

## FORECAST 2012 Hotel Construction

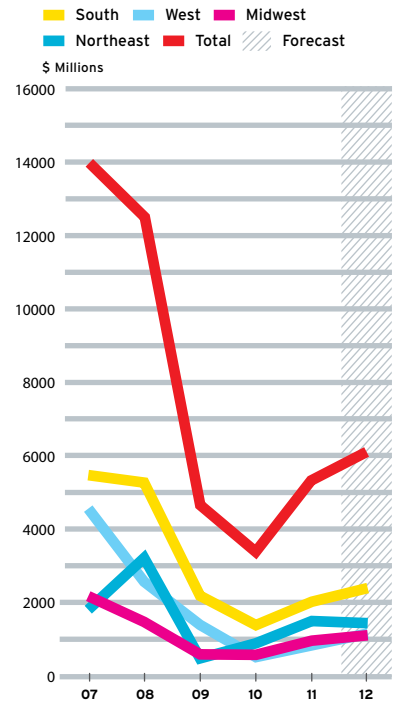
After a prolonged dry spell, climbing occupancy rates and increased revenue per room are helping resuscitate hospitality-industry construction projects across the country.

**The hotel market sprinted quickly out of the gate in 2011 with over \$5.3 billion in construction starts – an increase of 58%. This gain followed four years of continuous decline and a stunning drop of 77% from the peak of activity in 2006 to the trough in 2010. In 2012 construction starts should continue to grow, but at a slower pace than in 2011. This year, starts are expected to climb another 15% to nearly \$6.1 billion in hard construction costs. An increase in hotel-occupancy rates and revenue per available room (a widely used measure of profitability) lie behind the projected growth. According to hospitality-industry information provider Smith Travel Research, hotel-occupancy rates rose to 60.1% in 2011, up from 57.5% in 2010. Over the same period, revenue per available room climbed 8.2%.**

**15%**  
Expected gain in U.S. hotel construction starts in 2012.

### Hotel Starts by Region

Including U.S. total and 2012 forecast figures



## Top Metro Area Markets Total Hotel Starts: 2007–2011 (in \$ millions)



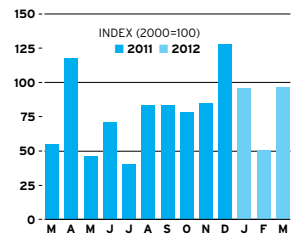
Handel Architects' Dream Downtown Hotel opened last year in New York City.

RANK	REGION	2007	2008	2009	2010	2011	2007-2011
1	New York, NY	\$877	\$1,111	\$119	\$396	\$668	\$3,170
2	Las Vegas, NV	\$1,690	\$787	\$118	\$5	\$75	\$2,675
3	Washington, D.C.	\$456	\$462	\$59	\$51	\$434	\$1,463
4	Dallas, TX	\$274	\$397	\$532	\$51	\$96	\$1,350
5	Atlantic City, NJ	\$90	\$1,145	---	---	\$66	\$1,301

## THE DODGE INDEX FOR HOTEL CONSTRUCTION

3/2011 – 3/2012

This index is based on seasonally adjusted data for U.S. hotel starts. The average dollar value of projects in 2000 serves as the index baseline.



### Top 5 Design Firms

Ranked by 2011 U.S. hotel-construction starts value

- 1 HKS
- 2 Cooper Carry & Associates Inc.
- 3 Ashihara Associates
- 4 Marnell Architecture
- 5 Stephen Varenhorst Architects

## Top 5 Hotel Projects Ranked by 2011 Construction-Starts Value

**PROJECT:** Caesars Palace New Octavius Tower  
**ARCHITECT:** Marnell Architecture  
**LOCATION:** Las Vegas  
**VALUE** \$350 million

**PROJECT:** Marriott Marquis  
**ARCHITECT:** Cooper Carry & Associates Inc., tvsdesign  
**LOCATION:** Washington, D.C.  
**VALUE** \$300 million

**PROJECT:** Omni Convention Center Hotel  
**ARCHITECT:** HKS  
**LOCATION:** Nashville  
**VALUE** \$200 million

**PROJECT:** Four Seasons Luxury Resort  
**ARCHITECT:** HKS  
**LOCATION:** Lake Buena Vista, FL  
**VALUE** \$180 million

**PROJECT:** Marriott Central Park  
**ARCHITECT:** Ashihara Associates  
**LOCATION:** New York City  
**VALUE** \$130 million