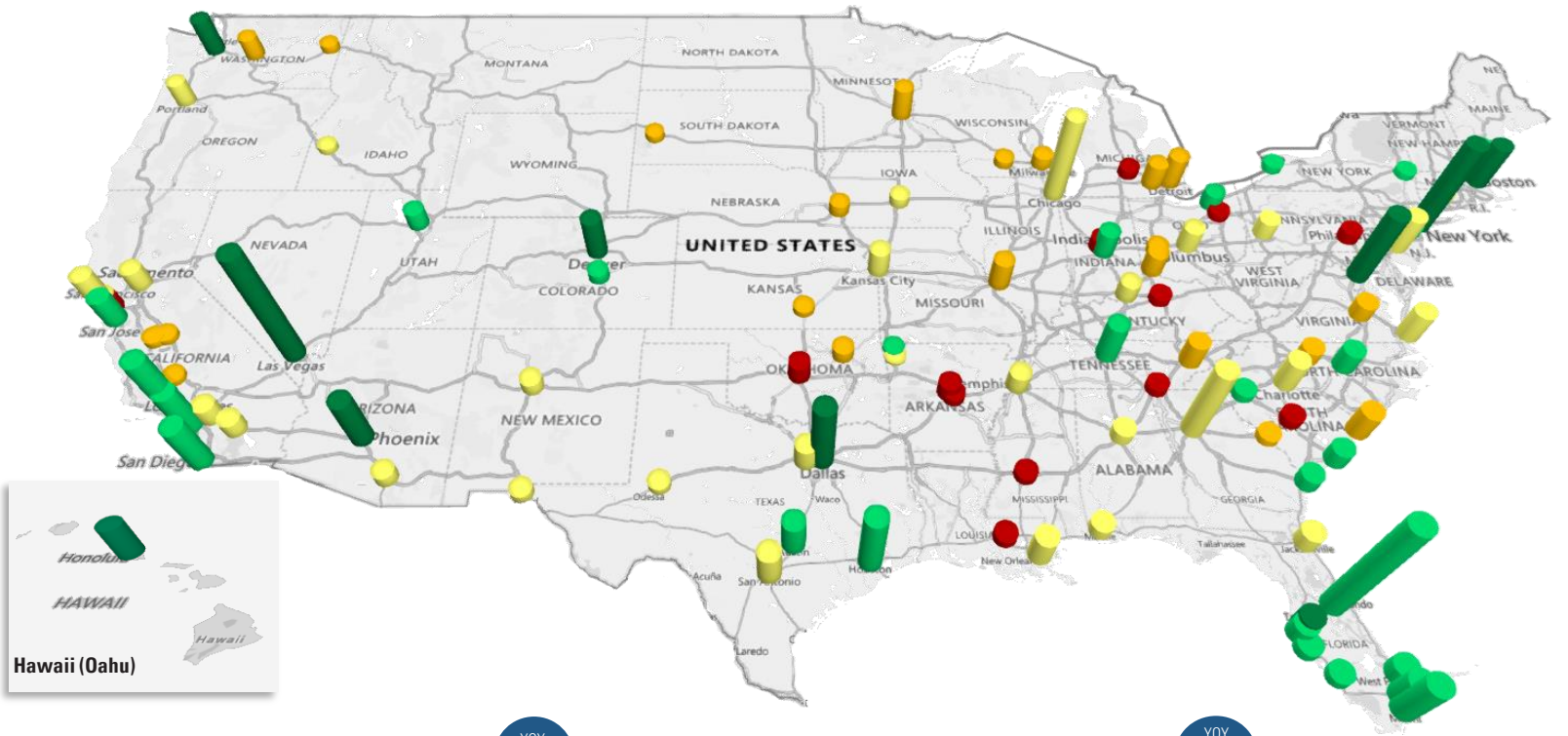
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

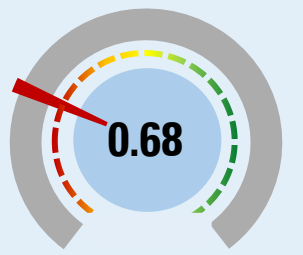
3Q 2024
AKRON, OH

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Akron, OH

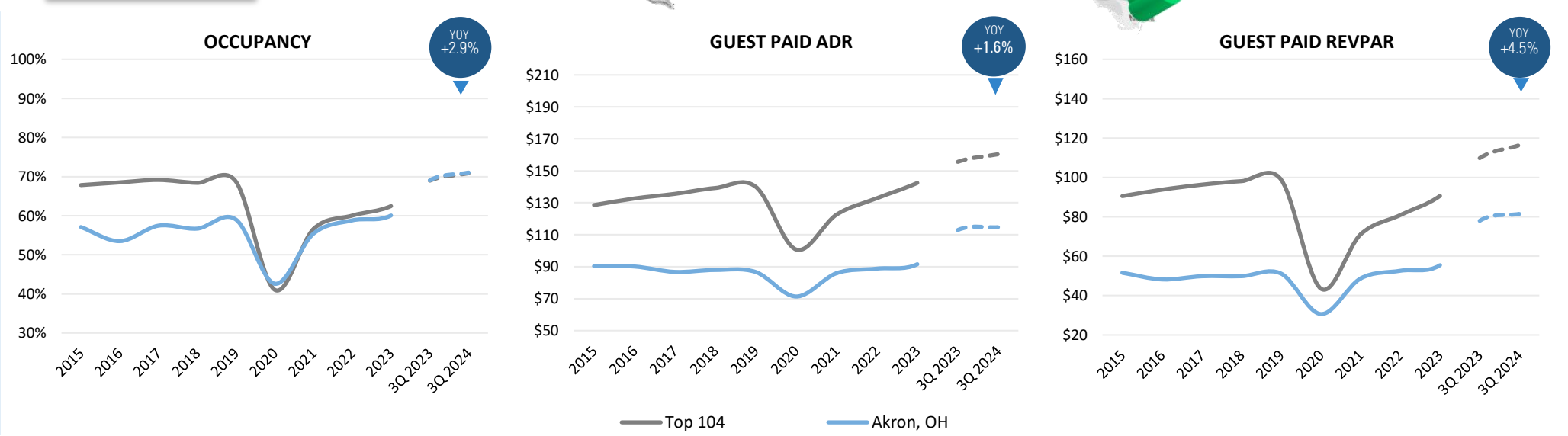


88th of 104

Soft

Ranking of overall '3Q 2024 LPI' performance (0.68) against all 104 surveyed markets.

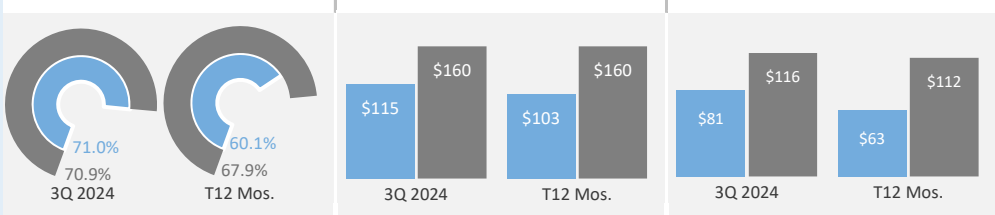
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

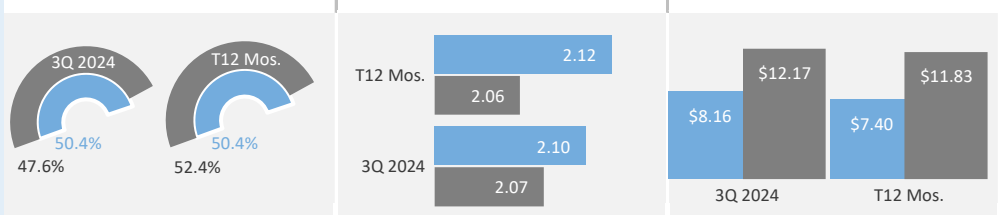


Occupancy 3Q 2024	Occupancy T12 Mos.	Guest Paid ADR 3Q 2024	Guest Paid ADR T12 Mos.	Guest Paid RevPAR 3Q 2024	Guest Paid RevPAR T12 Mos.
37th	88th	87th	98th	75th	97th

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

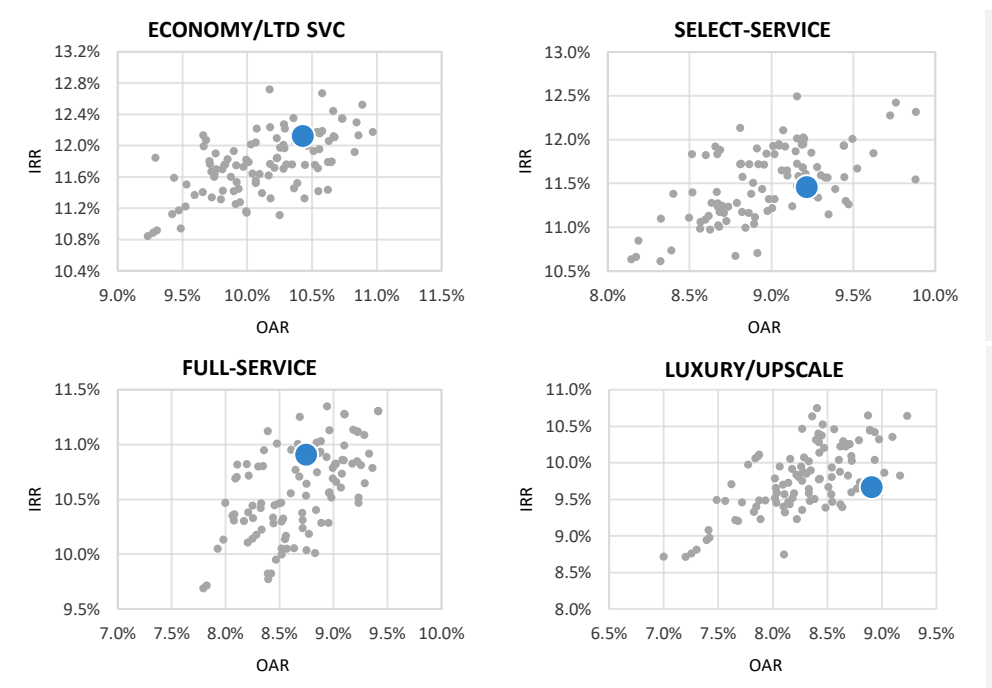


Loyalty Contribution 3Q 2024	Loyalty Contribution T12 Mos.	Avg. Length of Stay 3Q 2024	Avg. Length of Stay T12 Mos.	Booking Costs POR 3Q 2024	Booking Costs POR T12 Mos.
40th	36th	37th	32nd	25th	10th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

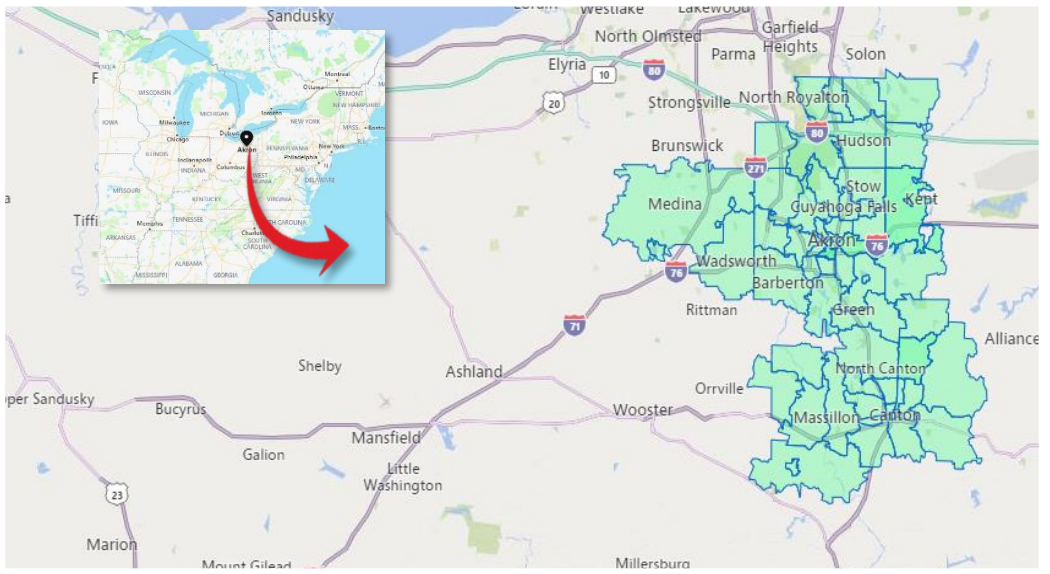
Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
32nd	**36th**	**82nd**
Above Average	**Average**	**Below Average**
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
79th	**5th**	**10th**
Below Average	**High Risk**	**Above Average**
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

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Akron
County:	Summit County
State:	Ohio
Geo Coordinates (market center):	41.08144, -81.51901

Major Hotel Demand Generators

Summa Health System | Akron Children's Hospital | Cleveland Clinic | Minute Men HR Management Services | FirstEnergy Corp. | Kent State University | Group Management Services | Goodyear Tire & Rubber Co. | Signet Jewelers Inc. | University of Akron | Diebold Inc. | Bridgestone Americas Tire Operations LLC | Huntington National Bank | Fred W. Albrecht Grocery Co. | Giant Eagle Inc. | InfoCision Management Co. | Jo-Ann Fabric & Craft Stores | MGM Northfield Park | Robinson Memorial Hospital | Newell Rubbermaid

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	917,313	58th of 104 (Average)
Income per Capita	$36,223	93rd of 104 (Soft)
Feeder Group Size	156.7 Persons PSR	97th of 104 (Soft)
Feeder Group Earnings	$5,677,289 PSR	90th of 104 (Soft)
Total Market Hotel Revenues	$219.7 million	98th of 104 (Soft)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Guest Paid Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE ADR	COPE RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
2015	57.1%	$90.37	$51.59	$84.02	$47.97	$6.35	93.0%	45.1%	1.92	9,860	0.46
2016	53.5%	$90.13	$48.21	$83.62	$44.73	$6.50	92.8%	46.0%	1.94	10,310	0.47
2017	57.4%	$86.74	$49.83	$76.36	$43.86	$10.38	88.0%	47.9%	1.93	10,440	0.42
2018	56.7%	$87.96	$49.86	$81.24	$46.05	$6.72	92.4%	49.1%	1.93	10,490	0.62
2019	59.0%	$86.70	$51.16	$79.88	$47.13	$6.82	92.1%	52.6%	1.89	10,270	0.76
2020	42.6%	$71.35	$30.62	$66.68	$28.41	$4.67	93.5%	40.6%	2.25	10,160	0.85
2021	55.4%	$85.93	$48.70	$80.06	$44.35	$5.87	93.2%	42.6%	2.09	9,950	0.73
2022	58.8%	$88.79	$52.61	$82.73	$48.64	$6.07	93.2%	42.5%	2.14	9,930	0.81
2023	60.1%	$91.55	$55.44	$85.26	$51.20	$6.29	93.1%	42.8%	2.15	9,920	0.62
CAGR: 2015 thru 2023	0.6%	0.2%	0.9%	0.2%	0.8%	-0.1%	0.0%	-0.7%	1.4%	0.1%	3.6%
3Q 2023	69.0%	$112.92	$77.97	$104.90	$72.43	$8.03	92.9%	48.4%	2.10	9,870	0.76
3Q 2024	71.0%	$114.71	$81.48	$106.55	$75.68	$8.16	92.9%	50.4%	2.10	9,780	0.68

Notable Metrics

HIGHEST

Population Density per Room	Feeder Population Per Room	T12-Month Booking Costs POR
8th	**8th**	**10th**
Strong	**Strong**	**Above Average**
Akron, OH boasted strong population density per room (93.77)	The market posted a high ratio of feeder population per room (66.74)	The market also enjoyed low T12–month booking costs POR ($7.40)

LOWEST

T12-Month COPE ADR	T12-Month Guest Paid ADR	OAR: Luxury/Upscale
98th	**98th**	**97th**
Soft	**Soft**	**Unfavorable**
This market has been hindered by weak T12–month COPE ADR ($95.45)	The market exhibited weak T12–month Guest Paid ADR ($102.85)	Akron, OH also exhibited unfavorable OAR metrics in the luxury/upscale segment (8.9%)

Notable Trends

STRONGEST

Long-Term Historical Supply Growth	Long-Term Historical Average Length of Stay Growth	Long-Term Historical Occupancy Growth
4th	**7th**	**15th**
Strong	**Strong**	**Above Average**
Akron, OH has benefited from low long–term historical supply growth (–0.3%)	The market enjoyed strong long–term historical average length of stay growth (1.0%)	The market also enjoyed strong long–term historical occupancy growth (0.4%)

WEAKEST

General Economy Reverence	Short-Term Historical Supply Growth	Overall Health of Hotel Market
102nd	**102nd**	**98th**
Soft	**Soft**	**Soft**
The market posted weak general economic reverence (per–capita unemployment, GDP and other indicators)	We note this area has been burdened by high short–term historical supply growth (–1.4%)	Akron, OH also has been hampered by weak general hotel market performance (levels and trends of fundamentals)

Market Performance Stage

Source: Newmark

Akron, OH: Regeneration Stage

Regeneration

The Akron, OH market is currently in the 'Regeneration' stage of the performance cycle. In this stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic 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 Knoxville, TN.

Other Stages:

Ignition

In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Baltimore, MD; Miami, FL; and New Orleans, LA.

Absorption

In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed any lingering pandemic impacts, presenting upside for CRE. Barriers to entry are high and the market hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Minneapolis, MN; ; and .

Expansion

In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that has fully exited from the pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Atlanta, GA; and Austin, TX.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	0.3%
Risk Exposure (402 US markets):	80th Percentile: Above Average
Key Industry Notes:	Relatively low business and living costs
	Prime location for staffing business
	Few jobs in high-value-added services
	Weak migration trends
	Per capita income is below average

Moody's Rating

Aa1

Investment Grade

Long-term investment grade, Prime-1 short-term outlook

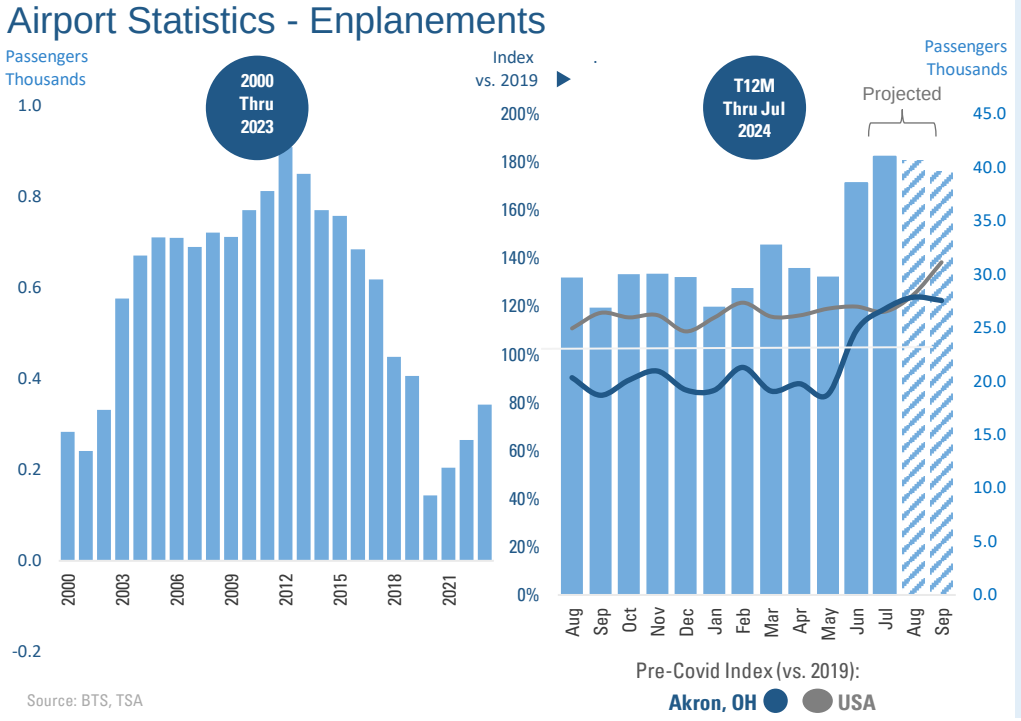
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

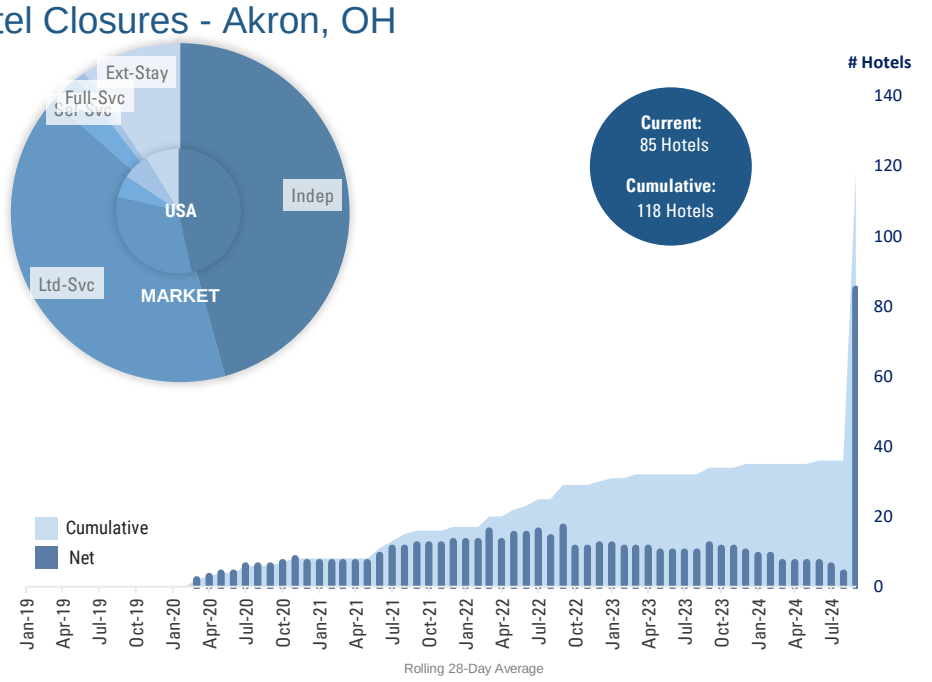
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

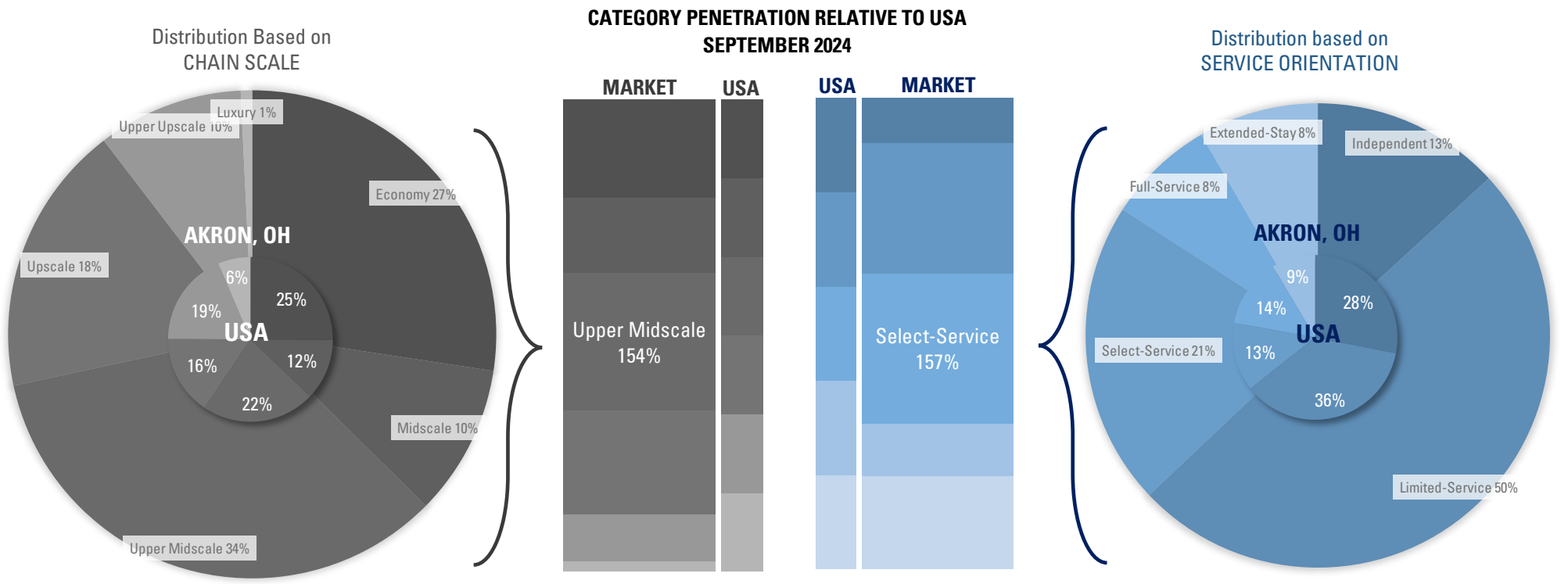
Hotel Closures - Akron, OH



Source: Hotel Compete

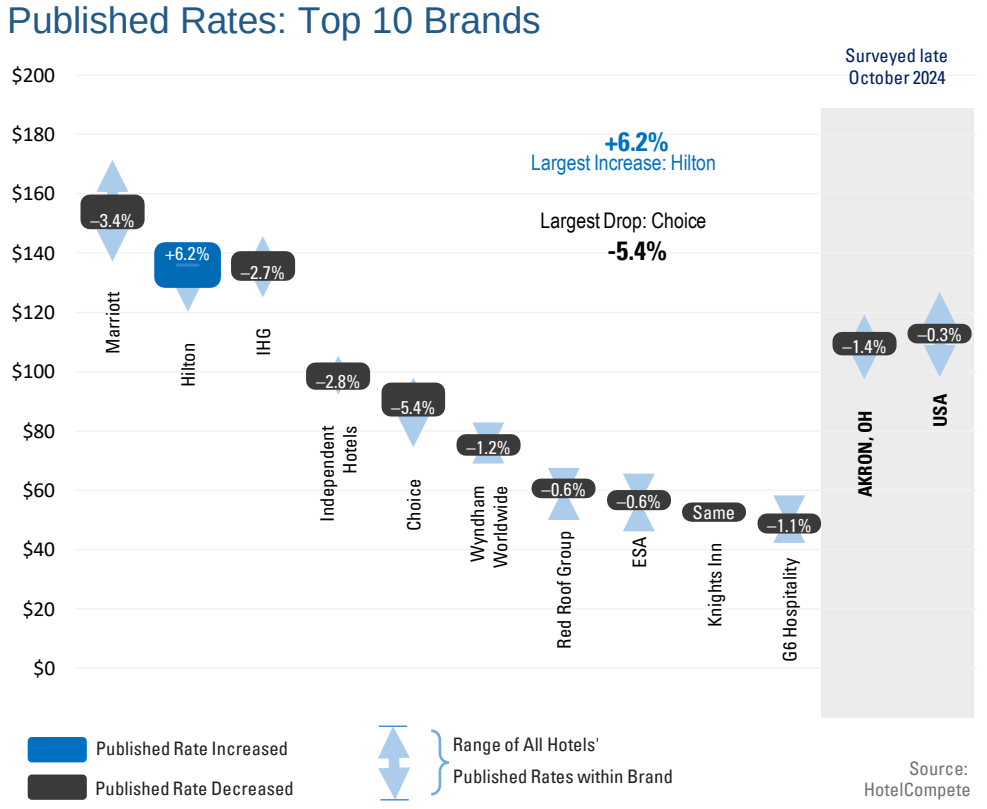
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Akron, OH



'30/3' RATE CHANGES: AKRON, OH vs. USA

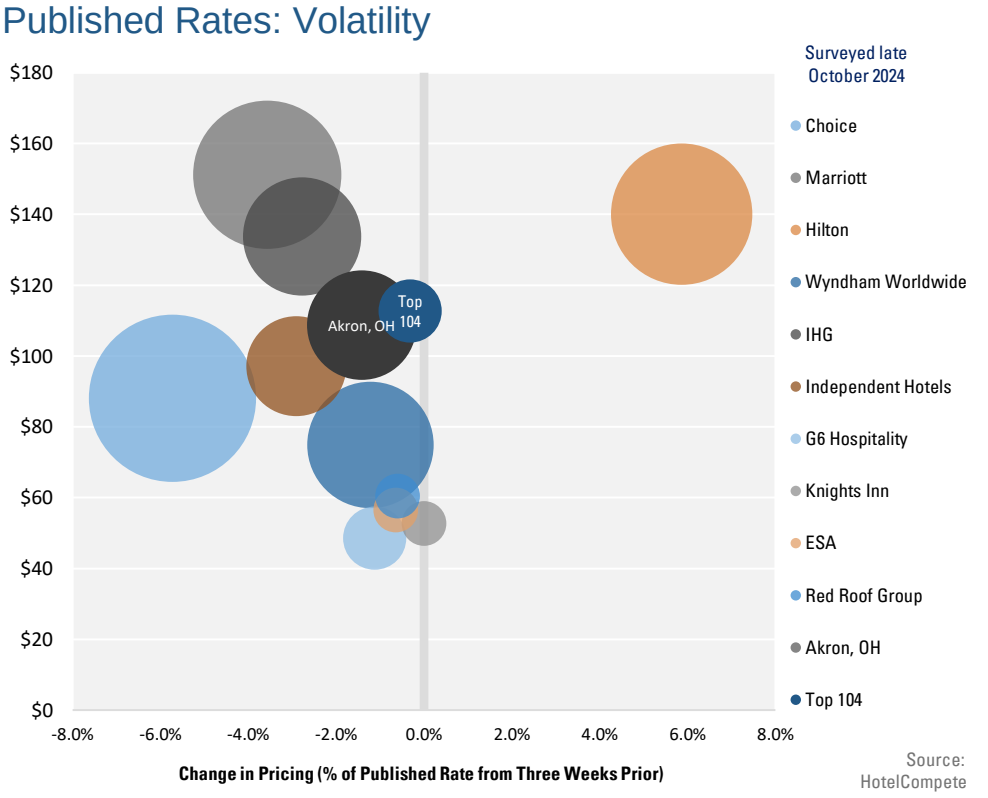
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



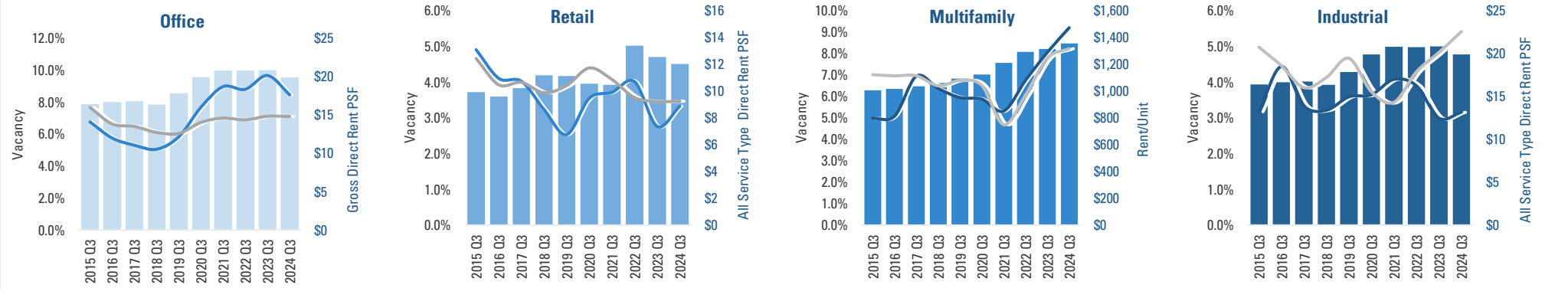
Source: HotelCompete

MAJOR C.R.E. METRICS

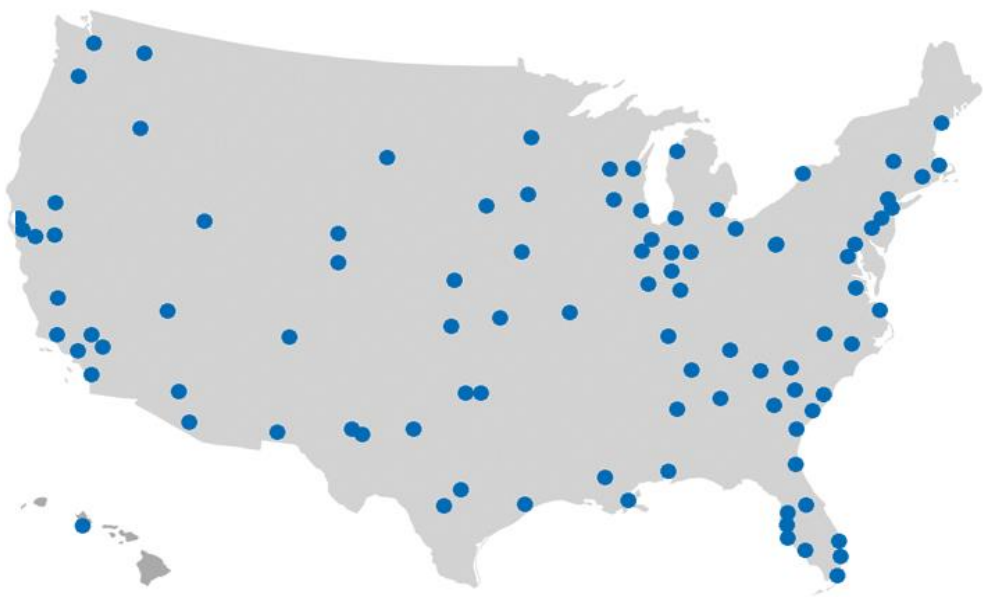
Major CRE Market Performance

Akron, OH ● USA - Vacancy

Source: CoSTAR



Nsights Hotel Market Reports Coverage



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

*Customized market reports available upon request

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Stadiums, Sports & Entertainment Facilities

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Golf Courses

Marinas

Ski and Village Resorts

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FOR INFORMATION CONTACT:
Bryan Younge MAI, ASA, FRICS
Executive Vice President, Valuation & Advisory, Specialty Practice Leader – Hospitality, Gaming & Leisure
m 773-263-4544
bryan.younge@nmrk.com

CONTACT: GREAT LAKES MARKETS

CONTACT

FOR MORE INFORMATION

Laurel Keller, MAI
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Great Lakes Markets
t 216-453-3023
laurel.keller@nmrk.com

Allie Chapekis, CHIA
Senior Appraiser
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Great Lakes Markets
t 216-453-3035
alexandra.Chapekis@nmrk.com

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