

Marcus & Millichap Releases New Hospitality Report

As hotel sector reaches new highs, the firm's National Hospitality Group doubles its hotel transactions.

CHICAGO--(BUSINESS WIRE)-- Marcus & Millichap (NYSE: MMI), a leading commercial real estate investment services firm with offices throughout the United States and Canada, reports growing hotel room demand exceeds rise in supply. The U.S. hotel sector is poised to reach new highs in occupied rooms and room revenue in 2014, according to Marcus & Millichap Research Services.

During the first half of 2014, the expanding U.S. economy sparked additional spending by businesses and consumers on travel, lifting the performance of hotels nationwide and sustaining a high level of investment activity in the sector. Marcus & Millichap entered the third quarter of 2014 with 112 hospitality transactions closed at midyear, totaling more than \$460 million in sales. This represented an 87% increase in transaction volume and a 110% increase in sales value over the same period in 2013, according to Gregory A. LaBerge, vice president and national director of the firm's National Hospitality Group (NHG).

"There is substantial equity in the hotel investment market and investors continue to see optimism in this asset class, particularly when paired with attractive debt solutions," says LaBerge. "An important leading indicator is the number of investors bidding for each of our exclusively listed assets, and that number continues to increase," LaBerge adds. "While transaction volume increases, brokerage becomes even more important to our clients and to our company's collective success. We plan to stick to fundamentals and execute. The second half of 2014 is proving to be fruitful for owners and prospective buyers."

Significant transactions in 2014 for Marcus & Millichap's National Hospitality Group include a 122-room Hilton Garden Inn built in 2009 in Indianapolis, Ind. that traded for more than \$116,000 per room, as well as the 109-room full service Holiday Inn in Webster, Texas that traded above list price with multiple offers.

Further underscoring the momentum of the hotel investment market, Marcus & Millichap Capital Corp. (MMCC) arranged \$30.8 million in refinancing for two hotels, a Hampton Inn in Arlington, Va. and a Holiday Inn in Columbus, Ohio. The Hampton Inn loan is a \$25 million CMBS debt placement with a fixed interest rate of 4.76 percent and a 65 percent loan to value. The Holiday Inn received a \$5.8 million CMBS loan with a fixed interest rate of 4.8 percent and a 70 percent loan to value.

For complete access to Marcus & Millichap's complimentary Hospitality Research Update, Midyear 2014, please visit: <http://bit.ly/1AFwnp1>.

About Marcus & Millichap (NYSE: MMI)

With over 1,300 investment professionals located throughout the United States and Canada,

Marcus & Millichap is a leading specialist in commercial real estate investment sales, financing, research and advisory services. Founded in 1971, the firm closed over 6,600 transactions in 2013 with a value of approximately \$24 billion. The company has perfected a powerful system for marketing properties that combines investment specialization, local market expertise, the industry's most comprehensive research, state-of-the-art technology, and relationships with the largest pool of qualified investors. To learn more, please visit:
www.MarcusMillichap.com

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