



# Hospitality Market Report

## Houston - TX

PREPARED BY

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**HOSPITALITY MARKET REPORT**

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12 Mo Occupancy

**59.7%**

12 Mo ADR

**\$112.06**

12 Mo RevPAR

**\$66.84**

12 Mo Supply

**38.8M**

12 Mo Demand

**23.2M**

The rebound for Houston hotels has been slower in years past compared to other major Texas markets, but the market is making considerable headways in 2023. Between 2014 and 2019, Houston experienced relatively flat to declining levels of growth in all significant topline hotel metrics. Despite Houston's moderate declines, 2023 shows signs of rebounding back to conditions seen before 2019 due to group travel and leisure travel for many of Houston's events, concerts, and sports.

Houston's variation in recovery timelines among Texas and national markets is tied to economic conditions, labor limitations, and the slow return of leisure and business-related visitors. Group demand has been fast to show recovery beginning in August 2022. Like other major Texas markets, such as Austin and San Antonio, group demand for conventions has driven much of the recovery as business travel trails benchmark levels. Increased group and weekend travel have offset slower business travel during weekdays, Monday through Wednesday, with a return of conventions and significant entertainment events and a full conference schedule at the George R. Brown Convention Center.

Monthly ADR began topping 2019 levels in the spring of

last year and continued to grow through the year and into 2023. Twelve month ADR through August saw a 7.7% change and 5.2% growth year-over-year. Additionally, twelve-month RevPAR also experienced an increase of 15.2% growth with an increase of 10.2% year-over-year. Occupancy remains lower than average before 2020 and is forecast to need a few more years to recover. Occupancy's lag is partly due to gaps in business travel demand and the robust growth in hotel room inventory. Between 2020 and 2022, Houston continued to be within the top markets for hotel room deliveries, which has affected hotel room absorption and occupancy rates.

Since 2014, more than 3,000 rooms have opened in Houston. 2022 room delivery was lower than in years past, including rooms delivered in 2021. Despite lower inventory levels this past year, the 2023 and 2024 pipeline is expected to accelerate and bring upwards of 2,400 new rooms, representing 2.6% of existing hotel supply to the market.

Year-to-date, there have been 43 recorded transactions, with the majority in the mid-tier hotel classes. This is slightly lower than transactions at this time last year, which saw 55 hotel trades.

### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	24,646	60.1%	\$194.93	\$117.12	468	854
Upscale & Upper Midscale	45,444	60.4%	\$109.29	\$65.96	612	1,109
Midscale & Economy	37,254	58.5%	\$59.12	\$34.58	475	356
<b>Total</b>	<b>107,344</b>	<b>59.6%</b>	<b>\$112.06</b>	<b>\$66.84</b>	<b>1,555</b>	<b>2,369*</b>

\*Includes 50 Rooms Under Construction that are currently unaffiliated with any Class.

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	56.8%	60.5%	61.3%	59.7%	54.8%	61.7%
Occupancy Change	4.8%	5.5%	8.0%	6.9%	-2.6%	0.8%
ADR	\$108.24	\$111.91	\$114.43	\$112.06	\$100.95	\$116.41
ADR Change	5.2%	4.5%	7.7%	7.7%	0.5%	1.6%
RevPAR	\$61.53	\$67.66	\$70.14	\$66.84	\$55.34	\$71.78
RevPAR Change	10.2%	10.2%	16.4%	15.2%	-2.0%	2.5%

The hotel industry in Houston is seeing a resurgence in performance except for occupancy; all top-line metrics have increased year-to-date through August. This is because of events returning, such as the Houston Astros for Major League Baseball opening day, and significant one-off events, such as the Men's NCAA Final Four Tournament. The recovery has been aided by the return of large-scale conferences like the international CERA Conference, Cambridge Energy Research Associates Conference, and Wal-Mart Stores, Inc. conference in August. As a result, the hotels in Houston are experiencing renewed performance. The momentum will continue through the fall as large concerts and sporting events continue, helping boost demand and hotel occupancy.

The demand for rooms in the past twelve months through August was approximately 23.2 million, which is consistent with pre-pandemic norms. ADR topped 2019 levels in April 2022 and remained above 2019 levels throughout the year and through August at 7.71% over twelve months. Daily rates have increased due to pent-up travel demand over weekends and group bookings.

Twelve-month RevPAR improved 15.2% through August. Markedly RevPAR's recovery has been slow; it has only recently reached levels back to 2019 benchmarks in Q123. Provided Houston's continued momentum from a robust convention schedule and large events, RevPAR can expect to be lifted by ADR's growth.

New hotel openings in the past five years have limited Houston's recovery in occupancy. Houston's 12-month occupancy rate was 60.1% compared to an average of 61% in 2019, indicating that occupancy has yet to recover. This said occupancy grew 4.8% year-over-year and is expected to return to pre-pandemic rates next year. Houston's hotel industry peaked almost a decade

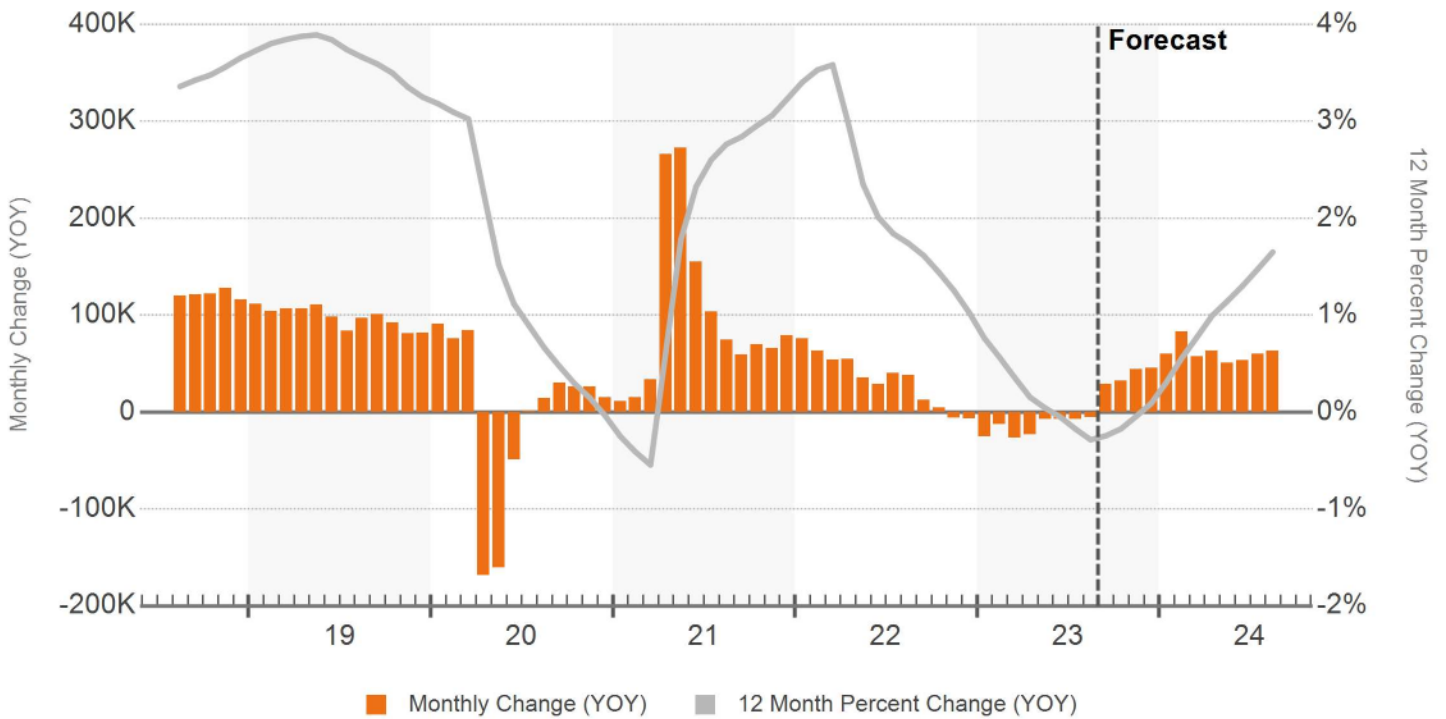
ago. The rising oil prices lifted most hotel KPIs to peak levels in 2014 and 2015 before sending them on a long downward trajectory as the price of West Texas Intermediate tumbled. The market stabilized in 2019 due to economic development initiatives that brought new businesses to the market, helping strengthen its industry diversity. The onset of the pandemic in 2020 sent the hotel industry in a downward spiral as it did across the nation until late 2021 when the city began to rebound.

Houston has been slower than other markets to recover but has steadily performed over the last twelve months, with RevPAR seeing a 5% increase over 2019 benchmark levels. An analysis of its eleven submarkets shows top hotel performance in Houston's CBD, Galleria/Greenway Plaza, and Medical Center boast the fastest improvement in performance indicators. The Houston CBD, which has seen the highest twelve-month RevPAR increases since early 2022, is 5% over 2019 benchmark recovery levels due to its centralized location. The Houston Medical Center submarket has fully recovered its RevPAR to 2019 levels thanks to a combination of leisure and growing medical and business travel. Meanwhile, the Galleria submarket also reached 2019 levels due to the market's attraction for international travelers and new business locations.

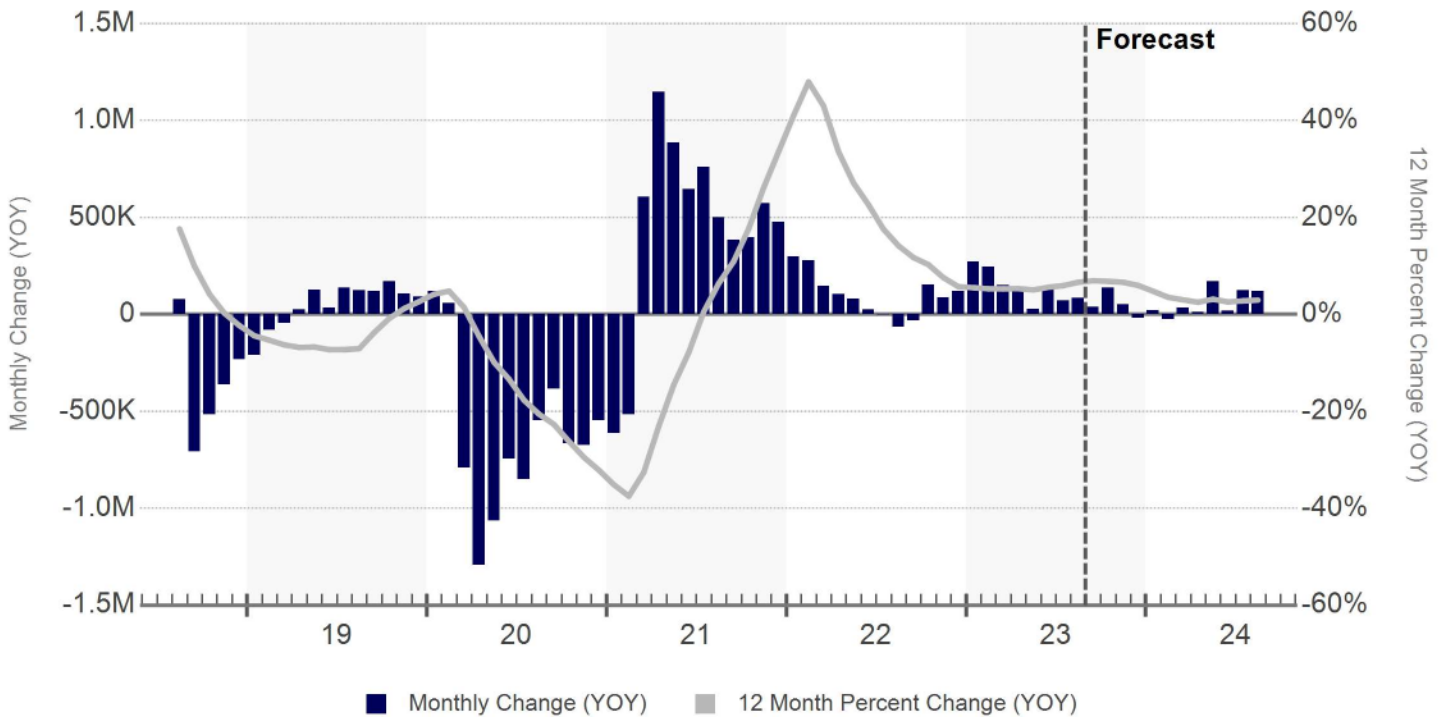
The performance of Houston's hotels is currently positive, due to the city's diverse range of industries and notable location as a business hub. This ensures that the city's growth potential remains strong in the long run, even if oil and gas prices become volatile. Although hotel performance may remain stable in the long term, performance is expected to be slightly muted in the coming year due to the rise of inflation and interest rates. As major metrics begin to level out, the market is likely to see a more moderate level of growth but remain healthy.



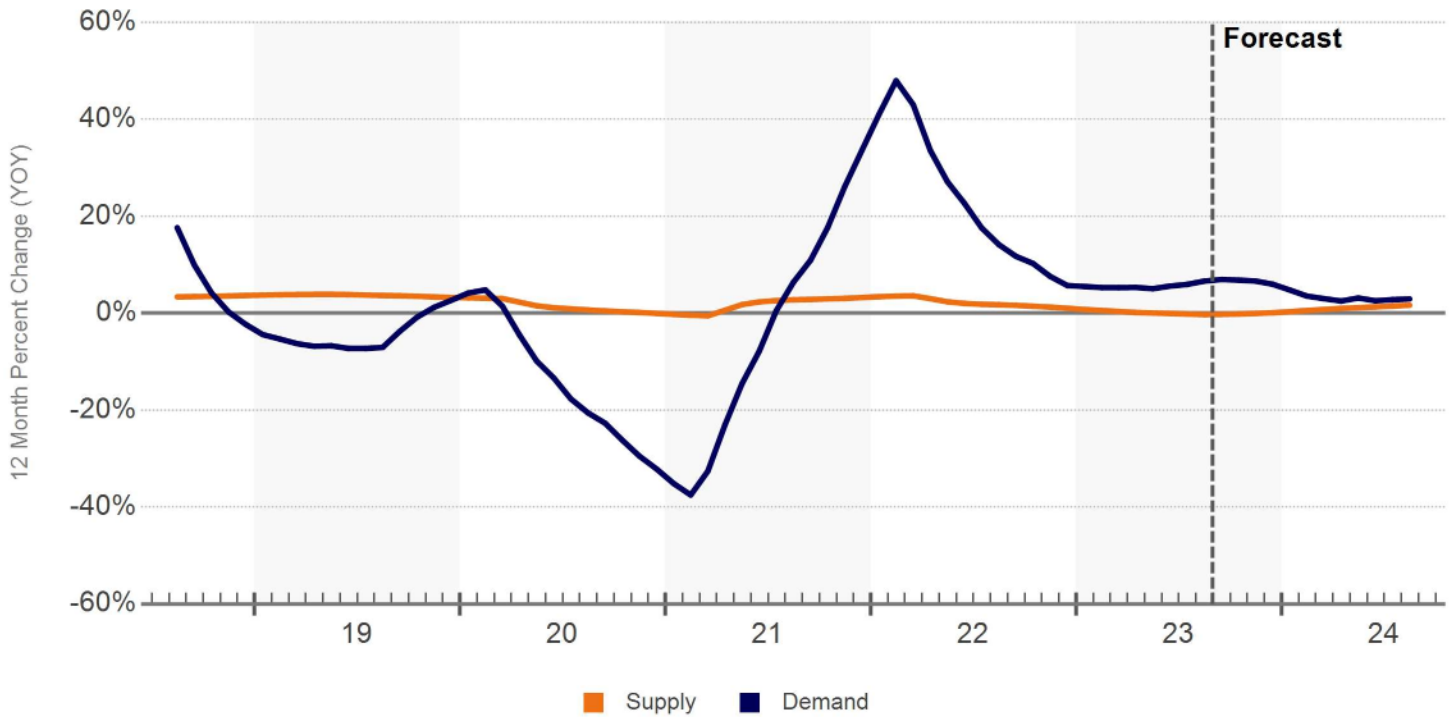
### SUPPLY CHANGE



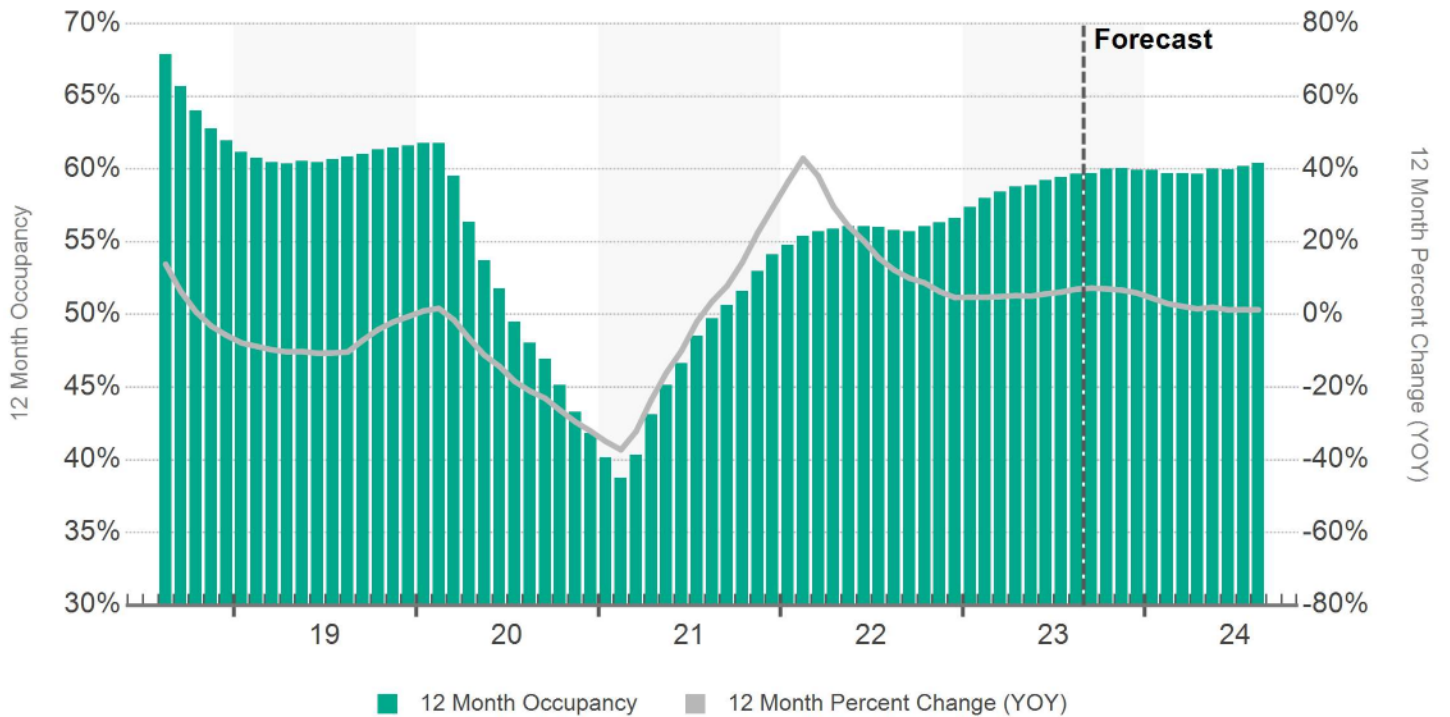
### DEMAND CHANGE



### SUPPLY & DEMAND CHANGE

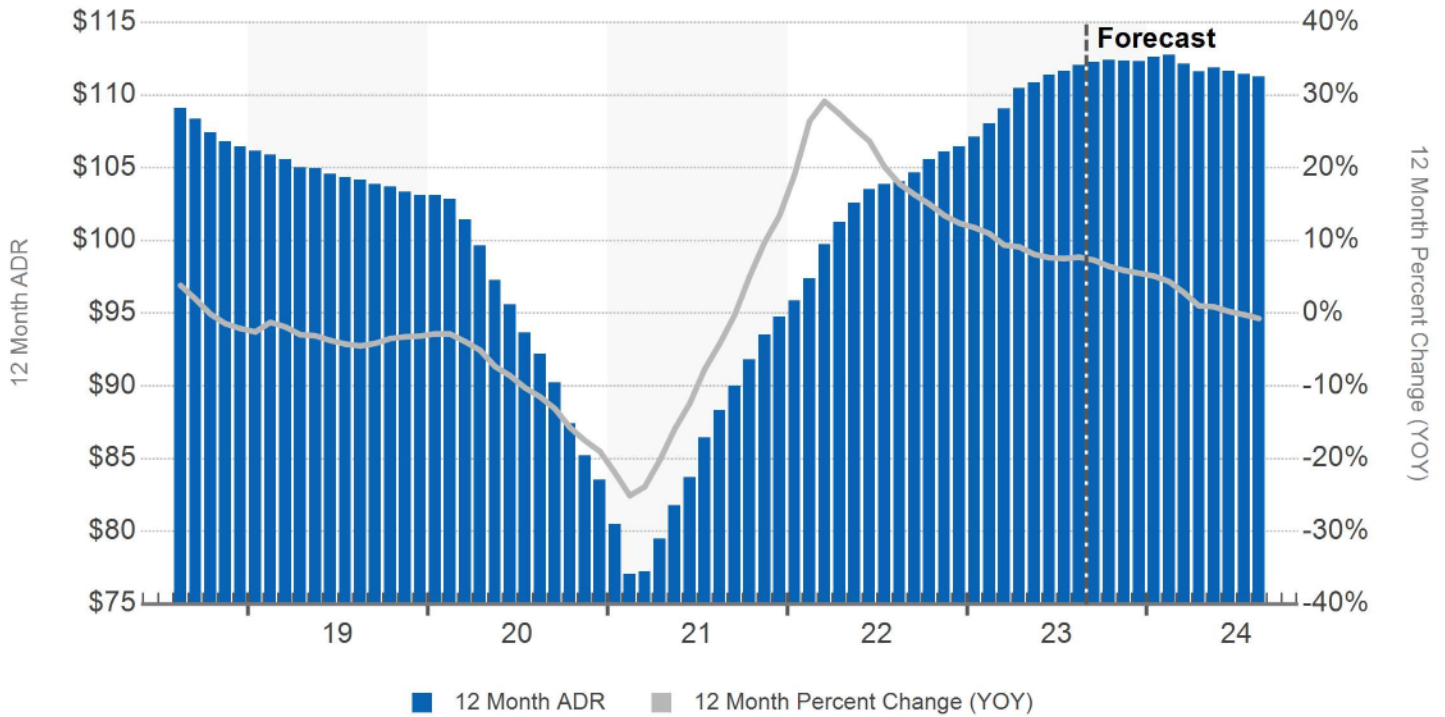


### OCCUPANCY

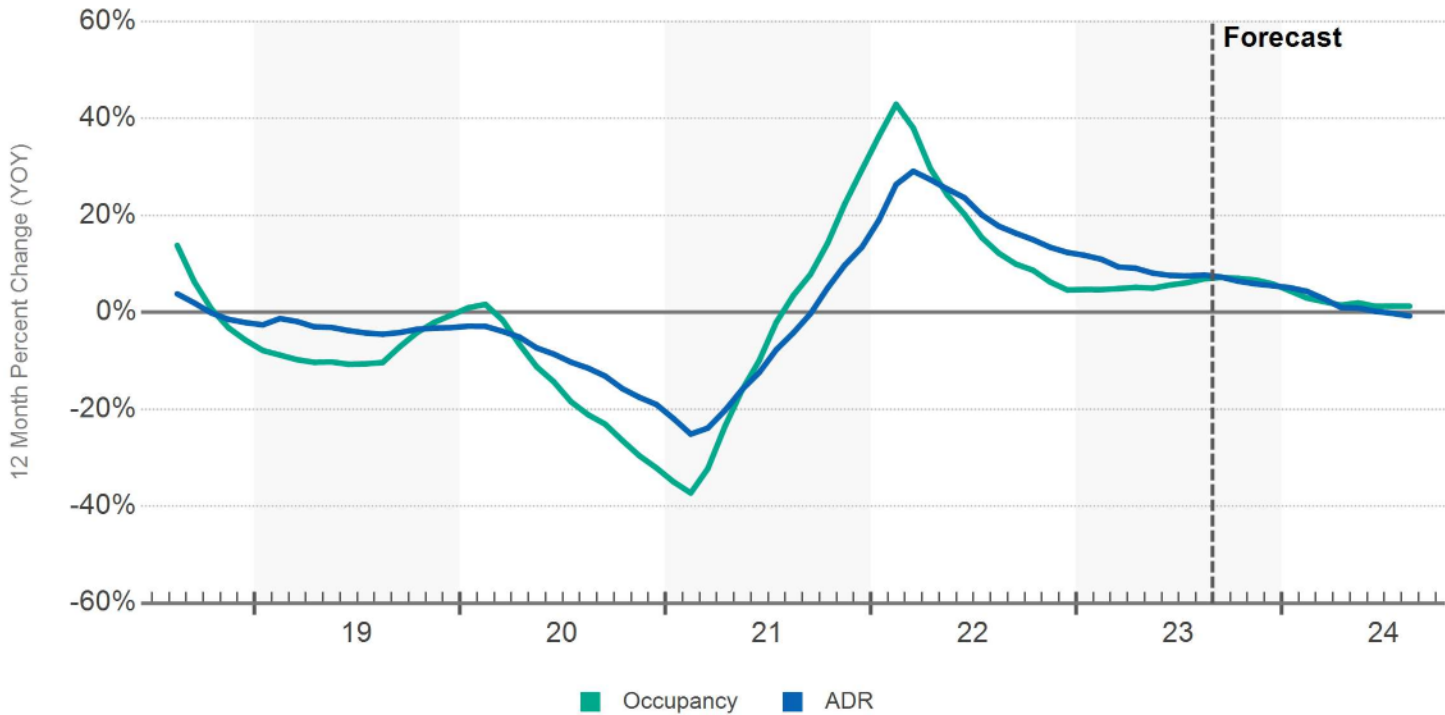




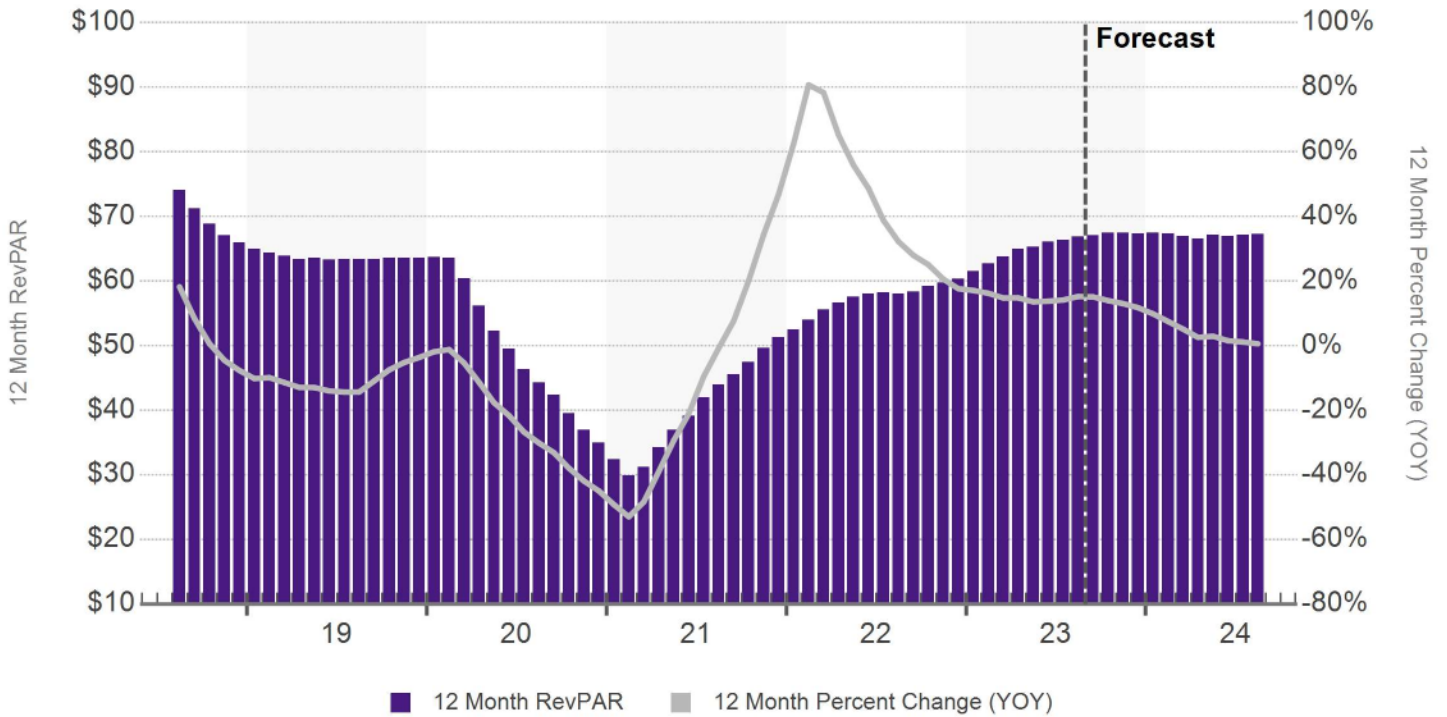
### ADR



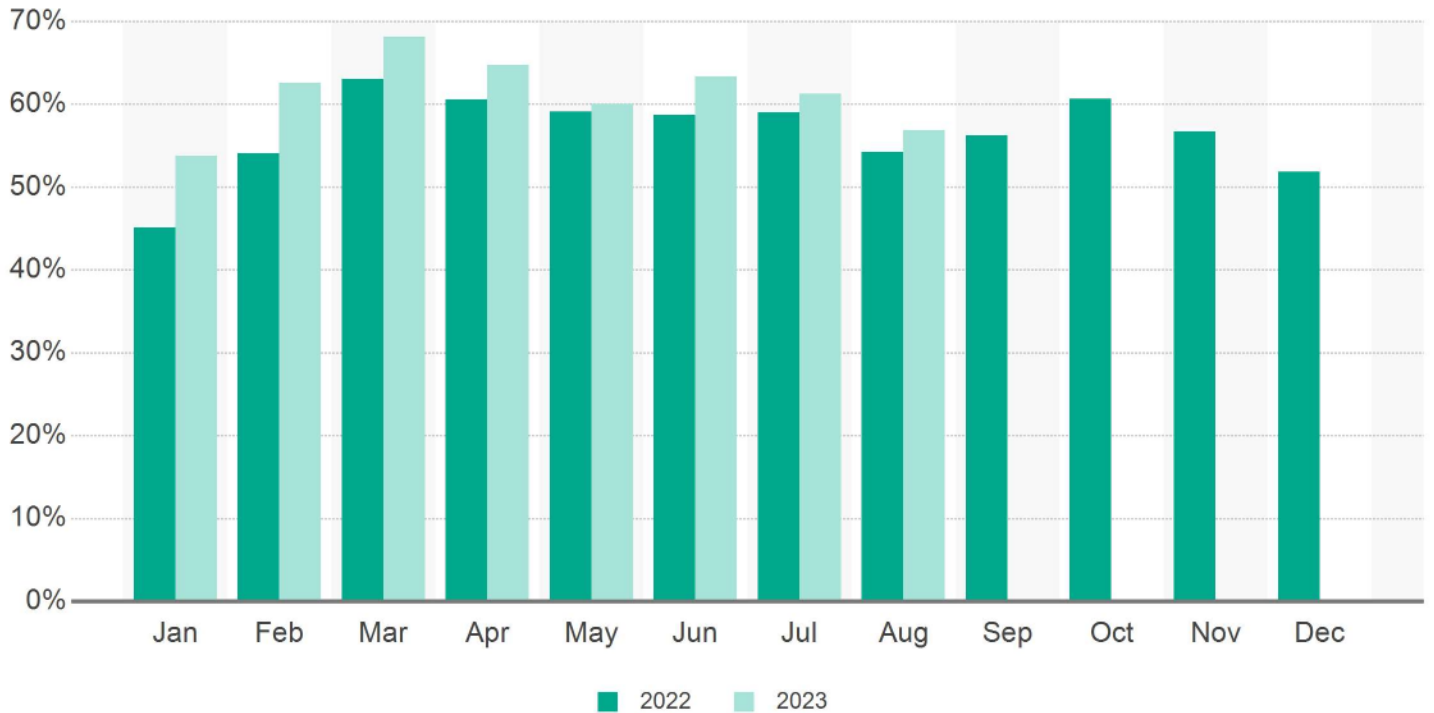
### OCCUPANCY & ADR CHANGE



### REVPAR

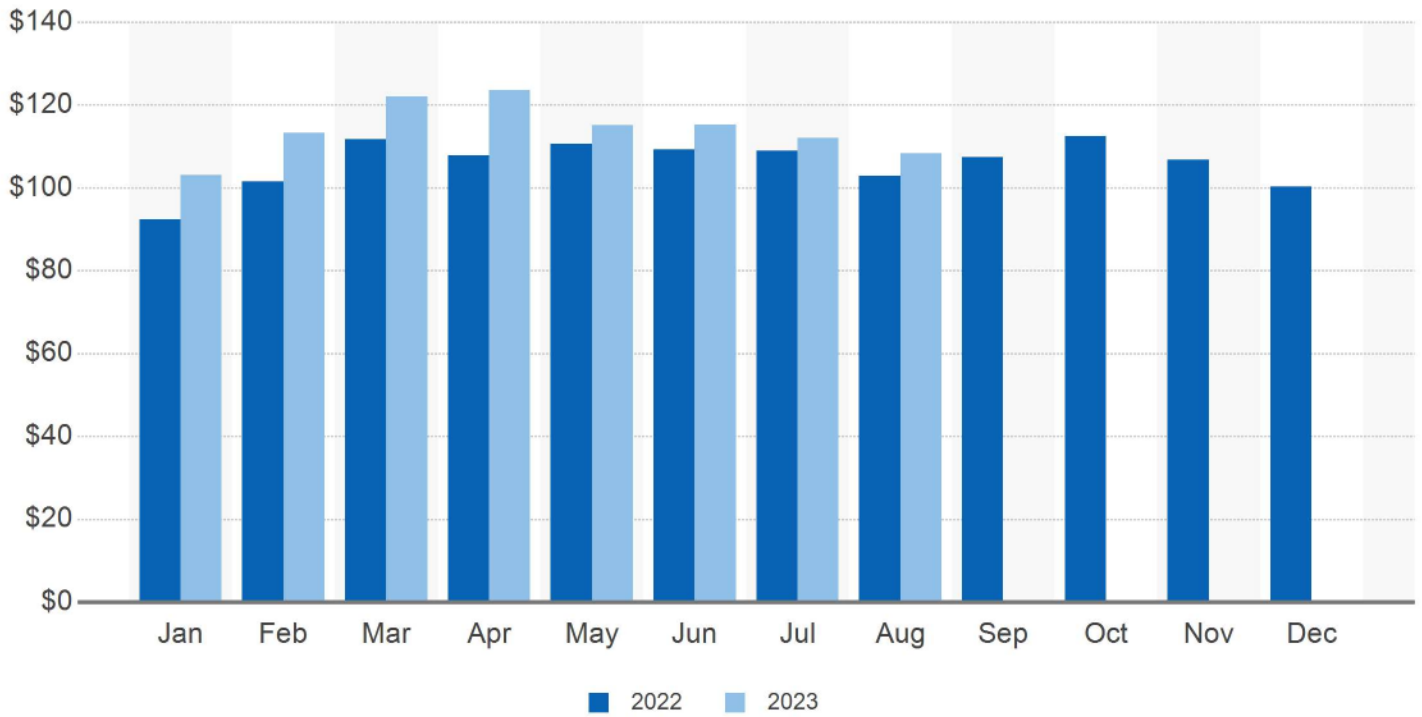


### OCCUPANCY MONTHLY

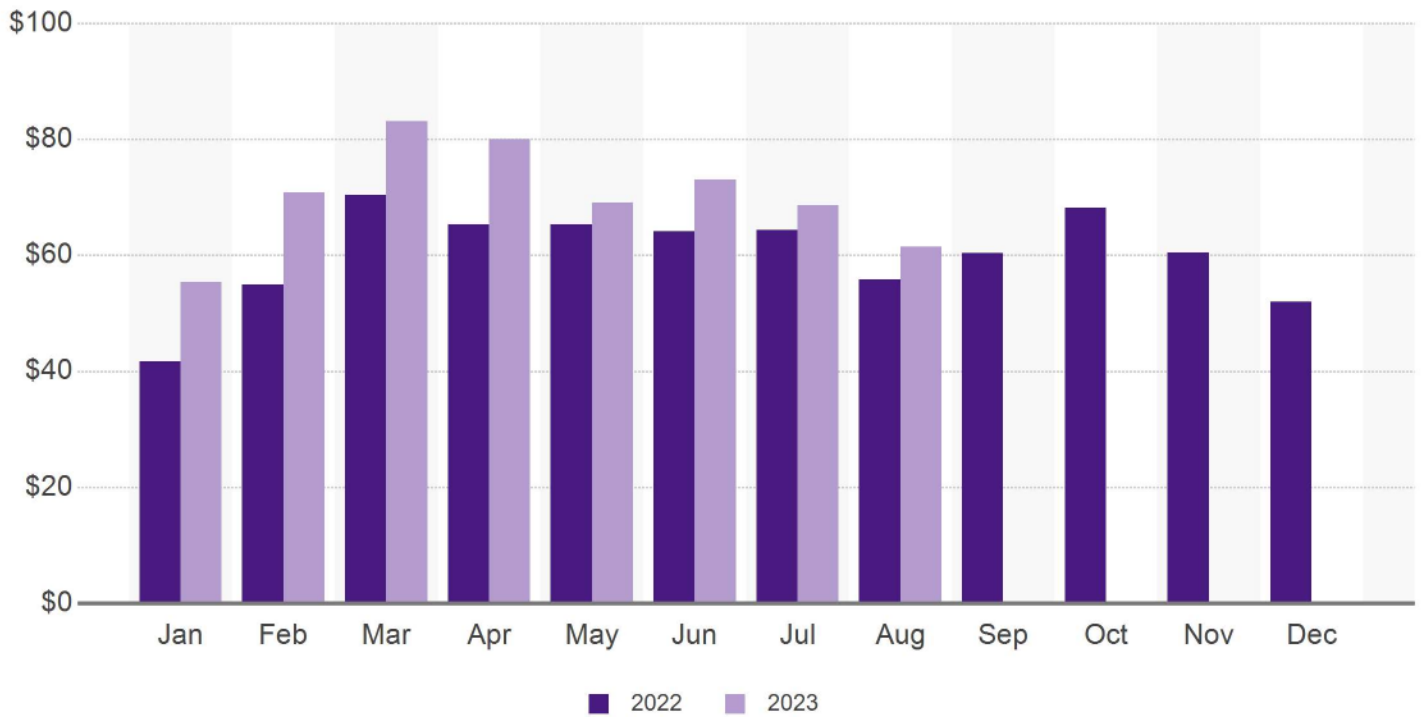




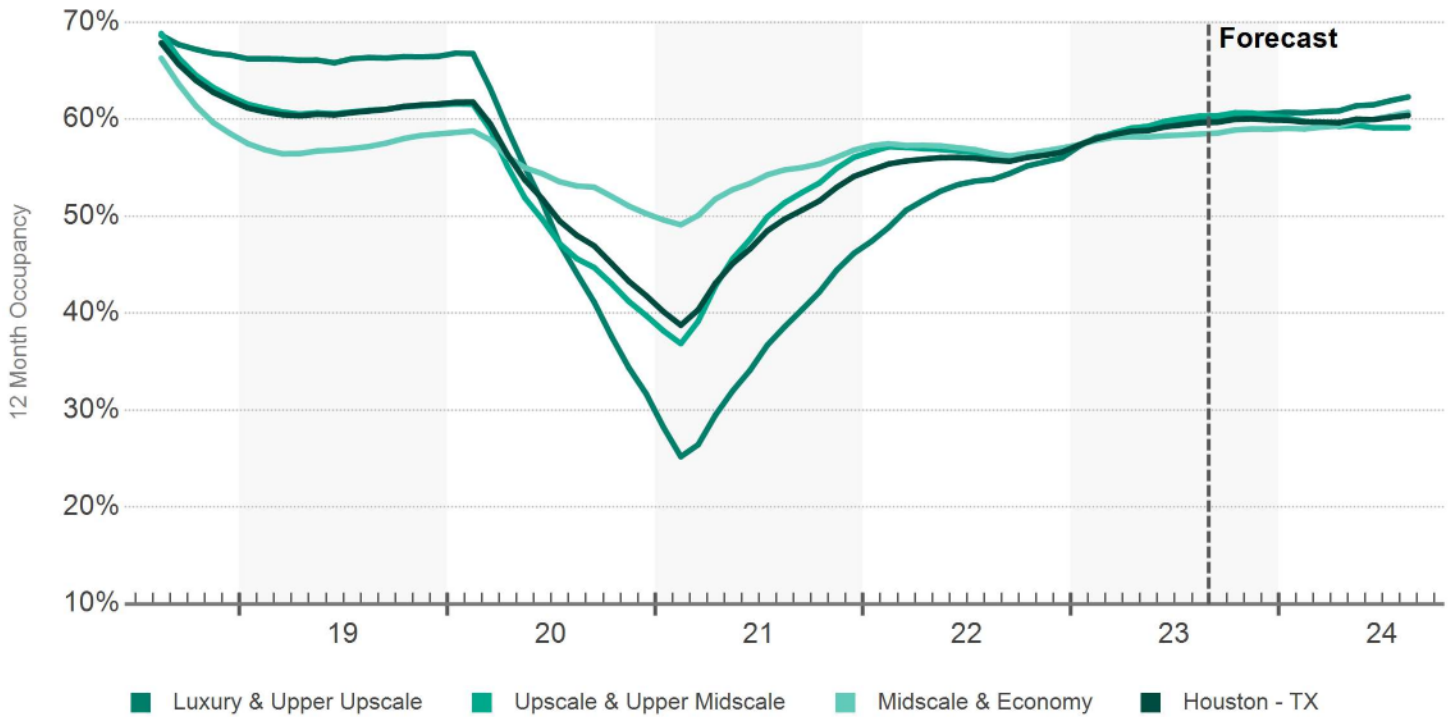
## ADR MONTHLY



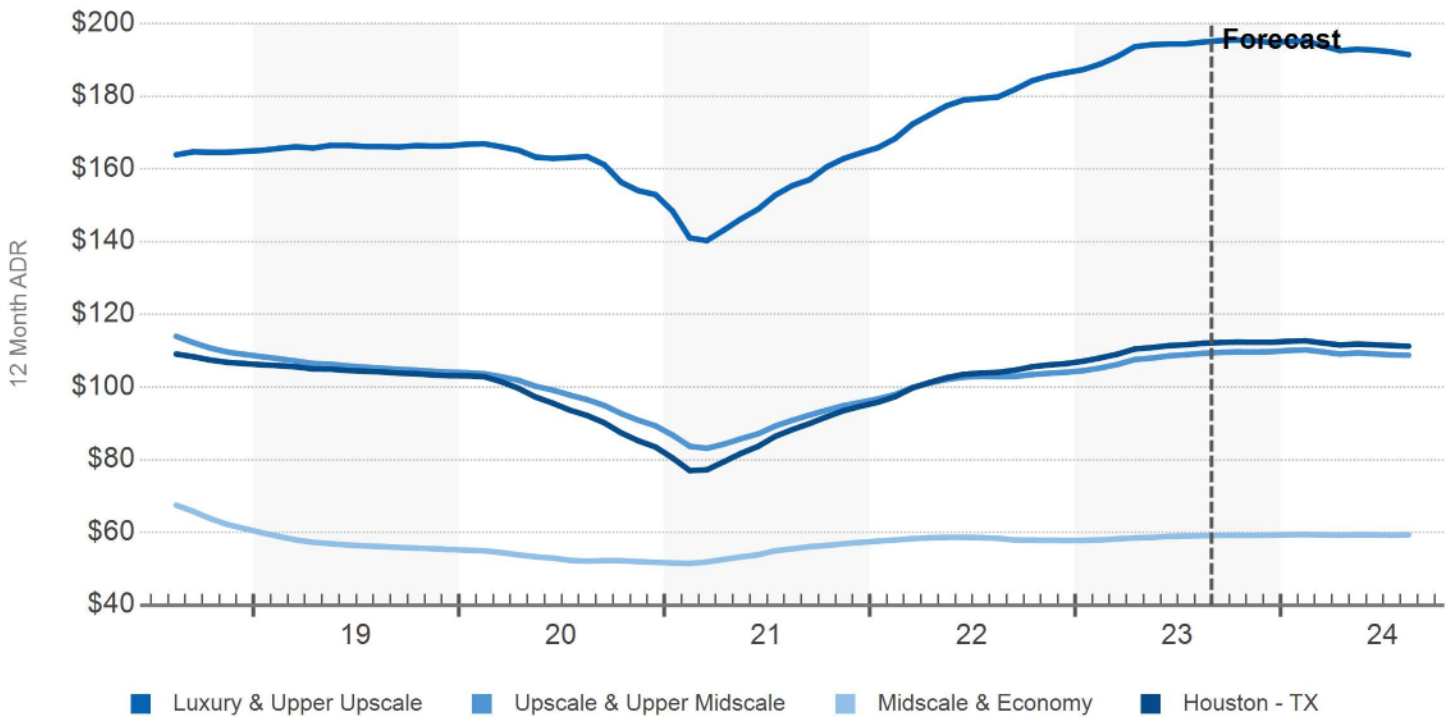
## REVPAR MONTHLY



### OCCUPANCY BY CLASS

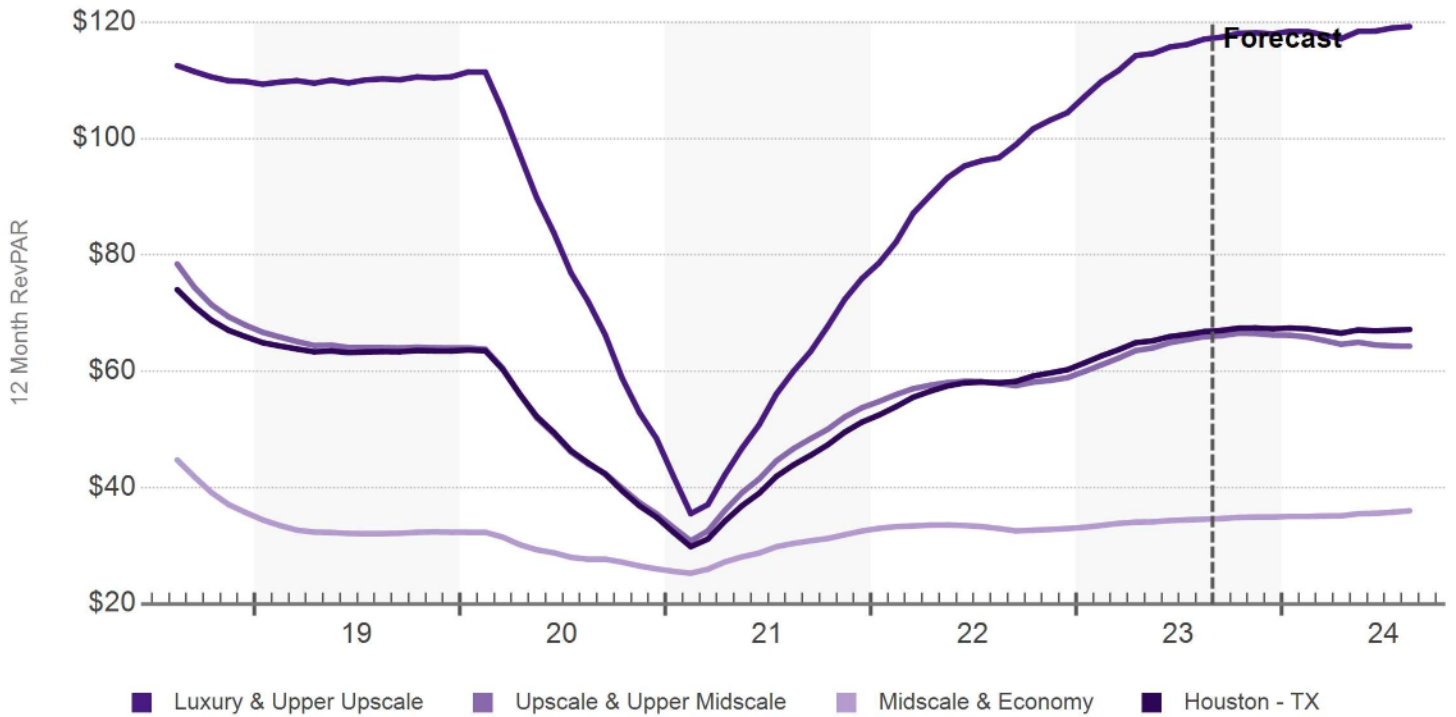


### ADR BY CLASS

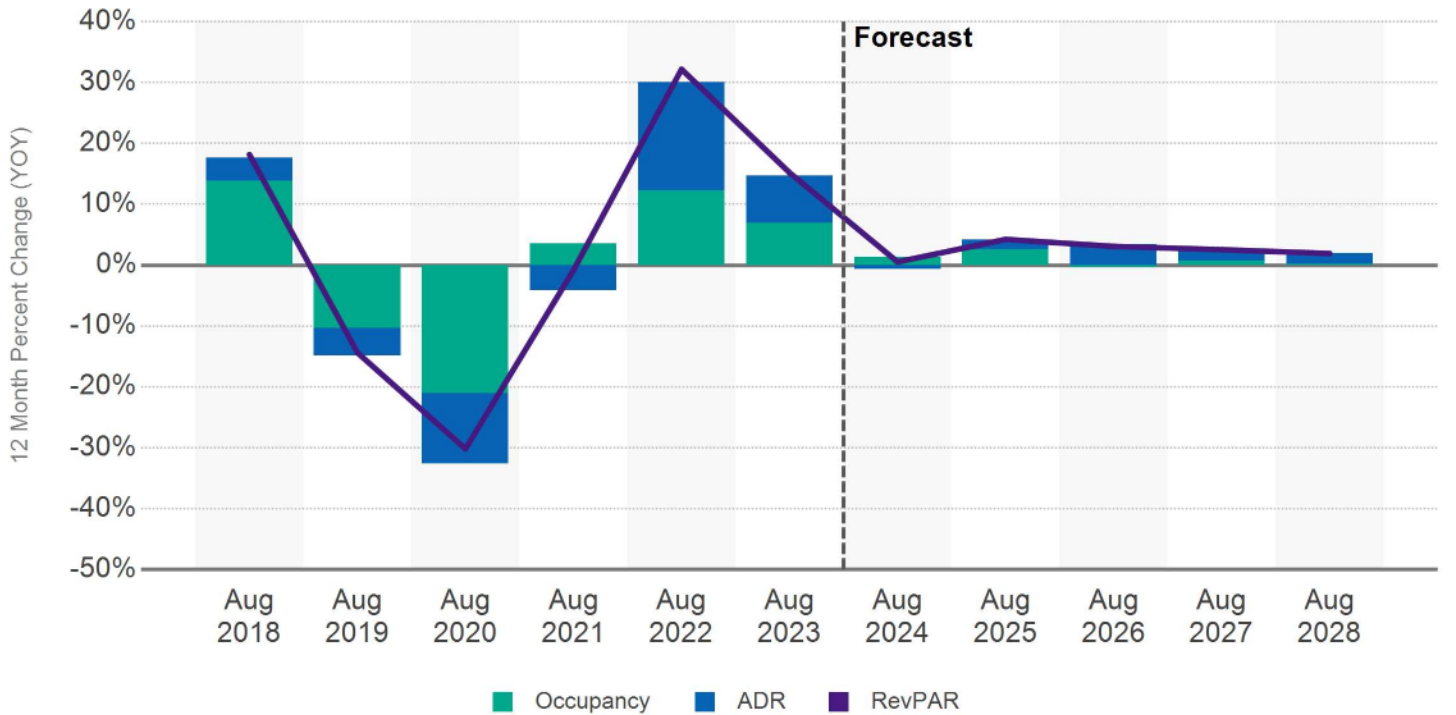




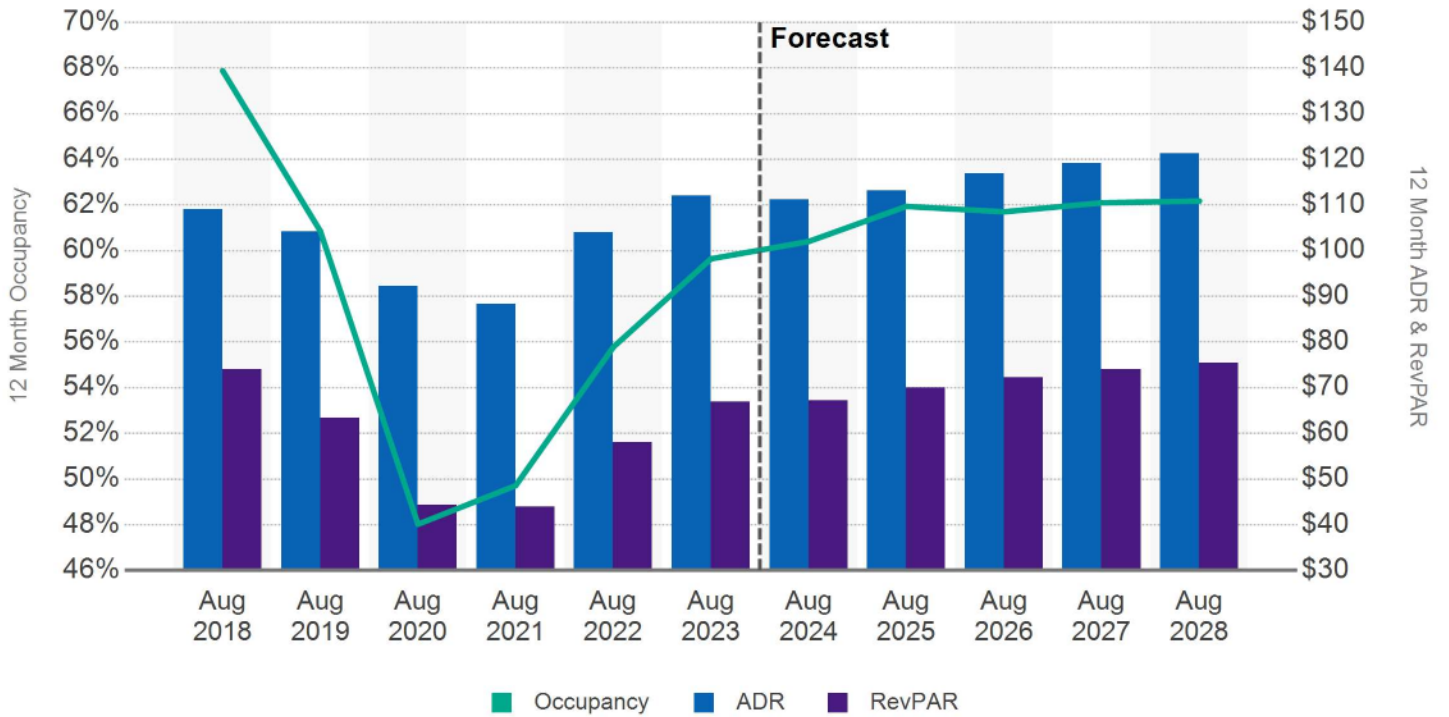
### REVPAR BY CLASS



### REVPAR GROWTH COMPOSITION



### OCCUPANCY, ADR & REVPAR





### FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	% of Revenues	2022		2021-2022 % Change	
		PAR	POR	PAR	POR
<b>Revenue</b>					
Rooms	63.2%	\$38,277	\$182.04	49.3%	22.2%
Food	16.8%	\$10,187	\$48.45	97.2%	61.5%
Beverage	5.5%	\$3,317	\$15.78	73.4%	42.0%
Other F&B	7.6%	\$4,585	\$21.81	147.8%	102.9%
Other Departments	3.5%	\$2,127	\$10.12	34.3%	10.0%
Miscellaneous Income	3.4%	\$2,031	\$9.66	54.9%	26.9%
<b>Total Revenue</b>	<b>100%</b>	<b>\$60,526</b>	<b>\$287.86</b>	<b>61.5%</b>	<b>32.3%</b>
<b>Operating Expenses</b>					
Rooms	22.7%	\$8,683	\$41.30	44.2%	18.1%
Food & Beverage	60.4%	\$10,925	\$51.96	82.0%	49.0%
Other Departments	55.4%	\$1,180	\$5.61	41.9%	16.2%
Administrative & General	9.3%	\$5,613	\$26.69	36.7%	11.9%
Information & Telecommunication Systems	1.3%	\$807	\$3.84	3.7%	-15.1%
Sales & Marketing	9.1%	\$5,527	\$26.29	50.2%	23.0%
Property Operations & Maintenance	4.8%	\$2,917	\$13.87	24.8%	2.2%
Utilities	3.1%	\$1,883	\$8.96	26.3%	3.4%
<b>Gross Operating Profit</b>	<b>38.0%</b>	<b>\$22,991</b>	<b>\$109.35</b>	<b>88.2%</b>	<b>54.1%</b>
Management Fees	3.2%	\$1,963	\$9.34	100.4%	64.1%
Rent	0.4%	\$252	\$1.20	58.4%	29.7%
Property Taxes	3.6%	\$2,174	\$10.34	9.5%	-10.3%
Insurance	1.6%	\$992	\$4.72	13.1%	-7.4%
<b>EBITDA</b>	<b>29.1%</b>	<b>\$17,609</b>	<b>\$83.75</b>	<b>114.3%</b>	<b>75.5%</b>
<b>Total Labor Costs</b>	<b>30.6%</b>	<b>\$18,501</b>	<b>\$87.99</b>	<b>52.1%</b>	<b>24.5%</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.

Rooms under construction topped 6,000 in early 2016 and exceeded 3,000 as recently as 2021. More recent construction booms before 2022 can be attributed to Houston's low barriers to entry for development, including available land, the ease of obtaining building permits, and fewer regulations, including zoning. Currently, there are 21 projects with 2,400 rooms under construction in Houston equating to 2.2% of existing supply.

Eleven properties totaling almost 1,100 rooms opened in 2023, with 721 coming online through the end of the year.

Over the past 12 months, 15 buildings with 1,600 rooms were delivered to the market, most of which were limited-service properties.

In May 2023, the Houston North/Woodlands Submarket delivered several new projects, including the full-service Hyatt Regency Conroe. The 250-room Hyatt Regency Conroe features 30,000 SF convention center space and a restaurant in Grand Central Park.

Similarly, the Houston Baytown Submarket opened a Hyatt Regency hotel in May. The new hotel is a full-service, waterfront, seven-story, 208-room hotel with a

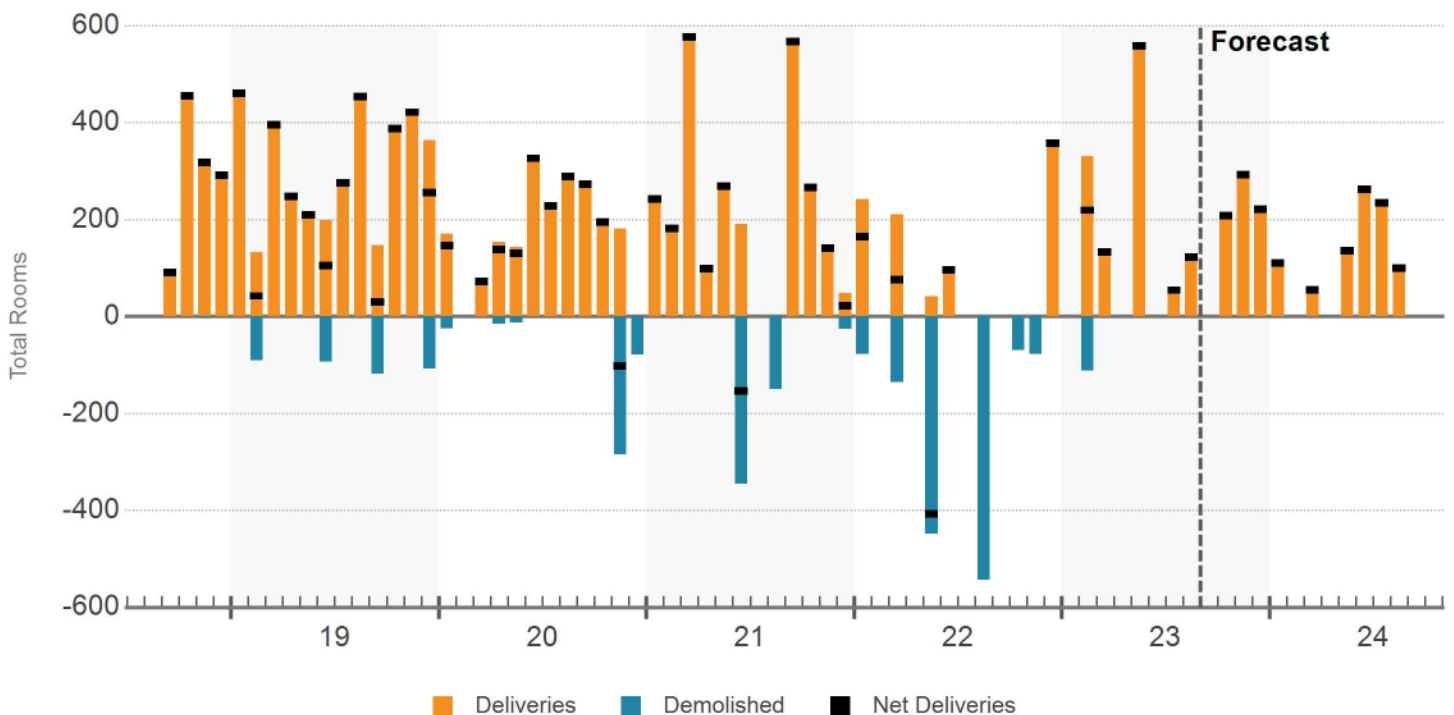
meeting room and 18,000-SF conference center space.

The only Luxury property under construction is the 172-room Thompson Houston, located near the Federal Reserve Bank between the downtown and Galleria areas and currently scheduled to open in 23Q3. The 119-room MOXY Houston in Downtown is expected to open in 2023; the hotel received approval in March 2021 to renovate the historic State National Building and convert it into a hotel.

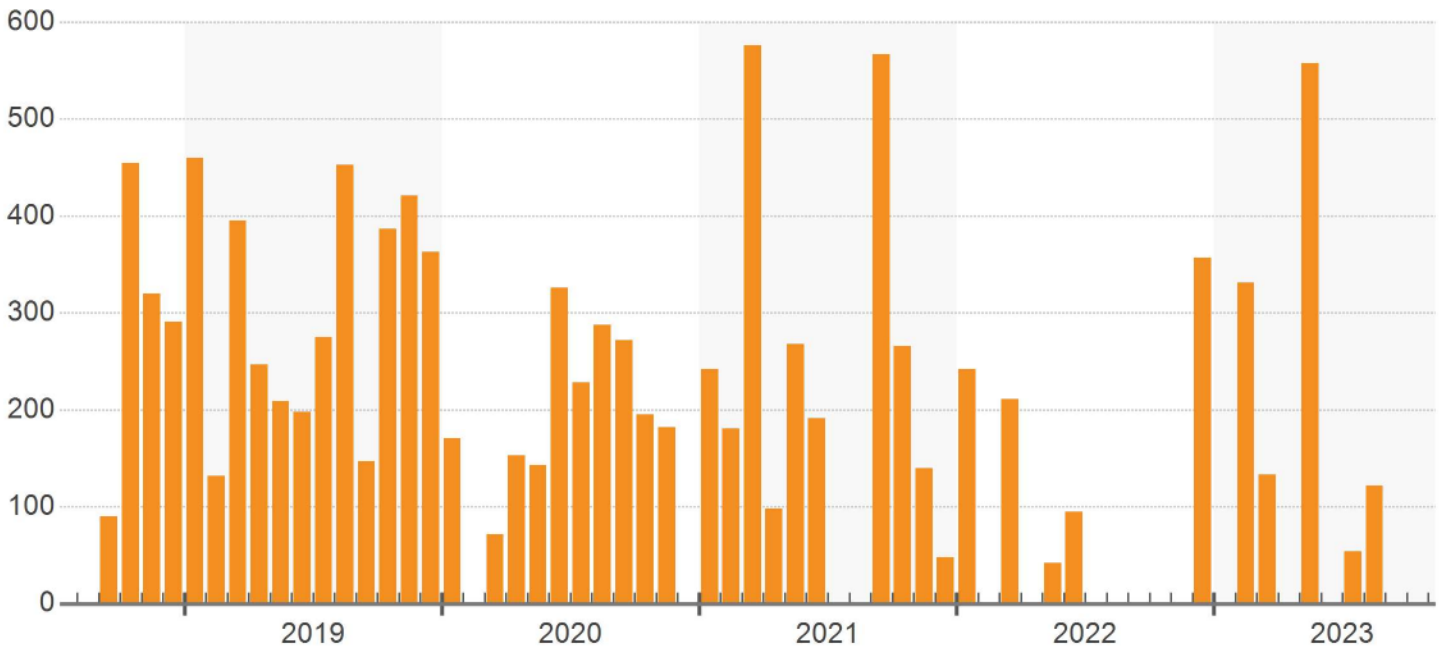
The 532-room Great Wolf Lodge Gulf Coast Texas broke ground in September 2022 in the Houston Hobby Airport/NASA Submarket. The \$200 million indoor water park and hotel marks the brand's second location in Texas. Great Wolf Resorts is expected to receive financial incentives from the city of Webster for the project and a hotel occupancy tax abatement agreement with Harris County over 10 years. The hotel is expected to open in 2024.

With a slower-than-normal construction pipeline in 2023, 2024 is seeing a robust pipeline build for projects in the final planning stage. There are 42 hotels set for 2024 - 2026 openings, and are in the final planning stages.

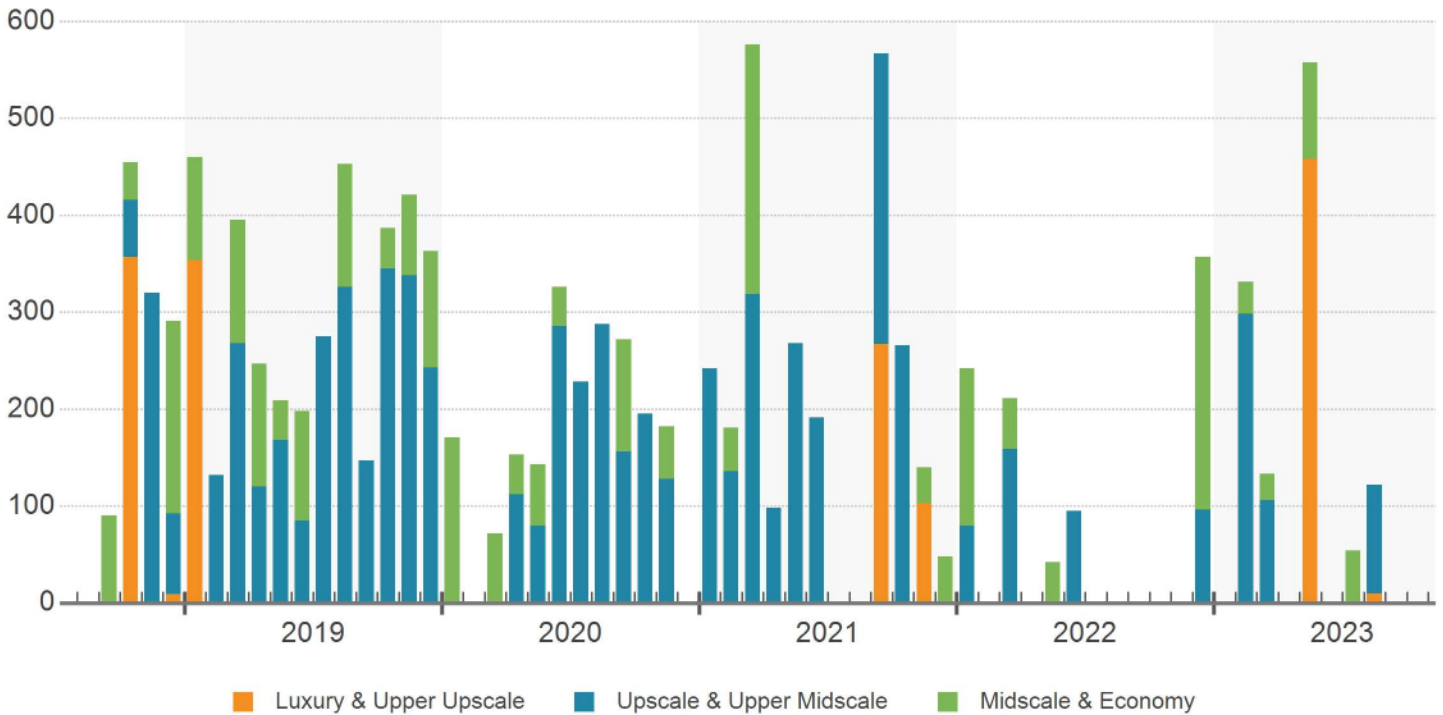
## DELIVERIES & DEMOLITIONS



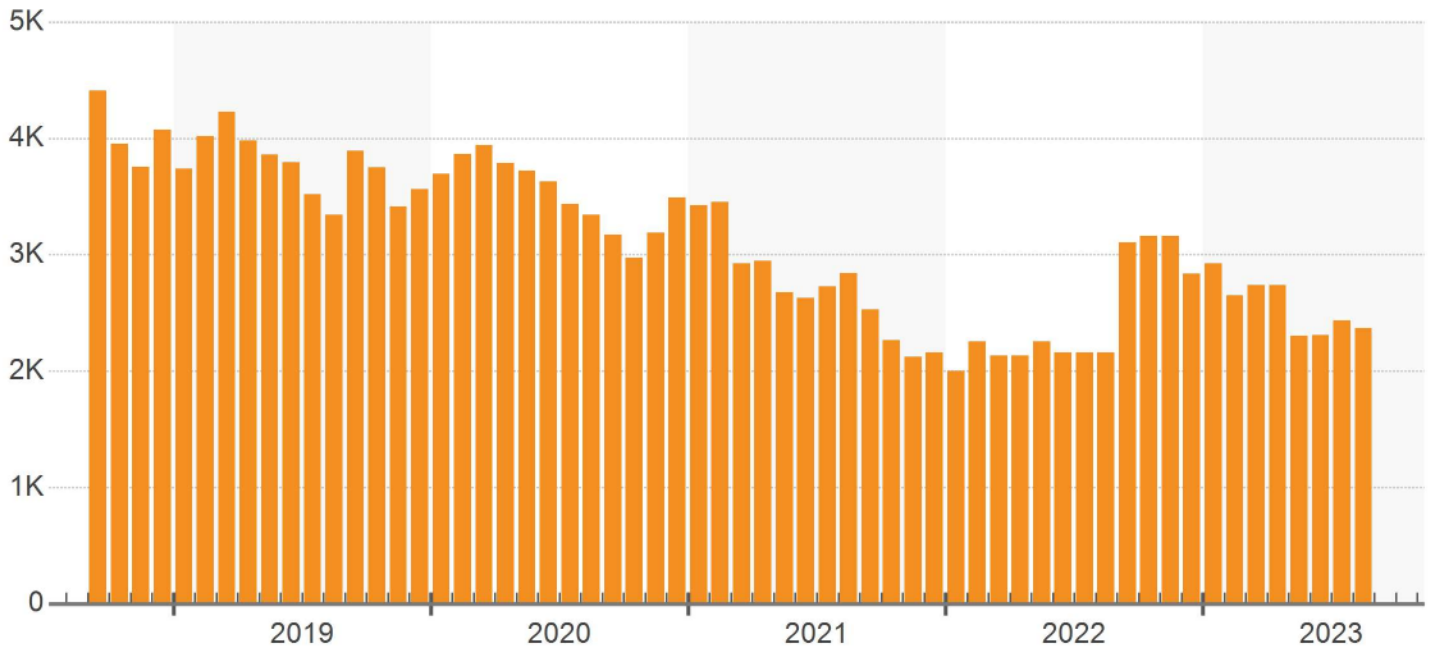
## ROOMS DELIVERED



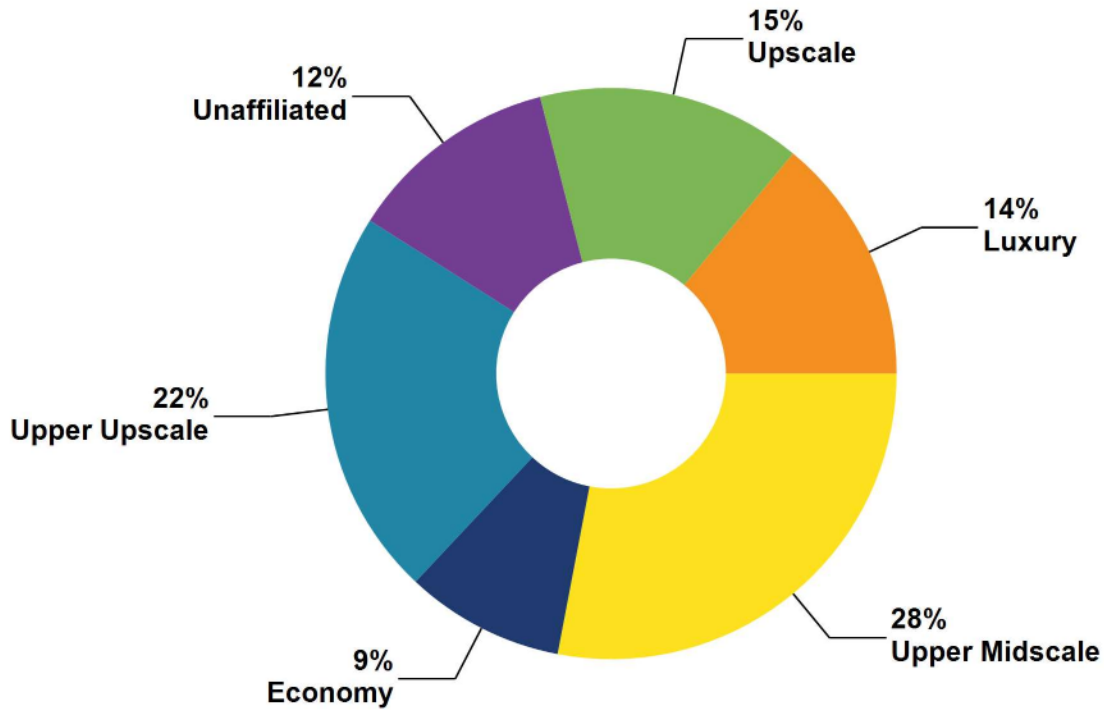
## ROOMS DELIVERED BY CLASS



## ROOMS UNDER CONSTRUCTION

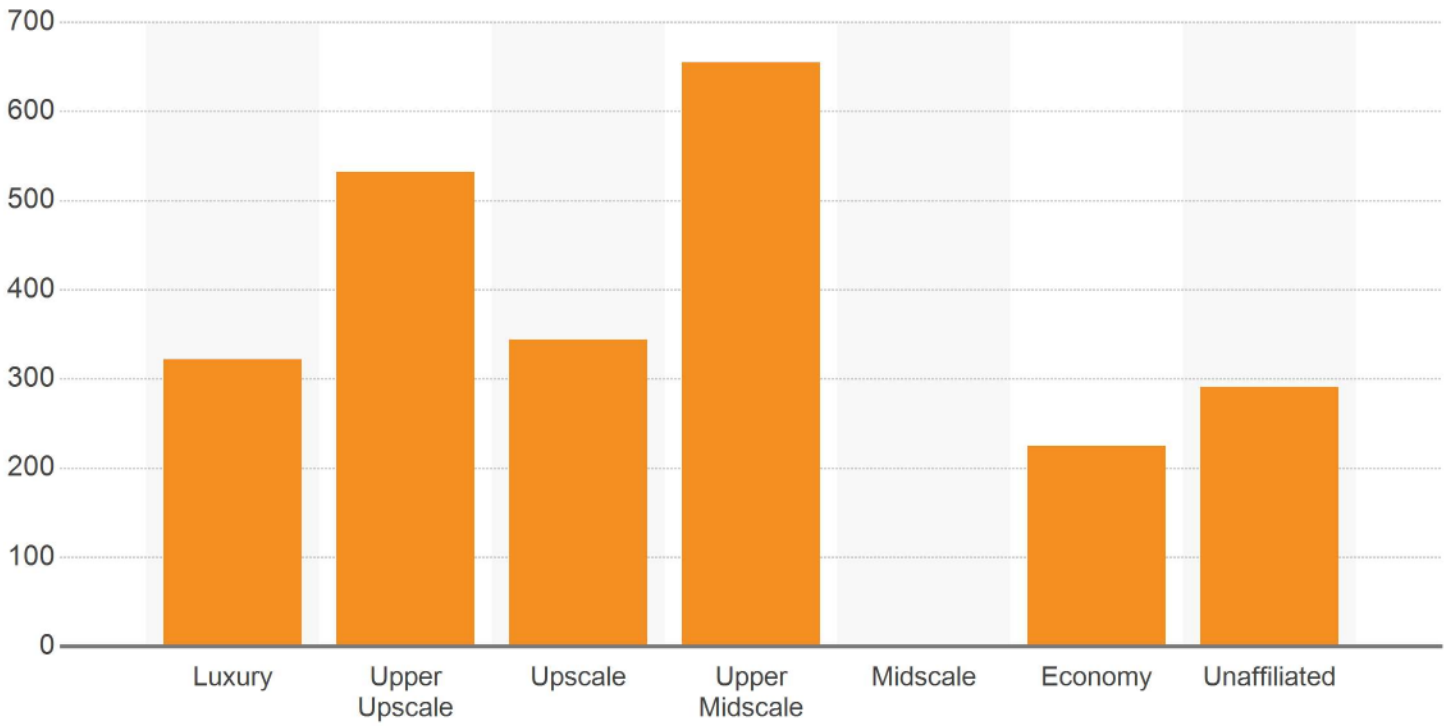


## TOTAL ROOMS UNDER CONSTRUCTION BY SCALE





## ROOMS UNDER CONSTRUCTION BY SCALE



# Under Construction Properties

Houston - TX Hospitality

Properties

Rooms

Percent of Inventory

Average Rooms

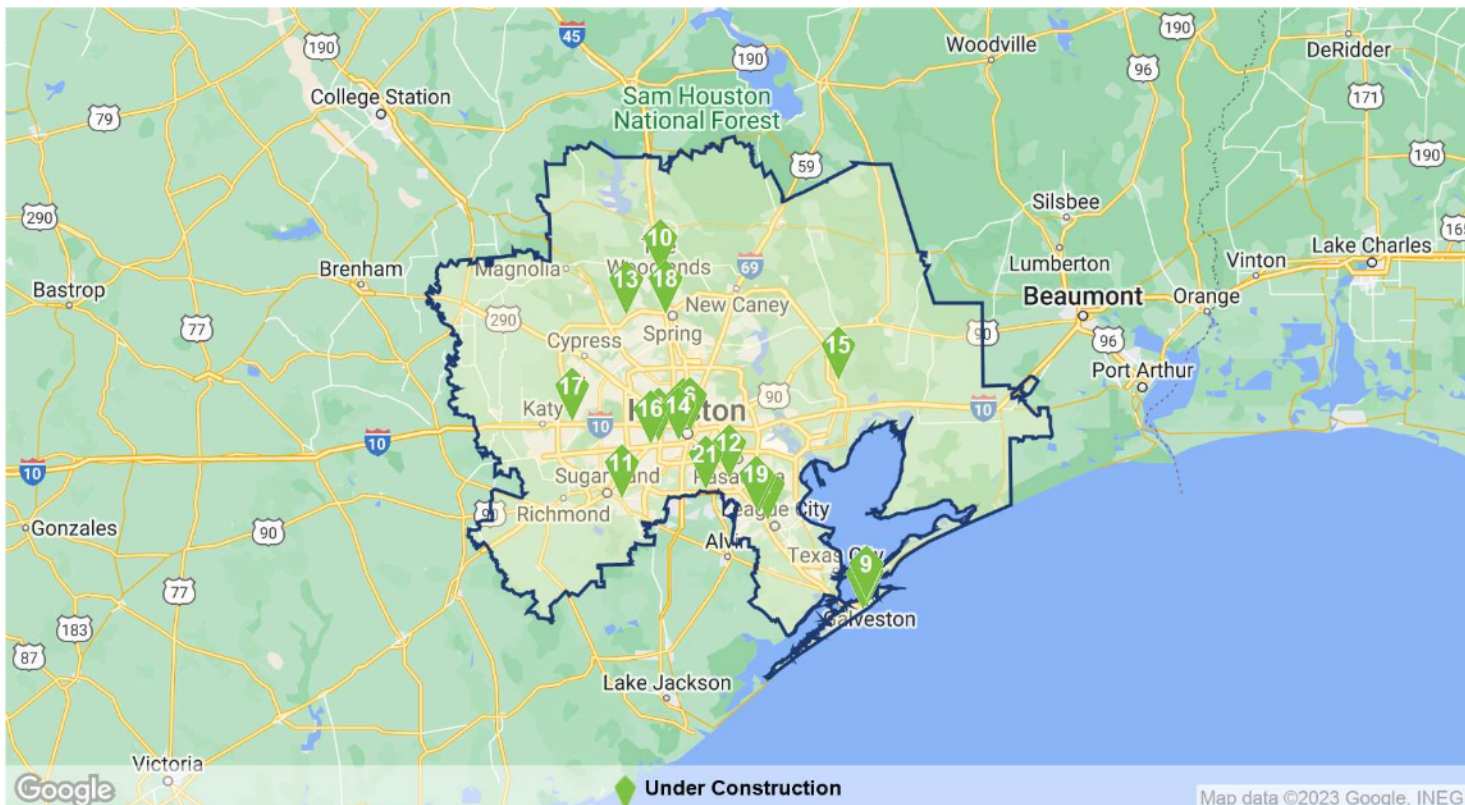
21

2,369

2.2%

113

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	<a href="#">Great Wolf Lodge Texas Gulf Coast</a> 1000 Great Wolf Way	Upper Upscale	532	7	Sep 2022	Nov 2024	Great Wolf Lodge Turner Construction Company
2	<a href="#">Thompson Houston</a> 1717 Allen Pky	Luxury	172	15	Aug 2019	Nov 2023	Thompson Hotels DC Partners
3	<a href="#">Rosewood Houston</a> 5000 Richmond Ave	Luxury	150	18	Sep 2022	Jun 2030	Rosewood McNair Interests
4	<a href="#">Residence Inn by Marriott Houston</a> NWQ Interstate 45 & Bay A	Upscale	124	2	Mar 2023	Jul 2024	Residence Inn -
5	<a href="#">Residence Inn Galveston Island</a> 4028 Avenue U	Upscale	120	5	Feb 2021	Nov 2023	Residence Inn -
6	<a href="#">MOXY Houston Downtown</a> 412 Main St	Upper Midscale	118	12	Apr 2021	Oct 2023	MOXY InnJoy Hospitality Group
7	<a href="#">Wyndham Garden Galveston</a> 5005 Avenue U	Upper Midscale	115	3	Aug 2021	Dec 2023	Wyndham Garden -

# Under Construction Properties

Houston - TX Hospitality

## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
8	<a href="#">Flagstaff Hotel</a> 402 33rd St	Upscale	110	3	Jun 2021	Jan 2024	- JMK5 Holdings
9	<a href="#">Trademark Collection by Wyndha...</a> 402 33rd St	Upper Midscale	110	2	Sep 2022	Jul 2024	Trademark Collection by Wyn...
10	<a href="#">Hampton Inn &amp; Suites by Hilton S...</a> 18200 Interstate 45 S	Upper Midscale	106	4	May 2022	Dec 2023	Hampton by Hilton -
11	<a href="#">Residence Inn by Marriott Housto...</a> State Highway 6 & Colonia	Upscale	100	5	Jul 2021	Aug 2024	Residence Inn -
12	<a href="#">WoodSpring Suites South Housto...</a> 11160 Gulf Fwy	Economy	90	4	Mar 2022	Oct 2023	WoodSpring Suites -
13	<a href="#">TownePlace Suites by Marriott Ho...</a> 9166 Farm to Market 2920	Upper Midscale	85	3	Jan 2023	May 2024	TownePlace Suites -
14	<a href="#">Hotel Saint Augustine</a> 4118 Loretto Dr	Midscale	71	2	May 2023	Nov 2024	- The Marchbanks Company
15	<a href="#">Holiday Inn Express Dayton TX</a> 4003 SH 146	Upper Midscale	66	4	Jul 2023	Jan 2025	Holiday Inn Express -
16	<a href="#">Express Inn &amp; Suites Houston</a> 6020 Southwest Fwy	Midscale	60	2	May 2022	Nov 2024	- -
17	<a href="#">Studio 6 Katy TX</a> 1425 I-10 Westborough Dr	Economy	55	2	Aug 2023	Nov 2024	Studio 6 -
18	<a href="#">Clarion Pointe Spring, TX</a> 21801-21847 Interstate 45	Upper Midscale	55	4	Feb 2023	Mar 2024	Clarion Pointe -
19	<a href="#">Residence Inn By Marriott Friends...</a> 19170 Gulfbrook Dr	-	50	5	May 2023	May 2024	- I & A Development & Construc...
20	<a href="#">Studio 6 Houston</a> 14150 Fayridge Dr	Economy	40	2	Sep 2022	Dec 2025	Studio 6 -
21	<a href="#">Motel 6 Houston, TX</a> 14150 Fayridge Dr	Economy	40	2	Sep 2022	Dec 2025	Motel 6 -

Sales activity remains slightly muted, with 506 hotel transactions year-to-date since January. Last year saw 75 trades during the same period. Texas is the largest non-disclosure state, resulting in a lack of pricing information for most transactions in Houston.

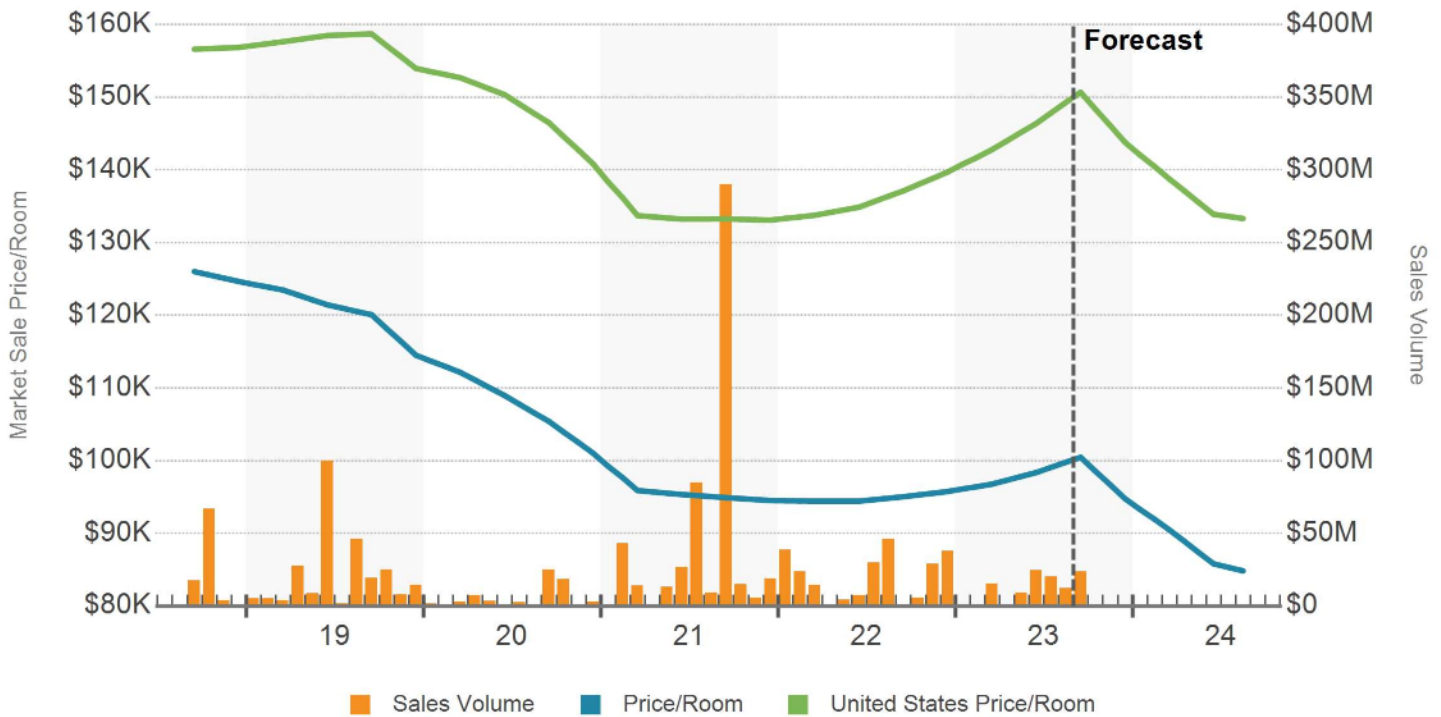
Year-to-date hotel sales have consisted of Upscale to Upper Midscale classes. Most transactions occurred in the George Bush Airport Area submarket, with other large sales occurring in the Houston Hobby Airport/NASA submarket. The George Bush Airport Area submarket boasts the most hotel rooms of any submarket in the Houston area.

Seventy-four properties have active CMBS loans, with 49 properties maturing in the next two years. Twenty-six are listed on the current CMBS Watchlist for early

indications of potential distress, ranging in the midscale to upper-midscale class range. Notably, three Upper Upscale properties are being watched for possible distress, including the Houston Marriott South at Hobby Airport/NASA submarket, the 242-room Hilton Houston NASA Clear Lake also located in the Hobby Airport/NASA submarket, and the 150-room Embassy Suites by Hilton in the Houston Galleria/Greenway Plaza submarket.

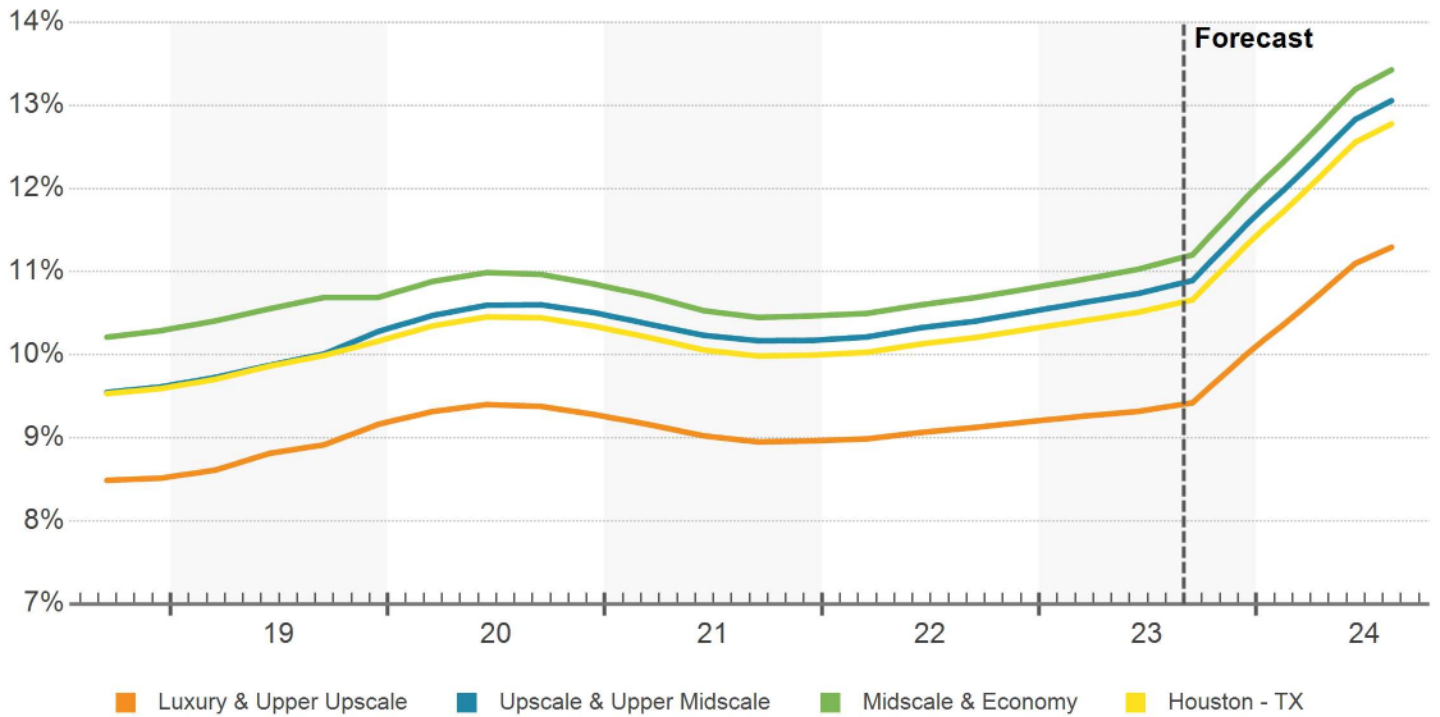
Eight hotels currently sit in special servicing, including four in the Houston Galleria/Greenway Plaza submarket. Two upper upscale class hotels are in the Houston Galleria/Greenway Plaza submarket: the 448-room Hilton Houston Post Oak By The Galleria and the 284-room The Chifley Houston, Tapestry Collection by Hilton.

**SALES VOLUME & MARKET SALE PRICE PER ROOM**





### MARKET CAP RATE





# Sales Past 12 Months

Houston - TX Hospitality

## RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	<a href="#">Houston Marriott West Loop by Th...</a> 1750 West Loop South	Upper Upscale	1976	301	Marriott	12/21/2022	\$26,187,000	\$87,000
2	<a href="#">Clarion Pointe Galveston Seawall</a> 2300 Seawall Blvd	Upper Midscale	1985	125	Clarion	6/29/2023	\$15,000,000	\$120,000
3	<a href="#">Holiday Inn Houston-Intercontinen...</a> 15222 John F Kennedy Blvd	Upper Midscale	1971	414	Holiday Inn	9/6/2023	\$14,637,000	\$35,355
4	<a href="#">Residence Inn Houston The Wood...</a> 9333 Six Pines Dr	Upscale	2002	77	Residence Inn	11/21/2022	\$14,628,793	\$190,479
5	<a href="#">SpringHill Suites Houston Northwest</a> 20303 Chasewood Park Dr	Upscale	2015	139	SpringHill Suites	8/9/2023	\$12,276,720	\$88,322
6	<a href="#">Homewood Suites by Hilton North...</a> 13110 Wortham Center Dr	Upscale	2009	123	Homewood Suites by Hilton	12/28/2022	\$11,730,000	\$95,366
7	<a href="#">Hilton Garden Inn</a> 7979 Willow Chase Blvd	Upscale	2002	171	Hilton Garden Inn	9/8/2023	\$9,202,500	\$53,816
8	<a href="#">SpringHill Suites Houston I 45 North</a> 15555 North Fwy	Upscale	2015	104	SpringHill Suites	5/31/2023	\$8,950,000	\$86,058
9	<a href="#">Courtyard Houston I-10 West/Ene...</a> 12401 Katy Fwy	Upscale	1979	176	Courtyard	7/20/2023	\$8,931,538	\$50,747
10	<a href="#">Holiday Inn Houston Webster</a> 302 W Bay Area Blvd	Upper Midscale	2008	109	Holiday Inn	3/22/2023	\$7,566,500	\$69,417
11	<a href="#">Staybridge Suites Houston Willow...</a> 10750 Gessner Rd	Upscale	2006	114	Staybridge Suites	7/21/2023	\$7,106,375	\$62,337
12	<a href="#">Hampton Inn Houston Hobby Airport</a> 8620 Airport Blvd	Upper Midscale	1996	95	Hampton by Hilton	11/21/2022	\$6,660,446	\$69,963
13	<a href="#">Holiday Inn Express &amp; Suites Hou...</a> 9120 West Rd	Upper Midscale	2010	87	Holiday Inn Express	10/5/2022	\$5,495,937	\$63,172
14	<a href="#">Residence Inn Houston Northwest...</a> 7311 W Greens Rd	Upscale	2002	77	Residence Inn	11/21/2022	\$5,399,941	\$70,312
15	<a href="#">La Quinta Inns &amp; Suites Houston...</a> 8776 Airport Blvd	Upper Midscale	2007	73	La Quinta Inns & Suites	7/13/2023	\$4,264,000	\$58,411
16	<a href="#">Best Western Plus Sugar Land</a> 14444 Southwest Fwy	Upper Midscale	1995	111	Best Western Plus	3/31/2023	\$3,900,000	\$35,135
17	<a href="#">Comfort Suites Westchase Housto...</a> 2830 Wilcrest Dr	Upper Midscale	1999	64	Comfort Suites	3/31/2023	\$3,650,000	\$57,031
18	<a href="#">Comfort Suites Bush Intercontinen...</a> 15555 John F Kennedy Blvd	Upper Midscale	1997	57	Comfort Suites	6/1/2023	\$3,550,000	\$62,281
19	<a href="#">Suburban Studios Houston</a> 13505 North Fwy	Economy	1998	84	Suburban Studios	6/14/2023	\$3,400,000	\$40,476
20	<a href="#">Quality Suites North Houston</a> 150 Overland Trl	Midscale	1998	52	Quality Inn	6/29/2023	\$2,400,000	\$46,154

The Houston metropolitan area has the fourth-largest U.S. population and consistently ranks among the top metros for job growth. Before 2020, six in ten hotel rooms sold in Houston were filled with business and convention travelers, making Houston's hotel industry more reliant on business travel than most large markets.

The primary industries driving business travel are oil and gas, healthcare, and professional and business services. Growth in tech, aerospace, and commercial life sciences continues to diversify the Houston economy. Rice University has transformed a former Sears department store in the Midtown neighborhood into The Ion, the hub of a proposed 16-acre innovation district expected to boost the city's technological appeal. Axiom Space, an aerospace company led by NASA veterans that hopes to build the world's first commercial space station, broke ground in May on a new 322,000-SF headquarters at the Houston Spaceport.

In September, NASA tapped Axiom to develop moonwalking spacesuits for the space agency's Artemis III mission, which is tentatively planned for 2025 and would mark the first time in more than 50 years Americans set foot on the moon's surface.

The George R. Brown Convention Center anchors convention activity in Houston. The 1.8 million-SF facility is connected to two 1,000-plus-room headquarter hotels

and is adjacent to Avenida Plaza, an outdoor pedestrian-friendly event and leisure space featuring restaurants, retail, and free live entertainment.

Houston's flourishing sports market attracts millions of fans and overnight visitors annually. Minute Maid Park (home of the MLB Astros) and Toyota Center (home of the NBA Rockets) are in Downtown Houston. Houston has the NFL's first retractable-roof stadium with natural grass, NRG Stadium (home of the Texans). In 2017, Houston hosted Super Bowl LI and five Major League Baseball World Series in which the city's home team, the Astros, won twice, including 2022's World Series Championship game. In March 2023, Houston will host the NCAA men's Final Four at NRG Stadium and several matches during the 2026 FIFA World Cup.

Two airports serve the Houston market and 25 million passengers annually: George Bush Intercontinental Airport (IAH) and William P. Hobby Airport (HOU). In 2022, IAH received a 4-Star rating and Hobby Airport a "5-Star" rating from the Skytrax World Airport Rating, making HOU the only 5-Star airport in North America and Houston the only city in the world with two airports rated 4-Star or higher. The Skytrax World Airport Star Rating evaluates airports on a 1-Star to 5-Star level following an analysis of facilities and staff service to customers across all front-line areas of the airport environment.

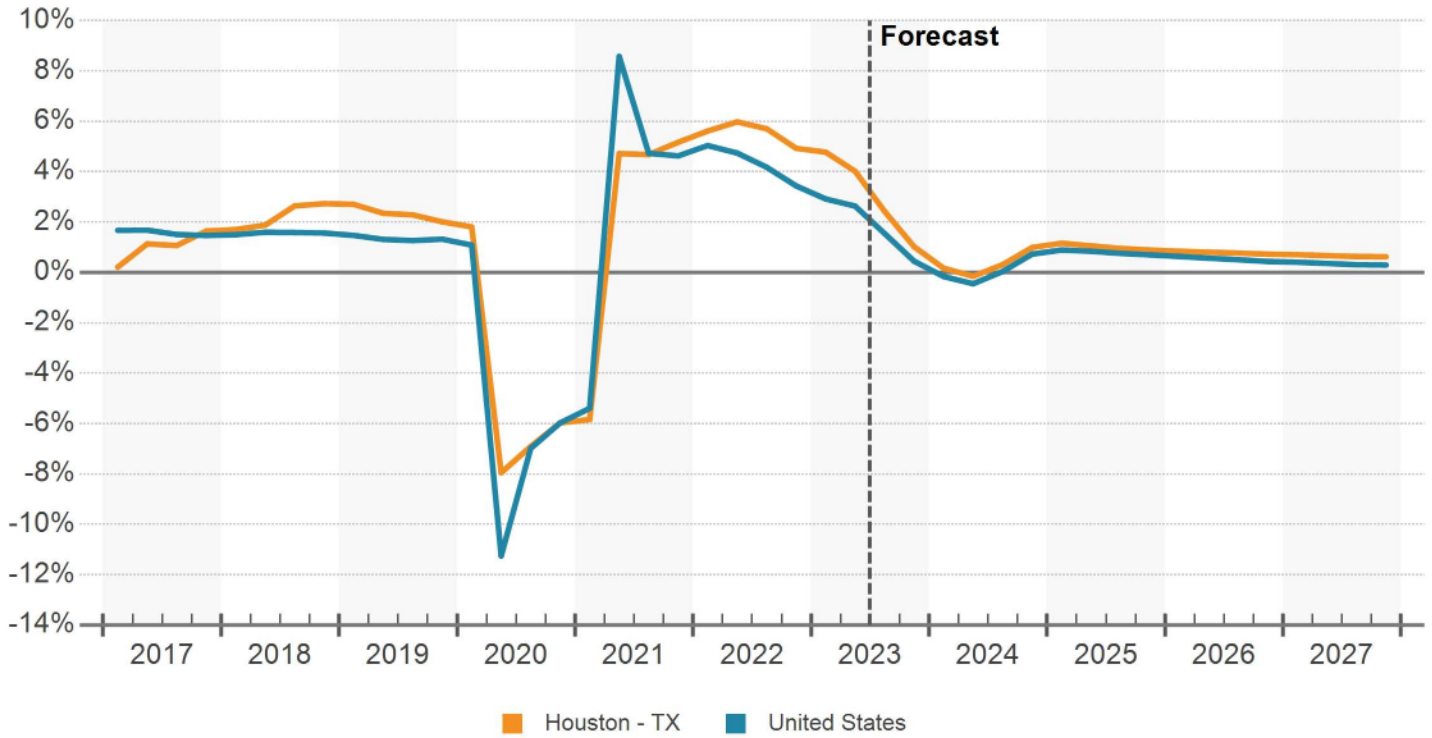
### HOUSTON - TX EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	208	0.8	1.23%	0.45%	-0.87%	0.75%	0.06%	0.06%
Trade, Transportation and Utilities	634	1.1	2.01%	0.37%	1.69%	1.13%	0.41%	0.10%
Retail Trade	286	0.9	1.84%	0.23%	1.00%	0.30%	0.30%	0.09%
Financial Activities	174	1.0	2.81%	0.54%	2.55%	1.43%	0.41%	0.12%
Government	380	0.9	2.98%	1.44%	1.68%	0.32%	0.74%	0.42%
Natural Resources, Mining and Construction	261	1.6	-0.06%	1.84%	-0.66%	2.40%	-0.02%	0.22%
Education and Health Services	416	0.8	3.84%	2.92%	2.73%	1.78%	1.07%	0.68%
Professional and Business Services	537	1.2	3.30%	1.32%	2.13%	2.09%	0.67%	0.36%
Information	32	0.5	1.32%	-1.34%	0.14%	1.25%	-0.08%	0.28%
Leisure and Hospitality	317	1.0	3.76%	4.38%	2.66%	1.52%	1.67%	0.89%
Other Services	110	1.0	0.40%	1.97%	1.35%	0.62%	0.50%	0.28%
<b>Total Employment</b>	<b>3,069</b>	<b>1.0</b>	<b>2.52%</b>	<b>1.61%</b>	<b>1.58%</b>	<b>1.32%</b>	<b>0.66%</b>	<b>0.38%</b>

Source: Oxford Economics  
LQ = Location Quotient

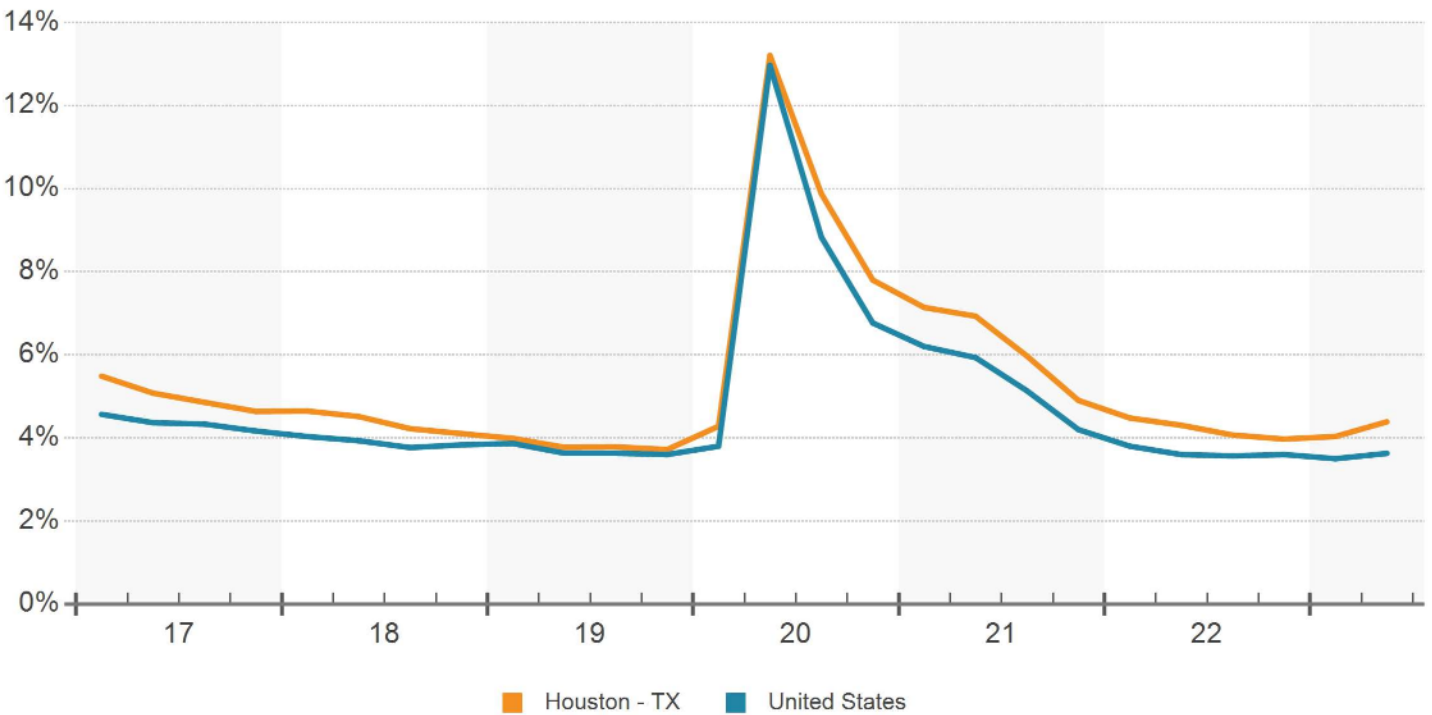


### JOB GROWTH (YOY)

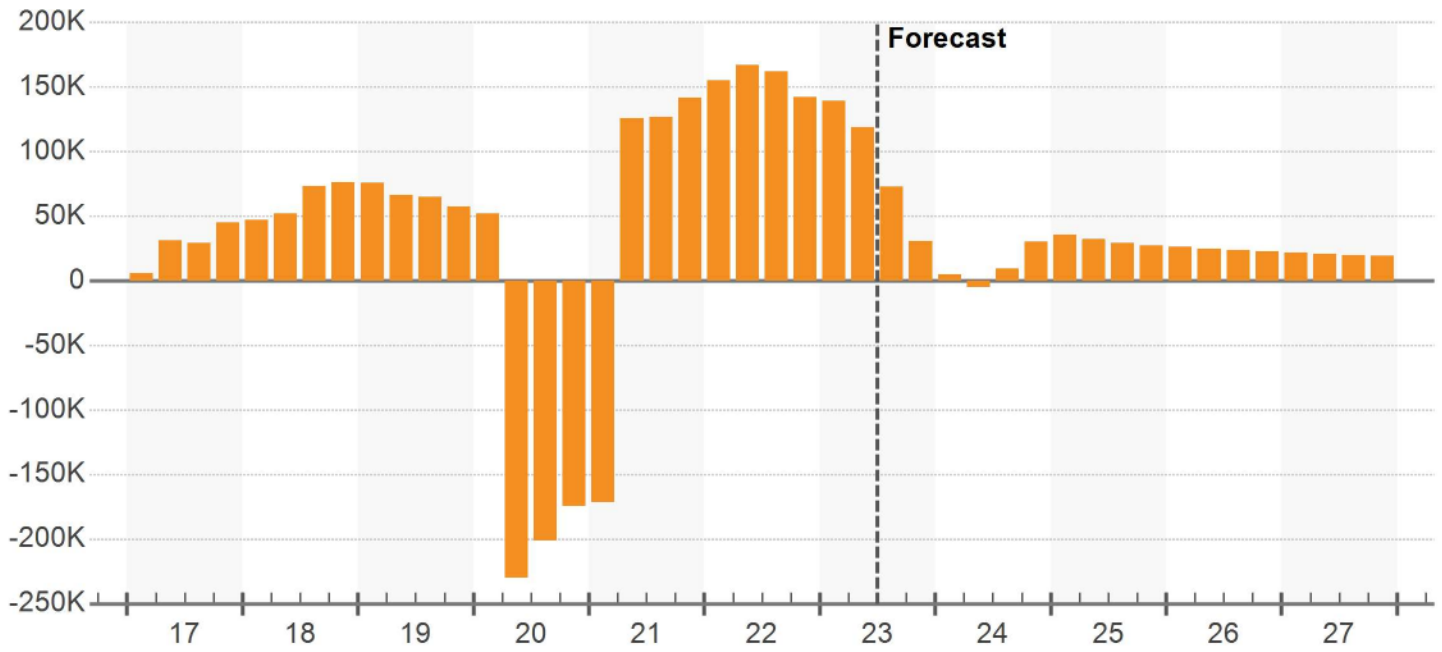


Source: Oxford Economics

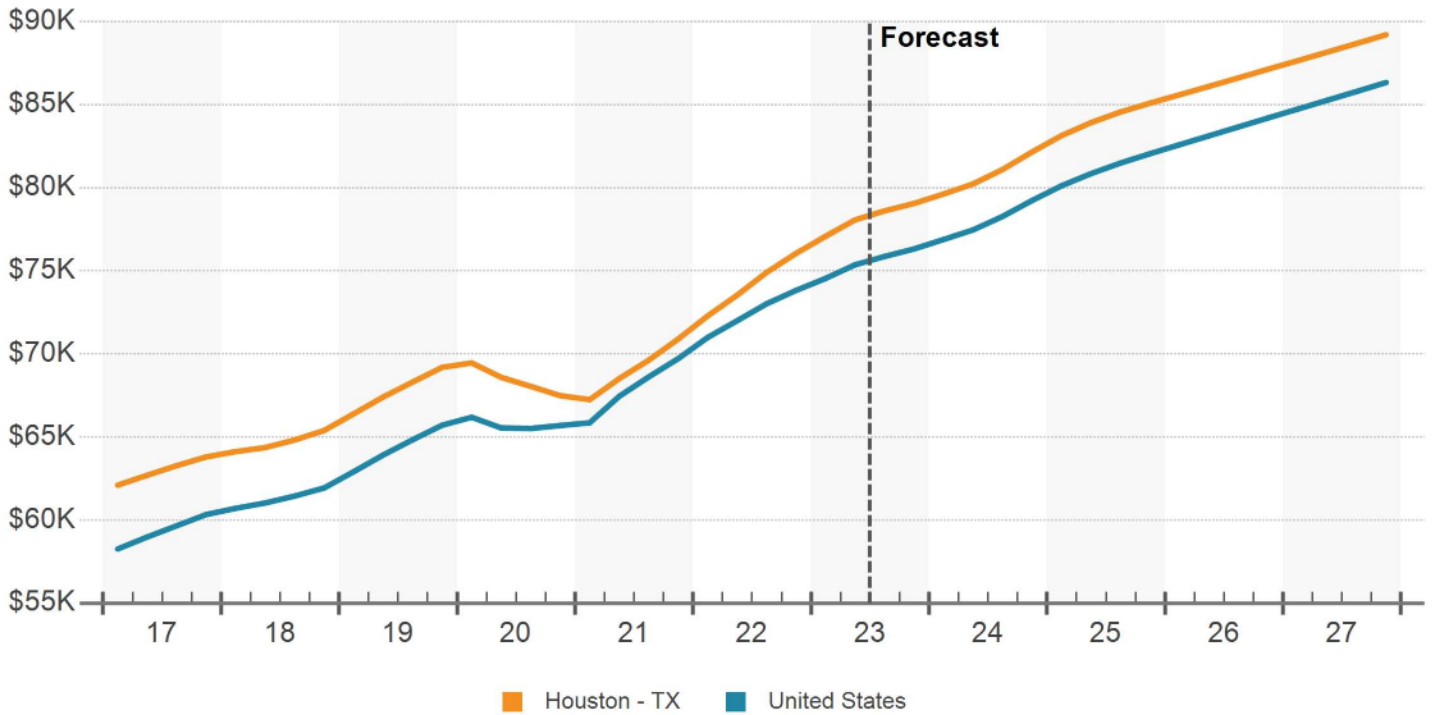
### UNEMPLOYMENT RATE (%)



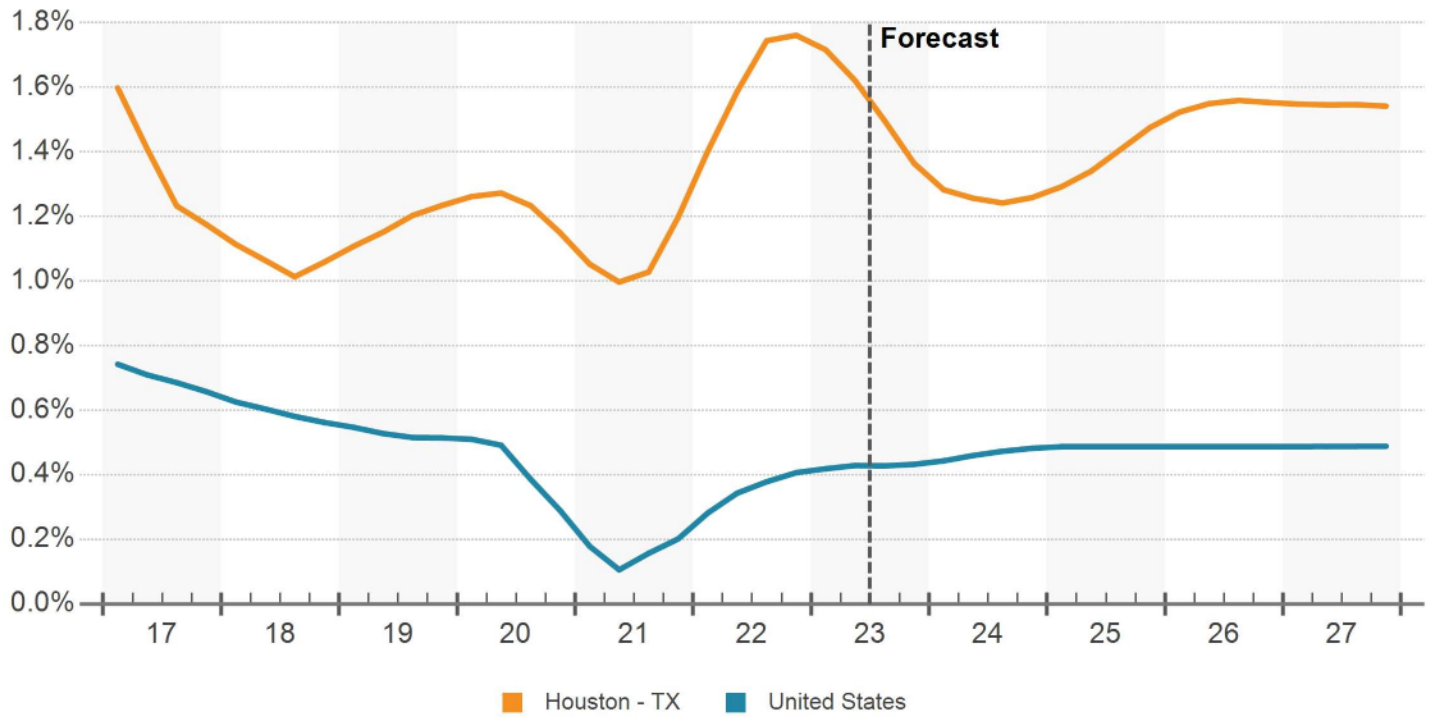
### NET EMPLOYMENT CHANGE (YOY)



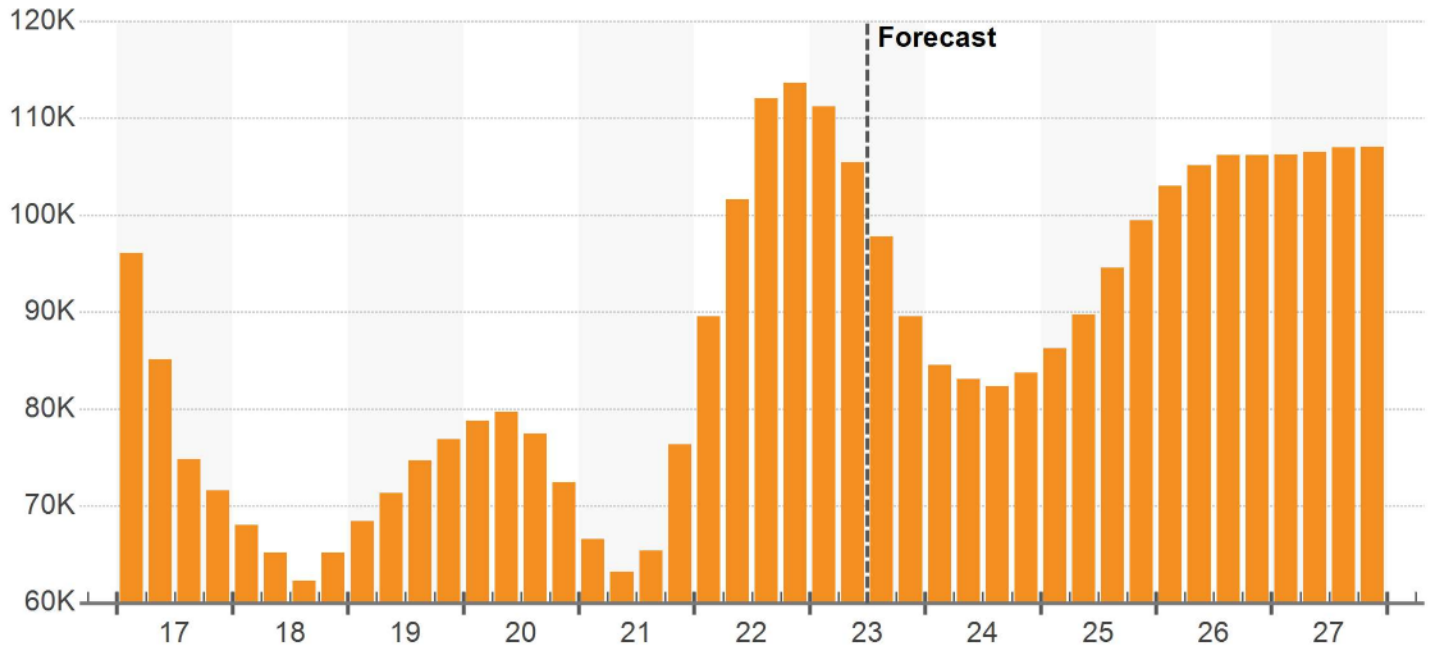
### MEDIAN HOUSEHOLD INCOME



### POPULATION GROWTH (YOY %)



### NET POPULATION CHANGE (YOY)

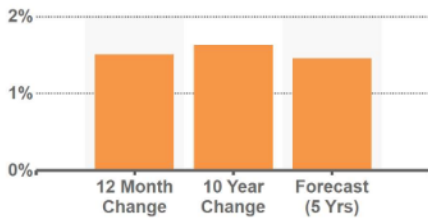


### DEMOGRAPHIC TRENDS

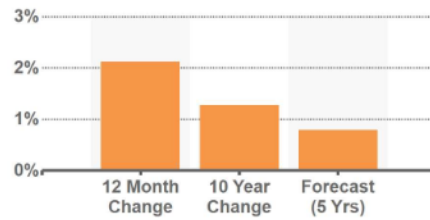
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	6,637,703	334,703,906	1.5%	0.4%	1.6%	0.6%	1.5%	0.5%
Households	2,414,716	129,980,250	1.7%	0.6%	2.1%	0.9%	1.6%	0.6%
Median Household Income	\$78,572	\$75,834	5.0%	4.0%	3.2%	3.8%	2.9%	3.0%
Labor Force	3,193,964	165,912,734	2.1%	0.9%	1.3%	0.6%	0.8%	0.4%
Unemployment	4.4%	3.6%	0.3%	0.1%	-0.1%	-0.4%	-	-

Source: Oxford Economics

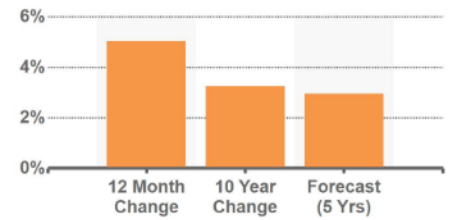
#### POPULATION GROWTH



#### LABOR FORCE GROWTH



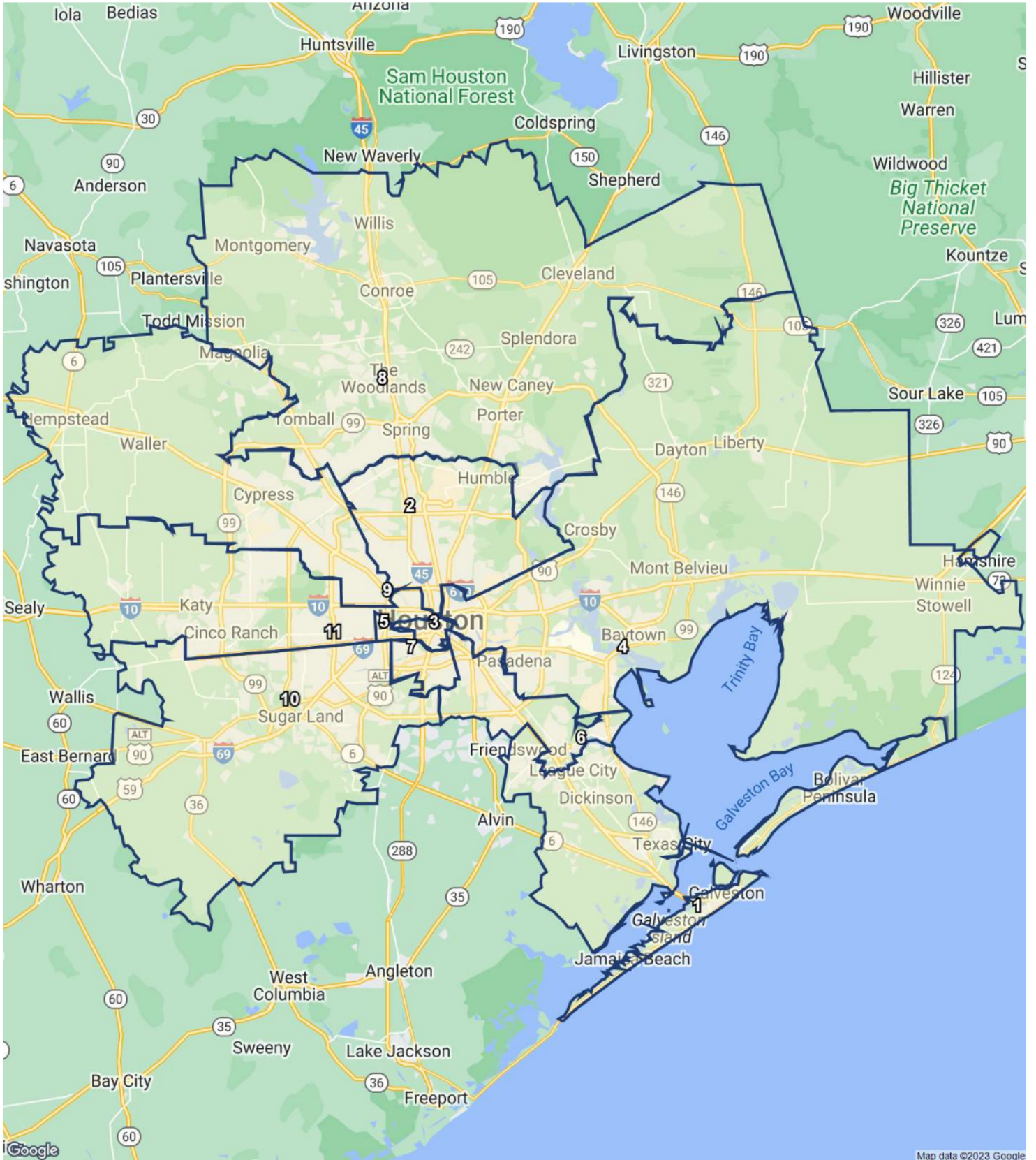
#### INCOME GROWTH



Source: Oxford Economics



### HOUSTON - TX SUBMARKETS



# Submarkets

Houston - TX Hospitality

## SUBMARKET INVENTORY

#	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Rooms	% Market	Rank	Bldgs	Rooms	%	Rank	Bldgs	Rooms	% Market	Rank
1	<a href="#">Galveston &amp; Texas City</a>	89	7,898	7.4%	9	2	196	2.5%	4	6	629	8.0%	2
2	<a href="#">George Bush Airport Area</a>	200	14,794	13.8%	1	0	0	-	-	0	0	0%	9
3	<a href="#">Houston CBD</a>	37	8,745	8.1%	7	1	10	0.1%	9	3	361	4.1%	3
4	<a href="#">Houston East/Baytown</a>	173	10,146	9.5%	5	2	262	2.6%	3	1	66	0.7%	8
5	<a href="#">Houston Galleria/Greenway...</a>	36	8,769	8.2%	6	0	0	-	-	1	150	1.7%	5
6	<a href="#">Houston Hobby Airport/NASA</a>	95	7,690	7.2%	10	2	112	1.5%	6	4	702	9.1%	1
7	<a href="#">Houston Medical Ctr/NRG S...</a>	61	7,045	6.6%	11	2	298	4.2%	1	0	0	0%	11
8	<a href="#">Houston North/Woodlands</a>	112	10,339	9.6%	4	2	350	3.4%	2	3	246	2.4%	4
9	<a href="#">Houston Northwest Freeway</a>	128	10,425	9.7%	3	2	182	1.7%	5	0	0	0%	10
10	<a href="#">Houston Southwest Freeway</a>	107	8,403	7.8%	8	1	112	1.3%	7	1	100	1.2%	6
11	<a href="#">Katy Freeway West</a>	123	13,090	12.2%	2	1	33	0.3%	8	2	115	0.9%	7

### 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	<a href="#">Galveston &amp; Texas City</a>	11	55.8%	4.8%	4	\$136.62	-1.5%	5	\$76.25	3.3%
2	<a href="#">George Bush Airport Area</a>	4	61.6%	8.0%	10	\$78.80	8.1%	8	\$48.55	16.7%
3	<a href="#">Houston CBD</a>	7	58.7%	15.8%	1	\$211.35	12.1%	1	\$123.95	29.8%
4	<a href="#">Houston East/Baytown</a>	9	57.5%	4.0%	11	\$75.83	1.6%	11	\$43.58	5.6%
5	<a href="#">Houston Galleria/Greenway...</a>	10	56.6%	14.9%	2	\$165.89	6.3%	2	\$93.91	22.2%
6	<a href="#">Houston Hobby Airport/NASA</a>	8	58.4%	2.6%	7	\$82.18	4.4%	9	\$48.02	7.2%
7	<a href="#">Houston Medical Ctr/NRG S...</a>	6	59.4%	9.3%	3	\$140.20	8.6%	3	\$83.22	18.6%
8	<a href="#">Houston North/Woodlands</a>	3	61.7%	5.0%	5	\$126.25	7.7%	4	\$77.94	13.1%
9	<a href="#">Houston Northwest Freeway</a>	5	59.5%	5.4%	9	\$80.07	4.7%	10	\$47.60	10.3%
10	<a href="#">Houston Southwest Freeway</a>	1	62.1%	5.0%	8	\$80.30	3.9%	7	\$49.85	9.1%
11	<a href="#">Katy Freeway West</a>	2	62.1%	4.5%	6	\$100.04	9.0%	6	\$62.07	13.9%

### OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	39,984,188	0	0%	24,902,929	110,115	0.4%
2026	39,984,188	19,206	0%	24,792,814	70,178	0.3%
2025	39,964,982	321,347	0.8%	24,722,636	609,481	2.5%
2024	39,643,635	655,456	1.7%	24,113,155	744,264	3.2%
2023	38,988,179	35,760	0.1%	23,368,891	1,317,538	6.0%
YTD	25,861,317	(115,099)	-0.4%	15,851,519	1,113,061	7.6%
2022	38,952,419	395,665	1.0%	22,051,353	1,190,321	5.7%
2021	38,556,754	1,206,132	3.2%	20,861,032	5,245,196	33.6%
2020	37,350,622	(12,657)	0%	15,615,836	(7,391,634)	-32.1%
2019	37,363,279	1,175,364	3.2%	23,007,470	593,338	2.6%
2018	36,187,915	1,275,849	3.7%	22,414,132	(530,427)	-2.3%
2017	34,912,066	1,518,114	4.5%	22,944,559	2,501,613	12.2%
2016	33,393,952	1,746,195	5.5%	20,442,946	(696,861)	-3.3%
2015	31,647,757	666,823	2.2%	21,139,807	(526,118)	-2.4%
2014	30,980,934	354,271	1.2%	21,665,925	1,046,084	5.1%
2013	30,626,663	206,453	0.7%	20,619,841	1,023,572	5.2%

### LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	9,257,498	0	0%	5,985,066	15,686	0.3%
2026	9,257,498	0	0%	5,969,380	26,466	0.4%
2025	9,257,498	159,654	1.8%	5,942,914	197,420	3.4%
2024	9,097,844	135,572	1.5%	5,745,494	315,357	5.8%
2023	8,962,272	56,550	0.6%	5,430,137	441,936	8.9%
YTD	5,945,138	16,735	0.3%	3,656,470	372,672	11.3%
2022	8,905,722	176,994	2.0%	4,988,201	956,914	23.7%
2021	8,728,728	474,135	5.7%	4,031,287	1,415,788	54.1%
2020	8,254,593	(450,077)	-5.2%	2,615,499	(3,172,642)	-54.8%
2019	8,704,670	311,796	3.7%	5,788,141	196,317	3.5%
2018	8,392,874	312,421	3.9%	5,591,824	184,510	3.4%
2017	8,080,453	353,441	4.6%	5,407,314	332,307	6.5%
2016	7,727,012	297,882	4.0%	5,075,007	(121,568)	-2.3%
2015	7,429,130	107,667	1.5%	5,196,575	(116,022)	-2.2%
2014	7,321,463	90,512	1.3%	5,312,597	113,932	2.2%
2013	7,230,951	(821)	0%	5,198,665	107,217	2.1%



### UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	17,064,271	0	0%	10,534,067	(36,407)	-0.3%
2026	17,064,271	0	0%	10,570,474	(5,948)	-0.1%
2025	17,064,271	112,782	0.7%	10,576,422	537,610	5.4%
2024	16,951,489	408,800	2.5%	10,038,812	51,952	0.5%
2023	16,542,689	85,973	0.5%	9,986,860	674,339	7.2%
YTD	10,965,234	(2,141)	0%	6,840,592	617,895	9.9%
2022	16,456,716	284,942	1.8%	9,312,521	242,776	2.7%
2021	16,171,774	705,593	4.6%	9,069,745	2,921,454	47.5%
2020	15,466,181	227,659	1.5%	6,148,291	(3,221,631)	-34.4%
2019	15,238,522	589,953	4.0%	9,369,922	239,071	2.6%
2018	14,648,569	697,428	5.0%	9,130,851	(163,118)	-1.8%
2017	13,951,141	1,079,547	8.4%	9,293,969	1,495,443	19.2%
2016	12,871,594	1,265,406	10.9%	7,798,526	(16,057)	-0.2%
2015	11,606,188	601,696	5.5%	7,814,583	70,853	0.9%
2014	11,004,492	291,442	2.7%	7,743,730	443,443	6.1%
2013	10,713,050	219,914	2.1%	7,300,287	480,338	7.0%

### MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2027	13,662,419	0	0%	8,383,796	130,836	1.6%
2026	13,662,419	19,206	0.1%	8,252,960	49,660	0.6%
2025	13,643,213	48,911	0.4%	8,203,300	(125,549)	-1.5%
2024	13,594,302	111,084	0.8%	8,328,849	376,955	4.7%
2023	13,483,218	(106,763)	-0.8%	7,951,894	201,263	2.6%
YTD	8,950,945	(129,693)	-1.4%	5,354,457	122,494	2.3%
2022	13,589,981	(66,271)	-0.5%	7,750,631	(9,369)	-0.1%
2021	13,656,252	26,404	0.2%	7,760,000	907,954	13.3%
2020	13,629,848	209,761	1.6%	6,852,046	(997,361)	-12.7%
2019	13,420,087	273,615	2.1%	7,849,407	157,950	2.1%
2018	13,146,472	266,000	2.1%	7,691,457	(551,819)	-6.7%
2017	12,880,472	85,126	0.7%	8,243,276	673,863	8.9%
2016	12,795,346	182,907	1.5%	7,569,413	(559,236)	-6.9%
2015	12,612,439	(42,540)	-0.3%	8,128,649	(480,949)	-5.6%
2014	12,654,979	(27,683)	-0.2%	8,609,598	488,709	6.0%
2013	12,682,662	(12,640)	-0.1%	8,120,889	436,016	5.7%



## OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	62.3%	0.4%	\$119.77	1.7%	\$74.60	2.1%
2026	62.0%	0.2%	\$117.77	3.2%	\$73.03	3.4%
2025	61.9%	1.7%	\$114.15	2.0%	\$70.61	3.8%
2024	60.8%	1.5%	\$111.89	-0.4%	\$68.06	1.1%
2023	59.9%	5.9%	\$112.32	5.5%	\$67.32	11.7%
YTD	61.3%	8.0%	\$114.43	7.7%	\$70.14	16.4%
2022	56.6%	4.6%	\$106.47	12.4%	\$60.27	17.6%
2021	54.1%	29.4%	\$94.75	13.4%	\$51.26	46.8%
2020	41.8%	-32.1%	\$83.52	-19.0%	\$34.92	-45.0%
2019	61.6%	-0.6%	\$103.13	-3.1%	\$63.51	-3.7%
2018	61.9%	-5.8%	\$106.48	-2.1%	\$65.95	-7.7%
2017	65.7%	7.4%	\$108.78	3.3%	\$71.49	10.9%
2016	61.2%	-8.4%	\$105.28	-3.7%	\$64.45	-11.8%
2015	66.8%	-4.5%	\$109.33	1.3%	\$73.03	-3.3%
2014	69.9%	3.9%	\$107.96	5.8%	\$75.50	9.9%
2013	67.3%	4.5%	\$102.07	7.7%	\$68.72	12.6%

## LUXURY &amp; UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	64.7%	0.3%	\$195.19	1.1%	\$126.19	1.4%
2026	64.5%	0.4%	\$193.05	1.6%	\$124.48	2.0%
2025	64.2%	1.7%	\$190.05	-0.3%	\$122	1.3%
2024	63.2%	4.2%	\$190.70	-2.1%	\$120.43	2.1%
2023	60.6%	8.2%	\$194.77	4.4%	\$118.01	13.0%
YTD	61.5%	11.0%	\$197.42	6.8%	\$121.42	18.6%
2022	56.0%	21.3%	\$186.50	13.4%	\$104.46	37.6%
2021	46.2%	45.8%	\$164.43	7.5%	\$75.94	56.7%
2020	31.7%	-52.3%	\$152.94	-8.1%	\$48.46	-56.2%
2019	66.5%	-0.2%	\$166.37	0.9%	\$110.63	0.7%
2018	66.6%	-0.4%	\$164.85	-1.0%	\$109.83	-1.4%
2017	66.9%	1.9%	\$166.43	2.7%	\$111.37	4.6%
2016	65.7%	-6.1%	\$162.09	-3.4%	\$106.46	-9.3%
2015	69.9%	-3.6%	\$167.81	0%	\$117.38	-3.6%
2014	72.6%	0.9%	\$167.88	4.8%	\$121.82	5.8%
2013	71.9%	2.1%	\$160.13	8.7%	\$115.12	11.0%

## UPSCALE &amp; UPPER MIDSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	61.7%	-0.3%	\$119.22	2.3%	\$73.60	2.0%
2026	61.9%	-0.1%	\$116.51	3.9%	\$72.17	3.9%
2025	62.0%	4.7%	\$112.09	2.1%	\$69.48	6.9%
2024	59.2%	-1.9%	\$109.74	0%	\$64.99	-1.9%
2023	60.4%	6.7%	\$109.74	5.4%	\$66.25	12.5%
YTD	62.4%	10.0%	\$112.25	7.2%	\$70.03	17.8%
2022	56.6%	0.9%	\$104.09	8.6%	\$58.90	9.6%
2021	56.1%	41.1%	\$95.82	7.2%	\$53.74	51.3%
2020	39.8%	-35.3%	\$89.34	-14.2%	\$35.52	-44.5%
2019	61.5%	-1.4%	\$104.13	-4.5%	\$64.03	-5.7%
2018	62.3%	-6.4%	\$108.98	-4.2%	\$67.93	-10.4%
2017	66.6%	10.0%	\$113.75	1.7%	\$75.78	11.9%
2016	60.6%	-10.0%	\$111.81	-6.2%	\$67.74	-15.6%
2015	67.3%	-4.3%	\$119.21	-0.8%	\$80.27	-5.1%
2014	70.4%	3.3%	\$120.14	7.1%	\$84.54	10.6%
2013	68.1%	4.8%	\$112.17	8.1%	\$76.44	13.3%

## MIDSCALE &amp; ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2027	61.4%	1.6%	\$66.62	2.6%	\$40.88	4.2%
2026	60.4%	0.5%	\$64.93	5.0%	\$39.22	5.5%
2025	60.1%	-1.9%	\$61.81	2.8%	\$37.17	0.9%
2024	61.3%	3.9%	\$60.12	1.4%	\$36.83	5.4%
2023	59.0%	3.4%	\$59.27	2.5%	\$34.95	6.0%
YTD	59.8%	3.8%	\$60.53	3.2%	\$36.21	7.2%
2022	57.0%	0.4%	\$57.82	0.9%	\$32.98	1.3%
2021	56.8%	13.0%	\$57.29	10.6%	\$32.56	25.0%
2020	50.3%	-14.0%	\$51.80	-6.4%	\$26.04	-19.5%
2019	58.5%	0%	\$55.31	-9.4%	\$32.35	-9.5%
2018	58.5%	-8.6%	\$61.07	-6.6%	\$35.73	-14.6%
2017	64.0%	8.2%	\$65.35	8.1%	\$41.82	16.9%
2016	59.2%	-8.2%	\$60.45	-3.2%	\$35.76	-11.1%
2015	64.4%	-5.3%	\$62.45	4.0%	\$40.25	-1.5%
2014	68.0%	6.2%	\$60.04	7.6%	\$40.85	14.3%
2013	64.0%	5.8%	\$55.82	7.4%	\$35.74	13.6%

### 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	-	-	-	-	-	-	\$107,881	154	11.9%
2026	-	-	-	-	-	-	\$100,157	143	12.3%
2025	-	-	-	-	-	-	\$89,915	128	12.9%
2024	-	-	-	-	-	-	\$85,368	122	12.9%
2023	-	-	-	-	-	-	\$94,782	135	11.3%
YTD	14	\$104.8M	1.7%	\$7,488,188	\$58,469	-	\$100,794	144	10.6%
2022	27	\$236.9M	2.8%	\$8,773,843	\$79,757	7.9%	\$95,755	136	10.3%
2021	33	\$519.8M	4.1%	\$15,752,017	\$118,924	8.9%	\$94,513	135	10.0%
2020	17	\$64.3M	1.4%	\$3,781,915	\$42,021	9.2%	\$101,015	144	10.3%
2019	29	\$264.9M	3.7%	\$9,132,846	\$68,068	7.6%	\$114,500	163	10.2%
2018	25	\$127.3M	2.9%	\$5,093,120	\$43,710	8.5%	\$124,640	178	9.6%
2017	14	\$107.3M	1.4%	\$7,662,679	\$79,701	10.9%	\$128,454	183	9.3%
2016	12	\$249.7M	2.0%	\$20,805,364	\$129,226	8.4%	\$135,326	193	8.8%
2015	13	\$231.8M	2.0%	\$17,831,383	\$127,312	8.7%	\$135,891	194	8.4%
2014	20	\$425.2M	3.1%	\$21,260,187	\$157,541	10.3%	\$122,763	175	8.4%
2013	11	\$375.4M	3.2%	\$34,123,777	\$139,540	8.5%	\$104,392	149	8.8%

(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	-	-	-	-	-	-	\$228,795	168	10.5%
2026	-	-	-	-	-	-	\$212,415	156	10.8%
2025	-	-	-	-	-	-	\$190,692	140	11.4%
2024	-	-	-	-	-	-	\$181,049	133	11.4%
2023	-	-	-	-	-	-	\$201,015	148	10.0%
YTD	-	-	-	-	-	-	\$213,826	157	9.3%
2022	1	\$26.2M	1.2%	\$26,187,000	\$87,000	-	\$200,332	147	9.2%
2021	5	\$339.3M	6.2%	\$67,866,662	\$221,497	7.6%	\$195,542	144	9.0%
2020	-	-	-	-	-	-	\$207,827	153	9.3%
2019	2	\$118M	5.8%	\$59,000,000	\$84,286	-	\$233,154	171	9.2%
2018	2	\$33M	3.7%	\$16,500,000	\$37,931	-	\$251,881	185	8.5%
2017	-	-	-	-	-	-	\$258,290	190	8.3%
2016	2	\$120M	3.5%	\$60,000,000	\$156,047	-	\$272,124	200	7.8%
2015	2	\$91.2M	1.8%	\$45,575,739	\$238,754	8.7%	\$271,547	200	7.4%
2014	1	\$25.8M	0.3%	\$25,800,000	\$368,571	-	\$243,668	179	7.5%
2013	3	\$250.8M	7.9%	\$83,600,000	\$160,976	7.9%	\$204,639	150	7.9%

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### 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	-	-	-	-	-	-	\$90,848	140	12.1%
2026	-	-	-	-	-	-	\$84,344	130	12.5%
2025	-	-	-	-	-	-	\$75,718	117	13.2%
2024	-	-	-	-	-	-	\$71,889	111	13.2%
2023	-	-	-	-	-	-	\$79,817	123	11.6%
YTD	12	\$99M	3.6%	\$8,252,886	\$59,767	-	\$84,904	131	10.8%
2022	20	\$174.7M	4.5%	\$8,735,920	\$84,971	7.9%	\$81,667	126	10.5%
2021	22	\$160.2M	5.2%	\$7,280,897	\$68,104	-	\$81,599	126	10.2%
2020	11	\$44.4M	2.1%	\$4,033,414	\$47,149	5.9%	\$87,780	135	10.5%
2019	14	\$101M	3.2%	\$7,210,830	\$73,526	-	\$100,675	155	10.3%
2018	7	\$43.4M	1.4%	\$6,203,857	\$77,826	9.0%	\$112,190	173	9.6%
2017	7	\$84.2M	2.2%	\$12,028,571	\$97,005	9.2%	\$116,898	180	9.3%
2016	5	\$112.5M	2.1%	\$22,502,766	\$144,434	7.3%	\$123,659	191	8.8%
2015	4	\$95.6M	1.8%	\$23,911,287	\$162,939	-	\$124,757	192	8.3%
2014	16	\$390.5M	7.7%	\$24,403,358	\$164,194	10.0%	\$112,967	174	8.3%
2013	4	\$115.9M	2.2%	\$28,970,962	\$179,387	8.7%	\$97,117	150	8.7%

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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	-	-	-	-	-	-	\$47,840	146	12.5%
2026	-	-	-	-	-	-	\$44,415	136	12.9%
2025	-	-	-	-	-	-	\$39,873	122	13.5%
2024	-	-	-	-	-	-	\$37,857	116	13.6%
2023	-	-	-	-	-	-	\$42,032	129	11.9%
YTD	2	\$5.8M	0.4%	\$2,900,000	\$42,647	-	\$44,710	137	11.1%
2022	6	\$36M	1.6%	\$5,998,059	\$58,709	-	\$43,103	132	10.8%
2021	6	\$20.3M	1.3%	\$3,383,917	\$41,691	10.3%	\$42,780	131	10.5%
2020	6	\$19.9M	1.6%	\$3,320,833	\$33,829	10.8%	\$45,801	140	10.8%
2019	13	\$45.9M	3.0%	\$3,530,839	\$41,056	7.6%	\$52,075	159	10.7%
2018	16	\$50.9M	4.1%	\$3,181,312	\$34,277	8.1%	\$54,745	167	10.3%
2017	7	\$23.1M	1.3%	\$3,296,786	\$48,279	13.5%	\$55,703	170	10.0%
2016	5	\$17.2M	1.1%	\$3,430,108	\$44,663	9.5%	\$58,040	177	9.6%
2015	7	\$45M	2.5%	\$6,430,194	\$52,830	-	\$58,705	179	9.0%
2014	3	\$9M	0.7%	\$2,983,333	\$35,657	11.2%	\$53,811	165	9.0%
2013	4	\$8.7M	1.4%	\$2,169,424	\$17,855	9.3%	\$46,166	141	9.4%

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## DELIVERIES &amp; UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	1,161	107,344	0.1%	11	1,198	10	1,086	21	2,369
2022	1,156	107,231	-0.5%	13	947	3	(405)	22	2,839
2021	1,158	107,718	2.0%	20	2,577	13	2,056	22	2,160
2020	1,138	105,557	0.9%	28	2,030	20	1,613	28	3,490
2019	1,122	104,572	3.2%	39	3,687	35	3,278	37	3,561
2018	1,087	101,370	3.0%	40	3,101	35	2,728	37	4,073
2017	1,051	98,371	3.8%	40	3,593	39	3,557	38	3,967
2016	1,015	94,752	6.5%	54	5,599	48	5,422	37	3,513
2015	962	88,962	3.4%	36	3,360	30	2,811	56	6,618
2014	935	86,033	2.1%	21	1,959	17	1,386	23	3,441
2013	918	84,296	0.4%	13	1,002	9	737	13	1,439