

For Immediate Release

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Hotel Brokers International Celebrates Golden Anniversary

Primary Source of Hotel Transactions for 50 Years

KANSAS CITY, Mo., February 11, 2009—Hotel Brokers International (HBI), the nation's largest hotel brokerage organization with more than 30 offices from coast to coast, today began a year-long celebration of their 50th anniversary.

HBI was founded in Chicago on September 11, 1959 as the Motel Brokers Association of America (MBAA) by seven men and one woman who specialized in hotel brokerage. At that time, their offices ranged from the upper Midwest to as far west as Phoenix.

“Back in those days, we had two distinct types of buyers and sellers,” said Bill Brash, founder of Chicago-based Brash Realty Co Inc., and one of two living co-founders. “Our clients were buyers who usually wanted to go to warmer climates. They wanted to buy a motel...and sunshine. It cost a lot of money to take your buyer to a hotel that far away, and I thought there had to be a better way. If I knew a broker in the warm weather regions who I could send my buyers to, it would help the buyer and seller, as well as our brokerage business. Once we put the organization together, things began to take off. One year I had 13 hotel sales in Florida alone.”

“It also helped us list more hotels,” said Wayne Westgor, chairman emeritus, Westgor & Associates and one of two surviving founding members. “The national coverage we offered attracted growing numbers of buyers and sellers. Not coincidentally, I was able to list at that time one of the largest hotels in the country, a property in Omaha with some 400-plus units.”

“We recognized that specialization was important,” Brash said. “Doctors specialized in hearts and other areas of medicine; we decided we would specialize in hotels. With a national network, we could market a property through 20 offices in just a couple of days.”

In the early days, a typical hotel was 20 to 40 rooms and sold for between \$300,000 and \$700,000. “I remember the first deal I ever made was an 11-unit motel that sold for \$60,000,” said George E. Brown, chairman of Brown Hotel Group, Inc. and an early member. “Having a network where you could share properties and bring buyers and sellers together was a tremendous competitive advantage.”

“There still weren’t many brokers who understood the hotel business and its complexities,” said George A. Brown, former president of Brown Hotel Group, Inc., an early member and brother-in-law to George E. Brown. “As a family-owned business, we took great pride in our business and in our drive to be the best, decided that sharing information was a better way to transact deals. Having a broker in every state also allowed us to sell virtually anywhere in the country because it was, and still is illegal, to sell a hotel without being properly licensed in that state.”

Women in Hotel Brokerage

Women have always played a key role in hotel brokerage, one of a handful of areas in the 1950s where women could hold an executive position. Billie Squire, one of the original eight founding members, learned the business from her parents and spending time running a summer cabin camp owned by the family. She was an officer on HBI’s board of directors for nearly 20 years. Her son, Jack Squire, also active in the organization, was president in 1973.

Helen Naugle, who ran a Nevada-based brokerage firm, decided to focus on hotel brokerage in 1972 after seeing an ad in a newspaper for hotel brokers while visiting her daughter

in college. “At that time, I sold all classes of real estate but thought specializing in hotels would be a good thing. My mother managed hotels when I was in high school, so I knew a little about the business. I went back to Las Vegas and sold off my non-hotel brokerage business. Right from the start, hotel brokerage was the best decision I ever made.” Naugle went on to become the first woman president of the organization.

“Twice a year, I would drive to every hotel in the state to ask them if they were interested in selling their property and what they thought of the market,” she said. “We would exchange information and I would follow up by sending a quarterly publication called Motel Topics that told them who was selling what that also included some trend information. It was really pioneering.”

Relationships

Whether you talk to a founding member or the newest member, there seems to be one common theme...“relationships.”

“I got into the organization after playing golf with a friend of mine, Van Scoggin, who was a hotel broker and early member,” said Ted Blue, retired partner of Scoggin Blue LLC, in Las Cruces, N.M. “He talked me into joining his company, which is the best thing I ever did.” Blue was elected president in 1980 and was an active board member for more than 20 years.

Technology

The organization was the first to introduce a number of innovative technological ideas to the hotel brokerage community on a large scale. “Before the computer, my partner, Van Scoggins, typed his own letters using carbon paper,” Blue noted. “We did everything by mail and by telephone. The computer has changed all of that.”

In 1985, HBI introduced its first centralized computer system that connected all offices through the Kansas City executive office. The system boasted custom software that allowed members to share property listing data and to process investor referrals. Today, the organization's Web site features some 150 properties listed for sale, which attracts more than 30,000 monthly site visitors from approximately 40 different countries.

Training and Education

From its earliest days, the organization sought ways to enhance training and education of its members, as well as to contribute to the industry's future. In 1963, just four years after formation, MBAA created a motion picture entitled "The Magic of Matching" that was used to educate the investment community about the highly specialized discipline of hotel brokerage.

The film highlighted MBAA's broker expertise in hospitality industry financing, valuation expertise and their importance in all areas of buying selling, management and planning. Production costs for the 16mm, 14-minute film was a then-extravagant \$9,000, but it played a key role in establishing the importance of the specialized profession of hotel brokerage.

The organization also contributes to the overall education in the industry, awarding its first scholarship in 1972 to Darcy Fellows, a student in the School of Hotel Administration at Cornell University.

In 1986, the organization formalized its training program, "The Best Seller." It introduced new members to the organization, as well as the key elements of hotel brokerage and salesmanship. The program was greatly expanded and formalized in a joint undertaking with the University of Texas and became the Certified Hotel Broker (CHB) program. The three module course is the first and only such certification program. More than 250 brokers, both HBI brokers and others, have enrolled in the program.

In 1981, the organization established its headquarters in Kansas City, Missouri and hired a full-time executive director. Two years later, the organization launched an Affiliate Membership Program, which was targeted to the top industry service providers, ranging from brand franchisors to lenders. Bill Hackett, Ticor Title Insurance Company, Dallas, was the first affiliate member. Today, more than 30 major organizations are affiliate members.

International Reach

HBI has been involved on an international basis from its early days. Sheila Arter of First American Hotel Brokers, in Kent, United Kingdom was the first international member. The first international transaction was the sale of the Heiress Motel in Borr, Vt.

“Initially, we worked with people coming to this country to find the American Dream,” said Noah Canfield, an early member who served four terms as the organization’s president. “We worked very closely with the first generation of Asian American immigrants who were gravitating to the hotel industry, a strong relationship we still maintain,” he said. “Hotel ownership is as diverse as our country, and HBI works with buyers and sellers from around the world.”

As the industry grew, the organization made its first name change in 1985 to Hotel & Motel Brokers of America (HMBA). In 2001, the organization changed to its present name, Hotel Brokers International to reflect its international reach.

Marketing

Marketing has always played a major role in HBI’s growth. The organization has produced newsletters, built databases and shared and co-marketed listings.

HBI began tracking hotel transaction data and shared it among its member offices to help determine appropriate valuation of properties that were going on the market. In 1992, HBI published the first edition of *TransActions by HBI*, a groundbreaking publication which for the

first time listed all transactions in its proprietary database, as well as regional data on sales prices and financing and key operating data. In 1994, the publication won the Golden Circle Award from the American Society of Association Executives for creative and professional publications. The organization also was the first to publish a magazine devoted exclusively to hotel real estate with the 1990 launch of Hotel Journal, which continues as a major factor in hotel real estate publishing today.

To bring the strength of HBI's membership to buyers, the organization launched the Hotel Investor's Marketplace, which showcases some 40 to 50 hotels and brings buyers, sellers, lenders, brands, management companies and other key constituents together in one place to help enhance and facilitate the sale of hotel real estate. The program was upgraded in 2007 to include the latest industry information from key consultants and specialists, including forecasts, new trends and related data.

The success of HBI's marketing programs is in the numbers. By the late 1980s, the organization accounted for approximately 40 percent of all hotel sales in the U.S., a percentage that now ranges between 40 and 50 percent.

HBI Today

Hotel Brokers International today has more than 100 brokers in 30 offices nationwide. "Most of the hotel real estate sold in the past 50 years was handled by brokers trained by HBI," said Jeff Westgor, president of Westgor and Associates, HBI's 2009 president and son of founding member Wayne. "HBI is an inspiring story that illustrates that a good idea, hard work and perseverance will prevail and organizations that survive are always greater than the sum of their parts."