

CITY OF CARBONDALE, ILLINOIS

**Market Demand Study for a
Proposed Hotel to be located in
Carbondale, Illinois**

July 2013

Patek Hospitality Consultants, Inc.
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July 8, 2013

Mr. Gary Williams
Economic Development Coordinator
City of Carbondale
200 S. Illinois Avenue
Carbondale, Illinois 62902

Dear Mr. Williams:

In accordance with our agreement, Patek Hospitality Consultants, Inc. has completed a study of potential market demand and estimated occupancy and average daily rate for a proposed 70 to 80-room hotel to be located in downtown Carbondale, Illinois. We completed a Phase I preliminary letter dated March 21, 2013 and this study is the culmination of our findings and recommendations.

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 desk research conducted in late February-early March 2013. These projections are based on estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We did 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 the City of Carbondale's use and guidance in determining whether to pursue development of this project and to share with other interested parties such as developers, investors, and hotel companies. Since the report does not address the economic feasibility of said project, the report is not to be used for financing purposes. 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 we may be of 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 engagement and look forward to working with you again in the future.

Sincerely,

Patek Hospitality Consultants, Inc.

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EXECUTIVE SUMMARY

Brand Name:	To Be Determined
Number of Rooms:	70-80
Opening Date:	May 1, 2015
Occupancy (Stabilized):	70%
ADR (2013 dollars):	\$100.00
Stabilized Year:	2018

Site Evaluation:

Access:	Good
Visibility:	Good
Proximity to Demand:	Excellent
Support Amenities:	Very Good
Competitive Position:	Very Good

Competitive Lodging Market:

Comfort Inn & Suites	73 rooms
Holiday Inn	100
Hampton Inn	80
Quality Inn	64
Best Western Saluki Inn	65
Total Rooms	382

Market Performance (STR report)	Occup.	ADR	RevPAR
Year-end 2007	60.6%	\$85.09	\$51.60
Year-end 2008	61.5%	\$87.74	\$54.00
Year-end 2009	61.3%	\$87.29	\$53.49
Year-end 2010	57.5%	\$85.79	\$49.31
Year-end 2011	58.0%	\$90.29	\$52.32
Year-end 2012	56.2%	\$90.31	\$50.78

**Projections - Proposed Hotel
Carbondale, Illinois**

Year	Occupancy	ADR	RevPar
2015*	57.0%	\$106.10	\$60.48
2016	62.0	109.30	67.77
2017	66.0	112.60	74.32
2018	70.0	115.90	81.13
2019	70.0	119.40	83.58

*Estimated opening May 1, 2015

Source: Patek Hospitality Consultants, Inc.

PROJECT CONCEPT RECOMMENDATIONS

Based on our fieldwork and subsequent research, it is our recommendation that consideration be given to the development of a limited-service hotel, an all-suite hotel, or an extended-stay property. We have identified potential brands for these different concepts in a separate letter. A limited-service hotel would be similar to the existing Hampton Inn or Comfort Inn & Suites. The concept would offer a mix of king, double queen and a few suites for guest rooms and would provide complimentary breakfast. Typical amenities include an indoor pool, fitness room and business center. An all-suite hotel would offer similar amenities as a limited-service hotel however all of the guest rooms would be a suite that would be a slightly larger guest room and typically has a separate living/sleeping area.

An extended-stay hotel typically offers a mix of studio, one- and two-bedroom suites that offer full kitchen facilities and amenities and services such as complimentary breakfast, guest laundry, grocery shopping, a patio/grill area, and manager's weekday reception with complimentary appetizers/light meal/beverages. The extended-stay concept typically attracts guests that are staying for a longer period of time due to consulting assignments, training, relocation, and other reasons. There are several economy, mid-scale and upscale brands available in this segment and all have different criteria that they consider important before approving such a project; some brands would like long-term guests to generate at least 30+ percent of the property's overall demand and some brands are as high as 50 percent long-term stays (typically 5+ nights). The remainder of this concept's demand is comprised of short-term corporate or leisure demand.

At the present time, there are no all-suite or extended-stay hotels in the Carbondale market. The development of an extend-stay concept would require further discussion with the hotel franchise companies to see if the Carbondale market meets their development requirements. Either an all-suite or limited-service concept would be very appropriate for this market.

We recommend the proposed hotel offer approximately 70-80 rooms that would include a mix of double queens, kings, and suites that would allow flexibility in capturing the transient business comprised of corporate, group, and tourist/leisure demand in the Carbondale market area. For analysis purposes, we used 75 rooms.

All guest rooms should include a comfortable bed, alarm clock radio, sofa bed or chair with ottoman, television with premium channels and pay per view, coffee maker, hairdryer, high-speed Internet access, iron/ironing board, and telephone with voice mail and data port. A small microwave and refrigerator should be considered in all guest rooms depending on the concept or at least in the suite guest rooms. The hotel should feature free local calls, wireless Internet access throughout the hotel, indoor pool, whirlpool, fitness room, and complimentary breakfast.

Small meeting rooms should be considered including a boardroom to seat 10-12 people and possibly a second meeting room to seat up to 30 people. We do not believe larger meeting

space is necessary within the hotel as the Carbondale Civic Center is located one block from the proposed sites along with the Student Center on the SIUC campus.

Below we present additional recommendations we believe are important as well as comments/recommendations that people in the community shared with us during our research that we also presented in our March 21, 2013 Phase I letter.

- The hotel should be affiliated with a reputable hotel franchise company with a strong reservation system, national marketing program, and frequent guest program.
- The décor of the hotel should be authentic to Carbondale. This would need to be worked into a hotel franchise prototype. Other décor and operations considerations suggested during our phone calls would be to work with local artisans and wineries to feature their products, provide shuttle van service to destinations within a certain radius, improve local transportation offerings, and form strong relationships/partnerships with SIUC, the Civic Center, Convention & Tourism Bureau and other community organizations and institutions.
- The design of the building will be critical to minimize the train noise. We were told 8-10 trains per day travel through Carbondale with three of those being passenger trains operated by Amtrak.
- The proposed hotel should have local ownership/investment/development. We believe that this is important in a smaller community. Management of the hotel could come from outside the area and an outside hotel developer could also partner with local investors to provide their expertise. After we issued our Phase I letter, we understand there are local business owners that could have potential interest in this hotel development.

SITE ANALYSIS

Part of the Phase I assignment was to evaluate two sites in downtown Carbondale that are potential sites for hotel development. Both sites are owned by the City of Carbondale and for the most part are available and ready for development. Site #1 is located between Illinois and University avenues and Walnut and Elm streets across from the Amtrak station. Site #2 is located between Washington Street and the train tracks and Walnut and Main streets. Both sites are currently vacant and being used for parking. A map showing the two sites, pictures of the two sites, as well as a discussion of the characteristics of the sites follows



Site #1 looking east toward Amtrak Station



Site #1 looking west



Site #2 looking south toward Walnut Street



Site #2 looking west toward train tracks and Illinois Avenue

Site #1

- The site is located between the two main north/south thoroughfares through downtown Carbondale. Traveling from the north U.S. 51 splits near Sycamore Street and becomes a one-way street traveling south (University Avenue) through downtown to the SIUC campus where U.S. 51 becomes two-way again. The northbound one-way street through downtown is Illinois Avenue.
- The site is located about $\frac{3}{4}$ of a mile from SIUC (Southern Illinois University Carbondale).
- The site is across from the Amtrak station and within convenient walking distance of restaurants, the civic center, and other commercial properties.
- There are commercial or residential buildings on three sides of the perimeter of this site.

Site #2

- This site is located between the two main east/west thoroughfares through downtown Carbondale. State Route 13 is a two-way street through much of Carbondale. At Lewis Lane on the east side, the road splits and becomes one-way traveling west (Main Street). Highway 13 becomes two-way again west of downtown. The eastbound one-way street is Walnut Street.
- Highway 13 is the primary route from Interstate 57 to Carbondale, a distance of approximately 12 miles.
- The site is two blocks from the Amtrak station and is proximate to restaurants.
- Planned bike/hike path along Washington Street that would extend to SIUC.

It is our opinion that either of these sites would be suitable for the development of a new hotel in downtown Carbondale. Additional factors that should be considered for both sites include:

- On-site parking for a 70-80-room hotel for guests and employees. Is there enough land for surface parking or would an above ground or underground garage be needed that would add considerably to the development cost? Parking on-site is critical.
- Aesthetics of the surrounding area. How would the new hotel spur re-development of existing businesses/buildings and induce new development?

- Expansion capabilities. This may not be critical at this point based on the hotel market occupancy but it is still a factor for the long-term.
- Walking paths/distance to SIUC. Will guests feel comfortable/safe walking downtown and to SIUC?
- Can the buildings on Site #1 be acquired to allow for development of the entire site or at least most of it?

Factors we consider when analyzing potential sites include access, visibility, proximity to demand, proximity to support amenities, and overall competitiveness of the proposed site versus the competition. A discussion of these factors as they pertain to the two sites follows.

Access - Good

Guests traveling to Carbondale from the north or coming from St. Louis would likely travel on I-64 and exit Highway 127 to Highway 15 east to U.S. Highway 51 south into Carbondale (U.S. 51 does not provide an exit at I-64) for approximately 50 miles. Guests could also stay on Highway 127 and travel south to Highway 13. Guests traveling on I-57 would exit Highway 13 and travel west for approximately 12 miles to downtown Carbondale. Both routes into Carbondale are convenient and an easy drive.

Visibility -Good

Visibility for a hotel in a downtown setting is not as much of a factor as for hotels located along an interstate. Guests staying in Carbondale hotels are there because they have a reason to be in Carbondale and not necessarily looking for a place to stay after a day of traveling. Once guests are in the downtown area, a hotel with at least four stories will be visible. We recommend signage upon entering the city if possible.

Proximity to Demand -Excellent

Proximity to demand is excellent as the hotel will be located in downtown Carbondale proximate to Southern Illinois University Carbondale (SIUC) and Southern Illinois Healthcare (SIH)/Memorial Hospital. City Hall and Civic Center is one block from either site. The Shawnee National Forest is about one hour southeast of Carbondale and Giant City State Park is about 20 minutes south. Within the Shawnee National Forest is the Shawnee Hills Wine Trails that features 12 wineries and attracts visitors from all over. Sports tournaments and promoting the outdoors is increasing in popularity through the Carbondale Convention & Tourism Bureau.

Support Amenities - Excellent

Support amenities such as restaurants, coffee shops, retail outlets, and recreation are all within a short walk or drive of either site. The Amtrak station is across from Site #1 and within a two-block walk of Site #2. Amtrak provides convenient transportation between Chicago and Carbondale and points in between. University Mall, an enclosed shopping center, University Place, an open-air shopping center and other retail and restaurant outlets are located along Highway 13, approximately 1.5 miles east of downtown.

Competitive Location - Very Good

It is our opinion that the competitive location is very good for the proposed downtown Carbondale hotel. The proximity to demand generators and support amenities is excellent. Access and visibility are good due to the downtown location but both sites are located on the main highways making access convenient and direct.

Competition for the proposed downtown hotel is located east on Highway 13. These hotels will be visible prior to guests seeing the proposed hotel in downtown however the advantages of the downtown location include proximity to SIUC and Memorial Hospital and numerous support amenities.

MARKET AREA OVERVIEW

Carbondale, Illinois and Jackson County

Carbondale is located in the very southern part of Illinois and is situated about two plus hours southeast of St. Louis, one hour north of Paducah, Kentucky, and one hour east of Cape Girardeau, Missouri. In addition, the community is located 331 miles southwest of Chicago and 217 miles north of Memphis. Carbondale is the largest city in Jackson County and is home to Southern Illinois University (SIUC). The 280,000-acre Shawnee National Forest and 4,000-acre Giant City State Park is proximate to Carbondale to the south.

Demographics, Business and Economic Base

Although there is no correlation between the size of an area's population and its level of transient visitation, historical and projected population trends often reflect the economic climate of a locale. Following is population data for the City of Carbondale, Jackson County, and the State of Illinois for the years 2000-2012 according to the U.S. Census Bureau.

Population Estimates 2000, 2010, 2012

Area	2000	2010	2012	% Change 2000-2012
Carbondale	25,597	25,902	26,241	2.5%
Jackson County	59,612	60,218	60,071	0.8%
State of Illinois	12,419,293	12,830,632	12,875,255	3.7%

Source: U.S. Census Bureau

The labor force estimates for Jackson County and the state of Illinois for the years 2011, 2012, and the month of April 2013 are as follows:

Labor Force Estimates Jackson County and State of Illinois 2011-2012, April 2013

Category	2011		2012		April 2013	
	County	State	County	State	County	State
Labor Force	32,128	6,579.8	31,310	6,593.0	31,640	6,511.5
Employment	29,677	5,942.8	28,916	6,008.0	29,705	5,944.8
Unemployment	2,451	637.0	2,394	585.0	1,935	566.7
Unemploy. Rate	7.6%	9.7%	7.6%	8.9%	6.1%	8.7%

Note: The numbers for the state are presented in the thousands.

Source: Illinois Department of Employment Security (IDES)

The quarterly census of Employment for third quarter 2012 for Jackson County is as follows:

**Quarterly Census of Employment
Jackson County, Illinois
Third Quarter 2012**

Industry	Employment	Percent of Total
Government (local, state, federal)	8,943	36.2%
Trade, Transportation, Utilities	4,316	16.8
Educational & Health Services	3,911	15.2
Leisure & Hospitality	2,774	10.8
Professional & Business Services	1,660	6.5
Construction	999	3.9
Financial Activities	912	3.6
Manufacturing	753	2.9
Other Services	553	2.2
Natural Resources & Mining	540	2.1
Information	312	1.2
Total	25,674	100.0%

Numbers may not add due to rounding.

Source: Illinois Department of Employment Security, QCEW Third Quarter 2013

The largest employers in Carbondale, Illinois are as follows:

**Major Employers
Carbondale, Illinois**

Employer	Product/Service	Number of Employees
Southern Illinois University	University	7,503
Memorial Hospital of Carbondale	Regional Medical Center	1,100
Center for Comprehensive Services	Disabled Rehabilitation	510
Carbondale Clinic	Multispecialty Medic	260
Com-Pac International	Medical Specialty	225
Schnuck's	Grocery/Retail	180
Lowe's of Carbondale	Home Improvement-Retail	160
Intertape Polymer Group	Pressure-Sensitive	70

Source: Illinois Department of Commerce and Economic Opportunity, Community Profile, updated 6/21/12

Transportation

Interstate 64, 50 miles to the north and I-57, 12 miles east serve Carbondale. Interstate 64 travels east west between Norfolk, Virginia and St. Louis. Interstate 57 travels north south between Chicago and near Sikeston, Missouri where it intersects with I-55. U.S. 51 and State Highway 13 serve Carbondale and provide transportation into downtown. The sites are each located on one of these highways. As both of these highways enter downtown they turn into one-way streets however both roads are well marked and signage is good.

The Williamson County Regional Airport provides commercial service from Marion, Illinois to St. Louis every day of the week with varying schedules on Cape Air Airlines. From St. Louis travelers can fly to destinations around the world. The Southern Illinois Airport is located between Carbondale and Murphysboro in Jackson County; it is a public airport that serves as home base for Southern Illinois University's aviation program.

Carbondale Economy

Carbondale is home to Southern Illinois University (SIUC) with a 2012 enrollment of 18,847 students. There are eight academic colleges, graduate school, and two professional schools in law and medicine. The Carnegie Foundation for the Advancement of Teaching classifies SIUC as a research university: High Research Activity, the second highest tier. SIUC ranks among the top five percent of U.S. Higher education institutions for research; in 2012 that figure was over \$78 million in research grants.

Between FY01 and FY10, the capital expenditure appropriated by the state was \$77.9 million. Between FY91 to FY2000 that expenditure was \$102.1 million (both figures are in current dollars). The permanent improvements between 2001 and 2010 totaled \$185.4 million. Notable capital projects completed between 2001 and 2010 included completion of Saluki Way, Health Services building, the Library Annex, student housing on Grand and Wall, and Phase II infrastructure at One Enterprise Place. Renovations were completed at Altgeld Hall, Anthony Hall, Morris Library, and Lawson Hall.

The SIUC School of Medicine also contributes greatly to the region. During the ten-year period, capital and permanent improvement projects at SIU in Carbondale including the School of Medicine generated a total of \$734.3 million economic activities in the southern Illinois (23 counties) region and supported 6,710 jobs directly.

According to the school's website and the Plant & Service Operations page, there are a number of projects in the design phase on campus. One of the larger ones is the demolition of the Triads residence halls. While there is no timetable established for completion of this project, an architect was selected for this \$175 million project with Phase I estimated at \$65 million. Eventually the Towers residence hall will be torn down as well and new housing will be developed. One of the larger work-in-process projects is the construction of the new Student Services Building. The \$36.6 million project is to be complete in June 2013 and will house a number of University departments.

Based on the *Economic Impact of SIUC in the region and State of Illinois, August 2011*, prepared by the Department of Economics and Southern Illinois Research Park SIUC, it was estimated there was \$7.6 million in visitor spending during FY10 in the southern Illinois region. These visitors are related to students, athletic events, family weekend, homecoming, graduation, open house, move in/out, and various other college activities and athletic events.

Southern Illinois Healthcare and Memorial Hospital in Carbondale has a three-tier service area. The primary area serves three counties and this accounts for 80 percent of the people served. The secondary area services seven counties and the tertiary service area would make it the largest hospital in the region serving 16 counties. The hospital currently has 140 beds with the ability to add to this capacity. It is the core hospital for SIH's comprehensive, regional heart program, Prairie Heart Institute. A \$25 million cancer center is planned; no timetable for construction had been established at the time of our fieldwork.

SIUC and Memorial Hospital are the two largest employers in Carbondale. Other companies were listed in the Major Employers table presented earlier in this section. Brehm Prep School is a private preparatory school that draws students from around the world; the current enrollment is less than 500 students. NeuroRestorative is a residence rehab facility for patients with brain injuries. There are 28 residence facilities with the ability to serve between 3 and 10 patients at each facility. There are currently 125 patients. Both of these institutions are mentioned because they employ a number of people as well as utilize local hotels.

There are three larger industrial/business parks in Carbondale. The Bicentennial Industrial Park has 120 acres available and is zoned heavy industrial; it is located on U.S. Highway 51 and Dillinger Road. The Carbondale Business Park East offers 100 acres of light industrial land and is located on South Reed Station Road. The Southern Illinois Research Park has 42 acres available and is adjacent to SIUC on State Highway 51 and East Pleasant Hill Road.

Tourism

There are a number of activities generated by SIUC that bring visitors to Carbondale including homecoming, graduation, parents weekend, sporting events and games, in addition to community offerings such as museums, historic sites, arts and theater, youth sports, and events and festivals. There are a number of forests and natural areas nearby including the 280,000-acre Shawnee National Forest and the 4,000-acre Giant City State Park. Within these various outdoor recreation areas there are attractions, beaches, golf courses, lakes (five) and rivers, riding stables, and the Touch of Nature Environmental Center that offers both educational and recreational opportunities. The Shawnee Hills Wine Trail features 12 wineries along a 25-mile stretch through the Shawnee National Forest. Some of these wineries offer cabins or a bed and breakfast although the number of available units is minimal. Carbondale is a destination location since it is not located on an interstate highway where people can pull off for the night. There is a reason for them to travel to this area. The Carbondale Convention & Tourism Bureau together with Carbondale Main Street, and SIUC work very well together to bring tourism to the area.

Some of the larger events and festivals include Friday Night Fair series, Art & Wine Fair, and Lights Fantastic.

Event venues in the area include the Student Center on the SIUC campus. The Student Center offers 28 multi-function rooms, a 300-seat auditorium, and four spacious ballrooms. The Shryock Auditorium is managed by Event Services on the SIUC campus and is a 1,214-seat concert hall. The Civic Center is an 8,200 square foot building adjacent to and connected with City Hall. The building can be broken down into six smaller conference rooms and when opened up entirely, the room can seat up to 600 people. A catering kitchen is available and a list of caterers is provided for each function. The venue services a variety of events from corporate meetings to weddings and is located one block from either site.

The Continuing Education department at SIUC coordinates over 200 non-credit conferences, workshops, programs, certifications, conferences, personal, professional and youth programs throughout the year. Most of these events are held on campus at the Student Center and utilize local hotels.

The 12 wineries on the Shawnee Hills Wine Trail are potential demand generators. Some of the facilities offer B&B guest rooms or cabins but there are very few. Demand could be generated by individuals or groups on the wine tasting trails and some wineries offer meeting/banquet space or some type of outdoor space for weddings or other social gatherings.

A regional location map follows.

REGIONAL MAP CARBONDALE, ILLINOIS



COMPETITIVE LODGING MARKET

According to Smith Travel Research, there are 11 properties with 791 guest rooms located in Carbondale as shown in the following table. Eight of the hotels are franchised and three are independent operations.

Existing Hotel Supply Carbondale, Illinois

Name of Hotel	# Of Rooms	Year Opened
Super 8	63	1987
Econo Lodge Inn & Suites	66	NA
America's Best Value Inn	47	NA
Campus Inn	82	1986
Best Western	65	1998
Quality Inn	64	1994
Hampton Inn	80	2000
Heritage Motel	23	1960
Royal Plaza Inn	128	1963
Holiday Inn	100	2006
Comfort Inn & Suites	73	2009
Total	791	

NA - Not Available

Source: Smith Travel Research, Inc.

The hotels in the Carbondale market are all limited-service with the exception of the Holiday Inn that has an attached restaurant. The hotel recently changed its restaurant concept from Houlihan's to Boondock's Seafood Company that serves breakfast, lunch, and dinner as well as room service. The three independent properties would not be considered competitive to a proposed hotel nor would the economy franchises that are the first three listed in the above table. We would expect the Best Western, Quality Inn, Hampton Inn, Holiday Inn, and Comfort Inn & Suites with a total of 382 guest rooms to be most competitive with a new hotel based on their franchise affiliation, product offerings, market orientation, and/or rate structure.

Breaking this list down even further based on our demand calls to a number of departments within the University as well as other demand generators in the market, our opinion is that the Hampton Inn and Holiday Inn would be the most direct competition to a proposed downtown hotel due to their product quality, rate structure, and brand recognition. Both of these hotels are located on Reed Station Parkway on the east side of Carbondale, about 1.5 miles east of downtown. The Comfort Inn & Suites is the newest hotel to be built in the market, opening in 2009 with the Holiday Inn the second newest built in 2006. According to Hampton Inn management, the hotel was last renovated in 2006; renovation of the guest rooms and public space is expected to start in 2013.

In addition to the hotels listed above, there are a number of bed and breakfasts and cabins located in Jackson County and the surrounding area. Some of the B&B establishments are affiliated with the wineries located on the Shawnee Hills Wine Trail located near the Shawnee Hills National Forest. These facilities vary in size with the number of rooms ranging from 1 to 11. None of these lodging properties would be considered competitive to a new hotel for downtown Carbondale.

Marion, Illinois is located 12 miles east of Carbondale and is located at the interchange of I-57 and State Highway 13. While we do not believe the Marion hotel market is competitive with Carbondale hotels, it should be mentioned there are 17 properties with 1,290 guest rooms located throughout Marion. All but three of the properties are national franchises and most of the properties are limited-service hotels. The newest hotels in the Marion market are the Holiday Inn Express & Suites and the Comfort Inn, opened in May and July 2012, respectively. The Marion hotel market captures demand generated from within Marion and from its location on I-57. The hotels in Marion also provide guest rooms when SIUC or other events in Carbondale generate overflow rooms.

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

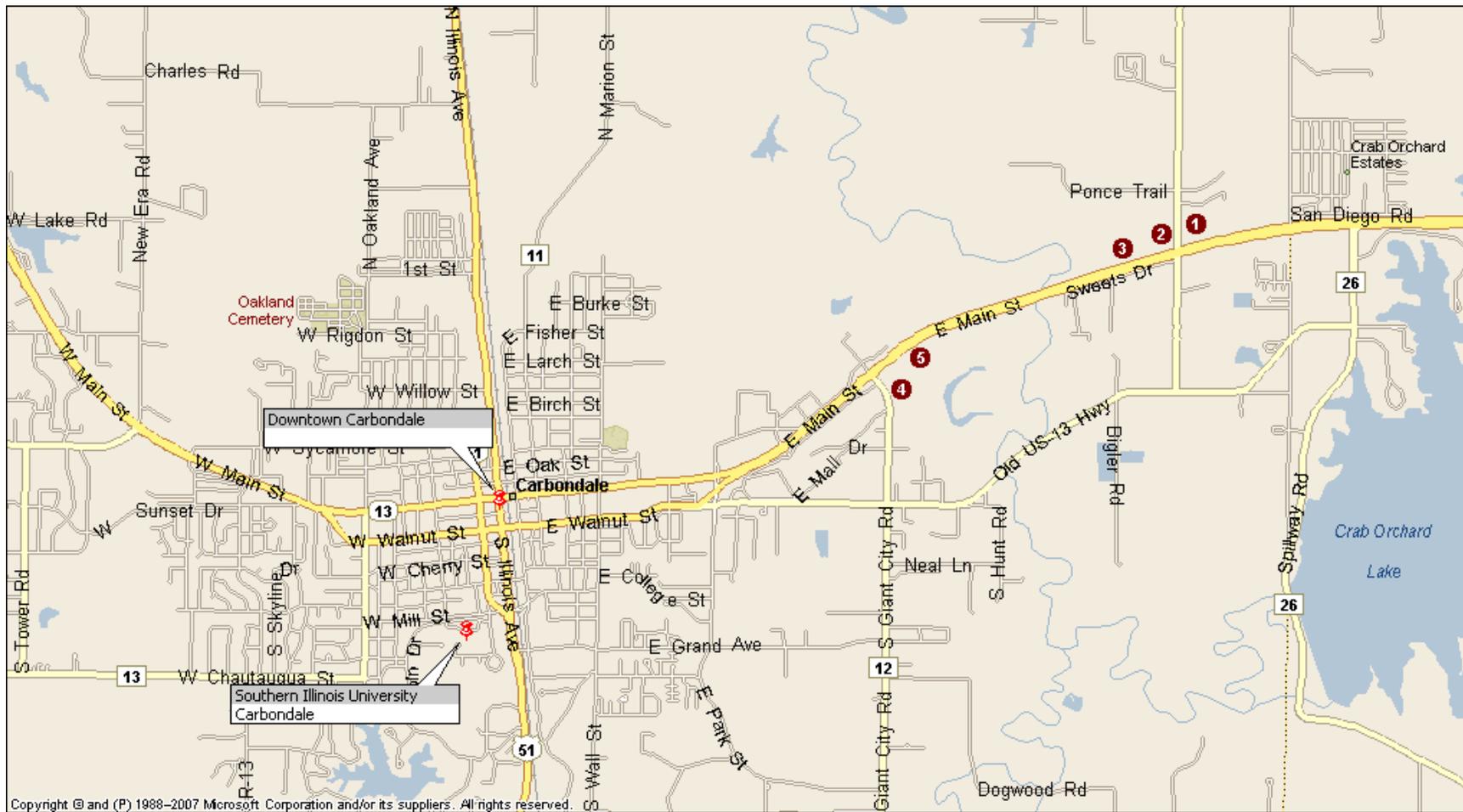
**CARBONDALE, ILLINOIS
PROPOSED HOTEL
COMPETITIVE PROPERTY PROFILE**

	Comfort Inn & Suites	Holiday Inn	Hampton Inn	Best Western Saluki Inn	Quality Inn
# on map	1	2	3	4	5
# Of Rooms	73	100	80	65	64
Year Opened/Changed	2009	2006	2000	1998	1994/2005
FACILITIES/AMENITIES					
Suites	yes	yes	yes	yes	yes
Complimentary Breakfast	yes	no	yes	yes	yes
Restaurant/Lounge	none	Boondock's	none	none	none
Meeting Space (s.f.)	19 people	2,800 s.f.	40 people	none	minimal
Pool - Indoor/Outdoor	indoor	indoor	indoor	indoor	indoor
Other Features	fitness center, hot tub	fitness room	whirlpool, fitness room	fitness room	fitness room
2013 PUBLISHED RATES- 2 Queen Beds					
Weekday, July 2013	\$99.99	\$119.00	\$109.00	\$99.99	\$55.00
Weekend, September 2013	\$109.99	\$139.00	\$119.00	\$99.99	\$85.00
2012 ESTIMATED MARKET MIX					
Corporate/Individual	50%	60%	55%	45%	40%
Group	0%	10%	0%	0%	0%
Tourist/Leisure	50%	<u>30%</u>	45%	55%	60%
TOTAL	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

Note: Published rates as of June 25, 2013 for Tuesday, July 9, 2013 and Saturday, September 14, 2013

Source: Patek Hospitality Consultants, Inc. , Hotel Interviews, and Internet

COMPETITIVE PROPERTY MAP CARBONDALE, ILLINOIS





**Comfort Inn & Suites (#1)
2400 Reed Station Parkway
73 Rooms, Opened 2009**



**Holiday Inn (#2)
2300 Reed Station Parkway
100 Rooms, Opened 2006**



**Hampton Inn (#3)
2175 Reed Station Parkway
80 Rooms, Opened 2000**



**Best Western Saluki Inn (#4)
801 N. Giant City Road
65 Rooms, Opened 1998**



**Quality Inn (#5)
1415 E. Main Street
64 Rooms, Opened 1994**

Additions to Supply

During the course of our fieldwork and subsequent research, we did not learn of any other hotels proposed for Carbondale aside from the downtown hotel being discussed in this report.

Based on the opening of the proposed hotel, it is estimated a compound annual growth rate of 2.6 percent will be realized between 2012 and 2019. On an annual basis, supply is estimated to increase 13.1 percent in 2015 and 5.8 percent in 2016. The base number of competitive rooms would increase from 382 rooms to 457 rooms or 75 rooms. Demand during this same period is estimated to increase at a compound annual growth rate of 4.8 percent.

Area Room Demand

Hotel room demand is categorized as “demonstrated” demand, or that demand which can be quantified by examining occupancies at existing hotels; “unsatisfied” demand, or that demand which is turned away or denied at existing hotels because of capacity limits and finding accommodations outside the defined competitive market; and “induced” demand, defined as that demand which does not now seek accommodations in the market but which would, given an acceptable quality hotel, the proper sales efforts and the availability of additional rooms supply. In this market, all three types of demand have been evaluated.

Demand for hotel rooms in any given area is measured by occupancy percentages and average daily rates (ADR). Although these statistics vary between properties because of age, location, condition, marketing efforts and seasonality, area averages are useful in analyzing historical trends and projecting future conditions as they relate to the market potential of a proposed project. Smith Travel Research (STR) tracks room supply and demand characteristics in markets across the country, maintains an up-to-date inventory of all hotels and receives actual operating statistics from a large sample in each market. We used this information to supplement our research findings. Information from the STR report is presented in the following table that shows supply, demand, occupancy, average daily rate, and RevPAR on an annual basis for the period 2007-2012. The full STR report is presented in the Addendum at the end of this report.

**Standard Historical Trend
Proposed Hotel
Carbondale, Illinois**

Year	Room Supply	% Change	Room Demand	% Change	Occupancy	ADR¹	RevPAR²
2007	113,150	---%	68,609	---%	60.6%	\$85.09	\$51.60
2008	113,150	0.0	69,637	1.5	61.5	87.74	54.00
2009	119,866	5.9	73,452	5.5	61.3	87.29	53.49
2010	139,795	16.6	80,350	9.4	57.5	85.79	49.31
2011	139,673	(0.1)	80,941	0.7	58.0	90.29	52.32
2012	139,430	(0.2)	78,398	(3.1)	58.2	90.31	50.78

¹ – ADR = Average Daily Rate

² – RevPAR = Revenue Per Available Room (Occupancy x ADR)

Source: Smith Travel Research, Inc.

The occupancy in each of the past six years is presented as an aggregate of the five hotels we determined would be competitive with the proposed hotel. It is our opinion that some of the hotels in the competitive set perform considerably better than others and that is based on our demand calls in the community. Our interviews with the major demand generators in the market indicated the Holiday Inn and Hampton Inn & Suites were the primary hotels being used when guests were given a choice and rooms were available. During peak usage, all of the hotels in the community and surrounding area are filling.

Occupancy has fluctuated very little over the six-year period, ranging from 58.0 percent to 61.5 percent. Average daily rate (ADR) dropped in 2009 and 2010 and then realized a 5.2 percent increase in 2011 with the 2012 ADR stable. Average rates in the market are impacted by the \$60.00 per diem state rate that government employees are charged or those visitors associated with the University. The challenge in the market and for the proposed hotel will be to maintain a balance between the amount of state rate and rack rate business.

In the last half of 2008 the economy entered a recession that continued to have an impact on hotels throughout 2009 and into the first half of 2010. The recession had been particularly hard on the hotel industry as companies scaled back on their travel and experienced downsizing, and consumers were affected by job losses, cut hours, and other higher cost of living trends.

Nationally occupancies began to increase in the latter half of 2010 while average daily rate took longer to show an increase; it was 2011 when hoteliers started to see an upswing in ADR. This recession was one of the most severe and long-lasting that the hotel industry had experienced since the Depression. Past patterns of recessionary periods followed by growth are a typical cycle for the hotel industry however this one was having a much longer and more severe impact. Not only did the economic situation affect the performance of hotels it also significantly affected the ability to secure financing for new hotel development and this

continues to be a challenge today although recent reports indicate that funding for proven projects by experienced developers is more readily available.

By year-end 2012, hotels nationally showed increases in all performance sectors, achieving occupancy of 61.4 percent, ADR of \$106.10, and RevPAR of \$65.17. Smith Travel Research, Inc. in January 2013 released its predictions for the year and has forecasted the U.S. Hotel Industry occupancy would increase 0.8 percent while ADR was estimated to increase 4.9 percent resulting in RevPAR growth of 5.7 percent in 2013. While these figures are for the U.S. hotel market as a whole, they provide some reassurance that the hotel industry has been heading in the right direction.

Demand in the competitive market area is strongest in the months of April through September when looking back over the six years. Each year fluctuates depending on the economy, local travel, and events at the University but overall these six months, on average, are the busiest in this market. The weekday/weekend analysis provided in the STR report indicates the Carbondale hotel market is strongest on Friday and Saturday nights in both occupancy and ADR and this trend has been consistent over the past three trailing twelve month periods, February 2010 to January 2013. Occupancy in the most recent trailing twelve months showed weekend (Friday and Saturday nights) was anywhere from 15 to 30 points higher than weekdays (Monday through Thursday). Average daily rate for this same period was \$7.00 to \$13.00 higher on weekends. The weekday/weekend analysis follows:

**Day of Week Analysis
Select Competitive Set
Carbondale, Illinois**

Period	Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.	Avg.
2/10-1/11								
<i>Occup.</i>	36.7%	48.8%	56.7%	57.6%	59.9%	69.5%	71.3%	57.2%
<i>ADR</i>	\$79.13	\$81.76	\$82.58	\$82.30	\$83.82	\$93.22	\$92.90	\$85.98
<i>RevPAR</i>	\$29.04	\$39.93	\$46.85	\$47.39	\$50.23	\$64.80	\$66.24	\$49.19
2/11-1/12								
<i>Occup.</i>	35.5%	45.5%	56.8%	58.9%	61.8%	73.9%	74.2%	58.1%
<i>ADR</i>	\$80.69	\$84.75	\$86.55	\$86.99	\$88.78	\$97.72	\$97.87	\$90.33
<i>Repay</i>	\$28.66	\$38.60	\$49.17	\$51.24	\$54.89	\$72.21	\$72.65	\$52.48
2/12-1/13								
<i>Occup.</i>	35.7%	45.6%	52.9%	53.8%	59.8%	72.6%	74.7%	56.4%
<i>ADR</i>	\$82.65	\$84.76	\$87.06	\$88.08	\$88.75	\$95.96	\$97.76	\$90.44
<i>Repay</i>	\$29.51	\$38.68	\$46.04	\$47.41	\$53.06	\$69.63	\$73.01	\$51.04
3-yr Avg.								
<i>Occup.</i>	36.0%	46.7%	55.5%	56.8%	60.5%	72.0%	73.4%	57.2%
<i>ADR</i>	\$80.81	\$83.70	\$85.36	\$85.76	\$87.14	\$95.68	\$96.22	\$88.91
<i>Repay</i>	\$29.07	\$39.08	\$47.37	\$48.67	\$52.73	\$68.88	\$70.63	\$50.90

Source: Smith Travel Research, Inc.

Demand Mix and Projected Growth in Demand

We estimated the 2012 market mix of the competitive supply was 49 percent transient individual, 2 percent group, and 49 percent tourist/leisure. We did not break out extended-stay demand for the competitive hotels.

Transient Individual is the second largest segment of demand (38,500 room nights) for the competitive market. This segment includes executives, salespeople, vendors, buyers, consultants and other types of people doing business with the corporations and institutions located in Carbondale, Jackson County, and the surrounding area including SIUC, SIU Healthcare/Memorial Hospital and other smaller companies. Based on our knowledge of the competitive market, discussions with area city officials, SIUC, SIU Healthcare/Memorial Hospital, and local hotel operators, we estimated that this market segment could experience a compound annual growth rate of 4.1 percent over the period 2012-2019. Our estimates reflect the opening of the additions to supply which could attract demand that has not previously been accommodated in any of the competitive hotels, induced demand which is demand that is loyal to the franchise entering the market and/or that previously did not patronize the hotels in the competitive supply because they did not meet their needs. The estimated growth in transient individual should vary by year, but be strongest in 2015 and 2016, reflecting the opening of the proposed hotel.

Group demand is defined as corporate groups, conventions and association business that are attending training sessions, retreats, sales meetings, educational/technical sessions and other general types of meetings. This segment overall is minimal in the number of room nights generated as the competitive hotels, with the exception of the Holiday Inn with 2,800 square feet of meeting/banquet space, offers very little meeting space. Most of the meetings are held at the Holiday Inn, Civic Center, or SIUC. We estimated that this market segment could experience a compound annual growth rate of 4.2 percent over the period 2012-2019. While this growth rate might seem high, the number of room nights only increased from a base of 1,200 room nights to 1,600 room nights or a gain of 400 room nights over the projection period. It is our opinion the proposed hotel could capture demand in this segment due to its location proximate to both the Civic Center and SIUC.

The **Tourist/Leisure** segment with 38,700 room nights is the largest segment of demand (by 200 room nights in 2012) and is comprised of those travelers visiting the attractions in Carbondale including SIUC activities such as homecoming, graduation, parents weekend, sporting events and games, and community offerings such as museums, historic sites, arts and theater, youth sports, and events and festivals. There are a number of forests and natural areas nearby including the 280,000-acre Shawnee National Forest and the 4,000-acre Giant City State Park. Within these various outdoor recreation areas there are attractions, beaches, golf courses, lakes (five) and rivers, riding stables, and the Touch of Nature Environmental Center that offers both educational and recreational opportunities. The Shawnee Hills Wine Trail features 12 wineries along a 25-mile stretch through the Shawnee National Forest. Some of these wineries offer cabins or a bed and breakfast although the number of units is minimal.

Carbondale is a destination location since it is not located on an interstate highway where people can pull off for the night. There is usually a reason for them to travel to this area. The Carbondale Convention & Tourism Bureau together with Carbondale Main Street, and SIUC work together to bring tourism to the area.

Also included in this segment are SMERF (social, military, educational, religious, and fraternal) groups. The primary reason for this type of group to get together is for a social purpose. We would also include weddings in this segment. Much of this social business is held at the Holiday Inn, Sports Blast, Civic Center, and SIUC's Student Center. With SIUC, there would have to be some connection with the University in order to hold the meeting there.

Transient traffic typically grows at lower rates unless there is a new attraction or major development or other specific reason for significant increases in visitation. A new hotel will typically induce demand that has previously not been accommodated by the competitive properties. This is often because of loyalty to a chain, a more desirable location or simply the availability of a new property. This demand segment is the most volatile because visitation can be dependent on the weather, scheduled activities, nation-wide economic conditions and such. Based on all of these factors and our discussions with area hotel operators and other knowledgeable sources, we estimated that this market segment could experience a compound annual growth rate of 5.5 percent annually over the period 2012-2019.

The following table summarizes our estimates regarding market supply and demand during the projection period. The demand estimates include induced demand for the proposed hotel.

**Total Competitive Market
Proposed Hotel
Carbondale, Illinois**

Year	Annual Available Rooms	Annual Growth Supply	Annual Occupied Rooms	Annual Growth Demand	Market Occupancy
2012	139,430	--%	78,400	--%	56.0%
2013	139,430	0.0	81,100	3.4	58.0
2014	139,430	0.0	83,500	3.0	60.0
2015	157,680	13.1	92,000	10.2	58.0
2016	166,805	5.8	100,200	8.9	60.0
2017	166,805	0.0	104,300	4.1	62.5
2018	166,805	0.0	108,000	3.5	65.0
2019	166,805	0.0	109,100	1.0	65.0

Note: Numbers have been rounded. Additions to supply include the Subject 75-room Proposed Hotel

Source: Patek Hospitality Consultants, Inc.

Between 2012 and 2019, supply is estimated to grow at a compound annual growth rate of 2.6 percent while demand is estimated to grow 4.8 percent during this same period. While we believe that occupancies can exceed our estimates stated above, we also know that

unforeseen circumstances can cause occupancies to fall below our estimates. From an historical perspective, a stabilized occupancy of 65.0 percent for the competitive set is reasonable in our opinion.

PROJECTED MARKET POSITION AND PENETRATION OF THE PROPOSED HOTEL

Demand Interviews

In conducting market research for a project such as the subject property, we believe it is important to conduct demand interviews with companies and organizations that are generators of hotel room demand. These interviews provide us with insight into the travel volume, needs, hotel preferences, desired room rates, and types of travelers (i.e. executives, sales reps, vendors, etc.) for each organization. In addition, the interviews help us to gauge the prospective interest in the proposed hotel and provide helpful input for the facilities, amenities, and services recommended for the property. After discussing these characteristics with each organization or department within SIUC, we test their interest and willingness to try the proposed hotel.

We conducted telephone interviews to various departments within SIUC including Admissions, Chancellor's office, Student Center, Athletics, Event Services, Continuing Education, New Student Programs, Alumni Association, and Southern Illinois Research Park. Additional telephone interviews were conducted or attempted with Carbondale Convention & Tourism Bureau (CCTB), Southern Illinois Healthcare, Civic Center, Sports Blast, CCTB Board President, Brehm Prep School, NeuroRestorative, and four of the larger wineries.

A summary of the information derived from these demand interviews follows:

Summary of Demand Interviews

Department/ Organization	Activities	Hotels Used	Concerns	Recommendations for Proposed Hotel/City
Chancellor's Office	Commencement, Homecoming, sports weekends, recruitment, orientation	NA	Limited public transportation	None
Continuing Education	Over 200 non-credit conferences	Hampton Inn, Holiday Inn, Comfort Inn	Transportation, campus parking, sometimes quality issues	Parking, shuttle offered, offer state rate
SIUC Research Park	Education seminars	NA	None	Offer state rate
Alumni Assoc.	Homecoming, Reunions, Advisory Boards	Hampton Inn	None	Good taxi service
CCTB Board President	NA	NA	Train noise (need to consider this)	Shuttle, rental car business offered in hotel, move CCTB to hotel, game room, indoor pool, suites, gift shop featuring local products, feature local artists and wines, complimentary breakfast, partner with local organizations
NeuroRestorative	Visiting families	Holiday Inn, Hampton Inn, Super 8	None	Similar amenities offered to existing hotels, competitive rates
Brehm Prep School	Visiting families, move in/out, graduation, strategic planning	Use all hotels Negotiated rates	None	Competitive rates, cleanliness, service
New Student Programs	Coordinate all new student programs	NA	None	None
Student Center Programming	Family weekend, Homecoming,	NA	Weekends are busier in the area, need to promote weekdays	Entertainment, room service, coordination between hotel, Civic Center, and Student Center

Department	Activities	Hotels Used	Concerns	Recommendations for Proposed Hotel/City
Athletics	Visiting teams, recruits,	Holiday Inn, Hampton Inn, visiting football teams stay in Mt. Vernon	Large enough space to accommodate dining requirements	Need large meeting space and enough guest rooms to meet the needs for football
Student Center	Works with Continuing Educ., weddings	NA	Had a major change in food vendors that they hope will help in attracting future business and become more of a regional venue	Boutique style, authenticity to showcase SIUC, Marriott brand
Event Services	Performing arts center, major productions, ticketing	Holiday Inn but have no contract with any of the hotels	None	Artists want: food connected to hotel, major chain, 24-hour room service, & suites. Production and venue companies like truck/bus parking, early/late check-in, competitive rates, clean, hot meals

NA – Not Available

None – Information was not provided

Source: Patek Hospitality Consultants, Inc. based on interviews

Methodology and Assumptions

We assessed the prospective competitive status of the Subject hotel as compared to the defined competitive lodging supply and as it will be affected by such factors as location, setting, nature and quality of facilities and the extent to which the hotel could capture each demand segment by performing a fair share/penetration analysis. A hotel's fair share of the market is defined as the number of rooms in the hotel divided by the total supply of rooms in the market including the subject hotel. The property is estimated to reach stabilization in 2018 (the fourth year of operation, third full year) and there will be 457 available rooms in the competitive market. Therefore the subject's fair share in the market beginning in the stabilized year is 75 divided by 457 or 16.4 percent.

The methodology used in this analysis considered the factors that we believe influence the prospective success of the proposed hotel. There are no hotels located in downtown Carbondale proximate to SIUC and SIU Healthcare/Memorial Hospital. While the existing hotel product is located less than two miles east of downtown, guests have to drive and park when visiting SIUC or the hospital. It is suggested the proposed hotel offer shuttle service that

will provide convenient transportation to some of these larger demand generators within a certain radius. The proposed hotel will also be within walking distance of restaurants and other services, amenities, and attractions.

While a brand has not been identified for this hotel at this time, the importance of a reputable, well-recognized brand will be critical, as we have identified some options in a separate letter. With a national brand, we believe the proposed hotel could capture demand from those guests that were staying outside the market because the current product didn't meet their needs or there was no availability. From our demand interviews, we know that two of the competitive hotels are capturing a larger share of the demand in the market so we believe a branded hotel with a solid franchise affiliation and experienced management company will compete very well in the market.

To project occupancy for the proposed hotel we considered the property's recommended facilities, services, and amenities; the site's location; the competitive properties and the competitive environment in which the hotel will operate. The advantages and disadvantages of the site were discussed in the Site Analysis section of this report. Other advantages and disadvantages, as well as other factors that will influence the property's ability to capture market demand (and therefore achieve the projected occupancy and ADR levels) are:

1. The Subject property will be affiliated with a national franchise affiliation that is known for its quality, consistency, reservation system, national marketing program and frequent stay guest program as identified in a separate letter.
2. The Subject Hotel will be open on or before May 1, 2015. If the hotel opening is delayed, our estimates regarding future performance could be affected. Our estimates were based on a calendar year.
3. The Subject Hotel will feature between 70 and 80 guest rooms and suites (for purposes of this report, we used 75 rooms) and will include the amenities and facilities discussed in the Project Concept section of this report.
4. We assume the hotel will be operated by an experienced and competent management company with experience with this type of hotel. When choosing a management company, familiarity with the city of Carbondale and the demand generators there is significant in our opinion, particularly to be competitive from the start.
5. The additions to supply have been taken into account in our analysis. If additional hotels enter the market during our projection period, our occupancy and average daily rate estimates for the proposed hotel could be impacted.

Penetration Analysis

Factors indicating that a hotel would possess competitive advantages suggest a market penetration rate in excess of 100 percent of fair share while competitive weaknesses are reflected in penetration levels of less than 100 percent. There is usually a period of time required after opening for a new hotel to reach its full market penetration. We estimate that the proposed hotel will achieve a stabilized penetration of 108 percent of fair share that is higher than its fair share. Stabilization is estimated to occur in the hotel's fourth year of operation (third full year) in 2018. The projected penetration levels reflect the following considerations.

- **Transient Individual** - We estimated the subject hotel would achieve above its fair share in this segment primarily due to the product concept that would appeal to business travelers, the facilities and amenities offered and the affiliation with a national franchise. We believe the subject hotel can induce demand into the market based on its affiliation with a national brand offering a frequent guest program, and reservation system that can generate a higher percentage of occupancy. We believe the location in downtown Carbondale will be a plus for guests, particularly if they can park and walk or take a shuttle. We estimated the penetration rates to range between 96 percent and 111 percent throughout the projection period. Our projections for this demand segment are for approximately 9,200 room nights to be accommodated at the Subject hotel in the stabilized year of operation (2018), which represents approximately 48 percent of the hotel's overall captured room nights. This percentage remains fairly stable throughout the projection period.
- **Group** - We estimated the subject hotel would achieve below its fair share in this segment in the first two years and above its fair share in the last three years of the projection period. It is not expected that the proposed hotel will offer large meeting/banquet space at the property however it is our opinion that the hotel's proximity to SIUC's Student Center and the community's Civic Center would generate demand for the proposed hotel in the group segment. We would expect a mix of continuing education groups, SMERF groups, and some smaller association groups that could utilize the meeting venues. It is our opinion the hotel's location downtown could help induce more meetings at these venues as well. Again, if the hotel were to offer shuttle service, this would be a marketing tool the hotel could use to generate demand in this segment. We estimated the penetration rates to range between 50 percent and 150 percent throughout the projection period. Our projections for this demand segment are for approximately 400 room nights to be accommodated at the Subject hotel in the stabilized year of operation (2018), which represents approximately 2 percent of the hotel's overall captured room nights. This percentage remains fairly stable throughout the projection period.
- **Tourist/Leisure** - We estimate the subject hotel will achieve above its fair share in this segment mainly due to the location proximate to SIUC and the amenities offered downtown. The recommended facilities and amenities will appeal to tourists and families

alike, particularly if suites are offered that are typically a larger guest room and would offer refrigerators and microwaves. Complimentary breakfast is also an attractive feature for this demand segment. We estimate penetration rates to range between 100 percent and 104 percent from 2015-2019. The proposed hotel is expected to accommodate approximately 9,600 room nights in the stabilized year of operation and that figure remains fairly constant throughout the remainder of the projection period. These room nights represent approximately 50 percent of total demand.

We estimate the penetration and segmentation of demand for the proposed hotel over the five-year period, 2015-2019 to be as follows:

**Estimated Penetration and Market Segmentation
Proposed Hotel
Carbondale, Illinois**

Year/Category	Transient/Individual	Group	Tourist/Leisure	Total
2015				
Penetration	96%	50%	100%	98%
Room Nights	4,900	100	5,400	10,400
Segmentation %	47%	1%	52%	100%
2016				
Penetration	104%	75%	103%	103%
Room Nights	8,100	200	8,700	17,000
Segmentation %	47%	1%	52%	100%
2017				
Penetration	107%	150%	103%	106%
Room Nights	8,600	400	9,100	18,100
Segmentation %	48%	2%	50%	100%
2018				
Penetration	111%	150%	105%	108%
Room Nights	9,200	400	9,600	19,200
Segmentation %	48%	2%	50%	100%
2019				
Penetration	110%	150%	104%	107%
Room Nights	9,200	400	9,600	19,200
Segmentation %	48%	2%	50%	100%

Source: Patek Hospitality Consultants, Inc.

Projected Performance

We have chosen to use a stabilized occupancy of 70 percent, which we believe will be achieved in the fourth year (third full year) of operation (2018). The stabilized occupancy is intended to reflect the anticipated results of the property over its remaining economic life, given any and all changes in the life cycle of the hotel. Therefore, the stabilized occupancy excludes from consideration any abnormal relation of supply and demand as well as any favorable or unfavorable non-recurring conditions that may result in unusually high or low occupancies. Although the Subject hotel may operate at occupancies above this stabilized level, we believe it equally possible for new competition and temporary economic downturns to force the occupancy below this anticipated stabilized level.

Based on the rate structures at the competitive facilities and their locations, quality levels, chain affiliations, services and facilities offered in comparison to the proposed hotel, we estimate the proposed hotel will be able to achieve an average daily room rate of \$100.00 in 2013 value dollars which is estimated to be comparable to two of the competitors in the market and higher than the rest of the competition. It is our opinion that the proposed hotel has the ability to achieve this rate assuming it will have a strong brand affiliation, product quality, and competent and experienced management.

The projected rate takes into account rack rates, discounted rates offered to preferred customers, transient discounted rates, and franchise corporate rates. It also considers the mix of demand and achievable rate by market segment. The proposed hotel's ADR will be influenced by the mix of demand and can be maximized by careful balance of room availability and transient/individual, group, and tourist/leisure demand. Rack rates for the proposed hotel are estimated to range from \$109-\$129 depending on the demand segment and time of year.

Based on the local, regional, and national economic recessionary trends, we have forecast the rate increase to be 3.0 percent throughout the projection period. This growth level is intended to reflect the long-term average growth in ADR; actual year-to-year changes may vary. Assuming a May 1, 2015 opening date, the following occupancy and average daily rates are projected for the proposed hotel based on a calendar year.

**Prospective Performance
Proposed Hotel
Carbondale, Illinois**

Year	Market Occupancy	Hotel Occupancy	Average Daily Rate	RevPar
2012	56.0%			
2013	58.0			
2014	60.0			
2015	58.0	57.0%	\$106.10	\$60.48
2016	60.0	62.0	109.30	67.77
2017	62.5	66.0	112.60	74.32
2018	65.0	70.0	115.90	81.13
2019	65.0	70.0	119.40	83.58

Source: Patek Hospitality Consultants, Inc.

CONCLUSION

Based on our market research and the information presented in this report, it is our opinion that development of a 70-80-room hotel is market justified and would be well suited for the downtown Carbondale, Illinois market.

Our assumptions are based on the hotel being affiliated with a national hotel company with a strong reservation system and frequent guest program as well as an aggressive sales effort in place prior to the hotel's opening and aggressive and competent management once the hotel is open. We have assumed that the community will continue to experience a stable and growing economy. Should any of these assumptions not occur as projected or if unforeseen circumstances occur locally or on a national level, our estimates could be negatively affected.

ASSUMPTIONS AND LIMITING CONDITIONS

1. This document is to be used in whole and not in part.
2. Our conclusions are explicitly based upon the assumption that the proposed hotel will be developed and constructed to competitive standards, operated in a manner typical of a high-quality hotel, and include the assumed facilities and amenities as set forth in this report. It is expressly understood that the conclusions of this analysis could change upon any deviation from this assumption. Furthermore, the changes that might arise could be material. For the purposes of this engagement we have assumed that the proposed facility will open May 1, 2015, and contain approximately 70-80 guest rooms. The hotel will operate as a chain affiliated hotel, be operated by a competent and experienced management company, and be effectively marketed to the appropriate demand segments identified in this report. We have no obligation to update our findings regarding changes to the scope of the proposed development including (but not limited to) changes in the guestroom inventory, ancillary facilities program, and lodging product concept.
3. The estimates of occupancy and average daily rate in this report are based on a hotel offering standard facilities and amenities and typical double queen and king bedded rooms as well as some suites. The concept and brand selected could impact these estimates either higher or lower than what is presented in the report. We would be pleased to discuss with you what that potential impact could be and how it could affect the development of the proposed hotel however to make changes in the report would incur additional fees that would be discussed with you at the time.
4. As in all studies of this type, the estimated results are based upon competent and efficient management and effective marketing.
5. Estimated results are also based on an evaluation of the present general economy of the area and do not take into account, or make provisions for, the effect of any sharp rise or decline in local or general economic conditions, which may occur. There usually will be differences between the estimated and actual results, because events and circumstances frequently do not occur as expected. Such differences may be material.
6. It is expressly understood that the scope of our study and report thereon does not include the possible impact of zoning or environmental regulations, licensing requirements or other such restrictions concerning the project except where such matters have been brought to our attention and disclosed in the report.
7. We have no obligation to update our findings regarding changes to the scope of the proposed development or changes in market conditions subsequent to the completion of our fieldwork. The information gathered during the course of the

fieldwork and used in this analysis is assumed to be accurate, although we cannot guarantee its accuracy.

8. Neither all nor part of the contents of this report shall be disseminated to the public through advertising media, news media, sales media, or any public means of communication without the prior written consent and approval of Patek Hospitality Consultants, Inc.
9. No liability is assumed for matters legal in nature. Patek Hospitality Consultants, Inc. cannot be held liable in any cause of action concerning this assignment for any compensatory dollar amount over and above the total fees collected from this engagement.
10. Any and all legal expenses incurred in the defense or representation of Patek Hospitality Consultants, Inc., its principals, and its employees will be the responsibility of the client.
11. We are not required to give testimony or attendance in court by reason of this assignment, with reference to the property in question, unless prior arrangements have been made and agreed to in writing.
12. Patek Hospitality Consultants, Inc. is not obligated, or qualified, to predict future political, economic, or social trends that may or may not occur as a result. Additionally, Patek Hospitality Consultants, Inc. reserves the right to make such adjustments to the analyses, opinions, and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available outside the scope of this initial engagement.

ADDENDUM

Smith Travel Research Trend Report

Carbondale, Illinois



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Carbondale, Illinois

January 2007 to January 2013
Currency: USD - US Dollar

Job Number: 483171_SADIM Staff: KK Created: March 18, 2013

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Tab 2 - Data by Measure

Carbondale, Illinois

Job Number: 483171_SADIM Staff: KK Created: March 18, 2013

Occupancy (%)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	44.1	60.4	61.1	62.1	62.5	64.7	64.7	72.5	61.9	70.1	57.0	46.6	60.6	44.1	
2008	44.1	61.6	61.4	66.4	65.8	70.8	69.1	74.9	56.7	67.7	55.7	44.4	61.5	44.1	
2009	51.6	59.9	55.2	68.2	77.0	73.9	70.2	74.5	64.2	58.4	48.9	41.7	61.3	51.6	
2010	41.2	50.4	54.5	59.0	57.1	64.2	64.8	70.5	61.5	67.6	59.3	39.5	57.5	41.2	
2011	38.0	53.0	59.5	70.3	67.1	68.7	68.4	68.6	51.7	60.0	52.3	37.6	58.0	38.0	
2012	39.7	50.9	57.4	62.0	64.7	64.1	57.4	64.7	58.0	61.2	54.9	39.6	56.2	39.7	
2013	42.2													42.2	
Avg	42.7	55.5	58.1	64.6	65.4	67.5	65.5	70.6	58.8	63.8	54.6	41.3	59.0	42.7	

ADR (\$)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	77.32	79.75	82.68	85.81	87.21	82.96	85.02	87.90	86.90	90.45	85.26	86.09	85.09	77.32	
2008	82.84	83.24	84.97	88.55	90.64	85.51	87.08	92.83	90.12	93.17	86.99	82.14	87.74	82.84	
2009	83.02	85.73	86.56	86.36	90.16	85.76	87.72	91.69	86.52	91.79	86.36	81.71	87.29	83.02	
2010	79.72	79.87	83.70	85.21	89.43	84.84	81.30	89.02	87.23	93.78	87.87	81.58	85.79	79.72	
2011	82.65	85.40	87.29	90.16	92.55	88.86	91.29	92.77	94.71	95.31	91.63	85.66	90.29	82.65	
2012	83.60	87.61	85.94	88.90	96.70	88.25	91.64	92.96	92.47	94.24	89.51	87.14	90.31	83.60	
2013	85.98													85.98	
Avg	82.24	83.63	85.23	87.63	91.34	86.18	87.37	91.20	89.64	93.17	88.04	84.03	87.82	82.24	

RevPAR (\$)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	34.13	48.13	50.48	53.26	54.55	53.65	55.02	63.75	53.79	63.37	48.64	40.14	51.60	34.13	
2008	36.56	51.25	52.15	58.77	59.64	60.55	60.14	69.57	51.11	63.10	48.45	36.51	54.00	36.56	
2009	42.87	51.32	47.81	58.89	69.38	63.36	61.55	68.30	55.56	53.64	42.24	34.04	53.49	42.87	
2010	32.82	40.23	45.61	50.29	51.10	54.51	52.67	62.75	53.61	63.38	52.10	32.21	49.31	32.82	
2011	31.37	45.28	51.92	63.39	62.07	61.07	62.49	63.67	49.00	57.18	47.91	32.17	52.32	31.37	
2012	33.18	44.63	49.32	55.14	62.57	56.54	52.62	60.13	53.62	57.67	49.17	34.53	50.78	33.18	
2013	36.30													36.30	
Avg	35.09	46.45	49.48	56.59	59.75	58.18	57.26	64.43	52.71	59.49	48.05	34.70	51.81	35.09	

Supply														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	9,610	8,680	9,610	9,300	9,610	9,300	9,610	9,610	9,300	9,610	9,300	9,610	113,150	9,610	
2008	9,610	8,680	9,610	9,300	9,610	9,300	9,610	9,610	9,300	9,610	9,300	9,610	113,150	9,610	
2009	9,610	8,680	9,610	9,300	9,610	9,300	9,610	9,610	9,300	11,873	11,490	11,873	119,866	9,610	
2010	11,873	10,724	11,873	11,490	11,873	11,490	11,873	11,873	11,490	11,873	11,490	11,873	139,795	11,873	
2011	11,873	10,724	11,873	11,490	11,873	11,490	11,873	11,873	11,460	11,842	11,460	11,842	139,673	11,873	
2012	11,842	10,696	11,842	11,460	11,842	11,460	11,842	11,842	11,460	11,842	11,460	11,842	139,430	11,842	
2013	11,842													11,842	
Avg	10,894	9,697	10,736	10,390	10,736	10,390	10,736	10,736	10,385	11,108	10,750	11,108	127,511	10,894	

Demand														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	4,242	5,239	5,868	5,772	6,011	6,014	6,219	6,970	5,756	6,733	5,305	4,480	68,609	4,242	
2008	4,241	5,344	5,898	6,173	6,323	6,585	6,637	7,202	5,274	6,509	5,180	4,271	69,637	4,241	
2009	4,962	5,196	5,308	6,342	7,395	6,871	6,743	7,159	5,972	6,938	5,620	4,946	73,452	4,962	
2010	4,888	5,401	6,469	6,782	6,784	7,382	7,591	8,369	7,061	8,024	6,812	4,687	80,350	4,888	
2011	4,506	5,686	7,062	8,079	7,963	7,896	8,127	8,149	5,929	7,105	5,992	4,447	80,941	4,506	
2012	4,700	5,449	6,796	7,108	7,662	7,342	6,800	7,660	6,645	7,247	6,296	4,693	78,398	4,700	
2013	4,999													4,999	
Avg	4,648	5,386	6,234	6,709	7,023	7,015	7,036	7,585	6,106	7,093	5,868	4,587	75,231	4,648	

Revenue (\$)														Total Year	Jan YTD
	January	February	March	April	May	June	July	August	September	October	November	December			
2007	328,000	417,799	485,144	495,296	524,218	498,946	528,767	612,629	500,213	609,024	452,323	385,698	5,838,057	328,000	
2008	351,313	444,818	501,158	546,599	573,148	563,086	577,954	668,582	475,284	606,439	450,615	350,829	6,109,825	351,313	
2009	411,959	445,432	459,452	547,670	666,700	589,284	591,468	656,404	516,723	636,836	485,322	404,152	6,411,400	411,959	
2010	389,647	431,390	541,486	577,874	606,711	626,280	625,300	744,987	615,954	752,496	598,589	382,383	6,893,097	389,647	
2011	372,417	485,571	616,409	728,389	737,001	701,659	741,949	755,969	561,563	677,145	549,053	380,927	7,308,052	372,417	
2012	392,911	477,381	584,023	631,926	740,945	647,910	623,122	712,039	614,464	682,986	563,537	408,934	7,080,178	392,911	
2013	429,809													429,809	
Avg	382,294	450,399	531,279	587,959	641,454	604,528	614,760	691,768	547,367	660,821	516,573	385,487	6,606,768	382,294	

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

Carbondale, Illinois

Job Number: 483171_SADIM Staff: KK Created: March 18, 2013

Occupancy														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2008	-0.0	2.0	0.5	6.9	5.2	9.5	6.7	3.3	-8.4	-3.3	-2.4	-4.7	1.5	-0.0
2009	17.0	-2.8	-10.0	2.7	17.0	4.3	1.6	-0.6	13.2	-13.7	-12.2	-6.3	-0.4	17.0
2010	-20.3	-15.9	-1.4	-13.4	-25.7	-13.0	-7.7	-5.4	-4.3	15.7	21.2	-5.2	-6.2	-20.3
2011	-7.8	5.3	9.2	19.1	17.4	7.0	5.7	-2.6	-15.8	-11.2	-11.8	-4.9	0.8	-7.8
2012	4.6	-3.9	-3.5	-11.8	-3.5	-6.8	-16.1	-5.8	12.1	2.0	5.1	5.5	-3.0	4.6
2013	6.4													6.4
Avg	-0.0	-3.1	-1.0	0.7	2.0	0.2	-2.0	-2.2	-0.6	-2.1	-0.0	-3.1	-1.5	-0.0

ADR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2008	7.1	4.4	2.8	3.2	3.9	3.1	2.4	5.6	3.7	3.0	2.0	-4.6	3.1	7.1
2009	0.2	3.0	1.9	-2.5	-0.5	0.3	0.7	-1.2	-4.0	-1.5	-0.7	-0.5	-0.5	0.2
2010	-4.0	-6.8	-3.3	-1.3	-0.8	-1.1	-7.3	-2.9	0.8	2.2	1.8	-0.2	-1.7	-4.0
2011	3.7	6.9	4.3	5.8	3.5	4.7	12.3	4.2	8.6	1.6	4.3	5.0	5.2	3.7
2012	1.1	2.6	-1.5	-1.4	4.5	-0.7	0.4	0.2	-2.4	-1.1	-2.3	1.7	0.0	1.1
2013	2.8													2.8
Avg	1.8	2.0	0.8	0.8	2.1	1.3	1.7	1.2	1.3	0.8	1.0	0.3	1.2	1.8

RevPAR														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2008	7.1	6.5	3.3	10.4	9.3	12.9	9.3	9.1	-5.0	-0.4	-0.4	-9.0	4.7	7.1
2009	17.3	0.1	-8.3	0.2	16.3	4.7	2.3	-1.8	8.7	-15.0	-12.8	-6.8	-0.9	17.3
2010	-23.4	-21.6	-4.6	-14.6	-26.3	-14.0	-14.4	-8.1	-3.5	18.2	23.3	-5.4	-7.8	-23.4
2011	-4.4	12.6	13.8	26.0	21.5	12.0	18.7	1.5	-8.6	-9.8	-8.0	-0.1	6.1	-4.4
2012	5.8	-1.4	-5.0	-13.0	0.8	-7.4	-15.8	-5.6	9.4	0.9	2.6	7.4	-2.9	5.8
2013	9.4													9.4
Avg	1.9	-0.8	-0.2	1.8	4.3	1.6	0.0	-1.0	0.2	-1.2	0.9	-2.8	-0.2	1.9

Supply														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2008	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
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	23.5	23.5	23.5	5.9	0.0
2010	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	23.5	0.0	0.0	0.0	16.6	23.5
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.3	-0.3	-0.3	-0.3	-0.1	0.0
2012	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	-0.3	0.0	0.0	0.0	0.0	-0.2	-0.3
2013	0.0													0.0
Avg	3.9	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.7	4.5	3.9

Demand														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2008	-0.0	2.0	0.5	6.9	5.2	9.5	6.7	3.3	-8.4	-3.3	-2.4	-4.7	1.5	-0.0
2009	17.0	-2.8	-10.0	2.7	17.0	4.3	1.6	-0.6	13.2	6.6	8.5	15.8	5.5	17.0
2010	-1.5	3.9	21.9	6.9	-8.3	7.4	14.1	16.9	18.2	15.7	21.2	-5.2	9.4	-1.5
2011	-7.8	5.3	9.2	19.1	17.4	7.0	5.7	-2.6	-16.0	-11.5	-12.0	-5.1	0.7	-7.8
2012	4.3	-4.2	-3.8	-12.0	-3.8	-7.0	-16.3	-6.0	12.1	2.0	5.1	5.5	-3.1	4.3
2013	6.4													6.4
Avg	3.1	0.9	3.6	4.7	5.5	4.2	2.3	2.2	3.8	1.9	4.1	1.3	2.8	3.1

Revenue														
	January	February	March	April	May	June	July	August	September	October	November	December	Total Year	Jan YTD
2008	7.1	6.5	3.3	10.4	9.3	12.9	9.3	9.1	-5.0	-0.4	-0.4	-9.0	4.7	7.1
2009	17.3	0.1	-8.3	0.2	16.3	4.7	2.3	-1.8	8.7	5.0	7.7	15.2	4.9	17.3
2010	-5.4	-3.2	17.9	5.5	-9.0	6.3	5.7	13.5	19.2	18.2	23.3	-5.4	7.5	-5.4
2011	-4.4	12.6	13.8	26.0	21.5	12.0	18.7	1.5	-8.8	-10.0	-8.3	-0.4	6.0	-4.4
2012	5.5	-1.7	-5.3	-13.2	0.5	-7.7	-16.0	-5.8	9.4	0.9	2.6	7.4	-3.1	5.5
2013	9.4													9.4
Avg	4.9	2.9	4.3	5.8	7.7	5.6	4.0	3.3	4.7	2.7	5.0	1.5	4.0	4.9

Tab 5 - Twelve Month Moving Average

Carbondale, Illinois

Job Number: 483171_SADIM Staff: KK Created: March 18, 2013

Occupancy (%)	January	February	March	April	May	June	July	August	September	October	November	December
2008	60.6	60.7	60.8	61.1	61.4	61.9	62.3	62.5	62.0	61.8	61.7	61.5
2009	62.2	62.1	61.5	61.7	62.6	62.9	63.0	62.9	63.6	62.7	61.9	61.3
2010	60.1	59.3	59.1	58.5	57.0	56.4	56.2	56.1	56.0	56.8	57.7	57.5
2011	57.2	57.4	57.8	58.8	59.6	60.0	60.3	60.1	59.3	58.7	58.1	58.0
2012	58.1	57.9	57.8	57.1	56.9	56.5	55.6	55.2	55.7	55.8	56.1	56.2
2013	56.4											

ADR (\$)	January	February	March	April	May	June	July	August	September	October	November	December
2008	85.43	85.70	85.89	86.13	86.45	86.66	86.85	87.35	87.60	87.84	87.97	87.74
2009	87.70	87.89	88.04	87.84	87.83	87.85	87.91	87.79	87.51	87.42	87.36	87.29
2010	87.07	86.64	86.39	86.29	86.19	86.09	85.47	85.27	85.35	85.64	85.78	85.79
2011	85.98	86.35	86.65	87.11	87.44	87.80	88.73	89.10	89.66	89.74	90.04	90.29
2012	90.33	90.49	90.39	90.28	90.67	90.62	90.64	90.65	90.49	90.40	90.24	90.31
2013	90.44											

RevPAR (\$)	January	February	March	April	May	June	July	August	September	October	November	December
2008	51.80	52.04	52.18	52.64	53.07	53.63	54.07	54.56	54.34	54.32	54.31	54.00
2009	54.53	54.54	54.17	54.18	55.01	55.24	55.36	55.25	55.62	54.79	54.06	53.49
2010	52.31	51.34	51.07	50.44	49.10	48.57	48.01	47.87	47.83	48.65	49.46	49.31
2011	49.19	49.57	50.11	51.19	52.12	52.66	53.49	53.57	53.19	52.66	52.32	52.32
2012	52.48	52.43	52.21	51.53	51.57	51.20	50.36	50.05	50.43	50.47	50.58	50.78
2013	51.04											

Supply	January	February	March	April	May	June	July	August	September	October	November	December
2008	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150
2009	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150	113,150	115,413	117,603	119,866
2010	122,129	124,173	126,436	128,626	130,889	133,079	135,342	137,605	139,795	139,795	139,795	139,795
2011	139,795	139,795	139,795	139,795	139,795	139,795	139,795	139,795	139,795	139,734	139,704	139,673
2012	139,642	139,614	139,583	139,553	139,522	139,492	139,461	139,430	139,430	139,430	139,430	139,430
2013	139,430											

Demand	January	February	March	April	May	June	July	August	September	October	November	December
2008	68,608	68,713	68,743	69,144	69,456	70,027	70,445	70,677	70,195	69,971	69,846	69,637
2009	70,358	70,210	69,620	69,789	70,861	71,147	71,253	71,210	71,908	72,337	72,777	73,452
2010	73,378	73,583	74,744	75,184	74,573	75,084	76,032	77,242	78,331	79,417	80,609	80,350
2011	79,968	80,253	80,846	82,143	83,322	83,836	84,272	84,052	82,920	82,001	81,181	80,941
2012	81,135	80,898	80,632	79,661	79,360	78,806	77,479	76,990	77,706	77,848	78,152	78,398
2013	78,697											

Revenue (\$)	January	February	March	April	May	June	July	August	September	October	November	December
2008	5,861,370	5,888,389	5,904,403	5,955,706	6,004,636	6,068,776	6,117,963	6,173,916	6,148,987	6,146,402	6,144,694	6,109,825
2009	6,170,471	6,171,085	6,129,379	6,130,450	6,224,002	6,250,200	6,263,712	6,251,534	6,292,973	6,323,370	6,358,077	6,411,400
2010	6,389,088	6,375,046	6,457,080	6,487,284	6,427,295	6,464,291	6,498,125	6,586,708	6,685,939	6,801,599	6,914,866	6,893,097
2011	6,875,867	6,930,048	7,004,971	7,155,486	7,285,776	7,361,155	7,477,804	7,488,786	7,434,395	7,359,044	7,309,508	7,308,052
2012	7,328,546	7,320,356	7,287,970	7,191,507	7,195,451	7,141,702	7,022,875	6,978,945	7,031,846	7,037,687	7,052,171	7,080,178
2013	7,117,076											

High value is boxed.

Low value is boxed and italicized.

Tab 6 - Day of Week Analysis

Carbondale, Illinois

Job Number: 483171_SADIM Staff: KK Created: March 18, 2013

Occupancy (%)								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Feb - 12	37.0	40.4	51.3	56.8	50.2	64.9	54.5	50.9
Mar - 12	35.5	54.6	59.4	58.0	60.7	61.3	67.7	57.4
Apr - 12	34.5	47.8	51.7	55.6	73.2	91.8	89.9	62.0
May - 12	42.5	44.9	55.2	58.6	73.1	84.8	95.6	64.7
Jun - 12	31.9	54.5	59.9	63.6	77.7	80.9	73.4	64.1
Jul - 12	34.9	47.6	50.7	58.0	75.0	73.5	72.0	57.4
Aug - 12	42.0	51.1	69.8	67.8	64.3	71.5	83.9	64.7
Sep - 12	44.7	42.4	54.6	50.6	47.6	76.1	86.2	58.0
Oct - 12	41.3	47.8	56.1	50.9	62.4	84.0	93.2	61.2
Nov - 12	30.0	44.7	47.9	48.0	55.8	74.4	78.8	54.9
Dec - 12	24.2	34.5	38.6	38.6	37.1	55.1	51.6	39.6
Jan - 13	31.1	38.3	41.4	38.5	41.2	52.7	53.7	42.2
Total Year	35.7	45.6	52.9	53.8	59.8	72.6	74.7	56.4

Three Year Occupancy (%)								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Feb 10 - Jan 11	36.7	48.8	56.7	57.6	59.9	69.5	71.3	57.2
Feb 11 - Jan 12	35.5	45.5	56.8	58.9	61.8	73.9	74.2	58.1
Feb 12 - Jan 13	35.7	45.6	52.9	53.8	59.8	72.6	74.7	56.4
Total 3 Yr	36.0	46.7	55.5	56.8	60.5	72.0	73.4	57.2

ADR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Feb - 12	81.31	85.70	88.35	86.45	91.59	87.42	90.68	87.61
Mar - 12	82.09	82.02	85.08	84.78	83.47	88.61	91.26	85.94
Apr - 12	79.42	84.47	86.08	86.42	87.08	94.10	95.73	88.90
May - 12	82.10	87.88	88.34	92.49	93.27	109.05	108.93	96.70
Jun - 12	79.87	80.23	83.22	87.10	85.03	96.47	93.67	88.25
Jul - 12	81.92	86.62	86.62	92.05	94.28	97.12	97.38	91.64
Aug - 12	88.21	87.51	91.74	90.74	91.41	97.80	98.22	92.96
Sep - 12	85.60	80.29	82.69	86.99	86.20	101.84	104.51	92.47
Oct - 12	85.51	87.46	88.70	88.15	89.58	102.57	106.42	94.24
Nov - 12	77.75	87.17	86.66	85.70	88.81	92.86	96.01	89.51
Dec - 12	79.45	82.79	85.65	86.47	89.51	91.20	90.11	87.14
Jan - 13	85.15	84.57	89.83	86.08	82.27	84.68	88.49	85.98
Total Year	82.65	84.76	87.06	88.08	88.75	95.96	97.76	90.44

Three Year ADR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Feb 10 - Jan 11	79.13	81.76	82.58	82.30	83.82	93.22	92.90	85.98
Feb 11 - Jan 12	80.69	84.75	86.55	86.99	88.78	97.72	97.87	90.33
Feb 12 - Jan 13	82.65	84.76	87.06	88.08	88.75	95.96	97.76	90.44
Total 3 Yr	80.81	83.70	85.36	85.76	87.14	95.68	96.22	88.91

RevPAR								Total Month
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Feb - 12	30.11	34.61	45.29	49.13	46.01	56.75	49.41	44.63
Mar - 12	29.17	44.82	50.50	49.21	50.65	54.32	61.83	49.32
Apr - 12	27.40	40.38	44.51	48.07	63.77	86.41	86.08	55.14
May - 12	34.87	39.45	48.75	54.24	68.17	92.49	104.16	62.57
Jun - 12	25.51	43.77	49.82	55.35	66.05	78.06	68.76	56.54
Jul - 12	28.58	41.25	43.93	53.35	70.69	71.42	70.15	52.62
Aug - 12	37.07	44.74	64.08	61.54	58.74	69.91	82.37	60.13
Sep - 12	38.23	34.03	45.18	44.05	41.00	77.53	90.05	53.62
Oct - 12	35.32	41.77	49.79	44.83	55.88	86.15	99.13	57.67
Nov - 12	23.30	38.94	41.50	41.14	49.54	69.05	75.69	49.17
Dec - 12	19.24	28.56	33.02	33.39	33.17	50.22	46.46	34.53
Jan - 13	26.46	32.40	37.20	33.18	33.90	44.61	47.48	36.30
Total Year	29.51	38.68	46.04	47.41	53.06	69.63	73.01	51.04

Three Year RevPAR								Total Year
Sun	Mon	Tue	Wed	Thu	Fri	Sat		
Feb 10 - Jan 11	29.04	39.93	46.86	47.39	50.23	64.80	66.24	49.19
Feb 11 - Jan 12	28.66	38.60	49.17	51.24	54.89	72.21	72.65	52.48
Feb 12 - Jan 13	29.51	38.68	46.04	47.41	53.06	69.63	73.01	51.04
Total 3 Yr	29.07	39.08	47.37	48.67	52.73	68.88	70.63	50.90

Tab 8 - Classic

Carbondale, Illinois
 Job Number: 483171_SADIM Staff: KK Created: March 18, 2013

Date	Occupancy		ADR		RevPar		Supply		Demand		Revenue		Census & Sample %		
	This Year	% Chg	Census Props	Census Rooms	% Rooms STAR Participants										
Jan 07	44.1		77.32		34.13		9,610		4,242		328,000		4	310	100.0
Feb 07	60.4		79.75		48.13		8,680		5,239		417,799		4	310	100.0
Mar 07	61.1		82.68		50.48		9,610		5,868		485,144		4	310	100.0
Apr 07	62.1		85.81		53.26		9,300		5,772		495,296		4	310	100.0
May 07	62.5		87.21		54.55		9,610		6,011		524,218		4	310	100.0
Jun 07	64.7		82.96		53.65		9,300		6,014		498,946		4	310	100.0
Jul 07	64.7		85.02		55.02		9,610		6,219		528,767		4	310	100.0
Aug 07	72.5		87.90		63.75		9,610		6,970		612,629		4	310	100.0
Sep 07	61.9		86.90		53.79		9,300		5,756		500,213		4	310	100.0
Oct 07	70.1		90.45		63.37		9,610		6,733		609,024		4	310	100.0
Nov 07	57.0		85.26		48.64		9,300		5,305		452,323		4	310	100.0
Dec 07	46.6		86.09		40.14		9,610		4,480		385,698		4	310	100.0
Jan YTD 2007	44.1		77.32		34.13		9,610		4,242		328,000				
Total 2007	60.6		85.09		51.60		113,150		68,609		5,838,057				
Jan 08	44.1	-0.0	82.84	7.1	36.56	7.1	9,610	0.0	4,241	-0.0	351,313	7.1	4	310	100.0
Feb 08	61.6	2.0	83.24	4.4	51.25	6.5	8,680	0.0	5,344	2.0	444,818	6.5	4	310	100.0
Mar 08	61.4	0.5	84.97	2.8	52.15	3.3	9,610	0.0	5,898	0.5	501,158	3.3	4	310	100.0
Apr 08	66.4	6.9	88.55	3.2	58.77	10.4	9,300	0.0	6,173	6.9	546,599	10.4	4	310	100.0
May 08	65.8	5.2	90.64	3.9	59.64	9.3	9,610	0.0	6,323	5.2	573,148	9.3	4	310	100.0
Jun 08	70.8	9.5	85.51	3.1	60.55	12.9	9,300	0.0	6,585	9.5	563,086	12.9	4	310	100.0
Jul 08	69.1	6.7	87.08	2.4	60.14	9.3	9,610	0.0	6,637	6.7	577,954	9.3	4	310	100.0
Aug 08	74.9	3.3	92.83	5.6	69.57	9.1	9,610	0.0	7,202	3.3	668,582	9.1	4	310	100.0
Sep 08	56.7	-8.4	90.12	3.7	51.11	-5.0	9,300	0.0	5,274	-8.4	475,284	-5.0	4	310	100.0
Oct 08	67.7	-3.3	93.17	3.0	63.10	-0.4	9,610	0.0	6,509	-3.3	606,439	-0.4	4	310	100.0
Nov 08	55.7	-2.4	86.99	2.0	48.45	-0.4	9,300	0.0	5,180	-2.4	450,615	-0.4	4	310	100.0
Dec 08	44.4	-4.7	82.14	-4.6	36.51	-9.0	9,610	0.0	4,271	-4.7	350,829	-9.0	4	310	100.0
Jan YTD 2008	44.1	-0.0	82.84	7.1	36.56	7.1	9,610	0.0	4,241	-0.0	351,313	7.1			
Total 2008	61.5	1.5	87.74	3.1	54.00	4.7	113,150	0.0	69,637	1.5	6,109,825	4.7			
Jan 09	51.6	17.0	83.02	0.2	42.87	17.3	9,610	0.0	4,962	17.0	411,959	17.3	4	310	100.0
Feb 09	59.9	-2.8	85.73	3.0	51.32	0.1	8,680	0.0	5,196	-2.8	445,432	0.1	4	310	100.0
Mar 09	55.2	-10.0	86.56	1.9	47.81	-8.3	9,610	0.0	5,308	-10.0	459,452	-8.3	4	310	100.0
Apr 09	68.2	2.7	86.36	-2.5	58.89	0.2	9,300	0.0	6,342	2.7	547,670	0.2	4	310	100.0
May 09	77.0	17.0	90.16	-0.5	69.38	16.3	9,610	0.0	7,395	17.0	666,700	16.3	4	310	100.0
Jun 09	73.9	4.3	85.76	0.3	63.36	4.7	9,300	0.0	6,871	4.3	589,284	4.7	4	310	100.0
Jul 09	70.2	1.6	87.72	0.7	61.55	2.3	9,610	0.0	6,743	1.6	591,466	2.3	4	310	100.0
Aug 09	74.5	-0.6	91.69	-1.2	68.30	-1.8	9,610	0.0	7,159	-0.6	656,404	-1.8	4	310	100.0
Sep 09	64.2	13.2	86.52	-4.0	55.56	8.7	9,300	0.0	5,972	13.2	516,723	8.7	4	310	100.0
Oct 09	58.4	-13.7	91.79	-1.5	53.64	-15.0	11,873	23.5	6,938	6.6	636,836	5.0	5	383	100.0
Nov 09	48.9	-12.2	86.36	-0.7	42.24	-12.8	11,490	23.5	5,620	8.5	485,322	7.7	5	383	100.0
Dec 09	41.7	-6.3	81.71	-0.5	34.04	-6.8	11,873	23.5	4,946	15.8	404,152	15.2	5	383	100.0
Jan YTD 2009	51.6	17.0	83.02	0.2	42.87	17.3	9,610	0.0	4,962	17.0	411,959	17.3			
Total 2009	61.3	-0.4	87.29	-0.5	53.49	-0.9	119,866	5.9	73,452	5.5	6,411,400	4.9			
Jan 10	41.2	-20.3	79.72	-4.0	32.82	-23.4	11,873	23.5	4,888	-1.5	389,647	-5.4	5	383	100.0
Feb 10	50.4	-15.9	79.87	-6.8	40.23	-21.6	10,724	23.5	5,401	3.9	431,390	-3.2	5	383	100.0
Mar 10	54.5	-1.4	83.70	-3.3	45.61	-4.6	11,873	23.5	6,469	21.9	541,486	17.9	5	383	100.0
Apr 10	59.0	-13.4	85.21	-1.3	50.29	-14.6	11,490	23.5	6,782	6.9	577,874	5.5	5	383	100.0
May 10	57.1	-25.7	89.43	-0.8	51.10	-26.3	11,873	23.5	6,784	-8.3	606,711	-9.0	5	383	100.0
Jun 10	64.2	-13.0	84.84	-1.1	54.51	-14.0	11,490	23.5	7,382	7.4	626,280	6.3	5	383	100.0
Jul 10	64.8	-7.7	81.30	-7.3	52.67	-14.4	11,873	23.5	7,691	14.1	625,300	5.7	5	383	82.8
Aug 10	70.5	-5.4	89.02	-2.9	62.75	-8.1	11,873	23.5	8,369	16.9	744,987	13.5	5	383	82.8
Sep 10	61.5	-4.3	87.23	0.8	53.61	-3.5	11,490	23.5	7,061	18.2	615,954	19.2	5	383	82.8
Oct 10	67.6	15.7	93.78	2.2	63.38	18.2	11,873	0.0	8,024	15.7	752,496	18.2	5	383	82.8
Nov 10	59.3	21.2	87.87	1.8	52.10	23.3	11,490	0.0	6,812	21.2	598,589	23.3	5	383	82.8

Jan YTD 2010	41.2	-20.3	79.72	-4.0	32.82	-23.4	11,873	23.5	4,888	-1.5	389,647	-5.4			
Total 2010	57.5	-6.2	85.79	-1.7	49.31	-7.8	139,795	16.6	80,350	9.4	6,893,097	7.5			
Jan 11	38.0	-7.8	82.65	3.7	31.37	-4.4	11,873	0.0	4,506	-7.8	372,417	-4.4	5	383	82.8
Feb 11	53.0	5.3	85.40	6.9	45.28	12.6	10,724	0.0	5,686	5.3	485,571	12.6	5	383	82.8
Mar 11	59.5	9.2	87.29	4.3	51.92	13.8	11,873	0.0	7,062	9.2	616,409	13.8	5	383	82.8
Apr 11	70.3	19.1	90.16	5.8	63.39	26.0	11,490	0.0	8,079	19.1	728,389	26.0	5	383	82.8
May 11	67.1	17.4	92.55	3.5	62.07	21.5	11,873	0.0	7,963	17.4	737,001	21.5	5	383	82.8
Jun 11	68.7	7.0	88.86	4.7	61.07	12.0	11,490	0.0	7,896	7.0	701,659	12.0	5	383	82.8
Jul 11	68.4	5.7	91.29	12.3	62.49	18.7	11,873	0.0	8,127	5.7	741,949	18.7	5	383	82.8
Aug 11	68.6	-2.6	92.77	4.2	63.67	1.5	11,873	0.0	8,149	-2.6	755,969	1.5	5	383	82.8
Sep 11	51.7	-15.8	94.71	8.6	49.00	-8.6	11,460	-0.3	5,929	-16.0	561,563	-8.8	5	382	100.0
Oct 11	60.0	-11.2	95.31	1.6	57.18	-9.8	11,842	-0.3	7,105	-11.5	677,145	-10.0	5	382	100.0
Nov 11	52.3	-11.8	91.63	4.3	47.91	-8.0	11,460	-0.3	5,992	-12.0	549,053	-8.3	5	382	100.0
Dec 11	37.6	-4.9	85.66	5.0	32.17	-0.1	11,842	-0.3	4,447	-5.1	380,927	-0.4	5	382	100.0
Jan YTD 2011	38.0	-7.8	82.65	3.7	31.37	-4.4	11,873	0.0	4,506	-7.8	372,417	-4.4			
Total 2011	58.0	0.8	90.29	5.2	52.32	6.1	139,673	-0.1	80,941	0.7	7,308,052	6.0			
Jan 12	39.7	4.6	83.60	1.1	33.18	5.8	11,842	-0.3	4,700	4.3	392,911	5.5	5	382	100.0
Feb 12	50.9	-3.9	87.61	2.6	44.63	-1.4	10,696	-0.3	5,449	-4.2	477,381	-1.7	5	382	100.0
Mar 12	57.4	-3.5	85.94	-1.5	49.32	-5.0	11,842	-0.3	6,796	-3.8	584,023	-5.3	5	382	100.0
Apr 12	62.0	-11.8	88.90	-1.4	55.14	-13.0	11,460	-0.3	7,108	-12.0	631,926	-13.2	5	382	100.0
May 12	64.7	-3.5	96.70	4.5	62.57	0.8	11,842	-0.3	7,662	-3.8	740,945	0.5	5	382	100.0
Jun 12	64.1	-6.8	88.25	-0.7	56.54	-7.4	11,460	-0.3	7,342	-7.0	647,910	-7.7	5	382	100.0
Jul 12	57.4	-16.1	91.64	0.4	52.62	-15.8	11,842	-0.3	6,800	-16.3	623,122	-16.0	5	382	100.0
Aug 12	64.7	-5.8	92.96	0.2	60.13	-5.6	11,842	-0.3	7,660	-6.0	712,039	-5.8	5	382	100.0
Sep 12	58.0	12.1	92.47	-2.4	53.62	9.4	11,460	0.0	6,645	12.1	614,464	9.4	5	382	100.0
Oct 12	61.2	2.0	94.24	-1.1	57.67	0.9	11,842	0.0	7,247	2.0	682,986	0.9	5	382	100.0
Nov 12	54.9	5.1	89.51	-2.3	49.17	2.6	11,460	0.0	6,296	5.1	563,537	2.6	5	382	100.0
Dec 12	39.6	5.5	87.14	1.7	34.53	7.4	11,842	0.0	4,693	5.5	408,934	7.4	5	382	100.0
Jan YTD 2012	39.7	4.6	83.60	1.1	33.18	5.8	11,842	-0.3	4,700	4.3	392,911	5.5			
Total 2012	56.2	-3.0	90.31	0.0	50.78	-2.9	139,430	-0.2	78,398	-3.1	7,080,178	-3.1			
Jan 13	42.2	6.4	85.98	2.8	36.30	9.4	11,842	0.0	4,999	6.4	429,809	9.4	5	382	100.0
Jan YTD 2013	42.2	6.4	85.98	2.8	36.30	9.4	11,842	0.0	4,999	6.4	429,809	9.4			

Tab 10 - Help

Methodology

While virtually every chain in the United States provides STR with data on almost all of their properties, there are still some hotels that don't submit data. But we've got you covered.

Every year we examine guidebook listings and hotel directories for information on hotels that don't provide us with data. We don't stop there. We call each hotel in our database every year to obtain "published" rates for multiple categories. Based on this information we group all hotels - those that report data and those that don't - into groupings based off of price level and geographic proximity. We then estimate the non-respondents based off of nearby hotels with similar price levels.

Similarly, we sometimes obtain monthly data from a property, but not daily data. We use a similar process. We take the monthly data that the property has provided, and distribute it to the individual days based on the revenue and demand distribution patterns of similar hotels in the same location.

We believe it imperative to perform this analysis in order to provide interested parties with our best estimate of total lodging demand and room revenue on their areas of interest. Armed with this information a more informed decision can be made.

Glossary

ADR (Average Daily Rate)

Room revenue divided by rooms sold, displayed as the average rental rate for a single room.

Affiliation Date

Date the property affiliated with current chain/flag

Census (Properties and Rooms)

The number of properties and rooms that exist within the selected property set or segment.

Change in Rooms

Indicator of whether or not an individual hotel has added or removed rooms from their inventory.

Exchange Rate

The factor used to convert revenue from U.S. Dollars to the local currency. The exchange rate data is obtained 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 Historical Trend

Data on selected properties or segments starting in 2000.

Demand (Rooms Sold)

The number of rooms sold (excludes complimentary rooms).

Full Historical Trend

Data on selected properties or segments starting in 1987.

Occupancy

Rooms sold divided by rooms available. Occupancy is always displayed as a percentage of rooms occupied.

Open Date

Date the property opened as a lodging establishment.

Percent Change

Amount of growth, up, flat, or down from the same period last year (month, ytd, three months, twelve months). Calculated as $((TY-LY)/LY) * "100"$.

Revenue (Room Revenue)

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

RevPAR (Revenue Per Available Room)

Room revenue divided by rooms available

Sample % (Rooms)

The % of rooms from which STR receives data. Calculated as $(\text{Sample Rooms}/\text{Census Rooms}) * "100"$.

Standard Historical Trend

Data on selected properties or segments starting in 2005.

STR Code

Smith Travel Research's proprietary numbering system. Each hotel in the lodging census has a unique STR code.

Supply (Rooms Available)

The number of rooms times the number of days in the period.

Twelve Month Moving Average

The value of any given month is computed by taking the value of that month and the values of the eleven preceding months, adding them together and dividing by twelve.

Year to Date

Average or sum of values starting January 1 of the given year.