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Lodging Metrics Continue to Show Growth in Demand

| By [Daniel Lesser](#)

Published: October 16, 2017



Daniel Lesser

NEW YORK CITY—As the world's economy strengthens, the outlook for America is bright, evidenced by heightened business and consumer confidence. Today, the US is a Goldilocks economy with GDP growth anticipated to remain between 2% and 3%, unemployment forecast to remain stable, and little evidence of inflation or deflation. While the Federal Open Market Committee has held the federal funds rate flat, experts expect several small increases through 2019.

Some prognosticators perceive current record setting US stock market indices may indicate exuberance, and a signal of a peak in the business cycle with potential for economic recession ahead. Much hinges on whether or not the Trump administration is able to complete its tax reform proposal, which promises to simplify the code, make it more business-friendly and provide breaks for the middle class to increase their disposable income.

US lodging sector metrics continue to indicate growth in demand for transient hotel accommodations. The increases in demand have been offset by a growing supply pipeline, leaving the expectation for 2017 occupancy to be flat compared to 2016 levels. Hotel room rates nationally are increasing at a rate of roughly 2.5%, resulting in RevPAR growth of similar levels. These trends are anticipated to remain unchanged through 2018 after which increases of new supply should wane.

During the recent past, inbound international visitation has declined due in part to a chilling effect of government travel and immigration restrictions in addition to the strength of the US dollar. However, as of late, the dollar has begun to weaken. Recent natural disasters including Hurricanes Harvey and Irma resulted in widespread property damage throughout Texas and Florida, and increased the demand for hotel rooms as many residents seek temporary places to stay. Furthermore, FEMA workers and other clean-up/recovery crews have been provisionally housed in hotels within the affected regions. Additionally, wildfires in Northern California have displaced many homeowners who are now sheltering in hotels throughout the area.

Compared with 2015, US hotel transaction activity continues to be muted as bid/ask spreads remain sufficiently wide pushing sellers to opt for refinancing as opposed to disposition. The acquisition environment for US hotels remains extremely competitive with strong pricing for quality assets.

The [LW Hospitality Advisors \(LWHA\) Q3 2017 Major US Hotel Sales Survey](#) includes 44 single-asset sale transactions over \$10 million, none of which are part of a portfolio. These transactions totaled roughly \$2.6 billion, and included approximately 11,600 hotel rooms with an average sale price per room of \$227,000.

By comparison, the LWHA Q3 2016 Major US Hotel Sales Survey identified 44 transactions totaling roughly \$2.7 billion including 11,400 hotel rooms with an average sale price per room of nearly \$240,000. Comparing Q3 2016 with Q3 2015, the number of trades, total volume and the average sales price per room have all remained relatively static.

Notable observations from the LWHA Q3 2017 Major US Hotel Sales Survey include:

- With 10 trades, Florida has been the most active transaction market followed by California with five sales, and North Carolina and New York with three each;
- Two \$1-million-plus per room trades were announced including Sunstone Hotel Investors, Inc. acquisition of Oceans Edge Key West Hotel & Marina and Gaw Capital's purchase of the Standard High Line Hotel New York;
- There were six individual trades greater than \$100 million, which totaled close to \$1 billion;
- The Royalton New York was acquired for \$55 million or \$327,000 per room by a joint venture between Rockpoint Group and Highgate. During 2011, FelCor Lodging Trust purchased the 168-unit Royalton New York for \$88 million or \$525,000 per room, a 38% decline in value during the six-year hold period;

The nearly nine-year recovery from the Great Recession is one of the longest periods of economic growth in modern US history. While some have been predicting a looming recession for more than a year, macroeconomic indicators do not suggest any decline in the near future, and many foresee a strong, stable economy.

With several parts of the world experiencing unconventional monetary policies such as negative interest rates, enormous pools of capital are circling the globe searching for yield. History has proven that at a market basis, patient money invested in US transient lodging provides compelling risk adjusted returns. Furthermore, while

little anticipation exists for inflation to occur during the foreseeable future, the constant repricing of hotel room nights offer a hedge against any rise of prices for goods and services that may develop during over the long term.

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SELECT MAJOR U.S. HOTEL SALES SURVEY - Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|--|------------------|----|--------------|-----------------------|----------------------|--|--|
| Q3 | Hilton Garden Inn & Home2 Suites by Hilton | Birmingham | AL | 210 | \$38,400,000 | \$182,857 | Apple Hospitality REIT Inc. | N/A |
| Q3 | SpringHill Suites by Marriott Paso Robles Atascadero | Atascadero | CA | 130 | \$25,000,000 | \$192,308 | N/A | J Street Hospitality, Inc |
| Q3 | Doubletree Hotel/LAX-EI Segundo | EI Segundo | CA | 216 | \$54,100,000 | \$250,463 | Umbrella Hotel Group | JV Evolution Hospitality & Argosy Real Estate Partners |
| Q3 | Hilton Los Angeles North/Glendale & Executive Meeting Center | Glendale | CA | 351 | \$73,500,000 | \$209,402 | Kam Sang Co. Inc. | Rockwood Capital |
| Q3 | Westin Long Beach | Long Beach | CA | 460 | \$84,800,000 | \$184,348 | Rockpoint Group | JV Noble Investment Group & AEW Capital Partners |
| Q3 | Custom Hotel | Los Angeles | CA | 250 | \$40,000,000 | \$160,000 | JV Kor Group & Goldman Sachs & Co | Khanna Enterprises Ltd. |
| Q3 | Cheyenne Mountain Resort | Colorado Springs | CO | 316 | \$74,000,000 | \$234,177 | Cheyenne Resort Acquisition Group LLC | Massachusetts Mutual Life Insurance Co. |
| Q3 | Hamilton Crowne Plaza | Washington | DC | 320 | \$106,500,000 | \$332,813 | EOS DCH Owner LLC | Massachusetts Mutual Life Insurance Co. |
| Q3 | Loews Madison Hotel | Washington | DC | 356 | \$72,500,000 | \$203,652 | Walton Street Capital | N/A |
| Q3 | Normandy Hotel | Washington | DC | 75 | \$15,500,000 | \$206,667 | Blu Hotel Investors LP | JV Modus Hotels and Alex. Brown Realty Inc. |
| Q3 | Courtyard by Marriott Fort Lauderdale Coral Springs | Coral Springs | FL | 110 | \$16,250,000 | \$147,727 | Boulder Hotel Coral Springs LLC | Vista Coral Springs Hotel LLC |
| Q3 | Hollywood Beach Marriott | Hollywood | FL | 229 | \$61,000,000 | \$266,376 | Ocean Properties Hotels Resorts and Affiliates | Rockwood Capital |
| Q3 | Holiday Inn Express & Suites Jacksonville South I-295 | Jacksonville | FL | 80 | \$7,800,000 | \$97,500 | N/A | N/A |
| Q3 | Hyatt Regency Jacksonville Riverfront | Jacksonville | FL | 951 | \$109,965,500 | \$115,631 | Westmont Hospitality Group | Fortress Investment Group |
| Q3 | Oceans Edge Key West Hotel & Marina ¹ | Key West | FL | 175 | \$175,000,000 | \$1,000,000 | Sunstone Hotel Investors, Inc. | Singh Hospitality |

1) Transaction included an attached marina with 52 wet and dry boat slips

DANIEL H. LESSER
PRESIDENT & CEO

200 WEST 41ST STREET SUITE 805
NEW YORK, NY 10036

T. 212.300.6684
E. DANIEL.LESSER@LWHADVISORS.COM

WWW.LWHOSPITALITYADVISORS.COM



SELECT MAJOR U.S. HOTEL SALES SURVEY - Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|------------------|----|--------------|-----------------------|----------------------|--|-----------------------------------|
| Q3 | Best Western Lake Buena Vista Resort Hotel | Lake Buena Vista | FL | 325 | \$20,500,000 | \$63,077 | Drury Hotels | Waterfront LBV GL LLC |
| Q3 | Comfort Inn Orlando Lake Buena Vista | Lake Buena Vista | FL | 200 | \$20,500,000 | \$102,500 | AD1 Global | Sun Vista Hotels II LLC |
| Q3 | Conrad Miami | Miami | FL | 203 | \$72,000,000 | \$354,680 | JV Mast Capital & Angelo, Gordon & Company | Holborn LC |
| Q3 | Element Miami International Airport | Miami | FL | 209 | \$22,000,000 | \$105,263 | Peachtree Hotel Group | Norwich Partners |
| Q3 | Staybridge Suites St. Petersburg Downtown | St. Petersburg | FL | 119 | \$20,500,000 | \$172,269 | Procaccianti Companies | Bayboro Hoteliers LLC |
| Q3 | AC Hotel by Marriott Atlanta Downtown | Atlanta | GA | 255 | \$57,500,000 | \$225,490 | Summit Hotel Properties Inc. | Peachtree Hotel Group |
| Q3 | Courtyard Kaua'i at Coconut Beach | Kapaa | HI | 311 | \$61,500,000 | \$197,749 | KSL Capital Partners | JV Behringer Harvard & JMI Realty |
| Q3 | Hyatt Centric The Loop Chicago ² | Chicago | IL | 257 | \$110,000,000 | \$428,016 | Deka Immobilien | Murphy Development Group |
| Q3 | DoubleTree by Hilton Hotel Chicago - Oak Brook | Oak Brook | IL | 428 | \$27,000,000 | \$63,084 | Ketu Amin | Fillmore Capital Partners |
| Q3 | Courtyard Boston Cambridge | Cambridge | MA | 207 | \$82,000,000 | \$396,135 | Highgate Holdings | Westbrook Partners |
| Q3 | Hilton Garden Inn Bloomington | Bloomington | MN | 200 | \$33,000,000 | \$165,000 | First Hospitality Group | N/A |
| Q3 | Crowne Plaza Charlotte Executive Park | Charlotte | NC | 300 | \$44,000,000 | \$146,667 | Hospitality Properties Trust | N/A |
| Q3 | Holiday Inn Express & Suites Charlotte- Arrowood | Charlotte | NC | 97 | \$10,300,000 | \$106,186 | Kornegay Co. | Kismet Arrowood LLC |
| Q3 | Fairfield Inn & Suites Raleigh-Durham Airport/RTP | Morrisville | NC | 112 | \$10,000,000 | \$89,286 | The Focus Properties | Summit Hospitality Group |
| Q3 | Hilton Garden Inn Portsmouth Downtown | Portsmouth | NH | 131 | \$43,500,000 | \$332,061 | Chatham Lodging Trust | N/A |

2) Transaction included sale - leaseback

DANIEL H. LESSER
PRESIDENT & CEO

200 WEST 41ST STREET SUITE 805
NEW YORK, NY 10036

T. 212.300.6684
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WWW.LWHOSPITALITYADVISORS.COM



SELECT MAJOR U.S. HOTEL SALES SURVEY - Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|--------------|----|--------------|-----------------------|----------------------|---|--|
| Q3 | Hyatt Regency-Princeton | Princeton | NJ | 435 | \$47,500,000 | \$109,195 | AVR Realty | Clarion Partners |
| Q3 | Drifting Sands | Ship Bottom, | NJ | 100 | \$12,500,000 | \$125,000 | Blue Water Development | Shamrock Enterprises of LBI, LLC |
| Q3 | Sheraton Albuquerque Airport Hotel | Albuquerque | NM | 276 | \$10,500,000 | \$38,043 | Terrapin Investments | N/A |
| Q3 | SpringHill Suites by Marriott Las Vegas Convention Center | Las Vegas | NV | 299 | \$50,500,000 | \$168,896 | GEM Realty Capital | White/Peterman Properties |
| Q3 | NYMA | New York | NY | 171 | \$52,000,000 | \$304,094 | JV Capstone Equities & Highgate & Republic Investment Company | Apple Core Hotels |
| Q3 | Royalton New York | New York | NY | 168 | \$55,000,000 | \$327,381 | JV Rockpoint Group and Highgate | FelCor Lodging Trust Inc. |
| Q3 | Standard High Line | New York | NY | 337 | \$340,000,000 | \$1,008,902 | Gaw Capital | JV Dune Capital Management & Greenfield Partners |
| Q3 | Crowne Plaza Columbus-Downtown & The Lofts Hotel | Columbus | OH | 419 | \$49,000,000 | \$116,945 | Hospitality Properties Trust | Nationwide Realty Investors |
| Q3 | Westin Philadelphia | Philadelphia | PA | 294 | \$135,000,000 | \$459,184 | Hersha Hospitality Trust | LaSalle Hotel Properties |
| Q3 | Dallas/Addison Marriott Quorum by the Galleria | Dallas | TX | 547 | \$81,000,000 | \$148,080 | Deason Capital Services | Wheelock Street Capital |
| Q3 | Sheraton DFW Airport Hotel | Irving | TX | 302 | \$46,000,000 | \$152,318 | Buccini/Pollin Group | N/A |
| Q3 | Park City Marriott | Park City | UT | 199 | \$27,600,000 | \$138,693 | Driftwood Hospitality Management, LLC | Sunstone Hotel Investors, Inc. |
| Q3 | Sheraton Suites Old Town Alexandria | Alexandria | VA | 247 | \$54,700,000 | \$221,457 | Rockpoint Group | N/A |
| Q3 | Westin Crystal City | Arlington | VA | 220 | \$83,000,000 | \$377,273 | AVR Realty Co. | Rockpoint Group |

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|--|--------------|----|--------------|-----------------------|----------------------|--|---|
| Q2 | Courtyard Birmingham Downtown at UAB | Birmingham | AL | 122 | \$30,000,000 | \$245,902 | N/A | Xenia Hotels & Resorts, Inc. |
| Q3 | Hilton Garden Inn & Home2 Suites by Hilton | Birmingham | AL | 210 | \$38,400,000 | \$182,857 | Apple Hospitality REIT Inc. | N/A |
| Q1 | Hyatt Place Phoenix/Gilbert | Gilbert | AZ | 127 | \$15,500,000 | \$122,047 | Sethi Management | JV Woodbine Development Corporation & Hyatt Corporation |
| Q1 | Hyatt Place Phoenix/Mesa | Mesa | AZ | 152 | \$22,200,000 | \$146,053 | Summit Hotel Properties, Inc. | Wolff Urban Management |
| Q2 | Hyatt Regency Phoenix | Phoenix | AZ | 693 | \$107,000,000 | \$154,401 | GEM Realty | DiNapoli Capital Partners |
| Q1 | L'Auberge de Sedona & Orchards Inn | Sedona | AZ | 158 | \$97,000,000 | \$613,924 | DiamondRock Hospitality Company | IMH Financial Corporation |
| Q1 | Homewood Suites by Hilton Aliso Viejo - Laguna Beach | Aliso Viejo | CA | 129 | \$38,000,000 | \$294,574 | Summit Hotel Properties, Inc. | Stonebridge Companies |
| Q1 | Santa Anita Inn | Arcadia | CA | 100 | \$47,000,000 | \$470,000 | Chateau Group | Continental Assets Management |
| Q3 | SpringHill Suites by Marriott Paso Robles Atascadero | Atascadero | CA | 130 | \$25,000,000 | \$192,308 | N/A | J Street Hospitality, Inc |
| Q1 | Hyatt Place UC Davis | Davis | CA | 127 | \$32,200,000 | \$253,543 | Blackstone Real Estate Income Trust | Westbrook Partners |
| Q3 | Doubletree Hotel/LAX-EI Segundo | EI Segundo | CA | 216 | \$54,100,000 | \$250,463 | Umbrella Hotel Group | JV Evolution Hospitality & Argosy Real Estate Partners |
| Q3 | Hilton Los Angeles North/Glendale & Executive Meeting Center | Glendale | CA | 351 | \$73,500,000 | \$209,402 | Kam Sang Co. Inc. | Rockwood Capital |
| Q3 | Pacific Edge Hotel | Laguna Beach | CA | 109 | \$57,500,000 | \$527,523 | JV Highgate & Morgan Stanley Real Estate Investing | Westport Capital Partners |
| Q3 | Westin Long Beach | Long Beach | CA | 460 | \$84,800,000 | \$184,348 | Rockpoint Group | JV Noble Investment Group & AEW Capital Partners |
| Q2 | Claremont Hotel | Los Angeles | CA | 55 | \$12,250,000 | \$222,727 | Shamina Investments | Quilico Family |

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PRESIDENT & CEO

200 WEST 41ST STREET SUITE 805
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T. 212.300.6684
E. DANIEL.LESSER@LWHADVISORS.COM

WWW.LWHOSPITALITYADVISORS.COM



SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|--|---------------|----|--------------|-----------------------|----------------------|-------------------------------------|---|
| Q3 | Custom Hotel | Los Angeles | CA | 250 | \$40,000,000 | \$160,000 | JV Kor Group & Goldman Sachs & Co | Khanna Enterprises Ltd. |
| Q2 | DoubleTree by Hilton Hotel Los Angeles Downtown | Los Angeles | CA | 430 | \$115,000,000 | \$267,442 | Han's Group USA | N/A |
| Q1 | W Hollywood ¹ | Los Angeles | CA | 305 | \$219,000,000 | \$718,033 | Host Hotels & Resorts, Inc. | HEI / GC Hollywood and Vine LLC |
| Q1 | Fairmont Newport Beach | Newport Beach | CA | 444 | \$125,000,000 | \$281,532 | N/A | Sunstone Hotel Investors |
| Q2 | Oakland Marriott City Center | Oakland | CA | 494 | \$143,000,000 | \$289,474 | Gaw Capital | JV Apollo Global Management & DiNapoli Capital Partners |
| Q2 | Best Western Plus InnSuites Ontario Airport E Hotel & Suites | Ontario | CA | 150 | \$17,500,000 | \$116,667 | Minkum Investment Group | InnSuites Hospitality Trust |
| Q1 | JW Marriott Desert Springs Resort & Spa | Palm Desert | CA | 884 | \$160,000,000 | \$180,995 | Kam Sang Company | Host Hotels & Resorts |
| Q1 | Hyatt Place Riverside/Downtown | Riverside | CA | 125 | \$24,500,000 | \$196,000 | N/A | N/A |
| Q1 | Sommerset Suites Hotel ² | San Diego | CA | 80 | \$19,500,000 | \$243,750 | SENTRE | Pacifica Hotels |
| Q2 | Hotel Triton ³ | San Francisco | CA | 140 | \$14,250,000 | \$101,786 | N/A | LaSalle Hotel Properties |
| Q2 | Hilton San Jose | San Jose | CA | 353 | \$87,300,000 | \$247,309 | Han's Holdings Group | DiNapoli Capital Partners |
| Q2 | Hyatt Place San Jose/Downtown | San Jose | CA | 236 | \$65,000,000 | \$275,424 | Blackstone Real Estate Income Trust | Waterton |
| Q2 | Westin San Jose | San Jose | CA | 171 | \$64,000,000 | \$374,269 | Aju Hotels and Resorts | Wolff Urban Development |

1) Property includes 10,800 square feet of high-quality retail space and seven prominent supergraphic billboard signs

2) Property originally built as apartment complex purchased for conversion to luxury apartments

3) Sale encompassed leasehold interest with 30 years remaining

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|------------------|----|--------------|-----------------------|----------------------|---------------------------------------|---|
| Q1 | Crowne Plaza Los Angeles Harbor Hotel | San Pedro | CA | 244 | \$26,900,000 | \$110,246 | SPF Capital Real Estate | Profficient Hotel |
| Q2 | James Hotel West Hollywood - Sunset ⁴ | West Hollywood | CA | 286 | \$280,000,000 | \$979,021 | Starwood Capital | CIM Group |
| Q1 | Sunset Tower Hotel ⁵ | West Hollywood | CA | 81 | \$118,750,000 | \$1,466,049 | JK Hotel Group | ER Hollywood |
| Q1 | Hotel Yountville | Yountville | CA | 80 | \$96,500,000 | \$1,206,250 | Ashford Hospitality Prime | N/A |
| Q1 | Park Hyatt Beaver Creek Resort & Spa | Beaver Creek | CO | 190 | \$145,500,000 | \$765,789 | Ashford Hospitality Prime, Inc. | Walton Street Capital |
| Q3 | Cheyenne Mountain Resort | Colorado Springs | CO | 316 | \$74,000,000 | \$234,177 | Cheyenne Resort Acquisition Group LLC | Massachusetts Mutual Life Insurance Co. |
| Q2 | Hyatt House Denver Airport Hotel | Denver | CO | 123 | \$22,600,000 | \$183,740 | McWhinney | Corporex |
| Q2 | Armstrong Hotel | Fort Collins | CO | 45 | \$10,150,000 | \$225,556 | Crystal Creek Capital | New Empire Partners LLC |
| Q1 | Westin Westminster | Westminster | CO | 370 | \$70,000,000 | \$189,189 | Wheelock Street Capital | Amstar Group |
| Q1 | Courtyard Washington Convention Center | Washington | DC | 188 | \$83,000,000 | \$441,489 | Global Holdings | JV Peebles Corp. & Donohoe Cos. & Penrose Group |
| Q3 | Hamilton Crowne Plaza | Washington | DC | 320 | \$106,500,000 | \$332,813 | EOS DCH Owner LLC | Massachusetts Mutual Life Insurance Co. |
| Q1 | Homewood Suites Washington D.C. Convention Center | Washington | DC | 160 | \$50,400,000 | \$315,000 | Alduwaliya Hospitality | Magna Hospitality Group |
| Q3 | Loews Madison Hotel | Washington | DC | 356 | \$72,500,000 | \$203,652 | Walton Street Capital | N/A |

4) New hotel nearly completed at time of sale

5) Buyer already owned 20% interest and exercised a right of first offer to buy out with unknown JV partner former partner's 80 percent stake in the property for roughly \$95 million; sales price illustrated reflects 100% valuation

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|--|------------------|----|--------------|-----------------------|----------------------|--|---|
| Q3 | Normandy Hotel | Washington | DC | 75 | \$15,500,000 | \$206,667 | Blu Hotel Investors LP | JV Modus Hotels and Alex. Brown Realty Inc. |
| Q3 | Courtyard by Marriott Fort Lauderdale Coral Springs | Coral Springs | FL | 110 | \$16,250,000 | \$147,727 | Boulder Hotel Coral Springs LLC | Vista Coral Springs Hotel LLC |
| Q2 | Courtyard by Marriott Fort Lauderdale Beach | Fort Lauderdale | FL | 261 | \$82,800,000 | \$317,241 | Summit Hospitality | Fillmore Capital Partners |
| Q2 | Inverrary Vacation Resort ⁶ | Fort Lauderdale | FL | 207 | \$12,225,000 | \$59,058 | GranVita 2 LLC | N/A |
| Q2 | Seabonay Beach Resort ⁷ | Hillsboro Beach | FL | 69 | \$13,500,000 | \$195,652 | BH3 | Oceanside Mile LLC |
| Q3 | Hollywood Beach Marriott | Hollywood | FL | 229 | \$61,000,000 | \$266,376 | Ocean Properties Hotels Resorts and Affiliates | Rockwood Capital |
| Q1 | Hilton Garden Inn / Homewood Suites Downtown Southbank | Jacksonville | FL | 221 | \$24,700,000 | \$111,765 | Lingerfelt CommonWealth Partners LLC | N/A |
| Q3 | Holiday Inn Express & Suites Jacksonville South I-295 | Jacksonville | FL | 80 | \$7,800,000 | \$97,500 | N/A | N/A |
| Q3 | Hyatt Regency Jacksonville Riverfront | Jacksonville | FL | 951 | \$109,965,500 | \$115,631 | Westmont Hospitality Group | Fortress Investment Group |
| Q3 | Oceans Edge Key West Hotel & Marina ⁸ | Key West | FL | 175 | \$175,000,000 | \$1,000,000 | Sunstone Hotel Investors, Inc. | Singh Hospitality |
| Q3 | Best Western Lake Buena Vista Resort Hotel | Lake Buena Vista | FL | 325 | \$20,500,000 | \$63,077 | Drury Hotels | Waterfront LBV GL LLC |
| Q3 | Comfort Inn Orland Lake Buena Vista | Lake Buena Vista | FL | 200 | \$20,500,000 | \$102,500 | AD1 Global | Sun Vista Hotels II LLC |
| Q2 | Hampton Inn & Suites Lake Mary At Colonial Townpark | Lake Mary | FL | 130 | \$19,250,000 | \$148,077 | Condor Hospitality Trust, Inc. | Peachtree Hospitality Management, LLC |

6) Hotel sold at bankruptcy auction

7) Hotel shuttered at time of sale

8) Transaction included an attached marina with 52 wet and dry boat slips

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|----------------|----|--------------|-----------------------|----------------------|--|--|
| Q2 | Sheraton Orlando North | Maitland | FL | 390 | \$31,200,000 | \$80,000 | Cambridge Landmark | JV Värde Partners & Interstate Hotels & Waramaug Hospitality |
| Q3 | Conrad Miami | Miami | FL | 203 | \$72,000,000 | \$354,680 | JV Mast Capital & Angelo, Gordon & Company | Holborn LC |
| Q3 | Element Miami International Airport | Miami | FL | 209 | \$22,000,000 | \$105,263 | Peachtree Hotel Group | Norwich Partners |
| Q1 | Ritz-Carlton Coconut Grove | Miami | FL | 115 | \$24,630,000 | \$214,174 | Hersha Hospitality Trust | Gencom |
| Q2 | Redbury South Beach | Miami Beach | FL | 69 | \$32,000,000 | \$463,768 | Blue Road | Heyat Hospitality Group |
| Q1 | Country Inn & Suites By Carlson | Orlando | FL | 182 | \$10,000,000 | \$54,945 | Pinnacle Hospitality Group LLC | SMS Hospitality |
| Q2 | Hyatt Regency Grand Cypress | Orlando | FL | 815 | \$205,500,000 | \$252,147 | Xenia Hotels & Resorts, Inc. | Hyatt Hotels Corporation |
| Q2 | Holiday Inn Pensacola - University Area | Pensacola | FL | 114 | \$11,000,000 | \$96,491 | Zen Hospitality LLC | Omega Hotel Group |
| Q1 | Don CeSar and Beach House Suites | St. Petersburg | FL | 347 | \$214,000,000 | \$616,715 | Host Hotels & Resorts, Inc. | JV Loews Hotels & Prudential Insurance |
| Q1 | Sirata Beach Resort and Conference Center | St. Petersburg | FL | 382 | \$108,190,000 | \$283,220 | Crescent Real Estate | Nicklaus Family |
| Q3 | Staybridge Suites St. Petersburg Downtown | St. Petersburg | FL | 119 | \$20,500,000 | \$172,269 | Procaccianti Companies | Bayboro Hoteliers LLC |
| Q2 | Hampton Inn Tampa Busch Gardens | Tampa | FL | 84 | \$11,700,000 | \$139,286 | N/A | N/A |
| Q3 | AC Hotel by Marriott Atlanta Downtown | Atlanta | GA | 255 | \$57,500,000 | \$225,490 | Summit Hotel Properties Inc. | Peachtree Hotel Group |
| Q2 | Crowne Plaza Atlanta Perimeter at Ravinia | Atlanta | GA | 495 | \$88,700,000 | \$179,192 | N/A | Ashford Hospitality Trust, Inc. |

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|------------|----|--------------|-----------------------|----------------------|--|--|
| Q2 | Omni Atlanta Hotel at CNN Center ⁹ | Atlanta | GA | 1059 | \$99,000,000 | \$93,484 | Omni Hotels & Resorts | Time Warner |
| Q2 | Sheraton Atlanta Airport Hotel ¹⁰ | Atlanta | GA | 395 | \$16,700,000 | \$42,278 | City of Atlanta | N/A |
| Q1 | Sheraton Atlanta Hotel | Atlanta | GA | 763 | \$64,200,000 | \$84,142 | Arden Group | JV Amerimar Enterprises & Contrarian Capital |
| Q2 | W Atlanta - Buckhead | Atlanta | GA | 291 | \$73,000,000 | \$250,859 | Woodbine Development Corp. | Noble Investment Group |
| Q1 | Hyatt Place Atlanta Airport-North | East Point | GA | 150 | \$14,500,000 | \$96,667 | N/A | Summit Hotel Properties, Inc. |
| Q1 | Holiday Inn Savannah South I-95 Gateway | Savannah | GA | 100 | \$10,000,000 | \$100,000 | AD1 Global | N/A |
| Q2 | Pacific Beach Hotel Waikiki | Honolulu | HI | 839 | \$515,000,000 | \$613,826 | Commerz Real AG | Highgate Holdings |
| Q3 | Courtyard Kaua'i at Coconut Beach | Kapaa | HI | 311 | \$61,500,000 | \$197,749 | KSL Capital Partners | JV Behringer Harvard & JMI Realty |
| Q1 | The Westin Maui Resort & Spa, Ka'anapali | Lahaina | HI | 759 | \$317,000,000 | \$417,655 | JV Trinity Investments LLC & Oaktree Capital Management LP | Marriott International Inc. |
| Q1 | Hilton Garden Inn Chicago/North Loop | Chicago | IL | 191 | \$57,300,000 | \$300,000 | United Capital | Magna Hospitality Group |
| Q3 | Hyatt Centric The Loop Chicago ¹¹ | Chicago | IL | 257 | \$110,000,000 | \$428,016 | Deka Immobilien | Murphy Development Group |
| Q1 | Kimpton Hotel Allegro Chicago | Chicago | IL | 483 | \$85,900,000 | \$177,847 | Hospitality Properties Trust | Clarion Partners |
| Q2 | Chicago Marriott Naperville | Naperville | IL | 424 | \$47,300,000 | \$111,557 | Janko Group | Heitman |

9) Buyer already owned 50% interest; sales price illustrated reflects 100% valuation

10) Hotel will be torn down to make way for a sixth runway at Atlanta Hartsfield International Airport

11) Transaction included sale - leaseback

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|--|---------------|----|--------------|-----------------------|----------------------|---|---|
| Q2 | Renaissance Chicago North Shore Hotel | Northbrook | IL | 385 | \$30,000,000 | \$77,922 | Nath Cos. | USAA Real Estate |
| Q3 | DoubleTree by Hilton Hotel Chicago - Oak Brook | Oak Brook | IL | 428 | \$27,000,000 | \$63,084 | Ketu Amin | Fillmore Capital Partners |
| Q1 | Courtyard Boston Logan Airport | Boston | MA | 351 | \$43,000,000 | \$122,507 | George Schott | JV Rockwood Capital & Ocean Properties Ltd. |
| Q3 | Courtyard Boston Cambridge | Cambridge | MA | 207 | \$82,000,000 | \$396,135 | Highgate Holdings | Westbrook Partners |
| Q1 | Cranwell Spa and Golf Resort | Lenox | MA | 114 | \$22,000,000 | \$192,982 | Hyatt Corporation | N/A |
| Q3 | Hilton Garden Inn Bloomington | Bloomington | MN | 200 | \$33,000,000 | \$165,000 | First Hospitality Group | N/A |
| Q1 | Radisson Hotel Bloomington by Mall of America & Water Park | Bloomington | MN | 403 | \$39,100,000 | \$97,022 | Great Wolf Resorts Inc. | Wheelock Street Capital |
| Q1 | Minneapolis Marriott Northwest | Brooklyn Park | MN | 231 | \$29,250,000 | \$126,623 | K & P Partners | Long Wharf Real Estate Partners |
| Q1 | Holiday Inn St. Paul-I-94-East | St. Paul | MN | 193 | \$15,000,000 | \$77,720 | Twin Cities Hospitality Partners, LLC | Won Huh LLC |
| Q1 | Chase Park Plaza Hotel | St. Louis | MO | 350 | \$94,000,000 | \$268,571 | Behringer Harvard Opportunity REIT I Inc. | Behringer Harvard Opportunity REIT I Inc. |
| Q2 | Charlotte Marriott City Center | Charlotte | NC | 446 | \$170,000,000 | \$381,166 | Carey Watermark Investors 2 Incorporated | Marriott International |
| Q2 | Courtyard by Marriott Charlotte City Center | Charlotte | NC | 181 | \$56,300,000 | \$311,050 | Summit Hotel Properties | N/A |
| Q3 | Crowne Plaza Charlotte Executive Park | Charlotte | NC | 300 | \$44,000,000 | \$146,667 | Hospitality Properties Trust | N/A |
| Q3 | Holiday Inn Express & Suites Charlotte- Arrowood | Charlotte | NC | 97 | \$10,300,000 | \$106,186 | Kornegay Co. | Kismet Arrowood LLC |

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|---------------|----|--------------|-----------------------|----------------------|---|----------------------------------|
| Q1 | Hyatt Place Charlotte Downtown | Charlotte | NC | 172 | \$40,850,000 | \$237,500 | Beacon Investment Management Group | N/A |
| Q1 | Hilton Durham | Durham | NC | 195 | \$14,100,000 | \$72,308 | JV Driftwood Acquisitions & Merrimac Ventures | Interstate Durham LLC |
| Q3 | Fairfield Inn & Suites Raleigh-Durham Airport/RTP | Morrisville | NC | 112 | \$10,000,000 | \$89,286 | The Focus Properties | Summit Hospitality Group |
| Q3 | Hilton Garden Inn Portsmouth Downtown | Portsmouth | NH | 131 | \$43,500,000 | \$332,061 | Chatham Lodging Trust | N/A |
| Q1 | Dolce Basking Ridge Hotel | Basking Ridge | NJ | 171 | \$30,000,000 | \$175,439 | Verizon | Broadreach Capital Partners |
| Q3 | Hyatt Regency-Princeton | Princeton | NJ | 435 | \$47,500,000 | \$109,195 | AVR Realty | Clarion Partners |
| Q3 | Drifting Sands | Ship Bottom | NJ | 100 | \$12,500,000 | \$125,000 | Blue Water Development | Shamrock Enterprises of LBI, LLC |
| Q3 | Sheraton Albuquerque Airport Hotel | Albuquerque | NM | 276 | \$10,500,000 | \$38,043 | Terrapin Investments | N/A |
| Q1 | Rumor Boutique Hotel | Las Vegas | NV | 150 | \$18,000,000 | \$120,000 | Kingston Overseas Holdings US LLC | Siegel Group Nevada Inc |
| Q3 | SpringHill Suites by Marriott Las Vegas Convention Center | Las Vegas | NV | 299 | \$50,500,000 | \$168,896 | GEM Realty Capital | White/Peterman Properties |
| Q1 | Crowne Plaza JFK Airport New York City | Jamaica | NY | 330 | \$60,000,000 | \$181,818 | GFI Real Estate Limited | ERG JFK Hotel, LLC |
| Q1 | Club Quarters Hotel Wall Street | New York | NY | 289 | \$95,000,000 | \$328,720 | McSam Hotel Group | Rockwood Capital |
| Q2 | DoubleTree by Hilton Hotel New York – Times Square South | New York | NY | 224 | \$106,000,000 | \$473,214 | Ascott Residence Trust | Magna Hospitality Group |
| Q1 | Dumont NYC | New York | NY | 252 | \$120,000,000 | \$476,190 | LeFrak Organization | Pebblebrook Hotel Trust |

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|--|-----------------|----|--------------|-----------------------|----------------------|---|--|
| Q2 | Morgans Hotel ¹² | New York | NY | 117 | \$41,000,000 | \$350,427 | JV Kash Group & Shel Capital | FelCor Lodging Trust |
| Q3 | NYMA | New York | NY | 171 | \$52,000,000 | \$304,094 | JV Capstone Equities & Highgate & Republic Investment Company | Apple Core Hotels |
| Q3 | Royalton New York | New York | NY | 168 | \$55,000,000 | \$327,381 | JV Rockpoint Group and Highgate | FelCor Lodging Trust Inc. |
| Q3 | Standard High Line | New York | NY | 337 | \$340,000,000 | \$1,008,902 | Gaw Capital | JV Dune Capital Management & Greenfield Partners |
| Q2 | Roslyn Hotel | Roslyn | NY | 77 | \$14,000,000 | \$181,818 | 935 Lakshmi LLC | N/A |
| Q3 | Crowne Plaza Columbus-Downtown & The Lofts Hotel | Columbus | OH | 419 | \$49,000,000 | \$116,945 | Hospitality Properties Trust | Nationwide Realty Investors |
| Q2 | Hilton Garden Inn Philadelphia/Ft. Washington | Fort Washington | PA | 146 | \$22,500,000 | \$154,110 | N/A | Laurus Corporation |
| Q3 | Westin Philadelphia | Philadelphia | PA | 294 | \$135,000,000 | \$459,184 | Hersha Hospitality Trust | LaSalle Hotel Properties |
| Q1 | Hampton Inn & Suites Newtown | Yardley | PA | 137 | \$10,700,000 | \$78,102 | Yardley Hospitality Holdings | LNR Partners |
| Q1 | Holiday Inn Express Middletown/Newport | Middletown | RI | 117 | \$10,000,000 | \$85,470 | Lafrance Hospitality | Newport Hotel Group |
| Q1 | Hyatt Regency Newport | Newport | RI | 257 | \$92,000,000 | \$357,977 | JV Metrovest & BLDG Management & Square Mile Capital Management LLC | Amstar |
| Q2 | Sheraton Memphis Downtown Hotel | Memphis | TN | 600 | \$67,000,000 | \$111,667 | JV Schulte Hospitality Group & Starwood Capital Group | Host Hotels & Resorts L.P. |
| Q3 | Dallas/Addison Marriott Quorum by the Galleria | Dallas | TX | 547 | \$81,000,000 | \$148,080 | Deason Capital Services | Wheelock Street Capital |
| Q2 | Courtyard by Marriott El Paso Airport | El Paso | TX | 90 | \$11,200,000 | \$124,444 | TVO North America | Summit Hotel Properties |

12) Hotel slated to close and convert into a micro-unit condominium residential building

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q3 2017

| Q | PROPERTY | LOCATION | | NO. OF ROOMS | ESTIMATED SALES PRICE | ESTIMATED PRICE/ROOM | BUYER | SELLER |
|----|---|----------------|----|--------------|-----------------------|----------------------|---------------------------------------|--------------------------------------|
| Q1 | Courtyard Fort Worth Historic Stockyards | Fort Worth | TX | 124 | \$18,000,000 | \$145,161 | Apple Hospitality REIT, Inc. | LBA Hospitality |
| Q1 | DoubleTree by Hilton Hotel Houston - Greenway Plaza | Houston | TX | 388 | \$59,000,000 | \$152,062 | Navika Capital Group | N/A |
| Q3 | Sheraton DFW Airport Hotel | Irving | TX | 302 | \$46,000,000 | \$152,318 | Buccini/Pollin Group | N/A |
| Q3 | Park City Marriott | Park City | UT | 199 | \$27,600,000 | \$138,693 | Driftwood Hospitality Management, LLC | Sunstone Hotel Investors, Inc. |
| Q2 | DoubleTree by Hilton Hotel Salt Lake City Airport | Salt Lake City | UT | 288 | \$31,380,000 | \$108,958 | ASAP International Holdings | Laurus Corporation |
| Q3 | Sheraton Suites Old Town Alexandria | Alexandria | VA | 247 | \$54,700,000 | \$221,457 | Rockpoint Group | N/A |
| Q3 | Westin Crystal City | Arlington | VA | 220 | \$83,000,000 | \$377,273 | AVR Realty Co. | Rockpoint Group |
| Q1 | Richmond Marriott Short Pump | Glen Allen | VA | 243 | \$38,500,000 | \$158,436 | FPLC Richmond LLC, | Lingerfelt Commonwealth Partners LLC |
| Q1 | Lansdowne Resort and Spa | Leesburg | VA | 296 | \$133,000,000 | \$449,324 | Dejia LLC | LaSalle Hotel Properties |
| Q1 | Hilton Garden Inn Seattle Downtown | Seattle | WA | 222 | \$90,000,000 | \$405,405 | Union Investment | Touchstone |
| Q1 | Hotel Deca | Seattle | WA | 158 | \$55,000,000 | \$348,101 | AJ Capital Partners | LaSalle Hotel Properties |
| Q1 | Kimpton Alexis Hotel | Seattle | WA | 121 | \$71,600,000 | \$591,736 | Hospitality Properties Trust | LaSalle Hotel Properties |
| Q1 | Pan Pacific Seattle | Seattle | WA | 153 | \$79,000,000 | \$516,340 | Hersha Hospitality Trust | Vulcan Inc. |
| Q1 | Country Springs Hotel & Waterpark | Pewaukee | WI | 187 | \$14,500,000 | \$77,540 | Waukesha Hospitality LLC | CIP Equity LLC |