



# Hotel Retail-Mixed Use

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**Panelists:**

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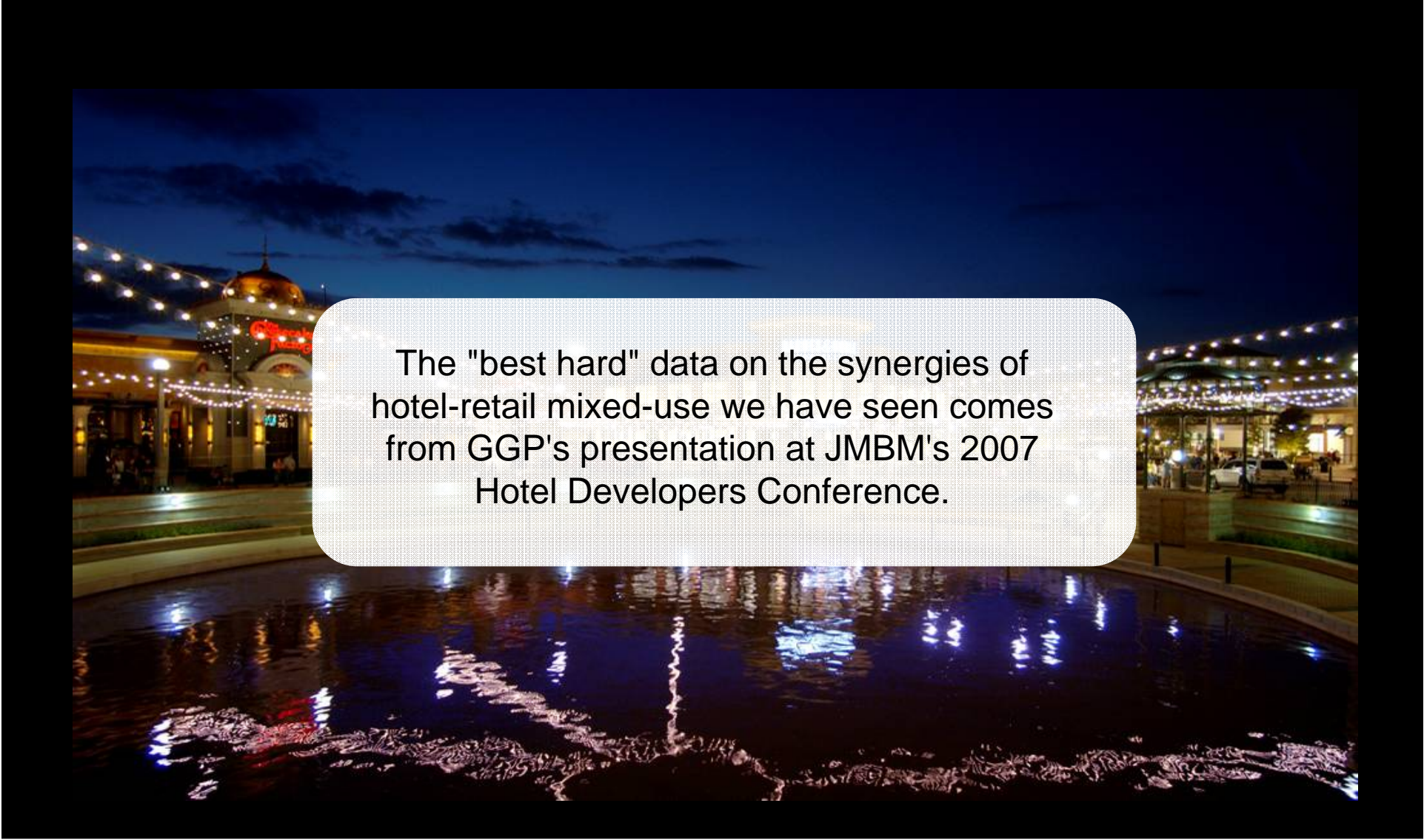
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Jim Butler, Chairman  
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The "best hard" data on the synergies of hotel-retail mixed-use we have seen comes from GGP's presentation at JMBM's 2007 Hotel Developers Conference.



# GGP & Retail

Second largest Retail REIT



# GGP & Retail

Owner, Developer, and Manager of over 200 shopping and mixed use centers in 44 states



# Hotel Alliance & Positioning – *Mixed Use Projects*

GGP properties are capable of supporting 80 near term hotel developments ranging from extended stay to select and full service product



# Hotels at GGP Properties & MPCs

## Woodlands Waterway Marriott (Luxury Hotel)

- Hotel on out-parcel adjacent to a regional mall & town center
- Seven additional hotels in The Woodlands



## Hotels of Columbia, MD (Multiple Hotels)

- Total of 15 hotels at the MPC
- Top Chains: Hilton, Sheraton, Courtyard, Homewood Suites



## Ritz-Carlton Tyson Galleria (Luxury Hotel)

- Hotel semi-attached to a regional mall



## Westin Dallas Galleria (Luxury Hotel)

- Hotel integrated with a regional mall



## Ritz-Carlton Water Tower Place (Luxury Hotel & Condominiums)

- Hotel integrated with an urban, vertical mall



## Red Rock Hotel / Summerlin Town Centre

- Hotel adjacent to future Town Center
- Two additional hotels in Summerlin





# Hotel / Tourism Brings Shopper Traffic

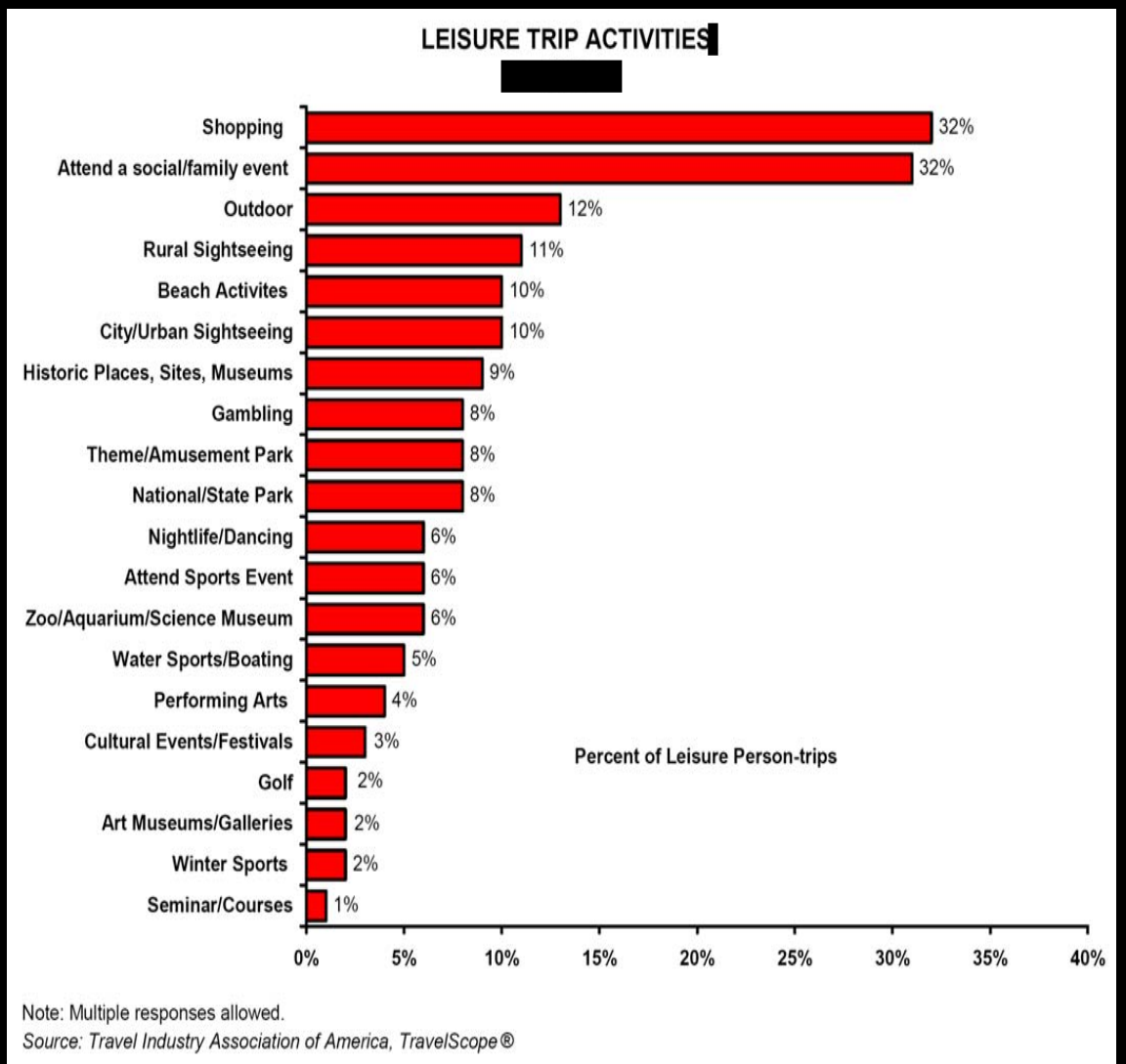
**32% of US domestic leisure travel activities are spent on shopping**

**US domestic travel for leisure purposes accounts for 81% of trips**

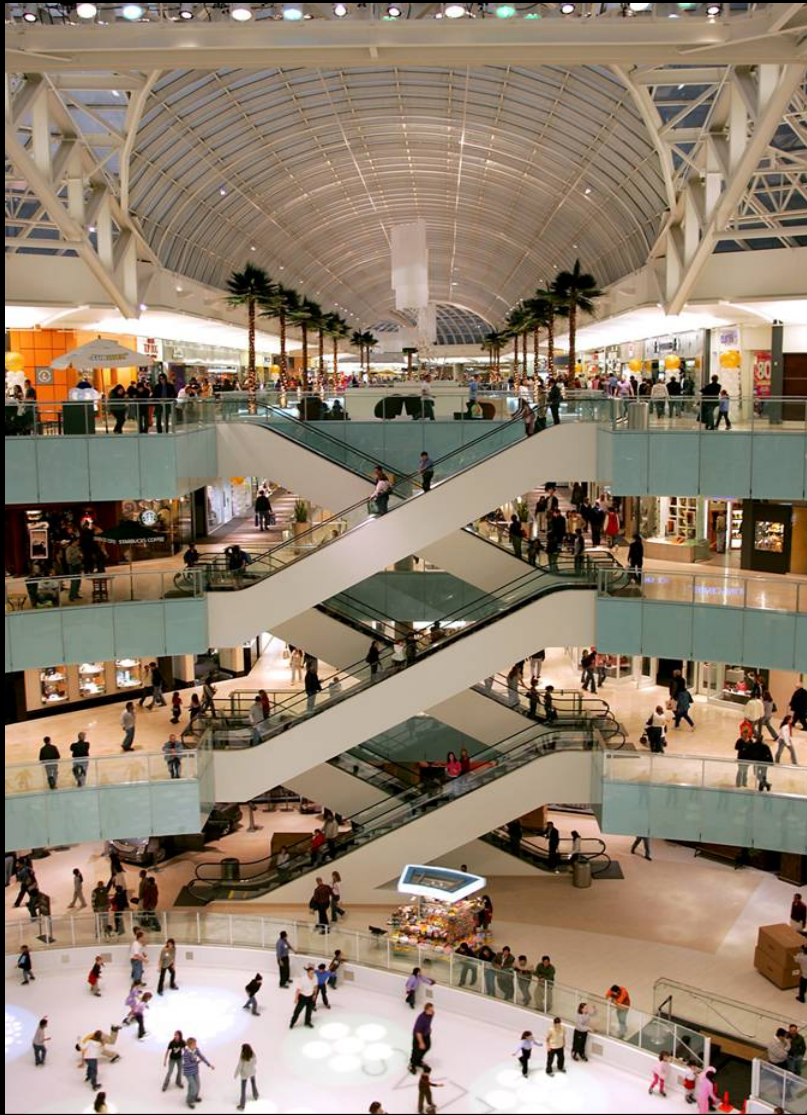
Sample Statistics of leisure travelers:

- Household Trips: 490.1M trip volume
- \$372 average spending on household trip (Excluding transportation)
- 23% day trips / 77% overnight trips
- 49% one trip activity / 44% two or more activities / 7% no activities
- 2.9 nights at a hotel/motel/B&B

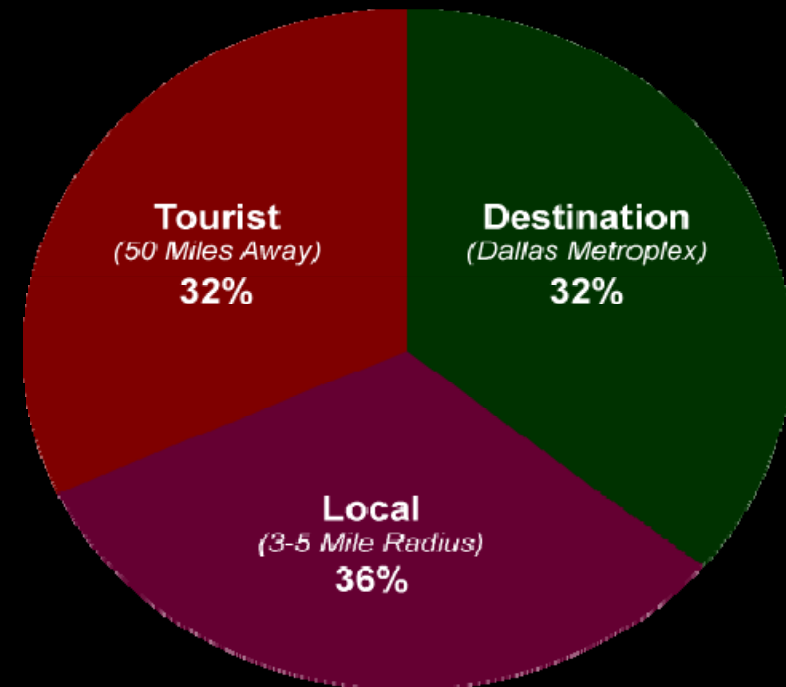
Note: Leisure Trip is defined as: "Any trip where the primary purpose of the trip is given as "visit friends or relatives, outdoor recreation, entertainment/sightseeing, or other pleasure/personal."



# Hotel/Tourism Retail Customer Base Example



## Dallas Galleria Mall Customer Profile 64% of the customer base is non-local



# Hotel – Master Planned Community

**Woodlands Waterway Marriott**



# Hotel – Urban Core Town Center



## Reston Town Center, Hyatt Regency

Reston, VA

Opened: 1990

Number of Rooms: 514



# Hotel – Urban Vertical Mixed Use

## Water Tower Place, Ritz Carlton

Chicago, IL

Opened: 1976

Number of Rooms: 422



# Hotel – Regional Center Integration

## Tysons Galleria, Ritz-Carlton

McClean, VA

Opened: November 1991

Number of Rooms: 398



# Hotel – Regional Center Integration

## Dallas Galleria, Westin

Dallas, TX

Opened: June 1982

Number of Rooms: 432



# Hotel Property Performance Premium Summary

## Summary:

- Hotels attached to retail outperform against national hotel trend and competitive hotels
- Hotel premium evident for upscale hotels attached to retail and town centers
- Hotel occupancy premium evident during holiday seasons
- Rapid increase in premium as confirmed by performance at The Woodlands Waterway
- Increased hotel premiums are sustained at these locations despite economic downturns
- Performance premium has significant impact on valuation of hotels attached to retail

<u>Performance Premium</u>	<u>ADR %</u>	<u>Occupancy</u>	<u>REVPAR %</u>
Hotel within MPC	20-30%	10% - 15%	25-40%
Hotel within MPC & Retail	25-35%	10%	20-30%
Hotel adjacent to Retail	35-40%	10% - 20%	30-40%





# Summary

**Hotels contribute to the strength of luxury retail merchandising**

- Especially evident at Dallas Galleria and Tyson Galleria where a high percentage of international destination travelers seeking global luxury brands.
- Westin Dallas attracts a large share of Mexican and Japanese nationals, while the Ritz Tyson attracts a large share of European and Middle Eastern nationals.

**Hotels alone will not attract luxury tenants**

- Combination of luxury anchors (Neiman Marcus, Saks, Nordstrom) and hotel (upscale and luxury brands) creates the luxury premium evidenced at both Tyson’s Galleria and Dallas Galleria.
- Both the Ritz Tyson and the Westin Dallas luxury retailers share customers from the hotel.
- This is especially evident during holiday seasons (30% of Louis Vuitton’s annual sales volume at Dallas Galleria are during Nov. and Dec.).

**Reston Hyatt at Reston Town Center served as the primary anchor that drew initial retail tenants**

- Retailers have committed to the Reston Town Center because of the Hyatt Hotel and the outdoor town center design.

**Reston Town Center**

William Sonoma	Chico’s
Pottery Barn	Talbot
JoS A. Bank	Ann Tayler
Morton Steak	Eddie Bauer
McCormick &	Nine West
Schmick’s	GAP

**Westin Dallas**

<b>Saks</b>	<b>Macy’s</b>
<b>Nordstrom</b>	
Louis Vuitton	Cartier
Max Mara	Coach
Thomas Pink	BCBG
Tommy Bahama	Gucci
Armani Exchange	Versace

**Tyson Galleria**

<b>Saks</b>	<b>Macy’s</b>
<b>Neiman Marcus</b>	
Salvatore	Cartier
Ferragamo	Bose
Thomas Pink	Burberry
Hugo Boss	Chanel
Ralph Lauren	Lacoste

