



## LIIC TOP TEN

# Mike Cahill

## HREC Investment Advisors





# Special Presentations

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# Mike Cahill

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# Special Presentations



## LIIC TOP TEN

**Mike Cahill**

Lodging Industry  
Investment Council







## Hotel Guestroom Demand?

An interesting juxtaposition:

- Only **32%** are cautiously optimistic that corporate travel will grow over the next 12 months.
- **51%** anticipate group RevPAR will be the strongest growth segment.



**WINDS OF CHANGE**





## Impact of Significant Trump Tariffs?

- **85%** believe the negative impact on existing hotel investments will be moderate or substantial.
- **89%** anticipate significant tariffs will decrease new hotel development.



**WINDS OF CHANGE**







## Where NOT to Buy a Hotel:

1. Los Angeles, CA (35%)
2. Chicago, IL (31%)
3. Minneapolis, MN (26%)
3. St. Louis, MO (26%)





## Where to Buy a Hotel:

1. Boston, MA (28%)
2. New York, NY (26%)
3. Tampa, FL (25%)
4. Dallas, TX (22%)







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## Hotel Buyers Struggling to Find Product?

### Quantity

43% believe the quantity available for purchase is **better than 2024**.

### Quality (Desirability to Purchase)

32% believe the quality of product available is **better than 2024**.

***Bonus!** In the 2024 survey, 33% believed the quality was better than 2023.*

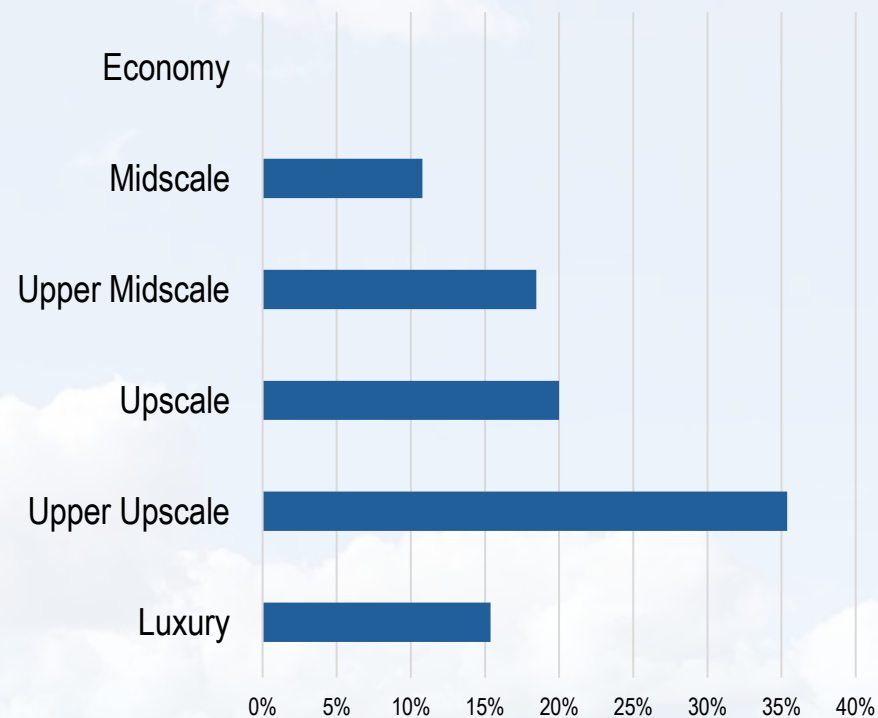






## What Do Lodging Investors Want?

- For **35%** of respondents, Upper Upscale is the preferred target scale.
- Upscale (**20%**) ranked next, followed by Upper Midscale (**18%**).







## Investors Still Want to Purchase Hotels

88% of investors plan to purchase hotels over the next 24 months.

77% plan to buy one to four lodging assets.

43% of respondents will not pay a package premium for five or more assets, and 31% expect a purchase price discount.







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## Hotel Debt Situation Improving

- **35%** of respondents anticipate an improvement in hotel mortgage financing availability over the next 12 months.
- **50%** plan on refinancing existing debt.

### Anticipated Top Lender Categories by Total Loan Volume

#1	#2	#3	#4
Debt Funds	CMBS	Regional Banks	Local Banks





## Hotel Cap Rates and Transactions Market?

**Cap Rates:** 63% expect to increase relative to '24.

**Total # Sold:** 51% expect to increase relative to '24.

**Total \$ Volume:** 51% expect to increase relative to '24.

***Bonus!** 75% expected the total dollar volume to increase last year.*







## **Greatest Four Threats to Your Hotel Investment**

- 1. Interest Rate Costs for Acquisition Debt**
- 2. Availability of Suitable Acquisition Assets in Your Targeted IRR Range**
- 3. Change-of-Ownership PIP Mandates from Brands**
- 4. Tariff-Driven Construction Costs**







## **Hotel Property Investment:**

Cautiously optimistic, business as usual; yet clouded by uncertainty of eventual impact of Trump Administration.

- Investor demand remains strong
- Lending widely accessible from multiple sources
- Modest rise in cap rates, plus higher transaction volume
- Tariffs impacting development and existing assets



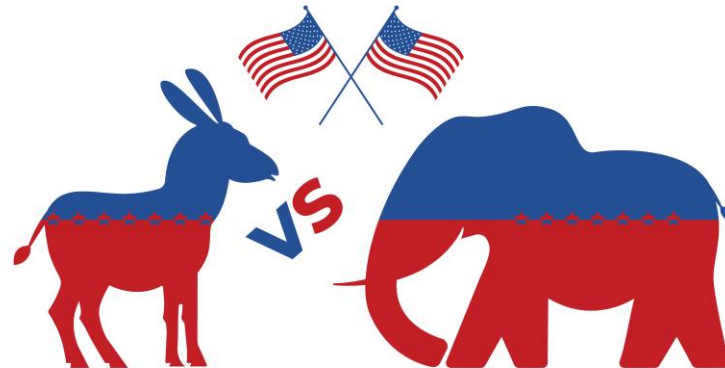


## LIIC Bonus Questions

### The Trump Impact

**66%** of LIIC predict the current actions of the Trump Administration will make hotel investments less profitable.

**18%** believe Trump will make hotels more profitable.





## LIIC Bonus Questions Continued

### SNL – Saturday Night Live

#### Not Watching!

- ✗ 66% do not watch regularly
- ✓ 32% do watch regularly

**SATURDAY** **LIVE**  
**NIGHT**

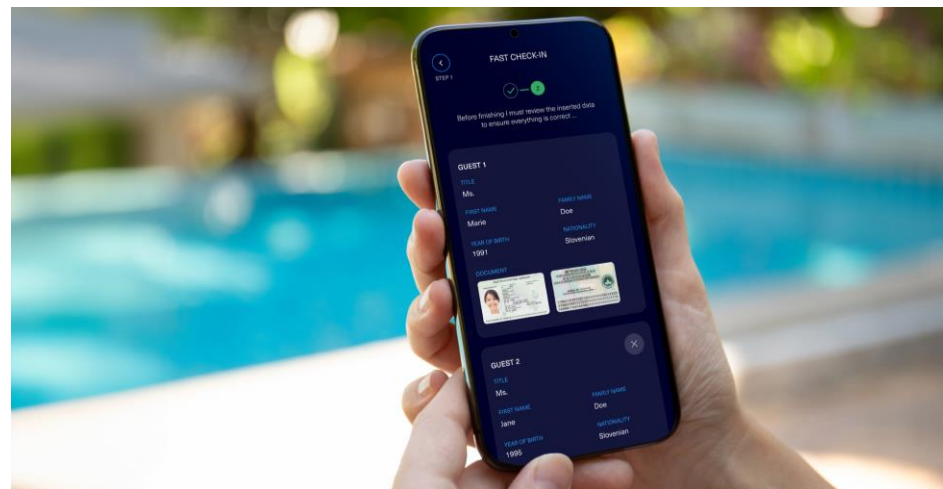




## LIIC Bonus Questions Continued

### Digital Check-In

54% of LIIC have embraced mobile check-in and digital keys.





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For a copy of this survey presentation,  
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For more information on LIIC,  
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