

HUNTER

HOTEL INVESTMENT
CONFERENCE

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CONFERENCE

ISHC '18
CapEX

Overview



Partnered with



+



2013-2017 Capital Spending + R&M



JN+A / HVS Design Hotel Cost Guide



Article/Perspectives

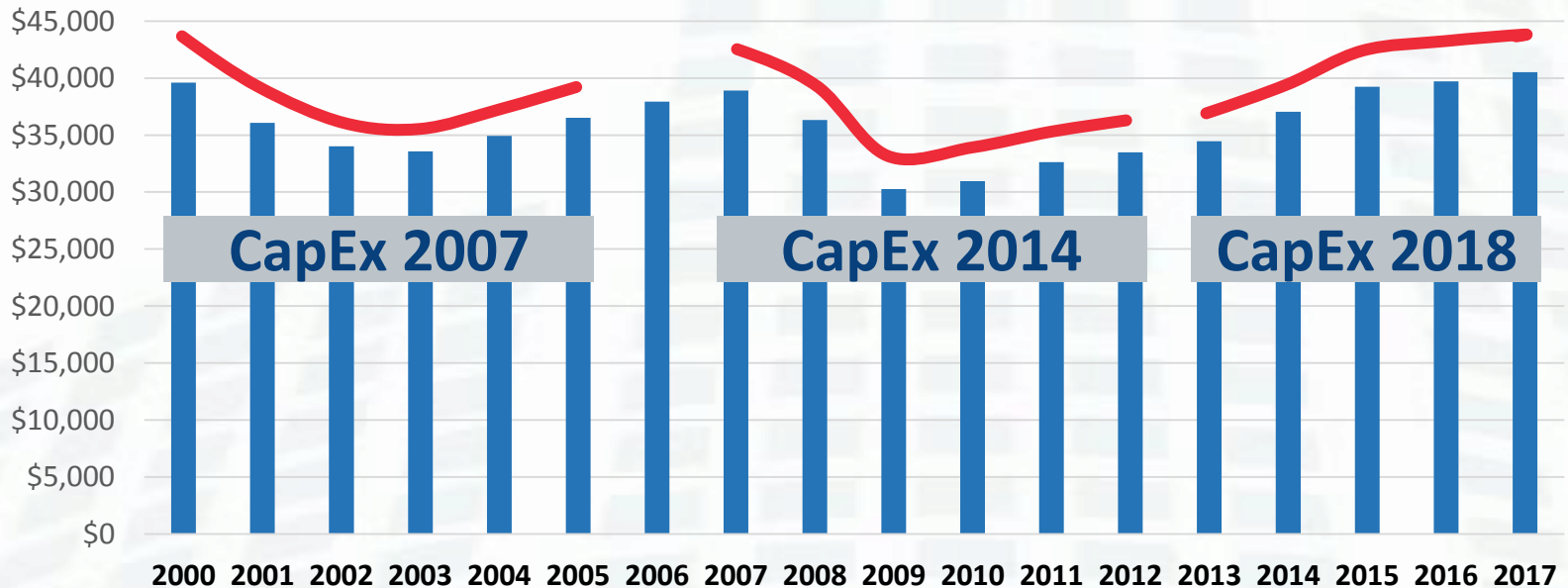


Over 900 hotels located in 139 U.S. markets

Study Comparison

Hotel Industry Revenue

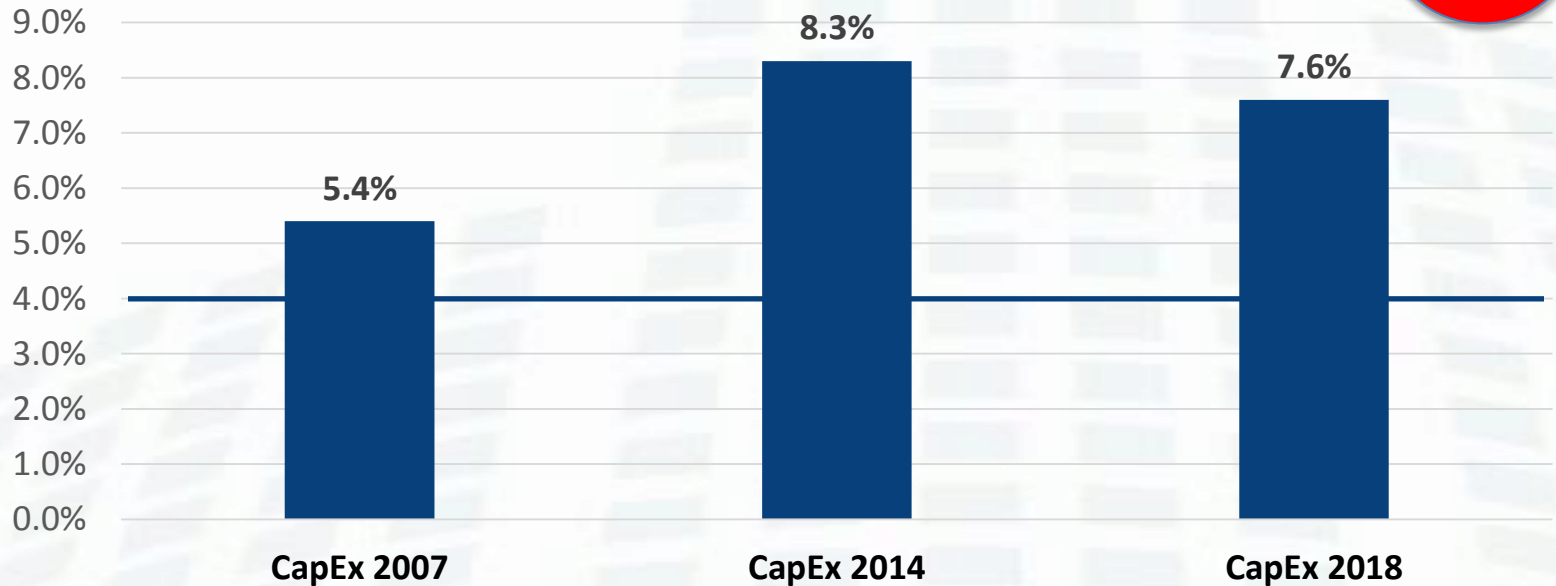
PER AVAILABLE ROOM



CapEx 2018:
Not a *Tale of Two Cities* ... but a *Tale of Two
Statistics!*

Study Comparison

Capital Spending
% OF TOTAL REVENUE



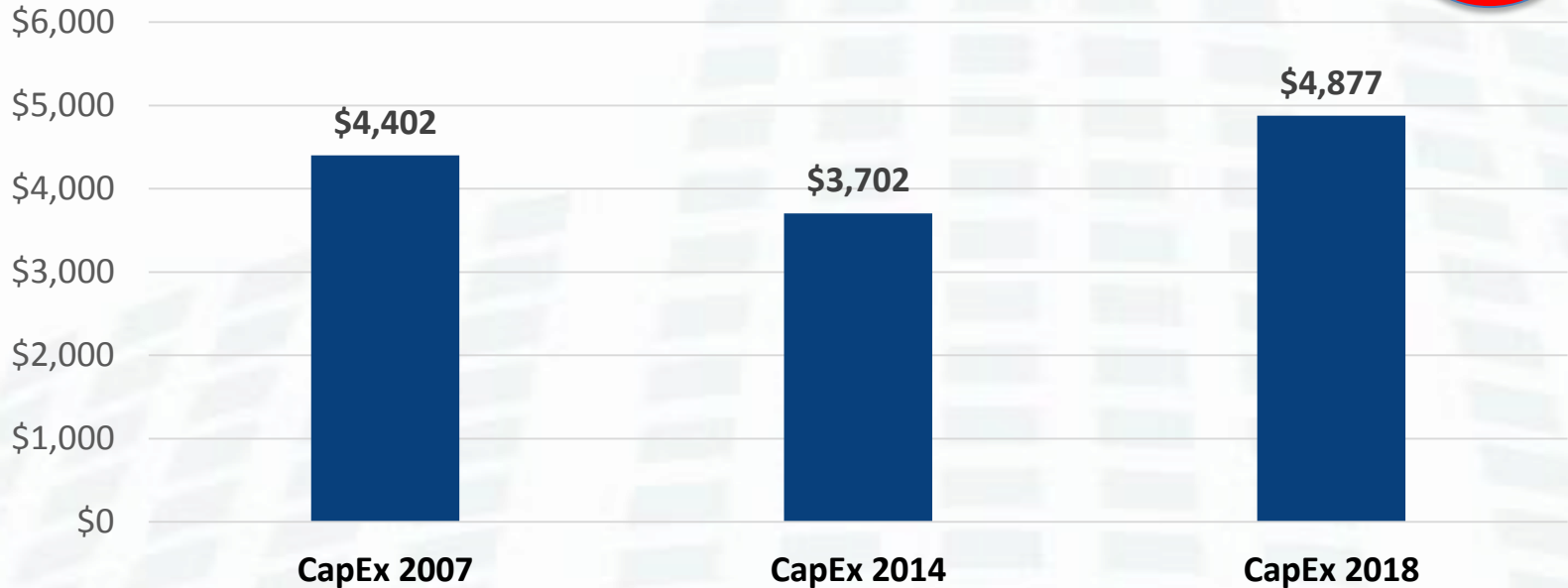
Study Comparison

Capital Spending

PER AVAILABLE ROOM

ISHC
CapEx
^{'18}

32% ↑

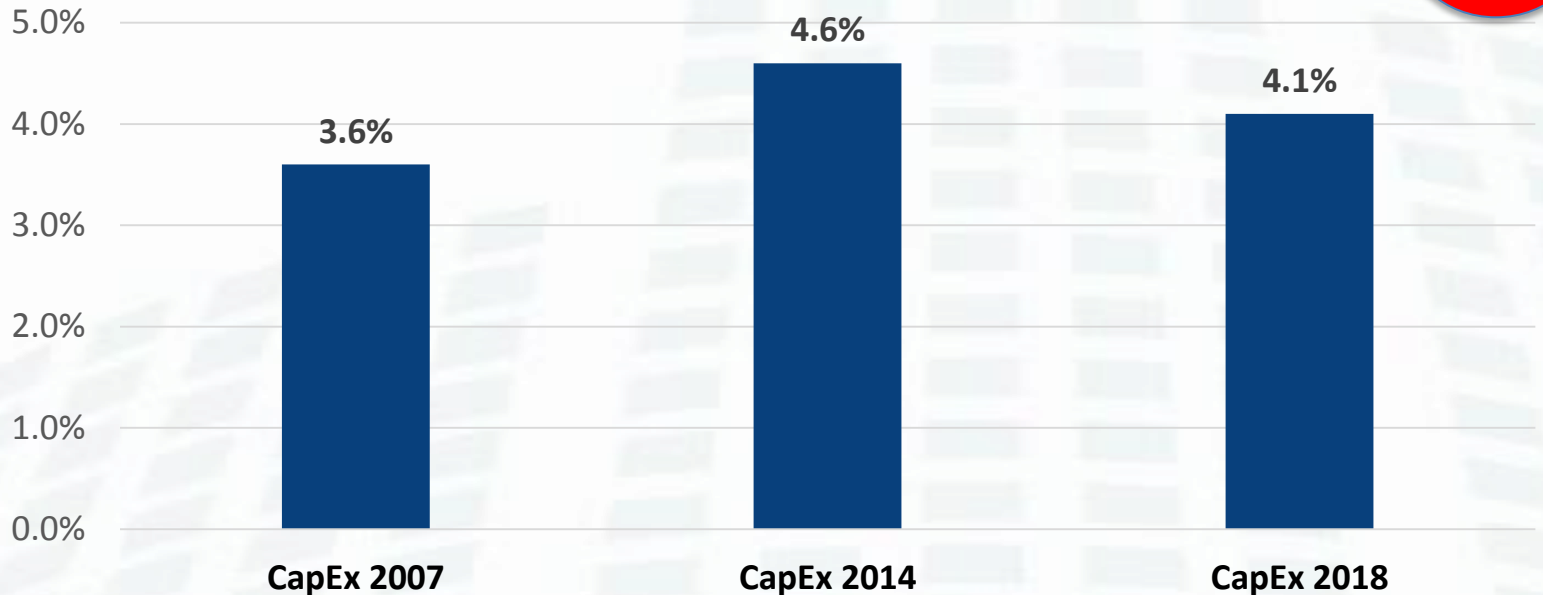


Study Comparison

Repairs & Maintenance

% OF TOTAL REVENUE

ISHC '18
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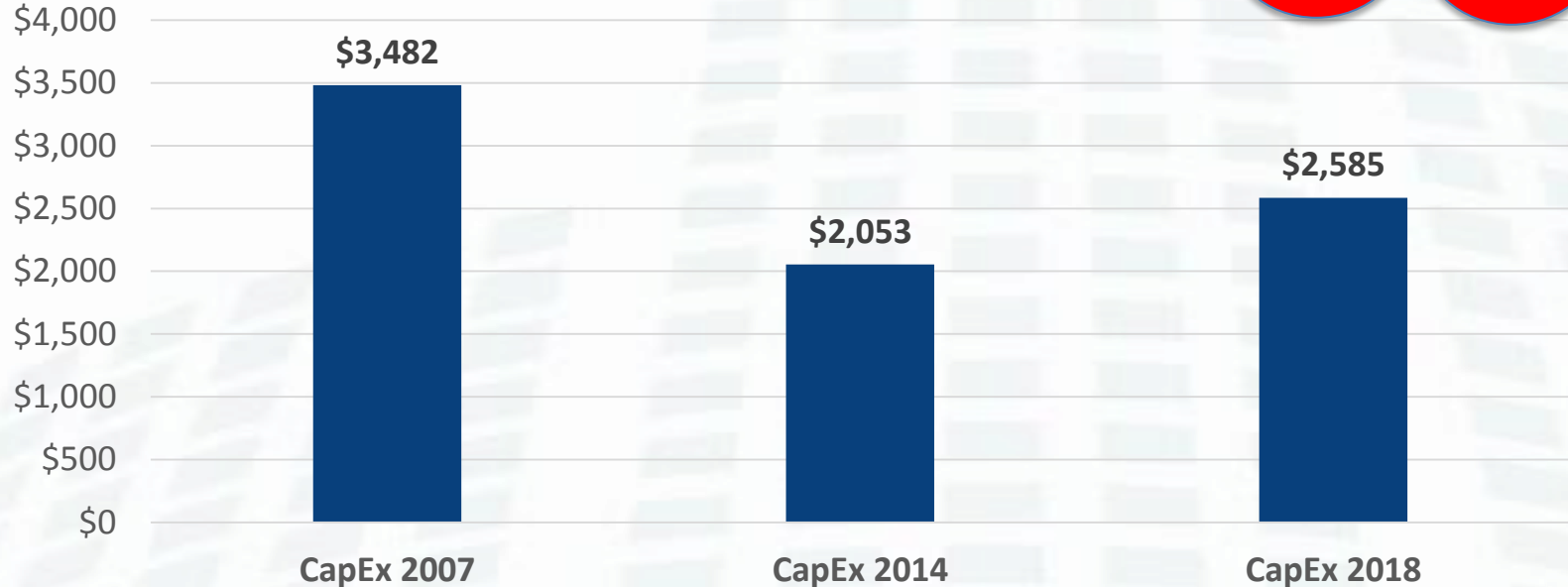
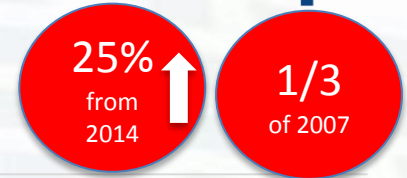


Study Comparison

Repairs & Maintenance

PER AVAILABLE ROOM

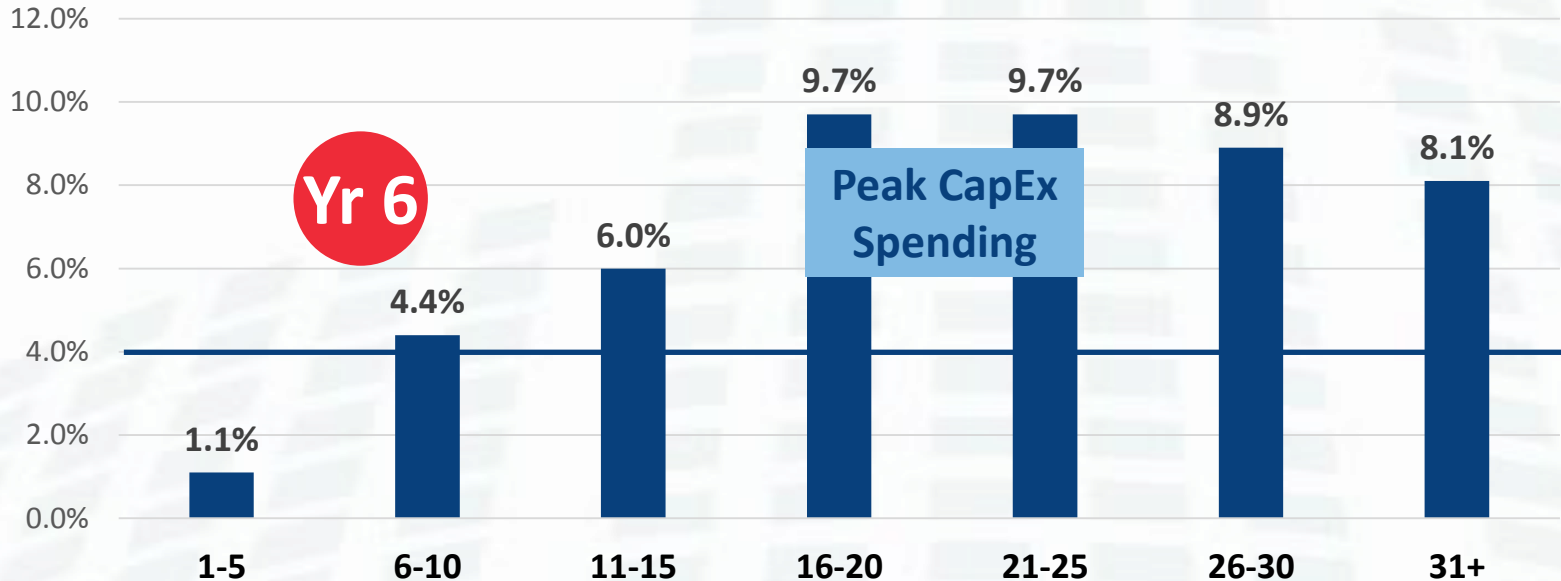
ISHC
CapEx '18



Capital Spending

By Age

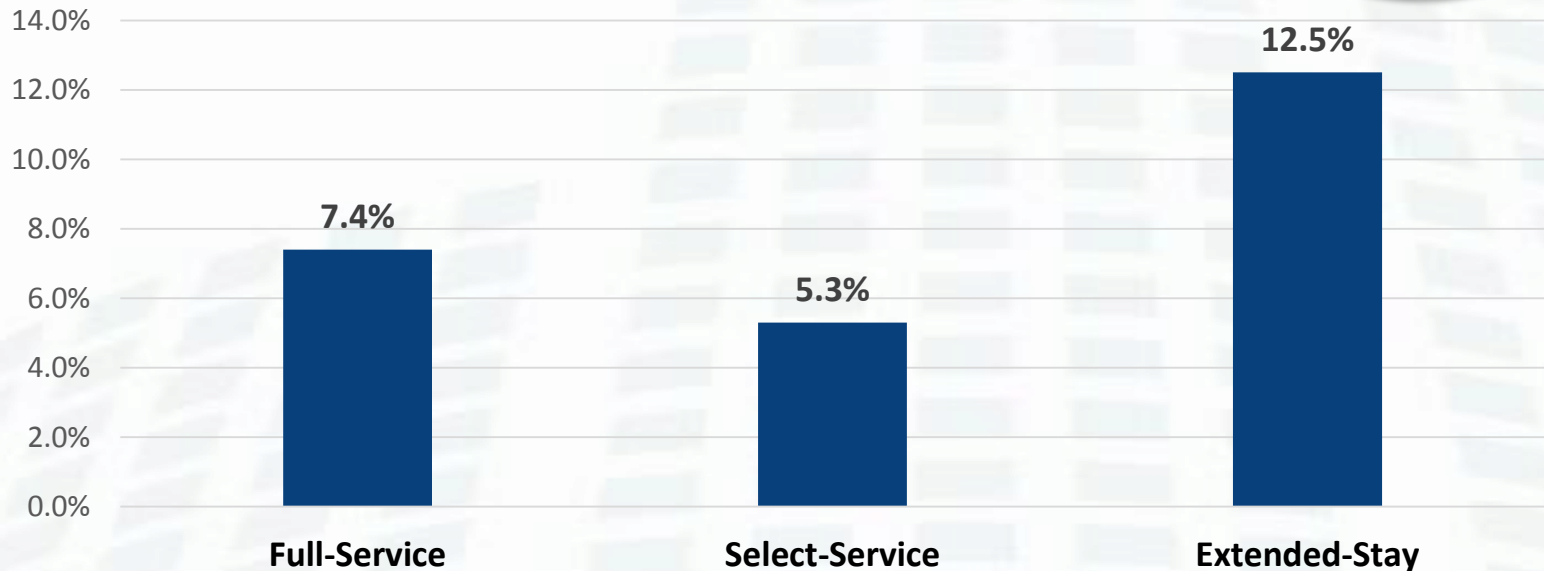
% OF TOTAL REVENUE



Capital Spending

By Property Type

% OF TOTAL REVENUE

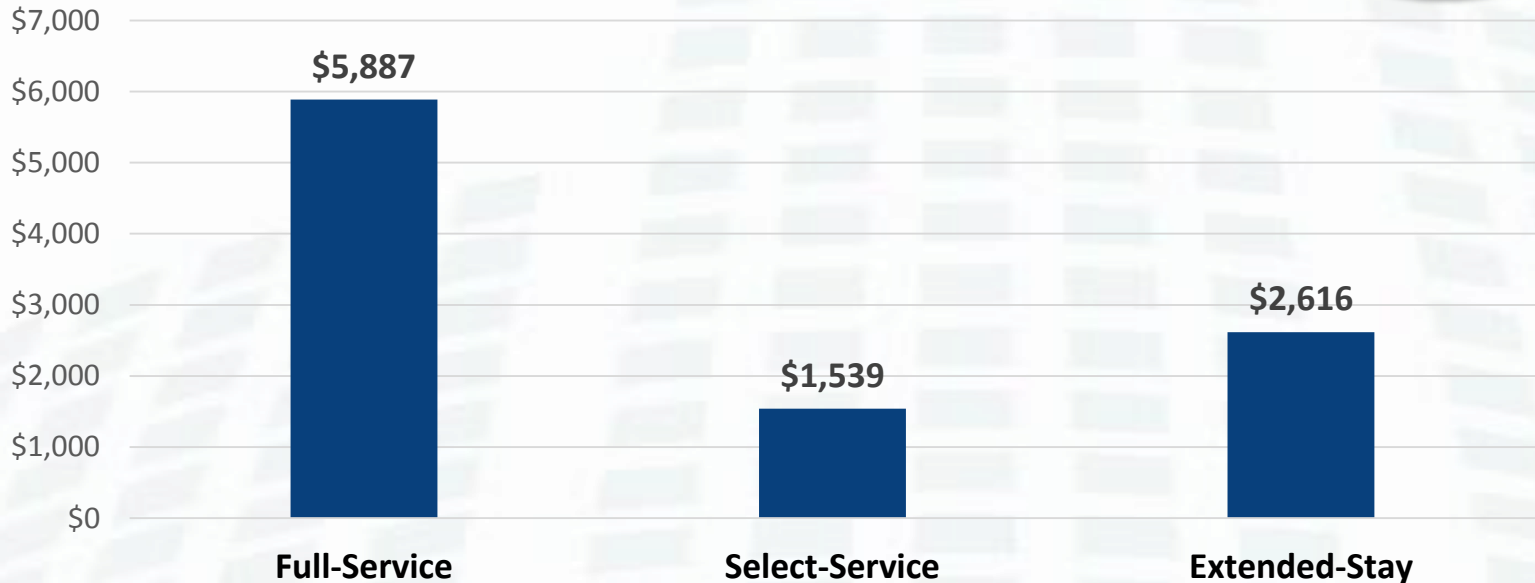


Capital Spending

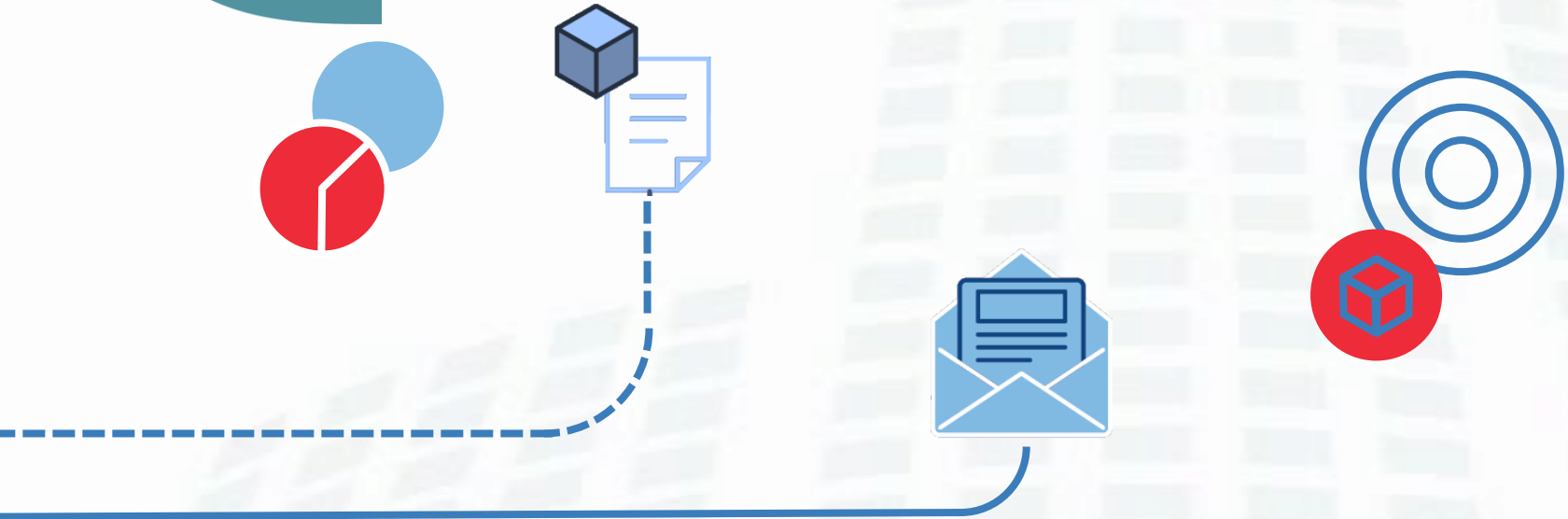
By Property Type

PER AVAILABLE ROOM

↑ Full-Service
2X
Extended-Stay

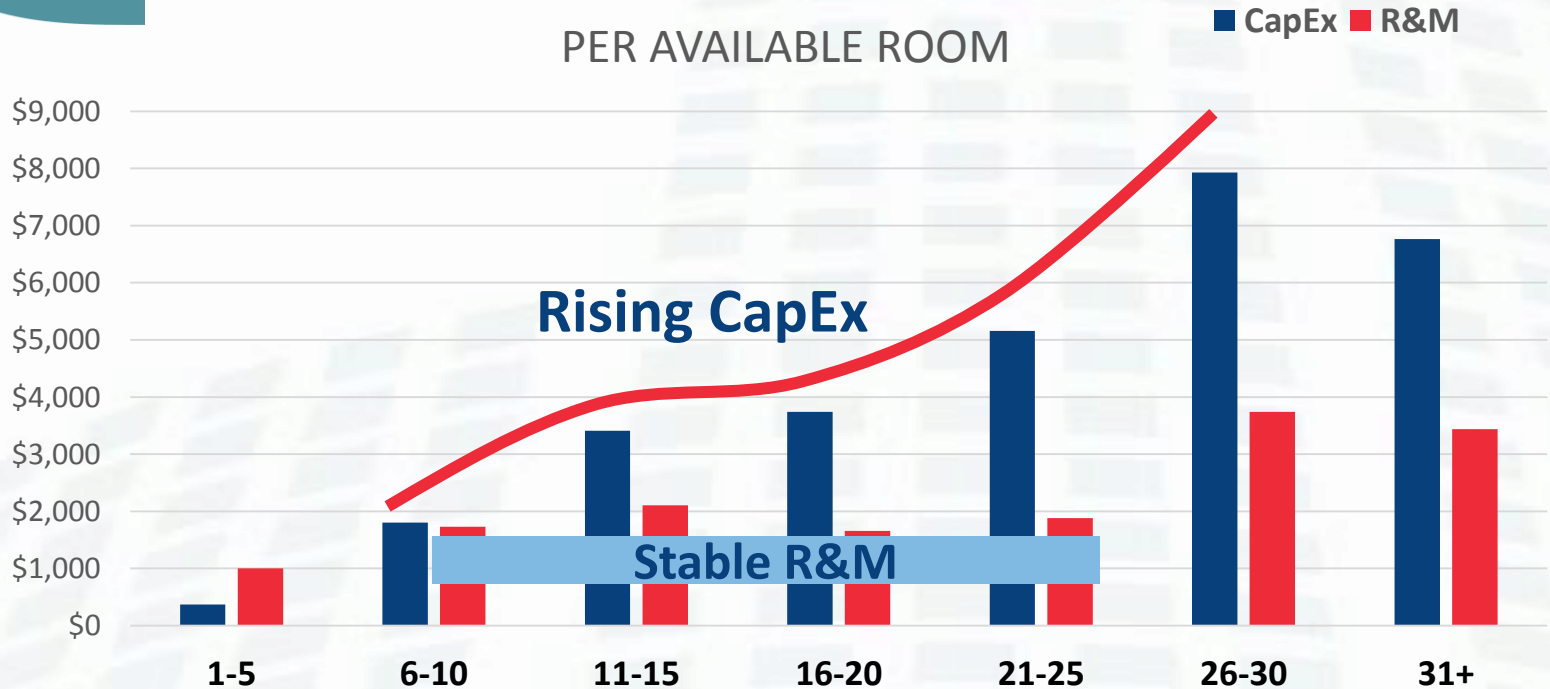


Repairs and Maintenance Expense



CapEx + R&M

By Age



Key Considerations



4% reserve percentage does not reflect reality



Numerous factors impact capital spending levels:

revenue amenities location age product type
ownership hold period competition technology brand standards



Economic cycle affects timing & cost of CapEx