

Highlights from the HVS Winter 2018 Equity Yields Report

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Equity Yields Report - Winter 2018			
	2016	2017	2018
<i>Lower-tier Hotels</i>			
Discount Rate	11.8%	12.1%	11.9%
Equity Yield	20.3	20.9	20.2
<i>Mid-scale Hotels</i>			
Discount Rate	11.0%	10.9%	10.9%
Equity Yield	19.7	19.5	18.8
<i>Upper-upscale & Luxury Hotels</i>			
Discount Rate	10.2%	10.5%	10.0%
Equity Yield	17.6	17.7	16.8

Source: HVS

Highlights from the STR U.S. Pipeline

STR U.S. Pipeline Data		
2019 Projected Openings		% Change
Total Number of Rooms	150,169	1.9%
Total Number of Hotels	1,203	
<i>* Upscale and Upper-Midscale Comprises 65% of New Supply</i>		
Top 5 Growth Markets by Rooms		
Market	Rooms U/C	% of Existing
New York, NY	14,045	12.0%
Nashville, TN	4,701	11.0
Denver, CO	4,313	9.0
Dallas, TX	6,633	7.0
Seattle, WA	3,144	7.0

Source: STR, Hotels News Now

Investment Opportunities

HVS Americas re-launched its Brokerage and Advisory division in 2018. HVS Brokerage in the Americas is seeking talented hotel brokers to join our team. Contact [Rod Clough, MAI](#) if you are interested.

View our current listings here:

<https://hvs.com/services/brokerage-and-transaction-advisory/listings>

U.S. Market Forecast

2018 Performance and 2019 Forecast		
2018 Actual (STR)	% Change	
Occupancy	66.2%	0.5%
Average Rate	\$129.83	2.4
RevPAR	\$85.96	2.9
<i>2019 Forecast</i>		
	HVS	STR
Occupancy	65.5 %	66.2%
Average Rate	2.3	2.3

Source: STR/Tourism Economics, HVS

Highlights from Kalibri Labs

2018 National Rooms Revenue Performance & Capture		
	Total Rev.	% YOY Change
Gross Revenues	\$166.1 B	4.1 %
Net Revenues	\$138.0 B	3.8
Year	Rev. Capture *	
2015	84.7 %	
2016	84.4	
2017	83.5	
2018	83.3	
<i>* Revenue collected as a percentage after payment of cost of sales, which includes commissions, transaction fees, channel costs, loyalty costs, and sales and marketing</i>		

Source: Kalibri Labs

Highlights from WSJ Economic Survey

WSJ Economic Survey - February 2019	
Projected Fed-Funds Rate	
June 2019	2.50%
December 2019	2.65
June 2020	2.67
December 2020 *	2.62
<i>*Rate cuts expected as soon as late 2020</i>	
Average Unemployment Rate Forecast	
June 2019	3.70%
December 2019	3.66
June 2020	3.72
December 2020	3.84

Source: WSJ