
Manhattan lodging index

Fourth quarter 2013

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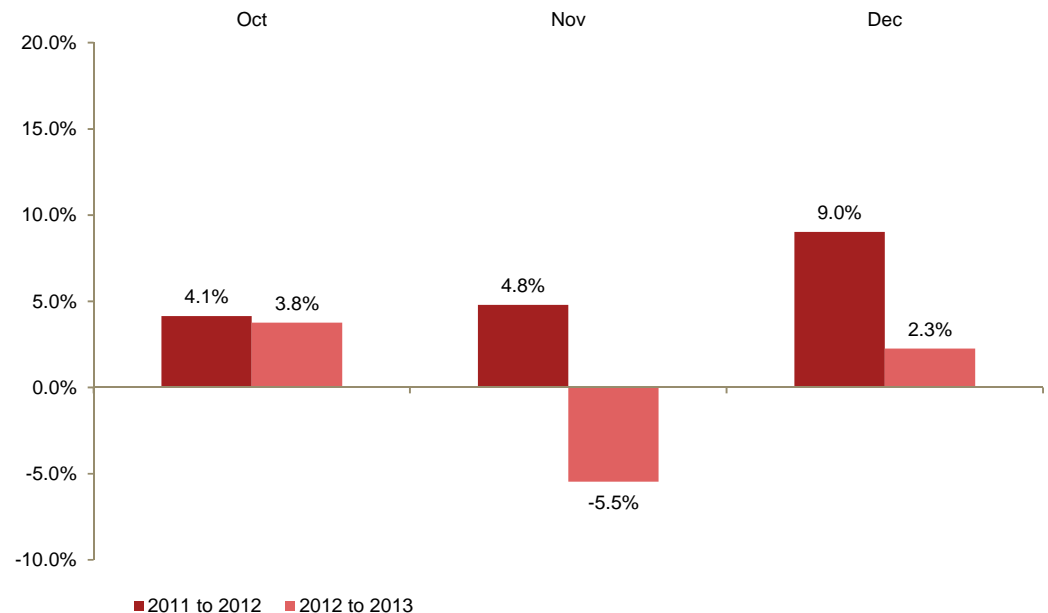


Manhattan lodging overview

In the fourth quarter, operating performance of Manhattan hotels remained robust, albeit year-over-year comparisons were difficult, in part, due to the effects of Superstorm Sandy last year.

During the fourth quarter of 2013, Manhattan's occupancy levels decreased by 0.6 percent, compared to the same period last year, as demand in Q4 2012 created by the after-effects of Superstorm Sandy did not exist in Q4 2013. Despite a 4.4 percent decline in November, average daily rate ("ADR") grew, albeit at a marginal pace of 1.0 percent, in the fourth quarter. This combination led to flat year-over-year RevPAR levels, with only a 0.4 percent increase in the fourth quarter. On an annual basis, occupancy levels grew 0.8 percent while ADR increased 3.1 percent, driving a 4.0 percent increase in RevPAR, representing the fourth consecutive year of solid RevPAR growth. By comparison, US RevPAR increased 5.4 percent in 2012.

Manhattan Q4 RevPAR growth by month



Source: PwC, based on Smith Travel Research data

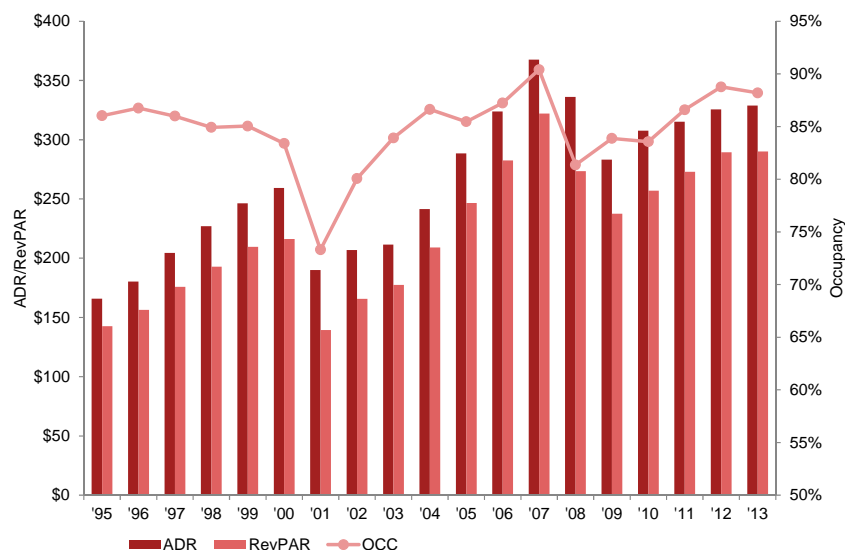
On the basis of class, the Luxury and Upper Upscale segments experienced moderate increases in RevPAR from year-ago levels, while RevPAR for the Upscale and Upper Midscale segments declined 2.2 percent and 2.3 percent, respectively. Growth in RevPAR for the Luxury and Upper Upscale segments was driven primarily by increases in room rate; however, declines in occupancy and ADR contributed to the RevPAR declines experienced by the Upscale and Upper Midscale segments. On an annual basis, each of the segments experienced RevPAR growth relative to the 2012. The Upper Upscale segment led the other segments in terms of year-over-year RevPAR growth, with a 5.0 percent increase, followed by the Luxury, Upper Midscale, and Upscale segments, with year-over-year RevPAR increases of 4.6 percent, 4.1 percent, and 2.9 percent, respectively.

At the neighborhood level, each of the submarkets experienced RevPAR growth in the fourth quarter of 2013, with the exception of Midtown West, which experienced a RevPAR decline of 2.0 percent. The contribution of ADR and occupancy to RevPAR growth varied across neighborhoods; in Upper Manhattan and Midtown East, declines in occupancy were more-than-offset by ADR growth, while in Midtown South and Lower Manhattan, occupancy growth compensated for ADR performance. Lower Manhattan led the submarkets in terms of RevPAR growth, increasing 5.7 percent over the prior year period, followed by Upper Manhattan, which experienced 2.4 percent growth. RevPAR growth in the other neighborhoods was slower, with Midtown East and Midtown South experiencing RevPAR growth of 1.6 percent and 1.9 percent, respectively. On an annual basis, all but one of the submarkets experienced ADR-driven, year-over-year RevPAR growth. Upper Manhattan, Midtown South, and Lower Manhattan experienced the strongest annual RevPAR growth, with increases of 7.6 percent, 6.1 percent, and 5.0 percent, respectively, while RevPAR growth in Midtown West and Midtown East was more moderate, with increases of 3.4 percent and 2.6 percent, respectively.

In the fourth quarter, limited-service hotel performance lagged behind full-service hotels, experiencing a 0.3 percent decline in RevPAR, compared to a 0.8 percent increase for full-service hotels. However, on an annual basis, RevPAR growth for limited-service hotels outperformed full-service hotels, with RevPAR increasing 5.3 percent compared to 4.0 percent, respectively.

Continuing the trend from prior quarters, independent hotels outperformed chain-affiliated hotels in the fourth quarter, in terms of RevPAR growth. Independent hotels grew RevPAR at 1.7 percent compared to year-ago levels, while RevPAR for chain-affiliated hotels declined by 0.8 percent. Independent hotels experienced modest declines in occupancy levels, but strong ADR growth, while chain-affiliated hotels experienced declines in both occupancy and ADR. Annual 2013 results indicate RevPAR growth at independent and chain-affiliated hotels of 5.5 percent and 2.9 percent, respectively.

Manhattan Q4 performance, 19-year trend



Source: PwC, based on Smith Travel Research data

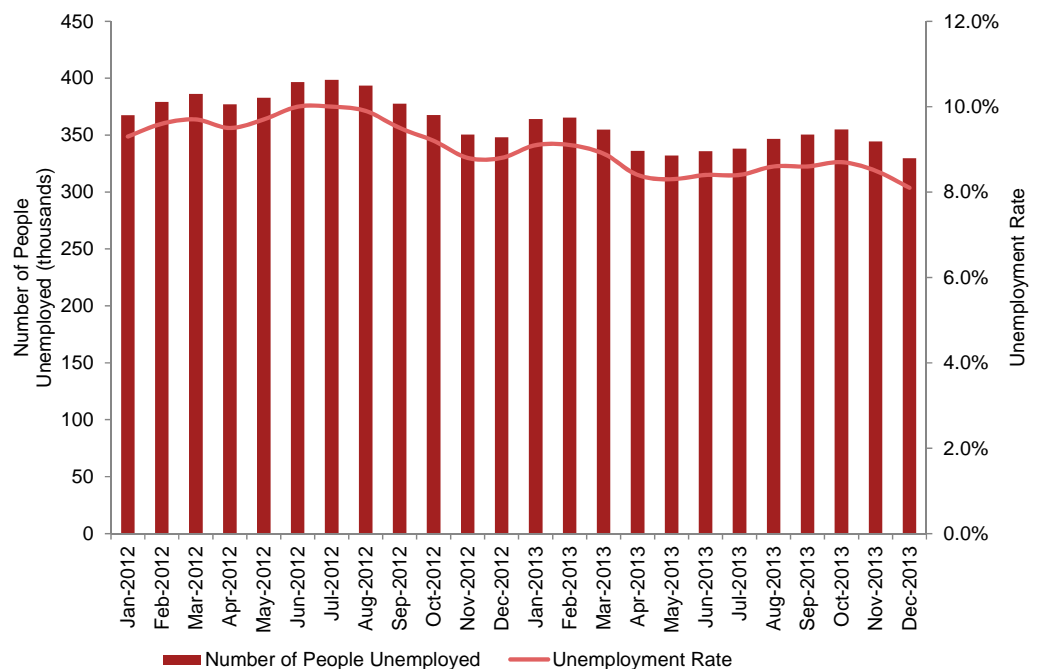
Employment trends

The New York City labor market continued to improve in the fourth quarter, as unemployment rates continued to decline. According to the New York State Department of Labor, New York City's seasonally adjusted unemployment rate averaged 8.4 percent in the fourth quarter of 2013, a decline of approximately 5.6 percent from the same period last year. New York State's seasonally adjusted unemployment rate averaged 7.4 percent in the fourth quarter of 2013, down 11.9 percent from the same period last year.

The average US unemployment rate during the fourth quarter of 2013 decreased from the third quarter of 2013, averaging approximately 7.0 percent. On an annual basis, the US unemployment rate averaged 7.4 percent in 2013, representing a 9.0 percent decline from the 2012 rate of 8.1 percent.

According to the New York State Department of Labor, for the twelve-month period ended December 2013, New York City's private sector employment increased by 96,100, or 2.8 percent, to 3,494,400. During the period, job growth occurred in education and health services, which added 46,600 jobs, trade, transportation, and utilities, which added 20,100 jobs, leisure and hospitality, which added 13,600 jobs, other services, which added 4,100 jobs, professional & business services, which added 3,900 jobs, financial activities, which added 3,600 jobs, natural resources, mining & construction, which added 1,600 jobs, manufacturing, which added 1,500 jobs, and information services, which added 1,100 jobs.

New York City Unemployment for the 24-month period ended December 2013



Source: New York State Department of Labor

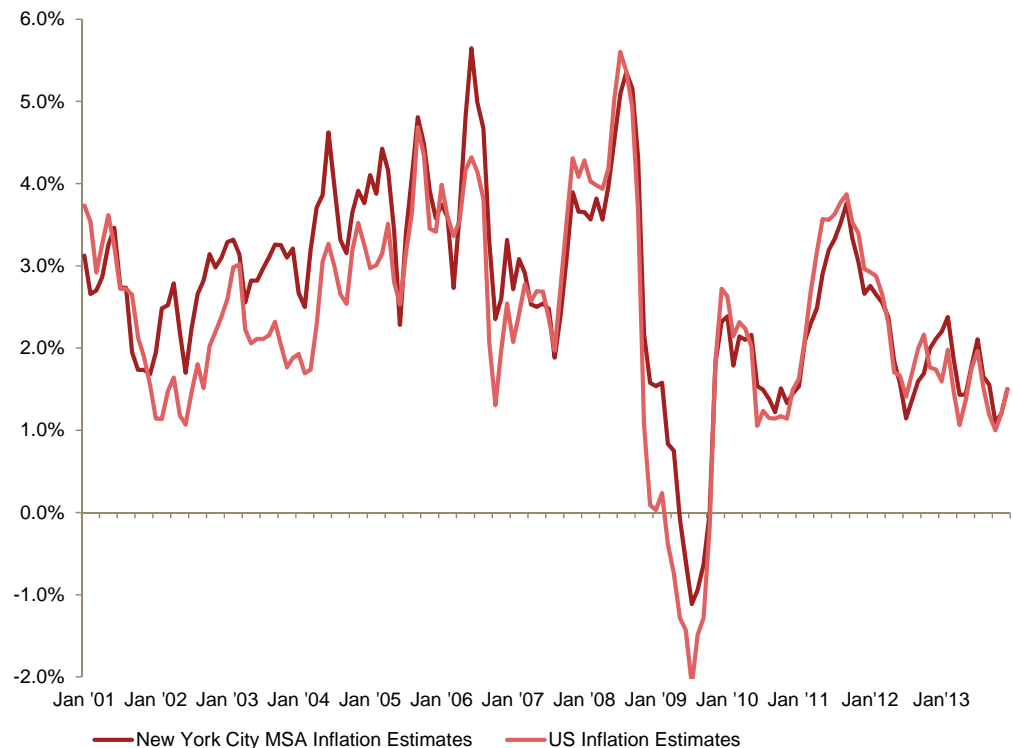
***Gross metro
product and
consumer price
Index***

The US economic recovery slowed in the fourth quarter of 2013. According to the advance estimate released by the Bureau of Economic Analysis, US real gross domestic product ("GDP") increased at a seasonally-adjusted, annualized rate of 3.2 percent, after increasing 4.1 percent in the third quarter. This quarter's increase was driven, in part, by positive contributions from personal consumption expenditures, which increased by 3.3 percent, and non-residential fixed investment, which increased 3.8 percent, both positive signs for the domestic lodging sector. Other positive contributions included private inventory investment, exports, residential fixed investment, and state and local government spending.

At the local level, New York City's economic growth slowed in 2013, but is still one of the top-performing U.S. metro areas in terms of recovery, outpacing Boston, Washington DC, Los Angeles, and Chicago. Although construction employment has fallen as rebuilding from Superstorm Sandy has waned, permit issuance in the multifamily segment rose 50% over the past year. At about 35,000 units annualized, multifamily permit issuance is now only 5,000 units shy of its pre-recession levels. With the fundamentals of the housing market improving and a recovering European economy helping push tourist arrivals to a record high in 2013, 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 1.3 percent during the fourth quarter, in line with the 1.2 percent national increase.

Consumer price index



Source: Bureau of Labor Statistics

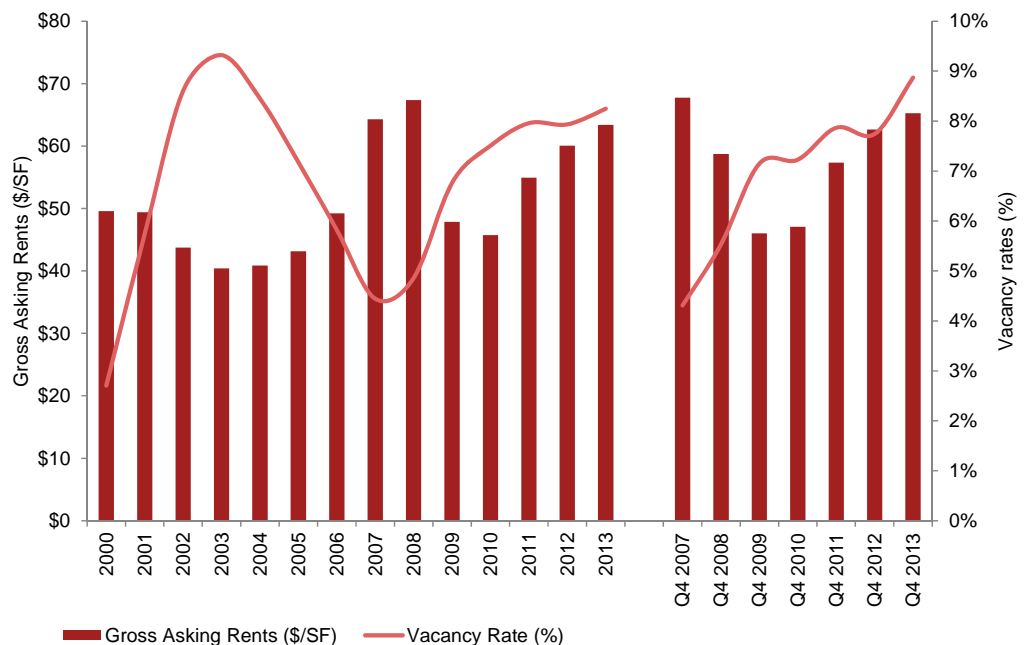
Office market statistics

Manhattan's office market continued to show mixed results in the fourth quarter of 2013. Overall vacancy rates increased to approximately 8.9 percent, an increase of 14.6 percent from year-ago levels, while gross asking rents increased by approximately 4.2 percent, compared to the same period last year, to \$65.28 per square foot.

On an annual basis, office market results mirrored those of the fourth quarter, with vacancy rates and asking rents both increasing compared to 2012. Vacancy rates in 2013 averaged approximately 8.2 percent for the year, up 4.0 percent, but asking rents also increased to \$63.41 per square foot, an increase of 5.6 percent over 2012 levels.

During the fourth quarter, the Downtown submarket's vacancy rate was 10.2 percent, an increase of 3.2 percentage points compared to the same period last year. The primary driver was the addition of 4 World Trade Center, which added 1.8 million square feet to the Downtown office space supply in November. The Midtown submarket's vacancy rate was 8.4 percent, an increase of 0.4 percentage points compared to the same period last year. During the same period, the Downtown submarket experienced gross asking rents of \$47.63 per square foot, up 8.2 percent from the same period last year, while the Midtown submarket experienced gross asking rents of \$71.52 per square foot, up 3.5 percent.

Gross asking rents and vacancy rates



Source: PwC, based on CBRE Economic Advisors data

According to the Real Deal, in December 2013, Bloomingdale's signed an office lease for 47,763 square feet on the entire sixth floor of the office building at 919 Third Avenue. In November 2013, Starwood Property Trust signed an office lease for 12,750 square feet on the entire fifth floor of the office building at 1140 Sixth Avenue. In October 2013, the City of New York's Police Department signed a 15-year lease for 66,800 square feet at 469 Seventh Avenue.

According to Cushman and Wakefield, in the fourth quarter, Comcast purchased 1.3 million square feet of office and studio space at 30 Rockefeller Plaza for \$1.3 billion, as part of the media and communications giant's \$16.7 billion purchase of a 49 percent stake in NBCUniversal from General Electric.

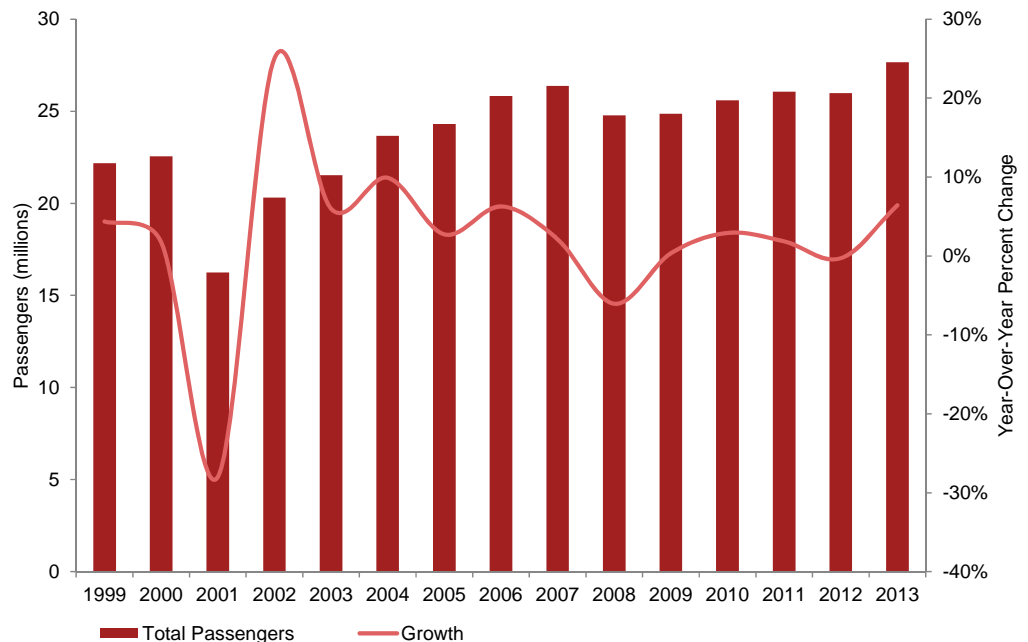
According to Real Capital Analytics, in October 2013, Norges Bank Investment Management purchased the 1.2 million square-foot office building at 7 Times Square for approximately \$1,220 per square foot from Boston Properties. In November 2013, SL Green purchased the 42,349 square-foot office building at 562 Fifth Avenue for approximately \$1,594 per square foot from Elmer Ellsworth Smathers Estate. Finally, in December 2013, ARC NYRR purchased the 740,000 square-foot office building at 1440 Broadway for approximately \$715 per square foot from a joint venture between Rockpoint Group and Monday Properties.

Air traffic statistics

Air traffic levels during the fourth quarter of 2013 increased approximately 6.4 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 27.7 million passengers from October through December 2013, up from 25.9 million passengers over the same period a year ago. International passenger traffic increased approximately 9.1 percent to a level of approximately 9.4 million passengers, compared to approximately 8.6 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

Four hotel transactions occurred during the fourth quarter in Manhattan. In November 2013, the 605-room Park Lane Hotel was sold by Helmsley Enterprises to a joint venture between Witkoff Group, Jynwel Capital, Highgate Holdings, Mackowe Properties, and Vector Group for a reported transaction price of approximately \$660 million. Also in November, the 240-room Viceroy Hotel was sold by Ark Investment Partners to ARC NYRR for a reported transaction price of approximately \$148.5 million.

In October 2013, the 226-room Hotel Chelsea was sold by a joint venture between the Chetrit Group and Clipper Equity to a joint venture between King & Grove and Wheelock Street Capital for an unreported sale price. Finally, also in October 2013, the 72-room MAve Hotel was sold by Madison Hotel LLC to Assa Properties for a reported transaction price of \$28.5 million.

The following table summarizes these recent transactions.

Transaction date	Hotel name	Rooms	Transaction price	Price per room
November 2013	Park Lane Hotel	605	\$660,000,000	\$1,090,909
November 2013	Viceroy Hotel	240	\$148,500,000	\$618,750
October 2013	Hotel Chelsea	226	Unreported	Unreported
October 2013	The MAve Hotel	72	\$28,450,000	\$395,139

Source: Real Capital Analytics

Recent and planned hotel openings/closings

Several hotels recently opened in Manhattan. Openings in December 2013 included the 273-room Courtyard by Marriott Chelsea, the 487-room Hyatt Times Square, the 172-room WestHouse New York, and the dual Residence Inn and Courtyard by Marriott Central Park with a total of 639 rooms. Additionally, in January 2014, The William Hotel with 33 rooms and the 401-room Hilton Garden Inn Central Park South opened.

2014

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/ Closing	Rooms
Hilton Garden Inn New York Midtown Park Avenue	45 E 33rd St	Lower Manhattan	Empire 33rd Street LLC	Mar-14	232
aloft Manhattan Downtown - Financial District	49 Ann St	Lower Manhattan	The Lam Group	Mar-14	128
Hampton Inn Manhattan/Downtown Financial District	32 Pearl St	Lower Manhattan	Hersha Hospitality	Mar-14	81
The Knickerbocker Hotel	1462 Broadway	Times Square Area	AC Broadway 1466 LP	Apr-14	330
Audubon Hotel	507 W 181st St	Uptown	505 West 181 Associates LLC	Apr-14	54
Residence Inn New York Lower Manhattan	170 Broadway	Lower Manhattan	AC Broadway 1466 LP	Apr-14	243
Comfort Inn & Suites New York	154 Madison St	Lower Manhattan	USA Senwell Fund Management LLC	Apr-14	41
CitizenM Hotel	218 W 50th St	Times Square Area	OSIB-BCRE 50th Street Holdings	Apr-14	230
Hotel Ludlow	180 Ludlow St	Lower Manhattan	180 Ludlow Development LLC	Apr-14	162
Holiday Inn Hotel Manhattan Financial District	99 Washington St	Lower Manhattan	McSam Hotel Group	May-14	416
Four Points by Sheraton Financial District Hotel	6 Platt St	Lower Manhattan	The Lam Group	May-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	May-14	293
Archer New York	45-49 W 38th St	Times Square Area	Lodgeworks	May-14	180
Hilton Garden Inn New York Times Square Central	136 W 42nd St	Times Square Area	AC Broadway 1466 LP	Jun-14	282
One 57 Park Hyatt Hotel	151-161 W 57th St	Times Square Area	Extell Development Co	Jun-14	210
Fairfield Inn New York Manhattan Financial District	161 Front St	Lower Manhattan	Lam Generations LLC	Jun-14	181
Hilton Garden Inn New York Manhattan Midtown East	210 E 52nd St	Uptown/Midtown East	Nevins Street Lessee Associates	Jun-14	205
1 Hotel Central Park	1414 Avenue of the Americas	Times Square Area	Starwood Capital Group	Jun-14	229
Grand East Hotel	451 Lexington Ave	Uptown/Midtown East	451 Lexington Realty LLC	Jun-14	288

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Hotel Soho	525 Greenwich St	Lower Manhattan	Fortuna Realty Group	Jun-14	124
Cambria Suites Chelsea	123 W 28th St	Lower Manhattan	We Care Trading Co. Ltd.	Jul-14	135
Baccarat Hotel & Residences	20 W 53rd St	Midtown East	VIII Hotel II Tribeca Holdings LLC	Jul-14	114
Galerie 515	511 9th Ave	Times Square Area	511 9th LLC	Aug-14	87
Unnamed Hotel	514 W 168th St	Uptown	514 West 168th Street LLC	Aug-14	54
Unnamed Hotel	10 South St	Lower Manhattan	NYC Economic Development Corporation	Aug-14	58
Unnamed Hotel	88 Allen St	Lower Manhattan	Sun Sun Property Investment	Sep-14	45
Grand Street Hotel	196 Grand St	Lower Manhattan	196 Grand LLC	Oct-14	47
Unnamed Hotel	70 Pine St	Lower Manhattan	EBNB 70 Pine Owner LLC c/o Rose	Oct-14	132
SLS Hotel New York	444 Park Ave South	Lower Manhattan	444 Park Avenue Associates	Oct-14	190
The Stories Hotel	163 Orchard St	Lower Manhattan	163 Orchard Street LLC	Dec-14	52
Hotel Indigo	180 Orchard St	Lower Manhattan	LES Realty Group LLC	Dec-14	151
CitizenM	185-191 Bowery	Lower Manhattan	Brack Capital Real Estate	Dec-14	315
Thompson Hotel Downtown	5 Beekman St	Lower Manhattan	GFI Capital Resources Group Inc	Dec-14	285
John Street Hotel	24 John St	Lower Manhattan	N/A	Dec-14	128

2015

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Ayya Hotel	11 E 31st St	Lower Manhattan	318 West 47th Street LLC	Jan-15	120
Cambria Suites Times Square	30 W 46th St	Times Square Area	South 46 LLC	Jan-15	196
Executive Hotel Le Soleil New York	38 W 36th St	Times Square Area	8th & Pine Partners LP	Mar-15	160
Edition ClockTower Hotel	5 Madison Ave	Lower Manhattan	N/A	Mar-15	355
Unnamed Hotel	160 W 56th St	Times Square Area	Empire Hotel Group	Mar-15	63
Hampton Inn Manhattan Times Square Central	220-246 W 41st St	Lower Manhattan	OTO Development LLC	May-15	300

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	538 W 58th St	Times Square Area	McSam Hotel Group	May-15	230
Unnamed Hotel	32 W 29th St	Lower Manhattan	32-34 W. 29th Realty LLC	Jun-15	117
EVEN Hotel	219 E 44th St	Midtown East	CCW Realty Inc	Jun-15	150
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	215 Pearl St	Lower Manhattan	The Lam Group	Jun-15	200
Unnamed Hotel	54 Canal St	Lower Manhattan	DLJ Real Estate Partners	Jun-15	140
Unnamed Hotel	101 W 28th St	Lower Manhattan	Celebration Downtown Developers LLC /Lexin Capital	Jun-15	132
EVEN Hotel	321 W 35th St	Lower Manhattan	CCW Realty Inc	Jun-15	150
Unnamed Hotel	218 W 35th St	Times Square Area	N/A	Jun-15	342
Holiday Inn Manhattan New York	585 8th Ave	Times Square Area	IMDN HOLDING LLC	Jul-15	199
RIU Plaza New York Times Square Hotel	301 W 46th St	Times Square Area	RIU Hotels & Resorts	Aug-15	600

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
Hilton Garden Inn Financial Center	6 Water St	Lower Manhattan	N/A	Apr-16	249
aloft New York Midtown	25 W 38th St	Times Square Area	Fortuna Fifth Ave LLC	Oct-16	N/A
Marriott Edition	701 7th Ave	Times Square Area	Vimar Realty Corp c/o W & S Inc	Jan-17	452
Unnamed Hotel	610 Lexington Ave	Uptown/Midtown East	RFR Holding Corp	N/A	206
Unnamed Hotel	233 -237 W 125th St	Uptown	Danforth Development Partners LLC/Exact Capital	N/A	210
Unnamed Hotel	6 E 37th St	Lower Manhattan	6 E. 37th St. LLC	N/A	117

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Unnamed Hotel	16 E 30th St	Lower Manhattan	16-18 East 30th Street LLC	N/A	N/A
Unnamed Hotel	145 E 47th St	Uptown/Midtown East	32 East 32nd Realty, LLC	N/A	93
Unnamed Hotel	Unknown Location	Uptown/Midtown East	Dewberry Capital Corporation	N/A	80
Unnamed Hotel	703 Washington St	Lower Manhattan	Madison Equities	N/A	57
Unnamed Hotel	112 W 25th St	Lower Manhattan	The Lam Group	N/A	360
Advaya Hotel	107 W 28th St	Lower Manhattan	107 West 28th Street	N/A	62
Unnamed Hotel	1212 Broadway	Lower Manhattan	1212 Broadway NYC LLC c/o Fantas	N/A	N/A
Unnamed Hotel	356 W 40th St	Times Square Area	Ron Joobeen	N/A	21
Unnamed Hotel	338 Bowery	Lower Manhattan	McSam Hotel Group	N/A	37
Unnamed Hotel	333 W 38th St	Times Square Area	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	N/A
Unnamed Hotel	501 Canal St	Lower Manhattan	McSam Hotel Group	N/A	N/A
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
NoHo Hotel	27 E 4th St	Lower Manhattan	Kalodop II Park Corp	N/A	N/A
Unnamed Hotel	215 Chrystie St	Lower Manhattan	Chrystie Land Associates LLC	N/A	N/A
Virgin Hotel	1225-1227 Broadway	Lower Manhattan	The Lam Group	N/A	300
Unnamed Hotel	50 Bowery	Lower Manhattan	Bower Holdings LLC	N/A	160
Unnamed Hotel	217 W 57th St	Times Square Area	Extell Development Co	N/A	N/A
Unnamed Hotel	44 W 29th St	Lower Manhattan	Devli Properties Inc	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	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

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
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
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	8 Maiden Ln	Lower Manhattan	10-12 MLane LLC	N/A	191
Unnamed Hotel	444 10th Ave	Lower Manhattan	Joy Construction Corp	N/A	151
Unnamed Hotel	8th Ave	Lower Manhattan	Moynihan Station Development Corporation	N/A	N/A
Courtyard by Marriott	461 W 34th St	Lower Manhattan	Marx Development Group	N/A	399
Unnamed Hotel	310 W 40th Str	Times Square Area	310 Group LLC	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 W 40th St	Times Square Area	McSam Hotel Group	N/A	N/A
Unnamed Hotel	346 Broadway	Lower Manhattan	Peebles Corp	N/A	N/A
Unnamed Hotel	35 Hudson Yards	Lower Manhattan	The Related Companies	N/A	200

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

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All Manhattan

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
2012 Market Average	90.8%	87.1%	88.4%	88.8%	\$327.96	\$320.44	\$328.41	\$325.71	\$297.71	\$279.01	\$290.26	\$289.10	85.9%	\$277.14	\$238.17
2013 Market Average	91.0%	86.1%	87.5%	88.2%	\$339.64	\$306.46	\$339.13	\$328.96	\$308.91	\$263.77	\$296.82	\$290.14	86.7%	\$285.87	\$247.74
	% Change from 2012				% Change from 2012				% Change from 2012				% Change from 2012		
Market Average	0.2%	-1.1%	-1.0%	-0.6%	3.6%	-4.4%	3.3%	1.0%	3.8%	-5.5%	2.3%	0.4%	0.8%	3.1%	4.0%

By Class

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Luxury – 2012	86.3%	82.4%	85.6%	84.8%	\$477.44	\$472.42	\$490.49	\$480.29	\$412.17	\$389.06	\$419.69	\$407.17	82.7%	\$407.70	\$337.37
Luxury – 2013	87.1%	84.0%	84.9%	85.3%	\$492.70	\$467.19	\$511.99	\$490.97	\$428.90	\$392.65	\$434.69	\$419.03	83.1%	\$424.70	\$352.80
Upper Upscale – 2012	90.7%	86.9%	88.4%	88.7%	\$337.84	\$329.05	\$336.02	\$334.42	\$306.30	\$286.09	\$297.17	\$296.63	85.5%	\$286.84	\$245.39
Upper Upscale – 2013	91.8%	86.7%	87.1%	88.5%	\$351.55	\$320.16	\$353.26	\$342.14	\$322.57	\$277.58	\$307.85	\$302.92	86.8%	\$296.77	\$257.62
Upscale – 2012	93.2%	91.6%	91.6%	92.1%	\$277.24	\$271.83	\$277.04	\$275.42	\$258.41	\$249.03	\$253.66	\$253.75	88.8%	\$232.12	\$206.02
Upscale - 2013	93.2%	88.4%	90.1%	90.6%	\$287.93	\$248.59	\$283.44	\$274.07	\$268.30	\$219.73	\$255.31	\$248.20	88.5%	\$239.55	\$212.07
Upper Midscale – 2012	92.5%	88.8%	88.9%	90.1%	\$248.15	\$238.90	\$237.54	\$241.66	\$229.64	\$212.03	\$211.08	\$217.66	87.8%	\$204.41	\$179.40
Upper Midscale - 2013	91.9%	86.0%	88.5%	88.8%	\$256.25	\$217.04	\$242.94	\$239.41	\$235.53	\$186.67	\$215.01	\$212.68	88.6%	\$210.69	\$186.72
	% Change from 2012				% Change from 2012				% Change from 2012				% Change from 2012		
Luxury	0.8%	2.1%	-0.8%	0.7%	3.2%	-1.1%	4.4%	2.2%	4.1%	0.9%	3.6%	2.9%	0.4%	4.2%	4.6%
Upper Upscale	1.2%	-0.3%	-1.5%	-0.2%	4.1%	-2.7%	5.1%	2.3%	5.3%	-3.0%	3.6%	2.1%	1.5%	3.5%	5.0%
Upscale	0.0%	-3.5%	-1.6%	-1.7%	3.9%	-8.5%	2.3%	-0.5%	3.8%	-11.8%	0.6%	-2.2%	-0.3%	3.2%	2.9%
Upper Midscale	-0.7%	-3.1%	-0.4%	-1.4%	3.3%	-9.1%	2.3%	-0.9%	2.6%	-12.0%	1.9%	-2.3%	1.0%	3.1%	4.1%

By Neighborhood

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Upper Manhattan – 2012	89.2%	86.9%	84.0%	86.7%	\$402.43	\$404.58	\$403.55	\$403.50	\$358.84	\$351.42	\$338.88	\$349.69	81.6%	\$340.74	\$277.97
Upper Manhattan – 2013	88.5%	83.5%	85.1%	85.7%	\$422.12	\$410.59	\$420.02	\$417.76	\$373.56	\$342.70	\$357.60	\$358.12	83.8%	\$356.69	\$299.01
Midtown West – 2012	92.4%	91.0%	91.1%	91.5%	\$320.00	\$319.92	\$331.60	\$323.87	\$295.70	\$291.08	\$302.25	\$296.40	87.9%	\$272.91	\$239.97
Midtown West – 2013	91.9%	86.7%	88.2%	88.9%	\$333.36	\$301.51	\$343.43	\$326.78	\$306.27	\$261.31	\$303.00	\$290.62	88.0%	\$282.09	\$248.16
Midtown East – 2012	91.4%	89.0%	88.6%	89.7%	\$351.88	\$341.09	\$349.95	\$347.75	\$321.71	\$303.46	\$310.11	\$311.84	85.1%	\$297.18	\$252.81
Midtown East – 2013	90.7%	87.4%	88.6%	88.9%	\$364.75	\$328.55	\$374.47	\$356.41	\$330.81	\$287.10	\$331.79	\$316.89	84.9%	\$305.52	\$259.26
Midtown South – 2012	90.9%	85.0%	87.3%	87.8%	\$278.03	\$261.20	\$265.54	\$268.55	\$252.84	\$222.09	\$231.68	\$235.72	86.8%	\$230.67	\$200.11
Midtown South – 2013	92.0%	86.9%	88.9%	89.3%	\$286.93	\$249.39	\$268.75	\$268.92	\$264.01	\$216.63	\$238.96	\$240.11	88.8%	\$239.02	\$212.34
Lower Manhattan – 2012	85.3%	72.6%	83.0%	80.4%	\$354.97	\$324.86	\$331.64	\$337.97	\$302.89	\$235.82	\$275.10	\$271.61	82.7%	\$295.72	\$244.45
Lower Manhattan - 2013	88.8%	83.4%	84.5%	85.6%	\$358.79	\$320.32	\$325.52	\$335.50	\$318.55	\$267.06	\$274.98	\$287.08	84.8%	\$302.60	\$256.66
	% Change from 2012				% Change from 2012				% Change from 2012				% Change from 2012		
Upper Manhattan	-0.8%	-3.9%	1.4%	-1.1%	4.9%	1.5%	4.1%	3.5%	4.1%	-2.5%	5.5%	2.4%	2.8%	4.7%	7.6%
Midtown West	-0.6%	-4.7%	-3.2%	-2.8%	4.2%	-5.8%	3.6%	0.9%	3.6%	-10.2%	0.2%	-2.0%	0.0%	3.4%	3.4%
Midtown East	-0.8%	-1.8%	0.0%	-0.9%	3.7%	-3.7%	7.0%	2.5%	2.8%	-5.4%	7.0%	1.6%	-0.2%	2.8%	2.6%
Midtown South	1.2%	2.2%	1.9%	1.7%	3.2%	-4.5%	1.2%	0.1%	4.4%	-2.5%	3.1%	1.9%	2.4%	3.6%	6.1%
Lower Manhattan	4.1%	14.9%	1.8%	6.5%	1.1%	-1.4%	-1.8%	-0.7%	5.2%	13.2%	0.0%	5.7%	2.6%	2.3%	5.0%

Neighborhood Index

Upper Manhattan 59th Street and North	Midtown West 5th Avenue and West from 34th Street to 59th Street	Midtown East 5th Avenue and East from 34th Street to 59th 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 - 2012	90.7%	87.2%	88.7%	88.9%	\$339.73	\$332.13	\$341.58	\$337.92	\$308.01	\$289.62	\$302.89	\$300.28	85.9%	\$287.49	\$246.99
Full Service - 2013	91.1%	86.4%	87.6%	88.4%	\$351.71	\$319.66	\$354.52	\$342.46	\$320.29	\$276.30	\$310.41	\$302.63	86.6%	\$296.60	\$256.78
Limited Service - 2012	91.3%	86.5%	87.1%	88.3%	\$276.87	\$268.42	\$269.11	\$271.61	\$252.69	\$232.15	\$234.39	\$239.86	86.0%	\$231.95	\$199.58
Limited Service - 2013	90.5%	84.6%	87.4%	87.5%	\$289.46	\$250.53	\$277.60	\$273.28	\$261.93	\$211.83	\$242.58	\$239.13	87.0%	\$241.56	\$210.21
	% Change from 2012				% Change from 2012				% Change from 2012				% Change from 2012		
Full Service	0.4%	-0.9%	-1.3%	-0.6%	3.5%	-3.8%	3.8%	1.3%	4.0%	-4.6%	2.5%	0.8%	0.8%	3.2%	4.0%
Limited Service	-0.9%	-2.2%	0.3%	-0.9%	4.5%	-6.7%	3.2%	0.6%	3.7%	-8.8%	3.5%	-0.3%	1.1%	4.1%	5.3%

By Affiliation

	Occupancy				ADR				RevPAR				Dec YTD		
	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Oct	Nov	Dec	4Q	Occ.	ADR	RevPAR
Chain Affiliated - 2012	91.0%	88.0%	89.7%	89.6%	\$349.58	\$343.35	\$353.31	\$348.85	\$318.24	\$302.00	\$317.02	\$312.53	87.2%	\$295.75	\$257.98
Chain Affiliated - 2013	91.3%	87.4%	89.1%	89.3%	\$356.86	\$323.07	\$359.87	\$347.21	\$325.92	\$282.21	\$320.47	\$309.93	87.6%	\$303.11	\$265.43
Independent - 2012	90.4%	85.8%	86.4%	87.5%	\$296.38	\$285.97	\$290.32	\$291.04	\$267.81	\$245.28	\$250.78	\$254.73	84.0%	\$248.83	\$209.00
Independent - 2013	90.4%	84.1%	85.1%	86.5%	\$312.28	\$279.53	\$304.52	\$299.31	\$282.17	\$235.00	\$259.10	\$258.96	85.3%	\$258.47	\$220.51
	% Change from 2012				% Change from 2012				% Change from 2012				% Change from 2012		
Chain Affiliated	0.3%	-0.7%	-0.8%	-0.4%	2.1%	-5.9%	1.9%	-0.5%	2.4%	-6.6%	1.1%	-0.8%	0.4%	2.5%	2.9%
Independent	0.0%	-2.0%	-1.5%	-1.2%	5.4%	-2.3%	4.9%	2.8%	5.4%	-4.2%	3.3%	1.7%	1.6%	3.9%	5.5%

Source: PwC, based on Smith Travel Research data

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Travel & tourism
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For this publication

Abhishek Jain
Manager
(646) 471-2016
a.jain@us.pwc.com

Warren Marr
Managing Director
(267) 330-3062
warren.marr@us.pwc.com

For more information, please contact
Maridel Gonzalez-Gutierrez at (305)
375-6253,
maridel.gonzalezgutierrez@us.pwc.com

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Contributing Writers:

Abhishek Jain (Editor)

Kelly Sheehan

Jerome Tse

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For information regarding this publication or for permission to print this report in whole or in part, please contact Abhishek Jain at (646) 471-2016. You may also send e-mail to contact.hospitality@us.pwc.com.

This report is available from our website (www.lodgingresearch.com).

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Further reading



Hospitality Directions US *January 2014*

Lodging's recovery continues, with strong demand growth and rising room rates. Construction activity remains below historical averages, but is picking up.

Our outlook for 2014 anticipates: RevPAR growth of 6.0%, primarily driven by stronger ADR; demand growth of 2.4%; increased hotel construction starts, but supply growth of 1.0%, still well below the long-term average of 1.9%; accelerating gains in hotel pricing with ADR rising 4.5% compared to 3.9% in 2013; and strongest performance gains in the higher-priced chain scale segments, particularly luxury.



PwC Real Estate Investor Survey *Fourth Quarter 2013*

As investors formulate strategies for the year ahead, many foresee positive trends continuing for both the U.S. economy and the commercial real estate industry.

Positive economic trends will allow space market fundamentals and property characteristics to emerge as the primary drivers of returns, reducing the reliance on falling cap rates and leverage, as well as offsetting the impact of rising interest rates.

(Subscription required)



How can hotels achieve the right kind of growth in a digital age? *October 2013*

Travel consumers want mobility, flexibility and easy real-time access to information and to shop and pay safely and easily on the go. They expect seamless connectivity allowing them to access the content they want when they want across all platforms, and also increasingly expecting seamless transitions between different platforms.

PwC UK establishes a hotelier's toolkit for fighting commoditization, including developing a business strategy for the digital age, using social media effectively, and using digital channels to take loyalty and personalization further.