



Survey of
Major U.S. Hotel Transactions

SAMPLE REPORT

(This report contains abbreviated and falsified data.)

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U.S. Hotel Sale Price Trends: 1990 to 2005

The number of major hotel transactions – those hotels selling for \$10 million or greater – greatly strengthened in 2005, following the improving trend in sales activity between 2001 and 2004. The following table illustrates the number of major hotel transactions between 1990 and 2005 that HVS International has tracked.

Table 1: Major U.S. Hotel Transactions

Year	Number of Hotels	Number of Rooms	Average Price per Room
1990	130	40,053	\$136,000
1991	56	16,489	96,000
1992	70	26,751	82,000
1993	53	20,026	93,000
1994	108	38,579	81,000
1995	147	48,619	80,000
1996	227	77,916	106,000
1997	280	82,867	117,000
1998	241	78,865	136,000
1999	128	34,408	148,000
2000	148	39,759	125,000
2001	117	29,608	153,000
2002	105	31,626	111,000
2003	121	33,292	138,000
2004	178	56,822	141,000
2005	237	71,531	160,000

Source: HVS International Sales Database

As illustrated in the preceding table, both the number of major hotel transactions and the average price per room were at healthy levels in 1990. With the advent of the Gulf War in 1991, coupled with the economic recession that lasted through 1994, the number of transactions and the average price per room declined. [< This section continues in the full report. >](#)

< This chapter further details the trends throughout the past fifteen years. Analysis includes figures and narratives of sales transactions by month, by quarter, and price category.>

Ten Largest Sales By Price Per Room in 2005

The U.S. transactions in 2005 that noted the highest prices per room were concentrated in resort and major metropolitan locations. These sales are detailed in the following table.

Table 4: Ten Largest Sales by Price Per Room

Rank	Individual Hotel	Location	Rooms	Price per Room	Buyer
1	Hotel A	City, ST	605	\$661,000	Sample Buyer
2	Hotel B	City, ST	252	639,000	Sample Buyer
3	Hotel C	City, ST	47	617,000	Sample Buyer
4	Hotel D	City, ST	27	561,000	Sample Buyer
5	Hotel E	City, ST	24	536,000	Sample Buyer
6	Hotel F	City, ST	540	463,000	Sample Buyer
7	Hotel G	City, ST	646	444,000	Sample Buyer
8	Hotel H	City, ST	174	426,000	Sample Buyer
9	Hotel I	City, ST	803	403,000	Sample Buyer
10	Hotel J	City, ST	728	402,000	Sample Buyer

Source: HVS International Sales Database (Sample Data)

< This section provides narrative discussion to the preceding chart. >

Major Buyers in 2005

The major U.S. buyers in 2005 included Red Hotels Group, Blue Hotels Group, Green Hotels Group, Purple Hotels Group, and Orange Hotels Group.. The most significant buyers by the number of acquisitions are illustrated in the following table.

Table 5: Major Buyers in 2005 (by Number of Acquisitions)

Company	Number of Hotels	Number of Rooms	Total Acquisition	Average Price per Room
Red Hotels Group	25	5,000	\$1,000,000,000	\$200,000
Blue Hotels Group	20	4,000	750,000,000	187,500
Green Hotels Group	15	3,000	500,000,000	166,667
Purple Hotels Group	10	2,000	250,000,000	125,000
Orange Hotels Group	5	1,000	50,000,000	50,000

Source: HVS International Sales Database (Sample Data)

< This section provides narrative discussion to the preceding chart, inclusive of individual Buyer acquisition details.>

Major Sellers in 2005

The major U.S. sellers in 2005 included major hotel companies, such as Square Hotels Corporation, Triangle Hotels Corporation, Circle Hotels Corporation, Trapezoid Hotels Corporation, and Octagon Hotels Corporation. The most significant sellers by dollars of transaction are illustrated in the following table.

Table 6: Major Sellers in 2005 (by Dollars of Transaction)

Company	Number of Hotels	Number of Rooms	Total Transaction	Average Price per Room
Square Hotels Corporation	25	5,000	\$1,000,000,000	\$200,000
Triangle Hotels Corporation	20	4,000	750,000,000	187,500
Circle Hotels Corporation	15	3,000	500,000,000	166,667
Trapezoid Hotels Corporation	10	2,000	250,000,000	125,000
Octagon Hotels Corporation	5	1,000	50,000,000	50,000

Source: HVS International Sales Database (Sample Data)

< This section provides narrative discussion to the preceding chart, inclusive of individual Seller transaction details.>

Portfolio Sales

For the purpose of discussing portfolio sales, we are listing portfolio sales that occurred where we could not find the per-room or per-property breakdown, as well as those sales that included over ten properties in the portfolio. For the purpose of this chart, HVS has compiled our own average price-per-room breakdown based on the total transaction cost of the portfolio sale. Based on our research, we have included five portfolio transactions that fit into this category. A portfolio is defined as three or more hotels selling at the same time between the same buyer and seller. The six portfolios span a total of 115 properties that sold for \$6,075,000,000.

Table 7: Top Hotel Portfolio Transactions of 2005

Portfolio Buyer	Portfolio Seller	Number of Hotels	Number of Rooms	Total Transaction	Average Price per Room
Hospitality Trust A	Pear International	15	4,000	\$500,000,000	\$125,000
Hospitality Trust B	Grape International	20	6,000	125,000,000	20,833
Hospitality Trust C	Orange International	15	15,000	350,000,000	23,333
Hospitality Trust D	Watermelon International	30	4,500	600,000,000	133,333
Hospitality Trust E	Papaya International	25	15,000	3,000,000,000	200,000
Hospitality Trust F	Kiwi International	10	20,000	1,500,000,000	75,000

Source: HVS International Sales Database (Sample Data)

< This section provides narrative discussion to the preceding chart, inclusive of individual Portfolio transaction details.>

Listing of Major U.S. Hotel Transactions \$10 Million and Above

Table 8: Major Hotel Transactions - \$10 Million and Above

Hotel Name	Location	Rooms	Month of Sale	Sale Price	Price Per Room	Seller Buyer
Hotel One	City, ST	100	Januray	\$500,000,000	\$5,000,000	Seller A Buyer A
Hotel Two	City, ST	200	February	\$400,000,000	\$2,000,000	Seller B Buyer B
Hotel Three	City, ST	300	March	\$300,000,000	\$1,000,000	Seller C Buyer C
Hotel Four	City, ST	400	April	\$200,000,000	\$500,000	Seller D Buyer D
Hotel Five	City, ST	500	May	\$100,000,000	\$200,000	Seller E Buyer E

<List truncated for Sample Report>

< Actual report contains a complete listing of HVS International's researched major transactions.>

Sales research is a dynamic process, and as more information is received related to a transaction, the sales data will be updated, which may involve a change to the original report. Every effort is made to provide reliable information for sales within this survey. While our HVS International staff contacts numerous buyers, sellers, brokers, assessors, appraisers and attorneys, and researches industry magazines, newspapers, sale services, and web sites, complete accuracy of sales information within the survey cannot be guaranteed.

Sales are often not reported until well after the closing date. The process of verifying a sale with an informed transaction participant can extend the time necessary to confirm a sales transaction. In order to complete our publications in a timely manner, there comes a point when we must finalize our re-

search for the period under review. As a result, some sales that occurred during the preceding quarter may not be reported until a later date. Sales that had delayed transaction information from the first, second, or third quarters of 2005, have been captured in this survey.

Overview of HVS International

HVS International is a global consulting and services organization focused on the hotel, restaurant, timeshare, gaming, and leisure industries. Its clients rely on the firm's specialized industry knowledge and expertise for advice and services geared to enhance economic returns and asset value. Through a network of 22 offices staffed by more than 200 seasoned industry professionals, HVS offers a wide scope of services that track the development/ownership process.

Starting with the market feasibility and appraisal study, a project is conceived and justified. Financing through the HVS investment banking team is then arranged, interiors designed, and management hired. The latest technology solutions are implemented, marketing strategies developed, and organizational assessments made. When a client requires actual, on-site hotel or restaurant management, HVS offers these services as well. Lastly, HVS asset management provides constant operational oversight that ensures the maximization of economic returns and asset value.

No other organization offers such a broad range of complementary services. HVS also has specialists in parking operations and convention centers. Since 1980, HVS International has performed more than 15,000 assignments throughout the world for virtually every major industry participant. Its principals literally "wrote the book" on hospitality consulting, authoring numerous authoritative texts and hundreds of articles. HVS is client driven, entrepreneurial, and dedicated to providing the best advice and services in a timely and cost-efficient manner.

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