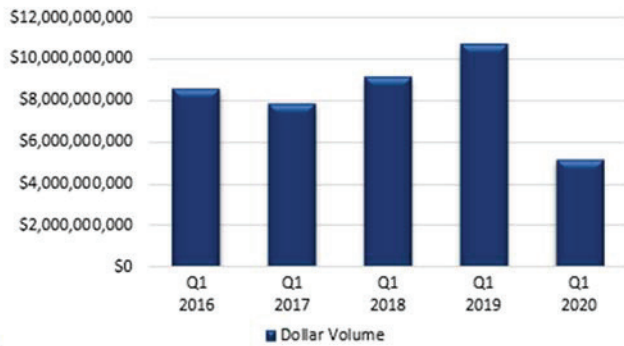


US HOTEL MARKET DOLLAR VOLUME



MANHATTAN HOTEL AVERAGE \$/PER KEY



MANHATTAN HOTEL AVERAGE CAP RATE



Sale Volume (Fiscal Year Ending Q1)

Total dollar volume for investment sales in the U.S Hotel market had been trending upward at a steady rate for three years before COVID-19. However, the fiscal year ending Q1 2020 represents a significant decrease from the prior four years, down to \$5.1 billion compared to \$10.6 billion in fiscal year ending 1Q 2019. The future being uncertain, health-based travel disruptions and new supply concerns could weigh on sales velocity in the year ahead. With the high-end chain scale segments producing larger declines, the demand for the low-end chain scale segments could potentially increase in the foreseeable future.

Manhattan Hotel Market Average Key (FYE Q1)

The average price per key in the NYC Hotel market has experienced fluctuating trends over the past five years. The price per key had been declining for three years, but for the FYE Q1 2020 the average was roughly \$137,000 per key. Trends indicate a continuation of this trend through 2020. As data shows, the Manhattan market has already been experiencing a substantial decline in average price per key as of FYE Q1 2020.

Manhattan Hotel Market Average Cap Rate (FYE Q1)

Over recent years, the average cap rate in the Manhattan Hotel market has fluctuated between 5.5% and 7.4%, however for the FYE Q1 2020 it increased to 10.0%. By the end of April 2020, the market has seen very little transaction activity. While the number of hotel closures are growing due to the Global Pandemic, the market has experienced a 7.6% decline in supply and 45.9% decline in demand from the prior year. These reflect the highest declines since 2009.

SOURCE: STR and Marshall & Stevens



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