

# Hospitality market outlook

2024

Hospitality Group

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AVISON  
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# Current hotel real estate market

## THE SITUATION



### **Turbulent**

Very, very choppy



### **Debt**

Is the center issue for the lack of hotel transactions nationally.

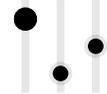


### **Rising Costs**

Labor, taxes, and insurance costs are well outpacing revenue growth.

# Outlook for 2024

LOOKING AHEAD



## Limited

Expect 2024 to be a Limited Transaction Year



## Relief

Hope for interest rate relief, possibly end of 2024

# Top concerns for 2024

## WHAT WE ARE WATCHING



### Global unrest

Russia, Iran, Israel, and Ukraine



### Civil Unrest

Within the United States



### Inflation

Hope for interest rate relief, possibly end of 2024

- Cost of labor
- Cost of food, staples, and household essentials
- Restaurant have double prices
- Repairs, services, and even dry-cleaning prices have risen

# Top concerns for 2024

## WHAT WE ARE WATCHING



**Upcoming elections**



**Federal Reserve outlook**



**Lenders**

Patience has evaporated



**Fragile**

The U.S. economy is in a fragile bubble that could go either way.

# How we see it for for 2024

OUR VIEW



## Hotel Transactions

Though limited, will get done



## Debt costs elevated

Will remain very elevated thorough out 2024, well into 2025



## The capital stack

Debt-equity metrics have changed, possibly long term



## Cash flow is king

Very few story deals will close



## Taking the keys back

There will be an increase in lender owned hotels

# What we can do

WHO WE ARE



## Brokerage

We sell hotels & procure hotel debt



## Global Reach

We have 100+ global offices – 55 in the U.S.



## Boots on the Ground

Within 2 hours of any dot on the U.S. Map



## A Decade of Performance

We have closed 618 hotel transactions since 2013



## No Cost Valuation

All BOV's and Opinions of value are free  
**Use us as a resource**

# Thank You

and have a great balance of 2024!

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- Labor, taxes, and insurance costs are well out-pacing revenue growth