

# 5 Things to Know

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From the desks of the Hotel News Now editorial staff:

- Hilton REIT, vacations spinoffs start trading on NYSE
- Cuba leads Latin America hotels positivity for 2017
- US construction spending hits 10-year high
- EU inflation rate rises 1.1% in December
- TPG buys European hotel/hostel company

**1**

Hilton REIT, vacations spinoffs start trading on NYSE: Hilton Worldwide Holdings' spinoffs Park Hotels &

Resorts and Hilton Grand Vacations went live for trading today, [according to a news release from Hilton](#).

The company announced [real estate investment trust Parks Hotels & Resorts](#) and timeshare business Hilton Grand Vacations in [February 2016](#).

The REIT contains 67 owned assets and will trade under the initials PK, while the vacations spinoff will trade under the initials HGV, both on the New York Stock Exchange. Hilton's board [approved the moves on 5 December](#).

Running Park Hotels & Resorts will be CEO Thomas J. Baltimore Jr., formerly at RLJ Lodging Trust, while Mark Wang will continue as CEO of Hilton Grand Vacations.

**2**

Cuba leads Latin America hotels positivity for 2017: A group of experts on the [Latin American hotel](#)

[industry](#) told Hotel News Now's Stephanie Ricca that despite challenges, positivity is evident in the continent, led by a remarkable pipeline in Cuba.

The experts each answered three questions about issues weighing on the region, as part of HNN's series of [virtual roundtables](#) looking ahead to 2017.

Mexico and Colombia were also marked as healthy markets, with Brazil facing the most barriers, including political and economic turmoil and a noticeable drop in air lift. As for segment health, Salo Smaletz, VP of development, Latin America, InterContinental Hotels Group said "the upper-midscale chain scale was a winner, with strong performance across the region."

**3**

U.S. construction spending hits 10-year high: Spending in the U.S. construction industry hit a 10-year high

in November, according to the latest results from the U.S. Commerce Department, [The Associated Press reports](#).

The AP said this marked the second straight month of increased spending on construction projects, which included nonresidential building such as hotels. Construction spending rose 0.9% in November after a 0.6% increase in October. In total, the gains have "pushed total construction to a seasonally adjusted annual rate of \$1.18 trillion, the highest point since April 2006 when a housing boom fueled building," according to the report.

4

EU inflation rate rises 1.1% in December: Eurozone inflation increased 1.1% in December 2016 compared

with the same month in 2015, the highest level since September 2013 and an increase in year-over-year inflation of 0.6% from the month before, [according to The Wall Street Journal](#).

Far from striking terror in EU officials, the news is an “encouraging development for policy makers at the European Central Bank who have launched a series of stimulus programs since mid-2014 in pursuit of an inflation target of just under 2%,” The Journal reports.

The European Union’s official statistics office, Eurostat, published a press release that added hotels and other industries would see the [highest rises in costs](#) in terms of energy (+2.5%); food and alcohol (+1.2%), and services (+1.2%). The Eurozone contains 19 European countries, not including the United Kingdom.

5

TPG buys European hotel/hostel company: TPG Real Estate, the dedicated real estate platform of Fort

Worth, Texas-based investment firm TPG, has announced the [completed acquisition of A&O Hotels and Hostels](#) for an undisclosed sum. In a news release announcing the deal, TPG officials described Berlin-based A&O as “one of Europe’s leading budget hotel investment, development and management groups.”

The company focuses largely on hostels and has more than 20,000 beds, most of which are in Germany. TPG Real Estate will acquire 31 owned and leased assets through the deal. A&O CEO Oliver Winter will keep his position with the company.

*Compiled by Terence Baker.*