



**Atlas**  
HOSPITALITY GROUP

# California Hotel Market Overview

Presented by

***Alan X. Reay, President***

***CA BRE: 00959901***

**Atlas Hospitality Group**

**Tel. (949) 622-3400, ext. 409**

**E-mail: [alan@atlashospitality.com](mailto:alan@atlashospitality.com)**

**Web Site: [www.atlashospitality.com](http://www.atlashospitality.com)**

## SHOP HOURS

OPEN MOST DAYS ABOUT 9<sub>OR</sub>10.  
OCCASIONALLY, AS EARLY AS 7, BUT  
SOMEDAYS AS LATE AS 12<sub>OR</sub>1. WE  
**CLOSE** ABOUT 5:30<sub>OR</sub>6. SOMETIMES  
ABOUT 4<sub>OR</sub>5, BUT OCCASIONALLY  
AS LATE AS 7<sub>OR</sub>8. SOMEDAYS OR  
AFTERNOONS WE AREN'T HERE AT  
ALL AND LATELY, IVE BEEN HERE  
JUST ABOUT ALL THE TIME EXCEPT  
WHEN IM SOMEPLACE ELSE.

*Yoko*

not one of them.

---

## COMPLAINTS NOT PERMITTED

### - not at the prices we charge!

The Atlanta is a budget hotel and offers more than other hotels or guest houses in the same price category.

The Atlanta welcomes constructive feedback. If something needs to be put right, please let us know using the forms at reception. There is also a *suggestions box* in the lobby.

Before making a complaint about the general standard of the hotel, we ask you to remember that this is a *budget* hotel in a *developing* country, and English is the staff's *second* language. We also ask you to consider whether the modest cost of your room and amenities at The Atlanta justifies your expectation. If we do not meet your requirements, move to a *luxury* hotel.

A guest who makes a complaint in an unreasonable or intemperate manner, or who causes undue distress or annoyance to our staff or to other guests will be asked to settle his or her account and leave. Causing a disturbance or continuing to remain on the premises after having being told to leave will be treated as a police matter.

---

### Those who object to these policies are invited to go elsewhere.


---



"THE OTHER DAY OUR TOWELS TOLD US  
THAT SOME OF THEM WERE KIDNAPPED  
AND TAKEN TO FAR AWAY PLACES. THAT  
WAS A SAD DAY FOR US...SO WE ADOPTED  
SOME NEW ONES AND EVERYONE IS HAPPY  
AGAIN. NOW YOU WOULDN'T WANT TO  
BREAK UP A NEW FAMILY WOULD YOU?  
THANK -YOU FOR CARING"

**PLEASE**

**DON'T THROW  
YOUR CIGARETTE ENDS  
ON THE FLOOR  
THE COCKROACHES  
ARE GETTING CANCER**



we're sorry  
Instant Spouses not allowed

FOR THE SAFETY OF OUR GUESTS,  
ALL UNREGISTERED VISITORS ARE  
REQUIRED TO REGISTER BEFORE  
BEING ALLOWED ACCESS TO THE  
GUEST ROOMS  
THANK YOU FOR YOUR COOPERATION  
LISPHER INN MANAGEMENT

# 2014 Predictions

- Sales volume to remain steady – around 350 transactions

**390**

- The total dollar volume will be around \$5 billion

**\$4.8 Billion**

- Rev PAR will increase about 7%

**RevPAR up 10.6%**

## 2014 Predictions *(continued)*

- Cap rates will hold steady in the 6-7% range for “A” product, and 8-9% for “B” product  
**6.0% - 7.0% range for “A”**  
**8.0% - 9.5% range for “B”**
- New construction – We will see a big increase in new hotel projects  
**+30% in hotel rooms under construction over 2013**
- Financing – This will remain plentiful at competitive low rates  
**CMBS in the 4.5% - 5.0%**  
**SBA in the 5.5% - 6.0%**  
**Conventional in the 5.5% - 6.0%**



## STR 2014 Rev PAR INCREASES

Dec. 2014

**United States** 8.3%

**California** 10.6%

### **Top 10 CA Markets by RevPar Increases (v. 2013)**

**San Jose/Campbell** 17.0%

**Vallejo/Fairfield/Vacaville** 15.8%

**Oakland** 15.3%

**Ontario/Airport** 12.9%

**San Francisco/San Mateo** 12.6%

**Oxnard/Ventura** 11.9%

**Newport Beach/Dana Point** 11.5%

**Pasadena/Glendale/Burbank** 11.4%

**Santa Barbara/Santa Maria** 11.1%

**Bakersfield** 10.6%

## Top 5 California Markets by Rev PAR

**December 2014 YE**

<b>Santa Monica/Marina del Rey</b>	<b>\$236.50</b>	<b>12.9%</b>
<b>Napa Valley</b>	<b>\$198.09</b>	<b>11.1%</b>
<b>San Francisco/San Mateo</b>	<b>\$177.13</b>	<b>13.7%</b>
<b>Newport Beach/Dana Point</b>	<b>\$149.61</b>	<b>13.9%</b>
<b>Disneyland</b>	<b>\$124.31</b>	<b>7.4%</b>



**California hotels are continuing  
to see record increases  
in revenue and profitability**

# The Result?

**Record prices/valuations**

The background features a large, dark blue diamond shape centered on a black field. A vertical yellow bar is positioned on the left side of the image. The text 'Top U.S. Hotel Sales' is written in yellow, bold, sans-serif font across the center of the blue diamond.

# **Top U.S. Hotel Sales**

# Four Seasons Resort

## Kailua-Kona, HI



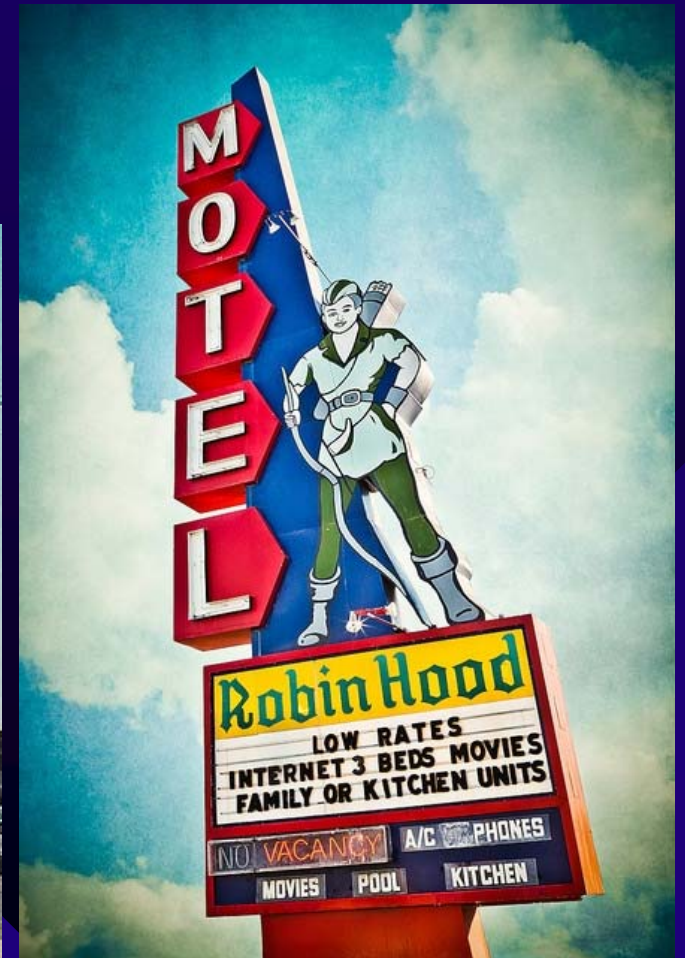
**\$546,000,000 (\$2,200,000/Room)**



# Robin Hood Motel

Anaheim, CA

33 Rooms



# Park Hyatt Hotel

## New York, NY



**\$390,000,000 (\$1,850,000/Room)**



# Motel 6 Bakersfield South

Bakersfield, CA

102 Rooms



# Nomad Hotel

## New York, NY



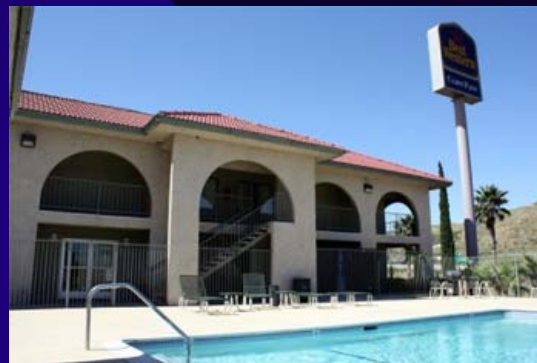
**\$300,000,000 (\$1,850,000/Room)**



# Best Western Cajon Pass

Wrightwood, CA

48 Rooms



# Soho Beach Hotel

Miami, FL



**\$81,500,000 (\$1,630,000/Room)**



# Oakhurst Lodge

Oakhurst, CA

33 Rooms



# Waldorf Astoria

## New York, NY



**\$1,950,000,000 (\$1,400,000/Room)**



# Inn at Calafia Beach

San Clemente, CA

18 Rooms



# RECORD HIGHEST VALUE PER ROOM... EVER!



**\$2,500,000/Room)**

## **AREAS OF CONCERN**

- 1. Age of hotel product**
- 2. Franchise**
- 3. Management Agreements**
- 4. Minimum Wage**
- 5. Unions**

# 2015 Predictions

- **Total number of California hotel sales to remain high at 380 - 400**
- **Median price per room to increase 7% - 10%**
- **New construction to outpace 2013 and 2014**
- **Jump in number of hotels losing their brand**
- **Interest rates to move up, forecasting 5.5% - 6.0% for CMBS and 6.0% to 6.5% on SBA**



# Best Apps and Web Sites for Travelers

- CarRentals.com
- Free Wi-Fi Finder
- Gas Buddy
- Hotwire Hotels
- On the Fly



OnTheFly



***Any Questions....***

***Alan X. Reay***

***President / CA BRE: 00959901***

**Atlas Hospitality Group**

**Tel. (949) 622-3400, ext. 409 Fax (949) 622-3410**

**E-mail: [alan@atlashospitality.com](mailto:alan@atlashospitality.com)**

**Web Site: [www.atlashospitality.com](http://www.atlashospitality.com)**