



# MARKET TRENDS | **HOTEL** SEATTLE

**3RD QUARTER**  
**2021**

Actual 2020	▼	<b>ROOM OCCUPANCY</b>	▼	<b>AVERAGE ROOM RATE</b>	▼	<b>DAILY REVPAR</b>
Projected 2021	▲	<b>ROOM OCCUPANCY</b>	▲	<b>AVERAGE ROOM RATE</b>	▲	<b>DAILY REVPAR</b>
Year-over-year change						

It was a good summer! With vaccinated parents and restless kids, this clearly was the right time for a vacation.

Room occupancy rates increased in every market surveyed, and often by substantial margins. In some outlying communities, lodging demand in the third quarter actually exceeded the volume captured for the same period in 2019, prior to the pandemic. While most urban markets have yet to return to pre-pandemic occupancy, the recent results are very positive.

The surge in demand was heavily weighted toward leisure travel. So what happens when school resumes and the summer tourists head home? Ordinarily, it is commercial guests who pick up the slack through the remainder of the year, supplemented by conventions and other groups in the spring and fall. This year, with many businesses limiting travel and with convention activity still ramping back up, the pace of recovery in the coming months may be slower.

One hotel opened during the third quarter. The Element in Tukwila is an extended stay property with 177 guestrooms, each with a kitchen. Work continues on hotels in the Seattle CBD, South Lake Union, Bellevue, South Tacoma, and Marysville. After a hiatus of nearly two years, developers are starting to pursue new hotel projects, though none have as yet broken ground.

The upscale AC by Marriott in Downtown Bellevue sold for the second time in three years, and at the same price. The developer of two Woodspring Suites extended stay hotels sold both properties in September. That same month saw the sale of Hotel Seattle, a 78-room vintage property in the Seattle CBD. In South Tacoma, three limited service hotels were purchased as going concerns, one was acquired for conversion to apartments, and one is to be repurposed as transitional housing.

## Market Up Close

**HOTEL** occupancy rates have increased throughout

**ROOM** prices are increasing as well, but still trail pre-pandemic levels

**THROUGH** September, there were 14 significant hotel sales, more than in all 2020

**FOUR** hotels have opened this year and six are under construction

**DEVELOPERS** are reviving proposals for new hotels

## HOTEL PERFORMANCE

Market	Room Occupancy			Average Room Rate			Daily RevPAR		
	3Q 2019	3Q 2020	3Q 2021	3Q 2019	3Q 2020	3Q 2021	3Q 2019	3Q 2020	3Q 2021
Seattle CBD	90.6%	12.2%	55.5%	\$266	\$138	\$217	\$241	\$17	\$121
North Seattle	82.5%	30.8%	64.9%	\$205	\$113	\$160	\$169	\$35	\$104
SeaTac	84.3%	47.0%	67.4%	\$171	\$106	\$138	\$144	\$50	\$93
Bellevue	80.5%	23.6%	63.3%	\$182	\$97	\$134	\$146	\$23	\$85
<b>Sample Average</b>	<b>84.5%</b>	<b>28.4%</b>	<b>62.8%</b>	<b>\$206</b>	<b>\$113</b>	<b>\$162</b>	<b>\$175</b>	<b>\$31</b>	<b>\$101</b>

## HOTEL DEVELOPMENT

Property	Address	City	Type	Opening	Rooms
Tru by Hilton	395 Corporate Drive S	Tukwila	Limited	February 2021	92
The Lodge at St Edward Park	14477 Juanita Drive NE	Kenmore	Boutique	May 2021	84
Silver Cloud Hotel	512 Grand Loop	Ruston	Select	June 2021	194
element	515 Industry Drive	Tukwila	Extended	July 2021	177
Marriott Seattle South Lake	300 Terry Avenue N	Seattle	Full	U/C	267
Best Western Plus	8045 S Hosmer Street	Tacoma	Limited	U/C	85
citizenM Pioneer Square	60 Yesler Way	Seattle	Select	U/C	232
InterContinental Hotel	NWC NE 8th Street & Bellevue Way	Bellevue	Full	U/C	251
Holiday Inn Express	969 118th Avenue SE	Bellevue	Limited	U/C	164
Home2 Suites	4070 116th Street NE	Marysville	Extended	U/C	90

## HOTEL TRANSACTIONS

Property	Location	Year Built	Sale Date	Sale Price	Rooms	\$/Room	\$/SF
AC by Marriott	Bellevue	2017	July 2021	\$87,000,000	234	\$371,795	\$811
Woodspring Suites	Redmond	2018	September 2021	\$20,328,000	120	\$169,400	\$438
Woodspring Suites	Lakewood	2020	September 2021	\$19,042,000	122	\$156,082	\$383
Hotel Seattle	Seattle	1926	September 2021	\$10,850,000	78	\$139,103	\$299
Motel 6	Tacoma	1981	July 2021	\$5,800,000	120	\$48,333	\$168
Travelodge	Tacoma	1978	July 2021	\$5,000,000	86	\$58,140	\$188
American Lodge	Tacoma	1978	July 2021	\$3,200,000	55	\$58,182	\$179



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## COMMERCIAL BROKERAGE

**23M**

**ANNUAL  
SALES \$F**

**\$8B**

**ANNUAL TRANSACTION  
VOLUME**

**460+**

**NO. OF  
BROKERS**

**42M**

**ANNUAL  
LEASING \$F**

## VALUATION ADVISORY

**1,800+**

**APPRAISALS  
ANNUALLY**

**39/20**

**TOTAL NO.  
APPRAISERS/MAI'S**

## ASSET SERVICES

**70M**

**MANAGEMENT  
PORTFOLIO \$F**

**\$12B**

**IN ASSETS UNDER  
MANAGEMENT**

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