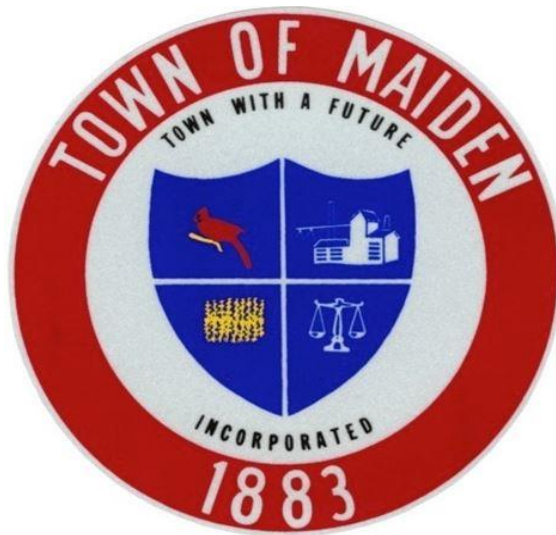


## **Prepared For**

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

## **Hotel Feasibility Study**

Proposed Hotel  
Maiden, North Carolina



*Source: Town of Maiden*

## **Prepared By**

Shamrock Capital  
645 Chocktaw Street  
Lake Mary, Florida 32746

## **Date of Report**

April 28, 2018  
Revised July 15, 2018

## SHAMROCK CAPITAL

April 28, 2018

Revised July 15, 2018

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

Reference: Hotel Feasibility Study  
Proposed Hotel  
Maiden, North Carolina 28650

Dear Ms. Daniels:


Per your request, we have analyzed the Maiden, North Carolina lodging market as it pertains to a proposed hotel. Based on our research and interviews, an upper-midscale limited-service hotel would best represent the type, cost, amenities and price point suited to the current and near-term lodging demand identified in the market.

We have utilized the Marshall Valuation Service Cost Index and our research to estimate an all-in project cost of **\$7,900,000**. Based on this information, the subject property is forecast to produce a free-and-clear Internal Rate of Return (IRR) of **11.8%**. This return is considered above average based on accepted market returns for similar hotel investments.

Please review the accompanying report and if you have any questions or need additional information, please feel free to contact us.

Respectfully submitted,

**Shamrock Capital**



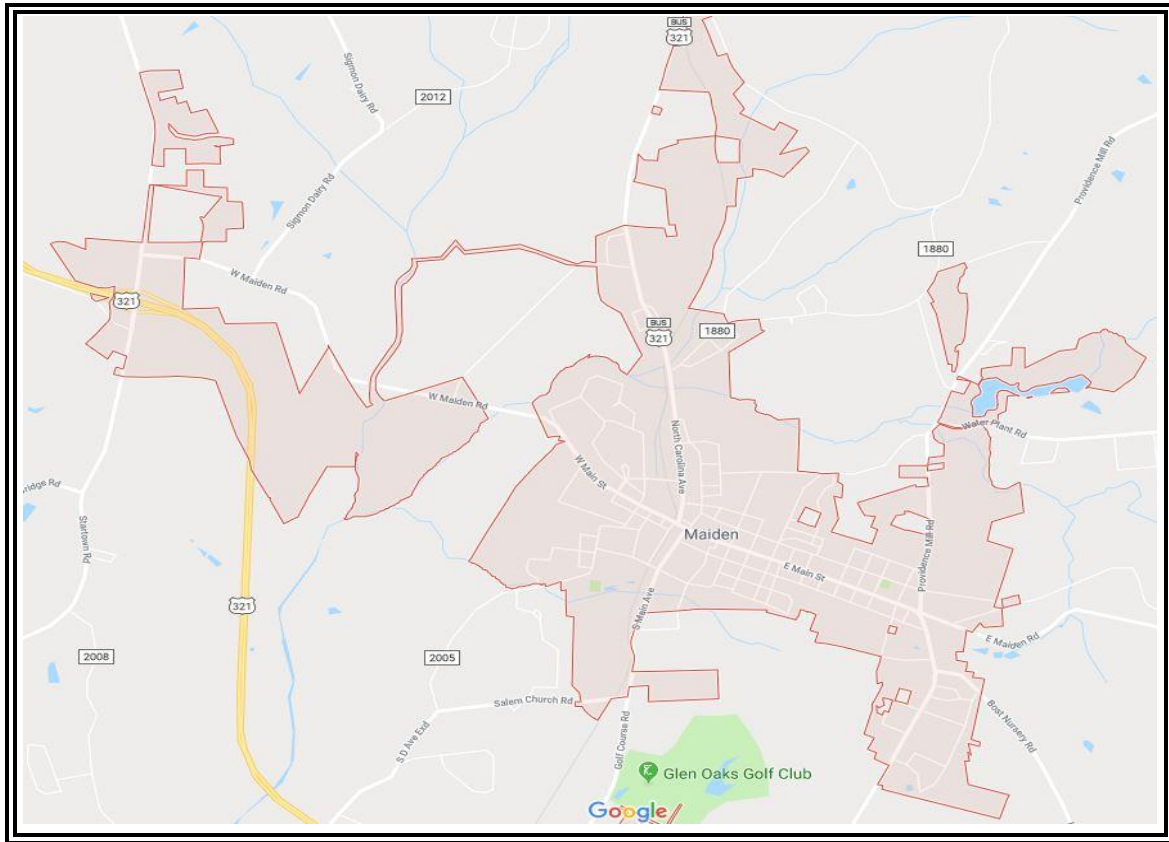
J. Richard Keegan, MBA



Christopher M. Keegan, MAI

# Executive Summary

Map of Maiden



Source: Google Maps

<b>Name</b>	Proposed Hotel
<b>Location</b>	Maiden, 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>	April 28, 2018 Revised July 15, 2018

## Executive Summary (Continued)

### Project Summary

We analyzed the Maiden, North Carolina market in an effort to determine the viability of developing a proposed hotel. Limited-service, select-service, full-service, soft brand/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.

### Summary of Recommendations

<i>Affiliation<sup>1</sup></i>	National Franchise
<i>Asset Class<sup>2</sup></i>	Limited-Service
<i>Chain Scale<sup>3</sup></i>	Upper Midscale
<i>Number of Rooms</i>	70
<i>Proposed Published Rates</i>	\$110 - \$160
<i>Site Size</i>	±2.0 acres
<i>Target Development Area</i>	US 321 at Startown Road, Exit 33, Maiden, NC

<sup>1</sup> Hotels either are independent or affiliated with a brand via membership or franchise agreement.

<sup>2</sup> U.S. Hotel Appraisals recognizes three hotel asset classes: Limited-Service, Select-Service and Full-Service.

<sup>3</sup> STR identifies six chain scales: Luxury, Upper-Upscale, Upscale, Upper-Midscale, Midscale, and Economy.

### Summary of Analysis

#### *Occupancy Forecast*

Year 1	64.4%
Year 2 (Stabilization)	72.0%

<i>ADR Forecast Year 1</i>	\$110.00
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#### *Cost Estimates (rounded)*

Building	\$5,900,000	\$84,500 per key
FF&E	1,100,000	16,000 per key
Land	600,000	8,500 per key
Entrepreneurial Incentive	<u>300,000</u>	<u>4,000</u> per key
Total Project Cost	\$7,900,000	\$113,000 per key

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## ADDENDA

PROPOSAL LETTER  
STR TREND REPORT  
QUALIFICATIONS OF CONSULTANTS

## **Assumptions and Limiting Conditions**

1. The consultants 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.
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 consultants 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. Neither all nor any part of the contents of this report 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.
5. 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.
6. 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.
7. 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.
8. 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.

9. 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.
10. 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 consultants and has not been considered. The consultants 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.
11. Any projections, forecasts, etc. regarding future patterns of income and/or expenses, prices/values, etc. represent the consultants' best estimates of investor anticipations with respect to these items, based on information available at the date of 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 cost or 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.).
12. 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.

13. 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 proposed 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 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 Custom Trend Report from 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 STR, 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 Maiden, North Carolina. The property is to be located in Zip Code District 28650. Based on our understanding, as of the date of this report no specific site or building has been optioned, subdivided, leased or acquired; accordingly, we are unable to discuss or provide tax parcel, deed or other relevant property identification information.

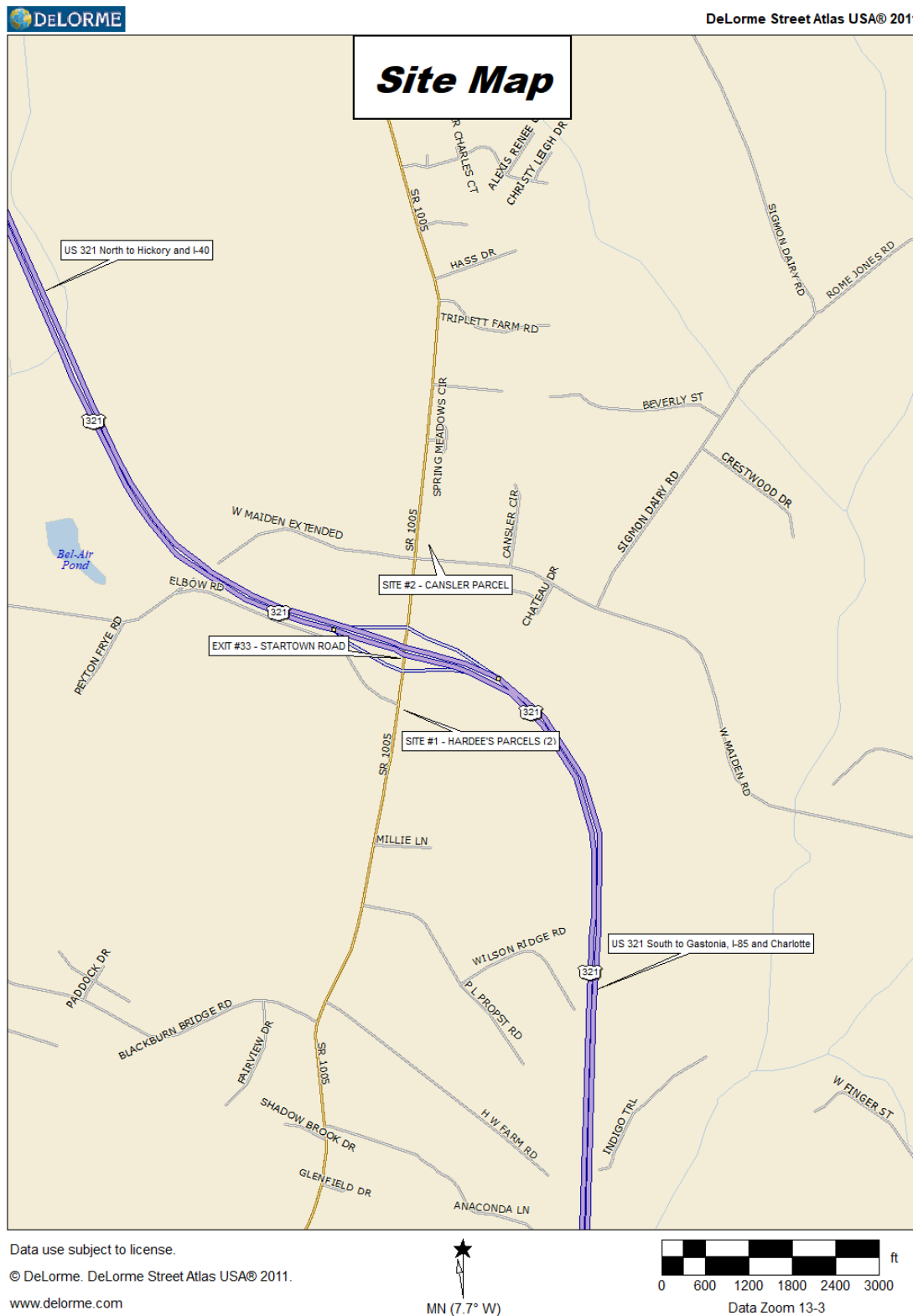
### **Site Selection**

The Client has requested that the consultants limit their consideration of potential hotel sites to Maiden. Based on our research and interviews, two available commercial sites in Maiden are considered to be the most suitable for a hotel development of the type contemplated in this report:

Potential Site #1 Hardee's Site – two 2.5-acre parcels south of and adjacent to Hardee's in the SEQ of the US 321/Startown Road interchange (Exit 33)

Potential Site #2 Cansler Site – subdividable 25-acre site north of US 321 (Exit 33) and north across Maiden Road from the Country Market in the NEQ of the Startown Road/Maiden Road intersection

Based on this information, both potential Maiden hotel sites are depicted on the map below and discussed in greater detail on the page following the site map.



- ***Potential Site #1*** – Hardee’s Parcel(s), SEQ US 321 and Startown Road

Hardee’s and the BP gas station-convenience store are the newest retail developments in Maiden (mid-2017). South and adjacent to them and the Times Oil offices are two 2.5-acre, commercially zoned, graded-level parcels for sale at the asking price of \$650,000 each (\$260K per acre). A storm-water retention pond is in place, a new fire station is west across Startown Road, and all utilities are available to the front parcel along Startown Road and via utility easement to the back parcel.

In addition to excellent visibility and accessibility from interstate-quality US Highway 321, the Hardee’s site is across from two of the area’s strongest commercial demand generators—Turner Construction and Apple Data Center/Solar Farm—and within a 5-to-10-minute drive of rapidly expanding GKN Driveline and multi-tenanted Lincoln County Industrial Park.

- ***Potential Site #2*** – Cansler Parcel, NEQ US 321 and Startown Road at the Startown Road and Maiden Road intersection

The owners of the 25-acre Cansler parcel reportedly are willing to subdivide the property and make available a 2.0-to-2.5-acre hotel parcel. Currently raw land, the parent site has utilities available to it. The entire 25 acres is listed for the asking price of \$1.7 million, or \$68,000 per acre as is. The price for a hotel site is negotiable per the broker.

Potential Site #2 has no visibility but excellent access from US 321. It also enjoys excellent visibility and access from two of the area’s primary thoroughfares—Startown Road and Maiden Road. It is adjacent to Lawrence Lumber, across from von Drehle Corporation’s production facility, and within a 2-to-10-minute drive of Turner Construction, Apple Data Center/Solar Farm, rapidly expanding GKN Driveline, and multi-tenanted Lincoln County Industrial Park.

### ***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 consultants recommend for consideration, if determined to be financially feasible, any hotel chain scale and product type deemed suitable for a commercial multi-night-stay hotel conveniently located at an easily accessible interchange of an interstate-quality highway—US 321.

By way of information, STR categorizes hotels into six rate-driven chain scales/classes:

1. Luxury (e.g., JW Marriott, Ritz-Carlton, Waldorf Astoria);
2. Upper-Upscale (e.g., Embassy Suites, Hilton, Marriott);
3. Upscale (e.g., Courtyard, Hilton Garden Inn, SpringHill Suites);
4. Upper-Midscale (e.g., Hampton Inn, Home2 Suites, Holiday Inn Express, Fairfield Inn);
5. Midscale (e.g., Best Western, Quality Inn, Ramada);
6. Economy (e.g., Motel 6, Red Roof Inn, Super 8); and

U.S. Hotel Appraisals identifies three principal hotel asset classes:

1. Limited-Service
2. Select-Service
3. Full-Service

Based on our research and interviews with local demand generators and public officials, there is a need for an upscale or upper-midscale hotel located closer to Maiden's existing and emerging commercial demand generators than the county's primary and secondary lodging nodes near I-40 in Hickory. A concern raised by most interview participants was the lack of a casual, sit-down dining venue within or proximate to the proposed hotel may result in consultants, technicians, contractors, subcontractors and other commercial clientele continuing to commute north to Hickory or south to Lincolnton for accommodations.

While it is beyond the scope of this assignment, our interviews indicated there is considerable demand for a casual dining venue in Maiden, especially one capable of catering meals to plants and offices or accommodating somewhat large numbers of lunchtime patrons. As indicated above, a casual-dining restaurant near or adjacent to the proposed hotel site would be beneficial.

Considering the location of each potential site and the strength of transient-commercial and extended-stay-commercial demand, which emanates from construction subcontractors to equipment installers to highly skilled professionals, technicians and consultants, and noting each potential site, particularly Potential Site #1, will be well-positioned to capture a considerable amount other transient demand from interstate-quality US Highway 321, a hotel featuring some or all of the following is recommended:

- complimentary hot breakfast
- multi-purpose lobby/breakfast area large enough and sufficiently well-equipped with electrical/USB outlets and free WiFi so guests can eat, work, relax and socialize
- in-room work area with complimentary WiFi and ergonomic chair
- on-site market/sundry shop
- at least some rooms/suites equipped with kitchens
- daily as well as weekly rates
- business center with free internet access and 2-4 workstations and printers
- fitness center with state-of-the-art exercise equipment
- indoor swimming pool (optional)
- guest laundry

By way of explanation and to assist the reader in better visualizing chain scales and asset classes meeting some or all of the aforementioned criteria, below we have identified some brand options to be considered for the proposed subject hotel:

- Comfort Suites by Choice (upper midscale, limited service, all suites, no kitchens)
- Fairfield Inn & Suites by Marriott (upper midscale, limited service, no kitchens)
- Hampton Inn & Suites by Hilton (upper midscale, limited service, no kitchens)
- Holiday Inn Express & Suites *Formula Blue* by IHG (upper midscale, limited service, no kitchens)
- Home2 Suites by Hilton (upper midscale, limited service, all suites, all kitchens)
- SpringHill Suites by Marriott (upscale, limited service, all suites, no kitchens) <sup>1</sup>

<sup>1</sup> Brand allows but does not require a bar with modest food menu.

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 commercial and transient-leisure clientele alike. As we have not been provided building plans, in deriving our cost estimates we have assumed the proposed hotel will be a 3-story, wood-framed, Marshall Valuation Service Class D, interior-corridor building with a primarily EIFS exterior and a flat, built-up roof. Windows are assumed to be tempered and plate glass in aluminum frames and the lobby is assumed to have a dual commercial-grade window/door wall entry system. Room doors are assumed to be wood with metal frames and a modern card or RFID key entry system. We assume interior walls and ceilings will be textured and painted drywall, and floor coverings will be good quality carpeting, porcelain or ceramic tile, engineered hardwood or luxury vinyl plank or tile. We further assume HVAC will be provided by through-wall heat-pump units in the guestrooms and by a central heating and cooling system in the common areas. Based on the aforementioned nature of the anticipated commercial clientele, our cost estimates conservatively include a \$3,500 per room allowance for kitchens.

The proposed improvements also are assumed to offer a multi-purpose lobby, registration and complimentary breakfast area, a modest meeting facility, a sundry shop, guest laundry, fitness center, and 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 is assumed to be provided by energy-efficient LED ceiling fixtures and lamps throughout the hotel and 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 Exit 33 property is assumed to have exterior wall-mounted signage and a freestanding pole sign capable of being seen from US 321. 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 hotel 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 initially dated February 16, 2018. 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 hotel 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 March 7, 2018 and this date will serve as the effective date of our analysis. Based upon our review of the market, considering all Maiden-generated demand currently is being accommodated outside the market, a hotel project completed by January 1, 2020 should reach a stabilized level of occupancy on January 1, 2021.

### **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 site-specific tax parcel, deed or other relevant ownership information.

### **Scope of the Hotel Feasibility Study**

The scope of this hotel 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.

A review 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 to determine permitted uses and restrictions vis à vis local, state and federal regulations.



The subject market data is based upon information provided by STR (f/k/a Smith Travel Research); city; county and state officials and websites; market participants; and by commercial, institutional and/or 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. Research was conducted to extract market data to be used in the hotel 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.

## **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. The general area has first been studied to gain an insight from a macro level, and then the market area has been studied with regards to surrounding land uses and growth patterns.

### **Town of Maiden, Catawba County, NC—An Overview**

Maiden is a town in Catawba and Lincoln counties in the state of North Carolina. Maiden is located in the southernmost portion of Catawba County, with a small portion extending south into Lincoln County. According to the United States Census Bureau, the Town of Maiden has a total area of 5.6 square miles, of which 5.5 square miles is land and 0.077 square miles, or 1.22%, is water.

Catawba's county seat is Newton and its largest city is Hickory. The county, formed in 1842, was named for the Catawba Tribe of Native Americans who once inhabited the area around the Catawba River. Catawba County is part of the "North Carolina Data Center Corridor" in western North Carolina. Maiden is home to the Apple iCloud data center and the largest privately owned solar farm in the United States (operated by Apple). As of 2017, the Catawba County Economic Development Corporation controls a 55-acre business park designed for data centers and office use 10 mile's north of Maiden in the City of Conover. CommScope and Corning, manufacturers of fiber optic cabling, became the region's largest employers in the late 1990s. Hickory is home to Lenoir-Rhyne University, the Hickory Motor Speedway, and the minor league baseball team the Hickory Crawdads. Conover is home to the Greater Hickory Classic at Rock Barn.

The Catawba County portion (largest portion) of Maiden is part of the Hickory–Lenoir–Morganton Metropolitan Statistical Area, while the Lincoln County portion (just a sliver) is part of the Charlotte-Concord-Gastonia Metropolitan Area.



### Population/Demographics

According to the 2016 U.S. Census estimate, the town of Maiden had a population of 3,392, a 2.5% increase from the 2010 population of 3,310. Catawba County had a December 2017 unemployment rate of 4.1%, compared to 4.5% for the state of North Carolina.

#### Population Growth 1990 to 2016 and Percent Change: 2010 to 2016

Area	1990	2000	2010	2016 (est.)	% Change
Maiden	2,574	3,282	3,310	3,392	+2.5%
Catawba County	118,412	141,685	154,358	156,473	+1.4%
North Carolina	6,628,637	8,049,313	9,535,471	10,273,419	+7.7%

Source: U.S. Bureau of Census

#### CATAWBA COUNTY AGE RANGE BY PERCENTAGE OF POPULATION (2016)

0-19 years	24.9
20-24 years	5.8
25-24 years	11.1
35-44 years	12.9
45-54 years	14.7
55-64 years	13.2
65+ years	17.5

Source: Catawba Economic Development Corporation 2017

#### POPULATION, INCOME, RETAIL SALES

	Catawba County	Hky-Len-Morg MSA
Population (July 2016 Est.)	156,473	367,364
Total Households (2016)	61,618	144,399
Median Household Income (2016)	\$48,913	\$42,572
Mean Household Income (2016)	\$65,599	\$58,044
Per Capita Income (2016)	\$26,182	\$23,451
Retail Sales (FY 2015-16)	\$2.12 bn	\$3.51 bn

Source: Catawba Economic Development Corporation

### ***Transportation***

Catawba County is located northwest of Charlotte in the State of North Carolina and covers 405 square miles. The county's proximity to the Charlotte Douglas International Airport (45 minutes) and quick interstate access make it a good location for business. Charlotte is reachable via NC Hwy 16; US 321/I-85; and I-40/I-77.

<b>Distances from Catawba County</b>	
<b>City</b>	<b>Distance</b>
Charlotte, NC	59 miles
Charleston, SC	258 miles
Atlanta, GA	258 miles
Chattanooga, TN	288 miles
Washington, DC	400 miles
Cincinnati, OH	438 miles
Detroit, MI	620 miles
New York, NY	632 miles
Chicago, IL	726 miles
Miami, FL	778 miles

*Source: Catawba Economic Development Corporation 2017*

***By Road*** – Interstate 40 and US Highway 70 transect Catawba County east-west through Claremont, Conover and Hickory. US Highway 321, a four-lane expressway, transects the western portion of the county north-south and in the Town of Maiden, US 321 Business passes through the center of town as Main Street.

***Public Transit*** - Public transportation in Catawba County is provided by Greenway Public Transportation bus service, which serves the cities of Conover, Hickory, and Newton. In addition, Conover has been designated as the Catawba County passenger rail stop for the Western North Carolina Railroad planned to run from Salisbury, NC, to Asheville.

**Rail** - Catawba County is a freight railroad transportation center with approximately twenty freight trains a day. This is largely due to the area's strong manufacturing-based economy and its placement along the Norfolk Southern Railway line. The Caldwell County Railroad operates between Hickory and Lenoir serving businesses in Caldwell and Catawba counties; it connects with Norfolk Southern at Hickory.

**Air** – Catawba County's primary general aviation airport is Hickory Regional Airport, a public airport located three miles west of the central business district of Hickory. Hickory Regional Airport covers an area of 739 acres and features two asphalt-paved runways measuring 6,400 x 150 ft. and 4,400 x 150 ft. Charlotte Douglas International Airport (CLT) is the closest international airport. CLT:

- ranks as the sixth-busiest airport in the world
- is the second-largest airport on the East Coast
- offers 165± nonstop destinations worldwide, including Frankfurt, London, Mexico City, Munich, Paris, Rome, and Toronto
- has 700± daily departures and landings
- is served by seven domestic carriers and three foreign flag carriers
- is American Airlines' second-largest hub

**Inland Terminals** - Located at the heart of manufacturing and distribution sites in the southeast, the Charlotte Inland Terminal (CIT) in Charlotte and the Piedmont Triad Inland Terminal (PTIT) in Greensboro are 45 minutes south and one hour thirty minutes east of Catawba County. Each serves the I-85 distribution corridor and the former also serves the I-77 distribution corridor while the latter also serves the I-40 distribution corridor which connects Greensboro to the Port of Wilmington, NC 170 miles southeast.

**Ports** - The Port of Wilmington is strategically located on the U.S. East Coast and is four± hours from Catawba County. Owned and operated by the North Carolina State Ports Authority, the Port of Wilmington offers terminal facilities serving container, bulk and break-bulk operations. In addition, one of the deepest ports on the US East Coast, the Port of Morehead City, is located just four miles from the Atlantic Ocean and is approximately five hours from Catawba County. The port handles both break-bulk and bulk cargo and is the second-largest importer in the country for natural rubber.

### ***Education***

The Catawba County School District operates 28 schools serving 17,370± students in grades ranging from pre-kindergarten to twelfth grade. The Newton-Conover City School System serves Newton and Conover and the Hickory City School System serves most of Hickory.

Higher education within the area includes:

- Lenoir–Rhyne University, Hickory
- Catawba Valley Community College, Hickory
- Appalachian Center at Hickory
- NC Center for Engineering Technologies, Hickory

Lenoir-Rhyne University is an institution of the North Carolina Synod of the Evangelical Lutheran Church in America. It provides programs of undergraduate, graduate, and continuing study in the liberal arts and sciences.

Catawba Valley Community College is a comprehensive community college that awards certificates, diplomas, and accredited associate degrees.

Appalachian Center at Hickory is a distance-education center operated by Appalachian State University for students interested in degree programs. ASU's main campus is one-hour northwest of Hickory in Boone, North Carolina. As one of 17 campuses in the University of North Carolina system, Appalachian enrolls 19,000± students, has a low student-to-faculty ratio, and offers more than 150 undergraduate and graduate majors. The Commission on Colleges of the Southern Association of Colleges and Schools accredits Appalachian State University to award baccalaureate, master's, and doctoral degrees. Fall 2017 enrollment:

- 18,811 on-campus students
  - 17,017 undergraduates
  - 1,794 graduate students
- 1,274 distance-education students

The North Carolina Center for Engineering Technologies focuses on applied research in engineering-related fields and serves as a conduit to baccalaureate education delivered by the University of North Carolina system schools. The primary schools involved in the center are Appalachian State University, Western Carolina University, University of North Carolina – Charlotte, Catawba Valley Community College, Caldwell County Community College and Technical Institute, and Western Piedmont Community College.

### ***Healthcare***

Catawba County is served by two hospitals:

- Catawba Valley Medical Center, Hickory
- Frye Regional Medical Center, Hickory

Catawba Valley Medical Center (CVMC) is a not-for-profit community hospital based in Hickory and comprising 258 beds. The Catawba Valley Medical Group staffs 23 locations and serves the needs of patients living in and beyond Catawba, Alexander, Burke, Caldwell and Lincoln counties. CVMC is:

- a four-time Magnet Recognition® award winner for nursing excellence
- the region's only Level III Neonatal Intensive Care Unit (NICU)
- a Women's Choice Award winner for America's Best 100 Hospitals for Patient Experience for six consecutive years
- an American College of Surgeons Accredited Comprehensive Community Cancer Center

A part of Duke LifePoint Healthcare, Hickory-based Frye Regional Medical Center (FRMC) comprises a 355-bed acute care hospital and features the Frye Heart Center, Cancer Center, General and Bariatric Surgery, Emergency Services, Advanced Orthopedics, Neurosciences, Women's Birthing Center and Inpatient Rehabilitation. The system also includes the Frye South Campus, an inpatient adult behavioral health treatment center designed to provide therapeutic stabilization. Frye Regional also offers access to more than 60 primary care and specialty care providers through the FryeCare Physicians Network.



## Economy

According to the Bureau of Labor and Statistics (December 2017), the largest industry segment (approximately 26.6%) in the Hickory–Lenoir–Morganton MSA is Manufacturing. The next largest industry segment (approximately 19.9%) is Trade, Transportation and Utilities, followed by Government at 15.1%, Education, Healthcare and Social Assistance at 12.3%, Professional and Business Services at 9.8%, Leisure and Hospitality at 8.4%. All other sectors fall below 3.0%.

### Industry by Sector Hickory–Lenoir–Morganton MSA

Sector	Employment	Percent
Manufacturing	40,700	26.6%
Trade, Transportation & Utilities	30,400	19.9%
Government	23,100	15.1%
Education & Health Services	18,900	12.3%
Professional & Business Services	15,000	9.8%
Leisure & Hospitality	12,900	8.4%
Other Services	4,500	2.9%
Financial Activities	3,100	2.0%
Mining, Logging & Construction	3,700	2.4%
Information	800	0.5%
<b>Total</b>	<b>153,100</b>	<b>100.0%</b>

*Source: Bureau of Labor & Statistics Dec. 2017*

The Economic Development Corporation of Catawba County identified five existing industry clusters.

- **Advanced Manufacturing** - Manufacturing has a long and rich history in Catawba County. Even today, over 25 percent of Catawba County's working population is engaged in manufacturing. That's basically double the national average. There are over 425 manufacturers in Catawba County.
- **Telecommunications** - Two of Catawba County's largest employers—CommScope and Corning Optical Communications—also are two of the world's largest producers of fiber optic cables. Supporting these industry giants, along with Prysmian, are a number of smaller suppliers that combine to create one of the most impressive clusters of fiber companies in the world.

- **Data Centers** - Catawba County and the surrounding area is home to some of the world's largest and most sophisticated data centers. A targeted recruitment effort started by the Catawba EDC to establish the NC Data Center Corridor has brought investments by companies like Apple and Bed Bath & Beyond to Catawba County and companies like Google and Facebook to other counties in the Corridor.
- **Advanced Textiles** - Textiles have a long history in Catawba County. Like many areas in North Carolina, Catawba County's early industrial economy was largely made up of textile mills. The Catawba River provided a readily available, abundant water supply for the manufacture of many textile products, beginning with yarn and including sock, hosiery, and bedding. Over several decades many of these textile factories moved their operations out of the country. However, technology-enhanced textile companies are making a comeback, especially in the South. In Catawba County, the production of woven and nonwoven fabrics for a variety of applications, including fiber optics, is thriving.
- **International Companies** - While not technically an industry cluster, the significant presence of international firms in Catawba County makes it worth highlighting. There were over 30 internationally owned firms in the area, the vast majority of which are engaged in manufacturing. Some of these companies include Klingspor Abrasives (Germany), Punker (Germany), Turbocoating (Italy), Sarstedt (Germany), Technibilt (Germany), ZF (Germany), Smart Electric (Taiwan), GKN (United Kingdom), CertainTeed (France), Prysmian (Italy), Poppelman Plastics (Germany) and Taiji Group USA (China).

#### 2017 Announced Jobs & Investment - Catawba County

Company Name	Product	Investment	Jobs
Apple	Data Center	\$1,000,000,000	- --
Corning Optical	Fiber optic cable & communications	\$67,000,000	210
Prysmian Group	Fiber optic cable	\$53,800,000	50
Room & Board	Distribution Center for furniture	\$12,870,000	13
Terr Mulch Products	Mulch products	\$8,000,000	16
Sutter Street Mfg.	Upholstered furniture manufacturing	\$1,900,000	72
<b>Total (2017 to date)</b>		<b>\$1,143,570,000</b>	<b>361+</b>

*Source: 2018 Catawba Economic Development Corporation*

The following table depicts Catawba County's Top 25 private- and public-sector employers in 2017.

**Catawba County's 25 Largest Employers**

Catawba County Schools	Education & Health Services	1000+
Catawba Valley Medical Ctr.	Education & Health Services	1000+
GKN Driveline	Manufacturing	1000+
CommScope	Manufacturing	1000+
Corning Optical Comm.	Manufacturing	1000+
County of Catawba	Public Administration	1000+
Duke LifePoint/Frye Regional	Education & Health Services	1000+
Wal-Mart Associates Inc.	Trade & Transportation	1000+
Hickory Springs Mfg. Co	Manufacturing	500-999
Convergys (Congruity HR LLC)	Call Center	500-999
Century Furniture LLC	Manufacturing	500-999
Ethan Allen Operations Inc.	Manufacturing	500-999
Pierre Foods	Manufacturing	500-999
Lee Industries Inc.	Manufacturing	500-999
McCreary Modern Inc.	Manufacturing	500-999
Target Stores Distribution Ctr.	Trade & Transportation	500-999
City of Hickory	Public Administration	500-999
Catawba Valley Comm. College	Education & Health Services	500-999
Cargo Transporters Inc.	Trade & Transportation	500-999
Performance Food Group Inc.	Trade & Transportation	500-999
Hickory City Schools	Education & Health Services	500-999
Sherrill Furniture Company	Manufacturing	500-999
Fiserv (Check free Services Corp.)	Call Center	500-999
Apple Computer Inc.	Data Center	500-999
Advisor Hr Capital	Professional Services	500-999

*Source: Catawba Economic Development Corporation 2017 Q2*

Apple decided to make Maiden the home for its East Coast Data Center, which was completed in 2012. Maiden continues to look for growth in this field due to its ideal location for placement of mission-critical facilities. Textiles and furniture still play a vital role in the Town of Maiden, with such employers as Delta Apparel, Ethan Allen, McCreary Modern, and Temple Furniture. Also, the town is home to GKN Driveline, whose primary function is the design and building of axles for passenger cars and open gears for diesel engines. Some other industries within the town include Capricorn Electronics, North Safety Products, von Drehle Corporation, Lawrence Lumber Company, Touch-Up Solutions, and other small-to-medium-size industrial and commercial operations.

Long considered a center for manufacturing, Catawba County and the Greater Hickory Metro Area have spent years diversifying their industrial base. Some of the diversified manufacturing sectors that call Catawba County home include machining and metal working, plastics, fiber optic and coaxial cable, and furniture. Catawba County led North Carolina's data center recruitment efforts with a focused approach to targeting data centers through the development and marketing of its NC Data Center Corridor.

Generating nearly \$4 billion in annual retail sales, Catawba County is the hub of commercial/retail sales in the Greater Hickory Metro Area. Some of the highest quality furniture shopping in the world can be found in the Hickory Furniture Mart and the other area retailers. Also contributing to the local economy are the Hickory Crawdads, the South Atlantic League 2015 baseball champions, and the Hickory Motor Speedway, also referred to as the "World's Most Famous Short Track" and the "Birthplace of the NASCAR Stars."

### **Lincoln County Industrial Park (LCIP)**

Lincoln County Industrial Park (LCIP) is a 650-acre master-planned manufacturing and distribution park located 6.5 miles north of downtown Lincolnton. Notably, LCIP effectively abuts Catawba County's southern border 2.5 miles south of downtown Maiden. LCIP currently is home to several manufacturing, distribution and warehousing facilities, most of which are nationally or internationally owned, as depicted in the following table.

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**Lincoln County Industrial Park (LCIP)**

<b>Company</b>	<b>Industry Sector</b>
Aptar Group Lincolnton	Manufacturing
ATD - American Tire Distributors	Distribution
Cataler North America (Toyota)	Manufacturing & Distribution
Crate & Barrell	Distribution
Henkel (incl. Magna-Tech)	Manufacturing & Distribution
Kaco USA, Inc.	Manufacturing & Distribution
Keller Logistics	Distribution
LeeBoy	Manufacturing & Distribution
Master Power Turbo	Manufacturing & Distribution
MedLine Distribution Center	Distribution
Room & Board Distribution Center	Distribution
RSI Home Products	Manufacturing & Distribution
The Walking Company	Distribution
UPG - United Plate Glass	Fabrication & Distribution

*Source: Lincoln Economic Development Association (LEDA) and Shamrock Capital*

- **Aptar Group**, headquartered in Crystal Lake, IL, is a global manufacturer and distributor of consumer packaging and dispensing systems (aerosol and metered valves, nasal, cosmetic & fragrance pumps, inhalers and lotion dispensers, etc.).
- **ATD – American Tire Distributors**, headquartered in Huntersville, NC, distributes replacement tires, custom wheels, accessories, tire supplies and tools throughout North America under such brand names as Capitol, Cruiseralloy, Drifz, Dynatrac, Hercules, ICW, Ironman, Negotiator, and Regul.
- **Cataler Corporation**, whose principal shareholder is Toyota Motor Corporation, is headquartered in Kakegawa City, Japan, and Cataler North America is headquartered in Lincoln County Industrial Park. Cataler is a global manufacturer and distributor of automotive catalytic converters used to filter exhaust in cars, motorcycles and general-purpose engines.

- **Crate & Barrel Distribution Center**, headquartered in Northbrook, IL, distributes living room, dining room, bedroom, and outdoor furniture.
- **Henkel**, headquartered in Dusseldorf, Germany, is a leading solution provider for adhesives, sealants and functional coatings. With the 2015 acquisition of Lincoln-based Magna-Tech's vacuum impregnation services, Henkel enhanced its strong presence in the automotive, casting and electronics industries.
- **Kaco**, headquartered in Heilbronn, Germany, and Kaco USA, headquartered in Lincoln County Industrial Park, develops and manufactures precision sealing solutions for the automotive and mechanical engineering clientele.
- **Keller Logistics**, headquartered in Defiance, OH, is a third-party logistics (3PL) and supply chain management company providing warehousing, packaging, fulfillment and distribution services for business clientele nationwide.
- **LeeBoy (aka VT LeeBoy)**, headquartered in Lincoln County Industrial Park, manufactures road construction and maintenance equipment for the road construction industry, including asphalt pavers, motor graders, compaction rollers, chip spreaders, water trucks, etc.
- **Master Power Turbo/Borghetti Turbos**, headquartered in Sao Marcos, Brazil, with Borghetti Turbos North America, Inc. headquartered in Lincoln County Industrial Park and marketing its products under the Master Power brand. Considered the best in the world, Master Power turbochargers are used in trucks, cars, boats, etc., especially in racing applications.
- **MedLine Industries**, headquartered in Northfield, IL, is a global medical supply manufacturer that distributes health care and surgical products to hospitals, nursing homes, surgery centers and home-care agencies. Its Lincoln facility is a warehouse and distribution center.
- **Room & Board**, headquartered in Minneapolis, MN, is a modern furniture and home décor retailer.

- **RSI Home Products Manufacturing**, headquartered in Anaheim, CA, is a manufacturer of kitchen, bathroom, and home organization cabinetry and accessories. RSI counts Home Depot, Lowe's among its clientele.
- **The Walking Company**, headquartered in Santa Barbara, CA, is a retailer of footwear and accessories for men, women and children.
- **UPG – United Plate Glass**, headquartered in Butler, PA, fabricates and distributes high-quality architectural glass products for commercial and residential use. Its 55,000 SF Lincolnton facility specializes in glass tempering, insulating and fabrication.

### ***Recreation***

Hickory Motor Speedway is a short track located in Hickory, North Carolina. It is one of stock car racing's most storied venues, and is often referred to as the "World's Most Famous Short Track" and the "Birthplace of the NASCAR Stars." Hickory was dropped from the Grand National schedule after the 1971 season when R. J. Reynolds began sponsoring the series and dropped all races under 250 miles from the schedule. Hickory is still used as a venue for NASCAR's club racing division, the Whelen All-American Series, Pro All Stars Series South Super Late Models, and the CARS Tour featuring late model and super late model touring series cars.

The Hickory Crawdads are a Minor League Baseball team in Hickory. They are a Class A team in the South Atlantic League and have been a farm team of the Texas Rangers since 2009. From 1999–2008, they were a Class A affiliate of the Pittsburgh Pirates, and from their inception in 1993 until 1998 they were a Class A affiliate of the Chicago White Sox. The Crawdads play home games at 5,092-seat L. P. Frans Stadium. The Crawdads won the South Atlantic League Championship in 2002, 2004, and 2015. The team has appeared in the SAL finals three times, and the SAL playoffs ten times.

Lake Norman, created between 1959 and 1964 as part of the construction of the Cowans Ford Dam by Duke Energy, is the largest man-made body of fresh water located in North Carolina. Its shoreline touches four counties: Catawba, Iredell, Lincoln and Mecklenburg. Lake Norman is sometimes referred to as the "inland sea" of North Carolina; it offers 520 miles of shoreline and a surface area of more than 50 square miles. Lake Norman serves as a venue for one of the International Jet Sport Boats Association (IJSBA) tour stops and hosts two yacht clubs: Lake Norman Yacht Club and the Peninsula Club.

Catawba County Parks' natural habitats provide outdoor venues for hiking, running, biking, picnicking and wildlife viewing.

- Riverbend Park is located in the northern part of the county along the Catawba River. This 450-acre park provides opportunities for nature viewing along the river, hiking or running in a varied terrain, mountain biking, or experiencing upland forest and fresh water wetlands. The park is in the process of being expanded by another 200 acres.
- Bakers Mountain Park is located in the southwestern part of the county. This 189-acre park allows visitors to climb a mountain and see vegetation natural to the higher elevations and views of the Catawba Valley below.
- St. Stephens Park is situated on nine acres adjacent to the City of Hickory. It offers a dog park, playground and short hiking trail.
- The future 589-acre Mountain Creek Park is being developed along the shores of Lake Norman in the Sherrills Ford community in the southeastern part of Catawba County. It will offer extensive mountain biking trails, kayak and canoe launches, hiking and running trails, and primitive camping, among other amenities.

Maiden Parks & Recreation Center facilities include a gym, two classrooms, a banquet room with a fully-equipped kitchen, a softball complex with four fields and two batting cages. Maiden Municipal Park features playground equipment, a picnic shelter, and walking trail.

Murray's Mill Historic District is a national historic district located in Catawba County. The district contains mill buildings, four residences and complementing structures associated with milling operations and the Murray family. They were built between the 1880s and mid-20th century. The Catawba County Historical Association owns and operates the buildings as a seasonal museum.

The Hickory Community Theatre, The Green Room Community Theatre, Clater-Kaye Theatreworks, Hickory Arts, Hickory Music Factory, Hickory Museum of Art, Catawba Science Center, and the Western Piedmont Symphony are some of the better known cultural organizations that call Catawba County home.



## **Market Area**

Potential Sites #1 and #2 are located within 3/10ths of a mile from one another approximately three miles west-northwest of Maiden's town center. The market area is transected north-south by Startown Road and northwest-southeast by U.S. Highway 321, an interstate-quality thoroughfare connecting Maiden to Interstate 40 at Hickory 10± miles to the northwest and to Interstate 85 at Gastonia 20± miles to the south.

The immediate market area comprises:

### ***Industry***

- Apple Data Center and Solar Farm – a \$3 billion project to date with recently approved plans for another \$1 billion-plus expansion, including two additional industrial data center buildings of 210,000 sq. ft. each
- Turner Construction Company – New York City-based international contractor managing Apple's construction projects in Maiden
- von Drehle Corporation – Hickory, NC-based manufacturer of towel and tissue products with an international network of 300 distributors serving industrial, commercial and institutional suppliers of products to airports, hotels, medical facilities and government complexes
- Lawrence Lumber – Italian-owned, Maiden-based producer and worldwide exporter of hardwood lumber for molding, mill work, flooring, cabinet, and furniture manufactures

### ***Retail/Office***

- Hardee's, BP C-store, Times Oil office, a new mixed-use development
- Country Market and Exxon C-store

### ***Government/Other***

- Town of Maiden Volunteer Fire Department
- Liberty Baptist Church
- Cedar Grove Baptist Church

**Market Area (continued)**

***Open Land/Farm Land***

- two 2.5-acre shovel-ready parcels in the SEQ of Exit 33 (one of which is Potential Site #1, the Hardee's parcel)
- 25 acres of raw, subdividable land in the NEQ of Exit 33 (two acres of which constitute Potential Site #2, the Cansler parcel)
- Land/farm for sale – immediately north of US 321 off ramp, in the NEQ of Exit 33
- Land banked by Apple for future development in the SEQ and SWQ of Exit 33

Comment: While the overall Catawba County-Lincolnton lodging market has 25 hotels comprising 2,247 rooms ranging from economy to upscale, neither Newton nor Maiden nor the subject Exit 33 market area has a lodging facility.

## **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: STR, the Bureau of Economic Analysis, and the Federal Reserve Bank of Philadelphia.

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

The U.S. economy expanded 2.3% in 2017, an increase in pace from 2016, which increased 1.5%. While Q3 of 2017 reached a 3.2% high point for the year, Q4 growth tapered to a seasonally adjusted annualized rate of 2.6% due to a downturn in private inventory investments and a steep rise in imports. GDP expanded 2.3% in 2017, led by increases in personal consumption expenditures, non-residential fixed investment, and exports. According to the Q4 Survey of Professional Forecasts, GDP growth for 2018 is expected to increase to 2.5%.

The year 2017 illustrated continued steady growth in the lodging industry. Despite concerns of occupancy slippage due to increasing supply growth, demand levels continued to maintain pace with supply. Concerns of overbuilding appear tempered as new construction starts are beginning to subside. With record occupancy levels across the country, average daily room rates are continuing to grow, but only at inflationary levels.

Hospitality industry performance is expected to remain steady for 2018 as new supply continues to be absorbed in the market. However, with the implementation of new U.S. travel policies, international visitations reportedly declined in 2017. Nevertheless, domestic air travel continues at record levels with several major airports expanding and air carriers adding routes to accommodate the travel demand.

Disposable income continues to rise, suggesting that the population has the financial means to spend more on leisure activities. The recent tax reform act is anticipated to have a positive impact on business investment, company expansions and employee compensation, all of which bodes well for future demand growth for hotels and resorts.

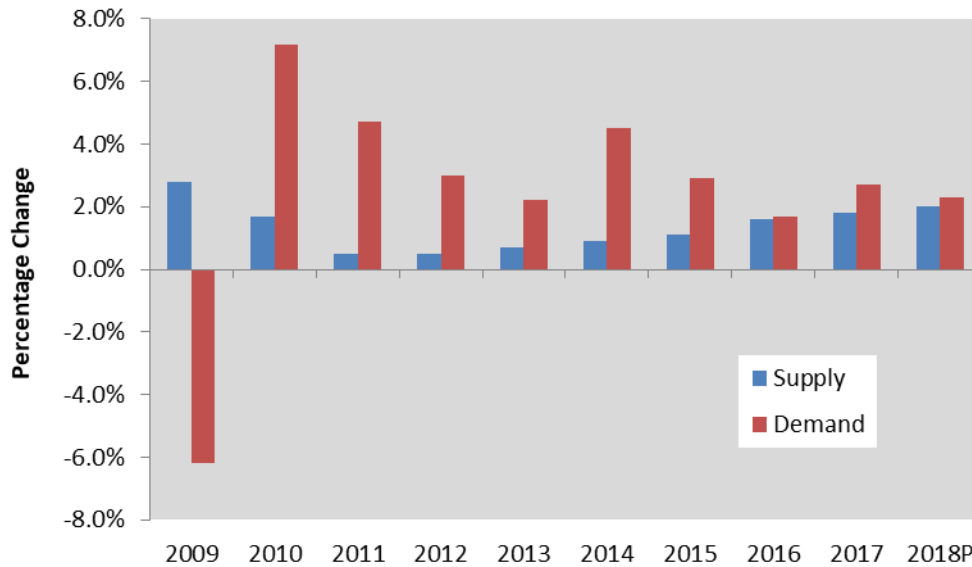
### *Room Supply and Demand*

In 2017, STR reported the industry outperformed projections and reached record-breaking levels across all key metrics, including occupancy, average daily rate (ADR), revenue per available room (RevPAR), available rooms, occupied rooms, and room revenue. Demand growth, which had outpaced supply growth for seven consecutive years, initially was projected by STR to lag supply growth in 2017 and result in a year-over-year -0.3% decrease. However, late-year demand growth was boosted by post-hurricane business in the Greater Houston area and several major Florida markets and resulted in an actual occupancy increase of 0.9%.

Annual supply growth increased from 1.6% in 2016 to 1.8% in 2017. While this is the highest supply increase since 2010, 1.8% annual growth is in-line with the long-term average. Supply is expected to continue to accelerate through 2018 with year-over-year growth estimated at 2.0%. However, with new hotel construction showing signs of a slowdown, supply growth is expected to taper off in 2019 to approximately 1.9%.

Demand growth in the hotel industry increased from 1.7% in 2016 to 2.7% in 2017. While overall occupancy levels remained high but relatively flat in 2017, travel from abroad continues to be affected by the strength of the U.S. dollar as well as by more stringent international travel policies instituted by the government. STR projects demand growth to slow in 2018 and 2019 to 2.3% and 2.0%, respectively. Nevertheless, demand is forecast to outpace supply in 2018 and 2019 and result in occupancy gains of +0.3% and +0.1%, respectively, thus setting new record levels. The following graph illustrates the differences between supply and demand growth in the lodging industry as a whole over the past 10 years.

### Lodging Industry Supply and Demand Growth



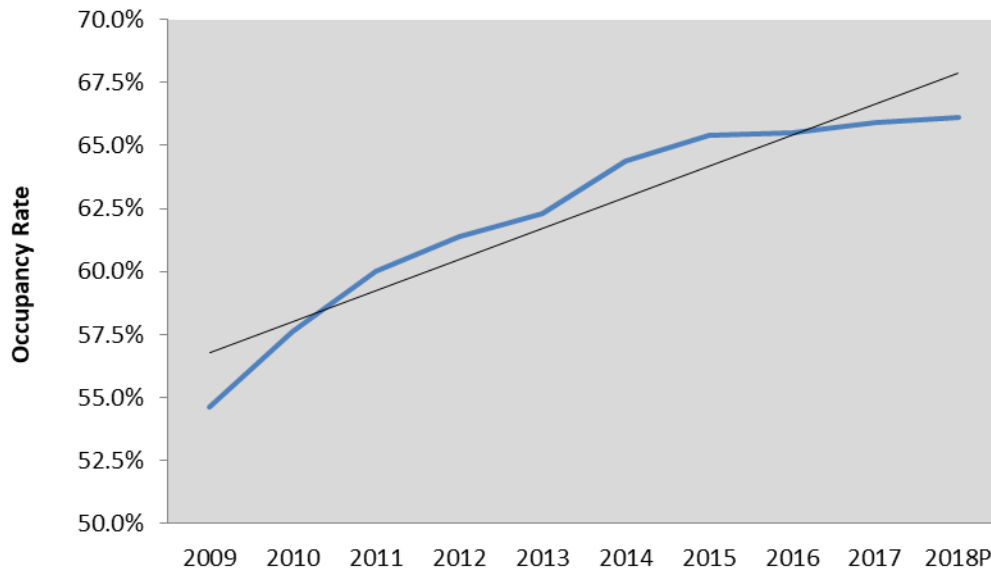
Source: STR

As illustrated in the above bar graph, demand growth rates have outpaced supply growth rates since the back-end of the financial crisis in 2009, reaching a high of 7.2% in 2010 and a low of 1.7% in 2016. Demand grew 2.7% in 2017 and STR projects demand growth to slow to 2.3% in 2018 with supply increasing 2.0%.

### 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 in 2015 to 65.6%, its highest level since 1995. After remaining relatively flat in 2016, due in part to election-year uncertainty, in 2017 the national occupancy rate improved to 65.9%, a new record.

### National Occupancy Rates



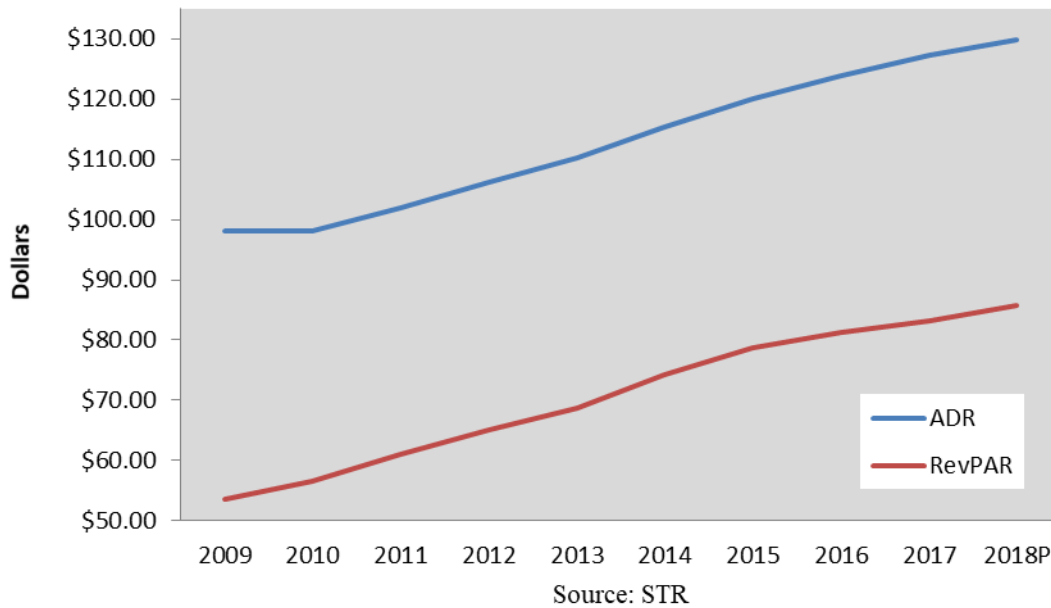
Source: STR

STR forecasts modest occupancy growth of 0.3% to 66.1% in 2018 from 65.9% in 2017. Occupancy is expected to remain relatively flat in 2019, with a modest increase of 0.1% to 66.2%.

### *ADR and RevPAR*

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 chain scales from midscale to luxury hotels. In 2016, ADR growth slowed to 3.1% versus the 4.4% growth it posted in 2015 and resulted in RevPAR growth nearly half of 2015's at 3.2%.

Through December 2017, RevPAR for the U.S. has increased for 94 consecutive months. The inflationary growth in ADR and RevPAR has indicated to analysts that the industry is at a mature level, with supply and demand growth in balance at the current time. For 2017, STR reported national ADR and RevPAR increases of 2.1% and 3.0% to  $\pm$ \$127 and  $\pm$ \$84, respectively. The following table illustrates this trend.

**National ADR and RevPAR**

STR forecasts 2018 ADR to increase 2.4% to  $\pm$ \$130, resulting in a RevPAR increase of 2.7% to  $\pm$ \$86. For 2019, STR estimates ADR to grow 2.3%, reaching  $\pm$ \$133 at a RevPAR of  $\pm$ \$88.

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

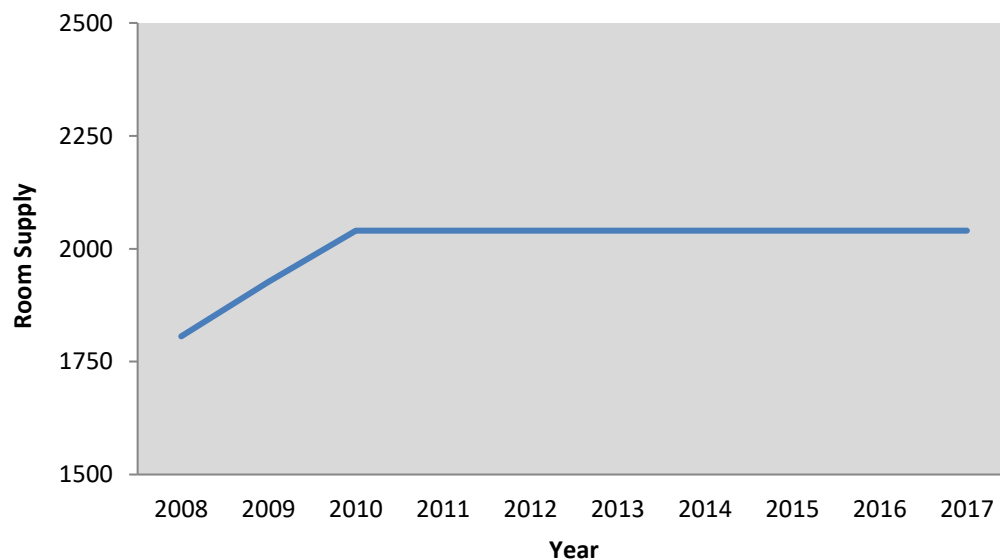
The following paragraphs give an overview of the current and historical market conditions to *infer* future supply and demand conditions.

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

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

### ***Historical Supply***

As indicated by the following graph, rooms supply over the past decade within the Catawba County-Lincolnton lodging market has increased by a very modest compound annual growth rate of 1.4%, with the most recent supply increases occurring December 2014 and December 2009 with the opening of the 113-room Hilton Garden Inn and 121-room Hampton Inn, respectively, both in the southeast quadrant of Interstate 40 Exit 125 in Hickory.





*Existing Supply*

The overall Catawba County-Lincolnton lodging market currently comprises 25 hotels offering 2,247 rooms and representing economy through upscale classes (chain scales).

**Catawba County-Lincolnton Lodging Market**

<b>Property</b>	<b>City/ST</b>	<b>Rooms</b>	<b>Chain Scale</b>
Claremont Inn & Suites	Claremont, NC	60	Economy Class
Affordable Suites Conover Hickory	Conover, NC	43	Economy Class
Holiday Inn Express & Suites Conover	Conover, NC	92	Upper Midscale Class
Days Inn Conover	Conover, NC	58	Economy Class
La Quinta Inns & Suites Hickory	Conover, NC	107	Midscale Class
Hilton Garden Inn Hickory	Hickory, NC	113	Upscale Class
Hampton Inn Hickory	Hickory, NC	121	Upper Midscale Class
Courtyard Hickory	Hickory, NC	140	Upscale Class
Baymont Inn & Suites Hickory	Hickory, NC	60	Midscale Class
Days Inn & Suites Hickory	Hickory, NC	100	Economy Class
Fairfield Inn & Suites Hickory	Hickory, NC	108	Upper Midscale Class
The Gateway Center Hotel	Hickory, NC	109	Economy Class
Sleep Inn Hickory	Hickory, NC	98	Midscale Class
Best Western Hickory	Hickory, NC	118	Midscale Class
Royal Inn	Hickory, NC	31	Economy Class
Quality Inn Convention Center Hickory	Hickory, NC	116	Midscale Class
Red Roof Inn Hickory	Hickory, NC	108	Economy Class
Crowne Plaza Hickory	Hickory, NC	198	Upscale Class
Holiday Inn Express Hickory Mart	Hickory, NC	86	Upper Midscale Class
Regency Express Inn	Hickory, NC	64	Economy Class
Budget Inn Express	Hickory, NC	86	Economy Class
Fran Mar Motel	Hickory, NC	24	Economy Class
Hampton Inn Lincolnton	Lincolnton, NC	71	Upper Midscale Class
Quality Inn Lincolnton	Lincolnton, NC	74	Midscale Class
Days Inn Lincolnton	Lincolnton, NC	62	Economy Class
<b>Total</b>		<b>2,247</b>	

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, the following four hotels offered room rates and amenities similar to those being recommended for the proposed hotel.

### Competitive Set

Property	City/ST	Rooms	Chain Scale
Hampton Inn Lincolnton	Lincolnton, NC	71	Upper Midscale Class
Hampton Inn Hickory	Hickory, NC	121	Upper Midscale Class
Holiday Inn Express & Suites Conover	Conover, NC	92	Upper Midscale Class
Fairfield Inn & Suites Hickory	Hickory, NC	108	Upper Midscale Class
Holiday Inn Express Hickory Mart	Hickory, NC	86	Upper Midscale Class
Total		478	

Salient information about the competitive set compiled from our research and interviews with hoteliers and tourism officials is included in the section below, followed by a map depicting the location of each primary competitor and relative to recommended potential sites #1 and #2.

#### Competitive Supply Comparable 1



The Hampton Inn Lincolnton is located at 129 Roper Drive, Lincolnton. Opened in 2011, this upper-midscale property is in good condition and offers 71 guestrooms. Amenities include a meeting room, business center, outdoor swimming pool, fitness center, and a complimentary hot breakfast buffet. For the most recent 12-month period it is estimated the property attained an occupancy rate of 65-70% at an average daily rate of \$90-\$95.

#### Competitive Supply Comparable 2



The Hampton Inn Hickory is located at 1956 13<sup>th</sup> Avenue Drive SE, Hickory. Opened in 2009, this upper-midscale property is in good condition and offers 121 guestrooms. Amenities include a meeting room, business center, indoor swimming pool, fitness center, coin laundry, sundry shop, and a complimentary hot breakfast. For the most recent 12-month period it is estimated the property attained an occupancy rate of 70-75% at an average daily rate of \$120-125.

**Competitive Supply Comparable 3**

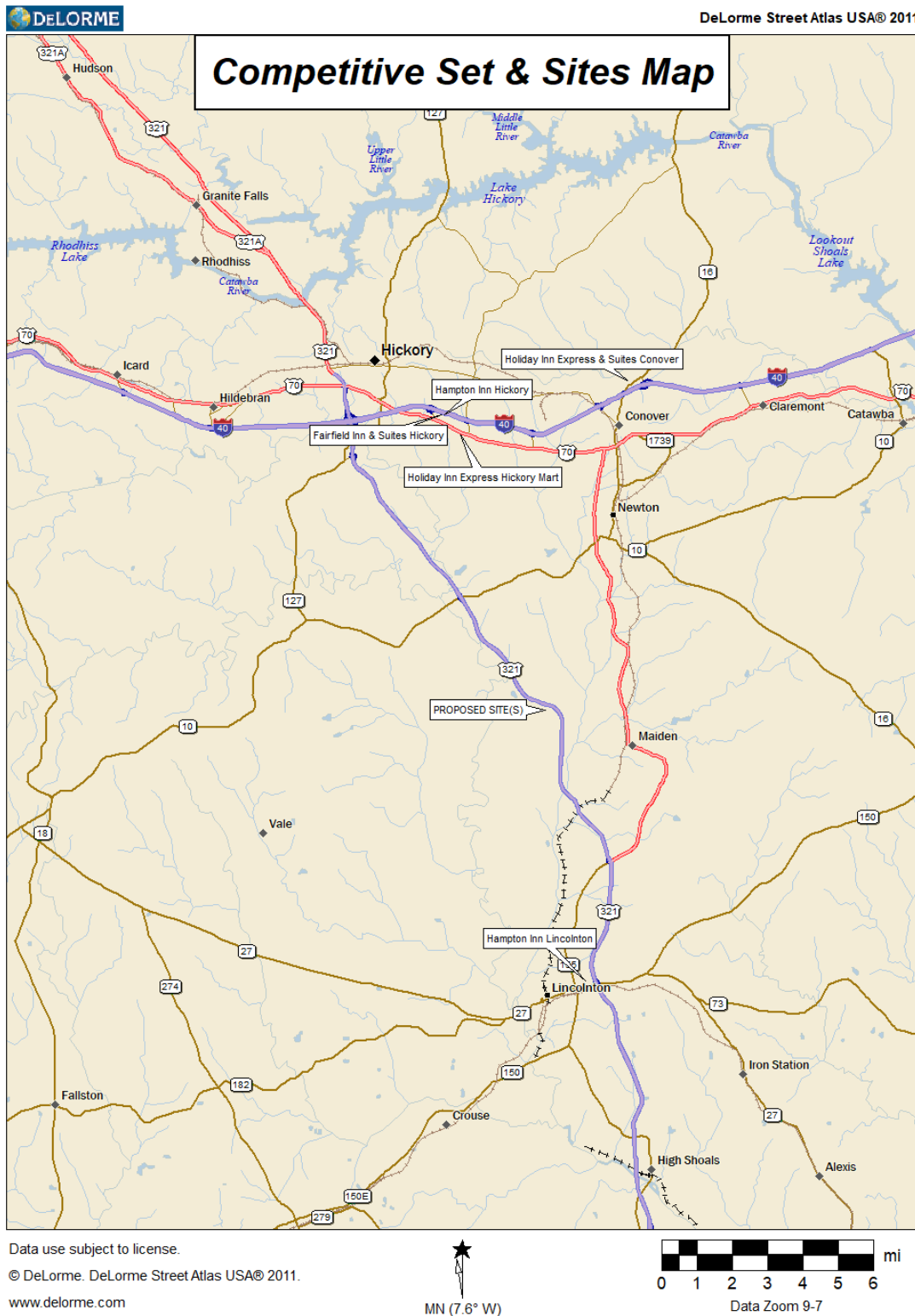
This Holiday Inn Express Hickory Mart is located at 2250 US Highway 70 SE, Hickory. Opened in 1981, this aging upper-midscale property is in average condition and offers 86 guestrooms. Amenities include a business center, fitness center, sundry shop, and complimentary breakfast buffet. For the most recent 12-month period it is estimated the property attained an occupancy rate of 65-70% at an average daily rate of \$115-120.

**Competitive Supply Comparable 4**

The Fairfield Inn & Suites Hickory is located at 1950 13<sup>th</sup> Avenue Drive SE, Hickory. Opened in 1996, this upper-midscale property is in average condition and offers 108 guestrooms. Amenities include a meeting room, business center, indoor swimming pool, fitness center, sundry shop, and a complimentary breakfast buffet. For the most recent 12-month period it is estimated the property attained an occupancy rate of 70-75% at an average daily rate of \$120-125.

**Competitive Supply Comparable 5**

This Holiday Inn Express & Suites Conover is located at 104 10<sup>th</sup> Street NW, Conover. Opened in 1998, this location-challenged upper-midscale property is in average condition and offers 92 guestrooms. Amenities include a meeting room, business center, outdoor swimming pool, fitness center, and a complimentary breakfast buffet. For the most recent 12-month period it is estimated the property attained an occupancy rate of 55-60% at an average daily rate of \$100-105.



### *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 business owners/managers and representatives of the Town of Maiden, Catawba County Economic Development Corporation, and other public officials, no known additions to the Catawba County-Lincolnton market—other than the potential addition of the proposed subject hotel—are contemplated at this time. Accordingly, only the proposed subject hotel, which is considered to be in the exploratory stages, will be added to our supply forecast. The following table depicts only the absorption of the proposed subject hotel.

<b>Fiscal Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022+</b>
Room Night Supply	174,470	174,470	180,858	200,020	200,020
Growth	0.0%	0.0%	3.7%	10.6%	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.

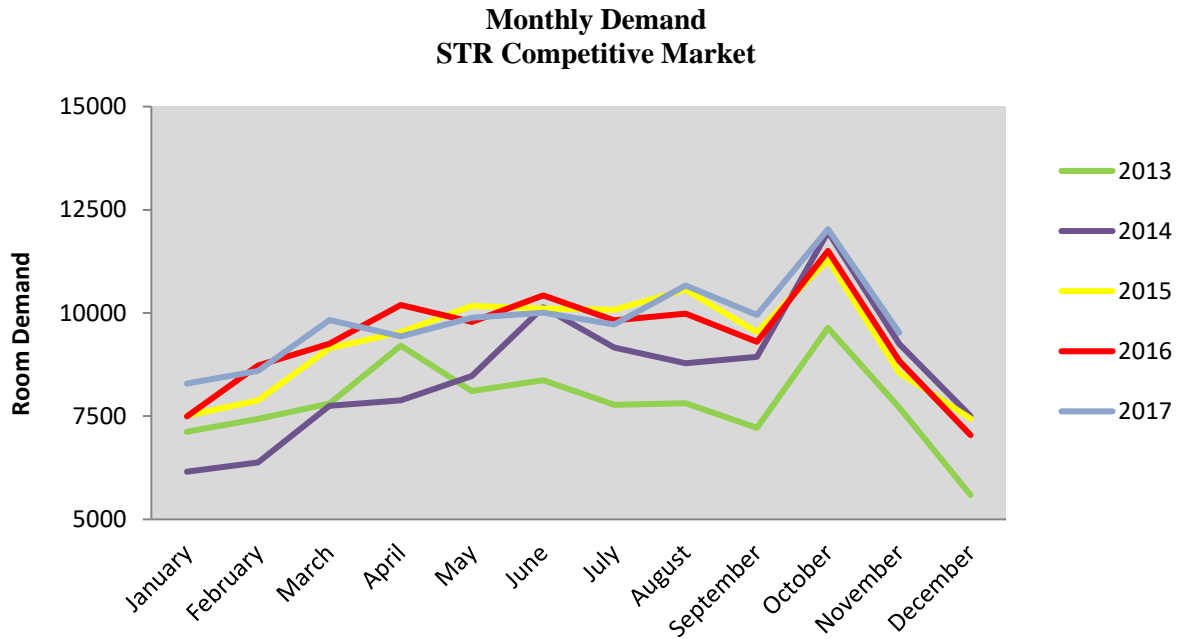
#### *Historical Demand/Market Seasonality*

According to our interviews and the Custom STR Trend Report, room night demand among competitors is strongest midweek (Monday-Thursday) from January through November—11 months. It is noted Tuesdays are especially strong demand nights—occupancy rates exceed 80% nine of twelve months, or 75% of the time. During the month of October 2017, the primary attendance month of the twice-annual High Point Market and Pre-Market, occupancy rates Monday through Saturday ranged from a low of 81.8% to a high of 92.2%.

Room night demand over the past five years (2013-2017, inclusive) has increased annually at an average rate of 3.7%, from 96,921 in base year 2012 to 115,497 in 2017. During this same period, supply increased 1.3%, from 164,980 available room nights in base year 2012 to 174,470 in 2017, resulting in an average occupancy rate change of +2.4%.

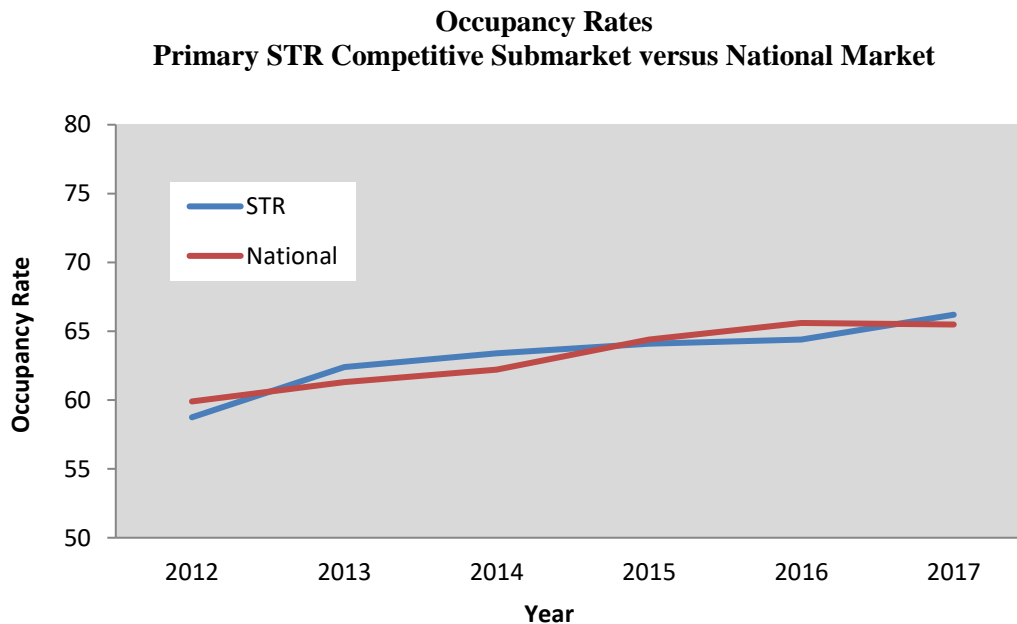


The following chart depicts historical room night demand for the primary STR competitive set annually from January 2013 through December 2017.



Source: Shamrock Capital and STR

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



Source: Shamrock Capital and STR

Historically, 2012 through 2017, the STR competitive submarket has performed at a level consistent with the national average, diverging in a very tight and negligible range from -2.6 percentage points in base year 2012 to +0.3 percentage points in 2017. In other words, the occupancy rates in the competitive submarket closely mirror those of the national lodging market,

### *Existing Demand*

The following section will now analyze the market's existing demand on the basis of the competitors' ability to penetrate the market and their existing demand mix or accommodated demand.

### Market Penetration

Market penetration is calculated by dividing the property's actual market share by its fair share. The actual market share is the percentage of one lodging facility's occupied room nights divided by the total occupied room nights in the identified market. A fair share percentage is calculated by dividing one lodging facility's available rooms by the total available rooms of all competitors. From this formula, the following chart shows the overall penetration ranges of the competitors.

#### **Competitive Supply Penetration Rates – TTM 2018**

<b>Comp.</b>	<b>Property</b>	<b>Available Room Nts</b>	<b>Penetration Range</b>
1	Hampton Inn Lincolnton	25,915	95 - 100%
2	Hampton Inn Hickory	44,165	100 - 105%
3	Holiday Inn Express Hickory Mart	31,390	95 - 100%
4	Fairfield Inn & Suites Hickory	39,420	100 - 105%
5	Holiday Inn Expr & Stes Conover	33,580	90 - 95%
Total/Average		174,470	100%

The competitive set exhibited percentage penetration levels from the low-90s to the low-105s for the most recent twelve-month period. The Hampton Inn Hickory and Fairfield Inn & Suites Hickory had the highest penetration levels followed the Hampton Inn Lincolnton and Holiday Inn Express & Suites Hickory Mart. Lagging the aforementioned is the Holiday Inn Express & Suites Conover, which performed slightly below par.

### *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 local hotels are filled. These travelers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area. Because this demand did not yield occupied room nights, it is not included in our earlier estimate of historical accommodated room night demand. If additional lodging facilities are expected to enter the market, it is reasonable to assume that these guests will be able to secure hotel rooms in the future, and it is therefore necessary to quantify this demand.

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 many nights during the year. This unaccommodated demand may be quantified by looking at the number of days occupancy is in excess of the 80<sup>th</sup> percentile.

According to STR data, the local market exhibited unaccommodated demand in 21 of 84 periods (7 days and 12 months) or about 25% of the time. Based on this information, we have forecast an additional 15% of the room supply during these periods as previously unaccommodated demand, which equates to 6,543 room nights.

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 who 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.

In addition to cannibalizing a fair amount of Maiden-centric commercial demand from similar hotels 10+ miles north in Hickory-Conover or nine miles south in Lincolnton, an upper-midscale hotel conveniently located at the US 321-Startown Road interchange may induce significant demand by offering Maiden-area businesses a competitive lodging alternative without the twice-daily commute. However, it is noted a significant challenge to inducing transient commercial demand is the lack of casual or fine dining restaurants in Maiden.



Based on our research and interviews, construction projects underway and planned by Apple in Maiden are expected to take seven to ten years to complete. Accordingly, significant numbers of people are commuting several miles away to The Legends Luxury Apartments in Hickory or to less expensive apartments and rooms in the area. It is noted that a hotel located within a mile of Apple Data Center and offering weekly rates, complimentary breakfast and full kitchens in some or all of its rooms will induce demand from a considerable number of *per diem* and non *per diem* personnel who are temporarily assigned to work on one or more Apple expansion projects, including project consultants, engineers, subcontractors, construction managers, foremen, mechanics, electricians, plumbers, equipment operators, skilled technicians, installers and work crews.

Based on a visible and easily accessible location at Exit 33 along US 321 and its proximity to significant Maiden-centric demand generators, the proposed subject hotel is expected to induce demand equivalent to 15% of its room supply or 3,833 room nights.

Market Growth – The STR data reveals room night demand has increased at a compound annual rate of 3.7% over the five twelve-month periods ending December 2017, with the two strongest growth years being 9.2% each in 2014 and 2015. Considering demand increased 2.8% in 2017 versus 2016 and noting January 2018 demand is up 2.3% over January 2016, we have forecast market demand to increase by a modest 3.0% annually in fiscal years 2019, 2020 and 2021 and stabilize thereafter for the remainder of the projection period.

Summary – Using our projections for room night demand along with the previously discussed competitive supply forecast, the resulting market occupancy is calculated in the table below. The table indicates that market occupancy is expected to increase by 3.0% in Fiscal 19 to an occupancy rate of 68.4%. In Fiscal 20, with the assumed addition to supply of the proposed subject 70-room hotel, market occupancy is expected to increase by a more modest 1.5% to 69.4%, and in Fiscal 21 market occupancy is forecast to decrease by -1.3% to stabilize throughout the remainder of the projection period at 68.5% as the subject is accepted into the market.

<b>Fiscal Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023+</b>
Room Night Supply	174,470	180,858	200,020	200,020	200,020
<b>Percent Change-Supply</b>	<b>0.0%</b>	<b>3.7%</b>	<b>10.6%</b>	<b>0.0%</b>	<b>0.0%</b>
Room Night Demand	119,384	125,560	137,108	137,108	137,108
Growth					
Unaccommodated	0	1,636	4,907	0	0
Induced	0	958	2,874	0	0
Market	3,477	3,582	3,767	0	0
Total Growth	3,477	6,175	11,548	0	0
<b>Percent Change-Demand</b>	<b>3.0%</b>	<b>5.2%</b>	<b>9.2%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Market Occupancy</b>	<b>68.4%</b>	<b>69.4%</b>	<b>68.5%</b>	<b>68.5%</b>	<b>68.5%</b>

*Demand Forecast-Proposed Subject*

Based on our research and interviews, an upper-midscale hotel located along US 321 at Exit 33 in Maiden will compete effectively with other hotels in the broader market due to its superior proximity to such Maiden-centric demand generators as Apple Data Center and Solar Farm, Turner Construction and three of Catawba County’s Top 10 manufacturers—GKN Driveline, Ethan Allen and McCreary Modern; and its proximity to such strong Maiden-abutting demand generators as Lincoln County Industrial Park’s Aptar Group, ATD (American Tire Distributors), Cataler (Toyota) NA, Crate & Barrel, Henkel, Kaco USA, Keller Logistics, Master Power/Borghetti Turbos NA, MedLine, Room & Board, RSI Home Products, UPG (United Plate Glass), and Walking Company Holdings.

Based on our interviews, a well-situated, nationally-affiliated hotel brand will meet the needs of transient-leisure travelers along US 321 and, more significantly, the needs of an increasingly strong transient-commercial segment of demand. Depending on the concept selected, the proposed subject hotel could capture a significant amount of under-accommodated extended-stay demand, especially as over \$1 billion in expansion activity by Apple and Turner Construction already has been approved. Based on the proposed subject’s location in an expanding and under-served market, and based on its relatively small room count, the proposed hotel has been forecast to penetrate the competitive market at 95% in Year 1 and stabilize above par in at 105% penetration Year 2 and throughout the remainder of the projection period, as illustrated below.

**Five-Year Occupancy Forecast – Proposed Subject**

<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	193,633	200,020	200,020	200,020	200,020
Room Night Demand	131,334	137,108	137,108	137,108	137,108
<b>Market Occupancy</b>	<b>67.8%</b>	<b>68.5%</b>	<b>68.5%</b>	<b>68.5%</b>	<b>68.5%</b>
Growth	- - -	4.4%	0.0%	0.0%	0.0%
Subject Room Night Demand	16,463	18,389	18,389	18,389	18,389
Subject Penetration	95.0%	105.0%	105.0%	105.0%	105.0%
<b>Subject Occupancy</b>	<b>64.4%</b>	<b>72.0%</b>	<b>72.0%</b>	<b>72.0%</b>	<b>72.0%</b>
Growth	- - -	11.7%	0.0%	0.0%	0.0%

**Subject Average Daily Rate Projections**

To forecast the subject's average daily rate, we have developed the following table summarizing the ADR and RevPAR for the competitive set.

**Comparable ADR and RevPAR Rates**

<b>Comp.</b>	<b>Property</b>	<b>Rooms</b>	<b>Fiscal Year 2018</b>	
			<b>ADR</b>	<b>RevPAR</b>
1	Hampton Inn Lincolnton	71	\$90 - \$95	\$100 - \$105
2	Hampton Inn Hickory	121	\$120 - \$125	\$95 - \$100
3	Holiday Inn Express Hickory Mart	86	\$115 - \$120	\$100 - \$105
4	Fairfield Inn & Suites Hickory	108	\$120 - \$125	\$85 - \$90
5	Holiday Inn Expr & Stes Conover	92	\$100 - \$105	\$100 - \$105
Total/Average (rounded)		478	\$112	\$75

The competitive set offered estimated average daily rates in the most recent twelve-month period that ranged from the low \$90s to the mid \$120s and averaged \$112 per occupied room night. Based on the above information and the rack rates of the primary competitors, noting the subject will be a new, upper-midscale hotel, we have forecast a Year 1 ADR for the subject of \$110 with 3.0% increases annually thereafter throughout the remainder of the projection period.

Based on the proposed subject's competitive position in the market as a limited-service hotel in the upper-midscale segment, and noting its proximity to US 321 and strong commercial demand generators, if the subject existed in today's market we estimate it would command a rate of approximately \$103.00 per night. Though the proposed upper-midscale hotel will represent new rooms supply, due to its location near such upscale commercial demand generators as Apple and Turner Construction, it is expected to successfully command competitive rates from the outset. The following table summarizes the historic growth rates of the national average and the primary STR competitive submarket.

**National versus Submarket Trends**

<b>Period</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>National ADR</b>	\$110.33	\$115.32	\$120.01	\$123.97	\$126.72
<b>Growth</b>	3.9%	4.6%	4.4%	3.1%	+2.1%
<b>STR ADR</b>	\$100.83	\$104.04	\$106.24	\$109.25	\$111.80
<b>Growth</b>	+2.8%	+3.2%	+2.1%	+2.6%	+2.3%

Source: STR and Shamrock Capital

Based on this trend and noting the national market has experienced steady ADR growth since 2013, we forecast market ADR to increase at a rate of 3.0% per year. Applying this growth rate to the previously forecast estimate in today's market, we estimate a Year 1 ADR of about \$110.00 per night with annual increases of 3.0% throughout the remainder of the projection period.

## **Internal Rate of Return**

This feasibility study estimates the internal rate of return on an investment in the proposed 70-unit prototype upper-midscale limited-service hotel. Fundamental to the estimates of operating results is an assumption of competent and efficient management at the property. Among the primary duties of management are the maintenance of the quality of the facility and the execution of appropriate marketing efforts.

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- or ownership-related and are not included in this operating forecast. These expenses consist of depreciation, interest expense, amortization, capital gains (losses) and income taxes.

### **Basis of Assumptions**

In order to accurately estimate the proposed subject's potential income, we have surveyed other upper-midscale limited-service hotels relative to their location, amenities, nearby restaurants, occupancy rates and average daily rates. 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 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 identifications of the comparable hotels are kept in the appraisers'/consultants' files.

## Comparable Hotel Operating Expenses

	Host Report 2017 <sup>1</sup>			Comparable A			Comparable B			Comparable C		
	%	(POR)	(/Room)	%	(POR)	(/Room)	%	(POR)	(/Room)	%	(POR)	(/Room)
<b>Revenues</b>												
Room Sales	97.8%	\$122.38	\$33,010	99.2%	\$103.34	\$22,368	97.8%	\$74.75	\$15,005	99.4%	\$108.79	\$26,286
Food and Beverage	0.0%	\$0.00	0	0.0%	\$0.00	0	0.0%	\$0.00	0	0.0%	\$0.00	0
Other Operated Departments	1.5%	\$1.85	500	0.0%	\$0.00	0	0.0%	\$0.01	2	0.0%	\$0.00	0
Net Rentals and Other Income	0.7%	\$0.85	230	0.7%	\$0.78	169	2.2%	\$1.69	339	0.6%	\$0.65	157
<b>Total Revenues</b>	100.0%	\$125.08	\$33,739	100.0%	\$104.12	\$22,537	100.0%	\$76.44	\$15,346	100.0%	\$109.44	\$26,443
<b>Departmental Expenses</b>												
Room Expense	25.0%	\$30.59	\$8,252	32.1%	\$33.22	\$7,190	27.8%	\$20.77	\$4,169	25.1%	\$27.35	\$6,608
Food and Beverage	---	\$0.00	\$0	0.0%	\$0.00	0	---	\$0.00	0	---	\$0.00	0
Other Operated Departments	171.8%	\$3.18	\$859	0.0%	\$1.84	399	3055.7%	\$0.32	64	---	\$1.71	413
<b>Undistributed Expenses</b>												
Administration & General	8.5%	\$10.63	\$2,869	6.5%	\$6.81	\$1,474	6.0%	\$4.57	\$917	8.9%	\$9.71	\$2,347
Sales & Marketing	12.0%	\$15.02	\$4,051	13.2%	\$13.71	2,968	17.4%	\$13.30	2,671	12.2%	\$13.38	3,234
Property Operation & Maintenance	4.6%	\$5.69	\$1,536	0.5%	\$0.57	123	4.6%	\$3.49	702	4.8%	\$5.21	1,258
Utilities	3.7%	\$4.64	\$1,251	4.7%	\$4.94	1,068	5.4%	\$4.16	836	4.4%	\$4.82	1,165
<b>Management Fees</b>	3.4%	\$4.22	\$1,137	4.4%	\$4.55	985	4.9%	\$3.74	750	4.0%	\$4.38	1,059
<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	4.3%	\$5.35	\$1,444	2.5%	\$2.58	558	3.3%	\$2.51	504	2.6%	\$2.86	692
Insurance	0.9%	\$1.17	\$317	0.5%	\$0.55	119	1.6%	\$1.20	242	1.7%	\$1.81	437
<b>Reserve for Replacement</b>	1.3%	\$1.58	\$425	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0
<b>Total Expenses</b>	65.6%	\$82.08	\$22,140	66.0%	\$68.76	\$14,883	70.7%	\$54.08	\$10,856	65.1%	\$71.24	\$17,213
<b>Net Operating Income<sup>2</sup></b>	34.4%	\$43.00	\$11,600	34.0%	\$35.36	\$7,654	29.3%	\$22.37	\$4,491	34.9%	\$38.20	\$9,230

NOTES:

<sup>1</sup> 2017 "Host Report," Upper Midscale Limited Service Hotels.

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

**Keegan Associates LLC**  
**dba Shamrock Capital**

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. If stabilization is projected to occur in a year other than Year 1, there will be some differences in the stabilized year income and expense statement in relation to the projected 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 departmental or total revenues.

We also have 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, other operated departments and rentals and other income.

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

There are two major factors to estimate when considering the room's 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 level 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.

#### ***Occupancy Rate***

As discussed in the Lodging Trends section of this report, we have estimated the projected room occupancy for the anticipated holding period. We have also identified the competitive supply in the market and related their operating statistics to the subject property. Based on this information, we have estimated that the subject property will attain a Year 1 occupancy rate of 64.4% and reach a stabilized level of operation in Year 2 at 72.0% occupancy. These estimates are based on the occupancy levels in the 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 obtain an estimated average daily rate of \$110.00 in Year 1, increasing 3% annually throughout the remainder of the projection period.

### *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 and premises rental. The beverage category covers the sale of beer, wine and other alcoholic beverages. Other than a complimentary breakfast, which is accounted for as an amenity under rooms expense, the subject will not have a food and/or beverage operation and no income has been forecast.

### *Other Operated Department Revenue*

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. As will be with the subject, many hotels no longer generate any other operated department revenue. Accordingly, no other operated department revenue has been forecast.

### *Rentals & Other Income*

Rentals and Other Income typically includes revenue from meeting rooms, sundry shop, movie rentals 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	0.7%	0.7%	2.2%	0.6%	1.3%
\$ POR	\$0.85	\$0.78	\$1.69	\$0.65	\$1.50
\$ Per Room	\$230	\$169	\$339	\$157	\$353



The proposed subject is projected to offer a sundry shop, vending machines and a coin-operated laundry facility. Based on the comparables, we have forecast rentals and other income in the amount of \$1.50 per occupied room night.

### ***Total Revenue***

Total revenue for Year 1 is projected at \$1,835,637 or \$111.50 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 and beverage and minor operated departments. Each applicable category will be analyzed below.

#### ***Rooms***

Consistent with 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	25.0%	32.1%	27.8%	25.1%	25.0%
\$ POR	\$30.59	\$33.22	\$20.77	\$27.35	\$27.50
\$ Per Room	\$8,252	\$7,190	\$4,169	\$6,608	\$6,468

Based on the expense of the comparables, we anticipate a rooms expense rate of 25.0% of departmental revenue.

### *Food and Beverage Expenses*

As previously mentioned, other than a complimentary breakfast, which is accounted for as an amenity under rooms expense, the subject will not have a food and/or beverage operation and no expense 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 subject, these expenses will be attributable solely to its administrative and complimentary Wi-Fi and telecommunication 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	171.8%	0.0%	3055.7%	---	---
\$ POR	\$3.18	\$1.84	\$0.32	\$1.71	\$1.49
\$ Per Room	\$859	\$399	\$64	\$413	\$350

Based on the expense of the comparables, considering the proposed subject's relatively small number of rooms, we have forecast the Wi-Fi and telecommunication expense at \$350 per room.

### *Undistributed Operating Expenses*

Undistributed operating expenses consist of administrative and general, sales and marketing, property operation/maintenance and utilities. 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	8.5%	6.5%	6.0%	8.9%	8.5%
\$ POR	\$10.63	\$6.81	\$4.57	\$9.71	\$9.48
\$ Per Room	\$2,869	\$1,474	\$917	\$2,347	\$2,229

Based on the expense of the comparables, and considering the proposed subject's comparatively high ADR, we have forecast an administrative and general expense of 8.5% 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	12.0%	13.2%	17.4%	12.2%	11.8%
\$ POR	\$15.02	\$13.71	\$13.30	\$13.38	\$13.80
\$ Per Room	\$4,051	\$2,968	\$2,671	\$3,234	\$3,246

The proposed hotel is projected to be affiliated with a national upper-midscale limited-service brand in order to take advantage of its 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 9.0% of room revenue. Additionally, we have forecast a combined franchise rewards/local marketing expense of 3.5% of total revenue for a total sales and marketing expense of approximately 11.8% 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	4.6%	0.5%	4.6%	4.8%	3.0%
\$ POR	\$5.69	\$0.57	\$3.49	\$5.21	\$3.35
\$ Per Room	\$1,536	\$123	\$702	\$1,258	\$787

Considering this expense category often includes some capital expenditures, and noting we have used a replacement reserve of 4.0% later in this analysis, we have forecast a property operation and maintenance cost of 3.0% of total revenue, acknowledging the proposed subject will be new construction with equipment warranties.

### *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	3.7%	4.7%	5.4%	4.4%	4.2%
\$ POR	\$4.64	\$4.94	\$4.16	\$4.82	\$4.68
\$ Per Room	\$1,251	\$1,068	\$836	\$1,165	\$1,100

Based on the expense of the comparables, we have forecast an energy expense of \$1,100 per room or about \$4.68 per occupied room night.

***Management Fees***

In the hotel management industry, a management fee of 3.0% to 7.0% of total revenues is typical for providing a brand name and management experience. Fees paid to second-tier management companies that provide management experience but no brand identity range from 2.0% to 3.0%. Recognizing the proposed size of the subject and the market in which it will operate, we have forecast 3.0% of total revenue as a reasonable market-oriented management fee. This reflects the need for professional and adaptable management.

***Fixed Expenses***

The fixed charges within this category include rent, taxes and insurance premiums.

***Rent***

The proposed subject is projected to be owned in Fee Simple and no rent deduction is required.

***Real Property Taxes***

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

Estimated Land Cost	\$650,000
Estimated Building Cost w/o FF&E	<u>\$5,876,963</u>
Estimated Taxable Valuation (FMV or Cost)	\$6,526,963
Tax Rate per \$100 <sup>1</sup>	<u>\$0.955</u>
<b>Projected Year 1 Real Estate Tax Liability</b>	<b><u>\$56,125</u></b>

<sup>1</sup> Comprises county and township tax rates.

***Personal Property Taxes***

Business personal property is assessed in Catawba County based on 100% of original cost and depreciated per the North Carolina Department of Revenue schedule thereafter to a minimum of 15% of original cost. Using an original cost estimate of \$1,120,000, or approximately \$16,000 per room, and applying the current tax rate to the Year 1 depreciated value of 83% of the original cost, the proposed hotel's Year 1 personal property tax liability is projected to be **\$8,878**.

***Total Property Taxes***

Combining with the previously calculated real and personal property tax projections, the subject's total Year 1 tax liability is estimated at **\$65,003**.

### *Insurance*

Insurance expenses included under fixed charges represent insurance premiums 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	0.9%	0.5%	1.6%	1.7%	1.0%
\$ POR	\$1.17	\$0.55	\$1.20	\$1.81	\$1.31
\$ Per Room	\$317	\$119	\$242	\$437	\$350

Based on the expense of the comparables, we have forecast an insurance expense of \$350 per room, or \$24,500.

### *Replacement Reserves*

An expensive component of the operation of an upper midscale limited-service property such as the subject is the maintenance of quality case goods, carpeting, bedding, public area furnishings, fitness equipment and other short-lived items. As the subject property will be catering mainly to repeat commercial clientele able to afford and insist upon well-maintained accommodations, we have used a replacement reserve of 4.0% of total revenues throughout the projection period.

### *Total Expenses*

Incorporating all of the expense estimates outlined previously into the operating statement, total expenses equal \$1,210,563 or 65.9% 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 \$625,074 to include deductions for a replacement reserve.

**Year 1 Operating Forecast**  
**Proposed Upper-Midscale Limited-Service Hotel**  
**Maiden, North Carolina**

Number of Rooms				70
Available Room Nights				25,550
Occupancy Rate				64.4%
Occupied Room Nights				16,463
Average Daily Rate {ADR}				\$110.00
<b>Revenues</b>				
Rooms	\$1,810,943	98.7%	\$110.00	\$25,871
Food & Beverage	0	0.0%	0.00	0
Other Operated Departments	0	0.0%	0.00	0
Rentals & Other Income	24,695	1.3%	1.50	353
Other	0	0.0%	0.00	0
<b>Total Revenues</b>	<b>\$1,835,637</b>	<b>100.0%</b>	<b>\$111.50</b>	<b>\$26,223</b>
<b>Department Expenses</b>				
Rooms	\$452,736	25.0%	\$27.50	\$6,468
Food & Beverage	0	0.0%	0.00	0
Other Operated Departments	24,500	- - -	1.49	350
Miscellaneous	0	0.0%	0.00	0
<b>Total Department Expenses</b>	<b>\$477,236</b>	<b>26.0%</b>	<b>\$28.99</b>	<b>\$6,818</b>
<b>Total Department Income</b>	<b>\$1,358,402</b>	<b>74.0%</b>	<b>\$82.51</b>	<b>\$19,406</b>
<b>Undistributed Operating Expenses</b>				
Administrative & General	\$156,029	8.5%	\$9.48	\$2,229
Sales & Marketing	227,232	12.4%	13.80	3,246
Property Operation & Maintenance	55,069	3.0%	3.35	787
Utilities	77,000	4.2%	4.68	1,100
<b>Total Undistributed Expenses</b>	<b>\$515,330</b>	<b>28.1%</b>	<b>\$31.30</b>	<b>\$7,362</b>
<b>Gross Operating Profit</b>	<b>\$843,071</b>	<b>45.9%</b>	<b>\$51.21</b>	<b>\$12,044</b>
<b>Management Fees</b>	<b>55,069</b>	<b>3.0%</b>	<b>3.35</b>	<b>787</b>
<b>Income Before Fixed Expenses</b>	<b>\$788,002</b>	<b>42.9%</b>	<b>47.86</b>	<b>11,257</b>
<b>Fixed Expenses</b>				
Rent	\$0	0.0%	\$0.00	\$0
Property & Other Taxes	65,003	3.5%	3.95	929
Insurance	24,500	1.3%	1.49	350
<b>Total Fixed Expenses</b>	<b>\$89,503</b>	<b>4.9%</b>	<b>\$5.44</b>	<b>\$1,279</b>
<b>Replacement Reserve</b>	<b>\$73,425</b>	<b>4.0%</b>	<b>\$4.46</b>	<b>\$1,049</b>
<b>Total Expenses</b>	<b>\$1,210,563</b>	<b>65.9%</b>	<b>\$73.53</b>	<b>\$17,294</b>
<b>Net Operating Income</b>	<b>\$625,074</b>	<b>34.1%</b>	<b>\$37.97</b>	<b>\$8,930</b>

**Cash Flow Projection**  
**Proposed Upper-Midscale Limited-Service Hotel**  
**Maiden, North Carolina**

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Number of Rooms	70	70	70	70	70	70	70	70
Available Room Nights	25,550	25,550	25,550	25,550	25,550	25,550	25,550	25,550
Occupancy Rate	64.4%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%	72.0%
Occupied Room Nights	16,463	18,389	18,389	18,389	18,389	18,389	18,389	18,389
Average Daily Rate {ADR}	\$110.00	\$113.30	\$116.70	\$120.20	\$123.81	\$127.52	\$131.35	\$135.29
<b>Revenues</b>								
Rooms	\$1,810,943	\$2,083,523	\$2,146,029	\$2,210,410	\$2,276,722	\$2,345,024	\$2,415,375	\$2,487,836
Food & Beverage	0	0	0	0	0	0	0	0
Other Operated Departments	0	0	0	0	0	0	0	0
Rentals & Other Income	24,695	28,412	29,264	30,142	31,046	31,978	32,937	33,925
Other	0	0	0	0	0	0	0	0
<b>Total Revenues</b>	<b>\$1,835,637</b>	<b>\$2,111,935</b>	<b>\$2,175,293</b>	<b>\$2,240,552</b>	<b>\$2,307,768</b>	<b>\$2,377,001</b>	<b>\$2,448,312</b>	<b>\$2,521,761</b>
<b>Department Expenses</b>								
Rooms	\$452,736	\$520,881	\$536,507	\$552,602	\$569,181	\$586,256	\$603,844	\$621,959
Food & Beverage	0	0	0	0	0	0	0	0
Other Operated Departments	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132
Miscellaneous	0	0	0	0	0	0	0	0
<b>Total Department Expenses</b>	<b>\$477,236</b>	<b>\$546,116</b>	<b>\$562,499</b>	<b>\$579,374</b>	<b>\$596,756</b>	<b>\$614,658</b>	<b>\$633,098</b>	<b>\$652,091</b>
<b>Total Department Income</b>	<b>\$1,358,402</b>	<b>\$1,565,819</b>	<b>\$1,612,794</b>	<b>\$1,661,178</b>	<b>\$1,711,013</b>	<b>\$1,762,343</b>	<b>\$1,815,214</b>	<b>\$1,869,670</b>
<b>Undistributed Expenses</b>								
Administrative & General	\$156,029	\$179,514	\$184,900	\$190,447	\$196,160	\$202,045	\$208,106	\$214,350
Sales & Marketing	227,232	261,435	269,278	277,356	285,677	294,247	303,075	312,167
Property Operation & Maintenance	55,069	63,358	65,259	67,217	69,233	71,310	73,449	75,653
Utilities	77,000	79,310	81,689	84,140	86,664	89,264	91,942	94,700
<b>Total Undistributed Expenses</b>	<b>\$515,330</b>	<b>\$583,617</b>	<b>\$601,126</b>	<b>\$619,160</b>	<b>\$637,734</b>	<b>\$656,866</b>	<b>\$676,572</b>	<b>\$696,870</b>
<b>Gross Operating Income</b>	<b>\$843,071</b>	<b>\$982,202</b>	<b>\$1,011,668</b>	<b>\$1,042,018</b>	<b>\$1,073,278</b>	<b>\$1,105,477</b>	<b>\$1,138,641</b>	<b>\$1,172,800</b>
<b>Management Fees</b>	<b>\$55,069</b>	<b>\$63,358</b>	<b>\$65,259</b>	<b>\$67,217</b>	<b>\$69,233</b>	<b>\$71,310</b>	<b>\$73,449</b>	<b>\$75,653</b>
<b>Income Before Fixed Charges</b>	<b>\$788,002</b>	<b>\$918,844</b>	<b>\$946,409</b>	<b>\$974,801</b>	<b>\$1,004,045</b>	<b>\$1,034,167</b>	<b>\$1,065,192</b>	<b>\$1,097,148</b>
<b>Fixed Expenses</b>								
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property & Other Taxes	\$65,003	\$65,300	\$65,330	\$65,303	\$65,336	\$66,924	\$77,617	\$77,972
Insurance	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132
<b>Total Fixed Expenses</b>	<b>\$89,503</b>	<b>\$90,535</b>	<b>\$91,322</b>	<b>\$92,075</b>	<b>\$92,911</b>	<b>\$95,326</b>	<b>\$106,871</b>	<b>\$108,104</b>
<b>Replacement Reserve</b>	<b>\$73,425</b>	<b>\$84,477</b>	<b>\$87,012</b>	<b>\$89,622</b>	<b>\$92,311</b>	<b>\$95,080</b>	<b>\$97,932</b>	<b>\$100,870</b>
<b>Total Expenses</b>	<b>\$1,210,563</b>	<b>\$1,368,104</b>	<b>\$1,407,218</b>	<b>\$1,447,448</b>	<b>\$1,488,945</b>	<b>\$1,533,241</b>	<b>\$1,587,923</b>	<b>\$1,633,588</b>
<b>Net Operating Income</b>	<b>\$625,074</b>	<b>\$743,831</b>	<b>\$768,075</b>	<b>\$793,104</b>	<b>\$818,824</b>	<b>\$843,760</b>	<b>\$860,388</b>	<b>\$888,173</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>\$625,074</b>	<b>\$743,831</b>	<b>\$768,075</b>	<b>\$793,104</b>	<b>\$818,824</b>	<b>\$843,760</b>	<b>\$860,388</b>	<b>\$888,173</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 upper-midscale limited-service hotel improvements by employing Marshall Valuation Service's Comparative-Unit Method found in its cost manual. The estimated cost to construct a 38,500-square-foot, good cost quality, Class D, 70-room, upper-midscale limited-service hotel, including FF&E and a provisional allowance for in-room kitchens but excluding land, is estimated at \$6,996,963, or \$99,957 per room, which equates to \$181.74 per square foot, as detailed in the exhibit on the following page. This replacement cost estimate for the proposed 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 (see below).

## Entrepreneurial Incentive

The replacement cost estimate for the proposed subject includes allowances for contractor's overhead and profit but does not include an allowance for entrepreneurial incentive. The amount of entrepreneurial incentive 'represents the economic reward sufficient to motivate an entrepreneur to accept the risk of the project and to invest the time and money necessary to see the project through to completion.'<sup>1</sup> This is different from entrepreneurial profit, which cannot be measured until it is achieved. Entrepreneurial profit can be achieved through profit on a sale (sale price less development cost) or additional returns on an investment in an operating property. 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 customer mix, negotiating the rates and on how well he or she has analyzed the market demand for the property.

Entrepreneurial incentive for a hotel project such as the proposed subject is typically anticipated between \$250,000 and \$500,000. Incentive targets are influenced by many factors, with location, demand/supply and municipal hurdles representing the most important issues. Given the size of the project and the receptivity of township and county officials to a hotel, and acknowledging the risks of developing a property like the subject in a commercially dynamic but nonetheless tertiary market, an entrepreneurial incentive of \$300,000, or approximately 5%, is considered reasonable.

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Replacement Cost New of Improvements - Excluding Incentive	\$6,996,963
Plus: Entrepreneurial Incentive	300,000
<b>Replacement Cost New of Improvements - Including Incentive</b>	<b>\$7,296,963</b>

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<sup>1</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th Edition (Chicago, 2015), Page 76

## 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		\$119.00	
Adjustment for HVAC System		(3.83)	
Adjustment for Sprinkler		3.10	
Adjustment for Kitchens <sup>1</sup>		6.36	
Adjustment for Number of Stories		0.00	
Subtotal		\$124.64	
Height and Size Refinements			
Height Multiplier	1.000		
Area Multiplier	1.000	1.000	
Subtotal		\$124.64	
Cost Multipliers			
Current Cost Multiplier	1.070		
Local Cost Multiplier	0.880	0.942	
Adjusted Base Cost Per Square Foot		\$117.36	
<b>Direct Costs</b>			
Gross Building Area {Square Feet}		38,500	
Adjusted Base Cost Per Square Foot		\$117.36	
Replacement Cost - Hotel Improvements			\$4,518,350
Replacement Cost - Furniture, Fixtures and Equipment		\$1,120,000	
Replacement Cost - Other Improvements			
Parking Area	\$105,000		
Swimming Pool/Deck/Fencing	63,000		
Canopy	46,944		
Exterior Signs	50,000		
Landscaping	49,000	313,944	
Cost Multipliers			
Current Cost Multiplier	1.070		
Local Cost Multiplier	0.880	0.9416	1,350,202
Total Direct Costs			\$5,868,552
<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		\$70,000	
Appraisal/Legal/Environmental/Certification		52,500	
Financing Fees		176,057	
Pre-Opening Marketing/Management		63,000	
Franchise Fees		75,000	
Initial Supplies (incl OSE)		105,000	
Contingencies/Miscellaneous		586,855	
Total Indirect Costs			\$1,128,412
<b>Total Development Cost</b>			
Replacement Cost New of Improvements - Excluding Land & Incentive			<b>\$6,996,963</b>
Cost Per Hotel Unit			\$99,957
Cost Per Square Foot			\$181.74

<sup>1</sup> A \$3,500 per room allowance for kitchens has been included to allow for more flexibility in selecting a brand suitable to the market.

## All-In Cost Conclusion

The all-in project cost is summarized as follows:

<i>Replacement Cost New of Improvements - Excluding Incentive</i>	\$6,996,963
Plus: Entrepreneurial Incentive	300,000
Total Replacement Cost New of Improvements - Including Incentive	\$7,296,963
Plus: Land Value-Fee Simple	650,000
Indicated All-In Cost	\$7,946,963
<b>Rounded</b>	<b>\$7,900,000</b>

Based on this information, we conclude an all-in project cost of **\$7,900,000**.

## Free-and-Clear IRR

The internal rate of return (IRR) calculation is based on a total investment of \$7,900,000:

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 is 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 table below. The actual reports are copyright protected and cannot be reproduced.

Identification	Overall Rate	Terminal Rate	Difference
<i>Limited-Service Midscale &amp; Economy</i>			
Prevailing Range	7.75%-11.00%	7.75%-11.00%	0 to 0 Basis Pts
Average	9.08%	9.83%	75 Basis Pts
<i>Select-Service</i>			
Prevailing Range	6.50%-10.00%	7.00%-10.75%	50 to 75 Basis Pts
Average	8.70%	9.08%	38 Basis Pts
<i>Full-Service</i>			
Prevailing Range	6.00%-10.00%	7.00%-10.00%	100 to 0 Basis Pts
Average	7.85%	8.44%	59 Basis Pts
<i>Luxury/Upper-Upscale</i>			
Prevailing Range	4.00%-9.00%	5.50%-9.50%	150 to 50 Basis Pts
Average	7.03%	7.18%	15 Basis Pts

Source: PwC Real Estate Investor Survey, 3<sup>rd</sup> Quarter 2017

Based on PwC's broader definitions, the proposed subject would fall into the select-service category, which reports Terminal Capitalization rates between 7.00% and 10.75% with an average of 9.08%. As the subject is a proposed upper-midscale hotel with an anticipated national franchise affiliation in a submarket currently under-served in this segment, the Reversion price will be calculated using a Terminal Capitalization Rate of 9.0%. 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	\$888,173
Out-Going Capitalization Rate	÷ 9.00%
Indicated Resale Price	\$9,868,592
Sale Costs @ 3.0%	- \$296,058
<b>Net Proceeds from Sale</b>	<b>\$9,572,534</b>

Using the above information, we may now project the subject'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>
<b>(\$7,900,000)</b>	\$625,074	\$743,831	\$768,075	\$793,104	\$818,824	\$843,760	\$860,388
							\$9,572,534
<b>(\$7,900,000)</b>	\$625,074	\$743,831	\$768,075	\$793,104	\$818,824	\$843,760	\$10,432,923

Note: Figures may not add due to rounding.

On the basis of these cash flows, the subject's implied free-and-clear IRR equals **11.8%**.

## **Conclusion**

### ***Investment Return***

The free-and-clear investment in the subject property implies an IRR of **11.8%**. The 3<sup>rd</sup> quarter 2017 PwC survey indicates required discount rates (IRRs) for select-service hotels currently range from 7.0% to 10.75% with an average of 9.08%. Therefore, the indicated unleveraged return of **11.8%** for the proposed subject hotel exceeds the risk-adjusted expectations of investors based on accepted market returns for similar hotel investments.

### ***Investment Caveats***

The conclusions in this report are based on the preceding revenue and expense projections and the assumptions stated herein. 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 can be summarized as follows:

1. While it is reasonable to conclude that a casual dining restaurant will be developed to accommodate strong current and future commercial demand, especially in the event a new hotel is developed, such a venue currently does not exist in the Maiden submarket. Without such an amenity proximate to the proposed subject hotel, especially if a brand without in-room kitchens is selected, capturing one's full potential share of commercial demand (transient and extended-stay) will be diminished.
2. The subject hotel is proposed; therefore, the improvements have not been built. This analysis is based on the premise that the proposed property can be developed with a total investment of **\$7,900,000**, 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 internal rate of return will be increased. The indicated return on this estimated total investment is acceptable based on market expectations.
3. Although we have estimated an internal rate of return for this investment, this not an appraisal and no value estimate has been concluded.

***Investment Considerations***

The salient considerations of an investment in the proposed hotel can be summarized as follows:

1. Maiden is an unproven lodging market with significant, dynamic and growing commercial demand, especially when one factors in the companies on its border with Lincoln County. This demand currently is being served by hotels 5-to-15 miles away from its various manufacturing, distribution and other business sources.
2. Our interviews with several public officials and leading business and community representatives indicated support for a new hotel in Maiden, especially one featuring such amenities as a hot breakfast, sundry shop, nearby casual dining restaurant and bar or, alternatively, one with at least some in-room kitchens.
3. Our research and interviews indicate it will require 7-to-10 years of construction to complete currently approved expansion plans at Apple's Data Center and Solar Farm. This alone will generate significant lodging and temporary housing demand from out-of-town professionals, contractors and subcontractors. Add to this job applicants and visits from corporate headquarters in Cupertino, CA (Apple) and New York City (Turner), not to mention GKN Driveline's continuing expansion, and it becomes apparent that Maiden-centric commercial demand will be quite strong for the foreseeable future.
4. The Trends section of this report details the market demand for an upper-midscale limited-service hotel such as we have proposed. It also discusses the prospects for acceptance of a proposed hotel with and without in-room kitchens. In our view, the following will be required of management to ensure the success of this investment:
  - a. Implement a daily rate structure that will appeal to two major segments of demand—transient-commercial and transient-leisure;
  - b. Implement a weekly-rate pricing strategy that will appeal to commercial extended-stay demand, especially if the developer opts to include in-room kitchens.
  - c. Initiate a strong pre-opening outreach and familiarization marketing effort focused on Maiden/Newton-based employers and Lincoln County Industrial Park companies, all of which are geographically closer to Maiden than to Lincolnton or Hickory.

## **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 hotel 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.

### Consultants' Certification (Continued)

10. As of the date of this report, Christopher M. Keegan, MAI and J. Richard Keegan, MBA have completed the requirements under the continuing education program of the Appraisal Institute for Designated Members and Affiliates, respectively.
11. The appraisers/consultants have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
12. 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.

Shamrock Capital



J. Richard Keegan, MBA



Christopher M. Keegan, MAI





## **ADDENDA**

## **PROPOSAL LETTER**

**KEEGAN ASSOCIATES LLC**  
**dba Shamrock Capital**

February 16, 2018

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

Re: Hotel Feasibility Study and Market Analysis  
Proposed Hotel  
Town of Maiden, NC 28650

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 commercial sites deemed viable for the proposed hotel will be determined or estimated during our visit to the market. Additionally, as a developer has not yet been confirmed, a construction budget comprising direct and indirect 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 all-in fees and date of delivery of the report will be as follows:

Hotel Feasibility Study ..... \$9,500  
Delivery date will be 4 to 6 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.

**Keegan Associates LLC  
dba Shamrock Capital**

### **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.

**Keegan Associates LLC**  
**dba Shamrock Capital**

February 16, 2018

In the event the Client cancels this agreement before a report is tendered, then Client agrees to pay Shamrock Capital 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. Shamrock Capital 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 Shamrock Capital to the Client is limited to the amount of the fee paid for the completion of this assignment. Shamrock Capital 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 Shamrock Capital 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  
dba Shamrock Capital

(Company)



(Signature)

(Signature)

(Date of Signature)

April 28, 2018

(Date of Signature)

**Keegan Associates LLC**  
**dba Shamrock Capital**

## **STR TREND REPORT**

Trend # 963569\_SADIM / Created March 13, 2018

# Trend Report - MaidenNC Hotel Study

January 2012 to January 2018    Currency : USD - US Dollar



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## Tab 2 - Data by Measure

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

Occupancy (%)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2012	48.1	52.3	59.6	61.6	64.1	65.4	61.0	63.8	57.6	73.0	54.6	43.4	58.7	48.1
2013	50.8	58.7	55.7	67.9	66.7	71.2	64.0	64.3	61.3	79.3	65.5	46.0	62.4	50.8
2014	50.7	58.1	63.8	67.0	69.7	70.7	61.8	59.3	62.3	80.8	64.5	50.6	63.4	50.7
2015	50.7	58.9	61.8	66.5	68.6	70.5	68.0	71.3	66.5	76.2	59.6	50.2	64.1	50.7
2016	50.6	65.2	62.5	71.1	66.0	72.7	66.3	67.4	64.9	77.6	61.6	47.5	64.4	50.6
2017	56.0	64.2	66.3	65.8	66.7	69.8	65.6	72.0	69.4	81.2	66.4	51.0	66.2	56.0
2018	57.3													57.3
Avg	52.1	59.7	61.6	66.7	66.9	70.0	64.5	66.4	63.8	78.0	62.0	48.2	63.3	52.1

ADR (\$)															
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD	
2012	97.31	97.99	98.11	95.91	97.10	96.33	96.65	99.78	108.43	96.89	95.70	96.62	98.05	97.31	
2013	100.53	99.64	100.28	99.36	102.31	100.59	101.43	101.55	102.63	100.82	100.19	100.91	100.83	100.53	
2014	104.43	106.34	107.21	106.48	105.64	103.98	105.01	103.59	104.57	101.96	100.88	100.07	104.04	104.43	
2015	105.45	107.95	106.09	105.60	104.55	104.13	105.08	107.34	105.53	110.27	108.37	103.80	106.24	105.45	
2016	108.61	109.87	107.64	110.82	110.66	107.86	108.91	109.04	108.31	111.19	110.01	107.03	109.25	108.61	
2017	110.71	112.03	113.07	110.74	112.94	111.47	109.40	112.36	111.31	114.83	112.24	108.97	111.80	110.71	
2018	114.46													114.46	
Avg	106.37	106.06	105.70	105.05	105.76	104.34	104.69	106.02	106.98	106.34	104.96	103.17	105.38	106.37	

RevPAR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2012	46.85	51.21	58.46	59.09	62.28	62.96	58.95	63.63	62.48	70.72	52.21	41.97	57.60	46.85
2013	51.10	58.52	55.86	67.50	68.28	71.58	64.91	65.27	62.95	79.97	65.62	46.43	62.92	51.10
2014	52.90	61.80	68.38	71.38	73.67	73.52	64.91	61.38	65.16	82.34	65.06	50.66	65.95	52.90
2015	53.44	63.61	65.52	70.19	71.76	73.40	71.45	76.56	70.17	84.02	64.59	52.15	68.09	53.44
2016	54.92	71.63	67.24	78.76	73.08	78.41	72.21	73.47	70.24	86.33	67.79	50.86	70.36	54.92
2017	61.94	71.97	75.00	72.84	75.34	77.76	71.79	80.90	77.26	93.24	74.52	55.58	74.01	61.94
2018	65.53													65.53
Avg	55.40	63.32	65.12	70.04	70.80	73.08	67.53	70.42	68.25	82.97	65.06	49.78	66.67	55.40

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2012	14,012	12,656	14,012	13,560	14,012	13,560	14,012	14,012	13,560	14,012	13,560	14,012	164,980	14,012
2013	14,012	12,656	14,012	13,560	12,152	11,760	12,152	12,152	11,760	12,152	11,760	12,152	150,280	14,012
2014	12,152	10,976	12,152	11,760	12,152	14,340	14,818	14,818	14,340	14,818	14,340	14,818	161,484	12,152
2015	14,818	13,384	14,818	14,340	14,818	14,340	14,818	14,818	14,340	14,818	14,340	14,818	174,470	14,818
2016	14,818	13,384	14,818	14,340	14,818	14,340	14,818	14,818	14,340	14,818	14,340	14,818	174,470	14,818
2017	14,818	13,384	14,818	14,340	14,818	14,340	14,818	14,818	14,340	14,818	14,340	14,818	174,470	14,818
2018	14,818													14,818
Avg	14,207	12,740	14,105	13,650	13,795	13,780	14,239	14,239	13,780	14,239	13,780	14,239	166,692	14,207

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2012	6,746	6,614	8,349	8,355	8,987	8,863	8,547	8,935	7,813	10,228	7,398	6,086	96,921	6,746
2013	7,122	7,433	7,805	9,211	8,110	8,369	7,777	7,810	7,213	9,639	7,702	5,591	93,782	7,122
2014	6,155	6,379	7,751	7,884	8,475	10,139	9,159	8,781	8,935	11,967	9,248	7,501	102,374	6,155
2015	7,509	7,886	9,151	9,531	10,171	10,108	10,076	10,569	9,535	11,290	8,547	7,445	111,818	7,509
2016	7,493	8,726	9,256	10,191	9,785	10,425	9,825	9,984	9,300	11,505	8,836	7,041	112,367	7,493
2017	8,291	8,598	9,829	9,432	9,885	10,004	9,724	10,669	9,954	12,032	9,521	7,558	115,497	8,291
2018	8,484													8,484
Avg	7,400	7,606	8,690	9,101	9,236	9,651	9,185	9,458	8,792	11,110	8,542	6,870	105,460	7,400

Revenue (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2012	656,441	648,080	819,117	801,294	872,676	853,729	826,047	891,560	847,190	990,979	707,971	588,026	9,503,110	656,441
2013	715,978	740,596	782,722	915,243	829,774	841,838	788,795	793,123	740,288	971,771	771,695	564,175	9,455,998	715,978
2014	642,791	678,370	830,949	839,460	895,273	1,054,290	961,787	909,587	934,342	1,220,130	932,933	750,646	10,650,558	642,791
2015	791,835	851,306	970,810	1,006,490	1,063,386	1,052,547	1,058,765	1,134,434	1,006,257	1,244,971	926,250	772,791	11,879,842	791,835
2016	813,799	958,724	996,317	1,129,377	1,082,831	1,124,468	1,070,039	1,088,678	1,007,275	1,279,188	972,087	753,578	12,276,361	813,799
2017	917,887	963,274	1,111,363	1,044,510	1,116,396	1,115,149	1,063,803	1,198,773	1,107,930	1,381,620	1,068,626	823,615	12,912,946	917,887

2018	971,082													971,082
Avg	787,116	806,725	918,546	956,062	976,723	1,007,004	961,539	1,002,693	940,547	1,181,443	896,594	708,805	11,113,136	787,116

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

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

Occupancy														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	5.6	12.4	-6.5	10.2	4.1	8.9	4.9	0.8	6.5	8.7	20.0	5.9	6.2	5.6	
2014	-0.3	-1.0	14.5	-1.3	4.5	-0.6	-3.4	-7.8	1.6	1.8	-1.5	10.0	1.6	-0.3	
2015	0.0	1.4	-3.2	-0.9	-1.6	-0.3	10.0	20.4	6.7	-5.7	-7.6	-0.7	1.1	0.0	
2016	-0.2	10.7	1.1	6.9	-3.8	3.1	-2.5	-5.5	-2.5	1.9	3.4	-5.4	0.5	-0.2	
2017	10.6	-1.5	6.2	-7.4	1.0	-4.0	-1.0	6.9	7.0	4.6	7.8	7.3	2.8	10.6	
2018	2.3													2.3	
Avg	3.0	4.4	2.4	1.5	0.8	1.4	1.6	2.9	3.9	2.3	4.4	3.4	2.4	3.0	

ADR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2013	3.3	1.7	2.2	3.6	5.4	4.4	4.9	1.8	-5.3	4.1	4.7	4.4	2.8	3.3
2014	3.9	6.7	6.9	7.2	3.2	3.4	3.5	2.0	1.9	1.1	0.7	-0.8	3.2	3.9
2015	1.0	1.5	-1.0	-0.8	-1.0	0.1	0.1	3.6	0.9	8.2	7.4	3.7	2.1	1.0
2016	3.0	1.8	1.5	4.9	5.8	3.6	3.6	1.6	2.6	0.8	1.5	3.1	2.8	3.0
2017	1.9	2.0	5.0	-0.1	2.1	3.3	0.4	3.0	2.8	3.3	2.0	1.8	2.3	1.9
2018	3.4													3.4
Avg	2.7	2.7	2.9	3.0	3.1	3.0	2.5	2.4	0.6	3.5	3.3	2.5	2.7	2.7

RevPAR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2013	9.1	14.3	-4.4	14.2	9.6	13.7	10.1	2.6	0.8	13.1	25.7	10.6	9.2	9.1
2014	3.5	5.6	22.4	5.8	7.9	2.7	-0.0	-5.9	3.5	3.0	-0.9	9.1	4.8	3.5
2015	1.0	2.9	-4.2	-1.7	-2.6	-0.2	10.1	24.7	7.7	2.0	-0.7	3.0	3.2	1.0
2016	2.8	12.6	2.6	12.2	1.8	6.8	1.1	-4.0	0.1	2.7	4.9	-2.5	3.3	2.8
2017	12.8	0.5	11.5	-7.5	3.1	-0.8	-0.6	10.1	10.0	8.0	9.9	9.3	5.2	12.8
2018	5.8													5.8
Avg	5.8	7.2	5.6	4.6	4.0	4.4	4.1	5.5	4.4	5.8	7.8	5.9	5.2	5.8

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2013	0.0	0.0	0.0	0.0	-13.3	-13.3	-13.3	-13.3	-13.3	-13.3	-13.3	-13.3	-8.9	0.0
2014	-13.3	-13.3	-13.3	-13.3	0.0	21.9	21.9	21.9	21.9	21.9	21.9	21.9	7.5	-13.3
2015	21.9	21.9	21.9	21.9	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	21.9
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018	0.0													0.0
Avg	1.4	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.7	1.3	1.4

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2013	5.6	12.4	-6.5	10.2	-9.8	-5.6	-9.0	-12.6	-7.7	-5.8	4.1	-8.1	-3.2	5.6
2014	-13.6	-14.2	-0.7	-14.4	4.5	21.1	17.8	12.4	23.9	24.2	20.1	34.2	9.2	-13.6
2015	22.0	23.6	18.1	20.9	20.0	-0.3	10.0	20.4	6.7	-5.7	-7.6	-0.7	9.2	22.0
2016	-0.2	10.7	1.1	6.9	-3.8	3.1	-2.5	-5.5	-2.5	1.9	3.4	-5.4	0.5	-0.2
2017	10.6	-1.5	6.2	-7.4	1.0	-4.0	-1.0	6.9	7.0	4.6	7.8	7.3	2.8	10.6
2018	2.3													2.3
Avg	4.5	6.2	3.6	3.2	2.4	2.9	3.1	4.3	5.5	3.8	5.5	5.4	3.7	4.5

Revenue														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2013	9.1	14.3	-4.4	14.2	-4.9	-1.4	-4.5	-11.0	-12.6	-1.9	9.0	-4.1	-0.5	9.1	
2014	-10.2	-8.4	6.2	-8.3	7.9	25.2	21.9	14.7	26.2	25.6	20.9	33.1	12.6	-10.2	
2015	23.2	25.5	16.8	19.9	18.8	-0.2	10.1	24.7	7.7	2.0	-0.7	3.0	11.5	23.2	
2016	2.8	12.6	2.6	12.2	1.8	6.8	1.1	-4.0	0.1	2.7	4.9	-2.5	3.3	2.8	
2017	12.8	0.5	11.5	-7.5	3.1	-0.8	-0.6	10.1	10.0	8.0	9.9	9.3	5.2	12.8	
2018	5.8													5.8	
Avg	7.2	8.9	6.5	6.1	5.3	5.9	5.6	6.9	6.3	7.3	8.8	7.8	6.4	7.2	

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

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

	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	Jan YTD
Occ	5.6	12.4	-6.5	10.2	4.1	8.9	4.9	0.8	6.5	8.7	20.0	5.9	6.2	5.6
ADR	3.3	1.7	2.2	3.6	5.4	4.4	4.9	1.8	-5.3	4.1	4.7	4.4	2.8	3.3
RevPAR	9.1	14.3	-4.4	14.2	9.6	13.7	10.1	2.6	0.8	13.1	25.7	10.6	9.2	9.1
Supply	0.0	0.0	0.0	0.0	-13.3	-13.3	-13.3	-13.3	-13.3	-13.3	-13.3	-13.3	-8.9	0.0
Demand	5.6	12.4	-6.5	10.2	-9.8	-5.6	-9.0	-12.6	-7.7	-5.8	4.1	-8.1	-3.2	5.6
Revenue	9.1	14.3	-4.4	14.2	-4.9	-1.4	-4.5	-11.0	-12.6	-1.9	9.0	-4.1	-0.5	9.1

	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	Jan YTD
Occ	-0.3	-1.0	14.5	-1.3	4.5	-0.6	-3.4	-7.8	1.6	1.8	-1.5	10.0	1.6	-0.3
ADR	3.9	6.7	6.9	7.2	3.2	3.4	3.5	2.0	1.9	1.1	0.7	-0.8	3.2	3.9
RevPAR	3.5	5.6	22.4	5.8	7.9	2.7	-0.0	-5.9	3.5	3.0	-0.9	9.1	4.8	3.5
Supply	-13.3	-13.3	-13.3	-13.3	0.0	21.9	21.9	21.9	21.9	21.9	21.9	21.9	7.5	-13.3
Demand	-13.6	-14.2	-0.7	-14.4	4.5	21.1	17.8	12.4	23.9	24.2	20.1	34.2	9.2	-13.6
Revenue	-10.2	-8.4	6.2	-8.3	7.9	25.2	21.9	14.7	26.2	25.6	20.9	33.1	12.6	-10.2

	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	Jan YTD
Occ	0.0	1.4	-3.2	-0.9	-1.6	-0.3	10.0	20.4	6.7	-5.7	-7.6	-0.7	1.1	0.0
ADR	1.0	1.5	-1.0	-0.8	-1.0	0.1	0.1	3.6	0.9	8.2	7.4	3.7	2.1	1.0
RevPAR	1.0	2.9	-4.2	-1.7	-2.6	-0.2	10.1	24.7	7.7	2.0	-0.7	3.0	3.2	1.0
Supply	21.9	21.9	21.9	21.9	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	21.9
Demand	22.0	23.6	18.1	20.9	20.0	-0.3	10.0	20.4	6.7	-5.7	-7.6	-0.7	9.2	22.0
Revenue	23.2	25.5	16.8	19.9	18.8	-0.2	10.1	24.7	7.7	2.0	-0.7	3.0	11.5	23.2

	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	Jan YTD
Occ	-0.2	10.7	1.1	6.9	-3.8	3.1	-2.5	-5.5	-2.5	1.9	3.4	-5.4	0.5	-0.2
ADR	3.0	1.8	1.5	4.9	5.8	3.6	3.6	1.6	2.6	0.8	1.5	3.1	2.8	3.0
RevPAR	2.8	12.6	2.6	12.2	1.8	6.8	1.1	-4.0	0.1	2.7	4.9	-2.5	3.3	2.8
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	-0.2	10.7	1.1	6.9	-3.8	3.1	-2.5	-5.5	-2.5	1.9	3.4	-5.4	0.5	-0.2
Revenue	2.8	12.6	2.6	12.2	1.8	6.8	1.1	-4.0	0.1	2.7	4.9	-2.5	3.3	2.8

	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	Jan YTD
Occ	10.6	-1.5	6.2	-7.4	1.0	-4.0	-1.0	6.9	7.0	4.6	7.8	7.3	2.8	10.6
ADR	1.9	2.0	5.0	-0.1	2.1	3.3	0.4	3.0	2.8	3.3	2.0	1.8	2.3	1.9
RevPAR	12.8	0.5	11.5	-7.5	3.1	-0.8	-0.6	10.1	10.0	8.0	9.9	9.3	5.2	12.8
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	10.6	-1.5	6.2	-7.4	1.0	-4.0	-1.0	6.9	7.0	4.6	7.8	7.3	2.8	10.6
Revenue	12.8	0.5	11.5	-7.5	3.1	-0.8	-0.6	10.1	10.0	8.0	9.9	9.3	5.2	12.8

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Total Year	Jan YTD
Occ	2.3													2.3
ADR	3.4													3.4
RevPAR	5.8													5.8
Supply	0.0													0.0
Demand	2.3													2.3
Revenue	5.8													5.8

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## Tab 5 - Twelve Month Moving Average

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	59.0	59.5	59.1	59.7	59.8	60.2	60.4	60.4	60.7	61.0	62.0	62.4
2014	62.5	62.5	63.3	63.2	63.4	63.5	63.3	62.8	62.9	63.3	63.3	63.4
2015	63.2	63.2	63.0	63.0	63.0	63.0	63.5	64.6	64.9	64.5	64.1	64.1
2016	64.1	64.6	64.6	65.0	64.8	65.0	64.8	64.5	64.3	64.5	64.6	64.4
2017	64.9	64.8	65.1	64.7	64.7	64.5	64.4	64.8	65.2	65.5	65.9	66.2
2018	66.3											

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	98.28	98.41	98.58	98.88	99.33	99.71	100.12	100.27	99.78	100.20	100.55	100.83
2014	101.09	101.57	102.16	102.82	103.13	103.45	103.77	103.94	104.09	104.16	104.16	104.04
2015	104.11	104.27	104.21	104.17	104.09	104.10	104.12	104.46	104.54	105.39	105.99	106.24
2016	106.45	106.61	106.74	107.20	107.74	108.07	108.41	108.57	108.81	108.90	109.03	109.25
2017	109.40	109.57	110.03	110.01	110.21	110.54	110.59	110.89	111.14	111.52	111.70	111.80
2018	112.08											

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	57.96	58.52	58.30	58.99	59.40	59.99	60.46	60.55	60.56	61.17	62.31	62.92
2014	63.22	63.52	64.67	64.95	65.41	65.71	65.69	65.30	65.47	65.94	65.89	65.95
2015	65.79	65.88	65.67	65.65	65.61	65.60	66.16	67.45	67.86	68.00	67.96	68.09
2016	68.22	68.83	68.98	69.68	69.79	70.21	70.27	70.01	70.02	70.21	70.47	70.36
2017	70.96	70.99	71.65	71.16	71.35	71.30	71.26	71.89	72.47	73.06	73.61	74.01
2018	74.32											

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	164,980	164,980	164,980	164,980	163,120	161,320	159,460	157,600	155,800	153,940	152,140	150,280
2014	148,420	146,740	144,880	143,080	143,080	145,660	148,326	150,992	153,572	156,238	158,818	161,484
2015	164,150	166,558	169,224	171,804	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470
2016	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470
2017	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470	174,470
2018	174,470											

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	97,297	98,116	97,572	98,428	97,551	97,057	96,287	95,162	94,562	93,973	94,277	93,782
2014	92,815	91,761	91,707	90,380	90,745	92,515	93,897	94,868	96,590	98,918	100,464	102,374
2015	103,728	105,235	106,635	108,282	109,978	109,947	110,864	112,652	113,252	112,575	111,874	111,818
2016	111,802	112,642	112,747	113,407	113,021	113,338	113,087	112,502	112,267	112,482	112,771	112,367
2017	113,165	113,037	113,610	112,851	112,951	112,530	112,429	113,114	113,768	114,295	114,980	115,497
2018	115,690											

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2013	9,562,647	9,655,163	9,618,768	9,732,717	9,689,815	9,677,924	9,640,672	9,542,235	9,435,333	9,416,125	9,479,849	9,455,998
2014	9,382,811	9,320,585	9,368,812	9,293,029	9,358,528	9,570,980	9,743,972	9,860,436	10,054,490	10,302,849	10,464,087	10,650,558
2015	10,799,602	10,972,538	11,112,399	11,279,429	11,447,542	11,445,799	11,542,777	11,767,624	11,839,539	11,864,380	11,857,697	11,879,842
2016	11,901,806	12,009,224	12,034,731	12,157,618	12,177,063	12,248,984	12,260,258	12,214,502	12,215,520	12,249,737	12,295,574	12,276,361
2017	12,380,449	12,384,999	12,500,045	12,415,178	12,448,743	12,439,424	12,433,188	12,543,283	12,643,938	12,746,370	12,842,909	12,912,946
2018	12,966,141											

High value is boxed.

Low value is boxed and italicized.

# Tab 6 - Twelve Month Moving Average with Percent Change

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

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 13	59.0		98.28		57.96		164,980		97,297		9,562,647	
Feb 13	59.5		98.41		58.52		164,980		98,116		9,655,163	
Mar 13	59.1		98.58		58.30		164,980		97,572		9,618,768	
Apr 13	59.7		98.88		58.99		164,980		98,428		9,732,717	
May 13	59.8		99.33		59.40		163,120		97,551		9,689,815	
Jun 13	60.2		99.71		59.99		161,320		97,057		9,677,924	
Jul 13	60.4		100.12		60.46		159,460		96,287		9,640,672	
Aug 13	60.4		100.27		60.55		157,600		95,162		9,542,235	
Sep 13	60.7		99.78		60.56		155,800		94,562		9,435,333	
Oct 13	61.0		100.20		61.17		153,940		93,973		9,416,125	
Nov 13	62.0		100.55		62.31		152,140		94,277		9,479,849	
Dec 13	62.4	6.2	100.83	2.8	62.92	9.2	150,280	-8.9	93,782	-3.2	9,455,998	-0.5
Jan 14	62.5	6.0	101.09	2.9	63.22	9.1	148,420	-10.0	92,815	-4.6	9,382,811	-1.9
Feb 14	62.5	5.1	101.57	3.2	63.52	8.5	146,740	-11.1	91,761	-6.5	9,320,585	-3.5
Mar 14	63.3	7.0	102.16	3.6	64.67	10.9	144,880	-12.2	91,707	-6.0	9,368,812	-2.6
Apr 14	63.2	5.9	102.82	4.0	64.95	10.1	143,080	-13.3	90,380	-8.2	9,293,029	-4.5
May 14	63.4	6.1	103.13	3.8	65.41	10.1	143,080	-12.3	90,745	-7.0	9,358,528	-3.4
Jun 14	63.5	5.6	103.45	3.8	65.71	9.5	145,660	-9.7	92,515	-4.7	9,570,980	-1.1
Jul 14	63.3	4.8	103.77	3.6	65.69	8.7	148,326	-7.0	93,897	-2.5	9,743,972	1.1
Aug 14	62.8	4.1	103.94	3.7	65.30	7.9	150,992	-4.2	94,868	-0.3	9,860,436	3.3
Sep 14	62.9	3.6	104.09	4.3	65.47	8.1	153,572	-1.4	96,590	2.1	10,054,490	6.6
Oct 14	63.3	3.7	104.16	3.9	65.94	7.8	156,238	1.5	98,918	5.3	10,302,849	9.4
Nov 14	63.3	2.1	104.16	3.6	65.89	5.7	158,818	4.4	100,464	6.6	10,464,087	10.4
Dec 14	63.4	1.6	104.04	3.2	65.95	4.8	161,484	7.5	102,374	9.2	10,650,558	12.6
Jan 15	63.2	1.0	104.11	3.0	65.79	4.1	164,150	10.6	103,728	11.8	10,799,602	15.1
Feb 15	63.2	1.0	104.27	2.7	65.88	3.7	166,558	13.5	105,235	14.7	10,972,538	17.7
Mar 15	63.0	-0.4	104.21	2.0	65.67	1.5	169,224	16.8	106,635	16.3	11,112,399	18.6
Apr 15	63.0	-0.2	104.17	1.3	65.65	1.1	171,804	20.1	108,282	19.8	11,279,429	21.4
May 15	63.0	-0.6	104.09	0.9	65.61	0.3	174,470	21.9	109,978	21.2	11,447,542	22.3
Jun 15	63.0	-0.8	104.10	0.6	65.60	-0.2	174,470	19.8	109,947	18.8	11,445,799	19.6
Jul 15	63.5	0.4	104.12	0.3	66.16	0.7	174,470	17.6	110,864	18.1	11,542,777	18.5
Aug 15	64.6	2.8	104.46	0.5	67.45	3.3	174,470	15.5	112,652	18.7	11,767,624	19.3
Sep 15	64.9	3.2	104.54	0.4	67.86	3.6	174,470	13.6	113,252	17.3	11,839,539	17.8
Oct 15	64.5	1.9	105.39	1.2	68.00	3.1	174,470	11.7	112,575	13.8	11,864,380	15.2
Nov 15	64.1	1.4	105.99	1.8	67.96	3.2	174,470	9.9	111,874	11.4	11,857,697	13.3
Dec 15	64.1	1.1	106.24	2.1	68.09	3.2	174,470	8.0	111,818	9.2	11,879,842	11.5
Jan 16	64.1	1.4	106.45	2.2	68.22	3.7	174,470	6.3	111,802	7.8	11,901,806	10.2
Feb 16	64.6	2.2	106.61	2.3	68.83	4.5	174,470	4.8	112,642	7.0	12,009,224	9.4
Mar 16	64.6	2.6	106.74	2.4	68.98	5.0	174,470	3.1	112,747	5.7	12,034,731	8.3
Apr 16	65.0	3.1	107.20	2.9	69.68	6.1	174,470	1.6	113,407	4.7	12,157,618	7.8
May 16	64.8	2.8	107.74	3.5	69.79	6.4	174,470	0.0	113,021	2.8	12,177,063	6.4
Jun 16	65.0	3.1	108.07	3.8	70.21	7.0	174,470	0.0	113,338	3.1	12,248,984	7.0
Jul 16	64.8	2.0	108.41	4.1	70.27	6.2	174,470	0.0	113,087	2.0	12,260,258	6.2
Aug 16	64.5	-0.1	108.57	3.9	70.01	3.8	174,470	0.0	112,502	-0.1	12,214,502	3.8

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

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

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 16	64.3	-0.9	108.81	4.1	70.02	3.2	174,470	0.0	112,267	-0.9	12,215,520	3.2
Oct 16	64.5	-0.1	108.90	3.3	70.21	3.2	174,470	0.0	112,482	-0.1	12,249,737	3.2
Nov 16	64.6	0.8	109.03	2.9	70.47	3.7	174,470	0.0	112,771	0.8	12,295,574	3.7
Dec 16	64.4	0.5	109.25	2.8	70.36	3.3	174,470	0.0	112,367	0.5	12,276,361	3.3
Jan 17	64.9	1.2	109.40	2.8	70.96	4.0	174,470	0.0	113,165	1.2	12,380,449	4.0
Feb 17	64.8	0.4	109.57	2.8	70.99	3.1	174,470	0.0	113,037	0.4	12,384,999	3.1
Mar 17	65.1	0.8	110.03	3.1	71.65	3.9	174,470	0.0	113,610	0.8	12,500,045	3.9
Apr 17	64.7	-0.5	110.01	2.6	71.16	2.1	174,470	0.0	112,851	-0.5	12,415,178	2.1
May 17	64.7	-0.1	110.21	2.3	71.35	2.2	174,470	0.0	112,951	-0.1	12,448,743	2.2
Jun 17	64.5	-0.7	110.54	2.3	71.30	1.6	174,470	0.0	112,530	-0.7	12,439,424	1.6
Jul 17	64.4	-0.6	110.59	2.0	71.26	1.4	174,470	0.0	112,429	-0.6	12,433,188	1.4
Aug 17	64.8	0.5	110.89	2.1	71.89	2.7	174,470	0.0	113,114	0.5	12,543,283	2.7
Sep 17	65.2	1.3	111.14	2.1	72.47	3.5	174,470	0.0	113,768	1.3	12,643,938	3.5
Oct 17	65.5	1.6	111.52	2.4	73.06	4.1	174,470	0.0	114,295	1.6	12,746,370	4.1
Nov 17	65.9	2.0	111.70	2.4	73.61	4.5	174,470	0.0	114,980	2.0	12,842,909	4.5
Dec 17	66.2	2.8	111.80	2.3	74.01	5.2	174,470	0.0	115,497	2.8	12,912,946	5.2
Jan 18	66.3	2.2	112.08	2.4	74.32	4.7	174,470	0.0	115,690	2.2	12,966,141	4.7

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# Tab 7 - Day of Week Analysis

MaidenNC Hotel Study  
Job Number: 963569\_SADIM    Staff: CW    Created: March 13, 2018

Occupancy (%)								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Feb - 17	31.5	71.6	87.3	90.2	64.0	57.7	47.4	64.2
Mar - 17	37.7	78.5	89.1	79.8	65.4	59.4	53.0	66.3
Apr - 17	37.1	75.6	85.0	81.3	61.9	68.9	59.5	65.8
May - 17	36.5	67.3	81.3	78.1	63.3	69.4	64.5	66.7
Jun - 17	40.4	83.0	93.0	87.6	64.3	62.6	60.7	69.8
Jul - 17	41.1	65.9	73.3	76.2	67.8	71.1	69.2	65.6
Aug - 17	43.7	87.6	91.9	82.7	66.8	63.4	61.6	72.0
Sep - 17	45.3	67.9	86.5	85.7	73.9	60.9	68.2	69.4
Oct - 17	46.0	81.8	88.7	91.2	85.0	92.2	90.4	81.2
Nov - 17	40.6	74.6	78.2	74.6	62.6	67.7	65.2	66.4
Dec - 17	35.2	56.3	67.6	63.4	50.2	45.0	46.1	51.0
Jan - 18	36.2	69.6	80.6	77.9	55.2	32.5	34.5	57.3
Total Year	39.3	73.1	83.7	80.5	65.0	62.1	60.1	66.3

Three Year Occupancy (%)								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Feb 15 - Jan 16	36.7	71.7	83.1	78.9	61.9	58.8	58.1	64.1
Feb 16 - Jan 17	36.5	70.5	84.4	81.7	63.1	59.8	57.4	64.9
Feb 17 - Jan 18	39.3	73.1	83.7	80.5	65.0	62.1	60.1	66.3
Total 3 Yr	37.5	71.8	83.7	80.4	63.3	60.2	58.5	65.1

ADR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Feb - 17	107.48	113.58	116.37	117.73	112.67	104.78	101.89	112.03
Mar - 17	111.16	115.95	119.45	117.28	112.13	105.65	103.38	113.07
Apr - 17	106.01	113.38	116.57	116.07	110.28	105.06	104.17	110.74
May - 17	109.54	116.18	117.04	116.35	111.40	106.69	107.24	112.94
Jun - 17	108.25	114.87	117.08	116.26	110.08	103.37	105.73	111.47
Jul - 17	103.87	111.36	118.40	117.70	107.48	103.29	102.41	109.40
Aug - 17	106.32	116.40	121.51	116.50	110.13	102.07	100.52	112.36
Sep - 17	104.83	115.29	120.31	116.63	112.78	103.61	102.68	111.31
Oct - 17	110.87	117.18	121.57	120.61	115.25	109.34	105.78	114.83
Nov - 17	111.67	116.14	118.38	116.88	108.48	103.99	107.20	112.24
Dec - 17	104.55	114.54	116.04	115.39	107.74	100.03	101.37	108.97
Jan - 18	107.25	117.39	121.77	117.86	111.49	101.26	100.89	114.46
Total Year	107.57	115.29	118.91	117.15	110.95	104.44	103.79	112.08

Three Year ADR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Feb 15 - Jan 16	102.74	109.68	112.02	110.71	106.84	98.67	98.58	106.45
Feb 16 - Jan 17	104.44	112.79	115.70	114.16	109.16	100.77	101.37	109.40
Feb 17 - Jan 18	107.57	115.29	118.91	117.15	110.95	104.44	103.79	112.08
Total 3 Yr	104.97	112.60	115.55	114.05	109.02	101.35	101.28	109.34

RevPAR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Feb - 17	33.84	81.32	101.58	106.15	72.13	60.50	48.28	71.97
Mar - 17	41.86	91.02	106.39	93.63	73.38	62.73	54.82	75.00
Apr - 17	39.30	85.69	99.13	94.33	68.23	72.36	61.94	72.84
May - 17	39.93	78.17	95.10	90.89	70.56	73.99	69.21	75.34
Jun - 17	43.71	95.35	108.88	101.84	70.75	64.66	64.20	77.76
Jul - 17	42.68	73.38	86.75	89.63	72.91	73.42	70.87	71.79
Aug - 17	46.43	101.91	111.65	96.37	73.54	64.76	61.93	80.90
Sep - 17	47.48	78.33	104.01	99.92	83.34	63.12	69.98	77.26
Oct - 17	50.98	95.80	107.89	109.95	97.95	100.76	95.60	93.24
Nov - 17	45.32	86.68	92.62	87.20	67.95	70.43	69.91	74.52
Dec - 17	36.81	64.44	78.42	73.10	54.10	44.98	46.77	55.58
Jan - 18	38.87	81.73	98.18	91.82	61.58	32.94	34.83	65.53
Total Year	42.28	84.32	99.52	94.33	72.14	64.89	62.36	74.32

Three Year RevPAR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Feb 15 - Jan 16	37.68	78.60	93.10	87.38	66.10	57.99	57.26	68.22
Feb 16 - Jan 17	38.17	79.50	97.67	93.32	68.93	60.29	58.17	70.96
Feb 17 - Jan 18	42.28	84.32	99.52	94.33	72.14	64.89	62.36	74.32
Total 3 Yr	39.37	80.80	96.77	91.69	69.06	61.06	59.26	71.16

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# Tab 8 - Raw Data

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

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 12	48.1		97.31		46.85		14,012		6,746		656,441		5	452	100.0
Feb 12	52.3		97.99		51.21		12,656		6,614		648,080		5	452	100.0
Mar 12	59.6		98.11		58.46		14,012		8,349		819,117		5	452	100.0
Apr 12	61.6		95.91		59.09		13,560		8,355		801,294		5	452	100.0
May 12	64.1		97.10		62.28		14,012		8,987		872,676		5	452	100.0
Jun 12	65.4		96.33		62.96		13,560		8,863		853,729		5	452	100.0
Jul 12	61.0		96.65		58.95		14,012		8,547		826,047		5	452	100.0
Aug 12	63.8		99.78		63.63		14,012		8,935		891,560		5	452	100.0
Sep 12	57.6		108.43		62.48		13,560		7,813		847,190		5	452	100.0
Oct 12	73.0		96.89		70.72		14,012		10,228		990,979		5	452	100.0
Nov 12	54.6		95.70		52.21		13,560		7,398		707,971		5	452	100.0
Dec 12	43.4		96.62		41.97		14,012		6,086		588,026		5	452	100.0
Jan 13	50.8	5.6	100.53	3.3	51.10	9.1	14,012	0.0	7,122	5.6	715,978	9.1	5	452	100.0
Feb 13	58.7	12.4	99.64	1.7	58.52	14.3	12,656	0.0	7,433	12.4	740,596	14.3	5	452	100.0
Mar 13	55.7	-6.5	100.28	2.2	55.86	-4.4	14,012	0.0	7,805	-6.5	782,722	-4.4	5	452	100.0
Apr 13	67.9	10.2	99.36	3.6	67.50	14.2	13,560	0.0	9,211	10.2	915,243	14.2	5	452	86.7
May 13	66.7	4.1	102.31	5.4	68.28	9.6	12,152	-13.3	8,110	-9.8	829,774	-4.9	4	392	100.0
Jun 13	71.2	8.9	100.59	4.4	71.58	13.7	11,760	-13.3	8,369	-5.6	841,838	-1.4	4	392	100.0
Jul 13	64.0	4.9	101.43	4.9	64.91	10.1	12,152	-13.3	7,777	-9.0	788,795	-4.5	4	392	100.0
Aug 13	64.3	0.8	101.55	1.8	65.27	2.6	12,152	-13.3	7,810	-12.6	793,123	-11.0	4	392	100.0
Sep 13	61.3	6.5	102.63	-5.3	62.95	0.8	11,760	-13.3	7,213	-7.7	740,288	-12.6	4	392	100.0
Oct 13	79.3	8.7	100.82	4.1	79.97	13.1	12,152	-13.3	9,639	-5.8	971,771	-1.9	4	392	100.0
Nov 13	65.5	20.0	100.19	4.7	65.62	25.7	11,760	-13.3	7,702	4.1	771,695	9.0	4	392	100.0
Dec 13	46.0	5.9	100.91	4.4	46.43	10.6	12,152	-13.3	5,591	-8.1	564,175	-4.1	4	392	100.0
Jan 14	50.7	-0.3	104.43	3.9	52.90	3.5	12,152	-13.3	6,155	-13.6	642,791	-10.2	4	392	100.0
Feb 14	58.1	-1.0	106.34	6.7	61.80	5.6	10,976	-13.3	6,379	-14.2	678,370	-8.4	4	392	100.0
Mar 14	63.8	14.5	107.21	6.9	68.38	22.4	12,152	-13.3	7,751	-0.7	830,949	6.2	4	392	100.0
Apr 14	67.0	-1.3	106.48	7.2	71.38	5.8	11,760	-13.3	7,884	-14.4	839,460	-8.3	4	392	100.0
May 14	69.7	4.5	105.64	3.2	73.67	7.9	12,152	0.0	8,475	4.5	895,273	7.9	4	392	100.0
Jun 14	70.7	-0.6	103.98	3.4	73.52	2.7	14,340	21.9	10,139	21.1	1,054,290	25.2	5	478	82.0
Jul 14	61.8	-3.4	105.01	3.5	64.91	-0.0	14,818	21.9	9,159	17.8	961,787	21.9	5	478	100.0
Aug 14	59.3	-7.8	103.59	2.0	61.38	-5.9	14,818	21.9	8,781	12.4	909,587	14.7	5	478	100.0
Sep 14	62.3	1.6	104.57	1.9	65.16	3.5	14,340	21.9	8,935	23.9	934,342	26.2	5	478	100.0
Oct 14	80.8	1.8	101.96	1.1	82.34	3.0	14,818	21.9	11,967	24.2	1,220,130	25.6	5	478	100.0
Nov 14	64.5	-1.5	100.88	0.7	65.06	-0.9	14,340	21.9	9,248	20.1	932,933	20.9	5	478	100.0
Dec 14	50.6	10.0	100.07	-0.8	50.66	9.1	14,818	21.9	7,501	34.2	750,646	33.1	5	478	100.0
Jan 15	50.7	0.0	105.45	1.0	53.44	1.0	14,818	21.9	7,509	22.0	791,835	23.2	5	478	100.0
Feb 15	58.9	1.4	107.95	1.5	63.61	2.9	13,384	21.9	7,886	23.6	851,306	25.5	5	478	100.0
Mar 15	61.8	-3.2	106.09	-1.0	65.52	-4.2	14,818	21.9	9,151	18.1	970,810	16.8	5	478	100.0
Apr 15	66.5	-0.9	105.60	-0.8	70.19	-1.7	14,340	21.9	9,531	20.9	1,006,490	19.9	5	478	100.0
May 15	68.6	-1.6	104.55	-1.0	71.76	-2.6	14,818	21.9	10,171	20.0	1,063,386	18.8	5	478	100.0
Jun 15	70.5	-0.3	104.13	0.1	73.40	-0.2	14,340	0.0	10,108	-0.3	1,052,547	-0.2	5	478	100.0
Jul 15	68.0	10.0	105.08	0.1	71.45	10.1	14,818	0.0	10,076	10.0	1,058,765	10.1	5	478	100.0
Aug 15	71.3	20.4	107.34	3.6	76.56	24.7	14,818	0.0	10,569	20.4	1,134,434	24.7	5	478	100.0
Sep 15	66.5	6.7	105.53	0.9	70.17	7.7	14,340	0.0	9,535	6.7	1,006,257	7.7	5	478	100.0
Oct 15	76.2	-5.7	110.27	8.2	84.02	2.0	14,818	0.0	11,290	-5.7	1,244,971	2.0	5	478	100.0
Nov 15	59.6	-7.6	108.37	7.4	64.59	-0.7	14,340	0.0	8,547	-7.6	926,250	-0.7	5	478	100.0
Dec 15	50.2	-0.7	103.80	3.7	52.15	3.0	14,818	0.0	7,445	-0.7	772,791	3.0	5	478	100.0

# Tab 8 - Raw Data

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

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 16	50.6	-0.2	108.61	3.0	54.92	2.8	14,818	0.0	7,493	-0.2	813,799	2.8	5	478	100.0
Feb 16	65.2	10.7	109.87	1.8	71.63	12.6	13,384	0.0	8,726	10.7	958,724	12.6	5	478	100.0
Mar 16	62.5	1.1	107.64	1.5	67.24	2.6	14,818	0.0	9,256	1.1	996,317	2.6	5	478	100.0
Apr 16	71.1	6.9	110.82	4.9	78.76	12.2	14,340	0.0	10,191	6.9	1,129,377	12.2	5	478	100.0
May 16	66.0	-3.8	110.66	5.8	73.08	1.8	14,818	0.0	9,785	-3.8	1,082,831	1.8	5	478	100.0
Jun 16	72.7	3.1	107.86	3.6	78.41	6.8	14,340	0.0	10,425	3.1	1,124,468	6.8	5	478	100.0
Jul 16	66.3	-2.5	108.91	3.6	72.21	1.1	14,818	0.0	9,825	-2.5	1,070,039	1.1	5	478	100.0
Aug 16	67.4	-5.5	109.04	1.6	73.47	-4.0	14,818	0.0	9,984	-5.5	1,088,678	-4.0	5	478	100.0
Sep 16	64.9	-2.5	108.31	2.6	70.24	0.1	14,340	0.0	9,300	-2.5	1,007,275	0.1	5	478	100.0
Oct 16	77.6	1.9	111.19	0.8	86.33	2.7	14,818	0.0	11,505	1.9	1,279,188	2.7	5	478	100.0
Nov 16	61.6	3.4	110.01	1.5	67.79	4.9	14,340	0.0	8,836	3.4	972,087	4.9	5	478	100.0
Dec 16	47.5	-5.4	107.03	3.1	50.86	-2.5	14,818	0.0	7,041	-5.4	753,578	-2.5	5	478	100.0
Jan 17	56.0	10.6	110.71	1.9	61.94	12.8	14,818	0.0	8,291	10.6	917,887	12.8	5	478	100.0
Feb 17	64.2	-1.5	112.03	2.0	71.97	0.5	13,384	0.0	8,598	-1.5	963,274	0.5	5	478	100.0
Mar 17	66.3	6.2	113.07	5.0	75.00	11.5	14,818	0.0	9,829	6.2	1,111,363	11.5	5	478	100.0
Apr 17	65.8	-7.4	110.74	-0.1	72.84	-7.5	14,340	0.0	9,432	-7.4	1,044,510	-7.5	5	478	100.0
May 17	66.7	1.0	112.94	2.1	75.34	3.1	14,818	0.0	9,885	1.0	1,116,396	3.1	5	478	100.0
Jun 17	69.8	-4.0	111.47	3.3	77.76	-0.8	14,340	0.0	10,004	-4.0	1,115,149	-0.8	5	478	100.0
Jul 17	65.6	-1.0	109.40	0.4	71.79	-0.6	14,818	0.0	9,724	-1.0	1,063,803	-0.6	5	478	100.0
Aug 17	72.0	6.9	112.36	3.0	80.90	10.1	14,818	0.0	10,669	6.9	1,198,773	10.1	5	478	100.0
Sep 17	69.4	7.0	111.31	2.8	77.26	10.0	14,340	0.0	9,954	7.0	1,107,930	10.0	5	478	100.0
Oct 17	81.2	4.6	114.83	3.3	93.24	8.0	14,818	0.0	12,032	4.6	1,381,620	8.0	5	478	100.0
Nov 17	66.4	7.8	112.24	2.0	74.52	9.9	14,340	0.0	9,521	7.8	1,068,626	9.9	5	478	100.0
Dec 17	51.0	7.3	108.97	1.8	55.58	9.3	14,818	0.0	7,558	7.3	823,615	9.3	5	478	100.0
Jan 18	57.3	2.3	114.46	3.4	65.53	5.8	14,818	0.0	8,484	2.3	971,082	5.8	5	478	100.0

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# Tab 9 - Classic

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

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 12	48.1		97.31		46.85		14,012		6,746		656,441		5	452	100.0
Feb 12	52.3		97.99		51.21		12,656		6,614		648,080		5	452	100.0
Mar 12	59.6		98.11		58.46		14,012		8,349		819,117		5	452	100.0
Apr 12	61.6		95.91		59.09		13,560		8,355		801,294		5	452	100.0
May 12	64.1		97.10		62.28		14,012		8,987		872,676		5	452	100.0
Jun 12	65.4		96.33		62.96		13,560		8,863		853,729		5	452	100.0
Jul 12	61.0		96.65		58.95		14,012		8,547		826,047		5	452	100.0
Aug 12	63.8		99.78		63.63		14,012		8,935		891,560		5	452	100.0
Sep 12	57.6		108.43		62.48		13,560		7,813		847,190		5	452	100.0
Oct 12	73.0		96.89		70.72		14,012		10,228		990,979		5	452	100.0
Nov 12	54.6		95.70		52.21		13,560		7,398		707,971		5	452	100.0
Dec 12	43.4		96.62		41.97		14,012		6,086		588,026		5	452	100.0
Jan YTD 2012	48.1		97.31		46.85		14,012		6,746		656,441				
Total 2012	58.7		98.05		57.60		164,980		96,921		9,503,110				
Jan 13	50.8	5.6	100.53	3.3	51.10	9.1	14,012	0.0	7,122	5.6	715,978	9.1	5	452	100.0
Feb 13	58.7	12.4	99.64	1.7	58.52	14.3	12,656	0.0	7,433	12.4	740,596	14.3	5	452	100.0
Mar 13	55.7	-6.5	100.28	2.2	55.86	-4.4	14,012	0.0	7,805	-6.5	782,722	-4.4	5	452	100.0
Apr 13	67.9	10.2	99.36	3.6	67.50	14.2	13,560	0.0	9,211	10.2	915,243	14.2	5	452	86.7
May 13	66.7	4.1	102.31	5.4	68.28	9.6	12,152	-13.3	8,110	-9.8	829,774	-4.9	4	392	100.0
Jun 13	71.2	8.9	100.59	4.4	71.58	13.7	11,760	-13.3	8,369	-5.6	841,838	-1.4	4	392	100.0
Jul 13	64.0	4.9	101.43	4.9	64.91	10.1	12,152	-13.3	7,777	-9.0	788,795	-4.5	4	392	100.0
Aug 13	64.3	0.8	101.55	1.8	65.27	2.6	12,152	-13.3	7,810	-12.6	793,123	-11.0	4	392	100.0
Sep 13	61.3	6.5	102.63	-5.3	62.95	0.8	11,760	-13.3	7,213	-7.7	740,288	-12.6	4	392	100.0
Oct 13	79.3	8.7	100.82	4.1	79.97	13.1	12,152	-13.3	9,639	-5.8	971,771	-1.9	4	392	100.0
Nov 13	65.5	20.0	100.19	4.7	65.62	25.7	11,760	-13.3	7,702	4.1	771,695	9.0	4	392	100.0
Dec 13	46.0	5.9	100.91	4.4	46.43	10.6	12,152	-13.3	5,591	-8.1	564,175	-4.1	4	392	100.0
Jan YTD 2013	50.8	5.6	100.53	3.3	51.10	9.1	14,012	0.0	7,122	5.6	715,978	9.1			
Total 2013	62.4	6.2	100.83	2.8	62.92	9.2	150,280	-8.9	93,782	-3.2	9,455,998	-0.5			
Jan 14	50.7	-0.3	104.43	3.9	52.90	3.5	12,152	-13.3	6,155	-13.6	642,791	-10.2	4	392	100.0
Feb 14	58.1	-1.0	106.34	6.7	61.80	5.6	10,976	-13.3	6,379	-14.2	678,370	-8.4	4	392	100.0
Mar 14	63.8	14.5	107.21	6.9	68.38	22.4	12,152	-13.3	7,751	-0.7	830,949	6.2	4	392	100.0
Apr 14	67.0	-1.3	106.48	7.2	71.38	5.8	11,760	-13.3	7,884	-14.4	839,460	-8.3	4	392	100.0
May 14	69.7	4.5	105.64	3.2	73.67	7.9	12,152	0.0	8,475	4.5	895,273	7.9	4	392	100.0
Jun 14	70.7	-0.6	103.98	3.4	73.52	2.7	14,340	21.9	10,139	21.1	1,054,290	25.2	5	478	82.0
Jul 14	61.8	-3.4	105.01	3.5	64.91	-0.0	14,818	21.9	9,159	17.8	961,787	21.9	5	478	100.0
Aug 14	59.3	-7.8	103.59	2.0	61.38	-5.9	14,818	21.9	8,781	12.4	909,587	14.7	5	478	100.0
Sep 14	62.3	1.6	104.57	1.9	65.16	3.5	14,340	21.9	8,935	23.9	934,342	26.2	5	478	100.0
Oct 14	80.8	1.8	101.96	1.1	82.34	3.0	14,818	21.9	11,967	24.2	1,220,130	25.6	5	478	100.0
Nov 14	64.5	-1.5	100.88	0.7	65.06	-0.9	14,340	21.9	9,248	20.1	932,933	20.9	5	478	100.0
Dec 14	50.6	10.0	100.07	-0.8	50.66	9.1	14,818	21.9	7,501	34.2	750,646	33.1	5	478	100.0
Jan YTD 2014	50.7	-0.3	104.43	3.9	52.90	3.5	12,152	-13.3	6,155	-13.6	642,791	-10.2			
Total 2014	63.4	1.6	104.04	3.2	65.95	4.8	161,484	7.5	102,374	9.2	10,650,558	12.6			
Jan 15	50.7	0.0	105.45	1.0	53.44	1.0	14,818	21.9	7,509	22.0	791,835	23.2	5	478	100.0
Feb 15	58.9	1.4	107.95	1.5	63.61	2.9	13,384	21.9	7,886	23.6	851,306	25.5	5	478	100.0
Mar 15	61.8	-3.2	106.09	-1.0	65.52	-4.2	14,818	21.9	9,151	18.1	970,810	16.8	5	478	100.0
Apr 15	66.5	-0.9	105.60	-0.8	70.19	-1.7	14,340	21.9	9,531	20.9	1,006,490	19.9	5	478	100.0
May 15	68.6	-1.6	104.55	-1.0	71.76	-2.6	14,818	21.9	10,171	20.0	1,063,386	18.8	5	478	100.0
Jun 15	70.5	-0.3	104.13	0.1	73.40	-0.2	14,340	0.0	10,108	-0.3	1,052,547	-0.2	5	478	100.0
Jul 15	68.0	10.0	105.08	0.1	71.45	10.1	14,818	0.0	10,076	10.0	1,058,765	10.1	5	478	100.0
Aug 15	71.3	20.4	107.34	3.6	76.56	24.7	14,818	0.0	10,569	20.4	1,134,434	24.7	5	478	100.0
Sep 15	66.5	6.7	105.53	0.9	70.17	7.7	14,340	0.0	9,535	6.7	1,006,257	7.7	5	478	100.0
Oct 15	76.2	-5.7	110.27	8.2	84.02	2.0	14,818	0.0	11,290	-5.7	1,244,971	2.0	5	478	100.0

# Tab 9 - Classic

MaidenNC Hotel Study

Job Number: 963569\_SADIM Staff: CW Created: March 13, 2018

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 15	59.6	-7.6	108.37	7.4	64.59	-0.7	14,340	0.0	8,547	-7.6	926,250	-0.7	5	478	100.0
Dec 15	50.2	-0.7	103.80	3.7	52.15	3.0	14,818	0.0	7,445	-0.7	772,791	3.0	5	478	100.0
Jan YTD 2015	50.7	0.0	105.45	1.0	53.44	1.0	14,818	21.9	7,509	22.0	791,835	23.2			
Total 2015	64.1	1.1	106.24	2.1	68.09	3.2	174,470	8.0	111,818	9.2	11,879,842	11.5			
Jan 16	50.6	-0.2	108.61	3.0	54.92	2.8	14,818	0.0	7,493	-0.2	813,799	2.8	5	478	100.0
Feb 16	65.2	10.7	109.87	1.8	71.63	12.6	13,384	0.0	8,726	10.7	958,724	12.6	5	478	100.0
Mar 16	62.5	1.1	107.64	1.5	67.24	2.6	14,818	0.0	9,256	1.1	996,317	2.6	5	478	100.0
Apr 16	71.1	6.9	110.82	4.9	78.76	12.2	14,340	0.0	10,191	6.9	1,129,377	12.2	5	478	100.0
May 16	66.0	-3.8	110.66	5.8	73.08	1.8	14,818	0.0	9,785	-3.8	1,082,831	1.8	5	478	100.0
Jun 16	72.7	3.1	107.86	3.6	78.41	6.8	14,340	0.0	10,425	3.1	1,124,468	6.8	5	478	100.0
Jul 16	66.3	-2.5	108.91	3.6	72.21	1.1	14,818	0.0	9,825	-2.5	1,070,039	1.1	5	478	100.0
Aug 16	67.4	-5.5	109.04	1.6	73.47	-4.0	14,818	0.0	9,984	-5.5	1,088,678	-4.0	5	478	100.0
Sep 16	64.9	-2.5	108.31	2.6	70.24	0.1	14,340	0.0	9,300	-2.5	1,007,275	0.1	5	478	100.0
Oct 16	77.6	1.9	111.19	0.8	86.33	2.7	14,818	0.0	11,505	1.9	1,279,188	2.7	5	478	100.0
Nov 16	61.6	3.4	110.01	1.5	67.79	4.9	14,340	0.0	8,836	3.4	972,087	4.9	5	478	100.0
Dec 16	47.5	-5.4	107.03	3.1	50.86	-2.5	14,818	0.0	7,041	-5.4	753,578	-2.5	5	478	100.0
Jan YTD 2016	50.6	-0.2	108.61	3.0	54.92	2.8	14,818	0.0	7,493	-0.2	813,799	2.8			
Total 2016	64.4	0.5	109.25	2.8	70.36	3.3	174,470	0.0	112,367	0.5	12,276,361	3.3			
Jan 17	56.0	10.6	110.71	1.9	61.94	12.8	14,818	0.0	8,291	10.6	917,887	12.8	5	478	100.0
Feb 17	64.2	-1.5	112.03	2.0	71.97	0.5	13,384	0.0	8,598	-1.5	963,274	0.5	5	478	100.0
Mar 17	66.3	6.2	113.07	5.0	75.00	11.5	14,818	0.0	9,829	6.2	1,111,363	11.5	5	478	100.0
Apr 17	65.8	-7.4	110.74	-0.1	72.84	-7.5	14,340	0.0	9,432	-7.4	1,044,510	-7.5	5	478	100.0
May 17	66.7	1.0	112.94	2.1	75.34	3.1	14,818	0.0	9,885	1.0	1,116,396	3.1	5	478	100.0
Jun 17	69.8	-4.0	111.47	3.3	77.76	-0.8	14,340	0.0	10,004	-4.0	1,115,149	-0.8	5	478	100.0
Jul 17	65.6	-1.0	109.40	0.4	71.79	-0.6	14,818	0.0	9,724	-1.0	1,063,803	-0.6	5	478	100.0
Aug 17	72.0	6.9	112.36	3.0	80.90	10.1	14,818	0.0	10,669	6.9	1,198,773	10.1	5	478	100.0
Sep 17	69.4	7.0	111.31	2.8	77.26	10.0	14,340	0.0	9,954	7.0	1,107,930	10.0	5	478	100.0
Oct 17	81.2	4.6	114.83	3.3	93.24	8.0	14,818	0.0	12,032	4.6	1,381,620	8.0	5	478	100.0
Nov 17	66.4	7.8	112.24	2.0	74.52	9.9	14,340	0.0	9,521	7.8	1,068,626	9.9	5	478	100.0
Dec 17	51.0	7.3	108.97	1.8	55.58	9.3	14,818	0.0	7,558	7.3	823,615	9.3	5	478	100.0
Jan YTD 2017	56.0	10.6	110.71	1.9	61.94	12.8	14,818	0.0	8,291	10.6	917,887	12.8			
Total 2017	66.2	2.8	111.80	2.3	74.01	5.2	174,470	0.0	115,497	2.8	12,912,946	5.2			
Jan 18	57.3	2.3	114.46	3.4	65.53	5.8	14,818	0.0	8,484	2.3	971,082	5.8	5	478	100.0
Jan YTD 2018	57.3	2.3	114.46	3.4	65.53	5.8	14,818	0.0	8,484	2.3	971,082	5.8			

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Tab 10 - Response Report

MaidenNC Hotel Study  
Job Number: 963569\_SADIM    Staff: CW    Created: March 13, 2018

									2016												2017												2018														
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			
61457	Hampton Inn Lincolnton	Lincolnton, NC	28092	Upper Midscale Class	Nov 2011	Nov 2011	71		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●														
59604	Hampton Inn Hickory	Hickory, NC	28602	Upper Midscale Class	Dec 2009	Dec 2009	121		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●														
25386	Holiday Inn Express Hickory Mart	Hickory, NC	28602	Upper Midscale Class	Jun 2014	Jun 1981	86	Y	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●														
32374	Fairfield Inn & Suites Hickory	Hickory, NC	28602	Upper Midscale Class	Apr 1996	Apr 1996	108		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●														
36215	Holiday Inn Express & Suites Conover Hickory Area	Conover, NC	28613	Upper Midscale Class	Mar 1998	Mar 1998	92		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●														
				Total Properties:		5	478	<div>○ - Monthly data received by STR</div> <div>● - Monthly and daily data received by STR</div> <div>Blank - No data received by STR</div> <div>Y - (Chg in Rms) Property has experienced a room addition or drop during the time period of the report.</div>																																							

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## **QUALIFICATIONS OF CONSULTANTS**

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J. Richard Keegan co-founded Shamrock Capital in 2005 (now Keegan Associates LLC dba Shamrock Capital). Since 2011, the company has specialized in traditional, resort and extended-stay 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**

### **Keegan Associates LLC dba 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



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## **Appraisal Institute**

- Course 100, Basic Appraisal Principles
- Course 101, Basic Appraisal Practices
- Course 202, Residential Sales Comparison & Income Approaches
- Course 310, Basic Income Capitalization
- Course 405G, General Appraiser Report Writing and Case Studies
- Course 410, National Uniform Standards of Professional Appraisal Practice (USPAP) – 15 Hours
- Course N420DM, Business Practices and Ethics
- Course 500GD Advanced Market Analysis and Highest & Best Use
- Course 503GD, Advanced Concepts and Case Studies
- Course 510, Advanced Income Capitalization

## **LICENSES & MEMBERSHIPS**

- Member of the Appraisal Institute (MAI)
- Certified General Real Estate Appraiser licensed in the states of Florida, Georgia, Virginia, and North Carolina; reciprocal or temporary licenses routinely obtained in other states as needed
- East Florida Chapter of the Appraisal Institute

## **PROFESSIONAL HISTORY**

### **Shamrock Capital – Lake Mary, Florida**

*Member February 2015 – Present*

*Certified General Real Estate Appraiser May 2005 – Present*

- Perform complex valuations and evaluations for proposed and existing hotel properties throughout the continental United States
- Perform market demand and feasibility studies for hotel developments throughout the continental United States
- Perform valuations of income-producing property. Appraisal and valuation assignments have included golf courses, restaurants and vacant land.

### **Horwath HTL (formerly Hotel & Club Associates of Virginia), Norfolk Virginia**

*Senior Appraiser: May 2005 – February 2015*