



# Hospitality Market Report

## Phoenix - AZ

PREPARED BY



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**HOSPITALITY MARKET REPORT**

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12 Mo Occupancy

**67.9%**

12 Mo ADR

**\$154.83**

12 Mo RevPAR

**\$105.10**

12 Mo Supply

**25.4M**

12 Mo Demand

**17.2M**

Phoenix hotels have fared better and recovered faster compared to other markets nationally. Until November, Phoenix was the only major market in the western U.S. to exceed pre-pandemic RevPAR levels and remains the most recovered.

In April, Phoenix occupancy exceeded 2019 levels for the first time since the start of the pandemic as group and corporate travel started showing a significant recovery. Initially, looser COVID-19 restrictions and easy market accessibility helped Phoenix hotels achieve better results with some smaller events and conferences, but it was the leisure visitors who drove the recovery. In May, group occupancy was one of the highest in the nation, causing total occupancy to reach 69.3%, which was slightly above May 2019 levels and well above the national level of 65.1%.

Over the past 12 months, Phoenix hotel occupancy reached 67.9%, one of the highest levels among the top markets nationally and only slightly below 2019 annual levels. Before the pandemic, the Phoenix market captured all travel segments, which resulted in annual occupancy levels around 70%. Corporate expansions and relocations to the area, including Zoom and Deloitte, induced business travel demand, while significant sporting events, such as MLB spring training, generated

group and leisure demand.

Positive Phoenix hotel performance is projected to continue. Annual occupancy is expected to be within a few occupancy points of 2019 levels this year, while monthly average daily rates have exceeded 2019 levels for the past year. Annual RevPAR is forecast to exceed pre-pandemic levels this year, which would make it one of the most recovered major markets nationally when indexed to 2019 performance.

After years of limited supply growth, Phoenix began to open an abundance of hotel rooms in 2019, and the trend has not slowed. Approximately 1,500 rooms in 12 hotels opened in the past 12 months, and 4,718 hotel rooms are under construction, most of which are set to open in the next two years.

This year, hotel investment volume is close to surpassing last year's annual volume. Hotel investment volume was slightly muted in 2021, unlike most markets that were in line with pre-pandemic annual levels. The number of hotel trades in 2021 was much higher than historical trends, but primarily small, lower-tier class hotels traded, a handful of which are to be converted to alternative uses.

### KEY INDICATORS

Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	20,606	58.6%	\$261.07	\$152.97	459	955
Upscale & Upper Midscale	30,603	69.4%	\$138.03	\$95.81	965	1,435
Midscale & Economy	18,101	75.8%	\$88.07	\$66.75	114	2,091
<b>Total</b>	<b>69,310</b>	<b>67.9%</b>	<b>\$154.83</b>	<b>\$105.10</b>	<b>1,538</b>	<b>4,718*</b>

\*Includes 237 Rooms Under Construction that are currently unaffiliated with any Class.

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	69.3%	75.9%	73.4%	67.9%	64.2%	71.1%
Occupancy Change	11.6%	13.9%	19.5%	27.7%	0.3%	0.9%
ADR	\$153.67	\$191.60	\$187.75	\$154.83	\$130.27	\$162.76
ADR Change	22.6%	39.8%	46.3%	41.2%	4.3%	1.6%
RevPAR	\$106.48	\$145.45	\$137.86	\$105.10	\$83.59	\$115.66
RevPAR Change	36.8%	59.2%	74.8%	80.3%	4.6%	2.5%

The Phoenix hotel market is the most recovered major hospitality market in the western U.S. as Phoenix RevPAR has mostly exceeded pre-pandemic performance since last June. Leisure demand has driven recovery in Phoenix, and while group and business visitor demand are returning at a slower pace, it is still comparatively quicker than other markets.

Looser COVID restrictions have helped hotel performance over the past 18 months, but hotel demand is also attributed to the expansion of many well-known companies to Phoenix, including Amazon, Allstate, and DoorDash. Additionally, leisure travelers are drawn to sporting events with numerous professional and college teams, a revitalized downtown area, and scenic excursions to popular destinations such as Red Rock State Park in Sedona. Temperate weather in the first quarter generates peak seasonality, which is also assisted by significant annual events, including the Phoenix Waste Management Open golf tournament in February, typically drawing over 200,000 visitors, and MLB spring training in March, attracting over 1.5 million visitors.

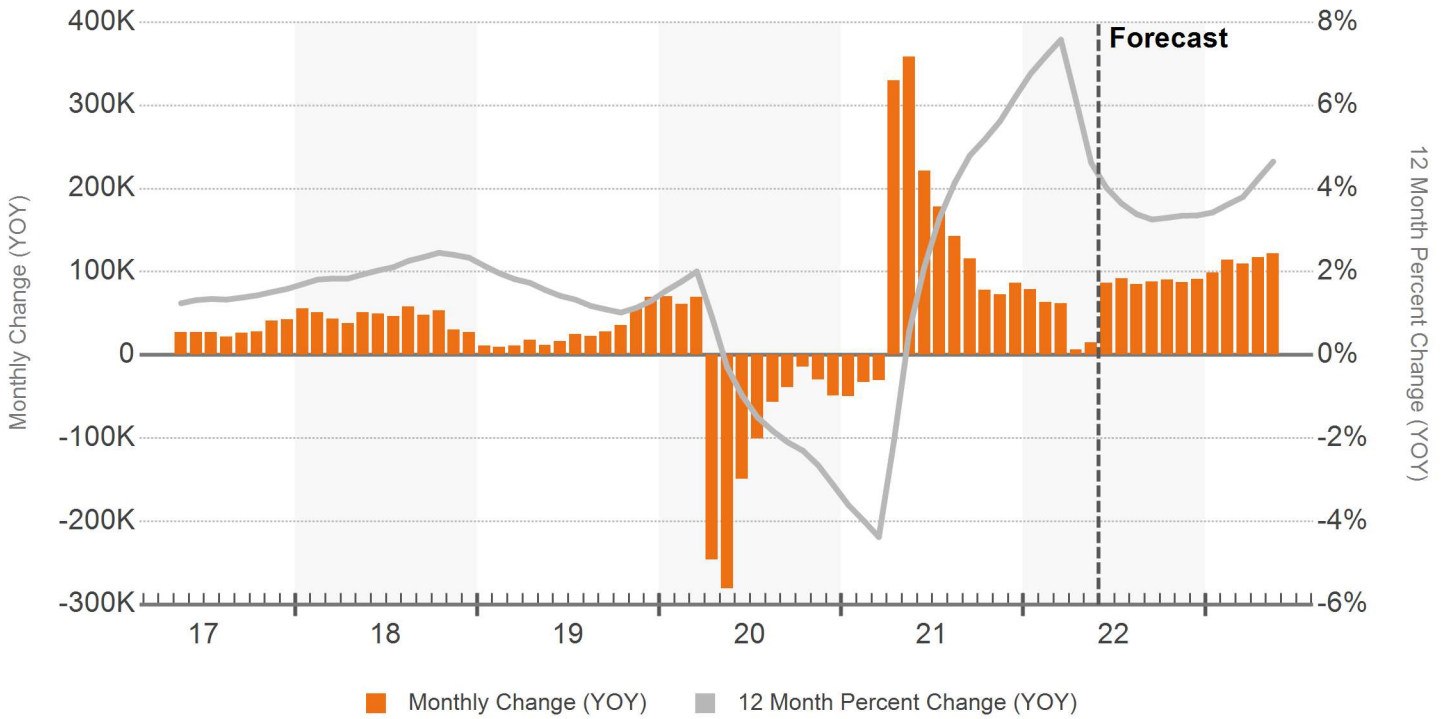
Occupancy recovery remains firm and may have even surpassed pre-pandemic levels if the market hadn't added nearly 7,000 hotel rooms to the market since 2019. This represents a higher hotel inventory addition than the combined number of rooms added from 2010 through 2018. Still, the market is absorbing the new

supply well due to leisure visitors pushing weekend occupancy levels higher than pre-pandemic levels from May 2021 through May 2022. Group occupancy remains below pre-pandemic levels but is one of the highest among the other major markets nationally.

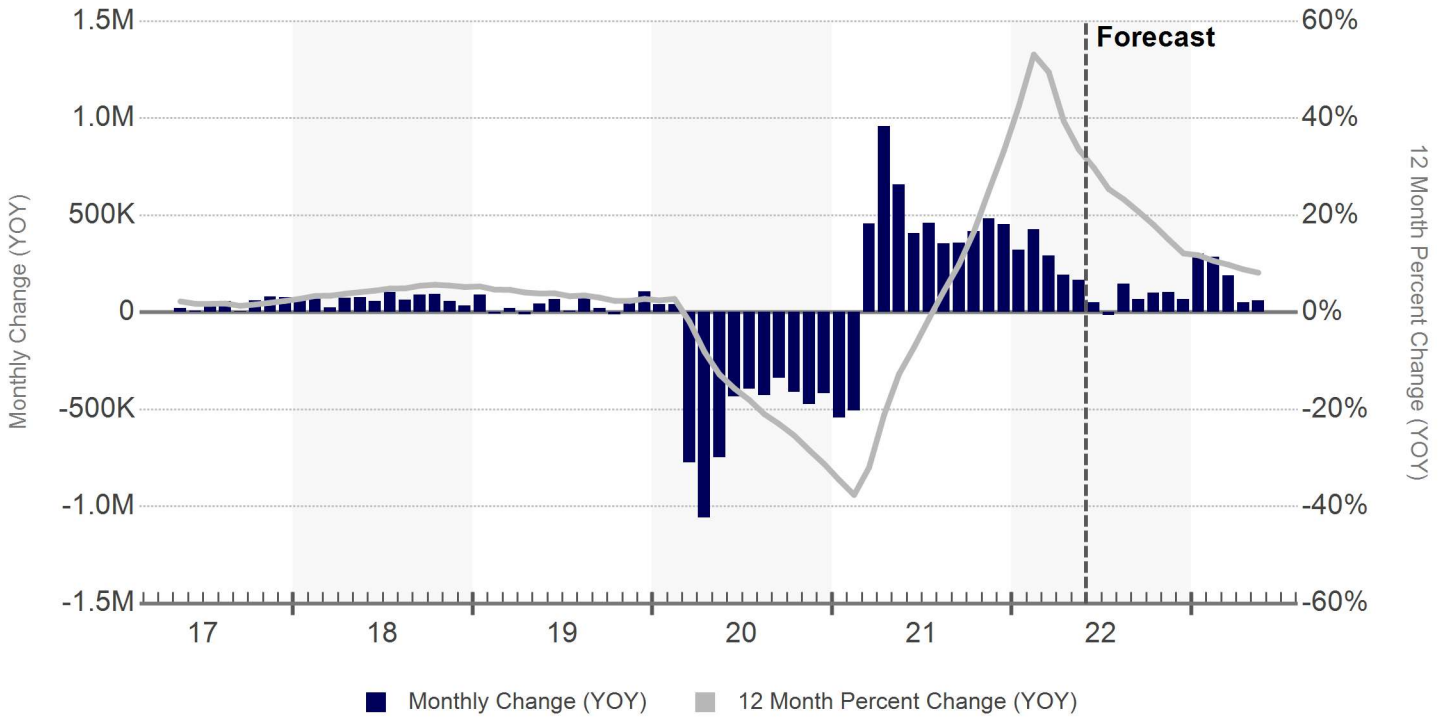
Average daily rate has fully recovered and has been breaking market records as it surpassed pre-pandemic levels since last May. Many markets recovered to pre-pandemic average daily rates due to leisure visitors paying high weekend rates that offset the reduced rates on weekdays; however, Phoenix average daily rates exceeded 2019 rates on weekdays and weekends since last June. Weekday rate performance was boosted by group average daily rates exceeding group rates paid in 2019 over the past eight months.

The Phoenix market is projected to exceed the previous peak RevPAR level that occurred in 2019 this year. The Phoenix Convention Center has a robust convention calendar in 2022, and the MLB lockout resolving allowed spring training to happen this year, which further fuels hotel performance. A favorable hotel outlook is expected to continue through the next few years as Phoenix is hosting significant events such as the Super Bowl in 2023 and NCAA Final Four games in 2024. When Phoenix hosted the 2015 Super Bowl, RevPAR increased 42% and 17.9% year over year in January and February, respectively.

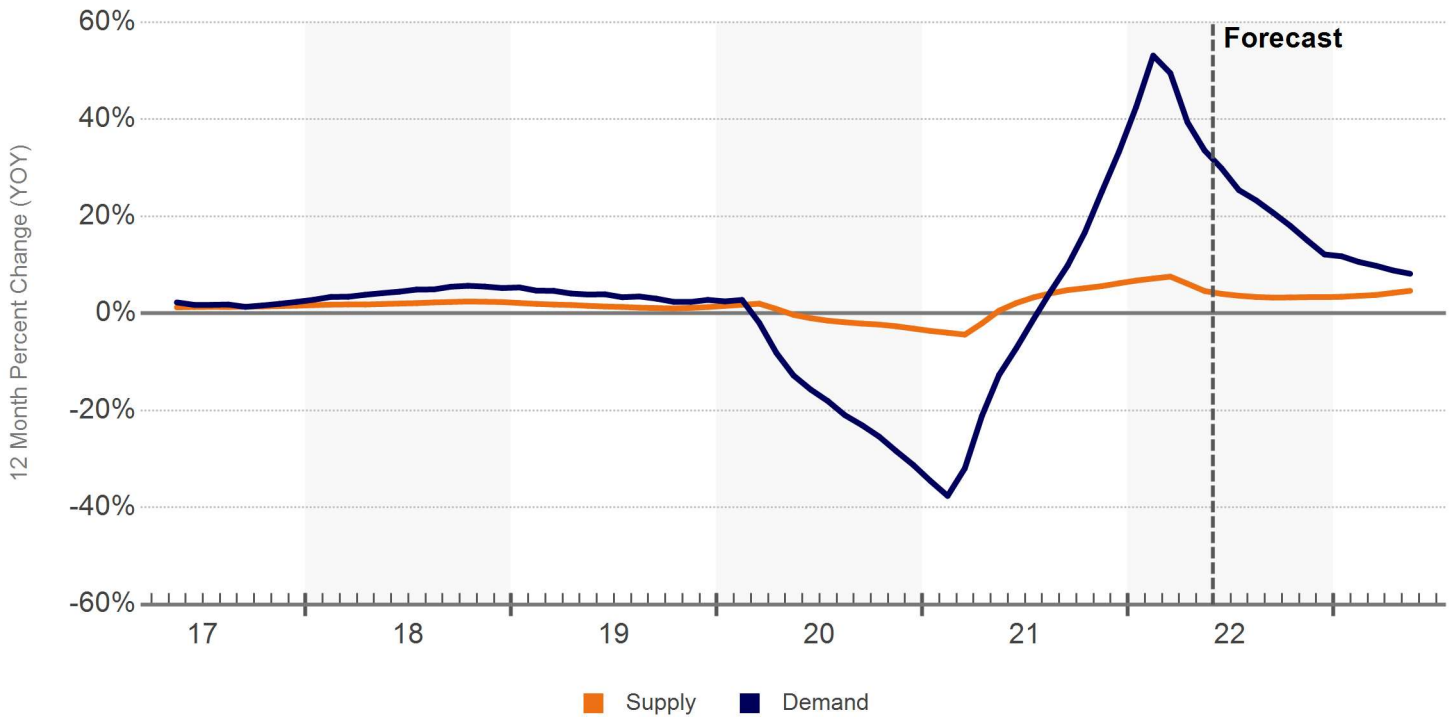
## SUPPLY CHANGE



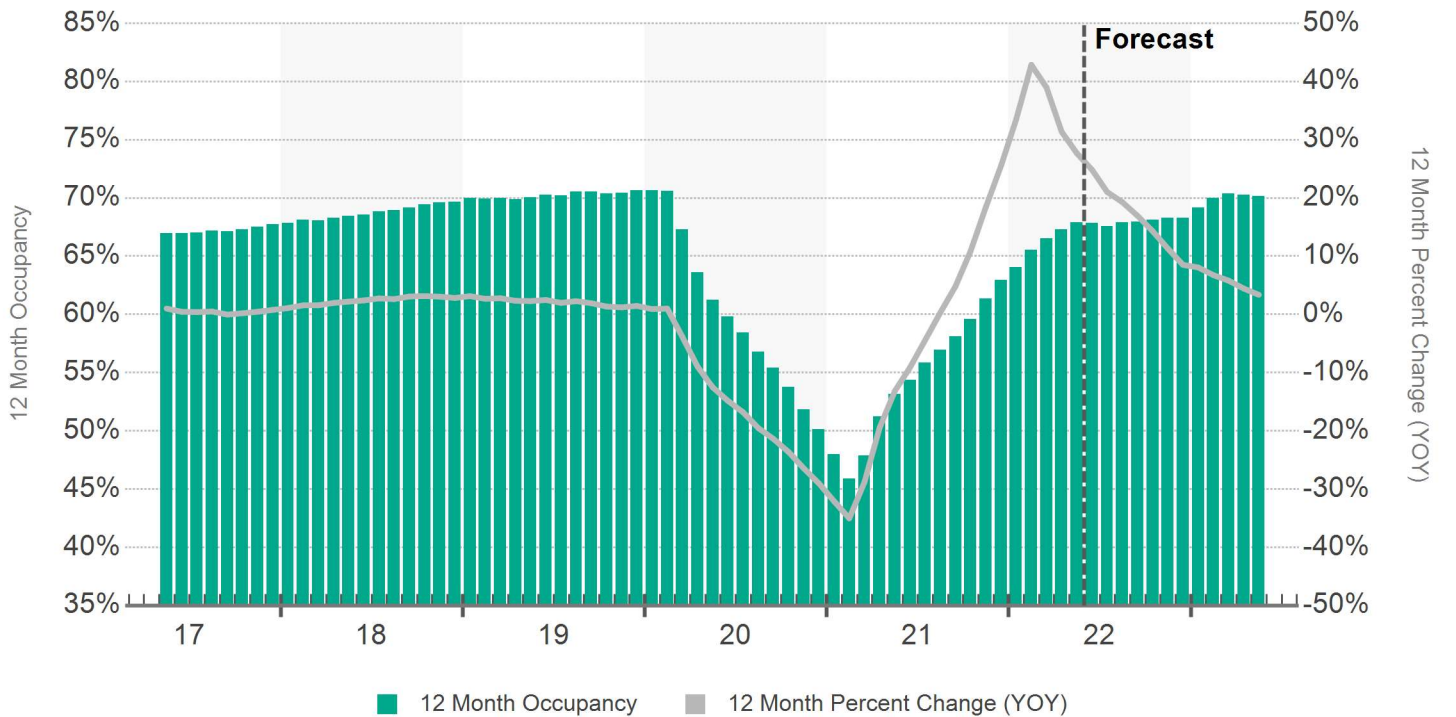
## DEMAND CHANGE



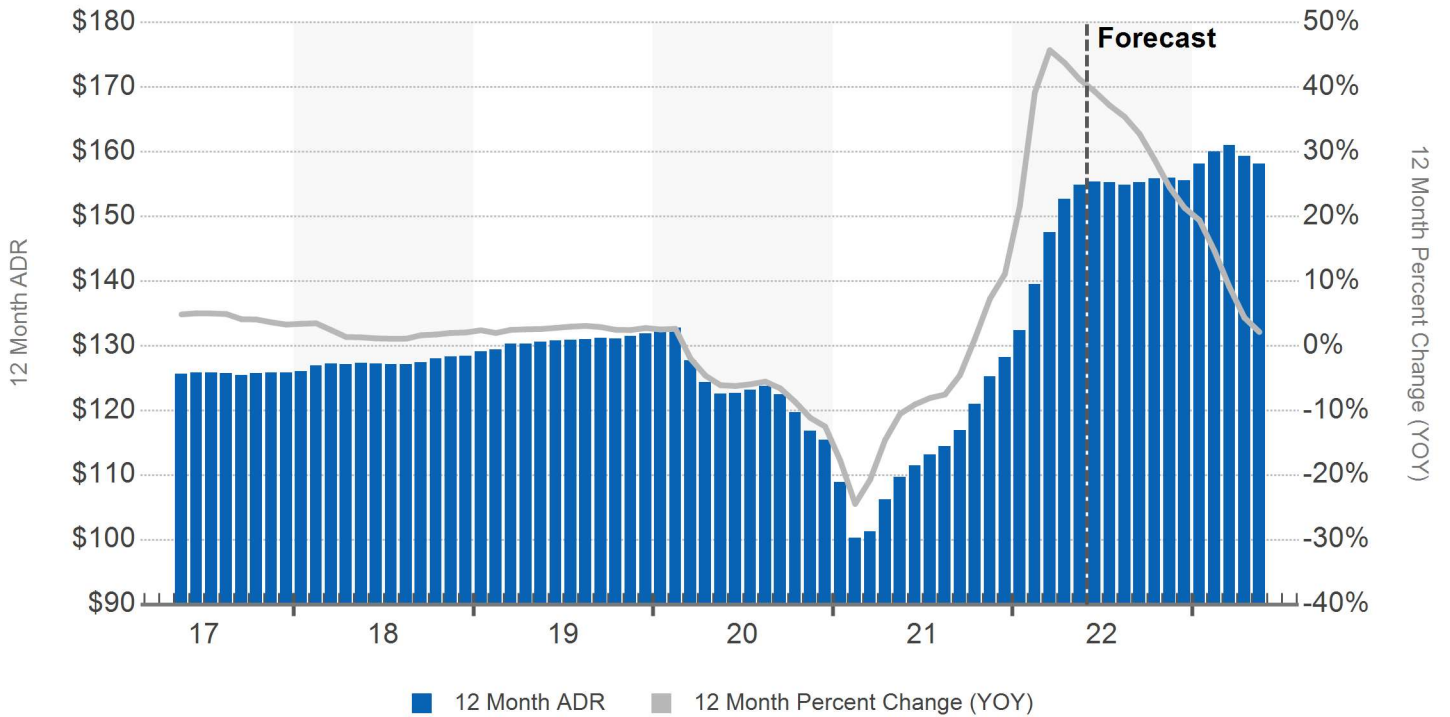
## SUPPLY & DEMAND CHANGE



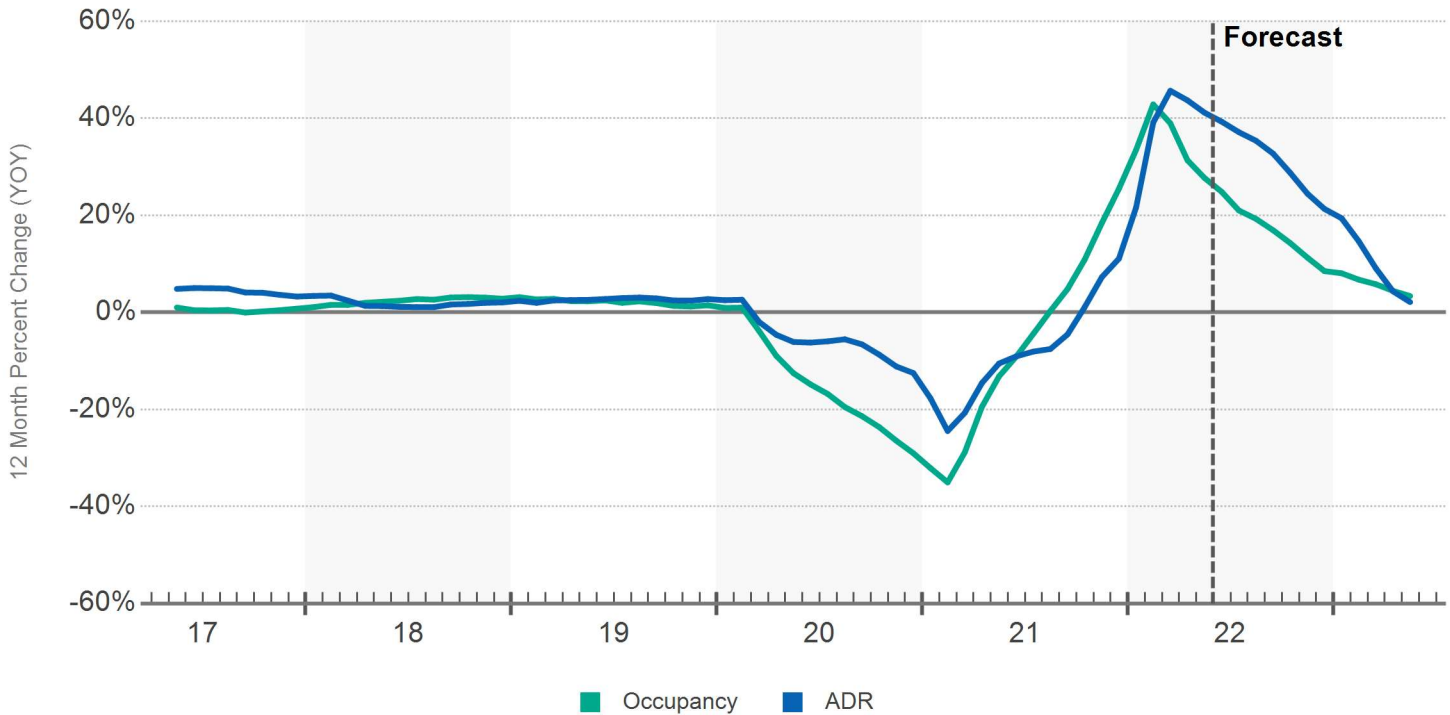
## OCCUPANCY



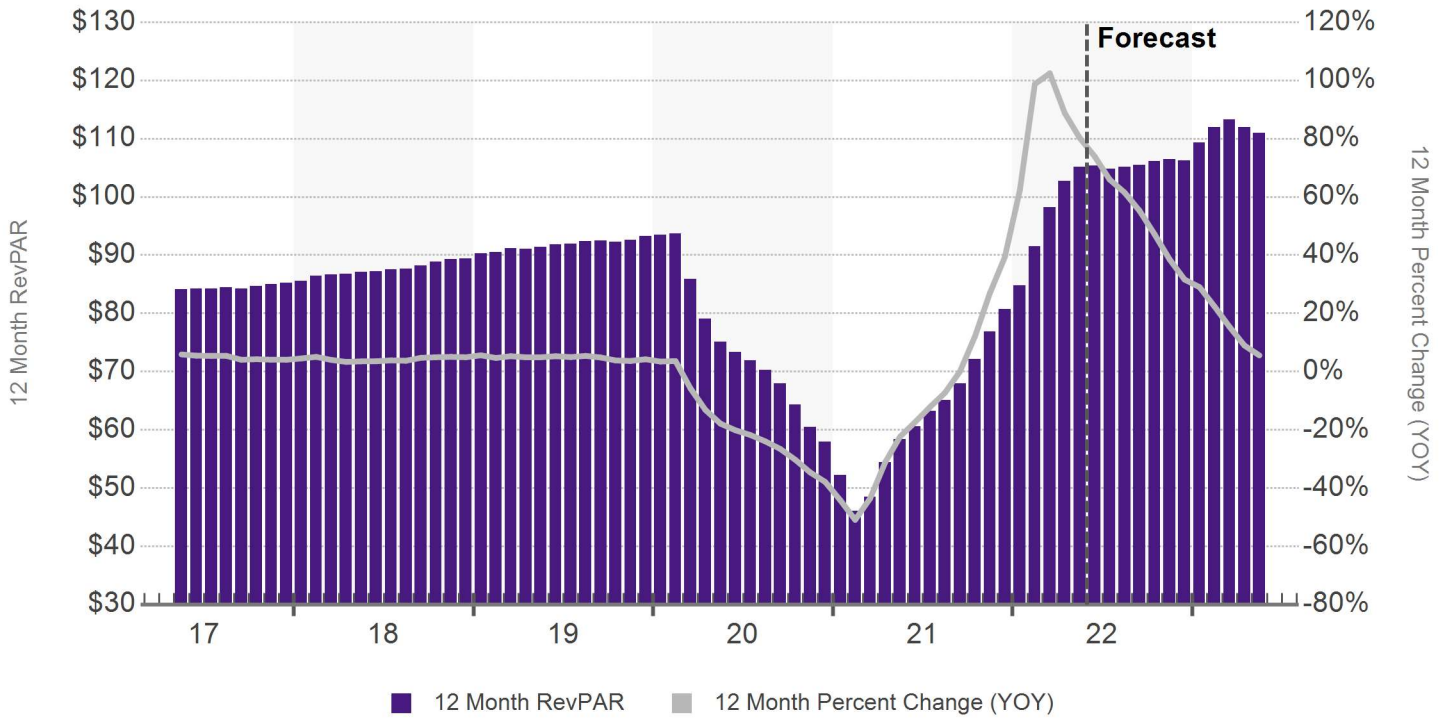
## ADR



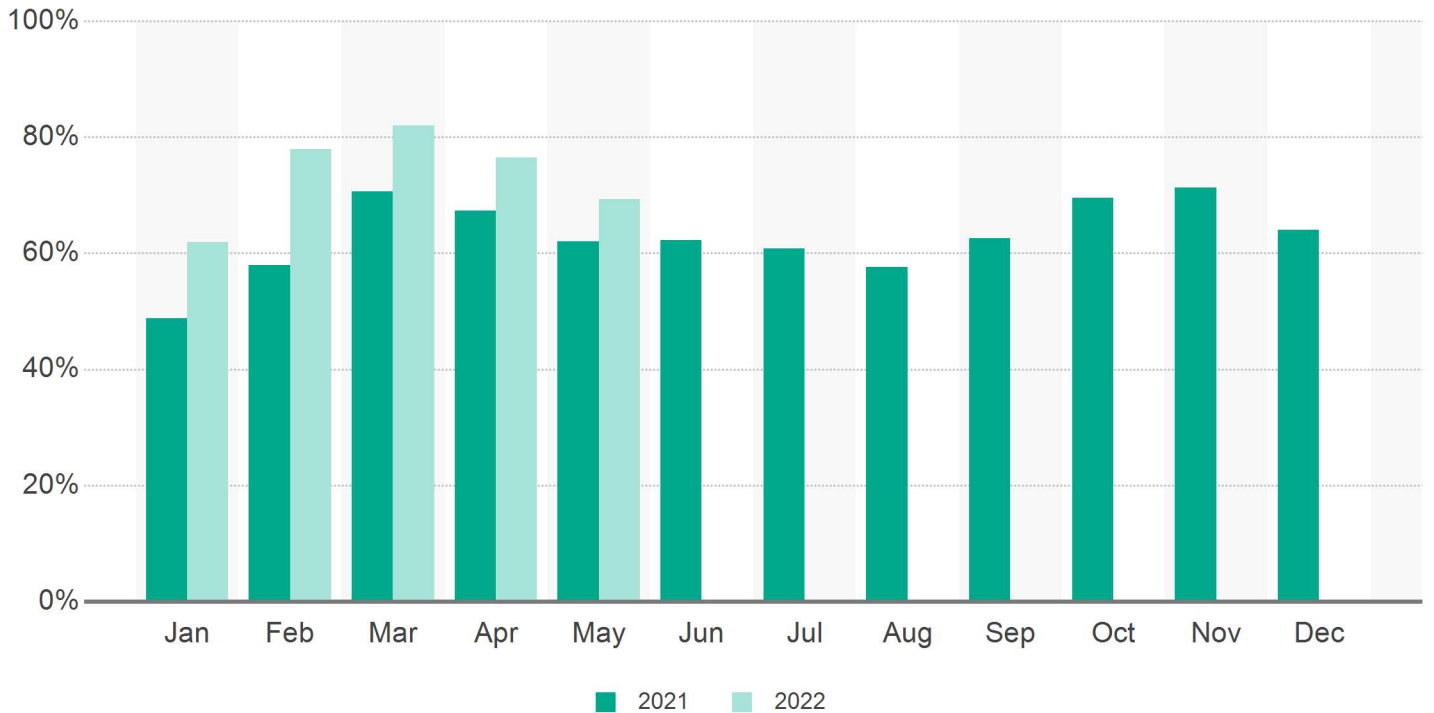
## OCCUPANCY & ADR CHANGE



## REVPAR

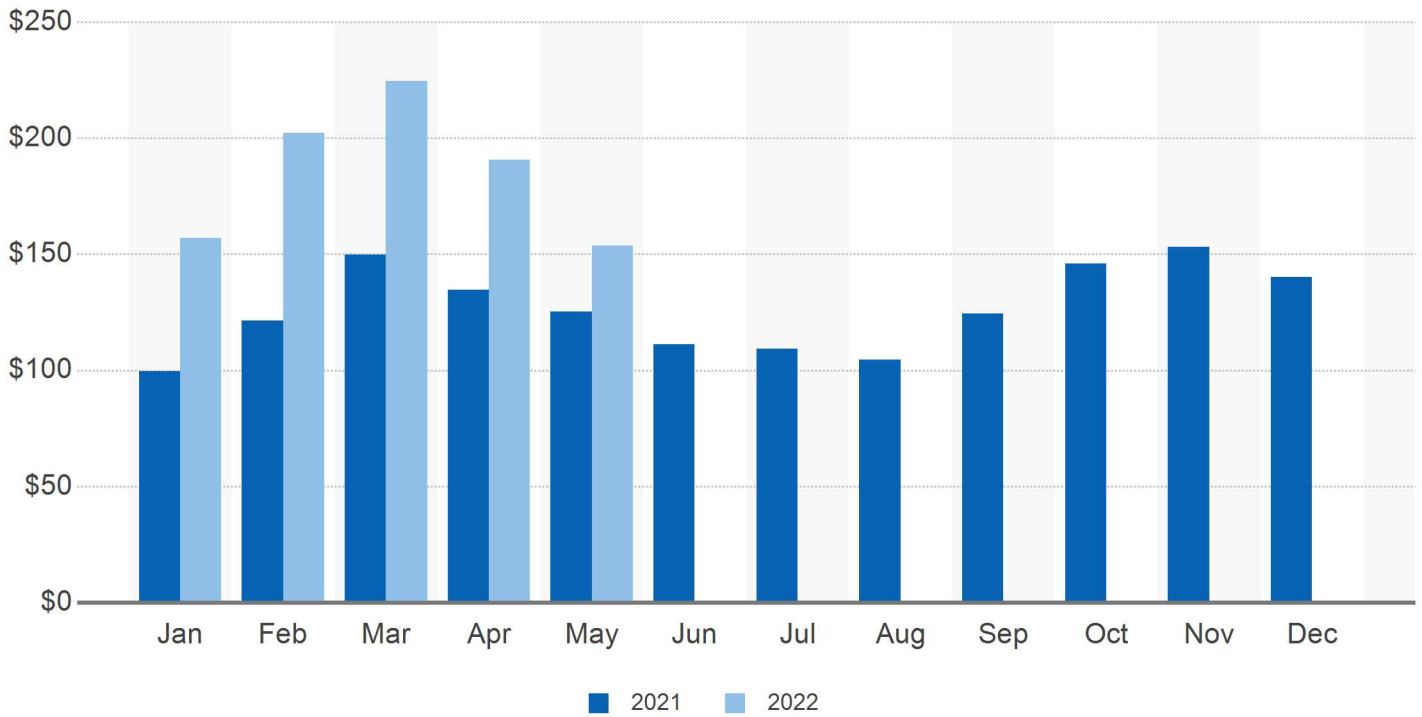


## OCCUPANCY MONTHLY

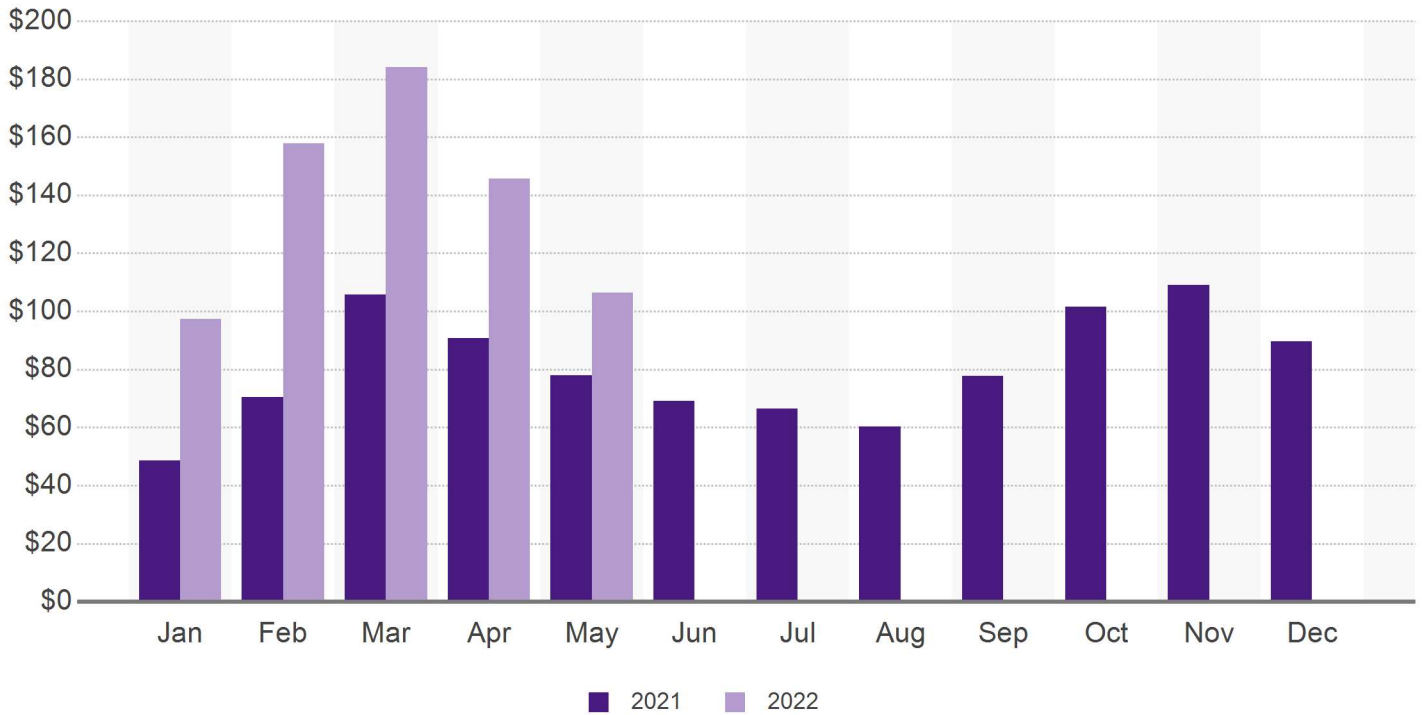




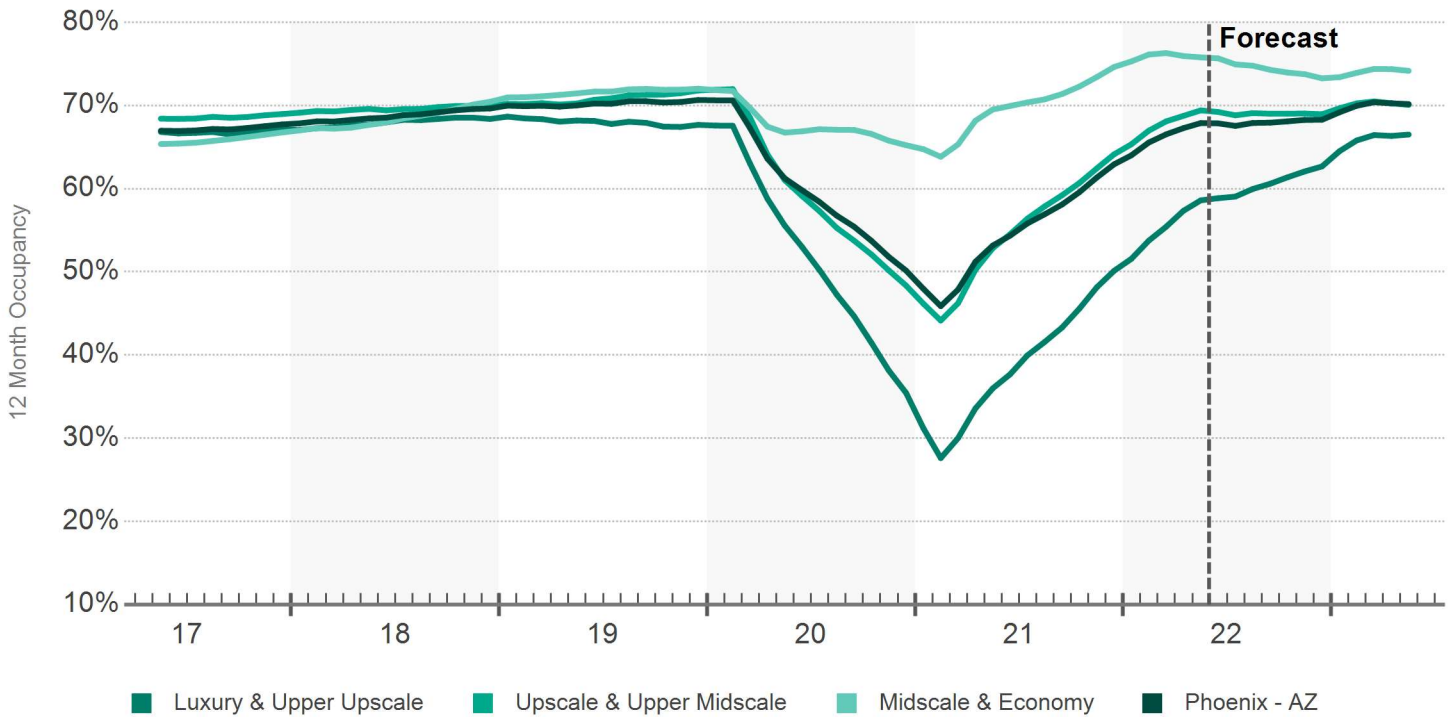
## ADR MONTHLY



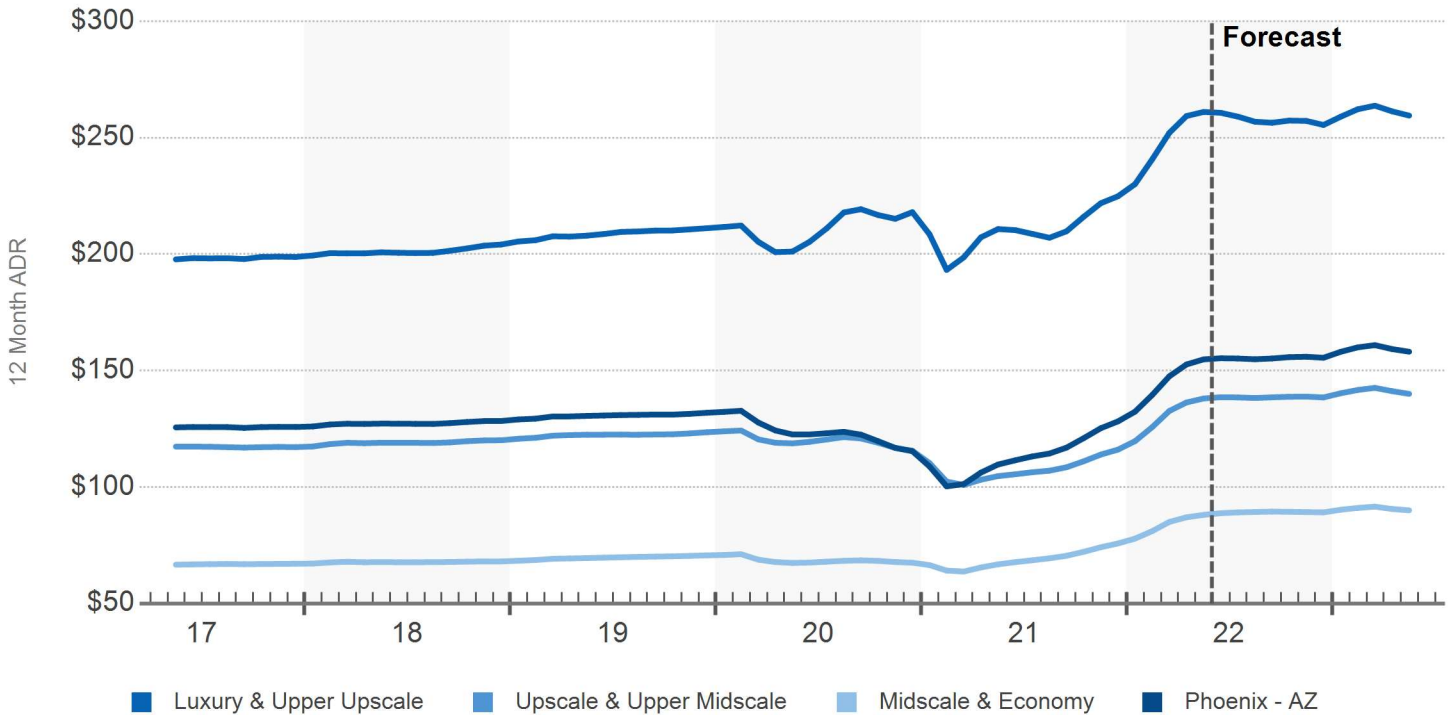
## REVPAR MONTHLY



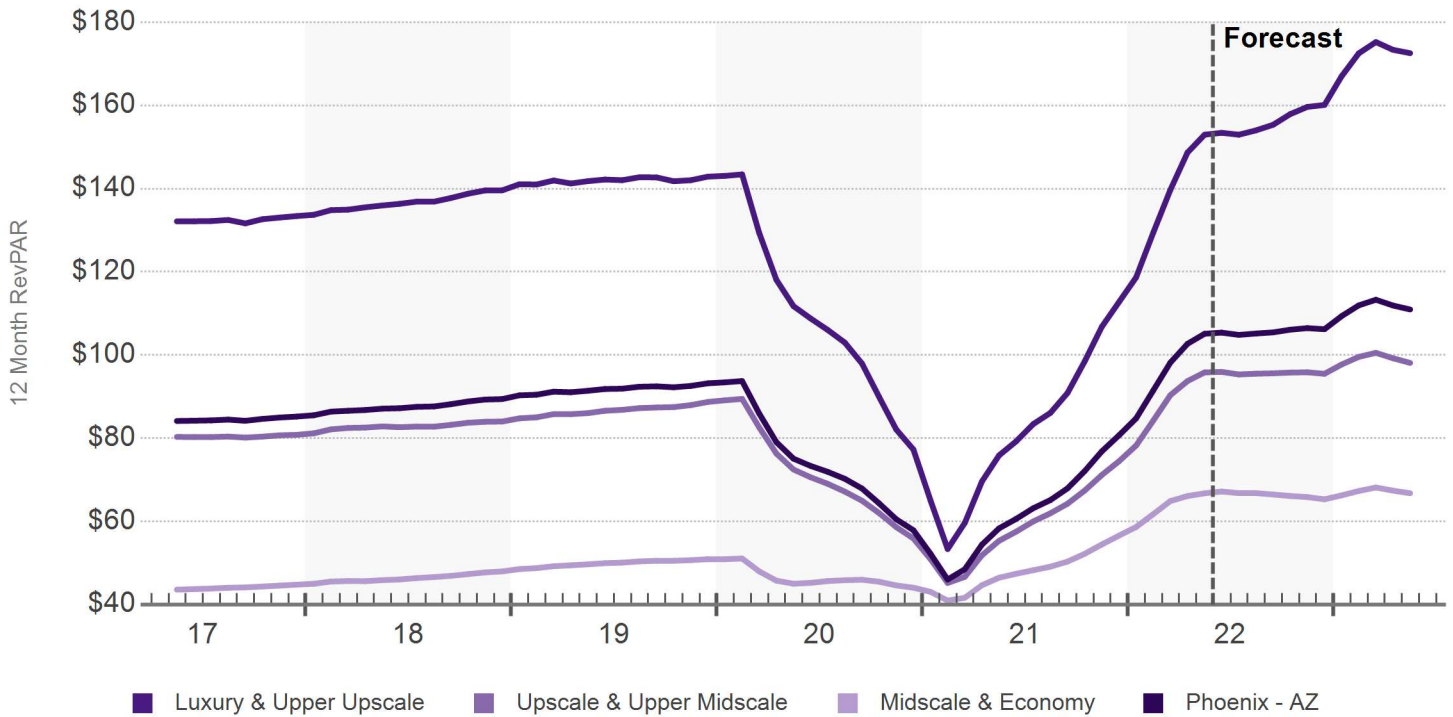
## OCCUPANCY BY CLASS



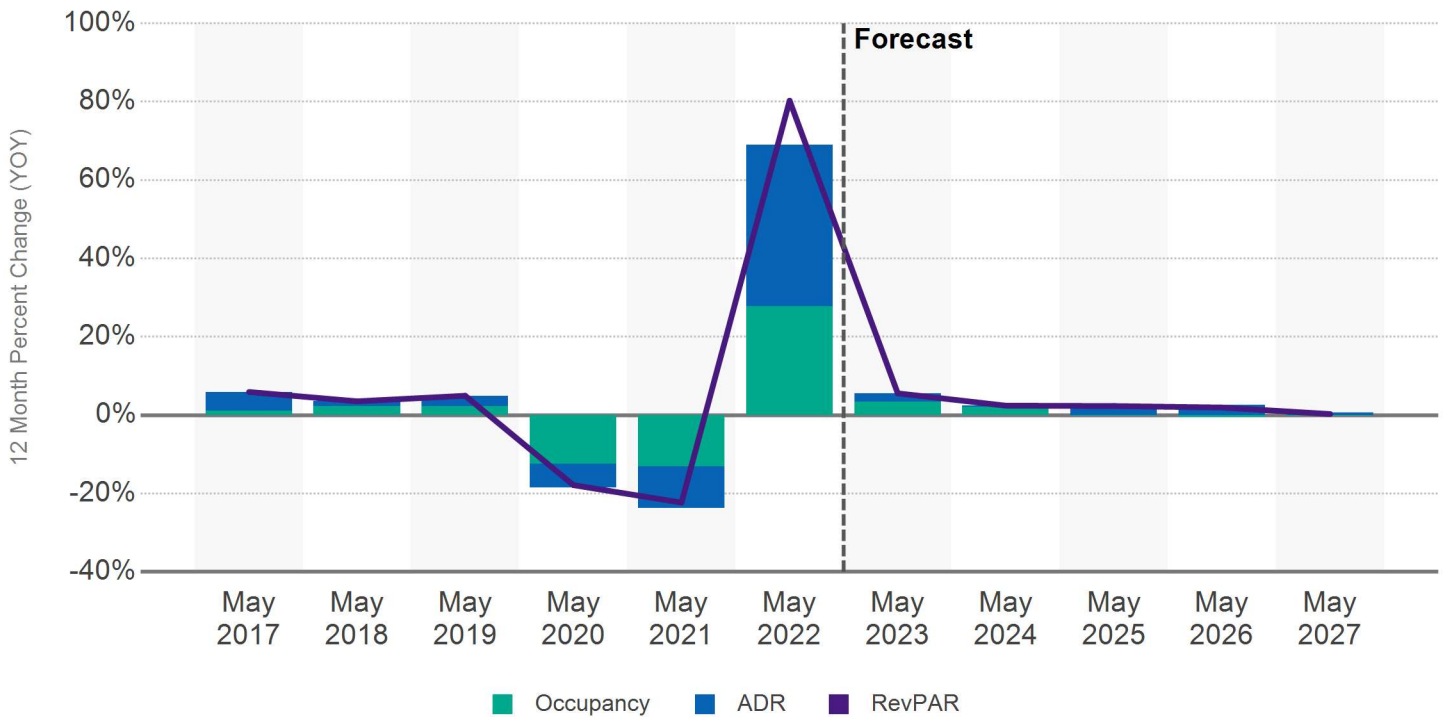
## ADR BY CLASS



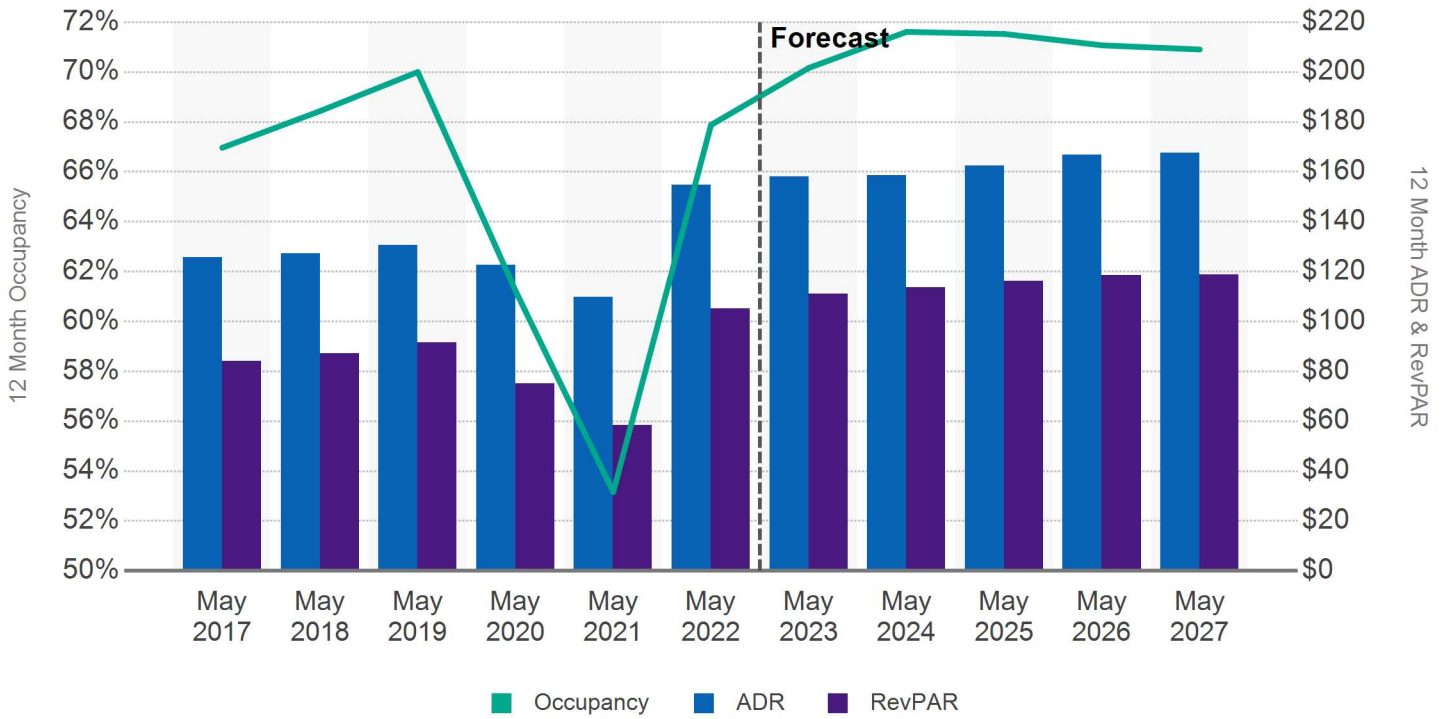
## REVPAR BY CLASS



## REVPAR GROWTH COMPOSITION



## OCCUPANCY, ADR & REVPAR



### FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

Market	2021			2020-2021 % Change	
	% of Revenues	PAR	POR	PAR	POR
<b>Revenue</b>					
Rooms	52.8%	\$39,326	\$226.41	69.9%	2.7%
Food	17.0%	\$12,676	\$72.98	61.0%	-2.7%
Beverage	9.2%	\$6,886	\$39.64	113.3%	28.9%
Other F&B	5.3%	\$3,948	\$22.73	43.6%	-13.2%
Other Departments	10.3%	\$7,694	\$44.30	84.0%	11.2%
Miscellaneous Income	5.3%	\$3,917	\$22.55	12.6%	-31.9%
<b>Total Revenue</b>	<b>100%</b>	<b>\$74,447</b>	<b>\$428.61</b>	<b>66.7%</b>	<b>0.8%</b>
<b>Operating Expenses</b>					
Rooms	24.4%	\$9,581	\$55.16	56.2%	-5.6%
Food & Beverage	69.0%	\$16,231	\$93.45	55.1%	-6.2%
Other Departments	100.8%	\$7,753	\$44.64	51.5%	-8.4%
Administrative & General	9.2%	\$6,833	\$39.34	42.9%	-13.6%
Information & Telecommunication Systems	1.4%	\$1,048	\$6.04	-3.2%	-41.5%
Sales & Marketing	7.7%	\$5,724	\$32.95	39.3%	-15.8%
Property Operations & Maintenance	5.4%	\$4,023	\$23.16	31.0%	-20.8%
Utilities	3.3%	\$2,445	\$14.08	17.9%	-28.8%
<b>Gross Operating Profit</b>	<b>27.9%</b>	<b>\$20,808</b>	<b>\$119.80</b>	<b>166.0%</b>	<b>60.8%</b>
Management Fees	3.4%	\$2,499	\$14.39	110.7%	27.3%
Rent	2.4%	\$1,787	\$10.29	73.6%	4.9%
Property Taxes	3.2%	\$2,402	\$13.83	11.9%	-32.4%
Insurance	0.9%	\$644	\$3.71	31.5%	-20.5%
<b>EBITDA</b>	<b>18.1%</b>	<b>\$13,476</b>	<b>\$77.58</b>	<b>353.7%</b>	<b>174.3%</b>
<b>Total Labor Costs</b>	<b>36.5%</b>	<b>\$27,154</b>	<b>\$156.33</b>	<b>34.3%</b>	<b>-18.8%</b>

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

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

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

Approximately 4,700 rooms in 27 properties are under construction, all of which are set to open in the next two years. Few properties opened early this year, and most are set to open in the second half of the year. The under-construction hotels are in most submarkets, but the Scottsdale Submarket has the highest concentration of hotel rooms under development. The increase in supply could be attributed to the expanding Phoenix market and the prospect of hosting the Super Bowl in 2023, as some Super Bowl host markets show a spike in supply a few years prior to the event.

Unlike national trends, the majority of hotel rooms under construction are independent brands. Much of this is attributed to the largest hotel currently under construction, the 1,200-room VAI Resort in Glendale. The hotel is projected to open in April 2023, missing out on the Super Bowl demand. The resort will feature an 11-acre lagoon with white sandy beaches, retail, and themed restaurants.

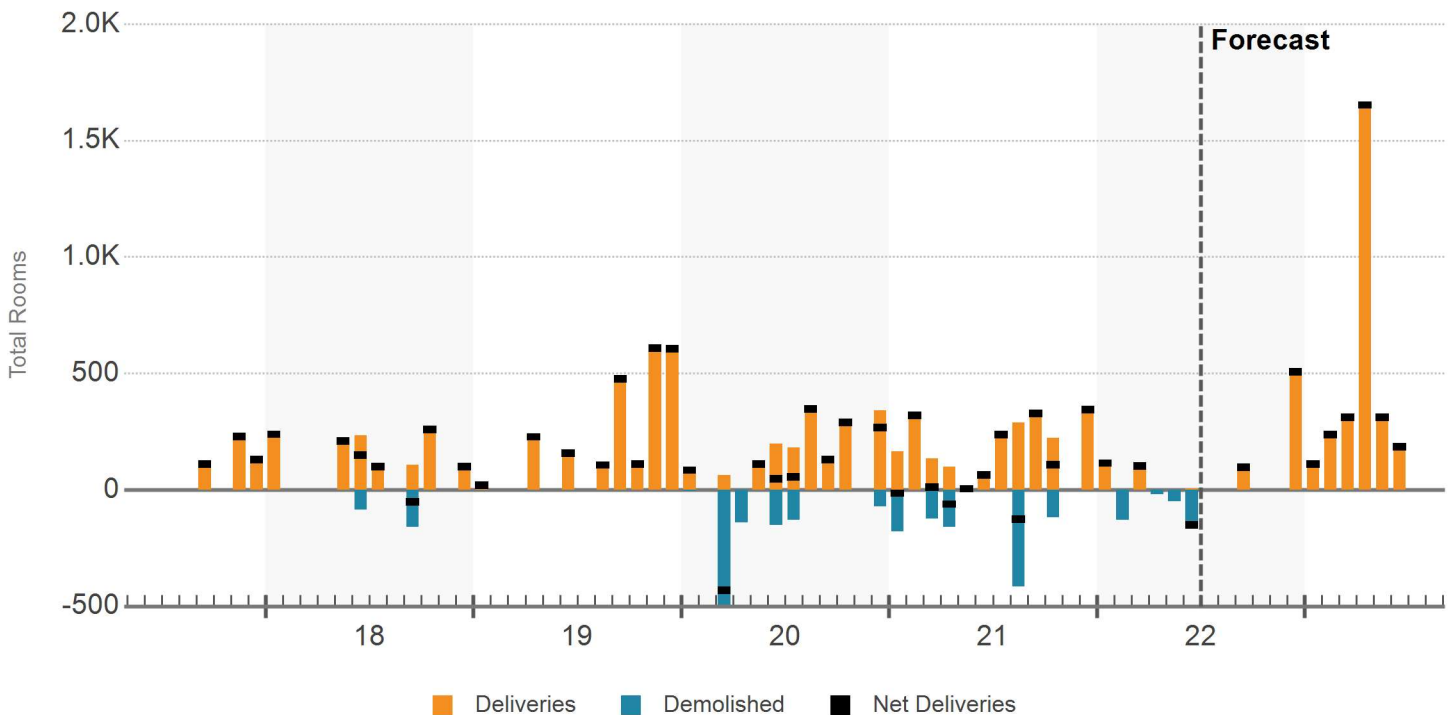
Another significant project under construction broke ground in September and is set to open in 2023. The

330-room Omni Tempe Hotel at ASU is expected to cost \$125 million, or \$378,000/key, and will feature numerous dining options, 36,000 SF of meeting space, and an elevated pool deck. It is owned and developed by the Arizona Board of Regents/Arizona State University.

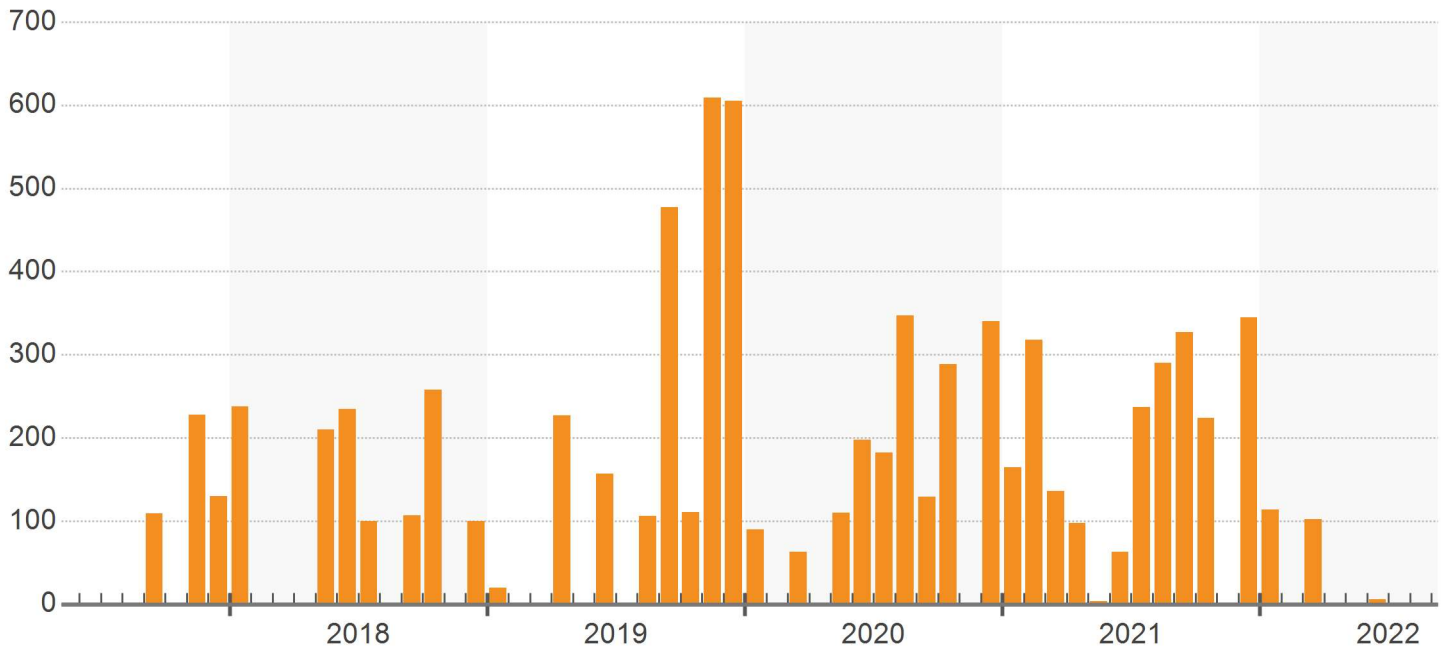
The 225-room Ritz Carlton Paradise Valley is the only Luxury class hotel under construction. Luxury Class hotels represent the lowest percentage of rooms in the Phoenix market compared to the other classes. It is being built on 20-acres in the Scottsdale submarket, which has the majority of luxury hotel rooms in the market. The hotel is set to open in early 2023.

The largest property to open in the past two years was the 290-room Westin Tempe, in August. It is a two-minute walk to the Arizona State University campus and to Sun Devil Stadium. The hotel site will complement the growing headquarters and executive offices of many Fortune 500 companies including Microsoft, State Farm, Morgan Stanley, KPMG, Silicon Valley Bank, and LifeLock.

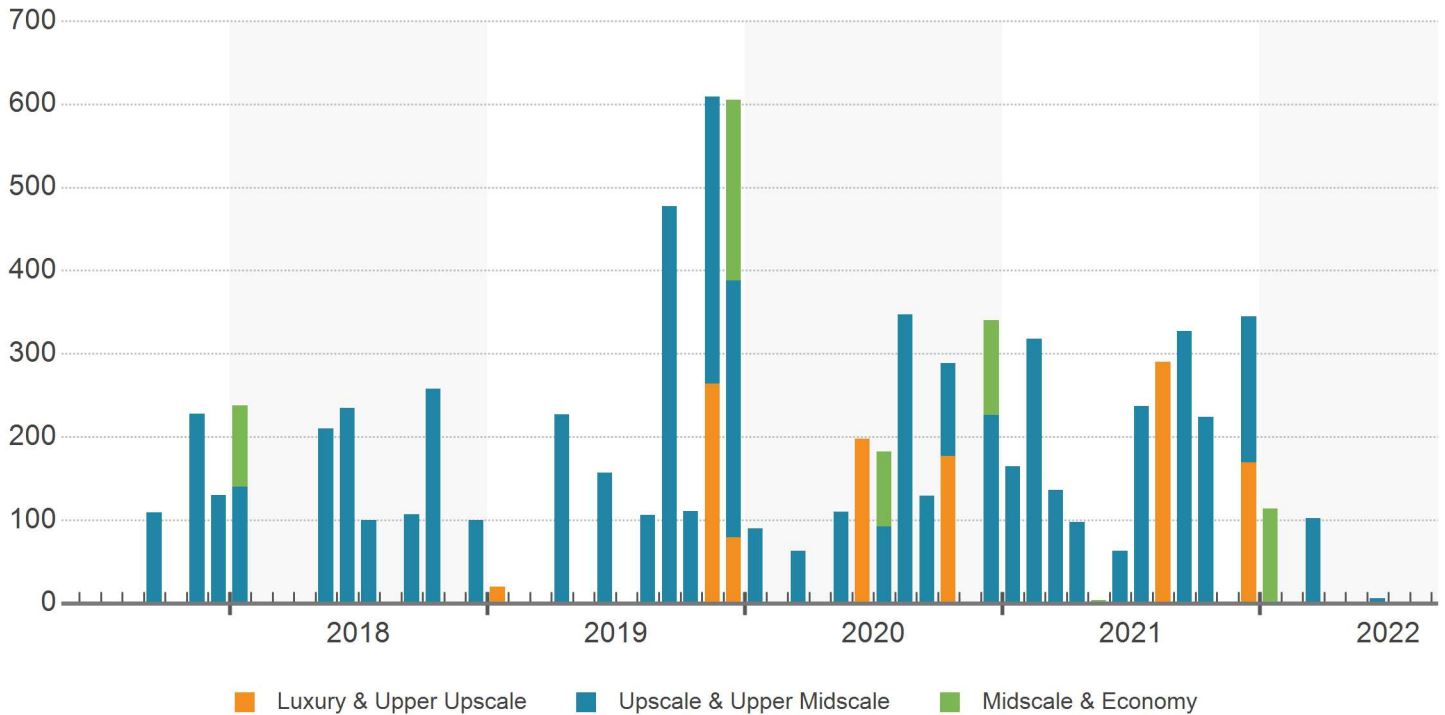
## DELIVERIES & DEMOLITIONS



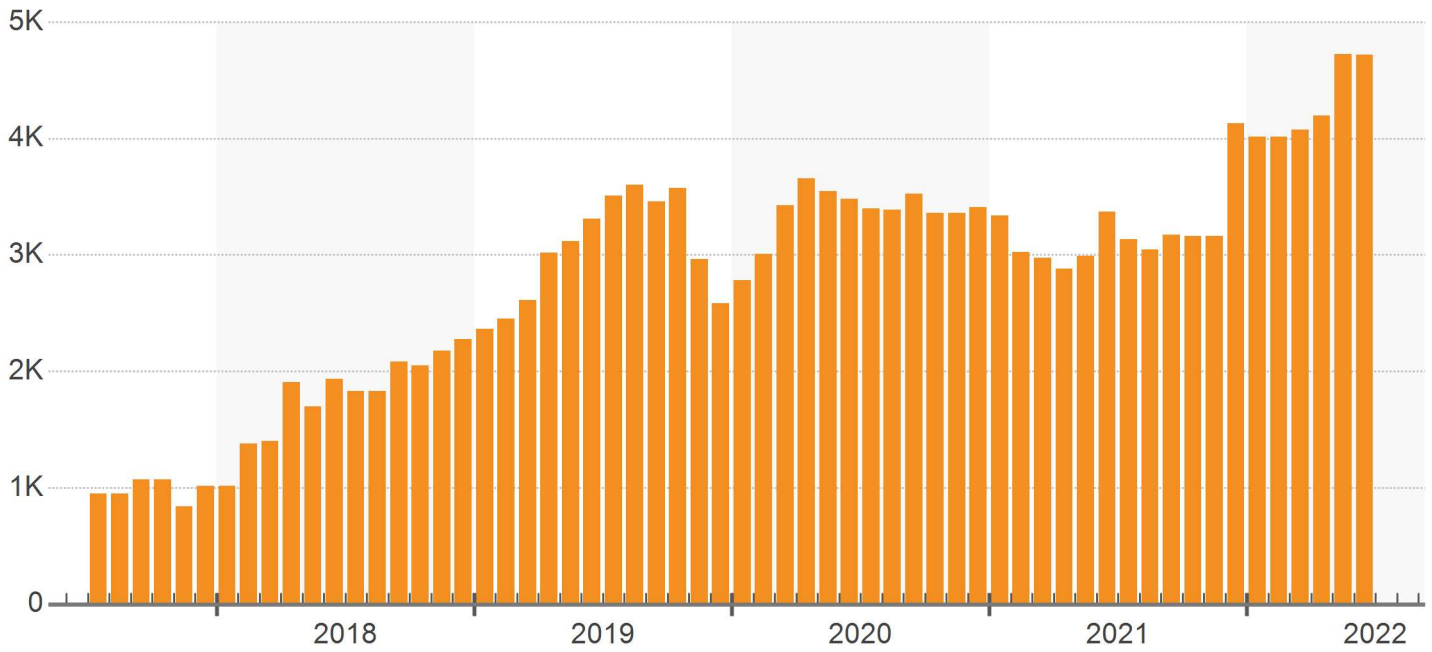
## ROOMS DELIVERED



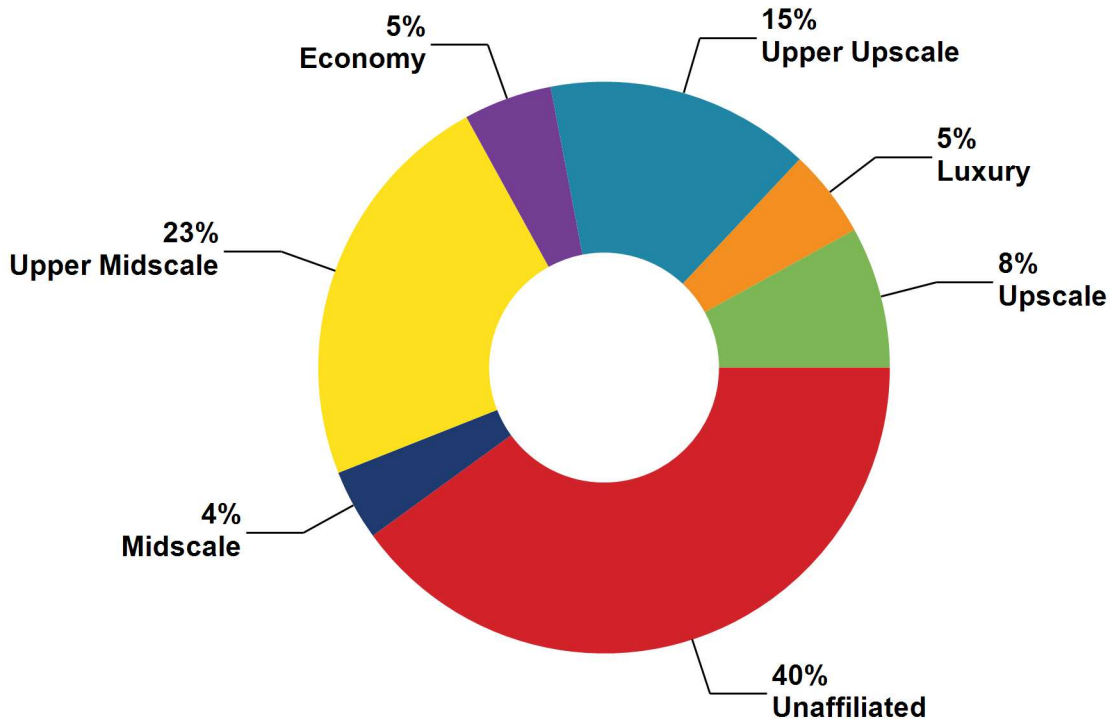
## ROOMS DELIVERED BY CLASS



## ROOMS UNDER CONSTRUCTION

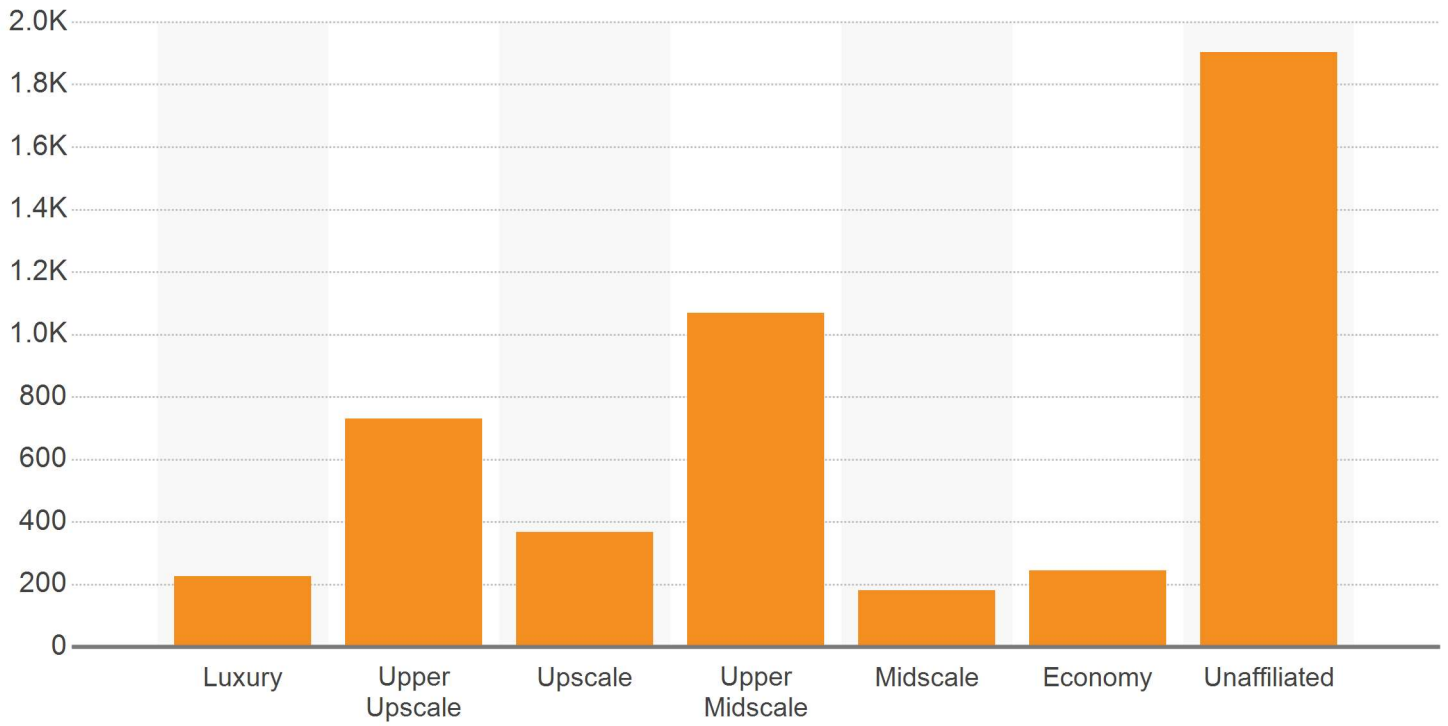


## TOTAL ROOMS UNDER CONSTRUCTION BY SCALE





## ROOMS UNDER CONSTRUCTION BY SCALE



# Under Construction Properties

Phoenix - AZ Hospitality

Properties

Rooms

Percent of Inventory

Average Rooms

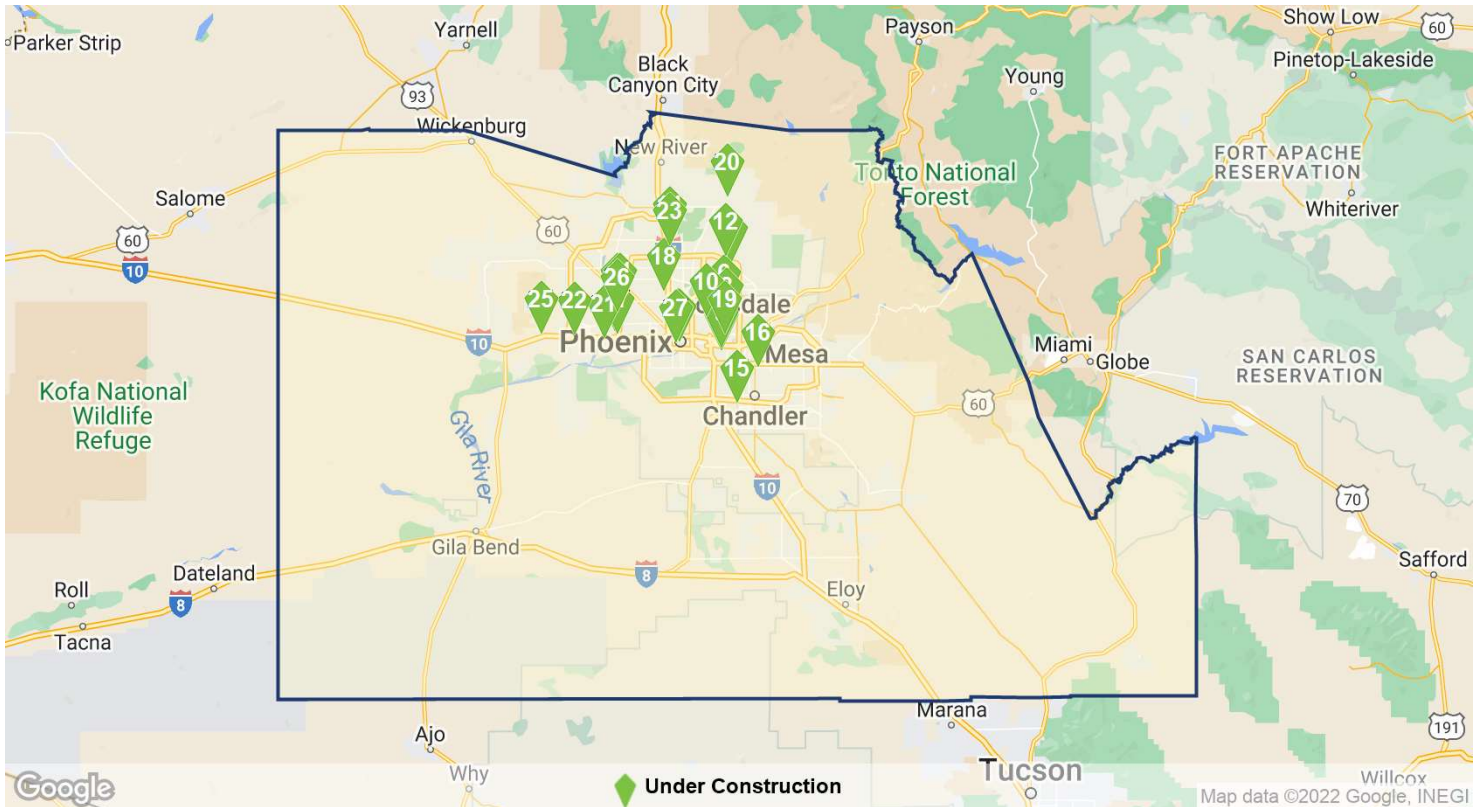
27

4,718

6.8%

175

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	<a href="#">VAI Resort</a> 95th Ave & Cardinals Way	Midscale	1200	16	Dec 2021	Apr 2023	- ECL Glendale, LLC
2	<a href="#">Omni Tempe Hotel at ASU</a> 7 E University Dr	Upper Upscale	330	16	Sep 2021	Apr 2023	Omni Arizona Board of Regents/Ariz...
3	<a href="#">Caesars Republic Scottsdale</a> 4747 N Goldwater Blvd	Economy	265	11	Mar 2020	Feb 2024	- HCW Development
4	<a href="#">Hilton North Scottsdale at Cavasson</a> 7965 E Cavasson Blvd	Upper Upscale	237	6	Jun 2021	Dec 2022	Hilton Nationwide Realty Investors
5	<a href="#">One Hundred Mill Hotel</a> 120 S Mill Ave	-	237	13	Dec 2020	Feb 2023	- Hines
6	<a href="#">Ritz-Carlton Paradise Valley</a> 7000 E Lincoln Dr	Luxury	225	2	Oct 2018	Nov 2023	Ritz-Carlton Five Star Development
7	<a href="#">MOXY Phoenix Downtown</a> SWQ South Central Avenue	Upper Midscale	164	4	Mar 2022	Mar 2023	MOXY PEG Companies

# Under Construction Properties

Phoenix - AZ Hospitality

## UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
8	<a href="#">Autograph Collection Phoenix Sco...</a> 4415 North Buckboard Trai	Upper Upscale	163	5	May 2022	Oct 2023	Autograph Collection -
9	<a href="#">Home2 Suites by Hilton Phoenix...</a> 141 E Jackson St	Upper Midscale	148	6	Dec 2020	Mar 2023	Home2 Suites by Hilton -
10	<a href="#">The Global Ambassador Hotel</a> Camelback Rd	Economy	141	5	Aug 2021	Aug 2023	- E & C Operations LLC
11	<a href="#">Cambria Hotels &amp; Suites Glendale</a> N Zanjero Blvd	Upscale	137	4	May 2022	May 2024	Cambria Hotels -
12	<a href="#">Home2 Suites by Hilton Scottsdal...</a> SEQ N Scottsdale Rd & E Thomp...	Upper Midscale	130	3	Oct 2021	Dec 2022	Home2 Suites by Hilton DMB Associates
13	<a href="#">SpringHill Suites Phoenix West Av...</a> N 99th Ave	Upscale	130	4	Jun 2019	Oct 2023	SpringHill Suites QUYP Development
14	<a href="#">Home2 Suites by Hilton Phoenix...</a> 1925 W Happy Valley Rd	Upper Midscale	126	5	May 2022	Sep 2023	Home2 Suites by Hilton -
15	<a href="#">WoodSpring Suites</a> W Willis & Price Rd	Economy	122	3	Apr 2022	Apr 2023	WoodSpring Suites -
16	<a href="#">WoodSpring Suites Mesa</a> 404 E Baseline Rd	Economy	122	4	Sep 2021	Jul 2022	WoodSpring Suites -
17	<a href="#">Holiday Inn Express Phoenix Wes...</a> 1750 N 95th Ln	Upper Midscale	108	4	Jun 2021	Jun 2023	Holiday Inn Express -
18	<a href="#">Hampton by Hilton Phoenix</a> 10220 N Metro Pkwy E	Upper Midscale	101	4	Jul 2020	Dec 2023	Hampton by Hilton -
19	<a href="#">SpringHill Suites By Marriott Phoe...</a> SWQ of Scottsdale Rd	Upscale	100	5	May 2022	Aug 2023	SpringHill Suites PEG Companies
20	<a href="#">Hampton by Hilton Carefree</a> 2 Easy St	Upper Midscale	97	4	Mar 2020	Sep 2022	Hampton by Hilton CFM Realty Advisors
21	<a href="#">Avid Phoenix West - Avondale</a> 905 N Avondale Blvd	Midscale	95	4	Jan 2021	Dec 2022	Avid -
22	<a href="#">Holiday Inn Express Phoenix Wes...</a> 15943 W McDowell Rd	Upper Midscale	85	3	Mar 2021	Dec 2023	Holiday Inn Express -
23	<a href="#">WaterWalk Phoenix - Deer Valley</a> 1905 W Pinnacle Peak Rd	Midscale	60	4	Aug 2021	Jul 2022	- WaterWalk
24	<a href="#">Fairfield by Marriott Inn &amp; Suites B...</a> SWQ West McDowell Road an Way	Upper Midscale	57	5	Dec 2021	Jan 2023	Fairfield Inn Performance Captial Partners,...
25	<a href="#">TownePlace Suites</a> 1540 N Verrado Way	Upper Midscale	52	4	Dec 2021	Jan 2023	TownePlace Suites Performance Captial Partners,...
26	<a href="#">MainStay Suites Glendale</a> Cardinals Way	Midscale	45	4	Oct 2021	Dec 2022	MainStay Suites -
27	<a href="#">MainStay Suites Phoenix</a> 640 S 6th Ave	Midscale	41	-	Oct 2021	Dec 2023	MainStay Suites -

This year, hotel investment trends in the Phoenix market have been more in line with investment trends in the other primary markets in the Western U.S., with a higher number of hotels trading and increased total sales volume. Most of the transactions have been part of hotel portfolio deals, but some significant single-hotel trades also occurred.

A couple of the hotel portfolio deals transpired in March. G6 Hospitality sold six Motel 6 properties in the Phoenix market for \$82 million. Additionally, Highgate and Cerberus Capital acquired CorePoint Lodging for \$1.5 billion. Six of the 124 properties sold in the Phoenix market and were La Quinta Inns & Suites properties.

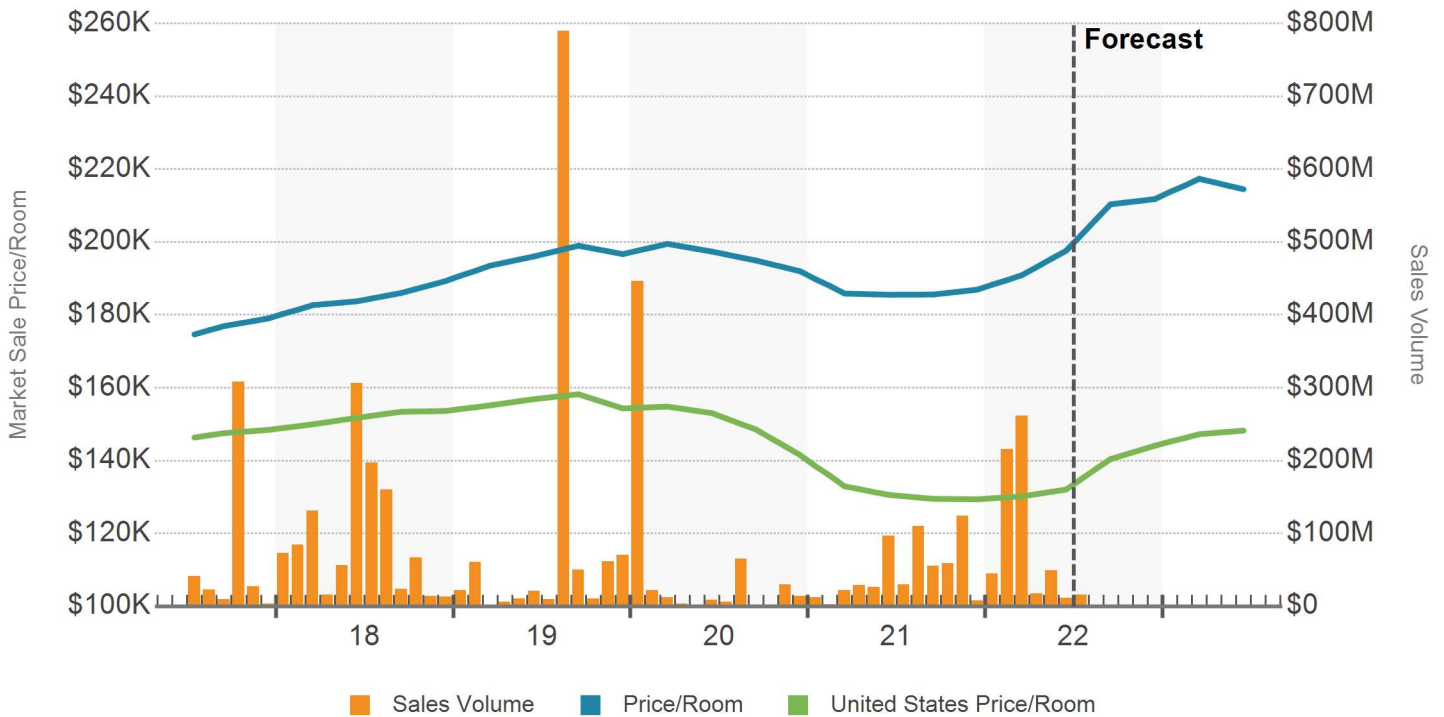
In February, The Scottsdale Resort at McCormick Ranch, an Upper Upscale class 278-room resort, traded for \$113 million, or \$406,475/key. Purchased by Driftwood Capital, the sale marks the highest price paid for a hotel in two years. The resort features dining outlets, 80,000 SF of meeting space, and a spa. Driftwood plans to complete a multimillion dollar renovation this summer and rebrand the property to the Hilton soft brand Curio.

In November, the Luxury, 109-room Sanctuary Camelback Mountain sold for \$88 million, or

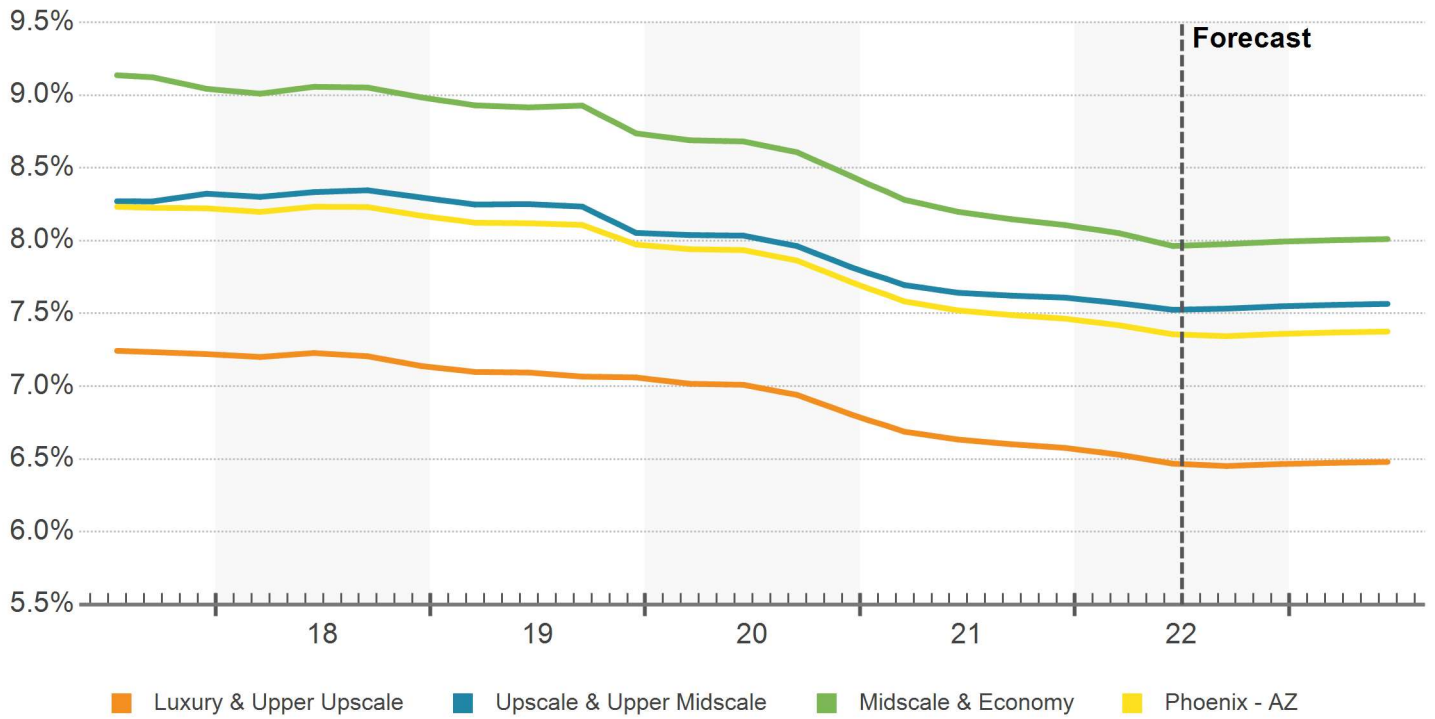
\$815,065/key, representing the highest price per key paid in the past 10 years. In a joint venture, the buyers include New York-based Metrovest Equities and BLDG MGMT, as well as locally based BB Hotels. The resort is now part of Gurney's Resorts, which operates resorts in New York and Rhode Island. The Sanctuary opened in 1970 and is an iconic destination along Camelback Mountain, spreading over 53 acres. The property features a 12,000-SF spa, swimming pools, tennis courts, 112 casitas and suites, and dining options overseen by a renowned Food Network star.

Hotel transactions were comparatively different to many Western U.S. markets in the previous two years. In 2020, Phoenix had a wide variety of buyer types, including REITs, hospitality companies, private equity firms, government, and private buyers, as well as large transactions, compared to other markets in the Western U.S., where primary hotel buyers were local, private buyers or the government and transactions were smaller. Last year, when most markets experienced significant year-over-year increases in hotel sales volume, Phoenix sales volume was lower as most of the trades were small with only six exceeding a transaction price of \$15 million.

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



### MARKET CAP RATE



# Sales Past 12 Months

Phoenix - AZ Hospitality

Sale Comparables

Average Price/Room

Average Price

Average Cap Rate

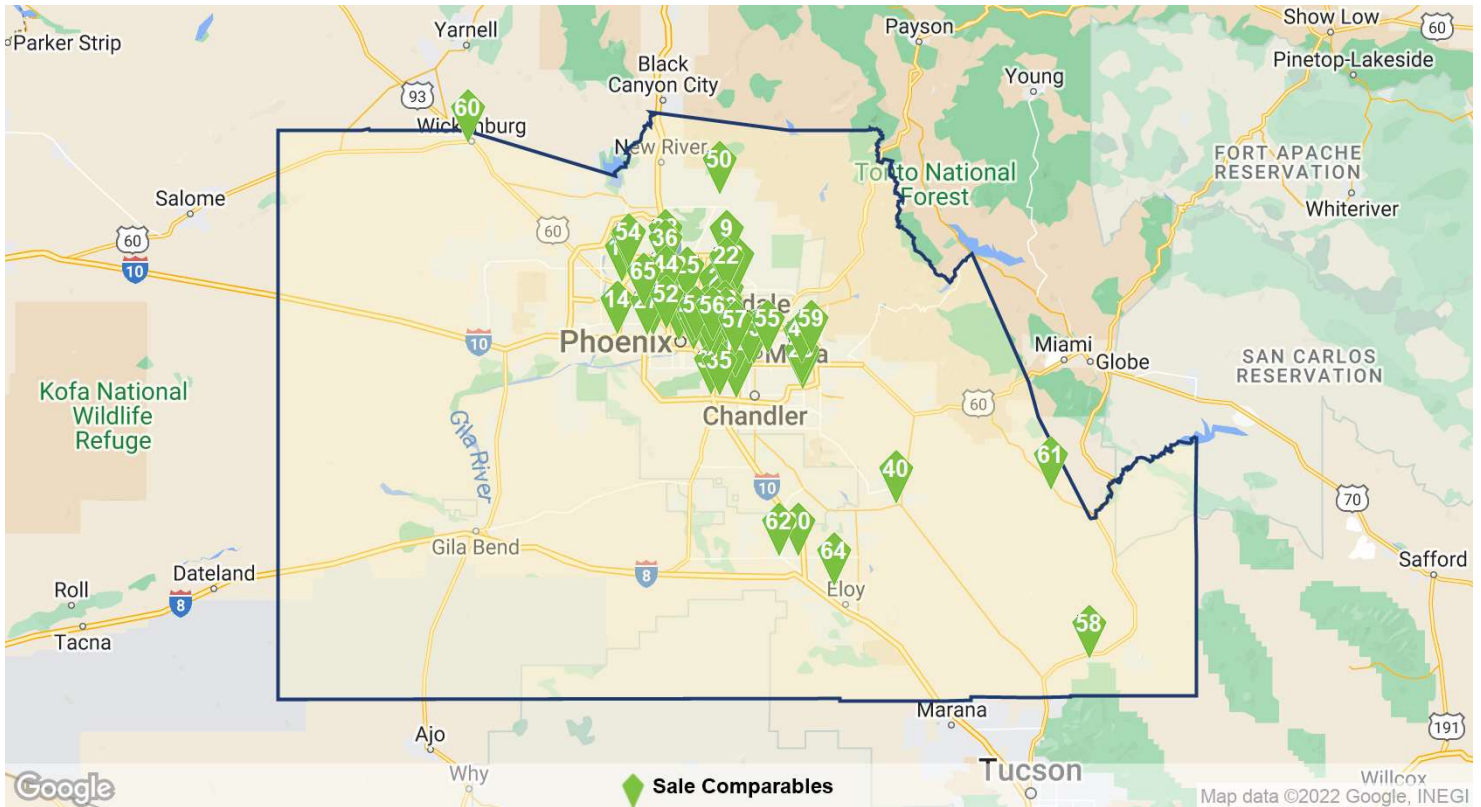
**65**

**\$148K**

**\$15.2M**

**9.0%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	\$550,000	\$15,201,335	\$11,200,000	\$113,000,000
Price/Room	\$20,000	\$147,630	\$104,237	\$815,065
Cap Rate	6.0%	9.0%	8.0%	13.2%
Time Since Sale in Months	0.3	5.7	4.6	11.7
Property Attributes	Low	Average	Median	High
Property Size in Rooms	10	102	109	278
Number of Floors	1	3	3	13
Total Meeting Space	160	3,273	3,273	23,245
Year Built	1904	1985	1986	2021
Class	Economy	Upper Midscale	Midscale	Luxury

# Sales Past 12 Months

Phoenix - AZ Hospitality

## RECENT SIGNIFICANT SALES

	Property Name/Address	Property Information				Sale Information		
		Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	<a href="#">The Scottsdale Resort at McCormick...</a> 7700 E McCormick Pky	Upper Upscale	1976	278	Curio Collection by Hilton	2/9/2022	\$113,000,000	\$406,475
2	<a href="#">Sanctuary On Camelback Mountain</a> 5700 E McDonald Dr	Luxury	1970	109	-	11/1/2021	\$88,842,090	\$815,065
3	<a href="#">AC Hotel Phoenix Downtown</a> 414 N 5th St	Upscale	2021	199	AC Hotels by Marriott	8/26/2021	\$65,000,000	\$326,633
4	<a href="#">The Saguaro Scottsdale</a> 7353 E Indian School Rd	Upper Upscale	1975	194	-	3/9/2022	\$40,000,000	\$206,186
5	<a href="#">element Scottsdale At Skysong</a> 1345 N Scottsdale Rd	Upscale	2019	157	element	10/13/2021	\$38,250,000	\$243,631
6	<a href="#">Hyatt Place North Scottsdale</a> 18513 N Scottsdale Rd	Upscale	2021	136	Hyatt Place	3/1/2022	\$32,367,300	\$237,995
7	<a href="#">Hilton Phoenix Chandler</a> 2929 W Frye Rd	Upper Upscale	2008	197	Hilton	9/23/2021	\$30,000,000	\$152,284
8	<a href="#">La Quinta Inn &amp; Suites by Wyndha...</a> 8888 E Shea Blvd	Upper Midscale	1996	140	La Quinta Inns & Suites	3/3/2022	\$26,810,242	\$191,502
9	<a href="#">Hyatt House North Scottsdale</a> 18513 N Scottsdale Rd	Upscale	2018	93	Hyatt House	3/1/2022	\$22,132,700	\$237,986
10	<a href="#">Home2 Suites by Hilton Phoenix T...</a> 7200 S Price Rd	Upper Midscale	2017	108	Home2 Suites by Hilton	1/25/2022	\$20,580,015	\$190,556
11	<a href="#">Courtyard Phoenix Mesa Gateway...</a> 6907 E Ray Rd	Upscale	2015	99	Courtyard	8/27/2021	\$19,000,000	\$191,919
12	<a href="#">Hilton Garden Inn Phoenix Tempe...</a> 7290 S Price Rd	Upscale	2017	120	Hilton Garden Inn	1/25/2022	\$18,346,835	\$152,890
13	<a href="#">Suites On Scottsdale</a> 9880 N Scottsdale Rd	Upper Midscale	1996	114	-	2/2/2022	\$17,500,000	\$153,509
14	<a href="#">Courtyard Phoenix West Avondale</a> 1650 N 95th Ln	Upscale	2007	127	Courtyard	7/22/2021	\$17,000,000	\$133,858
15	<a href="#">WoodSpring Suites Phoenix Peoria</a> 8949 W Sweetwater Ave	Economy	2007	121	WoodSpring Suites	2/23/2022	\$16,733,516	\$138,294
16	<a href="#">Midtown Garden Hotel</a> 3600 N 2nd Ave	Upper Midscale	1972	160	-	5/19/2022	\$16,085,000	\$100,531
17	<a href="#">Envi Phoenix</a> 1241 N 53rd Ave	Economy	1986	126	-	7/5/2022	\$16,000,000	\$126,984
18	<a href="#">Hampton Inn Phoenix-Airport North</a> 601 N 44th St	Upper Midscale	1998	106	Hampton by Hilton	2/8/2022	\$15,600,000	\$147,170
19	<a href="#">Studio 6 Tempe</a> 4909 S Wendler Dr	Economy	1996	151	Studio 6	3/9/2022	\$15,548,780	\$102,972
20	<a href="#">La Quinta Inns &amp; Suites</a> 6530 E Superstition Springs Blvd	Upper Midscale	1997	107	La Quinta Inns & Suites	3/3/2022	\$15,245,236	\$142,479

Phoenix has maintained its place among the best-performing markets for job growth. The local economy has been one of the most resilient around the country during the pandemic and has added jobs at a much faster clip than many markets of its size. The unemployment rate is much lower in Phoenix than at the national level.

Easy access to Phoenix entices all travel segments, with more than 1,200 daily departures and arrivals daily at Phoenix Sky Harbor International Airport. Total passengers increased by nearly 3% in 2019 but declined by more than half in 2020. However, demand to the market has resumed and has started surpassing 2019 levels. Leisure and hospitality employment was the hardest hit segment, and it has been difficult to attract employees back, causing one of the most significant headwinds for hotel operators. Still, Phoenix hospitality employment is recovering faster than most markets.

Phoenix continues to attract city-wide sporting events such as the annual Phoenix Waste Management Open, MLB Spring Training, Super Bowl 2023, NCAA 2024 Men's Final Four, and the NCAA 2025 and 2026 Women's Final Fours. This will mark the first time Phoenix has hosted the nation's top collegiate women's basketball championship, which has not been staged in the West since 2012.

The competitive advantage and growth drivers

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

Some employers have announced expansions since the pandemic. Amazon opened 11 last-mile and fulfillment sites throughout the metro and leased a 95,000-SF office in Tempe, which will generate thousands of new jobs. Zoom, the California-based video conferencing company, revealed plans to open a Phoenix research and development center. TSMC made headlines for its commitment to bring more than 1,600 jobs to the state with a \$12 billion semiconductor factory. Other companies that have added hundreds of new jobs over the past few years include Allstate, Deloitte, DoorDash, OpenDoor, Silicon Valley Bank, Choice Hotels, Mayo Clinic, Wells Fargo, Farmers Insurance, and USAA. Microsoft, Google, and Apple have also invested in data centers throughout the metro. While labor is the primary driver behind the market's business attraction success, relative affordability helps tip the scale in favor of Phoenix when companies make their site selection decision.

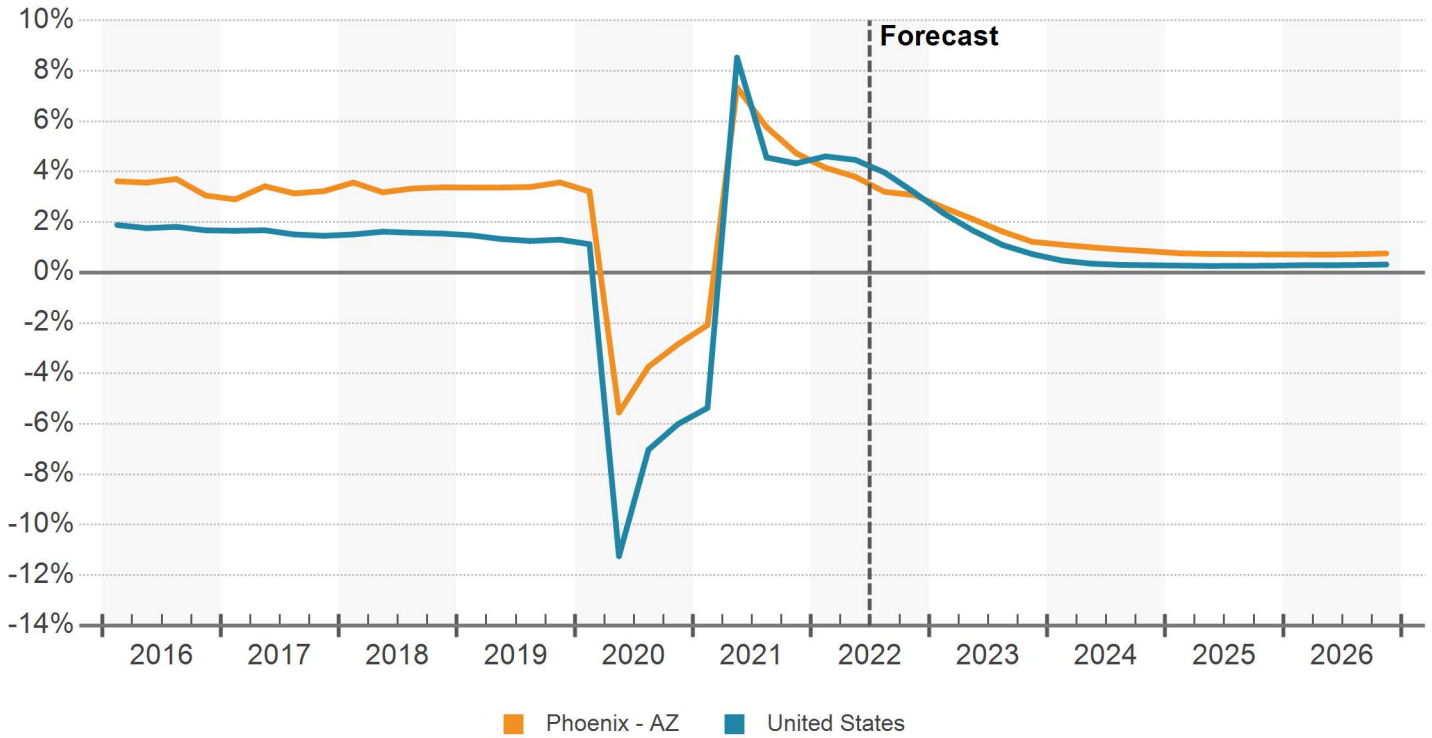
### PHOENIX - AZ EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	139	0.7	2.46%	3.57%	1.79%	0.64%	0.26%	0.22%
Trade, Transportation and Utilities	454	1.1	3.62%	3.47%	2.59%	1.20%	0.38%	0.20%
Retail Trade	250	1.1	2.23%	2.63%	1.91%	0.61%	0.31%	0.15%
Financial Activities	219	1.6	0.28%	2.07%	3.83%	1.39%	0.85%	0.29%
Government	238	0.7	-0.53%	1.33%	0.53%	0.16%	1.05%	0.54%
Natural Resources, Mining and Construction	148	1.2	3.54%	4.27%	4.96%	2.51%	1.75%	0.42%
Education and Health Services	356	1.0	3.59%	2.60%	3.30%	1.57%	1.76%	0.75%
Professional and Business Services	386	1.2	4.81%	4.99%	3.11%	2.11%	1.09%	0.49%
Information	44	1.0	12.55%	4.85%	3.37%	0.97%	1.20%	0.42%
Leisure and Hospitality	233	1.0	9.68%	14.80%	2.48%	1.55%	1.56%	1.53%
Other Services	71	0.8	3.69%	5.64%	1.12%	0.54%	0.52%	0.70%
<b>Total Employment</b>	<b>2,286</b>	<b>1.0</b>	<b>3.70%</b>	<b>4.39%</b>	<b>2.69%</b>	<b>1.26%</b>	<b>1.06%</b>	<b>0.56%</b>

Source: Oxford Economics  
LQ = Location Quotient

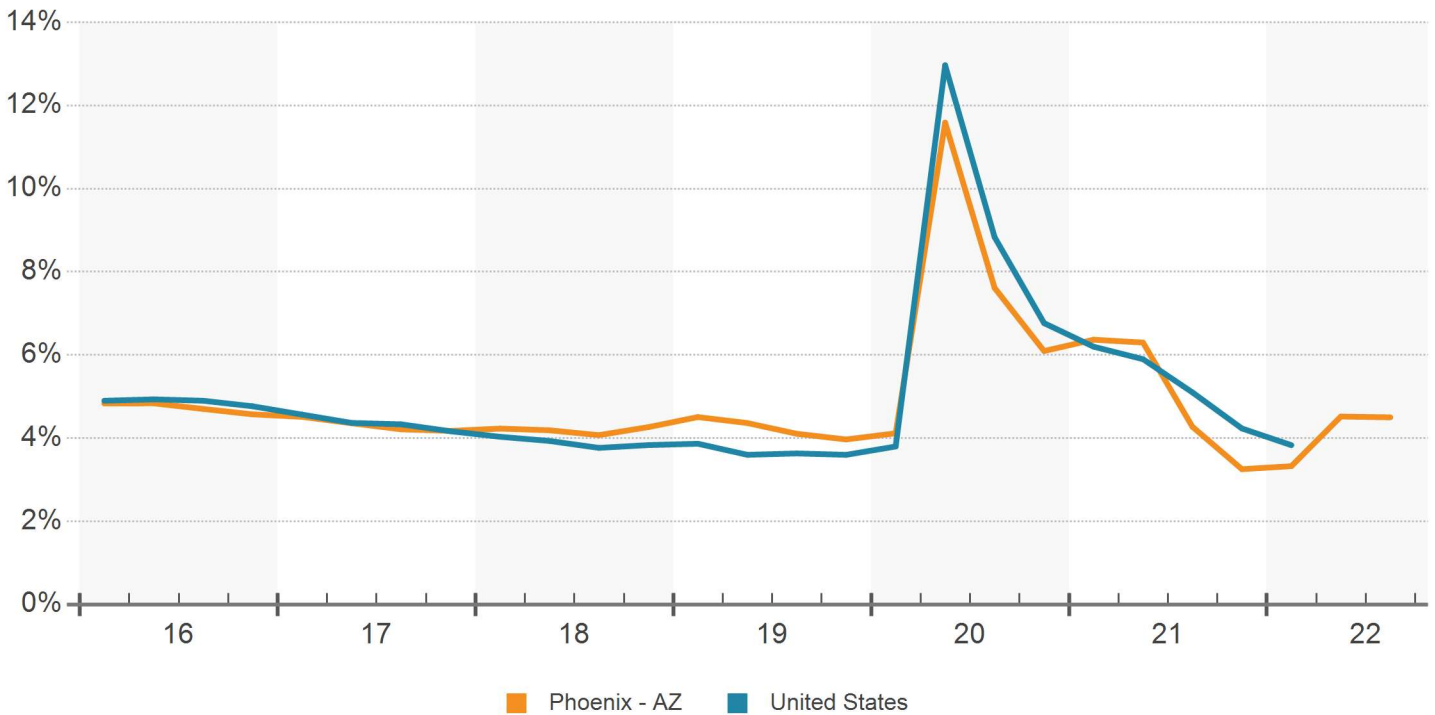


## JOB GROWTH (YOY)

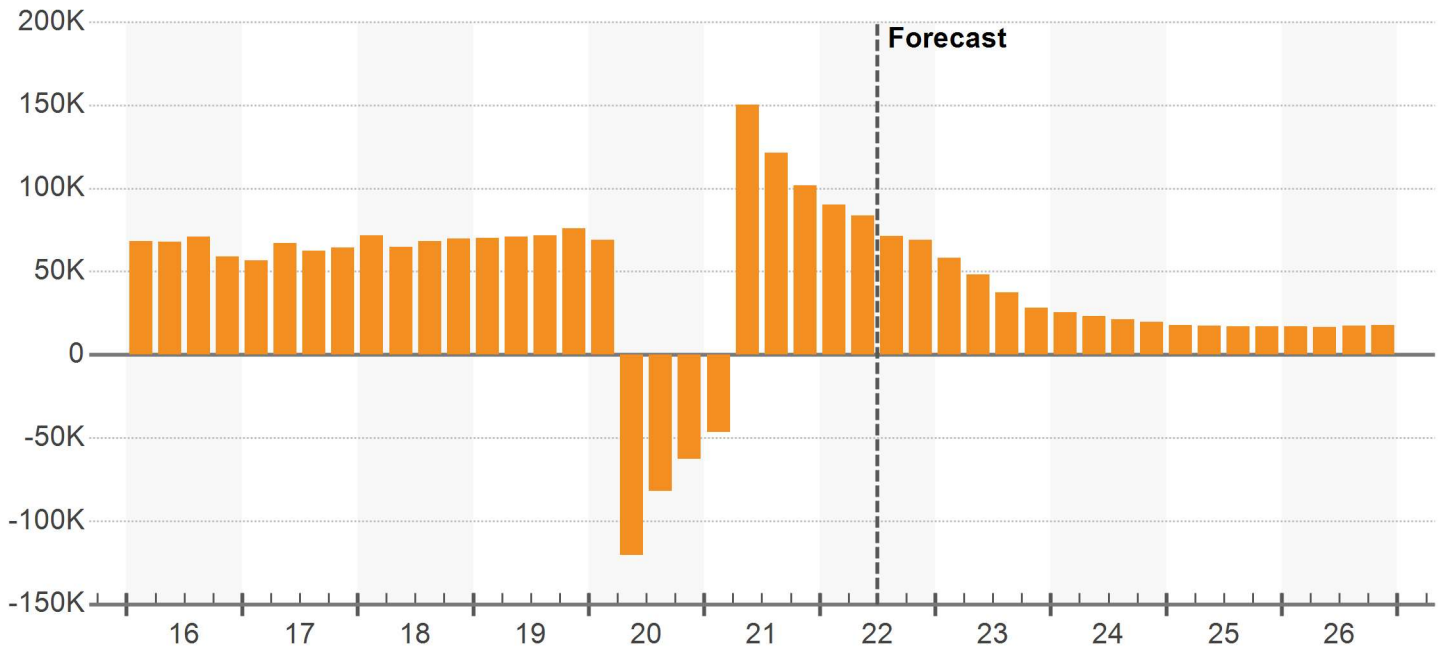


Source: Oxford Economics

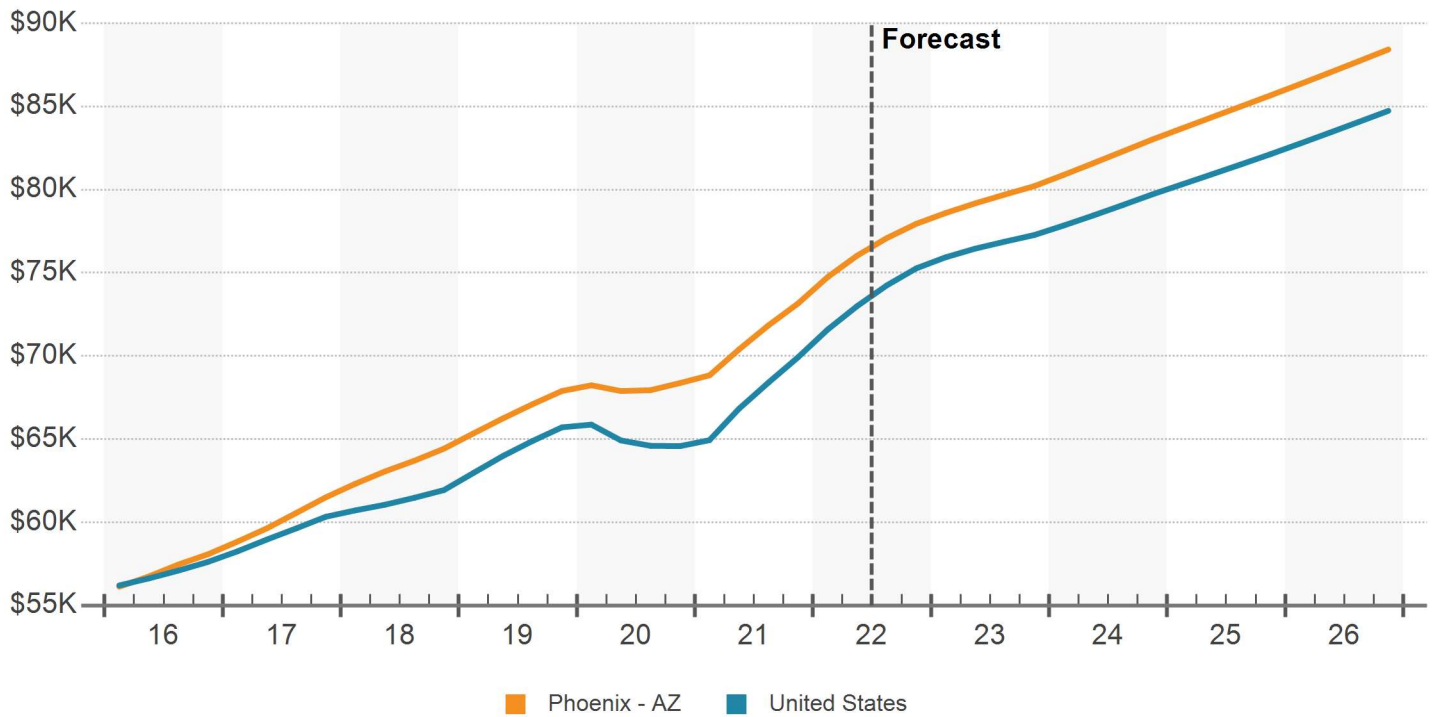
## UNEMPLOYMENT RATE (%)



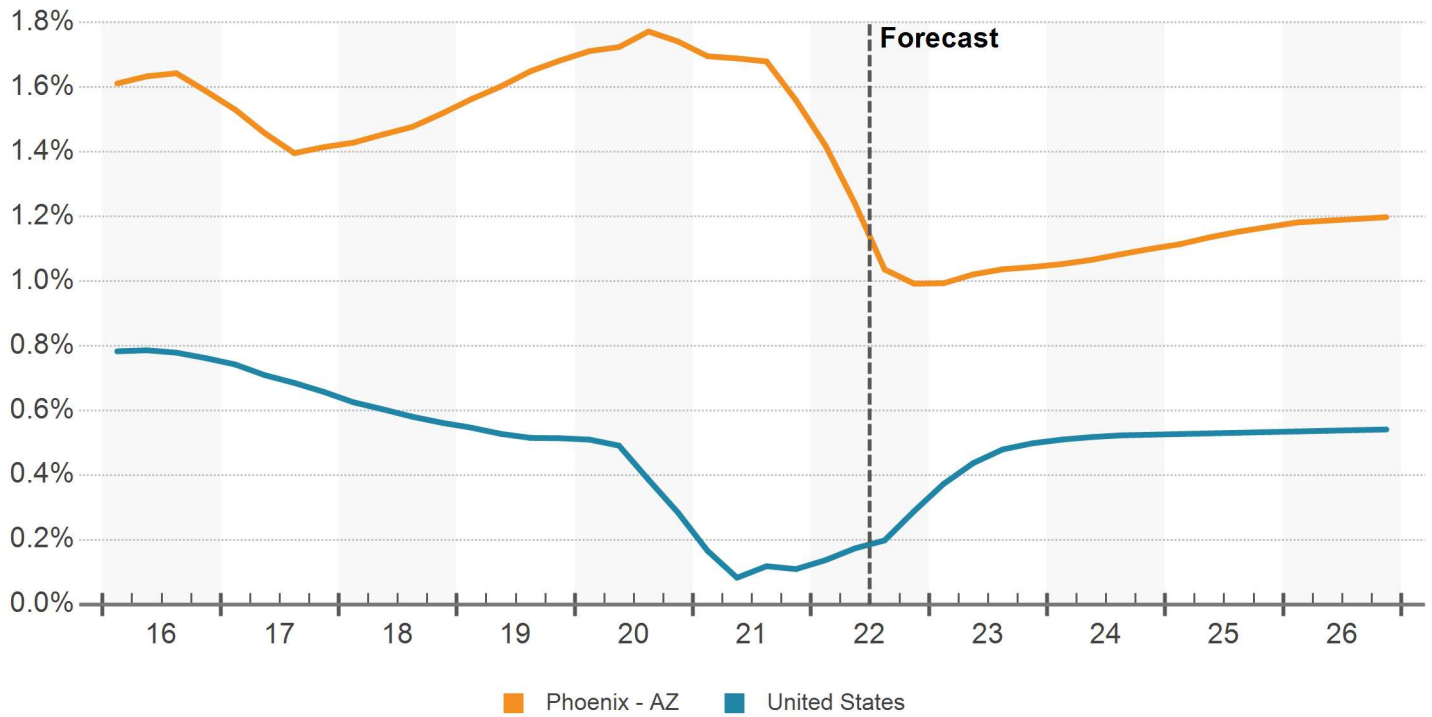
## NET EMPLOYMENT CHANGE (YOY)



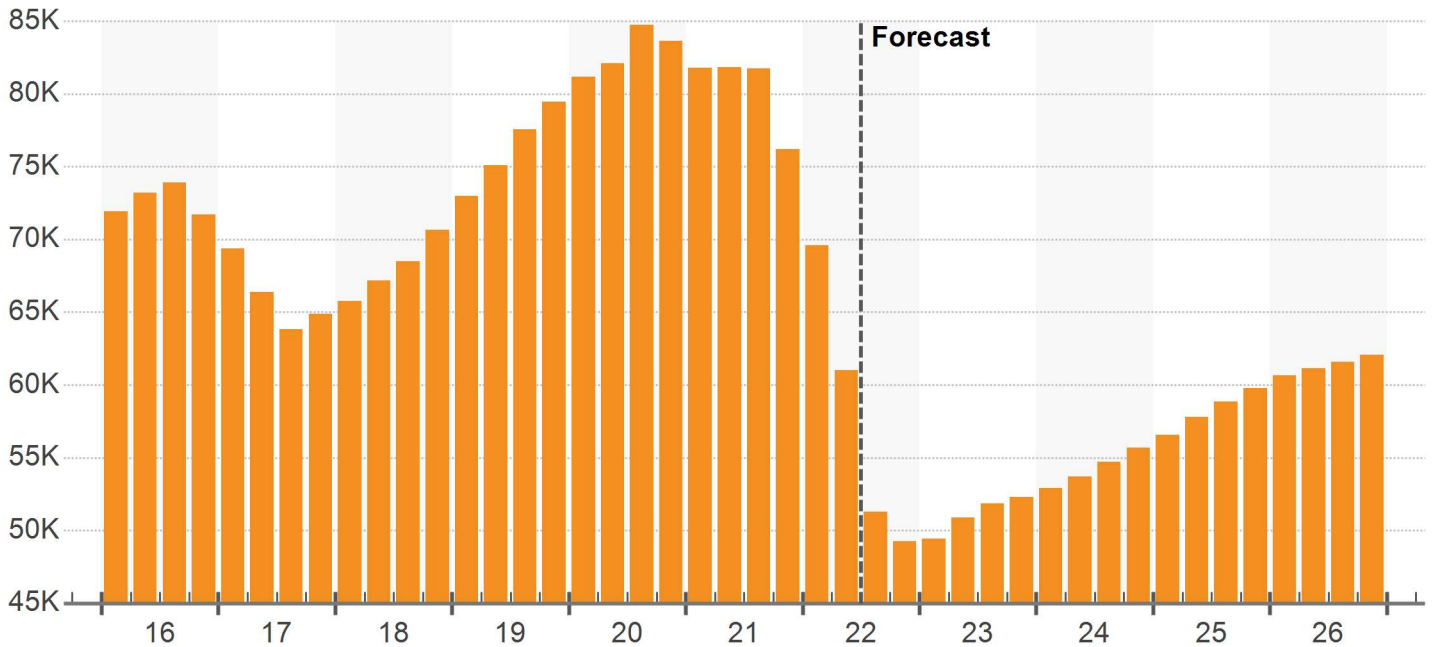
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)

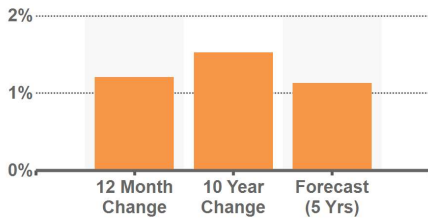


### DEMOGRAPHIC TRENDS

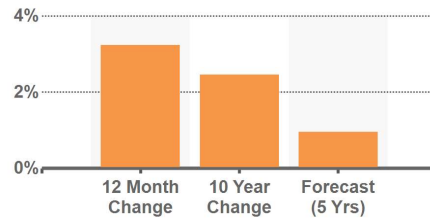
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,990,688	332,346,094	1.2%	0.2%	1.5%	0.6%	1.1%	0.5%
Households	1,775,276	124,075,984	1.2%	0.1%	1.4%	0.7%	1.1%	0.5%
Median Household Income	\$76,207	\$73,203	7.9%	9.1%	4.2%	3.7%	3.4%	3.3%
Labor Force	2,616,903	164,711,250	3.2%	2.3%	2.5%	0.6%	1.0%	0.5%
Unemployment	4.5%	3.8%	-1.4%	-1.9%	-0.3%	-0.4%	-0.1%	-

Source: Oxford Economics

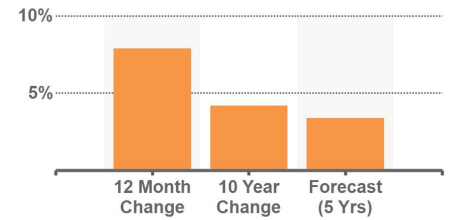
### POPULATION GROWTH



### LABOR FORCE GROWTH



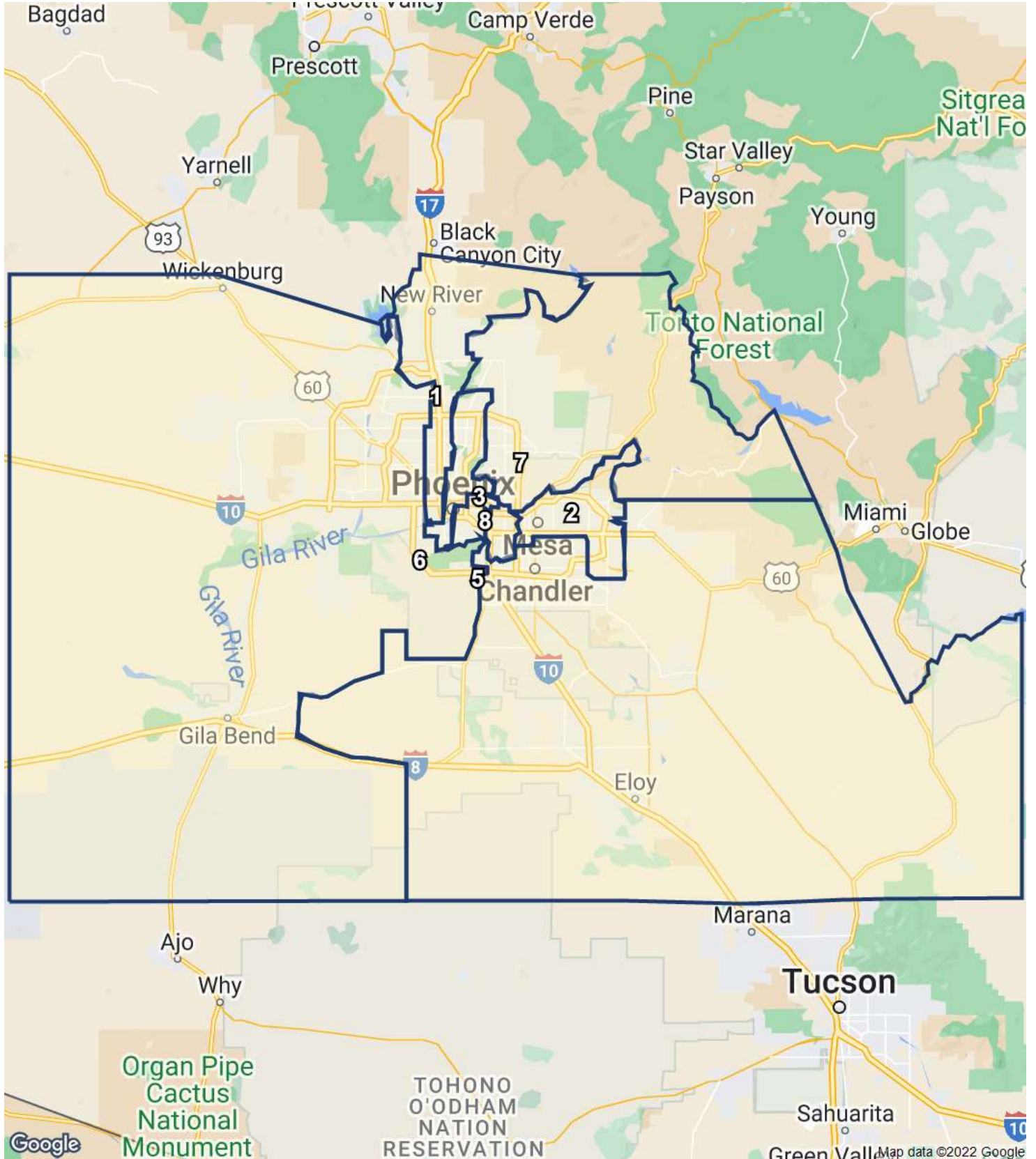
### INCOME GROWTH



Source: Oxford Economics

# Submarkets

## PHOENIX - AZ SUBMARKETS



## SUBMARKET INVENTORY

#	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	Rooms	% Market	Rank	Bldgs	Rooms	%	Rank	Bldgs	Rooms	% Market	Rank
1	Black Canyon Corridor	55	6,566	9.5%	6	2	211	3.2%	2	3	287	4.4%	5
2	Mesa	64	5,296	7.6%	7	1	61	1.2%	7	1	122	2.3%	6
3	Phoenix Airport	39	4,840	7.0%	8	0	0	-	-	0	0	0%	8
4	Phoenix Central	51	11,043	15.9%	2	1	238	2.2%	4	4	494	4.5%	4
5	Phoenix Southeast/Chandler	87	9,701	14.0%	3	2	157	1.6%	6	1	122	1.3%	7
6	Phoenix West	95	9,043	13.0%	4	2	196	2.2%	3	9	1,909	21.1%	1
7	Scottsdale	87	15,662	22.6%	1	3	283	1.8%	5	7	1,217	7.8%	3
8	Tempe	57	7,159	10.3%	5	2	392	5.5%	1	2	567	7.9%	2

## SUBMARKET PERFORMANCE

#	Submarket	12 Mo Occupancy			12 Mo ADR			12 Mo RevPAR		
		Rank	%	Year Growth	Rank	Per Room	Year Growth	Rank	Per Room	Year Growth
1	Black Canyon Corridor	2	74.2%	13.8%	8	\$92.37	30.5%	8	\$68.55	48.4%
2	Mesa	5	69.2%	19.0%	7	\$109.61	34.4%	7	\$75.80	59.9%
3	Phoenix Airport	1	74.4%	37.8%	6	\$115.95	39.6%	5	\$86.32	92.3%
4	Phoenix Central	7	63.2%	41.3%	2	\$196.36	47.6%	2	\$124.17	108.5%
5	Phoenix Southeast/Chandler	4	70.3%	27.3%	4	\$126.63	37.8%	4	\$89	75.4%
6	Phoenix West	3	73.5%	8.5%	5	\$124.10	30.3%	3	\$91.27	41.4%
7	Scottsdale	8	61.8%	44.9%	1	\$241.40	30.4%	1	\$149.26	88.9%
8	Tempe	6	66.8%	36.9%	3	\$127.73	42.5%	6	\$85.37	95.2%

### OVERALL SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2026	27,315,180	0	0%	19,382,137	(86,529)	-0.4%
2025	27,315,180	24,700	0.1%	19,468,666	(51,575)	-0.3%
2024	27,290,480	385,818	1.4%	19,520,241	439,470	2.3%
2023	26,904,662	910,611	3.5%	19,080,771	1,331,516	7.5%
2022	25,994,051	843,896	3.4%	17,749,255	1,922,668	12.1%
YTD	10,516,248	225,212	2.2%	7,721,599	1,398,913	22.1%
2021	25,150,155	1,469,895	6.2%	15,826,587	3,952,485	33.3%
2020	23,680,260	(764,811)	-3.1%	11,874,102	(5,397,912)	-31.3%
2019	24,445,071	314,794	1.3%	17,272,014	467,873	2.8%
2018	24,130,277	551,144	2.3%	16,804,141	835,275	5.2%
2017	23,579,133	369,012	1.6%	15,968,866	370,285	2.4%
2016	23,210,121	167,693	0.7%	15,598,580	451,268	3.0%
2015	23,042,428	13,558	0.1%	15,147,312	613,868	4.2%
2014	23,028,870	(127,585)	-0.6%	14,533,444	653,378	4.7%
2013	23,156,455	(2,594)	0%	13,880,066	456,740	3.4%
2012	23,159,049	198,701	0.9%	13,423,326	64,640	0.5%

### LUXURY & UPPER UPSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2026	7,945,196	0	0%	5,670,288	(27,171)	-0.5%
2025	7,945,196	0	0%	5,697,459	(70,156)	-1.2%
2024	7,945,196	89,177	1.1%	5,767,615	346,329	6.4%
2023	7,856,019	260,821	3.4%	5,421,286	661,104	13.9%
2022	7,595,198	273,644	3.7%	4,760,182	1,090,515	29.7%
YTD	3,139,647	216,845	7.4%	2,091,576	747,431	55.6%
2021	7,321,554	1,084,427	17.4%	3,669,667	1,459,189	66.0%
2020	6,237,127	(924,747)	-12.9%	2,210,478	(2,635,862)	-54.4%
2019	7,161,874	6,951	0.1%	4,846,340	(46,166)	-0.9%
2018	7,154,923	124,198	1.8%	4,892,505	175,010	3.7%
2017	7,030,725	111,316	1.6%	4,717,495	62,370	1.3%
2016	6,919,409	109,976	1.6%	4,655,125	107,048	2.4%
2015	6,809,433	10,922	0.2%	4,548,077	88,489	2.0%
2014	6,798,511	(2,049)	0%	4,459,588	160,847	3.7%
2013	6,800,560	22,162	0.3%	4,298,741	95,967	2.3%
2012	6,778,398	66,850	1.0%	4,202,774	39,250	0.9%



### UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2026	11,835,061	0	0%	8,273,376	(34,121)	-0.4%
2025	11,835,061	16,997	0.1%	8,307,497	56,068	0.7%
2024	11,818,064	167,503	1.4%	8,251,429	1,128	0%
2023	11,650,561	282,817	2.5%	8,250,301	412,680	5.3%
2022	11,367,744	435,840	4.0%	7,837,621	827,542	11.8%
YTD	4,641,963	194,993	4.4%	3,500,113	713,065	25.6%
2021	10,931,904	784,251	7.7%	7,010,079	2,104,720	42.9%
2020	10,147,653	184,220	1.8%	4,905,359	(2,248,453)	-31.4%
2019	9,963,433	293,356	3.0%	7,153,812	389,760	5.8%
2018	9,670,077	461,976	5.0%	6,764,052	413,297	6.5%
2017	9,208,101	391,292	4.4%	6,350,755	307,098	5.1%
2016	8,816,809	182,329	2.1%	6,043,657	284,240	4.9%
2015	8,634,480	203,130	2.4%	5,759,417	403,546	7.5%
2014	8,431,350	49,357	0.6%	5,355,871	360,101	7.2%
2013	8,381,993	42,211	0.5%	4,995,770	250,436	5.3%
2012	8,339,782	125,371	1.5%	4,745,334	45,958	1.0%

### MIDSCALE & ECONOMY SUPPLY & DEMAND

Year	Supply			Demand		
	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2026	7,534,923	0	0%	5,438,393	(25,236)	-0.5%
2025	7,534,923	7,703	0.1%	5,463,629	(37,466)	-0.7%
2024	7,527,220	129,138	1.7%	5,501,095	92,055	1.7%
2023	7,398,082	366,973	5.2%	5,409,041	257,823	5.0%
2022	7,031,109	134,412	1.9%	5,151,218	4,377	0.1%
YTD	2,734,638	(186,626)	-6.4%	2,129,890	(61,603)	-2.8%
2021	6,896,697	(398,783)	-5.5%	5,146,841	388,576	8.2%
2020	7,295,480	(24,284)	-0.3%	4,758,265	(513,152)	-9.7%
2019	7,319,764	14,487	0.2%	5,271,417	124,914	2.4%
2018	7,305,277	(35,030)	-0.5%	5,146,503	246,428	5.0%
2017	7,340,307	(133,596)	-1.8%	4,900,075	261	0%
2016	7,473,903	(124,612)	-1.6%	4,899,814	59,802	1.2%
2015	7,598,515	(200,494)	-2.6%	4,840,012	121,556	2.6%
2014	7,799,009	(174,893)	-2.2%	4,718,456	132,283	2.9%
2013	7,973,902	(66,967)	-0.8%	4,586,173	110,187	2.5%
2012	8,040,869	6,480	0.1%	4,475,986	(20,525)	-0.5%

## OVERALL PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2026	71.0%	-0.4%	\$168.74	2.6%	\$119.74	2.1%
2025	71.3%	-0.4%	\$164.50	2.4%	\$117.25	2.0%
2024	71.5%	0.9%	\$160.63	2.5%	\$114.89	3.3%
2023	70.9%	3.9%	\$156.76	0.8%	\$111.17	4.7%
2022	68.3%	8.5%	\$155.53	21.3%	\$106.20	31.6%
YTD	73.4%	19.5%	\$187.75	46.3%	\$137.86	74.8%
2021	62.9%	25.5%	\$128.20	11.1%	\$80.67	39.4%
2020	50.1%	-29.0%	\$115.41	-12.5%	\$57.87	-37.9%
2019	70.7%	1.5%	\$131.90	2.7%	\$93.19	4.2%
2018	69.6%	2.8%	\$128.38	2.1%	\$89.40	4.9%
2017	67.7%	0.8%	\$125.80	3.3%	\$85.19	4.1%
2016	67.2%	2.2%	\$121.81	1.8%	\$81.86	4.1%
2015	65.7%	4.2%	\$119.60	7.9%	\$78.62	12.4%
2014	63.1%	5.3%	\$110.80	3.7%	\$69.93	9.2%
2013	59.9%	3.4%	\$106.83	2.2%	\$64.04	5.7%
2012	58.0%	-0.4%	\$104.49	2.0%	\$60.57	1.6%

## LUXURY &amp; UPPER UPSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2026	71.4%	-0.5%	\$277.83	2.6%	\$198.28	2.1%
2025	71.7%	-1.2%	\$270.88	2.2%	\$194.25	1.0%
2024	72.6%	5.2%	\$264.98	4.4%	\$192.36	9.8%
2023	69.0%	10.1%	\$253.75	-0.7%	\$175.11	9.4%
2022	62.7%	25.0%	\$255.49	13.6%	\$160.12	42.1%
YTD	66.6%	44.9%	\$311.19	29.5%	\$207.31	87.7%
2021	50.1%	41.4%	\$224.86	3.1%	\$112.70	45.8%
2020	35.4%	-47.6%	\$218.04	3.3%	\$77.28	-45.9%
2019	67.7%	-1.0%	\$211.15	3.4%	\$142.88	2.4%
2018	68.4%	1.9%	\$204.15	2.7%	\$139.60	4.6%
2017	67.1%	-0.3%	\$198.82	3.3%	\$133.41	3.1%
2016	67.3%	0.7%	\$192.42	1.4%	\$129.45	2.2%
2015	66.8%	1.8%	\$189.71	7.3%	\$126.71	9.3%
2014	65.6%	3.8%	\$176.77	3.7%	\$115.95	7.6%
2013	63.2%	2.0%	\$170.50	2.8%	\$107.78	4.8%
2012	62.0%	-0.1%	\$165.87	2.0%	\$102.84	1.9%

### UPSCALE & UPPER MIDSCALE PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2026	69.9%	-0.4%	\$142.44	2.6%	\$99.57	2.2%
2025	70.2%	0.5%	\$138.83	3.2%	\$97.45	3.7%
2024	69.8%	-1.4%	\$134.56	-2.1%	\$93.95	-3.4%
2023	70.8%	2.7%	\$137.39	-0.8%	\$97.29	1.9%
2022	68.9%	7.5%	\$138.49	19.3%	\$95.48	28.3%
YTD	75.4%	20.3%	\$165.11	41.4%	\$124.50	70.1%
2021	64.1%	32.7%	\$116.08	0.4%	\$74.43	33.2%
2020	48.3%	-32.7%	\$115.60	-6.4%	\$55.88	-37.0%
2019	71.8%	2.6%	\$123.55	2.9%	\$88.71	5.6%
2018	69.9%	1.4%	\$120.10	2.5%	\$84.01	4.0%
2017	69.0%	0.6%	\$117.16	2.3%	\$80.80	3.0%
2016	68.5%	2.8%	\$114.48	1.0%	\$78.47	3.7%
2015	66.7%	5.0%	\$113.40	9.3%	\$75.64	14.8%
2014	63.5%	6.6%	\$103.72	5.7%	\$65.89	12.7%
2013	59.6%	4.7%	\$98.12	1.7%	\$58.48	6.6%
2012	56.9%	-0.5%	\$96.45	1.7%	\$54.88	1.1%

### MIDSCALE & ECONOMY PERFORMANCE

Year	Occupancy		ADR		RevPAR	
	Percent	% Change	Per Room	% Change	Per Room	% Change
2026	72.2%	-0.5%	\$95.08	2.6%	\$68.62	2.1%
2025	72.5%	-0.8%	\$92.66	2.5%	\$67.19	1.7%
2024	73.1%	0%	\$90.38	1.4%	\$66.06	1.4%
2023	73.1%	-0.2%	\$89.14	0%	\$65.17	-0.2%
2022	73.3%	-1.8%	\$89.14	17.6%	\$65.31	15.5%
YTD	77.9%	3.8%	\$103.75	39.3%	\$80.81	44.6%
2021	74.6%	14.4%	\$75.79	12.2%	\$56.56	28.4%
2020	65.2%	-9.4%	\$67.54	-4.4%	\$44.05	-13.5%
2019	72.0%	2.2%	\$70.68	3.8%	\$50.90	6.1%
2018	70.4%	5.5%	\$68.08	1.5%	\$47.96	7.1%
2017	66.8%	1.8%	\$67.08	4.9%	\$44.78	6.8%
2016	65.6%	2.9%	\$63.96	4.4%	\$41.93	7.4%
2015	63.7%	5.3%	\$61.27	8.1%	\$39.03	13.9%
2014	60.5%	5.2%	\$56.66	-0.3%	\$34.28	4.9%
2013	57.5%	3.3%	\$56.81	2.3%	\$32.67	5.7%
2012	55.7%	-0.5%	\$55.55	1.4%	\$30.92	0.9%

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$250,349	217	7.4%
2025	-	-	-	-	-	-	\$239,714	207	7.4%
2024	-	-	-	-	-	-	\$227,603	197	7.4%
2023	-	-	-	-	-	-	\$216,975	188	7.4%
2022	-	-	-	-	-	-	\$211,768	183	7.4%
YTD	43	\$615.7M	6.3%	\$14,317,901	\$140,020	9.1%	\$206,000	178	7.3%
2021	43	\$573.5M	6.0%	\$13,337,839	\$137,076	9.3%	\$186,923	162	7.5%
2020	22	\$606.5M	5.0%	\$27,567,743	\$174,831	8.7%	\$191,950	166	7.7%
2019	42	\$1.1B	8.4%	\$26,448,165	\$193,895	9.2%	\$196,663	170	8.0%
2018	54	\$1.1B	11.8%	\$21,123,617	\$146,711	9.0%	\$189,276	164	8.2%
2017	34	\$644.6M	6.7%	\$18,957,735	\$148,312	8.5%	\$179,014	155	8.2%
2016	32	\$1.2B	7.3%	\$36,660,940	\$253,161	9.3%	\$164,936	143	8.3%
2015	35	\$1.3B	8.5%	\$36,559,592	\$238,773	9.2%	\$147,789	128	8.3%
2014	36	\$722.9M	8.0%	\$20,079,842	\$144,676	7.7%	\$131,101	113	8.4%
2013	27	\$643.1M	5.8%	\$23,818,680	\$175,760	10.1%	\$119,790	104	8.5%
2012	18	\$84.4M	4.0%	\$4,686,928	\$34,101	12.0%	\$108,895	94	8.5%

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

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

## LUXURY &amp; UPPER UPSCALE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$526,655	221	6.5%
2025	-	-	-	-	-	-	\$504,282	212	6.5%
2024	-	-	-	-	-	-	\$478,805	201	6.5%
2023	-	-	-	-	-	-	\$456,448	192	6.5%
2022	-	-	-	-	-	-	\$445,493	187	6.5%
YTD	3	\$157.5M	2.6%	\$52,500,000	\$293,843	6.0%	\$440,287	185	6.4%
2021	4	\$219.6M	3.8%	\$54,898,023	\$278,317	-	\$394,840	166	6.6%
2020	2	\$330M	6.1%	\$165,000,000	\$266,559	-	\$400,296	168	6.8%
2019	5	\$821.9M	10.6%	\$164,370,000	\$393,984	5.9%	\$407,727	171	7.1%
2018	9	\$712.5M	16.7%	\$79,165,552	\$218,958	6.8%	\$399,198	168	7.1%
2017	5	\$446.8M	8.9%	\$89,355,000	\$257,359	7.9%	\$375,605	158	7.2%
2016	9	\$1B	12.4%	\$113,432,217	\$425,371	8.3%	\$344,574	145	7.3%
2015	5	\$1.1B	9.6%	\$211,375,470	\$577,844	5.5%	\$308,071	129	7.4%
2014	7	\$494.4M	9.5%	\$70,624,232	\$275,953	6.6%	\$271,867	114	7.5%
2013	2	\$489.6M	4.7%	\$244,820,729	\$558,951	-	\$248,234	104	7.6%
2012	3	\$43.2M	6.0%	\$14,383,333	\$38,018	-	\$223,606	94	7.6%

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

UPSCALE & UPPER MIDSACLE SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$173,188	204	7.6%
2025	-	-	-	-	-	-	\$165,831	195	7.6%
2024	-	-	-	-	-	-	\$157,452	185	7.6%
2023	-	-	-	-	-	-	\$150,100	177	7.6%
2022	-	-	-	-	-	-	\$146,498	172	7.5%
YTD	19	\$287.3M	6.7%	\$15,120,371	\$140,758	8.0%	\$144,439	170	7.5%
2021	8	\$167.9M	3.4%	\$20,984,375	\$159,425	-	\$134,033	158	7.6%
2020	7	\$227.6M	4.5%	\$32,512,950	\$172,810	8.8%	\$141,179	166	7.8%
2019	11	\$136.4M	4.0%	\$12,404,307	\$118,960	8.2%	\$146,024	172	8.1%
2018	26	\$377.6M	12.6%	\$14,522,248	\$111,710	7.8%	\$137,093	161	8.3%
2017	9	\$116.3M	4.5%	\$12,920,667	\$101,383	8.2%	\$130,910	154	8.3%
2016	5	\$79.5M	2.9%	\$15,897,500	\$111,327	10.5%	\$121,715	143	8.3%
2015	17	\$168.3M	9.0%	\$9,900,398	\$78,943	8.5%	\$108,621	128	8.4%
2014	10	\$116.1M	4.8%	\$11,613,500	\$103,692	8.7%	\$96,763	114	8.5%
2013	13	\$126.4M	7.6%	\$9,726,141	\$72,293	-	\$88,238	104	8.6%
2012	3	\$13.8M	2.2%	\$4,590,565	\$27,163	-	\$81,254	96	8.6%

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

MIDSCALE & ECONOMY SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$84,104	200	8.1%
2025	-	-	-	-	-	-	\$80,531	191	8.1%
2024	-	-	-	-	-	-	\$76,462	182	8.1%
2023	-	-	-	-	-	-	\$72,892	173	8.0%
2022	-	-	-	-	-	-	\$71,143	169	8.0%
YTD	21	\$170.9M	10.1%	\$8,137,270	\$93,892	13.2%	\$70,685	168	7.9%
2021	31	\$186.1M	12.8%	\$6,001,935	\$79,445	9.3%	\$64,226	153	8.1%
2020	13	\$48.9M	4.6%	\$3,761,515	\$53,501	8.6%	\$65,684	156	8.4%
2019	26	\$152.5M	12.6%	\$5,866,367	\$61,108	10.4%	\$67,569	160	8.7%
2018	19	\$50.6M	5.9%	\$2,663,521	\$44,353	13.3%	\$63,563	151	9.0%
2017	20	\$81.5M	7.5%	\$4,075,100	\$55,709	8.7%	\$60,132	143	9.0%
2016	18	\$72.8M	7.7%	\$4,042,924	\$47,877	9.8%	\$55,203	131	9.2%
2015	13	\$54.4M	6.9%	\$4,184,738	\$38,914	10.9%	\$50,772	121	9.2%
2014	19	\$112.4M	10.3%	\$5,914,194	\$53,894	8.0%	\$45,802	109	9.2%
2013	12	\$27M	4.9%	\$2,251,923	\$26,135	10.1%	\$42,281	100	9.3%
2012	12	\$27.4M	3.9%	\$2,286,917	\$32,984	12.0%	\$38,871	92	9.3%

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

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

## DELIVERIES &amp; UNDER CONSTRUCTION

Year	Inventory			Deliveries		Net Deliveries		Under Construction	
	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	535	69,310	-0.6%	3	222	(2)	(133)	27	4,718
2021	539	69,698	1.2%	17	2,207	10	1,210	24	4,128
2020	534	68,879	1.2%	15	1,748	6	755	24	3,410
2019	527	68,069	3.7%	18	2,312	18	2,312	20	2,584
2018	510	65,671	1.4%	11	1,248	8	1,002	16	2,274
2017	504	64,755	1.7%	11	1,552	11	1,552	9	1,014
2016	494	63,657	1.1%	10	1,160	2	892	10	1,460
2015	487	62,937	1.0%	3	413	(4)	(57)	13	1,673
2014	485	62,311	-0.6%	4	571	0	21	2	314
2013	485	62,666	0.2%	6	777	3	596	3	401
2012	481	62,549	0.7%	3	501	2	401	5	767