



Comp Set Analysis

Prepared for:

XYZ Hotel

October 24, 2016





Purpose

The purpose of this assignment is to analyze the current competitive set and other potential competitors of **Hotel XYZ**.

Comp set grade: The comp set grade is driven by a statistical model that analyzes over 30,000 comp sets stored in the STR database. The model does a comparative analysis of the composition of your property’s primary comp set and the primary comp sets of all other properties sharing the same class and location type. In most instances, the greater your property’s comp set deviates from the norm, the lower your comp set grade. The comp set report card will help you understand the relative strength of your competitive set.

Property pool: Once we’ve determined the strength of your current comp set, we will generate a pool of potentially competitive properties. This pool will likely include properties that you might not have considered previously and could enhance the strength of your comp set. We use a variety of search criteria including distance, class, and room count.

Most-improved comp set: In this step, we take the initiative to seek the most-improved competitive set for your property. We will filter through the property pool to determine the combination of competitive properties that yields the strongest grade, while also meeting your comp set objectives. Please note that some properties may never achieve an “A+” comp set, for lack of available competition.

Results

Current Comp Set Grade

| Hotel XYZ | |
|--|--|
| Census ID: | XXXXX |
| Class: | Luxury |
| Region: | South Atlantic |
| Location: | Resort |
| Competitors: | Hotel A Hotel B Hotel C Hotel D Hotel E Hotel F |
| <i>top two factors decreasing your comp set grade...</i> | |
| Comp Set ADR Spread Grade | |
| Class Variance Grade | 2 |
| NameBack Percent Grade | 1 |
| Occ SD Grade | |
| ADR SD Grade | |
| RevPAR SD Grade | |
| Average Distance Grade | |
| Room Count Variance Grade | |
| Age Grade | |
| Comp Set Letter Score | B- |



Property pool

Below is a list of potentially competitive hotels. The assigned weights might result in a pool of 30 properties, or two, thus, we reserve the right to widen your parameters if needed. We will always inform you if this happens. You can use this list however you please. You may choose to add properties to your existing comp set or choose a whole new set, or you may choose to utilize this list as market intelligence but not adjust your set at all.

The parameters utilized in this search include, but are not limited to the following criteria:

- ✓ Class deviance of _____
- ✓ Within _____% of room count
- ✓ Within _____miles

- Hotel F
- Hotel G
- Hotel H
- Hotel I
- Hotel K
- Hotel L
- Hotel M
- Hotel N
- Hotel O
- Hotel P

Most-improved Comp Set

Below is the most-improved competitive set for your property, based on our analysis of your current comp set and property pool.

| STR # | Property Name |
|-------|---------------|
| XXXXX | Hotel K |
| XXXXX | Hotel P |
| XXXXX | Hotel F |
| XXXXX | Hotel A |
| XXXXX | Hotel L |



The Comp Set grade for this proposed Comp Set:

| Comp Set Grade Report | |
|-------------------------------|--|
| Hotel XYZ | |
| Census ID: XXXXX | <i>top two factors decreasing your comp set grade...</i> |
| Class: Luxury | |
| Region: South Atlantic | Comp Set ADR Spread Grade 2 |
| Location: Resort | Class Variance Grade |
| | NameBack Percent Grade 1 |
| | Occ SD Grade |
| | ADR SD Grade |
| | RevPAR SD Grade |
| | Average Distance Grade |
| | Room Count Variance Grade |
| | Age Grade |
| Competitors: Hotel K | |
| Hotel P | |
| Hotel F | |
| Hotel A | |
| Hotel L | |
| | Comp Set Letter Score A |



Grade glossary

Listed in the order of the grades on the report card

Comp Set ADR Spread

Comp set ADR spread measures the average gap between the ADR of the subject property and each competitor.

Class Variance

Class variance evaluates whether the subject property is naming competitors within, above, or below its class.

Class is an industry categorization that includes chain-affiliated and independent hotels. Branded hotels are grouped based on average room rates, and independent hotels are assigned a class based on its ADR, relative to that of the chain-affiliated hotels in its geographic proximity. There are six class segments: Luxury, Upper Upscale, Upscale, Upper Midscale, Midscale, and Economy.

Nameback Percent

Nameback percent refers to the number of properties in the subject property's competitive set that also name the subject property back as a competitor in their comp set. For example, if the subject property names ten properties in its competitive set, but only five of those properties name the subject property back in their comp set, the nameback percent is 50%. This is an important metric in understanding if properties perceived as competitive reciprocate that perception.

Occupancy Standard Deviation (Occ SD)

The standard deviation of occupancy measures the amount of occupancy variance across competitors within the comp set.

Average Daily Rate Standard Deviation (ADR SD)

The standard deviation of ADR measures the amount of ADR variance across competitors within the comp set.

Revenue per Available Room Standard Deviation (RevPAR SD)

The standard deviation of RevPAR measures the amount of RevPAR variance across competitors within the comp set.

Distance

Distance refers to the average radius (in miles) between the subject property and its competitors.

Room Count Variance

Room count variance measures the average range of rooms between the subject property's room count and each competitor.

Property Age

Property age is calculated based on the initial opening date of the hotel asset. The grade is calculated based on the average age of properties within the subject property's comp set.