



Georgia

Hotel 22Q2

Key Takeaways

- The Georgia market is recovering well post-Covid when compared to other states.
- Inflation, gas price hikes and geopolitical issues have caused some uncertainties in travel.
- Overall group travel has slowly begun showing promising signs of recovery.



Georgia Hotel Occupancy Slightly Increases in the Second Quarter

After Q1 of this year, the Georgia hotel market continued to improve in performance as leisure travel began to resume with warmer weather on the horizon. In May 2022, the Federal Reserve increased interest rates in an effort to combat inflation. As a result, the key performance indicators took a dip, with investor uncertainty on the rise. The months of June and July had a 75 basis point increase in the prime rate causing greater uncertainty in the market. This increase was the largest single increase by the Fed since 1994. ADR for the month of April was the highest it has been in the trailing twelve months as a result of the Augusta and Savannah markets performing at new highs.

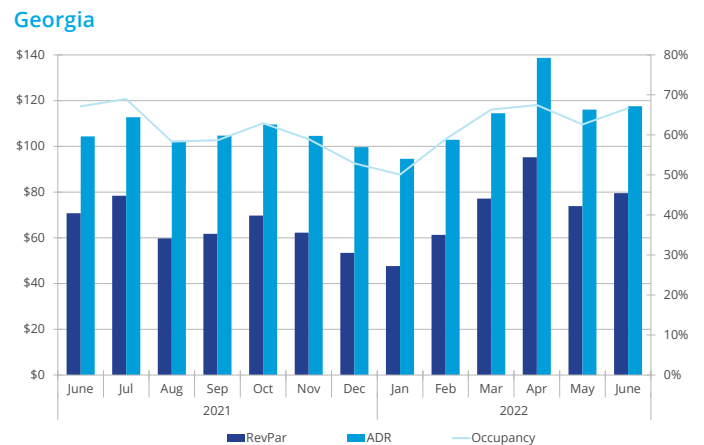
Georgia Market Indicators



Historic Comparison

	21Q2	22Q1	22Q2
Total Inventory (in number of rooms)	199.5K	201.6K	201.7K
New Supply (in number of rooms)	1,588	(401)	105
Under Construction (in number of rooms)	8,572	6,992	7,338
Overall Occupancy	67.16%	66.32%	66.7%
Average Daily Rate	\$104.34	\$114.52	\$117.56
Revenue per Available Room	\$70.78	\$77.19	\$79.58

Occupancy vs. ADR vs. RevPar



Source: CoStar/Smith Travel Report

Hospitality trends were showing strong movement earlier in the year, but as gas prices started to increase in May, travel started to cool down. Overall, the hospitality market in Georgia has shown great recovery from the pandemic compared to many other states that are much slower in the recovery process.

Recent Sales



The American Hotel
Atlanta-Downtown
\$68M | \$238K/room
315 Rooms



Mansion for Forsyth
Savannah, GA
\$52.7M | \$560K/room
126 Rooms



Sheraton Hotel Galleria
Atlanta-Northwest
\$26.49M | \$95K/room
278 Rooms



Hotel Indigo
Atlanta-Northwest
\$23M | \$143K/room
160 Rooms



Aloft Savannah Airport
Savannah, GA
\$21.3M | \$165K/room
129 Rooms



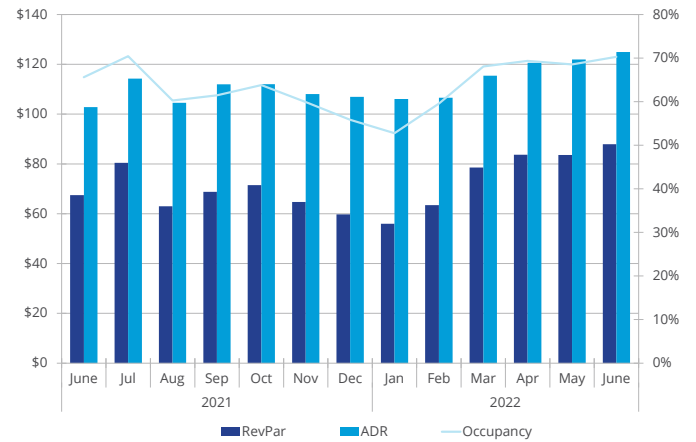
Double Tree by Hilton
Atlanta-Northwest
\$21M | \$95K/room
224 Rooms

Atlanta

Atlanta has experienced slow recovery as occupancy hovers around 70% for Q2. Business travel and group meetings are gaining traction but still have a long way to go. ADR continues to see new highs as the market recovers which has helped increase market RevPAR; however, new development activity may create a shift in this as total room supply is expected to increase by over 5% for the metro area. Since the beginning of 2022, the Atlanta market has seen ADR increases each month. In January 2022, the RevPAR was at \$62 on a trailing twelve, whereas in June it is at \$72.

Occupancy vs. ADR vs. RevPar

Atlanta

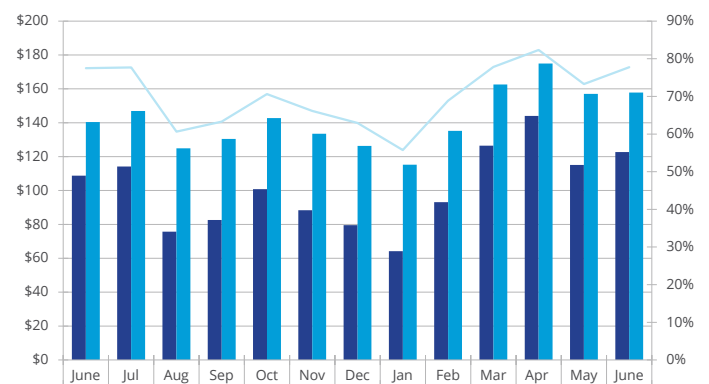


Savannah

April 2022 was Savannah's strongest month in RevPAR for the trailing twelve months as travel for tourists was in full effect. April occupancy was at 82.3%, which also is the highest it has been since March 2019, showing strong signs of a full recovery. As we head into Q3, leisure travel is expected to cool off as school resumes and summer ends causing RevPAR to decrease slightly.

Occupancy vs. ADR vs. RevPar

Savannah

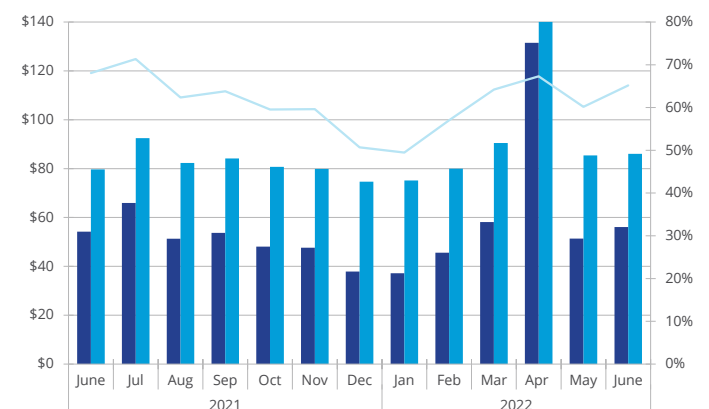


Augusta

After two years of hosting the Masters tournament with limited to no capacity, April 2022 saw the highest RevPAR ever recorded as a result of pent up demand in the market. In the month of April, the Augusta market achieved a \$195 ADR reaching an all time high. Year-over-year RevPAR for the June trailing twelve months was up over 30%. The back half of the year will likely be relatively flat for the Augusta market, as is typical in Q3 and Q4.

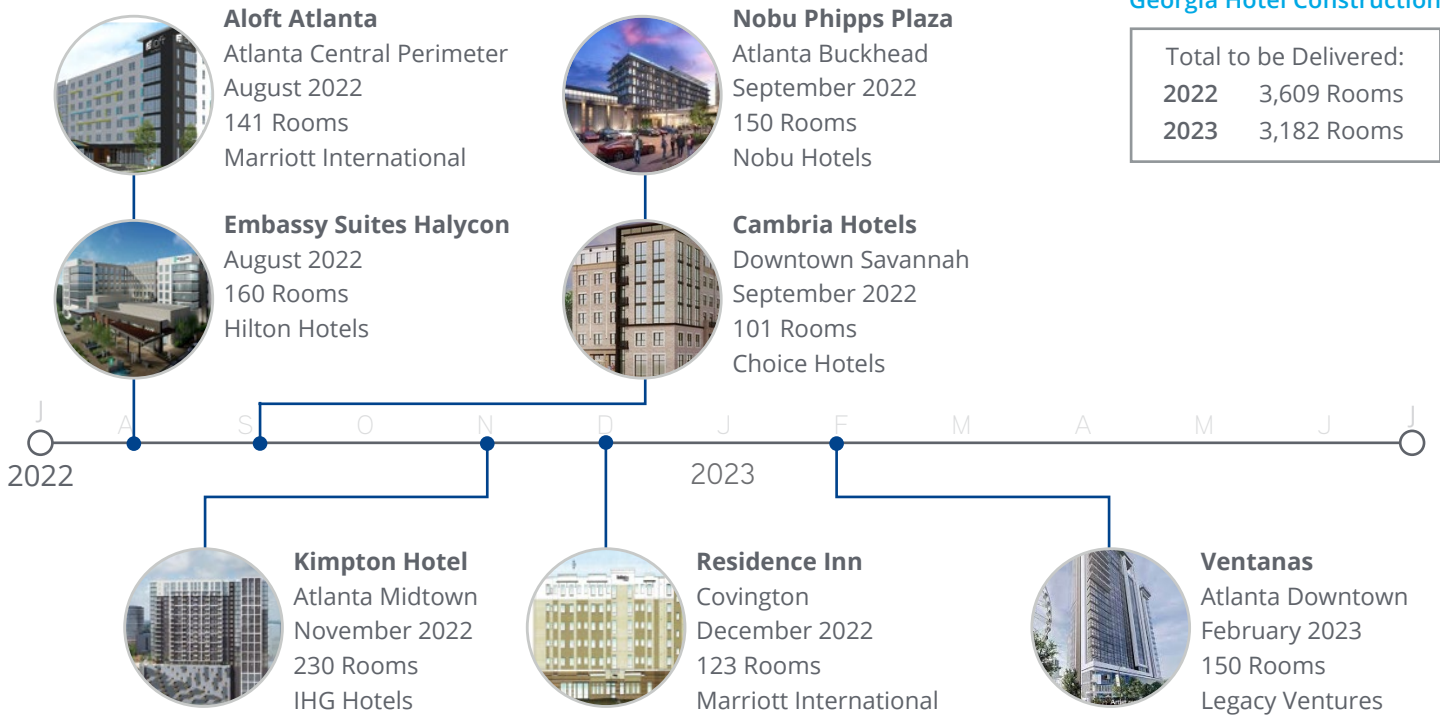
Occupancy vs. ADR vs. RevPar

Augusta



Source: CoStar/Smith Travel Report

Development Pipeline



Notable Transactions

Springhill Suites Savannah Midtown

Zaver Hotels recently sold this 79-key hotel to a Florida-based investor in a 1031 exchange. Savannah continues to be the best performing market in the state. The market has seen pre-Covid performance being exceeded in 2022.

351 offices in 63 countries on 6 continents



\$4.5B
in revenue



\$81B
Assets under management



2B
Square feet managed



17,000+
Professionals



53,000
Lease/sale transactions

About Zaver Hotels

Zaver Hotels | Colliers Atlanta 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. We are 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.

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 63 countries, our 17,000 enterprising professionals work collaboratively to provide expert real estate and investment advice to clients. For more than 27 years, our experienced leadership with significant inside ownership has delivered compound annual investment returns of 20% for shareholders. With annual revenues of \$4.5 billion and \$81 billion of assets under management, Colliers maximizes the potential of property and real assets to accelerate the success of our clients, our investors and our people. Learn more at corporate.colliers.com, Twitter @Colliers or LinkedIn.

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