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## Here's the largest U.S. hotel deals of 2018

by [Alicia Hoisington](#) |  
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The Sands Casino Resort Bethlehem, Pa., which sold for more than \$4.3 million per key, was the largest U.S. hotel deal in 2018. Photo credit: Sands Casino Resort Bethlehem

Last year was a record-breaking one for the United States hotel industry in terms of key performance metrics as well as supply and demand. Balanced with a growing economy thanks to low unemployment, inflation and tax reform, the industry ended the year with cautious optimism. While analysts have [downgraded their performance forecasts](#) for 2019 and 2020, they still expect healthy years overall.

And that means assets traded and will continue to exchange hands. 2018 saw some major deals totaling \$18.3 billion and approximately 51,100 hotel rooms with an average sale price per room of \$357,000, according to the LW Hospitality Advisors "2018 Major US Hotel Sales Survey," which tracked 208 single-asset deals over \$10 million, none of which were part of a portfolio.

Those figures were up by comparison to the previous year's survey, which saw 183 deals totaling about \$13.6 billion in volume comprising 51,000 hotel rooms with an average sale

price per room of \$267,000. That's a 14 percent increase in the number of transactions from 2017 to 2018, a 35 percent rise in total dollar volume and a 34 percent gain in sales price per room.

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## The Who, What, Where

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Of the total number of 2018 deals, LWHA's survey noted that 41 percent occurred in three states. Florida was the most active state with 38 deals, while California saw 25 transactions and New York traded 23 assets.

When looking at the highest price-per-room deal, Wind Creek Hospitality's purchase of the 302-room Sands Casino Resort Bethlehem, Pa., for \$1.3 billion was the clear winner. That price translates to more than \$4.3 million per key. Las Vegas Sands Corporation was the seller.

The second-highest per-room deal was bought by VICI Properties in a joint venture with Penn National Gaming. The JV purchased the 400-room Greektown Casino Hotel in Detroit for \$1 billion, or \$2.5 million per room.

Other notable transactions included:

- A JV of Shapack Partners and AJ Capital purchased the 40-room SoHo House Chicago for \$2.4 million per key from Sino-Ocean Land.
- Katara Holding bought the 282-room Plaza New York from a JV of Sahara U.S. Corporation, Ashkenazy Acquisition Corporation and Kingdom Holding Company for \$2.1 million per room.
- A JV of Starwood Capital Group, Invesco and Lefrak Organization sold the 426-room 1 Hotel South Beach in Miami Beach, Fla., to MSD Capital for \$1.2 million per room.
- DiamondRock Hospitality Company purchased the 142-room Cavallo Point: The Lodge at the Golden Gate in Sausalito, Calif., from an undisclosed seller for \$1.1 million per room.

Meanwhile, single-asset deals weren't the only ones being snatched up. The year saw companies merging with or scooping up the competition. Notable company deals during 2018 included:

- Pebblebrook Hotel Trust's \$5.2-billion buy of fellow real estate investment trust LaSalle Hotel Properties
- Hyatt Hotels Corporation's purchase of Two Roads Hospitality
- AccorHotels' purchase of Mövenpick Hotels & Resorts
- Spin-offs of La Quinta Holdings with the La Quinta hotel brand and management business acquired by Wyndham Hotels & Resorts as well as the creation of CorePoint Lodging, a real estate investment trust with more than 300 La Quinta-affiliated hotels

across the U.S.

- LVMH Moët Hennessy Louis Vuitton SE's \$3.2-billion buyout of Belmond.

And just as U.S. hotel performance looks to stay the course in the months ahead, so too does investor appetite, barring any black swan events, according to the LWHA report.