The Boston & Cambridge Lodging Market

What it is today and why it works

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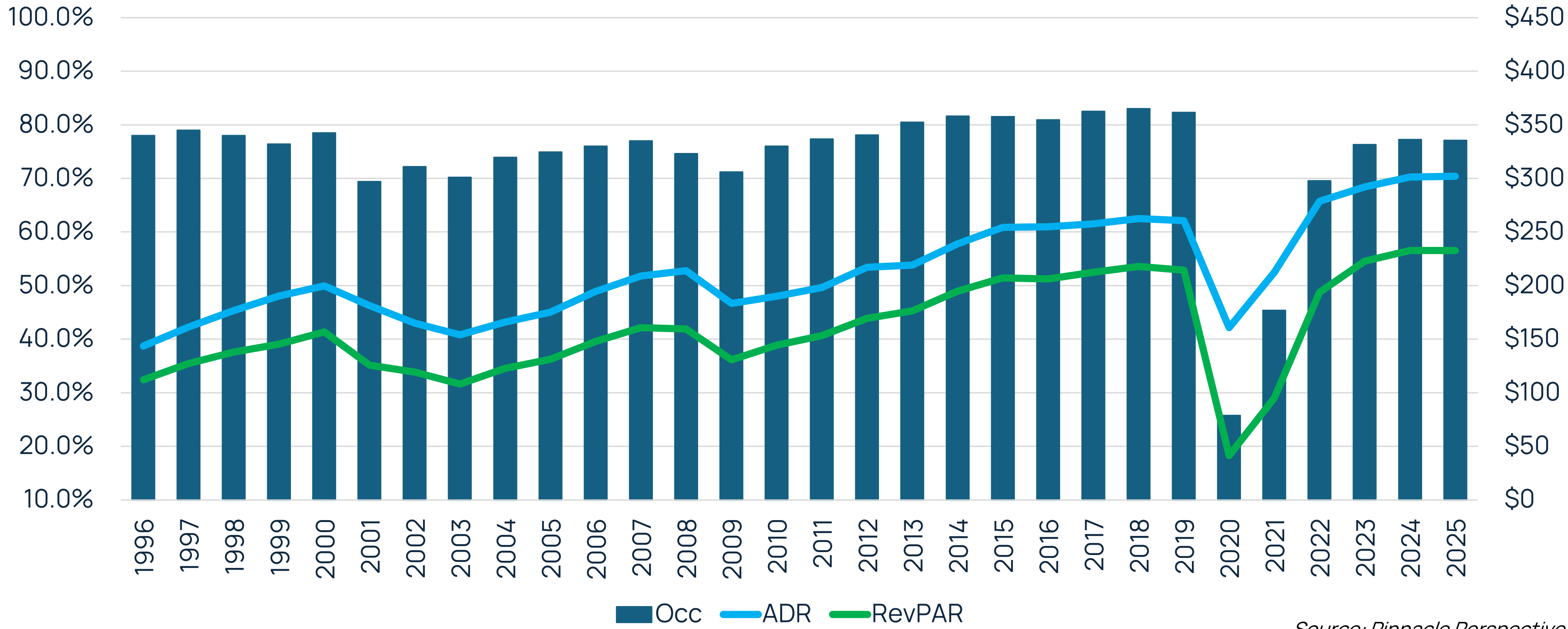
Boston & Cambridge Lodging Market



Source: Pinnacle Perspective

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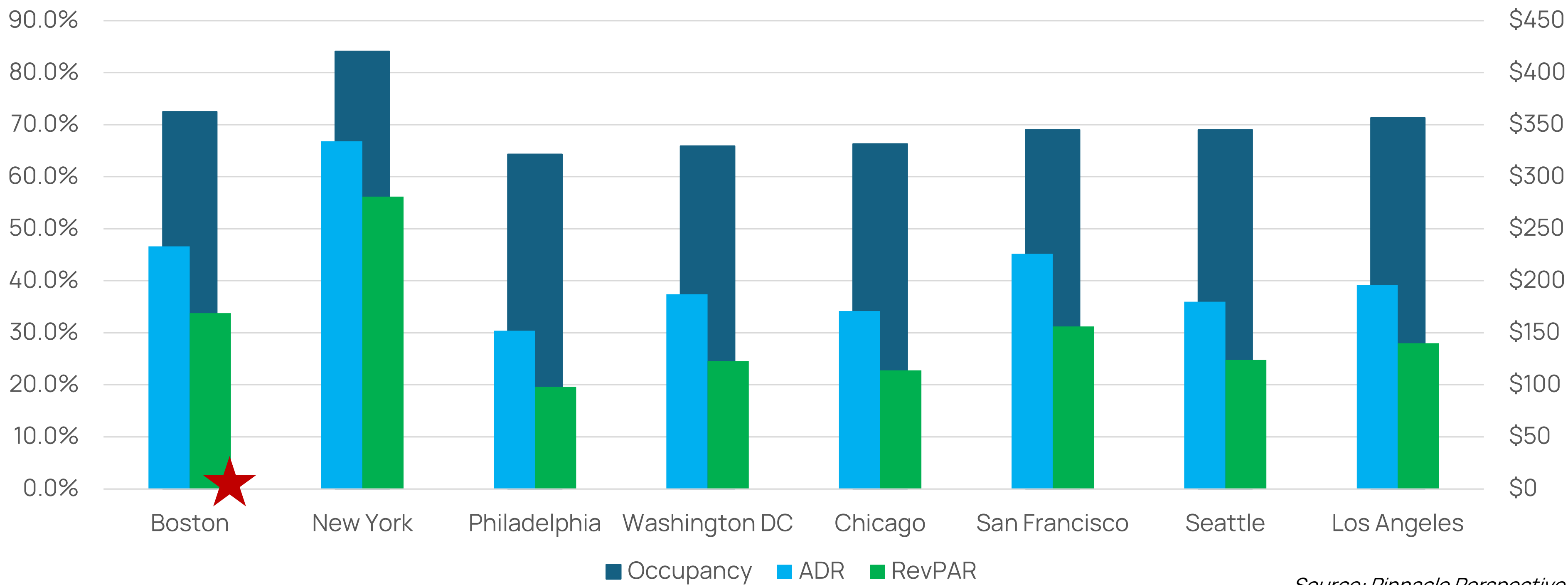
Boston & Cambridge Lodging Market

	2019	2025	Diff
Occ %	82.3%	77.4%	-4.9 points
ADR	$261	$302	+15.7%
RevPAR	$218	$233	+6.9%

Source: Pinnacle Perspective

- Demand Has Recovered Better Than Occupancy Suggests
- ADR Has Done the Heavy Lifting
- RevPAR Has Not Kept Pace With Inflation
- Results in Margin Pressure

Boston MSA - Lodging Market 2025



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Today's Boston & Cambridge Demand

- **Business Travel –** Not gone, but changed
- **International –** Recovered, but influenced by macro issues
- **Group –** Large role, directly and indirectly impacts performance
- **Experience –** The guestroom is no longer the focus
- **Hotel Quality –** An upgraded market

Key Development Challenge: Feasibility

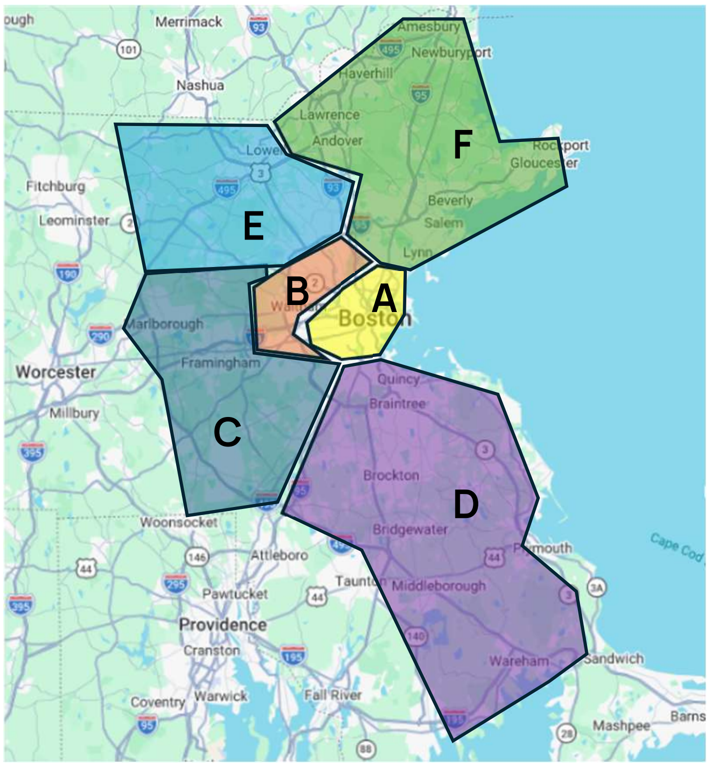
Demand fundamentals are stronger than *development* fundamentals.

- Construction costs
- Financing & capital market conditions
- Labor & operating expenses
- Entitlement and approval timelines

Boston remains a market where demand fundamentals often support new hotel investment, but development economics frequently do not.

Much of the same can be said for Greater Boston as a whole. Certain elements may be less impactful as you go to suburban markets, but fundamentals remain challenging.

Room Supply Growth



	10-14	15-19	20-24	25-27*
A. CBD	3%	18%	15%	2%
B. Cambridge/Waltham	0%	17%	3%	3%
C. Dedham/Marlborough	4%	16%	-3%	4%
D. South Shore	5%	14%	-8%	5%
E. Northwest	0%	9%	-8%	-4%
F. Northeast	0%	0%	-4%	9%
TOTAL MARKET	**2%**	**14%**	**3%**	**3%**

**Projection*
Source: CoStar

Boston & Cambridge 2026 & Beyond

	2026	% Change
Occupancy	77%	0.0
ADR	$312	+3.5%
RevPAR	$242	+3.5%

Source: Pinnacle Advisory Group

- Bullish on Summer 2026
- Outpacing National forecast for 2026 (+2.8% RevPAR)
- Magnified growth and metrics as supply continues to be constrained
- Foresee healthy, resilient market continue into long-term

Thank you.

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