

# 4Q 2021 SAN DIEGO, CA



## Fundamentals Dashboard

Lodging Performance Index

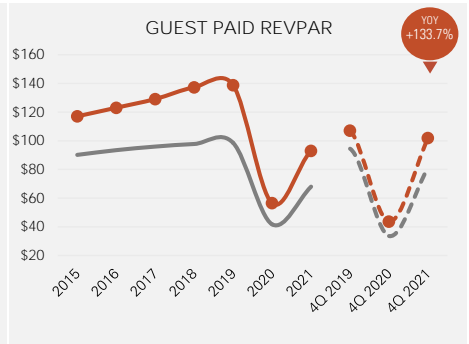
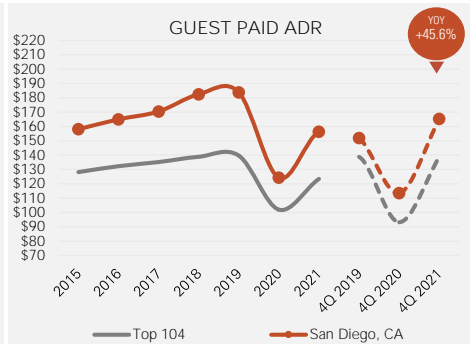
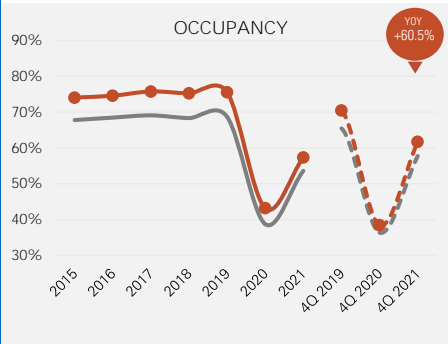
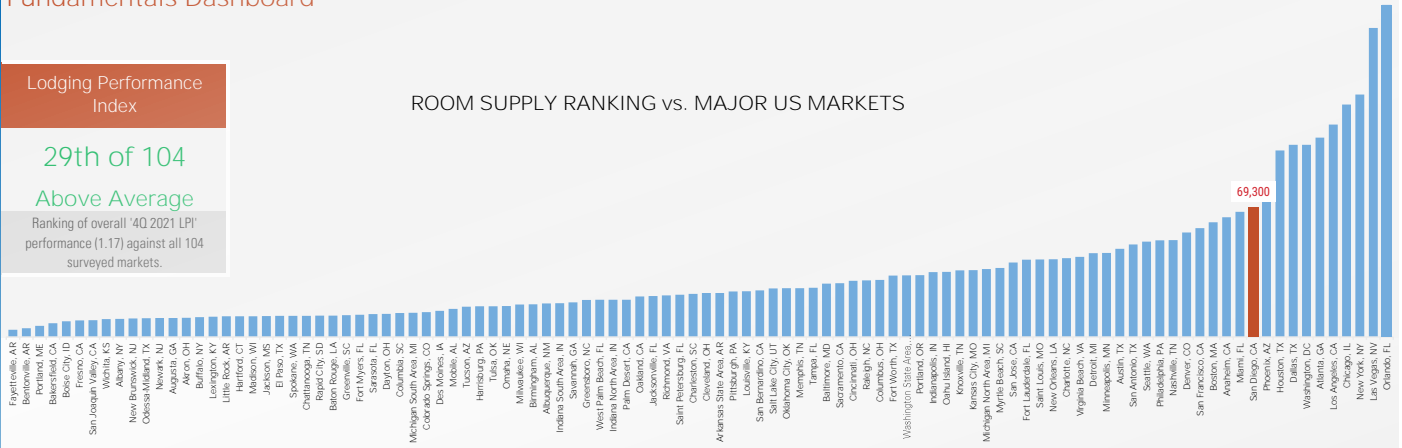
29th of 104

Above Average

Ranking of overall '4Q 2021 LPI' performance (1.17) against all 104 surveyed markets.

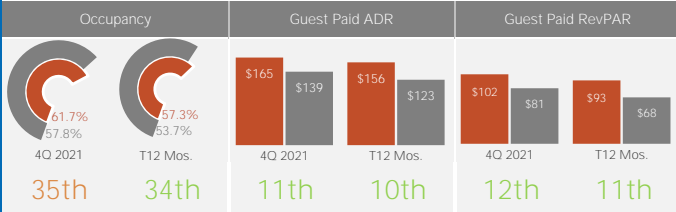
ROOM SUPPLY RANKING vs. MAJOR US MARKETS

KEY PERFORMANCE METRICS



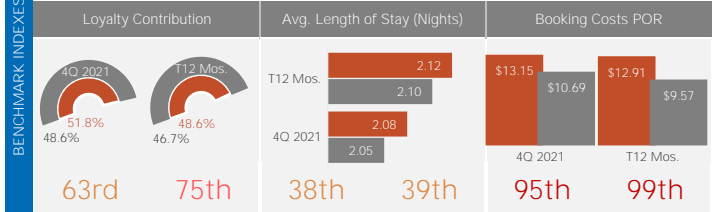
## Key Performance Indexes

● Subject Market ● Top 104



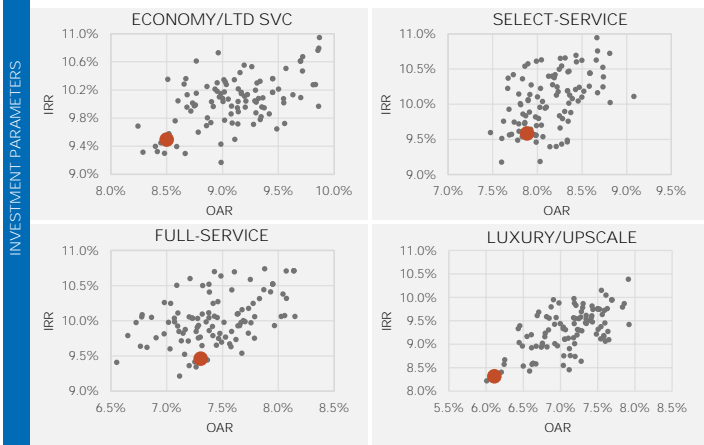
## Key Benchmark Indexes

Data provided by: **kalibri LABS**



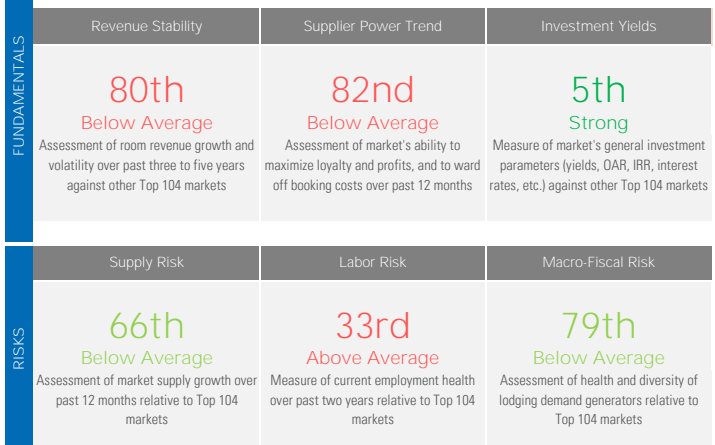
## Discount and Capitalization Rates

Source: Newmark

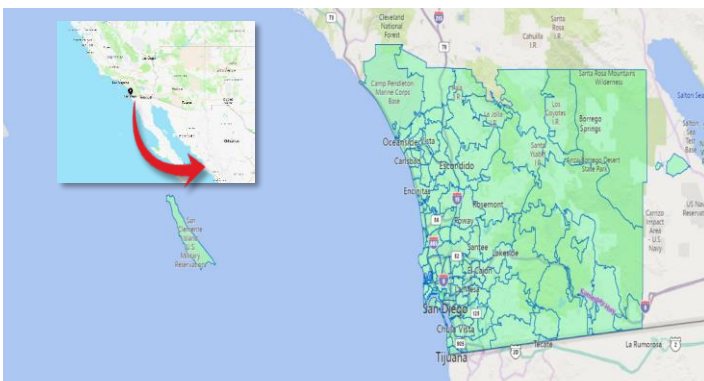


## Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

**Jurisdictional Information** Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name: San Diego  
 County: San Diego County  
 State: California  
 Geo Coordinates (market center): 32.71533, -117.15726

**Major Hotel Demand Generators**

Marine Corps Base Camp Pendleton | University of California, San Diego | Naval Base San Diego | Naval Base Coronado | Sharp HealthCare | Scripps Health | Qualcomm Inc. | Naval Base Point Loma | Marine Corps Air Station Miramar | Kaiser Permanente | UC San Diego Health | Marine Corps Recruit Depot | Foxconn Baja California | Souplantation & Sweet Tomatoes | San Diego Community College District | YMCA of San Diego County | General Atomics | Rady Children's Hospital, San Diego | San Diego State University | Space and Naval Warfare Command

**Metrics and Ranking**

Population (hotel market area)	Measurement	2,992,702	Rankings
Income per Capita	\$71,535	7th of 104 (Strong)	
Feeder Group Size	75.9 Persons PSR	41st of 104 (Average)	
Feeder Group Earnings	\$5,428,260 PSR	78th of 104 (Below Average)	
Total Market COPE	\$2.3 billion	8th of 104 (Strong)	

Key Performance Metrics

YEAR ENDING	Occ %	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
		ADR	RevPAR	ADR	RevPAR						
2015	74.1%	\$158.09	\$117.08	\$144.44	\$106.97	\$13.65	91.4%	40.6%	2.20	63,200	1.56
2016	74.6%	\$164.97	\$123.04	\$150.49	\$112.24	\$14.48	91.2%	41.5%	2.17	63,200	1.36
2017	75.8%	\$170.42	\$129.12	\$154.98	\$117.42	\$15.44	90.9%	44.6%	2.15	64,100	1.45
2018	75.2%	\$182.45	\$137.29	\$166.72	\$125.46	\$15.73	91.4%	47.0%	2.15	64,800	1.54
2019	75.6%	\$183.76	\$138.85	\$168.21	\$127.10	\$15.54	91.5%	50.4%	2.07	68,100	1.28
2020	43.2%	\$124.13	\$56.39	\$114.62	\$49.47	\$9.51	92.3%	44.6%	2.23	67,800	1.22
2021	57.3%	\$156.29	\$92.87	\$143.37	\$82.19	\$12.91	91.7%	48.6%	2.12	68,800	1.17
<b>CAGR: 2015 thru 2021</b>	<b>-4.2%</b>	<b>-0.2%</b>	<b>-3.8%</b>	<b>-0.1%</b>	<b>-4.3%</b>	<b>-0.9%</b>	<b>0.1%</b>	<b>3.1%</b>	<b>-0.6%</b>	<b>1.4%</b>	<b>-4.7%</b>
4Q 2019	70.5%	\$151.87	\$107.00	\$139.19	\$98.07	\$12.67	91.7%	54.4%	1.96	68,100	1.28
4Q 2020	38.4%	\$113.42	\$43.59	\$104.87	\$40.30	\$8.55	92.5%	43.4%	2.25	69,000	1.22
4Q 2021	61.7%	\$165.15	\$101.86	\$152.00	\$93.75	\$13.15	92.0%	51.8%	2.08	69,300	1.17
<b>% Change</b>	<b>60.5%</b>	<b>45.6%</b>	<b>133.7%</b>	<b>45.0%</b>	<b>132.6%</b>	<b>53.7%</b>	<b>-0.5%</b>	<b>19.2%</b>	<b>-7.6%</b>	<b>0.4%</b>	<b>-4.0%</b>

Data provided by: **kalibri** LABS

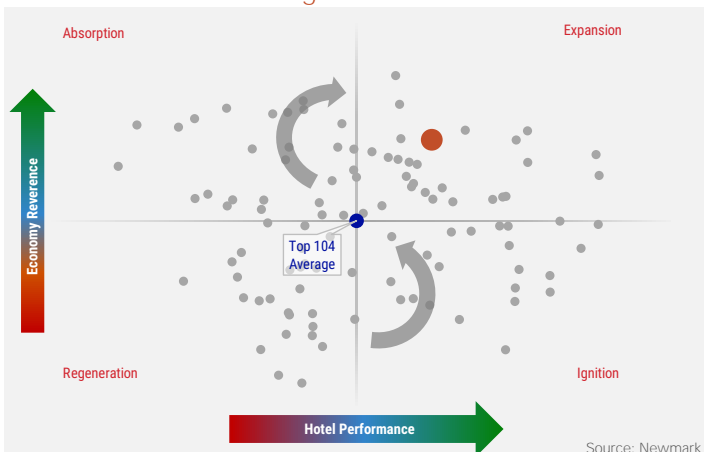
Notable Metrics

HIGHEST	OAR: Luxury/Upscale	T12-Month Guest Paid ADR	Economy Median Income
	<b>3rd</b> Highly Favorable San Diego, CA exhibited favorable OAR metrics in the luxury/upscale segment (6.1%)	<b>10th</b> Above Average The market benefited from strong T12-month Guest Paid ADR (\$156.29)	<b>7th</b> Strong The market also exhibited strong Economy Median Income (\$71,535)
LOWEST	T12-Month COPE ADR Percentage	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR
	<b>100th</b> Soft This market has been hampered by weak T12-month COPE ADR percentage (91.7%)	<b>99th</b> Soft The market was burdened by high T12-month booking costs POR (\$12.91)	<b>95th</b> Soft San Diego, CA also has been burdened by high latest-quarter booking costs (\$13.15)

Notable Trends

FASTEST	Short-Term Historical Loyalty Contribution Growth	General Economy Reversion	Overall Health of Hotel Market
	<b>13th</b> Above Average San Diego, CA enjoyed strong short-term historical loyalty contribution growth (1.9%)	<b>15th</b> Above Average The market enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)	<b>29th</b> Above Average 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 Average Length of Stay Growth	Short-Term Historical Occupancy Growth
	<b>89th</b> Below Average The market exhibited weak long-term historical average length of stay growth (-0.8%)	<b>87th</b> Below Average We note this area exhibited weak short-term historical average length of stay growth (-0.3%)	<b>87th</b> Below Average San Diego, CA also has been hindered by weak short-term historical occupancy growth (-5.6%)

Market Performance Stage



San Diego, CA: Expansion Stage

The San Diego, 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:**

**Regeneration:** In the 'Regeneration' 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.

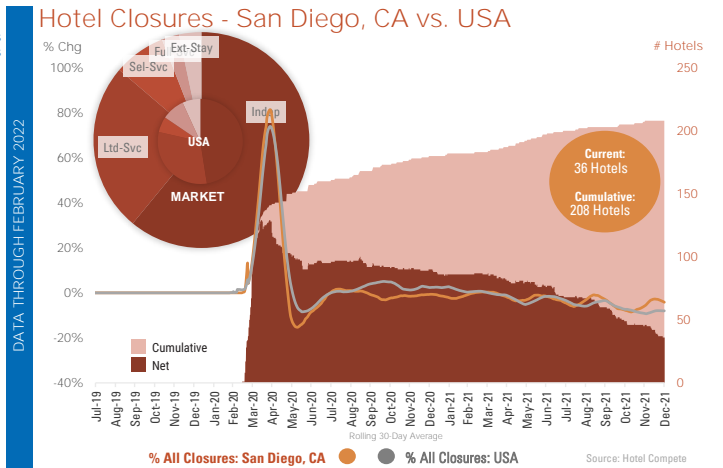
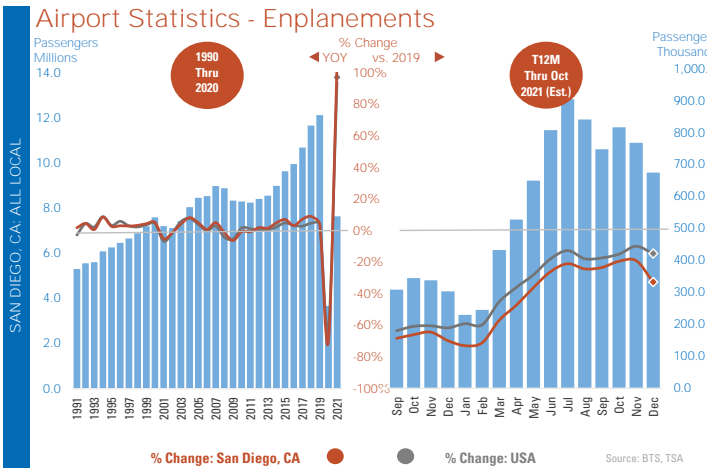
**Ignition:** In the 'Ignition' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Miami, FL; and Michigan North Area, MI.

**Absorption:** 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.

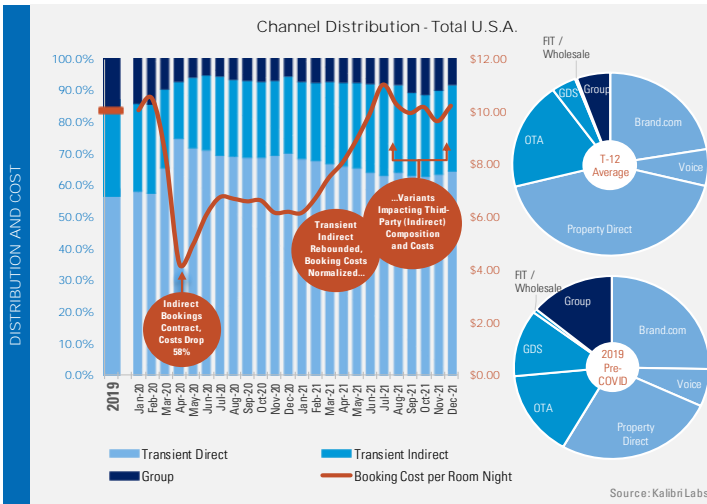
Industry Observations

<p><b>Business Cycle:</b></p> <p>Employment Growth (2 yr): <b>-2.8%</b></p> <p>Risk Exposure (402 US markets): <b>43rd Percentile: Average Risk</b></p> <p><b>Key Industry Notes:</b></p> <ul style="list-style-type: none"> <li>Defense, high tech</li> <li>Dynamic professional svcs</li> <li>Strong R&amp;D/office base</li> <li>Border crossing bottlenecks</li> <li>Weak migration trends</li> </ul>	<p>Moody's Rating</p> <p><b>NR</b></p> <p>This market is not rated by Moody's</p>
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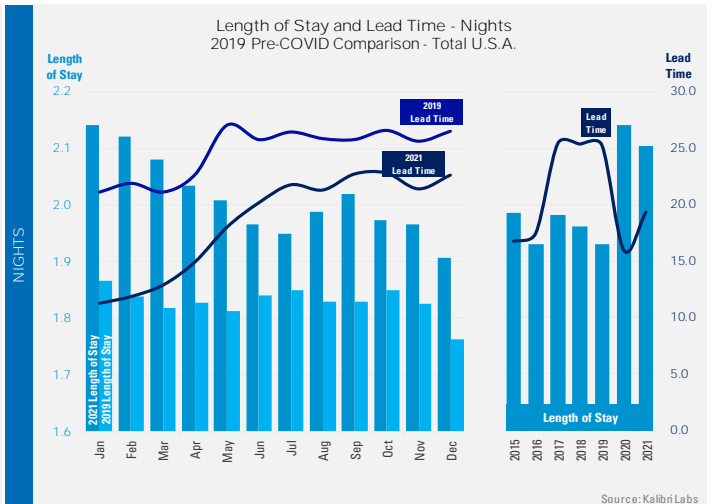




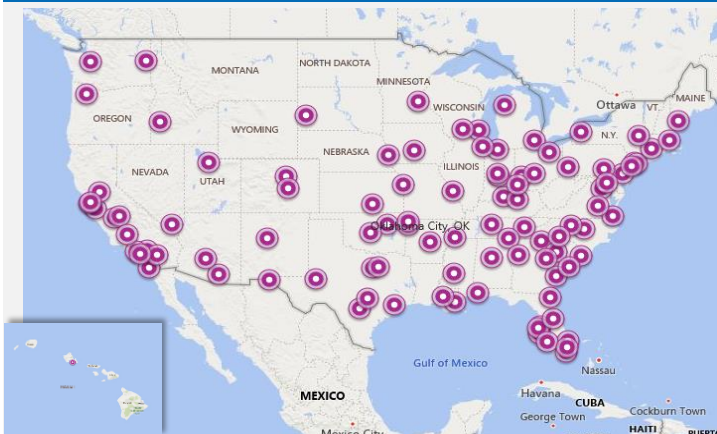
### National Trends Dashboard - Channel Distribution



### National Trends Dashboard - Duration



## 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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### 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.