

# 4Q 2021 LOS ANGELES, CA



## Fundamentals Dashboard

Lodging Performance Index

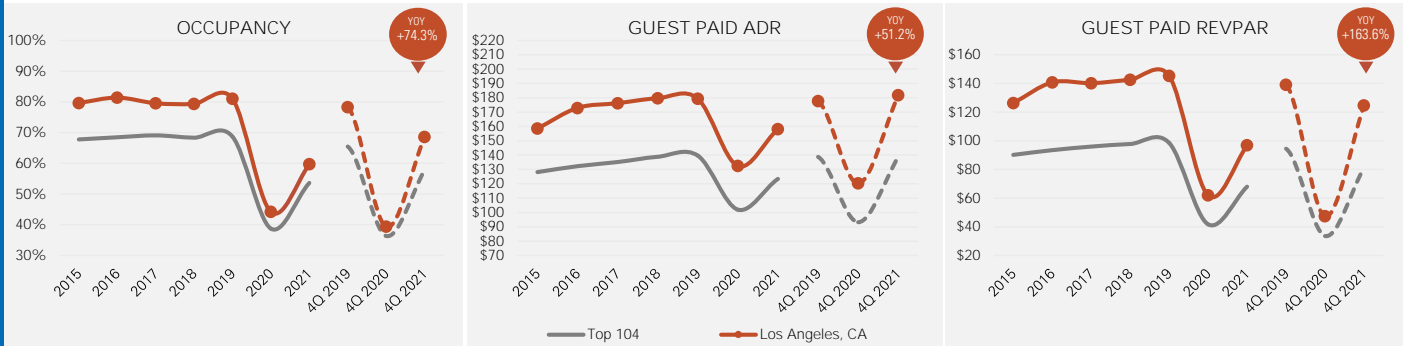
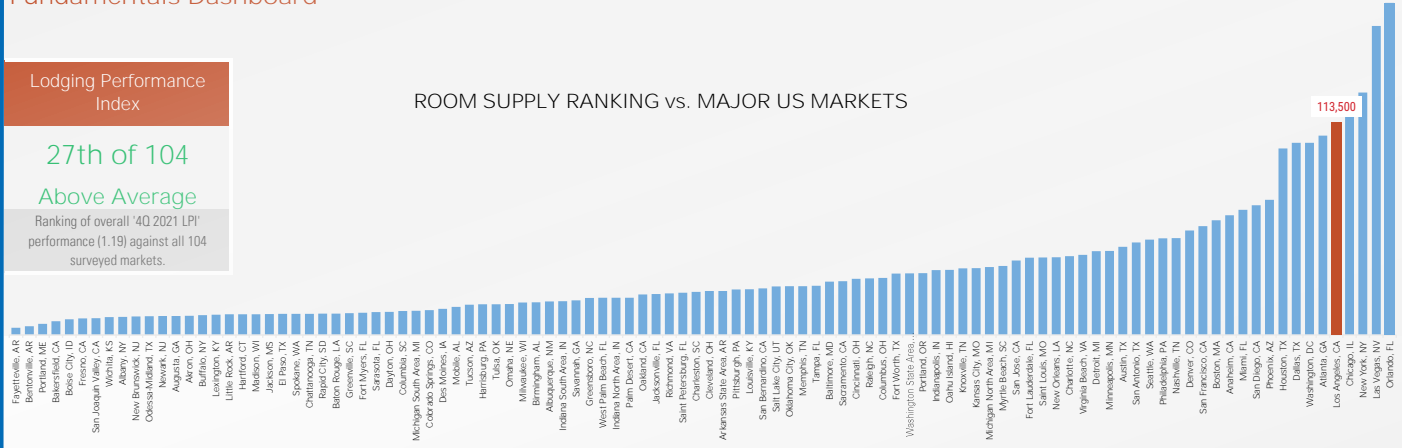
27th of 104

Above Average

Ranking of overall '4Q 2021 LPI' performance (1.19) against all 104 surveyed markets.

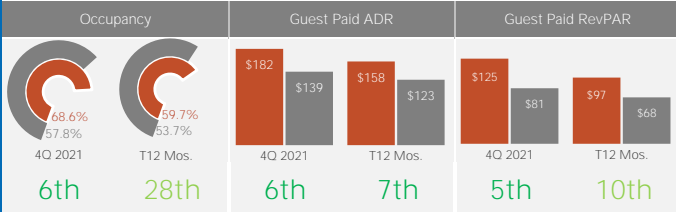
ROOM SUPPLY RANKING vs. MAJOR US MARKETS

KEY PERFORMANCE METRICS



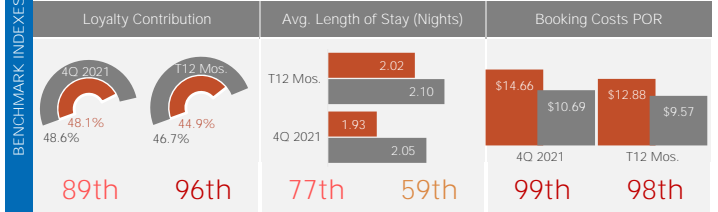
## Key Performance Indexes

● Subject Market ● Top 104



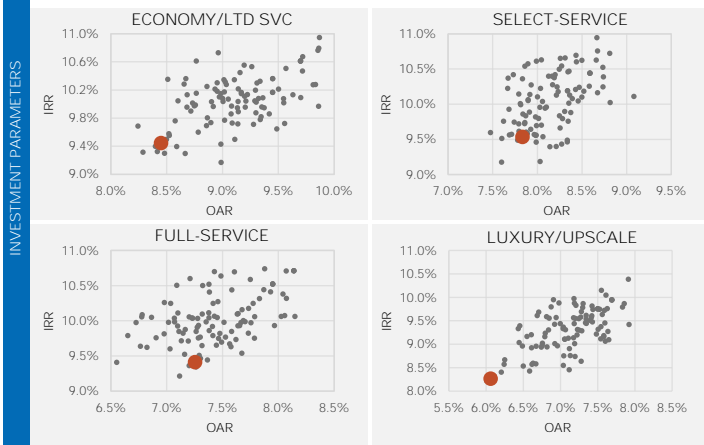
## Key Benchmark Indexes

Data provided by: **kalibri LABS**



## Discount and Capitalization Rates

Source: Newmark

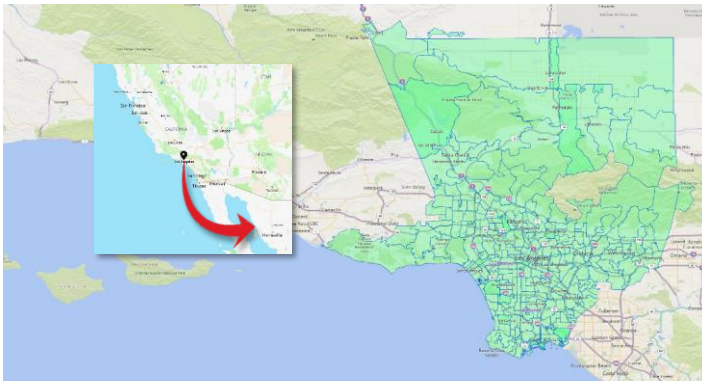


## Trends and Risks

Source: Kalibri Labs, Newmark

FUNDAMENTALS	Revenue Stability	Supplier Power Trend	Investment Yields
	74th Below Average	98th Soft	3rd Strong
	Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets
RISKS	Supply Risk	Labor Risk	Macro-Fiscal Risk
	70th Below Average	27th Above Average	90th Low Risk
	Assessment of market supply growth over past 12 months relative to Top 104 markets	Measure of current employment health over past two years relative to Top 104 markets	Assessment of health and diversity of lodging demand generators relative to Top 104 markets

Location



Quick Facts

<b>Jurisdictional Information</b>		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Los Angeles	
County:	Los Angeles County	
State:	California	
Geo Coordinates (market center):	34.05223, -118.24368	
<b>Major Hotel Demand Generators</b>		
University of California Los Angeles   Kaiser Permanente   University of Southern California   Northrop Grumman Corp.   Providence Health Systems   Target Brands Inc.   The Boeing Co.   The Walt Disney Co.   Albertsons/Vons/Pavilions   Bank of America Corp.   Cedars-Sinai Medical Center   NBC Universal   AT&T   The Home Depot U.S.A. Inc.   Wells Fargo & Co.   ABM Industries Inc.   California Institute of Technology   Wonderful Co.   FedEx Corp.		
<b>Metrics and Ranking</b>		<b>Rankings</b>
Population (hotel market area)	8,944,687	<b>1st of 104 (Very Large)</b>
Income per Capita	\$54,501	<b>31st of 104 (Above Average)</b>
Feeder Group Size	133.4 Persons PSR	<b>88th of 104 (Below Average)</b>
Feeder Group Earnings	\$7,268,238 PSR	<b>89th of 104 (Below Average)</b>
Total Market COPE	\$3.9 billion	<b>3rd of 104 (Strong)</b>

Key Performance Metrics

YEAR ENDING	Occ %	Guest Paid		COPE	
		ADR	RevPAR	ADR	RevPAR
2015	79.7%	\$158.53	\$126.27	\$145.10	\$115.58
2016	81.4%	\$172.92	\$140.76	\$157.93	\$128.56
2017	79.6%	\$176.23	\$140.19	\$160.48	\$127.66
2018	79.4%	\$179.67	\$142.60	\$164.06	\$130.21
2019	81.0%	\$179.35	\$145.34	\$163.68	\$132.64
2020	44.2%	\$132.39	\$61.94	\$122.20	\$54.01
2021	59.7%	\$158.04	\$96.89	\$145.16	\$86.66
<b>CAGR: 2015 thru 2021</b>	<b>-4.7%</b>	<b>-0.1%</b>	<b>-4.3%</b>	<b>0.0%</b>	<b>-4.7%</b>
4Q 2019	78.2%	\$177.62	\$138.98	\$162.48	\$127.13
4Q 2020	39.3%	\$120.23	\$47.28	\$111.01	\$43.66
4Q 2021	68.6%	\$181.78	\$124.64	\$167.12	\$114.59
<b>% Change</b>	<b>74.3%</b>	<b>51.2%</b>	<b>163.6%</b>	<b>50.5%</b>	<b>162.5%</b>

Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
\$13.43	91.5%	40.0%	2.10	98,500	1.56
\$14.99	91.3%	42.4%	2.07	98,900	1.55
\$15.75	91.1%	44.4%	1.98	101,900	1.22
\$15.61	91.3%	46.6%	1.94	105,600	1.43
\$15.67	91.3%	50.6%	1.87	110,900	1.28
\$10.19	92.3%	40.5%	2.13	110,900	1.18
\$12.88	91.9%	44.9%	2.02	112,300	1.19
<b>59.1%</b>	<b>-0.4%</b>	<b>17.5%</b>	<b>-11.6%</b>	<b>0.1%</b>	<b>0.6%</b>

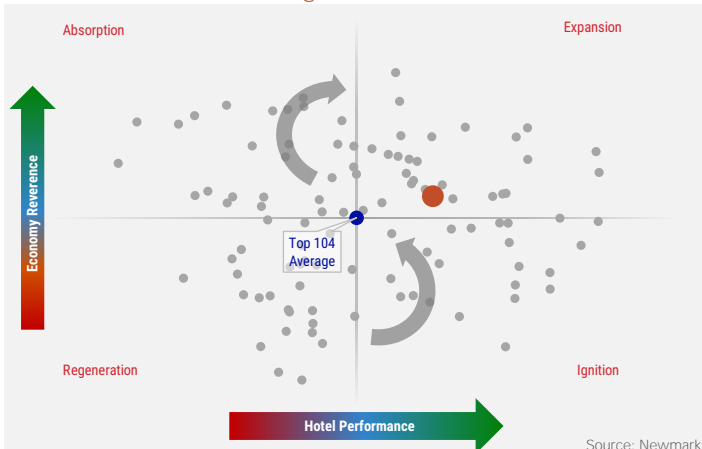
Notable Metrics

HIGHEST	OAR: Luxury/Upscale	Latest-Quarter Guest Paid RevPAR	Total Rooms Sold
	<b>2nd Highly Favorable</b> Los Angeles, CA exhibited favorable OAR metrics in the luxury/upscale segment (6.1%)	<b>5th Strong</b> The market benefited from strong latest-quarter Guest Paid RevPAR (\$124.64)	<b>3rd Strong</b> The market also boasted strong total rooms sold (24,481,236)
LOWEST	Latest-Quarter Booking Costs POR	T12-Month Booking Costs POR	T12-Month COPE ADR Percentage
	<b>99th Soft</b> This market has been burdened by high latest-quarter booking costs (\$14.66)	<b>98th Soft</b> The market was burdened by high T12-month booking costs POR (\$12.88)	<b>97th Soft</b> Los Angeles, CA also has been hampered by weak T12-month COPE ADR percentage (91.9%)

Notable Trends

FASTEST	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	Overall Health of Hotel Market
	<b>15th Above Average</b> Los Angeles, CA enjoyed strong short-term historical loyalty contribution growth (1.8%)	<b>25th Above Average</b> The market exhibited strong long-term historical loyalty contribution growth (2.6%)	<b>28th Above Average</b> The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
SLOWEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Supply Growth	Short-Term Historical Average Length of Stay Growth
	<b>90th Soft</b> The market exhibited weak long-term historical average length of stay growth (-0.9%)	<b>80th Below Average</b> We note this area has been burdened by high short-term historical supply growth (1.4%)	<b>75th Below Average</b> Los Angeles, CA also exhibited weak short-term historical average length of stay growth (0.3%)

Market Performance Stage



Los Angeles, CA: Expansion Stage

The Los Angeles, CA market is currently in the 'Expansion' stage of the performance cycle. In this stage, hotels generally perform adequately and in an economy with resilience and higher confidence the economy will recover from the COVID-19 crisis. Barriers to entry are low, displacement demand is high, and the market typically experiences an expansion of both hotel supply and general economic conditions. Example markets in this stage include Austin, TX; Fort Lauderdale, FL; and Fort Worth, TX.

Other Stages:

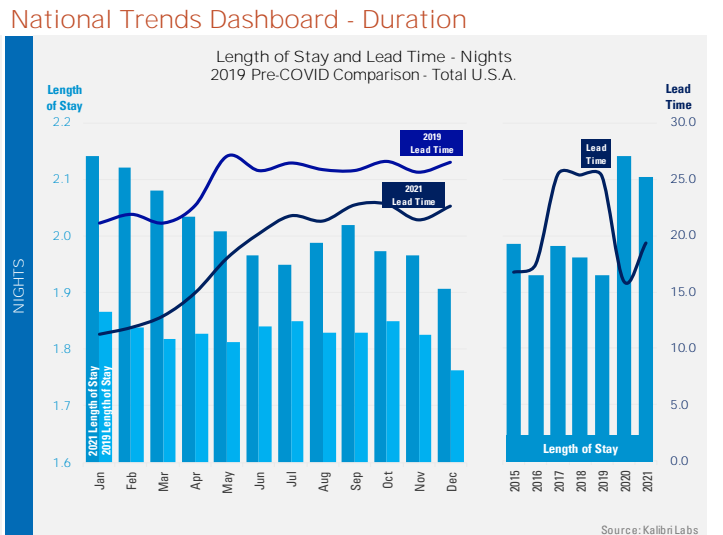
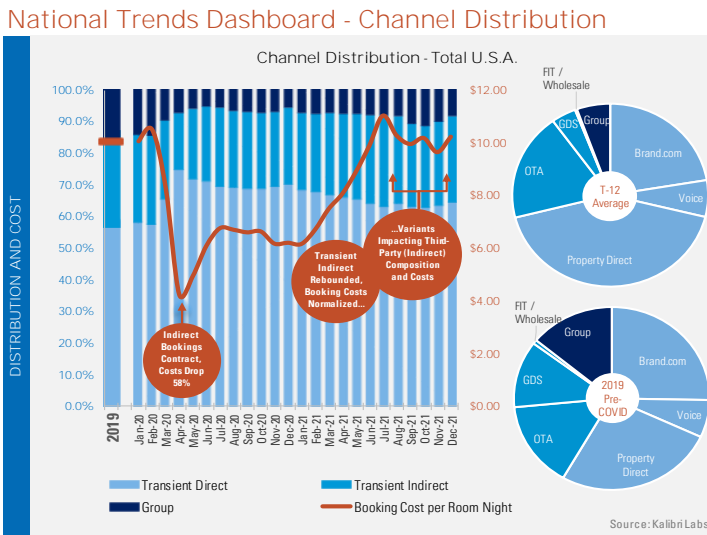
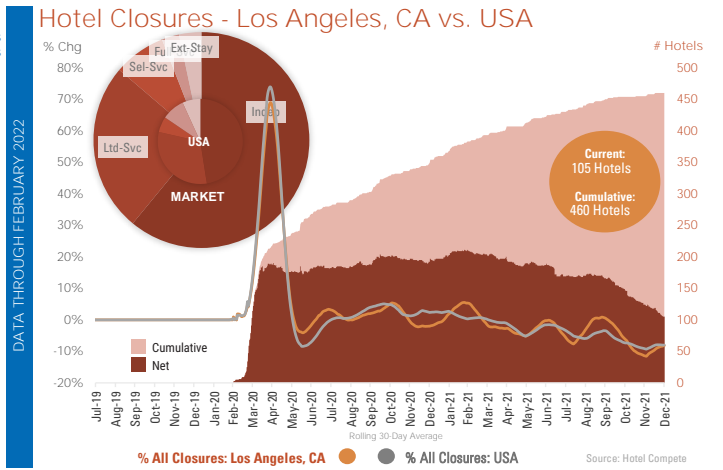
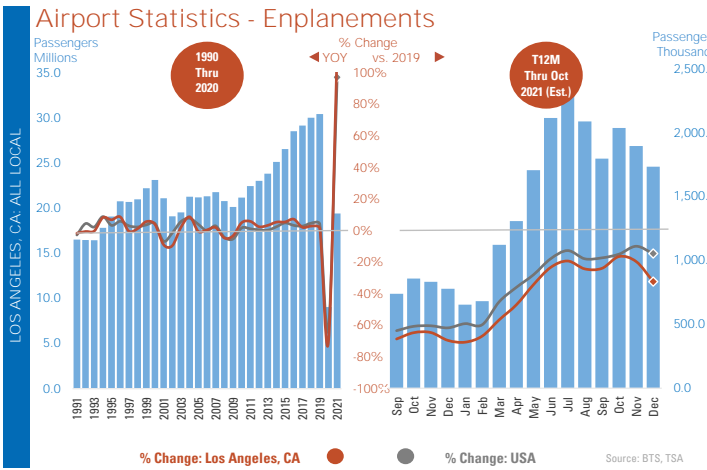
<b>Expansion</b>	In the 'Expansion' stage, hotels and the underlying economy are generally underperforming. The highest and best uses of hotel assets are challenged whether by COVID-19 impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Cincinnati, OH; Detroit, MI; and New Orleans, LA.
<b>Regeneration</b>	In the 'Regeneration' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Miami, FL; and Michigan North Area, MI.
<b>Ignition</b>	In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will recover from the COVID-19 crisis, presenting upside for CRE. Barriers to entry are high and the market typically hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Anaheim, CA; Atlanta, GA; and Boston, MA.
<b>Absorption</b>	

Industry Observations

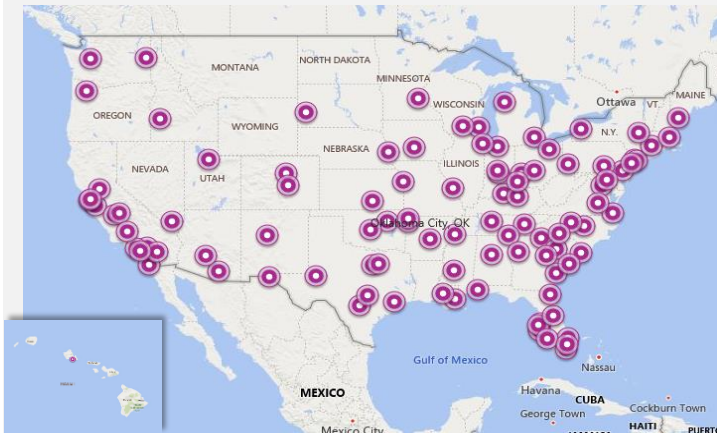
<b>Business Cycle:</b>	<b>In Recovery</b>
<b>Employment Growth (2 yr):</b>	<b>-3.0%</b>
<b>Risk Exposure (402 US markets):</b>	<b>45th Percentile: Average Risk</b>
<b>Key Industry Notes:</b>	High tech, tourism Strong healthcare base Global links through tourism Deep Sea Pedro Harbor Prone to natural disasters

Moody's Rating	<b>Aa1</b>
Investment Grade	<b>Investment Grade</b>
Long-term investment grade, Prime-1 short-term outlook	





## Newmark Hotel Market Insights Report Coverage



- Akron, OH
- Albany, NY
- Albuquerque, NM
- Anaheim, CA
- Arkansas State Area, AR
- Atlanta, GA
- Augusta, GA
- Austin, TX
- Bakersfield, CA
- Baltimore, MD
- Baton Rouge, LA
- Bentonville, AR
- Birmingham, AL
- Boise City, ID
- Boston, MA
- Buffalo, NY
- Charleston, SC
- Charlotte, NC
- Chattanooga, TN
- Chicago, IL
- Cincinnati, OH
- Cleveland, OH
- Colorado Springs, CO
- Columbia, SC
- Columbus, OH
- Dallas, TX
- Dayton, OH
- Denver, CO
- Des Moines, IA
- Detroit, MI
- El Paso, TX
- Fayetteville, AR
- Fort Lauderdale, FL
- Fort Myers, FL
- Fort Worth, TX
- Fresno, CA
- Greensboro, NC
- Greenville, SC
- Harrisburg, PA
- Hartford, CT
- Houston, TX
- Indiana North Area, IN
- Indiana South Area, IN
- Indianapolis, IN
- Jackson, MS
- Jacksonville, FL
- Kansas City, MO
- Knoxville, TN
- Las Vegas, NV (Non-Strip)
- Lexington, KY
- Little Rock, AR
- Los Angeles, CA
- Louisville, KY
- Madison, WI
- Memphis, TN
- Miami, FL
- Michigan North Area, MI
- Michigan South Area, MI
- Milwaukee, WI
- Minneapolis, MN
- Mobile, AL
- Myrtle Beach, SC
- Nashville, TN
- New Brunswick, NJ
- New Orleans, LA
- New York, NY
- Newark, NJ
- Oahu Island, HI (Branded)
- Oakland, CA
- Odessa-Midland, TX
- Oklahoma City, OK
- Omaha, NE
- Orlando, FL (Non-Disney)
- Palm Desert, CA
- Philadelphia, PA
- Phoenix, AZ
- Pittsburgh, PA
- Portland, ME
- Portland, OR
- Raleigh, NC
- Rapid City, SD
- Richmond, VA
- Sacramento, CA
- Saint Louis, MO
- Saint Petersburg, FL
- Salt Lake City, UT
- San Antonio, TX
- San Bernardino, CA
- San Diego, CA
- San Francisco, CA
- San Joaquin Valley, CA
- San Jose, CA
- Sarasota, FL
- Savannah, GA
- Seattle, WA
- Spokane, WA
- Tampa, FL
- Tucson, AZ
- Tulsa, OK
- Virginia Beach, VA
- Washington State Area, WA
- Washington, DC
- West Palm Beach, FL
- Wichita, KS

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**FOR MORE INFORMATION**

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### MARKET DISCLAIMERS

**PLEASE NOTE**

Las Vegas, NV; Oahu, HI; Orlando, FL: market data based on actual reporting properties only. Excludes vast majority of casino properties and assets located within the "strip" district of Las Vegas, as well as the vast majority of Disney-associated assets, which comprises most of the Orlando market.

**Total Supply** The total supply figures are aggregated estimates from multiple third-party sources.

**Air Passenger Statistics** The latest two months are estimates based on daily national trends reported by TSA. These data are subject to revision.

