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## **San Francisco's Hotel Deal Volume to Reach up to \$500 Million This Year** *\$220 million in hotels have traded hands year-to-date*

**SAN FRANCISCO, June 13, 2011** – Jones Lang LaSalle Hotels today released its *Hotel Intelligence San Francisco* report that cites the city's hotel deal volume is expected to range from \$400 million to \$500 million in 2011. This is based on the hotels that are in various stages of marketing and sale, including several iconic hotels currently on the market or recently sold.

"Hotel trades are off to a fast start in the Bay Area, as \$220 million in transactions were completed during the first five months of 2011," said John Strauss, a Managing Director for Jones Lang LaSalle Hotels. "REITs, private equity investors and off-shore groups are actively targeting investments in this sought-after hotel market, and in some cases are paying close to historic peak levels."

The firm's projection is comprised of the estimated transaction value of properties currently on the market that are expected to transact during the course of the year. This is Jones Lang LaSalle Hotels' sixth in-depth market analysis in its series of U.S. hotel market reports, which provide an analysis of the driving trends in the hotel investment market.

"Though the market suffered more than the average of other major markets during the double-hit of the tech bust and the events of 9/11, San Francisco has consistently shown above-average growth in occupancy rates," said Andrea Grigg, a Senior Vice President for Jones Lang LaSalle Hotels. "San Francisco's strong occupancy levels, second only to New York's, support the high interest in the market."

San Francisco International Airport (SFO) is a major gateway to Europe, Asia and Australasia, and is the tenth busiest in the U.S. Total airline deplanements at SFO increased 3.6 percent in 2010, and year-to-date 2011 volume rose 2.5 percent. Approximately 70 percent of overnight visitors to San Francisco arrive by air. The outlook for visitor volumes is on the uptick, which will translate to further hotel room demand.

"No new hotel supply has entered San Francisco since 2008, a stark contrast to other major U.S. gateway markets. The lack of recent supply openings affirms the exceedingly high barriers to entry in the city's hotel market and explains investors' high interest in acquiring existing hotels, as seen from the abundant transactions in the last 12 months," said Grigg.

San Francisco's market dynamics bode well for the near- and long-term outlook for industry fundamentals, particularly as higher-rated corporate and corporate group demand returns. San Francisco will remain in the top tier of U.S. hotel investment markets, attracting significant attention from domestic and off-shore buyers who want to have a foothold in this key gateway market.

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To request a copy of Jones Lang LaSalle Hotels' report, visit [www.joneslanglasallehotels.com](http://www.joneslanglasallehotels.com) or [www.jllhss.com](http://www.jllhss.com).

### **About Jones Lang LaSalle Hotels**

Jones Lang LaSalle Hotels, the first and leading global hotel investment services firm, is uniquely positioned to provide the depth and breadth of advice required by hotel investor and operator clients, through a robust and integrated local network. In 2010, Jones Lang LaSalle Hotels provided sale, purchase and financing advice on \$4.1 billion worth of transactions globally. In addition, advisory and valuation services were provided on over 1,000 assignments. The global team comprises over 225 hotel specialists, operating from 39 offices in 20 countries. The firm's advice is supported by a dedicated global research team, which produced 70 publications in 2010 in addition to client research. Jones Lang LaSalle Hotels' services span the hospitality spectrum; from luxury single assets and large portfolios to select service and budget hotels, resorts and pubs. Services include investment sales, mergers and acquisitions, capital raising, valuation and appraisal, asset management, strategic planning, operator selection, management contract negotiation, consulting, industry research and project development services. Jones Lang LaSalle Hotels' clients have access to the resources of its parent company, Jones Lang LaSalle (NYSE: JLL). [www.joneslanglasallehotels.com](http://www.joneslanglasallehotels.com)