

# US CAPITAL TRENDS | HOTEL

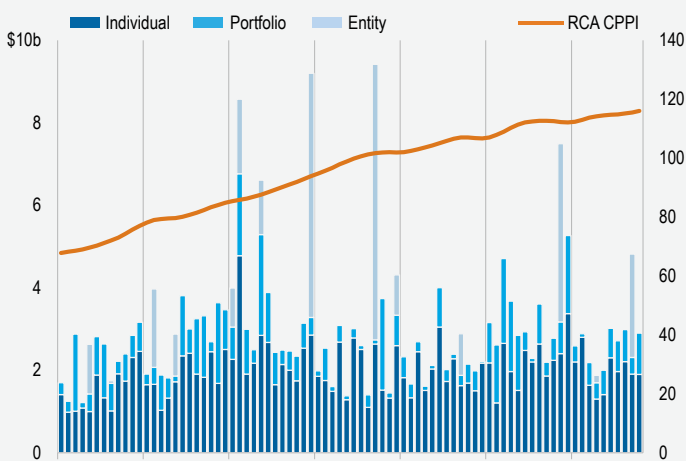
The hotel sector was the best performer across property types in October from the perspective of sales activity. While volume rose from a year earlier for hotels, it dropped for every other sector. Hotel trends for the year are not as healthy.

**\$2.9b** Transaction volume

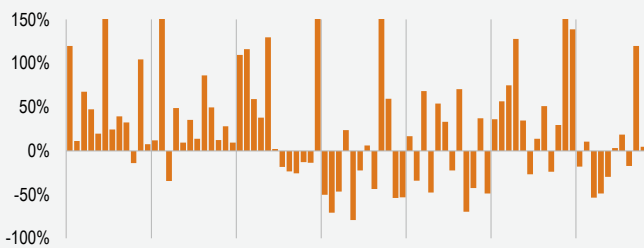
**5%** YOY volume change

**3.1%** YOY price change

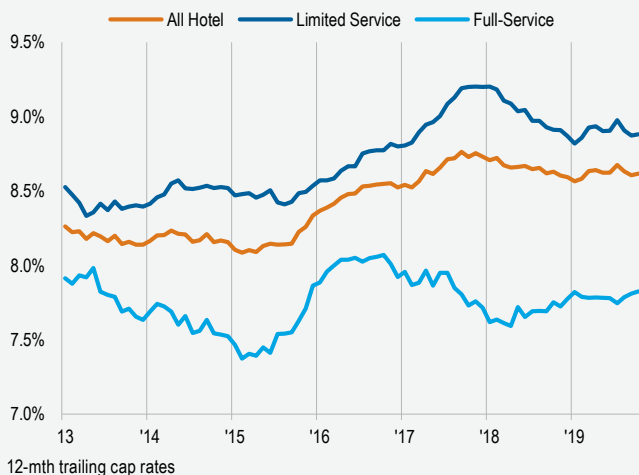
Quarterly Transaction Volume & Pricing



Change in Volume (YOY)



Cap Rates



One month of data can be noisy with swings in activity at odds with the overall patterns for the year. Deal activity has seesawed back and forth between growth and decline over the year. Triple-digit growth in September has been followed with limited growth in October. The trend for the year, however, puts deal activity 9% behind the pace set in 2018.

Portfolio sales were the saving grace for the sector in October, with sales up 89% YOY. There were three portfolios priced above \$200m apiece that drove the activity for the month.







Individual asset sales were the source of weakness for the month. These sales fell 15% YOY. Deals with this structure have been more consistent than the market as a whole for the year to date, with slow steady declines in most months rather than the swinging back and forth between growth and decline from the noise of portfolio sales.

The sharpest declines in deal activity for both the month and the year were seen in tertiary markets. Deal volume in these markets was down 41% YOY for the month. For the year to date, these markets have not seen a great deal of activity. Sales total only \$5.9b, a figure down 35% from the pace set in 2018.

Sales in the 6 Major Metros totaled \$96b for the year to date, a pace that is 6% ahead of that set in the first 10 months of 2018. Portfolio sales for these metros provided the juice for this growth though. Portfolio sales were up 61% for the year to date, while the sale of individual assets fell 13% relative to last year.

Cap rates averaged 8.6% for October, a figure unchanged from a year ago. In the full-service segments, cap rates averaged 7.8% while those for the limited-service segments averaged 8.9%.

# Market Table | All Hotel

Hotel Transactions Reported Closed		Full-Service Price				Limited-Service Price				All Hotel Price			
		Volume		Price		Volume		Price		Volume		Price	
YTD through Oct'19		\$m	# Props	\$/Unit	Avg Cap Rate	\$m	# Props	\$/Unit	Avg Cap Rate	\$m	# Props	\$/Unit	Avg Cap Rate
<b>Mid-Atlantic</b> 	Baltimore	73.7	4	78,967		121.7	14	82,795		195.4	18	81,431	
	DC	206.8	3	373,255	5.4%	250.1	3	332,290		456.9	6	353,599	5.3%
	DC MD burbs	8.6	1			71.6	5	101,543		80.2	6	88,194	
	DC VA burbs	168.2	5	140,313		242.4	21	90,002	8.5%	410.6	26	109,318	8.5%
	Philadelphia	192.5	7	94,621		77.2	9	73,805	8.2%	269.7	16	87,263	8.1%
	Pittsburgh	23.8	3	74,741		48.4	7	71,753		72.3	10	72,712	
	Richmond/Norfolk	40.3	3	73,632	7.4%	63.3	10	55,451	8.8%	103.6	13	58,174	8.2%
	Tertiary Mid-Atlantic	22.7	3	40,207		303.9	48	70,487	9.4%	326.5	51	66,612	9.2%
	<b>Total</b>	<b>736.6</b>	<b>29</b>	<b>120,796</b>	<b>6.9%</b>	<b>1,178.7</b>	<b>117</b>	<b>87,591</b>	<b>8.8%</b>	<b>1,915.3</b>	<b>146</b>	<b>98,968</b>	<b>8.3%</b>
<b>Midwest</b> 	Chicago	776.8	15	152,982		197.5	27	75,798	9.3%	974.3	42	110,737	9.3%
	Cincinnati	179.0	7	125,377		27.3	5	66,858	9.5%	206.4	12	112,348	9.5%
	Cleveland	16.1	2			43.2	4	92,863		59.3	6	81,948	
	Columbus	71.0	4	96,223		44.9	8	53,501		115.9	12	73,045	
	Detroit	66.4	3	146,114	9.0%	95.9	9	167,207	7.9%	162.3	12	156,394	8.4%
	Indianapolis	6.0	1			73.9	12	38,095	8.8%	79.9	13	38,095	8.8%
	Kansas City	45.0	1			8.7	3			53.7	4	93,346	
	Minneapolis	60.5	4	91,667		166.6	17	104,861		227.1	21	100,989	
	St Louis	3.0	1			13.1	4	39,403		16.1	5	39,403	9.6%
	Tertiary Midwest	171.6	18	48,317	9.1%	617.3	116	59,123	10.2%	788.9	134	56,682	10.0%
<b>Total</b>	<b>1,395.4</b>	<b>56</b>	<b>105,487</b>	<b>9.0%</b>	<b>1,288.4</b>	<b>205</b>	<b>70,015</b>	<b>9.7%</b>	<b>2,683.9</b>	<b>261</b>	<b>82,783</b>	<b>9.6%</b>	
<b>Northeast</b> 	Boston	848.5	12	357,482		79.7	7	101,669		928.2	19	273,894	7.0%
	Hartford	48.6	2	95,358		23.1	3	77,658		71.7	5	88,844	
	Long Island					64.1	6	126,453		64.1	6	126,453	
	Manhattan	2,867.2	14	567,586		371.1	6	308,532		3,238.3	20	535,471	
	No NJ	305.9	10	136,833	7.5%	44.8	5	85,181	9.6%	350.7	15	124,081	8.3%
	NYC Boroughs	111.1	3	293,915	7.0%	17.6	2	247,183		128.7	5	286,526	7.0%
	Stamford												
	Westchester	38.6	1			23.8	3	86,836		62.4	4	86,898	
	Tertiary Northeast	139.3	14	96,104	8.0%	277.0	41	58,523	9.5%	416.3	55	69,733	9.0%
	<b>Total</b>	<b>4,359.3</b>	<b>56</b>	<b>324,772</b>	<b>7.4%</b>	<b>901.0</b>	<b>73</b>	<b>96,773</b>	<b>9.1%</b>	<b>5,260.3</b>	<b>129</b>	<b>234,558</b>	<b>8.3%</b>
<b>Southeast</b> 	Atlanta	564.3	7	235,804	8.9%	132.4	19	76,857	9.1%	696.7	26	167,200	9.1%
	Broward	154.3	4	187,700		128.3	11	162,261	8.5%	282.6	15	175,225	8.3%
	Charlotte	7.6	1			163.1	14	116,097	8.0%	170.7	15	106,023	8.2%
	Jacksonville					51.6	8	47,024	9.5%	51.6	8	47,024	9.5%
	Memphis					60.0	8	61,232	5.2%	60.0	8	61,232	5.2%
	Miami	1,359.6	13	538,164	6.1%	162.4	12	130,318	5.9%	1,522.0	25	418,173	6.0%
	Nashville	169.3	3	230,673		445.3	11	305,940	9.3%	614.6	14	277,868	9.3%
	Orlando	22.8	3	51,995	9.5%	128.1	12	70,102	9.2%	150.8	15	66,600	9.3%
	Palm Beach	992.6	5	728,401	7.3%	30.3	2			1,022.9	7	685,396	7.3%
	Raleigh/Durham	29.7	2	126,383		107.1	10	98,446	8.6%	136.8	12	103,409	8.6%
	Tampa	368.4	5	195,674		169.1	16	114,726	9.6%	537.6	21	157,063	9.3%
	Tertiary Southeast	1,290.9	50	130,222	8.1%	1,171.4	172	72,382	8.6%	2,462.3	222	88,584	8.5%
	<b>Total</b>	<b>4,959.5</b>	<b>93</b>	<b>256,932</b>	<b>8.1%</b>	<b>2,749.2</b>	<b>295</b>	<b>91,249</b>	<b>8.7%</b>	<b>7,708.7</b>	<b>388</b>	<b>150,797</b>	<b>8.5%</b>
<b>Southwest</b> 	Austin	25.5	2			158.0	17	46,877	8.9%	183.4	19	46,877	8.9%
	Dallas	435.2	10	176,393	8.1%	298.6	35	86,432	8.8%	733.8	45	131,536	8.6%
	Denver	447.5	5	289,679		207.4	17	117,613		654.9	22	170,202	
	Houston	261.7	7	61,579	9.2%	177.8	26	57,189	6.5%	439.5	33	57,977	7.9%
	Phoenix	833.0	6	379,448	6.1%	134.3	19	56,367	7.9%	967.3	25	215,886	6.9%
	San Antonio	327.9	8	256,198		123.1	18	55,470	8.7%	451.0	26	139,852	8.1%
	Tertiary Southwest	212.6	15	129,029	8.7%	729.4	122	71,866	9.9%	942.0	137	80,156	9.6%
	<b>Total</b>	<b>2,543.5</b>	<b>53</b>	<b>260,892</b>	<b>7.8%</b>	<b>1,828.4</b>	<b>254</b>	<b>73,255</b>	<b>9.2%</b>	<b>4,371.9</b>	<b>307</b>	<b>128,871</b>	<b>8.8%</b>
<b>West</b> 	East Bay					141.9	5	212,463	7.8%	141.9	5	212,463	7.8%
	Inland Empire	30.6	2			121.9	17	98,021	9.6%	152.5	19	84,987	9.6%
	Las Vegas	17.7	1			66.3	4	120,917		84.0	5	124,249	
	Los Angeles	287.1	6	381,507		324.6	26	151,398		611.7	32	187,975	6.3%
	Orange Co	288.0	3	290,323	8.0%	186.7	10	189,400	8.2%	474.7	13	242,455	8.1%
	Portland	126.0	4	193,861		246.2	7	288,275		372.2	11	247,471	
	Sacramento	158.7	2	433,607		120.5	11	95,720	9.4%	279.2	13	171,822	8.9%
	Salt Lake City	77.3	2			64.4	5			141.7	7		
	San Diego	641.7	7	175,902	8.9%	64.7	10	100,039	7.7%	706.4	17	158,246	8.2%
	San Francisco	888.4	9	443,986		86.5	2	428,191		974.9	11	439,977	
	San Jose	181.7	4	274,834		98.5	1			280.2	5	321,659	
Seattle	160.0	6	207,033		228.6	12	107,958	10.7%	388.6	18	154,943	9.7%	
Tertiary West	498.8	22	199,851	8.7%	925.6	94	130,464	7.9%	1,424.4	116	145,148	8.1%	
<b>Total</b>	<b>3,356.0</b>	<b>68</b>	<b>234,000</b>	<b>8.1%</b>	<b>2,676.5</b>	<b>204</b>	<b>148,736</b>	<b>8.3%</b>	<b>6,032.5</b>	<b>272</b>	<b>179,738</b>	<b>8.3%</b>	
<b>Total</b>	<b>Total US</b>	<b>17,350.4</b>	<b>355</b>	<b>227,161</b>	<b>7.9%</b>	<b>10,622.2</b>	<b>1,148</b>	<b>95,247</b>	<b>8.9%</b>	<b>27,972.5</b>	<b>1,503</b>	<b>144,598</b>	<b>8.7%</b>

# Selected Recent Transactions

<b>Property Name</b>	<b>SF</b>	<b>Price</b>	<b>Owner/Buyer</b>
<b>Address</b>	<b>Year Built</b>	<b>\$/Unit</b>	<b>S Seller</b>
<b>Location</b>	<b>Notes</b>	<b>Qualifier</b>	<b>↔ Broker</b>

## Mid-Atlantic

<b>Homewood Suites</b> 13460 Sunrise Valley Dr Herndon, VA	<b>109</b> 1998 Limited-Service	<b>\$16,500,000</b> \$151,376 confirmed	<b>Baywood Hotels</b> from <b>Blackstone</b> by <b>Hunter</b>
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<b>Fairfield Inn &amp; Suites</b> 435 Fort Pitt Blvd Pittsburgh, PA	<b>98</b> 2019 Full-Service	<b>\$11,100,000</b> \$113,265 approximate	<b>Woodmont Lodging JV Milestone Cos JV Blue Vista Capital</b> from <b>The Forza Group</b>
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## Midwest

<b>Kimpton Hotel Palomar</b> 505 N State St Chicago, IL	<b>261</b> 2010 Full-Service	<b>\$54,500,000</b> \$208,812 approximate	<b>Service Properties Trust</b> from <b>KHP Cap Partners JV Royal Properties JV The John Buck Company</b>
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<b>Springhill Suites</b> 1011 Tony Canadeo Run Green Bay, WI	<b>127</b> 2007 Limited-Service	<b>\$17,630,000</b> \$138,819 approximate	<b>MCR Development</b> from <b>Lightstone VP REIT III</b>
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## Northeast

<b>St Regis New York</b> 2 E 55th St New York, NY	<b>238</b> 1903 Full-Service	<b>\$310,000,000</b> \$1,302,521 confirmed	<b>QIA</b> from <b>Marriott</b> by <b>JLL</b>
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<b>Hyatt Regency</b> 575 Memorial Dr Cambridge, MA	<b>470</b> 1976 Full-Service	<b>\$233,750,000</b> \$497,340 confirmed	<b>KSL Capital Partners</b> from <b>Host Hotels &amp; Resorts</b> by <b>Eastdil Secured</b>
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## Southeast

<b>Eurostars Langford</b> 121 SE 1st St Miami, FL	<b>126</b> 1925 Full-Service	<b>\$37,000,000</b> \$293,651 confirmed	<b>Hotusa Group</b> from <b>Stambul</b> by <b>JLL</b>
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<b>Alden Hotel</b> 2925 Indian Creek Dr Miami Beach, FL	<b>71</b> 1939 Full-Service	<b>\$21,300,000</b> \$300,000 approximate	<b>Hawkins Way Capital</b> by <b>CBRE</b> from <b>SMS Lodging</b> by <b>JLL</b>
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## Southwest

<b>Ramada by Wyndham Tempe</b> 1635 N Scottsdale Rd Tempe, AZ	<b>140</b> 1970 Limited-Service	<b>\$10,000,000</b> \$71,429 approximate	<b>Hung Pham</b> from <b>Jay Olson</b>
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<b>Red Roof PLUS+</b> 2135 W 15th St Tempe, AZ	<b>125</b> 1999 Limited-Service	<b>\$10,000,000</b> \$80,000 approximate	<b>Westbridge Hospitality</b> from <b>Dune RE Partners LP</b>
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## West

<b>Holiday Inn Express Waikiki</b> 2058 Kuhio Ave Honolulu, HI	<b>523</b> 1984 Limited-Service	<b>\$205,500,000</b> \$392,925 confirmed	<b>Gaw Capital</b> from <b>CV Starr JV Clearview Hotel Cap LLC</b> by <b>Eastdil Secured</b>
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<b>Residence Inn</b> 2115 SW River Pkwy Portland, OR	<b>258</b> 2001 Limited-Service	<b>\$84,750,000</b> \$328,488 approximate	<b>Summit Hotel Properties JV GIC</b> from <b>BRE Select Hotels</b>
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Hyatt Regency  
Cambridge, MA



Holiday Inn Express Waikiki  
Honolulu, HI

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## About Real Capital Analytics

Real Capital Analytics (RCA) is the authority on the deals, the players and the trends that drive the commercial real estate investment markets. Covering all markets globally, RCA delivers timely and reliable data with unique insight into market participants, pricing and capital flows. The most active investors, lenders and advisors depend on RCA's market intelligence to formulate strategy and to source, underwrite and execute deals. An industry pioneer since 2000, RCA has offices in New York, San Jose, London and Singapore. For more information, visit: [rcanalytics.com](http://rcanalytics.com)

## About Capital Trends

Capital Trends reports analyze and interpret trends in the global real estate market using RCA's comprehensive data. US Capital Trends is a monthly edition comprising an overview of the U.S. market and separate reports on the five main property types. Asia Pacific, Europe and Global Capital Trends are published quarterly.

## Methodology

Data based on properties and portfolios \$2.5m and greater unless otherwise stated. For RCA Hedonic Series methodology [click here](#).

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