

U.S. Lodging Industry H1 2025



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U.S. Lodging Industry H1 2025

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U.S. Lodging Industry H1 2025



February 2020

U.S. Lodging Industry 2020

Navigating at Peak

GF HOSPITALITY FORUM

February 27, 2020

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**The
Economist**

Britain after Brexit

Trump's one-sided peace plan

Private markets—a dangerous obsession

The problem with puberty blockers

FEBRUARY 15T-21T 2020

How bad will it get?



U.S. Lodging Industry H1 2025



Economy

Year End 2024

U.S. Economy Is Doing What Few Others Are: Getting More Productive

Dec. 5, 2024

Many businesses have been able to do more with less and increase their revenue without passing on higher costs to customers

THE WALL STREET JOURNAL

Strengthening Inflation Poses Challenge for Trump, Fed

THE WALL STREET JOURNAL

Inflation ticks up to 2.7%, a sign that the path to bringing down price pressures remains bumpy

Dec. 11, 2024

Changing tides lift the forecast for 2025

December 18, 2024

Outlook improves substantially during the past year



How the stock market defied expectations again this year, by the numbers



December 26, 2024

Payrolls increased 227,000 in November, more than expected; unemployment rate at 4.2%



PUBLISHED FRI, DEC 6 2024 8:30 AM EST | UPDATED FRI, DEC 6 2024 10:34 AM EST

Fed Cuts Rates But Signals A Pause Ahead, Triggering Stock Market Plunge

December 18, 2024

BISNOW

Why You Should Feel Good About the Economy

You may not know what the future brings, but it's looking good moving ahead.

December 23, 2024

ALM GLOBEST.COM

US Economy Surprised Again in 2024 Despite Fed, Election Drama

Bloomberg

- Growth is set to top G-7 peers amid solid consumer spending
- Hiring slowed as borrowing costs curbed housing, manufacturing

December 29, 2024

U.S. Lodging Industry H1 2025



Economy

Surging job market could prove costly for households, businesses as odds of quick rate cuts fade

January 10, 2025



January 2025 – Pre- Inauguration

Fink Says US Economic Strength May Bring Rate Hikes in Future

January 24, 2025



U.S. economy wraps 2024 on solid footing with 2.3% growth rate

1/30/2025



US economy resilient despite moderation in growth in fourth quarter

January 30, 2025



Hiring Slows but Remains Solid, With Economy Adding 143,000 Jobs

Feb. 7, 2025

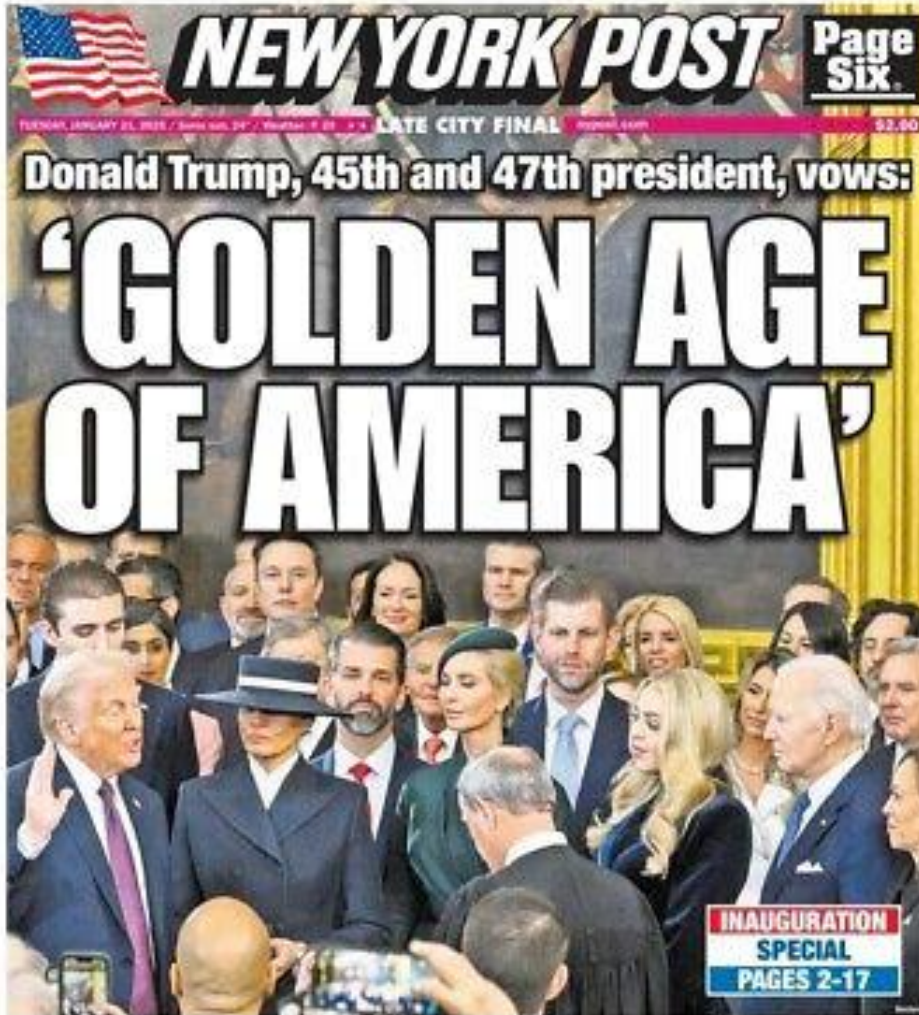
Unemployment slipped to 4% in January and job counts for November and December were revised upward

THE WALL STREET JOURNAL.

U.S. Lodging Industry H1 2025



Economy



Trump Is Overturning the World Order That America Built

As the president embraces Putin, longtime allies are starting to view the U.S. not just as unreliable but

March 7, 2025

as a possible threat to their own security

THE WALL STREET JOURNAL



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First Six Weeks

Post Inauguration



U.S. Lodging Industry H1 2025



Economy

Trump Says He Will Posthumously Pardon the Baseball Star Pete Rose

President Trump also repeated his call for Rose, who was banned from the sport for gambling, to be inducted into the Hall of Fame.



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Economy

The Economist

Can Winston Starmer pull it off?
Germany rearms
Time to lift Syria's sanctions
RIP foreign aid
MARCH 8TH-14TH 2025



The revised economic outlook

February 2025 – Post Inauguration

US inflation got worse with rising prices on groceries and gasoline

February 12, 2025 AP

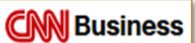
Retail Spending Slips As Inflation Climbs In January, Adding To Economic Concerns

February 14, 2025



Americans are finding it harder and harder to pay off their debt

February 13, 2025



Robert Kiyosaki Predicts Wall Street Crash and Layoffs: 'Prepare for Market Crash, Depression and War'

by Bibhu Pattnaik, Benzinga Staff Writer February 16, 2025



ZINGER KEY POINTS

- Kiyosaki forecasts a dire economic future with a market crash and job cuts on the horizon.
- The author of "Rich Dad Poor Dad" highlights the urgency for financial literacy in the face of a potential depression and war.

Posthaste: Cancel the cross-border shopping trip. Canadians say they're staying home

Feb 13, 2025



Poll shows more than half say they will not travel to United States after Trump's threats

U.S. Consumer Confidence Falls Back on Fears of Tariff-Induced Price Increases

Feb. 21, 2025



Inflation expectations jumped to 4.3% this month from 3.3% in January, the highest reading since 2023

What Does Warren Buffett Know That We Don't? Investors Are Paying Attention

by Bibhu Pattnaik, Benzinga Staff Writer February 17, 2025



ZINGER KEY POINTS

- Berkshire Hathaway's strategic pullback from stock buybacks and asset sales fuels acquisition speculation.
- Buffett's conservative cash reserve strategy contrasts with retail investors' diverse market opportunities.

As consumer delinquencies rise, U.S. economic growth increasingly powered by the wealthy

Feb. 22, 2025



Meanwhile, Americans who are not at the top are facing increasing financial difficulties.

Cracks in the consumer firewall begin to appear

Retail sales slide and consumer sentiment falls February 26, 2025



10-year Treasury yield falls to lowest since December on latest signs of slowing economy

FEB 25 2025



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Co-Founder, President & CEO

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Economy

March 2025 – Post Inauguration

U.S. Economy Shows Signs of Strain From Trump's Tariffs and Spending Cuts

Feb. 27, 2025

The New York Times

Consumer and business sentiment is wobbling as fiscal support fades and fears rise that tariffs will lead to higher prices.

Tariff War Risks Sinking World Into New Great Depression, International Chamber of Commerce Warns

March 4, 2025

The world economy could face a crash similar to the Great Depression of the 1930s

THE WALL STREET JOURNAL

Robert Rubin Blames Trump for Most Uncertainty in 60-Year Career

Bloomberg

- Former Treasury chief says DOGE is doing 'tremendous damage'
- Rubin says tariff hikes are 'massively' against US interests

March 4, 2025

As Canadians cancel trips due to Trump, the U.S. tourism industry could lose billions

MARCH 6, 2025

n p r

Inflation, looming trade war take a toll as confidence of the U.S. consumer tumbles

February 25, 2025

AP

Investors Now Expect More Interest Rate Cuts This Year —As Fears Rise Of A Tariff-Driven Economic Slowdown

Mar 4, 2025

Forbes

Wall Street falls again as losses wipe out all post-election gains for the S&P 500

March 4, 2025

AP

Wall Street Banks Say Markets Are Flashing Rising Recession Risk

March 5, 2025

Bloomberg

US economy as it happened: Powell says Fed not in 'hurry' to cut rates after weaker-than-forecast jobs figures

3/7/2025

FINANCIAL TIMES

Fed chair Jay Powell says central bank is no 'hurry' to cut rates despite weaker-than-forecast jobs figures

Potential government shutdown approaches as March 14 deadline looms. Here's what to know.

March 10, 2025

©CBS NEWS

The Economist

Can Winston Starmer pull it off?

Germany rearms

Time to lift Syria's sanctions

RIP foreign aid

MARCH 8TH-14TH 2025



The revised economic outlook

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Economy – Good News

Trump's AI Push: Understanding The \$500 Billion Stargate Initiative

Jan 23, 2025,

Forbes

Apple Vows to Build A.I. Servers in Houston and Spend \$500 Billion in U.S.

Feb. 24, 2025

The New York Times

The company pledged the multibillion-dollar investment over the next four years and said it would create 20,000 jobs. The Texas facility is set to open in 2026.

Lilly Plans to More than Double U.S. Manufacturing Investment Since 2020 Exceeding \$50 Billion

February 27, 2025

GEN Genetic Engineering & Biotechnology News

Bessent Says He Sees Inflation Reaching Fed's 2% Target Quickly

March 2, 2025

Bloomberg

Chip giant TSMC to invest \$100B in US manufacturing

March 3, 2025

FOX BUSINESS

TSMC previously announced investments of up to \$65 billion for its US operations

Goldman CEO Solomon Sees Very Small Chance of US Recession

March 3, 2025

- David Solomon speaks at conference in Sydney on Tuesday
- Uncertainty over how Trump addresses trade imbalances: Solomon

Bloomberg

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Economy – More Good News

CEO Confidence Increased Sharply in

2025-02-20

Q1 2025



From cautious optimism to confident optimism

The Conference Board *Measure of CEO Confidence*TM in collaboration with The Business Council increased by 9 points in the first quarter of 2025 to 60, the highest level in three years. For the first

The Conference Board *Measure of CEO Confidence*TM



Note: Shaded areas indicate periods of recession.
Sources: The Conference Board; The Business Council; NBER

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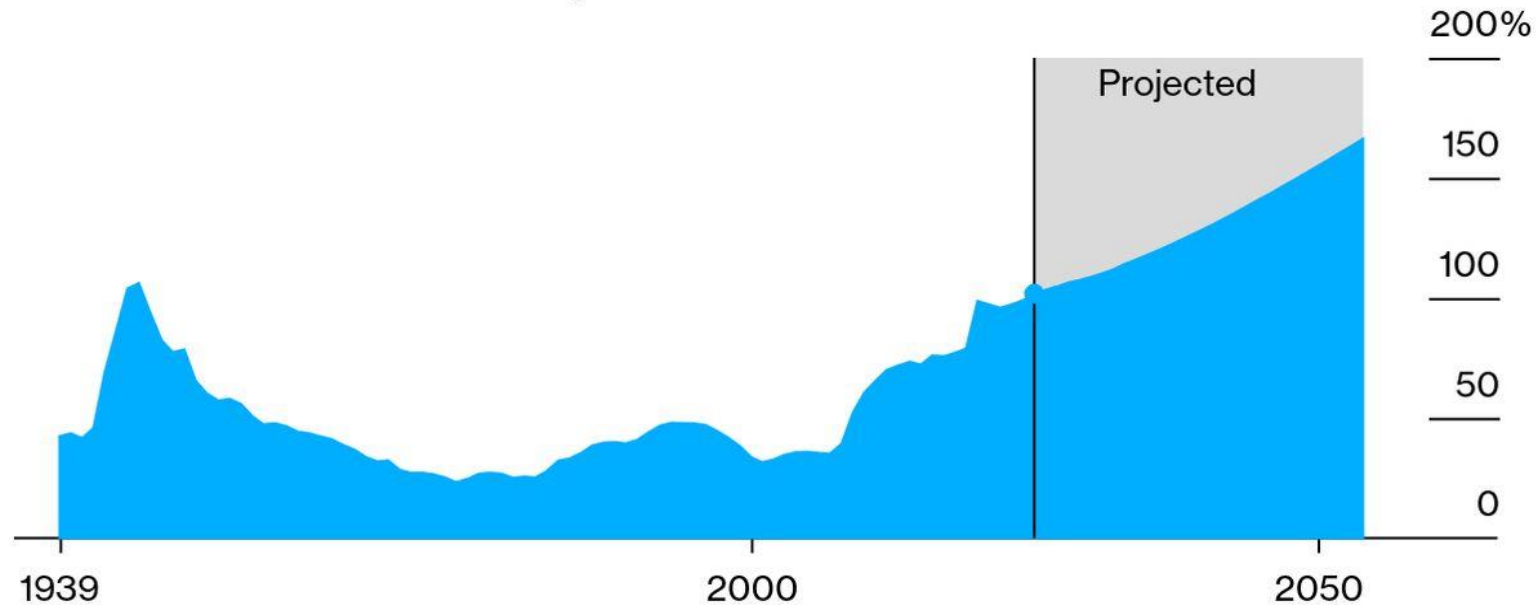


Economy

US Debt Is Poised To Exceed Its WWII-Era Peak

US federal debt held by the public as a share of GDP.

■ Debt as a share of GDP ■ Projected



Source: Congressional Budget Office, Brookings

Note: "Assessing the Risks and Costs of the Rising U.S. Federal Debt," by Wendy Edelberg, Ben Harris, and Louise Sheiner

Bloomberg

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U.S. Commercial Real Estate

Real Estate Bottomed Out In 2024. The Next Cycle Will Be Hard, But Rewards Could Be Huge

2 January 2025

BISNOW

Don't stop believing: Extend-and-pretend still reigns supreme

Modifications broke records in 2024, Fitch projects more to come in 2025

JAN 27, 2025

THE REAL DEAL
REAL ESTATE NEWS

Commercial Real Estate Mergers and Acquisitions Expected to Spike in 2025

COMMERCIAL OBSERVER

FEBRUARY 10, 2025

Macroeconomic conditions set the stage for public-to-private and public-to-public deal to dominate

Brookfield nears final close for flagship real estate fund

Green Street News

Canadian giant raised \$500m for Brookfield Strategic Real Estate Partners V in the fourth quarter

13 Feb 2025

25% Tariffs On Mexico, Canada Begin, Complicating CRE Outlook

March 04, 2025

BISNOW

As wave of commercial loans comes due, concerns rise over tougher payment options

January 9, 2025

CoStar™

CMBS borrowers have relied on extensions, but some industry pros say that might not last

The office sector's outlook is brightening

CoStar™

February 3, 2025

Recent performance trends could signal a broader recovery, but risks remain

Banks Return To The CRE Table With More Lending Appetite

February 10, 2025

BISNOW

CMBS Issuance Headed For A Record Year After Skyrocketing In 2024

February 17, 2025

BISNOW

Recession Fears Have Markets Reeling, But CRE Investor Optimism Is Growing

March 06, 2025

BISNOW

Blackstone Raises Largest Commercial Property Debt Fund With \$8 Billion Haul

March 7, 2025

THE WALL STREET JOURNAL

Fund took two years to build and will be active in North America, Europe and Australia

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Co-Founder, President & CEO

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Travel Industry

Travel industry to contribute record \$11 trillion to global GDP in 2024

September 3, 2024



KKR Acquires The Parking Spot, Betting on U.S. Travel Growth

CRE Daily

KKR has acquired The Parking Spot, the largest provider of near-airport parking in the U.S., to capitalize on the growing travel industry.

October 9, 2024

U.S. Projects 90 Million Visitors by 2026

October 29th, 2024

Skift

Delta Air Lines Stock Soars After Earnings. Why the Sector Is Flying, Too.

Jan 10, 2025

BARRON'S

The U.S. remains most powerful travel and tourism market

September 9, 2024



Business travel to exceed pre-pandemic levels to reach new record in 2024, says WTTC report

October 18, 2024



More than 3 million travelers screened at US airports in a single day. That's a record

December 2, 2024



Global tourism recovers to pre-pandemic levels

January 22nd, 2025

Hotel Investment Today

New UN data estimates 1.4 billion international travelers with 3% to 5% growth projected for 2025.

Global Air Passenger Demand Reaches Record High in 2024

30 January 2025



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Travel Industry

U.S. Prepares for 'Mega Decade' of Events with Expanded Visa Access

Dec 12, 2024



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Sector Overview

Hilton shows strong RevPAR, NUG growth in Q4

FEBRUARY 6, 2025 

CEO Chris Nassetta said the RevPAR growth was driven by strong trends in leisure occupancy and continued gains in business transient and group.

Marriott Profit Beats Estimates in Record Year for Adding Rooms

February 11, 2025



Hyatt Hotels Corporation (H)



February 13, 2025

4Q RevPAR ahead but EBITDA miss. 2025 room growth and RevPAR guides in-line, EBITDA light.

InterContinental Hotels Group Lifts Dividend After Rise in Revenue

The group's revenue grew 6.5%

Feb. 18, 2025



Host Hotels & Resorts beats Q4 estimates, shares edge higher

02/19/2025



Earnings call transcript: Park Hotels & Resorts Q4 2024 earnings beat expectations

02/20/2025



Accor's 2024 room revenue growth slightly beats estimates

February 20, 2025



Choice hits upper end of guidance with 2024 numbers



Choice Hotels International reported systemwide net room growth of 3.3% and a net income increase of 16% for 2024 as part of its fourth quarter and full-year 2024 earnings.

FEBRUARY 20, 2025

February 24, 2025


Real Estate: Hotel REITs



Apple Hospitality REIT, Inc. (APLE)

4Q24 Results Beat (Better Margins); 2025 Guide Reflects Expenses >4%

RLJ Lodging Trust (NYSE:RLJ) Announces Quarterly Earnings Results, Beats Expectations By \$0.36 EPS

February 26, 2025



Pebblebrook Hotel (PEB) Surpasses Q4 FFO and Revenue Estimates

February 26, 2025



DiamondRock Hospitality Co. (DRH)



Big 4Q24 Earnings Beat; 2025 Outlook Solid, Likely Better than Expected

February 27, 2025

Chatham Lodging Trust (NYSE:CLDT) Issues Quarterly Earnings Results, Beats Estimates By \$0.34 EPS

February 27, 2025



U.S. Lodging Industry H1 2025

Sector Overview

US forecast remains at 1.8% RevPAR in 2025

US forecast YoY percentages, Occupancy level value
(as of ALIS 2025)



Metric	2024 Actual	2025 Forecast	2026 Forecast	2027 Forecast
Occupancy	63.0%	63.1%	63.1%	63.4%
ADR Change	1.7%	1.6%	2.0%	1.8%
RevPAR Change	1.8%	1.8%	2.1%	2.2%
2019 Real RevPAR Index	(5.9%)	(6.6%)	(6.8%)	(7.0%)

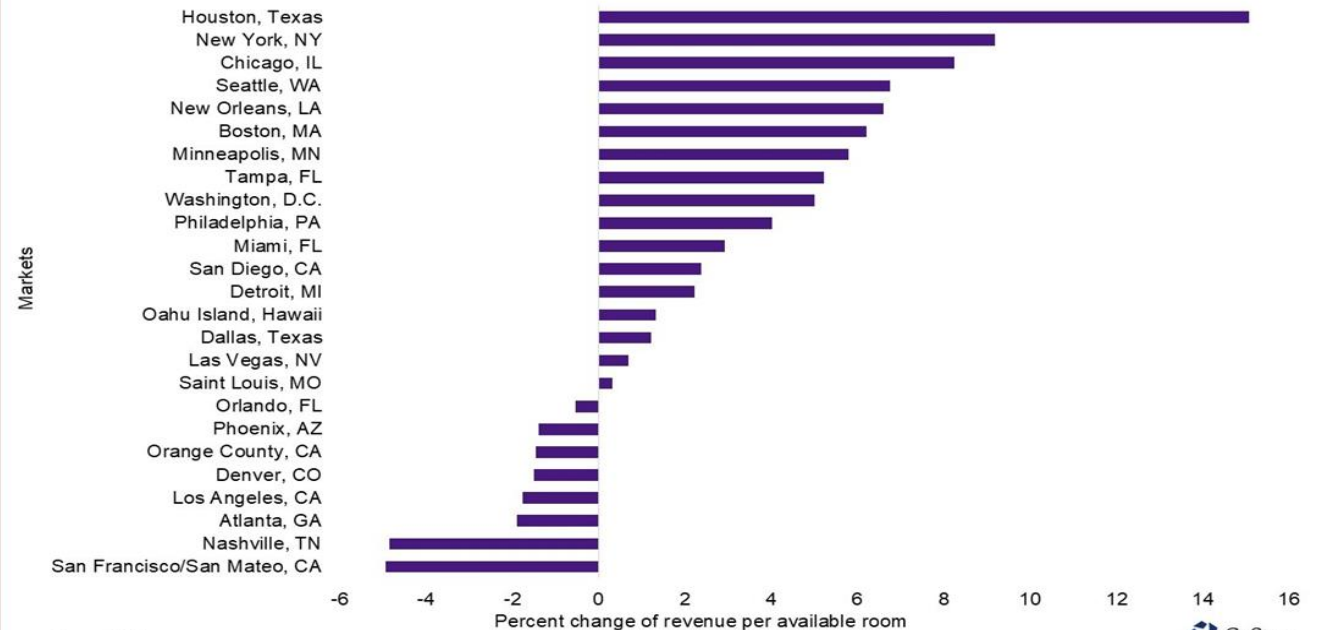
Most large hotel markets were productive in 2024

February 18, 2025



Continued return of group travelers, healthy corporate demand serve as catalysts

Houston, New York City and Chicago had a good year. San Francisco still struggles.



Source: CoStar

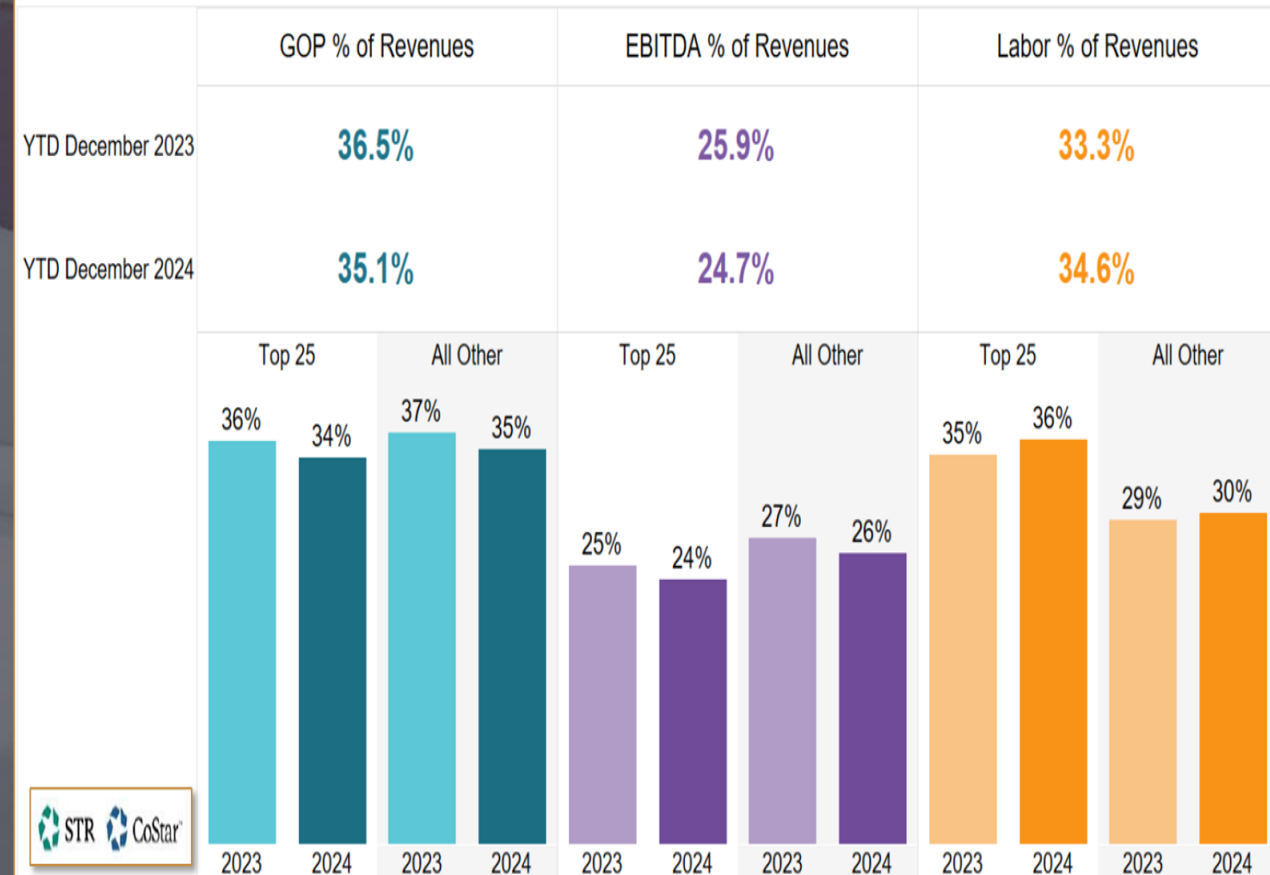


U.S. Lodging Industry H1 2025

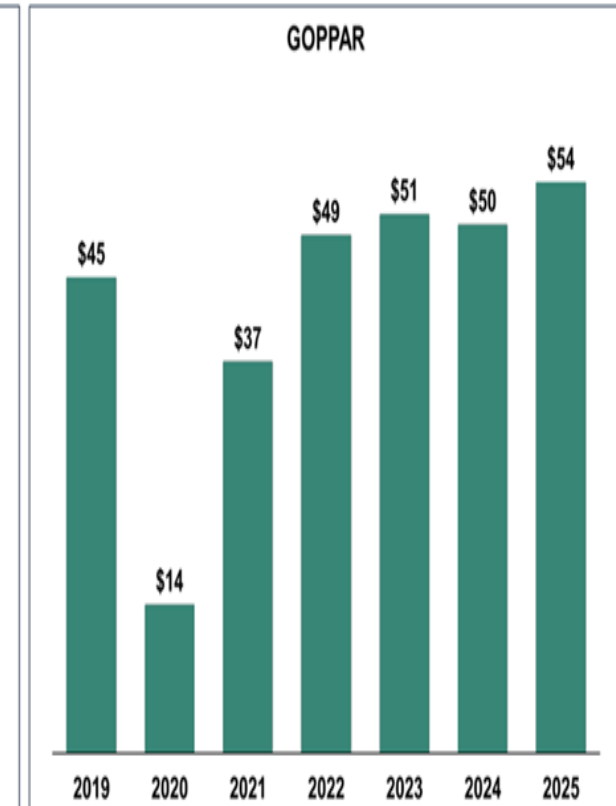
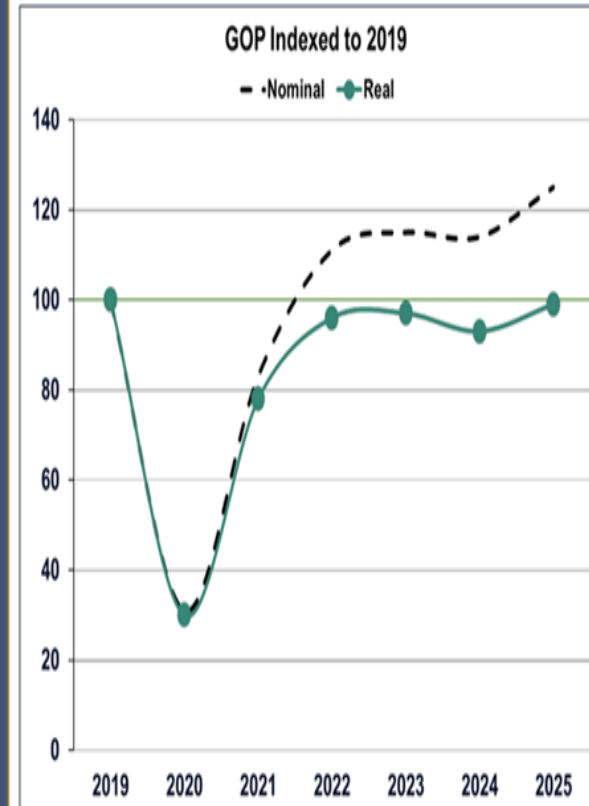
Sector Overview

Higher labor margins drove lower profit margins

Profit Margins, Total U.S., Top 25 Markets + all other markets



U.S. Profitability Forecast

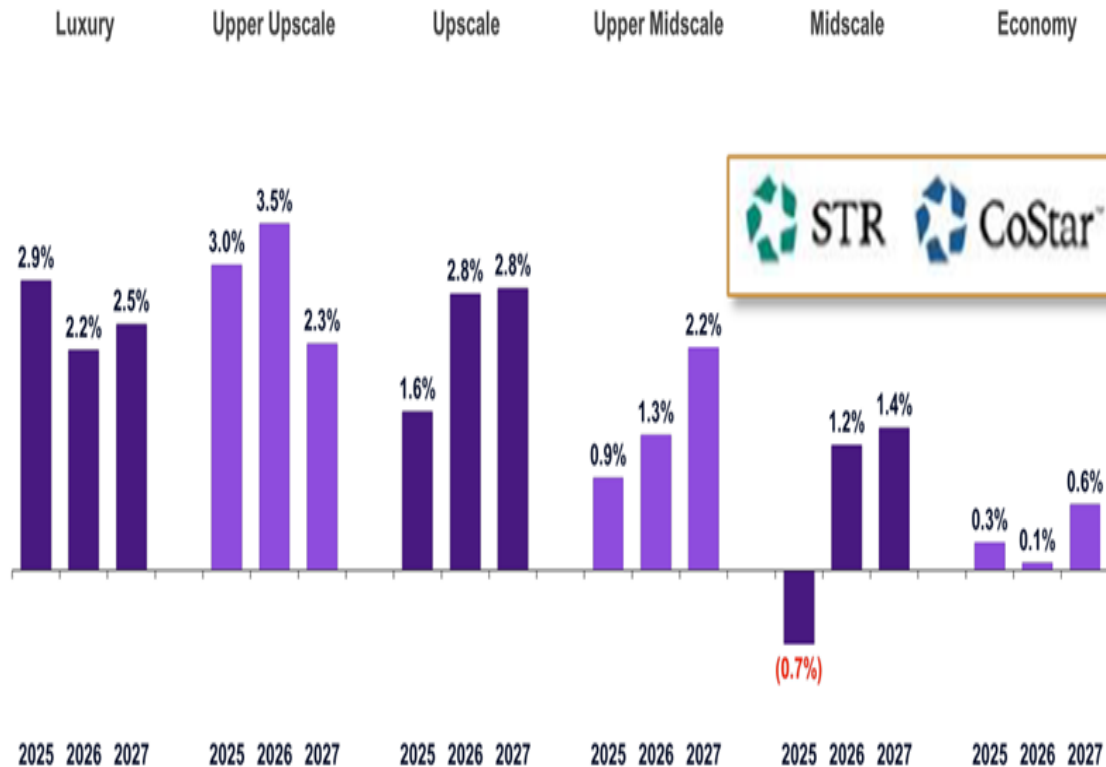


Source: STR, © 2025 Colliers Group

U.S. Lodging Industry H1 2025

Sector Overview

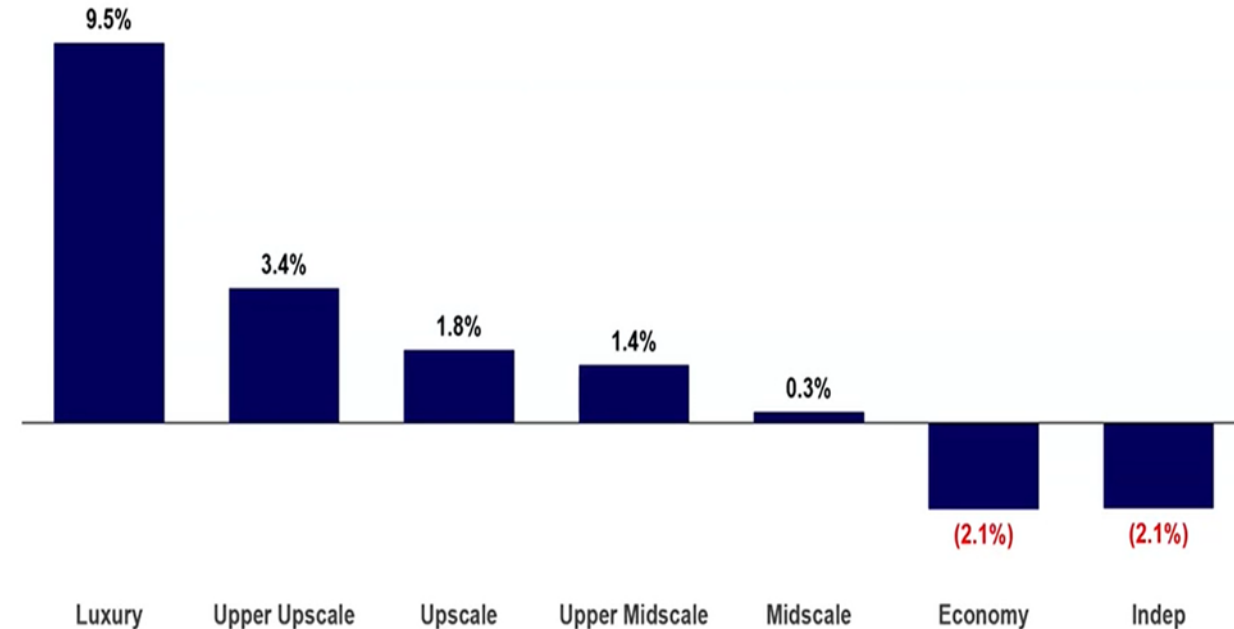
U.S. RevPAR Forecast By Chain Scale



Source: STR, © 2025 CoStar Group

Demand bifurcated by hotel type

U.S. chain scale room demand change, December YTD*



STR CoStar

*Preliminary

Source: STR, © 2024 CoStar Group

U.S. Lodging Industry H1 2025

Sector Overview

Americans prefer hotels as lodging choice for holiday travel, finds AHLA survey

November 13, 2024



As Chinese tourists travel internationally again, their desires have changed

Western markets must understand Chinese social media

November 19, 2024



Indian outbound travel will be 'the story' of the next decade, says Hilton executive

DEC 12 2024



U.S. Hotels May Have Hit Occupancy Ceiling in 2024



Sean O'Neill
December 25th, 2024 at 6:00 AM EST

Skift

Outlook on international arrivals to US positive despite headwinds

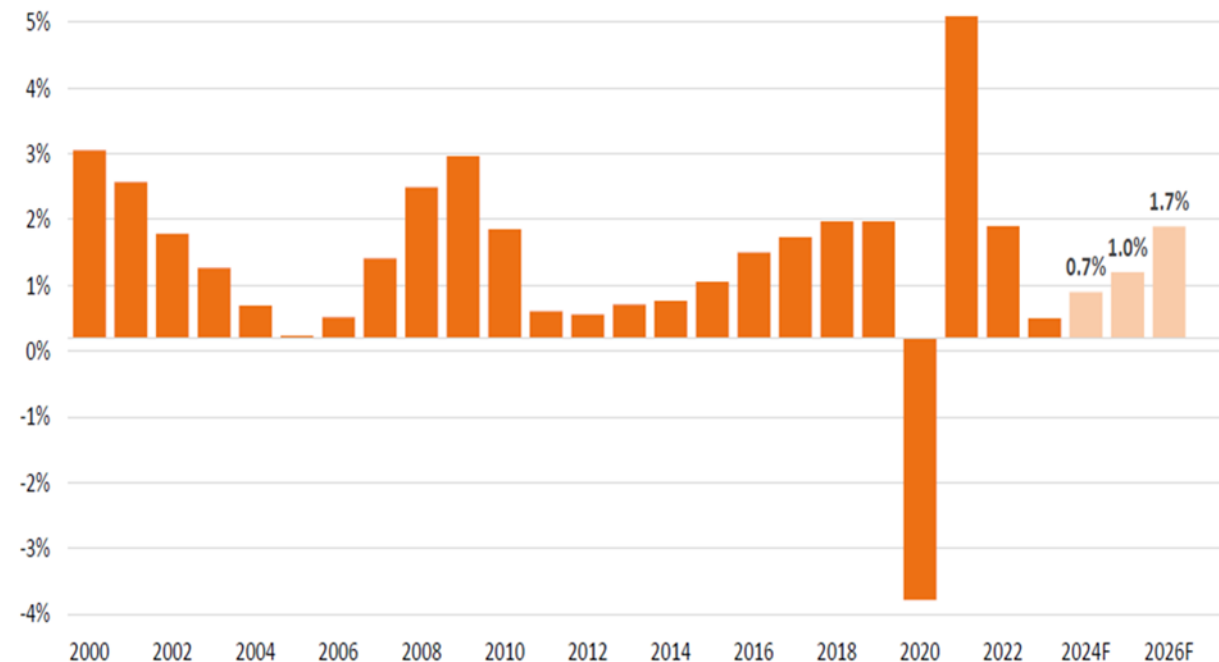
January 3, 2025



Strength of dollar pushes travelers to look elsewhere

U.S. supply growth to near long-term average by 2026

U.S. annual room supply room growth, 2000-2026F



Reference line: Historical U.S. average (1988-2019) : 1.8%



Source: STR. © 2024 CoStar Group

U.S. Lodging Industry H1 2025

Sector Overview

Origination volume for hotel commercial mortgage-backed securities rose to \$20 billion in 2024

January 17, 2025



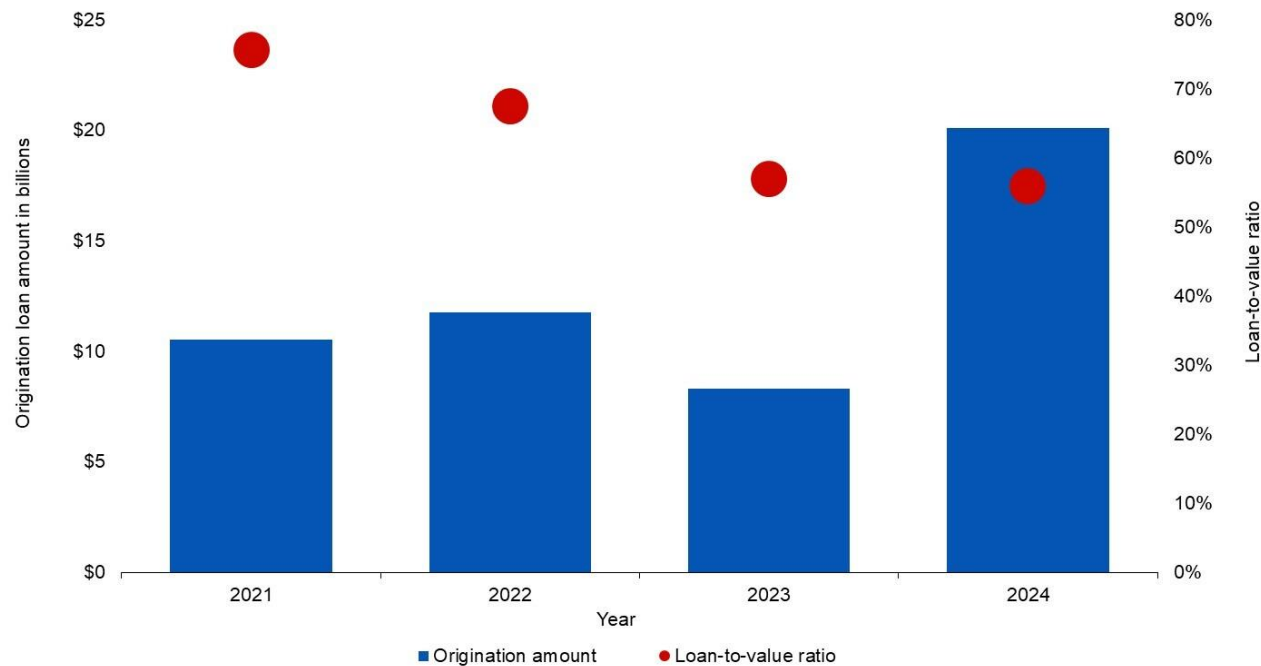
For the second year in a row, that dollar amount outpaced office origination

CMBS Issuance Headed For A Record Year After Skyrocketing In 2024

February 17, 2025

BISNOW

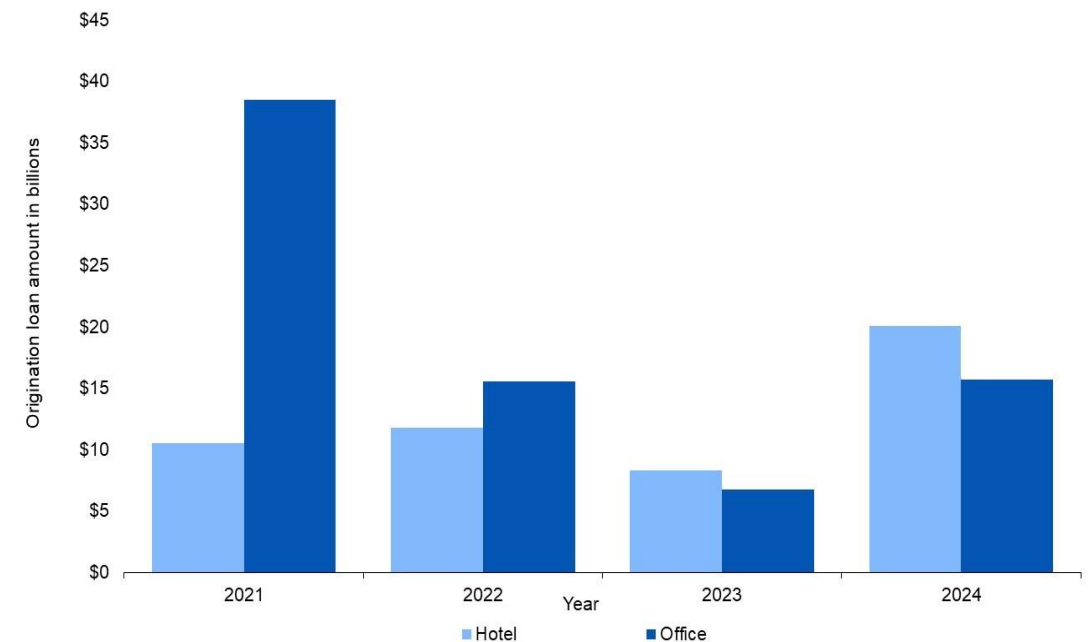
Hotel loan originations soar, but underwriting gets tougher



Origination volume of commercial mortgage-backed securities for hotels, and loan-to-value ratio
Source: CoStar, January 2025



Hotel loan originations outpace office, again



Origination volume of commercial mortgage-backed securities for hotels and offices
Source: CoStar, January 2025



U.S. Lodging Industry H1 2025

Sector Overview

CoStar: U.S. hotels report slowest ADR, RevPAR growth in 4 years

Jan 24, 2025



US hotel performance continues to lag inflation due to handful of challenges

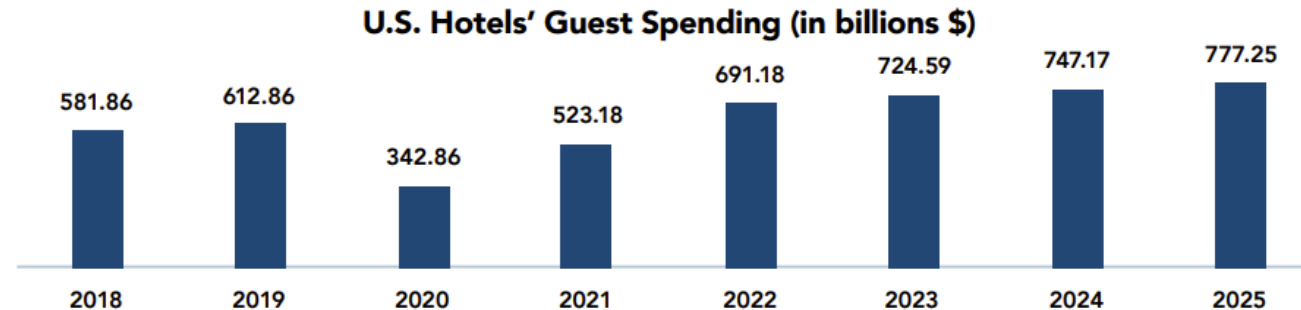
January 27, 2025



Guest Spending

GUEST SPENDING WILL HIT ANOTHER RECORD HIGH

Despite inflationary and economic challenges, guest spending across lodging, transportation, retail, restaurants, and other expenditures in local economies at U.S. hotels is projected to reach a record high of \$777.25 billion in 2025. This figure surpasses the previous record of \$747.17 billion set in 2024. Although guest spending in 2024 fell below the forecasted \$758.61 billion, it still surpassed 2023's spending level (\$724.59 billion), and represents a significant improvement on a nominal basis over spending levels in both 2020 (\$342.86 billion) and 2019 (\$612.86 billion).¹



Source: Oxford Economics and STR/CoStar Group

U.S. Lodging Industry H1 2025

Strengths

Americans are shopping less but they're still spending on flights, hotels and Disneyland

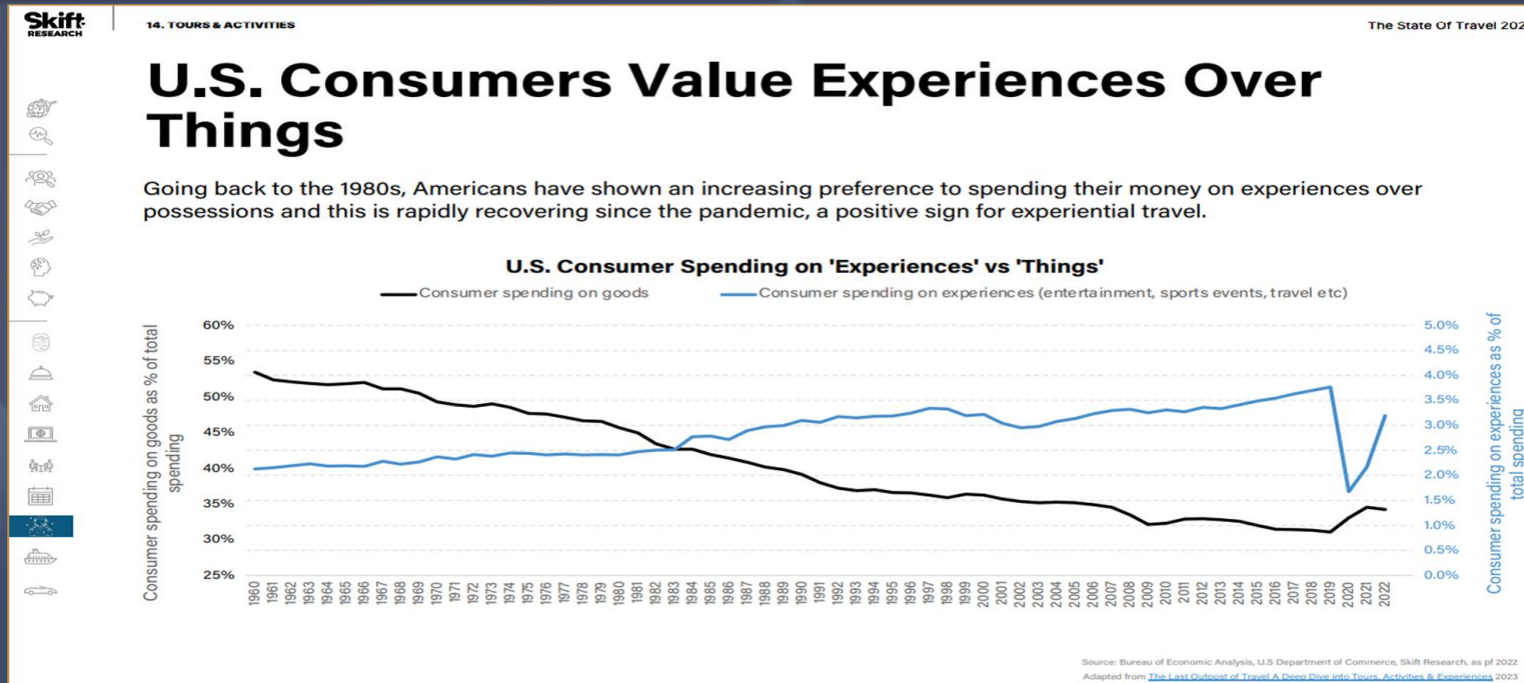
May 9, 2024

CNN Business

More Americans Justifying Vacations Despite Budget Constraints

July 16, 2024

TRAVELPULSE



Consumers Are Not Ready To Quit Spending Just Yet

Latest Retail Sales Figures Top Projections

July 24, 2024

CoStar™

Nasdaq hits record high as US consumer sentiment rises ahead of presidential election

25 October 2024

yahoo!finance

U.S. Lodging Industry H1 2025

Strengths

Blisure Travel: The Rise Of Mixing Business With Pleasure

Jul 2, 2024

Forbes

US Government Raises Hotel Per Diem Rates to \$110 Starting in October

August 16, 2024

CoStar

Federal Employees See Lodging, Meals and Incidental Expenses Rates Increase for 2025

State Department Sees 'Off the Charts' Demand for U.S. Visas

September 17th, 2024

Skift

Wyndham Hotels CEO: 'No Waning in Leisure Travel Demand'

October 24th, 2024

Skift

Business Travel Industry Reflects on a Resilient 2024, Sets Optimistic Plans for Growth, Technology and Sustainability in 2025

November 18, 2024

GBTA Global Business Travel Association
Many Voices. One Purpose.

New GBTA research highlights strong global optimism, increased budgets and shifting travel patterns across regions as companies navigate the future

Execs expect hotel values to grow under Trump administration

December 10, 2024

CoStar

Tax policies, deregulation, NLRB appointments cited as likely tailwinds

US Hotel Demand Trends Show Positive Signs for Leisure, Group and International Travel

CoStar

July 12, 2024

Household Spending Trends, Strength of the Economy Boosts Leisure Demand

Lodging REITs Seeing Strongest Growth from Corporate Customers

09/26/2024

Nareit Real estate working for you.

From Taylor Swift To Oasis, Concerts And Events Increasingly Driving Hotel Market

4 October 2024

BISNOW

Drop in US visa wait times paves way for belated travel recovery

Nov 01, 2024

ET THE ECONOMIC TIMES

New York City Hotel Rates Soar to Record Heights as Holiday Travel Nears

Nov. 24, 2024

The New York Times

Hotels charged an average of \$417 per night in September, the highest monthly rate ever for the city. "I don't understand how normal people can go there," one tourist said.

Hotel brands predict steady revenue, rooms growth in 2025 outlook

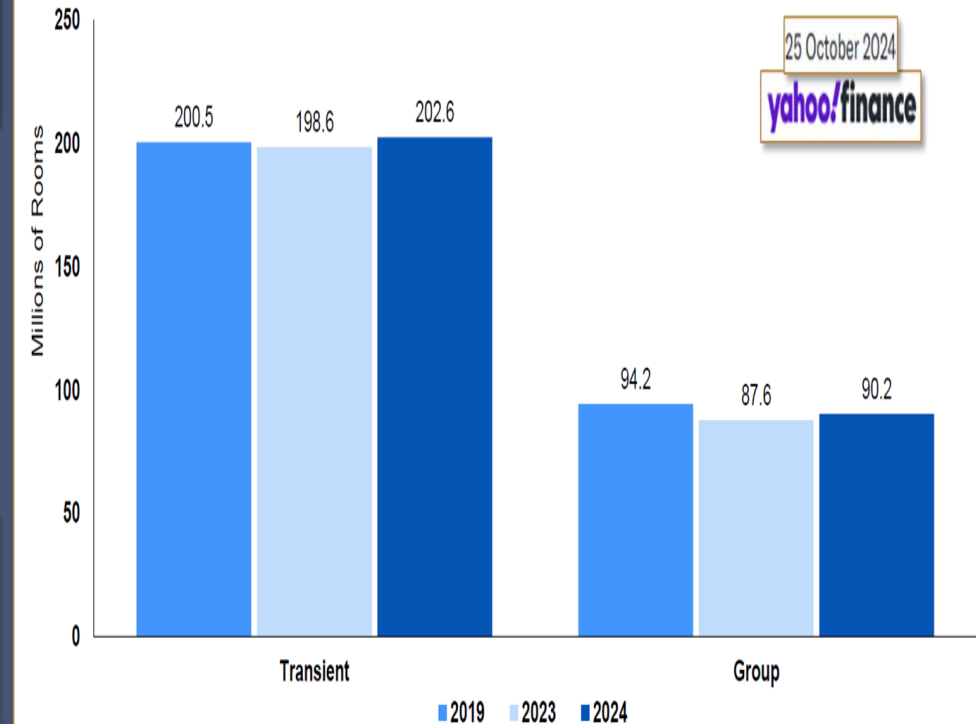
March 7, 2025

CoStar

Execs point to promising progress in business, leisure travel

Transient Demand Robust. Group Demand On The Right Track

Segmentation Demand, Full Year, 2019, 2023, 2024



25 October 2024

yahoo!finance

CoStar

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U.S. Lodging Industry H1 2025 Strengths

U.S. group business delivers 7 consecutive quarters of growth

Aug 16, 2024



Corporate Retreats Are Back. Hotels Are Banking on It. Oct. 14, 2024 THE WALL STREET JOURNAL

Desire for more face-to-face meetings is spurring companies to book group events

Group Business Continues to Recover

Group Demand Has Largely Returned to Top 25 Markets

The recovery of group business continues to gain momentum, with demand in top 25 markets nearing pre-pandemic levels. Both Marriott and Hilton have reported strong year-over-year growth in group business, driven by robust meeting and convention activity. Weekly group demand for luxury and upper-upscale hotels has consistently trended upward, reflecting increased corporate and event-driven travel. As 2025 group pace remains strong, hotels are well-positioned to capitalize on rising occupancy and rate growth.

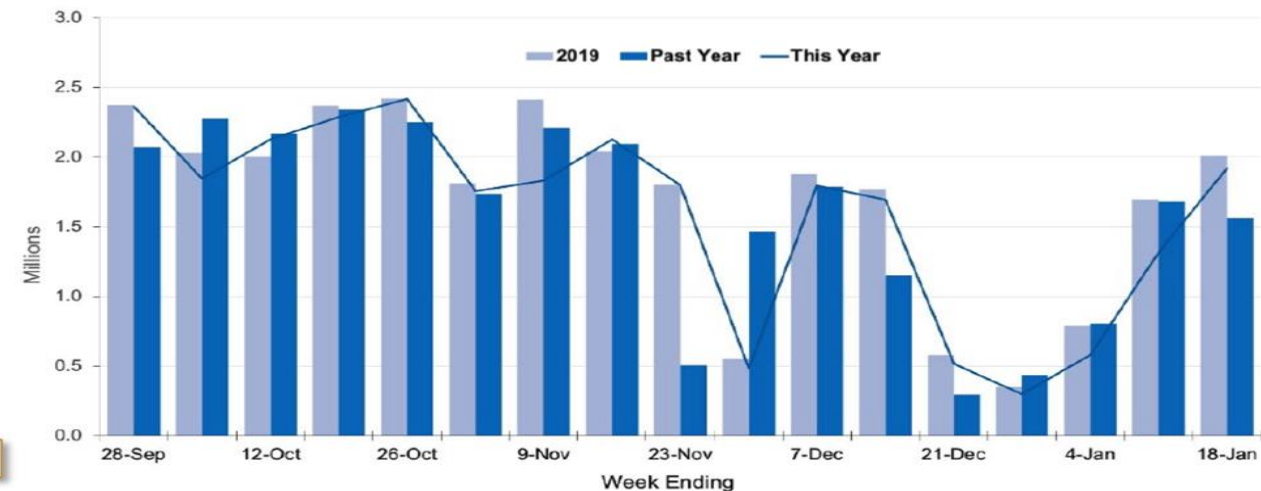
+8% YoY Group Business Growth
Marriott Q4 2024 Earnings

Growth was driven largely by occupancy gains and continued strength in meetings and convention business

2025 Group Pace up 7%
Hilton Worldwide Q4 2024 Earnings

Source: CoStar/STR

Group Demand Strengthens
U.S. weekly group demand, Luxury and Upper Upscale

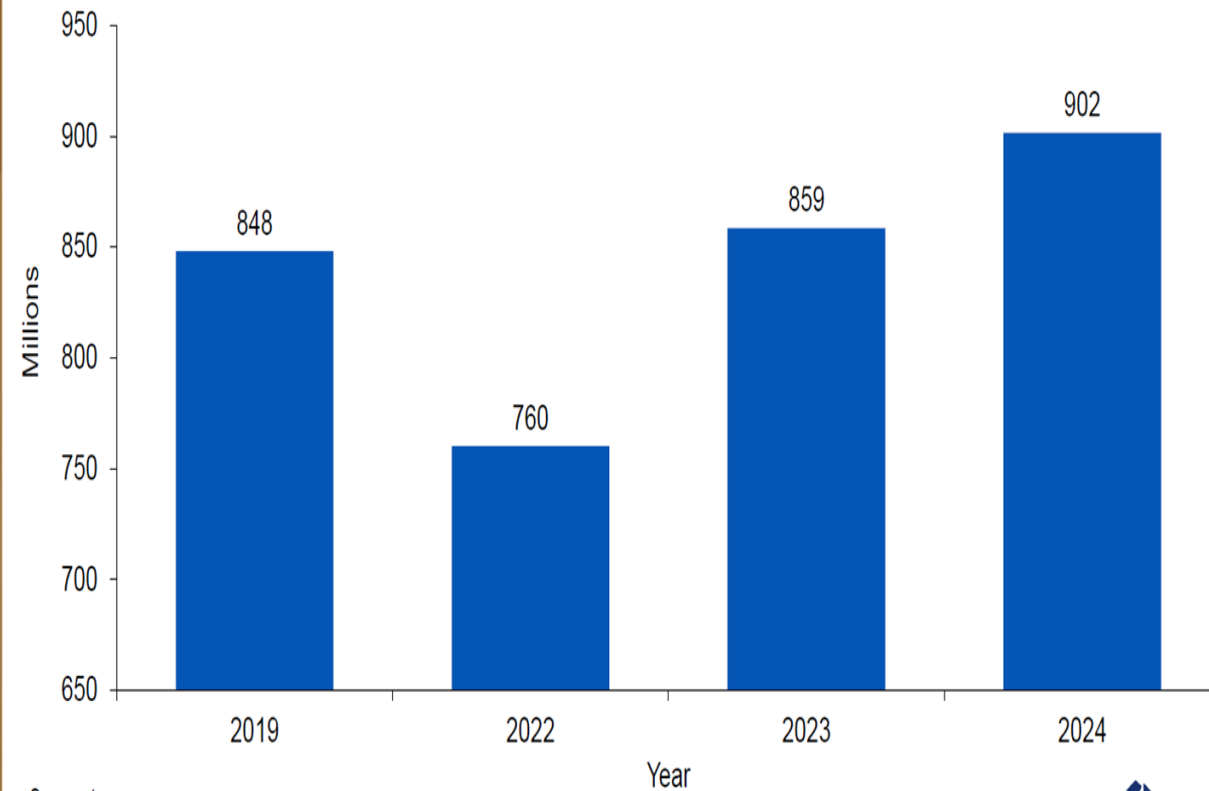


U.S. Lodging Industry H1 2025

Strengths

TSA flyer counts continue robust growth

Number of People Screened at TSA Airport Checkpoints



Source: tsa.gov



International Travel Demand Continues Recovery

Continued International Demand Recovery Anticipated in 2025

Month	2019 U.S. Citizen Departures	2019 Difference	2019 Non-U.S. Citizen Arrivals	2024 U.S. Citizen Departures	Difference	2024 Non-U.S. Citizen Arrivals	vs. 2019 (Departures)	vs. 2019 (Arrivals)	Net Difference (vs. 2019)
Jan	3,971,515	1,306,213	5,277,728	4,659,080	107,878	4,766,958	17%	-10%	-1,198,335
Feb	3,917,628	747,869	4,665,497	4,931,847	608,096	4,323,391	26%	-7%	1,355,987
Mar	5,379,749	-178,078	5,201,971	6,456,102	1,427,885	5,028,217	20%	3%	1,249,882
Apr	4,747,002	970,066	5,717,068	5,572,076	-672,799	4,899,277	17%	-14%	-1,642,865
May	5,485,565	762,001	5,767,766	6,737,379	-1,037,139	4,998,726	19%	-7%	-1,466,490
Jun	6,894,114	-1,620,481	5,273,670	8,278,595	-3,582,295	4,695,670	20%	11%	-1,962,481
Jul	6,461,868	-400,188	6,616,880	7,644,297	-2,124,988	5,519,399	18%	9%	-1,724,710
Aug	5,314,946	434,248	5,749,194	6,309,246	-1,174,974	5,124,220	16%	5%	-1,443,096
Sep	4,495,170	856,406	5,351,576	5,492,682	-617,007	4,875,682	22%	2%	1,473,406
Oct	4,404,215	989,183	5,393,398	5,421,907	-438,794	4,983,113	23%	8%	1,427,977
Nov	4,227,695	1,402,636	5,630,331	5,281,072	-1,434,065	4,546,266	23%	-9%	1,435,308
Dec	5,257,209	370,908	5,628,117	6,424,383	-1,210,243	5,432,104	26%	3%	-1,581,151
TTM Totals	60,556,676	5,640,783	66,273,196	73,208,666	-10,148,445	59,193,023	21%	-11%	-4,076,568



U.S. Lodging Industry H1 2025

Strengths

US hotel rooms in construction show no sign of acceleration

February 5, 2025



Total pipeline shows additional activity, but financing remains the sticking point

After over 3 years, still no real change in the construction counts

Rooms in '000s, December 2024



Phase	2024	2023	% Change
In Construction	154	152	1%
Final Planning	266	254	4%
Planning	348	318	9%
Under Contract	767	725	6%

U.S. Lodging Industry H1 2025

Strengths

Wave of renewed US investment optimism

Hotel Investment Today
BY NORTHSTAR

11/14/2024

JLL's Global Hotel Investor Sentiment Survey suggests 2025 could mark a turning point for U.S. hotel investment, with urban markets and luxury assets leading the way.

Execs expect hotel values to grow under Trump administration

December 10, 2024



Tax policies, deregulation, NLRB appointments cited as likely tailwinds

Investment volume will jump 15-25% in 2025: JLL

January 28, 2025

Hotel Investment Today

Investors increasingly gravitating to the hotels sector will continue, driven by outsized yields, robust operating performance and favorable supply dynamics.

Investors Check In To Hotels As Dollars Flow To CBD, Resort And High-End Properties

February 17, 2025

BISNOW

Blackstone's latest debt fund could be a salve for hotel investors

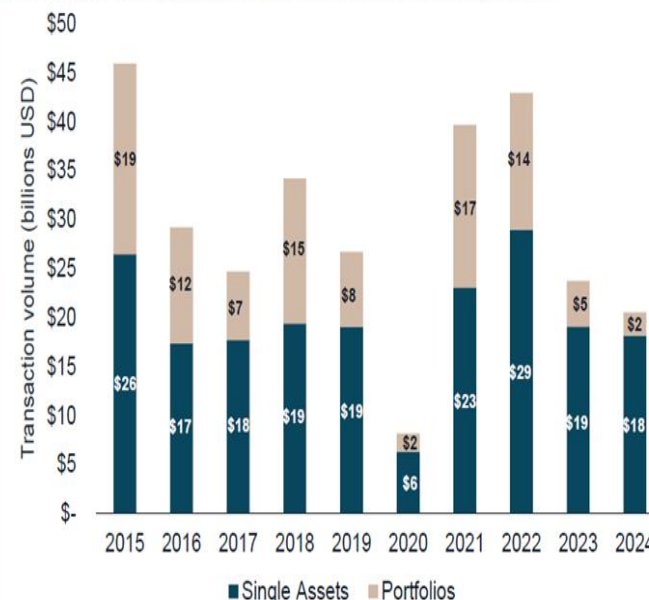
March 7, 2025



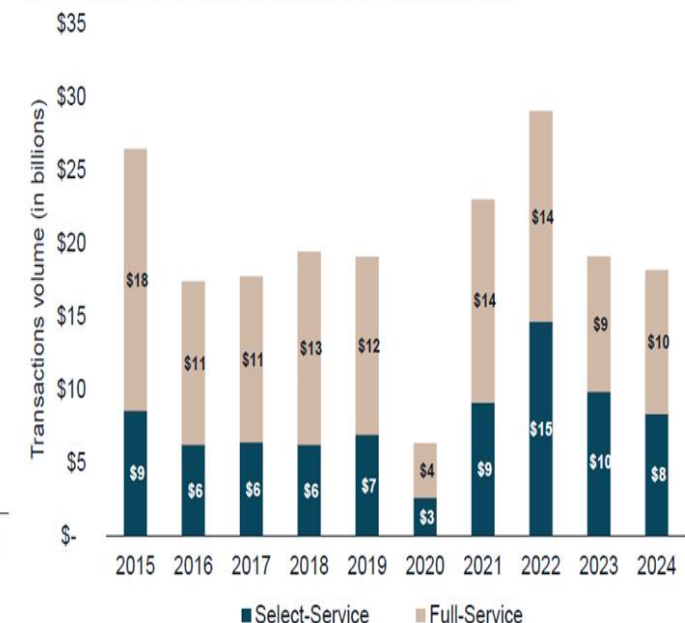
Single-asset trades fuel liquidity as full-service transactions accelerate

Full-service transactions accounted for 54% of 2024 single-asset liquidity, their highest portion in three years, signaling renewed investor optimism amid increasing debt market clarity. Portfolios, which have been notably absent for the past two years, should accelerate in tandem with falling interest rates as private equity investors seek the elusive portfolio premium.

U.S. single-asset and portfolio hotel transaction volume



U.S. single-asset transaction volume by hotel type



Source(s): JLL Research

Note(s): Pertains to transactions worth \$5M+ excluding casinos. Includes entity-level transactions in which real estate was traded. JLL follows STR's classifications for full-service and select-service hotels. Select-service also includes extended-stay.

U.S. Lodging Industry H1 2025

Strengths

Availability of Refinancing Proceeds (H1 2025)

TPI Hospitality completes two-hotel refi



Robert Douglas represented, as exclusive advisor, TPI Hospitality on the refinancing of a Homewood Suites by Hilton two-hotel portfolio, the 125-key Homewood Suites St. Louis Park and the 124-key Homewood Suites New Brighton in the greater Twin Cities MSA.

January 7, 2025

Steve Ross lands \$150 refi for downtown West Palm convention center hotel, as billionaire continues area investment

JAN 8, 2025



84-year-old is redefining both city's skyline and playing a role in sculpting its future

800 Room Omni Nashville Hotel Secures \$300M Refinancing

January, 10 2025



San Jose hotel tower attracts new lender in bid to avoid foreclosure

January 13, 2025



Signia by Hilton San Jose owner hopes fresh financing will replace existing loan

CRONHEIM HOTEL CAPITAL SECURES \$25MM+ FOR THE REFINANCE OF SOUND VIEW AND HARBORFRONT IN GREENPORT, NY

1/21/2025



TPI Hospitality secures \$70.4M seven-hotel portfolio refi

Robert Douglas represented, as exclusive advisor, TPI Hospitality on the \$70.4-million refinancing of a 770-key, seven-hotel portfolio of premium-branded hotels in the greater Twin Cities submarkets of Maple Grove/Arbor Lakes and North Metro in Minnesota.

January 23, 2025



Northmarq's New York Debt + Equity team arranges \$28.75 million refinance of The Rockaway Hotel

JANUARY 9, 2025



Deutsche Bank Provides \$68M Refi for New Jersey Resort

JANUARY 10, 2025



The property is owned by the Davidowitz family of Orsid Property Group in New York

Benefit Street Partners Closes \$135 Million Loan Package on The Empire Hotel

JANUARY 17, 2025



Access Point provides \$195M refinancing for The Beekman, A Thompson Hotel

Jan 21, 2025



Barings and Apollo Affiliates Provide \$113 Million Debt Package for Westin

January 27, 2025

Indianapolis



Brookfield Procures \$90M Refi on Austin Hotel

January 8, 2025



CIM Group closed a \$90 million whole loan to Brookfield Asset Management to refinance Downtown Austin, a Renaissance Hotel in downtown Austin. Under Brookfield's ownership, the hotel underwent a major renovation that included upgrades to all guest rooms, the expansion of the public spaces and improved amenities including the addition of Morning Bird, a breakfast and lunch cafe, and Swim Club, a poolside bar and restaurant.

Wylder Windham NY receives \$19.5M financing

Jan 10, 2025



Peachtree Lends \$115M in Hyatt-Branded Hotel Recaps

JANUARY 15, 2025



CRONHEIM HOTEL CAPITAL EXECUTES REFINANCE OF HAMPTON INN NEWARK AIRPORT ELIZABETH

1/17/2025



Cronheim Hotel Capital (CHC) has secured a new senior loan to refinance the existing debt for the Hampton Inn Newark Airport Elizabeth. The hotel is located just a few minutes from Newark Airport and within close proximity to the Port of Newark and the Cape Liberty Cruise Port.

KKR Provides \$95M in Financing for Marriott Uptown Dallas Hotel

January 22, 2025



American Hotel Income Properties completes CMBS refinancing

Jan. 27, 2025



American Hotel Income Properties (AHOTF) REIT announced the completion of a commercial mortgage-backed securities refinancing for five hotel properties with total gross proceeds of \$43M, and the repayment of \$38.4M to the term loans comprising part of AHIP's senior credit facility governed by the Sixth Amendment.

U.S. Lodging Industry H1 2025

Strengths

Availability of Refinancing Proceeds (H1 2025)

Cronheim Hotel Capital secures \$10.5 million to refinance the Residence Inn Atlanta Cumberland



January 28, 2025

Metropolitan Commercial Bank Refis Hotel Giraffe With \$30M Loan

JANUARY 29, 2025

COMMERCIAL OBSERVER

Lam Group signs \$40M refi for Chelsea Hotel in Chelsea

February 5, 2025



BD Hotels signs \$46M refi for Ludlow Hotel on LES

February 5, 2025



Hunter secures \$35.5MM senior loan for Moxy Miami Wynwood

Feb 10, 2025



Ashford Closes \$580M Loan Secured By 16 Hotels, 'Eliminates All Corporate-Level Debt'

February 13, 2025



\$29.5M refinancing secured for The Maxwell Hotel in Seattle



February 17, 2025

Masterworks signs \$75M loan amendment with Bank of China for hotel in Financial District

February 20, 2025



Peachtree Group Lends \$59M on San Antonio Hotel Recap

FEBRUARY 24, 2025

COMMERCIAL OBSERVER

CRONHEIM HOTEL CAPITAL SECURES \$30,000,000 TO FINANCE THE ALOFT INDIANAPOLIS DOWNTOWN

2/25/2025



Ashford Hospitality Locks In \$580M Refinance For 16 Hotels Across The Country

February 26, 2025

BISNOW

PMZ secures \$14.5M loan for Fort Worth Holiday Inn Express

March 5, 2025



Citi, JPMorgan Lend \$665M In Against Four Seasons Maui Hotel



March 5, 2025 in Top News

Soho House Chicago Lands \$65M CMBS Loan From Barclays

FEBRUARY 12, 2025

COMMERCIAL OBSERVER

Peachtree Group Provides \$43M Loan in Fort Lauderdale Hotel Recap

FEBRUARY 19, 2025

COMMERCIAL OBSERVER

Peachtree Group originated the three-year, floating-rate loan with extension options on Driftwood's Home2 Suites/Tru by Hilton Fort Lauderdale Downtown property.



Hotel REIT lands \$363 million loan to replace debt

Braemar Hotels & Resorts pools five full-service hotels from San Francisco to Puerto Rico

March 4, 2025



Chartwell Hospitality Closes on \$48M Refi for Residence Inn Near JFK Airport

BY MARK HALLUM MARCH 7, 2025 3:36 PM

COMMERCIAL OBSERVER

U.S. Lodging Industry H1 2025 **Strengths**

Availability of Acquisition Financing Proceeds (H1 2025)

Acquisition Financing for La Quinta Inn & Suites
 LED BY NATIONAL BANK OF COXSACKIE IN PARTNERSHIP WITH RHINEBECK BANK
 National Bank of Coxsackie
 Feb 5, 2025

CIM Group Closes \$15.6 Million Loan to Ad Astra Capital for Hilton Garden Inn in Casper, WY
 February 19, 2025
 businesswire
 A BERKSHIRE HATHAWAY COMPANY

ARRIBA CAPITAL
 2/13/2025
 \$5,900,000 ACQUISITION
 RAMADA BY WYNDHAM | MONTANA

\$60.2MM ACQUISITION FINANCING
 JUST CLOSED
 HUNTER HOTEL ADVISORS
 6 March 2025
 SEVEN HOTEL PROPERTIES

Availability of Construction Financing Proceeds (H1 2025)

Historic River Walk hotel scores \$79M construction financing
 Trestle Studio plans a renovation of El Tropicano Riverwalk Hotel
 JAN 6, 2025
 THE REAL DEAL
 REAL ESTATE NEWS

Driftwood lines up \$207m construction financing for luxury hotel
 24th January, 2025
 PERE Credit
 The financing for the Westin Cocoa Beach Resort & Spa includes a \$137m C-PACE loan.

Synovus Bank Provides \$39M Construction Loan to Expand Tallahassee Hotel
 JANUARY 14, 2025
 COMMERCIAL OBSERVER
 Hotel Indigo Tallahassee – CollegeTown will grow to 237 rooms and add 5,500 SF of retail

Chestnut Run Innovation & Science Park hotel secures \$23.5M construction financing
 January 27, 2025
 HB
 HOTEL BUSINESS
 D2 Capital Advisors arranged \$23.5 million in construction financing for the development of a new Residence Inn by Marriott hotel in Wilmington, DE's Chestnut Run Innovation & Science Park (CRISP).

IPA Capital Markets secures \$79M construction loan for El Tropicano Hotel
 February 13, 2025
 HB
 HOTEL BUSINESS

Driftwood Capital Secures \$37.9M in Construction Financing for Element by Westin Mission Valley in San Diego
 February 25, 2025
 REBUSINESS ONLINE

U.S. Lodging Industry H1 2025

Strengths

Mergers, Acquisitions, License Agreements – Hotel Mgt. & Brand Companies-2024

Hilton To Acquire Graduate Hotels Brand

March 14, 2024



AJ Capital Partners Will Sell for \$210 Million, Keep Real Estate

Hilton adds NoMad brand to expand luxury offerings



By Esther Hertzfeld · Apr 3, 2024 8:14am

Sonder Reaches Marriott License Deal, Secures Additional Liquidity

- Properties will be available as 'Sonder by Marriott Bonvoy'
- Company has commitments for \$43 million in preferred equity

August 19, 2024

Bloomberg

Motel 6 Sold to Oyo, Indian Hotel Giant That Is Ramping Up in U.S.

THE WALL STREET JOURNAL

Blackstone agrees to sell one of America's most recognizable lodging brands for \$525 million

Sept. 20, 2024

Pyramid Global merges with Axiom Hospitality to boost European presence

November 4, 2024



Griffin Hotel Management Merges Into Meyer Jabara Hotels

November 5, 2024

LODGING

Wyndham aligns with WaterWalk extended-stay brand

APRIL 2, 2024



Stonebridge acquires Real Hospitality Group

May 22, 2024



Stonebridge Companies LLC, a Denver-based hotel management company with a portfolio of full-service, select-service and extended-stay properties, has acquired Real Hospitality Group LLC (RHG), a hotel management company based in Ocean City, MD.

Hyatt to Buy Lifestyle Hotel Group Standard International for up to \$335 Million

August 20th, 2024

Skift

PM Hotel Group and Sightline Hospitality Announce Strategic Merger

November 4, 2024

LODGING

Nautic Partners Acquires Davidson Hospitality Group from KSL Capital Affiliate

KSL Capital Partners

November 4 2024

HNR HOTEL NEWS

Peachtree Group Partners With Group 10 Management

November 6, 2024

LODGING

U.S. Lodging Industry H1 2025

Strengths

Mergers, Acquisitions, License Agreements – Hotel Mgt. & Brand Companies-2025

Hyatt to buy all-inclusive owner, operator Playa Hotels & Resorts for \$2.6 billion

February 10, 2025



Chicago-based brand company plans to sell \$2 billion in owned real estate by 2027

The Hyatt logo, consisting of the word "HYATT" in a blue, serif, all-caps font, with a stylized blue arc underneath the letters.The Playa Hotels & Resorts logo, featuring the word "PLAYA" in a large, white, serif, all-caps font, with "HOTELS & RESORTS" in a smaller, white, sans-serif, all-caps font below it, all set against a dark blue background.

IHG Hotels & Resorts acquires Ruby, its 20th brand, and targets global expansion

18 FEBRUARY 2025

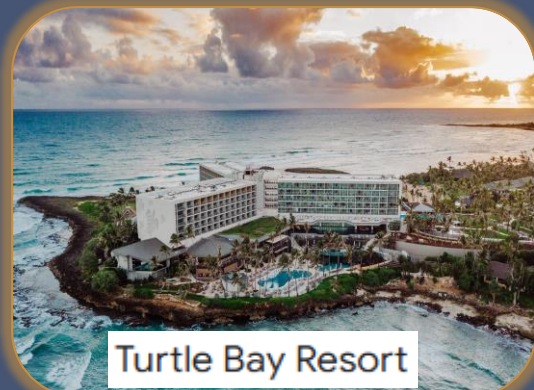
IHG[®] HOTELS & RESORTS

The IHG Hotels & Resorts logo, featuring the letters "IHG" in a large, black, serif, all-caps font, with "HOTELS & RESORTS" in a smaller, black, sans-serif, all-caps font below it, all set against a white background.

U.S. Lodging Industry H1 2025

Strengths

2024 Total Asset Sale Price \$1.07b, \$725m, \$705m, \$530m



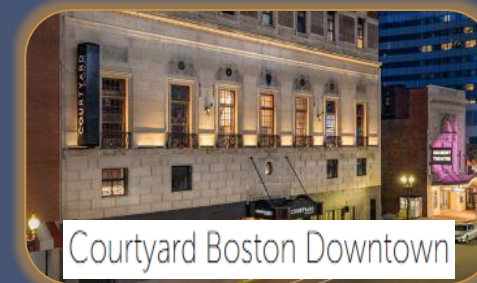
2024 Total Asset Sale Price \$425m, \$303m, \$308m, \$277.4m, \$233.8m, \$230m



U.S. Lodging Industry H1 2025

Strengths

2024 Total Asset Sale Price >\$100m

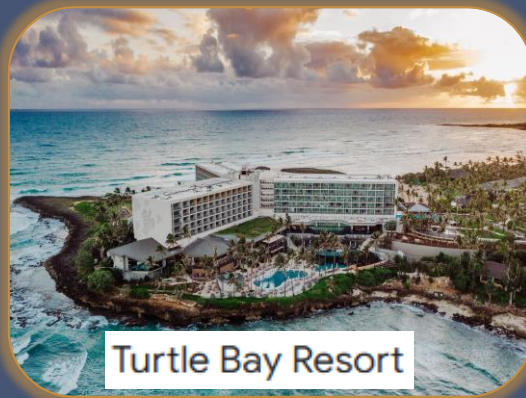


Daniel H. Lesser
Co-Founder, President & CEO

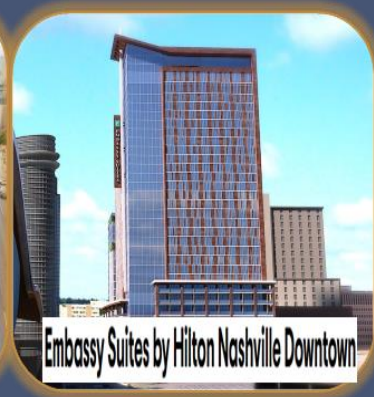
LWHA[®]
LW HOSPITALITY ADVISORS

U.S. Lodging Industry H1 2025 **Strengths**

2024 Per Room Asset Sale Price \$2.4m, \$1.6m, \$1.021m, \$1.0m



2024 Per Room Asset Sale Price \$962k, \$898k, \$824k, \$816k \$735k



U.S. Lodging Industry H1 2025 **Strengths**

2025 Total Sale Price **\$425m** Per Room Asset Sale Price **\$1.181m**



U.S. Lodging Industry H1 2025

Strengths



Certares



JRK

PROPERTY
HOLDINGS



ARES



**HENDERSON
PARK**



TCOR
HOTEL PARTNERS, LLC



DCC



ROCKBRIDGE

**THREE
WALL
CAPITAL**



Blackstone



**Brookfield
Properties**



U.S. Lodging Industry H1 2025

Strengths

AHLA Applauds House Passage of Important Tax Relief for Hotels

February, 1 2024



AHLA statement on resolution to overturn independent contractor rule

March 7, 2024



Franchising model restored as AHLA and business groups prevail in joint-employer lawsuit

March 9, 2024



AHLA launches hospitality law database for hoteliers

Jul 25, 2024



AHLA Foundation sets third annual No Room for Trafficking Summit

Jul 1, 2024



Hoteliers win as GSA raises FY 2025 per diem rates

Aug. 16, 2024



More than 200 hoteliers to lobby Congress for hotel and consumer friendly policies



AHLA's Hotels on the Hill fly-in will draw attendees from 36 states

Sept. 24, 2024

AHLA condemns New York City Council passage of the Safe Hotels Act

Oct. 23, 2024



U.S. Lodging Industry H1 2025 Weaknesses

Last year's results show limited pricing power across hotel classes

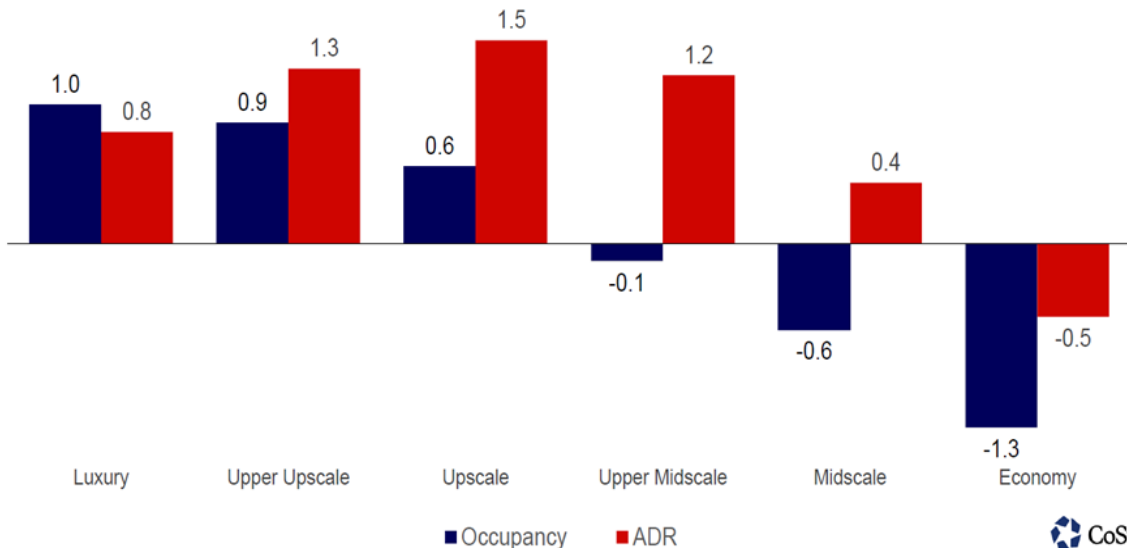
February 11, 2025



Bifurcation story remains front and center in 2025 outlook

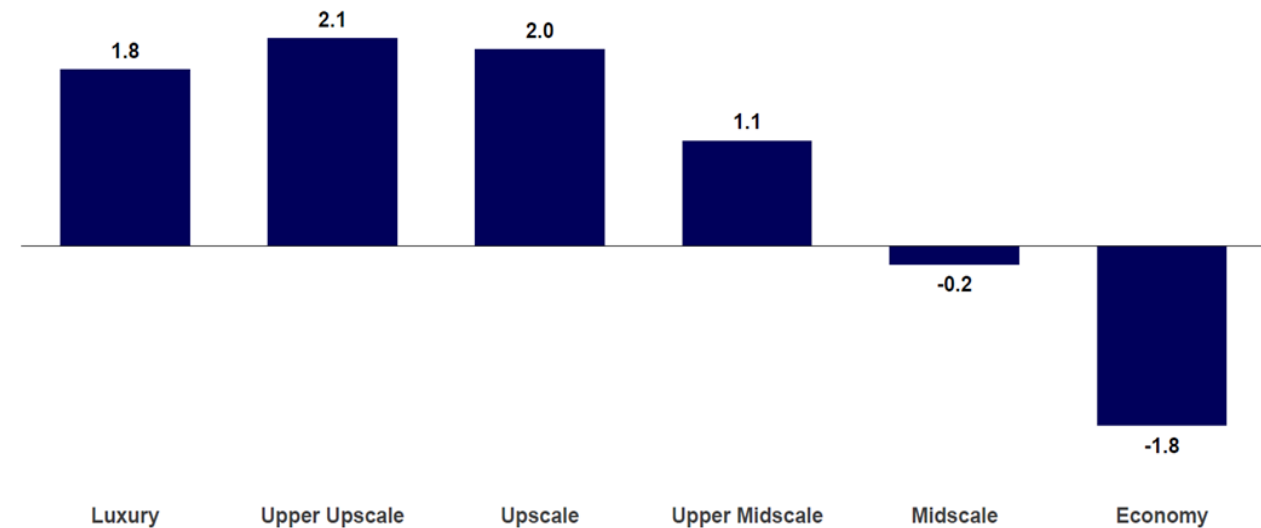
Limited pricing power across the board

Occ & ADR % change, change by class, YE 2024



RevPAR change by class: Bifurcated results

U.S. RevPAR % change, change by class, Full year 2024



U.S. Lodging Industry H1 2025 Weaknesses

The Boom in Travel Spending Has Slowed

Hotels and airlines expect Americans to partake in less leisure travel and pare down the trips they take in the months ahead

Aug. 11, 2024

THE WALL STREET JOURNAL

‘Travel is too expensive right now’: Americans are spending less or skipping trips altogether

AUG 20 2024



Americans Are Falling Behind on Their Bills. Wall Street Is Alarmed.

THE WALL STREET JOURNAL

Sept. 14, 2024

Lenders see a rise in late payments on credit cards and auto loans

US credit card defaults jump to highest level since 2010

Dec 29, 2024

FINANCIAL TIMES

Consumers are ‘tapped out’ after years of high inflation and as pandemic-era savings have evaporated

Americans Are Carrying Bigger Credit-Card Balances

Jan. 25, 2025

THE WALL STREET JOURNAL

With interest rates near record highs, revolving balances are growing

Trump policy concerns send US consumer confidence plummeting to eight-month low

February 25, 2025



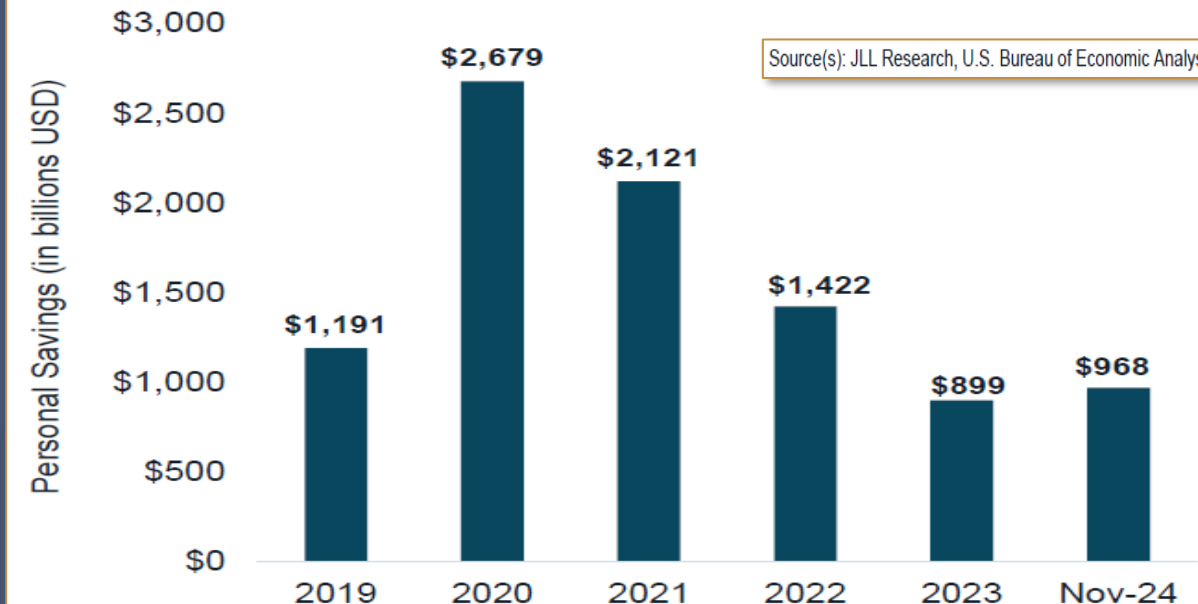
Rising Costs Take Their Toll on Less-Affluent Americans’ Travel Plans

International travel remains strong, but some are scrimping on U.S. vacations

Feb. 28, 2025

THE WALL STREET JOURNAL

U.S. personal savings, 2019 – YTD Nov. 2024



U.S. Lodging Industry H1 2025

Weaknesses

Americans Are Everywhere—and Taking Their Strong Dollars With Them

July 4, 2024

THE WALL STREET JOURNAL

The U.S. currency has surged thanks to higher interest rates and a strong economy

Hotels Should Prepare for Continued American Outbound International Travel

August 19, 2024



Domestic Leisure Demand Softens as Outbound Departures Grow

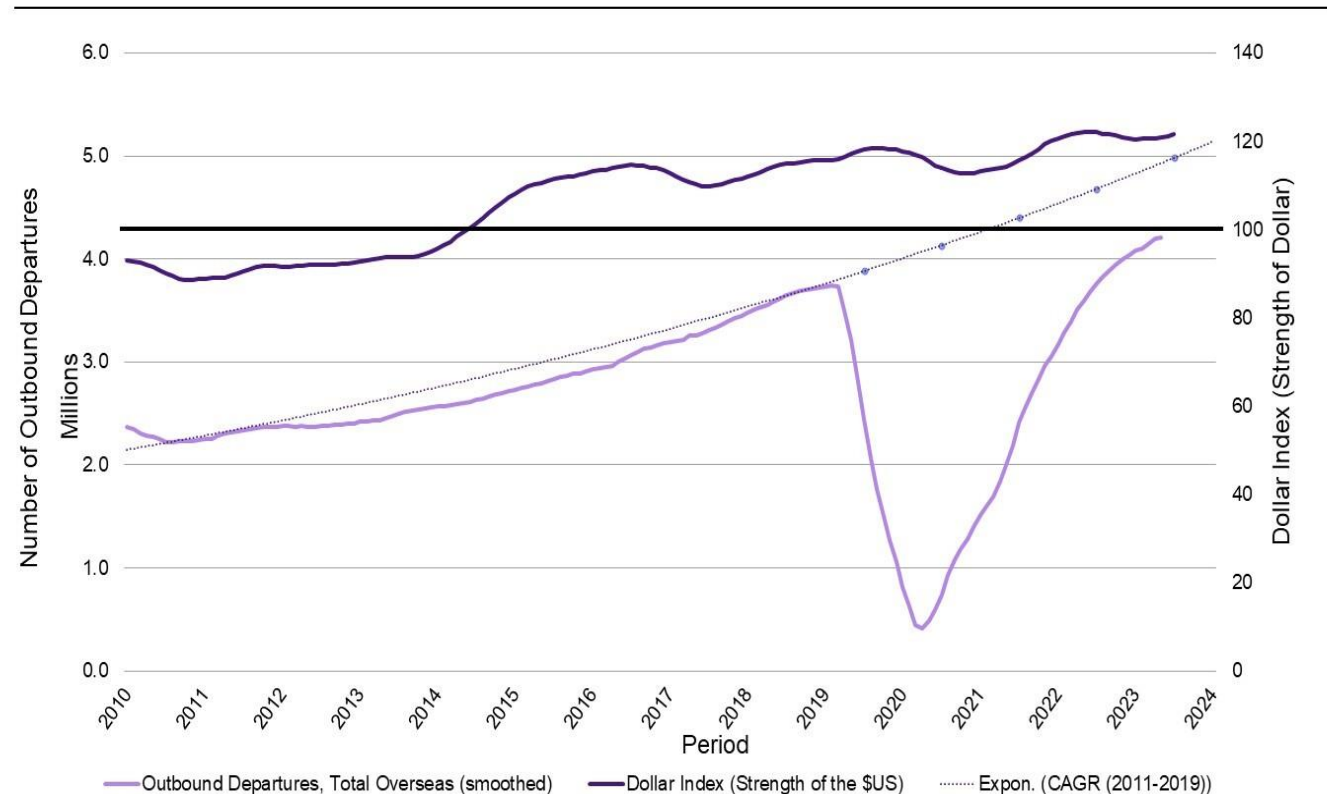
US has 'fallen behind' in international inbound travel, CEO says

October 16, 2024



Lagging travel from Asian countries puts America at deficit with inbound, outbound demand

Growth in U.S. Outbound Travel Could Continue



Source: CoStar Group, US Outbound Overseas Departures, Macrobond, June 2024



U.S. Lodging Industry H1 2025

Weaknesses

Philadelphia workers have to show up in the office today, flying birds or not



The City of Philadelphia has ordered all city workers to return to the office five days a week starting July 15.

July 15, 2024

Tech execs pushed for a return to the office – now they're backtracking amid a workforce revolt, with only 3% of firms asking staff to return full-time

News **ITPro.** August 19, 2024

Return to office mandates have failed miserably, and many businesses appear to be admitting defeat

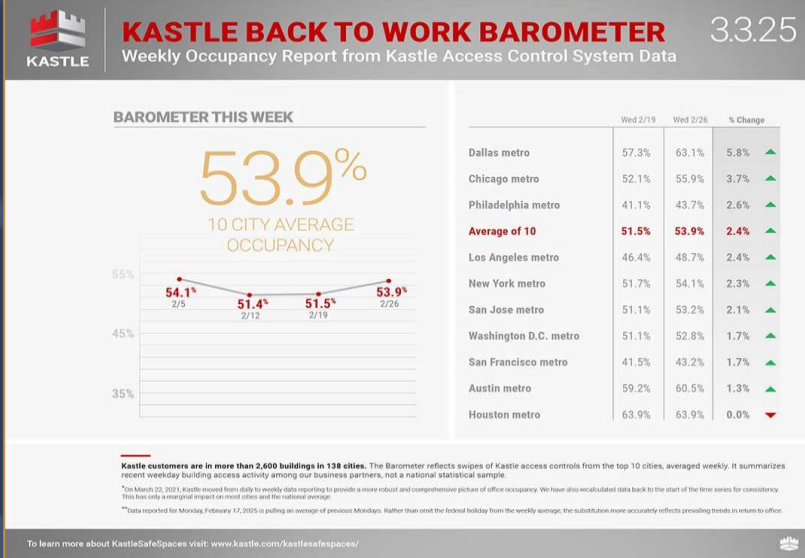
On Fifth Labor Day Since Pandemic Began, Return-To-Office Rallying Cry Falls Silent

September 2, 2024

BISNOW

THE HILL 10/01/24

New research shows return-to-office mandates cause more 'quiet quitting'



Amazon Tells Workers to Return to Office Five Days a Week

Sept. 16, 2024

THE WALL STREET JOURNAL

Requirement will take effect in early 2025, CEO Andy Jassy says

The return-to-office push feels real this time. The numbers tell a different story

October 25, 2024

CRAIN'S NEW YORK BUSINESS

Sorry, Jamie Dimon – remote work is here to stay

January 9, 2025

BUSINESS INSIDER

C.E.O.s, and President Trump, Want Workers Back in the Office

The New York Times

Amazon, JPMorgan and others have been telling their employees that remote work is over. Now federal employees have been ordered to come to work in person, too.

Jan. 21, 2025

The return-to-office debate is settled: Offices are busier than ever

07-22-2024

FASTCOMPANY

GM revokes remote work status from more white-collar workers, orders them into office

Aug. 30, 2024

Detroit Free Press

Dell Orders Salespeople Back to Offices Five Days a Week

September 26, 2024

Bloomberg

The tech company's decision to end work from home comes on the heels of a similar order from Amazon.

JPMorgan Planning to Bring Staff to Office Five Days a Week

January 7, 2025

Bloomberg

- Expanded policy expected to return bank to pre-pandemic rules
- CEO Jamie Dimon has been critical of remote-working policies

U.S. Lodging Industry H1 2025 Weaknesses

U.S. hotels add 700 jobs in June, labor shortage continues: AHLA

July 5, 2024



As the summer tourism season wears on, hotel workers say they're feeling the effects of understaffing

August 5, 2024.

The Boston Globe

Help Wanted: AHLA Fights for Hotel Jobs on Several Fronts

August 8, 2024

LODGING

**HELP
WANTED**

Hotel industry moves further from labor, major challenges remain

January 6, 2025

Immigration policy, a dwindling talent pipeline present long

AHLA: 65% of surveyed hotels report staffing shortages

Feb 21, 2025



Hospitality grapples with specter of mass deportations

Feb 25, 2025

TRAVEL WEEKLY
BY NORTHSTAR

U.S. Lodging Industry H1 2025

Weaknesses

Self-insurance may be right for rising property rate pressures

Kimberly Gore, HUB International · Jul 1, 2024 8:00am



Hotel property insurance costs per available room vary widely by state but are rapidly increasing across the board

Nationwide insurance costs have, on average, risen 40% from 2019

October 23, 2024



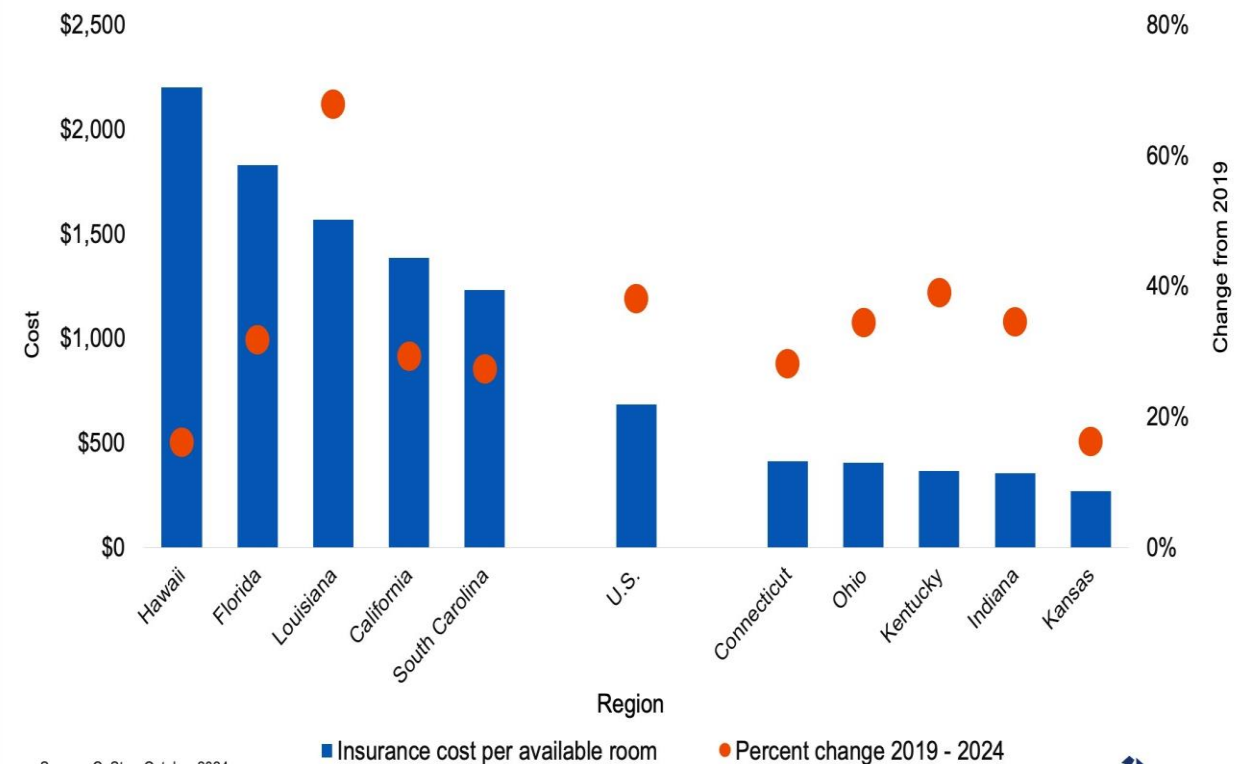
Insurers Are Deserting Homeowners as Climate Shocks Worsen

Dec. 18, 2024

The New York Times

Without insurance, it's impossible to get a mortgage; without a mortgage, most Americans can't buy a home.

Hawaii and Florida top nation for insurance cost per available room



Source: CoStar, October 2024



U.S. Lodging Industry H1 2025

Weaknesses

Bill Comes Due for Hotel Owners Who Delayed Required Renovations

Brands, Guests Push for Property Improvements

March 25, 2024



New year, new PIPs... new delays

Mar 29, 2024



How to address the challenge of delayed hotel property improvement plans

September 15, 2024



Hotel brands firm up renovation requirements, but owners have some wiggle room

January 6, 2025



U.S. Lodging Industry H1 2025

Weaknesses

Sam Nazarian to launch wellness-focused hotel brand,
The Estate

September 16, 2024

BOUTIQUE
HOTELIER

sbe founder plans to grow The Estate Hotels & Residences brand to
15 hotels by 2030 in locations including Miami

HOTEL
Bambinee

Field & Stream
ESTB LODGE CO 1871

PROJECT MID-T
BY MARRIOTT

Chef José Andrés is launching a
luxury hotel brand

FASTCOMPANY

The Bazaar House from the José Andrés Group is coming to Washington, D.C.'s
Georgetown neighborhood in 2027.

09-25-2024



HomeAwhile
MADE TO FEEL AT HOME

Reside
A WYNDHAM RESIDENCE

Starwood
HOTELS

HYATT
SELECT

U.S. Lodging Industry H1 2025

Threats

Potential Results of Decline in Canadian Travel to United States

PRESS RELEASE | February 03, 2025

WASHINGTON –New tariffs on Canada could impact Canadian visitation to and spending in the United States. Canada is the top source of international visitors to the United States, with 20.4 million visits in 2024, generating \$20.5 billion in spending and supporting 140,000 American jobs. A 10% reduction in Canadian travel could mean 2.0 million fewer visits, \$2.1 billion in lost spending and 14,000 job losses.



Heated rhetoric from US cools hotel demand in American submarkets near Canadian border



March 4, 2025

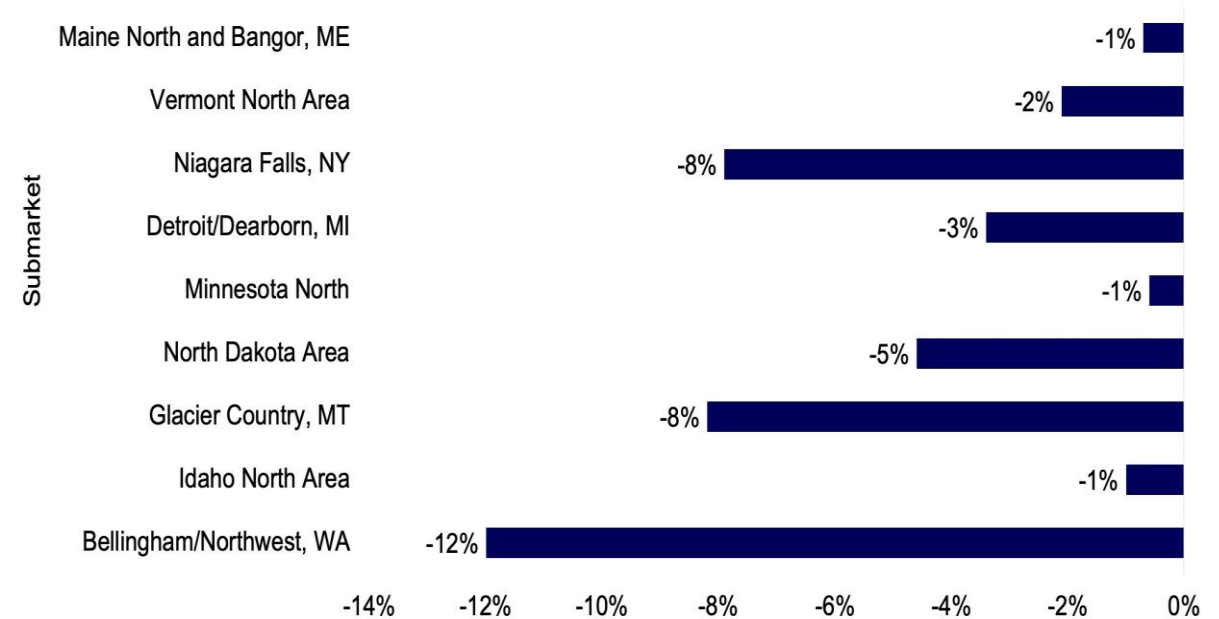
Demand declines in February could hint at Canadians reacting to ongoing tariff threats

‘Mad as hell’ Canadians cancel US travel en masse as trade war escalates

Feb. 22, 2025,

NEW YORK POST

Submarkets near the Canadian border show room demand decline



28-day demand percent change ending February 22, 2025

Source: CoStar



U.S. Lodging Industry H1 2025

Threats

America's drinking water is facing attack, with links back to China, Russia and Iran

JUN 26 2024



Japanese fighter jets fire flares at Russian aircraft for first time in airspace violation

23 Sep 2024



US Space Force warns of 'mind-boggling' build-up of Chinese capabilities

Nov. 1, 2024

FINANCIAL TIMES

Agency chief Chance Saltzman says Washington must co-operate with allies to counter threats from China and Russia

Sweden, Finland warn residents to be ready for war: 'Situation is serious'

By Ronny Reyes

Published Nov. 18, 2024, 2:16 p.m. ET

NEW YORK POST

Businesses Preparing for Another Year of Geopolitical Tumult

THE WALL STREET JOURNAL

Geopolitical concerns still rank high among the anxieties plaguing executives as a new year begins

Jan. 2, 2025

Israel's War with Iran on Seven Fronts

Published Jul 03, 2024

Newsweek

Electronic Warfare Spooks Airlines, Pilots and Air-Safety Officials

Sept. 23, 2024

Hundreds of daily flights around the world are running into GPS spoofing, a hazard that poses new risks for pilots and passengers

THE WALL STREET JOURNAL

How Political Polarization Ends

History shows that, if left untreated, extreme political and social divisions are a mortal threat to democracy.

November 8, 2024

Bloomberg

Russian acts of sabotage may lead to NATO invoking Article 5, says German intel chief

November 27, 2024



UK's Starmer says Europe is at 'crossroads in history' as leaders agree to steps to Ukraine peace

March 2, 2025



U.S. Lodging Industry H1 2025

Threats

UPDATE: Las Vegas Hospitality Workers Avoid a Strike After Agreeing With Casinos on New Contracts

Feb 6, 2024,

EATER
LAS VEGAS

With Super Bowl LVIII just one week away, downtown Las Vegas casino workers set a strike deadline for new five-year contracts

Unionization Is a Growing Factor for US Hoteliers

April 26, 2024

CoStar

NLRB Decisions on Elections Have Benefited Union Efforts, Attorney Says

Hotel workers plan May Day rally in 18 cities to demand pay hikes after pandemic cuts

April 29, 2024

NEW YORK POST



Ten Thousand Hotel Workers On Strike During Busy Labor Day Weekend

UNITE HERE!

Hilton, Hyatt, and Marriott Workers Strike Over Wages, COVID-Era Staffing and Service Cuts; "We Don't Want Hotels to Become the Next Airline Industry," UNITE HERE Union Says

September 1, 2024

U.S. Hotel Strikes Escalate as 40,000 Workers Face Contract Expirations

September 23rd, 2024

Skift

Hotels Representing Over 30% of Park Hotels' Operating Profit Affected by Strikes, According to UNITE HERE

Oct. 16, 2024

MarketWatch

Monty Bennett's cost-cutting measures violate tax law: union

Accusations come on heels of bitter proxy fight aimed at unseating him from Braemar Hotels & Resorts

OCT 16, 2024,

THE REAL DEAL

Today's hospitality union battle is over wages. The next one might be about tech.

HOTEL DIVE

December 4, 2024

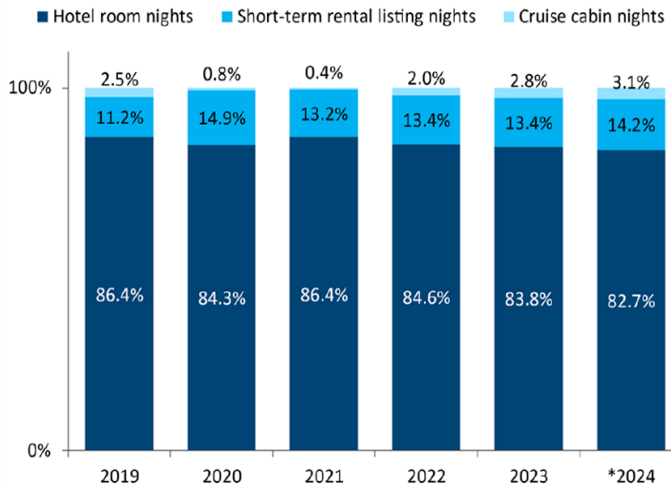
Hotel managers say tech is streamlining operations amid a tight labor market. Hospitality unions, meanwhile, have expressed concerns — and are making them known in contract negotiations.

U.S. Lodging Industry H1 2025

Threats

Short-term rentals and cruising are gaining share

US lodging demand share



Source: STR, AirDNA, CLIA/Tourism Economics, *Full-year forecast as of Nov 2024

TOURISM ECONOMICS

Bird Flu Is a Big Threat. The US Needs to Start Acting Like It. February 13, 2025 **Bloomberg**

Scientists suspect a new strain is spreading via dust from bird droppings, carried by the wind.

MAR 10, 2025 10:56 AM ET

Measles Is Back. And a Lot More People Are at Risk TIME

Omni Hotels & Resorts hit by cyberattack April 8, 2024 **CYBERSECURITY DIVE**

The hotel chain has been responding to the attack since March 29, when it shut down some of its systems.

Major global IT outage grounds flights, hits banks and businesses around the world July 19, 2024 **NBC NEWS**

The problem was caused by a "defect found in a single content update for Windows" from the cybersecurity company CrowdStrike.

"Nobody saw this coming": Trump's plans to kill EB-5 shocks industry FEB 27, 2025 **THE REAL DEAL**

REAL ESTATE NEWS

Trump's golden visa proposal is "not a reality," dealmaker says

U.S. Lodging Industry H1 2025

Threats

CoStar, luxury hotels hit with US consumer price-fixing lawsuit



February 21, 2024

At AAHOA, a clear message: keep government out of our business

April 5, 2024



Las Vegas hotels defeat price-fixing class action over room rates

May 9, 2024



L.A. City Council backs \$30 minimum wage for hotel and LAX workers in 2028

Dec. 11, 2024

Los Angeles Times

FTC Finalizes Order with Marriott and Starwood Requiring Them to Implement a Robust Data Security Program to Address Security Failures

December 20, 2024



Spotlight shines brighter on algorithmic price-fixing

APRIL 1, 2024



After a series of lawsuits, newly expressed interest in a case by the DOJ and FTC could signal more scrutiny over alleged hotel pricing collusion.

6 hotel chains colluded to fix prices, SF antitrust lawsuit alleges

Apr 29, 2024



How Hoteliers Can Adapt to the Evolving Needs of Website Accessibility

May 20, 2024



Lack of Online Features, Written Descriptions Creates Liability Exposure

Hotel Owners/Operators Beware: You May Be Responsible for More Than 25 Tax Types Paid Regularly to Multiple Jurisdictions

August 06, 2024



FTC bans hidden junk fees in hotel, event ticket prices

December 17, 2024



Navigating Antitrust Risks: The Hidden Dangers of AI and Software Pricing and Inventory Tools for Hotels and Property Managers

January 22, 2025



U.S. Lodging Industry H1 2025

Threats

Climate change made Hurricane Helene and other 2024 disasters more damaging, scientists find

OCTOBER 9, 2024



Rising global temperatures are amplifying deadly extreme weather events.

How climate-related events are influencing hotel investment

Nov 25, 2024



Dozens of luxury condos, hotels in Miami sinking at 'unexpected' rates, new study reveals

December 15, 2024



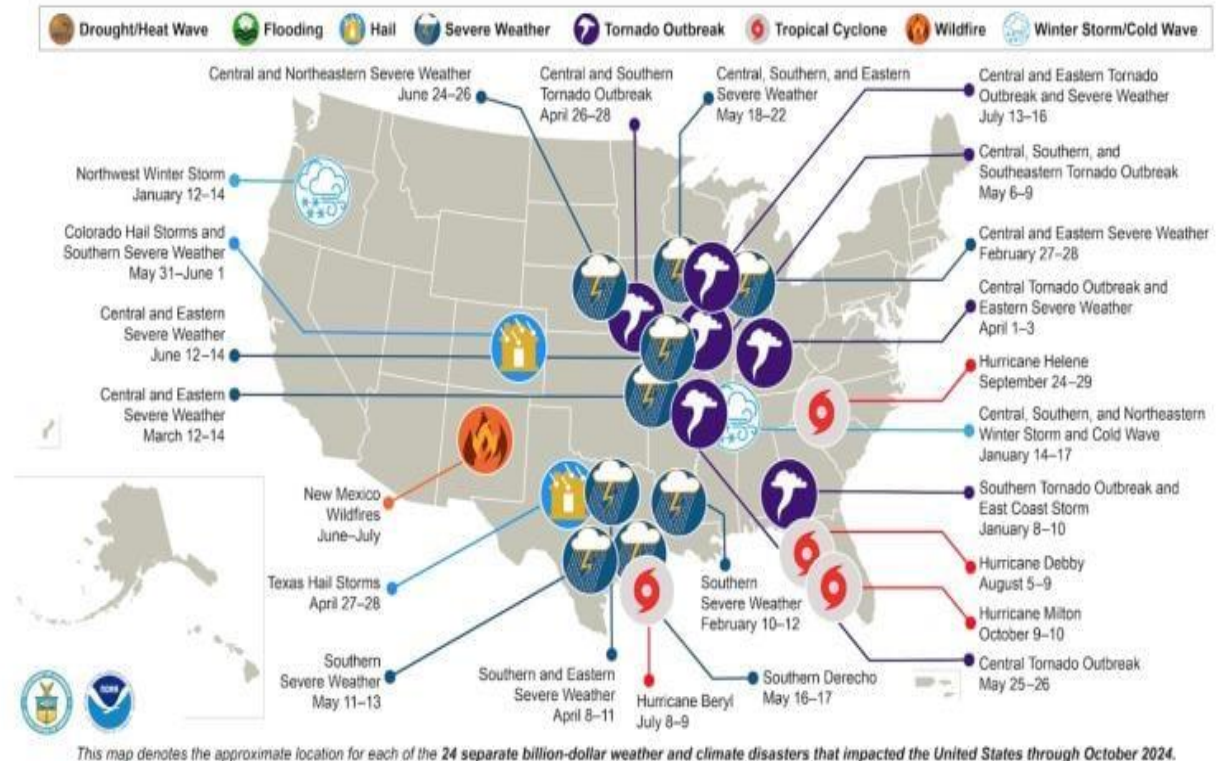
Climate Change Could Erase \$1.5 Trillion in U.S. Real-Estate Value: Report

FEBRUARY 3, 2025

Robb Report

A new report highlights how climate-related insurance pressures and consumer demand are changing the real-estate market.

U.S. 2024 Billion-Dollar Weather and Climate Disasters



U.S. Lodging Industry H1 2025

Threats

T O K Y O

T O S E A T T L E

4 : 3 0

Boom: America's answer to Concorde completes its first supersonic flight

January 28, 2025

CNN travel

N E W Y O R K

T O L O N D O N

3 : 3 0



Supersonic planes will replace conventional jets in our lifetime, says aviation CEO

MAY 1, 2024

7 NEWS
MIAMI

Get ready to travel anywhere in the world in 4 hours for only \$100

28 January, 2025

THE ECONOMIC TIMES | News

L O S A N G E L E S

T O S Y D N E Y

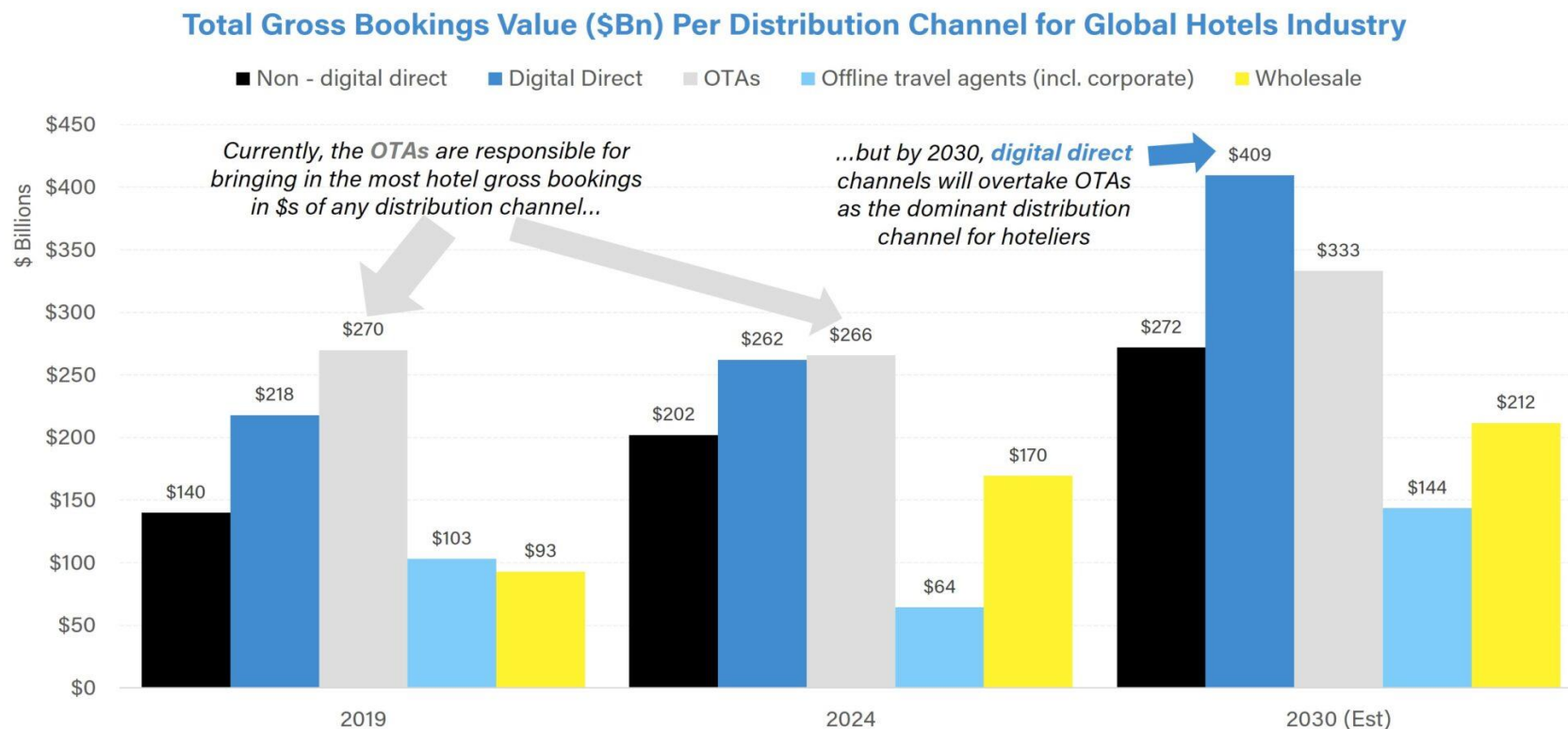
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U.S. Lodging Industry H1 2025 Opportunities

The Ideal Mix For Hotel Distribution: Direct Bookings to Lead by 2030

November 11th, 2024

Skift.



Source: Skift Research survey of hoteliers and hotel owners, N = ~129, surveys conducted 2021, 2024; Skift Research Global Outlook 2024 Report
Note: Non-digital direct includes phone and walk ins and offline group bookings. Digital Direct includes direct web & online (free) and paid search and advertising channels such as social media, Google etc.

U.S. Lodging Industry H1 2025 Opportunities

Independent Hoteliers Leverage Flexibility To Give Guests What They Want

August 16, 2024



Authentic Experiences Boost Revenue at Unbranded Properties, Operators Say

How Luxury Resorts Are Transforming into Cultural Destinations

SEPTEMBER 6, 2024

Robb Report

Opera, ballet, and fine art make for the ultimate amenity at these properties.

A hotel is offering 'self-love pods' for solo play. Here's why that's a thing

September 11, 2024



The Latest Hotel Craze? Getting a Tattoo



Michelle Tchea | October 1, 2024

Fodor's Travel

Bunk Beds Are the Trendiest New Amenity at Luxury Hotels

Bloomberg

Bunking up is no longer just for summer camp and dorm rooms—in fact, it's more glamorous than ever. Here's why.

August 20, 2024

Parking Has Become A Major Profit Driver For Hotels

September 9, 2024

BISNOW

Sam Nazarian and Tony Robbins Are Launching Longevity Clubs and Hotels

September 16, 2024

Bloomberg

The Estate is the latest entrant in the \$5.6 trillion-per-year global wellness industry and will include hotels, residences and longevity centers with \$35,000-a-year memberships.

Hilton Brings Hospitality to the Stars with Unveiling of Starlab Space Station Design

10.17.2024



A Ticket to Space Is Tourism's Final Frontier

October 27th, 2024

Skift

Daniel H. Lesser
Co-Founder, President & CEO

LWHA
LW HOSPITALITY ADVISORS

U.S. Lodging Industry H1 2025 Opportunities

The Westin Maui cuts the ribbon on a new entertainment complex

TRAVEL WEEKLY
BY NORTHSTAR

By Christine Hitt | Nov 10, 2024

The **Westin Maui Resort & Spa, Kaanapali** in Lahaina opened The Valley Alley, a 10,000-square-foot entertainment center that features Topgolf Swing Suites, duckpin bowling, virtual reality, arcade games and a keiki club as well as a bar and lounge.

Reining in Utility Expenses: Sustainability Practices Help Hoteliers Protect Their Bottom Line

LODGING

January 3, 2025

IHG Hotels & Resorts brings on new lending partner to drive US development

January 28, 2025



Tapping Avana for a co-lending program, IHG hopes to spark American hotel growth

More Americans Are Choosing To Take 'Sleepcations'

Dec 7, 2024

HUFFPOST

Travel experts break down this growing industry trend and what you should know before you attempt this kind of trip.

Grubhub now delivers to over 2K Hilton hotels

Dec. 11, 2024

The third-party delivery service began working with Hilton in 2023 and now delivers food, groceries and convenience items across several brands.

RESTAURANT DIVE

From Foie Gras Gyoza to Topsy Tea Service, In-Room Dining at Hotels Has Never Been Better

We're in the era of innovative room service, and it's delicious.

January 16, 2025

FOOD & WINE

Sweet Smell of Success: How scent marketing captures not only hotel guests' noses, but hearts.

March 4, 2025

HOTELS
PREMIUM FOR HOSPITALITY
SINCE 1966

U.S. Lodging Industry H1 2025 Opportunities

My Place Hotels of America Announces Partnership With Grubhub

February 7, 2024

LODGING

Hilton partners with Small Luxury Hotels of the World

Feb 07, 2024

TRAVEL WEEKLY
THE TRAVEL INDUSTRY'S TRUSTED VOICE

Hilton Goes Glamping in Partnership with AutoCamp

February 27, 2024

CoStar

Guests Can Book Through Hilton Channels, Take Advantage of Loyalty Program

Rio Las Vegas joins World of Hyatt

March 1, 2024

HB
HOTEL BUSINESS

Rio Hotel & Casino in Las Vegas has joined Hyatt Hotels Corporation's World of Hyatt loyalty program. Members can now earn and redeem points for qualifying stays at the Hyatt-affiliated hotel, which is in the midst of a multiphased, \$340 million transformation.

Kenneth Cole to provide amenities for Wyndham Destinations

Mar 15, 2024

HM
HOTEL MANAGEMENT

Big hotel chains and unbranded-hotel owners find they need each other

March 25, 2024

REUTERS®

HB Exclusive: Wyndham partners with Reside for residences

July 10, 2024

HB
HOTEL BUSINESS

Wyndham Hotels & Resorts has partnered with Reside, a furnished corporate housing company, to add residences to its portfolio. Reside will fill its unoccupied spaces for long-term and short-term stays using Wyndham's distribution channels and other benefits.

World of Hyatt Partners With Under Canvas to Provide Outdoor Stay Experiences

July 26, 2024

LODGING

The Hottest Club in Town Is... Run by Your Credit-Card Company?

Aug. 16, 2024

THE WALL STREET JOURNAL

Amex, Chase and Capital One are opening a new crop of lounges for people who carry high-end cards. 'It feels really like you're going to something exclusive.'

Hotel Chains Revamping Offerings to Mirror the Airline Model

September 4, 2024

Hotel
interactive

Why Sage Hospitality sees more apartment-hotels in its future

SEPTEMBER 19, 2024

Hotel
Investment Today

U.S. Lodging Industry H1 2025

Opportunities

Airport Hotels Became a \$13 Billion Business by Being Boring

November 21, 2024

Bloomberg

They have little charm or surprise—but sometimes that's the point.

Hilton's New Partner Accommodation Brand: Evermore Resort – Orlando

by John Ollila — January 8, 2025



Choice Hotels partners with Westgate Resorts

Jan 23, 2025



Saks Fifth Avenue Partners With Sagamore Pendry Baltimore

Jan 23, 2025



Marriott adds two brands to outdoor-focused offerings



Marriott International Inc. has expanded its outdoor-focused lodging offerings with the acquisition of the Postcard Cabins brand, formerly known as Getaway Outposts, and the execution of a long-term agreement with Trailborn.

December 12, 2024

How Hyatt's new Peloton collaboration helps you stay fit while traveling

Stay motivated to get a killer workout on every trip

January 12, 2025



LOGE Camps partners with Schulte Hospitality Group

By Esther Hertzfeld · Jan 23, 2025 9:00am



IHG Buys Ruby Hotels as 20th Brand

February 18th, 2025



U.S. Lodging Industry H1 2025

Opportunities

'Generational investment opportunity': Noble Investment Group closes \$1 billion fund

Jan 9, 2024

ATLANTA
BUSINESS CHRONICLE

Host Hotels & Resorts Has \$2.9B to Spend on Acquisitions In Battered Urban Markets

February 23, 2024

BISNOW

Trinity Investments Digs In on Deal Strategy of Chasing Underinvested Hotels

March 13, 2024

Development Exec Says Eight Hotels in Portfolio Are Under Renovation

 CoStar™

Driftwood Capital closes \$330M fund targeting Florida's coast

Sep 12, 2024

 HOTEL
MANAGEMENT

Hyatt commits to \$2B in asset sales by 2028

Feb 14, 2025

 HOTEL
MANAGEMENT

Former Blackstone Partner on Track for \$1 Billion Haul With New Real Estate Fund

Feb. 2, 2024

THE WALL STREET JOURNAL.

New firm will focus on warehouses, multifamily buildings in Sunbelt cities and hotels

Sunstone Looks To Buy 'Group-Centric' Hotels

February 23, 2024

 CoStar™

Company Shifts Focus Following Year of Sales, Renovations

Patient Blackstone, and others, ready to pounce on hotel real estate

March 25, 2024

 HOTELS
PASSION FOR HOSPITALITY

Host Hotels Aims To Raise At Least \$1B Through Sale Of More Than 10 Properties

January 23, 2025

BISNOW

Park Hotels plans to sell up to \$400 million in hotels, spend up to \$330 million for renovations

REIT executives say 2025 is a year to refocus portfolio

February 20, 2025

 CoStar™

U.S. Lodging Industry H1 2025 Opportunities

Blackstone faces foreclosure on \$275M hotel portfolio

Bondholders closing in on assets in Chicago, San Francisco, Boston, Philadelphia

DEC 2, 2024

THE REAL DEAL
REAL ESTATE NEWS

Kor Group's 131-Room San Francisco Proper Hotel Receives Default Notice on \$36.5MM Debt

December 30, 2024

THE REGISTRY
BAY AREA REAL ESTATE

Hilton Hotel in San Francisco's Financial District Defaults on \$97 Million in Debt

January 16, 2024

CoStar™

Failure To Pay Loans Marks Latest Financial Trouble for City's Hospitality Market

Trendy DC hotel auctioned, but not to Elon Musk

Lender Acore Capital sole bidder on The Line DC

JAN 23, 2025

THE REAL DEAL
REAL ESTATE NEWS

Midtown's Hilton Garden Inn's \$175M CMBS Loan Enters Special Servicing

COMMERCIAL OBSERVER

FEBRUARY 19, 2025

Another Downtown Hotel Goes Back to Lender in San Francisco

December 19, 2024

Highgate hands back keys for 686-room Hyatt Regency with \$290M in debt.

ALM | GLOBEST.COM

Loan on San Francisco's two largest hotels downgraded

December 30, 2024

Ongoing citywide hotel worker strike curtailed a comeback for two Hilton hotels

CoStar™

Boutique San Francisco hotel in high-profile Nob Hill tourist area faces foreclosure lawsuit

January 21, 2025

City's hospitality sector keeps struggling from the effects of the pandemic

CoStar™

Gaw Capital defaults on \$100M loan tied to Oakland Marriott

FEB 13, 2025

Oakland hospitality market hit hard by crime, empty offices, loss of sports teams

THE REAL DEAL
REAL ESTATE NEWS

\$100M debt tied to Ron Burkle's The Line LA in default

FEB 20, 2025

Soho House & Co. took over boutique Koreatown hotel from Sydel Group in 2021

THE REAL DEAL
REAL ESTATE NEWS

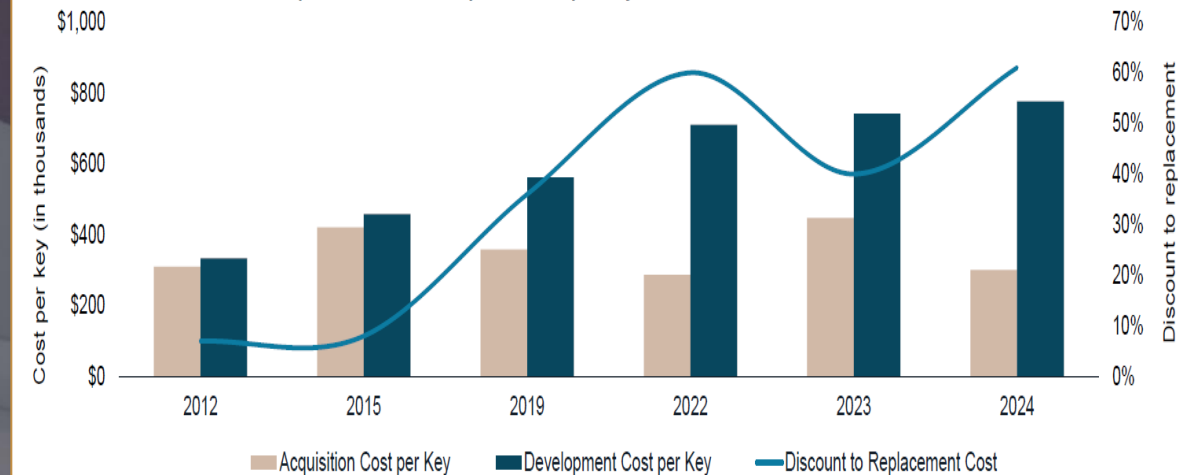
U.S. Lodging Industry H1 2025

Opportunities

Urban full-service discount to replacement cost soars to 61%

Driven by high construction costs and ongoing supply chain disruptions, development cost per key rose to \$776K in 2024. With interest rates falling and construction costs expected to abate, *now* is the opportune time for investors to acquire quality urban assets at a pronounced discount to replacement.

U.S. urban, full-service hotel acquisition and development cost per key



Year	2012	2015	2019	2022	2023	2024
Acquisition Cost per Key	\$310K	\$421K	\$358K	\$287K	\$447K	\$391K
Development Cost per Key	\$333K	\$458K	\$562K	\$710K	\$742K	\$776K
Discount to Replacement Cost	7%	8%	36%	60%	40%	61%

Source: JLL Research, RLB Construction Cost Report

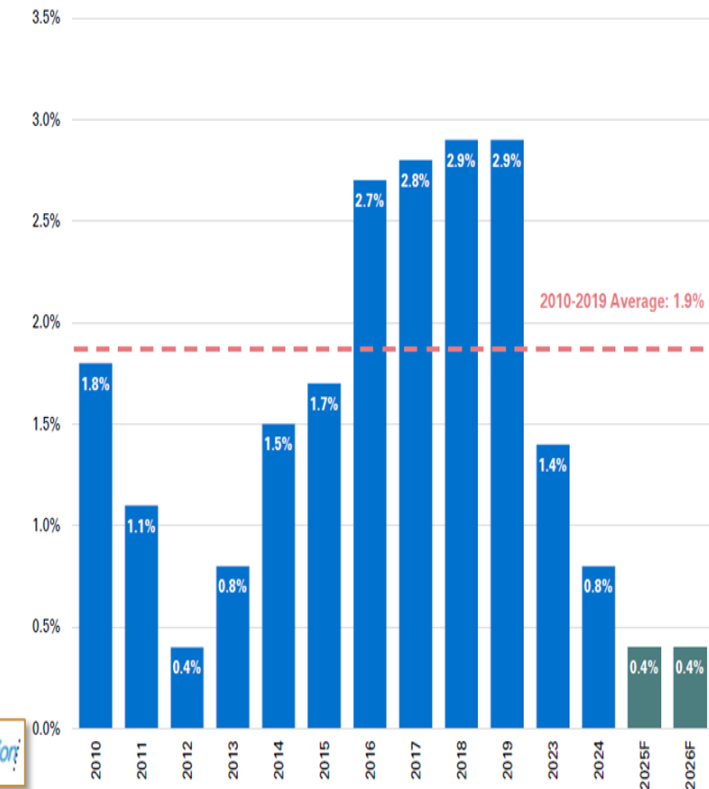
Note: All transactions data pertains to single-asset, full-service hotel transactions \$5M+, excluding casinos that closed exclusively in the largest U.S. urban markets. Full-service is defined using STR criteria. Construction data is based on weighted averages across largest urban U.S. markets for full-service hotels. Construction costs include land, site improvement, soft costs, FF&E, working capital, and development fees.

Encouraging Fundamentals for Urban Markets

Limited New Supply and Robust Demand Poised to Drive Substantial Lodging Performance Growth

- Limited and expensive construction financing is expected to restrict new supply growth in major urban markets for many years to come.
- This creates a favorable operating environment for urban hotel owners in the intermediate term, as business and group/convention travel recovers and domestic leisure, and international inbound travel return to cities.
- Urban markets like San Diego, Washington, D.C., Boston and Chicago are expected to benefit from a strong lineup of conventions, while the steady increase in international travel is expected to continue to increase in the gateway cities

U.S. Urban Supply Growth 2010-2019, 2023-2026⁽³⁾



Convention Calendar Room Nights On-the-Books ⁽⁴⁾					
Market	Pre-COVID Avg ⁽¹⁾	2022	2023	2024	2025
Boston	440	340	490	470	450
San Diego	770	650	750	880	765
San Francisco	840	320	610	380	580
Washington, DC	520	475	380	475	420
Chicago	1,140	1,150	1,050	1,220	1,080
Total	3,710	2,935	3,280	3,425	3,295

(1) Average from 2015-2019.

(2) 3 Year ("3Y") supply forecast is the average of management's supply forecast for 2024-2026.

(3) 2010-2023 data is based on U.S. Urban STR performance; 2024-2026 data is based on management's estimates.

(4) Room Nights On-the-Books are shown in thousands.

Source: Pebblebrook Investor Presentation

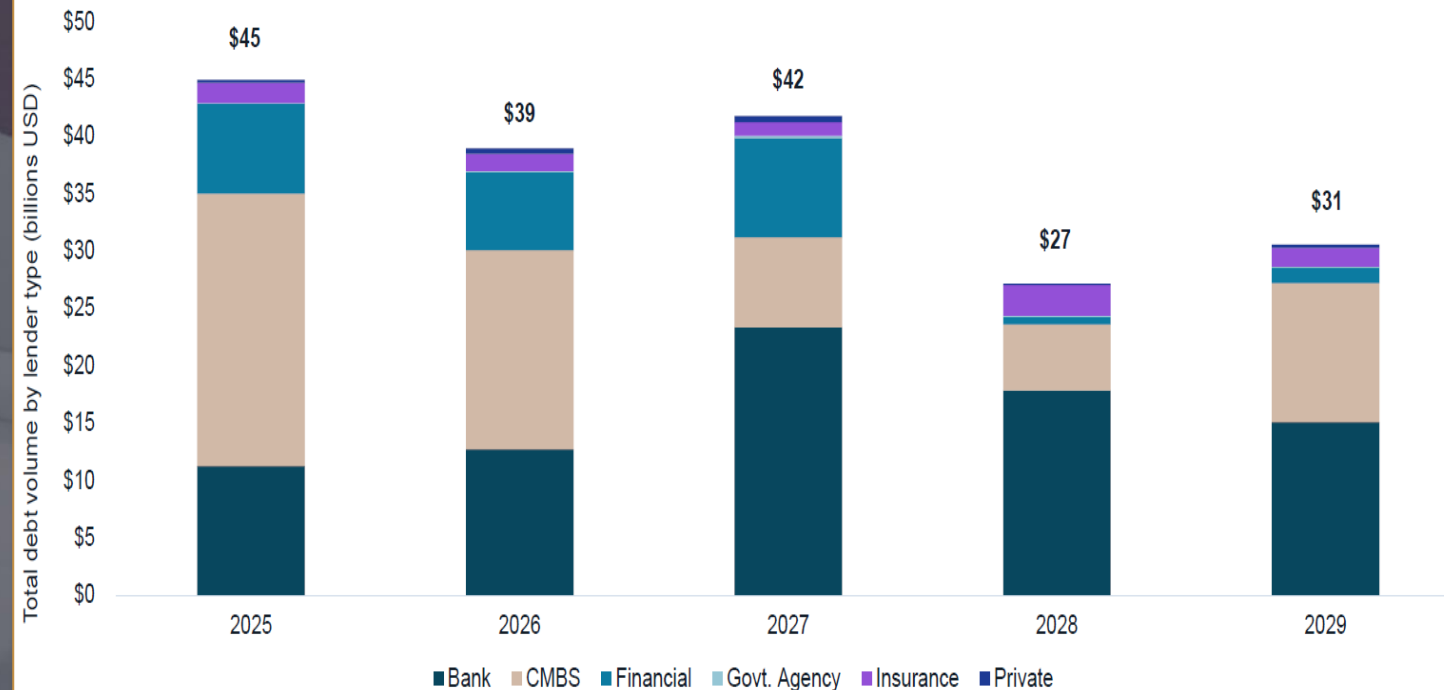
U.S. Lodging Industry H1 2025

Opportunities

Nearly \$84B of hotel loans expected to mature by 2026

Look for this high volume of loan maturities to catalyze transaction activity, particularly for owners that face rising cost pressures and those with upcoming PIP requirements.

U.S. hotel debt maturities 2025 – 2029



Source(s): JLL Research, RCA

Note: Based on independent reports of properties and portfolios of \$2.5 million and greater. Loan maturities include all lender types. Data updated 2024 and believed to be accurate but not guaranteed.

Investors Say Renovation Needs, Loan Maturities Will Drive More

Hotel Deals

March 20, 2024



Not Distressed But 'Stressed': Investors See Hotel Buying Opportunities Coming

May 20, 2024

BISNOW

Will the hotel industry finally reckon with being under-renovated?

Hotel brands seem to be dealing with the reality of delinquent property

improvement plans

November 1, 2024



U.S. Lodging Industry H1 2025 Opportunities

San Francisco Gets Tourism Bump from AI - But Recovery Will Be Slow

June 21st, 2024

Skift

'We are big believers in SF': Hotel owners bet big on city's revival

Aug 30, 2024

SFGATE

World's Largest Franchisee Makes Personal Bet on San Francisco's Office Recovery

August 23, 2024



Real Estate Veteran Greg Flynn Says City Will 'Come Back in a Big Way'



Office Demand in San Francisco Shows Promising Increases

August 1, 2024



Current Situation Matches Pace of Great Recession Recovery, But Market Is Smaller

San Francisco's Hospitality Sector Swimming In Debt, But Owners See Land Ahead

September 18, 2024

BISNOW

Life **The San Francisco Standard**

Oct. 30, 2024

'SF is so back': Overheard in the hour-long line to get into a tech conference after-party

Hines Sees CRE Recovery in 2025, Bets on San Francisco Asset

December 17, 2024

ALM | GLOBEST.COM

Developer, partner pay off \$500M loan on 1.7M SF former PG&E complex.

Institutional Investors Back in Play for San Francisco Office Towers

March 06, 2025

ALM | GLOBEST.COM

New York Life eyes third acquisition as momentum builds for market recovery.

Daniel H. Lesser
Co-Founder, President & CEO

6 MARCH 2025 / BUSINESS & TECH / JOE KUKURA
Al Company Databricks Declares It Will 'Invest Over \$1 Billion' in Downtown SF With Big Conference, New HQ

SFiST

LWHA
LW HOSPITALITY ADVISORS

U.S. Lodging Industry H1 2025 Opportunities

Why the Dallas hotel market is "darling" for developers, investors

Oct 1, 2024



Key points about Dallas' economic growth:

High Job Growth:

Dallas has added nearly 600,000 new jobs in the last five years, ranking among the top cities nationwide for job creation. [🔗](#)

Corporate Relocations:

Many large corporations have chosen to move their headquarters to Dallas, contributing significantly to the economic boom. [🔗](#)

Attractive Business Climate:

Factors like low taxes, a skilled workforce, and favorable regulations have made Dallas a desirable location for businesses. [🔗](#)

Diverse Industries:

Growth is not limited to one sector, with expansion across industries like technology, finance, and healthcare. [🔗](#)

Dallas-Fort Worth Metroplex:

The entire Dallas-Fort Worth area has benefited from this economic surge, experiencing robust development in both residential and commercial real estate. [🔗](#)

U.S. Lodging Industry H1 2025 Opportunities

**Elevating hospitality in 2024:
The role of QR codes**

Feb 2, 2024



**LuggageHero launches
platform for hotels**

May 28, 2024



**Reducing Procurement Fraud Risk in Hospitality
With Procure-to-Pay Automation**

April, 8 2024



**Tech Leaders Promote Artificial Intelligence's Use for
Hospitality: 'Not Just a Fad'**

June 26, 2024



**Security tech: Where
warm and welcoming
meets safe and secure**

Aug 1, 2024



Can you skip your hotel checkout?

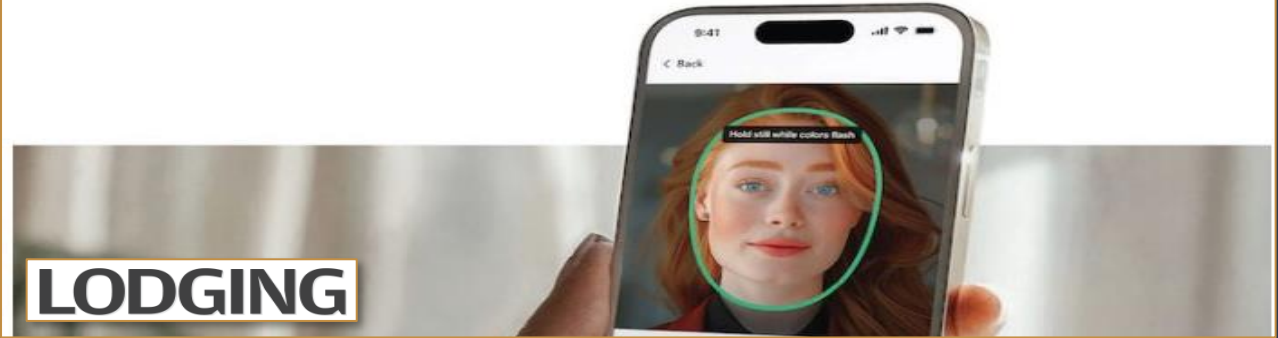
September 6, 2024

The Washington Post

Hotels are offering more ways to check out than ever. Experts say the "right" one is mostly up to you.

**The New Face of Hospitality: Facial
Recognition Set to Further Streamline
the Guest Experience**

By George Seli - July 29, 2024



LODGING

Embracing Technology: Using AI-Powered Travel Concierges in Hospitality

Mobile Apps

August 30, 2024



**The vending machine industry
is getting hot**

10/29/24

Consumer desire for fast, healthy meals is ushering in a new era of machine-ready eats.

Sherwood

U.S. Lodging Industry H1 2025

Opportunities

AI Robots Are Entering the Public World—With Mixed Results THE WALL STREET JOURNAL

They're terrible cocktail party guests but operators say the potential of what robots can do is growing Dec. 31, 2024

AI transforming hospitality: Hoteliers predict major industry impact HOTELS

January 20, 2025



Chatbots take more prevalent role in hotel booking process CoStar

January 27, 2025



Brands leverage artificial intelligence to go beyond today's simple, automated conversations

AI everywhere all at once: How further adoption 'will change everything' in hotels CoStar

January 31, 2025



Experts weigh in on increased cybersecurity and the need for payments innovation

AI's Promise for Hospitality



Understanding AI's potential in hospitality requires a clear view of its unique strengths. These are the capabilities that set it apart from existing technologies.



Intelligent, Automated Guest Responses

AI quickly interprets guest inquiries and delivers accurate, conversational replies —saving staff time and improving service.



Frees Up Front Desk Staff

By handling common questions and requests, AI reduces front desk workloads, letting staff focus on high-value tasks.



Boosts Revenue and Bookings

AI-powered recommendations and upsells drive revenue and bookings by personalizing offers and simplifying the booking process.



Always-On, Multilingual Support

AI responds instantly in any language, ensuring every guest query is addressed, no matter the time of day.

U.S. Lodging Industry H1 2025

Opportunities

AI hotel in Las Vegas to revolutionise hospitality

20.01.2025



With the Otonome Hotel in Las Vegas, artificial intelligence is taking the hotel industry to a new level. The concept is based on radical personalisation and completely contactless processes that are designed to make your stay more efficient and more individual.



U.S. Lodging Industry H1 2025 Opportunities

Airbnb crackdown is a windfall for New York City hotels

Feb 13, 2024

TRAVEL WEEKLY
THE TRAVEL INDUSTRY'S TRUSTED VOICE

Are Airbnbs banned in Hawaii? New law seeks to cracks down on short-term rentals.

May 3, 2024

USA TODAY

Cities Are Cracking Down on Short-Term Rentals. Here's How

Bloomberg

Booking platforms such as Airbnb and Vrbo are increasingly faulted for limiting housing options for local residents and driving up rents.

July 9, 2024



short-term rentals

The end of Airbnb? Once-popular rentals site's shares tumble 14% thanks to retro travel trend

7 August 2024

Daily Mail
.com

Airbnb's struggles go beyond people spending less. They're losing some travelers to hotels.

Dan Latu Aug 13, 2024, 5:13 AM EDT

BUSINESS INSIDER

Airbnb pleads with NYC to ease regulations, one year in

Short-term rental company claims Local Law 18 has failed

SEP 3, 2024

THE REAL DEAL
REAL ESTATE NEWS

U.S. Lodging Industry H1 2025

Opportunities

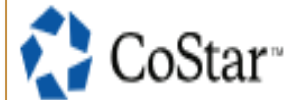
Branded residences 2.0: the next phase for the U.S.

Feb 26, 2025



US hoteliers try to ride the wave of surging cruise demand

February 28, 2025



Hotels in cruise port markets see revenue growth exceeding national averages in 2024

Luxury safaris are booming – and big hotel brands like Marriott want in

March 2, 2025

BUSINESS INSIDER

U.S. Lodging Industry H1 2025 Opportunities

Pyramid Global taps office world for growth

MAY 14, 2024



Hospitality@WORK will offer expanded management services, including cultural programming, F&B and other modern-day perks.

Managing Coworking: Building Brands, Building Experiences

August 14, 2024

Though evolving, flexible office still has a lot in common with hospitality. Here's what managers make of it.

Commercial Property Executive

SQUARE FEET

Aug. 18, 2024

The New York Times

The Hotelification of Offices, With Signature Scents and Saltwater Spas

Hoping to lure workers back to their desks, companies are designing "work resorts," luxe spaces meant to compete with the comforts and versatility of their living room.

Hotelification: blurring the lines between work and leisure

Why the workplace of the future will look and feel more like a hotel

09-30-2024

FASTCOMPANY

Business leaders are increasingly looking to the hospitality industry to make office life more attractive to and productive for their staff. Convene CEO and cofounder Ryan Simonetti reveals why this is important to corporate strategy and employee engagement.

How Convene Combines Hospitality And Flexible Office In Today's Hybrid Work Environment

November 4, 2024

BISNOW

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Co-Founder, President & CEO

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U.S. Lodging Industry H1 2025

Final Thought

Blackstone to buy Kimpton Hotel Eventi in Manhattan's NoMad neighborhood

January 21, 2025



Deal follows investment giant's recent retail portfolio acquisition in SoHo



The hotel is “located in one of the most dynamic areas of Manhattan,” Blackstone Managing Director Michelle Gelshteyn said in an emailed statement to CoStar News. “This transaction reflects our longstanding conviction in New York City and growth in travel. Hotel demand in New York is nearing pre-COVID levels while no new hotel construction permits have been filed in the last three years, creating a compelling backdrop for fundamentals.”

Daniel H. Lesser
Co-Founder, President & CEO

Blackstone is still bullish on real estate – even offices – despite lackluster returns

January 30, 2025



Ready for recovery

A lot of interest rate volatility has been absorbed by the market, according to Gray, setting up a more stable environment going forward. That situation puts Blackstone in an advantageous position: The firm is sitting on billions to invest in real estate.

“The path of travel is clear, the slope may be a little different,” Gray said on Blackstone’s fourth-quarter earnings conference call. “The reason we’re leaning in is because we see that we’re firmly on this recovery path for real estate.”

Several factors have emerged, Gray noted:

- A healthy U.S. economy is leading to demand for logistics properties, apartments and hotels.
- New supply of industrial and multifamily properties has declined since 2022, setting up existing properties for better leasing and rent growth.
- The availability of capital needed to regenerate dealmaking has improved.

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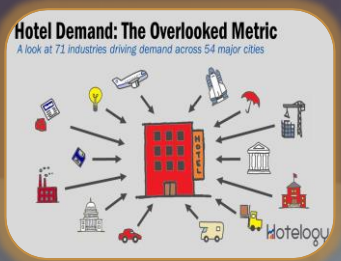
Summary



Investors growing concerns about macroeconomic, uncertainties and a potential slower growth outlook.

Lodging fundamentals remain healthy.

- RevPAR continues to rise however growth is stagnating.
- Room night demand outpaces supply.
 - Corporate and group business are strengthening while leisure demand growth has slowed.
 - Americans continue to travel abroad.
 - Foreign in-bound demand improving although still below 2019 levels.
- Bifurcation of hotel performance as economic pressures impacting travelers across income levels.
 - increased cost of living affecting lower-to-middle income households lessening demand for lower price tiers.
 - Higher end hotels performing well however pricing power has waned given changes in mix and travel patterns.
 - Alternative accommodations including short-term rental and the cruise industry are increasing market share.



Average Daily
Rate (ADR)

ADR continues to be the driver for RevPAR growth.

- Leisure demand exhibits rate sensitivity.
- Moderate RevPAR growth expected for 2025.

Operational costs rising faster than revenues placing strain on owners.

- Labor, insurance, property taxes



U.S. Lodging Industry H1 2025

Summary



- Muted new supply and permanent hotel closings continue to be a sector tailwind.
- Transaction volume has slowed, however will catalyze during the next 12 months.
 - The Federal Reserve began easing monetary policy in late 2024, implementing three rate cuts totaling 100 bps bringing the federal funds rate to 4.25%–4.50%.
 - Markets are pricing in a slower pace of cuts this year, expecting two to three additional 25 bps reductions.
 - Bid-ask spreads anticipated to continue to narrow during the foreseeable future.
 - Some sponsors facing refinancing will be forced to sell in an elevated interest rate environment.
 - Private equity fund-life expirations.
 - Depleted capital expenditure reserves needed for required brand Product Improvement Plan's (PIP's).
 - Impact of new immigration and tariff policies may delay some deals until the second half of the year
- Billions of dollars have been raised to deploy debt and equity into the U.S. lodging sector.
 - Significant number of alternative debt providers keen to lend to the sector.
 - Preferred equity will backstop numerous sponsors unable to secure traditional bank financing.

WHY HOTEL REAL ESTATE?



U.S. Lodging Industry H1 2025

Summary



- Hotels are a preferred commercial real estate investment class, outpacing office, multifamily, and retail in total returns during 2024.

- Continuous repricing of rooms offers an inflation hedge.



- Capital from throughout the world perceive the U.S. as a safe-haven to invest will result in increased cross-border investment opportunities.

- First-time hotel buyers including family offices and high net-worth individuals are increasing.

- High quality hotel assets are being pursued by investors, mostly with a long-term time horizon.



- Hotel development cost-per-key significantly higher than acquisition cost-per-key in select urban and/or leisure markets opportunity to acquire hotels at a meaningful discount to replacement.

- More than \$150B of hotel debt anticipated to mature through 2029.

- Selective distress deals will continue to occur, however compelling opportunities that are “bid up” may not reflect distressed pricing.

- While long-term outlook remains solid, uncertainty with geopolitics, interest rates, and the economy are shadowing optimism in the short term.



U.S. Lodging Industry H1 2025



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