



Washington, DC Hospitality Overview

The Washington Metropolitan Region continues to be one of the best places to live, work and play and thus tourism has continued to be a major demand generator for the hospitality industry. Within the nation's capital, visitors have access to numerous national parks, museums, sports and entertainment venues, dining and entertainment that has long supported strong occupancy rates for hotels. The Washington Metropolitan region remains one of the most resilient regions in the United States with an economy propelled by strong growth in the business and professional service sectors as well as substantial economic stability provided by the federal government. The region has seen the emergence of a more diverse economy that boasts the country's largest technology cluster and rapidly growing biotech and aerospace industries. Based on employment, the hospitality sector is the largest segment of the regional economy and continues to grow.

Prince George's County Hospitality Overview

Prince George's County, Maryland has experienced tremendous growth over the past decade and is rapidly becoming the epicenter for economic development in the Washington metropolitan area with over 900,000 residents. With median household incomes exceeding \$81,000, which is \$20,000 above the national average, 15 federal agencies based in the county and 14 Metro transit stations, it is easy to see why Prince George's County has experienced a hotel boom over the past three years.

Since 2016, 11 new hotels have been developed including MGM National Harbor, The Hotel at the University of Maryland and Cambria Hotel & Suites in College Park to name a few, adding over 1,500 new hotel rooms in the county. New hotel deliveries in late 2019 and early through late 2020 include the Hyatt Place at National Harbor, Homewood Suites in Largo and The Residence Inn at Ritchie Station.

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Hyatt Place at National Harbor

The Hyatt Place will be located in downtown National Harbor on Waterfront Street, next to the Tasting Room restaurant on a parcel currently home to a small parking lot. It will join the AC by Marriott hotel and the Westin hotel along the waterfront strip.

Half of the 156 rooms at the Hyatt Place will have water views, and the property will have 1,700 square feet of meeting space. There will also be an original restaurant concept with a bar and indoor/outdoor seating on the ground floor. The National Harbor hotel will be the first Hyatt in Prince George's County. *Rendering courtesy of bizjournals.com.*



Homewood Suites in Largo

Homewood Suites in Largo offers 116 guest suites with a mix of studio, one- and two-bedroom units, a breakfast bistro, 2,900 square feet of flexible meeting space, a courtyard with grill, and a miniature golf play area overlooking the Washington Beltway. Each room features fully equipped kitchens and separate living and sleeping areas.

The new hotel, which sits between the DoubleTree Hotel and a Holiday Inn Express, is about a mile and a half north of Largo Town Center, where the 205-bed, \$543 million UM Capital Region Medical Center is under construction and slated to open in 2021. *Rendering courtesy of bisnow.com.*



The Residence Inn at Ritchie Station

The Residence Inn at Ritchie Station is a 4 story hotel that will have approximately 174 rooms providing ease of access for travelers up and down the Capital Beltway to be able to conveniently book a room for a night. The hotel is located at Ritchie Station Marketplace, which is a one million square foot shopping center with major tenants including Dave & Buster's, BJ's Wholesale Club, Gold's Gym, Regency Furniture, Bed Bath & Beyond, TJ Maxx, and DSW to name a few. *Rendering courtesy of Dakota Legacy Group.*



The Residence Inn at Ritchie Station Marketplace (Dakota Legacy Group)

HOTEL SALES

Since 2016, 9 hotels in Prince George's County have sold with an average sales price of \$15.2 million with an average sales price per square foot at \$152 and an 8.4% average cap rate. Almost 1 million square feet of hotels traded with the highest sales price per square foot of \$405 with the sale of the 115 room Towne Place Suites in Clinton for \$20,725,000 or \$180,217 per room. The average sales price per room for the nine hotel transactions was \$115,882 per room.

The Westin Hotel at National Harbor sold in February 2018 for \$28,576,000 to Capstone Development, LLC which now owns and operates over 29 hotels across the US. The Crowne Plaza Greenbelt was sold by Springhill LK Hotel Partners to SB&G Group based out of Atlanta, Georgia in July 2018 for \$19,650,000 for average price per room of \$69,190. The Comfort Inn in Beltsville, a 169 room hotel built in 1979, sold for \$8,900,000 at approximately \$52,663 per room.

The hotel sales market in Prince George's County continues to outperform most similar jurisdictions with similar demographics across the United States and is projected to continue to thrive over the next three years with over \$3 billion in economic development projects slated to be developed over the next five years.

HOTEL COMPARABLE SALES

	Location	Rooms	Sales Price	Price Per SF Room
CLARION INN	College Park, MD	119	\$9,500,000	\$147.67/SF; \$79,832/Room
HOLIDAY INN	College Park, MD	222	\$15,000,000	\$110.62/SF; \$67,568/Room
HOLIDAY INN EXPRESS & SUITES	Upper Marlboro, MD	89	\$9,375,000	\$117.48/SF; \$105,337/Room
TOWNEPLACE SUITES	Clinton, MD	115	\$20,725,000	\$236.38/SF; \$180,217/Room
RESIDENCE INN	Greenbelt, MD	120	\$35,000,000	\$405.37/SF; \$291,666/Room
CROWNE PLAZA	Greenbelt, MD	284	\$19,650,000	\$81.25/SF; \$69,190/Room
QUALITY INN	Laurel, MD	96	\$4,792,500	\$84.10/SF; 49,922/Room
COMFORT INN	Beltsville, MD	169	\$8,900,000	\$76.09/SF; 52,663/Room
WESTIN HOTEL	Oxon Hill, MD	195	\$28,576,000	\$195.10; \$146,555/Room

NEWLY DEVELOPED HOTELS

	Location	Rooms	Assessed Value	Assessed Price Per SF Room
THE HOTEL AT UNIVERSITY OF MD	College Park, MD	297	\$176,856,700	\$5,069.76/Room
CAMBRIA HOTEL & SUITES	College Park, MD	156	Withheld	Not Listed
TOWNEPLACE SUITES EXTENDED STAY	College Park, MD	75	\$1,200,000	Not Listed
HOMEWOOD SUITES	Largo, MD	116	\$1,517,400	\$13,081/Room
WOODSPRING SUITES	Hyattsville, MD	122	\$2,493,400	\$20,438/Room
HAMPTON INN & SUITES	Lanham, MD	106	\$13,750,500	\$129,722/Room
STAYBRIDGE SUITES	Hyattsville, MD	118	\$12,294,700	\$104,192/Room
MGM NATIONAL HARBOR	Oxon Hill, MD	308	\$796,248,900	\$2,585,224/Room
PROPOSED WYNDHAM	Beltsville, MD	90	\$429,200 (Land)	\$4,769/Room
RESIDENCE INN	Capitol Heights, MD	174	\$1,586,500 (Land)	\$9,118/Room
MELFORD COURTYARD BY MARIOTT	Bowie, MD	144	\$2,492,600 (Land)	Built in 2019
NATIONAL HARBOR HYATT	Oxon Hill, MD	156	Withheld	Under Construction

The hospitality sector includes hotels and lodging, restaurants, event venues, and other tourism destinations. Our report focuses on the hotel and lodging market.

All statistics are sourced from CoStar and other sources deemed reliable; however we make no representation as to its accuracy or completeness.

MEET OUR TEAM



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Marcus N. Daniels is an Associate at NAI Michael where he provides sales and leasing brokerage services of industrial, office, flex, investment and hospitality properties as well as development consulting for privately held companies, institutional investors, government and service contractors, trade associations, non-profit organizations and religious institutions in the Washington Metropolitan region.



Ed Luckett, Senior Vice President
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Since 1985, Mr. Luckett has worked at NAI Michael providing real estate services for the marketing, sales and leasing of properties as well as providing solutions tailored to client's particular needs as they relate to hospitality, industrial, flex, commercial, investment, institutional, religious and non-profit assets, as well as multifamily dwelling units and residential land.



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Actively and continuously engaged in the real estate industry since 1988 while progressing from salesperson to Associate Broker to Broker/Owner of a successful real estate brokerage. Terry Rogers is experienced in the marketing and sales and leasing of operational entities such as hospitality and retail businesses.

HOSPITALITY BROKERAGE

Investments in the hospitality industry such as hotel and resorts are unique due to the combination of real estate and business investment. Many attributes of a business are displayed together with a high capital outlay that is the norm in investment sales. Unlike standard properties, rentals of resort and hotel rooms have a short shelf life, as guests stay for as little as a day.

Rental rates can also vary widely during the year depending on festive seasons and local events. Also, unique to the hospitality world, is the level of management and staffing necessary to operate each facility. All of these factors can directly contribute to the value of the property, offering an intriguing and profitable potential for real estate investments.

Contact Marcus, Ed and Terry for an evaluation of your existing hotel or to identify new sites for acquisitions or development.

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