

# U.S. Lodging Industry H1 2025



**Daniel H. Lesser**

Co-Founder, President & CEO

(212) 300-6684 X 101

[daniel.lessner@lwhadvisors.com](mailto:daniel.lessner@lwhadvisors.com)

[www.lwhospitalityadvisors.com](http://www.lwhospitalityadvisors.com)

**LWHA**<sup>®</sup>  
LW HOSPITALITY ADVISORS

# U.S. Lodging Industry H1 2025

---

## Disclaimer

All information is provided “as is” and only as of the date referenced and may change. While the information is believed to be accurate, LW Hospitality Advisors (LWHA) does not guarantee that it is free from error, omission, or misstatement. Any expectations in the presentation are “forward-looking statements” and are based upon certain assumptions that may change. Due to those assumptions and various risks and uncertainties, actual events or results may differ materially from such forward-looking statements.

LWHA disclaims all liability in the event any presentation materials prove to be inaccurate, incomplete, or unreliable. You should not construe any of these materials or data as investment, tax, accounting, or legal advice. LWHA is not sponsoring, endorsing, offering, or promoting an investment, and the information presented does not purport to contain all the information required to evaluate any particular investment or constitute any representation or warranty, express or implied, regarding the advisability of, or any return on any particular investment



# U.S. Lodging Industry H1 2025



## Economy

January 2025 – Pre- Inauguration

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

January 10, 2025



**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

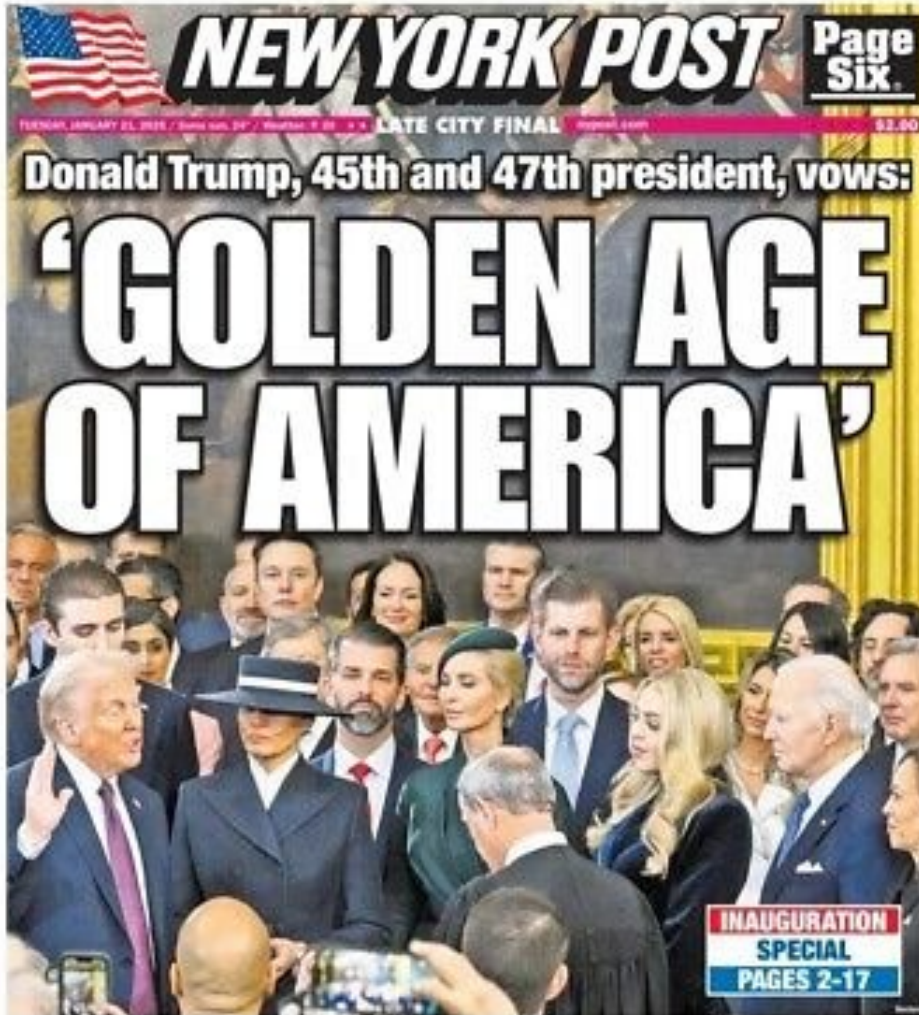
Unemployment slipped to 4% in January and job counts for November and December were revised upward

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



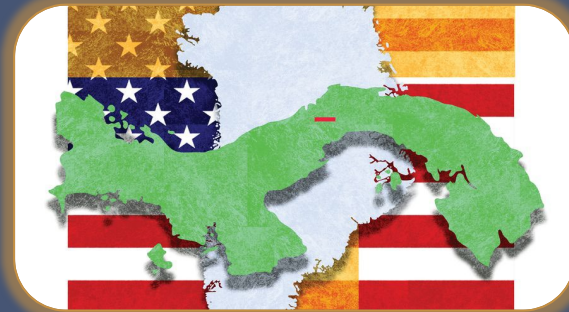
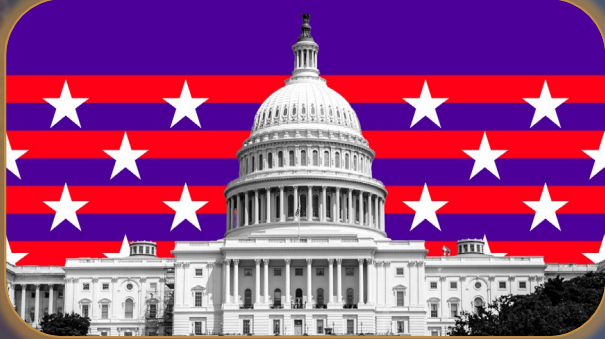


# U.S. Lodging Industry H1 2025



## First 100 Days

## Post Inauguration





# U.S. Lodging Industry H1 2025



## 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

Daniel H. Lesser  
Co-Founder, President & CEO

## February 2025 – Post Inauguration

### US inflation got worse with rising prices on groceries and gasoline

February 12, 2025 AP

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

February 13, 2025

CNN Business

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

February 14, 2025



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

Feb 13, 2025

FINANCIAL POST

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

THE WALL STREET JOURNAL

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

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

Feb. 22, 2025

NBC NEWS

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



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

February 25, 2025



### 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.



# U.S. Lodging Industry H1 2025



## Economy

### March 2025 – Post Inauguration

#### 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

#### 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

#### 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

#### 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

#### Fed holds interest rates steady, still sees two cuts coming this year

MAR 19 2025

CNBC

#### 'Transitory' is back as the Fed doesn't expect tariffs to have long-lasting inflation impacts

MAR 19 2025

CNBC

#### US Consumer Confidence Tumbles Again to Lowest Since Early 2021

March 25, 2025

Bloomberg

#### Wall Street is fed up with Trump's tariffs. Stocks are off to their worst start to a year since 2022

March 31, 2025

CNN Business



# U.S. Lodging Industry H1 2025



## Economy

**Companies are slashing their earnings forecasts as consumer confidence about the future reaches 12-year low**

March 30, 2025

**FORTUNE**

**The US economic indicators that signal Americans haven't stopped spending on travel**

Economist, hotel analyst predict slower growth but tourism demand and intent are still high



April 2, 2025

**Safe Haven or Not? Treasuries' Role in Uncertain Markets Remains Up for Debate**

April 15, 2025

**GlobeSt.**

Investors are watching for signs that other countries may turn to alternatives to U.S. assets.

**Anxiety Over Job Loss and Inflation Hits Highest Levels Since Pandemic**

April 14, 2025

**GlobeSt.**

The Federal Reserve pays close attention to these expectations, which can become self-fulfilling.

**American Express CEO says his business is in great shape because its wealthy Gen Z clients aren't hurting at all**

April 18, 2025

**FORTUNE**

**Corporate Giants Shred Outlooks Over Tariff Uncertainty**

April 24, 2025

**THE WALL STREET JOURNAL**

CEOs warn big-ticket items will cost more, while travel becomes early trade-war casualty

**U.S. economy shrank 0.3% in the first quarter as Trump policy uncertainty weighed on businesses**

APR 30 2025



**Investors Want Clarity From Trump After a Wild April for Stocks**

April 30, 2025

**Bloomberg**

**The Rush to Beat Tariffs Is Distorting the Economy. There's More to Come.**

Surging U.S. imports, while likely temporary, are frustrating the president's goal of reducing America's trade imbalances

April 30, 2025

**THE WALL STREET JOURNAL**

**Stocks Rise for Second Week as Tariff Shock Fades: Markets Wrap**

May 1, 2025

**Bloomberg**

**Employers Added 177,000 Jobs in April Despite Tariff Uncertainty**

**THE WALL STREET JOURNAL**

Hiring slowed slightly from March's pace, while the unemployment rate held at 4.2%

May 2, 2025

**Stock Market Today: Dow Rallies on Jobs Report, Signs of Potential China-U.S. Thaw**

**THE WALL STREET JOURNAL**

S&P 500 closes higher for ninth straight session, longest streak since 2004

May 2, 2025



# U.S. Lodging Industry H1 2025



**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

**Bloomberg**

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

**Who's investing in America? 23 big companies that just promised billions under Trump**

April 30, 2025

**FOX BUSINESS**

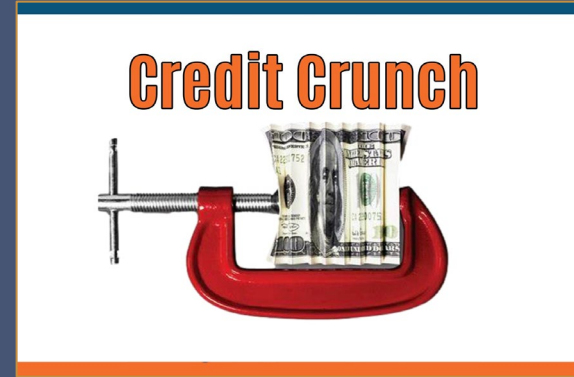
Top CEOs pledge billions to rebuild US industry under Trump's second-term agenda

Daniel H. Lesser  
Co-Founder, President &

**LWHA**  
LW HOSPITALITY ADVISORS

# U.S. Lodging Industry H1 2025

## Uncertainty



### Beijing Weighs Fentanyl Offer to U.S. to Start Trade Talks

THE WALL STREET JOURNAL

Addressing Trump team's concerns over China's role in fentanyl crisis could let both sides soften trade stance

May 2, 2025

### China Quietly Exempts About a Quarter of US Imports from Tariffs

May 2, 2025

Bloomberg

### China open to talks with Trump admin on lowering tariffs, ministry says

May 2, 2025



Beijing warned that using the talks as a 'pretext to engage in coercion' will not work

There are two kinds of forecasters: those who don't know, and those who don't know they don't know.

John Kenneth Galbraith



MEMOS FROM HOWARD MARKS

APR 9, 2025

LWHA  
LW HOSPITALITY ADVISORS



# U.S. Lodging Industry H1 2025

## Uncertainty

### transitory adjective

tran·si·to·ry ('tran(t)-sə-,tôr-ē) ('tran-zə-)

[Synonyms of transitory >](#)

1 : of brief duration : **TEMPORARY**

| the *transitory* nature of earthly joy

2 : tending to pass away : not persistent



### uncertainty noun

un·cer·tain·ty (,ən-'sər-tən-tē)

[Synonyms of uncertainty >](#)

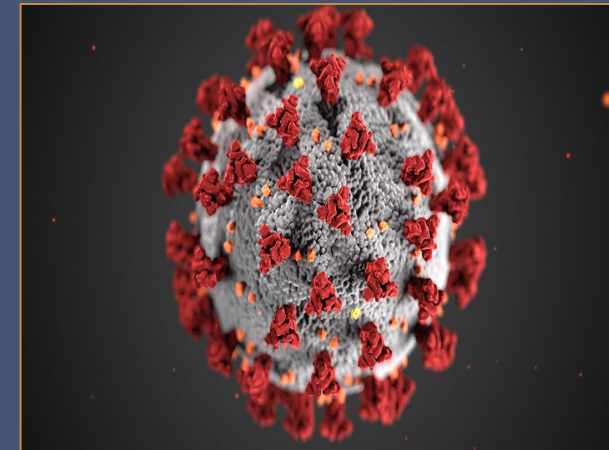
1 : the quality or state of being uncertain : **DOUBT**

2 : something that is uncertain



# U.S. Lodging Industry H1 2025

## Been There, Done That, Doing It Again





# U.S. Lodging Industry H1 2025

## 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

Daniel H. Lesser  
Co-Founder, President & CEO

LWHA  
LW HOSPITALITY ADVISORS

# U.S. Lodging Industry H1 2025

## U.S. Commercial Real Estate

### Special Servicing Rates Increase Due to More Office, Retail Transfers: Trepp

MARCH 13, 2025

COMMERCIAL OBSERVER

*The national office special servicing rate stands at 16%, a 25-year high, and is up more than 600 basis points from 12 months ago*

### Private Credit Is Challenging Banks and Changing the Terrain of CRE Finance

APRIL 9, 2025

COMMERCIAL OBSERVER

*The shifts have led to a lucrative symbiosis between alternative lenders and the larger commercial banks*

### Blackstone sees buying opportunity in economic gyrations from shifting US tariff policy

April 17, 2025



World's largest commercial property owner says it will 'lean in' to potential investments

### Amid Economic Uncertainty, CRE Investors Are Urged to Think Long Term

April 03, 2025

ALM | GLOBEST.COM

What we can learn about the next five years by looking back at the past five years.

### US banks prepare for unpaid loans, other financial fallout from economic turmoil

April 11, 2025



Major property lenders boost reserves, point to higher risks of recession and inflation in coming months

### CRE Finance Sentiment Index Sees Second-Largest Drop On Record

April 25, 2025 | 3:11 p.m. ET | Taylor Driscoll, Boston

BISNOW

### Family Offices Are Doubling Down on CRE in 2025

May 2, 2025



Daniel H. Lesser  
Co-Founder, President & CEO

LWHA  
LW HOSPITALITY ADVISORS



# U.S. Lodging Industry H1 2025

## Travel Industry

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

Jan 10, 2025

BARRON'S

**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



**Delta Lowers Outlook, Cites Decline in Consumer and Corporate Confidence**

March 10th, 2025

Skift

**Delta Air Lines had been expecting a record year. Then a trade war broke out**

April 9, 2025

AP

**United Airlines Cuts Domestic Flights but Sees Uptick in International and Premium Travel**

Skift

April 15, 2025

**United Airlines gives two 2025 profit outlooks, calling economy 'impossible' to predict**

APR 16 2025



**US inbound international travel takes 12% hit as economists postpone pre-pandemic recovery to 2029**

As potential recession looms, Americans might shift their travel plans to domestic locations

April 16, 2025



**American Airlines Pulls Full-Year Outlook on Concerns Over Travel Demand**

April 24, 2025

THE WALL STREET JOURNAL

Quarterly loss was less than analysts had forecast, while revenue dipped to \$12.55 billion.

# U.S. Lodging Industry H1 2025

## Travel Industry

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

Dec 12, 2024



Daniel H. Lesser  
Co-Founder, President & CEO

LWHA  
LW HOSPITALITY ADVISORS



# U.S. Lodging Industry H1 2025

## Sector Overview

### Accor says no 'cracks in demand' for Q1 earnings

Hotel  
Investment Today  
BY NORTHSTAR

APRIL 24, 2025

Paris-based Accor posted strong revenue, RevPAR, net unit growth and pipeline numbers as part of its first-quarter earnings.

### Summit Hotel Properties (INN) Beats Q1 FFO Estimates

April 30, 2025



### Diamondrock Hospitality earnings matched, revenue fell short of estimates

05/01/2025



### Hyatt Hotels tops Q1 earnings expectations, warns on recent booking weakness

May 01, 2025



### Pebblebrook Hotel Trust Q1 2025 Earnings: EPS of -\$0.40 Meets Estimates, Revenue of \$316.4M Beats Expectations

5/1/2025



### Hilton Posts Profit Growth, Boosts 2025 Earnings View on Solid Demand

The McLean, Va., hotel operator logged earnings of \$300 million, or \$1.23 a share, up from \$265 million, or \$1.04 a share, a year earlier

THE WALL STREET JOURNAL.

April 29, 2025

### Hotel Giants—Hilton, Hyatt And More—Downgrade 2025 Guidance, Citing Economic Uncertainty

May 1, 2025,



### WYNDHAM HOTELS & RESORTS REPORTS STRONG FIRST QUARTER RESULTS

Apr 30, 2025



### Apple Hospitality (APLE) Reports Slight Revenue Miss for Q1 | APLE Stock News



GuruFocus News



5/1/2025

### Host Hotels & Resorts Q1 Adjusted FFO, Revenue Rise; Lifts Full-Year Adjusted FFO Outlook

05/01/2025



### Xenia Hotels & Resorts Inc earnings beat by \$0.05, revenue topped estimates

05/02/2025,



# U.S. Lodging Industry H1 2025

## Sector Overview

### Shrinking demand, fewer international tourists and rising expenses dampen outlook for US hotels



Hospitality analysts raise concerns of 'bumpy' 2025 that could cause consumers to reduce travel spend

March 24, 2025

### Private Credit Is Challenging Banks and Changing the Terrain of CRE Finance

APRIL 9, 2025

*The shifts have led to a lucrative symbiosis between alternative lenders and the larger commercial banks*

COMMERCIAL OBSERVER

### Study shows steep decline in federal hotel demand

APRIL 22, 2025



Federal changes are affecting US hotel performance and demand, with 76% of markets showing declines and Washington, D.C., taking the biggest hit.

### Private Equity Firms Pull Back on Investing in U.S. Hotels

APRIL 30, 2025

COMMERCIAL OBSERVER

*They're usually the busiest investors, but tariffs and a tourism plunge have them spooked*

### Hotel Owners Sweat Trump Travel Risk As Debt Tsunami Looms

April 01, 2025 | 8:58 p.m. ET | Patrick Sisson, National

BISNOW

### U.S. Hotels Face Slowing Growth, with Weak Demand and Policy Uncertainty: Goldman Sachs

April 14th, 2025

Skift

### Strong performance puts hotels back on investors' hot list

Apr 23, 2025



### Hotel demand holds, but potential for 'deteriorating lodging fundamentals' has grown, Host CEO says

May 2, 2025



REIT lowers outlook of total revenue per available room due to group lead volume



# 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



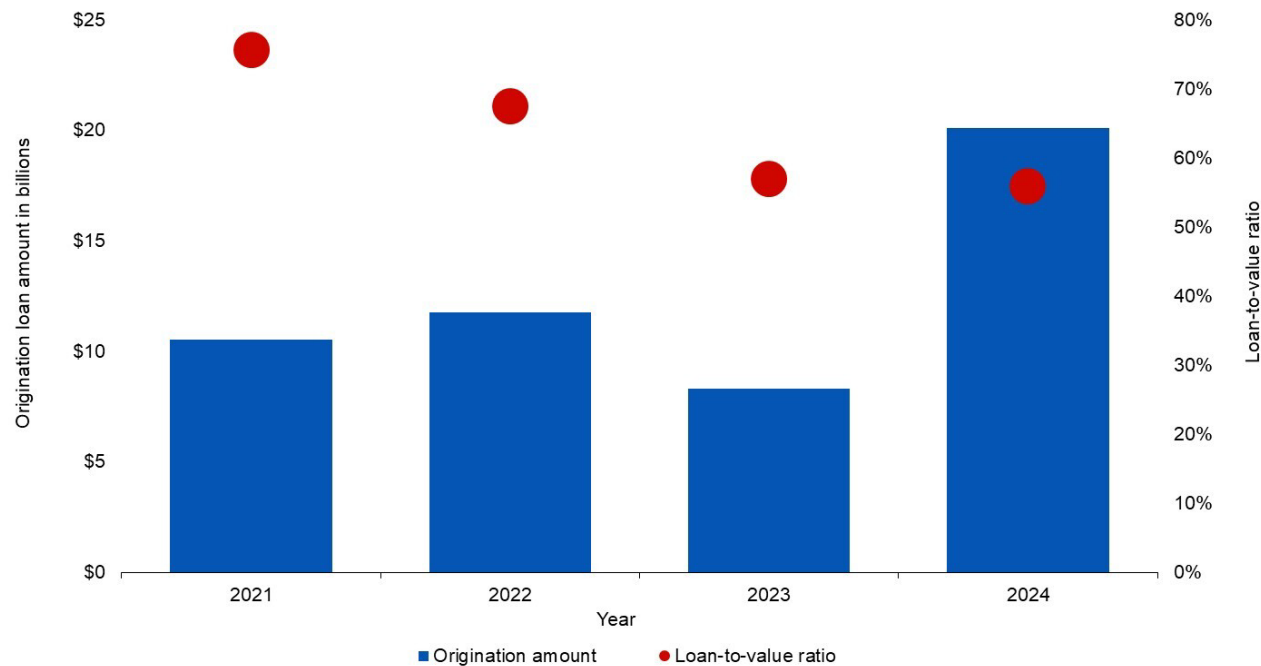
For the second year in a row, that dollar amount outpaced office origination

**CMBS Issuance Headed For A Record Year After Skyrocketing In 2024**

February 17, 2025

**BISNOW**

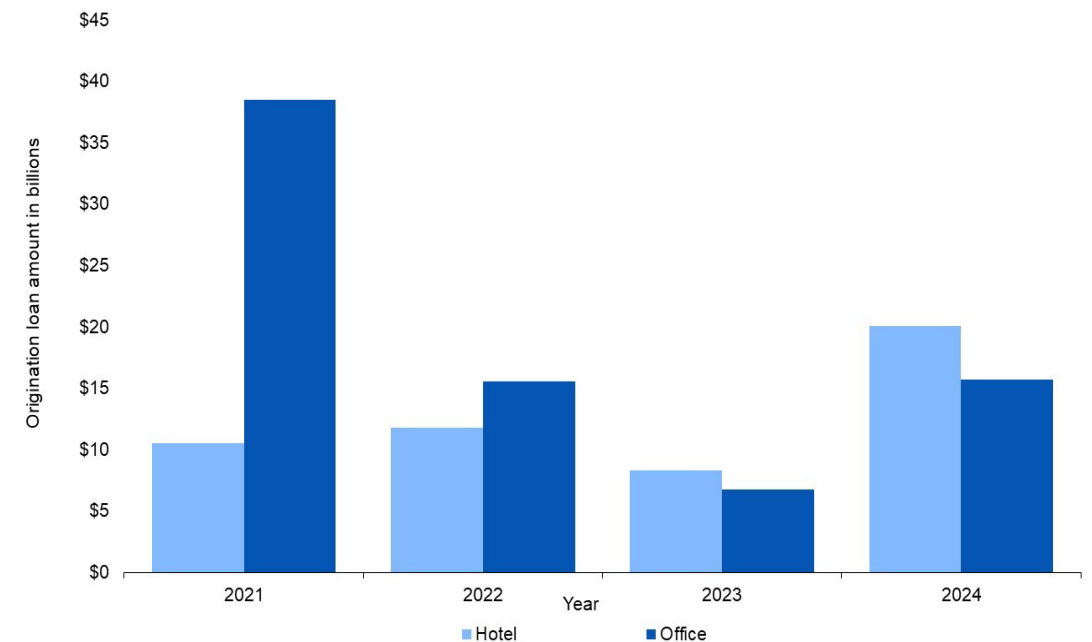
### Hotel loan originations soar, but underwriting gets tougher



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

## Strengths

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

Aug 16, 2024



### Group Business Continues to Recover

#### Group Demand Has Largely Returned to Top 25 Markets

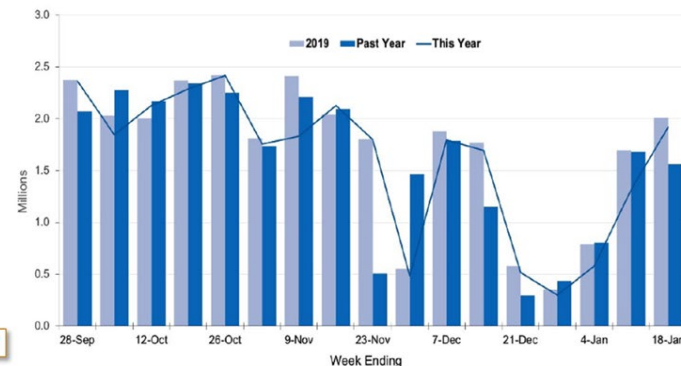
The recovery of group business continues to gain momentum, with demand in top 25 markets nearing pre-pandemic levels. Both Marriott and Hilton have reported strong year-over-year growth in group business, driven by robust meeting and convention activity. Weekly group demand for luxury and upper-upscale 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

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



Source: CoStar/STR

### More events, meetings spur hoteliers' confidence in group demand recovery

March 14, 2025



Major markets drive group demand growth, though infrastructure projects fuel demand at economy, midscale brands

### 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

### Hotel brands predict steady revenue, rooms growth in 2025 outlook

March 7, 2025



Execs point to promising progress in business, leisure travel

### Consumers prioritize spring break travel amid rising hotel costs



Americans will spend more on trips this season, traveling to domestic destinations over international hot spots, per Allianz Partners and AAA data.

March 12, 2025

### Visa Revenue Rises; CEO Says Consumer Remains Resilient

April 29, 2025

Credit-card company's payments volume rose 8% in the quarter

THE WALL STREET JOURNAL



# 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%
<b>Under Contract</b>	<b>767</b>	<b>725</b>	<b>6%</b>

# 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



### KHP Secures \$300M to Target Distressed and Value-Add Hotels

April 25, 2025

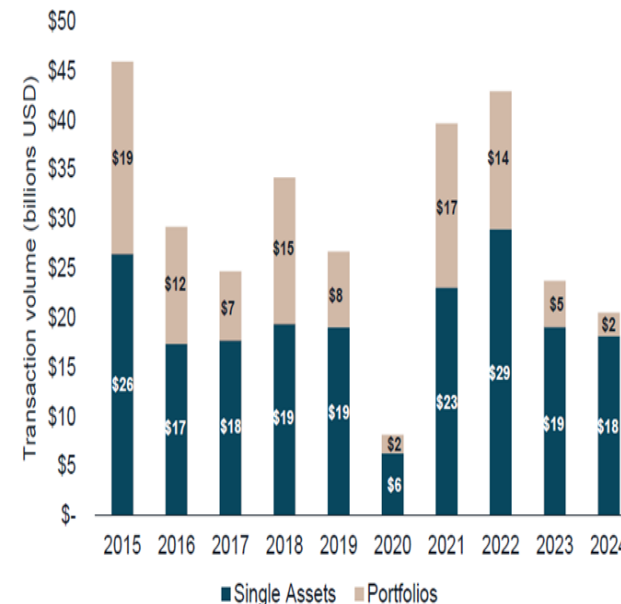
ALM | GLOBEST.COM

The buying power is forecasted to be almost \$1 billion.

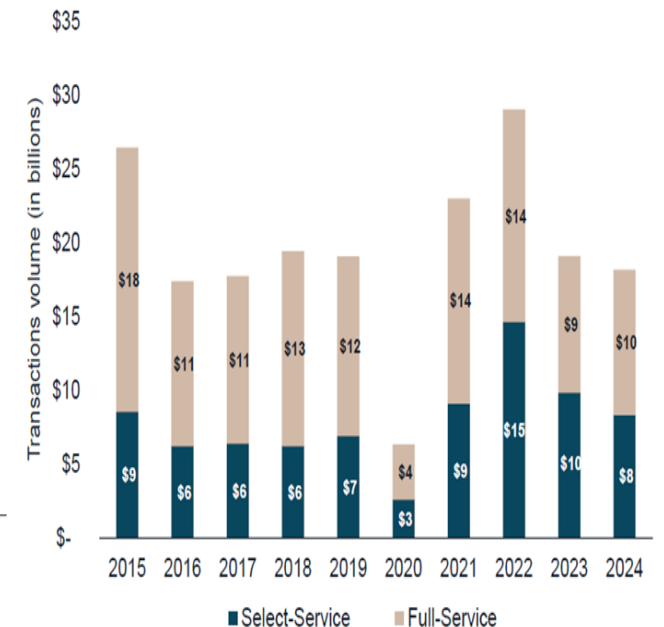
### Single-asset trades fuel liquidity as full-service transactions accelerate

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)

Cronheim Hotel Capital Arranges \$54M Refinancing for Homewood Suites Hotel in Uptown Charlotte

March 11, 2025



Mag Mile Capital Secures \$13 Million CMBS Financing for Hampton Inn Harker Heights

March 12, 2025



**Morgan Stanley Provides \$41 Million Cashout Refinance For Brooklyn Hospitality Asset**

03/13/2025

traded

Access Point Financial Provides \$126 Million Select-Service Portfolio Loan to American Hotel Income Properties REIT LP

Mar. 17, 2025

FINANCIAL TIMES

**\$20.4M FINANCED**  
**HAMPTON INN & SUITES WILMINGTON CHRISTIANA**  
Newark, DE  
136 keys  
3/25/2025  
**BERKADIA**  
HOTELS & HOSPITALITY

Hotel on Chicago's Navy Pier, built during pandemic, lands \$60 million refinancing

March 26, 2025



Opening of 233-room Sable was delayed by COVID-19



3/27/2025

**Mag Mile Capital Secures \$14.5 Million CMBS Financing for Marriott Rochester Airport**

**\$43.6M FINANCED**  
**PASADENA HOTEL & POOL**  
Pasadena, CA  
161 keys 1926 built  
3/28/2025  
**BERKADIA**  
HOTELS & HOSPITALITY

**Madison Newbond originates \$43M loan for Ashore Resort**

Mar 31, 2025



Justin Adelipour's Capstone Equities has landed a \$30 million loan from Ellington Management Group to refinance Hotel NYMA, a 171-room, 80,185-SF hotel at 6 West 32nd Street in Penn Plaza, Manhattan. The recapitalization saw it transfer ownership at a reduced valuation of a new entity it controls. Proceeds replace the balance of a \$41 million loan from Aareal Capital in 2019. Capstone paid \$51 million for the asset in 2017. (PC+Acris) March 31, 2025



# U.S. Lodging Industry H1 2025

## Strengths

### Availability of Refinancing Proceeds (H1 2025)

W&L Group signs \$14.9M refi with CTBC Bank for hotel in Grand Central

April 1, 2025



Summit Hotel Properties completes \$275 million term loan refinancing

April 1, 2025



Proceeds will go toward paying down senior notes debt

#### RECENTLY CLOSED

4/3/2025

ARRIBA  
CAPITAL

\$16,100,000 REFINANCE  
HAMPTON INN | OREGON

Prime Finance Provides \$67M Refi for Historic San Francisco Financial District Hotel

APRIL 2, 2025

COMMERCIAL OBSERVER

Chartres Lodging Lines Up \$300M CMBS Loan To Refinance Sheraton Dallas

April 08, 2025

BISNOW

Smith Hill Capital, Bain Capital Provide \$235M Refi for Gurney's Montauk Resort

BLDG Management and Metrovest Equities secured the financing after exiting special servicing and receiving a \$281 million appraisal

APRIL 10, 2025

COMMERCIAL OBSERVER

Ashford Hospitality Trust Announces Extension of Mortgage Loan Secured by 17 Hotels

April 14, 2025



4/15/2025

SP Peachtree Group

Just Closed: \$43.6MM Bridge Loan for a Boutique Hotel in Pasadena, CA



# U.S. Lodging Industry H1 2025

## Strengths

### Availability of Refinancing Proceeds (H1 2025)

**Peachtree Group Refis Seattle Hotel With \$68M Loan**

APRIL 21, 2025

COMMERCIAL OBSERVER

**Peachtree Group Supplies \$36M Refi for Houston Hotel Conversion Project**

APRIL 16, 2025

COMMERCIAL OBSERVER

**Peachtree Group Provides \$35M Refi for SoCal Hotels**

MAY 1, 2025

COMMERCIAL OBSERVER

**Palm Beach's Iconic Colony Hotel Secures \$25M Refi**

APRIL 30, 2025

COMMERCIAL OBSERVER

*City National Bank of Florida provided the financing for the famed 90-room asset*

**Citi Closes \$100M CMBS Loan for Marriott New York JFK Airport Hotel**

BY ANDREW COEN APRIL 18, 2025 12:11 PM

COMMERCIAL OBSERVER

**Driftwood Capital Closes \$1.2B Consolidation of 18-Hotel Portfolio**

April 28, 2025

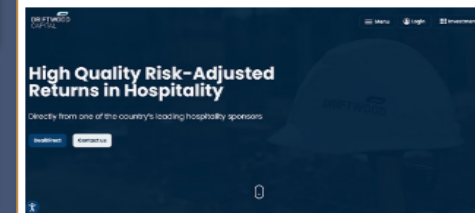
connectcre

**Driftwood Capital Closes \$40.15M in Mezzanine Loans for Major Hotel Refinancings**

MAY 2, 2025

MAY 2, 2025

citybiz



**Driftwood Capital**, through its lending fund **Driftwood Lending Partners, LP**, provided **\$40.15 million** in mezzanine loans for the refinancing of **The Westin New Orleans**, a full-service hospitality asset located in the heart of Downtown New Orleans, as well as the **Northeast Select Service Portfolio**, a five-property portfolio encompassing Hilton and Marriott branded select-service hotels across New Hampshire and Massachusetts.

# 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

February 19, 2025

Casper, WY



JUST CLOSED

**\$60.2MM ACQUISITION FINANCING**

HUNTER HOTEL ADVISORS

6 March 2025

SEVEN HOTEL PROPERTIES

**ARRIBA**  
CAPITAL

2/13/2025

\$5,900,000 ACQUISITION  
RAMADA BY WYNDHAM | MONTANA

Pines Hospitality has nabbed a \$13.1 million loan from Celtic Bank to finance its \$16 million acquisition of the *Holiday Inn Express & Suites*, a 5-story, 110-room hotel on two acres at 14651 NW 20th Street in Pembroke Pines, FL, from JDR Hotels.

Mar 13, 2025

SOUTH FLORIDA  
BUSINESS JOURNAL

CRONHEIM HOTEL CAPITAL SECURES \$47,000,000 FOR THE ACQUISITION OF SPRINGHILL SUITES AND MARRIOTT ATLANTA NORTHWEST GALLERIA

3/14/2025

CRONHEIM  
HOTEL  
CAPITAL

PCA Sources \$11.3MM Acquisition Loan for Courtyard by Marriott

Indianapolis Airport

April 07, 2025



Mesa West Capital Provides \$45.36 Million Loan for the Acquisition of the 208-Room Embassy Suites By Hilton Nashville at Vanderbilt

April, 28 2025

HNR HOTEL NEWS

Highline Pays \$111.3M for Atlanta Hotel

April 14, 2025



Highline Hospitality Partners purchased the 510-room Hilton Atlanta Airport for \$111.3 million. Wheelock Street Capital was the seller. The Atlanta Business Chronicle reports that Wheelock Street Capital paid \$101 million for the hotel in 2019. As part of the latest transaction, Highline secured a nearly \$67 million loan from Equitable Financial Life Insurance Co.



# U.S. Lodging Industry H1 2025

## Strengths

### 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

#### 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

#### 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.

#### 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).

#### Driftwood Capital Secures \$37.9M in Construction Financing for Element by Westin Mission Valley in San Diego

February 25, 2025

**REBUSINESS ONLINE**

#### Walker & Dunlop arranges \$253M construction loan for Pendry Nashville

March 19, 2025

**HB**  
HOTEL BUSINESS

#### Terra, Turnberry score \$392M construction loan for Miami Beach convention center hotel

APR 10, 2025,

**THE REAL DEAL**  
REAL ESTATE NEWS

Tyko Capital provided financing for long-planned 800-room hotel

#### 'Shining' Hotel Borrows \$300 Million to Cater to Horror Fans

April 22, 2025

**Bloomberg**

# 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

#### Wyndham aligns with WaterWalk extended-stay brand

APRIL 2, 2024



#### Hilton adds NoMad brand to expand luxury offerings



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

#### 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.

#### 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

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

August 20th, 2024

Skift

#### 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

#### PM Hotel Group and Sightline Hospitality Announce Strategic Merger

November 4, 2024

LODGING

#### Pyramid Global merges with Axiom Hospitality to boost European presence

November 4, 2024



#### Nautic Partners Acquires Davidson Hospitality Group from KSL Capital Affiliate

KSL Capital Partners

November 4 2024

HNR HOTEL NEWS

#### Griffin Hotel Management Merges Into Meyer Jabara Hotels

November 5, 2024

LODGING

#### 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

HYATT®

PLAYA  
HOTELS & RESORTS®

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

18 FEBRUARY 2025

IHG® HOTELS & RESORTS

IHG®  
HOTELS & RESORTS



Marriott  
INTERNATIONAL

Marriott to acquire citizenM for  
\$355M

APRIL 28, 2025

Hotel  
Investment Today  
BY NORTHSTAR

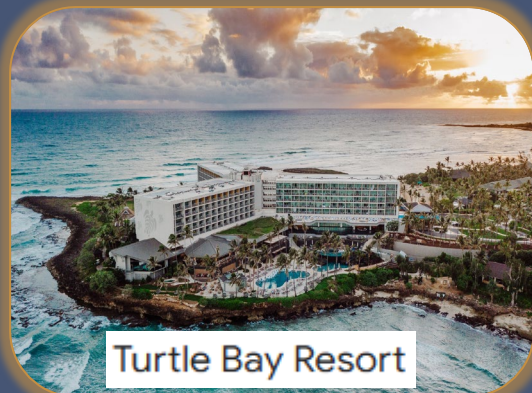
citizen  
hotels



# 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





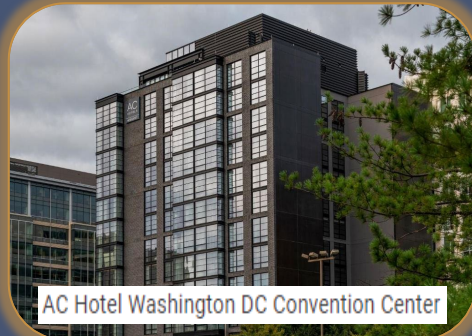
# U.S. Lodging Industry H1 2025

## Strengths

### 2024 Total Asset Sale Price >\$100m



Wyndham Boston Beacon Hill



AC Hotel Washington DC Convention Center



Scottsdale Plaza Resort & Villas



W Fort Lauderdale



Hilton Boston Back Bay



Hyatt Regency Clearwater Beach Resort and Spa



Hyatt Centric Waikiki Beach



Wyndham Boston Beacon Hill



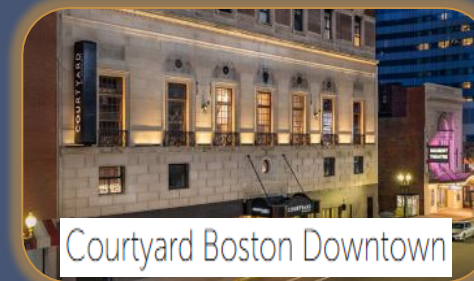
Hilton La Jolla Torrey Pines



Hyatt Place & Hyatt House Charleston Historic District



Hyatt Regency Lake Washington at Seattle's Southport



Courtyard Boston Downtown



The William Vale

Daniel H. Lesser  
Co-Founder, President & CEO

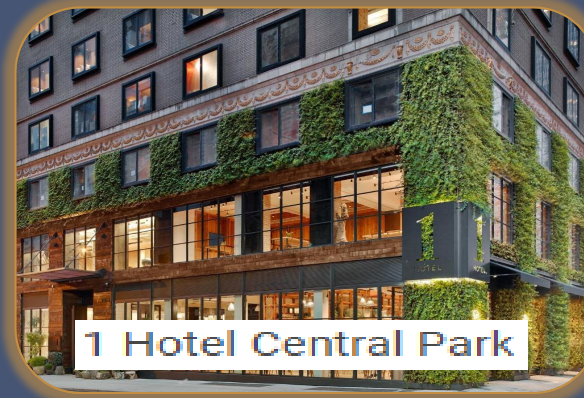
LWHA  
LW HOSPITALITY ADVISORS



# U.S. Lodging Industry H1 2025

## Strengths

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



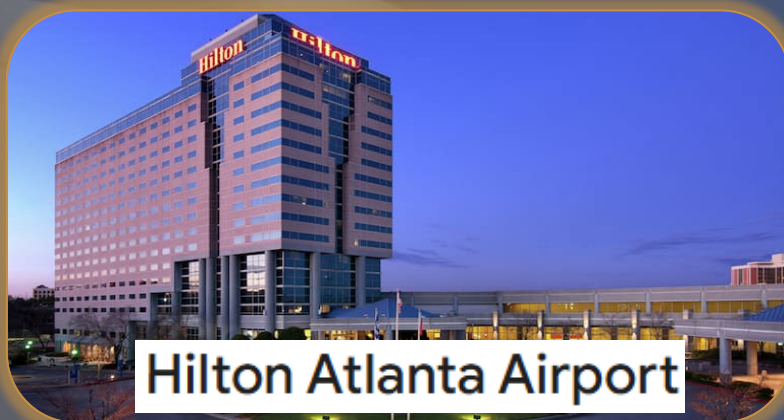
2024 Per Room Asset Sale Price \$962k, \$898k, \$824k, \$816k \$735k





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

2025 Total Asset Sale Price >\$100m





# U.S. Lodging Industry H1 2025

## Strengths

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



**Alexico Fields \$1 Billion Offer for New York's Mark Hotel**

April 14, 2025

**Bloomberg**



\$6.6 million Per Key



# U.S. Lodging Industry H1 2025

## Strengths



**Certares**



**JRK**

PROPERTY  
HOLDINGS



**ARES**



**CHATHAM**  
LODGING TRUST

**Gencom**



HOSPITALITY GROUP

**PESTANA**  
HOTEL GROUP



**TRINITY**



**THE CHARTRES**  
LODGING GROUP

**HENDERSON**  
PARK

**MARCUS**  
HOTELS & RESORTS



**TCOR**  
HOTEL PARTNERS, LLC



**DCC**



**MCR**

**ROCKBRIDGE**

**THREE**  
**WALL**  
**CAPITAL**



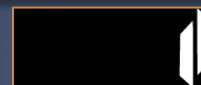
**CLEARVIEW**  
HOTEL CAPITAL, LLC



**HIGHLINE**  
HOSPITALITY



**Blackstone**



**DIAMONDROCK**  
HOSPITALITY

**Brookfield**  
Properties

**DRIFTWOOD**  
CAPITAL

**HOST**  
HOTELS & RESORTS®



**SAGE**  
HOSPITALITY GROUP

**TPG**  
REAL ESTATE

# 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**

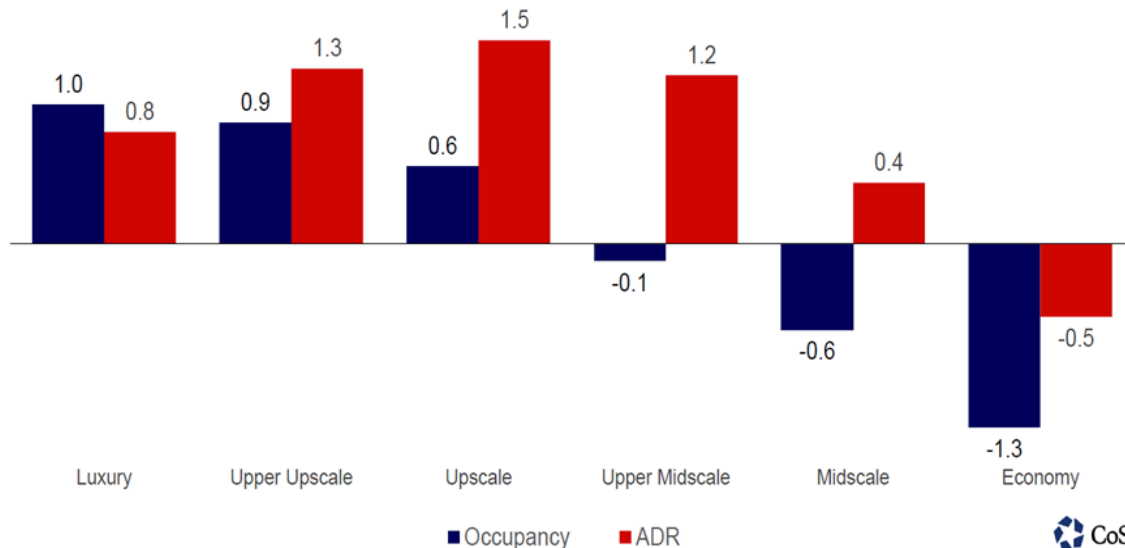
February 11, 2025



Bifurcation story remains front and center in 2025 outlook

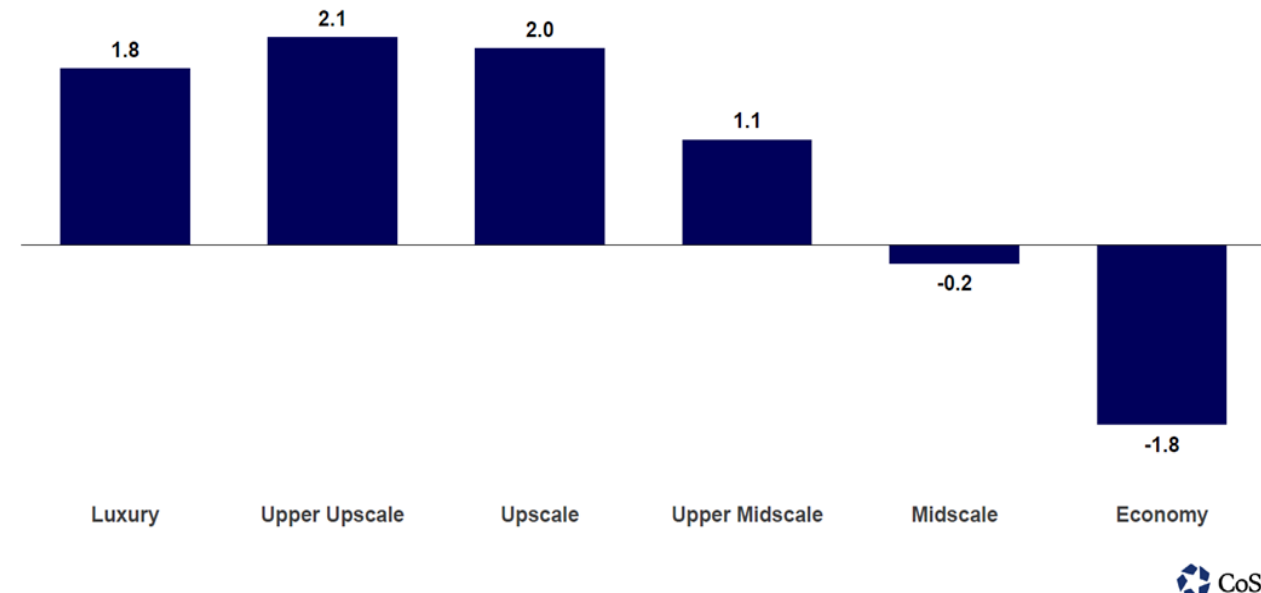
## Limited pricing power across the board

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

### 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

### 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

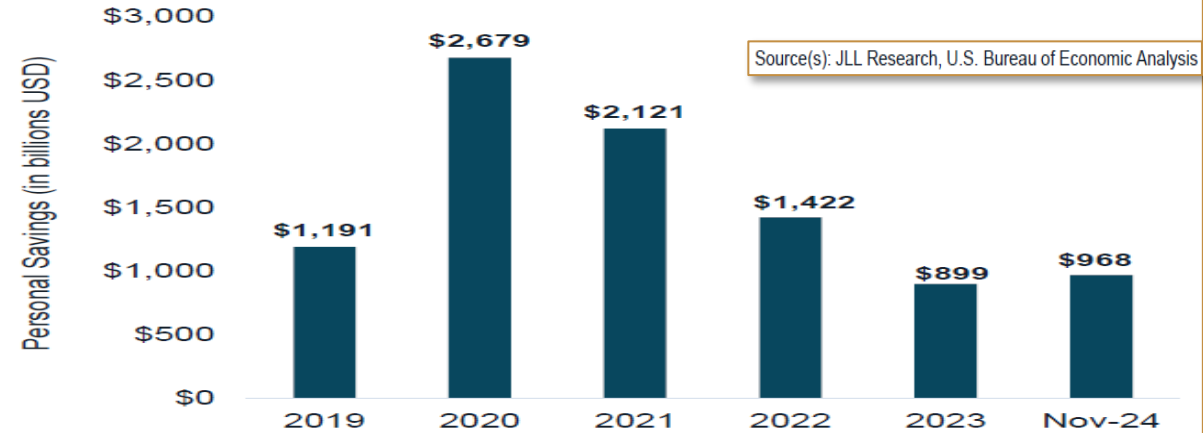
THE WALL STREET JOURNAL

### US consumer sentiment plunges on tariff fears, inflation expectations jump

March 14, 2025



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



### US Share of Spending on Discretionary Items by Income

% of total spending



Source: Oxford Economics/Haver Analytics



# U.S. Lodging Industry H1 2025 Weaknesses

## *Airlines Cut Forecasts, Raising an Early Alarm About Consumer Spending*

March 11, 2025

The New York Times

The revised revenue projections suggest that flagging economic confidence has started to hurt travel, which can be an indicator for other industries.

## *US inbound international travel takes 12% hit as economists postpone pre-pandemic recovery to 2029*

As potential recession looms, Americans might shift their travel plans to domestic locations

April 16, 2025

CoStar

## *US tariff policies force hoteliers to put procurement contingencies in place*

CoStar

March 21, 2025

Costs expected to rise in hotel furniture and fixtures, food and beverage

## *Summer Travel Too Expensive For One Quarter Of Americans, Per New Survey*

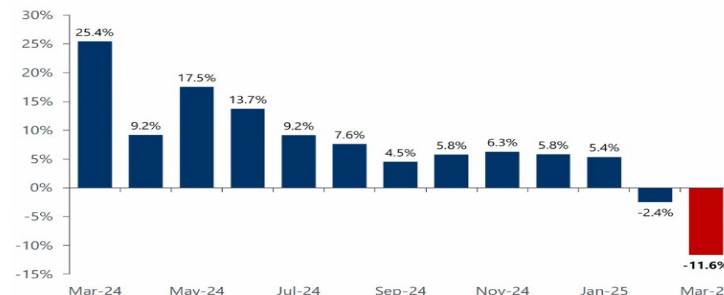
Apr 21, 2025,

Forbes

A new survey shows that about 25% of U.S. adults do not plan to travel this summer, and most say it's because they cannot afford a vacation.

### **Overseas Arrivals to the US Dropped in March**

Overseas Visitor Arrivals to the US | YoY Change



Source: National Travel and Tourism Office

## *Has International Travel to the U.S. Really Collapsed?*

By Josh Holder, Niraj Chokshi and Samuel Granados April 30, 2025

The New York Times

Travel compared with last year

International arrivals at U.S. airports

-1.5%

Summer flight bookings from Europe

-2%

Summer flight bookings from Asia

+4%

Summer flight bookings from Canada

-21%

Sources: U.S. Customs and Border Protection and the Airlines Reporting Corporation

# 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

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

Aug. 30, 2024

Detroit Free Press

**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 HILL 10/01/24

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

**Sorry, Jamie Dimon — remote work is here to stay**

January 9, 2025

BUSINESS INSIDER

**KASTLE BACK TO WORK BAROMETER** 4.21.25  
Weekly Occupancy Report from Kastle Access Control System Data

BAROMETER THIS WEEK



	Wed 4/9	Wed 4/16	% Change
Washington D.C. metro	53.7%	50.0%	3.7% ▼
New York metro	55.1%	52.0%	3.1% ▼
Los Angeles metro	49.8%	48.1%	1.7% ▼
Average of 10	54.2%	53.4%	0.8% ▼
Chicago metro	56.8%	57.4%	0.6% ▲
Houston metro	63.7%	63.4%	0.3% ▼
Philadelphia metro	45.8%	45.5%	0.3% ▼
Austin metro	60.9%	61.2%	0.2% ▲
San Jose metro	50.9%	51.1%	0.2% ▲
San Francisco metro	42.2%	42.5%	0.2% ▲
Dallas metro	63.0%	63.0%	0.0% ▼

Kastle customers are in more than 2,600 buildings in 138 cities. The Barometer reflects swipes of Kastle access controls from the top 10 cities, averaged weekly. It summarizes recent weekday building access activity among our business partners, not a national statistical sample.

\*On March 22, 2024, Kastle moved from daily to weekly data reporting to provide a more robust and comprehensive picture of office occupancy. We have also recalculated data back to the start of the time series for consistency. This has only a marginal impact on most cities and the national average.

To learn more, visit: [www.kastle.com](http://www.kastle.com)

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

October 25, 2024

CRAI'S NEW YORK BUSINESS

**Companies are demanding workers back, but return-to-office rates barely change**

April 02, 2025

CRAI'S NEW YORK BUSINESS

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

07-22-2024

FASTCOMPANY

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

September 2, 2024

BISNOW

**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

April 24, 2025

NYC CROSSROADS

CRAI'S NEW YORK BUSINESS

**The office as we know it is never coming back**

Today, New York landlords are racing to build the amenity-filled office spaces their corporate tenants crave, with plenty of outdoor space, lounges and cafes to spark creativity and wellness features that will entice their employees to get back to the office full-time. But most observers admit, the hybrid model is here to stay.



# U.S. Lodging Industry H1 2025 Weaknesses

**Hotel industry moves further from labor crisis, but major challenges remain**

January 6, 2025



Immigration policy, a dwindling talent pipeline present long-term hurdles

**AHLA: 65% of surveyed hotels report staffing shortages**

Feb 21, 2025



## Workers are eyeing an exit in these industries

Americans employed in these industries are most likely to be considering roles in a different field — or to have already pivoted recently.

Rank	Top 5 Industries
1.	Retail
2.	Accommodation
3.	Oil, gas and mining
4.	Transportation, logistics, supply chain and storage
5. (tie)	Technology, information and media
5. (tie)	Consumer services

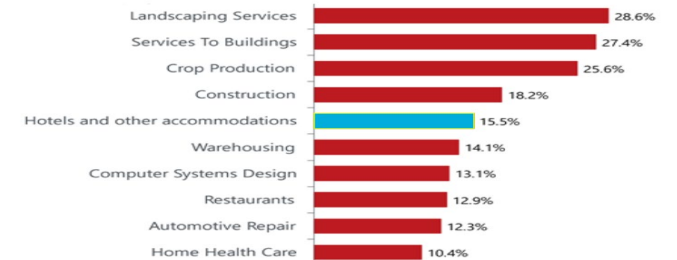
LinkedIn News

SOURCE: LinkedIn Market Research  
NOTE: 15,225 professionals in the U.S. were surveyed from Dec. 14, 2024-Mar. 21, 2025.

**HELP  
WANTED**

## Non-US Citizen Employment By Sector

Share of Employment, 2023



Source: Tourism Economics/US Census Bureau (ACS)

**Hospitality grapples with specter of mass deportations**

Feb 25, 2025



**Study: Staffing crisis top challenge facing accommodation industry**

March 10, 2025



**Hotel staffing to remain 'well below' pre-pandemic levels**



HOTEL DIVE

April 7, 2025

The American Hotel & Lodging Association expects the industry to add 14,000 employees this year, though challenges persist amid economic uncertainty.

Daniel H. Lesser  
Co-Founder, President & CEO

LWHA  
LW HOSPITALITY ADVISORS

# 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



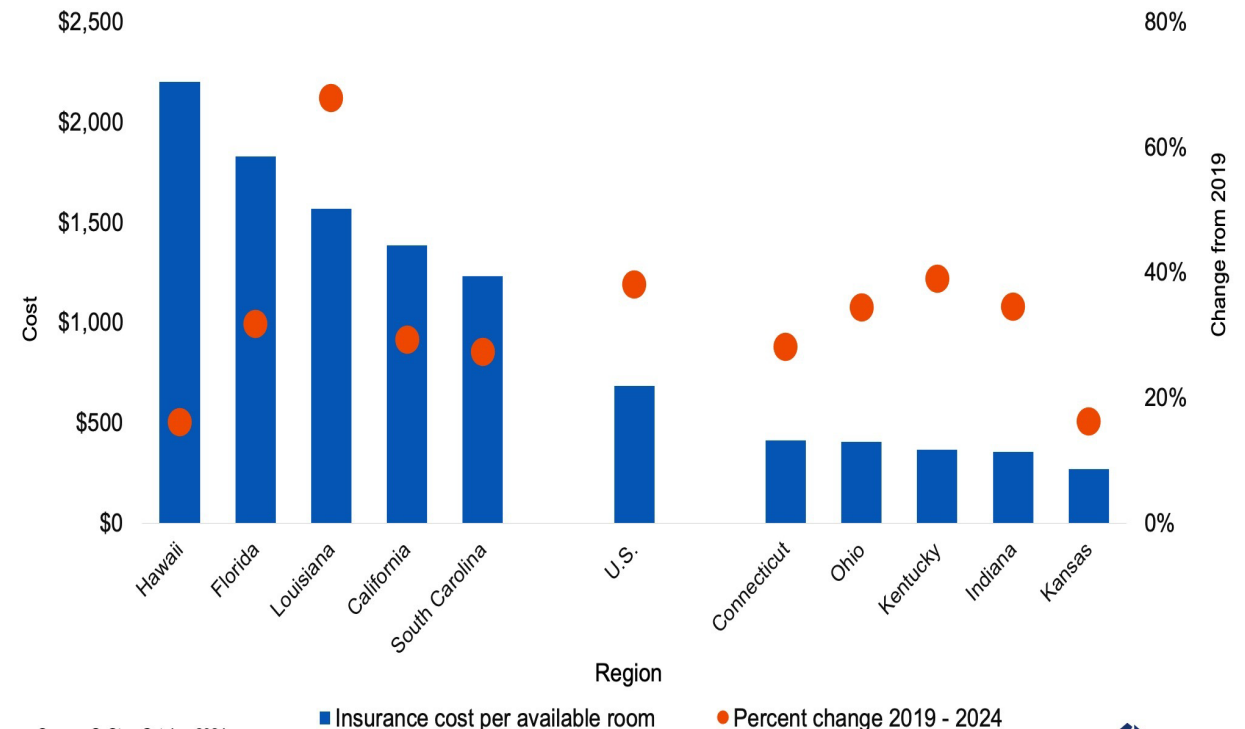
### Insurers Are Deserting Homeowners as Climate Shocks Worsen

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



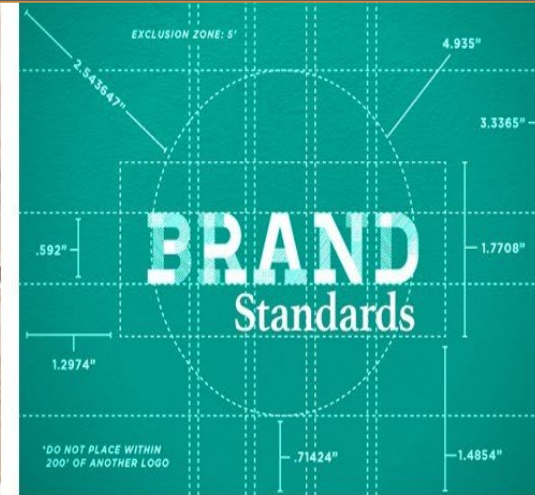
How to address the challenge of delayed hotel property improvement plans

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

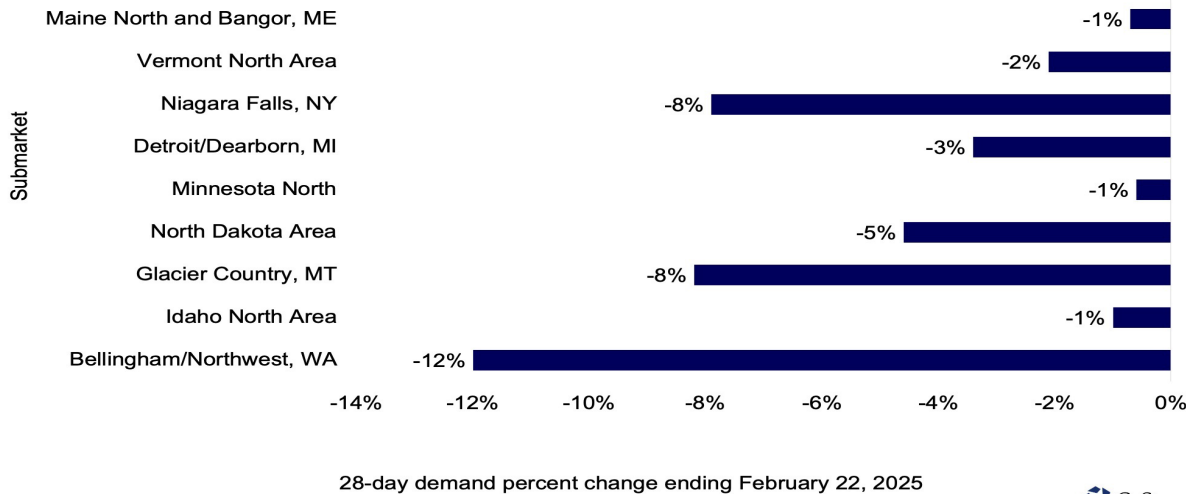
HYATT  
SELECT



# U.S. Lodging Industry H1 2025

## Threats

### Submarkets near the Canadian border show room demand decline



**'Mad as hell' Canadians cancel US travel en masse as trade war escalates**

Feb. 22, 2025,

NEW YORK POST

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

CoStar™

March 4, 2025

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

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

MARCH 6, 2025

n p r

**Nervous about Trump, international tourists scrap their U.S. travel plans**

March 16, 2025

The Washington Post  
Democracy Dies in Darkness

The Trump administration's hard stance on tariffs and other international policies has some travelers rethinking where they vacation.

**Weekslong lockups of European tourists at US borders spark fears of traveling to America**

March 21, 2025

AP

**'Antipathy' To US: Tourists Turning Away From Trump's America**

March 22, 2025,

BARRON'S

**'Trump Slump' Looms as Foreign Visitors Rethink Travel to U.S.**

A growing number of travelers say they are worried about feeling unwelcome or unsafe in America and are reluctant to support the economy of a country that may be destabilizing other nations.

March 26, 2025,

The New York Times

**Hotel Owners Sweat Trump Travel Risk As Debt Tsunami Looms**

April 01, 2025

BISNOW

LWHA  
LW HOSPITALITY ADVISORS

# U.S. Lodging Industry H1 2025

## Threats

PRESIDENT DONALD J. TRUMP

The WHITE HOUSE



PRESIDENTIAL ACTIONS

### IMPLEMENTING THE PRESIDENT'S “DEPARTMENT OF GOVERNMENT EFFICIENCY” COST EFFICIENCY INITIATIVE

Sec. 3. Cutting Costs to Save Taxpayers Money.

The White House | February 26, 2025

(e) *Non-Essential Travel Justification.* Each Agency Head shall, with assistance from the agency’s DOGE Team Lead, build a technological system within each agency that centrally records approval for federally funded travel for conferences and other non-essential purposes. Once an agency’s system is in place, the Agency Head shall prohibit agency employees from engaging in federally funded travel for conferences or other non-essential purposes unless the travel-approving official has submitted a brief, written justification for the federally funded travel within such system. Each DOGE Team Lead shall, to the extent consistent with law, provide the Administrator with a monthly informational report listing each agency’s justifications for non-essential travel. Such justifications shall be posted publicly unless prohibited by law or unless the Agency Head grants an exemption from this requirement.



# 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**  
REAL ESTATE NEWS

**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

**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.

**Heathrow Is a Wake-Up Call for Utilities** March 30, 2025 **Bloomberg**

**Cybersecurity in 2025: Alarming Vulnerabilities in the Hospitality Sector**

 **HNR HOTEL NEWS** February, 3 2025

**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**

**"Not Just Measles": Whooping Cough Cases Are Soaring as Vaccine Rates Decline** April 11, 2025  **PROPUBLICA**  
Investigative Journalism in the Public Interest

# U.S. Lodging Industry H1 2025

## Threats

### US Lodging Trends: Short-Term Rentals and Cruise Drive Recovery

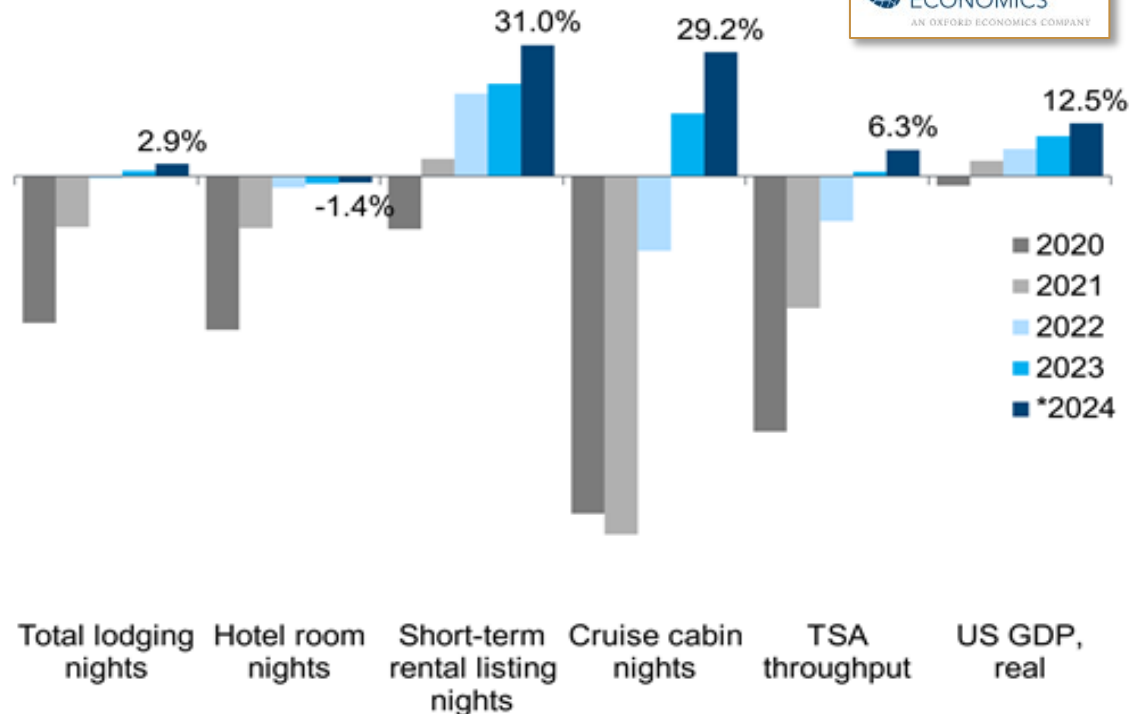


In 2024, US short-term rentals added more incremental demand than hotels and cruises combined—plus, cruises continue to punch above their weight.

February 2025

Growth in short-term rental and cruise demand bolstered total [recovery for lodging](#). Strong demand gains in both sectors powered a full **US total lodging demand recovery to 2019 levels in 2023**, alongside air travel. However, the uneven recovery across sectors remains striking.

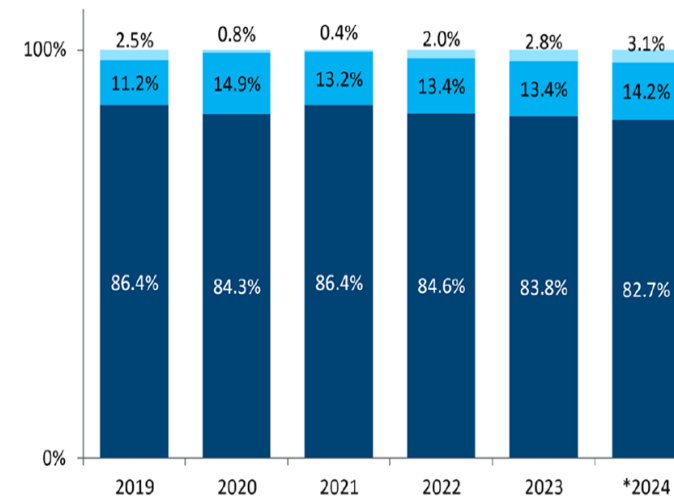
US lodging recovery, relative to 2019



### Short-term rentals and cruising are gaining share

US lodging demand share

■ Hotel room nights ■ Short-term rental listing nights ■ Cruise cabin nights



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



# U.S. Lodging Industry H1 2025

## Threats

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

April 5, 2024



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

Apr 29, 2024



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

May 9, 2024



How Hoteliers Can Adapt to the Evolving Needs of Website Accessibility

May 20, 2024



Lack of Online Features, Written Descriptions Creates Liability Exposure

CoStar, hotels slam consumers' 'fanciful' room pricing lawsuit

May 20, 2024



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

August 06, 2024



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

Dec. 11, 2024

Los Angeles Times

FTC bans hidden junk fees in hotel, event ticket prices

December 17, 2024



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

December 20, 2024



Plan For \$30 Tourism Minimum Wage Draws Resistance

Apr 30, 2025

Patch Los Angeles, CA

The plan to boost hotel and airport workers' wages significantly by 2028 would hurt LA's \$25 billion industry, critics say.

Is New York City's new hotel safety act a good or bad thing? Depends on who you ask

Apr 24, 2025



U.S. House of Representatives passes Hotel Fees Transparency Act

Apr 29, 2025



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



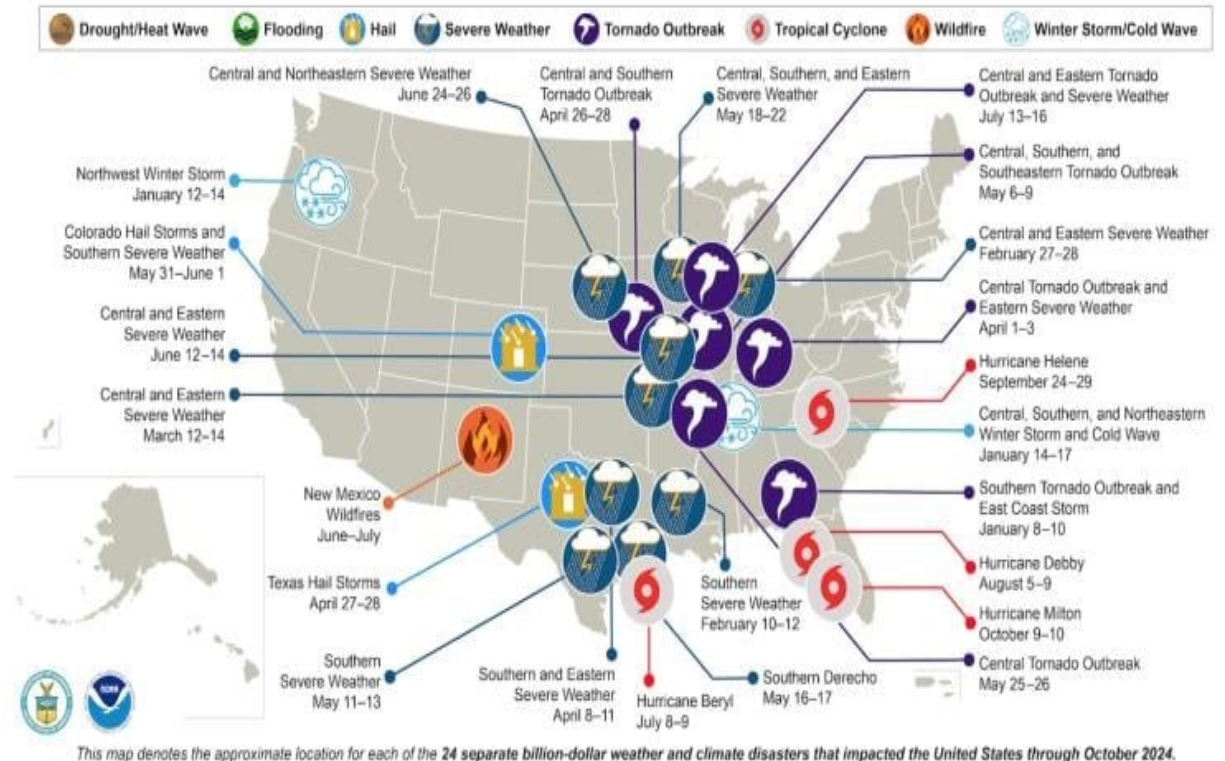
### Climate Change Could Erase \$1.5 Trillion in U.S. Real-Estate Value: Report

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

8 : 0 0

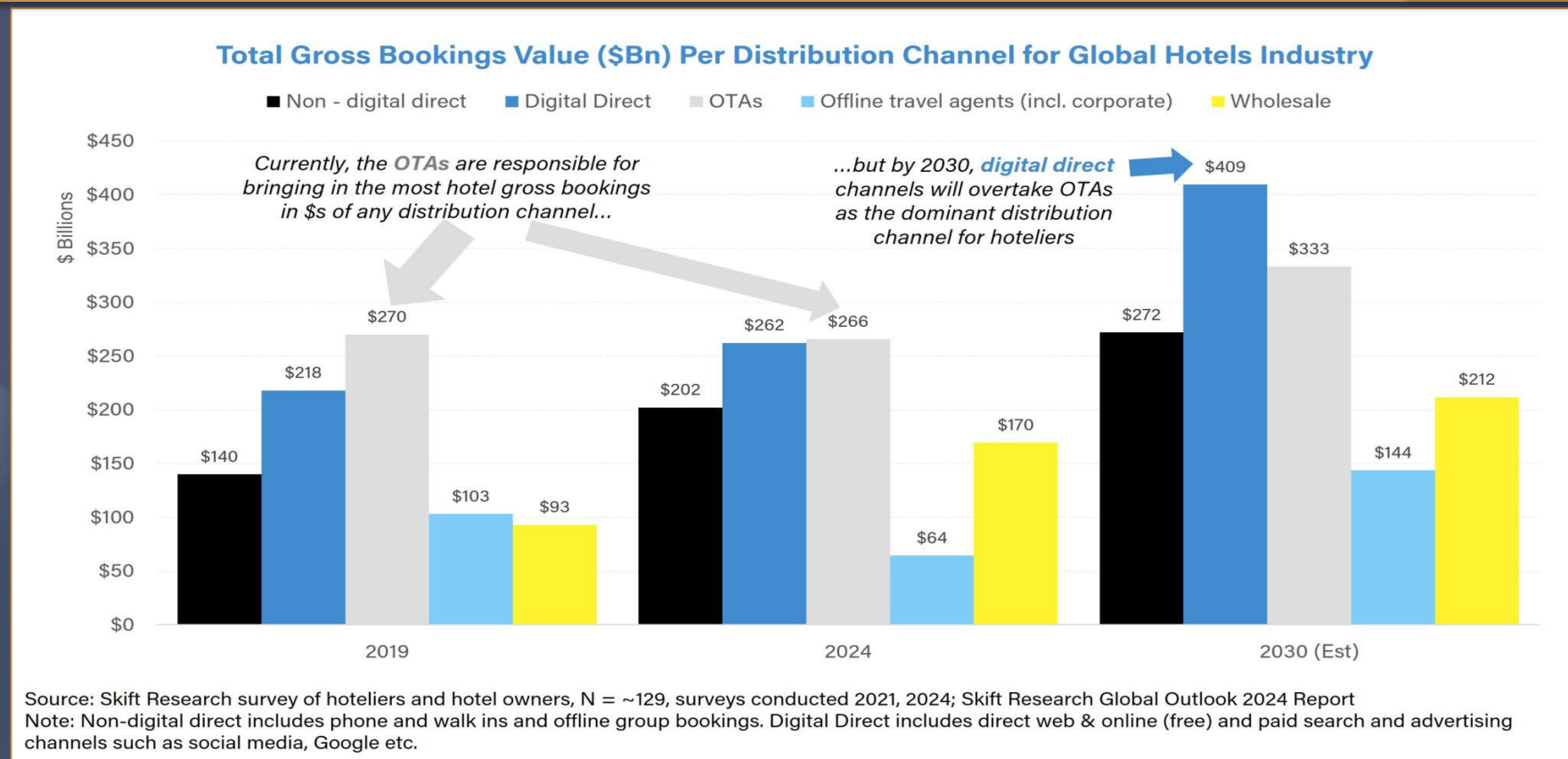
\$78.65

# U.S. Lodging Industry H1 2025 Opportunities

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

November 11th, 2024

Skift.





# 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

## A Ticket to Space Is Tourism's Final Frontier

October 27th, 2024

Skift

## 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



## The Westin Maui cuts the ribbon on a new entertainment complex

TRAVEL WEEKLY  
BY NORTSTAR

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.

# 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.

## 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

## 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

CoStar

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.

## Marriott adds two brands to outdoor-focused offerings

HB  
HOTEL BUSINESS

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

## 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  
PASSION FOR HOSPITALITY  
SINCE 1966



# U.S. Lodging Industry H1 2025

## Opportunities

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

by John Ollila — January 8, 2025



### 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

THE MANUAL

### Choice Hotels partners with Westgate Resorts

Jan 23, 2025



### LOGE Camps partners with Schulte Hospitality Group

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



### Saks Fifth Avenue Partners With Sagamore Pendry Baltimore

Jan 23, 2025



### How the Four Seasons Hit a Marketing Jackpot With HBO's 'The White Lotus'

Hotel operator's risky partnership with a show that features murder and mayhem pays off with rising inquiries and occupancy rates

THE WALL STREET JOURNAL. March 15, 2025

### Why Glamping's Corporate Makeover Might Be a Good Thing for Travelers

April 25, 2025



Big hotel brands are going all-in on outdoorsy yurts, Airstreams, and cabins, but points-hungry travelers (and fans of a high thread count) are more than fine with it

Daniel H. Lesser  
Co-Founder, President & CEO

LWHA  
LW HOSPITALITY ADVISORS

# U.S. Lodging Industry H1 2025

## Opportunities

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

Sep 12, 2024



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

January 23, 2025

BISNOW

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

Feb 14, 2025



**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



**Trinity Investments prides itself on being a clear-minded hotel investor. Its focus is paying off.**

February 24, 2025



**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.



# 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



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

December 30, 2024



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

January 16, 2024



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



## 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.



## Loan on San Francisco's two largest hotels downgraded

December 30, 2024

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



## 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



## 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



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

COMMERCIAL OBSERVER

FEBRUARY 19, 2025

## \$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



## Starwood Seeks \$577M Loan Restructure for Struggling Hotel Portfolio

March 21, 2025

A spokesperson expects a deal to close in April after the loan hit special servicing last month.



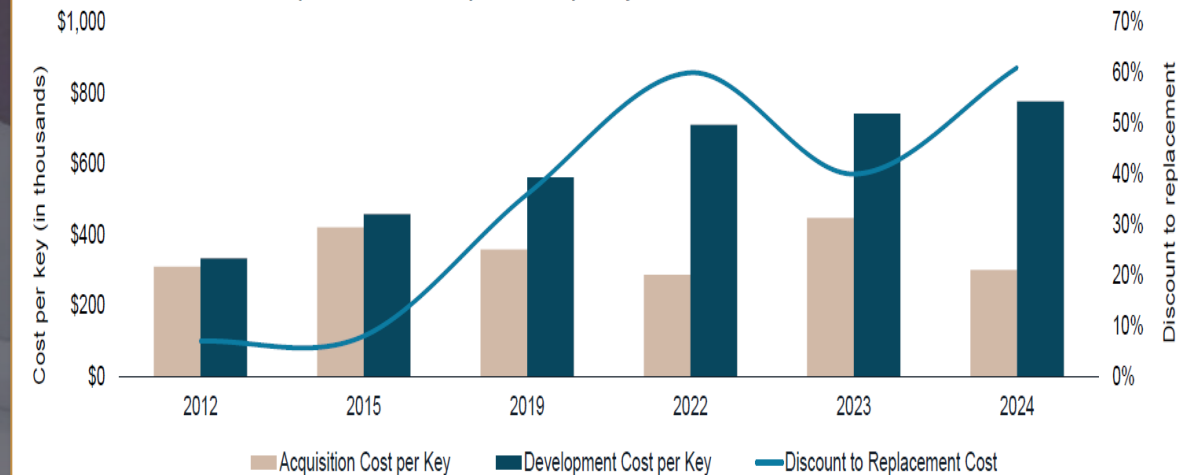
# U.S. Lodging Industry H1 2025

## 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

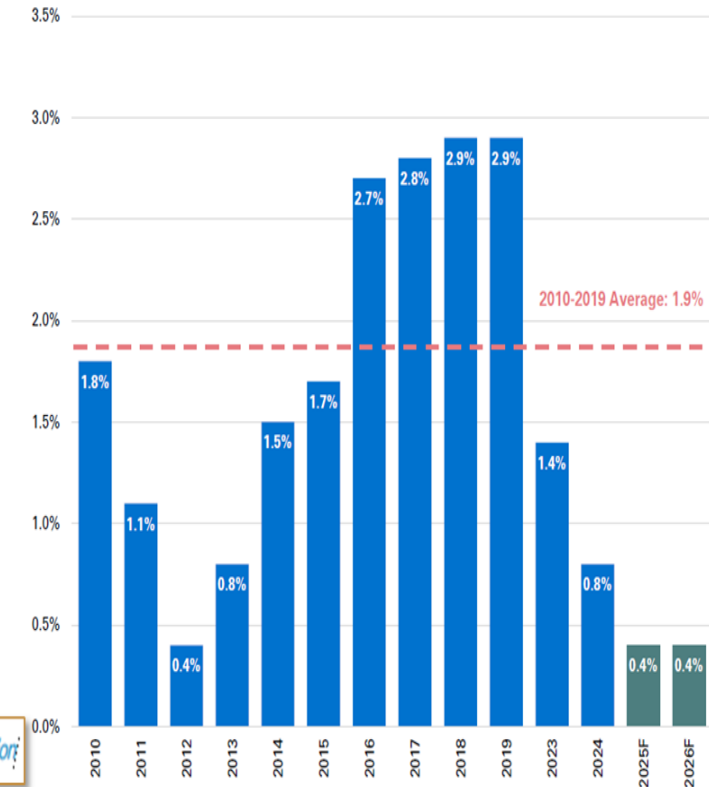
Note: All transactions data pertains to single-asset, full-service hotel transactions \$5M+, excluding casinos that closed exclusively in the largest U.S. urban markets. Full-service is defined using STR criteria. Construction data is based on weighted averages across largest urban U.S. markets for full-service 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<sup>(3)</sup>



Convention Calendar Room Nights On-the-Books <sup>(4)</sup>					
Market	Pre-COVID Avg <sup>(1)</sup>	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



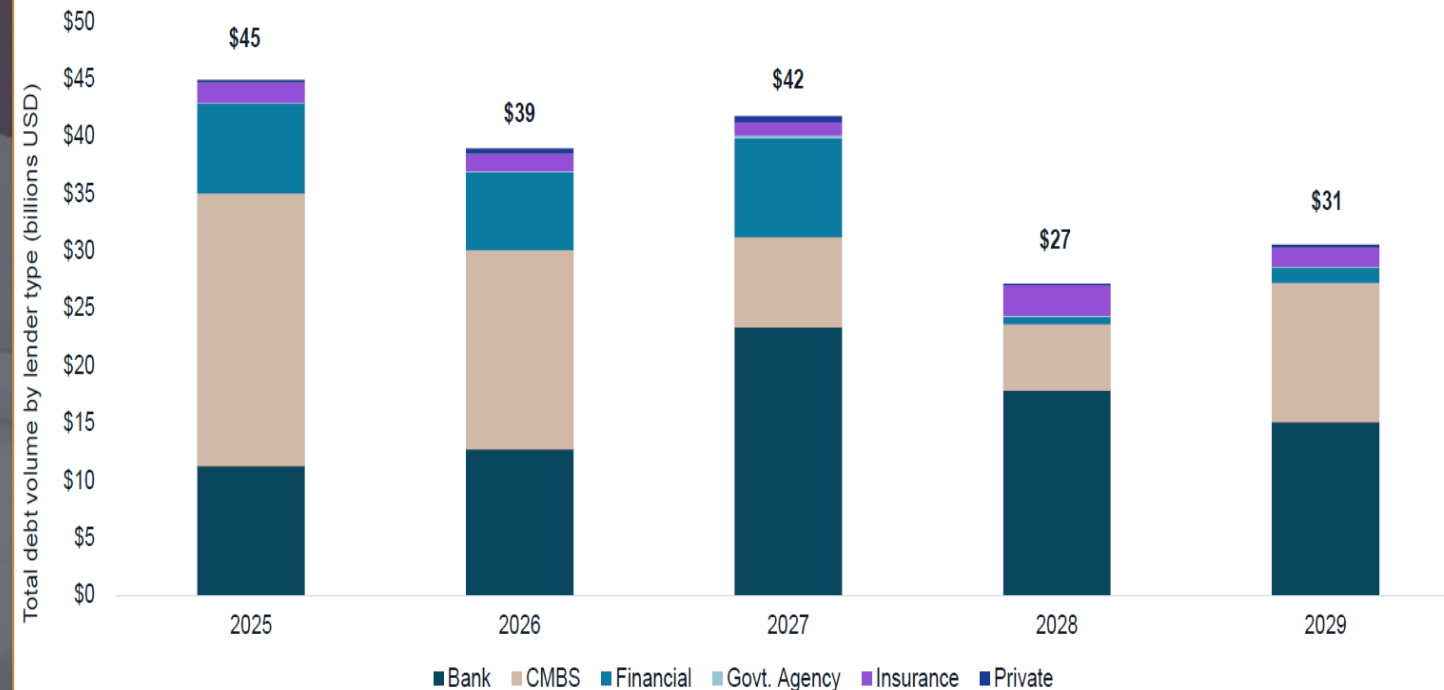
# U.S. Lodging Industry H1 2025

## 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

**CoStar**

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

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

September 18, 2024

**BISNOW**



Office Demand in San Francisco Shows Promising Increases

August 1, 2024

**CoStar**

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

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

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.

New round of luxury deals boosts outlook for San Francisco's struggling shopping district

March 14, 2025

**CoStar**

Two high-end retailers sign leases in Union Square, Nintendo expected to open its long-awaited store in May

AI Company Databricks Declares It Will 'Invest Over \$1 Billion' in Downtown SF With Big Conference, New HQ

6 MARCH 2025 / BUSINESS & TECH / JOE KUKURA

**SFIST**

San Francisco market finally starts to rebound

APRIL 8, 2025

**Hotel Investment Today**  
BY NORTHSTAR



# 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

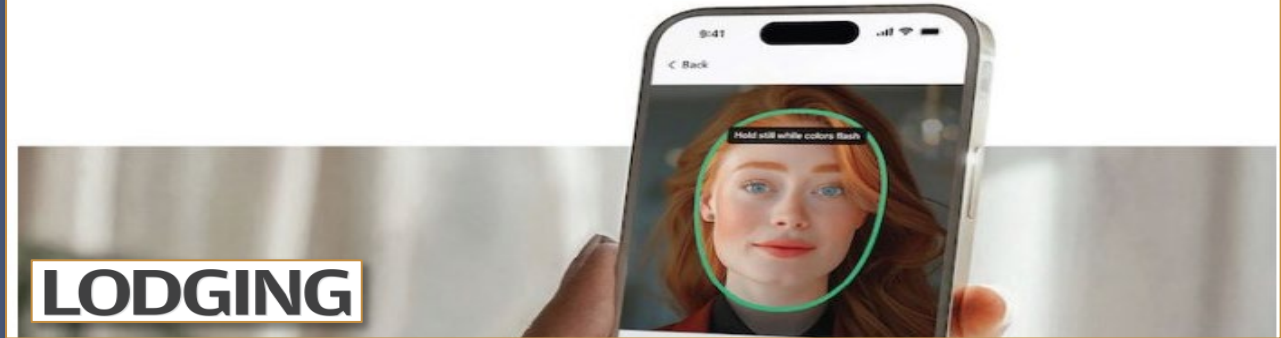
The Washington Post

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

Daniel H. Lesser  
Co-Founder, President & CEO

**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

**LWHA**  
LW HOSPITALITY ADVISORS

# 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

### 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

## World in Disruption: Otonomus Overnight

February 27, 2025



Otonomus Hotel will be the very first AI hotel in Vegas. Its technology focuses on where AI-powered personalisation meets hospitality — but will the slow-moving hotel industry keep up?





# U.S. Lodging Industry H1 2025

## Opportunities

**The Mercedes x Belmond Concept Is a Luxury Hotel Room on Wheels and We Mean That Literally**

30 Jan 2024,

**autoevolution**

**Do you have  
a reservation?**



When it comes to untapped financial markets, one must look at hotel transportation packages and tours now that fully electric autonomous vehicles are on the horizon. There are several luxury hotels out there that offer bespoke cruises to captivating destinations as part of a travel package, and it's only a matter of time until new alliances are forged between said hotels and various luxury car brands.



Daniel H. Lesser  
Co-Founder, President & CEO

### Hilton's Chris Nassetta Sees 'Overreaction' to Trump Policies and 'Upside' Potential

April 29, 2025

Skift. ✓

#### Hilton Sees a New Golden Age of Travel. Can It Last?

Chris Nassetta, Hilton's longtime CEO, talks about demand for rooms, hiring gig workers and the future of room service

THE WALL STREET JOURNAL

Dec. 17, 2022



*"Over the long term, it's going to be spectacular. All the trends that were here pre-Covid are here even to a greater level—meaning, people's desire to spend on experiences and do things. The other thing that is long term very beneficial for what I call our new golden age of travel is mobility. You have greater flexibility. People are going to have more flexibility on Mondays, Fridays, weekends. People are going to allow more remote work. The more mobile the world, the better our business. It's that simple."*

**Christopher J. Nassetta, President and Chief Executive Officer - Hilton**



# U.S. Lodging Industry H1 2025

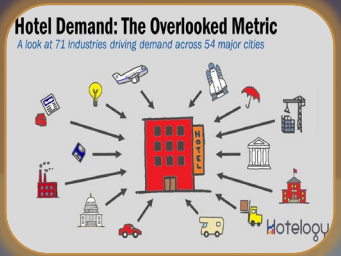
## Summary



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



**Daniel H. Lesser**

Co-Founder, President & CEO

(212) 300-6684 X 101

[daniel.lessner@lwhadvisors.com](mailto:daniel.lessner@lwhadvisors.com)

[www.lwhospitalityadvisors.com](http://www.lwhospitalityadvisors.com)

**LWHA®**  
LW HOSPITALITY ADVISORS