

# OVERVIEW

# COMPANY OVERVIEW

## DISTINGUISHING ATTRIBUTES

- 100% Hotel Specialization
- National Coverage, No Geographical Boundaries
- Real Time Insider Knowledge
- Proprietary Database of 55K Quantified/Qualified Buyers
- 30 Closed Sales (2017—2018 YTD)
- Top Hotel Brokerage Firm Within First 16 Months



## THE TEAM'S 2017/2018 SUCCESS

Sold Deals - 30 Hotels



# SUSTAINED NATIONAL MARKETING CAMPAIGN



**HOTEL BROKERAGE NATIONWIDE**

A team of hotel industry leaders, a leading-edge deal matching technology platform, and an expansive reach with 21 offices coast-to-coast to serve your needs.



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**Hotel Business** THE NEWSPAPER FOR LODGING DECISION MAKERS®

## AH&LA tackles visa reform, immigration

BY NICOLE CARLINO

WASHINGTON, DC—More days after Katherine Lagar took over as president/CEO of the American Hotel & Lodging Association (AHLA), an appointment intended to help the AHLA be the premier voice on Capitol Hill, nearly 300 attendees at the 2013 Legislative Action Summit (LAS) lobbied legislators on behalf of the hospitality industry.

"We've created a powerful coalition," Joe McInerney, former president/CEO, AHLA, reminded attendees in his opening remarks. "Remind them that the lodging industry is critical—hotels create jobs, lots of jobs."

"This year, we're going to focus on two timely and important issues," Marlene Co-hucci, EVP, public policy, AHLA, said.



The North Carolina delegation, led by Vinay Patel, SREE Hotels, LLC (addressing the group), met with Walter B. Jones (R-NC) from the House of Representatives (far left).

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## Lane Hospitality undergoes name change to Spire

**LODGING HOSPITALITY**  
Ideas for Hotel Developers & Operators



Arne Sorenson Might Be Moving Into CEO Role, But Bill Marriott's Personal Touch Will Continue to Be Felt

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21 offices coast-to-coast to serve your needs.



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All SVN offices independently owned and operated.





# Current Assignments

## SELECT ACTIVE ASSIGNMENTS



Hilton Garden Inn, Cleveland, OH

\$17M



Hyatt Place, Columbia, SC

\$13M



Holiday Inn Express Portfolio

\$17M



DoubleTree, Akron, OH

\$8.2M



Baymont Inn & Suites, Jacksonville, NC

\$14M



La Quinta, Morgantown, WV

\$8.5M

# Recently Closed Assignments



## SELECT CLOSED ASSIGNMENTS



**Fairfield Inn & Suites RDU, Raleigh, NC**

Value: \$10.0M  
Seller/Buyer Summit Hospitality/Focus Prop



**Hyatt Place Midtown, Raleigh, NC**

Value: \$13.8M  
Seller/Buyer BPR Properties/Trinity Hospitality



**Fairfield Inn Placentia, Anaheim, CA**

Value: \$15.5M  
Seller/Buyer Amazing Invest/Fine Hospitality



**Residence Inn, Old Town, Alexandria, VA**

Value: \$72.0M  
Seller/Buyer Equis Hospitality/AVR Realty



**Bonneville Hot Springs Resort, N. Bonneville, WA**

Value: \$15.45M  
Seller/Buyer Cams/Foundations Recovery Network



**TownePlace Suites University, Charlotte, NC**

Value: \$7.25M  
Seller/Buyer Summit Hospitality/Uptown Hospitality

# Recently Closed Assignments



## SELECT CLOSED ASSIGNMENTS



**Courtyard by Marriott, Alcoa, TN**

Value: \$9.425M  
 Seller/Buyer: Alcoa Hotels/Diamond Hosp.



**Hampton Inn Eugene, Eugene, OR**

Value: \$7.3M  
 Seller/Buyer: Kornbluth/Miano-Brown



**Days Inn Downtown , Raleigh, NC**

Value: \$6.5M  
 Seller/Buyer: Loden Properties/Arvind Shah



**Holiday Inn Express, Kannapolis, NC**

Value: \$8.6M  
 Seller/Buyer: BPM & Co. / Shailesh G. Patel



**Ascend Hotel , Novato, CA**

Value: \$10M  
 Seller/Buyer: Robert Marhall/Patel Family



**Holiday Inn Express & Suites, Lander, WY**

Value: \$6.4M  
 Seller/Buyer: Lander Hotel Group/Timberline

## Current Hotel Team Experience



With more than a century's worth of hotel experience, our team is well qualified in all aspects of hotel transactions. Below is a sampling of properties the Principals and Advisors at SVN | Hotels<sup>SM</sup> have transacted:

America's Best Value Inn - Pocomoke City, MD  
Barcelona Suites - Albuquerque, NM  
Best Western - Blackwell, OK  
Best Western - Chesapeake, VA  
Best Western - Des Moines, IA  
Best Western - Princeton, NJ  
Best Western - Yemassee, SC  
Best Western - Wilsonville, OR  
Best Western Inn & Suites - Chehalis, WA  
Best Western Plus - Greenville, NC  
Best Western Plus - Las Vegas, NV  
Best Western Plus - Vancouver, WA  
Best Western Plus - York, NE  
Bonneville Hot Springs Resort - Bonneville, WA  
Candlewood Suites - San Antonio, TX  
Clarion Hotel and Conf Center - Columbus, IN  
Clarion Hotel & Suites - Hamden, CT  
Comfort Inn - Orange City, FL  
Comfort Inn & Suites - Oxford, NC  
Comfort Suites - Alpharetta, GA  
Comfort Suites - Cordova, TN  
Courtyard by Marriott - Knoxville, TN  
Cresthill Suites - Albany, NY  
Cresthill Suites - Syracuse, NY  
Cresthill Suites - Wichita, KS  
Days Inn Hotel & Conf Center - Allentown, PA  
Days Inn - Daytona Beach, FL  
Days Inn - Louisburg, NC  
Days Inn - Norfolk, VA  
Days Inn - Sanford, FL  
EconoLodge - Blackwell, OK  
EconoLodge - Columbus, OH  
EconoLodge - Perry, FL  
Executive Days Inn Hotel - Stamford, CT  
Fairfield Inn & Suites RDU - Raleigh, NC  
Fairfield Inn - Anaheim, CA  
Gunflint Lodge & Outfitters - Grand Marais, MN  
Hampton Inn & Suites - Benson, NC  
Hampton Inn - Dallas, TX  
Hampton Inn - Eugene, OR  
Hampton Inn - Henderson, NC  
Hampton Inn - Sydney, OH  
Hampton Inn - Worcester, MA  
Hawthorn Suites - Orlando, FL  
Hilton at Cherry Hill - Cherry Hill, NJ  
Hilton Garden Inn - Charlotte, NC  
Hilton Inn North - Columbus, OH  
Hilton Meadowlands - Secaucus, NJ  
Holiday Inn Express - Coldwater, MI  
Holiday Inn Express - Columbus, OH  
Holiday Inn Express - Myrtle Beach, SC  
Holiday Inn Express - San Antonio  
Holiday Inn Express - Kannapolis, NC  
Holiday Inn Express & Suites - Corona, CA  
Holiday Inn Express & Suites - Lander, WY  
Holiday Inn - Charlotte, NC  
Holiday Inn - San Antonio, TX  
Holiday Inn I-95 - Fayetteville, NC  
Holiday Inn Sunspree - West Yellowstone, MT  
Howard Johnson - Cincinnati, OH  
Hudson Valley Resort - Kerhonkson, NY  
Hyatt Place - Raleigh, NC  
LaQuinta - Alice, TX  
LaQuinta Inn - Corpus Christi, TX  
LaQuinta Inn - San Antonio, TX  
LaQuinta Inn & Suites - Brookland Park, MN  
LaQuinta Inn & Suites - Jourdan, TX  
Lexington Inn & Suites - Billings, MT  
Microtel Inn & Suites - Lillington, NC  
Microtel Inn & Suites - Baton Rouge, LA  
Microtel Inn & Suites - Raleigh, NC  
Motel 6 - Ormond Beach, FL  
Motel 6 - Richmond, KY  
Quality Inn - Winston Salem, NC  
Quality Inn - Springfield, MO  
Quality Inn - Stroudsburg, PA  
Radisson Hotel - Lexington, KY  
Ramada Inn - Columbus, OH  
Ramada Inn - Charlotte, NC  
Residence Inn - Alexandria, VA  
Sheraton Atlanta Airport - Atlanta, GA  
Sheraton Hotel - Chapel Hill, NC  
Sheraton Hotel and Conv Center - Charleston, SC  
Sheraton Hotel and Marina - New Bern, NC  
Shilo Inn & Suites - Newberg, OR  
Shilo Inn & Suites - Washington, WA  
Sleep Inn - London, KY  
Sleep Inn - Willington, CT  
Super 8 - Davenport, FL  
Super 8 - London, KY  
TownePlace Suites - Charlotte, NC  
Travelodge Suites - San Antonio, TX  
Wingate - Austin, TX  
Wyndham - Richmond, VA

# CAPITAL MARKETS OVERVIEW

## INTRODUCTION

Hotel market deal activity fell from a year earlier in August. The decline comes from both lower sales for individual assets as well as portfolio and entity-level transactions. Sale activity is down for the year to date across all segment types and deal structures.

## TRANSACTION VOLUME

Given the slowdown of activity into August, deal volume for Q3'19 overall will be down unless the sector posts a sharp turnaround in September. Individual asset sales in September, for instance, would need to be above \$3b to have deal volume stay constant with the pace set in the third quarter last year. For comparison, individual asset sales in September 2018 came in at \$1.9b.

Volume was challenged this summer in the face of economic uncertainty. With sabers rattling over President Trump's trade war and the 10yr UST approaching record lows, investors were understandably nervous and sat on the sidelines. The decline in the 10yr UST has moderated at it became clear to investors that fears of gloom and doom were overblown.

Hotel deal activity was down in the face of this uncertainty, but the pace was uneven across segments. Volume was down more for the limited service sector: a 40% YOY pace of decline in August. The decline for limited-service activity was sharper than that for the full-service segments for both individual asset sales as well as for portfolio sales.

Activity for the full-service segment fell 18% YOY in August with a sharper decline seen for individual asset sales than for portfolio and entity-level sales. The full service segment posted a slight increase in portfolio sales for August – up 3% YOY. Still, the growth is on a small base of only \$558m of sales activity. For the year to date, the sum of portfolio and entity-level sales for the full-service segments is down 61% from the level set through August 2018.



## Private, Institutional Investors Gain Larger Slices of Shrinking Pie

Private investors were the largest buyers in the hotel market in the first half of 2019. This large share was especially evident in the limited-service segments where 70% of all acquisitions were driven by private capital. These investors gained market share but their acquisitions were 15% lower than a year earlier. While this class of investor pulled back, others pulled back more.

The sharpest decline in market share came from the REITs which are now back in the single digits for market share. Purchases by REITs have focused almost exclusively in the full-service segments so far this year, with limited-service hotels representing only 3% of REIT acquisition activity.

Institutional investors gained market share in the first half of the year, though again, it is a bigger share of a shrinking pie. Acquisitions by this class of investor fell 34% YOY. These investors have been net sellers overall, selling assets priced \$1.2b more than what they acquired in the first half.

	Total Acq (\$m)	YOY Chg	Avg Size (\$m)	Avg \$/unit	Avg Cap
Cross-Border	1,482	-52%	105.8	322	0.0%
Institutional/Fund	3,359	-34%	46.6	235	7.4%
Listed/REIT	1,200	-47%	120.0	609	6.3%
Private	7,831	-15%	10.9	109	9.1%
User/Other	64	-21%	7.2	87	0.0%
<b>Grand Total</b>	<b>14,083</b>	<b>-29%</b>	<b>16.6</b>	<b>146</b>	<b>8.9%</b>

## Buyer Composition



## Banks Dominate Hotel Lending Market in H1'19

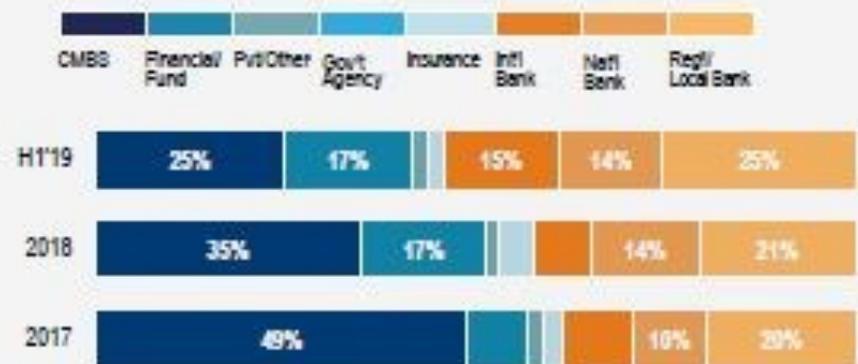
Banks of all scale originated more than half of the hotel loans in H1'19. The growth in market share was a story about the local/regional banks and the international banks expanding, though each were active in different portions of the market.

Local/regional banks captured 69% of the market for loans with a balance under \$10m. International banks were more active for larger loans and originated 16% of all loans over \$50m. Still, even with this large share two other groups surpassed the international banks for the large loan market.

CMBS originators continued to be the largest source of debt capital for loans over \$50m, representing 47% of this slice of the market. The financial/fund lender represented a larger share of this market than the international banks as well, capturing 19% of lending. Larger loans can work well for the financial/fund lenders which, while they have capital, do not have the scale of the operations of smaller lenders to do a large number of deals.

	Avg '19 Loan (\$m)	Avg '19 LTV	Avg '18 LTV	Avg '19 Cap	Avg '18 Cap
CMBS	21.1	64.0%	62.0%	8.8%	8.6%
Int'l Bank	46.2	63.1%	68.1%	7.7%	6.6%
Nat'l Bank	25.3	68.8%	68.8%	8.4%	8.6%
Reg'l/Local Bank	7.2	72.3%	72.7%	9.4%	8.7%
Financial	29.5	71.8%	72.6%	6.3%	7.6%
Insurance	18.8	61.4%	61.5%	-	7.5%
Grand Total	15.2	67.9%	66.7%	8.8%	8.6%

## Composition of Conventional Lenders



# LEADERSHIP TEAM

## Executive Leadership Team



**DON WALSTON**  
**Chairman SVN |Hotels**

As Chairman of the Howard Perry and Walston Companies, Don Walston's extensive experience and background encompasses almost every area of the real estate business, from development and building to sales, management and brokerage. Mr. Walston entered the real estate business in 1966. After a successful sales career, he formed a partnership in 1973 with one of North Carolina's most respected builders, Howard Perry, and what was to become Howard Perry and Walston Realty, Inc. was born. With Don's continuous leadership and involvement, Howard Perry and Walston has grown and expanded into a \$2.5 Billion company.

As Chairman of SVN |Hotels, Mr. Walston demands that the ever changing needs of the hospitality investor seeking a qualified and knowledgeable full-service, hotel brokerage firm are not only met, but exceeded.



**SANJAY MUNDRA**  
**CEO SVN |Hotels**

CEO Sanjay Mundra has been involved in the hospitality business for more than 30 years. As a former owner, developer, operator and broker of numerous, large hotel projects, Mr. Mundra brings with him not only the knowledge and experience an owner or operator requires, but their perspective as well. SVN |Hotels will serve owners, investors, developers, and operators with a full spectrum of integrated hospitality real estate services, all with the strength and infrastructure of the SVN® name squarely behind it.

SVN |Hotels CEO Sanjay Mundra has been a successful commercial real estate entrepreneur since founding First American and the Soleil Group in the early 1990's. Under his leadership, SVN |Hotels will continue to grow and establish itself as a leader in the hotel brokerage industry.



**JEFF ROIKE**  
**SR VP SVN |Hotels**

Senior hotel executive Jeff Roike has teamed up with SVN |Hotels, joining the firm as Senior Vice President. Roike brings with him over 30 years of hotel experience with international hotel chains Marriott International, Hilton Worldwide and Starwood Hotels and Resorts Worldwide. Over his career Roike has acquired a thorough understanding of hotels and the hospitality market with extensive experience involving hotel acquisitions, openings, operations, renovations and disposition. This knowledge and experience affords Roike the unique position of representing, promoting and guiding his clients through the complex process of hotel brokerage in the ever-changing hospitality market.



**TOM HAMM**  
**National Director SVN |Hotels**

As National Director, Tom Hamm brings more than 30 years of commercial real estate experience to SVN |Hotels. His clients have ranged from major financial institutions to individual owner-operators, including Marriott, Hilton, Sheraton, Radisson, Holiday Inn, Days Inn and AmeriSuites, as well as independent hospitality clients. Through his keen knowledge of buyers' needs, Hamm is able to effectively match carefully selected buyers with a specific property. It has been this knowledge and understanding that has created loyal clients. Attesting to his strong client relationships, a large percentage of his transactions have consisted of repeat sales of the same property or multiple transactions with the same buyers and sellers.

## National Advisory Team



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Raleigh, NC



**Corporate Office**  
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**Corporate Office**  
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**Corporate Office**  
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**Corporate Office**  
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**Corporate Office**  
Karen Smith  
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Office Manager



**Southeast Region**  
Natvar Nana  
Orlando, FL



**Southwest Region**  
Altaf Akbari  
Houston, TX

## National Advisory Team



**Midwest Region**  
Jerry Fiume, SIOR, CCIM  
Akron, OH



**Northwest Region**  
Brian Resendez, CCIM  
Portland, OR



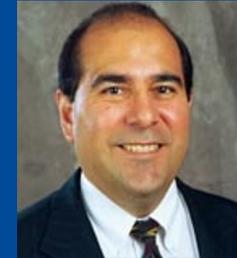
**Southern Region**  
Camm Morton  
Baton Rouge, LA



**Midwest Region**  
Al Stepan  
Chicago, IL



**West Region**  
Manoj Shah  
Los Angeles, CA



**Southwest Region**  
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San Antonio, TX



**Mid Atlantic Region**  
Doug Peterson  
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**Mid Atlantic Region**  
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**Midwest Region**  
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