

Atlas
HOSPITALITY GROUP

THE MARKET LEADER
IN CALIFORNIA HOTEL SALES

2016 Meet the Money California Hotel Overview

May 2016

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STARTING AT
\$59.99**



**WELCOM TURIST
WE SPIK INGLISH**





If we see you

smoking

we will assume you are on fire
and take appropriate measures.





What Year?

- o **Corporate Travel at Record Levels Lures Investors to Resorts**
- Bloomberg
- o **Hotel Construction Zooms in Southland**
- Globest.com
- o **Luxury Hotels Breaking a Million-Dollar Barrier**
- New York Times
- o **Strategic Closes del Coronado Deal at Over \$ 1 Million per Room**
- San Diego Union-Tribune

California – Déjà Vu?

	2006	2014
Individual Sales	390	399
Total Dollar Volume	\$5.1 billion	\$5.1 billion
Median Price per Room	\$77,273	\$73,488
Transactions > \$5 Million	179	170
Hotels Under Construction	90	88

Decline in Individual Hotel Sales

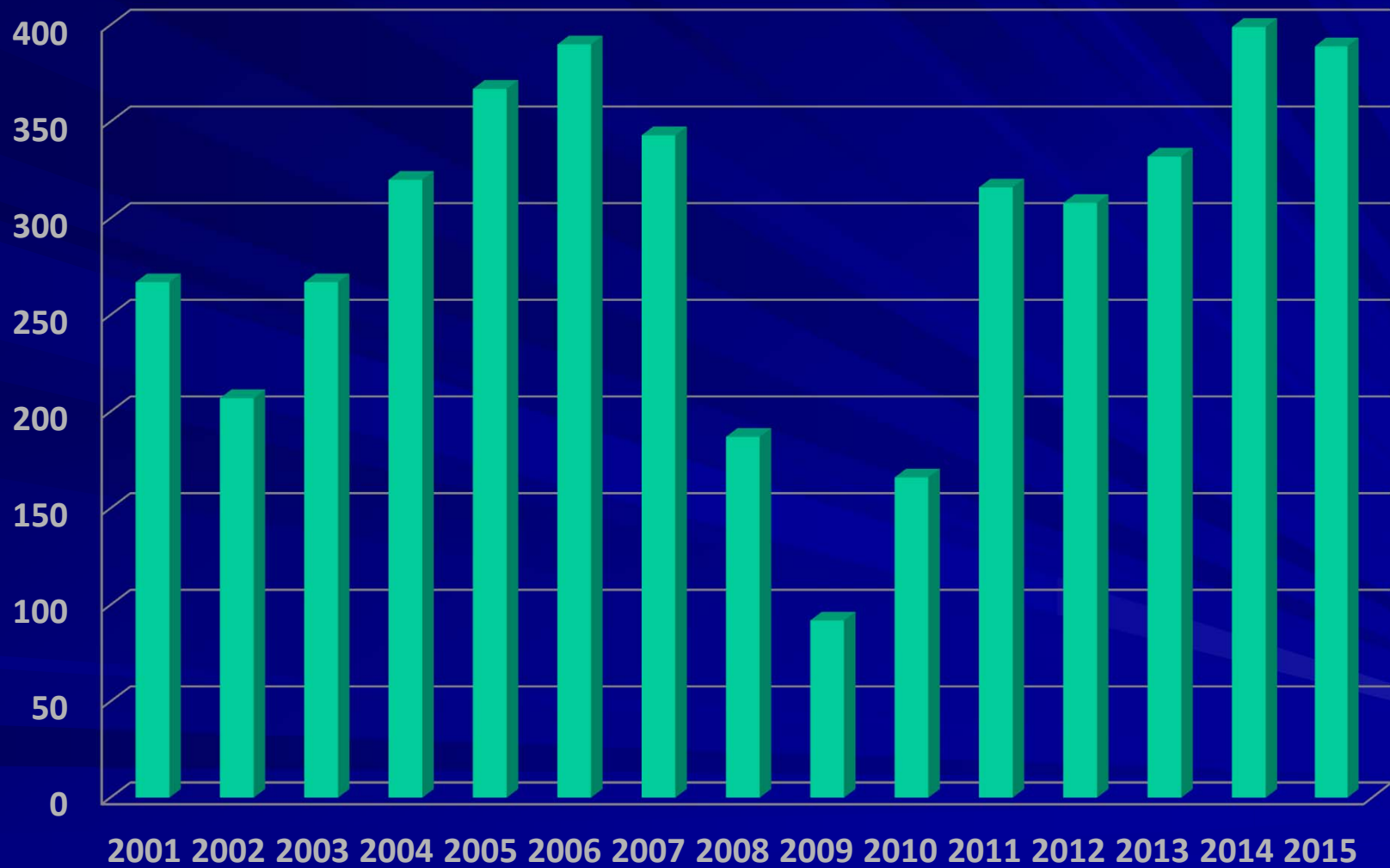
California	
Q1 2007	-13.0%
Q1 2015	-14.0%

California Hotel Sales

	2007	2015
Individual Sales	343 (-12.0%)	389 (-2.5%)
Dollar Volume	\$5.1 billion (-32.2%)	\$9.5 billion (+87.0%)
Median Price per Room	\$91,507 (+18.5%)	\$100,500 (+37.0%)

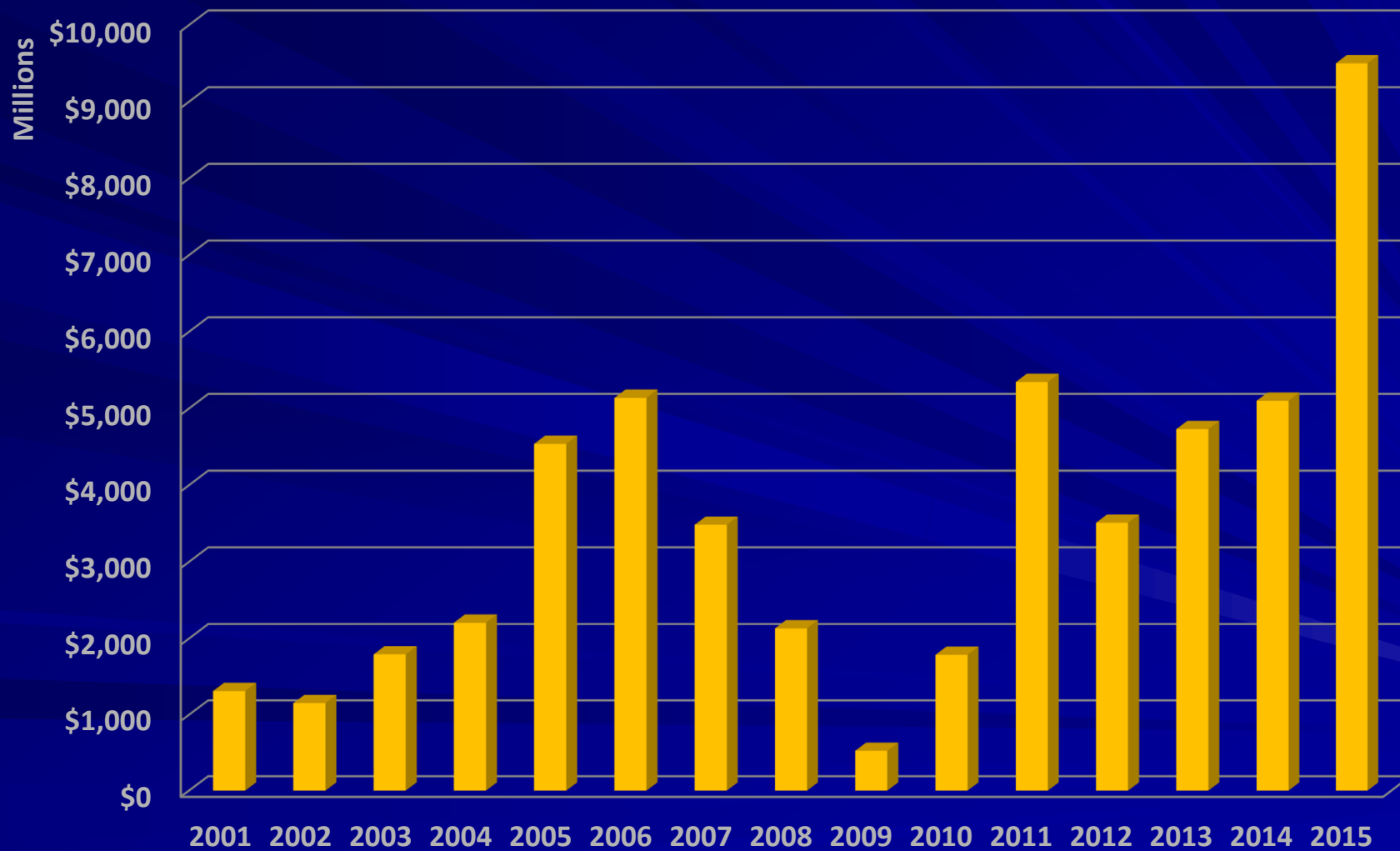
Historical Sales Chart

Sales



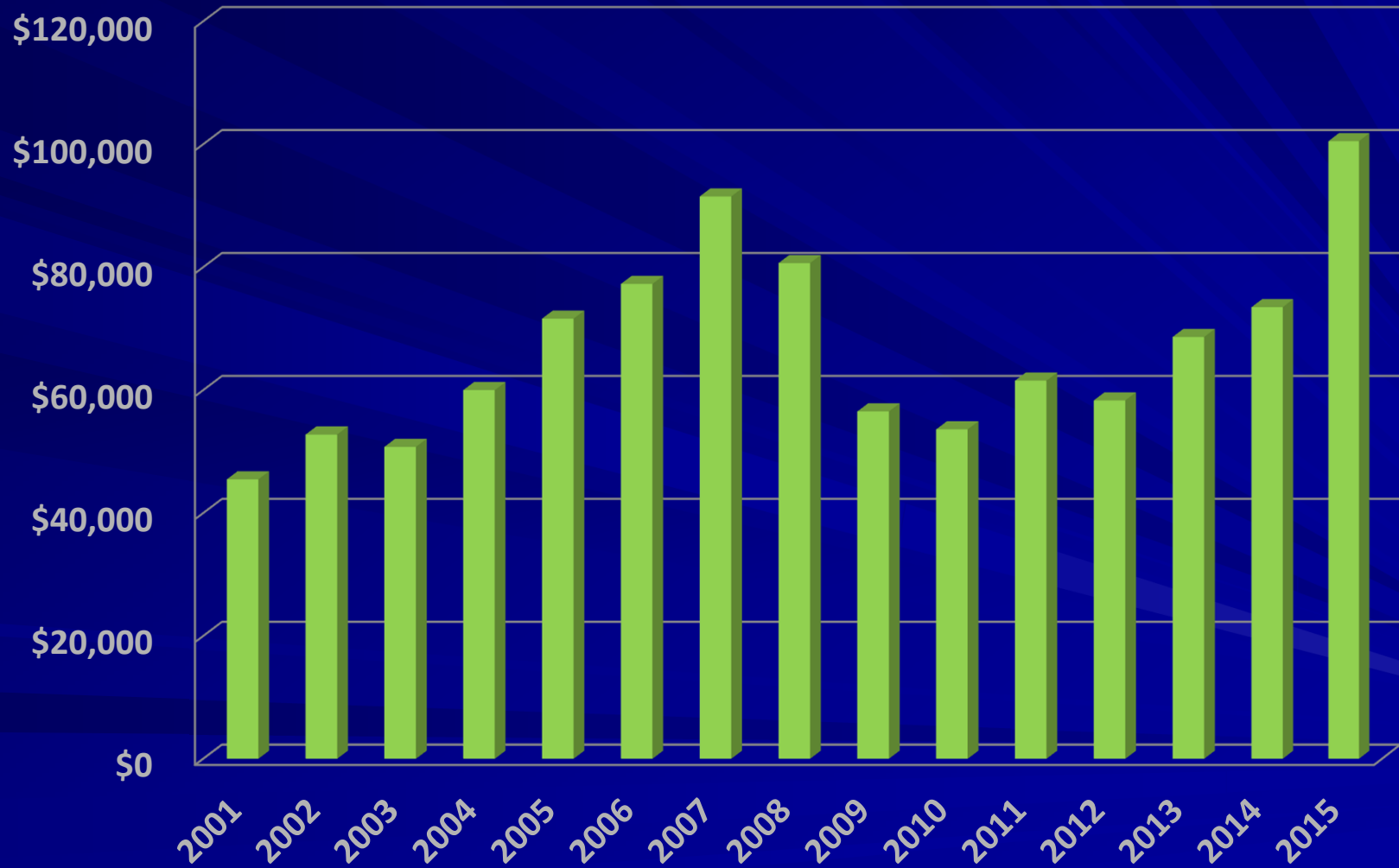
Historical Sales Chart

\$ Volume



Historical Sales Chart

Median \$ per Room



2015 California Hotel Sales Highlights

- o The top three median price per room markets were all in Northern California
- o At \$435,833, San Francisco County had the highest median price per room in the state
- o Orange County had the highest median price per room in Southern California, at \$134,426
- o Sacramento County had the lowest median price per room (\$45,455)
- o Riverside County had the biggest increase in the number of sales – up 42%

Clouds on the Horizon?

- o **Foiled Deals for High-Rise Land Could Be a Bad Omen for S.F. Real Estate**
- San Francisco Business Times (December 2015)
- o **Hotels Heading for a Cooldown in 2016**
- Bisnow (April 2016)
- o **Commercial Real Estate Prices Continue to Drop**
- National Real Estate Investor (April 2016)
- o **CMBS Loans Go Ice Cold as Bond Market Turbulence Heats Up**
- Scotsman Guide (March 2016)
- o **Building in U.S. Bigger Threat Than Airbnb**
- Moody's (March 2016)

Decline in Individual Hotel Sales

	Q1 2016
United States	-56.2%
California	-32.0%

New Hotel Development

At the end of 2015, California had:

- o 4,395 new hotel rooms opened**
- o 98 hotels under construction, with 15,833 rooms**
- o 500+ hotels in planning, with over 74,000 rooms**

Any Questions....

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