

OAKLAND

REGIONAL ECONOMIC SUMMARY

“Economic activity in the Twelfth District continued to expand at a moderate pace during the reporting period of mid-May through June. Overall price inflation was flat, while upward wage pressures strengthened. Sales of retail goods were modest, and growth in the consumer and business services sectors remained strong. Conditions in the manufacturing sector improved, and activity in the agriculture sector picked up to a modest pace. Contacts reported robust activity in residential real estate markets, and activity in the commercial sector picked up. Conditions in the financial services sector remained solid.

Tourism demand remained strong, although contacts noted that continued uncertainty surrounding immigration policy slowed international bookings at hotels in Southern California. Restaurant sales remained sluggish, and contacts expect the sluggishness to continue through the end of the year.

Real estate market activity picked up to a robust pace. Commercial construction activity was solid. Contacts reported an uptick in commercial investment aimed at remodeling and repurposing large retail spaces for health-care and entertainment services. Financing conditions for commercial projects tightened slightly.”

Federal Reserve Bank Beige Book, July 2017

Oakland: Next 4 Quarters

The arrows show the forecast direction of change over the next 4 quarters vs. the previous 4 quarters. Green indicates the change will be above the long run average, yellow indicates it will be the same, and orange indicates it will be below.

Occupancy	Forecast
Occupancy will decrease to 75.0%, a decline over the past 4 quarters' rate of 77.0%, but above the long run average of 67.4%	▲
Average Daily Rate	Forecast
ADR growth expectations are weakening, 2.5% vs. the past 4 quarters' rate of 3.3%, and are below the long run average of 3.6%	▲
Revenue Per Available Room	Forecast
RevPAR change projections are falling to negative 0.2% as compared to the past 4 quarters' rate of positive 0.6%, and are lower than the long run average of positive 4.6%	▲
Supply (orange indicates above long-term average)	Forecast
Supply growth will stay about the same at 2.0%. This is greater than the long run average of 1.3%	▶
Demand	Forecast
Forecast demand change is falling, negative 0.7% vs. the past 4 quarters' rate of negative 0.6%, and is below the long run average of positive 2.1%	▲

Source: CBRE Hotels' Americas Research, Q2 2017

HOTEL MARKET SUMMARY

By year-end 2017, Oakland hotels are forecast to see a RevPAR decrease of 0.9%. This is the result of an estimated decline in occupancy of 2.4% and a 1.6% gain in average daily room rates (ADR). The 0.9% decline in Oakland RevPAR is less than the national projection of a 2.8% increase.

Both the upper and lower-priced segments of Oakland are expected to show negative RevPAR change by year end. Upper-priced hotels are forecast to attain a 0.6% gain in ADR, but suffer a 1.4% decrease in occupancy, resulting in a 0.8% RevPAR decline. Lower-priced hotels are projected to experience an ADR growth rate of 1.3%, along with a 3.5% loss in occupancy, resulting in a 2.2% RevPAR decline.

Looking towards 2018, Oakland RevPAR is expected to grow 0.6%, reversing the downward trend of 2017. Prospects for RevPAR growth in the upper-priced segment (positive 1.1%) are better than in the lower-priced segment (negative 0.3%). Oakland market occupancy levels are expected to range from 74.2% to 75.8% during the 5-year forecast period.

Oakland Forecast Summary

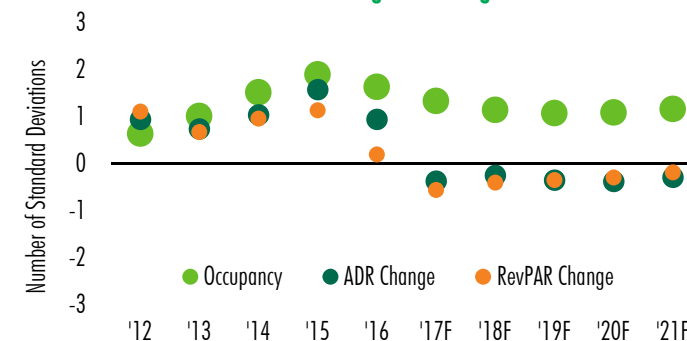
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	71.5%	6.2%	\$99.29	8.7%	\$70.95	15.4%
2013	73.8%	3.3%	\$106.86	7.6%	\$78.86	11.2%
2014	77.0%	4.3%	\$116.73	9.2%	\$89.86	14.0%
2015	79.4%	3.1%	\$130.91	12.2%	\$103.92	15.6%
2016	77.7%	-2.1%	\$142.34	8.7%	\$110.65	6.5%
2017F	75.8%	-2.4%	\$144.61	1.6%	\$109.68	-0.9%
2018F	74.6%	-1.6%	\$147.89	2.3%	\$110.36	0.6%
2019F	74.2%	-0.6%	\$150.45	1.7%	\$111.64	1.2%
2020F	74.3%	0.1%	\$152.81	1.6%	\$113.53	1.7%
2021F	74.8%	0.6%	\$155.97	2.1%	\$116.62	2.7%

Source: CBRE Hotels' Americas Research, STR, Q2 2017

Long Run Averages 1988 to 2016

Occupancy: 67.4%, ADR Change: 3.6%, RevPAR Change: 4.6%

EXHIBIT 1**: Performance Grade vs. Long Run Average



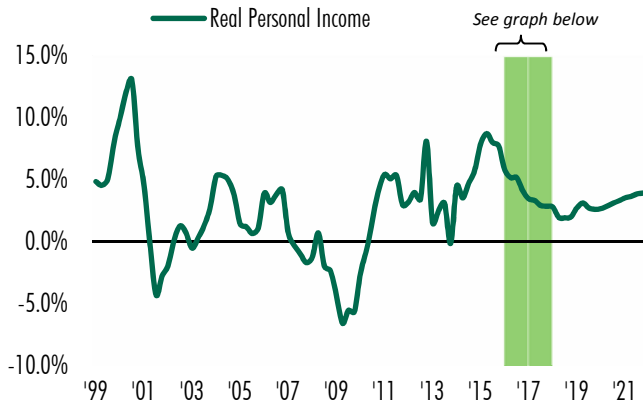
Source: CBRE Hotels' Americas Research, STR, Q2 2017

**See Appendix for exhibit descriptions

Oakland Economic Summary

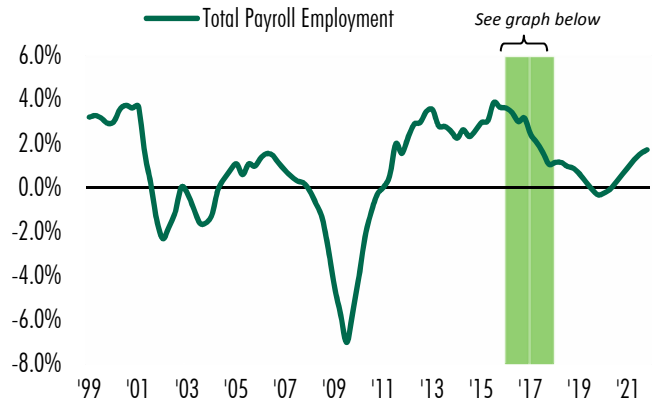
Below are a select number of variables that drive the CBRE Hotels | Americas Research econometric forecasts contained in this report. Income and employment are important barometers of economic health and are used in every *Hotel Horizons*® forecast model. The lodging market is part of the larger economy, and the forces that affect us nationally also affect lodging, but in different magnitudes and time periods (see Exhibits 4 and 5 below). Exhibits 2 - 6 provide an overview of current economic history and forecast, and provide explanation of what to expect in the future, and how that affects the lodging industry.

Exhibit 2*: Income Change



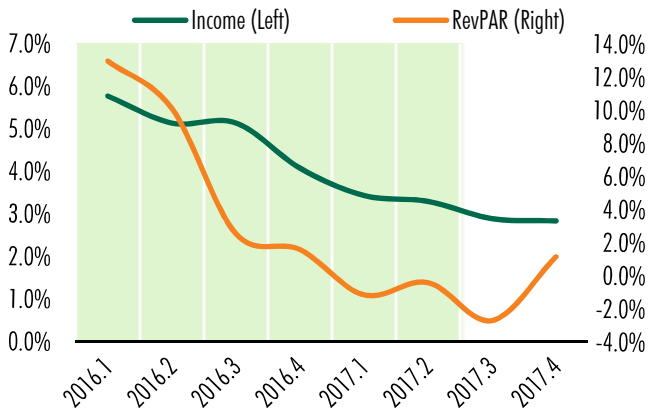
Source: CBRE EA, Q2 2017

Exhibit 3*: Employment Change



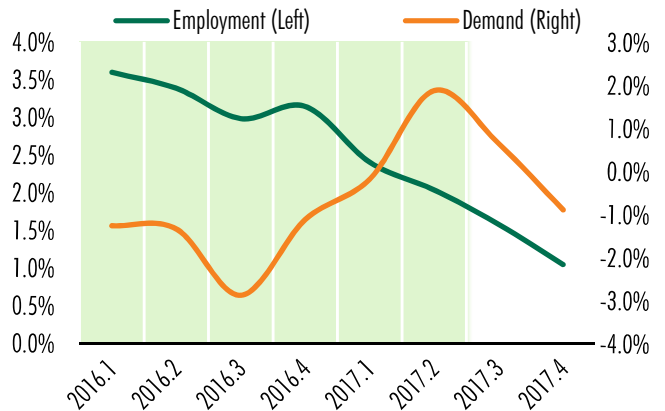
Source: CBRE EA, Q2 2017

Exhibit 4*: Quarterly Income vs. RevPAR Change



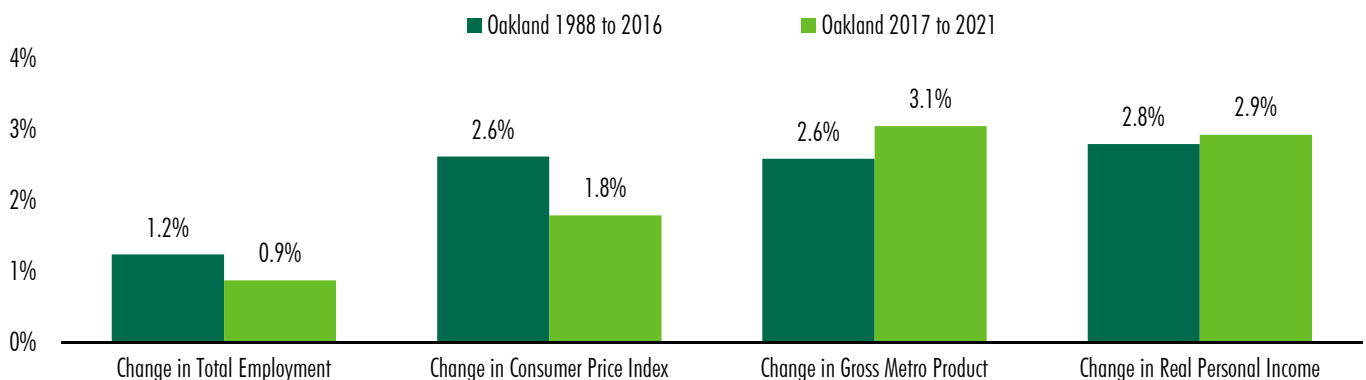
Source: CBRE EA, CBRE Hotels, STR, Q2 2017

Exhibit 5*: Quarterly Employment vs. Demand Change



Source: CBRE EA, CBRE Hotels, STR, Q2 2017

Exhibit 6*: Average Annual Growth Rates



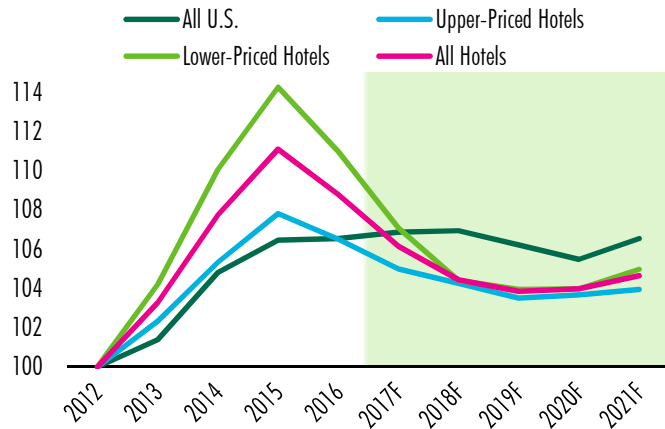
Source: CBRE EA, Moody's Analytics, Q2 2017

*See Appendix for exhibit descriptions

Oakland Hotel Summary

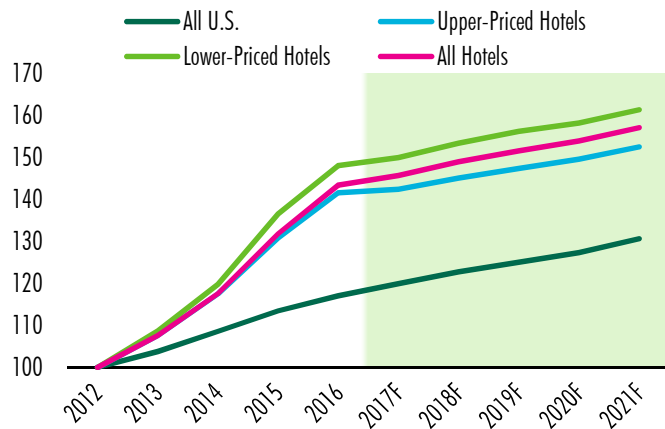
The graphs on the left illustrate the magnitude of change in performance during the historical and forecasted period 2012 to 2021. Used as a relative benchmark, each market segment is plotted against a common index value of 2012 = 100. This method provides clear insight of how each market segment performed and is expected to perform in relation to others in the specified period. The charts on the right compare near-term historical compound annual growth rates (CAGR) to the CAGRs for the forecast period.

Exhibit 7*: Occupancy Change



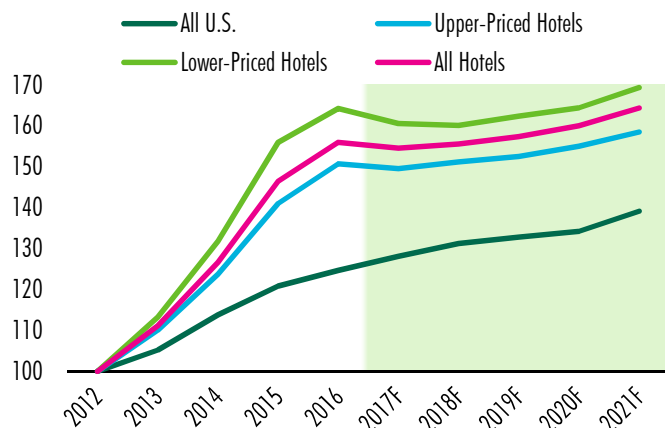
Source: CBRE Hotels, STR, Q2 2017

Exhibit 8*: ADR Change



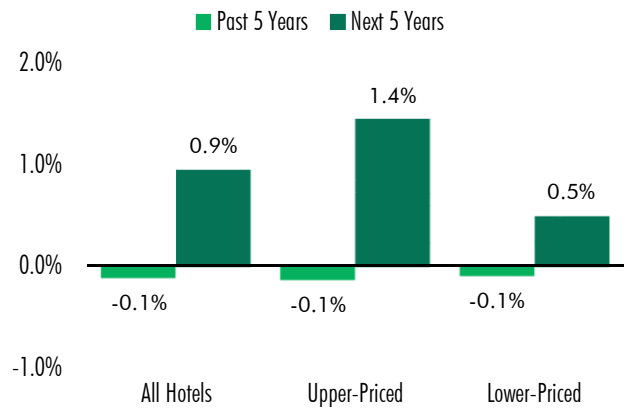
Source: CBRE Hotels, STR, Q2 2017

Exhibit 9*: RevPAR Change



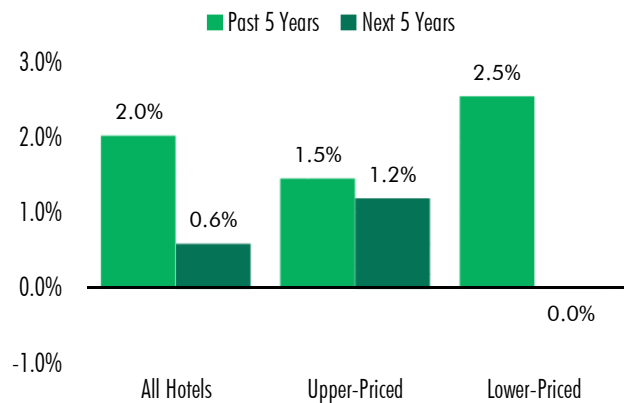
Source: CBRE Hotels, STR, Q2 2017

Exhibit 10*: Compound Average Annual Supply Change



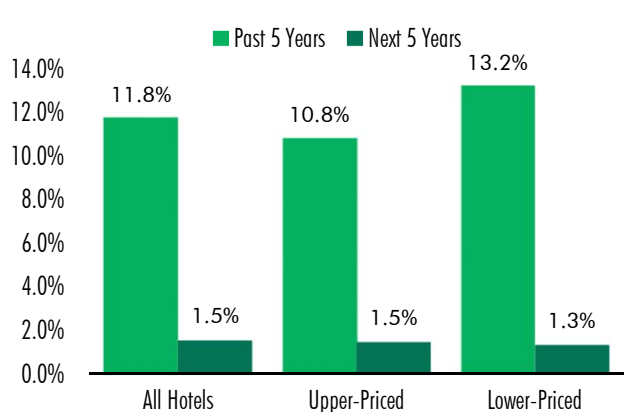
Source: CBRE Hotels, STR, Q2 2017

Exhibit 11*: Compound Average Annual Demand Change



Source: CBRE Hotels, STR, Q2 2017

Exhibit 12*: Compound Average Annual RevPAR Change



Source: CBRE Hotels, STR, Q2 2017

*See Appendix for exhibit descriptions

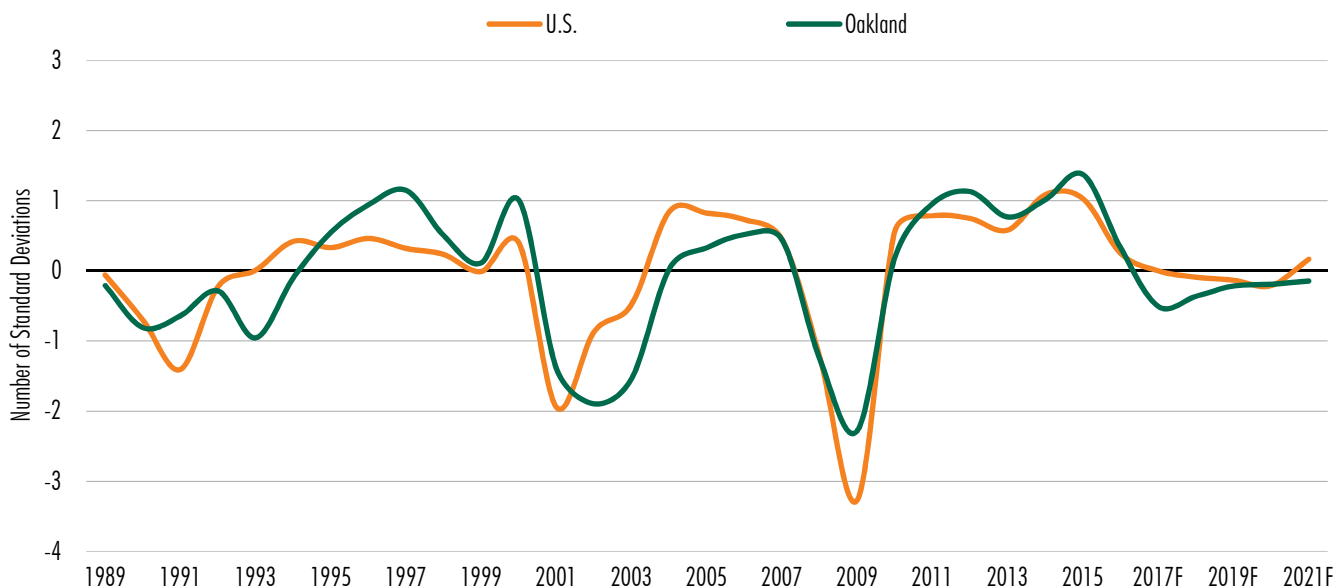
*See Appendix for exhibit descriptions

Oakland Forecast - All Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2012	Annual	71.5%	6.2%	\$99.29	8.7%	\$70.95	15.4%	-0.2%	6.0%
2013	Annual	73.8%	3.3%	\$106.86	7.6%	\$78.86	11.2%	-0.3%	3.0%
2014	1	70.6%	6.0%	\$109.04	8.0%	\$76.97	14.5%	0.0%	6.0%
2014	2	79.3%	3.8%	\$114.23	8.4%	\$90.59	12.6%	-0.1%	3.8%
2014	3	84.1%	2.7%	\$122.92	10.4%	\$103.41	13.4%	0.0%	2.7%
2014	4	73.9%	5.2%	\$119.70	9.9%	\$88.50	15.6%	-0.1%	5.1%
2014	Annual	77.0%	4.3%	\$116.73	9.2%	\$89.86	14.0%	0.0%	4.3%
2015	1	74.5%	5.5%	\$121.17	11.1%	\$90.28	17.3%	-0.1%	5.5%
2015	2	82.4%	3.9%	\$128.54	12.5%	\$105.90	16.9%	-0.2%	3.7%
2015	3	85.6%	1.8%	\$139.35	13.4%	\$119.33	15.4%	-0.9%	0.9%
2015	4	75.0%	1.5%	\$133.65	11.7%	\$100.28	13.3%	-1.0%	0.5%
2015	Annual	79.4%	3.1%	\$130.91	12.2%	\$103.92	15.6%	-0.5%	2.6%
2016	1	74.1%	-0.5%	\$137.59	13.5%	\$101.95	12.9%	-0.7%	-1.3%
2016	2	81.3%	-1.3%	\$143.29	11.5%	\$116.55	10.1%	-0.1%	-1.3%
2016	3	82.7%	-3.5%	\$147.97	6.2%	\$122.31	2.5%	0.6%	-2.9%
2016	4	72.9%	-2.9%	\$139.72	4.5%	\$101.83	1.5%	1.8%	-1.1%
2016	Annual	77.7%	-2.1%	\$142.34	8.7%	\$110.65	6.5%	0.4%	-1.7%
2017	1	71.9%	-2.9%	\$140.08	1.8%	\$100.73	-1.2%	2.8%	-0.2%
2017	2	80.5%	-1.0%	\$144.14	0.6%	\$116.03	-0.4%	2.9%	1.9%
2017F	3	80.5%	-2.6%	\$147.68	-0.2%	\$118.95	-2.7%	3.3%	0.6%
2017F	4	70.4%	-3.4%	\$146.23	4.7%	\$102.96	1.1%	2.6%	-0.9%
2017F	Annual	75.8%	-2.4%	\$144.61	1.6%	\$109.68	-0.9%	2.9%	0.4%
2018F	Annual	74.6%	-1.6%	\$147.89	2.3%	\$110.36	0.6%	0.6%	-1.0%
2019F	Annual	74.2%	-0.6%	\$150.45	1.7%	\$111.64	1.2%	0.7%	0.1%
2020F	Annual	74.3%	0.1%	\$152.81	1.6%	\$113.53	1.7%	1.1%	1.2%
2021F	Annual	74.8%	0.6%	\$155.97	2.1%	\$116.62	2.7%	1.4%	2.0%
2016 2Q	Year to Date	77.7%	-0.9%	\$140.58	12.4%	\$109.27	11.4%	-0.4%	-1.3%
2017 2Q	Year to Date	76.2%	-1.9%	\$142.23	1.2%	\$108.40	-0.8%	2.9%	0.9%
2017 2Q	Trailing 4 Qtrs	77.0%	-2.6%	\$143.15	3.3%	\$110.19	0.6%	2.0%	-0.6%

Source: CBRE Hotels' Americas Research, STR, Q2 2017

Exhibit 13*: Oakland Standardized Changes in Real RevPAR Movements Over Time



Source: CBRE Hotels' Americas Research, STR, Q2 2017

*See Appendix for exhibit description

Oakland Forecast - Upper-Priced Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2012	Annual	75.2%	6.0%	\$125.26	8.3%	\$94.17	14.8%	0.0%	6.0%
2013	Annual	76.9%	2.3%	\$134.76	7.6%	\$103.68	10.1%	-0.9%	1.5%
2014	1	72.5%	5.1%	\$139.86	8.2%	\$101.34	13.8%	-0.3%	4.8%
2014	2	81.5%	1.6%	\$144.23	8.9%	\$117.47	10.7%	0.0%	1.6%
2014	3	86.2%	1.7%	\$153.67	10.0%	\$132.41	11.9%	0.0%	1.7%
2014	4	76.7%	3.6%	\$149.79	9.5%	\$114.84	13.4%	0.0%	3.6%
2014	Annual	79.2%	2.9%	\$147.14	9.2%	\$116.52	12.4%	-0.1%	2.8%
2015	1	75.6%	4.4%	\$155.90	11.5%	\$117.92	16.4%	0.0%	4.4%
2015	2	84.0%	3.1%	\$161.32	11.9%	\$135.52	15.4%	-0.5%	2.7%
2015	3	87.4%	1.4%	\$172.06	12.0%	\$150.37	13.6%	-1.4%	0.0%
2015	4	77.2%	0.7%	\$165.24	10.3%	\$127.57	11.1%	-1.4%	-0.7%
2015	Annual	81.0%	2.4%	\$163.85	11.4%	\$132.80	14.0%	-0.8%	1.5%
2016	1	76.1%	0.6%	\$174.54	12.0%	\$132.76	12.6%	-0.9%	-0.4%
2016	2	83.5%	-0.6%	\$179.00	11.0%	\$149.44	10.3%	0.5%	-0.1%
2016	3	85.2%	-2.5%	\$182.46	6.0%	\$155.52	3.4%	1.5%	-1.0%
2016	4	75.5%	-2.1%	\$172.59	4.4%	\$130.38	2.2%	3.9%	1.7%
2016	Annual	80.1%	-1.2%	\$177.33	8.2%	\$141.98	6.9%	1.3%	0.0%
2017	1	73.9%	-2.9%	\$176.94	1.4%	\$130.71	-1.5%	6.1%	3.0%
2017	2	83.4%	-0.1%	\$178.55	-0.3%	\$148.88	-0.4%	5.1%	5.0%
2017F	3	83.7%	-1.8%	\$179.20	-1.8%	\$150.06	-3.5%	5.4%	3.6%
2017F	4	74.8%	-1.0%	\$178.75	3.6%	\$133.65	2.5%	3.8%	2.8%
2017F	Annual	78.9%	-1.4%	\$178.39	0.6%	\$140.81	-0.8%	5.1%	3.6%
2018F	Annual	78.4%	-0.7%	\$181.70	1.9%	\$142.42	1.1%	0.8%	0.1%
2019F	Annual	77.8%	-0.7%	\$184.56	1.6%	\$143.62	0.8%	1.1%	0.3%
2020F	Annual	77.9%	0.2%	\$187.33	1.5%	\$146.00	1.7%	1.8%	1.9%
2021F	Annual	78.1%	0.3%	\$191.02	2.0%	\$149.27	2.2%	2.1%	2.4%
2016 2Q	Year to Date	79.8%	0.0%	\$176.88	11.4%	\$141.14	11.4%	-0.2%	-0.2%
2017 2Q	Year to Date	78.6%	-1.5%	\$177.79	0.5%	\$139.79	-1.0%	5.6%	4.0%
2017 2Q	Trailing 4 Qtrs	79.5%	-1.9%	\$177.78	2.9%	\$141.27	0.9%	4.2%	2.1%

Source: CBRE Hotels' Americas Research, STR, Q2 2017

Oakland Financial Benchmarks* - Full-Service Hotels

FULL-SERVICE HOTELS - PERCENT OF TOTAL REVENUE - 2016			
Financial Line Item	Mountain / Pacific Region	ADR Between \$125 & \$250†	150 to 300 Rooms‡
Rooms Revenue	70.5%	70.9%	72.8%
Food and Beverage Revenue	24.3%	24.9%	22.6%
Total Departmental Expenses	38.8%	35.5%	37.1%
Total Departmental Profit	61.2%	64.5%	62.9%
Total Undistributed Expenses	23.1%	25.1%	26.1%
Gross Operating Profit**	38.1%	39.4%	36.8%

*Data from 2017 *Trends*® in the Hotel Industry report

† Oakland Upper-Price Average ADR: \$177.33

**Before deductions for management fees and non-operating income and expenses.

‡ Oakland Upper-Price Average Size: 187 Rooms

Source: CBRE Hotels' Americas Research, 2016

For a more comparable and detailed financial comparison, we recommend a **BenchmarkerSM** report.
Please contact Viet Vo at +1 404 812 5112 for more information.

Oakland Forecast - Lower-Priced Hotels

YEAR	PERIOD	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR	Δ SUPPLY	Δ DEMAND
2012	Annual	68.2%	6.3%	\$74.69	9.3%	\$50.97	16.2%	-0.3%	6.0%
2013	Annual	71.1%	4.2%	\$81.19	8.7%	\$57.74	13.3%	0.2%	4.5%
2014	1	69.0%	6.7%	\$81.54	8.6%	\$56.27	15.9%	0.3%	7.0%
2014	2	77.5%	5.9%	\$87.42	9.1%	\$67.73	15.5%	-0.1%	5.8%
2014	3	82.4%	3.7%	\$95.58	11.4%	\$78.75	15.5%	-0.1%	3.6%
2014	4	71.6%	6.6%	\$92.30	11.6%	\$66.09	19.0%	-0.1%	6.5%
2014	Annual	75.1%	5.6%	\$89.47	10.2%	\$67.21	16.4%	0.0%	5.6%
2015	1	73.5%	6.6%	\$90.79	11.3%	\$66.76	18.6%	-0.1%	6.4%
2015	2	81.0%	4.6%	\$99.77	14.1%	\$80.83	19.3%	0.0%	4.6%
2015	3	84.1%	2.1%	\$110.77	15.9%	\$93.20	18.4%	-0.4%	1.7%
2015	4	73.2%	2.2%	\$105.56	14.4%	\$77.27	16.9%	-0.6%	1.6%
2015	Annual	78.0%	3.8%	\$101.96	14.0%	\$79.51	18.3%	-0.3%	3.5%
2016	1	72.4%	-1.5%	\$104.70	15.3%	\$75.84	13.6%	-0.6%	-2.1%
2016	2	79.5%	-1.9%	\$111.21	11.5%	\$88.43	9.4%	-0.6%	-2.4%
2016	3	80.5%	-4.4%	\$116.69	5.3%	\$93.88	0.7%	-0.2%	-4.6%
2016	4	70.5%	-3.6%	\$108.86	3.1%	\$76.80	-0.6%	0.0%	-3.6%
2016	Annual	75.7%	-2.9%	\$110.56	8.4%	\$83.74	5.3%	-0.3%	-3.2%
2017	1	70.2%	-3.1%	\$105.21	0.5%	\$73.81	-2.7%	0.1%	-3.1%
2017	2	77.9%	-2.0%	\$111.40	0.2%	\$86.83	-1.8%	1.1%	-0.9%
2017F	3	77.7%	-3.4%	\$117.46	0.7%	\$91.28	-2.8%	1.4%	-2.0%
2017F	4	66.5%	-5.7%	\$113.42	4.2%	\$75.42	-1.8%	1.5%	-4.3%
2017F	Annual	73.1%	-3.5%	\$112.01	1.3%	\$81.86	-2.2%	1.0%	-2.5%
2018F	Annual	71.3%	-2.5%	\$114.55	2.3%	\$81.63	-0.3%	0.5%	-2.0%
2019F	Annual	70.9%	-0.4%	\$116.65	1.8%	\$82.76	1.4%	0.3%	-0.1%
2020F	Annual	71.0%	0.0%	\$118.12	1.3%	\$83.82	1.3%	0.5%	0.5%
2021F	Annual	71.6%	1.0%	\$120.50	2.0%	\$86.33	3.0%	0.7%	1.7%
2016 2Q	Year to Date	76.0%	-1.7%	\$108.11	13.2%	\$82.13	11.3%	-0.6%	-2.2%
2017 2Q	Year to Date	74.1%	-2.5%	\$108.49	0.3%	\$80.35	-2.2%	0.6%	-1.9%
2017 2Q	Trailing 4 Qtrs	74.8%	-3.3%	\$110.78	2.4%	\$82.84	-1.0%	0.2%	-3.1%

Source: CBRE Hotels' Americas Research, STR, Q2 2017

Oakland Financial Benchmarks* - Limited-Service Hotels

LIMITED-SERVICE HOTELS - PERCENT OF TOTAL REVENUE - 2016			
Financial Line Item	Mountain / Pacific Region	ADR Between \$75 & \$115†	Under 100 Rooms‡
Rooms Revenue	97.5%	98.5%	98.4%
Food and Beverage Revenue	0.0%	0.0%	0.0%
Total Departmental Expenses	25.5%	27.7%	26.6%
Total Departmental Profit	74.5%	72.3%	73.4%
Total Undistributed Expenses	26.9%	30.9%	31.0%
Gross Operating Profit**	47.5%	41.4%	42.4%

*Data from 2017 *Trends*® in the Hotel Industry report

**Before deductions for management fees and non-operating income and expenses.

Source: CBRE Hotels' Americas Research, 2016

† Oakland Lower-Price Average ADR: \$110.56

‡ Oakland Lower-Price Average Size: 68 Rooms

For a more comparable and detailed financial comparison, we recommend a **BenchmarkerSM** report.
Please contact Viet Vo at +1 404 812 5112 for more information.

Oakland Airbnb Summary

Below is an overview of Airbnb's presence in this market. The estimates of Airbnb performance come from Airdna, a firm that provides data and analytics on Airbnb rental performance for 4 million+ Airbnb listings worldwide. Figure 1 shows the total number of units available, sold and revenue generated during from July 2016 – June 2017 along with the calculated Occupancy, Average Daily Rate (ADR), RevPAR, and year-over-year growth rates. Figure 2 shows the percent of units and revenue by unit type. Figure 3 shows the average daily number of active Airbnb units by month. Figure 4 lists the ADRs broken down by unit types and number of bedrooms over the past 12 months. More detailed reports on Airbnb performance in this market can be found at <https://pip.cbrehotels.com/airbnbinsights>.

Figure 1: July 2016 – June 2017 Airbnb Performance

METRIC	2017	Y-o-Y CHANGE
Occupancy	63.3%	-0.9%
ADR	\$114.83	1.4%
RevPAR	\$72.73	0.5%
Available Supply	906,515	32.7%
Units Sold	574,187	31.5%
Total Revenue	\$65,961,056	33.4%

Source: Airdna, CBRE Hotels' Americas Research, Q2 2017

Figure 2: Percent of Active Units and Revenue by Listing Type

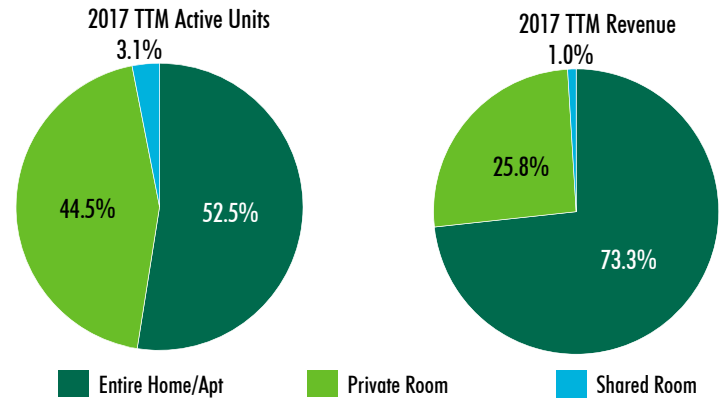


Figure 3: July 2016 – June 2017 Active Units by Month

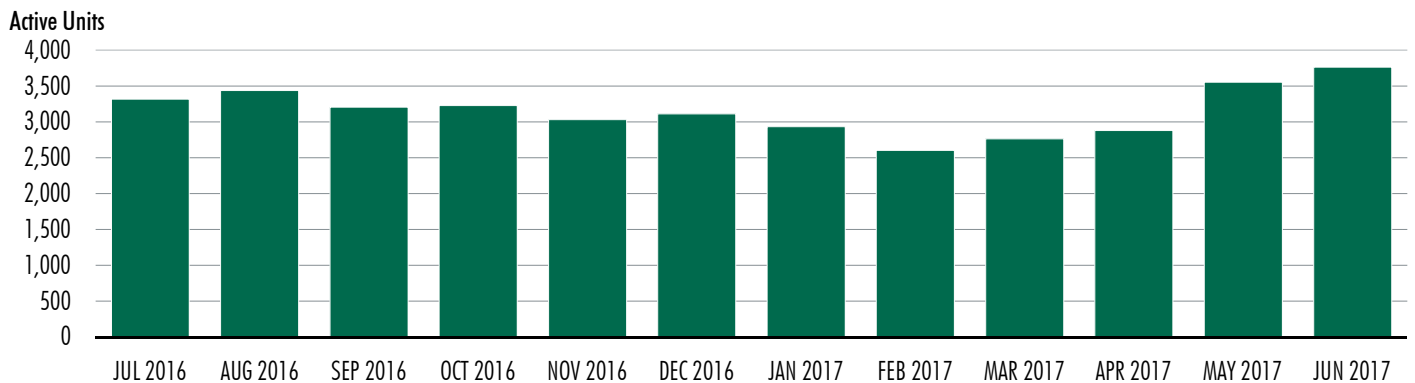
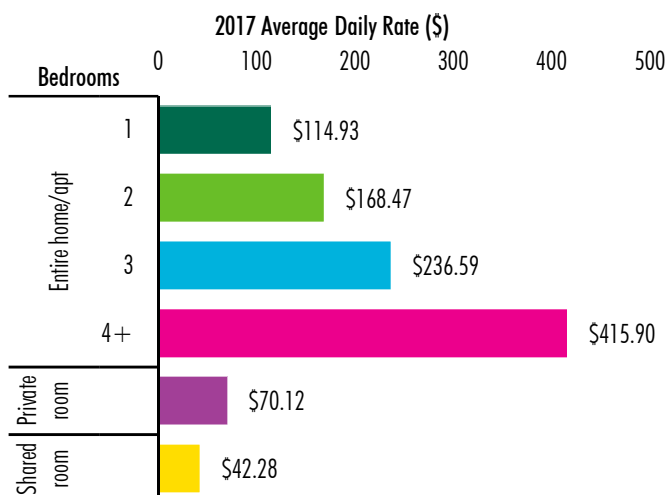


Figure 4: July 2016 – June 2017 ADRs by Unit Type and Bedroom Count



Glossary

Active Units - a unit is considered active if it had at least one night sold during the month

Average Daily Rate (ADR) - The revenue collected divided by the units sold.

Bedrooms - The number of rooms that are available within each unit.

Unit Types:

Entire Home - The guest has complete and sole access to the entire Unit during the stay.

Private Room - The guest has their own sleeping area, but shares access to the Unit common areas with others.

Shared Room - The guest rents a common area, like an airbed in a living room.

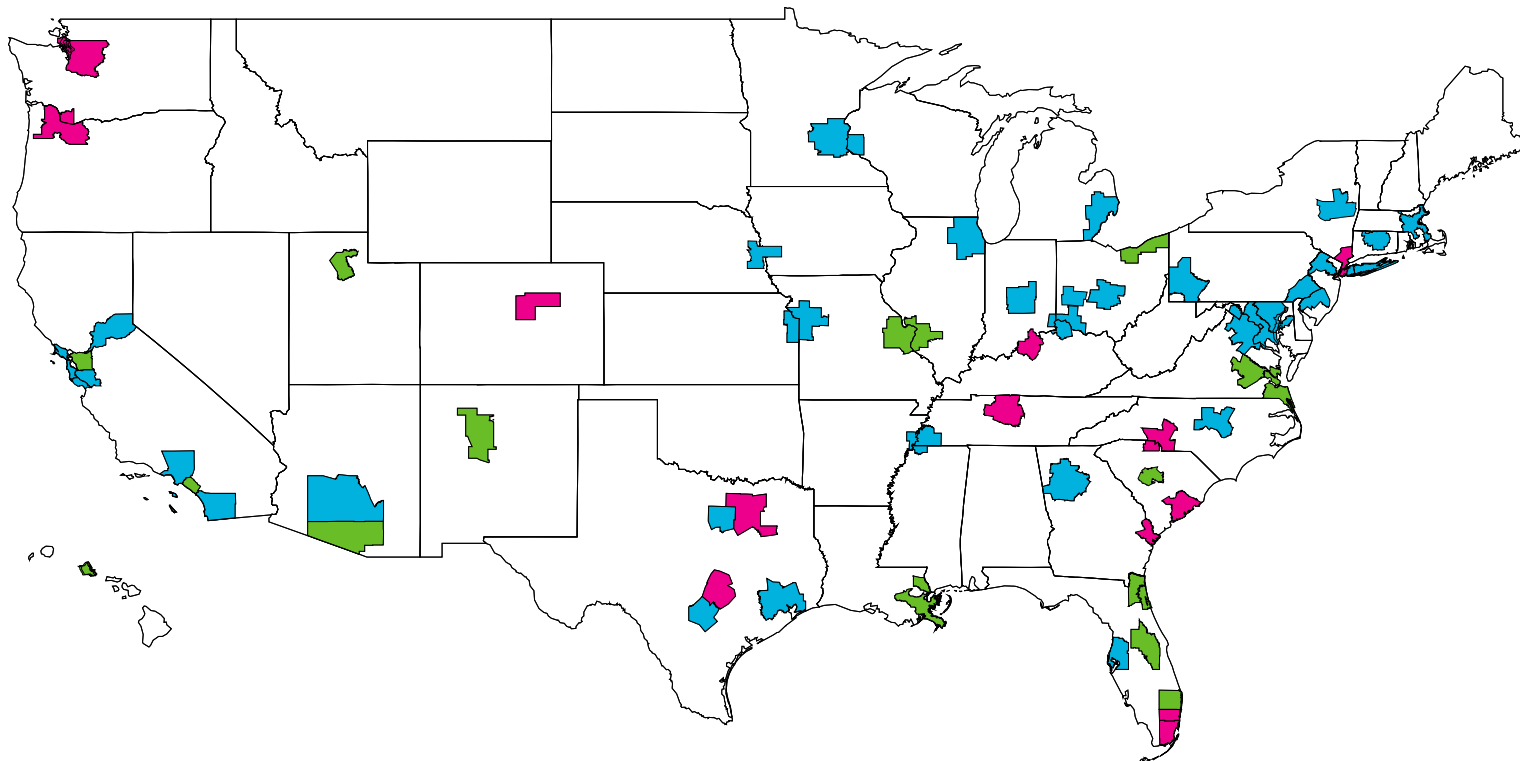
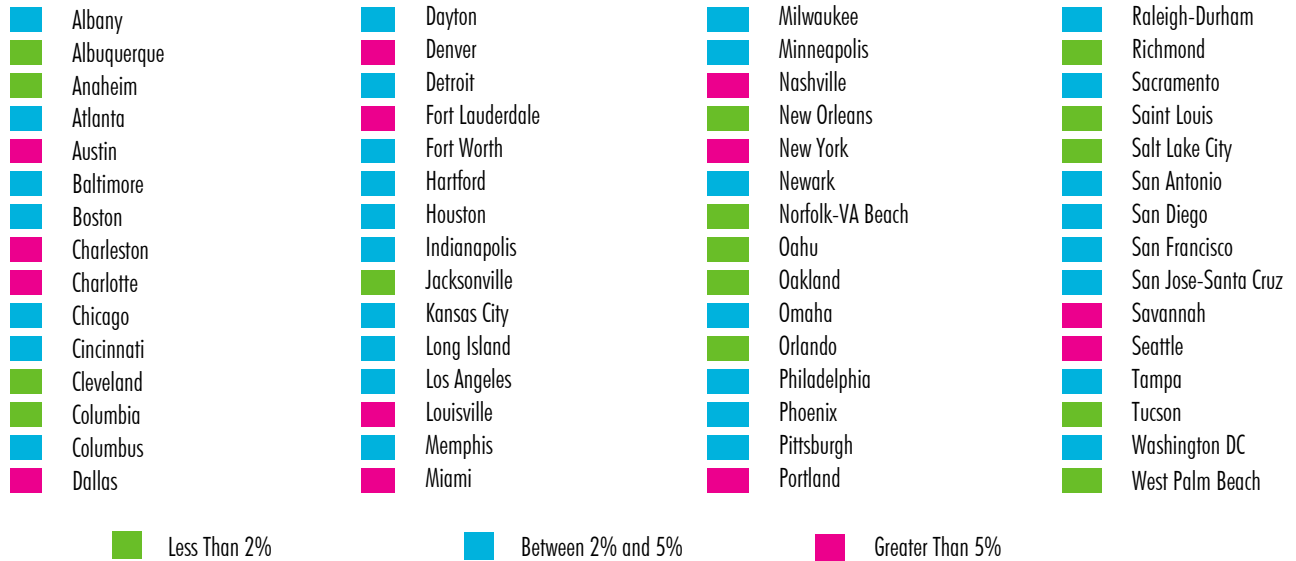
Detailed Report on Airbnb data for any U.S. Market Can be found at: <https://pip.cbrehotels.com/airbnbinsights>

National Horizon Profile

2018 Average Annual Supply Change

This page showcases the CBRE Hotels' Americas Research *Hotel Horizons*® forecasting universe. The map below displays average supply change for 2018. Quarterly *Hotel Horizons*® reports are available for the nation and all the markets shown below.

<https://pip.cbrehotels.com>



Source: CBRE Hotels' Americas Research, STR, Q2 2017

Oakland Market Profile

Total Room Supply: 19,882

Oakland Top Brands

UPPER-PRICED BRANDS			LOWER-PRICED BRANDS				
PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET		
Marriott	4	1,450	7.3%	Extended Stay America	10	1,213	6.1%
Courtyard	8	1,301	6.5%	Motel 6	9	1,140	5.7%
DoubleTree	3	796	4.0%	Best Western Plus	7	605	3.0%
Hilton	2	689	3.5%	La Quinta Inns & Suites	5	556	2.8%
Hyatt House	4	646	3.2%	Holiday Inn	2	368	1.9%

Source: STR, Q2 2017

Oakland Supply Pipeline

PHASE	Upper-Priced			Lower-Priced			Unclassified / Independent		
	PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET	PROPERTIES	ROOMS	% MARKET
Unconfirmed	1	93	0.5%	0	0	0.0%	0	0	0.0%
Planning	4	886	4.5%	10	1,382	7.0%	0	0	0.0%
Final Planning	7	890	4.5%	4	375	1.9%	0	0	0.0%
In Construction	1	115	0.6%	0	0	0.0%	0	0	0.0%
Total	13	1,984	10.0%	14	1,757	8.8%	0	0	0.0%

Source: STR, CBRE Hotels' Americas Research, Q2 2017

Pipeline Status Definitions

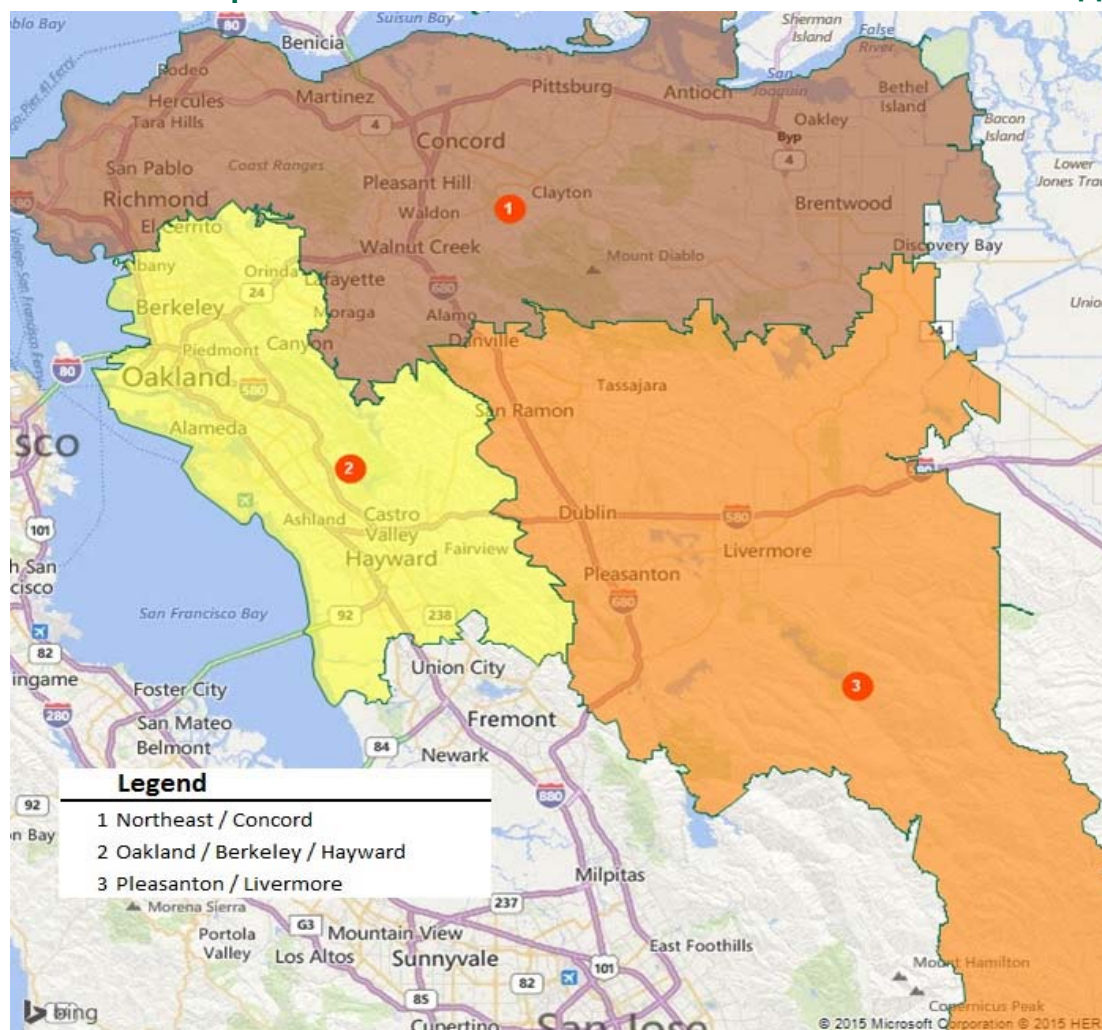
PHASE	DEFINITION
Unconfirmed*	Potential projects that remain unconfirmed at this time. STR is unable to verify the existence of these projects through a corporate chain feed or other verifiable source.
Planning	Confirmed, under contract projects where construction will begin in more than 12 months.
Final Planning	Confirmed, under contract projects where construction will begin within the next 12 months.
In Construction	Vertical construction on the physical building has begun. This does not include construction on any sub-grade structures including, but not limited to, parking garages, underground supports/footers or any other type of sub-grade construction.

Source: STR, Q2 2017

*Formerly Pre-Planning

Oakland Submarket Map

Total Room Supply: 19,882



Source: CBRE EA, Q2 2017

Oakland Submarket Summary

SUBMARKET	UPPER-PRICED			LOWER-PRICED			TOTALS		
	Properties	Rooms	% Market	Properties	Rooms	% Market	Properties	Rooms	% Market
Pleasanton / Livermore	18	2,807	14.1%	24	2,129	10.7%	42	4,936	24.8%
Northeast / Concord	10	2,106	10.6%	47	2,976	15.0%	57	5,082	25.6%
Oakland / Berkeley / Hayward	22	4,428	22.3%	85	5,436	27.3%	107	9,864	49.6%
Total	50	9,341	47.0%	156	10,541	53.0%	206	19,882	100.0%

Source: STR, Q2 2017

Submarket Profile - Pleasanton / Livermore

The Pleasanton / Livermore submarket includes hotels in Livermore and Pleasanton, as well as hotels in San Ramon, Dublin, and Danville.

Total Room Supply: **4,936**

Submarket Rank*

1

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

104%



*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

Pleasanton / Livermore Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	18	2,807	56.9%	Inventory	24	2,129	43.1%
UPPER-PRICED BRANDS BY SHARE	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED BRANDS BY SHARE	PROPERTIES	ROOMS	%SUBMKT
Marriott	2	610	12.4%	Extended Stay America	5	632	12.8%
DoubleTree	2	418	8.5%	Holiday Inn	1	222	4.5%
Courtyard	3	402	8.1%	Motel 6	2	178	3.6%

Source: STR, Q2 2017

Pleasanton / Livermore Construction Pipeline

PHASE	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	0	0	0.0%	0	0	0.0%	0	0	0.0%
Planning	0	0	0.0%	1	119	2.4%	0	0	0.0%
Final Planning	4	493	10.0%	0	0	0.0%	0	0	0.0%
In Construction	0	0	0.0%	0	0	0.0%	0	0	0.0%
TOTAL	4	493	10.0%	1	119	2.4%	0	0	0.0%

Source: STR, CBRE Hotels' Americas Research, Q2 2017

Pleasanton / Livermore Performance - All Hotels

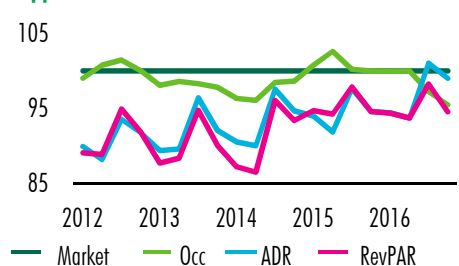
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	72.5%	-	\$96.90	-	\$70.28	-
2013	75.5%	4.1%	\$105.07	8.4%	\$79.33	12.9%
2014	75.6%	0.2%	\$116.67	11.0%	\$88.25	11.2%
2015	79.3%	4.9%	\$133.68	14.6%	\$106.03	20.1%
2016	78.3%	-1.3%	\$146.60	9.7%	\$114.79	8.3%
2Q16 YTD	78.6%	1.2%	\$145.83	12.7%	\$114.62	14.0%
2Q17 YTD	74.4%	-5.3%	\$152.45	4.5%	\$113.44	-1.0%

All Hotels Penetration vs. Market Total

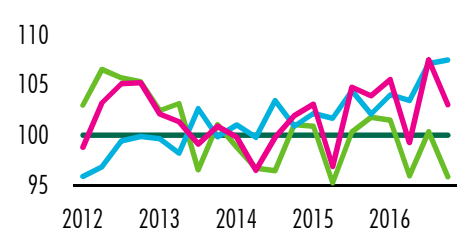
YEAR	OCC	ADR	REVPAR
2012	101.5%	97.6%	99.1%
2013	102.3%	98.3%	100.6%
2014	98.3%	99.9%	98.2%
2015	99.9%	102.1%	102.0%
2016	100.7%	103.0%	103.7%
2Q16 YTD	101.1%	103.7%	104.9%
2Q17 YTD	97.6%	107.2%	104.6%

Source: STR, Q2 2017

Upper-Priced Penetration vs. Market Total



Lower-Priced Penetration vs. Market Total



Source: STR, Q2 2017

Pleasanton / Livermore Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	74.5%	-	\$113.79	-	\$84.75	-
2013	76.6%	2.8%	\$122.62	7.8%	\$93.90	10.8%
2014	76.9%	0.5%	\$135.54	10.5%	\$104.26	11.0%
2015	81.1%	5.5%	\$154.79	14.2%	\$125.60	20.5%
2016	80.2%	-1.2%	\$168.61	8.9%	\$135.16	7.6%
2Q16 YTD	79.9%	1.6%	\$169.89	11.4%	\$135.77	13.2%
2Q17 YTD	75.7%	-5.2%	\$177.77	4.6%	\$134.64	-0.8%

Pleasanton / Livermore Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	69.9%	-	\$72.68	-	\$50.81	-
2013	74.1%	6.0%	\$80.63	10.9%	\$59.72	17.5%
2014	73.9%	-0.2%	\$90.20	11.9%	\$66.68	11.7%
2015	76.9%	4.0%	\$104.07	15.4%	\$80.02	20.0%
2016	75.7%	-1.5%	\$114.47	10.0%	\$86.71	8.4%
2Q16 YTD	76.8%	0.5%	\$111.56	14.4%	\$85.69	15.0%
2Q17 YTD	72.6%	-5.5%	\$116.41	4.3%	\$84.51	-1.4%

Source: STR, Q2 2017

Submarket Profile - Northeast / Concord

The Oakland NE / Concord submarket includes hotels in Concord, Walnut Creek, Richmond, Antioch, Pleasant Hill, Pittsburg, Martinez, Lafayette, Brentwood, and El Cerrito.

Total Room Supply: **5,082**

Submarket Rank*

2

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

89%



*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

Northeast / Concord Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	10	2,106	41.4%	Inventory	47	2,976	58.6%
UPPER-PRICED BRANDS BY SHARE	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED BRANDS BY SHARE	PROPERTIES	ROOMS	%SUBMKT
Marriott	1	340	6.7%	Motel 6	4	402	7.9%
Hilton	1	329	6.5%	Extended Stay America	2	223	4.4%
Crowne Plaza	1	323	6.4%	Clarion	1	198	3.9%

Source: STR, Q2 2017

Northeast / Concord Construction Pipeline

PHASE	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	0	0	0.0%	0	0	0.0%	0	0	0.0%
Planning	1	81	1.6%	2	271	5.3%	0	0	0.0%
Final Planning	1	160	3.1%	1	84	1.7%	0	0	0.0%
In Construction	1	115	2.3%	0	0	0.0%	0	0	0.0%
TOTAL	3	356	7.0%	3	355	7.0%	0	0	0.0%

Source: STR, CBRE Hotels' Americas Research, Q2 2017

Northeast / Concord Performance - All Hotels

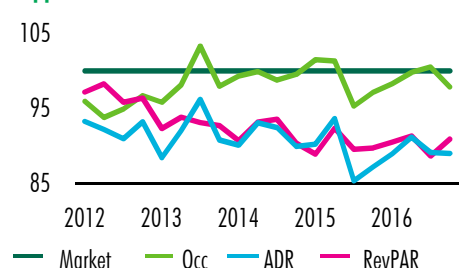
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	67.1%	-	\$95.47	-	\$64.10	-
2013	69.8%	3.9%	\$99.00	3.7%	\$69.06	7.7%
2014	76.1%	9.1%	\$105.88	6.9%	\$80.61	16.7%
2015	79.9%	4.9%	\$116.58	10.1%	\$93.13	15.5%
2016	77.6%	-2.9%	\$125.60	7.7%	\$97.41	4.6%
2Q16 YTD	77.0%	-0.5%	\$123.70	10.1%	\$95.20	9.5%
2Q17 YTD	77.1%	0.1%	\$125.35	1.3%	\$96.58	1.4%

All Hotels Penetration vs. Market Total

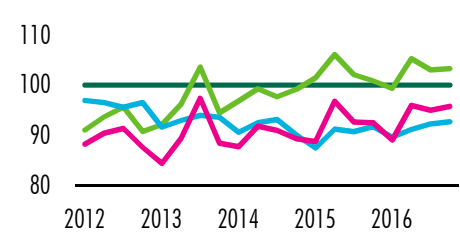
YEAR	OCC	ADR	REVPAR
2012	94.0%	96.1%	90.3%
2013	94.5%	92.6%	87.6%
2014	98.9%	90.7%	89.7%
2015	100.6%	89.1%	89.6%
2016	99.8%	88.2%	88.0%
2Q16 YTD	99.0%	88.0%	87.1%
2Q17 YTD	101.1%	88.1%	89.1%

Source: STR, Q2 2017

Upper-Priced Penetration vs. Market Total



Lower-Priced Penetration vs. Market Total



Source: STR, Q2 2017

Northeast / Concord Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	72.0%	-	\$122.82	-	\$88.44	-
2013	74.2%	3.1%	\$127.38	3.7%	\$94.55	6.9%
2014	79.2%	6.7%	\$135.92	6.7%	\$107.69	13.9%
2015	81.4%	2.7%	\$149.50	10.0%	\$121.62	12.9%
2016	78.2%	-3.8%	\$160.19	7.1%	\$125.32	3.0%
2Q16 YTD	76.8%	-3.0%	\$158.65	8.8%	\$121.88	5.5%
2Q17 YTD	77.9%	1.5%	\$159.80	0.7%	\$124.56	2.2%

Northeast / Concord Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	63.6%	-	\$72.84	-	\$46.32	-
2013	66.5%	4.6%	\$76.31	4.8%	\$50.78	9.6%
2014	73.9%	11.1%	\$82.74	8.4%	\$61.15	20.4%
2015	78.8%	6.7%	\$92.18	11.4%	\$72.66	18.8%
2016	77.1%	-2.2%	\$100.37	8.9%	\$77.36	6.5%
2Q16 YTD	77.1%	1.3%	\$98.65	12.9%	\$76.03	14.4%
2Q17 YTD	76.4%	-0.8%	\$100.34	1.7%	\$76.67	0.9%

Source: STR, Q2 2017

Submarket Profile - Oakland / Berkeley / Hayward

Total Room Supply: **9,864**

The Oakland / Berkeley / Hayward submarket includes hotels in Oakland (primarily on MacArthur Boulevard and Hegenberger Road), hotels in Berkeley (mostly on University Avenue and near University of California Berkeley), and hotels in Hayward (mostly on A Street and Mission Boulevard).

Submarket Rank*

3

Out of 3

*Based on RevPAR change over the last 4 quarters.

Submarket Penetration*

104%



*Submarket RevPAR penetration expressed as a percentage of the market RevPAR for the previous 4 quarters. Direction of arrow indicates if penetration is increasing or decreasing relative to one year ago's performance.

Oakland / Berkeley / Hayward Submarket Inventory

UPPER-PRICED	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED	PROPERTIES	ROOMS	%SUBMKT
Inventory	22	4,428	44.9%	Inventory	85	5,436	55.1%
UPPER-PRICED BRANDS BY SHARE	PROPERTIES	ROOMS	%SUBMKT	LOWER-PRICED BRANDS BY SHARE	PROPERTIES	ROOMS	%SUBMKT
Courtyard	3	615	6.2%	Motel 6	3	560	5.7%
Marriott	1	500	5.1%	La Quinta Inns & Suites	3	407	4.1%
Hilton Garden Inn	2	397	4.0%	Extended Stay America	3	358	3.6%

Source: STR, Q2 2017

Oakland / Berkeley / Hayward Construction Pipeline

PHASE	UPPER-PRICED			LOWER-PRICED			UNCLASSIFIED/INDEPENDENT		
	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT	PROPERTIES	ROOMS	%SUBMKT
Unconfirmed	1	93	0.9%	0	0	0.0%	0	0	0.0%
Planning	3	805	8.2%	7	992	10.1%	0	0	0.0%
Final Planning	2	237	2.4%	3	291	3.0%	0	0	0.0%
In Construction	0	0	0.0%	0	0	0.0%	0	0	0.0%
TOTAL	6	1,135	11.5%	10	1,283	13.0%	0	0	0.0%

Source: STR, CBRE Hotels' Americas Research, Q2 2017

Oakland / Berkeley / Hayward Performance - All Hotels

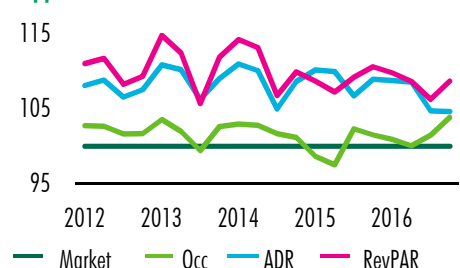
YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	73.2%	-	\$102.39	-	\$74.98	-
2013	75.1%	2.6%	\$111.78	9.2%	\$83.98	12.0%
2014	78.2%	4.1%	\$122.50	9.6%	\$95.79	14.1%
2015	79.2%	1.3%	\$137.34	12.1%	\$108.76	13.5%
2016	77.6%	-2.0%	\$149.10	8.6%	\$115.64	6.3%
2Q16 YTD	77.7%	-2.1%	\$146.82	13.4%	\$114.07	11.0%
2Q17 YTD	76.7%	-1.3%	\$146.05	-0.5%	\$111.99	-1.8%

All Hotels Penetration vs. Market Total

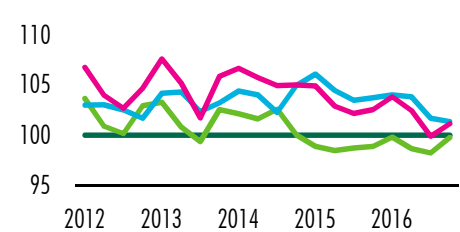
YEAR	OCC	ADR	REVPAR
2012	102.5%	103.1%	105.7%
2013	101.8%	104.6%	106.5%
2014	101.6%	104.9%	106.6%
2015	99.8%	104.9%	104.7%
2016	99.8%	104.7%	104.5%
2Q16 YTD	100.0%	104.4%	104.4%
2Q17 YTD	100.6%	102.7%	103.3%

Source: STR, Q2 2017

Upper-Priced Penetration vs. Market Total



Lower-Priced Penetration vs. Market Total



Source: STR, Q2 2017

Oakland / Berkeley / Hayward Performance - Upper-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	77.4%	-	\$134.12	-	\$103.78	-
2013	78.7%	1.7%	\$146.84	9.5%	\$115.55	11.3%
2014	80.8%	2.7%	\$160.86	9.5%	\$130.02	12.5%
2015	80.9%	0.1%	\$177.84	10.6%	\$143.82	10.6%
2016	81.0%	0.1%	\$191.96	7.9%	\$155.46	8.1%
2Q16 YTD	81.3%	0.4%	\$190.79	12.4%	\$155.07	12.9%
2Q17 YTD	80.8%	-0.6%	\$186.06	-2.5%	\$150.30	-3.1%

Oakland / Berkeley / Hayward Performance - Lower-Priced Hotels

YEAR	OCC	Δ OCC	ADR	Δ ADR	REVPAR	Δ REVPAR
2012	70.1%	-	\$76.37	-	\$53.57	-
2013	72.5%	3.4%	\$83.89	9.8%	\$60.84	13.6%
2014	76.3%	5.2%	\$92.79	10.6%	\$70.78	16.3%
2015	78.0%	2.2%	\$106.63	14.9%	\$83.12	17.4%
2016	75.0%	-3.8%	\$114.80	7.7%	\$86.13	3.6%
2Q16 YTD	75.1%	-4.1%	\$112.03	13.2%	\$84.10	8.6%
2Q17 YTD	73.3%	-2.3%	\$110.14	-1.7%	\$80.78	-3.9%

Source: STR, Q2 2017

MARKET SEGMENTS - REPRESENTATIVE BRANDS

Upper-Priced			Lower-Priced		
Fairmont	Embassy Suites	Courtyard by Marriott	Best Western Plus	Best Western	Days Inn
Four Seasons	Hilton	Crowne Plaza	Comfort Inn	Red Lion	Econo Lodge
Loews	Hyatt	Hyatt Place	Hampton Inn	La Quinta	Extended Stay America
Ritz Carlton	Marriott	Radisson	Holiday Inn	Mainstay Suites	Red Roof
W Hotels	Westin	Residence Inn	TownePlace Suites	Quality Inn	Value Place

EXHIBIT DEFINITIONS

Exhibit 1	Occupancy levels, ADR change and RevPAR change are plotted on a fixed "grade" scale. Measured as current value minus the mean, divided by the series' standard deviation. Grades: A: Very strong, greater than one standard deviation above long run average. B: Strong, within one standard deviation above long run average C: Somewhat weak, within one standard deviation below long run average. D: Weak, below one standard deviation of the long run average.
Exhibits 2 - 5	Year over year change in Income, Employment, RevPAR and Demand, displayed as annual (Exhibits 2 and 3) and quarterly (Exhibits 4 and 5).
Exhibit 6	Average annual Employment, Consumer Price Index, Gross Domestic Product, and Real Personal Income change for the MSA.
Exhibits 7 - 9	Index based change charts with base year 2012 = 100, illustrating the magnitude of change.
Exhibits 10 - 12	Compound average annual RevPAR, Demand and Supply change for Upper Priced, Lower Priced, and combined (All) hotels within the MSA.
Exhibit 13	Real RevPAR change (inflation adjusted, CPI) of the current period minus the historical mean of Real RevPAR change, divided by the historical standard deviation of Real RevPAR change.

FINANCIAL BENCHMARKS

The financial benchmarks come from the 2017 edition (2016 data) of *Trends® in the Hotel Industry*, CBRE Hotels' Americas Research's annual analysis of hotel financial statements from thousands of properties located across the nation. To benchmark the performance of hotels in the local market, we relied on national operating data from hotels of a similar profile to the average hotel in the subject market. The average room count, occupancy, and ADR of upper-priced hotels were used to analyze the performance of full-service hotels. The average room count, occupancy, and ADR of lower-priced hotels were used to analyze the performance of limited-service hotels. For a more in-depth report with a custom comparable set designed for your individual property or the subject market, see our CBRE Hotels' *BenchmarkerSM* service. (pip.cbrehotels.com)

HOW WE FORECAST

CBRE Hotels' Americas Research prepares hotel market forecasts based on accepted econometric procedures and sound judgment. The two-stage process for producing the forecasts firstly involves econometric estimation of future hotel market activity and financial performance based on historical relationships between economic and hotel market variables, and secondly, a judgmental review of modeled outputs by experienced hotel market analysts. CBRE Hotels and others believe that errors in forecasting are minimized by relying on both data analytics and judgment.

ECONOMETRIC MODELS

Econometric forecasting represents one of the most sophisticated approaches to gaining insight into future economic activity. Unlike some forecasting methods used in business practice, the models that underlie econometric forecasts contain variables based in economic theory. The forecasts come from historical relationships, similar to statistical correlations, among hotel market measures and economic variables. The measures for the variables come from actual market transactions involving individuals and firms interacting in the economy.

Positive Features of Econometric Models:

- The variables included in the models follow from economic theory.
- The relationships between variables are estimated with advanced statistical methods.
- The forecasts developed with econometric models are objectively determined, unlike forecasts based only on judgmental approaches.

Gaining insight into the futures of complicated economic environments requires the introduction of multi-level forecasting models. Several equations often need to be identified and estimated to model complex economic conditions such as the national economy. Multi-equation models have considerable appeal for economic forecasting because they explicitly recognize the interdependence of relationships commonly encountered in markets. Perhaps the best example of this type of model is one that involves both the demand side and the supply side of markets, in which prices of goods are set by the interaction of buyers and sellers. Thus, price appears as a variable in both the demand and supply equations.

THE EQUATIONS

The *Hotel Horizons*® econometric forecasting models fall into the category of multi-equation, demand and supply models. These models have the structure defined below, but vary in their construction for particular market applications (e.g., different cities and hotel market segments). The three estimated equations are:

1. Demand for hotel rooms is primarily driven by the general level of economic activity in the nation or city, as measured by income and employment. The equation recognizes the fundamental relationship between room purchasing behavior and either growth or decline in the relevant economy. Both economic theory and historical data relationships strongly support the inclusion of ADR in the demand equation because lower ADRs motivate increases in travel and leisure spending, while higher ADRs motivate decreases.
2. Supply change - In historical lodging data, a strong relationship exists between growth in the supply of new hotel rooms and prior-period lodging market conditions. In the equation, new hotel room growth is modeled as a function of past levels of new room growth, past ADR, and past occupancy levels.
3. ADR movements are correlated with room scarcity in the market.

The equation which estimates ADR defines ADR as a function of past room rates and contemporaneous occupancy levels. The parameters (*i.e.*, coefficients on each variable) then are used to forecast demand, supply change, and RADR by multiplying the parameters by CBRE Econometric Advisors and Moody's Analytics forecasts of the economic variables and relevant previously estimated values (lagged variables). Three additional calculations are made with these results, as follows:

1. Supply change is added to the previous-period number of available rooms to produce an available rooms level in future periods.
2. Number of rooms sold is divided by number of available rooms to obtain occupancy percent in each future period.
3. Expected inflation is added to real ADR to convert to nominal ADR.

JUDGMENTAL INTERVENTION

A committee of hotel experts from CBRE Hotels' Americas Research performs a thorough review of each model prediction. These assessments are made by locally-based hotel experts working in the various offices around the U.S. The quarterly forecasts for the current and forecast period years are subject to review. The committee modifies the model's market prediction when there is compelling evidence that factors have come into play that the model could not possibly foresee. A Super Bowl-type event, as an extreme example, would cause the committee's forecast to differ noticeably from the model's prediction—not only in the city in which the event will occur, but also competing cities within the region. In most instances, however, the committee either defers to the model prediction or makes modest adjustments.

What Has Changed Since The Last Report?

Forecasts are valuable tools for developing expectations of key variables. Changes to forecasts occur for two primary reasons. The first is adjustments to historical series made by the data provider, causing future periods to vary due to changes in their base. The second is that economic expectations tend to shift as more information becomes available, thus moving the hotel variables according to their underlying relationships. We are constantly re-evaluating the performance of our forecasts, and presented below is a view on how the world has changed since the June - August 2017 issue, presented in same period, prior year change format. All data under "This Report" are actual through 2nd Quarter 2017. Data marked as "Last Report" are actual through 1st Quarter 2017, with 2nd Quarter 2017 being the first forecast period for that report. As noted on earlier pages, all of the hotel variables below are modeled using data from Moody's Analytics. It is important to note that all historical data are subject to revision.

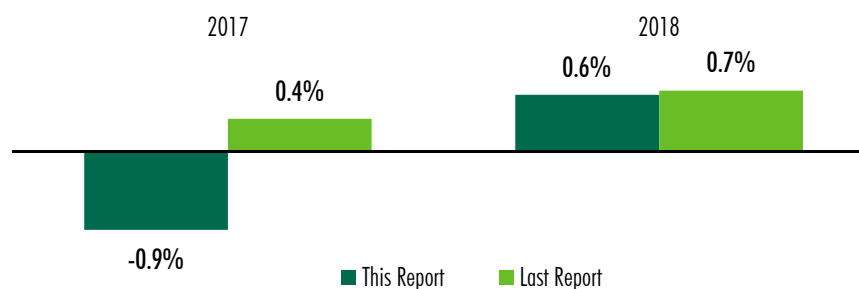
At the beginning of each year, STR, our source for historical lodging data, repositions the chain-scale classifications for branded properties, and chain-class categories for independent hotels. The reclassifications are based on the ADR achieved the prior year. Because of these reclassifications, the historical data presented in this report may differ from the historical data presented in prior *Hotel Horizons*® reports. Further, the reclassifications may have influenced our forecasts of future performance.

	2017				2017	2018	2019
	1st Qtr	2nd Qtr	3rd Qtr F	4th Qtr F	Year End	Year End	Year End
CHANGE IN REAL PERSONAL INCOME*							
This Report	3.4%	3.3%	2.9%	2.8%	3.1%	2.1%	2.8%
Last Report	2.7%	2.2%	2.5%	3.0%	2.6%	2.2%	2.8%
CHANGE IN TOTAL PAYROLL EMPLOYMENT*							
This Report	2.4%	2.0%	1.6%	1.0%	1.8%	1.0%	0.1%
Last Report	2.7%	2.5%	2.0%	1.6%	2.2%	1.1%	0.0%
CHANGE IN SUPPLY**							
This Report	2.8%	2.9%	3.3%	2.6%	2.9%	0.6%	0.7%
Last Report	2.8%	3.5%	4.0%	3.7%	3.5%	1.8%	1.2%
CHANGE IN DEMAND**							
This Report	-0.2%	1.9%	0.6%	-0.9%	0.4%	-1.0%	0.1%
Last Report	-0.2%	0.5%	1.9%	1.6%	1.0%	-0.1%	0.0%
CHANGE IN OCCUPANCY**							
This Report	-2.9%	-1.0%	-2.6%	-3.4%	-2.4%	-1.6%	-0.6%
Last Report	-3.0%	-2.9%	-2.0%	-2.0%	-2.5%	-1.9%	-1.2%
CHANGE IN ADR**							
This Report	1.8%	0.6%	-0.2%	4.7%	1.6%	2.3%	1.7%
Last Report	1.8%	1.9%	1.6%	6.4%	2.9%	2.6%	2.5%
CHANGE IN REVPAR**							
This Report	-1.2%	-0.4%	-2.7%	1.1%	-0.9%	0.6%	1.2%
Last Report	-1.2%	-1.0%	-0.4%	4.3%	0.4%	0.7%	1.3%

* Economic data (history and forecast) are from CBRE EA, Q2 2017

** Hotel performance data: History supplied by STR; Forecast developed by CBRE Hotels' Americas Research, Q2 2017

2017 and 2018 Year End Forecast Change in RevPAR



Source: CBRE Hotels' Americas Research, Q2 2017

GLOSSARY OF TERMS

ADR	Average Daily Rate - rooms revenue divided by paid rooms occupied.
Occupancy	Paid rooms occupied divided by available rooms.
RevPAR	Revenue per Available Room - rooms revenue divided by available rooms.
Supply	Average daily room nights available per quarter, represented as a change over previous year, same quarter except where noted annually.
Demand	(Accommodated Demand) Average daily room nights occupied per quarter, represented as a change over previous year, same quarter except where noted annually.
LRA Penetration	Long Run Average - Annual average from 1988 to last complete year end. Market area (or sub-market area) measurement as a percent of national (or market area) measurement.
Standard Deviation	The plotting of a normal data series and how far each individual data point lies from the mean: 68.2% of the series will fall within 1 standard deviation, 95.4% of all data points will fall within 2 standard deviations, and 99.7% falling within 3 standard deviations of the mean.

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