



# Hospitality Market Report

# Phoenix - AZ

PREPARED BY



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**HOSPITALITY MARKET REPORT**

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12 Mo Occupancy

**69.1%**

12 Mo ADR

**\$173.07**

12 Mo RevPAR

**\$119.62**

12 Mo Supply

**25.5M**

12 Mo Demand

**17.6M**

The Phoenix Market continues to have the highest RevPAR percentage increase over 2019 levels among all Western U.S. markets. Phoenix is a popular leisure, group, and corporate travel destination, causing the market to achieve the ranking before and after hosting the 2023 Super Bowl. Average Daily Rate has been the primary driver of RevPAR growth, with hotel rates \$40 higher than in 2019, well above the level of inflation. ADR is at a 12-month average record high in June. Growth for the rest of the year is forecast to moderate until mid-2024 due to an anticipated economic slowdown at the end of 2023 and the market normalizing from the high ADR generated by hosting the Super Bowl.

The market began experiencing slight year-over-year topline performance declines starting in April. The decline was due to last year's abbreviated Spring Training Cactus League due to the MLB Lockout that pushed games typically only in March into April. Similar to other leisure destinations, the following month encountered a minimal decrease as leisure travel patterns normalized. Also, fewer visitors are coming during the traditional off-seasons as more travel locations are available. In Phoenix, peak season is in the first quarter and fourth quarter aligning with its temperate weather.

The diversification of travel demand and significant events resulted in the 12-month average occupancy reaching 69.1%, which is near the 2019 annual occupancy level of 70%. The occupancy recovery is especially impressive as the market has experienced

significant hotel room inventory growth since 2019.

Despite significant hotel room additions, annual occupancy growth is projected through 2025, reaching a new peak. Phoenix continues to attract and retain city-wide sporting events such as the annual Phoenix Waste Management Open golf tournament, MLB Spring Training, NCAA 2024 Men's Final Four, and the NCAA 2025 and 2026 Women's Final Fours.

In the past 12 months, 1,300 rooms in 10 hotels opened, representing a slowdown. However, the slowdown in new inventory opening was due to construction delays caused by supply chain and labor issues and will be short-lived. Unlike national trends, the construction pipeline is increasing, and Phoenix has the highest under construction rooms and share of inventory growth in the Western U.S. There are 4,764 hotel rooms under construction, increasing inventory by 6.7% through 2024.

Hotel investment activity in Phoenix significantly slowed this year, with less than 10 hotel transactions, compared to nearly 45 transactions year-to-date in June last year. Middle-tier class hotels are the primary hotel type to trade in the market; however, a handful of high-priced Luxury Class hotel deals transpired over the past 18 months. This includes the 210-room Four Seasons Resort Scottsdale at Troon North, selling for \$267.8 million, or \$1.3 million/key, in December, representing the highest price per key paid for a hotel in Phoenix's market history.

### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	21,539	64.4%	\$280.25	\$180.49	620	529
Upscale & Upper Midscale	30,729	71.0%	\$154.32	\$109.60	649	3,242
Midscale & Economy	18,375	71.4%	\$92.20	\$65.82	49	993
<b>Total</b>	<b>70,643</b>	<b>69.1%</b>	<b>\$173.07</b>	<b>\$119.62</b>	<b>1,318</b>	<b>4,764</b>

# Overview

## Phoenix - AZ Hospitality

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	62.7%	67.4%	72.7%	69.1%	64.1%	72.1%
Occupancy Change	1.0%	-2.4%	2.1%	2.3%	0.3%	0.4%
ADR	\$125.15	\$157.36	\$199.27	\$173.07	\$140.88	\$180.43
ADR Change	1.8%	0%	12.0%	11.4%	6.4%	1.2%
RevPAR	\$78.45	\$106.08	\$144.88	\$119.62	\$90.30	\$130.06
RevPAR Change	2.8%	-2.4%	14.4%	13.9%	6.7%	1.7%

The Phoenix hotel market experienced one of the most significant growth levels among the major hospitality markets in the Western U.S. Like most markets, the 12-month average hotel occupancy has not recovered but is one of the closest to 2019 occupancy levels. The occupancy recovery is extraordinary and may have surpassed pre-pandemic levels if the market hadn't added over 8,000 hotel rooms since 2019, nearly a 13% inventory increase.

The market is absorbing the new inventory with leisure visitors pushing weekend occupancy levels higher than 2019 levels. Leisure travelers are drawn to sporting events with numerous Phoenix professional and college teams, a revitalized downtown area, and scenic excursions to popular destinations such as Red Rock State Park in Sedona. High-demand annual events, including the Phoenix Waste Management Open golf tournament in February, typically draws over 200,000 visitors, and MLB spring training in March attracts over 1.5 million visitors.

Also, the Phoenix market maintains one of the highest group occupancy levels among STR's Top 25 markets but remains below 2019 levels. Group occupancy makes up approximately 30% of total occupancy in Phoenix. This year, it was due to the Super Bowl and Cactus League Spring Training. Last year, it was due to the robust 2022 convention calendar at the Phoenix Convention Center.

Unlike most markets nationally, corporate travel to Phoenix has surpassed 2019 levels due to numerous corporate expansions and relocations to the area,

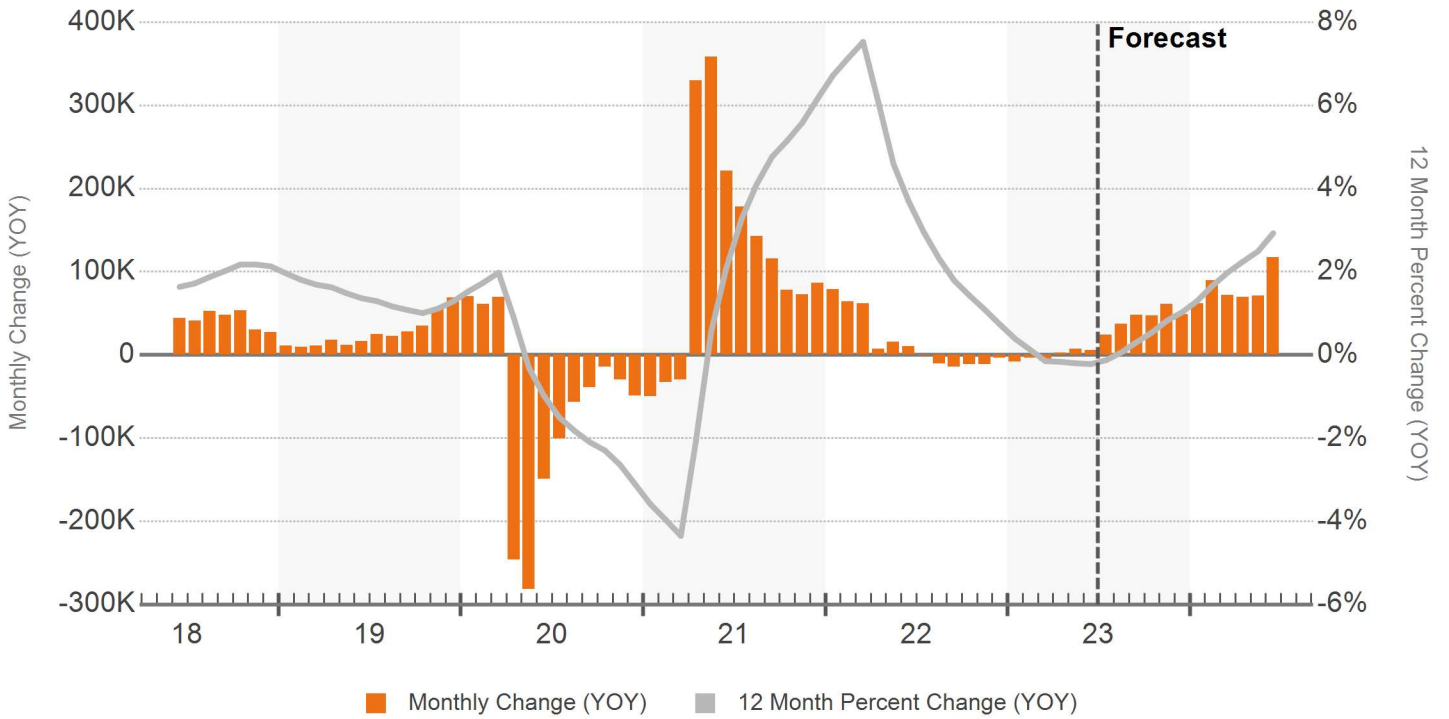
including Intel, Zoom, and Deloitte. The trend is expected to continue as the Taiwan Semiconductor Manufacturing Company broke ground on a second facility to produce microchips. The facility itself will generate corporate travel through suppliers and ancillary operators. Also, city officials said that approximately 40 businesses are looking to expand to Phoenix to capitalize on the facility, potentially generating additional corporate travel for site visits and meetings with city leaders.

The group travel segment also benefits from Phoenix establishing itself as a semiconductor hub. The SEMICON West conference generates nearly 8,000 attendees and is relocating from the San Francisco Moscone Conference Center to Phoenix. The Phoenix Convention Center will host the event in 2025 on a five-year alternating basis for the following five years.

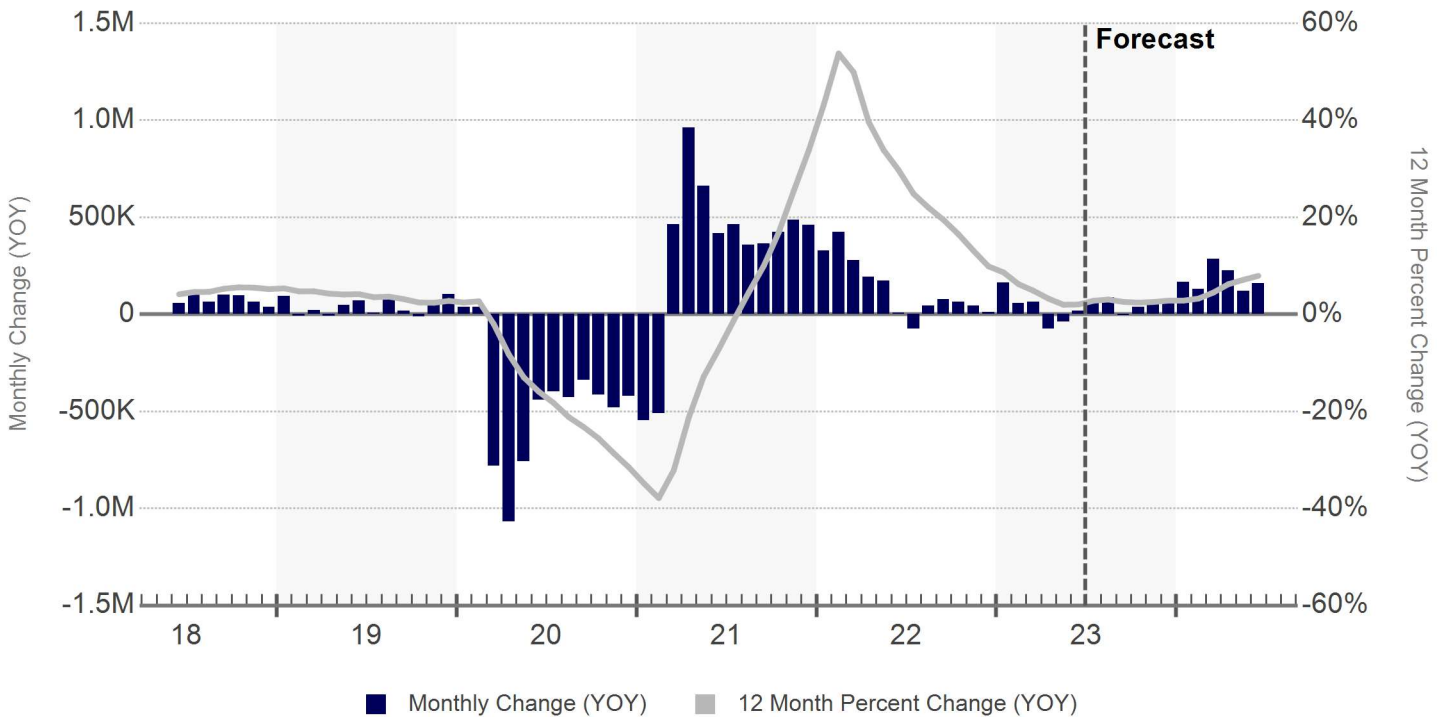
Yearly performance is projected to grow in 2023 due to a high-performing first quarter boosted by hosting the Super Bowl and a full MLB Spring Training season. During the Super Bowl weekend, Phoenix hotels attained the second-highest ADR and RevPAR levels among the other Super Bowl host markets. The average daily rate reached \$538, and RevPAR reached \$468.

For the remainder of the year, the rate growth is projected to be lower than the forecasted inflation. Occupancy is projected to decline for a few of the remaining months. April and May already encountered year-over-year occupancy declines; however, in June year-over-year occupancy, Average Daily Rate, and RevPAR were positive.

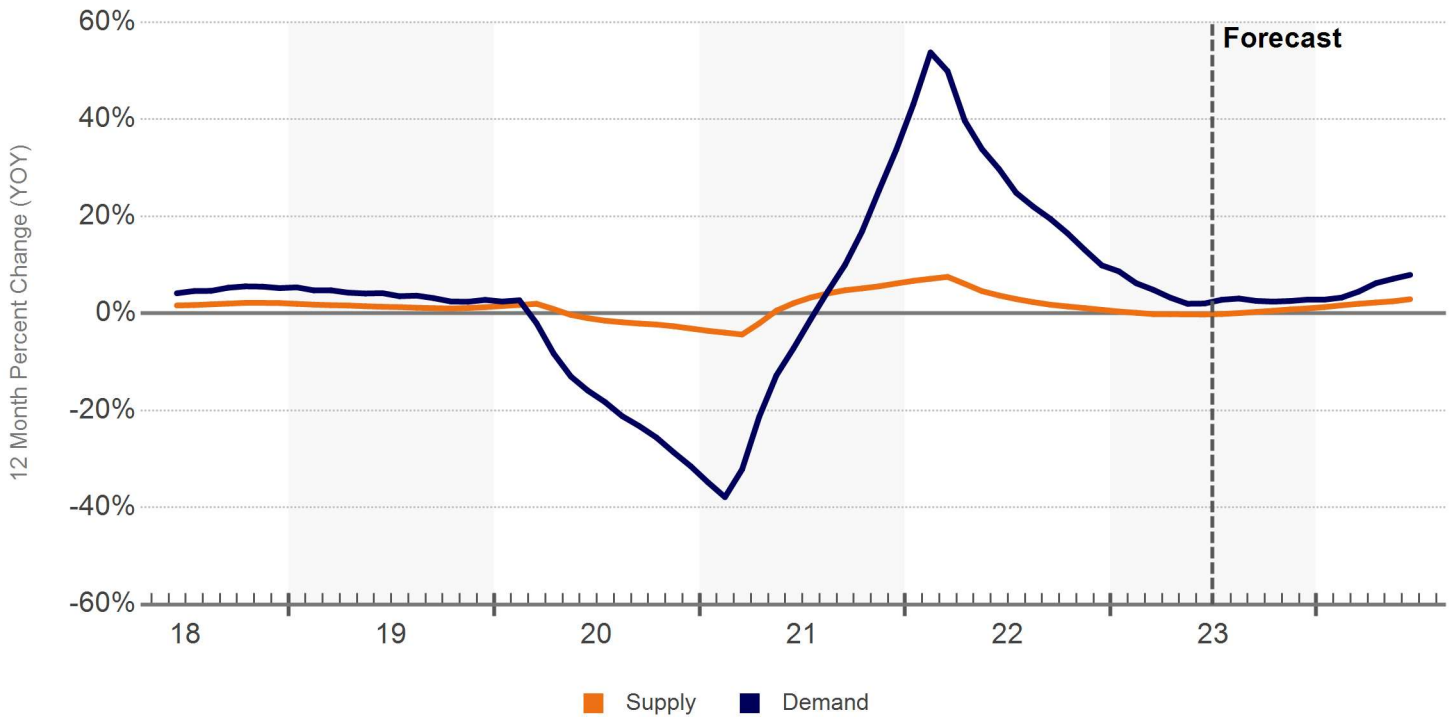
## SUPPLY CHANGE



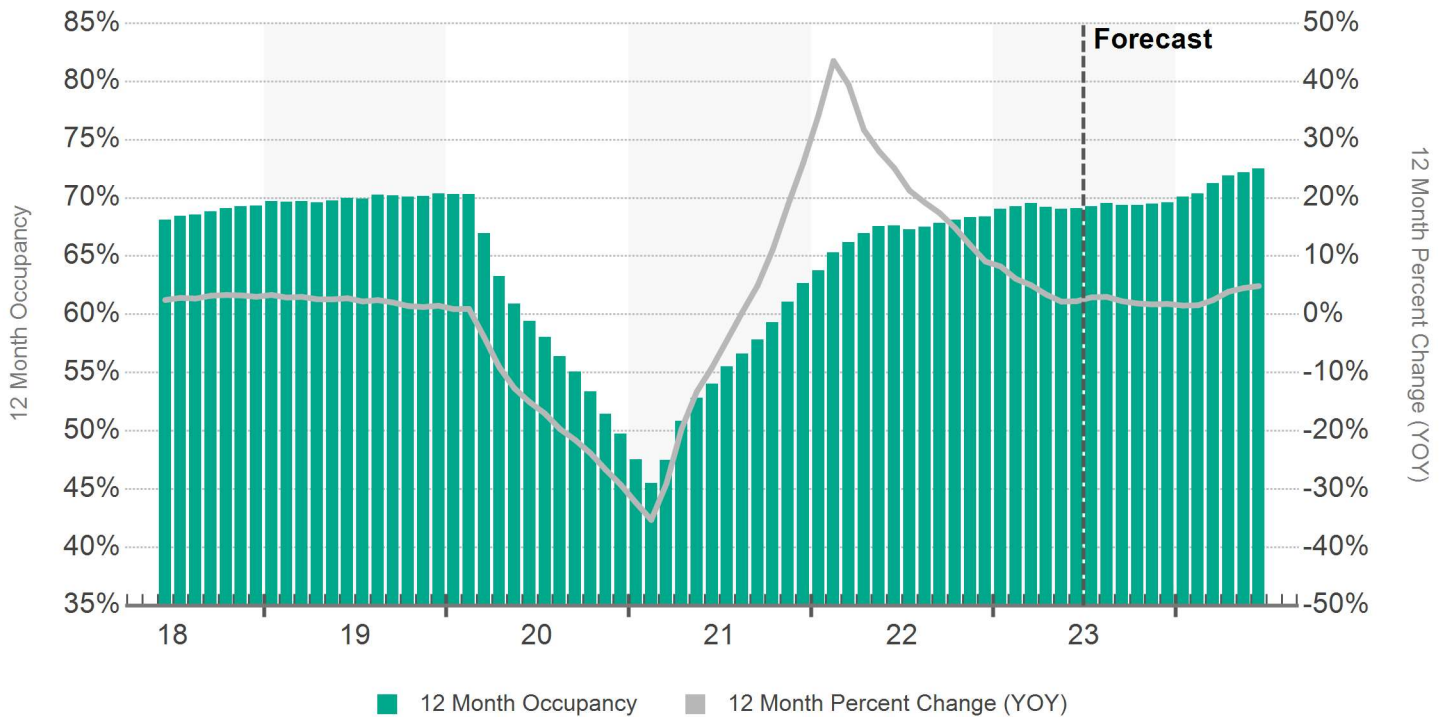
## DEMAND CHANGE



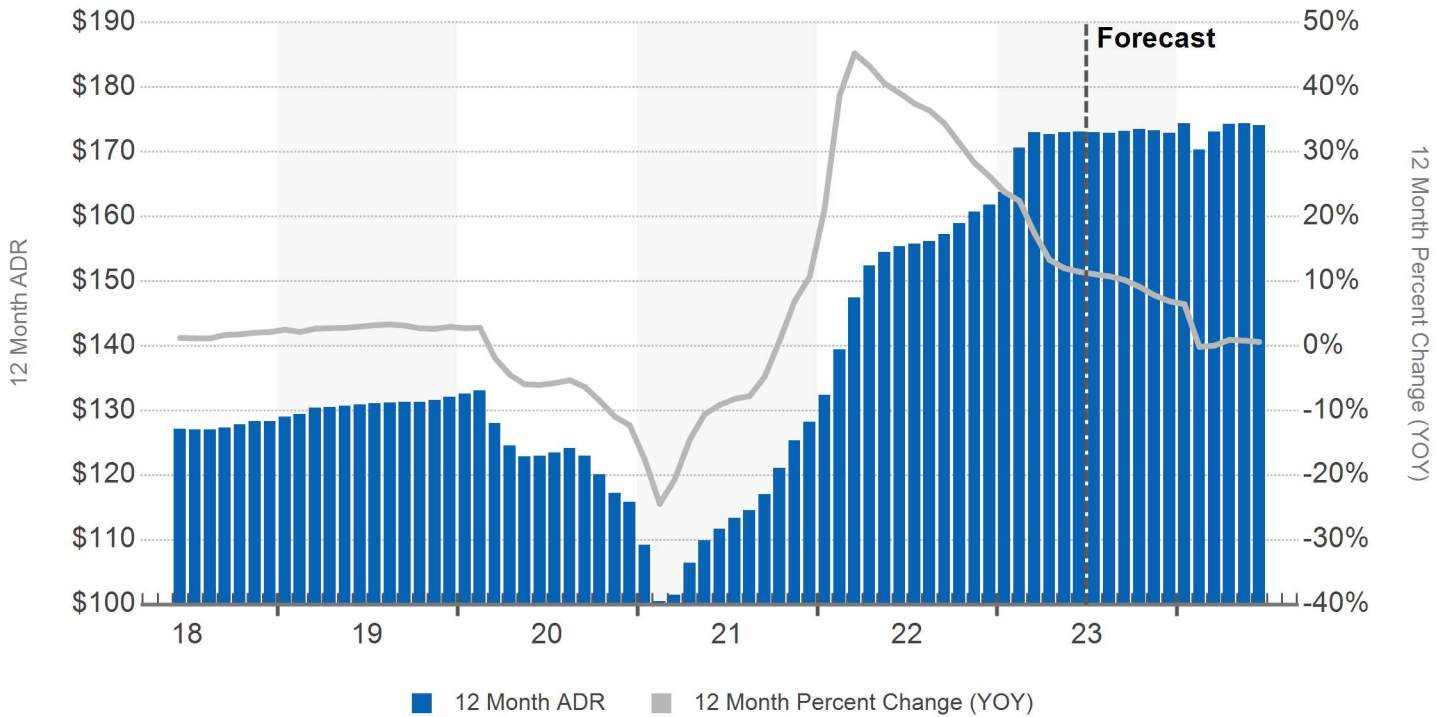
## SUPPLY & DEMAND CHANGE



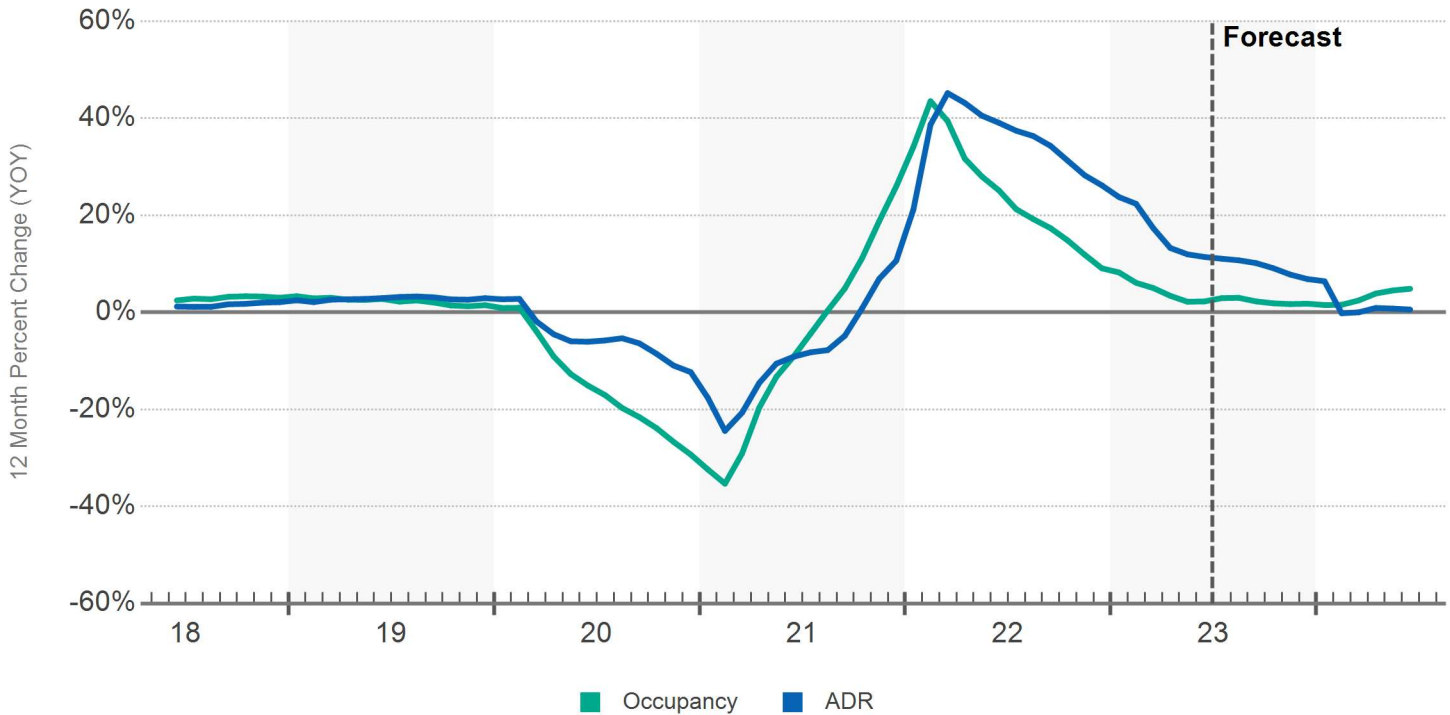
## OCCUPANCY



## ADR

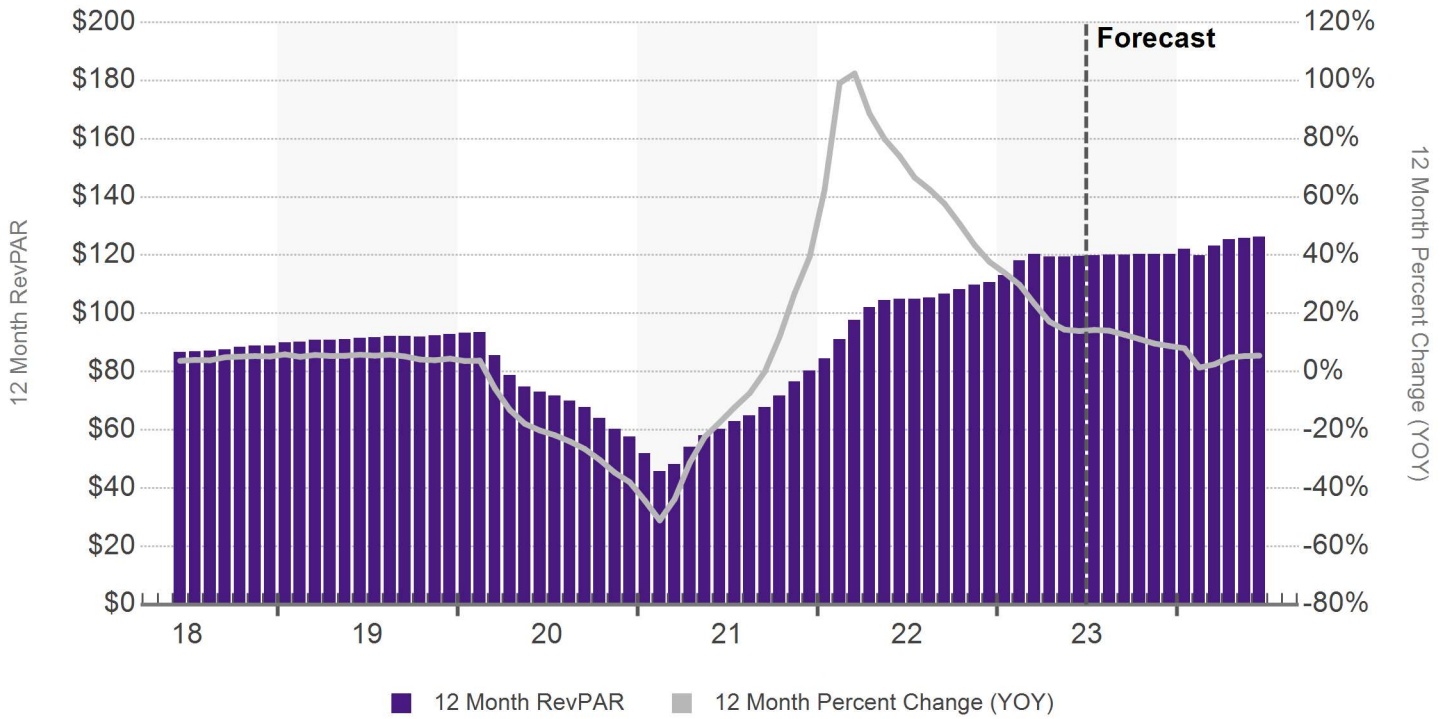


## OCCUPANCY & ADR CHANGE

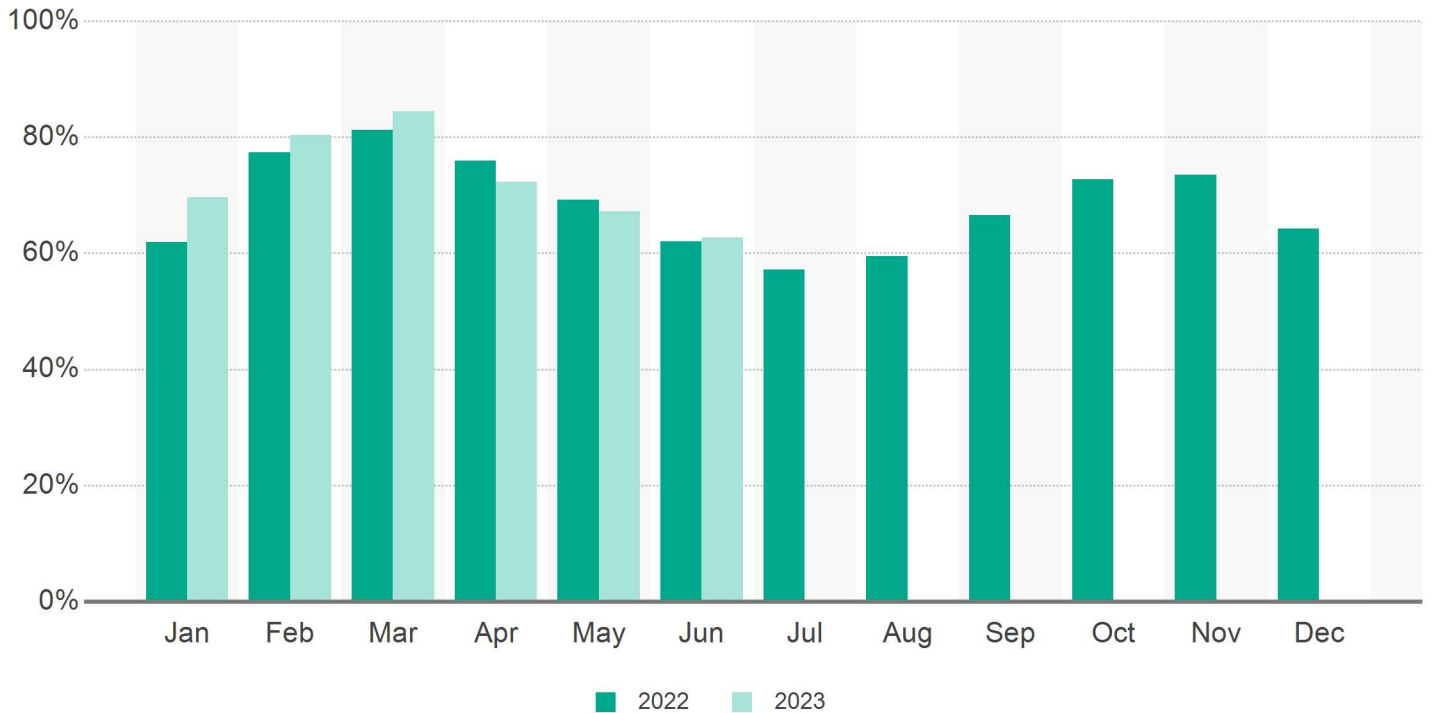




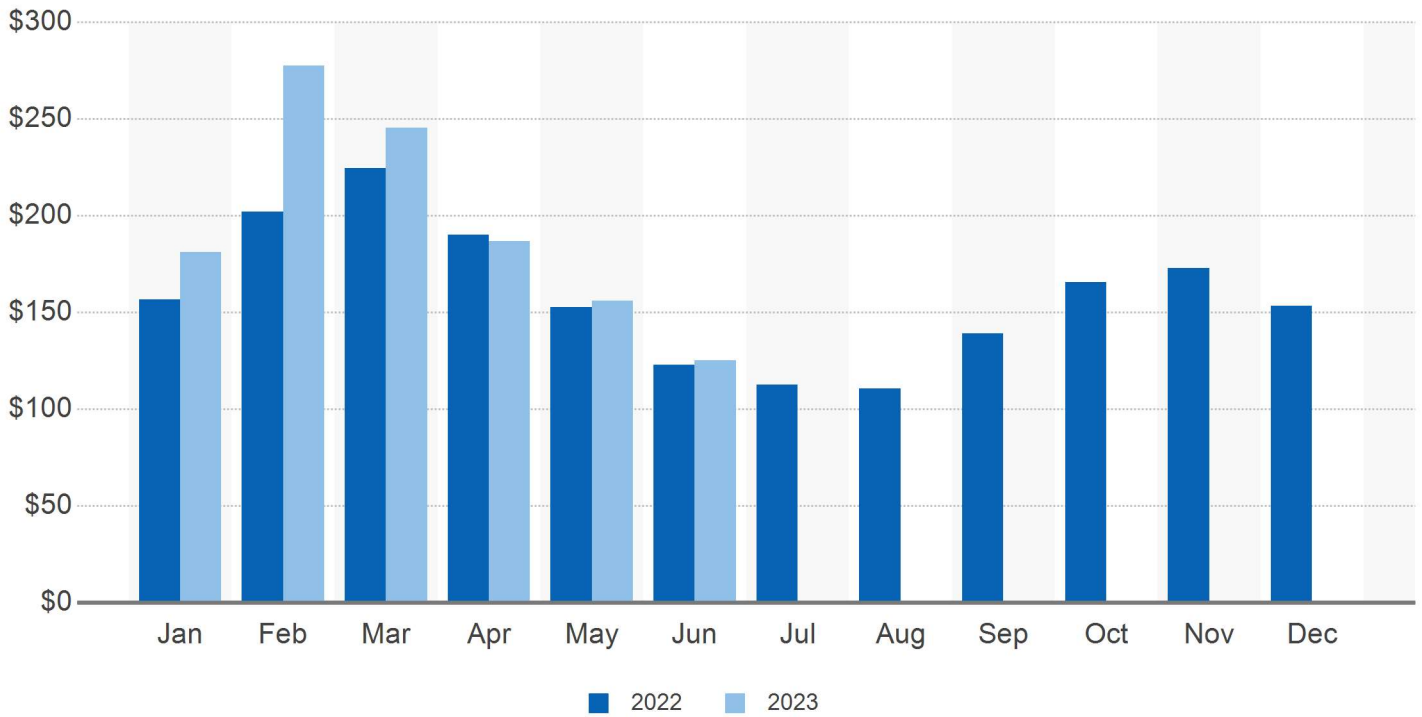
## REVPAR



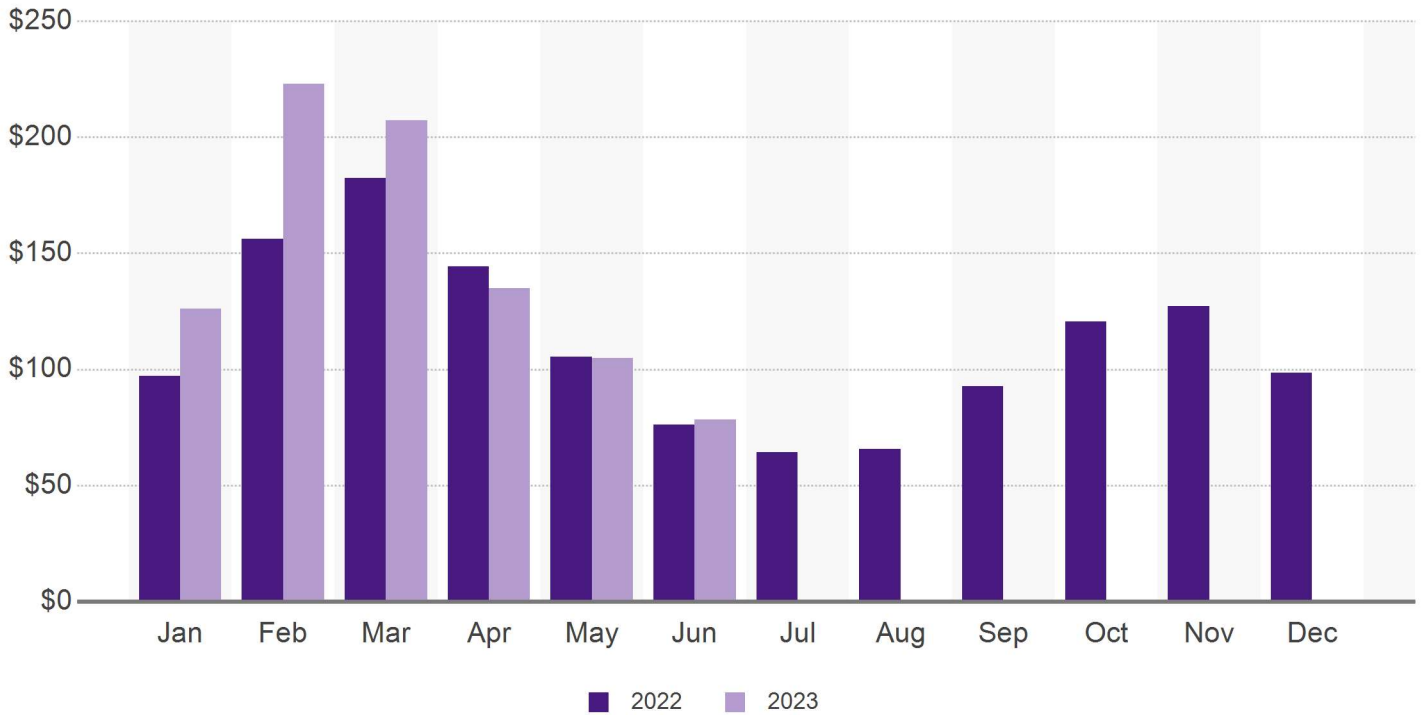
## OCCUPANCY MONTHLY



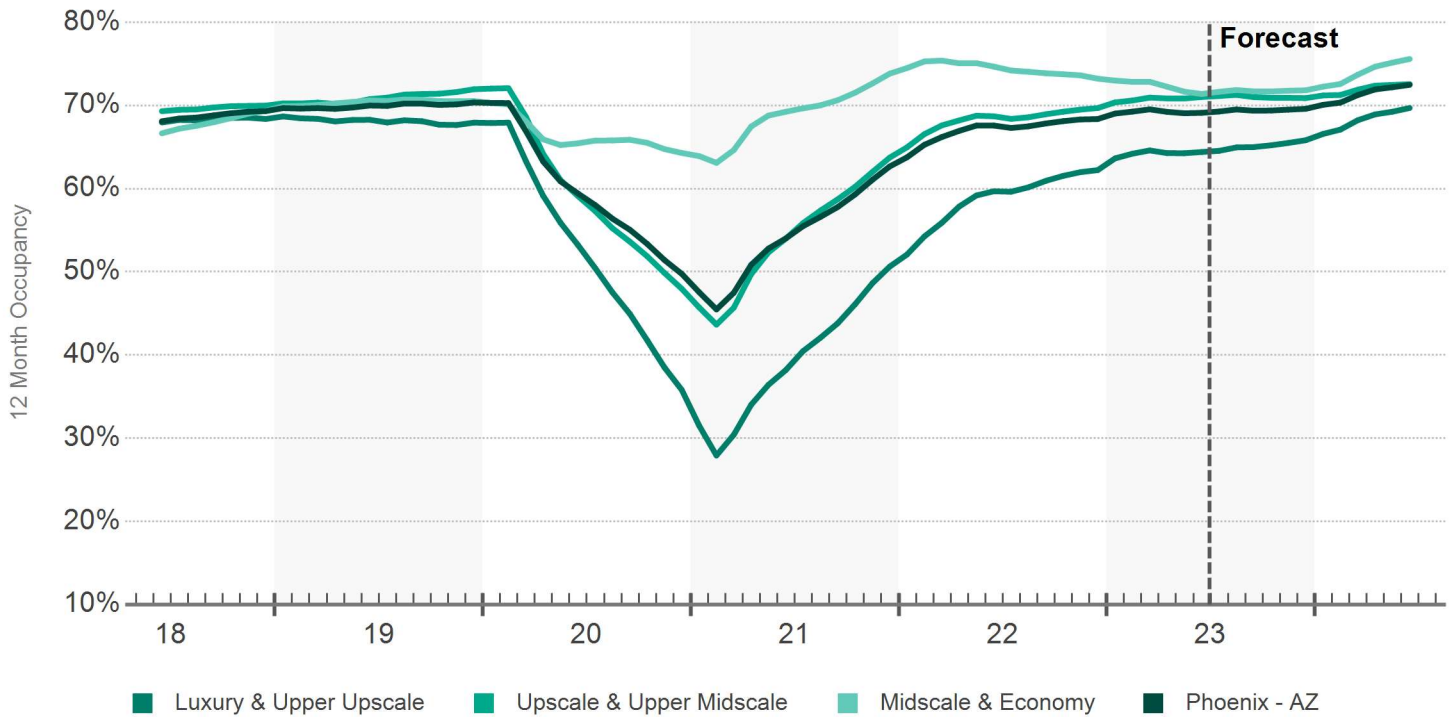
## ADR MONTHLY



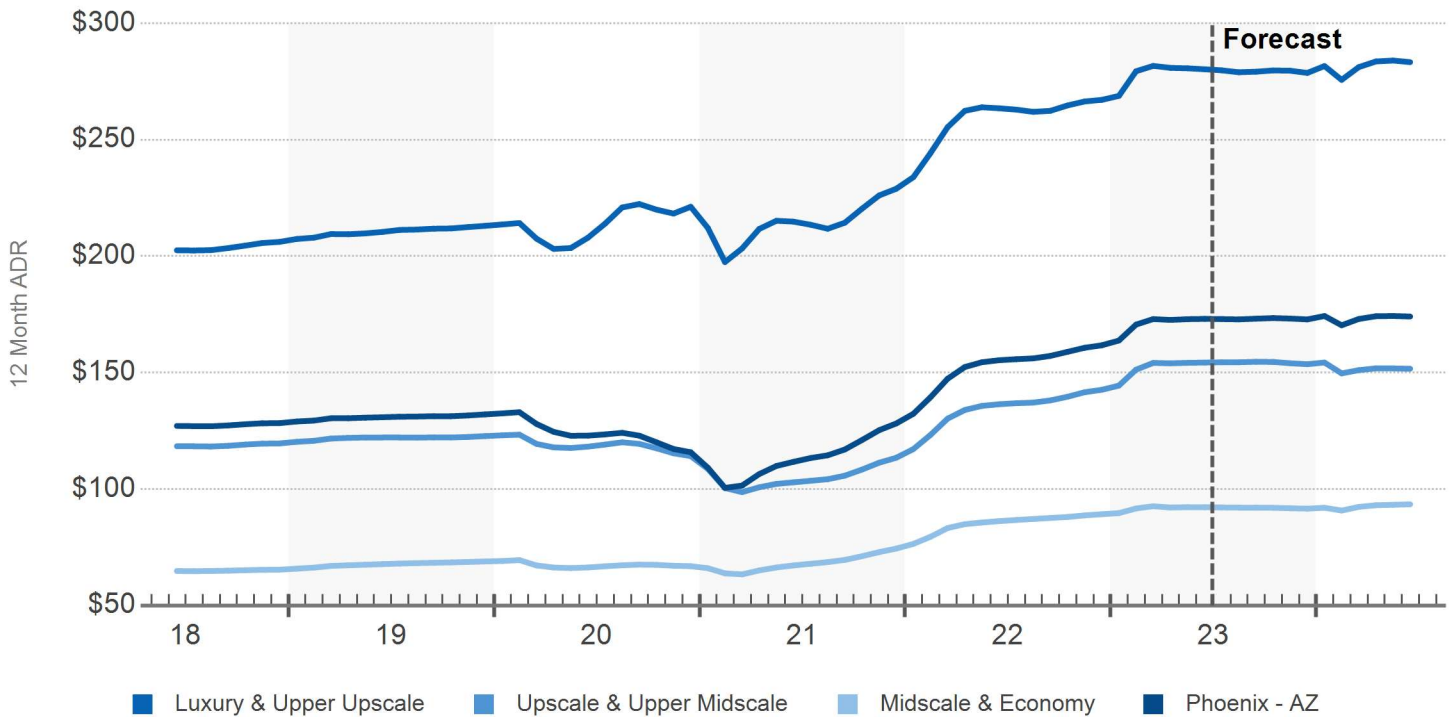
## REVPAR MONTHLY



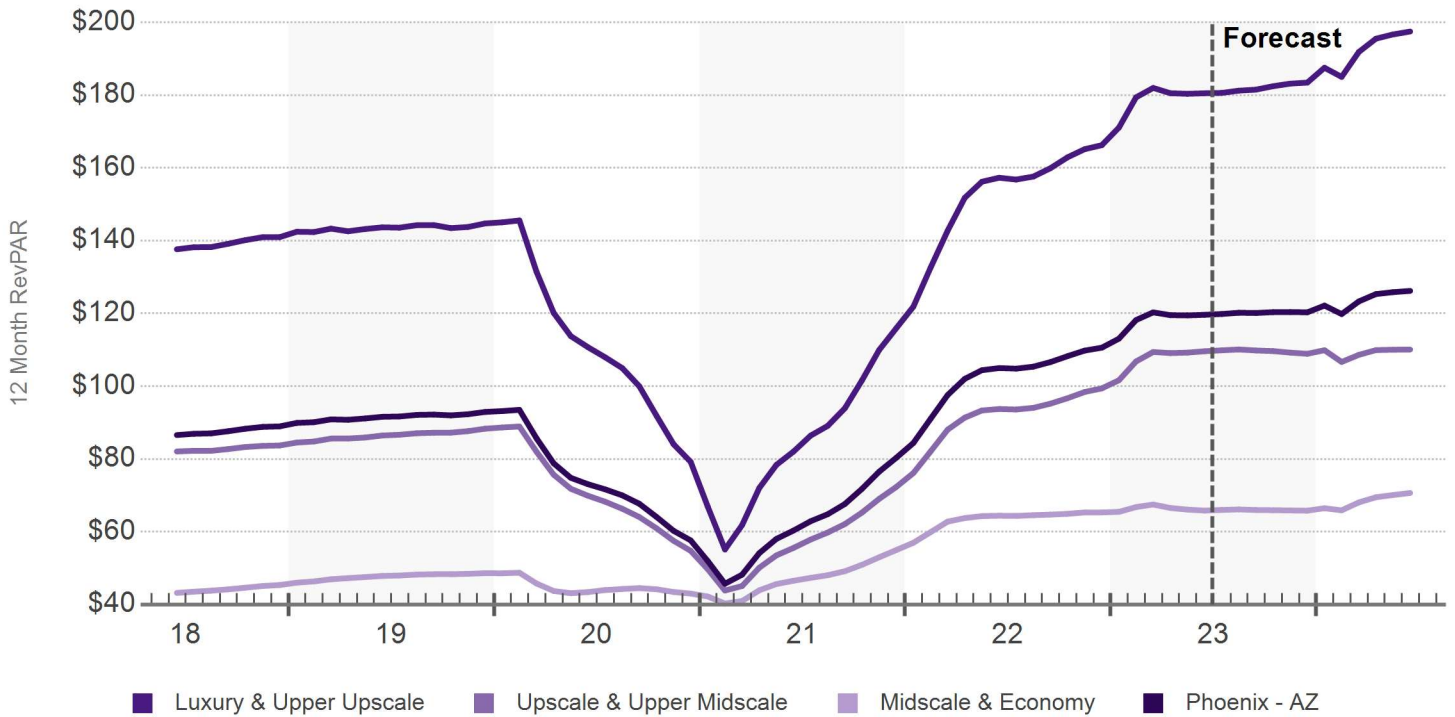
## OCCUPANCY BY CLASS



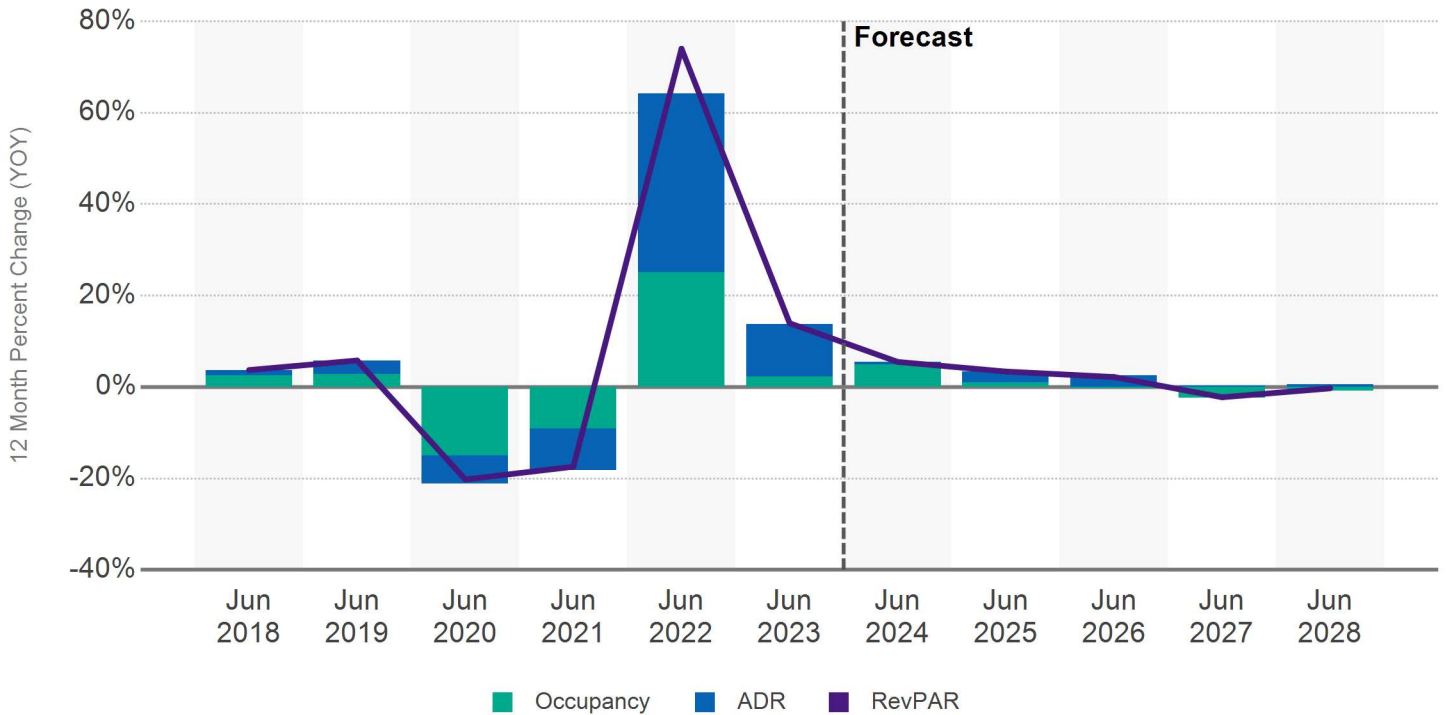
## ADR BY CLASS



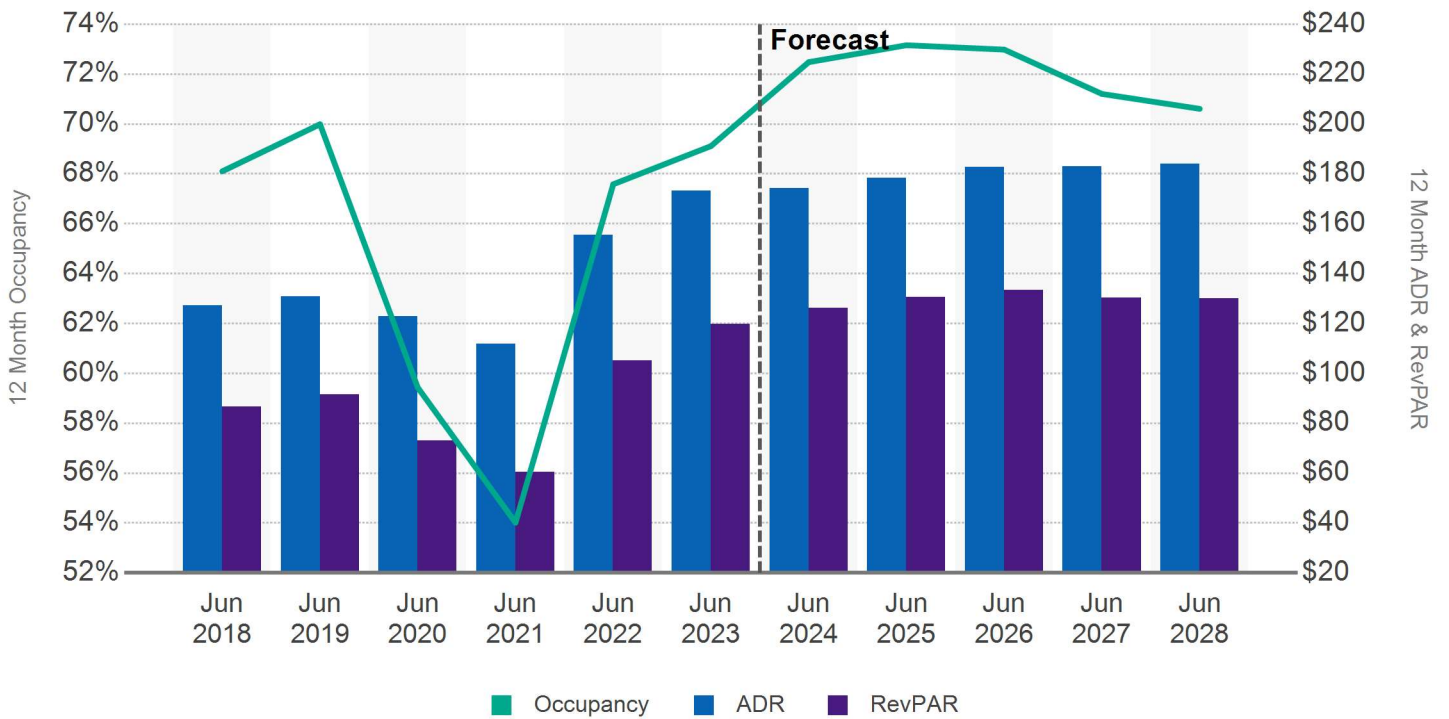
## REVPAR BY CLASS



## REVPAR GROWTH COMPOSITION



## OCCUPANCY, ADR & REVPAR



### FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	2022			2021-2022 % Change	
	% of Revenues	PAR	POR	PAR	POR
<b>Revenue</b>					
Rooms	51.7%	\$62,569	\$267.41	53.7%	18.2%
Food	19.5%	\$23,588	\$100.81	85.5%	42.6%
Beverage	8.2%	\$9,944	\$42.50	38.8%	6.7%
Other F&B	7.9%	\$9,523	\$40.70	132.6%	78.9%
Other Departments	7.8%	\$9,425	\$40.28	25.7%	-3.3%
Miscellaneous Income	5.0%	\$6,007	\$25.67	44.2%	10.8%
<b>Total Revenue</b>	<b>100%</b>	<b>\$121,057</b>	<b>\$517.38</b>	<b>58.6%</b>	<b>21.9%</b>
<b>Operating Expenses</b>					
Rooms	23.1%	\$14,464	\$61.82	43.3%	10.1%
Food & Beverage	61.2%	\$26,359	\$112.65	62.2%	24.7%
Other Departments	81.8%	\$7,712	\$32.96	11.8%	-14.0%
Administrative & General	7.4%	\$8,948	\$38.24	30.7%	0.5%
Information & Telecommunication Systems	1.0%	\$1,179	\$5.04	23.1%	-5.3%
Sales & Marketing	6.9%	\$8,316	\$35.54	52.0%	16.9%
Property Operations & Maintenance	4.0%	\$4,820	\$20.60	20.5%	-7.4%
Utilities	2.4%	\$2,942	\$12.57	18.1%	-9.2%
<b>Gross Operating Profit</b>	<b>38.3%</b>	<b>\$46,317</b>	<b>\$197.95</b>	<b>98.5%</b>	<b>52.6%</b>
Management Fees	4.6%	\$5,547	\$23.71	86.1%	43.1%
Rent	0.7%	\$878	\$3.75	36.6%	5.0%
Property Taxes	1.6%	\$1,983	\$8.47	-17.6%	-36.7%
Insurance	0.6%	\$697	\$2.98	21.7%	-6.5%
<b>EBITDA</b>	<b>30.7%</b>	<b>\$37,213</b>	<b>\$159.04</b>	<b>122.5%</b>	<b>71.0%</b>
<b>Total Labor Costs</b>	<b>32.2%</b>	<b>\$38,954</b>	<b>\$166.49</b>	<b>48.6%</b>	<b>14.2%</b>

(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.

(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.

(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.

Hotel construction activity in many markets is flatlining or slowing, but in Phoenix, it is increasing. At 6.7%, Phoenix has the second-highest share of under-construction inventory among the top 40 U.S. markets, with approximately 4,800 rooms in 28 properties under construction. For the past few years, New York, Austin, and Nashville have held the top spots for the highest under-construction share of hotel inventory, but recently Phoenix surpassed Austin and Nashville.

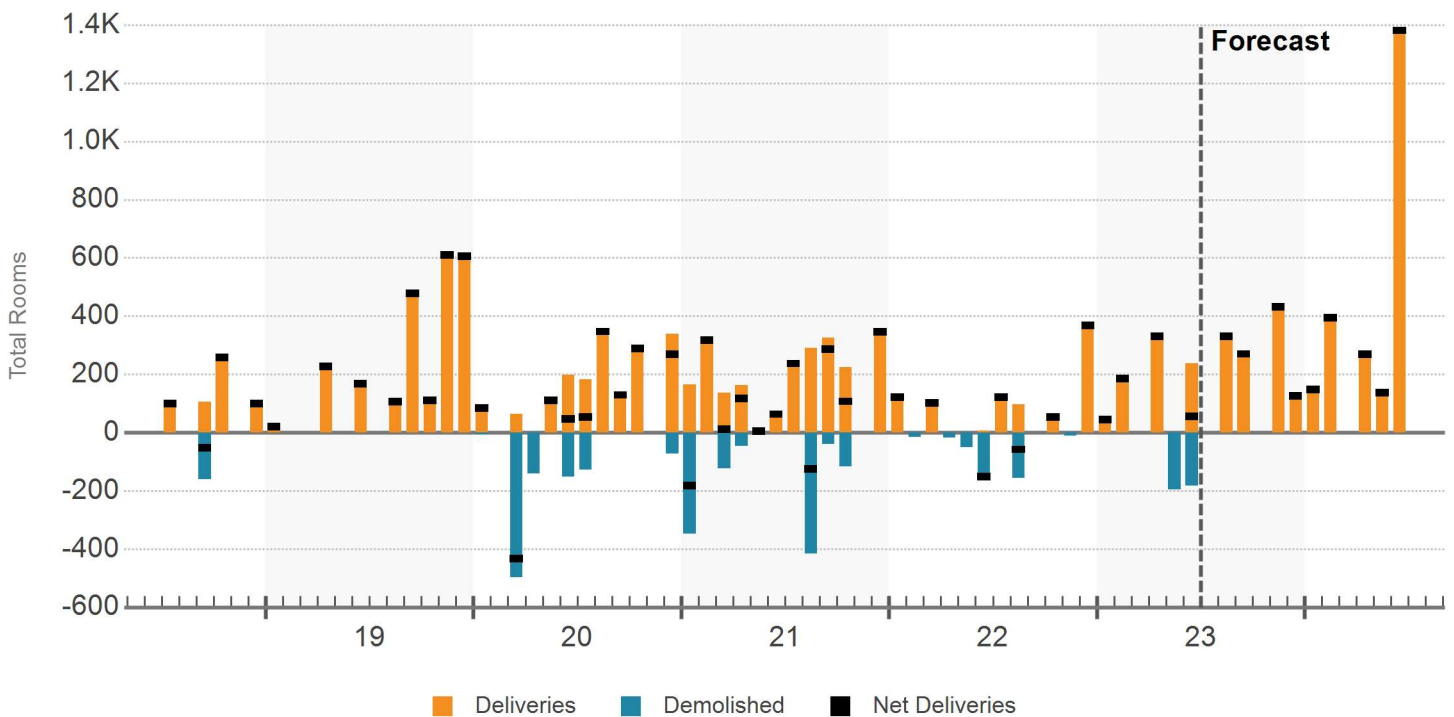
The majority of new hotels are set to open in 2023, but a higher number of hotel rooms are expected to be added in 2024. The increase in supply is attributed to the expanding Phoenix market. The under-construction hotels are in most of the Phoenix submarkets, but the Phoenix West Submarket has the highest concentration of hotel rooms under development.

Unlike national trends, most hotel rooms under construction are independent brands. Much of this is

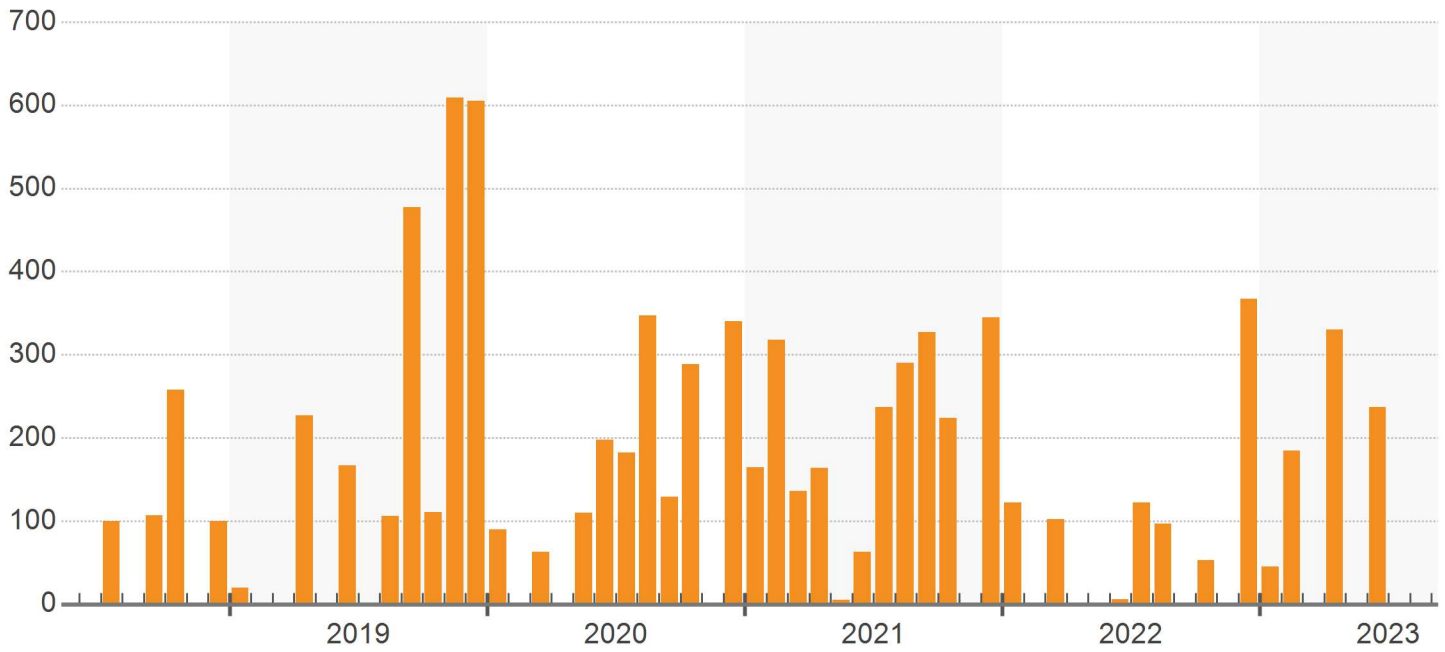
attributed to the largest hotel under construction, the 1,200-room VAI Resort in Glendale. The hotel is projected to open in phases starting in mid to late 2024, missing out on the NCAA Basketball Championship in March 2024 as the project has faced delays. The \$1 billion 60-acre resort and lagoon entertainment complex will be the largest hotel in the state. It will feature four hotel towers, a \$40-million 360-degree concert stage, a 52,000-SF man-made party island, a 6-acre lagoon with white sandy beaches, retail, and 12 themed restaurants.

In April, the 330-room Omni Tempe Hotel at ASU opened. This will be the largest hotel to open this year and since 2019. The hotel features numerous dining options, 36,000 SF of meeting space, and an elevated pool deck. The hotel is owned and developed by the Arizona Board of Regents/Arizona State University, and cost approximately \$125 million, or \$378,000/key to build.

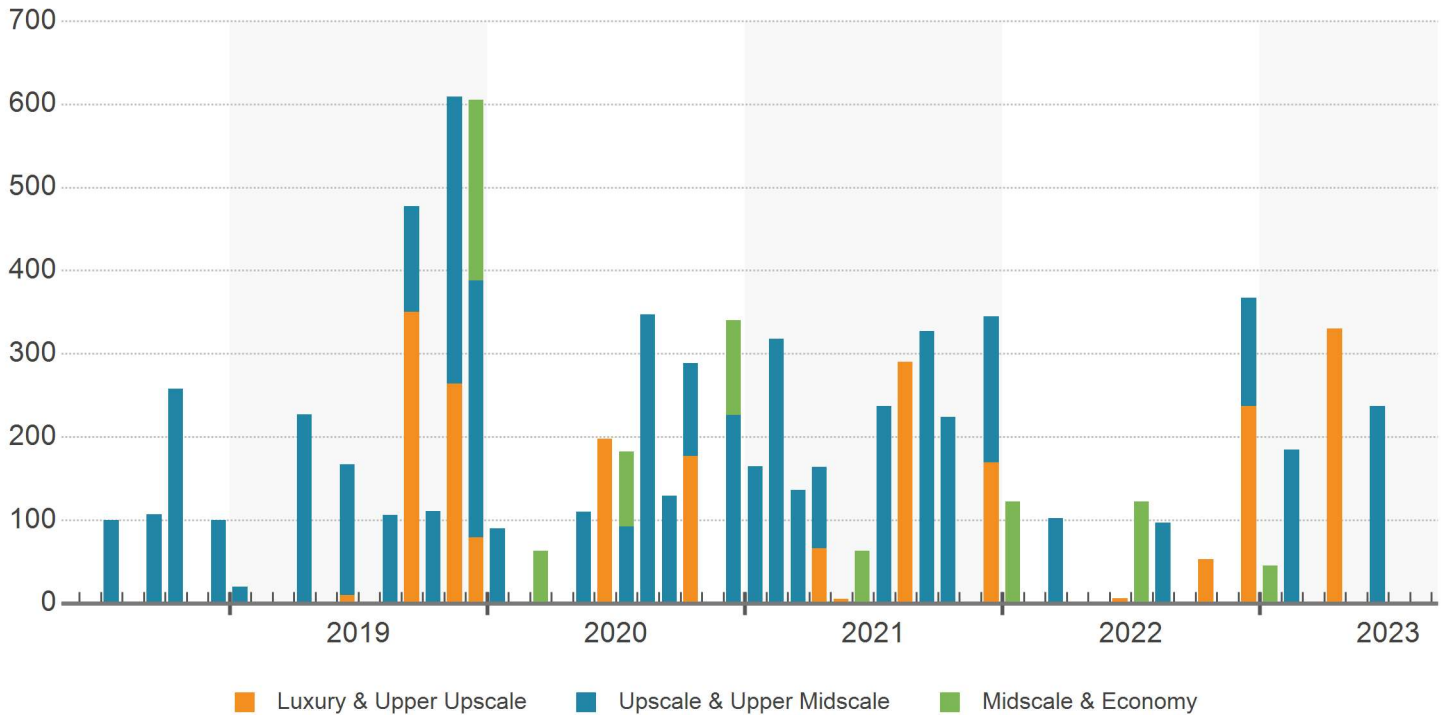
## DELIVERIES & DEMOLITIONS



## ROOMS DELIVERED

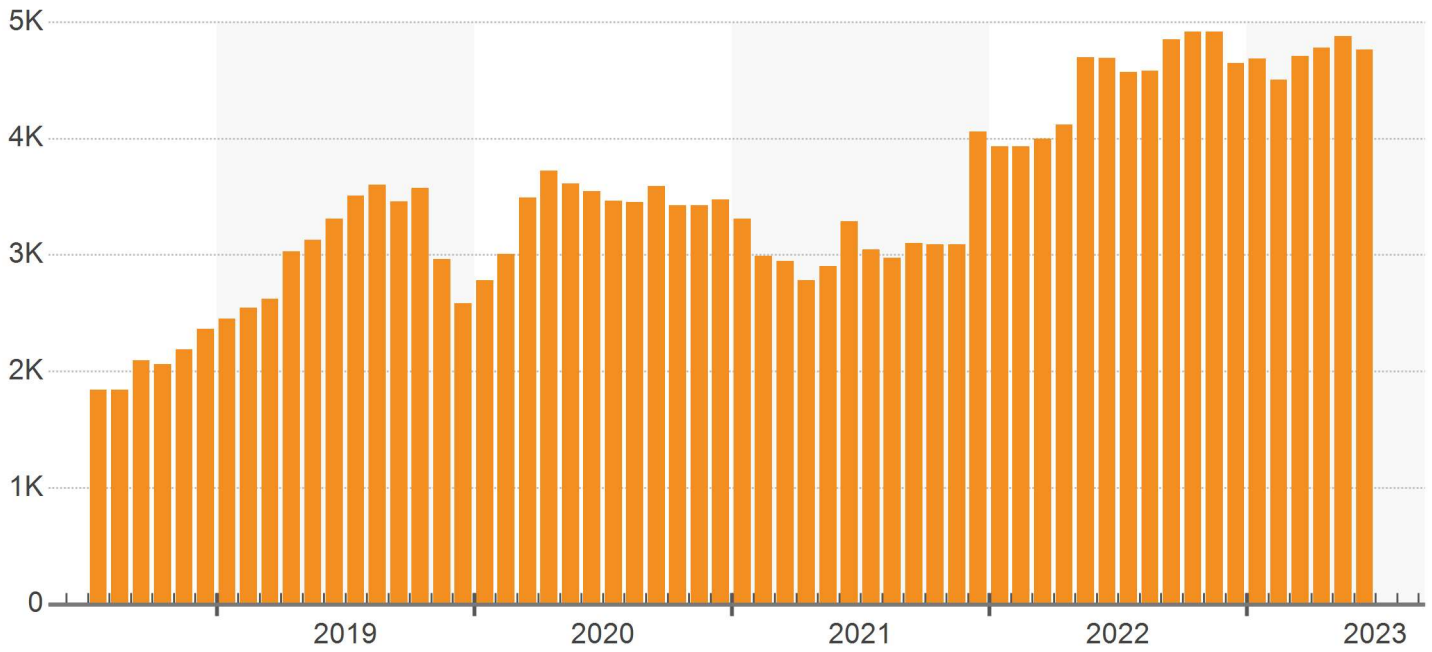


## ROOMS DELIVERED BY CLASS

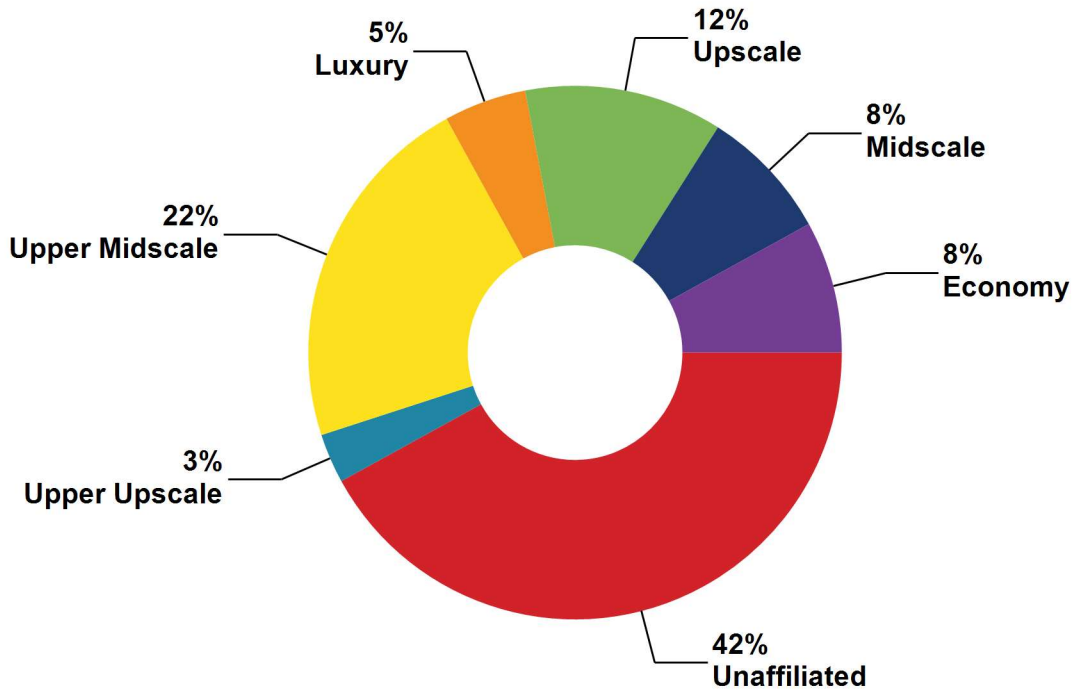




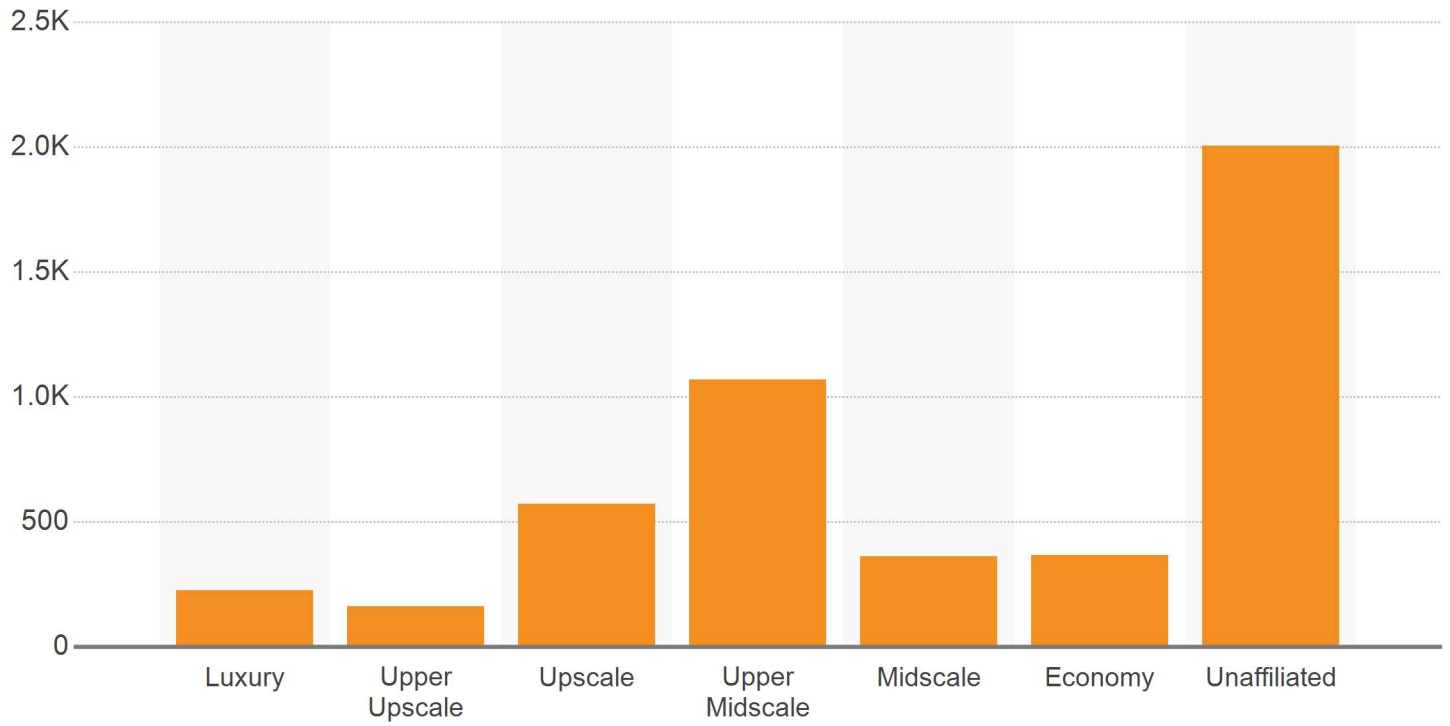
## ROOMS UNDER CONSTRUCTION



## TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



## ROOMS UNDER CONSTRUCTION BY SCALE



# Under Construction Properties

Phoenix - AZ Hospitality

Properties

Rooms

Percent of Inventory

Average Rooms

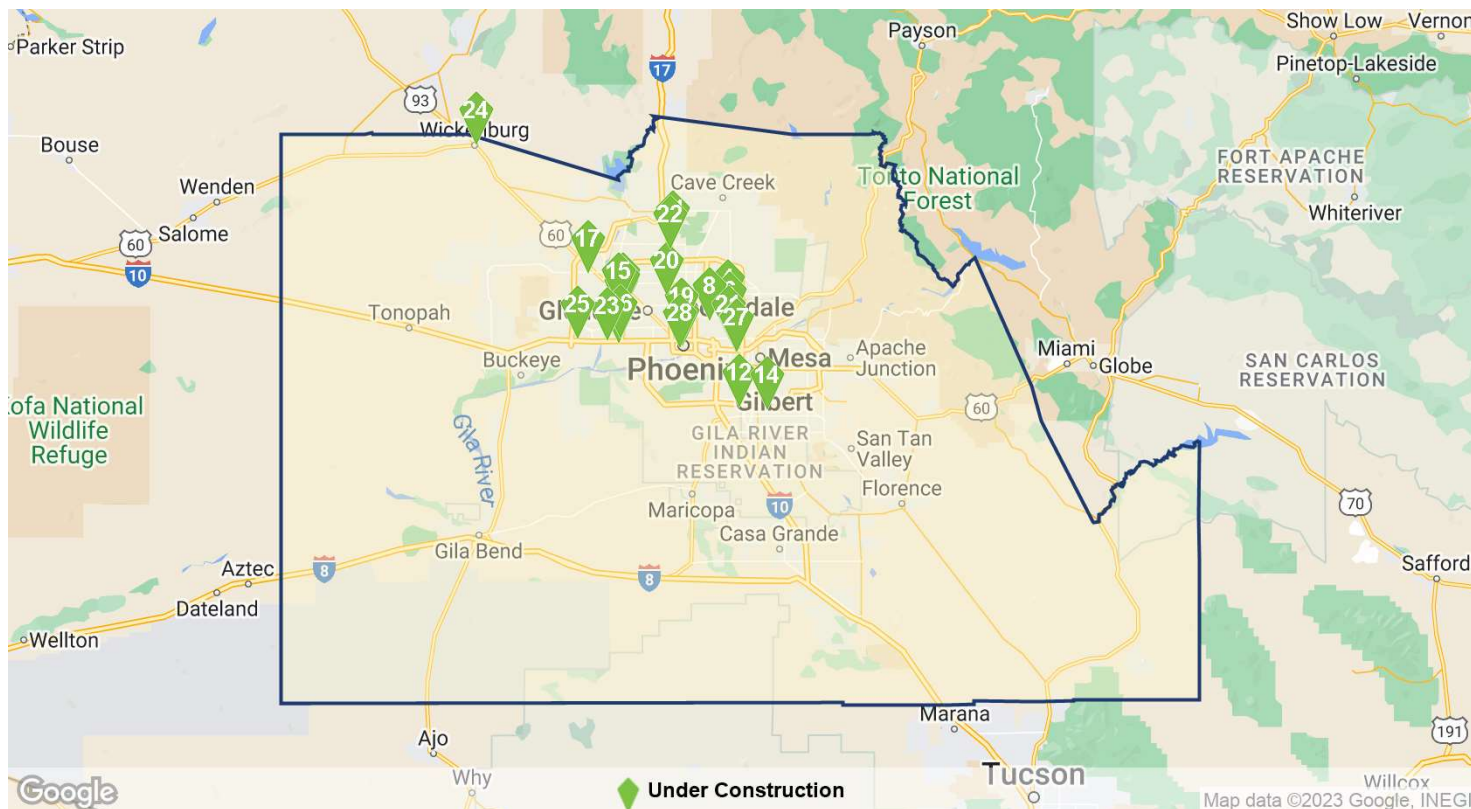
**28**

**4,764**

**6.7%**

**170**

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	<a href="#">VAI Resort Phoenix</a> 9505 W Cardinals Way	Upscale	1200	16	Dec 2021	Jun 2024	- VAI Global Development
2	<a href="#">Desert Diamond West Valley Res...</a> Northern Ave & 91st Ave	Upscale	400	8	Apr 2023	Dec 2026	-
3	<a href="#">Caesars Republic Scottsdale</a> 4747 N Goldwater Blvd	Economy	265	11	Mar 2020	Feb 2024	- HCW Development
4	<a href="#">The Ritz-Carlton Paradise Valley,...</a> 7000 E Lincoln Dr	Luxury	225	2	Oct 2018	Nov 2024	Ritz-Carlton Five Star Development
5	<a href="#">MOXY Phoenix Downtown</a> 116 S Central Ave	Upper Midscale	164	9	Mar 2022	Nov 2023	MOXY PEG Companies
6	<a href="#">Autograph Collection Phoenix Sco...</a> 4415 North Buckboard Trail	Upper Upscale	163	5	May 2022	Apr 2024	Autograph Collection -
7	<a href="#">Home2 Suites by Hilton Phoenix...</a> 141 E Jackson St	Upper Midscale	148	6	Dec 2020	Sep 2023	Home2 Suites by Hilton -

# Under Construction Properties

Phoenix - AZ Hospitality

## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
8	<a href="#">The Global Ambassador</a> 4360 E Camelback Rd	Luxury	141	5	Aug 2021	Nov 2023	- Common Bond Development...
9	<a href="#">Cambria Hotels &amp; Suites Glendale</a> N Zanjero Blvd	Upscale	137	4	May 2022	May 2024	Cambria Hotels -
10	<a href="#">SpringHill Suites Phoenix West Av...</a> N 99th Ave	Upscale	130	4	Jun 2019	Feb 2024	SpringHill Suites QUYP Development
11	<a href="#">Home2 Suites by Hilton Phoenix...</a> 19th Ave and Happy Valley	Upper Midscale	126	5	May 2022	Nov 2023	Home2 Suites by Hilton -
12	<a href="#">WoodSpring Suites</a> W Willis & Price Rd	Economy	122	3	Apr 2022	Jul 2024	WoodSpring Suites Genesis Companies
13	<a href="#">WoodSpring Suites Tolleson - Pho...</a> 605 N 99th Ave	Economy	122	4	Oct 2022	Aug 2023	WoodSpring Suites Genesis Companies
14	<a href="#">WoodSpring Suites Chandler Airport</a> 2050 E Germann Rd	Economy	122	4	Sep 2022	Sep 2023	WoodSpring Suites Path Construction - Southwest
15	<a href="#">Everhome Suites Glendale</a> 9775 W Northern Ave	Midscale	122	4	Jun 2023	Oct 2024	Everhome Suites Highside Companies
16	<a href="#">Holiday Inn Express Phoenix Wes...</a> 1750 N 95th Ln	Upper Midscale	108	4	Jun 2021	Aug 2023	Holiday Inn Express -
17	<a href="#">SpringHill Suites By Marriott Surpr...</a> SWQ West Bell Road and No	Upscale	106	3	Aug 2022	Apr 2024	SpringHill Suites Surprise Hospitality, LLC
18	<a href="#">Tru by Hilton Phoenix Midtown</a> 3150 N Central Ave	Midscale	104	5	Mar 2023	May 2025	Tru by Hilton The Plaza Companies
19	<a href="#">Home2 Suites by Hilton Phoenix...</a> 3150 N Central Ave	Upper Midscale	103	5	Mar 2023	May 2025	Home2 Suites by Hilton The Plaza Companies
20	<a href="#">Hampton Inn and Suites by Hilton...</a> 10220 N Metro Pkwy E	Upper Midscale	101	4	Jul 2020	Jan 2030	Hampton by Hilton Carlyle Development Group
21	<a href="#">SpringHill Suites Phoenix Scottsdale</a> 1500 N Scottsdale Rd	Upscale	100	5	May 2022	Aug 2023	SpringHill Suites PEG Companies
22	<a href="#">Staybridge Suites Phoenix North...</a> 2305 W Pinnacle Peak Rd	Upscale	100	3	May 2023	Nov 2024	Staybridge Suites -
23	<a href="#">Avid Phoenix West - Avondale</a> SWQ Avondale Blvd & I-10	Midscale	95	4	Dec 2022	Jun 2024	Avid -
24	<a href="#">Cobblestone Hotel &amp; Suites Wicke...</a> 575 Bass Rd	Upper Midscale	86	3	Jan 2023	Jun 2024	Cobblestone BriMark Builders, LLC
25	<a href="#">Holiday Inn Express Phoenix Wes...</a> 15943 W McDowell Rd	Upper Midscale	85	3	Mar 2021	Dec 2023	Holiday Inn Express -
26	<a href="#">Fairfield by Marriott Inn &amp; Suites T...</a> 1931 E Rio Salado Pky	Upper Midscale	83	4	Sep 2022	Jan 2024	Fairfield Inn EKN Development Group
27	<a href="#">TownePlace Suites by Marriott Te...</a> 1953 E Rio Salado Pky	Upper Midscale	65	2	Sep 2022	Jan 2024	TownePlace Suites EKN Development Group

Similar to national and most commercial real estate types, investment activity has slowed this year. Last year, hotel sales volume exceeded \$1 billion for the second time in the past decade in Phoenix. However, continued fed interest rate hikes and economic uncertainty have limited high-priced transactions. In most markets, including Phoenix, the majority of hotel transactions are among private buyers with prices below \$30 million due to more favorable financing options. Still, some high-priced hotels transactions have occurred this year in well-performing markets such as Phoenix.

Since 2022, four upper-tier class hotels have sold for over \$100 million each in Phoenix, but middle-tier-class hotels are the primary hotel type to trade in the market. This year, three hotels sold for high prices.

In July, the 378-room DoubleTree Resort by Hilton Hotel Paradise Valley in Scottsdale traded for \$115.5 million, or \$305,556/key. The resort features a pool, tennis courts, 38,000 SF of meeting space, and food and dining options. San Diego-based Southwest Value Partners sold the hotel to Global Hospitality Investment Group from New York.

In March, The Camby Hotel Autograph Collection was the primary source of sales volume in the first quarter. The 277-room, Upper Upscale Class hotel sold in a fee simple deal for \$110 million, or \$397,112/key, to the institutional buyer KHP Capital Partners from the REIT Host Hotels & Resorts. In 2022, The Camby's revenues and NOI surpassed 2019 performance with double-digit growth, allowing a relatively lower cap rate of 7.5% on a trailing twelve month basis. Host provided \$72 million of seller financing at SOFR plus 425 basis points. The hotel opened as a Ritz-Carlton in 1988 before being converted to The Camby in 2015.

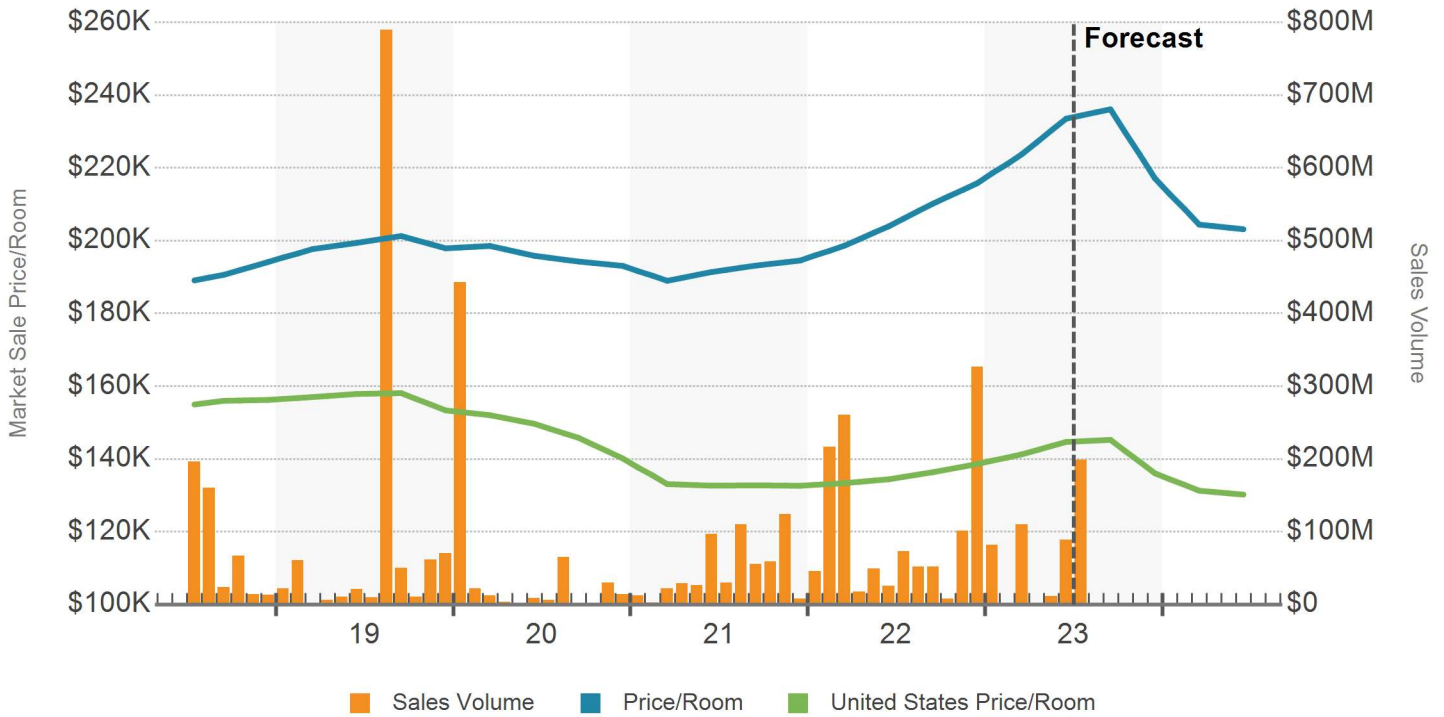
In January, the Upscale class, 160-room AC Hotels by Marriott Phoenix Biltmore traded for \$67.8 million, or

\$423,750/key, at a 6.5% cap rate. The hotel is located less than a mile from The Camby. The transaction represented the highest price per key paid in market history for an Upscale class hotel. The hotel is relatively new and in a favorable location, contributing to pricing. Located in the Camelback Corridor, the hotel is surrounded by luxury retail from Biltmore Fashion Park, numerous upscale dining options such as Hillstone, and sought-after residential communities. The hotel is also near corporate offices, including the 115,000-SF Camelback Collective Office Building that was part of the mixed-use development with the hotel. The office building traded last year at one of the highest dollar per SF amounts in Phoenix history.

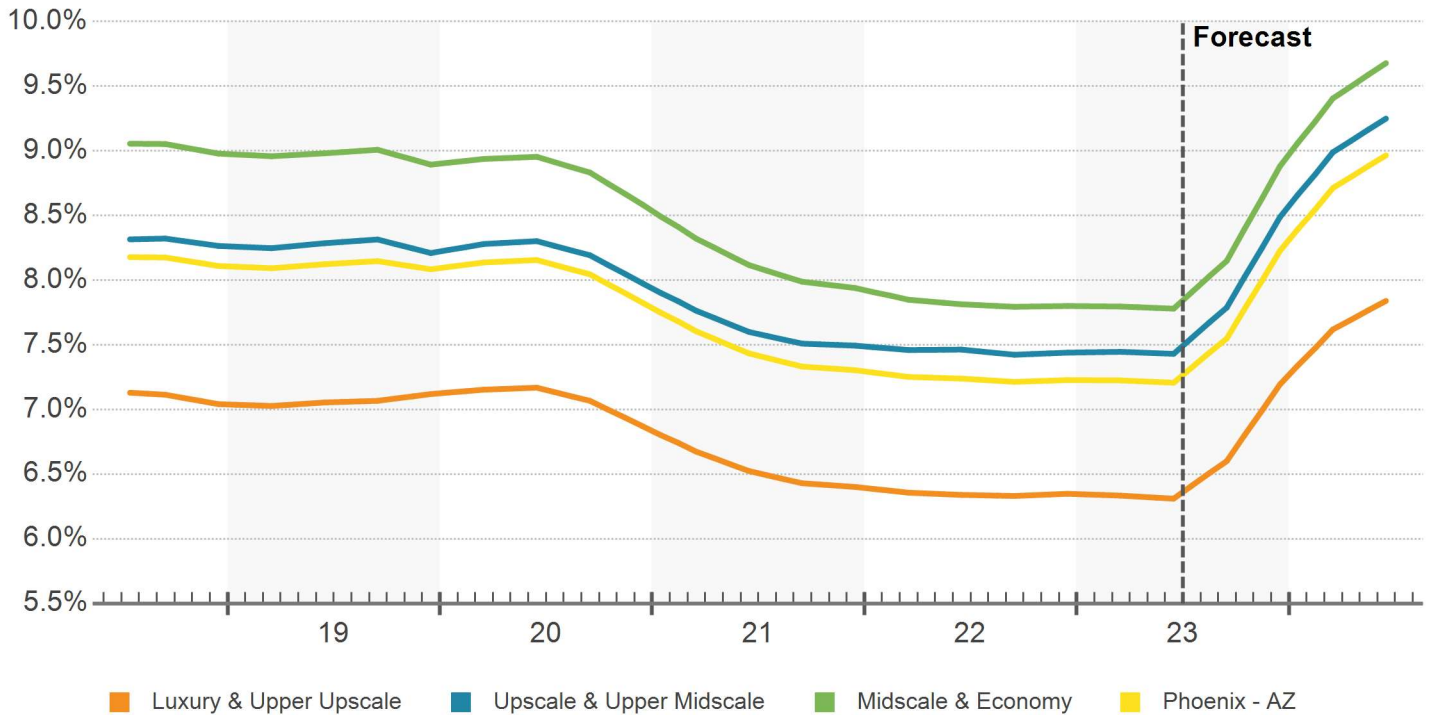
In December, Braemar Hotels & Resorts purchased the 210-room Four Seasons Resort Scottsdale at Troon North for \$267.8 million, or \$1.3 million/key, representing the highest price per key paid in Phoenix market history. The total value includes 5.7 acres of developable land zoned for commercial use. Approximately \$250 million, or \$1.2 million/key, was allocated to the hotel. The property traded in 2014 for \$140 million and underwent a \$20.7 million renovation in 2016. The new buyer closed on a non-recourse \$100 million mortgage loan for this resort with a three-year initial term and two one-year extension options. The loan is interest-only and provides a floating interest rate of SOFR + 3.75%. Braemar announced it plans to use the majority of the proceeds from the new loan to pay off a more expensive loan secured by the Ritz-Carlton Reserve Dorado Beach.

While recent trades have gained record-high pricing at lower cap rates, a shift in hotel investment could occur. Over 50 of the 91 hotels with active CMBS loans in the Phoenix market are maturing in the next two years. Some hotels may need to reassess financing options, as interest rates are significantly higher, and a recession is projected within the year.

## SALES VOLUME & MARKET SALE PRICE PER ROOM



## MARKET CAP RATE



# Sales Past 12 Months

Sale Comparables

Average Price/Room

Average Price

Average Cap Rate

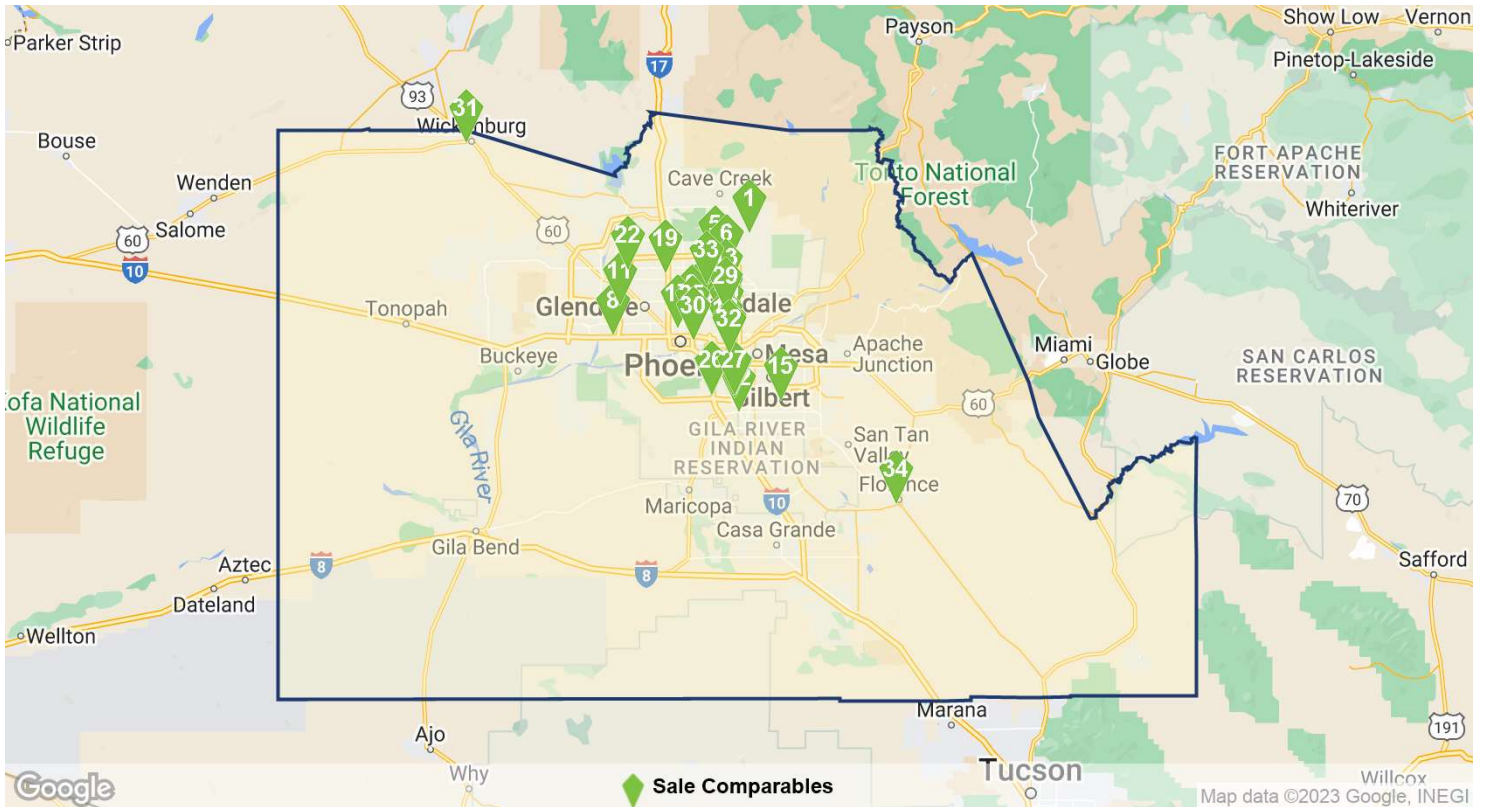
**34**

**\$255K**

**\$33.2M**

**7.6%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$575,000	\$33,183,131	\$18,000,000	\$267,800,000
Price/Room	\$20,468	\$254,623	\$154,443	\$1,275,238
Cap Rate	5.7%	7.6%	8.0%	9.4%
Time Since Sale in Months	0.1	6.0	7.5	11.9
Property Attributes	Low	Average	Median	High
Property Size in Rooms	16	130	118	378
Number of Floors	1	3	3	11
Total Meeting Space	0	5,432	5,432	38,171
Year Built	1935	1994	1998	2021
Class	Economy	Upscale	Upper Midscale	Luxury

# Sales Past 12 Months

Phoenix - AZ Hospitality

## RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	<a href="#">Four Seasons Resort Scottsdale a...</a> 10600 E Crescent Moon Dr	Luxury	1999	210	Four Seasons	12/2/2022	\$267,800,000	\$1,275,238
2	<a href="#">DoubleTree Resort by Hilton Hotel...</a> 5401 N Scottsdale Rd	Upscale	1984	378	DoubleTree by Hilton	7/21/2023	\$115,500,000	\$305,556
3	<a href="#">The Camby, Autograph Collection</a> 2401 E Camelback Rd	Upper Upscale	1988	277	Autograph Collection	3/10/2023	\$110,000,000	\$397,112
4	<a href="#">AC Hotels by Marriott Phoenix Bilt...</a> 2811 E Camelback Rd	Upscale	2018	160	AC Hotels by Marriott	1/24/2023	\$67,800,000	\$423,750
5	<a href="#">Residence Inn Phoenix Desert Vie...</a> 5665 E Mayo Blvd	Upscale	2008	208	Residence Inn	9/7/2022	\$50,500,000	\$242,788
6	<a href="#">Residence Inn Scottsdale North</a> 17011 North Scottsdale Rd	Upscale	2002	120	Residence Inn	6/1/2023	\$29,000,000	\$241,667
7	<a href="#">Travelodge Scottsdale</a> 6935 E 5th Ave	Economy	1972	92	Travelodge	6/14/2023	\$28,800,000	\$313,043
8	<a href="#">Home2 Suites by Hilton Phoenix A...</a> 10275 W McDowell Rd	Upper Midscale	2021	127	Home2 Suites by Hilton	11/17/2022	\$27,500,000	\$216,535
9	<a href="#">Hampton Inn Phoenix-Biltmore</a> 2310 E Highland Ave	Upper Midscale	1995	121	Hampton by Hilton	7/28/2023	\$25,520,000	\$210,909
10	<a href="#">Holiday Inn Express &amp; Suites Scot...</a> 3131 N Scottsdale Rd	Upper Midscale	1998	169	Holiday Inn Express	7/28/2023	\$23,320,000	\$137,988
11	<a href="#">TownePlace Suites Phoenix Glen...</a> 7271 N Zanjero Blvd	Upper Midscale	2020	92	TownePlace Suites	12/13/2022	\$23,180,000	\$251,957
12	<a href="#">Home2 Suites by Hilton Phoenix...</a> 2490 W Queen Creek Rd	Upper Midscale	2016	126	Home2 Suites by Hilton	11/16/2022	\$23,100,000	\$183,333
13	<a href="#">Metro Scottsdale Apartments</a> 9880 N Scottsdale Rd	Midscale	1996	114	-	8/5/2022	\$22,000,000	\$192,982
14	<a href="#">Cambria Hotel Phoenix Chandler -...</a> 3165 W Frye Rd	Upscale	2018	136	Cambria Hotels	7/21/2023	\$21,000,000	\$154,412
15	<a href="#">Hyatt Place Phoenix/Gilbert</a> 3275 S Market St	Upscale	2009	127	Hyatt Place	12/15/2022	\$19,475,000	\$153,346
16	<a href="#">TownePlace Suites Phoenix Chan...</a> 3635 W Chandler Blvd	Upper Midscale	2017	109	TownePlace Suites	6/28/2023	\$18,000,000	\$165,138
17	<a href="#">Hampton Inn Phoenix-Midtown-Do...</a> 160 W Catalina Dr	Upper Midscale	1998	99	Hampton by Hilton	12/8/2022	\$16,250,000	\$164,141
18	<a href="#">SureStay Plus Hotel by Best West...</a> 1429 N Scottsdale Rd	Economy	1977	118	SureStay Plus	8/4/2022	\$15,500,000	\$131,356
19	<a href="#">La Quinta Inn by Wyndham Phoen...</a> 2510 W Greenway Rd	Upper Midscale	1975	146	La Quinta Inns & Suites	8/16/2022	\$14,000,000	\$95,890
20	<a href="#">Residence Inn Phoenix Chandler...</a> 200 N Federal St	Upscale	1999	82	Residence Inn	11/21/2022	\$13,503,601	\$165,485



Phoenix boasts a diversified and rapidly expanding economy that drives underlying space demand for nearly all types of commercial real estate, including hotels. Phoenix was among the fastest job markets in the nation to recover all positions lost during the pandemic, reaching pre-COVID employment levels in just 17 months compared to 28 months for the United States. Additionally, the local unemployment rate fell to the lowest level in nearly a quarter century in April 2023

Leisure and hospitality employment was the hardest hit segment, and it took longer to attract employees back. In June 2022, employees in this sector surpassed prepandemic levels, recovering faster than most markets, but the accommodations part of the sector remains behind.

Inducing corporate travel, businesses are selecting Phoenix to expand because of the extensive labor pool and favorable regulatory treatment. Numerous employers have announced expansions and relocations since the pandemic. Taiwan Semiconductor Manufacturing Company (TSMC) made national headlines when it confirmed plans to build a second fabrication plant in north Phoenix. The move increases the firm's investment from \$12 billion to \$40 billion, creating 10,000 high-tech jobs. Preliminary estimates from city economic development officials indicate the investment by TSMC could bring up to 45 additional businesses to the Valley that support and supply the plant. Additionally, Intel is

underway on a \$20 billion expansion at its Chandler campus, where the semiconductor giant is building two new fabs alongside its four existing ones. Zoom, the California-based video conferencing company, revealed plans to open a Phoenix research and development center. Other companies that have added hundreds of new jobs over the past few years include Allstate, Deloitte, Silicon Valley Bank, Choice Hotels, Mayo Clinic, Wells Fargo, Farmers Insurance, and USAA. Microsoft, Google, and Apple.

Easy access to Phoenix entices all travel segments, with more than 1,200 daily departures and arrivals daily at Phoenix Sky Harbor International Airport. In 2022, the total number of passengers to the market started surpassing 2019 levels, and in March 2023 broke its all-time passenger record. Unlike most markets, international travel is nearly 20% above 2019 levels, most likely due to the TSMC operations.

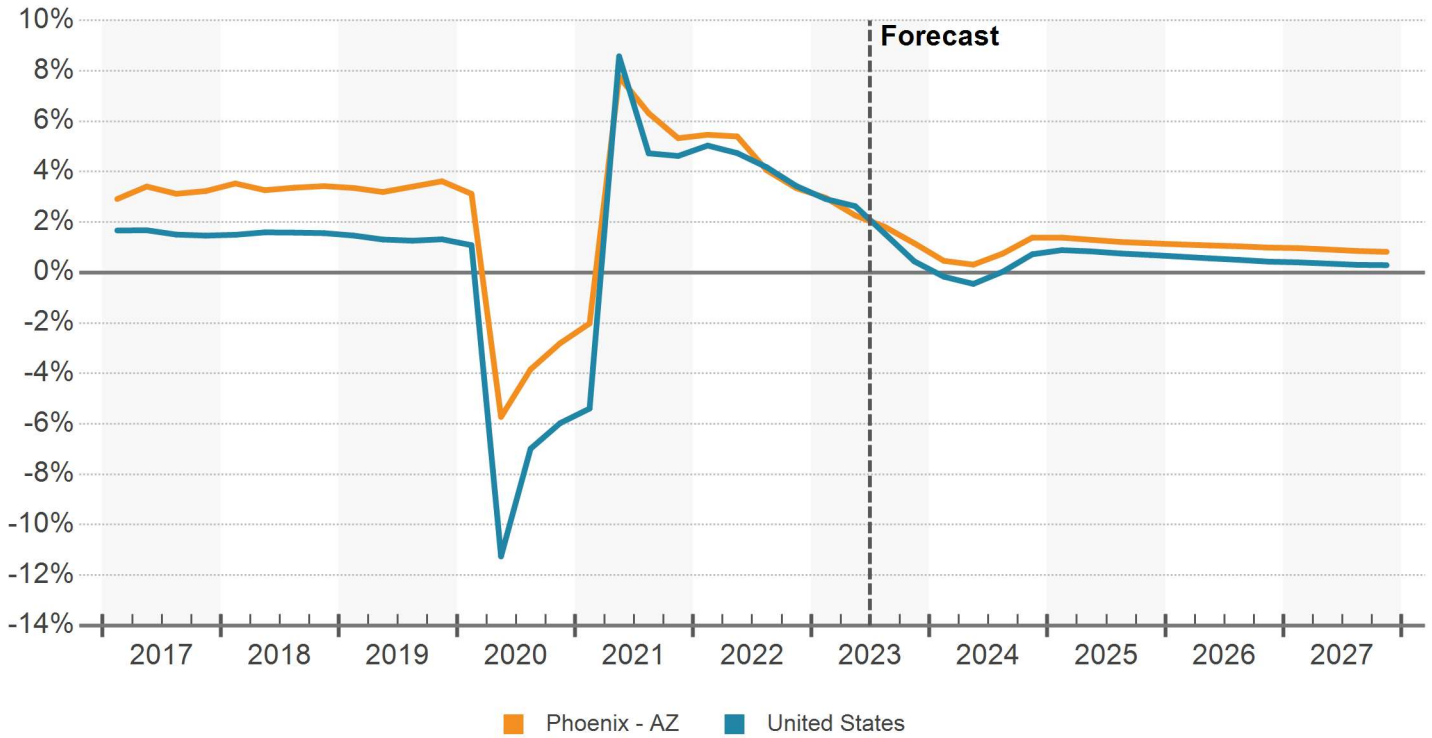
The competitive advantage and growth drivers stimulating growth in the Valley of the Sun may be stronger than ever. People living in dense and expensive cities have always looked to Phoenix for job opportunities and affordable living. Population growth, a diversifying economy, relative affordability, and business-friendly regulation have strengthened the Phoenix value proposition. These characteristics have attracted new residents and businesses to the region, making Phoenix one of the country's most dynamic metros.

### PHOENIX - AZ EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	149	0.8	1.81%	1.11%	2.48%	0.77%	0.63%	0.02%
Trade, Transportation and Utilities	454	1.0	-0.65%	0.73%	2.54%	1.18%	0.40%	0.08%
Retail Trade	241	1.0	-3.04%	0.38%	1.44%	0.35%	0.46%	0.08%
Financial Activities	224	1.6	1.44%	0.82%	3.53%	1.46%	0.57%	0.09%
Government	241	0.7	1.63%	2.08%	0.58%	0.34%	0.80%	0.33%
Natural Resources, Mining and Construction	162	1.2	3.00%	2.47%	5.20%	2.47%	1.44%	0.19%
Education and Health Services	380	1.0	5.56%	3.82%	3.78%	1.81%	1.54%	0.63%
Professional and Business Services	404	1.2	3.21%	2.00%	2.94%	2.14%	0.87%	0.32%
Information	43	0.9	-1.55%	-0.08%	2.31%	1.30%	0.83%	0.19%
Leisure and Hospitality	244	1.0	2.98%	5.20%	2.49%	1.55%	1.15%	0.92%
Other Services	71	0.8	-2.01%	2.59%	1.03%	0.66%	0.53%	0.26%
<b>Total Employment</b>	<b>2,373</b>	<b>1.0</b>	<b>2.11%</b>	<b>2.25%</b>	<b>2.76%</b>	<b>1.36%</b>	<b>0.90%</b>	<b>0.34%</b>

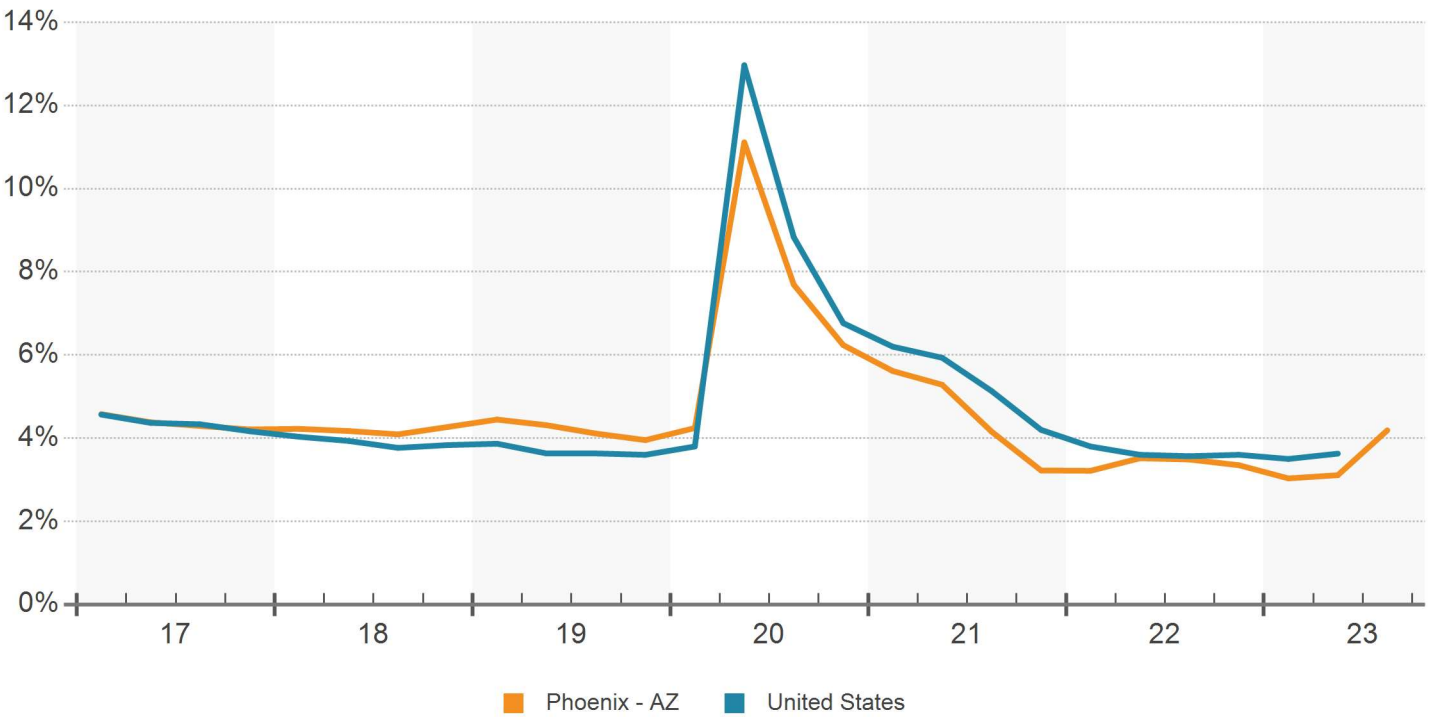
Source: Oxford Economics  
LQ = Location Quotient

## JOB GROWTH (YOY)

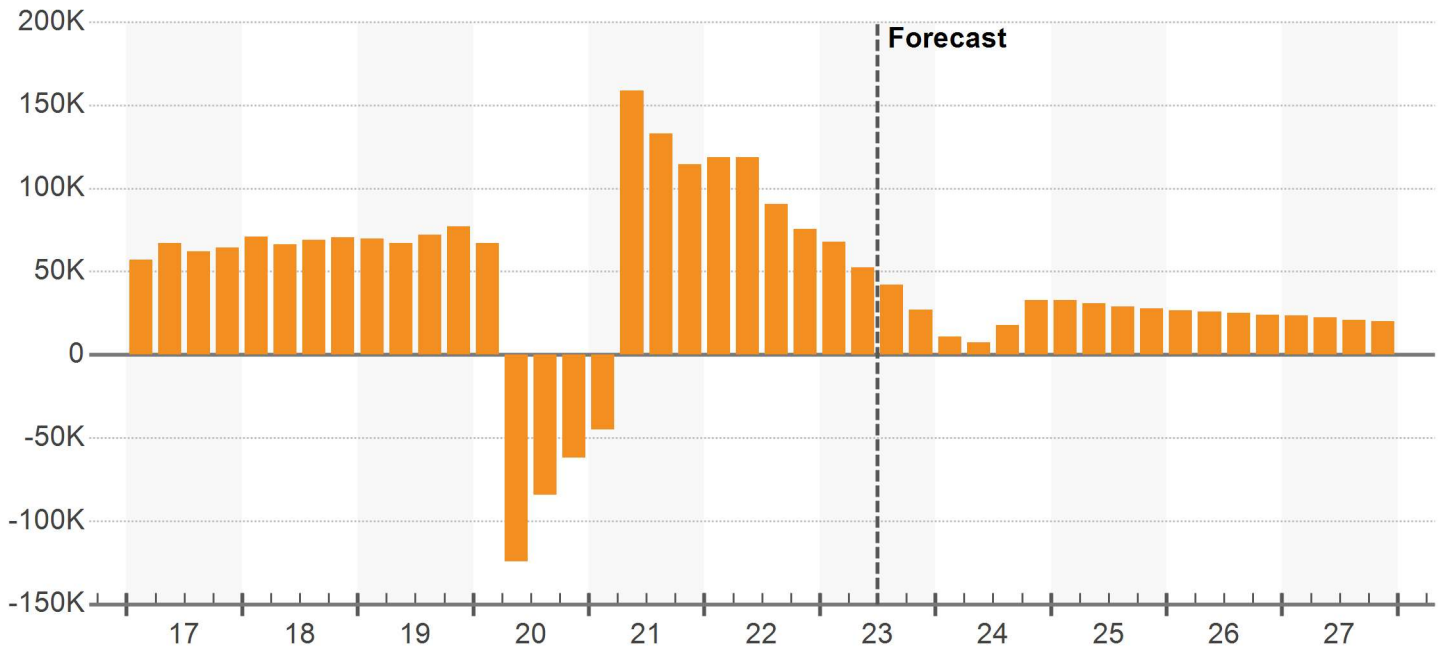


Source: Oxford Economics

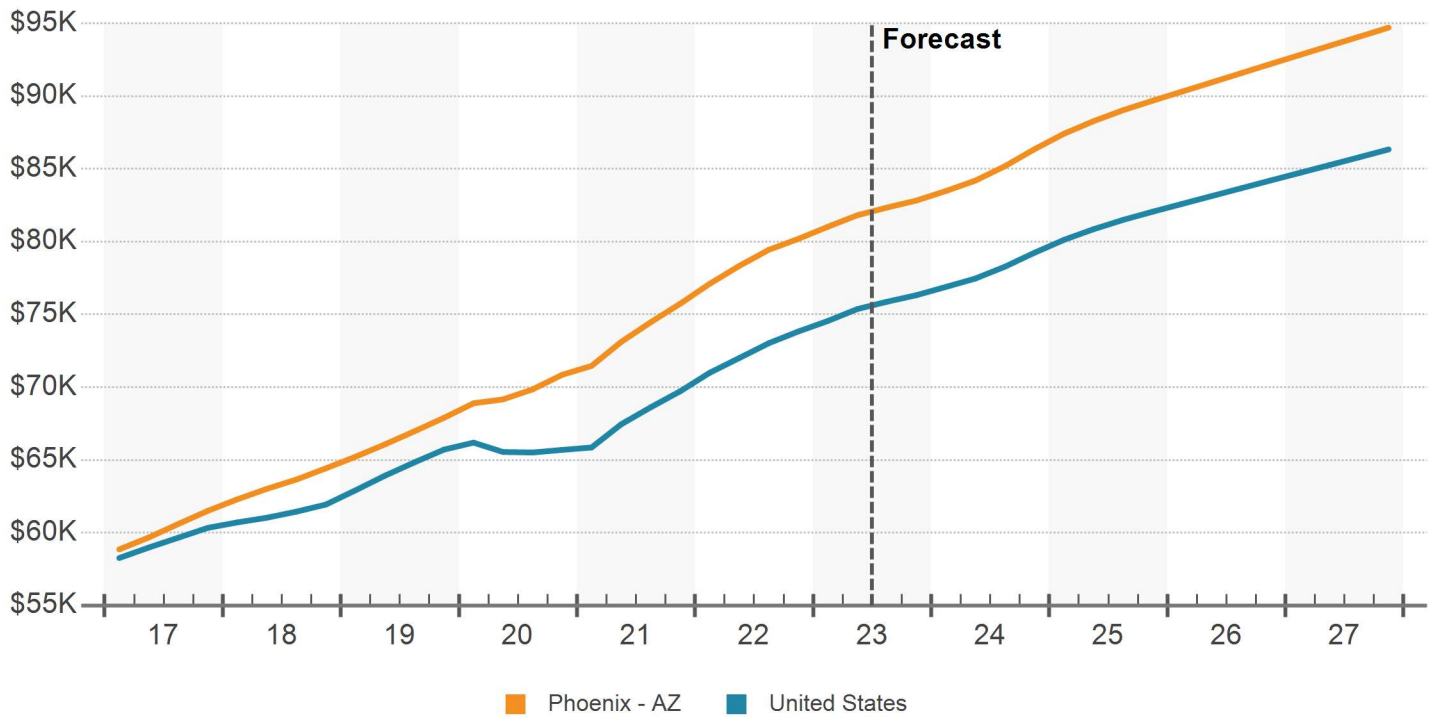
## UNEMPLOYMENT RATE (%)



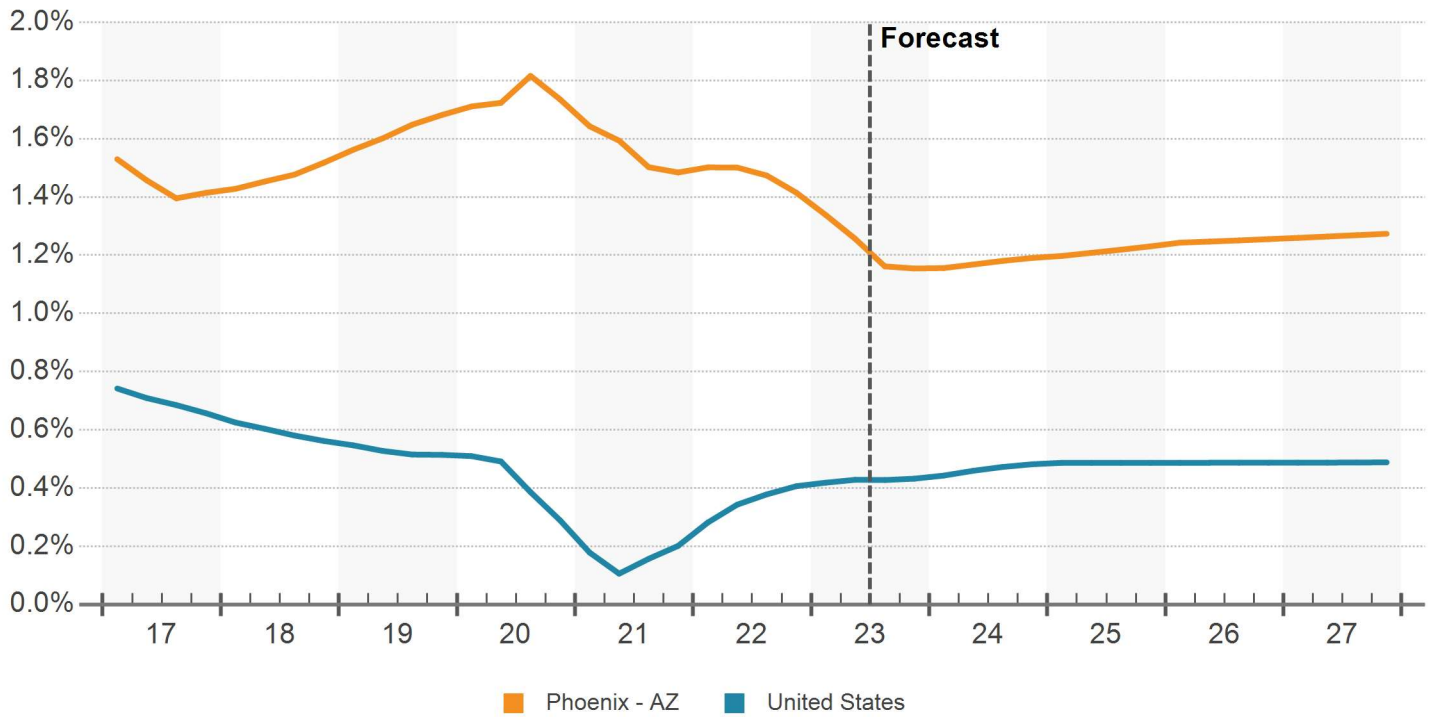
## NET EMPLOYMENT CHANGE (YOY)



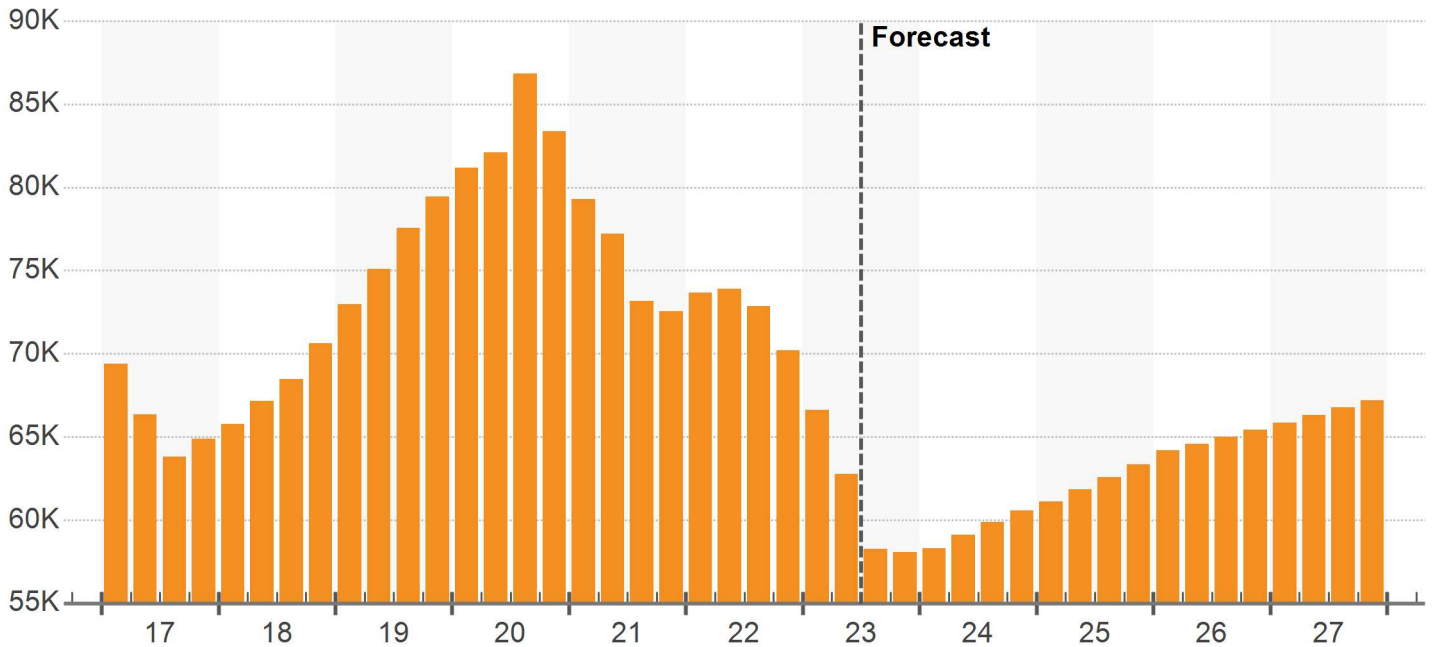
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)

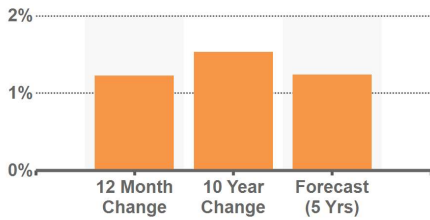


## DEMOGRAPHIC TRENDS

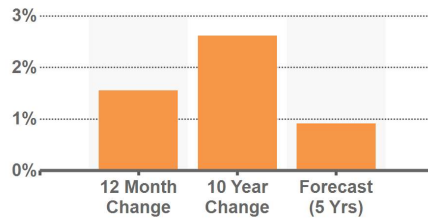
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	5,064,689	334,490,281	1.2%	0.4%	1.5%	0.6%	1.2%	0.5%
Households	1,927,780	129,866,711	1.5%	0.7%	2.0%	0.9%	1.3%	0.6%
Median Household Income	\$81,993	\$75,539	4.2%	4.4%	4.7%	3.8%	3.3%	3.0%
Labor Force	2,610,940	165,940,531	1.6%	1.1%	2.6%	0.6%	0.9%	0.3%
Unemployment	3.5%	3.6%	0%	0%	-0.3%	-0.4%	0.1%	-

Source: Oxford Economics

### POPULATION GROWTH



### LABOR FORCE GROWTH



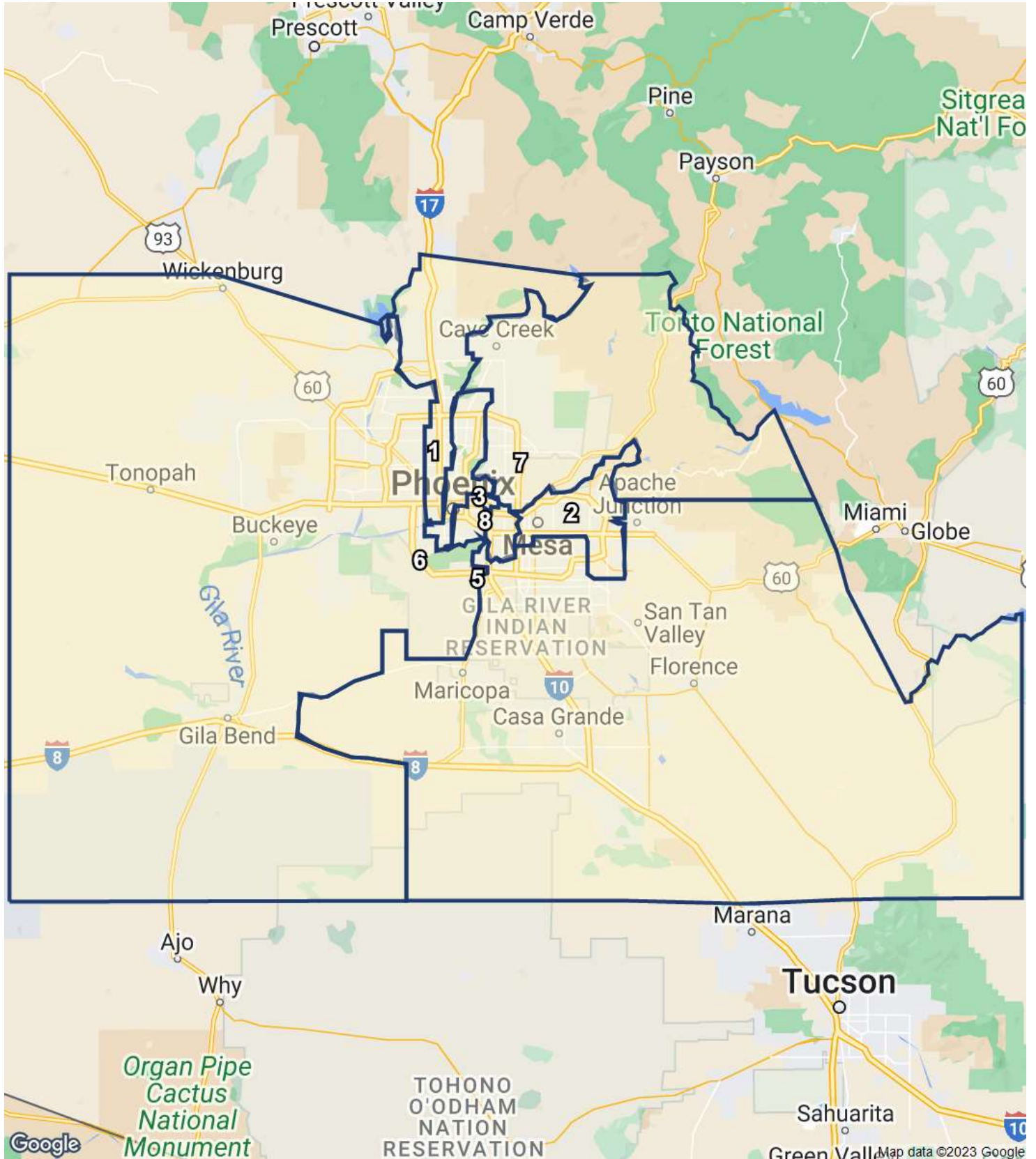
### INCOME GROWTH



Source: Oxford Economics

# Submarkets

## PHOENIX - AZ SUBMARKETS



## SUBMARKET INVENTORY

#	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Rooms	% Market	Rank	Bldgs	Rooms	%	Rank	Bldgs	Rooms	% Market	Rank
1	Black Canyon Corridor	55	6,551	9.3%	6	1	76	1.2%	4	3	327	5.0%	3
2	Mesa	64	5,308	7.5%	7	0	0	-	-	0	0	0%	7
3	Phoenix Airport	39	4,840	6.9%	8	0	0	-	-	0	0	0%	8
4	Phoenix Central	49	10,727	15.2%	2	0	0	-	-	6	701	6.5%	2
5	Phoenix Southeast/Chandler	87	9,748	13.8%	3	0	0	-	-	2	244	2.5%	5
6	Phoenix West	96	9,122	12.9%	4	3	154	1.7%	3	11	2,591	28.4%	1
7	Scottsdale	97	16,898	23.9%	1	4	517	3.1%	2	4	753	4.5%	4
8	Tempe	57	7,449	10.5%	5	2	567	7.6%	1	2	148	2.0%	6

## SUBMARKET PERFORMANCE

#	Submarket	12 Mo Occupancy			12 Mo ADR			12 Mo RevPAR		
		Rank	%	Year Growth	Rank	Per Room	Year Growth	Rank	Per Room	Year Growth
1	Black Canyon Corridor	2	72.6%	-0.4%	8	\$102.46	9.4%	8	\$74.43	9.0%
2	Mesa	5	70.2%	1.8%	7	\$120.69	10.2%	7	\$84.71	12.2%
3	Phoenix Airport	1	73.7%	-0.1%	6	\$135.22	16.3%	4	\$99.69	16.2%
4	Phoenix Central	6	68.0%	8.0%	2	\$218.21	10.8%	2	\$148.37	19.7%
5	Phoenix Southeast/Chandler	3	71.4%	1.7%	5	\$137.74	9.8%	6	\$98.40	11.7%
6	Phoenix West	4	70.4%	-1.7%	4	\$142.39	13.3%	3	\$100.27	11.3%
7	Scottsdale	8	65.4%	4.8%	1	\$255.02	6.5%	1	\$166.70	11.6%
8	Tempe	7	67.7%	0%	3	\$146.75	16.7%	5	\$99.30	16.7%



### OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	27,410,731	136,425	0.5%	19,416,222	(304,751)	-1.5%
2026	27,274,306	38,074	0.1%	19,720,973	(191,561)	-1.0%
2025	27,236,232	431,410	1.6%	19,912,534	381,014	2.0%
2024	26,804,822	1,031,849	4.0%	19,531,520	1,594,568	8.9%
2023	25,772,973	262,198	1.0%	17,936,952	495,618	2.8%
YTD	12,683,481	(4,493)	0%	9,221,757	187,465	2.1%
2022	25,510,775	186,150	0.7%	17,441,334	1,570,162	9.9%
2021	25,324,625	1,470,260	6.2%	15,871,172	4,003,805	33.7%
2020	23,854,365	(766,472)	-3.1%	11,867,367	(5,455,035)	-31.5%
2019	24,620,837	312,440	1.3%	17,322,402	470,250	2.8%
2018	24,308,397	507,404	2.1%	16,852,152	835,618	5.2%
2017	23,800,993	310,397	1.3%	16,016,534	355,298	2.3%
2016	23,490,596	378,962	1.6%	15,661,236	566,386	3.8%
2015	23,111,634	26,919	0.1%	15,094,850	635,383	4.4%
2014	23,084,715	(127,585)	-0.5%	14,459,467	672,238	4.9%
2013	23,212,300	(2,870)	0%	13,787,229	409,757	3.1%

### LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	8,044,022	0	0%	5,504,958	(90,737)	-1.6%
2026	8,044,022	0	0%	5,595,695	16,129	0.3%
2025	8,044,022	82,185	1.0%	5,579,566	(13,588)	-0.2%
2024	7,961,837	163,093	2.1%	5,593,154	460,111	9.0%
2023	7,798,744	120,532	1.6%	5,133,043	355,020	7.4%
YTD	3,837,797	25,264	0.7%	2,677,604	183,308	7.3%
2022	7,678,212	251,538	3.4%	4,778,023	1,017,774	27.1%
2021	7,426,674	1,106,142	17.5%	3,760,249	1,497,619	66.2%
2020	6,320,532	(850,547)	-11.9%	2,262,630	(2,608,967)	-53.6%
2019	7,171,079	39,151	0.5%	4,871,597	(4,908)	-0.1%
2018	7,131,928	80,458	1.1%	4,876,505	143,274	3.0%
2017	7,051,470	124,056	1.8%	4,733,231	77,685	1.7%
2016	6,927,414	182,221	2.7%	4,655,546	155,232	3.4%
2015	6,745,193	10,922	0.2%	4,500,314	87,302	2.0%
2014	6,734,271	(2,049)	0%	4,413,012	162,096	3.8%
2013	6,736,320	22,221	0.3%	4,250,916	95,019	2.3%

### UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	12,402,686	136,425	1.1%	8,771,907	(117,994)	-1.3%
2026	12,266,261	25,175	0.2%	8,889,901	(154,506)	-1.7%
2025	12,241,086	278,797	2.3%	9,044,407	305,591	3.5%
2024	11,962,289	658,193	5.8%	8,738,816	725,769	9.1%
2023	11,304,096	155,512	1.4%	8,013,047	243,598	3.1%
YTD	5,564,644	16,916	0.3%	4,176,396	160,113	4.0%
2022	11,148,584	223,192	2.0%	7,769,449	806,133	11.6%
2021	10,925,392	715,077	7.0%	6,963,316	2,066,621	42.2%
2020	10,210,315	90,742	0.9%	4,896,695	(2,384,400)	-32.7%
2019	10,119,573	261,156	2.6%	7,281,095	381,856	5.5%
2018	9,858,417	461,976	4.9%	6,899,239	434,334	6.7%
2017	9,396,441	319,540	3.5%	6,464,905	266,414	4.3%
2016	9,076,901	320,290	3.7%	6,198,491	372,818	6.4%
2015	8,756,611	125,119	1.4%	5,825,673	350,105	6.4%
2014	8,631,492	(16,586)	-0.2%	5,475,568	298,310	5.8%
2013	8,648,078	42,241	0.5%	5,177,258	265,362	5.4%

### MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	6,964,023	0	0%	5,139,357	(96,020)	-1.8%
2026	6,964,023	12,899	0.2%	5,235,377	(53,184)	-1.0%
2025	6,951,124	70,428	1.0%	5,288,561	89,011	1.7%
2024	6,880,696	210,563	3.2%	5,199,550	408,688	8.5%
2023	6,670,133	(13,846)	-0.2%	4,790,862	(103,000)	-2.1%
YTD	3,281,040	(46,673)	-1.4%	2,367,757	(155,956)	-6.2%
2022	6,683,979	(288,580)	-4.1%	4,893,862	(253,745)	-4.9%
2021	6,972,559	(350,959)	-4.8%	5,147,607	439,566	9.3%
2020	7,323,518	(6,667)	-0.1%	4,708,041	(461,669)	-8.9%
2019	7,330,185	12,133	0.2%	5,169,710	93,302	1.8%
2018	7,318,052	(35,030)	-0.5%	5,076,408	258,010	5.4%
2017	7,353,082	(133,199)	-1.8%	4,818,398	11,199	0.2%
2016	7,486,281	(123,549)	-1.6%	4,807,199	38,336	0.8%
2015	7,609,830	(109,122)	-1.4%	4,768,863	197,976	4.3%
2014	7,718,952	(108,950)	-1.4%	4,570,887	211,832	4.9%
2013	7,827,902	(67,332)	-0.9%	4,359,055	49,376	1.1%

## OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	70.8%	-2.0%	\$184.13	-0.2%	\$130.43	-2.2%
2026	72.3%	-1.1%	\$184.51	2.5%	\$133.41	1.4%
2025	73.1%	0.3%	\$179.97	2.7%	\$131.57	3.1%
2024	72.9%	4.7%	\$175.22	1.4%	\$127.67	6.1%
2023	69.6%	1.8%	\$172.85	6.9%	\$120.30	8.8%
YTD	72.7%	2.1%	\$199.27	12.0%	\$144.88	14.4%
2022	68.4%	9.1%	\$161.74	26.2%	\$110.58	37.7%
2021	62.7%	26.0%	\$128.17	10.7%	\$80.33	39.4%
2020	49.7%	-29.3%	\$115.82	-12.3%	\$57.62	-38.0%
2019	70.4%	1.5%	\$132.08	2.9%	\$92.92	4.5%
2018	69.3%	3.0%	\$128.31	2.1%	\$88.96	5.2%
2017	67.3%	0.9%	\$125.66	3.3%	\$84.56	4.3%
2016	66.7%	2.1%	\$121.60	1.9%	\$81.07	4.1%
2015	65.3%	4.3%	\$119.29	7.8%	\$77.91	12.4%
2014	62.6%	5.5%	\$110.62	4.0%	\$69.29	9.7%
2013	59.4%	3.1%	\$106.35	2.3%	\$63.17	5.4%

## LUXURY &amp; UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	68.4%	-1.6%	\$287.08	-1.2%	\$196.46	-2.8%
2026	69.6%	0.3%	\$290.44	1.0%	\$202.04	1.3%
2025	69.4%	-1.3%	\$287.54	1.4%	\$199.45	0.1%
2024	70.2%	6.7%	\$283.57	1.8%	\$199.21	8.6%
2023	65.8%	5.8%	\$278.69	4.3%	\$183.43	10.3%
YTD	69.8%	6.6%	\$318.48	7.5%	\$222.20	14.7%
2022	62.2%	22.9%	\$267.12	16.7%	\$166.23	43.4%
2021	50.6%	41.4%	\$228.95	3.5%	\$115.92	46.4%
2020	35.8%	-47.3%	\$221.22	3.8%	\$79.19	-45.3%
2019	67.9%	-0.6%	\$213.03	3.3%	\$144.72	2.7%
2018	68.4%	1.9%	\$206.15	2.7%	\$140.95	4.6%
2017	67.1%	-0.1%	\$200.75	3.6%	\$134.75	3.5%
2016	67.2%	0.7%	\$193.72	1.4%	\$130.19	2.2%
2015	66.7%	1.8%	\$190.97	7.4%	\$127.41	9.3%
2014	65.5%	3.8%	\$177.88	3.6%	\$116.57	7.6%
2013	63.1%	1.9%	\$171.72	2.8%	\$108.37	4.8%

### UPSCALE & UPPER MIDSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	70.7%	-2.4%	\$165.79	0.4%	\$117.26	-2.1%
2026	72.5%	-1.9%	\$165.21	3.0%	\$119.74	1.1%
2025	73.9%	1.1%	\$160.32	4.6%	\$118.45	5.8%
2024	73.1%	3.1%	\$153.24	-0.3%	\$111.94	2.8%
2023	70.9%	1.7%	\$153.64	7.7%	\$108.91	9.6%
YTD	75.1%	3.7%	\$177.33	14.0%	\$133.09	18.1%
2022	69.7%	9.3%	\$142.63	25.7%	\$99.40	37.5%
2021	63.7%	32.9%	\$113.45	-0.6%	\$72.31	32.1%
2020	48.0%	-33.3%	\$114.16	-7.0%	\$54.75	-38.0%
2019	72.0%	2.8%	\$122.75	2.6%	\$88.32	5.5%
2018	70.0%	1.7%	\$119.61	2.8%	\$83.70	4.6%
2017	68.8%	0.8%	\$116.30	2.3%	\$80.02	3.1%
2016	68.3%	2.6%	\$113.64	0.9%	\$77.60	3.6%
2015	66.5%	4.9%	\$112.63	9.0%	\$74.93	14.3%
2014	63.4%	6.0%	\$103.33	6.3%	\$65.55	12.7%
2013	59.9%	4.9%	\$97.19	1.7%	\$58.18	6.6%

### MIDSCALE & ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	73.8%	-1.8%	\$105.17	1.1%	\$77.61	-0.8%
2026	75.2%	-1.2%	\$104.05	4.0%	\$78.22	2.7%
2025	76.1%	0.7%	\$100.07	4.7%	\$76.13	5.4%
2024	75.6%	5.2%	\$95.59	4.4%	\$72.24	9.8%
2023	71.8%	-1.9%	\$91.60	2.7%	\$65.79	0.7%
YTD	72.2%	-4.8%	\$103.14	6.7%	\$74.43	1.6%
2022	73.2%	-0.8%	\$89.20	19.8%	\$65.31	18.8%
2021	73.8%	14.8%	\$74.46	11.3%	\$54.97	27.8%
2020	64.3%	-8.8%	\$66.90	-2.9%	\$43.01	-11.5%
2019	70.5%	1.7%	\$68.92	5.4%	\$48.61	7.2%
2018	69.4%	5.9%	\$65.38	1.4%	\$45.35	7.4%
2017	65.5%	2.0%	\$64.45	4.0%	\$42.23	6.1%
2016	64.2%	2.5%	\$62	3.7%	\$39.81	6.3%
2015	62.7%	5.8%	\$59.77	9.8%	\$37.46	16.2%
2014	59.2%	6.3%	\$54.43	1.7%	\$32.23	8.2%
2013	55.7%	2.0%	\$53.49	1.7%	\$29.79	3.7%

### OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$266,197	224	8.2%
2026	-	-	-	-	-	-	\$251,508	212	8.4%
2025	-	-	-	-	-	-	\$227,026	191	8.8%
2024	-	-	-	-	-	-	\$210,115	177	9.0%
2023	-	-	-	-	-	-	\$217,129	183	8.2%
YTD	13	\$490.7M	3.0%	\$37,746,154	\$233,889	7.3%	\$244,216	206	7.2%
2022	66	\$1.2B	9.7%	\$18,563,031	\$179,943	8.0%	\$215,812	182	7.2%
2021	43	\$573.5M	5.9%	\$13,337,839	\$137,076	9.3%	\$194,533	164	7.3%
2020	23	\$602.5M	5.2%	\$26,193,633	\$166,286	8.7%	\$193,046	163	7.8%
2019	42	\$1.1B	8.4%	\$26,448,165	\$192,350	9.2%	\$197,886	167	8.1%
2018	55	\$1.1B	11.7%	\$20,905,348	\$147,391	9.0%	\$194,138	164	8.1%
2017	37	\$648.8M	6.6%	\$17,535,214	\$148,129	8.6%	\$183,165	154	8.2%
2016	32	\$1.2B	7.1%	\$36,660,940	\$253,161	9.3%	\$164,645	139	8.4%
2015	36	\$1.3B	9.1%	\$35,748,419	\$220,405	9.2%	\$149,112	126	8.4%
2014	36	\$722.9M	7.9%	\$20,079,842	\$143,956	7.7%	\$132,848	112	8.4%
2013	27	\$681.9M	5.7%	\$25,256,716	\$186,371	10.1%	\$121,809	103	8.5%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### LUXURY & UPPER UPSCALE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$566,812	237	7.1%
2026	-	-	-	-	-	-	\$535,536	224	7.3%
2025	-	-	-	-	-	-	\$483,406	202	7.7%
2024	-	-	-	-	-	-	\$447,398	187	7.8%
2023	-	-	-	-	-	-	\$462,332	193	7.2%
YTD	2	\$121.6M	2.1%	\$60,780,000	\$264,837	-	\$520,008	217	6.3%
2022	4	\$434.8M	3.3%	\$108,700,000	\$614,124	5.9%	\$455,762	190	6.3%
2021	4	\$219.6M	3.7%	\$54,898,023	\$278,317	-	\$407,088	170	6.4%
2020	2	\$330M	6.0%	\$165,000,000	\$266,559	-	\$397,683	166	6.9%
2019	4	\$817.4M	10.0%	\$204,337,500	\$404,228	5.9%	\$405,068	169	7.1%
2018	9	\$716.4M	16.4%	\$79,600,978	\$222,764	6.8%	\$404,072	169	7.0%
2017	6	\$450.7M	8.9%	\$75,120,833	\$258,147	9.0%	\$378,928	158	7.2%
2016	8	\$1B	12.0%	\$127,083,119	\$435,216	8.3%	\$336,148	140	7.4%
2015	5	\$1.1B	9.7%	\$211,375,470	\$577,844	5.5%	\$304,425	127	7.4%
2014	7	\$494.4M	9.6%	\$70,624,232	\$275,953	6.6%	\$270,226	113	7.5%
2013	2	\$529.5M	4.7%	\$264,736,120	\$604,420	-	\$246,366	103	7.6%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### UPSCALE & UPPER MIDSACLE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$182,127	207	8.4%
2026	-	-	-	-	-	-	\$172,077	195	8.7%
2025	-	-	-	-	-	-	\$155,327	176	9.1%
2024	-	-	-	-	-	-	\$143,757	163	9.2%
2023	-	-	-	-	-	-	\$148,555	168	8.5%
YTD	10	\$340.3M	5.0%	\$34,034,000	\$220,000	7.3%	\$167,088	190	7.4%
2022	34	\$552.4M	11.9%	\$16,247,828	\$150,953	7.8%	\$149,769	170	7.4%
2021	8	\$167.9M	3.4%	\$20,984,375	\$159,425	-	\$137,902	156	7.5%
2020	8	\$223.6M	5.1%	\$27,944,231	\$151,974	8.8%	\$141,087	160	8.0%
2019	11	\$135.7M	4.2%	\$12,338,398	\$113,766	8.2%	\$146,195	166	8.2%
2018	26	\$378.9M	12.5%	\$14,573,681	\$111,973	7.8%	\$140,200	159	8.3%
2017	9	\$116.3M	4.4%	\$12,920,667	\$101,383	8.2%	\$133,598	152	8.3%
2016	5	\$79.5M	2.8%	\$15,892,500	\$111,292	10.5%	\$122,634	139	8.4%
2015	17	\$168.5M	8.7%	\$9,914,287	\$79,054	8.5%	\$110,511	125	8.4%
2014	11	\$168.1M	6.5%	\$15,285,000	\$108,404	8.7%	\$98,857	112	8.5%
2013	13	\$126.4M	7.4%	\$9,726,141	\$72,293	-	\$91,438	104	8.6%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

### MIDSCALE & ECONOMY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$89,461	212	8.8%
2026	-	-	-	-	-	-	\$84,525	200	9.1%
2025	-	-	-	-	-	-	\$76,297	181	9.5%
2024	-	-	-	-	-	-	\$70,614	167	9.7%
2023	-	-	-	-	-	-	\$72,971	173	8.9%
YTD	1	\$28.8M	0.5%	\$28,800,000	\$313,043	-	\$82,074	194	7.8%
2022	28	\$237.9M	13.3%	\$8,497,639	\$97,474	13.2%	\$72,963	173	7.8%
2021	31	\$186.1M	12.5%	\$6,001,935	\$79,445	9.3%	\$64,855	154	7.9%
2020	13	\$48.9M	4.6%	\$3,761,515	\$53,501	8.6%	\$63,906	151	8.6%
2019	27	\$157.8M	12.6%	\$5,842,613	\$61,621	10.2%	\$65,605	155	8.9%
2018	20	\$54.5M	6.0%	\$2,723,482	\$45,354	13.3%	\$62,715	148	9.0%
2017	22	\$81.8M	7.4%	\$3,717,814	\$55,005	8.7%	\$59,390	141	9.1%
2016	19	\$77M	7.8%	\$4,053,823	\$48,625	9.8%	\$53,839	127	9.3%
2015	14	\$61.5M	9.0%	\$4,394,488	\$32,760	10.9%	\$49,700	118	9.3%
2014	18	\$60.4M	7.9%	\$3,353,872	\$35,956	8.0%	\$44,658	106	9.3%
2013	12	\$26M	4.8%	\$2,168,272	\$25,164	10.1%	\$41,099	97	9.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## DELIVERIES & UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	544	70,643	0.2%	6	797	2	419	28	4,764
2022	543	70,467	-0.1%	8	869	2	463	28	4,646
2021	545	70,536	1.3%	18	2,274	9	1,182	23	4,057
2020	540	69,631	0.7%	15	1,748	6	755	25	3,477
2019	534	69,121	3.6%	19	2,322	19	2,322	20	2,584
2018	518	66,734	1.0%	12	1,255	9	1,009	18	2,365
2017	514	66,043	1.7%	11	1,552	11	1,552	10	1,021
2016	504	64,945	1.2%	11	1,458	3	1,190	10	1,460
2015	497	64,199	0.6%	3	413	(4)	(57)	14	1,971
2014	499	63,841	-0.2%	4	571	0	21	2	314
2013	500	63,958	0.1%	6	777	3	596	3	401