Kidder Mathews

Year-End 2025

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

After consistent steady improvement since the end of the Covid pandemic, demand fell modestly in 2025. In December 2025, the trailing twelve-month occupancy rate was 69.0% for the overall Seattle market, down from 70.4% one year ago. Contributing factors likely include steep drops in international travelers particularly from Canada and softening or lack of growth in business and leisure travel due to tariffs and economic conditions. Balancing the soft demand, development activity has been limited and will not result in a significant increase in supply in the near future. Demand in the coming year is likely to remain relatively stable with no signs of a general rise in international, business or leisure travelers balanced with a one-off bump in demand likely from the six FIFA World Cup matches to be held in Seattle in 2026.

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 then to 70.4% in Q4 2024. ADR fell from $160 in January 2020 to $90 in March of 2021 with the onset of the pandemic. ADR then consistently improved in the following years notching $181 in Q4 2024. This translates to a significant increase in RevPAR from $30 in Q1 2021 to $128 in Q4 2024. This is above the RevPAR of $118 in January 2020 just prior to the pandemic.

However, demand fell slightly in 2025 to a trailing twelve-month occupancy of 69.0% in Q4 2025. ADR also dipped slightly to $180 in Q4 2025. As a result, RevPAR fell to $124 in Q4 2025.

In Q4 2025, there were seven sales of hotels in the greater Seattle market with prices exceeding $5,000,000. This includes the sale of the 234-room SpringHill Suites by Marriott in Seattle for about $218,000/room and the sale of three Sonesta Select hotels in Bellevue and Renton as part of a larger portfolio sale. Prices ranged from about $91,000/room up to $127,000/room. The 58-room Best Western Sky Valley Inn in Monroe sold for $198,000/room. Transaction volume in 2025 fell to $431 million from $538 million in 2024 but is reasonably consistent with the sales volumes in the past few years which has fluctuated a fair amount year to year.

Three hotels are now under construction ranging in size from the 128-room SpringHill Suites in Lakewood up to the 173-room dual branded SpringHill/Towne Place Suites in Everett. There are a total of 423 rooms currently under construction which represents about 0.8% of current supply in the Seattle market. New hotel deliveries in 2026 and 2027 will result in only modest new supply primarily in suburban areas.

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.

AFTER CONSISTENT ANNUAL IMPROVEMENT since the end of the pandemic, Seattle hotel performance dipped with slightly lower demand, ADR and resulting RevPAR.

THREE HOTELS are now under construction, and only a modest amount of new supply is anticipated mainly in 2026 and 2027

ALTHOUGH THERE WILL BE LIMITED projected growth in supply, occupancy increases may be hampered by continued weak economic conditions, lower international travelers and the impact of tariffs.

WITH THE RISE IN INTEREST RATES, sales volume has generally decreased but fluctuates significantly, and pricing has moved downward with average capitalization rates at about 8.5%.

HOTEL PERFORMANCE

	Room Occupancy			Average Room Rate			Daily RevPAR		
Market	4Q23	4Q24	4Q25	4Q23	4Q24	4Q25	4Q23	4Q24	4Q25
Seattle CBD	64.0%	68.1%	72.4%	$223	$234	$237	$143	$160	$172
South Lake Union	69.1%	70.0%	73.2%	$185	$197	$200	$128	$138	$147
North Seattle	67.5%	66.4%	68.5%	$146	$150	$152	$99	$99	$104
Bellevue CBD	60.6%	62.9%	68.3%	$194	$205	$223	$118	$129	$152
SeaTac	71.5%	71.9%	73.3%	$138	$144	$145	$99	$103	$106
Tacoma	63.5%	64.0%	65.1%	$160	$167	$174	$102	$107	$113
Lynnwood	67.9%	67.3%	69.5%	$145	$147	$150	$98	$99	$104
Everett	67.3%	67.2%	68.8%	$119	$123	$125	$80	$83	$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	10600 First Avenue NE	Seattle	Limited Service	2025	155
Trademark Collection	15881 NE 85th Street	Redmond	Limited Service	2025	223
Hotel Westland	100 S King Street	Seattle	Boutique	2025	120
The Somm. Hotel and Spa	14485 Redmond-Woodinville Road NE	Woodinville	Boutique	2026	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
Fairmont Olympic	Seattle	1924	December 2024	$87,000,000	450	$193,333	$160
Hyatt Regency	Renton	2017	Deember 2024	$103,018,100	347	$296,882	$485
Quality Inn	Kent	2015	December 2024	$6,500,000	80	$81,250	$187
Kimpton Palladian	Seattle	1910	November 2024	$42,352,941	97	$436,628	$705
Watertown Hotel	Seattle	2001	November 2024	$27,500,000	100	$275,000	$310

Data Sources: STR, CoStar, and Kidder Mathews Valuation

Kidder Mathews

Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

CONTACT

WILL FRAME
Regional President, Brokerage
Pacific Northwest
206.296.9600 | will.frame@kidder.com

The information in this report was composed by the Kidder Mathews Valuation Advisory Group.

DAVID CHUDZIK, PH.D., MAI, CRE
206.205.0222
david.chudzik@kidder.com

COMMERCIAL BROKERAGE
- $9B — AVERAGE ANNUAL TRANSACTION VOLUME
- 32.4M — ANNUAL SALES SF
- 32.5M — ANNUAL LEASING SF

ASSET SERVICES
- 54M SF — MANAGEMENT PORTFOLIO SIZE
- 800+ — ASSETS UNDER MANAGEMENT
- 250+ — CLIENTS SERVED

VALUATION ADVISORY
- 2,700+ — AVERAGE ASSIGNMENTS
- 42 — TOTAL APPRAISERS
- 23 — WITH MAI DESIGNATIONS