Reflect & Project 2026

What should New England Owners & Investors Expect in 2026 & 2027?

June 18, 2026

New England Overview

The recovery is over, now what?

	2024	2025	YTD Apr '26
Supply	-1.1%	0.6%	1.7%
Demand	0.2%	-1.8%	0.3%
ADR	2.4%	0.7%	1.6%
RevPAR	3.7%	-1.7%	0.2%

Source: CoStar

- The easy post-pandemic recovery gains have been realized, revenue growth is harder to generate
- Limited supply remains region's greatest advantage
- Asset quality and market selection matter more than ever
- 2027 should offer a better growth environment than 2025-26
- RevPAR gains are currently outpaced by operating expenses

The next phase of the cycle will be defined less by revenue growth and more by margin preservation. Owners who can control costs, drive rate, and differentiate their assets are likely to outperform.

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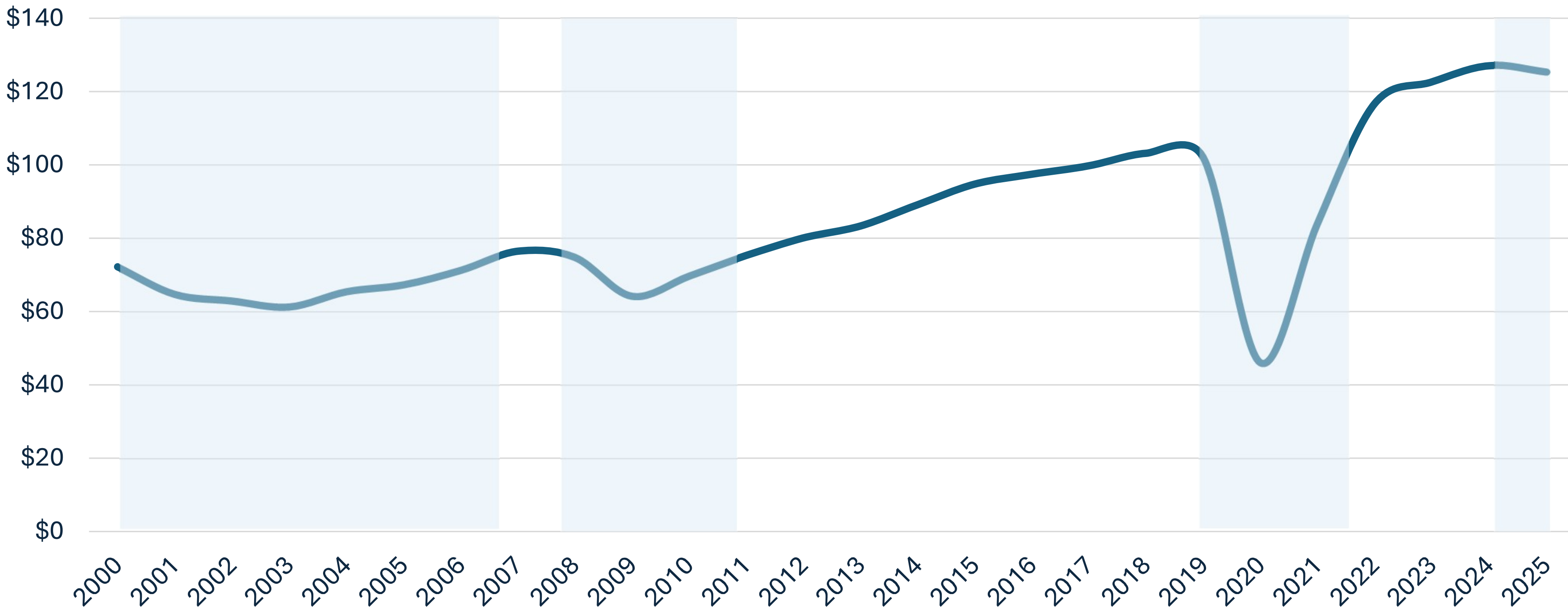
New England RevPAR

Should owners be concerned about 2025?



Source: CoStar

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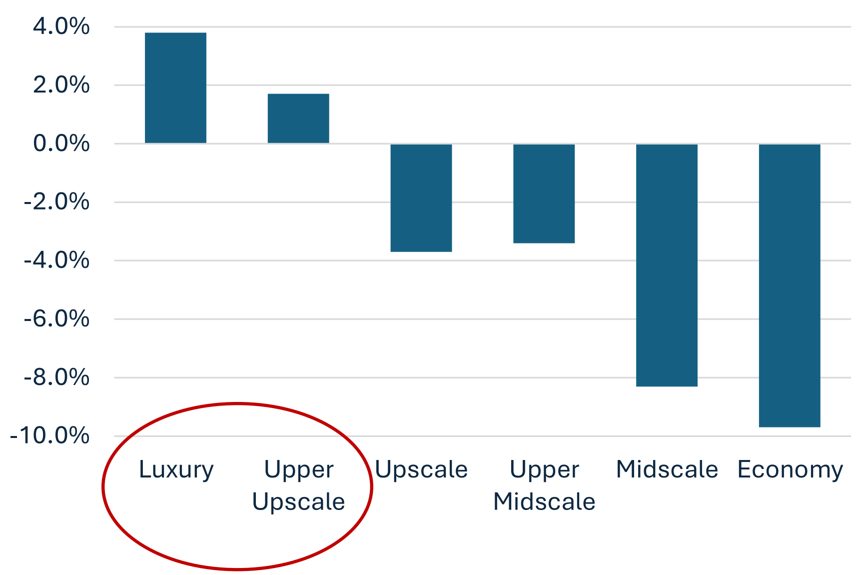
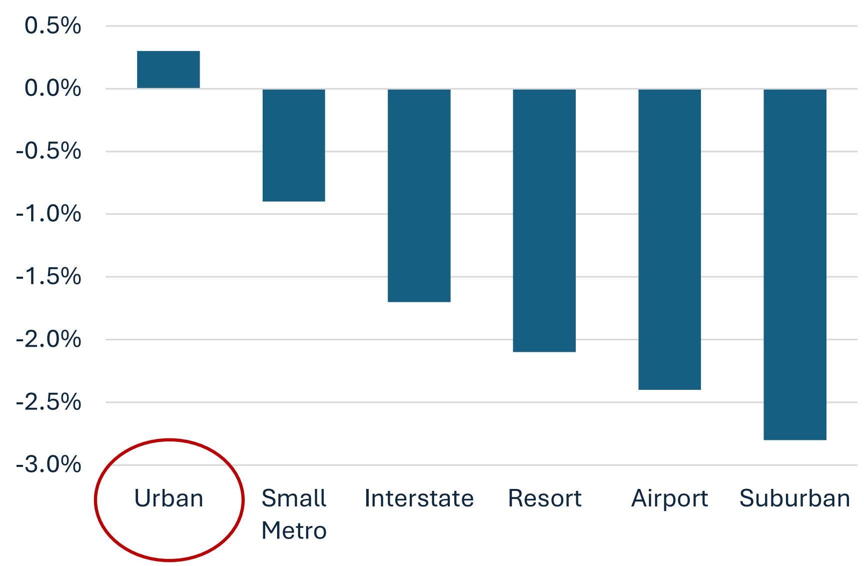
New England RevPAR

Trailing-12, which hotels are 'winning' today?

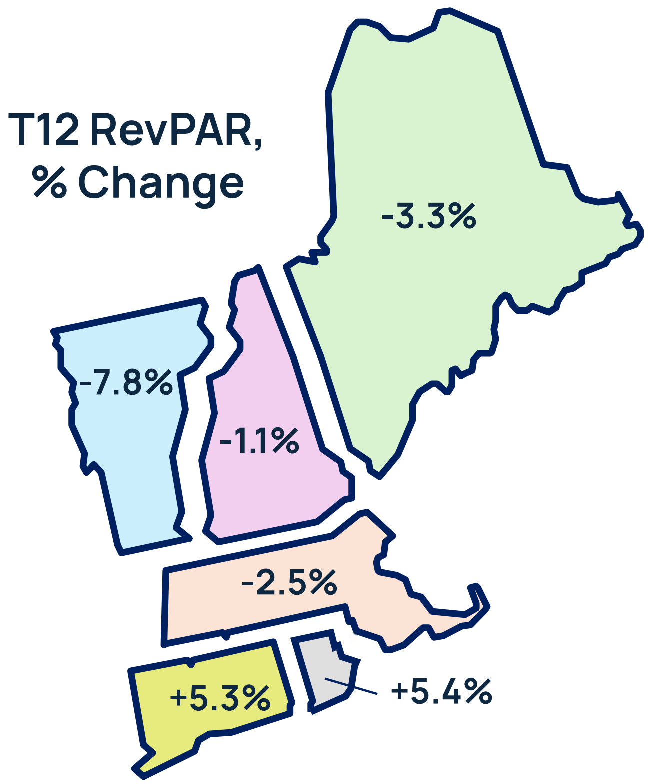


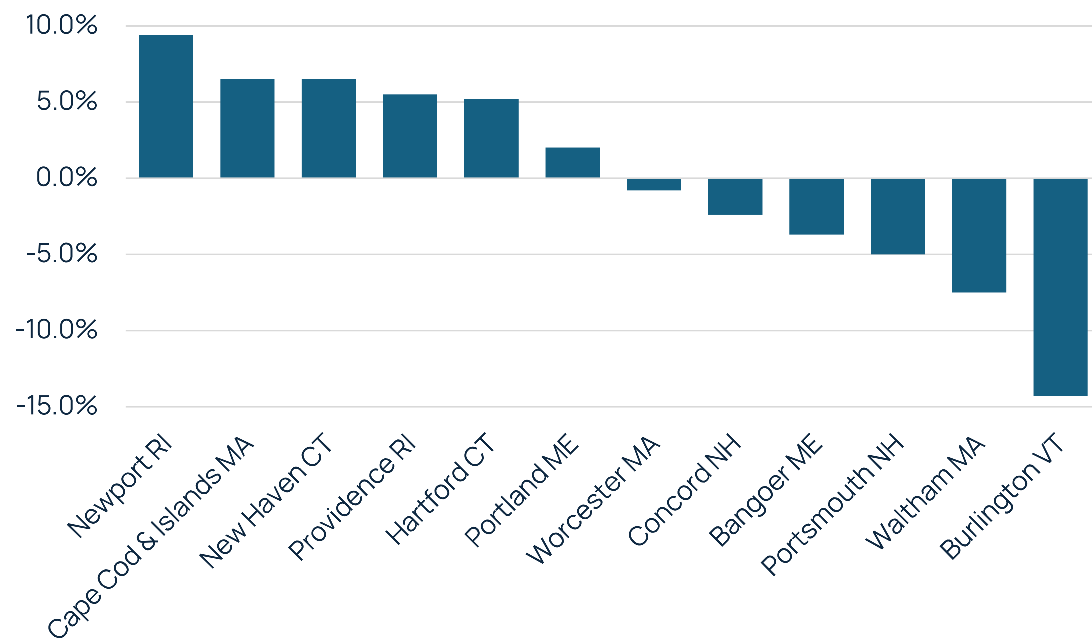


Source: CoStar

State-By-State, City-by-City

Trailing-12, what markets are benefitting today?





Source: CoStar

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New England Outlook

What can owners expect in 2026 & 2027?

- International travel recovery
- Revenue growth remain modest, outpaced by expenses
- Limited new supply helping to support values
- Luxury and experiential travel strength
- Capital markets and transaction activity should improve in 2027

New England is expected to remain a low-growth, rate-driven market. Limited supply and continued strength at the high-end should support performance, though demand growth is likely to remain uneven and influenced by macroeconomic and geopolitical factors.

Massachusetts Overview

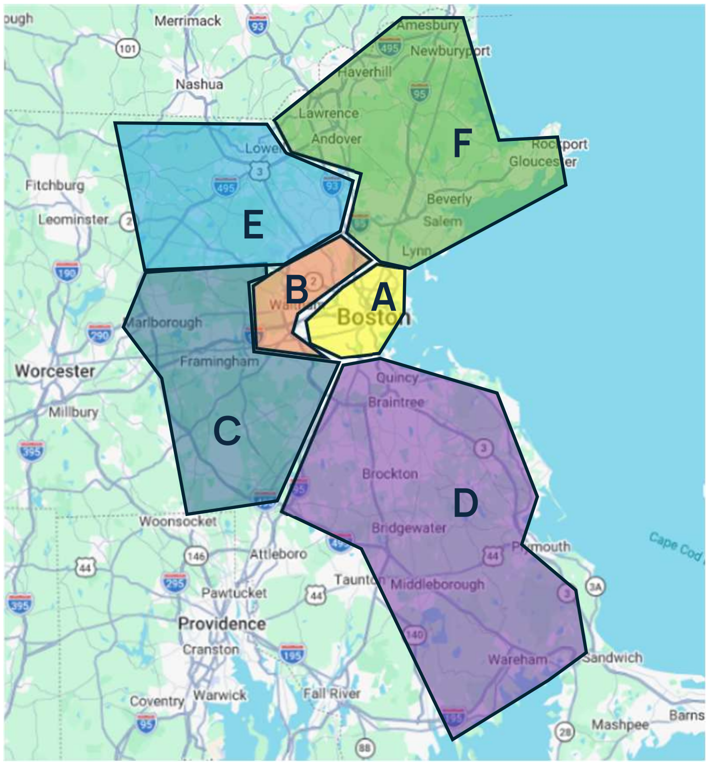
What makes New England's largest market different?

- Roughly one third of New England demand
- Most institutional demand in region
- Greatest exposure to international travel & current higher ed trends
- Largest opportunities / largest risks
- Performance increasingly varies by market, segment, and calendar

**Massachusetts often sets the tone for New England performance,
but its greater dependence on urban, group, international, and institutional demand
creates both unique opportunities and risks.**

Massachusetts Rooms Supply

Why MA still has a supply advantage….



	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

Massachusetts Outlook

How do things shake out in 2026 & 2027…

- High-end hotels continue to command rate
- Suburban corporate recovery continues its very slow recovery
- Boston compression has limited impact on inner suburbs
- Capital markets have improved, acquisitions remain more attractive than development
- 2027 should offer a stronger environment than 2025-26

Massachusetts is expected to remain a highly segmented market. Leisure-oriented and higher-end hotels should continue to outperform, while corporate-dependent markets face a slower recovery path.

FIFA World Cup and America 250 events should provide a meaningful but temporary boost to ADR in 2026. Looking beyond these events, limited supply growth positions the market for improved occupancy and more balanced growth in 2027.

Boston & Cambridge Overview

Has the market peaked?

	2024	2025	YTD Apr 26
Supply	1.0%	1.2%	1.3%
Demand	2.0%	1.5%	1.2%
Occ %	1.0%	0.2%	-0.2%
ADR	3.1%	0.1%	1.1%
RevPAR	4.5%	0.3%	0.8%

Source: Pinnacle Perspective

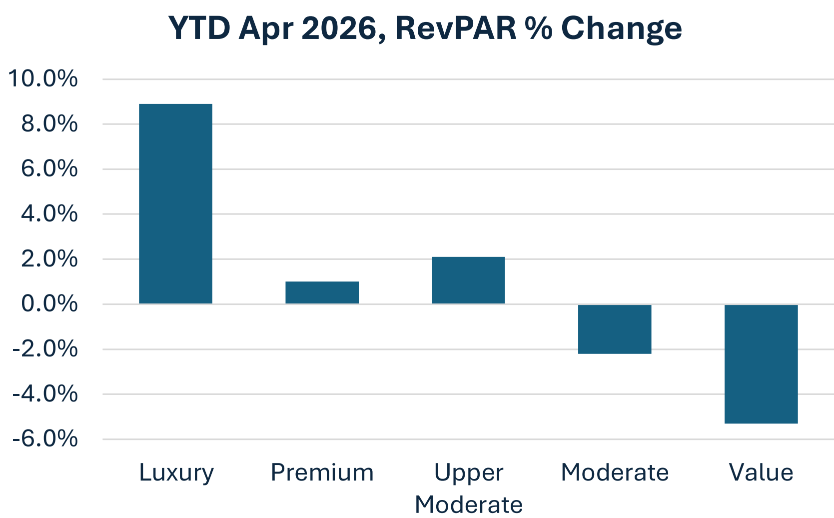
- Supply growth is modest, but currently outpacing demand
- Demand growth remains but momentum has slowed
- ADR was relatively flat in '25, gaining in 2026
- Overall, stable but the growth seen in '23 and '24 is difficult to generate

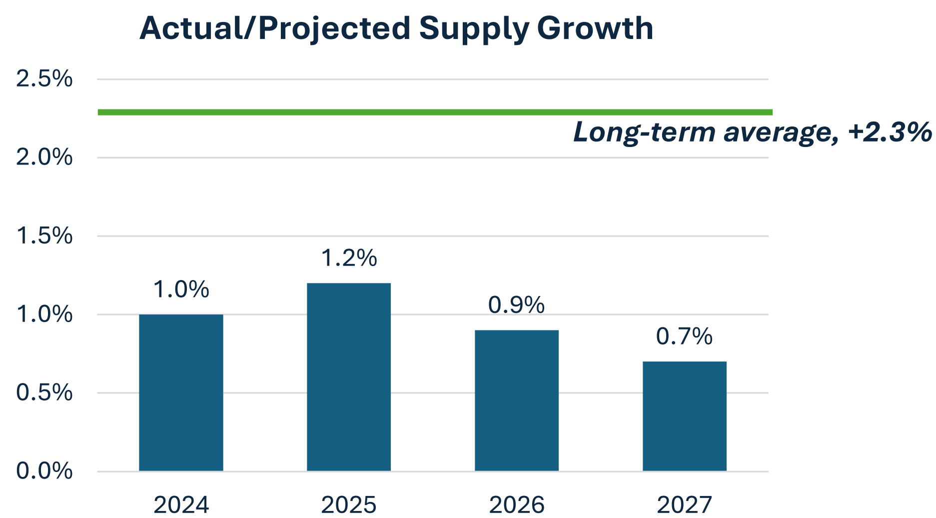
Boston & Cambridge

How is the market different than 2019, pre-pandemic?

- **Supply**: Concentrated in luxury hotels and the Seaport District
- **Demand**: Leisure has fully recovered and made up for gap in corporate, group remains a work in progress (down 8% to '19 levels)
- **Compression**: Group is still the foundation for the market's success. Much harder to come by with new supply (+60% in Seaport since '19)
- **Pricing**: ADR growth remains broad-based, supported by higher quality inventory and pricing discipline. Above inflationary growth is at compression.
- **Dynamics**: Market remains healthy, growth is dependent on specific events, timing and alignment

Boston & Cambridge





Source: Pinnacle Perspective

Higher-quality assets continue to capture demand and pricing power, while lower-tier hotels face greater pressure on occupancy and profitability.

With supply growth projected to remain well below historical norms, existing assets should continue to benefit from limited new competition.

Boston & Cambridge Outlook

	2025	2026	% Change
Occ	77%	77%	-
ADR	$302	$312	3.5%
RevPAR	$233	$241	3.5%

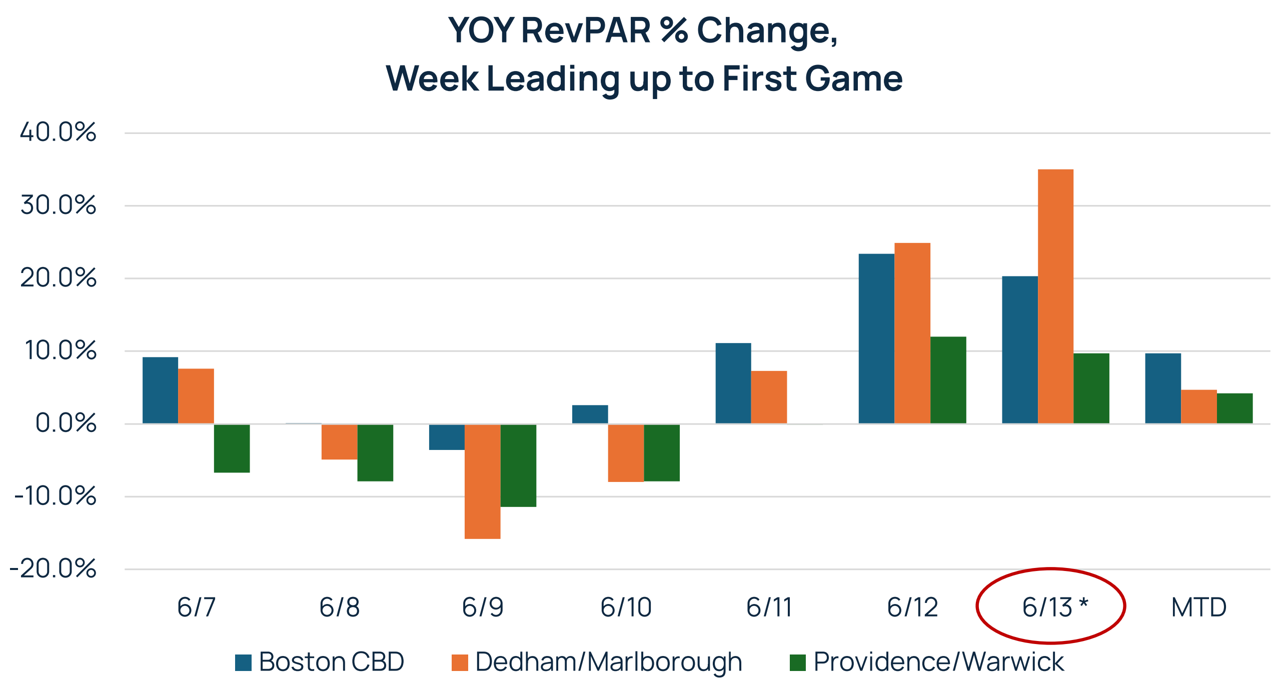
Source: Pinnacle Advisory Group

2026 is shaping up to be a year of stabilization rather than acceleration. Market performance is dependent on major events, group demand, and pricing discipline.

Q1 RevPAR resulted in a YOY decline of -2.6%. Strong April performance offset these losses. June, July and September will carry the remainder of the year, largely in rate.

Corporate and international travel, along with the status of higher education and life sciences remain areas of concern. However, limited supply growth and a favorable event calendar should support positive ADR growth through yearend.

BONUS: FIFA World Cup 2026



**First game in Foxborough*
Source: CoStar

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Thank you.

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