



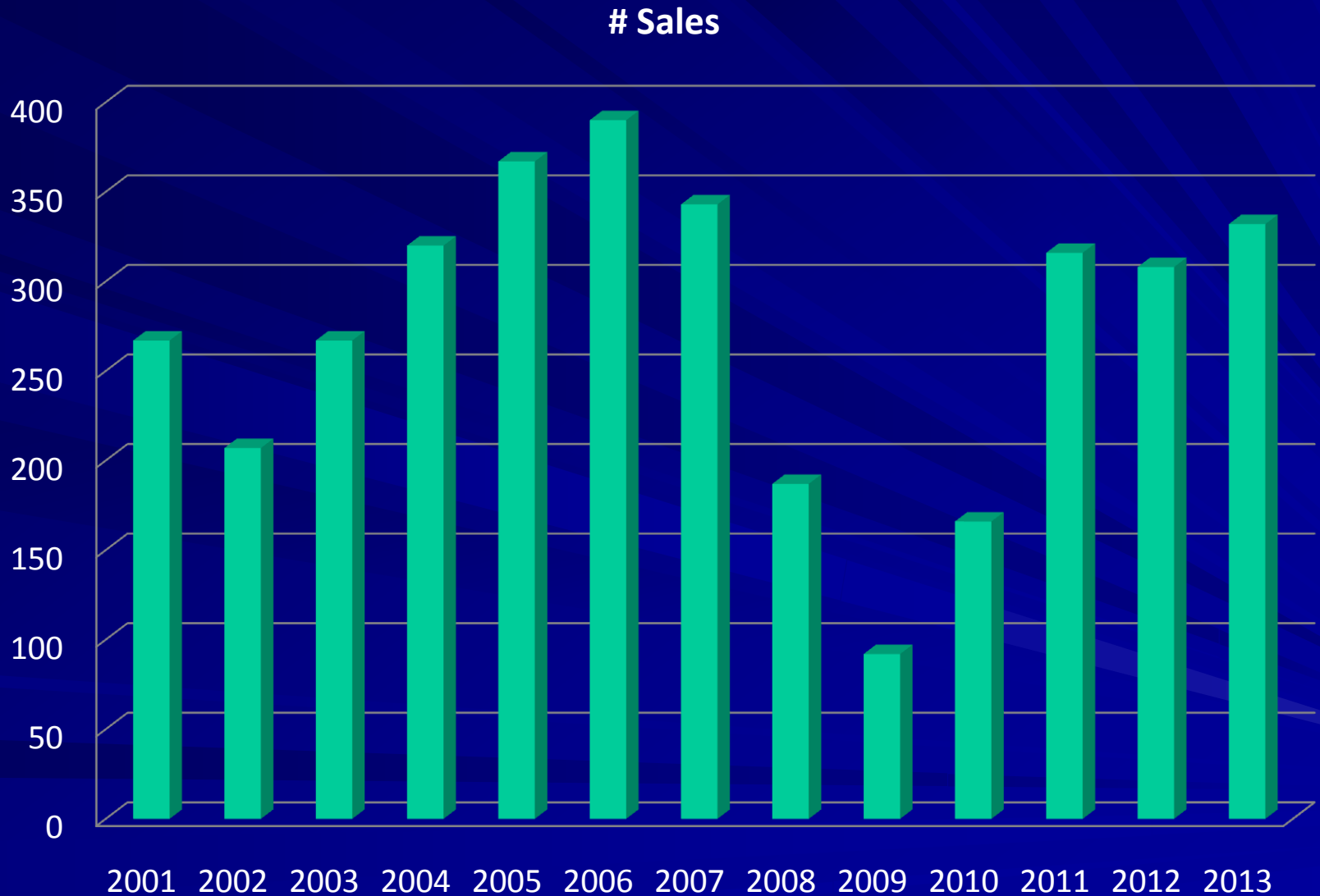
Atlas  
HOSPITALITY GROUP

# Atlas Hospitality Group

## 2014 Meet the Money California Hotel Overview

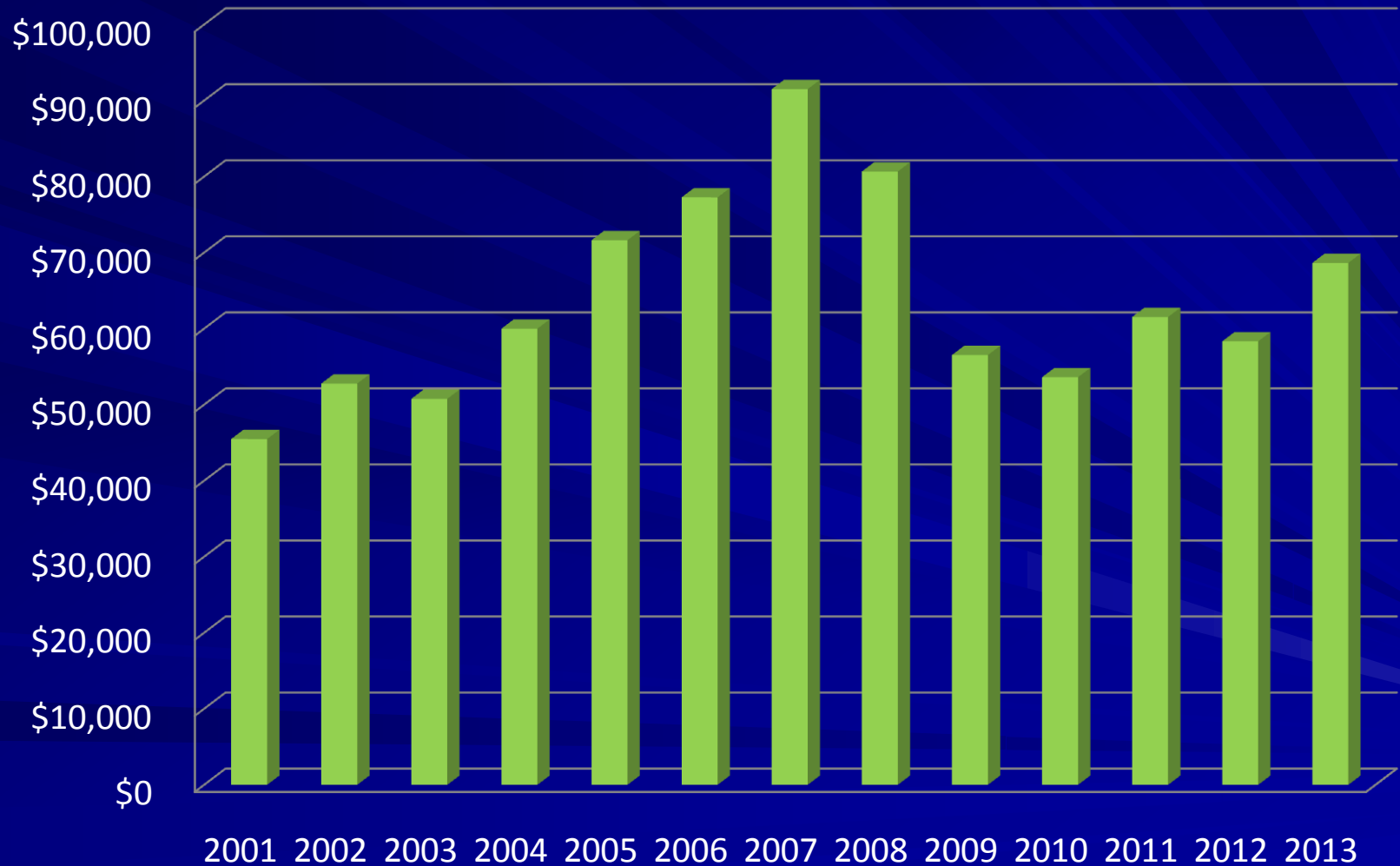
May 2014

# Historical Sales Chart



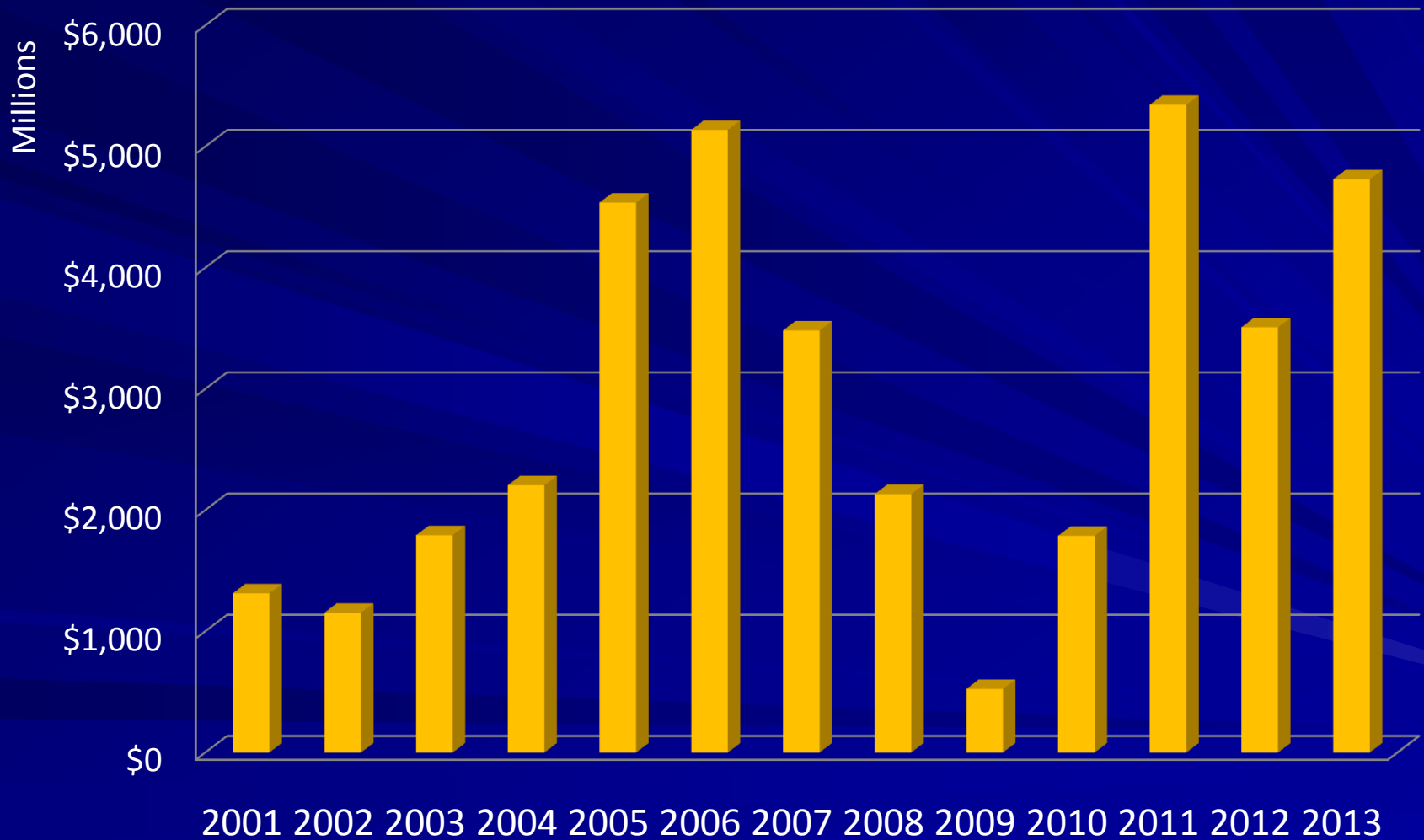
# Historical Sales Chart

Median Price per Room



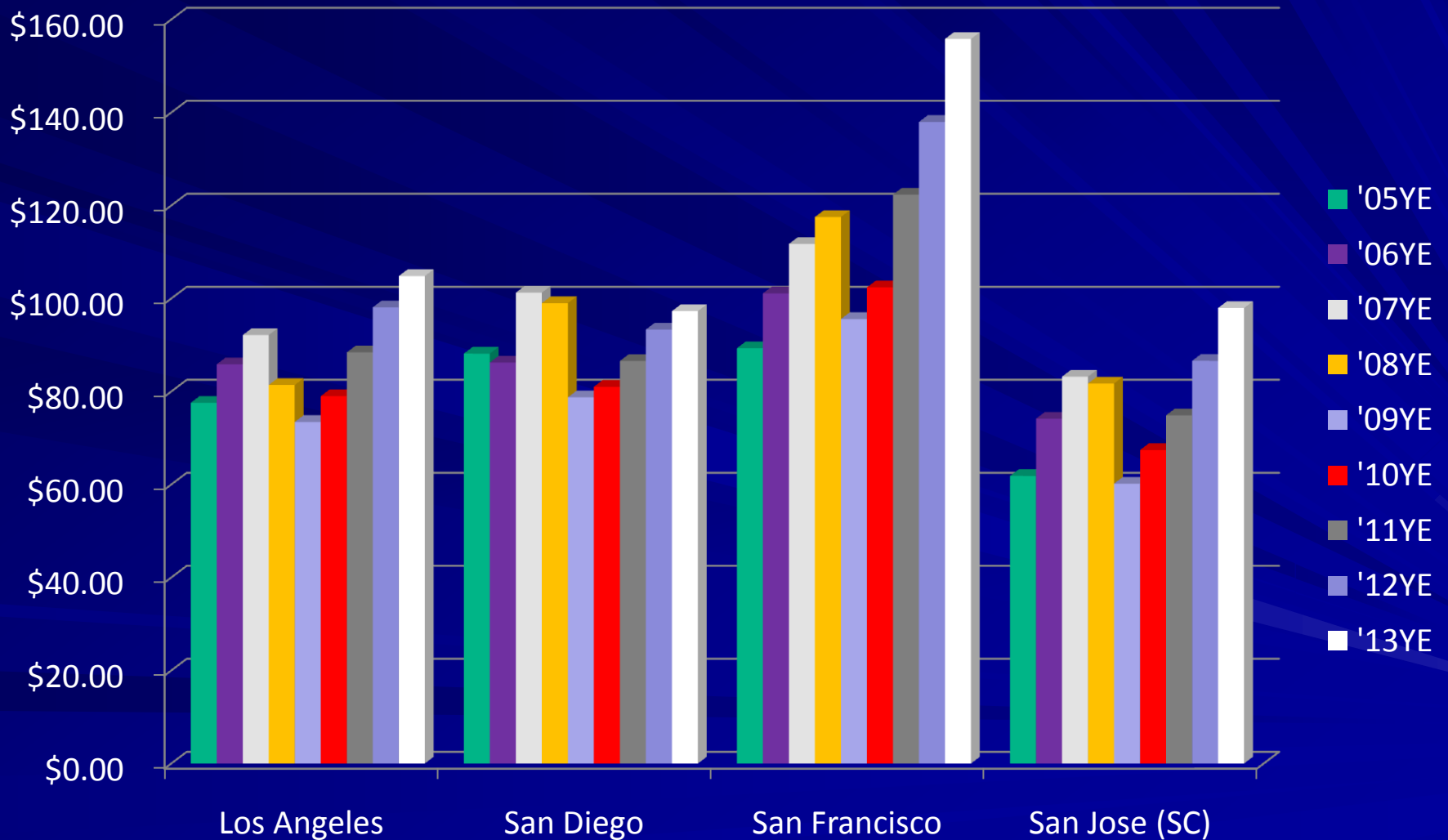
# Historical Sales Chart

\$ Volume (Millions)



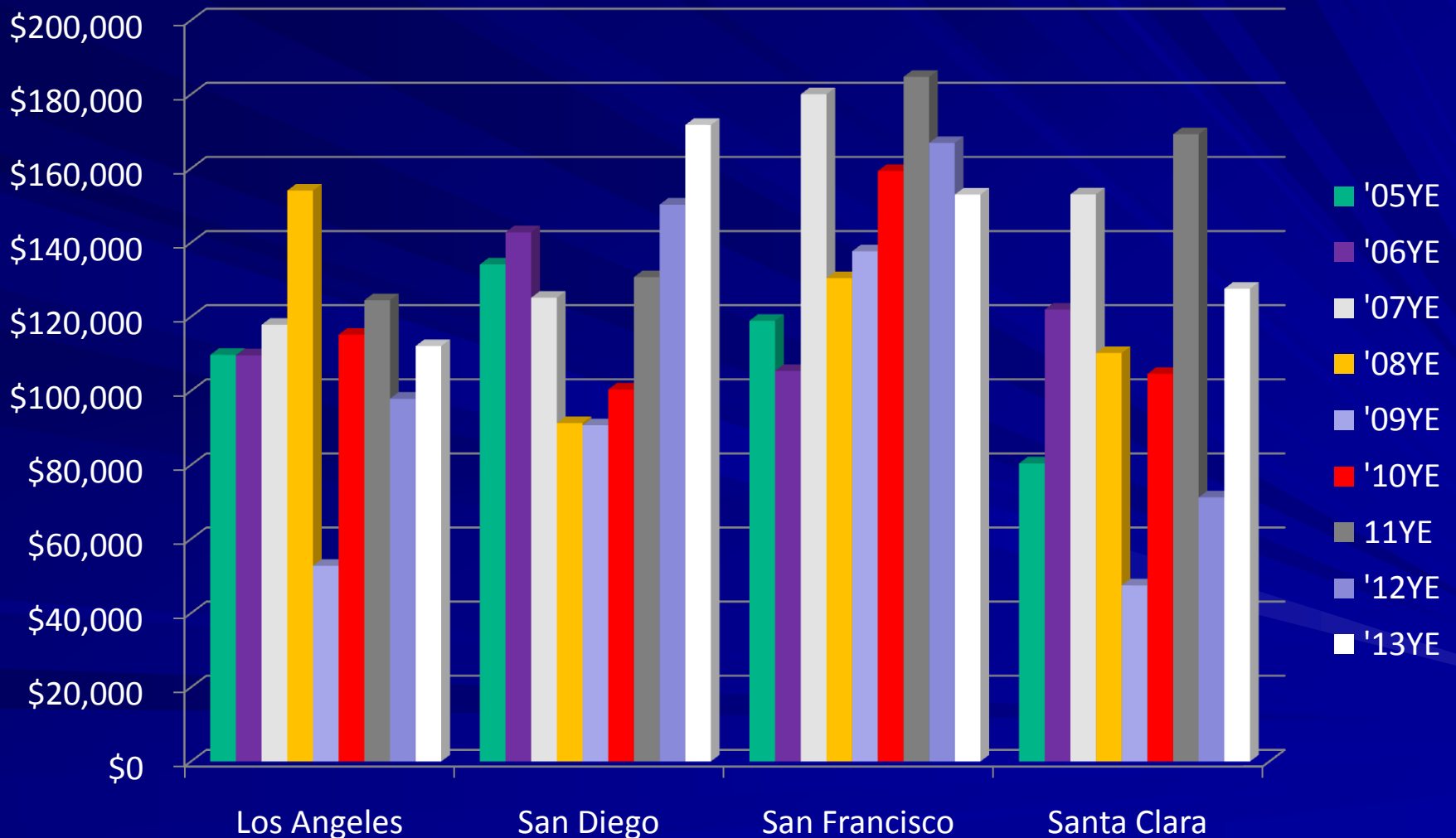
# Historical Rev PAR

*Source: Smith Travel Research*



# Historical Average Price per Room

*Source: Atlas Hospitality Group / CoStar Group*



# Summary of Regional Highlights

# Los Angeles County

- Los Angeles County saw a 10% increase in the number of hotel sales in 2013.
- The total dollar volume rose 39%.
- The county's average sales price per room went up 15%.
- The most expensive sale was the \$195 million paid for the 200-room The London West Hollywood.



**The London West Hollywood**



# San Diego County

- San Diego County had a 7% increase in individual transactions.
- The total dollar volume went up 30%.
- The county's average price per room increased 14%.
- The 474-room La Costa Resort & Spa in Carlsbad, at \$365.8 million, was the largest and most expensive sale.



**La Costa Resort & Spa Carlsbad**

# Orange County

- Individual transactions in Orange County decreased 18%.
- The total dollar volume was down 59%.
- The county's average price per room went up 33%.
- The most expensive reported sale was the \$19 million paid for the 202-room Radisson Suites Hotel in Buena Park.



**Radisson Suites Hotel Buena Park**

# San Francisco County

- San Francisco County had a 32% increase in individual transactions.
- The total dollar volume went up 14%.
- The median price per room increased 24%.
- At \$262.5 million, the 802-room Hyatt Regency in San Francisco was the largest and most expensive sale.



**Hyatt Regency San Francisco**

# Santa Clara County

- Santa Clara County had a 36% drop in individual transactions.
- The total dollar volume was up 198%.
- The average price per room rose 79%.
- At \$93 million, the 510-room Hyatt Regency in Santa Clara was the largest and most expensive hotel sale.



Hyatt Regency Santa Clara

# Review

In reviewing our forecast from the beginning of 2013, we predicted the following:

- *Sales will remain high. We predict 300+.*  
**There were 332 California hotel sales.**
- *The median price per room will increase at least 10%.*  
**The median price per room went up 17.7%.**
- *Financing rates will continue to be available in the 4.5-5% range for well-performing hotels.*  
**In early 2013, we saw loans as low as 4% for CMBS. The average was 4.75%.**
- *REITs, private equity firms and overseas buyers will continue to be very active buyers.*  
**We have seen a tremendous influx of capital from China, especially in Los Angeles and the San Francisco Bay Area.**
- *There will be more focus on new hotel development.*  
**The number of new hotels in planning or under construction was up 25% from 2012.**

# Forecast

For 2014, we predict the following for the California hotel market:

- Total sales will be in the 300-350 transaction range.
- The median price per room will increase 5-10% overall.
- The total dollar volume will be \$5 billion plus.
- The supply of new hotel rooms will start to accelerate as we see a building pick up.



Alan X. Reay

President

Atlas Hospitality Group

(949) 622-3409

[alan@atlashospitality.com](mailto:alan@atlashospitality.com)