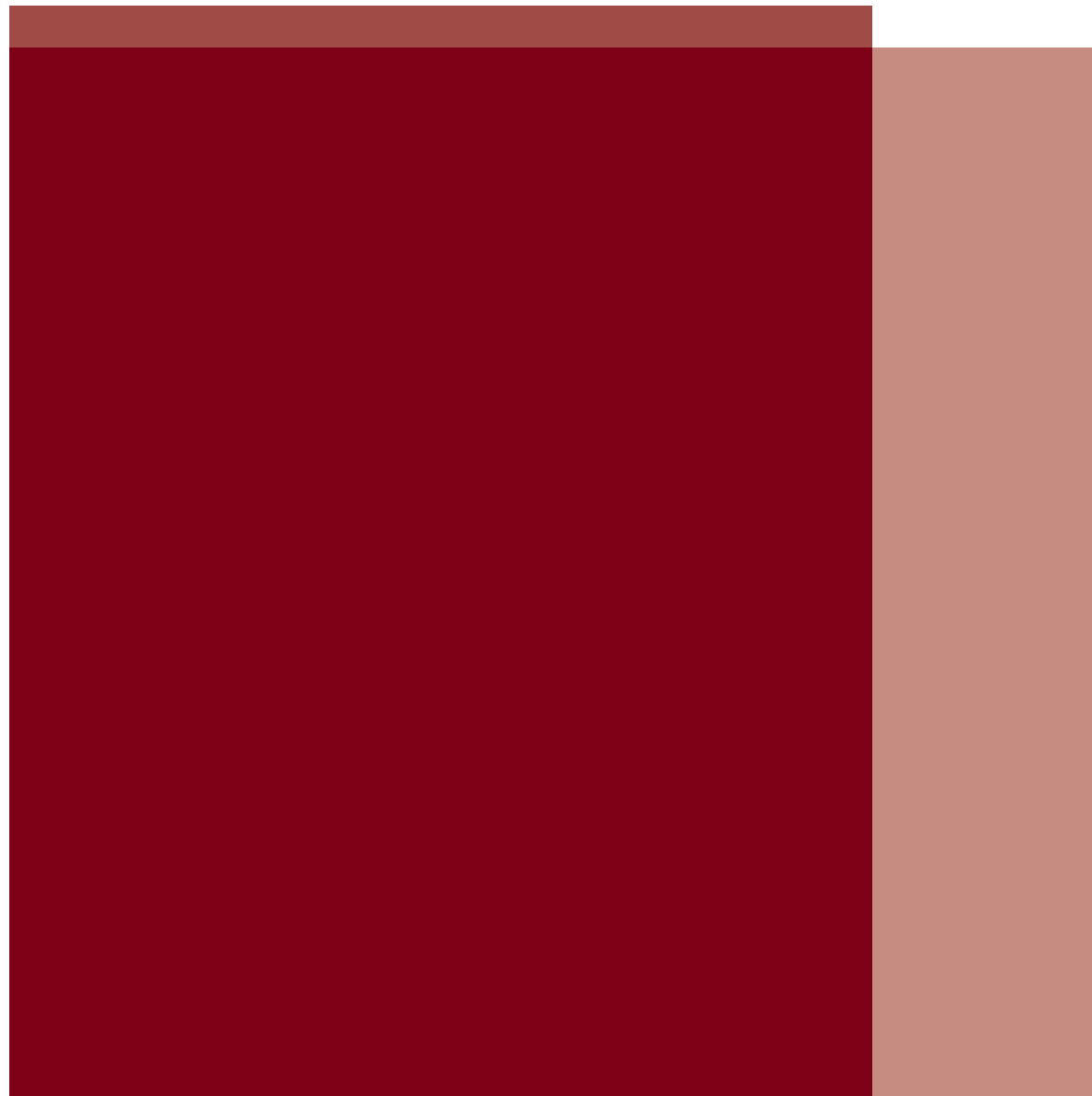


Hospitality Directions US Hospitality and Leisure

November 2010
Q3



PwC's lodging forecast anticipates continued growth in occupancy and average daily rate (ADR) will result in a 7.4 percent increase in revenue per available room (RevPAR) in 2011. Lodging demand is recovering sooner than anticipated, resulting in a stronger outlook for the sector, despite weaker macroeconomic assumptions in the near term. Supply growth continues to slow as expected.

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Lodging demand recovers, focus turns to ADR

Recent performance in the lodging sector has run ahead of expectations. Solid lodging results in the third quarter and the strengthening outlook for the fourth quarter have more than offset slightly weaker near-term expectations for the economy. As a result, our current lodging forecast anticipates stronger occupancy and ADR gains in 2011 than our previous outlook.

Despite a slower pace of economic recovery in 2010, lodging demand has remained brisk. Lodging results for September and October show levels of occupied rooms that are consistent with average demand during 2007, showing lodging demand has made a substantial recovery from earlier lows. Lodging demand fell further and more rapidly than the overall economy during the onset of the recession, but the sharp pullback

in travel proved temporary. After reaching a trough at a similar time as the overall economy in mid-2009, lodging demand has rebounded more quickly and average demand levels in 2010 are estimated to be only 1.1 percent behind the average during 2007.

However, the recovery in lodging demand is only part of the story. Since 2007, 3,300 new hotels have opened, and we estimate that room inventory in 2010 will average 7.7 percent ahead of 2007 levels. Occupancy rates in 2010 are 8.2 percent below 2007 levels, and average daily rates are 6.0 percent below, resulting in RevPAR 13.7 percent below 2007 highs (Figure 1).

Recent occupancy gains are important to the industry, but in the near term, the focus is turning to the potential for increases in ADR. In many

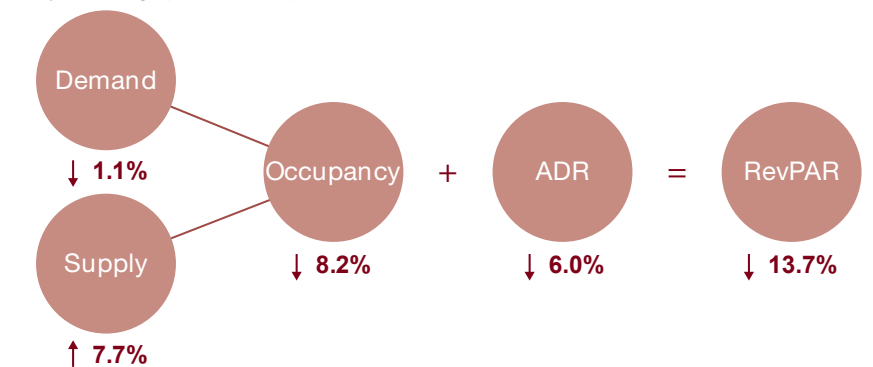
markets, hotels are beginning to experience higher ADR levels through the return of business travelers and decreased reliance on more price-sensitive booking channels. In 2011, continuation of such shifts in the mix of business, as well as increases

in negotiated rates and moderate gains in group demand, are expected to result in higher ADR. Such ADR increases, combined with higher occupancy levels, are expected to result in a 7.4 percent increase in RevPAR (Figure 1), the largest annual gain since the 7.8 percent increase in 2006.

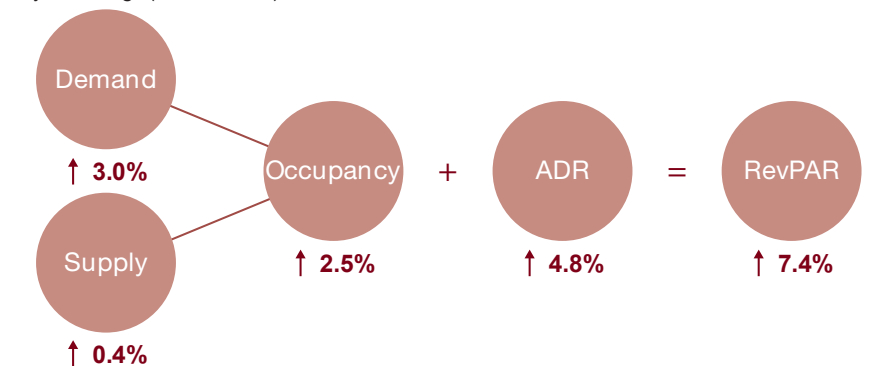
Even as fundamentals have improved, construction activity has remained suppressed. Construction starts are running at low levels and the pace of recovery has not substantially altered our expectations for a slow recovery in new hotel construction.

Figure 1: Composition of RevPAR growth

Three-year change (2007 to 2010)



One-year change (2010 to 2011)



Source: Smith Travel Research; PricewaterhouseCoopers LLP

Recovery postponed, stronger economic growth in 2011

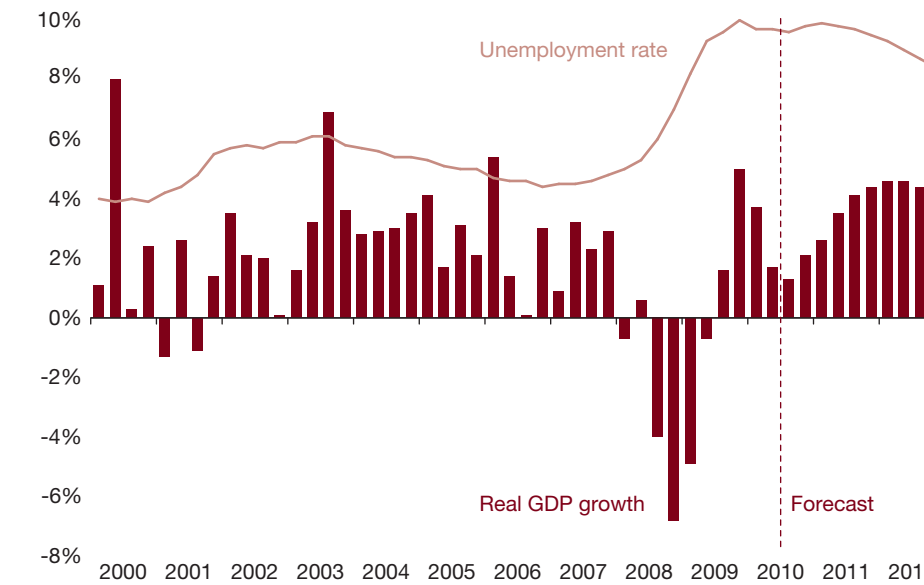
The economic recovery took a detour in 2010. The path of previous recessions suggested 2010 would bring above-trend growth as the economy experienced a cyclical recovery. Instead, economic growth waned as the year progressed. Businesses resumed spending on certain investments, such as equipment and software, but proved less willing to invest in human capital and expand payrolls. Financial conditions improved, with higher equity values and lower credit spreads, but GDP growth slowed.

Earlier this year, slowing growth raised concerns about the risk of a double-dip recession. US equity markets fell in May and June, reaching lows for the year in

early-July. After steady increases to economic forecasts during the first six months of 2010, economists reduced forecasts for 2010 growth over the summer. Since then, risk that the economy will slow to a stall moderated, in part due to a commitment by the Federal Reserve to purchase Treasuries to maintain low interest rates. Macroeconomic Advisers, which provides the economic forecast that is an input to our US lodging sector model, has marked down its economic outlook for 2010 and the first quarter of 2011, but anticipates that the economy passed the “tipping point” toward stronger growth, beginning in the second quarter of 2011, rather than a “turning point” back towards recession.¹

¹The Macroeconomic Advisers forecast and commentary referenced on this page, and used as an input in our lodging forecast, was released on October 10, 2010.

Figure 2: Annualized rate of growth in real GDP and unemployment rate, 2000Q1 to 2012Q4



Source: Bureau of Economic Analysis; Bureau of Labor Statistics; Macroeconomic Advisers, LLC (forecast released October 2010)

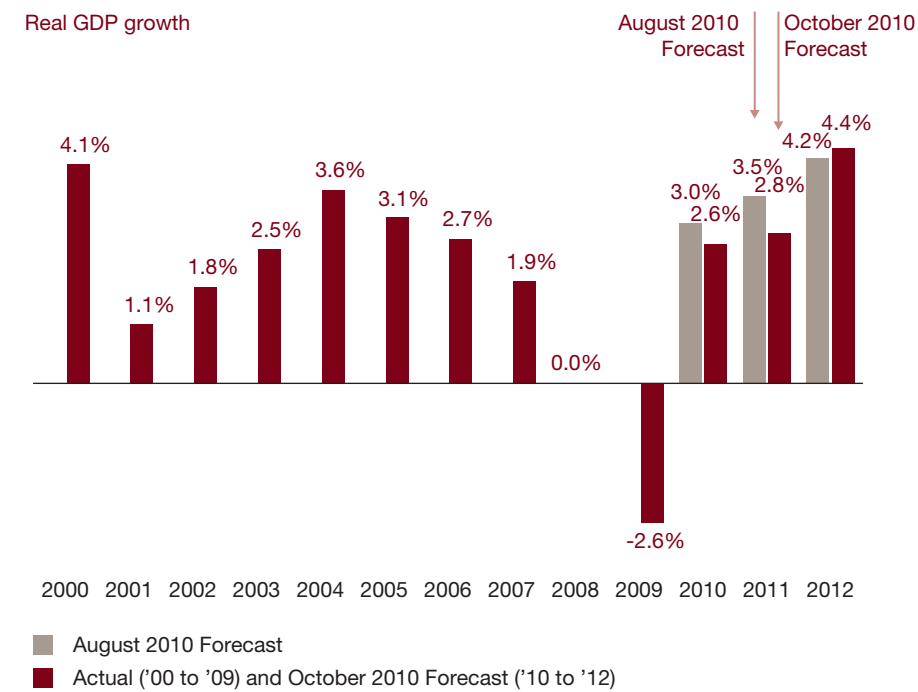
Three points are central to this expectation of stronger growth. First, Macroeconomic Advisers anticipates that consumer spending will accelerate to an above trend pace by the end of 2011. This growth is attributable to financial healing (including lower debt service obligations), slowly improving fundamentals of income and wealth, and spending on durable goods as consumers release “pent up” demand and make purchases that were postponed during the recession. Indeed, cyclical growth in consumer spending in the past year has been evident in areas such as

furnishings and appliances; recreational goods and services; transportation, including airlines; and, restaurant meals and accommodations. Second, sharp gains in business spending on equipment and software are expected to continue, joined by a marked rebound in home construction. Third, as recently announced, the Federal Reserve is expected to resume large-scale asset purchases, including \$600 billion in US Treasuries, to hold down interest rates and spur the economy (referred to as a second quantitative easing, or “QE2”). Recent election results, with Republican control of the

House but not the Senate, appear to confirm the assumption that new fiscal stimulus measures are unlikely. This places increased emphasis on steps by the Federal Reserve to stimulate growth.

In this view, Macroeconomic Advisers anticipates that employment will remain approximately stable in the fourth quarter of 2010, and then accelerate from a monthly gain of 121,000 jobs in the first quarter of 2011 to monthly gains of 200,000 to 245,000 jobs during the balance of 2011. Toward the end of 2011, job growth will begin to be strong

Figure 3: Annual growth in real GDP, 2000 to 2012



Source: Bureau of Economic Analysis; Macroeconomic Advisers, LLC (forecast released October 2010)

enough to gradually bring down the unemployment rate, which is expected to average 9.7 percent in 2011 (compared to an average of 5.5 percent over the past 20 years).

Overall, Macroeconomic Advisers forecasts quarterly GDP growth at an annualized rate of 1.7 percent in the second half of 2010, increasing to a 3.1 percent

annualized rate in the first half of 2011, and then to 4.2 percent during the second half of 2011, as illustrated in Figure 2.

Macroeconomic Advisers' forecast (released October 2010) reflects an expectation of slightly slower growth in 2010, relative to its earlier forecast used as an input in the previous edition of our lodging sector forecast.

Macroeconomic Advisers now anticipates real GDP growth of 2.6 and 2.8 percent in 2010 and 2011, respectively, as shown in Figure 3.² In this outlook, real GDP is expected to recover to its earlier peak in first quarter of 2011, one quarter later than expected in the August 2010 forecast.

² Relative to the most recent Wall Street Journal Economic Forecasting Survey (October 2010), Macroeconomic Advisers' current forecast for GDP growth in 2010 and 2011 (2.2 percent and 3.6 percent on a fourth quarter over fourth quarter basis, respectively) is below consensus in 2010 and above consensus in 2011 (consensus is at 2.5 percent and 2.8 percent, respectively). Retrieved from: <http://online.wsj.com/public/page/economic-forecasting.html>

Our key macroeconomic assumptions

The following describes the key assumptions supporting the current macroeconomic outlook.^{3,4}

Factor	Assumption
Consumer spending	Consumer spending has slowly, but steadily, accelerated in each of the past four quarters, reaching a 2.6 percent annualized pace in the third quarter of 2010. Consumer spending is expected to grow at a 2.5 percent annualized rate in the first half of 2011, before accelerating to 3.0 percent and 3.2 percent in the third and fourth quarters of 2011, respectively.
Labor markets	The unemployment rate is expected to remain elevated. Employment growth is not expected to peak until late-2012 or beyond, with the unemployment rate not expected to fall back below 9.0 percent until the third quarter of 2012.
Oil prices	After falling 35.6 percent in 2009, oil prices are expected to increase 25.9, 2.5, and 3.4 percent in 2010, 2011, and 2012, respectively.
US dollar	The value of the US dollar rose 5.8 percent in 2009. Adjusting for recent trends, it is expected to be 3.3 percent lower in 2010, 2.1 percent lower in 2011, and approximately stable in 2012.
Equity and housing markets	Equities have risen over 17 percent since the low for the year reached in early July 2010. Housing prices, as measured by the CoreLogic Home Price Index, have decreased slightly in recent months. Current prices are similar to 2003 levels. Prices, on average, are expected to decline slightly in 2010, and then increase slightly in 2011. Overall, an estimated 23.0 percent of all residential properties with mortgages were in negative equity in June 2010, which is down slightly from 23.8 percent at the end of 2009.
Inflation	The consumer price index (CPI) is expected to increase 1.6 percent in 2010 and 1.2 percent in 2011, restrained by considerable slack in the economy. Long-term inflation expectations have fallen slightly to 2.3 percent.
Fiscal stimulus	The forecast assumes the impacts of the fiscal stimulus package passed in February 2009 will boost GDP growth 0.8 percentage points in 2010. In 2011, the phase out of programs will restrain growth, subtracting approximately 0.5 percentage points from growth in 2011 and 2012. The Bush tax cuts for upper income households are assumed to expire after 2010, though recent election results may affect that assumption.
Terrorist threats and natural disasters	The forecast assumes no significant terrorist acts in the United States or against US interests abroad that could negatively affect consumer travel. Also, the forecast does not incorporate an expectation of any major natural disasters.

³ Macroeconomic Advisers, LLC. (October 8, 2010) *Outlook Commentary*. Retrieved from <http://macroadvisers.com>.

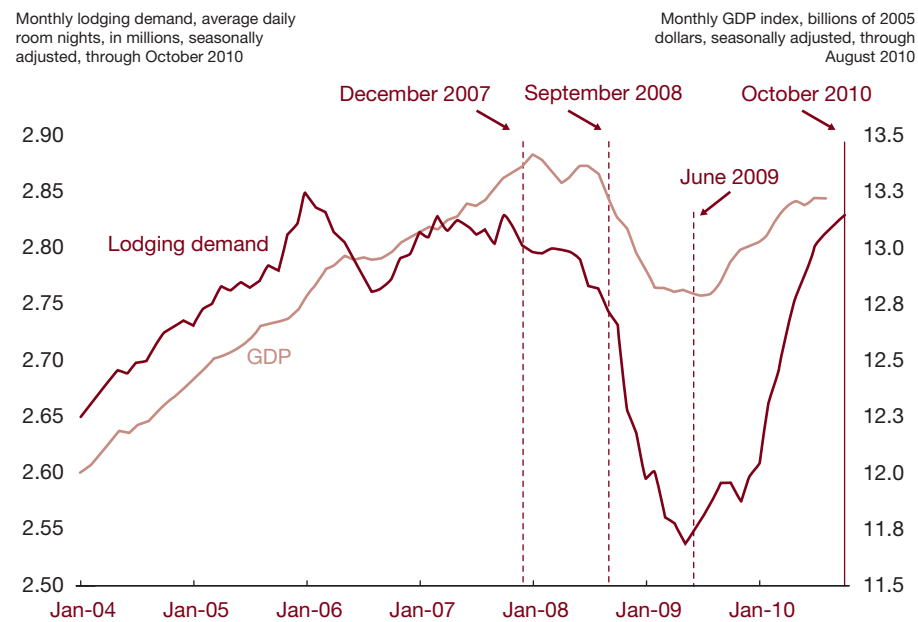
⁴ Macroeconomic Advisers, LLC. (October 13, 2010) *Forecast Details*. Retrieved from <http://macroadvisers.com>.

Our outlook for the US lodging industry

Demand

Entering the recession, lodging demand fell further and faster than the overall economy. Now the situation has reversed. Even as the economic recovery

Figure 4: Monthly lodging demand and GDP, 2004 to 2010, three-month moving average



Note: October 2010 lodging demand is estimated based on daily results from Smith Travel Research. Macroeconomic Advisers' index of monthly GDP is a monthly indicator of real aggregate output that is conceptually consistent with real gross domestic product. September and October 2010 monthly GDP is not yet available.

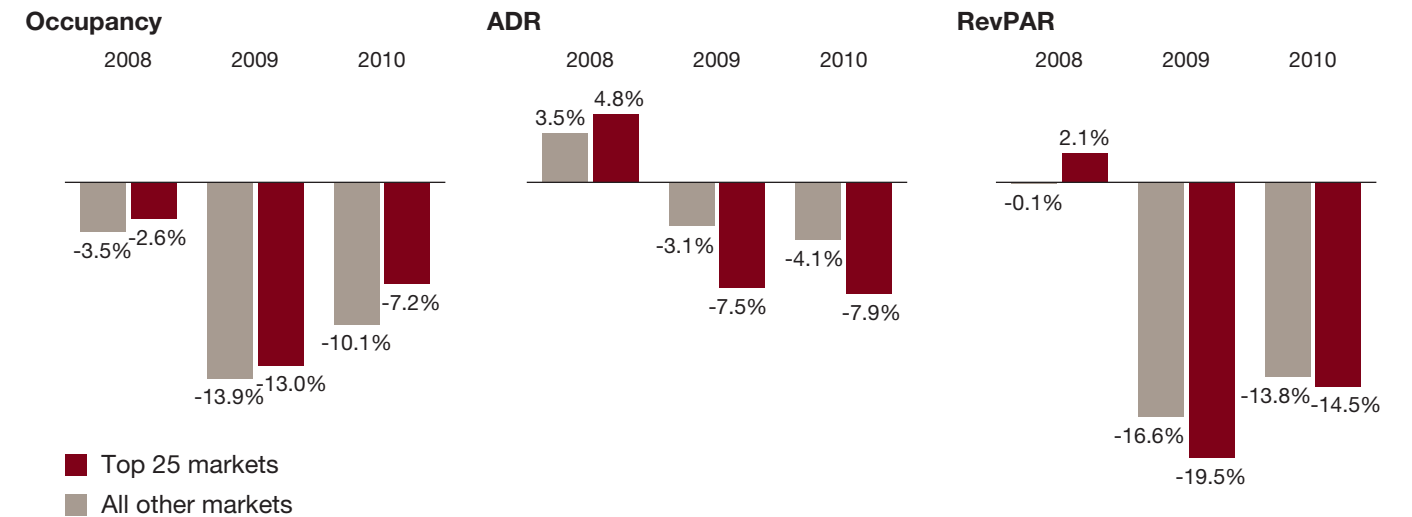
Source: Macroeconomic Advisers, LLC; Smith Travel Research; PricewaterhouseCoopers LLP

slowed, the pace of recovery in lodging quickened in the first three quarters of 2010. Our outlook anticipates that lodging demand growth will transition from the rapid pace of cyclical resurgence experienced during 2010 (particularly the first half of the year), to a somewhat slower pace of growth that will gradually close the gap with the long-term trend in lodging demand growth.

Lodging demand in August, September and October averaged 2.83 million roomnights daily (seasonally adjusted), running slightly ahead of the 2006 and 2007 averages of 2.79 and 2.81 million, respectively. This indicates that at recent levels, lodging demand has recovered to slightly ahead of levels experienced prior to the start of the recession. Similarly, economic activity, measured by real GDP, has returned to a

Figure 5: Performance in the top 25 markets and all other markets

Each year shows the percentage difference in year-to-date performance through September relative to the same period in 2007



Source: Smith Travel Research and PricewaterhouseCoopers LLP

level even with 2007 (real GDP returned to an annualized level of \$13.2 trillion in the second quarter of 2010, equivalent to the average level of real GDP in 2007 and 2008). Thus, even as lodging demand experienced a more severe contraction than the broader economy, and a more rapid recovery, it is now back close to an even footing with economic output (i.e., both measures are back close to 2007 levels). The paths of these measures are shown in Figure 4.

The return of business travelers has made an important contribution to the recovery of lodging in recent months, and hotels in large metro areas have experienced some of the most significant gains. These

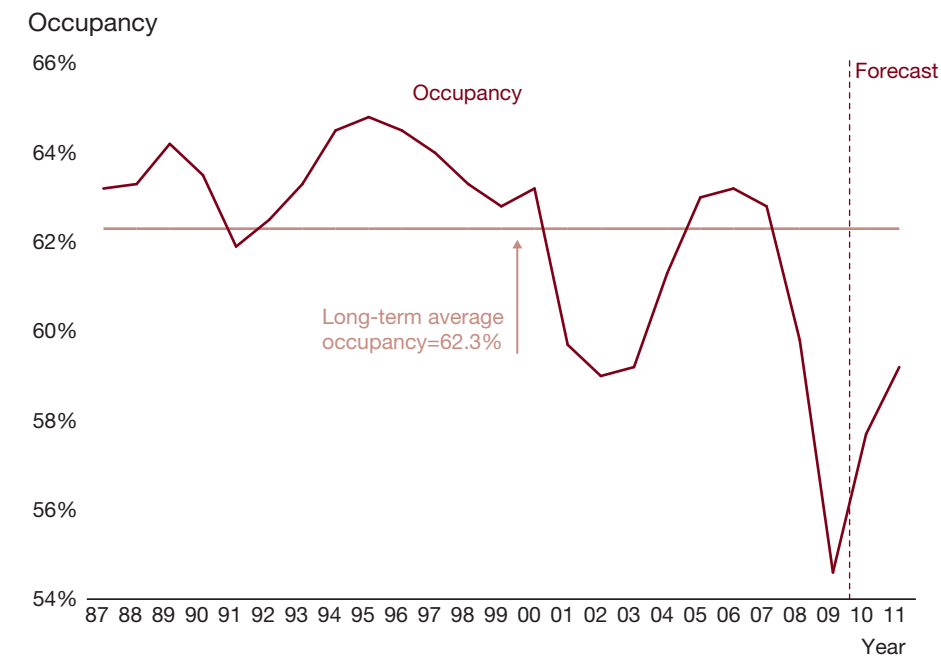
gains are a demonstration that many of the markets and hotel segments that experienced the greatest fall off in travel demand during the recession are now experiencing some of the sharpest rebounds. As shown in Figure 5, after holding approximately stable with year-to-date 2007 levels during 2008, RevPAR in the top 25 markets declined more severely than in other markets during 2009, falling to 19.5 percent below 2007 levels. During the same year-to-date period in 2010, the top 25 markets have experienced a substantial 6.3 percent increase in RevPAR, compared to 3.3 percent growth in all other markets. As a result, RevPAR in the top markets recovered to a level that is 14.5 percent below

2007 levels, comparable to 13.8 percent for all other markets. In particular, four of the top 25 markets have been running double-digit RevPAR gains year-to-date: Boston, Miami, New Orleans (including contribution of Deep Horizon oil spill response activity), and New York.

Improved business travel is evident in weekday hotel performance. Relative to last year, at higher-priced properties, weekday occupancy levels have shown greater improvement than weekend occupancy, particularly due to the business transient segment, though group segment demand has also been recovering.⁵ The occupancy rate contribution of weekday

⁵ In this instance, higher-priced properties refers to luxury, upper upscale and upper tier independent properties, as tracked by Smith Travel Research.

Figure 6: Occupancy, 1987 to 2011



Source: Smith Travel Research; PricewaterhouseCoopers LLP

transient business is running just 2.5 percent behind 2007 levels during the year-to-date period through September. Stronger business travel is also impacting ADR, though this effect is a more recent trend and hasn't substantially impacted year-to-date figures yet.

Supply

The current slowdown in hotel construction activity is a key element in the foundation for operating performance recovery at existing hotels. There are lags in the construction pipeline, as some projects started earlier in the cycle are reaching completion and opening in 2010, and as a smaller set of

projects with financing are still starting construction. The pace of new construction starts fell from 133,000 rooms annually in 2008, to 48,000 in 2009, and is on pace for starts on 29,300 rooms in 2010. This indicates a construction pace that is equivalent to 0.6 percent of existing room supply. Combined with hotel closures, supply growth in 2011 is set to slow to a 0.4 percent rate, substantially lower than the 20-year average annual pace of 1.9 percent.

Occupancy

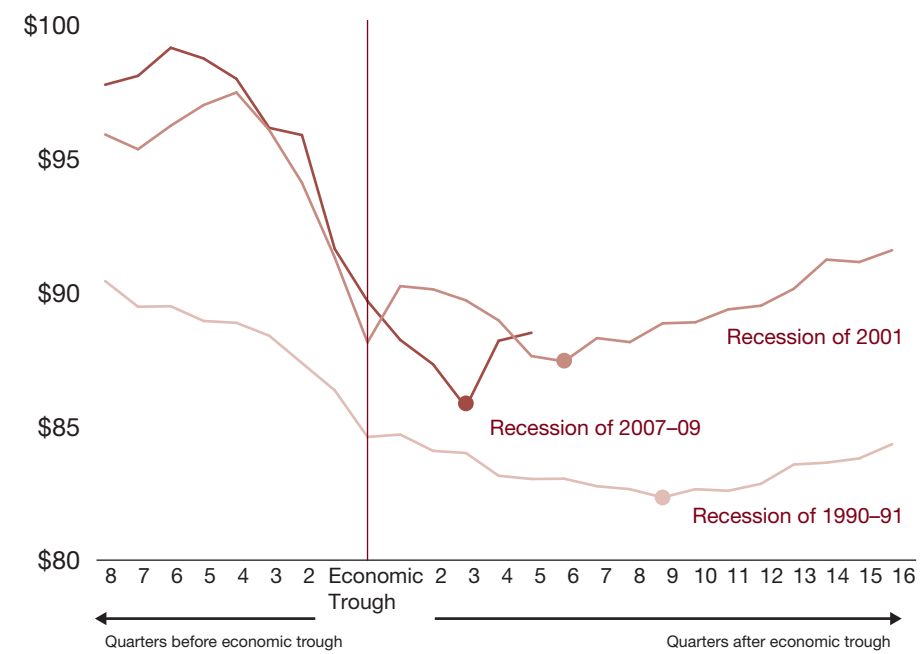
With growing demand and decelerating supply growth, we anticipate that US occupancy will increase 3.1 percentage points in 2010, reaching

57.7 percent, equivalent to 5.7 percent growth. As shown in Figure 6, this is 4.6 percentage points below the 20-year average of 62.3 percent.

ADR and RevPAR

ADR has stabilized in recent quarters, and started a recovery. ADR gains have been stronger among the higher chain scale segments, showing recovery of a portion of the significant declines that occurred in 2009. In the second quarter of 2010, ADR was equivalent to its year-ago level, and by the third quarter, it had risen to 1.6 percent above. Each of the chain scale segments showed higher ADR than a year ago, except for the economy segment.

Figure 7: ADR after recessions (real, seasonally adjusted)

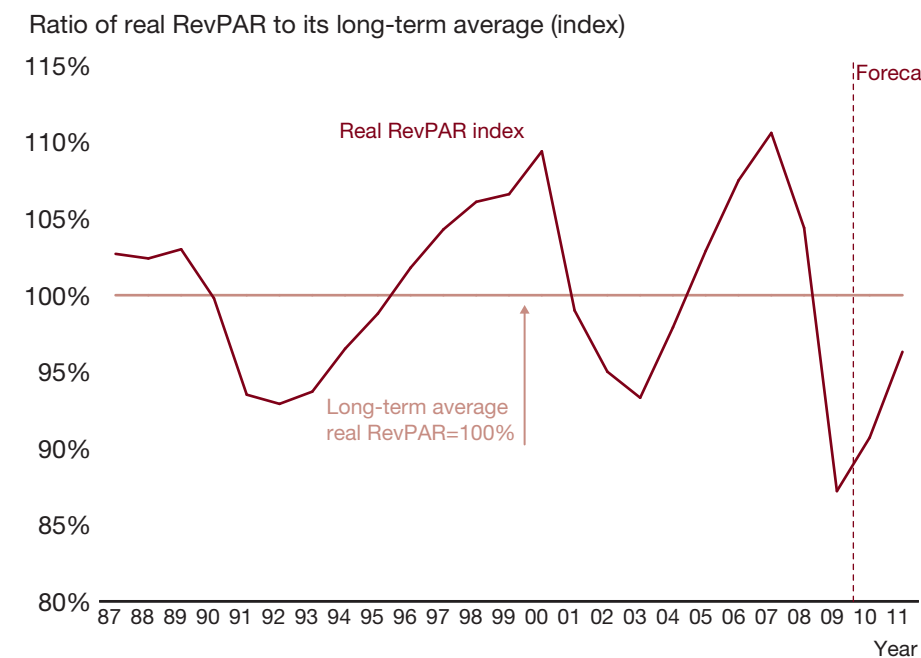


Note: ADR is shown in 2005 dollars. Round markers indicate the lowest quarter of each ADR series.

Source: Smith Travel Research; Bureau of Labor Statistics; National Bureau of Economic Research; PricewaterhouseCoopers LLP

If this stabilization holds, and ADR increases as anticipated in 2011, this would represent an ADR recovery that has taken hold sooner in this economic cycle than in previous downturns. As shown in Figure 7, in the 1990-91 recession, ADR, adjusted for seasonality and inflation, reached its lowest point nine quarters after the trough in the economic cycle. In the 2001 recession, the low point in ADR was reached six quarters after the trough. In the recent 2007-09 recession, it appears that the low point was reached just three quarters after the trough, in the first quarter of 2010. In summary, ADR has fallen further, and more quickly than in previous recessions, but the recovery has now started earlier.

Figure 8: Real RevPAR, 1987 to 2011



Source: Smith Travel Research; Bureau of Labor Statistics; Macroeconomic Advisers, LLC; PricewaterhouseCoopers LLP

The ADR trajectory is expected to strengthen in 2011, resulting in a 4.8 percent increase for the year. Figure 8 shows our outlook for real RevPAR, and Tables 2 and 3 summarize the key annual and quarterly measures in our US outlook.

Our chain scale outlook

The following provides a brief analysis of our current outlook for the US, and each of the six chain scale segments and independent hotels, as shown in Table 1. Additional tables showing our chain scale outlook are shown as Tables 4 to 10.

Table 1: US and chain scale segment outlook

	Percent change from 2009 to 2010					Percent change from 2010 to 2011					
	Demand	Average room supply	Occupancy	ADR	RevPAR	Demand	Average room supply	Occupancy	ADR	RevPAR	
Luxury	10.8	2.2	8.5	1.8	10.4	Luxury	3.6	1.2	2.3	7.2	9.6
Upper Upscale	8.5	1.8	6.5	(0.4)	6.1	Upper Upscale	2.6	0.7	1.9	6.7	8.7
Upscale	13.8	5.9	7.5	(1.3)	6.1	Upscale	3.5	1.7	1.8	5.8	7.7
Midscale with F&B	3.9	(0.6)	4.5	(0.8)	3.7	Midscale with F&B	(0.3)	(2.6)	2.3	2.3	4.7
Midscale without F&B	9.3	3.7	5.4	(0.7)	4.6	Midscale without F&B	4.6	1.4	3.1	2.8	5.9
Economy	5.8	0.4	5.3	(2.8)	2.4	Economy	2.9	0.3	2.6	2.5	5.2
Independent hotels	6.5	1.6	4.8	0.4	5.2	Independent hotels	3.0	0.4	2.6	4.5	7.2
US total	7.9	2.0	5.7	(0.1)	5.7	US Total	3.0	0.4	2.5	4.8	7.4

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Chain scale	Real RevPAR percentage difference from 10-year average					Comments
	2007	2008	2009	2010	2011	
Luxury	15.7	5.2	(19.1)	(12.1)	(4.8)%	The luxury segment experienced the most severe RevPAR decline from 2007 to 2009 of any of the chain scale segments, and is currently experiencing the strongest recovery. By 2011, the segment is anticipated to recover to a RevPAR level that is 4.8 percent below its ten-year average, though that still represents a steep decline from 2007 levels. Supply growth has slowed substantially. Smith Travel Research reports only three luxury hotels are currently under construction in the US with opening dates in 2010 or 2011.
Upper upscale	8.3	2.2	(15.5)	(11.7)	(5.2)	Hotels in this segment are operating at occupancy levels only slightly below the 10-year average of 68.4 percent, having replaced lost business with other sources of demand, albeit at lower rates. Recovering business transient and group demand is expected to allow properties to reduce reliance on lower-rated channels, resulting in increased ADR through shifts in mix. Additionally, there are indications that hotels in major markets (particularly Boston, Chicago, New York, San Francisco and Washington DC) have taken aggressive stances in corporate rate negotiations, which is expected to be supportive of rate gains in 2011.
Upscale	9.6	3.1	(14.9)	(11.2)	(5.5)	Upscale hotels share some similarities with the two higher tier chain scale segments, but there are also differences. Similar to luxury and upper upscale hotels, many upscale hotels have made successful shifts in demand composition and pricing to maintain occupancy levels. However, while 71.5 percent and 59.8 percent of luxury and upper upscale rooms, respectively, are located in the largest 26 markets, only 43.3 percent of upscale hotels are in these top markets. ⁷ As a result, upscale hotels are spread across a broader range of markets and have not benefited to the same degree from year-to-date occupancy gains in the top markets. Nevertheless, solid demand growth and ADR gains in 2011 are expected to result in above average RevPAR gains for upscale hotels.
Midscale with F&B	6.2	(0.9)	(16.8)	(15.1)	(12.2)	Performance of this segment has been unusual over the past two years in that ADR declines have been less severe, while occupancy declines have been more severe, than average. RevPAR levels in the past three quarters have improved expectations for performance. Meanwhile, supply contraction has proved slower than anticipated, due to fewer closures and conversions to brands outside the segment.
Midscale without F&B	12.4	6.3	(9.3)	(6.6)	(2.2)	Average daily rates in the midscale without food and beverage segment declined only 2.2 percent between 2007 and 2009. Occupancy rates in the segment remain slightly above the US average. Supply growth in the segment has slowed somewhat less rapidly than in several other segments, and is expected to result in 3.7 percent growth in 2010, followed by 1.4 percent in 2011.
Economy	3.5	(4.3)	(18.7)	(18.1)	(14.8)	After falling slightly further than the US average during the 2008 and 2009 period, recovery in the economy segment has tended to lag during 2010, posting a weaker year-over-year RevPAR gain than the US overall.
Independent hotels	9.0	3.3	(14.7)	(11.7)	(6.5)	Of the US inventory of hotel rooms, 31.3 percent are independent hotels that are not affiliated with a brand. This segment spans a range of markets, with an ADR level that is slightly below the US average. The segment is expected to experience RevPAR gains in 2010 and 2011 that are only slightly lower than the US average.
US total	9.8	3.7	(13.4)	(9.9)	(4.4)	

⁷ Smith Travel Research data on room inventory in top markets includes Las Vegas.

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Has lodging demand decoupled?

Recent lodging performance has raised an important question: Has the relationship between lodging demand and the economy decoupled? Even as the economy slowed in 2010, lodging demand kept growing at a brisk pace. In one regard, decoupling is evident. Lodging demand growth accelerated to 9.0 percent during 2010, measured on a fourth quarter over fourth quarter basis, even as GDP growth slowed to 2.2 percent.⁸

This unusual situation is apparent in PwC's econometric model of the US lodging sector, as the residual, or difference between the forecasted level of demand and the actual demand, has been greater during the quarters since late-2008 than in comparable history. Entering the downturn, demand fell

faster than was predicted. In the recovery, it has risen more quickly than predicted.

But to consider an alternative perspective, it can be argued that the recent cycle indicates that the economy is as important to lodging trends as ever. In the early months of the recession, slower economic growth brought slower demand growth. In Fall 2008, events such as the bankruptcy of Lehman Brothers hit the headlines. Anticipation of declining sales and incomes, and heightened uncertainty about the economy, caused travel to retreat through the start of 2009. Then in mid-2009, both travel demand and the economy troughed at a similar time. As the economy began to recover, travelers returned. This point of view has notable implications for decision-makers in the

travel sector. As the effects of a cyclical recovery in lodging demand wane, future growth will hinge on the strength of the economy. Lodging demand

is not expected to grow faster than the broader economy for an extended period. Monitoring conditions during 2011, and evaluating whether economic

growth is accelerating adequately to sustain ongoing travel growth, will be critical to investment and operating decisions.

Table 2: PwC US lodging forecast, November 14, 2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	63.2%	59.7%	59.0%	59.2%	61.3%	63.0%	63.2%	62.8%	59.8%	54.6%	57.7%	59.2%
Percentage change from prior year	0.7%	-5.5%	-1.2%	0.3%	3.5%	2.9%	0.2%	-0.5%	-4.8%	-8.8%	5.7%	2.5%
Pct. point difference from prior year	0.4	(3.5)	(0.7)	0.2	2.1	1.7	0.1	(0.3)	(3.0)	(5.3)	3.1	1.5
Average daily rate (\$)	\$85.10	\$83.90	\$82.68	\$82.79	\$86.25	\$91.05	\$97.96	\$104.23	\$107.25	\$97.98	\$97.93	\$102.58
Percentage change from prior year	5.3%	-1.4%	-1.5%	0.1%	4.2%	5.6%	7.6%	6.4%	2.9%	-8.6%	-0.1%	4.8%
Nominal RevPAR (\$)	\$53.78	\$50.08	\$48.78	\$49.01	\$52.83	\$57.37	\$61.86	\$65.49	\$64.19	\$53.46	\$56.50	\$60.68
Percentage change from prior year	6.1%	-6.9%	-2.6%	0.5%	7.8%	8.6%	7.8%	5.9%	-2.0%	-16.7%	5.7%	7.4%
Inflation-adjusted RevPAR (\$, 2005 base)	\$60.99	\$55.24	\$52.96	\$52.01	\$54.61	\$57.37	\$59.93	\$61.68	\$58.23	\$48.66	\$50.60	\$53.69
Percentage change from prior year	2.6%	-9.4%	-4.1%	-1.8%	5.0%	5.0%	4.5%	2.9%	-5.6%	-16.4%	4.0%	6.1%
Inflation as measured by CPI	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%	3.2%	2.9%	3.8%	-0.3%	1.6%	1.2%
Real GDP, percentage change from prior year	4.1%	1.1%	1.8%	2.5%	3.6%	3.1%	2.7%	1.9%	0.0%	-2.6%	2.6%	2.8%
Average daily rooms sold (000s)	2,644	2,558	2,569	2,604	2,706	2,781	2,793	2,814	2,747	2,580	2,783	2,867
Percentage change from prior year	3.6%	-3.3%	0.4%	1.4%	3.9%	2.8%	0.4%	0.8%	-2.4%	-6.1%	7.9%	3.0%
Room starts (000s)	120.3	90.5	68.4	76.6	81.3	83.4	138.9	146.0	133.2	48.0	29.3	50.8
Percentage change from prior year	-14.5%	-24.8%	-24.4%	12.0%	6.0%	2.6%	66.5%	5.1%	-8.8%	-63.9%	-39.1%	73.6%
End-of-year supply (000s)	4,201	4,283	4,346	4,381	4,382	4,375	4,409	4,486	4,626	4,759	4,807	4,822
End-of-year supply change from prior year	2.7%	2.0%	1.5%	0.8%	0.0%	-0.2%	0.8%	1.8%	3.1%	2.9%	1.0%	0.3%
Average supply change from prior year	2.9%	2.4%	1.6%	1.0%	0.4%	-0.1%	0.2%	1.3%	2.5%	3.0%	2.0%	0.4%
Industry revenues (Bil. \$)	\$112.1	\$103.4	\$102.5	\$105.2	\$113.6	\$122.6	\$133.3	\$139.3	\$140.3	\$127.2	\$136.9	\$147.8
Percentage change from prior year	8.8%	-7.7%	-0.9%	2.6%	8.0%	7.9%	8.8%	4.5%	0.7%	-9.4%	7.7%	8.0%

Source: Smith Travel Research; Macroeconomic Advisors, LLC; PricewaterhouseCoopers LLP

⁸ These growth rates reflect the growth from the fourth quarter of 2009 to the fourth quarter of 2010, which provides a more direct indication of growth during 2010. This measure differs from the change measured by comparing the average levels during 2009 and 2010, which results in growth rates of 7.9 percent and 2.6 percent for lodging demand and GDP, respectively.

Table 3: PwC US lodging forecast, November 14, 2010

	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2008 Q1	2008 Q2	2008 Q3	2008 Q4	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4
Occupancy (percent)	59.2%	66.4%	68.2%	57.5%	57.2%	64.3%	65.2%	52.7%	50.8%	57.2%	59.9%	50.3%	51.9%	60.7%	63.9%	54.0%	54.3%	62.4%	65.1%	54.7%
Percentage change from prior year	-1.2%	-0.1%	0.1%	-1.0%	-3.3%	-3.2%	-4.3%	-8.3%	-11.3%	-11.1%	-8.1%	-4.5%	2.3%	6.2%	6.7%	7.4%	4.6%	2.8%	1.8%	1.2%
Pct. point difference from prior year	-0.7%	0.0%	0.0%	-0.6%	-2.0%	-2.2%	-3.0%	-4.8%	-6.4%	-7.1%	-5.3%	-2.4%	1.2%	3.5%	4.0%	3.7%	2.4%	1.7%	1.1%	0.7%
Occupancy (percent, seas. adj.)	63.6%	63.1%	62.4%	62.4%	61.7%	61.1%	59.6%	57.2%	54.8%	54.3%	54.7%	54.6%	56.2%	57.6%	58.2%	58.8%	58.8%	59.0%	59.2%	59.5%
Average daily rate (\$)	\$103.42	\$103.62	\$104.28	\$105.66	\$108.78	\$108.15	\$107.78	\$103.93	\$100.64	\$97.89	\$97.47	\$96.10	\$96.34	\$97.92	\$99.07	\$98.04	\$101.03	\$101.44	\$103.60	\$104.15
Percentage change from prior year	6.8%	5.8%	6.2%	6.9%	5.2%	4.4%	3.4%	-1.6%	-7.5%	-9.5%	-9.6%	-7.5%	-4.3%	0.0%	1.6%	2.0%	4.9%	3.6%	4.6%	6.2%
Average daily rate (\$, seas. adj.)	\$102.13	\$103.45	\$104.44	\$106.82	\$107.61	\$108.16	\$107.78	\$104.92	\$99.70	\$98.03	\$97.33	\$96.94	\$95.53	\$98.12	\$98.82	\$98.85	\$100.22	\$101.68	\$103.28	\$105.01
RevPAR (\$)	\$61.21	\$68.82	\$71.08	\$60.70	\$62.23	\$69.50	\$70.27	\$54.74	\$51.09	\$55.95	\$58.41	\$48.33	\$50.04	\$59.44	\$63.34	\$52.95	\$54.88	\$63.29	\$67.43	\$56.95
Percentage change from prior year	5.5%	5.8%	6.3%	5.9%	1.7%	1.0%	-1.1%	-9.8%	-17.9%	-19.5%	-16.9%	-11.7%	-2.1%	6.2%	8.4%	9.6%	9.7%	6.5%	6.4%	7.5%
RevPAR (\$, seas. Adj.)	\$64.92	\$65.33	\$65.16	\$66.61	\$66.35	\$66.07	\$64.25	\$59.99	\$54.68	\$53.23	\$53.24	\$52.94	\$53.66	\$56.53	\$57.55	\$58.08	\$58.95	\$59.98	\$61.17	\$62.46
Inflation as measured by CPI (seas. adj., percentage change from prior year)	2.4%	2.7%	2.4%	4.0%	4.2%	4.3%	5.3%	1.6%	-0.2%	-1.0%	-1.6%	1.5%	2.4%	1.8%	1.2%	1.1%	1.0%	1.5%	1.3%	1.1%
Average daily rooms sold (000s)	2,612	2,979	3,080	2,583	2,576	2,949	3,023	2,438	2,357	2,701	2,863	2,397	2,475	2,934	3,107	2,612	2,613	3,023	3,174	2,652
Percentage change from prior year	-0.3%	1.1%	1.4%	0.6%	-1.4%	-1.0%	-1.8%	-5.6%	-8.5%	-8.4%	-5.3%	-1.7%	5.0%	8.6%	8.5%	9.0%	5.6%	3.0%	2.1%	1.5%
Average daily rooms sold (000s, seas. adj.)	2,826	2,819	2,798	2,810	2,795	2,789	2,742	2,652	2,563	2,555	2,592	2,607	2,696	2,774	2,811	2,841	2,848	2,858	2,870	2,885
Room starts (000s)	29.5	40.8	34.5	41.2	35.9	37.4	35.3	24.6	12.9	13.9	11.3	10.0	5.4	7.9	7.0	9.0	7.9	13.0	14.1	15.8
Percentage change from prior year	-18.3%	20.3%	19.2%	3.1%	21.9%	-8.5%	2.4%	-40.3%	-64.2%	-62.9%	-68.0%	-59.3%	-58.2%	-42.9%	-38.3%	-10.2%	47.5%	64.3%	101.8%	75.5%
End-of-quarter supply (000s)	4,424	4,507	4,524	4,486	4,520	4,613	4,647	4,626	4,659	4,752	4,787	4,759	4,778	4,853	4,864	4,807	4,814	4,876	4,878	4,822
Percentage change from prior year	1.0%	1.3%	1.3%	1.8%	2.2%	2.4%	2.7%	3.1%	3.1%	3.0%	3.0%	2.9%	2.5%	2.1%	1.6%	1.0%	0.8%	0.5%	0.3%	0.3%
Industry revenues (Bil.\$, seas. adj. annual rate)	\$137.2	\$138.6	\$138.9	\$142.6	\$143.5	\$144.0	\$141.0	\$132.8	\$128.6	\$126.0	\$126.9	\$127.2	\$129.6	\$136.9	\$139.8	\$141.3	\$143.6	\$146.2	\$149.1	\$152.4
Percentage change from prior year	4.2%	4.4%	4.7%	4.6%	4.6%	3.9%	1.6%	-6.9%	-10.4%	-12.5%	-10.0%	-4.2%	0.8%	8.7%	10.1%	11.1%	10.8%	6.8%	6.7%	7.9%

Source: Smith Travel Research; Macroeconomic Advisors, LLC; PricewaterhouseCoopers LLP

Table 4: PwC luxury forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	63.8%	63.3%	64.2%	67.4%	70.1%	71.5%	71.4%	67.2%	61.4%	66.6%	68.2%
Percentage change from prior year	-12.5%	-0.8%	1.5%	4.9%	4.1%	1.9%	-0.2%	-5.9%	-8.6%	8.5%	2.3%
Change in occupancy points	-9.1	-0.5	1.0	3.1	2.8	1.3	-0.1	-4.2	-5.7	5.2	1.5
Average daily rate (\$)	\$230.04	\$221.88	\$219.31	\$230.13	\$246.08	\$269.62	\$290.63	\$291.28	\$244.27	\$248.66	\$266.46
Percentage change from prior year	-2.5%	-3.5%	-1.2%	4.9%	6.9%	9.6%	7.8%	0.2%	-16.1%	1.8%	7.2%
Nominal RevPAR (\$)	\$146.78	\$140.38	\$140.86	\$155.05	\$172.60	\$192.74	\$207.42	\$195.66	\$150.05	\$165.66	\$181.62
Percentage change from prior year	-14.7%	-4.4%	0.3%	10.1%	11.3%	11.7%	7.6%	-5.7%	-23.3%	10.4%	9.6%
Inflation-adjusted RevPAR (\$)	\$161.89	\$152.40	\$149.49	\$160.27	\$172.60	\$186.73	\$195.34	\$177.50	\$136.56	\$148.37	\$160.70
Percentage change from prior year	-17.0%	-5.9%	-1.9%	7.2%	7.7%	8.2%	4.6%	-9.1%	-23.1%	8.6%	8.3%
Demand (thous.)	45.1	49.3	53.1	57.1	59.1	63.0	65.3	64.6	64.2	71.1	73.6
Percentage change from prior year	-1.6%	9.2%	7.7%	7.5%	3.6%	6.6%	3.6%	-1.1%	-0.6%	10.8%	3.6%
Average room supply (thous.)	70.8	77.9	82.7	84.7	84.3	88.2	91.5	96.1	104.5	106.7	108.1
Percentage change from prior year	12.4%	10.1%	6.1%	2.5%	-0.4%	4.6%	3.8%	5.1%	8.7%	2.2%	1.2%
Total segment revenues (mil. \$)	\$5,675	\$5,978	\$6,362	\$7,175	\$7,952	\$9,284	\$10,369	\$10,277	\$8,565	\$9,661	\$10,723
Percentage change from prior year	-4.1%	5.3%	6.4%	12.8%	10.8%	16.8%	11.7%	-0.9%	-16.7%	12.8%	11.0%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Table 5: PwC upper upscale forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	65.5%	66.2%	66.6%	69.0%	70.8%	70.8%	70.8%	68.4%	63.6%	67.8%	69.1%
Percentage change from prior year	-9.2%	1.1%	0.6%	3.6%	2.6%	0.1%	0.0%	-3.5%	-6.9%	6.5%	1.9%
Change in occupancy points	-6.6	0.7	0.4	2.4	1.8	0.1	0.0	-2.5	-4.7	4.1	1.3
Average daily rate (\$)	\$134.65	\$128.83	\$126.23	\$131.29	\$140.48	\$150.18	\$158.57	\$160.89	\$142.63	\$142.04	\$151.56
Percentage change from prior year	-2.8%	-4.3%	-2.0%	4.0%	7.0%	6.9%	5.6%	1.5%	-11.3%	-0.4%	6.7%
Nominal RevPAR (\$)	\$88.17	\$85.27	\$84.08	\$90.58	\$99.40	\$106.40	\$112.33	\$109.98	\$90.73	\$96.24	\$104.66
Percentage change from prior year	-11.8%	-3.3%	-1.4%	7.7%	9.7%	7.0%	5.6%	-2.1%	-17.5%	6.1%	8.7%
Inflation-adjusted RevPAR (\$)	\$97.25	\$92.57	\$89.23	\$93.63	\$99.40	\$103.08	\$105.80	\$99.77	\$82.57	\$86.20	\$92.60
Percentage change from prior year	-14.2%	-4.8%	-3.6%	4.9%	6.2%	3.7%	2.6%	-5.7%	-17.2%	4.4%	7.4%
Demand (thous.)	323.9	334.4	344.1	362.6	374.3	376.3	382.6	383.5	374.2	405.9	416.6
Percentage change from prior year	-6.2%	3.2%	2.9%	5.4%	3.2%	0.6%	1.7%	0.2%	-2.4%	8.5%	2.6%
Average room supply (thous.)	494.7	505.2	516.5	525.6	528.9	531.2	540.1	561.1	588.2	599.1	603.3
Percentage change from prior year	3.3%	2.1%	2.2%	1.8%	0.6%	0.4%	1.7%	3.9%	4.8%	1.8%	0.7%
Total segment revenues (mil. \$)	\$23,833	\$23,538	\$23,733	\$26,016	\$28,728	\$30,881	\$33,150	\$33,717	\$29,161	\$31,503	\$34,499
Percentage change from prior year	-8.8%	-1.2%	0.8%	9.6%	10.4%	7.5%	7.3%	1.7%	-13.5%	8.0%	9.5%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Table 6: PwC upscale forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	64.9%	64.8%	65.5%	68.4%	70.0%	69.9%	69.0%	66.5%	61.0%	65.6%	66.8%
Percentage change from prior year	-7.6%	-0.1%	1.1%	4.4%	2.4%	-0.2%	-1.2%	-3.6%	-8.3%	7.5%	1.8%
Change in occupancy points	-5.3	-0.1	0.7	2.9	1.6	-0.1	-0.9	-2.5	-5.5	4.6	1.2
Average daily rate (\$)	\$97.94	\$93.35	\$91.62	\$95.47	\$102.66	\$111.33	\$118.28	\$119.88	\$107.54	\$106.12	\$112.29
Percentage change from prior year	-1.0%	-4.7%	-1.9%	4.2%	7.5%	8.5%	6.2%	1.3%	-10.3%	-1.3%	5.8%
Nominal RevPAR (\$)	\$63.52	\$60.49	\$60.04	\$65.30	\$71.89	\$77.83	\$81.65	\$79.75	\$65.62	\$69.59	\$74.96
Percentage change from prior year	-8.5%	-4.8%	-0.7%	8.8%	10.1%	8.3%	4.9%	-2.3%	-17.7%	6.1%	7.7%
Inflation-adjusted RevPAR (\$)	\$70.06	\$65.67	\$63.71	\$67.50	\$71.89	\$75.40	\$76.90	\$72.34	\$59.72	\$62.33	\$66.32
Percentage change from prior year	-11.0%	-6.3%	-3.0%	5.9%	6.5%	4.9%	2.0%	-5.9%	-17.4%	4.4%	6.4%
Demand (thous.)	228.7	243.8	256.3	269.6	280.1	284.5	291.8	298.2	299.3	340.4	352.4
Percentage change from prior year	1.2%	6.6%	5.2%	5.2%	3.9%	1.6%	2.6%	2.2%	0.4%	13.8%	3.5%
Average room supply (thous.)	352.7	376.2	391.1	394.2	400.0	406.9	422.7	448.2	490.4	519.1	527.9
Percentage change from prior year	9.5%	6.7%	4.0%	0.8%	1.5%	1.7%	3.9%	6.0%	9.4%	5.9%	1.7%
Total segment revenues (mil. \$)	\$11,749	\$11,933	\$12,315	\$13,499	\$15,079	\$16,609	\$18,100	\$18,743	\$16,877	\$18,946	\$20,753
Percentage change from prior year	0.2%	1.6%	3.2%	9.6%	11.7%	10.1%	9.0%	3.6%	-10.0%	12.3%	9.5%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Table 7: PwC midscale with food and beverage forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	56.4%	55.1%	54.9%	56.9%	58.8%	59.2%	58.6%	55.0%	48.9%	51.2%	52.3%
Percentage change from prior year	-6.2%	-2.4%	-0.3%	3.6%	3.4%	0.7%	-1.1%	-6.0%	-11.0%	4.5%	2.3%
Change in occupancy points	-3.7	-1.3	-0.2	2.0	1.9	0.4	-0.7	-3.5	-6.1	2.2	1.2
Average daily rate (\$)	\$73.47	\$72.22	\$72.12	\$73.87	\$77.71	\$82.10	\$85.91	\$88.59	\$83.30	\$82.63	\$84.53
Percentage change from prior year	-0.3%	-1.7%	-0.1%	2.4%	5.2%	5.7%	4.6%	3.1%	-6.0%	-0.8%	2.3%
Nominal RevPAR (\$)	\$41.43	\$39.76	\$39.59	\$42.02	\$45.69	\$48.61	\$50.30	\$48.75	\$40.77	\$42.27	\$44.24
Percentage change from prior year	-6.5%	-4.0%	-0.4%	6.2%	8.7%	6.4%	3.5%	-3.1%	-16.4%	3.7%	4.7%
Inflation-adjusted RevPAR (\$)	\$45.70	\$43.16	\$42.01	\$43.44	\$45.69	\$47.10	\$47.37	\$44.22	\$37.11	\$37.86	\$39.14
Percentage change from prior year	-9.1%	-5.5%	-2.7%	3.4%	5.2%	3.1%	0.6%	-6.7%	-16.1%	2.0%	3.4%
Demand (thous.)	344.0	330.2	320.9	324.0	324.7	317.0	305.7	282.2	248.1	257.9	257.0
Percentage change from prior year	-8.8%	-4.0%	-2.8%	1.0%	0.2%	-2.4%	-3.6%	-7.7%	-12.1%	3.9%	-0.3%
Average room supply (thous.)	610.1	599.8	584.5	569.5	552.2	535.4	522.1	512.8	506.9	504.1	491.1
Percentage change from prior year	-2.8%	-1.7%	-2.5%	-2.6%	-3.0%	-3.0%	-2.5%	-1.8%	-1.1%	-0.6%	-2.6%
Total segment revenues (mil. \$)	\$12,761	\$12,039	\$11,682	\$12,082	\$12,737	\$13,140	\$13,258	\$12,620	\$10,435	\$10,758	\$10,968
Percentage change from prior year	-9.1%	-5.7%	-3.0%	3.4%	5.4%	3.2%	0.9%	-4.8%	-17.3%	3.1%	2.0%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Table 8: PwC midscale without food and beverage forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	61.1%	60.9%	60.8%	63.1%	65.4%	66.0%	65.0%	61.6%	55.5%	58.5%	60.3%
Percentage change from prior year	-3.6%	-0.4%	-0.1%	3.7%	3.8%	0.9%	-1.6%	-5.1%	-10.0%	5.4%	3.1%
Change in occupancy points	-2.3	-0.2	-0.1	2.3	2.4	0.6	-1.0	-3.3	-6.1	3.0	1.8
Average daily rate (\$)	\$67.54	\$67.48	\$67.82	\$70.10	\$75.34	\$81.39	\$87.40	\$90.43	\$85.47	\$84.84	\$87.18
Percentage change from prior year	2.2%	-0.1%	0.5%	3.4%	7.5%	8.0%	7.4%	3.5%	-5.5%	-0.7%	2.8%
Nominal RevPAR (\$)	\$41.26	\$41.07	\$41.23	\$44.21	\$49.30	\$53.72	\$56.77	\$55.73	\$47.41	\$49.61	\$52.56
Percentage change from prior year	-1.4%	-0.5%	0.4%	7.2%	11.5%	9.0%	5.7%	-1.8%	-14.9%	4.6%	5.9%
Inflation-adjusted RevPAR (\$)	\$45.51	\$44.58	\$43.76	\$45.70	\$49.30	\$52.05	\$53.47	\$50.55	\$43.15	\$44.44	\$46.51
Percentage change from prior year	-4.1%	-2.0%	-1.9%	4.4%	7.9%	5.6%	2.7%	-5.5%	-14.6%	3.0%	4.7%
Demand (thous.)	355.9	374.1	390.2	414.4	433.9	450.7	461.6	462.4	445.5	487.0	509.3
Percentage change from prior year	3.2%	5.1%	4.3%	6.2%	4.7%	3.9%	2.4%	0.2%	-3.7%	9.3%	4.6%
Average room supply (thous.)	582.7	614.7	641.8	657.1	663.1	682.9	710.7	750.3	803.0	832.8	844.8
Percentage change from prior year	7.0%	5.5%	4.4%	2.4%	0.9%	3.0%	4.1%	5.6%	7.0%	3.7%	1.4%
Total segment revenues (mil. \$)	\$10,728	\$11,263	\$11,808	\$12,961	\$14,587	\$16,370	\$18,004	\$18,657	\$16,989	\$18,437	\$19,813
Percentage change from prior year	5.5%	5.0%	4.8%	9.8%	12.5%	12.2%	10.0%	3.6%	-8.9%	8.5%	7.5%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Table 9: PwC economy forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	56.6%	54.9%	54.2%	55.5%	57.4%	57.1%	56.8%	53.9%	48.9%	51.5%	52.9%
Percentage change from prior year	-3.4%	-2.9%	-1.4%	2.5%	3.3%	-0.4%	-0.6%	-5.0%	-9.2%	5.3%	2.6%
Change in occupancy points	-2.0	-1.6	-0.7	1.3	1.8	-0.2	-0.4	-2.9	-5.0	2.6	1.4
Average daily rate (\$)	\$47.05	\$46.78	\$46.71	\$47.67	\$49.67	\$52.36	\$53.86	\$54.47	\$50.82	\$49.40	\$50.64
Percentage change from prior year	0.0%	-0.6%	-0.2%	2.1%	4.2%	5.4%	2.9%	1.1%	-6.7%	-2.8%	2.5%
Nominal RevPAR (\$)	\$26.62	\$25.70	\$25.31	\$26.48	\$28.50	\$29.92	\$30.58	\$29.37	\$24.87	\$25.46	\$26.79
Percentage change from prior year	-3.4%	-3.5%	-1.5%	4.6%	7.6%	5.0%	2.2%	-4.0%	-15.3%	2.4%	5.2%
Inflation-adjusted RevPAR (\$)	\$29.36	\$27.90	\$26.86	\$27.37	\$28.50	\$28.98	\$28.80	\$26.64	\$22.64	\$22.80	\$23.71
Percentage change from prior year	-6.0%	-5.0%	-3.7%	1.9%	4.1%	1.7%	-0.7%	-7.5%	-15.0%	0.7%	4.0%
Demand (thous.)	414.0	405.5	394.2	403.0	416.7	412.6	418.5	404.7	371.5	392.8	404.3
Percentage change from prior year	-1.4%	-2.0%	-2.8%	2.2%	3.4%	-1.0%	1.4%	-3.3%	-8.2%	5.8%	2.9%
Average room supply (thous.)	731.5	738.1	727.3	725.4	726.4	722.2	737.1	750.6	759.0	762.1	764.2
Percentage change from prior year	2.1%	0.9%	-1.5%	-0.3%	0.1%	-0.6%	2.1%	1.8%	1.1%	0.4%	0.3%
Total segment revenues (mil. \$)	\$8,690	\$8,464	\$8,215	\$8,572	\$9,236	\$9,641	\$10,056	\$9,836	\$8,424	\$8,659	\$9,136
Percentage change from prior year	-1.4%	-2.6%	-2.9%	4.3%	7.7%	4.4%	4.3%	-2.2%	-14.4%	2.8%	5.5%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

Table10: PwC independent hotels forecast

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Occupancy (percent)	58.7%	57.7%	58.1%	59.9%	61.2%	61.1%	61.1%	57.9%	52.7%	55.2%	56.6%
Percentage change from prior year	-5.2%	-1.7%	0.7%	3.1%	2.1%	-0.2%	0.1%	-5.2%	-9.0%	4.8%	2.6%
Change in occupancy points	-3.2	-1.0	0.4	1.8	1.2	-0.1	0.0	-3.2	-5.2	2.5	1.4
Average daily rate (\$)	\$82.02	\$81.23	\$81.64	\$85.35	\$88.22	\$94.62	\$101.28	\$105.11	\$95.11	\$95.47	\$99.76
Percentage change from prior year	-1.4%	-1.0%	0.5%	4.5%	3.4%	7.3%	7.0%	3.8%	-9.5%	0.4%	4.5%
Nominal RevPAR (\$)	\$48.12	\$46.85	\$47.44	\$51.13	\$53.95	\$57.77	\$61.89	\$60.85	\$50.10	\$52.71	\$56.50
Percentage change from prior year	-6.5%	-2.6%	1.3%	7.8%	5.5%	7.1%	7.1%	-1.7%	-17.7%	5.2%	7.2%
Inflation-adjusted RevPAR (\$)	\$53.07	\$50.86	\$50.35	\$52.86	\$53.95	\$55.97	\$58.28	\$55.20	\$45.59	\$47.21	\$50.00
Percentage change from prior year	-9.1%	-4.2%	-1.0%	5.0%	2.1%	3.7%	4.1%	-5.3%	-17.4%	3.5%	5.9%
Demand (thous.)	846.3	831.5	845.1	875.2	892.2	889.1	888.9	851.5	777.6	828.3	853.2
Percentage change from prior year	-4.4%	-1.8%	1.6%	3.6%	1.9%	-0.3%	0.0%	-4.2%	-8.7%	6.5%	3.0%
Average room supply (thous.)	1,442.7	1,441.6	1,454.4	1,460.8	1,458.9	1,456.4	1,454.7	1,470.8	1,476.4	1,500.2	1,506.5
Percentage change from prior year	0.8%	-0.1%	0.9%	0.4%	-0.1%	-0.2%	-0.1%	1.1%	0.4%	1.6%	0.4%
Total segment revenues (mil. \$)	\$30,014	\$29,316	\$31,119	\$33,325	\$34,283	\$37,414	\$36,386	\$36,476	\$36,719	\$38,938	\$41,954
Percentage change from prior year	-14.9%	-2.3%	6.2%	7.1%	2.9%	9.1%	-2.7%	0.2%	0.7%	6.0%	7.7%

Source: Smith Travel Research; PricewaterhouseCoopers LLP

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Requests for data

Supplemental data requests related to this publication are available at PricewaterhouseCoopers' current billing rates. For data requests, please call Abhishek Jain at (646) 471-2016.

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Time series data

Time series data in this publication are subject to revision periodically. All prior forecasts are superseded by the most current forecast.

Data sources

PricewaterhouseCoopers would like to credit the following organizations with providing data used in this issue: F.W. Dodge—quarterly hotel starts in square feet; Smith Travel Research—monthly hotel performance statistics (occupancy rate, ADR, supply, demand); Macroeconomic Advisers, LLC—macroeconomic forecasts; Bureau of Economic Analysis—real GDP; Bureau of Labor Statistics—consumer price index.

Further reading



Hospitality Directions Europe: Issue 22 September 2010

In our latest UK hotels forecast, we see London's scorching recovery continuing and we expect occupancy records to be broken throughout 2011. London anticipates a high level of demand for hotel rooms during the Olympics but, with up to 4,000 new rooms being built, how much of this supply will be consumed by demand?



Emerging Trends in Real Estate® 2011

PwC US recently released Emerging Trends in Real Estate® 2011, a joint undertaking with the Urban Land Institute (ULI). Now in its 32nd edition, the report is the oldest, most highly regarded annual industry outlook for the real estate and land use industry. It provides a timely perspective on U.S., Canadian, and Latin American real estate investment and development trends, real estate finance and capital markets, property sectors (including lodging), and metropolitan areas.



PwC Real Estate Investor Survey Third Quarter 2010

Sensing that the recovery for the commercial real estate industry will be painfully slow, with very little rent growth and minimal leasing velocity, a flight to quality is evident among investors and is discussed in our lead story, "Core Assets Stand Tall Among Investors." We also debut an expanded section on debt service, including Survey participant's thoughts on current interest rate levels and loan-to-value ratios by market.

(Subscription required)

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