FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

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FILER

INNKEEPERS USA TRUST/FL

CIK:**926866**| IRS No.: **650503831** | State of Incorp.:**MD** | Fiscal Year End: **1231**
Type: **10-Q/A** | Act: **34** | File No.: **001-12201** | Film No.: **1697452**
SIC: **6798** Real estate investment trusts

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q/A

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2001

Commission File Number 0-24568

INNKEEPERS USA TRUST
(Exact name of registrant as specified in its charter)

Maryland (State or other jurisdiction of incorporation or organization)	65-0503831 (I.R.S. Employer Identification Number)
306 Royal Poinciana Way, Palm Beach, Florida 33480 (Address of principal executive offices)	Telephone (561) 835-1800 (Registrant's telephone number including area code)

N/A
(former name)

Indicate by check mark whether the Registrant (i) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such report), and (ii) has been subject to such filing requirements for the past 90 days.

X Yes ___ No ___

The number of common shares of beneficial interest, $.01 par value, outstanding on May 1, 2001, was 34,759,786.

INNKEEPERS USA TRUST

INDEX

<TABLE>
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</TABLE>

Innkeepers USA Trust
Consolidated Balance Sheets
(in thousands, except share and per share data)

<TABLE>
<CAPTION>

<S>	<C> March 31, 2001 * (unaudited)	<C> December 31, 2000
ASSETS		
Investment in hotel properties:		
Land and improvements	$ 98,748	$ 96,204
Buildings and improvements	642,009	631,042
Furniture and equipment	99,648	97,949
Renovations in process	8,293	171
Hotels under development	4,091	12,106
	852,789	837,472
Accumulated depreciation	(133,589)	(123,563)
Net investment in hotel properties	719,200	713,909
Cash and cash equivalents	4,183	14,410
Restricted cash and cash equivalents	18,671	18,667
Due from Lessees	14,146	12,190
Deferred expenses, net	4,528	4,537
Other assets	1,610	1,442
Total assets	$ 762,338	$ 765,155
LIABILITIES AND SHAREHOLDERS' EQUITY		
Debt	$ 249,402	$ 246,185
Accounts payable and accrued expenses	7,154	7,061
Distributions payable	13,696	13,061
Deferred rent revenue	13,586	--

Minority interest in Partnership	54,517	58,304
Total liabilities	338,355	324,611
Shareholders' equity:		
Preferred shares, $0.01 par value, 20,000,000 shares authorized, 4,630,000 shares issued and outstanding	115,750	115,750
Common shares, $0.01 par value, 100,000,000 shares authorized, 34,758,786 issued and outstanding	348	348
Additional paid-in capital	367,554	368,025
Unearned compensation	(4,481)	(4,821)
Distributions in excess of net earnings	(55,188)	(38,758)
Total shareholders' equity	423,983	440,544
Total liabilities and shareholders' equity	$ 762,338	$ 765,155

</TABLE>

* Amended from previous filing, see Note 5.

The accompanying notes are an integral part of these consolidated financial statements.

Innkeepers USA Trust
Consolidated Statements of Income
(in thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001 * (unaudited)	2000 (unaudited)
<S>	<C>	<C>
Revenue:		
Percentage Lease revenue	$ 16,257	$ 15,494
Other revenue	419	377
Total revenue	16,676	15,871
Expenses:		
Depreciation	10,026	9,608
Amortization of franchise costs	15	17
Ground rent	119	115
Interest expense	4,559	4,688
Amortization of loan origination fees	222	267
Real estate and personal property taxes and property insurance	2,726	3,028
General and administrative	1,192	1,192
Other nonrecurring charges	100	--
Amortization of unearned compensation	340	328
Total expenses	19,299	19,243
Loss before minority interest	(2,623)	(3,372)
Minority interest, common	238	303
Minority interest, preferred	(1,122)	(1,173)
Net loss	(3,507)	(4,242)
Preferred share dividends	(2,496)	(2,496)
Net loss applicable to common shareholders	$ (6,003)	$ (6,738)

Earnings (loss) per share data:

Basic	$ (0.18)	$ (0.20)
Diluted	$ (0.18)	$ (0.20)

</TABLE>

* Amended from previous filing, see Note 5.

The accompanying notes are an integral part of these consolidated financial statements.

Innkeepers USA Trust
Consolidated Statements of Cash Flows
(in thousands)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001 * (unaudited)	2000 (unaudited)
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$ (3,507)	$ (4,242)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	10,603	10,220
Minority interests	884	870
Deferred rent revenue	13,586	12,965
Changes in operating assets and liabilities		
Due from Lessees	(1,956)	(1,093)
Other assets	(168)	133
Accounts payable and accrued expenses	93	591
Net cash provided by operating activities	19,535	19,444
Cash flows from investing activities:		
Investment in hotel properties	(15,371)	(3,840)
Net deposits into restricted cash accounts	(4)	(1,778)
Net cash used by investing activities	(15,375)	(5,618)
Cash flows from financing activities:		
Proceeds from debt issuance	7,000	7,000
Payments on debt	(3,783)	(3,540)
Dividend reinvestment plan and shelf registration costs paid	(24)	(5)
Distributions paid to unit holders	(1,581)	(1,610)
Distributions paid to shareholders	(12,228)	(12,205)
Redemption of units	(3,597)	(51)
Loan origination fees and costs paid	(174)	(128)
Net cash used by financing activities	(14,387)	(10,539)
Net increase (decrease) in cash and cash equivalents	(10,227)	3,287
Cash and cash equivalents at beginning of period	14,410	4,404
Cash and cash equivalents at end of period	$ 4,183	$ 7,691
Supplemental cash flow information:		
Interest paid	$ 4,255	$ 4,211

</TABLE>

* Amended from previous filing, see Note 5.

The accompanying notes are an integral part of these consolidated financial statements.

1. ORGANIZATION

Innkeepers USA Trust ("Innkeepers") is a self-administered real estate investment trust ("REIT"), which at March 31, 2001, owned interests in 67 hotels with an aggregate of 8,131 rooms/suites (the "Hotels") through its general partnership interest in Innkeepers USA Limited Partnership (with its subsidiary partnerships, the "Partnership" and collectively with Innkeepers, the "Company"). The Hotels are comprised of 45 Residence Inn by Marriott hotels, 12 Hampton Inn hotels, six Summerfield Suites hotels, one Sunrise Suites hotel, one TownePlace Suites by Marriott hotel, one Courtyard by Marriott hotel and one Holiday Inn Express hotel. The Hotels are located in 23 states, with 11 hotels located in California, 5 each in Washington, Florida, and Michigan, and 4 each in Illinois and Texas.

The Company leases 60 of the Hotels to Innkeepers Hospitality, Inc. (or other entities under common ownership, collectively the "IH Lessee") and seven of the Hotels to affiliates of Wyndham International, Inc. (the "Summerfield Lessee" and, together with the IH Lessee, the "Lessees") pursuant to leases which provide for rent based on the room revenues of the Hotels ("Percentage Leases"). An officer of the Company is the majority shareholder of the IH Lessee. A trustee of the Company is a director of the Summerfield Lessee.

These unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and should be read in conjunction with the financial statements and notes thereto of the Company and the IH Lessee included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (the "10-K"). The notes to the financial statements included herein highlight significant changes to the notes included in the 10-K and present interim disclosures required by the SEC. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. The results of any interim period are not necessarily indicative of results for the full year.

2. EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per share for the three months ended March 31, 2001 and 2000 (in thousands, except share and per share data):

<TABLE>
<CAPTION>

	2001	2000
Numerator:		
Net loss	$ (3,507)	$ (4,242)
Preferred share dividends	(2,496)	(2,496)
Net loss applicable to common shareholders	$ (6,003)	$ (6,738)
Denominator:		
Denominator for basic earnings per share -- weighted average shares	34,287,680	34,192,451
Effect of dilutive securities:		
Stock options	94,723	--
Restricted shares	93,100	156
Denominator for diluted earnings per share -- adjusted weighted average shares and assumed conversions	34,475,503	34,192,607
Earnings (loss) per share data:		
Basic	$ (0.18)	$ (0.20)
Diluted	$ (0.18)	$ (0.20)

</TABLE>

The Series A Preferred Shares and most of the options granted are anti-dilutive and not included in the calculation of diluted earnings (loss) per share.

3. COMMITMENTS

The Company is planning the development of a 174-room Residence Inn by Marriott hotel in Saddle River, New Jersey. An affiliate of Marriott International, Inc. ("Marriott") had contracted to purchase the site on which this hotel would be located from an unaffiliated seller. In March 2001, the Company assumed the purchase contract from Marriott and purchased the site from the unaffiliated seller. The Company also reimbursed Marriott for their costs incurred in the development of the hotel to the date the Company closed on the land. At March 31, 2001, the Company had invested approximately $4,091,000 in the proposed development, which includes the land cost of approximately $3,000,000. While the Company has yet to enter into a contract to construct the hotel, it is currently anticipated that construction will commence between May and September 2001 and that the total cost of this project will be approximately $25 million. Completion of the project is anticipated approximately 15 months from the commencement of construction. The development costs are expected to be funded by borrowings under the Company's $130 million Line of Credit. An affiliate of the IH Lessee is expected to lease or manage the hotel upon completion.

4. UNCERTAINTIES

In May 2000, the Company's former Executive Vice President and Chief Operating Officer (who is the minority shareholder of the IH Lessee) filed suit against the Company and certain officers of the Company. The suit alleges that he was wrongfully terminated and also alleges various other related claims against the Company. The Company has in place insurance policies intended to protect against losses from certain claims (such as several of the claims made in this suit) and costs to defend such claims. Moreover, the Company believes that the claims are without merit and is aggressively defending against all allegations. Accordingly, the Company has not recorded any loss provision relative to damages sought by the former executive other than the legal costs of defense not covered by insurance policies. In the three months ended March 31, 2001, the Company accrued $100,000 in additional provisions for the legal defense costs.

5. AMENDMENT OF FIRST QUARTER PRESENTATION

The Company recorded the first quarter 2001 results as though one of the Hotels was leased to a taxable REIT subsidiary; however, this hotel has now been leased to an affiliate of the IH Lessee under a Percentage Lease with an initial term of five years. The operating results of this hotel are no longer consolidated with the Company's results of operations or financial position. The revision of the first quarter presentation had no effect on net income, net income per share or shareholders' equity.

Innkeepers Hospitality
Combined Balance Sheets
(in thousands, except share data)

<TABLE>
<CAPTION>

	March 31, 2001 * (unaudited)	December 31, 2000
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 17,982	$ 16,134
Marketable securities	3,367	3,330
Accounts receivable, net	7,727	7,951
Prepaid expenses	403	69
Total current assets	29,479	27,484
Other assets	85	64
Total assets	$ 29,564	$ 27,548

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	$ 5,889	$ 4,408
Accrued expenses	3,753	4,372
Payable to Manager	4,543	4,267
Due to Partnership	13,134	13,020
Total current liabilities	27,319	26,067
Other long-term liabilities	937	937
Total liabilities	28,256	27,004
Shareholders' equity:		
Common shares, $1 par value, 8,000 shares authorized, issued and outstanding	8	8
Additional paid-in capital	471	471
Unrealized loss on marketable securities	(76)	(113)
Retained earnings	905	178
Total shareholders' equity	1,308	544
Total liabilities and shareholders' equity	$ 29,564	$ 27,548

</TABLE>

* Amended from previous filing, see Note 3.

The accompanying notes are an integral part of these combined financial statements.

Innkeepers Hospitality
Combined Statements of Income
(in thousands)

<TABLE>
<CAPTION>

	Three Months Ended March 31, 2001 * (unaudited)	Three Months Ended March 31, 2000 (unaudited)
<S>	<C>	<C>
Gross operating revenue:		
Rooms	$ 54,279	$ 52,179
Food and beverage	74	91
Telephone	1,261	1,565
Other	975	978
Gross operating revenue	56,589	54,813
Departmental expenses:		
Rooms	10,570	10,733
Food and beverage	78	71
Telephone	447	455
Other	457	463
Total departmental profit	45,037	43,091
Unallocated operating expenses:		
General and administrative	4,320	3,836
Franchise and marketing fees	3,459	3,172
Advertising and promotions	2,824	2,490
Utilities	2,535	2,126
Repairs and maintenance	2,379	2,240
Management fees	1,000	1,263

Total unallocated operating expenses	16,517	15,127
Gross profit	28,520	27,964
Insurance	(162)	(175)
Lessee overhead	(1,337)	(1,094)
Percentage lease expense	(26,294)	(25,174)
Net income	727	1,521
Other comprehensive income - unrealized gains (losses) on marketable securities	37	(17)
Comprehensive income	$ 764	$ 1,504

</TABLE>

* Amended from previous filing, see Note 3.

The accompanying notes are an integral part of these combined financial statements.

Innkeepers Hospitality
Combined Statements of Cash Flows
(in thousands)

<TABLE>
<CAPTION>

	Three Months Ended March 31,	
	2001 * (unaudited)	2000 (unaudited)
Cash flows from operating activities:		
<S>	<C>	<C>
Net income	$ 727	$ 1,521
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	10	11
Changes in operating assets and liabilities:		
Accounts receivable	224	(3,426)
Prepaid expenses	(334)	125
Accounts payable	1,481	704
Accrued expenses	(619)	(20)
Payable to Manager	276	524
Due to Partnership	114	686
Net cash provided by operating activities	1,879	125
Cash flows from investing activities:		
Purchase of equipment	(31)	--
Net cash used in investing activities	(31)	--
Cash flows from financing activities:		
Distributions paid	--	(1,240)
Net cash used in financing activities	--	(1,240)
Net increase (decrease) in cash and cash equivalents	1,848	(1,115)
Cash and cash equivalents at beginning of period	16,134	17,849
Cash and cash equivalents at end of period	$ 17,982	$ 16,734

</TABLE>

* Amended from previous filing, see Note 3.

The accompanying notes are an integral part of these consolidated financial statements.

Innkeepers Hospitality
Notes to Consolidated Financial Statements

1. ORGANIZATION

Innkeepers Hospitality, Inc. and other entities with identical ownership (collectively "IH" or the "IH Lessee"), are under common control and were formed primarily to lease and operate hotels owned by Innkeepers USA Trust ("Innkeepers") through Innkeepers USA Limited Partnership and its subsidiaries (collectively the "Partnership," and together with Innkeepers, the "Company"). The principal shareholder of the IH Lessee is Jeffrey H. Fisher, who is the Chairman, Chief Executive Officer and President of Innkeepers. The IH Lessee leased 60 hotels (the "IH Leased Hotels") from the Company at March 31, 2001.

The IH Lessee operates 42 of the IH Leased Hotels and wholly-owned subsidiaries of Marriott International, Inc. ("Marriott") operate 17 of the IH Leased Hotels.

These unaudited financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and should be read in conjunction with the financial statements and notes thereto of the Company and the IH Lessee included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (the "10-K"). The notes to the financial statements included herein highlight significant changes to the notes included in the 10-K and present interim disclosures required by the SEC. In the opinion of management, all adjustments, consisting of normal recurring accruals, considered necessary for a fair presentation have been included. The results of any interim period are not necessarily indicative of results for the full year.

2. UNCERTAINTIES

In May 2000, the minority shareholder of the IH Lessee (who was also the IH Lessee's former President) filed suit against the IH Lessee, Mr. Fisher and another employee of the IH Lessee. The suit alleges that he was wrongfully terminated and also alleges various other related claims against the IH Lessee. The IH Lessee has in place insurance policies intended to protect against losses from certain claims (such as several of the claims made in this suit) and costs to defend such claims. Moreover, the IH Lessee believes that the claims are without merit and is aggressively defending against all allegations. Accordingly, the IH Lessee has not recorded any loss provision relative to damages sought by the former executive.

3. AMENDMENT OF FIRST QUARTER PRESENTATION

The IH Lessee recorded the first quarter 2001 results as though one of the Hotels was managed for the Company; however, the IH Lessee has now leased this hotel from the Company under a Percentage Lease for an initial term of five years. The operating results of this hotel are now consolidated with the IH Lessee's results of operations and financial position. The revision of the first quarter presentation had no effect on net income or shareholders' equity.

INNKEEPERS USA TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes thereto of Innkeepers USA Trust included in its Annual Report on Form 10-K for the year ended December 31, 2000.

General

For background information relating to the Company and the IH Lessee and the definitions of certain capitalized terms used herein, reference is made to the notes to the Consolidated Financial Statements of Innkeepers USA Trust and the Combined Financial Statements of Innkeepers Hospitality included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000.

The Hotels

The following chart sets forth certain information with respect to the Hotels at March 31, 2001:

Franchise Affiliation	Number of Hotels	Number of Rooms/Suites
Upscale Extended-Stay		
Residence Inn by Marriott	45	5,315
Summerfield Suites	6	759
Sunrise Suites	1	96
	52	6,170
Mid-Priced Extended-Stay		
TownePlace Suites by Marriott	1	95
	1	95
Limited Service		
Hampton Inn	12	1,526
Courtyard by Marriott	1	136
Holiday Inn Express	1	204
	14	1,866
	67	8,131

Average daily rate ("ADR"), occupancy and revenue per available room ("RevPAR") for 66 of the Hotels are presented in the following table. Results were excluded for such comparison for one hotel (Residence Inn by Marriott - Tysons Corner, VA) which was not open during the first quarter of 2000. No assurance can be given that the trends reflected in the following table will continue or that occupancy, ADR and RevPAR will not decrease due to changes in national or local economic, hospitality or other industry conditions.

	Three Months ended March 31, 2001	Three Months ended March 31, 2000	Percentage increase (decrease)
Portfolio (1)			
ADR	$113.75	$105.76	7.6%
Occupancy	74.8%	76.9%	(2.7)
RevPAR	$ 85.10	$ 81.31	4.7
By Type			
Upscale Extended-Stay Hotels (2)			
ADR	$118.39	$109.64	8.0
Occupancy	77.5%	80.6%	(3.8)
RevPAR	$ 91.79	$ 88.37	3.9
Limited Service Hotels (3)			
ADR	$ 98.28	$ 91.06	7.9
Occupancy	65.8%	65.7%	0.1

RevPAR	$ 64.66	$ 59.85	8.0

</TABLE>

(1) 66 hotels, excludes one newly developed hotel
(2) 51 hotels, excludes one newly developed hotel
(3) 14 hotels

Results of Operations

SAB 101

On December 3, 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition in Financial Statements." SAB 101 provides that a lessor shall defer recognition of contingent rental income in interim periods until specified annual targets that trigger the contingent income are met. The Company reviewed the terms of its Percentage Leases and determined that the provisions of SAB 101 impact the Company's revenue recognition on an interim basis, but has no impact on the Company's annual Percentage Lease revenue recognition or interim payments under the Percentage Leases from its Lessees.

The effect of the application of SAB 101 on the financial statements for the three months ended March 31, 2001 and 2000 was to decrease Percentage Lease revenue by $13,586,000 and $12,965,000, respectively for financial reporting purposes. At March 31, 2001 and 2000, "Deferred rent revenue" of $13,586,000 and $12,965,000, respectively, represents Percentage Rent collected or due from the Lessees under the terms of the Percentage Leases that the Company expects to recognize as Percentage Lease revenue in the third and/or fourth quarters of 2001 or 2000, as appropriate. The Company's quarterly distributions are based on Percentage Rent collected or due from the Lessees as opposed to Percentage Lease revenue recognized for financial reporting purposes.

For comparability purposes only, assuming that the amount included in "Deferred rent revenue" at March 31, 2001 and 2000 was earned at March 31, 2001 and 2000, the Company would have had Percentage Lease revenue of $29,843,000 from the Lessees for the three months ended March 31, 2001 compared with $28,459,000 for the three months ended March 31, 2000.

Comparison of the Three Months Ended March 31, 2001 ("2001") to the Three Months Ended March 31, 2000 ("2000")

The increase in Percentage Lease revenue for 2001 from 2000 is due to the increase in base rent as of January 1, 2001, generally based on increases in the consumer price index, in accordance with the Percentage Leases.

Depreciation, amortization of franchise costs, amortization of loan origination fees, and amortization of unearned compensation ("Depreciation and Amortization") were $10,603,000 in the aggregate for 2001 compared with $10,220,000 for 2000. The increase in Depreciation and Amortization was primarily due to the depreciation on the Company's hotel in Tysons Corner, VA and renovations completed at the Hotels during 2000.

Interest expense for 2001 was $4,559,000 compared with $4,688,000 for 2000. This decrease is due primarily to principal reductions on the Company's amortizing debt and decreases in the interest rates on the Company's variable rate debt.

Real estate and personal property taxes and property insurance decreased by approximately 10% in 2001 compared with 2000 due primarily to the reduction in the accruals for certain hotels real estate taxes which was partially offset by the real estate and personal property taxes and property insurance on the Company's hotel in Tysons Corner, VA.

General and administrative expenses remained relatively constant in 2001 compared with 2000, $1,192,000 in both years and decreased as a percentage of total revenue to 7.0% in 2001 from 7.5% in 2000.

Net loss applicable to common shareholders for 2001 was $(6,003,000), or $(0.18) per diluted share, compared with $(6,738,000), or $(0.20) per diluted share, for 2000. This change is due primarily to the factors discussed previously.

Liquidity and Capital Resources

The Company's principal source of liquidity is rent payments from the Lessees under the Percentage Leases, and the Company is dependent on the Lessees to make such payments to provide cash for debt service, distributions, capital expenditures at its Hotels, and working capital. The Company does not expect that its cash provided by operating activities will be adequate to meet all of its liquidity needs over the next year. The Company currently expects to fund its external growth objectives, its renovation and upgrade program and any other additional liquidity needs, primarily by borrowing on its Line of Credit or other facilities, exchanging equity for hotel properties or possibly accessing the capital markets if market conditions permit.

Cash Flow Analysis

Cash and cash equivalents (including restricted cash and cash equivalents) at March 31, 2001 and 2000 were $22,854,000 and $21,741,000, including approximately $7,230,000 and $6,405,000, respectively, which the Company is required, under the Percentage Leases, to make available to the Lessees for the replacement and refurbishment of furniture and equipment and certain other capital expenditures. Additionally, cash and cash equivalents included approximately $11,441,000 and $7,645,000 at March 31, 2001 and 2000, respectively, that is held in escrow to pay for insurance, taxes, and capital expenditures for certain Hotels.

Net cash provided by operating activities for the three months ended March 31, 2001 and 2000 was $19,535,000 and $19,444,000, respectively.

Net cash used in investing activities was $15,375,000 for the three months ended March 31, 2001. This was comprised primarily of (a) renovations at certain hotels of approximately $9,779,000, (b) development costs on the Company's project in Tyson's Corner, Virginia of approximately $1,496,000 and (c) costs on the Company's anticipated hotel development in Saddle River, New Jersey of approximately $4,091,000.

Net cash used in investing activities was $5,618,000 for the three months ended March 31, 2000. This was comprised primarily of (a) renovations at certain hotels of approximately $2,000,000, (b) net deposits into restricted cash accounts of approximately $1,780,000 and (c) development costs on the Company's project in Tyson's Corner, Virginia of approximately $1,840,000.

Net cash used by financing activities was $14,387,000 for the three months ended March 31, 2001, consisting primarily of distributions paid of approximately $13,809,000, the redemption of 178,860 Preferred Units and 125,249 Common Units in the Partnership for approximately $3,597,000 and principal payments on amortizing debt of approximately $783,000 which was partially offset by net borrowings under the Line of Credit of approximately $4,000,000.

Net cash used by financing activities was $10,539,000 for the three months ended March 31, 2000, consisting primarily of distributions paid of approximately $13,815,000 and payments on debt of approximately $3,540,000 which was partially offset by borrowings under the Line of Credit of approximately $7,000,000.

Distributions/Dividends

The Company pays regular distributions on its common shares and Common Units and the current quarterly distribution is $0.30 per share or unit. Quarterly preferred distributions of $0.28875 are payable on each Class B Preferred Unit. Each Class B Preferred Unit may be converted into a Common Unit at the election of the holder. The Series A Preferred Shares are entitled to annual dividends equal to the greater of (i) $2.15624 per share ($0.53906 per share payable quarterly) or (ii) the cash dividend paid or payable on the number of common shares into which a Series A Preferred Share is then convertible. The holders of the Common Units and Class B Preferred Units may redeem their units for cash or, at the election of Innkeepers, common shares on a one-for-one basis. Under federal income tax law provisions applicable to REITs, the Company is required to distribute at least 90% of its taxable income to maintain its REIT status.

Financing

In making future investments in hotel properties, the Company may incur additional indebtedness. The Company may also incur indebtedness to meet distribution requirements imposed on a REIT under the Internal Revenue Code, to fund it renovation and upgrade program or to fund any other liquidity needs to the extent that working capital and cash flow from the Company's investments are insufficient to fund such needs. The Company's Declaration of Trust limits aggregate indebtedness to 50% of the Company's investment in hotel properties, at cost, after giving effect to the Company's use of proceeds from any indebtedness. The Company has bank funding commitments remaining under its Line of Credit of approximately $116,000,000 at March 31, 2001.

The following table summarizes certain information concerning the Company's debt at March 31, 2001:

Investment in hotels, at cost	$852,789,000
Debt	249,402,000
Percentage of debt to investment in hotels, at cost	29.3%
Percentage of fixed rate debt to total debt	94.4%
Weighted average implied interest rates on:	
Fixed rate debt	7.51%
Variable rate debt	4.46%
Total debt	7.34%
Number of hotels properties:	
Collateralized	40
Unencumbered	27

Certain debt coverage ratios for the Company are as follows for the twelve months ended March 31, 2001: (a) interest coverage ratio (EBITDA divided by interest expense) of 6.2x, (b) fixed charge coverage ratio (EBITDA divided by fixed charges) of 2.7x, and (c) total debt to EBITDA of 2.2x. The Company includes the following in fixed charges for purposes of calculating the fixed charge coverage ratio: interest expense, dividends on the Series A Preferred Shares, principal amortization and a furniture and equipment replacement reserve calculated at 4% of room revenue at the Hotels. The Company includes rent deferred under SAB 101 in its calculation of EBITDA.

The Company's Line of Credit bears interest based on the LIBOR rate and increases or decreases in the LIBOR rate will increase or decrease the Company's cost of borrowings outstanding under the Line of Credit. Based on the borrowings outstanding under the Line of Credit at March 31, 2001, a 100 basis point increase in the LIBOR rate would increase annual interest charges $40,000.

In the future, the Company may seek to increase or decrease the amount of its credit facilities, negotiate additional credit facilities, or issue corporate debt instruments, all in compliance with the Company's debt limitation. Any debt incurred or issued by the Company may be secured or unsecured, short-term or long-term, bear a fixed or variable interest rate and may be subject to such other terms as management or the Board of Trustees of the Company deems prudent. The Company has no interest rate hedging instrument exposure or forward equity commitments.

The Company has a shelf registration statement for $250,000,000 of common shares, preferred shares or warrants to purchase shares of the Company. The shelf registration statement was declared effective by the Securities and Exchange Commission on April 11, 1997. The terms and conditions of the securities issued thereunder are determined by the Company based on market conditions at the time of issuance. Approximately $106,000,000 remains available for issuance under the shelf registration statement.

Other

The Percentage Leases generally require the Company to make available to the Lessees an amount equal to 4.0% of room revenues from the Hotels, on a monthly basis, for the periodic replacement or refurbishment of furniture and equipment and certain other capital expenditures at the Hotels. Each of the term loans require that the Company make available for such purposes, at the Hotels collateralizing those loans, amounts up to a maximum total of 5.0% of gross revenues from such Hotels. The Company intends to cause the expenditure of amounts in excess of such obligated amounts if necessary to comply with the reasonable requirements of any franchise agreement and otherwise to the extent that the Company deems such expenditures to be in the best interests of the Company.

We believe that the amounts required to be made available by the Company under the Percentage Lease agreements will be sufficient to meet most of the routine expenditures for furniture and equipment at the Hotels. However, due primarily to renovations and upgrades that are required by Marriott at certain of our Residence Inn by Marriott hotels that are 15 years old or older, we expect to spend, in total, substantially more than we are required to make available under the Percentage Leases. We currently estimate that we will spend between $35,000,000 and $40,000,000 in capital expenditures at the Hotels in 2001. To the extent that we spend more than the amount of our undistributed cash, we intend to borrow under our Line of Credit.

The Company is planning the development of a 174-room Residence Inn by Marriott hotel in Saddle River, New Jersey. An affiliate of Marriott International, Inc. ("Marriott") had contracted to purchase the site on which this hotel would be located from an unaffiliated seller. In March 2001, the Company assumed the purchase contract from Marriott and purchased the site from the unaffiliated seller. The Company also reimbursed Marriott for their costs incurred in the development of the hotel to the date the Company closed on the land. At March 31, 2001, the Company had invested approximately $4,091,000 in the proposed development, which includes the land cost of approximately $3,000,000. While the Company has yet to enter into a contract to construct the hotel, it is currently anticipated that construction will commence between May and September 2001 and that the total cost of this project will be approximately $25 million. Completion of the project is anticipated approximately 15 months from the commencement of construction. The development costs are expected to be funded by borrowings under the Company's $130 million Line of Credit. An affiliate of the IH Lessee is expected to lease or manage the hotel upon completion.

Seasonality of Hotel Business

The hotel industry is seasonal in nature. Historically, the Hotels' operations have generally reflected higher occupancy rates and ADR during the second and third quarters. To the extent that cash flow from the Percentage Leases for a quarter is insufficient to fund all of the distributions for such quarter due to seasonal and other factors, the Company may maintain the annual distribution rate by funding the shortfall with available cash or borrowings under the Line of Credit.

Inflation

Operators of hotels, including the Lessees and any third-party managers retained by the Lessees, generally possess the ability to adjust room rates quickly. However, competitive pressures have limited and may in the future limit the ability of the Lessees and any third-party managers retained by the Lessees to raise room rates in response to inflation.

Fund From Operations

Funds From Operations ("FFO") is a widely used performance measure for an equity REIT. FFO, as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), is net income (loss) before minority interest (determined in accordance with generally accepted accounting principles), excluding gains (or losses) from sales of property, plus depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. The NAREIT FFO definition allows the exclusion of extraordinary items under generally accepted accounting principles. The Company has also made an adjustment for rent revenue deferred under SAB 101. FFO is presented to assist investors in analyzing the performance of the Company. The Company's method of calculating FFO may be different from methods used by other REITs and, accordingly, may not be comparable to such other REITs. FFO (i) does not represent cash flows from operating activities as defined by generally accepted accounting principles, (ii) is not indicative of cash available to fund all of the Company's cash

flow and liquidity needs, including the Company's ability to make distributions, and (iii) should not be considered as an alternative to net income (as determined in accordance with generally accepted accounting principles) for purposes of evaluating the Company's operating performance.

The following table presents the Company's calculations of FFO and FFO per share for the three months ended March 31, 2001 and 2000 (in thousands, except share and per share data):

	2001	2000
Net loss applicable to common shareholders	$ (6,003)	$ (6,738)
Minority interest, common	(238)	(303)
Minority interest, preferred	1,122	1,173
Depreciation	10,026	9,608
Preferred share dividends	2,496	2,496
Deferred rent revenue	13,586	12,965
FFO	$ 20,989	$ 19,201
Denominator for diluted earnings per share	34,475,503	34,192,607
Weighted average		
Common Units	1,376,874	1,559,515
Preferred Units	3,944,089	4,063,329
Convertible preferred shares	6,857,493	6,857,493
Denominator for FFO per share	46,653,959	46,672,944
FFO per share	$ 0.45	$ 0.41

Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including, without limitation, statements containing the words "believes", "anticipates", "expects" and words of similar import. Such forward-looking statements relate to future events and the future financial performance of the Company, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from the results or achievements expressed or implied by such forward-looking statements. The Company is not obligated to update any such factors or to reflect the impact of actual future events or developments or such forward-looking statements.

Cautionary statements set forth in reports filed by the Company from time to time with the SEC discuss important factors with respect to such forward looking statements. These factors include, without limitation, (i) international, national, regional and local economic conditions that will, among other things, affect demand for the Company's hotel rooms and the availability and terms of financing, (ii) the Company's ability to maintain its properties in a first class manner, (iii) the Company's ability to acquire or develop additional properties and risks that potential acquisitions or developments may not perform in accordance with expectations, (iv) changes in travel patterns or the prevailing means of commerce (i.e. e-commerce) and (v) the complex tax rules that the Company must satisfy to qualify as a REIT and other governmental regulation. Although we believe that the expectations reflected in the forward-looking statements are based on reasonable assumptions, we can give no assurances that our expectations will be attained or that any deviations will not be material.

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DISCLOSURES ABOUT MARKET RISK

The Company's primary market risk exposure is to changes in interest rates on its Line of Credit and debt. At March 31, 2001, the Company had total outstanding indebtedness of approximately $249,402,000. The Company's interest rate risk objectives are to limit the impact of interest rate fluctuations on earnings and cash flows and to lower its overall borrowing costs. To achieve these objectives, the Company manages its exposure to fluctuations in market interest rates for its borrowings through the use of fixed rate debt instruments to the extent that reasonably favorable rates are obtainable with such arrangements. The Company may enter into derivative financial instruments such as interest rate swaps, caps and treasury locks to mitigate its interest rate risk on a related financial instrument or to effectively fix the interest rate on a portion of its variable debt. The Company does not enter into derivative or interest rate transactions for speculative purposes. Approximately 94.4% of the Company's outstanding debt was subject to fixed rates with a weighted average implied interest rate of 7.51% at March 31, 2001. The Company regularly reviews interest rate exposure on its outstanding borrowings in an effort to minimize the risk of interest rate fluctuations.

For debt obligations outstanding at March 31, 2001, the table presents principal repayments and related weighted average interest rates by expected maturity dates (in thousands):

	2001	2002	2003	2004	2005	Thereafter	Total	Fair Value
Debt								
Fixed rate	$5,285	$3,467	$4,563	$4,890	$5,890	$211,307	$235,402	$235,402
Average interest rate	6.13%	7.65%	7.56%	7.57%	7.59%	7.54%	7.51%	
Variable rate	--	4,000	--	--	--	10,000	14,000	14,000
Average interest rate	--	6.48%	--	--	--	3.65%	4.46%	

The table incorporates only those exposures that exist as of March 31, 2001 and does not consider exposures or positions which could arise after that date. As a result, the Company's ultimate realized gain or loss with respect to interest rate fluctuations will depend on the exposures that arise during the future, prevailing interest rates, and the Company's hedging strategies at that time. There is inherent rollover risk for borrowings as they mature and are renewed at current market rates. The extent of this risk is not quantifiable or predictable because of the variability of future interest rates and the Company's financing requirements.

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PART II - OTHER INFORMATION

ITEM 6 Exhibits and Reports on Form 8-K

(a) Exhibits - none

(b) Reports on Form 8-K - A Form 8-K was filed by the Registrant on March 9, 2001 concerning certain investment considerations for investors and potential investors in the Company.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INNKEEPERS USA TRUST

/s/ Gregory M. Fay

August 3, 2001

Gregory M. Fay

Chief Accounting and Administrative Officer and Principal Accounting Officer