

# *Manhattan Lodging Index*

## *First Quarter 2018*



### *This Quarter:*

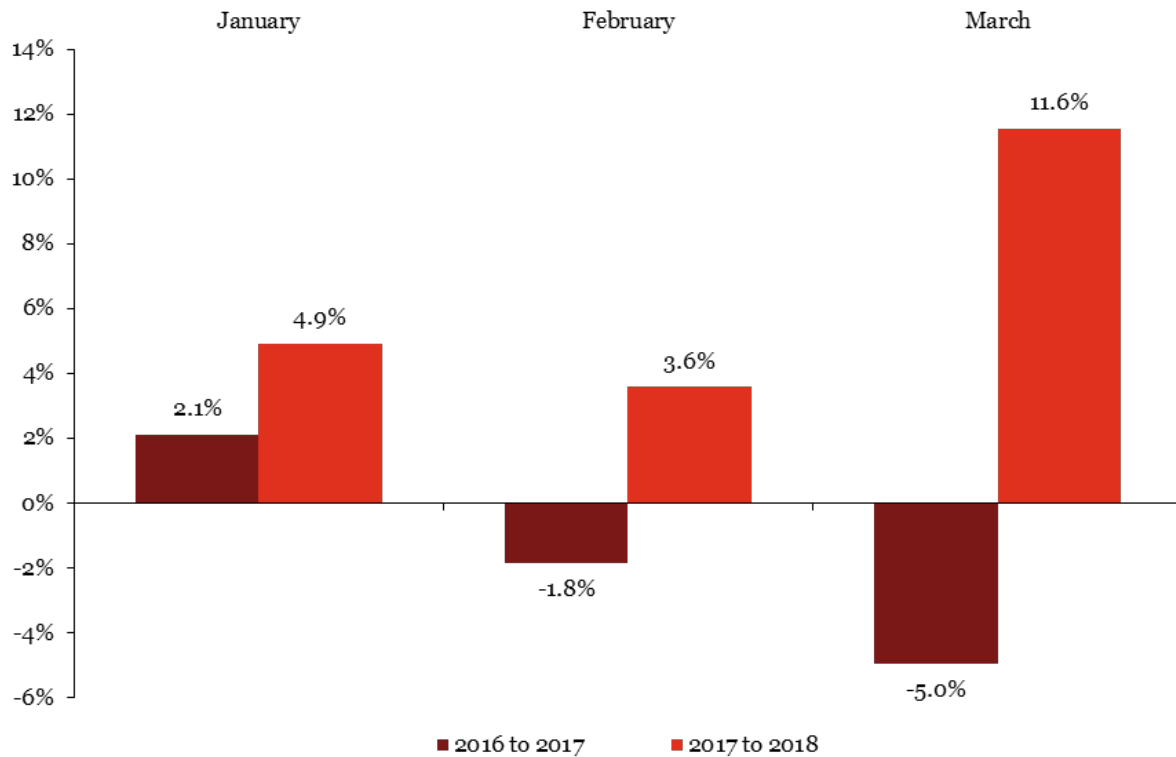
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### *Manhattan Lodging Overview*

**Continuing the momentum from the end of last year, RevPAR growth accelerated in the first quarter of 2018. Occupancy levels continued to increase due to accelerating demand growth and decelerating supply growth, with pricing power appearing to finally begin to return to Manhattan hotels. RevPAR increased 7.4 percent, driven equally by increasing occupancy and average daily rate (“ADR”) levels.**

A combination of continued strength in lodging demand and a slowing of supply growth to 2.8 percent, the lowest supply increase since Q1 2015, led to a 3.7 percent year-over-year increase in occupancy levels. Q1 2018 may prove to be a turning point for Manhattan hotels, with pricing power finally returning. Hotels experienced a 3.5 percent increase in ADR, the highest since Q3 2014. Overall, revenue per available room (“RevPAR”) increased by 7.4 percent, the first Q1 increase in RevPAR levels since Q1 2013.

## Manhattan Q1 RevPAR Growth by Month



Source: PwC, based on STR data

In Q1, higher-priced hotels in the Luxury class led all other hotels in RevPAR growth, with a year-over-year RevPAR increase of 14.8 percent, driven by an 8.7 percent increase in occupancy and 5.5 percent increase in ADR. Upper Midscale hotels reported a 7.5 percent increase in RevPAR, driven by strong increases in ADR. Hotels in the Upscale category experienced a RevPAR increase of 7.2 percent, driven by growth in occupancy of 4.9 percent. RevPAR performance of Upper Upscale hotels lagged all other segments, with a 2.0 percent increase in RevPAR levels, driven by a combination of relatively flat occupancy and a resultant limited ability to increase rates, resulting in the lowest ADR increase amongst all hotels.

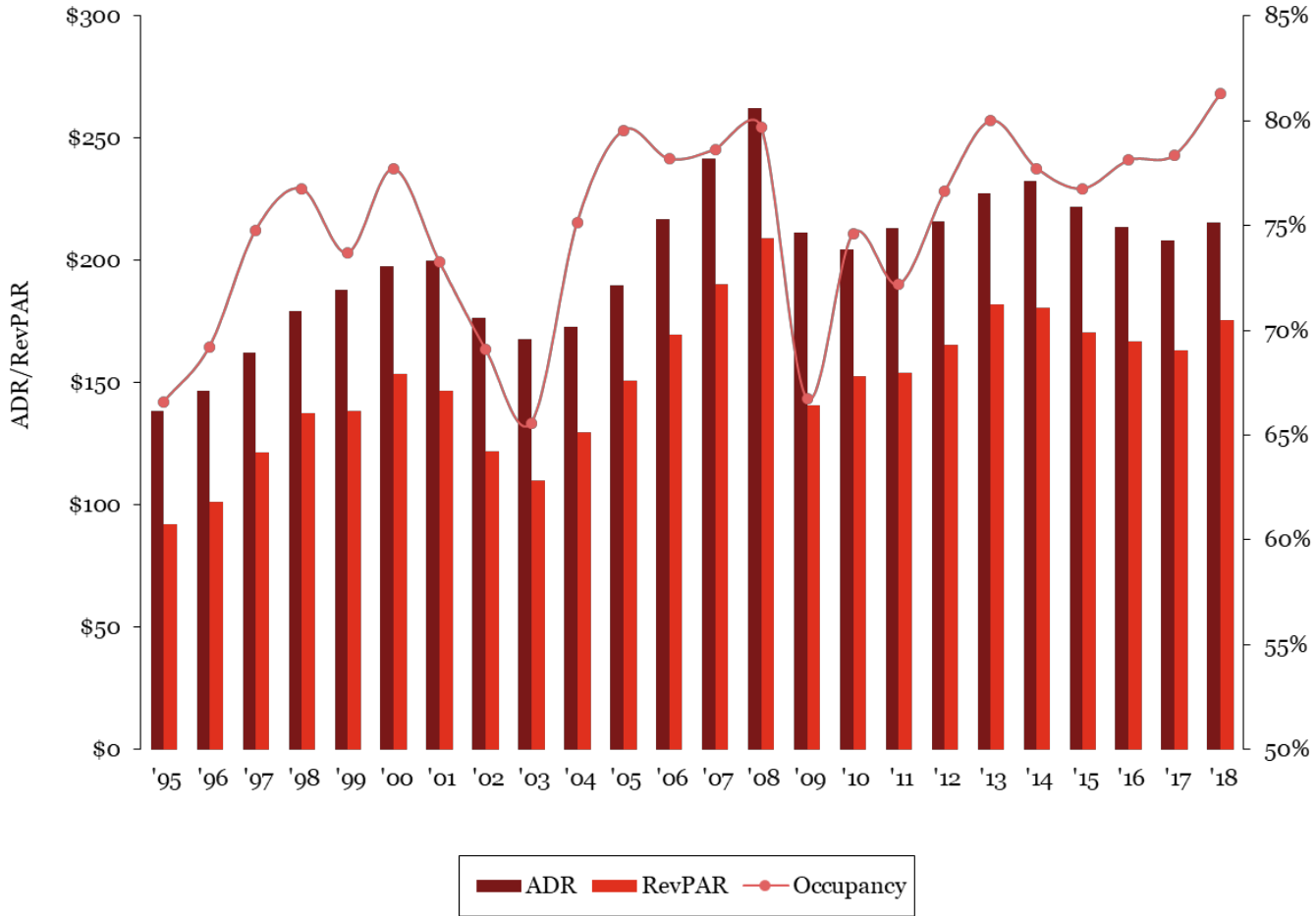
In the Q1, all five Manhattan submarkets reported strong increases in RevPAR, with a mix of occupancy- and ADR-driven RevPAR increases. Upper Manhattan and Midtown West reported ADR-driven RevPAR increases of 11.9 percent and 6.5 percent, respectively, while Midtown South and Lower Manhattan reported occupancy-driven RevPAR increases of 5.9 percent and 6.2 percent, respectively. Lower Manhattan was the

only neighborhood with flat ADR levels, potentially driven by the significant 8.2 percent increase in supply, the highest amongst all neighborhoods. Midtown East experienced a 9.4 percent increase in RevPAR, driven almost equally by increases in occupancy and ADR.

Both full-service and limited-service hotels experienced similar growth in RevPAR during Q1, driven by a combination of occupancy and ADR increases. Full-service hotels experienced a marginally higher increase in occupancy levels.

In Q1, independent hotels slightly outperformed chain-affiliated hotels in terms of occupancy and ADR growth, albeit both types of hotels experienced RevPAR increases driven almost equally by occupancy and ADR growth. During the quarter, occupancy grew 3.6 and 3.9 percent, with ADR increasing 3.5 and 3.8 percent, respectively for chain-affiliated and independent hotels.

# Manhattan Q1 Performance, 24-Year Trend



Source: PwC, based on STR data

## Employment Trends

The labor markets in New York City and the State demonstrated moderate improvements in the first quarter of 2018, as unemployment decreased from both the prior quarter, and the same period last year. According to the New York State Department of Labor, New York City’s seasonally-adjusted unemployment rate averaged 4.2 percent in Q1, representing an 8.6 percent decrease year-over-year. New York State’s seasonally-adjusted unemployment rate, though higher at 4.6 percent during the quarter, similarly fell from Q4 2017 levels, by approximately 1.4 percent.

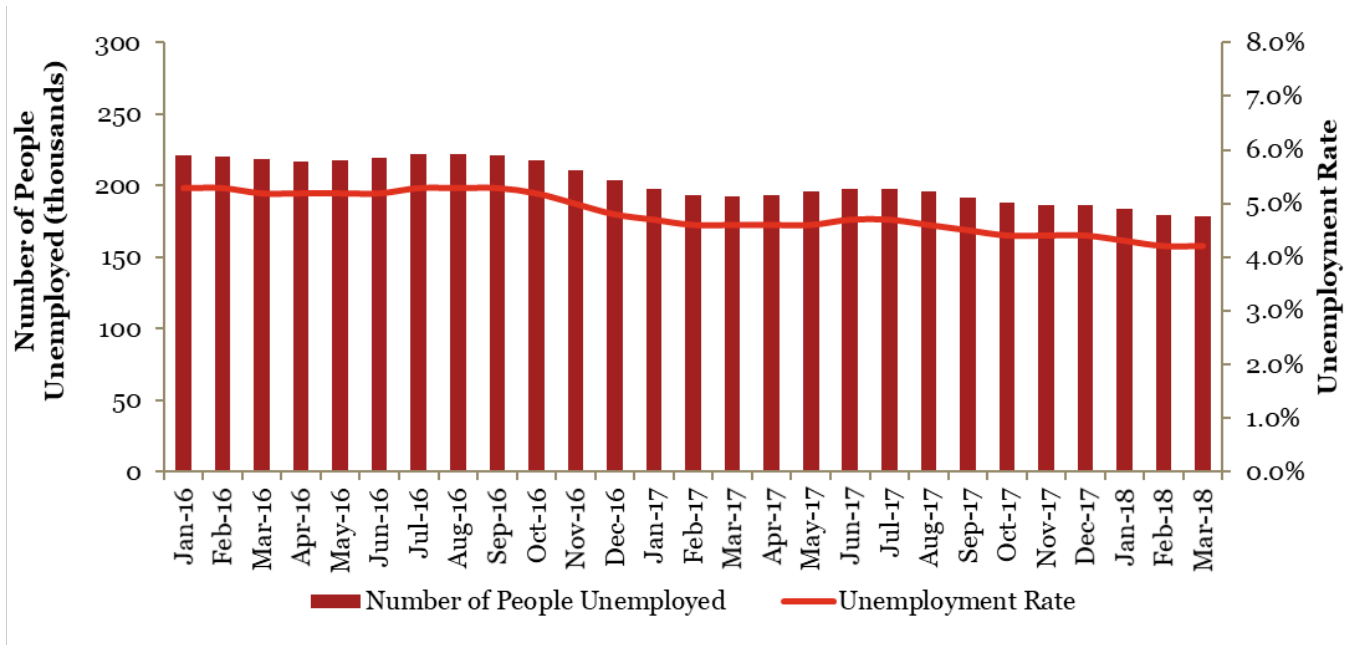
Remaining largely unchanged from Q4 2017, the overall unemployment rate in the United States was maintained at 4.1 percent during the first quarter.

As indicated by the New York State Department of Labor, for the twelve-month period ended March 2018, New York City’s private sector employment increased by 74,600 or 1.9 percent, to 3,912,000.

During the period, the largest job growth occurred in the educational and health services, and professional and business services sectors, which added 35,100 and 16,700 jobs, respectively. Gains also occurred in financial activities, which added 6,300 jobs, natural resources, mining and construction, which added 6,200 jobs, transportation and utilities, which added 6,000 jobs, leisure and hospitality, which added 2,300 jobs, information services, which added 2,200 jobs, and other services, which added 1,100 jobs.

Of the nine sectors tracked by the New York State Department of Labor, only one experienced job losses year-over-year, with a decline of 1,300 manufacturing jobs as of March 2018.

## New York City Unemployment for the 27-Month Period Ended March 2018



Source: New York State Department of Labor

## Gross Metro Product and Consumer Price Index

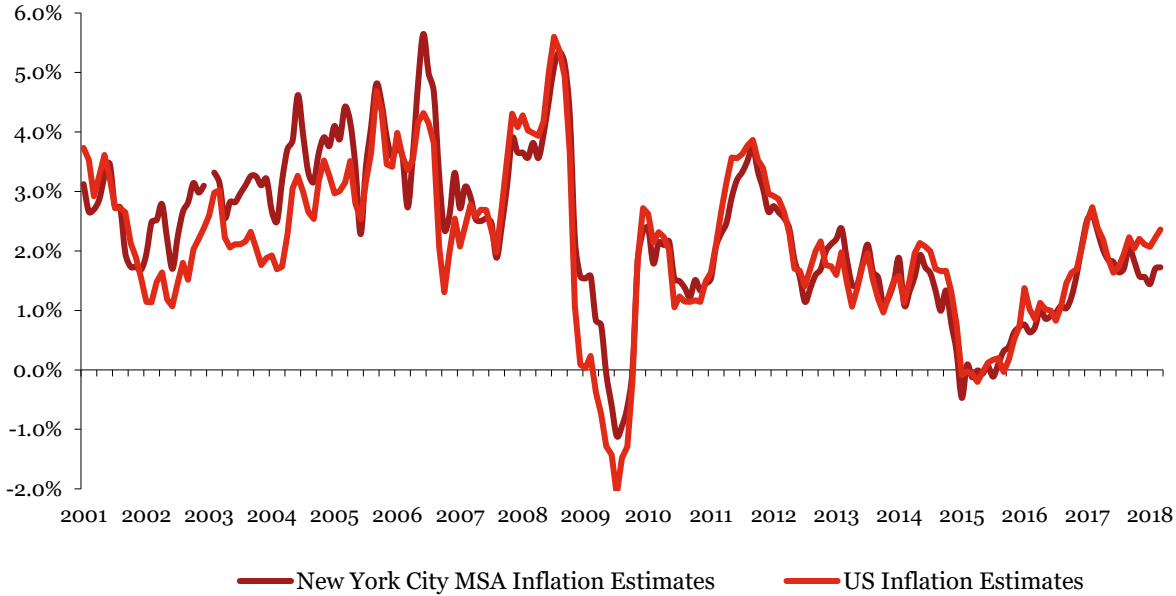
U.S. economic growth continued to decelerate in Q1. According to the advance estimate released by the Bureau of Economic Analysis, U.S. real gross domestic product ("GDP") increased at a seasonally-adjusted, annualized rate of 2.3 percent, compared to a 2.9 percent increase in the fourth quarter of 2017. Despite this deceleration in real GDP growth quarter-over-quarter, the increase in real GDP overall was driven by positive contributions from non-residential fixed investment, personal consumption expenditures (PCE),

exports, private inventory investment, federal government spending and state and local government spending. Imports, which represent a deduction in the calculation of GDP, decreased.

At the local level, the gross metro product is expected to increase by 3.0 percent in 2018 and 2.0 percent in 2019, according to Moody's Economy.com February 2018 forecast.

New York City's consumer price index ("CPI") increased by an average of 1.6 percent during the first quarter, compared to 2.2 percent nationally.

## Consumer Price Index



Source: Bureau of Labor Statistics

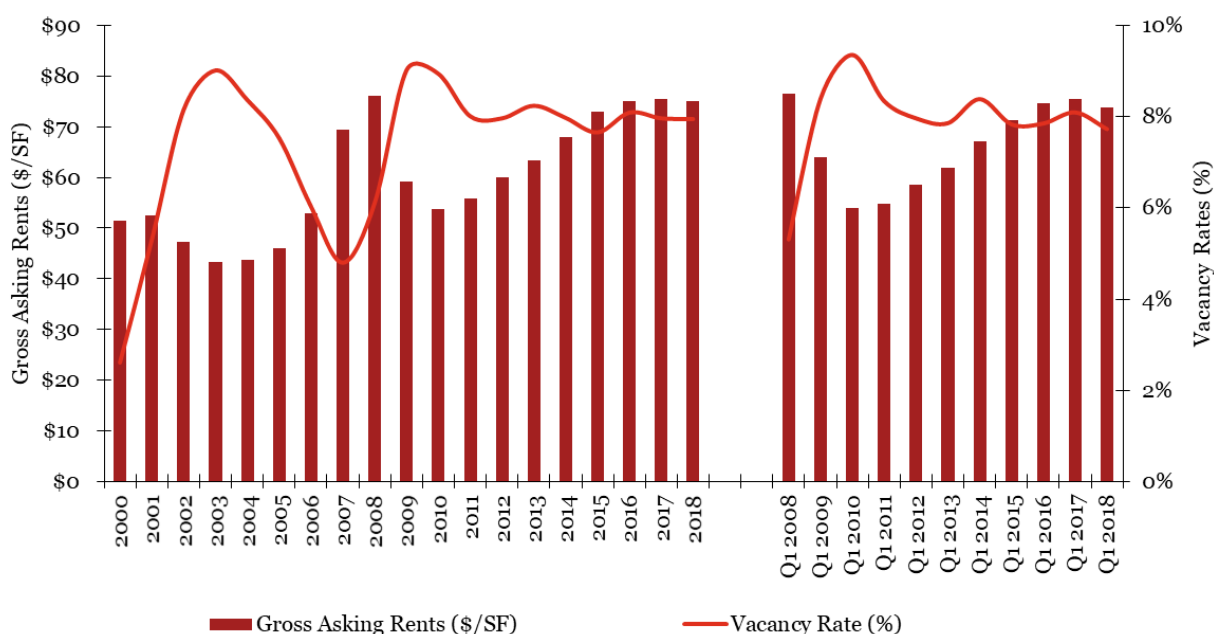
## Office Market Statistics

Signaling improved conditions in the Manhattan office market, overall vacancy rates were 8.8 percent in Q1. Driven largely by gains in Midtown office leasing, net absorption reached 1.2 million square feet, with overall vacancy dropping 10 basis points from Q1 2017, and 60 basis points year-over-year. In the Downtown submarket, leasing activity slowed from prior quarter levels, representing a roughly 60 percent decline in rental deals since Q1 2017. Despite an increase in asking rents in the Downtown submarket, gross asking rents in Manhattan decreased slightly from year-ago levels, falling 1.7 percent, to \$72.13 per square foot.

Vacancy rates in the Downtown submarket fell to 8.1 percent in the first quarter of 2018, representing a 10 basis point decline from Q4 2017 levels. Similarly in the Midtown submarket, vacancy declined by 40 basis points quarter-over-quarter, and 50 basis points year-over-year, to 7.6 percent.

In part fueling this decline in vacancy in the Midtown Submarket, gross asking rents have decreased 1.8 percent since Q4 2017 and approximately 3.4 percent since Q1 2017, to \$79.15 per square foot. Conversely, in the Downtown submarket, gross asking rents have increased by 3.1 percent from the prior quarter, to \$59.20 per square foot.

## Gross Asking Rents and Vacancy Rates



Source: PwC, based on CBRE Econometric Advisors data

According to a report from Cushman & Wakefield, three key lease transactions occurred in the first quarter. These transactions are noted in the table below.

Tenant	Address	SF	Transaction Type
JP Morgan Chase	390 Madison Avenue	436,905	New Lease
Simon & Schuster	1230 Avenue of the Americas	300,140	Renewal
Omnicom	195 Broadway	288,000	Renewal/Expansion

Source: Cushman & Wakefield

According to Real Capital Analytics, there were several notable office transactions during the first quarter.

The largest, which occurred in March, was the sale of Chelsea Market at 1515 Broadway to Alphabet Inc., the parent company of Google. Sold by Jamestown for approximately \$2.4 billion, or \$1,999 per square foot, the 1.2 million square-foot property features both office and retail space.

During February, the largest building changed hands in the second largest transaction of the quarter at 1515 Broadway. Allianz RE of America purchased the approximately the 1.7 million square-foot, 99 percent occupied One Astor Plaza from SL Green for \$1.95 billion, or \$1,114 per square foot.

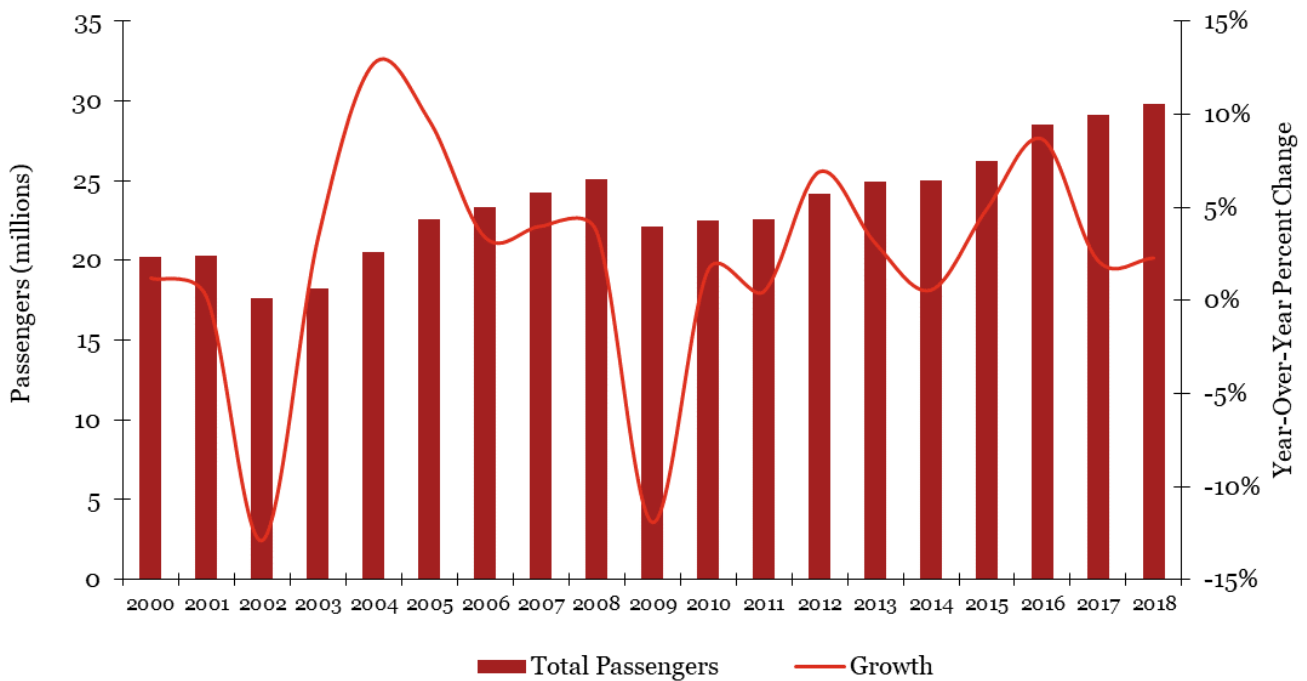
## Air Traffic Statistics

Air traffic levels during the first quarter increased approximately 2.3 percent from year-ago levels. The three major New York metropolitan airports - Newark Liberty International Airport, LaGuardia International Airport and John F. Kennedy International Airport - combined to serve approximately 29.8 million passengers during the Q1, an increase of approximately 664,000 passengers from the same period a year ago. International passenger traffic increased approximately 6.1 percent to a level of approximately

10.5 million passengers, compared to approximately 9.9 million passengers during the same period last year. Contrary to the strong growth in international passenger traffic, domestic passenger traffic increased 0.3 percent to a level of approximately 19.4 million passengers.

The following chart displays passenger traffic and growth data for the fourth quarter over the past nineteen years.

## Q1 Passenger Traffic



Source: Port Authority of New York and New Jersey

## Recent Manhattan Hotel Transactions

Hotel transaction pace decelerated so far this year. After 13 sales during the second half of 2017, only five were completed through May 2018.

Three transactions occurred in March. The aloft Harlem was sold by RCG Longview to Core Capital Advisors for approximately \$34M, or \$272,177 per key. Also, in March, a consortium of investors, including Vector Group, Witkoff, Ian Schrager Co., and Winthrop Realty Trust sold a majority share in the 452-room Times Square EDITION for approximately \$1.5B to Fortress and Maefield Development. Finally, also in March, the 81-room Hampton Inn Manhattan / Downtown-Financial District was sold by

Hersha Hospitality Trust to Shamin Hotels for approximately \$32M, or \$400,000 per key.

In April 2018, Salt Equities sold the Riff Hotel Chelsea to a group of investors, including Anthony Hu and Eastern Star Development. Reportedly, the group of investors are expected to re-develop the property into luxury condominiums.

Finally, in May 2018, The Maxwell New York City (previously W New York, the first W hotel opened) was sold by Host Hotels & Resorts to a group of investors, including Capstone Equities and Highgate Holdings for approximately \$190M, or \$272,597 per key. Subsequent to the sale, the hotel was rebranded to The Maxwell New York City, Marriott's first Tribute Portfolio hotel in Manhattan.

These transactions are displayed in the following table:

Transaction Date	Hotel Name	Rooms	Transaction Price	Price Per Room
May-18	The Maxwell New York City	697	\$190,000,000	\$272,597
Apr-18	Riff Hotel Chelsea	43	\$27,500,000	\$639,535
Mar-18	Times Square EDITION*	452	\$ 1,530,000,000	\$ 3,384,956
Mar-18	Hampton Inn Manhattan/Downtown-Financial District	81	\$ 32,400,000	\$ 400,000
Mar-18	aloft Harlem	124	\$ 33,750,000	\$ 272,177

\*Reflects Sale of a Majority Share

Source: Real Capital Analytics



## Recent and Planned Hotel Openings/Closings

Three hotels opened in Manhattan in the first quarter of 2018, all of which are located in the Midtown area. During the month of January, the 310-key Embassy Suites New York Midtown Manhattan opened at 600 W 37<sup>th</sup> St, and the 665-key The Pod Hotel Times Square

opened at 400 W 42<sup>nd</sup> St. In February, the 395-room Freehand NY hotel came online at 23 Lexington Avenue.

While no hotels opened in March, the AC by Marriott New York Times Square opened in April, adding an additional 290 rooms to the Midtown West submarket at 260 W 40<sup>th</sup> St.

### 2018

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
Park Terrace Hotel	18 W 40th St	Midtown West	Masterworks Development Corp and South BP Associates LLC	Jun-18	230
Times Square EDITION	701 7th Ave	Midtown West	Fortress Investment Group	Jun-18	452
Walker Hotel Tribeca	396 Broadway	Lower Manhattan	Bridgeton Holdings	Jun-18	171
TownePlace Suites New York Manhattan/Times Square	324 W 44th St	Midtown West	M&R Hotel Management	Aug-18	112
AC Hotel New York Downtown	151 Maiden Lane	Lower Manhattan	151 Maiden Lane LLC	Aug-18	274
Moxy NYC Downtown	26 Ann St	Lower Manhattan	143 Fulton Street Dev. Owner LLC	Aug-18	298
The Allen	139 Orchard St	Lower Manhattan	Fortuna Realty Group, Elk Investors	Aug-18	98
The Artezen Hotel	24 John St	Lower Manhattan	Westbury Realty Associates LLC	Sep-18	89
citizenM New York Bowery	185 Bowery	Lower Manhattan	OSIB-BCRE	Sep-18	300
Moxy NYC Chelsea	105 W 28th St	Midtown South	LSG 105 West 28th LLC	Oct-18	343
Aloft New York Midtown	25 W 38th St	Midtown West	Fortuna Fifth Ave LLC	Oct-18	160
Sister City	225 Bowery	Lower Manhattan	David Samuel PAZ RA	Oct-18	200
Courtyard by Marriott	461 W 34th St	Midtown West	34-10 Development LLC	Oct-18	399
Hyatt Place	350 W 39th St	Midtown West	38-39 Holding LLC	Oct-18	422
Comfort Inn	337 W 36th St	Midtown West	38-39 Holding LLC	Oct-18	89
The Assemblage John Street	17 John St	Lower Manhattan	17 John Street Property Owner LLC	Nov-18	194
Hotel Noy	310 W 40th St	Midtown West	310 Group LLC	Nov-18	287
The Draper	4 W 37th St	Midtown West	4 W 37th St LLC	Nov-18	135
Unnamed Hotel	11 Stone St	Lower Manhattan	Premier Emerald LLC	Dec-18	143
Renaissance Hotel	112 W 25th St	Midtown South	Lam Generation	Dec-18	330
Residence Inn by Marriott	215 Pearl St	Lower Manhattan	The Lam Group	Dec-18	120
Courtyard by Marriott	215 Pearl St	Lower Manhattan	The Lam Group	Dec-18	200

## 2019

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/Closing	Rooms
SpringHill Suites & Fairfield Inn	338 W 36th St	Midtown West	M&R Hotel Management	Jan-19	570
Aloft New York Chelsea North	450 11th Ave	Midtown West	Marx Development Group	Jan-19	438
Virgin Hotel	1227 Broadway	Midtown South	The Lam Group	Jan-19	465
Unnamed Hotel	333 W 38th St	Midtown West	Optima Real Estate LLC	Feb-19	81
Unnamed Hotel	138 Bowery St	Lower Manhattan	Emmut Properties	Mar-19	46
Hard Rock Hotel	159 W 48th St	Midtown West	Extell Development Co	Apr-19	445
Best Western	88 Walker St	Lower Manhattan	88 City Development LLC	Apr-19	61
Renaissance	233 -237 W 125th St	Uptown	Danforth Development Partners LLC	Jun-19	210
Hilton Hotel	12 E 48th St	Midtown East	1248 Property LLC	Jun-19	161
Six Senses Hotel	76 11th Ave	Midtown South	HFZ Capital	Jun-19	390
Pestana Hotel	338 W 39th St	Midtown West	Barone Management, LLC	Jun-19	176
Unnamed Hotel	111 E 24th St	Midtown South	338 West LLC	Jun-19	120
Unnamed Hotel	292 5th Ave	Midtown South	McSam Hotel Group	Jun-19	197
Equinox Hotel	560 W 33rd St	Midtown South	The Related Companies	Jul-19	223
Unnamed Hotel	525 8th Ave	Midtown West	LSCH LLC	Jul-19	261
Battery Maritime Building Hotel	10 South St	Lower Manhattan	Centaur Properties	Aug-19	58
Unnamed Hotel	255 W 34th St	Midtown West	JCMC West 34 Owner LLC	Sep-19	300
TownePlace Suites & SpringHill Suites	140 W 28th St	Midtown South	McSam Hotel Group	Sep-19	520
Howard Johnson	11 W 37th St	Midtown West	HKONY West 37 LLC	Sep-19	68
Moxy NYC East Village	112 E 11th St	Lower Manhattan	The Lighthouse Group	Oct-19	285
RH Guesthouse	55 Gansevoort	Lower Manhattan	Delshah Capital	Oct-19	14
Unnamed Hotel	351 W 38th St	Midtown West	Quadrum Global	Oct-19	353
Pestana Hotel	23 E 39th St	Midtown East	SLC2 Holdings LLC	Oct-19	97
Indigo Hotel Building	120 Water St	Lower Manhattan	NY Times Square Hotel Group, LLC	Oct-19	128
Unnamed Hotel	16 E 30th St	Midtown South	16-18 East 30th Street LLC	Dec-19	36

## 2020, 2021, and Hotels in Permitting and Planning

Property	Location	Neighborhood	Owner/Developer	Anticipated Opening/ Closing	Rooms
Unnamed Hotel	456 Greenwich St	Lower Manhattan	CBCS Washington Street LP	Jan-20	96
Hotel Indigo NYC Financial District	10 Maiden Lane	Lower Manhattan	10-12 MLane LLC	Jan-20	192
Unnamed Hotel	79 Eldridge St	Lower Manhattan	857-859 Hotel LLC	Mar-20	48
Unnamed Hotel	305 W 48th St	Midtown West	Bright Management Inc	Mar-20	211
Aman Hotel	730 5th Ave	Midtown West	OKO Group	Jun-20	83
Hyatt Centric	16 E 39th St	Midtown East	M&R Hotel Management	Sep-20	162
Margaritaville Hotel	560 7th Ave	Midtown West	560 Seventh Avenue Owner, LLC	Jan-21	243
Riu Hotel	145 W 47th St	Midtown West	Tribeach Holdings	Jan-21	685
Prime Hotel	17 W 24th St	Midtown South	Prime Hotel Management LLC	N/A	68
Aloft Manhattan	50 Trinity Place	Lower Manhattan	Fit Investment Corporation	N/A	173
Hudson Rise Hotel	468 11th Ave	Midtown West	Bifrost LLC	N/A	368
Ritz Carlton Hotel	1185 Broadway	Midtown South	RP 1185 LLC	N/A	164
AC Hotel by Marriott	432 W 31st St	Midtown South	Concord Hospitality	N/A	220
AC Marriott	842 6th Ave	Midtown South	842 Enterprises Inc	N/A	168
Unnamed Hotel	1162 Broadway	Midtown South	1162 Broadway LLC	N/A	52
Unnamed Hotel	20 W 15th St	Midtown South	NMR Realty LLC	N/A	30
Unnamed Hotel	250 W 49th St	Midtown West	250 West 49 Associates LLC	N/A	246
Unnamed Hotel	31 W 57th St	Midtown West	Lefrak Organization	N/A	245
Unnamed Hotel	876 6th Ave	Midtown South	Pinky Realty LLC	N/A	37
Unnamed Hotel	80 South St - 163 Front St	Lower Manhattan	China Oceanwide Holdings	N/A	762
Unnamed Hotel	550 Washington St	Lower Manhattan	Westbrook Partners	N/A	1,586
Unnamed Hotel	144 Barrow St	Lower Manhattan	144-150 Barrow St LLC	N/A	21
Unnamed Hotel	317-319 W 35th St	Midtown West	H 317-319 LLC	N/A	151
Unnamed Hotel	132 W 28th St	Midtown South	28th Street Properties LLC	N/A	203
Unnamed Hotel	6-22 W 57th St	Midtown West	Solow Management Corporation	N/A	162
Unnamed Hotel	140 W 24th St	Midtown South	142 West 24th St LLC	N/A	510
Unnamed Hotel	157 W 24th St	Midtown South	157 West 24th St Lodging LLC	N/A	40
Unnamed Hotel	86 Trinity Pl	Lower Manhattan	Clarion Partners	N/A	157
Unnamed Hotel	7-15 W 44th St	Midtown West	WanXin Media	N/A	96
Unnamed Hotel	545 W 37th St	Midtown West	Panoramic Hudson LLC	N/A	421
Unnamed Hotel	308 W 40th St	Midtown West	308 Realty Holding LLC	N/A	60
Unnamed Hotel	113-117 W 24th St	Midtown South	Perfect JSK Corp	N/A	360
Unnamed Hotel	347 Lexington Ave	Midtown East	347 LEXINGTON, LLC	N/A	65
Unnamed Hotel	1150 6th Ave	Midtown West	Fortuna Realty Group	N/A	310
Unnamed Hotel	1420 Broadway	Midtown West	AB & Sons Realty LLC	N/A	80
Unnamed Hotel	28 Desbrosses St	Lower Manhattan	Barone Management, LLC	N/A	96
Unnamed Hotel	125 E 29th St	Midtown South	140 LEX, LLC	N/A	40
Unnamed Hotel	250 5th Ave	Midtown South	Cosmic Realty Partners LLC	N/A	188
Unnamed Hotel	520 5th Ave	Midtown West	Ceruzzi Properties Inc.	N/A	208

Source: PwC, based on CBRE Econometric Advisors data, and news reports

## First Quarter 2018 Manhattan Lodging Index

### All Manhattan

	Occupancy				ADR				RevPAR				March YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ	ADR	RevPAR
2017 Market Average	72.4%	77.1%	85.5%	78.4%	\$194.79	\$192.78	\$232.82	\$208.37	\$141.11	\$148.70	\$198.98	\$163.30	78.4%	\$208.37	\$163.30
2018 Market Average	75.9%	79.5%	88.3%	81.3%	\$195.08	\$193.67	\$251.38	\$215.72	\$148.05	\$154.01	\$221.99	\$175.39	81.3%	\$215.72	\$175.39
	% Change from 2017				% Change from 2017				% Change from 2017				% Change from 2017		
Market Average	4.8%	3.1%	3.3%	3.7%	0.1%	0.5%	8.0%	3.5%	4.9%	3.6%	11.6%	7.4%	3.7%	3.5%	7.4%

### By Class

	Occupancy				ADR				RevPAR				March YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ	ADR	RevPAR
Luxury - 2017	64.2%	67.7%	76.8%	69.6%	\$362.64	\$361.08	\$392.71	\$373.61	\$232.91	\$244.49	\$301.43	\$260.17	69.6%	\$373.61	\$260.17
Luxury - 2018	70.9%	73.8%	82.3%	75.7%	\$360.59	\$363.77	\$448.14	\$394.33	\$255.58	\$268.52	\$368.85	\$298.62	75.7%	\$394.33	\$298.62
Upper Upscale - 2017	72.4%	77.1%	85.0%	78.2%	\$213.22	\$211.42	\$256.70	\$228.95	\$154.40	\$162.92	\$218.30	\$179.06	78.2%	\$228.95	\$179.06
Upper Upscale - 2018	73.2%	75.7%	86.1%	78.4%	\$214.97	\$210.89	\$265.51	\$232.86	\$157.37	\$159.69	\$228.72	\$182.67	78.4%	\$232.86	\$182.67
Upscale - 2017	76.5%	80.3%	87.9%	81.7%	\$149.90	\$149.47	\$192.84	\$165.84	\$114.72	\$120.03	\$169.43	\$135.43	81.7%	\$165.84	\$135.43
Upscale - 2018	81.2%	84.6%	91.2%	85.7%	\$148.90	\$147.98	\$205.58	\$169.44	\$120.84	\$125.15	\$187.51	\$145.20	85.7%	\$169.44	\$145.20
Upper Midscale - 2017	76.0%	82.4%	90.3%	82.9%	\$122.63	\$123.44	\$160.31	\$137.01	\$93.14	\$101.74	\$144.73	\$113.59	82.9%	\$137.01	\$113.59
Upper Midscale - 2018	78.1%	83.6%	91.9%	84.6%	\$127.09	\$126.98	\$173.60	\$144.47	\$99.28	\$106.12	\$159.53	\$122.16	84.6%	\$144.47	\$122.16
	% Change from 2017				% Change from 2017				% Change from 2017				% Change from 2017		
Luxury	10.4%	9.0%	7.2%	8.7%	-0.6%	0.7%	14.1%	5.5%	9.7%	9.8%	22.4%	14.8%	8.7%	5.5%	14.8%
Upper Upscale	1.1%	-1.7%	1.3%	0.3%	0.8%	-0.3%	3.4%	1.7%	1.9%	-2.0%	4.8%	2.0%	0.3%	1.7%	2.0%
Upscale	6.0%	5.3%	3.8%	4.9%	-0.7%	-1.0%	6.6%	2.2%	5.3%	4.3%	10.7%	7.2%	4.9%	2.2%	7.2%
Upper Midscale	2.8%	1.4%	1.8%	2.0%	3.6%	2.9%	8.3%	5.4%	6.6%	4.3%	10.2%	7.5%	2.0%	5.4%	7.5%

## By Neighborhood

	Occupancy				ADR				RevPAR				March YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ	ADR	RevPAR
Upper Manhattan - 2017	64.2%	70.7%	81.5%	72.2%	\$262.34	\$260.30	\$293.31	\$273.77	\$168.48	\$183.94	\$239.13	\$197.62	72.2%	\$273.77	\$197.62
Upper Manhattan - 2018	70.8%	73.0%	82.4%	75.5%	\$274.53	\$270.83	\$326.27	\$292.88	\$194.24	\$197.79	\$268.93	\$221.07	75.5%	\$292.88	\$221.07
Midtown West - 2017	77.3%	80.2%	88.1%	82.0%	\$185.86	\$180.80	\$225.57	\$199.11	\$143.60	\$145.08	\$198.72	\$163.17	82.0%	\$199.11	\$163.17
Midtown West - 2018	78.3%	81.8%	90.1%	83.4%	\$187.70	\$181.26	\$248.08	\$208.20	\$146.90	\$148.20	\$223.57	\$173.71	83.4%	\$208.20	\$173.71
Midtown East - 2017	69.7%	74.3%	83.5%	75.7%	\$209.96	\$200.29	\$250.64	\$221.59	\$146.25	\$148.79	\$209.35	\$167.67	75.7%	\$221.59	\$167.67
Midtown East - 2018	73.6%	76.5%	87.7%	79.3%	\$205.14	\$206.08	\$273.46	\$231.31	\$150.97	\$157.63	\$239.89	\$183.49	79.3%	\$231.31	\$183.49
Midtown South - 2017	71.0%	77.7%	85.3%	78.0%	\$166.47	\$171.32	\$202.32	\$181.44	\$118.20	\$133.11	\$172.66	\$141.53	78.0%	\$181.44	\$141.53
Midtown South - 2018	75.5%	78.8%	88.6%	81.1%	\$167.40	\$170.25	\$211.17	\$184.91	\$126.46	\$134.09	\$187.03	\$149.94	81.1%	\$184.91	\$149.94
Lower Manhattan - 2017	67.3%	74.9%	83.2%	75.2%	\$213.22	\$223.21	\$245.75	\$228.73	\$143.59	\$167.09	\$204.55	\$171.91	75.2%	\$228.73	\$171.91
Lower Manhattan - 2018	73.8%	79.5%	86.2%	79.8%	\$207.85	\$218.33	\$255.02	\$228.64	\$153.37	\$173.53	\$219.88	\$182.55	79.8%	\$228.64	\$182.55
	<i>% Change from 2017</i>				<i>% Change from 2017</i>				<i>% Change from 2017</i>				<i>% Change from 2017</i>		
Upper Manhattan	10.2%	3.4%	1.1%	4.6%	4.6%	4.0%	11.2%	7.0%	15.3%	7.5%	12.5%	11.9%	4.6%	7.0%	11.9%
Midtown West	1.3%	1.9%	2.3%	1.8%	1.0%	0.3%	10.0%	4.6%	2.3%	2.1%	12.5%	6.5%	1.8%	4.6%	6.5%
Midtown East	5.6%	3.0%	5.0%	4.8%	-2.3%	2.9%	9.1%	4.4%	3.2%	5.9%	14.6%	9.4%	4.8%	4.4%	9.4%
Midtown South	6.4%	1.4%	3.8%	4.0%	0.6%	-0.6%	4.4%	1.9%	7.0%	0.7%	8.3%	5.9%	4.0%	1.9%	5.9%
Lower Manhattan	9.6%	6.2%	3.6%	6.2%	-2.5%	-2.2%	3.8%	0.0%	6.8%	3.9%	7.5%	6.2%	6.2%	0.0%	6.2%
<b>Neighborhood Index</b>															
Upper Manhattan 59th Street and North	Midtown West 5th Avenue and West from 34th Street to 58th Street				Midtown East 5th Avenue and East from 34th Street to 58th Street				Midtown South 14th Street to 34th Street				Lower Manhattan 14th Street and South		

## By Service

	Occupancy				ADR				RevPAR				March YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ	ADR	RevPAR
Full Service - 2017	71.9%	76.5%	84.9%	77.8%	\$204.54	\$201.71	\$242.19	\$217.71	\$147.09	\$154.41	\$205.73	\$169.42	77.8%	\$217.71	\$169.42
Full Service – 2018	75.3%	78.7%	88.0%	80.7%	\$204.51	\$202.76	\$261.72	\$225.47	\$154.03	\$159.61	\$230.33	\$182.07	80.7%	\$225.47	\$182.07
Limited Service – 2017	74.7%	79.7%	87.7%	80.7%	\$154.33	\$155.76	\$194.32	\$169.77	\$115.30	\$124.09	\$170.33	\$137.05	80.7%	\$169.77	\$137.05
Limited Service – 2018	78.3%	82.9%	89.6%	83.6%	\$156.74	\$157.11	\$208.37	\$175.90	\$122.77	\$130.31	\$186.65	\$147.12	83.6%	\$175.90	\$147.12
	<i>% Change from 2017</i>				<i>% Change from 2017</i>				<i>% Change from 2017</i>				<i>% Change from 2017</i>		
Full Service	4.7%	2.8%	3.6%	3.8%	0.0%	0.5%	8.1%	3.6%	4.7%	3.4%	12.0%	7.5%	3.8%	3.6%	7.5%
Limited Service	4.8%	4.1%	2.2%	3.6%	1.6%	0.9%	7.2%	3.6%	6.5%	5.0%	9.6%	7.3%	3.6%	3.6%	7.3%

## By Affiliation

	Occupancy				ADR				RevPAR				March YTD		
	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Jan	Feb	Mar	1Q	Occ	ADR	RevPAR
Chain Affiliated - 2017	74.9%	78.0%	85.7%	79.6%	\$204.07	\$200.95	\$247.92	\$219.46	\$152.82	\$156.76	\$212.48	\$174.71	79.6%	\$219.46	\$174.71
Chain Affiliated - 2018	78.0%	80.7%	88.7%	82.5%	\$204.23	\$201.86	\$268.35	\$227.22	\$159.24	\$162.86	\$237.96	\$187.44	82.5%	\$227.22	\$187.44
Independent - 2017	68.7%	76.2%	85.0%	76.7%	\$176.98	\$179.50	\$210.71	\$190.64	\$121.59	\$136.85	\$179.17	\$146.15	76.7%	\$190.64	\$146.15
Independent - 2018	73.0%	78.0%	87.8%	79.7%	\$180.29	\$181.08	\$225.61	\$197.79	\$131.59	\$141.31	\$198.02	\$157.58	79.7%	\$197.79	\$157.58
	<i>% Change from 2017</i>				<i>% Change from 2017</i>				<i>% Change from 2017</i>				<i>% Change from 2017</i>		
Chain Affiliated	4.1%	3.4%	3.5%	3.6%	0.1%	0.5%	8.2%	3.5%	4.2%	3.9%	12.0%	7.3%	3.6%	3.5%	7.3%
Independent	6.2%	2.4%	3.2%	3.9%	1.9%	0.9%	7.1%	3.8%	8.2%	3.3%	10.5%	7.8%	3.9%	3.8%	7.8%

Source: PwC, based on STR data

## **Contact Us**

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**Further Reading**



**Hospitality Directions US**  
May 2018

PwC's updated outlook anticipates gradual strengthening in rate growth in 2019 as we move through the year.



**Current Developments for the US Real Estate Industry**  
Q1 2018

This publication discusses the latest trends impacting the overall real estate sector. Highlight of the Q1 edition was the tax reform update and its impact on real estate investors.



**European Cities Hotel Forecast 2018 & 2019**  
April 2018

European cities saw unprecedented hotel performance in 2017. Almost all the cities in this latest forecast are expected to see further growth in 2018 and 2019. Strong demand has propelled some into the spotlight yet again.

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