

HOTEL VALUATION 2026/2027

HOTEL CLASS	OPERATING EXP RATIO	CAP RATE	OCCUPANCY LEVEL
SUPER LUXURY	58.00%-65.70%	30.75%-29.90%	75%-85%
LUXURY (<i>UPPER UPSCALE</i>)	61.00%-68.70%	31.50%-30.40%	75%-85%
CLASS1 (<i>UPSCALE</i>)	52.00%-60.00%	33.25%-31.25%	80%-90%
CLASS2 (<i>UPPER MIDSCALE</i>)	52.00%-69.00%	34.00%-31.75%	85%-90%
CLASS3 (<i>MIDSCALE</i>)	50.00%-67.00%	35.00%-33.00%	75%-85%
CLASS4 (<i>ECONOMY</i>)	45.00%-64.00%	35.25%-34.00%	75%-87%
APARTMENTS	26.00%-50.00%	32.00%-31.00%	75%-90%
DORMS	20.00%-35.00%	33.75%-32.75%	85%-90%
HOSTEL,SRO,WELFARE	20.00%-25.00%	34.80%-33.90%	75%-95%

Generally, brand and independent, boutique hotels are classified as being concentrated in the Luxury, Upper Upscale, and Upscale chain categories. Operating expenses are largely reflective of whether or not the property is in *full-service* (Food & Beverage, minimum service level), or *limited service* (Rooms-only operation and very few services and amenities) class, as defined by STR. Hotels in the three upper most categories are generally considered as being in *full service*.

tax rate 10.848