



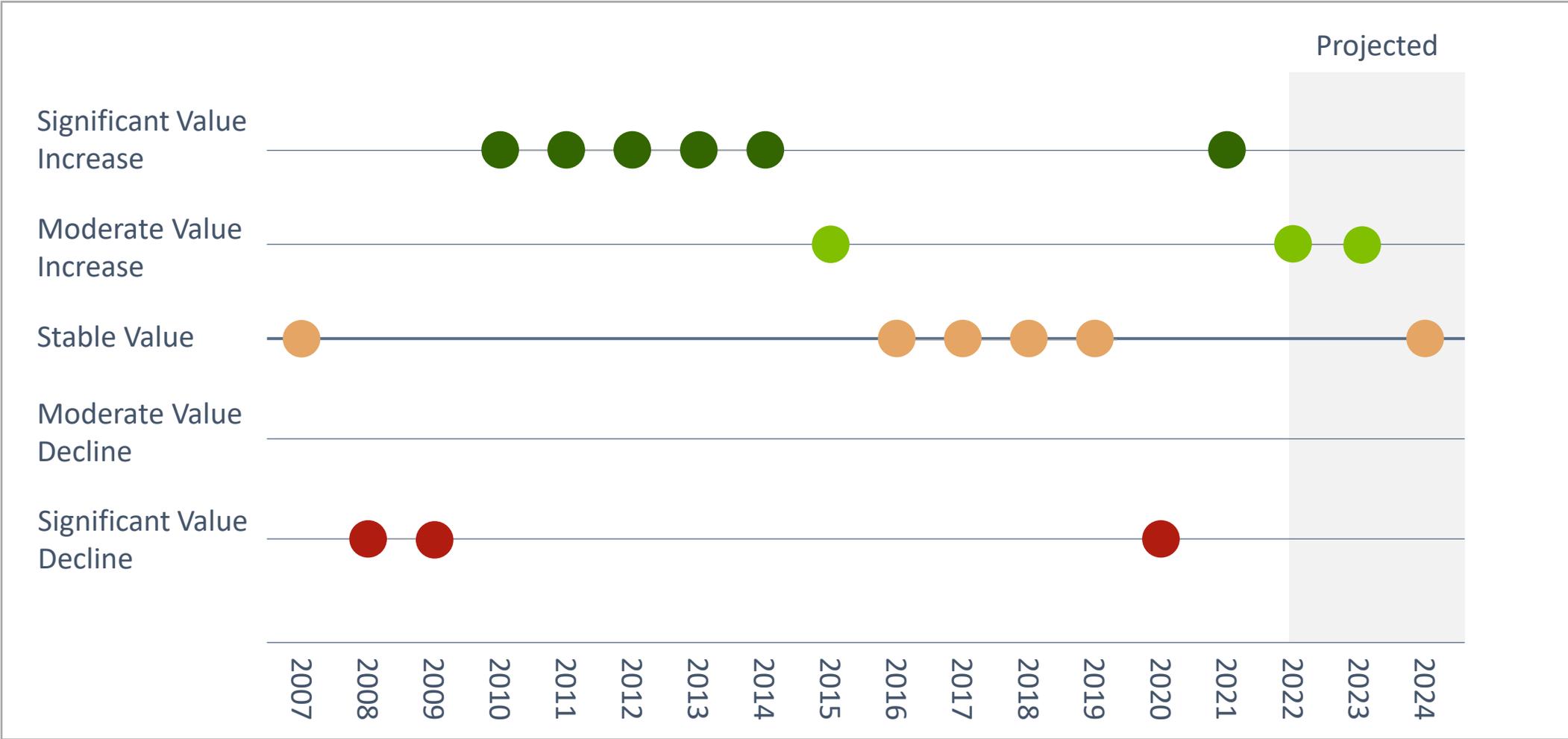
Outlook on Hotel Values

Considerations for Hotel Investments

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June 2022

U.S. Hotel Values Projected to Stabilize in 2024

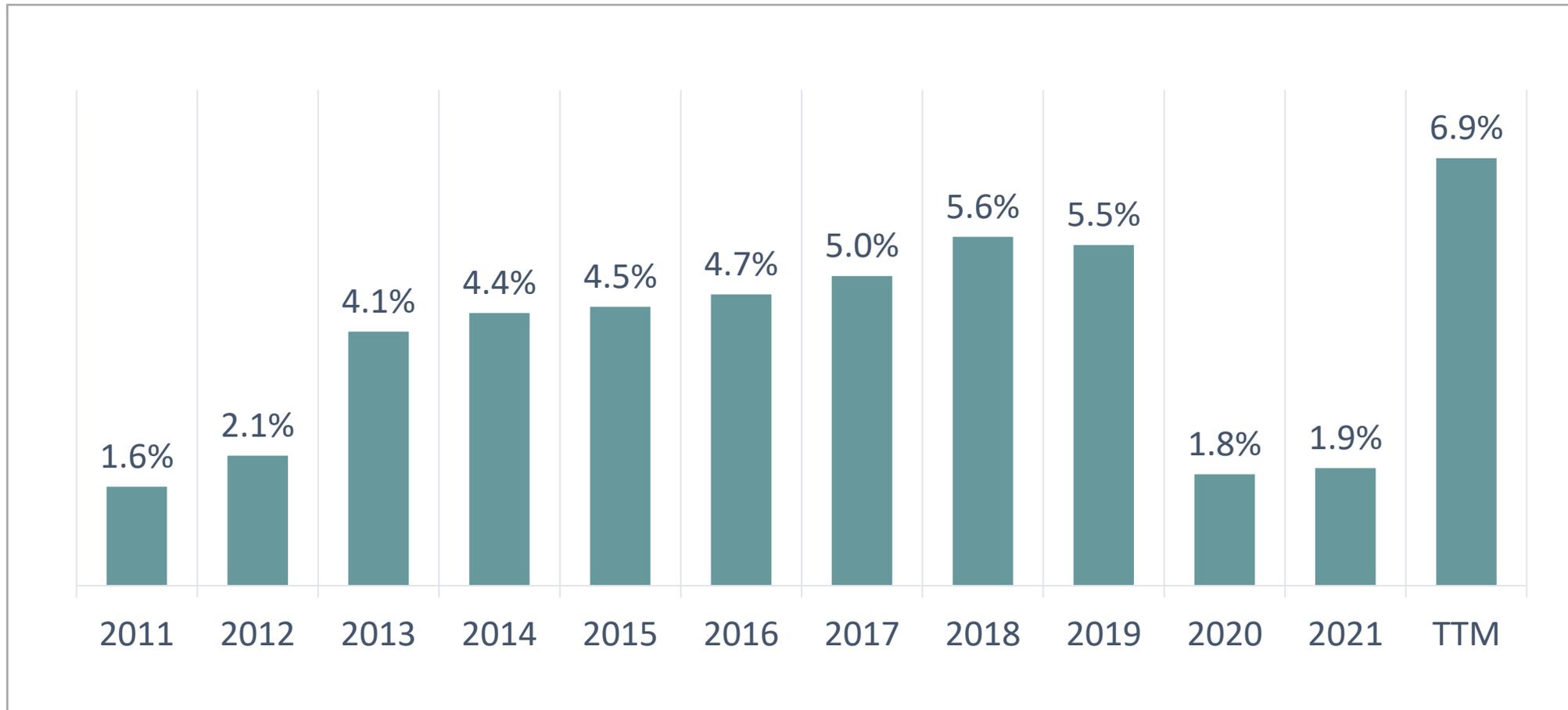


Source: HVS Hotel Valuation Index

New Hotel Supply Constrained by Increasing Construction Costs



Positive Impact on Hotel Values

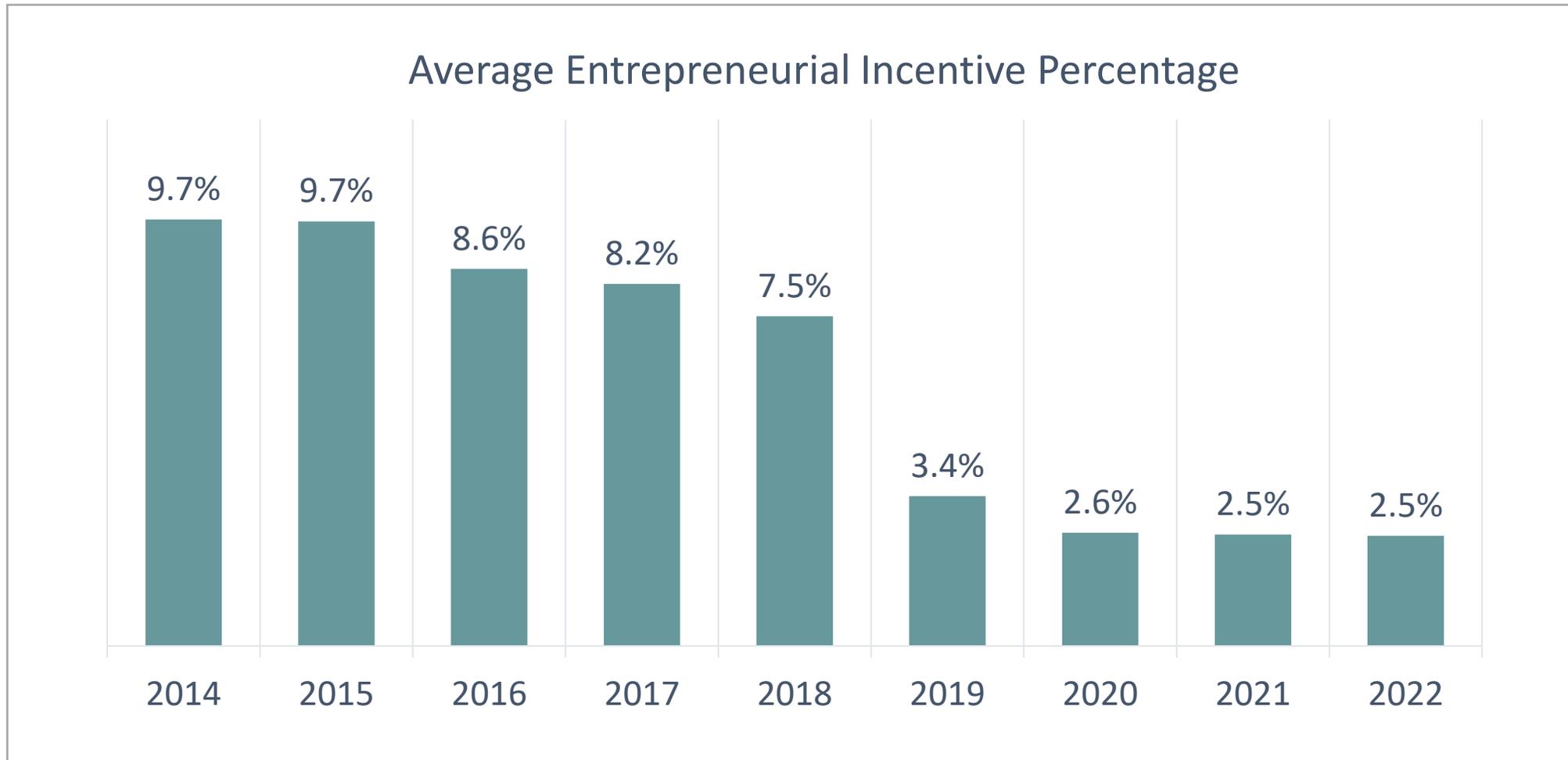


Source: Building Turner Cost Index

Declines in Entrepreneurial Incentive Could Limit Supply

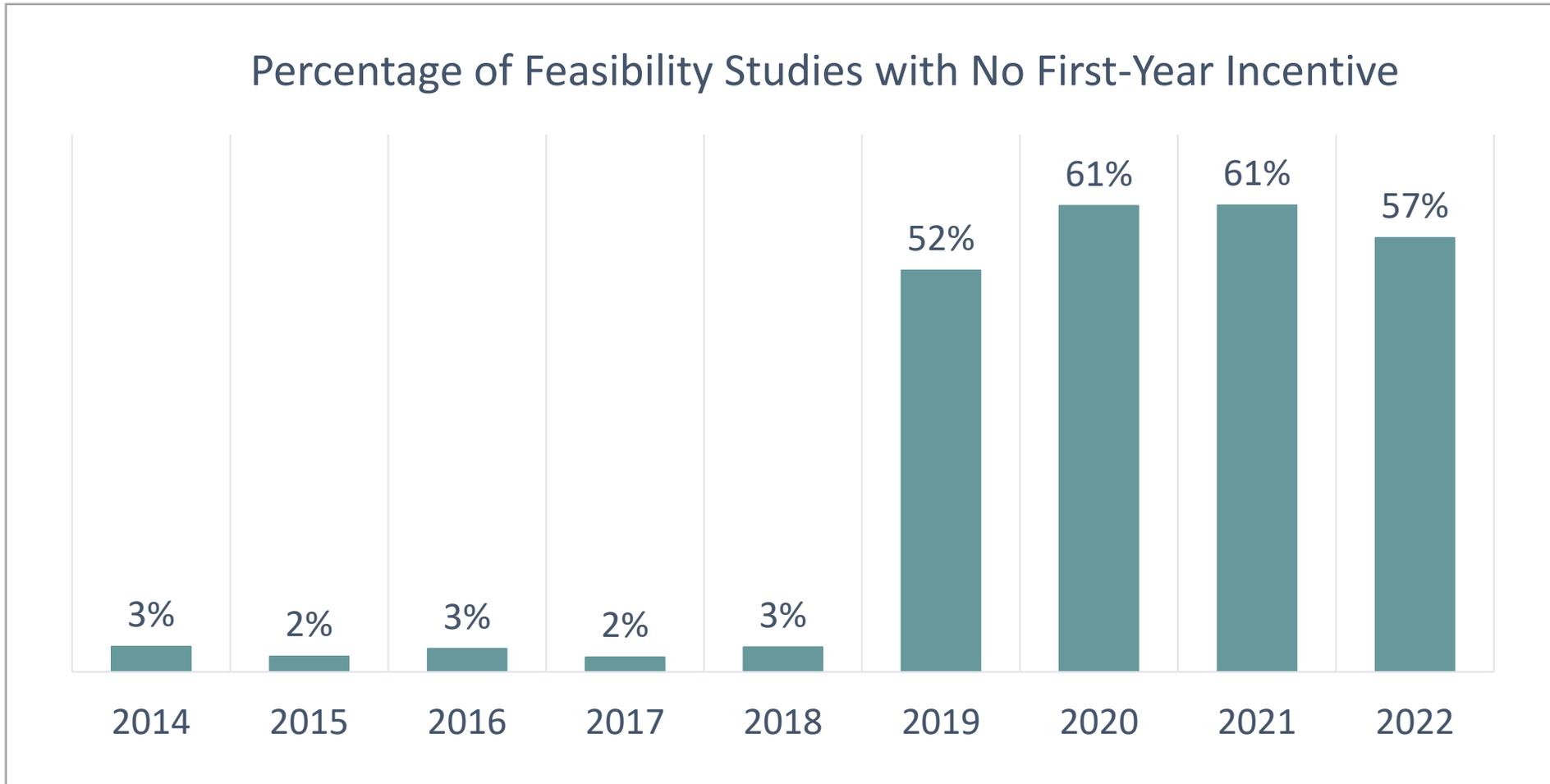


Benefits Future Hotel Values



Source: HVS

Surge in 2019 Projects without First-Year Entrepreneurial Incentive



Source: HVS

Inflation Volatility Linked to Weaker Supply Pipeline



Unpredictable Inflation Could Benefit Hotel Values



Select- and Limited-Service Cap Rates Expected to Increase



Luxury- and Full-Service Hotels Should Remain Stable Because of Delayed Recovery

Spring 2022 Going-in Capitalization Rates		Outlook
Luxury- and Upper-Upscale Hotels	5.9%	Stable
Full-Service Hotels	7.4%	Stable
Select-Service Hotels		
Limited-Service and Economy Hotels		

Source: HVS

Hotel Investment Opportunities: Now and Going Forward



U.S. Continues to
Provide Excellent
Investment
Opportunities



Saudi Arabia
Likely to Be
the Next
Emerging Market

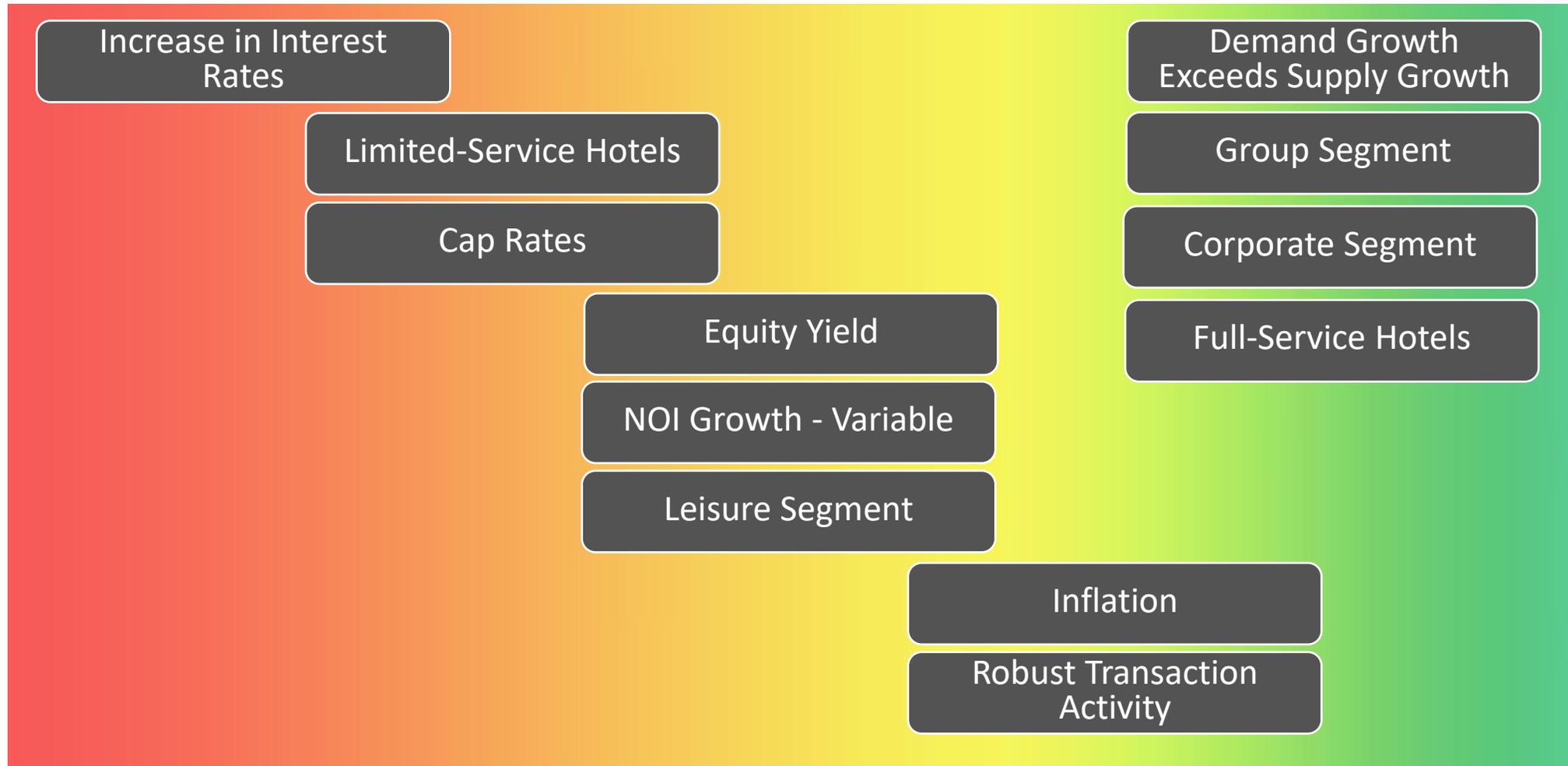
Outlook on Hotel Values are Mostly Positive



Negative Value

Stable Value

Positive Value



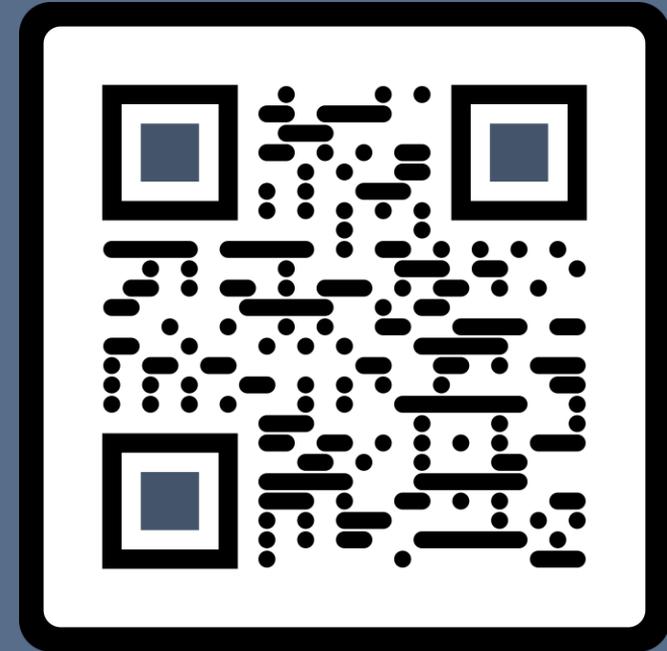


Thank you!

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Presentation