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FEBRUARY 11–13, 2013 • HOUSTON , TEXAS

HOTEL INDUSTRY OVERVIEW

STR ANALYTICS

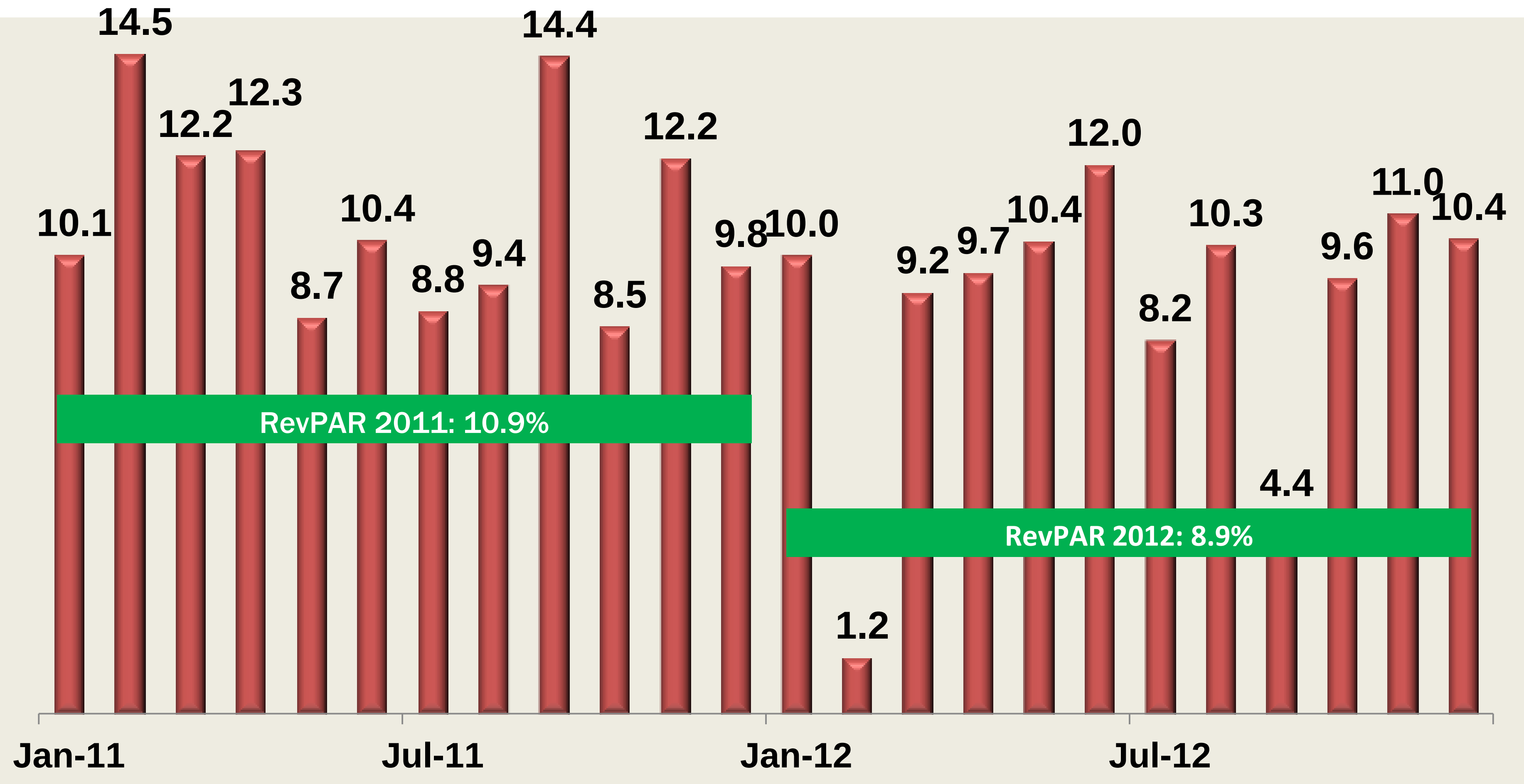
Texas

DEMAND GROWTH STRONG
BALANCED OCC & ADR GROWTH

		% Change
Room Supply*	149M	1.3%
Room Demand*	92M	5.6%
Occupancy	61.6%	4.3%
A.D.R.	$90	4.4%
RevPAR	$55	8.9%
Room Revenue*	$8.3B	10.3%

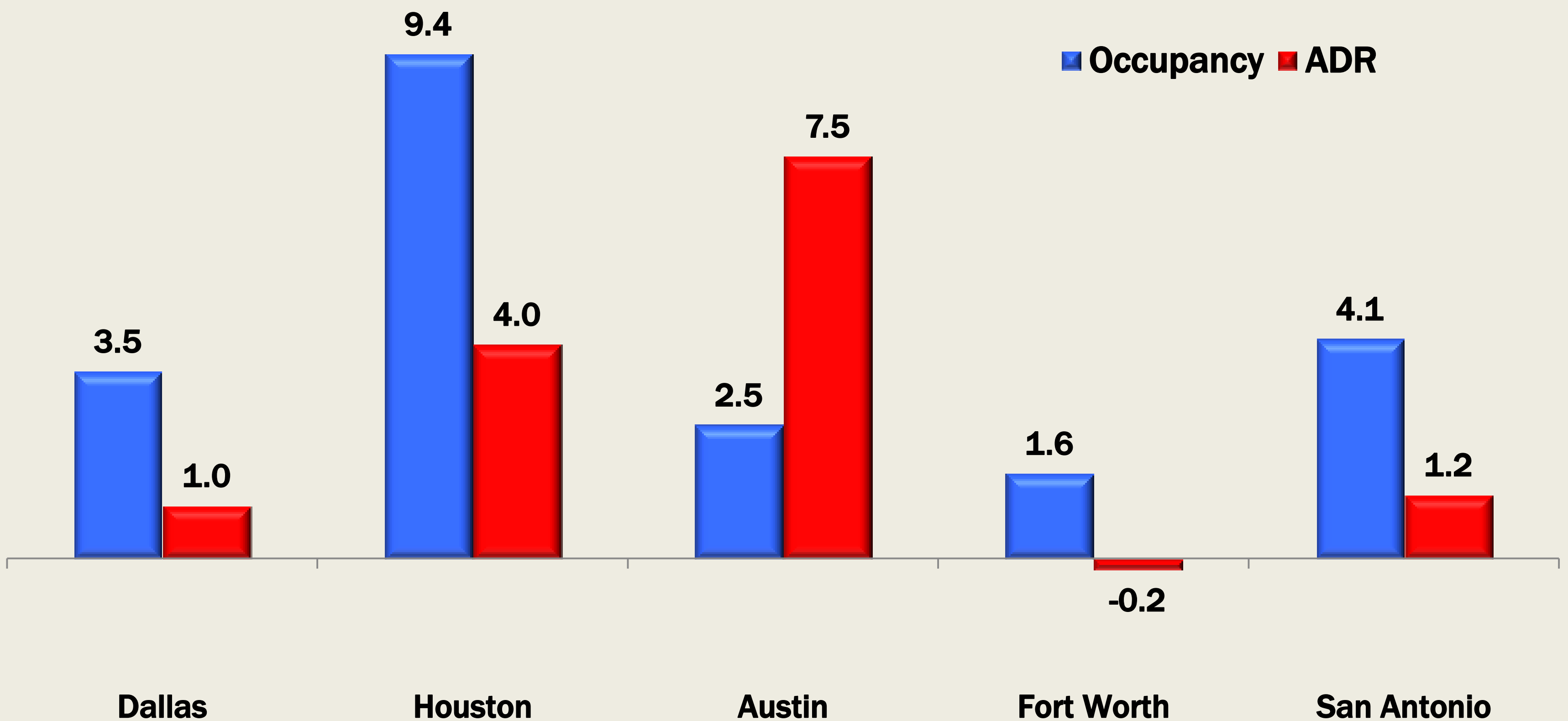
Full year 2012, Texas Results
* All Time High

REVPAR GROWTH STRONG, BUT SLOWING



* Total TX, RevPAR % Change, by Month, 1/11 – 12/12

TEXAS MARKETS
MIXED GROWTH PATTERNS



*OCC / ADR % Change, by Market, 2012

TEXAS MARKETS
SUPPLY & DEMAND GROWTH

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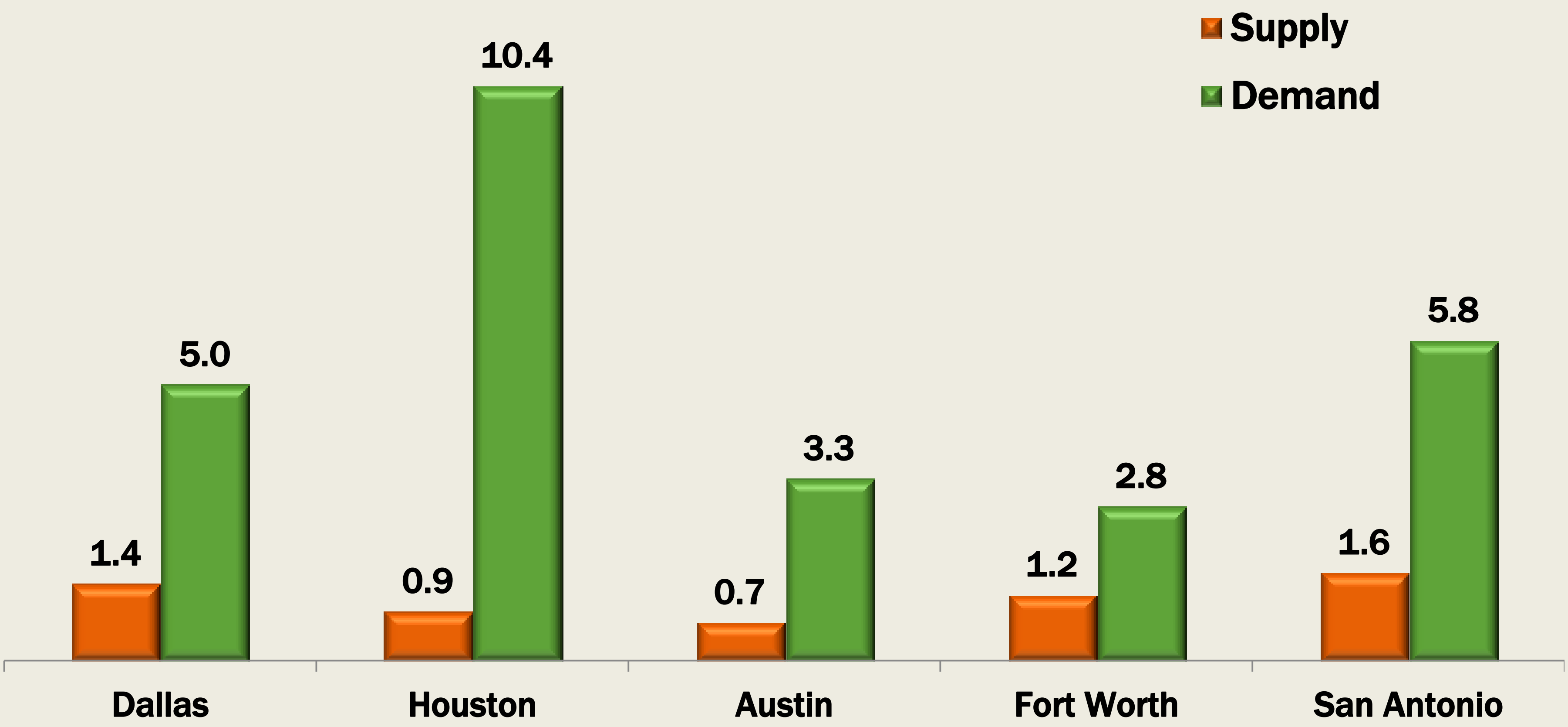

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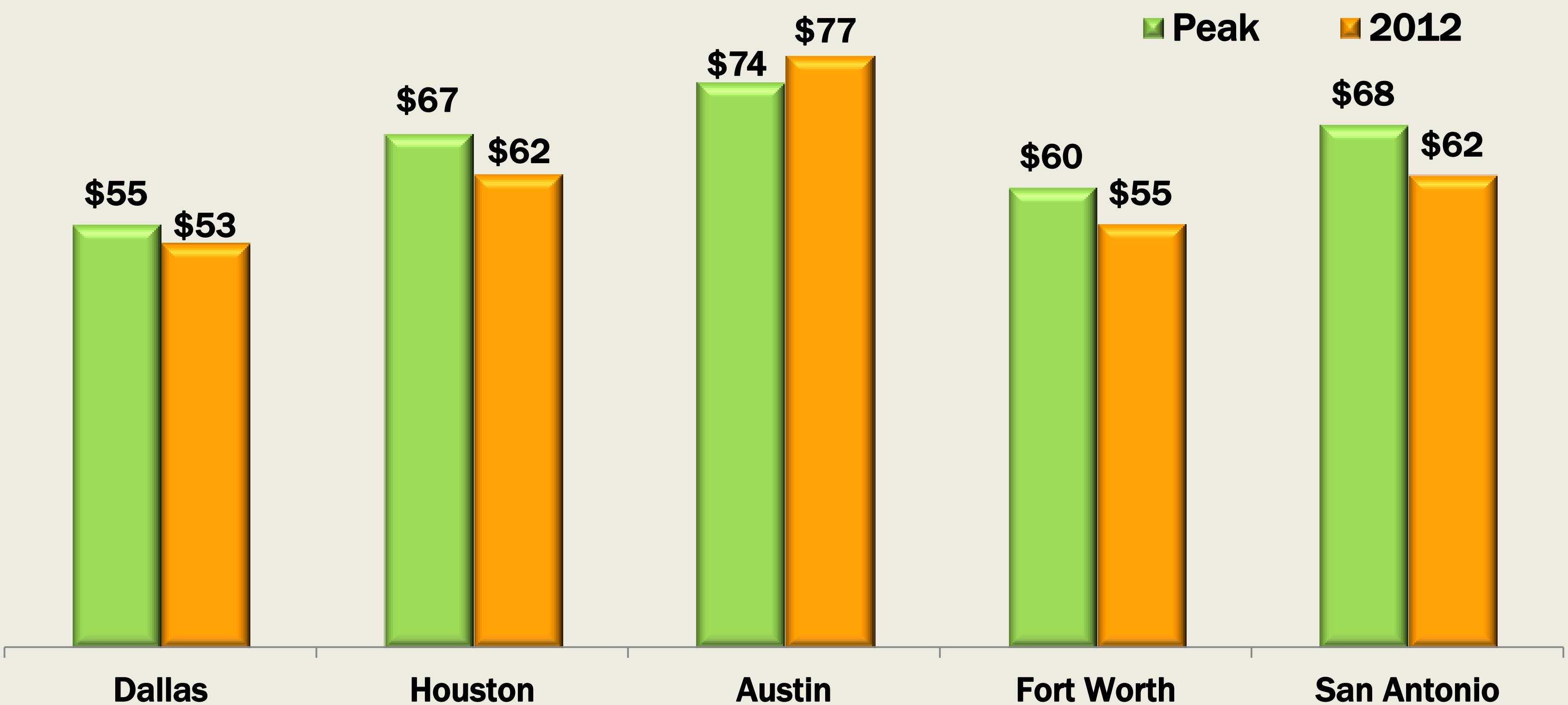
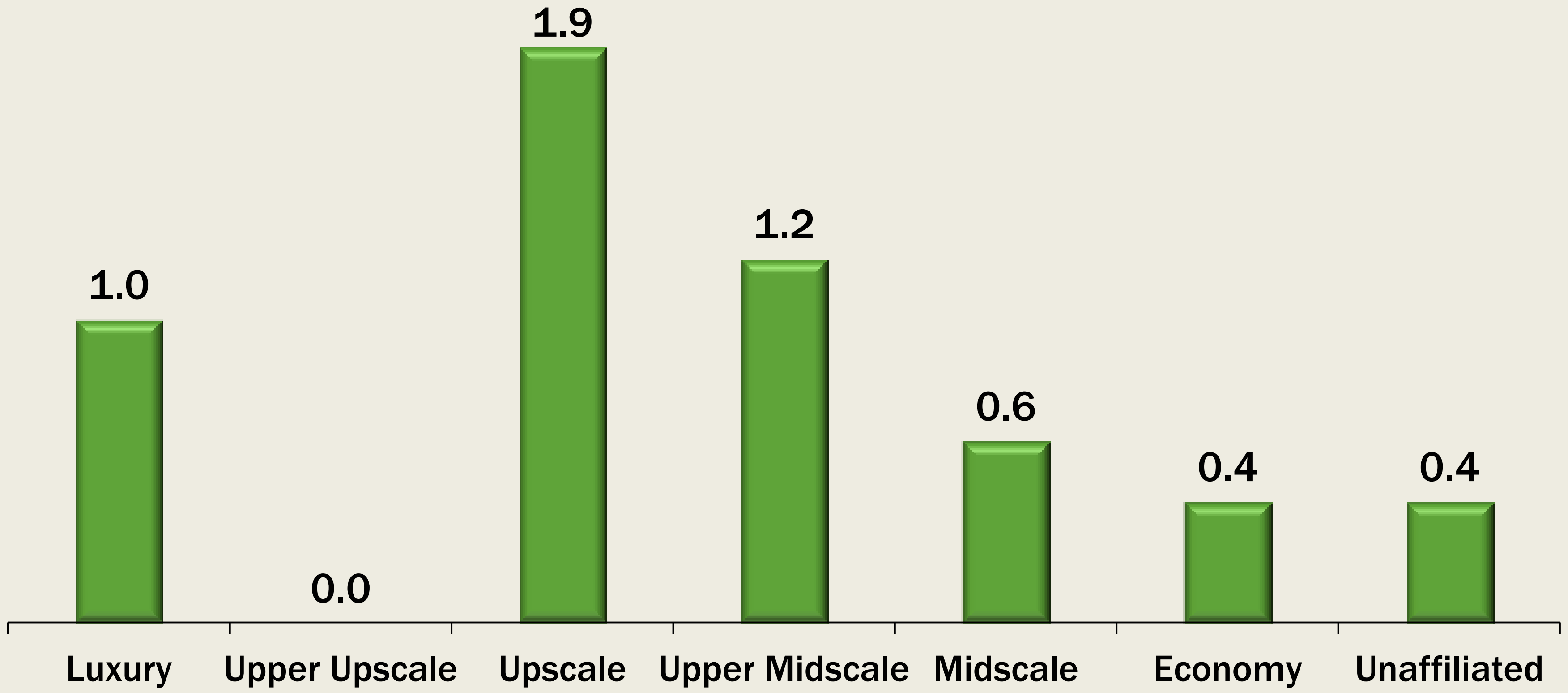
*Supply / Demand % Change, by Market, 2012

REVPAR STILL BELOW PEAK IN MOST TEXAS MARKETS



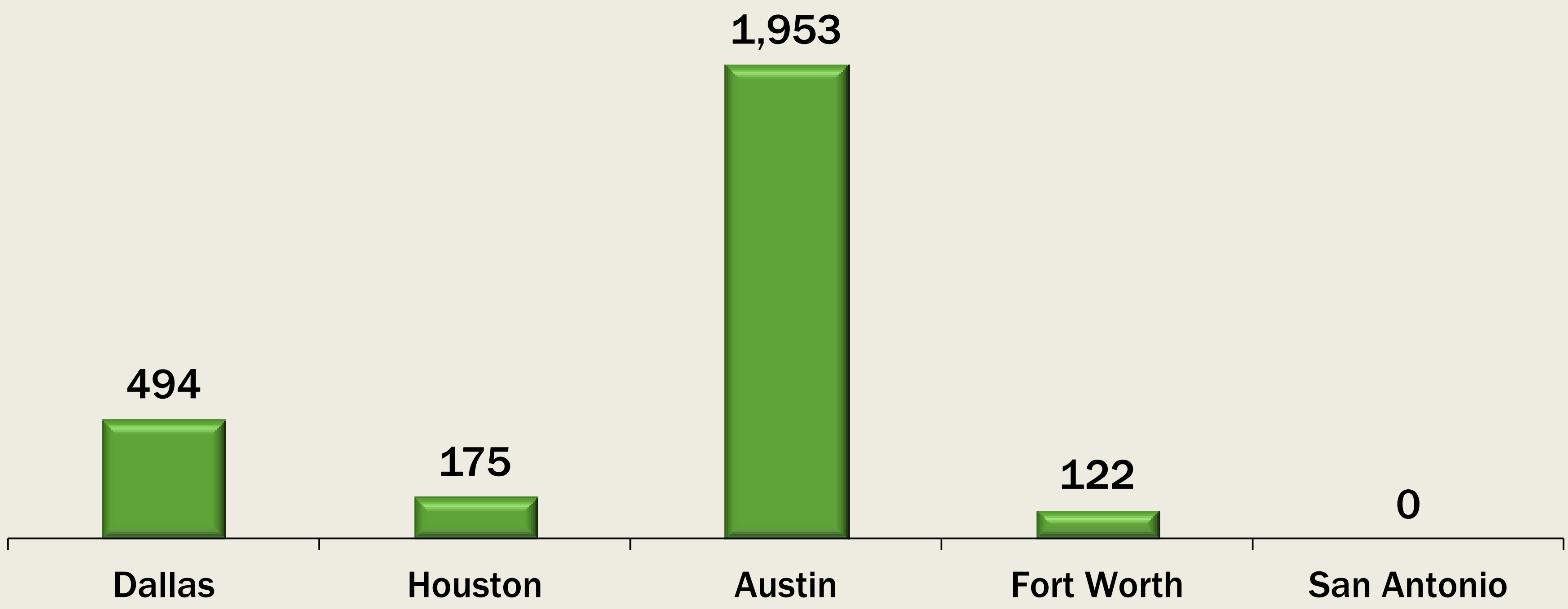
*RevPAR $, by Scale, 2007 & 2012
**Upper Mid / Midscale: Same Store Basis to Account for Best Western Reclassification

UNDER CONSTRUCTION ROOMS MOSTLY IN MIDDLE SEGMENTS



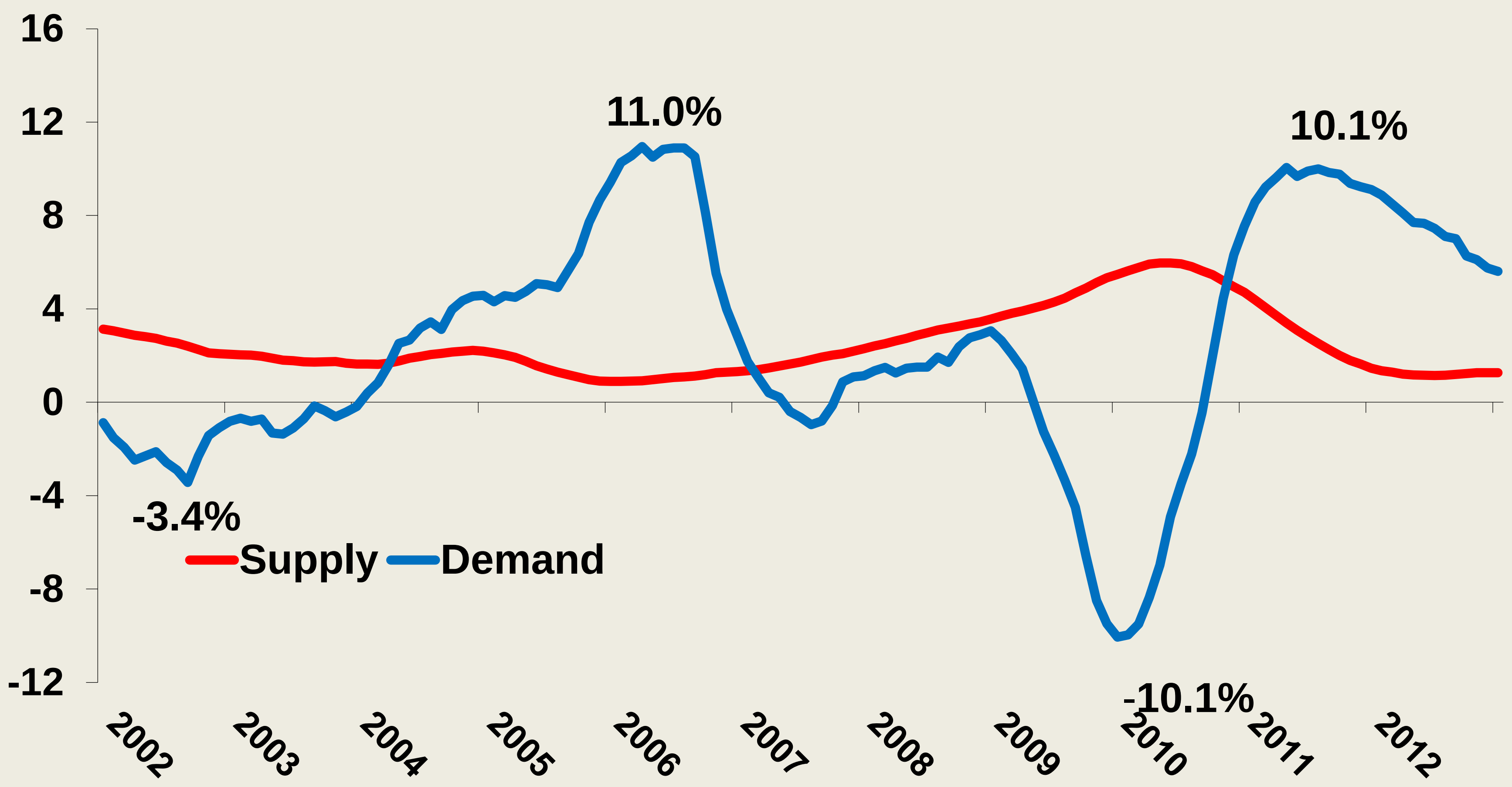
*TX Pipeline, Rooms Under Construction, ‘000s Rooms, by Scale, YE 2012

TEXAS MARKETS
UNDER CONSTRUCTION ROOMS



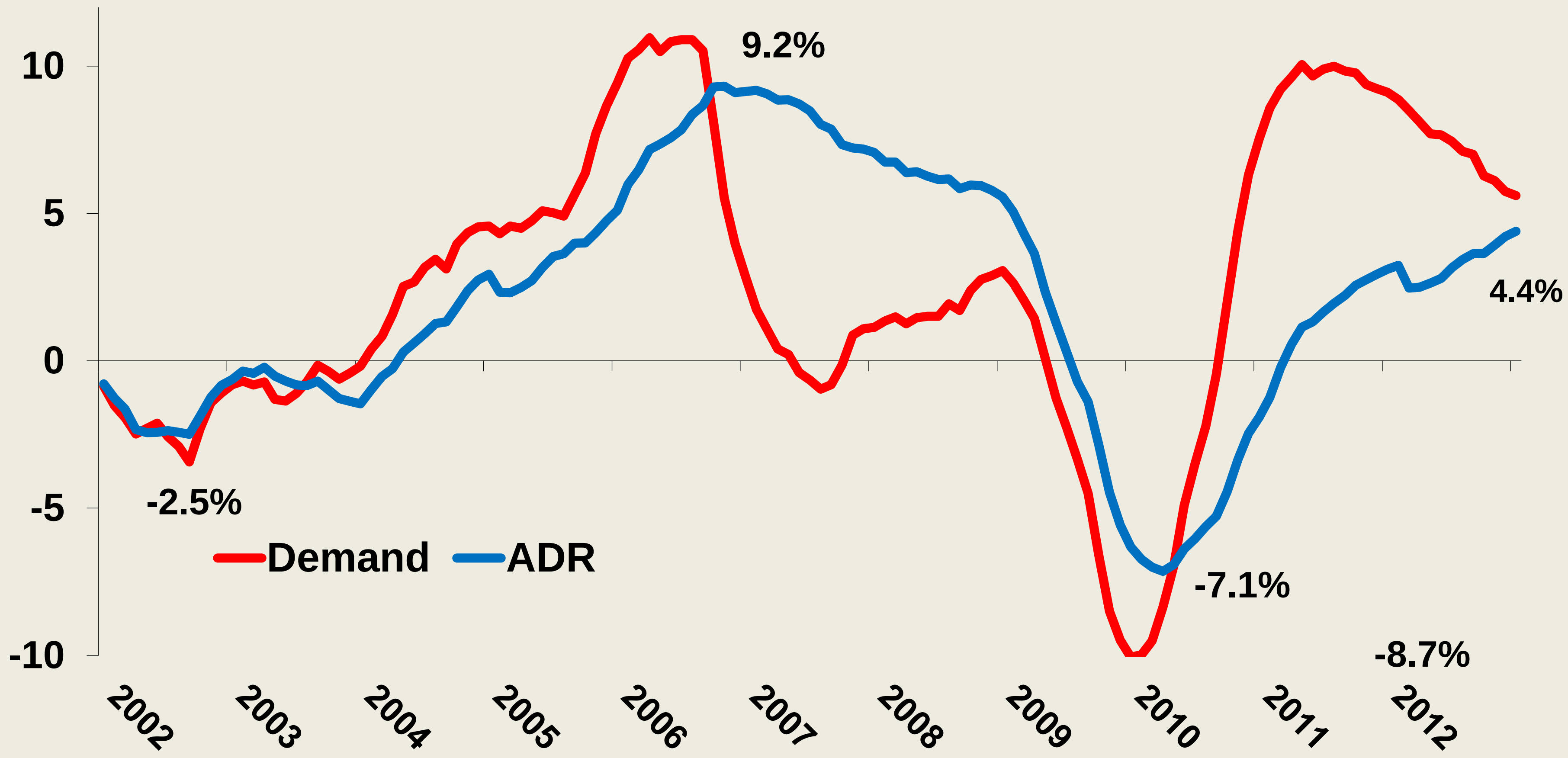
*TX Pipeline, Rooms Under Construction, YE 2012

FAVORABLE SUPPLY / DEMAND FUNDAMENTALS FOR 2013



Total TX, Supply & Demand % Change, 12 MMA 1/2001 – 12/2012

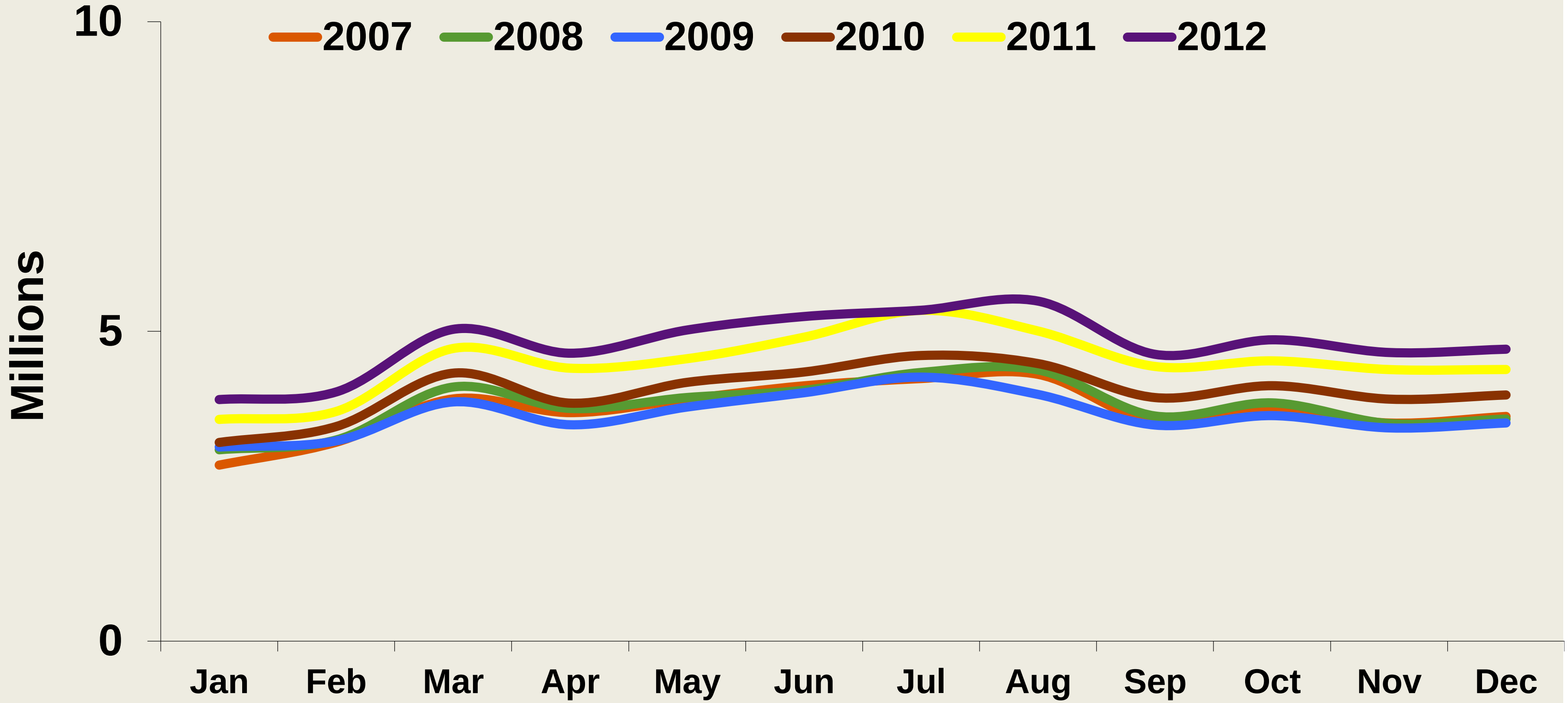
ADR GROWTH ON THE RISE



MARKET SEGMENTS

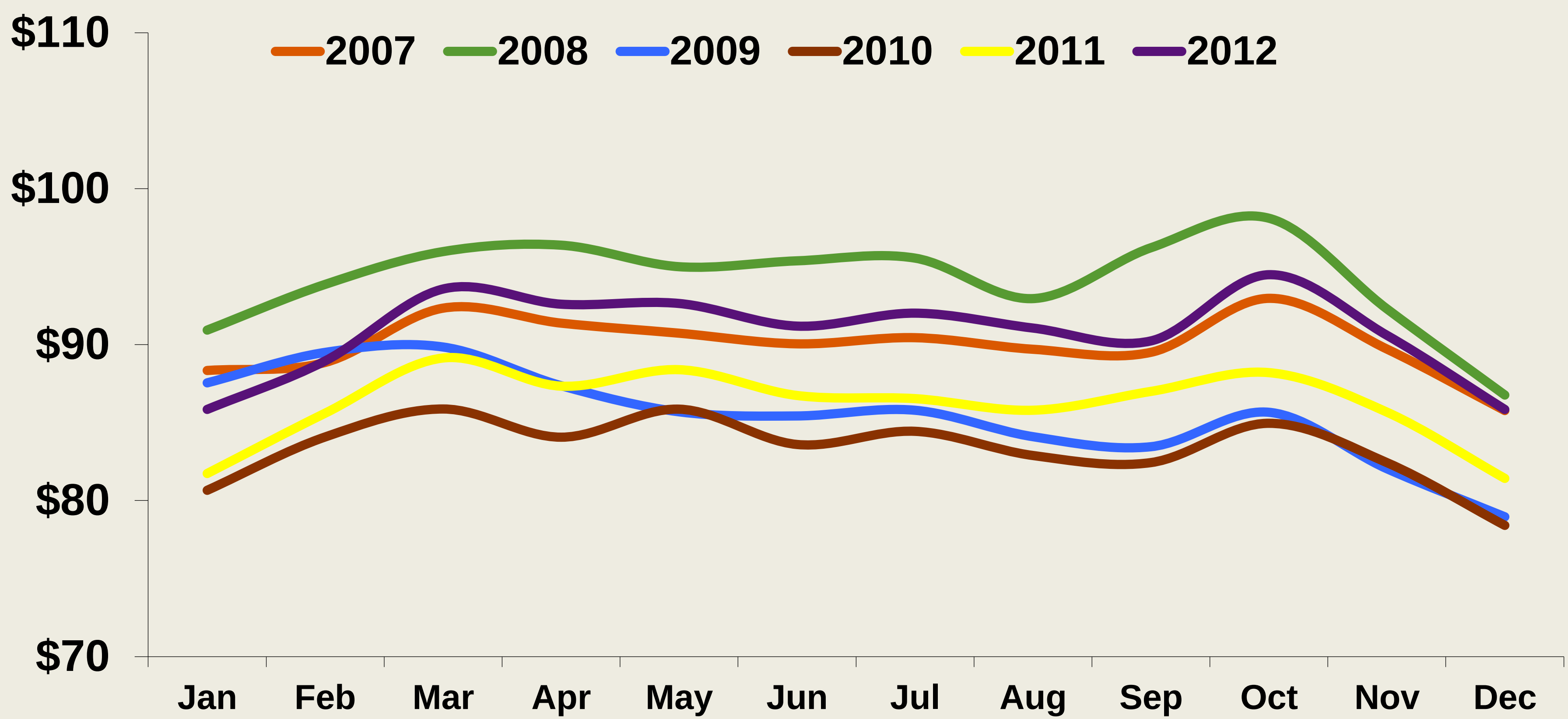
STR ANALYTICS

TEXAS: MONTHLY TRANSIENT DEMAND 2007 THROUGH DECEMBER 2012



NOTE: Data is for upper tier hotels only (luxury chains, upper upscale chains, and upper tier independent hotels).

TEXAS:
MONTHLY TRANSIENT ADR
2007 THROUGH DECEMBER 2012



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TEXAS: MONTHLY GROUP DEMAND 2007 THROUGH DECEMBER 2012

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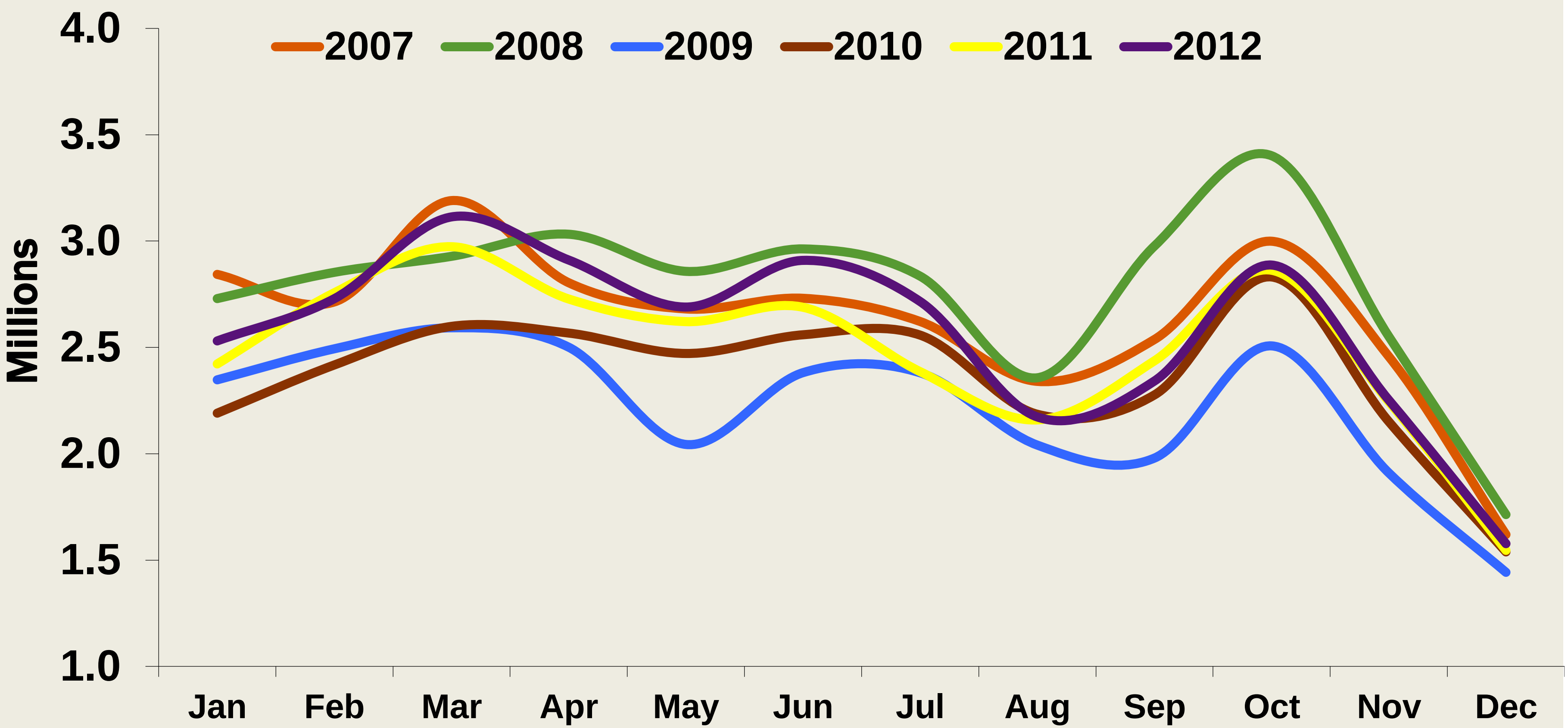

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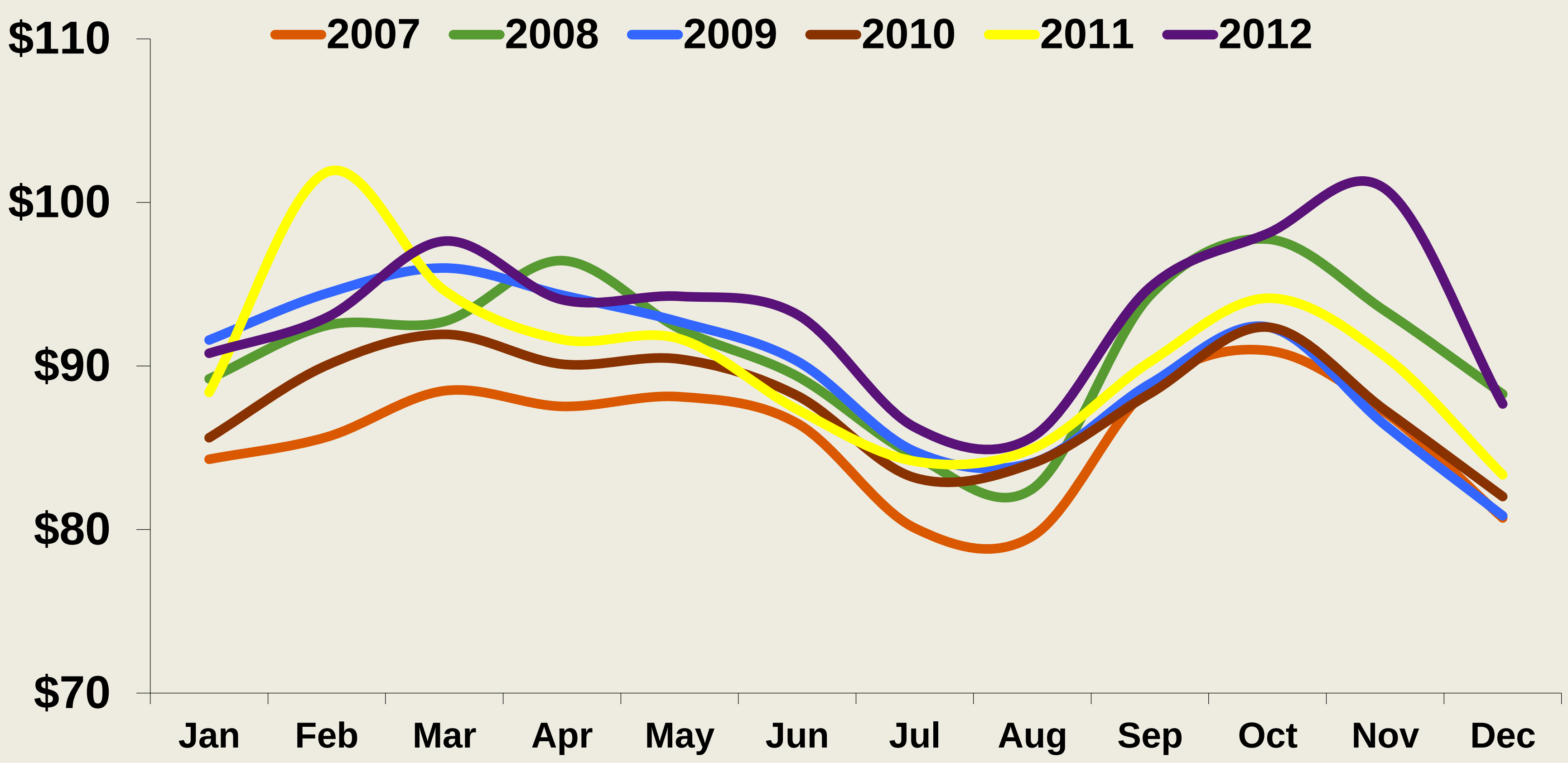
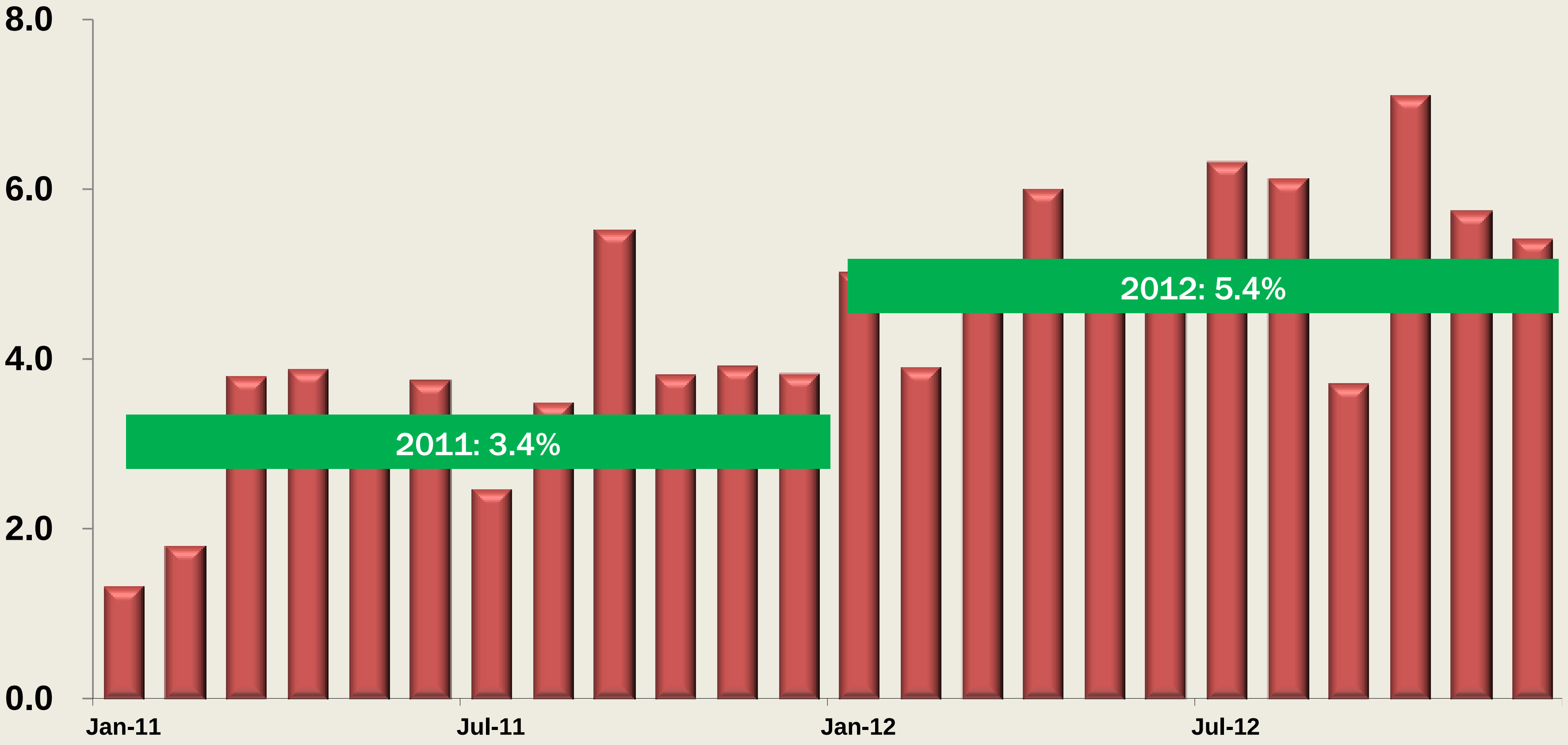
TEXAS:
MONTHLY GROUP ADR
2007 THROUGH DECEMBER 2012



NOTE: Data is for upper tier hotels only (luxury chains, upper upscale chains, and upper tier independent hotels).

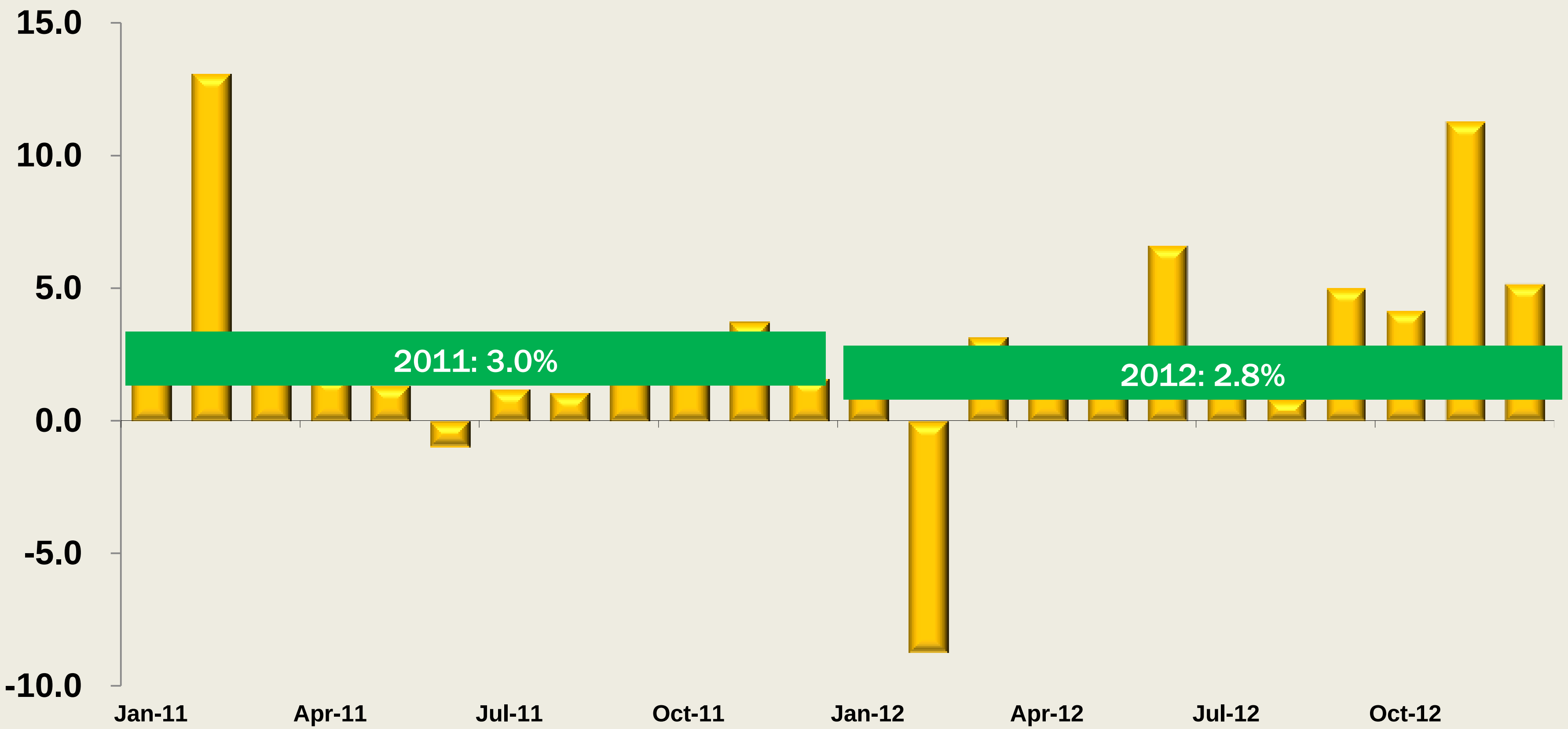
WE EXPECT TRANSIENT ADR GROWTH TO CONTINUE



*Transient ADR % by Month, 1/11 – 12/12

Data is for upper tier hotels only (LUX & UU chains, & Upper Tier independents)

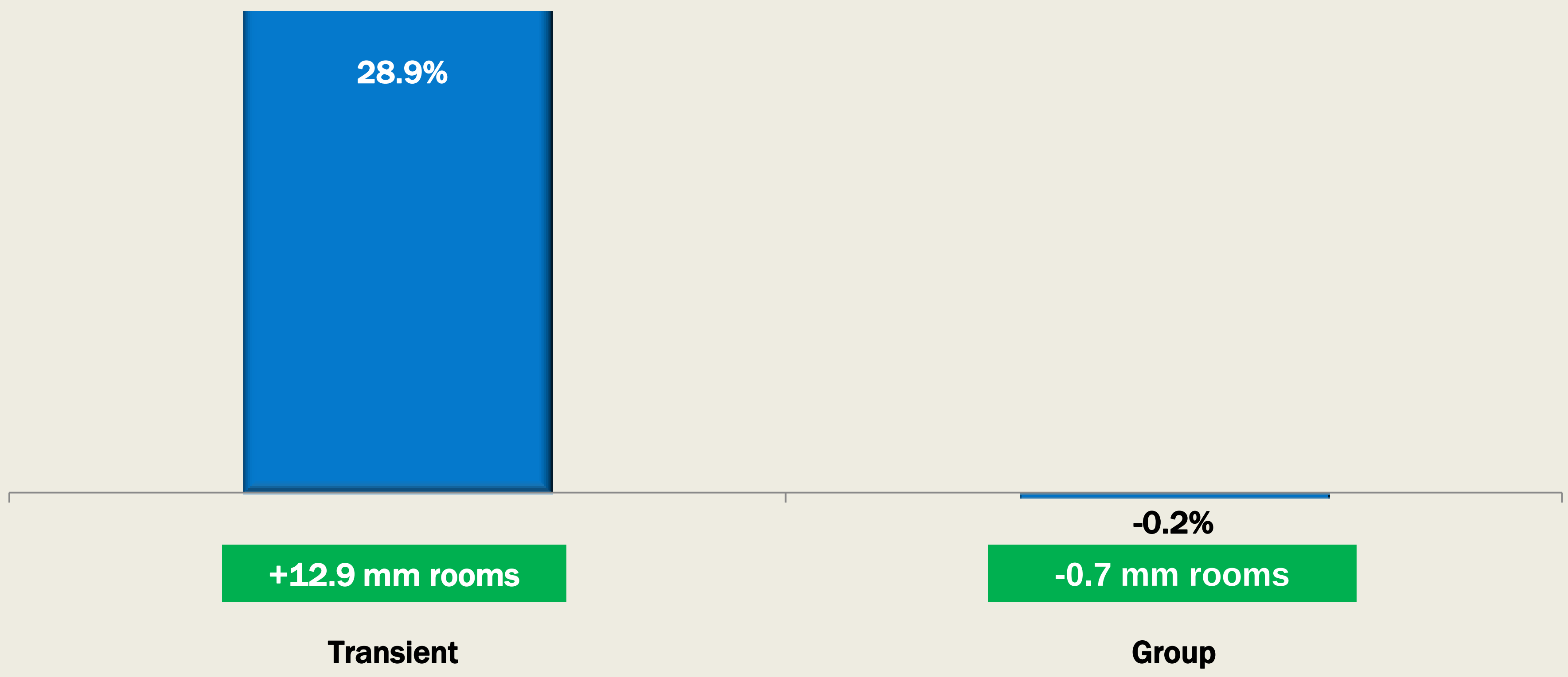
GROUP ADR EXPECTATION STARTING TO IMPROVE



*Group ADR % by Month, 1/11 – 12/12

Data is for upper tier hotels only (LUX & UU chains, & Upper Tier independents)

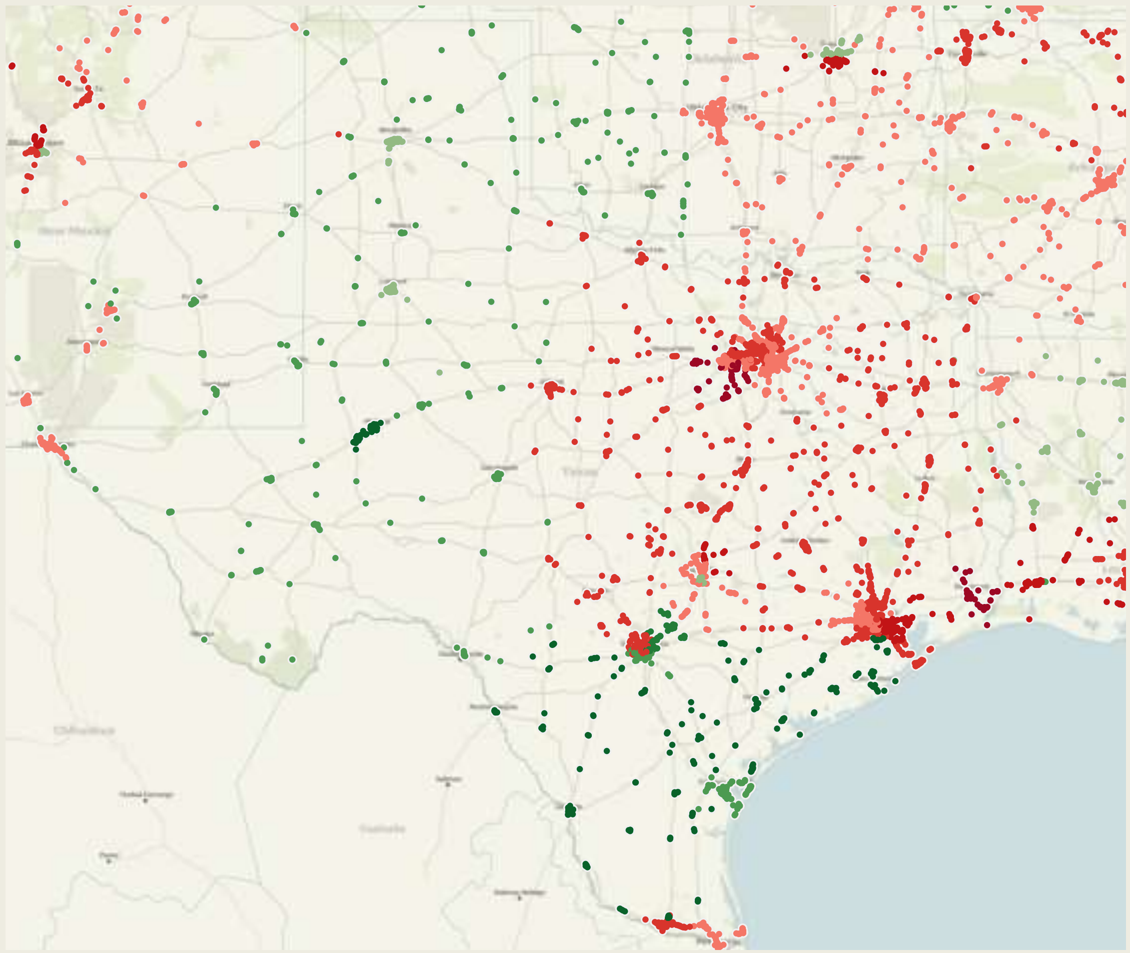
GROUP DEMAND NEVER RECOVERED AFTER THE DOWNTURN



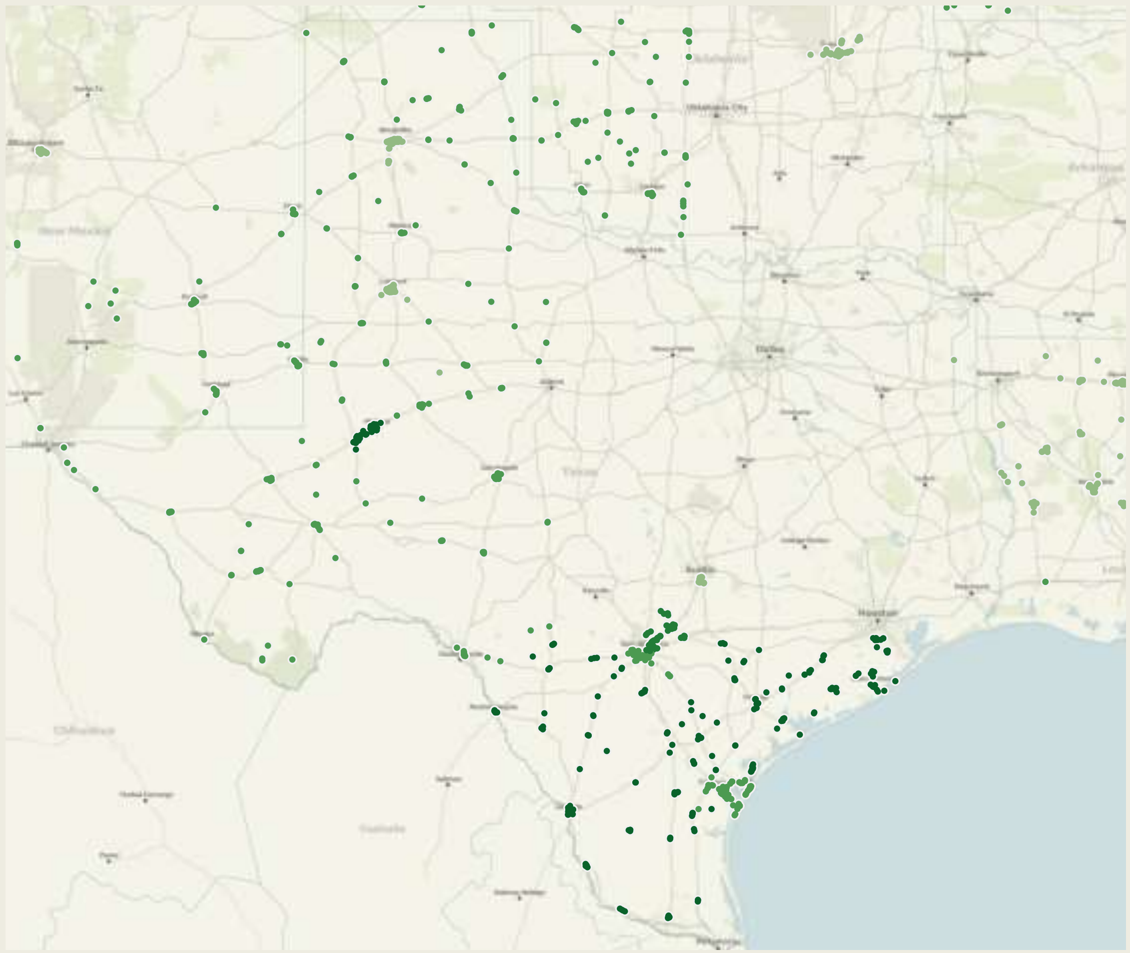
*Segmentation Demand % Change, 2012 (vs. 2007)

MARKETS

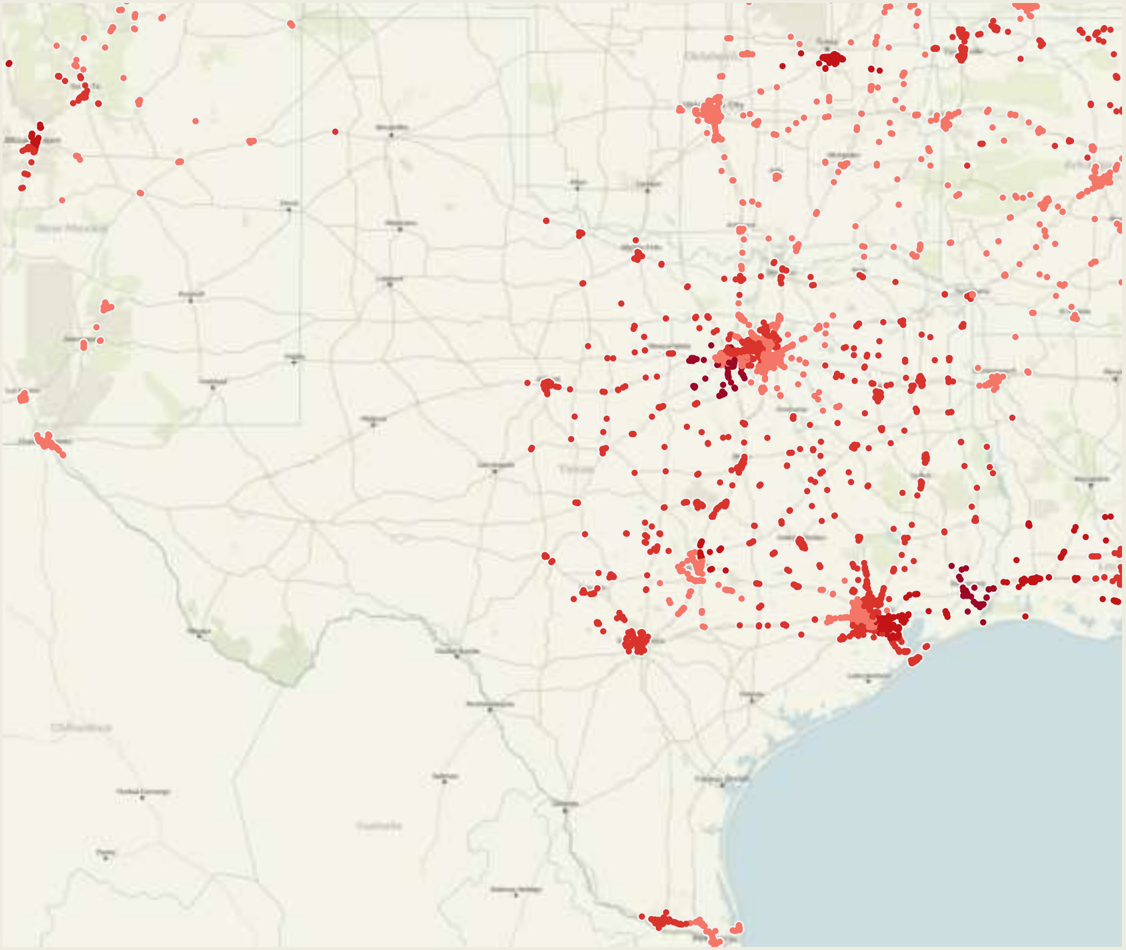
REVPAR RECOVERY THROUGH DECEMBER 2012



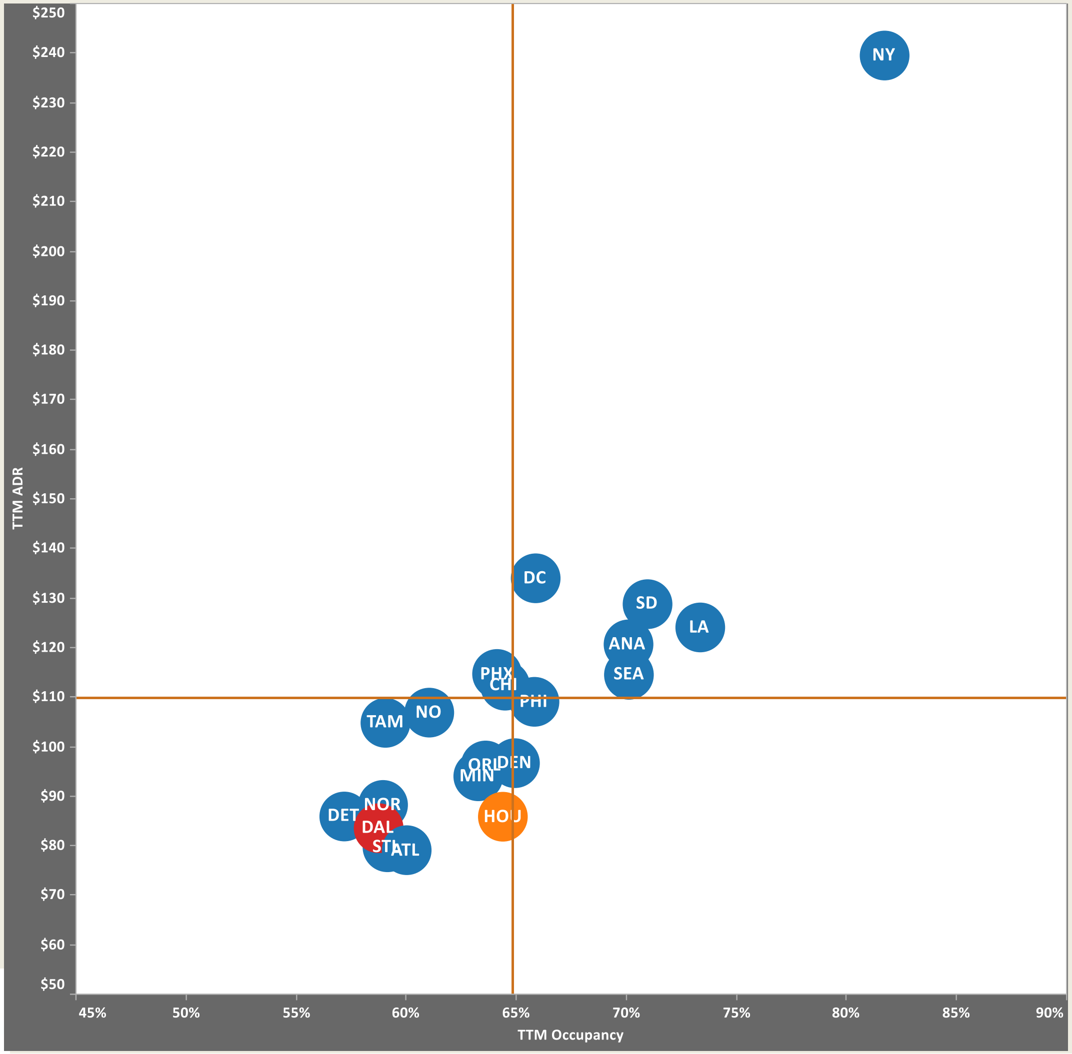
REVPAR RECOVERY
TRACTS FULLY RECOVERED



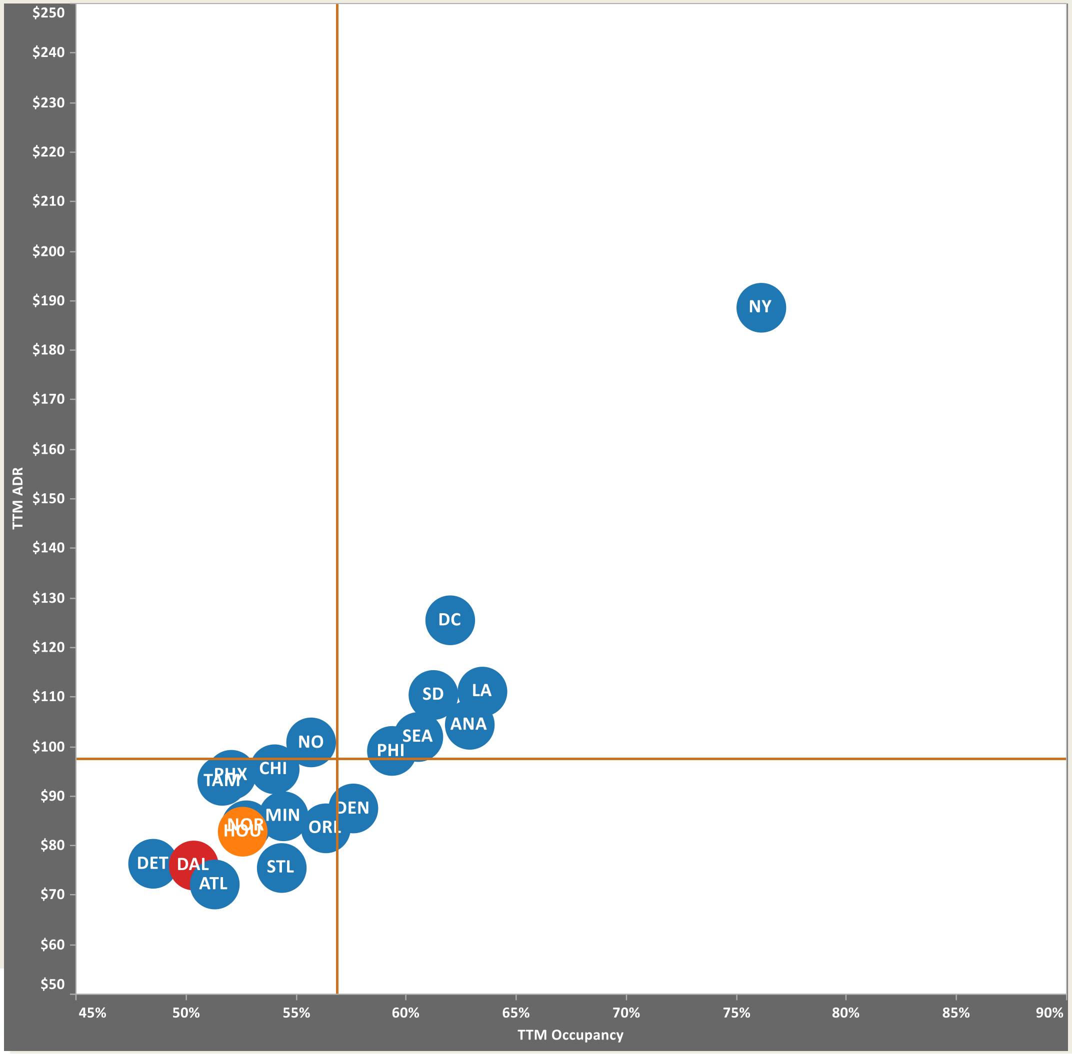
REVPAR RECOVERY
TRACTS STILL RECOVERING



MAJOR MARKETS POSITIONING TTM Q2 2008



MAJOR MARKETS POSITIONING TTM Q1 2010



MAJOR MARKETS POSITIONING TTM Q4 2012

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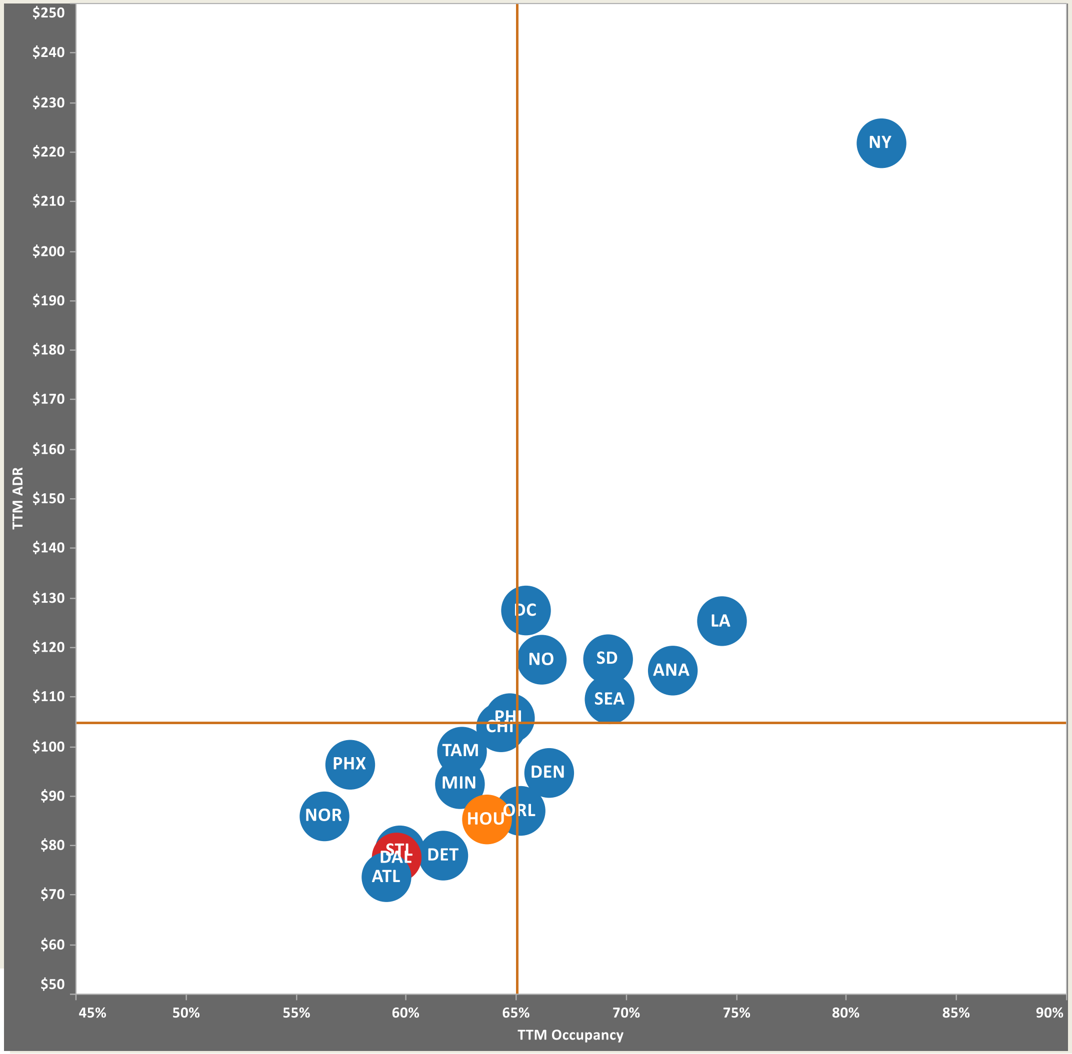

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MAJOR MARKETS POSITIONING TTM Q4 2008

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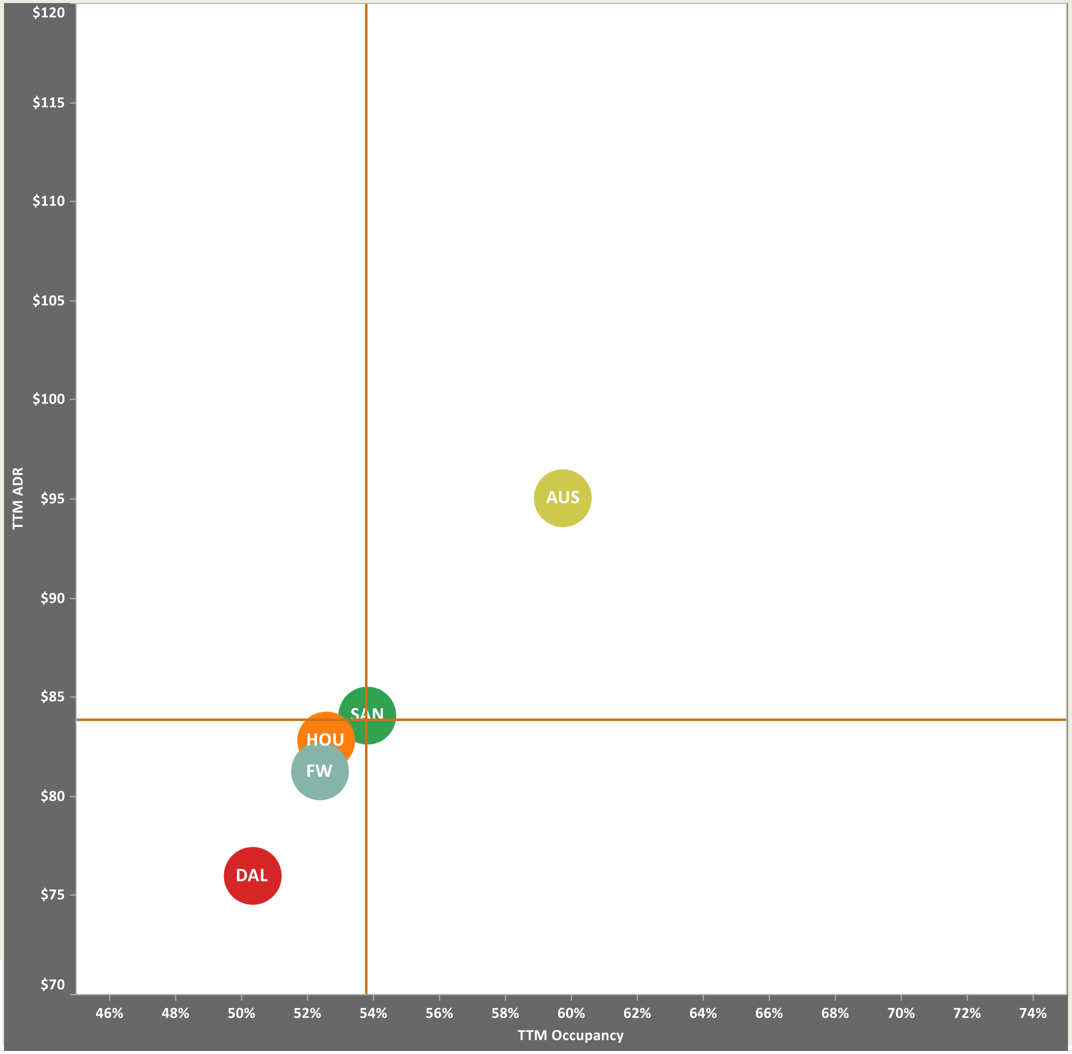
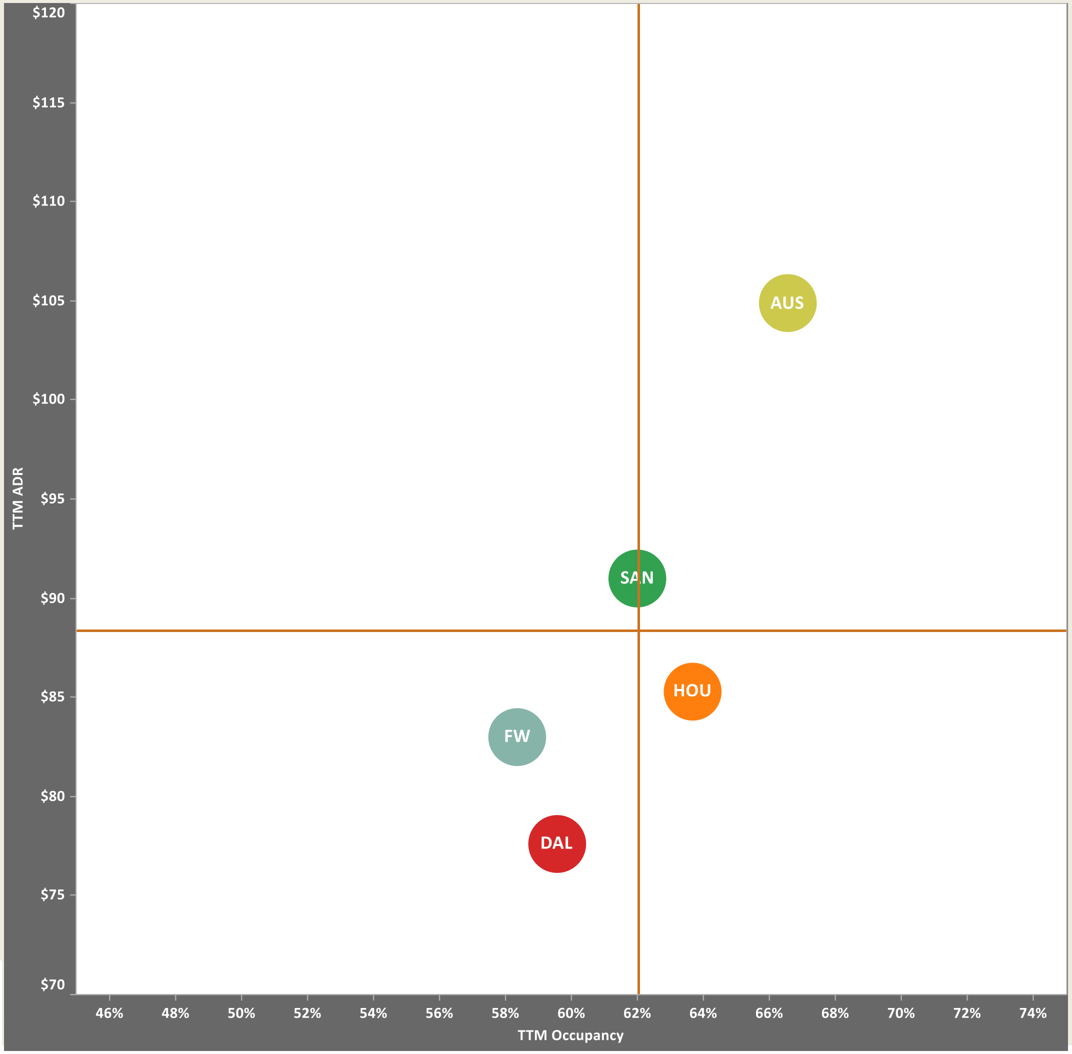
MAJOR MARKETS POSITIONING TTM Q1 2010

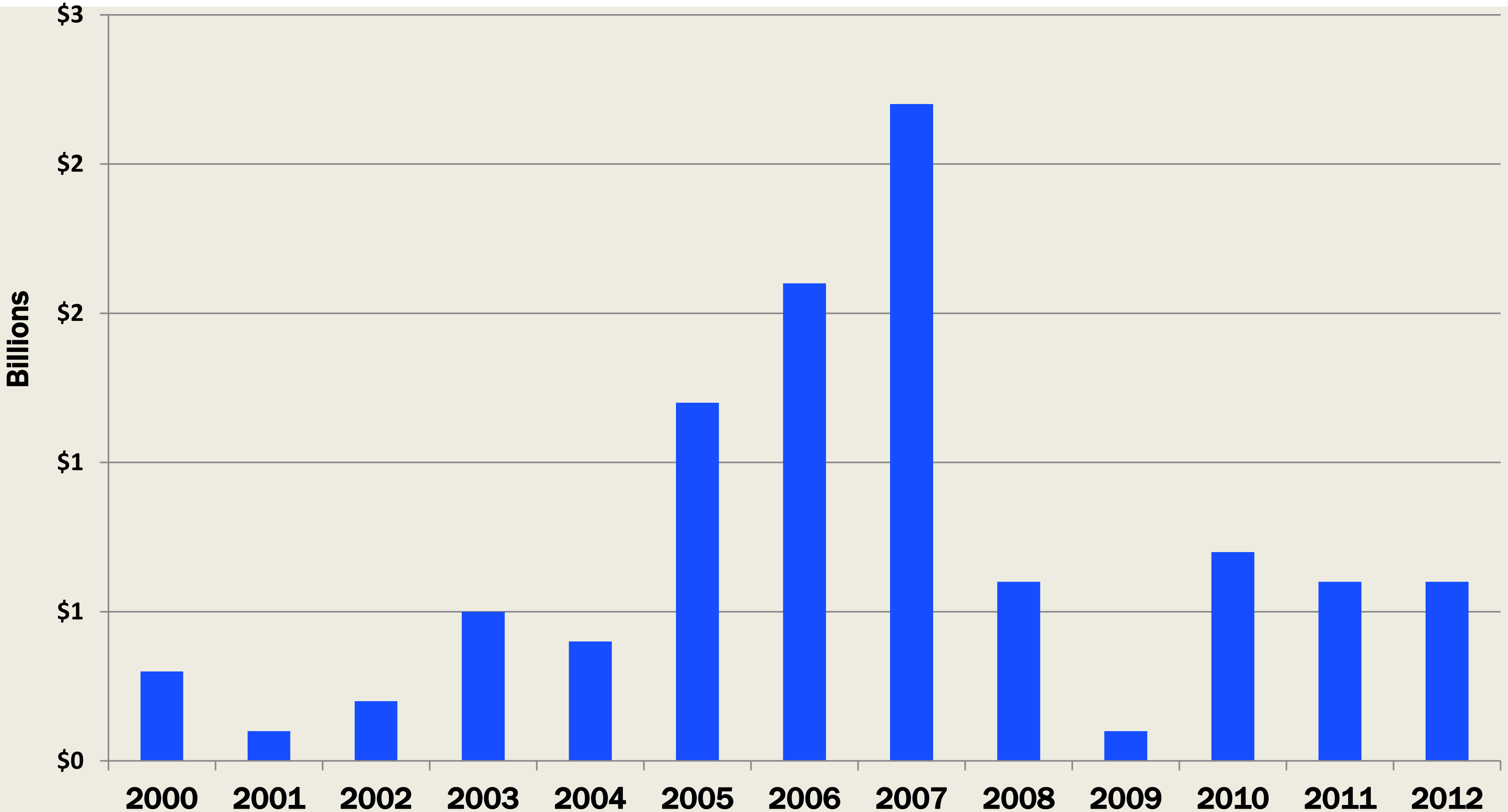


MAJOR MARKETS POSITIONING TTM Q4 2012

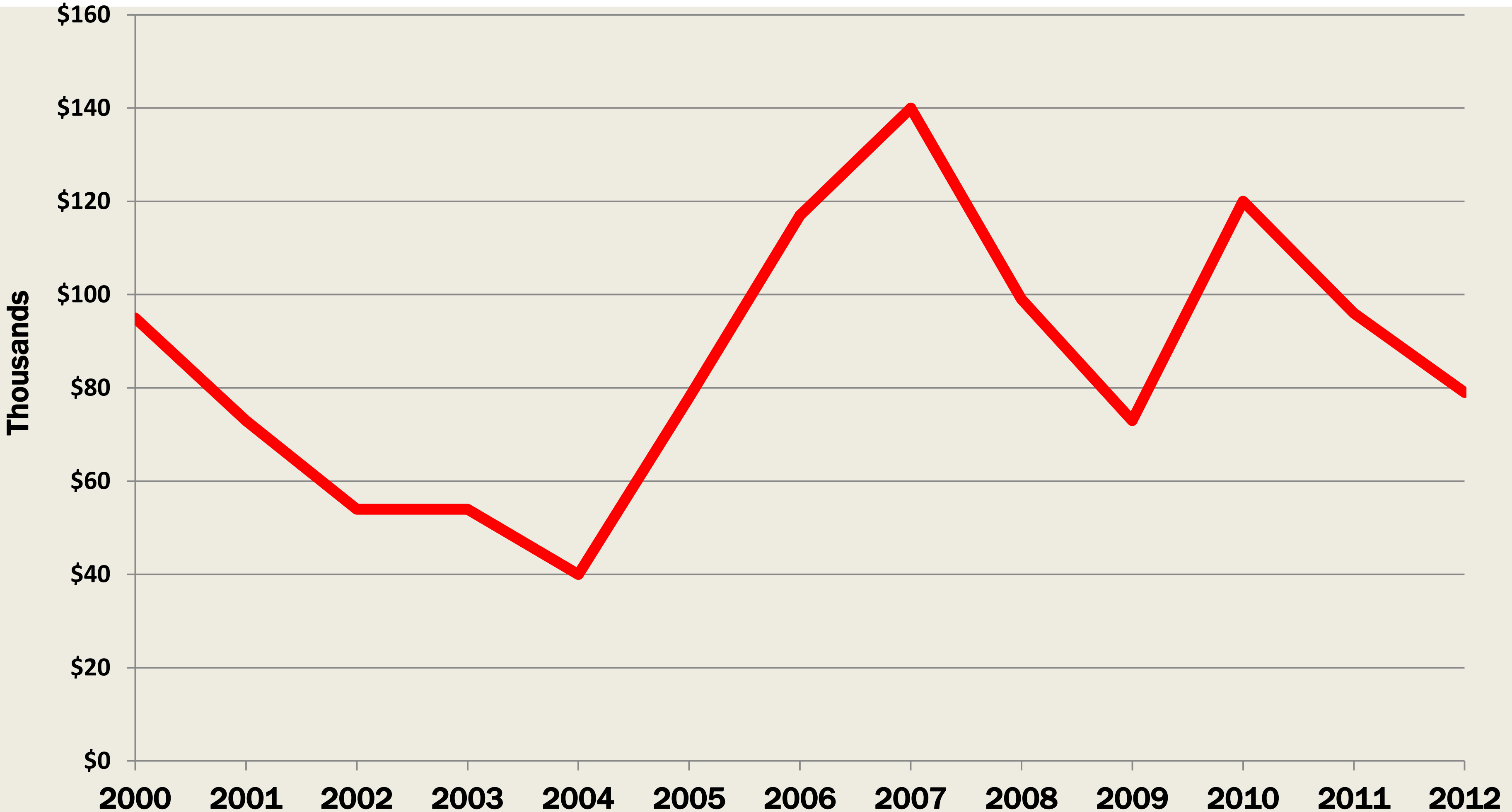


INVESTMENTS

HOTEL TRANSACTION ALMANAC
TEXAS TRANSACTION VOLUME 2000–2012



HOTEL TRANSACTION ALMANAC AVERAGE PRICE PER KEY 2000–2012



HOTEL TRANSACTION ALMANAC
2012 AVERAGE PRICE PER KEY

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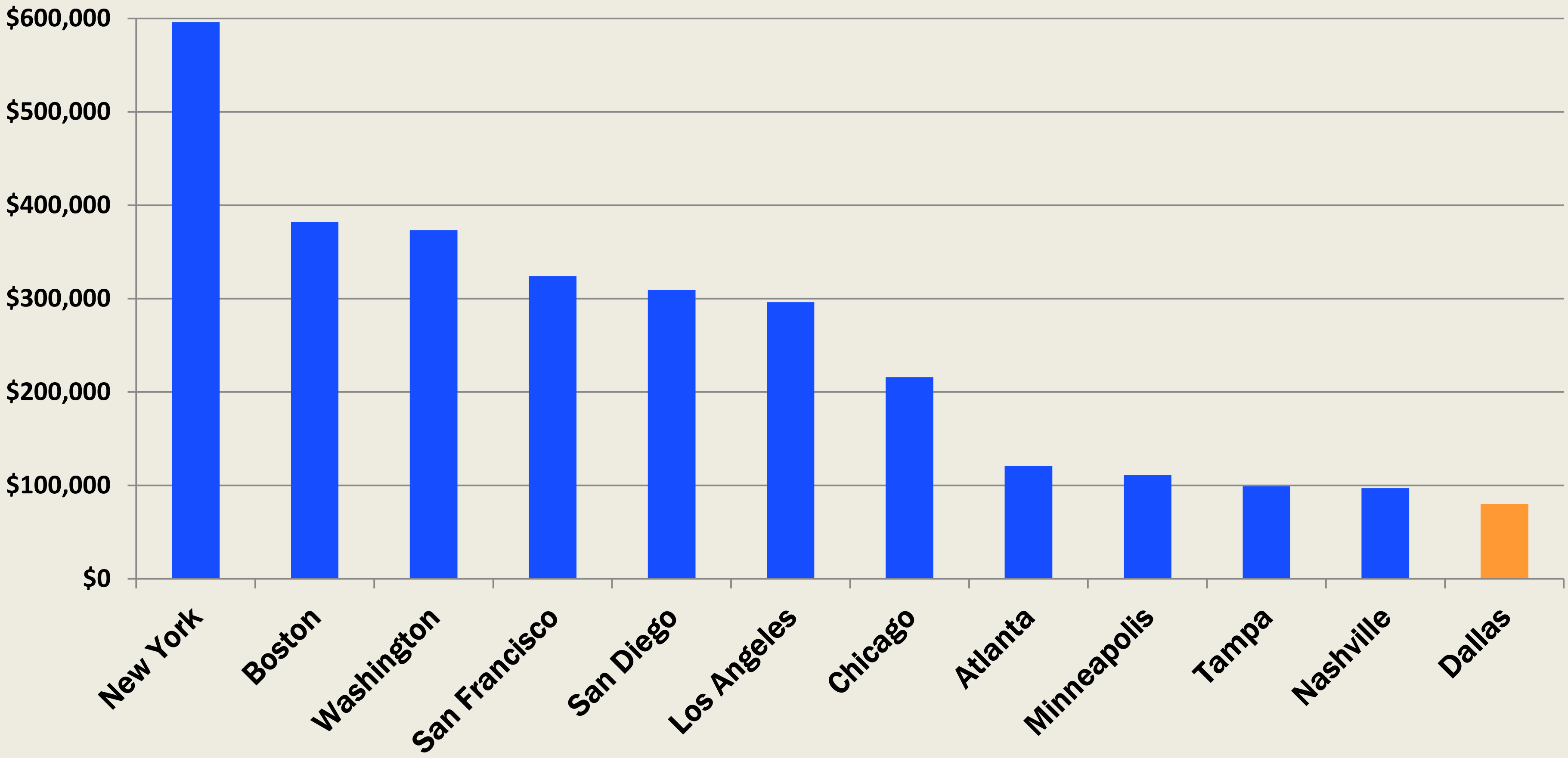

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Hotel Transaction Almanac
Selected 2012 Texas Deals

Property Name	Rooms	Price	Price/Rm
Renaissance Austin	492	$103,000,000	$209,350
Holiday Inn Express Fort Worth Downtown	132	20,000,000	151,515
Courtyard Arlington South	103	15,250,000	148,058
Sheraton Fort Worth Downtown	430	55,000,000	127,907
Hilton Harden Inn Fort Worth	98	7,200,000	73,469
AmericInn Pampa	52	3,350,000	64,423
Crowne Plaza Dallas Galleria	429	19,750,000	46,037

2012/2013 FORECAST

STR ANALYTICS

TEXAS HOTEL PIPELINE

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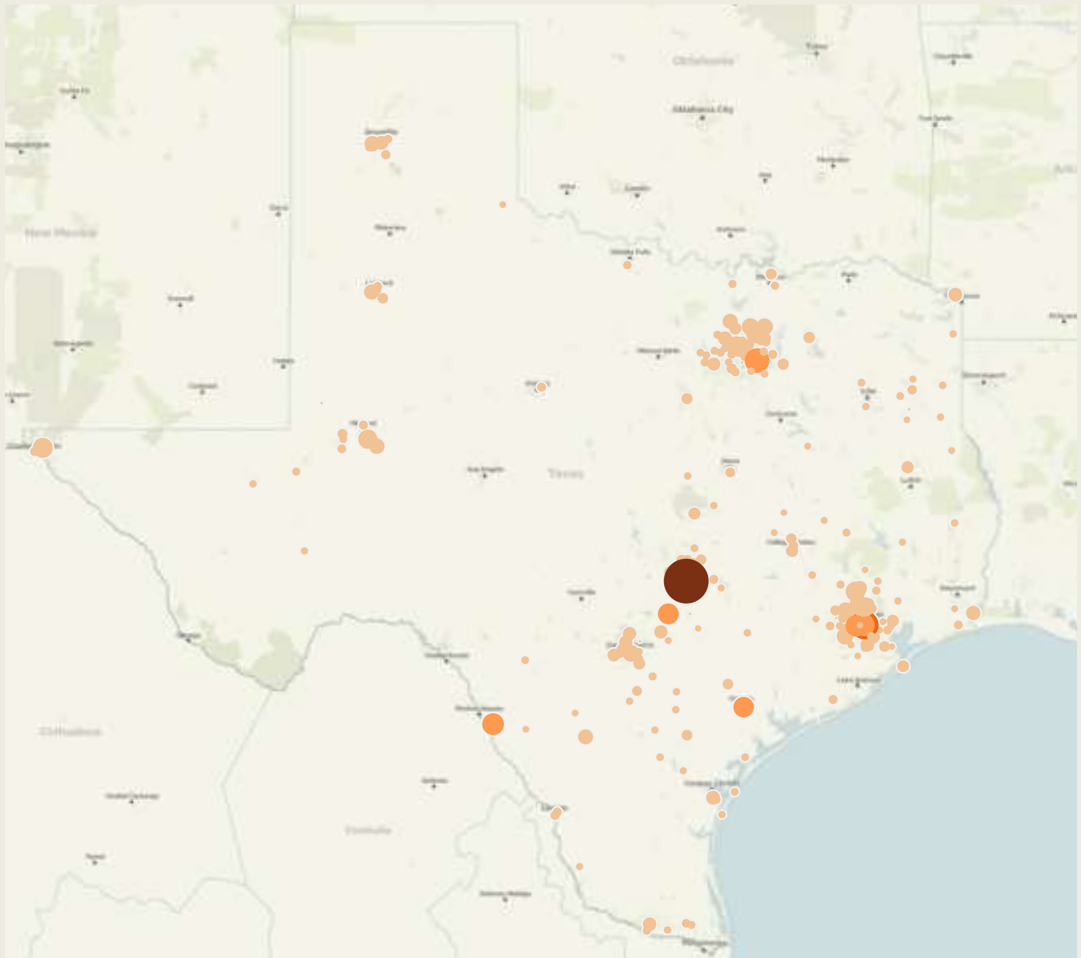

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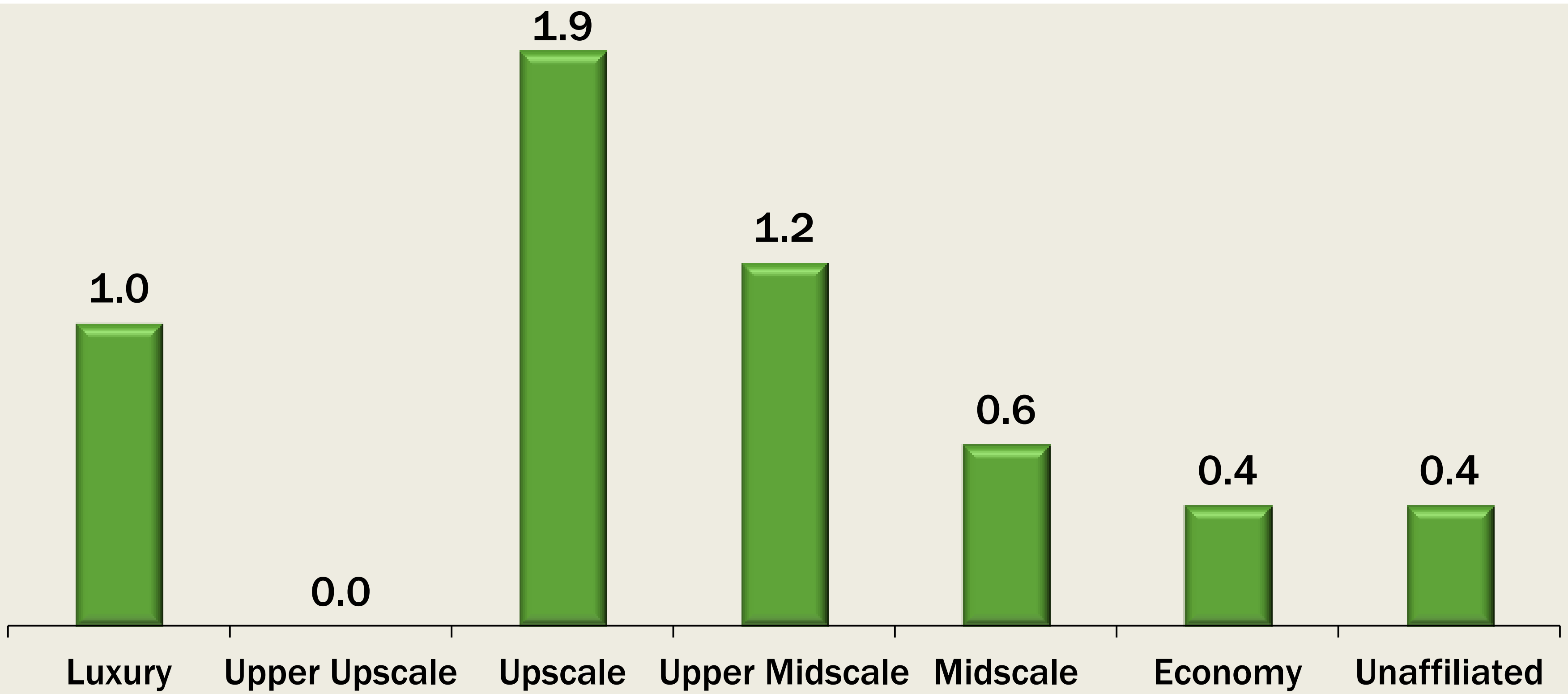
UNDER CONSTRUCTION ROOMS MOSTLY IN MIDDLE SEGMENTS



*TX Pipeline, Rooms Under Construction, ‘000s Rooms, by Scale, YE 2012

TX PIPELINE: ACCELERATES INTO 2014

Market	2013	2014
Dallas	256	1,633
Houston	586	1,718
Austin	1,076	674
Fort Worth	422	511
San Antonio	0	692
Other Texas	2,210	3,721
Total	**4,550**	**8,949**

*Texas Pipeline, by Phase, Rooms, Est. Opening in 2013 and 2014

KEY PERFORMANCE INDICATOR OUTLOOK (% CHANGE VS. PRIOR YEAR) 2013

Outlook			
	2013 U.S.	2013 Dallas	2013 Houston
Supply	1.0%	0.5%	1.3%
Demand	1.8%	2.0%	3.0%
Occupancy	0.8%	1.5%	1.6%
ADR	4.9%	6.3%	6.5%
RevPAR	5.7%	7.9%	8.2%

KEY PERFORMANCE INDICATOR OUTLOOK (% CHANGE VS. PRIOR YEAR) 2014

Outlook			
	2014 U.S.	2014 Dallas	2014 Houston
Supply	1.5%	2.7%	3.7%
Demand	2.8%	4.3%	2.3%
Occupancy	1.3%	1.6%	-1.4%
ADR	4.6%	4.5%	3.8%
RevPAR	6.0%	6.1%	2.3%

Questions?

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