



# Georgia Hotel 21Q4

## Key Takeaways

- Dampened slightly by the delta variant, hotel metrics in Georgia showed mixed results over the summer.
- Occupancy reached just under 70% at the beginning of the quarter.
- The average daily rate for Georgia hotels ended at the highest quarterly level since March 2019.
- Despite the uncertainty and anxiety brought on by the Covid-19 delta variant, Georgia's hotel market shows promising signs of recovery.



## Despite Pandemic Variant, Georgia Hotel Occupancy Up Year-Over-Year

Having finally gotten past the delta variant of Covid-19, Georgia hotels took another hit late in the year as yet another Covid-19 variant, Omicron, led to infections surging in the state and causing disruption again to leisure and business travel. Even so, with the state's occupancy level ending the year at a 54.8%, this is right in line with pre-pandemic years. The desire of people to return to normal can be behind this. Holiday travel was up in November and December in spite of the Omicron situation. Additionally, major hospitality drivers such as conventions and major events were steady in the final quarter of the year helping to minimize the pandemic's effects. Although uncertainty remains, Georgia's hospitality industry is anticipated to see a brighter 2022 as life continues returning to a more normal state.

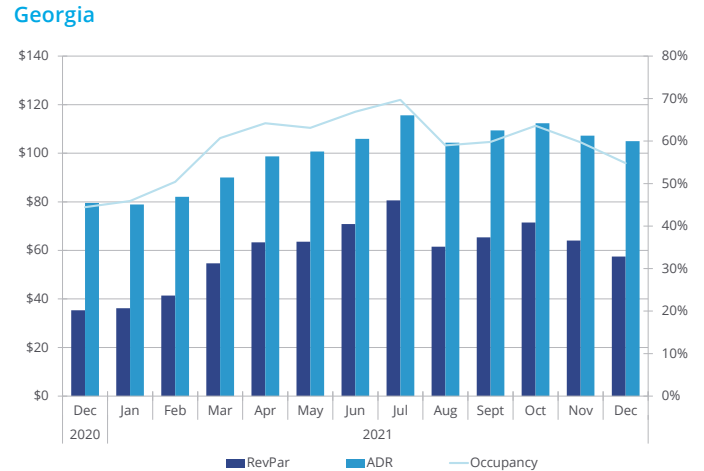
## Georgia Market Indicators



## Historic Comparison

	19Q4	21Q3	21Q4
Total Inventory (in Number of Rooms)	191.9K	200.1K	200.7K
New Supply (in Number of Rooms)	1,835	1,635	1,179
Under Construction (in Number of Rooms)	7,082	7,345	6,926
Overall Occupancy	53.7%	59.8%	54.8%
Average Daily Rate	\$96.02	\$109.40	\$104.95
Revenue per Available Room	\$51.56	\$65.39	\$57.48

## Occupancy vs. ADR vs. RevPar Georgia



Source: CoStar/Smith Travel Report

Following a mixed third quarter due to Covid-19's delta variant, the final quarter of the year continued to deteriorate for Georgia's hospitality market as yet another variant took hold. While above YOY totals, metrics began to move unfavorably in Q4.

## Recent Sales



**The Alida Savannah**  
Savannah-GA  
\$103M | \$595K/rm  
173 Rooms



**Westin Perimeter N**  
Atlanta-Perimeter  
\$88M | \$236K/rm  
372 Rooms



**Embassy Suites**  
Atlanta-Northwest  
\$42.2M | \$220K/rm  
192 Rooms



**Courtyard Alpharetta**  
Atlanta-N Fulton  
\$33M | \$287K/rm  
115 Rooms



**Home2 - Cumming**  
Atlanta-N Fulton  
\$16.1M | \$164K/rm  
98 Rooms



**Homewood Suites**  
Atlanta-P'tree Corners  
\$11.6M | \$126K/rm  
92 Rooms

## Atlanta

Year-over-year, Atlanta's hospitality occupancy increased 11%, and at 56.2% is closer to pre-pandemic levels. This signifies an overall improvement in hotel demand for the metro region. In spite of the upbeat data, the final quarter of the year could have been much better. Like all other markets, Atlanta was impacted by the Omicron variant surge late in the year; however, not at detrimental levels. Though some conventions and events were cancelled for a second straight year, many went ahead. Additionally, the Braves World Series run helped played a role in bumping metrics in October. Looking ahead, the outlook for Atlanta is positive as business and convention travel are poised for a compelling return.

## Savannah

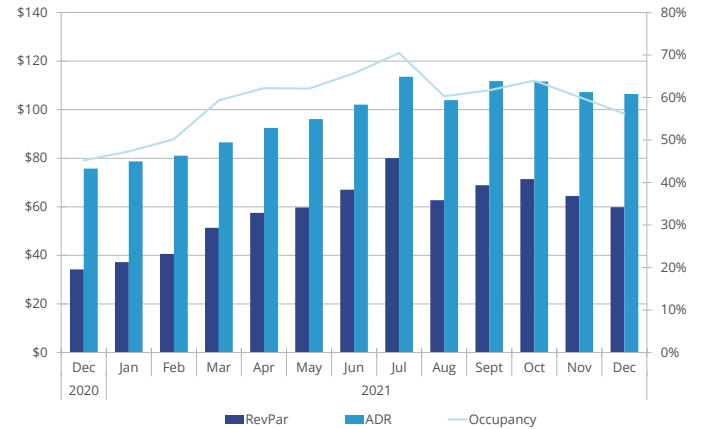
Savannah's hotel metrics in the fourth quarter were similar to other Georgia hospitality markets with occupancy, ADR, and RevPar each declining after an October bump. While the Covid-19 Omicron variant disrupted more favorable outcomes, on the whole, Savannah's hotel market ended the year with occupancy above pre-pandemic levels during the same point in time. Tourism officials also touted holiday travel as being one of the strongest in years for Savannah with an increase in visitors and spending taking place in Q4. Heading into the new year, the hospitality industry is expected to continue seeing more positive trends as pandemic fatigue sets in. Leisure and business travel to the area are anticipated to be even stronger in 2022.

## Augusta

The hospitality industry in Augusta rebounded in 2021 as the market experienced its highest monthly occupancy rate in over ten years during the summer. The end of the year witnessed a slight slowdown in demand as the Omicron variant took hold; however, Augusta ended the fourth quarter with an occupancy rate of 52% which is higher than typical pre-pandemic levels in December. In addition, both ADR and RevPar were also higher than pre-pandemic values, up 6% and 20% on average respectively. Travel demand is picking up in the market. The outlook for Augusta's hotel industry is upbeat. This year's Masters tournament is anticipated generate some of the highest visitor numbers in years which will boost the local economy.

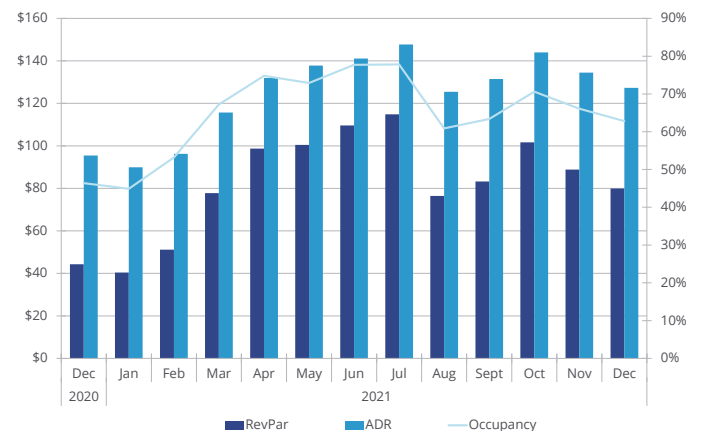
## Occupancy vs. ADR vs. RevPar

### Atlanta



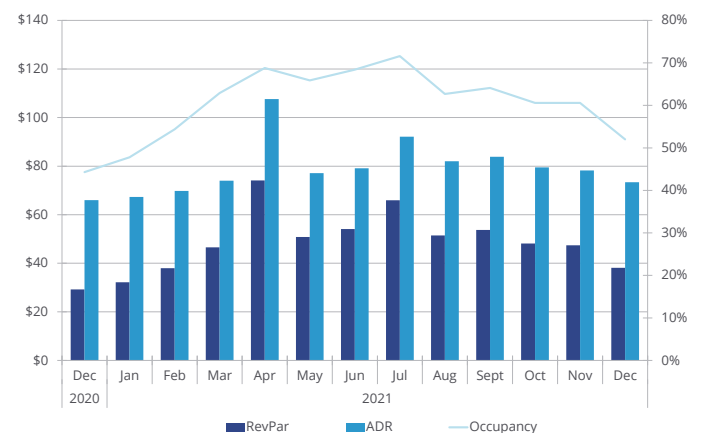
## Occupancy vs. ADR vs. RevPar

### Savannah



## Occupancy vs. ADR vs. RevPar

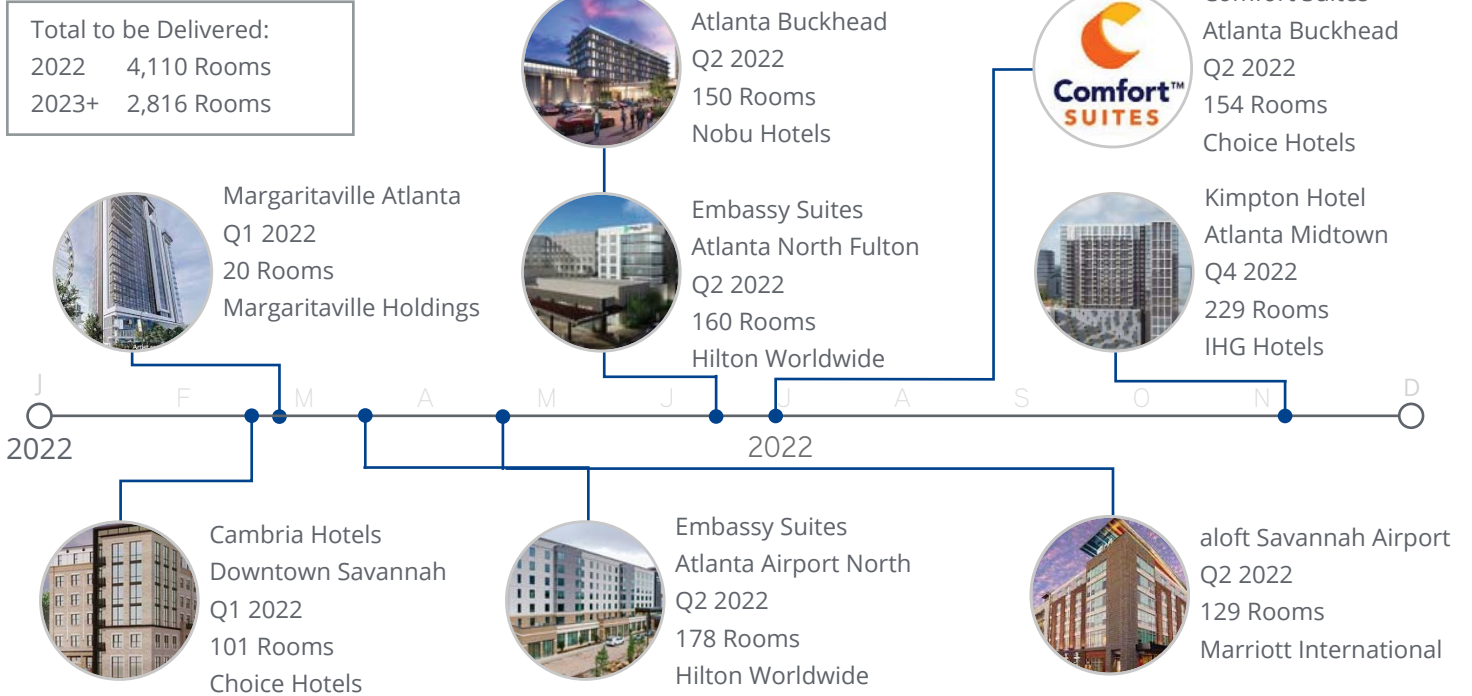
### Augusta



Source: CoStar/Smith Travel Report

## Development Pipeline

### Georgia Hotel Construction



## Notable Team Transactions



### Embassy Suites - Midtown Atlanta

Newly delivered, 181-suite style hotel recently sold to a New York-based investor. Considered one of the largest transactions to take place this year in the market. Atlanta continues to be a top destination for corporate and leisure demand. Opportunities for premium branded assets here have prompted investors to pay top dollar due to the high barriers of entry.

# 396 offices in 68 countries on 6 continents

United States: 153

Canada: 29

Latin America: 24

Asia Pacific: 79

EMEA: 111



**\$3.3B**  
in revenue



**2B**  
square feet under management



**17,000 +**  
professionals and staff

## About Zaver Hotels Team

The Zaver Hotels Team of Colliers International spans several offices in the southeast and covers the region east of the Mississippi River. Our team has sold a large range of hotel assets including full and select service, limited, and extended-stay products. We have over 45 years of combined experience to help with our clients' goals for the future. The Team is experienced in Franchise Negotiations, Financing, Re-Branding, and Marketing from start-up properties as well as turn-around investments. Our clients include large private and public REITS, Management Companies, Lenders and Servicers as well as Owner/Operators of hotel properties throughout the United States.

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