

## Development Costs and Prototype Building Data - United States

November 2013

These estimates are for suburban, low barrier to entry markets in regions such as the southeastern and midwestern U.S.

Adjustments should be made for other markets, in particular urban and high barrier to entry markets and regions such as the northeastern and western U.S.

PROTOTYPE DESIGN SUMMARY	Home2 Suites by Hilton			Hampton Inn (Center Loaded Lobby)			Hampton Inn & Suites (Center Loaded Lobby)			Hilton Garden Inn			Homewood Suites			Embassy Suites		
PROTOTYPE VERSION	2.1			6.1			4.1			7.1Grow			9.0			Design Option 3 - Version 2		
DATE	October 2012			December 2011			December 2011			June 2012			May 1, 2011			May 2013		
D&C STANDARDS VERSION	2013 Edition			2013 Edition			2013 Edition			2013 Edition			2013 Edition			2013 Edition		
DATE	1/1/2013			1/1/2013			1/1/2013			1/1/2013			1/1/2013			7/1/2013		
NUMBER OF KEYS	107			80			101			136			109			174		
NUMBER OF FLOORS	4			4			4			5			4			7		
GROSS BUILDING AREA	56,651			49,333			63,599			85,441			77,784			153,358		
GROSS BUILDING AREA/KEY	529.4			616.7			629.7			628.2			713.6			881.4		
STRUCTURAL SYSTEM	Wood Frame			CMU & Precast Plank			CMU & Precast Plank			CMU & Precast Plank			CMU & Precast Plank			Concrete Frame		
LAND REQUIRED - ACRES	1.97			1.59			2.11			3.22			2.36			3.10		
LAND REQUIRED - SQ. FT.	86,940			69,299			91,939			140,119			102,980			135,000		
NUMBER OF PARKING SPACES	107			80			101			178			111			174		
INPUT																		
Land Cost per Sq. Ft.	\$11.00			\$12.00			\$12.00			\$13.00			\$13.00			\$16.00		
Construction Cost per Sq. Ft.	\$100.00			\$110.00			\$110.00			\$115.00			\$110.00			\$135.00		
DEVELOPMENT COST MODEL	Item Cost	Cost/Key	Cost/SF	Item Cost	Cost/Key	Cost/SF	Item Cost	Cost/Key	Cost/SF	Item Cost	Cost/Key	Cost/SF	Item Cost	Cost/Key	Cost/SF	Item Cost	Cost/Key	Cost/SF
LAND	\$956,340	\$8,938	\$11.00	\$831,588	\$10,395	\$12.00	\$1,103,268	\$10,923	\$12.00	\$1,821,547	\$13,394	\$13.00	\$1,338,740	\$12,282	\$13.00	\$2,160,000	\$12,414	\$16.00
DESIGN & ENGINEERING	\$220,000	\$2,056	\$3.88	\$220,000	\$2,750	\$4.46	\$250,000	\$2,475	\$3.93	\$325,000	\$2,390	\$3.80	\$300,000	\$2,752	\$3.86	\$500,000	\$2,400	\$3.26
PERMITS, LICENSES & FEES	\$100,000	\$935	\$1.77	\$95,000	\$1,188	\$1.93	\$140,000	\$1,386	\$2.20	\$215,000	\$1,581	\$2.52	\$150,000	\$1,376	\$1.93	\$425,000	\$2,443	\$2.77
CONSTRUCTION	\$5,665,100	\$52,945	\$100.00	\$5,426,630	\$67,833	\$110.00	\$6,995,890	\$69,266	\$110.00	\$9,825,715	\$72,248	\$115.00	\$8,556,240	\$78,498	\$110.00	\$20,703,330	\$118,985	\$135.00
FURNITURE, FIXTURES & EQUIP.																		
Guestrooms	\$945,024	\$8,832	\$16.68	\$411,040	\$5,138	\$8.33	\$607,818	\$6,018	\$9.56	\$859,656	\$6,321	\$10.06	\$1,117,250	\$10,250	\$14.36	\$1,885,000	\$10,833	\$12.29
Guestroom Corridors	\$52,216	\$488	\$0.92	\$63,280	\$791	\$1.28	\$63,226	\$626	\$0.99	\$62,560	\$460	\$0.73	\$109,000	\$1,000	\$1.40	\$157,000	\$902	\$1.02
Public Areas	\$165,529	\$1,547	\$2.92	\$132,640	\$1,658	\$2.69	\$132,613	\$1,313	\$2.09	\$423,368	\$3,113	\$4.96	\$239,800	\$2,200	\$3.08	\$632,000	\$3,632	\$4.12
Operating Supplies & Equipm't	\$240,857	\$2,251	\$4.25	\$83,520	\$1,044	\$1.69	\$98,576	\$976	\$1.55	\$245,480	\$1,805	\$2.87	\$161,865	\$1,485	\$2.08	\$806,000	\$4,632	\$5.26
Owner Direct Purchases																		
Warehousing	\$8,025	\$75	\$0.14	\$6,000	\$75	\$0.12	\$7,575	\$75	\$0.12	\$10,200	\$75	\$0.12	\$8,175	\$75	\$0.11	\$13,050	\$75	\$0.09
Telephone Switch & Instr'ts	\$41,195	\$385	\$0.73	\$30,800	\$385	\$0.62	\$38,885	\$385	\$0.61	\$52,360	\$385	\$0.61	\$41,965	\$385	\$0.54	\$66,990	\$385	\$0.44
Laundry-Main & Guest	\$40,000	\$374	\$0.71	\$40,000	\$500	\$0.81	\$40,000	\$396	\$0.63	\$40,000	\$294	\$0.47	\$40,000	\$367	\$0.51	\$55,000	\$316	\$0.36
OnQ	\$45,000	\$421	\$0.79	\$39,000	\$488	\$0.79	\$42,000	\$416	\$0.66	\$53,000	\$390	\$0.62	\$43,000	\$394	\$0.55	\$85,000	\$489	\$0.55
Security & Communications	\$9,500	\$89	\$0.17	\$9,500	\$119	\$0.19	\$9,500	\$94	\$0.15	\$9,500	\$70	\$0.11	\$9,500	\$87	\$0.12	\$12,000	\$69	\$0.08
HSIA Equipment	\$29,318	\$274	\$0.52	\$25,600	\$320	\$0.52	\$34,037	\$337	\$0.54	\$46,376	\$341	\$0.54	\$40,766	\$374	\$0.52	\$70,122	\$403	\$0.46
FF&E Installation	\$37,450	\$350	\$0.66	\$28,000	\$350	\$0.57	\$35,350	\$350	\$0.56	\$47,600	\$350	\$0.56	\$38,150	\$350	\$0.49	\$60,900	\$350	\$0.40
Freight & Tax	\$224,580	\$2,099	\$3.96	\$110,477	\$1,381	\$2.24	\$144,357	\$1,429	\$2.27	\$254,570	\$1,872	\$2.98	\$260,466	\$2,390	\$3.35	\$556,800	\$3,200	\$3.63
TOTAL FF&E	\$1,838,694	\$17,184	\$32	\$979,857	\$12,248	\$20	\$1,253,937	\$12,415	\$20	\$2,104,670	\$15,476	\$25	\$2,109,937	\$19,357	\$27	\$4,399,862	\$25,287	\$28.69
EXTERIOR SIGNS	\$17,500	\$164	\$0.31	\$15,600	\$195	\$0.32	\$16,500	\$163	\$0.26	\$18,500	\$136	\$0.22	\$18,000	\$165	\$0.23	\$22,000	\$126	\$0.14
INVENTORIES	\$30,000	\$280	\$0.53	\$40,000	\$500	\$0.81	\$40,000	\$396	\$0.63	\$50,000	\$368	\$0.59	\$50,000	\$459	\$0.64	\$60,000	\$345	\$0.39
PRE-OPENING	\$100,000	\$935	\$1.77	\$120,000	\$1,500	\$2.43	\$120,000	\$1,188	\$1.89	\$140,000	\$1,029	\$1.64	\$160,000	\$1,468	\$2.06	\$220,000	\$1,264	\$1.43
PROJECT MANAGEMENT	\$90,000	\$841	\$1.59	\$90,000	\$1,125	\$1.82	\$100,000	\$990	\$1.57	\$110,000	\$809	\$1.29	\$110,000	\$1,009	\$1.41	\$150,000	\$862	\$0.98
INSURANCE	\$30,000	\$280	\$0.53	\$30,000	\$375	\$0.61	\$40,000	\$396	\$0.63	\$50,000	\$368	\$0.59	\$50,000	\$459	\$0.64	\$60,000	\$345	\$0.39
FINANCIAL, TAXES & LEGAL	\$50,000	\$467	\$0.88	\$60,000	\$750	\$1.22	\$60,000	\$594	\$0.94	\$65,000	\$478	\$0.76	\$65,000	\$596	\$0.84	\$80,000	\$460	\$0.52
PROJECT-WIDE CONTINGENCY	\$566,510	\$5,294	\$10.00	\$542,663	\$6,783	\$11.00	\$699,589	\$6,927	\$11.00	\$982,572	\$7,225	\$11.50	\$855,624	\$7,850	\$11.00	\$2,070,333	\$11,898	\$13.50
TOTAL DEVELOPMENT COSTS	\$9,664,144	\$90,319	\$170.59	\$8,451,338	\$105,642	\$171.31	\$10,819,184	\$107,121	\$170.12	\$15,708,004	\$115,500	\$183.85	\$13,763,541	\$126,271	\$176.95	\$30,850,525	\$177,302	\$201.17

**NOTES & ASSUMPTIONS:**

- \* These cost models are based on National averages in the United States of America from data which has been collected from a variety of sources. The estimates do not include extra costs that are associated with conditions such as coastal requirements, seismic requirements, unusual site requirements, etc.
- \* Hilton Worldwide does not make any representations or guarantees that these numbers are valid, accurate, reliable or complete. Any use of this information is solely at the risk and discretion of the user.
- \* FF&E Freight & Tax is calculated at 16% of Guestrooms FF&E, Guestroom Corridors FF&E, Public Areas FF&E, and Operating Supplies & Equipment. 8% freight and 8% tax.
- \* The cost for wood frame construction is assumed to be \$6 to \$8 per SF less than block and plank construction.
- \* Estimates based on Cost Per Key may vary substantially for properties with more or fewer keys than the prototype.