

## **Prepared For**

Ms. Brenda Daniels  
ElectriCities of North Carolina, Inc.  
1427 Meadow Wood Boulevard  
Raleigh, North Carolina 27604

## **Feasibility Study of**

Proposed Hotel  
Downtown High Point, North Carolina



IMC Showplace, Downtown High Point, NC  
Source: International Market Centers

## **Prepared By**

Shamrock Capital  
322 North Forest Boulevard  
Lake Mary, Florida 32746

## **Date of Report**

July 12, 2017

## SHAMROCK CAPITAL

July 12, 2017

Ms. Brenda Daniels  
Manager, Economic Development  
ElectriCities of North Carolina, Inc.  
1427 Meadow Wood Boulevard  
Raleigh, North Carolina 27604

Reference: Feasibility Study  
Proposed Hotel  
High Point, North Carolina 27260

Dear Ms. Daniels:

Per your request, we have analyzed the High Point, North Carolina lodging market as it pertains to a proposed hotel. Based on our research and interviews with local demand generators and other market participants, our analysis indicates that an upper-midscale limited-service hotel best represents the type, cost, amenities and price point best suited to the current and near-term lodging demand identified in the market.

Our analysis indicates that it would cost approximately \$9,100,000 to develop a 90-room upper-midscale limited-service hotel and the property should produce an unleveraged Internal Rate of Return (IRR) of **14.4%**. This return is considered reasonable based on accepted market returns for similar hotel investments. If after your review you have any questions or require additional information, please feel free to contact us.

Respectfully submitted,

**Shamrock Capital**

A stylized, handwritten signature in dark ink, appearing to read 'R. Hill'.

Robert P. Hill

A handwritten signature in dark ink, appearing to read 'J. Keegan'.

J. Richard Keegan

## Executive Summary



Artist's Conception of Proposed Main Street Station, Downtown High Point, NC

Source: Forward High Point, Inc.

<b>Name</b>	Proposed Hotel
<b>Location</b>	Downtown High Point, North Carolina
<b>Client and Intended User</b>	Ms. Brenda Daniels, Manager, Economic Development, ElectriCities of North Carolina, Inc.
<b>Client's Intended Use</b>	Internal analysis and decision making as it pertains to the development of a proposed hotel.
<b>Date of Report</b>	July 12, 2017
<b>Project Summary</b>	We analyzed the High Point, North Carolina market in an effort to determine the viability of developing a proposed hotel. Limited-service, select-service, luxury boutique, all- suites and extended-stay hotels were contemplated, with focus on demand for, pricing alternatives available to, and current representation of each tier in the market.

## Executive Summary (Continued)

### Summary of Recommendations

<i>Property Class</i>	Upper-midscale limited-service hotel
<i>Number of Rooms</i>	90
<i>Published Rates</i>	\$125 - \$175
<i>Site Size</i>	±2.0 acres
<i>Target Development Area</i>	Downtown High Point's Municipal Service District (MSD), which is transected north-south by Main Street and east-west by English Road, and which is bound by: <ul style="list-style-type: none"><li>• Sunset Drive/Montlieu Avenue to the North,</li><li>• Hamilton Street to the East,</li><li>• Green Street to the South, and by</li><li>• Lindsay Street to the West.</li></ul>

### Summary of Analysis

#### *Occupancy Forecast*

Year 1	54.5%
Year 2	62.8%
Year 3 (Stabilization)	68.5%

#### *ADR Forecast*

Year 1	\$120.00
Year 2	\$123.60
Year 3 (Stabilization)	\$127.31

#### *Cost Estimates<sup>1</sup>*

Building	\$6,183,301	\$68,703 per key
FF&E	<u>1,440,000</u>	<u>\$16,000 per key</u>
Total Improvements <sup>2</sup>	\$7,623,301	\$84,703 per key

<sup>1</sup> Excluding land and entrepreneurial incentive

<sup>2</sup> Based on Marshall Valuation Service data

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## ADDENDA

PROPOSAL LETTER  
CUSTOM SMITH TRAVEL TREND REPORT  
QUALIFICATIONS OF CONSULTANTS

## **Assumptions and Limiting Conditions**

1. The appraisers/analysts certify that, to the best of our knowledge and belief, the statements contained in this report, subject to the limiting conditions set forth herein, are correct; also, that this report has been made in conformity with the accepted practices of the Appraisal Institute.
2. Properties/locations recommended for consideration have been analyzed as though free of all liens and encumbrances, unless otherwise stated herein. No responsibility is assumed for matters legal in nature, nor is any opinion of title rendered herewith. Good title is assumed.
3. The appraisers/analysts herein, by reason of this report, are not required to give testimony in court with reference to any property/location herein recommended for consideration, unless arrangements have been previously made.
4. Disclosure of the contents of this feasibility study is governed by the By-Laws and Regulations of the Appraisal Institute.
5. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers/analysts or the firm with which they are connected, or any reference to the Appraisal Institute or the MAI or SRA Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.
6. Certain information in this report was furnished from sources believed to be reliable; however, such information is not guaranteed to be correct, although it has been checked insofar as possible and is believed to be correct.
7. Regarding any property or location recommended for consideration, we are not familiar with any engineering or geological studies made to determine the bearing capacity of the land or that indicate any mineral contents of a significant nature. Because improvements in the areas recommended appear to be structurally sound, we assume that soil and subsoil conditions are stable.
8. Plats, maps, and other exhibits in this report are used merely to help the reader visualize a recommended property and its surroundings, and no responsibility is assumed for their cartographic accuracy.

9. Any value estimates reported herein are under the purpose and land-use premise stated. They are not valid for any other purpose or premise and must not be used in conjunction with any other report, appraisal, or intended use.
10. Full compliance with all applicable federal, state, and local environmental regulations is assumed, as well as all applicable zoning, use, and occupancy regulations and restrictions as stated and considered in this report.
11. In this assignment, the existence of any hazardous or potentially hazardous material possibly located on any property or location recommended for consideration, such as urea formaldehyde foam insulation, asbestos, or toxic waste, etc., was not observed by the inspecting appraisers/analysts and has not been considered. The appraisers/analysts have no knowledge of any such materials on or in any of the sites recommended for consideration but are not qualified to detect such substances. The presence of such materials may have an effect on the value or use of the property. It is assumed that there are no hazardous material spills, etc. resulting from underground storage tanks or other causes associated with the proposed hotel. Full compliance with all environmental laws is assumed. The client is urged to retain an expert in this field if desired.
12. Any projections, forecasts, etc. regarding future patterns of income and/or expenses, prices/values, etc. represent the appraisers'/analysts' best estimates of investor anticipations with respect to these items, based on information available at the date of appraisal or analysis. Such information includes forecasts/projections published by recognized sources such as economists, financial publications, investor surveys, etc. Economic trends can affect future behavior of income, expenses, values, etc. Changes in these items caused by future occurrences could result in values different from those established in this report. We cannot accept responsibility for economic variables in the future that could not have been known or anticipated at the date of analysis (inflation rates, economic upswings or downturns, fiscal policy changes, etc.).
13. The indicated values are subject to the completion of a property or location recommended for consideration in accordance with construction budgets for like hotels and other project information which is to be provided by the prospective developer. We assume the construction will be completed with quality materials in a workmanlike, timely and quality manner.

14. The Americans with Disabilities Act (ADA) became effective January 26, 1992 setting strict and specific standards for disabled access to and within most commercial and public buildings. We have not made a specific compliance survey and analysis of any property or location recommended for consideration to determine whether or not it will be in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of any property or location recommended for consideration, together with a detailed analysis of the requirements of the ADA, could reveal that a property or location recommended for consideration will not be in compliance with one or more of the requirements of the act. If so, this fact could have a negative effect upon the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in estimating the value or utility of any property or location recommended for consideration.
16. The estimated income and expense results are based upon competent, efficient management and responsible ownership. Other than as set forth in this report, we assume no significant change in the competitive position of the competitive facilities (supply) in the area.
17. It should be noted that any estimated development costs are based on our research and on the premise that no atypical unforeseen delays or problems occur. In a construction project of this scope, there are numerous complications that may occur. For example, unexpected drainage problems resulting from soil conditions, springs, or unusual precipitation can complicate and prolong the construction. Similarly, unanticipated environmental issues can cause construction delays or expensive corrective measures. Unexpected weather conditions or other unpredictable factors may also influence the cost of the project. In addition, problems associated with the building or site improvements may occur. Changes in prices or availability of materials or labor can impact costs. Also, problems with timely work, inspections or approvals can slow construction and impact costs. Finally, other events outside of the control of the developer, such as bankruptcy of the general contractor or subcontractors, could cause delays and cost overruns. We have made an inspection of the properties or locations recommended for consideration and have not noted any particular conditions that would indicate problems for the development process. We are not experts on soil conditions, subterranean rock, environmental issues or similar matters, but we simply have pointed out some important factors that can produce unexpected costs to construct a proposed project.



18. If applicable to the subject's market, a Trend Response Report from Smith Travel Research (STR) has been utilized to verify and augment our primary market research. Sole reliance is not made upon the STR data provided, specifically in instances when a period of non-reporting has occurred in one or more of the properties in the sample set. Due to the methodology used by Smith Travel, this situation may result in skewed data as the average of the reporting properties is assumed for the entire sample, including any non-reporting property or properties.
19. Unless specifically stated otherwise, we assume the subject's franchise agreements, if any, will extend through the specified holding period and beyond such that it will not affect the marketability or reversion price(s) forecast within this report. We have assumed that upon completion the hotel will meet all the requirements of the franchise and no substantial capital improvements will be required to maintain the agreement over the holding period and beyond.
20. The client has requested that the report focus on an appropriate hotel chain scale and asset class and not recommend a specific hotel brand. Additionally, we were asked to determine the number of additional rooms and price points the market could support, discuss specific demand generators, and discuss potential locations (sites) for a hotel.

## **Introduction**

### **Identification of the Property**

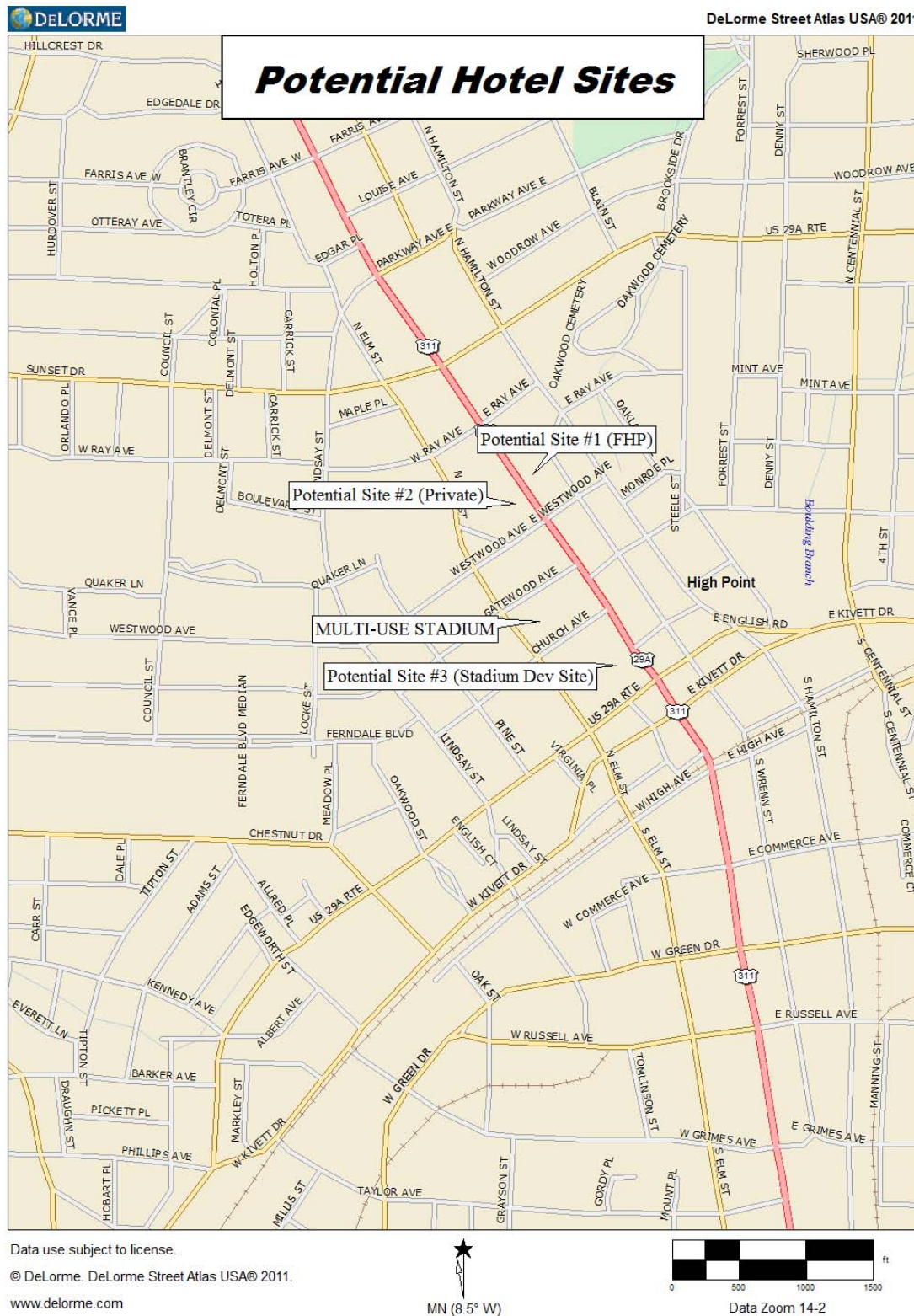
The subject of this feasibility study is a proposed hotel to be located in Downtown High Point, North Carolina. The property is to be located in Zip Code District 27260. Based on our understanding, as of the date of this report no hotel-specific site has been optioned, subdivided, leased or acquired; accordingly, we are unable to discuss or provide tax parcel, deed or other relevant property identification information.

### **Site Selection**

Prior to discussing suitable downtown sites, it is important to understand that, based on our research and interviews, a \$30 million, 5,000-seat, multi-purpose (baseball, soccer, football, lacrosse, concerts, special events) stadium is being developed on 11+ acres one block west of North Main Street between Gatewood Avenue to the north, Elm Street to the east, English Road to the south, and Lindsay Street to the west. This city-owned stadium, which is scheduled to open for opening day of the 2019 Atlantic League baseball season, is to serve as a catalyst for new private and public-private single-purpose and multi-use developments, including the recently announced \$38 million privately funded development of surrounding amenities, including an urban park, playground, children's museum, educational cinema, and events center—all of which will be donated to the city for public use.

Also based on our research and discussions with public officials, the city recently has sent RFQs to potential master developers capable of planning and leading an urban mixed-use development on 5-6 acres of city land outside the stadium walls and, if warranted, on surrounding private sites that may be brought into the city's Catalyst Development Project. Additionally, based on our research and interviews, several single-project and multi-use developers have expressed an interest in developing new apartment, office, retail, entertainment, bar and restaurant venues on one or more sites surrounding the stadium.

The Client has requested that the appraisers/analysts limit their consideration to any downtown sites deemed suitable for hotel. While no specific site has yet been identified, Forward High Point (FHP) controls or has identified several potential development sites surrounding the proposed multi-purpose stadium, some of which appear to be appropriate for a properly scaled hotel development. Based on our research and the foregoing discussion, the following potential hotel sites are depicted on the map on the map below and discussed on the following page.



- **Potential Site #1** – 700 Block of North Main Street (east side)

According to the provided Catalyst Development presentation, Forward High Point has identified a development site in the northeast quadrant of East Westwood Avenue and North Main Street between Main and Wrenn Streets. Assuming the site comprises a minimum of 1.5 usable acres, its highly visible location, proximity to the proposed multi-purpose stadium, and relative ease of acquisition due to FHP's involvement make this a highly recommended potential hotel development site.

- **Potential Site #2** – 600 Block of North Main Street (west side)

According to the provided Catalyst Development presentation, there is a privately-owned development site bounded to the north by Westwood Avenue, to the east by Main Street, to the south by Gatewood Avenue, and to the west by the YWCA. Noting the site is privately owned, and again assuming it comprises a minimum of 1.5 usable acres, its highly visible location and superior proximity to the proposed multi-purpose stadium make this a recommended potential hotel development site.

- **Potential Site #3** – 200 Block of Lindsay Street (east side)

According to the provided Catalyst Development presentation, there are a stadium-controlled and privately-owned development sites abutting the multi-purpose stadium in the northeast quadrant of English Road and Lindsay Street. Noting the sites lack Main Street visibility and are not FHP development sites, and again assuming a site comprising a minimum of 1.5 usable acres can be obtained, proximity to the proposed multi-purpose stadium would make it a good potential hotel development site.

### ***Improvements***

As no developer, site or brand have been identified for the development of a proposed hotel, and as no building plans or costs have been provided, the Client has requested that the appraisers/analysts recommend for consideration, if warranted, any hotel chain scale and asset class deemed suitable for such a downtown development. By way of explanation, Smith Travel Research categorizes hotels into six average-rate-driven chain scales ranging from Economy to Luxury and Pricewaterhouse Coopers recognizes four hotel asset classes: limited-service (midscale & economy), select-service, full-service, and luxury (upper upscale). Based on our analysis, an upper-midscale or upscale limited-service hotel has been identified as being the most suitable for downtown High Point.

By way of explanation and to assist the reader in better visualizing chain scales and asset classes, below we have alphabetically identified, not recommended, some of the more popular limited-service brands for the proposed subject hotel.

- Best Western Plus (upper midscale limited service)
- Comfort Suites (upper midscale limited service)
- DoubleTree by Hilton (upscale limited service)<sup>1</sup>
- Fairfield Inn & Suites (upper midscale limited service)
- Hampton Inn & Suites (upper midscale limited service)
- Holiday Inn Express & Suites (upper midscale limited service)
- Home2 Suites by Hilton (upper midscale limited service)
- Homewood Suites by Hilton (upscale limited service)
- Springhill Suites by Marriott (upscale limited service)

<sup>1</sup> Brand allows but does not require food & beverage.

A typical upper-midscale or upscale limited-service hotel will feature a three-to-five story design with modern furnishings, finishes and amenities which will appeal to transient, commercial and small-group clientele alike. While it is again noted that we have not been provided with building plans, we have assumed the proposed hotel will be a Class D (Marshall Valuation Services), interior-corridor, wood-framed structure with an EIFS exterior and a flat, built-up roof. Windows are assumed to be tempered and plate glass in aluminum frames and the lobby will have a dual commercial-grade window/door wall entry system. Room doors are assumed to be wood with metal frames and a modern card key entry system. The interior walls will be painted and textured or vinyl covered, the floors will have good quality carpeting, tile, or wood laminate finishes, and the ceilings will be textured and painted. HVAC will be provided by through-wall heat-pump units in the guestrooms and common areas will be centrally heated and cooled.

The proposed building also is assumed to offer a spacious lobby/registration area, often in conjunction with a complimentary breakfast area; one or two small-meeting and/or board rooms, a sundry shop; a small fitness center; and an indoor swimming pool. Each guestroom and all public restroom areas are assumed to have adequate plumbing fixtures and electrical supply to serve the needs of the proposed hotel's clientele. Lighting will be provided by energy-efficient LED ceiling fixtures and lamps throughout the hotel. Fire protection is assumed to be provided by hard-wired smoke detectors and a sprinkler system.

Most upper-midscale and upscale brands require hotel grounds to be adequately landscaped and provide sufficient onsite parking spaces to meet the needs of guests and employees. The downtown property is assumed to have exterior wall-mounted signage and freestanding monument signage. Renderings and floor plans generally are available from brand management once a brand determination has been made.

### **Client and Intended User Disclosure**

The client and intended user of this feasibility study is Ms. Brenda Daniels of ElectriCities of North Carolina, Inc. Ms. Daniels authorized the preparation of this analysis in accordance with that certain letter of proposal dated April 5, 2017. Any use of this report by third parties is unauthorized without the written consent of the Client and Shamrock Capital.

### **Client's Intended Use Disclosure**

The intent of this feasibility study is to determine market demand, if any, for a proposed hotel development utilizing market-derived occupancy and average daily rate (ADR) estimates for the Client's use in internal analysis and decision-making.

### **Dates of Analysis**

The subject market area was inspected on April 10 and again on April 25, 2017. As significant new information was provided by city officials in a conference call arranged by the Client on May 31, 2017, this date will serve as the effective date of our analysis. Based upon our inspections and analysis of the market, a project completed by October 1, 2018 should reach a stabilized level of occupancy on October 1, 2020.

### **Ownership and Property History**

As of the date of analysis, no site has been optioned, subdivided, leased or acquired, and no investor, developer or owner has been determined. Accordingly, we are unable to discuss or provide tax parcel, deed or other relevant ownership information.

## **Scope of the Feasibility Study**

The scope of this feasibility study includes the investigations necessary to gather sufficient data from which to derive an opinion of market conditions and trends, and encompasses the necessary research and analysis to prepare a report in accordance with its intended use, the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice.

An inspection of the market and appropriate neighborhoods was conducted to determine the physical features and condition of available hotel sites and the environments in which they are located. When deemed appropriate, contacts were made with municipal authorities (public works and utilities, zoning administration, planning, etc.) to determine permitted uses and restrictions vis à vis local, state and federal regulations.

The subject market data is based upon information provided by Smith Travel Research; city; county and state officials and websites; market participants (hoteliers, restaurateurs, retailers); and by commercial, institutional and government demand generators. Hotel properties of all types in the market were explored to determine existing/proposed hotel inventory, supply/demand, and the marketability of properties within or most proximate to the proposed hotel's classification. A thorough research effort was conducted to extract market data to be used in the feasibility study. To the best of our ability, the research, analysis and interpretation of the information in the marketplace were completed in accordance with sound analytical principles, and the opinions and conclusions are considered to be reasonable and reliable.

**Subsequent to our engagement, the Client requested that our analysis incorporate information which became known to us during a May 31 conference call and via subsequent documentation provided by city officials in early June. This information—the announcement of a \$38 million private funding commitment to develop amenities surrounding the proposed multi-purpose stadium; the confirmation of specific expressions of interest by developers of potential single-purpose and multi-use amenities and/or hotel demand generators within a five-block radius of the proposed multi-purpose stadium; and a recently issued RFQ seeking a master developer to plan and lead the development of five-to-six acres of city-owned land surrounding the proposed stadium, possibly to include additional FHP-controlled and privately-owned development sites in the immediate vicinity of the proposed stadium—provided us with an improved outlook for the prospect of downtown development plans actually coming to fruition over the next 2-to-5 years.**

Accordingly, the scope of our study has been refocused from the Downtown High Point of Today, which is an urban core with virtually no food, beverage or entertainment venues to support a hotel, to the Downtown High Point of Tomorrow—a planned, significantly-funded, vibrant, stadium-centric, live-work-play community replete with new apartments, offices, cultural and recreational venues, and such important hotel support amenities as retail shops, restaurants and bars.

Based on this highly relevant information, our assessment of the number of additional rooms and price points the downtown market could support necessarily has been significantly and positively altered, as has our consideration of demand generators, now several versus few; appropriate hotel chain scales and asset classes; and the highest potential hotel development sites. Again, in keeping with the Client’s instructions, no specific brand recommendations have been made.



## **Area Overview**

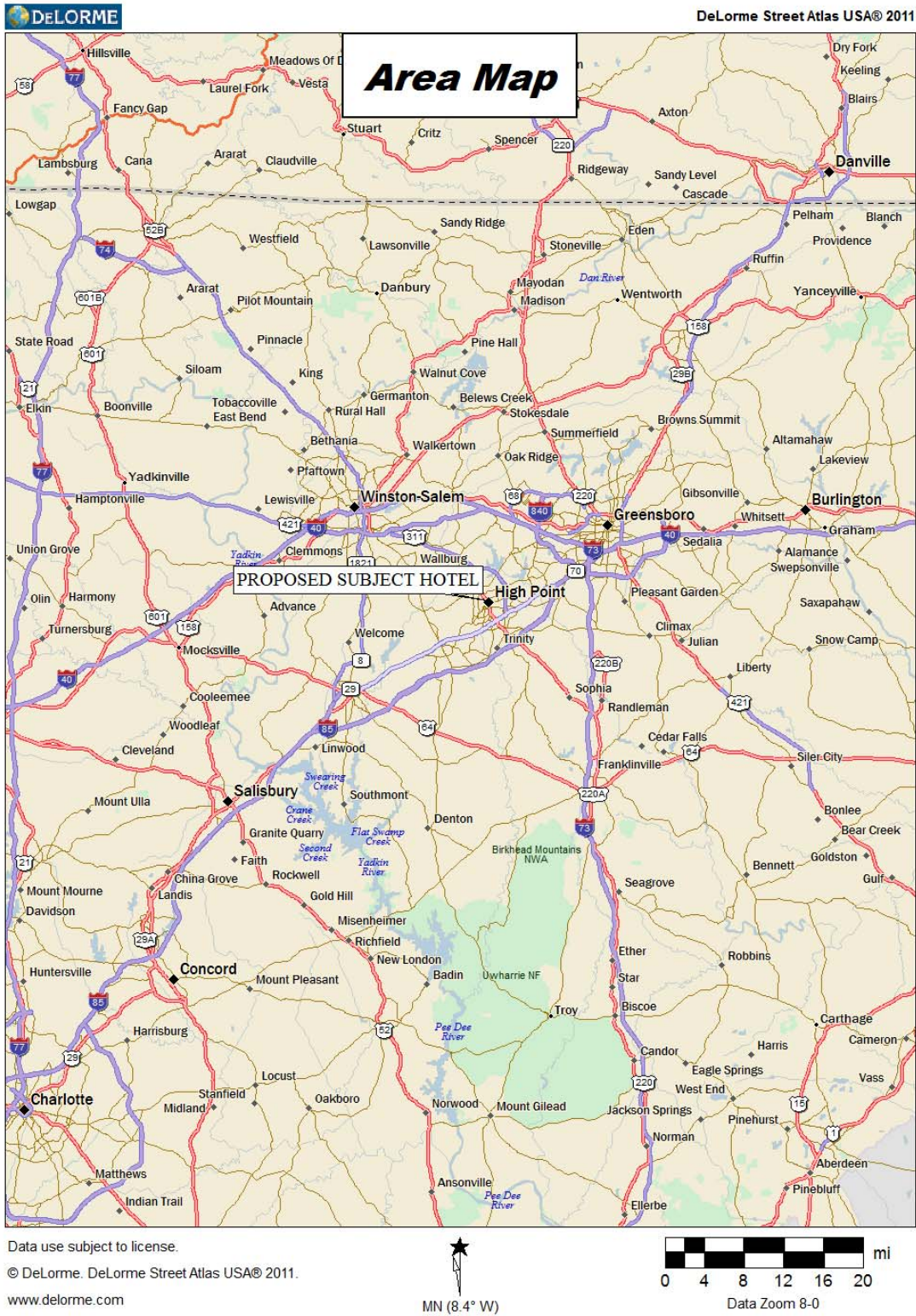
This analysis summarizes important demographic trends that influence real estate values in a defined area. This analysis attempts to highlight important facets of the area economy and illustrates past, current and future growth trends. Important areas of consideration include transportation linkages, population and employment trends, trends in income and spending, real estate development and social issues.

### **City of High Point, Guilford County and the Piedmont Triad NC- MSA Analysis**

High Point is the only city in North Carolina that exists within four counties: Davidson, Forsyth, Guilford and Randolph. Most of the city is located in Guilford County, with small portions spilling into neighboring Randolph, Davidson, and Forsyth counties. It also stands within two major watersheds: the Yadkin–Pee Dee to the west and the Cape Fear to the east. High Point is located alongside Greensboro and Winston-Salem in the Piedmont Triad region of North Carolina, the nation's 37th largest metro area with a population exceeding 1.6 million. High Point is currently the ninth-largest municipality in North Carolina. Guilford County is the third-most populous county in North Carolina; its seat is Greensboro.

High Point is known for its furniture, textiles, and bus manufacturing. The city is sometimes referred to as the "Furniture Capital of the World". The city's official slogan is "North Carolina's International City" due to the semi-annual High Point Furniture Market that attracts 100,000 exhibitors and buyers from around the world.

The Piedmont Triad (or simply the Triad) is a north-central region of the U.S. state of North Carolina that consists of the area within and surrounding the three major cities of Greensboro, Winston-Salem, and High Point. This close group or "triad" of cities lies in the Piedmont geographical region of the United States and forms the basis of the Greensboro-Winston-Salem-High Point CSA. The area of the triad is approximately 5,954 square miles. The metropolitan area is connected by Interstates 40, 85, 73, and 74 and is served by the Piedmont Triad International Airport. Long known as one of the primary manufacturing and transportation hubs of the southeastern United States, the Triad is also an important educational and cultural region and occupies a prominent place in the history of the American Civil Rights Movement. The Triad is not to be confused with the "Triangle" region (Raleigh-Durham-Chapel Hill), directly to the east.



***Population/Demographics***

According to the 2015 U.S. Census estimate, High Point had a population of 110,268, a +5.7% increase from the 2010 population of 104,371., which in turn represented a +21.6% increase over the 2000 population of 85,839.

**Population Growth 2000 to 2015 and Percent Change 2010-2015**

Area	1990	2000	2010	2015 est.	% Change
High Point	69,428	85,839	104,371	110,268	+5.7%
Guilford County	347,420	421,048	488,406	517,600	+6.0%
North Carolina	6,628,637	8,049,313	9,535,471	10,146,788	+6.4%

*Source: U.S. Bureau of Census*

In 2015, the Greensboro-High Point, NC MSA had a per capita personal income (PCPI) of \$39,263, ranking it 240<sup>th</sup> nationally. While the 2015 PCPI reflected a +3.5% increase over 2014, it was 18% and 30% below the national and state averages of \$48,112 and \$55,972, respectively.

***Transportation***

The High Point area offers a strategic location within 650 miles of more than half of the US population. The Piedmont Triad region is halfway between Boston and Miami, halfway between Washington and Atlanta, and halfway between Charlotte and Raleigh/ Research Triangle Park, making it an good location for distribution facilities.

**Air** - Piedmont Triad International Airport (GSO), or PTIA, is located within a 90-minute drive of 4.5 million people. Strategically situated between the cities of Greensboro, Winston-Salem and High Point, PTIA's ±300,000-square-foot passenger terminal and three runways—6,380, 9,000 and 10,001 feet long, respectively—are part of a 4,000-acre campus which also is home to 50+ companies with a combined workforce of 5,000+. Upon completion of a taxiway bridge over I-73, the Airport Authority plans to add more airlines and open the 600 acres of land it owns for further commercial development.

Two other airports are within a 75-minute drive of High Point – Charlotte Douglas International Airport and Raleigh-Durham International Airport.

**By Road and Rail** - The Piedmont Triad region is served by five interstate highways—I-40, I-73, I-74, I-77, and I-85, the following four of which run through High Point:

- I-40 runs from Barstow, California to Wilmington, North Carolina,
- I-73 runs from Detroit, Michigan to Charleston, South Carolina,
- I-74 runs from Davenport, Iowa to Myrtle Beach, South Carolina, and
- I-85 runs from Montgomery Alabama to Petersburg, Virginia.

Interstate 40 runs east-west immediately north of the city. Interstate 73 runs north-south immediately east of the city. The new Interstate 74 (the “East Belt”) transects the city southeast to northwest, from I-85 Exit 113 to I-40 Exit 196 near Winston-Salem. Interstate 85 runs southwest-northeast immediately south and east of High Point. The region also is served by a number of major federal highways, including US 29, 52, 70, 220, 311, 421.

**Distances from High Point, NC (in miles)**

Greensboro, NC	18
Winston-Salem, NC	20
Charlotte, NC	78
Raleigh, NC	91
Atlanta, GA	317
Columbus, OH	396
Jacksonville, FL	445
Nashville, TN	452

**Freight/Rail** - Regional and continental rail freight services are provided by Norfolk Southern and CSX. Amtrak's Crescent, Carolinian and Piedmont trains connect High Point with the cities of Atlanta, Baltimore, Birmingham, Charlotte, New Orleans, New York, Philadelphia, Raleigh, Richmond and Washington. The recently refurbished historic Amtrak station is centrally located in Downtown High Point at 100 West High Street.

**Ports** - The North Carolina State Ports Authority operates an inland terminal just outside High Point's city limits. Containers are transported to deep-water ports in Wilmington and Morehead City, North Carolina. Ports in Charleston, South Carolina, Savannah, Georgia, and Norfolk, Virginia also serve the area.

- Wilmington, NC - 203 Miles
- Morehead City, NC - 219 Miles
- Norfolk, VA - 247 Miles
- Charleston, SC - 301 Miles
- Savannah, GA - 346 Miles

### ***Education***

High Point lies in the four counties of Guilford, Davidson, Forsyth and Randolph, each with its own county school system offering standard K-12 courses and fulfilling special needs requirements. Within commuting distance are four community colleges offering two-year Associate's Degrees, with the larger ones featuring at multiple satellite campuses.

**Community Colleges in the Piedmont Triad Region**

<b>Institution</b>	<b>Degree</b>	<b>Enrollment</b>
Guilford Technical Community College	Associate's	45,352
Forsyth Technical Community College	Associate's	37,282
Alamance Community College	Associate's	14,385
Virginia College	Associate's	603

*Source: High Point Economic Development Corporation*

High Point University (HPU) is one of several four-year+ colleges and universities within 25 miles of downtown High Point. In 2017, U.S. News and World Report has ranked High Point University No. 1 among Regional Colleges in the South. Forbes.com ranks HPU in the top 7 percent among "America's Best Colleges." Parade Magazine lists HPU in the top 25 private schools in the nation. The university offers 50 undergraduate majors, 43 undergraduate minors and 14 graduate degrees.

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**Institutions of Higher Education in the Piedmont Triad**

<b>Institution</b>	<b>Highest Degree</b>	<b>Enrollment</b>
University of North Carolina at Greensboro	Doctorate	17,559
Wake Forest University	Doctorate	7,432
North Carolina A&T State University	Doctorate	10,046
Winston-Salem State University	Master's	6,163
Elon University	Doctorate	6,029
High Point University	Doctorate	4,600
Guilford College	Bachelor's	2,177
Greensboro College	Master's	1,150
Salem College	Master's	1,100
University of North Carolina School of the Arts	Post-Master's	760
Bennett College for Women	Bachelor's	636
Laurel University	Doctorate	430
South University	Doctorate	303

*Source: High Point Economic Development Corporation*

### ***Healthcare***

Three nationally known healthcare systems, each with a comprehensive network of healthcare services, serve High Point and other Piedmont Triad communities.

- High Point Regional UNC Health Care
- Cone Health System
- Wake Forest Baptist Health

### **High Point Regional UNC Health Care**

Founded in 1904, High Point Regional Health, a member of UNC Health Care, is a private, not-for-profit health care system with more than 2,500 staff. High Point Regional offers 351 private beds for medical and surgical patients serving over 120,000 patients each year. High Point Regional has its foundation in six primary service areas: Carolina Regional Heart Center; Hayworth Cancer Center, a service of UNC Hospitals; The Neuroscience Center; The Esther R. Culp Women's Center; The Emergency Center; and The Piedmont Joint Replacement Center. Other services offered through the organization include the Rehab Center, the Millis Regional Health Education Center, the Regional Wound Center, the Diabetes Self Care Management Center, the Vascular Center and High Point Behavioral Health.

### **Cone Health System**

As one of the region's largest and most comprehensive health networks, Cone Health has more than 100 locations, including six hospitals, three ambulatory care centers, three outpatient surgery centers, four urgent care centers, a retirement community, and 100+ physician practice sites.

### **Wake Forest Baptist Health**

Patients of Wake Forest Baptist Health (WFBH) benefit from care provided by doctors, scientists, nurses and other health care professionals educated and trained here. The Bowman Gray Center for Medical Education is located in Wake Forest Innovation Quarter. WFBH offers physicians with expertise in 100+ areas of medicine. Brenner Children's Hospital, the Comprehensive Cancer Center, the Heart & Vascular Center and the Institute for Regenerative Medicine are examples of the resources available to patients.

### ***Economy***

According to the U.S. Bureau of Labor Statistics (April 2017), the Greensboro-High Point NC MSA had a non-seasonally-adjusted unemployment rate of 4.5% (preliminary), compared to the State of North Carolina at 4.7% and the U.S. at 4.4%. The largest industry segment (approximately 20.9%) in the Greensboro-High Point, NC MSA is Trade, Transportation and Utilities. The next largest industry segment (approximately 15.3%) is Manufacturing, followed by Education and Health Services at 14.2%, Professional and Business Services at 14.1%, Government at 12.4%, and Leisure and Hospitality at 9.4%. All other sectors fall below 5%.

The table below lists the largest employers in High Point.

### High Point's Major Employers

<b>Company</b>	<b>Sector/Product</b>	<b>Employs</b>
Ralph Lauren Corporation	distribution, customer service, office	2,854
High Point Regional UNC Health Care	health care	2,358
Thomas Built Buses / Daimler Trucks	corporate office, bus manufacturing	1,950
Bank of America	finance, customer service	1,750
Guilford County Schools	public education	1,667
City of High Point	local government	1,387
High Point University	secondary education	1,355
Alorica <sup>1</sup>	customer service (call centers)	1,100
Quest Diagnostics	medical laboratory services	800
Volvo Group	corporate office	650
Slane Hosiery Mills	footwear manufacturing	620
Cornerstone Health Care	health care	619
XPO Logistics Supply Chain	distribution networks, logistics IT	610
Advanced Home Care	health care equipment and services	586
Marsh Furniture Company	cabinet manufacturing	585
Aetna	insurance, customer service	518
Patheon	pharmaceutical manufacturing	505
BNC Bank	corporate office, finance	364
Guilford County	local government	359
Mickey Truck Bodies	truck body, trailer, manufacturing	357

<sup>1</sup> Alorica will rank among the Top 5 employers in 2017 and likely will be ranked second-largest employer in 2018.

*Source: High Point Economic Development Corporation*

Guilford County (Greensboro-High Point) ranks #1 in manufacturing employment among North Carolina's Top 5 Manufacturing Counties.

1. Guilford County	33,232
2. Mecklenburg County	32,733
3. Wake County	24,957
4. Durham County	24,261
5. Catawba County	22,550

### High Point Market

High Point Market, with its biannual (April and October) trade shows, remains a centerpiece of High Point's economy and the city's most recognized economic driver. Featuring 12,500,000± square feet of showroom space in 188 separate buildings, High Point Market is the largest furniture and furnishings industry event in the world.



High Point Market's 2300± exhibitors and tens of thousands of designers, buyers and visitors represent 110+ countries. Housing needs during Market weeks are being met by sold-out hotels charging peak rates and by hundreds of High Point and Triad-area single-family homes and multi-family apartments which perennially are put into lucrative and tax-incentivized rental pools. In addition to the tens of thousands of Market and Pre-Market participants and attendees, the High Point Convention and Visitors Bureau estimates that between 35,000 and 40,000 designers and buyers visit High Point every year.

### Employer Highlights

Once synonymous with furniture, hosiery, and Hatteras Yachts, High Point has diversified its economy to become a center for distribution, logistics, customer service (call centers), banking, manufacturing, photography and pharmaceuticals. Now approximately 70 internationally-headquartered companies have year-round facilities in High Point, giving the city an impressive 37% of all foreign-based companies in the 12-county Piedmont Triad region.

**Ralph Lauren Corporation<sup>1</sup>** began operations out of its newest \$100 million distribution and office facility northwest of downtown High Point in 2016. The company designs, markets, and sells apparel, accessories, home goods, and fragrances.

Ralph Lauren's High Point-area facilities include:

- a 200,000-square foot building on Beechwood Drive that has a major distribution center along with offices and a technical facility;
- an 843,000-square foot building along NC 66 that has a major distribution center along with offices and a photography studio;
- an 800,000-square foot building at 201 North Pendleton Street that has a major distribution center along with offices, a customer service center, and an embroidery department;
- a 343,000-square foot building at 4190 Eagle Hill Drive that has a distribution center and offices; and
- a research and development center on Piedmont Parkway.

<sup>1</sup> *Currently High Point's largest employer with 2,800±full-time equivalent employees, it is noted that the company is in the process of closing 50+ stores nationwide, including its flagship store on Fifth Avenue in Manhattan. In addition to the 1,000+ layoffs already announced nationally, in April 2017 the company reported it will be laying off an undisclosed number of employees at its locations in High Point.*

**Alorica**, a California-based call center company, announced in February 2017 that it will be adding 600 full-time jobs with benefits to the 800 jobs it already had added to its then-1100-employee High Point customer service center in November. The 2016 addition made the formerly eighth-ranked company one of the city's top-five employers. With the addition of 600 more jobs, Alorica is on a trajectory to become the city's second-largest employer.

**Thomas Built Buses**, the High Point-based subsidiary of Daimler Trucks and the oldest surviving bus manufacturer in North America, created 544 new jobs in the two years ended December 2016, bringing its workforce to 1,950 and making it High Point's largest manufacturer and third-largest employer.

**HAECO Americas** is a wholly-owned subsidiary of Hong Kong-based HAECO Group, a global provider of aircraft maintenance, repair and overhaul services and a leading provider of aircraft seats and interiors. HAECO Americas employs more than 2,700 people in the U.S., 1,700 of whom are based at PTIA and neighboring Wallburg. The company continues to expand locally with its fifth hangar at PTIA and with its 260,000-square-foot Cabin Solutions expansion in High Point.

**Piedmont Triad International Airport (PTIA)** is immediately north of High Point and Interstate 40. PTIA hosts ±50 companies and agencies employing 5,000+ workers, including Honda Aircraft Company, HAECO, Cessna, and FedEx's Mid-Atlantic hub. With completion of its 280-foot taxiway bridge over I-73, PTIA now will be able to accommodate jumbo jets. This bridge will link the airport's westernmost runway with 600± airport-owned acres, which will be subdivided into eight development parcels of varying sizes, each with runway access.

**Total Quality Logistics (TQL)** of Cincinnati is North America's second-largest freight brokerage firm. It connects customers to its network of 60,000+ carriers and recently chose High Point for its newest operation—a \$308,000 facility which eventually will employ 70 people at its Mendenhall Oaks Parkway location east of NC 68 north of downtown.

**Crown Mark, Inc.** is a Houston-based furniture design, manufacturing, warehousing, distribution and marketing company with a showroom and a distribution center in High Point. In 2016, Crown Mark purchased a 30-acre site at 720 Gallimore Dairy Road, High Point, where it will construct an \$11.7 million, 250,000-square-foot furniture distribution center. The site is sufficiently large to accommodate a possible second-phase development—a new building of up to 175,000 square feet of flex space.

**Fastenal Company** is a \$4 billion (in sales) Winona, Minnesota-based industrial supply company with 2,600+ branches and 13 distribution centers throughout North America and Europe. In 2016, Fastenal completed the construction of a \$16 million, 44,000-square-foot addition to its High Point distribution center. In the two years ended December 2016, the company added 75 jobs, bringing its local workforce to 308, making it High Point's 24<sup>th</sup>-largest employer.

**High Point Regional UNC Healthcare**, the city's 2nd largest employer with more than 2,300 full-time equivalent employees, is in the process of completing its \$78 million expansion and renovation project to improve its surgical and cardiology units.

**High Point University (HPU)** is a private institution founded in 1924. In 2016, HPU added 86 jobs, bringing its local workforce to 1,355 and making it the city's seventh-largest employer. Also in 2016, HPU announced its next phase of growth:

- a \$100 million, 4,500-seat Nido and Mariana Qubein Arena and Conference Center;
- a \$60 million science facility that will include a planetarium and conservatory; and
- a \$25 million, 310-student residence hall.

### ***Recreation***

Guilford County ranks third in the state in travel and tourism expenditures, with a reported 13,000+ travel-related jobs and \$1.3± billion generated in 2015. Wet 'n Wild Emerald Pointe in neighboring Greensboro offers more than 35 rides and attractions. It is the largest water park in the Carolinas and one of the top 12 in the United States.

High Point offers several recreational opportunities, such as the High Point Greenway System, Oak Hollow Festival Park and several state parks and nature preserves, including the Haw River State Park & Summit Environmental Education and Conference Center, and the Mitchell Mill Pond State Natural Area. There are 35 community and neighborhood parks plus five recreation centers located throughout the City of High Point. City Lake Park covers 969 acres and includes:

- a 230' by 165' cross-shaped swimming pool,
- boat rides,
- a merry-go-round,
- miniature golf,
- a miniature train ride, and
- a waterslide.

High Point's cultural and entertainment venues include:

- High Point Theatre, a year-round, 929-seat performing arts facility featuring three large exhibition galleries suitable for meetings, exhibits, receptions, frequent dance competitions, and for hosting special events such as the annual Miss North Carolina USA and Miss North Carolina Teen USA pageants. It also houses the Theatre Art Galleries (TAG), which features exhibitions of visual art ranging from traditional to experimental. The 2017/18 proposed city budget reportedly includes \$5.8 million for renovations to this important cultural venue.
- High Point University's Cottrell Amphitheater is an outdoor special event venue located on the HPU campus.
- High Point University's Sechrest Art Gallery houses permanent collections of 18th and 19th century British art coupled with rotating exhibitions.

### ***Market Summary***

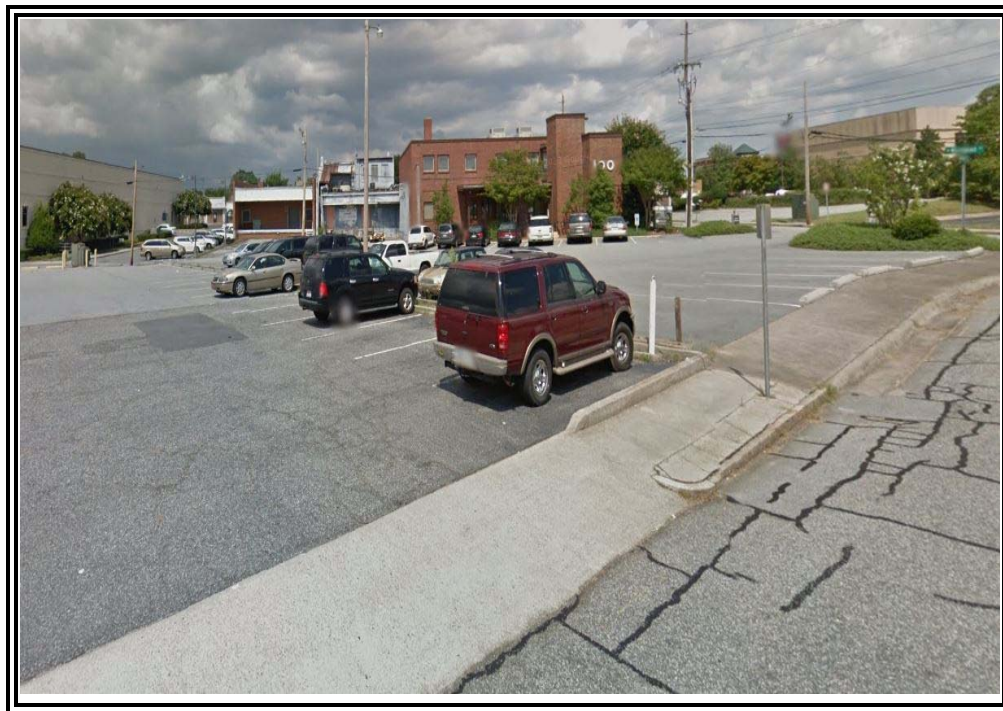
The principal land uses in downtown High Point are furniture-related offices, including the High Point Market Authority, and buildings comprising a majority of the ±12.5 million square feet of furniture show space in High Point, mostly south of High Avenue.

The recommended location for the proposed subject hotel is in the recently created Municipal Service District (MSD), a Downtown High Point area bounded to the north by Sunset Drive/Montlieu Avenue, to the east by Hamilton Street, to the south by Green Drive, and to the west by Lindsay Street. With few exceptions (healthcare facilities and furniture showplaces), this neighborhood is in the third stage of its life cycle—Decline, a period of diminishing demand and acceptance. Under the aegis of the Catalyst Development Project, much of the neighborhood now is about to enter the fourth stage of its life cycle, Renewal—a period of rejuvenation and increasing public acceptance.

High Point Today. In addition to the aforementioned furniture-related land uses, other current land uses in the immediate market area include Carolina Regional Heart Center, High Point Regional Hospital, High Point Theatre & Theatre Art Galleries, High Point Station (Amtrak), the Radisson Hotel, branch banks, ethnic and quick-service restaurants, a church, specialty medical clinics, medical/dental offices, modest single-family homes, automotive and electrical repair shops, a grocery store, gas stations/c-stores, independent retail shops, vacant and under-improved buildings and lots.



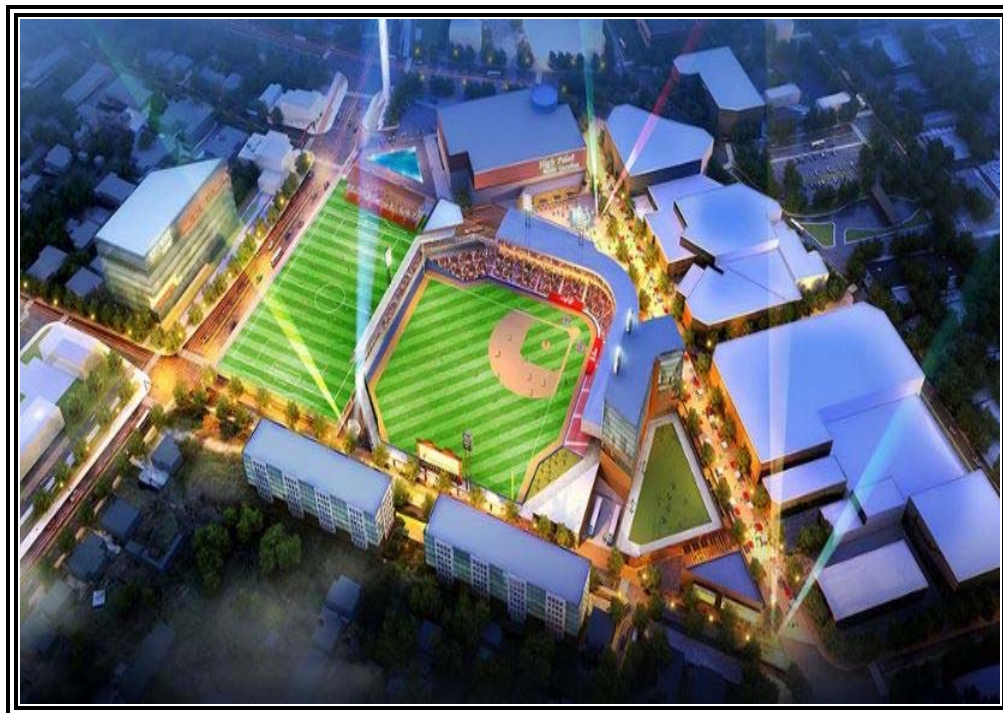
High Point Today - vacant & under-improved building on N Main St near proposed stadium  
Source: Google Earth



High Point Today – under-improved lot on Boulevard St near regional hospital & stadium  
Source: Google Earth

High Point Tomorrow. Several improved and stabilized land uses in the immediate market area are expected to remain and even expand, as in the case of High Point Regional Hospital. Besides the hospital, existing facilities expected to remain in the MSD include Carolina Regional Heart Center, High Point Theatre & Theatre Art Galleries, High Point Station (Amtrak), the Radisson Hotel, branch banks, specialty medical clinics and low-rise medical/dental offices.

As Forward High Point's Catalyst Development Project takes hold over the ensuing 24-36 months, our research and interviews indicate the market area, especially those vacant and under-improved land uses in the neighborhood between Broad and Ray Avenues, will become a vibrant, stadium-centric, civic/cultural, dining/entertainment and recreation node which initially will include a privately-funded children's museum, event center and public park surrounding a city-funded 5,000-seat multi-purpose stadium which will serve as homefield to an Atlantic League professional baseball team and will host numerous other sporting events, concerts, festivals and rallies.



High Point Tomorrow – proposed 5,000-seat multi-purpose stadium  
Source: Barbour Spangle Design





High Point Tomorrow – proposed 5,000-seat multi-purpose stadium  
Source: Barbour Spangle Design



Mixed Use Development  
32,000 SF Retail/Restaurant/Professional  
20,000 SF Class A Office  
120-150 Residential Units

High Point Tomorrow – Artist's Conception  
Source: Catalyst Development Project, Forward High Point, Inc.

As the Catalyst Development Project name implies, the aforementioned Phase 1 city- and privately-funded projects are intended to serve as a catalyst to attract to the downtown MSD an additional \$40-50 million or more in Phase 2 funding from private developers to build apartments, restaurants, offices, and a hotel, some of which may be incorporated into a single project such as Main Street Station, the proposed mixed-use apartment, office, restaurant & retail development depicted immediately above.



## **Lodging Trends and Market Analysis**

The following analysis will examine hotel/motel supply and demand trends as well as factors that influence the hotel investment market.

### **National Trends**

The history of the lodging industry is characterized by periods of rapid expansion and development, followed by periods of adjustment and recovery. The paragraphs that follow discuss historical and current industry supply and demand, occupancy, average daily rate (ADR) and revenue per available room (RevPAR). The principal sources for the following discussion on national lodging industry trends and the U.S. economy include: Smith Travel Research, Hotel News Now (STR), Cushman & Wakefield, The Balance, and Trading Economics.

### ***Historical Industry Trends and Future Outlook***

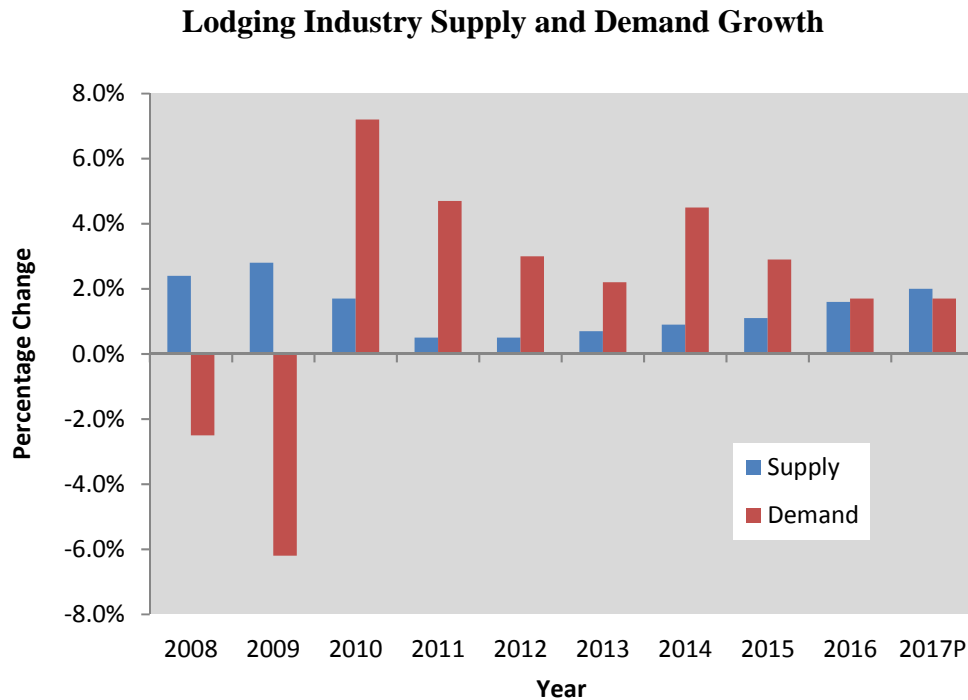
The U.S. economy expanded 1.9% in 2016, which fell below the 2015 growth rate of 2.4%. While Q3 of 2016 reached a 3.5% high, Q4 growth slowed to a seasonally adjusted annualized rate of 1.9% due to (1) a downturn in exports and an acceleration in imports, (2) a deceleration in personal consumer expenditures, and (3) a downturn in federal government spending. GDP expanded 1.6% in 2016, the lowest since 2011, led by reductions in private investment (1.5%), consumer spending (2.7%), and public spending and investment (0.9%). Economists forecast GDP growth in 2017 to remain at the current sub-par rate of 1.9%.

The year 2016 revealed the first signs of slowing in the hotel industry following six years of post-recessionary growth and peak levels of occupancy and RevPAR growth in 2015. Signs of the current shift in the industry and a major concern of investors in the new year are the 2016 levels of supply and demand, 1.6% and 1.7% compared to the 2015 levels of 1.1% and 2.9%. While the hospitality industry is expected to remain steady for 2017, cautionary signs of interest for lenders and investors include: stabilization and potential decline of occupancy with recent yearly record highs in ADR and RevPAR, increasing industry supply and weakened consumer demand, reduction in new supply from increasing construction costs, more selective lenders aware of recent slow in RevPAR and industry growth, anticipations in continued interest rate hikes by the Federal Reserve, and the uncertainty of potential economic policies from a new administration.

### *Room Supply and Demand*

In 2016, Smith Travel Research (STR) recorded the highest levels ever in the three key hotel industry performance metrics of occupancy, average daily rate (ADR), and revenue per available room (RevPAR). However, based on percentage growth, these metrics were average with growth measures declining from 2015 as highlighted by occupancy growth at -0.1%. The hotel industry witnessed an 18.9% increase in newly developed properties between 2015 and 2016, which has led to more stringent lending requirements from commercial banks and increasing construction costs in a more competitive labor supply. Annual supply growth increased from 1.1% to 1.6% in 2016, the highest industry supply has been since 2010.

Demand growth in the hotel industry decreased from 2.90% in 2015 to 1.70% in 2016, marking the third consecutive year of decreases in the demand growth and fell below the 2016 STR projection of 2.3%. While overall occupancy levels remained high in 2016, business travel has been affected by a shrinking economy, price drops in the gas and energy sectors, troubled financial and banking markets, and a reduction in government spending. The Global Business Travel Association projected less than 1% increases in business travel and hoteliers have been forced to increase room rates to make up for the reduced occupancy levels. New supply has created less emphasis on meeting space and concessions, and with group travel and meeting room demand has increasing in 2016, this focus has led to better negotiating of rates for hoteliers. STR projects demand growth to remain at 1.70% in 2017. The following graph illustrates the differences between supply and demand growth in the lodging industry as a whole over the past 10 years.

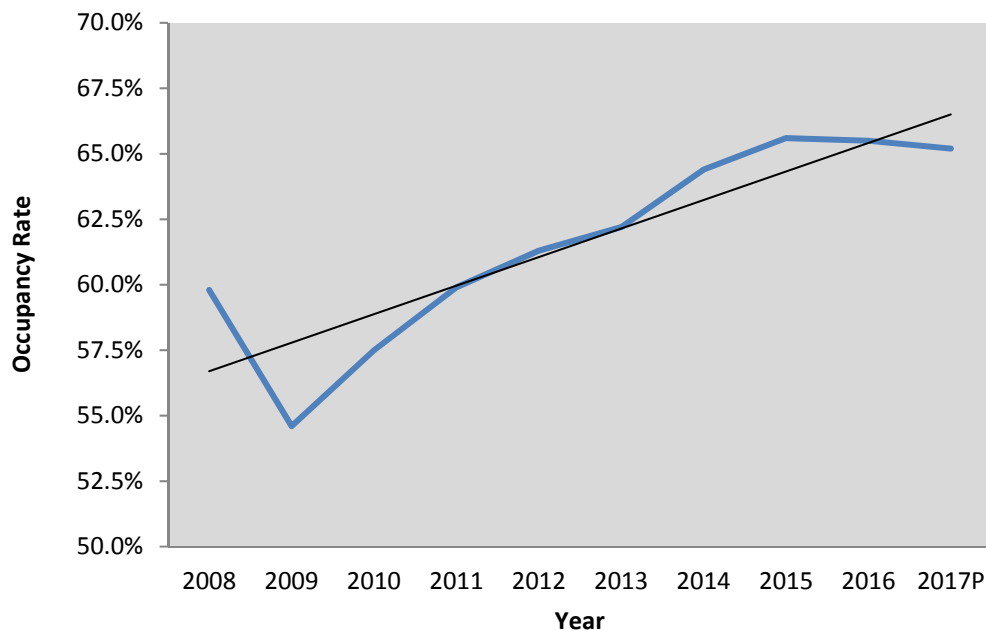


As illustrated in the graph above, demand growth rates have overshadowed supply growth since the back-end of the financial crisis in 2009, reaching a high of 7.2% in 2010 and the recent low of 1.7% in 2016. STR projects demand growth to remain at 1.7% with supply growth increasing to 2.0% in 2017.

### *Occupancy*

As a result of room night demand surpassing new room supply between the post-recession years of 2010 and 2015, the national occupancy rate increased significantly, ending 2015 at the highest level since 1995. However, U.S. economic growth fell to 1.9% in 2016 due to reduced exports, consumer spending and federal government spending. As seen in the chart below, occupancy levels stabilized after posting seven consecutive years of year-over-year growth in industry supply. According to Smith Travel Research, the 2016 national occupancy rate fell slightly by 0.1% to 65.5%.

### National Occupancy Rates



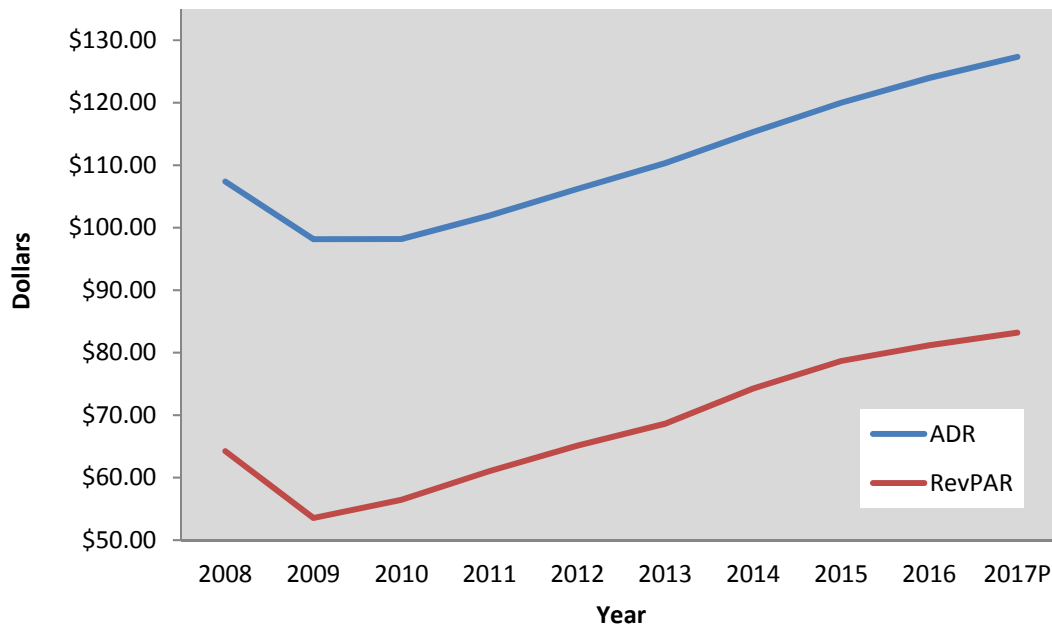
Source: Smith Travel Research

Smith Travel Research forecasts a -0.3% occupancy rate decrease to 65.2% in 2017.

### ADR and RevPAR

The two-major historical revenue performance indicators are average daily rate (ADR) and revenue per available room (RevPAR). In recession year 2009, ADR and RevPAR decreased 8.6% and 16.6%, respectively, and in 2010 ADR remained flat while RevPAR experienced an occupancy-driven increase of 5.4%. From 2011 through 2014, RevPAR increases remained occupancy driven while 2015 saw RevPAR become ADR driven across all chain scales from midscale to luxury hotels. In 2016, the increase in ADR growth was scaled back 3.1% from the 2015 4.4% and RevPAR's yearly growth was half of 2015's at 3.2%.

The decreasing growth in ADR and RevPAR has indicated to analysts that the industry is slowing down as a result of yearly increasing supply and relatively unchanged ADR and RevPAR. For 2016, Smith Travel Research reported national ADR and RevPAR increases of 3.1% and 3.2% to  $\pm$ \$124 and  $\pm$ \$81, respectively. The following table illustrates this trend.

**National ADR and RevPAR**

Source: Smith Travel Research

Smith Travel Research forecasts 2017 ADR and RevPAR increases of 2.8% and 2.5% to ±\$127 and ±\$83, respectively.

## **Local Lodging Trends - Level I Market Analysis**

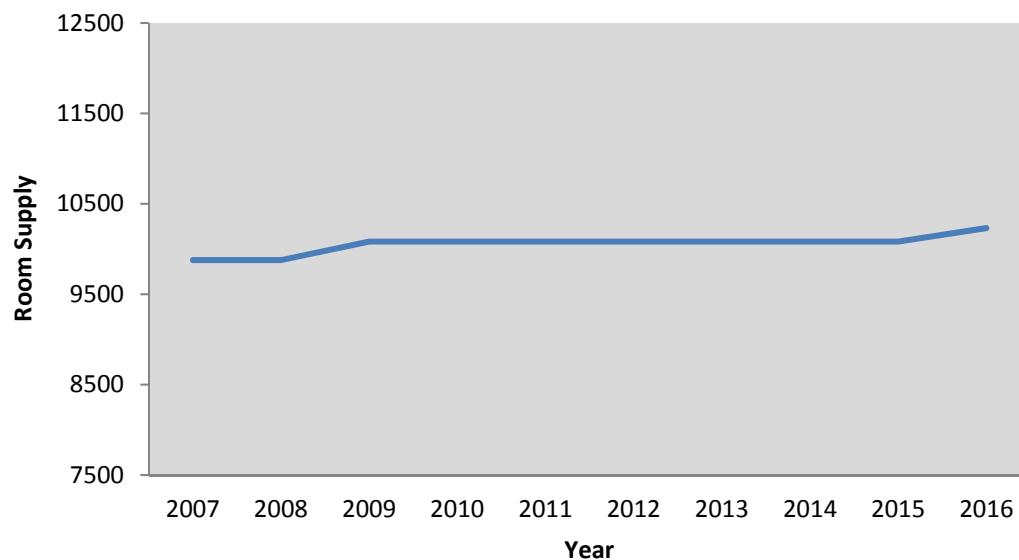
The following paragraphs give an overview of the current and historical market conditions to *infer* future supply and demand conditions.

### ***Competitive Supply Analysis***

To properly evaluate the competitive lodging market, several supply factors have been considered in our analysis to include historic expansion, determining which existing lodging facilities are most competitive with the subject and potential new competition.

### ***Historical Supply***

As indicated by the following chart, rooms supply within the broader Greensboro-High Point lodging market has remained relatively stable over the past 10 years, increasing by a modest compound annual growth rate of 0.7% from May 2008 through April 2017, inclusive.

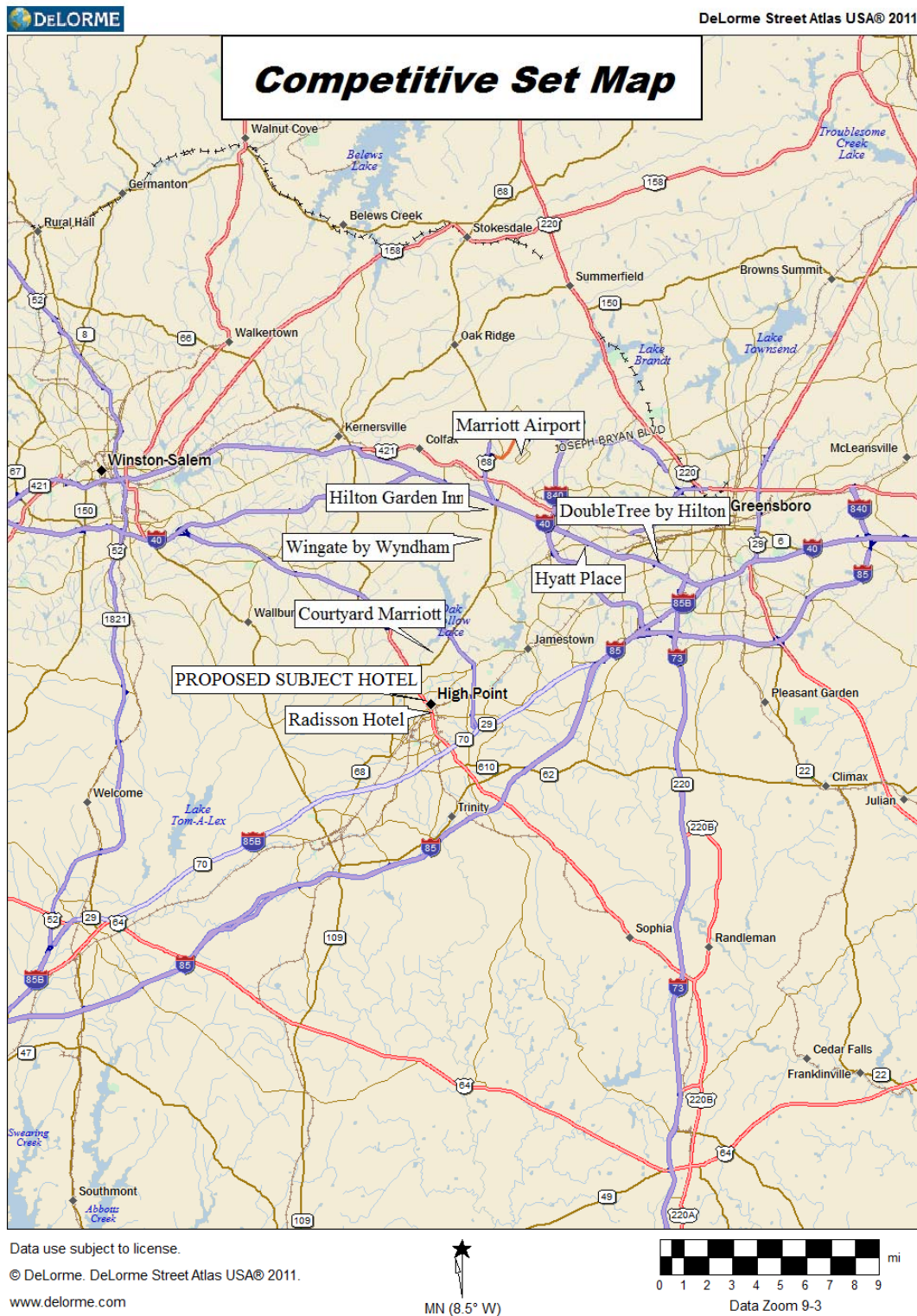


The most recent supply increases occurred with the openings of the 95-room Home2 Suites and 150-room Hilton Garden Inn in March 2014 and April 2016, respectively, both in the airport lodging node along the Greensboro-High Point border. Over this same period, rooms supply in the overall High Point lodging market has experienced no growth, with the most recent supply increase occurring in October 2003 with the opening of the 107-room Courtyard Marriott across from High Point University.

### *Existing Supply*

Our market supply analysis involved a study of the competitive lodging facilities with which the proposed subject hotel likely will compete for demand. While the degree of competitiveness varies, several factors including room rate, relative location, amenities, level of service, quality of guest rooms and similar market positioning make a hotel a competitor. At the time of our survey, only one High Point hotel, the Courtyard Marriott, offered room rates and market positioning similar to those being recommended (without food and beverage) for the proposed hotel, relative location and/or chain scale were used as the principal considerations when analyzing the market.

Based on the foregoing, the Courtyard High Point, DoubleTree Greensboro, Hilton Garden Inn Airport, Hyatt Place Greensboro, Marriott Airport, Radisson High Point, and Wingate High Point would be considered the primary competitors of the proposed hotel. Salient information compiled from our research and interviews with hotel management and other sources is included in the section following the map depicting the location of each competitor found on the next page.





**Competitive Supply Comparable 1**

The Radisson Hotel is located at 135 South Main Street, High Point. Opened in 1983, the property is in fair condition and offers 252 guestrooms. Amenities include a restaurant, pub, snack shop, meeting/banquet facility, business center, fitness center, and indoor swimming pool. For the most recent twelve-month period, the property attained an estimated occupancy rate of 40.0% and offered non-peak rates ranging between \$75 and \$130.

**Competitive Supply Comparable 2**

The Courtyard Marriott is located at 1000 Mall Loop Road, High Point. Opened in 2003, the property is in good condition and offers 107 guestrooms. Amenities include a bistro-style restaurant, snack shop, meeting/banquet facility, business center, fitness center, pool. For the most recent twelve-month period, the property attained an estimated occupancy rate of 70.0% and offered non-peak rates ranging between \$121 and \$189.

**Competitive Supply Comparable 3**

The Wingate is located at 3901 Sedgebrook Street, High Point. Opened in 2000 and recently renovated, the property is in average-to-good condition and offers 81 guestrooms. Amenities include in-room refrigerator & microwave, business center, meeting facilities, a fitness center, and indoor swimming pool. For the most recent twelve-month period the property attained an estimated 55% occupancy rate and offered non-peak rates ranging between \$76 and \$93.

**Competitive Supply Comparable 4**

The DoubleTree is located at 3030 West Gate City Boulevard, Greensboro. Opened in 1972, the property is in average condition and offers 175 guestrooms. Amenities include J. Butler's Bar & Grill, the Pavilion Pantry, gift shop, guest laundry, business center, meeting facilities, a fitness center, and indoor swimming pool. For the most recent twelve-month period the property attained an estimated 60% occupancy rate and offered non-peak rates ranging between \$159 and \$177.

**Competitive Supply Comparable 5**

The Hyatt Place is located at 1619 Stanley Road, Greensboro. Opened in 1995, the property is in average condition and offers 124 guestrooms. Amenities include a bar, 24/7 pantry/market, a business center, meeting facilities, fitness center, and indoor swimming pool. For the most recent twelve-month period the property attained an estimated 60% occupancy rate and offered non-peak rates ranging between \$107 and \$136.

**Competitive Supply Comparable 6**

The Hilton Garden Inn is located at 238 NC Highway 68 South, Greensboro. Opened in 2016, the property is in excellent condition and offers 150 guestrooms. Amenities include a restaurant and bar, 24/7 pantry, guest laundry, business center, meeting facilities, a fitness center, and indoor swimming pool. For the most recent twelve-month period the property attained an estimated 70% occupancy rate and offered non-peak rates ranging between \$149 and \$184.

### Competitive Supply Comparable 7



The Marriott Airport is located at 1 Marriott Drive, Greensboro. Opened in 1983, the property is in fair condition and offers 299 guestrooms. Amenities include a restaurant and bar, gift shop, business center, meeting/event facilities, a fitness center, and an indoor-outdoor swimming pool. For the most recent twelve-month period the property attained an estimated 55% occupancy rate and offered non-peak rates ranging between \$139 and \$179.

### *Supply Forecast*

We have researched the area for future additions to the hotel supply that would potentially impact the subject proposed facility and its competitive set. Based on discussions with local hoteliers, representatives of the convention and visitor's bureau and economic development offices, we have uncovered the following potential additions to supply.

- Construction of a 110-room Homewood Suites Airport is underway with an anticipated opening in late 2017.
- The proposed 90-room subject property is provisionally forecast to open October 2018.
- A 150-room Hyatt Place in downtown Greensboro is rumored to be in the planning stages, with a tentative opening in late 2020.
- A 20-room expansion to the downtown 31-room JH Adams Inn is rumored to be in the planning stages. A three-year plan to expand the room count and event space to accommodate 200 was initiated in 2016.
- A 35-room independent hotel is rumored to be under consideration on the High Point University campus.

The proposed Hyatt Place Greensboro, JH Adams expansion, and the independent hotel on HPU's campus have not been confirmed and therefore have not been added to the supply forecast. The upscale-tier Homewood Suites will be an extended-stay hotel which also will accommodate a considerable amount of transient and commercial demand. It will be located near the Hilton Garden Inn in the airport lodging node which adjoins High Point's northern boundary and will directly compete with the proposed subject. It is noted the relatively new Home2 Suites Airport and the aging Hampton Inn Airport will also compete with the proposed subject hotel but due to Smith Travel reporting requirements, no one brand family (Hilton in this case) can be overrepresented in the competitive sample.

The following table depicts the absorption of the under-construction 110-room Homewood Suites and the proposed 90-room subject hotel.

<b>Fiscal Year</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021+</b>
Room Night Supply	433,620	457,041	495,062	510,270	510,270
Growth	14.5%	5.4%	8.3%	3.1%	0.0%

### ***Competitive Demand Analysis***

This section focuses on the historical/existing demand in the competitive submarket as well as the basis for future demand projections.

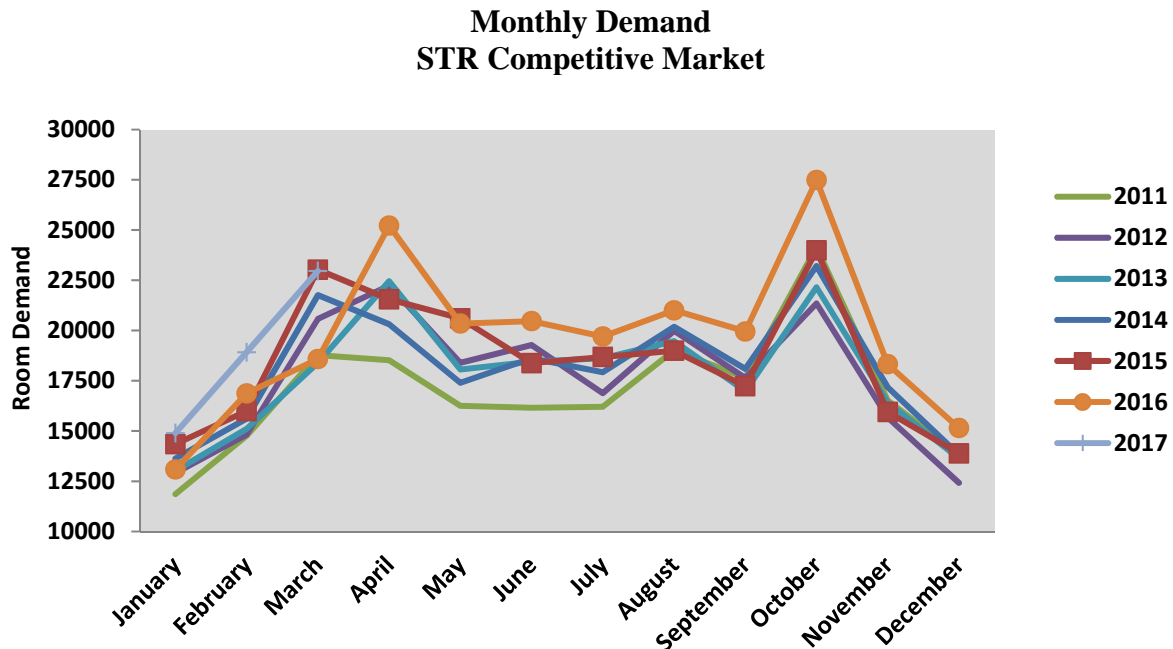
### ***Historical Demand/Market Seasonality***

According to Smith Travel Research:

- room night demand is heaviest during the High Point Market and Pre-Market months of April and October, during which time occupancy rates were 70.8% and 74.6%, respectively;
- regular season occupancy rates for the eight months of February-March, May-September, and November ranged from a low of 51.4% to a high of 62.4%; and
- the remaining off-season months of December and January experienced occupancy rates of 41.1% and 40.5%, respectively.

On an annual basis, weekend (Friday-Saturday) demand exceeded 60% occupancy 80% of the time due to special events, social events and High Point University events. Conversely, weekday (Monday-Thursday) demand exceeded 60% occupancy only 30% of the time, predominantly on Tuesdays and Wednesdays.

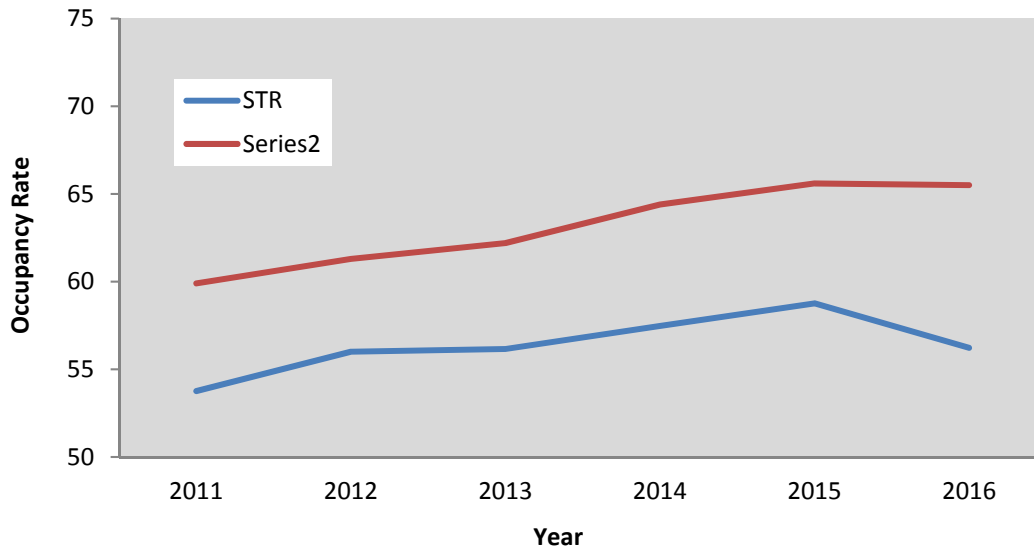
The following chart depicts historical room night demand for the competitive set annually from 2011 through 2016 and YTD through March 2017.



Source: Shamrock Capital and Smith Travel Research

For additional insight into historical demand, the graph below compares the annual occupancy rates of the STR competitive market with the national averages.

### Occupancy Rates STR Competitive Submarket versus National Market



Source: Shamrock Capital and Smith Travel Research

Historically, the STR submarket has performed at a level well below the national average, diverging most dramatically in 2016. Though Y-E 2016 demand increased by a respectable 6.1%, from 222,634 to 236,205 room nights, it was outpaced by a 10.9% increase in supply during the last nine months due to the April 2016 opening of the 150-room Hilton Garden Inn. Significantly, however, trailing twelve-month demand through March 2017 improved from 217,820 to 244,435 room nights sold, an increase of 12.2%.

#### *Existing Demand*

The table on the following page summarizes the estimated occupancy rates of the previously identified competitors along with their corresponding penetration rates for the most recent twelve-month period. Market penetration is calculated by dividing one lodging facility's estimated occupancy level by the overall market occupancy as determined by Smith Travel Research.

<b>Comp.</b>	<b>Property</b>	<b>Rooms</b>	<b>Estimated TTM Occupancy</b>	<b>Estimated Penetration Rate</b>
1	Radisson High Point	252	40.0%	0.71
2	Courtyard High Point	107	70.0%	1.24
3	Wingate High Point	81	55.0%	0.98
4	DoubleTree Greensboro	175	60.0%	1.07
5	Hyatt Place Greensboro	124	60.0%	1.07
6	Hilton Garden Airport	150	70.0%	1.24
7	Marriott Airport	299	55.0%	0.98
Total/Average		1,188	56.3%	1.00

The competitive set exhibited estimated penetration levels between 0.71 and 1.24. The 14-year-old, Marriott-affiliated Courtyard near HPU and the new Hilton Garden Inn Airport attained the highest penetration rates and the 34-year-old, un-refurbished, Carlson-affiliated Radisson Downtown significantly lagged the market.

#### *Demand Forecast-Market*

Increases in demand can occur from three sources: unaccommodated demand, induced demand and general growth within the market. Each of these demand classifications is discussed in the following paragraphs.

Unaccommodated – Unaccommodated demand refers to individuals who are unable to secure accommodations in the market because all the competitive local hotels are filled. These travelers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area.

Unaccommodated demand is further indicated if the market is at all seasonal, with distinct high and low seasons. Such seasonality indicates that although year-end occupancy may not average in excess of 70 percent, the market may sell out several nights during the year. In seasonal markets such as the proposed subject's, this unaccommodated demand may be quantified by looking at the number of days during which occupancy is in excess of the 70th percentile. By this metric, according to the custom STR Trend report included in the Addenda, the local market exhibited unaccommodated demand in only 12 of 84 periods (7 days and 12 months), or 14.3% of the time.



According to STR, nine out of 12, or 75% of these periods of unaccommodated demand occurred during the peak High Point Market and Pre-Market months of April and October. Most of this demand, which currently is turned away, will remain unaccommodated throughout the first quarter of 2018, after which a certain portion should return to the market concurrent with the post-October 2017 and late-2018 supply increases resulting from the opening of the proposed 110-room Homewood Suites and the proposed subject 90-room hotel, respectively.

Considering there are 12 periods of unaccommodated demand according to STR, and noting the upscale Homewood Suites and proposed upper-midscale hotel will add 185 rooms to supply, we have forecast 12,389 room nights, or  $\pm 20\%$  of the competitive room supply, during these periods to be classified as unaccommodated.

Induced Demand – Similar to the concept of unaccommodated demand, it is apparent that the inducement of demand occurs when a new product is added that attracts guests which previously stayed outside the competitive set due to brand loyalty, or simply because the type of accommodations they prefer were unavailable in the market area.

The under-construction 110-unit Homewood Suites will be a modern, upscale hotel facility with a well-established national brand affiliation, a state-of-the-art international reservations system, and strong brand marketing support in an economically diversified market. Acknowledging the somewhat strong competitive lodging market in the broader Greensboro-High Point market, particularly in the popular airport lodging node immediately north of High Point's city limits, we anticipate the Homewood Suites will induce demand equal to 20% of its room supply.

Assuming the proposed upper-midscale limited-service hotel is built in the MSD north of Broad Avenue and south of Ray Avenue as recommended, it will induce significant demand as it will be an integral part of an emerging, well-funded, stadium-centric entertainment complex in the heart of Downtown High Point. In addition to cannibalizing demand from its aging, geographically-proximate competitor, the proposed subject hotel is expected to induce considerable demand due to:

- its proposed upper-midscale, limited-service brand affiliation;
- its “center-ice” location within walking distance of the numerous sports, special-event, dining and entertainment venues planned for the rapidly emerging live-work-play stadium submarket;
- its modern rooms and suites; and
- its upscale amenities package, including a complimentary breakfast.



As the second and newest hotel in downtown High Point’s MSD, a lodging submarket which currently is represented only with a 34-year-old, 252-room, underperforming, “upscale-branded” property in need of significant renovations and upgrades, the proposed subject national-chain-affiliated hotel—the only upper-midscale limited-service hotel in the broader City of High Point market—will induce a reasonable amount of its own demand. By offering ready accessibility to/from the aforementioned stadium-centric sports, special event, dining and entertainment venues; and by offering team- and group-friendly suites, commercial-traveler-friendly business center and meeting facility, and such all-demand-segments-friendly amenities as a complimentary hot breakfast area, sundry shop, guest laundry, fitness center, and indoor swimming pool, the proposed subject hotel should induce transient, commercial and team/small-group demand equal to 20% of its proposed 32,850 available room nights, or 6,570 room nights. The following table details these induced demand assumptions.

<b>Induced Demand Estimate</b>			
<b>Property</b>	<b>Room Night Supply</b>	<b>% Induced</b>	<b>Induced Demand</b>
Homewood Suites	40,150	20%	8,030
Proposed Subject Hotel	32,850	20%	5,475
Total Induced Demand	73,000	20%	14,600

As indicated below, the following market segments are sources of room night demand growth within the competitive submarket.

- **Transient** – This category historically has included individuals, couples and families overnighing in the local market while traveling through the area via PTIA or Interstate Highways 40, 73, 74 and 85, or to the area to:
  - visit family and friends;
  - visit one or more of the city’s many furniture showplaces;
  - tour High Point University (HPU) or Guilford Technical Community College (GTCC);
  - attend HPU sports competitions and special events, including orientations, graduations, reunions, Sechrest Art Gallery exhibits, and Cottrell Amphitheater performances and events;

- attend high school graduations and reunions;
- attend weddings, anniversaries, baptisms and funerals;
- visit inpatients or obtain outpatient treatment at one of High Point's hospitals or specialty medical clinics;
- attend or participate in High Point Theatre events, including frequent regional dance competitions, performing arts shows, and the annual Miss North Carolina USA and Miss North Carolina Teen USA pageants;
- visit Theatre Art Galleries (TAG) exhibitions of contemporary visual art ranging from traditional to experimental;
- attend or participate in regional swim meets at High Point City Lake Pool—the largest outdoor swimming pool in the state;
- visit High Point City Lake Park located on the shores of a 540-acre lake and featuring two waterslides, a gymnasium, miniature golf, playground, historic carousel train rides, an excursion boat, boat and canoe rentals, swimming and fishing;
- visit or participate in one or more of the following attractions or events:
  - Bienenstock Furniture Library—the world's largest collection of rare books on the history of furniture and interior design;
  - Bienenstock Interior Design Competition—an annual competition open to all design schools in the U.S.;
  - Museum of Old Domestic Life—a Quaker museum established around 1926 and containing a broad selection of artifacts from typical Colonial Quaker homesteads;
  - World's Largest Chest of Drawers, an iconic symbol of the city since 1926, it has been featured on MTV and the Travel Channel.

According to Visit North Carolina, in 2015, the latest year for which data is available, Guilford County ranked third in the state in travel and tourism expenditures, with ±\$1.3 billion generated—a year-over-year increase of 2.6%—and 13,000± people employed in travel-related jobs.

- **Commercial** - This segment of demand in High Point emanates from visiting academicians, architects, appraisers, auditors, consultants, designers, engineers, event planners, government officials, medical equipment technicians, medical specialists, and a range of sales representatives, vendors, suppliers and corporate buyers visiting or calling upon PTIA, area providers of services, or well-known area manufacturers and distributors of products ranging from aircraft maintenance, repair and overhaul (MRO) services to apparel, buses, furniture, pharmaceuticals, radio-frequency systems, semiconductors and truck parts. This segment regularly seeks accommodations Monday through Thursday and is predominantly single occupancy. The average stay in the High Point market for commercial guests is typically one to four nights.

Based on our conversations with competitive property managers, High Point University (HPU) officials, and officials with the High Point Chamber of Commerce, Convention and Visitors Bureau, Economic Development Corporation, and Forward High Point, Inc., most High Point-generated commercial demand is being accommodated by hotels in the nearby airport lodging node and neighboring Greensboro due in part to crowding out during HPU events, particularly at the business-friendly Courtyard, and severe crowding out during High Point Market and Pre-Market weeks at virtually all High Point hotels, even the Radisson.. Additionally, commercial demand in the proposed subject's downtown submarket (MSD) historically has remained consistently low reportedly due to the perception among commercial travelers that:

- the showplace-dominated MSD is “dark” 48-to-52 weeks a year;
- the MSD offers virtually no casual or upscale food, beverage or entertainment venues; and
- the MSD's only hotel—the aging Radisson—no longer meets their needs.

The Piedmont Triad region has a workforce of over 800,000 people in a wide range of industry clusters, including:

- Aerospace
- Commercial Photography
- Customer Service/Financial
- Distribution/Logistics

- Healthcare
- High Tech (semiconductors, radio frequency systems)
- Home Furnishing
- Innovative Manufacturing
- Life Sciences/Pharmaceuticals

Considering this segment often includes a base of local negotiated rate (contract) and government per diem business, it is important to note the targeted-marketing/demand-generating potential offered by these industry sectors and companies, particularly those based at nearby PTIA's 4,000-acre, 50-company campus and High Point's Piedmont Centre, the largest of the city's business parks and home to more than 170 companies and 11,000 employees. Piedmont Centre's 1,100+ acres also accommodate several smaller parks, including:

- Eagle Hill Business Park,
- Federal Ridge Business Park,
- Green Point Business Park, and
- Mendenhall at Piedmont Centre.

Companies that locate in Foreign Trade Zones (FTZs) typically import components for distribution and/or manufacture finished products for export. Being in an FTZ enables them to enjoy simplified customs entry procedures and duty deferrals. The High Point FTZ encompasses more than 500 acres of existing industrial buildings and ready-to-build sites located in:

- Eagle Hill Business Park
- Federal Ridge Business Park
- Green Point Business Park
- Lowell's Run
- Piedmont Corporate Park
- Premier Center

In terms of commercial demand, the Greater High Point market area has a broad and diverse base of seventeen firms (cf. pg. 19) that employ 500 or more workers. The three largest are Ralph Lauren Corporation, High Point Regional UNC Health Care, and Thomas Built Buses with 2,854, 2,358 and 1,950 local employees, respectively. These firms have an important economic impact on the area, but there are many others, including several foreign-owned companies, which cumulatively support the economy and generate demand for hotel rooms.

Approximately 70 internationally-headquartered companies, or 37% of all foreign-based companies in the 12-county Piedmont Triad region, have year-round operations in High Point. Below are some examples listed alphabetically by country.

**Austria**

*FULTERER GmbH (dba Fulterer USA)*: HQ Lustenau, founded 1965, manufacturer and supplier of draw slide systems to the home furnishing industry.

*WOLLSDORF LEATHER*: HQ Wollsdorf, established 1970, fine leather producers for vehicle, airplanes and home furnishing components.

**Belgium**

*BUZZISPACE*: HQ Antwerp Kontich, established 2007, manufacturer of acoustic furniture, lighting and fittings.

**Brazil**

*DURATEX S.A. (dba Duratex North America)*: HQ São Paulo, founded 1951, producer of fiberboard paneling and other products for the home furnishing and construction industries.

*RENNER HERRMANN S.A. (dba Renner USA)*: HQ Porto Alegre, founded 1927, manufacturer of wood coatings, including paints, solvents, adhesives and varnishes for furniture and wood finishes.

**Canada**

*BERMEX GROUP INC.*: HQ Maskinongé (Quebec), founded 1983, manufacturer of dining sets and pub tables.

*DÉCOR-REST FURNITURE LTTD*: HQ Woodbridge (Ontario), established 1972, manufacturer of furniture upholstery fabric.

*GOLDEN IMPEX ENTERPRISES INC.*: HQ Mount Royal (Quebec), established 1996, distributor of second-hand goods which are graded and exported to various countries across the world.

*MAGNUSSEN HOME FURNISHINGS INC.*: HQ Kitchener (Ontario); founded 1931, manufacturer of classic cabinets and occasional tables.

*MORBERN INC.*: HQ Cornwall (Ontario), established 1956, designers and manufacturers of decorative vinyl upholstery.

*PALLISER FURNITURE UPHOLSTERY LTD.*: HQ Winnipeg (Manitoba), established 1944, manufacturer of upholstery and household furniture.

### **China**

*DECCA LIMITED (dba Bolier & Company)*: HQ Hong Kong, founded 1973, manufacturer of high-end wood furniture.

*FINE FURNITURE LIMITED (dba Fine Furniture Design)*: HQ Shanghai; manufacturer of high end furniture, including its signature hand-carved products.

*HAECO GROUP (dba HAECO Americas)* HQ Hong Kong, established 1950, global provider of aircraft engineering, maintenance, repair and overhaul services.

*HTL INTERNATIONAL (dba HTL Furniture Inc.)*: HQ Singapore; founded 1976, manufacturer of middle- to upper-end leather furniture upholstery.

*HUAWEI TECHNOLOGIES CO LTD*: HQ Hong Kong, founded 1987, global provider of networking and telecommunications equipment and services.

### **France**

*AXA (dba AXA Financial and AXA Advisors)*: HQ Paris, founded 1982, provider of international insurance and financial services.

**Germany**

*ALDI INTERNATIONAL*: HQ Essen, founded 1946, discount supermarket chain with operations in 19 different countries.

*BeA GROUP (dba BeA Fasteners Inc.)*: HQ Hamburg, founded 1910, supplier of industrial tools such as staplers, pneumatic nailers, and fastening systems, many of which are used in furniture production.

*DOMUS VENTURES*: HQ Germany, founded 1997, manufacturer of high quality outdoor and indoor furniture using teak, natural wicker, resin wicker, etc.

*HÖRMANN KG (dba Hörmann LLC)*: HQ Steinhagen, founded 1930, manufacturer and supplier of residential and commercial garage doors and rolling, folding, fire-protected, high performance doors.

*KLINGENBURG GmbH (dba Klingenburg USA LLC)*: HQ Gladbeck, founded 1979, manufacturer of heat exchangers and humidifiers for apartments, large factories, data processing centers, and showrooms.

*DAIMLER AG (dba Daimler Trucks NA and Thomas Built Buses)*: HQ Stuttgart, founded 1886, multinational manufacturer of automobiles, trucks and buses.

*VAUTH-SAGEL (dba Vauth-Sagel USA LP)*: HQ Brakel-Erkeln, founded 1962, manufacturer of storage space systems for kitchens, bathrooms and living areas.

*WILLI SCHILLIG POLSTERMOBELWERKE GmbH & CO KG (dba W Schillig LP)*: HQ Ebersdorf, established 1949, manufacturer of furniture upholstery and leather sofas, sectionals and chairs.

**ITALY**

*CALLIGARIS*: HQ Milan, started 1923, manufacturer of chairs, tables, beds, sofas, furnishings and decorative accessories.

*DOIMO GROUP (dba Doimo Elite)*: HQ Treviso, founded 1948, manufacturer of custom-built residential furniture (living room, bedroom), contract and office furniture.

*ELETTROSOLUTION S.R.L.*: HQ Monteu Roero, manufacturer of custom-built process control and automation systems for industry.

*FRANCESCO MOLON/GIEMME STILE S.p.A.*: HQ Romano d'Ezzelino, founded 1963, manufacturer of luxury residential, hospitality and office furniture.

*FREUD PRODUZIONI INDUSTRIALI S.p.A (dba .: HQ Tavagnacco*, manufacturer of woodworking tools, including circular saw blades, router bits, and cutter heads, principally for the home furnishing industry.

*FORMA LIGHTING ITALIA S.R.L. (dba L&S Lighting)*: HQ Pogliano Milanese, founded 1967, manufacturer of advanced interior lighting with a special focus on the furniture industry.

*LE CASELLE S.R.L. (dba LC America Inc.)*: HQ Pontevico; founded 1991, producer of semi-finished snack food pellets for use by producers of savory snacks.

*NATUZZI ITALIA (dba Natuzzi Americas Inc.)*: HQ Santeramo in Colle; established 1959, manufacturer of sofas, armchairs and living room accessories.

### **Japan**

*HONDA MOTOR COMPANY LTD (dba Honda Aircraft Company and HondaJet)*, HQ Tokyo, founded 1947 (Honda Aircraft founded 1986), manufacturer of automobiles, motorcycles, jet skis, and corporate jet aircraft.

*KAO CORPORATION (dba Kao Specialties Americas)*: HQ Tokyo, founded 1887, manufacturer of specialty chemicals and body care, health care and home care products.

*RICOH COMPANY LTD (dba Rich USA Inc.)*: HQ Tokyo, founded 1936, manufacturer of office products (most famously, copiers), industrial products, digital and spherical cameras, etc.

*YKK CORPORATION (YKK AP America Inc.)*: HQ Tokyo, founded 1934, manufacturer of fastening and architectural products.



### **Netherlands**

*AKZO NOBEL N.V. (dba Akzo Nobel Coatings Inc.):* HQ Amsterdam, founded 1994, manufacturer of paints, performance coatings and specialty chemicals.

*CLONDALKIN GROUP HOLDINGS B.V. (dba Clondalkin Flexible Packaging):* HQ Amsterdam, founded 2004 manufacturer of form-fitting flexible packaging products.

*HAGEMEYER N.V.:* HQ Naarden, founded 1904, a business to business distributor of business and electrical supplies.

### **New Zealand**

*ORNAMENTAL PRODUCTS INC.* is a supplier of decorative wood and resin products used in the manufacturing of furniture, cabinets, fixtures, mantels, and interior accents.

### **Norway**

*WEMA AMERICAS* is a global manufacturer of liquid-level sensors and level-sensing solutions for fuel and water tanks.

### **South Africa**

*RICKETY BRIDGE WINERY* is a vintner whose High Point distribution center handles wine shipments from Cape Town SA.

### **Spain**

*HURTADO USA* HQ is a manufacturer of hand-crafted furniture.

### **Sweden**

*ELMO LEATHER of AMERICA* is a manufacturer of exclusive leather used in the furniture and automotive industries.

*VOLVO GROUP (dba Volvo Trucks N.A.),* HQ Stockholm; founded 1927, is a manufacturer of automobiles, trucks, buses, construction equipment, and drive systems for marine and industrial applications.

## Switzerland

*AJILON* is a professional staffing company.

*BALTEK* is a manufacturer of composite panel and core materials for sandwich construction.

*DANZER AG (dba Danzer Veneer Americas)*: HQ Baar, founded in 1932, manufacturer of sliced veneer, lumber and wood products for high-quality furniture, automobiles, and interior architecture.

*HERZOG-ELMIGER AG (dba Herzog Veneers Inc.)*: HQ Lopagno, founded 1905, distributor of exotic wood veneers, lumber, plywood and millwork.

*TE CONNECTIVITY*: HQ Schaffhausen, founded 1989, manufacturer of connectors and sensors used across a wide range of industries.

## United Kingdom

*THE BRITISH SHOP*: HQ Slough, specialist packing, storage and logistics company shipping valuable items, including fine art and antiques.

*BUNZL PLC*: HQ St. London, founded 1854, provider of distribution, packaging and outsourcing services.

*COMPASS GROUP PLC (dba FLIK International)*: HQ Chertsey, Kent, founded 2000, provider of contract foodservice and corporate dining services worldwide.

*INNOPSPEC LTD (dba Innospec Active Chemicals)*: HQ Ellesmere Port; founded in 1949, manufacturer of specialty chemicals, surfactants and emollients for personal care, cosmetics, and industrial markets.

*JULIAN CHICHESTER DESIGNS LTD*: HQ London, designer of high end furniture and furnishings.

Based on our research and interviews, the outlook for growth in the commercial segment of demand in High Point and Guilford County is positive. The area's strategic location; strong international business community; multiple universities, technical and community colleges; and its skilled, professional and high-tech labor force contribute substantially to the community's ability to generate commercial lodging demand.

- **Group** - The group demand segment includes blocks of rooms used to accommodate wedding parties, commercial groups, subcontractors, professional and trade associations, corporate meetings, association meetings, sports-related groups, tour bus groups, etc. Typically, these groups will require blocks of rooms in conjunction with modest or nearby meeting facilities and negotiate room rates based on the number of nights and blocks of rooms needed.
  - **Athletic, social and tour groups:**
    - Groups and teams visiting High Point University for sporting events, graduations, homecomings, conferences, art exhibitions, reunions, and other special events, and teams participating in swim meets at High Point Lake Park.
    - Tour groups visiting High Point Theatre performances, pageants, dance competitions, and art exhibitions.
    - Groups, including tour groups, visiting local museums and attractions.
    - Groups attending weddings, funerals, school reunions, family reunions, and milestone anniversaries.
  - **Commercial groups:**
    - Large groups attending or participating in the High Point Market and High Point Fabric Show.
    - Groups attending company functions, training sessions, recertification courses, quarterly/annual corporate meetings, holiday parties, product launches and other special events hosted by local, regional, national, and international firms located in the area's several business parks.

- Extended Stay** - This segment includes extended stay demand, which is defined as long-term stays of four nights or more. This demand may take the form of commercial, group or leisure individuals who are using the room for an extended period of time. Within the overall High Point market this segment comprises an increasingly large amount of room night demand. There are several purpose-built extended-stay hotels in the market ranging from economy to upscale and it is noted that most of the upper-midscale and upscale brands also cater to transient demand seeking the larger suites for shorter periods of time.

### Summary

According to the custom STR Trend report included in the Addenda, the twelve-month moving average market occupancy over the past five fiscal years has increased at a modest compound annual growth rate of 0.7%, from 54.5% for FYE March 2012 to 56.4% for FYE March 2017. Considering the market experienced a -2.0% supply-induced occupancy-rate decrease—from 57.5% in FY 2016 to 56.3% in FY17—as it continued to absorb the additional 54,750 room nights occasioned by the April 2016 opening of the Hilton Garden Inn, we have forecast additional -1.9% and -2.7% supply-induced decreases—from 56.3% in FY17 to 55.3% and 53.8% occupancy rates in FY18 and FY19, respectively—due to the late 2017 opening of the Homewood Suites and the projected late-2018 opening of the proposed subject hotel. With the planned May 2019 opening of a multi-purpose sports stadium, event center and entertainment complex in Downtown High Point’s emerging live-work-play district, we have forecast a demand-induced increase of 6.9% in FY20, whereupon it is expected to stabilize for the remainder of the projection period at 57.5%, as illustrated in the table below.

<b>Fiscal Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022+</b>
Room Night Supply	14,600	14,600	14,600	14,600	14,600
<b>Percent Change-Supply</b>	14,600	14,600	14,600	14,600	14,600
Room Night Demand	250,969	262,736	289,367	289,367	289,367
Growth					
Unaccommodated	3,097	3,097	6,195	0	0
Induced	3,650	3,650	7,300	0	0
Market	0	5,019	13,137	0	0
Total Growth	6,747	11,767	26,631	0	0
<b>Percent Change-Demand</b>	-1.8%	-3.1%	6.6%	0.0%	0.0%
<b>Market Occupancy</b>	<b>55.3%</b>	<b>53.6%</b>	<b>57.1%</b>	<b>57.1%</b>	<b>57.1%</b>

*Demand Forecast-Proposed Subject*

As seen below, in FY17 the competitive set exhibited a wide penetration-rate range of 0.71 to 1.24 and an equally wide estimated occupancy rate range of 40.0% to 70.0%. The HPU-centric Courtyard and new Hilton Garden Inn significantly outperformed the market due in part to superior brand recognition and upscale amenities, which are equally well liked by the leisure/transient and commercial segments of demand in the market. The aging Radisson Downtown significantly lagged the market due in part to its large size, faltering reputation and much-needed renovations.

<b>Comp.</b>	<b>Property</b>	<b>Penetration</b>
1	Radisson High Point	0.71
2	Courtyard High Point	1.24
3	Wingate High Point	0.98
4	DoubleTree Greensboro	1.07
5	Hyatt Place Greensboro	1.07
6	Hilton Garden Airport	1.24
7	Marriott Airport	0.98

It is assumed that the proposed hotel, along with the revitalized downtown as a whole, will be properly marketed, and will offer amenities often sought by certain demographics of the transient, commercial, group and, optionally, extended-stay segments of demand. Based on this information, considering the recommended downtown location between Broad and Ray Avenues; the projected upper-midscale amenities, including a complimentary hot breakfast; the aging nature of the only franchised competitor downtown, from which it is expected to cannibalize demand; and noting the comparatively small room count being recommended, the proposed hotel has been forecast to penetrate the competitive market at 100% in Year 1, increase to 110% in Year 2, and stabilize at a penetration rate of 120% in Year 3, as illustrated below.

<b>Five-Year Occupancy Forecast – Proposed Subject</b>					
<b>Period</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5+</b>
Room Night Supply	506,620	506,620	506,620	506,620	506,620
Room Night Demand	276,052	289,367	289,367	289,367	289,367
<b>Market Occupancy</b>	<b>54.5%</b>	<b>57.1%</b>	<b>57.1%</b>	<b>57.1%</b>	<b>57.1%</b>
Growth	- - -	4.8%	0.0%	0.0%	0.0%
Subject Room Night Demand	17,900	20,639	22,516	22,516	22,516
Subject Penetration	100.0%	110.0%	120.0%	120.0%	120.0%
<b>Subject Occupancy</b>	<b>54.5%</b>	<b>62.8%</b>	<b>68.5%</b>	<b>68.5%</b>	<b>68.5%</b>
Growth	- - -	15.3%	9.1%	0.0%	0.0%

## Subject Average Daily Rate Projections

To forecast the proposed hotel's average daily rate, we have developed the following table summarizing the average daily rate (ADR) and revenue per available room (RevPAR) for the competitive set.

**Comparable ADR and RevPAR Rates**

Comp.	Property	Rooms	TTM17	
			ADR	RevPAR
1	Radisson High Point	252	\$100.00	\$40.00
2	Courtyard High Point	107	\$145.00	\$101.50
3	Wingate High Point	81	\$80.00	\$44.00
4	DoubleTree Greensboro	175	\$120.00	\$72.00
5	Hyatt Place Greensboro	124	\$125.00	\$75.00
6	Hilton Garden Airport	150	\$115.00	\$80.50
7	Marriott Airport	299	\$110.00	\$60.50
Total/Average		1,188	\$114.44	\$64.45

The competitive set offered rates that are estimated to have ranged from \$80.00 to \$145.00, averaging \$114.44 per occupied room night. The Courtyard and Hyatt Place commanded the highest rates and the Wingate the lowest. The following table summarizes the historic growth rates of the national average, competitive submarket and subject property.

**National versus Submarket Trends**

Period	2012	2013	2014	2015	2016	YTD 2017
National ADR	\$106.21	\$110.33	\$115.32	\$120.01	\$123.97	---
Growth	---	3.9%	4.5%	4.1%	3.3%	---
Comp Set ADR	\$100.65	\$107.68	\$111.34	\$113.11	\$114.00	\$105.44
Growth	---	7.0%	3.4%	1.6%	0.8%	3.0% <sup>1</sup>

<sup>1</sup> March YTD 17 versus YTD 16

Source: Smith Travel and Hotel and Club Associates

Year-to-date through June, rates for the competitors are up 3.0% to \$105.44, versus the prior year-to-date rate of \$102.40. Based on our research and interviews, there is rate resistance in the market, especially in the numerous instances of commercial and group local negotiated rates (LNRs). Our research and interviews also indicated that High Point Market and Pre-Market attendees are increasingly rate-resistant as well, with many seeking a better value proposition, especially downtown.

Though the proposed upper-midscale limited-service hotel will represent new rooms supply, it is expected to successfully command comparatively high rates from the outset. Considering the somewhat upscale amenities generally associated with this chain scale, inferior market participants will experience some downward pressure on rates to fill the void left by previously under-accommodated guests in the downtown market, guests who now should be more suitably accommodated at the proposed subject hotel.

Based on the above information, we have forecast a Year 1 ADR of \$120.00 and a stabilized Year 3 ADR of \$127.31, with 3.0% increases annually thereafter.

## **Cash Flow Projection**

In order to accurately estimate the subject's potential income, we have surveyed the competing facilities relative to their location, restaurants, meeting spaces, amenities, average daily room rates and occupancy rates. Based on our survey we have projected the subject hotel's occupancy and average daily rates as a typical developer would view the property. From the estimated income, we have then deducted expenses attributable to the operation based on operating histories of comparable hotels. Prudent management is assumed with the realization that actual expenses on any single property can be strongly influenced by the particular management team operating the facility. While the level of management expertise will customarily have some effect on the level of gross income, it is noted that such income is largely a function of the physical property, its location, and competition in the area. Control of expenses, on the other hand, is largely a function of management's expertise.

The detailed discussion of room revenues in this section is followed by a description of other revenue sources and expense categories. The *Uniform System of Accounts for Hotels*, as adopted by the American Hotel & Motel Association, has been used in the classification of revenues and expenses in this report for comparison purposes. Certain expenses typically shown in audited financial reports are considered capital-related and are not included in this operating forecast. These expenses consist of depreciation, interest expense, amortization, capital gains (losses) and income taxes.

Typical investors in the marketplace would generally consider most strongly the level of expenses that they anticipate with their own management capabilities. With this in mind, we have carefully considered the subject property's competitive position in the market. In addition, we have considered expense information derived from comparable hotels.

### **Basis of Assumptions**

In order to accurately estimate the subject's potential income, we have surveyed the competing limited-service facilities relative to their location, meeting facilities, amenities, average daily room rates and occupancy rates. It is noted we have not been provided with an operating pro forma by the client. The estimate of future operating results is based on a projected stabilized occupancy and average daily rate. These are estimates of investor expectations that could be achieved in a typical year with proper marketing, as shown in the Lodging Trends section of this report.



In the Projected Income and Expense statement, we have used actual income and expense ratios from comparable upper midscale limited-service hotel facilities as a means of forecasting major operating expenses. These statements have been reconstructed on the following page for the reader's reference. Due to the confidential nature of the operating statements, individual identification of the comparable hotels is kept in the analysts' files.

The use of the stabilized year of operations in determining value is important, as it provides an estimate of the annual operating results in current dollars as if it were operating at a level considered representative of its long-term potential. There will be some differences in the stabilized year income and expense statement in relation to the projected first year (Year 1) income statement. These differences primarily are due to differing bases for some expense categories, with expenses variously based on the number of occupied rooms, the number of available rooms and/or a percentage of gross revenues.

We have also considered the anticipated effects of inflation, business development and occupancy levels for the projection period. The underlying rationale and assumptions used in preparing these estimates are presented in the paragraphs that follow the stabilized year income and expense statement.

### **Analysis of Revenues**

Revenue sources for hotels typically include room sales, food and beverage, telephone, minor operated departments, rentals and other income.

#### ***Rooms Revenue***

There are two major factors to estimate when considering the room revenue for the income statement: the average daily room rate and a projection of the occupancy curve for the facility. Various features of a particular hotel affect the rate and occupancy levels that can be achieved. These include proximity to local demand generators, rate structure in relation to the competitive market, seasonality, supply of competitive properties, and the different hotel amenities that are offered.

## Comparable Hotel Operating Expenses

	Host Report 2016 <sup>1</sup>			Comparable A			Comparable B			Comparable C		
	%	(POR)	(/Room)	%	(POR)	(/Room)	%	(POR)	(/Room)	%	(POR)	(/Room)
<b>Revenues</b>												
Room Sales	97.6%	\$120.74	\$31,731	99.2%	\$103.34	\$22,368	97.9%	\$105.49	\$28,995	99.3%	\$105.56	\$29,515
Food and Beverage	0.3%	\$0.41	\$109	0.0%	\$0.00	0	0.0%	\$0.00	0	0.0%	\$0.00	0
Other Operated Departments	1.2%	\$1.53	\$402	0.0%	\$0.00	0	0.7%	\$0.79	216	0.0%	\$0.01	2
Net Rentals and Other Income	0.8%	\$1.02	\$269	0.7%	\$0.78	169	1.4%	\$1.53	419	0.7%	\$0.77	215
<b>Total Revenues</b>	100.0%	\$123.71	\$32,511	100.0%	\$104.12	\$22,537	100.0%	\$107.80	\$29,630	100.0%	\$106.34	\$29,732
<b>Departmental Expenses</b>												
Room Expense	24.1%	\$29.08	\$7,643	32.1%	\$33.22	\$7,190	28.5%	\$30.12	\$8,278	26.3%	\$27.72	\$7,749
Food and Beverage	183.5%	\$0.76	\$200	0.0%	\$0.00	0	- - -	\$0.00	0	- - -	\$0.00	0
Other Operated Departments	86.1%	\$1.32	\$346	0.0%	\$1.84	399	103.5%	\$0.81	223	4710.9%	\$0.37	104
<b>Undistributed Expenses</b>												
Administration & General	8.9%	\$11.06	\$2,906	6.5%	\$6.81	\$1,474	11.0%	\$11.83	\$3,251	8.3%	\$8.79	\$2,458
Sales & Marketing	12.6%	\$15.56	\$4,088	13.2%	\$13.71	2,968	11.1%	\$11.97	3,290	15.1%	\$16.05	4,486
Property Operation & Maintenance	4.5%	\$5.62	\$1,477	0.5%	\$0.57	123	3.7%	\$4.01	1,103	4.2%	\$4.48	1,254
Utilities	3.9%	\$4.79	\$1,260	4.7%	\$4.94	1,068	3.9%	\$4.19	1,152	3.1%	\$3.25	909
<b>Management Fees</b>	3.3%	\$4.08	\$1,073	4.4%	\$4.55	985	4.0%	\$4.31	1,185	3.0%	\$3.19	892
<b>Fixed Expenses</b>												
Other	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0
Property & Other Taxes	3.9%	\$4.79	\$1,258	2.5%	\$2.58	558	4.1%	\$4.39	1,207	4.3%	\$4.62	1,292
Insurance	1.0%	\$1.18	\$309	0.5%	\$0.55	119	0.4%	\$0.42	115	2.5%	\$2.67	747
<b>Reserve for Replacements</b>	1.7%	\$2.16	\$567	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0
<b>Total Expenses</b>	65.0%	\$80.39	\$21,127	66.0%	\$68.76	\$14,883	66.8%	\$72.06	\$19,806	66.9%	\$71.14	\$19,891
<b>Net Operating Income<sup>2</sup></b>	35.0%	\$43.32	\$11,384	34.0%	\$35.36	\$7,654	33.2%	\$35.74	\$9,824	33.1%	\$35.20	\$9,841

NOTES:

<sup>1</sup> 2016 "Host Report," Upper Midscale Limited Service Hotels.

<sup>2</sup> Income before deducting depreciation, interest, amortization and income taxes.

### *Occupancy Rate*

As discussed in the Lodging Trends section of this report, we have estimated the projected room occupancy for the anticipated projection period. We have also identified the competitive supply in the market and related their operating statistics to the subject property. Based on our estimate of penetration levels within each demand segment, we have estimated that the subject property will attain an occupancy rate of 54.5% in Year 1, 62.8% in Year 2, and stabilize in Year 3 at 68.5% after the absorption of the proposed hotel's new rooms supply. This estimate is based on the reported occupancy levels in the broader competitive market over the last several years and current supply and demand factors in the local market.

### *Average Daily Rate*

As discussed in the Trends section, and for projection purposes, we believe the subject property will be able to attain an estimated average daily rate of \$120.00 in Year 1 (FY19).

### *Food and Beverage (F&B) Income*

The food revenue category includes income derived from the sale of food and nonalcoholic beverages such as coffee, milk, tea and soft drinks. The beverage category covers the sale of beer, wine and other alcoholic beverages. The subject will not have a food and beverage operation and no revenue has been forecast in this analysis.

### *Other Operated Departments*

When operated by the hotel, minor operated departments cover income received for telephones, parking and storage services, recreation or health club fees, swimming pool charges, barber/beauty/gift shop revenue and the like. The subject is expected to report revenues from its sundry shop in Rentals & Other Income and therefore no income from this category has been forecast.

### *Rentals & Other Income*

Rentals and Other Income typically includes revenue from meeting rooms and a number of other services provided by a hotel. The following table summarizes the rentals and other income generated from comparable hotels on a net basis

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Total Revenue	0.8%	0.7%	1.4%	0.7%	1.6%
\$ POR	\$1.02	\$0.78	\$1.53	\$0.77	\$2.00
\$ Per Room	\$269	\$169	\$419	\$215	\$398

The comparables indicate a range between \$0.77 and \$1.53 per occupied room night. Noting the subject is expected to generate income from its sundry shop, vending machines and guest laundry in an emerging sports and entertainment submarket with virtually no current casual dining or quick-service food venues, we have projected higher net rentals and other income in the amount of \$2.00 per occupied room night.

### ***Total Revenue***

Total revenue for Year 1 is projected at \$2,183,751 or \$122.00 per occupied room night.

### **Analysis of Operating Expenses**

On a line-by-line basis, we have considered each expense category and estimated the appropriate level of expense for the subject. The following is a detailed explanation of each expense category.

#### ***Departmental Expenses***

Departmental expenses consist of rooms, food, beverage, telephone, minor operated departments and rentals/other expenses. Each applicable category will be analyzed below.

##### ***Rooms***

Consistent with the itemization of expenses in the Host Report, rooms department expenses include front desk and housekeeping salaries/wages/benefits, satellite/cable television fees, cleaning supplies, guest supplies, linens and uniforms, front desk supplies/postage, reservations expenses, travel agent commissions and other expenses attributed to the rooms operation. These department costs are largely occupancy sensitive.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Dept. Revenue	24.1%	32.1%	28.5%	26.3%	25.0%
\$ POR	\$29.08	\$33.22	\$30.12	\$27.72	\$30.00
\$ Per Room	\$7,643	\$7,190	\$8,278	\$7,749	\$5,967

The comparables indicate a rooms expense between 24.1% and 32.1% of departmental revenue. Based on this information, considering the proposed hotel's relatively low room count, anticipated ADR, and access to a reasonably priced labor pool, we have projected a market-oriented rooms expense rate of 25.0% of total room revenue.

#### *Food and Beverage Expenses*

The food revenue category includes income derived from the sale of food and nonalcoholic beverages such as coffee, milk, tea and soft drinks and premises rental. The beverage category covers the sale of beer, wine and other alcoholic beverages. The subject does not have a food and/or beverage operation and no such income has been forecast.

#### *Other Operated Department Expenses*

Expenses within this category typically are a function of department revenue, which is dependent upon the services offered at a given facility. For the proposed subject, these expenses will be attributable solely to its telephone services. The following table depicts the comparable expenses.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Dept. Revenue	86.1%	- - -	103.5%	4,711.0%	- - -
\$ POR	\$1.32	\$1.84	\$0.81	\$0.37	\$1.00
\$ Per Room	\$346	\$399	\$223	\$104	\$200

In light of the above comparables, noting the increased use of cell phones by guests, we have forecast a market-oriented other operated department expense at \$200 per room.

***Undistributed Operating Expenses***

Undistributed operating expenses consist of administrative and general, marketing, energy, property operation/maintenance and franchise fees. Each of these categories will be analyzed in the following paragraphs.

***Administrative and General***

Administrative and general (A&G) expenses include items such as the salaries/wages/benefits for the general manager and other administrative persons, accounting and legal expenses, bad debt and bank charges, office equipment/service/supplies, credit card commissions, permits and licenses, postage, security charges and travel/entertainment.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Total Revenue	8.9%	6.5%	11.0%	8.3%	9.0%
\$ POR	\$11.06	\$6.81	\$11.83	\$8.79	\$10.98
\$ Per Room	\$2,906	\$1,474	\$3,251	\$2,458	\$2,184

The comparables indicate administrative and general expenses between 6.5% and 11.0% of total revenue. Based on the comparables, we have forecast a market-oriented administrative and general expense of 9.0% of total revenue.

***Sales & Marketing***

Marketing expenses include a broad spectrum of advertising and promotional expenses, brand royalty fees and national marketing fees charged by the brand. Typical local marketing expenses include salaries for the sales and reservation staff, marketing employee benefits, media advertising, outdoor advertising, promotional expenses, directories, travel and entertainment, dues and subscriptions, yellow pages advertising, printing and stationery, postage and other smaller items.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Total Revenue	12.6%	13.2%	11.1%	15.1%	10.9%
\$ POR	\$15.56	\$13.71	\$11.97	\$16.05	\$13.26
\$ Per Room	\$4,088	\$2,968	\$3,290	\$4,486	\$2,637

The proposed hotel is projected to be affiliated with a national upper midscale limited-service brand. It is believed that the typical buyer would likely retain franchise rights to such a brand to take advantage of the national/international reservation system and to satisfy lender requirements. Typically, nationally affiliated limited-service brands have a royalty fee from 4.5 to 6.0% of room revenue, and program fees (national marketing/reservations) from 2.5% to 4.0% of room revenue. Based on this, we have forecast a combined franchise fee of 8.0% of room revenue. Additionally, we have forecast a combined franchise rewards/local marketing expense of 3.0% of total revenue for a total sales and marketing expense of approximately 10.9% of total revenue.

#### *Property Operation and Maintenance*

Portions of the costs within this category are fixed and represent salaries, wages and related expenses. They also include maintenance costs related to the operations of public areas within the property.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Total Revenue	4.5%	0.5%	3.7%	4.2%	4.0%
\$ POR	\$5.62	\$0.57	\$4.01	\$4.48	\$4.88
\$ Per Room	\$1,477	\$123	\$1,103	\$1,254	\$971

The comparables exhibit maintenance costs ranging between 0.5% and 4.5% of total revenue. While this will be a new property with much of its equipment under warranty, we have made allowance for more-costly-to-maintain kitchens as we believe suites with kitchens will prove to be a competitive advantage in this particular instance. Considering this expense category often includes some capital expenditures and noting we have forecast a replacement reserve of 3.0% later in this analysis, we have forecast a property operation and maintenance cost of 4.0% of total revenue.

#### *Utilities*

Energy expenses consist of electric, water and sewer service and other fuel charges.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Total Revenue	3.9%	4.7%	3.9%	3.1%	4.5%
\$ POR	\$4.79	\$4.94	\$4.19	\$3.25	\$5.53
\$ Per Room	\$1,260	\$1,068	\$1,152	\$909	\$1,100

Energy costs have ranged between \$909 and \$1,260 per room at the comparable hotels. Based on the comparables, noting we have made some allowance for more market-appropriate suites, energy-intensive kitchens and extended-stay clientele, we have forecast a market-oriented energy expense of \$1,100 per room.

### ***Fixed Charges***

The fixed expenses category includes rent, real estate and personal property taxes, insurance premiums, management fees, replacement reserves and capital improvements.

### ***Rent***

The subject will be owned fee simple and no rent deduction applies.

### ***Real Estate Taxes***

The following chart summarizes the subject's projected tax assessment.

Land Cost	\$1,000,000
Building Cost	\$6,183,301
Estimated Taxable Valuation (FMV or Cost)	\$7,183,301
Tax Rate per \$100 <sup>1</sup>	\$1.4025
<b>Projected Year 1 Real Estate Tax Liability</b>	<b>\$99.718</b>

<sup>1</sup> Comprises county, and city tax rates.



### *Personal Property Taxes*

Business personal property is assessed in Guilford County based on 90% of original cost and depreciated per the North Carolina Department of Revenue schedule thereafter to a minimum of 20% of original cost. Using an original cost estimate of \$1,440,000, or approximately \$16,000 per room, and applying the current tax rate to 90% of the original cost, the proposed hotel's Year 1 personal property tax liability is projected at **\$16,359**. Combined with the previously calculated real estate taxes, the subject's total Year 1 tax liability is estimated at **\$116,077**.

### *Insurance*

Insurance expenses included under fixed charges represent insurance premiums to be paid for property and casualty insurance.

<b>Expense Comp</b>	<b>Host</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>Forecast</b>
% of Total Revenue	1.0%	0.5%	0.4%	2.5%	1.2%
\$ POR	\$1.18	\$0.55	\$0.42	\$2.67	\$1.51
\$ Per Room	\$309	\$119	\$115	\$747	\$300

The expense comparables show a range from \$115 to \$747 per room. Based on the comparables, noting we have made allowances for kitchens, we have forecast a market-oriented insurance expense of \$300 per room.

### *Management Fees*

In the hotel management industry, a management fee of 2.0% to 5.0% of total revenues is typical. Recognizing the relatively high projected ADR and location in which the facility will operate, we have projected 3.0% of total revenues as a reasonable market-oriented management fee. This reflects the need for professional, adaptable management for a limited-service property like the proposed subject.

***Replacement Reserves***

An expensive component of the operation of a property such as the proposed subject is the replacement of quality case goods, public area furnishings, meeting room equipment, kitchen and bar equipment, and other short-lived items. Considering the previously forecast property operation and maintenance expense, we have used a replacement reserve of 3.0% of total revenues throughout the projection period. We believe most respondents in this segment actually do reserve, however, based upon our experience, this has rarely been enough to cover needed replacements.

***Total Expenses***

Incorporating all of the expense estimates outlined above into the operating statement, and noting the relatively few number of rooms, total expenses in Year 1 are projected at \$1,449,326 or 66.4% of total revenue.

**Net Operating Income**

The exhibit on the following page summarizes all revenue and expense estimates described in this section. The Year 1 Net Operating Income generated by the subject is estimated at \$734,425 to include deductions for replacement reserves. In addition, we have also developed an 8-year cash flow projection on the next following page.

**Year 1 Operating Forecast  
Proposed Downtown Hotel  
High Point, NC**

Number of Rooms				90
Available Room Nights				32,850
Occupancy Rate				54.5%
Occupied Room Nights				17,900
Average Daily Rate {ADR}				\$120.00
<b>Revenues</b>				
Rooms	\$2,147,952	98.4%	\$120.00	\$23,866
Food & Beverage	0	0.0%	0.00	0
Other Operated Departments	0	0.0%	0.00	0
Rentals & Other Income	35,799	1.6%	2.00	398
Other	0	0.0%	0.00	0
<b>Total Revenues</b>	<b>\$2,183,751</b>	<b>100.0%</b>	<b>\$122.00</b>	<b>\$24,264</b>
<b>Department Expenses</b>				
Rooms	\$536,988	25.0%	\$30.00	\$5,967
Food & Beverage	0	0.0%	0.00	0
Other Operated Departments	18,000	- - -	1.01	200
Miscellaneous	0	0.0%	0.00	0
<b>Total Department Expenses</b>	<b>\$554,988</b>	<b>25.4%</b>	<b>\$31.01</b>	<b>\$6,167</b>
<b>Total Department Income</b>	<b>\$1,628,763</b>	<b>74.6%</b>	<b>\$90.99</b>	<b>\$18,097</b>
<b>Undistributed Operating Expenses</b>				
Administrative & General	\$196,538	9.0%	\$10.98	\$2,184
Sales & Marketing	237,349	10.9%	13.26	2,637
Property Operation & Maintenance	87,350	4.0%	4.88	971
Utilities	99,000	4.5%	5.53	1,100
<b>Total Undistributed Expenses</b>	<b>\$620,236</b>	<b>28.4%</b>	<b>\$34.65</b>	<b>\$6,892</b>
<b>Gross Operating Profit</b>	<b>\$1,008,527</b>	<b>46.2%</b>	<b>\$56.34</b>	<b>\$11,206</b>
<b>Management Fees</b>	<b>65,513</b>	<b>3.0%</b>	<b>3.66</b>	<b>728</b>
<b>Income Before Fixed Expenses</b>	<b>\$943,014</b>	<b>43.2%</b>	<b>52.68</b>	<b>10,478</b>
<b>Fixed Expenses</b>				
Rent	\$0	0.0%	\$0.00	\$0
Property & Other Taxes	116,077	5.3%	6.48	1,290
Insurance	27,000	1.2%	1.51	300
<b>Total Fixed Expenses</b>	<b>\$143,077</b>	<b>6.6%</b>	<b>\$7.99</b>	<b>\$1,590</b>
<b>Replacement Reserve</b>	<b>\$65,513</b>	<b>3.0%</b>	<b>\$3.66</b>	<b>\$728</b>
<b>Total Expenses</b>	<b>\$1,449,326</b>	<b>66.4%</b>	<b>\$80.97</b>	<b>\$16,104</b>
<b>Net Operating Income</b>	<b>\$734,425</b>	<b>33.6%</b>	<b>\$41.03</b>	<b>\$8,160</b>

**Cash Flow Projection  
Proposed Hotel  
High Point, North Carolina**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Number of Rooms	90	90	90	90	90	90	90	90
Available Room Nights	32,850	32,850	32,850	32,850	32,850	32,850	32,850	32,850
Occupancy Rate	54.5%	62.8%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%
Occupied Room Nights	17,900	20,639	22,516	22,516	22,516	22,516	22,516	22,516
Average Daily Rate (ADR)	\$120.00	\$123.60	\$127.31	\$131.13	\$135.06	\$139.11	\$143.29	\$147.58
<b>Revenues</b>								
Rooms	\$2,147,952	\$2,551,019	\$2,866,418	\$2,952,410	\$3,040,983	\$3,132,212	\$3,226,178	\$3,322,964
Food & Beverage	0	0	0	0	0	0	0	0
Other Operated Departments	0	0	0	0	0	0	0	0
Rentals & Other Income	35,799	42,517	47,774	49,207	50,683	52,204	53,770	55,383
Other	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$2,183,751</b>	<b>\$2,593,536</b>	<b>\$2,914,191</b>	<b>\$3,001,617</b>	<b>\$3,091,666</b>	<b>\$3,184,416</b>	<b>\$3,279,948</b>	<b>\$3,378,346</b>
<b>Department Expenses</b>								
Rooms	\$536,988	\$637,755	\$716,604	\$738,103	\$760,246	\$783,053	\$806,545	\$830,741
Food & Beverage	0	0	0	0	0	0	0	0
Other Operated Departments	18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138
Miscellaneous	0	0	0	0	0	0	0	0
<b>Total Department Expenses</b>	<b>\$554,988</b>	<b>\$656,295</b>	<b>\$735,701</b>	<b>\$757,772</b>	<b>\$780,505</b>	<b>\$803,920</b>	<b>\$828,038</b>	<b>\$852,879</b>
<b>Total Department Income</b>	<b>\$1,628,763</b>	<b>\$1,937,241</b>	<b>\$2,178,491</b>	<b>\$2,243,845</b>	<b>\$2,311,161</b>	<b>\$2,380,496</b>	<b>\$2,451,910</b>	<b>\$2,525,468</b>
<b>Undistributed Expenses</b>								
Administrative & General	\$196,538	\$233,418	\$262,277	\$270,146	\$278,250	\$286,597	\$295,195	\$304,051
Sales & Marketing	237,349	281,888	316,739	326,241	336,029	346,109	356,493	367,187
Property Operation & Maintenance	87,350	103,741	116,568	120,065	123,667	127,377	131,198	135,134
Utilities	99,000	101,970	105,029	108,180	111,425	114,768	118,211	121,758
<b>Total Undistributed Expenses</b>	<b>\$620,236</b>	<b>\$721,017</b>	<b>\$800,613</b>	<b>\$824,632</b>	<b>\$849,370</b>	<b>\$874,852</b>	<b>\$901,097</b>	<b>\$928,130</b>
<b>Gross Operating Income</b>	<b>\$1,008,527</b>	<b>\$1,216,224</b>	<b>\$1,377,878</b>	<b>\$1,419,214</b>	<b>\$1,461,790</b>	<b>\$1,505,644</b>	<b>\$1,550,813</b>	<b>\$1,597,338</b>
<b>Management Fees</b>	<b>\$65,513</b>	<b>\$77,806</b>	<b>\$87,426</b>	<b>\$90,049</b>	<b>\$92,750</b>	<b>\$95,532</b>	<b>\$98,398</b>	<b>\$101,350</b>
<b>Income Before Fixed Charges</b>	<b>\$943,014</b>	<b>\$1,138,418</b>	<b>\$1,290,452</b>	<b>\$1,329,165</b>	<b>\$1,369,040</b>	<b>\$1,410,112</b>	<b>\$1,452,415</b>	<b>\$1,495,987</b>
<b>Fixed Expenses</b>								
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property & Other Taxes	\$116,077	\$117,687	\$119,289	\$120,881	\$122,462	\$124,029	\$125,579	\$142,759
Insurance	27,000	27,810	28,644	29,504	30,389	31,300	32,239	33,207
<b>Total Fixed Expenses</b>	<b>\$143,077</b>	<b>\$145,497</b>	<b>\$147,933</b>	<b>\$150,385</b>	<b>\$152,851</b>	<b>\$155,329</b>	<b>\$157,819</b>	<b>\$175,966</b>
<b>Replacement Reserve</b>	<b>\$65,513</b>	<b>\$77,806</b>	<b>\$87,426</b>	<b>\$90,049</b>	<b>\$92,750</b>	<b>\$95,532</b>	<b>\$98,398</b>	<b>\$101,350</b>
<b>Total Expenses</b>	<b>\$1,449,326</b>	<b>\$1,678,421</b>	<b>\$1,859,098</b>	<b>\$1,912,885</b>	<b>\$1,968,226</b>	<b>\$2,025,166</b>	<b>\$2,083,750</b>	<b>\$2,159,676</b>
<b>Net Operating Income</b>	<b>\$734,425</b>	<b>\$915,115</b>	<b>\$1,055,093</b>	<b>\$1,088,732</b>	<b>\$1,123,440</b>	<b>\$1,159,250</b>	<b>\$1,196,198</b>	<b>\$1,218,671</b>
<b>Capital Improvements</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash Flow Before Debt Service &amp; Depreciation</b>	<b>\$734,425</b>	<b>\$915,115</b>	<b>\$1,055,093</b>	<b>\$1,088,732</b>	<b>\$1,123,440</b>	<b>\$1,159,250</b>	<b>\$1,196,198</b>	<b>\$1,218,671</b>

## **Construction Costs**

As no developer has been identified and no construction cost budget has been provided by the Client, we have estimated the cost to construct the proposed select-service hotel improvements by employing the unit-in-place method utilizing Marshall Valuation Services' cost manual. The estimated cost to construct a 49,500-square-foot, good cost quality, Class D, 90-room, upper-midscale limited-service hotel, including FF&E but excluding land, is estimated at \$7,623,301, or \$84,703 per room, which equates to \$154.01 per square foot, as detailed in the exhibit on the following page. This replacement cost estimate for the proposed limited-service hotel includes allowances for contractor's overhead and profit but does not include an allowance for entrepreneurial incentive for a developer, which is the primary motivation for developing a property.

## **Entrepreneurial Incentive**

The replacement cost estimate for the subject includes allowances for contractor's overhead and incentive, but does not include an allowance for entrepreneurial incentive or loss. An anticipated profit is the primary motivation for developing a property. The total cost of a project before entrepreneurial incentive should be less than the Market Value of the completed property; entrepreneurial incentive rewards investors for their risk.

The difference between the cost of development and the value of a property after completion is the entrepreneurial profit (or loss) realized. Whether the entrepreneur actually realizes a profit depends on how successful he or she has been in selecting the site, constructing the improvements, attracting the proper tenant mix, negotiating the leases and on how well he or she has analyzed the market demand for the property.

The anticipation of profit is the motivating force behind an entrepreneur's decision to proceed with development. Due to an ill-conceived project or a depressed market, the entrepreneurial incentive can diminish or be lost altogether. Entrepreneurial incentive, as previously defined, is a market-derived figure that cannot be measured until it is achieved. Entrepreneurial incentive can be achieved through profit on a sale (sale price less development cost) or additional returns on an investment in an operating property.

## Replacement Cost New Comparative-Unit Method

<i>Marshall Valuation Service</i>			
Section 11, Page 22			
Hotels, Class D, Good Cost Quality			
Base Rate Per Square Foot		\$108.82	
Adjustment for HVAC System		(3.58)	
Adjustment for Sprinkler		2.50	
Adjustment for Kitchens		0.00	
Adjustment for Number of Stories		0.54	
Subtotal		\$108.28	
Height and Size Refinements			
Height Multiplier	1.000		
Area Multiplier	1.000	1.000	
Subtotal		\$108.28	
Cost Multipliers			
Current Cost Multiplier	1.030		
Local Cost Multiplier	0.910	0.937	
Adjusted Base Cost Per Square Foot		\$101.49	
<b>Direct Costs</b>			
Gross Building Area {Square Feet}		49,500	
Adjusted Base Cost Per Square Foot		\$101.49	
Replacement Cost - Hotel Improvements			\$5,023,853
Replacement Cost - Furniture, Fixtures and Equipment		\$1,440,000	
Replacement Cost - Other Improvements			
Parking Area	\$135,000		
Swimming Pool/Deck/Fencing	81,000		
Canopy	40,597		
Exterior Signs	19,000		
Landscaping	30,000	305,597	
Cost Multipliers			
Current Cost Multiplier	1.030		
Local Cost Multiplier	0.910	0.9373	1,636,148
Total Direct Costs			\$6,660,001
<b>Indirect Costs</b>			
Architect and Engineering Fees		Included in Base	
Legal and Accounting		Included in Base	
Taxes and Construction Interest		Included in Base	
Environmental Impact/Tap/Municipal Fees		\$135,000	
Appraisal/Legal/Environmental/Certification		67,500	
Financing Fees		199,800	
Pre-Opening Marketing/Management		63,000	
Franchise Fees		75,000	
Initial Supplies (incl OSE)		90,000	
Contingencies/Miscellaneous		333,000	
Total Indirect Costs			\$963,300
<b>Total Development Cost</b>			
Replacement Cost New of Improvements - Excluding Land & Incentive			\$7,623,301
Cost Per Hotel Unit			\$84,703
Cost Per Square Foot			\$154.01

Entrepreneurial incentive for a hotel project such as the subject is typically a function of development costs. Profit targets are influenced by many factors, with location, demand/supply and construction quality representing the most important issues. Given the size and location of the project and the risks of developing a property like the subject, an entrepreneurial incentive of \$500,000 is considered reasonable.

---

Replacement Cost New of Improvements - Excluding Incentive	\$7,623,301
Plus: Entrepreneurial Incentive	<u>500,000</u>
<b>Replacement Cost New of Improvements - Including Incentive</b>	<b>\$8,123,301</b>

---

### **Free-and-Clear IRR**

This analysis is based on a typical ownership position, which would be a before-tax, free-and-clear ownership of the property. The IRR calculation is based on a total investment as follows:

---

Total Construction	\$8,123,301
Cost of Land*	<u>1,000,000</u>
Total Cost	\$9,123,301
<b>Rounded</b>	<b>\$9,100,000</b>

---

\*Estimated cost for ±2.0 acres of land downtown at \$500,000 per acre

In addition to discounting the income stream, the reversionary value of the proposed hotel at the end of the anticipated holding period is also forecast. The reversionary value is estimated by capitalizing the estimated 8th year cash flow at an appropriate overall capitalization rate. The selection of an appropriate Terminal Capitalization Rate has been based on the results of surveys of investment criteria published by various real estate research groups. One such survey is the PwC Real Estate Investor Survey for national hotels and is summarized in the following table. The actual reports are copyright protected and cannot be reproduced.

PwC Real Estate Investor Survey for National Hotels

Identification	Overall Rate	Terminal Rate	Difference
<i>Limited-Service Midscale &amp; Economy</i>			
Prevailing Range	7.50%-11.00%	7.75%-11.00%	25 to 0 Basis Pts
Average	9.06%	9.66%	60 Basis Pts
<i>Select-Service</i>			
Prevailing Range	6.50%-10.00%	7.00%-10.75%	50 to 25 Basis Pts
Average	8.60%	9.03%	43 Basis Pts
<i>Full-Service</i>			
Prevailing Range	6.00%-10.00%	7.00%-10.00%	100 to 0 Basis Pts
Average	7.90%	8.40%	50 Basis Pts
<i>Luxury/Upper-Upscale</i>			
Prevailing Range	4.00%-9.00%	5.50%-9.50%	150 to 50 Basis Pts
Average	7.00%	7.18%	18 Basis Pts

Source: PwC Real Estate Investor Survey, 1<sup>st</sup> Quarter 2017

The 2011 version of the PwC survey redefined the hotel segments as Economy & Midscale, Select-Service, Full-Service, and Luxury/Upper Upscale. This reconstitution of the hotel segments eliminated extended stay hotels as a specific group, but included extended stay properties in their respective newly defined segments based on the amenity level and pricing of the individual hotel. For example, a Residence Inn or Homewood Suites would now be considered Select-Service and a TownePlace Suites, Candlewood Suites, and Suburban Lodge would be included as Economy and Midscale. Similarly, under the new definitions, the Full-Service segment represents a broad base of hotels to include Ramada, Radisson, Double Tree, etc., but not Ritz Carlton, Four Seasons and the like that are defined as Luxury/Upper Upscale hotels. The reconstituted segments also identify Select-Service hotels as a new class, but provide a broad definition based on amenities offered and price. By PwC's definition, upper mid-price hotels like Hampton Inn and Holiday Inn Express & Suites would be included as Select-Service hotels along with Courtyard, Hyatt Place, and Residence Inn.

Based upon these definitions the proposed hotel would fall into the select-service category, which reports Terminal Capitalization rates between 7.00% and 10.75% with an average of 9.03%. The subject is a proposed new construction, upper midscale limited-service hotel in the positive-trending downtown area of High Point. However, this location is somewhat riskier than the more established hotel node closer to I-95. Therefore, the Reversion price will be calculated using a Terminal Capitalization Rate of 9.50%. From the indicated reversionary value, a cost of sale is then deducted to arrive at the cash flow from termination of the investment.



Net Operating Income at Year 8	\$1,218,671
Out-Going Capitalization Rate	9.50%
Indicated Resale Price	\$12,828,115
Sale Costs @ 3.0%	\$384,843
<b>Net Proceeds From Sale</b>	<b>\$12,828,115</b>

Using the above information, we may now project the proposed hotel's free-and-clear internal rate of return as shown in the following table.

<b>Year</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
(\$9,100,000)	\$734,425	\$915,115	\$1,055,093	\$1,088,732	\$1,123,440	\$1,159,250	\$1,196,198
							\$12,443,271
(\$9,100,000)	\$734,425	\$915,115	\$1,055,093	\$1,088,732	\$1,123,440	\$1,159,250	\$13,639,469

Note: Figures may not add due to rounding.

On the basis of these cash flows, the proposed hotel's implied free-and-clear IRR equals **14.4%**.

## **Conclusion**

### ***Investment Return***

A free and clear investment in the subject property implies a **14.4%** IRR. The 1st quarter 2017 PwC survey indicates that required discount rates (IRRs) for select-service hotels range from 8.00% to 11.00% with an average of 9.90%. Therefore, the indicated unleveraged return of **14.4%** for the proposed subject hotel exceeds the risk-adjusted expectations of investors based on accepted market returns for similar hotel investments.

### ***Investment Considerations***

The aforementioned conclusion is based on the preceding revenue and expense projections and the assumptions stated in the report. Any investment decision must be considered in the context of the risk of the investment. The salient considerations of the investment in the proposed hotel may be summarized as follows:

1. The subject hotel is proposed; therefore, the improvements have not been built. This analysis is based on the premise that a proposed 90-room upper midscale limited-service hotel can be developed with a total investment of **\$9,100,000**, including land. If the improvements, including site work, construction, FF&E and indirect costs, cannot be completed within this amount, the estimated internal rate of return would be diminished; conversely, if savings can be achieved, the rate of return will be increased. The indicated return on this estimated total investment is acceptable based on market expectations.
2. We have projected that the proposed upper midscale limited-service hotel will stabilize in Year 3 at an occupancy rate of 68.5% and an average daily rate of \$127.31. This level of utilization produces an acceptable free-and-clear internal rate of return of **14.4%**. Changes in the High Point hotel market could influence the results of this analysis. Most specifically, any new hotel additions to the High Point downtown submarket other than the proposed hotel, or any significant renovations and upgrades to the only current competitor in the MSD will significantly and adversely influence the results of this analysis.

3. The competitive set of hotels on which this analysis is based includes one limited-service hotel, four select service hotels, and two full-service hotels ranging in age from 1 to 34 years, all of which have interior corridors and are nationally branded. To varying degrees, our assessment of these competitors directly influences our occupancy and rate forecasts for the proposed subject hotel.
4. Based on our research and interviews with numerous market participants, noting the diversity and international influence of the market area's key demand generators, the proposed subject's expected market positioning and price point; prominent location in the heart of downtown High Point's emerging live-work-play stadium-centric entertainment district; the anticipated professional and targeted marketing to numerous anticipated stadium-related demand generators (sports teams and fans, concertgoers and entertainers, special-event organizers, vendors and attendees); currently under-accommodated High Point Market, High Point Fabric Show, High Point University, High Point Regional Hospital, High Point Theatre, and High Point-based companies in and near downtown; pageants, performances, exhibitions and dance competitions; we anticipate the proposed hotel—in addition to meeting the needs of some of the aforementioned new demand sources will induce unaccommodated and currently under-accommodated transient, commercial and small-group clientele from several aging area hotels, particularly those in downtown and those between downtown and the airport lodging node.
5. Our interviews with public officials and several leading business and community representatives indicated considerable support for a new hotel in Downtown High Point, especially one featuring larger rooms and suites, such upscale amenities as free hot breakfast, wireless internet access, multiple electrical outlets/USB charging stations in public areas and guestrooms, a medium-sized meeting facility, sundry shop, business center, fitness center and, ideally, kitchens and a heated indoor swimming pool to accommodate leisure/transient, commercial, small-group, and some extended-stay demand.
6. Although we have estimated a market-acceptable internal rate of return for this as-yet hypothetical investment, this is not an appraisal and no value estimate has been concluded.

## **Consultants' Certification**

We certify that, to the best of our knowledge and belief,

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased, professional analyses, opinions and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
4. We have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the Client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this feasibility study.
7. Our analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. No one other than the undersigned has provided professional assistance in the preparation of this report and the analyses herein.
10. As of the date of this report, Eric C. Sullivan has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.


**Consultants' Certification (Continued)**

11. As of the date of this report, J. Richard Keegan, has completed the Standards and Ethics Education Requirement for Practicing Affiliates of the Appraisal Institute.
12. The appraisers/consultants have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
13. Our contractual arrangement with the Client does not authorize the out-of-context quoting from or partial reprinting of this report, nor does it permit all or any part of this report to be disseminated to the general public by the use of media for public communication without our written consent.
14. The appraisers/consultants have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.

**Shamrock Capital**

A handwritten signature in blue ink, appearing to read "R. Hill", written over a horizontal line.

Robert P. Hill

A handwritten signature in blue ink, appearing to read "J. R. Keegan", written in a cursive style.

J. Richard Keegan

## **ADDENDA**

## **PROPOSAL LETTER**

# KEEGAN ASSOCIATES LLC

April 5, 2017

Ms. Brenda Daniels  
Manager, Economic Development  
ElectriCities of North Carolina, Inc.  
1427 Meadow Wood Boulevard  
Raleigh, North Carolina 27604

Re: Proposal Originally Sent March 15, 2017  
Hotel Feasibility Study and Level III Market Analysis  
Proposed Boutique Hotel  
Central Business District  
High Point, NC 27261

Dear Ms. Daniels,

We are pleased to submit this proposal for professional services in connection with a feasibility study for the above-referenced property. This study will assist you in your analysis of this project for investment and financing purposes and serve as the foundation for estimating future revenues and expenses.

## **Market Research**

We will perform the market research necessary to gather the most recent and pertinent data about the area hotel market. Our survey of competitive and comparable hotels in the market area will address the types of facilities, amenities available, and average rates offered and/or realized.

## **Supply and Demand Analysis**

Based on our market research, we will estimate potential growth in the demand for and the supply of competitive hotels in the local market area. We will analyze the market's historical performance and describe the characteristics of each of the principal segments of demand. Then, based on our analysis of the demographics and the economics of the market from which the proposed hotel will attract guests, we will estimate the future performance of the overall market.

Following the aforementioned analysis, we will compare the proposed hotel to its competitive supply based on such identifiable attributes demanded of market participants as location; proximity to demand generators; proximity to retail, entertainment and dining amenities; accessibility, affordability, ambiance and product quality. We then will relate the proposed hotel to its competitive supply, establish its theoretical "fair share" ratio, and forecast its expected capture/penetration rate.



### **Operating Analysis**

We will develop a statement of projected occupancy, average daily rate, meeting room revenue, food and beverage revenue, and ancillary department revenues which the hotel would be able to achieve in this market. Anticipated expenses will be estimated based on a line-by-line comparison with comparable hotel operations. By deducting the anticipated expenses from the projected revenues, expected cash flows are estimated.

### **Projected Development Costs**

The projected acquisition cost of the vacant building to be re-demised as the proposed hotel will be provided by Forward High Point officials. Absent a construction budget from a developer, direct and indirect renovation and soft costs will be estimated using area-adjusted cost data provided by Marshall Valuation Services.

### **Internal Rate of Return Analysis**

Once the estimate of development costs is established and the expected cash flows have been estimated, a discounted cash flow analysis is used to estimate the internal rate of return (IRR) from the investment. The concluded IRR will then be compared to rates of return being achieved by typical investors in similar developments.

### ***Fees and Timetable***

Professional fees are based on the anticipated time of the individual(s) assigned to the engagement and include direct expenses. Our fees and date of delivery of the report will be as follows:

Hotel Feasibility Study ..... \$9,500

Delivery date will be 4 weeks from date of engagement.

A retainer of **fifty percent (50%) of the total fee** is required for work to commence and the balance is due and payable **before delivery** of the completed report.

### **Limitations of the Study**

1. The conclusions reached will be based on our knowledge of the hotel market in the competitive area as of the time of completion of our fieldwork.
2. As in all studies of this type, the estimated annual operating results, if included, are based upon competent and efficient management and presume no significant change in the competitive position of the competitive facilities in the area from those set forth in our study.
3. Estimated operating results are also based on an evaluation of the present general economy of the area and do not take into account, or make provisions for, the effect of any sharp rise or decline in local or general economic conditions which may occur. To the extent that wages and other operating expenses may advance over the economic life of the property, it is expected that rates, fees and related services will be adjusted to offset such advances.
4. The prospective financial information included in our reports will be based on estimates, assumptions and information developed from research of the market, knowledge of the industry and meetings with the property management. The sources of information and bases of the estimates and assumptions would be stated in the reports. Some assumptions inevitably would not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by the prospective financial analysis would vary from the estimates, and the variations may be material. Our reports will contain a statement to that effect.
5. The terms of this engagement are such that we have no obligation to revise the report or the prospective financial information to reflect events or conditions which occur subsequent to the date of the report, which will be the day we complete our fieldwork. However, we will be available to discuss the necessity for revision in view of changes, if any, in the economic or market factors affecting the project.
6. Our report and the prospective financial information included therein will be intended solely for your information and in support of financing. Neither the report nor its contents may be referred to or quoted in any offering circular or registration statement, prospectus, sales brochure, loan, appraisal or other agreement or document without our prior consent, which will be granted only upon meeting certain conditions. Our report will contain a statement to that effect.
7. Any drafts or preliminary information communicated to you during the course of the assignment are for internal management use only, and may not be disclosed to any outside third parties without our prior written consent.
8. Further, we will neither evaluate management's effectiveness nor be responsible for future marketing efforts and other management actions upon which actual results would depend, and we will so state in our report.

April 5, 2017

In the event the Client cancels this agreement before a report is tendered, then Client agrees to pay Keegan Associates at its then-existing external billing rates for all time and expenses expended on the project, giving over and above that to which the retainer has been applied. Keegan Associates is authorized to commence work upon the signing of the agreement. If this account is turned over to an attorney or collection agency, all charges, including reasonable attorney's fees and/or court costs, will be added to the balance due and be paid by the Client. The parties hereby agree to confer jurisdiction and venue in the State and Federal Courts situated in Seminole County, Florida.

It is agreed that the liability of Keegan Associates to the Client is limited to the amount of the fee paid for the completion of this assignment. Keegan Associates limits its responsibility to the Client. Any use of this report by third parties shall be at the risk of the Client and/or said third parties. The Client, by execution of this agreement, acknowledges that s/he has read and agrees to the terms and conditions of this contract and agrees to the inclusion of a standard set of General Assumptions and Limiting Conditions in the report. Additional conditions prompted by the discovery of extraordinary or unusual circumstances uncovered during the course of investigation may be added to the report, if necessary.

The evaluations and analyses in the report will be the opinion of Keegan Associates and the fee or the payment thereof is in no way contingent upon any particular conclusions. The fee for this study is for the service rendered and not necessarily for the time spent on the physical report. This agreement is subject to receipt of this fully executed document and the information requested on or before **7 days from the date of this proposal.**

ElectriCities of North Carolina, Inc.

(Client/Entity Name)

Keegan Associates LLC

(Company)



(Signature)

(Signature)

(Date of Signature)

July 12, 2017

(Date of Signature)

**Keegan Associates LLC**

## **CUSTOM SMITH TRAVEL TREND REPORT**

Trend # 872624\_SADIM / Created April 21, 2017

## Trend Report - HighPoint-Greensboro

January 2011 to March 2017    Currency : USD - US Dollar



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# Tab 2 - Data by Measure

HighPoint-Greensboro

Job Number: 872624\_SADIM    Staff: CW    Created: April 21, 2017

Occupancy (%)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2011	36.9	50.8	58.4	59.5	50.5	51.9	50.4	59.1	56.7	75.0	53.1	42.9	Total Year
2012	40.1	51.0	63.9	71.4	57.2	61.9	52.5	62.1	56.6	66.3	50.3	38.6	Mar YTD
2013	40.5	52.0	57.2	72.1	56.1	59.3	57.9	60.5	54.5	68.9	52.7	42.4	
2014	42.4	53.7	67.6	65.2	54.1	59.8	55.7	62.7	58.1	72.1	55.2	42.9	
2015	44.6	55.0	71.6	69.2	64.0	59.0	58.1	59.0	55.3	74.5	51.2	43.2	
2016	40.7	58.1	57.8	70.8	55.2	57.4	53.5	57.0	56.0	74.6	51.4	41.1	
2017	40.5	56.9	62.4										
Avg	40.8	54.0	62.7	68.1	56.2	58.2	54.6	60.0	56.2	72.0	52.3	41.8	

ADR (\$)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2011	90.81	92.36	103.43	118.31	94.08	90.75	89.89	91.22	88.82	118.61	88.62	83.65	Total Year
2012	87.76	90.03	97.25	122.35	94.92	92.28	91.32	95.85	96.12	132.51	95.07	94.14	Mar YTD
2013	96.31	99.90	104.63	137.91	101.35	97.46	97.61	100.03	102.22	139.08	97.83	96.07	
2014	99.68	103.27	111.11	144.67	103.53	99.90	101.86	101.33	102.19	150.31	100.31	95.66	
2015	100.79	102.55	114.74	153.24	102.35	105.31	97.35	104.53	100.85	152.46	99.19	95.43	
2016	97.13	103.48	105.14	152.32	105.67	103.43	97.19	106.29	105.47	152.87	103.14	99.21	
2017	101.01	105.44	108.32										
Avg	96.47	99.92	106.67	138.85	100.54	98.39	96.05	99.96	99.40	141.37	97.49	94.11	

RevPAR (\$)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2011	33.47	46.93	60.36	70.38	47.51	47.09	45.26	53.90	50.36	89.00	47.02	35.87	Total Year
2012	35.22	45.91	62.18	87.37	54.27	57.12	47.92	59.54	54.44	87.91	47.85	36.34	Mar YTD
2013	38.96	51.94	59.81	99.44	56.89	57.75	56.48	60.53	55.76	95.76	51.57	40.73	
2014	42.23	55.49	75.15	94.36	56.00	59.73	56.74	63.57	59.37	108.43	55.33	41.08	
2015	44.93	56.42	82.10	106.06	65.54	62.16	56.53	61.71	55.81	113.65	50.80	41.18	
2016	39.52	60.07	60.72	107.79	58.38	59.40	52.00	60.63	59.04	114.10	53.03	40.81	
2017	40.86	59.97	67.54										
Avg	39.34	53.94	66.85	94.55	56.48	57.26	52.48	59.99	55.87	101.77	50.98	39.37	

Supply													
	January	February	March	April	May	June	July	August	September	October	November	December	
2011	32,178	29,064	32,178	31,140	32,178	31,140	32,178	32,178	31,140	32,178	31,140	32,178	Total Year
2012	32,178	29,064	32,178	31,140	32,178	31,140	32,178	32,178	31,140	32,178	31,140	32,178	Mar YTD
2013	32,178	29,064	32,178	31,140	32,178	31,140	32,178	32,178	31,140	32,178	31,140	32,178	
2014	32,178	29,064	32,178	31,140	32,178	31,140	32,178	32,178	31,140	32,178	31,140	32,178	
2015	32,178	29,064	32,178	31,140	32,178	31,140	32,178	32,178	31,140	32,178	31,140	32,178	
2016	32,178	29,064	32,178	35,640	36,828	35,640	36,828	36,828	35,640	36,828	35,640	36,828	
2017	36,828	33,264	36,828										
Avg	32,842	29,664	32,842	31,890	32,953	31,890	32,953	32,953	31,890	32,953	31,890	32,953	

Demand													
	January	February	March	April	May	June	July	August	September	October	November	December	
2011	11,860	14,769	18,777	18,524	16,250	16,158	16,203	19,013	17,657	24,145	16,522	13,799	Total Year
2012	12,913	14,822	20,573	22,237	18,397	19,276	16,884	19,987	17,638	21,347	15,674	12,422	Mar YTD
2013	13,018	15,111	18,393	22,454	18,063	18,452	18,621	19,472	16,986	22,155	16,414	13,643	
2014	13,631	15,618	21,763	20,311	17,404	18,620	17,923	20,186	18,090	23,212	17,177	13,820	
2015	14,345	15,990	23,026	21,553	20,606	18,379	18,685	18,996	17,233	23,987	15,949	13,885	
2016	13,091	16,873	18,583	25,221	20,346	20,466	19,704	21,006	19,952	27,489	18,326	15,148	
2017	14,897	18,917	22,963										
Avg	13,394	16,014	20,583	21,717	18,511	18,559	18,003	19,777	17,926	23,723	16,677	13,786	

Revenue (\$)													
	January	February	March	April	May	June	July	August	September	October	November	December	
2011	1,077,037	1,364,045	1,942,145	2,191,667	1,528,879	1,466,361	1,456,499	1,734,376	1,568,239	2,863,898	1,464,241	1,154,268	Total Year
2012	1,133,304	1,334,447	2,000,783	2,720,748	1,746,234	1,778,768	1,541,929	1,915,752	1,695,289	2,828,739	1,490,078	1,169,349	Mar YTD
2013	1,253,801	1,509,658	1,924,483	3,096,634	1,830,751	1,798,277	1,817,533	1,947,736	1,736,226	3,081,294	1,605,763	1,310,651	
2014	1,358,766	1,612,793	2,418,113	2,938,315	1,801,826	1,860,080	1,825,640	2,045,428	1,848,656	3,489,073	1,723,083	1,322,023	
2015	1,445,800	1,639,845	2,641,974	3,302,791	2,109,060	1,935,527	1,819,017	1,985,732	1,737,982	3,657,001	1,581,970	1,325,009	
2016	1,271,584	1,746,015	1,953,755	3,841,552	2,150,014	2,116,886	1,915,059	2,232,703	2,104,247	4,202,217	1,890,114	1,502,890	

2017	1,504,678	1,994,700	2,487,298										5,986,676	
Avg	1,292,139	1,600,215	2,195,507	3,015,285	1,861,127	1,825,983	1,729,280	1,976,955	1,781,773	3,353,704	1,625,875	1,297,365	23,405,404	5,087,861

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

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Occupancy														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Mar YTD
2012	8.9	0.4	9.6	20.0	13.2	19.3	4.2	5.1	-0.1	-11.6	-5.1	-10.0	4.2	6.4
2013	0.8	1.9	-10.6	1.0	-1.8	-4.3	10.3	-2.6	-3.7	3.8	4.7	9.8	0.3	-3.7
2014	4.7	3.4	18.3	-9.5	-3.6	0.9	-3.7	3.7	6.5	4.8	4.6	1.3	2.3	9.7
2015	5.2	2.4	5.8	6.1	18.4	-1.3	4.3	-5.9	-4.7	3.3	-7.1	0.5	2.2	4.6
2016	-8.7	5.5	-19.3	2.2	-13.7	-2.7	-7.9	-3.4	1.2	0.1	0.4	-4.7	-4.3	-9.0
2017	-0.6	-2.0	8.0											2.2
Avg	1.7	1.9	2.0	4.0	2.5	2.4	1.4	-0.6	-0.2	0.1	-0.5	-0.6	0.9	1.7

ADR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Mar YTD
2012	-3.4	-2.5	-6.0	3.4	0.9	1.7	1.6	5.1	8.2	11.7	7.3	12.5	3.5	-4.2
2013	9.7	11.0	7.6	12.7	6.8	5.6	6.9	4.4	6.3	5.0	2.9	2.1	7.0	8.9
2014	3.5	3.4	6.2	4.9	2.1	2.5	4.4	1.3	-0.0	8.1	2.5	-0.4	3.4	4.8
2015	1.1	-0.7	3.3	5.9	-1.1	5.4	-4.4	3.2	-1.3	1.4	-1.1	-0.2	1.6	1.6
2016	-3.6	0.9	-8.4	-0.6	3.2	-1.8	-0.2	1.7	4.6	0.3	4.0	4.0	0.8	-4.6
2017	4.0	1.9	3.0											3.0
Avg	1.9	2.3	1.0	5.3	2.4	2.7	1.6	3.1	3.6	5.3	3.1	3.6	3.2	1.6

RevPAR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Mar YTD
2012	5.2	-2.2	3.0	24.1	14.2	21.3	5.9	10.5	8.1	-1.2	1.8	1.3	7.8	1.9
2013	10.6	13.1	-3.8	13.8	4.8	1.1	17.9	1.7	2.4	8.9	7.8	12.1	7.3	4.9
2014	8.4	6.8	25.7	-5.1	-1.6	3.4	0.4	5.0	6.5	13.2	7.3	0.9	5.8	15.0
2015	6.4	1.7	9.3	12.4	17.1	4.1	-0.4	-2.9	-6.0	4.8	-8.2	0.2	3.9	6.3
2016	-12.0	6.5	-26.0	1.6	-10.9	-4.4	-8.0	-1.8	5.8	0.4	4.4	-0.9	-3.6	-13.2
2017	3.4	-0.2	11.2											5.2
Avg	3.7	4.3	3.2	9.4	4.7	5.1	3.2	2.5	3.4	5.2	2.6	2.7	4.2	3.4

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Mar YTD
2012	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
2013	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
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	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	10.9	0.0
2017	14.5	14.5	14.5											14.5
Avg	2.4	2.4	2.4	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.2	2.4

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Mar YTD
2012	8.9	0.4	9.6	20.0	13.2	19.3	4.2	5.1	-0.1	-11.6	-5.1	-10.0	4.2	6.4
2013	0.8	1.9	-10.6	1.0	-1.8	-4.3	10.3	-2.6	-3.7	3.8	4.7	9.8	0.3	-3.7
2014	4.7	3.4	18.3	-9.5	-3.6	0.9	-3.7	3.7	6.5	4.8	4.6	1.3	2.3	9.7
2015	5.2	2.4	5.8	6.1	18.4	-1.3	4.3	-5.9	-4.7	3.3	-7.1	0.5	2.2	4.6
2016	-8.7	5.5	-19.3	17.0	-1.3	11.4	5.5	10.6	15.8	14.6	14.9	9.1	6.1	-9.0
2017	13.8	12.1	23.6											17.0
Avg	4.1	4.3	4.6	6.9	5.0	5.2	4.1	2.2	2.7	3.0	2.4	2.1	3.0	4.1

Revenue														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Mar YTD
2012	5.2	-2.2	3.0	24.1	14.2	21.3	5.9	10.5	8.1	-1.2	1.8	1.3	7.8	1.9
2013	10.6	13.1	-3.8	13.8	4.8	1.1	17.9	1.7	2.4	8.9	7.8	12.1	7.3	4.9
2014	8.4	6.8	25.7	-5.1	-1.6	3.4	0.4	5.0	6.5	13.2	7.3	0.9	5.8	15.0
2015	6.4	1.7	9.3	12.4	17.1	4.1	-0.4	-2.9	-6.0	4.8	-8.2	0.2	3.9	6.3
2016	-12.0	6.5	-26.0	16.3	1.9	9.4	5.3	12.4	21.1	14.9	19.5	13.4	6.9	-13.2
2017	18.3	14.2	27.3											20.4
Avg	6.2	6.7	5.9	12.3	7.3	7.9	5.8	5.3	6.4	8.1	5.6	5.6	6.3	5.9



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

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

	Jan 12	Feb 12	Mar 12	Apr 12	May 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12	Total Year	Mar YTD
Occ	8.9	0.4	9.6	20.0	13.2	19.3	4.2	5.1	-0.1	-11.6	-5.1	-10.0	4.2	6.4
ADR	-3.4	-2.5	-6.0	3.4	0.9	1.7	1.6	5.1	8.2	11.7	7.3	12.5	3.5	-4.2
RevPAR	5.2	-2.2	3.0	24.1	14.2	21.3	5.9	10.5	8.1	-1.2	1.8	1.3	7.8	1.9
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	8.9	0.4	9.6	20.0	13.2	19.3	4.2	5.1	-0.1	-11.6	-5.1	-10.0	4.2	6.4
Revenue	5.2	-2.2	3.0	24.1	14.2	21.3	5.9	10.5	8.1	-1.2	1.8	1.3	7.8	1.9

	Jan 13	Feb 13	Mar 13	Apr 13	May 13	Jun 13	Jul 13	Aug 13	Sep 13	Oct 13	Nov 13	Dec 13	Total Year	Mar YTD
Occ	0.8	1.9	-10.6	1.0	-1.8	-4.3	10.3	-2.6	-3.7	3.8	4.7	9.8	0.3	-3.7
ADR	9.7	11.0	7.6	12.7	6.8	5.6	6.9	4.4	6.3	5.0	2.9	2.1	7.0	8.9
RevPAR	10.6	13.1	-3.8	13.8	4.8	1.1	17.9	1.7	2.4	8.9	7.8	12.1	7.3	4.9
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	0.8	1.9	-10.6	1.0	-1.8	-4.3	10.3	-2.6	-3.7	3.8	4.7	9.8	0.3	-3.7
Revenue	10.6	13.1	-3.8	13.8	4.8	1.1	17.9	1.7	2.4	8.9	7.8	12.1	7.3	4.9

	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	Mar YTD
Occ	4.7	3.4	18.3	-9.5	-3.6	0.9	-3.7	3.7	6.5	4.8	4.6	1.3	2.3	9.7
ADR	3.5	3.4	6.2	4.9	2.1	2.5	4.4	1.3	-0.0	8.1	2.5	-0.4	3.4	4.8
RevPAR	8.4	6.8	25.7	-5.1	-1.6	3.4	0.4	5.0	6.5	13.2	7.3	0.9	5.8	15.0
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	4.7	3.4	18.3	-9.5	-3.6	0.9	-3.7	3.7	6.5	4.8	4.6	1.3	2.3	9.7
Revenue	8.4	6.8	25.7	-5.1	-1.6	3.4	0.4	5.0	6.5	13.2	7.3	0.9	5.8	15.0

	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	Mar YTD
Occ	5.2	2.4	5.8	6.1	18.4	-1.3	4.3	-5.9	-4.7	3.3	-7.1	0.5	2.2	4.6
ADR	1.1	-0.7	3.3	5.9	-1.1	5.4	-4.4	3.2	-1.3	1.4	-1.1	-0.2	1.6	1.6
RevPAR	6.4	1.7	9.3	12.4	17.1	4.1	-0.4	-2.9	-6.0	4.8	-8.2	0.2	3.9	6.3
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	5.2	2.4	5.8	6.1	18.4	-1.3	4.3	-5.9	-4.7	3.3	-7.1	0.5	2.2	4.6
Revenue	6.4	1.7	9.3	12.4	17.1	4.1	-0.4	-2.9	-6.0	4.8	-8.2	0.2	3.9	6.3

	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	Mar YTD
Occ	-8.7	5.5	-19.3	2.2	-13.7	-2.7	-7.9	-3.4	1.2	0.1	0.4	-4.7	-4.3	-9.0
ADR	-3.6	0.9	-8.4	-0.6	3.2	-1.8	-0.2	1.7	4.6	0.3	4.0	4.0	0.8	-4.6
RevPAR	-12.0	6.5	-26.0	1.6	-10.9	-4.4	-8.0	-1.8	5.8	0.4	4.4	-0.9	-3.6	-13.2
Supply	0.0	0.0	0.0	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	14.5	10.9	0.0
Demand	-8.7	5.5	-19.3	17.0	-1.3	11.4	5.5	10.6	15.8	14.6	14.9	9.1	6.1	-9.0
Revenue	-12.0	6.5	-26.0	16.3	1.9	9.4	5.3	12.4	21.1	14.9	19.5	13.4	6.9	-13.2

	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	Mar YTD
Occ	-0.6	-2.0	8.0											2.2
ADR	4.0	1.9	3.0											3.0
RevPAR	3.4	-0.2	11.2											5.2
Supply	14.5	14.5	14.5											14.5
Demand	13.8	12.1	23.6											17.0
Revenue	18.3	14.2	27.3											20.4

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# Tab 5 - Twelve Month Moving Average

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2012	54.0	54.1	54.5	55.5	56.1	56.9	57.1	57.3	57.3	56.6	56.4	56.0
2013	56.0	56.1	55.5	55.6	55.5	55.3	55.7	55.6	55.4	55.6	55.8	56.2
2014	56.3	56.5	57.3	56.8	56.6	56.7	56.5	56.7	56.9	57.2	57.4	57.5
2015	57.7	57.8	58.1	58.4	59.3	59.2	59.4	59.1	58.9	59.1	58.7	58.8
2016	58.4	58.7	57.5	57.8	57.0	56.9	56.5	56.3	56.4	56.6	56.5	56.2
2017	56.0	56.0	56.4									

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2012	97.04	96.87	96.32	97.13	97.17	97.22	97.31	97.70	98.30	99.42	99.93	100.65
2013	101.17	101.86	102.55	104.23	104.80	105.30	105.74	106.15	106.68	107.46	107.64	107.68
2014	107.86	108.09	108.69	109.03	109.23	109.44	109.83	109.92	109.88	111.22	111.37	111.34
2015	111.37	111.30	111.68	112.70	112.46	112.92	112.51	112.84	112.78	113.14	113.13	113.11
2016	112.96	112.99	112.14	112.71	113.03	112.78	112.70	112.79	113.05	113.69	113.85	114.00
2017	114.11	114.18	114.31									

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2012	52.44	52.36	52.52	53.91	54.49	55.31	55.54	56.02	56.35	56.26	56.33	56.37
2013	56.68	57.15	56.95	57.94	58.16	58.21	58.94	59.02	59.13	59.80	60.10	60.48
2014	60.75	61.03	62.33	61.91	61.83	62.00	62.02	62.28	62.57	63.65	63.96	63.99
2015	64.22	64.29	64.88	65.84	66.65	66.85	66.84	66.68	66.39	66.83	66.46	66.47
2016	66.01	66.29	64.47	65.12	64.44	64.17	63.66	63.53	63.73	64.34	64.38	64.09
2017	63.94	63.89	64.44									

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2012	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870
2013	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870
2014	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870
2015	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870	378,870
2016	378,870	378,870	378,870	383,370	388,020	392,520	397,170	401,820	406,320	410,970	415,470	420,120
2017	424,770	428,970	433,620									

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2012	204,730	204,783	206,579	210,292	212,439	215,557	216,238	217,212	217,193	214,395	213,547	212,170
2013	212,275	212,564	210,384	210,601	210,267	209,443	211,180	210,665	210,013	210,821	211,561	212,782
2014	213,395	213,902	217,272	215,129	214,470	214,638	213,940	214,654	215,758	216,815	217,578	217,755
2015	218,469	218,841	220,104	221,346	224,548	224,307	225,069	223,879	223,022	223,797	222,569	222,634
2016	221,380	222,263	217,820	221,488	221,228	223,315	224,334	226,344	229,063	232,565	234,942	236,205
2017	238,011	240,055	244,435									

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2012	19,867,922	19,838,324	19,896,962	20,426,043	20,643,398	20,955,805	21,041,235	21,222,611	21,349,661	21,314,502	21,340,339	21,355,420
2013	21,475,917	21,651,128	21,574,828	21,950,714	22,035,231	22,054,740	22,330,344	22,362,328	22,403,265	22,655,820	22,771,505	22,912,807
2014	23,017,772	23,120,907	23,614,537	23,456,218	23,427,293	23,489,096	23,497,203	23,594,895	23,707,325	24,115,104	24,232,424	24,243,796
2015	24,330,830	24,357,882	24,581,743	24,946,219	25,253,453	25,328,900	25,322,277	25,262,581	25,151,907	25,319,835	25,178,722	25,181,708
2016	25,007,492	25,113,662	24,425,443	24,964,204	25,005,158	25,186,517	25,282,559	25,529,530	25,895,795	26,441,011	26,749,155	26,927,036
2017	27,160,130	27,408,815	27,942,358									

High value is boxed.

Low value is boxed and italicized.

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

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Jan 12	54.0		97.04		52.44		378,870		204,730		19,867,922	
Feb 12	54.1		96.87		52.36		378,870		204,783		19,838,324	
Mar 12	54.5		96.32		52.52		378,870		206,579		19,896,962	
Apr 12	55.5		97.13		53.91		378,870		210,292		20,426,043	
May 12	56.1		97.17		54.49		378,870		212,439		20,643,398	
Jun 12	56.9		97.22		55.31		378,870		215,557		20,955,805	
Jul 12	57.1		97.31		55.54		378,870		216,238		21,041,235	
Aug 12	57.3		97.70		56.02		378,870		217,212		21,222,611	
Sep 12	57.3		98.30		56.35		378,870		217,193		21,349,661	
Oct 12	56.6		99.42		56.26		378,870		214,395		21,314,502	
Nov 12	56.4		99.93		56.33		378,870		213,547		21,340,339	
Dec 12	56.0	4.2	100.65	3.5	56.37	7.8	378,870	0.0	212,170	4.2	21,355,420	7.8
Jan 13	56.0	3.7	101.17	4.3	56.68	8.1	378,870	0.0	212,275	3.7	21,475,917	8.1
Feb 13	56.1	3.8	101.86	5.1	57.15	9.1	378,870	0.0	212,564	3.8	21,651,128	9.1
Mar 13	55.5	1.8	102.55	6.5	56.95	8.4	378,870	0.0	210,384	1.8	21,574,828	8.4
Apr 13	55.6	0.1	104.23	7.3	57.94	7.5	378,870	0.0	210,601	0.1	21,950,714	7.5
May 13	55.5	-1.0	104.80	7.8	58.16	6.7	378,870	0.0	210,267	-1.0	22,035,231	6.7
Jun 13	55.3	-2.8	105.30	8.3	58.21	5.2	378,870	0.0	209,443	-2.8	22,054,740	5.2
Jul 13	55.7	-2.3	105.74	8.7	58.94	6.1	378,870	0.0	211,180	-2.3	22,330,344	6.1
Aug 13	55.6	-3.0	106.15	8.6	59.02	5.4	378,870	0.0	210,665	-3.0	22,362,328	5.4
Sep 13	55.4	-3.3	106.68	8.5	59.13	4.9	378,870	0.0	210,013	-3.3	22,403,265	4.9
Oct 13	55.6	-1.7	107.46	8.1	59.80	6.3	378,870	0.0	210,821	-1.7	22,655,820	6.3
Nov 13	55.8	-0.9	107.64	7.7	60.10	6.7	378,870	0.0	211,561	-0.9	22,771,505	6.7
Dec 13	56.2	0.3	107.68	7.0	60.48	7.3	378,870	0.0	212,782	0.3	22,912,807	7.3
Jan 14	56.3	0.5	107.86	6.6	60.75	7.2	378,870	0.0	213,395	0.5	23,017,772	7.2
Feb 14	56.5	0.6	108.09	6.1	61.03	6.8	378,870	0.0	213,902	0.6	23,120,907	6.8
Mar 14	57.3	3.3	108.69	6.0	62.33	9.5	378,870	0.0	217,272	3.3	23,614,537	9.5
Apr 14	56.8	2.2	109.03	4.6	61.91	6.9	378,870	0.0	215,129	2.2	23,456,218	6.9
May 14	56.6	2.0	109.23	4.2	61.83	6.3	378,870	0.0	214,470	2.0	23,427,293	6.3
Jun 14	56.7	2.5	109.44	3.9	62.00	6.5	378,870	0.0	214,638	2.5	23,489,096	6.5
Jul 14	56.5	1.3	109.83	3.9	62.02	5.2	378,870	0.0	213,940	1.3	23,497,203	5.2
Aug 14	56.7	1.9	109.92	3.6	62.28	5.5	378,870	0.0	214,654	1.9	23,594,895	5.5
Sep 14	56.9	2.7	109.88	3.0	62.57	5.8	378,870	0.0	215,758	2.7	23,707,325	5.8
Oct 14	57.2	2.8	111.22	3.5	63.65	6.4	378,870	0.0	216,815	2.8	24,115,104	6.4
Nov 14	57.4	2.8	111.37	3.5	63.96	6.4	378,870	0.0	217,578	2.8	24,232,424	6.4
Dec 14	57.5	2.3	111.34	3.4	63.99	5.8	378,870	0.0	217,755	2.3	24,243,796	5.8
Jan 15	57.7	2.4	111.37	3.2	64.22	5.7	378,870	0.0	218,469	2.4	24,330,830	5.7
Feb 15	57.8	2.3	111.30	3.0	64.29	5.4	378,870	0.0	218,841	2.3	24,357,882	5.4
Mar 15	58.1	1.3	111.68	2.8	64.88	4.1	378,870	0.0	220,104	1.3	24,581,743	4.1
Apr 15	58.4	2.9	112.70	3.4	65.84	6.4	378,870	0.0	221,346	2.9	24,946,219	6.4
May 15	59.3	4.7	112.46	3.0	66.65	7.8	378,870	0.0	224,548	4.7	25,253,453	7.8
Jun 15	59.2	4.5	112.92	3.2	66.85	7.8	378,870	0.0	224,307	4.5	25,328,900	7.8
Jul 15	59.4	5.2	112.51	2.4	66.84	7.8	378,870	0.0	225,069	5.2	25,322,277	7.8
Aug 15	59.1	4.3	112.84	2.7	66.68	7.1	378,870	0.0	223,879	4.3	25,262,581	7.1

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

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Sep 15	58.9	3.4	112.78	2.6	66.39	6.1	378,870	0.0	223,022	3.4	25,151,907	6.1
Oct 15	59.1	3.2	113.14	1.7	66.83	5.0	378,870	0.0	223,797	3.2	25,319,835	5.0
Nov 15	58.7	2.3	113.13	1.6	66.46	3.9	378,870	0.0	222,569	2.3	25,178,722	3.9
Dec 15	58.8	2.2	113.11	1.6	66.47	3.9	378,870	0.0	222,634	2.2	25,181,708	3.9
Jan 16	58.4	1.3	112.96	1.4	66.01	2.8	378,870	0.0	221,380	1.3	25,007,492	2.8
Feb 16	58.7	1.6	112.99	1.5	66.29	3.1	378,870	0.0	222,263	1.6	25,113,662	3.1
Mar 16	57.5	-1.0	112.14	0.4	64.47	-0.6	378,870	0.0	217,820	-1.0	24,425,443	-0.6
Apr 16	57.8	-1.1	112.71	0.0	65.12	-1.1	383,370	1.2	221,488	0.1	24,964,204	0.1
May 16	57.0	-3.8	113.03	0.5	64.44	-3.3	388,020	2.4	221,228	-1.5	25,005,158	-1.0
Jun 16	56.9	-3.9	112.78	-0.1	64.17	-4.0	392,520	3.6	223,315	-0.4	25,186,517	-0.6
Jul 16	56.5	-4.9	112.70	0.2	63.66	-4.8	397,170	4.8	224,334	-0.3	25,282,559	-0.2
Aug 16	56.3	-4.7	112.79	-0.0	63.53	-4.7	401,820	6.1	226,344	1.1	25,529,530	1.1
Sep 16	56.4	-4.2	113.05	0.2	63.73	-4.0	406,320	7.2	229,063	2.7	25,895,795	3.0
Oct 16	56.6	-4.2	113.69	0.5	64.34	-3.7	410,970	8.5	232,565	3.9	26,441,011	4.4
Nov 16	56.5	-3.7	113.85	0.6	64.38	-3.1	415,470	9.7	234,942	5.6	26,749,155	6.2
Dec 16	56.2	-4.3	114.00	0.8	64.09	-3.6	420,120	10.9	236,205	6.1	26,927,036	6.9
Jan 17	56.0	-4.1	114.11	1.0	63.94	-3.1	424,770	12.1	238,011	7.5	27,160,130	8.6
Feb 17	56.0	-4.6	114.18	1.1	63.89	-3.6	428,970	13.2	240,055	8.0	27,408,815	9.1
Mar 17	56.4	-2.0	114.31	1.9	64.44	-0.0	433,620	14.5	244,435	12.2	27,942,358	14.4

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# Tab 7 - Day of Week Analysis

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Occupancy (%)								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Apr - 16	55.7	71.2	76.6	69.3	66.1	79.5	74.0	70.8
May - 16	34.4	48.7	57.6	59.9	55.5	69.4	67.4	55.2
Jun - 16	38.1	56.2	62.5	54.0	55.2	71.9	65.4	57.4
Jul - 16	35.0	49.9	56.2	60.0	49.4	64.2	60.1	53.5
Aug - 16	35.7	50.2	62.2	63.8	54.4	63.6	68.1	57.0
Sep - 16	38.4	51.2	64.1	61.2	48.9	63.8	64.1	56.0
Oct - 16	53.2	67.8	81.6	78.9	75.3	86.0	84.4	74.6
Nov - 16	27.5	44.9	55.1	57.2	48.8	65.1	58.9	51.4
Dec - 16	33.5	48.4	52.4	44.4	35.4	38.2	38.4	41.1
Jan - 17	22.5	40.2	51.0	51.8	39.3	39.2	41.1	40.5
Feb - 17	32.5	54.0	61.4	61.8	53.7	68.2	66.5	56.9
Mar - 17	36.4	59.8	67.9	64.7	61.6	72.6	70.5	62.4
Total Year	36.9	53.4	61.9	60.5	53.4	65.0	63.3	56.4

Three Year Occupancy (%)								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Apr 14 - Mar 15	38.6	56.0	64.5	62.2	55.7	65.7	63.8	58.1
Apr 15 - Mar 16	37.9	54.6	63.0	61.4	56.3	65.4	63.8	57.5
Apr 16 - Mar 17	36.9	53.4	61.9	60.5	53.4	65.0	63.3	56.4
Total 3 Yr	37.8	54.6	63.1	61.4	55.1	65.3	63.6	57.3

ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Month
Apr - 16	178.27	168.12	153.21	139.84	138.82	146.13	149.44	152.32
May - 16	94.13	106.26	109.25	110.80	106.28	106.73	102.53	105.67
Jun - 16	98.64	109.36	111.25	109.64	99.63	97.99	97.28	103.43
Jul - 16	91.40	102.58	104.65	107.09	100.14	90.23	88.99	97.19
Aug - 16	96.21	108.59	111.65	112.65	103.82	102.60	101.30	106.29
Sep - 16	99.86	112.26	115.08	114.01	105.74	96.75	96.20	105.47
Oct - 16	168.92	163.46	149.76	135.18	141.79	159.63	152.29	152.87
Nov - 16	98.72	106.36	111.30	111.48	101.46	95.58	92.83	103.14
Dec - 16	97.48	106.12	105.46	104.18	99.52	90.64	90.31	99.21
Jan - 17	91.28	105.43	110.54	110.96	104.79	85.69	85.89	101.01
Feb - 17	99.09	112.17	112.89	109.98	104.82	100.16	97.93	105.44
Mar - 17	100.64	113.69	119.75	117.60	108.38	101.05	95.34	108.32
Total Year	116.16	121.26	119.26	116.19	111.16	109.25	108.70	114.31

Three Year ADR								
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total Year
Apr 14 - Mar 15	113.31	118.41	117.14	113.84	110.51	104.94	105.03	111.68
Apr 15 - Mar 16	113.67	118.87	118.60	113.37	109.54	105.89	106.61	112.14
Apr 16 - Mar 17	116.16	121.26	119.26	116.19	111.16	109.25	108.70	114.31
Total 3 Yr	114.44	119.57	118.35	114.53	110.42	106.82	106.86	112.77

RevPAR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Apr - 16	99.23	119.62	117.35	96.94	91.70	116.22	110.63	107.79
May - 16	32.39	51.76	62.96	66.38	58.97	74.10	69.10	58.38
Jun - 16	37.61	61.45	69.51	59.20	55.03	70.48	63.63	59.40
Jul - 16	32.01	51.21	58.85	64.26	49.43	57.89	53.49	52.00
Aug - 16	34.38	54.51	69.46	71.84	56.45	65.28	68.98	60.63
Sep - 16	38.33	57.49	73.79	69.77	51.67	61.75	61.66	59.04
Oct - 16	89.82	110.78	122.24	106.72	106.75	137.28	128.47	114.10
Nov - 16	27.20	47.73	61.33	63.73	49.53	62.26	54.71	53.03
Dec - 16	32.68	51.39	55.24	46.22	35.24	34.63	34.72	40.81
Jan - 17	20.55	42.39	56.37	57.44	41.23	33.55	35.29	40.86
Feb - 17	32.21	60.61	69.27	67.97	56.28	68.27	65.14	59.97
Mar - 17	36.67	67.99	81.31	76.10	66.73	73.37	67.21	67.54
Total Year	42.83	64.75	73.86	70.33	59.32	71.02	68.83	64.44

Three Year RevPAR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Apr 14 - Mar 15	43.76	66.28	75.56	70.83	61.56	68.92	67.05	64.88
Apr 15 - Mar 16	43.09	64.87	74.70	69.65	61.71	69.21	68.00	64.47
Apr 16 - Mar 17	42.83	64.75	73.86	70.33	59.32	71.02	68.83	64.44
Total 3 Yr	43.21	65.28	74.67	70.27	60.80	69.79	68.00	64.59

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## Tab 8 - Raw Data

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 11	36.9		90.81		33.47		32,178		11,860		1,077,037		6	1,038	92.2
Feb 11	50.8		92.36		46.93		29,064		14,769		1,364,045		6	1,038	92.2
Mar 11	58.4		103.43		60.36		32,178		18,777		1,942,145		6	1,038	92.2
Apr 11	59.5		118.31		70.38		31,140		18,524		2,191,667		6	1,038	92.2
May 11	50.5		94.08		47.51		32,178		16,250		1,528,879		6	1,038	92.2
Jun 11	51.9		90.75		47.09		31,140		16,158		1,466,361		6	1,038	92.2
Jul 11	50.4		89.89		45.26		32,178		16,203		1,456,499		6	1,038	92.2
Aug 11	59.1		91.22		53.90		32,178		19,013		1,734,376		6	1,038	92.2
Sep 11	56.7		88.82		50.36		31,140		17,657		1,568,239		6	1,038	92.2
Oct 11	75.0		118.61		89.00		32,178		24,145		2,863,898		6	1,038	92.2
Nov 11	53.1		88.62		47.02		31,140		16,522		1,464,241		6	1,038	92.2
Dec 11	42.9		83.65		35.87		32,178		13,799		1,154,268		6	1,038	92.2
Jan 12	40.1	8.9	87.76	-3.4	35.22	5.2	32,178	0.0	12,913	8.9	1,133,304	5.2	6	1,038	92.2
Feb 12	51.0	0.4	90.03	-2.5	45.91	-2.2	29,064	0.0	14,822	0.4	1,334,447	-2.2	6	1,038	92.2
Mar 12	63.9	9.6	97.25	-6.0	62.18	3.0	32,178	0.0	20,573	9.6	2,000,783	3.0	6	1,038	92.2
Apr 12	71.4	20.0	122.35	3.4	87.37	24.1	31,140	0.0	22,237	20.0	2,720,748	24.1	6	1,038	92.2
May 12	57.2	13.2	94.92	0.9	54.27	14.2	32,178	0.0	18,397	13.2	1,746,234	14.2	6	1,038	92.2
Jun 12	61.9	19.3	92.28	1.7	57.12	21.3	31,140	0.0	19,276	19.3	1,778,768	21.3	6	1,038	92.2
Jul 12	52.5	4.2	91.32	1.6	47.92	5.9	32,178	0.0	16,884	4.2	1,541,929	5.9	6	1,038	92.2
Aug 12	62.1	5.1	95.85	5.1	59.54	10.5	32,178	0.0	19,987	5.1	1,915,752	10.5	6	1,038	92.2
Sep 12	56.6	-0.1	96.12	8.2	54.44	8.1	31,140	0.0	17,638	-0.1	1,695,289	8.1	6	1,038	92.2
Oct 12	66.3	-11.6	132.51	11.7	87.91	-1.2	32,178	0.0	21,347	-11.6	2,828,739	-1.2	6	1,038	92.2
Nov 12	50.3	-5.1	95.07	7.3	47.85	1.8	31,140	0.0	15,674	-5.1	1,490,078	1.8	6	1,038	92.2
Dec 12	38.6	-10.0	94.14	12.5	36.34	1.3	32,178	0.0	12,422	-10.0	1,169,349	1.3	6	1,038	92.2
Jan 13	40.5	0.8	96.31	9.7	38.96	10.6	32,178	0.0	13,018	0.8	1,253,801	10.6	6	1,038	92.2
Feb 13	52.0	1.9	99.90	11.0	51.94	13.1	29,064	0.0	15,111	1.9	1,509,658	13.1	6	1,038	92.2
Mar 13	57.2	-10.6	104.63	7.6	59.81	-3.8	32,178	0.0	18,393	-10.6	1,924,483	-3.8	6	1,038	92.2
Apr 13	72.1	1.0	137.91	12.7	99.44	13.8	31,140	0.0	22,454	1.0	3,096,634	13.8	6	1,038	92.2
May 13	56.1	-1.8	101.35	6.8	56.89	4.8	32,178	0.0	18,063	-1.8	1,830,751	4.8	6	1,038	67.9
Jun 13	59.3	-4.3	97.46	5.6	57.75	1.1	31,140	0.0	18,452	-4.3	1,798,277	1.1	6	1,038	92.2
Jul 13	57.9	10.3	97.61	6.9	56.48	17.9	32,178	0.0	18,621	10.3	1,817,533	17.9	6	1,038	92.2
Aug 13	60.5	-2.6	100.03	4.4	60.53	1.7	32,178	0.0	19,472	-2.6	1,947,736	1.7	6	1,038	92.2
Sep 13	54.5	-3.7	102.22	6.3	55.76	2.4	31,140	0.0	16,986	-3.7	1,736,226	2.4	6	1,038	92.2
Oct 13	68.9	3.8	139.08	5.0	95.76	8.9	32,178	0.0	22,155	3.8	3,081,294	8.9	6	1,038	92.2
Nov 13	52.7	4.7	97.83	2.9	51.57	7.8	31,140	0.0	16,414	4.7	1,605,763	7.8	6	1,038	92.2
Dec 13	42.4	9.8	96.07	2.1	40.73	12.1	32,178	0.0	13,643	9.8	1,310,651	12.1	6	1,038	92.2
Jan 14	42.4	4.7	99.68	3.5	42.23	8.4	32,178	0.0	13,631	4.7	1,358,766	8.4	6	1,038	92.2
Feb 14	53.7	3.4	103.27	3.4	55.49	6.8	29,064	0.0	15,618	3.4	1,612,793	6.8	6	1,038	92.2
Mar 14	67.6	18.3	111.11	6.2	75.15	25.7	32,178	0.0	21,763	18.3	2,418,113	25.7	6	1,038	100.0
Apr 14	65.2	-9.5	144.67	4.9	94.36	-5.1	31,140	0.0	20,311	-9.5	2,938,315	-5.1	6	1,038	100.0
May 14	54.1	-3.6	103.53	2.1	56.00	-1.6	32,178	0.0	17,404	-3.6	1,801,826	-1.6	6	1,038	100.0
Jun 14	59.8	0.9	99.90	2.5	59.73	3.4	31,140	0.0	18,620	0.9	1,860,080	3.4	6	1,038	100.0
Jul 14	55.7	-3.7	101.86	4.4	56.74	0.4	32,178	0.0	17,923	-3.7	1,825,640	0.4	6	1,038	100.0
Aug 14	62.7	3.7	101.33	1.3	63.57	5.0	32,178	0.0	20,186	3.7	2,045,428	5.0	6	1,038	100.0
Sep 14	58.1	6.5	102.19	-0.0	59.37	6.5	31,140	0.0	18,090	6.5	1,848,656	6.5	6	1,038	100.0
Oct 14	72.1	4.8	150.31	8.1	108.43	13.2	32,178	0.0	23,212	4.8	3,489,073	13.2	6	1,038	100.0
Nov 14	55.2	4.6	100.31	2.5	55.33	7.3	31,140	0.0	17,177	4.6	1,723,083	7.3	6	1,038	100.0
Dec 14	42.9	1.3	95.66	-0.4	41.08	0.9	32,178	0.0	13,820	1.3	1,322,023	0.9	6	1,038	100.0

## Tab 8 - Raw Data

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 15	44.6	5.2	100.79	1.1	44.93	6.4	32,178	0.0	14,345	5.2	1,445,800	6.4	6	1,038	100.0
Feb 15	55.0	2.4	102.55	-0.7	56.42	1.7	29,064	0.0	15,990	2.4	1,639,845	1.7	6	1,038	100.0
Mar 15	71.6	5.8	114.74	3.3	82.10	9.3	32,178	0.0	23,026	5.8	2,641,974	9.3	6	1,038	100.0
Apr 15	69.2	6.1	153.24	5.9	106.06	12.4	31,140	0.0	21,553	6.1	3,302,791	12.4	6	1,038	100.0
May 15	64.0	18.4	102.35	-1.1	65.54	17.1	32,178	0.0	20,606	18.4	2,109,060	17.1	6	1,038	100.0
Jun 15	59.0	-1.3	105.31	5.4	62.16	4.1	31,140	0.0	18,379	-1.3	1,935,527	4.1	6	1,038	100.0
Jul 15	58.1	4.3	97.35	-4.4	56.53	-0.4	32,178	0.0	18,685	4.3	1,819,017	-0.4	6	1,038	100.0
Aug 15	59.0	-5.9	104.53	3.2	61.71	-2.9	32,178	0.0	18,996	-5.9	1,985,732	-2.9	6	1,038	100.0
Sep 15	55.3	-4.7	100.85	-1.3	55.81	-6.0	31,140	0.0	17,233	-4.7	1,737,982	-6.0	6	1,038	100.0
Oct 15	74.5	3.3	152.46	1.4	113.65	4.8	32,178	0.0	23,987	3.3	3,657,001	4.8	6	1,038	100.0
Nov 15	51.2	-7.1	99.19	-1.1	50.80	-8.2	31,140	0.0	15,949	-7.1	1,581,970	-8.2	6	1,038	100.0
Dec 15	43.2	0.5	95.43	-0.2	41.18	0.2	32,178	0.0	13,885	0.5	1,325,009	0.2	6	1,038	100.0
Jan 16	40.7	-8.7	97.13	-3.6	39.52	-12.0	32,178	0.0	13,091	-8.7	1,271,584	-12.0	6	1,038	100.0
Feb 16	58.1	5.5	103.48	0.9	60.07	6.5	29,064	0.0	16,873	5.5	1,746,015	6.5	6	1,038	100.0
Mar 16	57.8	-19.3	105.14	-8.4	60.72	-26.0	32,178	0.0	18,583	-19.3	1,953,755	-26.0	6	1,038	100.0
Apr 16	70.8	2.2	152.32	-0.6	107.79	1.6	35,640	14.5	25,221	17.0	3,841,552	16.3	7	1,188	87.4
May 16	55.2	-13.7	105.67	3.2	58.38	-10.9	36,828	14.5	20,346	-1.3	2,150,014	1.9	7	1,188	100.0
Jun 16	57.4	-2.7	103.43	-1.8	59.40	-4.4	35,640	14.5	20,466	11.4	2,116,886	9.4	7	1,188	100.0
Jul 16	53.5	-7.9	97.19	-0.2	52.00	-8.0	36,828	14.5	19,704	5.5	1,915,059	5.3	7	1,188	100.0
Aug 16	57.0	-3.4	106.29	1.7	60.63	-1.8	36,828	14.5	21,006	10.6	2,232,703	12.4	7	1,188	100.0
Sep 16	56.0	1.2	105.47	4.6	59.04	5.8	35,640	14.5	19,952	15.8	2,104,247	21.1	7	1,188	100.0
Oct 16	74.6	0.1	152.87	0.3	114.10	0.4	36,828	14.5	27,489	14.6	4,202,217	14.9	7	1,188	100.0
Nov 16	51.4	0.4	103.14	4.0	53.03	4.4	35,640	14.5	18,326	14.9	1,890,114	19.5	7	1,188	100.0
Dec 16	41.1	-4.7	99.21	4.0	40.81	-0.9	36,828	14.5	15,148	9.1	1,502,890	13.4	7	1,188	100.0
Jan 17	40.5	-0.6	101.01	4.0	40.86	3.4	36,828	14.5	14,897	13.8	1,504,678	18.3	7	1,188	100.0
Feb 17	56.9	-2.0	105.44	1.9	59.97	-0.2	33,264	14.5	18,917	12.1	1,994,700	14.2	7	1,188	100.0
Mar 17	62.4	8.0	108.32	3.0	67.54	11.2	36,828	14.5	22,963	23.6	2,487,298	27.3	7	1,188	100.0

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## Tab 9 - Classic

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Jan 11	36.9		90.81		33.47		32,178		11,860		1,077,037		6	1,038	92.2
Feb 11	50.8		92.36		46.93		29,064		14,769		1,364,045		6	1,038	92.2
Mar 11	58.4		103.43		60.36		32,178		18,777		1,942,145		6	1,038	92.2
Apr 11	59.5		118.31		70.38		31,140		18,524		2,191,667		6	1,038	92.2
May 11	50.5		94.08		47.51		32,178		16,250		1,528,879		6	1,038	92.2
Jun 11	51.9		90.75		47.09		31,140		16,158		1,466,361		6	1,038	92.2
Jul 11	50.4		89.89		45.26		32,178		16,203		1,456,499		6	1,038	92.2
Aug 11	59.1		91.22		53.90		32,178		19,013		1,734,376		6	1,038	92.2
Sep 11	56.7		88.82		50.36		31,140		17,657		1,568,239		6	1,038	92.2
Oct 11	75.0		118.61		89.00		32,178		24,145		2,863,898		6	1,038	92.2
Nov 11	53.1		88.62		47.02		31,140		16,522		1,464,241		6	1,038	92.2
Dec 11	42.9		83.65		35.87		32,178		13,799		1,154,268		6	1,038	92.2
Mar YTD 2011	48.6		96.53		46.92		93,420		45,406		4,383,227				
Total 2011	53.8		97.27		52.29		378,870		203,677		19,811,655				
Jan 12	40.1	8.9	87.76	-3.4	35.22	5.2	32,178	0.0	12,913	8.9	1,133,304	5.2	6	1,038	92.2
Feb 12	51.0	0.4	90.03	-2.5	45.91	-2.2	29,064	0.0	14,822	0.4	1,334,447	-2.2	6	1,038	92.2
Mar 12	63.9	9.6	97.25	-6.0	62.18	3.0	32,178	0.0	20,573	9.6	2,000,783	3.0	6	1,038	92.2
Apr 12	71.4	20.0	122.35	3.4	87.37	24.1	31,140	0.0	22,237	20.0	2,720,748	24.1	6	1,038	92.2
May 12	57.2	13.2	94.92	0.9	54.27	14.2	32,178	0.0	18,397	13.2	1,746,234	14.2	6	1,038	92.2
Jun 12	61.9	19.3	92.28	1.7	57.12	21.3	31,140	0.0	19,276	19.3	1,778,768	21.3	6	1,038	92.2
Jul 12	52.5	4.2	91.32	1.6	47.92	5.9	32,178	0.0	16,884	4.2	1,541,929	5.9	6	1,038	92.2
Aug 12	62.1	5.1	95.85	5.1	59.54	10.5	32,178	0.0	19,987	5.1	1,915,752	10.5	6	1,038	92.2
Sep 12	56.6	-0.1	96.12	8.2	54.44	8.1	31,140	0.0	17,638	-0.1	1,695,289	8.1	6	1,038	92.2
Oct 12	66.3	-11.6	132.51	11.7	87.91	-1.2	32,178	0.0	21,347	-11.6	2,828,739	-1.2	6	1,038	92.2
Nov 12	50.3	-5.1	95.07	7.3	47.85	1.8	31,140	0.0	15,674	-5.1	1,490,078	1.8	6	1,038	92.2
Dec 12	38.6	-10.0	94.14	12.5	36.34	1.3	32,178	0.0	12,422	-10.0	1,169,349	1.3	6	1,038	92.2
Mar YTD 2012	51.7	6.4	92.50	-4.2	47.83	1.9	93,420	0.0	48,308	6.4	4,468,534	1.9			
Total 2012	56.0	4.2	100.65	3.5	56.37	7.8	378,870	0.0	212,170	4.2	21,355,420	7.8			
Jan 13	40.5	0.8	96.31	9.7	38.96	10.6	32,178	0.0	13,018	0.8	1,253,801	10.6	6	1,038	92.2
Feb 13	52.0	1.9	99.90	11.0	51.94	13.1	29,064	0.0	15,111	1.9	1,509,658	13.1	6	1,038	92.2
Mar 13	57.2	-10.6	104.63	7.6	59.81	-3.8	32,178	0.0	18,393	-10.6	1,924,483	-3.8	6	1,038	92.2
Apr 13	72.1	1.0	137.91	12.7	99.44	13.8	31,140	0.0	22,454	1.0	3,096,634	13.8	6	1,038	92.2
May 13	56.1	-1.8	101.35	6.8	56.89	4.8	32,178	0.0	18,063	-1.8	1,830,751	4.8	6	1,038	67.9
Jun 13	59.3	-4.3	97.46	5.6	57.75	1.1	31,140	0.0	18,452	-4.3	1,798,277	1.1	6	1,038	92.2
Jul 13	57.9	10.3	97.61	6.9	56.48	17.9	32,178	0.0	18,621	10.3	1,817,533	17.9	6	1,038	92.2
Aug 13	60.5	-2.6	100.03	4.4	60.53	1.7	32,178	0.0	19,472	-2.6	1,947,736	1.7	6	1,038	92.2
Sep 13	54.5	-3.7	102.22	6.3	55.76	2.4	31,140	0.0	16,986	-3.7	1,736,226	2.4	6	1,038	92.2
Oct 13	68.9	3.8	139.08	5.0	95.76	8.9	32,178	0.0	22,155	3.8	3,081,294	8.9	6	1,038	92.2
Nov 13	52.7	4.7	97.83	2.9	51.57	7.8	31,140	0.0	16,414	4.7	1,605,763	7.8	6	1,038	92.2
Dec 13	42.4	9.8	96.07	2.1	40.73	12.1	32,178	0.0	13,643	9.8	1,310,651	12.1	6	1,038	92.2
Mar YTD 2013	49.8	-3.7	100.77	8.9	50.18	4.9	93,420	0.0	46,522	-3.7	4,687,942	4.9			
Total 2013	56.2	0.3	107.68	7.0	60.48	7.3	378,870	0.0	212,782	0.3	22,912,807	7.3			
Jan 14	42.4	4.7	99.68	3.5	42.23	8.4	32,178	0.0	13,631	4.7	1,358,766	8.4	6	1,038	92.2
Feb 14	53.7	3.4	103.27	3.4	55.49	6.8	29,064	0.0	15,618	3.4	1,612,793	6.8	6	1,038	92.2
Mar 14	67.6	18.3	111.11	6.2	75.15	25.7	32,178	0.0	21,763	18.3	2,418,113	25.7	6	1,038	100.0
Apr 14	65.2	-9.5	144.67	4.9	94.36	-5.1	31,140	0.0	20,311	-9.5	2,938,315	-5.1	6	1,038	100.0
May 14	54.1	-3.6	103.53	2.1	56.00	-1.6	32,178	0.0	17,404	-3.6	1,801,826	-1.6	6	1,038	100.0
Jun 14	59.8	0.9	99.90	2.5	59.73	3.4	31,140	0.0	18,620	0.9	1,860,080	3.4	6	1,038	100.0
Jul 14	55.7	-3.7	101.86	4.4	56.74	0.4	32,178	0.0	17,923	-3.7	1,825,640	0.4	6	1,038	100.0
Aug 14	62.7	3.7	101.33	1.3	63.57	5.0	32,178	0.0	20,186	3.7	2,045,428	5.0	6	1,038	100.0
Sep 14	58.1	6.5	102.19	-0.0	59.37	6.5	31,140	0.0	18,090	6.5	1,848,656	6.5	6	1,038	100.0
Oct 14	72.1	4.8	150.31	8.1	108.43	13.2	32,178	0.0	23,212	4.8	3,489,073	13.2	6	1,038	100.0

## Tab 9 - Classic

HighPoint-Greensboro

Job Number: 872624\_SADIM Staff: CW Created: April 21, 2017

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Nov 14	55.2	4.6	100.31	2.5	55.33	7.3	31,140	0.0	17,177	4.6	1,723,083	7.3	6	1,038	100.0
Dec 14	42.9	1.3	95.66	-0.4	41.08	0.9	32,178	0.0	13,820	1.3	1,322,023	0.9	6	1,038	100.0
Mar YTD 2014	54.6	9.7	105.65	4.8	57.69	15.0	93,420	0.0	51,012	9.7	5,389,672	15.0			
Total 2014	57.5	2.3	111.34	3.4	63.99	5.8	378,870	0.0	217,755	2.3	24,243,796	5.8			
Jan 15	44.6	5.2	100.79	1.1	44.93	6.4	32,178	0.0	14,345	5.2	1,445,800	6.4	6	1,038	100.0
Feb 15	55.0	2.4	102.55	-0.7	56.42	1.7	29,064	0.0	15,990	2.4	1,639,845	1.7	6	1,038	100.0
Mar 15	71.6	5.8	114.74	3.3	82.10	9.3	32,178	0.0	23,026	5.8	2,641,974	9.3	6	1,038	100.0
Apr 15	69.2	6.1	153.24	5.9	106.06	12.4	31,140	0.0	21,553	6.1	3,302,791	12.4	6	1,038	100.0
May 15	64.0	18.4	102.35	-1.1	65.54	17.1	32,178	0.0	20,606	18.4	2,109,060	17.1	6	1,038	100.0
Jun 15	59.0	-1.3	105.31	5.4	62.16	4.1	31,140	0.0	18,379	-1.3	1,935,527	4.1	6	1,038	100.0
Jul 15	58.1	4.3	97.35	-4.4	56.53	-0.4	32,178	0.0	18,685	4.3	1,819,017	-0.4	6	1,038	100.0
Aug 15	59.0	-5.9	104.53	3.2	61.71	-2.9	32,178	0.0	18,996	-5.9	1,985,732	-2.9	6	1,038	100.0
Sep 15	55.3	-4.7	100.85	-1.3	55.81	-6.0	31,140	0.0	17,233	-4.7	1,737,982	-6.0	6	1,038	100.0
Oct 15	74.5	3.3	152.46	1.4	113.65	4.8	32,178	0.0	23,987	3.3	3,657,001	4.8	6	1,038	100.0
Nov 15	51.2	-7.1	99.19	-1.1	50.80	-8.2	31,140	0.0	15,949	-7.1	1,581,970	-8.2	6	1,038	100.0
Dec 15	43.2	0.5	95.43	-0.2	41.18	0.2	32,178	0.0	13,885	0.5	1,325,009	0.2	6	1,038	100.0
Mar YTD 2015	57.1	4.6	107.34	1.6	61.31	6.3	93,420	0.0	53,361	4.6	5,727,619	6.3			
Total 2015	58.8	2.2	113.11	1.6	66.47	3.9	378,870	0.0	222,634	2.2	25,181,708	3.9			
Jan 16	40.7	-8.7	97.13	-3.6	39.52	-12.0	32,178	0.0	13,091	-8.7	1,271,584	-12.0	6	1,038	100.0
Feb 16	58.1	5.5	103.48	0.9	60.07	6.5	29,064	0.0	16,873	5.5	1,746,015	6.5	6	1,038	100.0
Mar 16	57.8	-19.3	105.14	-8.4	60.72	-26.0	32,178	0.0	18,583	-19.3	1,953,755	-26.0	6	1,038	100.0
Apr 16	70.8	2.2	152.32	-0.6	107.79	1.6	35,640	14.5	25,221	17.0	3,841,552	16.3	7	1,188	87.4
May 16	55.2	-13.7	105.67	3.2	58.38	-10.9	36,828	14.5	20,346	-1.3	2,150,014	1.9	7	1,188	100.0
Jun 16	57.4	-2.7	103.43	-1.8	59.40	-4.4	35,640	14.5	20,466	11.4	2,116,886	9.4	7	1,188	100.0
Jul 16	53.5	-7.9	97.19	-0.2	52.00	-8.0	36,828	14.5	19,704	5.5	1,915,059	5.3	7	1,188	100.0
Aug 16	57.0	-3.4	106.29	1.7	60.63	-1.8	36,828	14.5	21,006	10.6	2,232,703	12.4	7	1,188	100.0
Sep 16	56.0	1.2	105.47	4.6	59.04	5.8	35,640	14.5	19,952	15.8	2,104,247	21.1	7	1,188	100.0
Oct 16	74.6	0.1	152.87	0.3	114.10	0.4	36,828	14.5	27,489	14.6	4,202,217	14.9	7	1,188	100.0
Nov 16	51.4	0.4	103.14	4.0	53.03	4.4	35,640	14.5	18,326	14.9	1,890,114	19.5	7	1,188	100.0
Dec 16	41.1	-4.7	99.21	4.0	40.81	-0.9	36,828	14.5	15,148	9.1	1,502,890	13.4	7	1,188	100.0
Mar YTD 2016	52.0	-9.0	102.40	-4.6	53.22	-13.2	93,420	0.0	48,547	-9.0	4,971,354	-13.2			
Total 2016	56.2	-4.3	114.00	0.8	64.09	-3.6	420,120	10.9	236,205	6.1	26,927,036	6.9			
Jan 17	40.5	-0.6	101.01	4.0	40.86	3.4	36,828	14.5	14,897	13.8	1,504,678	18.3	7	1,188	100.0
Feb 17	56.9	-2.0	105.44	1.9	59.97	-0.2	33,264	14.5	18,917	12.1	1,994,700	14.2	7	1,188	100.0
Mar 17	62.4	8.0	108.32	3.0	67.54	11.2	36,828	14.5	22,963	23.6	2,487,298	27.3	7	1,188	100.0
Mar YTD 2017	53.1	2.2	105.44	3.0	55.99	5.2	106,920	14.5	56,777	17.0	5,986,676	20.4			

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Tab 10 - Response Report

HighPoint-Greensboro  
Job Number: 872624\_SADIM    Staff: CW    Created: April 21, 2017

								2015												2016												2017																	
STR Code	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Chg in Rms	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D					
9611	Radisson Hotel High Point	High Point, NC	27260	Upscale Class	Jan 2015	Oct 1983	252		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
48014	Courtyard High Point	High Point, NC	27262	Upscale Class	Oct 2003	Oct 2003	107		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
42232	Wingate by Wyndham High Point	High Point, NC	27265	Midscale Class	Feb 2014	Oct 2000	81		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
4480	Doubletree Greensboro	Greensboro, NC	27403	Upscale Class	Oct 2007	Jun 1972	175		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
32343	Hyatt Place Greensboro	Greensboro, NC	27407	Upscale Class	Oct 2007	Oct 1995	124		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
64979	Hilton Garden Inn Greensboro Airport	Greensboro, NC	27409	Upscale Class	Apr 2016	Apr 2016	150	Y	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
6857	Marriott Greensboro High Point Airport	Greensboro, NC	27409	Upper Upscale Class	Jun 1983	Jun 1983	299		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
				Total Properties:			7	1188	○ - Monthly data received by STR ● - Monthly and daily data received by STR Blank - No data received by STR Y - (Chg in Rms) Property has experienced a room addition or drop during the time period of the report.																																								

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## **QUALIFICATIONS OF LEAD CONSULTANT**

**J. Richard Keegan  
Keegan Associates LLC  
d/b/a Shamrock Capital**

V: (407) 402.9042 E: jrk@shamrockcapitalllc.com

J. Richard Keegan founded Shamrock Capital in 2005. Since 2011, the company has specialized in traditional, extended-stay and soft-brand hotel appraisals and feasibility studies.

## **EDUCATION**

### **University of Wisconsin**

Master of Business Administration Degree  
Bachelor of Arts Degree

## **Appraisal Courses Completed**

- Basic Appraisal Principles
- Basic Appraisal Procedures
- Better Safe Than Sorry Appraisal Practices
- Business Practices & Ethics
- FHA Property Analysis
- Florida Law and Rules
- Golf Course Property Valuation
- Income Approach I and II
- Market Analysis and Highest & Best Use
- Real Estate Statistics, Modeling and Finance
- Report Writing & Case Studies
- Residential Sales Comparison & Income Approach
- Sales Comparison Approach
- Site Valuation & Cost Approach
- Systemize Your Appraisal Business
- Uniform Standards of Professional Appraisal Practice (USPAP)
- Valuation by Comparison: Residential Analysis and Logic

## **LICENSES & MEMBERSHIPS**

- Certified General Real Estate Appraiser licensed in the states of Florida (#RZ3657) and Virginia (#4001016790); reciprocal licenses or temporary practice permits obtained in other states as needed
- Practicing Affiliate of the Appraisal Institute
- Member of the East Florida Chapter of the Appraisal Institute

## **PROFESSIONAL HISTORY**

### **Shamrock Capital – Lake Mary, Florida – 2005 to Present** *Real*

#### *Estate Appraiser & Feasibility Analyst 2011 – Present*

- Perform complex valuations for existing and proposed hotel and extended-stay properties
- Perform feasibility studies for traditional and extended-stay hotel developments

#### *Licensed Mortgage Broker: 2005 – 2011*

- Arranged hotel financing; prepared investment and underwriting packages
- Analyzed market forecasts, cash flow projections, debt-coverage ratios, and internal rates of return

### **Sun Development & Management Corporation – Indianapolis, Indiana**

#### *Executive Vice President – Development: 2001 – 2005*

- Directed hotel acquisitions, site selection and development