



Atlas
HOSPITALITY GROUP

THE MARKET LEADER
IN CALIFORNIA HOTEL SALES

2016 California Hotel Development Survey

January 2017



The 603-room Great Wolf Lodge Garden Grove was the largest California hotel opened in 2016

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Introduction

Through the end of 2016, the California hotel market enjoyed a record six-year run-up in increasing room revenues, profitability and values. This led to a much more positive environment for new hotel construction; we are definitely seeing a jump in new hotel rooms completed and in planning.

California hotel development highlights through the end of 2016 include:

- The Golden State finished 38 hotels totaling a combined 5,572 rooms.
- California had 112 hotels with 17,623 rooms under construction, an 11% room count increase from 2015.
- There are 679 California hotels with 102,821 rooms in various stages of planning, a 39% room count increase over 2015.

Southern California Highlights

Los Angeles County

Los Angeles County had eight new hotels with 1,098 total rooms open in 2016, a 6% room count increase from the seven hotels with 1,036 rooms in 2015. The 246-room Aloft El Segundo – Los Angeles Airport was the largest hotel that opened in the county.

Los Angeles County had 37 hotels with 7,239 rooms under construction at the end of 2016. The 900-room Intercontinental Los Angeles Downtown continues to be the largest hotel under construction in California.

Los Angeles County leads California in hotels (175) and total rooms (26,281) in planning, a 32% room count increase over 2015.



Aloft El Segundo – Los Angeles Airport

San Diego County

San Diego County added six hotels with 1,017 rooms in 2016, a 43% room count increase from the six hotels with 711 rooms in 2015. The largest to open was the 253-room SpringHill Suites San Diego Downtown/Bayfront, a dual-build property that shares space with a 147-room Residence Inn.

There are eight hotels with 1,444 rooms under construction in San Diego County. The largest is the 400-room InterContinental San Diego Lane Field.

The county has 72 hotels with 14,981 rooms in planning, a 34% room count increase over 2015.



SpringHill Suites + Residence Inn San Diego
Downtown/Bayfront

Orange County

Seven Orange County hotels with 1,808 rooms opened in 2016, a 198% room count increase over the three hotels with 606 rooms in 2015. The 603-room Great Wolf Lodge Garden Grove was the largest California hotel opening of 2016.

Orange County has 11 hotels with 1,655 rooms under construction. The largest is the 271-room Marriott Irvine Spectrum.

Orange County has 40 hotels with 8,808 rooms in planning, a 108% room count increase over 2015.

Great Wolf Lodge Garden Grove



Inland Empire

Riverside County had two hotels (including the 32-room Arrive Palm Springs) with 136 rooms open in 2016, a 25% room count drop from the two hotels with 182 rooms that opened in 2015. No new San Bernardino County hotels opened in 2016, while one 85-room property opened in 2015.

Riverside County has eight hotels with 1,536 rooms under construction. The largest is the 568-room Pechanga Hotel expansion in Temecula. For San Bernardino County, a 105-room Fairfield Inn & Suites is under construction in Rancho Cucamonga.

Riverside County has 49 hotels with 9,335 rooms in planning (up 155% over 2015), while San Bernardino County has 18 hotels and 1,293 rooms in planning (a 6% room count drop from 2015).

Arrive Palm Springs



Northern California Highlights

San Francisco County

No new San Francisco County hotels opened in 2016, while a 174-room property opened in 2015.

Five hotels totaling 895 rooms were under construction at the end of 2016. The largest is a 230-room Hyatt Place in San Francisco.

San Francisco County has 28 hotels with 4,049 rooms in planning, a 37% room count increase over 2015.

Hyatt Place San Francisco (under construction)



Santa Clara County

Santa Clara County had two hotels totaling 127 rooms open in 2016, the larger being a 104-room La Quinta Inn & Suites in Morgan Hill. This was an 85% room count decrease from the six hotels with 827 rooms in 2015.

Santa Clara County has six hotels with 893 rooms under construction, the largest being a 210-room AC Hotel in San Jose.

Santa Clara County has 46 hotels with 7,711 rooms in planning, a 42% room count increase over 2015.

La Quinta Inn & Suites Morgan Hill



Summary

The number of California hotel sales slowed down at the end of 2016, as the market pulled back from a very active 2015 and took some time to catch its breath.

California hotels saw positive room revenue increases for the year, well ahead of the United States average.

We are now experiencing a tremendous increase in new hotel development. Although many would argue that this is just making up for the barren years from 2009 to 2013, it is advisable to keep an eye on certain markets and the glut of new rooms coming online.

Buyers and lenders are now more cautious.



California Hotels Opened in 2016

Property	Address	City	County	Rooms
Hampton Inn El Centro	598 E Wake Ave	El Centro	Imperial	108
Aloft El Segundo Los Angeles Airport	475 N Sepulveda Blvd	El Segundo	Los Angeles	246
Hilton Garden Inn Burbank Downtown	401 S San Fernando Blvd	Burbank	Los Angeles	209
Hampton Inn & Suites El Segundo LAX	888 N Sepulveda Blvd	El Segundo	Los Angeles	171
Residence Inn Pasadena	233 N Fair Oaks Ave	Pasadena	Los Angeles	144
Hollywood Proper Residences	1550 N El Centro Ave	Los Angeles	Los Angeles	100
Hampton Inn & Suites Glendale	114 E Colorado St	Glendale	Los Angeles	94
Best Western Plus Gardena	14400 S Western Avenue	Gardena	Los Angeles	80
Shade Hotel Redondo Beach	655 N Harbor Dr	Redondo Beach	Los Angeles	54
Great Wolf Lodge Garden Grove	12681 Harbor Blvd	Garden Grove	Orange	603
Residence Inn Anaheim Resort/Convention	640 W Katella Ave	Anaheim	Orange	294
Hyatt House Anaheim Resort	1800 S Harbor Blvd	Anaheim	Orange	262
Pasea Hotel & Spa Huntington Beach	21002 Pacific Coast Hwy	Huntington Beach	Orange	250
Country Inn & Suites Anaheim	1640 Clementine St	Anaheim	Orange	174
Homewood Suites Aliso Viejo	110 Vantis Dr	Aliso Viejo	Orange	129
Holiday Inn Express Anaheim Resort Area	1411 S Manchester Ave	Anaheim	Orange	96
Staybridge Suites Corona	2731 Blue Springs Dr	Corona	Riverside	104
Arrive Palm Springs	1551 N Palm Canyon Dr	Palm Springs	Riverside	32
SpringHill Suites San Diego Downtown Bay	900 Bayfront Ct	San Diego	San Diego	253
Hilton Garden Inn San Diego Downtown	2137 Pacific Hwy	San Diego	San Diego	204
Homewood Suites San Diego Downtown	2137 Pacific Hwy	San Diego	San Diego	160
Residence Inn San Diego Downtown Bayfront	900 Bayfront Ct	San Diego	San Diego	147
SpringHill Suites San Diego Mission Vall	2401 Camino del Rio N	San Diego	San Diego	135
Homewood Suites San Diego Mission Valley	445 Camino del Rio S	San Diego	San Diego	118
Butler Hotel San Luis Obispo	1511 Monterey St	San Luis Obispo	San Luis Obispo	6
Hyatt Place Emeryville	5700 Bay St	Emeryville	Alameda	175
Holiday Inn Express & Suites Bakersfield	19480 Quinn Rd	Bakersfield	Kern	104
Hampton Inn & Suites Napa	935 Hartle Ct	Napa	Napa	115
Fairfield Inn & Suites Folsom	1755 Cavitt Dr	Folsom	Sacramento	97
Courtyard Redwood City	600 Bair Island Rd	Redwood City	San Mateo	175
La Quinta Inn & Suites Morgan Hill	17043 Condit Rd	Morgan Hill	Santa Clara	104
Clement Palo Alto	711 El Camino Real	Palo Alto	Santa Clara	23
Fairfield Inn Santa Cruz	2956 Mission St	Santa Cruz	Santa Cruz	82
Graton Resort & Casino Rohnert Park	280 Golf Course Dr	Rohnert Park	Sonoma	200
AutoCamp Guerneville Russian River	14120 Old Cazadero Rd	Guerneville	Sonoma	24
Hampton Inn & Suites Turlock	1821 Lander Ave	Turlock	Stanislaus	85
Rush Creek Lodge Groveland	34001 Hwy 120	Groveland	Tuolumne	143
Fairfield Inn & Suites Woodland	2100 Freeway Dr	Woodland	Yolo	72
		Total	38 hotels	5,572

California Hotels in Planning

Southern California Counties	Hotels	Rooms
Los Angeles	175	26,281
Orange	40	8,808
Riverside	49	9,335
San Bernardino	18	1,293
San Diego	72	14,981
San Luis Obispo	32	3,165
Santa Barbara	11	877
Ventura	10	1,501
Northern California Counties	Hotels	Rooms
Alameda	23	3,495
Butte	3	311
Contra Costa	9	936
El Dorado	3	296
Fresno	3	194
Glenn	1	80
Kern	9	801
Kings	1	90
Lake	1	325
Madera	3	388
Marin	5	444
Mendocino	1	30
Merced	2	154
Mono	3	647
Monterey	7	1,422
Napa	13	1,621
Nevada	2	114
Placer	10	1,926
Sacramento	17	2,223
San Benito	1	126
San Francisco	28	4,049
San Joaquin	5	896
San Mateo	18	2,494
Santa Clara	46	7,711
Santa Cruz	5	519
Shasta	5	453
Solano	1	150
Sonoma	26	2,204
Stanislaus	1	96
Tulare	8	660
Tuolumne	1	150
Yolo	10	1,575
Sutter	1	
Total	679	102,821



California Hotels Under Construction

Southern California Counties	Hotels	Rooms
Imperial	1	108
Los Angeles	37	7,239
Orange	11	1,655
Riverside	8	1,536
San Bernardino	1	105
San Diego	8	1,444
San Luis Obispo	3	246
Santa Barbara	7	1,010
Northern California Counties	Hotels	Rooms
Alameda	4	180
Contra Costa	1	115
El Dorado	1	32
Fresno	2	162
Humboldt	1	48
Kern	1	85
Kings	1	80
Madera	2	216
Monterey	2	134
Napa	5	613
Placer	3	380
Sacramento	3	450
San Benito	1	81
San Francisco	5	895
San Mateo	4	809
Total	112	17,623