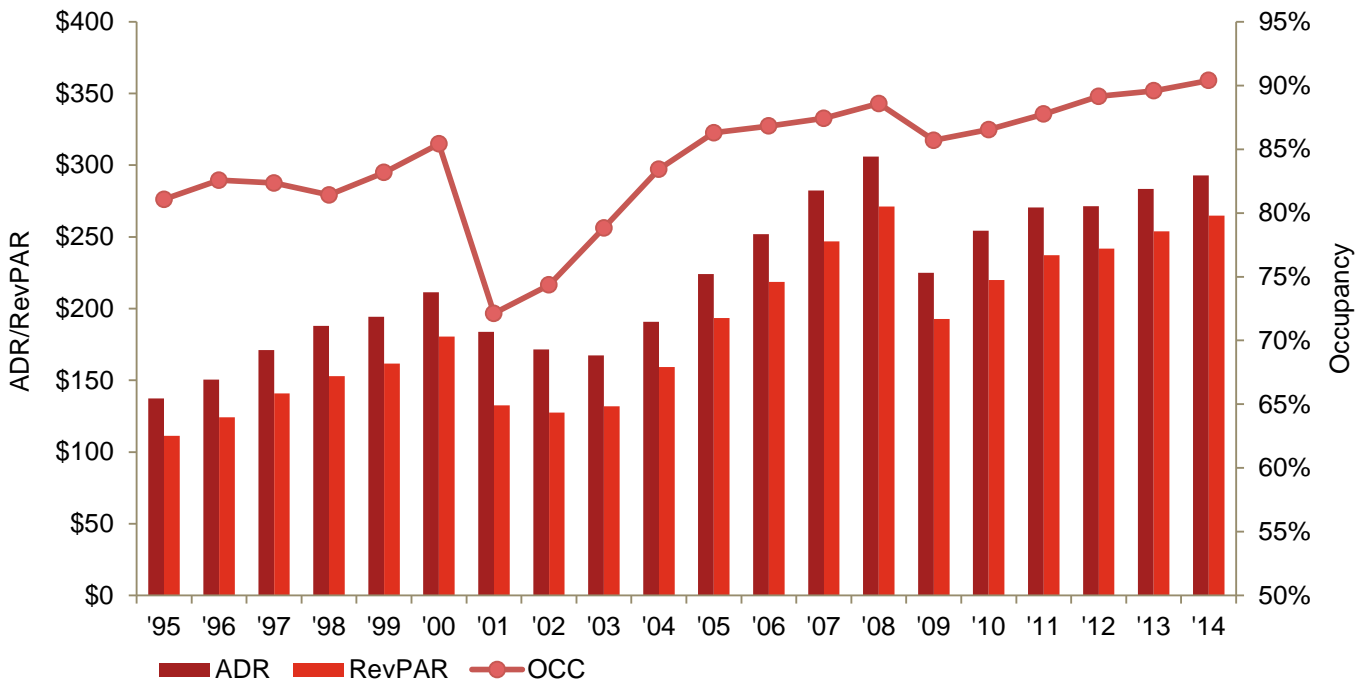
Similar to last quarter, Midtown East continued to significantly outperform the other neighborhoods in terms of RevPAR growth, increasing 8.1 percent compared to year ago levels. Upper Manhattan, Midtown West, and Midtown South followed, increasing 4.1 percent, 3.3 percent, and 3.2 percent, respectively, with Lower Manhattan RevPAR increasing 2.1 percent in the quarter. For all neighborhoods RevPAR was driven by ADR gains, and occupancy levels were relatively flat compared to year

ago levels, except for Midtown East which experienced occupancy growth of 2.6 percent.

In the third quarter, full service hotel RevPAR growth marginally outperformed limited service hotels. While both full service and limited service hotels experienced a 3.6 percent increase in ADR, full service hotels had slightly higher gains in occupancy, resulting in a 4.6 percent RevPAR growth for full service hotels, compared to 4.3 percent for limited service.

Independent hotels continued to outperform chain-affiliated hotels in terms of RevPAR growth in the third quarter. While chain-affiliated hotels and independent hotels experienced modest gains in occupancy, independent hotels had percentage increases in ADR over twice that of chain affiliated hotels. As a result, independent hotel RevPAR increased 5.0 percent in the third quarter, compared to 3.7 percent at chain-affiliated hotels.

Manhattan Q3 performance, 20-year trend



Source: PwC, based on STR data

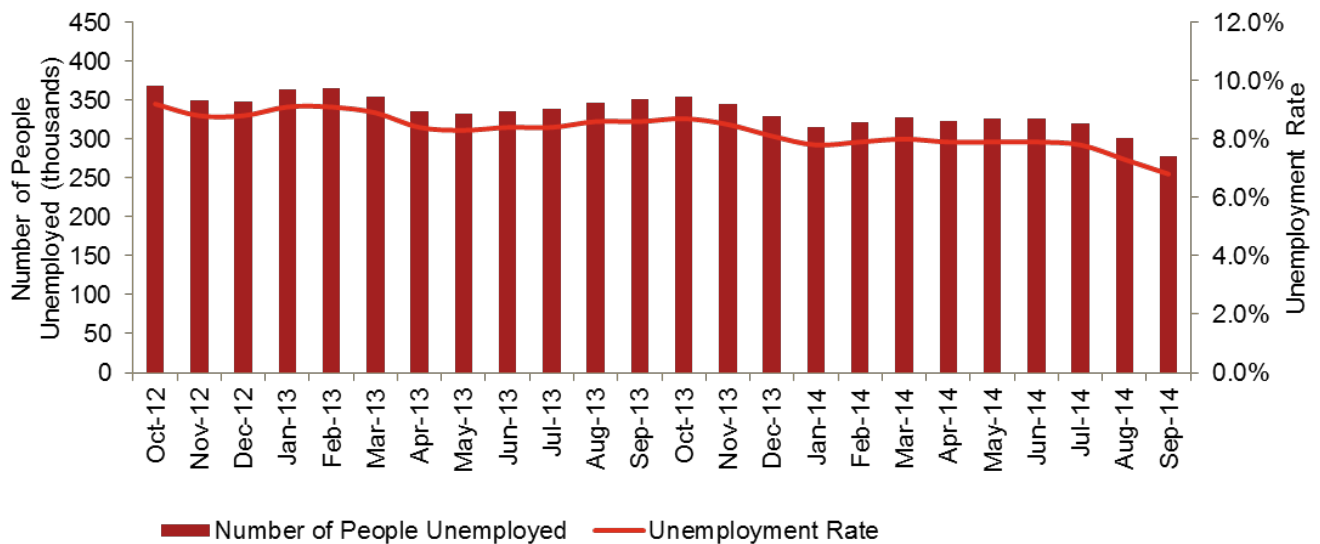
## Employment trends

New York City's 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 7.3 percent in the third quarter, a decline of approximately 14.5 percent from the same period last year. New York State's seasonally adjusted unemployment rate averaged 6.4 percent in the third quarter, down 15.4 percent from the same period last year.

The overall US unemployment rate continued to decline as well, decreasing from 6.2 percent in the second quarter to 6.1 percent in the third quarter.

According to the New York State Department of Labor, for the twelve-month period ended September 2014, New York City's private sector employment increased by 95,200, or 2.8 percent, to 3,529,900. During the period, job growth occurred in education and health services, which added 32,000 jobs, professional business services, which added 20,000 jobs, trade, transportation, and utilities, which added 17,000 jobs, leisure and hospitality, which added 15,700 jobs, financial activities, which added 7,500 jobs, other services, which added, 4,600 jobs, and construction, which added 2,300 jobs. The job growth in the manufacturing sector remained flat during the twelve-month period, while information services lost 3,900 jobs.

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



Source: New York State Department of Labor

## Gross metro product and consumer price Index

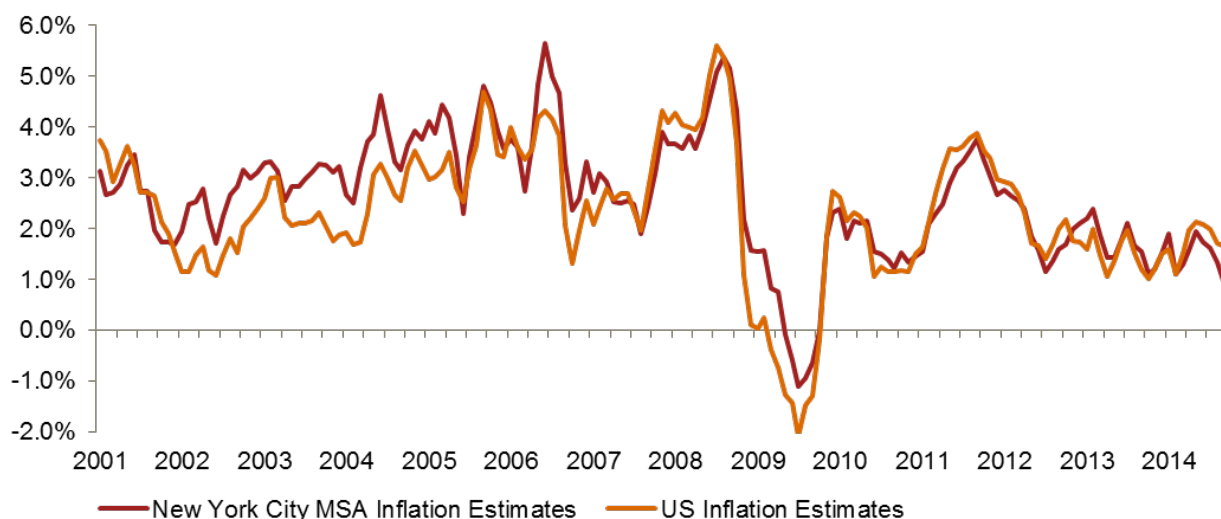
The US economic growth continued in the third quarter of 2014. According to the advance estimate released by the Bureau of Economic Analysis, US real gross domestic product ("GDP") increased at a seasonally-adjusted, annualized pace of 3.5 percent, compared to a 4.6 percent increase in the second quarter 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 third

quarter included exports, nonresidential fixed investment, state and local government spending, and residential fixed investment, which were partly offset by a decline in private inventory investment and an increase in imports.

At the local level, New York's gross metro product is expected to increase by 0.5 percent in 2014, according to Moody's Economy.com forecast as of September 2014.

New York City's consumer price index ("CPI") increased by an average of 1.3 percent during the quarter, less than the 1.8 percent increase nationally.

## Consumer price index



Source: Bureau of Labor Statistics

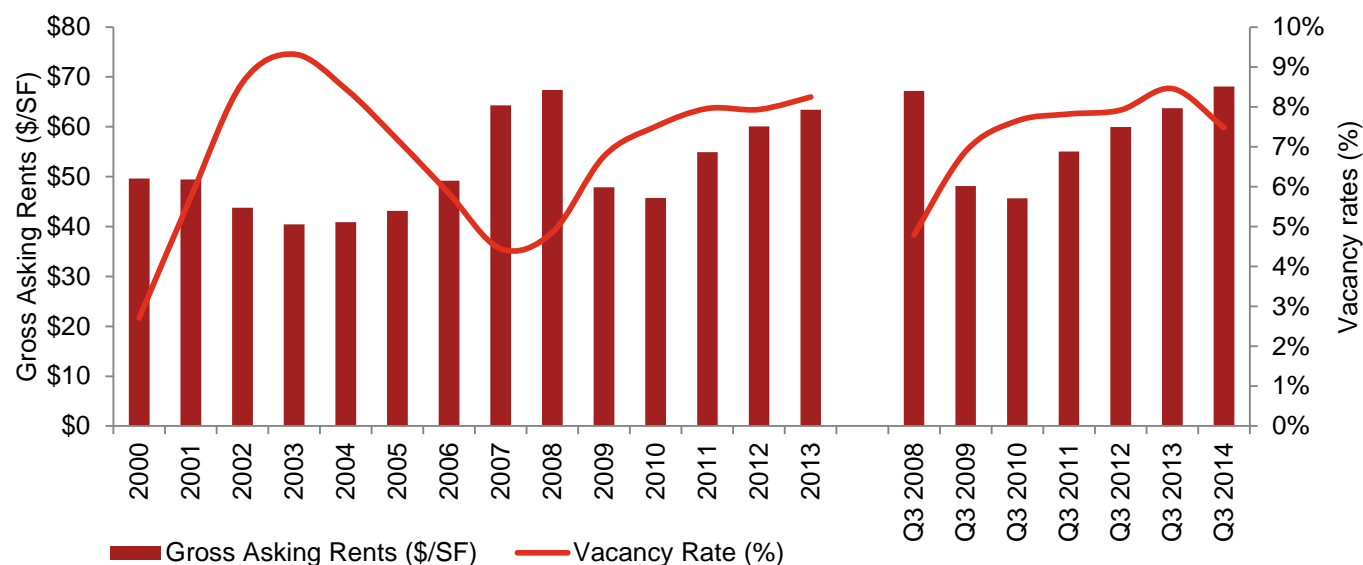
## Office market statistics

Manhattan's office market showed positive results in the third quarter. Overall vacancy rates decreased for the first time since the second quarter of 2013 to approximately 7.5 percent, a decrease of 11.6 percent from year-ago levels, and gross asking rents increased by approximately 6.8 percent, to \$68.09 per square foot.

During the third quarter, vacancy in the Downtown submarket decreased, compared to year-ago levels, to

9.2 percent, a decrease of 1.5 percentage points. The Midtown submarket's vacancy rate was 8.2 percent, a decrease of 0.8 percentage point, compared to year-ago levels. During the same period, the Downtown submarket experienced gross asking rents of \$49.63 per square foot, up 8.9 percent from the same period last year, while the Midtown submarket experienced gross asking rents of \$74.74 per square foot, up 6.7 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 third quarter.

Transaction date	Tenant	Address	SF	Rental Rate PSF
September 2014	Hudson's Bay Company	2 World Financial Center	238,812	\$58.25
August 2014	Google	85 10 <sup>th</sup> Avenue	180,000	\$77.00
September 2014	Weil, Gotshal & Manges	767 5 <sup>th</sup> Avenue	390,000	\$114.67
August 2014	Paul Hastings	200 Park Avenue	180,688	\$82.00

Source: CompStak.com

According to Real Capital Analytics, in July 2014, Blackstone purchased the Park Avenue Tower, a 619,631 square-foot office building at 65 East 55<sup>th</sup> Street for approximately \$1,210 per square foot from Shorenstein Properties, for a total purchase price of \$750M. In August 2014, United Charities Corp. sold its 109,573 square-foot office building at 287 Park Avenue to Cheerland Investments for \$1,168 per square foot. Finally, in September 2014, Macklowe Properties BNY Mellon sold its 1.2 million square-foot headquarters at the historical 1 Wall Street building to an undisclosed buyer for \$502 per square foot.

## Air traffic statistics

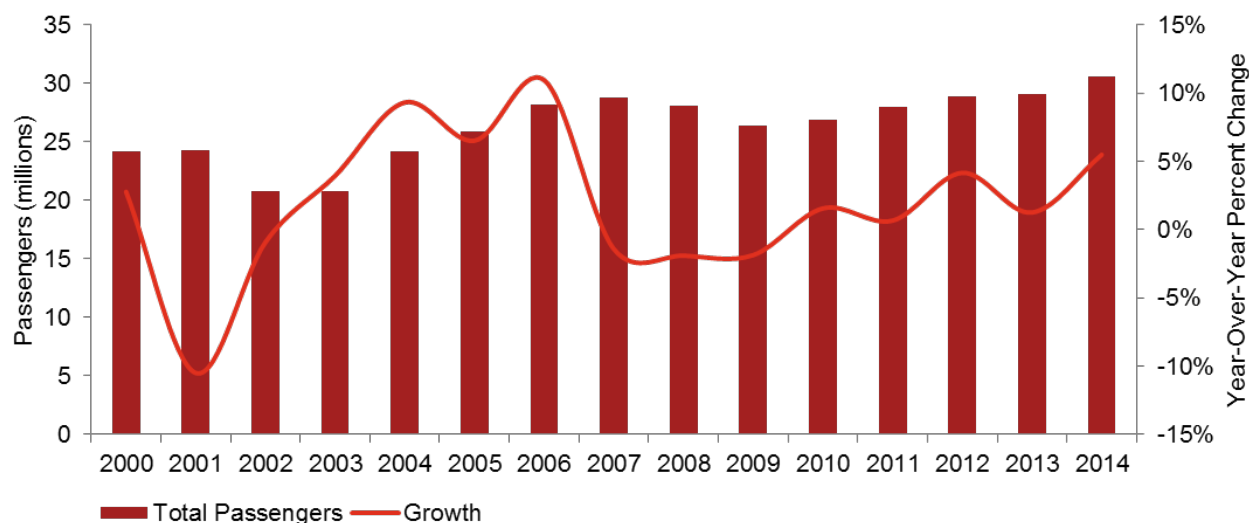
Air traffic levels during the third quarter of 2014 increased approximately 5.5 percent from year-ago levels. The three major New York metropolitan airports - Newark Liberty International Airport, LaGuardia International Airport and John F. Kennedy International Airport - combined to serve approximately 32.40 million passengers from July through September 2014, up from 30.71 million

passengers over the same period a year ago.

International passenger traffic increased approximately 6.5 percent to a level of approximately 12.22 million passengers, compared to approximately 11.48 million passengers during the same period last year.

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

### Q3 passenger traffic



Source: Port Authority of New York and New Jersey

## Recent Manhattan hotel transactions

Several hotel transactions occurred during the third quarter in Manhattan. Back in July, AEW Capital sold the 211-unit Residence Inn Midtown East to Arch Street Capital Advisors on behalf of a joint venture between Gatehouse Bank and StoneBridge. Also, in July, the 173-unit Marriott SpringHill Suites at 25 West 37<sup>th</sup> Street was sold to Keck Seng by the joint venture between Hidrock Realty and Finvarb Group for a reported transaction price of \$82 million. The other July sale was the 227-room Holiday Inn Soho, which was sold by the Procaccianti Group to the Chetrit Group for a reported transaction price of approximately \$90 million. In August, the 210-room Park Hyatt New York was sold by Extell Development to Hyatt Hotels for a reported transaction price of \$390 million. Also in August, DiamondRock Hospitality purchased the 282-room Hilton Garden Inn Times Square Central from a joint venture between Highgate Holdings, Walton Street Capital, Crown Acquisitions, and Ashkenazy Acquisitions for a reported transaction

price of approximately \$127 million. In September, Schidler Group purchased the 239-unit Fairfield Inn & Suites Midtown from OTO Development for a reported price of \$135.3 million. Magna Hospitality Group sold both the 148-room Hampton Inn United Nations and the 135-room Holiday Inn Express Herald Square in September for reported transaction prices of \$80.35 million and \$66.15 million, respectively. Meadow Partners also purchased in September, buying the 131-room Hotel 35 located at 42 West 35<sup>th</sup> Street from Jeport Hotel Corporation for a reported transaction price of \$49.67 million.

The following table summarizes these recent transactions.

Transaction date	Hotel name	Rooms	Transaction price	Price per room
July 2014	Residence Inn Midtown East	211	\$89,600,000	\$424,645
July 2014	SpringHill Marriott Suites	173	\$82,000,000	\$473,988
July 2014	Holiday Inn Soho	227	\$89,693,750	\$395,127
August 2014	Park Hyatt New York	210	\$390,000,000	\$1,857,143
August 2014	Hilton Garden Inn Times Square Central	282	\$127,200,000	\$451,064
September 2014	Fairfield Inn & Suites Midtown	239	\$135,300,000	\$566,109
September 2014	Hampton Inn United Nations	148	\$80,350,000	\$542,905
September 2014	Holiday Inn Express Herald Square	135	\$66,150,000	\$490,000

Source: Real Capital Analytics



## Recent and planned hotel openings/closings

Four hotels recently opened in Manhattan. In September 2014, the 232-room Hilton Garden Inn New York Midtown Park Avenue opened, as did the 52-room Comfort Inn & Suites New York. Also in September 2014, the 493-room Holiday Inn Hotel Manhattan Financial District opened. Finally, the 282-

room Hilton Garden Inn New York Times Square Central opened in November 2014.

In September 2014, the 685-room InterContinental New York Barclay closed for a \$175 million renovation. The renovation is expected to last 18 months. When complete, the hotel will feature approximately 700 guestrooms, a new Intercontinental Club Lounge, and a fully refurbished lobby with a new bar and restaurant.

### 2014

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
The Paul	32 W 29th St	Lower Manhattan	32-34 W. 29th Realty LLC	Dec-14	117
Fairfield Inn New York Manhattan Financial District	161 Front St	Lower Manhattan	Lam Generations LLC	Dec-14	176
Residence Inn New York Manhattan/World Trade Center	170 Broadway	Lower Manhattan	AC Broadway 1466 LP	Dec-14	228

### 2015

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
aloft Manhattan Downtown - Financial District	49 Ann St	Lower Manhattan	The Lam Group	Jan-15	128
Baccarat Luxury Hotel & Condominium	20 W 53rd St	Midtown East	VIII Hotel II Tribeca Holdings LLC	Feb-15	114
Marmara Park Avenue	114 E 32nd St	Times Square Area	N/A	Feb-15	128
The Knickerbocker Hotel	1462 Broadway	Times Square Area	AC Broadway 1466 LP	Feb-15	330
1 Hotel Central Park	1414 Avenue of the Americas	Times Square Area	Starwood Capital Group	Feb-15	229
Cambria Suites Chelsea	123 W 28th St	Lower Manhattan	We Care Trading Co. Ltd.	Mar-15	140
Executive Hotel Le Soleil New York	38 W 36th St	Times Square Area	8th & Pine Partners LP	Mar-15	162
Unnamed Hotel	2 Renwick (aka 231 Hudson St, 503 Canal St)	Lower Manhattan	McSam Hotel Group	Mar-15	325
John Street Hotel	24 John St	Lower Manhattan	Westbury Realty Associates LLC	Mar-15	128
Renaissance by Marriott	218 W 35th St	Times Square Area	Cayre Investments	Mar-15	345
Marriott Clocktower Edition	5 Madison Ave	Lower Manhattan	N/A	Mar-15	273
Audubon Hotel	507 W 181st St	Uptown/Midtown East	505 West 181 Associates LLC	Mar-15	52
Four Points by Sheraton New York Downtown	6 Platt St	Lower Manhattan	The Lam Group	Mar-15	261
Nobleden Hotel	196 Grand St	Lower Manhattan	196 Grand LLC	Apr-15	54
Hotel Indigo	180 Orchard St	Lower Manhattan	LES Realty Group LLC	May-15	295
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/Barone Management	May-15	230
Tommie Hotel SoHo	231 Hudson St	Lower Manhattan	Eagle Point Hotels	May-15	330
Hotel 163	163 Orchard St	Lower Manhattan	163 Orchard Street LLC	Jun-15	52

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	145 E 47th St	Uptown/Midtown East	32 East 32nd Realty, LLC	Jun-15	93
EVEN Hotel	219 E 44th St	Uptown/Midtown East	CCW Realty Inc	Jun-15	150
Times Square Hotel	577 9th Ave	Times Square Area	400 Times Square Associates LLC	Jun-15	527
Cambria Suites Times Square	30 W 46th St	Times Square Area	CS HOTEL 30W46TH, LLC	Jun-15	194
SLS Hotel New York	444 Park Ave S	Lower Manhattan	444 Park Avenue Associates	Jun-15	190
Unnamed Hotel	160 W 56th St	Times Square Area	Carnegie Towers LLC	Jun-15	63
Thompson Hotel Downtown	5 Beekman St	Lower Manhattan	GFI Capital Resources Group Inc	Jun-15	287
Unnamed Hotel	514 W 168th St	Uptown/Midtown East	514 West 168th Street LLC	Jun-15	54
Unnamed Hotel	54 Canal St	Lower Manhattan	Nine Orchard Partners LLC	Jun-15	140
Unnamed Hotel	102 Greenwich St	Lower Manhattan	102 Greenwich Realty LLC	Jun-15	36
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
EVEN Hotel	321 W 35th St	Lower Manhattan	CCW Realty Inc	Sep-15	150
Hyatt Place Times Square	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	120
Courtyard By Marriott	215 Pearl St	Lower Manhattan	The Lam Group	Oct-15	200
Holiday Inn Manhattan New York	585 8th Ave	Times Square Area	IMDN HOLDING LLC	Oct-15	271
Unnamed Hotel	18-20 W 56th St	Midtown East	Firmdale Hotels	Oct-15	86
Courtyard by Marriott	133 Greenwich St	Lower Manhattan	Hidrocks Realty LLC	Oct-15	317
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
Furnished Quarters	70 Pine St	Lower Manhattan	EBNB 70 Pine Owner LLC c/o Rose	Dec-15	132
Hyatt House Manhattan Chelsea	815 Avenue of the Americas	Lower Manhattan	Celebration Downtown Developers LLC /Lexin Capital	Dec-15	150
Jade Hotel Bryant Park	34-36 W 38th St	Times Square Area	Gemini Real Estate Advisors	Dec-15	117

## 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	30 Park Place	Lower Manhattan	Silverstein Properties Inc	Mar-16	185
Tommie Hotel	11 E 31st St	Lower Manhattan	Simon Development Group	Mar-16	250
Four Points by Sheraton Manhattan Hudson Yards	444 10th Ave	Lower Manhattan	Madd Equities LLC	Mar-16	155
Unnamed Hotel	215 Chrystie St	Lower Manhattan	Chrystie Land Associates LLC	May-16	370
Comfort Inn	439 W 54th St	Times Square Area	Mdtn Holdings 42 LLC.	May-16	110
Unnamed Hotel	326 W 37th St	Times Square Area	McSam Hotel Group	May-16	242
Unnamed Hotel	233 -237 W 125th St	Uptown/Midtown East	Danforth Development Partners LLC/ Exact Capital	Jun-16	210
Unnamed Hotel	414 W 15th St	Lower Manhattan	LM Legacy Group LLC	Jun-16	158

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	50 Bowery	Lower Manhattan	Bower Holdings LLC	Jun-16	229
Unnamed Hotel	44 W 29TH ST	Lower Manhattan	Devli Properties Inc	Jun-16	109
Hotel Indigo NYC Financial District	8 Maiden Lane	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
Hilton Garden Inn Financial Center	6 Water St	Lower Manhattan	Magna Hospitality Group	Aug-16	249
aloft New York Midtown	25 W 38th St	Times Square Area	Fortuna Fifth Ave LLC	Dec-16	175
Marriott Edition Hotel	701 7th Ave	Times Square Area	Vimar Realty Corp c/o W & S Inc	Jan-17	452
Renaissance Hotel	112 W 25 <sup>th</sup> St	Lower Manhattan	The Lam Group	Jul-17	330
aloft New York - Hudson Yards at the Convention Center	450 11th Ave	Midtown West	N/A	Nov-17	N/A
Unnamed Hotel	16 E 30th St	Lower Manhattan	16-18 East 30th Street LLC	N/A	61
Unnamed Hotel	Unknown Location	Uptown/Midtown East	Dewberry Capital Corporation	N/A	80
Unnamed Hotel	1212 Broadway	Lower Manhattan	1212 Broadway NYC LLC c/o Fantasia	N/A	N/A
Unnamed Hotel	333 W 38th St	Times Square Area	Optima Real Estate LLC	N/A	79
CitizenM	185-191 Bowery	Lower Manhattan	Brack Capital Real Estate	N/A	300
Unnamed Hotel	72 9 Ave	Lower Manhattan	Jamestown Premier Chelsea Market LP	N/A	N/A
Unnamed Hotel	1150 Avenue of the Americas	Times Square Area	Fortuna Realty Group	N/A	187
Unnamed Hotel	520 5th Ave	Uptown/Midtown East	Thor Equities	N/A	N/A
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	N/A
Unnamed Hotel	19 W 55th St	Times Square Area	AREP 19 Fifty-Fifth LLC	N/A	376
Unnamed Hotel	710 3rd Ave	Uptown/Midtown East	710 THIRD PARTNERS LLC	N/A	47
Unnamed Hotel	100 Greenwich St	Lower Manhattan	Sun Moon New York LLC	N/A	200
Unnamed Hotel	448 11th Ave	Times Square Area	Marx Development Group	N/A	438
Unnamed Hotel	11 Stone St	Lower Manhattan	Premier Emerald LLC	N/A	170
Unnamed Hotel	341 Madison Ave	Uptown/Midtown East	Cushman & Wakefield	N/A	N/A
Unnamed Hotel at James Farley Post Office	421 8th Ave	Lower Manhattan	Moynihan Station Development Corporation	N/A	N/A
Courtyard By Marriott. Hotel	461 W 34TH ST	Lower Manhattan	Marx Development Group	N/A	399
Unnamed Hotel	310 W 40th St	Times Square Area	310 Group LLC	N/A	287
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	Prime Hotel Management LLC	N/A	68
Dream Hotel	560 Fasion Ave	Times Square Area	Soho Properties Inc/ Murray Hill Properties	N/A	235
Unnamed Hotel	11 W 29th St	Lower Manhattan	HFZ Capital Group	N/A	N/A
Crowne Plaza Times Square South	320 W 36th St	Times Square Area	Raber Enterprises	N/A	250
Unnamed Hotel	432 W 31st St	Lower Manhattan	Arisa Realty 85 LLC	N/A	240
The Hudson Rise Hotel	470 11th Ave	Times Square Area	Blackhouse Development	N/A	242
Unnamed Hotel	1162 Broadway	Lower Manhattan	1162 Broadway LLC	N/A	N/A
Unnamed Hotel	138 E 50th St	Uptown/Midtown East	Ceruzzi Properties Inc.	N/A	764

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	11 W 37th St	Times Square Area	McSam Hotel Group	N/A	68
Unnamed Hotel	7 W 44th St	Times Square Area	7 W 44th Street Management, LLC	N/A	N/A
Unnamed Hotel	20 W 15th St	Lower Manhattan	NMR Realty LLC	N/A	N/A
Unnamed Hotel	350 W 39th St	Times Square Area	McSam Hotel Group	N/A	N/A
Unnamed Hotel	152-154 Leroy St	Lower Manhattan	N/A	N/A	N/A
Ace Hotel	225 Bowery	Lower Manhattan	Ace Hotel	N/A	188
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

## Third quarter 2014 Manhattan lodging index

### All Manhattan

	Occupancy				ADR				RevPAR				Sep YTD		
	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Occ.	ADR	RevPAR
2013 Market Average	88.5%	90.7%	89.5%	89.6%	\$252.89	\$254.72	\$344.44	\$283.38	\$223.85	\$231.14	\$308.11	\$253.83	86.1%	\$271.17	\$233.61
2014 Market Average	88.7%	91.8%	90.6%	90.4%	\$256.89	\$264.23	\$358.95	\$292.93	\$227.98	\$242.48	\$325.38	\$264.77	86.7%	\$278.99	\$241.94
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Market Average	0.3%	1.1%	1.3%	0.9%	1.6%	3.7%	4.2%	3.4%	1.8%	4.9%	5.6%	4.3%	0.7%	2.9%	3.6%

### By Class

	Occupancy				ADR				RevPAR				Sep YTD		
	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Occ.	ADR	RevPAR
Luxury – 2013	84.1%	86.4%	85.9%	85.4%	\$367.61	\$362.61	\$520.48	\$416.03	\$309.16	\$313.17	\$446.88	\$355.44	82.5%	\$400.54	\$330.58
Luxury – 2014	83.1%	86.4%	87.8%	85.7%	\$370.11	\$377.67	\$547.62	\$432.20	\$307.50	\$326.16	\$480.96	\$370.59	82.1%	\$414.26	\$340.20
Upper Upscale – 2013	88.0%	90.1%	87.9%	88.7%	\$257.34	\$257.52	\$345.89	\$286.01	\$226.45	\$232.10	\$303.91	\$253.61	85.8%	\$275.86	\$236.59
Upper Upscale – 2014	89.4%	91.9%	90.2%	90.5%	\$258.98	\$263.10	\$353.79	\$291.16	\$231.43	\$241.69	\$319.23	\$263.46	86.9%	\$281.46	\$244.52
Upscale – 2013	91.0%	93.5%	92.9%	92.5%	\$215.98	\$220.40	\$287.48	\$240.90	\$196.50	\$206.17	\$266.97	\$222.74	88.4%	\$227.70	\$201.34
Upscale – 2014	92.2%	94.9%	92.8%	93.3%	\$221.65	\$229.93	\$296.24	\$249.10	\$204.38	\$218.12	\$275.03	\$232.43	89.4%	\$234.16	\$209.46
Upper Midscale – 2013	90.8%	92.3%	90.6%	91.2%	\$197.14	\$203.21	\$260.19	\$219.79	\$178.94	\$187.48	\$235.61	\$200.44	88.3%	\$207.33	\$183.06
Upper Midscale - 2014	89.7%	93.9%	92.5%	92.0%	\$200.96	\$208.89	\$267.21	\$225.40	\$180.23	\$196.09	\$247.05	\$207.36	88.9%	\$209.75	\$186.45
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Luxury	-1.2%	0.0%	2.3%	0.4%	0.7%	4.2%	5.2%	3.9%	-0.5%	4.1%	7.6%	4.3%	-0.5%	3.4%	2.9%
Upper Upscale	1.6%	1.9%	2.7%	2.0%	0.6%	2.2%	2.3%	1.8%	2.2%	4.1%	5.0%	3.9%	1.3%	2.0%	3.3%
Upscale	1.3%	1.4%	0.0%	0.9%	2.6%	4.3%	3.0%	3.4%	4.0%	5.8%	3.0%	4.4%	1.2%	2.8%	4.0%
Upper Midscale	-1.2%	1.8%	2.1%	0.9%	1.9%	2.8%	2.7%	2.6%	0.7%	4.6%	4.9%	3.5%	0.7%	1.2%	1.9%

## By Neighborhood

	Occupancy				ADR				RevPAR				Sep YTD		
	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Occ.	ADR	RevPAR
Upper Manhattan – 2013	86.6%	87.4%	87.5%	87.2%	\$310.74	\$303.25	\$426.55	\$346.13	\$269.05	\$265.14	\$373.38	\$301.76	83.1%	\$338.03	\$280.80
Upper Manhattan – 2014	85.4%	88.9%	87.4%	87.2%	\$312.30	\$317.09	\$453.41	\$360.14	\$266.59	\$281.79	\$396.20	\$314.05	82.4%	\$346.62	\$285.64
Midtown West – 2013	90.6%	92.5%	90.7%	91.3%	\$250.20	\$254.10	\$332.24	\$278.11	\$226.58	\$235.17	\$301.28	\$253.83	87.7%	\$266.61	\$233.88
Midtown West – 2014	90.8%	93.3%	91.5%	91.9%	\$253.83	\$262.96	\$341.15	\$285.53	\$230.42	\$245.39	\$312.17	\$262.32	87.7%	\$272.96	\$239.38
Midtown East – 2013	85.7%	88.9%	87.7%	87.5%	\$263.26	\$261.79	\$388.86	\$304.01	\$225.59	\$232.83	\$341.19	\$265.87	83.5%	\$287.29	\$239.84
Midtown East – 2014	87.5%	90.8%	91.0%	89.7%	\$267.76	\$274.25	\$420.01	\$320.30	\$234.22	\$248.93	\$382.18	\$287.41	86.6%	\$301.26	\$261.02
Midtown South – 2013	90.3%	91.9%	90.7%	91.0%	\$215.51	\$220.73	\$289.09	\$241.20	\$194.60	\$202.94	\$262.13	\$219.43	88.6%	\$229.63	\$203.47
Midtown South – 2014	89.4%	92.7%	90.3%	90.8%	\$220.99	\$228.63	\$299.88	\$249.43	\$197.55	\$211.93	\$270.77	\$226.46	88.2%	\$235.52	\$207.69
Lower Manhattan – 2013	85.4%	88.6%	88.0%	87.3%	\$270.56	\$269.49	\$360.00	\$299.80	\$231.02	\$238.81	\$316.77	\$261.80	84.6%	\$290.87	\$245.94
Lower Manhattan - 2014	85.1%	89.4%	89.7%	88.1%	\$271.42	\$273.49	\$366.17	\$303.60	\$231.08	\$244.61	\$328.50	\$267.40	84.9%	\$293.75	\$249.39
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Upper Manhattan	-1.4%	1.6%	-0.2%	0.0%	0.5%	4.6%	6.3%	4.0%	-0.9%	6.3%	6.1%	4.1%	-0.8%	2.5%	1.7%
Midtown West	0.2%	0.8%	0.9%	0.7%	1.5%	3.5%	2.7%	2.7%	1.7%	4.3%	3.6%	3.3%	0.0%	2.4%	2.4%
Midtown East	2.1%	2.1%	3.7%	2.6%	1.7%	4.8%	8.0%	5.4%	3.8%	6.9%	12.0%	8.1%	3.8%	4.9%	8.8%
Midtown South	-1.0%	0.8%	-0.4%	-0.2%	2.5%	3.6%	3.7%	3.4%	1.5%	4.4%	3.3%	3.2%	-0.5%	2.6%	2.1%
Lower Manhattan	-0.3%	0.9%	2.0%	0.9%	0.3%	1.5%	1.7%	1.3%	0.0%	2.4%	3.7%	2.1%	0.4%	1.0%	1.4%

### 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				Sep YTD		
	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Occ.	ADR	RevPAR
Full Service – 2013	88.4%	90.6%	89.2%	89.4%	\$260.87	\$262.16	\$357.87	\$292.94	\$230.54	\$237.60	\$319.30	\$261.92	86.0%	\$280.59	\$241.26
Full Service – 2014	88.6%	91.6%	90.5%	90.3%	\$265.05	\$272.49	\$374.02	\$303.42	\$234.94	\$249.66	\$338.56	\$273.86	86.7%	\$289.11	\$250.80
Limited Service – 2013	89.1%	91.2%	90.4%	90.3%	\$219.49	\$223.54	\$288.33	\$243.36	\$195.61	\$203.89	\$260.72	\$219.63	86.9%	\$231.33	\$200.92
Limited Service - 2014	89.2%	92.3%	91.1%	90.9%	\$225.07	\$232.23	\$300.05	\$252.08	\$200.71	\$214.42	\$273.46	\$229.10	86.6%	\$238.40	\$206.45
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Full Service	0.3%	1.1%	1.5%	0.9%	1.6%	3.9%	4.5%	3.6%	1.9%	5.1%	6.0%	4.6%	0.9%	3.0%	4.0%
Limited Service	0.1%	1.2%	0.8%	0.7%	2.5%	3.9%	4.1%	3.6%	2.6%	5.2%	4.9%	4.3%	-0.3%	3.1%	2.8%

## By Affiliation

	Occupancy				ADR				RevPAR				Sep YTD		
	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Jul	Aug	Sep	3Q	Occ.	ADR	RevPAR
Chain Affiliated – 2013	89.2%	91.4%	89.4%	90.0%	\$267.99	\$268.60	\$363.71	\$299.21	\$239.08	\$245.38	\$325.28	\$269.31	87.0%	\$287.76	\$250.26
Chain Affiliated – 2014	89.4%	92.5%	91.2%	91.0%	\$270.44	\$276.62	\$374.82	\$306.89	\$241.64	\$255.83	\$341.72	\$279.27	87.6%	\$292.53	\$256.23
Independent – 2013	87.4%	89.8%	89.5%	88.9%	\$228.64	\$232.51	\$314.33	\$258.21	\$199.89	\$208.74	\$281.28	\$229.52	85.0%	\$244.95	\$208.09
Independent - 2014	87.8%	90.6%	89.8%	89.4%	\$234.40	\$243.64	\$332.47	\$269.71	\$205.72	\$220.74	\$298.50	\$241.07	85.3%	\$256.28	\$218.61
	% Change from 2013				% Change from 2013				% Change from 2013				% Change from 2013		
Chain Affiliated	0.2%	1.2%	1.9%	1.1%	0.9%	3.0%	3.1%	2.6%	1.1%	4.3%	5.1%	3.7%	0.7%	1.7%	2.4%
Independent	0.4%	0.9%	0.3%	0.6%	2.5%	4.8%	5.8%	4.5%	2.9%	5.8%	6.1%	5.0%	0.4%	4.6%	5.1%

Source: PwC, based on STR data

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### **Further reading**



#### **Hospitality Directions US November 2014**

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 2014 anticipates RevPAR growth of 8.2% with accelerating group demand contributing to stronger occupancy gains.

Our updated outlook for 2015 anticipates hotels achieving highest occupancy levels since 1984, RevPAR increasing 7.4%, and supply growth of 1.4%.



#### **PwC Real Estate Investor Survey Third Quarter 2014**

After quite a few years of having its performance and recovery described as “anemic” and “feeble,” the office sector is showing consistent signs of strengthening due to the positive trends occurring in the U.S. economy and various office-space-using employment segments.

*(Subscription required)*



#### **PwC US Real Estate Insights Fall 2014**

Generally, most property REITs today own “traditional” rental property like apartments, office buildings or malls. However, in an effort to unlock shareholder value, many companies which are heavy users of real estate are increasingly looking for methods to monetize their real estate in order to free up capital to be used in their core operations and extension plans.

In this issue, 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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