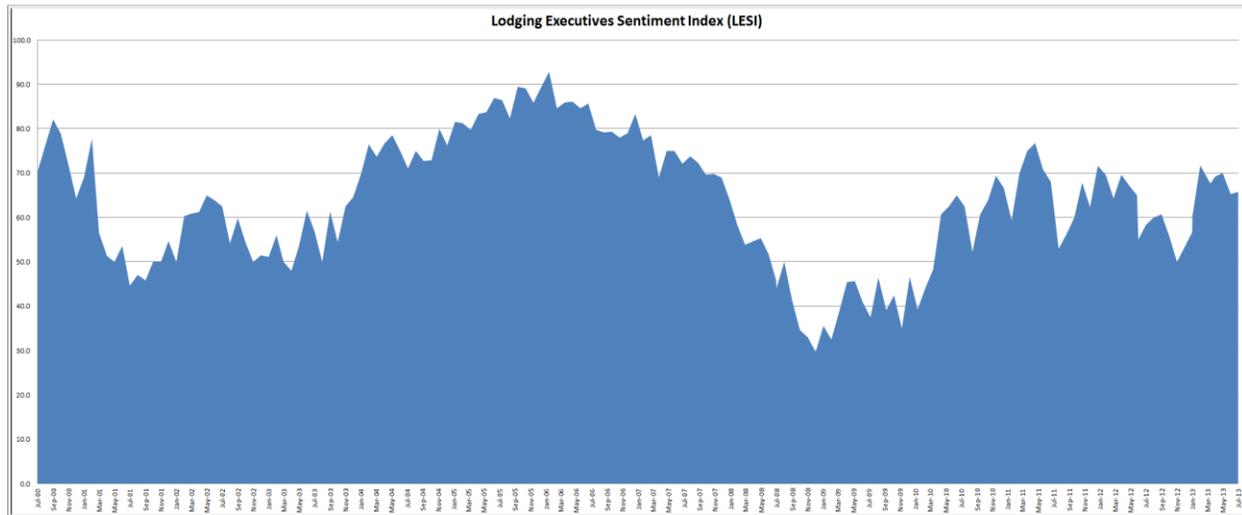


## LESI Flattens Due to Uncertainty

The Lodging Executives Sentiment Index for the current period ending September 2013 leveled at 76.8 compared to 78.1 in August 2013. Overall the lodging executives' sentiment for present and future business conditions have weakened slightly compared to last month's robust reporting. What lodging executives are saying is the current deadlock in Washington has impacted demand as occupancy has flattened.



Thirty-eight percent of lodging executives indicated current business conditions were good, a decrease from forty-four percent last period, while sixty-two percent indicated conditions were normal, up from fifty-six percent during the same period. No executive indicated such conditions were bad in either period.

Looking forward, sixty-two percent of the executives thought conditions will be better in the next 12 months versus sixty-nine percent last month, while thirty-eight percent indicated they will be the same versus thirty-one percent last month indicating they would be the same. Executive sentiment for this period revealed that no executive thought they would be worse.

Looking forward twelve months, lodging executives expect hiring of non-managerial employees to remain flat, compared to August 2013. Although September's unemployment rate has not been published by the Bureau of Labor Statistics (BLS) as of this report, all indications are it will remain level at 7.3, which was reported in August; however, the LESI data is counter to the ISM Employment Index, which increased by 2.1 percentage points, registering 55.4 percent.

The LESI indices follow the Institute of Supply Management's Index (ISM) method of tracking leading indicators. A LESI survey reading of greater than 50 indicates expansion whereas a reading below 50 indicates decline and the distance from 50 in either direction is indicating the strength of the expansion or decline. During the September period of time, the ISM Index increased to 55.4 from 53.3 in August 2013.

<b>Lodging Executive Sentiment at a Glance</b>					
<b>Sentiment Indicator</b>	<b>Current Period</b>	<b>Last Period</b>	<b>Change</b>	<b>Direction of Business Activity</b>	<b>Speed of Change in Business Activity</b>
ISM Index	56.2	55.7	0.5	Expanding	Very Slightly Faster
LESI Index	76.8	78.1	(1.3)	Expanding	Very Slightly Slower
Present Business Sentiment	71.4	71.9	(0.5)	Expanding	Very Slightly Slower
Future Business Sentiment	82.1	84.4	(2.3)	Expanding	Very Slightly Slower
Future Rooms Reservation Sentiment	82.1	84.4	(2.3)	Expanding	Very Slightly Slower
Future Employment Sentiment	65.6	65.6	0.0	Expanding	Neutral
Source: Department of Hospitality Management, Peter T Paul College of Business and Economics					

Managed by the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics (formerly the Whittemore School of Business and Economics), the Lodging Executive Sentiment Index (LESI) is based on a monthly survey of lodging executives representing companies with more than 2.5 million hotel rooms across lodging segments and geographic regions in the United States --representing more than 55 percent of all U.S. rooms.