



## Looking Backward & Forward

The Mid-Atlantic lodging transaction market was hardly robust last year. What generally lacked was real motivation to sell, which of course limits the buy side opportunity.

**In 2026 we expect to see an increase in activity** as investors decide to recycle capital and owner-operators seek to level-up portfolios, while buyers benefit from lower interest rates and stable operating fundamentals.

**A Note About Cap Rates:** We have excluded that data because the sample set of transactions with cap rate data is less than 10% of all closed deals.

### MARYLAND - VIRGINIA - NORTH CAROLINA BY THE NUMBERS (50+ ROOMS)

- 168 hotels sold; relatively flat to last year and 50% above the number of trades in 2020, but volume **was still well below 2019, 2021, and 2022.**
- Not surprisingly, interest rates were a challenge.
- Occupancy and ADR were basically **flat to last year.**
- Hotels that traded had RevPAR \$16 below regional average, indicative of **more activity in lower-tier assets.**
- Average price per key was only \$78,000, trending down for 5th year in a row, also indicative of underperforming/lower tier trade volume driving transaction activity.
- Hotels located in suburban, small-town, airport, and interstate locations (commodity assets) accounted for 70% of transactions, while urban and resort properties saw minimal activity.
- North Carolina had outsized activity with 85 trades, compared to 53 in Virginia and 30 in Maryland.
- Washington, DC had nine trades with an average per key price of \$335,000.

### TOP TRADES IN 2025

**Maryland:** Montage International purchased the Sagamore Pendry luxury hotel in Baltimore for purported **\$48 million (~\$378,000 per key)**

**Virginia:** Noble Investment Group sold the Embassy Suites Tysons Corner to SAK Developers for **\$51.75 million (~\$221,000 per key)**

**North Carolina:** Dauntless Capital purchased The Casso, A Tribute Portfolio Hotel in Raleigh from Pyramid Global Hospitality for **\$38 million (~\$302,000 per key)**

**Washington, DC:** Host Hotels & Resorts sold the Washington Marriott Metro Center for **\$177 million (~\$385,000 per key / 6.5% cap rate)** to T2 Hospitality in a 1031 Exchange.

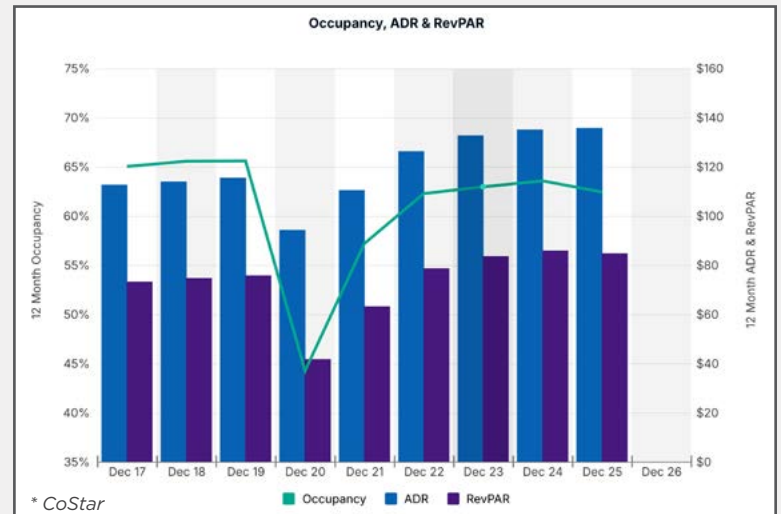
### MD - VA - NC SUMMARY:

| Location Type    | # Sold     | Total Volume           | Average Price      | Avg. Per Key    |
|------------------|------------|------------------------|--------------------|-----------------|
| Urban            | 14         | \$294,613,003          | \$21,043,786       | \$136,614       |
| Airport          | 14         | \$133,924,202          | \$11,160,350       | \$87,078        |
| Suburban         | 78         | \$582,403,285          | \$8,824,292        | \$77,694        |
| Interstate       | 26         | \$112,762,500          | \$5,125,568        | \$61,923        |
| Resort           | 8          | \$50,551,000           | \$7,221,571        | \$61,204        |
| Small Metro/Town | 28         | \$103,509,000          | \$4,140,360        | \$56,166        |
| <b>TOTAL</b>     | <b>168</b> | <b>\$1,277,762,990</b> | <b>\$8,751,801</b> | <b>\$77,117</b> |

### TRANSACTIONS RECAP

In 2025 the closed deals were dominated by lower-tier suburban assets. The quality assets sought by institutional investors represented only a fraction of the trades, indicating that owners of those assets were not motivated to sell in an interest rate environment that drove valuations down. **Of more than 170 sales last year (including DC), less than 25 were over \$100,000 per key.**

### HISTORICAL OPERATING PERFORMANCE (MARYLAND - VIRGINIA - NORTH CAROLINA)

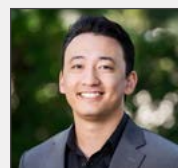


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