

**Commercial Revalue**

**2013 Assessment roll**

# **AREA**

# **160**

**King County, Department of Assessments**  
**Seattle, Washington**

**Lloyd Hara, Assessor**

# Specialty Area 160: Hotels/Motels

**W Hotel Seattle**



**Hotel Andra**



**Homewood Suites Downtown Seattle**



**Sheraton Hotel**



**Marqueen Hotel**



**Best Western Loyal Inn Seattle**





## King County

Department of Assessments

Accounting Division

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***Lloyd Hara***  
***Assessor***

Dear Property Owners:

Property assessments for the 2013 assessment year are being completed by my staff throughout the year and change of value notices are being mailed as neighborhoods are completed. We value property at fee simple, reflecting property at its highest and best use and following the requirement of RCW 84.40.030 to appraise property at true and fair value.

We have worked hard to implement your suggestions to place more information in an e-Environment to meet your needs for timely and accurate information. The following report summarizes the results of the 2013 assessment for this area. (See map within report). It is meant to provide you with helpful background information about the process used and basis for property assessments in your area.

Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

Please feel welcome to call my staff if you have questions about the property assessment process and how it relates to your property.

Sincerely,

Lloyd Hara  
Assessor

**King County Hotels/Motels  
Specialty Area 160**

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## Executive Summary Report 2013 Assessment Roll

**Appraisal Date:** 1/1/13

**Specialty Name:** Hotels/Motels

**Sales – Improved Analysis Summary:** Number of Sales: 13

**Range of Sales Dates:** 7/29/2010 – 1/14/2013

Sales - Ratio Study Summary				
	<i>Average AV</i>	<i>Average Sale Price</i>	<i>Weighted Mean Ratio</i>	<i>COV*</i>
<i>2012 Value</i>	\$17,715,300	\$22,331,300	79.3%	15.77%
<i>2013 Value</i>	\$20,068,300	\$22,331,300	89.9%	8.24%
<i>Change</i>	\$2,973,000	0%	10.6%	- 7.53%
<i>% Change</i>	16.78%	0%	13.37%	- 52.25 %

\*COV is a measure of uniformity, the lower the number the better the uniformity.

Sales used in Analysis: All improved sales that were verified as good that included land, and were not leased back to the seller, and have not been renovated, segregated or merged since being purchased, were included in the analysis.

The Ratio Study Summary indicates a weighted mean ratio of 89.9%.

Population – Parcel Summary Data			
	<i>Land</i>	<i>Improvements</i>	<i>Total</i>
<i>2012 Value</i>	\$1,024,569,500	\$2,373,288,300	\$3,397,958,300
<i>2013 Value</i>	\$1,109,688,100	\$2,391,303,741	\$3,500,991,841
<i>Percent Change</i>	8.30 %	0.75 %	3.03 %

Number of Parcels in the Population: 311

### Conclusion and Recommendation:

Assessed values for the 2013 revalue have increased an average of 3.03%.

The values recommended in this report improve uniformity and equity; therefore it is recommended they should be posted for the 2013 Assessment Year Roll.

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2013

**Date of Appraisal Report:** September 9,  
2013

### ***Specialty and Responsible Appraiser***

- ☐ Specialty Area 160 – Hotels/Motels
- ☐ The following appraiser did the valuation for this specialty assessment:

***Name:*** Chris Savage

***Job Title:*** Commercial Appraiser II

## **Highest and Best Use Analysis**

**As if vacant:** Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as commercial use. Any opinion not consistent with this is specifically noted in the records and considered in the valuation of the specific parcel

**As if improved:** Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of value of the entire property in its existing use and the cost to remove the improvements. The current improvements do add value to the property, in most cases, and are therefore the highest and best use of the property as improved. In those properties where the property is not at its highest and best use, a token value of \$1,000 is assigned to the improvements and the property is returned to the geographical appraiser.

**Standards and Measurement of Data Accuracy:** Each sale was verified with the buyer, seller, real estate agent or tenant when possible. Current data was verified and corrected when necessary by field inspection, review of plans, marketing information, and rent rolls when available.

## **Special Assumptions and Limiting Conditions**

All three approaches to value were considered in this analysis.

- ☐ No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends. The utilization of a minimum of three years of market information without adjustment for time averaged any net changes over that time period.
- ☐ This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

## Identification of the Area

- **Name or Designation:** Hotels/Motels
- **Boundaries:** The properties are located throughout King County.

### Maps:

A GIS map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

### Property Descriptions:

All hotels and motels within King County.

### Market Regions:

The Hotel Specialty has been segmented into five market regions for King County. The following is a brief description of each market region

#### **Downtown Hotels & Motels – 160-10**

This is primarily the Seattle Central Business District geographic boundary. The region extends from Lower Queen Anne on the north to Safeco Field on the south, from Puget Sound on the west to Broadway on the East. There are presently 68 hotels and motels in this area which comprise 22% of the hotel-motel population.

#### **Greater Eastside Hotels & Motels – 160-20**

This region is comprised of all properties located east of Lake Washington from the Bellevue city limits all the way north to the county line. This includes Mercer Island, Bellevue, Issaquah, North Bend, Snoqualmie, Kirkland, Redmond, Woodinville, and Bothell. There are 60 hotels and motels in this region which make up 19% of the total hotel-motel population.

#### **Northend Hotels & Motels – 160-30**

All properties west of Lake Washington and from Capitol Hill north are in this region. Most of the motels are located along the Aurora Strip. There are 38 hotels and motels in this area which account for 12% of the population.

#### **SeaTac Hotels & Motels – 160-40**

Properties located within West Seattle, Renton, Tukwila, South Center, and SeaTac generally describe this region. Many of the hotels and motels are along Pacific Highway S., also called International Blvd. S. There are 92 hotels and motels in this area and they are 30% of the hotel-motel population.

### **Southend Hotels & Motels – 160-50**

Properties located within Kent, Auburn, and Federal Way are in this region and south to the Pierce County line. This area has 53 hotels and motels that make up 17% of the total hotel-motel population.

### **Hotel & Motel Types:**

Hotels and motels have been segregated into two major types. The assessor uses Smith Travel Services (STR) to develop income models and several have been developed for each type based on room rate and number of rooms. The following is a brief description of each type of hotel or motel.

### **Economy/Limited Service Hotels/Motels**

Hotels with “rooms only” operation and no food and beverage except possibly continental breakfast are considered limited service. They have lower-tier pricing and do not offer restaurant, lounge, or banquet service. These hotels may or may not possess meeting space. Most limited service hotels are very dependent on their chain affiliation for consumer recognition, reservation contribution, and a perception of quality. There is one model for this category based on Pacific Region data from the STR report and locally surveyed data collected from local hotel/motel owners and managers.

### **Full Service Hotels/Motels**

Hotels with restaurant and lounge facilities, meeting space, and a minimum service and amenities level, from moderate to lower, and upper-tier pricing, are full service hotels/motels. Also included are high-quality hotels offering personalized guest services typically with extensive amenities. Highest upper-tier pricing also includes four and five-star resorts. There is one model for this category of hotel based on Pacific Region data from the STR report and locally survey data collected from local hotel/motel owners and managers.

### **Hotel Class Descriptions**

Limited-service generally refers to midscale lodging facilities without food and beverage services. These hotels do not have on-site restaurants or other services that are provided by an employee other than the front desk or maid services. They may typically offer continental breakfasts, vending machine provisions, and/or small packaged items, Internet access or swimming pools are also available in many of these establishments. Limited-service hotels are abundant in numbers. These properties are less costly to construct and maintain. Food and beverage services are not very profitable due to high labor costs and supply associated with food provisions. They appeal to budget-conscious families and travelers who are willing to forgo frills in exchange for lower room prices and they depend largely on leisure travelers. A mid-market brand is one that offers a reasonable quality product at a lower rate by cutting back on or eliminating multiple restaurants, meeting space, room service, bell staff, concierge, business centers, fitness facilities, etc.



However, the rooms themselves can be comparable to those of more expensive full service lodgings. For the most budget conscious traveler, a lesser market brand or independently owned limited service motel offers a place to rest at marginal cost.

Full-service hotels offer a variety of services for their guests and nearly always include one or more restaurant and beverage service choices other than self-service—from espresso bars and lunch booths to cocktail lounges and stylish restaurants. They typically provide room service. It is also commonplace for these larger full-service hotels to have a range of retail stores on the premises, such as gift boutiques, newsstands, and drug and beauty counters, some of which may be geared to a swanky clientele. Most full-service hotels offer guests laundry and valet services, swimming pools, beauty salons, and fitness centers or health spas. A small—but growing—number of hotel chains also manage condominium units in combination with their hotel rooms, providing both hospitality guests and condominium owners access to the same benefits and amenities.

The largest hotels have banquet quarters, exhibit halls, and ample ballrooms/meeting rooms to accommodate conventions, business meetings, bridal parties, and other societal events. Conventions and corporate assemblies are major sources of revenue for these hotels. Commercial hotels are also known as conference hotels—fully self-contained properties specifically designed for large-scale events. They provide physical fitness and recreational facilities for attendees, in addition to state-of-the-art audiovisual and technical equipment, a business center, and banquet services. Large capacity amphitheaters with lap top and electrical outlets have been built in some of the newer hotels.

Full service lodgings, on the other hand, rely extensively on the business travel sector. The most experienced and efficient general managers persistently procure corporate contracts that improve occupancy during good times and shelter hotels during tough economic cycles. These executives recognize that meeting quarters, business centers, internet wireless access, convention type facilities, banquet space, and general amenities expected by the business travel sector are essential to the success of a full service hotel. They also continuously adapt to the ever changing business world and devise innovative techniques to stay at the forefront of the competition and realize the necessity of constant maintenance and upgrade of furniture, fixture, and equipment.

### **Economic Conditions**

Nationally, the lodging market has continued to improve with occupancy levels in many areas at or above pre-recession levels according to Jeff Meyers of the CoStar Group. He also notes that in 2012, 40% of hotel property sales were distressed related. This number was down to under 35% at the end of 2012 and is dropping rapidly. As of Q1 2013, Costar's Commercial Repeat Sales Index (CCRSI) found that hotel pricing on a national basis expanded 12% over the last year, exceeding the improvement seen in any other property type.

The bottom line is that the lodging market is on solid footing, especially in metro areas that are doing well economically. According to the 2013 STR Host Almanac, hotel profitability for the 6,000 properties that take part in their survey reached just below the peak level recorded in 2007. Overall, industry Net Operating Income rose 13.4% to 24.4% of gross revenues. Revenues grew at 5.2% and departmental expenses at 2.8%. for 2013, STR is forecasting a 4.9% increase in daily rate and a 6.8% increase in revenue per available room. The industry's hope is that 2013 is an even stronger year than 2012 and the trends from various research reports show this will likely be the case.

The lodging market within King County continued to improve in 2012 with some hotel operators stating that they are finally now seeing Average Daily Rates (ADR's) and Occupancy numbers that are matching the market peaks of 2007. However, some operators state that their expenses have increased since then too and that the profit margin hasn't quite matched or beaten the peaks of 2007.

Overall, the downtown Seattle and South Lake Union markets are doing the best. The Occupancy rates and ADR's in these urban cores have been steadily improving. According to Kidder Mathews Q4 2012 Hotel Report, downtown Seattle's Upscale Hotel annual occupancy rates reached 77.9% and South Lake Union at 76%. ADR's rose 5.3% and 6% to \$159 and \$141 respectively for the two markets. For Seatac, Upscale properties ended the year at an Occupancy rate of 76.4% and an ADR of \$108 and Midscale properties ended at an Occupancy rate of 68.3% and an ADR of \$93. The Kent/Tukwila Upscale/Midscale Occupancy rate improved by 2.6% to 70% and the ADR improved by 2.8% to \$112. Finally, the Eastside had some strong improvement with the Eastgate/Issaquah market seeing Occupancy rates grow by 7.6% to 75% and ADR's growing by 5.7% to \$129.

There are several indicators that support the case for a strengthening lodging market in King County. The returned survey results of hotels and motels throughout King County, the physical inspection meetings throughout downtown Seattle, and the massive spike in newly planned hotels in the county show performance is improving. This is the case for all five geographic neighborhoods, especially in the Midscale, Upscale and Luxury segments.

The total population of King County hotels and motels rose 3.03%. This is a sum of the various valuations made throughout the five neighborhoods and various property types within the hotel/motel specialty. Adjustments to value for a given neighborhood or property type depend on how their assessed value compared to fair market value after market analysis. For example as a whole, motels were relatively flat with a few exceptions, downtown Seattle properties were mostly up due to increases in both occupancy and daily rates, and many of extended stay properties in each neighborhood had upward adjustments. When all this is added up, the overall change in year over year values for King County hotels and motels may be different than the articles and reports on the industry as a whole.

There were several significant hotel sales in 2012. There are fewer bank sales for smaller, limited service motels however there were a few of these that sold too. The most significant was Hilton Seattle. This is a well-established high rise hotel building with a globally recognized hotel brand in operation. The second was Hotel Vintage Park which was bought by Kimpton Properties. It too is a well-established downtown property albeit a more historic and boutique feel than the Hilton property. Both sales are in line with sales of other downtown Seattle hotels that occurred over the last three years; a range of \$214,000 to \$270,000 per room. The third was the Holiday Inn Seatac which showed that hotel properties within airport vicinities are in demand.

<b>SIGNIFICANT HOTEL SALES</b>					
<b>HOTEL NAME</b>	<b>NUMBER OF ROOMS</b>	<b>SALE DATE</b>	<b>EXCISE NUMBER</b>	<b>SALES PRICE</b>	<b>PRICE PER ROOM</b>
<b>Hilton Seattle</b>	<b>237</b>	<b>9/11/12</b>	<b>2563668</b>	<b>\$57,171,260</b>	<b>\$241,229</b>
<b>Hotel Vintage Park</b>	<b>125</b>	<b>7/9/12</b>	<b>2552948</b>	<b>\$31,727,000</b>	<b>\$253,816</b>
<b>Holiday Inn Seatac</b>	<b>260</b>	<b>7/31/12</b>	<b>2556438</b>	<b>\$26,600,000</b>	<b>\$102,308</b>

Two new hotels opened their doors in King County in 2012. The first was Hotel Ballard. It is a 29 room boutique hotel on historic Ballard Avenue and is owned by a local ownership group. The second was a new Hampton Inn & Suites in Seatac, a 218 room property.

<b>NEW 2012 HOTELS</b>		
<b>HOTEL NAME</b>	<b>NUMBER OF ROOMS</b>	<b>LOCATION</b>
<b>Hotel Ballard</b>	<b>29</b>	<b>Seattle</b>
<b>Hampton Inn &amp; Suites</b>	<b>218</b>	<b>Seatac</b>

There are a number of permitted hotels whose construction is underway or are planned.

<b>HOTELS UNDER CONSTRUCTION OR PLANNED</b>			
<b>BRAND/DEVELOPER</b>	<b>LOCATION</b>	<b>ROOMS OR PLANS</b>	<b>BREAKING GROUND</b>
<b>R.C. Hendreen</b>	<b>Downtown Seattle on site of Greyhound Station</b>	<b>1,200-1,500</b>	<b>Not Announced</b>
<b>Marriott; White/Pepperman Properties</b>	<b>Downtown Bellevue at 200 110<sup>th</sup> Ave NE</b>	<b>378</b>	<b>Not Announced</b>
<b>Hilton Embassy Suites; American Life Insurance &amp; Daniels Real Estate</b>	<b>North parking lot of Century Link Field</b>	<b>278-300</b>	<b>Fall 2013</b>
<b>Stanford Hotels Corp</b>	<b>South Lake Union at 300 Terry St. near <a href="http://Amazon.com">Amazon.com</a></b>	<b>283</b>	<b>Not Announced</b>
<b>Kemper Development Company</b>	<b>Downtown Bellevue at Lincoln Square</b>	<b>250</b>	<b>Not Announced</b>
<b>Artemis Hotel; Yareton Investment Fund</b>	<b>Des Moines, Pacific Hwy South &amp; South 224<sup>th</sup></b>	<b>230</b>	<b>2013</b>
<b>Hilton Garden Inn at Hill7; Touchstone</b>	<b>Downtown Seattle on Boren between Stewart &amp; Howell</b>	<b>222</b>	<b>2013</b>
<b>Hampton Inn &amp; Suites; TMUD LLC</b>	<b>4501 12<sup>th</sup> Ave NE, University District Seattle</b>	<b>215</b>	<b>Not Announced</b>
<b>SLS Hotel; Daniels Real Estate Company &amp; Stockbridge Capital Group</b>	<b>Downtown Seattle at 5<sup>th</sup> &amp; Columbia</b>	<b>184</b>	<b>Excavation 2013; Construction 2014</b>
<b>Touchstone</b>	<b>Kirkland Park Place</b>	<b>175</b>	<b>Not Announced</b>
<b>Gramor Development Washington</b>	<b>Northgate, south of mall at Marie Calendars site</b>	<b>174</b>	<b>Early Stages of MUP Process</b>
<b>Touchstone</b>	<b>Downtown Seattle at 1<sup>st</sup> &amp; Stewart near Pike Place</b>	<b>161</b>	<b>2013</b>
<b>Hyatt Place; Ariel Development</b>	<b>Seatac at 19518 International Blvd</b>	<b>150</b>	<b>2016 Scheduled Opening</b>
<b>Hyatt House; Kauri Investments</b>	<b>Downtown Seattle at 416 John St.</b>	<b>126</b>	<b>2013</b>
<b>Kemper Development Company</b>	<b>Downtown Bellevue, west of Bell Square</b>	<b>120</b>	<b>Not Announced</b>

<b>Wright Runstand &amp; Co.</b>	<b>Bel-Red Area of 520 Corridor</b>	<b>200,000/SF</b>	<b>Not Announced</b>
<b>Silver Cloud Inns &amp; Hotels</b>	<b>Bellevue at 200 108<sup>th</sup> Ave NE; site of Opus Bank</b>	<b>N/A</b>	<b>Purchased Land</b>
<b>Stonebridge Realty Advisors</b>	<b>Downtown Seattle at 5<sup>th</sup> and Stewart across from the Westin</b>	<b>18 Stories</b>	<b>Not Announced</b>
<b>Palladian Apartments; David Cohanin</b>	<b>Downtown Seattle/Belltown at 2000 2<sup>nd</sup> Ave</b>	<b>69 (conversion from apartment building)</b>	<b>Not Announced</b>
<b>The Kress Building</b>	<b>Downtown Seattle at 3<sup>rd</sup> &amp; Pike</b>	<b>Plans submitted to build a hotel above current 3 story building</b>	<b>Not Announced</b>
<b>Eitel Building; Ariel Development</b>	<b>Downtown Seattle at 2<sup>nd</sup> &amp; Pike</b>	<b>Plans to turn into a boutique hotel</b>	<b>Not Announced</b>
<b>Principal Financial Group</b>	<b>Downtown Seattle at 2<sup>nd</sup> &amp; Stewart</b>	<b>120</b>	<b>Not Announced</b>

\*Data compiled from local articles from the Daily Journal of Commerce, The Seattle Times, and The Puget Sound Business Journal

### Capitalization Rates

In 2012, capitalization rates were flat or decreased depending on the hotel class and region. Overall, national capitalization rates were between 5.50% and 11.00%. However, select service and economy properties had rates that were decreasing by the second half of the year.

According to CBRE's cap rate report, *only San Francisco and Manhattan* had lower cap rates than Seattle in the Luxury segment. In the Full Service segment, *only San Francisco, Manhattan and Chicago* had lower cap rates. For the Select Service and Economy segments, Seattle was more mid-range when compared to cities across the U.S. All four segments are forecast to be flat per CBRE's report for the Seattle market for 2013. The following page is a table that compiles all available national, regional, and local cap rates. Note that this year's table is missing the Kidder Mathews supplied rates. In conversing with the Kidder Mathews hotel team, the reason is that finding reliable sources for cap rates on a local level has been difficult and they weren't able to find enough reliable rates to report on.

HOTEL CAPITALIZATION RATES			
SOURCE	DATE	TYPE	AVERAGE
HVS	Mid-year 2012-2013	TROPHY HOTEL PROPERTIES	5.50%-6.50%
CB RICHARD ELLIS	Feb 2013	LUXURY HOTELS	6.00% - 8.00%
CB RICHARD ELLIS	Feb 2013	FULL SERVICE	7.00% - 9.00%
CB RICHARD ELLIS	Feb 2013	SELECT SERVICE	8.50% - 10.50%
CB RICHARD ELLIS	Feb 2013	ECONOMY	9.50% - 11.00%
EMERGING TRENDS IN REAL ESTATE	August 2012	FULL SERVICE	7.27%
EMERGING TRENDS IN REAL ESTATE	August 2012	LIMITED SERVICE	8.16%
IRR - VIEWPOINT	Year End 2012	CBD - LODGING	8.50%
IRR - VIEWPOINT	Year End 2012	SUBURBAN	8.50%
IRR - VIEWPOINT	Year End 2012	AIRPORT	8.50%
PERC	3Q-2012	HOTELS, WEST REGION	6.50%
PERC	3Q-2012	HOTELS, NATIONWIDE	7.20%

### Physical Inspection Area

The physical inspection area for the 2013 Assessment Year took place from May 2013 to August 2013 and included all hotels and motels in geographic area 160-10, the downtown Seattle market. This was an informative and valuable project. Meetings were held with 55 of the 68 properties in geographic area and included interior property tours. This allowed the appraiser to gain valuable insight into the downtown market, into what the competitive sets are (the defined set of competing properties that a hotel/motel benchmarks its performance goals and metrics against), and into the metrics for neighborhoods within the downtown market.

### Preliminary Ratio Analysis

A Ratio Study was done on September 9, 2013 to compare 2012 Assessment Year values with the three years of sales for the period. The study included sales of improved parcels and showed a COV of 15.77%.

An additional Ratio Study was completed using the recommended values for the 2013 Assessment Year. The results are included in the validation section of this report and show a change in the COV from 15.77% to 8.24%.

## **Scope of Data**

### **Land Value Data**

The geographic appraiser in the area in which the specialty property is located is responsible for the land value used by the specialty appraiser. See appropriate area reports for land valuation discussion.

### **Improved Parcel Total Value Data**

Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division, Sales Identification Section. Information is analyzed and investigated by the appraiser in the process of revaluation. A sales questionnaire was mailed to sellers and purchasers of properties which sold in Specialty Area 160. Participation was voluntary and the response was modest. In addition, sales were verified, when possible, by calling either the purchaser or seller, inquiring in the field or calling the real estate agent. Property characteristics are verified for all sales if possible. Sales are listed in the "Sales Used" and "Sales Not Used" sections of this report. Additional information resides on the Assessor's website.

## **Improved Parcel Total Values**

### **Sales Comparison Approach Model Description**

The model for sales comparison was based on several data sources from the Assessor's records; whether a full or limited service hotel, number of rooms, year built, effective year, sale date, sale price, and sale price per room. There were 13 improved sales within the hotel/motel specialty dating from 7/29/2010 to 1/14/2013 and considered fair market transactions. The sales were organized by neighborhood, hotel type (limited service or full service), number of rooms, and quality level. A search was made on data that most closely fit a subject property within each geographic area. All sales were verified if possible by calling either the purchaser or seller, inquiring in the field, sending out a questionnaire, or calling the broker. Characteristic data was verified for all sales if possible. Sales are listed in the attached "Sales Used" appendix report.

### **Sales Comparison Calibration**

After an initial search for comparable sales within each geographic area a search is made in neighboring areas and expands to include all of the county and nation if necessary. For the hotel specialty, hotel type (limited or full service), number of rooms, and quality level are important.

### **Cost Approach Model Description & Calibration**

Cost estimates are automatically calculated via the Marshall & Swift cost modeling system. Depreciation was based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the Western Region and the Seattle area. Marshall & Swift cost calculations are automatically calibrated to the data in place in the Real Property Application.

### **Income Capitalization Approach Model Description**

Two income models were developed for income capitalization of hotels/motels. Each model is specific and is used for any hotel/motel depending on number of rooms, average daily rate, full, or limited service. All expenses used in the models were obtained from industry averages compiled by the Host Study by Smith Travel Research (STR) 2012 Edition.

Model examples are contained in the Sample Worksheet Section. The models take into account all of the revenue and expense components that are relevant to the appraisal of hotels: hotel type (full or limited service), number of rooms, average daily rate, occupancy rates, revenue per available room, additional revenues (food, telecommunications, rentals, and other income), departmental expenses, undistributed operating expenses, franchise and management fees, and fixed charges (property taxes and municipal charges, insurance, reserves for capital replacements).

The net operating income is capitalized and the personal property is deducted to arrive at the real property value which also generates a price per room and gross revenue multiplier. The assessor utilizes the appraisal methods developed by Stephen Rushmore, MAI. Adjustments are made to the average daily and occupancy rates to reflect the influence of location. Financial data is gathered through physical inspection, sales verification, financial publications, questionnaires mailed by the assessor, and information provided by the appellants for the purposes of appeals.



## Income Approach Calibration

Each hotel and motel was valued on an individual basis. All values were then reviewed and calibrated to market tendencies. The assessor sends out a yearly income survey letter to all hotel owners in order to determine appropriate income and expense parameters.

**Income:** income parameters relevant to hotels are first and foremost measured by the hotel's Average Daily Rate and its typical Occupancy level. Hotels may also generate revenues through other sources such as food and beverage, telecommunications, banquet services, conventions, etc.

**Expenses:** most hotels' expenses are broken down into several categories: departmental expenses (rooms, food and beverage, telecommunications, other operated departments), undistributed expenses (administrative and general, marketing, utility costs, and property maintenance), franchise and management fees, fixed charges (property taxes and municipal charges), insurance, and reserves for replacement.

**Capitalization Rates:** the range of capitalization rates used by the assessor was derived from published sources as well as verified sales. Lower capitalization rates were applied to modern and higher quality hotels in the central business districts such as downtown Seattle and downtown Bellevue. Higher capitalization rates were applied to older, lesser quality hotels in more suburban locations.

All parcels were individually reviewed for correctness of the model application before final value selection. All of the factors used to establish value by the model were subject to adjustment. The market sales approach was considered but most weight was given to the income approach.

<b>OCCUPANCY</b>	<b>REVPAR</b>	<b>CAPITALIZATION RATES</b>	<b>VALUES</b>
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\*RevPar - Revenue Per Available Room

## Model Validation

### Total Value Conclusions, Recommendations and Validation

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust particular characteristics and conditions as they occur in the valuation area.

The new assessment level is 89.9% and the 2012 and 2013 Ratio Analysis Reports are included in this report.

The total assessed value for the 2012 Assessment Year for Specialty Area 160 was \$3,397,958,300. The total recommended assessed value for the 2013 Assessment Year is \$3,500,991,841.

The income approach was primarily used to derive the total value for the Hotels. The land values were set by the geographic appraisers then subtracted from the total value to determine the improvement value. Land values appreciated by 8.30% and improvement values by 0.75%. Application of the recommended values for the 2013 Assessment Year (taxes payable in 2014) results in a total year over year change of 3.03%.

	2012 Total	2013 Total	% Change
<b>TOTAL VALUE</b>	<b>\$3,397,958,300</b>	<b>\$3,500,991,841</b>	<b>3.03%</b>

# **USPAP Compliance**

## **Client and Intended Use of the Appraisal**

This mass appraisal report is intended for use only by the King County Assessor and other agencies or departments administering or confirming ad valorem property taxes. Use of this report by others is not intended by the appraiser. The use of this appraisal, analyses and conclusions is limited to the administration of ad valorem property taxes in accordance with Washington State law. As such it is written in concise form to minimize paperwork. The assessor intends that this report conform to the Uniform Standards of Professional Appraisal Practice (USPAP) requirements for a **mass appraisal report** as stated in USPAP SR 6-8. To fully understand this report the reader may need to refer to the Assessor's Property Record Files, Assessors Real Property Data Base, separate studies, Assessor's Procedures, Assessor's field maps, Revalue Plan and the statutes.

The purpose of this report is to explain and document the methods, data and analysis used in the revaluation of King County. King County is on a six year physical inspection cycle with annual statistical updates. The revaluation plan is approved by Washington State Department of Revenue. The Revaluation Plan is subject to their periodic review.

## **Definition and Date of Value Estimate**

### **Market Value**

The basis of all assessments is the true and fair value of property. True and fair value means market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62 Wn. 2d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65, 12/31/65). The true and fair value of a property in money for property tax valuation purposes is its "market value" or amount of money a buyer willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors which can within reason be said to affect the price in negotiations between a willing purchaser and a willing seller, and he must consider all of such factors. (AGO 65,66, No. 65, 12/31/65)

Retrospective market values are reported herein because the date of the report is subsequent to the effective date of valuation. The analysis reflects market conditions that existed on the effective date of appraisal.

### **Highest and Best**

#### **Use RCW 84.40.030**

All property shall be valued at one hundred percent of its true and fair value in money and assessed on the same basis unless specifically provided otherwise by law.

An assessment may not be determined by a method that assumes a land usage or highest and best use not permitted, for that property being appraised, under existing zoning or land use planning ordinances or statutes or other government restrictions.

#### **WAC 458-07-030 (3) True and Fair Value -- Highest and Best Use**

Unless specifically provided otherwise by statute, all property shall be valued on the basis of its highest and best use for assessment purposes. Highest and best use is the most profitable, likely use to which a property can be put. It is the use which will yield the highest return on the owner's investment. Any reasonable use to which the property may be put may be taken into consideration and if it is peculiarly adapted to some particular use, that fact may be taken into consideration. Uses that are within the realm of possibility, but not reasonably probable of occurrence, shall not be considered in valuing property at its highest and best use.

If a property is particularly adapted to some particular use this fact may be taken into consideration in estimating the highest and best use. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922)) The present use of the property may constitute its highest and best use. The appraiser shall, however, consider the uses to which similar property similarly located is being put. (Finch v. Grays Harbor County, 121 Wash. 486 (1922)) The fact that the owner of the property chooses to use it for less productive purposes than similar land is being used shall be ignored in the highest and best use estimate. (Sammish Gun Club v. Skagit County, 118 Wash. 578 (1922))

Where land has been classified or zoned as to its use, the county assessor may consider this fact, but he shall not be bound to such zoning in exercising his judgment as to the highest and best use of the property. (AGO 63-64, No. 107, 6/6/64)

### **Date of Value Estimate**

All property now existing, or that is hereafter created or brought into this state, shall be subject to assessment and taxation for state, county, and other taxing district purposes, upon equalized valuations thereof, fixed with reference thereto on the first day of January at twelve o'clock meridian in each year, excepting such as is exempted from taxation by law. [1961 c 15 §84.36.005]

The county assessor is authorized to place any property that is increased in value due to construction or alteration for which a building permit was issued, or should have been issued, under chapter 19.27, 19.27A, or 19.28 RCW or other laws providing for building permits on the assessment rolls for the purposes of tax levy up to August 31st of each year. The assessed valuation of the property shall be considered as of July 31st of that year. [1989 c 246 § 4]

Reference should be made to the property card or computer file as to when each property was valued. Sales consummating before and after the appraisal date may be used and are analyzed as to their indication of value at the date of valuation. If market conditions have changed then the appraisal will state a logical cutoff date after which no market date is used as an indicator of value.

### **Property Rights Appraised**

#### **Fee Simple**

#### **Wash Constitution Article 7 § 1 Taxation**

All taxes shall be uniform upon the same class of property within the territorial limits of the authority levying the tax and shall be levied and collected for public purposes only. The word

"property" as used herein shall mean and include everything, whether tangible or intangible, subject to ownership. All real estate shall constitute one class.

**Trimble v. Seattle, 231 U.S. 683, 689, 58 L. Ed. 435, 34 S. Ct. 218 (1914)**

"the entire [fee] estate is to be assessed and taxed as a unit" **Folsom v.**

**Spokane County, 111 Wn. 2d 256 (1988)**

"the ultimate appraisal should endeavor to arrive at the fair market value of the property as if it were an unencumbered fee"

The definition of fee simple estate as taken from The Third Edition of The Dictionary of Real Estate Appraisal, published by the Appraisal Institute. "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

## **Assumptions and Limiting Conditions**

1. No opinion as to title is rendered. Data on ownership and legal description were obtained from public records. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements and restrictions unless shown on maps or property record files. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
2. No engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
3. No responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
4. Rental areas herein discussed have been calculated in accord with generally accepted industry standards.
5. The projections included in this report are utilized to assist in the valuation process and are based on current market conditions and anticipated short term supply demand factors. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.
6. The property is assumed uncontaminated unless the owner comes forward to the Assessor and provides other information.
7. The appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. No consideration has been given in this analysis to any potential diminution in value should such hazardous materials be found (unless specifically noted). We urge the taxpayer to retain an expert in the field and submit data affecting value to the assessor.
8. No opinion is intended to be expressed for legal matters or that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.

9. Maps, plats and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
10. The appraisal is the valuation of the fee simple interest. Unless shown on the Assessor's parcel maps, easements adversely affecting property value were not considered.
11. An attempt to segregate personal property from the real estate in this appraisal has been made.
12. Items which are considered to be "typical finish" and generally included in a real property transfer, but are legally considered leasehold improvements are included in the valuation unless otherwise noted.
13. The movable equipment and/or fixtures have not been appraised as part of the real estate. The identifiable permanently fixed equipment has been appraised in accordance with RCW 84.04.090 and WAC 458-12-010.
14. I have considered the effect of value of those anticipated public and private improvements of which I have common knowledge. I can make no special effort to contact the various jurisdictions to determine the extent of their public improvements.
15. Exterior inspections were made of all properties in the physical inspection areas (outlined in the body of the report) however; due to lack of access and time few received interior inspections.

## **Scope of Work Performed**

Research and analyses performed are identified in the body of the revaluation report. The assessor has no access to title reports and other documents. Because of legal limitations we did not research such items as easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations and special assessments. Disclosure of interior home features and, actual income and expenses by property owners is not a requirement by law therefore attempts to obtain and analyze this information are not always successful. The mass appraisal performed must be completed in the time limits indicated in the Revaluation Plan and as budgeted. The scope of work performed and disclosure of research and analyses not performed are identified throughout the body of the report.

## **Certification**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of 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 appraisal.

- ☐ My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice. ☐
- The area(s) physically inspected for purposes of this revaluation are outlined in the body of this report.
- ☐ The individuals listed below were part of the “appraisal team” and provided significant real property appraisal assistance to the person signing this certification. Any services regarding the subject area performed by the appraiser within the prior three years, as an appraiser or in any other capacity is listed adjacent their name.
- ☐ Any services regarding the subject area performed by me within the prior three years, as an appraiser or in any other capacity is listed below:

Physical inspection revalue, appeal response preparation, appeal hearing appearance, data collection, sale verification and new construction evaluation.

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**Chris Savage – Commercial Appraiser**

**Date**

Area 160 - Hotels Motels  
2013 Assessment Year

<b><i>Parcel Number</i></b>	<b><i>Assessed Value</i></b>	<b><i>Sale Price</i></b>	<b><i>Sale Date</i></b>	<b><i>Ratio</i></b>	<b><i>Diff: Median</i></b>
112204-9082	7,671,600	8,675,000	1/14/2013	0.8843	0.0011
004000-0175	1,132,800	1,466,650	11/30/2012	0.7724	0.1109
197570-0040	37,068,800	57,171,260	9/11/2012	0.6484	0.2349
282304-9180	20,335,800	26,600,000	7/31/2012	0.7645	0.1188
094200-0265	28,023,200	31,727,000	7/9/2012	0.8833	0.0000
525430-0015	1,052,100	1,400,000	5/31/2012	0.7515	0.1318
526330-0025	884,500	750,000	4/19/2012	1.1793	0.2961
797820-0070	369,000	397,200	2/3/2012	0.9290	0.0457
197570-0255	46,000,000	63,700,000	6/14/2011	0.7221	0.1611
066000-1832	43,607,400	51,839,722	5/2/2011	0.8412	0.0421
212104-9078	4,142,600	4,300,000	4/20/2011	0.9634	0.0801
094200-0145	39,281,100	41,477,000	4/7/2011	0.9471	0.0638
346880-0455	730,200	800,000	7/29/2010	0.9128	0.0295



Area 160 - Hotels Motels  
2013 Assessment Year

Quadrant/Crew:	Appr date:	Date:	Sales Dates:	
South Crew	1/1/2012	9/9/2013	1/1/10 - 1/14/13	
Area	Appr ID:	Prop Type:	Trend used?: Y/N	
160	CSAV	Improvement	N	
SAMPLE STATISTICS				
Sample size (n)	8			
Mean Assessed Value	17,715,300			
Mean Sales Price	22,331,100			
Standard Deviation AV	18,559,781			
Standard Deviation SP	24,263,359			
	3.5			
ASSESSMENT LEVEL	3			
Arithmetic mean ratio	2.5			
Median Ratio	0.883			
Weighted Mean Ratio	0.793			
	1.5			
UNIFORMITY	1			
Lowest ratio	0.6484			
Highest ratio:	1.1793			
Coefficient of Dispersion	11.46%			
Standard Deviation	0.1359			
Coefficient of Variation	15.77%			
Price-related Differential	1.09			
RELIABILITY				
95% Confidence: Median				
Lower limit	0.752			
Upper limit	0.947			
95% Confidence: Mean				
Lower limit	0.788			
Upper limit	0.935			
SAMPLE SIZE EVALUATION				
N (population size)	275			
B (acceptable error - in decimal)	0.05			
S (estimated from this sample)	0.1359			
Recommended minimum:	27			
Actual sample size:	13			
Conclusion:	Uh-oh			
NORMALITY				
Binomial Test				
# ratios below mean:	6			
# ratios above mean:	7			
z:	0			
Conclusion:	Normal*			
*i.e., no evidence of non-normality				

Area 160 - Hotels Motels  
2013 Assessment Year

<b><i>Parcel Number</i></b>	<b><i>Assessed Value</i></b>	<b><i>Sale Price</i></b>	<b><i>Sale Date</i></b>	<b><i>Ratio</i></b>	<b><i>Diff: Median</i></b>
112204-9082	8,271,500	8,675,000	1/14/2013	0.9535	0.0000
004000-0175	1,433,300	1,466,650	11/30/2012	0.9773	0.0238
197570-0040	45,666,100	57,171,260	9/11/2012	0.7988	0.1547
282304-9180	23,410,400	26,600,000	7/31/2012	0.8801	0.0734
094200-0265	28,548,000	31,727,000	7/9/2012	0.8998	0.0537
525430-0015	1,175,500	1,400,000	5/31/2012	0.8396	0.1138
526330-0025	815,300	750,000	4/19/2012	1.0871	0.1336
797820-0070	396,700	397,200	2/3/2012	0.9987	0.0453
197570-0255	59,905,200	63,700,000	6/14/2011	0.9404	0.0131
066000-1832	45,695,900	51,839,722	5/2/2011	0.8815	0.0720
212104-9078	4,240,000	4,300,000	4/20/2011	0.9860	0.0326
094200-0145	40,537,300	41,477,000	4/7/2011	0.9773	0.0239
346880-0455	796,200	800,000	7/29/2010	0.9953	0.0418

Area 160 - Hotels Motels  
2013 Assessment Year

<b>Quadrant/Crew:</b>	<b>Appr date:</b>	<b>Date:</b>		<b>Sales Dates:</b>				
<b>South Crew</b>	<b>1/1/2013</b>	<b>9/9/2013</b>		<b>1/1/10 - 1/14/13</b>				
<b>Area</b>	<b>Appr ID:</b>	<b>Prop Type:</b>		<b>Trend used?: Y/N</b>				
<b>160</b>	<b>CSAV</b>	<b>Improvement</b>	<b>N</b>					
<b>SAMPLE STATISTICS</b>								
<b>Sample size (n)</b>	8 <span style="float: right;">Ratio</span>							
<b>Mean Assessed Value</b>	20,068,600							
<b>Mean Sales Price</b>	22,331,100							
<b>Standard Deviation AV</b>	21,648,747							
<b>Standard Deviation SP</b>	24,263,359							
<b>ASSESSMENT LEVEL</b>								
<b>Arithmetic mean ratio</b>	0.940							
<b>Median Ratio</b>	0.953							
<b>Weighted Mean Ratio</b>	0.899							
<b>UNIFORMITY</b>								
<b>Lowest ratio</b>	0.7988							
<b>Highest ratio:</b>	1.0871							
<b>Coefficient of Dispersion</b>	6.30%							
<b>Standard Deviation</b>	0.0774							
<b>Coefficient of Variation</b>	8.24%							
<b>Price-related Differential</b>	1.05							
<b>RELIABILITY</b>								
<b>95% Confidence: Median</b>	These figures reflect measurements after posting new values.							
<b>Lower limit</b>					0.880			
<b>Upper limit</b>					0.995			
<b>95% Confidence: Mean</b>								
<b>Lower limit</b>	0.898							
<b>Upper limit</b>	0.982							
<b>SAMPLE SIZE EVALUATION</b>								
<b>N (population size)</b>	275							
<b>B (acceptable error - in decimal)</b>	0.05							
<b>S (estimated from this sample)</b>	0.0774							
<b>Recommended minimum:</b>	9							
<b>Actual sample size:</b>	13							
<b>Conclusion:</b>	OK							
<b>NORMALITY</b>								
<b>Binomial Test</b>								
<b># ratios below mean:</b>	5							
<b># ratios above mean:</b>	8							
<b>z:</b>	0.554700196							
<b>Conclusion:</b>	Normal*							
*i.e., no evidence of non-normality								

## Improvement Sales for Area 160 with Sales Used

9/9/2013

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
160	050	112204	9082	152,295	2586049	\$8,675,000	01/14/13	\$56.96	HAWTHORN SUITES - KENT	M1-C	1	Y	
160	040	004000	0175	10,128	2577382	\$1,466,650	11/30/12	\$144.81	GREAT BEAR MOTEL	NCC	1	Y	
160	010	197570	0040	126,240	2563668	\$57,171,260	09/11/12	\$452.88	HILTON SEATTLE	DOC1 U/	1	Y	
160	040	282304	9180	136,919	2556438	\$26,600,000	07/31/12	\$194.28	HOLIDAY INN SEATAC	CB-C	3	Y	
160	010	094200	0265	67,390	2552948	\$31,727,000	07/09/12	\$470.80	HOTEL VINTAGE PARK	DOC1 U/	1	Y	
160	030	525430	0015	8,876	2547133	\$1,400,000	05/31/12	\$157.73	SHORELINE MOTEL	MUZ	1	Y	
160	040	526330	0025	3,404	2539598	\$750,000	04/19/12	\$220.33	STAR MOTEL - SEATTLE SOUTH	C1-65	2	Y	
160	050	797820	0070	3,396	2530082	\$397,200	02/03/12	\$116.96	RIDGECREST MOTEL	RM3600	1	Y	
160	010	197570	0255	272,787	2495844	\$63,700,000	06/14/11	\$233.52	RED LION ON FIFTH AVENUE	DRC 85-	1	Y	
160	010	066000	1832	128,375	2489753	\$51,839,722	05/02/11	\$403.81	PIKE STREET SUITES HOTEL - DOWNT	NC3P-85	2	Y	
160	050	212104	9078	55,200	2488293	\$4,300,000	04/20/11	\$77.90	SUPER 8 MOTEL	CE	1	Y	
160	010	094200	0145	133,884	2486026	\$41,477,000	04/07/11	\$309.80	HOTEL MONACO	DOC1 U/	1	Y	
160	030	276770	3000	4,500	2459397	\$1,000,000	09/22/10	\$222.22	STARLIGHT HOTEL	NC2-65	1	26	Imp changed after sale; not in ratio
160	040	346880	0455	6,116	2453233	\$800,000	07/29/10	\$130.80	AIRLANE MOTEL	C1-40	1	Y	

## Improvement Sales for Area 160 with Sales not Used

9/9/2013

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
160	040	282304	9051	22,100	2592995	\$1,590,000	02/22/13	\$71.95	RODEWAY INN - SEATAC	UH-900	1	15	No market exposure
160	040	526330	0826	11,563	2590992	\$1,480,000	02/22/13	\$127.99	LA HACIENDA MOTEL	IG2 U/8	1	61	Financial institution resale
160	010	197720	1035	122,810	2585648	\$15,272	01/22/13	\$0.12	MOORE HOTEL & THEATRE	DMC 240	1	24	Easement or right-of-way
160	050	885600	2346	63,788	2584668	\$3,790,000	01/10/13	\$59.42	KING OSCAR MOTEL	HC	1	57	Selling or buying costs affecting sale
160	040	526330	0826	11,563	2583162	\$1,450,000	12/26/12	\$125.40	LA HACIENDA MOTEL	IG2 U/8	1	63	Sale price updated by sales ID group
160	010	197460	0025	99,714	2593228	\$159,000	12/05/12	\$1.59	ARLINGTON HOTEL	DMC-160	2	66	Condemnation/eminent domain
160	050	000660	0036	34,577	2574595	\$2,100,000	11/14/12	\$60.73	QUALITY INN & SUITES- KENT	M1-C	3	23	Forced sale
160	050	202104	9055	39,673	2568495	\$2,980,000	10/04/12	\$75.11	QUALITY INN & SUITES - FEDERAL WAY	CE	1	61	Financial institution resale
160	020	282605	9078	32,724	2570538	\$8,670,905	10/01/12	\$264.97	MOTEL 6 - KIRKLAND	TL 4A	1	59	Bulk portfolio sale
160	040	032204	9014	33,528	2570542	\$5,379,822	10/01/12	\$160.46	MOTEL 6 SEATTLE SOUTH	CB	1	59	Bulk portfolio sale
160	040	282304	9190	27,216	2570543	\$5,757,122	10/01/12	\$211.53	MOTEL 6 -SEATAC	CB-C	1	59	Bulk portfolio sale
160	020	894710	0010	27,460	2551868	\$7,312,500	06/29/12	\$266.30	MOTEL 6 - ISSAQUAH	PO	1	59	Bulk portfolio sale
160	020	112405	9082	28,910	2548267	\$5,150,000	06/04/12	\$178.14	DAY'S INN BELLEVUE	CB	1	23	Forced sale
160	020	112405	9082	28,910	2536161	\$3,670,400	03/23/12	\$126.96	DAY'S INN BELLEVUE	CB	1	N	No market exposure
160	010	094200	0430	331,281	2538903	\$7,600	03/20/12	\$0.02	RENAISSANCE MADISON HOTEL	DOC1 U/	1	18	Quit claim deed
160	050	112204	9082	152,295	2533800	\$5,808,000	03/09/12	\$38.14	HAWTHORNE SUITES - KENT	M1-C	1	63	Sale price updated by sales ID group
160	040	342304	9320	52,391	2515146	\$3,700,000	10/13/11	\$70.62	MOTEL 6	CB	3	23	Forced sale
160	030	643000	0810	18,678	2505368	\$1,350,000	08/15/11	\$72.28	EVERSPRING INN	C1-40	1	61	Financial institution resale
160	040	332304	9142	36,648	2494157	\$3,948,000	05/30/11	\$107.73	QUALITY INN - SEATAC	CB-C	1	15	No market exposure
160	030	099300	0495	5,700	2483662	\$1,130,000	03/24/11	\$198.25	GREEN LAKE MOTEL	C1-65	1	19	Seller's or purchaser's assignment
160	040	526330	0025	7,280	2480501	\$650,000	02/24/11	\$89.29	STAR MOTEL - SEATTLE SOUTH	C1-65	2	61	Financial institution resale
160	040	182305	9077	8,695	2475416	\$500,000	01/19/11	\$57.50	WEST WIND MOTEL -RENTON	CA	1	15	No market exposure
160	040	095200	8175	24,998	2459724	\$2,600,000	09/20/10	\$104.01	SEATTLE WEST INN & SUITES	C1-65	1	15	No market exposure
160	040	358529	0010	64,294	2438567	\$2,000	04/16/10	\$0.03	MARRIOTT TOWNEPLACE SUITES-KENT	M1-C	1	24	Easement or right-of-way
160	020	334330	1120	35,608	2434487	\$4,350,000	03/25/10	\$122.16	GUEST HOUSE INN & SUITES - RENTON	CA	1	61	Financial institution resale
160	040	302305	9117	49,260	2434018	\$5,400,000	03/23/10	\$109.62	CLARION HOTEL - RENTON	CA	1	61	Financial institution resale
160	020	334330	1120	35,608	2425154	\$3,775,130	01/04/10	\$106.02	GUEST HOUSE INN & SUITES - RENTON	CA	1	31	Exempt from excise tax

	A	B	C	D	E	F	G	H	I
	Specialty Area	Neighborhood	Major	Minor	PropName	Hotel Type	Number of Rooms	AddrLine	District Name
1									
2	160	10	65300	10	THE ACE HOTEL & RETAIL	HOTEL, LIMITED (332)	28	2423 1ST AVE	SEATTLE
3	160	10	197460	0025	ALEXIS HOTEL (ARLINGTON BLDG)	HOTEL, FULL SERVICE (841)	60	1007 1ST AVE	SEATTLE
4	160	10	197460	0035	ALEXIS HOTEL (ASSOC W/0025)	HOTEL, FULL SERVICE (841)	61	1007 1ST AVE	SEATTLE
5	160	10	859090	1030	BARONESS HOTEL	MOTEL, LIMITED (343)	59	1005 SPRING ST	SEATTLE
6	160	10	069700	0435	BEST WESTERN LOYAL INN	MOTEL, LIMITED (343)	91	2301 8TH AVE	SEATTLE
7	160	10	199120	0540	BEST WESTERN PLUS EXECUTIVE INN	HOTEL, FULL SERVICE (841)	123	200 TAYLOR AVE N	SEATTLE
8	160	10	524780	0005	BEST WESTERN PLUS PIONEER SQUARE HOTEL	HOTEL, LIMITED (332)	75	77 YESLER WAY	SEATTLE
9	160	10	880490	0365	BOYLSTON HOTEL	MOTEL, LIMITED (343)	39	1517 BOYLSTON AVE	SEATTLE
10	160	10	065500	0050	CITY HOSTEL SEATTLE (former WILLIAM TELL APTS)	MOTEL, LIMITED (343)	47	2327 2ND AVE	SEATTLE
11	160	10	408880	3586	COURTYARD BY MARRIOTT - SLU	HOTEL, FULL SERVICE (841)	250	925 WESTLAKE AVE N	SEATTLE
12	160	10	093900	0080	COURTYARD MARRIOTT PIONEER SQUARE (ALASKA BLDG)	HOTEL, FULL SERVICE (841)	262	612 2ND AVE	SEATTLE
13	160	10	094200	0235	CROWNE PLAZA	HOTEL, FULL SERVICE (841)	415	1113 6TH AVE	SEATTLE
14	160	10	094200	0610	DOUBLE TREE ARCTIC CLUB HOTEL - SEATTLE	HOTEL, FULL SERVICE (841)	120	700 3RD AVE	SEATTLE
15	160	10	766620	2317	EDGEWATER INN	HOTEL, FULL SERVICE (841)	223	2411 ALASKAN WAY	SEATTLE
16	160	10	766620	2310	EDGEWATER INN		0	2411 ALASKAN WAY	SEATTLE
17	160	10	766620	2312	EDGEWATER INN		0	2411 ALASKAN WAY	SEATTLE

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18	160	10	766620	2315	EDGEWATER INN		0	2411 ALASKAN WAY	SEATTLE
19	160	10	065300	0160	EL GAUCHO INN	HOTEL, FULL SERVICE (841)	18		
20	160	10	619500& 679212	0030 & 0010	ELLIOTT GRAND HYATT	HOTEL, FULL SERVICE (841)	425		
21	160	10	094200	0210	EXECUTIVE HOTEL PACIFIC	HOTEL, LIMITED (332)	153	400 SPRING ST	SEATTLE
22	160	10	000240	0003	FAIRMONT OLYMPIC HOTEL	HOTEL, FULL SERVICE (841)	450		
23	160	10	224900	0170	FOUR POINTS BY SHERATON - DOWNTOWN SEATTLE	HOTEL, SUITE (842)	158	601 ROY ST	SEATTLE
24	160	10	609467	0030	FOUR SEASONS HOTEL	HOTEL, FULL SERVICE (841)	147		
25	160	10	609467	0000	FOUR SEASONS HOTEL		0	1321 1ST AVE	SEATTLE
26	160	10	545830	0285	HAMPTON INN & SUITES - SEATTLE (WITH -0290)	HOTEL, LIMITED (332)	0	700 5TH AVE N	SEATTLE
27	160	10	545830	0290	HAMPTON INN & SUITES-SEATTLE (ASSOC. W/0285)	HOTEL, SUITE (842)	74	700 5TH AVE N	SEATTLE
28	160	10	197570	0040	HILTON SEATTLE	HOTEL, FULL SERVICE (841)	237	1301 6TH AVE	SEATTLE
29	160	10	199120	0935	HOLIDAY INN - DOWNTOWN SEATTLE	HOTEL, FULL SERVICE (841)	196	211 DEXTER AVE N	SEATTLE
30	160	10	199120	0940	HOLIDAY INN EXPRESS & SUITES - DOWNTOWN SEATTLE	HOTEL, LIMITED (332)	195	226 AURORA AVE N	SEATTLE
31	160	10	066000	1832	HOMEWOOD SUITES BY HILTON - DOWNTOWN SEATTLE	HOTEL, SUITE (842)	193	1011 PIKE ST	SEATTLE
32	160	10	199220	0235	HOMEWOOD SUITES BY HILTON SEATTLE DOWNTOWN (QA)	HOTEL, SUITE (842)	161	206 WESTERN AVE W	SEATTLE
33	160	10	872974	0030	HOTEL 1000	HOTEL, FULL SERVICE (841)	120		
34	160	10	069700	0170	HOTEL 5	HOTEL, LIMITED (332)	125	2200 5TH AVE	SEATTLE
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	160	10	160450	0000	HOTEL ANDRA	HOTEL, FULL SERVICE (841)	119	2000 4TH AVE	SEATTLE	
36	160	10	065900	0640	HOTEL MAX (ASSOC W/0625)	HOTEL, FULL SERVICE (841)	163	620 STEWART ST	SEATTLE	
37	160	10	065900	0625	HOTEL MAX PARKING	PARKING STRUCTURE (345)	0	1907 7TH AVE	SEATTLE	
38	160	10	094200	0145	HOTEL MONACO	HOTEL, FULL SERVICE (841)	189	1101 4TH AVE	SEATTLE	
39	160	10	094200	0120	HOTEL SEATTLE	HOTEL, LIMITED (332)	81	315 SENECA ST	SEATTLE	
40	160	10	094200	0265	HOTEL VINTAGE PARK	HOTEL, FULL SERVICE (841)	125	1100 5TH AVE	SEATTLE	
41	160	10	228513	0000	HYATT AT OLIVE 8	HOTEL, FULL SERVICE (841)	346	1615 8TH AVE	SEATTLE	
42	160	10	24170	20	HYATT PLACE	HOTEL, FULL SERVICE (841)	160			
43	160	10	198820	0055	INN AT QUEEN ANNE	HOTEL, SUITE (842)	67	505 1ST AVE N	SEATTLE	
44	160	10	197720	0050	INN AT THE MARKET	HOTEL, FULL SERVICE (841)	70	86 PINE ST	SEATTLE	
45	160	10	197570	0025	INN AT THE WAC	HOTEL, FULL SERVICE (841)	110			
46	160	10	859090	1105	INN AT VIRGINIA MASON	HOTEL, FULL SERVICE (841)	79	1006 SPRING ST	SEATTLE	
47	160	10	198820	0101	INN ON QUEEN ANNE PARKING		0	416 QUEEN ANNE AVE N	SEATTLE	
48	160	10	066000	0010	KINGS INN	MOTEL, LIMITED (343)	68	2106 5TH AVE	SEATTLE	
49	160	10	066000	0435	LA QUINTA INN & SUITES - SEATTLE	MOTEL, LIMITED (343)	72	2224 8TH AVE	SEATTLE	
50	160	10	701100	0000	MARQUEEN HOTEL & RETAIL	HOTEL, LIMITED (332)	58	600 QUEEN ANNE AVE N	SEATTLE	
51	160	10	198420	0065	MARRIOTT RESIDENCE INN - SLU	HOTEL, LIMITED (332)	234	800 FAIRVIEW AVE N	SEATTLE	
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	160	10	766620	2345	MARRIOTT SEATTLE WATERFRONT	HOTEL, FULL SERVICE (841)	358	2100 ALASKAN WAY	SEATTLE
53	160	10	065900	0030	MAYFLOWER PARK HOTEL	HOTEL, FULL SERVICE (841)	160	405 OLIVE WAY	SEATTLE
54	160	10	197720	1035	MOORE HOTEL & THEATRE	HOTEL, LIMITED (332)	119	1926 2ND AVE	SEATTLE
55	160	10	524780	1965	PANAMA HOTEL	HOTEL, LIMITED (332)	106	605 S MAIN ST	SEATTLE
56	160	10	065900	0220	PARAMOUNT HOTEL	HOTEL, FULL SERVICE (841)	143	724 PINE ST	SEATTLE
57	160	10	199120	0730	QUALITY INN & SUITES - SEATTLE	MOTEL, LIMITED (343)	159	225 AURORA AVE N	SEATTLE
58	160	10	197570	0255	RED LION HOTEL ON FIFTH AVE	HOTEL, FULL SERVICE (841)	319	1415 4TH AVE	SEATTLE
59	160	10	094200	0430	RENAISSANCE MADISON HOTEL	HOTEL, FULL SERVICE (841)	553	515 MADISON ST	SEATTLE
60	160	10	197670	0010	ROOSEVELT HOTEL	HOTEL, FULL SERVICE (841)	151	1531 7TH AVE	SEATTLE
61	160	10	246740	0430	SCCA - ALLIANCE HOUSE	HOTEL LIMITED SERVICE	80		
62	160	10	199120	0800	SEATTLE PACIFIC HOTEL	MOTEL, LIMITED (343)	59	325 AURORA AVE N	SEATTLE
63	160	10	197670	0095	SHERATON HOTEL - SEATTLE	HOTEL, FULL SERVICE (841)	1258	1400 6TH AVE	SEATTLE
64	160	10	766620	6720	SILVER CLOUD INN - STADIUM	HOTEL, FULL SERVICE (841)	211	1046 1ST AVE S	SEATTLE
65	160	10	408880	2955	SILVER CLOUD INN LAKE UNION	HOTEL, LIMITED (332)	184	1150 FAIRVIEW AVE N	SEATTLE
66	160	10	197920	0270	SORRENTO HOTEL	HOTEL, FULL SERVICE (841)	76	900 MADISON ST	SEATTLE
67	160	10	197920	0265	SORRENTO HOTEL PARKING GARAGE	PARKING STRUCTURE (345)	0		SEATTLE
68	160	10	066000	2685	SPRINGFIELD SUITES SEATTLE (ASSOC W/2680)		0	1800 YALE AVE	SEATTLE

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<a href="#">69</a>	160	10	066000	2680	SPRINGHILL SUITES - SEATTLE (ASSOC W/2685)	HOTEL, FULL SERVICE (841)	234	1800 YALE AVE	SEATTLE
<a href="#">70</a>	160	10	545780	0400	THE MAXWELL HOTEL	HOTEL, FULL SERVICE (841)	139	300 W ROY ST	SEATTLE
<a href="#">71</a>	160	10	545780	0430	THE MAXWELL HOTEL (ASSOC W/0040)		0	300 W ROY ST	SEATTLE
<a href="#">72</a>	160	10	545780	0435	THE MAXWELL HOTEL (ASSOC W/0040)		0	300 ROY ST	SEATTLE
<a href="#">73</a>	160	10	198920	1125	THE MEDITERRANEAN INN	HOTEL, LIMITED (332)	180	425 QUEEN ANNE AVE N	SEATTLE
<a href="#">74</a>	160	10	199120	0765	TRAVELODGE BY THE SPACE NEEDLE	MOTEL, LIMITED (343)	88	200 6TH AVE N	SEATTLE
<a href="#">75</a>	160	10	094200	0165	W HOTEL - SEATTLE	HOTEL, FULL SERVICE (841)	426	1112 4TH AVE	SEATTLE
<a href="#">76</a>	160	10	065900	0970	WARWICK HOTEL SEATTLE	HOTEL, FULL SERVICE (841)	231	401 LENORA ST	SEATTLE
<a href="#">77</a>	160	10	065900	0475	WESTIN HOTEL	HOTEL, FULL SERVICE (841)	891	1900 5TH AVE	SEATTLE
<a href="#">78</a>	160	10	066000	0825	WORLDMARK BY WYNDHAM (CAMLIN)	HOTEL, FULL SERVICE (841)	95	1619 9TH AVE	SEATTLE