March 9, 2026

THE 2026 BOSTON LODGING MARKET

A Market Transformed

hsmai

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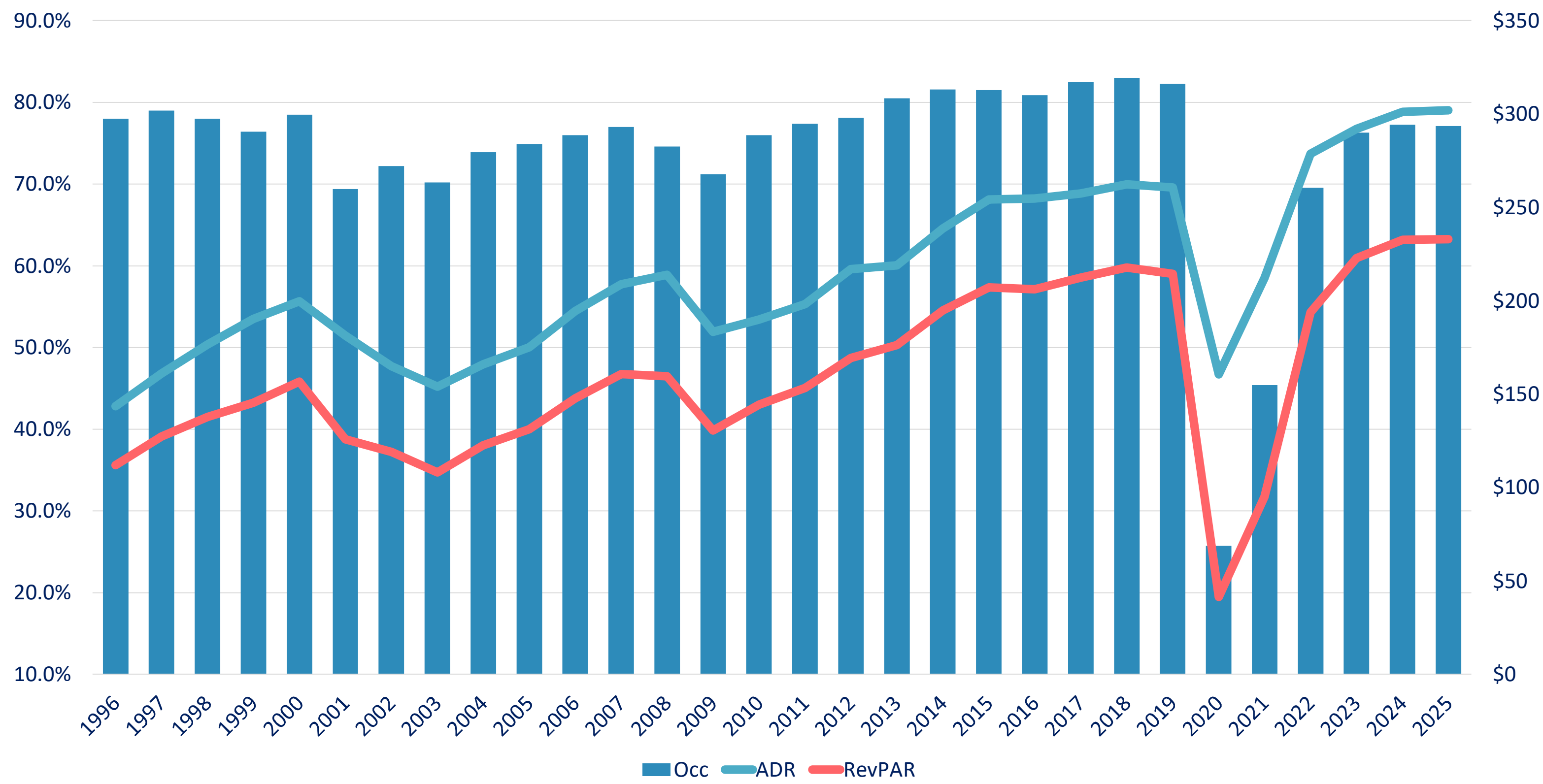
Boston & Cambridge, Historic Performance



Source: Pinnacle Perspective, Pinnacle Advisory Group

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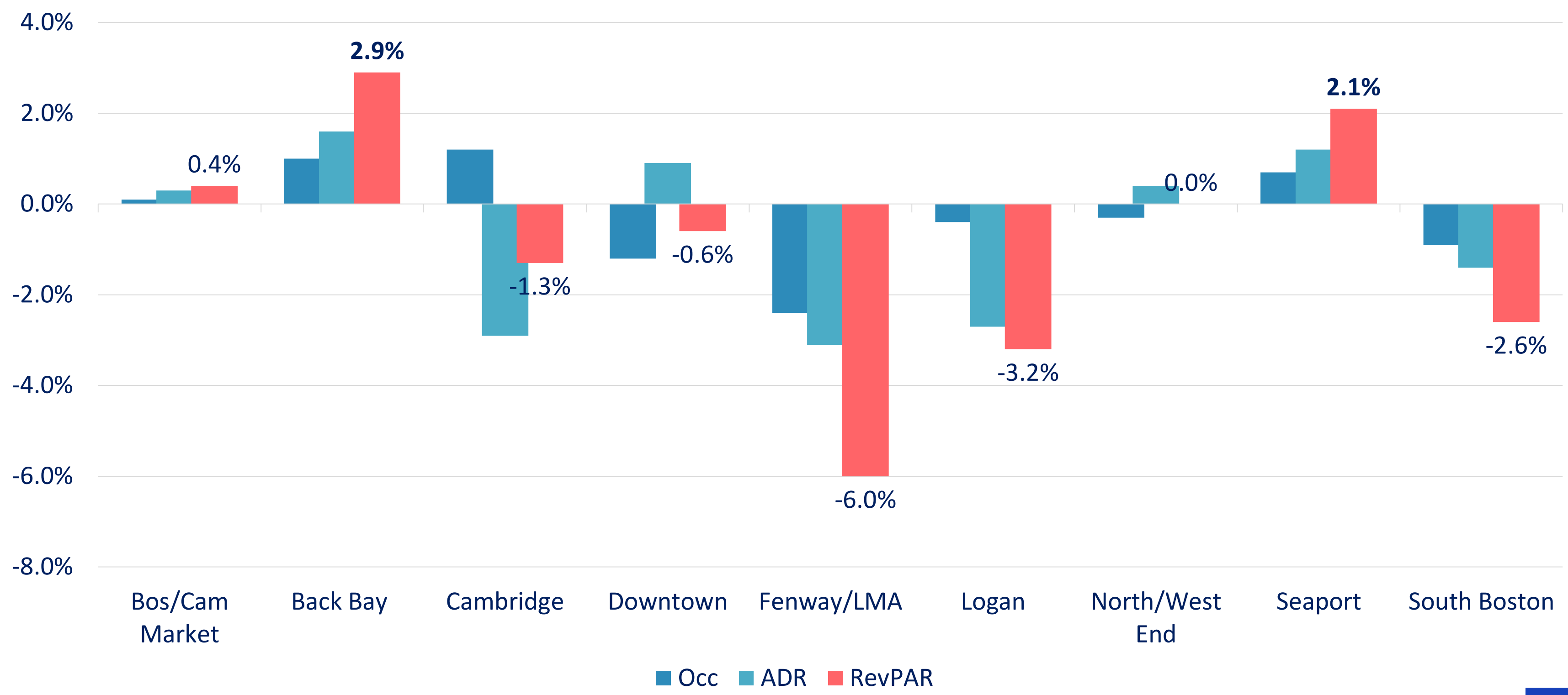
2025 Submarket Performance, % Change



Source: Pinnacle Perspective, Pinnacle Advisory Group

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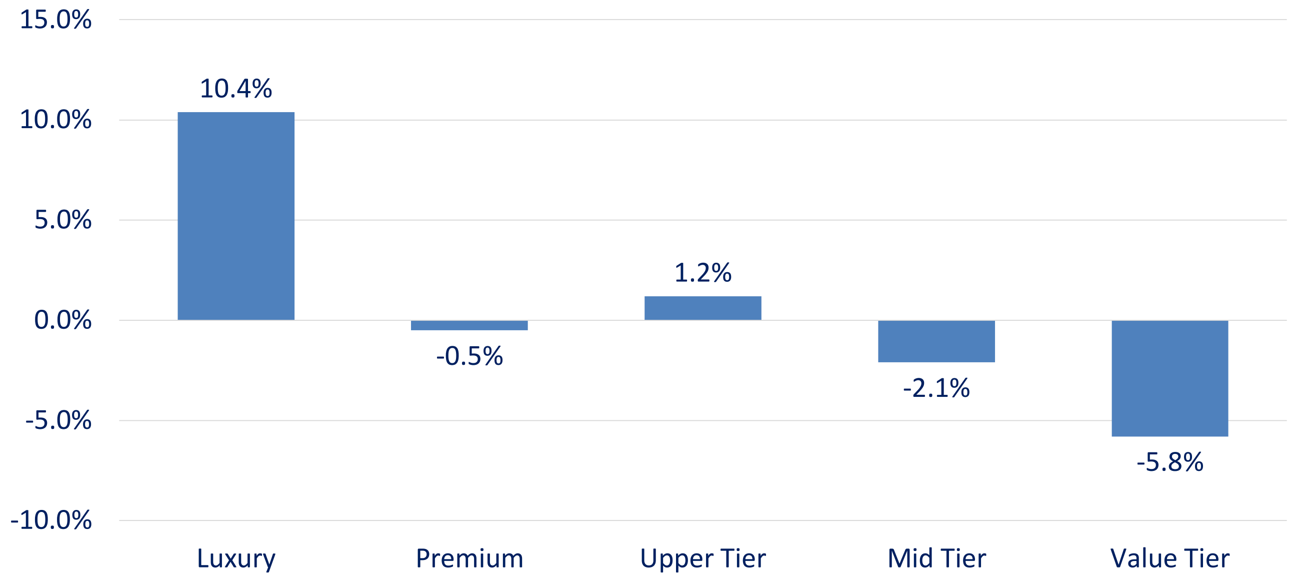
2025 Performance by Rate Scale, % Change



Luxury (9): **Over $500**
Premium (22): **$310 to $500**
Upper Tier (25): **$270 to $310**
Mid Tier (24): **$220 to $270**
Value Tier (19): **Under $220**

Source: Pinnacle Perspective, Pinnacle Advisory Group

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Before and After the Pandemic, How Boston's Lodging Dynamics Have Shifted Since 2019

- **Supply:** Growth has not only increased room count but shifted materially toward luxury product and select submarkets
- **Demand:** Strong transient demand recovery has offset sustained softness in group, the Seaport continues to capture disproportionate new/induced demand.
- **Pricing:** ADR growth remains broad-based, supported by higher quality inventory and pricing discipline.
- **Pricing Power:** Event-driven demand now requires greater volume, timing alignment, and venue coordination to move the full market.

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Supply: Expansion Moderated by Closures & Reductions

+7.0% over 5 Years

Net Gain of 1,850 Room

11 New Hotels
+2,850 Rooms

Reductions / Expansion
-400 Rooms

Six Closures
-600 Rooms

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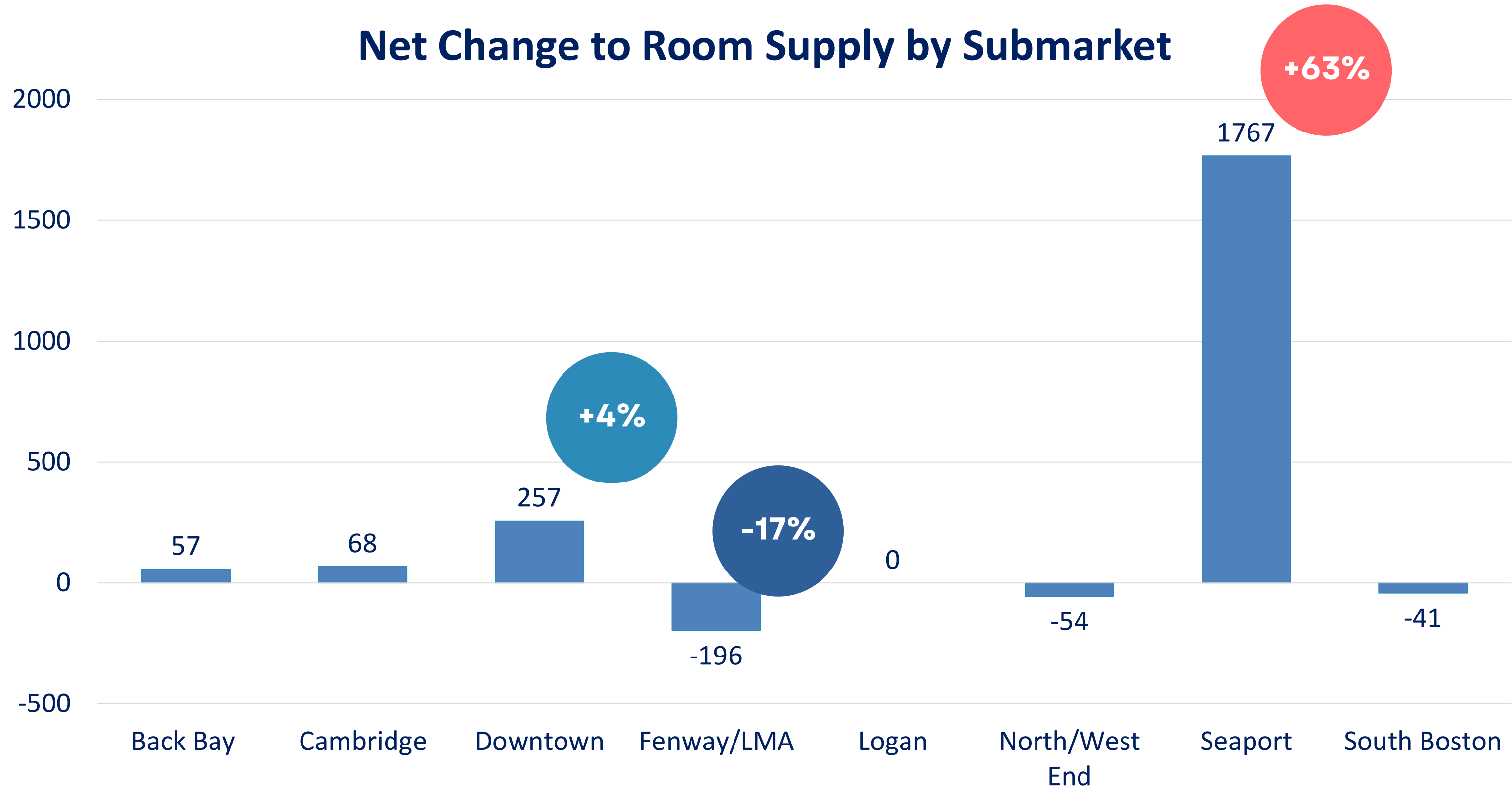
Supply: Growth Concentrated in Select Submarkets



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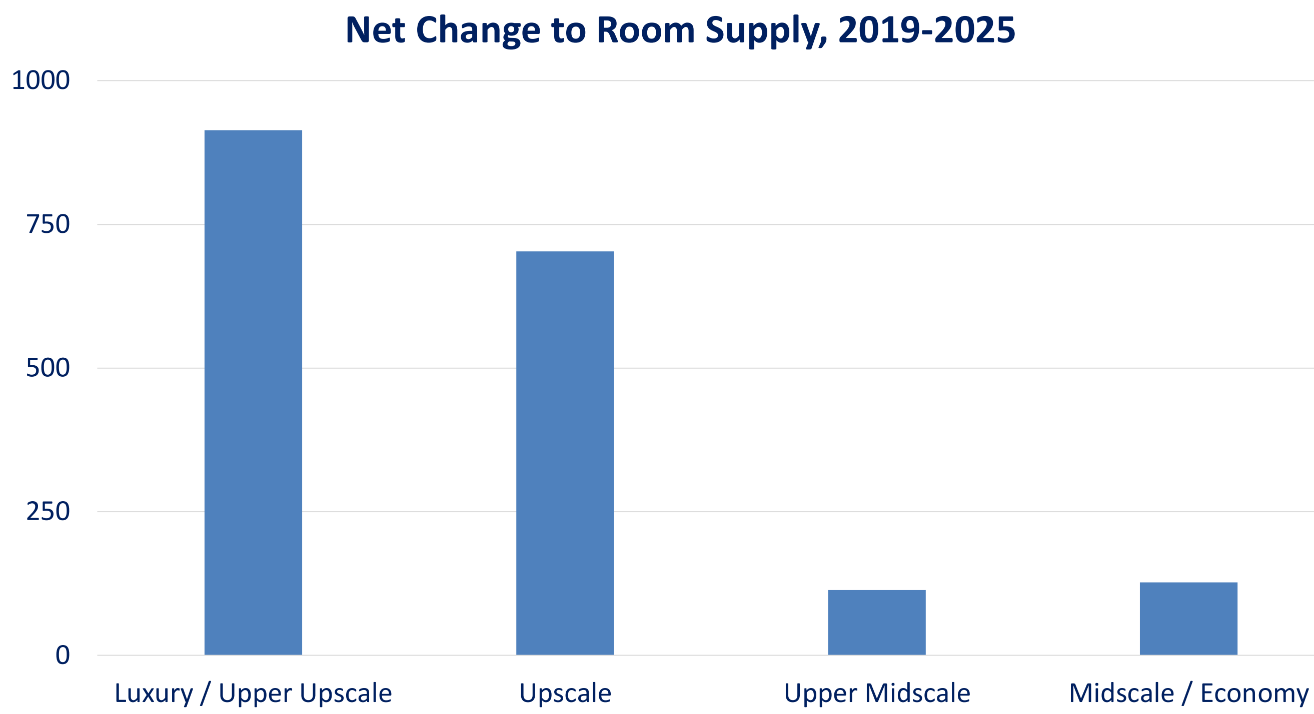
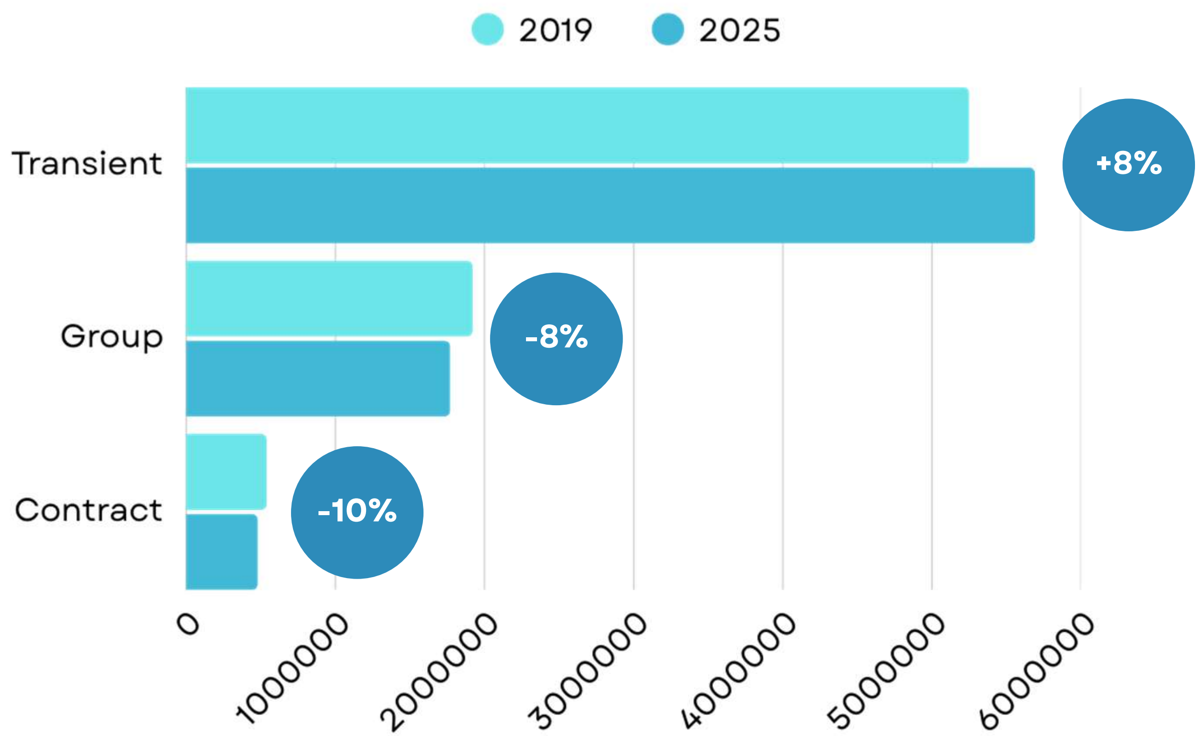
Supply: A Not-So-Subtle Shift Upwards in Quality



Demand: Driven by Transient, Surpassed 2019 Levels

+3.0% over 5 Years



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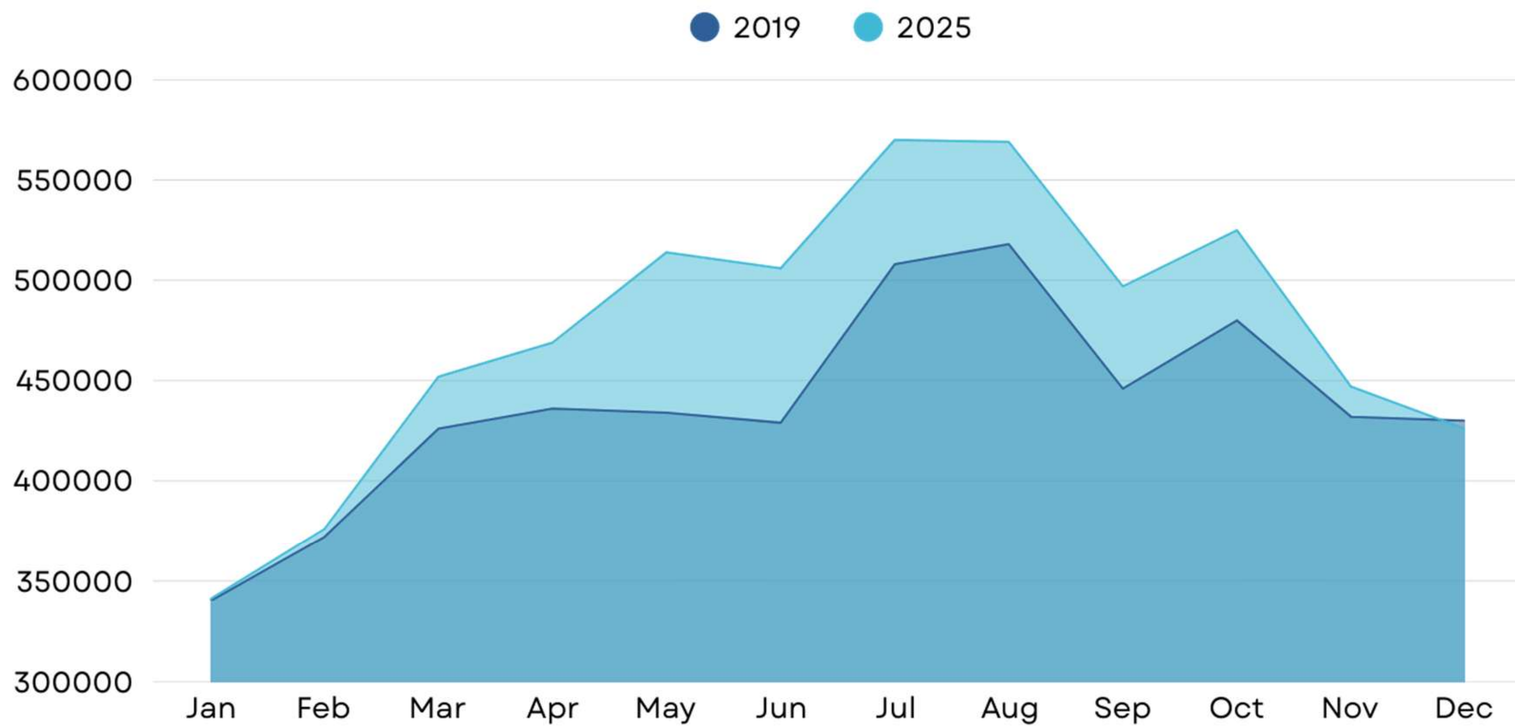
Transient Demand: Peak-Season Strengthened May to Oct



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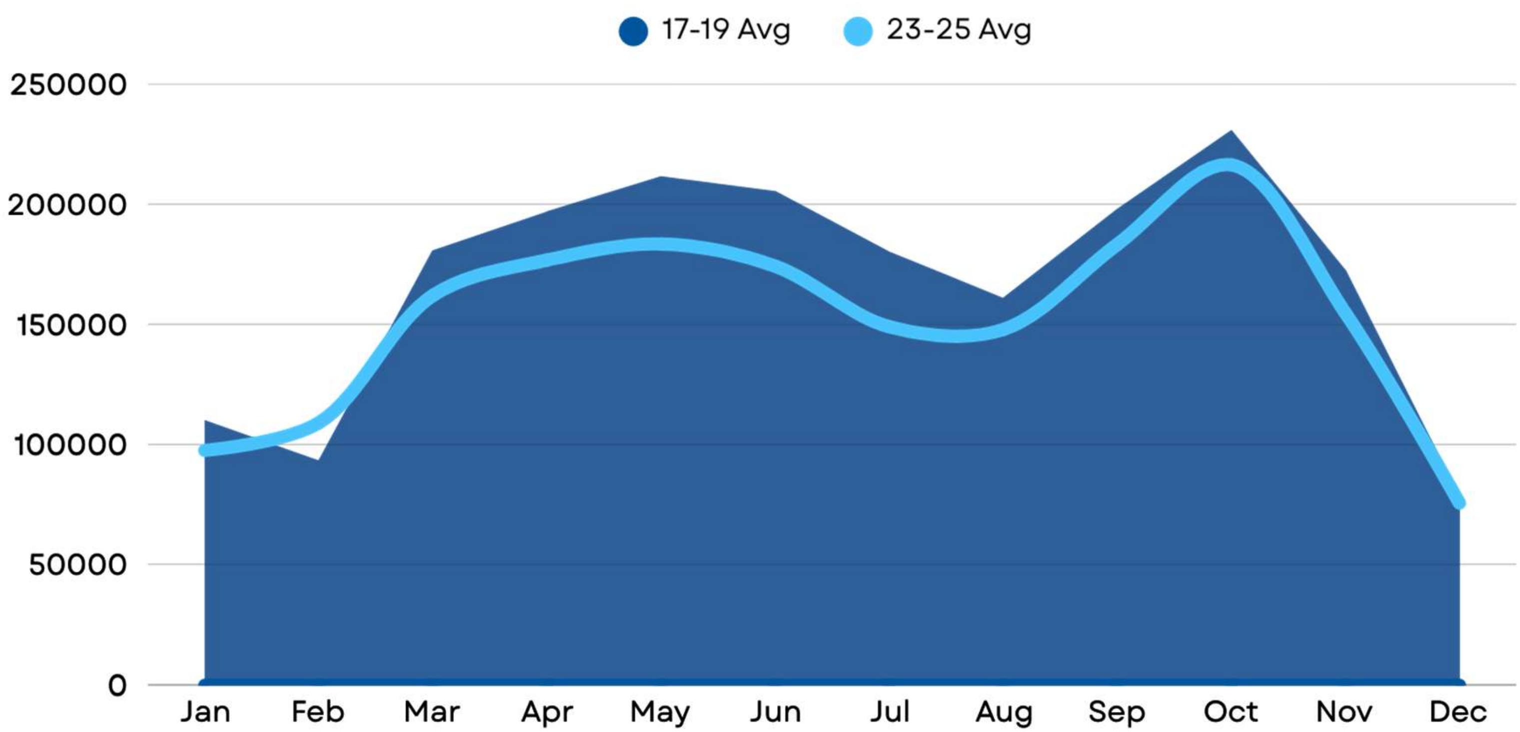
Group Demand: Similar Pattern but Peak Season Remains Below Prior-Cycle



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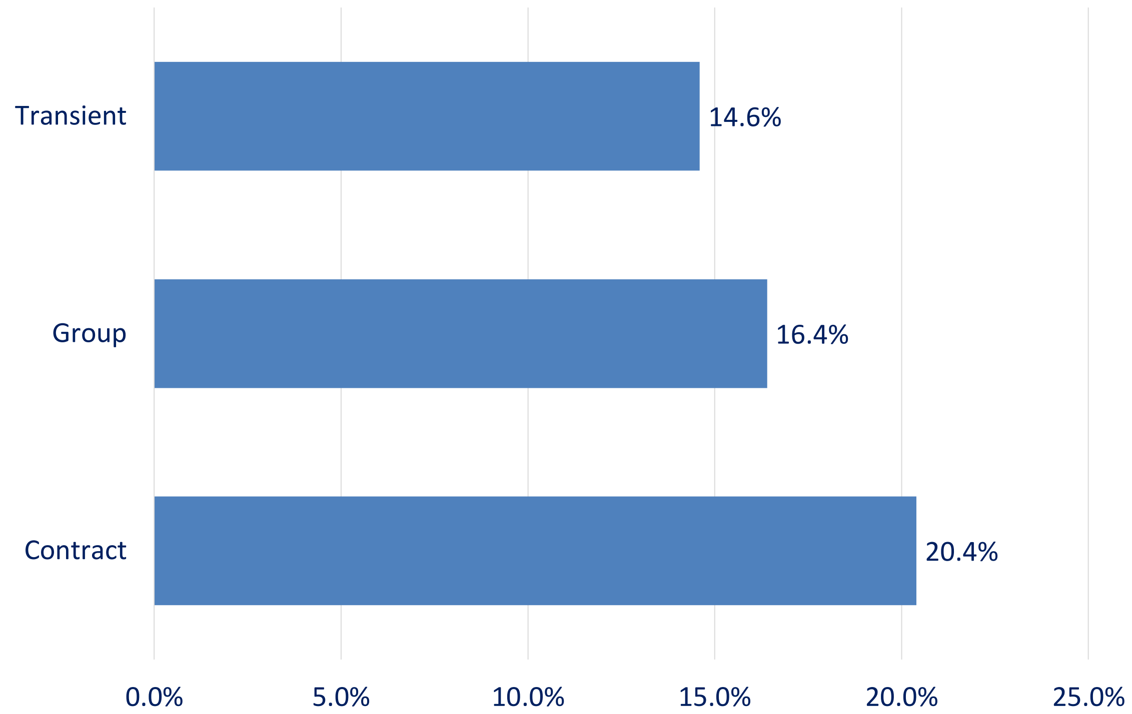
ADR: Remains the Primary Performance Driver

+15.7% over 5 Years



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Outlook: 2026

Q1	Q2	Q3	Q4
OCC: -1.0% **ADR: +1.9%** **RevPAR: +0.4%**	**OCC: +0.4%** **ADR: +4.5%** **RevPAR: +5.0%**	**OCC: +0.7%** **ADR: +4.7%** **RevPAR: +5.5%**	**OCC: -1.1%** **ADR: +1.4%** **RevPAR: -0.1%**

- Citywide rooms down considerably across all quarters except Q3 (+54%).
- Favorable YoY summer comparison to '25, celebrations around 250th anniversary along with Tall Ships in July.
- Geopolitical climate continues to weigh on international inbound travel. Expect a gradual recovery but broadly consistent with '25. Key inbound markets like Canada are concerning.
- Corporate continues to gradually recover, remain below pre-pandemic levels.
- Life sciences sector facing elevated lab vacancy and slower leasing activity, contributing to softer demand.
- Investment in AI is accelerating, making up a lot of economic growth, largely focused on West Coast.
- Leisure demand to continue in K-Shape form, instability in gas prices may have impact over summer.
- World Cup matches throughout June and a quarterfinal in July.

Generally speaking, we believe there is more stability and clarity than this time last year…

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Outlook: 2026

	2025	2026	% Change
Occupancy	77%	77%	-
Average Daily Rate	$302	$312	3.5%
Revenue Per Available Room	$233	$241	3.5%

Q1	0.4%
Q2	5.0%
Q3	5.5%
Q4	-0.1

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Thank you.