

# HOSPITALITY ADVISORS' LODGING COMMENTARY

Hospitality Advisors in conjunction with the Michigan Hotel, Motel, and Resort Association  
Spring 2010

Vol 20; Number 1

## Skelton's Comments

I am at a loss for words. I wish that I could prognosticate based upon some historical facts or clever anecdotes, but I got nothin'. The year 2009 was a disaster for the industry on a national basis. The declines that we saw the last quarter of 2008 continued for the entire year and I still do not see much light at the end of the tunnel. Throughout the year we all looked for positive signs and none appeared. The corporate business traveler stopped travelling and the corporate meetings business disappeared. Those segments amount for 50% to 60% of demand in some markets. Gone!

The meetings and exhibition demand shrunk as trade shows saw steep declines with those "show specials" being offered online not requiring attendance eliminating travel costs and HOTEL EXPENSE...ouch. The hotel companies responded by lowering rates to capture demand segments that were available. The stronger brands were approaching segments that they had abandoned long ago but in this market a room night is a room night is a room night. The lower and mid-level brands all had to go lower still and we have a difficult situation. Corporate meetings went online as updates and general communication can be done in that manner less expensively and effectively. That segment may never return. Training sessions may come back especially in the government sector but that is rate sensitive business and the motivational stuff could come back somewhat. Overall, though the convention and meetings business has a long haul to return to the old days as the new generation seems quite satisfied to communicate electronically as opposed to face to face.

So what happens now? Are we forever changed in this industry? Yes. Will it never come back to previous levels? It will, but when and in what form is difficult to foresee. I think that the SMERF business will come back with the economy as will some of the corporate travelers. However, getting the rates back will not be easy and will take time. When you give up rate you dig a deep hole as expenses can increase quickly and rates come back slowly. Also, new carpet, technology and mattresses are not cheap and will have to be put in place during the slow comeback. Bye Bye bottom lines. Hello new era!

What will this year bring? I think demand will come back somewhat after the first quarter and occupancies will increase somewhat but rates will decline and that is always harder to get back as you all know. Net gain in 2010 I think will be meaningful, but there is still uncertainty as group business will not have momentum until 2011 or beyond.

## Michigan Overview

Year end 2009 for the state showed a four point decrease in occupancy to 52% and a \$4 decrease in average daily rate to \$88 over year end 2008 numbers. Most markets benefited from good weather in the summer months, but the rest of the year was down overall. Rates decreased in the full service segment which reported a \$4 decrease or about 4.3% with limited service properties down three occupancy points and a little more than \$1 in rate.

Ann Arbor and Grand Rapids showed the highest occupancies in the state at 56%, down from 59% and 58% respectively in 2008. However, five of the remaining nine hotel markets in Southeast Michigan generated occupancies below 50 percent.

Out state, Grand Rapids dropped the least falling approximately two occupancy points with Southwest Michigan and Northern areas dropping 2-3% each. Lansing fell to 54% and the Southwest Michigan market fell to 53%. Lansing was down more than \$2 in ADR at \$84. Flint had the smallest decrease in ADR, down \$2 to \$84.

Rates fluctuated in a narrow range, up a few dollars and down a few dollars. Exceptions were Detroit and Dearborn which were down by more than \$10 each. Two markets were actually up, Downriver & I-275, likely due to discounting business lost to downtown Detroit. Rates will be interesting in 2010!

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We want to thank the ever-expanding base of properties that contribute to both our mid-year and our end-of-the-year publication. We greatly appreciate your participation and hope that this resulting publication is worthwhile for you.

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Included in these numbers are estimates and they should be used as guides only. Hospitality Advisors has taken care in the preparation but we do not guarantee the accuracy of the contents. The numbers are not to be depended upon in calculations of value and may not be used without written permission of Hospitality Advisors.

**Please contact us with suggestions, questions, or comments.**

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## State of Michigan:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 51%         | \$87       | \$44.41    | 55%         | \$91       | \$50.27    |
|             |            |            |             | 56%        | 13% 31%    |

### Full Service:

|     |      |         |     |       |         |
|-----|------|---------|-----|-------|---------|
| 50% | \$99 | \$49.50 | 54% | \$105 | \$56.64 |
|-----|------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 52% | \$72 | \$37.38 | 57% | \$73 | \$41.42 |
|-----|------|---------|-----|------|---------|

## Southeast Michigan:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 50%         | \$87       | \$44.08    | 56%         | \$93       | \$51.76    |
|             |            |            |             | 65%        | 12% 23%    |

### Full Service:

|     |      |         |     |       |         |
|-----|------|---------|-----|-------|---------|
| 50% | \$99 | \$49.92 | 55% | \$108 | \$59.88 |
|-----|------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 50% | \$70 | \$35.40 | 56% | \$71 | \$39.90 |
|-----|------|---------|-----|------|---------|

## Ann Arbor:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 56%         | \$86       | \$48.18    | 60%         | \$90       | \$54.23    |
|             |            |            |             | 56%        | 14% 30%    |

### Full Service:

|     |       |         |     |       |         |
|-----|-------|---------|-----|-------|---------|
| 58% | \$100 | \$57.46 | 63% | \$105 | \$65.93 |
|-----|-------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 55% | \$76 | \$41.50 | 59% | \$78 | \$45.79 |
|-----|------|---------|-----|------|---------|

## Auburn Hills:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 42%         | \$77       | \$32.33    | 56%         | \$85       | \$47.67    |
|             |            |            |             | 65%        | 10% 25%    |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 47% | \$84 | \$39.58 | 61% | \$98 | \$59.98 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 36% | \$68 | \$24.59 | 51% | \$70 | \$36.02 |
|-----|------|---------|-----|------|---------|

## Dearborn:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 49%         | \$91       | \$44.71    | 58%         | \$105      | \$61.08    |
|             |            |            |             | 61%        | 15% 24%    |

### Full Service:

|     |      |         |     |       |         |
|-----|------|---------|-----|-------|---------|
| 48% | \$98 | \$47.39 | 58% | \$115 | \$66.02 |
|-----|------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 51% | \$75 | \$37.91 | 61% | \$80 | \$48.57 |
|-----|------|---------|-----|------|---------|

## Detroit - CBD:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 49%         | \$117      | \$57.66    | 49%         | \$134      | \$65.29    |
|             |            |            |             | 42%        | 31% 27%    |

### Full Service:

|     |       |         |     |       |         |
|-----|-------|---------|-----|-------|---------|
| 49% | \$117 | \$57.66 | 49% | \$134 | \$65.29 |
|-----|-------|---------|-----|-------|---------|

## Downriver:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 43%         | \$65       | \$27.55    | 51%         | \$63       | \$32.21    |
|             |            |            |             | 69%        | 8% 23%     |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 37% | \$69 | \$25.44 | 48% | \$65 | \$31.00 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 46% | \$63 | \$28.88 | 53% | \$62 | \$32.96 |
|-----|------|---------|-----|------|---------|

## East Area:

| 2008 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 47%         | \$70       | \$32.73    | 55%         | \$71       | \$38.90    |
|             |            |            |             | 68%        | 4% 28%     |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 42% | \$77 | \$32.77 | 53% | \$83 | \$43.45 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 49% | \$67 | \$32.70 | 56% | \$66 | \$38.97 |
|-----|------|---------|-----|------|---------|

## I-275 Corridor/Farmington:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 54%         | \$80       | \$43.08    | 58%         | \$83       | \$48.45    |
|             |            |            |             | 67%        | 6% 27%     |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 55% | \$90 | \$49.43 | 61% | \$95 | \$57.55 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 52% | \$65 | \$34.11 | 55% | \$65 | \$35.68 |
|-----|------|---------|-----|------|---------|

## Romulus-Airport:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 54%         | \$83       | \$44.62    | 57%         | \$87       | \$49.45    |
|             |            |            |             | 63%        | 10% 27%    |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 54% | \$92 | \$49.82 | 57% | \$98 | \$55.73 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 53% | \$70 | \$37.35 | 56% | \$69 | \$38.37 |
|-----|------|---------|-----|------|---------|

## Southfield:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 45%         | \$83       | \$37.51    | 48%         | \$88       | \$42.21    |
|             |            |            |             | 67%        | 15% 18%    |

### Full Service:

|     |      |         |     |       |         |
|-----|------|---------|-----|-------|---------|
| 43% | \$94 | \$39.90 | 45% | \$102 | \$46.21 |
|-----|------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 49% | \$69 | \$33.75 | 52% | \$69 | \$35.91 |
|-----|------|---------|-----|------|---------|

## Troy/Birmingham/Madison Heights:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 55%         | \$96       | \$52.31    | 60%         | \$106      | \$63.79    |
|             |            |            |             | 70%        | 12% 18%    |

### Full Service:

|     |       |         |     |       |         |
|-----|-------|---------|-----|-------|---------|
| 55% | \$109 | \$59.63 | 60% | \$123 | \$73.94 |
|-----|-------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 54% | \$76 | \$41.18 | 60% | \$80 | \$48.33 |
|-----|------|---------|-----|------|---------|

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## Flint/Tri-Cities:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 51%         | \$82       | \$41.59    | 52%         | \$84       | \$43.94    |

### Full Service:

|     |       |         |     |       |         |
|-----|-------|---------|-----|-------|---------|
| 46% | \$101 | \$46.18 | 50% | \$101 | \$50.28 |
|-----|-------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 53% | \$73 | \$38.93 | 54% | \$75 | \$40.37 |
|-----|------|---------|-----|------|---------|

## Grand Rapids:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 56%         | \$95       | \$53.80    | 58%         | \$91       | \$52.27    |

### Full Service:

|     |       |         |     |      |         |
|-----|-------|---------|-----|------|---------|
| 57% | \$105 | \$60.30 | 57% | \$99 | \$56.38 |
|-----|-------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 55% | \$72 | \$39.53 | 59% | \$74 | \$43.22 |
|-----|------|---------|-----|------|---------|

## Lansing:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 54%         | \$84       | \$45.53    | 58%         | \$86       | \$50.35    |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 50% | \$87 | \$43.87 | 54% | \$89 | \$47.58 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 59% | \$81 | \$47.27 | 64% | \$84 | \$53.43 |
|-----|------|---------|-----|------|---------|

## Northern Resorts:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 47%         | \$94       | \$44.13    | 50%         | \$97       | \$48.22    |

### Full Service:

|     |       |         |     |       |         |
|-----|-------|---------|-----|-------|---------|
| 44% | \$107 | \$47.71 | 46% | \$112 | \$51.54 |
|-----|-------|---------|-----|-------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 52% | \$74 | \$38.25 | 56% | \$77 | \$42.78 |
|-----|------|---------|-----|------|---------|

## Southwest Michigan:

| 2009 YE     | Rev        | 2008 YE    | Rev         | 2009 Mkt   | Mix        |
|-------------|------------|------------|-------------|------------|------------|
| <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> | <u>Occ%</u> | <u>ADR</u> | <u>PAR</u> |
| 54%         | \$75       | \$40.32    | 56%         | \$77       | \$42.68    |

### Full Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 50% | \$81 | \$40.97 | 52% | \$83 | \$43.22 |
|-----|------|---------|-----|------|---------|

### Limited Service:

|     |      |         |     |      |         |
|-----|------|---------|-----|------|---------|
| 59% | \$67 | \$39.30 | 62% | \$68 | \$41.85 |
|-----|------|---------|-----|------|---------|

*Note: Numbers may not foot due to rounding*

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## Income Statement

The income statement we present on the following page is an average of operation results from full and limited service hotels throughout the state that participated in our survey. We intend this statement to provide a benchmark by which hotels may compare their own operations. Management may adjust the statement to fit their appropriate levels of utilization.

For the purpose of this Commentary, we consider full-service hotels to be those with food and beverage service, while limited service hotels do not have food or beverage operations. We present the income statement in the standard "Uniform System of Accounts for Hotels" format. As indicated, we show these results in Dollars per Room, Dollars per Occupied Room, and Percentage of Revenues. Percentages shown are of total revenues except Departmental Expenses, which we show as a percentage of Departmental Revenues.

The response rate for both MHMRA member hotels and non-members was over 50 percent and we sincerely appreciate your cooperation. If you wish to be included in future samples, fax your Occupancy and Average Rate information to:

**Hospitality Advisors - Consulting Group**  
FAX: (734) 741-7499

**Your responses, as always, are held in absolute confidence.**

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|   | 2009          |                 |                 |                 |                 |                |
|---|---------------|-----------------|-----------------|-----------------|-----------------|----------------|
|   | FULL SERVICE  |                 |                 | LIMITED SERVICE |                 |                |
|   | %             | PAR             | POR             | %               | PAR             | POR            |
| <b>REVENUES:</b>                          |               |                 |                 |                 |                 |                |
| ROOMS                                     | 69.5%         | \$27,018        | \$125.91        | 97.9%           | \$18,433        | \$79.21        |
| FOOD                                      | 84.5%         | \$8,702         | \$40.55         | 0.0%            | \$0             | \$0.00         |
| BEVERAGE                                  | 15.5%         | \$1,594         | \$7.43          | 0.0%            | \$0             | \$0.00         |
| TELEPHONE                                 | 0.9%          | \$338           | \$1.58          | 0.1%            | \$22            | \$0.09         |
| OTHER INCOME, NET                         | 3.1%          | \$1,196         | \$5.57          | 2.0%            | \$381           | \$1.64         |
| <b>GROSS OPERATING REVENUE</b>            | <b>100.0%</b> | <b>\$38,848</b> | <b>\$181.04</b> | <b>100.0%</b>   | <b>\$18,836</b> | <b>\$80.94</b> |
| <b>DEPARTMENTAL EXPENSES:</b>             |               |                 |                 |                 |                 |                |
| ROOMS                                     | 27.7%         | \$7,495         | \$34.93         | 21.1%           | \$3,897         | \$16.75        |
| FOOD AND BEVERAGE                         | 69.7%         | \$7,174         | \$33.43         | 0.0%            | \$0             | \$0.00         |
| FD COGS                                   | 21.3%         | \$2,189         | \$10.20         | 0.0%            | \$0             | \$0.00         |
| BEV COGS                                  | 3.6%          | \$375           | \$1.75          | 0.0%            | \$0             | \$0.00         |
| PAYROLL                                   | 38.2%         | \$3,932         | \$18.32         | 0.0%            | \$0             | \$0.00         |
| OTHER                                     | 6.6%          | \$678           | \$3.16          | 0.0%            | \$0             | \$0.00         |
| TELEPHONE                                 | 150.3%        | \$508           | \$2.37          | 477.9%          | \$105           | \$0.45         |
| OTHER EXPENSE                             | 53.2%         | \$636           | \$2.97          | 0.0%            | \$0             | \$0.00         |
| <b>TOTAL DEPARTMENTAL</b>                 | <b>40.7%</b>  | <b>\$15,813</b> | <b>\$73.69</b>  | <b>21.2%</b>    | <b>\$4,002</b>  | <b>\$17.20</b> |
| <b>CASH FLOW BEFORE DEBT SERVICE</b>      | <b>59.3%</b>  | <b>\$23,035</b> | <b>\$107.35</b> | <b>78.8%</b>    | <b>\$14,834</b> | <b>\$63.74</b> |
| <b>UNDISTRIBUTED OPERATING EXPENSES:</b>  |               |                 |                 |                 |                 |                |
| ADMINISTRATIVE AND GENERAL                | 9.1%          | \$3,539         | \$16.49         | 11.2%           | \$2,108         | \$9.06         |
| TOTAL MANAGEMENT FEE                      | 4.3%          | \$1,665         | \$7.76          | 4.0%            | \$758           | \$3.26         |
| MARKETING                                 | 9.3%          | \$3,597         | \$16.76         | 2.9%            | \$553           | \$2.38         |
| FRANCHISE FEE                             | 2.0%          | \$779           | \$3.63          | 8.6%            | \$1,619         | \$6.96         |
| PROPERTY OPER. & MAINT.                   | 5.2%          | \$2,011         | \$9.37          | 4.9%            | \$929           | \$3.99         |
| ENERGY                                    | 5.6%          | \$2,182         | \$10.17         | 6.0%            | \$1,126         | \$4.84         |
| <b>TOTAL UNDISTRIBUTED OPER. EXPENSES</b> | <b>35.5%</b>  | <b>\$13,773</b> | <b>\$64.18</b>  | <b>37.7%</b>    | <b>\$7,093</b>  | <b>\$30.48</b> |
| <b>INCOME BEFORE FIXED CHARGES</b>        | <b>23.8%</b>  | <b>\$9,263</b>  | <b>\$43.17</b>  | <b>41.1%</b>    | <b>\$7,741</b>  | <b>\$33.26</b> |
| <b>FIXED CHARGES:</b>                     |               |                 |                 |                 |                 |                |
| REAL & PERSONAL PROPERTY TAX              | 6.6%          | \$2,579         | \$12.02         | 5.5%            | \$1,043         | \$0.92         |
| PROPERTY INSURANCE                        | 0.9%          | \$350           | \$1.63          | 1.1%            | \$215           | \$0.92         |
| CAPITAL REPLACEMENT RESERVE               | 0.3%          | \$132           | \$0.61          | 0.0%            | \$8             | \$0.03         |
| <b>TOTAL FIXED CHARGES</b>                | <b>7.5%</b>   | <b>\$3,061</b>  | <b>\$14.26</b>  | <b>6.7%</b>     | <b>\$1,265</b>  | <b>\$5.44</b>  |
| <b>CASH FLOW BEFORE DEBT SERVICE</b>      | <b>16.0%</b>  | <b>\$6,202</b>  | <b>\$28.90</b>  | <b>34.4%</b>    | <b>\$6,475</b>  | <b>\$27.83</b> |
| <b>OCCUPANCY</b>                          | <b>58.8%</b>  |                 |                 | <b>63.8%</b>    |                 |                |
| <b>ADR</b>                                |               | <b>\$125.91</b> |                 |                 | <b>\$79.21</b>  |                |