

COLLEGE TOWN, U.S.A.

We are frequently asked by the hospitality investment community for our take on which hospitality markets make for sound investments. Of course, there are a wide variety of such locations, our hometown of Tampa among them, but we have found that one particular type of market checks many of the boxes for investors today: hotels located in college or university anchored markets. For hoteliers, proximity to a college campus offers much more than idyllic memories of glory days gone by:

- **College markets are growth markets.** By 2025, the U.S. Department of Education projects total undergraduate enrollment of 19.8 million, an increase of 50% since 2000. Universities have grown commensurately to satisfy this increased demand, in part by increasing their physical footprint and expanding faculty. Hoteliers in such markets will continue to benefit not only from the direct population growth, but also from the indirect growth in the market spun off by a university's presence.
- **College markets generate consistent demand.** From student move-ins at the beginning of the academic year to graduations and reunions at the end of it, colleges originate a wide variety of room night-generating events. Sporting events in particular can justify room night minimums and sky-high ADRs at 100% occupancy levels. These events are usually scheduled well in advance and occur on a consistent basis, providing for clarity in the budgeting process. Due to the proliferation of summer classes and programs, demand is often relatively consistent year round. Campus-related demand generators have the added benefit of being unusually well insulated from the vagaries of broader economic cycles.
- **College markets foster strong culture.** These markets are known for their culture, arts and diversity, and they typically radiate a strong sense of place. These vibrant settings, with their restaurants, nightlife and walkability, are ideal locations for hotels, and they allow prudent hoteliers to seamlessly combine the surrounding community's unique feel with that of their property.
- **College markets catalyze innovation in a strong workforce.** Lured by educated workforces, high levels of on-campus R&D and a strong quality of life, industry is making a home in college markets now more than ever. The accompanying infusion of private capital and talent are a boon to the local economy and create quantifiable demand for hotel room product.
- **College markets capture public investment.** Investment from both state governments and the federal government also makes its way to college markets, predominantly in the form of financial aid, subsidies and grants. This steady and significant flow of dollars provides stability during periods of slow economic growth and complements private investment during periods of prosperity. As a result, hotels in university markets are viewed as less susceptible to national or even regional economic downturns.

Our firm has recently facilitated hotel transactions in college-oriented locales such as Gainesville, Florida; Columbus, Ohio; Baton Rouge, Louisiana; and Richmond, Virginia, among others. These markets are diverse geographically, but across the board we found strong interest from the entire spectrum of the hospitality investment universe. As a result of this strong demand, we were able to generate attractive offers on each asset.

If you are considering buying or selling an asset in a college market, please call on us. We are in constant communication with the key players for these assets, and we are confident in our ability to achieve a successful outcome on your behalf.