

**Commercial Revalue**

**2015 Assessment Roll**

**SPECIALTY AREA**  
**160**  
**HOTELS**

**King County, Department of Assessments**  
**Seattle, Wa.**

**Lloyd Hara, Assessor**



## King County

Department of Assessments

### Accounting Division

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

Dear Property Owners:

Property assessments for the 2015 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 2015 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.

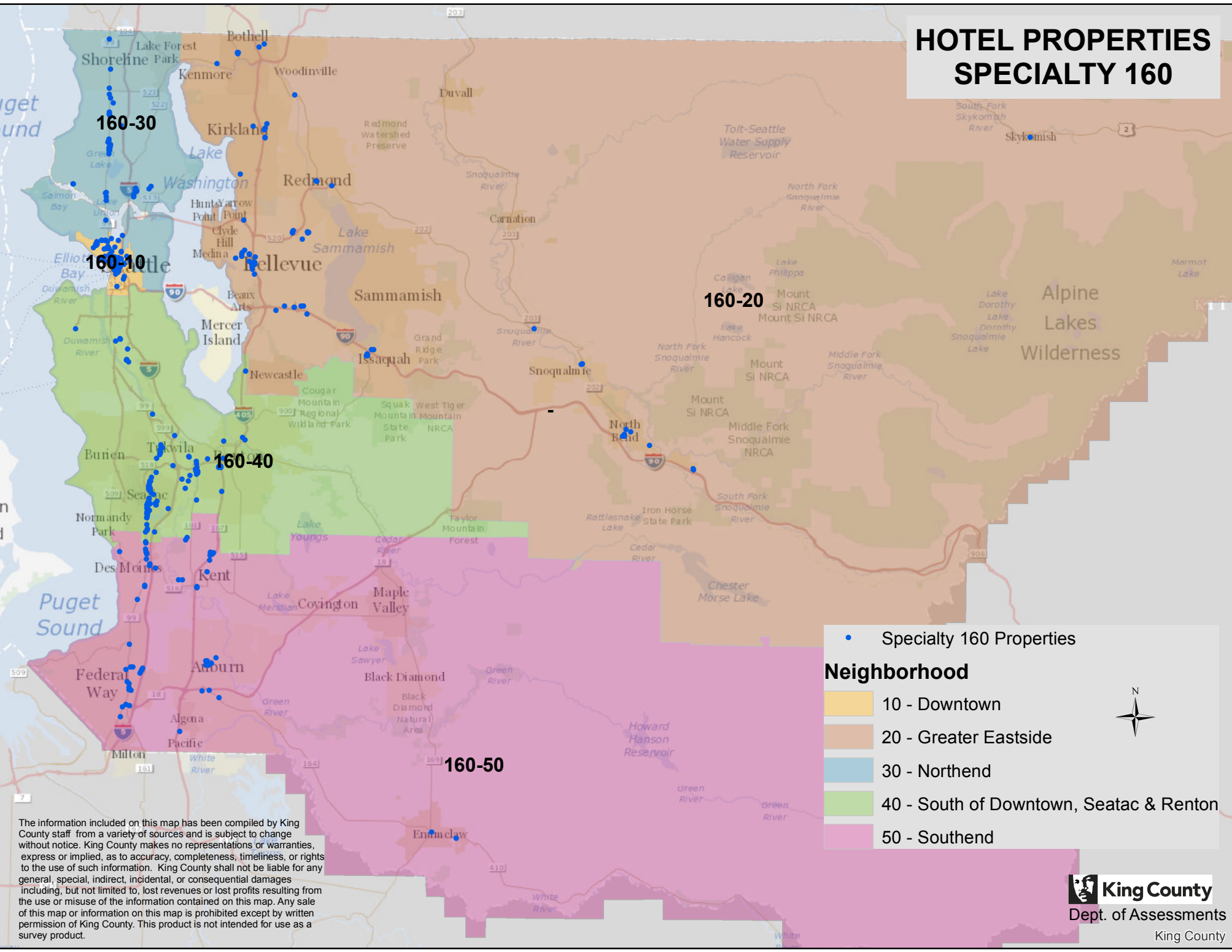
Fair and uniform assessments set the foundation for effective government and I am pleased that we are able to make continuous and ongoing improvements to serve you.

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

# HOTEL PROPERTIES SPECIALTY 160



The information included on this map has been compiled by King County staff from a variety of sources and is subject to change without notice. King County makes no representations or warranties, express or implied, as to accuracy, completeness, timeliness, or rights to the use of such information. King County shall not be liable for any general, special, indirect, incidental, or consequential damages including, but not limited to, lost revenues or lost profits resulting from the use or misuse of the information contained on this map. Any sale of this map or information on this map is prohibited except by written permission of King County. This product is not intended for use as a survey product.

- Specialty 160 Properties

**Neighborhood**

- 10 - Downtown
- 20 - Greater Eastside
- 30 - Northend
- 40 - South of Downtown, Seatac & Renton
- 50 - Southend

# **2015 Revalue Report**

## **Specialty Area 160: Hotel & Motels**



**King County Department of Assessments**



**King County**

## **Executive Summary Report 2015 Assessment Roll**

**Appraisal Date:** 1/1/15

**Specialty Name:** Hotels/Motels

**Sales – Improved Analysis Summary:** Number of Sales: 23

**Range of Sales Dates:** 2/3/2012 – 11/17/14

No ratio studies were included within this report due to the limited number of improved sales within the hotel/motel specialty population.

A lodging specific income approach was used in the final reconciliation of value as it allows for greater equalization and uniformity of values for the wide range of hotel and motel types in the population. Current market metrics show a strong upturn for the lodging sector in King County. Most lodging properties have returned to or surpassed their prior peak values from 2007 given multiple consecutive years of a strong lodging sector in King County. There are seven 2015 sales that are not included on the sales list used for this revalue yet show continued strength in the lodging sector.

<b>Population – Parcel Summary Data</b>			
	<i>Land</i>	<i>Improvements</i>	<i>Total</i>
<i>2014 Value</i>	<b>\$1,199,267,600</b>	<b>\$3,054,990,800</b>	<b>\$4,254,258,400</b>
<i>2015 Value</i>	<b>\$1,273,311,500</b>	<b>\$3,625,087,303</b>	<b>\$4,898,398,803</b>
<i>Percent Change</i>	<b>6.17%</b>	<b>18.66%</b>	<b>15.14%</b>

Number of Parcels in the Population: 330\*

\*319 counted in the above numbers. Eleven parcels were removed that are new construction to avoid skewing the data.)

### **Conclusion and Recommendation:**

Assessed values for the 2015 revalue have increased 15.14% for the combined population. Keep in mind this is a comparison of the year over year totals and does not mean that each parcel went up by this amount.

The values recommended in this report improve uniformity and equity; therefore, it is recommended they should be posted for the 2015 Assessment Year Roll.

## **Analysis Process**

**Effective Date of Appraisal:** January 1, 2015

**Date of Appraisal Report:** August 11, 2015

### ***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.

- Sales from 01/01/2012 to 12/31/2014 were considered in all analysis.
- This report intends to meet the requirements of the Uniform Standards of Professional Appraisal Practice, Standard 6.

- No market trends (market condition adjustments, time adjustments) were applied to sales prices. Models were developed without market trends.

## **Identification of the Area**

### **Name or Designation**

Specialty Area 160 – Hotels & Motels

The specialty includes 330 total parcels and this number is growing annually as more of the planned hotel projects are built or are breaking ground. During 2014, King County was one of the stronger lodging markets in the United States and thus the Hotels & Motels specialty continues to be a dynamic one. Our region has a vast array of lodging types including:

- Traditional full service hotels on the Eastside, in Downtown Seattle and Seatac.
- Boutique destination retreats such as the Salish Lodge, The Willows Lodge and the Cedarbrook Lodge.
- Select service hotels such as the Courtyard by Marriott, Four Points by Sheraton and Hyatt Place.
- Extended stay hotels such as Extended Stay America, Residence Inn by Marriot, and Homewood Suites by Hilton.
- Limited service hotels including Holiday Inn Express, Red Roof Inn, Travelodge, and Econo Lodge.
- A mix of independent and unbranded hotels and motels in all categories throughout King County.

### **Boundaries**

All areas within 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 and on the Assessor's website at [www.kingcounty.gov/assessor](http://www.kingcounty.gov/assessor).

### **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 Seattle 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 77 hotel and motel parcels in this area which comprise 23% of the hotel-motel population. The overall increase of the collective assessed values in the downtown market was 16.5% and the median increase on a property by property basis was 17.1%

### **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 66 hotel and motel parcels in this region which make up 20% of the total hotel-motel population. The overall increase in the collective assessed values in the Eastside market is 18.7% and the median increase on a property by property basis was 14%.

### **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 39 hotel and motel parcels in this area which account for 12% of the population. The overall increase in the collective assessed values in the Northend market is 23.6% and the median increase on a property by property basis was 14.7%.

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

Properties located within West Seattle, SODO, Renton, Tukwila, Southcenter, and Seatac generally describe this region. Many of the hotels and motels are along Pacific Highway South, also called International Boulevard South. There are 94 hotel and motel parcels in this area and they are 29% of the hotel-motel population. The overall increase of the collective assessed values in the SeaTac market was 14.8% and the median increase on a property by property basis was 11.9%

### **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 54 hotel and motel parcels that make up 16% of the total hotel-motel population. The overall increase of the collective assessed values in the



downtown market was 24.4% and the median increase on a property by property basis was 10.6%.

## **Hotel & Motel Types**

Hotels and motels have been segregated into limited service and full service types. The Assessor uses data from the Smith Travel Services (STR) Host Almanac to develop income models. This is primarily for the expense portion of the income model. The Average Daily Rate (ADR), Occupancy and Capitalization Rate are input by the appraiser. These are derived from market data collected from the properties themselves, local market metrics, market reports, surveys sent by the Assessor and from conversations with area brokers as well as property buyers and sellers. The following is a brief description of each type of hotel or motel.

### **Limited or Select Service Hotels/Motels**



**Hampton Inn & Suites - Seattle**

Hotels with rooms only operation with limited or no restaurant food (other than free breakfasts), typically no onsite bar or lounge, and no 24 hour room service, are considered limited service. Limited service properties typically do not offer full restaurant, lounge, or banquet services. However, they may offer some of these services. Some have meeting space but, not at the same scale of many full service hotels. Most limited and select 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 Host Almanac report as well as locally surveyed data collected from local hotel/motel owners and managers, area brokers, buyers and sellers.

## Full Service Hotels/Motels



**Sorrento Hotel - Seattle**

There are a wide range of full service hotels. Some have a basic restaurant, sometimes a lounge, meeting space, and a minimum service and amenities level. Others have the full suite of amenities including a quality restaurant and lounge, upper end exercise facilities, a pool and whirlpool, valet parking, an onsite spa and more. There is one model for this

category of hotel based on Pacific Region data from the

STR Host Alamanc report as well as locally survey data collected from local hotel/motel owners and managers, area brokers, buyers and sellers.

## Hotel Class Descriptions

Limited and select service generally refers to economy, budget or midscale lodging facilities with limited or no food and beverage services however some limited and select service hotels are upscale in caliber. Limited hotels typically 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 sometimes less 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.

Select service properties, also referred to as focused service properties, are starting to bridge the gap between limited and full service hotels. They may offer lunch or dinner in addition to breakfast, a small bar, an expansive stack bar and other services beyond a traditional limited service but not to the level of a traditional full service hotel. This category has grown as the expenses are often much lower than that of a full service hotel but with the added benefit of additional revenue from the aforementioned offerings.

Full service hotels offer a variety of services for their guests and nearly always include one or more restaurants and typically a bar or lounge. This can include a basic or high end restaurant (owned or leased out to a third party), espresso bars, lunch booths and basic or trendy cocktail lounges. They typically provide room service. It is also commonplace for larger full service hotels to have a range of retail stores on the premises such as gift boutiques, newsstands and drug and beauty counters. Many 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 owner's access to the same benefits and amenities. This can equate to expanded benefits for both guest and owners alike.

The largest hotels have banquet quarters, exhibit halls, and ample ballrooms and 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 and are 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 laptop 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 known as soft goods and hard case goods. Many brands require operators to upgrade these on a required time cycle and meet a certain set of design specifications.

## **Economic Considerations**

### **National Economy**

The United States economy continued its recovery throughout 2014, with inflation remaining low and corporate profits surging the stock market has rebounded as well. In 2014, the Dow Jones Industrial Average finished the year up 7.5%, the S&P rose 11.4%, and the tech-heavy NASDAQ soared 13.4%.<sup>1</sup> The year ended with a reported unemployment rate of 5.7%, down from 6.7% at the end of 2013. New jobs continue to be added with a 12-month running average of 267,250. In addition, the housing market has continued to improve, with the US adding 1.06 million new housing units, which represents 8.8% more than the 924,900 new homes started in 2013.<sup>2</sup>

With unemployment rates hitting pre-recession levels along with gas prices dropping to their lowest level in many years, consumer confidence levels have reached notable highs, helping to spur solid end-of-year growth. Midway through the second quarter of 2014, confidence levels hit 83.9% on the Consumer Board Index, the highest since January 2008. Growing steadily throughout the summer and fall, consumer confidence grew to new heights, finishing the year at 92.6%.<sup>3</sup>

### **Regional Economy**

In 2014, Washington State's<sup>4</sup> year-over-year unemployment rate fell from 6.7% to 6.3%, which is .70% higher than what is reported nationally. For the Seattle MSA (Seattle-Bellevue Everett), Jones Lang LaSalle<sup>5</sup> reported that unemployment decreased to 4.6% in December, marking a 2.9% increase in job growth over the past 12 months. Within King County, the overall year-over-year change in unemployment fell from 4.7% to 4.1%, while the City of Seattle experience an even lower decline from 4.4% to 3.9%.

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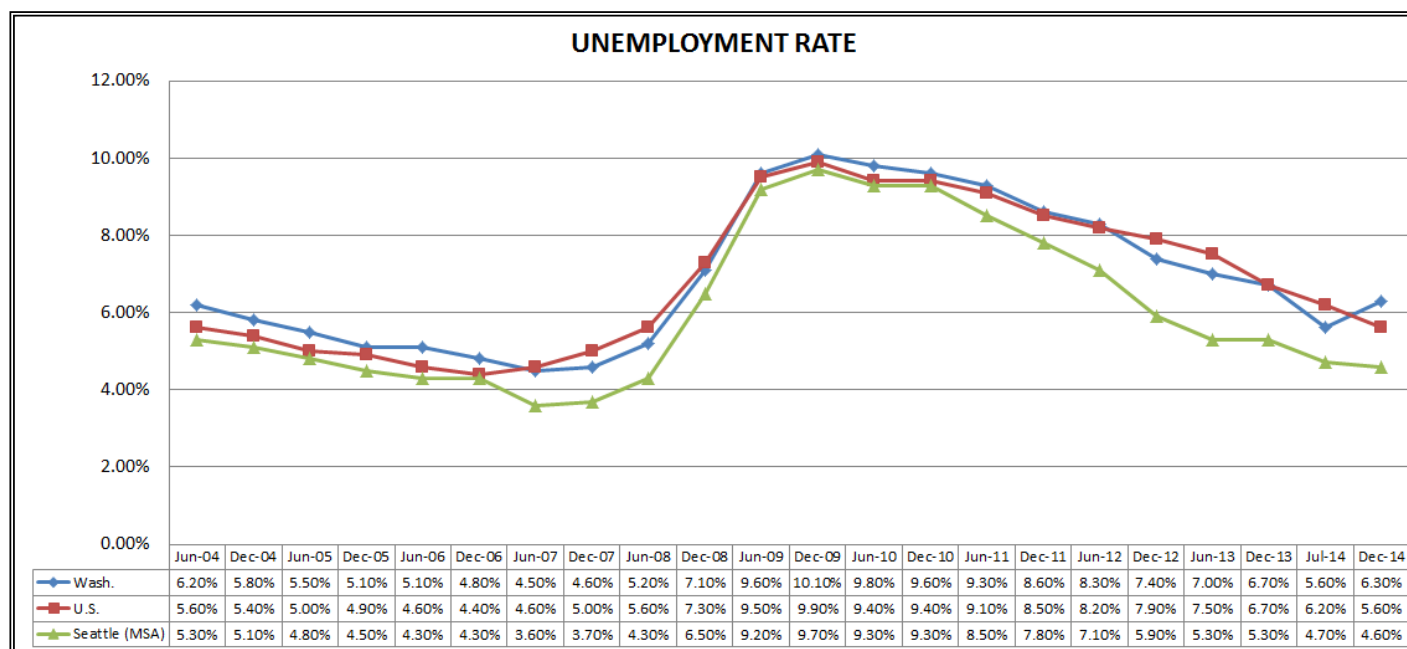
<sup>1</sup> CNNMoney, December 31, 2014

<sup>2</sup> Forbes, "Housing Starts Hit Highest Level Since 2007", 1/21/2015

<sup>3</sup> BDO, Consumer Business Compass, Jan. 16<sup>th</sup>, 2015

<sup>4</sup> Employee Security Dept. - Monthly Report

<sup>5</sup> Jones Lang LaSalle, Employment Update, December 2014



The employment recovery is tied to the region's diverse economy. Its strengths include aerospace, software development including internet retail and gaming, and global trade. With a huge backlog of airplane orders, Boeing's employment remained strong in 2014 following increased hiring in 2011. Also in 2011, the company won the contract for the aerial tankers, reached a labor agreement, and committed to build the next generation of 737 airplanes in Renton.

The region's stable, information-technology industry once anchored by Microsoft has evolved into one of the largest high-tech clusters in the nation with Amazon.com dramatically increasing its footprint in Seattle. Other major tech-related companies with large real estate footprints in the Seattle area are Nintendo, Expedia Inc. and F5 Networks Inc. Google and Facebook are also increasing their presence significantly in the area in order to take advantage of the large pool of tech employees. The Seattle area was recently ranked fourth for top start-up ecosystems in the world according to report by Startup Genome. The Puget Sound business climate and lifestyle, which attracts a skilled, educated workforce, has encouraged these start-ups.<sup>6</sup> In the Seattle metropolitan area the above average growth in tech employment has helped fill a glut in vacant office space available after the "Great Recession" and has accelerated the recovering of the office market.

International trade continues to have a strong impact on the regional economy. While foreign exports were the first sector of the economy to recover it has now slowed due to the slower world economy. Boeing, with 75% of its airplanes going overseas, is the region's top foreign exporter. Besides Boeing, there are a wide list of regional businesses that provide products and services for foreign markets. These include Microsoft,

<sup>6</sup> CBRE Q4 2012 Puget Sound Area Office Market view

Weyerhaeuser, Paccar, Russell Investments, Costco, Starbucks, Expeditors International, Perkins Coie, NBBJ, Alaska Airlines, Port of Seattle, and the University of Washington.

## Population

### Puget Sound

As of year-end 2014, the population in the Central Puget Sound region (King, Kitsap, Pierce, and Snohomish counties) reached 3.84 million. The 2014 population level represents an increase of +3.92% from 2010 and +17.08% from 2000. Since 2000, Snohomish County experienced the greatest population increase of 22.28%, while King County had the largest increase since 2010. As of 2014, King County accounted for 52.6% of the total population within the four county regions. Since 2000, King County's population grew by 280,250 or 33.80% (2.26% per year). The charts on the following page summarize the region's population changes.

Current Population <sup>7</sup>	2000	2010	2014	% Change 2000-2014	% Change 2010-2014
King County	1,737,000	1,931,200	2,017,250	16.13%	4.46%
Kitsap County	232,000	251,100	255,900	10.30%	1.91%
Pierce County	700,800	795,200	821,300	17.19%	3.28%
Snohomish County	606,000	713,300	741,000	22.28%	3.88%
<b>Region Total</b>	<b>3,275,800</b>	<b>3,690,900</b>	<b>3,835,450</b>	<b>17.08%</b>	<b>3.92%</b>

Population Growth Trends (Location & Demographics) <sup>8</sup>			
Year	Seattle	King County	Central Puget Sound
1980	494,000	1,270,000	2,240,000
1990	516,259	1,507,305	2,748,900
2000	564,092	1,737,000	3,275,800
2010	608,660	1,931,200	3,690,900
2014	640,500	2,017,250	3,835,450

### Cities & Towns

About 2,709,660 people live within the incorporated area of the Central Puget Sound region. As of 2014, incorporated cities and towns accounted for 70.6% of the total population. The changing shares reflect not only differences in population growth among locations within the region, but also annexations and new incorporations. At the top of

<sup>7</sup> Puget Sound Regional Council; Puget Sound Trends, January 2015

<sup>8</sup> Puget Sound Regional Council; Puget Sound Trends, January 2015; OFM (Seattle)

the list of cities with the greatest percentage growth were Kirkland, Burien, and Kent with reported population growths of 69%, 45% and 31%, respectively.

Top 10 Cities With Greatest Percentage Population Growth (2010 to 2014) <sup>9</sup>						
Municipality	County	Census 2010	Population 2014	Change 2010-14	% Change 2010-2014	Population Annexed 2010-2014
Kirkland	King	48,787	82,590	33,803	69.3%	31,816
Burien	King	33,313	48,240	14,927	44.8%	14,292
Kent	King	92,411	121,400	28,989	31.4%	25,458
Bothell (all)	King/Snohomish	33,505	41,630	8,125	24.3%	6,789
Port Orchard	Kitsap	11,157	13,150	1,993	17.9%	943
Snoqualmie	King	10,670	12,130	1,460	13.7%	0
Gig Harbor	Pierce	7,126	7,985	859	12.1%	4
DuPont	Pierce	8,199	9,175	976	11.9%	0
Ruston	Pierce	749	830	81	10.8%	0
Bellevue	King	122,363	134,400	12,037	9.8%	5,630

The city with the greatest nominal population growth was Kirkland (33,803), followed by Seattle (31,840), Kent (28,989), Burien (14,927), and Bellevue (12,037). Except for Seattle and Auburn, the cities large growth was a result of major annexations. Like Kirkland, Kent and Burien saw extraordinary growth as a result of major annexations that incorporated a sizable population well over 10,000 people each in 2010 and 2011, respectively. Seattle and Auburn's growth was primary due from real population growth.

Top 10 Cities With Greatest Nominal Population Growth (2010 to 2014) <sup>10</sup>						
Municipality	County	Census 2010	Population 2014	Nominal Change 2010-14	% Change 2010-2014	Population Annexed 2010-2014
Kirkland	King	48,787	82,590	33,803	69.3%	31,816
Seattle	King	608,660	640,500	31,840	5.2%	0
Kent	King	92,411	121,400	28,989	31.4%	25,458
Burien	King	33,313	48,240	14,927	44.8%	14,292
Bellevue	King	122,363	134,400	12,037	9.8%	5,630
Bothell (all)	King/Snohomish	33,505	41,630	8,125	24.3%	6,789
Renton	King	90,927	97,130	6,203	6.8%	757
Auburn (all)	King/Pierce	70,180	74,630	4,450	6.3%	0
Redmond	King	54,144	57,700	3,556	6.6%	149
Sammamish	King	45,780	49,260	3,480	7.6%	906

## Regional Economic Summary

The Puget Sound Region has retained a comparatively strong economy and remains a hotbed for start-up businesses with a highly educated workforce. The region has generally experienced expanding employment and increasing income levels which has

<sup>9</sup> Puget Sound Regional Council; Puget Sound Trends, January 2015

<sup>10</sup> Puget Sound Regional Council; Puget Sound Trends, January 2015



materialized in escalating property values in recent years. Within the Puget Sound region, market conditions are favorable to the extent that substantial historic and current ongoing residential and commercial development has resulted. Regional demographic trends favor increasing population growth and in-migration reflecting both a historic and continuing demand for commercial and residential real estate in the area.

## **Lodging Market Conditions**

Nationally, regionally and locally, the lodging market has continued to perform well and many lodging properties in King County have returned to and even surpassed their peak values from the 2006-2008 era. The lodging market within King County continued to be on fire in 2014 with many hotel operators stating that they are finally now seeing Average Daily Rates (ADR's) and Occupancy numbers at new all time highs. Overall, the downtown Seattle, downtown Bellevue, South Lake Union, University District and Ballard markets are doing the best.

There are 54 hotel projects that have recently opened, have broken ground or are planned in King County alone and several more in surrounding counties. A detailed list is noted later in the report. These projects are a mix of local, national and international investors with many of the infill projects in downtown Bellevue and downtown Seattle blending office, apartment and retail space along with the hotel space to lower risk and improve underwriting prospects.

Continued low interest rates, strong international investor demand, the announcement of the convention center planning to double in size in the coming years and a very bullish sentiment on the local lodging sector have all fueled growth in the Puget Sound lodging sector. Certainly on the transaction side, we've seen evidence of this as some of the trades on a per key basis have been staggering and the volume of sales has increased as some investor's cash in on multiple years of market value increases. A more detailed discussion of area sales will be discussed later in the report.

The Seattle/Bellevue metropolitan area continues to be one of the more sought after markets in the lodging sector according to several market reports. Seattle now ranks #6 in US lodging markets to watch for overall real estate prospects and #4 for investment prospects. For the overall real estate market in Seattle, prospects for all three market components – investment, development and homebuilding – improved in 2014. A national real estate consultant expresses the following view of the market: "Seattle is enjoying good job growth due to the tech industry. It is also becoming a core market for foreign investors."<sup>11</sup>

As of midyear 2014, relatively restrained supply growth and surging demand fueled by strengthening statewide economies lifted hotel performance in Oregon and Washington, the states comprising the Pacific Northwest region. The Washington market, meanwhile,

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<sup>11</sup> PWC Emerging Trends in Real Estate 2014

also continues to post solid growth in all measures of hotel performance. Seattle stands out for its thriving demand drivers, which will likely grow more vigorous with the completion of several commercial projects. Washington remains in the sights of investors given their solid track records of property performance, though deal flow is curbed by limited listings. With ample debt and equity in the marketplace looking for deals, owners of existing properties may become increasingly encouraged to test the market in the months ahead.<sup>12</sup>

In Washington, the stellar performance of the Seattle market was the force behind a 4.7 percent jump in occupied rooms. Statewide occupancy increased 250 basis points year to date to 64.3 percent, while occupancy in the state's largest market soared more than 300 basis points to 72.7 percent. ADR and RevPAR in the Pacific Northwest advanced 4.6 percent and 8.4 percent, respectively, thus far in 2014. Washington's 8.8 percent increase in RevPAR occurred on nearly equal contributions from occupancy and ADR, as property owners lifted the statewide daily rate 4.5 percent during the period. In Seattle, the ADR climbed 6.1 percent and RevPAR advanced 11.2 percent, making for one of the top performances in the nation's 25 largest markets. Heightened motivation sparked a substantial increase in transactions and dollar volume over the past 12 months. More than two-thirds of deals completed during that time involved flagged assets, an increase from roughly 61 percent in the preceding year.<sup>13</sup>

Kidder Mathews Q4 2014 Market Review noted that with record occupancy and high room prices, the past two years have been the best of times for hotel owners and operators, particularly in the central urban areas. Naturally, this strong performance has attracted the interest of developers. Hotel occupancy rates have peaked in most of the region, and are near all-time highs in and near the central business districts of Seattle and Bellevue. In most markets, room prices have recovered to pre-recession levels, with recent rate growth at a moderate pace. Hotel sale activity has accelerated since the recession, and now averages over one significant transaction per month. While most of the recent purchases involved budget and midscale properties, there were also two sales of luxury hotels at record prices.<sup>14</sup>

The highest rates of occupancy were reported for Seattle's South Lake Union neighborhood, for upscale hotels near SeaTac Airport, and for the Issaquah/Eastgate submarket. In each case, the average occupancy rates for both 2013 and 2014 were nearly 80%. Occupancy was also strong in Downtown Bellevue. With market performance improving and debt financing more readily available, hotel development in and near Seattle is accelerating. Strong occupancy and rising prices have made Seattle a high-profile target for hotel developers. Areas of particular interest include the central business district and South Lake Union.<sup>15</sup>

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<sup>12</sup> Marcus & Millichap Pacific Northwest Region 2014 Midyear Hospitality Research Market Update

<sup>13</sup> Marcus & Millichap Pacific Northwest Region 2014 Midyear Hospitality Research Market Update

<sup>14</sup> Kidder Mathes Pacific Northwest Real Estate Market Review Q4 2014

<sup>15</sup> Kidder Mathes Pacific Northwest Real Estate Market Review Q4 2014

Per PKF Hospitality, full service hotels in the Mountain and Pacific Region achieved the greatest Net Operating Income growth nationwide and had the following year over year increases:

- 10.0% increase in overall revenue.
- 17.3% increase in gross operating profit (GOP).
- 20.0% increase in net operating income (NOI).
- 3.6% increase in occupancy to 78.2%.
- 7.1% increase in Average Daily Rate (ADR) to \$172.34.
- 11.0% increase in RevPAR to \$134.74.
- Average room size of 269 rooms.

Limited service hotels in the Mountain and Pacific Region tied with the South Atlantic Region for greatest Net Operating Income growth and had the following year over year increases:

- 9.9% increase in overall revenue.
- 14.3% increase in gross operating profit.
- 15.9% increase in net operating income.
- 4.3% increase in occupancy to 70.80%.
- 5.4% increase in Average Daily Rate to \$92.21.
- 10.0% increase in RevPAR to \$65.32.
- Average room size of 118 rooms.

Further data from PKF showed the following for the Seattle market for all hotel classes combined:

- 3.3% increase in occupancy to 75.5%
- 8.4% increase in ADR to \$137.36.
- 12.5% increase in RevPAR to \$103.77

PKF ranks Seattle #4 in the US for the 2015 to 2016 ADR change forecast with a forecasted increase of 7.8% which would push the occupancy upwards of 80%+.<sup>16</sup>

According to the 2015 Smith Travel Services (STR) Host Almanac:

- Seattle ranks #7 in the US for occupancy at 75% overall.
- Seattle ranks #9 in the US for the highest ADR at \$135 per night.
- Seattle ranked #4 in the US for year over year increase in ADR at 8.3%.
- Seattle ranked #13 in the US for year over year occupancy growth at 3.6%.
- Pacific Region occupancy was 79.2% overall.
- Pacific Region ADR was \$185.24.

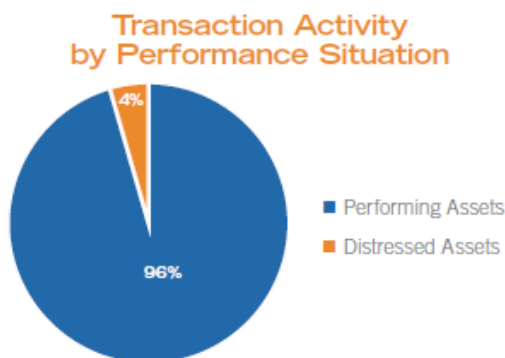
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<sup>16</sup> PKF Hospitality 2015 Trends Report

- Pacific Region NOI before reserves was 27.8% (as a percentage of gross revenue).
- Pacific Region average room count per property was 238.
- Pacific Region full service occupancy was 79.2%.
- Pacific Region full service ADR was \$205.50.
- Pacific Region full service NOI before reserves was 26.2%.
- Pacific Region full service average room count was 336.
- Pacific Region limited service occupancy was 79.3%.
- Pacific Region limited service ADR was \$121.43.
- Pacific Region limited service NOI before reserves was 44.4%.
- Pacific Region limited service average room count was 125.<sup>17</sup>

Nationwide, total revenue and house profits are up and are at all-time highs on an absolute basis. However, house profit as a percentage of revenue is 1.7% under all times highs. See the STR Host Almanac chart below for an illustration:

With profitability returning to pre-recession levels, the number of distressed asset sales continued to decline as expected. In 2014, only 4.0% of the asset trades in 2014 were in a distressed situation which is comparable to a typical year of investment activity when 3.0% of hotel transactions involve distressed properties.<sup>18</sup>



In 2014, STR Analytics tracked 447 hotel transactions, compared to 501 transactions that were tracked in 2013. The overall average price per key was \$219,000, and the average room revenue multiplier was 5.50 (calculated as sale price divided by room revenue). As the table below illustrates, the average price per key for performing assets in 2014 was 109.6% higher than the average price per key of distressed assets, while the room revenue multiplier was 115.4% higher.<sup>19</sup>

<sup>17</sup> 2015 STR Host Almanac

<sup>18</sup> 2015 STR Host Almanac

<sup>19</sup> 2015 STR Almanac

Property Type	Number of Transactions	Average Room Count	Average Price/Room	Room Rev Multiplier
Performing Assets	427	189	\$239,000	5.50
Distressed Assets	20	204	\$114,000	2.55
<b>Total</b>	<b>447</b>	<b>189</b>	<b>\$219,000</b>	<b>5.50</b>

The relationship of room revenue to market value is often a better gauge for pricing. In many cases, purchasers of hotels underwrite to a similar net-operating-income percentage based on a “typical” management scenario regardless of how the hotel may be currently performing. The adjustments vary significantly depending on the investor and/or management company’s experience and expertise. However, room revenue projections are often similar because it is more dependent on the competitive environment. Thus, investors’ valuation estimate in relation to room revenue is more consistent than capitalization rates, which are based on the bottom line. Moreover, investors focus on the revenue component of an asset because they have more comfort in their ability to control the expense levels.<sup>20</sup>

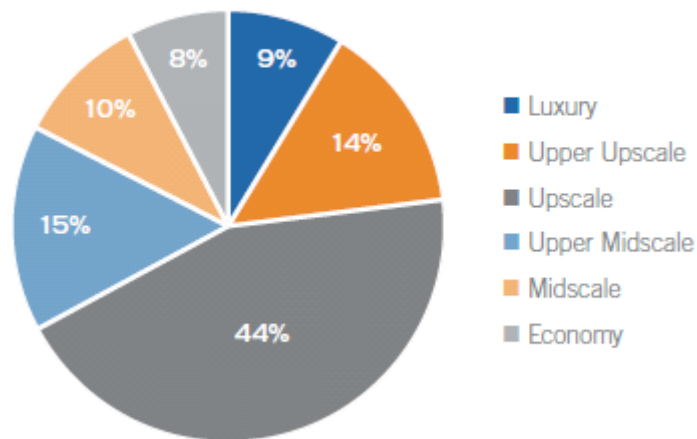
Class	Number of Transactions	Average Room Count	Average Price/Room	Room Rev Multiplier
Luxury	39	304	\$445,000	8.43
Upper Upscale	64	353	\$219,000	6.72
Upscale	197	159	\$254,000	6.96
Upper Midscale	69	138	\$118,000	3.93
Midscale	44	120	\$115,000	2.99
Economy	34	120	\$82,000	2.69
<b>Total</b>	<b>447</b>	<b>189</b>	<b>\$219,000</b>	<b>5.50</b>

Room revenue multipliers have ranged from 3.0 to 5.0 during the past several years, but 2014 saw significant increases in these multipliers, especially in the top tier of asset classes. The breakdown by asset class generally illustrates that room revenue multipliers increase by asset class. Higher-end assets with numerous moving parts (food and beverage, spa, golf, etc.) have higher multipliers. The lone exception in 2014 was the Upscale segment, where efficiencies in food and beverage operations have pushed these room revenue multipliers to levels greater than the Upper Upscale segment.<sup>21</sup>

<sup>20</sup> 2015 STR Almanac

<sup>21</sup> 2015 STR Host Almanac

### Transaction Activity by Class



The price-per-room trends flow in a similar trickledown fashion to the room revenue multipliers but are far more pronounced. They range from \$82,000 per key for Economy properties to an average of \$445,000 per room for Luxury assets, over five times higher.<sup>22</sup>

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 north Seattle and Shoreline, 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 15.14%. This is a sum of the various valuations made throughout the five neighborhoods and various property types within the hotel/motel specialty and does not include recently completed hotels or new hotel sites. Adjustments to value for a given neighborhood or property type depend on how their assessed value compared to fair market value after market analysis. Overall, downtown Seattle and downtown Bellevue properties are performing incredibly well and the secondary and tertiary markets continued to strengthen.

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<sup>22</sup> 2015 STR Host Almanac

## Local Valuation Metrics

The ranges for key metrics for each specialty neighborhood were as follow:

	Economy & Budget	Mid-Scale	Upscale/Upper Upscale	Luxury
<b>160-10 Downtown Seattle</b>	Occy 50-70% ADR \$50-80 Cap Rate 8.25-9.25%	Occy 70-75% ADR \$60-105 Cap Rate 7.25-9.25%	Occy 72.5-75% ADR \$110-190 Cap Rate 6.25-7.75%	Occy 75% ADR \$195-235 Cap Rate 6.25%
<b>160-20 Eastside</b>	Occy \$38-60 ADR \$38-60 Cap Rate 9.25-10.5%	Occy 60-68% ADR \$65-85 Cap Rate 7.75-9.75%	Occy 68-72% ADR \$85-205 Cap Rate 7.25-7.5%	Occy 75% ADR \$220 Cap Rate 6.25%
<b>160-30 Northend</b>	Occy 60-67% ADR \$38-60 Cap Rate 9.25-10%	Occy 67-72.5% ADR \$62.50-110 Cap Rate 8.75-9.25%	Occy 70-72.5% ADR \$100-150 Cap Rate 6.75-8.25%	Occy N/A ADR N/A Cap Rate N/A
<b>160-40 Seatac</b>	Occy 58-65% ADR \$40-65 Cap Rate 9.5-10%	Occy 60-65% ADR \$62.5-72.5 Cap Rate 8.75-9.75	Occy 65-70% ADR \$70-125 Cap Rate 8.25-9.25%	Occy N/A ADR N/A Cap Rate N/A
<b>160-50 Southend</b>	Occy 55-60% ADR \$40-65 Cap Rate 9.5-975%	Occy 55-60% ADR \$60-80 Cap Rate 9.25-9.75%	Occy 57-62% ADR \$75-110 Cap Rate 8.5-9.5%	Occy N/A ADR N/A Cap Rate N/A

## Market Sales

There were a number of significant hotel and motel sales in the last year to add to the sales discussed in reports from the prior two years. The sales are thoroughly verified by the specialty appraiser and are then determined to be arms-length transactions that are used for analysis or non-arm's-length transactions. Generally, non-arm's length transactions are not used however there are some where usable data can be gleaned. An example would be a transaction that is influenced downward by negative factors such as a forced sale, bankruptcy or estate sale yet still shows a certain level of value even if at the low range or below typical market rates. The lodging properties are not valued by the market approach although the sales offer substantial support for appraised values and can act as a bellwether for market trends in various neighborhoods.

### Area 160-10 - Downtown Seattle

The most significant sale was the Hotel 1000, an upscale boutique hotel in downtown Seattle. It sold for a record breaking \$490,833 per key (adjusted for personal property) on 7/1/2014. The buyer was excited for the future prospects of the property and felt they could increase the value even more through their operation of the property.

The next was the Motif, another upscale boutique hotel in the heart of downtown Seattle. It sold for \$385,818 per key on 6/19/2014 after being bought as the Red Lion on 6/14/2011 for \$199,687 per key and undergoing a \$20M+ renovation and conversion from a flagged to unflagged independent hotel. Both of these sales are a great example of



showing that a nationally known flag or brand isn't need to command top dollar for a hotel building.

On the limited service side, the Quality Inn & Suites commanded \$119,497 per key along Aurora at the edge of South Lake Union and Uptown. It sold on 11/5/2014 and the former indoor pool will be converted to lobby or eating space.

There has been one notable sale in early 2015, The Roosevelt Hotel, and will be discussed in more detail in next year's report.

#### **Area 160-20 – Greater Eastside**

There was just one notable new sale in 2014 in this market. The Residence Inn by Marriott Redmond Towncenter sold for \$265,037 per key on 8/12/2014 showing continued strength in the Upscale Extended Stay segment. This follows the 10/31/13 sale of the Residence Inn by Marriott near downtown Bellevue at \$307,117 per key. There were also three early 2015 sales (The Days Inn, Red Lion Bellevue and The Heathman Hotel) that will be discussed in next year's report.

#### **Area 160-30 – Northend**

There were two notable lodging sales that occurred in 2014 in the Northend market, both on the limited service, economy class side of the market. The first was the Shoreline Motel at \$77,425 per key on 8/14/2014 (it sold for \$70,000 per key on 5/31/2012). The second was the Orion Motel along the Aurora Corridor near 120<sup>th</sup> in Seattle. It sold for \$69,643 per key on 10/20/2014. Both show continuing strength for the economy class for motels.

#### **Area 160-40 – Seatac**

In the Seatac market there was one notable sale in 2014. It was the Travelodge Airport North Motel just north of the airport and north of the dense pocket of hotel and motels along International Boulevard. There are just a handful of hotels and motels north of Highway 518 and the Travelodge is one that hasn't had the remodeling or updating that some others have hence its price of \$45,833 per key on 10/2/2014. This price point is the low end of the price range for economy class motels. There were two notable sales, the Quality Inn Seatac and Red Roof Inn Seattle Airport. They will be discussed further in next year's report.

#### **160-50 – Southend**

There were five sales that occurred in 2014 in the Southend area, four limited service properties (both budget and economy) and one upscale, select service property. The select service property that sold was the Courtyard by Marriott Federal Way at \$162,376 per key on 11/17/2014. This is the first higher end property in the Southend to sell in recent years. The next sale was the Quality Inn & Suites in Pacific which sold on

10/17/2014 for \$54,561 per key after updates and rebranding of the building in recent years.

The next was the Super 8 Motel in Federal Way at \$49,056 per key on 10/9/2014. It has since been rebranded into a limited service Red Lion and has updates underway. Next is the Econo Lodge Federal Way which sold for \$51,333 per key on 6/27/14. Given the quality of the building, it may have sold a bit low as it was being sold to trade up to a larger hotel property by the local and experienced hotelier owner.

Finally, the Holiday Inn & Suites in Kent sold at \$64,800 per key on 5/14/2014. It has since been rebranded as a Ramada Inn. In order to have kept the Holiday Inn agreement intact, another level would have to have been added and the current site didn't have had enough parking to meet the Holiday Inn requirements. Thus it sold as a limited service, budget class property and note that one building has interior halls and room entry and another has exterior entry more like a motel concept.

### **New Projects**

There are a large number of new hotel projects happening in King County. There are currently 14,000 hotel rooms in downtown Seattle today<sup>23</sup> and according to CBRE Hotel Broker Chris Burdett, there are over 26 projects with about 6,000 rooms planned or under construction in and around downtown Seattle. Of these, 4,850 rooms have financial backing.

Regionally, there are 65 hotels planned or under construction. Burdett went on to say that the hotel business here is "on fire" and is stronger than it was before the recession by most measures. Tom Norwalk, president and CEO of Visit Seattle said the convention center expansion will break ground in 2017 and be done in 2020. He added that new hotels would make Seattle a candidate for a big event such as the Super Bowl. The NFL wants to see about 25,000 rooms within an hour's drive of the stadium and Seattle will likely meet that requirement soon.<sup>24</sup>

Throughout the county, several projects opened up in 2014 and early 2015, others broke ground and a number of others in the planning stages. As discussed earlier in the report, the Seattle market is now one of the most sought after markets in the US for both lodging projects and other commercial projects alike. There are global and domestic lodging REIT's, global lodging companies with well recognized brands, private equity funds, partnerships and individual investors creating the development that is taking place.

The following table illustrates the list of 54 recently completed, current and future projects in King County.

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<sup>23</sup> Downtown Seattle Association

<sup>24</sup> Daily Journal of Commerce Real Estate Buzz Article 2/2/15

**PROJECTS: PLANNED, UNDER CONSTRUCTION, RECENTLY COMPLETED**

<b>BRAND &amp; DEVELOPER</b>	<b>LOCATION</b>	<b>ROOMS OR PLANS</b>	<b>BREAKING GROUND</b>	<b>EXPECTED COMPLETION</b>
<b>R.C. Hendreen</b>	<b>Downtown Seattle on site of Greyhound Station at 808 Howell</b>	<b>1,264 (45 stories, 105,000/SF of meeting space, 505 underground parking spaces)</b>	<b>2016</b>	
<b>Marriott; White/Pepperman Properties</b>	<b>Downtown Bellevue at 200 110<sup>th</sup> Ave NE</b>	<b>384</b>	<b>2013</b>	<b>Completed Summer 2015</b>
<b>Hotel at Southport (Full Service, 4 Star + 42,000 SF Convention Center); Seco Development</b>	<b>Renton at Lake Washington Waterfront (next to Coulon Park)</b>	<b>350 (12 stories + 42,000/SF convention center)</b>	<b>Fall 2014</b>	
<b>Residence Inn by Marriott; Stonebridge</b>	<b>Downtown Seattle at 924 Howell (corner of Howell &amp; Terry)</b>	<b>309</b>	<b>Not Announced</b>	
<b>Stadium Place/Hilton Embassy Suites; American Life Insurance &amp; Daniels Real Estate</b>	<b>Downtown Seattle at north parking lot of Century Link Field</b>	<b>297 (342 parking stalls)</b>	<b>2015</b>	
<b>Stanford Hotels Corp</b>	<b>Downtown Seattle/South Lake Union at 300 Terry St. near Amazon.com</b>	<b>283</b>	<b>Not Announced</b>	
<b>Holiday Inn Express &amp; Staybridge Suites; Abbey Road Group Land Development Services</b>	<b>Downtown Bellevue at 969 118<sup>th</sup> Ave SE</b>	<b>279 (170 Rooms Holiday Inn; 109 Rooms Staybridge)</b>	<b>2015/2016</b>	<b>2016</b>
<b>Midby Companies</b>	<b>Downtown Seattle at 1200 Stewart at Stewart &amp; Denny</b>	<b>252</b>	<b>Not Announced</b>	
<b>Overlake Village; CSM Lodging</b>	<b>Redmond at 152<sup>nd</sup> Ave NE &amp; NE 28<sup>th</sup> St near Microsoft</b>	<b>270 (two hotels, likely an extended stay &amp; select service)</b>	<b>2015</b>	<b>Summer 2016</b>
<b>Hilton Garden Inn; West77 Partners &amp; Mike Nielson</b>	<b>Downtown Bellevue at Washington Square at 965 108<sup>th</sup> Ave NE</b>	<b>254 (6 stories, 187 underground parking spaces)</b>	<b>2015</b>	<b>2016</b>
<b>W Hotel Bellevue; Kemper Development Company</b>	<b>Downtown Bellevue at Lincoln Square</b>	<b>245 (41 stories, 13 hotel, 28 for 231 apartments)</b>	<b>Summer 2015</b>	<b>Spring 2017</b>
<b>Esterra Park; Capstone Partners</b>	<b>Redmond near Microsoft</b>	<b>250</b>	<b>Q1 2016</b>	

<b>BRAND &amp; DEVELOPER</b>	<b>LOCATION</b>	<b>ROOMS OR PLANS</b>	<b>BREAKING GROUND</b>	<b>EXPECTED COMPLETION</b>
Even Hotels & Staybridge Suites; Lowen Family Partnership	Downtown Seattle/South Lake Union at 527 Fairview	235 (9 stories, 90 underground parking spaces)	2015	2016
Marriott AC Hotel; DLR Group	Downtown Bellevue at 10628 NE 2 <sup>nd</sup> St	234 (7 stories, 2 levels of underground parking)	2015	
Artemis Hotel; Yareton Investment Fund	Des Moines, Pacific Hwy South & South 224 <sup>th</sup>	230	2013	2015/2016
Luxury or Upper Upscale Hotel; Widewaters Group	Downtown Seattle at 1608 2 <sup>nd</sup> Ave (2 <sup>nd</sup> & Stewart)	230 (16 stories)	2016/2017	2017
Hilton Garden Inn at Hill7; Touchstone	Downtown Seattle on Boren between Stewart & Howell	222	Summer 2013	Opened 2015
Courtyard by Marriott	Seattle - University District at 4501 12 <sup>th</sup> Ave NE	215	2013	Late 2015
Kemper Development	Downtown Bellevue at Bellevue Square (South Tower Expansion)	204	2015	2017
Extended Stay Type Hotel; HB Management (Antioch University Site)	Downtown Seattle at 2326 6 <sup>th</sup> Ave	198 (Two 42 story towers w/830 apartments, 600 parking spaces)		
Rainier Square Addition; Wright Runstad	Downtown Seattle at Rainier Square	150 (12 stories)	2015/2016	2017-2019
Washington Place	Southcenter	189 (370 apartments; 19 stories)	2015	2017
The Mark - SLS Hotel; Daniels Real Estate Company & Stockbridge Capital Group	Downtown Seattle at 5 <sup>th</sup> & Columbia	184 (w/500,000+ SF of office)	Excavation 2013; Construction 2014-2015	2017
Hampton Inn & Suites; Gramor Development Washington	Seattle – Northgate at 9550 1 <sup>st</sup> Ave NE (Marie Calendars site)	168; 136 Parking Spots + 15 offsite shared	Early Stages of MUP Process	June 2016
SpringHill Suites; Hotel Concepts	Downtown Seattle – International District at 616 8 <sup>th</sup> Ave S	168 (14 stories, 100 apartments, 30 condos)	2016	
First & Stewart/Thompson Building Hotel & Apartments; Geolo Capital & TC Real Estate Development	Downtown Seattle at 1 <sup>st</sup> & Stewart near Pike Place	161	2014	2016

<b>BRAND &amp; DEVELOPER</b>	<b>LOCATION</b>	<b>ROOMS OR PLANS</b>	<b>BREAKING GROUND</b>	<b>EXPECTED COMPLETION</b>
<b>Douglason Development</b>	<b>Downtown Seattle at 1929-33 5<sup>th</sup> Ave (Former IBM Building)</b>	<b>151 (47 stories; 394 apartments, 326 underground parking spaces)</b>		
<b>Hyatt Place; Ariel Development</b>	<b>Seatac at 19518 International Blvd</b>	<b>150</b>	<b>2016 Scheduled Opening</b>	
<b>Westlake Steps/Holland Partners</b>	<b>Downtown Seattle/ South Lake Union</b>	<b>150</b>		
<b>Moxy byMarriott; Stonebridge</b>	<b>Downtown Seattle/South Lake Union at 1016 Republican (At Boren)</b>	<b>147 (No parking spaces planned)</b>	<b>Not Announced</b>	
<b>Springhill Suites</b>	<b>Downtown Issaquah at 12<sup>th</sup> and NW Maple</b>	<b>145 (5 stories, 203 parking spaces)</b>	<b>2015</b>	<b>2016</b>
<b>Hotel Indigo/Potala Tower; Path America</b>	<b>Downtown Seattle at 2116 4<sup>th</sup> Ave</b>	<b>142</b>	<b>2015</b>	<b>2017</b>
<b>Swiss Hotel LLC</b>	<b>Seattle – Northgate at 10733 Meridian Ave N</b>	<b>140 (5 stories, 143 underground parking spaces)</b>	<b>2015/2016</b>	<b>2016/2017</b>
<b>Home2 Suites by Hilton</b>	<b>Tukwila – Southcenter</b>	<b>139</b>	<b>2014</b>	<b>Opened 2015</b>
<b>Hampton Inn &amp; Suites</b>	<b>Downtown Bellevue</b>	<b>128</b>	<b>2013</b>	<b>Opened 2014</b>
<b>Hyatt House; Kauri Investments</b>	<b>Downtown Seattle at 416 John St.</b>	<b>126</b>	<b>2013</b>	<b>Opened 2015</b>
<b>Homewood Suites by Hilton; Rowley Properties</b>	<b>Downtown Issaquah</b>	<b>123</b>	<b>2014</b>	<b>Opened Summer 2015</b>
<b>Kemper Development Company</b>	<b>Downtown Bellevue, west of Bell Square</b>	<b>120</b>	<b>Not Announced</b>	
<b>Staybridge Suites Seattle – Fremont</b>	<b>Seattle – Fremont at 3926 Aurora Ave N</b>	<b>120</b>	<b>2014</b>	<b>Opened Summer 2015</b>
<b>Principal Financial Group</b>	<b>Downtown Seattle at 2<sup>nd</sup> &amp; Stewart</b>	<b>120</b>	<b>Not Announced</b>	
<b>Dollar Development – Hotel Mercer</b>	<b>Mercer Island at 7645 Sunset Highway</b>	<b>100 (5 stories &amp; underground parking)</b>	<b>2014</b>	
<b>Palladian Hotel; David Cohanin</b>	<b>Downtown Seattle - Belltown at 2000 2<sup>nd</sup> Ave</b>	<b>97 (conversion from apartment building)</b>	<b>Not Announced</b>	<b>Opened Fall 2014</b>

<b>BRAND &amp; DEVELOPER</b>	<b>LOCATION</b>	<b>ROOMS OR PLANS</b>	<b>BREAKING GROUND</b>	<b>EXPECTED COMPLETION</b>
<b>RBF Property Group/SkB Architects</b>	<b>Downtown Seattle at 1121 Stewart Street (Steward &amp; Minor)</b>	<b>78 (42 stories w/condos)</b>	<b>Not Accounced</b>	
<b>McMenamins Anderson School Project; \$26M</b>	<b>Downtown Bothell</b>	<b>72</b>	<b>November 2014</b>	
<b>Cedarbrook Lodge</b>	<b>Seatac (63 room expansion)</b>	<b>63</b>	<b>2014</b>	<b>Completed 2015</b>
<b>Boutique Hotel (Seven Seas Building/Former Lusty Lady); Revolve Development</b>	<b>Downtown Seattle – 1315 1<sup>st</sup> Ave.</b>	<b>43 (6 stories, no parking planned)</b>	<b>2016</b>	<b>2017</b>
<b>J&amp;M Hotel; Seneca Ventures</b>	<b>Downtown Seattle – Pioneer Square at 201 1<sup>st</sup> Ave S.</b>	<b>24</b>	<b>N/A</b>	<b>N/A</b>
<b>Stanford Hotels</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>Wright Runstand</b>	<b>Bel-Red Area of 520 Corridor</b>	<b>200,000/SF</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>Port of Seattle; RFP's Requested in 2014</b>	<b>Seatac Airport, Onsite Hotel</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</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>Columbia West Properties &amp; Pineapple Hospitality</b>	<b>Downtown Seattle at 1931 2<sup>nd</sup> Ave</b>	<b>208 (58 underground parking spaces; 10 bike spaces)</b>	<b>N/A</b>	

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



## Recently Opened Hotels

The following are hotels that opened in King County in 2014 and the first half of 2015.

### Seattle



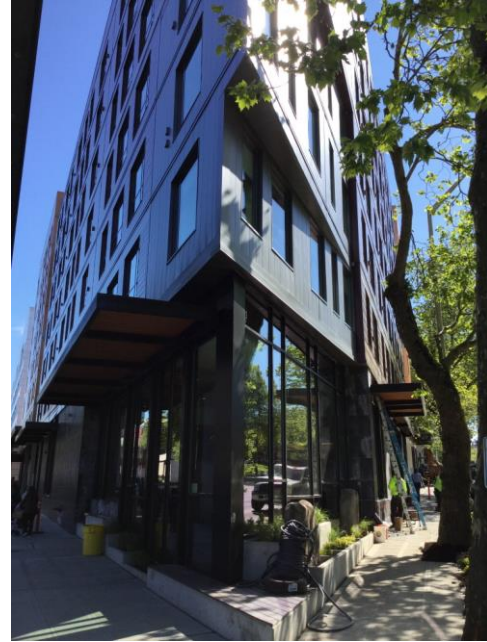
The Palladian Hotel in Belltown opened in the fall of 2014 and was an older apartment building that was completely gutted and rebuilt to modern specs. It is a full service, boutique hotel that is now one of the Kimpton properties in the area. It has 97 rooms, a restaurant and bar.



Staybridge Suites Seattle – Fremont opened in 2015. It is an upscale, extended stay hotel with full kitchens in the rooms and is designed for guests looking for longer stays. It has 120 rooms and is located in the Fremont neighborhood just north of downtown Seattle.







The Hyatt House Seattle/Downtown opened in the summer of 2015. It is an upscale hotel with a blend of standard rooms and extended stay studios and one bedroom units with kitchens. The property is also focused on guests that stay longer than the average hotel guest and this is a great fit for the Uptown location across the street from the Space Needle given leisure travelers and those on business dealing with the Gates Foundation or the many technology or life sciences organizations just blocks away in South Lake Union.





The Hilton Garden Inn at Hill7 opened in downtown Seattle in the Denny Triangle neighborhood at 1821 Boren Ave. in the summer of 2015. It has 222 rooms and is branded as an upscale yet affordable hotel.

## Eastside

The Hampton Inn & Suites in downtown Bellevue opened in 2014. It is an upscale, extended stay hotel with in suite kitchens aimed at clientele that will stay longer than one or two nights. It has 128 rooms and is in an excellent location next to the 4<sup>th</sup> Street Exit off 405 in Bellevue.





The Marriott Hotel in downtown Bellevue opened in the summer of 2015. It is a 384 room, full service, upscale hotel.

The Homewood Suites by Hilton Seattle – Issaquah opened in the summer of 2015. It is an upscale, extended stay hotel with kitchens in each room and designed guests for looking to stay longer than average. It has 123 rooms and onsite parking.





## Southend



The Cedarbrook Lodge in Seatac completed a 65 room expansion in 2015. The full service, conference retreat style hotel now has 167 total rooms.



The Puget Sound's first Home2 Suites by Hilton opened in the summer of 2015 in the Southcenter area of Tukwila. It is a trendy, Gen Y focused extended stay hotel with a full kitchen in each room. It has 139 rooms.

## Capitalization Rates

In 2014, capitalization rates were relatively flat on a national scale and had decreases in the Seattle region depending on the hotel class and type. Overall, national capitalization rates were between 0.05% and 14.20%, Western Region rates were 6.00% to 10.00% and in the Seattle area the range was 6.00% to 9.25% per the compilation of below sources. Keep in mind that some properties trade outside these ranges and several King County area sales traded in the 1.00% to 3.00% cap rate range based on Value = Net Operating Income/Capitalization rate formula. The Heathman Hotel in Kirkland and Hotel 1000 sales are examples. The operating data was gathered during recent valuation and these low cap rates were confirmed by the hotel specialty appraiser.

2014 HOTEL/MOTEL CAPITALIZATION RATES				
SOURCE	DATE	TYPE	AVERAGE RATE/RANGE	PRIOR YEAR RATE/RANGE
HVS <sup>1</sup>	Year End 2014	Full Service/Luxury – US	6.70% (0.05% - 10.90%)	6.20% (2.90% - 7.90%)
HVS <sup>1</sup>	Year End 2014	Select Service & Extended Stay – US	7.80% (3.20% - 12.60%)	7.40% (2.50% - 14.20%)
HVS <sup>1</sup>	Year End 2014	Limited Service – US	9.00% (0.03% - 30.00%)	9.20% (5.40% - 12.90%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area CBD: Luxury Hotels	6.25% (6.00% - 6.50%)	7.25% (6.75% - 7.75%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area Suburban: Luxury Hotels	7.00% (6.50% - 7.50%)	8.00% (7.50% - 8.50%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area CBD: Full Service	6.50% (6.25% - 6.75%)	8.00% (7.50% - 8.50%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area Suburban: Full Service	7.25% (7.00% - 7.50%)	8.75% (8.00% - 9.50%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area CBD: Select Service	6.75% (6.50% - 7.00%)	8.50% (8.00% - 9.00%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area Suburban: Select Service	7.625% (7.25% - 8.00%)	9.00% (8.50% - 9.50%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area CBD: Economy	8.00% (7.50% - 8.50%)	9.50% (9.00% - 10.00%)
CBRE Cap Rate Survey <sup>2</sup>	Second Half 2014	Greater Seattle Area Suburban: Economy	8.75% (8.25% - 9.25%)	10.00% (9.50% - 10.50%)
IRR Viewpoint	Year End 2014	National Lodging – Full Service	8.13% Average 8.00% Median (5.00% - 10.00%)	8.31% (5.50% - 10.30%)
IRR Viewpoint	Year End 2014	National Lodging – Limited Service	8.78% Average 9.00% Median (6.25% - 11.00%)	8.96% (6.25% - 11.30%)

IRR Viewpoint	Year End 2014	Seattle Lodging – Full Service	7.00% Average	7.00% Average
IRR Viewpoint	Year End 2014	Seattle Lodging – Limited Service	8.25% Average	8.00% Average
RERC	Winter 2015	Hotels – Seattle Going-In Rate Situs PERC Est	7.00%	
PERC	Winter 2015	Hotels – Seattle Going-In Rate West Region Survey	7.80%	
PERC	Winter	Hotels – Seattle Going-In Rate U.S. Survey	7.90%	
RERC	Winter 2015	Hotels – West Region First Tier Investment Properties Going-In Rate	7.80% (6.30% - 10.00%)	
RERC	Winter 2015	Hotels – West Region Second Tier Investment Properties Going-In Rate	8.50% (6.00% - 10.00%)	
RERC	Winter 2015	Hotels – West Region Third Tier Investment Properties Going-In Rate	9.50% (7.80% - 11.00%)	
RERC	Winter 2015	Hotels – Going-In Rate Institutional Investors National	6.80% (5.00% - 8.50%)	
PERC	Winter 2015	Hotels – Going-In Rate Regional Survey National	7.90% (5.00% - 10.00%)	
PERC	Winter 2015	Hotels – Terminal Rate Regional Survey National	8.60% (5.60% - 11.50%)	
RERC	Winter 2015	NCREIF Implied Rates Hotels - US	8.20%	7.40%

<sup>1</sup>Capitalization rates derived from sales transactions from historical net operating income.

<sup>2</sup>Capitalization rates and ranges are best estimates provided by CBRE professionals based on recent trades in their respective markets as well as recent communication with investors. A going-in cap rate typically.

### Physical Inspection Area

The physical inspection area for the 2015 Assessment Year took place from May to July and included all hotels and motels in geographic area 160-40, the Seatac market. This was an informative and valuable project. Each of the 94 properties was visited in the geographic area and this allowed the appraiser to gain valuable insight into the financial performance of the properties, the competitive sets (the defined set of competing properties that a hotel/motel benchmarks its performance goals and metrics against), and into the metrics for the various neighborhoods that compose the north Seattle market.

## **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 at [www.kingcounty.gov/assessor](http://www.kingcounty.gov/assessor).

## **Improved Parcel Total Values**

### **Sales Comparison Approach**

The sales comparison approach was not used for properties in the hotel & motel specialty. However, sales data was considered as an additional metric for valuation purposes. There were 23 improved sales within the hotel/motel specialty dating from 2/3/2012 to 11/17/2014 and considered fair market transactions. The sales were organized by neighborhood, hotel type (limited service or full service), number of rooms, and quality level. 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. Costs are 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. The cost approach at Replacement Cost New (RCN) or Replacement Cost New Less Depreciation (RCNLD) is typically used for new hotels. The following year, the property is moved to the income approach to value to best equalize it with other hotel properties.

## **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 Almanac by Smith Travel Research (STR) 2015 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 often known as the Rushmore Approach. 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 hotel and motel property's 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. The taxes and municipal charges expense was adjusted upward to better reflect local property taxes rates in King County.

## **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.

## **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 total assessed value for the prior year, the 2014 Assessment Year, for Specialty Area 160 was \$4,254,258,400. The total recommended assessed value for the 2015 Assessment Year is \$4,898,398,803.

2014 Year End Metrics	
	Hotels & Motels
Occupancy Rate	↗ (slight increase)
ADR	↑ (increase)
Capitalization Rate	↘ (slight decrease)
Values	↑ (increase)

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 6.17% and improvement values by 18.66%. Application of the recommended values for the 2015 Assessment Year (taxes payable in 2016) results in a total year over year change of 15.14%.

	2014 Total	2015 Total	% Change
<b>TOTAL VALUE</b>	<b>\$4,254,258,400</b>	<b>\$4,898,398,803</b>	<b>15.14%</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**

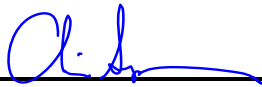
I certify that, to the best of my knowledge and belief:

- 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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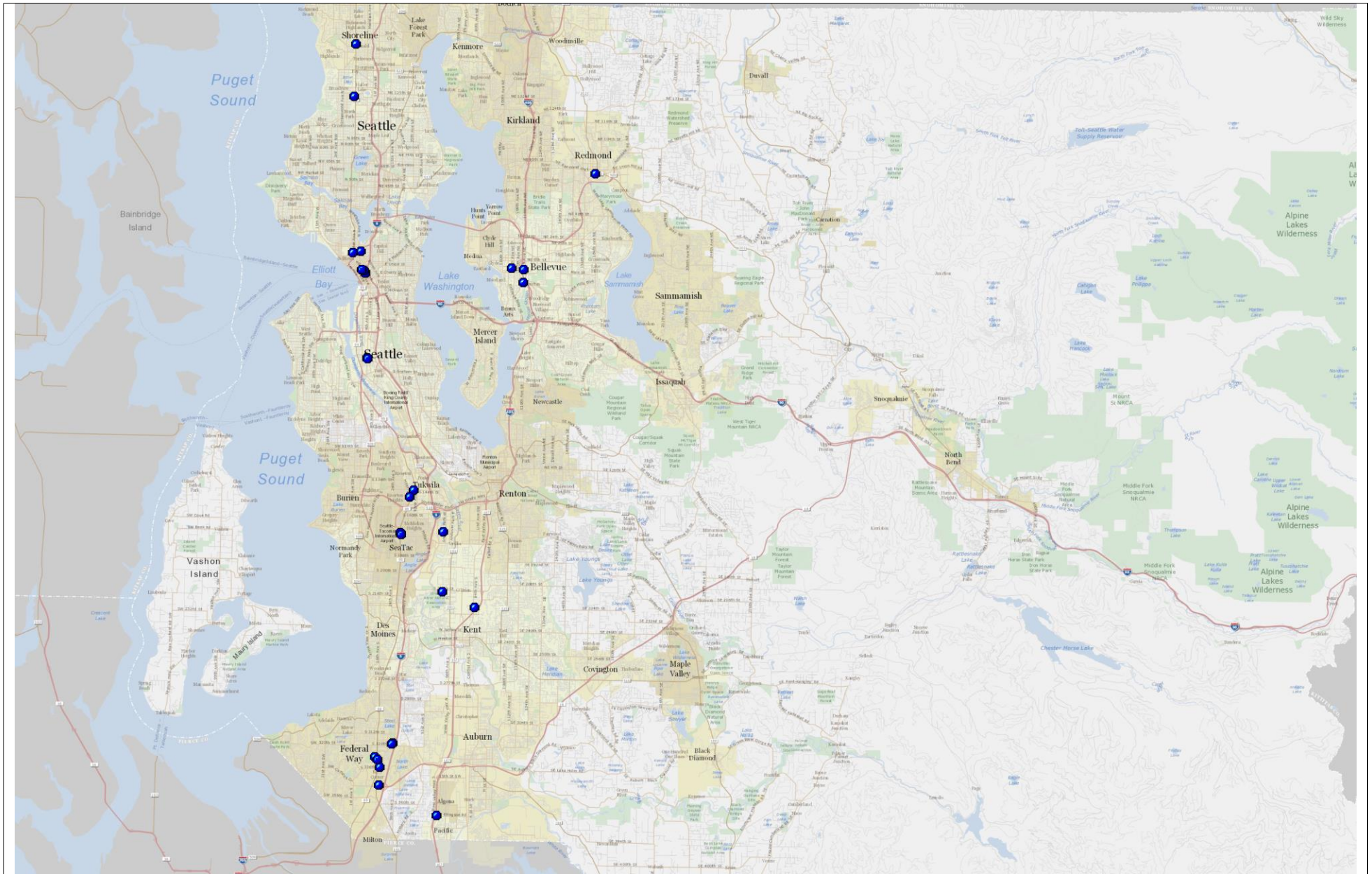
**Chris Savage – Commercial Appraiser**

*8/11/15*

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**Date**

## Area 160 Sales Used



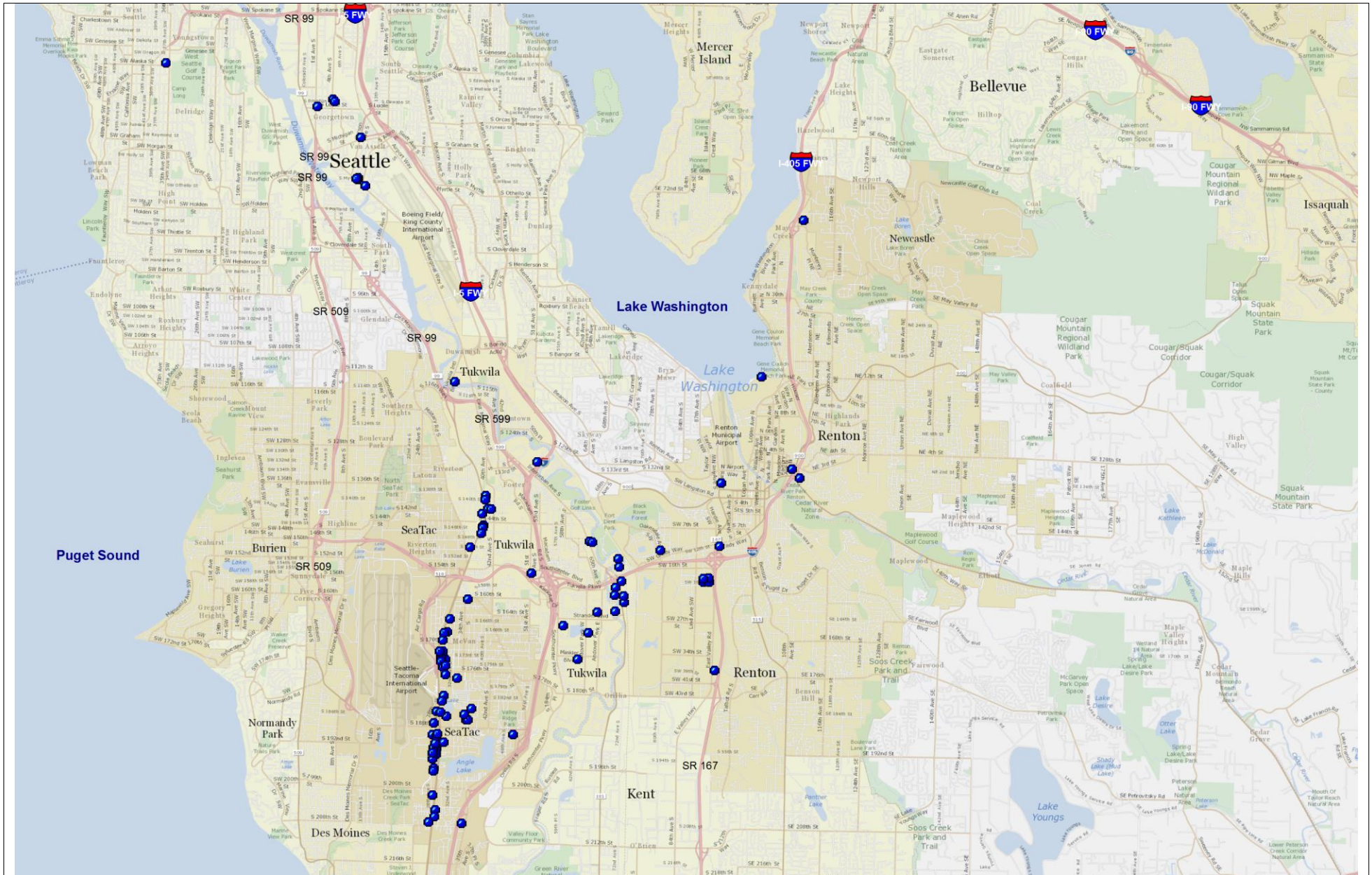
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Area	Nbhd	Major	Minor	Property Name	Sale Price	Rooms	Sales Price Per Room	Sale Date	Total NRA	SP/NRA	Zoning	Parcel Count	Ver. Code	Excise Tax #	Remarks
160	010	199120	0730	QUALITY INN & SUITES	\$19,000,000	159	<b>\$119,497</b>	11/05/14	70,627	\$269.02	SM 85	1	Y	2699777	Limited Service - Budget
160	010	347000	0020	HOTEL 1000	\$58,900,000	120	<b>\$490,833</b>	07/01/14	133,161	\$442.32	DMC 240/290-400	2	Y	2677046	Full Service - Luxury Boutique
160	010	197570	0255	MOTIF SEATTLE	\$126,933,978	329	<b>\$385,818</b>	06/19/14	272,878	\$465.17	DRC 85-150	1	Y	2674341	Full Service - Upscale Boutique
160	010	197570	0040	HILTON SEATTLE	\$57,171,260	237	<b>\$241,229</b>	09/11/12	126,240	\$452.88	DOC1 U/450/U	1	Y	2563668	Full Service - Upscale
160	010	094200	0265	HOTEL VINTAGE PARK	\$31,727,000	125	<b>\$253,816</b>	07/09/12	67,390	\$470.80	DOC1 U/450/U	1	Y	2552948	Full Service - Upscale Boutique
160	020	720241	0060	RESIDENCE INN BY MARRIOTT - REDMOND TOWNCENTER	\$47,706,595	180	<b>\$265,037</b>	08/12/14	113,672	\$419.69	TWNC	1	Y	2684783	Select Service - Upscale Extended Stay
160	020	322505	9069	RESIDENCE INN BY MARRIOTT - I-405 CORRIDOR BELLEVUE	\$70,944,020	231	<b>\$307,117</b>	10/31/13	211,385	\$335.62	OLB	1	Y	2639539	Select Service - Upscale Extended Stay
160	020	112405	9082	DAY'S INN BELLEVUE (EASTGATE)	\$7,400,000	105	<b>\$70,476</b>	09/20/13	28,910	\$255.97	CB	1	Y	2633840	Limited Service - Budget
160	030	302604	9080	ORION MOTEL - SEATTLE NORTH	\$1,950,000	28	<b>\$69,643</b>	10/20/14	8,712	\$223.83	C1-65	1	Y	2699989	Limited Service - Economy
160	030	525430	0015	SHORELINE MOTEL	\$1,548,500	20	<b>\$77,425</b>	08/14/14	8,876	\$174.46	MB	1	Y	2685413	Limited Service - Economy
160	030	525430	0015	SHORELINE MOTEL	\$1,400,000	20	<b>\$70,000</b>	05/31/12	8,876	\$157.73	MUZ	1	Y	2547133	Limited Service - Economy
160	040	004100	0335	TRAVELODGE AIRPORT NORTH MOTEL	\$3,300,000	72	<b>\$45,833</b>	10/02/14	21,424	\$154.03	GWC	1	Y	2668719	Limited Service - Economy
160	040	004000	0175	GREAT BEAR MOTEL	\$1,466,650	35	<b>\$41,904</b>	11/30/12	10,128	\$144.81	NCC	1	Y	2577382	Limited Service - Economy
160	040	282304	9180	HOLIDAY INN SEATAC	\$26,600,000	260	<b>\$102,308</b>	07/31/12	136,919	\$194.28	CB-C	3	Y	2556438	Full Service - Mid Scale
160	040	526330	0025	STAR MOTEL - SEATTLE SOUTH	\$750,000	29	<b>\$25,862</b>	04/19/12	3,404	\$220.33	C1-65	2	Y	2539598	Limited Service - Economy
160	050	092104	9328	COURTYARD BY MARRIOTT - FEDERAL WAY	\$25,980,129	160	<b>\$162,376</b>	11/17/14	98,529	\$263.68	CC-C	2	Y	2704986	Select Service - Upscale
160	050	885600	2346	QUALITY INN & SUITES - PACIFIC	\$6,220,000	114	<b>\$54,561</b>	10/17/14	63,788	\$97.51	HC	1	Y	2696247	Limited Service - Budget
160	050	212104	9078	SUPER 8 MOTEL	\$4,415,000	90	<b>\$49,056</b>	10/09/14	55,200	\$79.98	CE	1	Y	2488293	Limited Service - Economy
160	050	172104	9078	ECONO LODGE - FEDERAL WAY	\$2,310,000	45	<b>\$51,333</b>	06/27/14	18,573	\$124.37	BC	1	Y	2677388	Limited Service - Economy
160	050	775780	0010	HOLIDAY INN & SUITES - KENT (RAMADA INN)	\$8,100,000	125	<b>\$64,800</b>	05/14/14	62,211	\$130.20	GWC	1	Y	2668719	Limited Service - Budget
160	050	797880	0140	NEW HORIZON MOTEL - FEDERAL WAY	\$1,900,000	43	<b>\$44,186</b>	07/23/13	12,324	\$154.17	BC	1	Y	2619505	Limited Service - Economy
160	050	112204	9082	HAWTHORN SUITES - KENT	\$8,675,000	152	<b>\$57,072</b>	01/14/13	152,295	\$56.96	M1-C	1	Y	2586049	Limited Service - Budget
160	050	797820	0070	RIDGECREST MOTEL	\$397,200	11	<b>\$36,109</b>	02/03/12	3,396	\$116.96	RM3600	1	Y	2530082	Limited Service - Economy



## Area 160 Assessment Year 2015 Physical Inspection



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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
	Notes	Major	Minor	PropName	SitusAddress	PresentUse	Nbr Stori es	ConstrClass	PredominantU se	SqFtLot	Nbr Bldg s	BldgQual	YrBuil t	EffYr	TotalN RA	PrevT otalPe rNRA	PrevAppr Land	PrevAppr mps	PrevTotalV al	NewLandV al	BldgDescription	Taxpayername	Taxpayer Address City	Tax Stat
1		346880	0445		No Situs Address	Vacant(Sing le-family)	0			5200	0		0	0	0	0	89000	0	89000	89000		MUNSON MOTEL	SEATTLE	T
2		213620	0607	AERO MOTEL	7240 EAST MARGINAL WAY S	Hotel/Motel	1	WOOD FRAME	MOTEL, LIMITED (343)	29585	7	LOW/AVER AGE	1940	1960	6524	178	680400	478800	1159200	710000	Bldg1: AERO MOTEL; Bldg2: AERO MOTEL; Bldg3: AERO MOTEL; 4 More Bldgs	KWON SON KU+HYUN SOOK	SEATTLE	T
3		346880	0455	AIRLANE MOTEL	7070 EAST MARGINAL WAY S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	10443	1	LOW COST	1919	1963	6116	138	355000	487200	842200	365500	Bldg1: AIRLANE MOTEL	HYUN MYONG HEE	RENTON	
4		344500	0190	AMERICA'S BEST VALUE INN - SEATAC	20620 INTERNATIO NAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	30113	2	AVERAGE	1998	1998	13692	147	752800	1260000	2012800	752800	Bldg1: AMERICA'S BEST VALUE INN - SEATAC; Bldg2: MINI-RATE MOTEL	GHI SEATAC LLC	SEATAC	T
5		344500	0226	BEST WESTERN AIRPORT EXECUTEL	20717 INTERNATIO NAL BLVD	Hotel/Motel	3	REINFORCED CONCR	MOTEL, FULL SERVICE (843)	97491	2	AVERAGE	1983	1988	73947	108	2437200	5572500	8009700	2437200	Bldg1: BEST WESTERN AIRPORT EXECUTEL; Bldg2: BEST WESTERN EXECUTEL SEATAC	PIRAMCO SEATAC INC	KENT	T
6		004000	0190	BOULEVARD MOTEL	14440 TUKWILA INTERNATIO NAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	18893	2	AVERAGE	1981	1981	8360	114	377800	572400	950200	377800	Bldg1: BOULEVARD MOTEL; Bldg2: RETAIL / APT	TUKWILA CITY OF	TUKWILA	X
7		100340	0075	Cedarbrook Lodge	No Situs Address	Residence Hall/Dorm	0			8211	0		0	0	0	0	87000	0	87000	87000		CEDARBROO K LODGE L L C	SEATTLE	T
8		100340	0080	Cedarbrook Lodge	No Situs Address	Residence Hall/Dorm	0			7728	0		0	0	0	0	86000	0	86000	86000		CEDARBROO K LODGE L L C	SEATTLE	T
9		100360	0125	Cedarbrook Lodge	No Situs Address	Residence Hall/Dorm	0			15195	0		0	0	0	0	109000	0	109000	109000		CEDARBROO K LODGE L L C	SEATTLE	T
10		342304	9012	Cedarbrook Lodge	18525 36TH AVE S	Hotel/Motel	2	WOOD FRAME	HOTEL, FULL SERVICE (841)	432516	4	GOOD/EXC ELLENT	2002	2002	121171	136	5190100	11243400	16433500	6487700	Bldg1: HOTEL; Bldg2: HOTEL; Bldg3: HOTEL; 1 More Bldgs	CEDARBROO K LODGE L L C	SEATTLE	T
11		302305	9117	CLARION HOTEL - RENTON	3700 EAST VALLEY RD	Hotel/Motel	4	WOOD FRAME	MOTEL, LIMITED (343)	70386	1	AVERAGE	1986	1991	49260	141	844600	6084000	6928600	844600	Bldg1: CLARION HOTEL - RENTON	SUNG WON CO LLC	BELLEVUE	T
12		282304	9182	CLARION HOTEL SEATAC AIRPORT	3000 S 176TH ST	Hotel/Motel	3	WOOD FRAME	HOTEL, FULL SERVICE (841)	171750	4	AVERAGE/ GOOD	1969	1990	114576	96	5152500	5842400	10994900	5152500	Bldg1: CLARION HOTEL SEATAC AIRPORT; Bldg2: CLARION HOTEL SEATAC AIRPORT; Bldg3: CLARION	WIRRULLA SEATAC LLC	SEATTLE	T
13		042204	9241	COMFORT INN - SEATAC - 28TH AVE. S.	19260 28TH AVE S	Hotel/Motel	3	MASONRY	MOTEL, LIMITED (343)	34737	1	AVERAGE/ GOOD	1998	1998	33596	96	1389400	1829500	3218900	1389400	Bldg1: COMFORT INN - SEATAC - 28TH AVE. S.	CONDOR DEVELOPME NT	LOS ANGELES	T
14		042204	9069	COMFORT INN & SUITES - SEATAC	19333 PACIFIC HWY S	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	40192	1	GOOD	1987	1995	50994	131	1607600	5048500	6656100	1607600	Bldg1: COMFORT INN & SUITES	SEATTLE GROUP LTD	SEATTLE	T
15		242304	9013	COMFORT SUITES TUKWILA	7200 FUN CENTER WAY	Hotel/Motel	4	REINFORCED CONCR	HOTEL, LIMITED (332)	155710	1	AVERAGE	2002	2002	88137	151	1401300	11938700	13340000	1401300	Bldg1: COMFORT SUITES TUKWILA	LEE CHARLES E+HYON S	FEDERAL WAY	T
16		282304	9128	Concourse Inn	17224 INTERNATIO NAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	60548	1	AVERAGE	1955	1955	6694	407	2724600	1000	2725600	2724600	Bldg1: Motel	TANG GORDON	SEATTLE	T
17		000580	0005	COURTYARD BY MARRIOT HOTEL - TUKWILA	16038 WEST VALLEY HWY	Hotel/Motel	8	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	126324	1	AVERAGE/ GOOD	1999	1999	128218	157	2147500	18027100	20174600	2147500	Bldg1: COURTYARD BY MARRIOT HOTEL	CSM CORP	MINNELPOLI S	T
18		262304	9006	COURTYARD BY MARRIOTT HOTEL - SOUTHCENTE	400 ANDOVER PARK W	Hotel/Motel	3	WOOD FRAME	HOTEL, FULL SERVICE (841)	196226	2	EXCELLEN T	1988	1993	82410	171	3433900	10620800	14054700	3433900	Bldg1: COURTYARD HOTEL; Bldg2: RESTAURANT	CBM TWO HOTLES	DALLAS	T
19		332304	9168	CREST MOTOR INN - SEATAC	18845 INTERNATIO NAL BLVD	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	34740	1	GOOD	1960	1975	26157	80	1563300	524400	2087700	1563300	Bldg1: CREST MOTOR INN - SEATAC	SINGH KARNAIL	SEATAC	T
20		282304	9180	CROWNE PLAZA SEATTLE AIRPORT	17338 INTERNATIO NAL BLVD	Hotel/Motel	12	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	103673	2	AVERAGE	1970	1985	136919	183	4665200	20401700	25066900	4665200	Bldg1: CROWNE PLAZA SEATTLE AIRPORT; Bldg2: EXHIBITION HALL	SEATAC AIRPORT HOSPITALITY	BELLINGHA M	T
21		332304	9162	DAYS INN SEATAC	19015 INTERNATIO NAL BLVD	Hotel/Motel	4	WOOD FRAME	HOTEL, LIMITED (332)	33272	1	AVERAGE	1991	1992	37239	121	1497200	3001700	4498900	1497200	Bldg1: DAYS INN SEATAC	SAK PROPERTIES LLC	SEATAC	T
22		000300	0030	DAYS INN TUKWILA	13050 48TH AVE S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	106518	3	AVERAGE	1986	1986	36116	173	2130300	4106400	6236700	2130300	Bldg1: DAYS INN TUKWILA; Bldg2: TUKWILA INN; Bldg3: TUKWILA INN	STRANDER FAMILY LLC I	TUKWILA	T
23																								



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
24		332304	9200	DOUBLETREE HOTEL - SEA-TAC (ASSO. PARKIN	18514 INTERNATIO NAL BLVD	Parking(Ass oc)	0			30453	0		0	0	0	0	1370300	0	1370300	1370300		SEA-TAC THUNDERBIR D INC	SEATTLE	T
25		332304	9027	DOUBLETREE HOTEL SEATAC	18740 INTERNATIO NAL BLVD	Hotel/Motel	14	STRUCTURAL STEEL	HOTEL, FULL SERVICE (841)	1030930	11	GOOD/EXC ELLENT	1978	1988	588728	110	38436200	26090000	64526200	38436200	Bldg1: DOUBLETREE HOTEL - SEA TAC; Bldg2: DOUBLETREE HOTEL - SEATAC; Bldg3:	DOUBLETRE E HOTEL SEATTLE	SEATTLE	T
26		643730	0020	DOUBLETREE SUITES SOUTHCENTER	16500 SOUTHCENT ER PKWY	Hotel/Motel	8	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	289918	1	GOOD	1979	1985	196679	94	7247900	11289800	18537700	7247900	Bldg1: DOUBLETREE SUITES	CHA SOUTHCENT ER LLC	SEATTLE	T
27		042204	9092	ECONO LODGE SANDSTONE INN - SEATAC	19225 INTERNATIO NAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	41661	6	AVERAGE	1955	1975	37104	93	1666400	1802600	3469000	1666400	Bldg1: ECONO LODGE SANDSTONE INN; Bldg2: SANDSTONE RESTAURANT/BAR; Bldg3:	SHEEN SHING- YEEN+JEAN	SEA TAC	T
28		042204	9160	ECONO LODGE SANDSTONE INN - SEATAC (ASSO)	19225 PACIFIC HWY S	Parking(Ass oc)	0			7013	0		0	0	0	0	280500	0	280500	280500		SHEEN SHING- YEEN+JEAN	SEA TAC	T
29		042204	9190	ECONO LODGE SANDSTONE INN - SEATAC (ASSO)	19225 PACIFIC HWY S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	7014	1	AVERAGE	1959	1963	5760	49	280500	0	280500	280500	Bldg1: ECONO LODGE SANDSTONE INN	SHEEN SHING- YEEN+JEAN	SEA TAC	T
30		042204	9099	ECONO LODGE SANDSTONE INN - SEATAC PKG (	19237 PACIFIC HWY S	Parking(Ass oc)	0			41961	0		0	0	0	0	1678400	0	1678400	1678400		SHEEN SHING- YEEN+JEAN	SEA TAC	T
31		736060	0400	ECONO LODGE- AIRPORT	13920 TUKWILA INTERNATIO NAL BLVD	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	26459	1	AVERAGE	1985	1990	18630	150	476200	2317200	2793400	476200	Bldg1: ECONO LODGE- AIRPORT	AJP ENTERPRIZE LLC	TUKWILA	T
32		334330	1120	ECONOLODGE - RENTON	4710 LAKE WASHINGTON N BLVD NE	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	88210	3	AVERAGE	1987	1989	35608	161	1499500	4231600	5731100	1543600	Bldg1: ECONOLODGE - BLDG A; Bldg2: BLDG B; Bldg3: BLDG C	KALF CORPORATIO N	RENTON	T
33		000580	0024	EMBASSY SUITES SOUTHCENTER	15920 WEST VALLEY HWY	Hotel/Motel	8	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	142988	1	AVERAGE	1990	1995	115696	183	2430700	18718400	21149100	2430700	Bldg1: EMBASSY SUITES HOTEL - SOUTHCENTER	KOAR- SEATAC PARTNERS LP	TORRANCE	T
34		000580	0015	EXTENDED STAY AMERICA - SEATTLE - SOUTH C	15635 WEST VALLEY HWY	Hotel/Motel	3	WOOD FRAME	MOTEL, SUITE (844)	85535	1	AVERAGE	1997	1999	46617	143	1454000	5235000	6689000	1454000	Bldg1: EXTENDED STAY AMERICA - SOUTHCENTER	EXTENDED STAY HOTELS	CHARLOTTE	T
35		115720	0031	EXTENDED STAY AMERICA-TUKWILA	15451 53RD AVE S	Hotel/Motel	3	WOOD FRAME	HOTEL, SUITE (842)	97545	1	AVERAGE	1996	1996	27456	198	1170500	4262100	5432600	1170500	Bldg1: EXTENDED STAY AMERICA-TUKWILA	EXTENDED STAY HOTELS	CHARLOTTE	T
36		918800	0148	EXTENDED STAY DELUXE - TUKWILA	1150 OAKESDALE AVE SW	Hotel/Motel	3	WOOD FRAME	HOTEL, SUITE (842)	169276	1	AVERAGE	1998	1998	67842	101	2877600	3949600	6827200	2589900	Bldg1: EXTENDED STAY DELUXE - TUKWILA	EXTENDED STAY HOTELS	CHARLOTTE	T
37		042204	9283	FAIRFIELD INN BY MARRIOTT-SEATAC	19631 INTERNATIO NAL BLVD	Hotel/Motel	4	WOOD FRAME	MOTEL, LIMITED (343)	72285	1	AVERAGE	1996	1996	51896	201	2891400	7546200	10437600	2891400	Bldg1: FAIRFIELD INN BY MARRIOTT-SEATAC	HOSPITALITY FIRST INC	SEATTLE	T
38		692070	0025	GEORGETOWN INN	6100 CORSON AVE S	Hotel/Motel	3	MASONRY	MOTEL, LIMITED (343)	27996	1	AVERAGE	1992	1992	22452	126	1063800	1761900	2825700	1063800	Bldg1: GEORGETOWN INN	GEORGETOW N INC LLC	OLYMPIA	T
39		004000	0175	GREAT BEAR MOTEL	14420 PACIFIC HWY S	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	22963	1	AVERAGE	1999	1999	10128	142	459200	977400	1436600	459200	Bldg1: GREAT BEAR MOTEL	CITY OF TUKWILA	TUKWILA	X
40		112204	9091	HAMPTON INN & SUITES - KENT	21109 66TH AVE S	Hotel/Motel	4	WOOD FRAME	HOTEL, SUITE (842)	162167	1	GOOD	2009	2009	60544	110	1540500	5142100	6682600	1449700	Bldg1: HAMPTON INN & SUITES - KENT	TRI STATES DEVELOPME NT KENT	AUBURN	T
41		332304	9102	HAMPTON INN & SUITES - SEATAC AIRPORT	18850 28TH AVE S	Hotel/Motel	5	WOOD FRAME	HOTEL, LIMITED (332)	98181	1	GOOD	2011	2011	142516	112	4418100	11544800	15962900	4418100	Bldg1: Hampton Inn & Suites SeaTac Airport	SKY HOSPITALITY LLC	SEATTLE	T
42		242304	9014	HAMPTON INN & SUITES - SOUTHCENTER	7200 S 156TH ST	Hotel/Motel	4	REINFORCED CONCR	HOTEL, LIMITED (332)	103835	1	GOOD	1990	1995	62670	174	1765100	9168700	10933800	1765100	Bldg1: HAMPTON INN SOUTHCENTER	TUKWILA HOTEL L L C	BOISE ID	T
43		042204	9122	HAMPTON INN SEATAC	19445 INTERNATIO NAL BLVD	Hotel/Motel	3	MASONRY	MOTEL, LIMITED (343)	112626	1	AVERAGE	1988	1988	54984	152	4505000	3833800	8338800	4505000	Bldg1: HAMPTON INN SEA/TAC	AIRPORT INVESTMENT COMPANY	TACOMA	T
44		334040	3330	HILTON GARDEN HOTEL - RENTON	1801 EAST VALLEY RD	Hotel/Motel	4	WOOD FRAME	HOTEL, FULL SERVICE (841)	113753	1	AVERAGE	1998	1998	74751	152	2104400	9267400	11371800	2104400	Bldg1: HILTON GARDEN HOTEL	BRE SELECT HOTELS PROPERTIE	BOCA RATON	T
45		332304	9170	HILTON SEATTLE AIRPORT	17620 PACIFIC HWY S	Hotel/Motel	4	WOOD FRAME	HOTEL, FULL SERVICE (841)	416121	6	AVERAGE/ GOOD	1960	2000	310698	122	18725400	19042200	37767600	18725400	Bldg1: HILTON HOTEL BLDG #1 - 4 STORY; Bldg2: HILTON HOTEL BLDG #2 - 2 STORY; Bldg3: HILTON HOTEL	HLT DOMESTIC OWNER LLC	SEATTLE	T
46		042204	9231	HOLIDAY INN EXPRESS- SEATAC	19621 INTERNATIO NAL BLVD	Hotel/Motel	4	WOOD FRAME	HOTEL, LIMITED (332)	65405	1	AVERAGE/ GOOD	2000	2000	72165	202	2616200	11965700	14581900	2616200	Bldg1: HOLIDAY INN EXPRESS-SEATAC	CASCADE HOSPITALITY LLC	SEATTLE	T

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
47		282304	9135	HOLIDAY INN SEATAC PARKING	17340 INTERNATIONAL BLVD	Parking(Assoc)	0			18376	0		0	0	0	0	826900	0	826900	826900		SEATAC AIRPORT HOSPITALITY	BELLINGHAM	T
48		282304	9181	HOLIDAY INN SEATAC PARKING	17506 INTERNATIONAL BLVD	Parking(Assoc)	0			12531	0		0	0	0	0	563800	0	563800	563800		SEATAC AIRPORT HOSPITALITY	BELLINGHAM	T
49		334040	1630	HOLIDAY INN SELECT - RENTON	1 S GRADY WAY	Hotel/Motel	6	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	224660	3	GOOD	1965	1990	178612	59	4043800	6465800	10509600	4043800	Bldg1: HOLIDAY INN SELECT - RENTON; Bldg2: HOLIDAY INN SELECT - RENTON; Bldg3:	RENTON HOTEL INVESTORS LLC	RENTON	T
50		883650	0030	HOME 2 SUITES HOTEL	380 UPLAND DR	Vacant(Commercial)	4	WOOD FRAME	HOTEL, LIMITED (332)	119157	1	AVERAGE/GOOD	2014	2014	77578	95	1906500	5456400	7362900	1906500	Bldg1: EXTENDED STAY HOTEL	TUKWILA HOTEL OWNERSHIP LLC	DEWITT	T
51		295490	0460	HOMEWOOD SUITES BY HILTON - SOUTHCENTER	6955 FORT DENT WAY	Hotel/Motel	3	WOOD FRAME	MOTEL, SUITE (844)	135544	7	AVERAGE	1992	1992	78277	114	1490900	7459800	8950700	2033100	Bldg1: HOMEWOOD SUITES; Bldg2: HOMEWOOD SUITES; Bldg3: HOMEWOOD SUITES; 4 More Bldgs	APPLE EIGHT SPE TUKWILA INC	RICHMOND	T
52		161000	0270	JET INN MOTEL - TUKWILA	3747 S 142ND ST	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	17493	1	AVERAGE	1988	1988	8870	163	349800	1091900	1441700	349800	Bldg1: JET INN MOTEL	ZORA INC	TUKWILA	T
53		282304	9102	JET MOTEL - SEATAC	17300 INTERNATIONAL BLVD	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	63598	1	AVERAGE	1962	1972	31830	90	2861900	1000	2862900	2861900	Bldg1: JET MOTEL	TANG GORDON	SEATTLE	T
54		161000	0335	KNIGHTS INN - TUKWILA	14110 TUKWILA INTERNATIONAL BLVD	Hotel/Motel	1	WOOD FRAME	MOTEL, LIMITED (343)	39622	1	AVERAGE	1942	1987	9760	91	792400	99200	891600	792400	Bldg1: KNIGHTS INN - TUKWILA	SEATAC TUKWILA INVESTMENT	TUKWILA	T
55		161000	0355	KNIGHTS INN - TUKWILA EAST	14110 PACIFIC HWY S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	34234	1	AVERAGE	1977	1987	28768	81	273800	2049000	2322800	273800	Bldg1: KINGTOS INN - TUKWILA EAST	SEATAC TUKWILA INVESTMENT I	TUKWILA	T
56		526330	0826	LA HACIENDA MOTEL	5414 1ST AVE S	Hotel/Motel	2	MASONRY	MOTEL, LIMITED (343)	17200	1	AVERAGE	1953	1978	11563	139	653600	957300	1610900	653600	Bldg1: LA HACIENDA MOTEL	PAUR & THANDI LLC	TUKWILA	T
57		332304	9059	LA QUINTA SEATTLE - SEATAC	2824 S 188TH ST	Hotel/Motel	6	REINFORCED CONCR	HOTEL, LIMITED (332)	91567	1	AVERAGE	1970	1988	70593	119	4120500	4312000	8432500	4120500	Bldg1: LA QUINTA SEATTLE - SEATAC	BRE/LQ PROPERTIES LLC	IRVING	T
58		334040	3332	LARKSPUR LANDING	1701 EAST VALLEY RD	Hotel/Motel	4	WOOD FRAME	HOTEL, SUITE (842)	118008	1	AVERAGE	1998	1998	78157	162	2183100	10503700	12686800	2183100	Bldg1: LARKSPUR LANDING	HERSHA HOSPITALITY MGMNT	HARRISBURG	T
59		342304	9098	MARRIOTT HOTEL SEATAC	3201 S 176TH ST	Hotel/Motel	9	STRUCTURAL STEEL	HOTEL, FULL SERVICE (841)	399552	1	GOOD	1980	1990	298150	152	15982000	29391000	45373000	15982000	Bldg1: MARRIOTT HOTEL-SEA TAC	MARRIOTT CORPORATION	WASHINGTON D C	T
60		282304	9190	MOTEL 6 - SEATAC	16500 INTERNATIONAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	85377	3	AVERAGE	1979	1990	27216	184	3671200	1337400	5008600	3671200	Bldg1: MOTEL 6 - SEATAC; Bldg2: MOTEL 6 - SEATAC; Bldg3: MOTEL 6 - SEATAC	G6 HOSPITALITY	CARROLLTON	T
61		342304	9320	MOTEL 6 @ 188th	18900 47TH AVE S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	114563	3	LOW/AVERAGE	1972	1982	52391	123	2864000	3583800	6447800	2864000	Bldg1: MOTEL 6 @ 188th; Bldg2: MOTEL 6; Bldg3: MOTEL 6	SEATAC HOTELS LLC	SEATAC	T
62		032204	9014	MOTEL 6 MILITARY ROAD - SEATAC	20651 MILITARY RD S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	81144	3	AVERAGE	1983	1993	33528	161	1217100	4196500	5413600	1217100	Bldg1: MOTEL 6 SEATTLE SOUTH; Bldg2: MOTEL 6; Bldg3: MOTEL 6	G6 HOSPITALITY	CARROLLTON	T
63		346880	0465	MUNSON MOTEL	7060 EAST MARGINAL WAY S	Hotel/Motel	1	WOOD FRAME	MOTEL, LIMITED (343)	10071	2	AVERAGE	1940	1970	3764	184	342000	351500	693500	352400	Bldg1: MUNSON MOTEL; Bldg2: MOTEL	MUNSON MOTEL	SEATTLE	T
64		172305	9100	QUALITY INN - RENTON	1850 RENTON-MAPLE VALLEY RD	Hotel/Motel	4	WOOD FRAME	MOTEL, LIMITED (343)	63216	1	GOOD	1989	1989	47029	102	1074600	3723600	4798200	1106200	Bldg1: QUALITY INN	PACIFIC ROOTS INVESTMENT S.I	RENTON	T
65		332304	9142	QUALITY INN - SEATAC	2900 S 192ND ST	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	56727	1	AVERAGE	1981	1986	36648	129	2552700	2169900	4722600	2552700	Bldg1: QUALITY INN - SEATAC	ZULMAR LLC	SEATAC	T
66		332304	9119	RADISSON HOTEL GATEWAY- SEATAC	18118 INTERNATIONAL BLVD	Hotel/Motel	7	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	306573	1	GOOD	1988	1993	117218	151	8460000	9280800	17740800	8460000	Bldg1: RADISSON HOTEL GATEWAY- SEATAC	CARLSON HOTELS ACCOUNTING	MINNETONKA	T
67		282304	9076	RAMADA INN & SUITES - SEATAC	16720 INTERNATIONAL BLVD	Hotel/Motel	4	WOOD FRAME	HOTEL, LIMITED (332)	50600	1	AVERAGE/GOOD	2000	2000	58653	152	2277000	6644500	8921500	2277000	Bldg1: RAMADA INN & SUITES	BEGUM STEINER	SEATAC	T
68		282304	9177	RAMADA INN & SUITES - SEATAC PARKING (AS	16720 INTERNATIONAL BLVD	Hotel/Motel	0			25700	0		0	0	0	0	1156500	0	1156500	1156500		BEGUM STEINER	SEATAC	T
69		736060	0195	RAMADA LIMITED - SEATAC AIRPORT	13900 PACIFIC HWY S	Hotel/Motel	2	MASONRY	MOTEL, LIMITED (343)	22500	1	AVERAGE	1998	1998	16179	161	405000	2202000	2607000	405000	Bldg1: RAMADA LIMITED - SEATAC AIRPORT	LH 15 LLC	TUKWILA	T



	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
70		000580	0030	RAMADA TUKWILA SEATAC AIRPORT	15901 WEST VALLEY HWY	Hotel/Motel	3	WOOD FRAME	HOTEL, FULL SERVICE (841)	262749	2	AVERAGE	1986	1996	89245	159	4466700	9737000	14203700	4466700	Bldg1: RAMADA TUKWILA SEATAC AIRPORT; Bldg2: RESTAURANT	STANFORD TUKWILA HOTEL CORP	AUBURN	T
71		332304	9197	RED LION SEA-TAC HOTEL	18200 PACIFIC HWY S	Hotel/Motel	5	STRUCTURAL STEEL	HOTEL, FULL SERVICE (841)	90000	3	AVERAGE	1970	1980	79642	121	4050000	5589000	9639000	4050000	Bldg1: RED LION SEA-TAC HOTEL; Bldg2: RESTAURANT; Bldg3: RECREATION BLDG	WESTCOAST SEATAC HOTEL	SPOKANE	T
72		282304	9114	RED ROOF INN SEATTLE AIRPORT	16838 INTERNATIONAL BLVD	Hotel/Motel	4	WOOD FRAME	MOTEL, LIMITED (343)	58796	1	GOOD	1979	1984	82186	90	2645800	4749600	7395400	2645800	Bldg1: RED ROOF INN SEATTLE AIRPORT	FMW RRI II LLC	COLUMBUS	T
73		172305	9077	RENTON INN	219 SUNSET BLVD N	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	20107	1	AVERAGE	2000	2000	14811	106	341800	1222200	1564000	351800	Bldg1: RENTON INN	RENTON INN LLC	RENTON	T
74		000580	0006	RESIDENCE INN BY MARRIOTT SEATTLE SOUTH	16201 WEST VALLEY HWY	Hotel/Motel	2	WOOD FRAME	HOTEL, SUITE (842)	193406	20	GOOD	1985	1985	81504	177	3287900	11173200	14461100	3287900	Bldg1: RESIDENCE INN SEATTLE SOUTH; Bldg2: GATEHOUSE; Bldg3: CABANA	GRAND PRIX TUKWILA LLC	PALM BEACH	T
75		092304	9153	RIVERSIDE RESIDENCES TUKWILA	11244 PACIFIC HWY S	Hotel/Motel	2	MASONRY	MOTEL, LIMITED (343)	199000	3	AVERAGE	1964	1975	59598	43	2586000	1000	2587000	2586000	Bldg1: RIVERSIDE RESIDENCES @ BOEING FIELD; Bldg2: RIVERSIDE RESIDENCES @ BOEING	SLEEPING TIGER LLC	SEATTLE	T
76		282304	9051	RODEWAY INN - SEATAC	2930 S 176TH ST	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	41082	1	AVERAGE	1978	1984	22100	108	821600	1572700	2394300	821600	Bldg1: RODEWAY INN	AIRPORT KLST HOSPITALITY LL	SEA TAC	T
77		855240	0095	SEATAC INN	17108 INTERNATIONAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	26490	2	AVERAGE	1960	1975	13316	124	1192000	454400	1646400	1192000	Bldg1: SEA TAC INN; Bldg2: SEA TAC INN	LEGEND INVESTORS LLC	SEATAC	T
78		855240	0090	SEATAC INN (Rear)	17108 INTERNATIONAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	26935	1	AVERAGE	1980	1980	11136	137	1212000	318700	1530700	1212000	Bldg1: SEA TAC INN (Rear)	LEGEND INVESTORS LLC	SEATAC	T
79		344500	0070	SEATAC SKYWAY INN	20045 INTERNATIONAL BLVD	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	40667	4	AVERAGE	1981	1981	18212	125	1220000	1058900	2278900	1220000	Bldg1: SEATAC SKYWAY INN; Bldg2: SEATAC SKYWAY INN; Bldg3: SEATAC SKYWAY INN; 1 More Bldgs	SKYWAY LLC	SEATAC	T
80		344500	0132	SLEEP INN - SEA-TAC	20406 INTERNATIONAL BLVD	Hotel/Motel	4	WOOD FRAME	HOTEL, LIMITED (332)	40376	1	AVERAGE/GOOD	1999	1999	40410	169	1009400	5801600	6811000	1009400	Bldg1: SLEEP INN - SEA-TAC	CHUNG PAUL	SEATAC	T
81		334040	3325	SPRINGHILL SUITES MARRIOTT - RENTON	200 SW 19TH ST	Hotel/Motel	4	WOOD FRAME	HOTEL, LIMITED (332)	99623	1	AVERAGE	2000	2000	61931	147	1843000	7283200	9126200	1843000	Bldg1: SPRINGHILL SUITES MARRIOTT	MARRIOTT BUSINESS SERVICES	LOUISVILLE	T
82		004000	0252	SPRUCE MOTEL - TUKWILA	14442 TUKWILA INTERNATIONAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	21130	2	AVERAGE	1986	1986	11469	142	422600	1204800	1627400	422600	Bldg1: SPRUCE MOTEL; Bldg2: SPRUCE MOTEL	CITY OF TUKWILA	TUKWILA	X
83		526330	0055	STAR MOTEL - S.BENNETT	411 S BENNETT ST	Hotel/Motel	1	MASONRY	MOTEL, LIMITED (343)	10000	2	AVERAGE	1940	1972	3876	128	350000	147600	497600	400000	Bldg1: STAR MOTEL-S.BENNETT; Bldg2: MOTEL	LIU HSI YUN+JOHN	EDMONDS	T
84		526330	0025	STAR MOTEL - SEATTLE SOUTH	5216 4TH AVE S	Hotel/Motel	1	MASONRY	MOTEL, LIMITED (343)	6666	2	AVERAGE	1941	1976	3404	97	266600	63200	329800	279900	Bldg1: STAR MOTEL; Bldg2: MOTEL	LIU HSI YUN+JOHN	EDMONDS	T
85		332304	9157	SUPER 8 - SEA TAC	3100 S 192ND ST	Hotel/Motel	3	WOOD FRAME	MOTEL, LIMITED (343)	138265	2	AVERAGE	1981	1981	43164	155	6221900	485100	6707000	6221900	Bldg1: SUPER 8-SEA TAC; Bldg2: SUPER EIGHT MOTEL	THE PENINSULA GROUP LLC	TUMWATER	T
86		537980	1020	SUTTON SUITES - SEATAC	3423 S 160TH ST	Hotel/Motel	3	WOOD FRAME	MOTEL, SUITE (844)	62704	2	AVERAGE	1981	1990	44580	72	752400	2435300	3187700	752400	Bldg1: SUTTON SUITES; Bldg2: SUTTON SUITES	SAROYA JAGTAR	SEATAC	T
87		100200	0115	THE COAST GATEWAY HOTEL	18415 INTERNATIONAL BLVD	Hotel/Motel	6	REINFORCED CONCR	HOTEL, FULL SERVICE (841)	71132	2	GOOD	1990	1990	64306	128	3200900	5039300	8240200	3200900	Bldg1: THE COAST GATEWAY HOTEL; Bldg2: RESTAURANT	NORTHCOAST HOTELS LLC	SEATAC	T
88		095200	8175	THE GROVE WEST SEATTLE INN	3512 SW ALASKA ST	Hotel/Motel	2	MASONRY	MOTEL, LIMITED (343)	22510	2	AVERAGE	1967	1987	24998	157	3376500	539900	3916400	3601600	Bldg1: THE GROVE WEST SEATTLE INN; Bldg2: SEATTLE WEST TRAVELODGE	SSLL L L C	SEATTLE	T
89		000320	0006	TOWNE & COUNTRY SUITES MOTEL (carried on	14900 INTERURBAN AVE S	Hotel/Motel	0			47180	0		0	0	0	0	518900	0	518900	754800	Bldg1: TOWNE & COUNTRY SUITES; Bldg2: ALL-SUITE MOTEL; Bldg3: ALL-SUITE MOTEL; 8 More Bldgs	KRUSSEL ROBERT H+ARLENE C	NORMANDY PARK	T
90		359700	0005	TOWNE & COUNTRY SUITES-TUKWILA	14800 INTERURBAN AVE S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	145490	11	GOOD	1967	1975	57996	75	1600300	2728200	4328500	2327800	Bldg1: TOWNE PLACE SUITES BY MARRIOTT; Bldg2: TOWNE PLACE SUITES SEATTLE SOUTH	KRUSSEL ROBERT H+ARLENE C	NORMANDY PARK	T
91		334040	3334	TOWNE PLACE SUITES BY MARRIOTT - RENTON	300 SW 19TH ST	Hotel/Motel	4	WOOD FRAME	HOTEL, SUITE (842)	102848	2	AVERAGE	2000	2000	75328	129	1902600	7838900	9741500	1902600	Bldg1: MARRIOTT TOWNPLACE SUITES -KENT OFFICES; Bldg2: MARRIOTT TOWNPLACE SUITES - KENT	MARRIOTT BUSINESS SERVICES	LOUISVILLE	T
92		358529	0010	TOWNEPLACE SUITES BY MARRIOTT KENT	18123 72ND AVE S	Hotel/Motel	2	WOOD FRAME	HOTEL, SUITE (842)	180684	3	GOOD/EXCELLENT	1999	1999	64294	143	1987500	7234800	9222300	1987500		BRE SELECT HOTEL PROPERTIES	NEW YORK	T

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
93		004000	0911	TRAVELERS CHOICE MOTEL	3747 S 146TH ST	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	26626	1	AVERAGE	1992	1992	9912	147	532500	928600	1461100	532500	Bldg1: TRAVELERS CHOICE MOTEL	CITY OF TUKWILA	TUKWILA	X
94		004100	0335	TRAVELODGE AIRPORT NORTH MOTEL	14845 TUKWILA INTERNATIO NAL BLVD	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	38290	2	AVERAGE	1980	1980	21424	141	1033800	1989500	3023300	1033800	Bldg1: TRAVELODGE AIRPORT NORTH MOTEL; Bldg2: 34 UNIT MOTEL	JING WEI LLC	SEATAC	T
95		022310	0090	WASHINGTON PLACE (FORMER CIRCUIT CITY)	223 ANDOVER PARK E	Retail(Disco unt)	1	MASONRY	DISCOUNT STORE (319)	148507	1	LOW COST	1995	1995	41500	103	2970100	1287800	4257900	2970100	Bldg1: RETAIL/WAREHOUSE	WASHINGTO N TOWERS LP	KENT	T
96		182305	9077	WEST WIND MOTEL - RENTON	110 RAINIER AVE S	Hotel/Motel	2	WOOD FRAME	MOTEL, LIMITED (343)	19159	2	AVERAGE	1963	1978	8695	92	478900	321200	800100	478900	Bldg1: WEST WIND MOTEL; Bldg2: WEST WIND MOTEL	CHANG KYUNG SIK & MI J	RENTON	T