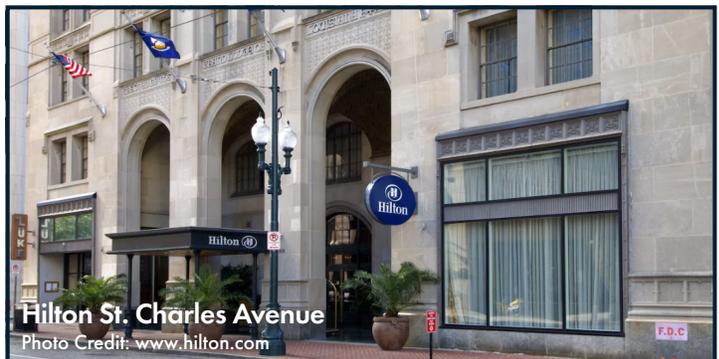
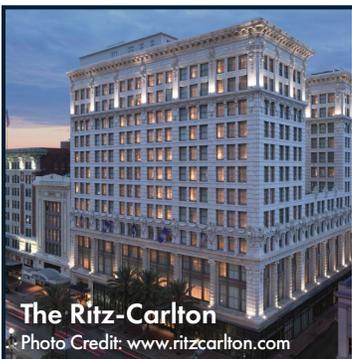


CONSEQUENTIAL HOTEL TRANSACTIONS



Bourbon Orleans Hotel

- 220 Total Rooms
- Sold for \$88,000,000 (~\$400,000 per key)
- Brokered by HREC Investment Advisors
- Seller: Joe Jaeger, Buyer: DiamondRock Hospitality Company

Courtyard & SpringHill Suites Warehouse Arts District

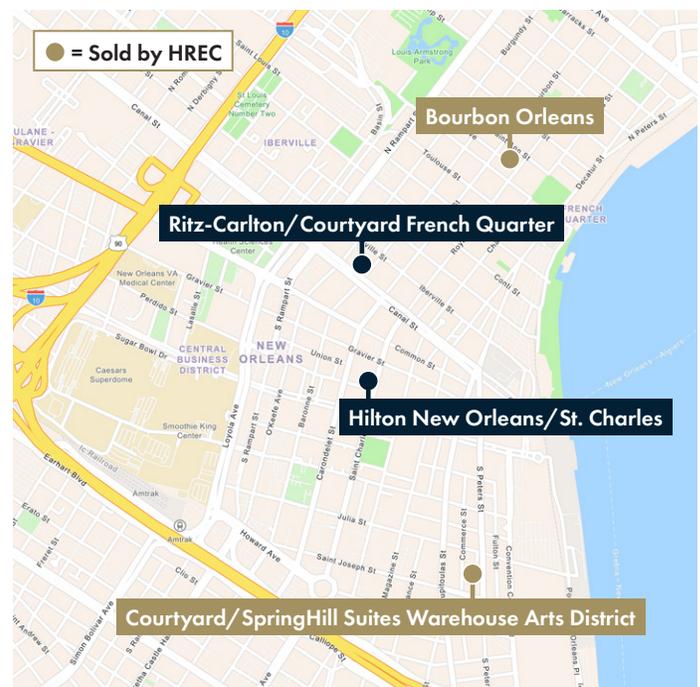
- 410 Total Rooms –
 (Courtyard – 208 Rooms, SpringHill Suites – 202 Rooms)
- Sold for \$73,000,000 (~\$178,000 per key)
- Brokered by HREC Investment Advisors
- Seller: Summit Hotel Properties, Buyer: Bobby Guidry

The Ritz-Carlton & Courtyard French Quarter

- 758 Total Rooms –
 (Ritz-Carlton – 528 Rooms, Courtyard – 230 Rooms)
- Sold for \$195,000,000 (~\$257,000 per key)
- Seller: Quorum Hotels, Buyer: Gencom

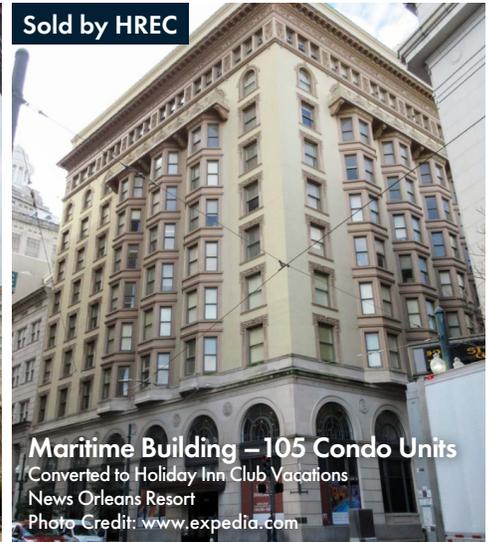
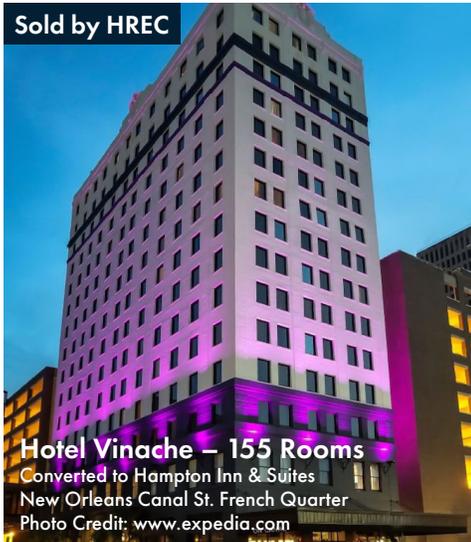
Hilton St. Charles Avenue

- 252 Total Rooms
- Sold for \$47,000,000 (~\$187,000 per key)
- Seller: Sunstone Hotel Investors, Buyer: Certares & HRI Properties



NEW ORLEANS – JANUARY 2026

HREC ANNUAL MARKET UPDATE AND FORECAST



Best Time to Buy Hotels in New Orleans in the Last Ten Years

New Orleans is currently offering the most attractive hotel buying window in more than a decade.

- Hotel performance has softened at the same time as the market's long-term fundamentals and competitive landscape are improving, creating a rare chance to acquire quality assets at a significant discount before the next upswing in demand.
- Following a powerful run of major events—including the record-setting Taylor Swift Eras Tour, Super Bowl LIX, and a strong Mardi Gras in 2025—RevPAR in the CBD/French Quarter has declined by more than 20% over the last three months compared to the same period last year (October 2025, per CoStar).
- This short-term softness is pushing some owners to sell at 25–30% below their basis, with average cap rates moving from sub-8% in the pre-pandemic era to roughly 8.5% today (CoStar), creating an unusually favorable entry point relative to replacement cost and historical yields.
- At the same time, the city is becoming meaningfully safer: New Orleans has posted one of the sharpest crime drops in the country, with overall crime down

roughly 17% year-to-date through early December and murders more than 50% lower than the year-to-date amount in 2022, according to the NOPD. Voters also elected a new mayor, Helena Moreno, on a platform focused on public safety and core city services.

- **The pullback in hotel performance is cyclical, not structural:** New Orleans has a long history of rebounding, with demand consistently returning as tourism and convention business normalize.
- At the same time, the city's recent crackdown on unlicensed short-term rentals (STRs) removes a significant block of supply and should support higher occupancies and healthier pricing for hotels going forward. This is highlighted by the August 2025 removal of more than 1,000 illegal Airbnb listings and new rules that limit STRs to roughly one per block.
- It also restricts permits to individual owner-occupants and bars new STRs in the French Quarter and parts of the Garden District. Taken together, discounted pricing, elevated cap rates, predictable demand recovery, and a structural reduction in competing inventory make this the best moment in the last ten years to buy a hotel in New Orleans.

STRENGTHS OF THE NEW ORLEANS MARKET

RESILIENT TOURISM BASE

- New Orleans offers one of the strongest tourism bases in the United States, consistently attracting approximately 19–20 million visitors in most years since 2016. This demand begins with a deep leisure foundation, as visitors are drawn year-round to Bourbon Street, Jackson Square, the Audubon Zoo, the National WWII Museum, and more, providing a stable base of room nights.
- This base is amplified by powerful cultural demand, with Mardi Gras as the signature driver; the 2025 Carnival season reached an 87% hotel occupancy rate in the CBD/French Quarter submarket, up from 81% the prior year, and is further supported by 52 annual festivals.
- Event-driven visitation further elevates New Orleans above similar markets. The city has hosted the Super Bowl 11 times and the NCAA Men’s Final Four six times—more than any other market—and is scheduled to host the College Football Playoff Championship in 2028. The annual Sugar Bowl, one of college football’s most prestigious matchups and a rotating Playoff quarterfinal or semifinal, remains a reliable demand driver in January.
- The city also ranks among the top 10 U.S. concert cities thanks to venues such as the Superdome, Smoothie King Center, and the Jazz & Heritage Festival grounds, where marquee acts like Taylor Swift, Paul McCartney, and the Rolling Stones have consistently translated into premium, high-compression hotel nights.

UNMATCHED ACCESSIBILITY

- New Orleans distinguishes itself from other markets through an unmatched level of pedestrian accessibility and a concentrated hospitality core. Within the downtown footprint, more than 28,000 hotel rooms are located within a 10-15 minute walk of Caesars Superdome, the Smoothie King Center, the French Quarter, the National WWII Museum, and multiple entertainment districts.
- The area’s connectivity is further supported by the city’s historic streetcar network, a major cruise terminal, and proximity to extensive dining and nightlife offerings. This uniquely integrated urban environment establishes the city as one of the most accessible, cohesive, and diversified hospitality markets in the United States.



SCAN THE QR CODE FOR THE
NEW ORLEANS & COMPANY
2026 MARKETING REPORT



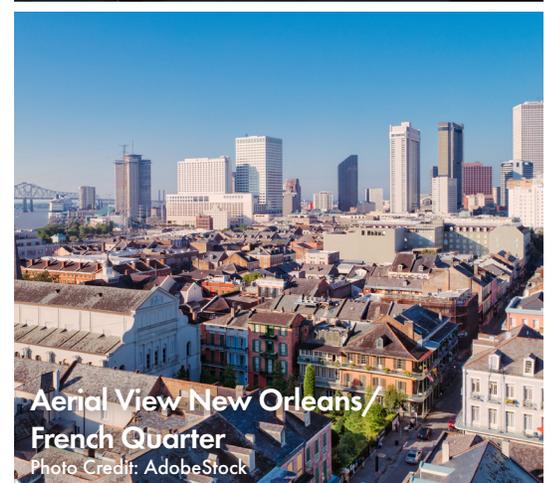
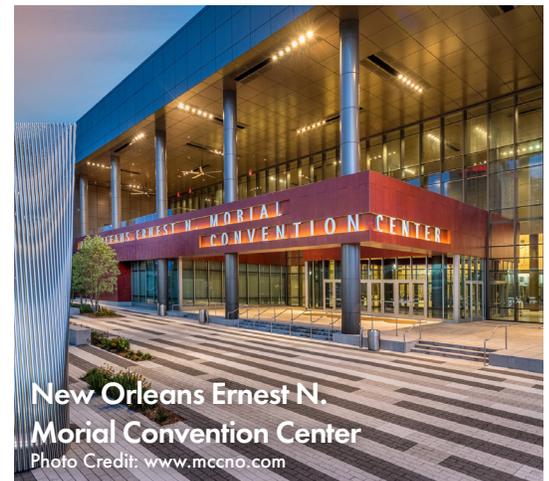
STRENGTHS OF THE NEW ORLEANS MARKET

CONVENTION CENTER STRENGTH

- The New Orleans Ernest N. Morial Convention Center is a core economic engine for the city, ranking as the sixth-largest convention facility in the United States with roughly 1.4 million square feet of exhibit, meeting, and event space, strategically positioned along the riverfront with walkable access to the CBD, Warehouse District, and thousands of hotel rooms.
- Future bookings for 2026 through 2029 are already pacing well above 2018–2019 peak levels, driven in large part by a roughly \$557 million renovation program, with several phases complete and final delivery targeted around 2029.
- This investment has helped New Orleans compete more effectively for large association, medical, corporate, and trade conventions, and the impact is already visible: the summer 2025 convention calendar was notably strong, filling weekday demand and supporting meaningful ADR premiums for CBD and Warehouse District hotels, positioning the market for sustained group-driven upside over the next cycle.

SIGNIFICANT BARRIERS TO ENTRY

- New Orleans' lodging market benefits from meaningful barriers to entry that constrain long-term supply growth and support asset values. Construction costs have become prohibitively high; for example, the planned 1,000-room Omni New Orleans across from the Ernest N. Morial Convention Center is expected to cost roughly \$575 million, approaching nearly \$600,000 per key, which sets a high bar for new full-service development in the city.
- At present, only three hotels are under construction in the CBD/French Quarter submarket, including a dual-branded Fairmont/Element at 1010 Common Street with 469 rooms and The Warbler Hotel on St. Charles Avenue with 58 rooms, a small increase relative to an existing base of more than 28,000 rooms.
- Looking ahead, elevated construction costs, tighter development financing, rising insurance expenses, and regulatory hurdles are likely to keep new supply additions modest, reinforcing the competitive position of existing assets.



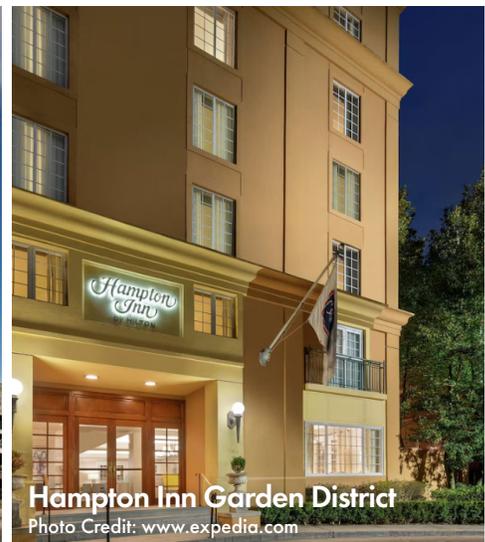
NEW ORLEANS – JANUARY 2026

HREC ANNUAL MARKET UPDATE AND FORECAST

New Orleans Hotels Sold by HREC

Property	Parent Brand	Limited/Select/ Full/Extended	# of Rooms	Price	Price/Key
Bourbon Orleans	Independent	Full Service	220	\$88,000,000	\$400,000
Canopy New Orleans Downtown	Hilton	Full Service	176	\$56,000,000	\$318,182
Maritime	IHG	Full Service	105	\$32,000,000	\$304,762
Elks	Blue Green Timeshare	Full Service	98	\$28,050,000	\$286,224
SpringHill Suites New Orleans Downtown Canal	Marriott	Extended	74	\$19,452,676	\$262,874
TownePlace Suites New Orleans Downtown Canal	Marriott	Extended	105	\$26,470,972	\$252,104
Troubadour (Tapestry)	Hilton	Full Service	185	\$46,000,000	\$248,649
Hampton Inn Garden District	Hilton	Limited Service	100	\$21,000,000	\$210,000
The Saratoga Building	Sonesta ES	Limited Service	155	\$32,000,000	\$206,452
Hampton Inn & Suites Downtown	Hilton	Limited Service	210	\$43,000,000	\$204,762
Whitney Hotel	Independent	Limited Service	93	\$16,900,000	\$181,720
Courtyard & SpringHill Suites Warehouse District	Marriott	Full Service	410	\$73,000,000	\$178,049
Hilton New Orleans Airport	Hilton	Full Service	319	\$53,150,000	\$166,614
Royal St. Charles	IHG	Select Service	143	\$20,500,000	\$143,357
Hotel Vinache	Hilton	Full Service	155	\$20,900,000	\$134,839
Hampton Inn & Suites Convention Center	Hilton	Limited Service	288	\$34,000,000	\$118,056
Sheraton Metairie	Marriott	Full Service	182	\$15,000,000	\$82,418
NOPSI Hotel	Independent	Full Service	235	\$11,950,000	\$50,851
Clarion New Orleans Airport	Wyndham	Full Service	292	\$7,225,000	\$24,743
	Total		3,545 Rooms	\$644,598,648	-
	Average		187 Rooms	\$33,926,245	\$198,666

Source: HREC/CoStar



HREC New Orleans Team



Len Wormser
Senior Vice President
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Len Wormser is a Senior Vice President in the New Orleans office. Len has distinguished himself during the last 20 years as the most active and knowledgeable hospitality investment advisor and developer in New Orleans and the surrounding southeast regional market. Prior to Len's affiliation with HREC, he served as the Senior Managing Director of the NAI/Latter& Blum Hospitality Division, and concurrently served as the President of Sizeler Properties REIT (SIZ NASDAQ) taxable REIT subsidiary and Managing Member/General Partner in FW Development and I-10 Development LLC, during which time Len developed over 1,400 rooms.



George Davis
Senior Associate
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George Davis is a Senior Brokerage Associate in the Denver office; providing investment banking analysis and support for the brokerage service division. Before coming to HREC, George worked as a Financial Analyst Intern for Ashford Inc. in Dallas, Texas, where he worked with the Asset Management team. A native of Birmingham, Alabama, George is a graduate of Princeton University, where he earned a degree in Religion and a certificate in Ancient Roman Language & Culture, and he has also earned a Certification in Hotel Real Estate Investments and Asset Management from Cornell University.

- Len Wormser is a lifelong resident and is headquartered in Louisiana. In the past 25 years he has developed over 1,400 hotel rooms (mostly ground up) in New Orleans;
- HREC is in New Orleans and one of the few (or only) national Institutional Investment Hotel Advisory shops with lifelong local ties and relationships in New Orleans;
- As the most active and knowledgeable hospitality brokerage in town, HREC has sold over \$639,000,000 of Hotels over the last eight years in New Orleans;
- HREC is very familiar with the entitlement process in NOLA (for example height restrictions, FAR, and conditional/permitted uses) and has successfully entitled and sold a multitude of Properties, Buildings, and Hotels in the area;
- Len Wormser has a strong list of top-notch entitlement attorneys, property tax consultants, architects, and contractors which may be helpful for a buyer as they navigate the NOLA development process.

HREC is the country's largest brokerage group dedicated exclusively to Hotel Sales and Finance – we are a team of 50 dedicated hotel professionals in 25 offices across the country. The HREC team, which represents over \$18 billion of closed hotel transactions, maintains a high level of recognition and credibility within the lodging industry.

