



Core DISTINCTION GROUP

COMPREHENSIVE HOTEL MARKET NEEDS ASSESSMENT

PREPARED FOR

Marshall, MN

PREPARED BY

Core Distinction Group, LLC

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Offices in Wisconsin

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL



Date Thursday, July 22, 2021

Attn: Lauren Deutz - Economic Development Director

Address 118 West College Drive

City, State, Zip Marshall, MN 56258

In accordance with our agreement, Core Distinction Group, LLC. has completed a Comprehensive Hotel Market Needs Assessment to determine if Marshall, MN has the potential to support a new hotel. In addition, the aforementioned study includes a complete Pro Forma based on construction costs and operating costs provided by the brand(s) requested by you.

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our research conducted in June and July 2021. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We do not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

This report has been prepared for your use and guidance in determining whether hotel development should be pursued in your community and to share with developers, hotel franchise companies, and potential lenders/investors. Neither our name nor the material submitted may be used in any prospectus or used in offerings or representations in connection with the sale of securities or participation interests without our express written permission.

Please do not hesitate to call if Core Distinction Group can be of any further assistance in the interpretation and application of our findings, recommendations and conclusions. We appreciate the cooperation you extended to us during the course of our agreement and look forward to working with you again in the future.

Sincerely,

Jessica Junker
Partner



Introduction/Objective	5-6
Community Overview	7-8
Executive Summary	9-11
Current Hotel Segment Recommendations for Market Studied	
Current Hotel Size Recommendations for Market Studied	
Current Rate Competition and Recommendations for Market Studied	
Current Hotel Room Configuration Recommendations for Market Studied	
Current Economic Impact of Hotel for Market Studied	
Amenities Recommended to be offered at Hotel for Market Studied	
Economic Overview	12-16
Available Economic Conditions Overview	
Available Population Data	
Available Census Data	
Available Effective Buying Income Data	
Available Workforce and Employment Distribution Data	
Available Unemployment Data	
Available Labor Supply and Wage Data	
Market Demand.....	17-18
Market Lodging Demand Area Map	
Site Analysis	19-29
Site Rating	
Location	
Land	
Frontage	
Topography	
Drainage	
Environmental Hazards	
Ground Stability	
Utilities	
Parking	
Easements/Encroachments/Restrictions	
Traffic Counts	
Community Interviews	30-35
Current and Potential Future Need for Lodging in the Market Studied	
Current Hotel Being Utilized by Interviewee	
Current Essential Amenities Being Utilized by Interviewee	
Scale or Quality Preferences of Interviewees	
Current Obstacles That Interviewee May See	
Additional Amenities Needed in the Market	

Lodging Demand	36-43
SMERF Demand	
Local Business/Corporate Demand	
Area Events and Attractions Demand	
Transient and Walk-In Demand	
Events by Month	
Demand Generators and Attractions	
 Lodging Supply	 44-53
Competitive Rate Analysis (Peak and Low Season)	
Historical Competitive Market Performance	
Projected Competitive Market Performance	
Competitive Hotel Information	
 STR Global Data & Summary	 54-79
STR Report Data	
 Projections Summary	 80-92
Lodging Demand Analysis	
Proposed Property Description	
Projected Construction/Development Costs	
Proposed Property Occupancy	
Proposed Property Average Daily Rate	
Projected Hotel Development Revenue	
Projected Hotel Development Payroll Expenses	
Projected Hotel Development Operating Expenses	
Projected Hotel Development Reserve and Fixed Expenses	
Projected Hotel Development Income	
 Economic Impact Summary	 93-99
Direct Economic Impact	
Indirect Economic Impact	
 Conclusion	 100-101
Current Hotel Segment Recommendations for Market Studied	
Current Hotel Size Recommendations for Market Studied	
Current Rate Competition and Recommendations for Market Studied	
Amenities Recommended to be offered at Hotel for Market Studied	
 Understanding Terms.....	 102-105
 Qualifications and Scope	 106-108

Introduction

The following Comprehensive Lodging Needs Assessment Report will review the potential development of a hotel in Marshall, MN.

Intended Use - This report is to be used by the Client for determining feasibility and attracting a hotel.

Intended User - the City of Marshall, MN is the only intended user for this report.

Core Distinction Group LLC (CDG) has been engaged to provide this Comprehensive Lodging Needs Assessment Report for the Marshall, MN market area. This Lodging Needs Assessment provides an overview of information concerning the market area and the factors that would affect the possible development of a hotel facility in this community.

The consultant from Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. Comprehensive research was performed and reviewed regarding the community's economic indicators, competitive lodging supply, and lodging demand generators. CDG performed field research to determine the relationship between the community and its lodging need. Economic indicators were studied to determine the stability and future growth potential of the general market. The research was conducted as a macro and micro market analysis of the Marshall, MN and the areas immediately surrounding area to determine their viability to support the potential of a hotel development.

This report will present projections for stabilized hotel operation based upon current operating performance in the market area. Occupancy, Average Daily Room Rate, and Sales Revenue projections for the hotel were based upon a detailed review of the field research data. Also, recommendations as to the property type, suggested property size, services, and amenities were included. These projections and recommendations were based upon the market demand research for a potential lodging facility.

This report provides statistical and highlighted narratives to support the conclusions regarding the market area and its ability to support potential hotel development.

General Assumptions - For the purpose of this assignment, we assumed the proposed property will be operated as an upper-mid scaled to upper scaled, franchised hotel with a central reservations system that is fully-integrated with a recognized marketing platform. If this or any of the following are not followed, it could affect the overall feasibility of subject property.

Introduction (continued)

Operational Assumptions - For the purpose of this assignment, we assume the subject property would be managed by a professional hotel management company at an industry standard fee between five and seven percent.

Franchise Fees - For the purpose of this assignment, we assume the subject property would pay franchise fees quoted to Core Distinction Group, LLC by either the developer or franchise representative. In the event that Core Distinction Group is not able to receive a quote, fees will be based on the franchise's registered Franchise Disclosure Document.

COMMUNITY OVERVIEW

For the purpose of this Comprehensive Hotel Market Needs Assessment, Core Distinction Group, LLC representatives gathered information and history about the market to give readers a brief summary. This section offers that Community Overview.

Community Overview and History

Marshall is a city in Lyon County, Minnesota, United States. The population was 13,680 at the 2010 census. Marshall is a regional center in southwest Minnesota, and the county seat of Lyon County. It is the headquarters of the Schwan Food Company and the home of Southwest Minnesota State University.

Schwan's Company, headquartered in Marshall, is one of the country's largest frozen-food companies. It is a \$3 billion organization and is the third-largest privately held corporation in Minnesota after Cargill and Carlson. With approximately 14,000 employees in the United States, Schwan has become one of the nation's largest producers of frozen pizza and egg rolls. It is also known for its frozen desserts and premium ice cream manufacturing and distribution. Schwan employs approximately 1,500 people in Marshall. A large corn wet-milling facility operated by Archer Daniels Midland Company is in Marshall. It was formerly run by a farmer's cooperative, Minnesota Corn Processors, but merged with ADM in 2002. The plant employs 250 people. Runnings Farm and Fleet is a regional retail chain with headquarters in Marshall. Other major employers in the city are US Bancorp, Avera Marshall Regional Medical Center, Hy-Vee, Walmart, Runnings Farm and Fleet, Menards, Southwest Minnesota State University, Turkey Valley Farms, and Marshall Public Schools.

Public schools in district 413 include Marshall High School, Marshall Middle School, Parkside Elementary, and West Side Elementary. An additional service for grades 7–12 is Marshall East Campus Learning Alternatives. The athletic teams in Marshall are called the Tigers. Private schools include Holy Redeemer, True Light Christian, and Samuel Lutheran School. Southwest Minnesota State University is a public, four-year liberal arts and professional studies institution. It has an enrollment of approximately 3,500 full-time students.

U.S. Highway 59 and Minnesota State Highways 19, 23, and 68 are four of the main routes in the city. The Southwest Minnesota Regional Airport-Marshall/Ryan Field is a municipal airport. The 2,200-meter runway can handle commercial airliners. Marshall is not served by scheduled air service, but charter flights are available.

EXECUTIVE SUMMARY

For the purpose of this Comprehensive Hotel Market Needs Assessment, an executive summary will provide an overview of the document to follow. The Executive Summary will contain the following information:



Current Hotel Segment Recommendations for Market Studied



Current Hotel Size Recommendations for Market Studied



Current Rate Competition and Recommendations for Market Studied



Current Hotel Room Configuration Recommendations for Market Studied



Current Economic Impact of Hotel for Market Studied



Amenities Recommended to be offered at Hotel for Market Studied

Further detailed information on findings from research analysis conducted will be highlighted throughout this report. Further detail on the projections and conclusions can be found in the Projections section of this report.

Executive Summary

Property segment recommended for the potential development of a hotel is an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Marshall, MN. Additionally, the newness of the hotel should be well received in the marketplace. Its location will be ideal to serve Marshall and regional markets. This hotel is capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be 60-70 guestrooms in this report. This would position it to be similar in room size average of 55 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy Projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify performance.

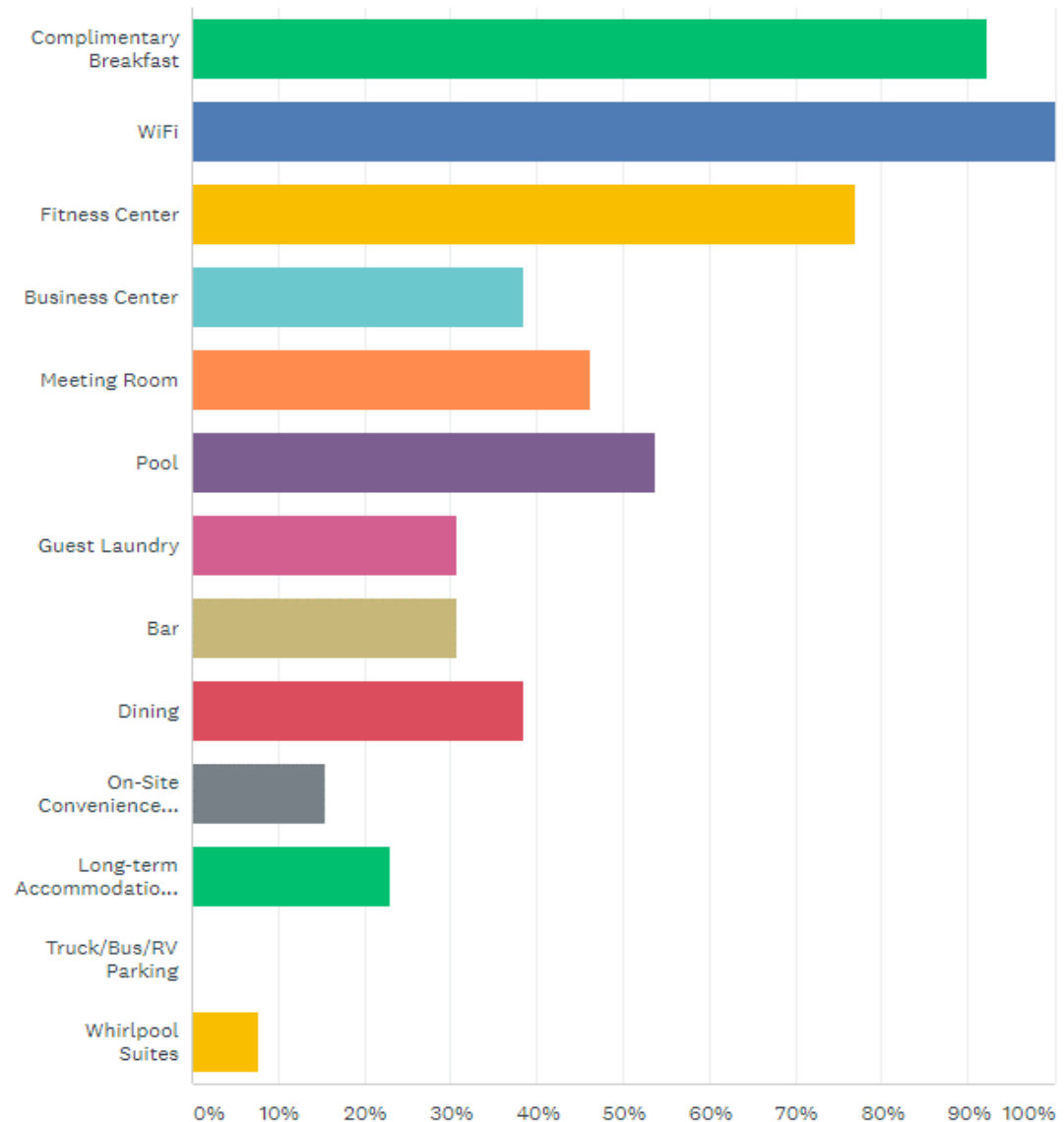
Rate Competition will be dictated by both the immediate market and regional market demand. With proper rate positioning the hotel should achieve a yield to the regional market hotels at 110-120% or greater during peak and low seasons. Due to several factors, including but not limited to, newness of product, brand recognition, and age.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms due to the mix of business being primarily weekday corporate and weekend transient group.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 15-20 full time jobs. Part-time employment varies by hotel need and hiring practices. Additional economic development will include taxes, which include all sales taxes collected on hotel revenue, as well as all payroll related taxes collected from full-time hotel employees and temporary construction workers. Local governments will also collect new property taxes from the operation of the hotel. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. A few examples of businesses that will indirectly benefit from the development of a hotel include suppliers of room related goods (housekeeping supplies, room amenities, etc.), telecommunication vendors (internet, cable, etc.), utility companies, food and beverage suppliers, and other hotel related vendors.

Executive Summary

Property features, amenities, and services of the hotel should satisfy the market it is attempting to attract. Standard features and amenities required for a proposed hotel in this market should include:



ECONOMIC OVERVIEW

For the purpose of this Comprehensive Hotel Market Needs Assessment, an Economic Overview will provide an overview of the economic condition of the market studied. The Economic Overview will contain the following information:



Available Economic Conditions Overview



Available Population Data



Available Census Data



Available Effective Buying Income Data



Available Workforce and Employment Distribution Data



Available Unemployment Data



Available Labor Supply and Wage Data

Population

Marshall is a city in Lyon County, Minnesota, United States. The population was 13,680 at the 2010 census. Marshall is a regional center in southwest Minnesota, and the county seat of Lyon County.

As of the census of 2010, there were 13,680 people, 5,394 households, and 2,992 families living in the city. The population density was 1,358.5 inhabitants per square mile (524.5/km²). There were 5,744 housing units at an average density of 570.4 per square mile (220.2/km²). The racial makeup of the city was 86.8% White, 4.0% African American, 0.6% Native American, 3.0% Asian, 3.6% from other races, and 2.0% from two or more races. Hispanic or Latino of any race were 7.8% of the population.

There were 5,394 households, of which 29.2% had children under the age of 18 living with them, 43.3% were married couples living together, 9.0% had a female householder with no husband present, 3.2% had a male householder with no wife present, and 44.5% were non-families. 32.9% of all households were made up of individuals, and 11% had someone living alone who was 65 years of age or older. The average household size was 2.36 and the average family size was 3.04.

The median age in the city was 29.7 years. 22.6% of residents were under the age of 18; 19.6% were between the ages of 18 and 24; 24.9% were from 25 to 44; 21.4% were from 45 to 64; and 11.4% were 65 years of age or older. The gender makeup of the city was 49.5% male and 50.5% female.

Population (continued)

2010 Census Data	Marshall, MN	Lyon County
Population estimates, July 1, 2020	13,487	25,474
Population estimates base, April 1, 2010	13,691	25,858
Population, percent change - April 1, 2010 to July 1, 2020	-1.5%	-1.5%
Population, Census, April 1, 2010	13,680	25,857
Persons under 5 years, percent	7.7%	7.2%
Persons under 18 years, percent	25.5%	25.7%
Persons 65 years and over, percent	13.6%	16.5%
Female persons, percent	50.7%	50.1%
White alone, percent	79.8%	89.6%
Black or African American alone, percent	6.2%	3.4%
American Indian and Alaska Native alone, percent	0.4%	0.8%
Asian alone, percent	6.1%	4.7%
Native Hawaiian and Other Pacific Islander alone, percent	-	0.1%
Two or More Races, percent	2.2%	1.5%
Hispanic or Latino, percent	9.1%	7.2%
White alone, not Hispanic or Latino, percent	77.0%	83.3%
Housing units, July 1, 2020	-	11,350
Owner-occupied housing unit rate, 2014-2018	54.2%	68.4%
Median value of owner-occupied housing units, 2010-2014	\$154,100	\$148,900
Travel time to work (min), workers age 16 years+, 2010-2014	11.5	15.1

Source: US Census Bureau

Effective Buying Income - Marshall, MN

Households by Income	2018
Median Household Income	\$46,638
Mean Income	\$73,195
<\$10,000	5.7%
\$10,000-\$14,999	7.4%
\$15,000-\$24,999	12.9%
\$25,000-\$34,999	13.0%
\$35,000-\$49,999	13.1%
\$50,000-\$74,999	14.1%
\$75,000-\$99,999	11.7%
\$100,000-\$149,999	15.6%
\$150,000-\$199,999	3.4%
\$200,000+	3.2%

Source: U.S. Census Bureau

Workforce/Employment Distribution

by NAICS Codes (Marshall, MN)	Percent (%)
Health care and social assistance	16.63%
Manufacturing	14.66%
Retail trade	14.02%
Accommodations and food services	8.54%
Finance and insurance	8.45%
Educational services	8.37%
Construction	4.88%
Agriculture, Forestry, Fishing, and Hunting	3.87%
Public administration	3.53%
Wholesale Trade	3.24%
Other services, except public administration	2.54%
Transportation and warehousing	2.52%
Administrative, Support, and Waste Management	2.34%
Professional, scientific, and technical services	1.65%
Real estate, rental, and leasing	1.57%
Arts, entertainment, and recreation	1.52%
Utilities	0.82%
Information	0.54%
Management of companies and enterprises	0.19%
Mining, quarrying, and oil/gas extraction	0.12%

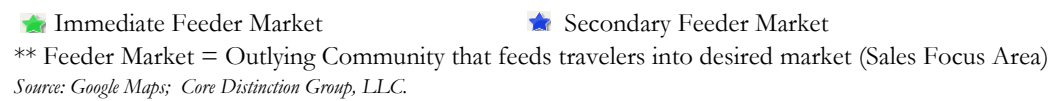
Source: U.S. Census Bureau

Labor Supply / Wage Pressures

Minnesota's minimum wage is set at \$10.08 large employers and \$8.21 small employers (2021). The labor supply is felt to be average to support a hotel development. The hotel could draw employment from the broad geographic area of Lyon County or the surrounding counties to stay closer to home for work. The unemployment levels in the county do not appear to have the potential to place limitations on labor supply needed for this build. Wage pressures does appear to be a concern in attracting service employees for a hotel.

MARKET DEMAND

The economic vitality of the market and the surrounding markets or feeder markets, is an important consideration in forecasting lodging demand and future revenue potential. The market lodging demand area for a lodging facility is the geographical region where the sources of demand and the competitive supply are located. In the following document you will find a map of the estimated market lodging demand area for the subject market.



SITE ANALYSIS

For the purposes of this Comprehensive Hotel Market Needs Assessment, a representative with Core Distinction Group LLC evaluated all sites and, although a site has not yet been selected, we recommend that all the selected sites will be improved with a limited-service lodging facility. The potential locations are detailed in the following pages including analysis of each site.



Site Rating



Location



Land



Frontage



Topography



Drainage



Environmental Hazards



Ground Stability



Utilities



Parking



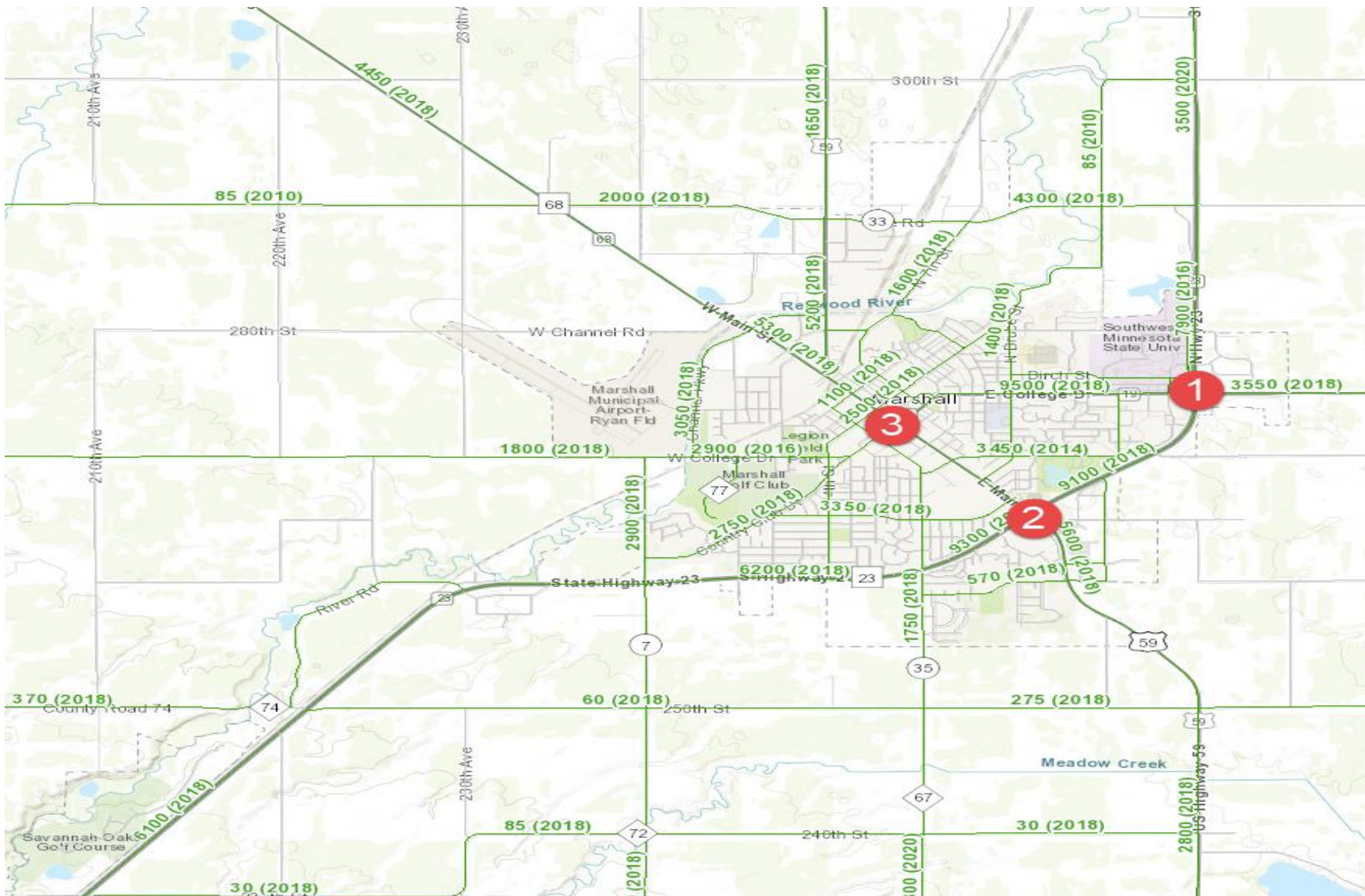
Easements/Encroachments/Restrictions



Traffic Counts

It is important to analyze the site with respect to regional and local transportation routes and demand generators, including ease of access. A detail of traffic information will follow the individual site information in this report.

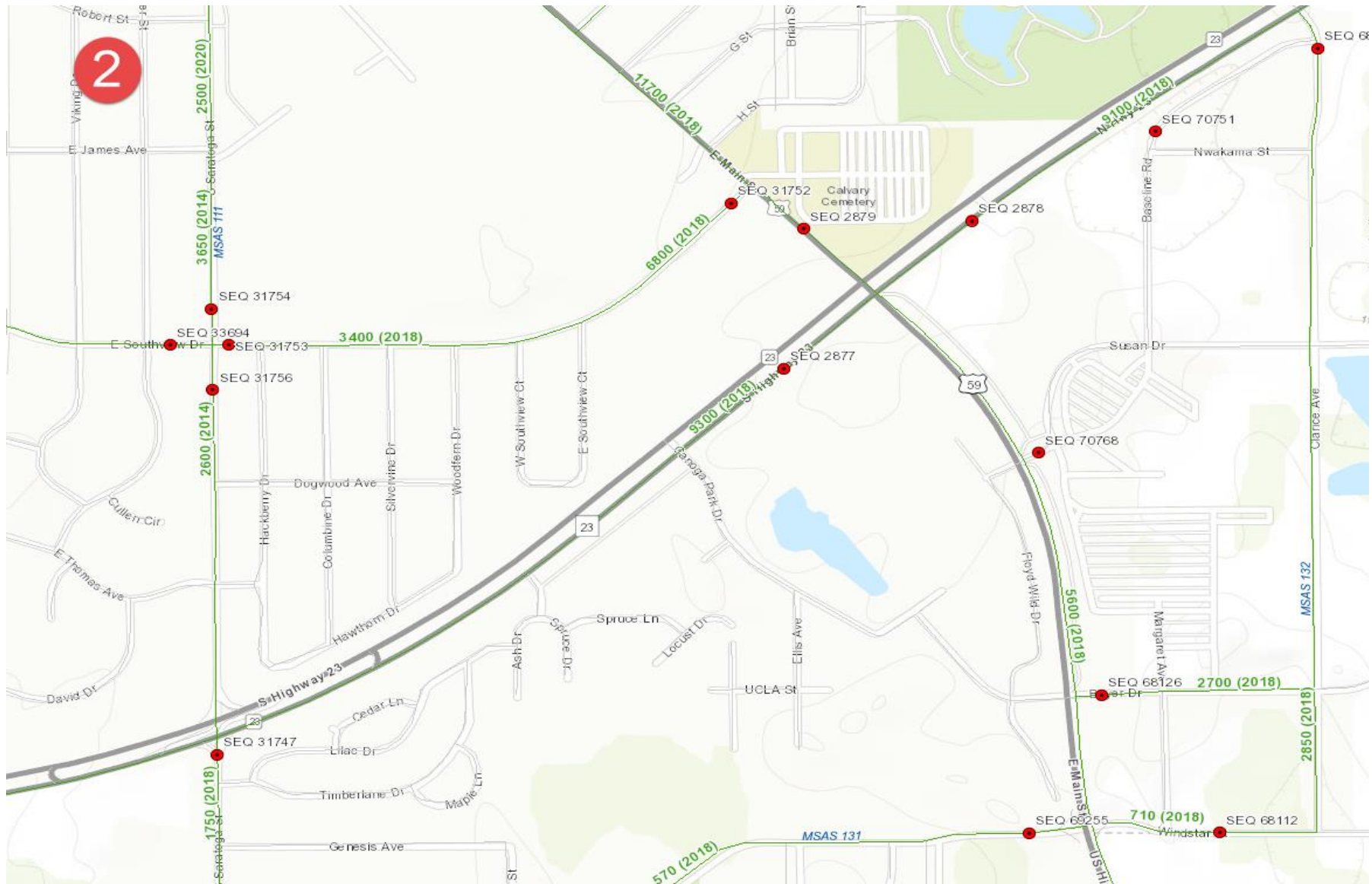
Traffic Count Data



Source: Minnesota DOT - 2014, 2016, 2018, 2020

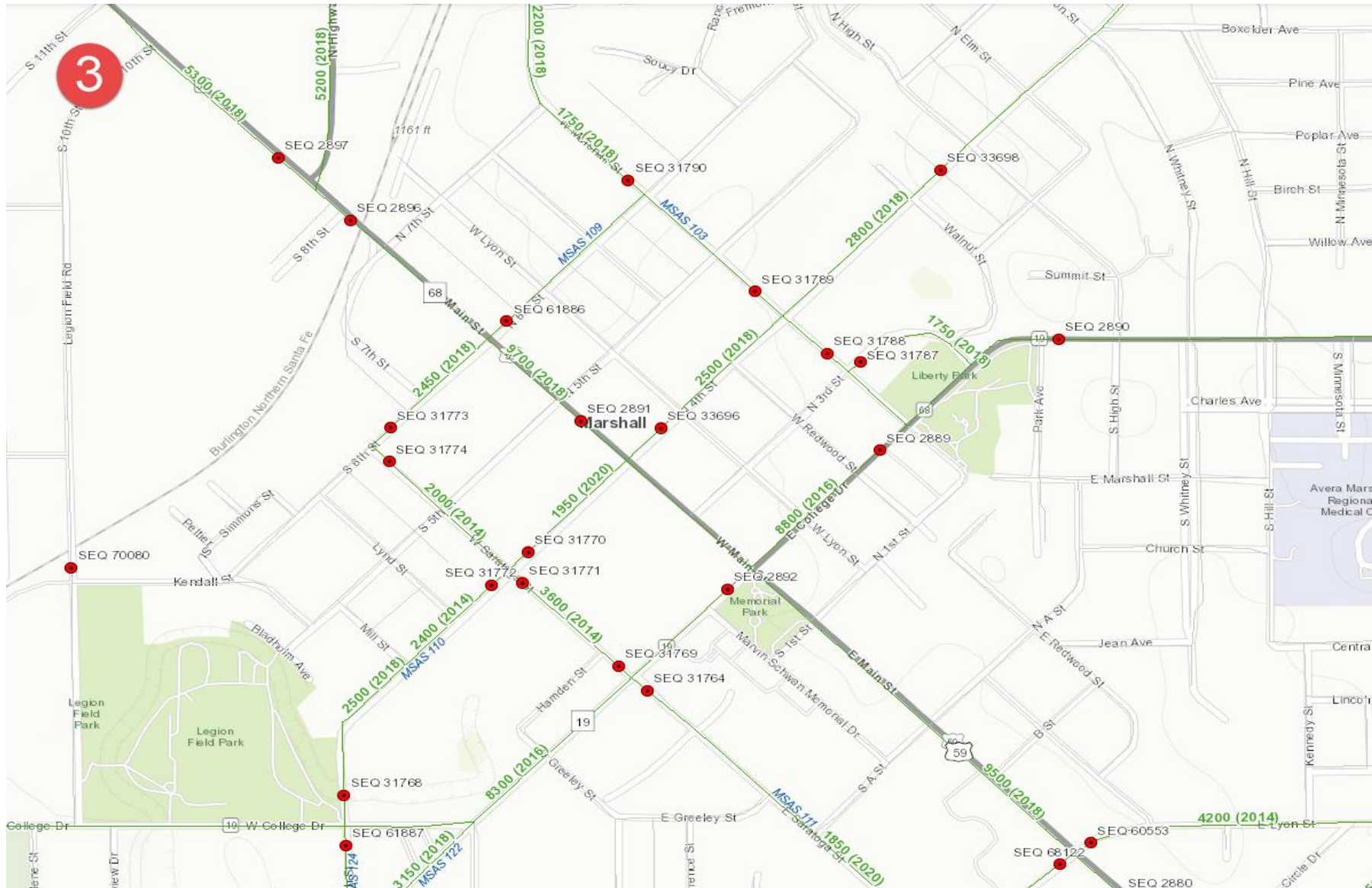
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Traffic Count Data



Source: Minnesota DOT - 2014, 2016, 2018, 2020

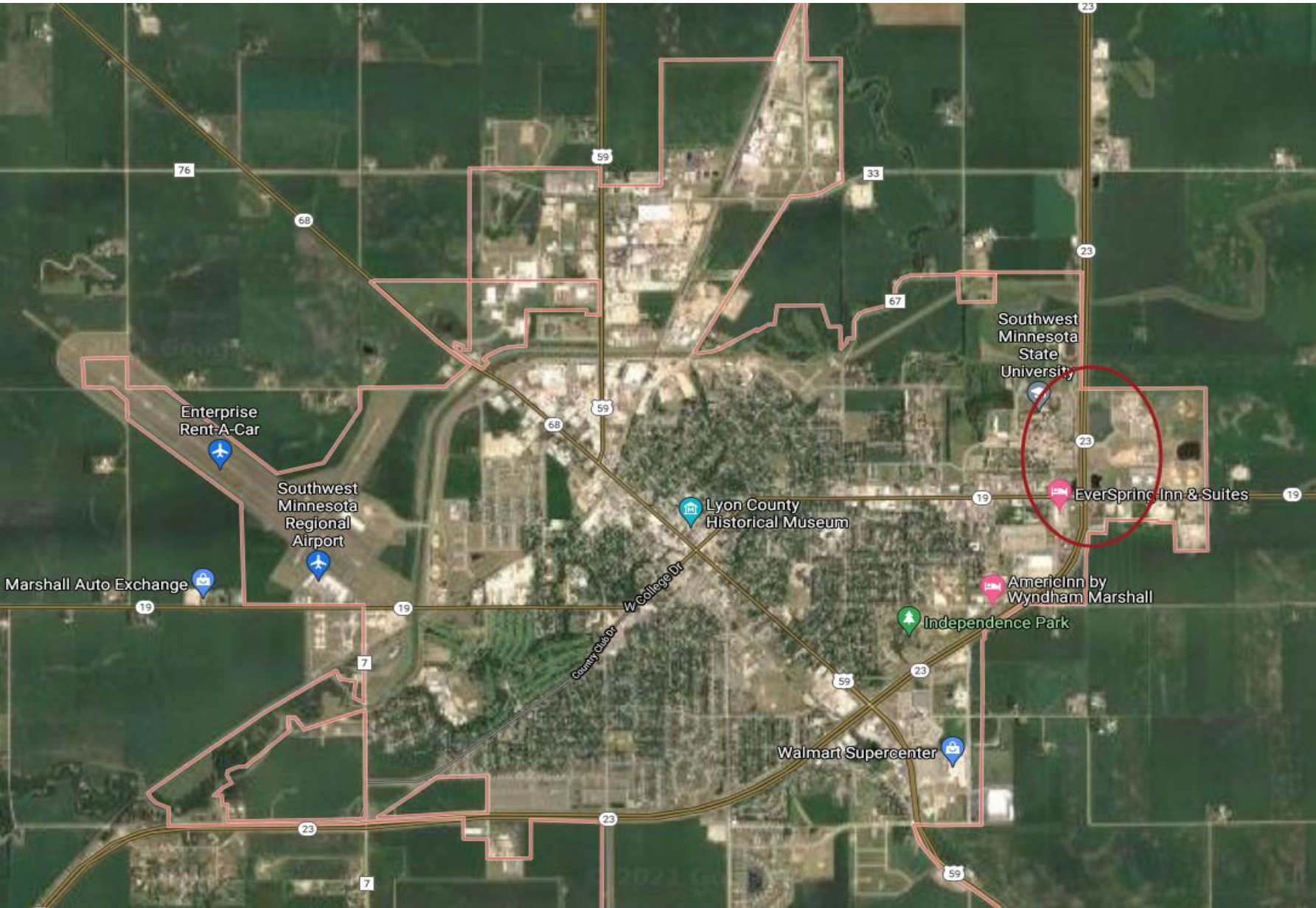
Traffic Count Data



Source: Minnesota DOT - 2014, 2016, 2018, 2020

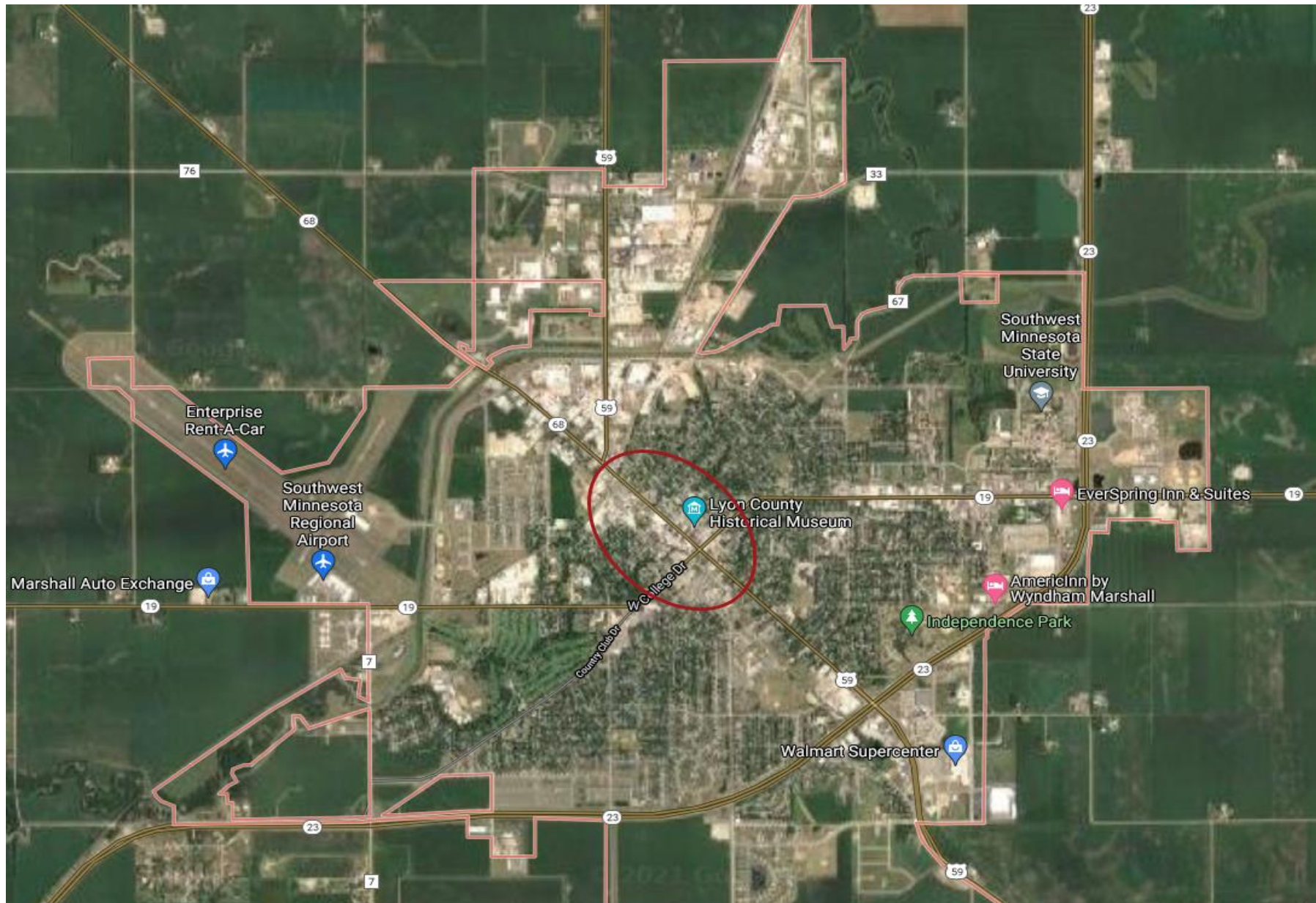
Southwest Minnesota State University/Arena Vicinity					
Visibility	1	2	3	4	5
Accessibility	1	2	3	4	5
Traffic Counts	1	2	3	4	5
Site Prep	1	2	3	4	5
Major Utilities	1	2	3	4	5
Zoning	1	2	3	4	5
Area Support Services	1	2	3	4	5
Demand Generator Position	1	2	3	4	5
Competition Position	1	2	3	4	5
Overall Result			93%	42	45

Location	Located in the vicinity of Southwest Minnesota University near Highway 23.
Land Area	The recommended site size for proposed property is two to three acres. This site offers plenty of acreage.
Frontage	This proposed should offer frontage and/or high visibility from Highway 23.
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that this property is not adversely affected by these hazards.
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that this property is not adversely affected by these hazards.
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affects this site.



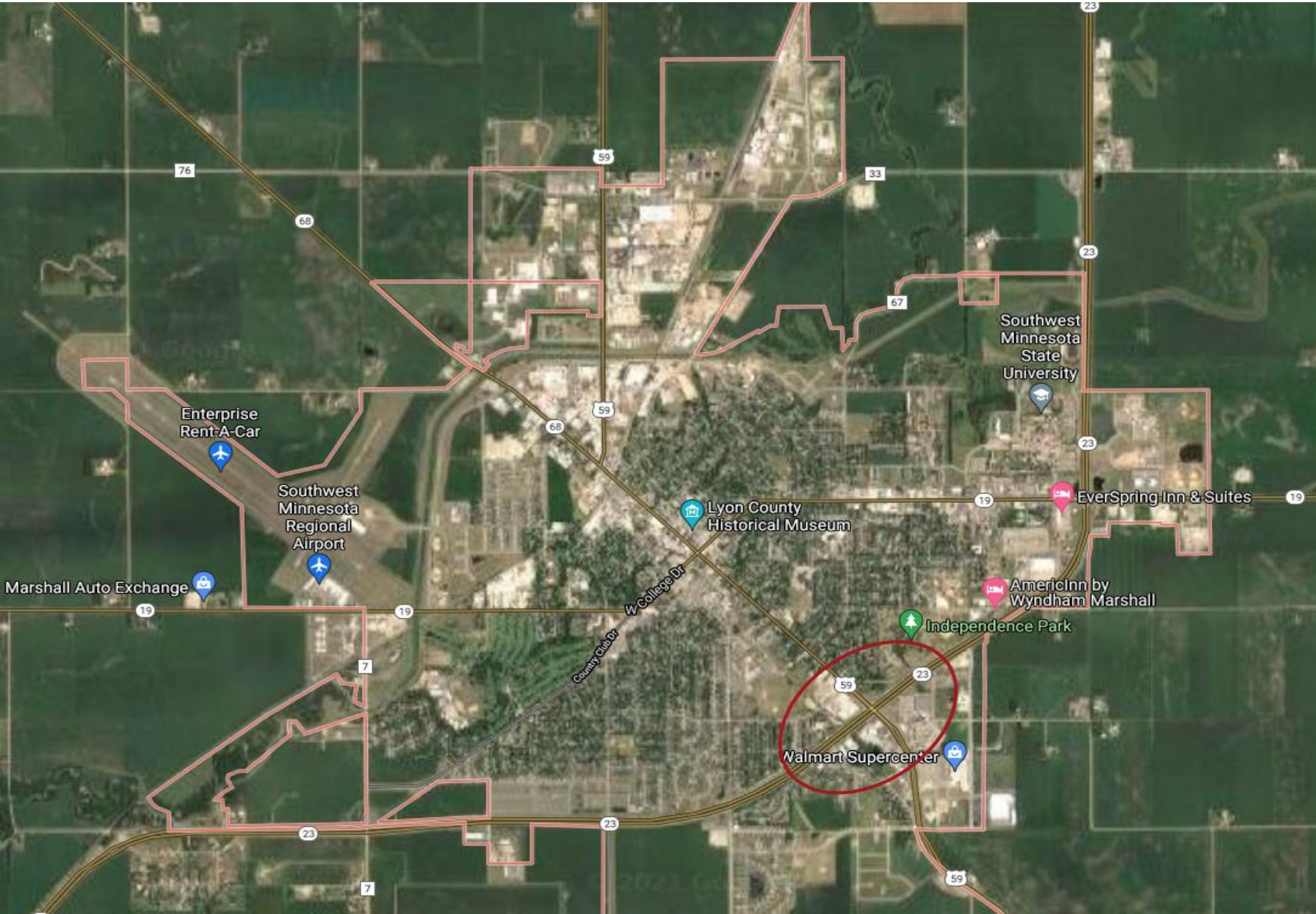
Downtown Marshall Vicinity					
Visibility	1	2	3	4	5
Accessibility	1	2	3	4	5
Traffic Counts	1	2	3	4	5
Site Prep	1	2	3	4	5
Major Utilities	1	2	3	4	5
Zoning	1	2	3	4	5
Area Support Services	1	2	3	4	5
Demand Generator Position	1	2	3	4	5
Competition Position	1	2	3	4	5
Overall Result			91%	41	45

Location	Located in the vicinity of Downtown Marshall.
Land Area	The recommended site size for proposed property is one to two acres. This location may not offer enough space for parking. It is the understanding of Core Distinction Group that parking can be made available in the area.
Frontage	This proposed should offer frontage or high visibility from Main Street.
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that this property is not adversely affected by these hazards.
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that this property is not adversely affected by these hazards.
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affects this site.



Commerce Area/Highway 23 and Highway 59 Vicinity					
Visibility	1	2	3	4	5
Accessibility	1	2	3	4	5
Traffic Counts	1	2	3	4	5
Site Prep	1	2	3	4	5
Major Utilities	1	2	3	4	5
Zoning	1	2	3	4	5
Area Support Services	1	2	3	4	5
Demand Generator Position	1	2	3	4	5
Competition Position	1	2	3	4	5
Overall Result			96%	43	45

Location	Located in the vicinity of the intersection of Highway 23 and Highway 59.
Land Area	The recommended site size for proposed property is one to two acres.
Frontage	This proposed should offer frontage or high visibility from Highway 23 and/or Highway 59.
Topography	The area offers many options with very little issues. The topography does not appear to have development issues at this time.
Drainage	No drainage issues were observed at the time of visit and none were disclosed to Core Distinction Group at the time of Site Visit.
Environmental Hazards	An environmental assessment report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that this property is not adversely affected by these hazards.
Ground Stability	A soil report was not provided for review. However, these issues are out of Core Distinction Group's scope of work and expertise. It is assumed that this property is not adversely affected by these hazards.
Utilities	It is to the understanding of Core Distinction Group that water, electricity and sewer are available in the general area.
Parking	This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.
Easements, Encroachments and Restrictions	Core Distinction Group was not provided a title report on said site and was not made aware of any easements, encroachments or restrictions that would affect this site.



COMMUNITY INTERVIEWS

A representative with Core Distinction Group LLC met with representatives of the community and the surrounding area to gather information pertinent to hotel development. In addition, Core Distinction Group, LLC conducted phone interviews and an online survey to better understand the overall market need. The research was conducted as a macro and micro market analysis of the market and areas immediately surrounding the area to determine their viability to support the potential of a hotel development. The following key points were discussed and analyzed for the purpose of this Comprehensive Hotel Market Needs Assessment:



Current and Potential Future Need for Lodging in the Market Studied



Current Hotel Being Utilized by Interviewee



Current Essential Amenities Being Utilized by Interviewee



Scale or Quality Preferences of Interviewees



Current Obstacles That Interviewee May See



Additional Amenities Needed in the Market

Community Interview Question Summary

During the research phase of this Comprehensive Hotel Market Needs Assessment, Core Distinction Group asked demand generators and leaders within the community all or some of the following *questions:



Does your business or organization have a need for overnight accommodations?



If yes, what is the approximate weekly or monthly need?



Does your business or organization have a need for long-term or extended stay overnight accommodations?



If yes, what is the approximate length of stay and how many guests per month/year?



Where do you currently recommend these individuals to stay?



In your opinion, do you believe the community in question would benefit from a new, branded hotel?



If yes or no, please help us understand your stance on a new hotel. Why you do or do not feel it would benefit the community.



In your opinion, what amenities does this hotel offer that are important to your clients?

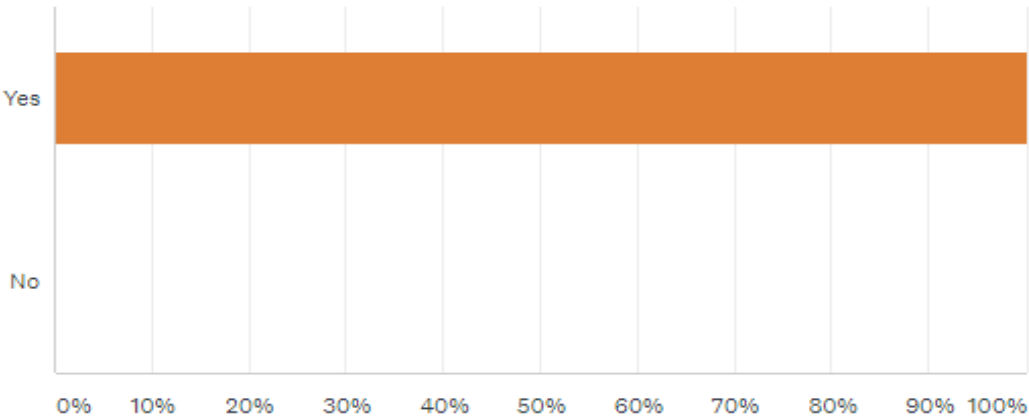


Do you have additional comments or contacts you would recommend we speak to?

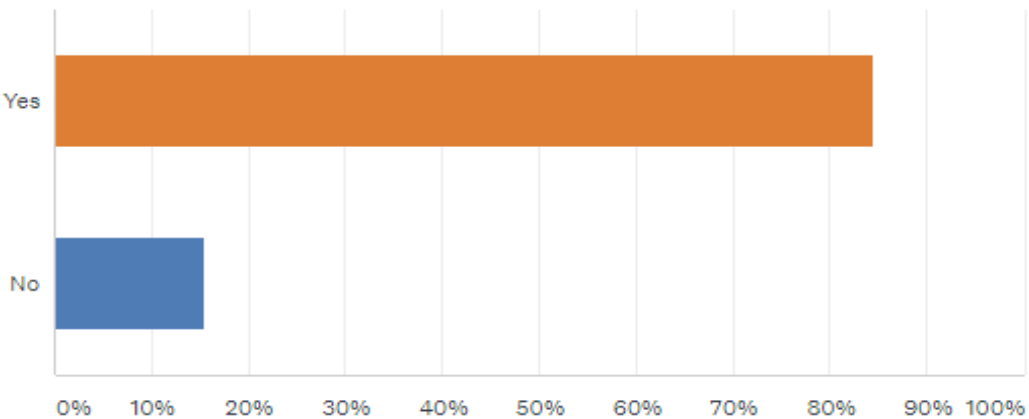
**Questions are not limited to the above questions. Representatives from Core Distinction Group look to expand on each question, if needed, to identify all lodging needs in the community.*

Community Interviews Overall Key Responses

When Core Distinction Group asked individual businesses in the area if they had a need for new, quality accommodations in the community, 100% identified a specific need:



When Core Distinction Group asked individuals and businesses in the area if there is a need in Marshall for a new hotel, nearly 85% stated yes:



Community Interviews

In surveying a representative with Marshall Public Schools, they indicated a need for lodging as they host several events in which other high school teams and their fans spend the night in Marshall; these include the following: Pursuit of Excellence Marching band (3rd weekend in Sept), SW Challenge VB tournament (second weekend in Sept), Tiger Hockey Thanksgiving Classic (Thanksgiving weekend), Boys and Girls Basketball holiday tournaments (week between Xmas and New Years, and graduation. They indicated support for new hotel development as many of their visitors from other schools end up staying out of town due to lack of rooms available indicating they might stay for longer or other events if there were more updated accommodations available.

In surveying a representative with Ralco, they indicated that during the calendar year of 2019 they estimate that their company required a minimum of 1 hotel night per week locally based on the total spend. This is lower than previous years due to the fact that they moved their annual sales meeting to a different location in order to find adequate meeting space for their larger group. Currently most of their employees prefer the Sleep Inn due to the newness and proximity to amenities, however when they have international guests who do not have transportation they prefer to place them at the Ramada due to the onsite restaurant. They indicated support for new hotel development as they would like to see a hotel with better or more conference space and capabilities.

In surveying a representative with Red Baron Arena & Expo, they indicated they host various hockey tournaments, figure skating events, as well as expo's and large meetings. Depending on the year they utilize over 1000+ rooms Friday and Saturday nights. Currently they recommend the AmericInn or Sleep Inn. They indicated support for new hotel development as they would be able to host larger tournaments with more teams.

In surveying a representative with Marshall Hockey, they indicated a need for lodging that requires 200-250 rooms Friday through Sunday 8 times per year from December through March. Additionally, they have been passed up to host state events due to lack of lodging available. They indicated support for new hotel development as many guests often stay in surrounding areas rather than locally due to lack of hotels vs. motels.

In surveying a representative with MERIT Center, they indicated their facility typically hosts 6-5 training events per year that require participants to stay in hotels for one or two nights on average this would be approximately 10-15 people per event. They currently stay at the Sleep Inn or Quality Inn. They indicated support for new hotel development as often participants comment on the lack of good hotels in Marshall.

Community Interviews

In surveying a representative with Avera Marshall, they indicated a need for lodging for locum providers that fill in for their current providers when they are on PTO or until a new hire is located. Often times these guests stay a week at a time up to a month or longer. They often request fully furnished living accommodations that Marshall currently does not offer. They also have employees that will stay in town during bad weather. Currently they book rooms at local hotels or rent a unit from Carr Properties in their colonial houses; currently there are two locum physicians in town for 6 months. They indicated support for new hotel development as they have a sports complex and a number of increased tournaments, visitors, hospital employees, and local businesses that have need.

In surveying a representative with U.S. Bank, they indicated a need for lodging annually approximately 150+ room nights Monday through Thursday. They currently recommend the Sleep Inn or AmericInn. They indicated support for new hotel development as weekend and event availability is lacking locally.

In surveying a representative with Runnings, they indicated a need for lodging 10 rooms a month and in July 50 rooms for two days. They currently recommend the Sleep Inn or AmericInn. They indicated support for new hotel development as a nice Hampton or Holiday Inn Express would be a nice addition as there are many older properties in town.

In surveying a representative with Marshall Public Schools, they indicated a need for lodging 5-10 days a year. Currently they recommend the Sleep Inn, Ramada, or Comfort Inn. They indicated support for new hotel development as the community is often busy especially on weekends with sporting events.

In surveying a representative with Avera Marshall, they indicated a need for lodging in the winter time for employees during inclement weather.

In surveying a representative with Schwan's Travel / Aviation Department, they indicated they had a total of 840 room nights in 2019 in the Marshall market. They also have long term lodging need for new hires ranging from 2 weeks to 3 months approximately 2 times per year. They indicated support for new hotel development as when there are tournaments or large events in town they have to put their people up in nearby towns as there are no rooms available locally.

In surveying a representative with ADM, they indicated a need for lodging 1 room a month on average for visitors and 50 rooms a day during snowstorms. They currently recommend the Sleep Inn or new Evergreen.

Community Interviews

In surveying a representative with SFC Nicholas DeCamp - Readiness NCO for the Marshall Armory - National Guard, they indicated a need monthly for lodging on average 20 people on weekend a month for Friday and Saturday night. They currently have an agreement with the AmericInn for lodging locally.

In surveying a representative with Southwest Minnesota State University Athletics, they indicated a need for lodging as they host college events for 13 different sports throughout the year which families and alumni utilize the Marshall hotels as well as the opposing teams and fans. They host large team camps in the summer where teams utilize the Marshall hotels. They also host prospective student-athletes during their campus visits during the recruiting process and orientation to SMSU which the families utilize the Marshall hotels. They currently recommend the Everspring Inn, Sleep Inn, Quality Inn, and AmericInn. They indicated support for new hotel development as the community of Marshall hosts lots of events in particular sporting events which brings in many out of town guests looking for lodging.

LODGING DEMAND

For the purposes of this Comprehensive Hotel Market Needs Assessment, it is important to understand the overall demand of lodging in the market as well as surrounding markets. This section reviews need in the areas based on the following market segments:



SMERF Demand



Local Business/Corporate Demand



Area Events and Attractions Demand



Transient and Walk-In Demand



Events by Month

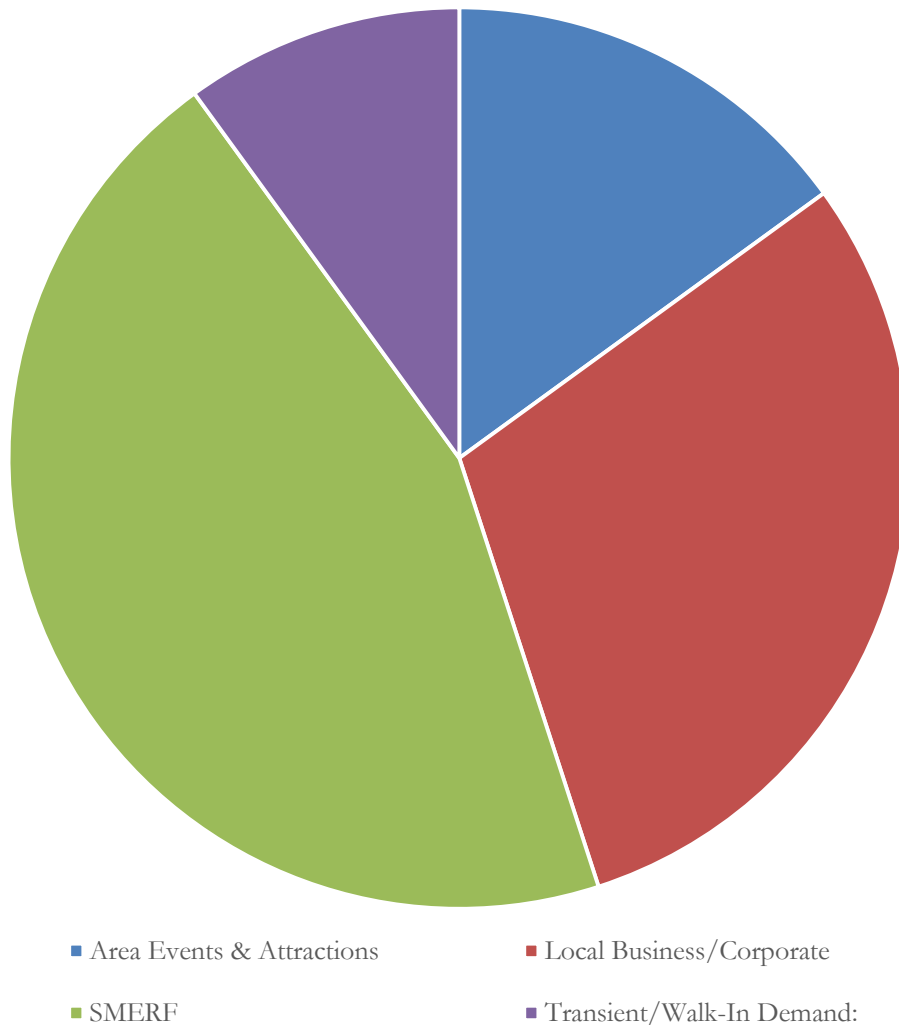


Demand Generators and Attractions

In addition to a breakdown and overview of the market's lodging demand segmentation, this sections also details the sources of said lodging demand and in some cases, identifies when the demand peaks.

Market Segmentation Projection for Marshall, MN are as follows

SMERF Demand:	45%
Local Business/Corporate Demand:	30%
Area Events & Attractions Demand:	15%
Transient/Walk-In Demand:	10%
Total Need:	100%

Demand Driver Share

SMERF Demand - SMERF stands for Social, Military, Education, Religious and Fraternal meetings. In communities where corporate meetings and business travelers keep hotels occupied on weekdays, SMERF is business, which is predominantly weekend business, can fill rooms Friday through Sunday.

Corporate Demand - Corporate demand consists mainly of individual businesspeople passing through the subject market or visiting area businesses, in addition to high-volume corporate accounts generated by local firms. Brand loyalty (particularly frequent-traveler programs), as well as location and convenience with respect to businesses and amenities, influence lodging choices in this segment. Companies typically designate hotels as “preferred” accommodations in return for more favorable rates, which are discounted in proportion to the number of room nights produced by a commercial client. Corporate demand is strongest Monday through Thursday nights, declines significantly on Friday and Saturday, and increases somewhat on Sunday night. It is relatively constant throughout the year, with marginal declines in late December and during other holiday periods.

Area Events & Attractions/Leisure Demand: Leisure demand consists of individuals and families spending time in an area or passing through en route to other destinations. Travel purposes include sightseeing, recreation, or visiting friends and relatives. Leisure demand also includes room nights booked through Internet sites such as Expedia, Hotels.com, and Priceline; however, leisure may not be the purpose of the stay. This demand may also include business travelers and group and convention attendees who use these channels to take advantage of any discounts that may be available on these sites. Leisure demand is strongest on Friday and Saturday nights and all week during holiday periods and the summer months. These peak periods represent the inverse of commercial visitation trends, underscoring the stabilizing effect of capturing weekend and summer tourist travel.

Transient/Walk-In Demand: This demand can peak during any day of the week depending on the market. Transient/walk-in demand is based on many factors including traffic through the area and potential overflow from feeder markets. This demand may include business and leisure travelers.

Identifying which segments have the potential to produce 80 percent of your hotel’s revenue is imperative to the success of developing these segments to ensure hotel is achieving fair market share. This starts with understanding the market in which any given hotel operates. A fundamental understanding of the competitive environment, key economic drivers and historical trends are essential to understanding which market segments are relevant. At this time, the proposed hotel should experience the same Market Segmentation as the overall market. The proposed hotel in Marshall, MN, would be the newest hotel in the immediate regional area and would be positioned to serve a wide variety of Lodging Demand. Also, as a proposed upper midscale hotel, it would be able to flex rates and services to accommodate a full range of Lodging Demand identified.

Events / Demand Generators:	
January:	Brau Brothers Beer Pairing Dinner, Buffalo Ridge Coyote Hunt, Marshall Radio Bridal Extravaganza Speech Spectacular, MAHA Hockey Tournament, High School Gymnastics Invite, SMSU Volleyball Camp,
February:	Rock on Ice, Mustang Ice Classic, MAHA Hockey Tournament, MGBA Basketball Tournament, MSHSL Girls Basketball Sections, MSHSL Wrestling Sections, SWMN Hardwood Challenge Basketball Tournament
March:	Marshall Radio Home Show, St. Patrick's Day Parade, MSHSL Girls Basketball Sections, MSHSL Boys Basketball Sections, MAHA Hockey Tournament, Marshall Hoops Tournament, Southwest Figure Skating Club Show, Rolle Bolle Tournament
April:	Mom's Expo, JO Volleyball Tournament
May:	City-Wide Garage Sales, Made in Minnesota Craft Beer Festival, Spring Craft & Vendor Show, Marshall A's Baseball, Shades of the Past Roll-In, JO Volleyball Tournament, MSHSL Softball Sections MAYBA Baseball Tournament,
June:	Avera Ride or Stride Toward a Cure, Shades of the Past, MUSA Soccer Jamboree, Drake Bigler Memorial Hoops Invite, MAYBA Baseball Tournament, SMSU Track & Field Camp, SMSU Men's Basketball Camp, SMSU Football Camp, SMSU Women's Basketball
July:	4th of July Festival, Youth Softball Tournament, SMSU Football Camp, Dakota Pro Am Golf Tournament, MSF State Baseball Tournament, SMSU Football Team Camp, High School Hockey Summer League (Boys & Girls)
August:	Lyon County Fair, Sounds of Summer, Visit Marshall Medallion Hunt, MGC Member Guest Tournament VFW Baseball Tournament, SMSU Prospect, Basketball Camp, SMSU Baseball Prospect Camp
September:	SMSU Agriculture Bowl, Brau Brothers Hopfest, Fall Craft and Vendor Show, Pursuit of Excellence, MHSRA Rodeo, Southwest Challenge Volleyball Tournament, SMSU Mini Mustang Basketball Camp, SMSU Softball Prospect Camp
October:	SMSU Homecoming, Haunted Town on Erie Road, Marshall Gun Show, Taste of Marshall, Subway Classic Volleyball Tournament, SMSU Wheelchair Basketball Tournament
November:	Downtown Holiday Hop, Light Up the Night Begins, MAHA Hockey Tournament, YMCA Gobble Wobble 5k, High School Hockey Thanksgiving Invite, MSHSL Football Section Tournament
December:	Tour of Homes, Christmas Tree Walk, Visit Marshall Medallion Hunt, MAHA Hockey Tournament, Beat the Blizzard Swim Meet

Attractions & Demand Generators:

Southwest Minnesota State University (SMSU) - A public university in Marshall, Minnesota. It is part of the Minnesota State Colleges and Universities System. The university has an enrollment of approximately 8,700 students and employs 148 faculty members. It is divided into two major colleges, the College of Arts, Letters, and Sciences and the College of Business, Education, and Professional Studies. The school athletic teams are the Mustangs. The Mustangs compete in the Northern Sun Intercollegiate Conference (NSIC), which is a part of NCAA Division II. Programs for men include basketball, wheelchair basketball, baseball, cross country, track, football, and wrestling. The programs for women are basketball, cross country, golf, soccer, softball, tennis, volleyball and swimming.

SMSU Museum of Natural History – The SMSU Museum of Natural History is focused on the plants and animals native to Minnesota.

The SMSU Art Museum comprises two art galleries: the William Whipple Art Gallery I and II, named after a former Dean of Humanities and Fine Arts at Southwest. Gallery I is in the SMSU library, and the smaller Gallery II is on the second floor of Founders Hall. The museum also features art on display at various locations around campus.

SMSU Museum of Indigenous Americans – Featuring Native American artifacts including pottery, artwork, baskets, projectile points.

SMSU Planetarium – The planetarium is in the Science and Math Building and features a variety of laser and multi-media presentations. There is also a rooftop observation deck and telescopes for public night viewing of the sky.

ADM & SMSU Environmental Learning Area - Prairie, woodlands, ponds, marsh, and wildlife -- all can be found in the northwest corner of the SMSU campus. Hike the groomed trails that wind through the 40-acre Environmental Learning Area or strap on cross-country skis for a brisk winter work-out. An elevated observation platform allows visitors to view the activities of muskrats and waterfowl. The general public, university and K-12 school groups, and other outdoor enthusiasts are invited to increase their understanding and appreciation of nature as they experience all the Environmental Learning Area has to offer. Along the southwest corner of the Learning Area is a 4-acre restored prairie. Every year a new species of prairie plant is "discovered" and added to the inventory list as the prairie continues to develop from the seeds sown in 1998.

Attractions & Demand Generators:

Red Baron Arena & Expo Center - The new 78,200 square-foot facility features 2 indoor ice sheets, 10 locker rooms, 2 meeting rooms, a club room, and capacity for up to 1,400 spectators. What makes the Red Baron Arena unique from similar ice arenas is the multi-use function of its main rink. The main rink can transform from an ice arena in winter, to an indoor convention and sports center in the summer. The Red Baron Arena & Expo accommodates events large and small, including tradeshow, expos, weddings, concerts and various sized meetings. In the Summer, the Arena Host one expo floor & one sheet of ice. During the hockey season, there are two sheets of ice. Marshall Area Hockey Association hosts tournaments during the season for all ages. Marshall Community Services also hosts Open Skate & Adult open hockey. The Southwest Minnesota Figure Skating club also uses the ice for their performance show in March.

Legion Field Park - Marshall's center for family activities is highlighted by the Marshall Aquatic Center with its (3) heated pool complex. This facility serves families from pre-school age at the wading pool to teenagers that love the 190' water slide. This multi-million dollar facility has been a mainstay for Marshall summers and with the recent addition of the Tier II Boards and Blades Skate Park, the Marshall Aquatic Center has something for everyone. The Skate Park was constructed in 2004, and only the Twin Cities area has similar facilities which are designed with attention to the beginner and challenges for the expert skater. Considered one of the finest baseball facilities in the State of Minnesota, American Legion Field has won national awards, hosted district, state and regional tournaments at youth, high school, and college age levels. This highly sought after tournament reaffirms the high regard that American Legion Field is held in baseball circles. From the ivy covered fences, to the ballpark cuisine, to the state of the art scoreboard, this is heaven to the baseball purist.

Liberty Park Bandshell - Marshall's oldest and newest renovation - Liberty Park with its mature trees, a babbling brook and newly renovated bandshell. Thanks to the two local Rotary Clubs for making this park's renovation their "Centennial Project". Marshall citizens will continue to enjoy the Wednesday night band concerts during the summer. The new park design with attention to landscaping has increased the charm of this local favorite from young to old. From the west part of Marshall, it has become the entrance to our downtown and has set the standard for Marshall's upcoming renovation projects.

Attractions & Demand Generators:

Memorial Park - 911 Memorial Park will commemorate one of the most significant events in our nation's history. The Marshall Fire Department acquired a beam from the rubble of the World Trade Center in New York City. This inspiring memorial will celebrate our nation's capacity to survive and overcome adversity and at the same time symbolize the renewal and resolve of a nation which came together that fateful day. The 911 Memorial will be the focus and a gathering place for our revitalized downtown and will honor the public safety personnel who sacrificed their lives in an effort to save others.

The Camden Regional Trail is a paved, multi-purpose recreational trail extending from Southwest Minnesota State University (SMSU) through the City of Marshall, and connecting area residents to Camden State Park. About 4 miles of paved trail connect adjacent campuses of Marshall High School and SMSU to a network of bike lanes in the City of Marshall. At the West end of Marshall, the paved trail covers 10 miles of gently rolling hills between Wayside Park (along MN HWY 23) to Camden State Park.

Camden State Park - Offering much for visitors to enjoy. Fish for brown trout in the Redwood River or bass and bluegill in Brawner Lake. Hike the trails or cool off in the spring-fed pool. Walk along the wooded river valley, climb the Dakota Valley Trail to the lookout for great fall colors, or go canoeing on Brawner Lake. Woodlands, maples, basswoods, oaks, and cottonwoods, dominate this park. Sun-drenched prairies, grasslands, and marshes offer added diversity. The park provides picnic areas, campgrounds (drive-in, horseback, and group), swimming, hiking, and cross-country skiing.

Garvin County Park - Located 13 miles south of Marshall from Highway 23. The park offers 700 acres and a rich variety of wildlife use this park; snow trillium and bloodroot welcome spring along the wooded slopes, followed by the first wave of migrating birds. A healthy array of riparian trees provide welcome share in summer for white tailed deer raise their young along with bluebirds, towhees, and grosbeaks. Fall brings a small splash of color, and migrating hawks that settle in before the next day's flight. The deep ravines give shelter to over-wintering owls and eagles, deer, and wild turkey. In addition to camping facilities, Garvin Park has five large picnic shelters, and numerous picnic tables spread throughout the park. Four shelters have electricity.

Attractions & Demand Generators:

Marshall Golf Club - With over 6,600 yards of green, the course is made for all levels of golfers wanting to play 9 or 18-hole rounds. There are always things happening, including golf tournaments, couples' nights, social events and fun golf leagues. If Frisbee golf is more your style, check out the course at SMSU and compete with your friends and family. There is also a course located outside of town at Garvin County Park.

MARSH Sports - The Marshall Amateur Regional Sports Hub (MARSH) is a partnership of the Southwest Minnesota Amateur Sports Commission, the City of Marshall, Marshall Public Schools and Southwest Minnesota State University to make Marshall the regional destination for entertainment and amateur sports. The MARSH facilities include more than three dozen locations within the City of Marshall, including the Red Baron Arena & Expo. Marshall is a premiere destination for amateur sports in the region. The MARSH is Marshall's collection of premier amateur sporting facilities, including Red Baron Arena and Expo, as well as, seven football fields, fourteen volleyball courts, thirteen basketball courts, one track, seven tennis courts, six soccer fields, seven softball fields, a swimming pool, two sheets of ice, one golf course, two racquetball courts, a disc golf course, rollie bolle, a horse shoe pit, sand volley ball court and a skate park.

LODGING SUPPLY

For the purposes of this Comprehensive Hotel Market Needs Assessment, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, and/or market orientation. There are many instances where independent and/or economy hotels do not report to the reporting agency.

In some cases, Core Distinction Group must order data from surrounding or feeder market hotels to obtain a Smith Travel Research (STR) report. The following information will be analyzed in Lodging Supply:



Competitive Rate Analysis (Peak and Low Season)



Historical Competitive Market Performance



Projected Competitive Market Performance



Competitive Hotel Information

Competitive Hotel Properties

The competitive set includes upper midscale and midscale properties that we determined could be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, and/or market orientation. We did not include independent, economy, or luxury hotels in our competitive set, as this is not the market segment we would anticipate a proposed hotel in Marshall would compete with.

A competitive property profile, map of the competitive hotels, and pictures of the properties follow.

Competitive Hotel Properties

STR Competitive Rates Quoted (August 2021)				Peak Season	
Property	Rooms	RATE ANALYSIS		Open Date	SEGMENT
		WEEKDAY	WEEKEND		
Quality Inn Marshall	50	\$105	\$125	Mar-90	Midscale Class
AmericInn Lodge & Suites Marshall	62	\$95	\$130	Nov-98	Midscale Class
Sleep Inn & Suites Marshall	60	\$119	\$135	Mar-14	Midscale Class
GrandStay Hotel & Suites Montevideo	46	\$129	\$129	Jun-95	Upper Midscale Class
AVERAGE DAILY ROOM RATE QUOTED:		\$112	\$130	110-120%	
% of Rate vs. Comp Set Rates:		115%	115%		
Projected Rate vs. Comp Set Rates:		\$129	\$149		

Competition Comparison/Review:

	Average Rate	Yield	Probable Rate
Upper Midscale STR Comp Set:	\$129	100%	\$129
Midscale STR Comp Set:	\$109	118%	\$129

Competitive Hotel Properties

STR Competitive Rates Quoted (December 2021)				Low Season	
Property	Rooms	RATE ANALYSIS		Open Date	SEGMENT
		WEEKDAY	WEEKEND		
Quality Inn Marshall	50	\$85	\$85	Mar-90	Midscale Class
AmericInn Lodge & Suites Marshall	62	\$95	\$119	Nov-98	Midscale Class
Sleep Inn & Suites Marshall	60	\$119	\$119	Mar-14	Midscale Class
GrandStay Hotel & Suites Montevideo	46	\$99	\$99	Jun-95	Upper Midscale Class
AVERAGE DAILY ROOM RATE QUOTED:		\$100	\$108	110-115%	
% of Rate vs. Comp Set Rates:		110%	110%		
Projected Rate vs. Comp Set Rates:		\$109	\$119		

Competition Comparison/Review:

	Average Rate	Yield	Probable Rate
Upper Midscale STR Comp Set:	\$100	110%	\$110
Midscale STR Comp Set:	\$100	110%	\$110

Competitive Hotels	
Primary Competitive Hotels	# of Rooms
Quality Inn Marshall	50
AmericInn Lodge & Suites Marshall	62
Sleep Inn & Suites Marshall	60
GrandStay Hotel & Suites Montevideo	46
Grand Total:	218
Average Room Count:	55
<i>Source: STR / Core Distinction Group, LLC</i>	

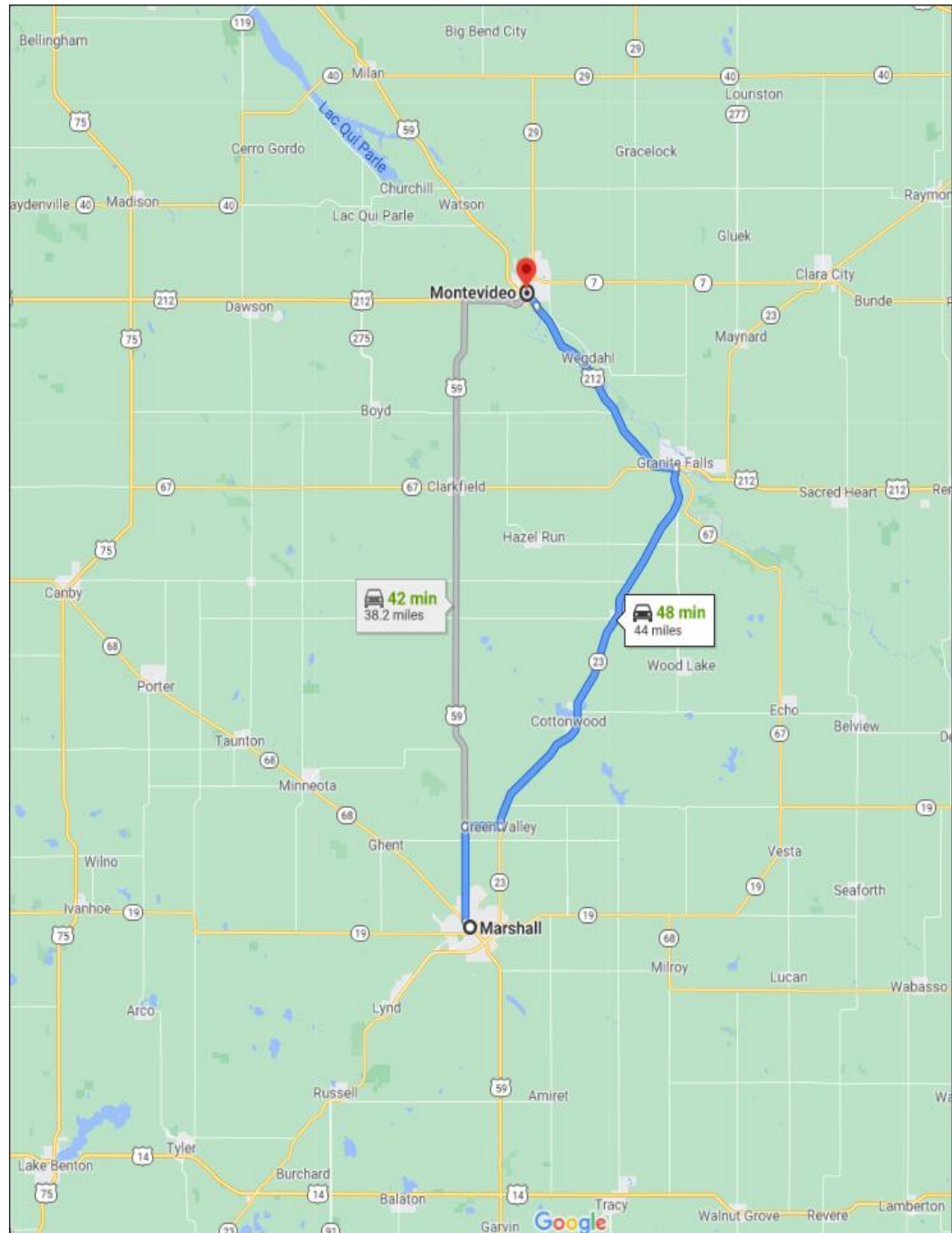
The primary competitors are expected to be the hotels in the regional market shown above. Based on STR data provided, the following table summarizes the historical trends in occupancy and rates for the competitive supply in the past five years.

Historical Market Performance					
Year	Annual Occ%	Rooms Sold	Average Rate	Occ %	ADR
				(Growth/Decline)	
2016	58.6%	46,653	\$94.57	-5.3%	\$3.60
2017	59.5%	47,371	\$93.08	0.9%	(\$1.49)
2018	61.2%	48,685	\$94.62	1.7%	\$1.54
2019	62.5%	49,700	\$95.72	2.9%	\$2.64
2020	46.0%	36,577	\$92.66	-15.2%	(\$1.96)
<i>Source: STR / Core Distinction Group, LLC</i>					

Based on STR data provided, the following table summarizes the projected occupancy and rates for the competitive supply in the upcoming three years.

Projected Market Performance					
Year	Annual Occ%	Rooms Sold	Average Rate	Occ %	ADR
				(Growth/Decline)	
2021	58.0%	46,151	\$100.50	12.0%	\$7.84
2022	60.0%	47,742	\$103.52	2.0%	\$3.02
2023	64.0%	50,925	\$105.59	4.0%	\$2.07
<i>Source: Core Distinction Group, LLC</i>					

STR Competitive Set Map



Quality Inn Marshall



# of Guestrooms	# of Floors	Year Built/Year Renovated
<i>50</i>	<i>2</i>	<i>April-16</i>

The Quality Inn ® in Marshall delivers great value and friendly service, no matter the time of day. Sunrise sees guests helping themselves to our generous complimentary breakfast buffet, filled with hot and cold healthy choices. As the morning unfolds, you might be pouring another cup of free hot coffee to read the free weekday newspaper or sitting down at the business center to catch up on work. After seeing the Laura Ingalls Wilder House and the Camden State Park, return to enjoy swimming laps in the heated indoor pool. After sunset, an amazingly comfortable bed provides a fantastic night's sleep in our pet-friendly hotel. Near Southwest Minnesota University and the Southwest Minnesota Airport, the Quality Inn gives you more value for your hard-earned money. Whether you're coming on vacation to see Lyon County Historical Museum and Pipestone National Monument or on business in one of the surrounding communities, you can count on our gracious and knowledgeable staff to get you there. Relax knowing our hotel is close to the Minnesota people and experiences you seek—including shopping at the Mall of America, the country's largest retail shopping mall. From our stylish lobby to our simply chic bedding, this smoke-free Quality Inn is designed with the details to make you feel at ease. And when you feel hungry, we'll point you to a restaurant that suits your craving. Applebee's, El Rancho and Four Seas buffet are all nearby. After you dine, rest up for the next day in Marshall in your warm and inviting guest room.

Source: Choice Hotels Brand Website

AmericInn Lodge & Suites Marshall



# of Guestrooms	# of Floors	Year Built/Year Renovated
<i>62</i>	<i>2</i>	<i>November-98</i>

Located off Highway 23, AmericInn Lodge & Suites Marshall is just minutes from Southwestern Minnesota State University campus and Southwest Minnesota Regional Airport (MML). We're within walking distance of Independence Park, which features walking trails and a scenic lake, and a short drive from the downtown area's shops and restaurants. If you're here on business, our hotel gives you easy access to multiple highways and local company headquarters such as Schwan's Ice Cream and Turkey Valley Farms. Start off every morning with our free homestyle breakfast, featuring Belgian waffles, eggs, pastries, and more. Keep your workout routine on track in the fitness center, take a dip in our indoor heated pool, or relax in the hot tub. Each non-smoking guest room features free Wi-Fi, a flat-screen HDTV with cable, mini-refrigerator, microwave, coffee and tea maker, desk, ironing amenities, and hair dryer. You can also book a pet-friendly room for a small fee, or upgrade your stay to a suite with a whirlpool tub or fireplace. Marshall is a southwestern Minnesota town offering year-round fun. Head to the Red Baron Arena for a hockey game or catch a special event at the Lyon County Park & Fairground. Camden State Park has plenty of hiking trails and scenic waterfalls, as well as picnic areas for the whole family, while Lake Shetek State Park offers exciting water activities and campgrounds. You can also check out the Lyon County Historical Society to learn about the area.

Source: Wyndham Hotels Brand Website

Sleep Inn & Suites Marshall



# of Guestrooms	# of Floors	Year Built/Year Renovated
<i>60</i>	<i>3</i>	<i>March-14</i>

Make your stay more relaxing by booking a room at the Sleep Inn & Suites® in Marshall. Our hotel offers the best combination of cozy accommodations, affordable rates and a friendly guest experience. Conveniently located off Highway 23 and Route 59, our smoke-free hotel gives you easy access to many local attractions, including the Marshall Municipal Airport-Ryan Field, Southwest Minnesota State University and the Fagen Fighters WWII Museum. Our numerous amenities let our guests know we value them. It starts with a breakfast buffet that includes plenty of hot and cold options. We offer free Wi-Fi. Take advantage of the fitness center or take a dip in the indoor heated pool. You'll love relaxing in the hot tub after a day spent exploring Marshall. Guest laundry facilities are available for your convenience, and we are FEMA approved. Our guest rooms are designed to be peaceful sanctuaries, where you can truly unwind. Our Designed to Dream® experience comes together here, in a spa-like environment of calming colors, nature-inspired designs and plush fabrics. You will dream better here. We've added all the conveniences too: a refrigerator, microwave, hair dryer and desk, along with an iron and ironing board—everything you need to make yourself at home. Select rooms come with sofa beds, and we also have executive suites available.

Source: Choice Hotels Brand Website

GrandStay Hotel & Suites Montevideo



# of Guestrooms	# of Floors	Year Built/Year Renovated
46	2	December-17

GrandStay® Hotel & Suites Montevideo, MN stands out as the perfect hotel, thanks to its blend of affordable rates and remarkable comfort. Offering a range of spacious and well-equipped suites, including 1-bedroom suites, our hotel is equally suitable for family vacations, business trips, or extended stays. Situated just off East Hwy 7, our convenient location makes GrandStay® Hotel & Suites Montevideo the ideal base for anyone who needs a hotel close to Granite Falls, MN or for a relaxing break near Lac Qui Parle Park & the scenic valleys of the Minnesota and Chippewa Rivers. At GrandStay® Hotel & Suites Montevideo, we aim to make all our guests feel as comfortable and relaxed as they would at home with the best in amenities for you to enjoy throughout your stay. GrandStay® Hotel & Suites Montevideo has something for everyone, with free Wi-Fi access throughout the property, complimentary GRAND START® Breakfast, on-site laundry facilities, and a heated indoor pool with whirlpool. We are also a pet-friendly hotel, so there's no need to travel without your animal companion. Business visitors are also well provided for, with a meeting room available for events and a range of services to let you work in a professional and pleasant environment. By holding your conference or presentation in our business facility, you will have our helpful staff looking after the details to ensure your event runs smoothly.

Source: Grand Stay Brand Website

STR GLOBAL DATA

For the purposes of this Comprehensive Hotel Market Needs Assessment, as stated previously, the competitive set includes those midscale and upper midscale properties that were determined could be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, and/or market orientation. Core Distinction Group must follow specific guidelines in order to access accurate STR Global Data. The following guidelines must be followed:



Property Minimum - A trend or a competitive set must include a minimum of four participating properties, not including the subject property if selecting a competitive set. Of the four, there must be a minimum of three properties not affiliated with the subject property (brand, parent, management, ownership and/or asset manager). The minimum number of properties must report data before performance data will be released.



Company Minimum - A trend or a competitive set must include a minimum of two companies not affiliated with the request or the subject property (brand, parent, management, ownership and/or asset manager).



Property - No single property can account for more than 50% of the total participating room supply of a competitive set, excluding the rooms of the subject property and other properties from the same company as the subject (parent, management, ownership and/or asset manager).



Brand - No single brand (e.g. Holiday Inn, Comfort Inn) can account for more than 50% of the total participating room supply of a competitive set, excluding the rooms of the subject and other properties from the same company as the subject.



Company - No single company (e.g. Hilton Worldwide, Interstate Hotels & Resorts, Host Hotels & Resorts) can account for more than 70% of the total participating room supply of a competitive set, excluding the rooms of the subject property and other properties from the same company as the subject (parent, management, ownership and/or asset manager).

This section will include the data provided by STR Global.



Trend # 1270955_SADIM / Created July 02, 2021

Trend Report - Marshall, MN Area Selected Properties

March 2014 to May 2021 Currency : USD - US Dollar

Table of Contents	1
Data by Measure	2
Percent Change by Measure	3
Percent Change by Year	4
Twelve Month Moving Average	5
Twelve Month Moving Average with Percent Change	6
Day of Week Analysis	7
Raw Data	8
Classic	9
Response Report	10
Terms and Conditions	11
Help	12

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Tab 2 - Data by Measure

Marshall, MN Area Selected Properties
Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

Occupancy (%)														Total Year	May YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2014			47.8	52.4	60.2	70.3	72.5	62.6	64.3	66.9	50.7	45.3			
2015	47.2	54.5	46.6	51.4	64.2	71.5	70.4	68.9	75.0	66.4	51.6	41.0		59.1	52.8
2016	45.3	49.6	45.9	56.8	59.6	63.4	68.0	70.9	68.2	70.8	55.6	48.9		58.6	51.4
2017	45.7	43.2	51.6	59.6	54.4	64.6	70.8	73.7	69.8	68.9	60.4	50.7		59.5	51.0
2018	49.9	47.7	52.4	55.6	59.3	70.2	72.4	73.4	70.4	73.4	56.6	52.0		61.2	53.1
2019	48.0	50.5	52.3	60.4	64.6	69.2	72.4	73.5	71.1	74.2	63.8	48.9		62.5	55.2
2020	44.1	51.0	30.2	17.3	33.0	49.7	53.1	64.8	59.4	64.3	45.6	39.2		46.0	34.9
2021	42.8	40.7	45.7	57.9	65.0										50.6
Avg	46.2	48.2	46.6	51.4	57.5	65.6	68.5	69.7	68.3	69.3	54.9	46.6		57.8	49.9

ADR (\$)														Total Year	May YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2014			86.43	88.87	90.39	88.56	92.69	92.99	91.63	90.61	91.41	90.85			
2015	88.44	88.20	88.09	90.14	90.70	95.35	97.69	94.59	93.88	92.91	91.54	92.25		92.41	89.23
2016	91.09	91.73	90.43	90.78	94.01	96.88	97.91	95.30	98.47	95.75	95.47	92.62		94.57	91.71
2017	90.66	88.77	92.27	89.96	92.11	95.58	98.77	95.20	94.66	90.21	93.85	90.82		93.08	90.85
2018	91.18	89.44	90.54	90.00	91.93	100.49	98.40	96.05	96.83	96.11	96.18	92.63		94.62	90.69
2019	91.95	90.91	89.86	91.36	94.97	97.84	99.07	98.18	98.22	98.53	96.57	95.92		95.72	91.97
2020	98.87	94.76	92.43	82.54	86.54	87.66	92.77	96.15	93.85	94.76	88.99	92.09		92.66	92.62
2021	99.70	97.85	96.23	99.03	101.20										99.02
Avg	92.99	91.53	90.69	91.13	93.20	94.88	96.90	95.55	95.42	94.21	93.67	92.48		93.91	92.24

RevPAR (\$)														Total Year	May YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2014			41.31	46.58	54.38	62.26	67.23	58.19	58.90	60.59	46.36	41.15			
2015	41.76	48.10	41.03	46.37	58.24	68.16	68.83	65.21	70.38	61.73	47.24	37.84		54.59	47.09
2016	41.28	45.52	41.51	51.53	56.00	61.43	66.62	67.56	67.12	67.77	53.12	45.30		55.45	47.17
2017	41.40	38.38	47.57	53.61	50.13	61.78	69.91	70.21	66.12	62.11	56.65	46.01		55.42	46.32
2018	45.54	42.64	47.47	50.01	54.54	70.50	71.27	70.48	68.14	70.50	54.41	48.15		57.89	48.13
2019	44.11	45.90	46.99	55.15	61.37	67.71	71.75	72.11	69.88	73.09	61.65	46.87		59.79	50.77
2020	43.61	48.36	27.96	14.26	28.53	43.60	49.29	62.27	55.71	60.92	40.56	36.11		42.60	32.35
2021	42.71	39.82	44.00	57.31	65.79										50.08
Avg	42.92	44.10	42.23	46.85	53.62	62.21	66.41	66.58	65.18	65.24	51.43	43.06		54.29	45.99

Supply														Total Year	May YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2014			6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758			
2015	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918
2016	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918
2017	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918
2018	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918
2019	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918
2020	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918
2021	6,758	6,104	6,758	6,540	6,758										32,918
Avg	6,758	6,104	6,758	6,540	6,758	6,540	6,758	6,758	6,540	6,758	6,540	6,758		79,570	32,918

Demand														Total Year	May YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2014			3,230	3,428	4,066	4,598	4,902	4,229	4,204	4,519	3,317	3,061			
2015	3,191	3,329	3,148	3,364	4,339	4,675	4,761	4,659	4,903	4,490	3,375	2,772		47,006	17,371
2016	3,063	3,029	3,102	3,712	4,026	4,147	4,598	4,791	4,458	4,783	3,639	3,305		46,653	16,932
2017	3,086	2,639	3,484	3,897	3,678	4,227	4,783	4,984	4,568	4,653	3,948	3,424		47,371	16,784
2018	3,375	2,910	3,543	3,634	4,009	4,588	4,895	4,959	4,602	4,957	3,700	3,513		48,685	17,471
2019	3,242	3,082	3,534	3,948	4,367	4,526	4,894	4,964	4,653	5,013	4,175	3,302		49,700	18,173
2020	2,981	3,115	2,044	1,130	2,228	3,253	3,591	4,377	3,882	4,345	2,981	2,650		36,577	11,498
2021	2,895	2,484	3,090	3,785	4,393										16,647
Avg	3,119	2,941	3,147	3,362	3,888	4,288	4,632	4,709	4,467	4,680	3,591	3,147		45,999	16,411

Revenue (\$)														Total Year	May YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2014			279,161	304,632	367,530	407,198	454,344	393,270	385,230	409,485	303,195	278,082			
2015	282,223	293,619	277,301	303,243	393,560	445,748	465,123	440,717	460,292	417,179	308,945	255,730		4,343,680	1,549,946
2016	279,003	277,836	280,512	336,979	378,480	401,758	450,201	456,577	438,994	457,979	347,410	306,115		4,411,844	1,552,810
2017	279,792	234,251	321,472	350,577	338,782	404,023	472,433	474,453	432,399	419,726	370,515	310,968		4,409,391	1,524,874
2018	307,728	260,263	320,772	327,060	368,561	461,045	481,668	476,304	445,614	476,417	355,865	325,398		4,606,695	1,584,384
2019	298,105	280,187	317,579	360,702	414,753	442,843	484,855	487,346	457,035	493,939	403,189	316,738		4,757,271	1,671,326
2020	294,723	295,171	188,920	93,272	192,817	285,149	333,132	420,849	364,334	411,726	265,270	244,034		3,389,397	1,064,903
2021	288,627	243,068	297,344	374,828	444,576										1,648,443
Avg	290,029	269,199	285,383	306,412	362,382	406,823	448,822	449,931	426,271	440,922	336,341	291,009		4,319,713	1,513,812

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

Market and Needs Assessment
City of Marshall, MN

Marshall, MN Area Selected Properties

Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

Occupancy	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	May YTD
2015			-2.5	-1.9	6.7	1.7	-2.9	10.2	16.6	-0.6	1.7	-9.4		
2016	-4.0	-9.0	-1.5	10.3	-7.2	-11.3	-3.4	2.8	-9.1	6.5	7.8	19.2	-0.8	-2.5
2017	0.8	-12.9	12.3	5.0	-8.6	1.9	4.0	4.0	2.5	-2.7	8.5	3.6	1.5	-0.9
2018	9.4	10.3	1.7	-6.7	9.0	8.5	2.3	-0.5	0.7	6.5	-6.3	2.6	2.8	4.1
2019	-3.9	5.9	-0.3	8.6	8.9	-1.4	-0.0	0.1	1.1	1.1	12.8	-6.0	2.1	4.0
2020	-8.1	1.1	-42.2	-71.4	-49.0	-28.1	-26.6	-11.8	-16.6	-13.3	-28.6	-19.7	-26.4	-36.7
2021	-2.9	-20.3	51.2	235.0	97.2									44.8
Avg	-1.5	-4.1	2.7	25.6	8.1	-4.8	-4.4	0.8	-0.8	-0.4	-0.7	-1.6	-4.2	2.1

ADR	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	May YTD
2015			1.9	1.4	0.3	7.7	5.4	1.7	2.5	2.5	0.1	1.5		
2016	3.0	4.0	2.7	0.7	3.6	1.6	0.2	0.7	4.9	3.1	4.3	0.4	2.3	2.8
2017	-0.5	-3.2	2.0	-0.9	-2.0	-1.3	0.9	-0.1	-3.9	-5.8	-1.7	-1.9	-1.6	-0.9
2018	0.6	0.8	-1.9	0.0	-0.2	5.1	-0.4	0.9	2.3	6.5	2.5	2.0	1.7	-0.2
2019	0.8	1.6	-0.7	1.5	3.3	-2.6	0.7	2.2	1.4	2.5	0.4	3.6	1.2	1.4
2020	7.5	4.2	2.9	-9.7	-8.9	-10.4	-6.4	-2.1	-4.5	-3.8	-7.9	-4.0	-3.2	0.7
2021	0.8	3.3	4.1	20.0	16.9									6.9
Avg	2.1	1.8	1.6	1.9	1.9	0.0	0.1	0.6	0.5	0.8	-0.4	0.3	0.1	1.8

RevPAR	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	May YTD
2015			-0.7	-0.5	7.1	9.5	2.4	12.1	19.5	1.9	1.9	-8.0		
2016	-1.1	-5.4	1.2	11.1	-3.8	-9.9	-3.2	3.6	-4.6	9.8	12.5	19.7	1.6	0.2
2017	0.3	-15.7	14.6	4.0	-10.5	0.6	4.9	3.9	-1.5	-8.4	6.7	1.6	-0.1	-1.8
2018	10.0	11.1	-0.2	-6.7	8.8	14.1	2.0	0.4	3.1	13.5	-4.0	4.6	4.5	3.9
2019	-3.1	7.7	-1.0	10.3	12.5	-3.9	0.7	2.3	2.6	3.7	13.3	-2.7	3.3	5.5
2020	-1.1	5.3	-40.5	-74.1	-53.5	-35.6	-31.3	-13.6	-20.3	-16.6	-34.2	-23.0	-28.8	-36.3
2021	-2.1	-17.7	57.4	301.9	130.6									54.8
Avg	0.5	-2.4	4.4	35.1	13.0	-4.2	-4.1	1.4	-0.2	0.6	-0.6	-1.3	-3.9	4.4

Supply	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	May YTD
2015			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.0	0.0	0.0									0.0
Avg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Demand	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	May YTD
2015			-2.5	-1.9	6.7	1.7	-2.9	10.2	16.6	-0.6	1.7	-9.4		
2016	-4.0	-9.0	-1.5	10.3	-7.2	-11.3	-3.4	2.8	-9.1	6.5	7.8	19.2	-0.8	-2.5
2017	0.8	-12.9	12.3	5.0	-8.6	1.9	4.0	4.0	2.5	-2.7	8.5	3.6	1.5	-0.9
2018	9.4	10.3	1.7	-6.7	9.0	8.5	2.3	-0.5	0.7	6.5	-6.3	2.6	2.8	4.1
2019	-3.9	5.9	-0.3	8.6	8.9	-1.4	-0.0	0.1	1.1	1.1	12.8	-6.0	2.1	4.0
2020	-8.1	1.1	-42.2	-71.4	-49.0	-28.1	-26.6	-11.8	-16.6	-13.3	-28.6	-19.7	-26.4	-36.7
2021	-2.9	-20.3	51.2	235.0	97.2									44.8
Avg	-1.5	-4.1	2.7	25.6	8.1	-4.8	-4.4	0.8	-0.8	-0.4	-0.7	-1.6	-4.2	2.1

Revenue	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	May YTD
2015			-0.7	-0.5	7.1	9.5	2.4	12.1	19.5	1.9	1.9	-8.0		
2016	-1.1	-5.4	1.2	11.1	-3.8	-9.9	-3.2	3.6	-4.6	9.8	12.5	19.7	1.6	0.2
2017	0.3	-15.7	14.6	4.0	-10.5	0.6	4.9	3.9	-1.5	-8.4	6.7	1.6	-0.1	-1.8
2018	10.0	11.1	-0.2	-6.7	8.8	14.1	2.0	0.4	3.1	13.5	-4.0	4.6	4.5	3.9
2019	-3.1	7.7	-1.0	10.3	12.5	-3.9	0.7	2.3	2.6	3.7	13.3	-2.7	3.3	5.5
2020	-1.1	5.3	-40.5	-74.1	-53.5	-35.6	-31.3	-13.6	-20.3	-16.6	-34.2	-23.0	-28.8	-36.3
2021	-2.1	-17.7	57.4	301.9	130.6									54.8
Avg	0.5	-2.4	4.4	35.1	13.0	-4.2	-4.1	1.4	-0.2	0.6	-0.6	-1.3	-3.9	4.4

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

Market and Needs Assessment
City of Marshall, MN

Marshall, MN Area Selected Properties

Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15	Dec 15	Total Year	May YTD
Occ			-2.5	-1.9	6.7	1.7	-2.9	10.2	16.6	-0.6	1.7	-9.4		
ADR			1.9	1.4	0.3	7.7	5.4	1.7	2.5	2.5	0.1	1.5		
RevPAR			-0.7	-0.5	7.1	9.5	2.4	12.1	19.5	1.9	1.9	-8.0		
Supply			0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Demand			-2.5	-1.9	6.7	1.7	-2.9	10.2	16.6	-0.6	1.7	-9.4		
Revenue			-0.7	-0.5	7.1	9.5	2.4	12.1	19.5	1.9	1.9	-8.0		

	Jan 16	Feb 16	Mar 16	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Total Year	May YTD
Occ	-4.0	-9.0	-1.5	10.3	-7.2	-11.3	-3.4	2.8	-9.1	6.5	7.8	19.2	-0.8	-2.5
ADR	3.0	4.0	2.7	0.7	3.6	1.6	0.2	0.7	4.9	3.1	4.3	0.4	2.3	2.8
RevPAR	-1.1	-5.4	1.2	11.1	-3.8	-9.9	-3.2	3.6	-4.6	9.8	12.5	19.7	1.6	0.2
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-4.0	-9.0	-1.5	10.3	-7.2	-11.3	-3.4	2.8	-9.1	6.5	7.8	19.2	-0.8	-2.5
Revenue	-1.1	-5.4	1.2	11.1	-3.8	-9.9	-3.2	3.6	-4.6	9.8	12.5	19.7	1.6	0.2

	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17	Total Year	May YTD
Occ	0.8	-12.9	12.3	5.0	-8.6	1.9	4.0	4.0	2.5	-2.7	8.5	3.6	1.5	-0.9
ADR	-0.5	-3.2	2.0	-0.9	-2.0	-1.3	0.9	-0.1	-3.9	-5.8	-1.7	-1.9	-1.6	-0.9
RevPAR	0.3	-15.7	14.6	4.0	-10.5	0.6	4.9	3.9	-1.5	-8.4	6.7	1.6	-0.1	-1.8
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	0.8	-12.9	12.3	5.0	-8.6	1.9	4.0	4.0	2.5	-2.7	8.5	3.6	1.5	-0.9
Revenue	0.3	-15.7	14.6	4.0	-10.5	0.6	4.9	3.9	-1.5	-8.4	6.7	1.6	-0.1	-1.8

	Jan 18	Feb 18	Mar 18	Apr 18	May 18	Jun 18	Jul 18	Aug 18	Sep 18	Oct 18	Nov 18	Dec 18	Total Year	May YTD
Occ	9.4	10.3	1.7	-6.7	9.0	8.5	2.3	-0.5	0.7	6.5	-6.3	2.6	2.8	4.1
ADR	0.6	0.8	-1.9	0.0	-0.2	5.1	-0.4	0.9	2.3	6.5	2.5	2.0	1.7	-0.2
RevPAR	10.0	11.1	-0.2	-6.7	8.8	14.1	2.0	0.4	3.1	13.5	-4.0	4.6	4.5	3.9
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	9.4	10.3	1.7	-6.7	9.0	8.5	2.3	-0.5	0.7	6.5	-6.3	2.6	2.8	4.1
Revenue	10.0	11.1	-0.2	-6.7	8.8	14.1	2.0	0.4	3.1	13.5	-4.0	4.6	4.5	3.9

	Jan 19	Feb 19	Mar 19	Apr 19	May 19	Jun 19	Jul 19	Aug 19	Sep 19	Oct 19	Nov 19	Dec 19	Total Year	May YTD
Occ	-3.9	5.9	-0.3	8.6	8.9	-1.4	-0.0	0.1	1.1	1.1	12.8	-6.0	2.1	4.0
ADR	0.8	1.6	-0.7	1.5	3.3	-2.6	0.7	2.2	1.4	2.5	0.4	3.6	1.2	1.4
RevPAR	-3.1	7.7	-1.0	10.3	12.5	-3.9	0.7	2.3	2.6	3.7	13.3	-2.7	3.3	5.5
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-3.9	5.9	-0.3	8.6	8.9	-1.4	-0.0	0.1	1.1	1.1	12.8	-6.0	2.1	4.0
Revenue	-3.1	7.7	-1.0	10.3	12.5	-3.9	0.7	2.3	2.6	3.7	13.3	-2.7	3.3	5.5

	Jan 20	Feb 20	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Total Year	May YTD
Occ	-8.1	1.1	-42.2	-71.4	-49.0	-28.1	-26.6	-11.8	-16.6	-13.3	-28.6	-19.7	-26.4	-36.7
ADR	7.5	4.2	2.9	-9.7	-8.9	-10.4	-6.4	-2.1	-4.5	-3.8	-7.9	-4.0	-3.2	0.7
RevPAR	-1.1	5.3	-40.5	-74.1	-53.5	-35.6	-31.3	-13.6	-20.3	-16.6	-34.2	-23.0	-28.8	-36.3
Supply	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Demand	-8.1	1.1	-42.2	-71.4	-49.0	-28.1	-26.6	-11.8	-16.6	-13.3	-28.6	-19.7	-26.4	-36.7
Revenue	-1.1	5.3	-40.5	-74.1	-53.5	-35.6	-31.3	-13.6	-20.3	-16.6	-34.2	-23.0	-28.8	-36.3

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Total Year	May YTD
Occ	-2.9	-20.3	51.2	235.0	97.2									44.8
ADR	0.8	3.3	4.1	20.0	16.9									6.9
RevPAR	-2.1	-17.7	57.4	301.9	130.6									54.8
Supply	0.0	0.0	0.0	0.0	0.0									0.0
Demand	-2.9	-20.3	51.2	235.0	97.2									44.8
Revenue	-2.1	-17.7	57.4	301.9	130.6									54.8

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Tab 5 - Twelve Month Moving Average

Market and Needs Assessment

City of Marshall, MN

Marshall, MN Area Selected Properties

Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

Occupancy (%)												
	January	February	March	April	May	June	July	August	September	October	November	December
2015			57.8	57.7	58.1	58.2	58.0	58.5	59.4	59.4	59.4	59.1
2016	58.9	58.5	58.5	58.9	58.5	57.9	57.7	57.8	57.3	57.6	58.0	58.6
2017	58.7	58.2	58.7	58.9	58.4	58.5	58.8	59.0	59.2	59.0	59.4	59.5
2018	59.9	60.2	60.3	60.0	60.4	60.9	61.0	61.0	61.0	61.4	61.1	61.2
2019	61.0	61.2	61.2	61.6	62.1	62.0	62.0	62.0	62.1	62.1	62.7	62.5
2020	62.1	62.2	60.3	56.8	54.1	52.5	50.8	50.1	49.1	48.3	46.8	46.0
2021	45.9	45.1	46.4	49.7	52.4							

ADR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2015			90.37	90.46	90.49	91.17	91.69	91.86	92.09	92.31	92.31	92.41
2016	92.59	92.85	93.01	93.04	93.34	93.45	93.46	93.54	93.98	94.27	94.57	94.57
2017	94.54	94.39	94.50	94.41	94.27	94.15	94.26	94.25	93.89	93.34	93.21	93.08
2018	93.10	93.12	92.99	93.01	92.99	93.47	93.45	93.54	93.74	94.32	94.50	94.62
2019	94.68	94.76	94.71	94.79	95.04	94.79	94.85	95.07	95.20	95.45	95.49	95.72
2020	96.16	96.40	96.71	96.82	96.48	95.64	94.97	94.70	94.20	93.69	92.99	92.66
2021	92.72	92.89	93.20	94.06	95.21							

RevPAR (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2015			52.23	52.21	52.54	53.03	53.16	53.76	54.70	54.80	54.87	54.59
2016	54.55	54.35	54.39	54.81	54.63	54.07	53.89	54.08	53.82	54.33	54.81	55.45
2017	55.46	54.91	55.42	55.59	55.09	55.12	55.40	55.63	55.54	55.06	55.35	55.42
2018	55.77	56.09	56.08	55.79	56.16	56.88	57.00	57.02	57.19	57.90	57.71	57.89
2019	57.77	58.02	57.98	58.41	58.99	58.76	58.80	58.94	59.08	59.30	59.90	59.79
2020	59.74	59.93	58.32	54.96	52.17	50.18	48.28	47.44	46.28	45.24	43.51	42.60
2021	42.52	41.86	43.23	46.77	49.93							

Supply												
	January	February	March	April	May	June	July	August	September	October	November	December
2015			79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570
2016	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570
2017	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570
2018	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570
2019	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570
2020	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570	79,570
2021	79,570	79,570	79,570	79,570	79,570							

Demand												
	January	February	March	April	May	June	July	August	September	October	November	December
2015			45,992	45,928	46,201	46,278	46,137	46,567	47,266	47,237	47,295	47,006
2016	46,878	46,578	46,532	46,880	46,567	46,039	45,876	46,008	45,563	45,856	46,120	46,653
2017	46,676	46,286	46,668	46,853	46,505	46,585	46,770	46,963	47,073	46,943	47,252	47,371
2018	47,660	47,931	47,990	47,727	48,058	48,419	48,531	48,506	48,540	48,844	48,596	48,685
2019	48,552	48,724	48,715	49,029	49,387	49,325	49,324	49,329	49,380	49,436	49,911	49,700
2020	49,439	49,472	47,982	45,164	43,025	41,752	40,449	39,862	39,091	38,423	37,229	36,577
2021	36,491	35,860	36,906	39,561	41,726							

Revenue (\$)												
	January	February	March	April	May	June	July	August	September	October	November	December
2015			4,156,109	4,154,720	4,180,750	4,219,300	4,230,079	4,277,526	4,352,588	4,360,282	4,366,032	4,343,680
2016	4,340,460	4,324,677	4,327,888	4,361,624	4,346,544	4,302,554	4,287,632	4,303,492	4,282,194	4,322,994	4,361,459	4,411,844
2017	4,412,633	4,369,048	4,410,008	4,423,606	4,383,908	4,386,173	4,408,405	4,426,281	4,419,686	4,381,433	4,404,538	4,409,391
2018	4,437,327	4,463,339	4,462,639	4,439,122	4,468,901	4,525,923	4,535,158	4,537,009	4,550,224	4,606,915	4,592,265	4,606,695
2019	4,597,072	4,616,996	4,613,803	4,647,445	4,693,637	4,675,435	4,678,622	4,689,664	4,701,085	4,718,607	4,765,931	4,757,271
2020	4,753,889	4,768,873	4,640,214	4,372,784	4,150,848	3,993,154	3,841,431	3,774,934	3,682,233	3,600,020	3,462,101	3,389,397
2021	3,383,301	3,331,198	3,439,622	3,721,178	3,972,937							

High value is boxed.

Low value is boxed and italicized.

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Tab 6 - Twelve Month Moving Average with Percent Change

Marshall, MN Area Selected Properties

Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue	
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg
Mar 15	57.8		90.37		52.23		79,570		45,992		4,156,109	
Apr 15	57.7		90.46		52.21		79,570		45,928		4,154,720	
May 15	58.1		90.49		52.54		79,570		46,201		4,180,750	
Jun 15	58.2		91.17		53.03		79,570		46,278		4,219,300	
Jul 15	58.0		91.69		53.16		79,570		46,137		4,230,079	
Aug 15	58.5		91.86		53.76		79,570		46,567		4,277,526	
Sep 15	59.4		92.09		54.70		79,570		47,266		4,352,588	
Oct 15	59.4		92.31		54.80		79,570		47,237		4,360,282	
Nov 15	59.4		92.31		54.87		79,570		47,295		4,366,032	
Dec 15	59.1		92.41		54.59		79,570		47,006		4,343,680	
Jan 16	58.9		92.59		54.55		79,570		46,878		4,340,460	
Feb 16	58.5	1.1	92.85	2.9	54.35	4.0	79,570	0.0	46,578	1.1	4,324,677	4.0
Mar 16	58.5	1.2	93.01	2.9	54.39	4.1	79,570	0.0	46,532	1.2	4,327,888	4.1
Apr 16	58.9	2.1	93.04	2.8	54.81	5.0	79,570	0.0	46,880	2.1	4,361,624	5.0
May 16	58.5	0.8	93.34	3.1	54.63	4.0	79,570	0.0	46,567	0.8	4,346,544	4.0
Jun 16	57.9	-0.5	93.45	2.5	54.07	2.0	79,570	0.0	46,039	-0.5	4,302,554	2.0
Jul 16	57.7	-0.6	93.46	1.9	53.89	1.4	79,570	0.0	45,876	-0.6	4,287,632	1.4
Aug 16	57.8	-1.2	93.54	1.8	54.08	0.6	79,570	0.0	46,008	-1.2	4,303,492	0.6
Sep 16	57.3	-3.6	93.98	2.1	53.82	-1.6	79,570	0.0	45,563	-3.6	4,282,194	-1.6
Oct 16	57.6	-2.9	94.27	2.1	54.33	-0.9	79,570	0.0	45,856	-2.9	4,322,994	-0.9
Nov 16	58.0	-2.5	94.57	2.4	54.81	-0.1	79,570	0.0	46,120	-2.5	4,361,459	-0.1
Dec 16	58.6	-0.8	94.57	2.3	55.45	1.6	79,570	0.0	46,653	-0.8	4,411,844	1.6
Jan 17	58.7	-0.4	94.54	2.1	55.46	1.7	79,570	0.0	46,676	-0.4	4,412,633	1.7
Feb 17	58.2	-0.6	94.39	1.7	54.91	1.0	79,570	0.0	46,286	-0.6	4,369,048	1.0
Mar 17	58.7	0.3	94.50	1.6	55.42	1.9	79,570	0.0	46,668	0.3	4,410,008	1.9
Apr 17	58.9	-0.1	94.41	1.5	55.59	1.4	79,570	0.0	46,853	-0.1	4,423,606	1.4
May 17	58.4	-0.1	94.27	1.0	55.09	0.9	79,570	0.0	46,505	-0.1	4,383,908	0.9
Jun 17	58.5	1.2	94.15	0.7	55.12	1.9	79,570	0.0	46,585	1.2	4,386,173	1.9
Jul 17	58.8	1.9	94.26	0.9	55.40	2.8	79,570	0.0	46,770	1.9	4,408,405	2.8
Aug 17	59.0	2.1	94.25	0.8	55.63	2.9	79,570	0.0	46,963	2.1	4,426,281	2.9
Sep 17	59.2	3.3	93.89	-0.1	55.54	3.2	79,570	0.0	47,073	3.3	4,419,686	3.2
Oct 17	59.0	2.4	93.34	-1.0	55.06	1.4	79,570	0.0	46,943	2.4	4,381,433	1.4
Nov 17	59.4	2.5	93.21	-1.4	55.35	1.0	79,570	0.0	47,252	2.5	4,404,538	1.0
Dec 17	59.5	1.5	93.08	-1.6	55.42	-0.1	79,570	0.0	47,371	1.5	4,409,391	-0.1
Jan 18	59.9	2.1	93.10	-1.5	55.77	0.6	79,570	0.0	47,660	2.1	4,437,327	0.6
Feb 18	60.2	3.6	93.12	-1.3	56.09	2.2	79,570	0.0	47,931	3.6	4,463,339	2.2
Mar 18	60.3	2.8	92.99	-1.6	56.08	1.2	79,570	0.0	47,990	2.8	4,462,639	1.2
Apr 18	60.0	1.9	93.01	-1.5	55.79	0.4	79,570	0.0	47,727	1.9	4,439,122	0.4
May 18	60.4	3.3	92.99	-1.4	56.16	1.9	79,570	0.0	48,058	3.3	4,468,901	1.9
Jun 18	60.9	3.9	93.47	-0.7	56.88	3.2	79,570	0.0	48,419	3.9	4,525,923	3.2
Jul 18	61.0	3.8	93.45	-0.9	57.00	2.9	79,570	0.0	48,531	3.8	4,535,158	2.9
Aug 18	61.0	3.3	93.54	-0.8	57.02	2.5	79,570	0.0	48,506	3.3	4,537,009	2.5
Sep 18	61.0	3.1	93.74	-0.2	57.19	3.0	79,570	0.0	48,540	3.1	4,550,224	3.0
Oct 18	61.4	4.0	94.32	1.1	57.90	5.1	79,570	0.0	48,844	4.0	4,606,915	5.1
Nov 18	61.1	2.8	94.50	1.4	57.71	4.3	79,570	0.0	48,596	2.8	4,592,265	4.3
Dec 18	61.2	2.8	94.62	1.7	57.89	4.5	79,570	0.0	48,685	2.8	4,606,695	4.5
Jan 19	61.0	1.9	94.68	1.7	57.77	3.6	79,570	0.0	48,552	1.9	4,597,072	3.6
Feb 19	61.2	1.7	94.76	1.8	58.02	3.4	79,570	0.0	48,724	1.7	4,616,996	3.4
Mar 19	61.2	1.5	94.71	1.8	57.98	3.4	79,570	0.0	48,715	1.5	4,613,803	3.4
Apr 19	61.6	2.7	94.79	1.9	58.41	4.7	79,570	0.0	49,029	2.7	4,647,445	4.7
May 19	62.1	2.8	95.04	2.2	58.99	5.0	79,570	0.0	49,387	2.8	4,693,637	5.0
Jun 19	62.0	1.9	94.79	1.4	58.76	3.3	79,570	0.0	49,325	1.9	4,675,435	3.3
Jul 19	62.0	1.6	94.85	1.5	58.80	3.2	79,570	0.0	49,324	1.6	4,678,622	3.2
Aug 19	62.0	1.7	95.07	1.6	58.94	3.4	79,570	0.0	49,329	1.7	4,689,664	3.4
Sep 19	62.1	1.7	95.20	1.6	59.08	3.3	79,570	0.0	49,380	1.7	4,701,085	3.3
Oct 19	62.1	1.2	95.45	1.2	59.30	2.4	79,570	0.0	49,436	1.2	4,718,607	2.4
Nov 19	62.7	2.7	95.49	1.0	59.90	3.8	79,570	0.0	49,911	2.7	4,765,931	3.8
Dec 19	62.5	2.1	95.72	1.2	59.79	3.3	79,570	0.0	49,700	2.1	4,757,271	3.3
Jan 20	62.1	1.8	96.16	1.6	59.74	3.4	79,570	0.0	49,439	1.8	4,753,889	3.4
Feb 20	62.2	1.5	96.40	1.7	59.93	3.3	79,570	0.0	49,472	1.5	4,768,873	3.3
Mar 20	60.3	-1.5	96.71	2.1	58.32	0.6	79,570	0.0	47,982	-1.5	4,640,214	0.6
Apr 20	56.8	-7.9	96.82	2.1	54.96	-5.9	79,570	0.0	45,164	-7.9	4,372,784	-5.9
May 20	54.1	-12.9	96.48	1.5	52.17	-11.6	79,570	0.0	43,025	-12.9	4,150,848	-11.6
Jun 20	52.5	-15.4	95.64	0.9	50.18	-14.6	79,570	0.0	41,752	-15.4	3,993,154	-14.6
Jul 20	50.8	-18.0	94.97	0.1	48.28	-17.9	79,570	0.0	40,449	-18.0	3,841,431	-17.9
Aug 20	50.1	-19.2	94.70	-0.4	47.44	-19.5	79,570	0.0	39,862	-19.2	3,774,934	-19.5
Sep 20	49.1	-20.8	94.20	-1.1	46.28	-21.7	79,570	0.0	39,091	-20.8	3,682,233	-21.7
Oct 20	48.3	-22.3	93.69	-1.8	45.24	-23.7	79,570	0.0	38,423	-22.3	3,600,020	-23.7
Nov 20	46.8	-25.4	92.99	-2.6	43.51	-27.4	79,570	0.0	37,229	-25.4	3,462,101	-27.4
Dec 20	46.0	-26.4	92.66	-3.2	42.60	-28.8	79,570	0.0	36,577	-26.4	3,389,397	-28.8
Jan 21	45.9	-26.2	92.72	-3.6	42.52	-28.8	79,570	0.0	36,491	-26.2	3,383,301	-28.8
Feb 21	45.1	-27.5	92.89	-3.6	41.86	-30.1	79,570	0.0	35,860	-27.5	3,331,198	-30.1
Mar 21	46.4	-23.1	93.20	-3.6	43.23	-25.9	79,570	0.0	36,906	-23.1	3,439,622	-25.9
Apr 21	49.7	-12.4	94.06	-2.8	46.77	-14.9	79,570	0.0	39,561	-12.4	3,721,178	-14.9
May 21	52.4	-3.0	95.21	-1.3	49.93	-4.3	79,570	0.0	41,726	-3.0	3,972,937	-4.3

Tab 7 - Day of Week Analysis

Marshall, MN Area Selected Properties

Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

NO DATA AVAILABLE: there are only 3 of the 4 properties in your set that report Daily Data

Market and Needs Assessment

City of Marshall, MN

Occupancy (%)								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jun - 20								
Jul - 20								
Aug - 20								
Sep - 20								
Oct - 20								
Nov - 20								
Dec - 20								
Jan - 21								
Feb - 21								
Mar - 21								
Apr - 21								
May - 21								
Total Year								

Three Year Occupancy (%)								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jun 18 - May 19								
Jun 19 - May 20								
Jun 20 - May 21								
Total 3 Yr								

ADR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jun - 20								
Jul - 20								
Aug - 20								
Sep - 20								
Oct - 20								
Nov - 20								
Dec - 20								
Jan - 21								
Feb - 21								
Mar - 21								
Apr - 21								
May - 21								
Total Year								

Three Year ADR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jun 18 - May 19								
Jun 19 - May 20								
Jun 20 - May 21								
Total 3 Yr								

RevPAR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jun - 20								
Jul - 20								
Aug - 20								
Sep - 20								
Oct - 20								
Nov - 20								
Dec - 20								
Jan - 21								
Feb - 21								
Mar - 21								
Apr - 21								
May - 21								
Total Year								

Three Year RevPAR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Jun 18 - May 19								
Jun 19 - May 20								
Jun 20 - May 21								
Total 3 Yr								

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Tab 8 - Raw Data

Marshall, MN Area Selected Properties
Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Mar 14	47.8		86.43		41.31		6,758		3,230		279,161		4	218	100.0
Apr 14	52.4		88.87		46.58		6,540		3,428		304,632		4	218	100.0
May 14	60.2		90.39		54.38		6,758		4,066		367,530		4	218	100.0
Jun 14	70.3		88.56		62.26		6,540		4,598		407,198		4	218	100.0
Jul 14	72.5		92.69		67.23		6,758		4,902		454,344		4	218	100.0
Aug 14	62.6		92.99		58.19		6,758		4,229		393,270		4	218	100.0
Sep 14	64.3		91.63		58.90		6,540		4,204		385,230		4	218	100.0
Oct 14	66.9		90.61		60.59		6,758		4,519		409,485		4	218	100.0
Nov 14	50.7		91.41		46.36		6,540		3,317		303,195		4	218	100.0
Dec 14	45.3		90.85		41.15		6,758		3,061		278,082		4	218	100.0
Jan 15	47.2		88.44		41.76		6,758		3,191		282,223		4	218	100.0
Feb 15	54.5		88.20		48.10		6,104		3,329		293,619		4	218	100.0
Mar 15	46.6	-2.5	88.09	1.9	41.03	-0.7	6,758	0.0	3,148	-2.5	277,301	-0.7	4	218	100.0
Apr 15	51.4	-1.9	90.14	1.4	46.37	-0.5	6,540	0.0	3,364	-1.9	303,243	-0.5	4	218	100.0
May 15	64.2	6.7	90.70	0.3	58.24	7.1	6,758	0.0	4,339	6.7	393,560	7.1	4	218	100.0
Jun 15	71.5	1.7	95.35	7.7	68.16	9.5	6,540	0.0	4,675	1.7	445,748	9.5	4	218	100.0
Jul 15	70.4	-2.9	97.69	5.4	68.83	2.4	6,758	0.0	4,761	-2.9	465,123	2.4	4	218	100.0
Aug 15	68.9	10.2	94.59	1.7	65.21	12.1	6,758	0.0	4,659	10.2	440,717	12.1	4	218	100.0
Sep 15	75.0	16.6	93.88	2.5	70.38	19.5	6,540	0.0	4,903	16.6	460,292	19.5	4	218	100.0
Oct 15	66.4	-0.6	92.91	2.5	61.73	1.9	6,758	0.0	4,490	-0.6	417,179	1.9	4	218	100.0
Nov 15	51.6	1.7	91.54	0.1	47.24	1.9	6,540	0.0	3,375	1.7	308,945	1.9	4	218	100.0
Dec 15	41.0	-9.4	92.25	1.5	37.84	-8.0	6,758	0.0	2,772	-9.4	255,730	-8.0	4	218	100.0
Jan 16	45.3	-4.0	91.09	3.0	41.28	-1.1	6,758	0.0	3,063	-4.0	279,003	-1.1	4	218	100.0
Feb 16	49.6	-9.0	91.73	4.0	45.52	-5.4	6,104	0.0	3,029	-9.0	277,836	-5.4	4	218	100.0
Mar 16	45.9	-1.5	90.43	2.7	41.51	1.2	6,758	0.0	3,102	-1.5	280,512	1.2	4	218	100.0
Apr 16	56.8	10.3	90.78	0.7	51.53	11.1	6,540	0.0	3,712	10.3	336,979	11.1	4	218	100.0
May 16	59.6	-7.2	94.01	3.6	56.00	-3.8	6,758	0.0	4,026	-7.2	378,480	-3.8	4	218	100.0
Jun 16	63.4	-11.3	96.88	1.6	61.43	-9.9	6,540	0.0	4,147	-11.3	401,758	-9.9	4	218	100.0
Jul 16	68.0	-3.4	97.91	0.2	66.62	-3.2	6,758	0.0	4,598	-3.4	450,201	-3.2	4	218	100.0
Aug 16	70.9	2.8	95.30	0.7	67.56	3.6	6,758	0.0	4,791	2.8	456,577	3.6	4	218	100.0
Sep 16	68.2	-9.1	98.47	4.9	67.12	-4.6	6,540	0.0	4,458	-9.1	438,994	-4.6	4	218	100.0
Oct 16	70.8	6.5	95.75	3.1	67.77	9.8	6,758	0.0	4,783	6.5	457,979	9.8	4	218	100.0
Nov 16	55.6	7.8	95.47	4.3	53.12	12.5	6,540	0.0	3,639	7.8	347,410	12.5	4	218	100.0
Dec 16	48.9	19.2	92.62	0.4	45.30	19.7	6,758	0.0	3,305	19.2	306,115	19.7	4	218	100.0
Jan 17	45.7	0.8	90.66	-0.5	41.40	0.3	6,758	0.0	3,086	0.8	279,792	0.3	4	218	100.0
Feb 17	43.2	-12.9	88.77	-3.2	38.38	-15.7	6,104	0.0	2,639	-12.9	234,251	-15.7	4	218	100.0
Mar 17	51.6	12.3	92.27	2.0	47.57	14.6	6,758	0.0	3,484	12.3	321,472	14.6	4	218	100.0
Apr 17	59.6	5.0	89.96	-0.9	53.61	4.0	6,540	0.0	3,897	5.0	350,577	4.0	4	218	100.0
May 17	54.4	-8.6	92.11	-2.0	50.13	-10.5	6,758	0.0	3,678	-8.6	338,782	-10.5	4	218	100.0
Jun 17	64.6	1.9	95.58	-1.3	61.78	0.6	6,540	0.0	4,227	1.9	404,023	0.6	4	218	100.0
Jul 17	70.8	4.0	98.77	0.9	69.91	4.9	6,758	0.0	4,783	4.0	472,433	4.9	4	218	100.0
Aug 17	73.7	4.0	95.20	-0.1	70.21	3.9	6,758	0.0	4,984	4.0	474,453	3.9	4	218	100.0
Sep 17	69.8	2.5	94.66	-3.9	66.12	-1.5	6,540	0.0	4,568	2.5	432,399	-1.5	4	218	100.0
Oct 17	68.9	-2.7	90.21	-5.8	62.11	-8.4	6,758	0.0	4,653	-2.7	419,726	-8.4	4	218	100.0
Nov 17	60.4	8.5	93.85	-1.7	56.65	6.7	6,540	0.0	3,948	8.5	370,515	6.7	4	218	100.0
Dec 17	50.7	3.6	90.82	-1.9	46.01	1.6	6,758	0.0	3,424	3.6	310,968	1.6	4	218	100.0
Jan 18	49.9	9.4	91.18	0.6	45.54	10.0	6,758	0.0	3,375	9.4	307,728	10.0	4	218	100.0
Feb 18	47.7	10.3	89.44	0.8	42.64	11.1	6,104	0.0	2,910	10.3	260,263	11.1	4	218	100.0
Mar 18	52.4	1.7	90.54	-1.9	47.47	-0.2	6,758	0.0	3,543	1.7	320,772	-0.2	4	218	100.0
Apr 18	55.6	-6.7	90.00	0.0	50.01	-6.7	6,540	0.0	3,634	-6.7	327,060	-6.7	4	218	100.0
May 18	59.3	9.0	91.93	-0.2	54.54	8.8	6,758	0.0	4,009	9.0	368,561	8.8	4	218	100.0
Jun 18	70.2	8.5	100.49	5.1	70.50	14.1	6,540	0.0	4,588	8.5	461,045	14.1	4	218	100.0
Jul 18	72.4	2.3	98.40	-0.4	71.27	2.0	6,758	0.0	4,895	2.3	481,668	2.0	4	218	100.0
Aug 18	73.4	-0.5	96.05	0.9	70.48	0.4	6,758	0.0	4,959	-0.5	476,304	0.4	4	218	100.0
Sep 18	70.4	0.7	96.83	2.3	68.14	3.1	6,540	0.0	4,602	0.7	445,614	3.1	4	218	100.0
Oct 18	73.4	6.5	96.11	6.5	70.50	13.5	6,758	0.0	4,957	6.5	476,417	13.5	4	218	100.0
Nov 18	56.6	-6.3	96.18	2.5	54.41	-4.0	6,540	0.0	3,700	-6.3	355,865	-4.0	4	218	100.0
Dec 18	52.0	2.6	92.63	2.0	48.15	4.6	6,758	0.0	3,513	2.6	325,398	4.6	4	218	100.0
Jan 19	48.0	-3.9	91.95	0.8	44.11	-3.1	6,758	0.0	3,242	-3.9	298,105	-3.1	4	218	100.0
Feb 19	50.5	5.9	90.91	1.6	45.90	7.7	6,104	0.0	3,082	5.9	280,187	7.7	4	218	100.0
Mar 19	52.3	-0.3	89.86	-0.7	46.99	-1.0	6,758	0.0	3,534	-0.3	317,579	-1.0	4	218	100.0
Apr 19	60.4	8.6	91.36	1.5	55.15	10.3	6,540	0.0	3,948	8.6	360,702	10.3	4	218	100.0
May 19	64.6	8.9	94.97	3.3	61.37	12.5	6,758	0.0	4,367	8.9	414,753	12.5	4	218	100.0
Jun 19	69.2	-1.4	97.84	-2.6	67.71	-3.9	6,540	0.0	4,526	-1.4	442,843	-3.9	4	218	100.0
Jul 19	72.4	-0.0	99.07	0.7	71.75	0.7	6,758	0.0	4,894	-0.0	484,855	0.7	4	218	100.0
Aug 19	73.5	0.1	98.18	2.2	72.11	2.3	6,758	0.0	4,964	0.1	487,346	2.3	4	218	100.0
Sep 19	71.1	1.1	98.22	1.4	69.88	2.6	6,540	0.0	4,653	1.1	457,035	2.6	4	218	100.0
Oct 19	74.2	1.1	98.53	2.5	73.09	3.7	6,758	0.0	5,013	1.1	493,939	3.7	4	218	100.0
Nov 19	63.8	12.8	96.57	0.4	61.65	13.3	6,540	0.0	4,175	12.8	403,189	13.3	4	218	100.0
Dec 19	48.9	-6.0	95.92	3.6	46.87	-2.7	6,758	0.0	3,302	-6.0	316,738	-2.7	4	218	100.0
Jan 20	44.1	-8.1	98.87	7.5	43.61	-1.1	6,758	0.0	2,981	-8.1	294,723	-1.1	4	218	100.0
Feb 20	51.0	1.1	94.76	4.2	48.36	5.3	6,104	0.0	3,115	1.1	295,171	5.3	4	218	100.0
Mar 20	30.2	-42.2	92.43	2.9	27.96	-40.5	6,758	0.0	2,044	-42.2	188,920	-40.5	4	218	100.0
Apr 20	17.3	-71.4	82.54	-9.7	14.26	-74.1	6,540	0.0	1,130	-71.4	93,272	-74.1	4	218	100.0
May 20	33.0	-49.0	86.54	-8.9	28.53	-53.5	6,758	0.0	2,228	-49.0	192,817	-53.5	4	218	100.0
Jun 20	49.7	-28.1	87.66	-10.4	43.60	-35.6	6,540	0.0	3,253	-28.1	285,149	-35.6	4	218	100.0
Jul 20	53.1	-26.6	92.77	-6.4	49.29	-31.3	6,758	0.0	3,591	-26.6	333,132	-31.3	4	218	100.0
Aug 20	64.8	-11.8	96.15	-2.1	62.27	-13.6	6,758	0.0	4,377	-11.8	420,849	-13.6	4	218	100.0
Sep 20	59.4	-16.6	93.85	-4.5	55.71	-20.3	6,540	0.0	3,882	-16.6	364,334	-20.3	4	218	100.0
Oct 20	64.3	-13.3	94.76	-3.8	60.92	-16.6	6,758	0.0	4,345	-13.3	411,726	-16.6	4	218	100.0
Nov 20	45.6	-28.6	88.99	-7.9	40.56	-34.2	6,540	0.0	2,981	-28.6	265,270	-34.2	4	218	100.0
Dec 20	39.2	-19.7	92.09	-4.0	36.11	-23.0	6,758	0.0	2,650	-19.7	244,034	-23.0	4	218	100.0
Jan 21	42.8	-2.9	99.70	0.8	42.71	-2.1	6,758	0.0	2,895	-2.9	288,627	-2.1	4	218	

Tab 9 - Classic

Marshall, MN Area Selected Properties
Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample		
	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants
Mar 14	47.8		86.43		41.31		6,758		3,230		279,161		4	218	100.0
Apr 14	52.4		88.87		46.58		6,540		3,428		304,632		4	218	100.0
May 14	60.2		90.39		54.38		6,758		4,066		367,530		4	218	100.0
Jun 14	70.3		88.56		62.26		6,540		4,598		407,198		4	218	100.0
Jul 14	72.5		92.69		67.23		6,758		4,902		454,344		4	218	100.0
Aug 14	62.6		92.99		58.19		6,758		4,229		393,270		4	218	100.0
Sep 14	64.3		91.63		58.90		6,540		4,204		385,230		4	218	100.0
Oct 14	66.9		90.61		60.59		6,758		4,519		409,485		4	218	100.0
Nov 14	50.7		91.41		46.36		6,540		3,317		303,195		4	218	100.0
Dec 14	45.3		90.85		41.15		6,758		3,061		278,082		4	218	100.0
May YTD 2014															
Total 2014															
Jan 15	47.2		88.44		41.76		6,758		3,191		282,223		4	218	100.0
Feb 15	54.5		88.20		48.10		6,104		3,329		293,619		4	218	100.0
Mar 15	46.6	-2.5	88.09	1.9	41.03	-0.7	6,758	0.0	3,148	-2.5	277,301	-0.7	4	218	100.0
Apr 15	51.4	-1.9	90.14	1.4	46.37	-0.5	6,540	0.0	3,364	-1.9	303,243	-0.5	4	218	100.0
May 15	64.2	6.7	90.70	0.3	58.24	7.1	6,758	0.0	4,339	6.7	393,560	7.1	4	218	100.0
Jun 15	71.5	1.7	95.35	7.7	68.16	9.5	6,540	0.0	4,675	1.7	445,748	9.5	4	218	100.0
Jul 15	70.4	-2.9	97.69	5.4	68.83	2.4	6,758	0.0	4,761	-2.9	465,123	2.4	4	218	100.0
Aug 15	68.9	10.2	94.59	1.7	65.21	12.1	6,758	0.0	4,659	10.2	440,717	12.1	4	218	100.0
Sep 15	75.0	16.6	93.88	2.5	70.38	19.5	6,540	0.0	4,903	16.6	460,292	19.5	4	218	100.0
Oct 15	66.4	-0.6	92.91	2.5	61.73	1.9	6,758	0.0	4,490	-0.6	417,179	1.9	4	218	100.0
Nov 15	51.6	1.7	91.54	0.1	47.24	1.9	6,540	0.0	3,375	1.7	308,945	1.9	4	218	100.0
Dec 15	41.0	-9.4	92.25	1.5	37.84	-8.0	6,758	0.0	2,772	-9.4	255,730	-8.0	4	218	100.0
May YTD 2015	52.8		89.23		47.09		32,918		17,371		1,549,946				
Total 2015	59.1		92.41		54.59		79,570		47,006		4,343,680				
Jan 16	45.3	-4.0	91.09	3.0	41.28	-1.1	6,758	0.0	3,063	-4.0	279,003	-1.1	4	218	100.0
Feb 16	49.6	-9.0	91.73	4.0	45.52	-5.4	6,104	0.0	3,029	-9.0	277,836	-5.4	4	218	100.0
Mar 16	45.9	-1.5	90.43	2.7	41.51	1.2	6,758	0.0	3,102	-1.5	280,512	1.2	4	218	100.0
Apr 16	56.8	10.3	90.78	0.7	51.53	11.1	6,540	0.0	3,712	10.3	336,979	11.1	4	218	100.0
May 16	59.6	-7.2	94.01	3.6	56.00	-3.8	6,758	0.0	4,026	-7.2	378,480	-3.8	4	218	100.0
Jun 16	63.4	-11.3	96.88	1.6	61.43	-9.9	6,540	0.0	4,147	-11.3	401,758	-9.9	4	218	100.0
Jul 16	68.0	-3.4	97.91	0.2	66.62	-3.2	6,758	0.0	4,598	-3.4	450,201	-3.2	4	218	100.0
Aug 16	70.9	2.8	95.30	0.7	67.56	3.6	6,758	0.0	4,791	2.8	456,577	3.6	4	218	100.0
Sep 16	68.2	-9.1	98.47	4.9	67.12	-4.6	6,540	0.0	4,458	-9.1	438,994	-4.6	4	218	100.0
Oct 16	70.8	6.5	95.75	3.1	67.77	9.8	6,758	0.0	4,783	6.5	457,979	9.8	4	218	100.0
Nov 16	55.6	7.8	95.47	4.3	53.12	12.5	6,540	0.0	3,639	7.8	347,410	12.5	4	218	100.0
Dec 16	48.9	19.2	92.62	0.4	45.30	19.7	6,758	0.0	3,305	19.2	306,115	19.7	4	218	100.0
May YTD 2016	51.4	-2.5	91.71	2.8	47.17	0.2	32,918	0.0	16,932	-2.5	1,552,810	0.2			
Total 2016	58.6	-0.8	94.57	2.3	55.45	1.6	79,570	0.0	46,653	-0.8	4,411,844	1.6			
Jan 17	45.7	0.8	90.66	-0.5	41.40	0.3	6,758	0.0	3,086	0.8	279,792	0.3	4	218	100.0
Feb 17	43.2	-12.9	88.77	-3.2	38.38	-15.7	6,104	0.0	2,639	-12.9	234,251	-15.7	4	218	100.0
Mar 17	51.6	12.3	92.27	2.0	47.57	14.6	6,758	0.0	3,484	12.3	321,472	14.6	4	218	100.0
Apr 17	59.6	5.0	89.96	-0.9	53.61	4.0	6,540	0.0	3,897	5.0	350,577	4.0	4	218	100.0
May 17	54.4	-8.6	92.11	-2.0	50.13	-10.5	6,758	0.0	3,678	-8.6	338,782	-10.5	4	218	100.0
Jun 17	64.6	1.9	95.58	-1.3	61.78	0.6	6,540	0.0	4,227	1.9	404,023	0.6	4	218	100.0
Jul 17	70.8	4.0	98.77	0.9	69.91	4.9	6,758	0.0	4,783	4.0	472,433	4.9	4	218	100.0
Aug 17	73.7	4.0	95.20	-0.1	70.21	3.9	6,758	0.0	4,984	4.0	474,453	3.9	4	218	100.0
Sep 17	69.8	2.5	94.66	-3.9	66.12	-1.5	6,540	0.0	4,568	2.5	432,399	-1.5	4	218	100.0
Oct 17	68.9	-2.7	90.21	-5.8	62.11	-8.4	6,758	0.0	4,653	-2.7	419,726	-8.4	4	218	100.0
Nov 17	60.4	8.5	93.85	-1.7	56.65	6.7	6,540	0.0	3,948	8.5	370,515	6.7	4	218	100.0
Dec 17	50.7	3.6	90.82	-1.9	46.01	1.6	6,758	0.0	3,424	3.6	310,968	1.6	4	218	100.0
May YTD 2017	51.0	-0.9	90.85	-0.9	46.32	-1.8	32,918	0.0	16,784	-0.9	1,524,874	-1.8			
Total 2017	59.5	1.5	93.08	-1.6	55.42	-0.1	79,570	0.0	47,371	1.5	4,409,391	-0.1			
Jan 18	49.9	9.4	91.18	0.6	45.54	10.0	6,758	0.0	3,375	9.4	307,728	10.0	4	218	100.0
Feb 18	47.7	10.3	89.44	0.8	42.64	11.1	6,104	0.0	2,910	10.3	260,263	11.1	4	218	100.0
Mar 18	52.4	1.7	90.54	-1.9	47.47	-0.2	6,758	0.0	3,543	1.7	320,772	-0.2	4	218	100.0
Apr 18	55.6	-6.7	90.00	0.0	50.01	-6.7	6,540	0.0	3,634	-6.7	327,060	-6.7	4	218	100.0
May 18	59.3	9.0	91.93	-0.2	54.54	8.8	6,758	0.0	4,009	9.0	368,561	8.8	4	218	100.0
Jun 18	70.2	8.5	100.49	5.1	70.50	14.1	6,540	0.0	4,588	8.5	461,045	14.1	4	218	100.0
Jul 18	72.4	2.3	98.40	-0.4	71.27	2.0	6,758	0.0	4,895	2.3	481,668	2.0	4	218	100.0
Aug 18	73.4	-0.5	96.05	0.9	70.48	0.4	6,758	0.0	4,959	-0.5	476,304	0.4	4	218	100.0
Sep 18	70.4	0.7	96.83	2.3	68.14	3.1	6,540	0.0	4,602	0.7	445,614	3.1	4	218	100.0
Oct 18	73.4	6.5	96.11	6.5	70.50	13.5	6,758	0.0	4,957	6.5	476,417	13.5	4	218	100.0
Nov 18	56.6	-6.3	96.18	2.5	54.41	-4.0	6,540	0.0	3,700	-6.3	355,865	-4.0	4	218	100.0
Dec 18	52.0	2.6	92.63	2.0	48.15	4.6	6,758	0.0	3,513	2.6	325,398	4.6	4	218	100.0
May YTD 2018	53.1	4.1	90.69	-0.2	48.13	3.9	32,918	0.0	17,471	4.1	1,584,384	3.9			
Total 2018	61.2	2.8	94.62	1.7	57.89	4.5	79,570	0.0	48,685	2.8	4,606,695	4.5			
Jan 19	48.0	-3.9	91.95	0.8	44.11	-3.1	6,758	0.0	3,242	-3.9	298,105	-3.1	4	218	100.0
Feb 19	50.5	5.9	90.91	1.6	45.90	7.7	6,104	0.0	3,082	5.9	280,187	7.7	4	218	100.0
Mar 19	52.3	-0.3	89.86	-0.7	46.99	-1.0	6,758	0.0	3,534	-0.3	317,579	-1.0	4	218	100.0
Apr 19	60.4	8.6	91.36	1.5	55.15	10.3	6,540	0.0	3,948	8.6	360,702	10.3	4	218	100.0
May 19	64.6	8.9	94.97	3.3	61.37	12.5	6,758	0.0	4,367	8.9	414,753	12.5	4	218	100.0
Jun 19	69.2	-1.4	97.84	-2.6	67.71	-3.9									

Tab 10 - Response Report

Marshall, MN Area Selected Properties
Job Number: 1270955_SADIM Staff: SS Created: July 02, 2021

STR Code	Name of Establishment	City & State	Zip Code	Class	Aff Date	Open Date	Rooms	Chg in Rms	Chg in Rms 1	Chg in Rms 2	Chg in Rms 3	2019												2020												2021																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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27340	Quality Inn Marshall	Marshall, MN	56258	Midscale Class	Apr 2016	Mar 1990	50					•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

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STR Chain Scales – North America and Caribbean

Luxury

21c Museum Hotels
AKA
Andaz
Belmond
Conrad
Dorchester Collection
Edition
Fairmont
Four Seasons
Grand Hyatt
InterContinental
JW Marriott
Langham
Loews
Luxury Collection
Mandarin Oriental
Montage
Palace Resorts
Park Hyatt
Ritz-Carlton
RockResorts
Rosewood
Sixty Hotels
Sofitel
St Regis
Taj
The Peninsula
Thompson Hotels
Trump Hotel Collection
Valencia Group
Viceroy
W Hotel
Waldorf Astoria

Upper Upscale

Ace Hotel
Affinia
Autograph Collection
Club Quarters
Curio Collection
Delta
Dolce
Embassy Suites
Gaylord
Hard Rock
Hilton
Hyatt
Hyatt Centric

Hyatt Regency
Joie De Vivre
Kimpton
Le Meridien
Magnolia Hotel
Marriott
Marriott Conference Center
Millennium
Omni
Outrigger
Pan Pacific Hotel Group
Pestana
Pullman
Radisson Blu
Renaissance
Sheraton
Starhotels
Swissotel
Tribute Portfolio
Warwick Hotels
Westin
Wyndham

Upscale

AC Hotels by Marriott
aloft Hotel
Ascend Collection
Aston Hotel
Best Western Premier
Cambria Suites
Canad Inn
CitizenM Hotels
Club Med
Coast Hotels & Resorts
USA
Courtyard
Crowne Plaza
Disney Hotels
Double Tree
element
EVEN Hotels
Four Points
Graduate Hotels
Grand America
Great Wolf Lodge
Hilton Garden Inn
Homewood Suites

Hotel Indigo
Hyatt House
Hyatt Place
Larkspur Landing
Legacy Vacation Club
Melia
Miyako Hotels
Novotel
NYLO Hotel
Prince Hotel
Radisson
Residence Inn
Room Mate
Shell Vacations Club
Sonesta Hotel
Springhill Suites
Staybridge Suites
Stoney Creek
Vacation Condos by
Outrigger

Upper Midscale

Ayres
Aqua Hotels
Best Western Plus
Boarders Inn & Suites
Centerstone Hotels
Chase Suites
Clarion
Cobblestone
Comfort Inn
Comfort Suites
Country Inn & Suites
Doubletree Club
Drury Inn
Drury Inn & Suites
Drury Plaza Hotel
Drury Suites
Fairfield Inn
Golden Tulip
Hampton Inn
Hampton Inn & Suites
Holiday Inn
Holiday Inn Express
Home2 Suites by Hilton
Isle of Capri
Lexington
MOXY

OHANA
Oxford Suites
Park Inn
Phoenix Inn
Ramada Plaza
Red Lion Hotels
Silver Cloud
Sonesta ES Suites
Tryp by Wyndham
TownePlace Suites
Westmark
Wyndham Garden Hotel
Xanterra

Midscale

3 Palms Hotels & Resorts
A Victory Hotels
AmericInn
Baymont Inn & Suites
Best Western
Candlewood Suites
ClubHouse
Crossings by GrandStay
Crystal Inn
FairBridge Inn
GrandStay
Residential Suites
Hawthorn Suites
by Wyndham
InnSuites Hotel
Lakeview
Distinctive Hotels
La Quinta Inn & Suites
MainStay Suites
Oak Tree Inn
Quality Inn
Ramada
Red Lion Inn & Suites
Settle Inn
Shilo Inn
Sleep Inn
Vagabond Inn
Vista
Wingate by Wyndham
Yotel

Economy

Affordable Suites
of America
America's Best Inn
America's Best Value Inn
Budget Host
Budget Suites of America
Budgetel
Country Hearth Inn
Crestwood Suites
Crossland Suites
Days Inn
Econo Lodge
Extended Stay America
E-Z 8
Family Inns of America
Good Nite Inn
GuestHouse Inn
Home-Towne Suites
Howard Johnson
InTown Suites
Jameson Inn
Key West Inn
Knights Inn
Lite Hotels
Masters Inn
Microtel Inn &
Suites by Wyndham
Motel 6
National 9
Passport Inn
Pear Tree Inn
Red Carpet Inn
Red Roof Inn
Rodeway Inn
Savannah Suites
Scottish Inn
Select Inn
Studio 6
Suburban Extended Stay
Sun Suites Hotels
Super 8
Travelodge
Value Place
WoodSpring Suites

Brands/Chains are slotted by Chain Scale based on the previous year's annual system wide (global) Average Daily Rate. Rate ranges defining each Chain Scale are determined by STR. The STR Chain Scales – North America and Caribbean is a subset of the larger Global Chain Scale list. Brand Chain Scale pairings are consistent with each list. Brands listed above are located in U.S., Mexico, Caribbean and Canada. If you have any questions about the Chain Scales, please email support@str.com. Copyright 2016. STR, Inc. Publishing or reproducing this information is strictly prohibited. www.str.com +1 (615) 824 8664. Last updated May 2016.

ADR (Average Daily Rate) — A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.

$$\text{ADR} = \text{Room Revenue} / \text{Rooms Sold}$$

ADR (Rate) Index — The ADR Index measures a hotel's ADR performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket/tract). An ADR Index of 100 equals fair share of ADR, compared to the aggregated group of hotels. An ADR Index greater than 100 represents more than a fair share of the aggregated group's ADR performance. Conversely, an ADR Index below 100 reflects less than a fair share of the aggregated group's ADR performance.

To calculate an ADR Index: $(\text{Hotel ADR} / \text{Aggregated group of hotels' ADR}) \times 100 = \text{ADR Index}$

Fair share can be thought of as the subject hotel's "piece of the pie" in the market. For example, if the subject hotel's ADR is \$50 and the ADR of its competitive set is \$50, the subject hotel's index would total 100. If the subject hotel's ADR totaled \$60, its index would be 120, indicating the hotel has captured more than its fair share. If the subject hotel's ADR totaled \$40, its index would be 80, indicating the hotel has captured less than its fair share.

Average Published Rate (APR) — The average published rate (APR) is measured by averaging the range of published room rates for various room sizes (single, double, etc.) during different times of the year. When hotels in our Census Database do not report data to us, an estimate of actual Average Daily Rate (ADR) is derived using published rates.

Census — The total number of hotels and rooms in our database in a particular segment.

Chain Scales — Chain scale segments are a method by which branded hotels are grouped based on the actual average room rates. Independent hotels, regardless of their average room rates, are included as a separate chain scale category. The chain scale segments are:

- Luxury Chains
- Upper Upscale Chains
- Upscale Chains
- Upper Midscale Chains
- Midscale Chains
- Economy Chains
- Independents

Collapsed Submarket Class — This designation is similar to market class with the following exceptions: Luxury and Upper Upscale are collapsed to form a single class (Luxury and Upper Upscale). Upscale and Mid with F&B are collapsed to form a single class (Upscale and Mid w/ F&B). Mid without F&B and Economy are collapsed to form a single class (Mid w/o FB and Economy). The submarket classes are:

- Luxury and Upper Upscale
- Upscale and Upper Midscale
- Midscale and Economy

Company Types —

- **Owner Company** — A company which primarily owns rather than franchises or manages lodging properties. To be coded as "the" owner in the STR database a company must have majority (51% or more) ownership in the property.
- **Management Company** — A company that manages hotels for owners typically in return for fees and/or a share of revenues. A management company may or may not have any of its own funds invested in a hotel that it manages.
- **Franchise Company** — A group of independently-owned operations which have been issued a contract to use a specific name and logo, purchased for an annual fee plus "royalties" usually based on a percentage of sales. Members share such benefits as brand-name identity, corporate image advertising, centralized reservation systems, corporate training programs, and volume purchasing.

- **Asset Manager** — Hotel asset management is the fiduciary responsibility of managing the lodging investment to meet the specific objectives of ownership. The asset manager's role in building value is analyzed at both the portfolio and property levels.
- **Membership Company** — A company whereby independently owned and operated lodging properties operate under a single membership affiliation while taking advantage of a global reservations system, marketing, advertising, purchasing, training and quality standards. There are usually fewer constraints than a traditional franchise company and each member has a voice in the operation of the company.
- **Referral Company** — A group of independently owned, non-affiliated properties who have banded together primarily to recommend and refer business. This type of connection typically does not carry the same involvement and standardized requirements as a membership or franchise company.
- **Architect** — The company responsible for the design, planning and construction supervision of a hotel project. The architect typically works very closely with the owner and development company to ensure correct design standards. An architect may or may not be involved with the smallest of design details such as landscaping, furnishings, and other accoutrements.
- **Developer** — A company which prepares the site and builds for commercial use as a lodging facility.
- **REIT – Real Estate Investment Trust** — A corporation or trust that uses the pooled capital of many investors to purchase and manage income property and/or mortgage loans. Typically they distribute the majority of earnings directly to shareholders as dividends without taxation at the corporate level.

Competitive Set — A competitive set, or comp set, consists of a group of hotels by which a property can compare itself to the group's aggregate performance. In North America, Caribbean and Asia Pacific, competitive sets must include a minimum of three participating properties. The three properties exclude the subject property and other properties from the same company as the subject. To protect proprietary data, a single hotel or brand must not exceed 40% of the of the total participating room supply of a comp set and a single hotel company (i.e. Marriott brands, Choice brands, etc.) may only comprise a maximum 60% of the competitive set room supply.

In Europe, MEA, Central and South America, comp sets must include at least four participating properties. The subject property is not counted as one of the four hotels. To protect proprietary data, a single hotel or brand must not exceed 50% of the of the total participating room supply of a comp set. A single hotel company (i.e. Marriott brands, Choice brands, etc.) may only comprise a maximum 60% of the competitive set room supply.

Contract Rooms — Contract rooms are occupied at rates stipulated by contracts – such as for airline crews and permanent guests. Room allotments that do not require guaranteed use or payment should not be classified as contract. Rooms sold under such allotments should be classified as transient. (This type of data is seen in the Segmentation portion of our reports.)

Exchange Rate — The factor used to convert revenue from US Dollars to the local currency. Reports display the monthly exchange rates (the rate on the last day of the month) and the daily exchange rates on the Daily by Month pages. STR obtains exchange rate data from Oanda.com. Any aggregated number in the report (YTD, Running 3 month, Running 12 month) uses the exchange rate of each relative month when calculating the data.

Extended Stay — Extended Stay hotels focus on attracting hotel guests for extended periods of time. These hotels quote weekly rates.

Food & Beverage (F&B) Revenue — Revenues derived from the sale of food (including coffee, milk, tea and soft drinks), beverages (including, beer, wine and liquors), banquet beverages and other F&B sources. Other F&B sources include meeting room rentals, audio-visual equipment rentals, cover or service charges or other revenues within the food and beverage department (includes banquet services charges).

Full-Service Hotel — Full-service hotels are generally mid-price, upscale or luxury hotels with a restaurant, lounge facilities and meeting space as well as minimum service levels often including bell service and room service. These hotels report food and beverage revenue.

Group Rooms — Group rooms are sold simultaneously in blocks of a minimum of ten rooms or more (e.g. group tours, domestic and international groups, association, convention and corporate groups). (This type of data is seen in the Segmentation portion of our reports.)

Holiday Closure — When a property is closed for a short period of time, less than one month, voluntarily or due to holiday.

HOST Study — The HOST (Hotel Operating Statistics) Study contains information on hotel revenues and expenses broken down by departments including rooms, food and beverage, marketing, utility costs, and maintenance. This report is annually published by STR and the results are based on the operating statements of over 5,000 U.S. hotels. Custom HOST Reports are also available for entire states, metropolitan areas or competitive sets.

Hotel Types — Hotel classifications are driven primarily by building structure and secondarily by service level. Chain management has provided us with hotel type classifications for a significant number of locations. Hotel types include:

- **All-Suite:** All guest rental units consist of one or more bedrooms and may include a separate living area. Many suites contain kitchenettes or mini-refrigerators. Suite hotels often have no integrated dining facilities available; however, many offer complimentary breakfast.
- **Boutique:** These are hotels that appeal to their guests because of their unusual amenity and room configurations. They are normally independent and smaller than 200 rooms with a high rack rate. However there are three chains whose hotels are automatically coded as “Boutique”: W Hotels (a Starwood brand), Kimpton Hotels and Joie de Vivre Hotels.
- **Conference:** Lodging hotels that place major focus on conference operations. Hotels must meet guidelines of the [International Association of Conference Centers](#).
- **Convention:** Hotels with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 Square feet) and not part of the Conference Center Group.
- **Destination Resorts:** Hotels that appeal to leisure and family vacation travelers, typically located in resort markets, and are considered a destination in and of themselves. Destination resorts provide guests with extensive amenities normally associated and oriented toward the vacation and/or family experience- such as: pools, golf, tennis, restaurants, spa facilities, beach, ski, casino, etc. These more exclusive hotels are typically larger, full-service, Luxury chains, Upper Upscale chains, or higher priced (ADR) independents.
- **Gaming/Casino:** Lodging hotels that place major focus on casino operations.
- **Golf:** Hotel must have a golf course on hotel to be considered. It is not sufficient if the hotel only has privileges on the course next door.
- **Hotel/Motel:** A standard hotel or motel operation.
- **Ski:** Guests have easy access to ski slopes.
- **Spa:** Hotel must have designated spa facility and offer treatments. Offering a sauna or hot tub/whirlpool would not qualify.
- **Waterpark:** An indoor or outdoor waterpark resort as a lodging establishment containing an aquatic facility with a minimum of 10,000 square feet of waterpark space and inclusive of amenities such as slides, tubes and a variety of water play features.

Index — An index measures a hotel’s performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR.

An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group’s performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group’s performance.

Index (Occupancy, ADR, RevPAR) — An index measures a hotel's performance relative to an aggregated grouping of hotels (e.g., competitive set, market, submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR.

Limited-Service Hotel — Limited-service hotels have rooms-only operations, (i.e. without food and beverage service) or offer a bedroom and bathroom for the night, but very few other services and amenities. These hotels are often in the budget or economy group and do not report food and beverage revenue.

Location Segment — Location segments are hotel classifications driven by physical location. Chain management has provided us with location classifications for a significant number of hotels. Location segments include:

- **Urban** - A densely populated area in a large metropolitan area. (e.g. Atlanta, Boston, San Francisco, London, Tokyo.).
- **Suburban** - Suburbs of metropolitan markets. Examples are Sags Harbor and White Plains, New York, near New York City, USA and Croydon and Wimbledon near London, UK. Distance from center city varies based on population and market orientation.
- **Airport** - Hotels in close proximity of an airport that primarily serve demand from airport traffic. Distance may vary.
- **Interstate/motorway** - Hotels in close proximity of major highways, motorways or other major roads whose primary source of business is through passerby travel. Hotels located in suburban areas have the suburban classification.
- **Resort** - Any hotel located in a resort area or market where a significant source of business is derived from leisure/destination travel. Examples are: Orlando, Lake Tahoe, Daytona Beach, Hilton Head Island, Virginia Beach.
- **Small Metro/Town** - Areas with either smaller population or limited services, in remote locations. Size can vary dependent on market orientation. Suburban locations do not exist in proximity to these areas. In North America, metropolitan small town areas are populated with less than 150,000 people.

Market — In the U.S., a market is defined as a geographic area composed of a Metropolitan Statistical Area (i.e. Atlanta, GA), a group of Metropolitan Statistical Areas (i.e. South Central Pennsylvania) or a group of counties (i.e. Texas North). Outside the U.S., a market can be defined as a city, region or country with at least 30 participating hotels. A market must contain a sufficient number of hotels to permit further subdivision into submarket and price segments.

Market Class — Class is an industry categorization which includes chain-affiliated and independent hotels. The class for a chain-affiliated hotel is the same as its chain scale (see chain scale). An independent hotel is assigned a class based on its ADR, relative to that of the chain-affiliated hotels in its geographic proximity. There are six class segments:

- Luxury
- Upper-upscale
- Upscale
- Upper-midscale
- Midscale
- Economy

Market Class Collapsed — If a single class segment is insufficient for reporting, classes are collapsed into the following segments:

- Luxury and Upper Upscale
- Upscale and Upper Midscale
- Midscale and Economy



Market Price Segments (U.S. Only) — The five categories of a metro STR market which are defined by actual or estimated average room rate. The five price categories are shown below:

- Luxury - top 15% average room rates
- Upscale - next 15% average room rates
- Mid-Price - middle 30% average room rates
- Economy - next 20% average room rates
- Budget - lowest 20% average room rates

In rural or non-metro STR markets, the luxury and upscale segments collapse into the upscale and form four price segment categories:

- Upscale - top 30% average room rates
- Mid-Price - next 30% average room rates
- Economy - next 20% average room rates
- Budget - lowest 20% average room rates

Market Scale — Hotels located in the same market and classified in the same chain scale segment as the subject hotel are grouped with the subject hotel into one of seven Market Scale groups:

- Luxury
- Upper Upscale
- Upscale
- Upper Midscale
- Midscale
- Economy
- Independent

Market Scale Collapsed — Hotels located in the same market and classified in the same chain scale segment as the subject hotel. There are two market scale (collapsed) groups:

- Upscale (includes Luxury, Upper Upscale, Upscale and Independent)
- Midscale/Economy (includes Upper Midscale, Midscale, and Economy)

Market Tract — See Submarket

Market Tract Scale — See Submarket Scale

OCC (Penetration) Index — An index designed to measure a hotel's share of the segment's (comp set, market, tract, etc.) demand (demand = rooms sold).

$(\text{Hotel Occupancy} / \text{Segment Occupancy}) \times 100 = \text{Occupancy Index}$

Fair share can be thought of as the subject hotel's "piece of the pie" in the market. For example, if there are 1,000 rooms in the competitive set and the subject hotel has 100 rooms, the subject hotel's fair share is 10.00 percent. If the subject hotel accounts for 10.00 percent of the room nights generated within the competitive set in a given time period, the subject hotel's actual share equals its fair share, giving it an occupancy index of 100 percent.

Occupancy (Occ) — Occupancy is the percentage of available rooms that were sold during a specified period of time. Occupancy is calculated by dividing the number of rooms sold by rooms available.

$\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$

Other Revenue — Includes all other revenue excluding room revenue and F&B revenue.

Other Revenue = Total Revenue - (Room Revenue + F&B Revenue)

(This type of data is seen in the Segmentation portion of STR reports.)

Percent Change (% Chg) — Amount of growth — up, down or flat — this period versus same period last year (day, week, running 28 days, running month-to-date). Calculated as $((TY-LY)/LY)*100$.

Percent Change Rank (Occupancy, ADR, RevPAR) — The percent change for the property is compared to the percent change of each hotel in the comp set.

Pipeline — Pipeline data details existing hotel supply and projected growth globally. Construction data is gathered from the major chains and management companies, through information located by our web crawler, STR/STR GLOBAL SONAR, powered by Revcaster, and from data provided by Convention and Visitors Bureaus, periodicals, consultant reviews and developers.

Phase Definitions – (NOTE: The availability of financing, issuance of building permits, owner commitment, and many other factors can alter anticipated completion dates, number of rooms to be constructed, or the viability of the project. Number of projects and number of rooms in the construction pipeline are subject to change. Projects in early stages of development are less likely to be completed than projects in later stages.)

- Existing Supply – All hotels opened and operating, including those opened in the last 12 months
- Recently Opened (Pipeline) – Hotels that opened within the current reporting month
- In Construction – Ground has been broken
- Final Planning – Construction will begin within 12 months
- Planning – Construction will begin within 13 - 24 months
- Pre-Planning – Construction will begin in more than 24 months
- Deferred – Activity on the project has stopped but may resume within the next 12 months
- Abandoned – Project has been terminated. No further information is available.
- New Projects – Projects that did not previously exist

Price Tier (U.S. Only) — The three categories of a state, STR market or submarket which are defined by actual average daily room rate or average published rate. The three categories are:

- Upper Tier - top 33% room rates
- Middle Tier - middle 33% room rates
- Lower Tier - lowest 33% room rates

Rank — We utilize ranking to measure a hotel's performance in three key areas: Occupancy, ADR and RevPAR. Hotel performance is ranked versus hotels in the competitive set.

For example if you have Occupancy of 70.1% and a hotel in your comp set has 70.3% they would be ranked higher.

Example: "2 of 6" ADR ranking means the subject hotel's absolute ADR is the second highest of the six competitors.

Regions (U.S.) — There are nine that divide the United States:

- New England (Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island)
- Middle Atlantic (New York, Pennsylvania, New Jersey)
- South Atlantic (Maryland, Delaware, West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida)
- East North Central (Michigan, Wisconsin, Illinois, Indiana, Ohio)
- East South Central (Kentucky, Tennessee, Alabama, Mississippi)
- West North Central (Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Missouri, Kansas)
- West South Central (Arkansas, Oklahoma, Texas, Louisiana)
- Mountain (Montana, Idaho, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico)
- Pacific (Alaska, Washington, Oregon, California, Hawaii)

See World Regions

RevPAR (Revenue Per Available Room) — Revenue per Available Room (RevPAR) is the total guest room revenue divided by the total number of available rooms. RevPAR differs from ADR because RevPAR is affected by the amount of unoccupied available rooms, while ADR shows only the average rate of rooms actually sold.

Occupancy x ADR = RevPAR

RevPAR (Yield) Index — A RevPAR (Yield) Index measures a hotel's fair market share of their segment's (competitive set, market, submarket, etc.) revenue per available room. If a hotel is capturing its fair market share, the index will be 100; if capturing less than its fair market share, a hotel's index will be less than 100; and if capturing more than its fair market share, a hotel's index will be greater than 100.

RevPAR Index is calculated:

$(\text{Hotel RevPAR} / \text{Segment RevPAR}) \times 100 = \text{RevPAR Index}$

Fair share can be thought of as the subject hotel's "piece of the pie" in the market. For example, if the subject hotel's RevPAR is \$50 and the RevPAR of its competitive set is \$50, the subject hotel's index would total 100. If the subject hotel's RevPAR totaled \$60, its index would be 120, which indicates that the subject hotel has captured more than its fair share. If the subject hotel's RevPAR totaled \$40, its index would be 80, which indicates that the subject hotel has captured less than its fair share.

Room Revenue — Total room revenue generated from the sale or rental of rooms.

Rooms Available (Room Supply) — The number of rooms in a hotel or set of hotels multiplied by the number of days in a specified time period.

Example: 100 available rooms in subject hotel x 31 days in the month = Room Supply of 3,100 for the month

Rooms Sold (Room Demand) — The number of rooms sold in a specified time period (excludes complimentary rooms).

Sample — The number of hotels and rooms from which data is received.

Seasonal Closure — When a property is closed for at least a month or longer around the same time each year. For example, ski lodge would be closed during the summer or a beach resort may be closed during the winter.

Segmentation — Rooms sold and revenue data broken down by source of business (transient, group, contract) and source of revenue (room, F&B, other).

Size — Based on physical room count of the hotel.

Submarket — A geographic area which is a subset of a market. A market is made up of one or more submarkets.

Submarket Class — This designation is similar to Market Class with the following exceptions: The Luxury and Upper Upscale Classes are collapsed to form a single class. The Upscale and Upper Midscale classes are collapsed to form a single class. The Midscale F&B and Economy classes are collapsed to form a single class.



Total Revenue (from Segmentation report only) — Revenue from all hotel operations, including rooms sold, F&B, parking, laundry, phone, miscellaneous, etc. (This type of data is seen in the Segmentation portion of our reports.)

Transient Rooms — Transient rooms Include rooms occupied by those with reservations at rack, corporate, corporate negotiated, package, government, or foreign traveler rates. Also includes occupied rooms booked via third party web sites (exception: simultaneous bookings of ten or more rooms which should be defined as group). (This type of data is seen in the Segmentation portion of our reports.)

TrevPOR (Total Revenue per Occupied Room)- A measure of total revenue per occupied room, calculated by sum of room, food and beverage (F&B), and other revenue divided by total occupied rooms.

$(\text{Room} + \text{F\&B} + \text{Other Revenue}) / \text{total occupied rooms} = \text{TrevPOR}$

TrevPAR (Total Revenue per Available Room)- A measure of total revenue per available room, calculated by sum of room, food and beverage (F&B), and other revenue divided by total available rooms.

$(\text{Room} + \text{F\&B} + \text{Other Revenue}) / \text{total available rooms} = \text{TrevPAR}$

World Regions — There are four World Regions which are divided into 15 sub-continents as follows:

- Americas (North America, South America, Central America, Caribbean)
- Asia Pacific (Central & South Asia, Northeastern Asia, Southeastern Asia, Australia & Oceania)
- Europe (Northern Europe, Southern Europe, Eastern Europe, Western Europe)
- Middle East/Africa (Middle East, Northern Africa, Southern Africa)

FAQ

How is my hotel performing versus competition?

The monthly STAR report provides timely occupancy, average room rate, revenue per available room benchmarking of your hotel's performance versus your own selected competitors and an STR defined industry segment.

Is my hotel's data included in the competitive numbers?

The header of each report indicates if your hotel's data is included within the competitive set. Your hotel's data is included within the industry numbers.

How are percent changes computed?

Hotel and competitive performance changes are measured against same period prior year.

Why do my percent change numbers have such a large range?

The data for this year vs. the same period last year may vary greatly. Consider if you sold 2294 rooms this year vs. 743 last year, the percent change would be 208.7% $((2294-743)/743)*100$.

What is an index?

An index is an easy way to compare your hotel's performance versus competition. An index of 100 or higher means your hotel's absolute performance is the same or better than competition.

What does the "Rank" information mean?

Your hotel's performance is ranked against the other properties in your competitive set. If your hotel's RevPAR rank is "2 of 6," that means your hotel's RevPAR was second highest of the six hotels in your competitive set.

What if there are blanks in my competitive set numbers?

Your competitive set did not include sufficient data for reporting. A minimum of three (3) hotels excluding the subject property must report data in order for STR to provide competitive set performance.

What if there are blanks in my competitive set percentage change?

Your competitive set did not include sufficient data for reporting prior year data.

Who can contact if I have more questions?

Send an e-mail to info@str.com or info@strglobal.com.

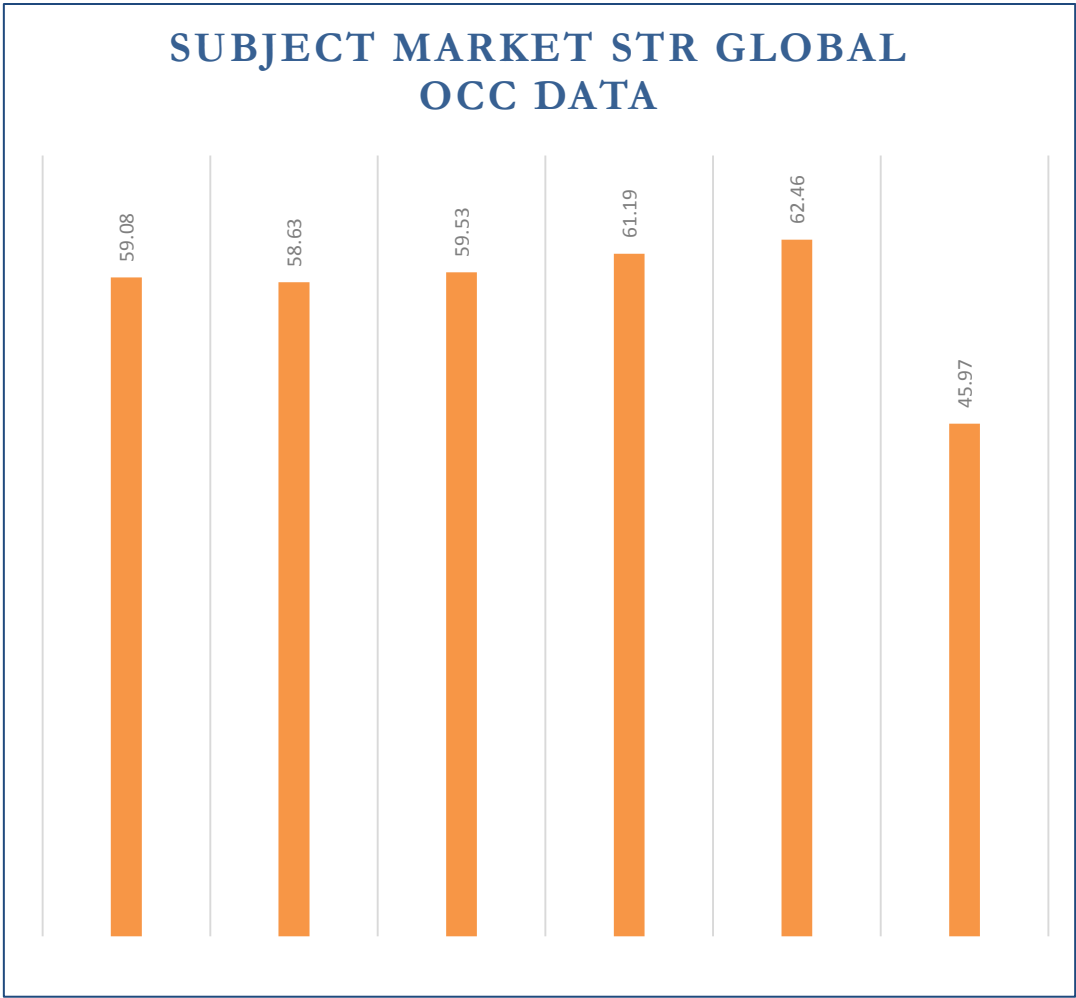
(U.S.) +1 (615) 824 8664 • www.STR.com • www.STRglobal.com • (U.K.) +44 (0)20 7922 1930

STR GLOBAL DATA SUMMARY

As stated previously, Core Distinction Group must follow specific guidelines in order to access accurate STR Global Data. The information highlights key factors to be considered when reviewing STR Global's Trend Report for the Subject Market:

STR GLOBAL OCCUPANCY (OCC) MARKET DATA - Occupancy (OCC) – Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available.

Occupancy = Rooms Sold / Rooms Available



Based on the information provided by STR Global, the Subject Market has maintained a steady Occupancy during reporting period, 2015 to 2020.

STR GLOBAL DATA SUMMARY (continued)

STR GLOBAL AVERAGE DAILY RATE (ADR) MARKET DATA - Average Daily Rate (ADR) – A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold.

$$\text{ADR} = \text{Room Revenue} / \text{Rooms Sold}$$



Based on the information provided by STR Global, the Subject Market has maintained a steady Average Daily Rate during reporting period, 2015 to 2020.

STR GLOBAL DATA SUMMARY (continued)

STR GLOBAL REVENUE PER AVAILABLE ROOM (RevPAR) MARKET DATA - Total room revenue divided by the total number of available rooms.

$$\text{Room Revenue} / \text{Rooms Available} = \text{RevPAR}$$

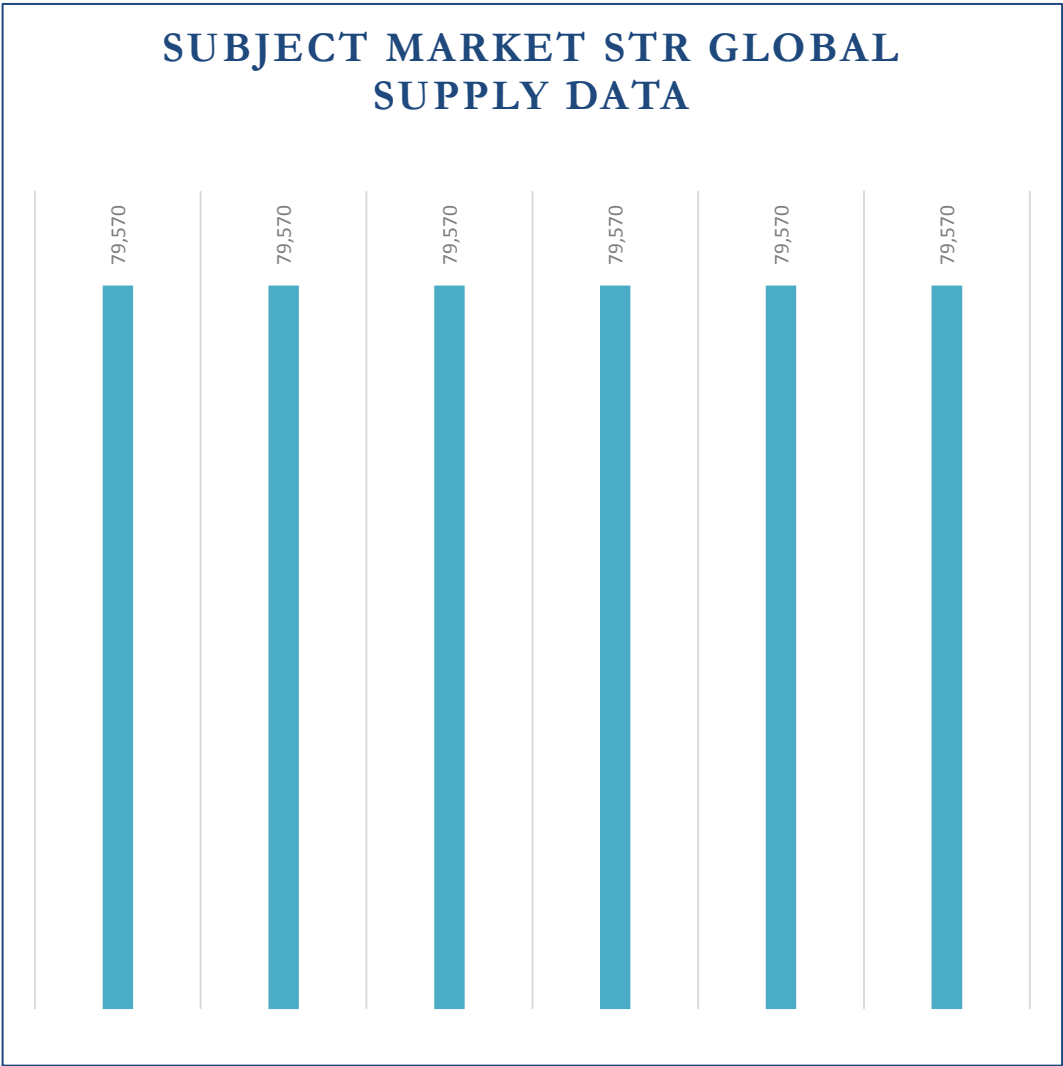


Based on the information provided by STR Global, the Subject Market has maintained a steady RevPAR during reporting period, 2015 to 2020.

STR GLOBAL DATA SUMMARY (continued)

STR GLOBAL SUPPLY MARKET DATA - Number of rooms in a hotel or set of hotels multiplied by the number of days in a specified time period.

Example: 100 rooms in subject hotel x 31 days in the month = Room Supply of 3,100 for the month.



Based on the information provided by STR Global, the Subject Market has maintained current supply during reporting period, 2015 to 2020.

STR GLOBAL DATA SUMMARY (continued)

STR GLOBAL DEMAND MARKET DATA - The number of rooms sold in a specified time period (excludes complimentary rooms).



Based on the information provided by STR Global, the Subject Market has maintained a steady Demand during reporting period, 2015 to 2020.

STR GLOBAL DATA SUMMARY (continued)

STR GLOBAL REVENUE MARKET DATA - Total room revenue generated from the guestroom rentals or sales.



Based on the information provided by STR Global, the Subject Market has maintained a steady Revenue during reporting period, 2015 to 2020.

PROJECTIONS

For the purposes of this Comprehensive Hotel Market Needs Assessment, Core Distinction Group LLC offers an overview and overall description of the potential hotel's Pro Forma. In this section, you will gain knowledge of the overall financial projections estimated for the recommended hotel in this market. This section will contain:



Lodging Demand Analysis



Proposed Property Description



Projected Construction/Development Costs



Proposed Property Occupancy



Proposed Property Average Daily Rate



Projected Hotel Development Revenue



Projected Hotel Development Payroll Expenses



Projected Hotel Development Operating Expenses



Projected Hotel Development Reserve and Fixed Expenses



Projected Hotel Development Income

Additional detailed information can be found in the projected specific, Pro Forma.

This lodging demand analysis is based on general observations of the surrounding market area and the overall Marshall, MN market area.

1st Quarter (Jan-Mar)	January	February	March	
Lodging Rooms Available	1,953	1,764	1,953	
Lodging Occupancy %	58.9%	73.7%	71.7%	
Total Occ. Rooms	1,150	1,300	1,400	
Average Daily Rate	101.15	100.00	98.85	
Total Revenue	\$116,318	\$130,002	\$138,390	
2nd Quarter (Apr-June)	April	May	June	
Lodging Rooms Available	1,890	1,953	1,890	
Lodging Occupancy %	52.9%	61.4%	84.7%	
Total Occ. Rooms	1,000	1,200	1,600	
Average Daily Rate	100.50	109.22	112.52	
Total Revenue	\$100,500	\$131,065	\$180,033	
3rd Quarter (July-Sept)	July	August	September	
Lodging Rooms Available	1,953	1,953	1,890	
Lodging Occupancy %	84.5%	61.4%	63.5%	
Total Occ. Rooms	1,650	1,200	1,200	
Average Daily Rate	113.93	112.90	112.96	
Total Revenue	\$187,988	\$135,483	\$135,549	
4th Quarter (Oct-Dec)	October	November	December	TOTAL
Lodging Rooms Available	1,953	1,890	1,953	22,995
Lodging Occupancy %	58.9%	63.5%	57.6%	66.0%
Total Occ. Rooms	1,150	1,200	1,125	15,175
Average Daily Rate	113.31	106.23	105.52	\$107.53
Total Revenue	\$130,308	\$127,475	\$118,705	1,631,816

** The above forecasts represent projections for occupancy, ADR, and revenue of a developed 63 unit lodging option. Financial Returns projected based on specific brand chosen for development. Development costs and FDD required by each brand for financial projection estimates.*

NOTE: The above information is a forward looking projection of anticipated occupancies, average daily rate and revenue based on the professional experience of Core Distinction Group LLC's participation in other projects, similar in nature. Occupancy and ADR projections derived from market data trends reported by Smith Travel Research (STR) in the market's proximity along with to date rate shopping of local and surrounding hotels, and community feedback. This projection could change due to changes in the economy (both locally and overall), the acceptance of the project by the local community and patrons, and the fact that CDG has not been involved in a project in this area and in a municipality with these demographics in the past. Thereby, all investors understand and acknowledge that these forward looking projections are not warranted by CDG and are subject to change and fluctuation.

Source: Core Distinction Group LLC

First Year Ramp Up Projections of 63 Guestroom Lodging Options:

OCC%	ADR:	REVPAR	Room Revenue:
59.4%	\$102.16	\$60.67	\$1,395,203

1-5 Year Projections:

OCC%	ADR:	REVPAR	Room Revenue:	
66.0%	\$107.53	\$70.96	\$1,631,816	YEAR 1
OCC%	ADR:	REVPAR	Room Revenue:	
69.3%	\$110.76	\$76.75	\$1,764,809	YEAR 2
OCC%	ADR:	REVPAR	Room Revenue:	
70.7%	\$112.97	\$79.85	\$1,836,107	YEAR 3
OCC%	ADR:	REVPAR	Room Revenue:	
72.0%	\$115.23	\$82.97	\$1,907,858	YEAR 4
OCC%	ADR:	REVPAR	Room Revenue:	
72.0%	\$117.54	\$84.63	\$1,946,015	YEAR 5

It should be noted that the above projections are considered to be forecasted for the first full year open. Consideration for a ramp up period at a minimum of 90 to 180 days is typical for new hotel development. It should be noted that projections shown in any forward reaching Pro Forma will indicate a first partial year ramp up period for comparison and budget planning. The opening of this potential hotel development should be in timing up to 90 days prior to peak season to ensure highest potential profitability in year 1. A minimum of \$150k should be factored into the total project cost under working capital to offset this first year ramp up period loss potential. Hotels used in this seasonality analysis are from the immediate and neighboring market of Marshall, MN. The market's demand patterns appear average (pre-Covid) with a strong 2021 first quarter recovery at the time of this report.

Source: Core Distinction Group LLC

Proposed Property

In this section of the report, Core Distinction Group has compiled a projection of income and expense for the proposed hotel development. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. This section of the report also details construction/development costs gathered by Core Distinction Group.

Proposed Property Description

The quality of a lodging facility's physical improvements has a direct influence on marketability, attainable occupancy, and average room rate. The design and functionality of the structure can also affect operating efficiency and overall profitability. This section investigates the subject property's proposed physical improvements and personal property in an effort to determine how they are expected to contribute to attainable cash flows.

We recommend that the proposed hotel operate as an upper-midscale, limited-service property. The proposed hotel development's building specifications include: 63 unit, four (4) story, Main Street prototype Cobblestone Hotel & Suites, with an expanded guest wine & beer bar, standard (king & queen/queen) rooms, 2-room extended stay suites, free hot breakfast for all guests, guest fitness room, guest laundry room, a pool, elevator and meeting room.

Projected Construction/Development Costs

Gathering the most accurate costs available may help ensure the hotel project projection estimates set in this report be as accurate as possible. Core Distinction Group requested construction/development costs directly from a reputable hotel construction company and/or the brand selected by the client. Core Distinction Group is not responsible for any discrepancies in costs in the future. The total estimated costs for this proposed hotel development project are listed in table below:

Hotel Construction/Development Costs in Marshall, MN	
Land and Land Preparation	\$1,100,000
Building Construction	\$5,565,000
Fixtures, Furnishings and Equipment	\$1,107,000
Indirect Costs	\$995,000
Total Estimated Costs	\$8,767,000

Source: BriMark Builders

Hotel Construction/Development Costs in Marshall, MN		
Land and Land Preparation	\$17,460	per room/key
Building Construction	\$88,333	per room/key
Fixtures, Furnishings and Equipment	\$17,571	per room/key
Indirect Costs	\$15,794	per room/key
Total Estimated Costs	\$139,159	per room/key

Source: BriMark Builders

Proposed Property Occupancy Projections

Based on analysis of the proposed hotel and market, Core Distinction Group has selected a stabilized occupancy level of 70.7%. The stabilized occupancy is intended to reflect the anticipated results of the proposed property over its remaining economic life. The stabilized occupancy excludes from consideration any abnormal relationship between supply and demand, as well as any nonrecurring conditions that may result in unusually high or low occupancies. Although the proposed subject hotel may operate at occupancies above this stabilized level, Core Distinction Group knows it is always possible for new competition and temporary economic downturns to force the occupancy below this selected point of stability. Below you will find a table detailing both the proposed market occupancy projections and historical market occupancy performance:

Historical Market Performance			Projected Market Performance		
Year	Occupancy	Change	Year	Occupancy	Change
2017	59.5%	0.9%	2021	58.0%	12.0%
2018	61.2%	1.7%	2022	60.0%	2.0%
2019	62.5%	1.3%	2023	64.0%	4.0%
2020	46.0%	-16.5%			

Proposed Property Average Daily Rate (ADR) Projections

One of the most important considerations in estimating the value of a lodging facility is a supportable forecast of its attainable average rate, which is more formally defined as the average rate per occupied room. Average rate can be calculated by dividing the total rooms revenue achieved during a specified period by the number of rooms sold during the same period. Although the ADR analysis presented here follows the occupancy projection, these two statistics are highly correlated; in reality, one cannot project occupancy without making specific assumptions regarding average rate. Below you will find a table detailing both the proposed market ADR projections and historical market ADR performance:

Historical Market Performance			Projected Market Performance		
Year	ADR	Change	Year	ADR	Change
2017	\$93.08	(\$1.49)	2021	\$100.50	\$7.84
2018	\$94.62	\$1.54	2022	\$103.52	\$3.02
2019	\$95.72	\$1.10	2023	\$105.59	\$2.07
2020	\$92.66	(\$3.06)			

Projected Hotel Development Revenue

In this section of this report, Core Distinction Group has compiled projections of revenue for the proposed hotel. This projection is based on the hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected throughout this report. Room revenue is determined by two variables: occupancy and average rate. We projected occupancy and average rate in a previous section of this report. The proposed subject hotel is expected to stabilize by year three at an occupancy level of 70.7% with an average rate of \$112.97. Following the stabilized year, the proposed subject hotel's average rate is projected to increase along with the underlying rate of inflation. Due to the scale of the proposed hotel development, the revenue will also contain a small amount of food and beverage revenue, telephone revenue, meeting space revenue and miscellaneous revenue. Below you will find a five year projection of total revenue for the proposed hotel development:

Five Year Projected Hotel Development Revenue	
Year 1	
	\$1,677,341.03
Year 2	
	\$1,812,610.28
Year 3	
	\$1,884,864.59
Year 4	
	\$1,957,526.87
Year 5	
	\$1,995,684.03

Projected Hotel Development Payroll

The projected hotel development payroll expenses consist of all payroll associated with the revenue obtained by the proposed property. Core Distinction Group includes; the General Manager salary, all maintenance payroll, all housekeeping payroll, all front desk payroll, as well as workers compensation insurance and any payroll taxes in its evaluation. Below you will find the forecasted five year proposed property's total payroll:

Five Year Projected Hotel Development Total Payroll	
Year 1	
	\$355,392.82
Year 2	
	\$368,370.62
Year 3	
	\$387,981.89
Year 4	
	\$397,437.82
Year 5	
	\$403,630.56

Projected Hotel Development Operating Expenses

The projected hotel development operating expenses consist of all operating expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its operating expenses:

Cleaning Supply Expenses - All expenses related to the cleaning of the proposed hotel project.

Laundry Supply Expenses - All expenses related to the laundering of the linens at the proposed hotel project.

Linen Expenses - All expenses related to the ongoing cost of replacing linens at the proposed hotel project.

Guest Supply Expenses - All expenses related to the restocking of supplies used by the guest at proposed hotel project.

Operating Supply Expenses - All expenses related to the operations of the proposed hotel project.

Repairs and Maintenance Expenses - All expenses related to the repair and maintenance of the proposed hotel project. It should be noted that as a new hotel, these amounts may be lower in the first year or two of operation. However, this also does include any contracts such as elevator maintenance, fire alarm monitoring, etc.

Swimming Pool Maintenance Expenses - All expenses related to the upkeep of the pool at the proposed hotel project. It should be noted that if the proposed hotel does not have a pool, this number will not be present in the proposed hotel project expenses.

Grounds and Landscaping Expenses - All expenses related to the ongoing maintenance of lawn, landscaping and snow removal (if applicable) of the proposed hotel project.

Franchise Fee Expenses - All expenses related to the ongoing fees charged by the franchise to the proposed hotel project.

Property Management System Expenses - All expenses related to the ongoing fees charged by the property management system of the proposed hotel project.

Breakfast Expenses - All expenses related to the breakfast provided by the proposed hotel project.

Travel Agent Fee Expenses - All expenses related to the ongoing fees charged by any travel agent booking revenue at the proposed hotel project. This also includes online travel agent websites.

Reservation Expenses - All expenses related to the ongoing fees charged by the central reservation system of proposed hotel project.

Projected Hotel Development Operating Expenses (continued)

Vending and Bar Expenses - All expenses related to the bar or vending area of the proposed hotel project.

Office Expenses - All expenses related to the office supplies need at the proposed hotel project.

Marketing and Advertising Expenses - All expenses related to the marketing and advertising done for the proposed hotel project.

Utility Expenses - All expenses related to the utilities utilized at the proposed hotel project.

Telephone Expenses - All expenses related to the phone system at the proposed hotel project.

Internet Expenses - All expenses related to the internet system at the proposed hotel project.

Cable Expenses - All expenses related to the cable system at the proposed hotel project.

Waste Removal Expenses - All expenses related to the removal of waste at the proposed hotel project.

Dues and Subscription Expenses - All expenses related to any dues or subscriptions utilized at proposed hotel project.

Licenses and Permitting Expenses - All expenses related to any ongoing licenses or permits for the proposed hotel project.

Credit Card Processing Expenses - All expenses related to the credit card processing system at the proposed hotel project.

Management Fee Expenses - All expenses related to the ongoing professional hotel management fees of the proposed hotel project.

Accounting Service Expenses - All expenses related to the ongoing, professional accounting or accountant fees of the proposed hotel project.

Other Expenses/Frequent Stay Program Expenses - All expenses related to the brand's frequent stay program at the proposed hotel project. This line also includes any miscellaneous expenses.

Projected Hotel Development Operating Expenses (continued)

Below you will find the forecasted five year, proposed property's total operating expenses:

Five Year Projected Hotel Development Total Operating Expenses	
Year 1	
	\$519,739.64
Year 2	
	\$552,177.73
Year 3	
	\$570,759.45
Year 4	
	\$589,702.72
Year 5	
	\$601,042.20

Projected Hotel Development Reserves and Fixed Expenses

The projected hotel development reserves and fixed expenses consist of all fixed monthly expenses as well as the reserve for replacement expenses associated with the revenue obtained by the proposed property. Core Distinction Group includes the following in its reserves and fixed expenses:

Real Estate Tax Expenses - This expense relates to the real estate taxes assessed for the proposed hotel project. In some cases this item could be an estimate and/or may be reduced due to incentives. Depending on the taxing policy of the municipality, property taxes can be based on the value of the real property or the value of the personal property and the real property. We have based our estimate of the proposed subject property's market value (for tax purposes) on an analysis of assessments of comparable hotel properties in the local municipality. The numbers below are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Insurance Expenses - This expense relates to the ongoing property insurance for the proposed hotel project. In some cases this item could be an estimate. The insurance expense consists of the cost of insuring the hotel and its contents against damage or destruction by fire, weather, sprinkler leakage, boiler explosion, plate glass breakage, and so forth. General insurance costs also include premiums relating to liability, fidelity, and theft coverage. Insurance rates are based on many factors, including building design and construction, fire detection and extinguishing equipment, fire district, distance from the firehouse, and the area's fire experience. Insurance expenses do not vary with occupancy. The numbers to follow are based on what was available to Core Distinction Group representatives at the time of conducting the research in this report.

Reserve for Replacement Expenses - Furniture, fixtures, and equipment are essential to the operation of a lodging facility, and their quality often influences a property's revenue-producing abilities. This expense line includes all non-real estate items that are capitalized, rather than expensed. The furniture, fixtures, and equipment of a hotel are exposed to heavy use and must be replaced at regular intervals. The useful life of these items is determined by their quality, durability, and the amount of guest traffic and use. Periodic replacement of furniture, fixtures, and equipment is essential to maintain the quality, image, and revenue-producing potential of a lodging facility. Studies have indicated that on an ongoing basis a minimum of 4 percent is required to properly maintain hotels. Because the proposed hotel will be a new construction, we used a buildable approach whereas, in the first two years of operation, the reserve was estimated to be 3 percent and in subsequent years the reserve for replacement was estimated to be 4 percent of total sales and is estimated to provide sufficient funds for future capital improvements.

Projected Hotel Development Reserves and Fixed Expenses (continued)

Below you will find the forecasted five year, proposed property's total reserves and fixed expenses:

Five Year Projected Hotel Development Total Reserves and Fixed Expenses	
Year 1	
	\$191,025.94
Year 2	
	\$213,886.47
Year 3	
	\$217,137.91
Year 4	
	\$239,982.98
Year 5	
	\$242,081.63

Projected Hotel Development Loan Expenses

The projected hotel development loan expenses consist of all monthly expenses incurred by the proposed property. Based on our analysis of the current lodging industry's mortgage market and adjustments for specific factors, such as the property's site, proposed facility, and conditions in the hotel market, it is our opinion that a 4.5% interest, 25-year amortization mortgage is appropriate for the proposed subject hotel. In the mortgage equity analysis, we have applied a loan-to-cost ratio of 70%, which is reasonable to expect based on this interest rate and current parameters. Below you will find the forecasted five year, proposed property's total loan expenses:

Five Year Projected Hotel Development Total Interest Payment	
Year 1	
	\$269,709
Year 2	
	\$263,547
Year 3	
	\$257,102
Year 4	
	\$250,361
Year 5	
	\$243,311

Five Year Projected Hotel Development Total Principal Reduction	
Year 1	
	\$134,126
Year 2	
	\$140,288
Year 3	
	\$146,733
Year 4	
	\$153,474
Year 5	
	\$160,524

Projected Hotel Development Income

The projected hotel development income is measured by two separate parameters for the proposed property:

Return On Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment relative to the investment's cost.

Net Operating Income (NOI) is a calculation used to analyze the profitability of income-generating real estate investments. NOI equals all revenue from the property, minus all reasonably necessary operating expenses.

The projected hotel development Return On Investment (ROI) and Net Operating Income (NOI) for the proposed property are as follows:

Five Year Projected Hotel Development Total Return On Investment (ROI)	
Year 1	
	7.82%
Year 2	
	10.35%
Year 3	
	11.52%
Year 4	
	12.32%
Year 5	
	13.02%

Five Year Projected Hotel Development Total Net Operating Income (NOI)	
Year 1	
	12.89%
Year 2	
	15.65%
Year 3	
	17.05%
Year 4	
	18.11%
Year 5	
	19.08%

Economic Impact Summary

In this section of the report, Core Distinction Group has compiled a summary of what the potential direct and indirect economic impact could be for the proposed hotel development. This projection offers revenue and job creation information based on this hotel's recommendations stated throughout this report, as well as the occupancy and average rate projected.



Direct Economic Impact



Indirect Economic Impact

Direct Economic Impact

When considering the potential Direct Economic Impact of a new hotel in the community, you look at the direct tax revenue the community is gaining from the project. This takes into consideration Lodging/Bed Taxes when applicable, Sales Taxes and Real Estate Taxes. Below you will find the estimated tax revenue of this project broken down in each category:

Sales Tax Revenue Per Year	
Year	Sales Tax
Ramp Up Year	\$105,990
Year One	\$123,788
Year Two	\$133,771
Year Three	\$139,103
Year Four	\$144,465
Year Five	\$147,281

Based on 7.38% Sales Tax

Lodging/Bed Sales Tax Revenue Per Year	
Year	Sales Tax
Ramp Up Year	\$64,628
Year One	\$75,480
Year Two	\$81,567
Year Three	\$84,819
Year Four	\$88,089
Year Five	\$89,806

Based on 4.5% Lodging/ Bed Tax

Real Estate Tax Revenue Per Year (Based on Estimates)	
Year	Sales Tax
Ramp Up Year	\$132,319
Year One	\$132,319
Year Two	\$132,319
Year Three	\$132,319
Year Four	\$132,319
Year Five	\$132,319

This information does not account for the collateral economic impact as well. There are many collateral economic impacts that can be accounted for. Additional revenue (and usage) from your sewer, water, trash disposal, utilities and so on all noted in the Pro Forma. The construction period can also promote additional economic growth. All of these add up and vary.

Indirect Economic Impact Estimates

When considering the potential Indirect Economic Impact of a new hotel in the community, you look at the spending of the guest within the community. For the purpose of this summary, we have identified the potential spending on food/dining. This does not take into consideration any taxes increased by said purchases. Below you will find the average rooms sold each year for the potential hotel project:

Rooms Sold Per Year Average		
Year	Occupancy	Rooms Sold
Ramp Up Year	59.4%	13,658
Year One	66.0%	15,175
Year Two	69.3%	15,934
Year Three	70.7%	16,252
Year Four	72.0%	16,556
Year Five	72.0%	16,556

Taking this into consideration, the estimates of rooms sold each day can be found below:

Average Rooms Per Night Sold	
Ramp Up Year	37
Year One	42
Year Two	44
Year Three	45
Year Four	45
Year Five	45

Indirect Economic Impact Estimates (continued)

The average cost of food in the United States of America is \$45 per day. Based on the spending habits of previous travelers, when dining out an average meal in the United States of America should cost around \$18 per person. Breakfast prices are usually a little cheaper than lunch or dinner. The price of food in sit-down restaurants in the United States of America is often higher than fast food prices or street food prices. The total estimated indirect food revenue in your community is estimated* to be around:

Average Indirect Food Revenue Per Day	
Ramp Up Year	\$1,684
Year One	\$1,871
Year Two	\$1,964
Year Three	\$2,004
Year Four	\$2,041
Year Five	\$2,041

Average Indirect Food Revenue Per Year	
Ramp Up Year	\$614,588
Year One	\$682,875
Year Two	\$717,019
Year Three	\$731,359
Year Four	\$745,038
Year Five	\$745,038

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect food service jobs. When considering the additional food revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Food Service Jobs Needed	
Ramp Up Year	10.0
Year One	11.1
Year Two	11.6
Year Three	11.9
Year Four	12.1
Year Five	12.1

** Based on 32 hours a week and the median average base hourly rate of Food Service Workers of \$11.12 per hour, at the time of this report according to www.payscale.com.*

Indirect Economic Impact Estimates (continued)

Entertainment and activities in the United States of America typically cost an average of \$45 per person, per day. This includes fees paid for admission tickets to museums and attractions, day tours, and other sightseeing expense.

Average Indirect Entertainment/Activities Revenue Per Day	
Ramp Up Year	\$1,684
Year One	\$1,871
Year Two	\$1,964
Year Three	\$2,004
Year Four	\$2,041
Year Five	\$2,041

Average Indirect Entertainment/Activities Revenue Per Year	
Ramp Up Year	\$614,588
Year One	\$682,875
Year Two	\$717,019
Year Three	\$731,359
Year Four	\$745,038
Year Five	\$745,038

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect tour guide or tourism industry jobs. When considering the additional food revenue into your community, industry standards states that around 25% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Entertainment/Activities Jobs Needed	
Ramp Up Year	6.2
Year One	6.8
Year Two	7.2
Year Three	7.3
Year Four	7.5
Year Five	7.5

** Based on 32 hours a week and the median average base hourly rate of Tour Guide of \$15 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average person spends about \$21 on alcoholic beverages in the United States of America per day.

Average Indirect Alcoholic Beverages Revenue Per Day	
Ramp Up Year	\$786
Year One	\$873
Year Two	\$917
Year Three	\$935
Year Four	\$953
Year Five	\$953

Average Indirect Alcoholic Beverages Revenue Per Year	
Ramp Up Year	\$286,808
Year One	\$318,675
Year Two	\$334,609
Year Three	\$341,301
Year Four	\$347,684
Year Five	\$347,684

** Based on the assumption of one person per room night sold.*

Based on this information, it can be assumed this additional revenue will also create indirect bartender jobs. When considering the additional alcoholic beverage revenue into your community, industry standards states that around 30% of revenue goes towards labor. Based on the amount of additional revenue, this would bring in the following amount of full-time equivalent jobs*:

Average Indirect Bartender Jobs Needed	
Ramp Up Year	4.7
Year One	5.2
Year Two	5.5
Year Three	5.6
Year Four	5.7
Year Five	5.7

** Based on 32 hours a week and the median average base hourly rate of a bartender of \$11 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average price for Tips and Handouts in the United States of America is \$12 per day. The usual amount for a tip in the United States of America is 10% - 20%.

Average Indirect Tips/Handouts Revenue Per Day	
Ramp Up Year	\$449
Year One	\$499
Year Two	\$524
Year Three	\$534
Year Four	\$544
Year Five	\$544

Average Indirect Tips/Handouts Revenue Per Year	
Ramp Up Year	\$163,890
Year One	\$182,100
Year Two	\$191,205
Year Three	\$195,029
Year Four	\$198,677
Year Five	\$198,677

** Based on the assumption of one person per room night sold.*

Based on this additional revenue being paid, the increase in both food, beverage, and entertainment/activity, service worker's hourly wage would increase substantially in the market.

Source: BudgetYourTravel.com

CONCLUSION

For the purposes of this Comprehensive Hotel Market Needs Assessment, Core Distinction Group LLC offers an overview and overall description of the conclusion and recommendations found through its research and analysis. This section will contain:



Current Hotel Segment Recommendations for Market Studied



Current Hotel Size Recommendations for Market Studied



Current Rate Competition and Recommendations for Market Studied



Amenities Recommended to be offered at Hotel for Market Studied

Conclusion and Recommendations

Property segment recommended for the potential development of a hotel is an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that a new hotel would capture displaced Lodging Demand currently staying in markets surrounding Marshall, MN.



Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Marshall and regional markets. This hotel is capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation of a newly developed hotel was researched to be 60-70 guestrooms in this report. This would position it to be similar in room size average of 55 noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy Projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify performance.

Name of Establishment	City & State	Class	Aff Date	Open Date	Rooms
Quality Inn Marshall	Marshall, MN	Midscale Class	Apr 2016	Mar 1990	50
AmericInn Lodge & Suites Marshall	Marshall, MN	Midscale Class	Nov 1998	Nov 1998	62
Sleep Inn & Suites Marshall	Marshall, MN	Midscale Class	Mar 2014	Mar 2014	60
GrandStay Hotel & Suites Montevideo	Montevideo, MN	Upper Midscale Class	Dec 2017	Jun 1995	46

Rate Competition will be dictated by both the immediate market and regional market demand. With proper rate positioning the hotel should achieve a yield to the regional market hotels at 110-120% or greater during peak and low seasons. Due to several factors, including but not limited to, newness of product, brand recognition, and age.

Property features, amenities, and services of the hotel should satisfy the market it is attempting to attract. Standard features and amenities required for a proposed hotel in this market should include:

-  Reliable Wi-Fi
-  Complimentary Breakfast
-  Fitness Center
-  Swimming Pool
-  Dining Option Onsite or Nearby
-  Business Center
-  Guest Laundry
-  Bar/Lounge Onsite or Nearby
-  Long-Term Accommodations

UNDERSTANDING THE TERMS

For the purposes of this Comprehensive Hotel Market Needs Assessment, Core Distinction Group, LLC has taken the time to offer detailed definitions of words and terms highlighted throughout this report. This section contains the information to help readers navigate industry terms.

Understanding Terms:

Below you will find definitions of industry terms used throughout this report to help the reader gain an understanding of certain phrases and indicators:

Average Daily Rate (ADR)

A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. $ADR = \text{Room Revenue} / \text{Rooms Sold}$

Chain Scale

Chain Scale segments are grouped primarily according to actual average room rates. An independent hotel, regardless of average room rate, is included as a separate Chain Scale category. The Chain Scale segments are: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, Economy and Independent.

Competitive Set (Comp Set)

A peer group of hotels that competes for business and is selected to benchmark the subject property's performance.

Date-To-Date Comparison

Comparison of daily performance by actual calendar date (1st of January this year vs. 1st of January last year).

Day-To-Day Comparison

Comparison of daily performance by day of week (Monday this year vs. Monday last year).

Demand

The number of rooms sold in a specified time period (excludes complimentary rooms).

Group Rooms

Typically defined as 10 or more rooms per night sold, pursuant to a signed agreement. Refer to Data Reporting Guidelines for more specific application.

Index

Measures a hotel's performance relative to an aggregated grouping of hotels (i.e., competitive set, market or submarket). We utilize indexes to measure performance in three key areas: Occupancy, ADR and RevPAR. An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

Occupancy (OCC)

Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available. $\text{Occupancy} = \text{Rooms Sold} / \text{Rooms Available}$

Revenue Per Available Room (RevPAR)

Total room revenue divided by the total number of available rooms. $\text{Room Revenue} / \text{Rooms Available} = \text{RevPAR}$

Total Revenue

Revenue from all hotel operations - including rooms, Food and Beverage, other revenue departments (i.e., spa, golf, parking) and miscellaneous revenue (i.e., rentals, leases, resort fees and cancellation fees).

Year to Date

Period starting at the beginning of the current year and ending on the current date.

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level. Hotel types include:

- All-Inclusive: Property with rooms sold only as a complete package, bundling overnight accommodations and value-added amenities and services (i.e., food, beverage, activities and gratuities, etc.)
- All-Suite: Property with guestroom inventory that exclusively consists of rooms offering more space and furniture than a typical hotel room, including a designated living area or multiple rooms.
- B&B/Inn: Independently owned and operated properties that typically include breakfast in the room rates, 20 rooms or fewer and a resident/owner innkeeper.
- Boutique: Hotel that appeals to guests because of its atypical amenity and room configurations. Boutiques are normally independent (with fewer than 200 rooms), have a high average rate and offer high levels of service. Boutique hotels often provide authentic cultural, historic experiences and interesting guest services.
- Condo: Individually and wholly-owned condominium units. Inventory is included in a rental pool operated and serviced by a management company.
- Conference Center: Lodging hotel with a major focus on conference facilities.
- Convention Center: Property with a minimum of 300 rooms and large meeting facilities (minimum of 20,000 square feet).
- Destination Resort: Property that appeals to leisure travelers, typically located in resort markets, and considered a destination in and of themselves with extensive amenity offerings. These properties are typically larger and full-service.

Hotel Types - Hotel classifications are driven primarily by building structure and, secondarily, by service level.
(Continued)

- Extended Stay: Properties typically focused on attracting guests for extended periods. These properties quote weekly rates. The typical length of stay average for guests is four to seven nights.
- Full Service Hotel: Typically Upscale, Upper Upscale and Luxury properties with a wide variety of onsite amenities, such as restaurants, meeting spaces, exercise rooms or spas.
- Gaming/Casino: Property with a major focus on casino operations.
- Golf: Property that includes a golf course amenity as part of its operations. A property does not qualify if it only has privileges on a nearby course.
- Hotel/Motel: Standard hotel or motel operation.
- Limited Service: Property that offers limited facilities and amenities, typically without a full-service restaurant. These hotels are often in the Economy, Midscale or Upper Midscale class.
- Lifestyle Brand: Group of hotels operating under the same brand that is adapted to reflect current trends.
- New Build: Property built from the ground up, not a conversion of a building that was not previously a hotel.
- Ski: Property with onsite access to ski slopes.
- Soft Brand: Collection of hotels that allows owners and operators to affiliate with a major chain while retaining their unique name, design and orientation.
- Spa: Property with an onsite spa facility and full-time staff offering spa treatments.
- Timeshare: Property that typically is a resort condominium unit, in which multiple parties hold property use rights, and each timeshare owner is allotted a period of time when the property may be used.
- Waterpark: An indoor or outdoor waterpark resort with a lodging establishment containing an aquatic facility.

ABOUT US

LEADERSHIP

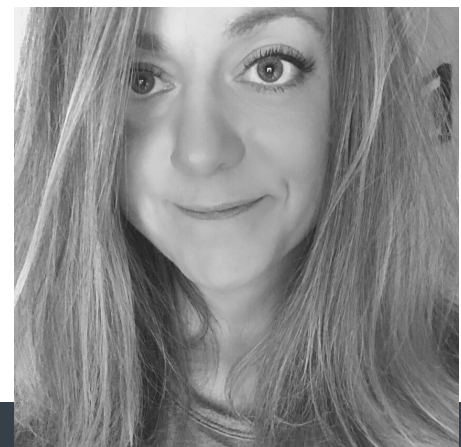
LISA PENNAU

Mrs. Pennau offers more than 25 years of hospitality industry experience. From her beginning in the industry as a rental car agent at the airport in Oshkosh, Wisconsin where she worked while completing her degrees in both hospitality management and sales & marketing at the local college. Lisa moved on to work as a manager in training for Super 8 hotels in Wichita, Kansas and quickly was promoted to general manager of a Super 8 in Omaha, Nebraska. She was recruited by Baymont to become a traveling manager and served several Midwest distressed properties until moving onto work for Hilton as a General Manager at a Hampton Inn Minnetonka, MN. When that hotel sold, Lisa was promoted by the new owners to Regional Director of Operations for Pillar Hotels overseeing over 25+ hotels in the Midwest market both rural and metropolitan markets in the states of Minnesota, Wisconsin, Illinois, Iowa, North Dakota, and South Dakota. During the 10 years as Regional Director of Operations Lisa oversaw multiple brands as well including: Choice, Hilton, Hyatt, IHG, and Marriott. In her final year with Pillar she received the highest honor of Regional Director of the Year for highest performing hotels in all capacities including, revenue, operations, guest service score, turnover, etc.



JESSICA JUNKER

Miss Junker offers more than 18 years of hospitality industry experience. From her beginning in the industry as a banquet server at a full-service hotel in downtown Green Bay, Wisconsin, to overseeing that very property as the manager in only a couple years. Jessica moved on to work as a Director of Sales at a Residence Inn by Marriott, Area Director of Sales with Interstate Hotels, and Regional Director of Sales and Marketing with Pillar Hotels working on the Sales, Marketing and Revenue Management of anywhere between 15 and 52 hotels with every major and not so major brand in the country. After learning everything she felt she needed about running a hotel, she set her sights on what happens before a hotel is built and worked in many separate executive roles with-in an up and coming hotel franchise. Miss Junker offers hands on, expert knowledge in hotel operations, sales, marketing, training, contracting, development, construction, really all things hotels. She gained this knowledge from industry leaders like Marriott, Hilton, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more.



SCOPE OF WORK



Core Distinction Group takes immense pride in the work they do. Throughout each phase of our projects, we communicate with our clients on a weekly, if not daily bases. This ensures everyone involved in the project is up to date on the progress. We keep a very tight timeline on our projects. Each phase is well thought-out and followed consistently. The objective of this of our projects are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality in or amount or lodging, as well as determine there is enough lodging to justify a hotel that makes good business sense. Below you will find each part and its timing in the process:

RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community to conduct interviews during our Site Visit and Community Interviews. Research and Community Outreach is conducted with in the first 1 to 2 weeks following receipt of the retainer.

SITE VISIT & COMMUNITY INTERVIEWS

This phase involves an in-depth local tour given by community leaders to help Core Distinction understand said community at this draw. The tour also includes detailed analysis of potential sites for the project. Following the tour, Core Distinction Group sit down and interview demand generators (gathered and scheduled during Research and Community Outreach) to develop knowledge and understanding of the community and its individual needs. This part of the process is conducted in 1-2 days, depending on number of in-person interviews.

DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase also includes phone interviews and online surveys in case some demand generators could not attend in-person interviews. This phase is conducted in 2 weeks following our community visit completion.

*DATA RECEIVING & REPORTING

Once all the demand generator information is gathered, Core Distinction Group begins pulling industry data for target market as well as industry trends to help us gain a better understanding of the local and regional opportunity areas.

COST GATHERING

This involves all things cost. Core Distinction Group gathers actual cost for the development, construction, financing, taxes, and all other ongoing cost associated with the specific project.

PROJECT PROFORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group will take all information gathered in consideration to put together a project, brand, market and scale specific Proforma that is bank, investor, brand and developer friendly.

DRAFT COMPLETION/SUBMITTAL

After Core Distinction has conducted it's visit, gathered all the potential demand information, industry data and construction/operating costs, they will complete the draft of the study and submit for review by contracted entity. Changes to the study may be made at this point but are limited to wording and grammar updates.

FINAL

After all requested changes are made and after final payment is received, Core Distinction Group will submit a final draft of the Hotel Market Feasibility Study and Brand Specific Proforma to the community for distribution.

DISCLAIMER

Thank you for the opportunity to complete this market and needs assessment for the proposed hotel project located in Marshall, MN. We have studied the market area for additional demand for a lodging facility and the results of our fieldwork and analysis are presented in this report. We have also made recommendations for the scope of the proposed project, including general site location, size of hotel, and brand segment.

We hereby certify that we have no undisclosed interest in the property and our employment and compensation are not contingent upon our findings. This study is subject to the comments made throughout this report and to all assumptions and limiting conditions set forth herein.

The conclusions presented in this report are based upon the information available and received at the time the report was filed. Core Distinction Group, LLC (CDG) has taken every possible precaution to evaluate this information for its complete accuracy and reliability. Parts of this report were prepared or arranged by third-party contributors, as indicated throughout the document. While third-party contributions have been reviewed by CDG for reasonableness and consistency to be included in this report, third-party information has not been fully audited or sought to be verified by CDG. CDG does not provide financial advice.

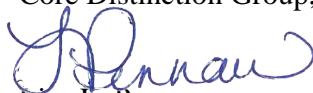
It should be understood that economic and marketplace conditions are in constant change. The results presented in this report are the professional opinion of CDG and are based on information available at the time of the report preparation. These opinions infer that market conditions do not change the information received upon which those opinions have been based. CDG assumes no responsibility for changes in the marketplace. CDG assumes no responsibility for information that becomes outdated once this report is written; nor are we responsible for keeping this information current after the date of the final document presentation.

CDG makes no express or implied representation or warranty that the contents of this report are verified, accurate, suitably qualified, reasonable or free from errors, omissions or other defects of any kind or nature. Those who rely on this report do so at their own risk and CDG disclaims all liability, damages or loss with respect to such reliance.

It is presumed that those reading this report understand the contents and recommendations. If this reader is unclear of understanding the contents, clarification can be received directly from a representative of CDG. While the terms of CDG's engagement do not require that revisions be made to this report to reflect events or conditions which occur subsequent to the date of completion of fieldwork, we are available to discuss the necessity for revisions in view of changes in the economic climate or market factors affecting the proposed hotel project.

Please do not hesitate to call should you have any comments or questions.

Sincerely,
Core Distinction Group, LLC



Lisa L. Pennau
Owner