

Initiated 2026-10-25 · Price \$16.35 (close 2026-10-23, stockanalysis.com) · Mkt cap \$3.29bn · Real estate / upper-upscale and luxury lodging REIT · Model: verified

Rating: Hold — Conviction: High

Park's 2026 is going better than planned. Q2 comparable RevPAR rose 5.8%, guidance went up, and the \$1.275bn Hilton Hawaiian Village mortgage was refinanced on time. The stock already prices that in, though. Once a realistic capex reserve is deducted, recurring cash flow is about \$1.28 a share. The price sits on the Base case. The upside depends on private buyers paying more for its hotels than the market does, and that is offset by a 2027 that looks flat for the industry and a debt stack now costing ~6%. That makes it a Hold.

Conviction tests (3a-v-c): T1 pass (Base -0.5% at +1pp, +2.8% at -1pp; Hold at both) · T2 pass (NAV alone +14.9%, AFFO DCF alone -12.6%; Hold on either) · T3 pass (one est. input, the Hilton Orlando JV in other_claims, moves Base 1.8%) · T4 pass (no single pending event >25%)

MODEL VALUE RANGE VS PRICE



Business overview

Park owns 30 upper-upscale and luxury hotels with 21,326 rooms. Most carry Hilton brands. Twenty-one Core hotels (17,213 rooms) make up the business that stays. The other nine are Non-Core hotels being sold or exited.

Value is concentrated in a few large resorts and convention boxes:

- Hilton Hawaiian Village: \$41mm of Q2's \$182mm Core Hotel Adjusted EBITDA.
- The Bonnet Creek complex in Orlando: over \$107mm of trailing EBITDA.
- Casa Marina in Key West, the New York Hilton Midtown and Hilton Chicago.
- The Royal Palm in Miami, which reopened in July 2026 after a >\$100mm renovation.

Three variables drive earnings:

- Group and leisure RevPAR, with ~30% margins on high fixed costs.
- Capex. FY2025 spend was nearly \$300mm against \$644mm of Hotel Adjusted EBITDA.
- The cost of \$3.96bn of debt with short maturities.

Competition

- **Direct competitors.** Park competes with Host Hotels (HST), Pebblebrook, DiamondRock and Xenia for the same group and luxury-leisure customers and the same buyers of hotel assets, and with branded resorts operated by Marriott and Hyatt.
- **Industry growth.** CoStar/Tourism Economics' June 2026 forecast was US RevPAR +2.8% for 2026 (upgraded again at the summer conference), with 1.1pp from the World Cup. It forecasts +1.4% for 2027.
- **Where pressure shows first.** In rate rather than occupancy. Park's Q2 ADR rose only 2.1% while occupancy rose 2.9 points.
- **Valuation.** On one aggregator definition, Park trades at 11.2x TTM EV/EBITDA against 12.3–13.8x for peers. The discount reflects older convention-box assets and higher leverage.

Bull case

1. **ROI projects plus group pace.** Royal Palm targets a 15–20% return. Bonnet Creek's RevPAR is up 13%. Group rooms revenue rose 9.5% in Q2, and 2027 group pace is up double digits in key markets. Plays out if 2027 travel demand holds after the World Cup. *Model: ss_noi_growth*
2. **Private values above public.** The four Non-Core hotels sold after Q1 cleared at 13.7x 2025 EBITDA, including avoided capex. Today's price implies ~10.4x Base Y1 Hotel Adjusted EBITDA (~9.6% cap rate). Plays out if hotel transaction markets stay open with the 10Y near 5%. *Model: cap_rate, terminal_p_affo*
3. **A cleaner, lower-capex portfolio.** Selling the remaining Non-Core hotels removes old boxes and their capex. Plays out if the six targeted sales close near the 13.7x pace. *Model: acq_noi, recurring_capex_pct_noi*

Bear case

1. **2027 normalization.** The World Cup comp drops out. The Ali'i Tower renovation (~\$100mm, started Q3 2026) displaces rooms at Hilton Hawaiian Village. Jet fuel at Brent ~\$117 (macro log 2026-10-24) raises fares into Hawaii and Orlando. In FY2025, comparable Hotel Adjusted EBITDA fell 5.3% on comparable RevPAR down only 2.0%, so small top-line misses magnify. Plays out if S2, S6 or S11 arrives. *Model: ss_noi_growth*
2. **The refinancing reset.** The 2016 Hilton Hawaiian Village mortgage was replaced with \$1.3bn of new draws. The 2028 (\$725mm, 5.875%) and 2029 (\$750mm, 4.875%) notes refinance into a 5% 10Y. Plays out if S3 or S4 persists. *Model: cost_of_debt*
3. **Dispositions dilute.** Non-Core sales at ~10x, or a Safehold lease loss, take EBITDA out faster than they cut debt. Plays out if the transaction market shuts. *Model: acq_noi*
4. **Capex keeps eating the cash.** Big convention boxes keep needing ROI-scale spend. Plays out if capex stays near 2025–2026 levels (\$230–300mm). The \$1.00 dividend is ~78% of Base Y1 AFFO, and Bear Y2 AFFO (\$0.86) does not cover it. *Model: recurring_capex_pct_noi, cap_rate, terminal_p_affo*

Valuation & balance sheet

Metric (definition)	Current	Own history (range or 5y avg)	Peers	Source, as-of
EV/EBITDA (TTM, aggregator, lease-inclusive)	11.2x · ~11.3x model basis (EV \$6.86bn / FY2025 Adjusted EBITDA \$609mm)	n/a (unverified)	HST 12.3x · PEB 13.8x · DRH 13.1x · XHR 13.3x	stockanalysis.com, 2026-10-23
P/Adjusted FFO (company definition, no capex deducted)	8.4x FY2026 guidance midpoint (\$1.95)	Adj. FFO \$2.04 (2023), \$2.06 (2024), \$1.97 (2025)	HST 11.7x · XHR 11.8x P/FFO (PEB, DRH n/a)	Q2 2026 / Q4 releases; stockanalysis 2026-10-23

Metric (definition)	Current	Own history (range or 5y avg)	Peers	Source, as-of
Implied cap rate on Hotel Adjusted EBITDA (Base Y1 / model EV)	~9.6%	Non-Core sales at 13.7x (~7.3%)	n/a (not on one source)	model-inputs basis
Dividend yield (\$0.25 quarterly)	6.1%	n/a (unverified)	HST 3.8% · DRH 3.2% · XHR 2.9% · PEB 0.2%	stockanalysis.com, 2026-10-23

Model-implied value range (from `model-summary.json` ; reit module, NAV at a cap rate on Hotel Adjusted EBITDA and AFFO/share DCF with a terminal P/AFFO, midpoints): Bear \$11.07 · Base \$16.53 · Bull \$22.24 per share, i.e. implied returns of -32.3% / +1.1% / +36.0% vs \$16.35. *These ranges show how the bull and bear drivers translate into value; they are not price targets.*

- **What the price implies.** The market sits on the Base case: it credits 2026's recovery and nothing beyond it.
- **The two methods disagree by 31%.** Base NAV is \$18.78 and Base AFFO DCF is \$14.29. The NAV re-rates from today's ~9.6% implied cap rate to 9.0% (~60bp, ~11.1x EBITDA). The DCF de-rates from ~12.8x Y1 AFFO to 11.5x and discounts at an 11.85% CAPM cost of equity.
- **No tail run.** No single asset is ≥50% of EBITDA, and the bear case is a cyclical break, not a plateau.

Balance sheet:

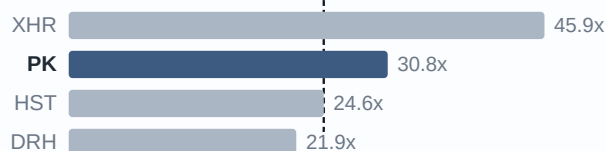
- Leverage: 6.1x net debt/FY2025 Adjusted EBITDA (model basis). The company reported 6.1x TTM at Q2.
- Coverage: 2.6x EBITDA/interest (model, interest at the calibrated 6.0%).
- Liquidity: ~\$1.26bn after the 9/30 draws (\$1bn revolver plus \$264mm of cash at 6/30), est.
- Nearest maturities: Santa Barbara (\$151mm) and Denver (\$50mm) mortgages in Dec 2026, then the \$200mm term loan in 2027 and the \$725mm notes in Oct 2028.
- Ratings: n/a (unverified).

Model note: tier `full` , status `built` , verification `verified` (1,988 formula cells matched in LibreOffice). No assumptions without basis. Scenario consistency is `OK` on all 14 rows.

- **Unverified input:** `market.other_claims` , the Hilton Orlando 20% JV at ~12x EBITDA less \$105mm of JV debt (~\$120mm).
- **Mapping.** Model "NOI" is company Hotel Adjusted EBITDA, so the cap rate is on EBITDA before the FF&E reserve and G&A, and model AFFO deducts a 20% capex reserve.
- **AFFO vs guidance.** Y1 AFFO/share of \$1.28 therefore sits well below company Adjusted FFO guidance (\$1.90–2.00). Model Y1 EBITDA (\$627mm) and FFO (~\$389mm) match the guidance midpoints.
- **Estimated debt terms.** Coupons on the new Bonnet Creek and term-loan draws, and the term-loan maturity, are estimates. Disposition proceeds are netted into `acq_noi` because debt is held flat.

Relative Value vs Peers							
Metric	PK	HST	PEB	DRH	XHR	Peer median	vs median
P/E (forward)	30.8x	24.6x	n/a	21.9x	45.9x	24.6x	+25%
EV/EBITDA (TTM)	11.2x	12.3x	13.8x	13.1x	13.3x	13.2x	-15%
EV/Sales	2.8x	3.4x	3.0x	3.5x	2.9x	3.2x	-12%
P/B	1.1x	2.6x	0.9x	1.9x	1.6x	1.7x	-38%
FCF yield	2.5%	5.9%	8.9%	5.8%	6.0%	6.0%	-3.5pp
Dividend yield	6.1%	3.8%	0.2%	3.2%	2.9%	3.0%	+3.1pp

P/E (forward)



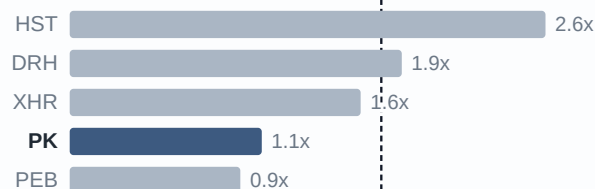
EV/EBITDA (TTM)



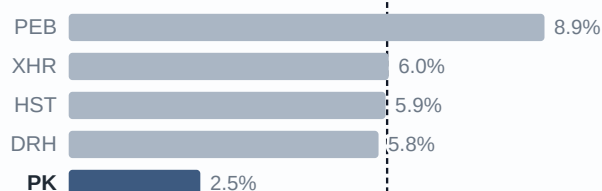
EV/Sales



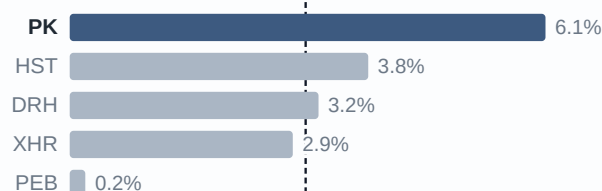
P/B



FCF yield



Dividend yield



As of 2026-10-23. One source and one definition for every company: aggregator TTM multiples, consolidated lease-inclusive EV. Not the model's own EV basis (see the report's valuation table). Quotes taken at the 4:00 PM ET close on 2026-10-23; pages fetched 2026-10-25. Dashed line = peer median. Source: [stockanalysis.com /stocks/<ticker>/statistics/](https://stockanalysis.com/stocks/<ticker>/statistics/), fetched 2026-10-25.

Notes. PEB shows no forward P/E on the source (net loss). Forward P/E on depreciation-heavy REIT earnings is a weak measure; P/FFO is shown on the source only for HST (11.70x) and XHR (11.78x), so it is left out of the chart. No credible multi-year growth estimate on the source for any company; omitted.

Scenario stress test

Reasoned from the bull/bear drivers above. The model column comes from the scenario overlays (Base case + shock).

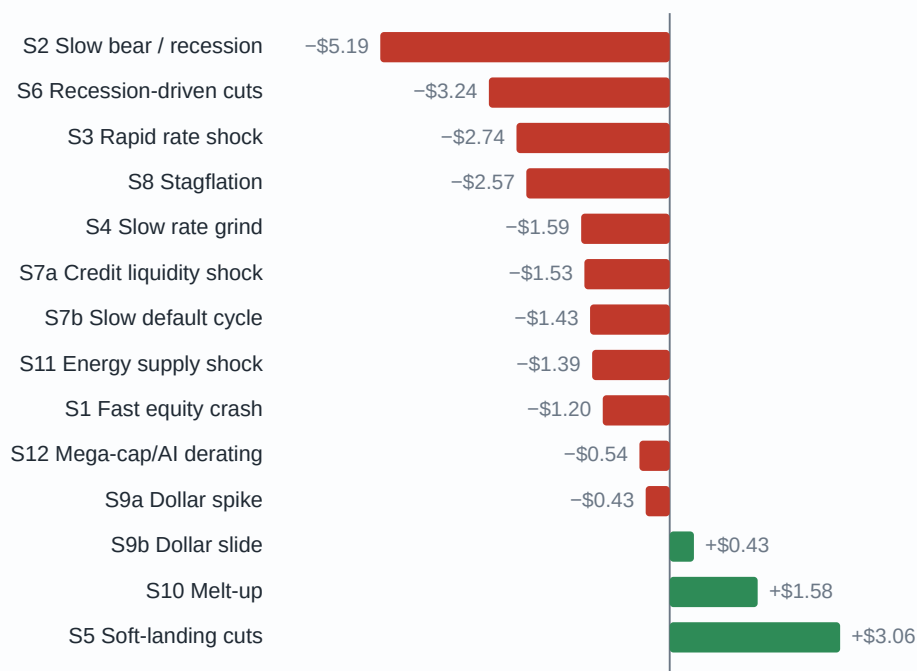
Scenario	Effect	Mechanism	Magnitude	Model Δ value vs Base (\$/sh)
S1 Fast equity crash	–	Beta-1.37 small-cap lodging de-rates; private values barely move	Med	–\$1.20
S2 Slow bear / recession	–	Groups cancel, transient and leisure fall together on a high fixed-cost base; same order as Base – Bear (\$5.47)	High	–\$5.19
S3 Rapid rate shock	–	Cap rates track real yields; ~\$1.7bn variable debt and 2028 notes reprice	Med	–\$2.74
S4 Slow rate grind	–	Refinancing drag across 2027–2030 maturities	Med	–\$1.59
S5 Soft-landing cuts	+	Lower variable interest and cap rates with demand intact	High	+\$3.06
S6 Recession-driven cuts	–	Rate relief does not offset a lodging earnings recession	High	–\$3.24
S7a Credit liquidity shock	–	Levered small-cap REIT selling; disposition market shuts	Med	–\$1.53
S7b Slow default cycle	–	Corporate group softens; spreads widen on a ~6x credit	Med	–\$1.43
S8 Stagflation	–	Daily rate resets lag union labor and insurance costs; travel slows	Med	–\$2.57

Scenario	Effect	Mechanism	Magnitude	Model Δ value vs Base (\$/sh)
S9a Dollar spike	–	Fewer inbound visitors to Waikiki and New York; Americans travel abroad	Low	–\$0.43
S9b Dollar slide	+	Inverse of S9a	Low	+\$0.43
S10 Melt-up	+	Wealth effect lifts luxury leisure and group; multiples expand	Med	+\$1.58
S11 Energy supply shock	–	Airfares hit fly-to resorts (Hawaii, Orlando, Key West) and travel budgets	Med	–\$1.39
S12 Mega-cap/AI derating	–	Mild trim to tech and finance corporate travel; little direct exposure	Low	–\$0.54

Currently active/on watch per the playbook:

- S3 is partially active; the 10Y was back at 5.00% on 2026-10-23.
- S8, S10 and S11 are on watch. S11 is the most directly relevant: the macro log for 2026-10-24 shows Brent at ~\$117 and Hormuz effectively closed.

MODEL VALUE CHANGE VS BASE, BY SCENARIO



What would change the call

Upgrades if:

- Q3/Q4 2026 shows 2027 group pace holding up double digits and FY2027 guidance implying Hotel Adjusted EBITDA growth above 4%; or
- The six Non-Core sales close at $\geq 13\times$ with proceeds repaying debt; or
- The Dec 2026 and 2027 maturities refinance below 6%.

Downgrades if:

- FY2027 guidance implies Hotel Adjusted EBITDA down year on year; or

- 2026–2027 capex stays above \$250mm; or
- The dividend is no longer covered by AFFO after a capex reserve; or
- An S11 trigger cuts Hawaii and Orlando RevPAR.

Watch items

- **W1:** Q3 2026 RevPAR and any revision to FY2026 guidance, against Base Y1 Hotel Adjusted EBITDA of ~\$662mm (Adjusted EBITDA \$627mm). Source: Q3 release, 2026-11-04. *Model: ss_noi_growth*
- **W2:** Initial FY2027 guidance, against Base +3% same-store growth. Source: Q4 2026 release (Feb 2027). *Model: ss_noi_growth*
- **W3:** Pricing on the six targeted Non-Core sales, against ~13x in Base. Source: 8-Ks and quarterly releases. *Model: acq_noi*
- **W4:** Rate on the Santa Barbara refinancing and disclosed rates on the new Bonnet Creek and term-loan draws, against 6.0–6.15%. Source: Q3 10-Q and FY2026 10-K. *Model: cost_of_debt*

Sources

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- Park 8-Ks, retention awards (2026-09-10) and CIO departure (2026-09-11) — <https://www.sec.gov/Archives/edgar/data/1617406/000119312526387894/d109624d8k.htm> · <https://www.sec.gov/Archives/edgar/data/1617406/000119312526388548/d122328d8k.htm> — accessed 2026-10-25
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- Park 2030 7.000% notes closing (company release) and notes terms via search — <https://www.pkhotelsandresorts.com/investors/news-and-events/press-releases/2024/05-16-2024-213214057> — accessed 2026-10-25
- CoStar / Tourism Economics US hotel forecast — <https://www.hospitalitynet.org/news/4133845/costar-tourism-economics-upgrade-us-hotel-growth-forecast> — accessed 2026-10-25
- Quartr Q2 2026 event summary (group pace; AI-generated, secondary) — https://quartr.com/events/park-hotels-resorts-inc-pk-q2-2026_ofhSBGlc — accessed 2026-10-25
- Statistics: PK <https://stockanalysis.com/stocks/pk/statistics/> · HST <https://stockanalysis.com/stocks/hst/statistics/> · PEB <https://stockanalysis.com/stocks/peb/statistics/> · DRH <https://stockanalysis.com/stocks/drh/statistics/> · XHR <https://stockanalysis.com/stocks/xhr/statistics/> — accessed 2026-10-25
- Daily macro log, 2026-10-23/24 (10Y 5.00%, Brent ~\$117) — [logs/macro-2026-10.md](#)