

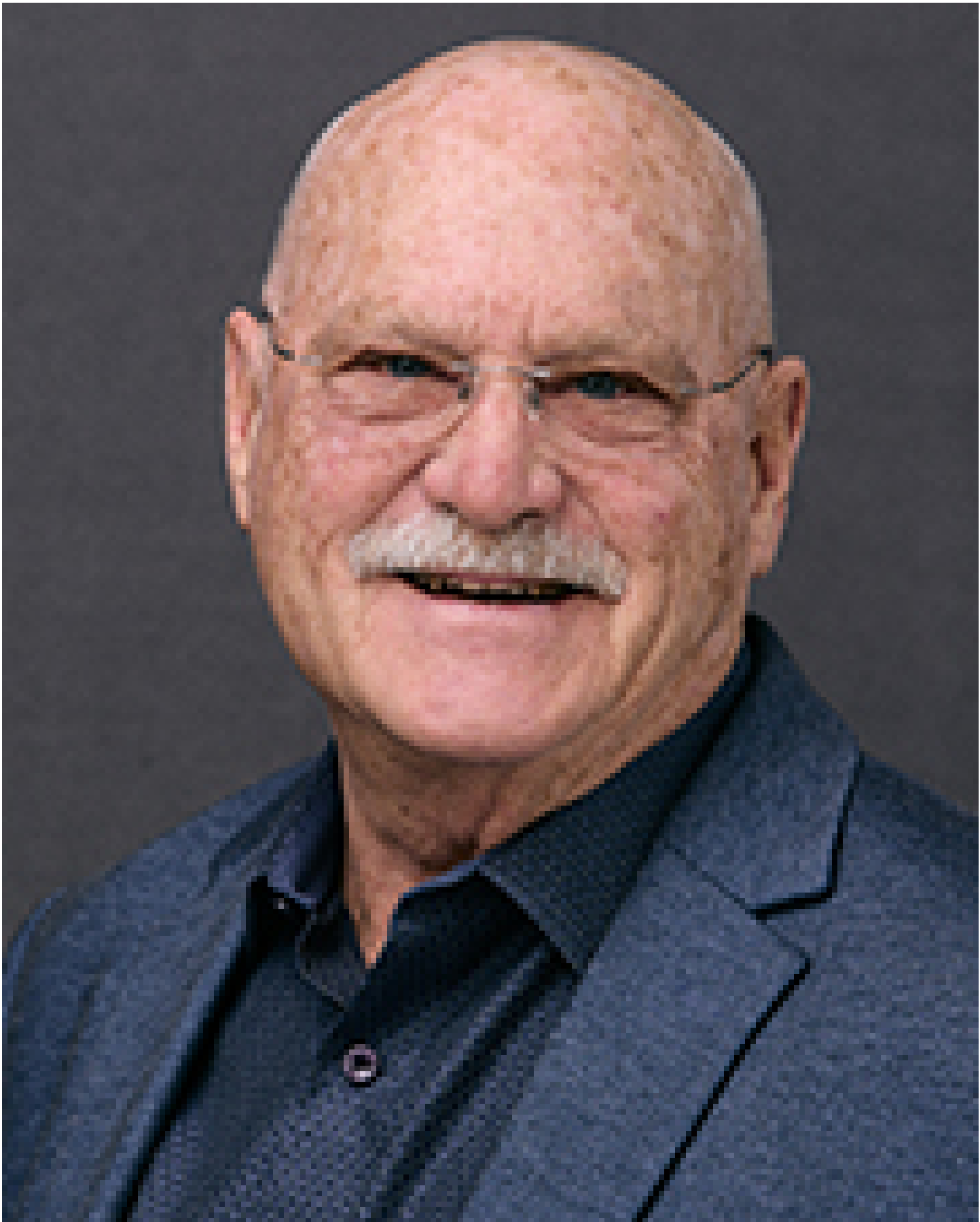


CELEBRATING
55 YEARS

nerej

There are a number of hotel groups that look for the full-resort properties - by Earle Wason

May 23, 2025 - Spotlights



Earle Wason

I cannot remember when I first started writing articles for the New England Real Estate Journal (NEREJ). I took some time to review articles I have written going back to the early 2000s but I believe I originally started sometime in the 1980s. I thought there must be a lot of NEREJ readers who question “who the heck is Earle Wason”; a question I ask myself often. So just a short insite. It was in 1985 that I earned, through passing a six-hour exam, much class time and work experience, my CCIM Designation (CCIM-Certified Commercial Investment Member) of a division of the National Association of Realtors. I have always been very proud of this accomplishment. I then served as the president of the New England CCIM Chapter and then served for two years for New England at the national level.

I began to specialize in hotels, motels, and resort inns in 1990. My previous real estate experience going back to 1973 and previous restaurant management experience turned out to be the perfect mix. I did well and loved what I was doing and still do today. I no longer count how many hospitality properties I have sold but it is more than 650 ranging in values from \$1.5 million to the sale of the Anchorage by the Sea in Ogunquit which I brokered in June of 2023 for \$100 million.

Joe Cardillo and Peter Annon CPA joined my firm 20 years ago. The different skill sets that we bring to our clients has allowed our small firm to be a recognized brand in our industry and I am extremely proud of that as well.

For those who read my articles regularly I am sure you have noted over the past few years a theme. Key points have been valuations, financing effects on value, staffing shortages and recently reduced level of available properties. Also, consideration has been given to functionally obsolete hotels and the high construction costs. These high construction costs have outweighed the pro-forma cash flows in a number of cases and either stopped or put on hold some new construction.

As we are near the half-way point of 2025 there are trends worth discussing. We have closed two sales and four more in the pipeline to close. This is lower than our usual pace but if I had been told at the beginning of the year this is where we would be in May I would have been elated. Inventory of hotels for sale throughout New England is low and lenders are scrutinizing each transaction with a magnifying glass. I have spoken with hotel companies from outside of New England and they report that the larger equity investment firms are starting to place more hotels on the market for sale. New England is still a very strong market with some of the best average daily rates in the country. This in combination with the consolidation in our industry has offset the need for significant numbers of hotels and resort inns to be available for sale.

Another trend which really complicates our job as brokers is the number of owners who want complete confidentiality in the offering of their hospitality property. This is driven by the staffing shortage and some concerns that may be felt by their repeat customers, especially when there is food service. It requires us to take a very targeted approach and not always able to get to a company or group that would pay the most. We find it much better if the owners tell the upper management, maybe offer a bonus to stay. In most all transactions the existing staff is offered a

position to stay with the hotel.

My last point as to how change is affecting the hospitality industry has to do with food and beverage. A resort inn will have a higher capitalization rate than a similar property without food and beverage. I think there is a real opportunity here. There are a number of hotel groups that look for the full-resort properties. I am convinced the best hotel, inn experience, includes a variety of food services and bar, tavern or lounge facilities with guest experiences that exceed expectations.

I am looking forward to a steady and successful 2025 for all my friends in the hospitality industry.

Earle Wason, CCIM, is president and owner of Wason Associates Hospitality Real Estate Brokerage Group, Portsmouth, N.H.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540