

Hunter Conference 2024 Takeaways

March 25, 2024 / By Josh Williams , Courtney Vris , Eric Guerrero



The **Atlanta Marriott Marquis** was bustling this week with another successful **Hunter Hotel Investment Conference**. Kudos to the Hunter and Marriott teams for executing an extraordinary event! Some key takeaways from the HVS brokerage and consulting staff members who attended the conference are summarized as follows:

- There is still a material gap on bid/ask in brokered deals, but buyers are nevertheless active and looking increasingly toward deals outside of the top 25 MSAs, which may produce better yields. Fewer listings in general were launched at Hunter than at **ALIS**. Several buyers mentioned that some ALIS listings were owners/brokers trying to "test the market."



- Although **Fed rate cuts** may start by early summer, there was understanding that enough meaningful change to boost the transaction market will not come until the third rate cut towards the end of the year or after the election. Nevertheless, refinancing activity is warming up, as owners are accepting available rates to access loan proceeds and further their investment goals.
- Top lines look good compared to 2019, but bottom lines do not in all cases. Insurance and labor costs have been challenging, making the alignment with a talented management company all the more important. Property tax increases have also been a limiting factor. One owner reported an insurance cost increase of 300%. Insurance cost increases were noted as a particular challenge for Florida deals.
- PIPs that cannot be further delayed should intensify some decisions to sell rather than renovate. Owners who choose to renovate are managing longer project timelines; for example, renovations that used to take six to seven months can now take a year.
- In brand talk, **Marriott** may be developing a new conversion brand, likely their version of **Spark by Hilton**. White label and transition brands are likely to grow in popularity as renovation costs rise. Additionally, **Aloft** and **Sleep Inn** prototypes were relaunched. Development in the economy, extended-stay space remains hot given high flow-through and cheaper construction costs.
- One bright spot is **Airbnb** trends, which are illustrating less of a direct threat to hotels. Primary unit growth is occurring in 3+-bedroom units, rather than those types directly comparable to hotels. Moreover, Airbnb retains only 20% of new guests for a second stay.

We are looking forward to the next industry gathering at the **AAHOA Convention & Trade Show** in Orlando

Summary

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from April 2 through 5. Our full brokerage and advisory team will be present. If you would like to schedule a meeting, let us know at [\[email protected\]](#) or [\[email protected\]](#). See you then!



HVS staff members Jack Mahan, Josh Williams, and Ryan Karawan at the Hunter Conference

About **Josh Williams**



Josh Williams is a Senior Managing Director with the HVS Brokerage & Advisory division and is based in the southeastern United States. With nearly two decades of investment sales experience, Josh has participated in over 260 hotel transactions with an aggregate value of \$2.2 billion. He advises both private equity investors and institutional clients on hotel transactions of all classes and sizes, from independent limited-service hotels to full-service and select-service portfolios. Josh's extensive and long-term industry relationships, together with HVS's extensive market intelligence, help to maximize value for his clients. He is supported by a team of experienced HVS professionals for each transaction, which results in an exceptionally high level of execution quality and closing rate on transactions. Contact Josh at (843) 438-2502 or [\[email protected\]](#).

About **Courtney Vris**



Courtney Vris is the Director and Leader of the HVS Atlanta office. She holds her MSc in International Hospitality Management from L'Institut Paul Bocuse and EMLYON Business School in France, from which she graduated as valedictorian. Furthering her international experience, Courtney conducted market research in France and China to support the repositioning of two global hospitality brands. She was trained in Guest Relations at the Hôtel Plaza Athénée in Paris, and in 2017, she established a Guest Relations program at the Hotel Hugo in New York City. Prior to joining HVS, Courtney held operations management roles in front office, spa & wellness, and general management in the luxury segment. Contact Courtney at +1 (203) 243-0545 or [\[email protected\]](#).

About **Eric Guerrero**



Eric Guerrero is a Senior Managing Director and a Partner at HVS, leading the firm's Brokerage & Advisory division in the United States. With over a decade of investment sales experience, he has participated in hundreds of hotel transactions with an aggregate value of over \$800 million across the nation. Eric has advised both private investors and institutional clients and has managed hotel transactions of all classes and sizes, from independent, \$1-million, limited-service hotels to \$50-million, select-service portfolios across multiple states. Contact Eric at (713) 955-0012 or [\[email protected\]](#).