COMPREHENSIVE HOTEL MARKET FEASIBILITY STUDY

PREPARED FOR

Spencer, Iowa

PREPARED BY

Core Distinction Group, LLC

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Offices in Wisconsin

INCLUDES

Introduction/Objective
Community Overview
Executive Summary
Economic Overview
Market Demand Area
Lodging Demand
Lodging Supply
Lodging/Competitive Data
Regional Data
Conclusion

TAKING THE FIRST STEP TO DEVELOP A NEW HOTEL IN YOUR COMMUNITY

Organization: City of Spencer, IA
Attention: Kevin Robinson, City Manager
Address: 101 W 5th Street
City, State, Zip Code: Spencer, IA 51301

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

As in all studies of this type, the estimated results are based upon competent and efficient management and an effective marketing program and presume no significant change in the competitive position of the hotel industry from that set forth in this report. We have no responsibility to update this report for events and circumstances occurring after completion of our research conducted in November and December of 2025. These projections are based upon estimates, assumptions and other information developed from our research and we do not warrant that they will be attained. We do not consider the legal and regulatory requirements applicable to this project, including zoning, permits, licenses and other state and local government regulations.

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

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

Jessica Junker

Managing Partner
Core Distinction Group, LLC

Table of Contents

Table of Contents

Table of Contents

Introduction

The following Comprehensive Lodging Feasibility Study Report will review the potential development of a hotel in Spencer, WI.

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

Intended User - Spencer, IA is the only intended user for this report.

Core Distinction Group, LLC has been engaged to provide this Comprehensive Lodging Feasibility Study Report for the Spencer, IA market area. This Lodging Feasibility Study provides an overview of information concerning the market area and the factors that would affect the possible development of a hotel facility in this community.

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

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

Community Overview

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

Community Overview

Spencer, Iowa is a regional hub community in northwest Iowa and the county seat of Clay County, with a population of roughly 11,400 residents. The city is located along the Little Sioux River and serves as the commercial and service center for a broad rural trade area, drawing people in from surrounding farm communities for shopping, healthcare, education, and entertainment. Its historic downtown along Grand Avenue features a traditional Main Street streetscape with local retailers, professional offices, and restaurants that anchor everyday life in the community and give Spencer a distinctive small-town character.

The local economy of Spencer is diverse for a community of its size, combining agriculture, manufacturing, healthcare, and retail trade. As the center of a strong agricultural region, Spencer benefits from grain, livestock, and agribusiness activity in Clay County and neighboring counties, which in turn supports ag-related suppliers, implement dealers, and transportation firms. At the same time, Spencer has developed a robust base of non-agricultural employment including medical services, banking, professional services, and light industry, positioning the city as an employment destination for the region. Data for the city show a modest but stable population and household income levels that reflect its role as a working regional center rather than a bedroom community.

Spencer is perhaps best known for the Clay County Fair, which brands itself as the "World's Greatest County Fair" and is one of the largest county fairs in the United States. Held annually each September at the Clay County Fairgrounds on the edge of town, the event features extensive livestock and agricultural exhibits, major concerts and grandstand entertainment, a large midway, and diverse food vendors. Beyond being a signature cultural tradition for local residents, the fair has a significant economic impact, drawing hundreds of thousands of visitors from across Iowa, Minnesota, and the broader Upper Midwest, generating hotel stays, restaurant traffic, and retail spending in Spencer and the surrounding area. Recent analyses highlight the fair's contribution to nonprofit fundraising, employment, and overall visitor spending, underscoring its importance to the community's economic health and identity.

Community Overview – Continued

Quality of life amenities in Spencer are anchored by an extensive parks and recreation system and the scenic Little Sioux River corridor. East Leach Park and other neighborhood parks host playgrounds, athletic fields, picnic shelters, and community programs, while the Spencer Aquatic Center, splash pad, and municipal golf course provide seasonal recreation opportunities for families and older adults alike. The city's parks department organizes activities such as summer playground programs, youth sports, and community events that help knit residents together and give children structured recreation opportunities close to home.

Outdoor enthusiasts are also served by the Spencer Recreational Trail system, a paved multi-use route that loops through the community and connects neighborhoods with parks, wetlands, and the riverfront. The system stretches more than a dozen miles, with segments suitable for biking, walking, running, and in some places, winter activities like cross-country skiing, and it links to attractions such as Riverview Park and the Clay County Heritage Center. The combination of trails, river access, and nearby natural areas provides residents with ample options for everyday wellness activities and has become a selling point for families and active retirees considering Spencer as a place to live.

Cultural and civic life in Spencer is supported by a variety of institutions and organizations that help the city punch above its weight in arts, entertainment, and community engagement. Arts on Grand serves as a local arts center and gallery space; the SCT Playhouse offers live community theater; and the Clay County Heritage Center preserves and interprets local history. Downtown revitalization efforts through Spencer Main Street showcase the historic commercial district, promote special events, and encourage investment in façades and upper-story housing, helping the city maintain a lively and attractive core. Together with the fairgrounds and year-round events at the Clay County Events Center, these organizations provide residents with a steady stream of performances, exhibits, festivals, and family-friendly activities.

Community Overview – Continued

Overall, Spencer functions as a full-service regional center that blends small-town accessibility with amenities more typical of a larger community. Its stable population base, diverse economy, and strong agricultural roots are complemented by recreational assets, robust cultural institutions, and a signature annual fair that attracts visitors from far outside Clay County. With continued investment in downtown, parks and trails, and community facilities, Spencer appears well positioned to remain “Spencer Strong,” serving as a focal point for commerce, culture, and everyday life for residents throughout northwest Iowa.

Executive Summary

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

- Methodology
- Current Hotel Segment Recommendations for Market Studied
- Current Hotel Size Recommendations for Market Studied
- Current Hotel Room Configuration Recommendations for Market Studied
- Current Economic Impact of Hotel in Market Studied

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

Executive Summary

It is the opinion of Core Distinction Group, LLC, that at the time of this study, the community of Spencer, Iowa and the immediate surrounding areas offer the current and future demand to support the proposed hotel development in this Comprehensive Hotel Market Feasibility Study. The conclusion and recommendations within this Comprehensive Hotel Market Feasibility Study was based on but not limited to the following criteria:

- ✓ Overall Economic Condition of Community
- ✓ Overall Market Demand Areas
- ✓ Location of Proposed Property
- ✓ Local Demand Generator Need
- ✓ Lodging Supply in Community
- ✓ Trending Lodging Data of Current Lodging Supply
- ✓ Impact of New Hotel Development on Current Lodging Supply
- ✓ Cost of Construction of New Hotel Development
- ✓ Potential Revenue of New Hotel Development
- ✓ Cost of Operation of New Hotel Development

Executive Summary – continued

Based on the information provided to Core Distinction Group, LLC at the time of researching the subject community, the following recommendations are made:

Property segment recommended for the potential development of a hotel is an Upper Midscale to Upscale hotel. For the purpose of this study, Core Distinction Group, LLC, focuses on an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that this new hotel would capture displaced Lodging Demand currently staying in markets surrounding Spencer, WI. Additionally, the newness of the hotel should be well received in the marketplace. It's location will be ideal to serve Spencer and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation for the Upper Midscale, newly developed hotel was researched to be between 45 and 55 guestrooms in this report. This would position it to be similar in size to the average room size of 53 units noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Executive Summary – Continued

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 8-10 full-time equivalent jobs. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel. Below you will find a summary of the total Estimated Economic Impact of the potential new hotel project over the first five years open:

✓ Estimated Increase in Sales Tax	$638,273
✓ Estimated Increase in Lodging Tax	$731,562
✓ Estimated Increase in Real Estate/Property Tax	$432,140
✓ Estimated Increase in area Restaurant Sales Revenue	$3,615,170
✓ Estimated Increase in area Entertainment Revenue	$3,428,178
✓ Estimated Increase in Alcohol Sales Revenue	$1,682,924
✓ Estimated Increase in Tip Revenue	$2,056,907

Total Estimated Economic Impact: $12,585,153**

*Details found in Economic Impact Summary

**Whole numbers- Numbers are rounded up in Economic Impact.

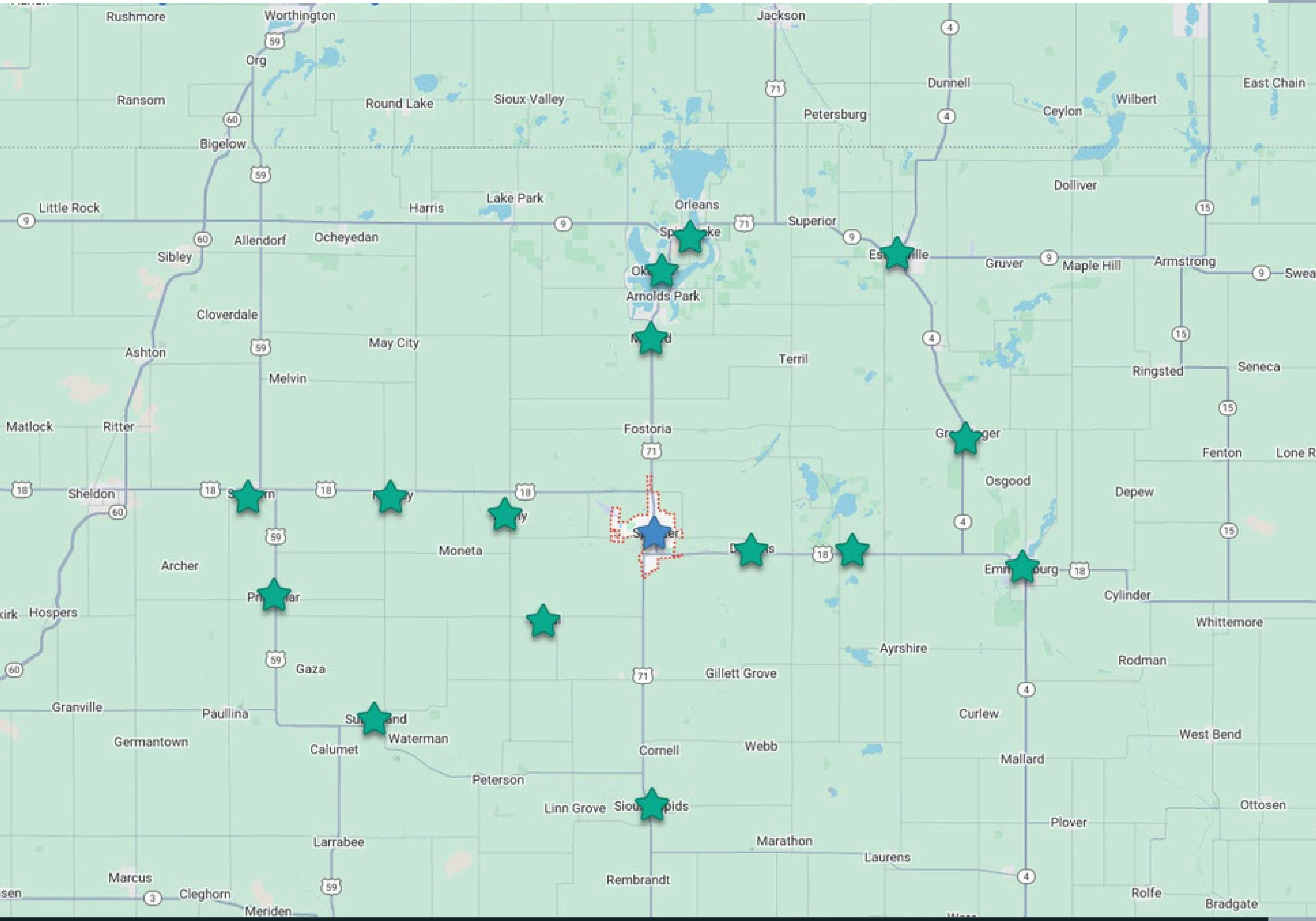
Feeder Markets

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

- Market Lodging Demand Area Map
- Feeder Market Community Overviews

Feeder Markets

Understanding feeder markets allows hoteliers to tailor their marketing strategies, pricing, and amenities to meet the preferences and needs of their target audience. By analyzing data on travel trends, economic conditions, and population dynamics in feeder markets, hotel developers can predict demand and estimate occupancy rates more accurately. Additionally, identifying strong feeder markets helps in forecasting revenue potential and determining the most effective channels for advertising and partnerships, such as travel agencies, corporate accounts, or tourism boards. Feeder market analysis also highlights opportunities to align the hotel's offerings with regional events, attractions, or transportation hubs, ensuring a steady flow of guests and a competitive advantage in the local hospitality landscape.



Feeder Markets – Continued

Spirit Lake, IA is a fast-growing city of about 5,400–5,500 residents and the county seat of Dickinson County, positioned along East Okoboji Lake in the heart of the Iowa Great Lakes. The community's economy blends strong tourism with manufacturing and service employment: Spirit Lake is recognized as a regional hub with a thriving downtown, major employers such as Polaris Industries and Pure Fishing, and a highly rated school system, hospital, and new regional veterans clinic. Tourism is driven by access to the chain of glacial lakes, Big Spirit Lake, East and West Okoboji and others, which support boating, fishing, lakeside dining, golf, and resort stays, making Spirit Lake a year-round base for vacationers visiting the Iowa Great Lakes.

Okoboji, IA is a small lakeside community whose identity is almost entirely tied to recreation and hospitality on West Lake Okoboji and the broader Iowa Great Lakes. The town sits on some of Iowa's clearest, deepest natural water and has a population in the hundreds, but it swells dramatically in summer with visitors drawn to Arnolds Park Amusement Park, Okoboji Classic Cars, the Iowa Great Lakes Maritime Museum, golf courses, lake cruises, and an active nightlife and restaurant scene. The local economy is heavily service-oriented, with hotels, vacation rentals, marinas, outfitters, shops, and seasonal attractions providing employment alongside year-round work in healthcare, manufacturing, and professional services that serve the broader region.

Milford, IA has roughly 3,200–3,300 residents and is widely promoted as the "Gateway to the Iowa Great Lakes," sitting at the southern end of the lake chain along U.S. Highway 71. The community supports more than 300 businesses, with its economy rooted in a mix of manufacturing, farming, retail, and professional services, plus many enterprises connected to the tourism draw of Okoboji and Spirit Lake. Milford offers multiple city parks, access to the 30-mile Iowa Great Lakes trail system that begins in town, and community events like Milford Pioneer Days, positioning it as a family-friendly residential base for workers and visitors engaged with the lakes region.

Feeder Markets – Continued

Estherville, IA is a county-seat community of about 5,800–5,900 people in Emmet County, located along the West Fork of the Des Moines River. Its economy is diversified, with manufacturing, healthcare and social assistance, and retail trade comprising the largest employment sectors, supplemented by education and small business. Estherville serves as a service and shopping hub for surrounding rural areas and benefits from nearby Iowa Lakes Community College and strong K–12 schools. Local recreation and tourism center on Fort Defiance State Park just west of town, a 190+ acre wooded park with rugged trails, a historic lodge, and access to the Emmet County Water Trail on the Des Moines River, plus nature-education opportunities at the Emmet County Conservation Nature Center.

Graettinger, IA is a small town in Palo Alto County with a population around 1,000 residents. The local economy reflects its rural setting, with employment spread across agriculture, related service businesses, small manufacturing, education, and local government; data show a relatively strong median household income compared with county and state figures, indicating a stable working-class community. Graettinger is known regionally for community events and its proximity to outdoor recreation on surrounding farmland, wetlands, and lakes of Palo Alto County, making it a quiet residential community within driving distance of the larger employment and tourism centers of Emmetsburg and the Iowa Great Lakes.

Emmetsburg, IA is a lakefront city of about 3,600–3,700 people and the county seat of Palo Alto County, situated along the southern bay of Five Island Lake. Its economy combines ag-related industries with notable employers such as Ag Processing Inc. (AGP), local and regional retail, health services, and hospitality. The Wild Rose Casino & Resort, a regional draw offering gaming, dining, and entertainment, and lodging like Brookstone Lodge & Suites strengthen Emmetsburg's role as a recreation and visitor hub. Five Island Lake itself anchors local tourism, providing boating, fishing, trails, and community events along the shoreline, while the city's economic development programs actively court new businesses and support a growing mix of industry and small enterprises.

Feeder Markets – Continued

Sioux Rapids, IA is a Little Sioux River town in Buena Vista County with a population in the 800–830 range. The local economy is rooted in agriculture and small businesses, farm operations, ag-support services, local retail, and trades, supplemented by residents who commute to larger employers in Storm Lake and other nearby centers. Income data show median household earnings somewhat below the state average but consistent with many rural Iowa communities. Sioux Rapids leverages its riverfront setting and nearby Gustafson Lake and Gabrielson Park for fishing, paddling, and picnicking, and it is regionally known for its annual "Tall Corn Days" festival each July, which brings visitors for parades, street dances, and family events that boost local commerce.

Sutherland, IA is a small community in O'Brien County with roughly 570–630 residents, located amid rolling farmland in northwest Iowa. Its economy is heavily agricultural, with farms and ag-service businesses, local retail, and a handful of small manufacturers and service providers forming the employment base; income levels are modest but generally comparable to statewide medians. Residents rely on Sutherland for day-to-day needs and community life while accessing larger retail, healthcare, and entertainment options in nearby county-seat and lakes-region communities, making Sutherland a classic rural Iowa town with strong ties to the land and surrounding farm economy.

Primghar, IA is the county seat of O'Brien County with a population just under 900 residents. As an administrative and service center, it houses the historic O'Brien County Courthouse and related government offices, law and professional services, and a small cluster of retail and service businesses that support a broader rural trade area. While agriculture remains the backbone of the surrounding economy, Primghar also benefits from traffic to nearby attractions such as the Prairie Heritage Center and regional businesses in neighboring communities, functioning as both a civic hub and residential community for farm families and public-sector employees.

Sanborn, IA is a community of about 1,500 residents in O'Brien County, located along U.S. Highway 18 and a regional rail line, which reinforces its role as a small trade and transportation hub in northwestern Iowa. Its economy centers on agriculture and agribusiness, local manufacturing, professional and administrative services, and public-sector employment; recent demographic trends show modest population growth and rising median household income, suggesting a reasonably healthy small-town economy.

Feeder Markets – Continued

Hartley, IA is known as "The City with a Heart," a town of about 1,600 people in O'Brien County that blends a strong agricultural base with a growing mix of small industry and services. Local employment is tied to grain and livestock farming, ag-support firms, manufacturing, education, and healthcare, with income and housing data indicating a modest but stable working- and middle-class community. Hartley's civic identity is reinforced by community traditions such as "Hartley Day," strong volunteerism, quality schools, and proximity to regional attractions in the Iowa Great Lakes and surrounding counties, making it a close-knit town that still enjoys the benefits of nearby tourism and trade corridors.

Everly, IA is a Clay County town of just under 600 residents located a short drive west of Spencer and south of the Iowa Great Lakes. Its economy is rooted in agriculture and local services, with residents employed on farms, in ag-support businesses, small retail, trades, and in jobs in nearby Spencer and the lakes area; median household income sits in the mid-$50,000 range and housing values are relatively affordable compared with state averages. Everly functions as a quiet bedroom and farm community with basic services and parks of its own, while relying on larger neighboring centers for major shopping, health care, and entertainment.

Ruthven, IA is a small city of roughly 750–770 people in Palo Alto County, positioned near Lost Island Lake and the Lost Island-Huston County Park complex. The local economy reflects a blend of agriculture, small businesses, and service employment, with median household income around the upper-$50,000 range and an economic profile typical of rural northwest Iowa. Ruthven's standout asset is its access to outdoor recreation, boating, fishing, camping, and wildlife viewing at Lost Island Lake and the county park draw both local residents and visitors, positioning the town as a low-key gateway to one of the region's notable natural and recreation areas.

Dickens, IA is a very small community in Clay County with about 130–140 residents, set among farmland between Spencer and the lakes region. Despite its size, income statistics show a relatively high median household income, reflecting a workforce engaged in a mix of professional, administrative, and hands-on roles, many of them likely commuting to jobs in surrounding towns such as Spencer and the Iowa Great Lakes communities. Dickens itself is a quiet residential village with minimal commercial development, functioning primarily as a rural neighborhood whose residents rely on nearby larger centers for shopping, services, and recreation while enjoying the open-country character of northwest Iowa.

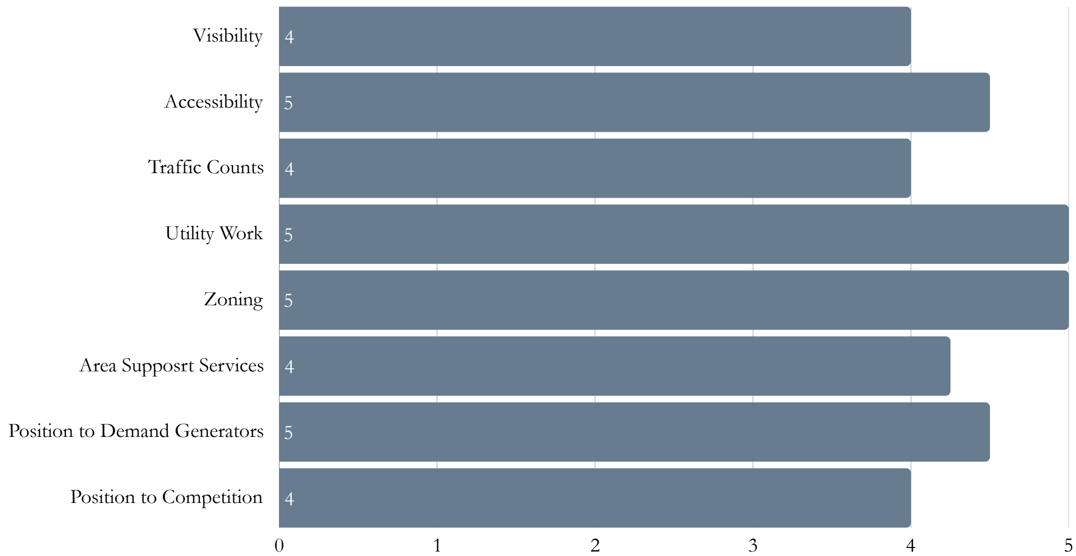
Site Analysis

For the purposes of this Comprehensive Hotel Market Feasibility Study, a representative with Core Distinction Group, LLC evaluated all sites requested by the client. The potential location/s are detailed in the following pages including analysis of each site.

- Site Rating
    - Visibility
    - Accessibility
    - Traffic Counts
    - Site Prep
    - Major Utilities
    - Zoning
    - Area Support Services
    - Demand
    - Generators
    - Competition Position
- Location
- Land Area
- Frontage
- Utilities
- Parking
- Traffic Counts

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

Site Analysis



Site Ratings: Each rating is based on the opinion of Core Distinction Group, LLC. Zero is a poor rating and five is a positive rating.

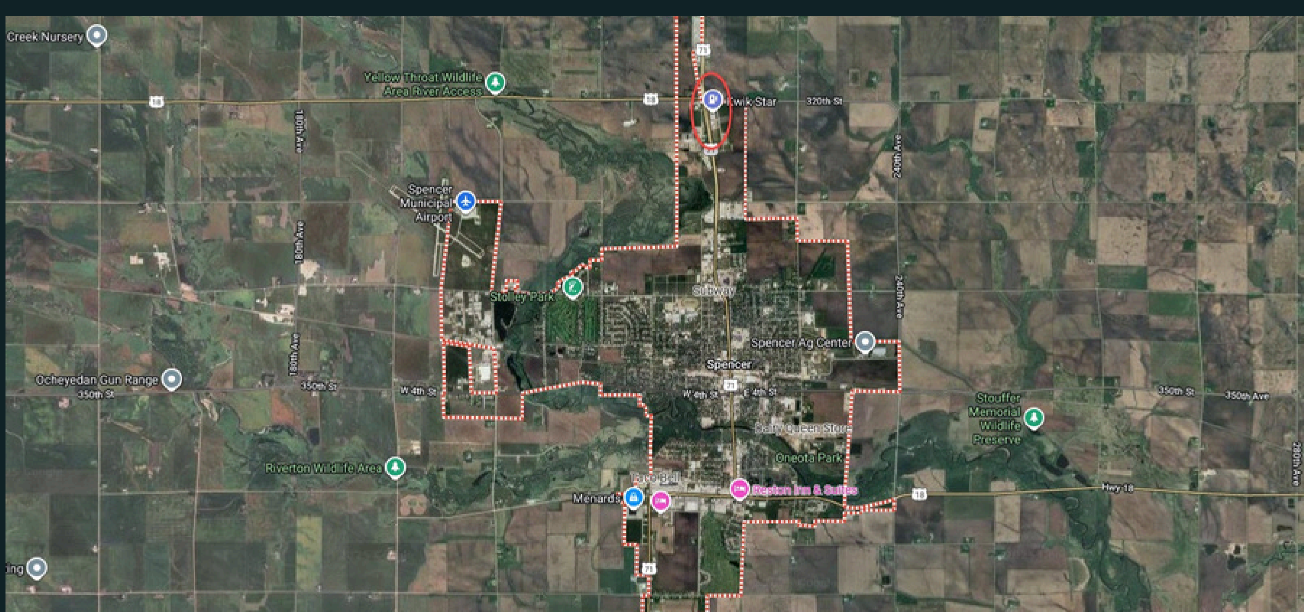
Frontage: This proposed property should offer high visibility to Highway 71 in Spencer.

Land Area: The site size for proposed location would be between two and two and a half acres.

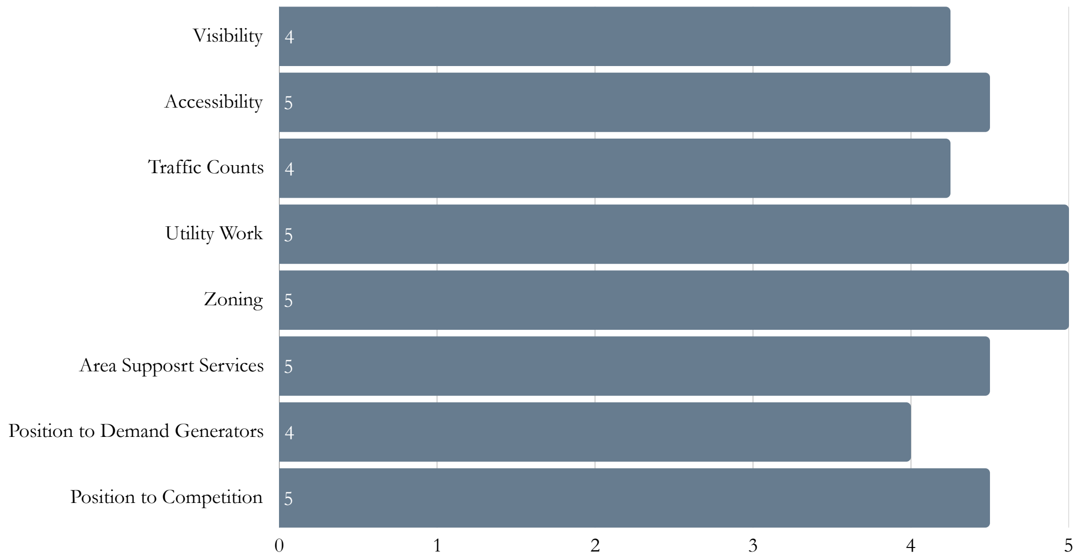
Utilities: It is to the understanding of Core Distinction Group, LLC that water, electricity and sewer are available in the general area.

Parking: This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.

Location: Vicinity of the intersection of Highway 18 and 71, on the North side of Spencer, IA



Site Analysis



Site Ratings: Each rating is based on the opinion of Core Distinction Group, LLC. Zero is a poor rating and five is a positive rating.

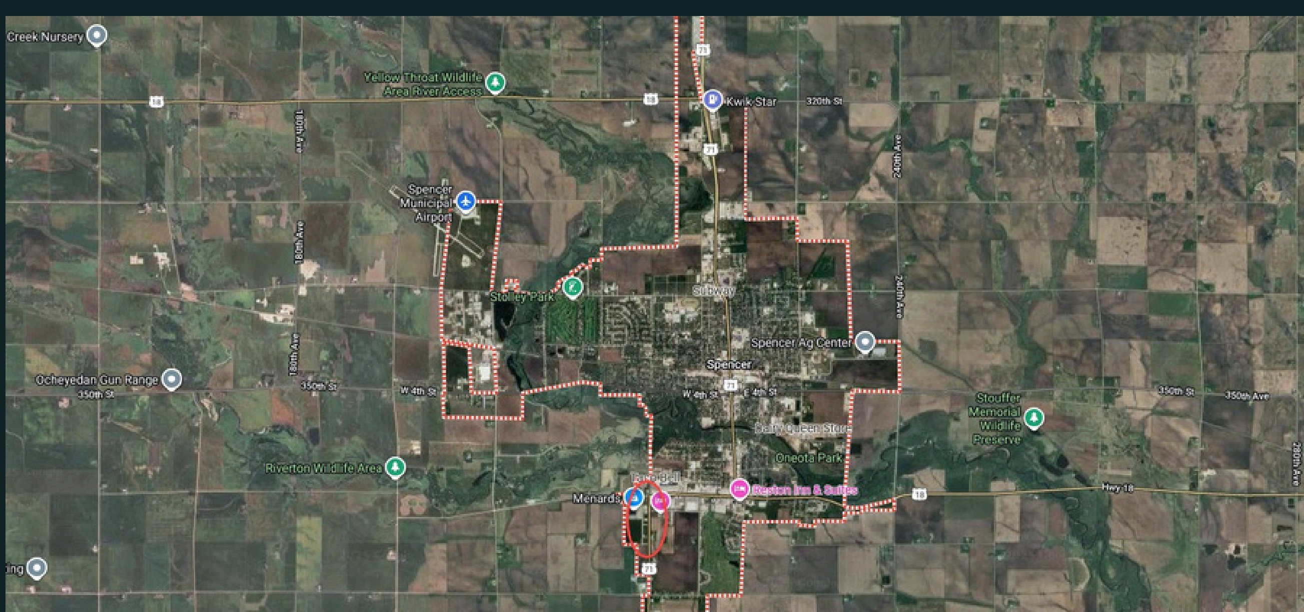
Frontage: This proposed property should offer high visibility to Highway 71 in Spencer.

Land Area: The site size for proposed location would be between two and two and a half acres.

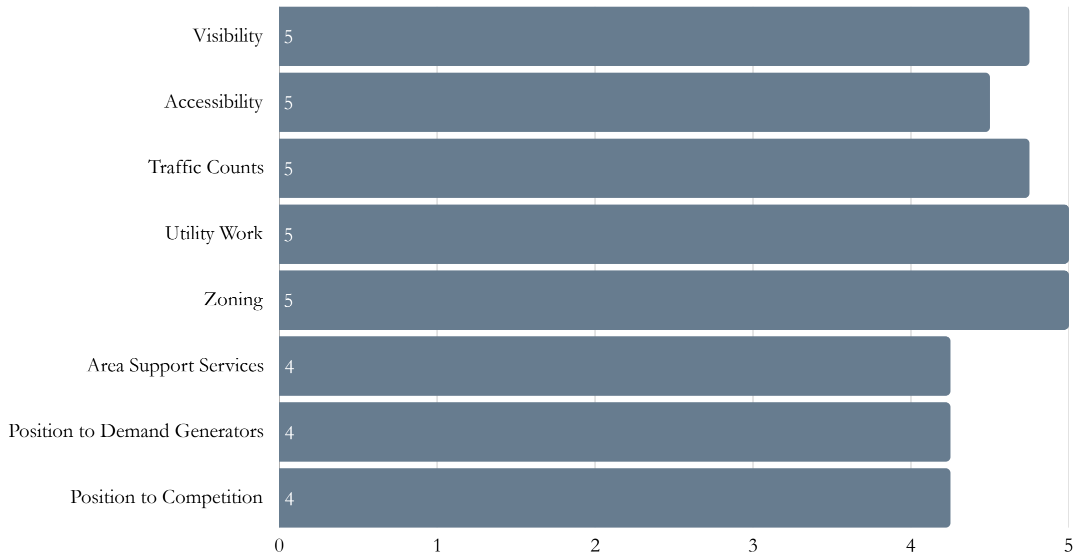
Utilities: It is to the understanding of Core Distinction Group, LLC that water, electricity and sewer are available in the general area.

Parking: This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.

Location: Along 71 on the South side of Spencer, IA



Site Analysis



Site Ratings: Each rating is based on the opinion of Core Distinction Group, LLC. Zero is a poor rating and five is a positive rating.

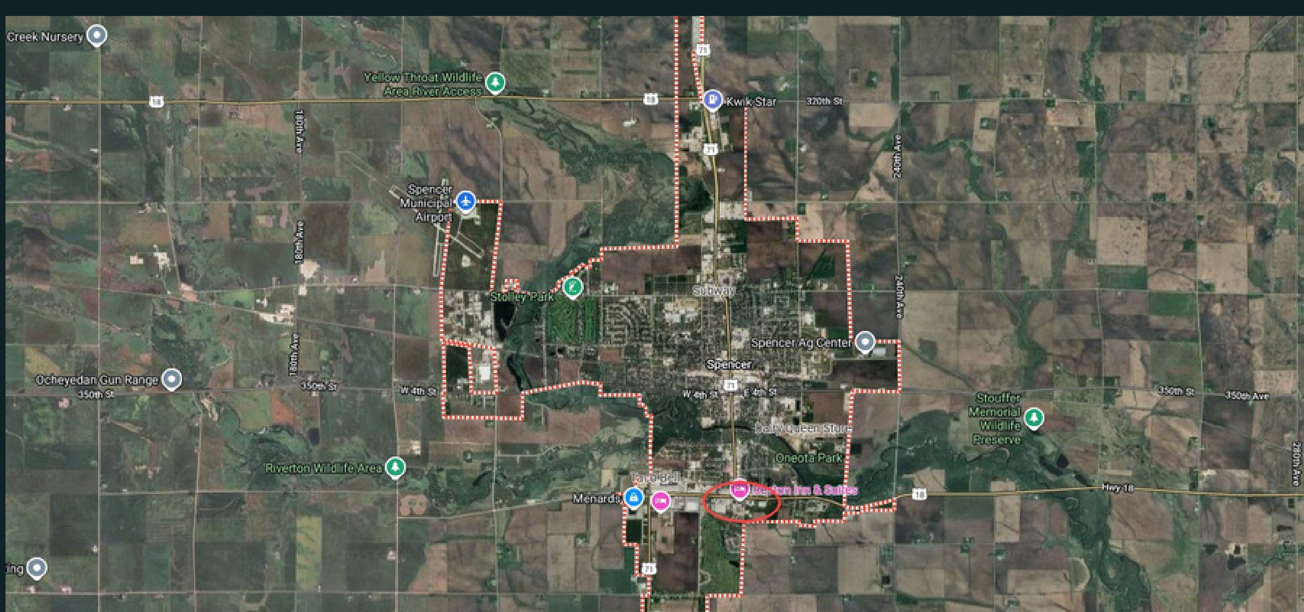
Frontage: This proposed property should offer high visibility to Highway 71 and 18 in Spencer.

Land Area: The site size for proposed location would be between two and two and a half acres.

Utilities: It is to the understanding of Core Distinction Group, LLC that water, electricity and sewer are available in the general area.

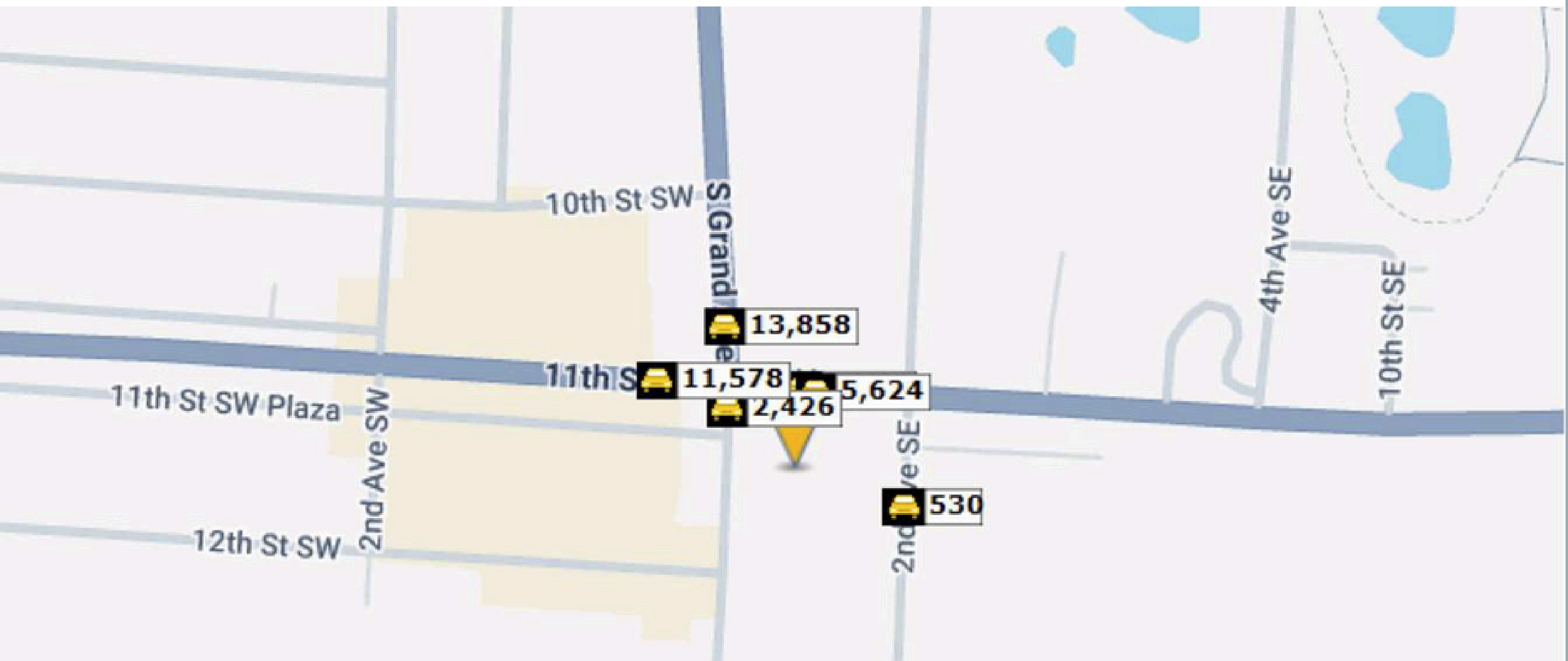
Parking: This area is assumed to offer a site that will be able to accommodate the appropriate number of parking spaces.

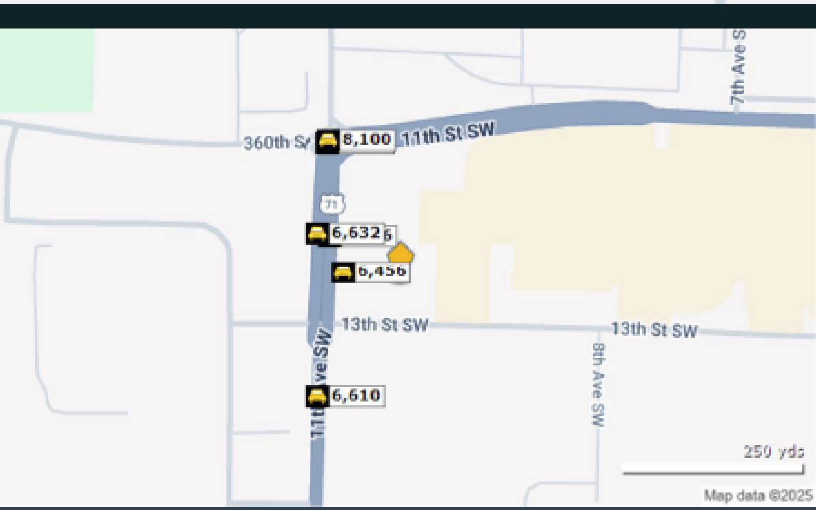
Location: In the vicinity of the intersection of 18 and 71 on the South side of Spencer, WI

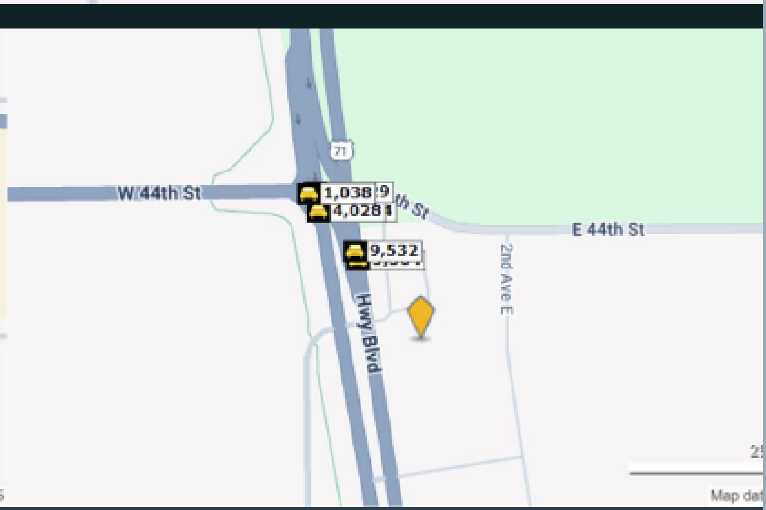


Traffic Counts

Traffic counts can be a critical component of a hotel market feasibility study because they provide valuable insights into the volume and patterns of potential customer flow near a proposed location. High traffic counts can indicate strong visibility and accessibility, both of which are key factors in attracting transient guests such as business travelers, tourists, and pass-through visitors. Traffic data helps assess whether the location has sufficient exposure to capture drive-by bookings or spur interest in nearby amenities. Additionally, traffic patterns can reveal peak times and seasonal variations, assisting in forecasting occupancy rates and revenue potential.By integrating traffic counts with other market indicators, such as demographics and competition, developers can make informed decisions about site selection and investment viability.







Community Interviews/Surveys

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

- Current and Potential Future Need for Lodging in the Market Studied
- Current Hotel Being Utilized by Survey Respondents
- Current Essential Amenities Being Utilized by Survey Respondents
- Scale or Quality Preferences of Survey Respondents

Community Interviews

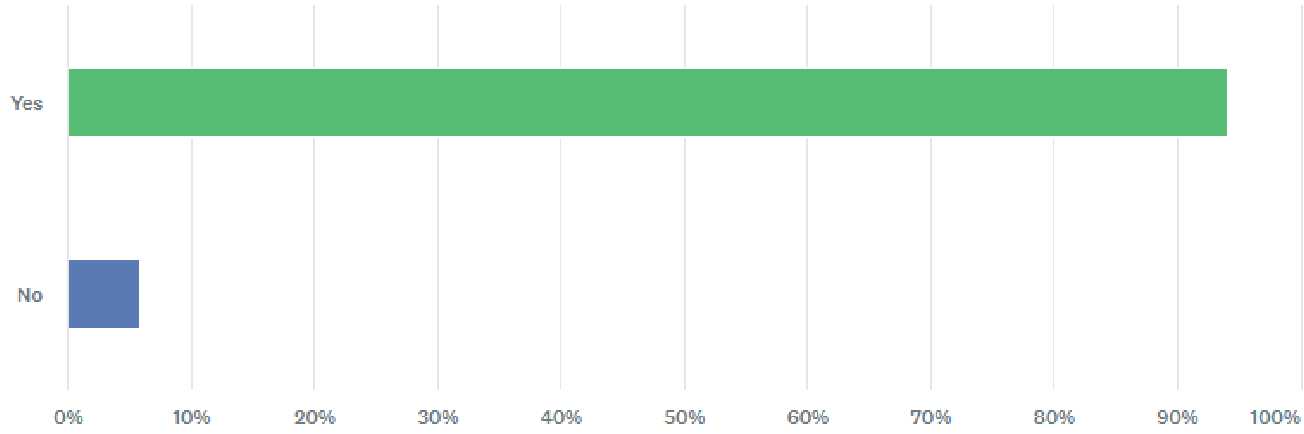
During the research phase of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC asked demand generators and leaders within the community all or some of the following *questions:

- ✓ Does your business or organization have a need for overnight accommodations?
- ✓ If yes, what is the approximate weekly or monthly need?
- ✓ Does your business or organization have a need for long-term or extended stay overnight accommodations?
- ✓ If yes, what is the approximate length of stay and how many guests per month/year?
- ✓ Where do you currently recommend these individuals to stay?
- ✓ In your opinion, do you believe the community in question would benefit from a new, branded hotel?
- ✓ If yes or no, please help us understand your stance on a new hotel. Why you do or do not feel it would benefit the community?
- ✓ In your opinion, what amenities does this hotel offer that are important to your clients?
- ✓ Do you have additional comments or contacts you would recommend we speak to?

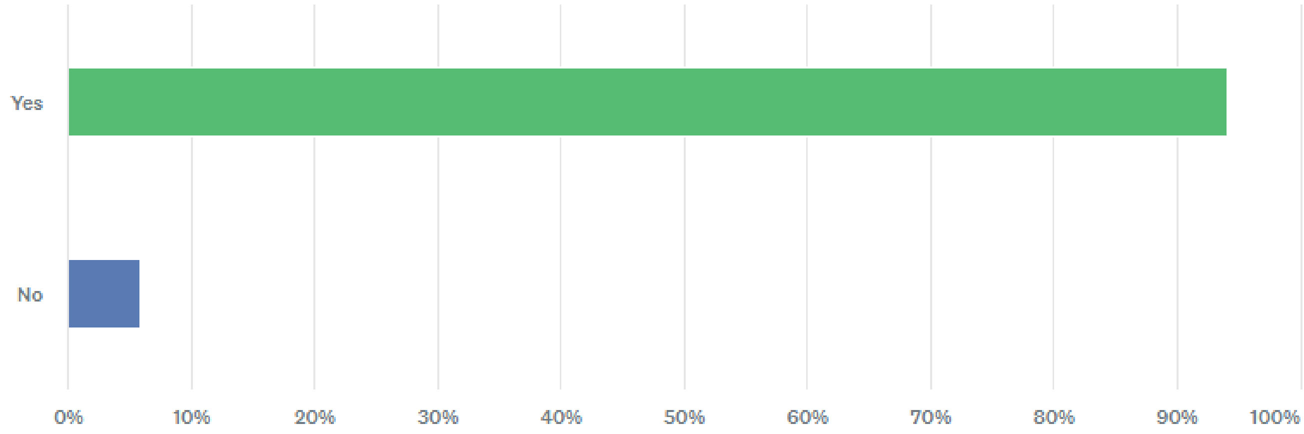
*Questions are not limited to the above questions. Representatives from Core Distinction Group look to expand on each question, if needed, to identify all lodging needs in the community.

Community Interviews – Continued

When Core Distinction Group asked individual businesses in the area if they had a need for new, quality accommodations in the community, 94% identified a specific need:



When Core Distinction Group asked individual businesses in the area if there is a need in Spencer, Iowa for a new hotel, nearly 94% stated yes:



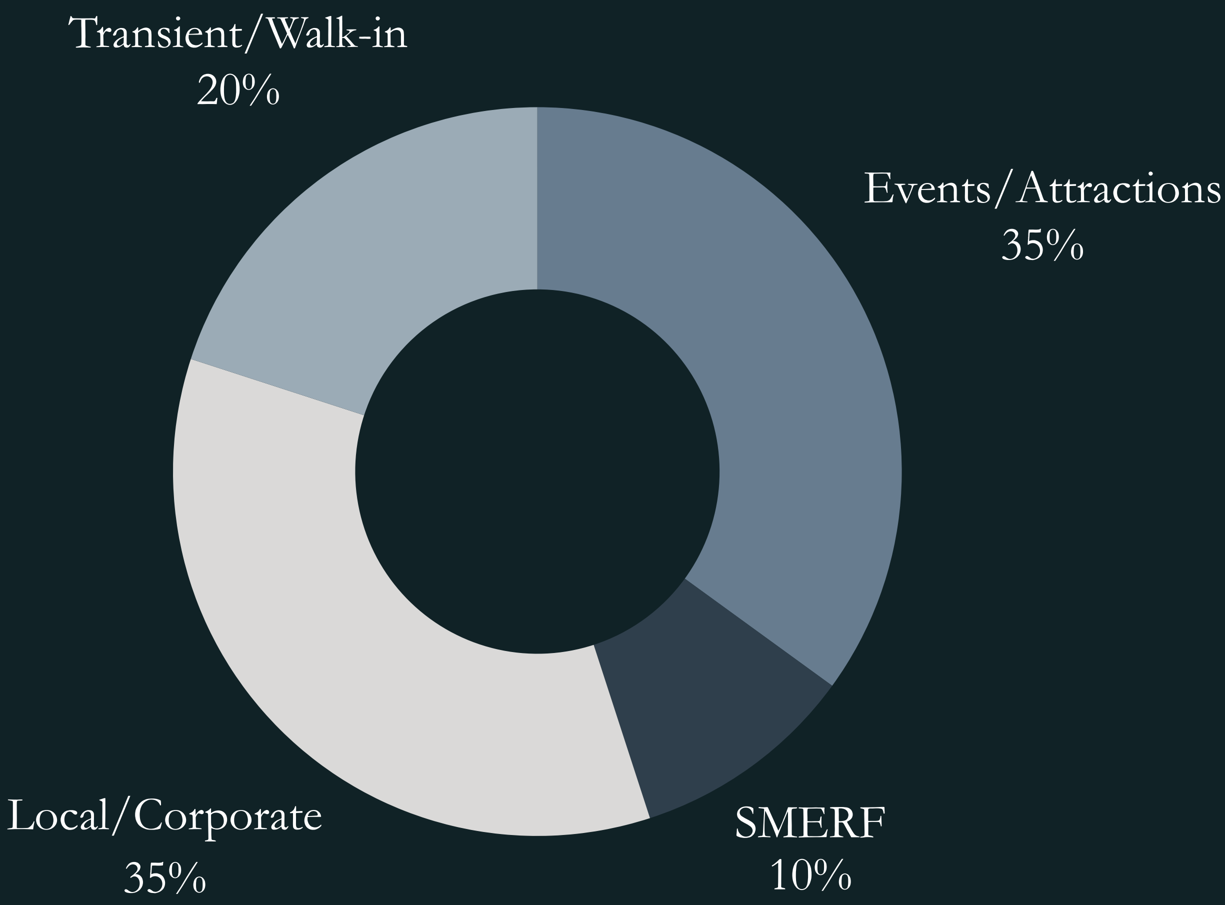
Lodging Demand Overview

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

- Market Segmentation Projections
  - SMERF Demand
  - Corporate Demand
  - Area Events & Attractions
  - Transient/Walk-In Demand
- Employer/Local Economy Overview
- Demand Generators

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

Lodging Market Segmentation Projections



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

Lodging Market Segmentation Projections

SMERF Demand - SMERF stands for social, military, education, religious and fraternal meetings. In communities where corporate meetings and business travelers keep hotels occupied on weekdays, SMERF business, which is predominantly weekend business, can fill rooms Friday through Sunday.

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

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

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

Employer/Economic Overview

Spencer, Iowa is a regional economic hub and the county seat of Clay County, with a population of roughly 11,400 residents. The community serves a large rural trade area in northwest Iowa, so its employment base is much bigger than the city's population alone might suggest. Thousands of people commute into Spencer for work in healthcare, retail, manufacturing, construction, education, finance, and public administration, giving the city a broad, relatively balanced economy rather than dependence on a single industry. Its location along major highway corridors and near the Iowa Great Lakes also strengthens Spencer's pull as a shopping, medical, and service center for surrounding towns and farm communities.

Healthcare is one of the most important pillars of the local economy, anchored by Spencer Hospital, a full-service regional medical center. The hospital directly employs several hundred people and supports many additional jobs in the wider region when you account for suppliers, contractors, and household spending by staff. Its status as a repeatedly recognized "Top 100 Rural & Community Hospital" helps attract physicians, nurses, and specialists to Spencer, and those professionals in turn support local housing, retail, dining, and services. Around the hospital, medical clinics, specialty practices, and long-term care facilities add to the employment cluster, reinforcing Spencer's role as the healthcare hub for Clay County and neighboring counties.

Manufacturing and industrial firms form another major segment of Spencer's economy. The city has cultivated an industrial base that includes metal fabrication, building components, ag-related products, and food processing, much of it tied to the surrounding farm economy but selling into broader regional and national markets. Companies such as MWI Components (Metal Works, Inc.) manufacture specialized metal products and post-frame building components that are shipped across the United States and Canada, providing skilled and semi-skilled jobs in production, maintenance, logistics, and engineering. Other manufacturers and ag-industry firms, including equipment dealers and processors, round out this sector and help stabilize the community through a mix of blue-collar and technical employment opportunities.

Employer/Economic Overview – continued

Corporate and service-sector headquarters add a third layer of economic strength. Arnold Motor Supply, an automotive parts distribution company with a long history in the region, maintains its headquarters in Spencer and employs a large regional workforce in distribution, administration, sales, and support roles. Northwest Bank, a family-owned financial institution based in Spencer, provides jobs in banking, lending, and back-office functions while financing business and real estate activity throughout northwest Iowa. Spencer Municipal Utilities, the city-owned provider of electric, water, and fiber-optic communications, is another significant employer and an essential infrastructure provider; its continued investment in fiber-to-the-home and advanced systems makes the community more attractive to both residents and businesses that rely on reliable utilities and high-speed internet.

Retail, hospitality, and visitor-driven businesses are also critical to Spencer's economy. National chains such as Walmart and other big-box and grocery retailers operate alongside local shops, restaurants, and professional offices, drawing customers from across Clay County and surrounding areas. The historic downtown along Grand Avenue remains an important commercial spine, supported by Spencer Main Street and the Chamber of Commerce, which work to keep storefronts vibrant and encourage reinvestment. Each September, the Clay County Fair, one of the largest county fairs in the United States, brings several hundred thousand visitors to Spencer, creating a surge of seasonal employment and revenue for hotels, restaurants, retailers, and service providers that ripples through the local economy and the broader region.

Agriculture, though less visible inside the city limits, remains a foundational driver of the local economy. Spencer sits in the middle of a highly productive agricultural region, and many of its manufacturers, logistics firms, and service providers are tied to farming, livestock, grain handling, and rural construction. Equipment dealers, grain and feed businesses, and ag-processing operations depend on the strength of farm incomes, while local banks and professional service firms support financing, planning, and succession for farm operations. A regional "laborshed" analysis shows that Spencer draws workers from a broad multi-county area, with tens of thousands of working-age residents in the commuting shed and thousands more who indicate a willingness to take a job in Spencer, underscoring how closely the town's fortunes are linked with those of surrounding rural communities.

Employer/Economic Overview – continued

Taken together, Spencer's large employers and key sectors create a relatively diversified and resilient small-city economy. Healthcare, manufacturing, corporate and utility headquarters, retail and hospitality, and agriculture all contribute meaningful numbers of jobs and keep money circulating through local businesses. Ongoing investments by Spencer Hospital, Arnold Motor Supply, Northwest Bank, Spencer Municipal Utilities, and the city's economic development partners, such as the Iowa Lakes Corridor Development Corporation and the Spencer Chamber, suggest a community that is actively planning for future growth rather than simply maintaining the status quo. With a population of about 11,400 served by a much larger regional labor and consumer market, Spencer is well-positioned to continue functioning as the primary employment and service center for Clay County and a wide swath of northwest Iowa.

Demand Generators

River View Park: One of Spencer's largest recreation areas, stretching along the Little Sioux River at 612 4th Street SE and serving as a multi-use hub for outdoor fun. The 60-acre park is home to the Spencer Family Aquatic Center, a large seasonal outdoor pool complex with slides and concessions, and it also features eight outdoor tennis courts that host both casual play and organized activities. Broad lawns, mature trees, picnic areas, and natural riverfront green space give families plenty of room to spread out, while the park's location along the Spencer Recreational Trail makes it a popular starting point for walking and biking. The park also includes a disc golf course, adding another dimension of activity for residents and visitors who want an active day near the water.

Fairview Park: A smaller but much-loved neighborhood park on Spencer's east side, located around East 14th Street and 5th Avenue East. Covering roughly six to seven acres, it mixes traditional amenities, such as a children's playground, basketball court, and tennis courts, with short hiking and walking paths that wind through the trees, creating a green pocket within the surrounding residential area. The park is frequently described as tranquil and scenic, making it a favorite for walkers and runners who want a quieter alternative to the busier riverfront parks. With its combination of active recreation facilities and shady spots to sit or picnic, Fairview functions as a true neighborhood gathering place for families on the east side of town.

East Leach Park: This park forms the eastern half of Spencer's signature riverfront park system, occupying about 54 acres along the Little Sioux River near the South Grand Avenue bridge. In addition to open greenbelt space and river views, the park includes a campground with modern RV sites, a large playground, basketball court, skate park, fishing areas, picnic shelters, and access to walking paths. Seasonal campers and overnight visitors appreciate its convenient in-town location and easy access to downtown Spencer, while local residents use the park as a base for family gatherings, youth activities, and riverfront walks. As one of the city's primary campground and river recreation areas, East Leach Park plays an important role in attracting transient visitors and in giving residents a lush outdoor escape just minutes from home.

Demand Generators – Continued

West Leach Park: On the opposite bank of the Little Sioux River, West Leach Park (sometimes listed as West Leach Field) offers a more intimate, eight-acre counterpart to the larger East Leach complex. Located just off South Grand Avenue and 4th Street SW, it provides river access for fishing and paddling via a canoe ramp, along with a small playground, picnic tables, and neighborhood-park amenities. The park's location within the broader river greenbelt makes it a pleasant stop for people using the Spencer Recreational Trail or simply looking for a quiet place to sit near the water. Together, East and West Leach Parks create a continuous ribbon of public riverfront that defines Spencer's outdoor identity and draws walkers, anglers, and families throughout the warm months.

Pederson Park: More formally Glen Pedersen Memorial Park and Cardinal Field, is one of Spencer's key sports complexes, encompassing roughly 35 acres near East 9th Street and 10th Avenue East. The park includes an impressive cluster of 11 ball diamonds, used heavily for youth baseball and softball leagues, tournaments, and high-school play, along with a children's playground, picnic tables, and a shelter house. The memorial designation honors a local veteran, and the park's open fields and infrastructure make it a natural hub for community tournaments and summer evenings under the lights. With its combination of organized athletics and family-friendly amenities, Pederson Park serves as a central gathering point for Spencer's youth sports community and for visitors traveling into town for regional ball tournaments.

Stolley Park: Set along the Little Sioux River on Spencer's far west side, blends natural scenery with recreation over roughly 80 acres of greenbelt and water. Centered on Stolley Pit, an old gravel pit now managed as a community fishing lake, the park offers a loop trail popular with walkers and birdwatchers, fishing piers and carry-down boat access, picnic tables, and access to the river itself. The Stolley Gravel Pit Loop is an easy 1.3-mile trail that takes visitors around the pond through prairie and riverside landscapes, and Clay County Conservation frequently uses the site for family fishing programs and outdoor education events. For locals, Stolley Park is both a peaceful nature escape on the edge of town and a practical place to fish, walk, or connect with the broader Spencer trail network.

Demand Generators – Continued

Deerfield Park: A west-side neighborhood park that combines everyday play spaces with environmental education opportunities. Located between West 15th and West 16th Streets, the five-acre park features playground equipment, picnic tables, open turf, and informal walking paths, giving nearby residents an easy place to bring kids, walk the dog, or enjoy a casual evening outdoors. Clay County Conservation has used the site for its "Nature Detectives" youth programs, helping children learn about local plants, animals, and ecosystems through hands-on activities in the park. Listed as one of Spencer's municipal parks and recognized by online travel and mapping guides, Deerfield functions as a family-oriented green space within the residential neighborhood while also serving as an outdoor classroom for the community's youngest naturalists.

Waterway Park: A 10-acre neighborhood park on the city's south side near Grand Plaza Drive, offering a mix of active recreation and quiet, residential-scale green space. City park listings describe it as having a basketball court, children's playground, picnic tables, and a shelter house, making it well suited for birthday parties, casual gatherings, or a quick evening game of hoops. Its location along a drainage corridor or small waterway gives the park a more open, natural feel compared to typical pocket parks, and nearby trails and sidewalks make it easily accessible from adjoining neighborhoods. Waterway Park adds another layer to Spencer's extensive park system by giving families in the southern part of town a convenient, full-service playground and picnic area close to home.

Spencer Family Aquatic Center: Located within River View Park at 612 4th Avenue SE, is one of the community's premier summer attractions. This outdoor facility features a large main pool, waterslides, shallow-water play areas for children, and a full concession stand, making it a popular destination for families on hot days. Operated seasonally from roughly June through August, the center offers both daily admission and affordable season passes for individuals and families, which can be purchased at City Hall or on-site during operating hours. Local organizations such as the YMCA help promote the facility, and its presence in a broader park that includes tennis courts and picnic areas makes the Aquatic Center a centerpiece of Spencer's warm-weather recreation offerings.

Demand Generators – continued

Spencer Municipal Golf Course: The city's public 18-hole golf facility, located on the southwest side of town near 4th Avenue SW. The course offers a full slate of amenities, eighteen holes of play, a driving range, practice areas, a pro shop, motorized cart rentals, and a snack bar and lounge, making it attractive to both local golfers and visitors. The clubhouse, which can accommodate around 200 people, is frequently rented for tournaments, banquets, and private events, adding an event-venue component to the operation. Managed by a long-tenured director of golf operations, the course has an established reputation in the region and provides affordable access to a well-maintained layout, complementing Spencer's private country club and helping round out the community's golf options.

Spencer Golf & Country Club: Located at 2200 West 18th Street, offers a more private, club-style golf experience while still welcoming public play on most days. The course is a classic, tree-lined 18-hole championship layout with five sets of tee boxes, allowing golfers of varying skill levels to enjoy an appropriate challenge. Established in 1919, the club has deep roots in Spencer's recreation history, and its facilities have evolved to include a newly renovated restaurant and event space used for group outings, business meetings, and receptions. With its combination of mature trees, carefully maintained fairways, and club amenities, Spencer Golf & Country Club appeals to both local members and traveling golfers staying in the Spencer area.

Clay County Fair: Spencer's signature event and one of the best-known county fairs in the United States, billing itself as "The World's Greatest County Fair." Held each September on more than 100 acres of fairgrounds, the fair regularly attracts crowds in the hundreds of thousands, drawn by blue-ribbon livestock and agricultural competitions, expansive midway rides and games, grandstand concerts featuring national touring acts, and rows of food and merchandise vendors. In addition to the fair's nine-day run, on-site campgrounds accommodate RV travelers, and the fairgrounds themselves host events throughout the year. The fair's sheer scale and reputation make it a powerful tourism driver for the Spencer area, filling hotels and restaurants and reinforcing the community's role as a regional gathering place.

Demand Generators – Continued

Clay County Regional Events Center: Located on the fairgrounds, is a modern multi-purpose arena and convention facility that allows Spencer to host large indoor events year-round. Opened in 2003, the center seats up to approximately 3,400 people for concerts and sporting events and includes a large ballroom and flexible meeting spaces capable of accommodating weddings, banquets, trade shows, and corporate conferences. The venue has hosted nationally known acts such as Mannheim Steamroller, as well as bull-riding events, sports card shows, craft fairs, and other regional gatherings, with more than 300 events held annually according to promotional materials. As a result, the Events Center not only supports the Clay County Fair but also functions as a stand-alone destination that brings visitors and spending into Spencer throughout the year.

Clay County Speedway: Nestled within the fairgrounds complex, adds high-octane excitement to Spencer's event calendar with its 3/8-mile high-banked dirt oval. Formerly a flat half-mile horse track, the facility was rebuilt in 2007 into a modern auto-racing track with steeper banking and a state-of-the-art lighting system, allowing for fast, spectator-friendly night races. The speedway's grandstands can hold nearly 7,000 fans, and over the years it has hosted series such as the World of Outlaws and the World Dirt Racing League, along with IMCA modified and stock car events. These racing programs complement the fair's entertainment lineup and bring additional weekends of tourism as race teams and fans travel into Spencer for special events and summer race series.

The Spencer Bike Trail: Formally the Spencer Recreational Trail, is an interconnected system of paved paths that gives cyclists, runners, and walkers more than a dozen miles of off-street routes through and around the city. Trail descriptions note that the system links users with native wetlands, prairie areas, river floodplains, and multiple city parks, creating a scenic corridor for both everyday exercise and casual exploration. The trail spans roughly 12 to 15 miles, tying together destinations from E 18th Street on the east side to Stolley Park on the west, with spurs leading into park-internal loops and residential neighborhoods. By connecting parks such as Riverside, the Leach parks, and Stolley, the trail network enhances non-motorized access to recreation and contributes to Spencer's reputation as a community rich in outdoor amenities.

Demand Generators – Continued

Clay County Heritage Center: Located in downtown Spencer, serves as the community's primary history museum and a key cultural anchor. Opened in 2012, the facility houses two galleries and the bulk of the Clay County Historical Society's collection, including a permanent exhibit titled "This Land We Call Home – Settling Clay County," which covers archaeology, pioneer life, early settlement patterns, and major events such as the devastating 1931 Spencer Fire. A second gallery rotates temporary exhibits on topics ranging from military history to local industries, keeping the museum fresh for repeat visitors. After sustaining flood damage in recent years, the center has undergone repairs and celebrated a grand reopening, underscoring the community's commitment to preserving and sharing Clay County's story.

Spencer Soccer Complex: The primary outdoor home for organized soccer in Spencer and the base of operations for the Northwest Iowa Soccer Club. The complex includes multiple grass fields laid out to accommodate various age groups and competition levels, as well as basic amenities for teams and spectators. Mapping and sports-field directories describe it as a well-maintained facility serving players of all ages and skill levels, with convenient access and parking. On typical spring and fall weekends, the complex is busy with recreational games, academy training sessions, and competitive matches, drawing families from around northwest Iowa and adding to Spencer's profile as a regional youth-sports destination.

Spencer Community Theatre (SCT): The city's flagship performing arts organization, offering live theatre to Spencer and the broader northwest Iowa region for more than six decades. A major renovation completed in 2010 created a modern playhouse with a state-of-the-art auditorium, stage, scene shop, lobby, and multi-purpose rooms capable of hosting rehearsals, meetings, and special events. SCT's programming includes a regular season of plays and musicals, children's theatre through the Deegan Children's Theatre, and educational opportunities both on and off stage, all supported by volunteers, patrons, and a well-known costume shop. Celebrating its 60-plus seasons, Spencer Community Theatre continues to be a cultural gem that provides residents with access to high-quality community theatre close to home.

Demand Generators – continued

Arts on Grand: A vibrant arts center and gallery located in downtown Spencer, dedicated to enriching life in northwest Iowa through the visual and performing arts. The organization presents six to eight gallery exhibits each year featuring local and regional artists working in a variety of media, from colored pencil and pastels to photography and mixed media. In addition to its exhibition program, Arts on Grand offers art classes and workshops for children and adults, hosts live music in the gallery, and operates a gift shop showcasing artwork, books, and handmade items from Midwestern creators. The organization also maintains a presence at the Clay County Fairgrounds during fair time, extending its reach to visitors from across the region and reinforcing Spencer's reputation as a community that values and invests in the arts.

Lake Okoboji: Most commonly referring to West Lake Okoboji in the city of Okoboji and neighboring communities, is one of Iowa's premier resort lakes and a major getaway for residents of Spencer, located roughly a half-hour drive to the north. This deep, spring-fed glacial lake covers about 3,847 acres and is the centerpiece of the Iowa Great Lakes, known for its clear blue water, excellent water quality, and outstanding boating, fishing, sailing, and swimming. The surrounding towns of Okoboji, Arnolds Park, West Okoboji, and others offer marinas, lakeside resorts, restaurants, and attractions such as the historic Arnolds Park Amusement Park, creating a lively summer scene with a mix of family fun and nightlife. Year-round recreation, including ice fishing, snowmobiling, and winter festivals, means Lake Okoboji functions as a four-season playground, giving Spencer residents a nearby destination for weekend trips and vacation home ownership.

Lost Island Lake: Located near Ruthven, Iowa, is another popular regional retreat for people from Spencer, offering a quieter, more nature-focused lake experience about a short drive to the southeast. The 1,200-acre lake is ringed by public recreation areas such as Lost Island–Huston Park and Lost Island Park, which feature campgrounds with electric and water hookups, hiking trails, a nature center, wildlife observation blinds, picnic shelters, boat ramps, docks, and a sandy swimming beach. The lake is well known among anglers for its spring and fall walleye fishing, strong summer catfish populations, and opportunities to catch perch, northern pike, bluegill, and crappie. Lakeside campgrounds like Redwood Campground host seasonal events and family-friendly activities, so Lost Island Lake functions as both a camping and water-sports destination that complements the busier Okoboji area and broadens the range of outdoor options available to Spencer residents and visitors.

Demand Generators – continued

St. Luke Lutheran Nursing Home: Part of St. Luke Homes & Services on St. Luke Drive in southeast Spencer, is a long-term care facility that anchors a broader senior living campus overlooking the Little Sioux River and surrounding farmland. The 89-bed, ranch-style nursing home offers mostly private rooms and is designed to feel residential rather than institutional, with common areas, activity spaces, and on-site services that allow residents to age in place with dignity and comfort. As a nonprofit, faith-based organization, St. Luke emphasizes person-centered care, rehabilitation, and spiritual support, and it works closely with families and Spencer Hospital to coordinate medical needs and transitions of care, making it a key employer in Spencer's health-care and senior-services ecosystem.

Longhouse Care Center: Another important eldercare employer providing skilled nursing, rehabilitation, and assisted-living style support for residents who need help with daily activities. The facility focuses on promoting independence and well-being, offering 24-hour nursing care, restorative therapies, and social and recreational programming in a structured, home-like environment. Longhouse draws employees from nursing, dietary, housekeeping, administration, and activities professions, and its around-the-clock operations make it a steady source of jobs tied to the region's growing senior-care demand.

Spencer Hospital: One of the community's anchor employers and a major health-care hub for northwest Iowa and nearby southern Minnesota. Recognized as a Top 100 Rural & Community Hospital, it offers a wide range of services including inpatient and outpatient care, surgery, emergency medicine, imaging, obstetrics, oncology, and specialty clinics, supported by nurse educators, dietitians, therapists, and other allied-health professionals. The hospital's trauma designation, extensive community outreach, and focus on wellness and chronic-disease management make it both a critical service provider and a high-skill employment center, attracting physicians, nurses, administrators, and support staff to Spencer while also partnering with local schools and colleges on clinical training.

Demand Generators – Continued

Spencer Community School District: One of the largest public-sector employers in town, operating five schools that serve more than 2,300 students from Spencer, Dickens, Gillett Grove, and nearby rural areas. The district manages a budget of over $32 million and employs roughly 150 full-time-equivalent teachers and nearly 200 support staff across K–12 instruction, special education, administration, transportation, food service, and maintenance. With its "Learning Today, Leading Tomorrow" mission, the district supports Lakes Conference athletics, co-curricular programs, and numerous family and community partnerships, making it a cornerstone of local quality of life and a steady source of professional and entry-level jobs that inject payroll dollars into the Spencer economy.

Iowa Lakes Community College: The Spencer campus broadens the community's education and workforce-training base, complementing the main campus in Estherville and additional centers in Algona, Emmetsburg, and Spirit Lake. Iowa Lakes serves several counties in northwest Iowa with career-oriented and transfer programs, and the Spencer site is particularly known for hands-on technical training and athletics facilities such as its natural-grass soccer complex. The college employs faculty, coaches, advisors, and support staff, and partners with local employers in manufacturing, health care, and agriculture to design programs that fill regional skill gaps. That combination of education, workforce development, and student spending makes the college a significant, if sometimes less visible, driver of economic activity in Spencer.

Pivot Point Spencer, Inc.: Pivot Point operates a Syngenta-partnered agricultural seed distribution and cold-storage facility, placing it at the intersection of Spencer's manufacturing and agribusiness sectors. The operation stores and distributes corn and soybean seed for Syngenta, ensuring product is positioned close to key growing areas across the Midwest. Work at the facility ranges from warehousing and logistics to automation, robotics, and quality control, and the plant's role in the broader seed supply chain ties Spencer's workforce into a global agricultural network. As a specialized agricultural-logistics employer, Pivot Point helps support local trucking, equipment maintenance, and other ancillary services while reinforcing Spencer's position in the Iowa Lakes Corridor's ag-production economy.

Demand Generators – Continued

C & B Operations' John Deere: Serving as a regional center for agricultural equipment sales, service, and parts, supplying tractors, combines, sprayers, mowers, and precision-ag technology to farmers and rural landowners. The Spencer location is part of a multi-state network of C & B stores, but it maintains its own team of sales professionals, parts specialists, and service technicians who handle everything from routine maintenance to complex diagnostics on modern, computer-driven machinery. Because agriculture remains a core part of the local economy, the dealership's success is closely tied to farm income in the region, and it plays a key role in keeping producers productive during planting and harvest seasons, while also generating well-paid technical and mechanical jobs in Spencer.

Northwest Bank: Their branch on Grand Avenue anchors a strong local presence for this regional community bank, which offers consumer, business, and agricultural banking along with digital services such as mobile and online banking. The Spencer office provides checking and savings accounts, loans, investment and trust services, safe-deposit boxes, and drive-up and smart ATMs, employing tellers, personal bankers, lenders, and back-office staff. In addition to direct employment, the bank supports the local economy by financing small businesses, farms, housing, and community projects in Spencer and the Lakes Area.

Farmers Trust & Savings Bank With a history in the region dating back to 1916, operates a full-service office in Spencer that focuses on personal, business, and agricultural banking tailored to northwest Iowa customers. The bank provides deposit accounts, farm and equipment loans, home mortgages, and cash-management services, and is known for its emphasis on long-term relationships and community involvement. Its workforce includes loan officers, credit analysts, operations staff, and customer-service roles that help circulate capital into local farms, small businesses, and real-estate development, reinforcing Spencer's role as a financial center for surrounding rural communities.

Community State Bank also serves Spencer and the surrounding area with retail and commercial banking products. As a locally focused institution serving northwest Iowa, the bank emphasizes personalized service and flexible lending for individuals, entrepreneurs, and agricultural producers. The Spencer branch employs frontline staff, loan officers, and support personnel and, like the other community banks, plays a multiplier role in the economy by providing credit for farms, equipment purchases, housing, and local business expansion projects, helping to sustain growth and stability in Clay County.

Demand Generators – Continued

North Central International: Their Spencer location is part of a multi-state network of truck and bus dealerships that sell and service heavy-duty and medium-duty commercial vehicles. The facility offers new and used trucks, parts, and repair services, supporting regional freight haulers, construction firms, and agricultural operations that rely on reliable transportation. Jobs at the Spencer site include diesel technicians, parts and service staff, and sales professionals, and the dealership's ability to keep fleets operating efficiently is critical for logistics-dependent sectors across northwest Iowa.

The U.S. Department of Agriculture: The Spencer Service Center, which houses the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) offices serving Clay County and surrounding areas. These offices administer federal farm programs, crop-disaster assistance, conservation incentives, and farm-loan services, and they employ program technicians, conservationists, and administrative staff who work directly with local farmers and landowners. Beyond the direct government jobs, the USDA's programs shape land-use decisions, conservation practices, and farm incomes, making the Spencer Service Center a quiet but powerful influence on the region's agricultural and environmental stewardship economy.

Alliant Energy: While not headquartered in Spencer, is an important regional utility provider that serves many northwest Iowa communities, including nearby Okoboji, Spirit Lake, and other towns in the Iowa Great Lakes area with electric service and, in some communities, natural gas. As a regulated utility serving about 1 million electric and 430,000 natural-gas customers in Wisconsin and Iowa, Alliant invests heavily in grid reliability, renewable energy projects, and customer programs, and it maintains local crews and infrastructure across its service territory. In Spencer, that presence is reflected in facilities such as an Alliant-owned site that has hosted electric-vehicle charging and in field operations that support line maintenance, customer connections, and emergency response, tying the city into a larger energy network that underpins residential, commercial, and industrial activity.

Demand Generators – continued

General Traffic Controls, Inc.: Based in Spencer, is a specialized traffic-management and intelligent transportation systems (ITS) company that serves a multi-state region, providing signal controllers, radar speed signs, and other traffic-control technologies to cities and transportation agencies across the Midwest. Since the late 1970s, the company has supplied equipment and solutions for traffic signals, school crossings, and roadway safety projects, and it regularly hosts training events and conferences in Spencer to showcase new products and standards. The firm employs engineers, technicians, sales representatives, and support staff, and its role as a supplier on public-works projects in Iowa communities underscores Spencer's niche in high-tech infrastructure and public-safety solutions.

Arnold Motor Supply and its parent Arnold Group of Companies: One of Spencer's most established industrial and distribution employers. The local Arnold Motor Supply auto-parts store provides parts, tools, and supplies to professional mechanics and do-it-yourself customers, while the corporate offices and distribution operations on 1st Avenue SW coordinate wholesale distribution of motor-vehicle parts and related products across a multistate region. Founded in the 1960s, the group has grown to include several affiliated businesses, including Midwest Cylinder and other specialty operations, supporting a sizable workforce in warehousing, logistics, sales, accounting, and management roles in Spencer.

Vander Haag's, Inc.: Maintains its corporate headquarters and a major truck-parts and salvage facility in Spencer, making it a signature employer in the heavy-truck parts and recycling sector. The operation buys, dismantles, and rebuilds heavy-duty truck components, offering a vast inventory of used and rebuilt engines, transmissions, axles, and body parts that are shipped nationwide from Spencer and its other locations. The company employs technicians, welders, warehouse workers, sales staff, and logistics personnel, and by extending the life of commercial vehicles through remanufactured parts, it combines industrial employment with a strong recycling and resource-recovery component that fits well within the region's manufacturing base.

New Tec, Inc.: Operating a Spencer branch as part of its network of material-handling and construction-equipment dealerships across Iowa, South Dakota, and Minnesota. The Spencer site sells and services forklifts, scissor lifts, boom lifts, Kubota equipment, and other mobile industrial machinery used in warehouses, factories, and construction sites. Local jobs span territory managers, equipment technicians, parts and service staff, and administrative roles, and the company's focus on keeping industrial and agribusiness customers' equipment running.

Demand Generators – continued

Midwest Mechanical: Provides mechanical, HVAC, and industrial services and has a presence in Spencer that supports both building trades and industrial customers. Job postings and references in local economic-development materials highlight the company's work in heating, cooling, and industrial systems, with technicians based in Spencer serving projects throughout northwest Iowa. The company's work includes welding, fabrication, and installation of mechanical systems, and its sponsorship of events at venues like the Clay County Fairgrounds underscores its integration into the local business community.

Veolia Water Technologies & Solutions: Operating an industrial water-treatment facility in Spencer as part of Veolia's broader North American operations, which focus on water, waste, and energy services. At the global level, Veolia has been expanding its Water Technologies business and investing heavily in U.S. operations, tying Spencer's plant into a worldwide network of advanced water-treatment facilities.

Godbersen Metal Works: A contract-manufacturing company that has quickly become a notable industrial employer in Spencer. Founded in 2019 but built on a family manufacturing heritage dating back to 1965, the company specializes in metal fabrication services such as laser cutting, bending, machining, welding, assembly, and powder-coat painting for OEM customers in multiple industries. In 2025, GOMACO Corporation purchased the Godbersen Metal Works facility, equipment, and land, retaining employees and integrating the operation into its broader concrete-equipment manufacturing business, which signals long-term confidence in the Spencer plant. This facility provides skilled jobs in modern manufacturing and helps position Spencer as a regional hub for precision metalworking.

MWI Components: Headquartered in Spencer, is a leading manufacturer and supplier of specialized metal components for the post-frame and metal-building industry across the United States and Canada. From its centrally located Spencer facility, the company produces metal roofing and siding panels, trims, slide and walk doors, ventilation components, fasteners, and other hardware used in agricultural buildings, equestrian facilities, commercial shops, and residential outbuildings. Founded in the mid-1980s, MWI prides itself on quick delivery, strong customer service, and products that make construction easier on the job site, and it employs production workers, engineers, sales staff, and logistics personnel who support building projects nationwide while anchoring an important slice of Spencer's manufacturing sector.

Demand Generators – Continued

Hy-Line North America: Operating a production and hatchery facility in Spencer as part of its network of nine U.S. hatcheries supplying layer chicks to egg producers. Hy-Line, a global leader in poultry layer genetics founded in 1936, uses advanced breeding and hybridization to produce high-performance laying hens that maximize egg output, shell quality, and livability. The Spencer plant handles egg incubation, chick hatching, and early-stage care before chicks are shipped to farms, creating jobs in animal husbandry, biosecurity, quality control, and logistics.

Symrise: Maintaining a processing facility in Spencer that has focused on processing egg-based ingredients for use in pet nutrition. The plant converts egg parts into high-protein, functional ingredients that enhance the palatability and nutritional profile of pet foods, and it employs workers in production, quality assurance, maintenance, and logistics. While the facility has drawn community attention and legal action in recent years due to odor concerns, the company has publicly indicated that it is working to implement improvements and odor-control measures, highlighting both the environmental responsibilities and the employment impact of value-added agricultural processing in Spencer.

Demco Products: Operating a manufacturing plant in Spencer that specializes in agricultural semi-trailers and related equipment, complementing its corporate headquarters in Boyden, Iowa. The Spencer facility produces high-quality grain- and commodity-hauling trailers such as drop-deck, side-dump, and gondola models used by farmers, cooperatives, and construction firms. Demco's broader product line includes sprayers, fertilizer tanks, and RV towing and brake products. In Spencer, Demco provides welding, fabrication, assembly, engineering, and office jobs, and its trailers serve customers across the agricultural belt, reinforcing the community's link to farm equipment manufacturing.

Black Hills Energy: Maintaining a local operation in Spencer that delivers natural-gas service and related energy infrastructure as part of the company's broader Iowa service territory. The utility oversees distribution pipelines, customer hookups, meter maintenance, and emergency response for residential, commercial, and industrial gas customers in and around Spencer. As part of Black Hills Corp., the company invests in system reliability and safety, and it provides local employment for line workers, technicians, customer-service staff, and field supervisors.

Lodging Supply–Primary

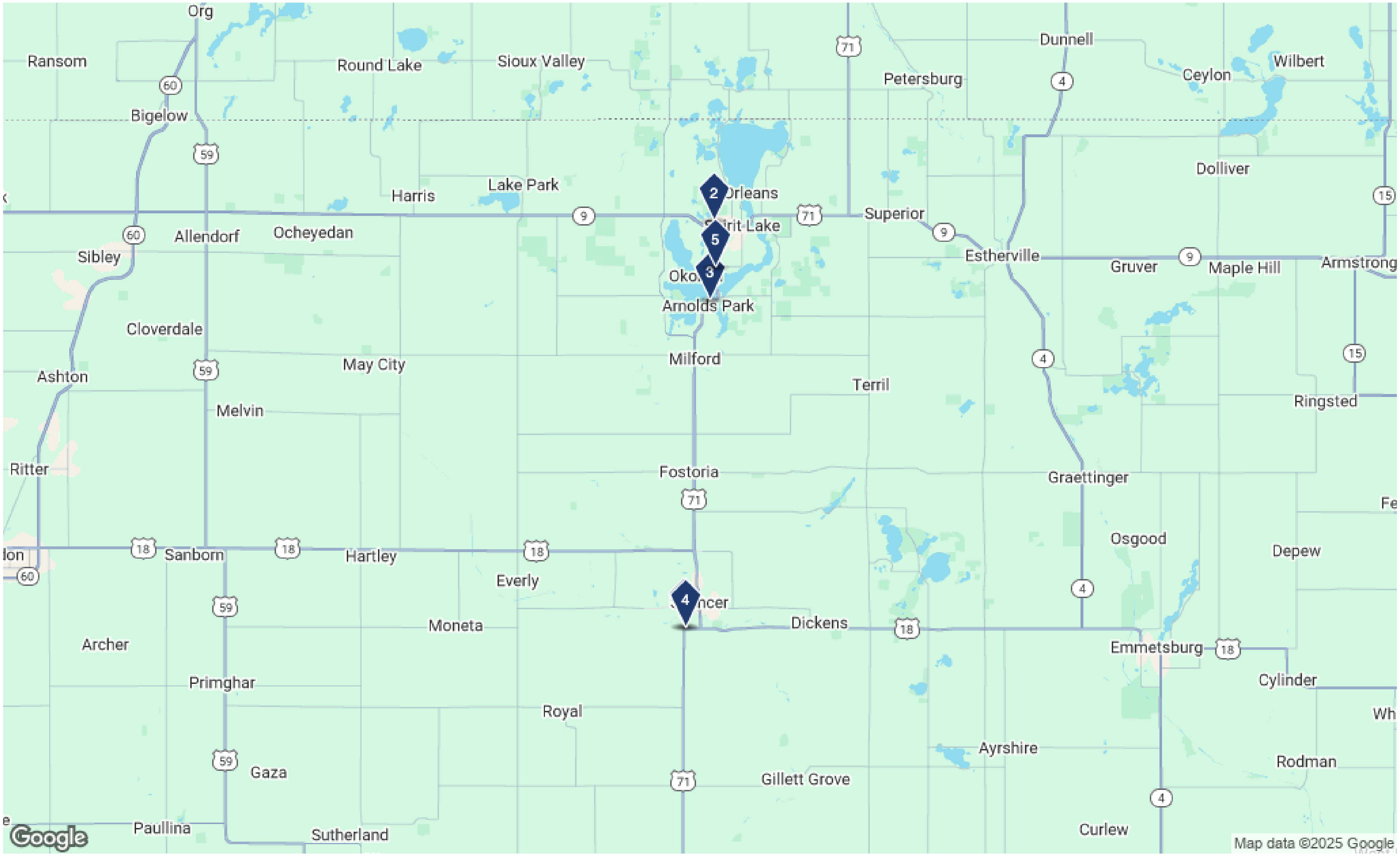
For the purposes of this Comprehensive Hotel Market Feasibility Study, the competitive set includes properties that were determined to be competitive with the proposed hotel based on either their location, brand affiliation, facilities and amenities offered, rate structure, community surveys, and/or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

In some cases, Core Distinction Group, LLC must access data from surrounding or Secondary market hotels to obtain a Smith Travel Research (STR)/CoStar report. This can also include a Secondary Competitive Set. The following information will be presented in Lodging Supply:

- Competitive Set Property Map
- Smith Travel Research (STR)/CoStar Data by Measure
- Smith Travel Research (STR)/CoStar Data 12 Month Average
- Primary Competitive Set Listed Rates
- Primary Competitive Set Listed Hotel Trends and Projections

*Data can be found in Appendix.

Property Map Overview



AmericInn by Wyndham Spencer - 1005 13th St SW

Spencer, Iowa 51301 (Clay County) - Iowa West Area Submarket

Midscale

Hotel

Property Summary

Rooms	46
Built	1995
Stories	2
Brand	AmericInn
Operation Type	Franchise
Meeting Space	600 SF
Commercial Asking Rent	Withheld
Parking Spaces	1.30/Room; 60 Surface Spaces

Property Details

Land Area	1.70 AC (74,052 SF)	Construction Type	Masonry
Building FAR	0.63	Zoning	C
Primary Corridors	Interior	Parcel	9637-24-201-001
Hotel Location Type	Small Metro/Town		

Amenities

Site Amenities

- Business Center
- Fitness Center
- Meeting Event Space
- Pool

Transportation

Parking Details	1.30/Room; 60 Surface Spaces
Traffic Volume	6,456 on 13th St SW (2024); 6,426 on 13th St SW (2025); 6,632 on 11th Ave SW (2024); 6,610 on US Hwy 71 (2024); 5,699 on 15th St SW (2023); 8,100 on 200th Ave (2022); 8,100 on 11th St SW (2022); 7,047 on 11th Ave SW (2023); 7,909 on 11th Ave SW (2024); 6,610 on 15th St SW (2024)
Walk Score ®	Car-Dependent (36)

Contacts

Type	Name	Location	Phone
Recorded Owner	Discover Spencer Hotel Group LLC	Spencer, IA 51301	-
True Owner	Narsi, Raman	Spencer, IA 51301	(480) 785-5988

2

Ramada by Wyndham Spirit Lake/Okoboji - 2704 17th St

Spirit Lake, Iowa 51360 (Dickinson County) - Iowa West Area Submarket

Midscale

Hotel

Property Summary

Rooms	50
Built/Renovated	1996/2011
Stories	2
Brand	Ramada
Operation Type	Franchise
Commercial Asking Rent	Withheld
Parking Spaces	1.22/Room; 61 Surface Spaces

Property Details

Land Area	1.50 AC (65,514 SF)	Hotel Location Type	Small Metro/Town
Building FAR	0.36	Zoning	C
Primary Corridors	Interior	Parcel	07-05-151-029

Amenities

Room Amenities

- High Speed Internet Access

Site Amenities

- Business Center
- Hot Tub
- Pool
- Public Access Wifi
- Smoke-Free

For Sale Summary

Asking Price	$3,400,000 ($68,000/Room)	Price per SF	$144.09/SF
Status	Active	Land	1.50 AC
Sale Type	Investment	Built/Renovated	1996/2011
Rooms	50	On Market	4 Days
GBA	23,596 SF	Last Update	November 6, 2025

Previous Sale

Sale Date	8/27/2024	Sale Type	Investment
Sale Price	$2,870,000	Comp Status	Research Complete
Comp ID	7190718		

Transportation

Parking Details	1.22/Room; 61 Surface Spaces
Traffic Volume	8,577 on Hudson Ave W (2024); 9,052 on Hwy 71 (2024); 9,138 on Hwy 71 (2025); 8,593 on US Hwy 71 (2023); 8,677 on Hudson Ave W (2024); 9,044 on Hwy 71 (2023); 6,659 on Enterprise Ave (2025); 12,719 on US Hwy 71 (2024); 10,031 on Ithaca Ave (2023); 2,564 on US Hwy 71 (2024)
Walk Score ®	Car-Dependent (29)

Ascend Collection The Inn Hotel - 15 Dam Rd

Arnolds Park, Iowa 51331 (Dickinson County) - Iowa West Area Submarket

Upscale
Hotel

Property Summary

Rooms	38
Built	2018
Stories	3
Brand	Ascend Collection
Operation Type	Franchise
Meeting Space	1,000 SF
Commercial Asking Rent	Withheld
Parking Spaces	0.71/Room; 12 Covered Spaces; 15 Surface Spaces

Property Details

Land Area	0.86 AC (37,462 SF)	Construction Type	Wood Frame
Building FAR	2.17	Zoning	C
Primary Corridors	Interior	Parcel	07-30-279-039
Hotel Location Type	Small Metro/Town		

Amenities

Site Amenities

- Business Center
- Fitness Center
- Meeting Event Space
- On-Site Bar
- Pool
- Restaurant

Previous Sale

Sale Date	1/13/2022	Sale Type	Investment
Sale Price	$3,700,000	Comp Status	Research Complete
Comp ID	5841678	Sale Conditions	Business Value Included

Transportation

Parking Details	0.71/Room; 12 Covered Spaces; 15 Surface Spaces
Traffic Volume	12,331 on Dam Rd (2024); 12,356 on Dam Rd (2025); 12,018 on Okoboji Grove Rd N (2024); 13,496 on 202nd St (2023); 13,521 on Okoboji Grove Rd N (2024); 13,521 on Benit Dr (2024); 14,622 on Broadway St (2024); 12,151 on Benit Dr (2025); 433 on Hwy 71 (2025); 401 on US Hwy 71 (2018)
Walk Score ®	Somewhat Walkable (55)

Contacts

Type	Name	Location	Phone
Recorded Owner	Dobbins Creek Capital Llc	Minneapolis, MN 55401	-
True Owner	Daniel Dobbins	Rush City, MN 55069	(612) 242-8765

Holiday Inn Express & Suites Spencer - 916 13th St SW

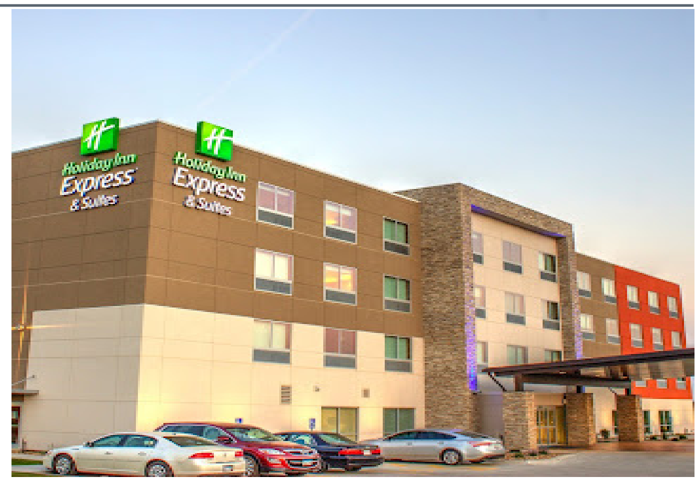
Spencer, Iowa 51301 (Clay County) - Iowa West Area Submarket

Upper Midscale

Hotel

Property Summary

Rooms	68
Built	2015
Stories	4
Brand	Holiday Inn Express
Operation Type	Franchise
Meeting Space	528 SF
Commercial Asking Rent	Withheld
Parking Spaces	1.24/Room; 84 Surface Spaces



Property Details

Land Area	2.13 AC (92,783 SF)	Hotel Location Type	Small Metro/Town
Building FAR	0.50	Zoning	C2-HIGHWA
Primary Corridors	Interior	Parcel	9637-24-202-007

Amenities

Room Amenities

- High Speed Internet Access

Site Amenities

- Business Center
- Fitness Center
- Meeting Event Space
- Pool
- Public Access Wifi
- Smoke-Free

Previous Sale

Sale Date	5/25/2023	Comp ID	6452346
Sale Price	$110,000	Comp Status	Public Record

Transportation

Parking Details	1.24/Room; 84 Surface Spaces
Traffic Volume	5,699 on 15th St SW (2023); 6,610 on US Hwy 71 (2024); 6,456 on 13th St SW (2024); 6,610 on 15th St SW (2024); 6,426 on 13th St SW (2025); 6,632 on 11th Ave SW (2024); 7,047 on 11th Ave SW (2023); 7,909 on 11th Ave SW (2024); 8,100 on 200th Ave (2022); 8,100 on 11th St SW (2022)
Walk Score ®	Car-Dependent (33)

Contacts

Type	Name	Location	Phone
Hotel Operator	Summer View Partners	Sioux Center, IA 51250	(712) 722-4898
Recorded Owner	Colin Joseph Elsbecker	Spencer, IA 51301	-
True Owner	Colin Joseph Elsbecker	Spencer, IA 51301	-

5 AmericInn by Wyndham Okoboji - 1005 Brooks Park Dr

Okoboji, Iowa 51355 (Dickinson County) - Iowa West Area Submarket

Midscale

Hotel

Property Summary

Rooms	61
Built/Renovated	1999/2011
Stories	2
Brand	AmericInn
Operation Type	Franchise
Meeting Space	800 SF
Commercial Asking Rent	Withheld
Parking Spaces	1.08/Room; 66 Surface Spaces

Property Details

Land Area	1.97 AC (85,813 SF)	Construction Type	Masonry
Building FAR	0.37	Zoning	C
Primary Corridors	Interior	Parcel	07-17-351-010
Hotel Location Type	Small Metro/Town		

Amenities

Room Amenities

- Balcony
- High Speed Internet Access
- Patio

Site Amenities

- Business Center
- Hot Tub
- Meeting Event Space
- Pool
- Public Access Wifi
- Smoke-Free

Transportation

Parking Details	1.08/Room; 66 Surface Spaces
Traffic Volume	13,599 on 178th St (2024); 8,439 on Hwy 71 (2023); 12,219 on Hwy 71 (2024); 13,836 on 18th St (2023); 12,219 on Stake Out Rd (2024); 868 on Not Available (2020); 13,721 on Stake Out Rd (2024); 13,721 on US Hwy 71 (2024); 12,076 on 23rd St (2023); 3,533 on Hwy 71 (2025)
Walk Score ®	Car-Dependent (35)

Contacts

Type	Name	Location	Phone
Hotel Operator	Ledgestone Hospitality	Gilbert, AZ 85295	(952) 470-1444
Recorded Owner	Brooks Park Resort Llc	Carefree, AZ 85377	(480) 595-5546
True Owner	Pacific West Hotels & Resorts Inc.	Carefree, AZ 85377	(480) 595-5559

STR Global - CoStar - Data by Measure - Primary Comp Set

Occupancy (%)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2021	38.8%	36.8%	45.1%	47.1%	55.3%	70.5%	82.6%	76.1%	65.7%	51.8%	51.1%	37.2%	55.0%
2022	41.8%	38.1%	40.3%	55.2%	62.1%	77.7%	81.4%	73.2%	70.1%	60.8%	43.6%	35.6%	56.8%
2023	42.9%	39.9%	37.7%	46.2%	56.0%	70.5%	76.7%	70.6%	69.2%	47.1%	39.9%	34.2%	52.6%
2024	38.3%	37.6%	38.0%	51.1%	62.5%	77.4%	86.9%	77.9%	70.5%	61.8%	45.1%	34.6%	56.9%
2025	39.2%	37.9%	43.0%	49.1%	55.6%	68.7%	75.2%	68.6%	59.4%				54.8%
Avg	40.2%	38.1%	40.8%	49.7%	58.3%	73.0%	80.6%	73.3%	67.0%	55.4%	44.9%	35.4%	55.2%

ADR ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2021	$97.88	$94.62	$98.93	$96.40	$111.05	$139.22	$160.83	$146.68	$134.52	$106.50	$104.68	$101.50	$123.22
2022	$110.00	$102.66	$100.98	$106.46	$116.30	$149.35	$167.73	$150.79	$143.76	$111.91	$102.67	$102.82	$128.06
2023	$114.93	$103.60	$102.03	$107.45	$123.46	$160.21	$178.88	$164.02	$151.84	$114.73	$113.00	$109.36	$135.75
2024	$120.69	$110.43	$109.12	$110.99	$127.95	$165.77	$181.58	$174.13	$158.20	$125.07	$122.44	$113.11	$142.56
2025	$117.28	$118.35	$117.28	$122.29	$137.12	$168.65	$190.84	$167.35	$154.09				$149.80
Avg	$112.16	$105.93	$105.67	$108.72	$123.18	$156.64	$175.97	$160.59	$148.48	$114.55	$110.70	$106.70	$135.88

RevPAR ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2021	$37.96	$34.78	$44.65	$45.36	$61.39	$98.20	$132.92	$111.66	$88.34	$55.17	$53.50	$37.79	$69.74
2022	$45.97	$39.10	$40.74	$58.75	$72.22	$115.97	$136.48	$110.38	$100.77	$68.06	$44.75	$36.64	$72.68
2023	$49.28	$41.35	$38.48	$49.67	$69.15	$112.96	$137.19	$115.88	$105.04	$54.02	$45.07	$37.45	$71.47
2024	$46.25	$41.47	$41.44	$56.75	$80.02	$128.37	$157.79	$135.62	$111.54	$77.32	$55.23	$39.16	$81.16
2025	$50.40	$44.85	$50.40	$60.01	$76.29	$115.86	$143.60	$114.79	$91.48				$82.15
Avg	$45.97	$40.31	$43.14	$54.11	$71.81	$114.27	$141.60	$117.67	$99.43	$63.64	$49.64	$37.76	$75.44

Revenue ($)													
YR.	January	February	March	April	May	June	July	August	September	October	November	December	YTD
2021	$324,973	$268,936	$382,162	$375,773	$525,497	$813,521	$1,137,761	$955,800	$731,826	$472,283	$443,168	$323,495	$6,755,195
2022	$393,474	$302,308	$348,777	$486,688	$618,186	$960,735	$1,168,306	$944,811	$834,802	$582,621	$370,704	$313,610	$7,325,022
2023	$421,853	$319,747	$329,353	$411,461	$591,955	$935,774	$1,174,326	$991,893	$870,131	$462,397	$373,395	$320,542	$7,202,827
2024	$395,873	$321,208	$354,733	$469,812	$684,945	$1,063,407	$1,350,665	$1,160,866	$924,028	$661,887	$457,495	$335,184	$8,180,103
2025	$431,383	$346,784	$431,383	$497,147	$653,000	$959,815	$1,229,234	$982,562	$757,789				$6,289,097
Avg	$393,511	$311,797	$369,282	$448,176	$614,717	$946,650	$1,212,058	$1,007,186	$823,715	$544,797	$411,191	$323,208	$7,150,449

STR Global - CoStar - 12 Month Moving Average - Primary Comp Set

Occupancy (%)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2021	43.8%	42.9%	43.3%	45.1%	47.0%	48.9%	50.9%	52.6%	53.7%	53.1%	54.2%	55.0%
2022	26.0%	55.3%	54.9%	55.6%	56.1%	56.7%	56.6%	56.4%	56.7%	57.5%	56.9%	56.8%
2023	56.8%	57.0%	56.8%	56.0%	55.5%	54.9%	54.5%	54.3%	54.2%	53.1%	52.8%	52.6%
2024	52.3%	52.1%	52.1%	52.5%	53.1%	53.6%	54.5%	55.1%	55.2%	56.5%	56.9%	56.9%
2025	57.0%	57.0%	57.5%	57.3%	56.7%	56.0%	55.0%	54.2%	53.3%			
Avg	**47.2%**	**52.9%**	**52.9%**	**53.3%**	**53.7%**	**54.0%**	**54.3%**	**54.5%**	**54.6%**	**55.1%**	**55.2%**	**55.3%**

ADR ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2021	$107.33	$106.90	$106.58	$106.25	$107.45	$110.61	$115.23	$117.76	$119.67	$121.42	$121.84	$121.97
2022	$122.64	$123.01	$123.31	$123.81	$124.17	$125.47	$126.24	$126.61	$127.59	$127.80	$127.92	$128.06
2023	$128.34	$128.33	$128.50	$128.85	$129.59	$130.52	$131.58	$132.97	$133.80	$134.49	$135.32	$135.75
2024	$136.26	$136.75	$137.18	$137.23	$137.54	$138.44	$139.45	$140.94	$141.63	$141.99	$142.39	$142.56
2025	$142.66	$143.05	$143.31	$144.20	$145.14	$145.16	$145.58	$144.44	$143.83			
Avg	**$127.45**	**$127.61**	**$127.78**	**$128.07**	**$128.78**	**$130.04**	**$131.62**	**$132.54**	**$133.30**	**$131.43**	**$131.87**	**$132.09**

RevPAR ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2021	$47.01	$45.82	$46.19	$47.97	$50.51	$54.11	$58.60	$61.96	$64.23	$64.47	$65.99	$67.02
2022	$67.70	$68.03	$67.70	$68.80	$69.72	$71.18	$71.49	$71.38	$72.40	$73.49	$72.78	$72.68
2023	$72.96	$73.13	$72.94	$72.19	$71.93	$71.69	$71.74	$72.21	$72.56	$71.37	$71.40	$71.47
2024	$71.21	$71.21	$71.46	$72.05	$72.97	$74.24	$75.99	$77.66	$78.20	$80.18	$81.01	$81.16
2025	$82.34	$81.58	$82.34	$82.61	$82.29	$81.27	$80.06	$78.29	$76.64			
Avg	**$68.24**	**$67.95**	**$68.13**	**$68.72**	**$69.48**	**$70.50**	**$71.58**	**$72.30**	**$72.81**	**$72.38**	**$72.80**	**$73.08**

Revenue ($)

YR.	January	February	March	April	May	June	July	August	September	October	November	December
2021	$4,739,149	$4,617,822	$4,655,265	$4,834,707	$5,090,997	$5,453,915	$5,906,149	$6,244,983	$6,473,785	$6,497,873	$6,650,602	$6,755,195
2022	$6,823,696	$6,857,068	$6,823,683	$6,934,598	$7,027,287	$7,174,501	$7,205,047	$7,194,057	$7,297,033	$7,407,370	$7,334,906	$7,325,022
2023	$7,353,400	$7,370,838	$7,351,414	$7,276,187	$7,249,956	$7,224,995	$7,231,014	$7,278,097	$7,313,426	$7,193,203	$7,195,893	$7,202,826
2024	$7,176,846	$7,178,307	$7,203,687	$7,262,038	$7,355,028	$7,482,662	$7,659,001	$7,827,973	$7,881,870	$8,081,361	$8,165,460	$8,180,102
2025	$8,298,848	$8,222,198	$8,298,848	$8,326,183	$8,294,238	$8,190,646	$8,069,215	$7,890,911	$7,724,672			
Avg	**$6,878,388**	**$6,849,247**	**$6,866,579**	**$6,926,743**	**$7,003,501**	**$7,105,344**	**$7,214,085**	**$7,287,204**	**$7,338,157**	**$7,294,952**	**$7,336,715**	**$7,365,786**

Primary Competitive Hotel Properties Data Summary

Primary Competitive Set			
Property Name	**Industry Segment**	**Open or Renovate Date**	**Room Count**
AmericInn by Wyndham Spencer	Midscale	1995	46
Ramada by Wyndham Spirit Lake/Okoboji	Midscale	2011	50
Ascend Collection The Inn Hotel	Upscale	2018	38
Holiday Inn Express & Suites Spencer	Upper Midscale	2015	68
AmericInn by Wyndham Okoboji	Midscale	2011	61
Primary Competitive Set Room Count Average			53

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Properties Data Summary

Primary Competitive Set Current			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	55.3%	$150.30	$83.18
3 Month Average	67.8%	$172.35	$116.89
12 Month Average	53.3%	$143.83	$76.64
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Prior Year			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
12 Month Average	55.1%	$141.00	$78.00
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Set Year Over Year Percentage Change			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
Percent of Change	-3.4%	1.9%	-1.5%
Source: CoStar/STR Core Distinction Group, LLC			

Primary Competitive Hotel Rate Shops

Primary Competitive Set Listed Rates - Weekday				
Property Name	DEC	MAR	JUN	SEP
AmericInn by Wyndham Spencer	$80	$80	$84	$121
Ramada by Wyndham Spirit Lake/Okoboji	$80	$73	$103	$95
Ascend Collection The Inn Hotel	$89	$99	$212	$142
Holiday Inn Express & Suites Spencer	$129	$135	$232	$251
AmericInn by Wyndham Okoboji	$87	$82	$114	$96
Primary Competitive Set Average	**$93**	**$94**	**$149**	**$141**
Primary Competitive Set Rate Average				**$119**

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Rate Shops

Primary Competitive Set Listed Rates - Weekend				
Property Name	DEC	MAR	JUN	SEP
AmericInn by Wyndham Spencer	$82	$70	$107	$128
Ramada by Wyndham Spirit Lake/Okoboji	$80	$76	$190	$130
Ascend Collection The Inn Hotel	$109	$118	-	$181
Holiday Inn Express & Suites Spencer	$118	$113	$227	$282
AmericInn by Wyndham Okoboji	$105	$102	-	$130
Primary Competitive Set Average	**$99**	**$96**	**$175**	**$170**
Primary Competitive Set Rate Average				**$135**

Source: CoStar/STR Core Distinction Group, LLC

Primary Competitive Hotel Trends & Projections

Primary Competitive Set Trend			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	55.3%	$150.30	$83.18
3 Month Average	67.8%	$172.35	$116.89
12 Month Average	53.3%	$143.83	$76.64

Source: CoStar/STR Core Distinction Group, LLC

Projected Primary Competitive Set Rates	
Time Frame	**Average Daily Rate**
3 Month Average	**$172.35**
12 Month Average	**$143.83**
Future Quoted Rate Average	**$123.68**
Projected Average Daily Rates	**$146.62**

Source: Google Travel/CoStar/STR Core Distinction Group, LLC

Regional Industry Data Overview

For the purposes of this Comprehensive Hotel Market Feasibility Study, Core Distinction Group, LLC reviewed Regional/Market/Submarket data to help gain knowledge of the market and surrounding areas. The following information will be analyzed in Regional Industry Overview Data*:

- Regional Competitive Hotel Properties Data Summary
- Market Overview
- Performance Data
- Past Construction Data
- Under Construction Data
- Sales Data
- Economy Data
- Submarket Data

*Data can be found in Appendix.

Regional Competitive Hotel Properties Data Summary
Iowa West Area

Regional Submarket Competitive Set Performance			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
YTD	51.7%	$106.00	$55.00
3 Month Average	60.5%	$109.00	$66.00
12 Month Average	50.9%	$105.00	$54.00
Source: CoStar/STR Core Distinction Group, LLC			

Regional Submarket Performance by Class (Running 12 Months)			
Time Frame	**Occupancy**	**Average Daily Rate**	**Revenue Per Available Room**
Upscale & Upper Midscale	58.2%	$127.00	$74.00
Midscale & Economy	46.2%	$86.00	$40.00
Source: CoStar/STR Core Distinction Group, LLC			

Economic Impact Summary

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

- Direct Economic Impact
  - City Sales Tax Revenue
  - Lodging/Bed Tax Revenue
  - Real Estate Tax Revenue
- Indirect Economic Impact
  - Rooms Sold
  - Average Indirect Food Revenue and Jobs Needed
  - Average Indirect Entertainment/Activities Revenue and Jobs Needed
  - Average Indirect Alcoholic Beverages Revenue and Jobs Needed

Direct Economic Impact

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

Sales Tax Revenue Per Year	
Year	**Sales Tax**
Year One	$115,310
Year Two	$122,266
Year Three	$128,385
Year Four	$134,813
Year Five	$137,499
First Five Years Total:	**$638,273**

Based on the minimum combined 2025 sales tax rate for Spencer, Iowa is 6%.

Lodging/Bed Tax Revenue Per Year	
Year	**Lodging/Bed Tax**
Year One	$132,028
Year Two	$140,068
Year Three	$147,156
Year Four	$154,602
Year Five	$157,709
First Five Years Total:	**$731,562**

Based on a current 7% Average Transient Lodging Tax in Spencer, Iowa.

Real Estate Tax Revenue Per Year (Based on Estimates)	
Year	**Real Estate Tax**
Year One	$86,428
Year Two	$86,428
Year Three	$86,428
Year Four	$86,428
Year Five	$86,428
First Five Years Total:	**$432,140**

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

Indirect Economic Impact Estimates

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

Rooms Sold Per Year Average		
Year	**Occupancy**	**Rooms Sold**
Year One	60.4%	11,908
Year Two	62.2%	12,265
Year Three	63.5%	12,510
Year Four	64.7%	12,760
Year Five	65.4%	12,888

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

Average Rooms Per Night Sold	
Year One	33
Year Two	34
Year Three	34
Year Four	35
Year Five	35

Indirect Economic Impact Estimates (continued)

The average cost of food in the United States of America is $58 per day. Based on the spending habits of previous travelers, when dining out an average meal in the United States of America should cost around $23 per person. Breakfast prices are usually a little cheaper than lunch or dinner. The price of food in sit-down restaurants in the United States of America is often higher than fast food prices or street food prices. The total estimated indirect food revenue in your community is estimated* to be around:

Average Indirect Food Revenue Per Day	
Year One	$1,892
Year Two	$1,949
Year Three	$1,988
Year Four	$2,028
Year Five	$2,048

Average Indirect Food Revenue Per Year	
Year One	$690,638
Year Two	$711,357
Year Three	$725,584
Year Four	$740,095
Year Five	$747,496
First Five Years Total:	**$3,615,170**

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

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

Average Indirect Food Service Jobs Needed	
Year One	9.6
Year Two	9.9
Year Three	10.1
Year Four	10.3
Year Five	10.4

** Based on 32 hours a week and the median average base hourly rate of Food Service Workers of $13 per hour, at the time of this report according to www.payscale.com.*

Indirect Economic Impact Estimates (continued)

Entertainment and activities in the United States of America typically cost an average of $55 per person, per day. This includes fees paid for admission tickets to museums and attractions, day tours, and other sightseeing expense.

Average Indirect Entertainment/Activities Revenue Per Day	
Year One	$1,794
Year Two	$1,848
Year Three	$1,885
Year Four	$1,923
Year Five	$1,942

Average Indirect Entertainment/Activities Revenue Per Year	
Year One	$654,915
Year Two	$674,562
Year Three	$688,054
Year Four	$701,815
Year Five	$708,833
First Five Years Total:	**$3,428,178**

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

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

Average Indirect Entertainment/Activities Jobs Needed	
Year One	4.7
Year Two	4.9
Year Three	4.9
Year Four	5.0
Year Five	5.1

** Based on 32 hours a week and the median average base hourly rate of Tour Guide of $20.89 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average person spends about $27 on alcoholic beverages in the United States of America per day.

Average Indirect Alcoholic Beverages Revenue Per Day	
Year One	$881
Year Two	$907
Year Three	$925
Year Four	$944
Year Five	$953

Average Indirect Alcoholic Beverages Revenue Per Year	
Year One	$321,504
Year Two	$331,149
Year Three	$337,772
Year Four	$344,527
Year Five	$347,972
First Five Years Total:	**$1,682,924**

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

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

Average Indirect Bartender Jobs Needed	
Year One	4.6
Year Two	4.8
Year Three	4.9
Year Four	4.9
Year Five	5.0

** Based on 32 hours a week and the median average base hourly rate of a bartender of $12.55 per hour, at the time of this report according to www.salary.com.*

Indirect Economic Impact Estimates (continued)

The average price for Tips and Handouts in the United States of America is $33 per day. The usual amount for a tip in the United States of America is 10% - 20%.

Average Indirect Tips/Handouts Revenue Per Day	
Year One	$1,077
Year Two	$1,109
Year Three	$1,131
Year Four	$1,154
Year Five	$1,165

Average Indirect Tips/Handouts Revenue Per Year	
Year One	$392,949
Year Two	$404,737
Year Three	$412,832
Year Four	$421,089
Year Five	$425,300
First Five Years Total:	**$2,056,907**

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

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

Source: BudgetYourTravel.com

Conclusion and Recommendations

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

- Recommended Hotel Segment Recommendations for Market Studied
- Recommended Sleeping Room Configuration Recommendations for Market Studied
- Expected Economic Impact of Hotel in Market Studied

Conclusion and Recommendations

Property segment recommended for the potential development of a hotel is an Upper Midscale to Upscale hotel. For the purpose of this study, Core Distinction Group, LLC, focuses on an Upper Midscale hotel. This type of hotel would allow the property to be positioned properly at the subject site. It is anticipated that this new hotel would capture displaced Lodging Demand currently staying in markets surrounding Spencer, AL. Additionally, the newness of the hotel should be well received in the marketplace. Its location will be ideal to serve Spencer and regional markets. This type of hotel would also be capable of adjusting rates to best fit the demand in the market and the seasonality of the area.

Property size recommendation for the Upper Midscale, newly developed hotel was researched to be between 45 and 55 guestrooms in this report. This would position it to be similar in size to the average room size of 53 units noted by the competitive set surveyed. The size would assist the property in achieving the Occupancy projections listed in this report. It is not advisable to over-build in this market at this time. Expansion of the hotel in future years could be considered as the market's Lodging Demand grows. Adjusting the room count will modify Performance.

The recommended Sleeping Room Configuration should be compatible with the overall Market Segmentation of the area. The property should offer a comparable selection of guestrooms with both single occupancy king bedded rooms to double occupancy double queen bedded guestrooms.

Economic Impact Potential: There are multiple economic impacts of building and developing a new hotel in a community. Some direct impact drivers include projected hotel revenue including all room revenues, meeting room revenue, as well as vending/bar revenue. On average, this size property will create 8-10 full-time equivalent jobs. Indirect impact includes all jobs and income generated by businesses that supply goods and services to the hotel.

Risk Factor Statement

A Risk Factor Statement is a critical component of any Comprehensive Hotel Market Feasibility Study because it provides a balanced and transparent view of the project. While feasibility reports are designed to highlight opportunities and demonstrate financial potential, they must also acknowledge the uncertainties and external variables that can influence a hotel's performance.

Including a Risk Factor Statement serves several key purposes:

- Credibility with Lenders and Investors - Banks, private equity groups, and individual investors expect to see risks explicitly outlined. Addressing these risks head-on demonstrates that the analysis is realistic and conservative rather than overly optimistic. This builds confidence in the study and shows that the developer and consultant have fully considered both the upside and downside of the project.
- Decision-Making Clarity - For city leaders, EDOs, and ownership groups, a Risk Factor Statement clarifies the circumstances under which the hotel might under-perform. By illustrating potential challenges, such as economic downturns, construction cost inflation, or competitive supply, it empowers decision-makers to weigh their tolerance for risk and prepare contingency plans.
- Legal and Fiduciary Protection - Many feasibility studies are presented to lenders, municipalities, or public boards where transparency is essential. A clearly defined Risk Factor Statement helps protect consultants, developers, and community leaders by documenting that all parties were informed of potential challenges.
- Framework for Mitigation - Once risks are identified, they can be paired with strategies to mitigate them (e.g., contingency reserves, brand alignment, conservative underwriting). This not only helps in financing negotiations but also guides management in proactively planning for market shifts.
- Visualizing Scenarios - By including downside examples, such as what happens if occupancy falls below projections, the Risk Factor Statement provides stakeholders with a clear picture of the financial sensitivity of the project. This scenario analysis can be pivotal in structuring debt terms, reserves, and investor expectations.

Risk Factor Statement

While the proposed hotel development demonstrates strong market potential, it is important to recognize and acknowledge the risks inherent in hospitality projects. The following categories represent common risks applicable to hotel developments across communities in the United States.

Economic & Market Risks

- Macro-Economic Shifts: A national or regional economic downturn may reduce both leisure and business travel demand. Rising unemployment, reduced discretionary income, or corporate travel cuts can depress occupancy.
- Local Economic Dependence: In communities reliant on one or two major employers or industries, plant closures, layoffs, or economic slowdowns may disproportionately impact hotel demand.

Example: A town with a manufacturing plant as its primary employer could see reduced weekday occupancy if the plant reduces shifts or relocates operations.

Financing & Interest Rate Risks

- Debt Service Coverage Pressure: Higher-than-expected interest rates or tighter credit markets can erode project feasibility by increasing monthly debt obligations.
- Capital Market Uncertainty: Changes in lender appetite, construction loan availability, or underwriting standards may delay financing or require higher equity contributions.

Example: A 1% rise in interest rates on a $10M loan can increase annual debt service by $100,000, lowering investor returns.

Construction & Development Risks

- Cost Overruns: Inflation in labor, steel, lumber, and concrete may drive total costs above budget, eroding returns.
- Delays: Weather, permitting backlogs, labor shortages, or supply-chain disruptions may postpone opening, resulting in extended interest carry and delayed revenue.
- Site & Regulatory Compliance: Environmental conditions (soil, drainage, wetlands) or zoning challenges may add unforeseen costs or restrict planned scope.

Example: A six-month delay in opening could increase carrying costs by $300,000–$500,000, while also missing the first high-demand season.

Risk Factor Statement

Competitive & Market Supply Risks

- New Supply Additions: Additional hotel developments in the market may dilute occupancy and put downward pressure on rates.
- Untracked Competition: Short-term rentals (Airbnb/VRBO) or unbranded motels may siphon demand, particularly during peak leisure months.

Example: If two new limited-service hotels open within a 10-mile radius, stabilized occupancy for the subject could take 2–3 additional years to achieve.

Operational & Performance Risks

- Management Quality: Underperformance can stem from inexperienced operators, lack of revenue management, or poor guest service scores.
- Labor Shortages: Many U.S. markets face tightening hospitality labor pools, driving up payroll costs and turnover risk.
- Expense Volatility: Utilities, insurance, and franchise fees may rise faster than inflation, narrowing NOI margins.

Example: A 5% increase in payroll costs can reduce NOI by $100,000+ annually in a 75-room property.

Seasonality & Demand Fluctuations

- Seasonal Swings: Markets dependent on summer tourism, college events, or ski resorts may face sharp seasonal demand.
- Event Reliance: Heavy reliance on one or two demand generators (annual festivals, large employers, sports tournaments) can expose the hotel to volatility if events are canceled or attendance declines.

Example: If a major annual county fair is canceled due to weather or funding cuts, peak season occupancy could drop 10+ points in that month.

Risk Factor Statement

External & Environmental Risks

- Natural Disasters: Flooding, hurricanes, tornadoes, wildfires, and earthquakes vary by region and may impact insurance, construction costs, and operating continuity.
- Public Health & Safety: Pandemics, security incidents, or changing traveler perceptions of safety can depress demand across all markets.

Example: COVID-19 demonstrated how a sudden pandemic can reduce occupancy to below 20% nationwide, despite otherwise strong fundamentals.

Brand & Franchise Risks

- Franchise Requirements: Unexpected Property Improvement Plans (PIPs), higher royalty fees, or stricter standards may be imposed by the franchisor.
- Brand Overlap: Competing properties within the same franchise family may open nearby, creating internal brand competition.

Example: A franchisor may require a $1M PIP in Year 10 for room renovations, impacting investor cash flow.

Understanding the Terms

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

Average Daily Rate: A measure of the average rate paid for rooms sold, calculated by dividing room revenue by rooms sold. ADR = Room Revenue / Rooms Sold

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

Competitive Set (Comp Set): A peer group of hotels that competes for business and is selected to benchmark the subject property's performance.

Index: Measures a hotel's performance relative to an aggregated grouping of hotels (i.e., competitive set, market or submarket). An index of 100 means a hotel is capturing a fair share compared to the aggregated group of hotels. An index greater than 100 represents more than a fair share of the aggregated group's performance. Conversely, an index below 100 reflects less than a fair share of the aggregated group's performance.

Occupancy (OCC): Percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available. Occupancy = Rooms Sold / Rooms Available

Revenue Per Available Room (RevPar): Total room revenue divided by the total number of available rooms. Room Revenue/Rooms Available = RevPAR

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

Year to Date: Period starting at the beginning of the current year and ending on the current date.

Disclaimer

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

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

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

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

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

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

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

Lisa Pennau

Founding Partner
Core Distinction Group, LLC

Scope of Work

Core Distinction Group, LLC takes immense pride in the work we do. Throughout each phase of our projects we communicate with our clients regularly. This ensures everyone involved in the project is up-to-date on the progress. We also keep a very tight timeline on our projects. Each phase is well thought out and followed consistently. The objective of our studies are to identify and determine the need for lodging in the community, the loss of lodging to the area due to lack of quality or amount of lodging, as well as determine if there is enough need to justify a new hotel. A new hotel that makes good business sense. Below you will find each part and its timing in the process:

KICKOFF MEETING, RESEARCH & COMMUNITY OUTREACH

This phase involves speaking with community leaders to compile a list of potential demand generators in the local and regional community. This phase is conducted within the first one to two weeks following receipt of the retainer.

SITE VISIT/COMMUNITY TOUR

This phase involves an in-depth local tour of the community highlighting sites and demand generators to help Core Distinction Group, LLC understand the community and the need for lodging.

DEMAND GENERATOR SURVEYS

This phase involves conducting online and phone interviews with potential demand generators gathered during the Research and Community Outreach of the study process. This phase will take place in the first two weeks of the study process. In some cases, surveys are done prior to visit.

DATA COMPILATION

This phase of the process involves compiling all the data gathered during our visit to gain the overall picture of what is needed for the community. This phase is conducted in the two weeks following our community visit completion.

*DATA RECEIVING & REPORTING

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

COST GATHERING

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

PROJECT PRO FORMA

Immediately following Development and Operational Cost Gathering, Core Distinction Group, LLC will construct a project, brand, market, and scale specific Pro Forma that is bank, investor, brand and developer friendly.

DRAFT COMPLETION/SUBMITTAL

After Core Distinction Group, LLC has conducted all previous phases, we complete a draft of the study and financial Pro Forma and submit it for review by the contracted entity. Changes to the study may be made at this point but are limited to spelling and grammar updates.

FINAL

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

*If at this point, Core Distinction Group, LLC does not feel there is enough need for lodging to merit the costs of a new build hotel, we will stop the process, communicate with the community and offer alternative options for accommodations. If this happens, the contracted entity is not responsible for the remaining study costs highlighted in (Cost) and will receive a report indicating the reasoning behind the decision.

Our Team

Core Distinction Group, LLC specializes in comprehensive, hotel feasibility market studies. Our more than fifty years of hands-on industry experience, offers our clients valuable knowledge and understanding. Each community is unique. A one-size-fits-all approaches will never produce a productive and precise outcome. Core Distinction Group, LLC delivers custom solutions, tailored to your community.

Although our specialty is hotel feasibility studies, our clients return to us for convention or conference center feasibility studies, restaurant feasibility studies, marketing and much more. Colleagues in the hotel industry turn to Core Distinction Group, LLC expert knowledge for training, sales, revenue, marketing and operations management consulting.

Lisa Pennau

Founding Partner

Jessica Junker

Managing Partner

Sara McKay

Hotel Industry Analyst

Stephanie Knutson

Executive Assistant

Core Distinction Group, LLC offers you hotel consultants with unmatched industry and market knowledge in the world of hotel market feasibility study reports and hotel consulting. Prior to working with Core Distinction Group, LLC, our hotel expert team has gained hands on knowledge from industry leaders like Marriott, Hilton, WHG Companies, InterContinental Hotels Group, Choice Hotels, TMI Hospitality, Interstate Hotels, Pillar Hotels & Resorts, Cobblestone Hotels, Wyndham Hotels & Resorts, and many more. In addition to drawing knowledge from industry leading companies, our team has experience in markets with populations of less than 500 to markets with populations in the millions. Experience is key to having a true understanding of each unique project and market. Our team has the experience that you need when working on a hotel development project and the hotel feasibility study report to get the project done.

APPENDICES

For the purpose of this Comprehensive Hotel Market Feasibility Study, large amounts of data was collected. The Appendices hold the detailed information of each data set collected. This section contains the following information:

- Detailed Community Survey Responses
- Primary Competitive Set Analytics Regional
- Lodging Industry Sub-market Report

Appendix One

Community Interviews

Detailed Report

Q1 Please enter the name of your organization/business.

RESPONSES
Faith Pentecostal Church, Spencer Iowa, Brad Wallace, Pastor
spencer hospital
Arnold Motor Supply/The Merrill Company
Community State Bank
Demco
Iowa Lakes Community College
Farmers Trust & Savings Bank
Vander Haags
Midwestern Mechanical Inc
Spencer Municipal Golf Course
Northwest Bank
Black Hills energy
Spencer Chamber
Spencer Chamber of Commerce/Clay County Tourism
Clay County Fair & Events Center
Spencer Main Street
Iowa Lakes Corridor Development Corporation

Q3 What do you expect your organization's lodging need will be in 2025 and beyond? PLEASE KEEP IN MIND, A NEW HOTEL MAY TAKE TWO OR MORE YEARS TO DEVELOP AND BUILD. Please be as specific as possible. Example 1: My company typically has 5 rooms a month. The guest usually stays Tuesday or Wednesday night for 2 nights. Example 2: We have soccer tournaments three times during the Summer Months. These tournaments are held Friday and Saturday and have 10 to 25 teams of 10.

RESPONSES
FPC will, with a fair amount of regularity, have guest speakers arrive Friday or Saturday and depart Monday, at least four times a year. In addition, one time a year, we will have three or four family reunions among our church that choose hotel accommodations (up to three rooms over a weekend).
Monthly - an average of 10 rooms per month during the week. Usually for a single night, mid-week. Also, monthly - we have vendors coming into town regularly, staying from 1-3 nights. March - Need around 90 rooms for a single night. Usually a Monday night. Early September (before the fair) - We utilize around 150 rooms for two nights.
We have several vendors that visit us and other banks throughout the year, along with customers that come to visit us.
It varies but would be a couple of rooms per year for a few days.
Visiting Parents and long-distance potential student visitors. It will vary depending on the season, such as sports or tour times. During our soccer season from July to November, we may have a few overseas parents. We also have parents visit to do aviation tours on the first Thursday of every month. They may need lodging depending on how far they came from. Some students may stay long term if the rates seem reasonable compared to local apartments.
Audiotors and Examiners Visiting the Bank. Maybe 30-60 nights/year.
One 1 night hotel stay for one person every 3 months.
We typically need 2 - 3 rooms monthly staying from Tuesday - Thursday for Management. We also during the summer months need 2-4 rooms from Monday - Friday for our workers from other branches like Sioux Falls and Rapid City. Summer of 2025 we had 4 rooms from Monday - Friday for 3 months
We have a decent amount of golfers that visit Spencer and stay in a hotel during their stay.
We typically have a need for several rooms per month for 2-3 nights for training. It can vary month to month.
Quarterly we have 3 to 4 members of our corporate team that utilize a room for 2 nights during business days. Typically Monday or Tuesday. We additionally have need for up to 2 weeks per month for 1 or 2 rooms for outside technicians working in the area from Monday through Thursday. We will also have additional needs of varying types of up to 2 rooms for five nights per month.
We have organizations that would like to host conferences in Spencer/the area, however their demand would be for 300+ hotel rooms and a conference center.
The Chamber will host guest speakers usually 2-5 times a year. These guests will typically

stay on a weeknight for 1-2 nights. Tourism usually assists a variety of events. These include cattle shows, ag related shows, and events that have a large population coming from out of the area. They like to set up blocks at each hotel in the area, usually reserving about 100-200 rooms. We see about half that require the rooms to be reserved the whole week through the weekend (exhibitors like to come Monday-Sunday). The other half is made up of event visitors that will come for just the weekend, or maybe Thursday-Sunday.
Bulls & Brews - March of each year. 40+ contestants - 1300 attendees each Friday & Saturday Large corporate event in April of 2027 for a local business - 1100 attendees in town for 2 day event. Flagfest Rodeo - we are planning to host a two day rodeo. 300-400 participants plus attendees. Clay County Fair Speedway will likely have 15-20 races each year from March until October. Planning is underway to host 2 or more concert events in the Events Center, one in the fall and one in the spring of each year. Arena holds approximately 2000 people. September - Fair drawing 300,000 folks for the 9 day event 12-16 weddings hosted on grounds annually.
Most of the people who attend our events are within driving distance. Main Street Iowa and Main Street America representatives will stay one night. The night varies although typically not Sunday or Friday night.
For our organization, it is hard to be exact on a specific timeline. However, we host events throughout the year and bring in developers that require hotels throughout the year. In 2025 I would estimate that our organization utilized 400 hotel rooms in the area for our events and projects. Events included OEI, Business Recognition Luncheon, State and Local events.

Q5 If yes, what is the approximate length of stay and how many guests per month/year? Please be as specific as possible. Example 1: We offer accommodation for new hire employees that can range from 2 weeks to 3 months.

RESPONSES
No
we get contract workers that need lodging sometimes for greater than 13 weeks
We are at capacity in our Spencer dorms, so they either need to find a short-term lease or stay at a long-term hotel. Typically, July-Mid May. It will depend on the cost comparison.
Last summer we had 4 hotel rooms from Monday - Friday out on the weekends for 3 months.
We do work with businesses who need longer term housing

Q6 Where do you currently recommend these individuals to stay? Please be as specific as possible.

RESPONSES
Holiday Inn Express of Spencer - this location is near our church and make it easier for guests.
Holiday inn
We have direct bill accounts set up with Holiday Inn Express and AmericInn in Spencer. For our September event, we also use RestOn Inn.
AmericInn
I usually recommend the Holiday Inn Express. It's relatively new and nicer than others in town.
They usually stay at the Holiday Inn Express
Holiday Inn Spencer, or Bridges Bay depending on dinner plans.
Holiday Inn express.
I generally have people check in to the Air BNB options within Spencer.
Holiday Inn Express in Spencer, followed by the AmericInn Spencer
People typically stay at the Holiday Inn, Americinn, or they travel up to the Lakes and stay up there. For most of our outside the state guests, they stay in the Lakes area.
Holiday Inn
Holiday Inn Express in Spencer is our first choice for short-term visitors.
We have folks stay at the Holiday Inn Express or at the Sleep Inn or at Vintage Block Inn & Suites during Fair time.
AmericInn
Current hotels in Spencer, Holiday Inn Express, etc.

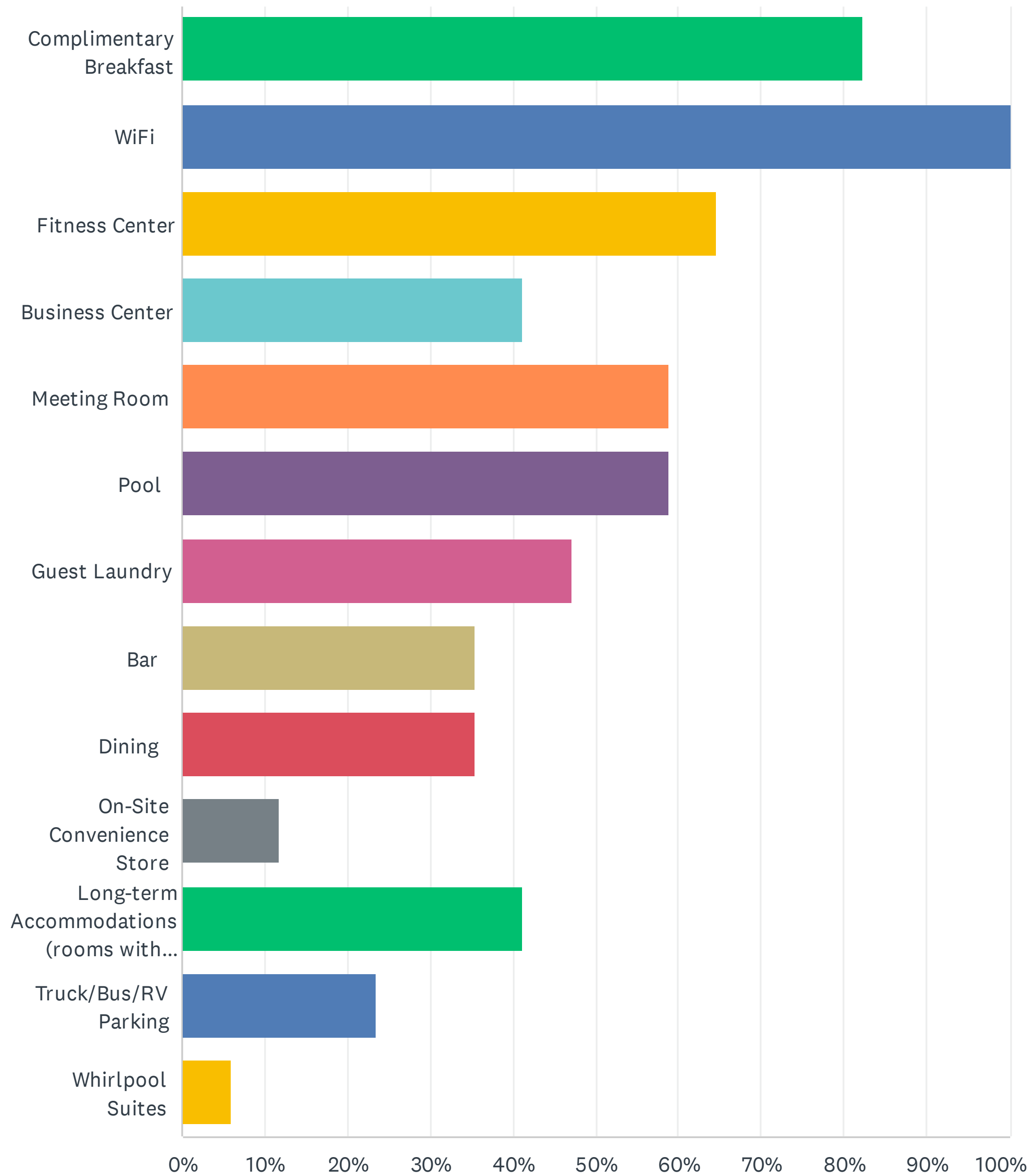
Q7 Do you have a second choice?

RESPONSES
AmericInn of Spencer
Riverside
See above.
Spencer Inn and Suites
The Spencer Inn & Suites if the price is the main concern.
AmericInn
Reston Inn
American Inn
I also suggest the cabins at Scharnberg.
if neither of these hotels are available we usually will look in the lakes area
Reston Inn & Suites
Reston Inn & Suites
Holiday Inn
NO

Q9 If yes or no, please help us understand your stance on a new hotel. Why you do or do not feel it would benefit the community.

RESPONSES
Price point and comparative shopping are factors when booking, as well as, overall cleanliness. Also, availability. Sometimes our hotels are sold out and we have to look around for hotels that are comparable to our first two choices.
Some of our vendors stay at the Lakes or the casino in Emmetsburg. Especially if the Holiday Inn Express is booked because they aren't happy with other options.
The current occupancy is down for the existing hotels, we already have some newly remodeled hotels, and Air BnB type of competition in Spencer and the Lakes area have increased the amount of lodging in our area.
There are very few options in Spencer for hotels and the ones we do have are for the most part, very old.
During the fair season, there aren't enough rooms for visitors. The prices hike exponentially due to availability.
Spencer is the third largest town in Western Iowa. We need to aggressively be progressive in all areas to remain competitive and attractive for years to come. A nice mid priced hotel will get used by travelers. People like clean, well kept and well known brands.
Lots of time the lakes area is full and people try and stay in Spencer during the summer months. It would be nice to have one on the North end of town off the 4 lane. This area is growing and will continue to grow. We are on the North end of town and our people would stay there.
I feel like it would encourage more conferences or events to Spencer. We don't seem to have enough hotel accommodations at the current time.
Another brand name such as a Hampton Inn or Fairfield would be needed in Spencer
There are only the two main options for middle to upper class accommodations. This creates a log jam when events are going on and the need arises for individuals to stay in the area.
I think that a rising tide rises all boats and would add competition to the market.
The Chamber staff often hear complaints of a lack of lodging, especially during high traffic seasons like the summer season and during the Clay County Fair. Spencer is a great alternative to the expensive and highly trafficked Okoboji during the summer, and close enough that people will travel between the two destinations. Another example is when the Red Power Round Up came to town and we were expecting an extra 10,000 people in town. If they can't stay in Spencer, they will likely be staying at the Lakes, or as far away as Emmetsburg or Sheldon. None of the alternate options are in Spencer or Clay County. Having additional lodging options helps our community be more attractive to those hosting events, more accommodating to the events we already offer, and generate more revenue that will go back into our communities.
Hotel rooms are hard to come by for fair time with the influx of folks to town.
I think we need another hotel because we want people to stay in Spencer when they are here for big events.
Spencer is at the cross section of State HWY 18 and 71 and is a throughfare for traffic coming to and from the Iowa Great Lakes. Spencer is positioned well for this increased tourism traffic in the summer months, but also has a number of local events that bring in a lot of tourism as well such as the Clay County Fair, Flag Fest, etc. Additionally, with the strategic visioning for

Q10 In your opinion, what amenities does this hotel offer that are important to your clients? Please check all that apply.



LODGING NEED IN THE Spencer, IA Area

ANSWER CHOICES	RESPONSES	
Complimentary Breakfast	82.35%	14
WiFi	100.00%	17
Fitness Center	64.71%	11
Business Center	41.18%	7
Meeting Room	58.82%	10
Pool	58.82%	10
Guest Laundry	47.06%	8
Bar	35.29%	6
Dining	35.29%	6
On-Site Convenience Store	11.76%	2
Long-term Accommodations (rooms with kitchenettes)	41.18%	7
Truck/Bus/RV Parking	23.53%	4
Whirlpool Suites	5.88%	1
Total Respondents: 17		

OTHER (PLEASE SPECIFY)
None of the hotels in town offer a bar/restaurant. Everyone would appreciate a hotel that had one. For our September event, we rent the hospitality room so that our group can congregate in the evening. If the hotel had a bar, we wouldn't need to.
Dining would be nice also if possible. Indoor pool would be nice. For what we use it for doesn't have to have it. but for tourism I think it would be a benifit.
Many of our clients use our space for meetings and daytime meals so that is not such a need. Mostly truly just need beds for folks. Meeting spaces and food can likely be found elsewhere in town. We host many weddings, so housing would be a great addition to accommodate family members coming to town to celebrate these events. We host 12-16 weddings annually. Long term accommodations may be nice for some of our fair time performers or those attending the fair for the entire run.

Q11 Please take a moment to tell us what you feel are the benefits of living or working in this community.

RESPONSES
Benefits: I live and work here. This makes it convenient for me. Local city government, streets, SMU with electric and phone, internet concerns, etc. are fast to respond to needs and correct as soon as possible. Grocery and clothing options are nice to have; so are restaurants. When we have guests, Mainstreet-winter and summer, golf and parks are highlights.
small town feel with lots of variety of recreational activities. Proximity to the lakes area. Iowa nice
I've loved living in Spencer. It's been a great place to raise our family.
Local ownership of area businesses, a sense of community pride, and a high degree of volunteerism.
It is growing and so we are gaining more shopping and other opportunities to make it more of a destination.
Small enough to maintain a safe and friendly atmosphere, but large enough to meet most needs without having to travel to another town.
Third largest town in Western Iowa. We have untapped potential as a community with the assets that we have and can build off of that. i.e. Fairgrounds, Baseball & Soccer Fields, Campgrounds, Multiple Gym Spaces, YMCA (tired), Close Prox. to the Iowa Great Lakes, Race Track, Development Space, Some housing and apartments are being built. etc. Two Golf Courses, Nice Parks, Trails, Tennis Courts, Pickle Ball Courts, Nice Schools, Health Care Facilities and options. Airport, Community College, Movie Theatre, Nice selection of restaurants.
Generally speaking there everything needed is available in the Spencer area.
Very safe and friendly, Has lots of shopping, local small town feel but is growing and has the capability to grow.
This community is a friendly place where most people are willing to go out of their way to make someone feel welcome.
Safe community, lots of entertainment options, close proximity to the lakes area without having to live at the lakes
Living in Spencer is ideal to raise a family and live a small town life with most of the large town amenities within minutes. The people are friendly and it feels like home, even to outsiders.
Short Commute, safety, proximity to the lakes, access to natural resources
Spencer has a lot to offer. It has a variety of industries, great healthcare offerings, a good school system, many shopping & grocery options — all with a small town feel. It feels like the "big city" for all our rural neighbors, offering job and school opportunities, without having to sacrifice all the things we love about having a small community. I believe this community does have a strong feeling of togetherness and willingness to help each other out as well.
We are blessed with folks who love this community and specifically support the Fair. Without the business and individual support and all the work of local non-profits, we would not be able to welcome over 300,000 people to town each September.
We have great leadership in all things and a great downtown. :)
Great work ethic and passionate community members. Outstanding schools and health systems. Excellent leadership, City Council, Mayor, Chamber and Economic Development

Q12 Please take a moment to tell us what you feel are the challenges of living or working in this community.

RESPONSES
The greatest challenge I see is that, "we are two hours from anywhere" - Sioux City, Sioux Falls, Mason City, Fort Dodge, Albert Lea
not near an airport, housing, not enough eating/restaurants - need more mid level dining, not enough variety in shopping
The biggest challenges for our business is geographic. Not something that can be changed, but it is a challenge that most of our vendors are at least 3 hours away. Other challenges are the typical challenges of a smaller town, a variety of restaurants, and active night life and activities for children and teens.
The amount of affordable housing that was lost in the flood. The amount of available child care.
We could use more food options beyond fast food and housing in general is very difficult.
Lack of public transportation. We lack rideshare options or buses. Even taxis are scarce.
Growth feels like it is relying on govt. grants/funding. Need for private investment. Spencer needs to put rules in place to keep properties kept up, clean and neat to make it an attractive place to live. Many run down rentals, sidewalks, homes without concrete driveways etc. , overgrown trees. All could be controlled with some rules.
Nothing related specifically to our community.
We are not right off the interstate we are 25 miles away. Need a bigger draw for younger people to move to Spencer to start there families. The town is working on this.
I would guess the common theme is adding business and industry to our Community. As well as living needs.
While there are numerous amenities, there is still need for additional nightlife items year round, there is also the need for more restaurants (Culvers, Applebees, Dave & Busters) etc. Additionally while there is shopping, there is a need for more as our mall has almost shut down so to get anythign you must go online or travel to other larger communities (Kohls) comes to mind. Finally, a more vibrant experience downtown at night, something to entertain guests that come in from out of town and get our local community out of their homes.
distance from interstate and big box stores
Lack of variety within dining and shopping options; lack of affordable housing for workforce & community college; work to reduce duplication of services; willingness to do things we've never done before (ie: move forward or know we'll fall behind)
Hosting large events in a "small" town is challenging. Local folks need to support all events and purchase tickets to make the events viable in the future, or the events need to appeal to folks enough from other communities to come and join us. It takes a combination. Low population limits event attendance possibilities, but I think when done properly we can bring people in for activities. We need those attending the fair to come back to the area an additional time throughout the year.
Having to travel 2, 3 or 4 hours to get to an airport
No major challenges. From a development standpoint, access to daycare, shortage of housing, and people to enter the workforce are a few things that do restrict growth. However, all things that the city is currently addressing.

Q13 Please list the top five or more things you wish your community had to offer you or visitors. Examples would include but not be limited to; Recreations Center, Sit-down Restaurant, Fast Food Restaurant, Convenience Store, Community Pool, and so on.

RESPONSES
In no specific order: Comfy, library-like place to read and drink coffee. Chick-Fil-A Gas Station/Convenience store in SW Spencer Ice cream/candy shop QuikTrip Sit-down coffee shop options
housing - sit down restaurants, kids activities, trails, transportation
More restaurants - Panera Bread, Chick-Fil-A, as well as upscale restaurants. More things for kids & teens - trampoline parks, splash pad Rebuilding the campground off Grand. Larger indoor concert/event venue
Indoor play space for children More accessible gym space for the public,
Sit down restaurants
After work fitness classes, Daycare options, Indian/Thai Food Restaurant, a skating rink, and maybe a pet boarding place.
YMCA needs some TLC. Good asset but tired. A large multi use Rec. Center similar to what is on many college campuses would be a nice, attractive addition. Day care needs are being addressed. Employment opportunities with good paying jobs & benefits. More retail shopping. Expansion in the Menards area would be a start. A struggle with online competition now.
City Sewer, Im very happy with the things the area has.
More choices of restaurants. More Shopping like Ulta, or things that you have to drive 2 hours to go to. More entertainment during the winter months indoor go-carts or bars with activities.
Welcome Center Additional Restaurant Options Virtual Tour of the Community and Amenities Additional Hotel Options
indoor sports facility (basketball, volleyball, etc), additional fast food options
Please see #12
Additional restaurants, indoor recreation center, updated bowling/entertainment especially during the winter months.
More lodging; Sit-down restaurants or recognizable fast food; Space for families with small children to play and parents to connect; Indoor recreation (ex: golf simulator, games, etc)
Food options - sit down and fast food Family entertainment options - gaming, go carts, etc. Employment opportunities Shopping experiences - men's clothing
We need another convenience store, ie Kwik Star on the south end of town. More restaurants open on Sunday. Indoor children's center, indoor rec center
Hotel Splash Pad Large Recreation Center to host tournaments, etc. An additional sit-down restaurant/sports bar Additional brewery

Q15 Additional Comments or Contacts you'd recommend us speaking to?

RESPONSES
I moved to Spencer nearly 30 years ago. We have lived here, loved here, and raised our family here. We are advocates of Spencer... and Clay County!
I think pursuing another hotel in the area would be detrimental to our current hotels, along with a potential misuse of time and resources. It is taking the focus off of other high priorities.
I think this could be a good option for wedding accommodations, as well as if a rehearsal dinner space were available.
The Clay County Fair is a ten-day fair and there are some vendors that have to travel a long way away every day because there is no lodging available in the area. I think some of the lake traffic would come and stay in Spencer just because they want to get away from that traffic. Especially ones with families.
Iowa Lakes Community College; large employers (hospital or manufacturing companies, etc)
This is a wonderful initiative. Competition is good for businesses and the area as a whole needs more housing and hotel options.

Appendix Two

Primary Competitive Set Analytics

Search Analytics

INVENTORY ROOMS	UNDER CONSTRUCTION ROOMS	MARKET SALE PRICE/ROOM	MARKET CAP RATE	ANALYTIC ROOMS	12 MO OCC RATE	12 MO ADR	12 MO REVPAR
263 +0%	0 -	$59.8K +2.8%	11.7% +0.5%	276 +0%	53.3% -3.4%	$144 +1.9%	$77 -1.5%
Prior Period 263	Prior Period 0	Prior Period $58.1K	Prior Period 11.2%	Prior Period 276	Prior Period 55.1%	Prior Period $141	Prior Period $78

Key Metrics

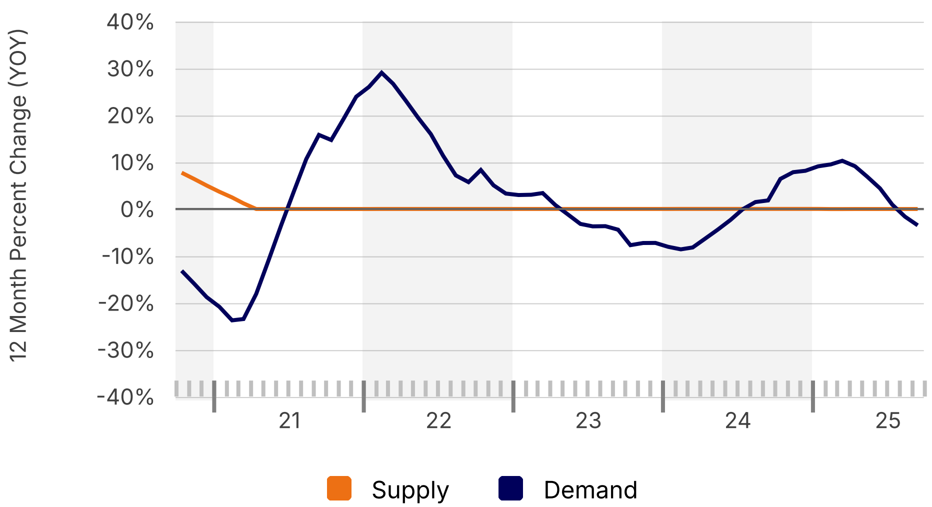
Inventory	
Existing Properties	5
12 Mo Delivered Rooms	0
12 Mo Delivered Properties	0
12 Mo Recently Opened Rooms	0
12 Mo Recently Opened Properties	0
Under Construction Properties	0

Sales Past Year	
Sales Volume	$0
Properties Sold	0
Months to Sale	-
Average Price Per Building	-
Market Price Per Room	$59.8K
Market Cap Rate	-

Performance Trend	
Occupancy Rate	59.4%
Average Daily Rate	$154.09
Revenue Per Available Room	$91.48
YTD Occupancy Rate	55.3%
YTD Average Daily Rate	$150.30
YTD RevPAR	$83.18
3 Mo Occupancy Rate	67.8%
3 Mo Average Daily Rate	$172.35
3 Mo RevPAR	$116.89
12 Mo Occupancy Rate	53.3%
12 Mo Average Daily Rate	$143.83
12 Mo RevPAR	$76.64

Search Analytics

Supply & Demand Change



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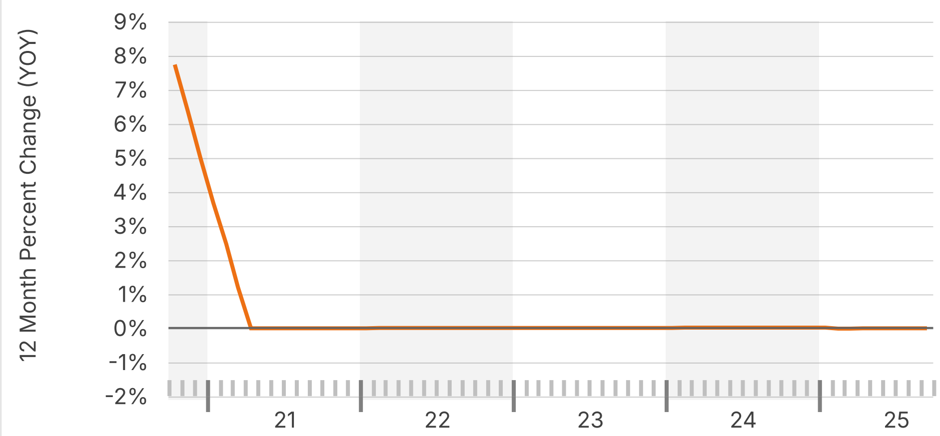
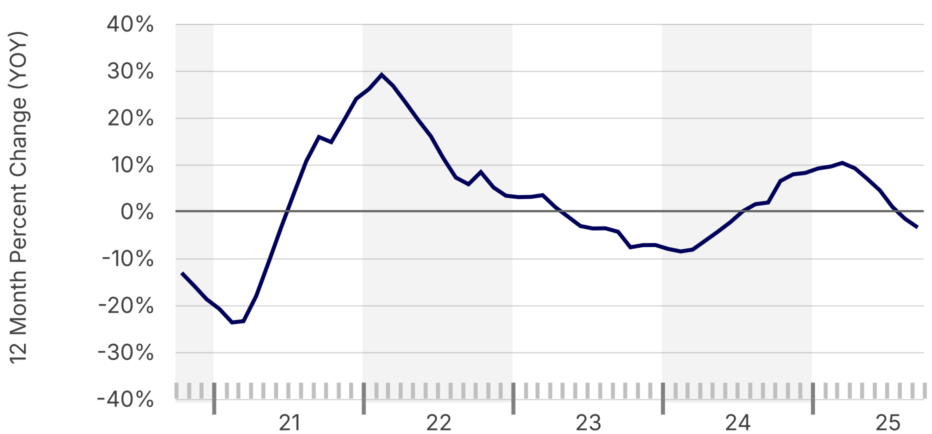
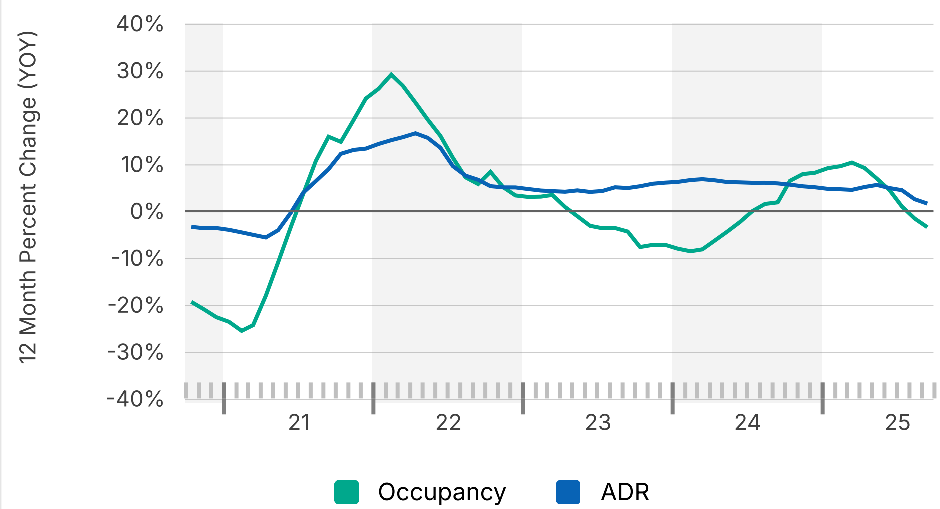


Demand Change

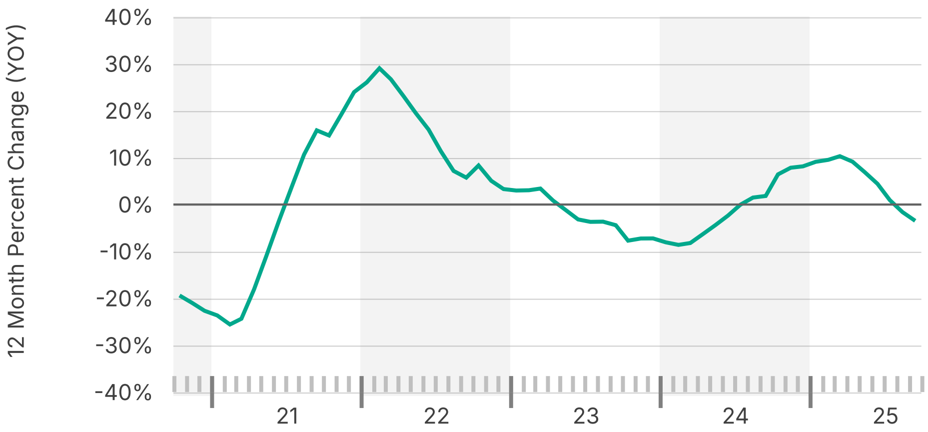


Occupancy & ADR Change

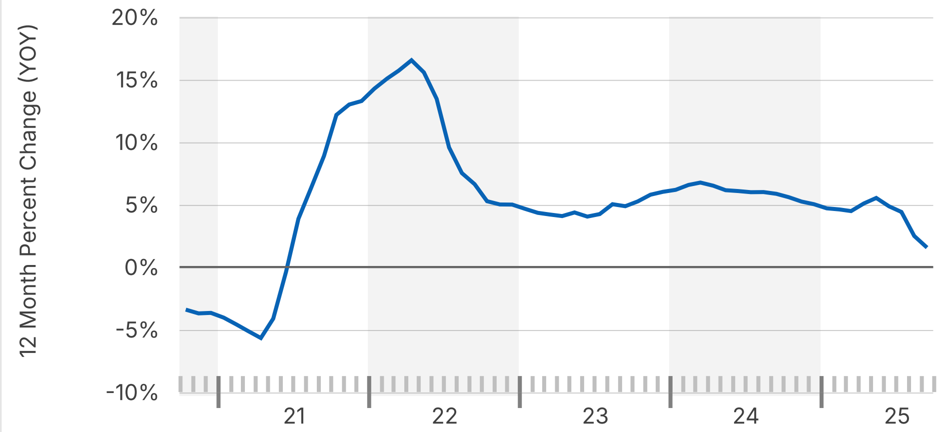


Search Analytics

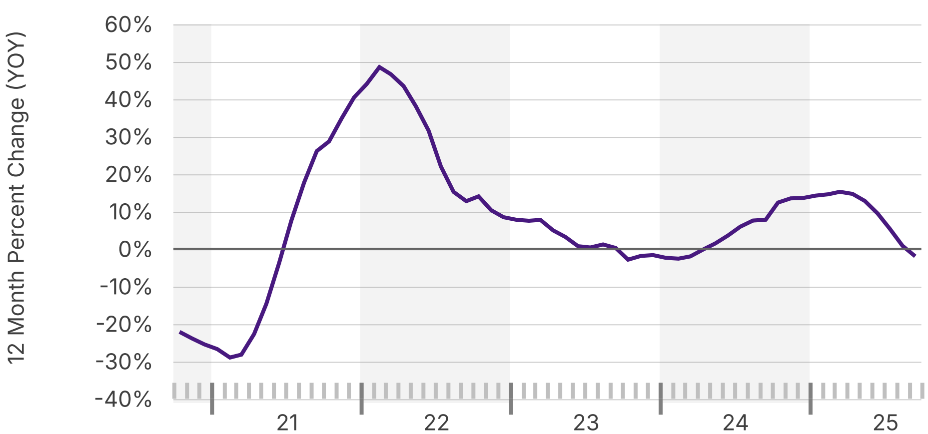
Occupancy Change



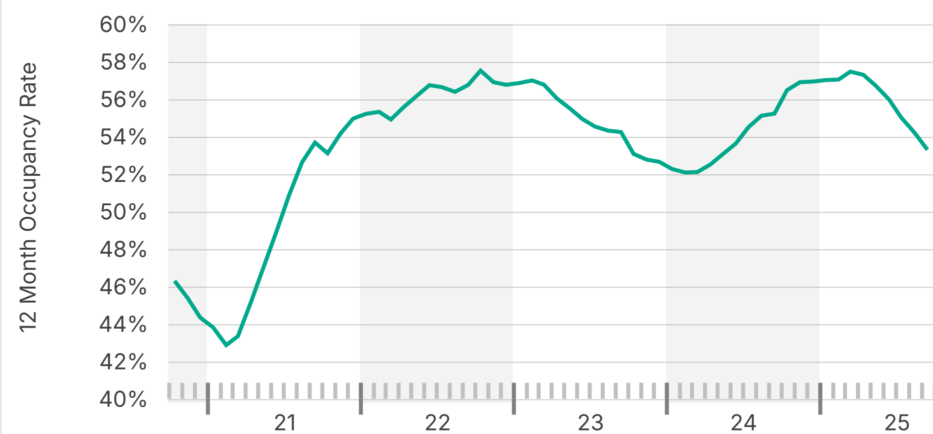
ADR Change



RevPAR Change

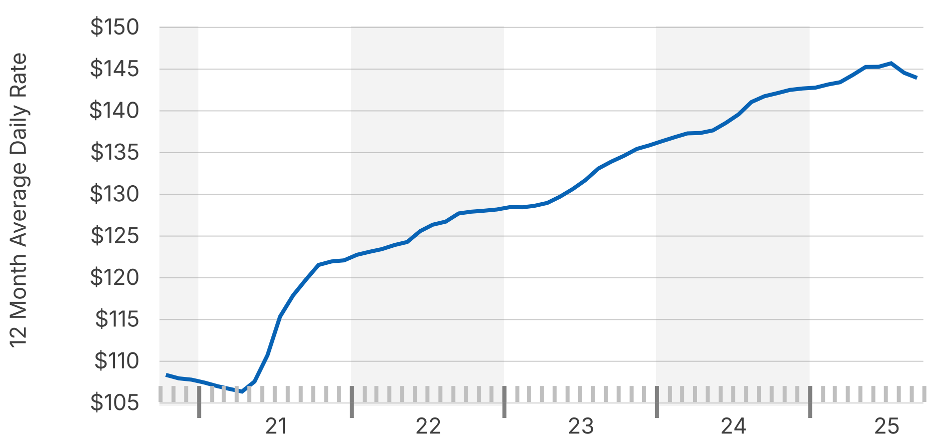


Occupancy

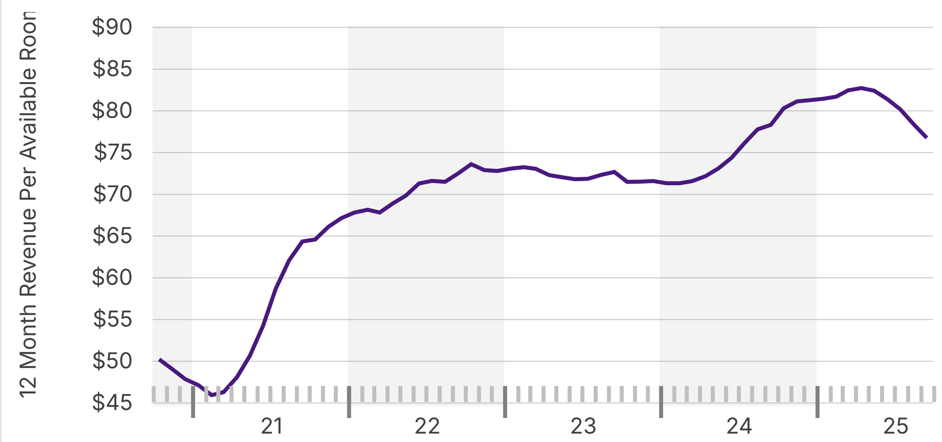


Search Analytics

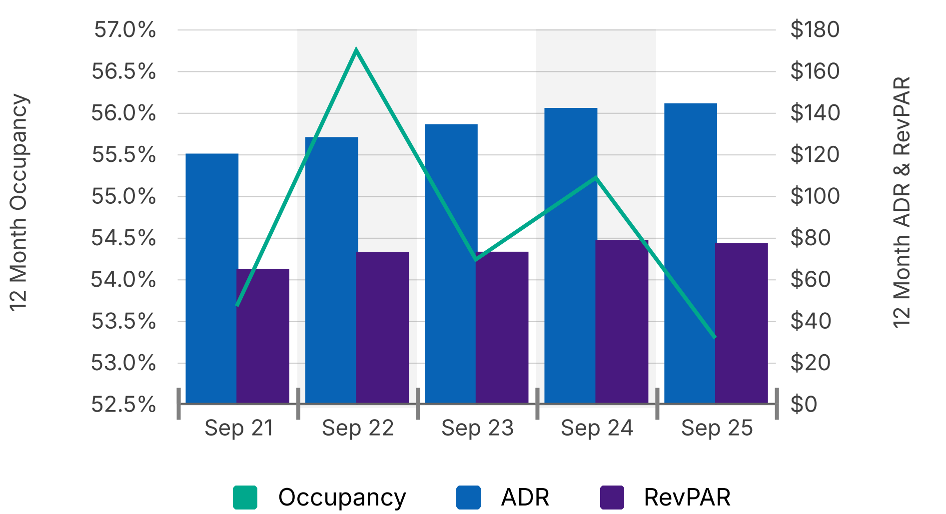
ADR



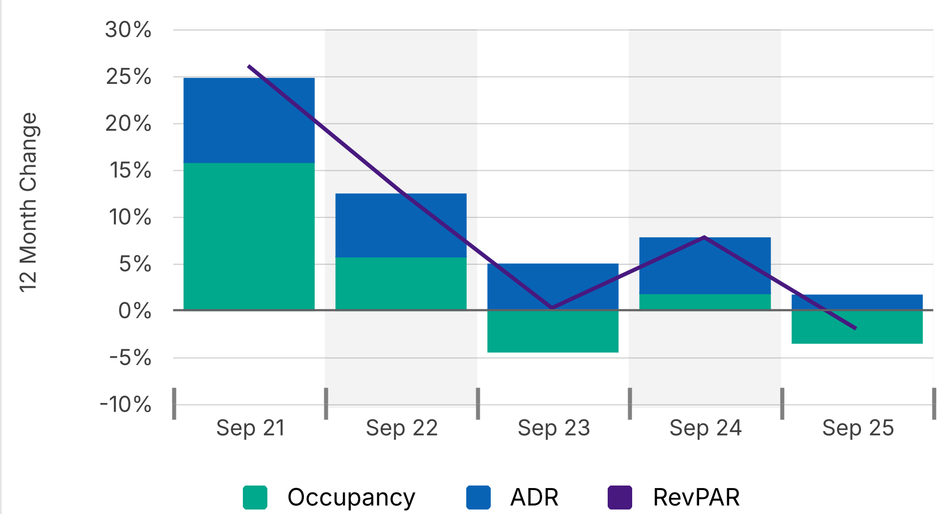
RevPAR



Occupancy, ADR & RevPAR

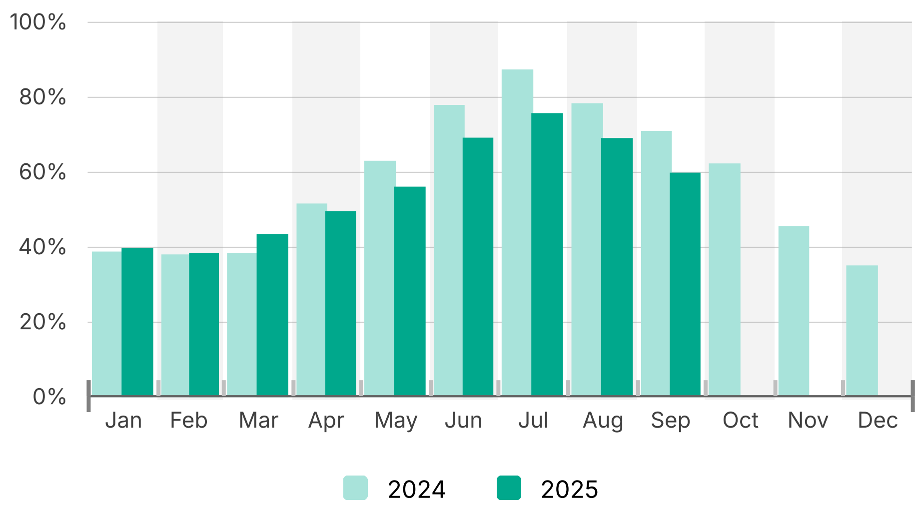


RevPAR Growth Composition

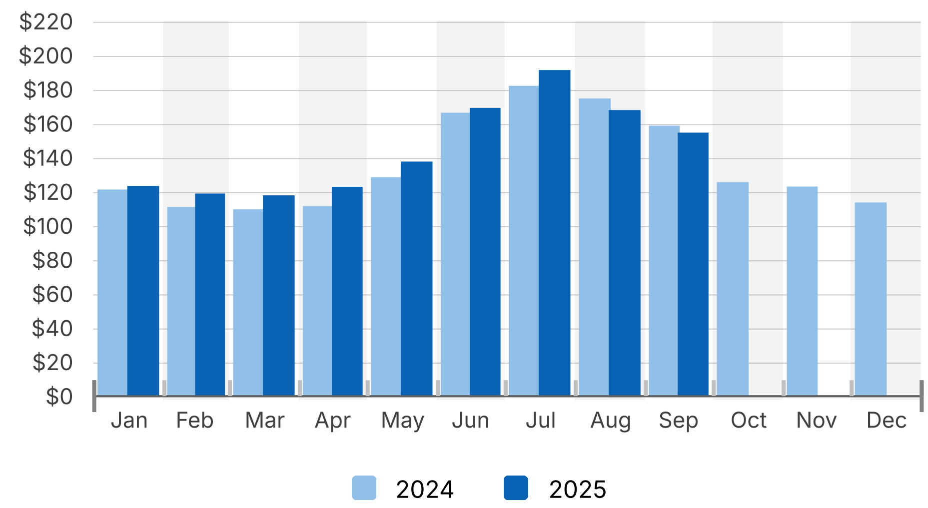


Search Analytics

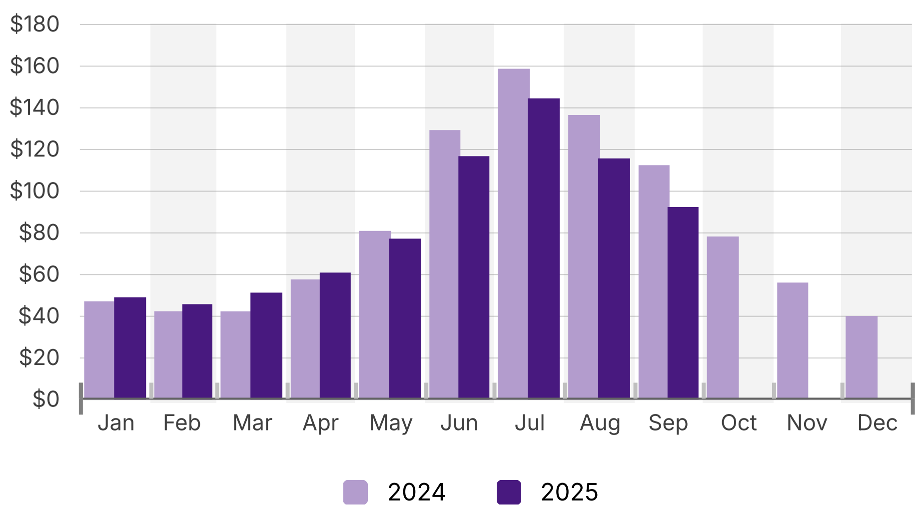
Occupancy Monthly



ADR Monthly



RevPAR Monthly



Rooms Delivered

No Data Available

No data available for the past 5 years

CoStar™

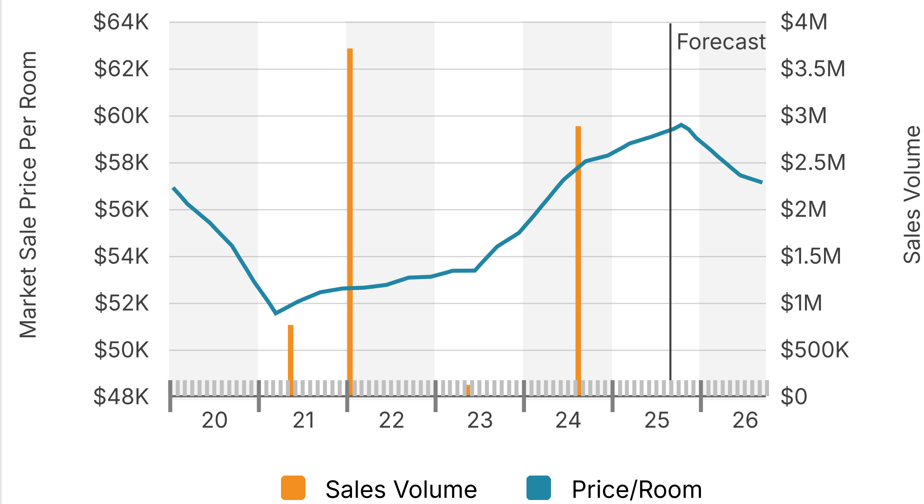
Search Analytics

Rooms Under Construction % of Inventory

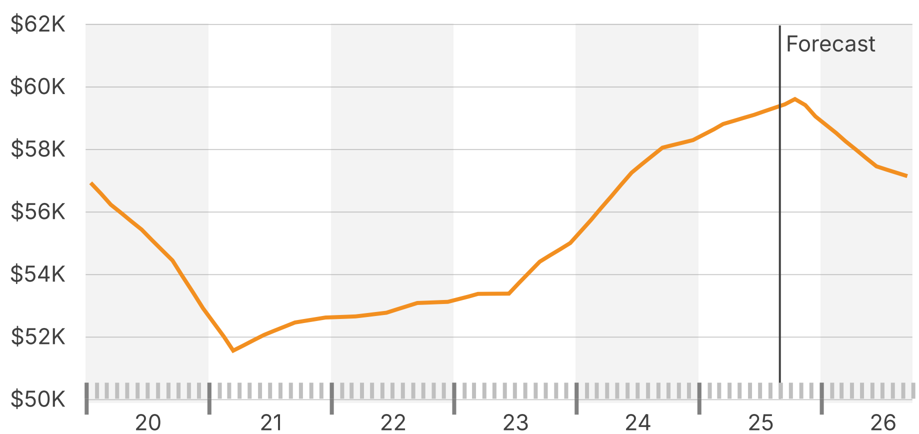
No Data Available

No data available for the past 5 years

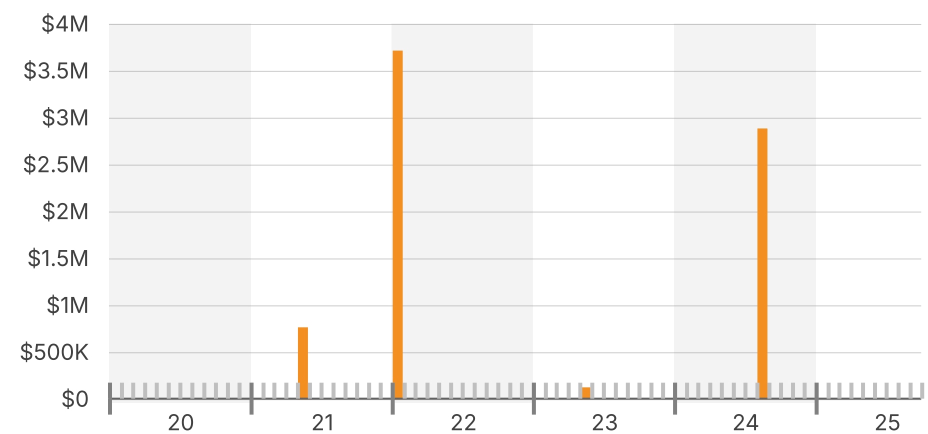
Sales Volume & Market Sale Price Per Room



Market Sale Price Per Room



Sales Volume



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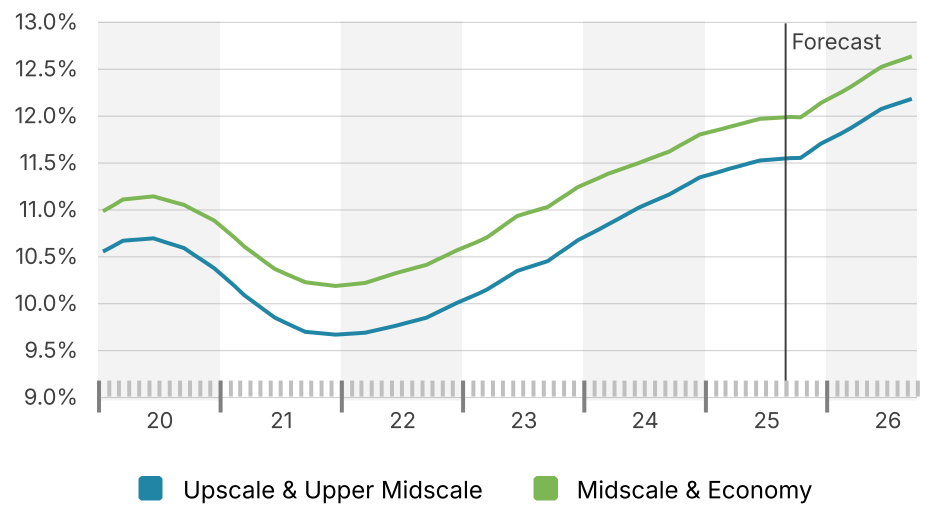
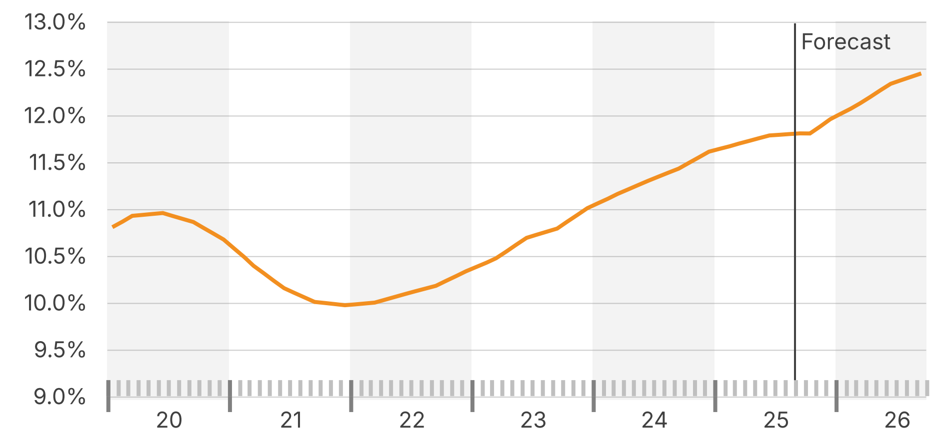
CoStar™

Search Analytics

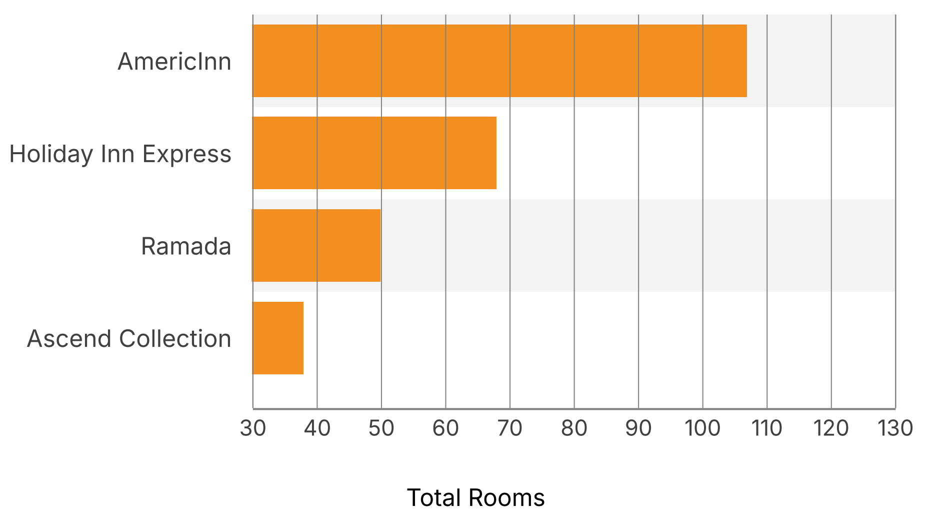
Market Cap Rate By Class



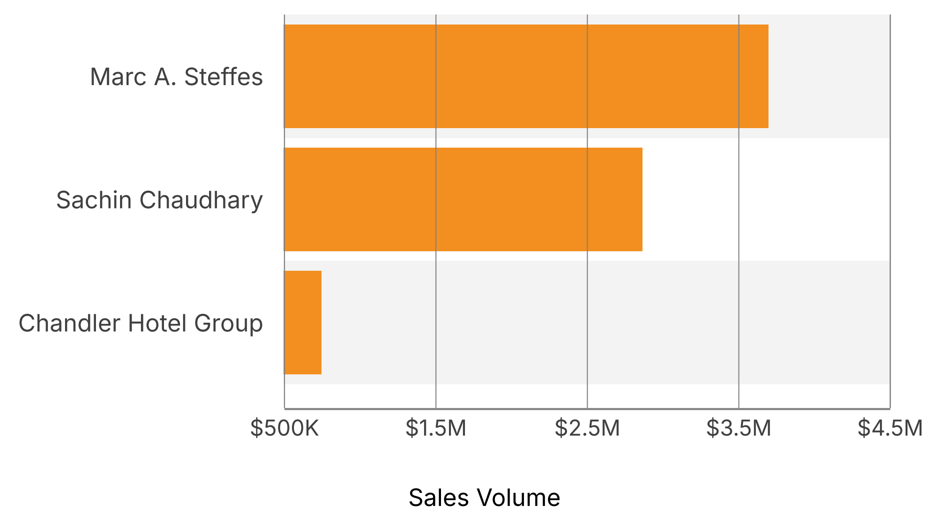
Market Cap Rate



Top Brands Delivered

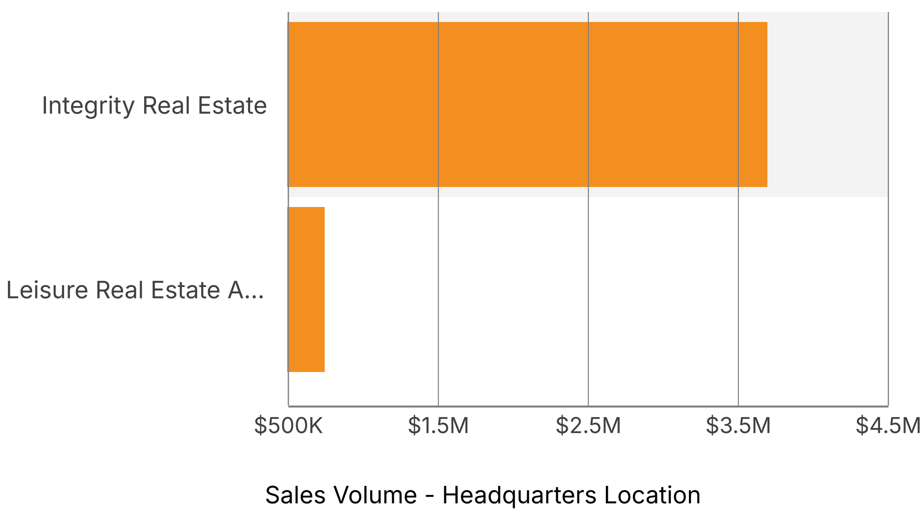


Top Sellers

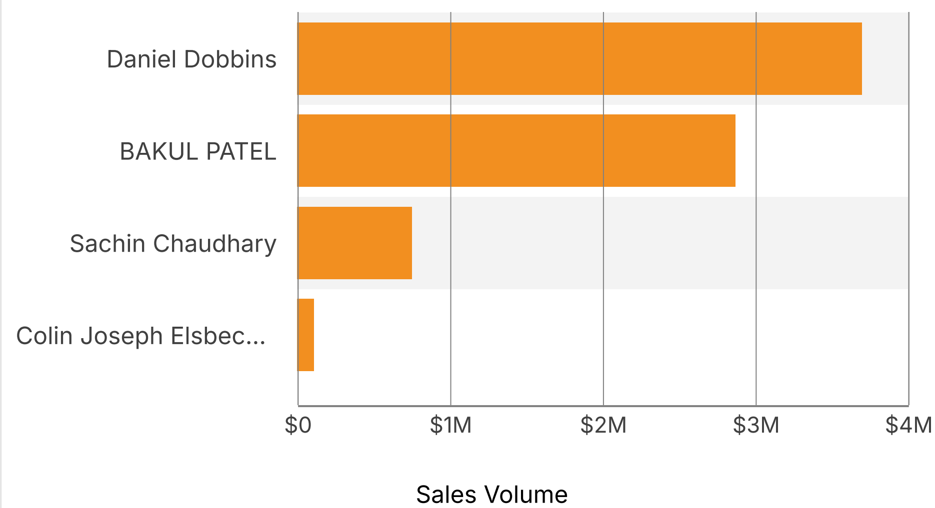


Search Analytics

Top Seller Brokers



Top Buyers



Top Buyer Brokers

No Data Available

No data available for the current selection

Appendix Four

Regional Lodging Industry Submarket Report

Overview

Iowa West Area Hospitality

12 Mo Occupancy	12 Mo ADR	12 Mo RevPAR	12 Mo Supply	12 Mo Demand
50.9%	**$105**	**$54**	**2.9M**	**1.5M**

Iowa West Area comprises 160 hotel properties, which contain around 8,000 rooms. Among the subtypes, there are 450 Luxury & Upper Upscale rooms, 2,700 Upscale & Upper Midscale rooms, and 4,800 Midscale & Economy rooms in Iowa West Area.

As of September, Iowa West Area 12-month occupancy is 50.9%, 12-month ADR is $105, and 12-month RevPAR is $54. Year over year, 12-month occupancy in Iowa West Area has changed by -2.9%, 12-month ADR has changed 0.4%, and 12-month RevPAR has changed by -2.6%.

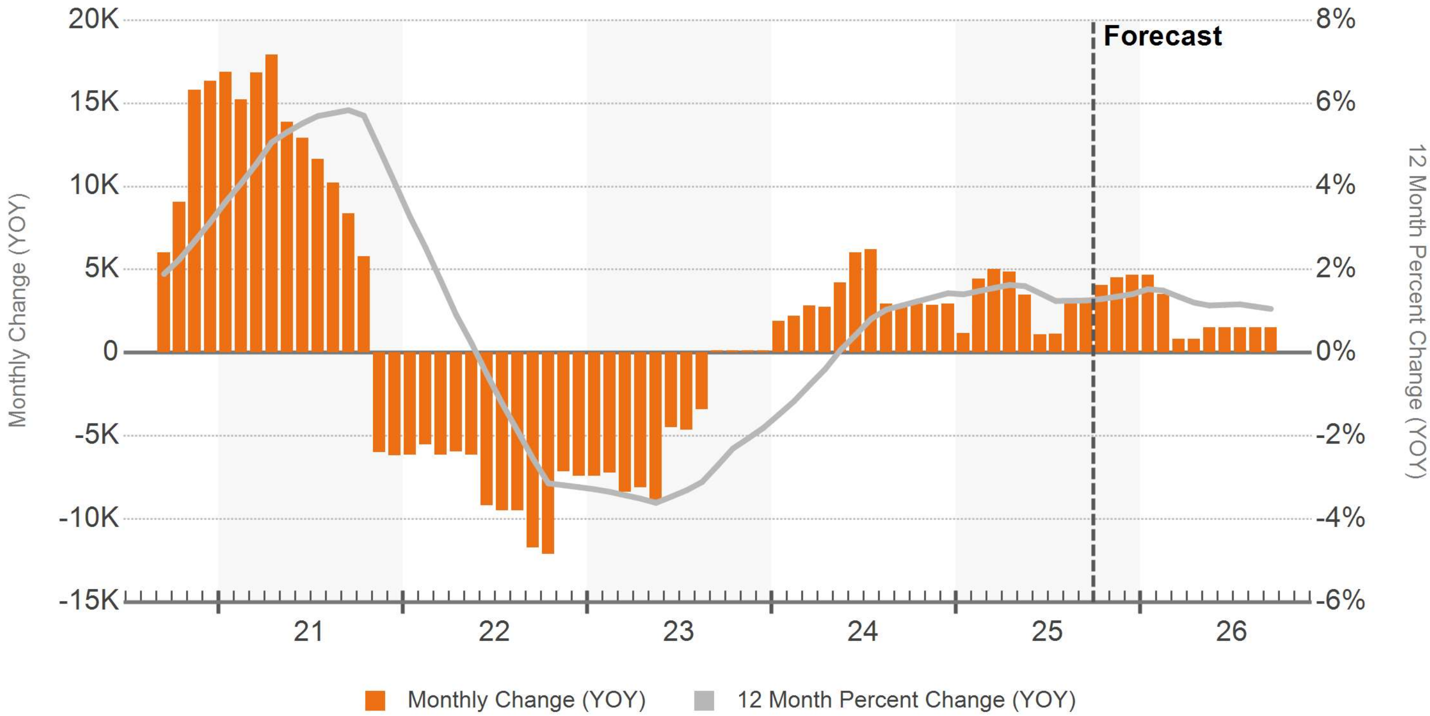
Approximately 20 rooms are under construction in Iowa West Area, accounting for 0.3% of its existing inventory. No hotel assets have delivered over the past 12 months.

KEY INDICATORS

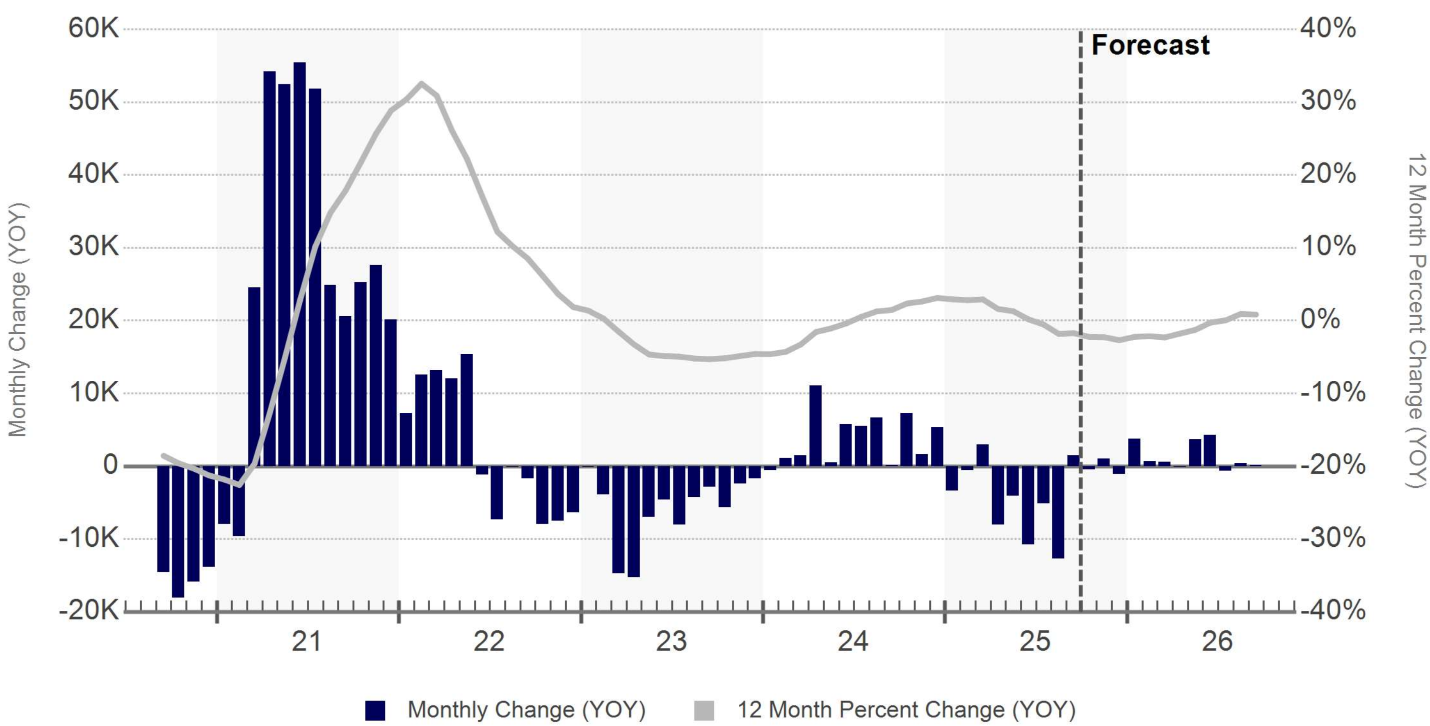
Class	Rooms	12 Mo Occ	12 Mo ADR	12 Mo RevPAR	12 Mo Delivered	Under Construction
Luxury & Upper Upscale	453				0	0
Upscale & Upper Midscale	2,733	58.2%	$127	$74	0	20
Midscale & Economy	4,805	46.2%	$86	$40	0	0
Total	**7,991**	**50.9%**	**$105**	**$54**	**0**	**20**

Average Trend	Current	3 Mo	YTD	12 Mo	Historical Average	Forecast Average
Occupancy	59.1%	60.5%	51.7%	50.9%	51.4%	51.1%
Occupancy Change	-0.2%	-4.5%	-4.7%	-3.0%	3.3%	0.3%
ADR	$106	$109	$106	$105	$99	$111
ADR Change	-3.0%	-2.5%	-1.0%	0.4%	5.0%	1.8%
RevPAR	$63	$66	$55	$54	$51	$57
RevPAR Change	-3.2%	-6.9%	-5.6%	-2.6%	8.5%	2.1%

SUPPLY CHANGE



DEMAND CHANGE



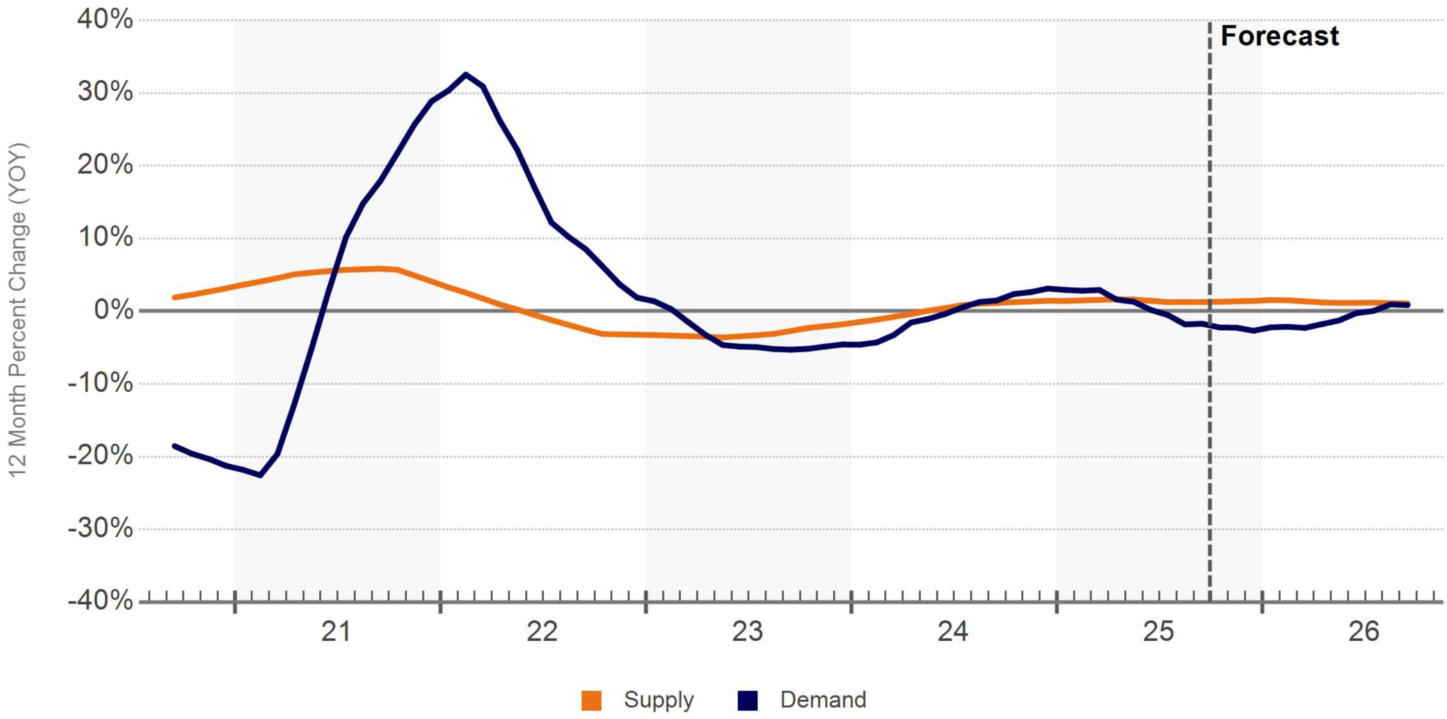
Core Distinction Group

CoStar™

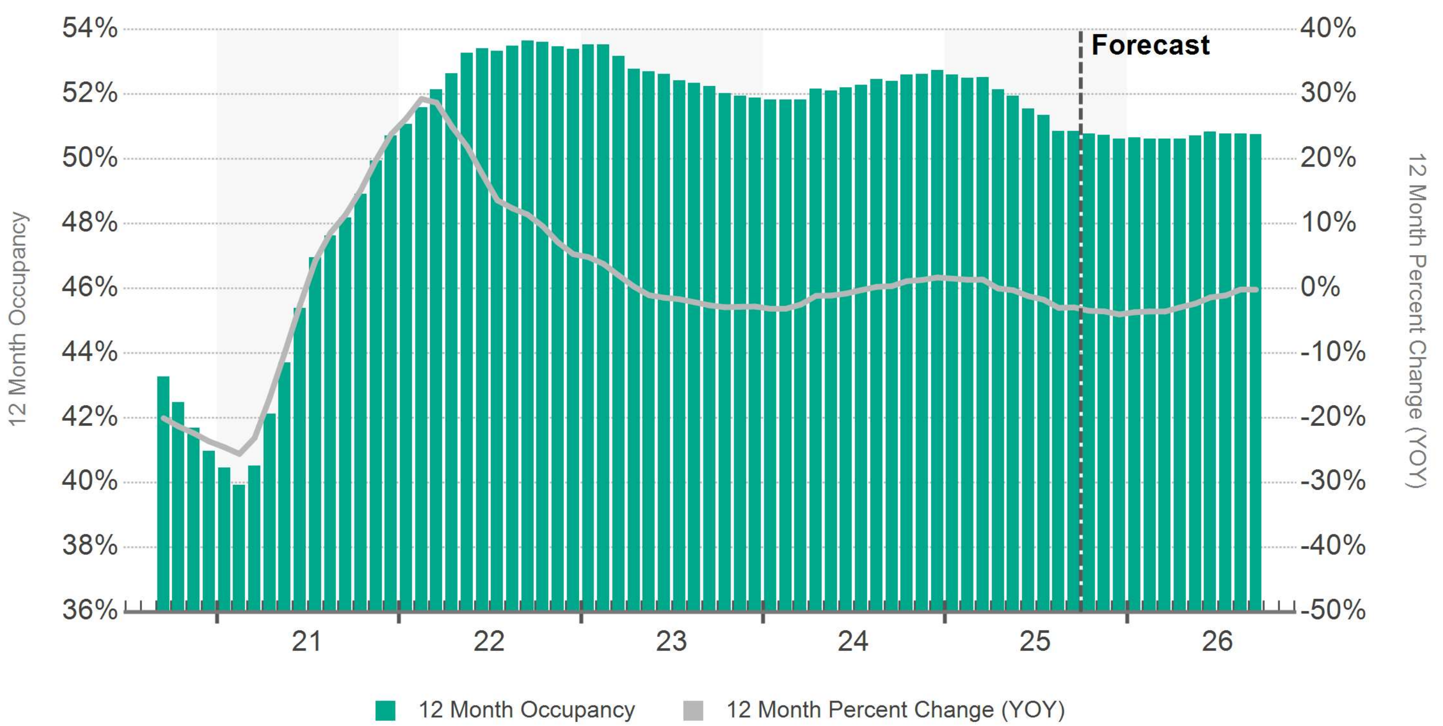
Performance

Iowa West Area Hospitality

SUPPLY & DEMAND CHANGE



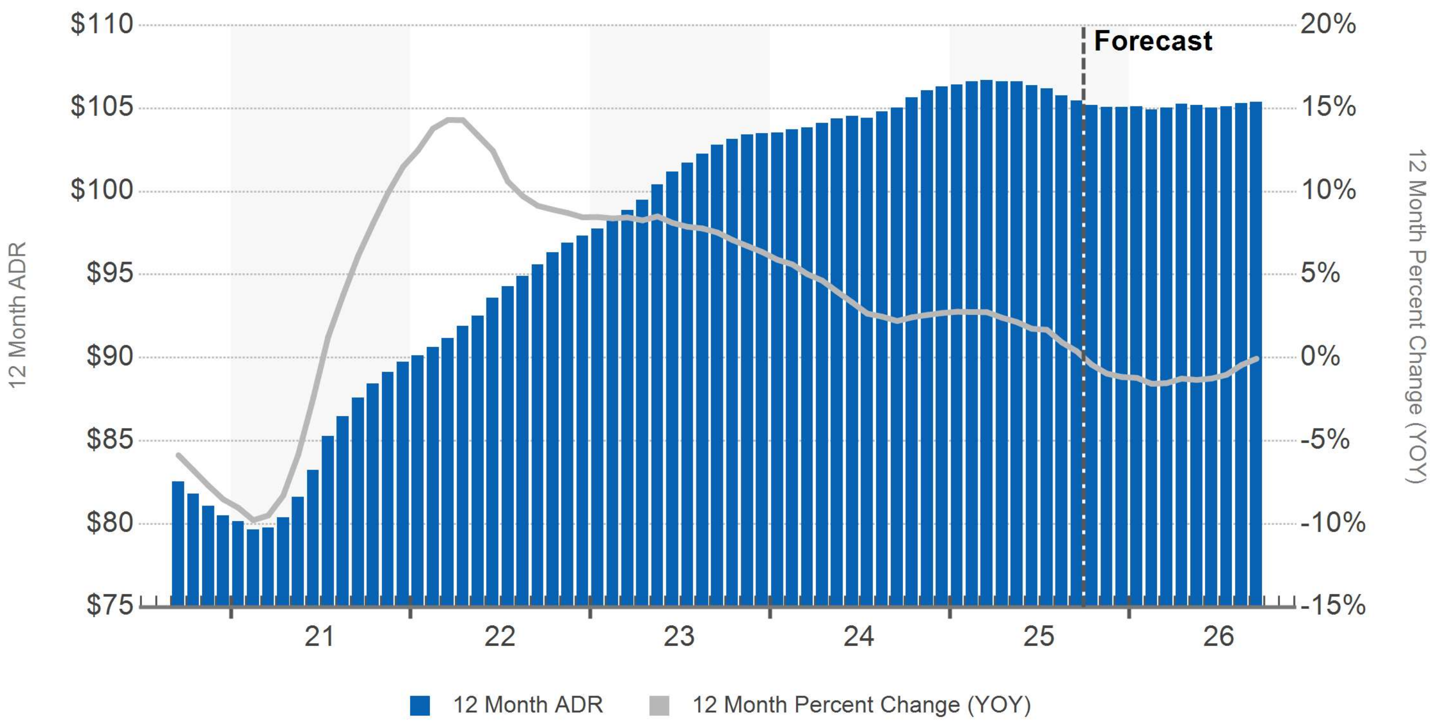
OCCUPANCY



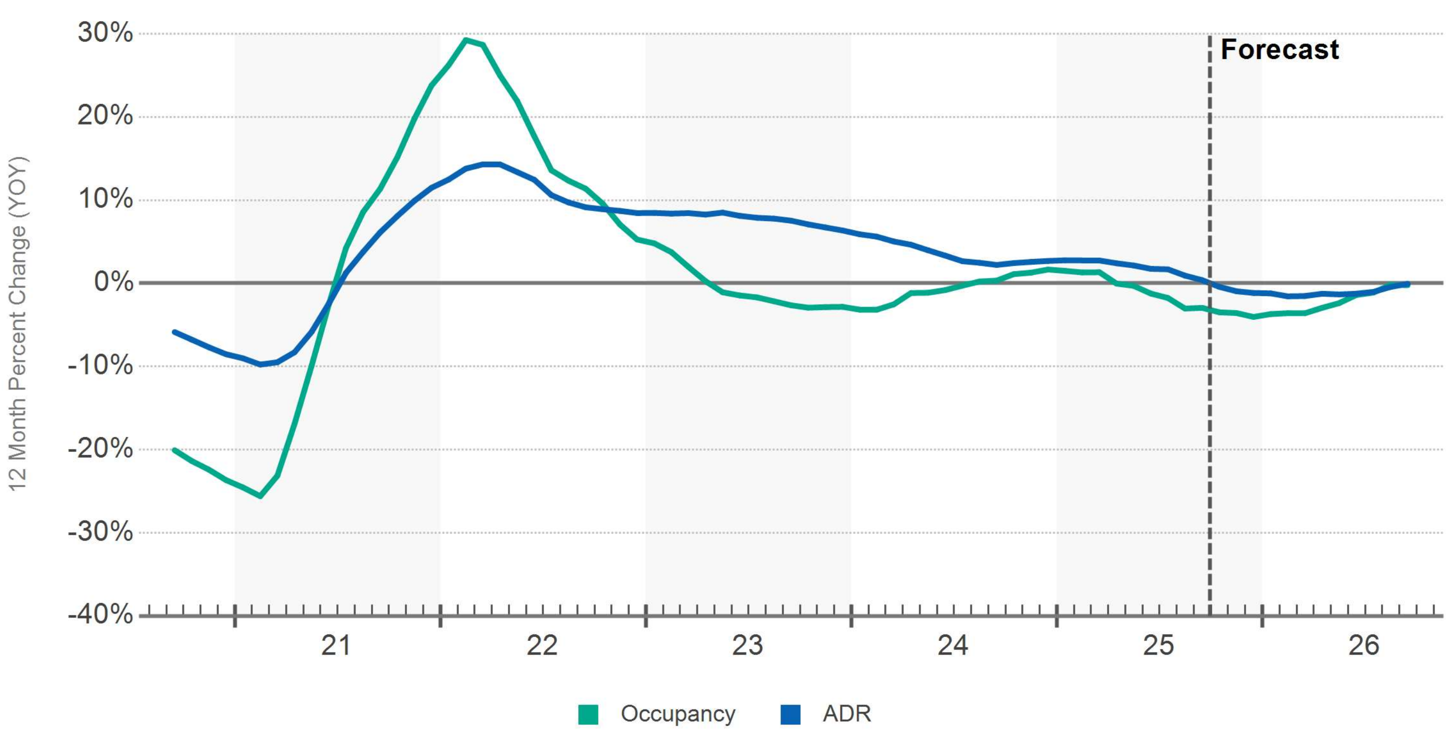
Performance

Iowa West Area Hospitality

ADR



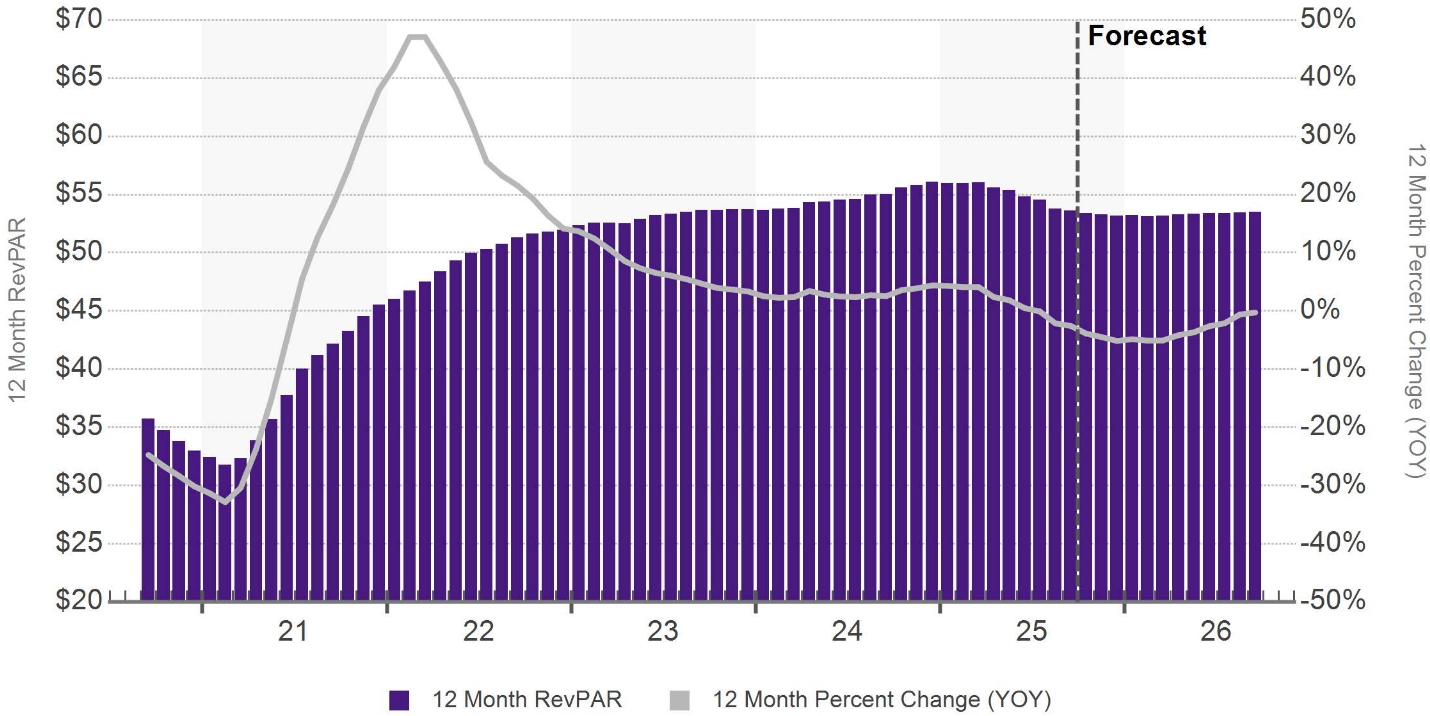
OCCUPANCY & ADR CHANGE



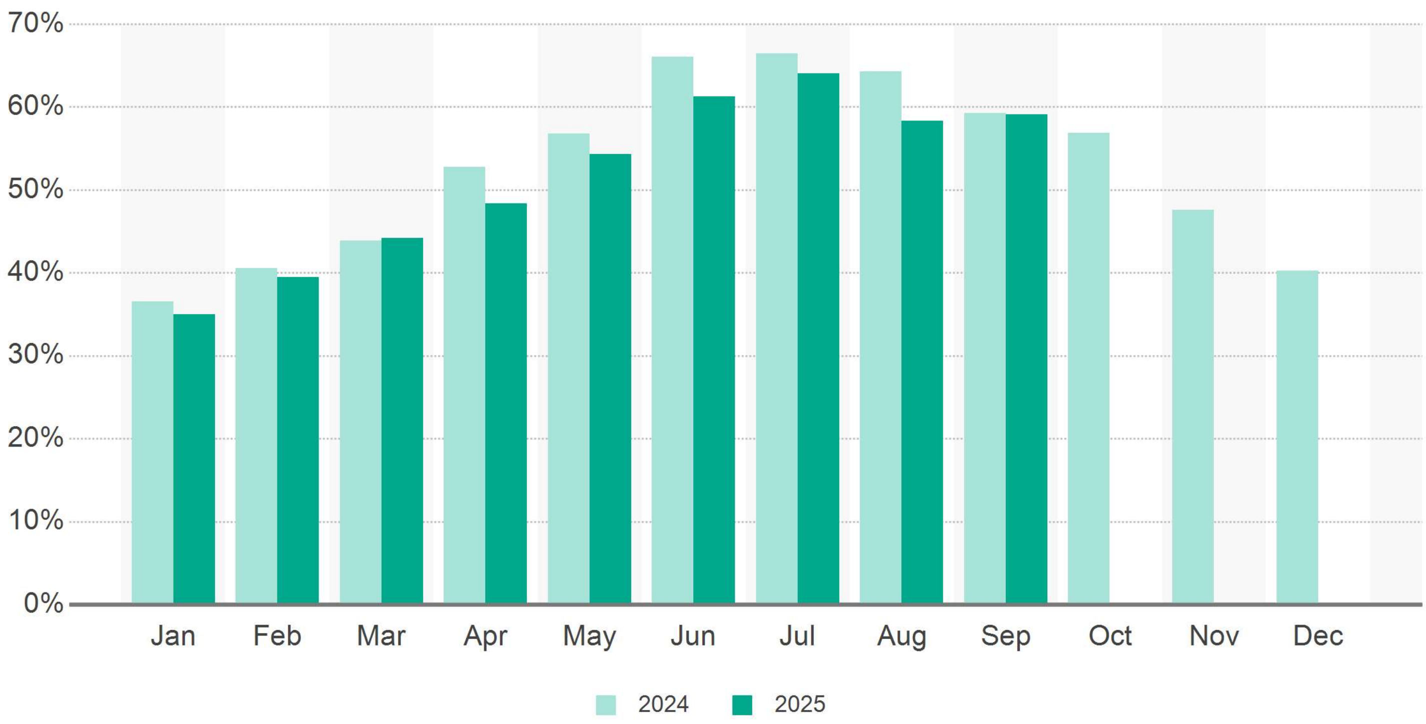
Performance

Iowa West Area Hospitality

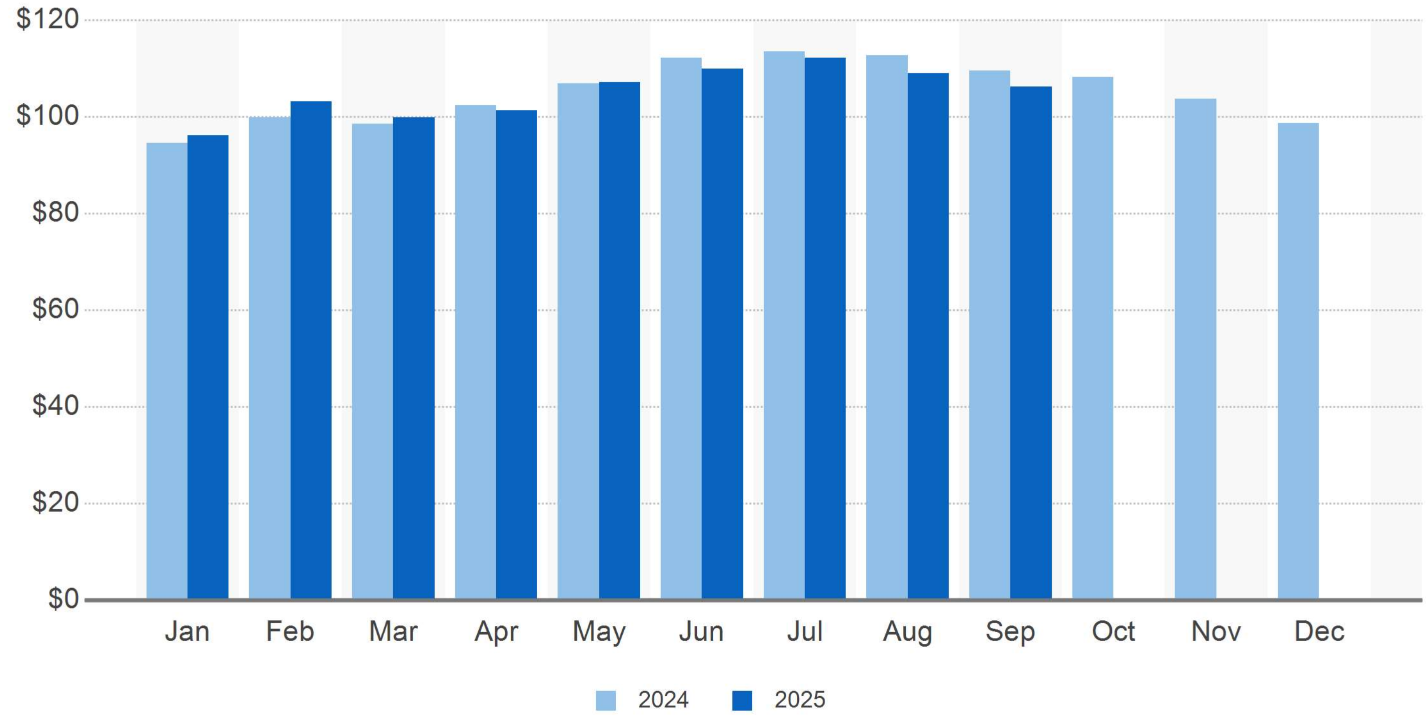
REVPAR



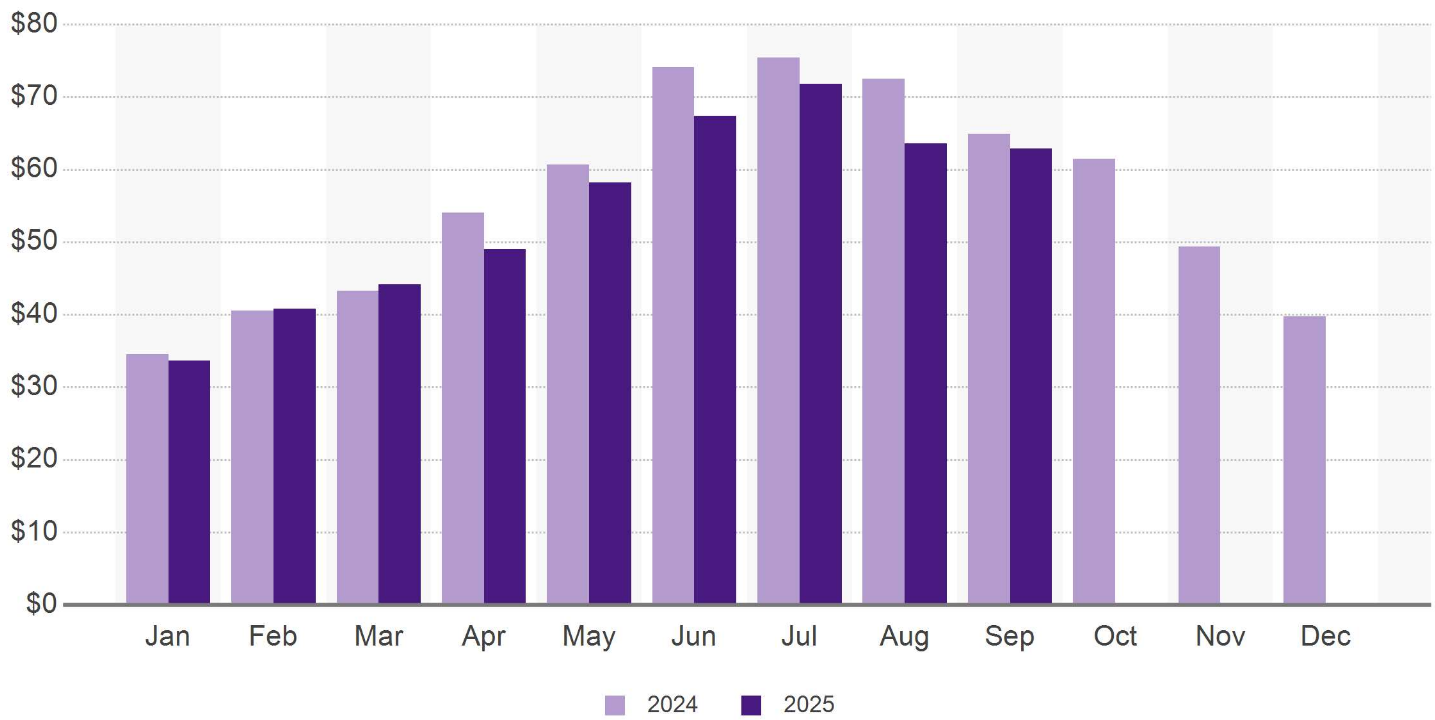
OCCUPANCY MONTHLY



ADR MONTHLY



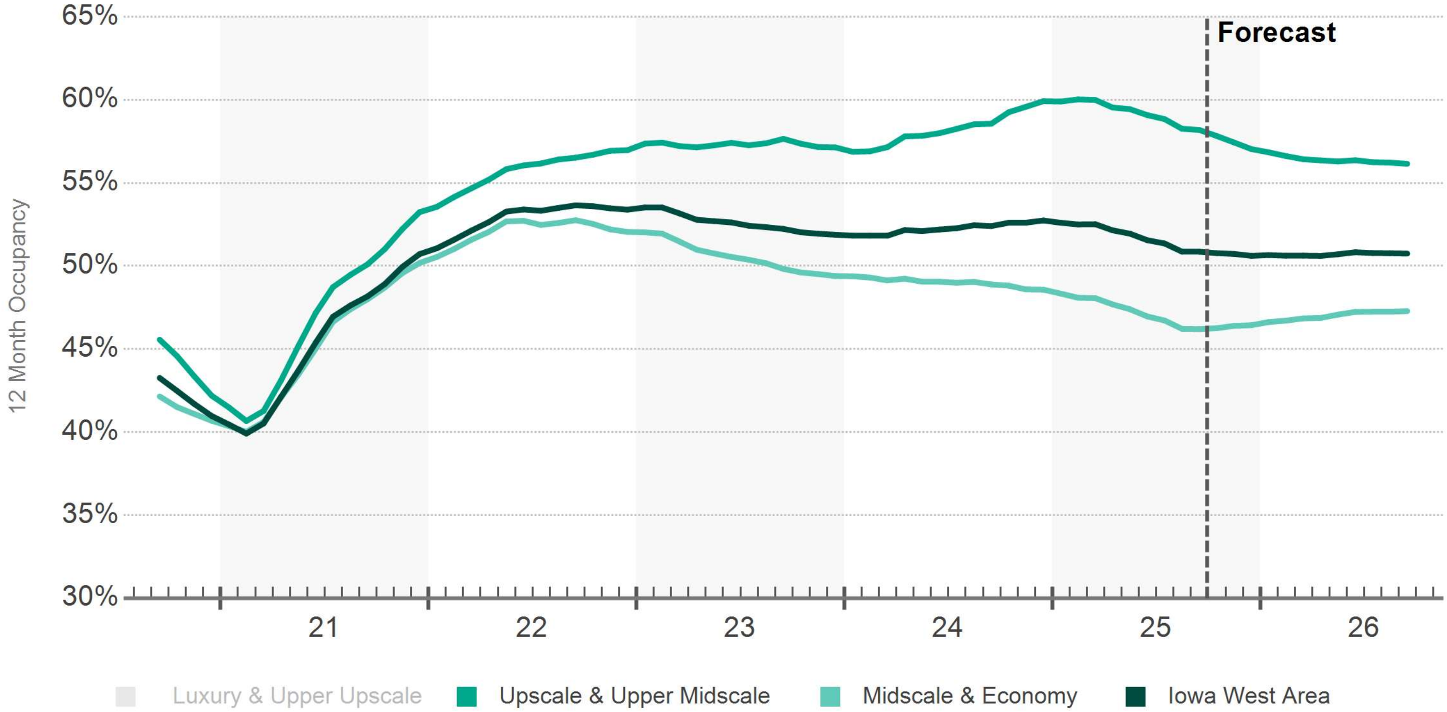
REVPAR MONTHLY



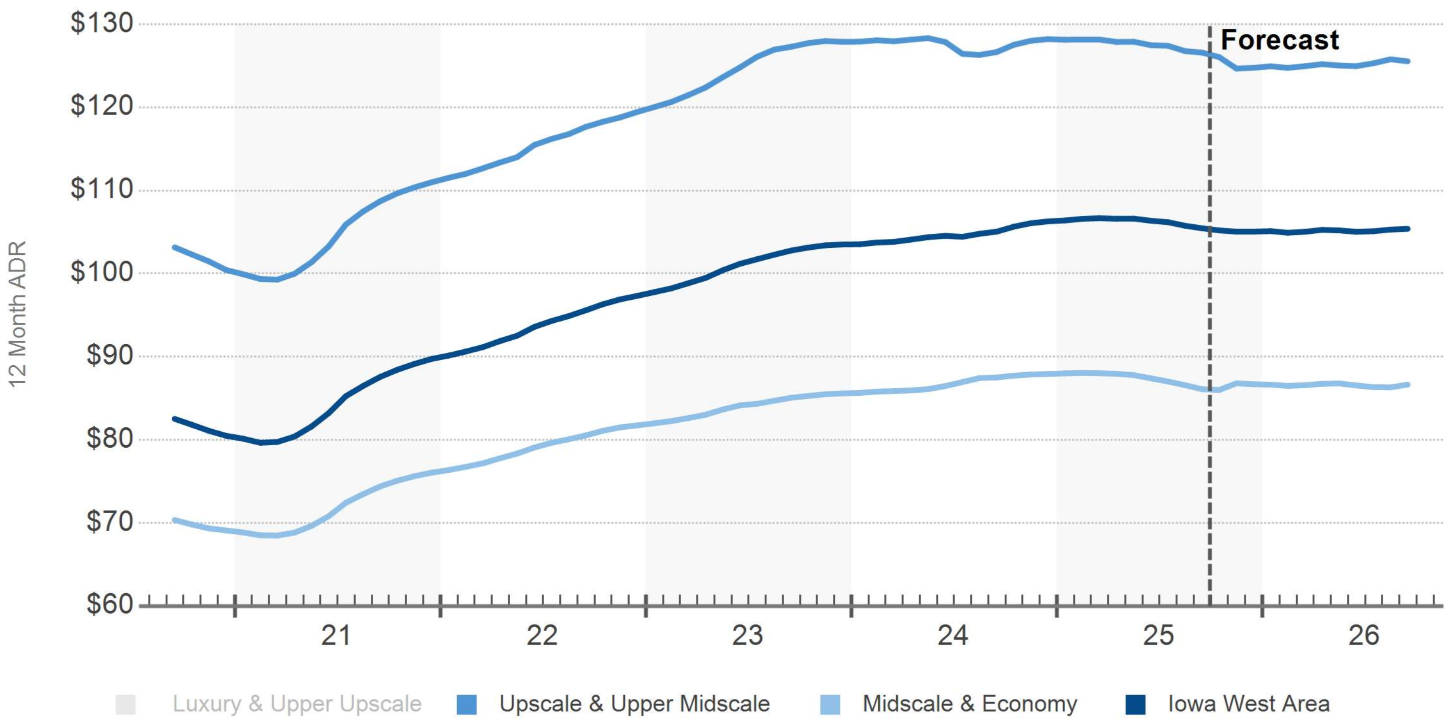
Performance

Iowa West Area Hospitality

OCCUPANCY BY CLASS



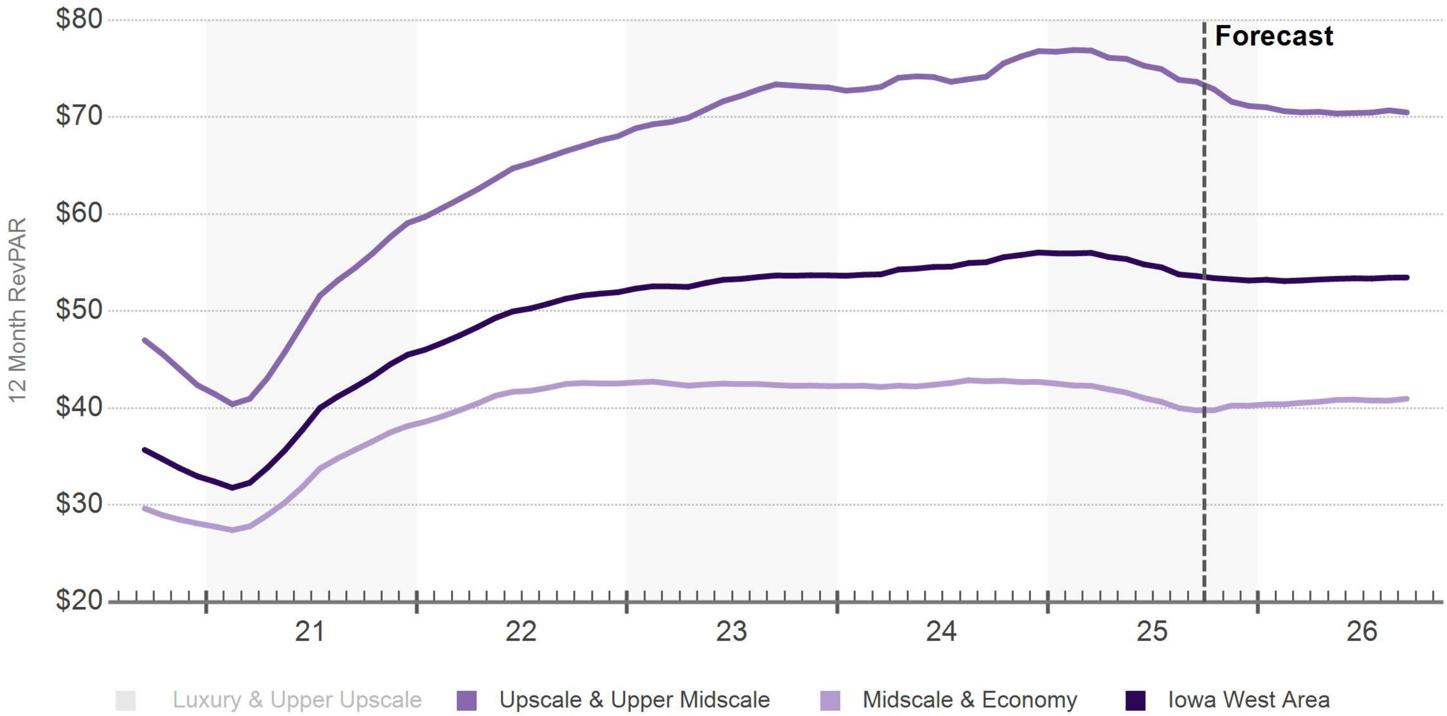
ADR BY CLASS



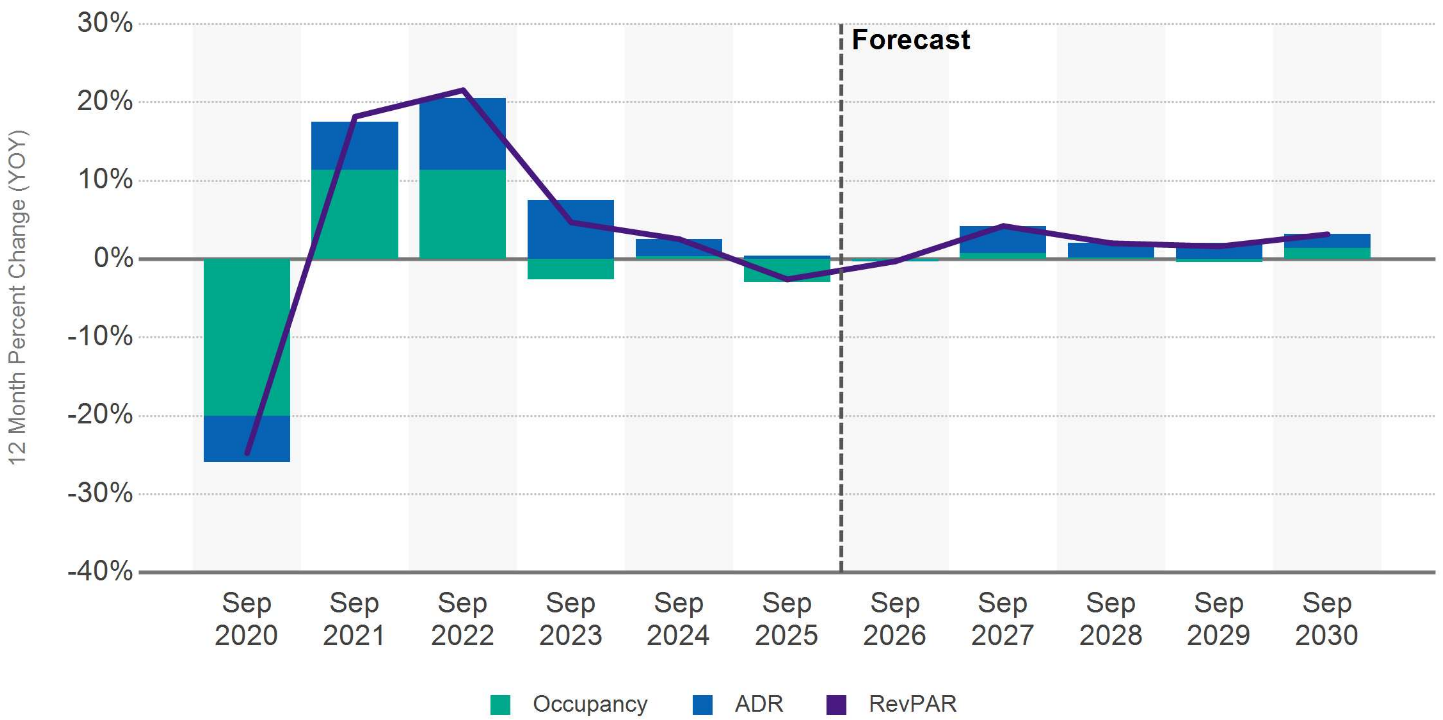
Performance

Iowa West Area Hospitality

REVPAR BY CLASS



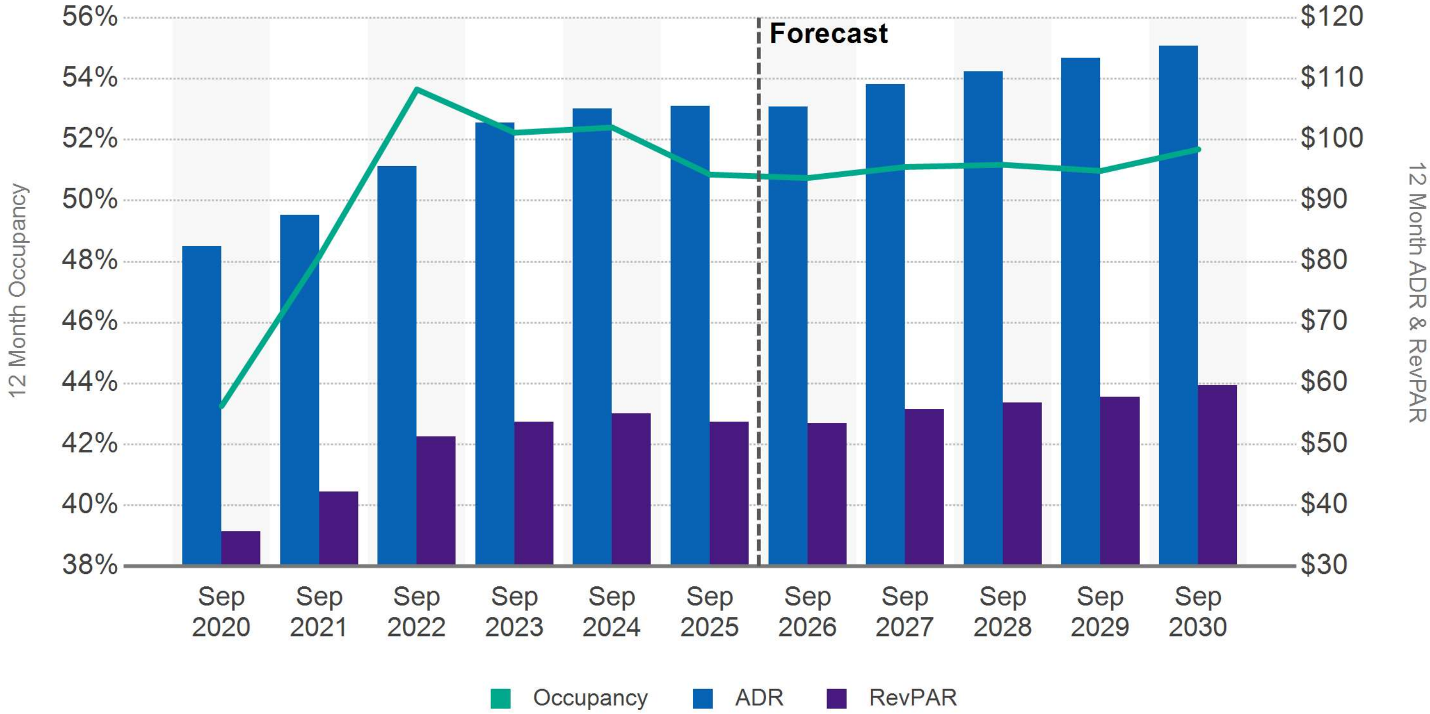
REVPAR GROWTH COMPOSITION



Performance

Iowa West Area Hospitality

OCCUPANCY, ADR & REVPAR



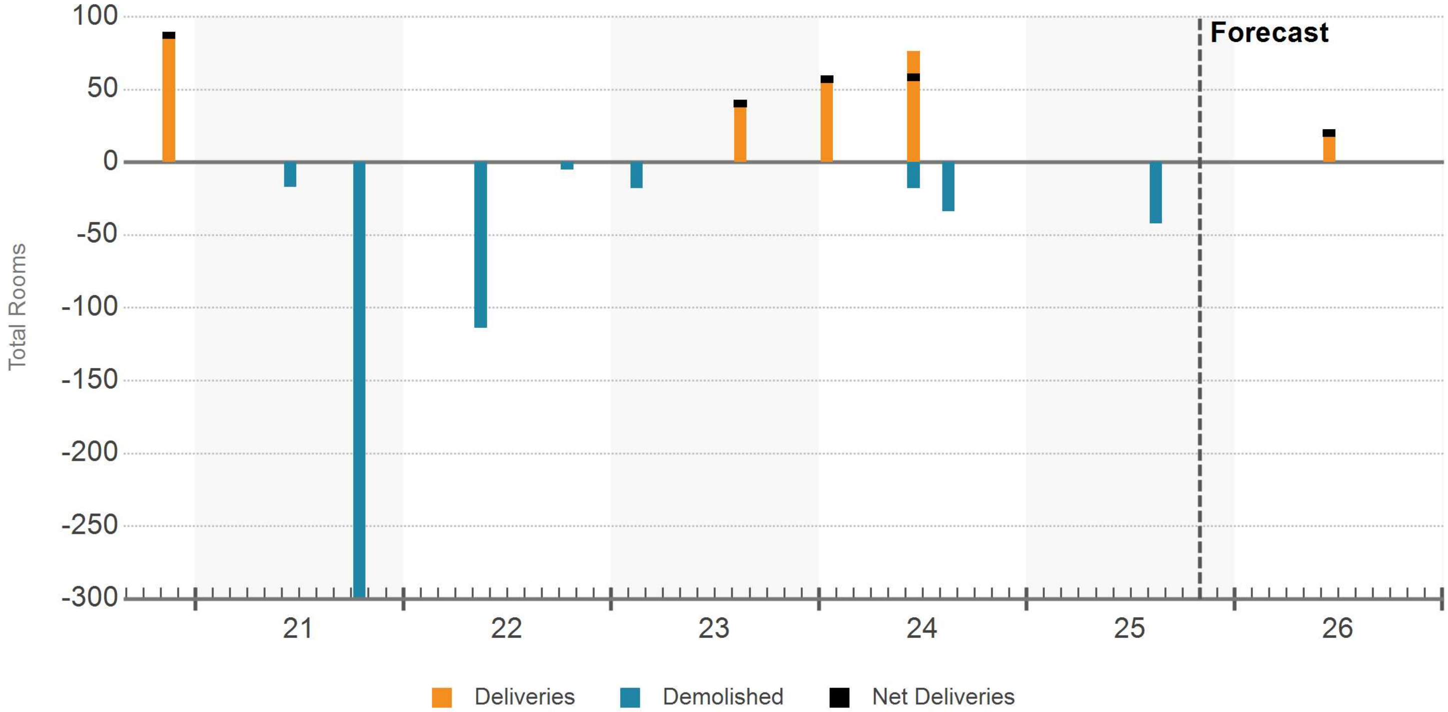
FULL-SERVICE HOTELS PROFITABILITY (ANNUAL)

	2024			2023-2024 % Change	
Market	**% of Revenues**	**Per Key**	**POR**	**Per Key**	**POR**
Revenue					
Rooms	-	-	-	-	-
Food	-	-	-	-	-
Beverage	-	-	-	-	-
Other F&B	-	-	-	-	-
Other Departments	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-
Total Revenue	**-**	**-**	**-**	**-**	**-**
Operating Expenses					
Rooms	-	-	-	-	-
Food & Beverage	-	-	-	-	-
Other Departments	-	-	-	-	-
Administrative & General	-	-	-	-	-
Information & Telecommunication Systems	-	-	-	-	-
Sales & Marketing	-	-	-	-	-
Property Operations & Maintenance	-	-	-	-	-
Utilities	-	-	-	-	-
Gross Operating Profit	**-**	**-**	**-**	**-**	**-**
Management Fees	-	-	-	-	-
Rent	-	-	-	-	-
Property Taxes	-	-	-	-	-
Insurance	-	-	-	-	-
EBITDA	**-**	**-**	**-**	**-**	**-**
Total Labor Costs	**-**	**-**	**-**	**-**	**-**

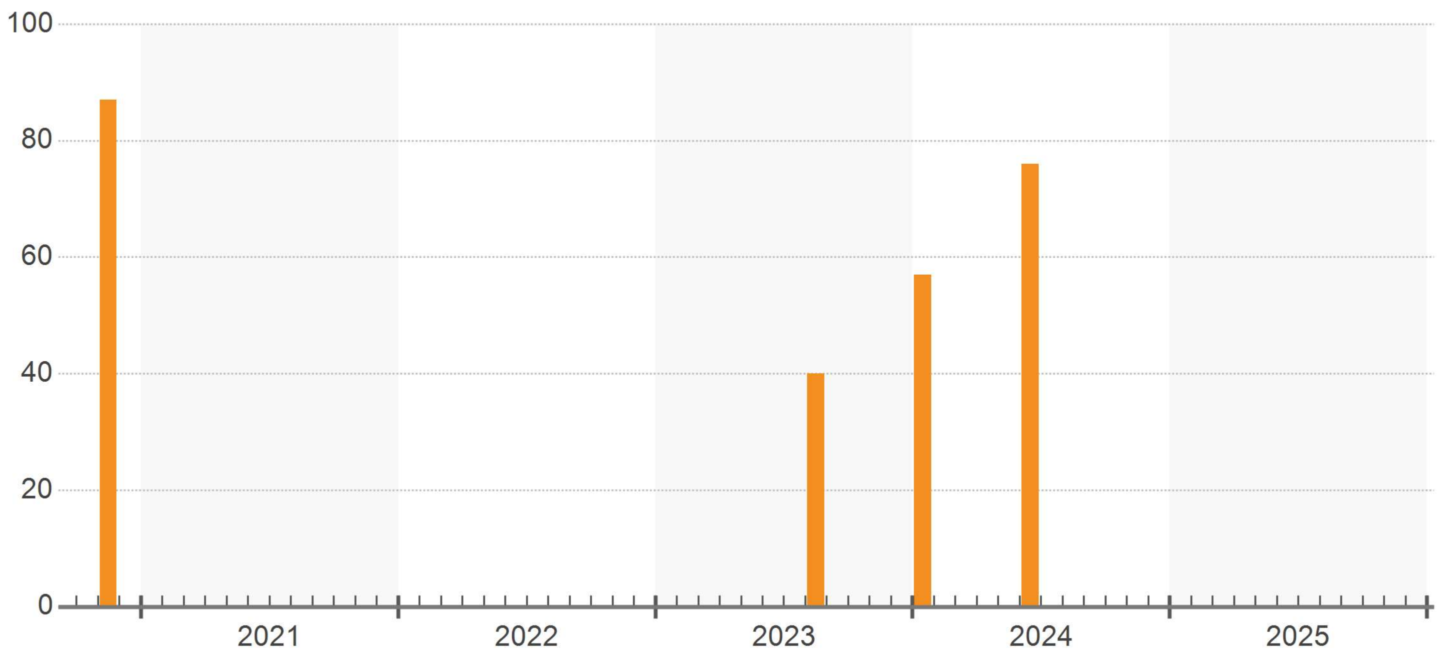
(1) For Annual P&L, the current year exchange rate is used for each year going back in time. This current year exchange rate is the average of all 12 monthly rates for that year.
(2) Percentage of Revenues for departmental expenses (Rooms, Food & Beverage, and Other Departments) are based on their respective departmental revenues. All other expense percentages are based on Total Revenue.
(3) Labor costs are already included in the operating expenses above. Amounts shown in Total Labor Costs are for additional detail only.

Construction

DELIVERIES & DEMOLITIONS

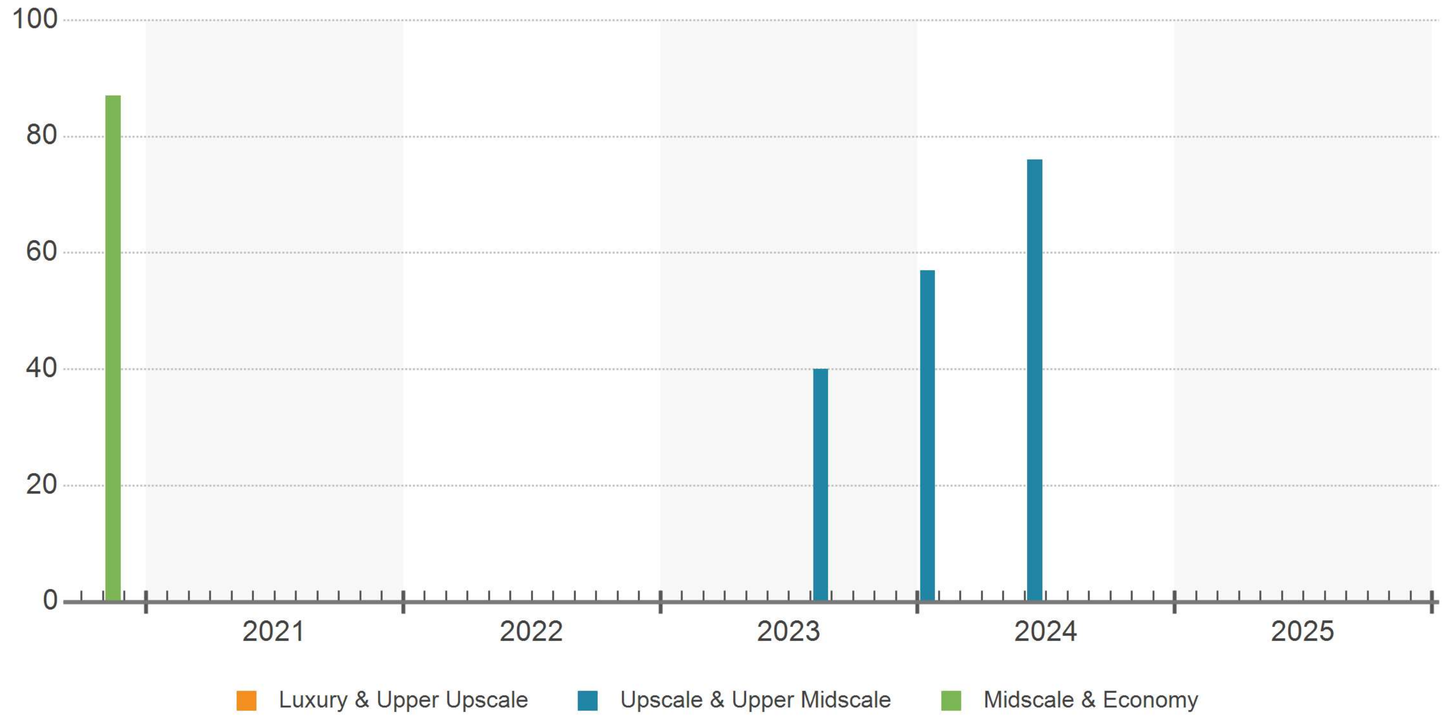


ROOMS DELIVERED

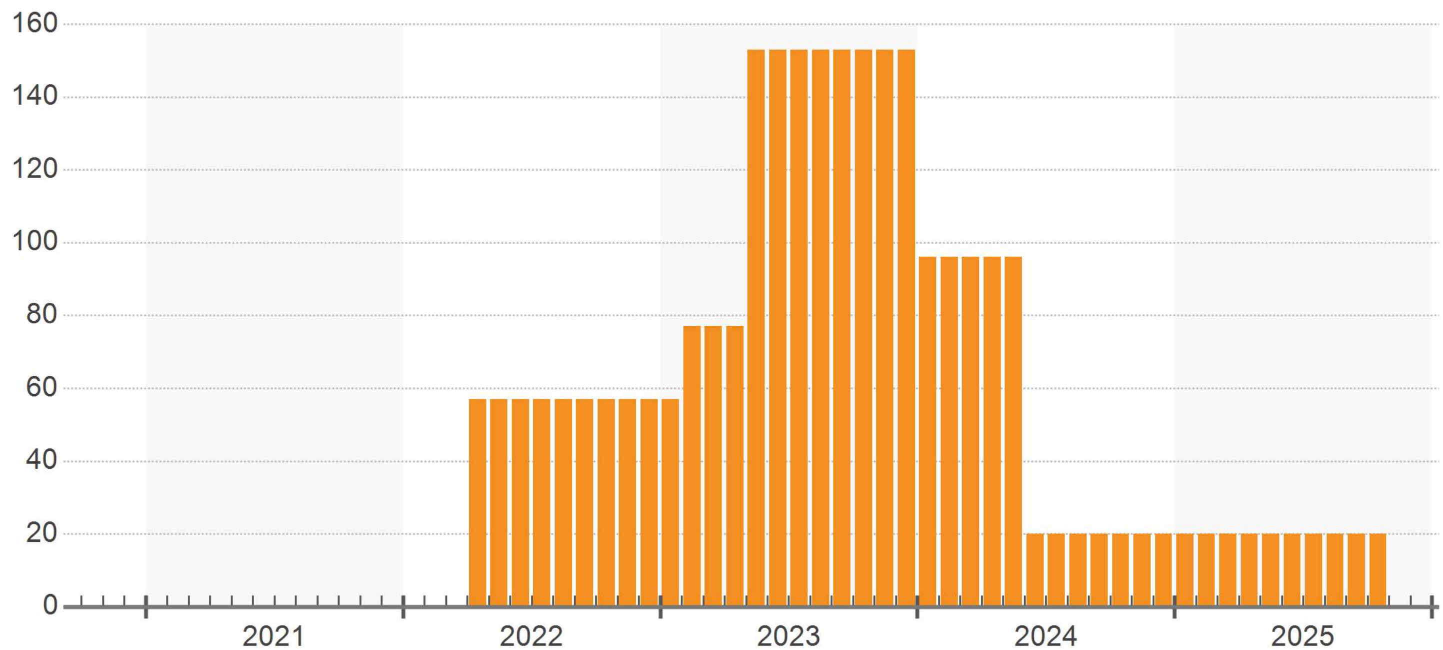


Construction

ROOMS DELIVERED BY CLASS

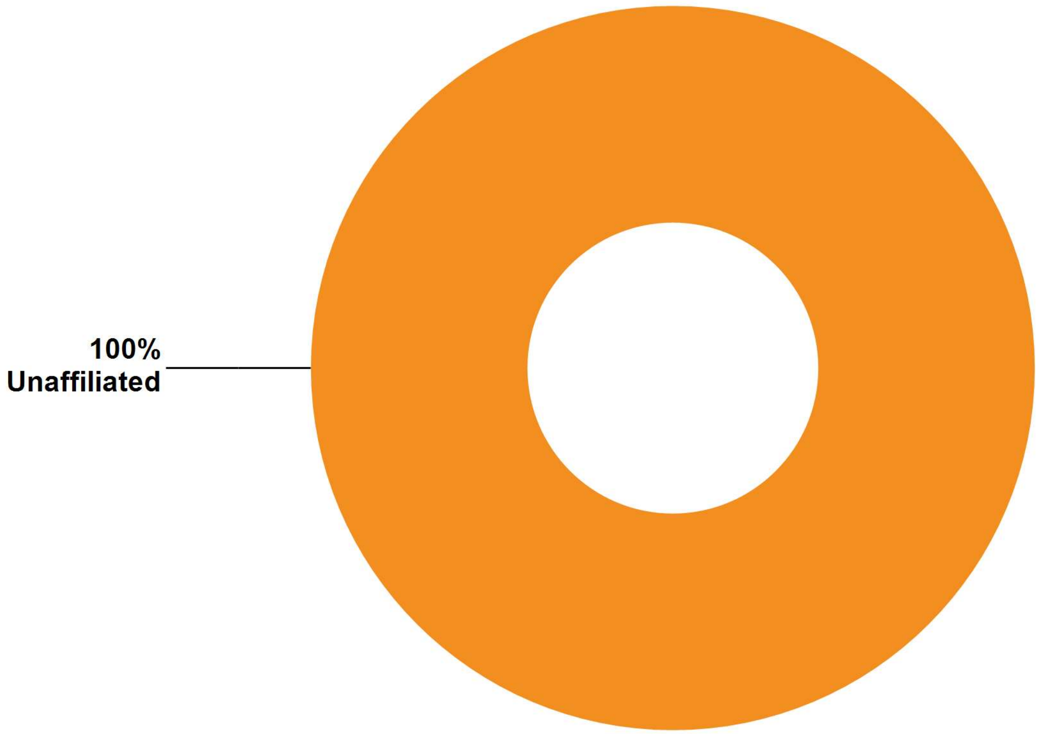


ROOMS UNDER CONSTRUCTION

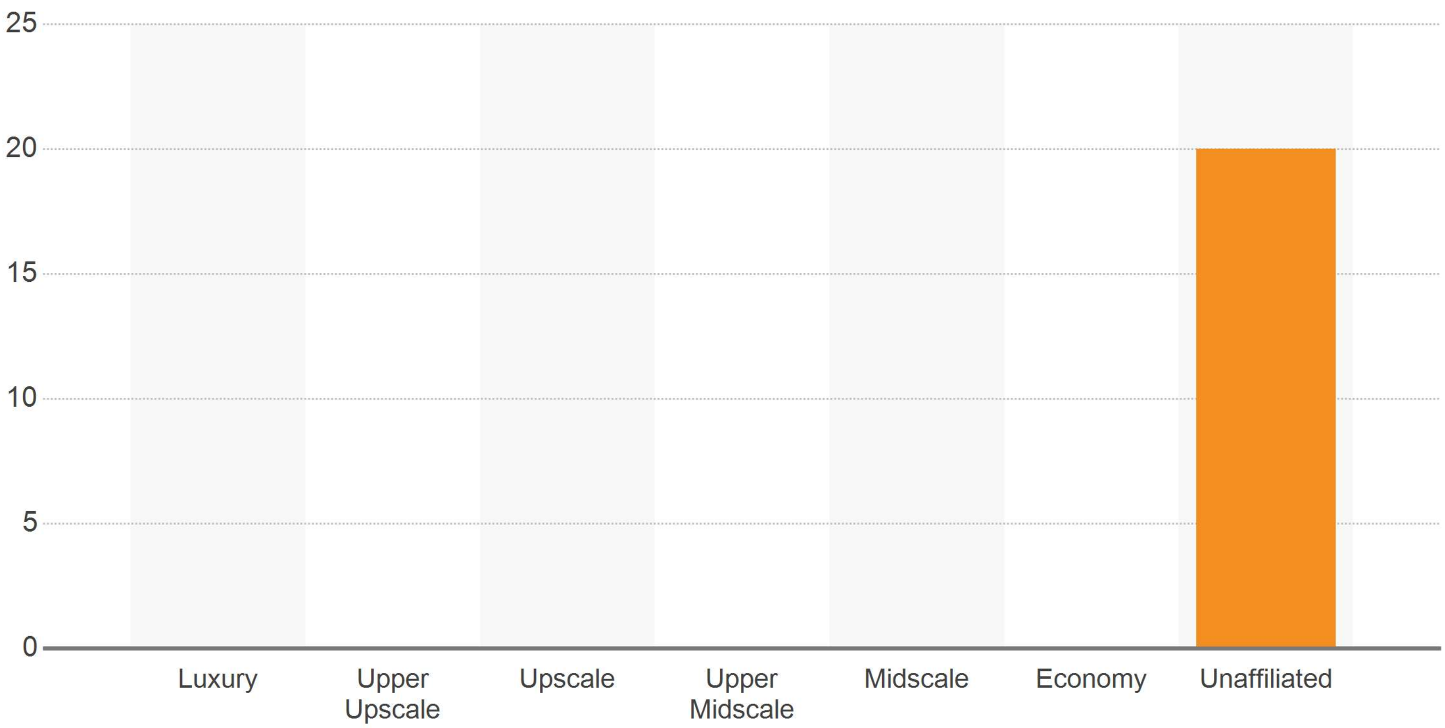


Construction

TOTAL ROOMS UNDER CONSTRUCTION BY SCALE



ROOMS UNDER CONSTRUCTION BY SCALE

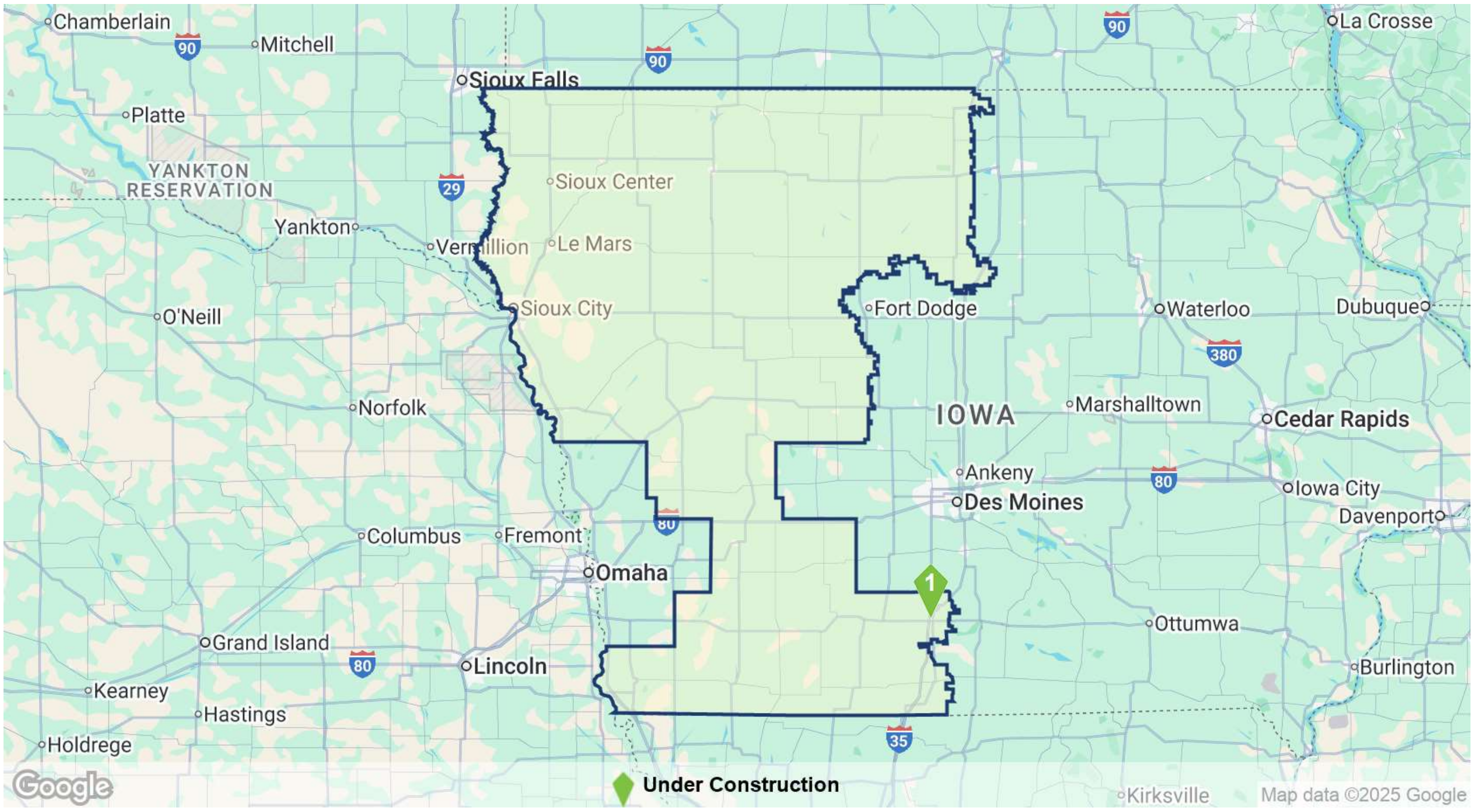


Under Construction Properties

Iowa West Area Hospitality

Properties	Rooms	Percent of Inventory	Average Rooms
1	20	0.3%	20

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	Hotel Osceola 130 S Fillmore St	Upscale	20	3	Feb 2023	Jun 2026	- -

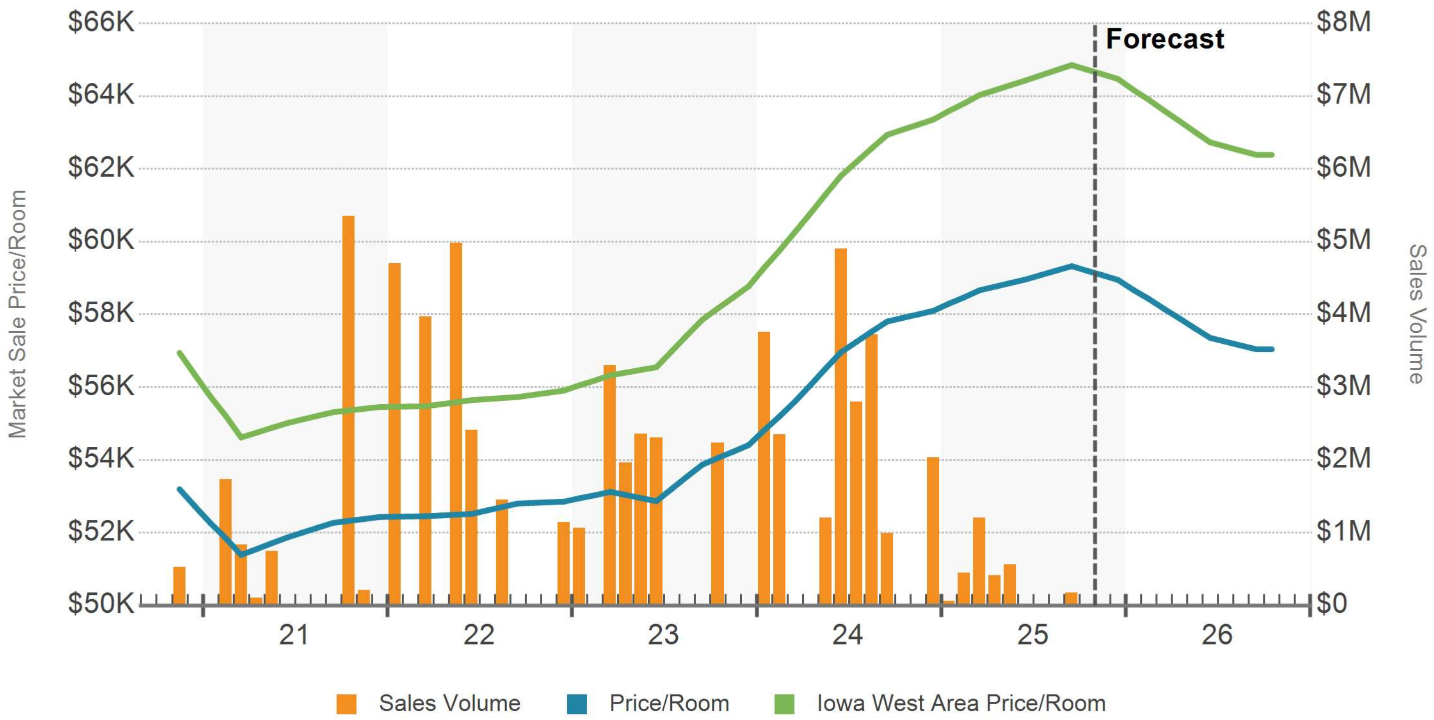
Sales

In the past 12 months, 11 hotels traded in Iowa West Area, for a transaction volume of $4.9 million. This compares to the three-year annual sales volume average of $14.6 million.

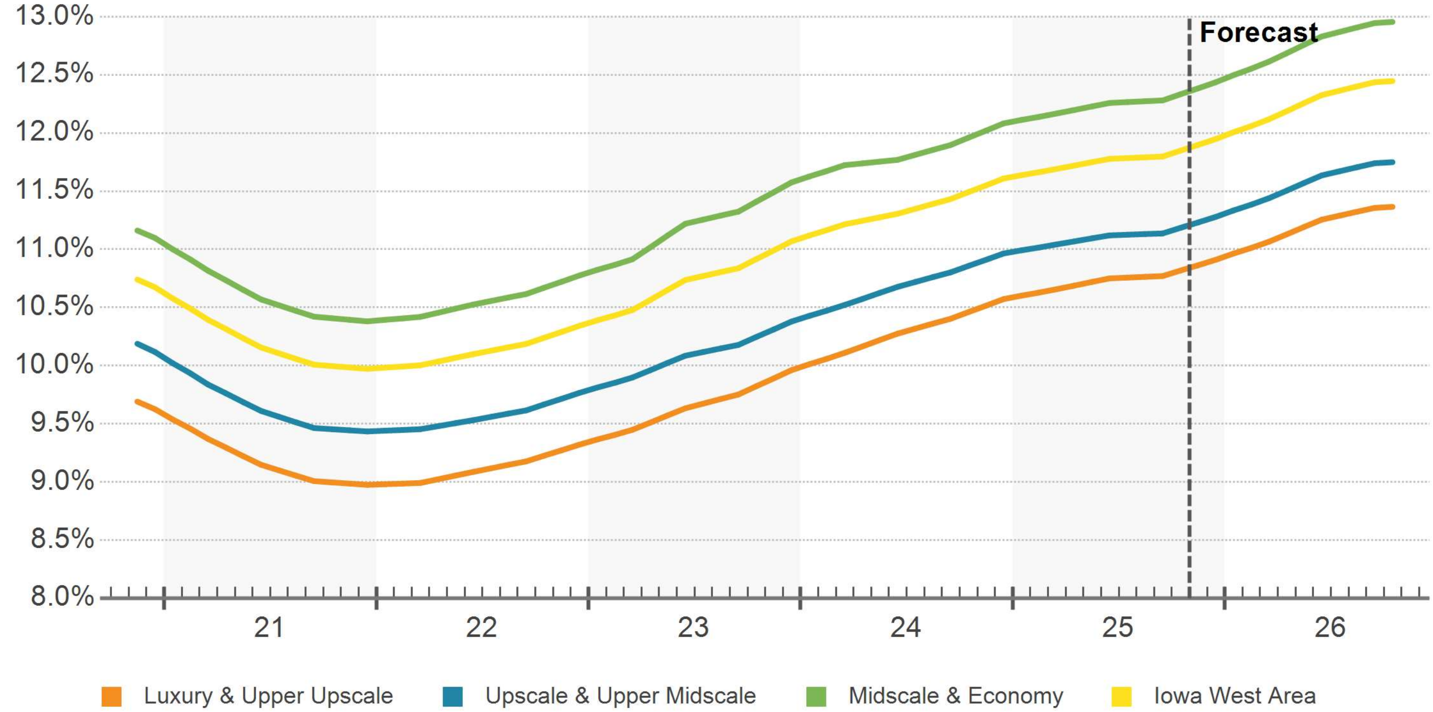
Over the past 12 months, all of the sales activity occurred within the Midscale & Economy segment.

The market cap rate, or the estimated cap rate for the market, stands at 11.8% compared to the Iowa Area average of 11.7%.

SALES VOLUME & MARKET SALE PRICE PER ROOM



MARKET CAP RATE

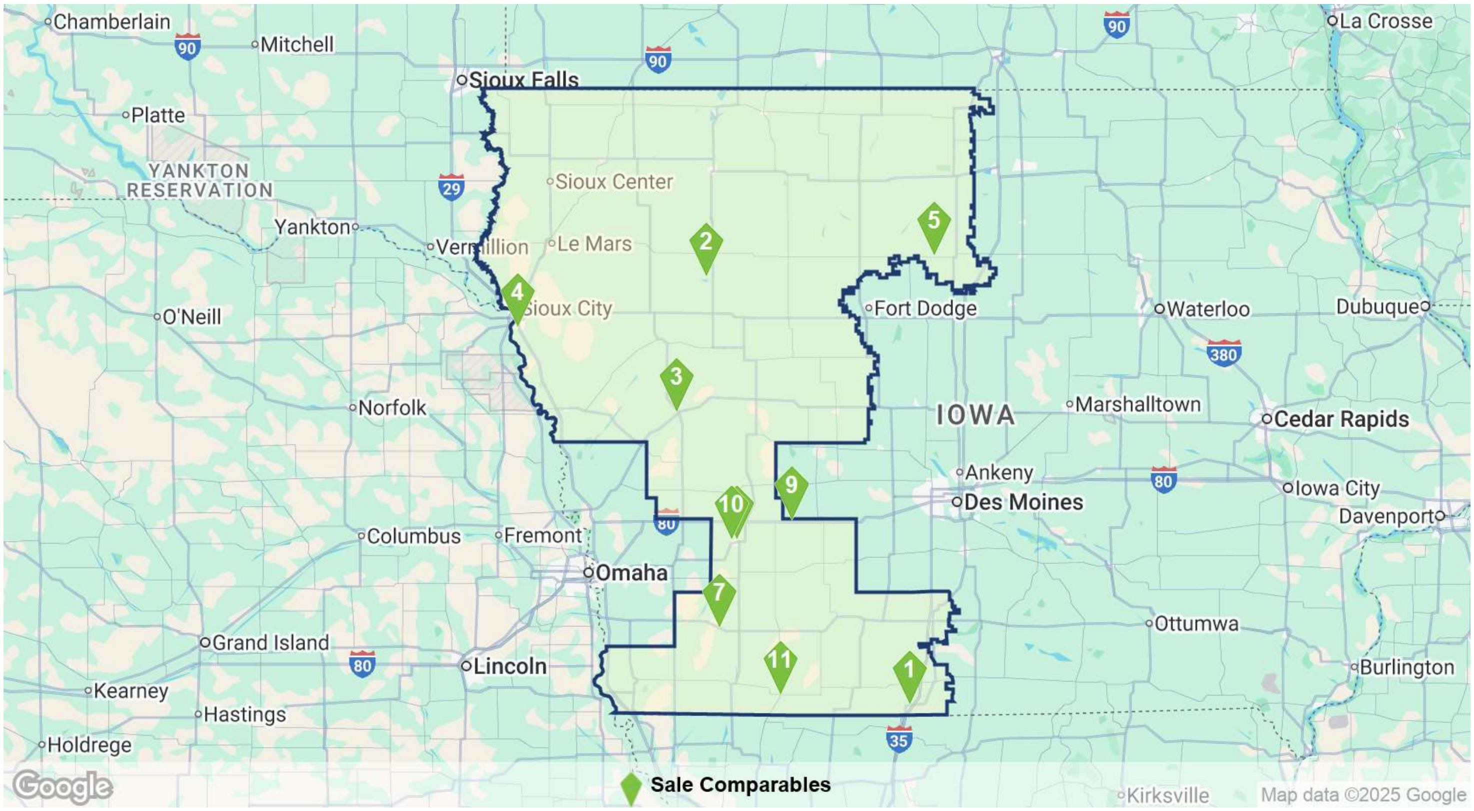


Sales Past 12 Months

Iowa West Area Hospitality

Sale Comparables	Average Price/Room	Average Price	Average Cap Rate
11	**$13K**	**$444.1K**	**-**

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sale Attributes	Low	Average	Median	High
Sale Price	$60,000	$444,136	$265,000	$1,200,000
Price/Room	$3,774	$13,098	$14,062	$40,000
Cap Rate	-	-	-	-
Time Since Sale in Months	2.2	8.3	8.5	11.3
Property Attributes	**Low**	**Average**	**Median**	**High**
Property Size in Rooms	10	33	32	71
Number of Floors	1	1	2	2
Total Meeting Space	350	761	761	966
Year Built	1931	1971	1974	1994
Class	Economy	Midscale	Economy	Midscale

Sales Past 12 Months

RECENT SIGNIFICANT SALES

		Property Information				Sale Information		
	Property Name/Address	Class	Yr Built	Rooms	Brand	Sale Date	Price	Price/Room
1	Lamoni Inn & Suites 2013 E Main St	Economy	1992	30	-	3/12/2025	$1,200,000	$40,000
2	Lighthouse Inn 1601 E Lakeshore Dr	Economy	1951	24	-	12/10/2024	$855,000	$35,625
3	Denison Inn & Suites 315 Chamberlin Dr	Midscale	1990	42	-	12/2/2024	$710,500	$16,917
4	Sioux City Inn 6166 Harbor Dr	Economy	1970	71	-	5/19/2025	$560,000	$7,887
5	Clarion Hometown Inn 1001 Central Ave W	Economy	1990	32	-	2/24/2025	$450,000	$14,062
6	Americas Best Value Inn & Suites… 1902 E 7th St	Economy	1974	53	Americas Best Value Inn	12/23/2024	$265,000	$5,000
7	Stanton Inn Motel 620 Halland Ave	Economy	1994	12	-	4/25/2025	$225,000	$18,750
8	Americas Best Value Inn & Suites… 1902 E 7th St	Economy	1974	53	Americas Best Value Inn	12/19/2024	$200,000	$3,774
9	Budget Inn 100 5th St	Economy	1968	34	-	4/1/2025	$185,000	$5,441
10	A-Ford-O Hotel 610 W 7th St	Economy	1931	12	-	9/3/2025	$175,000	$14,583
11	Skylark Motel by OYO 108 Pearl St	Economy	1951	10	OYO	1/29/2025	$60,000	$6,000

Appendix

OVERALL SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2029	2,935,878	0	0%	1,494,754	(5,674)	-0.4%
2028	2,935,878	0	0%	1,500,428	176	0%
2027	2,935,878	0	0%	1,500,252	9,688	0.6%
2026	2,935,878	17,995	0.6%	1,490,564	13,944	0.9%
2025	2,917,883	40,565	1.4%	1,476,620	(40,806)	-2.7%
YTD	2,183,443	27,313	1.3%	1,129,161	(40,279)	-3.4%
2024	2,877,318	40,605	1.4%	1,517,426	45,832	3.1%
2023	2,836,713	(52,134)	-1.8%	1,471,594	(70,646)	-4.6%
2022	2,888,847	(96,603)	-3.2%	1,542,240	28,211	1.9%
2021	2,985,450	117,390	4.1%	1,514,029	339,033	28.9%
2020	2,868,060	87,306	3.1%	1,174,996	(317,292)	-21.3%
2019	2,780,754	(31,000)	-1.1%	1,492,288	1,446	0.1%
2018	2,811,754	(19,385)	-0.7%	1,490,842	(1,940)	-0.1%
2017	2,831,139	40,054	1.4%	1,492,782	(71,667)	-4.6%
2016	2,791,085	96,546	3.6%	1,564,449	(38,355)	-2.4%
2015	2,694,539	96,851	3.7%	1,602,804	90,390	6.0%

LUXURY & UPPER UPSCALE SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2029	165,495	0	0%			
2028	165,495	0	0%			
2027	165,495	0	0%			
2026	165,495	150	0.1%			
2025	165,345	0	0%			
YTD	123,669	0	0%			
2024	165,345	0	0%			
2023	165,345	0	0%			
2022	165,345	0	0%			
2021	165,345	49,906	43.2%			
2020	115,439	4,114	3.7%			
2019	111,325	0	0%			
2018	111,325	0	0%			
2017	111,325	0	0%			
2016	111,325	0	0%			
2015	111,325	19,602	21.4%			

UPSCALE & UPPER MIDSCALE SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2029	988,685	0	0%	556,541	(1,322)	-0.2%
2028	988,685	0	0%	557,863	2,823	0.5%
2027	988,685	0	0%	555,040	1,061	0.2%
2026	988,685	10,586	1.1%	553,979	(3,881)	-0.7%
2025	978,099	55,996	6.1%	557,860	5,361	1.0%
YTD	734,019	43,756	6.3%	429,839	9,476	2.3%
2024	922,103	52,164	6.0%	552,499	55,477	11.2%
2023	869,939	(21,582)	-2.4%	497,022	(10,853)	-2.1%
2022	891,521	(13,908)	-1.5%	507,875	25,834	5.4%
2021	905,429	53,080	6.2%	482,041	122,442	34.0%
2020	852,349	80,451	10.4%	359,599	(99,484)	-21.7%
2019	771,898	33,450	4.5%	459,083	13,800	3.1%
2018	738,448	(6,675)	-0.9%	445,283	(14,652)	-3.2%
2017	745,123	13,632	1.9%	459,935	12,985	2.9%
2016	731,491	72,581	11.0%	446,950	25,807	6.1%
2015	658,910	63,168	10.6%	421,143	34,706	9.0%

MIDSCALE & ECONOMY SUPPLY & DEMAND

	Supply			Demand		
Year	Available Rooms	Change	% Change	Occupied Rooms	Change	% Change
2029	1,781,698	0	0%	845,978	(4,143)	-0.5%
2028	1,781,698	0	0%	850,121	(2,271)	-0.3%
2027	1,781,698	0	0%	852,392	7,579	0.9%
2026	1,781,698	7,259	0.4%	844,813	20,916	2.5%
2025	1,774,439	(15,431)	-0.9%	823,897	(45,464)	-5.2%
YTD	1,325,755	(16,443)	-1.2%	626,545	(50,038)	-7.4%
2024	1,789,870	(11,559)	-0.6%	869,361	(20,430)	-2.3%
2023	1,801,429	(30,552)	-1.7%	889,791	(63,704)	-6.7%
2022	1,831,981	(82,695)	-4.3%	953,495	(7,211)	-0.8%
2021	1,914,676	14,404	0.8%	960,706	187,656	24.3%
2020	1,900,272	2,741	0.1%	773,050	(189,562)	-19.7%
2019	1,897,531	(64,450)	-3.3%	962,612	(7,395)	-0.8%
2018	1,961,981	(12,710)	-0.6%	970,007	10,253	1.1%
2017	1,974,691	26,422	1.4%	959,754	(88,042)	-8.4%
2016	1,948,269	23,965	1.2%	1,047,796	(62,219)	-5.6%
2015	1,924,304	14,081	0.7%	1,110,015	47,784	4.5%

OVERALL PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	**Percent**	**% Change**	**Per Room**	**% Change**	**Per Room**	**% Change**
2029	50.9%	-0.4%	$114.01	2.4%	$58.05	2.0%
2028	51.1%	0%	$111.39	1.4%	$56.93	1.4%
2027	51.1%	0.6%	$109.85	3.9%	$56.14	4.6%
2026	50.8%	0.3%	$105.73	0.6%	$53.68	1.0%
2025	50.6%	-4.0%	$105.05	-1.2%	$53.16	-5.2%
YTD	51.7%	-4.7%	$105.88	-1.0%	$54.76	-5.6%
2024	52.7%	1.7%	$106.28	2.7%	$56.05	4.4%
2023	51.9%	-2.8%	$103.50	6.4%	$53.69	3.3%
2022	53.4%	5.3%	$97.32	8.4%	$51.95	14.2%
2021	50.7%	23.8%	$89.74	11.5%	$45.51	38.0%
2020	41.0%	-23.7%	$80.49	-8.5%	$32.98	-30.2%
2019	53.7%	1.2%	$87.99	0.4%	$47.22	1.6%
2018	53.0%	0.6%	$87.62	-1.5%	$46.46	-1.0%
2017	52.7%	-5.9%	$88.99	2.1%	$46.92	-4.0%
2016	56.1%	-5.8%	$87.16	3.9%	$48.86	-2.1%
2015	59.5%	2.2%	$83.90	5.8%	$49.91	8.0%

LUXURY & UPPER UPSCALE PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	**Percent**	**% Change**	**Per Room**	**% Change**	**Per Room**	**% Change**
2029						
2028						
2027						
2026						
2025						
YTD	-		-		-	
2024						
2023						
2022						
2021						
2020						
2019						
2018						
2017						
2016						
2015						

UPSCALE & UPPER MIDSCALE PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	Percent	% Change	Per Room	% Change	Per Room	% Change
2029	56.3%	-0.2%	$136.46	2.3%	$76.81	2.1%
2028	56.4%	0.5%	$133.39	1.4%	$75.26	1.9%
2027	56.1%	0.2%	$131.58	4.4%	$73.87	4.6%
2026	56.0%	-1.8%	$126.05	1.0%	$70.63	-0.7%
2025	57.0%	-4.8%	$124.76	-2.7%	$71.16	-7.4%
YTD	58.6%	-3.8%	$126.76	-1.7%	$74.23	-5.4%
2024	59.9%	4.9%	$128.21	0.3%	$76.82	5.1%
2023	57.1%	0.3%	$127.89	7.1%	$73.06	7.4%
2022	57.0%	7.0%	$119.44	7.6%	$68.04	15.2%
2021	53.2%	26.2%	$110.99	10.5%	$59.09	39.4%
2020	42.2%	-29.1%	$100.45	-8.8%	$42.38	-35.3%
2019	59.5%	-1.4%	$110.17	0.5%	$65.52	-0.9%
2018	60.3%	-2.3%	$109.68	-1.5%	$66.14	-3.8%
2017	61.7%	1.0%	$111.35	0.8%	$68.73	1.8%
2016	61.1%	-4.4%	$110.46	2.0%	$67.49	-2.5%
2015	63.9%	-1.5%	$108.32	6.7%	$69.23	5.1%

MIDSCALE & ECONOMY PERFORMANCE

	Occupancy		ADR		RevPAR	
Year	Percent	% Change	Per Room	% Change	Per Room	% Change
2029	47.5%	-0.5%	$93.38	2.3%	$44.34	1.9%
2028	47.7%	-0.3%	$91.24	1.3%	$43.53	1.0%
2027	47.8%	0.9%	$90.06	3.6%	$43.09	4.5%
2026	47.4%	2.1%	$86.92	0.3%	$41.21	2.4%
2025	46.4%	-4.4%	$86.69	-1.4%	$40.25	-5.7%
YTD	47.3%	-6.2%	$86.87	-2.6%	$41.05	-8.7%
2024	48.6%	-1.7%	$87.92	2.7%	$42.71	1.0%
2023	49.4%	-5.1%	$85.59	4.7%	$42.28	-0.6%
2022	52.0%	3.7%	$81.74	7.5%	$42.54	11.5%
2021	50.2%	23.3%	$76.05	10.1%	$38.16	35.7%
2020	40.7%	-19.8%	$69.11	-7.0%	$28.11	-25.5%
2019	50.7%	2.6%	$74.34	0.4%	$37.71	3.0%
2018	49.4%	1.7%	$74.06	-1.3%	$36.61	0.4%
2017	48.6%	-9.6%	$75.01	0.6%	$36.46	-9.1%
2016	53.8%	-6.8%	$74.59	3.4%	$40.11	-3.6%
2015	57.7%	3.7%	$72.17	4.3%	$41.63	8.2%

Appendix

OVERALL SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2029	-	-	-	-	-	-	$66,772	214	11.2%
2028	-	-	-	-	-	-	$63,782	205	11.5%
2027	-	-	-	-	-	-	$59,570	191	12.1%
2026	-	-	-	-	-	-	$57,041	183	12.5%
2025	-	-	-	-	-	-	$58,948	189	11.9%
YTD	7	$2.9M	2.5%	$407,857	$14,204	-	$59,671	191	11.8%
2024	13	$21.8M	8.3%	$1,673,192	$32,758	10.9%	$58,098	186	11.6%
2023	13	$13.2M	6.6%	$1,101,333	$25,221	2.0%	$54,409	174	11.1%
2022	15	$18.6M	5.8%	$1,695,091	$40,359	-	$52,855	169	10.3%
2021	7	$9M	4.7%	$1,495,833	$23,556	-	$52,432	168	10.0%
2020	5	$2.6M	1.2%	$859,667	$25,535	-	$52,727	169	10.7%
2019	5	$4.1M	1.5%	$1,374,000	$35,843	-	$56,829	182	10.8%
2018	7	$16.7M	5.2%	$2,781,667	$41,210	-	$59,955	192	10.3%
2017	5	$10.7M	3.4%	$3,555,000	$39,066	-	$61,524	197	10.0%
2016	9	$28M	3.6%	$5,595,000	$97,474	-	$60,894	195	9.8%
2015	11	$13.9M	6.4%	$1,394,024	$27,280	17.1%	$56,432	181	9.6%

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LUXURY & UPPER UPSCALE SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2029	-	-	-	-	-	-	$107,550	215	10.3%
2028	-	-	-	-	-	-	$102,734	205	10.5%
2027	-	-	-	-	-	-	$95,949	192	11.0%
2026	-	-	-	-	-	-	$91,875	183	11.4%
2025	-	-	-	-	-	-	$94,947	190	10.9%
YTD	-	-	-	-	-	-	$96,111	192	10.8%
2024	-	-	-	-	-	-	$94,299	188	10.6%
2023	-	-	-	-	-	-	$90,093	180	10.0%
2022	1	$0	0%	-	-	-	$87,776	175	9.3%
2021	-	-	-	-	-	-	$87,421	174	9.0%
2020	-	-	-	-	-	-	$87,672	175	9.6%
2019	-	-	-	-	-	-	$95,777	191	9.7%
2018	-	-	-	-	-	-	$101,595	203	9.2%
2017	-	-	-	-	-	-	$102,407	204	9.0%
2016	-	-	-	-	-	-	$108,068	216	8.6%
2015	-	-	-	-	-	-	$86,771	173	9.1%

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UPSCALE & UPPER MIDSCALE SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2029	-	-	-	-	-	-	$92,980	218	10.6%
2028	-	-	-	-	-	-	$88,816	208	10.9%
2027	-	-	-	-	-	-	$82,951	195	11.4%
2026	-	-	-	-	-	-	$79,429	186	11.8%
2025	-	-	-	-	-	-	$82,085	193	11.3%
YTD	-	-	-	-	-	-	$83,091	195	11.1%
2024	3	$7.4M	7.4%	$2,470,167	$36,686	-	$80,898	190	11.0%
2023	2	$225K	3.4%	$112,500	$2,557	-	$76,299	179	10.4%
2022	2	$8.7M	2.7%	$4,340,000	$125,797	-	$73,409	172	9.8%
2021	-	-	-	-	-	-	$72,682	170	9.4%
2020	-	-	-	-	-	-	$72,913	171	10.1%
2019	2	$4M	4.5%	$1,991,000	$39,426	-	$77,622	182	10.3%
2018	-	-	-	-	-	-	$82,222	193	9.8%
2017	2	$9.9M	9.8%	$4,937,500	$45,718	-	$83,199	195	9.6%
2016	2	$21.9M	5.7%	$21,900,000	$178,049	-	$81,520	191	9.4%
2015	1	$0	0%	-	-	-	$77,277	181	9.2%

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MIDSCALE & ECONOMY SALES

	Completed Transactions (1)						Market Pricing Trends (2)		
Year	Deals	Volume	Turnover	Avg Price	Avg Price/Room	Avg Cap Rate	Price/Room	Price Index	Cap Rate
2029	-	-	-	-	-	-	$47,634	210	11.7%
2028	-	-	-	-	-	-	$45,501	200	12.0%
2027	-	-	-	-	-	-	$42,496	187	12.6%
2026	-	-	-	-	-	-	$40,691	179	13.0%
2025	-	-	-	-	-	-	$42,052	185	12.4%
YTD	7	$2.9M	4.2%	$407,857	$14,204	-	$42,567	187	12.3%
2024	10	$14.3M	9.6%	$1,434,100	$31,041	10.9%	$41,379	182	12.1%
2023	11	$13M	8.8%	$1,299,100	$29,796	2.0%	$38,269	168	11.6%
2022	12	$10M	7.9%	$1,107,333	$25,359	-	$37,564	165	10.8%
2021	7	$9M	7.5%	$1,495,833	$23,556	-	$37,311	164	10.4%
2020	5	$2.6M	1.9%	$859,667	$25,535	-	$37,647	166	11.1%
2019	3	$140K	0.3%	$140,000	$10,000	-	$41,013	180	11.1%
2018	7	$16.7M	7.7%	$2,781,667	$41,210	-	$43,024	189	10.7%
2017	3	$790K	1.1%	$790,000	$13,860	-	$45,011	198	10.3%
2016	7	$6.1M	3.0%	$1,518,750	$37,043	-	$44,389	195	10.1%
2015	10	$13.9M	9.6%	$1,394,024	$27,280	17.1%	$41,410	182	9.9%

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DELIVERIES & UNDER CONSTRUCTION

	Inventory			Deliveries		Net Deliveries		Under Construction	
Year	Bldgs	Rooms	% Change	Bldgs	Rooms	Bldgs	Rooms	Bldgs	Rooms
YTD	158	7,991	-0.2%	0	0	(1)	(42)	1	20
2024	158	8,004	0.7%	2	133	0	81	1	20
2023	159	7,951	0.1%	1	40	0	22	3	153
2022	160	7,947	-1.5%	-	-	-	-	1	57
2021	162	8,072	-2.4%	-	-	-	-	-	-
2020	165	8,272	4.8%	3	226	1	195	-	-
2019	162	7,893	1.5%	2	196	2	196	3	226
2018	161	7,775	-3.6%	2	78	0	(93)	1	150
2017	164	8,064	0.3%	2	74	1	69	-	-
2016	162	8,041	1.3%	2	71	0	49	-	-
2015	160	7,934	4.8%	6	333	4	330	-	-