



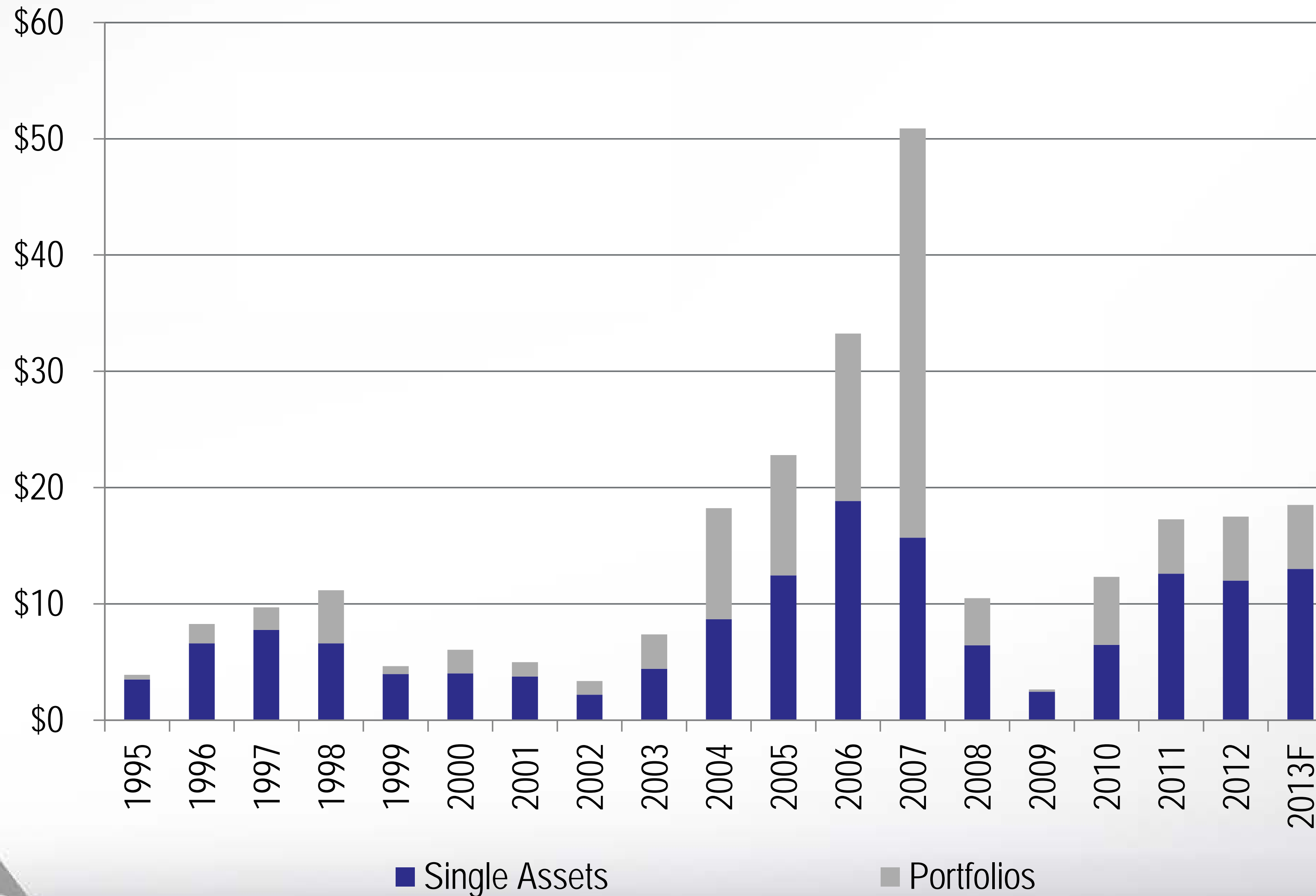
Transaction Volume, Hotel Values and Outlook  
Opening Plenary Session – The Numbers

**Arthur Adler**  
Managing Director & CEO – Americas  
Jones Lang LaSalle  
Hotels & Hospitality Group

January 22, 2013

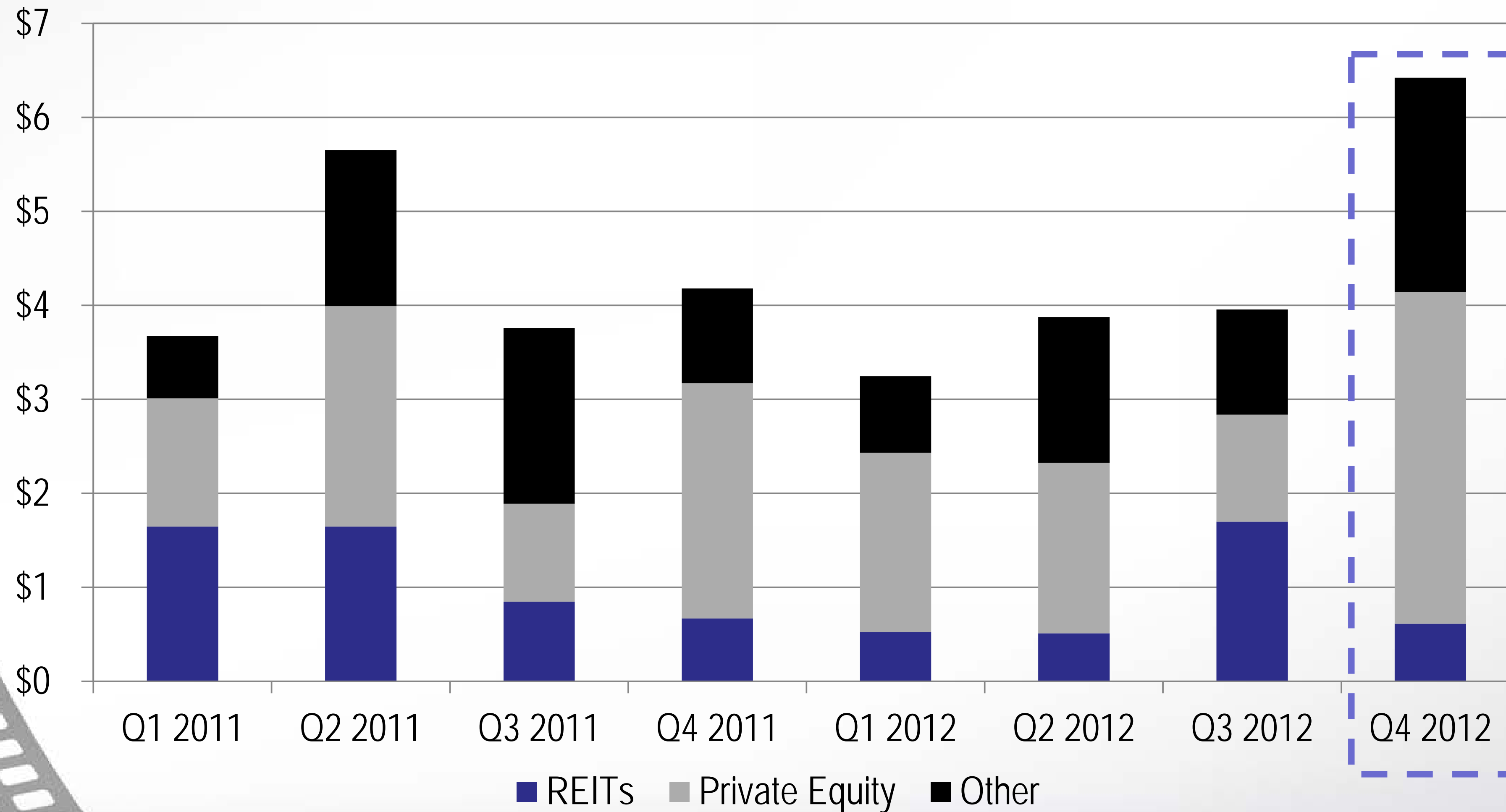
# Americas Hotel Transaction Volume: Four-Year High in 2012

Americas Hotel Transaction Volume (\$Billions)



# Transaction Volume Shows Significant Strength in Q4 2012

## Americas Quarterly Hotel Transaction Volume by Buyers (\$Billions)

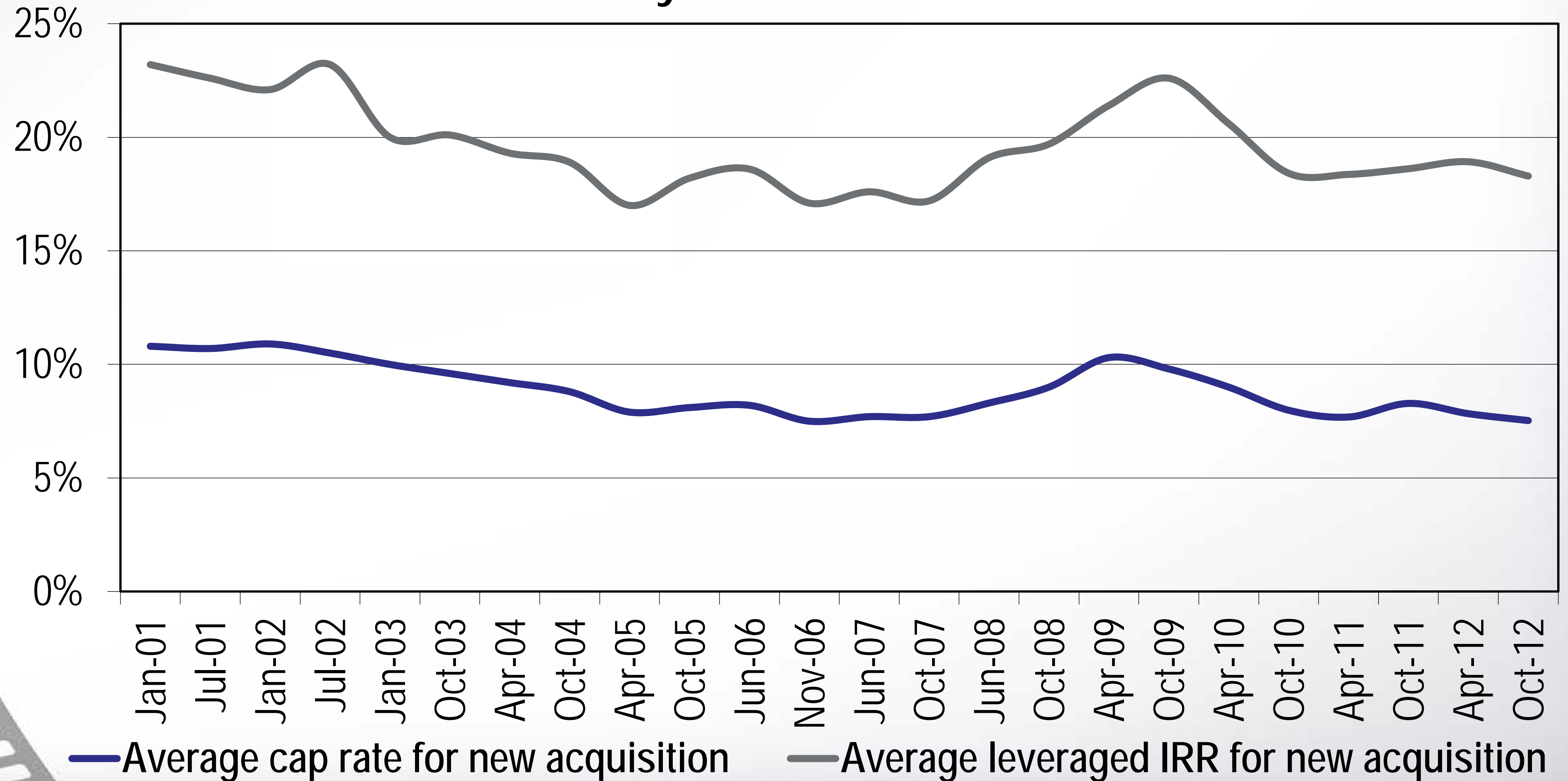


Highest quarterly volume since late 2007

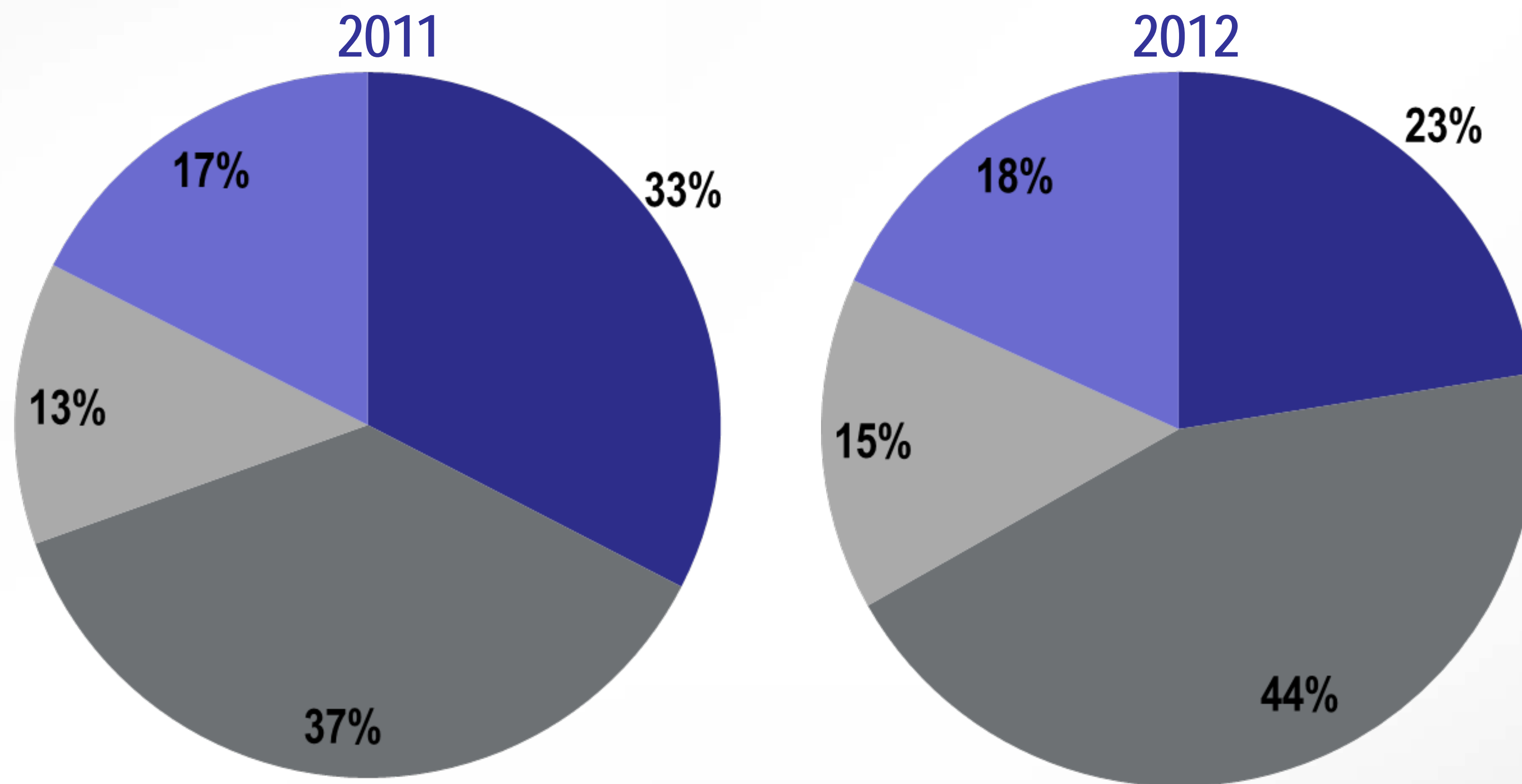


# IRRs and Cap Rates to Compress Further in 2013

## U.S. Surveyed Hotel Investment Yields



# REITs and Private Equity Comprise Nearly 70% of Acquisition Activity

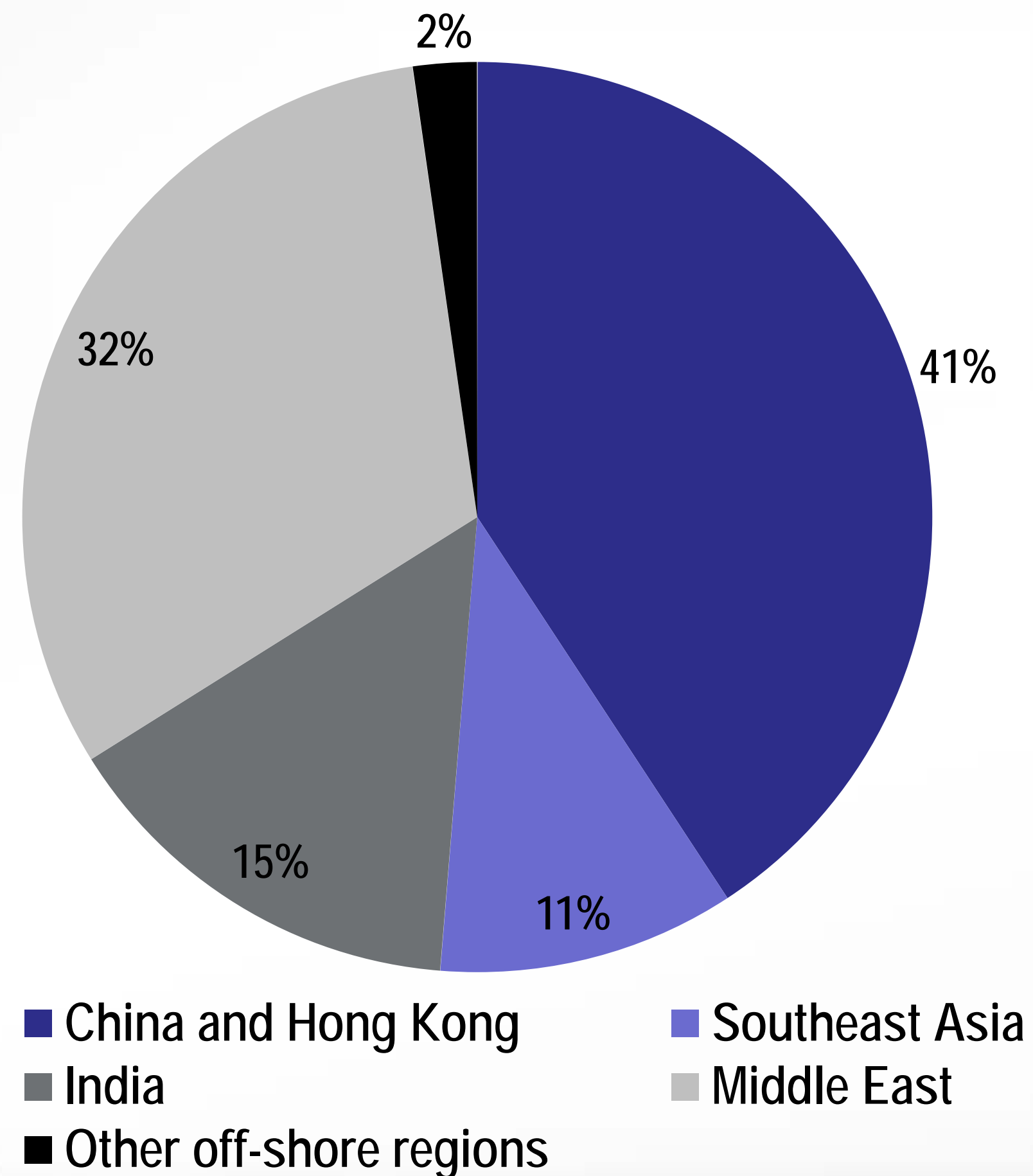


- REIT
- Investment Fund/Private Equity
- Hotel Owner/Operator
- Other



# Off-Shore Investment into U.S. Dominated by China & Middle East

Off-Shore Investment into U.S. since 2010



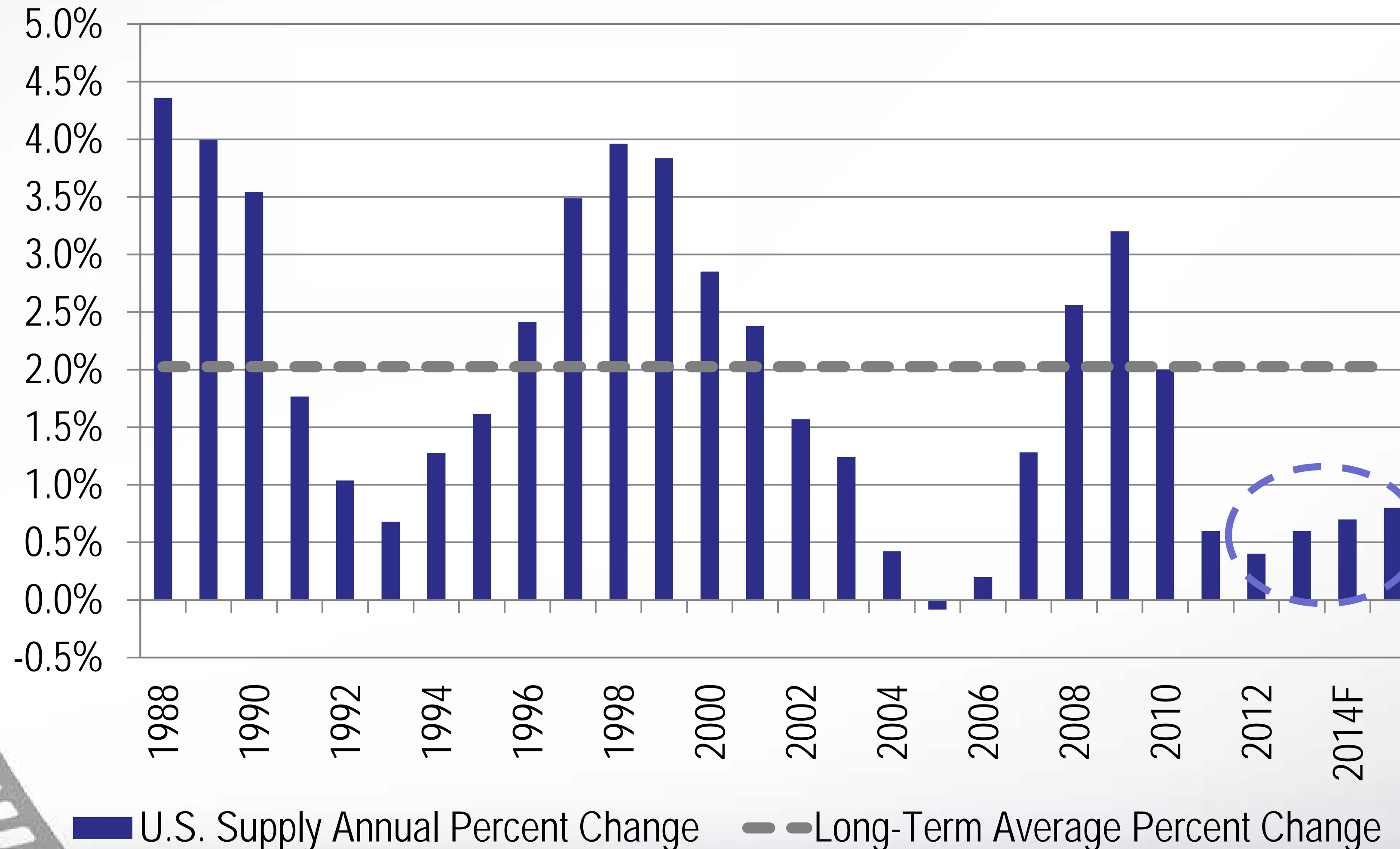
## Investment Targets:

- Coastal gateway markets
- Urban locations and resorts
- Institutional quality assets, often unbranded
- Single assets



# New Supply at Historically Low Levels


## Supply Annual Percent Change



Underpinning performance of existing hotels



# Lodging Sector Will Continue To Attract Significant Investment

-  Steady economic growth & muted supply leading to multi-year RevPAR increases
-  Rapidly rising arrivals from emerging markets
-  Favorable demographic trends
-  Hotel investment serves as inflation hedge
-  Diversification/safe haven for off-shore investors

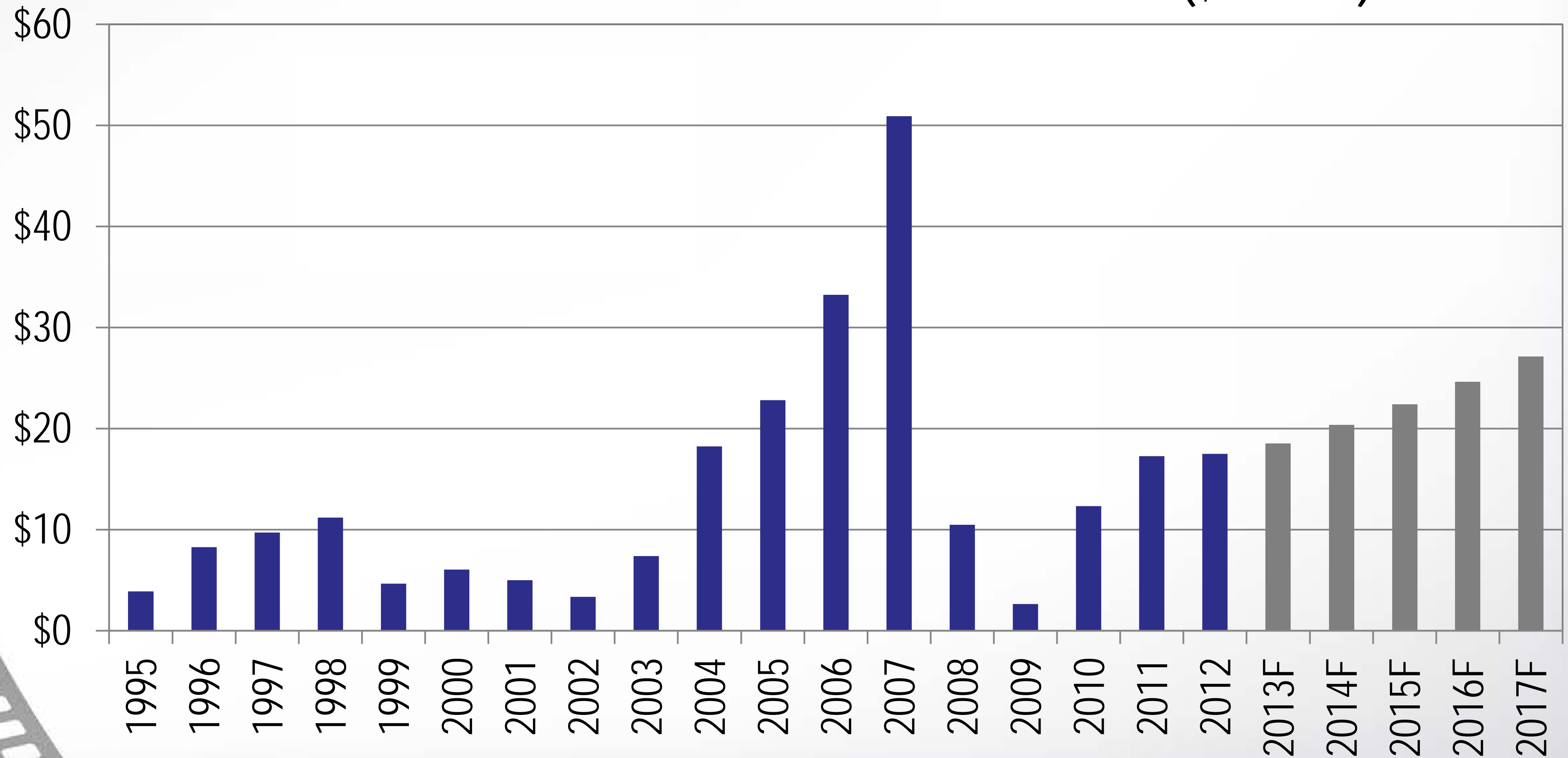
The results of these positive industry drivers are capital appreciation and investment returns often exceeding those of other real estate classes





# Americas Hotel Transaction Volume to Total up to \$25B per Year

## Americas Hotel Transactions: Five-Year Outlook (\$Billions)





Thank You

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