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A REVITALIZED DOWNTOWN ORLANDO IS TAKING SHAPE

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The Rising Tide

Since the opening of the Amway Center in the fall of 2010, the Downtown Orlando development scene has been slowly yet steadily gaining momentum, with a combination of new projects being announced and long-delayed efforts finally approaching realization. Hotel developers and various market participants across the U.S. have taken notice, and now three new hotels are set to open over the next two years in a market that hasn't seen a new hotel open since the Grand Bohemian opened in 2001.[1]

It is important to discuss the Downtown Orlando submarket within the context of the larger Metro Orlando hotel market. In 2012, the lending market loosened and a range of real estate and hotel developers announced new projects or restarted previously planned efforts. Both hotel occupancy and average rate for the metro market registered gains, with occupancy growing from 67.6% in 2011 to 68.8% in 2012, while average rate increased by 2.9% from $94.11 in 2011 to $96.88 in 2012.[2] *The outlook for 2013 is for flat to minimal occupancy growth while average rate is anticipated to rise 4.6% compared to last year, according to data and forecasts produced by Smith Travel Research (STR).*[3] *Now that demand levels have recovered and occupancy has stabilized (after recording three consecutive years of occupancy growth from 2010 to 2012), hotel operators appear confident that most of the RevPAR growth for the Metro Orlando hotel market is anticipated to come from average rate increases. Meanwhile, the hotel investment market has started to heat up across the Central Florida landscape, as hotel developers and investors have sought to take advantage of improved operating performance, favorable financing terms, and some financially troubled properties coming to market at significant discounts.*

New Projects Are Expected to Fuel Downtown Orlando's Transformation and Boost Lodging Demand for Area Hotels

The wheels were first set in motion in May 2006 when the Mayor of Orlando, Buddy Dyer, unveiled his strategic plan to county officials and other stakeholders to revitalize Downtown Orlando by developing a roughly $1.1 billion public-private investment in establishing three state-of-the-art community venues (Amway Center, Dr. Phillips Center for the Performing Arts, and the redevelopment of the Citrus Bowl).[4] The Amway Center represented the first of these public-private partnerships, which was developed by the owners of the Orlando Magic, and is owned and operated by the City of Orlando. The facility opened in the fall of 2010 and serves as the home arena to two professional sports franchises and hosts major national events, concerts and family shows. More importantly, however, the success of the Amway Center has served as a catalyst for a number of new downtown development projects that were either publicy announced, revived, or gained prominence in the past year. The five (5) projects that have been profiled are distributed among the following four submarkets of Downtown Orlando: (1) Central Business District, (2) Parramore, (3) Eola, and (4) Uptown.

The Amway Center, which reportedly cost $480 million to develop, has served as a catalyst for a number of new downtown development projects that were publicly announced, revived, or gained prominence in the past year.

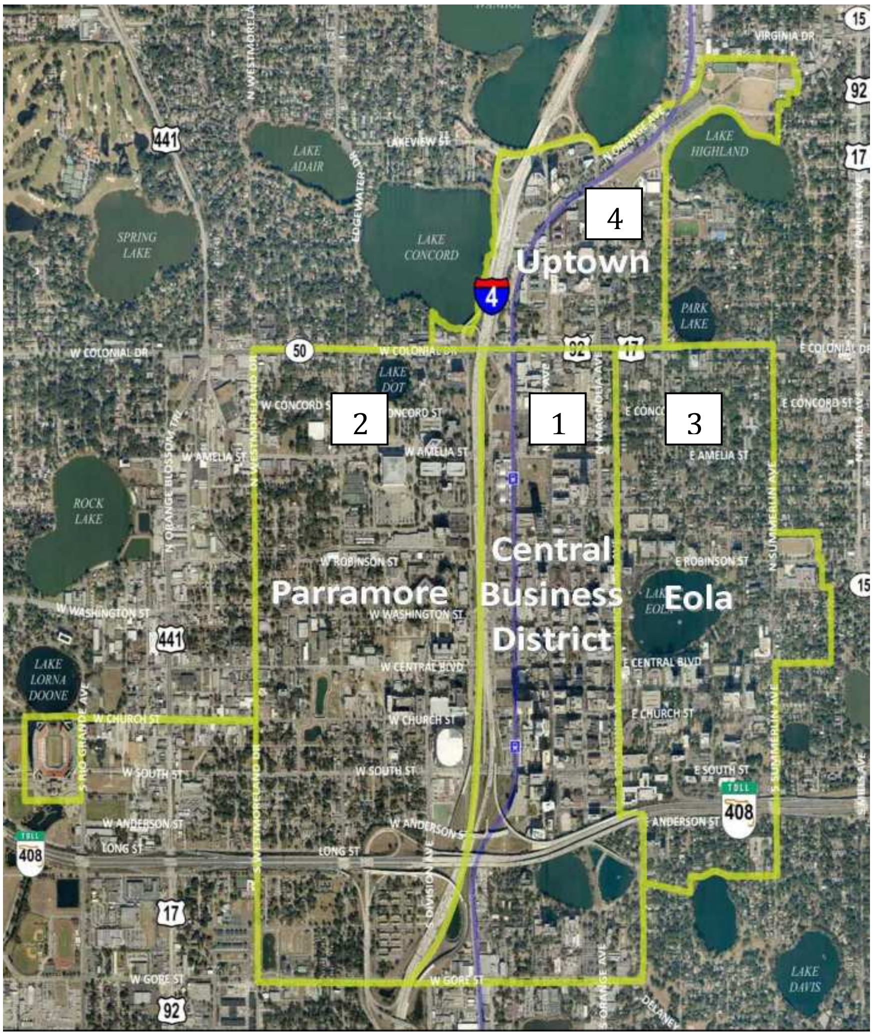
1 http://articles.orlandosentinel.com/2012-01-15/business/

2 Visit Orlando (http://corporate.visitorlando.com/research-and-statistics/orlando-hotel-statistics/)

3 STR Global (http://www.strglobal.com/)

4 http://articles.orlandosentinel.com/2010-09-20/sports/orl-amway-center-downtown-revitalization

FIGURE 1: MAP OF DOWNTOWN ORLANDO SUBMARKETS



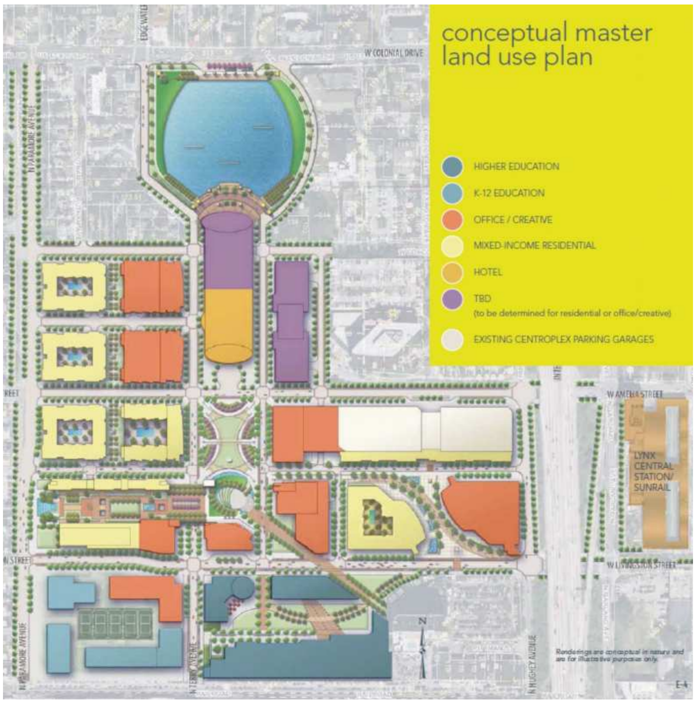
The Orlando Downtown Development Board/Community Redevelopment Agency publishes quarterly reports on a wide variety of development projects located in Downtown Orlando. In the following pages, we provide the status of five (5) major projects that are anticipated to have an immense economic impact on the Downtown Orlando area and the City of Orlando:

1) **Creative Village** – Central Florida is home to one of the nation's largest digital media industries and simulation clusters, which host more than 1,200 companies and 30,000 employees that collectively produce annual revenues estimated at $9 billion, according to the Metro Orlando Economic Development Commission. Downtown Orlando, in particular, has become a hub of digital media, software developers, gamers and mobile application creators.

   The Creative Village builds on the success of Orlando's digital media industry by transforming the former site of the Amway Arena, located in the Parramore submarket of downtown Orlando, into a 68-acre mixed-use, pedestrian friendly, urban neighborhood that will be home to leading higher education providers, high-tech, digital media and creative companies, and a diverse mix of students, employees and residents. The site of the city's proposed Creative Village will build upon an already existing community of at least 25 creative services firms that attract talented industry professionals and large digital companies, creating a homogenous and complementary mix of high-tech companies and residents that is reminiscent of Silicon Valley in Northern California.

The City of Orlando has partnered with development team, Creative Village Development, LLC, to complete this high quality, sustainable neighborhood development that will support a diverse and dynamic mix of uses including:

FIGURE 2: CREATIVE VILLAGE CONCEPTUAL SITE PLAN



- 900,000 – 1,000,000 square feet of office/creative space
- 300,000 – 500,000 square feet of higher education space
- 25,000 square feet of K-12 education space
- 1,200 – 1,500 residential units
- 125,000 – 150,000 square feet of retail/commercial space
- 150 – 200 hotel rooms
- Six parks providing public space for hosting civic events, festivals and community markets.

Site work for the development has already begun and construction is scheduled to begin in 2013. The project's total development cost has been valued between $800 million to $1 billion upon completion, representing the largest capital investment of any downtown project currently under construction.

2) **SunRail** – a 61-mile, 17-stop commuter rail system that will operate on the existing CSX railroad tracks in Orange, Seminole, Volusia and Osceola counties as well as the City of Orlando. SunRail will have two stops within downtown Orlando at Lynx Central Station (Central Business District) and Church Street Station (Parramore), in addition to two stops located at Florida Hospital and Orlando Health. Phase one of the project is expected to be operational by the second quarter of 2014, and phase two is expected to be completed in early 2016. The total cost of the project has been estimated at $615 million.

3) **Dr. Phillips Center for the Performing Arts** – a $500 million performing arts and entertainment destination that will be located in the heart of the Central Business District of Downtown Orlando. Highlights of this development include:

FIGURE 3: RENDERING OF DR. PHILLIPS PERFORMING ARTS CENTER

- ±2,700 seat Walt Disney Theater for large amplified productions such as Broadway, concerts and traveling shows.
- ±1,700 seat Acoustic Theater that can accommodate symphony, opera and ballet.
- ±300 seat Jim & Alexis Pugh Theater, a multi-purpose room for theather, dance, music and

education.

- ±3,000 person outdoor performance plaza to serve as a community gathering space and performance site.

The project broke ground in June 2011, and construction has been progressing according to schedule. The Walt Disney Theater and Jim & Alexis Pugh Theater are scheduled to open in 2014.

4) **Citrus Bowl** – this sports and entertainment venue, located in the Parramore submarket of downtown Orlando, will undergo a $175 million refurbishment beginning the first quarter of 2014. Planned improvements include new accessible seating and club space in the lower and mid bowls, enhanced concession stands, locker rooms, and restrooms. Other cosmetic upgrades will be completed throughout the stadium to reflect a first-class facility. In total, the Citrus Bowl will feature:

- 65,000 seats
- 4,000 club seats
- 700,000 square feet

5) **Proposed Sports and Entertainment Disrtrict Complex** – the Orlando Magic have announced preliminary plans to build a mixed-use, sports and entertainment complex across from the Amway Center on Church Street, just west of Interstate 4 in the Parramore submarket. In coordination with the City of Orlando, the owners of the Orlando Magic are proposing a $100 million private investment to relocate their corporate headquarters and build a sports and entertainment complex that would include a 275-key hotel, dining, retail and entertainment options. The complex, which would likely be constructed over three years and would continue to revitalize Downtown Orlando and the Parramore submarket, also includes plans to acquire a city-owned building and parking garage across the street from the Amway Center on Church Street. Representatives of the Orlando Magic have asked city officals for a second extension of an exclusive purchase option to acquire the building, which was first granted to them in 2011. If the extension is approved, the Orlando Magic would decide whether to exercise the purchase option by March 28, and share details of its plan with the City Council by May 28, according to a recent news report by the Orlando Sentinel.[5]

Orlando Magic and city officials plan to make the proposed sports and entertainment complex a top-notch facility by studying the complexes tied to other arenas and downtown districts such as Los Angeles (LA Live), Memphis (Beale Street), and Nashville.

New Wave of Hotel Projects to Open in Downtown Orlando

With tourism on the rise and a flurry of major development projects currently underway, developers are set to open a series of new hotels that will capitalize on the redevelopment of Downtown Orlando and the influx of new businesses and residents that will be attracted to the area.

The most notable hotel project under consideration is a proposed 275-key, chain-affiliated hotel that will anchor the **Orlando Magic's proposed sports and entertainment complex** across from the Amway Center. The proposed hotel would serve as the headquarters hotel for the Orlando Magic and Orlando Predators, while also featuring the largest ballroom in the downtown hotel market. The proposed hotel would cater to corporate groups and individual leisure travelers but would also feed off of the traffic generated by the nearby stores, bars, restaurants, nightclubs and entertainment venues that line the Church Street corridor.

[5] http://www.orlandosentinel.com/news/local/breakingnews/os-orlando-magic-entertainment-complex-20130123,0,4081380.story

We understand that the Orlando Magic, in coordination with city officials are undertaking an extensive feasibility study to examine the project's viability. As such, the project is in the early stages of planning and there is no timetable for development.

In addition to this project, several other new hotels are planned to open in Downtown Orlando by 2015, which include: a 119-room Aloft Hotel (details below), a 135-room Residence Inn (Central Business District), a 155-room Cambria Suites (Central Business District), and a 125-room Hilton Garden Inn that will be a part of a large mixed-use development to be located adjacent to the new downtown Central SunRail station (Central Business District) and just west of the Orange County Courthouse. HVS has provided consulting services to three (3) of these projects.

Central Business District

FIGURE 4: RENDERING OF ALOFT DOWNTOWN ORLANDO

Aloft Hotel Orlando Downtown – New York-based GDC Properties, LLC acquired the former 110,000-square-foot Orlando Utilities Commission building in the 4Q 2011 for a reported sum of $2.8 million, with plans to redevelop the property into a 119-room Aloft branded hotel. Construction began on this adaptive reuse project in 2012, which occupies a prime location at 500 South Orange Avenue in the Central Business District of Downtown Orlando, directly across from the site of the Dr. Phillips Center for the Performing Arts. The project is expected to qualify for LEED designation and will incorporate environmentally-friendly construction materials and mechanical systems. The property is slated to open in August of this year, according to development representatives from GDC Properties.

The following property is under construction in the Winter Park submarket of Orlando, which is located approximately four miles north of the Central Business District.

FIGURE 5: RENDERING OF THE ALFOND INN AT ROLLINS COLLEGE

Winter Park

The Alfond Inn at Rollins College – designed specifically to serve the needs of Rollins College and the Winter Park community, The Alfond Inn is being developed on a landmark site that formerly housed the Langford Hotel. The Alfond Inn will be an upscale, boutique hotel featuring 112 rooms, a restaurant and lounge, and approximately 15,000 square feet of flexible indoor/outdoor meeting and banquet space. The hotel will enable both the College and Winter Park communities to host social and professional events that previously could not be accommodated on campus or in the surrounding community.

The hotel is currently under construction and is slated to open in August 2013, according to a member of the project's development team. The hotel will be operated by The Olympia Companies.

The following property is in the planning stages of development on a site that is located just south of Downtown Orlando:

Orlando Health Medical Campus

Hampton Inn & Suites at Orlando Health – Experienced developers Charles Funk and Jeff Meehan are teaming up once again (both are real estate developers and investors who have developed or managed multiple properties together during the past 30 years, predominantly on Florida's west coast) to build a $20 million Hampton Inn & Suites hotel on the campus of Orlando Health, a not-for-profit healthcare network near Orlando's downtown core. The Tampa-based developers have formed CJP Columbia Properties LLC, who announced plans in the fall of 2012 to build a 126-room hotel in conjunction with a 100,000-square-foot medical office building.

The 2.3-acre hotel site is the first phase of a larger complex spanning nearly four acres that also features plans for a medical office building, according to a press release issued by the Tampa Bay News Wire.[6] Construction of the hotel is expected to begin by mid-2013 with a planned opening in mid-2014.

The proposed Hampton Inn & Suites will serve an untapped market of visitors looking for limited-service hotel accommodations in the Downtown Orlando hotel market which currently contains a sizeable inventory of chain-affiliated, full-service hotels. The proposed Hampton Inn & Suites will represent the third limited-service hotel to compete in the greater Downtown Orlando area. The Travelodge and the Comfort Suites are the only limited-service hotels in the downtown market (the Courtyard Downtown Orlando is a select-service hotel product).

Based in Orlando, Orlando Health is one of Florida's most comprehensive private, not-for-profit healthcare networks. Its facilities, advanced medical treatments, procedures and staff serve nearly two million Florida residents and 4,500 international visitors annually.

A Review of Visitation and Hotel Market Trends by Submarket of the Metro Orlando Area

In our inaugural HVS Central Florida Newsletter (which can be read here Central Florida Newsletter - Fall 2011 A Review of Visitation and Hotel Market Trends), we reviewed historical and recent trends in visitation as well as lodging performance for hotels in the Metro Orlando area.

[6] tampa-developers-partner-on-20m-orlando-hotel-2360

Metro Orlando Tourism Continues Record-Breaking Trend in 2012 with 56.8 Million Visitors

Tourism highlights for the Metro Orlando area in 2012:

- Record domestic and international visitation

- Port Canaveral recorded approximately 4.0 million more cruise passengers, reprenting a 19.4% increase over 2011

- Convention and tradeshow attendance at the Orange County Convention Center was up 8.6% over 2011

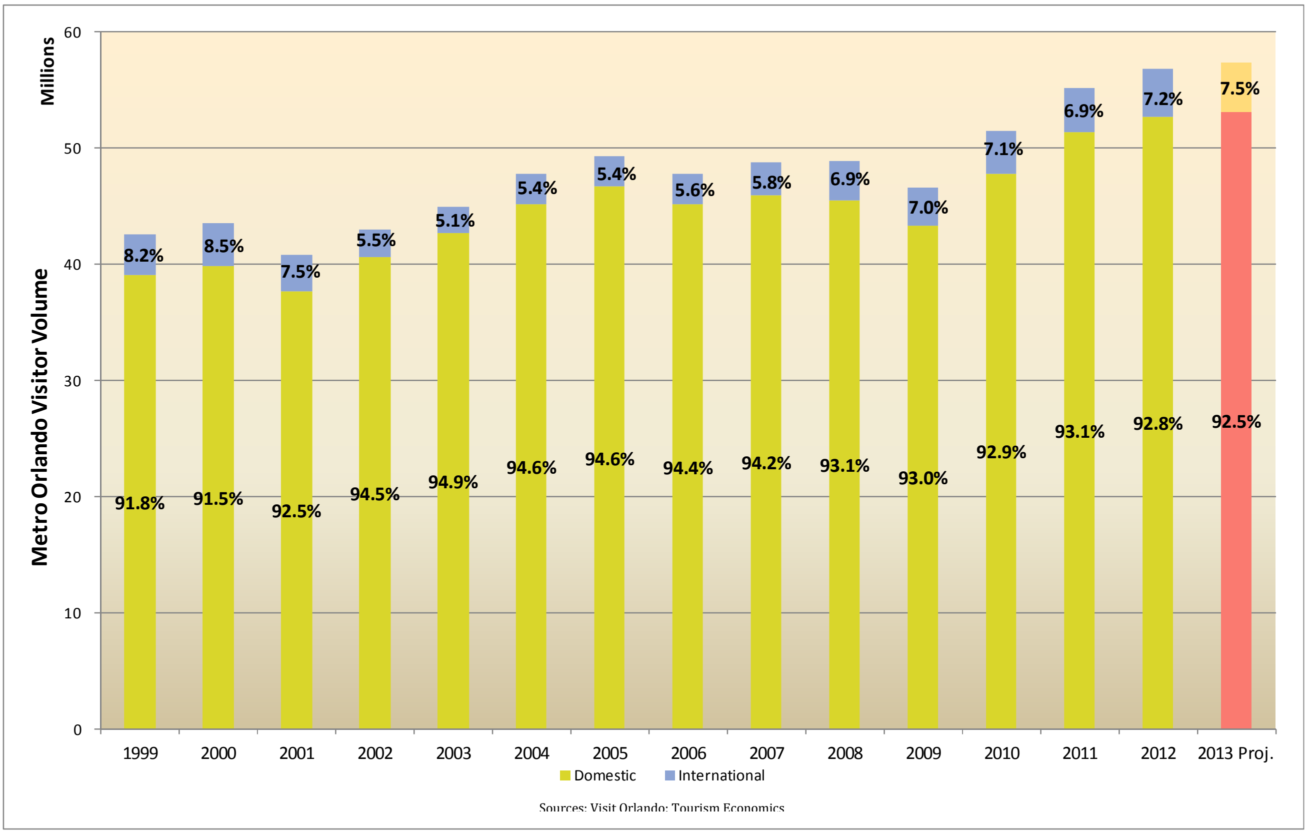
- Metro Orlando sold a record 29.3 million hotel room nights

Orlando welcomed a record 56.8 million visitors in 2012, a 2.9% increase over the previous record-high of 55.2 million visitors set in 2011, according to data collected by Visit Orlando and its partners. Total domestic visitation accounted for 52.7 million visitors, a 2.6% increase over 2011, while total international visitation totaled 4.1 million visitors, a 7.9% increase over 2011, with Canada retaining its title as the destination's top overseas market for the fourth consecutive year (the United Kingdom was the top feeder market from 2000 to 2008). South America has emerged as a rapidly growing overseas market, fueled by burgeoning middle classes in countries such as Brazil, Colombia, Venezuela and Argentina.

In addition, visitor spending soared to an estimated $34.7 billion, a more than $3 billion increase over the $31.6 billion spent in 2011. Theme park additions such as the Wizarding World of Harry Potter at Universal Studios in June 2010 have postively impacted visitation levels and tourist spending over the past two years. In 2013, Walt Disney World is set to unveil Magic Kingdom's new Fantasyland at the end of the year and SeaWorld Orlando is on schedule to open Antartica: Empire of the Penguin in the spring of 2013. These new attractions coupled with increased visitation from domestic and international source markets should continue to support tourism growth for the Metro Orlando area.

The forecast for 2013, which is produced by Tourism Economics and published by Visit Orlando, predicts that the number of visitors to Orlando will surpass the record set in 2012 with 57.3 million visitors. This represents a modest 1.0% increase over 2012 levels.

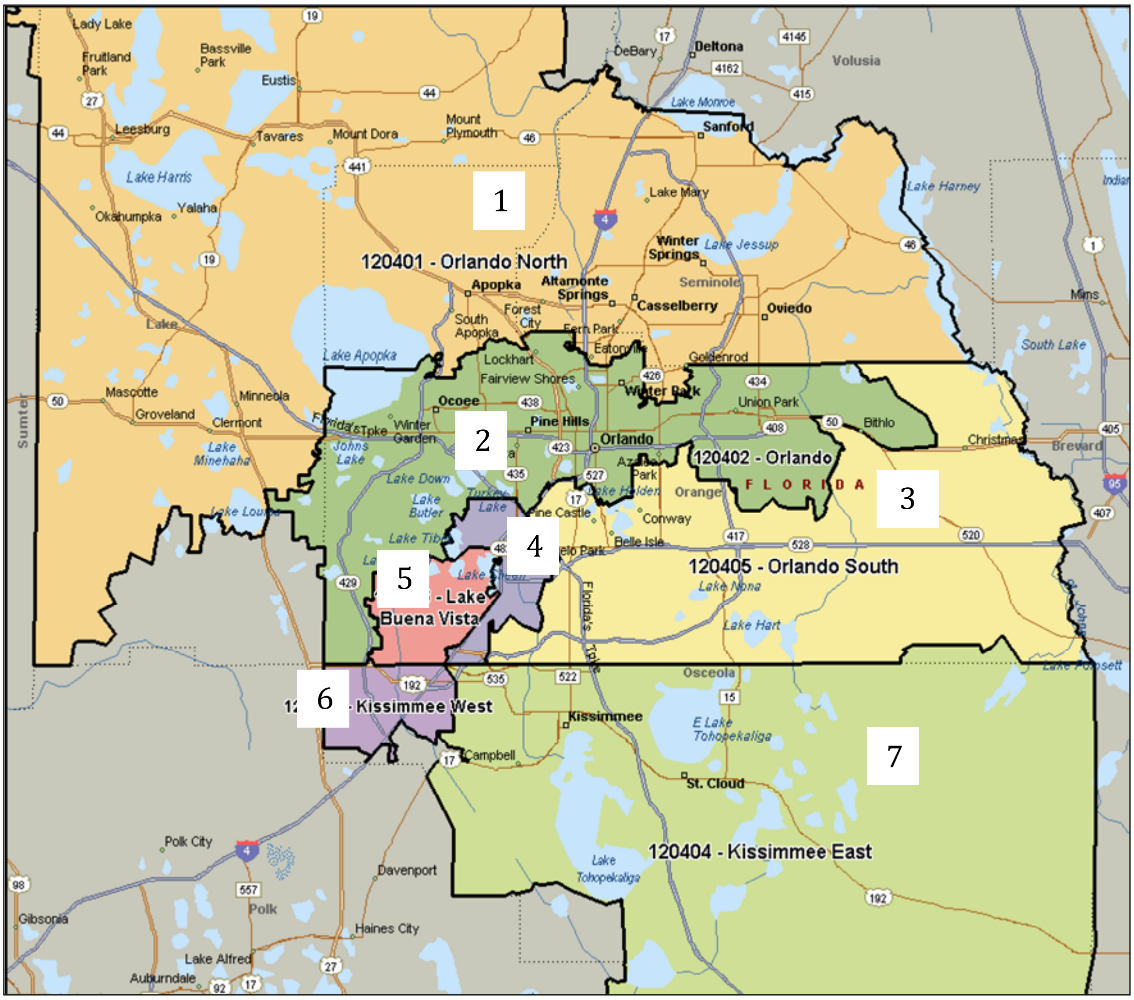
FIGURE 6: DOMESTIC AND INTERNATIONAL VISITATION TO ORLANDO



Occupancy, Average Rate and RevPAR Trends by Submarket

Smith Travel Research (STR) hotel statistics for the Metro Orlando area are tracked among the seven submarkets as noted on the following map.

FIGURE 7: STR MAP OF METRO ORLANDO SUBMARKETS



Regional Descriptions

1. **Orlando North** – Altamonte Springs, Sanford, Winter Park, and some North Orlando
2. **Orlando Central** – Downtown Orlando, from West Orlando (Winter Garden and Ocoee) to East Orlando (UCF) along State Road 50 (i.e. Colonial Drive)
3. **Orlando South** – South Orange Blossom Trail, Orlando International Airport
4. **International Drive (*I-Drive*)** – Universal Studios south to SeaWorld
5. **Lake Buena Vista (*LBV*)** – All LBV hotels, including Marriott World Center, Hyatt Regency Grand Cypress and Caribe Royale; includes Walt Disney World Swan and Dolphin, Hilton Bonnet Creek and Waldorf-Astoria but does not include all other Walt Disney World owned and operated hotel/resort properties
6. **Kissimmee West** – Zip code 34747; south of Disney along I-4 and the western portion of US 192
7. **Kissimmee East** – All other zip codes in Osceola County, including the eastern portion of US 192 Kissimmee and St. Cloud

<u>**Note**</u>: *Occupancy and ADR figures from STR do not include Disney-owned hotels or alternative forms of accommodations such as vacation homes, timeshare properties, or campgrounds.*

FIGURE 8: OCCUPANCY TRENDS BY SUBMARKET OF ORLANDO

Rank	Submarket	2010	2011	2012
1	Lake Buena Vista*	71.7 %	77.7 %	76.1 %
2	International Drive	65.6	69.4	70.5
3	Orlando South	67.7	70.0	70.4
4	Orlando Central	58.7	61.5	63.0
5	Kissimmee East	54.2	58.9	62.4
6	Orlando North	49.7	53.1	57.3
7	Kissimmee West	46.2	49.0	55.2
Total - Metro Orlando		**64.5**	**67.6**	**68.8**

**Lodging statistics do not include Disney properties*

Source: Visit Orlando, Smith Travel Research

A review of the marketwide occupancy over the last three years reveals the following:

- The Metro Orlando hotel market recorded an overall occupancy rate of 68.8% in 2012, the market's highest occupancy rate since 2005.
- Lake Buena Vista has consistently registered the highest occupancy of the seven submarkets constituting the Metro Orlando area, with Orlando South and International Drive consistently vying for second place.
- The Kissimmee West submarket exhibited the greatest year-over-year increase from 2011, as evidenced by its 6.2 perecentage point gain in occupancy for 2012.
- Lake Buena Vista was the only submarket to record a lower occupancy in 2012, which registered at 76.1%, or a 1.6 percentage point decline from its record 2011 occupancy level of 77.7%. The data suggests that local hotel operators began to phase out discounted average rates in 2012, given the increased levels of visitation to the Metro Orlando area, the popularity of the area's attractions, and an improving national economy.
- While the Metro Orlando lodging sector noted numerous positive trends in 2012, many of which are projected to continue into 2013, one challenge the industry expects is decreased attendance for events hosted at the Orange County Convention Center due to smaller groups booking the facility and a number of notable trade shows rotating out of Orlando to other destinations. However, the Orange County Convention Center is expected to be the top meeting destination in 2013, ahead of Washington D.C. and Las Vegas.[7]
- HVS forecasts flat to minimal occupancy growth for the Metro Orlando area in 2013, as hotel operators continue to focus on average rate increases amid steady growth in room night demand levels and a modest amount of hotel supply expected to enter the market in 2013.

FIGURE 9: AVERAGE RATE TRENDS BY SUBMARKET OF ORLANDO

Rank	Submarket	2010	2011	2012
1	International Drive	$102.30	$106.53	$108.98
2	Lake Buena Vista*	100.70	100.33	103.80
3	Orlando South	91.64	93.70	98.63
4	Kissimmee East	74.97	72.98	75.67
5	Orlando Central	68.74	73.50	75.02
6	Orlando North	68.03	70.02	70.66
7	Kissimmee West	52.70	55.26	62.77
Total - Metro Orlando		**$91.95**	**$94.11**	**$96.88**

**Lodging statistics do not include Disney properties*

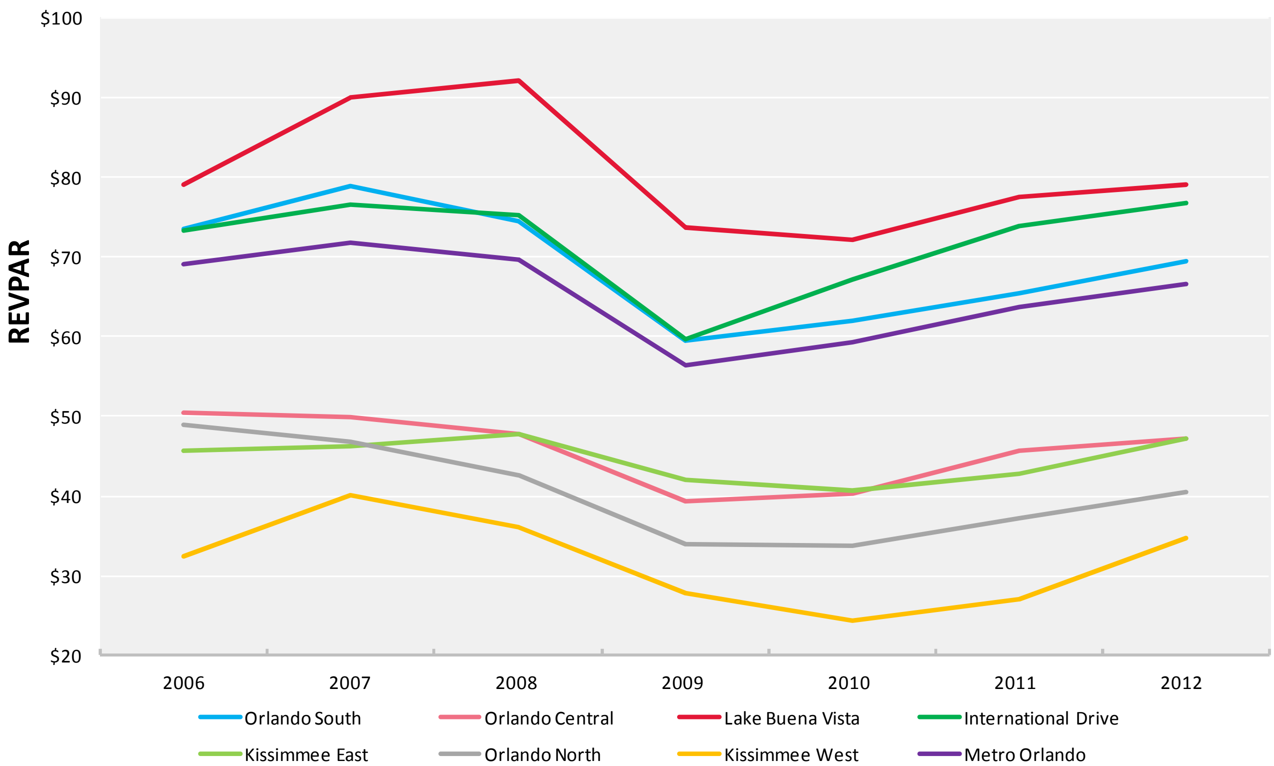
Source: Visit Orlando, Smith Travel Research

[7] http://www.cvent.com/en/company/cvent-announces-top-50-meeting-destinations-us.shtml

A review of the marketwide average rate over the last three years reveals the following:

- Average rate for the Metro Orlando area increased by 2.9% in 2012 to just under $97 and roughly $9.00 off the prior peak recorded in 2007 at $105.84.
- As is customary for hotels recovering from downward cycles, many of the hotels in the Metro Orlando marketplace sought a yield-management strategy that targeted occupancy gains rather than ADR increases in 2010, a trend that continued for select submarkets in 2011, before adopting a more aggressive rate strategy in 2012.
- In 2012, International Drive achieved the highest ADR among the seven submarkets due in large part to the continued popularity of the area's theme park and water park attractions, which allowed hotel operators to raise average rates as room night demand remained at healthy levels year-round.
- Every submarket registered positive ADR gains in 2012, with Kissimmee West posting the highest year-over-year increase of 13.6%, followed by Orlando South at 5.3%.
- Kissimmee West offers the lowest aggregate ADR among the seven submarkets due to its somewhat distant location from the area's attractions in Lake Buena Vista and International Drive, relying more on the 'overflow' or displaced demand that is often priced out of some of the more desirable submarkets.
- Now that demand levels have recovered and occupancy is beginning to stabilize (after three consecutive years of growth, although it is now forecast to remain flat, according to STR), market participants appear confident that most of the RevPAR growth for the Metro Orlando hotel market is anticipated to come from average rate increases. STR's forecast of 4.6% ADR growth supports this outlook for the Metro Orlando area in 2013.

FIGURE 10: REVPAR TRENDS BY SUBMARKET



Sources: Visit Orlando, STR and HVS

Hotel Sales Volume Rises Sharply in the Metro Orlando Area in 2012

Record visitation levels and improved hotel operating performance, as well as some distressed hotels coming to market, resulted in a dramatic increase in the total sales volume of hotel transactions for the Metro Orlando area (including Orange, Osceola, Seminole, Polk and Lake Counties) in 2012. Investors spent around $240 million in 2012 as compared to $163 million in 2011, illustrating a 47% year-over-year increase which was highlighted by the $77 million sale of the Grand Bohemian in Downtown Orlando and the roughly $34 million purchase of the Westin Imagine near the Orange County Convention Center.[8]

Some noticeable trends that emerged from the hotel investment market in 2012 include the following:

- **Foreclosure Sales –** while there are still a number of distressed hotels in the Central Florida marketplace, sales of these assets appear to be waning as lenders and hotel owners feel less inclined to liquidate their assets, given the expectation that hotel values will continue to rise.
- **Increased Competition for Quality Assets –** with the number of bargain-basement deals diminishing, hotel investors are starting to turn their attention toward higher-quality assets that offer positive cash flow. REITs and private equity capital are returning to the market.
- **Favorable Financing Terms –** hotel mortage interest rates are at their lowest level since HVS started tracking them in 1973. The return of the CMBS market has enabled lending institutions to offer attactive terms on loans for hotel acquisition and new development activities. Hotel buyers are also taking advantage of assuming or refinancing the seller's existing mortgage as an alternative to new mortgage financing. For hotel owners that have a strong borrowing profile and a financially performing hotel in good physical condition, fixed interest rates are currently being offered between 4.5% and 6.0%.

Notable Central Florida Hotel Transactions

Details regarding some of the most notable hotel transactions in 2012 include:

- **Grand Bohemian Downtown Orlando –** this hotel was part of a three-hotel portfolio purchased by Inland American Lodging Group, a wholly owned subsidiary of Orlando-based real estate investment trust Inland American Real Estate Trust, Inc., who purchased the hotels from acclaimed hotelier and developer Richard Kessler of The Kessler Enterprise Inc. The Grand Bohemian was purchased for $77 million, or approximately $312,000 per room. The properties include the 247-room Grand Bohemian in Downtown Orlando, Florida, the 115-room Bohemian Hotel Celebration in Celebration, Florida, and the 75-room Bohemian Hotel Savannah Riverfront, located in Savannah, Georgia. All three hotels are members of Marriott's Autograph Collection consortium. The properties will continue to be managed by Kessler Collection Management under a 10-year management agreement.
- **Westin Imagine Orlando –** developed by Canadian-based Intrawest Corp, the Westin Imagine Orlando is a 315-key condo hotel that opened in 2008 as part of the first phase of a multi-phase project called the Village of Imagine. The condo hotel was supposed to be the anchor to a proposed 29-acre tourist village that had plans for three additional hotels and a waterside walkway lined with shops and restaurants. However, Intrawest Corp. ran out of funds to complete the remaining components of the project and only the Westin condo-hotel was built.

[8] http://articles.orlandosentinel.com/2013-01-28/business/

Further, the downturn in the national housing market and subsequent economic recession limited the number of condo-hotel units that were sold due to a lack of financing for individual buyers. As a result, only 60 of the 315 total hotel keys are owned by third parties.

In October 2012, The Archon Group LP of Irving, Texas purchased the property for $34.5 million, or about $110,000 per room, from Redus Properties, Inc., a bank-related group spearheaded by Wells Fargo. The transaction also included approximately 18 acres of land surrounding the hotel.

- **Royal Plaza Hotel –** InSite Group, a real estate development and investment company based in South Florida, and Cube Capital of London acquired the property through a foreclosure sale for a reported sum of $16,000,000 or $41,000 (rounded) per room. Shortly thereafter, new ownership announced plans to renovate and convert the 394-room Royal Plaza Hotel at Walt Disney World to a "B" branded hotel, under their new lifestyle brand company B Hotels & Resorts.

  The property is subject to a long-term ground lease with the Walt Disney Parks and Resorts US, Inc. that expires in 2049. The property will undergo a full renovation in 2013 to complete its conversion from the Royal Plaza Hotel to a B Hotel at Walt Disney World Resort.

HVS Miami Announces New Satellite Office in Orlando, FL

Kathy Conroy, MAI, CEO/Managing Director and John Lancet, MAI, Director-Partner, of HVS Miami Consulting & Valuation Services, proudly welcome Donald C. Stephens, Jr. as a Vice President of the firm. Donald is located in the firm's satellite office in Orlando and is in charge of Central Florida consulting and valuation services. Donald's relocation to Orlando adds to the existing presence of HVS Shared Ownership Services in the Central Florida region. Donald has been an active participant in the hotel industry for more than 28 years, preparing hundreds of appraisals on existing and proposed hotels, resorts, golf courses, and mixed-use projects covering a wide range of geographical experience throughout the United States and Canada. "Donald brings a strong appraisal and consulting background having worked with the financial lending community, institutional clients, government agencies, corporate entities, legal and accounting professionals, developers, and private individuals," explains Conroy.

"Now is our time for HVS to have a physical presence in this dynamic hospitality market," remarked Stephens. Orlando continues to dominate visitation in Florida with over 56.8 million visitors in 2012; Orlando is expected to surpass New York City as the top travel destination in America." Donald also noted "the fundamental strengths of Orlando as a leading business city, coupled with continued growth in leisure tourism, has created a stable operating environment which has made Orlando a magnet for foreign capital investors. We expect hotel transaction activity to eclipse 2012 volumes, and we expect competition for high-quality assets to push up transaction values and drive down yields. I am pleased to be located in this vibrant market and to be assisting our valued clients in the investment and value maximization process" concluded Stephens.

U.S. Hotel Market Connections – Wednesday May 1, 2013, in Orlando

U.S. Hotel Market Connections will be presented by HVS Global Hospitality Services in 15 markets around the United States on May 1, 2013. In this first-of–its-kind collection of congruent seminars across the country, HVS CEO and President Stephen Rushmore, Jr. will speak to ALL 15 markets simultaneously to share the HVS National Hotel Valuation Index results and the firm's outlook for the U.S. hotel industry. In addition, a Managing Director of each participating HVS office will share their view review of the local hotel market outlook.

The Florida-based team of executives at HVS Miami will host this event in Orlando. Hotel Market Connections is designed to reach a core audience of HVS clientele with our insights on trends in hotel lending and valuation, transactions, cap rates, and operating trends for hotels in each respective market region, as well as a forecast of hotel values through 2016. These seminars will also give attendees a chance to network with hotel lenders, consultants, investors and owners.

For information, please visit www.HotelMarketConnections.com and select *Orlando* as your attendee location.

HVS Miami

HVS Miami with office locations in both Miami and Orlando, provides a variety of consulting and valuation services for hotels, mixed-use real estate, and shared ownership projects. Florida-based professionals with HVS have completed over 1,500 engagements, with over 50% being located throughout the state of Florida. They have also worked in 28 Caribbean islands and 12 Central and South American countries. In addition to certified valuations which are overseen by three MAI designated appraisers, the HVS team in Florida also provides feasibility studies, acquisition due diligence, asset management, expert witness testimony, and marketing and sales solutions for mixed-use and shared ownership real estate developments.

For more information, go to:

http://www.hvs.com/Offices/Miami/

http://www.hvs.com/Services/SharedOwnershipServices/

About HVS Global Hospitality Services

HVS is the world's leading hospitality consulting and valuation services organization. HVS principals are regarded as the leading professionals in their respective regions of the globe. Through a worldwide network of 30 offices staffed by 400 seasoned industry professionals, HVS provides an unparalleled range of vertically integrated services for the greater hospitality industry. For further information on all of our services, please visit **www.hvs.com**.

About the Authors

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