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AFTER STRONG FIRST QUARTER, CBRE IMPROVES 2018 NEW YORK CITY LODGING FORECAST

*Occupancy Rates in NYC Continue to Climb; Average Daily Rates
Forecasted to Increase 1.5 Percent in 2018*

New York, NY – June 13, 2018 – Based on a better-than-expected first quarter performance, CBRE Hotels' Americas Research has enhanced its outlook for 2018. According to Smith Travel Research, U.S. hotels had a 3.5 percent increase in revenue per available room (RevPAR) during the first quarter of 2018, exceeding the 2.5 percent RevPAR gain expected for the period. Accordingly, CBRE now is forecasting a 2.8 percent annual increase in RevPAR for U.S. hotels in 2018, a 0.3 percentage point enhancement over the 2.5 percent mark published in CBRE's March 2018 *Hotel Horizons* report.

In New York City, the hotel industry had a strong first quarter and CBRE is projecting a RevPAR gain of 1.8 percent in 2018. Most of that growth is coming from increased average daily rates (ADR), which are forecast to increase 1.5 percent overall this year after declining slowly since 2015. Occupancy is also continuing to climb in New York City; it reached 86.6 percent in 2017 and is projected to hit 86.6 percent in 2018, far exceeding the national average of 61.6 percent.

"RevPAR in the first quarter grew the fastest in five years at 7.1 percent, reflecting equal parts rate growth and occupancy increase. Following the strong demand growth of the first quarter of 2018, our 2018 RevPAR forecast has been revised upwards from our prior estimate. New York City remains one of the healthiest hotel markets in the country, given its stature as a world destination and the constant demand for traditional hotel rooms that comes with that distinction," said New York-based Mark VanStekelenburg of CBRE Hotels.

In 2019, CBRE predicts the occupancy rate will drop only slightly, to 86.5 percent, as new supply is projected to slowly overtake growth in demand.

About CBRE Group, Inc.

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