



Horwath HTL
Hotel, Tourism and Leisure

Hotel Study

**Proposed Hotel
Louisburg, North Carolina 28150**

The Global Leader in Hospitality Consulting

September 16, 2021

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

**Reference: Hotel Study
 Proposed Upper-Midscale Hotel, Louisburg, North Carolina**

Dear Ms. Daniels:

Per your request, we have analyzed the Louisburg, North Carolina lodging market as it pertains to a proposed hotel. Based on our research and interviews, a 55-room, upper-midscale soft-brand/boutique hotel, especially one featuring free hot breakfast and a small, bistro-style bar, 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 \$7,100,000. Based on this information, the proposed subject property is forecast to produce a free-and-clear Internal Rate of Return (IRR) of 9.8%. This return is considered adequate insofar as it meets the accepted market returns for similar hotel investments.

Respectfully submitted,

For and on behalf of Horwath HTL



Michael P. Cummings, MAI, ISHC
Managing Director



J. Richard Keegan, MBA
Senior Consultant

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1. Legal Information

1.1. Disclaimer

The enclosed report pertains to the hotel study for the proposed subject property. The scope of the work is described in the body of the report.

We have no obligation to update our findings and conclusions for changes in market conditions which may occur subsequent to our fieldwork. Any such changes in market conditions will affect the validity of our estimates. Since changes in market conditions are likely to occur, it is expressly understood that we have no obligation to revise the report or the analysis of prospective conditions subsequent to the submission of our findings.

Our report is based on assumptions and estimates that are subject to uncertainty and variation. All information provided by others has been accepted without audit or verification and is assumed to be correct. In addition, we have made assumptions as to the future behavior of consumers and the general economy, which are uncertain.

1.2. Copyright Notice

All rights reserved; no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without either the prior written permission of Horwath HTL or a license permitting restricted copying. This publication may not be lent, resold, hired out or otherwise disposed of by way of trade in any form of binding or cover other than that in which it is published, without the prior consent of Horwath HTL.

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2. 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 below, are correct. Information in this report was furnished from sources believed to be reliable and, when possible, has been validated by third party data. This report has been made in conformity with the accepted practices of the Appraisal Institute.
2. The Global outbreak of COVID-19 was officially declared a pandemic by the World Health Organization in 2020. The reader is cautioned and reminded that the conclusions presented in this report apply only as of the effective date(s) indicated. The consultants make no representation as to the effect on the subject property of any unforeseen event subsequent to the effective date of the report.
3. While vaccines now are widely available, particularly in the US, vaccination rates vary and consensus on how best to fully contain the outbreak has yet to be reached. That said, our analysis cautiously assumes the economic recovery will continue even as certain Covid-related limitations on travel, especially international travel, remain in effect. Also emerging as a concern is the advent of new Covid variants and the uncertainty accompanying them.
4. Disclosure of the contents of this feasibility report is governed by the By-Laws and Regulations of the Appraisal Institute.
5. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the MAI or SRA Designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.
6. For the purposes of this feasibility report, we assume it is possible to build the subject for the cost stated herein. If engineering, title search, zoning approvals, environmental approvals, or other tests/reports indicate the site is not suitable for development, or that additional costs will be incurred, the analysis herein may be significantly affected.
7. Plats, maps, and other exhibits in this report are used merely to help the reader visualize the property and its surroundings, and no responsibility is assumed for their cartographic accuracy.
8. The value estimates reported herein are under the purpose and land-use premise stated and may not represent market value. 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. 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 returns 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.).

10. All mechanical equipment proposed in the building(s) is assumed to be in average to good working order, unless otherwise stated and treated elsewhere in the report.
11. 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. Unless otherwise stated, this report assumes a prototype design will be constructed that meets or exceeds ADA standards.
12. The indicated values are subject to the completion of the property in accordance with the forecast construction budget and other project information which has been provided by the developer. We assume the construction will be completed with quality materials in a workmanlike, timely and quality manner.
13. 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.
14. If applicable to the subject's market, a Trend Response 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.
15. Unless specifically stated otherwise, we assume the subject's franchise agreement will extend through the specified holding period and beyond such that it will not affect the marketability or forecast returns 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.

2.1. Extraordinary Assumptions

Taking into account the residual and as yet fully realized effects of the Covid-19 pandemic on the economy in general and on hospitality, tourism and leisure markets in particular, the consultants have, to the best of their ability, attempted to reflect current perceptions within the hotel marketplace. The full economic and public health effects of the Covid-19 coronavirus and its variants are still evolving and can potentially impact the results of this hotel study.

3. Definitions

Text	Description
Basic Market Analysis	An inferred method of market analysis that analyzes current and historical market conditions and closely mirrors the level of due diligence conducted by market participants. This level of market analysis includes an evaluation of the subject's overall market capture rate relative to competitive hotels preselected on the subject property's STR STAR report if available. This level of market analysis is applicable for existing hotels in an established market.
Comprehensive Level I Market Analysis	An inferred method of market analysis that uses current and historical general market conditions to <i>infer</i> future supply and demand conditions. Direct sampling and interviews of competitive properties are employed to generate market data and a STR STAR report or CUSTOM TREND report is utilized. This level of analysis is most applicable for existing and proposed properties in an established hotel market.
Comprehensive Level II Market Analysis	A method of market analysis that analyzes current and historical market conditions, but additionally includes fundamental analysis to <i>forecast</i> subject-specific supply, demand, absorption and capture over the property's holding period. Direct sampling and interviews of competitive properties are employed to generate market data and a STR STAR report or CUSTOM TREND report is utilized. This level of analysis is applicable for existing and proposed properties in an established hotel market.
Comprehensive Level III Market Analysis	A fundamental method of market analysis that analyzes current and historical market conditions, but additionally includes fundamental analysis to <i>forecast</i> subject-specific supply, demand, absorption and capture over the property's holding period. Direct sampling and interviews of competitive properties are employed to generate market data and a STR CUSTOM TREND report is purchased. Additionally, specific demand generators are surveyed to quantify their level of demand and determine the optimal property size, product type and level of amenities suited for the market. This level of market analysis is most applicable for proposed properties in unestablished markets.
Fee Simple Estate	Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of police power, escheat, taxation, and eminent domain.
Going Concern	A business having the ability to continue functioning as a business entity in the future. In accounting, a business is considered to be a going concern if it is likely to continue functioning 12 months into the future.
Leased Fee Interest	An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the lessee are specified by contract terms contained within the lease.
Leasehold Interest	The interest held by the lessee (the tenant or renter) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.
Boutique Hotel	A smaller (40-100± rooms), design-centric, often unique in style, independent or affiliated hotel.
Soft-Branded Hotel	A franchise-system-affiliated hotel which retains its own identity while benefitting from its connection to a parent company's global distribution system, central reservation system and loyalty program. Soft brands are also known as "collection brands."

4. Scope of Work & Methodology

This Hotel Study report provides a presentation of information based upon provided documentation, an inspection of the subject site and its marketplace.

The scope of the hotel study includes the investigations necessary to gather sufficient data from which to derive an opinion of market conditions and trends, and it encompasses the necessary research and analysis to prepare a report in accordance with its intended use.

The subject market data is based upon information provided by STR; town, county and state officials and/or websites; market participants; and by area demand generators. Hotel properties of all types in the market were explored to determine existing/proposed hotel inventory, supply/demand, and the marketability of properties within or most proximate to the proposed hotel's classification. A thorough research effort was conducted to extract market data to be used in the hotel 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.

At the Client's request, the report focuses on identifying an appropriate hotel chain scale and asset class rather than recommending a specific brand or brand family. Additionally, we were asked to determine the number of additional rooms, support amenities and price points the market could support, discuss specific demand generators, and identify and prioritize potential locations for a hotel. This hotel study report provides a presentation of information based upon provided documentation, an inspection of the subject site(s) and its/their marketplace.

5. Introduction

5.1. Identification of Potential Sites

The subject of this hotel study is a proposed 55-room upper-midscale soft-brand/boutique hotel in Louisburg, Franklin County, in the Research Triangle Region of North Carolina. Commercial land uses in Louisburg are concentrated in three general areas: Bickett Boulevard (east of downtown), the US 401/SR 56 intersection (south of downtown), and downtown (Town Center).

It is noted that most businesses along Bickett Boulevard are in the mature to declining stages of their respective retail life cycles. These include low-rise neighborhood banks and storefront lenders; strip shopping centers; a gas station/C-store; car wash, automotive parts and tractor supply shops; tire, brake and alignment shops; a beauty supply store, nail salon & spa, and a tattoo shop; grocery and discount variety stores; pizza parlors, sandwich shops, diners, ethnic and casual-dining restaurants; quick-service, drive-through and takeout food venues; and low-rise budget and economy motels. Considering the lodging needs and preferences identified during our interviews and research, the Bickett Boulevard submarket, particularly North Bickett Boulevard, is not being recommended as an area in which to build a new upper-midscale or upscale hotel.

That said, within the remaining two submarkets, the US 401/SR 56 intersection and downtown (Town Center), we have identified and rank-ordered an individual site and two multi-site master developments offering the location, accessibility and support amenities desirable for a proposed 55-room upper-midscale soft-brand/boutique hotel. Asking prices for available land parcels range from \$100,000 to \$1,100,000.

Based on our interviews and research, we will describe and discuss the three sites/master developments with the most potential for meeting underserved weekend demand and capitalizing on evolving midweek corporate, academic and health care demand. These are:

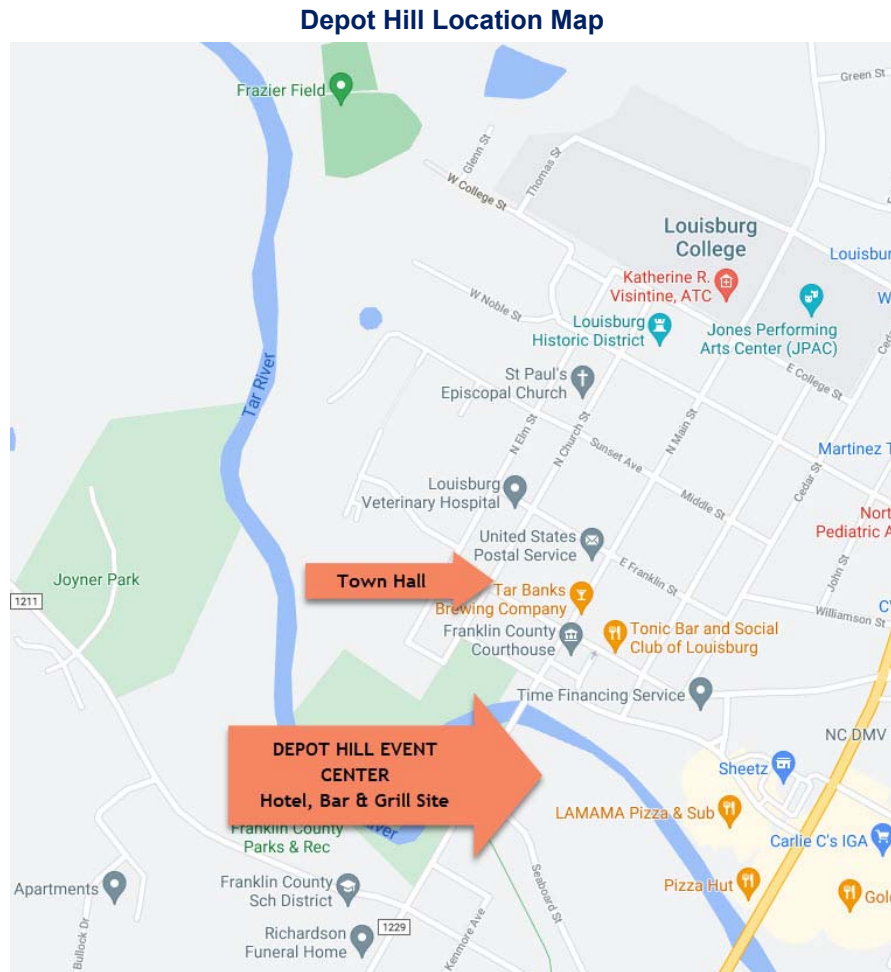
#1 – Depot Hill Event Center site – Downtown Louisburg across the Main Street bridge from the Town Center

#2 – Retail Way master development sites – in the southwest quadrant of the US 401/SR 56 intersection south of downtown

#3 – Burke Boulevard master development sites – in the southeast quadrant of the US 401/SR 56 intersection south of downtown

#1 – Depot Hill Event Center Site

The parent site being considered for the proposed hotel is located at 444 S. Main Street and bounded by the Tar River to the north, woodlands to the east, Seaboard Street to the south and Main Street to the west.



Source: Google Maps

The Franklin County Assessor's Office identifies the 2.72-acre parent property as Parcel ID #013859 and PIN #2805-55-9344. The property is part of River Bend Park (a GIS map reference) and is zoned B-1, Business District, Limited, and hotels are a permitted use. The property is improved with a vacant building which is in the process of being renovated and repositioned (see below). The owner of record is The Town of Louisburg, which acquired the property on January 1, 1986, for an undisclosed amount, as recorded in Deed Book 856, Page 795.

Looking Northeast from South Main Street at Depot Hill



Source: Franklin County with annotations by Horwath HTL

Currently, the westernmost (taller) section of the above-depicted improvement is in the process of being extensively renovated and repositioned as a modern-day event center with a dining hall, entertainment stage and long bar; the center section is being renovated to accommodate connected pre-function space, large restrooms, and a partitioned innovation center, all served by a loading dock on the north (river) side of the building.

Conceptual Rendering – Depot Hill



Source: Town of Louisburg

The Town of Louisburg has the funding and general contractor in place to commence the repositioning of the Depot Hill property it owns. As shown in the above rendering, the event center will feature a flex-space dining hall and bar. Connected-but-undepicted will be a conversation/lounge area in the center section.

Exterior Rendering of the Depot Hill Event Center Project



Source: Town of Louisburg with annotations by Horwath HTL

Town of Louisburg officials and the general contractor agree that the easternmost third section of the building has deteriorated to the point that it should be demolished rather than renovated. Ideally it would be rebuilt as a separate-but-connected bar and grill to be operated by the proposed hotel. It is our understanding that town officials are amenable to negotiating management/lease terms with a qualified hotel operator preferring to book and operate the entire complex, excluding for the time being the relatively small and partitioned innovation center on the north side of the center section of the building.

Views of the Proposed Depot Hill Hotel Development Site

Looking west-southwest at the current building



Looking east-northeast at the Tar River



Source: Horwath HTL

The above-depicted Depot Hill hotel development site slopes down and north to the banks of the Tar River from the above-street-grade shared parking area and down and to the north and east from the to-be-demolished easternmost section of the current building, a section which and preferably will be rebuilt as a hotel-operated bar and grill. While site dimensions have yet to be finalized, the event center contractor is confident it will accommodate the proposed hotel with or without a scaled hotel-operated or third party operated bar and grill.

Considering the Louisburg community's strong desire for a new hotel, noting the obvious synergies with downtown, Louisburg College and the soon-to-be renovated event center complex, and further considering the demolition and site work that will be required, particularly grading and reinforcing a retaining wall, this town center-adjacent Depot Hill site for a proposed hotel, bar and grill reportedly can be acquired for \$100,000 to \$200,000.

#2 – Retail Way/SR 56 Master Development Sites

Site Map



Source: GFD Management and Showcase.com

The aerial map above depicts a total of seven current and future development parcels ranging in size from 0.98-to-4.76 acres. Five of the seven parcels are within the Retail Way/Louisburg Plaza master development anchored by the Walmart Supercenter. North across SR 56 are Parcels 1 and 2A which, while available and close to one another, they are not contiguous and do not lend themselves to easy assembly. On a standalone basis, each presents significant size, shape and parking limitations, particularly Parcel 1.

The Retail Way/Louisburg Plaza parcels south of SR 56 present three options deemed the most suitable for a hotel development of the size and type depicted in this report. These are:

1. Parcels 3 and 4 – As contiguous, 0.98-acre lots highly visible from the US 401 “southern gateway” to Louisburg, these would require assembly and replatting to become a viable 1.96-acre hotel development site with public water, sewer and gas available. They are level, above street grade, shovel-ready and within easy walking distance of Walmart Supercenter-anchored retail shopping, ethnic-, quick service- and casual-dining venues and a gas station/c-store.
2. Parcel 5 is a standalone 1.87-acre site requiring minimal clearing and grading. It is at street grade with US 401, from which it has limited visibility but good access via Retail Way. It is below street grade with Retail Way, from which it enjoys excellent visibility and access. As with other Retail Way parcels, it has public water, sewer and gas available and is within a casual walk to Walmart Supercenter-anchored retail shopping, ethnic-, quick service- and casual-dining venues and a gas station/c-store.

View of Parcels 3 & 4 looking west from US 401



View of Lot 5 looking south from Retail Way



Source: Horwath HTL

3. Future Development Parcel – Depicted below is a vacant, shovel-ready parcel of land centrally located in the Retail Way master development. Situated in the heart of Louisburg Plaza, this 4.76-acre future development site fronts along and is directly accessible from the north and west sides of Retail Way. The parcel's size and topography would allow for subdividing and developing or attracting a hotel-compatible land use such as a restaurant and/or bar and grill. Again, as with other Retail Way parcels, it has public water, sewer and gas available and is within a casual walk to Walmart Supercenter-anchored retail shopping, ethnic-, quick service- and casual-dining venues and a gas station/c-store.

4.76-Acre Future Development Site along Retail Way



Source: Horwath HTL

Retail Way Synopsis – Ownership and management (GFD) are desirous of attracting complementary and synergistic projects to their well-platted retail mixed-use master development in the path of progress, particularly as the widening of US 401 nears completion. Each of the aforementioned parcels is entitled and essentially shovel-ready, though Parcels 3 & 4 will require assembly to become viable as a site suitable for a proposed 55-room upper-midscale soft-brand/boutique hotel.

Based on local discussions, ownership would be receptive to the development of a quality upper-midscale or upscale class hotel, not budget or economy class. Prices are negotiable, but it has been suggested that serious offers should be in the range of \$150,000 to \$200,000 per acre.

#3 – Burke Boulevard Master Development Sites

Site Map



Source: CoStar/NAI Tri Properties with NCDOT annotations by Horwath HTL

The Walgreens and SECU (State Employees Credit Union)-anchored Burke Boulevard master development currently has available for sale eight parcels comprising a total of 18.83 acres. Lot sizes range from 0.92-to-5.59 acres and are zoned Highway Business with public water, sewer and gas available. The asking prices for most available parcels reflect a retail focus insofar as they are higher for direct US 401 visibility and, in the case of Parcel G, proximity to the US 401/SR 56 intersection with its combined exposure to 38,000± vehicles per day.

- A. Sold
- B. \$500,000 – 1.93 ac
- C. \$450,000 – 1.28 ac
- D. \$320,000 – 0.92 ac (cleared & graded)
- E. \$500,000 – 3.66 ac
- F. \$365,251 – 5.59 ac
- G. \$1,100,000 – 2.30 ac (cleared & graded)
- H. Sold
- I. \$60,000 – 1.30 ac
- J. \$725,000 – 1.85 ac (cleared & graded)

Below are recent photos of available Burke Boulevard parcels.

View of Parcel E (and part of F) looking east



View of Parcel G looking northwest



Source: Horwath HTL

View of Parcel G and US 401/SR 56 Intersection



View of SECU looking west along Burke Blvd



Source: Horwath HTL

Burke Boulevard Synopsis – Ownership is said to be receptive to a proposed 55-room upper-midscale soft-brand/boutique hotel in its mixed-use master development, which also is in the path of progress as the widening of US 401 nears completion. Each suitable Burke Boulevard parcel is mostly clear and entitled, and some, such as Parcel G, will require moderately more grading and site work than others.

Site Conclusion – Based on our research, each of the Louisburg sites identified will be suitable for the recommended 55-room upper-midscale soft-brand/boutique hotel. That said, for the following reasons our #1 recommendation is the Downtown Louisburg Depot Hill site:

- attractive pricing – \$100,000 to \$200,000 for the land and to-be-demolished easternmost third section of the current building
- unique location – in River Bend Park with unobstructed views of the 215-mile-long Tar River and parent parcel frontage along South Main Street (Caveat: Flood Zone AE, flood insurance required by federally regulated lenders – ref. Flood Insurance Rate Map 3720280500K eff. 4/16/2013.)
- favorable zoning – hotels, motels, restaurants and grills are permitted uses
- complementary land use – an adjacent, synergistic and connectable event, meeting and banquet center will serve simultaneously as an excellent hotel amenity and a proven demand generator
- proximity to public-private demand generators – an easy walk across the Main Street bridge to Franklin County Courthouse, Louisburg Town Hall, county office buildings, law offices, business offices, Pete Smith Automotive Group Amphitheatre, Louisburg Historic District, Louisburg College, and the 1200-seat Jones Performing Arts Center at Louisburg College
- proximity to support amenities – a 2- to 3-block walk to the Tonic Bar and Social Club (a popular bar and grill featuring live entertainment, indoor dining and 2-level outdoor seating overlooking the aforementioned amphitheatre), Tar Banks Brewing Company (a brewpub), a boutique fashion shop, trendy coffee and book shops, a pharmacy and a hair salon

5.2. Client

The client for this hotel study is Ms. Brenda Daniels of ElectriCities of North Carolina, Inc., who authorized its preparation by acceptance of a proposal letter.

5.3. Intended Users

The report is intended for use only by ElectriCities of North Carolina, Inc. and the Town of Louisburg, North Carolina. Use of this report by others is not intended by the consultants.

5.4. Client's Intended Use

The intended use of this hotel study is for internal financial analysis and decision making as they pertain to the development of the proposed midscale soft-brand/boutique hotel. The report is not intended for any other use.

5.5. Dates of Analysis

On August 3-4, 2021, J. Richard Keegan, Senior Consultant, Horwath HTL, inspected the market and several potential hotel sites. During his visit and over the following weeks, data was collected in person or by remote means for the purpose of further analyzing the sites and the submarkets in which they are located. Based on our research, we project a completion date for the recommended Downtown Depot Hill hotel project on or about January 1, 2023, with the hotel reaching a stabilized level of occupancy by January 1, 2025.

5.6. Improvement Description

Based on our interviews and analysis of the Louisburg market, a proposed upper-midscale soft-brand/boutique hotel with 55 guestrooms would best represent the type, cost, amenities and price point suited to the current and near-term lodging demand identified in the overall Louisburg-Wake Forest market. Major hotel companies endeavor to position their soft-brand collections as adaptably sized and individually designed to reflect the unique history or story of their building and/or location—e.g., Depot Hill, River Bend Park, Tar River, 206 historic homes—Greek Revival, Queen Anne, Victorian, etc.

While no building plans have been provided, the Client has requested that the consultants recommend for consideration an asset class and type of hotel—independent or chain affiliated, deemed suitable for the subject market. As of the date of our analysis, an upper-midscale soft-brand/boutique hotel has been identified as being the most suitable for the in-the-path-of-growth Louisburg market. Considering the amenities, number of rooms and price point being recommended, the following soft brands and one size-flexible hard brand should be considered: Ascend Hotel Collection by Choice, Cobblestone Hotel & Suites' MainStreet Model (a local history-influenced flexible hard brand), Delta Hotels by Marriott, Tapestry Collection by Hilton, Trademark Collection by Wyndham, Tribute Portfolio by Marriott. A typical soft-brand/boutique hotel will feature a scaled bar and grill or restaurant and lounge capable of meeting the needs of its leisure and commercial guests.

Our cost projections are based Marshall Valuation Service's estimates for a brick veneer or EIFS exterior, 55-room limited-service hotel with good guestroom and public area furnishings, attractive floor coverings, finishes, lighting and plumbing fixtures, and our cost estimate for a scaled bar and grill.

6. Market 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.

6.1. Town of Louisburg, Franklin County, Raleigh, NC MSA

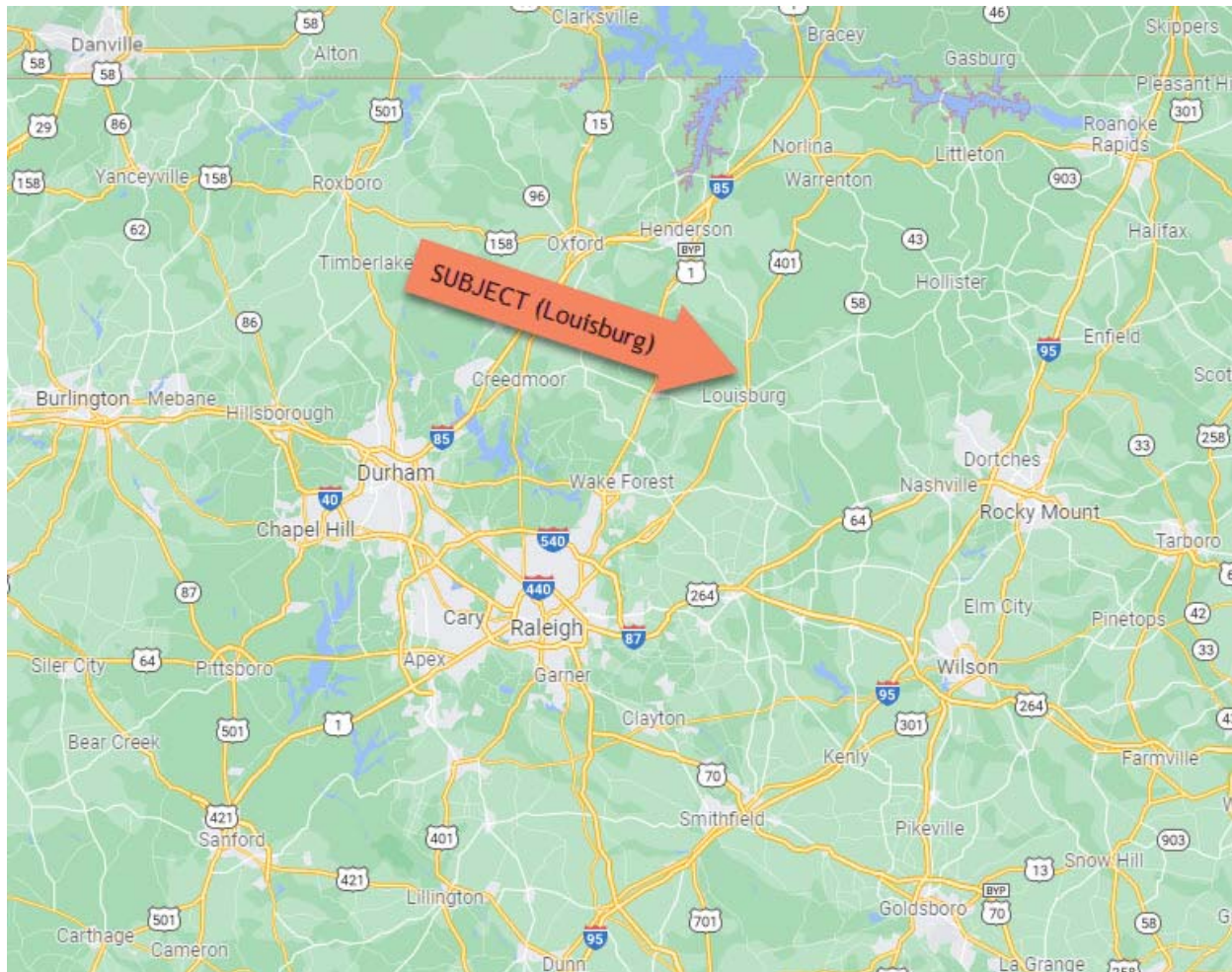
The Town of Louisburg, North Carolina, is the county seat of Franklin County, a Research Triangle Region community located between Interstate 95 to the east and Interstate 85 to the north and west. The town is located 30± miles northeast of Raleigh, the state's capital. Chartered in 1779 as the county seat, and named in honor of King Louis XVI of France, who was aiding the American Revolution at the time, Louisburg is located in the geographic center of the county on the banks of the Tar River with a population of 3,500+.

The Town of Louisburg provides a relaxed, village-like quality of living with access to all of the modern amenities. This exurb of Raleigh serves as the retail, educational, business, recreational, and cultural hub of Franklin County. Its retail trade area encompasses 45,000± people with an average household income of \$57,000±. Local leadership is working aggressively to reinforce residents' pride in their community through public-private restoration projects as part of the township's revitalization efforts.

Franklin County was established in 1779 and is home to five municipalities – Bunn, Franklinton, Centerville, Louisburg, and Youngsville. Located in the east central portion of North Carolina, Franklin County is 2.5 hours from the Outer Banks and 3.5 hours from the Blue Ridge Mountains and the famed "Appalachian Trail." With a growing economy and a 2019 population estimated at 69,000+, Franklin County is included in the Raleigh-Cary, NC Metropolitan Statistical Area, 42nd largest MSA in the United States, which is included in the Raleigh-Durham-Cary-Chapel Hill, NC Combined Statistical Area.

The Research Triangle region (a/k/a The Triangle) is variously defined to include as few as the three core counties of Wake, Durham and Orange or as many as the 16 counties comprising the membership of the Research Triangle Regional Partnership (RTRP). The larger area is commonly referred to as the Raleigh–Durham–Cary–Chapel Hill CSA or the Piedmont Plateau, which is bounded to the east by Eastern North Carolina and the Coastal Plains region and to the west by the Piedmont Triad (Greensboro, Winston-Salem, High Point) and the Mountain region. The Triangle's core is anchored by three research institutions of higher learning: North Carolina State University (Raleigh), Duke University (Durham), and the University of North Carolina (Chapel Hill).

Area Map



6.1.1. Transportation

By Road - North Carolina maintains the largest state highway system in the nation. Toll-free, four-lane Interstates (40, 77, 85, and 95) provide easy access to all North Carolina borders. Interstate I-40 highway transects the state east to west from Wilmington, a port city on the Atlantic Ocean, to Tennessee via Raleigh, Durham, Winston-Salem and Asheville, NC. Interstates I-85 and I-95 transect the state south to north from South Carolina to Virginia. Other major highways include:

- U.S. Highways 1, 64, and 401, which transects the state south from South Carolina north via Raleigh and Louisburg to Interstate 85 near Wise, NC
- State highways NC 39, 56, 96, 98, 561 and 581

Air - Triangle North Executive Airport is a county-owned, public-use airport in Franklin County. It is located seven miles southwest of the central business district of Louisville. The airport covers an area of 388 acres at an elevation of 369 feet above mean sea level. It has one runway designated 5/23 with an asphalt surface measuring 5,498 by 100 feet.

Raleigh-Durham International Airport (RDU) has nearly 400 daily arrivals and departures. Eight major airlines and their regional partners (Air Canada, American Airlines, Delta, JetBlue, Southwest, and United) provide daily flights to nearly 40 non-stop destinations in the United States, Canada, Mexico, and Europe. The airport is located 40 miles southwest of downtown Louisville.

Public Transit/Freight/Rail - Sixty-six freight carriers provide Franklin County business overnight service to cities within a 400-mile radius. A CSX north/south line traverses western Franklin County parallel to U.S. 1 in the county's predominately industrial-zoned area.

By Water – The 215-mile-long Tar River transects Louisville northwest to southeast to Washington, NC, where it flows into the Pimlico River and Pimlico Sound inside the Outer Banks along the Atlantic Ocean.

- 140± miles northwest of the Port of Wilmington, NC with 50 bulk freight handlers/shippers and 10 container freight handlers/shippers
- 160± miles northwest of the Port of Morehead City, NC with 50 bulk freight handlers/shippers
- 165 miles southwest of the Port of Norfolk, VA with 70 bulk freight handlers/shippers and 70 container freight handlers/shippers

6.1.2. Population

Based on the most recent U.S. Census data, the MSA has shown a population increase of 25.0% from 2010 to 2019. Population data for key regions have been summarized in the table below.

Area	2010	Est. 2019	Growth
Louisville, Town of	3,359	3,619	+7.7%
Franklin County*	60,792	69,685	+15.0%
Raleigh MSA	1,130,490	1,413,982	+25.0%
North Carolina	9,535,471	10,439,388	+9.5%

Source: U.S. Census Bureau

6.1.3. Employment

The characteristics of an area's work force provide an indication of the type and amount of transient visitation likely to be generated by local businesses. Employment categories such as finance, insurance, and real estate (FIRE); wholesale trade; and services produce a considerable number of visitors who are not particularly rate sensitive. The government sector often generates transient room nights, but per-diem reimbursement allowances often limit the accommodations selection to budget and mid-priced lodging facilities. Contributions from manufacturing; construction; and transportation, communications, and public utilities (TCPU) employers can also be important, depending upon the company type.

Franklin County's economy is fueled by the Research Triangle Region's world-leading life sciences, technology and defense clusters, and by an innovation-rich environment born more than 50 years ago in the Research Triangle Park. Three surrounding world-class research universities and numerous private and federal labs attract more than \$2 billion a year in federal research funding, fueling discoveries that create new products, services, companies and ultimately jobs.

According to the Research Triangle Regional Partnership (RTRP), the Triangle Region is comprised of 12 counties, including the close-in subject Franklin County, and is anchored by the three cities hosting the above-referenced research universities: Raleigh (NC State), Durham (Duke) and Chapel Hill (UNC).

Technology leaders like Cisco, Cree, Lenovo (formerly IBM), NetApp, Oracle, Red Hat/IBM, and SAS Institute create a regional information technology infrastructure that supports business intelligence, communications and productivity worldwide. Additionally, the Triangle Region's high-tech and life sciences sectors continue to flourish, with Google recently committing to a new engineering hub in Durham; Microsoft announcing it will be adding hundreds of jobs in the region; and Apple acknowledging it has assembled seven properties in Research Triangle Park (RTP) to accommodate its new \$1 billion-plus campus and engineering hub. Its one-million-square-foot building will provide 3,000 additional jobs with minimum salaries of \$133,520 in such cutting-edge industries as artificial intelligence, machine learning, software engineering and more.

Nearby military installations, including Fort Bragg, the largest U.S. Army base in the world and soon-to-be-home to the largest concentration of general officers outside the Pentagon, provide access to military decision-makers and customers who help fuel the growth of RTP's defense contractors and technology companies.

Franklin County reported a June 2021 unemployment rate of 4.9%. For additional insight, the following tables show the industry segmentation and labor force statistics of the Raleigh MSA.

Raleigh MSA Industry by Sector

Industry	Employment	%
Professional & Business Services	132,400	20.4%
Trade, Transportation & Utilities	122,200	18.9%
Government	90,500	14.0%
Education & Health Services	78,700	12.1%
Leisure & Hospitality	67,000	10.3%
Mining, Logging & Construction	44,100	6.8%
Financial Activities	34,100	5.3%
Manufacturing	31,300	4.8%
Other services, except public administration	25,400	3.9%
Information	22,300	3.4%
Total	648,000	100%

Source: US Bureau of Labor & Statistics June 2021

North Carolina and Raleigh MSA Labor Force Statistics Comparison

Industry	North Carolina	Raleigh MSA
Civilian Labor Force	5,000,900	733,300
Employment	4,769,000	702,800
Unemployment	231,900	30,500
Unemployment Rate	4.6%	4.2%

Source: US Bureau of Labor & Statistics June 2021

Franklin County's top employers are listed in the following table.

Company	Industry/Product	City/Town	Employees
Novozymes North America, Inc.	Food & industrial-grade enzymes	Franklinton	691
CenturyLink	Telecommunications	Wake Forest	400
K-Flex USA, LLC	Foam insulation products	Youngsville	357
ITS	Utility installation	Youngsville	190
Eaton Corporation	Surge protection devices	Youngsville	184
Palziv North America	Polyethylene foam products	Louisburg	174
Robling Medical, Inc.	Manufacturer of urinary devices	Youngsville	153
Walmart	Retail	Louisburg	150
East West Manufacturing	A global contract manufacturer	Youngsville	130
Majestic Kitchen & Bath Creations	Manufacturing	Youngsville	124
Amcor Rigid Plastics USA, Inc.	Specialty packaging	Youngsville	120
Majestic Kitchen & Bath Creations	Manufacturing	Youngsville	120
Trulite Glass & Aluminum Solutions	Manufacturing	Youngsville	115
Louisburg College	2-year college	Louisburg	113
East Coast Drilling & Blasting, Inc.	Professional rock drilling	Louisburg	100

Source: Franklin County Economic Development Commission

Novozymes is a global biotechnology company headquartered in Bagsværd/Copenhagen, Denmark. Novozymes' worldwide workforce of 6,000± employees, of which 1,200±, or 20%, were employed by Novozymes North America, whose headquarters are in Franklin County, NC. In addition to Denmark and the United States, the company has operations in Argentina, Brazil, Canada, China, India, and the United Kingdom. The company's focus is the research, development and production of industrial enzymes, microorganisms, and biopharmaceutical ingredients.

The principal employers in the Town of Louisburg EJT include (alphabetically):

- Maria Parham Hospital —100 beds
- Cal-Maine Foods—egg distributor to Food Lion, Harris Teeter, Walmart and more
- County of Franklin

- East Coast Drilling
- Food Lion
- Franklin County Schools
- Palziv North America, cross-linked, closed-cell polyethylene forms
- Louisburg College, a private, Methodist-affiliated, two-year college
- Vance-Granville Community College
- Walmart

Franklin County's six industrial parks offer sites suitable for businesses of all kinds at affordable prices, often with attractive financial incentives, and prime locations that make them highly desirable places to locate or expand.

- **Triangle North Franklin, Louisburg**-This 252-acre park, which is adjacent to Triangle North Executive Airport, offers the highest level of state incentives as a Tier 1 site in NC.
- **Louisburg Industrial Park**-This 156-acre park located on T. Kemp Rd. (off of N.C. 56) in Louisburg is certified as development ready and suitable for light industrial use.
- **Youngsville Commerce Center** -This 16-acre park off U.S. 1 in Youngsville is ideally suited for manufacturing and distribution office or warehouse space. Eaton Corporation, Atlantic Packaging, Robling Medical, BMC (Building. Materials & Construction Services.), Tregator, Tractor Supply, Gatekeeper, Southern Lithoplate, Majestic Kitchen & Bath Creations, Suretech Assembly, Cade, Inc., DCN Cables
- **Franklin Park Industrial Center**, Youngsville-Majestic Kitchen & Bath Creations, Amcor Rigid Plastics USA, Eastern Corporation, Southern Door and Trim, Ryerson, Inc., Frigi-Temp, Winslow Custom Homes
- **Youngsville Commerce Center South**-K-Flex USA, LLC, Imerys Perlite USA, Inc.
- **Youngsville Industrial Park**-Trulite Glass & Aluminum Solutions, Captive-Aire Systems, Canyon Stone, Covenant Trucking, Womack Warehouse, Inc., Youngsville Truck Tires and Services

Education

Franklin County Schools serves nearly 8,700 K-12 students a year through eight elementary, three middle and three high schools located across the county, as well as a variety of special centers and programs.

Thirty-seven colleges and educational institutions are located within a two-hour drive of Franklin County. Among them are three world-class research universities: Duke University (40 miles), North Carolina State University (30 miles) and University of North Carolina at Chapel Hill (50 miles). Additional higher education institutions within the area include Peace College, Shaw University, Meredith College, North Carolina Central University and Saint Augustine's College.

Louisburg College, the oldest junior college in the country and the only two-year residential college in North Carolina, offers three associate degree programs (arts, sciences and business) and a firm foundation for students who pursue four-year degrees at other institutions.

Vance-Granville Community College, part of the N.C. Community College System, offers higher education degrees and comprehensive workforce training through four regional campuses, including one in Franklin County near Louisburg, the county seat.

Healthcare

Located within the Triangle region of North Carolina, Franklin County residents have access to excellent medical care. With three major medical systems, including two top-rated teaching hospitals, within 30 minutes of each other, adjacent Wake County offers access to some of the finest healthcare in the country, including (listed in order of proximity to the Town of Louisburg):

- Duke Raleigh Hospital, 186 Beds, 25 miles southwest along the I-440 section of the Raleigh Beltline in northeast Raleigh
- WakeMed Health & Hospitals in Raleigh and Cary, 884 beds, 30 miles southwest inside the I-440 Raleigh Beltline in east Raleigh
- UNC Rex Healthcare, 660 beds, 35 miles southwest in the northwest quadrant of Interstate 40 and the I-440 Raleigh Beltline in northwest Raleigh
- Duke University Health System, 1,326 beds, 40 miles west in Durham northwest of Raleigh
- UNC Medical Center, 803 Beds, 55 miles southwest in Chapel Hill

Recreation/Tourism

In Franklin County residents enjoy a relaxed lifestyle with easy access to the cultural amenities of the adjacent Town of Wake Forest and the big-city amenities of nearby Raleigh, the state capital, Durham and Chapel Hill. The region's attractions include NCAA Division I athletics (Duke, NC State and UNC), major league hockey, minor league baseball, art, science and history museums, North Carolina Symphony, the American Dance Festival and Broadway touring performances, as well as outdoor recreation, fine dining and shopping variety.

Louisburg offers parks and recreation opportunities for all ages, including youth sports and senior activities. The Tar River provides fishing and canoeing possibilities. River Bend Park and Joyner Park offer all types of outdoor exercise or casual viewing of picturesque natural settings. Walkers, joggers and bikers will enjoy the new Louisburg Bike Trail, a paved rail to trail attraction. For the more adventurous, Louisburg is home to the very popular Triangle Skydiving Center at Triangle North Executive Airport, which offers tandem and accelerated freefall (AFF) training and recreational skydiving opportunities to the public, with special discounts offered to military and EMS personnel, firefighters, law enforcement and active students—as many as 350 skydivers some weekends.

Annual events and festivals draw thousands of tourists annually to Franklin County and Louisburg, including:

- National Whistlers Convention (April), which attracts whistling performers from around the world and crowns winners by age group
- The Louisburg College Allen de Hart Concert Series (September – April), which features headliner entertainment in its 1,200-seat auditorium/theater complex
- Tar River Barbeque Festival (September), a popular entertainment venue entertainment

- Hill Ridge Farms, which attracts 80,000± out-of-town visitors annually, features a farm-themed park with a farm-animal corral, fish-feeding dock, kids' play land, picnic grounds, an 80-foot slide, train rides, pony rides, and such special events as:
- Fall Pumpkin and Harvest Festival (fall, Halloween, Thanksgiving), a pumpkin patch, live music
- Festival of Lights (winter, Christmas), covered hay wagon and train rides
- PreddyFest Bluegrass Festival (August)
- Lake Royale Triathlon (September)

Louisburg has many homes listed on the National Register of Historic Places. With more than 250 structures in the Louisburg Historic District, visitors can observe numerous forms of residential architecture from the 1700s and 1800s. Green Hill Place in Louisburg, home of Major Green Hill, a leading colonial-era figure, is associated with the birth of Methodism in North Carolina. The house was built during the 1760s and was known to Methodists as a landmark of the North Carolina circuit, the course of travel a pastor would follow in preaching throughout the state.

6.2. Market Area

Principal land uses in the market area, which is defined as the Town of Louisburg and its Extraterritorial Jurisdiction (ETJ), include:

Downtown Land Uses – Franklin County administrative offices, Franklin County Courthouse, Franklin County Schools (a 16-school district HQ), Jones Performing Arts Center (1200-seat auditorium at Louisburg College), Louisburg College (a 75-acre campus founded in 1787), Louisburg Historic District (an area comprising many of the town's 206 historic homes), Louisburg Town Hall, Pete Smith Amphitheatre, River Bend Park, Tar Banks Brewing Co. (a brewpub), The Loft on Main (a meeting, wedding, social/business-event venue), Tonic Bar and Social Club (a popular bar and restaurant featuring live entertainment, indoor dining and 2-level outdoor seating overlooking the Amphitheatre), boutique shops, coffee shops, law offices, loft apartments with retail below, etc.)

Other Market Area Land Uses (serving a trade area of about 45,000 people)

- Bickett Boulevard (a 2-mile-long mature-growth, mixed-use, retail/commercial corridor between SR 561 to the north and SR 56 to the south)
- Burke Boulevard (a mixed-use retail/commercial master development south/east of US 401 at its intersection with SR 56 – the southern gateway to Louisburg)
- First Fruits Farms and Amazing Graze Barn (a 1000-acre working farm 3.5 miles east-southeast of the Town Center –a prime wedding and special events venue, including the annual Memorial Balloon Festival – attendance over 20,000)
- Hudson Manor Estate (a flexible and elegant mansion, chapel and garden wedding venue 4 miles north-northeast of the Town Center via US 401 North)
- Louisburg Industrial Park (a 156-acre park west of town and north of SR 56 along T. Kemp Rd.)
- Louisburg Plaza (the market area's primary retail land use is the 200,000-square-foot Walmart Supercenter-anchored shopping center located south of downtown at the intersection of US 401 and SR 56 – the southern gateway to Louisburg)

- Maria Parham Health/Duke LifePoint Healthcare (a 100-bed hospital in Louisburg)
- Palziv North America HQ (an Israeli-owned provider of closed-cell polyethylene forms, etc.)
- Timberlake Historic House (a Georgian-Federal-style rehearsal, wedding and reception venue located on nine wooded acres 2.5 miles south of downtown along US 401)
- Triangle North Executive Airport and Industrial Park (a 252-acre park located six miles south of town along US 401)
- Vance-Granville Community College (Louisburg address, immediately west of town limit)

Downtown Louisburg is an attractive and historically relevant community whose population has increased 12.6% since the 2010 census. Franklin County is growing, particularly as Raleigh-Durham residents seek more affordable housing. For example, between 2017 and 2020, that portion of the county population served by the US-1/SR 56 corridor west of Louisburg increased $\pm 11\%$, from 64,000 to 71,000, and is projected to reach 77,000 in 2025. High-tech salaries in the Research Triangle Park area have led to bidding wars for homes, a situation that is expected to worsen as 3,000 high-paying Apple jobs enter the market area over the next few years.

While communities in the Franklin County market area are desirous of building more housing to accommodate the surge in demand, few have enough water to do so. In fact, the county reportedly needs 3.5-to-4.0 million gallons of water per day but produces only 0.5 million gallons, forcing it to buy water from elsewhere and thus restricting much of its growth potential. On the other hand, Louisburg, with its current plant capacity of 1 million gallons per day and its current usage of only 50%, is a net exporter of water to elsewhere in the county.

Considering its location along mostly widened US 401 from Raleigh and SR 56 from Wake Forest, Louisburg is in the path of what will be significant residential-led growth. In addition to its ample water capacity, the town is poised to support the near- and intermediate-term development of sizable tracts of land for residential use: Winslow Homes (147 single-family golf course homes), SR 56 subdivision (50-60 new homes), May Road subdivision (120+ new homes), west of the US 401/SR 56 interchange (45-50 new homes across from Walmart Supercenter).

In conclusion, the expectation is that market-area growth will be driven by residential housing developments with units being offered in the \$300,000-to-\$600,000 price range. This will in turn spur additional retail and commercial growth such that the leisure market will benefit from additional weddings and other social events and the corporate community will benefit from an expanding workforce with ready access to in-place educational and training institutions. In aggregate, existing wedding venues and companies, along with these impending future developments, will support a 55-room upper-midscale soft-brand/boutique hotel.

7. Hotel Market Trends & Analysis

The following analysis will examine the overall U.S. economy, hotel supply and demand trends, and other factors that influence the hotel investment market.

7.1. National Economic Trends and Future Outlook

The paragraphs which follow discuss historical U.S. economic trends and the future U.S. economic outlook. The resources consulted by the authors during the preparation of this discussion include the Associated Press (AP News), Bank of America, Bloomberg, Bureau of Economic Analysis (BEA), Bureau of Labor Statistics (BLS), Center on Budget and Policy Priorities (CBPP), Cision PR Newswire, CNBC, CNN, Conference Board, Congressional Budget Office (CBO), CoStar Economy, Federal Open Market Committee (FOMC), Federal Reserve Bank of St. Louis, First Trust Advisors, Forbes, Fortune, Fox News, Goldman Sachs, Harvard Business Review, Hospitality Insights, Impact Data Source, Institute for Supply Management (ISM), International Monetary Fund (IMF), JPMorgan, Kiplinger, Marcus Millichap, Money Talks News (MTN), Morgan Stanley, Nashville Business Journal, National Association for Business Economics (NABE), National Bureau of Economic Research (NBER), Navy Federal Credit Union, Oxford Economics, Pew Research, PNC Financial Services Group, Rand Corporation, Sky News, Slate, Statista, The Atlantic, The Balance, The Hill, Trading Economics, US News, Wall Street Journal, Washington Post, and World Economic Forum.

7.1.1. Introduction

Midway through Q2 21, the on-again, off-again nature of the economic recovery has been rock. Short periods of unexpectedly robust growth in GDP, jobs, personal income, consumer spending and unmet consumer demand have been followed by what is hoped will prove to be only intermittent periods of backsliding in such critical areas as jobs, personal income, production and inflation. For example, as the relatively weak production side of the economy struggles to overcome supply-chain damage to meet consumer demand, stimulus-induced personal income grew at a record rate in March before nosediving in April, a somewhat expected but nonetheless troubling development exacerbated by the steepest year-over-year rise in the Consumer Price Index since September 2008.

In the wake of massive government spending, near-record household savings, relaxed restrictions on social distancing, a large-scale vaccine rollout and a loose monetary policy, consumer spending, which accounts for 70 percent of U.S. GDP, has been the engine driving the economic recovery.

To be sure, the U.S. economy is recovering rapidly from its near-disastrous March-April 2020 Covid contractions. But is it sustainable?

- Over the 14-month period since pre-Covid February 2020, U.S. money supply (M2) increased by an astounding 30%, from \$15.47 trillion to \$20.11 trillion.
- April retail sales were 17.9% higher than pre-Covid February 2020, the fastest gain for any 14-month period since 1978-79, a period of double-digit inflation versus the 3.1% increase in consumer prices since February 2020.

- With consumers awash in cash, demand for cars and trucks rarely has been higher—retail spending on motor vehicles was up 33.1% in April versus pre-Covid February 2020.
- On the other hand, motor vehicle production in April was down 18.1% versus pre-Covid February 2020 and prices for new and used vehicles have skyrocketed. New cars are largely unavailable due to the microchip shortage and year-over-year used car prices jumped by an average of 16.8%, or \$3,296, as even rental car companies are in the market for pre-owned vehicles.
- Though retail sales overall have soared, the production side of the economy remains mired in difficulty. Manufacturing production in April was 2.7% less than in February 2020, principally due to damaged supply chains and a slow-to-return labor force.

Conclusion: Were it not for the production side of the economy remaining mired in difficulty—in April versus pre-Covid February 2020, motor vehicle production was down 18.1% and overall manufacturing production was down 2.7% due to damaged supply chains and a slow-to-return labor force—the surge in retail sales likely would have been far greater. As it stands now, it seems to many that it is inflation that is unstoppable.

7.1.2. Gross Domestic Product (GDP)

Following the shortest and deepest recession on record, the U.S. economy, as measured by quarter-over-quarter annualized GDP growth, trended upward for the three quarters ended Q1 21, though Q3 20's record-setting pace was succeeded by a respectable but comparatively lackluster Q4 20 performance. Looking more closely at Q4 20, month-over-month (m/m) GDP growth rates slowed to +0.6% in October, declined -0.8% in November, and remained flat in December amidst fears of a Covid resurgence and the re-imposition of restrictions following a Thanksgiving holiday of ill-advised pre-vaccine travel and non-immediate-family indoor gatherings.

Q/Q Annualized GDP Growth Rates: 2020 and Q1 2021

(Target Range: 2 to 3 percent)

Q1 20	-5.0%	Q3 20	+33.4%
Q2 20	-31.4%	Q4 20	+4.3%
Q1 21	+6.4%		

Source: U.S. Bureau of Economic Analysis (BEA)

After a strong 6.4% first quarter 2021 annualized growth rate, economic activity is returning to pre-pandemic levels and Fed forecasts are for continued y/y GDP growth but at decelerating rates.

Y/Y GDP Growth Rate Forecasts: 2021 and Beyond

2021	+6.5%	2023	+2.2%
2022	+3.3%	2024+	+1.8%

Source: Federal Reserve Board's Open Market Committee (FOMC)

Following the near-disastrous March-April 2020 Covid contraction, swiftly approved government spending went a long way toward keeping the economy intact while multiple vaccines were being developed. GDP growth in Q1 21, particularly March, can be attributed to these actions and to significant numbers of households getting vaccinated and re-engaging in more economic activity as restrictions eased, businesses re-opened and domestic travel—business and leisure—ticked up.

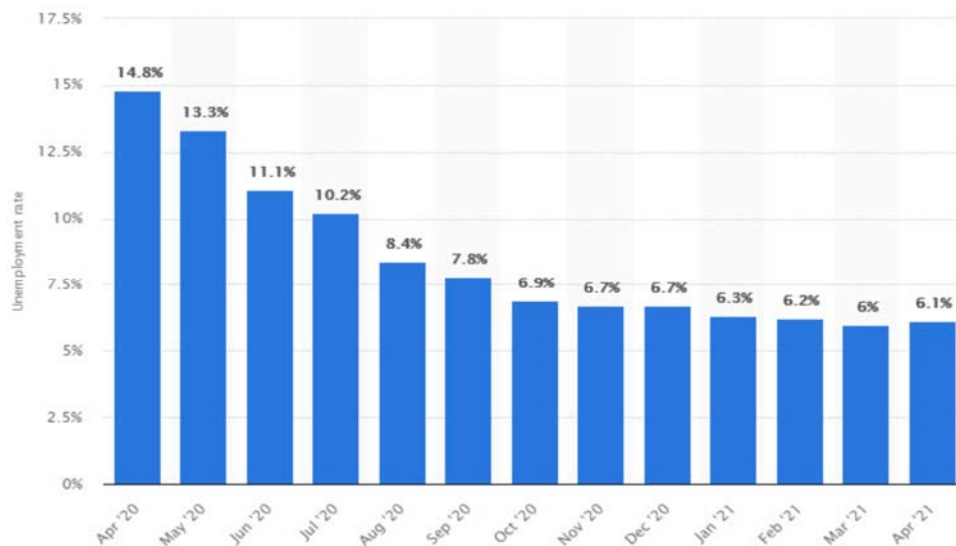
Pent-up demand, ready access to billions of dollars of pandemic-induced savings, and huge direct deposits into personal bank accounts led to a surge in consumer spending, which accounts for 70% of GDP. The recovery, however, promises to be a bumpy one.

- On the one hand, personal income in March rose by an impressive 21.1%—the largest monthly increase since records have been kept (1959).
- On the other hand, personal income in April declined 13.1%, or \$3.2 trillion, as the effects of March's stimulus checks waned.
- Also in April, disposable personal income, after tax and other withholdings, declined 14.6% and personal savings dropped by nearly half, from 28% to 14.9%, but remained sufficiently high to keep month-over-month consumer spending in positive territory—up by a modest 0.5%.

7.1.3. Jobs

By the end of Q1 21, the U.S. had added back 14 million nonfarm payroll jobs, or 62% of the 22.4 million lost in the pandemic. The monthly unemployment rate has declined steadily from its April 2020 apex of 14.8% to its Covid-era nadir of 6.0% in March 2021. However, the pace of new hires is slowing as the Covid-impacted economy continues to find new, less labor intensive ways to do business. The 6.1% unemployment rate for April, up 0.1 percentage points over March, reflects the first uptick in a year of near-steady declines. While this directional turn may yet prove to be an aberration, the number of long-term unemployed (looking for 27+ weeks) and newly laid off unemployed (in the past 5 weeks) remain high at 4.2 and 2.4 million respectively.

U.S. Monthly Unemployment – April 2020 to April 2021



Data Source: U.S. Bureau of Labor Statistics and Statista 2021

Based on the pace of hiring from January to March, forecasters anticipated one million new jobs would be created in April. Instead, seasonally adjusted nonfarm payrolls rose by only 266,000, one of the biggest monthly forecasting misses on record, and the unemployment rate increased, albeit modestly, for the first time in 12 months. At 6.1 percent, or 9.8 million persons, April unemployment remained virtually unchanged from 6.0 percent in March but was higher than the projected 5.8 percent.

On the other hand, unadjusted nonfarm payrolls increased by ± 1 million each month of Q1 21, a milestone only ever reached during this recovery. And while the seasonally adjusted April jobs report was disappointing, non-seasonally adjusted job gains continued the Q1 trend and increased by ± 1 million as well, led by leisure and hospitality (331,000), restaurants and bars (187,000), arts, entertainment and recreation (90,000), and hotels (54,000).

Assuming the vaccine rollout continues apace as the \$1.9 trillion American Rescue Plan is fully deployed during the remainder of 2021, there will be plenty of positions to fill. Somewhat disconcerting, however, is that many businesses, particularly though not exclusively in the services sector, already are reporting difficulty finding workers. In April there were 1.1 unemployed workers available for every job opening, suggesting that, unlike previous recessions, a shortage in labor supply is as problematic as a shortage in labor demand—jobs are available, but people either don't want to work or are unable to work.

So long as supplemental unemployment checks continue to be paid while companies, particularly those in leisure and hospitality, strive to reopen during the peak-demand summer months, and so long as half of the four million workers who left the labor force during the pandemic do not return to the workforce, as is expected, the labor supply problem will worsen. In March, the manufacturing sector alone—which already has been hampered by supply-chain problems, had its recovery further impeded by labor shortages as it sought to fill more new positions than the already robust 53,000 it settled for. That said, unemployment projections are for continued improvement.

Unemployment Rate Projections: 2021 and Beyond

2021	4.5%	2023	3.5%
2022	3.9%	2024+	4.0%

Source: Federal Reserve Board's Open Market Committee (FOMC)

7.1.4. Inflation

Consumer spending is the biggest factor behind economic growth in the U.S. In March as in 2020, federal stimulus and supplemental unemployment checks helped fuel an economic revival by boosting month-over-month personal income by a record 21.1%—the largest monthly increase since 1959. Notably, personal income receded 13.1% in April as the effects of the stimulus payments waned.

Inflation is running hot and seems unstoppable. In April versus a year ago, producer prices were up 6.2%, the Consumer Price Index (CPI) was up 4.2%, the Bureau of Economic Analysis (BEA) price index rose 3.6%, the biggest increase since 2008, and the core BEA price index, which excludes volatile food and energy prices, gained 3.1%, the biggest monthly gain since 1992.

In April, core PCE (personal consumption expenditures, excluding volatile food and energy prices) rose 3.1%, among the highest monthly gains in 29 years. Core PCE is the Fed's most relied upon inflation index so these near-record price increases must be taken seriously, especially as American incomes nosedived in April. Extreme price increases—e.g., automobiles, homes, household durables and lumber—already are threatening consumer spending as the consumer sentiment index dipped in May. Investors worry that if this continues the Fed will be forced to curb its easy money policies.

What is behind these steep price increases across such a broad spectrum of indexes? Some point to the massive, 18% year-over-year increase in M2 money supply to an all-time high in April, subscribing to the theoretical and seemingly logical belief that “inflation is too much money chasing too few goods.” Empirically, however, over the past decade central banks have increased money supply numerous times—mostly via quantitative easing (*purchasing bonds and other assets on the open market to stimulate lending and investment*) without seeing a rise in inflation. The Fed chair even went so far recently as to say that we must “unlearn” the idea that money growth causes inflation.

Accordingly, the Fed maintains these near-record price increases are (a) transitory insofar as they are a function of overstated year-over-year comparisons with April 2020, a period when prices were falling during the onset of the Covid-19 crisis; and (b) temporary to the extent they are a function of Covid-related supply chain problems currently being remedied. Once supply again meets demand, prices are expected to normalize, especially as the heady effects of the most recent round of stimulus checks wear off.

Inflation concerns aside, the March and April reports on business from the Institute for Supply Management (ISM®) are encouraging. They suggest optimism, confidence among purchasing managers that economic activity will continue to increase through the remainder of 2021. In the 11th straight month of growth, the Services Purchasing Managers' Index (PMI®) for March set an all-time record of 63.7%, dipping only slightly in April to 62.7%. As services were particularly hard hit by the pandemic, these are promising results for a full recovery for a major segment of the economy.

While purchasing activity is strong, price increases are of concern. In April, the ISM® Services Prices Paid Index surged 39.4% year-over-year and 3.8% month-over-month to 76.80 from 55.10 and 74.00, respectively. Damaged supply chains and depleted inventories resulting from Covid lockdowns and stay-at-home orders have created supply shortages which place upward pressure on prices, especially during periods of robust demand. Money supply growth and base-year comparison arguments notwithstanding, price spikes of this magnitude clearly suggest inflationary pressure is mounting and overshadowing the recovery.

United States Annual Inflation Rates (2011 to 2021)



Source: CoinNews Media Group, LLC

Looking ahead, the FOMC's summary of economic projections for personal consumption expenditures (PCE) less volatile food and energy prices are for core PCE to rise 2.3% this year, 2.1% in 2022, and 2.2% in 2023—all manageable but still above the Fed's core inflation target of 2%. (See graph below.)

FOMC Projections for Core Personal Consumption Expenditures (FOMC: Federal Open Market Committee of the Federal Reserve)



Note: Core PCE excludes volatile food and energy inflation rates.

Source: FRED, Federal Reserve Economic Data, Federal Reserve Bank of St. Louis

7.2. Historical Lodging Industry Trends and Future Outlook

The history of the lodging industry is characterized by periods of rapid expansion and development, followed by periods of adjustment and recovery. The paragraphs which follow discuss historical and current industry supply and demand, occupancy rates, average daily rates (ADRs), and revenues per available room (RevPARs). The principal resources used for the following discussion on national lodging industry trends include: AHLA, Business Traveler USA, CBRE Econometric Advisors, Cleveland Research Company, Cornell Center for Hospitality Research (CHR), CoStar, Deloitte LLP, Horwath HTL, The Highland Group, Hotel Business, Hospitality Insights, Hospitality Net, Hotel News Now (HNN), Hotels Magazine, Hotel Online, Kalibri Labs, Linchpin SEO, Lodging, Reuters, STR, Today's Hotelier (by AAHOA), Tourism Economics, Tripadvisor, Yahoo Finance.

The post-Great Recession years of 2010 through 2019 saw the U.S. hotel industry experience 10 consecutive years of RevPAR growth. However, pre-pandemic 2019 was showing signs of an industry-wide slowdown: year-over-year occupancy rates remained flat at 66.1% and ADR increased by only 1.0%, well below the then 2.3% inflation rate, and the resultant 0.9 percent RevPAR growth rate—well below the 3.2 percent average—was the lowest since the recovery began in 2010. These 2019 harbingers of what a non-pandemic 2020 might have looked like are tempered by viewing the data from a different perspective. Rates of growth notwithstanding, 2019 posted the highest numbers ever benchmarked by STR: \$131.21 ADR, \$86.76 RevPAR, 1.9 billion rooms supply, and 1.3 billion rooms sold.

For the nine-year period of 2010-2018, inclusive, rooms supply growth lagged demand growth. During this state of “positive disequilibrium,” year-over-year ADR increases were the norm. Then, for the first time in a decade, the industry entered a state of “negative disequilibrium.” In 2019, supply grew 2.0%, narrowly exceeding the 1.9% growth in demand. Typically, whenever supply growth equals or exceeds demand growth, ADR becomes the sole determinant of RevPAR gains, and for the six pre-Covid quarters ended December 2019, this single RevPAR driver's growth rate was sluggish. In fact, year-over-year 2019's ADR growth rate lagged the rate of inflation by 56%, meaning hotel revenue growth did not keep pace with rising wages and other operating costs.

As seen below, demand growth exceeded room supply growth from 2011 through 2018. While 2018's +2.0 percent supply growth rate remained constant in 2019, for the first time since the Great Recession of 2007-2009 it outpaced waning demand growth. Pre-pandemic 2019's 1.9 percent growth in demand represents a year-over-year negative change of minus 24% from the 2.5 percent growth rate of 2018. In other words, demand was beginning to trend down prior to Covid-19.

The year-over-year rate of change in room supply grew steadily from 0.5 percent in 2011-2012 to 2.0 percent in 2018 and 2019. While relatively strong, U.S. supply growth remained manageable through mid to late 2019, when an uneven amount of new inventory was coming online and troubling signs of crowding out were beginning to emerge, especially in the limited-service sector generally and in upper-midscale asset classes in urban markets.

During Covid-recession-riddled 2020, growth rates for room supply and demand declined precipitously, causing a rapid deceleration in pricing power (see below). While alarming, little could be done beyond scaling back and cutting costs as the root cause, Covid-19, was random rather than systemic.

The aforementioned pre-pandemic 2019 negative disequilibrium became a full-blown crisis in 2020, as seen below in the key performance indicators (KPIs):

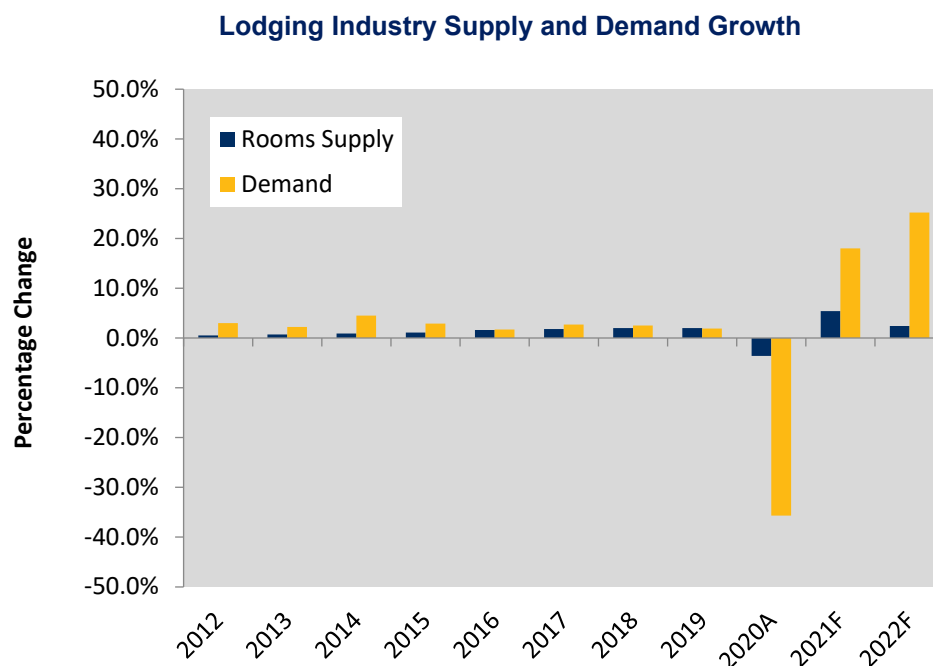
- Room supply growth declined from a positive 2.0% in 2019 to a minus 3.6% in 2020.*
- Demand growth decelerated from an already waning +1.9% in 2019 to a blisteringly negative -35.7% in 2020.*
- Occupancy rates fell -33.3% in 2020 from a 23-year record high of 66.2% in 2018 and still-strong 66.0% in 2019.*
- ADR (aka pricing power) decreased -21.3% from a 24-year record high of \$131.13 in 2019 to an eight-year low of \$103.25 in 2020.*
- RevPAR, which arguably is the most important performance metric, plunged -47.5% from a 24-year record high of \$86.64 in 2019 to \$45.48 in 2020.*

* Source: CoStar, STR and Tourism Economics.

7.2.1. Room Supply and Demand

As illustrated in the graph below, demand growth outpaced supply growth from the back end of the financial crisis in 2011 through 2018. In 2019, 2.0% supply growth exceeded 1.9% demand growth, the first state of negative disequilibrium since the Great Recession. This situation was greatly exacerbated by the Covid pandemic: rooms supply decreased -3.6% but demand decreased -35.7%. Looking ahead, the outlook is positive:

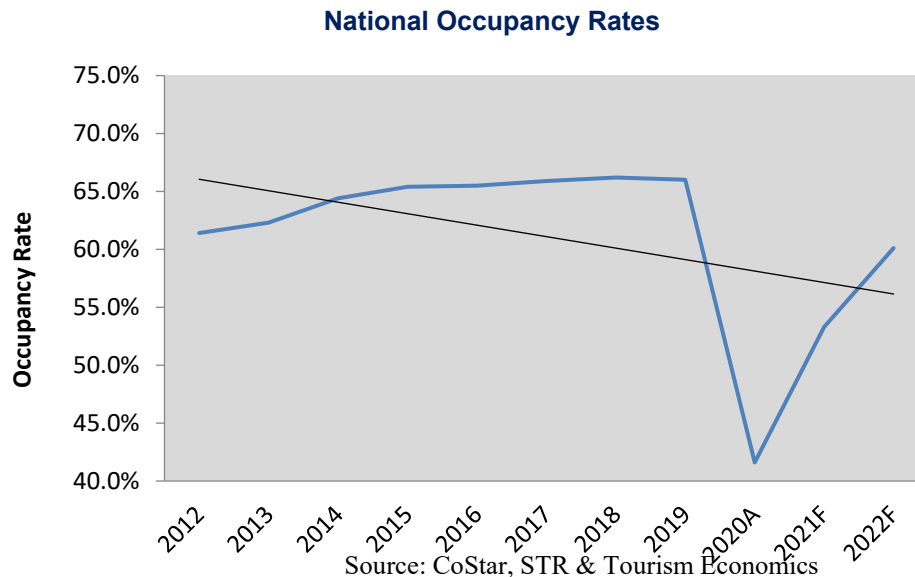
- 2021 Forecast – 5.4% supply growth, 18.0% demand growth
- 2022 Forecast – 2.4% supply growth, 25.2% demand growth



Source: CoStar, STR & Tourism Economics

7.2.2. Occupancy

As illustrated above, year-over-year room night demand growth surpassed room night supply growth for the seven years ended 2018, when occupancy rates peaked at a best-ever 66.2% before declining moderately to 66.0% in 2019. Then, during the Covid pandemic year of 2020, occupancy rates plunged to 41.6%, an alarming -37% year-over-year decline.



As with supply and demand growth depicted in the preceding section, the outlook going forward is for strengthening occupancy growth:

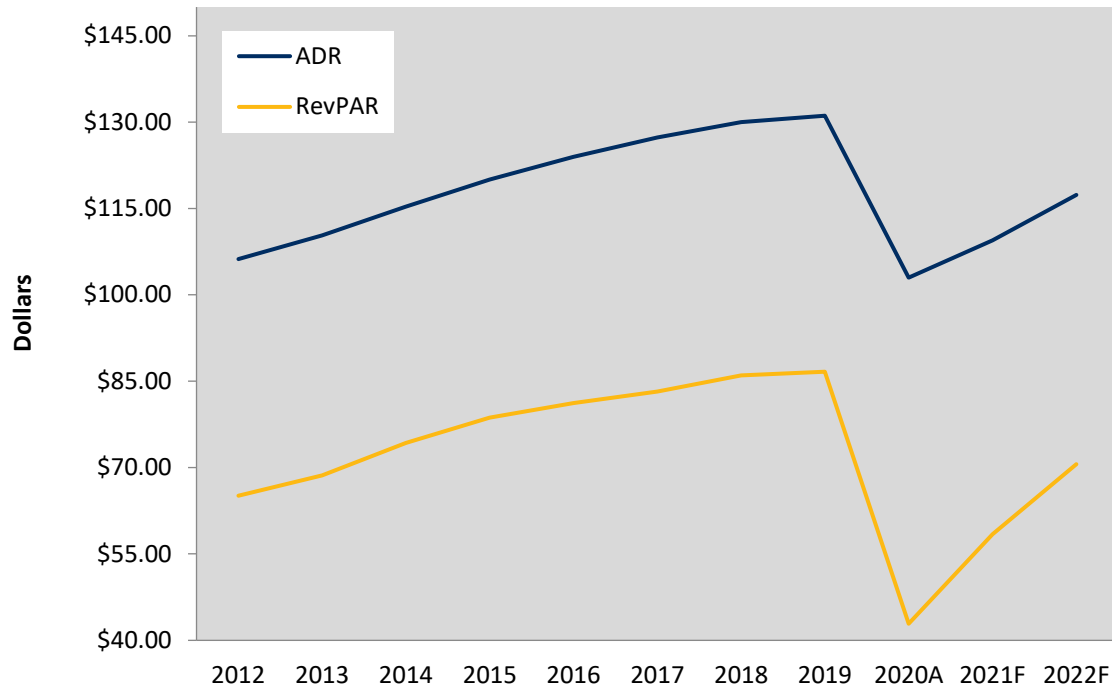
- 2021 Forecast – 53.3% occupancy, a 28.1% y/y positive change
- 2022 Forecast – 60.1% occupancy, a 12.8% y/y positive change

7.2.3. ADR and RevPAR

Two important hotel performance indicators are average daily rate (ADR) and revenue per available room (RevPAR). As seen below, for the eight years ended in 2019, ADRs increased at a compound annual growth rate of 3.1 percent, from \$106.21 in 2012 to \$131.21 in 2019. During this same period, RevPAR increased at a compound annual growth rate of 4.2 percent, from \$65.10 in 2012 to \$86.64 in 2019. From 2012 through 2015, RevPAR growth was simultaneously occupancy- and ADR-driven. From 2016 through 2019, RevPAR growth was overwhelmingly ADR-driven.

RevPAR increased annually from 2012 through pre-pandemic 2019, when it grew at a rapidly weakening year-over-year rate only 0.8%, the lowest growth rate since the Great Recession before Covid-year 2020, when RevPAR growth plummeted -50.5%, from \$86.64 to \$42.88.

National ADR and RevPAR



Source: CoStar, STR & Trading Economics

Consistent with supply, demand and occupancy growth rates as depicted above, the outlook for ADR and RevPAR growth is strong:

- 2021 ADR Forecast – \$109.47, a 6.3% increase over \$103.00 for 2020 actual
- 2021 RevPAR Forecast – \$58.39, a 36.2% increase over \$42.88 for 2020 actual
- 2022 ADR Forecast – \$117.34, a 7.2% increase over the \$109.47 forecast for 2021
- 2022 RevPAR Forecast – \$70.57, a 20.9% increase over the \$58.39 forecast for 2021

7.3. Local Lodging Trends

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

7.3.1. Supply Summary

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

Historical Supply

As of July 1, 2021, the Wake Forest/Route 1 lodging submarket was comprised of 30 hotels offering 2,998 guestrooms. Over the past decade (2012-2021 to-date, inclusive), the Wake Forest/Route 1 submarket rooms supply increased at an annual compound rate of 1.4%. Over this same period, four hotels have been added to supply: the 121-room WoodSpring Suites-Raleigh Northeast (2012), 88-room Fairfield Inn & Suites-Raleigh Northeast (2017), 90-room Fairfield Inn & Suites-Wake Forest (2019), and 95-room Home2 Suites-Raleigh Northeast (2021). The Fairfield Inn & Suites-Wake Forest would be considered a primary competitor of the proposed subject hotel were it not for its newness and lack of pre-Covid occupancy and rate data.

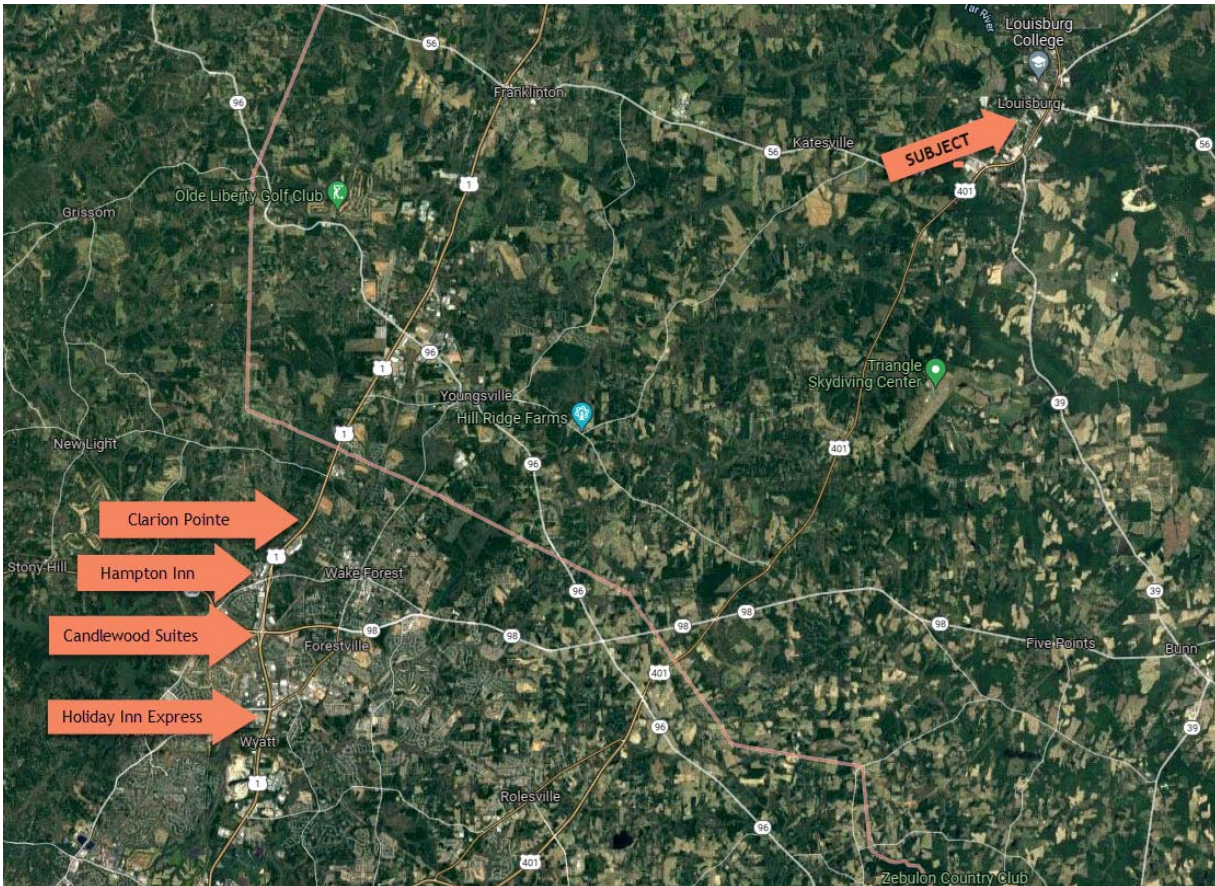
While geographically within the competitive market, neither Louisburg's budget/economy class motel, the 28-room Economy Inn (1950), nor its economy/midscale class hotel, the 53-room Days Inn (2000), will be considered direct competitors of the considerably more upscale proposed subject hotel.

Existing Supply

Our market supply analysis involved a study of the competitive lodging facilities with which the proposed subject hotel will directly and indirectly compete for demand. While the degree of competitiveness varies, several factors, including room rate, location, amenities, level of service, quality of guest rooms and similar market positioning, make a hotel a competitor.

Based on our research, the Hampton Inn Wake Forest, Clarion Pointe (f/k/a Sleep Inn), Candlewood Suites Wake Forest, and Holiday Inn Express & Suites have been selected as the primary competitors of the proposed subject hotel. Salient information on each of the selected competitors compiled from our interviews and other sources is included in the following section and a map depicting the location of each is below. A Custom STR Trend Report has been placed in the Addenda for the reader's convenience.

Competitive Set Map



Competitive Supply Comparable 1



The Hampton Inn is located at 12318 Wake Union Church Road, Wake Forest. The 3-story property is in average condition and was constructed in 1994. The hotel offers 110 guestrooms, a breakfast area, fitness center, meeting facility, business center and outdoor pool. The property offers daily rates from \$102.00 to \$158.00.

Competitive Supply Comparable 2



The Clarion Pointe, f/k/a Sleep Inn, is located at 12401 Wake Union Church Road, Wake Forest. The two-story property is in average condition and was built in 1999. The hotel offers 79 guestrooms, a breakfast area, meeting facilities, fitness center, business center, and outdoor pool. The property offers daily rates from \$95.00 to \$147.00.

Competitive Supply Comparable 3



The Candlewood Suites is located across from the new Fairfield Inn & Suites at 12050 Retail Drive, Wake Forest. Built in 2011, the property is in good condition and offers 81-guestrooms. Amenities include a small meeting facility, business center, sundry shop, outdoor patio & grill, an exercise facility, and guest laundry. The property offers daily rates from \$83.00 to \$126.00.

Competitive Supply Comparable 4



The Holiday Inn Express & Suites is located at 11400 Common Oaks Drive. The property is in average to good condition and was constructed in 2002. The hotel offers 94 guestrooms, a breakfast area, meeting facility, business center, fitness center and indoor pool. The property offers daily rates from \$88.00 to \$116.00.

Supply Forecast

We have researched the area for future additions to the hotel supply that would potentially impact the proposed subject facility and its competitive set. Due to Covid's undue influence on the newly opened (October 2019) 90-room Fairfield Inn & Suites Wake Forest, it was excluded from our existing supply analysis in favor of the established 81-room Candlewood Suites across Retail Drive from it. Accordingly, for Fiscal 2022 we have added a net of 9 new rooms to supply (90 minus 81) to reflect the replacement of the less-direct competitor Candlewood Suites with the more-direct competitor Fairfield Inn & Suites.

Based on discussions with local hoteliers and town officials, other than the aforementioned Fairfield Inn & Suites Wake Forest and the proposed subject hotel, we have uncovered one potential new addition to supply—the under-construction midscale new construction Tru by Hilton Wake Forest. As it reportedly will be completed mid-to-late-summer 2022, we have added it 84 rooms to the competitive supply forecast commencing September 2022. The following table depicts these additions to supply.

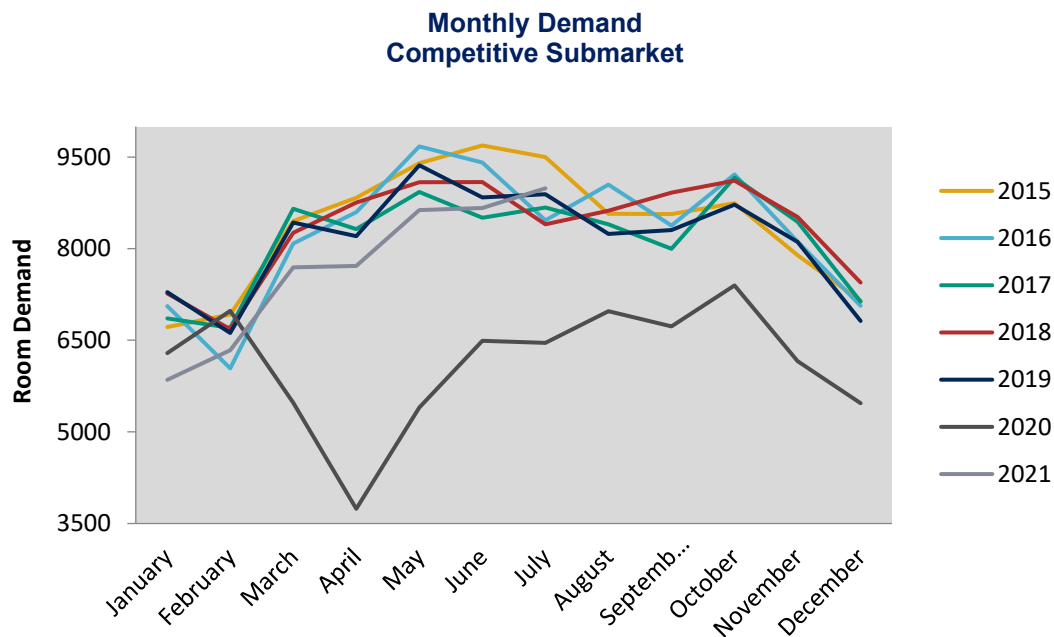
Fiscal Year	2021	2022	2023	2024	2025+
Room Night Supply	132,860	136,145	180,188	186,880	186,880
Growth	0.0%	2.5%	32.4%	3.7%	0.0%

7.3.2. 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/Existing Demand

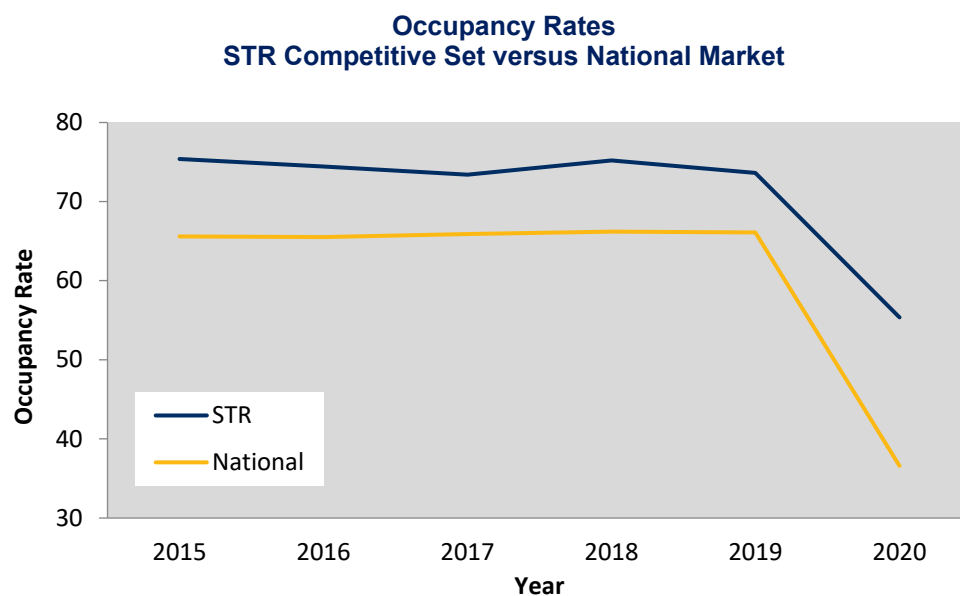
Prior to Covid-19, room night demand in subject's submarket was similar to that of most markets. Tuesday through Thursday are popular nights for commercial demand, while Fridays and Saturdays entice the discretionary segments of demand. Room night demand is heaviest during the summer months of May through July, as indicated by the competitive property managers and custom STR trend report (in the Addenda for the reader's convenience). The chart below tracks the room night demand for the competitive set over the last several years.



Source: STR and Horwath HTL

The lower-most full 12-month line above represents Covid-year 2020, whose nadir was April. The line starting at the lowest point in January reflects YTD 2021 and shows monthly demand returning to normal in June and continuing to climb through July.

For additional insight into historical demand, the graph below compares the annual occupancy rates of the STR competitive submarket with the national averages. Before Covid, competitive set occupancy rates outpaced national average occupancies by 7.5-to-9.8 percentage points, or by 11% to 15%. During Covid-year 2020, the competitive submarket continued to outperform the national market by 18.8 percentage points, or 51.3% (55.4% comp set occupancy versus 36.6% occupancy nationally).



Source: STR and Horwath HTL

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 travellers must defer their trips, settle for less desirable accommodations, or stay in properties located outside the market area. Our research indicates there was significant unaccommodated demand present prior to Covid. However, due to the Covid-19 economic slowdown, evidence of unaccommodated demand has been eliminated and the capture of this demand with the net addition of 9 rooms (Fairfield Inn & Suites minus Candlewood Suites), the addition of the under-construction 84-room Tru Hotel, and the addition of the proposed 55-room hotel is addressed as Market Growth in the forecast recovery.

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 lodging they preferred was unavailable in the market area.

Based on our research and interviews with market participants, demand generators and public officials, “under-accommodated demand” is the key lodging challenge in the market: As in-town lodging options currently are limited an aging, independent budget motel and an economy-midscale franchised hotel in fair condition, wedding-, corporate- and college-related clientele, most of whom are said to prefer upper-midscale or upscale hotel accommodations, currently must and do seek accommodations in Wake Forest and Raleigh Northeast.

As proposed, the subject hotel will not just add a higher class of accommodations to Louisburg, it will change the profile of the town, provide a much-needed lodging alternative to the market area’s first-rate and long-underaccommodated wedding venues (at least a half-dozen of which are in Louisburg and the Louisburg EJT), and its perennially popular festivals, food and entertainment events (e.g., 10,000+ attendees twice a year at First Fruits Farms festivals). As proposed, the subject’s location, bar and grill amenities, along with its proximity to the adjacent Depot Hill Event Center, will attract corporate transient and group demand, leisure transient and social, especially wedding-related, group demand. Instead of having to drive 17 or 22 miles to Wake Forest or Raleigh Northeast after a meeting, concert or wedding reception, the proposed hotel also will provide an in-town upper-midscale soft-brand/boutique lodging option to Louisburg College parents and visitors, Jones Performing Arts Center patrons, Pete Smith Amphitheatre attendees and others visiting the area.

As the only upper-midscale or upscale hotel in the Louisburg market, the proposed subject likely would have at least a part-time sales manager or, at a minimum, a sales-oriented general manager to work closely with the more than half-dozen local wedding venues—many of which are high-end and generally booked most in-season weekends. Based on our research, an upper-midscale or upscale hotel will be poised to capitalize on new demand from a forthcoming series of large residential developments while simultaneously cannibalizing existing midweek corporate demand that currently travels to Wake Forest or Raleigh Northeast for lodging as a matter of necessity.

Based on the foregoing information, we forecast the net new 9 rooms (Fairfield Inn & Suites minus Candlewood Suites), 84-room Tru Hotel, and proposed 55-room subject hotel to induce a blended average demand of 16% of their collective rooms supply, or a 8,906 room nights. As the Fairfield Inn & Suites has already opened and the Tru Hotel is set to open late-summer of 2022, 60% of this demand, or 5,344 room nights, has been allocated to fiscal year 2023, the proposed subject's first year, and 40% has been allocated to fiscal year 2024.

Market Growth – The existing competitive hotels proved to be affected, but less so than others, by the recent Covid economic slowdown. Their resilience is evidenced by their strengthening recovery this year. From fiscal 2020 to fiscal 2021 ending July, the competitive set gained 5,591 room nights sold, increasing from about 81,000 to 86,600 room nights sold, with the recovery beginning in earnest commencing June 2021 – the month when demand first returned to “normal.” The pandemic put most weddings, family gatherings, sporting events, theater attendance, local festivals, and corporate meetings on hold in 2020 and early 2021. As expected, there was significant pent-up demand to hold these events and as soon as it was felt they could safely be scheduled following the advent of three efficacious vaccines, they were done so somewhat cautiously. As encouraging as this news is, we remain uncertain as to the impact of the Delta and Mu variants of Covid on the travel industry going forward, particularly as regards the nearly 80 million remaining unvaccinated Americans.

The good news is we've seen strong, albeit brief, demand in the market for a return to normalcy. Recently, in several idyllic North Carolina submarkets surrounding such urban centers as Charlotte and Raleigh-Durham, wedding and reception bookings reportedly have doubled and tripled from the typical one wedding bookings on most weekends. Based on our research and in-person interviews, for the half-dozen or so popular upscale wedding venues in Louisburg the major impediment to booking considerably more business is the obviously lack of suitable lodging accommodations. Not only was this sentiment expressed by wedding and reception demand generators, but also by academic, public and private individuals and businesses sponsoring graduations, festivals, concerts, and other special events. Demand for suitable lodging will increase as ±400 new residences, mostly 3-4-bedroom single-family homes, come online in Louisburg.

Our research indicates commercial demand in the market currently utilizes the hotels along US 1 in Wake Forest or Interstate 540 in northeast Raleigh. While many of these hotels benefit from their affiliations with such major brand families as Hilton, Marriott, IHG and Choice, they mostly succeed by providing the basic amenities sought by commercial travelers, either on-site or nearby, and by being within driving distance. Particularly in the case of the Wake Forest competitors, lack of food and beverage offerings is a shortcoming that drives higher paying and more amenity-/quality-sensitive demand to Raleigh or Durham. Based on our research, there is demand for hotel providing such amenities as a hot breakfast, reliable WiFi, and a bar and grill. It is for this reason we strongly recommend the inclusion of a food and beverage offering at the proposed subject, but considering the additional risk associated with such an offering, we defer to the developer.

Considering the Research Triangle Region's strong growth prospects, Louisburg's proximity to Raleigh and Research Triangle Park, and the near-complete widening of US 401 from northeast Raleigh 20 miles south, the charming, affordable and water-rich exurb of Louisburg is rapidly becoming more attractive as a commutable residential and commercial enclave for those seeking alternatives to the seemingly ever-escalating housing and land prices in the Triangle. Based on these observations and noting the increase in air and highway travelers to the region over the past several months, we have forecast competitive demand to increase by 15% in fiscal 2022, followed by an increase of 15% in fiscal 2023 and stabilizing after another 10% increase in competitive demand in fiscal 2024.

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 8.0 percentage points, or 12.2%, in the next twelve months to a competitive occupancy rate of 73.2%. With the opening of the under-construction 84-room Tru Hotel and proposed subject 55-room hotel in fiscal 2023, market occupancy is forecast to experience a decrease of -6.6 percentage points, or -9.1%, to 66.5% as new supply outpaces growth. We note the under-construction Tru Hotel and proposed subject are expected to extract (cannibalize) some existing demand from the aging Hampton Inn and Clarion Pointe hotels in Wake Forest, which contributes to the lower market occupancy rate in fiscal 2023. In fiscal 2024, market occupancy is forecast to increase and stabilize at 72.5%, up year-over-year by 5.9 percentage points, or 8.9%, as the Tru Hotel and proposed subject's new supply is fully absorbed.

Fiscal Year	TTM 20	TTM 21	Fiscal 22	Fiscal 23	Fiscal 24	Fiscal 25+
Room Night Demand						
Unaccommodated Demand			0	0	0	0
Induced Demand			0	5,344	3,562	0
Market Demand Growth			12,994	14,943	11,991	0
Total Room Night Demand	81,045	86,625	99,619	119,905	135,458	135,458
Growth		6.9%	15.0%	20.4%	13.0%	0.0%
Room Night Supply						
	132,860	132,860	136,145	180,188	186,880	186,880
Growth		0.0%	2.5%	32.4%	3.7%	0.0%
Overall Market Occupancy						
	61.0%	65.2%	73.2%	66.5%	72.5%	72.5%
Growth		6.9%	12.2%	-9.1%	8.9%	0.0%

Source: STR and Horwath HTL

7.3.3. Demand Forecast-Subject

The proposed subject's closest existing competitors are the Hampton Inn, Clarion Pointe, Candlewood (later to be replaced in the comp set by Fairfield Inn & Suites), and the Holiday Inn Express, all in the Town of Wake Forest 17 to 19 miles west of the proposed subject. While each has good-to-excellent brand affiliation—Hilton, Choice, IHG (and soon to be Marriott with the impending addition of The Fairfield to the comp set)—they do not meet the desires of the more amenity focused traveler. The commercial segment views the 27-, 19- and 10-year-old Hampton, Holiday Inn Express and Candlewood as geographically viable options and the newer Fairfield as more aesthetically desirable than the others, but traveling professionals and executives typically prefer the select-service hotels (Courtyard and Hilton Garden Inn south of Wake Forest along US 1 at Interstate 540) in North Raleigh or the full-service hotels in Raleigh or in the RDU Airport submarket.

Louisburg is a Research Triangle Region community. It is a commutable exurb of Raleigh that is in the path of growth, as the currently planned addition of 400± homes would attest. Acknowledging it will take time for midweek demand to stabilize, based on the proposed subject's fresh branding as an upper-midscale soft-brand/boutique hotel, its proximity to the adjacent Depot Hill Event Center walking distance to downtown amenities and demand generators, we forecast it to penetrate the competitive market at 0.90 of its fair share in Year 1 and 0.95 in Year 2 with local demand continuing to improve as the broader market more fully recovers from Covid, travel increases along the newly widened US 401, and residential development ramps up as projected. Based on this, we have forecast the subject to increase penetration to 1.00 and stabilizing at this level in Year 3. These penetration rates result in a Year 1 occupancy rate of 60.9%, increasing in Year 2 to 68.9%, then increasing and stabilizing in Year 3 at 72.5%. The following table depicts this forecast along with the information and forecasts made in the preceding sections of this analysis.

Year	Year 1	Year 2	Year 3	Year 4+
Total Room Night Supply	186,880	186,880	186,880	186,880
Subject's Fair Share	10.7%	10.7%	10.7%	10.7%
Total Market Demand	126,386	135,458	135,458	135,458
Subject Fair Share	13,577	14,551	14,551	14,551
Subject Penetration	0.90	0.95	1.00	1.00
Subject Demand Captured (Market Sha	12,219	13,824	14,551	14,551
Subject's Room Supply	20,075	20,075	20,075	20,075
Subject's Projected Occupancy	60.9%	68.9%	72.5%	72.5%
Overall Market Occupancy	67.6%	72.5%	72.5%	72.5%

Source: STR and Horwath HTL

7.3.4. Average Daily Rate (ADR) Forecast

The new Marriott-flagged Fairfield Inn & Suites opened in October 2019 just before the Covid pandemic and is establishing itself as the upper-midscale option and the preferred limited-service lodging choice of the higher paying demand in the market. Two of the remaining competitors are considered to be more midscale and competition amongst them resulted in constraining market ADR growth between pre-Covid 2016 and 2019. The Fairfield and the proposed upper-midscale or upscale subject hotel with its downtown location and an assumed food and beverage component are expected to command higher ADRs than what currently exist in the market.

Current and projected growth for Research Triangle Park and the Triangle Region overall will generate upward pressure on housing and lodging prices. A widened and improved US-401 from Raleigh to water-rich Louisburg will place the town even more firmly in the path of growth, an observation supported by public officials confirming plans for ±400 new homes in Louisburg.

Given the development period for the proposed subject and noting its proximity to the Town Center and adjacent Event Center, the subject location and proposed amenities, particularly a bar and grill, would support a higher ADR. Assuming a 2019 ADR of \$95.00 and an inflation rate of 2% in 2020, increasing to 3% in 2021, 2022 and 2023, the 2019-equivalent ADR in 2023 would be \$105.89 ($\$95.00 \times 1.02 \times 1.03 \times 1.03 \times 1.03 = \105.89 .) Based on this, we have forecast the proposed subject to attain a Year 1 (2023) ADR of \$105.00.

The following table summarizes the historic ADR growth rates of the national average and STR competitive submarket.

Period	2016	2017	2018	2019	2020
National ADR	\$120.01	\$123.97	\$127.34	\$129.77	\$103.25
Growth	4.4%	3.1%	2.1%	2.4%	-20.4%
Submarket ADR	\$93.91	\$93.96	\$92.97	\$95.01	\$80.49
Growth	- - -	0.1%	-1.1%	2.2%	-15.3%

Source: STR and Horwath HTL

Noting the expected developments Louisburg market and anticipated upward price pressure from a broader economic recovery and growing residential base locally, we forecast the subject to increase ADR at an annual rate of 3.0%.

8. Financial Analysis – Internal Rate of Return

This hotel study estimates the internal rate of return on an investment in the proposed 55-room upper-midscale soft-brand/boutique 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-related and are not included in this operating forecast. These expenses consist of depreciation, interest expense, amortization, capital gains (losses) and income taxes.

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

8.1. Basis of Assumptions

In order to estimate accurately the proposed subject hotel's potential income, we have surveyed the competing facilities relative to their location, amenities, nearby restaurants, meeting facilities, average daily room rates and occupancy 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 Hotel Market Trends & Analysis 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 valuer's files.

The use of the stabilized year of operations in determining value is important to the projections. It provides an estimate of the annual operating results in current dollars as if it were operating at a level considered representative of its long-term potential. There will be small differences in the stabilized year income and expense statement from the projected income statement. These differences primarily are due to some expense categories being based on the number of occupied rooms, some based on available rooms and some on a percent of gross revenues.

We also have considered the anticipated effects of inflation, business development, and the 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.

Comparable Hotel Operating Expenses

	Host Report 2020 ¹			Comparable A			Comparable B			Comparable C		
	%	(POR)	(/Room)	%	(POR)	(/Room)	%	(POR)	(/Room)	%	(POR)	(/Room)
Revenues												
Room Sales	97.4%	\$104.48	\$28,219	97.7%	\$101.65	\$27,232	99.4%	\$111.34	\$29,830	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	1.7%	\$1.83	\$493	0.0%	\$0.00	0	0.0%	\$0.00	0	0.0%	\$0.00	0
Miscellaneous Income	0.9%	\$0.96	\$259	2.3%	\$2.42	648	0.6%	\$0.70	188	0.6%	\$0.65	157
Total Revenues	100.0%	\$107.26	\$28,971	100.0%	\$104.06	\$27,880	100.0%	\$112.05	\$30,018	100.0%	\$109.44	\$26,443
Departmental Expenses												
Room Expense	23.3%	\$24.34	\$6,573	24.3%	\$24.68	\$6,612	23.8%	\$26.49	\$7,098	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	131.4%	\$2.40	\$648	0.0%	\$1.98	531	- - -	\$0.86	230	- - -	\$1.71	413
Undistributed Expenses												
Administration & General	9.1%	\$9.71	\$2,622	8.4%	\$8.79	\$2,354	9.4%	\$10.57	\$2,833	8.9%	\$9.71	\$2,347
Sales & Marketing	9.9%	\$10.57	\$2,856	13.2%	\$13.77	3,690	12.5%	\$13.98	3,746	12.2%	\$13.38	3,234
Property Operation & Maintenance	5.2%	\$5.61	\$1,516	5.0%	\$5.17	1,384	4.4%	\$4.90	1,314	4.8%	\$5.21	1,258
Utilities	4.1%	\$4.45	\$1,202	4.1%	\$4.30	1,153	3.4%	\$3.84	1,028	4.4%	\$4.82	1,165
Management Fees	3.6%	\$3.88	\$1,048	4.0%	\$4.16	1,115	3.0%	\$3.34	895	4.0%	\$4.38	1,059
Fixed Expenses												
Other	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0	0.0%	\$0.00	\$0
Property & Other Taxes	4.6%	\$4.91	\$1,326	4.1%	\$4.22	1,130	3.2%	\$3.58	959	2.6%	\$2.86	692
Insurance	1.1%	\$1.23	\$332	0.9%	\$0.91	245	0.5%	\$0.59	157	1.7%	\$1.81	437
Reserve for Replacements	1.7%	\$1.82	\$492	1.9%	\$2.02	\$542	4.0%	\$4.45	\$1,193	0.0%	\$0.00	\$0
Total Expenses	64.3%	\$68.92	\$18,615	67.3%	\$70.01	\$18,756	64.8%	\$72.61	\$19,453	65.1%	\$71.24	\$17,213
Net Operating Income²	35.7%	\$38.34	\$10,356	32.7%	\$34.06	\$9,124	35.2%	\$39.43	\$10,565	34.9%	\$38.20	\$9,230

NOTES:

¹ 2020 "Host Report," Suburban Limited Service Hotels.

² Income before deducting depreciation, interest, amortization and income taxes.

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8.2. Analysis of Revenue

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

8.2.1. Rooms Revenue

There are two major factors to estimate when considering the room revenue for the income statement: the average daily 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 Hotel Trends & Analysis section of this report, we have estimated the projected occupancy for the anticipated holding period. We also have identified the competitive supply in the market and related their operating statistics to the proposed subject property. Based on this information, we have estimated that the proposed subject property will attain a Year 1 occupancy rate of 64.2% and reach a stabilized level of operation in Year 3 at 72.5% 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 Hotel Trends & Analysis section of this report, and for projection purposes, we believe the proposed subject upper-midscale soft-brand/boutique hotel will be able to attain an average daily rate of \$105.00 in Year 1.

8.2.2. 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.

The food and beverage component of the proposed hotel will be at the developer's discretion. As the scale of service offered is unknown, we have not forecast revenue from this source.

8.2.3. Other Operated Department Revenue

Most hotels no longer generate any other operated department revenue from telecommunications. Based on the provided proforma and without any other operated departments run for profit, no revenue has been forecast within this category.

8.2.4. Miscellaneous Income

Miscellaneous 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 miscellaneous income generated from comparable hotels on a net basis.

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	0.9%	2.3%	0.6%	0.6%	1.9%
\$ POR	\$0.96	\$2.42	\$0.70	\$0.65	\$2.00
\$ Per Room	\$259	\$648	\$188	\$157	\$469

The proposed subject will generate other revenue from its vending/sundry shop, meeting facilities, and other miscellaneous items. Based on the comparables and considering the proforma, we have forecast miscellaneous income at \$2.00 per occupied room.

8.2.5. Total Revenue

Noting no food and beverage revenue has been included, total revenue for Year 1 is projected at \$1,380,059 or \$107.00 per occupied room night.

8.3. 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 proposed subject. The following is a detailed explanation of each expense category.

8.3.1. Departmental Expenses

Departmental expenses consist of rooms, food and beverage and minor operated departments. Each applicable category will be analyzed as follows.

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 departmental costs are largely occupancy sensitive.

Expense Comp	HOST	A	B	C	Forecast
% of Dept. Revenue	23.3%	24.3%	23.8%	25.1%	23.8%
\$ POR	\$24.34	\$24.68	\$26.49	\$27.35	\$25.00
\$ Per Room	\$6,573	\$6,612	\$7,098	\$6,608	\$5,863

Considering the expense of the comparables and the anticipated post-pandemic labor shortages in the Research Triangle Region, we have forecast a market-oriented rooms expense of \$25.00 per occupied room night.

Food and Beverage Expenses

Food and beverage expenses are largely a variable expense. The following comparable percentages are shown for illustrative purposes only.

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	79.2%	88.8%	77.4%	81.7%	---

Food and beverage operations will be determined by the developer; accordingly, we have considered them a “break-even” component in our analysis. As no revenue has been forecast, no expense forecast is warranted.

Other Operated Department Expenses

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

Expense Comp	HOST	A	B	C	Forecast
% of Dept. Revenue	131.4%	0.0%	---	---	---
\$ POR	\$2.40	\$1.98	\$0.86	\$1.71	\$1.71
\$ Per Room	\$648	\$531	\$230	\$413	\$400

Based on the expense of the comparables and the upper-midscale nature of the proposed subject, we have forecast this expense at \$400 per room.

8.3.2. 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.

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	9.1%	8.4%	9.4%	8.9%	8.5%
\$ POR	\$9.71	\$8.79	\$10.57	\$9.71	\$9.10
\$ Per Room	\$2,622	\$2,354	\$2,833	\$2,347	\$2,133

Based on the comparables, we have forecast a market-oriented A&G 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.

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	9.9%	13.2%	12.5%	12.2%	10.9%
\$ POR	\$10.57	\$13.77	\$13.98	\$13.38	\$11.61
\$ Per Room	\$2,856	\$3,690	\$3,746	\$3,234	\$2,723

It is anticipated the proposed subject upper-midscale soft-brand/boutique hotel will be affiliated with a top-tier brand family commanding a royalty fee of 5.0% and a national marketing fee of 3.0% of room revenue. It is noted that soft brand hotels are more reliant on local marketing and typically have more moderate franchise fee schedules. Additionally, we have forecast a combined franchise rewards/local marketing expense of 3.0% of total revenue for a combined sales and marketing expense of approximately 10.9% of total revenue.

Property Operation and Maintenance

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

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	5.2%	5.0%	4.4%	4.8%	3.0%
\$ POR	\$5.61	\$5.17	\$4.90	\$5.21	\$3.21
\$ Per Room	\$1,516	\$1,384	\$1,314	\$1,258	\$753

Noting that this expense category often includes some capital expenditures, and considering 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 in Year 1 and following.

Utilities

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

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	4.1%	4.1%	3.4%	4.4%	4.4%
\$ POR	\$4.45	\$4.30	\$3.84	\$4.82	\$4.69
\$ Per Room	\$1,202	\$1,153	\$1,028	\$1,165	\$1,100

Based on the expense of the comparables, we have forecast a utilities expense of \$1,100 per room.

8.3.3. Management Fees

In the hotel management industry, a management fee of 3.0% to 7.0% of total revenues is typical for providing brand name and management experience. Fees paid to second-tier management companies that provide management expertise but no brand identity range from 2.0% to 3.0%. Recognizing the size, asset class and price point of the proposed subject and the market in which the facility 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.

8.3.4. Fixed Expenses

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

Rent

The proposed subject will be owned in fee simple and no rent deduction is required.

Real Estate Taxes

Real property is assessed at 100% of full market value as determined by the Franklin County Assessor's office and taxed at the rate of \$1.2425 per \$100 of assessed valuation. Based on a combined replacement and land cost of approximately \$91,800 per room, we have forecast a market value estimate for the proposed subject property of \$5,050,000. Applying the above tax assessment ratio and tax rate, we project a real estate tax liability of \$62,746 in Year 1.

Personal Property Taxes

Taxable personal property is assessed in North Carolina based on 100% of original cost in the year of acquisition. The county then applies the North Carolina Department of Revenue (NCDOR) trending schedules to the original cost to reach a current replacement cost new, to which it applies a straight-line depreciation method to derive annual taxable market values.

Using an upper-midscale soft-brand/boutique hotel FF&E cost estimate of \$16,000 per key, or approximately \$880,000, the proposed 55-room hotel's Year 1 personal property tax liability is projected at \$9,513. Thereafter, the FF&E is forecast to depreciate on a straight-line basis with a full replacement in Year 7.

Insurance

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

Expense Comp	HOST	A	B	C	Forecast
% of Total Revenue	1.1%	0.9%	0.5%	1.7%	1.2%
\$ POR	\$1.23	\$0.91	\$0.59	\$1.81	\$1.28
\$ Per Room	\$332	\$245	\$157	\$437	\$300

Based on the expense of the comparables, we have forecast an insurance expense of \$300 per room, or \$16,500.

8.3.5. Replacement Reserves

An expensive component of the operation of an upper-midscale limited-service property such as the proposed subject is the maintenance of quality case goods, carpeting, bedding, public area furnishings, fitness equipment and other short-lived items. As the proposed subject property will be catering mainly to transient clients, we have used a replacement reserve of 4.0% of total revenues throughout the projection period. We believe most respondents in this segment actually do reserve, however, based upon our experience, this has rarely been enough to cover needed replacements.

8.3.6. Total Expenses

Incorporating all of the expense estimates outlined previously into the operating statement, total expenses equal \$898,756 or 65.1% of total revenue.

8.4. 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 proposed subject is estimated at \$481,303 to include deductions for replacement reserves.

**Year 1 Operating Forecast
Proposed Hotel
Louisburg, North Carolina**

Number of Rooms				55
Available Room Nights				20,075
Occupancy Rate				64.2%
Occupied Room Nights				12,898
Average Daily Rate {ADR}				\$105.00
Revenues	Total	%	POR	PAR
Rooms	\$1,354,263	98.1%	\$105.00	\$24,623
Food & Beverage ¹	0	0.0%	0.00	0
Other Operated Departments	0	0.0%	0.00	0
Miscellaneous Income	25,795	1.9%	2.00	469
Other	0	0.0%	0.00	0
Total Revenues	\$1,380,059	100.0%	\$107.00	\$25,092
Department Expenses				
Rooms	\$322,444	23.8%	\$25.00	\$5,863
Food & Beverage ¹	0	0.0%	0.00	0
Other Operated Departments	22,000	N/A	1.71	400
Miscellaneous	0	0.0%	0.00	0
Total Department Expenses	\$344,444	25.0%	\$26.71	\$6,263
Total Department Income	\$1,035,615	75.0%	\$80.29	\$18,829
Undistributed Operating Expenses				
Administrative & General	\$117,305	8.5%	\$9.10	\$2,133
Sales & Marketing	149,743	10.9%	11.61	2,723
Property Operation & Maintenance	41,402	3.0%	3.21	753
Utilities	60,500	4.4%	4.69	1,100
Total Undistributed Expenses	\$368,950	26.7%	\$28.61	\$6,708
Gross Operating Profit	\$666,665	48.3%	\$51.69	\$12,121
Management Fees	41,402	3.0%	3.21	753
Income Before Fixed Expenses	\$625,264	45.3%	48.48	11,368
Fixed Expenses				
Rent	\$0	0.0%	\$0.00	\$0
Property & Other Taxes	72,259	5.2%	5.60	1,314
Insurance	16,500	1.2%	1.28	300
Total Fixed Expenses	\$88,759	6.4%	\$6.88	\$1,614
Replacement Reserve	\$55,202	4.0%	\$4.28	\$1,004
Total Expenses	\$898,756	65.1%	\$69.68	\$16,341
Net Operating Income	\$481,303	34.9%	\$37.32	\$8,751

¹ F&B is recommended but discretionary. Without developer input, we are treating it on a break-even basis.

8.5. Cash Flow Projection Conclusion

A seven-year cash flow analysis reflecting the proposed subject's anticipated income and expenses has been prepared for the proposed subject property. This cash flow summary reflects an approximate holding period for the property that may range from 5 to 12 years. Typically, a midrange forecast (seven-year cash flow horizon) period is deemed appropriate in the analysis of hotels and motels in the current economic environment. This analysis reflects the expected incomes and expenses that the proposed subject will likely incur over the anticipated holding period.

Each of the incomes and expenses are based on forecasts that have been developed in the income and expense analysis earlier in this approach. Room revenue has been previously forecast to increase 3.0% per year. Other Income increases have been forecast to increase 2.0% annually as indicated by the expectation of respondents to the investment surveys. The annual expense growth rates are forecasted to increase 2.0% or 3.0% and are also based on the various investor surveys.

Seven-Year Cash-Flow Projection Proposed Upper-Midscale Soft-Brand/Boutique Hotel Louisburg, North Carolina

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Number of Rooms	55	55	55	55	55	55	55	55
Available Room Nights	20,075	20,075	20,075	20,075	20,075	20,075	20,075	20,075
Occupancy Rate	64.2%	68.9%	72.5%	72.5%	72.5%	72.5%	72.5%	72.5%
Occupied Room Nights	12,898	13,824	14,551	14,551	14,551	14,551	14,551	14,551
Average Daily Rate (ADR)	\$105.00	\$108.15	\$111.39	\$114.74	\$118.18	\$121.72	\$125.38	\$129.14
Revenues								
Rooms	\$1,354,263	\$1,495,023	\$1,620,919	\$1,669,547	\$1,719,633	\$1,771,222	\$1,824,359	\$1,879,090
Food & Beverage ¹	0	0	0	0	0	0	0	0
Other Operated Departments	0	0	0	0	0	0	0	0
Miscellaneous Income	25,795	28,477	30,875	31,801	32,755	33,738	34,750	35,792
Other	0	0	0	0	0	0	0	0
Total Revenues	\$1,380,059	\$1,523,499	\$1,651,794	\$1,701,348	\$1,752,388	\$1,804,960	\$1,859,109	\$1,914,882
Department Expenses								
Rooms	\$322,444	\$355,958	\$385,933	\$397,511	\$409,436	\$421,720	\$434,371	\$447,402
Food & Beverage ¹	0	0	0	0	0	0	0	0
Other Operated Departments	22,000	22,660	23,340	24,040	24,761	25,504	26,269	27,057
Miscellaneous	0	0	0	0	0	0	0	0
Total Department Expenses	\$344,444	\$378,618	\$409,273	\$421,551	\$434,198	\$447,224	\$460,640	\$474,460
Total Department Income	\$1,035,615	\$1,144,881	\$1,242,521	\$1,279,797	\$1,318,190	\$1,357,736	\$1,398,468	\$1,440,422
Undistributed Expenses								
Administrative & General	\$117,305	\$129,497	\$140,402	\$144,615	\$148,953	\$153,422	\$158,024	\$162,765
Sales & Marketing	149,743	165,307	179,227	184,604	190,142	195,847	201,722	207,774
Property Operation & Maintenance	41,402	45,705	49,554	51,040	52,572	54,149	55,773	57,446
Utilities	60,500	62,315	64,184	66,110	68,093	70,136	72,240	74,407
Total Undistributed Expenses	\$368,950	\$402,824	\$433,368	\$446,369	\$459,760	\$473,553	\$487,760	\$502,392
Gross Operating Income	\$666,665	\$742,057	\$809,153	\$833,427	\$858,430	\$884,183	\$910,709	\$938,030
Management Fees	\$41,402	\$45,705	\$49,554	\$51,040	\$52,572	\$54,149	\$55,773	\$57,446
Income Before Fixed Charges	\$625,264	\$696,352	\$759,599	\$782,387	\$805,859	\$830,034	\$854,935	\$880,583
Fixed Expenses								
Rent	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Property & Other Taxes	\$72,259	\$72,366	\$72,448	\$72,388	\$72,297	\$72,295	\$81,375	\$81,495
Insurance	16,500	16,995	17,505	18,030	18,571	19,128	19,702	20,293
Total Fixed Expenses	\$88,759	\$89,361	\$89,953	\$90,418	\$90,868	\$91,423	\$101,077	\$101,788
Replacement Reserve	\$55,202	\$60,940	\$66,072	\$68,054	\$70,096	\$72,198	\$74,364	\$76,595
Total Expenses	\$898,756	\$977,447	\$1,048,219	\$1,077,433	\$1,107,493	\$1,138,547	\$1,179,614	\$1,212,682
Net Operating Income	\$481,303	\$546,052	\$603,575	\$623,915	\$644,895	\$666,413	\$679,494	\$702,200
Capital Improvements	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service & Depreciation	\$481,303	\$546,052	\$603,575	\$623,915	\$644,895	\$666,413	\$679,494	\$702,200

¹ F&B is recommended but discretionary. Without developer input, we are treating it on a break-even basis.

9. Construction Costs

Three methods for estimating the replacement cost are the Comparative-Unit, Unit-in-Place and Quantity Survey. The Comparative-Unit method and the Quantity Survey Method will be utilized in estimating the Replacement Cost New of the proposed subject building.

9.1.1. Comparative-Unit Method - Marshall Valuation Service

As we have not been provided plans detailing the square footage for the proposed subject hotel, we have estimated the cost to construct an upper-midscale soft-brand/boutique hotel by employing the unit-in-place method utilizing Marshall Valuation Services' cost manual. Based on this information, considering our cost analysis assumes three stories comprising 55 rooms, a small meeting facility and a modest allowance for an appropriately scaled food and beverage component (which for now will be assumed to operate at breakeven), we have utilized a building square footage estimate of 30,250 square feet, or 550 square feet per room.

The estimated cost to construct a 30,250-square foot, good cost quality, Class D, 55-room hotel, including FF&E but excluding land and incentives, is estimated at \$6,767,233, or \$123,041 per room, which equates to \$223.71 per square foot, as detailed in the exhibit on the following page. This replacement cost estimate for the proposed upper-midscale soft-brand/boutique 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.

9.1.2. Quantity Survey Method - Marshall Valuation Service

Note: As no construction cost estimate for the proposed subject has been provided by a prospective developer, the quantity survey method has not been developed.

9.1.3. 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 seeing the project through completion."¹ This is different than entrepreneurial profit, which cannot be measured until it is achieved. Entrepreneurial profit can be achieved through gain on a sale (sale price less development cost) or additional returns on an investment in an operating entity. 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 demand segments, negotiating corporate and group 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 typically is anticipated to range between \$250,000 and \$750,000. Incentive targets are influenced by many factors, with location, demand/supply and construction quality representing the most important issues. Given the modest size of the project and the town-buffered risks of developing a property like the proposed subject in an emerging lodging market, an entrepreneurial incentive of \$250,000 is considered reasonable.

¹Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th Edition (Chicago, 2015), Page 76

Replacement Cost New Comparative-Unit Method

Marshall Valuation Service Section 11, Page 22 Hotels, Class D, Good Cost Quality			
Base Rate Per Square Foot		\$132.00	
Adjustment for HVAC System		(4.43)	
Adjustment for Sprinkler		3.00	
Adjustment for Kitchen (Small bar & grill)		5.00	
Adjustment for Number of Stories		0.00	
Subtotal		\$135.58	
Height and Size Refinements			
Height Multiplier	1.000		
Area Multiplier	1.000	1.000	
Subtotal		\$135.58	
Cost Multipliers			
Current Cost Multiplier	1.230		
Local Cost Multiplier	0.940	1.156	
Adjusted Base Cost Per Square Foot		\$156.75	
Direct Costs			
Gross Building Area {Square Feet}		30,250	
Adjusted Base Cost Per Square Foot		\$156.75	
Replacement Cost - Hotel Improvements			\$4,741,742
Replacement Cost - Furniture, Fixtures and Equipment		\$880,000	
Replacement Cost - Other Improvements			
Parking Area	\$82,500		
Swimming Pool/Deck/Fencing (no pool)	0		
Canopy	56,431		
Exterior Signs	50,000		
Landscaping	38,500	227,431	
Cost Multipliers			
Current Cost Multiplier	1.230		
Local Cost Multiplier	0.940	1.1562	1,280,411
Total Direct Costs			\$6,022,154
Indirect Costs			
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	\$82,500		
Appraisal/Legal/Environmental/Certification	41,250		
Financing Fees	180,665		
Pre-Opening Marketing/Management	55,000		
Franchise Fees	50,000		
Initial Supplies	55,000		
Contingencies/Miscellaneous (retaining wall, silo removal, grading)	280,665		
Total Indirect Costs			\$745,079
Total Development Cost			
Replacement Cost New of Improvements - Excluding Developer Incentive		\$6,767,233	
Cost Per Hotel Unit		\$123,041	
Cost Per Square Foot		\$223.71	

¹ A modest allowance has been made for a recommended small bar & grill though no revenue or expense have been forecast as it is being left to the developer's discretion.

Replacement Cost New Plus Incentive

Replacement Cost New of Improvements - Excluding Incentive	\$6,767,233
Plus: Entrepreneurial Incentive	<u>250,000</u>
Replacement Cost New of Improvements - Including Incentive	\$7,017,233

9.1.4. Conclusion

This analysis is based on a typical ownership position, which would include land and be a before-tax, free-and-clear ownership of the property in fee simple—as illustrated below.

Cost Summary Including Land

Total Replacement Cost New	\$6,767,233
Entrepreneurial Incentive	250,000
Plus: Land (currently town owned)	<u>\$100,000</u>
Total Cost Estimate	\$7,117,233
Rounded	\$7,100,000

Based on this information, we conclude an all-in project cost of **\$7,100,000**.

10. Free-and-Clear IRR

The internal rate of return (IRR) calculation is based on a total investment of **\$7,100,000**.

In addition to discounting the income stream, the reversionary value of the proposed hotel at the end of the anticipated holding period also is 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.

PwC Real Estate Investor Survey for National Hotels

Identification	Overall Rate	Terminal Rate
<i>Midscale & Economy</i>		
Prevailing Range	7.00%-11.00%	8.00%-11.00%
Average	9.18%	9.10%
<i>Select-Service</i>		
Prevailing Range	7.00%-11.00%	7.00%-10.50%
Average	8.50%	8.68%
<i>Full-Service</i>		
Prevailing Range	6.00 – 10.00%%	7.50%-10.00%
Average	8.05%	8.65%
<i>Luxury/Upper-Upscale</i>		
Prevailing Range	4.00%-9.50%	5.75%-10.0%
Average	7.50%	7.83%

Source: PwC Real Estate Investor Survey™, 1st Quarter 2021

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 10.50% with an average of 8.68%. As the subject is a proposed upper-midscale soft-brand/boutique hotel, essentially a limited-service hotel with a recommended bar and grill component. Also, as it is anticipated it will have a national franchise affiliation in a submarket currently under-served in the upper-midscale segment, the Reversion price will be calculated using a Terminal Capitalization Rate of 8.5%. 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	\$702,200
Out-Going Capitalization Rate	÷ 8.50%
Indicated Resale Price	\$8,261,175
Sale Costs @ 2.5%	- \$206,529
Net Proceeds from Sale	\$8,054,646

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

Year	1	2	3	4	5	6	7
(\$7,100,000)	\$481,303	\$546,052	\$603,575	\$623,915	\$644,895	\$666,413	\$679,494
							\$8,054,646
(\$7,100,000)	\$481,303	\$546,052	\$603,575	\$623,915	\$644,895	\$666,413	\$8,734,140

Note: Figures may not add due to rounding.

On the basis of these cash flows, the proposed subject's implied free-and-clear IRR equals **9.80%**.

11. Conclusion

11.1. Free-and-Clear IRR

The free-and-clear investment in the subject property implies an IRR of **9.8%**. The 1st Quarter 2021 PwC survey indicates required discount rates (IRRs) for select-service midscale & economy hotels currently range from 7.0% to 11.0% with an average of 8.5%. Therefore, the indicated unleveraged return of **9.8%** for the proposed subject hotel is within the range of acceptable risk-adjusted expectations of investors based on accepted market returns for similar hotel investments.

11.2. 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:

The subject hotel is proposed; therefore, the improvements have not been built. This analysis is based on the premise that the property can be developed with a total investment of \$7,100,000, including land, incentives and a modest allowance for a scaled bar and grill. If the improvements, including site work, construction, FF&E, financing and other indirect costs, cannot be completed within budget, the estimated internal rate of return would be diminished; conversely, if savings can be achieved, the rate of return will be increased. The indicated return on this estimated total investment is acceptable based on market expectations.

Although we have estimated an internal rate of return for this investment, this not an appraisal and no value estimate or opinions of value have been concluded.

12. Consultants' Certification

We certify that, to the best of my 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 is 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 study.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. No one other than the undersigned has provided professional assistance in the preparation of this report and the analyses herein.
10. As of the date of this report, Michael P. Cummings, MAI, ISHC has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
11. The 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.



Michael P. Cummings, MAI, ISHC
Managing Director



J. Richard Keegan, MBA
Senior Consultant

13. Addenda

13.1. Engagement Letter

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Horwath HTL
Hotel, Tourism and Leisure

Hotel Study and Market Analysis Proposal

**Proposed Hotel
Site To Be Determined
Louisburg, North Carolina 27549**

The Global Leader in Hospitality Consulting

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Horwath HTL

New York, NY
Beverly Hills, CA
Denver, CO
Norfolk, VA
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June 17, 2021

Ms. Brenda Daniels
ElectriCities of North Carolina, Inc.
1427 Meadow Wood Boulevard
Raleigh, North Carolina 27604
919.760.6363 Work
919.218.7027 Mobile

Via Email: bdaniels@electricities.org

Re: Hotel Study and Market Analysis
Site To Be Determined
Town of Louisburg, Franklin County, North Carolina 27549

Dear Ms. Daniels,

We are pleased to submit this proposal for professional services in connection with a Hotel Study and Market Analysis for the above referenced property. This study will assist you in your analysis of this project for investment and financing purposes and as the foundation for estimating future revenues and expenses. The study would include:

Area Review

We will gather and summarize relevant, demographic data regarding the market area to document the economic environment of the market. We will examine key economic factors that influence demand for rooms, meetings, and food/beverage sales. Specific emphasis will be given to the trends in the market segments which potentially comprise the principal target markets for the type and class of hotel being proposed.

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ElectriCities of North Carolina, Inc.

June 17, 2021

Primary Research

We will perform primary market research to gather the most recent and pertinent data about the area's hotel market. This will include an inspection and interviews at competitive facilities and discussions with managers and marketing staff knowledgeable about the competitive market for the type and class of hotel being proposed. Those we might interview could include:

- Town/City/County officials in economic development and zoning
- Business Leaders, CVB and Chamber representatives
- Hotel developers
- Managers or marketing personnel of hotels deemed to be competitive with or comparable to the type and class of hotel being proposed
- Corporate and association meeting coordinators

Our survey of hotels in the market area deemed to be competitive with or comparable to the type and class of hotel being proposed will address the type of facilities, amenities available, published room rates and food and beverage offerings.

Supply and Demand Analysis

Based on our market research, we will estimate potential growth in the demand for and the supply of hotels in the local market area deemed to be competitive with or comparable to the type and class of hotel being proposed. 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 type and class to the competitive supply based on such identifiable attributes demanded of market participants as location; proximity to demand generators, retail, entertainment and dining amenities; accessibility, affordability, ambiance and product quality. We then establish the theoretical "fair share" ratio and forecast the expected capture/penetration rate for the proposed hotel type and class vis à vis the competitive supply.

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Ms. Brenda Daniels
ElectriCities of North Carolina, Inc.
June 17, 2021

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 proposed hotel type and class 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

During our inspection of the market, we will determine or estimate the projected parcel size and acquisition cost of commercial sites deemed viable for the type and class of hotel being proposed. 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 obtained from Marshall Valuation Services.

Internal Rate of Return Analysis

Once the development costs and expected cash flows are estimated for the type and class of hotel being proposed, a discounted cash flow analysis is used to estimate the internal rate of return (IRR) of the investment. The internal rate of return of the investment will then be compared to rates of return being achieved by typical investors in similar developments.

Fee and Timetable

Professional fees are based on the anticipated time of the individuals assigned to the engagement, plus direct expenses. Our fee for and date of delivery of the report will be as follows:

Hotel Study and Market Analysis (base fee plus direct expenses) ¹

Delivery of the report will be **6-8 weeks** from the date of engagement.

¹Typically travel-related expenses and the cost of a Custom STR Trend Report

A retainer of **60% of the total base fee** is required for work to commence, and the balance is due and payable upon delivery of the completed report.

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Ms. Brenda Daniels

ElectriCities of North Carolina, Inc.

June 17, 2021

In the event the Client cancels this agreement before a report is tendered, then Client agrees to pay Consultant/Appraiser, at Consultant/Appraiser's 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. Fareed & Cummings, LLC (dba Horwath HTL) 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 situate in the City of Norfolk, Virginia.

It is agreed that the liability of Fareed & Cummings LLC to the Client is limited to the amount of the fee paid for the completion of the consulting/appraisal assignment. Fareed & Cummings LLC limits its responsibility to the Client and any use of the appraisal by third parties shall be at the risk of the Client and/or said third parties. The Client, by the execution of this agreement, acknowledges that he has read and agrees to the terms and conditions of this contract.

The concluded evaluation and analysis in the report will be the opinion of Fareed & Cummings LLC and the fee or the payment thereof is in no way contingent upon any particular conclusions. The fee for this appraisal or 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 **10 days from the date of this proposal.**

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Ms. Brenda Daniels

ElectriCities of North Carolina, Inc.

June 17, 2021

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 that 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 our research of the market and knowledge of the industry. 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 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 or securing a developer. 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 would so state in our report.

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Ms. Brenda Daniels
ElectriCities of North Carolina, Inc.
June 17, 2021

Brenda Daniels
Manager, Economic Development

Signature:

Brenda Daniels June 22, 2021

Date: _____, 2021

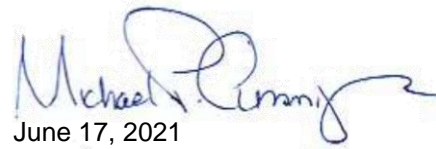
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Michael P. Cummings, MAI, ISHC


June 17, 2021

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13.2. STR Custom Trend Report

Trend # 1280698_SADIM / Created August 24, 2021

Trend Report - Proposed Hotel - Louisburg, NC

January 2013 to July 2021 Currency : USD - US Dollar



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Tab 2 - Data by Measure

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

Occupancy (%)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2013	46.7	52.4	59.4	65.2	67.1	71.3	62.2	72.2	56.1	59.4	63.2	56.0	61.0	60.7
2014	52.4	58.5	63.9	68.7	75.7	83.1	68.5	68.4	65.0	69.3	69.6	62.7	67.2	67.3
2015	59.4	67.7	74.7	80.7	83.1	88.5	83.9	75.7	78.2	77.3	72.1	63.1	75.4	76.9
2016	62.4	59.1	71.4	78.5	85.5	85.9	74.8	80.0	76.5	81.4	74.1	62.4	74.4	74.1
2017	60.6	65.6	76.5	76.0	78.9	77.7	76.7	74.2	73.0	81.0	77.1	63.0	73.4	73.2
2018	64.2	65.4	73.0	79.9	80.3	83.0	74.2	76.2	81.4	80.5	77.8	66.0	75.2	74.4
2019	64.6	64.9	74.7	75.1	83.0	80.9	78.8	73.0	76.0	77.3	74.3	60.4	73.6	74.7
2020	55.7	68.5	48.5	34.2	47.8	59.4	57.2	61.8	61.6	65.6	56.4	48.5	55.4	52.9
2021	51.9	62.2	68.2	70.7	76.5	79.4	79.7							69.8
Avg	57.5	62.7	67.8	69.9	75.3	78.8	72.9	72.7	71.0	74.0	70.6	60.3	69.4	69.3

ADR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2013	74.81	76.23	76.56	76.60	78.43	78.90	76.10	76.89	78.04	77.87	80.45	74.79	77.23	76.95
2014	73.62	78.02	77.42	78.49	79.33	80.51	79.55	80.12	79.45	81.99	88.15	84.32	80.24	78.38
2015	78.50	79.07	81.08	86.87	86.76	87.54	86.44	89.20	90.59	92.45	96.09	91.48	87.35	84.22
2016	90.92	88.03	87.84	92.03	96.06	95.19	90.48	92.34	96.03	99.09	100.45	95.81	93.91	91.85
2017	92.07	93.18	91.71	96.39	96.42	93.97	93.99	90.37	92.84	94.85	98.79	91.95	93.96	94.04
2018	89.28	90.43	89.74	91.67	94.85	95.04	91.60	91.33	96.53	94.93	98.76	89.28	92.97	91.97
2019	90.10	92.69	93.66	94.66	97.86	97.33	94.44	93.54	97.25	96.70	98.11	91.60	95.01	94.61
2020	88.99	94.71	85.94	72.63	74.27	78.78	78.56	77.18	77.16	78.46	79.31	75.37	80.49	82.84
2021	73.65	78.99	79.50	85.15	90.57	93.02	97.32							86.53
Avg	84.18	86.05	85.16	87.26	89.27	89.35	88.26	86.73	89.39	90.35	93.26	87.33	88.22	87.25

RevPAR (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2013	34.96	39.96	45.49	49.96	52.65	56.25	47.34	55.55	43.78	46.22	50.86	41.92	47.10	46.69
2014	38.55	45.61	49.45	53.90	60.03	66.86	54.53	54.81	51.61	56.83	61.33	52.84	53.88	52.73
2015	46.60	53.55	60.56	70.06	72.06	77.47	72.56	67.56	70.87	71.44	69.26	57.77	65.85	64.77
2016	56.71	52.04	62.76	72.25	82.15	81.79	67.68	73.83	73.46	80.71	74.43	59.82	69.89	68.05
2017	55.80	61.13	70.12	73.24	76.08	72.99	72.04	67.08	67.81	76.82	76.13	57.97	68.96	68.84
2018	57.33	59.13	65.50	73.29	76.17	78.89	68.00	69.58	78.60	76.46	76.83	58.90	69.90	68.39
2019	58.18	60.19	69.95	71.12	81.22	78.78	74.41	68.31	73.95	74.73	72.85	55.32	69.95	70.66
2020	49.59	64.85	41.71	24.87	35.52	46.82	44.95	47.70	47.53	51.43	44.73	36.53	44.56	43.83
2021	38.20	49.11	54.20	60.17	69.26	73.82	77.52							60.42
Avg	48.44	53.95	57.75	60.99	67.24	70.41	64.34	63.05	63.45	66.83	65.81	52.64	61.26	60.49

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2013	11,315	10,220	11,315	10,950	11,315	10,950	11,315	11,315	10,950	11,315	10,950	11,315	133,225	77,380
2014	11,315	10,220	11,315	10,950	11,315	10,950	11,315	11,315	10,950	11,315	10,950	11,315	133,225	77,380
2015	11,315	10,220	11,315	10,950	11,315	10,950	11,315	11,315	10,950	11,315	10,950	11,315	133,225	77,380
2016	11,315	10,220	11,315	10,950	11,315	10,950	11,315	11,315	10,950	11,315	10,950	11,315	133,225	77,380
2017	11,315	10,220	11,315	10,950	11,315	10,950	11,315	11,315	10,950	11,315	10,950	11,315	133,225	77,380
2018	11,315	10,220	11,315	10,950	11,315	10,950	11,315	11,315	10,950	11,315	10,950	11,284	133,194	77,380
2019	11,284	10,192	11,284	10,920	11,284	10,920	11,284	11,284	10,920	11,284	10,920	11,284	132,860	77,168
2020	11,284	10,192	11,284	10,920	11,284	10,920	11,284	11,284	10,920	11,284	10,920	11,284	132,860	77,168
2021	11,284	10,192	11,284	10,920	11,284	10,920	11,284							77,168
Avg	11,305	10,211	11,305	10,940	11,305	10,940	11,305	11,307	10,943	11,307	10,943	11,303	133,130	77,309

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2013	5,288	5,358	6,724	7,142	7,596	7,806	7,039	8,174	6,143	6,716	6,922	6,342	81,250	46,953
2014	5,925	5,974	7,227	7,519	8,563	9,094	7,756	7,740	7,113	7,843	7,618	7,090	89,462	52,058
2015	6,717	6,921	8,451	8,832	9,398	9,690	9,498	8,570	8,566	8,744	7,893	7,145	100,425	59,507
2016	7,058	6,042	8,084	8,597	9,676	9,409	8,464	9,047	8,377	9,216	8,114	7,065	99,149	57,330
2017	6,858	6,705	8,652	8,320	8,928	8,506	8,673	8,399	7,997	9,164	8,439	7,133	97,774	56,642
2018	7,266	6,683	8,259	8,754	9,086	9,089	8,399	8,620	8,916	9,114	8,518	7,445	100,149	57,536
2019	7,286	6,619	8,428	8,205	9,366	8,838	8,891	8,241	8,304	8,721	8,109	6,815	97,823	57,633
2020	6,288	6,979	5,476	3,739	5,397	6,490	6,457	6,974	6,727	7,397	6,158	5,469	73,551	40,826
2021	5,852	6,336	7,693	7,716	8,630	8,666	8,989							53,882
Avg	6,504	6,402	7,666	7,647	8,516	8,621	8,241	8,221	7,768	8,364	7,721	6,813	92,448	53,596

Tab 2 - Data by Measure

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

Revenue (\$)														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2013	395,608	408,425	514,765	547,049	595,760	615,923	535,655	628,504	479,408	522,995	556,876	474,331	6,275,299	3,613,185
2014	436,171	466,103	559,508	590,156	679,263	732,171	616,988	620,133	565,138	643,085	671,514	597,837	7,178,067	4,080,360
2015	527,313	547,252	685,227	767,198	815,352	848,309	821,033	764,469	775,973	808,364	758,438	653,628	8,772,556	5,011,684
2016	641,690	531,872	710,091	791,177	929,497	895,610	765,807	835,400	804,424	913,236	815,062	676,892	9,310,758	5,265,744
2017	631,391	624,779	793,435	801,994	860,802	799,284	815,175	759,004	742,480	869,162	833,672	655,898	9,187,076	5,326,860
2018	648,739	604,347	741,128	802,474	861,838	863,824	769,373	787,245	860,696	865,152	841,266	664,676	9,310,758	5,291,723
2019	656,474	613,500	789,344	776,675	916,512	860,237	839,645	770,822	807,550	843,289	795,551	624,280	9,293,879	5,452,387
2020	559,567	661,002	470,629	271,566	400,820	511,267	507,237	538,230	519,023	580,352	488,413	412,205	5,920,311	3,382,088
2021	431,020	500,481	611,627	657,015	781,585	806,140	874,779							4,662,647
Avg	547,553	550,862	652,862	667,256	760,159	770,307	727,299	712,976	694,337	755,704	720,099	594,968	8,156,088	4,676,298

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

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

Occupancy														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2014	12.0	11.5	7.5	5.3	12.7	16.5	10.2	-5.3	15.8	16.8	10.1	11.8	10.1	10.9
2015	13.4	15.9	16.9	17.5	9.8	6.6	22.5	10.7	20.4	11.5	3.6	0.8	12.3	14.3
2016	5.1	-12.7	-4.3	-2.7	3.0	-2.9	-10.9	5.6	-2.2	5.4	2.8	-1.1	-1.3	-3.7
2017	-2.8	11.0	7.0	-3.2	-7.7	-9.6	2.5	-7.2	-4.5	-0.6	4.0	1.0	-1.4	-1.2
2018	5.9	-0.3	-4.5	5.2	1.8	6.9	-3.2	2.6	11.5	-0.5	0.9	4.7	2.5	1.6
2019	0.6	-0.7	2.3	-6.0	3.4	-2.5	6.1	-4.1	-6.6	-4.0	-4.5	-8.5	-2.1	0.4
2020	-13.7	5.4	-35.0	-54.4	-42.4	-26.6	-27.4	-15.4	-19.0	-15.2	-24.1	-19.8	-24.8	-29.2
2021	-6.9	-9.2	40.5	106.4	59.9	33.5	39.2							32.0
Avg	1.7	2.6	3.8	8.5	5.0	2.7	4.9	-1.9	2.2	1.9	-1.0	-1.6	-0.7	3.1

ADR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2014	-1.6	2.4	1.1	2.5	1.1	2.0	4.5	4.2	1.8	5.3	9.6	12.7	3.9	1.9
2015	6.6	1.3	4.7	10.7	9.4	8.7	8.7	11.3	14.0	12.7	9.0	8.5	8.9	7.4
2016	15.8	11.3	8.3	5.9	10.7	8.7	4.7	3.5	6.0	7.2	4.5	4.7	7.5	9.1
2017	1.3	5.9	4.4	4.7	0.4	-1.3	3.9	-2.1	-3.3	-4.3	-1.7	-4.0	0.1	2.4
2018	-3.0	-3.0	-2.1	-4.9	-1.6	1.1	-2.5	1.1	4.0	0.1	-0.0	-2.9	-1.1	-2.2
2019	0.9	2.5	4.4	3.3	3.2	2.4	3.1	2.4	0.7	1.9	-0.7	2.6	2.2	2.9
2020	-1.2	2.2	-8.2	-23.3	-24.1	-19.1	-16.8	-17.5	-20.7	-18.9	-19.2	-17.7	-15.3	-12.4
2021	-17.2	-16.6	-7.5	17.2	21.9	18.1	23.9							4.5
Avg	0.2	0.8	0.6	2.0	2.6	2.6	3.7	0.4	0.4	0.6	0.2	0.6	0.9	1.7

RevPAR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2014	10.3	14.1	8.7	7.9	14.0	18.9	15.2	-1.3	17.9	23.0	20.6	26.0	14.4	12.9
2015	20.9	17.4	22.5	30.0	20.0	15.9	33.1	23.3	37.3	25.7	12.9	9.3	22.2	22.8
2016	21.7	-2.8	3.6	3.1	14.0	5.6	-6.7	9.3	3.7	13.0	7.5	3.6	6.1	5.1
2017	-1.6	17.5	11.7	1.4	-7.4	-10.8	6.4	-9.1	-7.7	-4.8	2.3	-3.1	-1.3	1.2
2018	2.7	-3.3	-6.6	0.1	0.1	8.1	-5.6	3.7	15.9	-0.5	0.9	1.6	1.4	-0.7
2019	1.5	1.8	6.8	-2.9	6.6	-0.1	9.4	-1.8	-5.9	-2.3	-5.2	-6.1	0.1	3.3
2020	-14.8	7.7	-40.4	-65.0	-56.3	-40.6	-39.6	-30.2	-35.7	-31.2	-38.6	-34.0	-36.3	-38.0
2021	-23.0	-24.3	30.0	141.9	95.0	57.7	72.5							37.9
Avg	2.2	3.5	4.5	14.5	10.8	6.8	10.6	-0.9	3.6	3.3	0.1	-0.4	0.9	5.6

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.0	0.0
2019	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	0.0	-0.3	-0.3
2020	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
2021	0.0	0.0	0.0	0.0	0.0	0.0	0.0							0.0
Avg	-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														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jul YTD
2014	12.0	11.5	7.5	5.3	12.7	16.5	10.2	-5.3	15.8	16.8	10.1	11.8	10.1	10.9
2015	13.4	15.9	16.9	17.5	9.8	6.6	22.5	10.7	20.4	11.5	3.6	0.8	12.3	14.3
2016	5.1	-12.7	-4.3	-2.7	3.0	-2.9	-10.9	5.6	-2.2	5.4	2.8	-1.1	-1.3	-3.7
2017	-2.8	11.0	7.0	-3.2	-7.7	-9.6	2.5	-7.2	-4.5	-0.6	4.0	1.0	-1.4	-1.2
2018	5.9	-0.3	-4.5	5.2	1.8	6.9	-3.2	2.6	11.5	-0.5	0.9	4.4	2.4	1.6
2019	0.3	-1.0	2.0	-6.3	3.1	-2.8	5.9	-4.4	-6.9	-4.3	-4.8	-8.5	-2.3	0.2
2020	-13.7	5.4	-35.0	-54.4	-42.4	-26.6	-27.4	-15.4	-19.0	-15.2	-24.1	-19.8	-24.8	-29.2
2021	-6.9	-9.2	40.5	106.4	59.9	33.5	39.2							32.0
Avg	1.7	2.6	3.8	8.5	5.0	2.7	4.8	-1.9	2.2	1.9	-1.1	-1.6	-0.7	3.1

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

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

Revenue													
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year
2014	10.3	14.1	8.7	7.9	14.0	18.9	15.2	-1.3	17.9	23.0	20.6	26.0	14.4
2015	20.9	17.4	22.5	30.0	20.0	15.9	33.1	23.3	37.3	25.7	12.9	9.3	22.2
2016	21.7	-2.8	3.6	3.1	14.0	5.6	-6.7	9.3	3.7	13.0	7.5	3.6	6.1
2017	-1.6	17.5	11.7	1.4	-7.4	-10.8	6.4	-9.1	-7.7	-4.8	2.3	-3.1	-1.3
2018	2.7	-3.3	-6.6	0.1	0.1	8.1	-5.6	3.7	15.9	-0.5	0.9	1.3	1.3
2019	1.2	1.5	6.5	-3.2	6.3	-0.4	9.1	-2.1	-6.2	-2.5	-5.4	-6.1	-0.2
2020	-14.8	7.7	-40.4	-65.0	-56.3	-40.6	-39.6	-30.2	-35.7	-31.2	-38.6	-34.0	-36.3
2021	-23.0	-24.3	30.0	141.9	95.0	57.7	72.5						
Avg	2.2	3.5	4.5	14.5	10.7	6.8	10.5	-0.9	3.6	3.2	0.0	-0.4	0.9
													5.5

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

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

	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	Jul YTD
Occ	12.0	11.5	7.5	5.3	12.7	16.5	10.2	-5.3	15.8	16.8	10.1	11.8	10.1	10.9
ADR	-1.6	2.4	1.1	2.5	1.1	2.0	4.5	4.2	1.8	5.3	9.6	12.7	3.9	1.9
RevPAR	10.3	14.1	8.7	7.9	14.0	18.9	15.2	-1.3	17.9	23.0	20.6	26.0	14.4	12.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	12.0	11.5	7.5	5.3	12.7	16.5	10.2	-5.3	15.8	16.8	10.1	11.8	10.1	10.9
Revenue	10.3	14.1	8.7	7.9	14.0	18.9	15.2	-1.3	17.9	23.0	20.6	26.0	14.4	12.9

	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	Jul YTD
Occ	13.4	15.9	16.9	17.5	9.8	6.6	22.5	10.7	20.4	11.5	3.6	0.8	12.3	14.3
ADR	6.6	1.3	4.7	10.7	9.4	8.7	8.7	11.3	14.0	12.7	9.0	8.5	8.9	7.4
RevPAR	20.9	17.4	22.5	30.0	20.0	15.9	33.1	23.3	37.3	25.7	12.9	9.3	22.2	22.8
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	13.4	15.9	16.9	17.5	9.8	6.6	22.5	10.7	20.4	11.5	3.6	0.8	12.3	14.3
Revenue	20.9	17.4	22.5	30.0	20.0	15.9	33.1	23.3	37.3	25.7	12.9	9.3	22.2	22.8

	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	Jul YTD
Occ	5.1	-12.7	-4.3	-2.7	3.0	-2.9	-10.9	5.6	-2.2	5.4	2.8	-1.1	-1.3	-3.7
ADR	15.8	11.3	8.3	5.9	10.7	8.7	4.7	3.5	6.0	7.2	4.5	4.7	7.5	9.1
RevPAR	21.7	-2.8	3.6	3.1	14.0	5.6	-6.7	9.3	3.7	13.0	7.5	3.6	6.1	5.1
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	5.1	-12.7	-4.3	-2.7	3.0	-2.9	-10.9	5.6	-2.2	5.4	2.8	-1.1	-1.3	-3.7
Revenue	21.7	-2.8	3.6	3.1	14.0	5.6	-6.7	9.3	3.7	13.0	7.5	3.6	6.1	5.1

	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Total Year	Jul YTD
Occ	-2.8	11.0	7.0	-3.2	-7.7	-9.6	2.5	-7.2	-4.5	-0.6	4.0	1.0	-1.4	-1.2
ADR	1.3	5.9	4.4	4.7	0.4	-1.3	3.9	-2.1	-3.3	-4.3	-1.7	-4.0	0.1	2.4
RevPAR	-1.6	17.5	11.7	1.4	-7.4	-10.8	6.4	-9.1	-7.7	-4.8	2.3	-3.1	-1.3	1.2
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-2.8	11.0	7.0	-3.2	-7.7	-9.6	2.5	-7.2	-4.5	-0.6	4.0	1.0	-1.4	-1.2
Revenue	-1.6	17.5	11.7	1.4	-7.4	-10.8	6.4	-9.1	-7.7	-4.8	2.3	-3.1	-1.3	1.2

	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	Jul YTD
Occ	5.9	-0.3	-4.5	5.2	1.8	6.9	-3.2	2.6	11.5	-0.5	0.9	4.7	2.5	1.6
ADR	-3.0	-3.0	-2.1	-4.9	-1.6	1.1	-2.5	1.1	4.0	0.1	-0.0	-2.9	-1.1	-2.2
RevPAR	2.7	-3.3	-6.6	0.1	0.1	8.1	-5.6	3.7	15.9	-0.5	0.9	1.6	1.4	-0.7
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.0	0.0
Demand	5.9	-0.3	-4.5	5.2	1.8	6.9	-3.2	2.6	11.5	-0.5	0.9	4.4	2.4	1.6
Revenue	2.7	-3.3	-6.6	0.1	0.1	8.1	-5.6	3.7	15.9	-0.5	0.9	1.3	1.3	-0.7

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Total Year	Jul YTD
Occ	0.6	-0.7	2.3	-6.0	3.4	-2.5	6.1	-4.1	-6.6	-4.0	-4.5	-8.5	-2.1	0.4
ADR	0.9	2.5	4.4	3.3	3.2	2.4	3.1	2.4	0.7	1.9	-0.7	2.6	2.2	2.9
RevPAR	1.5	1.8	6.8	-2.9	6.6	-0.1	9.4	-1.8	-5.9	-2.3	-5.2	-6.1	0.1	3.3
Supply	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	0.0	-0.3	-0.3
Demand	0.3	-1.0	2.0	-6.3	3.1	-2.8	5.9	-4.4	-6.9	-4.3	-4.8	-8.5	-2.3	0.2
Revenue	1.2	1.5	6.5	-3.2	6.3	-0.4	9.1	-2.1	-6.2	-2.5	-5.4	-6.1	-0.2	3.0

	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Total Year	Jul YTD
Occ	-13.7	5.4	-35.0	-54.4	-42.4	-26.6	-27.4	-15.4	-19.0	-15.2	-24.1	-19.8	-24.8	-29.2
ADR	-1.2	2.2	-8.2	-23.3	-24.1	-19.1	-16.8	-17.5	-20.7	-18.9	-19.2	-17.7	-15.3	-12.4
RevPAR	-14.8	7.7	-40.4	-65.0	-56.3	-40.6	-39.6	-30.2	-35.7	-31.2	-38.6	-34.0	-36.3	-38.0
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-13.7	5.4	-35.0	-54.4	-42.4	-26.6	-27.4	-15.4	-19.0	-15.2	-24.1	-19.8	-24.8	-29.2
Revenue	-14.8	7.7	-40.4	-65.0	-56.3	-40.6	-39.6	-30.2	-35.7	-31.2	-38.6	-34.0	-36.3	-38.0

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Total Year	Jul YTD
Occ	-6.9	-9.2	40.5	106.4	59.9	33.5	39.2							32.0
ADR	-17.2	-16.6	-7.5	17.2	21.9	18.1	23.9							4.5
RevPAR	-23.0	-24.3	30.0	141.9	95.0	57.7	72.5							37.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0							0.0
Demand	-6.9	-9.2	40.5	106.4	59.9	33.5	39.2							32.0
Revenue	-23.0	-24.3	30.0	141.9	95.0	57.7	72.5							37.9

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Tab 5 - Twelve Month Moving Average

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	61.5	61.9	62.3	62.6	63.3	64.3	64.8	64.5	65.2	66.1	66.6	67.2
2015	67.7	68.5	69.4	70.4	71.0	71.4	72.7	73.4	74.5	75.1	75.3	75.4
2016	75.6	75.0	74.7	74.5	74.7	74.5	73.7	74.1	74.0	74.3	74.5	74.4
2017	74.3	74.8	75.2	75.0	74.4	73.7	73.9	73.4	73.1	73.1	73.3	73.4
2018	73.7	73.7	73.4	73.7	73.8	74.3	74.1	74.2	74.9	74.9	74.9	75.2
2019	75.2	75.2	75.3	74.9	75.2	75.0	75.4	75.1	74.7	74.4	74.1	73.6
2020	72.9	73.1	70.9	67.6	64.6	62.8	61.0	60.0	58.8	57.8	56.4	55.4
2021	55.0	54.5	56.2	59.2	61.6	63.3	65.2					

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	77.13	77.25	77.32	77.49	77.59	77.78	78.08	78.38	78.49	78.85	79.52	80.24
2015	80.54	80.60	80.89	81.64	82.36	83.07	83.68	84.44	85.33	86.22	86.85	87.35
2016	88.19	88.82	89.39	89.85	90.74	91.48	91.88	92.15	92.62	93.23	93.60	93.91
2017	93.99	94.30	94.60	94.97	94.99	94.88	95.18	95.03	94.77	94.37	94.24	93.96
2018	93.75	93.56	93.40	92.99	92.86	92.96	92.75	92.83	93.16	93.17	93.17	92.97
2019	93.03	93.18	93.50	93.76	94.04	94.24	94.48	94.68	94.72	94.88	94.81	95.01
2020	94.99	95.12	94.72	93.81	92.13	90.55	89.16	87.66	85.74	83.80	81.88	80.49
2021	79.21	77.70	77.28	78.28	79.84	81.28	83.14					

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	47.41	47.84	48.18	48.50	49.13	50.00	50.61	50.55	51.19	52.09	52.95	53.88
2015	54.56	55.17	56.12	57.45	58.47	59.34	60.87	61.95	63.54	64.78	65.43	65.85
2016	66.71	66.59	66.78	66.96	67.81	68.17	67.75	68.29	68.50	69.29	69.71	69.89
2017	69.81	70.51	71.13	71.21	70.70	69.98	70.35	69.77	69.31	68.98	69.12	68.96
2018	69.09	68.94	68.54	68.55	68.55	69.04	68.70	68.91	69.79	69.76	69.82	69.90
2019	69.98	70.06	70.44	70.26	70.69	70.68	71.22	71.12	70.73	70.58	70.26	69.95
2020	69.22	69.58	67.18	63.38	59.50	56.87	54.37	52.62	50.45	48.47	46.16	44.56
2021	43.59	42.38	43.45	46.35	49.21	51.43	54.20					

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225
2015	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225
2016	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225
2017	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225
2018	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,225	133,194
2019	133,163	133,135	133,104	133,074	133,043	133,013	132,982	132,951	132,921	132,890	132,860	132,860
2020	132,860	132,860	132,860	132,860	132,860	132,860	132,860	132,860	132,860	132,860	132,860	132,860
2021	132,860	132,860	132,860	132,860	132,860	132,860	132,860					

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	81,887	82,503	83,006	83,383	84,350	85,638	86,355	85,921	86,891	88,018	88,714	89,462
2015	90,254	91,201	92,425	93,738	94,573	95,169	96,911	97,741	99,194	100,095	100,370	100,425
2016	100,766	99,887	99,520	99,285	99,563	99,282	98,248	98,725	98,536	99,008	99,229	99,149
2017	98,949	99,612	100,180	99,903	99,155	98,252	98,461	97,813	97,433	97,381	97,706	97,774
2018	98,182	98,160	97,767	98,201	98,359	98,942	98,668	99,889	99,808	99,758	99,837	100,149
2019	100,169	100,105	100,274	99,725	100,005	99,754	100,246	99,867	99,255	98,862	98,453	97,823
2020	96,825	97,185	94,233	89,767	85,798	83,450	81,016	79,749	78,172	76,848	74,897	73,551
2021	73,115	72,472	74,689	78,666	81,899	84,075	86,607					

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2014	6,315,862	6,373,540	6,418,283	6,461,390	6,544,893	6,661,141	6,742,474	6,734,103	6,819,833	6,939,923	7,054,561	7,178,067
2015	7,269,209	7,350,358	7,476,077	7,653,119	7,789,208	7,905,346	8,109,391	8,253,727	8,464,562	8,629,841	8,716,765	8,772,556
2016	8,886,933	8,871,553	8,896,417	8,920,396	9,034,541	9,081,842	9,026,616	9,097,547	9,125,998	9,230,870	9,287,494	9,310,758
2017	9,300,459	9,393,366	9,476,710	9,487,527	9,418,832	9,322,506	9,371,874	9,295,478	9,233,534	9,189,460	9,208,070	9,187,076
2018	9,204,424	9,183,992	9,131,685	9,132,165	9,133,201	9,197,741	9,151,939	9,180,180	9,298,396	9,294,386	9,301,980	9,310,758
2019	9,318,493	9,327,646	9,375,862	9,350,063	9,404,737	9,401,150	9,471,422	9,454,999	9,401,853	9,379,990	9,334,275	9,293,879
2020	9,196,972	9,244,474	8,925,759	8,420,650	7,904,958	7,555,988	7,223,580	6,990,988	6,702,461	6,439,524	6,132,386	5,920,311
2021	5,791,764	5,631,243	5,772,241	6,157,690	6,538,455	6,833,328	7,200,870					

High value is boxed.

Low value is boxed and italicized.

Tab 6 - Twelve Month Moving Average with Percent Change

Proposed Hotel - Louisburg, NC
Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

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 14	61.5		77.13		47.41		133,225		81,887		6,315,862	
Feb 14	61.9		77.25		47.84		133,225		82,503		6,373,540	
Mar 14	62.3		77.32		48.18		133,225		83,006		6,418,283	
Apr 14	62.6		77.49		48.50		133,225		83,383		6,461,390	
May 14	63.3		77.59		49.13		133,225		84,350		6,544,893	
Jun 14	64.3		77.78		50.00		133,225		85,638		6,661,141	
Jul 14	64.8		78.08		50.61		133,225		86,355		6,742,474	
Aug 14	64.5		78.38		50.55		133,225		85,921		6,734,103	
Sep 14	65.2		78.49		51.19		133,225		86,891		6,819,833	
Oct 14	66.1		78.85		52.09		133,225		88,018		6,939,923	
Nov 14	66.6		79.52		52.95		133,225		88,714		7,054,561	
Dec 14	67.2	10.1	80.24	3.9	53.88	14.4	133,225	0.0	89,462	10.1	7,178,067	14.4
Jan 15	67.7	10.2	80.54	4.4	54.56	15.1	133,225	0.0	90,254	10.2	7,269,209	15.1
Feb 15	68.5	10.5	80.60	4.3	55.17	15.3	133,225	0.0	91,201	10.5	7,350,358	15.3
Mar 15	69.4	11.3	80.89	4.6	56.12	16.5	133,225	0.0	92,425	11.3	7,476,077	16.5
Apr 15	70.4	12.4	81.64	5.4	57.45	18.4	133,225	0.0	93,738	12.4	7,653,119	18.4
May 15	71.0	12.1	82.36	6.1	58.47	19.0	133,225	0.0	94,573	12.1	7,789,208	19.0
Jun 15	71.4	11.1	83.07	6.8	59.34	18.7	133,225	0.0	95,169	11.1	7,905,346	18.7
Jul 15	72.7	12.2	83.68	7.2	60.87	20.3	133,225	0.0	96,911	12.2	8,109,391	20.3
Aug 15	73.4	13.8	84.44	7.7	61.95	22.6	133,225	0.0	97,741	13.8	8,253,727	22.6
Sep 15	74.5	14.2	85.33	8.7	63.54	24.1	133,225	0.0	99,194	14.2	8,464,562	24.1
Oct 15	75.1	13.7	86.22	9.3	64.78	24.4	133,225	0.0	100,095	13.7	8,629,841	24.4
Nov 15	75.3	13.1	86.85	9.2	65.43	23.6	133,225	0.0	100,370	13.1	8,716,765	23.6
Dec 15	75.4	12.3	87.35	8.9	65.85	22.2	133,225	0.0	100,425	12.3	8,772,556	22.2
Jan 16	75.6	11.6	88.19	9.5	66.71	22.3	133,225	0.0	100,766	11.6	8,886,933	22.3
Feb 16	75.0	9.5	88.82	10.2	66.59	20.7	133,225	0.0	99,887	9.5	8,871,553	20.7
Mar 16	74.7	7.7	89.39	10.5	66.78	19.0	133,225	0.0	99,520	7.7	8,896,417	19.0
Apr 16	74.5	5.9	89.85	10.0	66.96	16.6	133,225	0.0	99,285	5.9	8,920,396	16.6
May 16	74.7	5.3	90.74	10.2	67.81	16.0	133,225	0.0	99,563	5.3	9,034,541	16.0
Jun 16	74.5	4.3	91.48	10.1	68.17	14.9	133,225	0.0	99,282	4.3	9,081,842	14.9
Jul 16	73.7	1.4	91.88	9.8	67.75	11.3	133,225	0.0	98,248	1.4	9,026,616	11.3
Aug 16	74.1	1.0	92.15	9.1	68.29	10.2	133,225	0.0	98,725	1.0	9,097,547	10.2
Sep 16	74.0	-0.7	92.62	8.5	68.50	7.8	133,225	0.0	98,536	-0.7	9,125,998	7.8
Oct 16	74.3	-1.1	93.23	8.1	69.29	7.0	133,225	0.0	99,008	-1.1	9,230,870	7.0
Nov 16	74.5	-1.1	93.60	7.8	69.71	6.5	133,225	0.0	99,229	-1.1	9,287,494	6.5
Dec 16	74.4	-1.3	93.91	7.5	69.89	6.1	133,225	0.0	99,149	-1.3	9,310,758	6.1
Jan 17	74.3	-1.8	93.99	6.6	69.81	4.7	133,225	0.0	98,949	-1.8	9,300,459	4.7
Feb 17	74.8	-0.3	94.30	6.2	70.51	5.9	133,225	0.0	99,612	-0.3	9,393,366	5.9
Mar 17	75.2	0.7	94.60	5.8	71.13	6.5	133,225	0.0	100,180	0.7	9,476,710	6.5
Apr 17	75.0	0.6	94.97	5.7	71.21	6.4	133,225	0.0	99,903	0.6	9,487,527	6.4
May 17	74.4	-0.4	94.99	4.7	70.70	4.3	133,225	0.0	99,155	-0.4	9,418,832	4.3
Jun 17	73.7	-1.0	94.88	3.7	69.98	2.6	133,225	0.0	98,252	-1.0	9,322,506	2.6
Jul 17	73.9	0.2	95.18	3.6	70.35	3.8	133,225	0.0	98,461	0.2	9,371,874	3.8
Aug 17	73.4	-0.9	95.03	3.1	69.77	2.2	133,225	0.0	97,813	-0.9	9,295,478	2.2
Sep 17	73.1	-1.1	94.77	2.3	69.31	1.2	133,225	0.0	97,433	-1.1	9,233,534	1.2
Oct 17	73.1	-1.6	94.37	1.2	68.98	-0.4	133,225	0.0	97,381	-1.6	9,189,460	-0.4
Nov 17	73.3	-1.5	94.24	0.7	69.12	-0.9	133,225	0.0	97,706	-1.5	9,208,070	-0.9
Dec 17	73.4	-1.4	93.96	0.1	68.96	-1.3	133,225	0.0	97,774	-1.4	9,187,076	-1.3

Tab 6 - Twelve Month Moving Average with Percent Change

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

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 18	73.7	-0.8	93.75	-0.3	69.09	-1.0	133,225	0.0	98,182	-0.8	9,204,424	-1.0
Feb 18	73.7	-1.5	93.56	-0.8	68.94	-2.2	133,225	0.0	98,160	-1.5	9,183,992	-2.2
Mar 18	73.4	-2.4	93.40	-1.3	68.54	-3.6	133,225	0.0	97,767	-2.4	9,131,685	-3.6
Apr 18	73.7	-1.7	92.99	-2.1	68.55	-3.7	133,225	0.0	98,201	-1.7	9,132,165	-3.7
May 18	73.8	-0.8	92.86	-2.2	68.55	-3.0	133,225	0.0	98,359	-0.8	9,133,201	-3.0
Jun 18	74.3	0.7	92.96	-2.0	69.04	-1.3	133,225	0.0	98,942	0.7	9,197,741	-1.3
Jul 18	74.1	0.2	92.75	-2.6	68.70	-2.3	133,225	0.0	98,668	0.2	9,151,939	-2.3
Aug 18	74.2	1.1	92.83	-2.3	68.91	-1.2	133,225	0.0	98,889	1.1	9,180,180	-1.2
Sep 18	74.9	2.4	93.16	-1.7	69.79	0.7	133,225	0.0	99,808	2.4	9,298,396	0.7
Oct 18	74.9	2.4	93.17	-1.3	69.76	1.1	133,225	0.0	99,758	2.4	9,294,386	1.1
Nov 18	74.9	2.2	93.17	-1.1	69.82	1.0	133,225	0.0	99,837	2.2	9,301,980	1.0
Dec 18	75.2	2.5	92.97	-1.1	69.90	1.4	133,194	-0.0	100,149	2.4	9,310,758	1.3
Jan 19	75.2	2.1	93.03	-0.8	69.98	1.3	133,163	-0.0	100,169	2.0	9,318,493	1.2
Feb 19	75.2	2.1	93.18	-0.4	70.06	1.6	133,135	-0.1	100,105	2.0	9,327,646	1.6
Mar 19	75.3	2.7	93.50	0.1	70.44	2.8	133,104	-0.1	100,274	2.6	9,375,862	2.7
Apr 19	74.9	1.7	93.76	0.8	70.26	2.5	133,074	-0.1	99,725	1.6	9,350,063	2.4
May 19	75.2	1.8	94.04	1.3	70.69	3.1	133,043	-0.1	100,005	1.7	9,404,737	3.0
Jun 19	75.0	1.0	94.24	1.4	70.68	2.4	133,013	-0.2	99,754	0.8	9,401,150	2.2
Jul 19	75.4	1.8	94.48	1.9	71.22	3.7	132,982	-0.2	100,246	1.6	9,471,422	3.5
Aug 19	75.1	1.2	94.68	2.0	71.12	3.2	132,951	-0.2	99,867	1.0	9,454,999	3.0
Sep 19	74.7	-0.3	94.72	1.7	70.73	1.3	132,921	-0.2	99,255	-0.6	9,401,853	1.1
Oct 19	74.4	-0.6	94.88	1.8	70.58	1.2	132,890	-0.3	98,862	-0.9	9,379,990	0.9
Nov 19	74.1	-1.1	94.81	1.8	70.26	0.6	132,860	-0.3	98,453	-1.4	9,334,275	0.3
Dec 19	73.6	-2.1	95.01	2.2	69.95	0.1	132,860	-0.3	97,823	-2.3	9,293,879	-0.2
Jan 20	72.9	-3.1	94.99	2.1	69.22	-1.1	132,860	-0.2	96,825	-3.3	9,196,972	-1.3
Feb 20	73.1	-2.7	95.12	2.1	69.58	-0.7	132,860	-0.2	97,185	-2.9	9,244,474	-0.9
Mar 20	70.9	-5.9	94.72	1.3	67.18	-4.6	132,860	-0.2	94,233	-6.0	8,925,759	-4.8
Apr 20	67.6	-9.8	93.81	0.1	63.38	-9.8	132,860	-0.2	89,767	-10.0	8,420,650	-9.9
May 20	64.6	-14.1	92.13	-2.0	59.50	-15.8	132,860	-0.1	85,798	-14.2	7,904,958	-15.9
Jun 20	62.8	-16.2	90.55	-3.9	56.87	-19.5	132,860	-0.1	83,450	-16.3	7,555,988	-19.6
Jul 20	61.0	-19.1	89.16	-5.6	54.37	-23.7	132,860	-0.1	81,016	-19.2	7,223,580	-23.7
Aug 20	60.0	-20.1	87.66	-7.4	52.62	-26.0	132,860	-0.1	79,749	-20.1	6,990,988	-26.1
Sep 20	58.8	-21.2	85.74	-9.5	50.45	-28.7	132,860	-0.0	78,172	-21.2	6,702,461	-28.7
Oct 20	57.8	-22.2	83.80	-11.7	48.47	-31.3	132,860	-0.0	76,848	-22.3	6,439,524	-31.3
Nov 20	56.4	-23.9	81.88	-13.6	46.16	-34.3	132,860	0.0	74,897	-23.9	6,132,386	-34.3
Dec 20	55.4	-24.8	80.49	-15.3	44.56	-36.3	132,860	0.0	73,551	-24.8	5,920,311	-36.3
Jan 21	55.0	-24.5	79.21	-16.6	43.59	-37.0	132,860	0.0	73,115	-24.5	5,791,764	-37.0
Feb 21	54.5	-25.4	77.70	-18.3	42.38	-39.1	132,860	0.0	72,472	-25.4	5,631,243	-39.1
Mar 21	56.2	-20.7	77.28	-18.4	43.45	-35.3	132,860	0.0	74,689	-20.7	5,772,241	-35.3
Apr 21	59.2	-12.4	78.28	-16.6	46.35	-26.9	132,860	0.0	78,666	-12.4	6,157,690	-26.9
May 21	61.6	-4.5	79.84	-13.3	49.21	-17.3	132,860	0.0	81,899	-4.5	6,538,455	-17.3
Jun 21	63.3	0.7	81.28	-10.2	51.43	-9.6	132,860	0.0	84,075	0.7	6,833,328	-9.6
Jul 21	65.2	6.9	83.14	-6.7	54.20	-0.3	132,860	0.0	86,607	6.9	7,200,870	-0.3

Tab 7 - Day of Week Analysis

Proposed Hotel - Louisburg, NC
Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

Occupancy (%)								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug - 20	49.6	60.9	58.9	65.2	65.6	66.6	67.7	61.8
Sep - 20	49.7	59.8	62.4	66.6	63.5	60.6	67.2	61.6
Oct - 20	50.7	63.1	68.3	68.9	65.2	67.5	73.0	65.6
Nov - 20	41.3	51.7	55.0	57.0	59.8	63.0	71.8	56.4
Dec - 20	36.8	48.3	48.8	48.8	50.0	50.4	55.6	48.5
Jan - 21	37.6	54.2	58.1	64.8	51.9	49.2	51.5	51.9
Feb - 21	53.4	62.6	66.3	65.7	61.2	57.1	68.7	62.2
Mar - 21	53.4	66.4	70.3	69.2	68.0	72.5	77.2	68.2
Apr - 21	52.0	68.1	69.3	71.8	74.1	79.5	76.8	70.7
May - 21	61.2	68.2	76.9	75.3	79.6	89.4	87.9	76.5
Jun - 21	58.1	74.6	76.2	76.8	86.2	93.2	91.9	79.4
Jul - 21	65.7	74.2	81.3	81.9	79.1	85.1	87.2	79.7
Total Year	50.5	62.6	65.9	67.5	67.0	69.6	73.1	65.2

Three Year Occupancy (%)								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug 18 - Jul 19	52.9	73.9	82.1	80.6	76.6	79.7	81.8	75.4
Aug 19 - Jul 20	43.8	57.7	65.2	64.6	60.2	65.6	69.6	61.0
Aug 20 - Jul 21	50.5	62.6	65.9	67.5	67.0	69.6	73.1	65.2
Total 3 Yr	49.1	64.7	71.1	71.0	67.9	71.6	74.8	67.2

ADR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug - 20	73.62	75.74	77.19	81.82	75.90	77.33	78.36	77.18
Sep - 20	74.89	76.35	77.01	78.16	76.70	78.09	78.06	77.16
Oct - 20	74.78	80.61	78.69	76.83	77.21	81.11	78.73	78.46
Nov - 20	72.33	73.98	77.35	77.44	81.29	84.43	85.98	79.31
Dec - 20	70.32	74.15	74.75	72.51	74.86	79.27	80.64	75.37
Jan - 21	69.69	73.17	76.35	73.64	73.29	74.22	74.28	73.65
Feb - 21	79.29	78.52	77.23	78.80	79.19	78.45	81.34	78.99
Mar - 21	77.88	77.51	78.58	76.58	78.36	83.53	84.35	79.50
Apr - 21	79.44	80.83	82.34	83.00	85.29	90.43	90.40	85.15
May - 21	86.50	85.79	87.59	87.14	91.00	96.44	96.44	90.57
Jun - 21	87.58	89.38	91.85	90.64	91.67	98.09	99.26	93.02
Jul - 21	92.54	93.43	94.46	100.39	94.83	100.14	102.17	97.32
Total Year	79.13	80.49	81.84	82.05	82.73	86.84	87.16	83.14

Three Year ADR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug 18 - Jul 19	88.59	92.79	95.79	95.51	94.30	95.85	96.31	94.48
Aug 19 - Jul 20	83.09	86.63	91.06	90.48	89.18	90.34	90.94	89.16
Aug 20 - Jul 21	79.13	80.49	81.84	82.05	82.73	86.84	87.16	83.14
Total 3 Yr	83.71	87.00	90.03	89.76	88.99	91.25	91.64	89.21

RevPAR								Total Month
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug - 20	36.49	46.11	45.48	53.33	49.78	51.47	53.09	47.70
Sep - 20	37.19	45.62	48.07	52.05	48.73	47.30	52.49	47.53
Oct - 20	37.90	50.88	53.72	52.93	50.31	54.73	57.49	51.43
Nov - 20	29.89	38.25	42.55	44.14	48.57	53.23	61.77	44.73
Dec - 20	25.88	35.80	36.48	35.39	37.40	39.96	44.87	36.53
Jan - 21	26.19	39.69	44.37	47.70	38.07	36.48	38.29	38.20
Feb - 21	42.37	49.18	51.24	51.79	48.46	44.83	55.86	49.11
Mar - 21	41.56	51.45	55.22	53.01	53.28	60.52	65.11	54.20
Apr - 21	41.30	55.07	57.06	59.63	63.17	71.85	69.41	60.17
May - 21	52.90	58.55	67.32	65.66	72.44	86.17	84.73	69.26
Jun - 21	50.89	66.67	70.00	69.57	79.01	91.42	91.22	73.82
Jul - 21	60.76	69.36	76.82	82.19	75.03	85.22	89.09	77.52
Total Year	39.97	50.40	53.91	55.38	55.44	60.40	63.71	54.20

Three Year RevPAR								Total Year
	Sun	Mon	Tue	Wed	Thu	Fri	Sat	
Aug 18 - Jul 19	46.84	68.55	78.65	77.02	72.22	76.41	78.76	71.22
Aug 19 - Jul 20	36.41	49.96	59.37	58.49	53.70	59.29	63.30	54.37
Aug 20 - Jul 21	39.97	50.40	53.91	55.38	55.44	60.40	63.71	54.20
Total 3 Yr	41.08	56.31	63.99	63.72	60.42	65.34	68.56	59.93

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Tab 8 - Raw Data

Proposed Hotel - Louisburg, NC
Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

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 13	46.7		74.81		34.96		11,315		5,288		395,608		4	365	100.0
Feb 13	52.4		76.23		39.96		10,220		5,358		408,425		4	365	100.0
Mar 13	59.4		76.56		45.49		11,315		6,724		514,765		4	365	100.0
Apr 13	65.2		76.60		49.96		10,950		7,142		547,049		4	365	100.0
May 13	67.1		78.43		52.65		11,315		7,596		595,760		4	365	100.0
Jun 13	71.3		78.90		56.25		10,950		7,806		615,923		4	365	100.0
Jul 13	62.2		76.10		47.34		11,315		7,039		535,655		4	365	100.0
Aug 13	72.2		76.89		55.55		11,315		8,174		628,504		4	365	100.0
Sep 13	56.1		78.04		43.78		10,950		6,143		479,408		4	365	100.0
Oct 13	59.4		77.87		46.22		11,315		6,716		522,995		4	365	100.0
Nov 13	63.2		80.45		50.86		10,950		6,922		556,876		4	365	100.0
Dec 13	56.0		74.79		41.92		11,315		6,342		474,331		4	365	100.0
Jan 14	52.4	12.0	73.62	-1.6	38.55	10.3	11,315	0.0	5,925	12.0	436,171	10.3	4	365	100.0
Feb 14	58.5	11.5	78.02	2.4	45.61	14.1	10,220	0.0	5,974	11.5	466,103	14.1	4	365	100.0
Mar 14	63.9	7.5	77.42	1.1	49.45	8.7	11,315	0.0	7,227	7.5	559,508	8.7	4	365	100.0
Apr 14	68.7	5.3	78.49	2.5	53.90	7.9	10,950	0.0	7,519	5.3	590,156	7.9	4	365	100.0
May 14	75.7	12.7	79.33	1.1	60.03	14.0	11,315	0.0	8,563	12.7	679,263	14.0	4	365	100.0
Jun 14	83.1	16.5	80.51	2.0	66.86	18.9	10,950	0.0	9,094	16.5	732,171	18.9	4	365	100.0
Jul 14	68.5	10.2	79.55	4.5	54.53	15.2	11,315	0.0	7,756	10.2	616,988	15.2	4	365	100.0
Aug 14	68.4	-5.3	80.12	4.2	54.81	-1.3	11,315	0.0	7,740	-5.3	620,133	-1.3	4	365	100.0
Sep 14	65.0	15.8	79.45	1.8	51.61	17.9	10,950	0.0	7,113	15.8	565,138	17.9	4	365	100.0
Oct 14	69.3	16.8	81.99	5.3	56.83	23.0	11,315	0.0	7,843	16.8	643,085	23.0	4	365	100.0
Nov 14	69.6	10.1	88.15	9.6	61.33	20.6	10,950	0.0	7,618	10.1	671,514	20.6	4	365	100.0
Dec 14	62.7	11.8	84.32	12.7	52.84	26.0	11,315	0.0	7,090	11.8	597,837	26.0	4	365	100.0
Jan 15	59.4	13.4	78.50	6.6	46.60	20.9	11,315	0.0	6,717	13.4	527,313	20.9	4	365	100.0
Feb 15	67.7	15.9	79.07	1.3	53.55	17.4	10,220	0.0	6,921	15.9	547,252	17.4	4	365	100.0
Mar 15	74.7	16.9	81.08	4.7	60.56	22.5	11,315	0.0	8,451	16.9	685,227	22.5	4	365	100.0
Apr 15	80.7	17.5	86.87	10.7	70.06	30.0	10,950	0.0	8,832	17.5	767,198	30.0	4	365	100.0
May 15	83.1	9.8	86.76	9.4	72.06	20.0	11,315	0.0	9,398	9.8	815,352	20.0	4	365	100.0
Jun 15	88.5	6.6	87.54	8.7	77.47	15.9	10,950	0.0	9,690	6.6	848,309	15.9	4	365	100.0
Jul 15	83.9	22.5	86.44	8.7	72.56	33.1	11,315	0.0	9,498	22.5	821,033	33.1	4	365	100.0
Aug 15	75.7	10.7	89.20	11.3	67.56	23.3	11,315	0.0	8,570	10.7	764,469	23.3	4	365	100.0
Sep 15	78.2	20.4	90.59	14.0	70.87	37.3	10,950	0.0	8,566	20.4	775,973	37.3	4	365	100.0
Oct 15	77.3	11.5	92.45	12.7	71.44	25.7	11,315	0.0	8,744	11.5	808,364	25.7	4	365	100.0
Nov 15	72.1	3.6	96.09	9.0	69.26	12.9	10,950	0.0	7,893	3.6	758,438	12.9	4	365	100.0
Dec 15	63.1	0.8	91.48	8.5	57.77	9.3	11,315	0.0	7,145	0.8	653,628	9.3	4	365	100.0
Jan 16	62.4	5.1	90.92	15.8	56.71	21.7	11,315	0.0	7,058	5.1	641,690	21.7	4	365	100.0
Feb 16	59.1	-12.7	88.03	11.3	52.04	-2.8	10,220	0.0	6,042	-12.7	531,872	-2.8	4	365	100.0
Mar 16	71.4	-4.3	87.84	8.3	62.76	3.6	11,315	0.0	8,084	-4.3	710,091	3.6	4	365	100.0
Apr 16	78.5	-2.7	92.03	5.9	72.25	3.1	10,950	0.0	8,597	-2.7	791,177	3.1	4	365	100.0
May 16	85.5	3.0	96.06	10.7	82.15	14.0	11,315	0.0	9,676	3.0	929,497	14.0	4	365	100.0
Jun 16	85.9	-2.9	95.19	8.7	81.79	5.6	10,950	0.0	9,409	-2.9	895,610	5.6	4	365	100.0
Jul 16	74.8	-10.9	90.48	4.7	67.68	-6.7	11,315	0.0	8,464	-10.9	765,807	-6.7	4	365	100.0
Aug 16	80.0	5.6	92.34	3.5	73.83	9.3	11,315	0.0	9,047	5.6	835,400	9.3	4	365	100.0
Sep 16	76.5	-2.2	96.03	6.0	73.46	3.7	10,950	0.0	8,377	-2.2	804,424	3.7	4	365	100.0
Oct 16	81.4	5.4	99.09	7.2	80.71	13.0	11,315	0.0	9,216	5.4	913,236	13.0	4	365	100.0
Nov 16	74.1	2.8	100.45	4.5	74.43	7.5	10,950	0.0	8,114	2.8	815,062	7.5	4	365	100.0
Dec 16	62.4	-1.1	95.81	4.7	59.82	3.6	11,315	0.0	7,065	-1.1	676,892	3.6	4	365	100.0

Tab 8 - Raw Data

Proposed Hotel - Louisburg, NC
Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

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 17	60.6	-2.8	92.07	1.3	55.80	-1.6	11,315	0.0	6,858	-2.8	631,391	-1.6	4	365	100.0
Feb 17	65.6	11.0	93.18	5.9	61.13	17.5	10,220	0.0	6,705	11.0	624,779	17.5	4	365	100.0
Mar 17	76.5	7.0	91.71	4.4	70.12	11.7	11,315	0.0	8,652	7.0	793,435	11.7	4	365	100.0
Apr 17	76.0	-3.2	96.39	4.7	73.24	1.4	10,950	0.0	8,320	-3.2	801,994	1.4	4	365	100.0
May 17	78.9	-7.7	96.42	0.4	76.08	-7.4	11,315	0.0	8,928	-7.7	860,802	-7.4	4	365	100.0
Jun 17	77.7	-9.6	93.97	-1.3	72.99	-10.8	10,950	0.0	8,506	-9.6	799,284	-10.8	4	365	100.0
Jul 17	76.7	2.5	93.99	3.9	72.04	6.4	11,315	0.0	8,673	2.5	815,175	6.4	4	365	100.0
Aug 17	74.2	-7.2	90.37	-2.1	67.08	-9.1	11,315	0.0	8,399	-7.2	759,004	-9.1	4	365	100.0
Sep 17	73.0	-4.5	92.84	-3.3	67.81	-7.7	10,950	0.0	7,997	-4.5	742,480	-7.7	4	365	100.0
Oct 17	81.0	-0.6	94.85	-4.3	76.82	-4.8	11,315	0.0	9,164	-0.6	869,162	-4.8	4	365	100.0
Nov 17	77.1	4.0	98.79	-1.7	76.13	2.3	10,950	0.0	8,439	4.0	833,672	2.3	4	365	100.0
Dec 17	63.0	1.0	91.95	-4.0	57.97	-3.1	11,315	0.0	7,133	1.0	655,898	-3.1	4	365	100.0
Jan 18	64.2	5.9	89.28	-3.0	57.33	2.7	11,315	0.0	7,266	5.9	648,739	2.7	4	365	100.0
Feb 18	65.4	-0.3	90.43	-3.0	59.13	-3.3	10,220	0.0	6,683	-0.3	604,347	-3.3	4	365	100.0
Mar 18	73.0	-4.5	89.74	-2.1	65.50	-6.6	11,315	0.0	8,259	-4.5	741,128	-6.6	4	365	100.0
Apr 18	79.9	5.2	91.67	-4.9	73.29	0.1	10,950	0.0	8,754	5.2	802,474	0.1	4	365	100.0
May 18	80.3	1.8	94.85	-1.6	76.17	0.1	11,315	0.0	9,086	1.8	861,838	0.1	4	365	100.0
Jun 18	83.0	6.9	95.04	1.1	78.89	8.1	10,950	0.0	9,089	6.9	863,824	8.1	4	365	100.0
Jul 18	74.2	-3.2	91.60	-2.5	68.00	-5.6	11,315	0.0	8,399	-3.2	769,373	-5.6	4	365	100.0
Aug 18	76.2	2.6	91.33	1.1	69.58	3.7	11,315	0.0	8,620	2.6	787,245	3.7	4	365	100.0
Sep 18	81.4	11.5	96.53	4.0	78.60	15.9	10,950	0.0	8,916	11.5	860,696	15.9	4	365	100.0
Oct 18	80.5	-0.5	94.93	0.1	76.46	-0.5	11,315	0.0	9,114	-0.5	865,152	-0.5	4	365	100.0
Nov 18	77.8	0.9	98.76	-0.0	76.83	0.9	10,950	0.0	8,518	0.9	841,266	0.9	4	365	100.0
Dec 18	66.0	4.7	89.28	-2.9	58.90	1.6	11,284	-0.3	7,445	4.4	664,676	1.3	4	364	100.0
Jan 19	64.6	0.6	90.10	0.9	58.18	1.5	11,284	-0.3	7,286	0.3	656,474	1.2	4	364	100.0
Feb 19	64.9	-0.7	92.69	2.5	60.19	1.8	10,192	-0.3	6,619	-1.0	613,500	1.5	4	364	100.0
Mar 19	74.7	2.3	93.66	4.4	69.95	6.8	11,284	-0.3	8,428	2.0	789,344	6.5	4	364	100.0
Apr 19	75.1	-6.0	94.66	3.3	71.12	-2.9	10,920	-0.3	8,205	-6.3	776,675	-3.2	4	364	100.0
May 19	83.0	3.4	97.86	3.2	81.22	6.6	11,284	-0.3	9,366	3.1	916,512	6.3	4	364	100.0
Jun 19	80.9	-2.5	97.33	2.4	78.78	-0.1	10,920	-0.3	8,838	-2.8	860,237	-0.4	4	364	100.0
Jul 19	78.8	6.1	94.44	3.1	74.41	9.4	11,284	-0.3	8,891	5.9	839,645	9.1	4	364	100.0
Aug 19	73.0	-4.1	93.54	2.4	68.31	-1.8	11,284	-0.3	8,241	-4.4	770,822	-2.1	4	364	100.0
Sep 19	76.0	-6.6	97.25	0.7	73.95	-5.9	10,920	-0.3	8,304	-6.9	807,550	-6.2	4	364	100.0
Oct 19	77.3	-4.0	96.70	1.9	74.73	-2.3	11,284	-0.3	8,721	-4.3	843,289	-2.5	4	364	100.0
Nov 19	74.3	-4.5	98.11	-0.7	72.85	-5.2	10,920	-0.3	8,109	-4.8	795,551	-5.4	4	364	100.0
Dec 19	60.4	-8.5	91.60	2.6	55.32	-6.1	11,284	0.0	6,815	-8.5	624,280	-6.1	4	364	100.0
Jan 20	55.7	-13.7	88.99	-1.2	49.59	-14.8	11,284	0.0	6,288	-13.7	559,567	-14.8	4	364	100.0
Feb 20	68.5	5.4	94.71	2.2	64.85	7.7	10,192	0.0	6,979	5.4	661,002	7.7	4	364	100.0
Mar 20	48.5	-35.0	85.94	-8.2	41.71	-40.4	11,284	0.0	5,476	-35.0	470,629	-40.4	4	364	100.0
Apr 20	34.2	-54.4	72.63	-23.3	24.87	-65.0	10,920	0.0	3,739	-54.4	271,566	-65.0	4	364	100.0
May 20	47.8	-42.4	74.27	-24.1	35.52	-56.3	11,284	0.0	5,397	-42.4	400,820	-56.3	4	364	100.0
Jun 20	59.4	-26.6	78.78	-19.1	46.82	-40.6	10,920	0.0	6,490	-26.6	511,267	-40.6	4	364	100.0
Jul 20	57.2	-27.4	78.56	-16.8	44.95	-39.6	11,284	0.0	6,457	-27.4	507,237	-39.6	4	364	100.0
Aug 20	61.8	-15.4	77.18	-17.5	47.70	-30.2	11,284	0.0	6,974	-15.4	538,230	-30.2	4	364	100.0
Sep 20	61.6	-19.0	77.16	-20.7	47.53	-35.7	10,920	0.0	6,727	-19.0	519,023	-35.7	4	364	100.0
Oct 20	65.6	-15.2	78.46	-18.9	51.43	-31.2	11,284	0.0	7,397	-15.2	580,352	-31.2	4	364	100.0
Nov 20	56.4	-24.1	79.31	-19.2	44.73	-38.6	10,920	0.0	6,158	-24.1	488,413	-38.6	4	364	100.0
Dec 20	48.5	-19.8	75.37	-17.7	36.53	-34.0	11,284	0.0	5,469	-19.8	412,205	-34.0	4	364	100.0

Tab 8 - Raw Data

Proposed Hotel - Louisburg, NC
Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

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 21	51.9	-6.9	73.65	-17.2	38.20	-23.0	11,284	0.0	5,852	-6.9	431,020	-23.0	4	364	100.0
Feb 21	62.2	-9.2	78.99	-16.6	49.11	-24.3	10,192	0.0	6,336	-9.2	500,481	-24.3	4	364	100.0
Mar 21	68.2	40.5	79.50	-7.5	54.20	30.0	11,284	0.0	7,693	40.5	611,627	30.0	4	364	100.0
Apr 21	70.7	106.4	85.15	17.2	60.17	141.9	10,920	0.0	7,716	106.4	657,015	141.9	4	364	100.0
May 21	76.5	59.9	90.57	21.9	69.26	95.0	11,284	0.0	8,630	59.9	781,585	95.0	4	364	100.0
Jun 21	79.4	33.5	93.02	18.1	73.82	57.7	10,920	0.0	8,666	33.5	806,140	57.7	4	364	100.0
Jul 21	79.7	39.2	97.32	23.9	77.52	72.5	11,284	0.0	8,989	39.2	874,779	72.5	4	364	100.0

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Tab 9 - Classic

Proposed Hotel - Louisburg, NC

Job Number: 1280698_SADIM

Staff: LG

Created: August 24, 2021

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 13	46.7		74.81		34.96		11,315		5,288		395,608		4	365	100.0
Feb 13	52.4		76.23		39.96		10,220		5,358		408,425		4	365	100.0
Mar 13	59.4		76.56		45.49		11,315		6,724		514,765		4	365	100.0
Apr 13	65.2		76.60		49.96		10,950		7,142		547,049		4	365	100.0
May 13	67.1		78.43		52.65		11,315		7,596		595,760		4	365	100.0
Jun 13	71.3		78.90		56.25		10,950		7,806		615,923		4	365	100.0
Jul 13	62.2		76.10		47.34		11,315		7,039		535,655		4	365	100.0
Aug 13	72.2		76.89		55.55		11,315		8,174		628,504		4	365	100.0
Sep 13	56.1		78.04		43.78		10,950		6,143		479,408		4	365	100.0
Oct 13	59.4		77.87		46.22		11,315		6,716		522,995		4	365	100.0
Nov 13	63.2		80.45		50.86		10,950		6,922		556,876		4	365	100.0
Dec 13	56.0		74.79		41.92		11,315		6,342		474,331		4	365	100.0
Jul YTD 2013	60.7		76.95		46.69		77,380		46,953		3,613,185				
Total 2013	61.0		77.23		47.10		133,225		81,250		6,275,299				
Jan 14	52.4	12.0	73.62	-1.6	38.55	10.3	11,315	0.0	5,925	12.0	436,171	10.3	4	365	100.0
Feb 14	58.5	11.5	78.02	2.4	45.61	14.1	10,220	0.0	5,974	11.5	466,103	14.1	4	365	100.0
Mar 14	63.9	7.5	77.42	1.1	49.45	8.7	11,315	0.0	7,227	7.5	559,508	8.7	4	365	100.0
Apr 14	68.7	5.3	78.49	2.5	53.90	7.9	10,950	0.0	7,519	5.3	590,156	7.9	4	365	100.0
May 14	75.7	12.7	79.33	1.1	60.03	14.0	11,315	0.0	8,563	12.7	679,263	14.0	4	365	100.0
Jun 14	83.1	16.5	80.51	2.0	66.86	18.9	10,950	0.0	9,094	16.5	732,171	18.9	4	365	100.0
Jul 14	68.5	10.2	79.55	4.5	54.53	15.2	11,315	0.0	7,756	10.2	616,988	15.2	4	365	100.0
Aug 14	68.4	-5.3	80.12	4.2	54.81	-1.3	11,315	0.0	7,740	-5.3	620,133	-1.3	4	365	100.0
Sep 14	65.0	15.8	79.45	1.8	51.61	17.9	10,950	0.0	7,113	15.8	565,138	17.9	4	365	100.0
Oct 14	69.3	16.8	81.99	5.3	56.83	23.0	11,315	0.0	7,843	16.8	643,085	23.0	4	365	100.0
Nov 14	69.6	10.1	88.15	9.6	61.33	20.6	10,950	0.0	7,618	10.1	671,514	20.6	4	365	100.0
Dec 14	62.7	11.8	84.32	12.7	52.84	26.0	11,315	0.0	7,090	11.8	597,837	26.0	4	365	100.0
Jul YTD 2014	67.3	10.9	78.38	1.9	52.73	12.9	77,380	0.0	52,058	10.9	4,080,360	12.9			
Total 2014	67.2	10.1	80.24	3.9	53.88	14.4	133,225	0.0	89,462	10.1	7,178,067	14.4			
Jan 15	59.4	13.4	78.50	6.6	46.60	20.9	11,315	0.0	6,717	13.4	527,313	20.9	4	365	100.0
Feb 15	67.7	15.9	79.07	1.3	53.55	17.4	10,220	0.0	6,921	15.9	547,252	17.4	4	365	100.0
Mar 15	74.7	16.9	81.08	4.7	60.56	22.5	11,315	0.0	8,451	16.9	685,227	22.5	4	365	100.0
Apr 15	80.7	17.5	86.87	10.7	70.06	30.0	10,950	0.0	8,832	17.5	767,198	30.0	4	365	100.0
May 15	83.1	9.8	86.76	9.4	72.06	20.0	11,315	0.0	9,398	9.8	815,352	20.0	4	365	100.0
Jun 15	88.5	6.6	87.54	8.7	77.47	15.9	10,950	0.0	9,690	6.6	848,309	15.9	4	365	100.0
Jul 15	83.9	22.5	86.44	8.7	72.56	33.1	11,315	0.0	9,498	22.5	821,033	33.1	4	365	100.0
Aug 15	75.7	10.7	89.20	11.3	67.56	23.3	11,315	0.0	8,570	10.7	764,469	23.3	4	365	100.0
Sep 15	78.2	20.4	90.59	14.0	70.87	37.3	10,950	0.0	8,566	20.4	775,973	37.3	4	365	100.0
Oct 15	77.3	11.5	92.45	12.7	71.44	25.7	11,315	0.0	8,744	11.5	808,364	25.7	4	365	100.0
Nov 15	72.1	3.6	96.09	9.0	69.26	12.9	10,950	0.0	7,893	3.6	758,438	12.9	4	365	100.0
Dec 15	63.1	0.8	91.48	8.5	57.77	9.3	11,315	0.0	7,145	0.8	653,628	9.3	4	365	100.0
Jul YTD 2015	76.9	14.3	84.22	7.4	64.77	22.8	77,380	0.0	59,507	14.3	5,011,684	22.8			
Total 2015	75.4	12.3	87.35	8.9	65.85	22.2	133,225	0.0	100,425	12.3	8,772,556	22.2			
Jan 16	62.4	5.1	90.92	15.8	56.71	21.7	11,315	0.0	7,058	5.1	641,690	21.7	4	365	100.0
Feb 16	59.1	-12.7	88.03	11.3	52.04	-2.8	10,220	0.0	6,042	-12.7	531,872	-2.8	4	365	100.0
Mar 16	71.4	-4.3	87.84	8.3	62.76	3.6	11,315	0.0	8,084	-4.3	710,091	3.6	4	365	100.0
Apr 16	78.5	-2.7	92.03	5.9	72.25	3.1	10,950	0.0	8,597	-2.7	791,177	3.1	4	365	100.0
May 16	85.5	3.0	96.06	10.7	82.15	14.0	11,315	0.0	9,676	3.0	929,497	14.0	4	365	100.0
Jun 16	85.9	-2.9	95.19	8.7	81.79	5.6	10,950	0.0	9,409	-2.9	895,610	5.6	4	365	100.0
Jul 16	74.8	-10.9	90.48	4.7	67.68	-6.7	11,315	0.0	8,464	-10.9	765,807	-6.7	4	365	100.0
Aug 16	80.0	5.6	92.34	3.5	73.83	9.3	11,315	0.0	9,047	5.6	835,400	9.3	4	365	100.0
Sep 16	76.5	-2.2	96.03	6.0	73.46	3.7	10,950	0.0	8,377	-2.2	804,424	3.7	4	365	100.0
Oct 16	81.4	5.4	99.09	7.2	80.71	13.0	11,315	0.0	9,216	5.4	913,236	13.0	4	365	100.0
Nov 16	74.1	2.8	100.45	4.5	74.43	7.5	10,950	0.0	8,114	2.8	815,062	7.5	4	365	100.0
Dec 16	62.4	-1.1	95.81	4.7	59.82	3.6	11,315	0.0	7,065	-1.1	676,892	3.6	4	365	100.0
Jul YTD 2016	74.1	-3.7	91.85	9.1	68.05	5.1	77,380	0.0	57,330	-3.7	5,265,744	5.1			
Total 2016	74.4	-1.3	93.91	7.5	69.89	6.1	133,225	0.0	99,149	-1.3	9,310,758	6.1			

Tab 9 - Classic

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 17	60.6	-2.8	92.07	1.3	55.80	-1.6	11,315	0.0	6,858	-2.8	631,391	-1.6	4	365	100.0
Feb 17	65.6	11.0	93.18	5.9	61.13	17.5	10,220	0.0	6,705	11.0	624,779	17.5	4	365	100.0
Mar 17	76.5	7.0	91.71	4.4	70.12	11.7	11,315	0.0	8,652	7.0	793,435	11.7	4	365	100.0
Apr 17	76.0	-3.2	96.39	4.7	73.24	1.4	10,950	0.0	8,320	-3.2	801,994	1.4	4	365	100.0
May 17	78.9	-7.7	96.42	0.4	76.08	-7.4	11,315	0.0	8,928	-7.7	860,802	-7.4	4	365	100.0
Jun 17	77.7	-9.6	93.97	-1.3	72.99	-10.8	10,950	0.0	8,506	-9.6	799,284	-10.8	4	365	100.0
Jul 17	76.7	2.5	93.99	3.9	72.04	6.4	11,315	0.0	8,673	2.5	815,175	6.4	4	365	100.0
Aug 17	74.2	-7.2	90.37	-2.1	67.08	-9.1	11,315	0.0	8,399	-7.2	759,004	-9.1	4	365	100.0
Sep 17	73.0	-4.5	92.84	-3.3	67.81	-7.7	10,950	0.0	7,997	-4.5	742,480	-7.7	4	365	100.0
Oct 17	81.0	-0.6	94.85	-4.3	76.82	-4.8	11,315	0.0	9,164	-0.6	869,162	-4.8	4	365	100.0
Nov 17	77.1	4.0	98.79	-1.7	76.13	2.3	10,950	0.0	8,439	4.0	833,672	2.3	4	365	100.0
Dec 17	63.0	1.0	91.95	-4.0	57.97	-3.1	11,315	0.0	7,133	1.0	655,898	-3.1	4	365	100.0
Jul YTD 2017	73.2	-1.2	94.04	2.4	68.84	1.2	77,380	0.0	56,642	-1.2	5,326,860	1.2			
Total 2017	73.4	-1.4	93.96	0.1	68.96	-1.3	133,225	0.0	97,774	-1.4	9,187,076	-1.3			
Jan 18	64.2	5.9	89.28	-3.0	57.33	2.7	11,315	0.0	7,266	5.9	648,739	2.7	4	365	100.0
Feb 18	65.4	-0.3	90.43	-3.0	59.13	-3.3	10,220	0.0	6,683	-0.3	604,347	-3.3	4	365	100.0
Mar 18	73.0	-4.5	89.74	-2.1	65.50	-6.6	11,315	0.0	8,259	-4.5	741,128	-6.6	4	365	100.0
Apr 18	79.9	5.2	91.67	-4.9	73.29	0.1	10,950	0.0	8,754	5.2	802,474	0.1	4	365	100.0
May 18	80.3	1.8	94.85	-1.6	76.17	0.1	11,315	0.0	9,086	1.8	861,838	0.1	4	365	100.0
Jun 18	83.0	6.9	95.04	1.1	78.89	8.1	10,950	0.0	9,089	6.9	863,824	8.1	4	365	100.0
Jul 18	74.2	-3.2	91.60	-2.5	68.00	-5.6	11,315	0.0	8,399	-3.2	769,373	-5.6	4	365	100.0
Aug 18	76.2	2.6	91.33	1.1	69.58	3.7	11,315	0.0	8,620	2.6	787,245	3.7	4	365	100.0
Sep 18	81.4	11.5	96.53	4.0	78.60	15.9	10,950	0.0	8,916	11.5	860,696	15.9	4	365	100.0
Oct 18	80.5	-0.5	94.93	0.1	76.46	-0.5	11,315	0.0	9,114	-0.5	865,152	-0.5	4	365	100.0
Nov 18	77.8	0.9	98.76	-0.0	76.83	0.9	10,950	0.0	8,518	0.9	841,266	0.9	4	365	100.0
Dec 18	66.0	4.7	89.28	-2.9	58.90	1.6	11,284	-0.3	7,445	4.4	664,676	1.3	4	364	100.0
Jul YTD 2018	74.4	1.6	91.97	-2.2	68.39	-0.7	77,380	0.0	57,536	1.6	5,291,723	-0.7			
Total 2018	75.2	2.5	92.97	-1.1	69.90	1.4	133,194	-0.0	100,149	2.4	9,310,758	1.3			
Jan 19	64.6	0.6	90.10	0.9	58.18	1.5	11,284	-0.3	7,286	0.3	656,474	1.2	4	364	100.0
Feb 19	64.9	-0.7	92.69	2.5	60.19	1.8	10,192	-0.3	6,619	-1.0	613,500	1.5	4	364	100.0
Mar 19	74.7	2.3	93.66	4.4	69.95	6.8	11,284	-0.3	8,428	2.0	789,344	6.5	4	364	100.0
Apr 19	75.1	-6.0	94.66	3.3	71.12	-2.9	10,920	-0.3	8,205	-6.3	776,675	-3.2	4	364	100.0
May 19	83.0	3.4	97.86	3.2	81.22	6.6	11,284	-0.3	9,366	3.1	916,512	6.3	4	364	100.0
Jun 19	80.9	-2.5	97.33	2.4	78.78	-0.1	10,920	-0.3	8,838	-2.8	860,237	-0.4	4	364	100.0
Jul 19	78.8	6.1	94.44	3.1	74.41	9.4	11,284	-0.3	8,891	5.9	839,645	9.1	4	364	100.0
Aug 19	73.0	-4.1	93.54	2.4	68.31	-1.8	11,284	-0.3	8,241	-4.4	770,822	-2.1	4	364	100.0
Sep 19	76.0	-6.6	97.25	0.7	73.95	-5.9	10,920	-0.3	8,304	-6.9	807,550	-6.2	4	364	100.0
Oct 19	77.3	-4.0	96.70	1.9	74.73	-2.3	11,284	-0.3	8,721	-4.3	843,289	-2.5	4	364	100.0
Nov 19	74.3	-4.5	98.11	-0.7	72.85	-5.2	10,920	-0.3	8,109	-4.8	795,551	-5.4	4	364	100.0
Dec 19	60.4	-8.5	91.60	2.6	55.32	-6.1	11,284	0.0	6,815	-8.5	624,280	-6.1	4	364	100.0
Jul YTD 2019	74.7	0.4	94.61	2.9	70.66	3.3	77,168	-0.3	57,633	0.2	5,452,387	3.0			
Total 2019	73.6	-2.1	95.01	2.2	69.95	0.1	132,860	-0.3	97,823	-2.3	9,293,879	-0.2			
Jan 20	55.7	-13.7	88.99	-1.2	49.59	-14.8	11,284	0.0	6,288	-13.7	559,567	-14.8	4	364	100.0
Feb 20	68.5	5.4	94.71	2.2	64.85	7.7	10,192	0.0	6,979	5.4	661,002	7.7	4	364	100.0
Mar 20	48.5	-35.0	85.94	-8.2	41.71	-40.4	11,284	0.0	5,476	-35.0	470,629	-40.4	4	364	100.0
Apr 20	34.2	-54.4	72.63	-23.3	24.87	-65.0	10,920	0.0	3,739	-54.4	271,566	-65.0	4	364	100.0
May 20	47.8	-42.4	74.27	-24.1	35.52	-56.3	11,284	0.0	5,397	-42.4	400,820	-56.3	4	364	100.0
Jun 20	59.4	-26.6	78.78	-19.1	46.82	-40.6	10,920	0.0	6,490	-26.6	511,267	-40.6	4	364	100.0
Jul 20	57.2	-27.4	78.56	-16.8	44.95	-39.6	11,284	0.0	6,457	-27.4	507,237	-39.6	4	364	100.0
Aug 20	61.8	-15.4	77.18	-17.5	47.70	-30.2	11,284	0.0	6,974	-15.4	538,230	-30.2	4	364	100.0
Sep 20	61.6	-19.0	77.16	-20.7	47.53	-35.7	10,920	0.0	6,727	-19.0	519,023	-35.7	4	364	100.0
Oct 20	65.6	-15.2	78.46	-18.9	51.43	-31.2	11,284	0.0	7,397	-15.2	580,352	-31.2	4	364	100.0
Nov 20	56.4	-24.1	79.31	-19.2	44.73	-38.6	10,920	0.0	6,158	-24.1	488,413	-38.6	4	364	100.0
Dec 20	48.5	-19.8	75.37	-17.7	36.53	-34.0	11,284	0.0	5,469	-19.8	412,205	-34.0	4	364	100.0
Jul YTD 2020	52.9	-29.2	82.84	-12.4	43.83	-38.0	77,168	0.0	40,826	-29.2	3,382,088	-38.0			
Total 2020	55.4	-24.8	80.49	-15.3	44.56	-36.3	132,860	0.0	73,551	-24.8	5,920,311	-36.3			

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 21	51.9	-6.9	73.65	-17.2	38.20	-23.0	11,284	0.0	5,852	-6.9	431,020	-23.0	4	364	100.0
Feb 21	62.2	-9.2	78.99	-16.6	49.11	-24.3	10,192	0.0	6,336	-9.2	500,481	-24.3	4	364	100.0
Mar 21	68.2	40.5	79.50	-7.5	54.20	30.0	11,284	0.0	7,693	40.5	611,627	30.0	4	364	100.0
Apr 21	70.7	106.4	85.15	17.2	60.17	141.9	10,920	0.0	7,716	106.4	657,015	141.9	4	364	100.0
May 21	76.5	59.9	90.57	21.9	69.26	95.0	11,284	0.0	8,630	59.9	781,585	95.0	4	364	100.0
Jun 21	79.4	33.5	93.02	18.1	73.82	57.7	10,920	0.0	8,666	33.5	806,140	57.7	4	364	100.0
Jul 21	79.7	39.2	97.32	23.9	77.52	72.5	11,284	0.0	8,989	39.2	874,779	72.5	4	364	100.0
Jul YTD 2021	69.8	32.0	86.53	4.5	60.42	37.9	77,168	0.0	53,882	32.0	4,662,647	37.9			

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Tab 10 - Response Report

Proposed Hotel - Louisburg, NC
Job Number: 1280698_SADIM Staff: LG Created: August 24, 2021

STR Code	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Chg in Rms	Chg in Rms 1	Chg in Rms 2	Chg in Rms 3	2019												2020												2021																	
												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						
29825	Hampton by Hilton Inn Raleigh/Town Of Wake Forest	Wake Forest, NC	27587	Upper Midscale Class	Feb 1994	Feb 1994	110					•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				
38844	Clarion Pointe Wake Forest Raleigh North	Wake Forest, NC	27587	Upper Midscale Class	Feb 2021	Aug 1999	79	Y	-1 (Dec'18)			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				
61188	Candlewood Suites Wake Forest Raleigh Area	Wake Forest, NC	27587	Midscale Class	Jun 2011	Jun 2011	81					•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				
46075	Holiday Inn Express & Suites Raleigh North Wake Forest	Raleigh, NC	27614	Upper Midscale Class	Nov 2002	Nov 2002	94					•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•				
Total Properties:							4	364																																													
												<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. Only the most recent three room changes are displayed. A property may have more than three changes during the time period of the report.</div>																																									

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Tab 11 - Terms and Conditions

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

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

1. LICENSE

1.1 Definitions.

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

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

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

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

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

data and any manipulations of the data) available in any form whatsoever to any third party, other than Licensee's accountants, attorneys, marketing professionals or other professional advisors who are bound by a duty of confidentiality not to disclose such information.

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

STR.

2. DISCLAIMERS AND LIMITATIONS OF LIABILITY

materials, the services provided or the results of use thereof. Without limiting the foregoing, STR does not warrant that the licensed materials, the services provided or the use thereof are or will be accurate, error-free or uninterrupted. STR makes no implied warranties, including without limitation, any implied warranty of merchantability, noninfringement or fitness for any particular purpose or arising by usage of trade, course of dealing, course of performance or otherwise.

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

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

3. MISCELLANEOUS

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

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

regarding or arising out of this Agreement shall be brought exclusively in a court of competent jurisdiction located in Nashville, Tennessee, and the parties expressly consent to personal jurisdiction thereof. The parties also expressly waive any objections to venue.

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

relationship.

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

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

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

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

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

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

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

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

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



How can we assist you?

Glossary:

For all STR definitions, please visit www.str.com/data-insights/resources/glossary

Frequently Asked Questions (FAQ):

For all STR FAQs, please click here or visit www.str.com/data-insights/resources/FAQ

For additional support, please [contact](#) your regional office.

For the latest in industry news, visit HotelNewsNow.com.

To learn more about the Hotel Data Conference, visit HotelDataConference.com.

13.3. Qualifications of Consultants

Michael Cummings, MAI, ISHC

Managing Director – Horwath HTL

Michael Cummings, MAI joined the company in 2017 and is the managing director of the Norfolk and New York City offices for Horwath HTL. He previously held the positions of principal and managing director of the Norfolk office of Hotel & Club Associates, having joined that company in 1999. This national company offers market studies, feasibility studies, appraisals, investment analysis and counseling for golf and country clubs, existing and proposed hotels, resorts, and mixed-use real estate developments. He has completed over five hundred going concern hotel appraisals and consulting assignments within the past 36 months.

EDUCATION:

Old Dominion University

Bachelor of Science Business Administration Finance

Cornell University - School of Hotel Administration

Advanced Hotel Investments

Appraisal Institute Courses:

- Exam 1 A-1, Real Estate Appraisal Principals
- Exam 1 B-A, Capitalization Theory and Techniques
- Course 120, Appraisal Procedures
- Course 310, Basic Income Capitalization
- Course 400, National USPAP Update
- Course 410, Standards of Professionals Practice, Part A
- Course 420, Standards of Professional Practice, Part B
- Course 420, Business Practices and Ethics
- Course 430, Standards of Professional Practice, Part C
- Course 430BDM: Appraisal Curriculum Overview
- Course 510, Advance Income Capitalization
- Course 550, Advance Applications
- Course 540, Report Writing and Valuation Analysis
- Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets:

SEMINARS

- Construction Details & Trends
- Standards & Ethics for Professionals-USPAP
- Land & Site Valuation
- Foundations in Sustainability: Greening the Real Estate & Appraisal Industries
- Ad Valorem Tax Consultation
- Online Analyzing Operating Expenses
- Local Builders Cost Seminar
- Appraising Distressed Commercial Real Estate
- Appraising Troubled Properties
- The Internet and Appraising
- Small Hotel/Motel Valuation
- Real Estate Disclosure
- The Appraiser as an Expert Witness
- Comprehensive Appraisal Workshop
- Condemnation Valuation
- Appraising Distressed Property: Here We Go Again
- Forecasting Revenue
- Evaluating Commercial Construction
- Standards & Ethics for Professionals-7 Hour USPAP Update Course
- Uniform Appraisal Standards for Federal Land Acquisitions
- Introducing Valuation for Financial Reporting

MEMBERSHIPS/LICESNES

- MAI, Member Appraisal Institute (Certificate #11794)
- International Society of Hospitality Consultants
- Member of Hampton Roads Chapter Appraisal Institute
- Licensed Certified General Real Estate Appraiser in the States of:
AL, AR, AZ, CA, CO, DE, GA, IL, IA, KY, LA, MD, MI, MS, MO,
NC, NJ, NY, OH, PA, SC, TN, TX, VA, WV, DC.

PROFESSIONAL ACTIVITIES

Appraisal Institute

- Associates Member Guidance Subcommittee-National 2002, 2003
- Board of Directors- Hampton Roads Chapter 2005-2008
- President-Hampton Roads Chapter 2009
- Leadership Development and Advisory Council 2003, 2005-2006
- Discussion Leader – LDAC 2007
- Admissions and Designation Qualifications Committee- Committee Member 2008-2010
- Vice-Chair- Admissions and Designation Qualifications Committee -2011
- Education Committee 2012-2013
- E-Demo Advisor
- Demonstration Report Grader

About Horwath HTL

Horwath HTL is the world's oldest, largest, and most experienced hotel, tourism, and leisure consulting brand, with forty-five offices in forty countries. Horwath HTL is a member of Crowe Global, the 8th largest global accounting network consisting of 36,500 employees, working in more than 220 firm offices in 130 countries.

J. Richard Keegan, MBA
Certified General Real Estate Appraiser
Horwath HTL

999 Waterside Drive, Suite 1200 • Norfolk, Virginia 23510
V: 757.623.1400 **D:** 407.402.9042 **F:** 757.623.8811
E: jrkeegan@horwathhtl.com

J. Richard Keegan joined Horwath HTL (formerly Hotel and Club Associates) in 2011. Horwath HTL, the global leader in hospitality, tourism and leisure consulting, performs appraisals, market analysis, feasibility studies, investment analysis, asset management and consulting services for existing and proposed hotels, resorts, country clubs and mixed-use real estate developments.

EDUCATION

University of Wisconsin

Master of Business Administration (MBA) Degree
Bachelor of Arts (B.A.) Degree
Certified General Real Estate Appraiser

Appraisal Courses Completed

- Appraisal Business Practices & Ethics
- Appraisal Law and Rules - Florida
- Appraisal Principles
- Appraisal Procedures
- Appraisal Workfile Compliance
- FHA Property Analysis
- Golf Course Property Valuation
- Income Approach I
- Income Approach II
- Market Analysis and Highest & Best Use
- Real Estate Statistics, Modeling and Finance
- Regression Modeling for Real Estate Appraisers
- Report Writing & Case Studies
- Residential Sales Comparison & Income Approach
- Sales Comparison Approach
- Site Valuation & Cost Approach
- Uniform Standards of Professional Appraisal Practice (USPAP)
- Valuation by Comparison

PROFESSIONAL HISTORY

Horwath HTL – Norfolk, Virginia

Senior Associate (Hotel Appraisals & Feasibility Studies): 2011 – Present

Keegan Associates LLC dba Shamrock Capital – Lake Mary, Florida

Principal (Hotel Consulting): 2005 – 2020

Sun Development & Management Corporation – Indianapolis, Indiana

Executive Vice President – Development: 2001 – 2005

Pre-2001 Hotel, Real Estate & Asset Management Experience

Midway Management Group (President), Milwaukee Company Properties (President), Abbey Group Limited (President), Marcus Corporation (EVP-Administration & Real Estate), Harco Insurance Group (EVP-Administration), Choice Hotels International (Franchise Development)

13.4. Horwath HTL Brochure



Horwath HTL

Hotel, Tourism and Leisure

The Americas





Welcome to Horwath HTL,
the global leader in hotel,
tourism and leisure consulting.

We are the industry choice;
a global brand providing
quality solutions.



Key Services

We have successfully completed over 30,000 projects and our focus is one hundred percent on hotel, tourism and leisure consulting.

James Chappell, Global Business Director, Horwath HTL

After over 100 years in the industry, the team at Horwath HTL is uniquely qualified to add value to your project.

With over two hundred professionals and membership of a top ten accounting network, we are the number one choice for companies and financial institutions looking to invest and develop in the industry.

For hotels, we provide expert advice on all aspects of development, including feasibility and planning, asset management, valuation, strategic advice and health and wellness.

Our tourism and leisure team work with companies, municipalities, cities and governments on all aspects of destination development, marketing strategies, project and management assistance.

Key Services

- Hotel Planning & Development
- Tourism & Leisure
- Hotel Asset Management
- Hotel Valuation
- Health & Wellness
- Strategic Advice
- Expert Witness & Litigation



Hotel Planning & Development

The key to any successful hotel development is thorough planning - only when every aspect and cost has been carefully considered, should the wheels be set in motion.

Paolo Di Pietrantonio, Senior Associate, Horwath HTL Canada

Getting the planning and development right is fundamental for any hotel, tourism and leisure project. Our international team of experts will use their project experience, market research and analytical capabilities to help you navigate the entire process.

Developers, operators, lenders and investors rely on our reports for an impartial assessment of project viability while our market and product descriptions form the basis for architectural briefs, for shortlisting appropriate operators and for project branding.

Our Services

- Appraisal Reports
- Destination Master Planning
- Large Scale Project Master Planning
- Facilities Programming
- Highest & Best Use
- Hotel Operator Selection
- Contract Negotiation
- Macro Tourism Analysis
- Market Entry Strategy
- Market & Financial Feasibility Studies
- Product Conceptualisation
- Project Capitalisation & Financial Structuring
- Residual Land Valuation
- Strategic Planning



Tourism & Leisure

Tourism & Leisure projects make up a large part of our business - Horwath HTL has carried out over 1,000 Tourism Masterplans.

Sotero Peralta, Managing Director, Horwath HTL Dominican Republic

At Horwath HTL, we understand international tourism and leisure 'mega trends' that will shape the future, and have an extremely powerful and detailed database for each of the global regions.

Thanks to our extensive network of professionals and affiliated consultants, Horwath HTL is able to provide innovative solutions for a wide range of hotel, tourism and leisure projects.

Our Experience

- Tourism Master Planning
- Tourism Development Strategy
- Tourism Marketing Plans
- Destination Management
- Congress & Event Centres
- Culture & Heritage Sites
- Sport Facilities
- Retail & Entertainment
- Theme Parks
- Interpretation Centres
- Natural & Animal Parks





Hotel Asset Management

*Proper Asset Management yields results.
With one portfolio recently, we improved
bottom line performance by over 16%.*

Paul Breslin, Managing Director, Horwath HTL Atlanta

With an understanding of what strategies and management practices result in increased cash flow and asset value, we take an assertive position in an asset management role as owner's representative to maximise returns over time.

Our approach when undertaking asset management engagements is to seek to protect our client's interests.

An initial diagnostic review is an integral part of asset management and the basis for our ongoing role as the owner's representative.

Our Services

- Property Review
- Budget & Business Plans
- Management Team Oversight
- Optimise Cash Flow
- Customer Surveys
- Contract Compliance
- Ownership Reporting
- Manage Stakeholder Relationships
- Represent Owner Interests
- Hold/Sell Analysis & Timing
- Hotel Disposal



Hotel Valuation

To value hotels, you need access to quality data and a tremendous amount of experience in dealing with complicated and opaque markets.

Mike Cummings MAI ISHC, Managing Director, Horwath HTL LA, NYC, Norfolk & Orlando

From single asset to portfolio's spread across several countries, Horwath HTL's Hotel Valuation experts will provide an independent, fair market valuation. We have experts with RICS and MAI accreditation who have been working in markets for many years and have a huge database of knowledge to draw on.

Hospitality assets, such as hotels and resorts, are complex real estate types, with significant land use value depending on their operational performance. Their performance is susceptible to greater market fluctuations, location issues, management sophistication and high capital investment than other real estate such as office or retail. Because of this, the valuation of hospitality assets requires a special market understanding and product expertise.

Today, Horwath HTL is the leading industry expert retained by major hotel owners, lenders and operators to optimize their investment returns.

Our Services

- Hotel Management Valuation
- Franchise Company Valuation
- Real Estate Tax Assessment
- Expert Court Testimony
- Expert Valuation Testimony
- Short-Form Annual Valuations
- Feasibility Studies
- Expert Witness
- Rent Reviews
- Lease Renewals



Health & Wellness

We provide a service we call 'personality sharpening', to help independent and eco-resorts in improving occupancy and ADR in a two-step process.

Andrew Cohan, Managing Director, Horwath HTL Miami

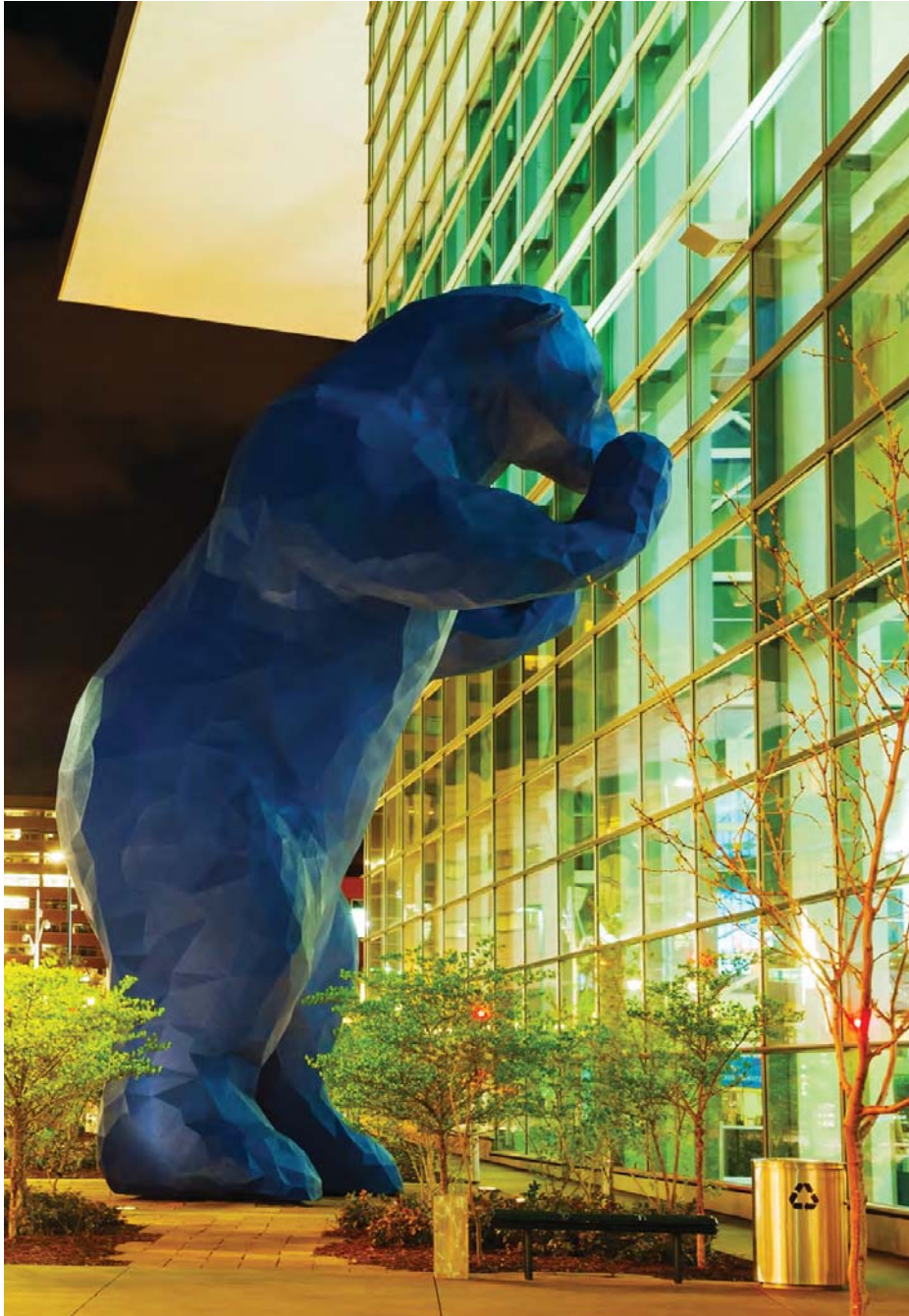
Horwath HTL Health & Wellness offers a full range of consulting services exclusively for spa, health and wellness. From preliminary market research and feasibility work to asset management and operator search, our team has the expertise to maximise a successful product.

Our experienced team provides the creativity to develop unique themes, design, service and menu touchpoints that turn an ordinary wellness experience into one that is distinctive and captivating.

Our team of highly respected industry professionals with a wide ranging skill set offer clients all of the answers they need to proceed with spa and wellness developments, be it an entire wellness destination including a resort and real estate or simply a spa within a hotel or resort.

Our Focus

- Wellness Communities
- Destination Retreats
- Lifestyle & Wellness Centers
- Resort Spas
- Urban Hotel Spas
- Bathhouses
- Medical Spas
- Health & Fitness Clubs
- Day Spas



Strategic Advice

Our strategic advice is focused on long term sustainable growth, as well as direct financial impact. By working together with our clients, we are defining which direction to take and how to ensure its success.

John Fareed, Managing Director, Horwath HTL LA, NYC, Norfolk & Orlando

The global hospitality industry is fast moving and situations can change quickly, here today and gone tomorrow.

At Horwath HTL, we have both the insight into specific tourism and hospitality trends and the corporate understanding to guide you through this process. Our network of specialized experts around the world can tackle all aspects of corporate strategy.

We can shape a tourism value chain through tourism strategies and master plans of a country or a region, to an individual city or a destination.

Our Focus

- Corporate & Growth Strategy
- Business Turnaround
- Digital Strategy & Marketing
- Market & Brand Strategy
- Investment Strategy
- Strategic Business Plans & Reviews
- Strategic & Operational Restructuring
- Marketing & Sales Strategy
- Development of Products & Services
- Standard Operating Procedures (SOPs)
- Hotel Operation Optimisation
- Acquisition Due Diligence
- Transactional Support Services



Expert Witness & Litigation

Our seasoned industry professionals have operational, marketing, financial, valuation, investment sales and development expertise to provide expert witness services.

Osvaldo Chudnobsky Cohen, Managing Director, Horwath HTL Brazil

Horwath HTL provides hotel expert witness services and litigation support to attorneys specializing in bankruptcy, real estate, franchising, employment and personal injury cases related to the hospitality industry.

With extensive experience in hotel operations, marketing, financing, valuations, investment, sales, and development, our seasoned industry professionals can provide counsel with expert opinions regarding loan defaults, revenue losses, bankruptcies, refinancing, workouts, and industry standards of practice.

Our consultants can develop detailed strategies and provide expert witness testimony to support your legal position or evaluate the opposition's, so as to frame a defensible counter argument.

We have provided testimony in jury trials, AAA- and JAMS-sponsored arbitration panels, Federal Bankruptcy Courts and mediations on behalf of plaintiffs and defendants.

Our Expertise

- Hotel Wrongful Death
- Hotel Management & Franchise Issues
- Hotel Premises Liability
- Hotel Wrongful Termination
- Hotel Liability
- Hotel Finance
- Hotel Standards of Operations
- Hotel Safety & Security
- Business Interruption Claims



Horwath HTL

Hotel, Tourism and Leisure

CANADA

Montréal, Québec

Toronto, Ontario

NORTH AMERICA

Atlanta, Georgia

Denver, Colorado

Los Angeles, California

Miami, Florida

New York, New York

Orlando, Florida

Norfolk, Virginia

LATIN AMERICA

Buenos Aires, Argentina

Sao Paulo, Brazil

S.Domingo, Dominican Republic

www.horwathhtl.com

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