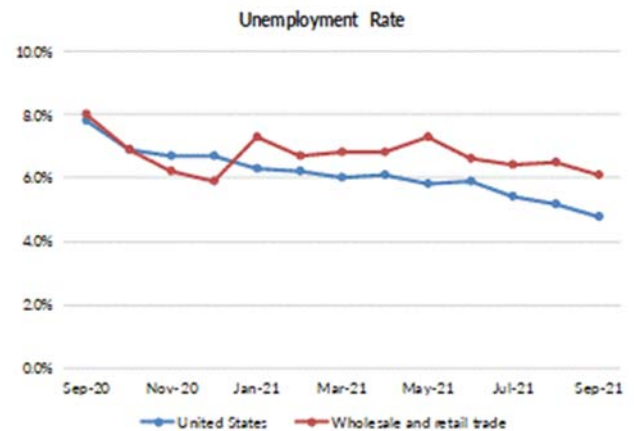


# US Hotel Sales Volume & Buying Trends - September 2021

COVID-19 surfaced in the United States in Mid-March 2020, over one year ago. Federal, state, and local governments responded by issuing strict stay-at-home orders and closing nonessential business. Trends in retail sales, vacancy rates, rent collection rates, and unemployment underscored the crippling effects of COVID-19 on American consumers and businesses alike. Pre-crisis, there was uncertainty surrounding the retail market as well. Given the rise in e-commerce, shopping patterns and preferences have changed, questioning the demand for brick-and-mortar retail, and multi-tenant shopping centers in particular.

This report analyzes trends in investment sales in the United States Hotel market from January 2019 through September 2021.

National unemployment increased significantly in 2020, from 3.5% in February to a peak of 14.8% in April 2020. Job losses in the wholesale and retail trade sector were particularly significant. Since April 2020, businesses have re-opened, and unemployment is showing signs of improvement. However, the recent rising number of new cases due to the delta variant is slowing down this progress. This metric will be watched carefully as we continue through 2021 and into 2022.



**Vaccine doses given**  
7-day avg: 768,503  
66.4% at least one dose



Source: Reuters

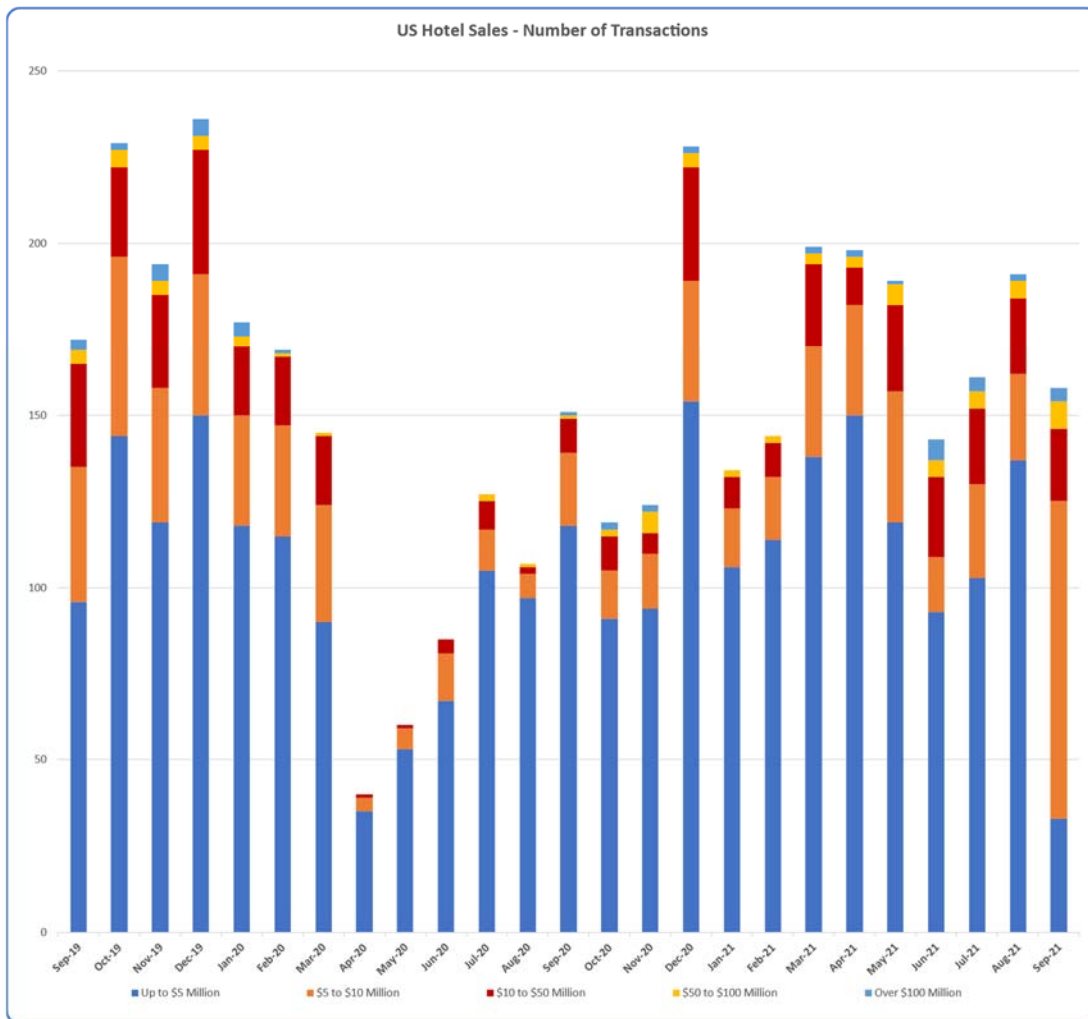
**United States**

**New cases**  
7-day avg: 72,782



Number of Sales Transactions

- Parameters: All hotel investment sales in the United States, segmented by price tranche.
- Consistent transaction volume from September 2019 to March 2020.
- April 2020- initial COVID shockwaves grip market, number of transactions plummets.
- Uptick in transaction volume from May 2020 to August 2020 coincides with lower case counts.
- December 2020- reflected 228 total transactions, reflecting an 84% increase from the prior month.
- January 2021- 134 total transactions, reflecting a 41% decline from the previous month.
- March 2021-May 2021 – remained a consistent trend with the number of transactions occurring.
- March 2021 – May 2021 – experienced normal transactions levels over these recent three months.
- June 2021 – 143 total transactions, a 24% decrease in number of transactions from the prior month.
- July 2021 – The recovery in the US Hotel Sales market continues with the number of transactions remaining above 150
- August 2021 – 191 total transactions, an 18.6% increase in number of transactions from the prior month.
- September 2021- 158 total transactions, a decrease of 17.3%.
- The market is fluctuating but is expected to continue a long-term positive trend upwards in terms of the number of transactions.



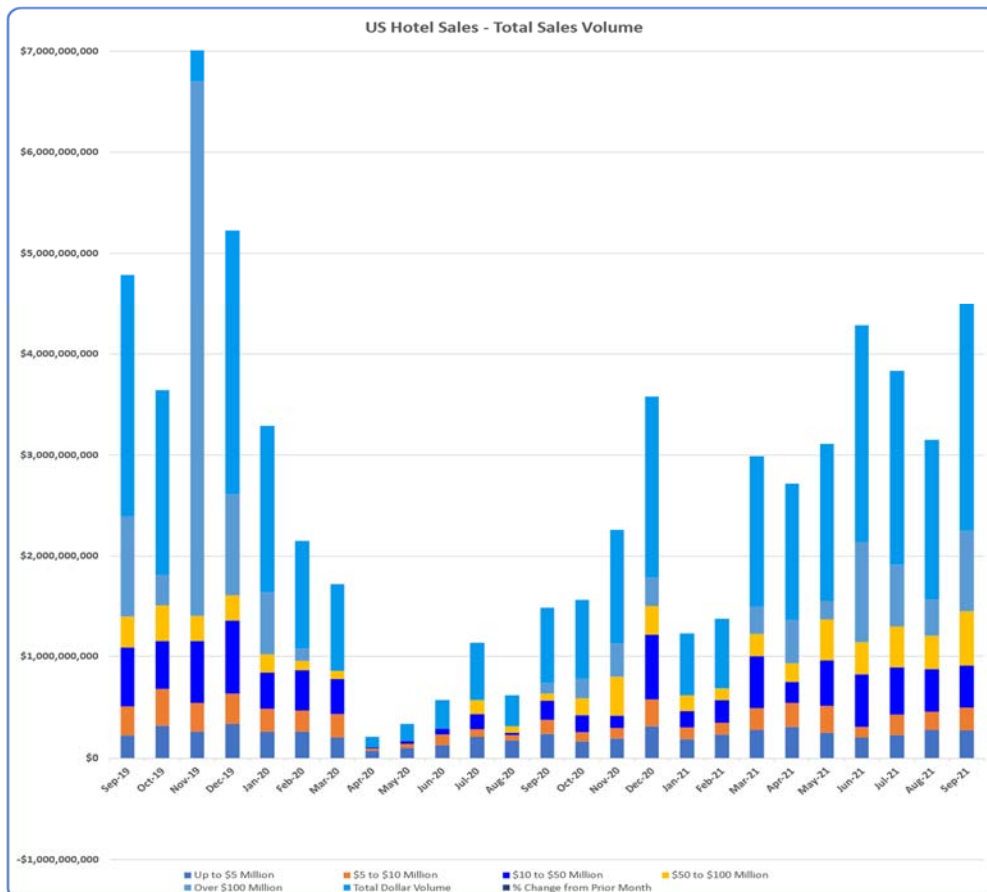
The US Hotel sales market has been significantly affected during the post-COVID era. Transaction volume has continued to make a push to return to normal levels. Average sales per month are showing promising signs of returning to pre-COVID levels, as evidenced by the chart above.

Dollar Volume of Sales Transactions

In 2020, the average monthly sales volume was approximately \$788 million. Comparatively, the average monthly sales volume so far in 2021 is roughly \$1.4 billion, currently reflecting an increase of approximately 80%. We tracked the dollar volume of monthly sales by tranche as seen below.

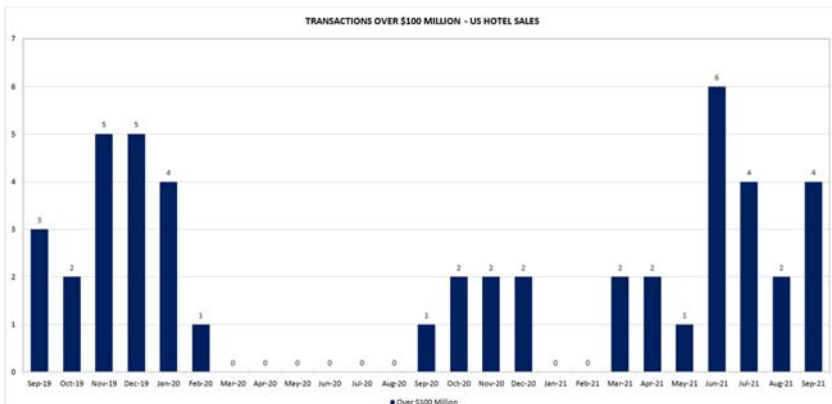
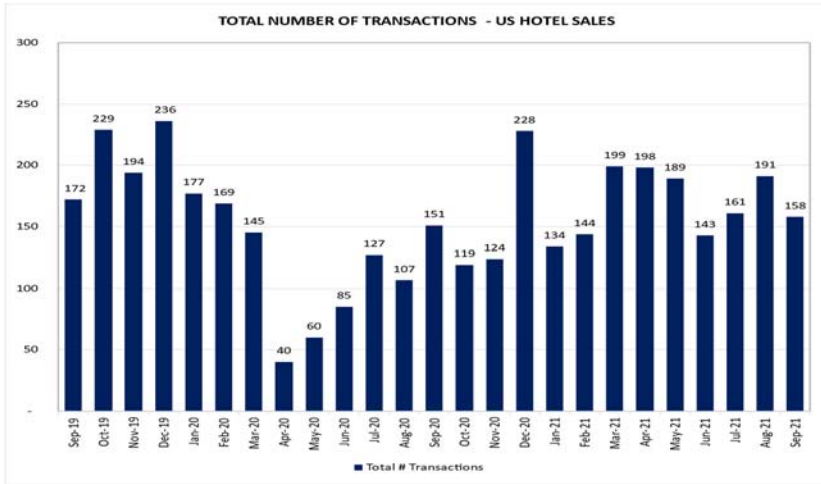
Monthly Dollar Volume - US Hotel Sales		
YEAR	2020	2021 (September)
Min	\$103,000,000	\$614,000,000
Max	\$1,788,000,000	\$2,139,000,000
Average	\$787,658,333	\$1,415,125,000
% Difference	-	79.7%

- The largest increase in dollar volume over the given study period was 268.3% from October 2019 to November 2019.
- The largest decrease in dollar volume over the given study period was 88% from March 2020 to April 2020.
- December 2020 dollar volume significantly increased from the prior month, reflecting a 58.4% increase in total dollar volume.
- January 2021 reflected a decline of 65.7% in total dollar volume, as shown in the figure below.
- March 2021 had the largest percent uptick in total dollar volume since 2019, reflecting a 117% increase.
- April 2021 continued with a slight decline but stayed consistent with the prior month.
- May 2021 reflected a 14.4% increase in total dollar volume.
- Sales volume in July 2021 fell just shy of the \$2 billion mark after breaking through in June for the first time since December 2019.
- August 2021 reflected a 17.7% decrease, bringing total dollar volume back to May 2021 levels.
- September 2021 reflected a 42.7% increase in total sales volume.



**SALES (2019-2020): Volume**

Pre-COVID-19, sales volume fluctuated, ranging from 145 to 236 sales per month from January 2019 through March 2020. April 2020 marked a significant drop in the number of transactions. Transaction volume fluctuated for the rest of 2020, with an uptick occurring towards the end of the year. The number of transactions in January 2021 fell to 134 from 228 transactions in the prior month. However, since then, the number of transactions has experienced an upward trend, indicating a potential return to normalcy in the foreseeable future.



**Dollar Volume of Sales**

As the number of transactions decreased sharply in April 2020, the decrease in dollar volume followed suit. Total sales volume reached a low point in April 2020 but has increased since. The upward trend continues as of August 2021 with sales volume increasing again in September 2021.

**Transactions over \$1.0 Million**

There were significant declines in sales exceeding \$100 million beginning in March 2020, indicating that investors were reluctant to purchase high-priced hotel assets. These transactions are a major contributor accounting for approximately 35.4% of the market's dollar volume over the study period. Sales activity within this tranche resumed in September 2020, and in June 2021 the market saw the highest number of sales over the study period.

SOURCE: CoStar and Marshall & Stevens



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