

# HOTEL MARKET STUDY REPORT

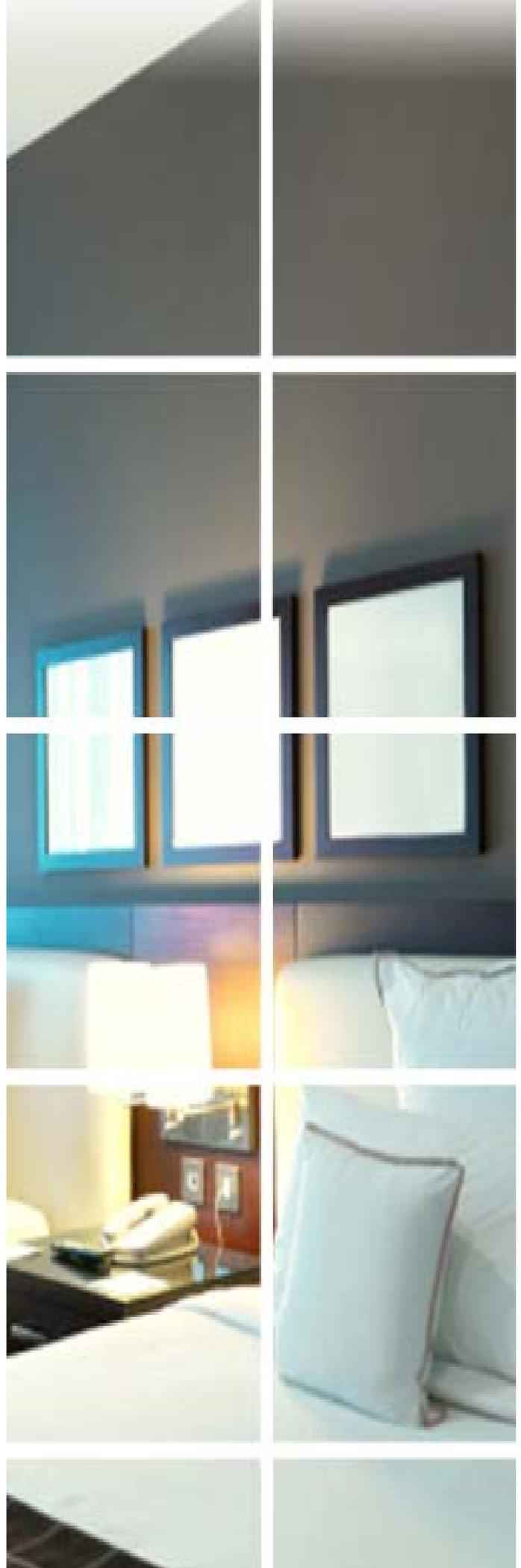
**City of Auburn - Auburn, WA**  
Auburn, King County, Washington 98001

Prepared For

**City of Auburn**

Ms. Tanya Carter  
Economic Development  
City of Auburn  
25 West Main Street  
Auburn, WA 98001

LWHA® Job No.: 19-NY-227





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September 12, 2019

Ms. Tanya Carter  
Economic Development  
City of Auburn  
25 West Main Street  
Auburn, WA 98001

Re: Hotel Market Study for the  
City of Auburn - Auburn, WA  
Auburn, King County, Washington 98001

LWHA® Job No.: 19-NY-227

Dear Ms. Carter,

In fulfillment of our agreement as outlined in the Agreement for Services, we are pleased to transmit our Hotel Market Study of the above-captioned property in a Hotel Market Study report dated September 12, 2019.

This report has been prepared for the use and benefit of the Client, the City of Auburn, for internal decision-making purposes. It may also be distributed to parties interested in hotel development in Auburn and/or potential financing sources. It may not be distributed or relied upon by other persons or entities without written permission of LW Hospitality Advisors.

LWHA understands that the Client is looking for advice on potentially viable new lodging development in the City and impact of such development on the local hotel market.

Based on our market research, it appears that additional hotel development of approximately 200 rooms could be supported in Auburn in the coming years. In particular, we believe the development of a branded Midscale or Upper Midscale Hotel (such as Fairfield by Marriott, Tru by Hilton, or Wingate by Wyndham) and a branded Midscale or Upper Midscale Extended-Stay Hotel product (such as TownePlace Suites by Marriott, Home 2 Suites by Hilton, or Candlewood Suites by IHG) would be viable new products in the Auburn market.

The projections contained in this analysis are based on these potential niches, but are not specific to any individual brand. Once a specific brand is chosen, we are available to update and fine-tune our projections.

This report assumes that the proposed subject hotels are competently managed, and will feature all amenities required by the respective brand, such as a complimentary breakfast, exercise room, indoor pool, guest laundry and sundry shop, meeting room, as well as the required parking spaces.

The consultants assume that following appropriate planning, development, construction and appropriate pre-opening marketing, the hotel will open and remain operational. The analysis contained in this Hotel Market Study is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to the future behavior of consumers and the general economy, which are highly uncertain. However, it is inevitable that some assumptions will not materialize and unanticipated events may occur that will cause actual achieved operating results to differ from the financial analyses contained in this report and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience and the data available, we make no warranty that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management and we are not responsible for future marketing efforts and other management actions upon which actual results may depend.

We did not ascertain the legal, engineering, and regulatory requirements applicable to the property, including zoning and other state and local government regulations, permits and licenses. No effort has been made to determine the possible impact on the property of present or future federal, state or local legislation, including any environmental or ecological matters or interpretations thereof. With respect to the market demand analysis, our work did not include analysis of the potential impact of any significant rise or decline in local or general economic conditions.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the last day of our fieldwork, July 29, 2019.

Respectfully submitted,

**LW Hospitality Advisors®**

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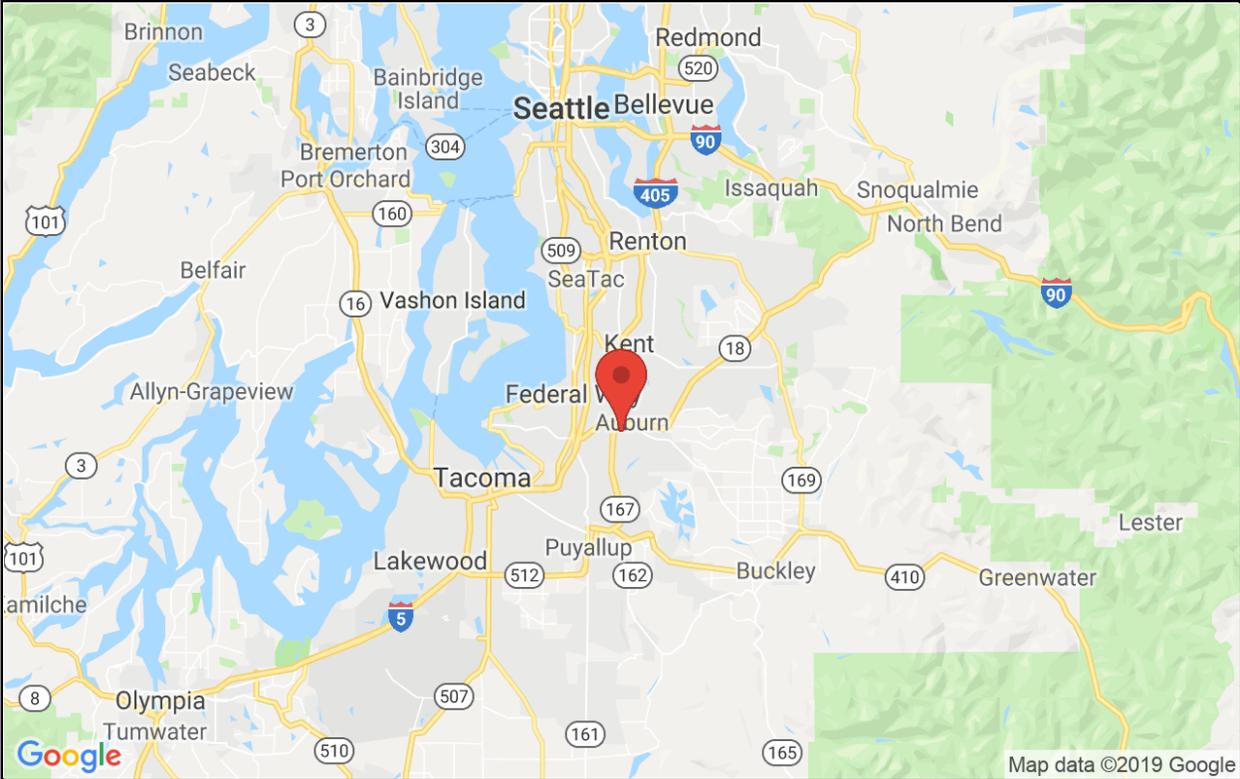
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# Location Map



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## Executive Summary

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Based on our research, we believe that additional hotel development in the Auburn market would be supported in the coming years. In particular, we believe the development of a branded Midscale or Upper Midscale Hotel (such as Fairfield by Marriott, Tru by Hilton, Wingate by Wyndham, or similar) and a branded Midscale or Upper Midscale Extended-Stay Hotel product (such as TownePlace Suites by Marriott, Home 2 Suites by Hilton, Candlewood Suites by IHG, or similar) totaling approximately 200 rooms would be viable additions to the Auburn lodging market.

The following SWOT analysis is based upon our research and findings:

### ***Strengths***

- The subject market is part of the greater Puget Sound region, which has experienced significant economic growth in recent years
- The City is a major manufacturing and distribution hub with major employers such as Boeing and Safeway
- Auburn's leadership is growth-oriented
- The City has very good access from two major highways (WA State Routes 18 and 167)
- The City has available land and/or redevelopment opportunities

### ***Weaknesses***

- Existing hotel occupancy and ADR levels in the market are currently below average for the region
- While the City has significant local employment, much is industrial or distribution-oriented, which typically does not generate as much hotel demand as corporate offices
- Much of the 658 rooms of existing hotel supply in Auburn is dated and many current hotel guests are rate sensitive

### ***Opportunities***

- New, branded lodging facilities in the area should perform significantly better than existing ones. The newest hotel in the market (La Quinta) was built in 2011 and the remaining properties were built between 1979 and 1999 (20 to 40 years ago).
- The addition of the Fieldhouse USA facility at the Outlet Collection and other developments in the market are expected to significantly increase travel to the area. The existing Fieldhouse USA facility in Frisco, Texas reportedly generates 14,000 to 15,000 room nights annually. The nearby Muckleshoot Casino is also expanding.

### ***Threats***

- New hotel additions outside of the immediate Auburn market, including a 400-room luxury hotel at the Muckleshoot Casino
- A 120-room Holiday Inn Express recently opened near downtown Auburn and its performance is not yet proven

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## Scope of Study

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### *Scope of Work*

In preparing this Hotel Market Study, LWHA®:

- Discussed with representatives of the client the current competitive market and potential opportunities;
- Analyzed key documents relative to the market's performance including, but not limited to, Smith Travel Research reports, comparable operating statements, and marketing plans;
- Assembled and analyzed key economic and demographic data pertaining to the immediate market area and the regional market area to estimate the future growth potential of lodging demand;
- Interviewed representatives of local and state economic agencies and other related organizations to determine patterns of growth, stability or decline in the market area. These interviews addressed major economic development projects in the market that may impact lodging demand including office, retail, residential, recreational, transportation, and other facilities;
- Assessed the subject's surrounding markets to identify major known external factors that may positively or negatively affect the future lodging demand for the proposed Hotel;
- Toured select existing competitive hotels to evaluate the present quality level, mix and scope of facilities, and physical condition. Interviewed representatives of key competitive hotels regarding market trends and their individual hotel operations, including demand segmentation, historical performance, market positioning and any proposed improvements and/or renovations;
- Investigated, to the extent such information is available, any planned competitive hotel additions or expansions in the immediate and surrounding areas to determine each development's progress, anticipated size, type, class, chain affiliation, facilities and timing, plus an assessment of each project's likelihood of completion;
- Analyzed the historical and current lodging demand for the competitive set and estimated future changes in market demand based on factors studied in the market analysis;
- Evaluated potentially viable niches relative to their ability to satisfy the potential demand segments available in the market. LWHA addressed overall quality level, guest room inventory, amount of meeting space, and mix of ancillary amenities/facilities (food, beverage, recreational, in-room technology);
- Prepared projections of market-wide occupancy and recommended potential niche(s) for the proposed hotel.

### *Date of Inspection*

July 29, 2019

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## Assumptions & Limiting Conditions

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1. Unless otherwise specifically noted in the body of the report, it is assumed that title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or projections. LW Hospitality Advisors LLC (LWHA) is not aware of any title defects nor has it been advised of any unless such is specifically noted in the report. LWHA, however, has not examined title and makes no representations relative to the condition thereof. Documents dealing with liens, encumbrances, easements, deed restrictions, clouds and other conditions that may affect the quality of title have not been reviewed. Insurance against financial loss resulting in claims that may arise out of defects in the subject's title should be sought from a qualified title company that issues or insures title to real property.
2. Unless otherwise specifically noted in the body of this report, it is assumed: that the improvements on the proposed property will be structurally sound, seismically safe and code conforming; that all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) will be in good working order with no major deferred maintenance or repair required; that the roof and exterior will be in good condition and free from intrusion by the elements; that the property or properties have been engineered in such a manner that the improvements conform to all applicable local, state, and federal building codes and ordinances. LWHA professionals are not engineers and are not competent to judge matters of an engineering nature. LWHA has not retained independent structural, mechanical, electrical, or civil engineers in connection with this report and, therefore, make no representations relative to the condition of improvements. Unless otherwise specifically noted in the body of the report: no problems were brought to the attention of LWHA by ownership or management; LWHA inspected less than 100% of the entire interior and exterior portions of the improvements; and LWHA was not furnished any engineering studies by the owners or by the party requesting this report. If questions in these areas are critical to the decision process of the reader, the advice of competent engineering consultants should be obtained and relied upon. It is specifically assumed that any knowledgeable and prudent purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems. Structural problems and/or building system problems may not be visually detectable. If engineering consultants retained should report negative factors of a material nature, or if such are later discovered, relative to the condition of improvements, such information could have a substantial negative impact on the conclusions reported in this report. Accordingly, if negative findings are reported by engineering consultants, LWHA reserves the right to amend the report conclusions reported herein.
3. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property was not observed by the appraisers. LWHA has no knowledge of the existence of such materials on or in the property. LWHA, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater or other potentially hazardous materials may affect the projections of the property. The projections estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in projections. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired. We have inspected, as thoroughly as possible by observation, the land; however, it was impossible to personally inspect conditions beneath the soil. Therefore, no representation is made as to these matters unless specifically considered in the report.
4. All furnishings, equipment and business operations, except as specifically stated and typically considered as part of real property, have been disregarded with only real property being considered in the report unless otherwise stated. Any existing or proposed improvements, on or off-site, as well as any alterations or repairs considered, are assumed to be completed in a workmanlike manner according to standard practices based upon the information submitted to LWHA. This report may be subject to amendment upon re-inspection of the subject subsequent to repairs, modifications, alterations and completed new construction. Any estimate of Market Projections is as of the date indicated; based upon the information, conditions and projected levels of operation.
5. It is assumed that all factual data furnished by the client, property owner, owner's representative, or persons designated by the client or owner to supply said data are accurate and correct unless otherwise specifically noted in the report. Unless otherwise specifically noted in the report, LWHA has no reason to believe that any of the data furnished contain any material error. Information and data referred to in this paragraph include, without being limited to, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any material error in any of the above data could have a substantial impact on the conclusions reported. Thus, LWHA reserves the right to amend conclusions reported if made aware of any such error. Accordingly, the client-addressee should carefully review all assumptions, data, relevant calculations, and conclusions within 30 days after the date of delivery of this report and should immediately notify LWHA of any questions or errors.

6. This report is based on market conditions existing as of the date of this report. Under the terms of the engagement, we will have no obligation to revise this report to reflect events or conditions which occur subsequent to the date of the report. However, LWHA will be available to discuss the necessity for revision resulting from changes in economic or market factors affecting the subject.
7. LWHA assumes no private deed restrictions, limiting the use of the subject in any way.
8. Unless otherwise noted in the body of the report, it is assumed that there are no mineral deposits or subsurface rights of projections involved in this report, whether they be gas, liquid, or solid. Nor are the rights associated with extraction or exploration of such elements considered unless otherwise stated in this report. Unless otherwise stated it is also assumed that there are no air or development rights of projections that may be transferred.
9. LWHA is not aware of any contemplated public initiatives, governmental development controls, or rent controls that would significantly affect the projections of the subject.
10. Any cash flows included in the analysis are forecasts of estimated future operating characteristics are predicated on the information and assumptions contained within the report. Any projections of income, expenses and economic conditions utilized in this report are not predictions of the future. Rather, they are estimates of current market expectations of future income and expenses. The achievement of the financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that cannot be assured. Actual results may vary from the projections considered herein. LWHA does not warrant these forecasts will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of LWHA
11. Unless specifically set forth in the body of the report, nothing contained herein shall be construed to represent any direct or indirect recommendation of LWHA to buy, sell, or hold the properties at the projections stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form.
12. Also, unless otherwise noted in the body of this report, it is assumed that no changes in the present zoning ordinances or regulations governing use, density, or shape are being considered. LWHA assumes that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be obtained or renewed for any use on which the projections estimates contained in this report is based, unless otherwise stated.
13. The maps, plats, sketches, graphs, photographs and exhibits included in this report are for illustration purposes only and are to be utilized only to assist in visualizing matters discussed within this report. Except as specifically stated, data relative to size or area of the subject and comparable properties has been obtained from sources deemed accurate and reliable. None of the exhibits are to be removed, reproduced, or used apart from this report.
14. No opinion is intended to be expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Projections and opinions expressed presume that environmental and other governmental restrictions/conditions by applicable agencies have been met, including but not limited to seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, licenses, etc. No survey, engineering study or architectural analysis has been made known to LWHA unless otherwise stated within the body of this report. If the Consultant has not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranty is made concerning obtaining these items. LWHA assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
15. Acceptance and/or use of this report constitutes full acceptance of the Contingent and Limiting Conditions and special assumptions set forth in this report. It is the responsibility of the Client, or client's designees, to read in full, comprehend and thus become aware of the aforementioned contingencies and limiting conditions. LWHA assumes no responsibility for any situation arising out of the Client's failure to become familiar with and understand the same. The Client is advised to retain experts in areas that fall outside the scope of the real estate report/consulting profession if so desired.
16. LWHA assumes that the subject analyzed herein will be under prudent and competent management and ownership; neither inefficient nor super-efficient.
17. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined and considered in the report.
18. No survey of the boundaries of the property was undertaken. All areas and dimensions furnished are presumed to be correct. It is further assumed that no encroachments to the realty exist.
19. The Americans with Disabilities Act (ADA) became effective January 26, 1992. Notwithstanding any discussion of possible readily achievable barrier removal construction items in this report, LWHA has not made a specific compliance survey and analysis of this property to determine whether it is in conformance with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect on the projections estimated herein. Since LWHA has no specific information relating to this issue, nor is

LWHA qualified to make such an assessment, the effect of any possible non-compliance with the requirements of the ADA was not considered in estimating the projections of the subject.

20. Client shall not indemnify Consultant or hold Consultant harmless unless and only to the extent that the Client misrepresents, distorts, or provides incomplete or inaccurate report results to others, which acts of the Client approximately result in damage to Consultant. Notwithstanding the foregoing, Consultant shall have no obligation under this Section with respect to any loss that is caused solely by the active negligence or willful misconduct of a Client and is not contributed to by any act or omission (including any failure to perform any duty imposed by law) by Consultant. Client shall indemnify and hold Consultant harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the report to any third party. In the event of any litigation between the parties, the prevailing party to such litigation shall be entitled to recover, from the other, reasonable attorney fees and costs.
21. The report is for the sole use of the client; however, client may provide only complete, final copies of the report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Consultant is not required to explain or testify as to report results other than to respond to the client for routine and customary questions. We do consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

## General Site Description

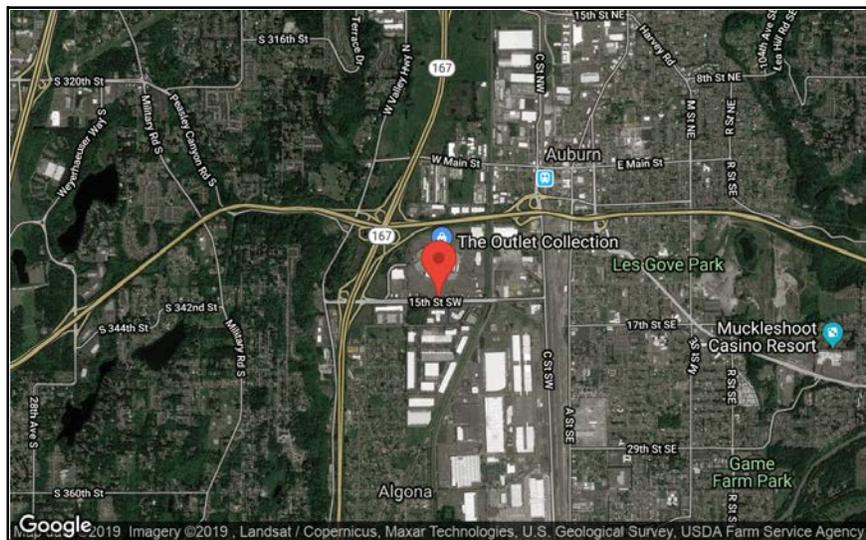
### *Location*

The results of this study are not specific to a particular site in Auburn. However, we assume the hotel site(s) will have good access and visibility, and be within walking distance to area shops and restaurants.

The owners of the Outlet Collection have identified locations for potentially two hotels on site. This location has a plethora of amenities, as well as very good access and visibility.

Sites in downtown and northern Auburn are also potentially viable locations for new hotel construction.

### *Aerial Map*



### *Configuration*

We assume the sites will be roughly rectangular or square.

### *Topography*

We assume the sites will be level or slightly sloped.

### *Utilities*

Typical municipal utilities, including electricity, telephone, gas, water and sewer, etc.

### *Access & Visibility*

The subject properties should have good access from Highways 18 and 167 and good visibility from the surrounding area.

## Brand Descriptions

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Following our analysis of the existing local lodging market, available brands, and market demand trends, we have utilized 90 rooms and 100 rooms for the proposed properties based on our proposed positioning as a branded Midscale or Upper Midscale, traditional and extended-stay hotels. We recommend these types of properties after reviewing the market as well as interviewing potential users of the subject property and speaking with development teams of several nationally recognized brands. The immediate Auburn market does not currently have an extended-stay product. It also historically has not had any Marriott, Hilton, or IHG-branded product, though a Holiday Inn Express opened recently. All three brand companies have strong followings with their guest loyalty programs, particularly among commercial travelers.

We assume the hotels will be managed by a competent third-party operators and that the hotels will be branded traditional and extended-stay hotel products affiliated with brands such as Tru, Fairfield, Wingate, TownePlace, Home 2 Suites, or Candlewood Suites.

Following is a summary of the brands of particular consideration, which reflect the product types and amenity packages we believe appropriate for the market.

## Tru by Hilton



### History

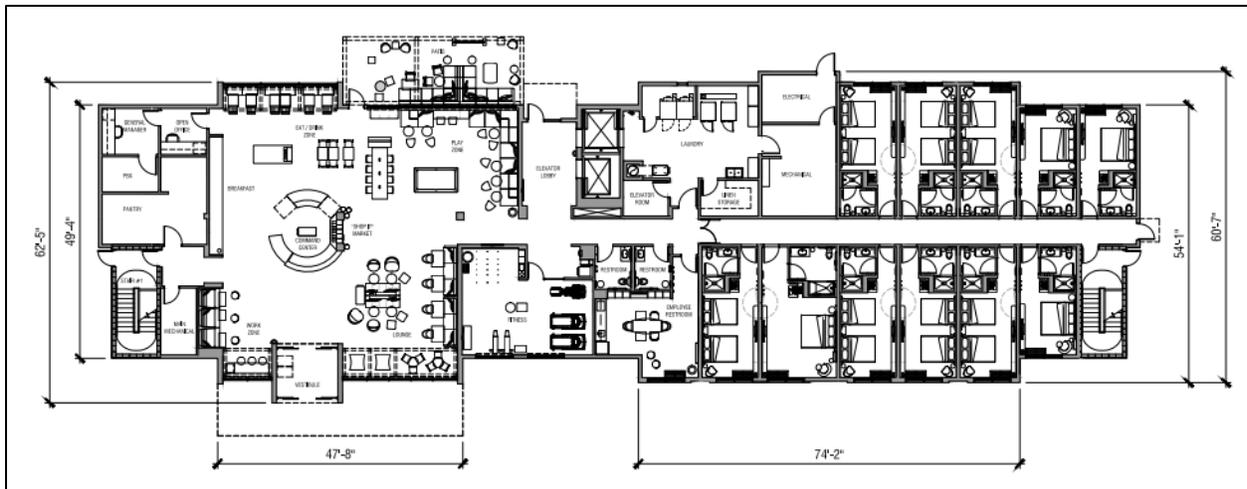
Tru is a midscale brand by Hilton focused primarily on business and leisure travelers. The hotels feature rooms with one king bed or two queen beds. The brand currently consists of roughly 53 properties across the U.S., with 300 in the pipeline.

### Brand

- STR Chain Scale: Midscale
- Target Market: Business and Leisure Travelers

### Typical Amenities

- Business Center/Lounge
- Sundry Shop
- Guest Laundry
- Exercise Room
- Complimentary Wi-Fi
- Complimentary Breakfast



## Fairfield by Marriott



### History

Fairfield is an upper midscale brand by Marriott focused primarily on business and leisure travelers. The hotels feature rooms with one king bed, two queen beds, and one-bedroom suites with one king bed and a hide-a-bed. The brand currently consists of roughly 1,024 properties across the U.S., with 408 in the pipeline.

### Brand

- STR Chain Scale: Upper Midscale
- Target Market: Business and Leisure Travelers

### Typical Amenities

- Business Center/Lounge
- Sundry Shop
- Guest Laundry
- Exercise Room
- Complimentary Wi-Fi
- Complimentary Breakfast

# Wingate by Wyndham



## Modern Life in Balance

### History

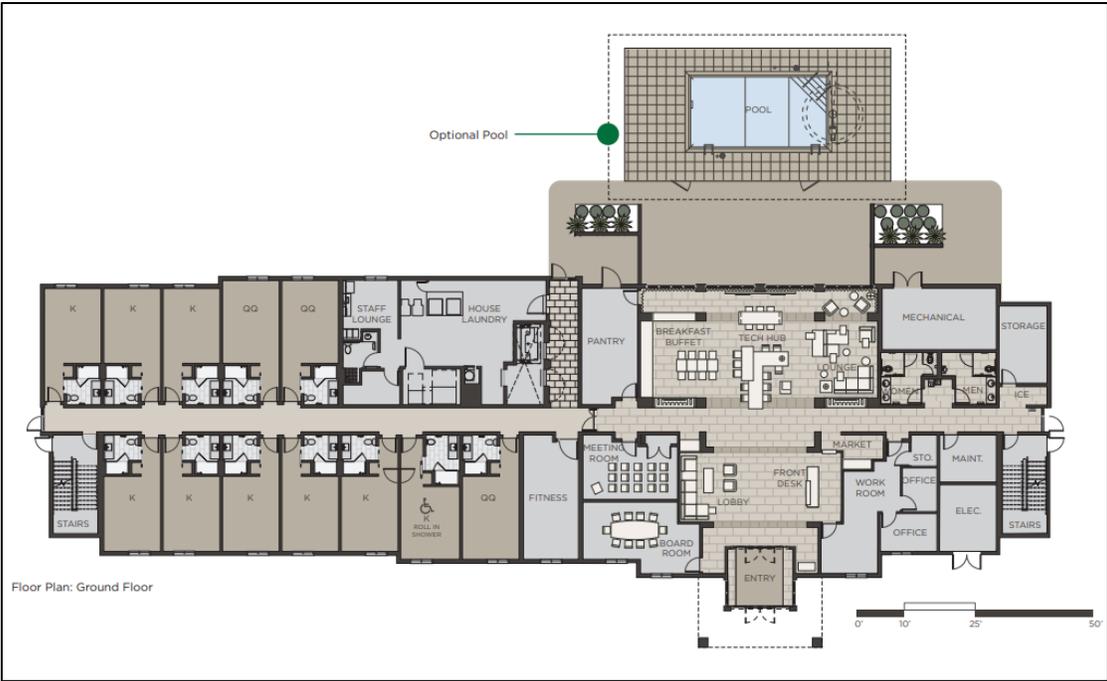
Wingate is a midscale brand by Wyndham focused primarily on business and leisure travelers. The hotels feature rooms with one king bed, two queen beds, and one-bedroom suites with one king bed and a hide-a-bed. The brand currently consists of roughly 164 properties across the U.S., with 300 in the pipeline.

### Brand

- STR Chain Scale: Midscale
- Target Market: Business and Leisure Travelers

### Typical Amenities

- Business Center/Lounge
- Sundry Shop
- Meeting Room
- Guest Laundry
- Exercise Room
- Complimentary Wi-Fi
- Complimentary Breakfast



## TownePlace Suites

# TOWNEPLACE SUITES<sup>®</sup>

BY MARRIOTT

### History

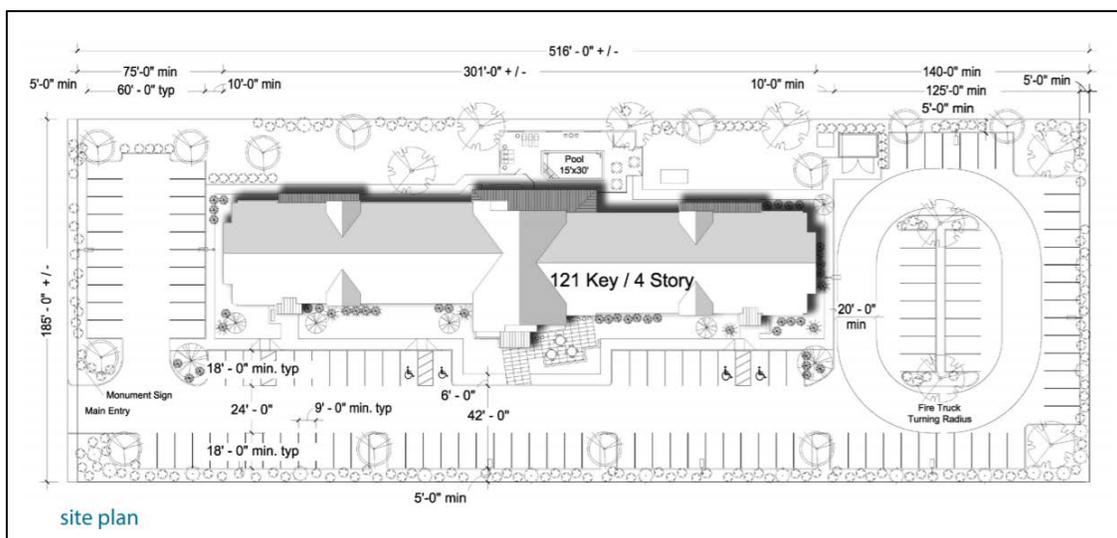
TownePlace is an upper midscale, extended-stay brand by Marriott focused primarily on business and leisure travelers. The hotels feature studio suites with one or two queen beds, one bedroom suites, and two bedroom suites. The brand currently consists of roughly 400 properties across the U.S., with 223 in the pipeline.

### Brand

- STR Chain Scale: Upper Midscale
- Target Market: Business and Leisure Travelers

### Typical Amenities

- Business Center/Lounge
- Sundry Shop
- Guest Laundry
- Exercise Room
- Pool
- Complimentary Wi-Fi
- Complimentary Breakfast
- Fully-Equipped Kitchens including refrigerator, microwave, dishwasher, dishes, glassware, and a stovetop



## Home 2 Suites



### History

Launched in January 2009, Home2 Suites by Hilton was the first new brand introduced by Hilton Worldwide in 20 years. The hotels feature studio suites, all with full kitchens. The brand currently consists of 290 properties across the U.S, with 400 hotels in the pipeline.

### Brand

- STR Chain Scale: Midscale
- Target Market: Business and Leisure Travelers

### Typical Amenities

- Sundry Shop
- Guest Laundry
- Exercise Room
- Pool
- Complimentary Wi-Fi
- Fully-Equipped Kitchens including refrigerator, microwave, and dishwasher

## Candlewood Suites



### History

The Candlewood Suites chain was started in 1995 by Jack Deboer, founder of the Residence Inn and co-founder of the Summerfield Suites chains. The first hotel was built in Wichita, Kansas, and opened in 1996. From 1995 to 2003, Candlewood Hotel Company franchised and managed hotels throughout the US. In January 2004, Candlewood Suites was acquired by IHG. The hotels feature studio and one-bedroom suites, all with full kitchens. The brand currently consists of 401 properties across the U.S, with 94 hotels in the pipeline.

### Brand

- STR Chain Scale: Midscale
- Target Market: Business and Leisure Travelers

### Typical Amenities

- Sundry Shop
- Guest Laundry
- Exercise Room
- Pool
- Complimentary Wi-Fi
- Fully-Equipped Kitchens including refrigerator, microwave, and dishwasher

# Area Economic Analysis



## UNITED STATES

**EMPLOYMENT GROWTH RATE**

2017-2019: **1.6%**

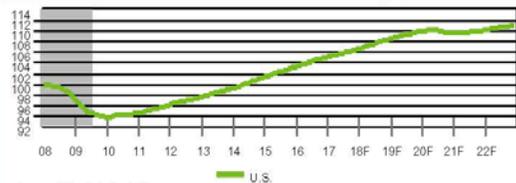
2017-2022: **0.9%**

**GROSS DOMESTIC PRODUCT**

2017-2019: **2.8%**

2017-2022: **2.3%**

### RELATIVE EMPLOYMENT PERFORMANCE (JAN 2008=100)



Source: Moody's Analytics

### STRENGTHS & WEAKNESSES

**STRENGTHS**

- > Very productive workforce.
- > Labor market attracts skilled and unskilled immigrants.
- > High innovation and entrepreneurship.
- > Mobile labor force, flexible labor system.

**WEAKNESSES**

- > Large budget, current account deficits.
- > Skewed income and wealth distribution.
- > Polarized and fractured political system.
- > Demographic challenges.

### ANALYSIS

**Recent Performance.** The U.S. economy has throttled back. Real GDP growth is set to come in near 2% in the final quarter of 2018 and is tracking a similar rate in the current quarter. This is about half the pace experienced last spring when the stimulus from the deficit-financed tax cuts was at its apex. As the stimulus has faded, so too has growth.

**On edge.** Is this the start of a more serious slowdown or potentially even a recession? Fixed-income investors now expect the Federal Reserve to lower interest rates, not raise them as Federal Open Market Committee members still anticipate. Long-term Treasury yields have fallen commensurately.

Our weekly survey of business confidence—a sensitive economic barometer—has slumped badly since late last year. Most eye-catching is the plunge in businesses' assessment of present conditions. For the first time since the Great Recession, more respondents say conditions are weakening than improving (see Chart 1).

Businesses' expectations for conditions through midyear have also darkened. More than one-third of respondents say they expect the business environment will be in even worse shape in coming months. This, too, is the direst businesses have been since coming out of the financial crisis.

They also say sales have weakened sharply since late last year, and that they are pulling back on investment in equipment and software and adding less to inventories. Only hiring and pricing power have held up, but the shine has come off those responses too.

Consumers also appear on edge. The University of Michigan and Conference Board surveys of consumer sentiment are well off their highs. Though they remain elevated by historical standards, the plunge in December retail sales is consistent with sudden consumer nervousness. The sharp falloff in the retailing numbers likely overstates the weakening in sales, but there is little doubt that consumers have turned more cautious.

**Tax boost fades.** Consumers hold the key to whether the recent economic slowdown will prove temporary or devolve into something more serious. Consumers are especially important now that housing activity and business investment have flatlined, and the trade balance is deteriorating. Other than stronger government outlays, which are expected to level off later this year, consumers are the economy's only significant source of growth.

The American consumer is also critical to the already-struggling global economy; approximately one-fourth of the world's exports are sold here.

Moderation from last year's consumer spending spree is not a surprise. The tax cuts reduced households' tax liability in 2018 by an estimated \$125 billion, equal to nearly 1% of consumer outlays. Even though much of the tax break went to high-income households more likely to save the cut, consumer spending still received a sizable lift of about 0.5 percentage point last year.

But that tax boost has evaporated, and may be turning into a drag, as tax refunds are much smaller this year—a disappointing surprise for many taxpayers. To date the average refund check is almost 10%, or \$200, smaller than last year. Many lower- and middle-income taxpayers treat their refund like a bonus, and a smaller refund translates quickly into less spending.

**Diminishing wealth effect.** Wealthier households are also feeling queasy, as the long bull market in stocks appears to be petering out. Stock prices peaked last fall, and have effectively gone flat over the past year. In a rising market, the stock wealth effect is estimated to be about 1.5 cents—the increase in consumer spending from a \$1 increase in stock wealth.

*(Continued next page)*

### CURRENT EMPLOYMENT TRENDS

	% CHANGE YR AGO, 3-MO MA		
	Dec 17	Jun 18	Dec 18
Total	1.5	1.7	1.8
Construction	3.8	4.9	4.6
Manufacturing	1.5	2.2	2.1
Trade	-0.3	0.2	0.4
Trans/Utilities	3.4	3.9	3.8
Information	0.1	0.8	0.3
Financial Activities	1.5	1.4	1.4
Prof & Business Svcs.	2.0	2.3	2.7
Edu & Health Svcs.	2.1	2.0	2.2
Leisure & Hospitality	2.1	1.7	2.2
Other Services	1.4	1.4	1.2
Government	0.4	0.4	0.5

### FORECAST RISKS

**SHORT TERM** ↑ | **LONG TERM** ↑

**UPSIDE**

- > Rising wealth and wages act as tailwinds for consumer spending.
- > Trade tensions end sooner than anticipated.

**DOWNSIDE**

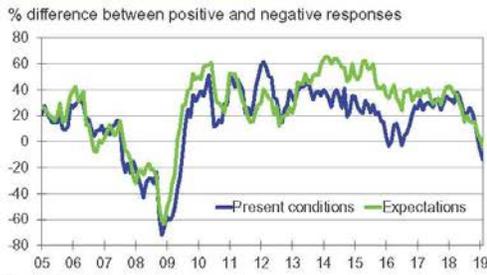
- > Tightening in financial market conditions harms business sentiment enough that firms curtail hiring and investment.
- > Fiscal stimulus provides less of a boost to growth.

**MOODY'S RATING** Aaa

2012	2013	2014	2015	2016	2017	INDICATORS	2018	2019	2020	2021	2022	2023
16,197	16,495	16,900	17,387	17,659	18,051	Gross domestic product (C09\$ bil)	18,572	19,073	19,283	19,742	20,273	20,708
2.2	1.8	2.5	2.9	1.6	2.2	% change	2.9	2.7	1.1	2.4	2.7	2.1
134.2	136.4	138.9	141.8	144.3	146.6	Total employment (mil)	149.1	151.5	152.3	152.2	153.4	154.4
1.7	1.6	1.9	2.1	1.8	1.6	% change	1.7	1.6	0.6	-0.1	0.8	0.7
8.1	7.4	6.2	5.3	4.9	4.4	Unemployment rate (%)	3.9	3.6	3.7	4.6	4.9	4.9
5.1	1.2	5.7	4.9	2.6	4.4	Personal income growth (%)	4.4	4.5	4.2	3.7	4.2	4.0
313.9	316.1	318.4	320.7	323.1	325.1	Population (mil)	327.2	329.2	331.0	332.8	334.9	337.0
0.5	0.6	0.6	0.7	0.8	0.9	Single-family starts (mil)	0.9	0.9	1.1	1.3	1.5	1.5
0.2	0.3	0.4	0.4	0.4	0.4	Multifamily starts (mil)	0.4	0.4	0.4	0.4	0.5	0.4
2,059	1,834	1,263	1,671	2,036	1,757	Mortgage originations (\$ bil)	1,673	1,794	1,701	1,701	1,672	1,788
1,181	1,039	910	820	771	766	Personal bankruptcies (ths)	751	762	819	944	1,103	1,256
0.1	0.1	0.0	0.1	0.3	0.9	91-day Treasury bill (%)	1.9	2.6	3.0	3.0	2.7	2.7
1.8	2.3	2.5	2.1	1.8	2.3	10-year Treasury bond (%)	2.9	3.1	3.4	3.8	4.3	4.3

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**Businesses Are Anxious**



Source: Moody's Analytics

Homeowners are likely also nervously watching the recent slowing in house price appreciation. The runup in mortgage rates last year conflated with high house prices in many markets, undermining affordability and demand, and house prices have suffered. Tax code changes that scaled back the value of the mortgage interest and property tax deductions are also hurting house prices in parts of the country where households relied on these tax preferences. When house prices are rising, the housing wealth effect is estimated to be near 3 cents.

When the tailwind to spending from rising stock prices and housing values was blowing hardest last year, it added more than 0.5 percentage point to consumer spending growth (see Chart 2). This tailwind has all but died out, and will become a powerful headwind if asset prices decline. The stock and housing wealth effects are substantially larger when prices are falling—an estimated 4 cents for stocks and 8 cents for housing. Baby boomers, who are in or fast approaching retirement, are quick to run for the bunkers if their nest eggs diminish.

**Cautious lenders.** Households tempted to increase their borrowing to finance more spending will find it tough to do so. Lenders remain disciplined in extending credit since the financial crisis. Debt owed by households is increasing but still lagging the growth in household income.

Lenders are especially sensitive to any erosion in credit quality, immediately tightening their underwriting in response. Auto lenders did this several

years ago, when subprime auto lending surged and delinquencies began to rise. The crackdown worked. Loan growth has since slowed sharply and delinquencies have fallen back. The 30-day-plus delinquency rate is now as low as it has been in the Equifax credit file-based data available back to before the crisis (see Chart 3).

Credit card lenders have had a similar experience. A couple of years ago, outstanding retail and bankcard loans were growing at a high-single-digit pace, and rising delinquencies soon followed. But card lenders wasted no time in raising their standards, and outstanding growth has since pulled back. Retail card growth has come to a standstill, and delinquencies have rolled over. Bankcard delinquencies also appear to be peaking.

Mortgage lenders, unable to shake the nightmare of the housing bust, remain circumspect in extending credit. If anything, the Trump administration and the new director of the Federal Housing Finance Agency will restrict lending by the Federal Housing Administration, Fannie Mae, and Freddie Mac. And home equity lenders continue to play defense as outstanding second mortgages continue to decline.

**Job machine.** With taxes, wealth effects and credit availability turning less supportive, consumers will remain stalwart spenders only if the job market holds firm. So far, so good. Abstracting from the vagaries of the employment data, job gains remain near 200,000 per month—about double the pace needed to absorb the increase in the labor force. Unemployment thus appears set

to decline and wage growth to accelerate further. The economic expansion should continue.

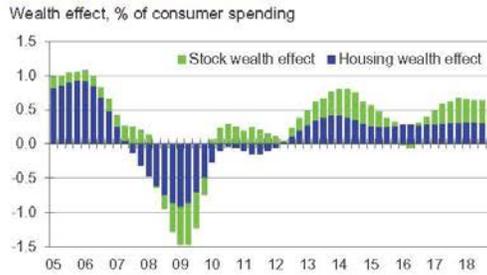
Initial claims for unemployment insurance provide a good gauge of whether this is the script that is playing out. Claims hit their cyclical low in September at a 50-year low of just over 200,000 per week. They have pushed higher in recent weeks, and are hovering near 230,000. Claims consistently over 250,000 per week would signal that businesses are losing faith, and more than 275,000 per week would indicate they are pulling back. Unemployment will rise.

If unemployment increases by more than 0.25 percentage point in a three-month period, consumers will pack it in and rein in their spending. Increasing unemployment, even from current lows, will be too much to bear. There will be no sources of growth left and the economy will be in recession. Each of the 10 recessions since World War II has started in tandem with such an increase in unemployment (see Chart 4).

The economic expansion feels surprisingly tenuous. Extraordinarily poor fiscal policy, the president's trade war, dysfunction in Washington DC, and various geopolitical misfires—Brexit being the most prominent—threaten to undermine the collective psyche and short-circuit the expansion. Everyone is likely to keep it together well enough to allow the expansion to celebrate its 10th birthday at midyear and become the longest in history, but it is hard to say this with much confidence.

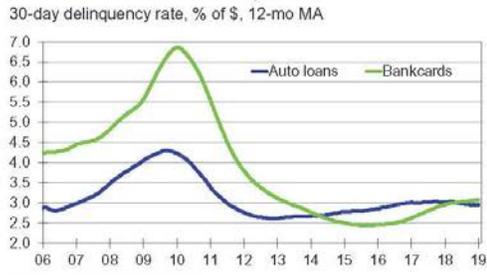
Mark Zandi  
February 2019

**Wealth Effect Is Fading**



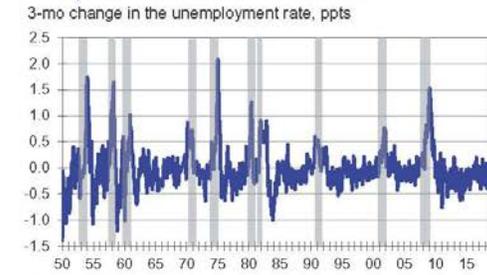
Sources: BEA, Moody's Analytics

**Lenders Remain Disciplined**



Sources: Equifax, Moody's Analytics

**Foolproof Recession Indicator**



Sources: BLS, Moody's Analytics



*Jesse Rogers*  
February 2019

**Fiscal strength.** Budget surpluses in most western states will provide a cushion in the event of a moderate recession, but there is still work to do to repair rainy-day funds. Real, per-capita tax revenues have reached a new high in most western states, but cuts to personal income rates have forced states to rely more on capital gains, which make for a more volatile source of funds.

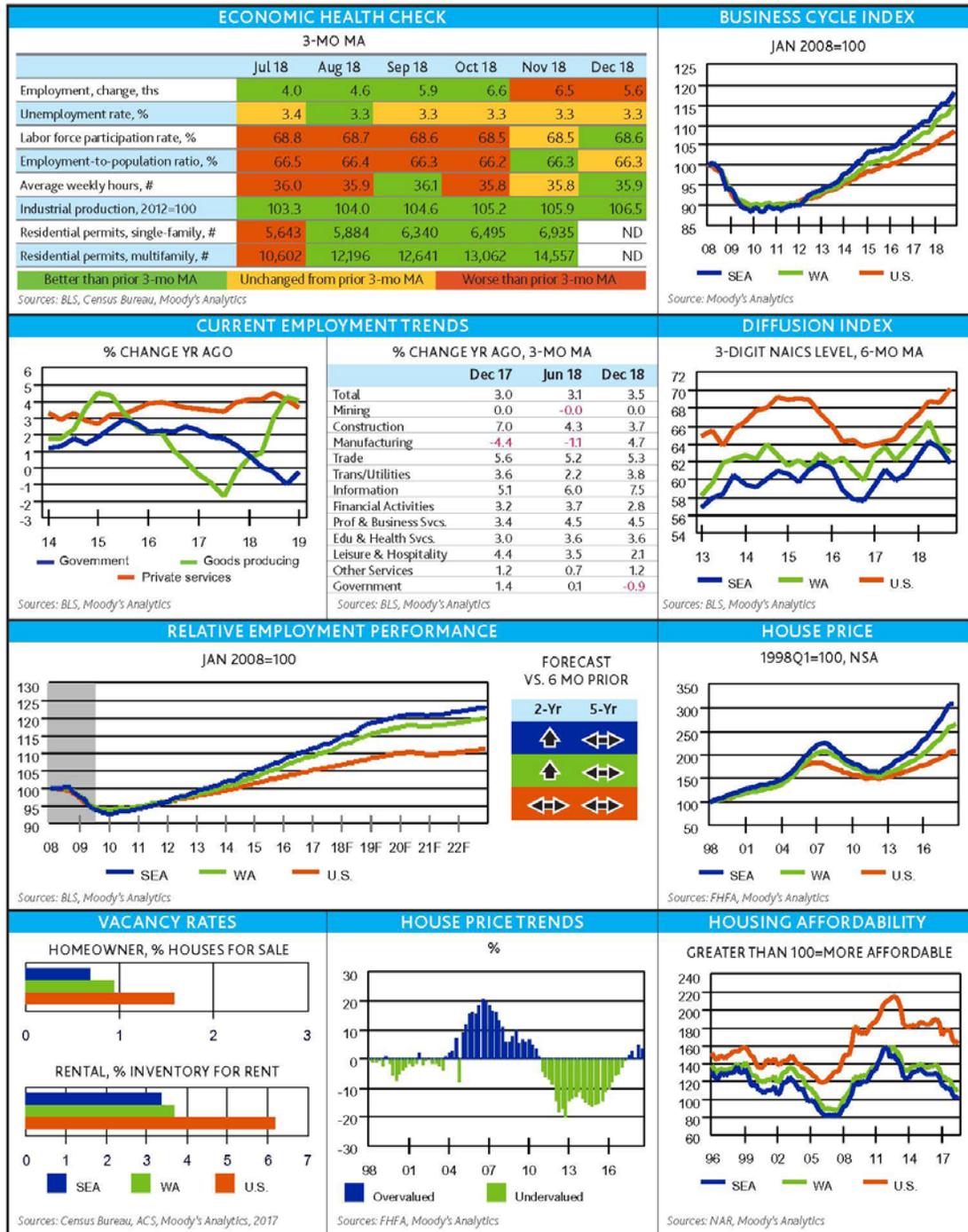
**Growth in diverse tech and manufacturing industries will enable the West to maintain its lead in personal income growth over other regions even as its state economies downshift. Longer term, favorable demographics and a highly educated workforce will support growth.**

**MOODY'S**  
ANALYTICS
SEATTLE-BELLEVUE-EVERETT WA
Data Buffet® MSA code: IUSA\_DMSEA

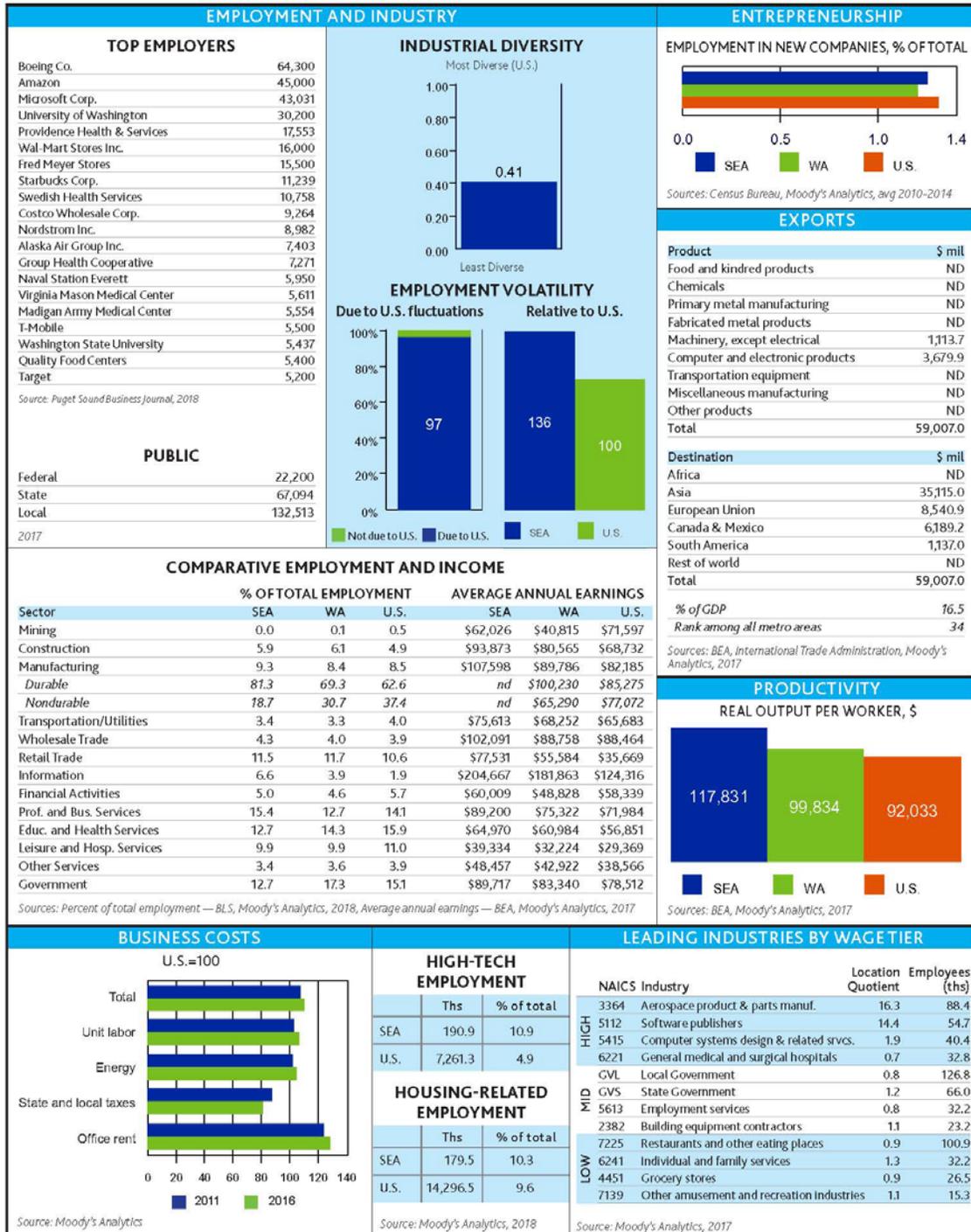
ECONOMIC DRIVERS	EMPLOYMENT GROWTH RANK	RELATIVE COSTS	VITALITY
<div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <span>MANUFACTURING</span> <span>HIGH TECH</span> <span>LOGISTICS</span> </div>	<div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <span>2017-2019</span> <span>2017-2022</span> </div> <div style="display: flex; justify-content: space-around; font-size: 1.5em; font-weight: bold;"> <span>23</span> <span>30</span> </div> <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <span>1st quintile</span> <span>1st quintile</span> </div> <div style="font-size: 0.7em;">Best=1, Worst=470</div>	<div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <span>LIVING</span> <span>BUSINESS</span> </div> <div style="display: flex; justify-content: space-around; font-size: 1.5em; font-weight: bold;"> <span>137%</span> <span>110%</span> </div> <div style="font-size: 0.7em;">U.S.=100%</div>	<div style="display: flex; justify-content: space-around; font-size: 0.8em;"> <span>RELATIVE</span> <span>RANK</span> </div> <div style="display: flex; justify-content: space-around; font-size: 1.5em; font-weight: bold;"> <span>142%</span> <span>7</span> </div> <div style="font-size: 0.7em;">U.S.=100% Best=1, Worst=403</div>
BUSINESS CYCLE STATUS	ANALYSIS		
	<p><b>Recent Performance.</b> Seattle-Bellevue-Everett is experiencing a full-fledged economic boom. The tech-charged economy has surpassed San Jose-Sunnyvale-Santa Clara to claim the mantle of fastest-growing large metropolitan area in the West. Of the nation's 25 largest metro areas by population, only Houston, Phoenix and Orlando FL are adding jobs faster. The secret in SEA's sauce is well known: As the home of Amazon, Microsoft, and countless other top tech firms, SEA is adding more high-paying jobs, more quickly, than almost any other metro area nationwide. Although there is a gap between salaries earned in information technology and those paid to workers in other industries, spending by tech workers is pushing up wages economywide, bolstering residential and commercial real estate markets and elevating the pace of new construction.</p> <p><b>Sleepless.</b> While hordes of new tech workers have enabled SEA to grow faster for a longer period, land and labor constraints augur a gradual cooling of the economy over the next year. The Emerald City's rise as a premier global tech hub has kept construction crews working around the clock to accommodate demand for new office space, but empty lots in downtown Seattle are scarce. Even non-tech firms such as lumber producer Weyerhaeuser are moving downtown to take advantage of top talent and accommodate employees' preferences for urban amenities. The scramble for downtown real estate has raised costs and caused firms both large and small to plan expansions beyond SEA. Meanwhile, growth in other tech hubs in the West and South will cause fewer workers to set out for the Puget Sound in search of better-paid positions. Net in-migration to SEA fell in 2017 for the first time since the financial crisis, and state population figures point to another decline last year. SEA's status as the center of the global cloud-computing revolution will sustain growth at homegrown tech titans Amazon, Microsoft and F5 Networks, but mounting land and labor constraints will sap some of the juice.</p> <p><b>Trade truce.</b> The de-escalation of the trade war between the U.S. and China dulls a key risk for SEA's tech and aerospace industries, but battle scars remain. After Europe, China is the largest market for new Boeing jets, and Chinese policymakers' desire to develop a national aerospace industry could dent demand for Boeing aircraft longer term. While the postponement of new tariffs is a positive development for aerospace exports from SEA—the Renton-built 737 is a favorite of Chinese regional carriers—a final agreement is unlikely to ease barriers facing U.S. technology firms. China is an important growth market for Amazon and Microsoft's cloud suites, but the two firms have a far smaller presence in China than they do elsewhere in the world.</p> <p><b>Minimum wage.</b> The rise in Seattle's minimum wage to \$16 this year will result in a modest pay increase for workers in low-wage industries and a similarly measured increase in aggregate spending. The secular decline in aerospace manufacturing employment makes pay increases in other industries more significant, but high initial wages will limit the boost to demand.</p> <p><b>Seattle-Bellevue-Everett will make a soft landing as rising real estate costs and labor constraints bind. Longer term, competition from Chinese aerospace and tech firms will increase, but SEA's diverse information technology industries will secure its premier status among large metro areas in the West.</b></p> <div style="font-size: 0.8em; text-align: right;"> <span>Jesse Rogers</span> <span>1-866-275-3266</span>  <span>February 2019</span> <span>help@economy.com</span> </div>		
STRENGTHS & WEAKNESSES			
<p style="text-align: center; font-weight: bold;">STRENGTHS</p> <ul style="list-style-type: none"> <li>» Global center for cloud-computing and software development.</li> <li>» Highly trained, well-educated labor force.</li> <li>» Large port with connections to emerging Asian markets.</li> <li>» Relatively high per capita income.</li> </ul> <p style="text-align: center; font-weight: bold;">WEAKNESSES</p> <ul style="list-style-type: none"> <li>» Tech exposed to discretionary spending.</li> <li>» High business costs compared with emerging tech hubs.</li> </ul>			
FORECAST RISKS			
<span>SHORTTERM</span> <span style="color: green;">▲</span> <span>LONGTERM</span> <span style="color: green;">▲</span>			
<p style="font-size: 0.8em;">RISK EXPOSURE 2018-2023</p> <div style="font-size: 2em; font-weight: bold; text-align: center;">33</div> <p style="font-size: 0.8em; text-align: center;">1st quintile    Highest=1    Lowest=403</p> <p style="text-align: center; font-weight: bold;">UPSIDE</p> <ul style="list-style-type: none"> <li>» Greater demand for cloud-computing and IT services boosts hiring of tech workers.</li> <li>» Venture capital draws more startups.</li> <li>» Population gains further stimulate housing demand.</li> </ul> <p style="text-align: center; font-weight: bold;">DOWNSIDE</p> <ul style="list-style-type: none"> <li>» Trade tensions hurt sales of Boeing jets.</li> <li>» Housing affordability erodes faster.</li> <li>» Less freight traffic hurts trade, transport.</li> </ul>			
MOODY'S RATING			
Aaa	COUNTY AS OF SEP 19, 2017		

2012	2013	2014	2015	2016	2017	INDICATORS	2018	2019	2020	2021	2022	2023
206.0	212.8	222.4	231.0	240.9	253.3	Gross metro product (C09\$ bil)	267.7	277.5	281.9	289.8	299.2	306.8
4.3	3.3	4.5	3.9	4.3	5.2	% change	5.7	3.6	1.6	2.8	3.2	2.5
1,460.0	1,502.2	1,543.7	1,592.7	1,644.0	1,688.1	Total employment (ths)	1,744.7	1,789.6	1,809.7	1,816.2	1,836.2	1,853.8
2.6	2.9	2.8	3.2	3.2	2.7	% change	3.4	2.6	1.1	0.4	1.1	1.0
6.6	5.3	4.8	4.4	4.0	3.8	Unemployment rate (%)	3.6	2.6	2.3	3.1	3.3	3.2
12.0	2.9	10.0	6.4	5.9	6.7	Personal income growth (%)	8.7	5.7	5.1	4.9	5.7	5.5
68.8	71.3	75.4	79.6	83.8	87.2	Median household income (\$ ths)	89.1	92.6	95.8	98.6	102.0	105.5
2,741.3	2,791.4	2,838.4	2,887.1	2,942.9	2,990.3	Population (ths)	3,033.4	3,069.9	3,106.4	3,143.1	3,179.7	3,217.6
1.8	1.8	1.7	1.7	1.9	1.6	% change	1.4	1.2	1.2	1.2	1.2	1.2
30.4	32.8	29.6	32.0	38.7	30.3	Net migration (ths)	26.6	20.0	19.9	20.1	20.2	21.8
6,038	6,404	6,294	6,393	6,956	6,983	Single-family permits (#)	6,355	6,614	8,257	8,460	9,250	9,594
9,149	10,221	11,882	15,718	14,668	15,383	Multifamily permits (#)	13,992	17,090	16,521	14,981	16,365	16,971
195.9	212.2	232.2	253.8	284.8	324.4	FHFA house price (1995Q1=100)	361.4	374.4	387.7	401.1	415.9	435.5

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### COMPARATIVE EMPLOYMENT AND INCOME

Sector	% OF TOTAL EMPLOYMENT			AVERAGE ANNUAL EARNINGS		
	SEA	WA	U.S.	SEA	WA	U.S.
Mining	0.0	0.1	0.5	\$62,026	\$40,815	\$71,597
Construction	5.9	6.1	4.9	\$93,873	\$80,565	\$68,732
Manufacturing	9.3	8.4	8.5	\$107,598	\$89,786	\$82,185
Durable	81.3	69.3	62.6	nd	\$100,230	\$85,275
Nondurable	18.7	30.7	37.4	nd	\$65,290	\$77,072
Transportation/Utilities	3.4	3.3	4.0	\$75,613	\$68,252	\$65,683
Wholesale Trade	4.3	4.0	3.9	\$102,091	\$88,758	\$88,464
Retail Trade	11.5	11.7	10.6	\$77,531	\$55,584	\$35,669
Information	6.6	3.9	1.9	\$204,667	\$181,863	\$124,316
Financial Activities	5.0	4.6	5.7	\$60,009	\$48,828	\$58,339
Prof. and Bus. Services	15.4	12.7	14.1	\$89,200	\$75,322	\$71,984
Educ. and Health Services	12.7	14.3	15.9	\$64,970	\$60,984	\$56,851
Leisure and Hosp. Services	9.9	9.9	11.0	\$39,334	\$32,224	\$29,369
Other Services	3.4	3.6	3.9	\$48,457	\$42,922	\$38,566
Government	12.7	17.3	15.1	\$89,717	\$83,340	\$78,512

Sources: Percent of total employment — BLS, Moody's Analytics, 2018; Average annual earnings — BEA, Moody's Analytics, 2017

### PRODUCTIVITY

#### REAL OUTPUT PER WORKER, \$

Sources: BEA, Moody's Analytics, 2017

### BUSINESS COSTS

U.S.=100

Source: Moody's Analytics

### HIGH-TECH EMPLOYMENT

	Ths	% of total
SEA	190.9	10.9
U.S.	7,261.3	4.9

### HOUSING-RELATED EMPLOYMENT

	Ths	% of total
SEA	179.5	10.3
U.S.	14,296.5	9.6

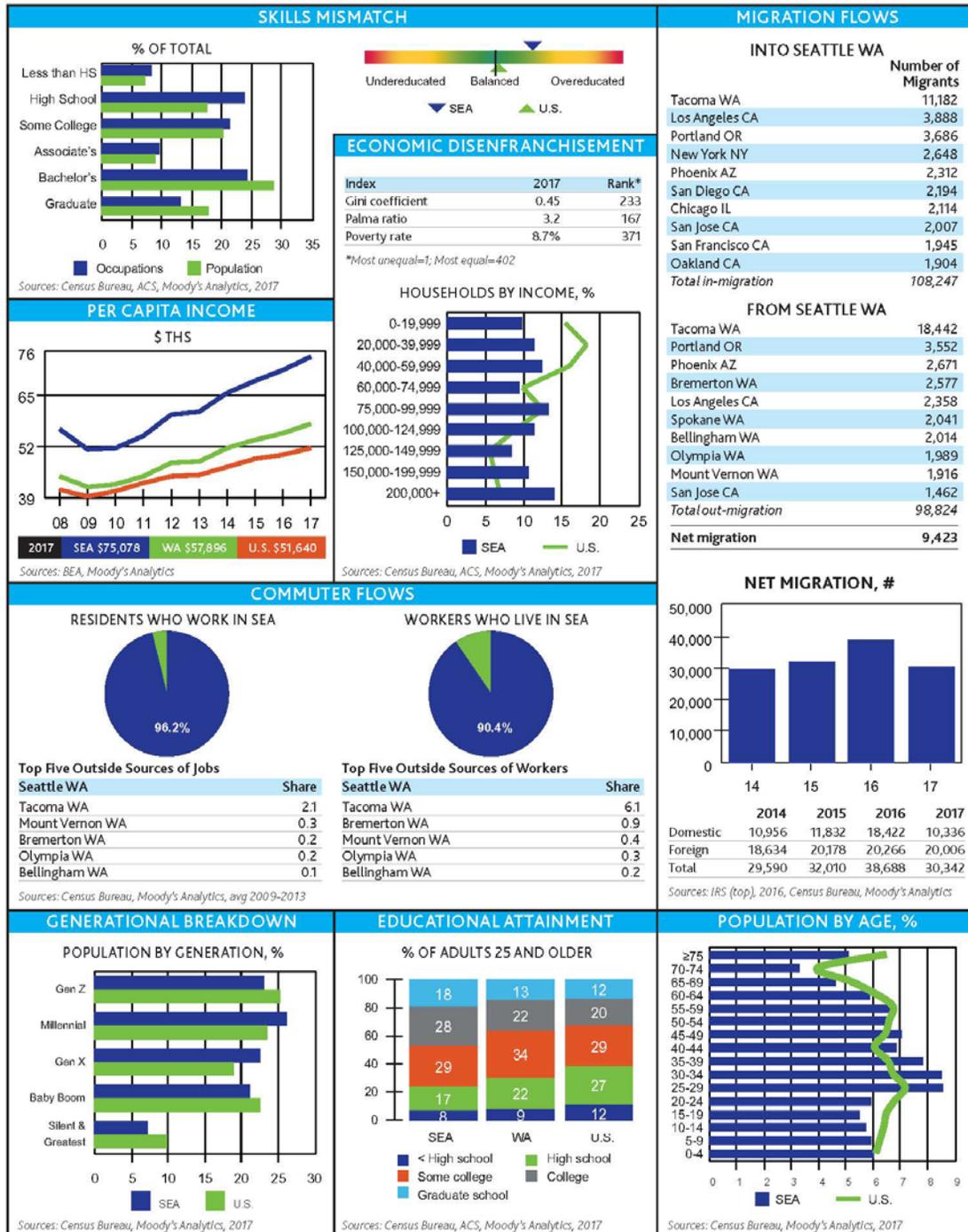
Source: Moody's Analytics, 2018

### LEADING INDUSTRIES BY WAGE TIER

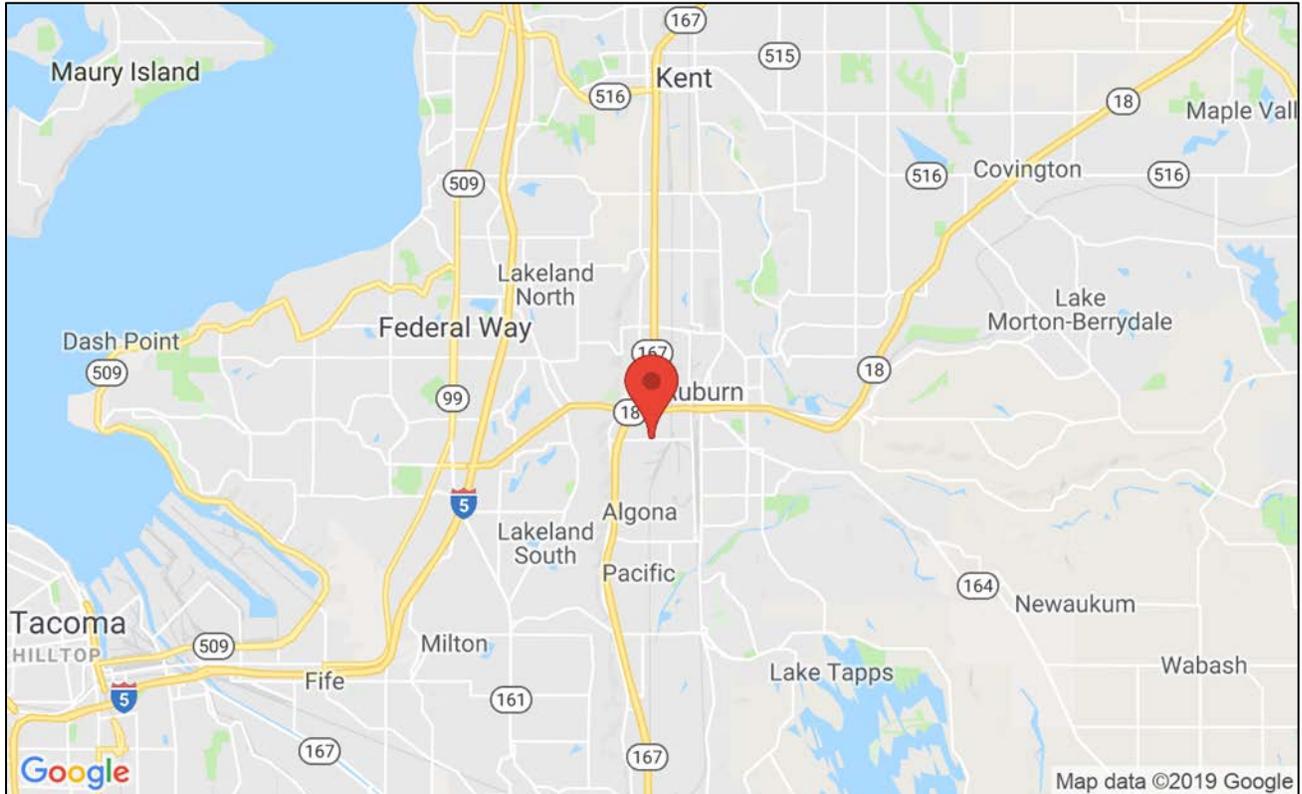
NAICS Industry	Location		Employees (ths)
	Quotient	Employees (ths)	
3364 Aerospace product & parts manuf.	16.3	88.4	
5112 Software publishers	14.4	54.7	
5415 Computer systems design & related svcs.	1.9	40.4	
6221 General medical and surgical hospitals	0.7	32.8	
GVL Local Government	0.8	126.8	
GVS State Government	1.2	66.0	
5613 Employment services	0.8	32.2	
2382 Building equipment contractors	1.1	23.2	
7225 Restaurants and other eating places	0.9	100.9	
6241 Individual and family services	1.3	32.2	
4451 Grocery stores	0.9	26.5	
7139 Other amusement and recreation industries	1.1	15.3	

Source: Moody's Analytics, 2017

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## Neighborhood Analysis



Auburn, within King County, Washington is located in northwestern Washington, approximately 29 miles southeast of Seattle, Washington. Auburn is 30± square miles in size. The neighborhood consists primarily of hotels, retail, businesses, industrial uses, and residential communities.

### Location & Boundaries

Auburn is bordered by Kent, WA to the north, Sumner, WA to the south, Federal Way, Pacific and Algona, WA to the west, and unincorporated King County, WA to the east. The Muckleshoot Indian Reservation also lies at the southern boundary of Auburn. Auburn is located approximately 29 miles southeast of Seattle, WA; 14 miles northeast of Tacoma, WA; and 150 miles north of Portland, OR.

### Access & Transportation

Access to and through Auburn is considered good. The subject market benefits primarily from State Highways 18 and 167. State Route 18 is a 28-mile-long state highway that travels northeast, primarily as a controlled-access freeway, from an intersection with SR 99 and an interchange with Interstate 5 (I-5) in Federal Way through the cities of Auburn, Kent, Covington, and Maple Valley. SR 18 becomes a two-lane rural highway near Tiger Mountain as it approaches its eastern terminus, an interchange with I-90 near the cities of Snoqualmie and North Bend. State Route 167, commonly known as the Valley Freeway, connects with I-5 in Tacoma and with Interstate 405 in Renton, and is 29 miles long.

The city is roughly 18 miles southeast of the Sea-Tac Airport. Additionally, Sounder commuter trains travel from Auburn to downtown Seattle in approximately 30 minutes, and to the Lakewood station in southern Tacoma in less than 35 minutes. Auburn also has its own transit center, Auburn Station in downtown, that

serves as a major transportation hub for southern King County. Sound Transit buses connecting the Auburn Transit Center directly to Federal Way, Sumner, and Kent, while King County Metro buses connect the Transit Center to Green River Community College, the Outlet Center, and Auburn Way.

#### *Seattle-Tacoma International Airport (SEA)*

The Seattle-Tacoma International Airport is the largest airport in the Pacific Northwest region of North America. The airport is located in the city of SeaTac, Washington, approximately 18 miles northwest of Auburn, and is the primary airport for the Seattle metropolitan area.

The airport has flights to cities throughout North America, Europe, the Middle East, and Asia. The top airlines at the airport by passenger count in 2018 were Alaska Airlines (48.5%), Delta Air Lines (22%), Southwest Airlines (6.7%), and United Airlines (6.4%). It is the main hub for Alaska Airlines whose headquarters are near the airport. It is a hub and international gateway to Asia and Europe for Delta Air Lines, which has expanded at Sea-Tac since 2011.

In 2018 the airport served close to 50 million passengers. The airport is the largest generator of vehicle trips in the state, and its 13,000-car parking garage is North America's largest parking structure under one roof. Reportedly, the airport is the 9th busiest airport in the country by passenger traffic and 22nd busiest by commercial service. As shown in the table below, airport traffic has demonstrated significant growth year-over-year with its largest increase in 2015.

The following table summarizes total passenger traffic for the Seattle-Tacoma International Airport for the period of 2010 through year-to-date through July 2019.

<b>SEA - Statistics</b>		
Year	Passengers	Percent Change
2010	31,553,166	-
2011	32,823,220	4.0%
2012	33,323,111	1.5%
2013	34,826,746	4.5%
2014	37,497,941	7.7%
2015	42,340,537	12.9%
2016	45,737,115	8.0%
2017	46,934,619	2.6%
2018	49,849,520	6.2%
Annual Compound Growth		5.9%
YTD 7/18	28,673,968	
YTD 7/19	29,583,645	3.2%
<i>Compiled by LW Hospitality Advisors®</i>		

Between 2010 and 2018, passenger traffic at Sea-Tac Airport increased at a strong average annual rate of 5.9%. Year-to-date results for 2019 show a continuation of the growth trend, with passenger counts growing 3.2% over the same period in 2018. This strong growth is largely due to an increase in capacity by both Delta and Alaska Airlines.

In 2009, Sound Transit opened the Link light rail line from downtown Seattle to SeaTac International Airport. The line now runs from the University of Washington to Tukwila and south of the airport. This line also serves Seattle's SODO industrial area and the Beacon Hill and Rainier Valley neighborhoods. Overall,

boardings totaled roughly 23.1 million in 2018, which were up 22 percent from 2017 and continued to increase an additional 6.8 percent year-to-date. The addition of the link between the airport and the UW improved the area's transportation linkages.

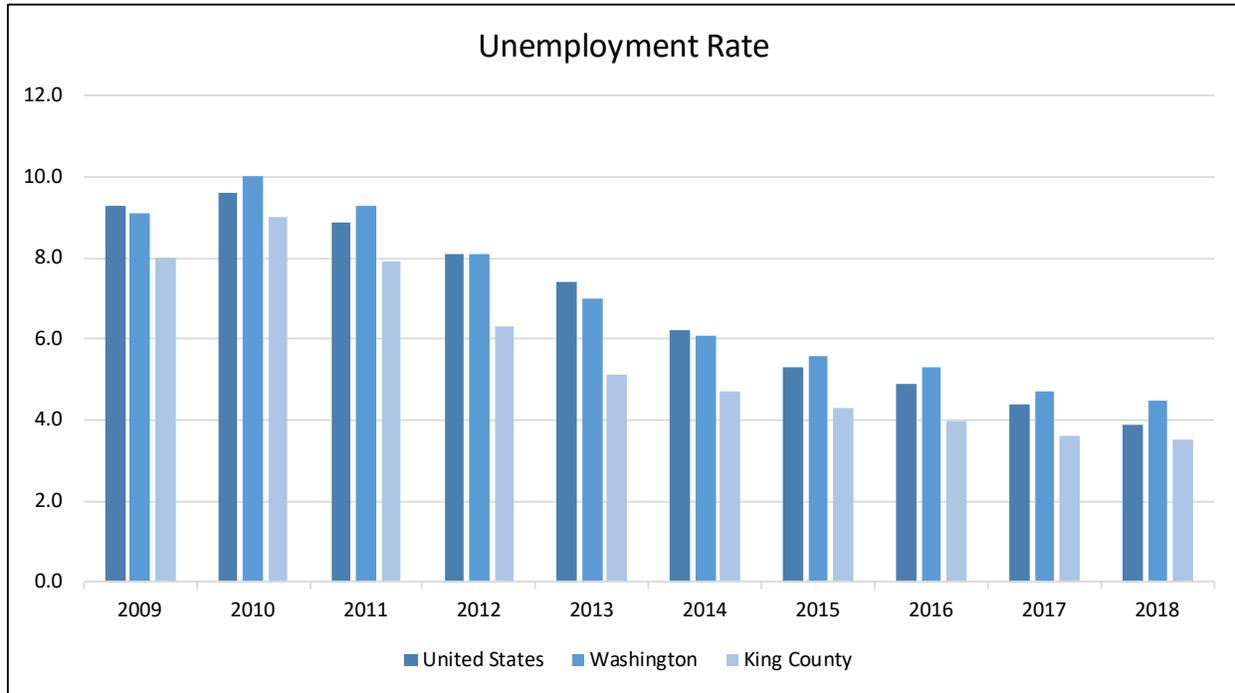
### Greater Area Population

Population growth is an important factor in determining the economic strength of a given area. Although the growth of a local population is not related directly to room-night demand, it does reflect the employment growth and future employment concentration which, in turn, typically influence levels of commercial room-night demand. According to Moody's Analytics, population in the Seattle-Bellevue-Everett MSA increased by a compound annual rate of 1.8 percent from 2012 through 2017. The below chart shows the population growth of the United States, Washington, the Seattle-Bellevue-Everett, WA, and King County.

Population Growth				
Year	United States	MSA	Washington	King County
2013	316,058,000	2,791,000	6,963,000	2,047,000
2014	318,386,000	2,838,000	7,052,000	2,081,200
2015	320,743,000	2,887,000	7,164,000	2,117,700
2016	323,071,000	2,943,000	7,295,000	2,156,000
2017	325,147,000	2,990,000	7,425,000	2,188,600
2018	325,719,200	3,045,000	7,536,000	2,233,200
<b>CAGR</b>	<b>0.62%</b>	<b>1.77%</b>	<b>1.50%</b>	<b>1.78%</b>
<i>Source: U.S. Census Bureau and Moody's Analytics Compiled by LW Hospitality Advisors</i>				

As can be seen in the above chart, the population of King County increased by a compound annual rate of 1.8 percent from 2012 through 2018 which was greater than that of the United States. Going forward, Moody's Analytics forecasts population to increase by a compound annual rate of 1.2 percent to approximately 3,218,000 residents through 2023.

According to Moody's Analytics, total employment in the Seattle-Bellevue-Everett MSA increased by a compound annual rate of 2.9 percent from 2012 through 2017. Going forward, Moody's Analytics forecasts total employment to increase by a compound annual rate of 1.6 percent through 2023. The below chart shows the unemployment rate of the United States, Washington, and King County over the past 10 years.



### Industrial Market

Colliers reports, at the end of the second quarter 2019, the greater Puget Sound region contained roughly 266,519,000 square feet (SF) of industrial space with a 4.9 percent vacancy rate. Roughly 37 percent of this space (98,579,000 SF) is located in the Kent Valley (subject market). The Kent Valley had a vacancy rate of 5.6 percent.

Colliers stated that, given the 11.5 million SF of proposed projects in the pipeline, and an already rising vacancy rate, the Puget Sound industrial market seemed on the verge of a challenging period by the end of the second quarter of 2019. In reality, however, the area is evolving into a healthier market after years of record-low vacancy and unsustainable rental rate increases. Demand continues strong as companies seek a share of this growing international commerce hub, and the volume of new construction will both accommodate the requirements of established tenants and attract even more activity from new warehouse users, distributors, 3PL firms and manufacturers, among others. In short, the market will see opportunities increase as new product comes online over the next few years, but the faith the development community has in the Puget Sound will be fulfilled as vacancy will remain below the national average.

On the supply side, Colliers reports that 11 properties aggregating to more than 2.1 million SF were delivered in Q2 2019, with more than 42% in the Kent Valley submarkets. Over 81% of under construction projects were located in Pierce County, with 55% of that space pre-leased.

In terms of demand, large distributors and e-commerce tenants fueled demand for all types of space so far in 2019. Notable leases of the second quarter included: Port Logistics Group's 263,168 SF at Prologis Park Sumner 22 and Arclin Surfaces' 195,000 SF at Port Commerce Center, Building 3 in Tacoma.

Stock	Total Inventory (SF)	Direct Vacant (SF)	Sublease Vacant (SF)	Total Vacant (SF)	Vacancy Rate Current Period (%)	Absorption Current Quarter (SF)	Absorption YTD (SF)	
<b>SEATTLE CLOSE-IN</b>								
Manufacturing	299	11,403,537	288,138	24,346	312,484	2.7%	(67,097)	(214,360)
Warehouse	660	23,989,365	1,329,223	89,387	1,418,610	5.9%	13,709	(85,755)
Flex	89	5,121,631	155,779	2,265	158,044	3.1%	48,156	10,673
Total	1,048	40,514,533	1,773,140	115,998	1,889,138	4.7%	(5,232)	(289,442)
<b>EASTSIDE INDUSTRIAL</b>								
Manufacturing	55	2,767,037	246,987	0	246,987	8.9%	6,848	(18,688)
Warehouse	208	7,184,178	80,442	0	80,442	1.1%	(66)	(4,798)
Flex	240	7,395,685	356,340	34,835	391,175	5.3%	(44,238)	(31,067)
Total	503	17,346,900	683,769	34,835	718,604	4.1%	(37,456)	(54,553)
<b>NORTHEND INDUSTRIAL</b>								
Manufacturing	198	15,670,747	459,983	66,789	526,772	3.4%	75,368	187,586
Warehouse	568	21,075,865	954,957	39,511	994,468	4.7%	(43,921)	27,401
Flex	179	7,353,397	412,978	55,157	468,135	6.4%	(41,380)	446
Total	945	44,100,009	1,827,918	161,457	1,989,375	4.5%	(9,933)	215,433
<b>KENT VALLEY INDUSTRIAL</b>								
Manufacturing	229	20,366,476	386,371	50,000	436,371	2.1%	(101,903)	(82,255)
Warehouse	1,019	73,458,644	4,126,737	682,711	4,809,448	6.5%	837,590	272,709
Flex	123	4,754,219	229,683	0	229,683	4.8%	39,652	(7,974)
Total	1,371	98,579,339	4,742,791	732,711	5,475,502	5.6%	775,339	182,480
<b>PIERCE COUNTY INDUSTRIAL</b>								
Manufacturing	202	11,299,196	394,838	105,000	499,838	4.4%	(15,861)	(124,599)
Warehouse	707	53,482,423	2,317,429	67,657	2,385,086	4.5%	854,674	1,129,877
Flex	41	1,196,542	25,985	6,338	32,323	2.7%	19,038	29,021
Total	950	65,978,161	2,738,252	178,995	2,917,247	4.4%	857,851	1,034,299
<b>SEATTLE REGION INDUSTRIAL</b>								
Manufacturing	983	61,506,993	1,776,317	246,135	2,022,452	3.3%	(102,645)	(252,316)
Warehouse	3,162	179,190,475	8,808,788	879,266	9,688,054	5.4%	1,661,986	1,339,434
Flex	672	25,821,474	1,180,765	98,595	1,279,360	5.0%	21,228	1,099
MSA Total	4,817	266,518,942	11,765,870	1,223,996	12,989,866	4.9%	1,580,569	1,088,217

Source: Colliers

### Amazon.com's Growth

Seattle's office market continues to be transformed by the exponential growth of Amazon.com, which began moving its headquarters in 2010 from North Beacon Hill to South Lake Union, just north of the central business district. In October 2012, Amazon announced it would spend over \$1 billion to purchase its South Lake Union corporate headquarters from Microsoft founder Paul Allen's investment firm. Based on the value of the deal, Amazon would pay the highest ever price for an office building over 100,000 square feet in Seattle at around \$644 per square foot, more than double the then-current average rate of \$308 per square foot for the city's office space, according to Real Capital Analytics.

In early 2016, Amazon started moving into the first of three Denny Triangle high-rise towers it's developing itself. Real-estate experts admit a major slowdown in Amazon's growth would be a blow to the Seattle market. Between 2010 and 2015, Amazon was responsible for half of newly taken Seattle office space. By 2022, when construction is expected to be complete, Amazon could occupy about 12 million square feet of real estate in Seattle, which is more than 20% of the city's current total office inventory, according to GeekWire. That square footage would be spread out among more than 40 buildings in Seattle. When Amazon's growth stabilizes the city will lose one of the major drivers that has created demand for office space. However, just as Amazon is building a high-rise campus, other tech firms are moving to high-rise towers downtown.

**Tourism**

Seattle is located on the shores of Puget Sound nestled between two mountain ranges-the Cascades to the east and the Olympics to the west. The city abounds with small designer boutiques, large retailers and sleek shopping centers. The famed Pike Place Market is a bazaar of fresh seafood, fruit, vegetables, flowers, ethnic eateries, and specialty shops amid a menagerie of artists and street performers. In addition, Seattle's thriving cultural scene, superb restaurants, and wonderful recreational opportunities have long attracted visitors to this exciting destination.

Among Seattle's prominent annual fairs and festivals are the 24-day Seattle International Film Festival, Northwest Folklife over the Memorial Day weekend, numerous Seafair events throughout July and August (ranging from a Bon Odori celebration to the Seafair Cup hydroplane races), the Bite of Seattle, one of the largest Gay Pride festivals in the United States, and the art and music festival Bumbershoot, which programs music as well as other art and entertainment over the Labor Day weekend. All are typically attended by 100,000 people annually, as are the Seattle Hempfest and two separate Independence Day celebrations.

The Seattle Great Wheel, one of the largest Ferris wheels in the U.S., opened in June 2012 as a new, permanent attraction on the city's waterfront, at Pier 57, next to Downtown Seattle. The city also has many community centers for recreation, including Rainier Beach, Van Asselt, Rainier, and Jefferson south of the Ship Canal and Green Lake, Laurelhurst, Loyal Heights north of the Canal, and Meadowbrook.

Woodland Park Zoo opened as a private menagerie in 1889, but was sold to the city in 1899. The Seattle Aquarium has been open on the downtown waterfront since 1977 (undergoing a renovation 2006). The Seattle Underground Tour is an exhibit of places that existed before the Great Fire.

Since the middle 1990s, Seattle has experienced significant growth in the cruise industry, especially as a departure point for Alaska cruises. In 2018, a record total of 1,100,468 cruise passengers passed through the city, surpassing the number for Vancouver, BC, the other major departure point for Alaska cruises.

The Sounder station in Auburn makes many area attractions easily accessible from Auburn without driving and parking.

**Auburn Overview**

The subject property will be located in Auburn, within King and Pierce Counties, and approximately 29 miles southeast of downtown Seattle.

According to the most recent information provided by the U.S. Census Bureau, the population of Auburn was 81,905 in 2018, a 16.7 percent increase from 2010 figures. The population of Auburn with a bachelor's degree or higher represents approximately 23.4 percent. The home ownership rate is 58.8 percent, with approximately 28,274 households consisting of 2.72 persons per household. The median household income is approximately \$64,400. The unemployment rate is currently estimated to be 4.1 with 13.6 percent of the population considered to be living below the poverty level.

As of 2018, Auburn ranks as the 15th most populated city within the State of Washington. It is located within the two most populous counties in the state (King and Pierce counties) and is nearly equidistant from its two largest cities, Seattle and Tacoma. Proximity to both these cities and being in a central location within Puget Sound Region has helped Auburn grow at a steady rate. Since the 1950's, Auburn's population has increased substantively. Between 1950 to 1970, Auburn's population increased from about

6,500 to about 21,500. From 1970 to 1990, Auburn's population rate of growth slowed, increasing to about 33,000. In 1998, the City of Auburn began annexing several large tracts of land that precipitated the start of several large housing developments. The annexation of southwest Lea Hill in Year 2000 and West Hill and the balance of Lea Hill in 2008 increased Auburn's population significantly. As of 2010, the population of Auburn had increased to 70,180. The 2018 US Census Bureau population estimates place the overall Auburn population at 81,905.

The chart below displays a list of the City's major employers.

City of Auburn, Washington SCHEDULE 18 MAJOR EMPLOYERS Current Year and Nine Years Ago							
Employer	Product/service	2018			2009		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Boeing Company	Aerospace	5,700	1	14.5%	5,179	1	17.4%
Muckleshoot Tribal Enterprises	Gaming	3,494	2	8.9%	2,500	2	8.4%
The Outlet Collection*	Retail	3,150	3	8.0%	1,700	4	5.7%
Auburn School District	Education	2,513	4	6.4%	1,800	3	6.0%
Multicare Auburn Medical Center**	Hospital	1,638	5	4.2%	805	6	2.7%
Green River College	Education	1,202	6	3.1%	1,067	5	3.6%
Emerald Downs Racetrack	Gaming	1,150	7	2.9%	678	7	2.3%
Safeway Distribution Center	Distribution	825	8	2.1%	650	8	2.2%
Zones, Inc.	Technology Reseller	551	9	1.4%	500	10	1.7%
Skills, Inc	Manufacturing	610	10	1.5%			0.0%
Federal Aviation Administration	Federal Government	-	-	0.0%	500	10	1.7%
General Services Administration	Federal Government	-	-	0.0%	500	10	1.7%
Social Security Administration	Govt / Public Offices			0.0%	600	9	2.0%
<b>Totals</b>		<b>20,833</b>		<b>52.9%</b>	<b>16,479</b>		<b>55.3%</b>

2018 - City of Auburn, Economic Development  
2009 - City of Auburn CAFR

\* Previously the Supermall.  
\*\*Previously Auburn Regional Medical Center.

Source: City of Auburn Comprehensive Annual Financial Report 2018

### Major Local Attractions and Developments

#### Fieldhouse USA and The Outlet Collection

The Outlet Collection Seattle, formerly SuperMall of the Great Northwest, is located in western Auburn. It is anchored by Bed Bath & Beyond, Burlington, Dave & Buster's, Nordstrom Rack, Old Navy, and LA Fitness. It was established in August 1995. New development has occurred in and around the mall since the mid-2000s, with the addition of several strip malls and restaurants. This development culminated in 2010, with the opening of a new Walmart Supercenter. In May 2012, the outlet mall was renamed "The Outlet Collection Seattle". The Outlet Collection is now owned by Washington Prime Group.

It was announced recently that Fieldhouse USA will join The Outlet Collection. This redevelopment of a former Sam's Club is anticipated to serve as a significant athletic and entertainment attraction drawing visitors from a sizable regional area. Fieldhouse USA is a community based facility specializing in sports leagues, events and tournaments. It serves area residents by offering year-round league play in team

sports such as basketball, soccer, volleyball, flag football and futsal. Fieldhouse USA also offers programs for individuals such as: performance training, fitness, adventure exhibits, all-sports camps, baseball/softball, birthday parties, boot camps, cheerleading, club volleyball, corporate events, dodgeball, lock-ins, skills training, taekwondo, and tumble.

Due to The Outlet Collection's location in the heart of the densely populated Seattle and Tacoma corridor, Fieldhouse USA is expected to draw a significant increase in annual visitors to the center, benefitting existing tenants and generating strong future demand for both hotel and retail uses. Fieldhouse USA at The Outlet Collection is expected to open by June 2020. The facility will host 35 to 40 events per year. The existing Fieldhouse USA facility in Frisco, Texas reportedly generates 14,000 to 15,000 room nights annually. We expect a similar increase in room nights in the Auburn market.

#### *Muckleshoot Casino*

Muckleshoot Casino opened in April 1995 and is owned and operated by the Muckleshoot Indian Tribe. It is located approximately 2.5 miles southeast of downtown Auburn. Taking advantage of their proximity to Seattle and other urban centers, and changes in gaming laws, in the late 20th century they opened a casino and bingo parlor on their reservation, called Muckleshoot Indian Casino and Muckleshoot Bingo. They have used some of the revenues to reacquire lands near the reservation and to support welfare and education of their people. Twenty-four years after opening the casino, the Muckleshoot Indian Tribe will soon be adding a luxury resort at Muckleshoot Casino.

Anticipated to open in the second quarter of 2021, the 18-story, 400-room hotel tower will offer sweeping views of the Pacific Northwest. Sixty percent of the accommodations will allow for views of Tahoma, the native name for Mount Rainier, while other rooms will showcase the Olympic mountain range. Beyond the guestrooms, guests will be able to enjoy an indoor, climate-controlled pool, signature spa treatments, and more. Additionally, there will be a rooftop, fine-dining restaurant.

The hotel resort at Muckleshoot Casino is part of an expansion already underway which completely re-visions the gaming destination. The first phase of the project will add a 20,000-square-foot, technologically advanced events center, a trio of fast-casual dining destinations, a high-energy center bar, and more. Smoke-free gaming at Muckleshoot Casino, already the most offered in the state, also will increase. The completion of the expansion's first phase is expected in spring 2020. Once the full transformation is unveiled one year later in 2021 with the debut of an anticipated four-star resort, Muckleshoot Casino will take its reputation as the "Biggest and Best in the Northwest" to a new level with 157,000 square feet of continuous gaming, 29,000 total square feet of event space, more than a dozen dining choices.

#### *White River Amphitheatre*

The White River Amphitheater is a Live Nation managed concert venue, located eight miles east of Auburn on the Muckleshoot Indian Reservation. The capacity is 16,000, with 9,000 covered seats. The facility attracts top-tier acts such as Green Day, Neil Young, Fleetwood Mac, Brad Paisley, and Heart, to name a few. To mitigate traffic on the rural roads, the venue offers shuttles to and from the Outlet Collection for some concerts.

#### *Emerald Downs*

Emerald Downs is a thoroughbred racetrack in Auburn, located a half mile east of Highway 167. It is named after Seattle, the Emerald City. Emerald Downs first opened its doors to race fans on June 20, 1996, with the inaugural 100-day meet running through November 4. It replaced Longacres Racetrack, which closed

in September 1992 after sixty seasons of racing. Emerald Downs operated as a Limited Partnership from 1996 to 2015, with a group of investors led by Ron Crockett. In 2002, the land where Emerald Downs is situated was purchased by the Muckleshoot Indian Tribe for roughly \$70 million. The Tribe purchased the track buildings and facilities and formed Emerald Downs Racing LLC in 2015. The Tribe has made a number of improvements since taking over the operation including a 1,150 square foot infield big screen. Emerald Downs celebrated its 20th anniversary in 2016.

Emerald Downs hosts live Thoroughbred racing from mid-April through the mid-September. Races are run Friday through Sunday the majority of the season. The track conducts several large ungraded stakes (i.e. the Auburn Handicap) and many overnight handicaps and stakes. There are an average of 7-8 races on weeknights, and 10 races per race weekend. In addition to live racing, the track offers simulcast wagering and a card room casino year round.

#### *Green River College*

Green River College is a public college located in Auburn. It has a student body of approximately 10,000. Although it began awarding Bachelor's degrees in 2014, though it still awards primarily Associate degrees. Green River College started as a program of adult evening education in 1945 as part of the Auburn School District. The school was approved to become a community college in 1963 and began technical and professional programs in September 1964. The school was originally located near the Auburn Boeing plant, but the following year the campus was relocated to its current location on Lea Hill. In 2014 the school changed its name from Green River Community College to Green River College and began offering the Bachelor of Applied Sciences degree.

#### *Auburn Municipal Airport*

The Auburn Municipal Airport is a city-owned public-use airport located two miles north of downtown Auburn. The airport is referred to as Dick Scobee Field, after Francis "Dick" Scobee, an Auburn and Washington native who was the commander astronaut for the Space Shuttle Challenger. Runway 16/34 is currently being expanded at the airport to bring the dimensions up from 3,400' x 75' to 3,841' x 75'. This project is slated to begin Spring of 2020 to cater to more mid-sized Turbo Prop Aircraft (Pilatus PC-12s) as well as some smaller corporate jets (Citation Mustangs).

#### **Conclusion**

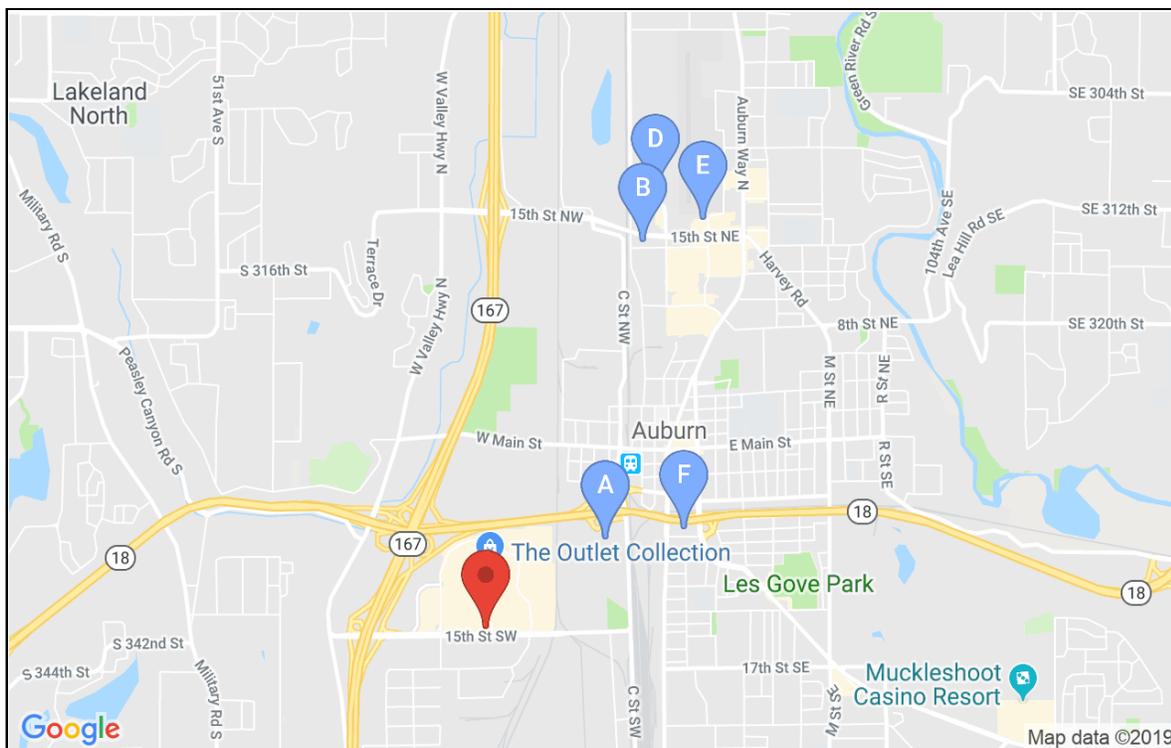
The greater Seattle area has become a tech hub and continuing to expand to resemble a smaller version of Silicon Valley. Amazon.com, Starbucks, Boeing, and Microsoft are the most well know companies in the area as well as Google which are driving market expansion through new construction, which is spurring both hotel demand and new hotel construction. After two development cycles over the past 19 years, the market is in a third development cycle. The subject property lies in Auburn, which has historically been primarily a retail, residential, and industrial area. However, new developments (such as at the Outlet Collection and downtown residential projects) are more diverse than in the past and should attract new visitors to the area. The subject neighborhood is considered to be growing, conveniently located, and well positioned for the future.

## Competitive Lodging Market Analysis

In consideration of the potential hotel’s location, assumed product types, market orientation, and rate positioning, the property’s will compete predominately with other hotels in the immediate Auburn market.

We recognize there are various other lodging facilities in the area which may compete with the subject to a nominal degree. However, for the most part, these other nearby hotels are lower quality, limited service properties such as the Economy Inn and the Auburn Motel. These properties do not contain the same amenities as the subject or attract the same clientele that would choose the new hotels in the market or the majority of the competitive set of hotels.

The primary competitive set consists of six hotels, which range in size from 52 to 124 rooms, and collectively contain an aggregate of 503 rooms. The following tables present summary information on the competitive set. This information was assembled from market interviews, property inspections, and lodging directories. Market segmentation reflects the estimated share of room nights in each of the market segments: commercial, meeting & group, and leisure.



- A) Best Western Plus Mountian View
- C) Clarion Inn Auburn
- E) Days Inn Auburn

- B) Red Lion Auburn
- D) Comfort Inn Auburn
- F) La Quinta Inn & Suites Auburn

Comp Profile				Segmentation			Amenities						
Hotel	Location	Year Built	No. of Rooms	Commercial	Meeting & Group	Leisure	Total Meeting Space (Sq. Ft.)	Meeting Space per Room (Sq. Ft.)	Restaurant	Lounge	Indoor Pool	Outdoor Pool	Fitness Center
Best Western Plus Mountian View	401 8th Street Southwest, Auburn, WA	1999	124	45%	25%	30%	300	2.4			X		X
Red Lion Auburn	9 14th St NW, Auburn, WA	1990	95	45%	20%	35%	-	-			X		
Clarion Inn Auburn	401 8th Street SW Auburn, Auburn, WA	1998	94	50%	20%	30%	360	3.8	X	X			X
Comfort Inn Auburn	One 16th St NE, Auburn, WA	1997	52	40%	20%	40%	-	-			X		
Days Inn Auburn	1521 D St NE, Auburn, WA	1979	68	40%	20%	40%	-	-				X	
La Quinta Inn & Suites Auburn	225 6th St SE, Pacific, WA	2011	70	45%	20%	35%	-	-			X		X
<b>Totals &amp; Averages</b>			603	46%	21%	33%	960	1.6					

Property Information				Estimated 2017			Estimated 2018		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy	Average Rate	RevPAR	Occupancy	Average Rate	Rev PAR
Best Western Plus Mountian View	124	100%	124	70% - 75%	\$115 - \$120	\$80 - \$85	70% - 75%	\$120 - \$125	\$85 - \$90
Red Lion Auburn	95	100%	95	65% - 70%	\$85 - \$90	\$55 - \$60	60% - 65%	\$90 - \$95	\$55 - \$60
Clarion Inn Auburn	94	100%	94	45% - 50%	\$85 - \$90	\$40 - \$45	45% - 50%	\$85 - \$90	\$40 - \$45
Comfort Inn Auburn	52	100%	52	65% - 70%	\$90 - \$95	\$60 - \$65	65% - 70%	\$100 - \$105	\$65 - \$70
Days Inn Auburn	68	100%	68	55% - 60%	\$75 - \$80	\$40 - \$45	55% - 60%	\$85 - \$90	\$45 - \$50
La Quinta Inn & Suites Auburn	70	100%	70	65% - 70%	\$115 - \$120	\$75 - \$80	65% - 70%	\$120 - \$125	\$80 - \$85
<b>Totals and Averages</b>	503		503	63.10%	\$98.73	\$62.29	62.78%	\$104.09	\$65.35

Property Information				Estimated 2017			Estimated 2018		
Hotel	No. of Rooms	Percent Competitive	Competitive Rooms	Occupancy Penetration	ADR Penetration	RevPAR Penetration	Occupancy Penetration	ADR Penetration	RevPAR Penetration
Best Western Plus Mountian View	124	100%	124	111% - 119%	115% - 120%	128% - 136%	112% - 119%	115% - 120%	130% - 138%
Red Lion Auburn	95	100%	95	103% - 111%	86% - 91%	88% - 96%	96% - 104%	85% - 90%	84% - 92%
Clarion Inn Auburn	94	100%	94	71% - 79%	84% - 89%	64% - 72%	72% - 80%	83% - 88%	61% - 69%
Comfort Inn Auburn	52	100%	52	103% - 111%	93% - 98%	96% - 104%	104% - 112%	94% - 99%	99% - 107%
Days Inn Auburn	68	100%	68	87% - 95%	77% - 82%	64% - 72%	88% - 96%	80% - 85%	69% - 77%
La Quinta Inn & Suites Auburn	70	100%	70	103% - 111%	114% - 119%	120% - 128%	104% - 112%	113% - 118%	122% - 130%
<b>Totals and Averages</b>	503		503	100%	100%	100%	100%	100%	100%

**Best Western Plus Mountian View**

401 8th Street Southwest, Auburn, WA



Property Information

Number of Rooms: 124  
 Year Opened: 1999  
 Meeting Space: 300 Square Feet  
 Distance From Subject: 1.25 miles  
 2018 Occupancy | ADR: 70% - 75% | \$120 - \$125  
 Parent Company: Best Western

Amenities

Indoor Pool Fitness Center

**Red Lion Auburn**

9 14th St NW, Auburn, WA



Property Information

Number of Rooms: 95  
 Year Opened: 1990  
 Meeting Space: None  
 Distance From Subject: 2.5 miles  
 2018 Occupancy | ADR: 60% - 65% | \$90 - \$95  
 Parent Company: Red Lion Hotels Company

Amenities

Indoor Pool

**Clarion Inn Auburn**

401 8th Street SW Auburn, Auburn, WA



Property Information

Number of Rooms: 94  
 Year Opened: 1998  
 Meeting Space: 360 Square Feet  
 Distance From Subject: 1.25 miles  
 2018 Occupancy | ADR: 45% - 50% | \$85 - \$90  
 Parent Company: Choice

Amenities

Restaurant Lounge  
 Fitness Center

**Comfort Inn Auburn**

One 16th St NE, Auburn, WA



Property Information

Number of Rooms: 52  
 Year Opened: 1997  
 Meeting Space: None  
 Distance From Subject: 3 miles  
 2018 Occupancy | ADR: 65% - 70% | \$100 - \$105  
 Parent Company: Choice

Amenities

Indoor Pool

**Days Inn Auburn**

1521 D St NE, Auburn, WA



Property Information

Number of Rooms: 68  
 Year Opened: 1979  
 Meeting Space: None  
 Distance From Subject: 4 miles  
 2018 Occupancy | ADR: 55% - 60% | \$85 - \$90  
 Parent Company: Wyndham

Amenities

Outdoor Pool

**La Quinta Inn & Suites Auburn**

225 6th St SE, Pacific, WA



Property Information

Number of Rooms: 70  
 Year Opened: 2011  
 Meeting Space: None  
 Distance From Subject: 2 miles  
 2018 Occupancy | ADR: 65% - 70% | \$120 - \$125  
 Parent Company: Wyndham

Amenities

Indoor Pool Fitness Center

## Occupancy & Average Daily Rate Projections

### Historical Supply and Demand Analysis

The STR charts below contain data attributed to the competitive set. Supply has remained relatively constant during the period studied. Occupancy generally increased from roughly 60 percent in 2013 to 63 percent in 2018, but reached a peak in 2015. Demand and occupancy then receded slightly between 2016 and 2018 as local operators increased rates. ADR growth has been much more impressive, growing year-over-year with very strong growth of 10.1 percent seen in 2017. The corresponding compound average annual growth in ADR was 6.2 percent between 2013 and 2018. This led to a strong 7.2 percent compound average annual increase in RevPAR between 2013 and 2018. The data illustrate that hotel managers in the area have successfully focused on increasing ADR in recent years, though at the expense of some occupancy.

Year-to-date figures through June 2019 exhibit a reversal of this trend, with occupancy increasing by a very strong 9.8 percent, coupled with a 2.2 percent decrease in ADR. The resulting RevPAR was still a strong 7.4 percent. Going forward, we anticipate occupancy to stabilize in line with more recent figures and ADR to exhibit moderate growth.

STR Annual Report Trend Table (2019 YTD)										
Year	Supply	% Change	Demand	% Change	Occupancy	% Change	ADR	% Change	RevPAR	% Change
2013	505	-	110,176	-	59.8%	-	\$77.11	-	\$46.09	-
2014	505	0.0%	118,747	7.8%	64.4%	7.8%	\$82.21	6.6%	\$52.96	14.9%
2015	505	0.0%	122,139	2.9%	66.3%	2.9%	\$87.04	5.9%	\$57.68	8.9%
2016	505	0.0%	117,573	-3.7%	63.8%	-3.7%	\$89.63	3.0%	\$57.17	-0.9%
2017	504	-0.2%	116,022	-1.3%	63.1%	-1.1%	\$98.70	10.1%	\$62.24	8.9%
2018	503	-0.2%	115,247	-0.7%	62.8%	-0.5%	\$104.05	5.4%	\$65.31	4.9%
<b>CAGR</b>		<b>-0.1%</b>		<b>0.9%</b>		<b>1.0%</b>		<b>6.2%</b>		<b>7.2%</b>
<i>June</i>										
2018 YTD	503	-	53,423	-	58.7%	-	\$100.73	-	\$59.11	-
2019 YTD	503	0.0%	58,680	9.8%	64.5%	9.8%	\$98.52	-2.2%	\$63.50	7.4%
2018 TTM	504	-	111,226	-	60.5%	-	\$102.95	-	\$62.31	-
2019 TTM	503	-0.1%	120,504	8.3%	65.6%	8.5%	\$102.83	-0.1%	\$67.49	8.3%

STR monthly data for the competitive market appears below. As noted, July and August are peak months for both occupancy and ADR in Auburn and correspond to the high tourism season in the region with reliably good weather. December and January are the lowest months.

STR Monthly Report Table						
Month	Occ	% Change	ADR	% Change	RevPAR	% Change
Jan-18	45.0%	-19.5%	\$87.18	12.2%	\$39.19	-9.8%
Feb-18	54.4%	-14.9%	\$92.73	8.3%	\$50.46	-4.5%
Mar-18	58.4%	-3.3%	\$97.10	9.2%	\$56.74	4.7%
Apr-18	56.5%	-7.0%	\$96.40	11.4%	\$54.48	1.5%
May-18	65.2%	2.7%	\$102.77	2.9%	\$67.03	14.3%
Jun-18	72.5%	-7.8%	\$119.51	4.9%	\$86.64	-5.2%
Jul-18	77.1%	-2.3%	\$124.21	1.6%	\$95.72	2.5%
Aug-18	80.1%	5.8%	\$126.11	4.3%	\$100.99	7.5%
Sep-18	74.4%	8.2%	\$107.36	0.5%	\$79.88	12.9%
Oct-18	60.7%	9.3%	\$91.74	-1.2%	\$55.65	9.8%
Nov-18	55.7%	12.9%	\$89.51	2.5%	\$49.88	11.6%
Dec-18	52.8%	15.8%	\$87.15	3.9%	\$45.98	18.8%

STR day of week occupancy data for the competitive market appears below. As noted, peak nights are Fridays and Saturdays, indicating that the market accommodates a significant portion of leisure travel. The lowest occupancy nights are Sunday and Monday, when both leisure and commercial travel typically recede.

STR Day of Week Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jul 16 - Jun 17	48.2%	58.3%	65.4%	65.4%	66.6%	72.0%	73.2%	64.2%
Jul 17 - Jun 18	45.1%	55.1%	62.8%	62.6%	62.7%	65.9%	69.3%	60.5%
Jul 18 - Jun 19	50.1%	61.2%	66.8%	68.0%	66.6%	72.2%	74.9%	65.6%
Average:	47.8%	58.2%	65.0%	65.3%	65.3%	70.0%	72.4%	63.4%

### Proposed Supply

Upon discussions with various city officials and local hotel operators, there is one hotel that recently opened in the area. A 120-room Holiday Inn Express opened at 507 C Street SW at the end of August. In our analysis we assume that two other hotels will open, totaling 190 rooms. It is important to note that a 90-room Tru by Hilton is currently proposed for a site in downtown Auburn, though this property is not yet under construction.

Competitive New Supply					
Name	Address	Number of Rooms	Distance (Miles)	Percent Competitive	Opening Date
<b>Midscale or Upper Midscale Extended Sta</b>	1101 Outlet Collection Way	<b>100</b>	<b>0.0</b>	<b>100%</b>	<b>Jul-21</b>
Holiday inn Express	507 C Street SW , Auburn, WA	120	1.2	100%	Sep-19
Midscale Property	201 Auburn Way S, Auburn, WA	90	1.8	100%	Jun-21

Competitive New Supply Phase-In					
	2021	2022	2023	2024	2025
<b>Subject</b>	<b>50</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Holiday inn Express	120	120	120	120	120
Midscale Property	53	90	90	90	90
<b>Total</b>	<b>223</b>	<b>310</b>	<b>310</b>	<b>310</b>	<b>310</b>

We have not factored the proposed 400-room luxury hotel at the Muckleshoot casino into our analysis given its luxury positioning, location, and casino orientation.

Also, we recognize the potential impact from other proposed supply additions to the surrounding markets. While the new supply additions are not anticipated to compete directly with the subject property, they may, however, impact the overall Auburn hotel market and have been considered in our analysis.

## Demand Analysis

The following section summarizes our analysis and projection of demand in each of the market segments: commercial, meeting & group, and leisure.

**Commercial Demand** arises from individuals who are conducting business and visiting various firms in the subject's market area. Commercial/corporate demand is strongest Monday through Thursday nights, declining significantly on Friday and Saturday, and increasing somewhat on Sunday. Commercial/corporate travelers' typical length of stay ranges from one to three days, and this demand is relatively constant throughout the year, although some declines are noticeable in late December and during other holiday periods. Considering the inclusion of non-extended stay hotels in the competitive set, we did not segment out extended stay demand and therefore included it within commercial demand. True extended stay business primarily consists of individual or group travelers who stay at a specific property for five nights or more. Further, it typically consists of 40 to 60 percent of overall demand for true extended stay properties. Extended stay demand arises from the corporate sector for training, extended assignments, temporary relocations, and visiting researchers or experts; the leisure segment for families on a one week vacation and staying at one specific hotel; the meeting and group segment for sports teams that are at an event or tournament for at least five days; and the local residential population for those who need to temporarily relocate from their homes due to a calamity or divorce, or those visiting nearby families for an extended period of time. It also includes those people displaced from their homes due to damage caused by tornados, fire, etc.

The subject market accommodates corporate demand from the numerous regional offices in the Auburn area, as well as local commercial businesses. The subject market draws demand from nearby corporations such as Boeing and the Safeway Distribution Center as well as Green River College. This business activity creates local commercial hotel room night demand.

Going forward, Moody's Analytics forecasts total employment to increase by a compound annual rate of 1.6 percent through 2023. Given the subject market conditions, we projected commercial demand to increase by 3.0 percent in 2021, 3.0 percent in 2022, 3.0 percent in 2023, and 2.0 percent in 2024.

**Meeting & Group Demand** includes groups who reserve blocks of rooms for meetings, seminars, trade association shows, and other similar gatherings of ten or more persons. Group meetings and convention demand is typically strongest during the spring and fall months, while the summer months represent the slowest period for this market segment, and the winter demand varies. Meeting and group travelers typically achieve an average length of stay of three to five days. Historically, most corporate groups met on weekdays and social groups used the weekend periods. However, in the recent past the corporate group booking trends have changed to include some or all of the weekend. Many corporate groups, as a cost containment measure have been utilizing weekend meetings, which usually result in lower airfares and hotel room rates, especially in non-resort markets.

We have included a segment known as MICE (Meetings, Incentives, Conferencing and Exhibitions) as well as SMERF (Social, Military, Educational, Religious, and Fraternal). Room nights from the MICE group consist of groups associated with corporate meetings, conferences and events, as well as incentive travel.

Room nights from the SMERF group usually consist of groups such as youth athletic teams and church groups, among a variety of others. Consistent with most group bookings, the SMERF group usually garners a lower room night rate, but offsets rate loss with greater occupancy levels.

In the subject market, the majority of group business is derived from religious groups, tour & travel, educational, weddings, and youth sport teams. The surrounding area has a large youth sports market due to the various sports venues & fields, as well as the Weyerhaeuser King County Aquatic Center in nearby Federal Way. The new Fieldhouse USA at the Outlet Collection is expecting to substantially increase the number of youth sports teams visiting the area.

Given the subject market conditions, we projected meeting & group demand to increase by 6.0 percent in 2021, 6.0 percent in 2022, 4.0 percent in 2023, and 3.0 percent in 2024.

**Leisure Demand** consists of individual tourists and families visiting the attractions of a local market and/or passing through en-route to other destinations. Leisure demand is strongest Friday and Saturday nights, holiday periods and the summer months. These peak periods generally are negatively correlated with commercial and meeting & group demand. The spring is also a prime period for weddings and other social activities.

Leisure demand levels tend to vary based on the overall economy, due to changes in levels of disposable income, coupled with the strength or weakness of the U.S. dollar, as a strong dollar promotes domestic travel whereas a weak dollar promotes international travel to the United States. The hotels located outside of the major downtown areas tend to capture leisure travelers who are price-conscious and not willing to pay the downtown hotel rates and for added amenities, such as parking.

Leisure demand is drawn by family and friends in the immediate area, visiting relatives, youth sports and other related travel, as well as local weddings, family reunions and other social events. Additionally, demand is generated by motorists traveling via the surrounding major thoroughfares as well as visitors to Emerald Downs, the Muckleshoot Casino, Pacific Raceways, and the White River Amphitheatre. We also anticipate an uptick in leisure demand with the completion of the Fieldhouse USA facility.

Given the subject market conditions, we projected leisure demand to increase by 4.0 percent in 2021, 4.0 percent in 2022, 4.0 percent in 2023, and 2.0 percent in 2024.

#### **Area Wide Demand Projections**

The projection of area-wide occupancy is derived from the relationship between estimated future room night demand and future guestroom supply. Annual growth rates for each market segment are applied to the estimated current year-end area-wide room night demand for each market segment to arrive at a projection of area-wide annual lodging demand as set forth in the table on the following page. As mentioned previously, based on our analysis of the local market for transient accommodations for the current year, we projected varying growth rates in each of the market demand segments over the course of our projection.

Annual Demand Growth Rate			
Segment	1	2	3
	2021	2022	2023
Commercial	3.0%	3.0%	3.0%
Meeting & Group	6.0%	6.0%	4.0%
Leisure	4.0%	4.0%	4.0%

**Latent Demand** accounts for guests who could not be accommodated by the existing competitive supply for a variety of reasons. Because the local market demand estimate is based on hotel occupancies, it considers only those hotel rooms that were utilized by guests. Latent demand can be divided into displaced demand and induced demand.

**Displaced Demand** occurs when individuals are unable to rent a room because the marketplace’s hotels are filled to capacity. As a result, individuals must defer their trips or make accommodations in other markets. Displaced demand is illustrated further in markets where there are distinct high and low seasons, or several periods of high and low occupancy throughout the year. The table below shows trailing twelve month day of week occupancy:

STR Day of Week Occupancy								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Jul 16 - Jun 17	48.2%	58.3%	65.4%	65.4%	66.6%	72.0%	73.2%	64.2%
Jul 17 - Jun 18	45.1%	55.1%	62.8%	62.6%	62.7%	65.9%	69.3%	60.5%
Jul 18 - Jun 19	50.1%	61.2%	66.8%	68.0%	66.6%	72.2%	74.9%	65.6%
Average:	47.8%	58.2%	65.0%	65.3%	65.3%	70.0%	72.4%	63.4%

Clearly displaced demand exists in the subject market given that the heightened occupancy levels mid-week and many weekends. Overall, we estimated 20 percent of the new supply's demand to be previously displaced demand.

**Induced Demand** is additional demand created by the existence of a new demand generator or the addition to the competitive supply of new lodging properties. The demand generators typically feature specialized facilities designed to cater to a particular segment and attract demand that previously did not exist in the area or increase the attraction of that demand. We projected induced demand in our analysis given the addition of new supply in the market.

The following tables summarize our projection of area-wide room night demand, supply, and occupancy rates.

<b>Projected Segmented Demand</b>												
<b>Projected Segmented Demand</b>												
Segment	Base Year	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031
<b>Commercial</b>												
Annual Growth		3.0%	3.0%	3.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	140.8	145.0	149.3	153.8	156.9	156.9	156.9	156.9	156.9	156.9	156.9	156.9
Annual Room Nights	51,377	52,919	54,506	56,142	57,421	57,264	57,264	57,264	57,421	57,264	57,264	57,264
Displaced Demand		7,497	10,549	10,549	10,577	10,549	10,549	10,549	10,577	10,549	10,549	10,549
Induced Demand		10,156	14,001	14,001	14,039	14,001	14,001	14,001	14,039	14,001	14,001	14,001
New Supply		37,487	52,743	52,743	52,887	52,743	52,743	52,743	52,887	52,743	52,743	52,743
Total Segment Demand	51,377	70,572	79,056	80,691	82,038	81,814	81,814	81,814	82,038	81,814	81,814	81,814
<b>Meeting &amp; Group</b>												
Annual Growth		6.0%	6.0%	4.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	67.5	71.5	75.8	78.9	81.2	81.2	81.2	81.2	81.2	81.2	81.2	81.2
Annual Room Nights	24,635	26,113	27,679	28,787	29,732	29,650	29,650	29,650	29,732	29,650	29,650	29,650
Displaced Demand		3,251	4,526	4,526	4,538	4,526	4,526	4,526	4,538	4,526	4,526	4,526
Induced Demand		4,411	6,018	6,018	6,035	6,018	6,018	6,018	6,035	6,018	6,018	6,018
New Supply		16,254	22,630	22,630	22,692	22,630	22,630	22,630	22,692	22,630	22,630	22,630
Total Segment Demand	24,635	33,775	38,224	39,331	40,305	40,194	40,194	40,194	40,305	40,194	40,194	40,194
<b>Leisure</b>												
Annual Growth		4.0%	4.0%	4.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Base Demand	107.5	111.8	116.3	120.9	123.4	123.4	123.4	123.4	123.4	123.4	123.4	123.4
Annual Room Nights	39,241	40,810	42,443	44,140	45,147	45,023	45,023	45,023	45,147	45,023	45,023	45,023
Displaced Demand		5,506	7,556	7,556	7,576	7,556	7,556	7,556	7,576	7,556	7,556	7,556
Induced Demand		7,489	10,072	10,072	10,099	10,072	10,072	10,072	10,099	10,072	10,072	10,072
New Supply		27,530	37,778	37,778	37,881	37,778	37,778	37,778	37,881	37,778	37,778	37,778
Total Segment Demand	39,241	53,805	60,070	61,768	62,822	62,651	62,651	62,651	62,822	62,651	62,651	62,651
<b>Projected Segmented Demand Totals</b>												
Commercial	51,377	70,572	79,056	80,691	82,038	81,814	81,814	81,814	82,038	81,814	81,814	81,814
Meeting & Group	24,635	33,775	38,224	39,331	40,305	40,194	40,194	40,194	40,305	40,194	40,194	40,194
Leisure	39,241	53,805	60,070	61,768	62,822	62,651	62,651	62,651	62,822	62,651	62,651	62,651
Total Market Demand	115,253	158,153	177,349	181,789	185,164	184,658	184,658	184,658	185,164	184,658	184,658	184,658
% Change		37.2%	12.1%	2.5%	1.9%	-0.3%	0.0%	0.0%	0.3%	-0.3%	0.0%	0.0%
<b>Market Statistics</b>												
Existing Rooms Supply	503	503	503	503	503	503	503	503	503	503	503	503
Proposed Rooms Supply	0	223	310	310	310	310	310	310	310	310	310	310
Total Available Room Nights	183,595	264,865	296,745	296,745	297,558	296,745	296,745	296,745	297,558	296,745	296,745	296,745
Market-Wide Occupancy	62.8%	59.7%	59.8%	61.3%	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%	62.2%

## Projected Occupancy and Average Daily Rate

A hotel's ability to generate room revenue is determined by two operating statistics: annual occupancy rate and average daily room rate. In most markets, a room night analysis may be performed to quantify and forecast room night demand. The occupancy of a given hotel may be projected based on its relative competitiveness with other hotels and its penetration through the market. Individual lodging facilities may operate above or below the area-wide occupancy or average rate, depending upon the particular attributes of the property.

## Penetration Factor Analysis

The projected market share of the subject property is based on a penetration factor analysis. As previously stated, a penetration factor is the ratio between a property's market share and its fair share. Penetration factors were used to project the subject property's ability to capture room night demand. A hotel's fair share of lodging demand is equal to its number of rooms divided by the total competitive supply of rooms. If the subject property were to capture its fair share of the room night demand, it would penetrate the market by 100 percent. A penetration factor above or below 100 percent indicates a hotel's greater or lesser ability to compete in the marketplace.

The following tables illustrate the estimated 2018 overall penetration factors for the competitive market.

Total							
Property	2018 Average Room Count	2018 Fair Share	2018 Estimated Occupancy	2018 Market Segmentation	2018 Estimated Rooms Occupied	2018 Market Share	2018 Penetration Factor
Best Western Plus Mountian View	124	24.65%	70% - 75%	100.00%	31,682 - 33,945	27.5% - 29.5%	112% - 119%
Red Lion Auburn	95	18.89%	60% - 65%	100.00%	20,805 - 22,539	18.1% - 19.6%	96% - 104%
Clarion Inn Auburn	94	18.69%	45% - 50%	100.00%	15,440 - 17,155	13.4% - 14.9%	72% - 80%
Comfort Inn Auburn	52	10.34%	65% - 70%	100.00%	12,337 - 13,286	10.7% - 11.5%	104% - 112%
Days Inn Auburn	68	13.52%	55% - 60%	100.00%	13,651 - 14,892	11.8% - 12.9%	88% - 96%
La Quinta Inn & Suites Auburn	70	13.92%	65% - 70%	100.00%	16,608 - 17,885	14.4% - 15.5%	104% - 112%
Total	503	100.00%	62.78%	100.00%	115,253	100.00%	

The projected room night demand is multiplied by the subject property's fair share percentage and by the projected penetration factor to derive the number of room nights captured during each year. The number of room nights captured is then totaled and divided by the annual number of rooms available at the subject property to estimate the projected annual occupancy level.

### Overall Penetration for New Hotels

LWHA® projects that the new hotel properties in the market could stabilize at roughly 74 percent occupancy. The stabilized occupancy level is intended to reflect the anticipated results as an average of the property over its remaining economic life given any and all changes in the life cycle of the hotel.

Total penetration level for the new hotels is estimated to be roughly 120 percent at stabilization. Due to the new hotels assumed locations, branding, new product offerings, and facilities, we believe this to be a reasonable estimate. This overall penetration level is also in line with the existing Best Western in the market. The new hotels will likely take additional demand from the more dated properties in the market.

The following table illustrates our estimated penetration rates for a 100-room addition over the projection period and resultant occupancy levels. Results for the 90-room property would be similar.

City of Auburn - Auburn, WA												
	Historical	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030	12/31/2031
<b>Subject Property's Fair Share</b>												
Market Supply Room	503	726	813	813	813	813	813	813	813	813	813	813
Subject Property Room Count	0	50	100	100	100	100	100	100	100	100	100	100
Fair Share	0.0%	6.9%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
<b>Room Nights Captured by Subject</b>												
<b>Commercial</b>												
Fair Share	0.0%	6.9%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Penetration Factor	0.0%	110.0%	115.0%	120.4%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%
Market Share	0.0%	7.6%	14.1%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Demand	51,377	70,572	79,056	80,691	82,038	81,814	81,814	81,814	82,038	81,814	81,814	81,814
Market Share	0.0%	7.6%	14.1%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Capture	-	5,364	11,183	11,950	12,058	12,025	12,025	12,025	12,058	12,025	12,025	12,025
<b>Meeting &amp; Group</b>												
Fair Share	0.0%	6.9%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Penetration Factor	0.0%	115.0%	120.0%	120.4%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%
Market Share	0.0%	7.9%	14.8%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Demand	24,635	33,775	38,224	39,331	40,305	40,194	40,194	40,194	40,305	40,194	40,194	40,194
Market Share	0.0%	7.9%	14.8%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Capture	-	2,684	5,642	5,825	5,924	5,908	5,908	5,908	5,924	5,908	5,908	5,908
<b>Leisure</b>												
Fair Share	0.0%	6.9%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%	12.3%
Penetration Factor	0.0%	115.0%	120.0%	120.4%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%	119.5%
Market Share	0.0%	7.9%	14.8%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Demand	39,241	53,805	60,070	61,768	62,822	62,651	62,651	62,651	62,822	62,651	62,651	62,651
Market Share	0.0%	7.9%	14.8%	14.8%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%	14.7%
Capture	-	4,275	8,866	9,147	9,234	9,209	9,209	9,209	9,234	9,209	9,209	9,209
<b>Total Capture</b>	<b>-</b>	<b>12,322</b>	<b>25,691</b>	<b>26,922</b>	<b>27,217</b>	<b>27,142</b>	<b>27,142</b>	<b>27,142</b>	<b>27,217</b>	<b>27,142</b>	<b>27,142</b>	<b>27,142</b>
<b>Subject Property Projected Occupancy</b>												
Room Nights Captured	-	12,322	25,691	26,922	27,217	27,142	27,142	27,142	27,217	27,142	27,142	27,142
Available Room Nights	-	18,300	36,500	36,500	36,600	36,500	36,500	36,500	36,600	36,500	36,500	36,500
Occupancy	0.0%	67.3%	70.4%	73.8%	74.4%	74.4%	74.4%	74.4%	74.4%	74.4%	74.4%	74.4%
Fiscal Year Adjusted Room Nights Captured	-	25,062	26,301	27,105	27,142	27,142	27,142	27,217	27,142	27,142	27,142	27,142
Fiscal Year Occupancy		68.7%	72.1%	74.1%	74.4%	74.4%	74.4%	74.4%	74.4%	74.4%	74.4%	74.4%
<b>Overall Market Share</b>		<b>7.9%</b>	<b>14.6%</b>	<b>14.8%</b>	<b>14.7%</b>							
<b>Overall Penetration</b>		<b>114.9%</b>	<b>119.1%</b>	<b>120.0%</b>	<b>119.5%</b>							

## Average Daily Rate Projection

One of the most important considerations in developing an estimate of the performance of a lodging facility is a supportable projection of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. The average rate and the anticipated occupancy percentage are used to project rooms revenue, which in turn provides the basis for developing an opinion of most other income and expense categories. Although the average rate analysis presented here follows the occupancy projections, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. This relationship is best illustrated by RevPAR, which reflects a property's ability to maximize rooms revenue.

We examined the rate structure and achieved average room rates and RevPARs of the competitive hotels in the market, in concluding the new hotel's potential average room rate. These are depicted in the following table.

<b>Estimated Competitive ADR - 2018</b>		
<i>Property</i>	<i>ADR</i>	<i>RevPAR</i>
Best Western Plus Mountian View	\$120 - \$125	\$85 - \$90
Red Lion Auburn	\$90 - \$95	\$55 - \$60
Clarion Inn Auburn	\$85 - \$90	\$40 - \$45
Comfort Inn Auburn	\$100 - \$105	\$65 - \$70
Days Inn Auburn	\$85 - \$90	\$45 - \$50
La Quinta Inn & Suites Auburn	\$120 - \$125	\$80 - \$85
<i>Market Average</i>	<i>\$104.05</i>	<i>\$65.31</i>
<b>Subject's Positioned ADR:</b>		<b>\$128.00</b>

As the STR data obtained was an aggregate of the competitive set's performance, we have estimated each property's individual performance. Along with STR data and interviews with local industry professionals including employees of the competitive hotels, we conducted a "rate shop", which refers to the amassing of published asking rates at each of the given hotel properties during different time periods so as to gain perspective of the properties' positioning relative to one another. Although not a reliable independent method of determining an average rate due to factors such as seasonality and varying degrees of base group business, it is useful in determining approximate ADR performance and positioning for each property based on the actual market ADR and occupancy averages.

Based on the STR data, our market research, and the rate positioning as determined by our rate shop, we have determined that ADR within the competitive set ranges from approximately \$86 to \$122 per night. As noted earlier, we anticipated the subject properties will target commercial travelers, extended stay guests, and leisure travelers visiting the various companies and attractions throughout the Auburn/Kent areas. In terms of location, the new properties would benefit from being located adjacent to and visible from Highway 167 and/or Highway 18.

Based on the anticipated services to be offered by the new hotels, as well as the overall quality of the physical products and location, we have positioned their ADR as if open in 2018 at \$128.00, which is

roughly \$24 above the 2018 competitive market average. Given that these will be a new properties with strong branding in a very good locations, we believe this rate positioning is reasonable.

## Conclusion

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While current local market hotel occupancy and ADR levels are below that of many surrounding areas, we believe additional new hotels can be successful in the Auburn market if well located and appropriately branded. In particular we believe there to be an opportunity for both a Midscale or Upper Midscale traditional and Extended-Stay hotel to be successful in the market. A location at the Outlet Collection would be desirable given the shops, restaurants, and Fieldhouse USA facility nearby, however, other downtown or northern locations could also be considered.

# Addendum

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## Hospitality Employment

- LWHA – LW Hospitality Advisors – 2015 – present – **Managing Director** – Provides real estate consulting services to the lodging, convention, golf, and gaming industries, including appraisals, market impact studies, feasibility/market studies, litigation support and investment analysis.
- HREC - Hospitality Real Estate Counselors. - 2010 to 2015 – **Senior Vice President** – Provides specialized consulting and brokerage services exclusively to the lodging, convention, and gaming industries, including real estate and business valuations, market impact and feasibility studies, litigation support and investment analysis.
- Jones Lang LaSalle Hotels, Seattle, WA – 2007 to 2009 – **Senior Vice President** – Led the Pacific Northwest office for the hospitality real estate investment services firm.
- Wyndham Worldwide, Seattle, WA – 2002 to 2007 – **Vice President, Acquisitions & Development** – Responsible for real estate acquisitions and development for the world's largest vacation ownership resort developer, marketer and manager.
- Starwood Hotels & Resorts, Seattle, WA – 1995 to 1999 – **Director of Development** – Responsible for Starwood's growth through new development, acquisitions, and management and franchise agreements.
- Hospitality Valuation Services (HVS), San Francisco, CA – 1991 to 1995 – **Senior Vice President** – Managed staff, sold engagements, performed and oversaw consulting/valuation assignments for this international real estate consulting firm specializing in the hospitality, leisure, and gaming industries.
- Prior Experience, San Diego, California - Senior hospitality/real estate consulting positions with Kenneth Leventhal & Co and PKF Consulting. Hotel management positions with IHG.

## Professional Designations

MAI – Appraisal Institute  
 Certified General Real Estate Appraiser (#1100330) – Washington  
 Certified General Real Estate Appraiser (#AG002368) – California  
 Certified General Real Estate Appraiser (#CG41300003) – Indiana  
 Certified General Real Estate Appraiser (#31829) – Arizona  
 Certified General Real Estate Appraiser (#9167156-CG00) – Utah  
 Real Estate Managing Broker (#24620) – Washington  
 Principal Broker (#9167156-PB00) - Utah  
 Licensed Managing Broker (#200907034) – Oregon

## Education

### University of San Diego

School of Business, Masters of Business Administration

### Washington State University

School of Hotel Administration, Bachelor of Arts

### Appraisal Institute

Completion of all coursework required for MAI designation and continuing education

## Appearance as a Lodging Expert Witness

- Board of Property Tax Appeals, Municipality of Anchorage, Anchorage (testimony)
- Indiana Board of Tax Review, Indianapolis (deposition and testimony)
- United States District Court, District of Oregon (deposition)
- United States Bankruptcy Court, District of Pennsylvania (deposition and testimony)
- United States Bankruptcy Court, District of Arizona (deposition, trial preparation)
- United States Bankruptcy Court, District of Arizona (deposition and testimony)
- United States Bankruptcy Court, Western District of Texas (deposition, trial preparation)
- United States Bankruptcy Court, District of Washington (deposition and testimony)



**Examples of Corporate and Institutional Clients Served**

ACORE Capital, AIG, Bancaja, Bancplus, Bank of America, Bank of the West, Blum Capital, Caixa Galicia, Caixanova, China State Construction Engineering Corporation Limited, C-III Asset Management, CIM Group, Citibank, Cox, Castle & Nicholson, LLP, Deutsche Bank, Fuji Bank, Goldman Sachs, Great Western Bank, Haglund, Kelley, Horngren Jones & Wilder, LLP, Hall Structured Finance, Herrick, Feinstein, LLP, InterContinental Hotel Group, JP Morgan Chase, Latham & Watkins, Lodging Capital Partners, Luce, Forward, Hamilton &

Scripps, Marriott Corporation, Mosaic Real Estate Investors, M&T Bank, New York Life Insurance Co., Nomura Securities, Olympic Real Estate Investors, Pacific Western Bank, Prudential Real Estate Investors, SBE Entertainment Group, Silverpeak Argentic, Starwood Capital, Starwood Hotels & Resorts, Sumitomo Bank, Union Bank, United Technologies, University of Washington, U.S. Bank, Walton Street Capital, Wells Fargo Bank, Wyndham Worldwide, Yasuda Trust and Banking Co., Ltd.

## Partial List of Market Studies and Appraisals of Lodging Facilities by Mark Lukens, MAI

### ALASKA

Sheraton Anchorage, Anchorage  
Dukes Hotel, Anchorage  
Alyeska Resort, Girdwood  
Hotel Captain Cook, Anchorage  
Barratt Inn, Anchorage  
Marriott, Anchorage  
Alpine Lodge, Fairbanks

### ARIZONA

Hilton Tapatio Resort, Phoenix  
InnPlace Hotel, Phoenix  
Pt. South Mountain Resort, Phoenix  
Country Inn & Suites, Scottsdale  
Resort Suites, Scottsdale  
Scottsdale Princess, Scottsdale  
Hotel Tempe, Tempe  
Lodge on the Desert, Tucson  
Resort Hotel, Tucson  
Radisson Suites Hotel, Tucson  
Westin La Paloma, Tucson

### CALIFORNIA

Proposed Hotel Indigo, Arcadia  
Shattuck Hotel, Berkeley  
Peninsula Hotel, Beverly Hills  
Crown Sterling Suites, Burlingame  
Calistoga Ranch, Calistoga, CA  
Cambria Pines Lodge, Cambria  
Best Western Fireside Inn, Cambria  
Olympic Resort Hotel, Carlsbad  
Proposed Four Seasons Hotel, Carlsbad  
Otay Valley Inn, Chula Vista  
Loew's Hotel, Coronado  
Le Meridien Hotel, Coronado  
Red Lion Hotel, Costa Mesa  
Ritz-Carlton, Laguna Niguel  
Hilton Del Mar, Del Mar  
Grand Del Mar, Del Mar  
L'Auberge Del Mar, Del Mar  
El Rancho Hotel, Davis  
Singing Hills Resort, El Cajon  
Fairfield Inn, El Segunda  
Aloft, El Segunda  
Holiday Inn Express, Elk Grove  
Days Inn, Emeryville  
Proposed Resort Hotel, Encinitas  
Chateau Inn, Fresno  
Proposed Hampton Inn, Fresno  
Picadilly Inn, Fresno  
Marriott Suites, Fullerton  
Proposed aloft Hotel, Glendale  
Dream Hotel, Hollywood  
Proposed CitizenM, Hollywood  
La Jolla Marriott, La Jolla  
Hyatt Regency Aventine, La Jolla  
La Jolla Embassy Suites, La Jolla  
La Jolla Shores Inn, La Jolla  
Long Beach Marriott, Long Beach  
Queen Mary, Long Beach  
Century City Inn, Los Angeles  
Marina del Rey Suites, Los Angeles  
Days Inn-LAX, Los Angeles  
LAX Airport Hilton, Los Angeles  
Proposed Hotel, Los Angeles  
Nomad Hotel, Los Angeles  
Proposed CitizenM, Los Angeles  
Proposed Line Hotel, Los Angeles  
Radisson Hotel, Los Angeles  
SLS Hotel, Los Angeles  
Proposed Luxury Hotel, Menlo Park

Proposed Quality Suites, Millbrae  
San Ysidro Ranch, Montecito  
Proposed Cambria Hotel, Napa  
Marriott, Newport Beach  
Marriott Suites, Newport Beach  
Marriott Courtyard, Oakland  
Marriott City Center, Oakland  
Radisson, Oakland  
Resort at Squaw Creek, Olympic Valley  
Embassy Suites, Ontario  
Red Lion Hotel, Ontario  
Hilton, Ontario  
Proposed Residence Inn, Palm Desert  
Ace Hotel, Palm Springs  
Hard Rock Hotel, Palm Springs  
Renaissance Hotel, Palm Springs  
Holiday Inn, Palm Springs  
Proposed Andaz Hotel, Palm Springs  
Quality Suites Hotel, Pismo Beach  
Doubletree Hotel, Rancho Bernardo  
Proposed Cambria Hotel, Rohnert Park  
Hampton Inn, Riverside  
Mission Inn, Riverside  
Ramada Hotel, Riverside  
Comfort Inn, Sacramento  
El Rancho Hotel, Sacramento  
Howard Johnson's, Sacramento  
Westin Hotel, Sacramento  
Proposed Resort Hotel, Sand City  
Marriott Courtyard, San Diego  
Otay Valley Inn, San Diego  
Old Town Comfort Inn, San Diego  
Hotel Solamar, San Diego  
Hanalei Hotel, San Diego  
Hilton Mission Bay, San Diego  
Hilton Gaslamp, Sa Diego  
Paradise Point Resort, San Diego  
Ramada Downtown, San Diego  
Old Town Ramada, San Diego  
La Costa Golf Courses, San Diego  
La Costa Hotel & Spa, San Diego  
Park Manor Hotel, San Diego  
Sheraton – Torrey Pines, San Diego  
Harbor Island Marina, San Diego  
Hampton Inn, San Diego  
Horton Grand Hotel, San Diego  
La Quinta, San Diego  
Marriott Hotel, San Diego  
Downtown Budget Motel, San Diego  
Town and Country Hotel, San Diego  
Residence Inn, San Diego  
Del Mar Doubletree, San Diego  
Torrey Pines Inn, San Diego  
Omni Hotel, San Diego  
Proposed Guest Quarters, San Diego  
Proposed AC Hotel, San Diego  
Red Lion Hotel, San Diego  
Marriott Suites Hotel, San Diego  
Mira Mesa Ramada, San Diego  
Mission Valley Inn, San Diego  
Radisson Hotel, San Diego  
US Grant Hotel, San Diego  
Ramada Limited, San Diego  
Comfort Suites, San Diego  
Howard Johnson's Hotel, San Diego  
Catamaran Hotel, San Diego  
Prava Hotel, San Diego  
Staybridge Suites, San Diego  
Torrey Pines Inn, San Diego  
City Club Hotel, San Francisco  
Fairmont Hotel, San Francisco

King George Hotel, San Francisco  
San Francisco Hilton, San Francisco  
Holiday Inn, San Francisco  
Olympic Golf Club, San Francisco  
Pan Pacific Hotel, San Francisco  
Proposed CitizenM, San Francisco  
Hotel Union Square, San Francisco  
Proposed Golf Resort, San Luis Obispo  
Twin Oaks Golf Course, San Marcos  
El Encanto Hotel, Santa Barbara  
Holiday Inn, Santa Monica  
Shutters Hotel, Santa Monica  
Days Inn, Seaside  
Simi Valley Best Western, Simi Valley  
Crown Sterling Suites, San Francisco  
Residence Inn/Fairfield, San Jose  
Hilton, Santa Clara  
Proposed Hilton Garden Inn, Sunnyvale  
Temecula Creek Inn, Temecula  
Holiday Inn – Union City, Union City  
James Hotel, West Hollywood  
Marriott Hotel, Woodland Hills

### COLORADO

Holiday Inn Aurora, Aurora  
Great Divide Hotel, Breckenridge  
The Village Hotel, Breckenridge  
Le Baron Hotel, Colorado Springs  
Crested Butte Sheraton, Crested Butte  
Proposed Timeshare Resort, Granby  
Proposed Timeshare Resort, Keystone  
The Peaks Resort, Telluride  
Sonnenalp Hotel, Vail

### FLORIDA

Marriott Courtyard, Boynton Beach  
Marriott Courtyard, Bradenton  
Holiday Inn Gulfview, Clearwater Beach  
Holiday Inn Surfside, Clearwater Beach  
Marriott Courtyard, Coral Springs  
Holiday Inn - North, Ft. Lauderdale  
Holiday Inn - Airport, Ft. Lauderdale  
Holiday Inn - Beach, Ft. Lauderdale  
Marriott Hollywood Beach, Hollywood  
Marriott Courtyard, Jensen Beach  
Jupiter Beach Resort, Jupiter  
Sheraton Suites, Key West  
Proposed SLS Hotel, Miami Beach  
Eden Roc Hotel, Miami Beach  
Holiday Inn, North Miami  
SpringHill Suites, Tampa  
Harborside Resort, Tampa Bay  
Hilton Longboat Key, Longboat Key  
Airport Regency Hotel, Miami  
EuroSuites Hotel, Miami  
Marriott Courtyard, Naples  
Holiday Inn, Port St. Lucie  
Holiday Inn Lido Beach, Sarasota

### HAWAII

Ritz-Carlton Mauna Lani, Hawaii  
Kiahuna Plantation, Kauai  
Marriott Kauai, Kauai  
Coco Palms Resort, Kauai  
Marriott Courtyard, Kauai  
Grand Wailea Resort, Maui  
Proposed Resort Hotel, Maui  
Waikiki Sands Villa, Oahu  
Aqua Continental Hotel, Oahu  
Aqua Wave Hotel, Oahu  
Queen Kapiolani, Honolulu



**IDAHO**

Proposed Hotel, Coeur d'Alene  
Red Lion at the Falls, Idaho Falls  
Nob Hill Inn, Ketchum

**ILLINOIS**

Westin Michigan Ave., Chicago  
Dana Hotel, Chicago  
Embassy Suites, Deerfield  
Holiday Inn, Elgin  
Crowne Plaza, Northbrook  
InterContinental Hotel, Rosemont  
Best Western, Rockford  
Holiday Inn Express, Springfield

**INDIANA**

Wyndham Garden Hotel, Indianapolis  
Ameristar Casino, East Chicago  
Belterra Casino Resort, Florence  
Rising Star Casino, Rising Sun  
Holiday Inn Express, La Porte  
Holiday Inn Express, Portage  
Holiday Inn Express, Mishawaka  
Holiday Inn Express, Howe  
Holiday Inn Express, Fremont  
Holiday Inn Express, Warsaw  
Country Inn & Suites, Mishawaka

**KANSAS**

Marriott Hotel, Kansas City  
Emerald City Resort, Kansas City

**MAINE**

Holiday Inn Express, Portland  
Marriott Sable Oaks, Portland

**MARYLAND**

Harbor Court Hotel, Baltimore  
Proposed Westin Hotel, Baltimore  
Holiday Inn, Collage Park

**MASSACHUSETTS**

Marriott Courtyard, Boston  
Ocean Edge Resort, Cape Cod  
White Elephant Hotel, Nantucket

**MICHIGAN**

The Townsend Hotel, Birmingham  
Double J Ranch, Rothbury  
Holiday Inn, Traverse City

**MISSOURI**

Fairfield Inn, Joplin  
Hampton Inn, Joplin

**MONTANA**

Sheraton Hotel, Billings  
Holiday Inn, Missoula  
Rainbow Ranch Lodge, Big Sky  
Red Lion Inn, Missoula  
Comfort Inn, Red Lodge

**NEVADA**

Bourbon Street Hotel, Las Vegas  
Las Vegas Grand, Las Vegas  
Harrah's, Las Vegas  
Paris, Las Vegas  
Rio, Las Vegas  
The Drew, Las Vegas  
Tropicana Resort, Las Vegas  
Proposed Cambria Hotel, Las Vegas  
Harrah's, Laughlin

**NEW HAMPSHIRE**

Marriott Wentworth, New Castle  
Residence Inn, Portsmouth

**NEW JERSEY**

Marriott Courtyard, Cranbury

**NEW MEXICO**

Marriott Hotel, Albuquerque  
Proposed Homewood Suites, Santa Fe  
Plaza Real Hotel, Santa Fe

**NEW YORK**

Beekman Hotel, New York  
Dylan Hotel, New York  
Eastgate Plaza Hotel, New York  
Proposed Ritz-Carlton, New York  
Setai Hotel New York  
The Palace Hotel, New York  
United Nations Plaza Hotel, New York

**OREGON**

Red Lion, Astoria  
Oxford Hotel, Bend  
Pine Ridge Inn, Bend  
Red Lion Inn, Bend  
Red Lion Inn, Coos Bay  
Red Lion, Eugene  
Sleep Inn, Eugene  
Valley River Inn, Eugene  
Salishan Lodge, Gleneden Beach  
Crowne Plaza, Lake Oswego  
Red Lion Hotel, Medford  
Hilton Hotel, Portland  
Hotel 50, Portland  
Columbia River Red Lion, Portland  
Red Lion Lloyd Center, Portland  
Red Lion- Downtown, Portland  
Comfort Suites, Springfield  
Red Lion Hotel, Springfield  
Sunriver Resort, Sunriver  
Crosswater Golf Course, Sunriver  
Resort at the Mtn., Welches

**PENNSYLVANIA**

Quality Inn, Dubois  
Holiday Inn, Warren

**SOUTH CAROLINA**

Westin Hilton Head, Hilton Head  
Marriott Courtyard, Myrtle Beach

**SOUTH DAKOTA**

Country Inn & Suites, Sioux Falls

**TEXAS**

Proposed Summerfield Suites, Dallas  
Timeshare Resort, North Padre Island  
Holiday Inn Riverwalk, San Antonio  
Timeshare Resort, San Antonio  
Riverwalk Hotel & Suites, San Antonio  
St. Anthony Hotel, San Antonio  
Westin La Cantera, San Antonio

**UTAH**

Homestead Resort, Midway  
Proposed Timeshare Resort, Midway  
Marriott Hotel, Park City  
Grand Summit Hotel, Park City  
Proposed Westin Resort, Park City  
Proposed Hotel, Provo  
Doubletree Hotel, Salt Lake City  
Proposed Westin Hotel, Salt Lake City  
Proposed Auberge Resort, Wanship

**VERMONT**

Ascutey Mtn. Resort, Brownsville

**WASHINGTON**

Best Western Heritage Inn, Bellingham  
Comfort Inn, Bellingham

Hampton Inn, Bellingham  
Proposed Hotel, Bellevue  
Hampton Inn, Bellevue  
Fairfield Inn, Bellevue  
Crossland Suites, Kent  
Totem Lake Hotel, Kirkland  
Proposed La Quinta, Marysville  
Proposed Hotel, Mercer Island  
Ocean Crest Inn, Moclips  
Deer Harbor Resort, Orcas Island  
Rosario Resort, Orcas Island  
Red Lion Hotel, Pasco  
Crossland Suites, Puyallup  
Hampton Inn, Sea-Tac  
Fairmont Olympic Hotel, Seattle  
Proposed CitizenM Westlake, Seattle  
Proposed Residence Inn ID, Seattle  
Proposed Hotel ID District, Seattle  
Proposed Hotel at Pike Place, Seattle  
Proposed Boutique Hotel, Seattle  
Lakedale Resort, San Juan Island  
Ridpath Hotel, Spokane  
Crossland Suites, Spokane  
Fairfield Inn, Spokane  
Residence Inn, Spokane  
Skamania Lodge, Stevenson  
Holiday Inn Express, Tacoma  
Tacoma Sheraton Hotel, Tacoma  
Comfort Inn, Tukwila  
Embassy Suites, Tukwila  
Red Lion Hotel, Vancouver

**WASHINGTON D.C.**

Marriott Wardman Park  
Renaissance Hotel

**WISCONSIN**

Wyndham Garden Hotel, Brookfield

**WYOMING**

Comfort Inn, Rawlins  
Timeshare Resort, West Yellowstone

**CANADA**

Banff Rocky Mountain Resort, Banff  
Residence Inn, Canmore, AB  
Beach Hotel, Harrison Hot Springs, BC  
Long Beach Lodge, Tofino, BC  
Terminal City Hotel, Vancouver, BC  
Sundial Lodge, Whistler, BC

**COSTA RICA**

Occidental Grand Papagayo, Liberia

**MEXICO**

Hotel Palmilla, San Jose del Cabo  
Fractional Resort, Cabo San Lucas  
Holiday Inn Express, Ciudad Juarez  
Allegro Cozumel, Cozumel  
Holiday Inn, Hermosillo  
Crown Pacific Hotel, Huatulco  
Proposed Timeshare Resort, Mazatlan  
City Suites El Angel, Mexico City  
Hilton Reforma, Mexico City  
Hotel Nikko, Mexico City  
Holiday Inn Centro, Monterrey  
Holiday Inn Fundidora, Monterrey  
Holiday Inn Tecnologico, Monterrey  
Holiday Inn Express, Monterrey  
Mixed-Use Development, Monterrey  
Holiday Inn Centro, Monterrey  
Dreams and Secrets, Puerto Vallarta

**PANAMA**

Veneto Hotel and Casino, Panama City



Trend # 1103633\_SADIM / Created July 18, 2019

# Trend Report - Auburn, WA Selected Properties

January 2013 to June 2019 Currency : USD - US Dollar



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## Tab 2 - Data by Measure

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Occupancy (%)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2013	44.7	57.5	60.0	52.9	59.4	65.7	77.0	82.0	67.5	56.4	50.6	43.2	59.8	56.7
2014	43.4	55.0	62.3	54.9	63.0	79.1	81.7	84.4	77.0	60.4	56.0	55.3	64.4	59.6
2015	53.6	58.6	62.3	60.5	67.4	81.0	83.4	79.3	73.2	60.8	61.1	53.5	66.3	63.9
2016	52.3	63.8	65.9	62.0	65.1	69.0	69.6	72.4	72.3	61.2	59.5	52.6	63.8	63.0
2017	55.8	64.0	60.4	60.8	63.5	78.7	78.9	75.7	68.8	55.5	49.4	45.5	63.1	63.8
2018	45.0	54.4	58.4	56.5	65.2	72.5	77.1	80.1	74.4	60.7	55.7	52.8	62.8	58.7
2019	51.3	61.1	61.9	57.6	69.6	85.2								64.5
<b>Avg</b>	49.4	59.2	61.6	57.9	64.8	75.9	78.0	79.0	72.2	59.1	55.4	50.5	63.3	61.4

ADR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2013	72.53	68.60	71.09	70.03	72.22	78.83	85.32	91.08	79.04	75.86	76.49	71.37	77.11	72.42
2014	70.98	74.97	75.85	76.65	77.69	84.97	96.32	98.35	83.74	77.11	75.64	75.88	82.21	77.58
2015	72.21	81.13	81.45	78.41	83.37	102.22	101.41	107.40	90.34	78.19	71.69	76.10	87.04	84.31
2016	74.09	79.09	77.74	82.67	83.81	102.13	111.46	114.22	98.12	81.10	78.92	78.48	89.63	83.74
2017	77.84	82.63	89.66	88.30	92.28	116.19	118.37	124.13	102.89	91.32	90.55	84.99	98.70	92.45
2018	87.18	92.73	97.10	96.40	102.77	119.51	124.21	126.11	107.36	91.74	89.51	87.15	104.05	100.73
2019	90.54	97.16	97.66	94.51	96.41	109.52								98.52
<b>Avg</b>	77.94	82.36	84.21	84.00	87.21	102.33	105.97	109.83	93.61	82.50	80.16	79.05	89.83	87.29

RevPAR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2013	32.40	39.45	42.68	37.05	42.91	51.81	65.70	74.69	53.33	42.76	38.73	30.86	46.09	41.04
2014	30.80	41.22	47.26	42.05	48.93	67.23	78.72	82.99	64.52	46.54	42.38	41.94	52.96	46.24
2015	38.73	47.55	50.77	47.43	56.22	82.83	84.61	85.18	66.13	47.51	43.78	40.68	57.68	53.90
2016	38.75	50.48	51.26	51.27	54.57	70.45	77.60	82.66	70.91	49.61	46.96	41.26	57.17	52.75
2017	43.46	52.85	54.18	53.67	58.62	91.40	93.94	93.94	70.77	50.69	44.71	38.71	62.24	58.98
2018	39.19	50.46	56.74	54.48	67.03	86.64	95.72	100.99	79.88	55.65	49.88	45.98	65.31	59.11
2019	46.45	59.37	60.45	54.47	67.15	93.36								63.50
<b>Avg</b>	38.54	48.76	51.90	48.62	56.48	77.66	82.61	86.73	67.58	48.79	44.40	39.90	56.90	53.63

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2013	15,655	14,140	15,655	15,150	15,655	15,150	15,655	15,655	15,150	15,655	15,150	15,655	184,325	91,405
2014	15,655	14,140	15,655	15,150	15,655	15,150	15,655	15,655	15,150	15,655	15,150	15,655	184,325	91,405
2015	15,655	14,140	15,655	15,150	15,655	15,150	15,655	15,655	15,150	15,655	15,150	15,655	184,325	91,405
2016	15,655	14,140	15,655	15,150	15,655	15,150	15,655	15,655	15,150	15,655	15,150	15,655	184,325	91,405
2017	15,655	14,112	15,624	15,120	15,624	15,120	15,624	15,624	15,120	15,624	15,120	15,624	183,991	91,255
2018	15,593	14,084	15,593	15,090	15,593	15,090	15,593	15,593	15,090	15,593	15,090	15,593	183,595	91,043
2019	15,593	14,084	15,593	15,090	15,593	15,090								91,043
<b>Avg</b>	15,637	14,120	15,633	15,129	15,633	15,129	15,640	15,640	15,135	15,640	15,135	15,640	184,148	91,280

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2013	6,992	8,132	9,398	8,015	9,302	9,957	12,055	12,838	10,222	8,824	7,671	6,770	110,176	51,796
2014	6,793	7,775	9,755	8,311	9,859	11,988	12,794	13,209	11,673	9,449	8,488	8,653	118,747	54,481
2015	8,396	8,288	9,758	9,165	10,557	12,276	13,061	12,416	11,090	9,513	9,251	8,368	122,139	58,440
2016	8,189	9,024	10,322	9,395	10,193	10,451	10,899	11,330	10,948	9,577	9,015	8,230	117,573	57,574
2017	8,741	9,026	9,442	9,191	9,925	11,894	12,325	11,824	10,400	8,673	7,466	7,115	116,022	58,219
2018	7,010	7,663	9,112	8,528	10,170	10,940	12,016	12,487	11,227	9,459	8,409	8,226	115,247	53,423
2019	8,000	8,607	9,651	8,698	10,860	12,864								58,680
<b>Avg</b>	7,732	8,359	9,634	8,758	10,124	11,481	12,192	12,351	10,927	9,249	8,383	7,894	116,651	56,088

Revenue (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2013	507,156	557,849	668,118	561,280	671,803	784,874	1,028,498	1,169,346	807,918	669,383	586,720	483,171	8,496,116	3,751,080
2014	482,158	582,882	739,891	637,001	765,976	1,018,587	1,232,327	1,299,143	977,442	728,640	642,058	656,558	9,762,663	4,226,495
2015	606,273	672,382	794,810	718,634	880,117	1,254,877	1,324,563	1,333,540	1,001,912	743,815	663,237	636,801	10,630,961	4,927,093

<b>2016</b>	606,704	713,744	802,451	776,699	854,310	1,067,366	1,214,836	1,294,063	1,074,239	776,660	711,428	645,862	10,538,362	4,821,274
<b>2017</b>	680,394	745,797	846,523	811,555	915,889	1,381,939	1,458,853	1,467,708	1,070,049	792,002	676,059	604,728	11,451,496	5,382,097
<b>2018</b>	611,166	710,626	884,768	822,122	1,045,201	1,307,401	1,492,539	1,574,681	1,205,374	867,749	752,690	716,924	11,991,241	5,381,284
<b>2019</b>	724,335	836,221	942,547	822,005	1,046,997	1,408,853								5,780,958
<b>Avg</b>	602,598	688,500	811,301	735,614	882,899	1,174,842	1,291,936	1,356,414	1,022,822	763,042	672,032	624,007	10,478,473	4,895,754

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# Tab 3 - Percent Change from Previous Year - Detail by Measure

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Occupancy														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2014	-2.8	-4.4	3.8	3.7	6.0	20.4	6.1	2.9	14.2	7.1	10.7	27.8	7.8	5.2
2015	23.6	6.6	0.0	10.3	7.1	2.4	2.1	-6.0	-5.0	0.7	9.0	-3.3	2.9	7.3
2016	-2.5	8.9	5.8	2.5	-3.4	-14.9	-16.6	-8.7	-1.3	0.7	-2.6	-1.6	-3.7	-1.5
2017	6.7	0.2	-8.3	-2.0	-2.4	14.0	13.3	4.6	-4.8	-9.3	-17.0	-13.4	-1.1	1.3
2018	-19.5	-14.9	-3.3	-7.0	2.7	-7.8	-2.3	5.8	8.2	9.3	12.9	15.8	-0.5	-8.0
2019	14.1	12.3	5.9	2.0	6.8	17.6								9.8
Avg	3.3	1.4	0.6	1.6	2.8	5.3	0.5	-0.3	2.3	1.7	2.6	5.1	1.1	2.3

ADR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2014	-2.1	9.3	6.7	9.4	7.6	7.8	12.9	8.0	5.9	1.7	-1.1	6.3	6.6	7.1
2015	1.7	8.2	7.4	2.3	7.3	20.3	5.3	9.2	7.9	1.4	-5.2	0.3	5.9	8.7
2016	2.6	-2.5	-4.6	5.4	0.5	-0.1	9.9	6.3	8.6	3.7	10.1	3.1	3.0	-0.7
2017	5.1	4.5	15.3	6.8	10.1	13.8	6.2	8.7	4.9	12.6	14.7	8.3	10.1	10.4
2018	12.0	12.2	8.3	9.2	11.4	2.9	4.9	1.6	4.3	0.5	-1.2	2.5	5.4	9.0
2019	3.9	4.8	0.6	-2.0	-6.2	-8.4								-2.2
Avg	3.9	6.1	5.6	5.2	5.1	6.0	7.8	6.8	6.3	4.0	3.5	4.1	6.2	5.4

RevPAR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2014	-4.9	4.5	10.7	13.5	14.0	29.8	19.8	11.1	21.0	8.9	9.4	35.9	14.9	12.7
2015	25.7	15.4	7.4	12.8	14.9	23.2	7.5	2.6	2.5	2.1	3.3	-3.0	8.9	16.6
2016	0.1	6.2	1.0	8.1	-2.9	-14.9	-8.3	-3.0	7.2	4.4	7.3	1.4	-0.9	-2.1
2017	12.1	4.7	5.7	4.7	7.4	29.7	20.3	13.6	-0.2	2.2	-4.8	-6.2	8.9	11.8
2018	-9.8	-4.5	4.7	1.5	14.3	-5.2	2.5	7.5	12.9	9.8	11.6	18.8	4.9	0.2
2019	18.5	17.7	6.5	-0.0	0.2	7.8								7.4
Avg	7.0	7.3	6.0	6.8	8.0	11.7	8.4	6.4	8.7	5.5	5.4	9.4	7.3	7.8

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
2018	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
2019	0.0	0.0	0.0	0.0	0.0	0.0								0.0
Avg	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2014	-2.8	-4.4	3.8	3.7	6.0	20.4	6.1	2.9	14.2	7.1	10.7	27.8	7.8	5.2
2015	23.6	6.6	0.0	10.3	7.1	2.4	2.1	-6.0	-5.0	0.7	9.0	-3.3	2.9	7.3
2016	-2.5	8.9	5.8	2.5	-3.4	-14.9	-16.6	-8.7	-1.3	0.7	-2.6	-1.6	-3.7	-1.5
2017	6.7	0.0	-8.5	-2.2	-2.6	13.8	13.1	4.4	-5.0	-9.4	-17.2	-13.5	-1.3	1.1
2018	-19.8	-15.1	-3.5	-7.2	2.5	-8.0	-2.5	5.6	8.0	9.1	12.6	15.6	-0.7	-8.2
2019	14.1	12.3	5.9	2.0	6.8	17.6								9.8
Avg	3.2	1.4	0.6	1.5	2.7	5.2	0.4	-0.4	2.2	1.6	2.5	5.0	1.0	2.3

Revenue														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jun YTD
2014	-4.9	4.5	10.7	13.5	14.0	29.8	19.8	11.1	21.0	8.9	9.4	35.9	14.9	12.7
2015	25.7	15.4	7.4	12.8	14.9	23.2	7.5	2.6	2.5	2.1	3.3	-3.0	8.9	16.6
2016	0.1	6.2	1.0	8.1	-2.9	-14.9	-8.3	-3.0	7.2	4.4	7.3	1.4	-0.9	-2.1
2017	12.1	4.5	5.5	4.5	7.2	29.5	20.1	13.4	-0.4	2.0	-5.0	-6.4	8.7	11.6
2018	-10.2	-4.7	4.5	1.3	14.1	-5.4	2.3	7.3	12.6	9.6	11.3	18.6	4.7	-0.0
2019	18.5	17.7	6.5	-0.0	0.2	7.8								7.4
Avg	6.9	7.2	5.9	6.7	7.9	11.6	8.3	6.3	8.6	5.4	5.3	9.3	7.3	7.7

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# Tab 4 - Percent Change from Previous Year - Detail by Year

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Total Year	Jun YTD
Occ	-2.8	-4.4	3.8	3.7	6.0	20.4	6.1	2.9	14.2	7.1	10.7	27.8	7.8	5.2
ADR	-2.1	9.3	6.7	9.4	7.6	7.8	12.9	8.0	5.9	1.7	-1.1	6.3	6.6	7.1
RevPAR	-4.9	4.5	10.7	13.5	14.0	29.8	19.8	11.1	21.0	8.9	9.4	35.9	14.9	12.7
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-2.8	-4.4	3.8	3.7	6.0	20.4	6.1	2.9	14.2	7.1	10.7	27.8	7.8	5.2
Revenue	-4.9	4.5	10.7	13.5	14.0	29.8	19.8	11.1	21.0	8.9	9.4	35.9	14.9	12.7

	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Total Year	Jun YTD
Occ	23.6	6.6	0.0	10.3	7.1	2.4	2.1	-6.0	-5.0	0.7	9.0	-3.3	2.9	7.3
ADR	1.7	8.2	7.4	2.3	7.3	20.3	5.3	9.2	7.9	1.4	-5.2	0.3	5.9	8.7
RevPAR	25.7	15.4	7.4	12.8	14.9	23.2	7.5	2.6	2.5	2.1	3.3	-3.0	8.9	16.6
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	23.6	6.6	0.0	10.3	7.1	2.4	2.1	-6.0	-5.0	0.7	9.0	-3.3	2.9	7.3
Revenue	25.7	15.4	7.4	12.8	14.9	23.2	7.5	2.6	2.5	2.1	3.3	-3.0	8.9	16.6

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Total Year	Jun YTD
Occ	-2.5	8.9	5.8	2.5	-3.4	-14.9	-16.6	-8.7	-1.3	0.7	-2.6	-1.6	-3.7	-1.5
ADR	2.6	-2.5	-4.6	5.4	0.5	-0.1	9.9	6.3	8.6	3.7	10.1	3.1	3.0	-0.7
RevPAR	0.1	6.2	1.0	8.1	-2.9	-14.9	-8.3	-3.0	7.2	4.4	7.3	1.4	-0.9	-2.1
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-2.5	8.9	5.8	2.5	-3.4	-14.9	-16.6	-8.7	-1.3	0.7	-2.6	-1.6	-3.7	-1.5
Revenue	0.1	6.2	1.0	8.1	-2.9	-14.9	-8.3	-3.0	7.2	4.4	7.3	1.4	-0.9	-2.1

	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Total Year	Jun YTD
Occ	6.7	0.2	-8.3	-2.0	-2.4	14.0	13.3	4.6	-4.8	-9.3	-17.0	-13.4	-1.1	1.3
ADR	5.1	4.5	15.3	6.8	10.1	13.8	6.2	8.7	4.9	12.6	14.7	8.3	10.1	10.4
RevPAR	12.1	4.7	5.7	4.7	7.4	29.7	20.3	13.6	-0.2	2.2	-4.8	-6.2	8.9	11.8
Supply	0.0	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Demand	6.7	0.0	-8.5	-2.2	-2.6	13.8	13.1	4.4	-5.0	-9.4	-17.2	-13.5	-1.3	1.1
Revenue	12.1	4.5	5.5	4.5	7.2	29.5	20.1	13.4	-0.4	2.0	-5.0	-6.4	8.7	11.6

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Total Year	Jun YTD
Occ	-19.5	-14.9	-3.3	-7.0	2.7	-7.8	-2.3	5.8	8.2	9.3	12.9	15.8	-0.5	-8.0
ADR	12.0	12.2	8.3	9.2	11.4	2.9	4.9	1.6	4.3	0.5	-1.2	2.5	5.4	9.0
RevPAR	-9.8	-4.5	4.7	1.5	14.3	-5.2	2.5	7.5	12.9	9.8	11.6	18.8	4.9	0.2
Supply	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Demand	-19.8	-15.1	-3.5	-7.2	2.5	-8.0	-2.5	5.6	8.0	9.1	12.6	15.6	-0.7	-8.2
Revenue	-10.2	-4.7	4.5	1.3	14.1	-5.4	2.3	7.3	12.6	9.6	11.3	18.6	4.7	-0.0

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Total Year	Jun YTD
Occ	14.1	12.3	5.9	2.0	6.8	17.6								9.8
ADR	3.9	4.8	0.6	-2.0	-6.2	-8.4								-2.2
RevPAR	18.5	17.7	6.5	-0.0	0.2	7.8								7.4
Supply	0.0	0.0	0.0	0.0	0.0	0.0								0.0
Demand	14.1	12.3	5.9	2.0	6.8	17.6								9.8
Revenue	18.5	17.7	6.5	-0.0	0.2	7.8								7.4

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# Tab 5 - Twelve Month Moving Average

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	59.7	59.5	59.7	59.8	60.1	61.2	61.6	61.8	62.6	63.0	63.4	64.4
2015	65.3	65.6	65.6	66.0	66.4	66.6	66.7	66.6	66.6	66.0	66.4	66.3
2016	66.2	66.5	66.9	67.0	66.8	65.8	64.6	64.0	64.0	64.0	63.9	63.8
2017	64.1	64.1	63.6	63.5	63.4	64.2	65.0	65.3	65.0	64.5	63.7	63.1
2018	62.1	61.4	61.2	60.9	61.0	60.5	60.4	60.7	61.2	61.6	62.2	62.8
2019	63.3	63.8	64.1	64.2	64.6	65.6						

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	77.03	77.51	77.91	78.38	78.84	79.49	80.77	81.64	82.09	82.16	82.06	82.21
2015	82.15	82.54	82.99	83.08	83.54	85.27	85.84	86.67	87.29	87.37	87.00	87.04
2016	87.19	87.01	86.67	86.98	87.03	86.79	87.44	87.91	88.63	88.86	89.45	89.63
2017	89.84	90.11	91.16	91.62	92.35	93.89	94.81	95.86	96.27	97.13	98.11	98.70
2018	99.59	100.48	101.11	101.81	102.74	102.95	103.54	103.88	104.32	104.27	104.08	104.05
2019	104.14	104.37	104.38	104.23	103.64	102.83						

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	45.96	46.09	46.48	46.89	47.40	48.67	49.78	50.48	51.40	51.72	52.02	52.96
2015	53.64	54.12	54.42	54.86	55.48	56.77	57.27	57.45	57.59	57.67	57.78	57.68
2016	57.68	57.90	57.94	58.26	58.12	57.10	56.51	56.29	56.68	56.86	57.12	57.17
2017	57.57	57.76	58.00	58.20	58.55	60.26	61.60	62.55	62.54	62.63	62.45	62.24
2018	61.88	61.70	61.92	61.99	62.70	62.31	62.50	63.09	63.84	64.26	64.69	65.31
2019	65.93	66.61	66.93	66.93	66.94	67.49						

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325
2015	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325
2016	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325	184,325
2017	184,325	184,297	184,266	184,236	184,205	184,175	184,144	184,113	184,083	184,052	184,022	183,991
2018	183,929	183,901	183,870	183,840	183,809	183,779	183,748	183,717	183,687	183,656	183,626	183,595
2019	183,595	183,595	183,595	183,595	183,595	183,595						

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	109,977	109,620	109,977	110,273	110,830	112,861	113,600	113,971	115,422	116,047	116,864	118,747
2015	120,350	120,863	120,866	121,720	122,418	122,706	122,973	122,180	121,597	121,661	122,424	122,139
2016	121,932	122,668	123,232	123,462	123,098	121,273	119,111	118,025	117,883	117,947	117,711	117,573
2017	118,125	118,127	117,247	117,043	116,775	118,218	119,644	120,138	119,590	118,686	117,137	116,022
2018	114,291	112,928	112,598	111,935	112,180	111,226	110,917	111,580	112,407	113,193	114,136	115,247
2019	116,237	117,181	117,720	117,890	118,580	120,504						

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	8,471,118	8,496,151	8,567,924	8,643,645	8,737,818	8,971,531	9,175,360	9,305,157	9,474,681	9,533,938	9,589,276	9,762,663
2015	9,886,778	9,976,278	10,031,197	10,112,830	10,226,971	10,463,261	10,555,497	10,589,894	10,614,364	10,629,539	10,650,718	10,630,961
2016	10,631,392	10,672,754	10,680,395	10,738,460	10,712,653	10,525,142	10,415,415	10,375,938	10,448,265	10,481,110	10,529,301	10,538,362
2017	10,612,052	10,644,105	10,688,177	10,723,033	10,784,612	11,099,185	11,343,202	11,516,847	11,512,657	11,527,999	11,492,630	11,451,496
2018	11,382,268	11,347,097	11,385,342	11,395,909	11,525,221	11,450,683	11,484,369	11,591,342	11,726,667	11,802,414	11,879,045	11,991,241
2019	12,104,410	12,230,005	12,287,784	12,287,667	12,289,463	12,390,915						

High value is boxed.

Low value is boxed and italicized.

# Tab 6 - Twelve Month Moving Average with Percent Change

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg								
Jan 14	59.7		77.03		45.96		184,325		109,977		8,471,118	
Feb 14	59.5		77.51		46.09		184,325		109,620		8,496,151	
Mar 14	59.7		77.91		46.48		184,325		109,977		8,567,924	
Apr 14	59.8		78.38		46.89		184,325		110,273		8,643,645	
May 14	60.1		78.84		47.40		184,325		110,830		8,737,818	
Jun 14	61.2		79.49		48.67		184,325		112,861		8,971,531	
Jul 14	61.6		80.77		49.78		184,325		113,600		9,175,360	
Aug 14	61.8		81.64		50.48		184,325		113,971		9,305,157	
Sep 14	62.6		82.09		51.40		184,325		115,422		9,474,681	
Oct 14	63.0		82.16		51.72		184,325		116,047		9,533,938	
Nov 14	63.4		82.06		52.02		184,325		116,864		9,589,276	
Dec 14	64.4	7.8	82.21	6.6	52.96	14.9	184,325	0.0	118,747	7.8	9,762,663	14.9
Jan 15	65.3	9.4	82.15	6.7	53.64	16.7	184,325	0.0	120,350	9.4	9,886,778	16.7
Feb 15	65.6	10.3	82.54	6.5	54.12	17.4	184,325	0.0	120,863	10.3	9,976,278	17.4
Mar 15	65.6	9.9	82.99	6.5	54.42	17.1	184,325	0.0	120,866	9.9	10,031,197	17.1
Apr 15	66.0	10.4	83.08	6.0	54.86	17.0	184,325	0.0	121,720	10.4	10,112,830	17.0
May 15	66.4	10.5	83.54	6.0	55.48	17.0	184,325	0.0	122,418	10.5	10,226,971	17.0
Jun 15	66.6	8.7	85.27	7.3	56.77	16.6	184,325	0.0	122,706	8.7	10,463,261	16.6
Jul 15	66.7	8.3	85.84	6.3	57.27	15.0	184,325	0.0	122,973	8.3	10,555,497	15.0
Aug 15	66.3	7.2	86.67	6.2	57.45	13.8	184,325	0.0	122,180	7.2	10,589,894	13.8
Sep 15	66.0	5.3	87.29	6.3	57.59	12.0	184,325	0.0	121,597	5.3	10,614,364	12.0
Oct 15	66.0	4.8	87.37	6.3	57.67	11.5	184,325	0.0	121,661	4.8	10,629,539	11.5
Nov 15	66.4	4.8	87.00	6.0	57.78	11.1	184,325	0.0	122,424	4.8	10,650,718	11.1
Dec 15	66.3	2.9	87.04	5.9	57.68	8.9	184,325	0.0	122,139	2.9	10,630,961	8.9
Jan 16	66.2	1.3	87.19	6.1	57.68	7.5	184,325	0.0	121,932	1.3	10,631,392	7.5
Feb 16	66.5	1.5	87.01	5.4	57.90	7.0	184,325	0.0	122,668	1.5	10,672,754	7.0
Mar 16	66.9	2.0	86.67	4.4	57.94	6.5	184,325	0.0	123,232	2.0	10,680,395	6.5
Apr 16	67.0	1.4	86.98	4.7	58.26	6.2	184,325	0.0	123,462	1.4	10,738,460	6.2
May 16	66.8	0.6	87.03	4.2	58.12	4.7	184,325	0.0	123,098	0.6	10,712,653	4.7
Jun 16	65.8	-1.2	86.79	1.8	57.10	0.6	184,325	0.0	121,273	-1.2	10,525,142	0.6
Jul 16	64.6	-3.1	87.44	1.9	56.51	-1.3	184,325	0.0	119,111	-3.1	10,415,415	-1.3
Aug 16	64.0	-3.4	87.91	1.4	56.29	-2.0	184,325	0.0	118,025	-3.4	10,375,938	-2.0
Sep 16	64.0	-3.1	88.63	1.5	56.68	-1.6	184,325	0.0	117,883	-3.1	10,448,265	-1.6
Oct 16	64.0	-3.1	88.86	1.7	56.86	-1.4	184,325	0.0	117,947	-3.1	10,481,110	-1.4
Nov 16	63.9	-3.8	89.45	2.8	57.12	-1.1	184,325	0.0	117,711	-3.8	10,529,301	-1.1
Dec 16	63.8	-3.7	89.63	3.0	57.17	-0.9	184,325	0.0	117,573	-3.7	10,538,362	-0.9
Jan 17	64.1	-3.1	89.84	3.0	57.57	-0.2	184,325	0.0	118,125	-3.1	10,612,052	-0.2
Feb 17	64.1	-3.7	90.11	3.6	57.76	-0.3	184,297	-0.0	118,127	-3.7	10,644,105	-0.3
Mar 17	63.6	-4.8	91.16	5.2	58.00	0.1	184,266	-0.0	117,247	-4.9	10,688,177	0.1
Apr 17	63.5	-5.2	91.62	5.3	58.20	-0.1	184,236	-0.0	117,043	-5.2	10,723,033	-0.1
May 17	63.4	-5.1	92.35	6.1	58.55	0.7	184,205	-0.1	116,775	-5.1	10,784,612	0.7

## Tab 6 - Twelve Month Moving Average with Percent Change

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg								
Jun 17	64.2	-2.4	93.89	8.2	60.26	5.5	184,175	-0.1	118,218	-2.5	11,099,185	5.5
Jul 17	65.0	0.5	94.81	8.4	61.60	9.0	184,144	-0.1	119,644	0.4	11,343,202	8.9
Aug 17	65.3	1.9	95.86	9.0	62.55	11.1	184,113	-0.1	120,138	1.8	11,516,847	11.0
Sep 17	65.0	1.6	96.27	8.6	62.54	10.3	184,083	-0.1	119,590	1.4	11,512,657	10.2
Oct 17	64.5	0.8	97.13	9.3	62.63	10.2	184,052	-0.1	118,686	0.6	11,527,999	10.0
Nov 17	63.7	-0.3	98.11	9.7	62.45	9.3	184,022	-0.2	117,137	-0.5	11,492,630	9.1
Dec 17	63.1	-1.1	98.70	10.1	62.24	8.9	183,991	-0.2	116,022	-1.3	11,451,496	8.7
Jan 18	62.1	-3.0	99.59	10.9	61.88	7.5	183,929	-0.2	114,291	-3.2	11,382,268	7.3
Feb 18	61.4	-4.2	100.48	11.5	61.70	6.8	183,901	-0.2	112,928	-4.4	11,347,097	6.6
Mar 18	61.2	-3.8	101.11	10.9	61.92	6.8	183,870	-0.2	112,598	-4.0	11,385,342	6.5
Apr 18	60.9	-4.2	101.81	11.1	61.99	6.5	183,840	-0.2	111,935	-4.4	11,395,909	6.3
May 18	61.0	-3.7	102.74	11.2	62.70	7.1	183,809	-0.2	112,180	-3.9	11,525,221	6.9
Jun 18	60.5	-5.7	102.95	9.7	62.31	3.4	183,779	-0.2	111,226	-5.9	11,450,683	3.2
Jul 18	60.4	-7.1	103.54	9.2	62.50	1.5	183,748	-0.2	110,917	-7.3	11,484,369	1.2
Aug 18	60.7	-6.9	103.88	8.4	63.09	0.9	183,717	-0.2	111,580	-7.1	11,591,342	0.6
Sep 18	61.2	-5.8	104.32	8.4	63.84	2.1	183,687	-0.2	112,407	-6.0	11,726,667	1.9
Oct 18	61.6	-4.4	104.27	7.3	64.26	2.6	183,656	-0.2	113,193	-4.6	11,802,414	2.4
Nov 18	62.2	-2.4	104.08	6.1	64.69	3.6	183,626	-0.2	114,136	-2.6	11,879,045	3.4
Dec 18	62.8	-0.5	104.05	5.4	65.31	4.9	183,595	-0.2	115,247	-0.7	11,991,241	4.7
Jan 19	63.3	1.9	104.14	4.6	65.93	6.5	183,595	-0.2	116,237	1.7	12,104,410	6.3
Feb 19	63.8	3.9	104.37	3.9	66.61	8.0	183,595	-0.2	117,181	3.8	12,230,005	7.8
Mar 19	64.1	4.7	104.38	3.2	66.93	8.1	183,595	-0.1	117,720	4.5	12,287,784	7.9
Apr 19	64.2	5.5	104.23	2.4	66.93	8.0	183,595	-0.1	117,890	5.3	12,287,667	7.8
May 19	64.6	5.8	103.64	0.9	66.94	6.8	183,595	-0.1	118,580	5.7	12,289,463	6.6
Jun 19	65.6	8.5	102.83	-0.1	67.49	8.3	183,595	-0.1	120,504	8.3	12,390,915	8.2

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# Tab 7 - Day of Week Analysis

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Occupancy (%)								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jul - 18	57.5	76.5	80.1	76.4	78.8	86.4	88.0	77.1
Aug - 18	69.4	64.9	78.6	84.3	81.6	85.4	93.5	80.1
Sep - 18	61.4	61.4	69.8	77.8	75.4	83.4	90.8	74.4
Oct - 18	45.5	59.8	62.3	62.8	58.2	69.9	65.4	60.7
Nov - 18	40.2	51.7	56.6	58.9	61.5	61.7	56.6	55.7
Dec - 18	40.6	54.8	56.4	57.3	55.5	52.0	54.8	52.8
Jan - 19	44.9	53.3	53.9	54.9	50.1	48.4	52.4	51.3
Feb - 19	51.9	58.6	58.8	57.1	64.0	69.6	67.7	61.1
Mar - 19	39.6	56.2	62.1	65.9	62.7	70.2	76.5	61.9
Apr - 19	37.8	54.4	60.6	59.8	54.5	64.6	71.8	57.6
May - 19	48.2	59.2	74.0	71.4	68.7	81.1	81.9	69.6
Jun - 19	62.1	82.9	90.6	89.3	89.4	91.3	94.6	85.2
<b>Total Year</b>	<b>50.1</b>	<b>61.2</b>	<b>66.8</b>	<b>68.0</b>	<b>66.6</b>	<b>72.2</b>	<b>74.9</b>	<b>65.6</b>

Three Year Occupancy (%)								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jul 16 - Jun 17	48.2	58.3	65.4	65.4	66.6	72.0	73.2	64.2
Jul 17 - Jun 18	45.1	55.1	62.8	62.6	62.7	65.9	69.3	60.5
Jul 18 - Jun 19	50.1	61.2	66.8	68.0	66.6	72.2	74.9	65.6
<b>Total 3 Yr</b>	<b>47.8</b>	<b>58.2</b>	<b>65.0</b>	<b>65.3</b>	<b>65.3</b>	<b>70.0</b>	<b>72.4</b>	<b>63.4</b>

ADR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jul - 18	109.41	118.78	118.81	118.11	117.66	140.58	143.45	124.21
Aug - 18	118.40	113.15	115.24	120.70	121.62	136.60	148.95	126.11
Sep - 18	99.70	97.40	100.61	104.54	102.21	116.48	120.74	107.36
Oct - 18	83.36	88.98	89.88	90.51	89.25	101.87	95.77	91.74
Nov - 18	82.16	85.85	90.61	90.31	89.34	92.10	92.84	89.51
Dec - 18	84.20	87.37	88.10	87.44	86.29	84.95	90.48	87.15
Jan - 19	85.55	90.32	90.85	90.67	90.16	91.96	93.62	90.54
Feb - 19	91.69	91.51	94.50	95.11	96.68	103.68	104.01	97.16
Mar - 19	90.37	93.02	96.95	97.20	95.01	101.72	102.96	97.66
Apr - 19	85.83	90.88	93.19	91.78	92.15	100.60	102.47	94.51
May - 19	88.97	89.77	92.21	91.79	92.17	106.16	106.77	96.41
Jun - 19	97.70	100.53	102.65	104.65	105.54	121.21	126.51	109.52
<b>Total Year</b>	<b>95.26</b>	<b>96.83</b>	<b>99.02</b>	<b>99.97</b>	<b>99.78</b>	<b>110.81</b>	<b>113.88</b>	<b>102.83</b>

Three Year ADR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jul 16 - Jun 17	87.79	88.41	91.05	91.39	91.12	101.73	101.70	93.89
Jul 17 - Jun 18	94.81	97.18	101.02	100.15	100.45	109.60	112.86	102.95
Jul 18 - Jun 19	95.26	96.83	99.02	99.97	99.78	110.81	113.88	102.83
<b>Total 3 Yr</b>	<b>92.62</b>	<b>94.12</b>	<b>96.99</b>	<b>97.16</b>	<b>97.05</b>	<b>107.28</b>	<b>109.47</b>	<b>99.85</b>

RevPAR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jul - 18	62.86	90.92	95.15	90.30	92.70	121.44	126.20	95.72
Aug - 18	82.15	73.45	90.53	101.79	99.27	116.70	139.32	100.99
Sep - 18	61.21	59.84	70.20	81.31	77.03	97.09	109.69	79.88
Oct - 18	37.90	53.24	55.95	56.81	51.98	71.23	62.68	55.65
Nov - 18	33.03	44.36	51.27	53.21	54.92	56.80	52.58	49.88
Dec - 18	34.16	47.87	49.66	50.12	47.87	44.13	49.61	45.98
Jan - 19	38.40	48.12	48.98	49.75	45.20	44.52	49.04	46.45
Feb - 19	47.62	53.62	55.61	54.31	61.84	72.20	70.41	59.37
Mar - 19	35.77	52.24	60.19	64.08	59.60	71.40	78.72	60.45
Apr - 19	32.46	49.43	56.50	54.91	50.24	64.94	73.59	54.47
May - 19	42.86	53.15	68.26	65.52	63.31	86.08	87.47	67.15
Jun - 19	60.67	83.33	93.05	93.40	94.40	110.65	119.65	93.36
<b>Total Year</b>	<b>47.76</b>	<b>59.23</b>	<b>66.12</b>	<b>68.00</b>	<b>66.46</b>	<b>79.99</b>	<b>85.26</b>	<b>67.49</b>

Three Year RevPAR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jul 16 - Jun 17	42.34	51.57	59.56	59.81	60.66	73.24	74.42	60.26
Jul 17 - Jun 18	42.77	53.54	63.47	62.65	62.95	72.23	78.22	62.31
Jul 18 - Jun 19	47.76	59.23	66.12	68.00	66.46	79.99	85.26	67.49
<b>Total 3 Yr</b>	<b>44.31</b>	<b>54.78</b>	<b>63.05</b>	<b>63.48</b>	<b>63.36</b>	<b>75.14</b>	<b>79.29</b>	<b>63.35</b>

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# Tab 8 - Raw Data

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants										
Jan 13	44.7		72.53		32.40		15,655		6,992		507,156		6	505	100.0
Feb 13	57.5		68.60		39.45		14,140		8,132		557,849		6	505	100.0
Mar 13	60.0		71.09		42.68		15,655		9,398		668,118		6	505	100.0
Apr 13	52.9		70.03		37.05		15,150		8,015		561,280		6	505	100.0
May 13	59.4		72.22		42.91		15,655		9,302		671,803		6	505	100.0
Jun 13	65.7		78.83		51.81		15,150		9,957		784,874		6	505	100.0
Jul 13	77.0		85.32		65.70		15,655		12,055		1,028,498		6	505	100.0
Aug 13	82.0		91.08		74.69		15,655		12,838		1,169,346		6	505	100.0
Sep 13	67.5		79.04		53.33		15,150		10,222		807,918		6	505	100.0
Oct 13	56.4		75.86		42.76		15,655		8,824		669,383		6	505	100.0
Nov 13	50.6		76.49		38.73		15,150		7,671		586,720		6	505	100.0
Dec 13	43.2		71.37		30.86		15,655		6,770		483,171		6	505	100.0
Jan 14	43.4	-2.8	70.98	-2.1	30.80	-4.9	15,655	0.0	6,793	-2.8	482,158	-4.9	6	505	100.0
Feb 14	55.0	-4.4	74.97	9.3	41.22	4.5	14,140	0.0	7,775	-4.4	582,882	4.5	6	505	100.0
Mar 14	62.3	3.8	75.85	6.7	47.26	10.7	15,655	0.0	9,755	3.8	739,891	10.7	6	505	100.0
Apr 14	54.9	3.7	76.65	9.4	42.05	13.5	15,150	0.0	8,311	3.7	637,001	13.5	6	505	100.0
May 14	63.0	6.0	77.69	7.6	48.93	14.0	15,655	0.0	9,859	6.0	765,976	14.0	6	505	100.0
Jun 14	79.1	20.4	84.97	7.8	67.23	29.8	15,150	0.0	11,988	20.4	1,018,587	29.8	6	505	100.0
Jul 14	81.7	6.1	96.32	12.9	78.72	19.8	15,655	0.0	12,794	6.1	1,232,327	19.8	6	505	100.0
Aug 14	84.4	2.9	98.35	8.0	82.99	11.1	15,655	0.0	13,209	2.9	1,299,143	11.1	6	505	100.0
Sep 14	77.0	14.2	83.74	5.9	64.52	21.0	15,150	0.0	11,673	14.2	977,442	21.0	6	505	100.0
Oct 14	60.4	7.1	77.11	1.7	46.54	8.9	15,655	0.0	9,449	7.1	728,640	8.9	6	505	100.0
Nov 14	56.0	10.7	75.64	-1.1	42.38	9.4	15,150	0.0	8,488	10.7	642,058	9.4	6	505	100.0
Dec 14	55.3	27.8	75.88	6.3	41.94	35.9	15,655	0.0	8,653	27.8	656,558	35.9	6	505	100.0
Jan 15	53.6	23.6	72.21	1.7	38.73	25.7	15,655	0.0	8,396	23.6	606,273	25.7	6	505	100.0
Feb 15	58.6	6.6	81.13	8.2	47.55	15.4	14,140	0.0	8,288	6.6	672,382	15.4	6	505	100.0
Mar 15	62.3	0.0	81.45	7.4	50.77	7.4	15,655	0.0	9,758	0.0	794,810	7.4	6	505	100.0
Apr 15	60.5	10.3	78.41	2.3	47.43	12.8	15,150	0.0	9,165	10.3	718,634	12.8	6	505	100.0
May 15	67.4	7.1	83.37	7.3	56.22	14.9	15,655	0.0	10,557	7.1	880,117	14.9	6	505	100.0
Jun 15	81.0	2.4	102.22	20.3	82.83	23.2	15,150	0.0	12,276	2.4	1,254,877	23.2	6	505	100.0
Jul 15	83.4	2.1	101.41	5.3	84.61	7.5	15,655	0.0	13,061	2.1	1,324,563	7.5	6	505	100.0
Aug 15	79.3	-6.0	107.40	9.2	85.18	2.6	15,655	0.0	12,416	-6.0	1,333,540	2.6	6	505	100.0
Sep 15	73.2	-5.0	90.34	7.9	66.13	2.5	15,150	0.0	11,090	-5.0	1,001,912	2.5	6	505	100.0
Oct 15	60.8	0.7	78.19	1.4	47.51	2.1	15,655	0.0	9,513	0.7	743,815	2.1	6	505	100.0
Nov 15	61.1	9.0	71.69	-5.2	43.78	3.3	15,150	0.0	9,251	9.0	663,237	3.3	6	505	100.0
Dec 15	53.5	-3.3	76.10	0.3	40.68	-3.0	15,655	0.0	8,368	-3.3	636,801	-3.0	6	505	100.0
Jan 16	52.3	-2.5	74.09	2.6	38.75	0.1	15,655	0.0	8,189	-2.5	606,704	0.1	6	505	100.0
Feb 16	63.8	8.9	79.09	-2.5	50.48	6.2	14,140	0.0	9,024	8.9	713,744	6.2	6	505	100.0
Mar 16	65.9	5.8	77.74	-4.6	51.26	1.0	15,655	0.0	10,322	5.8	802,451	1.0	6	505	100.0
Apr 16	62.0	2.5	82.67	5.4	51.27	8.1	15,150	0.0	9,395	2.5	776,699	8.1	6	505	100.0
May 16	65.1	-3.4	83.81	0.5	54.57	-2.9	15,655	0.0	10,193	-3.4	854,310	-2.9	6	505	100.0
Jun 16	69.0	-14.9	102.13	-0.1	70.45	-14.9	15,150	0.0	10,451	-14.9	1,067,366	-14.9	6	505	100.0
Jul 16	69.6	-16.6	111.46	9.9	77.60	-8.3	15,655	0.0	10,899	-16.6	1,214,836	-8.3	6	505	100.0
Aug 16	72.4	-8.7	114.22	6.3	82.66	-3.0	15,655	0.0	11,330	-8.7	1,294,063	-3.0	6	505	100.0
Sep 16	72.3	-1.3	98.12	8.6	70.91	7.2	15,150	0.0	10,948	-1.3	1,074,239	7.2	6	505	100.0

# Tab 8 - Raw Data

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants										
Oct 16	61.2	0.7	81.10	3.7	49.61	4.4	15,655	0.0	9,577	0.7	776,660	4.4	6	505	100.0
Nov 16	59.5	-2.6	78.92	10.1	46.96	7.3	15,150	0.0	9,015	-2.6	711,428	7.3	6	505	100.0
Dec 16	52.6	-1.6	78.48	3.1	41.26	1.4	15,655	0.0	8,230	-1.6	645,862	1.4	6	505	100.0
Jan 17	55.8	6.7	77.84	5.1	43.46	12.1	15,655	0.0	8,741	6.7	680,394	12.1	6	505	100.0
Feb 17	64.0	0.2	82.63	4.5	52.85	4.7	14,112	-0.2	9,026	0.0	745,797	4.5	6	504	100.0
Mar 17	60.4	-8.3	89.66	15.3	54.18	5.7	15,624	-0.2	9,442	-8.5	846,523	5.5	6	504	100.0
Apr 17	60.8	-2.0	88.30	6.8	53.67	4.7	15,120	-0.2	9,191	-2.2	811,555	4.5	6	504	100.0
May 17	63.5	-2.4	92.28	10.1	58.62	7.4	15,624	-0.2	9,925	-2.6	915,889	7.2	6	504	100.0
Jun 17	78.7	14.0	116.19	13.8	91.40	29.7	15,120	-0.2	11,894	13.8	1,381,939	29.5	6	504	100.0
Jul 17	78.9	13.3	118.37	6.2	93.37	20.3	15,624	-0.2	12,325	13.1	1,458,853	20.1	6	504	100.0
Aug 17	75.7	4.6	124.13	8.7	93.94	13.6	15,624	-0.2	11,824	4.4	1,467,708	13.4	6	504	100.0
Sep 17	68.8	-4.8	102.89	4.9	70.77	-0.2	15,120	-0.2	10,400	-5.0	1,070,049	-0.4	6	504	100.0
Oct 17	55.5	-9.3	91.32	12.6	50.69	2.2	15,624	-0.2	8,673	-9.4	792,002	2.0	6	504	100.0
Nov 17	49.4	-17.0	90.55	14.7	44.71	-4.8	15,120	-0.2	7,466	-17.2	676,059	-5.0	6	504	100.0
Dec 17	45.5	-13.4	84.99	8.3	38.71	-6.2	15,624	-0.2	7,115	-13.5	604,728	-6.4	6	504	100.0
Jan 18	45.0	-19.5	87.18	12.0	39.19	-9.8	15,593	-0.4	7,010	-19.8	611,166	-10.2	6	503	100.0
Feb 18	54.4	-14.9	92.73	12.2	50.46	-4.5	14,084	-0.2	7,663	-15.1	710,626	-4.7	6	503	100.0
Mar 18	58.4	-3.3	97.10	8.3	56.74	4.7	15,593	-0.2	9,112	-3.5	884,768	4.5	6	503	100.0
Apr 18	56.5	-7.0	96.40	9.2	54.48	1.5	15,090	-0.2	8,528	-7.2	822,122	1.3	6	503	100.0
May 18	65.2	2.7	102.77	11.4	67.03	14.3	15,593	-0.2	10,170	2.5	1,045,201	14.1	6	503	100.0
Jun 18	72.5	-7.8	119.51	2.9	86.64	-5.2	15,090	-0.2	10,940	-8.0	1,307,401	-5.4	6	503	100.0
Jul 18	77.1	-2.3	124.21	4.9	95.72	2.5	15,593	-0.2	12,016	-2.5	1,492,539	2.3	6	503	100.0
Aug 18	80.1	5.8	126.11	1.6	100.99	7.5	15,593	-0.2	12,487	5.6	1,574,681	7.3	6	503	100.0
Sep 18	74.4	8.2	107.36	4.3	79.88	12.9	15,090	-0.2	11,227	8.0	1,205,374	12.6	6	503	100.0
Oct 18	60.7	9.3	91.74	0.5	55.65	9.8	15,593	-0.2	9,459	9.1	867,749	9.6	6	503	100.0
Nov 18	55.7	12.9	89.51	-1.2	49.88	11.6	15,090	-0.2	8,409	12.6	752,690	11.3	6	503	100.0
Dec 18	52.8	15.8	87.15	2.5	45.98	18.8	15,593	-0.2	8,226	15.6	716,924	18.6	6	503	100.0
Jan 19	51.3	14.1	90.54	3.9	46.45	18.5	15,593	0.0	8,000	14.1	724,335	18.5	6	503	100.0
Feb 19	61.1	12.3	97.16	4.8	59.37	17.7	14,084	0.0	8,607	12.3	836,221	17.7	6	503	100.0
Mar 19	61.9	5.9	97.66	0.6	60.45	6.5	15,593	0.0	9,651	5.9	942,547	6.5	6	503	100.0
Apr 19	57.6	2.0	94.51	-2.0	54.47	-0.0	15,090	0.0	8,698	2.0	822,005	-0.0	6	503	100.0
May 19	69.6	6.8	96.41	-6.2	67.15	0.2	15,593	0.0	10,860	6.8	1,046,997	0.2	6	503	100.0
Jun 19	85.2	17.6	109.52	-8.4	93.36	7.8	15,090	0.0	12,864	17.6	1,408,853	7.8	6	503	100.0

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# Tab 9 - Classic

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants								
Jan 13	44.7		72.53		32.40		15,655		6,992		507,156		6	505	100.0
Feb 13	57.5		68.60		39.45		14,140		8,132		557,849		6	505	100.0
Mar 13	60.0		71.09		42.68		15,655		9,398		668,118		6	505	100.0
Apr 13	52.9		70.03		37.05		15,150		8,015		561,280		6	505	100.0
May 13	59.4		72.22		42.91		15,655		9,302		671,803		6	505	100.0
Jun 13	65.7		78.83		51.81		15,150		9,957		784,874		6	505	100.0
Jul 13	77.0		85.32		65.70		15,655		12,055		1,028,498		6	505	100.0
Aug 13	82.0		91.08		74.69		15,655		12,838		1,169,346		6	505	100.0
Sep 13	67.5		79.04		53.33		15,150		10,222		807,918		6	505	100.0
Oct 13	56.4		75.86		42.76		15,655		8,824		669,383		6	505	100.0
Nov 13	50.6		76.49		38.73		15,150		7,671		586,720		6	505	100.0
Dec 13	43.2		71.37		30.86		15,655		6,770		483,171		6	505	100.0
Jun YTD 2013	56.7		72.42		41.04		91,405		51,796		3,751,080				
Total 2013	59.8		77.11		46.09		184,325		110,176		8,496,116				
Jan 14	43.4	-2.8	70.98	-2.1	30.80	-4.9	15,655	0.0	6,793	-2.8	482,158	-4.9	6	505	100.0
Feb 14	55.0	-4.4	74.97	9.3	41.22	4.5	14,140	0.0	7,775	-4.4	582,882	4.5	6	505	100.0
Mar 14	62.3	3.8	75.85	6.7	47.26	10.7	15,655	0.0	9,755	3.8	739,891	10.7	6	505	100.0
Apr 14	54.9	3.7	76.65	9.4	42.05	13.5	15,150	0.0	8,311	3.7	637,001	13.5	6	505	100.0
May 14	63.0	6.0	77.69	7.6	48.93	14.0	15,655	0.0	9,859	6.0	765,976	14.0	6	505	100.0
Jun 14	79.1	20.4	84.97	7.8	67.23	29.8	15,150	0.0	11,988	20.4	1,018,587	29.8	6	505	100.0
Jul 14	81.7	6.1	96.32	12.9	78.72	19.8	15,655	0.0	12,794	6.1	1,232,327	19.8	6	505	100.0
Aug 14	84.4	2.9	98.35	8.0	82.99	11.1	15,655	0.0	13,209	2.9	1,299,143	11.1	6	505	100.0
Sep 14	77.0	14.2	83.74	5.9	64.52	21.0	15,150	0.0	11,673	14.2	977,442	21.0	6	505	100.0
Oct 14	60.4	7.1	77.11	1.7	46.54	8.9	15,655	0.0	9,449	7.1	728,640	8.9	6	505	100.0
Nov 14	56.0	10.7	75.64	-1.1	42.38	9.4	15,150	0.0	8,488	10.7	642,058	9.4	6	505	100.0
Dec 14	55.3	27.8	75.88	6.3	41.94	35.9	15,655	0.0	8,653	27.8	656,558	35.9	6	505	100.0
Jun YTD 2014	59.6	5.2	77.58	7.1	46.24	12.7	91,405	0.0	54,481	5.2	4,226,495	12.7			
Total 2014	64.4	7.8	82.21	6.6	52.96	14.9	184,325	0.0	118,747	7.8	9,762,663	14.9			
Jan 15	53.6	23.6	72.21	1.7	38.73	25.7	15,655	0.0	8,396	23.6	606,273	25.7	6	505	100.0
Feb 15	58.6	6.6	81.13	8.2	47.55	15.4	14,140	0.0	8,288	6.6	672,382	15.4	6	505	100.0
Mar 15	62.3	0.0	81.45	7.4	50.77	7.4	15,655	0.0	9,758	0.0	794,810	7.4	6	505	100.0
Apr 15	60.5	10.3	78.41	2.3	47.43	12.8	15,150	0.0	9,165	10.3	718,634	12.8	6	505	100.0
May 15	67.4	7.1	83.37	7.3	56.22	14.9	15,655	0.0	10,557	7.1	880,117	14.9	6	505	100.0
Jun 15	81.0	2.4	102.22	20.3	82.83	23.2	15,150	0.0	12,276	2.4	1,254,877	23.2	6	505	100.0
Jul 15	83.4	2.1	101.41	5.3	84.61	7.5	15,655	0.0	13,061	2.1	1,324,563	7.5	6	505	100.0
Aug 15	79.3	-6.0	107.40	9.2	85.18	2.6	15,655	0.0	12,416	-6.0	1,333,540	2.6	6	505	100.0
Sep 15	73.2	-5.0	90.34	7.9	66.13	2.5	15,150	0.0	11,090	-5.0	1,001,912	2.5	6	505	100.0
Oct 15	60.8	0.7	78.19	1.4	47.51	2.1	15,655	0.0	9,513	0.7	743,815	2.1	6	505	100.0
Nov 15	61.1	9.0	71.69	-5.2	43.78	3.3	15,150	0.0	9,251	9.0	663,237	3.3	6	505	100.0
Dec 15	53.5	-3.3	76.10	0.3	40.68	-3.0	15,655	0.0	8,368	-3.3	636,801	-3.0	6	505	100.0
Jun YTD 2015	63.9	7.3	84.31	8.7	53.90	16.6	91,405	0.0	58,440	7.3	4,927,093	16.6			
Total 2015	66.3	2.9	87.04	5.9	57.68	8.9	184,325	0.0	122,139	2.9	10,630,961	8.9			
Jan 16	52.3	-2.5	74.09	2.6	38.75	0.1	15,655	0.0	8,189	-2.5	606,704	0.1	6	505	100.0
Feb 16	63.8	8.9	79.09	-2.5	50.48	6.2	14,140	0.0	9,024	8.9	713,744	6.2	6	505	100.0
Mar 16	65.9	5.8	77.74	-4.6	51.26	1.0	15,655	0.0	10,322	5.8	802,451	1.0	6	505	100.0
Apr 16	62.0	2.5	82.67	5.4	51.27	8.1	15,150	0.0	9,395	2.5	776,699	8.1	6	505	100.0
May 16	65.1	-3.4	83.81	0.5	54.57	-2.9	15,655	0.0	10,193	-3.4	854,310	-2.9	6	505	100.0
Jun 16	69.0	-14.9	102.13	-0.1	70.45	-14.9	15,150	0.0	10,451	-14.9	1,067,366	-14.9	6	505	100.0
Jul 16	69.6	-16.6	111.46	9.9	77.60	-8.3	15,655	0.0	10,899	-16.6	1,214,836	-8.3	6	505	100.0

# Tab 9 - Classic

Auburn, WA Selected Properties

Job Number: 1103633\_SADIM Staff: MB Created: July 18, 2019

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants								
Aug 16	72.4	-8.7	114.22	6.3	82.66	-3.0	15,655	0.0	11,330	-8.7	1,294,063	-3.0	6	505	100.0
Sep 16	72.3	-1.3	98.12	8.6	70.91	7.2	15,150	0.0	10,948	-1.3	1,074,239	7.2	6	505	100.0
Oct 16	61.2	0.7	81.10	3.7	49.61	4.4	15,655	0.0	9,577	0.7	776,660	4.4	6	505	100.0
Nov 16	59.5	-2.6	78.92	10.1	46.96	7.3	15,150	0.0	9,015	-2.6	711,428	7.3	6	505	100.0
Dec 16	52.6	-1.6	78.48	3.1	41.26	1.4	15,655	0.0	8,230	-1.6	645,862	1.4	6	505	100.0
Jun YTD 2016	63.0	-1.5	83.74	-0.7	52.75	-2.1	91,405	0.0	57,574	-1.5	4,821,274	-2.1			
Total 2016	63.8	-3.7	89.63	3.0	57.17	-0.9	184,325	0.0	117,573	-3.7	10,538,362	-0.9			
Jan 17	55.8	6.7	77.84	5.1	43.46	12.1	15,655	0.0	8,741	6.7	680,394	12.1	6	505	100.0
Feb 17	64.0	0.2	82.63	4.5	52.85	4.7	14,112	-0.2	9,026	0.0	745,797	4.5	6	504	100.0
Mar 17	60.4	-8.3	89.66	15.3	54.18	5.7	15,624	-0.2	9,442	-8.5	846,523	5.5	6	504	100.0
Apr 17	60.8	-2.0	88.30	6.8	53.67	4.7	15,120	-0.2	9,191	-2.2	811,555	4.5	6	504	100.0
May 17	63.5	-2.4	92.28	10.1	58.62	7.4	15,624	-0.2	9,925	-2.6	915,889	7.2	6	504	100.0
Jun 17	78.7	14.0	116.19	13.8	91.40	29.7	15,120	-0.2	11,894	13.8	1,381,939	29.5	6	504	100.0
Jul 17	78.9	13.3	118.37	6.2	93.37	20.3	15,624	-0.2	12,325	13.1	1,458,853	20.1	6	504	100.0
Aug 17	75.7	4.6	124.13	8.7	93.94	13.6	15,624	-0.2	11,824	4.4	1,467,708	13.4	6	504	100.0
Sep 17	68.8	-4.8	102.89	4.9	70.77	-0.2	15,120	-0.2	10,400	-5.0	1,070,049	-0.4	6	504	100.0
Oct 17	55.5	-9.3	91.32	12.6	50.69	2.2	15,624	-0.2	8,673	-9.4	792,002	2.0	6	504	100.0
Nov 17	49.4	-17.0	90.55	14.7	44.71	-4.8	15,120	-0.2	7,466	-17.2	676,059	-5.0	6	504	100.0
Dec 17	45.5	-13.4	84.99	8.3	38.71	-6.2	15,624	-0.2	7,115	-13.5	604,728	-6.4	6	504	100.0
Jun YTD 2017	63.8	1.3	92.45	10.4	58.98	11.8	91,255	-0.2	58,219	1.1	5,382,097	11.6			
Total 2017	63.1	-1.1	98.70	10.1	62.24	8.9	183,991	-0.2	116,022	-1.3	11,451,496	8.7			
Jan 18	45.0	-19.5	87.18	12.0	39.19	-9.8	15,593	-0.4	7,010	-19.8	611,166	-10.2	6	503	100.0
Feb 18	54.4	-14.9	92.73	12.2	50.46	-4.5	14,084	-0.2	7,663	-15.1	710,626	-4.7	6	503	100.0
Mar 18	58.4	-3.3	97.10	8.3	56.74	4.7	15,593	-0.2	9,112	-3.5	884,768	4.5	6	503	100.0
Apr 18	56.5	-7.0	96.40	9.2	54.48	1.5	15,090	-0.2	8,528	-7.2	822,122	1.3	6	503	100.0
May 18	65.2	2.7	102.77	11.4	67.03	14.3	15,593	-0.2	10,170	2.5	1,045,201	14.1	6	503	100.0
Jun 18	72.5	-7.8	119.51	2.9	86.64	-5.2	15,090	-0.2	10,940	-8.0	1,307,401	-5.4	6	503	100.0
Jul 18	77.1	-2.3	124.21	4.9	95.72	2.5	15,593	-0.2	12,016	-2.5	1,492,539	2.3	6	503	100.0
Aug 18	80.1	5.8	126.11	1.6	100.99	7.5	15,593	-0.2	12,487	5.6	1,574,681	7.3	6	503	100.0
Sep 18	74.4	8.2	107.36	4.3	79.88	12.9	15,090	-0.2	11,227	8.0	1,205,374	12.6	6	503	100.0
Oct 18	60.7	9.3	91.74	0.5	55.65	9.8	15,593	-0.2	9,459	9.1	867,749	9.6	6	503	100.0
Nov 18	55.7	12.9	89.51	-1.2	49.88	11.6	15,090	-0.2	8,409	12.6	752,690	11.3	6	503	100.0
Dec 18	52.8	15.8	87.15	2.5	45.98	18.8	15,593	-0.2	8,226	15.6	716,924	18.6	6	503	100.0
Jun YTD 2018	58.7	-8.0	100.73	9.0	59.11	0.2	91,043	-0.2	53,423	-8.2	5,381,284	-0.0			
Total 2018	62.8	-0.5	104.05	5.4	65.31	4.9	183,595	-0.2	115,247	-0.7	11,991,241	4.7			
Jan 19	51.3	14.1	90.54	3.9	46.45	18.5	15,593	0.0	8,000	14.1	724,335	18.5	6	503	100.0
Feb 19	61.1	12.3	97.16	4.8	59.37	17.7	14,084	0.0	8,607	12.3	836,221	17.7	6	503	100.0
Mar 19	61.9	5.9	97.66	0.6	60.45	6.5	15,593	0.0	9,651	5.9	942,547	6.5	6	503	100.0
Apr 19	57.6	2.0	94.51	-2.0	54.47	-0.0	15,090	0.0	8,698	2.0	822,005	-0.0	6	503	100.0
May 19	69.6	6.8	96.41	-6.2	67.15	0.2	15,593	0.0	10,860	6.8	1,046,997	0.2	6	503	100.0
Jun 19	85.2	17.6	109.52	-8.4	93.36	7.8	15,090	0.0	12,864	17.6	1,408,853	7.8	6	503	100.0
Jun YTD 2019	64.5	9.8	98.52	-2.2	63.50	7.4	91,043	0.0	58,680	9.8	5,780,958	7.4			



## Tab 11 - Terms and Conditions

Before purchasing this product you agreed to the following terms and conditions.

In consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, STR, Inc. ("STR"), STR Global, Ltd. ("STRG"), and the licensee identified elsewhere in this Agreement ("Licensee") agree as follows:

### 1. LICENSE

#### 1.1 Definitions.

(a) "Agreement" means these Standard Terms and Conditions and any additional terms specifically set out in writing in the document(s) (if any) to which these Standard Terms and Conditions are attached or in which they are incorporated by reference, and, if applicable, any additional terms specifically set out in writing in any Schedule attached hereto.

(b) "Licensed Materials" means the newsletters, reports, databases or other information resources, and all lodging industry data contained therein, provided to Licensee hereunder.

**1.2 Grant of License.** Subject to the terms and conditions of this Agreement, and except as may be expressly permitted elsewhere in this Agreement, STR hereby grants to Licensee a non-exclusive, non-transferable, indivisible, non-sublicensable license to use, copy, manipulate and extract data from the Licensed Materials for its own INTERNAL business purposes only.

**1.3 Copies.** Except as expressly permitted elsewhere in this Agreement, Licensee may make and maintain no more than two (2) copies of any Licensed Materials.

**1.4 No Service Bureau Use.** Licensee is prohibited from using the Licensed Materials in any way in connection with any service bureau or similar services. "Service bureau" means the processing of input data that is supplied by one or more third parties and the generation of output data (in the form of reports, charts, graphs or other pictorial representations, or the like) that is sold or licensed to any third parties.

**1.5 No Distribution to Third Parties.** Except as expressly permitted in this Agreement, Licensee is prohibited from distributing, republishing or otherwise making the Licensed Materials or any part thereof (including any excerpts of the data and any manipulations of the data) available in any form whatsoever to any third party, other than Licensee's accountants, attorneys, marketing professionals or other professional advisors who are bound by a duty of confidentiality not to disclose such information.

**1.6 Security.** Licensee shall use commercially reasonable efforts to protect against unauthorized access to the Licensed Materials.

**1.7 Reservation of Rights.** Licensee has no rights in connection with the Licensed Materials other than those rights expressly enumerated herein. All rights to the Licensed Materials not expressly enumerated herein are reserved to STR.

#### 2. DISCLAIMERS AND LIMITATIONS OF LIABILITY

**2.1 Disclaimer of Warranties.** The licensed materials are provided to the licensee on an "as is" and "as available" basis. STR makes no representations or warranties of any kind, express or implied, with respect to the licensed materials, the services provided or the results of use thereof. Without limiting the foregoing, STR does not warrant that the licensed materials, the services provided or the use thereof are or will be accurate, error-free or uninterrupted. STR makes no implied warranties, including without limitation, any implied warranty of merchantability, noninfringement or fitness for any particular purpose or arising by usage of trade, course of dealing, course of performance or otherwise.

**2.2 Disclaimers.** STR shall have no liability with respect to its obligations under this agreement or otherwise for consequential, exemplary, special, incidental, or punitive damages even if STR has been advised of the possibility of such damages. Furthermore, STR shall have no liability whatsoever for any claim relating in any way to any decision made or action taken by licensee in reliance upon the licensed materials.

**2.3 Limitation of Liability.** STR's total liability to licensee for any reason and upon any cause of action including without limitation, infringement, breach of contract, negligence, strict liability, misrepresentations, and other torts, shall be limited to all fees paid to STR by the licensee during the twelve month period preceding the date on which such cause of action first arose.

### 3. MISCELLANEOUS

**3.1 Liquidated Damages.** In the event of a violation of Section 1.5 of these Standard Terms and Conditions, Licensee shall be required to pay STR an amount equal to the sum of (i) the highest aggregate price that STR, in accordance with its then-current published prices, could have charged the unauthorized recipients for the Licensed Materials that are the subject of the violation, and (ii) the full price of the lowest level of republishing rights that Licensee would have been required to purchase from STR in order to have the right to make the unauthorized distribution, regardless of whether Licensee has previously paid for any lower level of republishing rights, and (iii) fifteen percent (15%) of the total of the previous two items. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

**3.2 Obligations on Termination.** Within thirty (30) days of the termination or expiration of this Agreement for any reason, Licensee shall cease all use of the Licensed Materials and shall return or destroy, at STR's option, all copies of the Licensed Materials and all other information relating thereto in Licensee's possession or control as of the such date. This provision shall survive indefinitely the expiration or termination of this Agreement for any reason.

**3.3 Governing Law; Jurisdiction and Venue.** This Agreement shall be governed by the substantive laws of the State of Tennessee, without regard to its or any other jurisdiction's laws governing conflicts of law. Any claims or actions regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

**3.4 Assignment.** Licensee is prohibited from assigning this Agreement or delegating any of its duties under this Agreement without the prior written consent of STR.

**3.5 Independent Relationship.** The relationship between the parties is that of an independent contractor. Nothing in this Agreement shall be deemed to create an employer/employee, principal/agent, partnership or joint venture relationship.

**3.6 Notices.** All notices required or permitted to be given hereunder shall be in writing and shall be deemed given i) when delivered in person, at the time of such delivery; ii) when delivered by facsimile transmission or e-mail, at the time of transmission (provided, however, that notice delivered by facsimile transmission shall only be effective if such notice is also delivered by hand or deposited in the United States mail, postage prepaid, registered, certified or express mail or by courier service within two (2) business days after its delivery by facsimile transmission); iii) when delivered by a courier service or by express mail, at the time of receipt; or iv) five (5) business days after being deposited in the United States mail, postage prepaid, registered or certified mail, addressed (in any such case) to the addresses listed on the first page of this Agreement or to such other address as either party may notify the other in writing.

**3.7 Waiver.** No waiver of any breach of this Agreement will be deemed to constitute a waiver of any subsequent breach of the same or any other provision.

**3.8 Entire Agreement.** This Agreement constitutes the entire agreement of the parties with respect to the matters described herein, superseding in all respects any and all prior proposals, negotiations, understandings and other agreements, oral or written, between the parties.

**3.9 Amendment.** This Agreement may be amended only by the written agreement of both parties.

**3.10 Recovery of Litigation Costs.** If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to which it or they may be entitled.

**3.11 Injunctive Relief.** The parties agree that, in addition to any other rights or remedies which the other or STR may have, any party alleging breach or threatened breach of this Agreement will be entitled to such equitable and injunctive relief as may be available from any court of competent jurisdiction to restrain the other from breaching or threatening to breach any of the provisions of this Section, without posting bond or other surety.

**3.12 Notice of Unauthorized Access.** Licensee shall notify STR immediately upon Licensee's becoming aware of any facts indicating that a third party may have obtained or may be about to obtain unauthorized access to the Licensed Materials, and shall fully cooperate with STR in its efforts to mitigate the damages caused by any such breach or potential breach.

**3.13 Conflicting Provisions.** In the event that any provision of these Standard Terms and Conditions directly conflicts with any other provision of the Agreement, the conflicting terms of such other provision shall control.

**3.14 Remedies.** In addition to any other rights or remedies that STR may have, in the event of any termination by STR on account of a breach by Licensee, STR may, without refund, immediately terminate and discontinue any right of Licensee to receive additional Licensed Materials from STR.