

MARKET TRENDS

SEATTLE HOTEL

Actual 2025	↑	ROOM OCCUPANCY	↑	AVERAGE ROOM RATE	↑	DAILY REVPAR
Projected 2026	↔	ROOM OCCUPANCY	↑	AVERAGE ROOM RATE	↑	DAILY REVPAR

Year-Over-Year Change

In March 2025, the trailing twelve-month occupancy rate was 70.3% for the overall Seattle market

Demand in the Seattle CBD submarket continues to improve aided by a surge in leisure travel and the significant increase in conventions as a result of the increase in convention center capacity. With continued growth in demand and a relatively stable supply plus rising room rates, we expect that hotel performance will continue to steadily improve although at a slower rate than in the past three years. However, there is uncertainty surrounding weakening economic conditions and the impact of tariffs.

The extent of continued recovery in the overall Seattle hotel market is demonstrated by Q1 2025 results reflecting continued improvement prior years since the start of the pandemic in 2020. Immediately prior to the pandemic, trailing twelve-month occupancy was 73.5% in Q1 2020 which fell to a low of 32.6% in February of 2021.

Overall market occupancy improved to 55.8% in Q1 of 2022, to 67.5% in Q1 of 2023 and to 68.3% in Q1 of 2024. ADR fell from \$160 in January 2020 to \$90 in March of 2021 with the onset of the pandemic. ADR has since consistently improved notching \$182 in Q1 2025. This translates to a significant increase in RevPAR from \$30 in Q1 2021 to \$128 in Q1 2025. This is above the RevPAR of \$118 in January 2020 just prior to the pandemic.

In Q1 2025, there were three sales of hotels in the greater Seattle market with prices exceeding \$5,000,000. This includes the sale of the 240-room Embassy Suites by Hilton in Lynnwood for \$75,000/room and the Red Roof Inn in Seatac for \$88,816/room. The 302-room Residence Inn in Seattle sold for an undisclosed price and is subject to a long-term ground lease. Transaction volume fell with the rise in the interest rates but appears to have stabilized with capitalization rates averaging about 8.7% market-wide.

Three hotels are now under construction ranging in size from the 126-room LivAway Suites in Renton up to the 165-room Somm Hotel and Spa, a full-service hotel associated with Autograph Collection and located in Woodinville. New hotel deliveries will result in modest new supply primarily in Seattle and Eastside suburban areas in 2025.

MARKET UP CLOSE

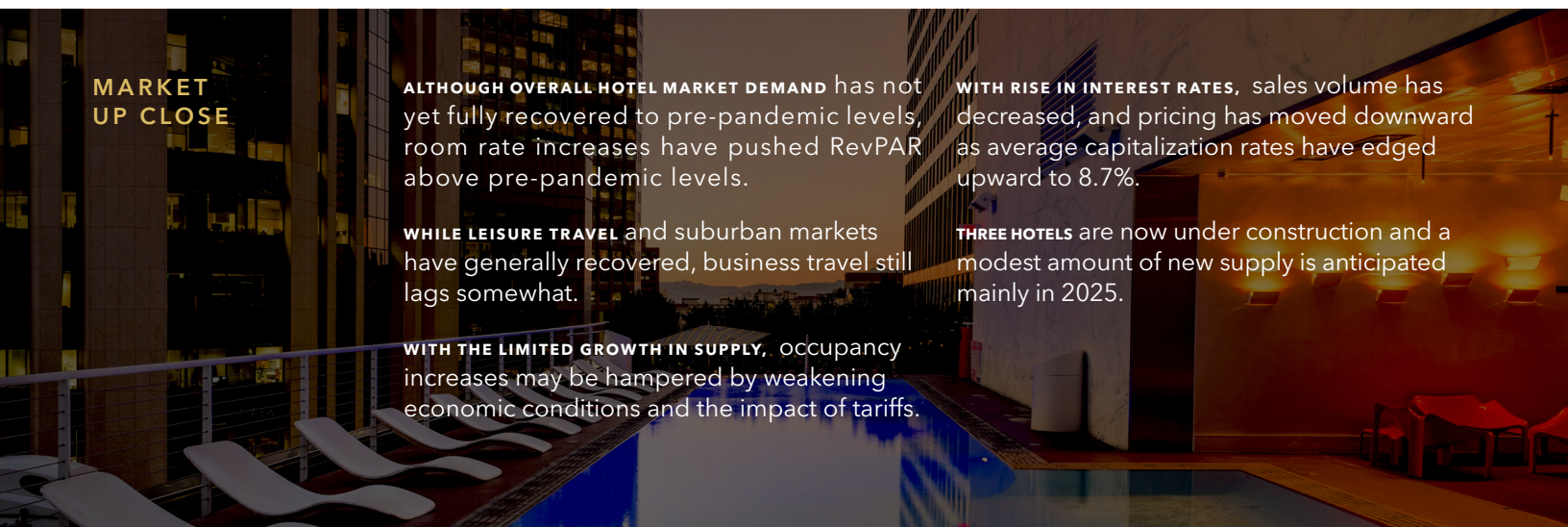
ALTHOUGH OVERALL HOTEL MARKET DEMAND has not yet fully recovered to pre-pandemic levels, room rate increases have pushed RevPAR above pre-pandemic levels.

WHILE LEISURE TRAVEL and suburban markets have generally recovered, business travel still lags somewhat.

WITH THE LIMITED GROWTH IN SUPPLY, occupancy increases may be hampered by weakening economic conditions and the impact of tariffs.

WITH RISE IN INTEREST RATES, sales volume has decreased, and pricing has moved downward as average capitalization rates have edged upward to 8.7%.

THREE HOTELS are now under construction and a modest amount of new supply is anticipated mainly in 2025.



HOTEL PERFORMANCE

Market	Room Occupancy			Average Room Rate			Daily RevPAR		
	1Q23	1Q24	1Q25	1Q23	1Q24	1Q25	1Q23	1Q24	1Q25
Seattle CBD	66.9%	69.7%	72.4%	\$225	\$234	\$237	\$150	\$163	\$172
South Lake Union	69.4%	71.7%	72.6%	\$188	\$196	\$199	\$130	\$141	\$145
North Seattle	68.6%	67.0%	67.5%	\$148	\$149	\$152	\$101	\$100	\$103
Bellevue CBD	63.1%	65.3%	67.5%	\$199	\$208	\$225	\$125	\$136	\$152
SeaTac	72.4%	72.0%	73.4%	\$142	\$143	\$146	\$102	\$103	\$107
Tacoma	63.8%	63.8%	66.2%	\$164	\$169	\$177	\$105	\$108	\$117
Lynnwood	69.0%	68.1%	68.3%	\$147	\$147	\$150	\$101	\$100	\$103
Everett	67.1%	68.1%	68.7%	\$121	\$123	\$125	\$81	\$84	\$86

HOTEL DEVELOPMENT

Name	Address	City	Type	Opening	Rooms
Element Seattle North	601 Aurora Avenue N	Seattle	Limited Service	2025	143
Residence Inn by Marriott	14485 Redmond-Woodinville Road NE	Woodinville	Boutique	October 2025	165
LivAway Suites	751 Park Avenue N	Renton	Limited Service	2025	126

HOTEL TRANSACTIONS

Name	Location	Year Built	Sale Date	Sale Price	Rooms	\$/Room	\$/SF
Embassy Suites by Hilton	Lynnwood	1992	Febraury 2025	\$18,000,000	240	\$75,000	\$94
Red Roof Inn	Seatac	1979	February 2025	\$13,500,000	152	\$88,816	\$164
Residence Inn	Seattle	2017	January 2025	Undisclosed	302	NA	NA

Data Sources: STR, CoStar, and Kidder Mathews Valuation



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COMMERCIAL BROKERAGE	<i>\$9B</i>	<i>26.2M</i>	<i>36.7M</i>
	AVERAGE ANNUAL TRANSACTION VOLUME	ANNUAL SALES SF	ANNUAL LEASING SF
ASSET SERVICES	<i>58M SF</i>	<i>850+</i>	<i>250+</i>
	MANAGEMENT PORTFOLIO SIZE	ASSETS UNDER MANAGEMENT	CLIENTS SERVED
VALUATION ADVISORY	<i>2,400+</i>	<i>39</i>	<i>24</i>
	AVERAGE ASSIGNMENTS	TOTAL APPRAISERS	WITH MAI DESIGNATIONS