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HOSPITALITY TRANSACTIONS REACH HIGHEST TOTAL SINCE 2016

The Wall Street Journal Reported Hospitality Transaction Q1 Totals for 2022.

William P. "Billy" Glass, President of Gentry Mills Capital, issued this statement today concerning the [Wall Street Journal's April 19th article](#):

"At Gentry Mills Capital, we continue to closely monitor what is happening in the hotel and hospitality sector, and we are pleased to share a piece of good news pertaining to both the travel and the hospitality industries. The Wall Street Journal reported that 'first quarter [of 2022] sales of hotels exceeded \$12.5 billion, the highest total for the period since 2016.' The market is returning to, and in some ways exceeding, pre-COVID levels of activity while it continues to recover. We feel that as a result, there is a tremendous amount of value available in the hotel sector.

The article continues to say, 'While hotels face rising labor costs, they are among the property types most able to adjust for inflation because they can reprice room rates every day. This is especially true for limited-service or extended-stay hotels, which have smaller staffs.' You will recall that at Gentry Mills Capital, we almost exclusively purchase limited-service and extended-stay hotels, finding those to be the type of hotels that generate the greatest rates of return for our Limited Partners.

A portion of this increased activity in the first quarter of this year is due to the enormous amount of capital raised in 2020 in anticipation of widespread distress throughout the real estate industry. Many hospitality property owners were bolstered by resources such as congressional stimulus package funding and relaxed banking agreements, preventing distressed properties from becoming available. This put extreme pressure on investment firms to deploy the capital they had raised.

At Gentry Mills Capital, we are always cautious in our underwriting of acquisitions, and we are being even more careful in today's market. We continue to avoid markets that are overheated and frenzied and do what we have always done: **pursue opportunities in solid, stable markets with sound fundamentals**. Within these stable markets, we are finding property owners with assets that they can no longer maintain, creating tremendous opportunity for buyers as may be seen in our two current programs, the Gentry Mills AC Opportunity Fund, LP and GMI - Jax 221, LP.

We are hopeful that this activity and the improvement throughout the market will allow for the sale of some of the assets in our partnerships in the near future. We will keep you informed of important developments on that front. As always, thank you for your continued trust in our firm."

Visit GentryMillsCapital.com or call 972-759-8725 for more information.

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