

# 2025 Major U.S. Hotel Sales Survey & Lodging Sector Overview

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## Summary

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The U.S. economy shows surprising resilience at the end of 2025, despite signs of a cooling labor market and rising costs of living. The hotel sector experiences a tempered outlook with softening revenue per available room (RevPAR) and challenges such as labor shortages and evolving consumer behaviors, leading to a potential dip in profits. Key sales activity reflects an overall increase in transactions, though average deal sizes and sale prices per room decline compared to previous years.

Although mixed signals abound, the U.S. economy at the end of 2025 continues to show surprising resilience, defying some expectations of a slowdown. GDP growth is strong (roughly 4.3% in Q3) driven by consumer and government spending, however with a cooling and uneven labor market as well as rising unemployment (4.6% in November). Despite overall

economic expansion, cost of living remains a top concern for many Americans making affordability of daily expenses challenging. While many perceive broadening strength in 2026, issues include high credit card debt, elevated interest rates, wage growth lagging nominal revenue increases, and regional disparities, leading to a "K-shaped" recovery where some thrive while others struggle.

While general market perception of the U.S. lodging industry at the beginning of 2025 was optimistic, the year ended with a significantly tempered near-term outlook. An expectation of moderate economic conditions and potential for profit growth due to stabilizing labor costs, initial 2025 forecasts by Lodging Analytics Research & Consulting (LARC) as well as CoStar/STR and Tourism Economics indicated slight improvement and relative stability. Amidst economic headwinds, persistent elevated levels of inflation, a softening job market, and changing travel patterns, mid-year U.S. hotel performance forecasts were downgraded. Persistent headwinds, including stagnant consumer sentiment, a fragile labor market, and tariffs and travel fees squeezing international travel, culminated in Q4 2025 predictions of a decline in revenue per available room (RevPAR) for the full year. Driven by lower occupancy and muted ADR growth, the RevPAR dip was the first since the 2020 pandemic.

The U.S. lodging sector is currently characterized by stable but softening revenue per available room (RevPAR), continuing labor challenges, elevated costs, and evolving consumer behaviors. While occupancy nears pre-pandemic levels and revenue remains strong, projections for 2026 show modest growth with supply outpacing demand and placing negative pressure on profit margins. Sector operational challenges are anticipated to continue to experience headwinds driven in part by labor shortages and costs, and significant increases in other expenses including insurance, property taxes, utilities, and technology. The industry is pivoting toward agentic commerce embracing artificial intelligence (AI) to optimize staffing, real-time forecasting, and ensuring properties are discoverable by AI-powered travel assistants. The 2026 FIFA World Cup is expected to be a catalyst for the 11 U.S. host cities which will realize temporary benefits.

Pressures on owners/potential sellers are growing with debt maturities, required PIPs and other necessary capital expenditures coupled with expiring fund life/holding periods all of which are likely to force more transactions to occur. As credit spreads continue to tighten, debt is widely available,

particularly from banks and the CMBS markets. Narrowing bid-ask spreads are fueling an active hotel sale transaction market, yet headline volume looks muted because deal sizes have changed.

The LW Hospitality Advisors (LWHA) Q3 2025 Major U.S. Hotel Sales Survey includes 105 single sale transactions over \$10 million which totaled approximately \$3.8 billion and included approximately 18,200 hotel rooms with an average deal size of \$35.9 million and an average sale price per room of roughly \$207,000.

- In comparison, the LWHA Q2 2025 Major U.S. Hotel Sales Survey included 89 single sale transactions that totaled nearly \$3.3 billion and included approximately 14,500 hotel rooms with an average deal size of \$36.7 million and an average sale price per room of \$225,000. Comparing Q3 2025 with Q2 2025, the number of trades increased roughly 18 percent while total dollar volume increased approximately 14 percent, average deal size declined by roughly 3 percent and sale price per room declined 8 percent.
- By further comparison, the LWHA Q3 2024 Major U.S. Hotel Sales Survey included 97 single asset sale transactions over \$10 million which totaled just over \$4.4 billion and included approximately 16,600 hotel rooms with an average deal size of \$45.4 million and an average sale price per room of \$266,000. Comparing Q3 2025 with Q3 2024, the number of trades increased by approximately 8 percent while total dollar volume declined 14 percent, average deal size declined by roughly 21 percent and sale price per room decreased by 22 percent.

The LW Hospitality Advisors (LWHA) Q4 2025 Major U.S. Hotel Sales Survey included 111 single sale transactions over \$10 million which totaled approximately \$5.0 billion and included approximately 23,600 hotel rooms with an average deal size of \$45.1 million and an average sale price per room of roughly \$212,000.

- In comparison, and as previously stated the LWHA Q3 2025 Major U.S. Hotel Sales Survey includes 107 single asset sale transactions over \$10 million which totaled just over \$3.8 billion and included approximately 18,500 hotel rooms with an average deal size of \$35.5 million and an average sale price per room of \$207,000. Comparing Q4 2025 with Q3 2025, the number of trades increased by approximately 4 percent while total dollar volume grew roughly 32 percent, average deal size increased by roughly 27 percent and sale price per room increased by nearly 2.5 percent.
- By further comparison, the LW Hospitality Advisors (LWHA) Q4 2024 Major U.S. Hotel Sales Survey included 103 sales that totaled over \$3.4 billion and included approximately 17,200 hotel rooms with an average deal size of \$33.4 million and an average sale price per room of roughly \$198,000. Comparing Q4 2025 with Q4 2024, the number of trades increased approximately 8 percent while total dollar volume grew roughly 47 percent, average deal size grew 37 percent and sale price per room increased by roughly 7 percent.

For the year 2025, the LWHA Major U.S. Hotel Sales Survey includes 392 single transactions over \$10 million. These transactions totaled nearly \$15 billion and included approximately 70,700 hotel rooms with an average deal size of \$38 million, and an average sale price per room of \$211,000. In comparison, the 2024 LWHA Major U.S. Hotel Sales Survey included 356 single transactions over \$10 million. These transactions totaled just over \$14.3 billion and included approximately 58,900 hotel rooms with an average deal size of \$40.2 million, and an average sale price per room of \$243,000. Comparing 2025 with 2024, the number of trades increased 10 percent while total dollar volume grew roughly 5 percent, average deal size declined nearly 5 percent and sale price per room declined 13 percent.

Notable Q3 and Q4 2025 observations include:

### Q3 2025

- Twenty-seven trades, or roughly 25 percent of the national Q3 2025 total, occurred in Florida and California. These transactions total nearly \$1.2 billion of investment activity or 32 percent of the national Q3 aggregate.

- Sixteen major hotel sale transactions in the State of Florida represented nearly \$865 million in investment activity or 19 percent of the national Q4 aggregate.
  - Eleven major hotel sale transactions in the State of California represented a total of \$325 million in investment activity or 8 percent of the national Q4 aggregate.
- A joint venture including Trinity Investments and Certares Real Estate Management sold to Blackstone the 352-room EAST Miami hotel for \$300 million or just over \$850,000 per unit. The seller acquired the property in 2021 for \$174 million.
- A partnership between Slate Property Group and a non-profit supportive housing developer acquired from a joint venture between Sioni Group and Patriarch Equities, the 611-key Stewart Hotel in New York, NY for \$255 million or just over \$412,000 per unit. The buyer intends to redevelop the property, which has been closed since 2022 into a 579-unit apartment complex for low-income households and/or formerly homeless individuals.
- Blackstone acquired the 785-key Sunseeker Resort Charlotte Harbor in Charlotte Harbor, FL from Allegiant Travel Company for \$200 million or nearly \$255,000 per unit. The \$720 million expansive resort faced significant financial challenges since it opened in December 2023. The trade, at 28 cents on the dollar, reflects the ill-conceived nature of the development. The property has since been rebranded as the Sunseeker Resort Florida Gulf Coast, Curio Collection by Hilton.
- Southwest Value Partners sold to KSL Capital Partners the 420-room Westin Hilton Head Island Resort & Spa in Hilton Head Island, SC for nearly \$200 million or just over \$475,000 per key. Reportedly since the sellers acquired the asset in 2012, the property has undergone more than \$47 million in capital improvements, including a \$13.8 million renovation of its guest rooms completed in early 2024.
- T2 Hospitality acquired from Host Hotels & Resorts, Inc. the 454-room Washington Marriott at Metro Center in Washington DC for \$177 million or just over \$385,000 per key. The transaction was financed by an affiliate of the seller, with Host Holdings Business Trust providing a \$113.75 million loan.
- Braemar Hotels & Resorts Inc. sold the 369-room Seattle Marriott Waterfront in Seattle, WA for \$145 million or \$393,000 per key to a joint venture between Sixth Street Partners and Riller Capital.

- Columbia Sussex acquired from Starwood Capital the 744-room Hilton Daytona Beach Oceanfront Resort in Daytona Beach, FL for \$112 million or slightly more than \$150,000 per unit. The deal was supported by an \$83.25 million interest-only loan from Wells Fargo, and the buyer is anticipated to complete a \$26.8 million renovation of the asset.
- After a three-year bankruptcy process involving the former owner Urban Commons, the leasehold interest in 298-room The Wagner at the Battery, formerly Ritz-Carlton Battery Park City in New York, NY was acquired by Silver Creek Development for \$110 million or nearly \$370,000 per unit. The hotel which has been closed since April 2020 is anticipated to undergo a substantial renovation and a relaunch as a luxury hotel.

#### Q4 2025

Forty-two trades, or roughly 38 percent of the national Q4 2025 total, occurred in California and Florida. These transactions total over \$2.2 billion of investment activity or 42 percent of the national Q4 aggregate.

- Twenty-one major hotel sale transactions in the State of California represented \$1.4 billion of investment activity or 28 percent of the national Q4 aggregate.
  - Twenty-one major hotel sale transactions in the State of Florida represented a total of \$775 million of investment activity or 14 percent of the national Q4 aggregate.
- In a single deal reportedly valued at \$489.8 million or roughly \$435,000 per key, Magna Hospitality sold a portfolio of four Manhattan hotels with a total of 1,129 rooms to a group of unidentified "large institutional owners." The properties include the Hilton Garden Inn New York Times Square North, Motto by Hilton New York City Chelsea, DoubleTree by Hilton New York Times Square South, & Fairfield Inn & Suites New York Midtown Manhattan Penn Station. Reportedly the seller retained a minority ownership stake in the portfolio.

- A joint venture between Newbond Holdings and Conversant Capital acquired the nearly 3,000-room Hilton San Francisco Union Square and Parc 55 in San Francisco, CA for \$408M or roughly \$140,000 per unit. The hotels had been in receivership since 2023, when Park Hotels & Resorts ceased making payments on a \$725M loan tied to the assets. The sale price reportedly represented a nearly 75% decline from the hotels' combined appraised value of \$1.56 billion in 2016. The new ownership group reportedly plans to invest an additional \$200 million to renovate the properties. This deal is one of several recent sales of major downtown San Francisco hotels acquired by institutional investors at fractions of replacement cost, as many perceive the market has finally bottomed out.
- Kam Sang Company, Inc. purchased the 273-room New York EDITION Hotel for approximately \$235 million or just over \$860,000 per unit. The seller, The Abu Dhabi Investment Authority previously acquired the property in 2015 for an allocated price of \$337 million as part of its \$815 million purchase of three Edition hotels from Marriott International. Hudson Bay Capital provided a \$155 million loan for the purchase.
- The InterContinental New York Times Square was sold for \$230 million to a partnership of Highgate, Gencom, and Argent Ventures, from a Tishman/MetLife joint venture. The buyer reportedly intends to conduct a significant renovation and shift to an IHG franchise model under Highgate's management.
- Related Ross acquired from Wheelock Street Capital the 208-room, The Ben in West Palm Beach, FL for \$190 million or more than \$900,000 per unit. Wheelock Street Capital paid \$106.4 million, or \$511,000 per key for the asset in 2021 from Concord Hospitality who developed the property which opened in 2020.
- University of California Investments purchased the 331-key Residence Inn by Marriott Berkeley from Pyramid Global Hospitality for \$175.8 million just over \$530,000 per unit.
- CIM Group, LP sold to Cain International the 276-room Dominick Hotel in New York, NY for \$174 million or roughly \$630,000 per room. Madison Realty Capital and Newbond Holdings provided a \$180 million loan for the transaction. The property contains a total of 390 keys, however 114 are owned by third parties and operate within a rental management program.

- A joint venture led by South Street Partners and Dream Finders Homes acquired the 514-key Sawgrass Marriott Golf Resort & Spa and Cabana Beach Club in Ponte Vedra Beach, FL for just over \$148 million or \$288,000 per unit. Acquisition financing was provided by BDT & MSD Partners' affiliated funds.
- Blackstone purchased the 277-room Four Seasons Hotel in San Francisco, CA for \$130 million or just under \$470,000 per key. This deal is yet another example of several recent sales of major downtown San Francisco hotels acquired by institutional investors at fractions of replacement cost, as many perceive the market has finally bottomed out.
- With the \$125 million (\$473,000 per unit) acquisition of the 264-room Nomo Soho hotel in New York, NY from the Sapir Corporation, Israeli hotel chain Dan Hotels entered the U.S. market for the first time. The seller acquired the asset in 2015 for \$208 million resulting in a 40 percent erosion in value during the 10-year period.

During the next several years, the U.S. economy is anticipated to strengthen. While headwinds persist for lower-income households, higher-income people are in a strong wealth position and will benefit from continued tax cuts. Irrespective of income groups, consumer appetite for travel and spending remains strong and a priority for many. For the near term, many expect inbound international visitation to remain suppressed while group and business transient demand has softened. With muted levels of new supply combined with the likelihood of short-term rates easing and a pro-business, pro-growth tax environment at the federal level will serve as catalysts for the economy to transition to a more stable footing and a swing back of the pendulum.

The outlook for the future will invariably be fluid as life is, and most likely always will be, "uncertain." During the past nearly 65 years, the U.S. has experienced periods of heightened levels of uncertainty, including but not limited to the 1962 Cuban Missile Crisis, the 1970s energy crisis, the Stock Market Crash of 1987, the 1990 Gulf War, the September 11 attacks, the Second Gulf War, the global financial crisis (GFC), and the global COVID-19 pandemic. Random events and circumstances beyond one's control, such as disease, natural disaster, geopolitical conflict or an economic downturn, make future outcomes unpredictable. While this unpredictability can be a source of stress and anxiety for those who crave security and control, it can also be reframed as an opportunity for growth, resilience, and excitement. The reality

of existence is that things change constantly. Nothing is static, and regardless of one's plans, unexpected events can and do happen. The fact is we have always, and most likely will continue to live in uncertain times with black swan events resulting in unanticipated shocks to the lodging industry. History proves the U.S. economy to be resilient, and the world survives uncertainty and generally comes out ahead on the other side of crisis after crisis.

Although economic uncertainty and other challenges remain, opportunities are on the rise. With \$2.7 trillion in commercial real estate debt maturing and construction at historic lows, the conditions are set for those with capital and conviction. The U.S. lodging industry is facing a complex combination of strengths, weaknesses, opportunities, and threats. While fundamentals may be challenged in the short-term, longer-term patient capital that seizes acquisition opportunities at the right basis and that offer good locations with diverse demand drivers, will realize healthy returns. Perhaps the real "silver lining" amidst today's cloudy skies are the rewards for those who remain calm in times of panic. The fact is the best opportunities are always born during times of enhanced uncertainty.

LW Hospitality Advisors LLC (LWHA), brings more than 40 years of expertise in a wide range of hospitality operational, investment counseling, valuation, advisory, and transactional services. He provides services to corporate, institutional, and individual clients as well as public agencies on all facets of hospitality real estate including: litigation support and expert testimony, site evaluation, highest and best use analysis, appraisals for mortgage, acquisition, and portfolio management, workout strategies, operational analysis, development consulting, property tax assessment appeal evaluations, economic impact studies, fairness opinions, deal structuring, and negotiation of management and franchise agreements. Mr. Lesser had been retained in connection with a broad variety of lodging assets throughout the Americas, as well as in Europe, the Middle East and Asia.