COMMONWEALTH

MARKET INSIGHTS

Mid-Atlantic Hospitality

MID YEAR 2026 RECAP

Key Highlights

The main event of the first half of 2026 was the entry of private equity into the Virginia Beach market, with Wheelock's $349 million portfolio purchase (the Cavalier Resort properties). Notably, the Coastal Hospitality portfolio of eight hotels also traded (technically closing in early July) for $170 million. Together, these two deals, totaling over half a billion dollars, represent the first meaningful investment of out-of-state private equity in the Virginia Beach resort area, and we anticipate these trades will put the market on the map for future investment from PE shops. Additionally, the Sotherly REIT, which included 10 hotels (three in the Mid-Atlantic), was taken private. Collectively, these deals signal a broader shift: **institutional capital is moving decisively into Mid-Atlantic hospitality.**

Market Insights

- Regional hotel transaction activity totaled roughly **$1.56 billion** across 113 priced sales (138 total closings) through the half of 2026, reflecting an active trading market.
- Suburban assets were the most active segment, with 53 priced sales and $453M in volume.
- Virginia and Tennessee led total volume: Virginia on the $349M Virginia Beach oceanfront portfolio, and Tennessee on Nashville's luxury/urban trades, including The Joseph at $170M.
- Trailing 12 month RevPAR through June 2026 throughout the six state Mid-Atlantic region was essentially flat year over year ($86.54 vs $86.37)
- Overall, the first half of the year reflects a barbell pattern: high deal-count activity in suburban and roadside/ economy assts, paired with a small number of very large, high-price-per-key resort and urban trades.

Select Market T-12 Performance

Market	Occupancy (2026)	ADR (2026)	RevPAR (2026)	RevPAR (2025)
Virginia Beach Oceanfront	61.5%	$191.63	$117.91	↑ $115.04
Nashville	67.5%	$174.26	$117.64	↑ $116.16
Northern Virginia	69.8%	$170.57	$119.02	↑ $118.15

Data was sourced and aggregated from CoStar and public records.

Volume by Hotel Location Type

Location Type	Number Sold	Total Volume*
Airport	10	$86.8M
Interstate	17	$72.4M
Resort	9	$405.5M
Small Town/Metro	17	$101.9M
Suburban	53	$463.1M
Urban	7	$429.6M
TOTAL	113	$1.56B

**Total volume reflects the 113 transactions with disclosed pricing; 25 additional deals closed at undisclosed prices (138 total closings) and are excluded from these figures.*

Volume by State

State	Priced Deals	Total Volume*
Virginia	26	$585.8M
Tennessee	25	$392.7M
South Carolina	22	$228.4M
North Carolina	25	$207.1M
Maryland	9	$129.3M
West Virginia	6	$15.9M
TOTAL	113	$1.56B

**Total volume reflects the 113 transactions with disclosed pricing; 25 additional deals closed at undisclosed prices (138 total closings) and are excluded from these figures.*

Transactions Recap

Suburban markets dominated deal flow, driven by investor appetite for stable, cash-flowing assets. Interstate and economy/roadside assets traded at the low end of the pricing spectrum, consistent with owner/operator, value-add strategies. A few major deals boosted overall volume and average per-key metrics.

Top Trade by State

State	Buyer	Property	Price	$/Key
Virginia	Wheelock Street Capital	Virginia Beach ocean-front 3-hotel portfolio	$349M	$638,026
Tennessee	Rockbridge	The Joseph, a Luxury Collection Hotel	$170M	$572,391
Maryland	TMGOC Ventures	Bethesda North Marriott Hotel & Conference Center	$80M	$175,824
South Carolina	Highline Hospitality Partners	The Westin Ponsett, Greenville	$48.7M	$243,500
North Carolina	White Lodging Services Corp	Sheraton Raleigh Hotel	$44.5M	$126,062
West Virginia	West Virginia University	Hotel M Morgantown	$3.975M	$56,786

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