

Q2 US Lodging Market Update

 globest.com/2018/08/06/q2-us-lodging-market-update

August 6, 2018 | By [Daniel Lesser](#)

Barring any black swan event(s), the near-term outlook for lodging remains very positive. Domestic and foreign investment, and institutional capital continue to be deployed into single assets and portfolios of all types and locations of US hotels.

The second-longest recovery period in history endures, with a national unemployment rate at an 18-year low and robust consumer confidence across most sectors. As a result, the U.S. economy continues to exhibit very strong growth. Gross domestic product (GDP) is forecast to rise as much as 3% this year with relatively mild inflation. Thus far, interest rate increases by the Federal Reserve System have had little effect on commercial real estate lending. Rising debt costs have been somewhat negated by strong NOI growth, and the tremendous amounts of equity chasing yield creating downward pressure on underwriting returns.

It appears however that headwinds may be in the offing. The escalatory nature of America and China's trade relationship represents a potential catalyst for upward pricing of fundamental risk. Furthermore, while the impact of the new tax code on the economy has yet to be realized, in the short-term GDP growth is anticipated to remain strong, placing upward pressure on inflation and interest rates. Additionally, during the recent past the yield curve, the difference between short-term and long-term bond rates, has flattened to a razor-thin margin. Many economists believe there exists a strong possibility that the curve will invert this year, creating an abnormal condition where long-term rates are lower than short-term rates, and one that has served in the past as a reliable indicator of an impending recession. Finally, with the current Presidential administration, domestic political turmoil appears unabated.

The LW Hospitality Advisors (LWHA) Q2 2018 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 over \$3.5 billion and included approximately 11,200 hotel rooms with an average sale price per room of \$315,000. By comparison, the LWHA Q2 2017 Major US Hotel Sales Survey identified 39 transactions totaling roughly \$2.8 billion including 11,600 hotel rooms with an average sale price per room of nearly \$244,000.

Interesting observations from the LWHA Q2 2018 Major US Hotel Sales Survey include:

With six major Q2 2018 hotel sales, California has been the most active transaction market followed by Florida and New York, each with six trades;

The Chicago and Phoenix metropolitan areas are also active hotel sale transaction markets with three and four respective major Q2 2018 sales each.

Eleven of the 44, or 25 percent of Q2 trades, were for greater than \$100 million each;

Seven of the Q2 trades were between \$100 and \$200 million;

Two of the Q2 trades were between \$200 and \$300 million;

The Margaritaville Resort Casino in Bossier City, LA sold for \$376 million and the largest hotel sale transaction of Q2 was Blackstone Real Estate Advisors acquisition of The Arizona Biltmore in Phoenix for just over \$400 million, or roughly \$550,000 per room.

Encouraging and adverse trends currently occurring in the U.S. lodging industry include:

During June, the national U.S. lodging industry achieved an overall increase in RevPAR for the 100th consecutive month, the longest period of successive growth on record, and the second longest growth period which lasted 112 months between December 1991 and March 2001;

Despite rising gasoline prices, the American Automobile Association predicted a record 46.9 million Americans were expected to travel at least 50 miles over this year's 4th of July holiday;

"White hot" best describes the current debt markets, and while the volume of assets coming to market is rising, refinancing alternatives remain an attractive option for potential sellers; in fact, several savvy long-term holders of hotels have refinanced properties numerous times since the last economic recovery commenced;

Supply growth in urban markets has plateaued and is now slowing, a phenomenon which during the near term, is anticipated to endure given rising costs of construction labor and building materials, and limited availability of construction financing;

Strong corporate profit growth, which during the near term is anticipated to prevail;

Foreign and attractively priced debt and equity capital, earmarked for investment in U.S. commercial real estate and particularly hotels, continues to be robust;

Private equity capital raise volumes have increased to record levels, and much of this "dry powder" is earmarked for debt and equity investments in commercial real estate including lodging;

Currently, the U.S. hotel real estate investment market is awash in capital, however limited buying opportunities exist as evidenced in part by the recent and continued bidding war for LaSalle Hotel Properties, the outcome of which is still anyone's guess;

Significant amounts of available traditional and non-traditional debt and equity capital in the market is placing negative pressure on underwritten returns;

Although international travel and tourism are booming, competition from other destinations, and a strong U.S. dollar, are placing tremendous negative pressure on overseas arrivals to America;

Rising hotel operational and ownership costs including: labor, renovation, utilities, and property taxes;

Barring any black swan event(s), the near-term outlook for lodging remains very positive. Domestic and foreign investment, and institutional capital continue to be deployed into single assets and portfolios of all types and locations of U.S. hotels. While the stars continue to remain aligned, and the fundamentals of the U.S. lodging industry are simultaneously favorable to buy, sell, refinance, and develop a variety of lodging product types, given a myriad of global and domestic issues that can develop into full blown calamities, short term future industry performance is fragile.

Daniel H. Lesser is president and CEO of LW Hospitality Advisors LLC. The views expressed here are the author's own and not that of ALM's real estate media group.



Daniel Lesser ›

Daniel H. Lesser, President & CEO of LW Hospitality Advisors LLC (LWHA), brings more than 35 years of expertise in a wide range of hospitality operational, investment counseling, valuation, advisory, and transactional services. He provides services to corporate, institutional, and individual clients as well as public agencies on all facets of hospitality real estate including: litigation support and expert testimony, site evaluation, highest and best use analysis, appraisals for mortgage, acquisition, and portfolio management, workout strategies, operational analysis, development consulting, property tax assessment appeal evaluations, economic impact studies, fairness opinions, deal structuring, and negotiation of management and franchise agreements. Mr. Lesser had been retained in connection with a broad variety of lodging assets throughout the Americas, as well as in Europe, the Middle East and Asia.

SELECT MAJOR U.S. HOTEL SALES SURVEY - Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q2	Courtyard by Marriott Bentonville	Bentonville	AR 90	\$11,000,000	\$122,222	SMC Hotels Group of Louisiana	Wally Hospitality, Inc.
Q2	Hampton Inn & Suites Phoenix Downtown	Phoenix	AZ 210	\$44,000,000	\$209,524	Apple Hospitality REIT, Inc.	N/A
Q2	The Arizona Biltmore	Phoenix	AZ 740	\$403,400,000	\$545,135	Blackstone Real Estate Advisors	Government of Singapore
Q2	Sheraton Grand Phoenix	Phoenix	AZ 1000	\$255,000,000	\$255,000	JV Marriott International & TLG Investment Partners & Concord Wilshire Capital, LLC	City of Phoenix
Q2	SmokeTree Resort & Bungalows	Scottsdale	AZ 26	\$10,200,000	\$392,308	Geneva Holdings LLC	Williams Family
Q2	West Inn & Suites	Carlsbad	CA 86	\$19,500,000	\$226,744	Pacifica Companies	West Real Estate, LLC
Q2	Barclay Hotel	Los Angeles	CA 165	\$21,000,000	\$127,273	Golden Hills Properties	N/A
Q2	Hotel MdR Marina del Rey - a DoubleTree by Hilton	Marina del Rey	CA 283	\$127,000,000	\$448,763	London & Regional Properties	JV Lubert-Adler, Channel West Group & Arris Investments
Q2	Hayes Mansion	San Jose	CA 214	\$30,000,000	\$140,187	JMA Ventures	City of San Jose
Q2	Hyatt Centric Santa Barbara	Santa Barbara	CA 200	\$90,000,000	\$450,000	N/A	Chesapeake Lodging Trust
Q2	Wine Valley Inn & Cottages	Solvang	CA 65	\$15,900,000	\$244,615	Lombard Street, LP	Palm Springs Inn, LLC
Q2	Best Inn Suites Denver	Denver	CO 190	\$11,000,000	\$57,895	N/A	N/A
Q2	Brown Palace Hotel & Spa & Holiday Inn Express Denver Downtown	Denver	CO 472	\$125,400,000	\$265,678	Crescent Real Estate Holdings LLC	Crow Holdings
Q2	Hilton Fort Lauderdale Marina	Fort Lauderdale	FL 589	\$170,600,000	\$289,643	Brookfield Thayer Lodging Group	Blackstone Group
Q2	Margaritaville Hollywood Beach Resort	Hollywood	FL 349	\$126,500,000	\$362,464	JV KSL Capital Partners, LLC & Davidson Hotels & Resorts	JV Lon Tabatchnick and Starwood Capital Group

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 - Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q2	Bradley Park Hotel	Palm Beach	FL 32	\$15,400,000	\$481,250	New England Development	New Bradley House Limited
Q2	Renaissance Tampa International Plaza	Tampa	FL 293	\$68,000,000	\$232,082	JV Clearview Hotel Capital & Oaktree Capital Management L.P.	Braemar Hotels & Resorts Inc.
Q2	Residence Inn by Marriott Tampa Downtown	Tampa	FL 109	\$24,000,000	\$220,183	Noble Investment Group	Ashford Hospitality Trust, Inc.
Q2	Hampton Inn & Suites by Hilton Atlanta Perimeter Dunwoody	Atlanta	GA 132	\$29,500,000	\$223,485	Apple Hospitality REIT, Inc.	N/A
Q2	The James Chicago - Magnificent Mile	Chicago	IL 297	\$83,000,000	\$279,461	Junius Real Estate Partners	Denihan Hospitality
Q2	Tremont Chicago Hotel	Chicago	IL 135	\$25,500,000	\$188,889	Hotel Capital	Marriott International
Q2	Embassy Suites Schaumburg	Schaumburg	IL 209	\$23,000,000	\$110,048	Pearlshire Capital Group	Hotel Capital
Q2	Margaritaville Resort Casino ¹	Bossier City	LA 395	\$376,000,000	\$951,899	Penn National Gaming, Inc. & VICI Properties Inc.	Bossier Casino Venture, Inc.
Q2	Tower Square Hotel Springfield	Springfield	MA 265	\$10,500,000	\$39,623	Dinesh Patel	MassMutual
Q2	Radisson Blu Minneapolis Downtown	Minneapolis	MN 360	\$75,000,000	\$208,333	Hospitality Properties Trust	JV Chartres Lodging Group & KKR
Q2	Holiday Inn Express St. Louis Central West End	St. Louis	MO 127	\$11,600,000	\$91,339	Lodging One Hospitality	Garrison Investment Group
Q2	Staybridge Suites Wilmington - Wrightsville Bch	Wilmington	NC 92	\$13,000,000	\$141,304	Lodging Opportunity Fund	JV TriGate Capital & Beacon Investment Management Group
Q2	Mandarin Oriental Las Vegas ²	Las Vegas	NV 392	\$214,000,000	\$545,918	N/A	MGM Resorts International
Q2	Renaissance Las Vegas	Las Vegas	NV 548	\$177,900,000	\$324,635	JV Rockpoint Group & Highgate	Wheelock Street Capital

1) Penn National Gaming, Inc. to acquire the operations for \$115 million and VICI Properties Inc. agreed to acquire the land and real estate assets for \$261 million for a total of \$376 million

2) Transaction includes hotel and adjacent retail properties.

SELECT MAJOR U.S. HOTEL SALES SURVEY - Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER	
Q2	Montauk Yacht Club Resort & Marina	Montauk	NY	107	\$60,000,000	\$560,748	JV Metrovest Equities & BLDG Management	Island Global Yachting
Q2	Aloft Harlem	New York	NY	124	\$33,800,000	\$272,581	Core Capital Investments	RCG Longview
Q2	Hilton New York Grand Central	New York	NY	300	\$50,000,000	\$166,667	Westgate Resorts	Lone Star Funds
Q2	Hotel Indigo Lower East Side New York	New York	NY	294	\$162,000,000	\$551,020	MRR Development	JV Brack Capital Real Estate & InterContinental Hotels Group
Q2	Quin Hotel	New York	NY	208	\$175,000,000	\$841,346	Hilton Grand Vacations	UBS Asset Management
Q2	Riff Hotel Downtown ³	New York	NY	36	\$19,200,000	\$533,333	The King's College	Salt Equities
Q2	Hilton Garden Inn Bend	Bend	OR	96	\$25,730,000	\$268,021	JV Bluff Bend Hotel, LLC & Athlos Academies	Ameritel Inns, Inc.
Q2	Hilton Eugene	Eugene	OR	275	\$79,700,000	\$289,818	AJ Capital Partners	Rockbridge Capital
Q2	Embassy Suites Pittsburgh Airport	Coraopolis	PA	223	\$25,000,000	\$112,108	Tapestry Senior Housing Management	NHH CMS Pittsburgh LP
Q2	DoubleTree by Hilton Hotel Memphis Downtown	Memphis	TN	280	\$28,900,000	\$103,214	Continental Hospitality Group	Carey Watermark 1
Q2	Eilan Hotel & Spa	San Antonio	TX	165	\$34,300,000	\$207,879	Bluegreen Vacations Corp	Lone Star Funds
Q2	Hilton Alexandria Old Town	Alexandria	VA	252	\$111,000,000	\$440,476	Ashford Hospitality Trust	Walton Street Capital
Q2	Hyatt Centric Arlington	Arlington	VA	318	\$81,000,000	\$254,717	Southerly Hotels Inc.	N/A
Q2	SpringHill Suites by Marriott Richmond North Glen Allen	Glen Allen	VA	136	\$10,850,000	\$79,779	MCR	N/A
Q2	Virginia Beach Resort Hotel and Conference Center	Virginia Beach	VA	295	\$19,000,000	\$64,407	Lingerfelt Commonwealth Partners	N/A

3) *The King's College plans to convert the property into a dormitory*

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 - YTD Q2 2018

Q	PROPERTY	LOCATION		NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q2	Courtyard by Marriott Bentonville	Bentonville	AR	90	\$11,000,000	\$122,222	SMC Hotels Group of Louisiana	Wally Hospitality, Inc.
Q2	Hampton Inn & Suites Phoenix Downtown	Phoenix	AZ	210	\$44,000,000	\$209,524	Apple Hospitality REIT, Inc.	N/A
Q1	Kimpton Hotel Palomar	Phoenix	AZ	242	\$80,000,000	\$330,579	DiamondRock Hospitality Company	N/A
Q2	The Arizona Biltmore	Phoenix	AZ	740	\$403,400,000	\$545,135	Blackstone Real Estate Advisors	Government of Singapore
Q2	Sheraton Grand Phoenix	Phoenix	AZ	1000	\$255,000,000	\$255,000	JV Marriott International & TLG Investment Partners & Concord Wilshire Capital, LLC	City of Phoenix
Q2	SmokeTree Resort & Bungalows	Scottsdale	AZ	26	\$10,200,000	\$392,308	Geneva Holdings LLC	Williams Family
Q1	Portofino Inn & Suites	Anaheim	CA	190	\$26,000,000	\$136,842	N/A	N/A
Q2	West Inn & Suites	Carlsbad	CA	86	\$19,500,000	\$226,744	Pacifica Companies	West Real Estate, LLC
Q1	Wyndham Anaheim Garden Grove	Garden Grove	CA	376	\$61,000,000	\$162,234	Khanna Enterprises	Pacific Hospitality Group
Q1	Laguna Riviera Beach Resort	Laguna Beach	CA	41	\$21,000,000	\$512,195	Ferrado Laguna LLC	Laguna Riviera Inc.
Q2	Barclay Hotel	Los Angeles	CA	165	\$21,000,000	\$127,273	Golden Hills Properties	N/A
Q2	Hotel MdR Marina del Rey - a DoubleTree by Hilton	Marina del Rey	CA	283	\$127,000,000	\$448,763	London & Regional Properties	JV Lubert-Adler, Channel West Group & Arris Investments
Q1	Residence Inn by Marriott Sacramento Airport Natomas	Sacramento	CA	126	\$23,500,000	\$186,508	Welcome Group Inc.	N/A
Q1	Fairmont San Jose	San Jose	CA	805	\$223,500,000	\$277,640	SJ SC Holdings	Light Tower Associates
Q2	Hayes Mansion	San Jose	CA	214	\$30,000,000	\$140,187	JMA Ventures	City of San Jose

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q1	Embassy Suites by Hilton San Rafael Marin County	San Rafael	CA	230	\$37,900,000	\$164,783	Hotel McInnis Marin LLC Marin Hotel Owner LLC
Q2	Hyatt Centric Santa Barbara	Santa Barbara	CA	200	\$90,000,000	\$450,000	N/A Chesapeake Lodging Trust
Q2	Wine Valley Inn & Cottages	Solvang	CA	65	\$15,900,000	\$244,615	Lombard Street, LP Palm Springs Inn, LLC
Q1	The Landing Resort & Spa	South Lake Tahoe	CA	77	\$42,000,000	\$545,455	DiamondRock Hospitality Company N/A
Q2	Best Inn Suites Denver	Denver	CO	190	\$11,000,000	\$57,895	N/A N/A
Q2	Brown Palace Hotel & Spa & Holiday Inn Express Denver Downtown	Denver	CO	472	\$125,400,000	\$265,678	Crescent Real Estate Holdings LLC Crow Holdings
Q1	Best Western Plus Plaza	Longmont	CO	210	\$11,500,000	\$54,762	Shamin Hotels N/A
Q1	Beacon Hotel	Washington	DC	199	\$59,700,000	\$300,000	JV Rockpoint Group and Three Wall Capital Capital Hotels
Q1	Renaissance Dupont Circle Hotel	Washington	DC	355	\$80,800,000	\$227,606	Thayer Lodging Carey Value Added S.I.
Q1	Boca Raton Marriott at Boca Center	Boca Raton	FL	256	\$69,300,000	\$270,703	AVR Realty Co. Carey Watermark Investors
Q1	Hampton Inn & Suites Destin	Destin	FL	130	\$31,500,000	\$242,308	Key International McNeill Hotel Co.
Q2	Hilton Fort Lauderdale Marina	Fort Lauderdale	FL	589	\$170,600,000	\$289,643	Brookfield Thayer Lodging Group Blackstone Group
Q1	Sheraton Suites Fort Lauderdale at Cypress Creek	Fort Lauderdale	FL	253	\$18,250,000	\$72,134	Equity Management Partners Platinum Equity
Q1	Universal Palms Hotel	Fort Lauderdale	FL	195	\$13,000,000	\$66,667	4900 Powerline LLC Universal Hotel Inc.
Q1	Hampton Inn & Suites Fort Myers-Colonial Blvd.	Fort Myers	FL	102	\$13,900,000	\$136,275	HRC Hotels LLC N/A

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 - YTD Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q2	Margaritaville Hollywood Beach Resort	Hollywood	FL 349	\$126,500,000	\$362,464	JV KSL Capital Partners, LLC & Davidson Hotels & Resorts	JV Lon Tabatchnick and Starwood Capital Group
Q1	Aloft Jacksonville Airport	Jacksonville	FL 136	\$13,500,000	\$99,265	Gehr Hospitality	Peachtree Hotel Group.
Q1	The Hall South Beach	Miami Beach	FL 163	\$58,200,000	\$357,055	Grup Peralada	Rockwood Capital
Q2	Bradley Park Hotel	Palm Beach	FL 32	\$15,400,000	\$481,250	New England Development	New Bradley House Limited
Q1	Sheraton Suites Fort Lauderdale Plantation	Plantation	FL 263	\$24,660,000	\$93,764	Everwood Hospitality Partners,	Fillmore Capital Partners
Q1	Ritz-Carlton Sarasota	Sarasota	FL 266	\$171,000,000	\$642,857	Ashford Hospitality Prime	N/A
Q1	DoubleTree Suites by Hilton Hotel Tampa Bay	Tampa	FL 203	\$34,000,000	\$167,488	Rocky Point Hospitality LLC	Tampa Falcon LLC
Q2	Renaissance Tampa International Plaza	Tampa	FL 293	\$68,000,000	\$232,082	JV Clearview Hotel Capital & Oaktree Capital Management L.P.	Braemar Hotels & Resorts Inc.
Q2	Residence Inn by Marriott Tampa Downtown	Tampa	FL 109	\$24,000,000	\$220,183	Noble Investment Group	Ashford Hospitality Trust, Inc.
Q1	Holiday Inn Express & Suites Trinity	Trinity	FL 87	\$12,200,000	\$140,230	Trinity 123 LLC	MPH Hotels
Q2	Hampton Inn & Suites by Hilton Atlanta Perimeter Dunwoody	Atlanta	GA 132	\$29,500,000	\$223,485	Apple Hospitality REIT, Inc.	N/A
Q1	Aston Waikiki Beach Hotel	Honolulu	HI 645	\$200,000,000	\$310,078	N/A	Xenia Hotels & Resorts, Inc.
Q1	Soho House Chicago	Chicago	IL 40	\$95,000,000	\$2,375,000	JV Shapack Partners & AJ Capital	Sino-Ocean Land
Q2	The James Chicago - Magnificent Mile	Chicago	IL 297	\$83,000,000	\$279,461	Junius Real Estate Partners	Denihan Hospitality
Q2	Tremont Chicago Hotel	Chicago	IL 135	\$25,500,000	\$188,889	Hotel Capital	Marriott International

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 - YTD Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q1	Chicago Marriott Schaumburg	Schaumburg	IL 398	\$35,500,000	\$89,196	JV Arbor Lodging Partners & Middleton Partners	Investcorp US Real Estate.
Q2	Embassy Suites Schaumburg	Schaumburg	IL 209	\$23,000,000	\$110,048	Pearlshire Capital Group	Hotel Capital
Q2	Margaritaville Resort Casino ¹	Bossier City	LA 395	\$376,000,000	\$951,899	Penn National Gaming, Inc. & VICI Properties Inc.	Bossier Casino Venture, Inc.
Q1	Chandler Inn	Boston	MA 55	\$24,900,000	\$452,727	N/A	N/A
Q1	Harbor View Hotel	Edgartown	MA 130	\$30,000,000	\$230,769	Upland Capital Corporation	Scout Harbor View Property LLC
Q2	Tower Square Hotel Springfield	Springfield	MA 265	\$10,500,000	\$39,623	Dinesh Patel	MassMutual
Q2	Annapolis Waterfront Hotel	Annapolis	MD 150	\$41,500,000	\$276,667	Hersha Hospitality Trust	Brookfield Thayer Lodging
Q1	Embassy Suites Baltimore Inner Harbor & The Grand	Baltimore	MD 300	\$37,960,000	\$126,533	N/A	JV Chartres Lodging Group LLC & Garrison Investment Group LP
Q1	Holiday Inn Baltimore BWI Airport	Linthicum Heights MD	137	\$15,800,000	\$115,328	N/A	N/A
Q1	Westin Baltimore Washington Airport - BWI	Linthicum Heights MD	260	\$34,000,000	\$130,769	Frontier Development & Hospitality Group LLC	N/A
Q1	Westin Washington National Harbor	Oxon Hill	MD 195	\$55,500,000	\$284,615	Capstone Development LLC	SREE Hotels
Q1	DoubleTree by Hilton Hotel Minneapolis - University Area	Minneapolis	MN 141	\$38,300,000	\$271,631	AIG Global Real Estate Investment Corp.	JV Reuter Walton Companies & CPM Cos.
Q2	Radisson Blu Minneapolis Downtown	Minneapolis	MN 360	\$75,000,000	\$208,333	Hospitality Properties Trust	JV Chartres Lodging Group & KKR
Q1	Four Points by Sheraton Mall of America Minneapolis Airport	Richfield	MN 146	\$12,825,000	\$87,842	MOA Hospitality Group	N/A

1) Penn National Gaming, Inc. to acquire the operations for \$115 million and VICI Properties Inc. agreed to acquire the land and real estate assets for \$261 million for a total of \$376 million

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q2 2018

Q	PROPERTY	LOCATION		NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q1	Holiday Inn	Rochester	MN	173	\$18,200,000	\$105,202	EKN Development Group	N/A
Q2	Holiday Inn Express St. Louis Central West End	St. Louis	MO	127	\$11,600,000	\$91,339	Lodging One Hospitality	Garrison Investment Group
Q1	Fairfield Inn & Suites by Marriott Greensboro Wendover	Greensboro	NC	98	\$11,500,000	\$117,347	WeCare Hotels	N/A
Q2	Staybridge Suites Wilmington - Wrightsville Bch	Wilmington	NC	92	\$13,000,000	\$141,304	Lodging Opportunity Fund	JV TriGate Capital & Beacon Investment Management Group
Q2	Mandarin Oriental Las Vegas ²	Las Vegas	NV	392	\$214,000,000	\$545,918	N/A	MGM Resorts International
Q2	Renaissance Las Vegas	Las Vegas	NV	548	\$177,900,000	\$324,635	JV Rockpoint Group & Highgate	Wheelock Street Capital
Q1	Hampton Inn & Suites Buffalo Airport	Buffalo	NY	109	\$12,150,000	\$111,468	Manga Hotels	Baywood Hotels
Q1	Hilton Garden Inn Long Island City Queensboro Bridge	Long Island City	NY	183	\$60,000,000	\$327,869	Lightstone Group	JV Sagamore Capital & Ranger Properties
Q2	Montauk Yacht Club Resort & Marina	Montauk	NY	107	\$60,000,000	\$560,748	JV Metrovest Equities & BLDG Management	Island Global Yachting
Q2	Aloft Harlem	New York	NY	124	\$33,800,000	\$272,581	Core Capital Investments	RCG Longview
Q1	Comfort Inn Midtown West	New York	NY	89	\$29,200,000	\$328,090	McSam Hotel Group	M&R Hotel Management
Q1	Hampton Inn Manhattan-Seaport-Financial District	New York	NY	81	\$32,400,000	\$400,000	Shamin Hotels	Hersha Hospitality
Q2	Hilton New York Grand Central	New York	NY	300	\$50,000,000	\$166,667	Westgate Resorts	Lone Star Funds
Q2	Hotel Indigo Lower East Side New York	New York	NY	294	\$162,000,000	\$551,020	MRR Development	JV Brack Capital Real Estate & InterContinental Hotels Group

2) Transaction includes hotel and adjacent retail properties.

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 - YTD Q2 2018

Q	PROPERTY	LOCATION	NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q2	Quin Hotel	New York	NY	208	\$175,000,000	\$841,346	Hilton Grand Vacations UBS Asset Management
Q2	Riff Hotel Downtown ³	New York	NY	36	\$19,200,000	\$533,333	The King's College Salt Equities
Q1	W New York	New York	NY	697	\$190,000,000	\$272,597	JV Capstone Equities & Dune Real Estate Partners Host Hotels & Resorts, Inc.
Q2	Hilton Garden Inn Bend	Bend	OR	96	\$25,730,000	\$268,021	JV Bluff Bend Hotel, LLC & Athlos Academies Ameritel Inns, Inc.
Q2	Hilton Eugene	Eugene	OR	275	\$79,700,000	\$289,818	AJ Capital Partners Rockbridge Capital
Q1	The Porter Portland	Portland	OR	294	\$149,000,000	\$506,803	Union Investment N/A
Q1	Eagle Crest Resort	Redmond	OR	100	\$12,000,000	\$120,000	Eagle Crest Acquisition Group JV Northview Hotel Group & Oaktree Capital LLC
Q1	Sands Casino Resort Bethlehem	Bethlehem	PA	302	\$1,300,000,000	\$4,304,636	Wind Creek Hospitality Las Vegas Sands Corp.
Q2	Embassy Suites Pittsburgh Airport	Coraopolis	PA	223	\$25,000,000	\$112,108	Tapestry Senior Housing Management NHH CMS Pittsburgh LP
Q1	Sheraton Philadelphia Society Hill Hotel	Philadelphia	PA	364	\$95,500,000	\$262,363	Buccini/Pollin Group RLJ Lodging Trust
Q1	Newport Marriott	Newport	RI	320	\$88,000,000	\$275,000	N/A N/A
Q2	DoubleTree by Hilton Hotel Memphis Downtown	Memphis	TN	280	\$28,900,000	\$103,214	Continental Hospitality Group Carey Watermark 1
Q1	Hilton Memphis	Memphis	TN	405	\$31,000,000	\$76,543	Linchris Hotel Corp. Davidson Hotels & Resorts
Q1	Homewood Suites by Hilton Nashville-Downtown	Nashville	TN	107	\$48,500,000	\$453,271	AVR Realty Co Sun Development & Management Corporation

3) The King's College plans to convert the property into a dormitory

SELECT MAJOR U.S. HOTEL SALES SURVEY - YTD Q2 2018

Q	PROPERTY	LOCATION		NO. OF ROOMS	SALES PRICE	ESTIMATED PRICE/ROOM	BUYER	SELLER
Q1	Park Tower Inn	Pigeon Forge	TN	154	\$10,000,000	\$64,935	N/A	N/A
Q1	TownePlace Suites Austin North/Tech Ridge	Austin	TX	122	\$19,750,000	\$161,885	Condor Hospitality Trust, Inc.	MB Hospitality (AUSN), LP
Q2	Eilan Hotel & Spa	San Antonio	TX	165	\$34,300,000	\$207,879	Bluegreen Vacations Corp	Lone Star Funds
Q2	Hilton Alexandria Old Town	Alexandria	VA	252	\$111,000,000	\$440,476	Ashford Hospitality Trust	Walton Street Capital
Q1	Residence Inn Alexandria Old Town/Duke Street	Alexandria	VA	240	\$72,000,000	\$300,000	AVR Acquisition Corp.	N/A
Q2	Hyatt Centric Arlington	Arlington	VA	318	\$81,000,000	\$254,717	Southerly Hotels Inc.	N/A
Q1	Hyatt Centric Arlington	Arlington	VA	318	\$79,700,000	\$250,629	Sotherly Hotels LP	N/A
Q1	Westin Tysons Corner	Falls Church	VA	407	\$62,000,000	\$152,334	JV Sefira Capital, Driftwood Acquisitions & Development & Merrimac Ventures	CWCapital
Q2	SpringHill Suites by Marriott Richmond North Glen Allen	Glen Allen	VA	136	\$10,850,000	\$79,779	MCR	N/A
Q2	Virginia Beach Resort Hotel and Conference Center	Virginia Beach	VA	295	\$19,000,000	\$64,407	Lingerfelt Commonwealth Partners	N/A
Q1	AC Hotel by Marriott Seattle Bellevue/Downtown	Bellevue	WA	234	\$87,000,000	\$371,795	Ishin Aju Hotel Bellevue LLC.	WPPI Bellevue AC, LLC
Q1	Red Lion Hotel Pasco ⁴	Paco	WA	279	\$13,100,000	\$46,953	JV JODH's Development, LLC & RRR Investment, LLC	RL Pasco, LLC
Q1	Motif Seattle	Seattle	WA	319	\$145,000,000	\$454,545	N/A	Cornerstone Real Estate Advisers LLC
Q1	Courtyard Milwaukee Downtown	Milwaukee	WI	169	\$20,500,000	\$121,302	MCR Milwaukee LLC	Amoroso Companies

4) Sale included adjacent vacant lot