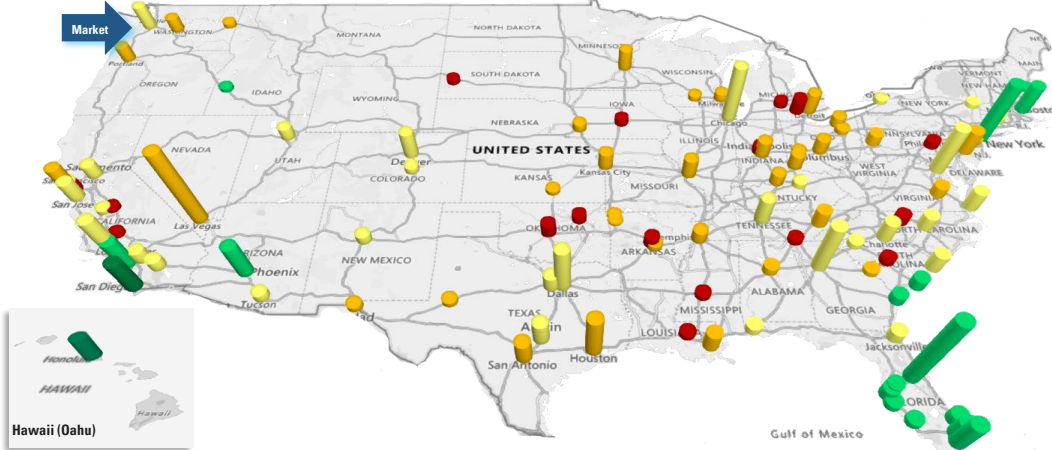


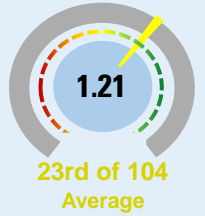
# 2Q 2023 SEATTLE, WA



## Lodging Performance Index Snapshot



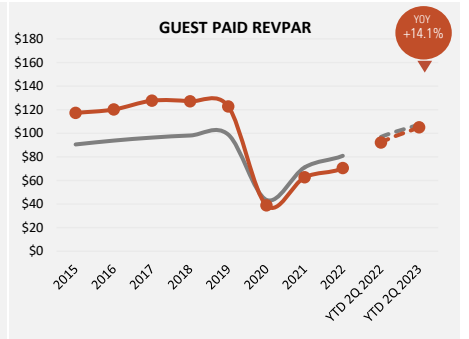
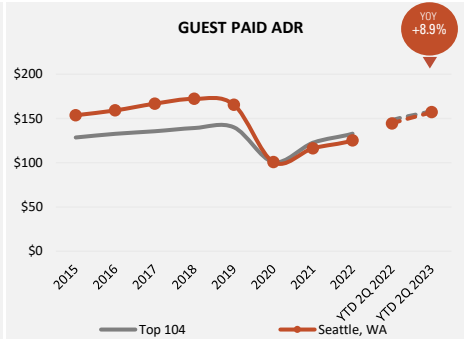
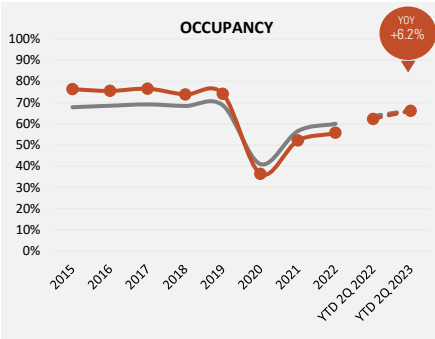
**LODGING PERFORMANCE INDEX**  
Seattle, WA



Ranking of overall '2Q 2023 LPI' performance (1.21) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

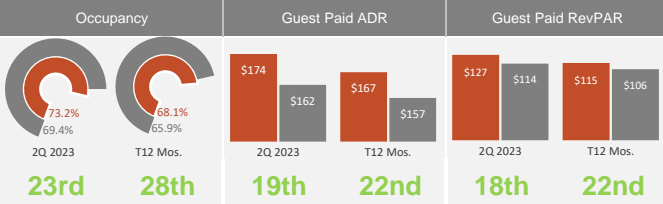
KEY PERFORMANCE METRICS



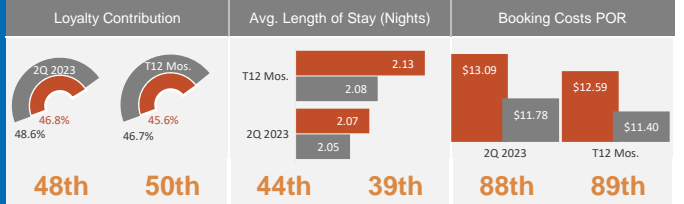
PERFORMANCE INDEXES

### Key Performance Indexes

● Subject Market ● Top 104

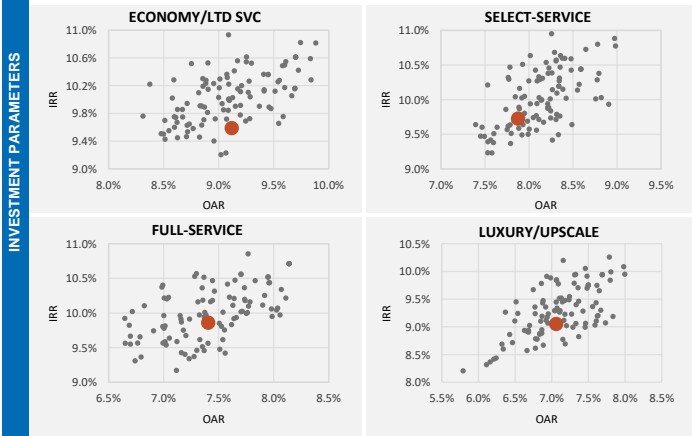


### Key Benchmark Indexes



### Discount and Capitalization Rates

Source: Newmark

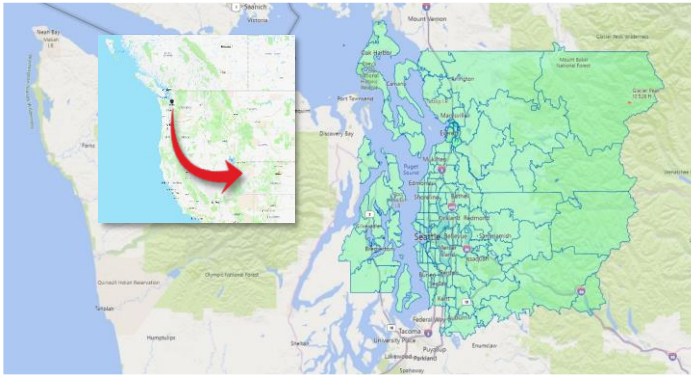


### Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

**Jurisdictional Information**  
 Municipal Name: Seattle  
 County: King County  
 State: Washington  
 Geo Coordinates (market center): 47.60621, -122.33207

Source: US Census Bureau, Dept. of Labor Statistics

**Major Hotel Demand Generators**  
 Boeing Co. | Amazon | Microsoft Corp. | University of Washington | Providence Health & Services | Wal-Mart Stores Inc. | Fred Meyer Stores | Starbucks Corp. | Swedish Health Services | Costco Wholesale Corp. | Nordstrom Inc. | Alaska Air Group Inc. | Group Health Cooperative | Naval Station Everett | Virginia Mason Medical Center | Madigan Army Medical Center | T-Mobile | Washington State University | Quality Food Centers | Target

**Metrics and Ranking**

Measurement	Value	Rankings
Population (hotel market area)	2,864,458	15th of 104 (Large)
Income per Capita	\$79,565	4th of 104 (Strong)
Feeder Group Size	84.5 Persons PSR	66th of 104 (Below Average)
Feeder Group Earnings	\$6,721,300 PSR	95th of 104 (Soft)
Total Market COPE	\$2.1 billion	19th of 104 (Above Average)

Key Performance Metrics

YEAR ENDING	Occ %	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
		ADR	RevPAR	ADR	RevPAR						
2015	76.3%	\$153.68	\$117.24	\$140.33	\$107.06	\$13.35	91.3%	48.8%	2.12	42,530	1.54
2016	75.5%	\$159.14	\$120.11	\$145.07	\$109.49	\$14.07	91.2%	50.2%	2.07	43,460	1.29
2017	76.5%	\$166.74	\$127.59	\$151.67	\$116.06	\$15.07	91.0%	50.4%	2.02	44,470	1.41
2018	73.8%	\$172.17	\$127.08	\$157.06	\$115.93	\$15.11	91.2%	52.6%	1.99	46,560	1.26
2019	74.1%	\$165.51	\$122.69	\$150.89	\$111.86	\$14.62	91.2%	58.4%	1.91	49,710	1.30
2020	36.5%	\$100.66	\$38.81	\$93.74	\$34.17	\$6.92	93.1%	36.6%	2.58	48,890	0.83
2021	52.1%	\$116.30	\$62.57	\$107.37	\$55.95	\$8.94	92.3%	39.8%	2.35	49,420	0.81
2022	55.8%	\$125.23	\$70.40	\$115.50	\$64.43	\$9.73	92.2%	41.4%	2.28	49,520	1.11
CAGR: 2015 thru 2022	-4.4%	-2.9%	-7.0%	-2.7%	-7.0%	-4.4%	0.1%	-2.3%	1.0%	2.2%	-4.5%
YTD 2Q 2022	62.3%	\$144.27	\$92.07	\$133.66	\$85.31	\$10.61	92.6%	43.2%	2.33	48,980	1.04
YTD 2Q 2023	66.1%	\$157.07	\$105.01	\$145.20	\$97.08	\$11.86	92.4%	46.5%	2.13	49,110	1.21
% Change	6.2%	8.9%	14.1%	8.6%	13.8%	11.8%	-0.2%	7.6%	-8.3%	0.3%	16.8%

Data provided by: kalibri LABS

Notable Metrics

	Economy Median Income	Marketwide Income per Room	IRR: Economy/Ltd Svc
<b>HIGHEST</b>	<b>4th Strong</b> Seattle, WA exhibited strong Economy Median Income (\$79,565)	<b>10th Above Average</b> The market enjoyed a high ratio of marketwide income per room (\$3,178,667)	<b>13th Favorable</b> The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (9.6%)
<b>LOWEST</b>	<b>95th Soft</b> This market has been hindered by weak feeder group earnings PSR (\$6,721,300)	<b>94th Soft</b> The market has been hampered by weak T12-month COPE ADR percentage (92.4%)	<b>89th Below Average</b> Seattle, WA also was burdened by high T12-month booking costs POR (\$12.59)

Notable Trends

	Short-Term Historical Booking Costs POR Growth	General Economy Reversion	Long-Term Historical Booking Costs POR Growth
<b>FASTEST</b>	<b>7th Strong</b> Seattle, WA enjoyed low short-term historical growth in booking costs (-0.5%)	<b>8th Strong</b> The market enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)	<b>10th Above Average</b> The market also has benefited from low long-term historical booking costs POR growth (1.1%)
<b>SLOWEST</b>	<b>100th Soft</b> The market posted weak short-term historical COPE ADR growth (-0.2%)	<b>100th Soft</b> We note this area has been impeded by weak short-term historical Guest Paid ADR growth (-0.2%)	<b>97th Soft</b> Seattle, WA also has been impeded by weak short-term historical COPE RevPAR growth (-1.7%)

Market Performance Stage



Seattle, WA: Expansion Stage

The Seattle, WA market is currently in the 'Expansion' stage of the performance cycle. In this stage, hotels perform adequately, contributing to a resilient economy that is approaching a 'post' pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Atlanta, GA; and Austin, TX.

**Other Stages:**

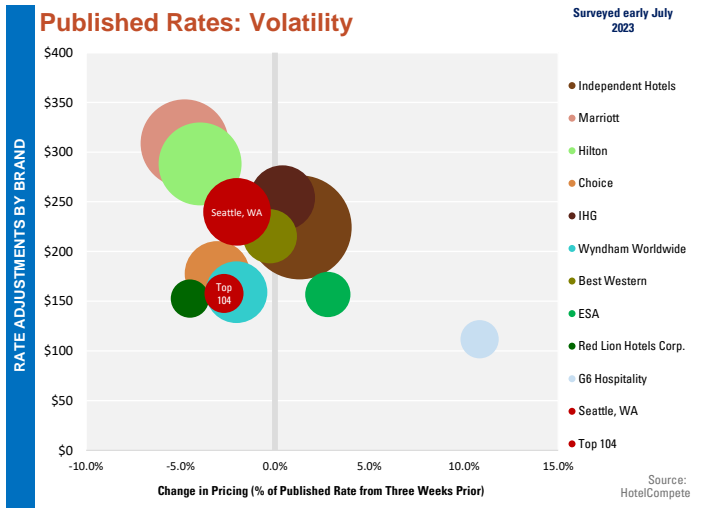
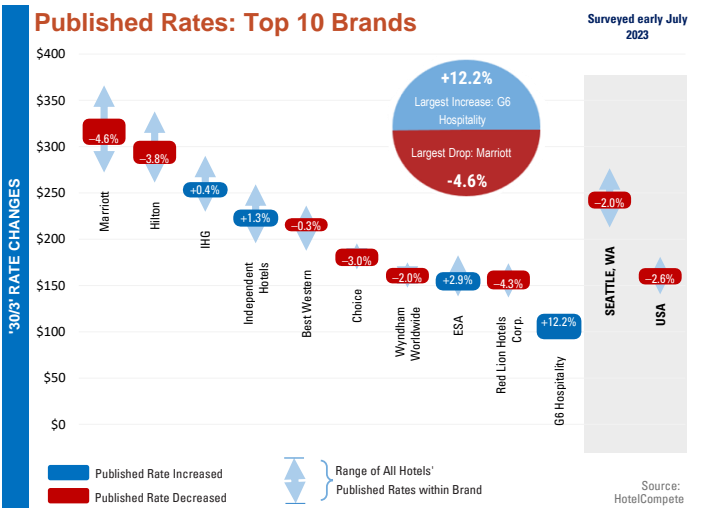
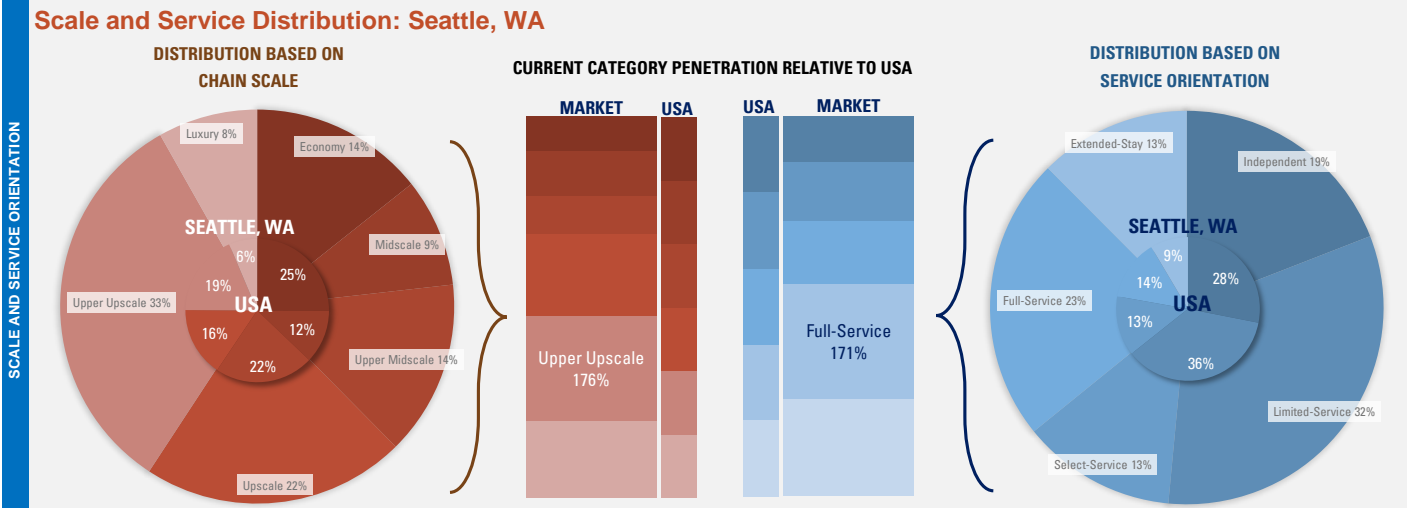
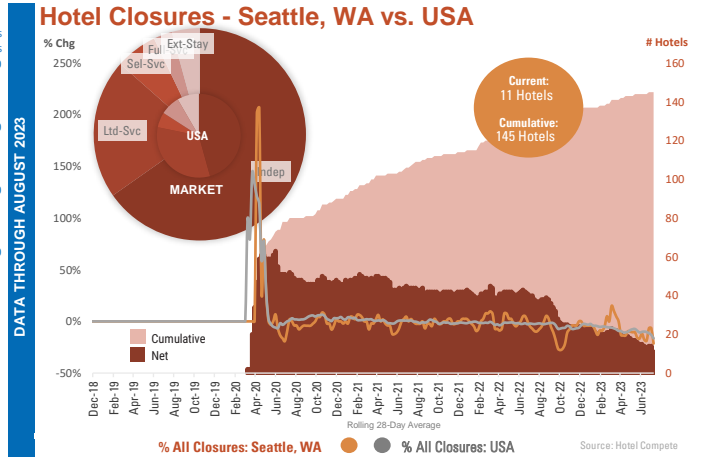
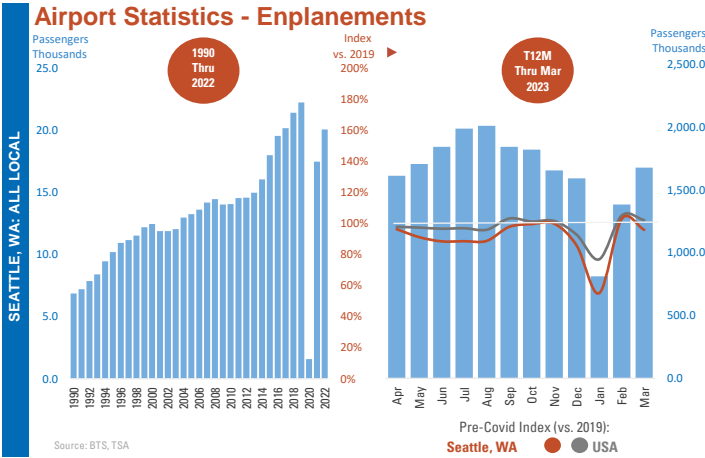
- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged by lingering COVID-19 impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Detroit, MI; Houston, TX; and New Orleans, LA.
- Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Chicago, IL; Knoxville, TN; and Miami, FL.
- Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed lingering pandemic impacts, presenting upside for CRE. Barriers to entry are high and the market hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Columbus, OH; Kansas City, MO; and Las Vegas, NV.

Industry Observations

**Business Cycle:** In Recovery  
**Employment Growth (2 yr):** -3.1%  
**Risk Exposure (402 US markets):** 7th Percentile: Low Risk  
**Key Industry Notes:** Manufacturing, high tech Hub for software dev Well-educated workforce High per capita income High business costs

**Moody's Rating**  
**Aaa Investment Grade**  
 Long-term investment grade, Prime-1 short-term outlook



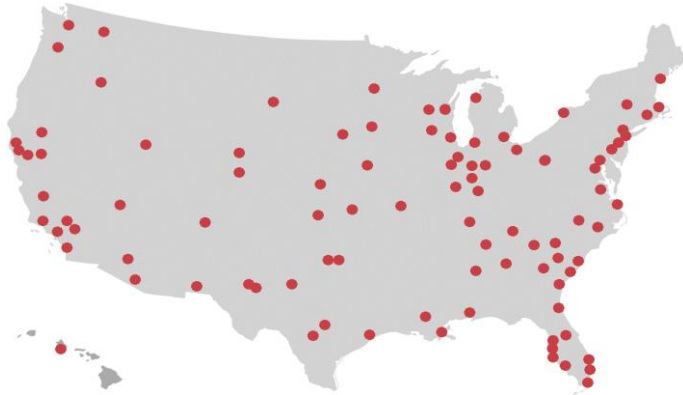


### Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	<b>8th</b> Strong	<b>34th</b> Above Average	<b>6th</b> Strong
	The 30-day advanced published rate for the market was an aggressive \$239.86, ranking 8th out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 19th at \$157.07 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 2.0% over three weeks going into early July 2023. By comparison, the T-104 average posted downward movement of 2.63%.	Published rates reported in early July 2023 were 38.2% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is strong. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	<b>53rd</b> Average	<b>9th</b> Strong	<b>55th</b> Moderate
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Seattle, WA has a strong spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Seattle, WA's top 10 brands are exhibiting moderate volatility with respect to advanced booking pricing movements in the three weeks leading into early July 2023.

# Nsights Hotel Market Reports Coverage



Akron, OH	Dayton, OH	Louisville, KY	Portland, OR
Albany, NY	Denver, CO	Madison, WI	Raleigh, NC
Albuquerque, NM	Des Moines, IA	Memphis, TN	Rapid City, SD
Anaheim, CA	Detroit, MI	Miami, FL	Richmond, VA
Arkansas State Area, AR	El Paso, TX	Michigan North Area, MI	Sacramento, CA
Atlanta, GA	Fayetteville, AR	Michigan South Area, MI	Saint Louis, MO
Augusta, GA	Fort Lauderdale, FL	Milwaukee, WI	Saint Petersburg, FL
Austin, TX	Fort Myers, FL	Minneapolis, MN	Salt Lake City, UT
Bakersfield, CA	Fort Worth, TX	Mobile, AL	San Antonio, TX
Baltimore, MD	Fresno, CA	Myrtle Beach, SC	San Bernardino, CA
Baton Rouge, LA	Greensboro, NC	Nashville, TN	San Diego, CA
Bentonville, AR	Greenville, SC	New Brunswick, NJ	San Francisco, CA
Birmingham, AL	Harrisburg, PA	New Orleans, LA	San Joaquin Valley, CA
Boise City, ID	Hartford, CT	New York, NY	San Jose, CA
Boston, MA	Houston, TX	Newark, NJ	Sarasota, FL
Buffalo, NY	Indiana North Area, IN	Oahu Island, HI (Branded)	Savannah, GA
Charleston, SC	Indiana South Area, IN	Oakland, CA	Seattle, WA
Charlotte, NC	Indianapolis, IN	Odessa-Midland, TX	Spokane, WA
Chattanooga, TN	Jackson, MS	Oklahoma City, OK	Tampa, FL
Chicago, IL	Jacksonville, FL	Omaha, NE	Tucson, AZ
Cincinnati, OH	Kansas City, MO	Orlando, FL (Non-Disney)	Tulsa, OK
Cleveland, OH	Knoxville, TN	Palm Desert, CA	Virginia Beach, VA
Colorado Springs, CO	Las Vegas, NV (Non-Strip)	Philadelphia, PA	Washington State Area, WA
Columbia, SC	Lexington, KY	Phoenix, AZ	Washington, DC
Columbus, OH	Little Rock, AR	Pittsburgh, PA	West Palm Beach, FL
Dallas, TX	Los Angeles, CA	Portland, ME	Wichita, KS

\*Customized market reports available upon request

## Hospitality, Gaming & Leisure

Our Hospitality, Gaming & Leisure practice is focused exclusively on providing superior valuation and consulting services for a broad range of hotels, casinos and leisure properties. Our team takes a holistic, consultative approach that goes far beyond the physical asset, analyzing every aspect of a property's business and real estate operations to identify all areas of value for owners and investors.

Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

### Hotels and Resorts

### Gaming Facilities

### Arenas, Stadiums and Sports Facilities

### Conference, Expo and Convention Centers

### Golf Courses

### Marinas

### Ski and Village Resorts

### Water Parks, Amusement Parks and Attractions

Our core disciplines and expert subject areas include:

### Economic Impact

We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

### Feasibility

We take feasibility studies to the next level, combining market knowledge with expert economic impact analysis and acumen in cash-on-cash, ROI and other metrics.

### Financial Reporting

Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

### Litigation

Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

### Portfolio Analytics

We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

### Property Tax

We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

### ABOUT NEWMARK

**We transform untapped potential into limitless opportunity.**

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

FOR INFORMATION CONTACT:

**Bryan Younge MAI, ASA, FRICS**

Executive Vice President, Valuation & Advisory, Specialty Practice Leader – Hospitality, Gaming & Leisure  
 m 773-263-4544  
 bryan.younge@nrmk.com

## CONTACT: PACNW, HAWAII & MOUNTAIN MARKETS

### FOR MORE INFORMATION

CONTACT

**Nancy Dawn**  
 Executive Vice President  
 Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
 PacNW, Hawaii & Mountain Markets  
 m 206-437-4002  
 nancy.dawn@nrmk.com

**Keenan O'Leary**  
 First Vice President  
 Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
 PacNW, Hawaii & Mountain Markets  
 m 206-765-8364  
 keenan.oleary@nrmk.com

## MARKET DISCLAIMERS

### COPYRIGHT INFORMATION

LEGAL

© 2023 by Newmark. All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication and should consult with professionals of the recipient's choice regarding all aspects of that decision, including its legal, financial, and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.