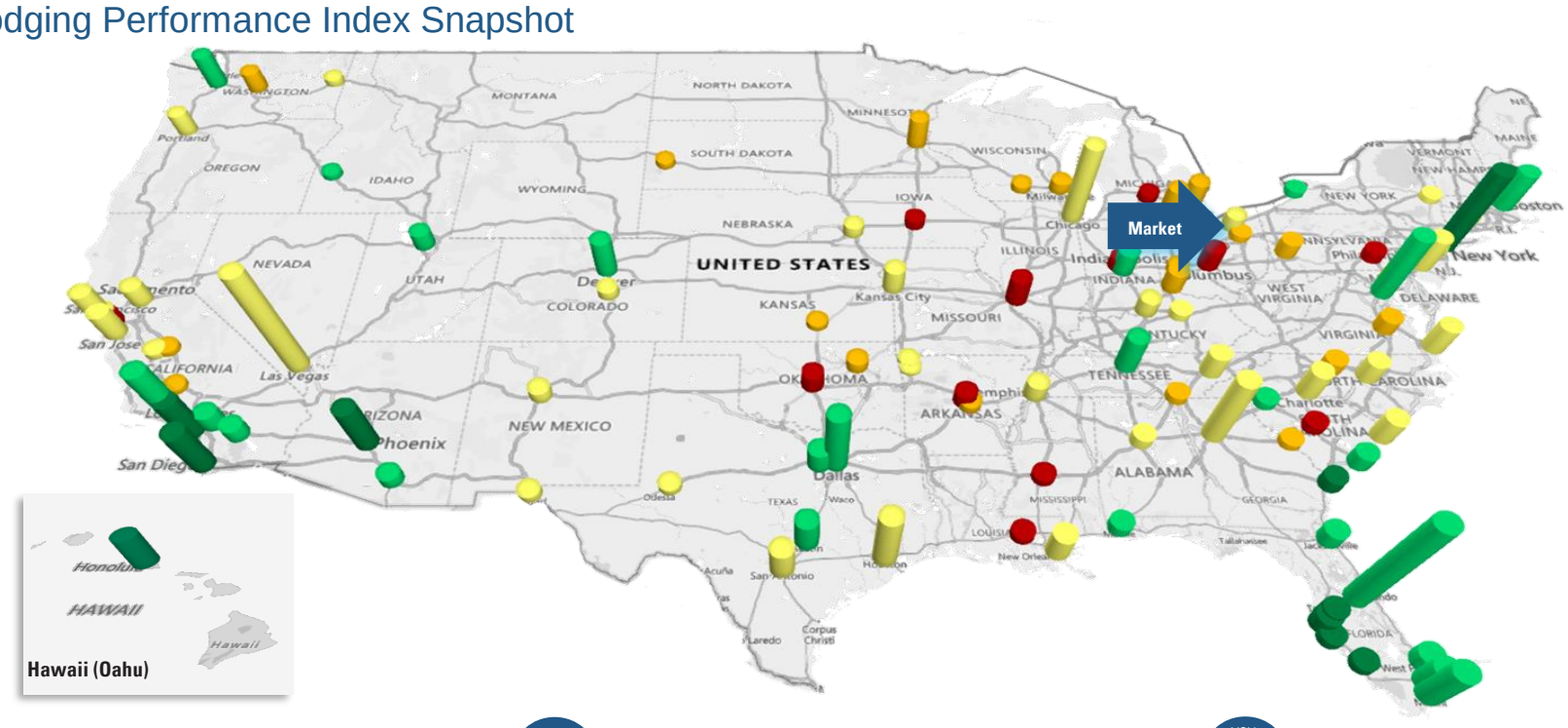
VALUATION & ADVISORY | HOSPITALITY GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

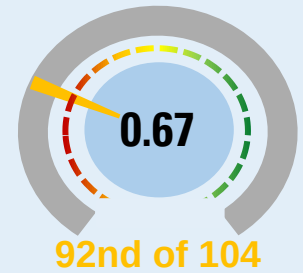
4Q 2023
AKRON, OH

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Akron, OH

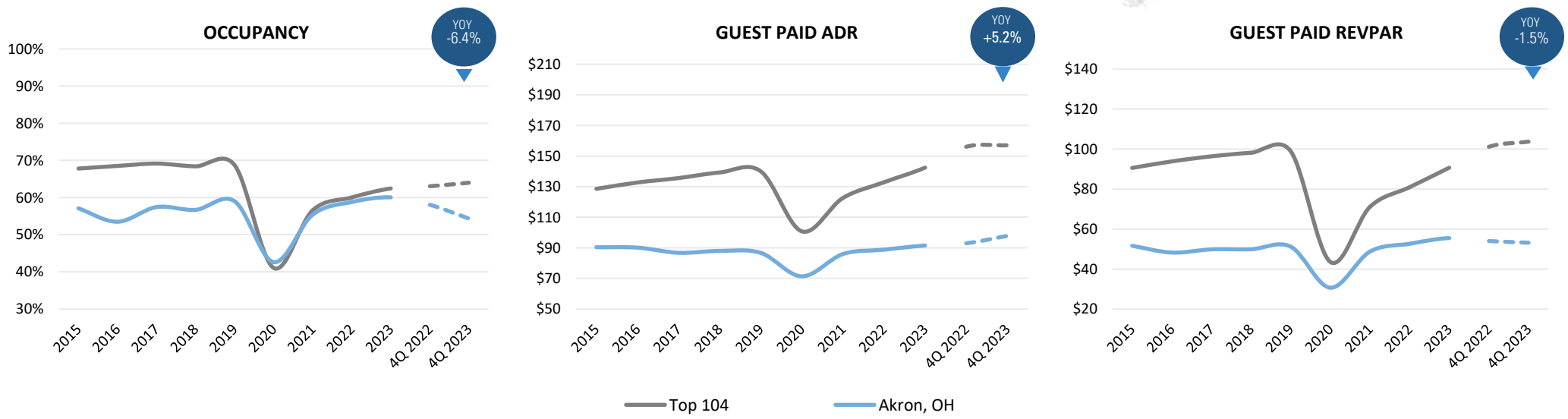


92nd of 104

Below Average

Ranking of overall '4Q 2023 LPI' performance (0.67) against all 104 surveyed markets.

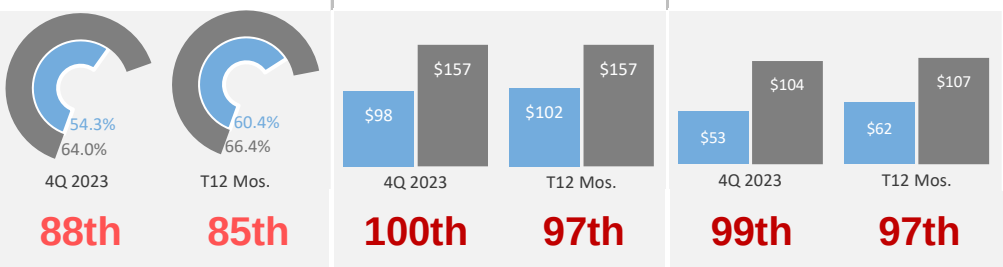
KEY PERFORMANCE METRICS



KEY PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

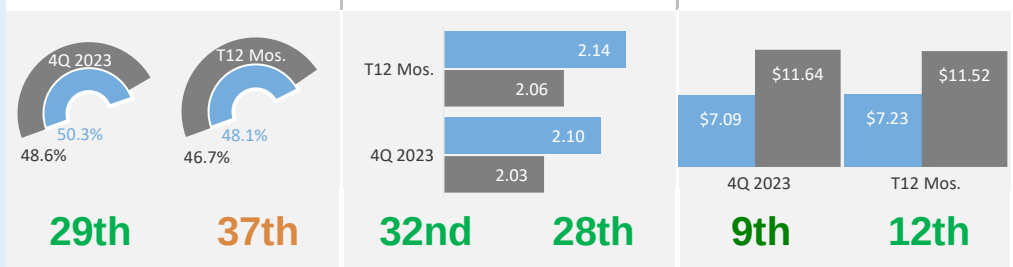


Occupancy		Guest Paid ADR		Guest Paid RevPAR	
4Q 2023	T12 Mos.	4Q 2023	T12 Mos.	4Q 2023	T12 Mos.
88th	85th	100th	97th	99th	97th

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

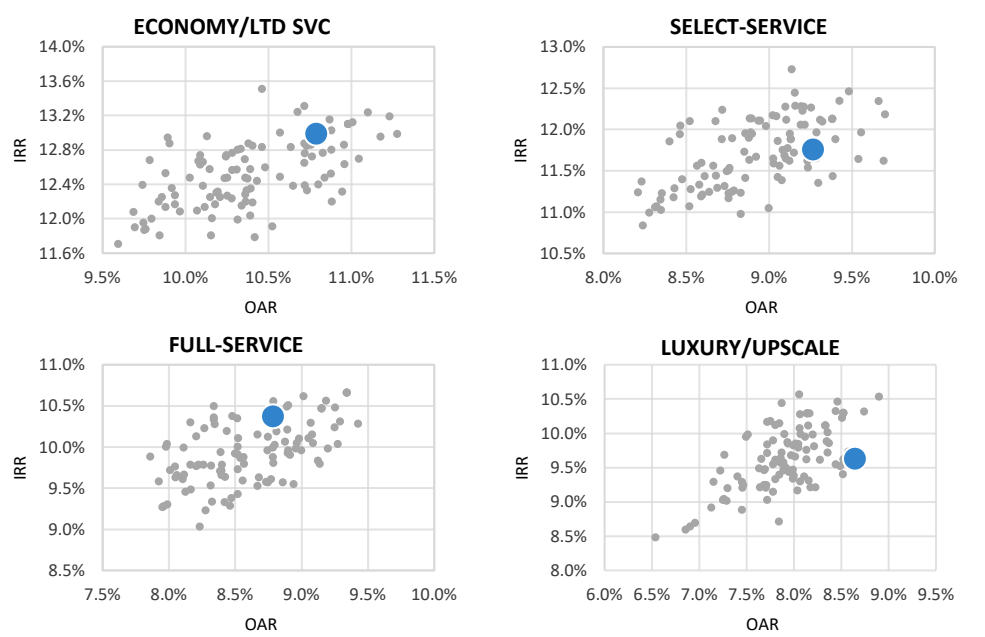


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
4Q 2023	T12 Mos.	T12 Mos.	4Q 2023	4Q 2023	T12 Mos.
29th	37th	32nd	28th	9th	12th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

RISKS

Trends and Risks

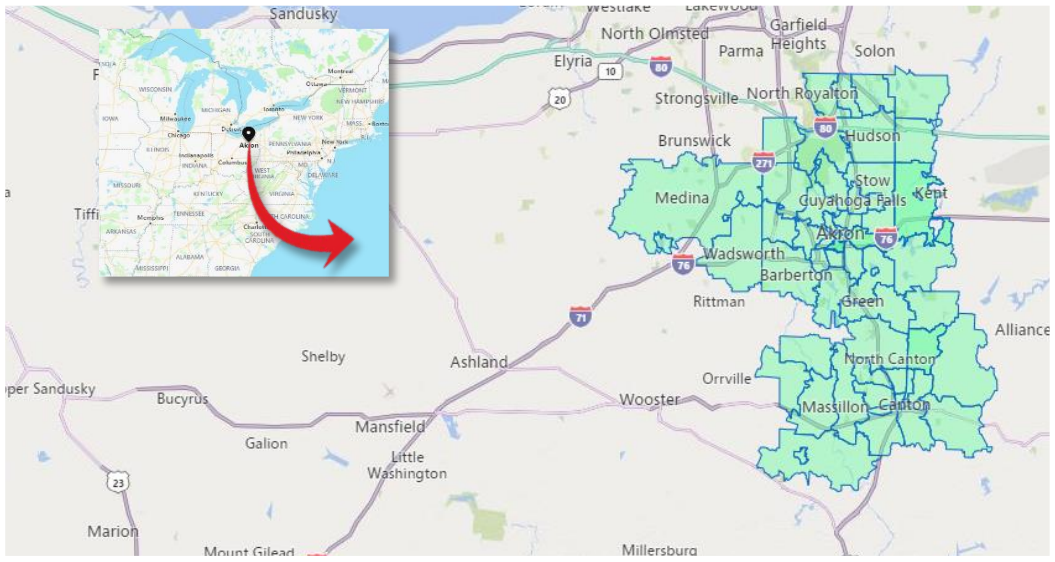
Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
47th	40th	90th
Average	Average	Soft
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

Supply Risk	Labor Risk	Macro-Fiscal Risk
85th	12th	5th
Below Average	Above Average	High 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

NEWMARK

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)	920,703	58th of 104 (Average)
Income per Capita	$36,223	93rd of 104 (Soft)
Feeder Group Size	154.9 Persons PSR	97th of 104 (Soft)
Feeder Group Earnings	$5,611,235 PSR	89th of 104 (Below Average)
Total Market COPE	$220.6 million	98th of 104 (Soft)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE ADR	COPE RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	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	0.67
CAGR: 2015 thru 2022	0.6%	0.2%	0.9%	0.2%	0.8%	-0.1%	0.0%	-0.7%	1.4%	0.1%	4.6%
4Q 2022	58.0%	$92.99	$53.98	$86.48	$50.20	$6.51	93.0%	46.5%	2.17	10,070	0.81
4Q 2023	54.3%	$97.81	$53.15	$90.72	$49.30	$7.09	92.8%	50.3%	2.10	9,790	0.67

Notable Metrics

HIGHEST

Population Density per Room	Feeder Population Per Room	Latest-Quarter Booking Costs POR
8th	**8th**	**9th**
Strong	**Strong**	**Strong**
Akron, OH boasted strong population density per room (94.03)	The market posted a high ratio of feeder population per room (66.33)	The market also enjoyed low latest–quarter booking costs POR ($7.09)

LOWEST

OAR: Luxury/Upscale	Latest-Quarter COPE ADR	Latest-Quarter Guest Paid ADR
102nd	**100th**	**100th**
Highly Unfavorable	**Soft**	**Soft**
This market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.7%)	The market exhibited weak latest–quarter COPE ADR ($90.72)	Akron, OH also has been hampered by weak latest–quarter Guest Paid ADR ($97.81)

Notable Trends

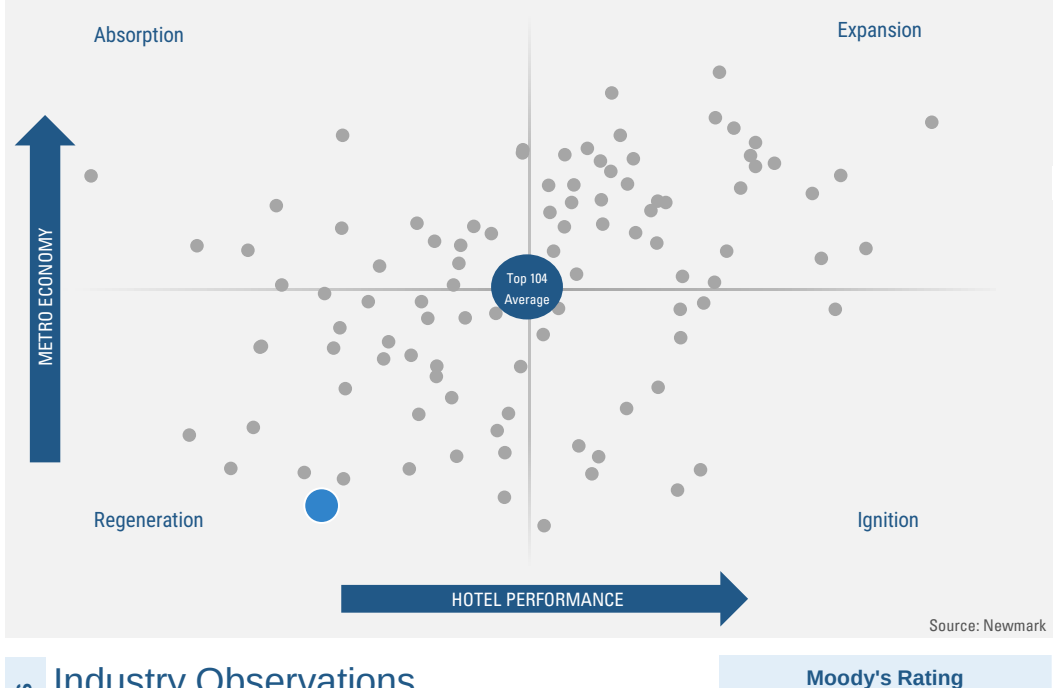
FASTEST

Long-Term Historical Supply Growth	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Average Length of Stay Growth
4th	**5th**	**9th**
Strong	**Strong**	**Strong**
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 (1.5%)	The market also has benefited from strong short–term historical average length of stay growth (2.0%)

SLOWEST

General Economy Reverence	Short-Term Historical Supply Growth	Overall Health of Hotel Market
102nd	**101st**	**93rd**
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 (–1.2%)	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 enter a sustained post-pandemic status. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Chicago, IL; Miami, FL; and Myrtle Beach, SC.Chicago, IL; Miami, FL; and New York, NY.

Absorption

In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed 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 Columbus, OH; Houston, TX; and Minneapolis, MN.

Expansion

In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that is approaching a 'post' 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.

Industry Observations

MOODYS ANALYTICS

Business Cycle:	At Risk
Employment Growth (2 yr):	3.5%
Risk Exposure (402 US markets):	71st Percentile: Above Average
Key Industry Notes:	Energy, manufacturing Skilled labor pool Strong R&D/office base Low business & living costs Below average income

Moody's Rating

Aa1

Investment Grade

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

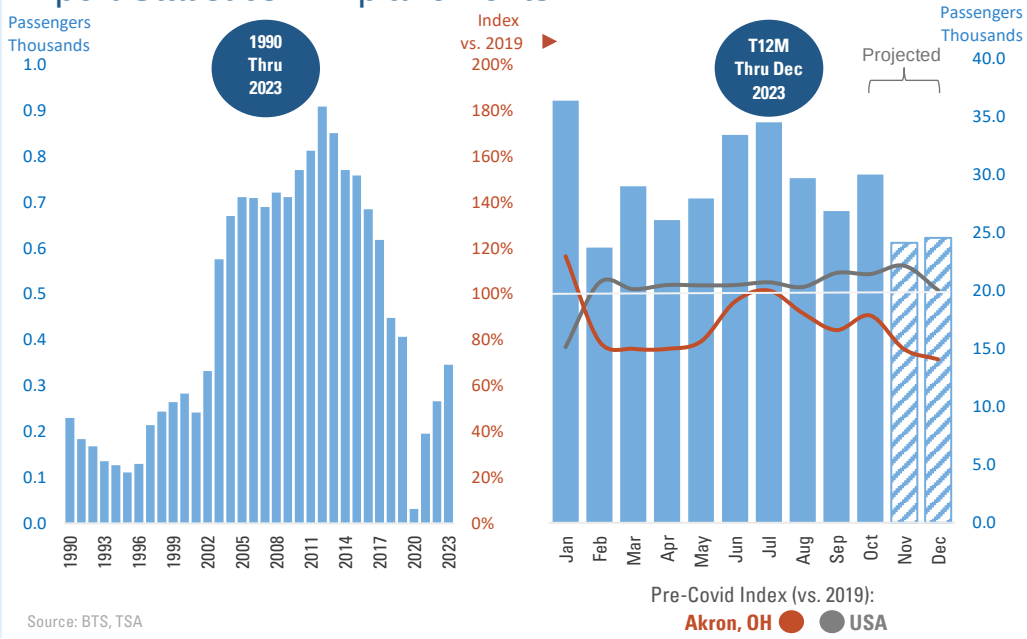
TOP 10 BRANDS

Source: Newmark

NEWMARK

AKRON, OH: ALL LOCAL

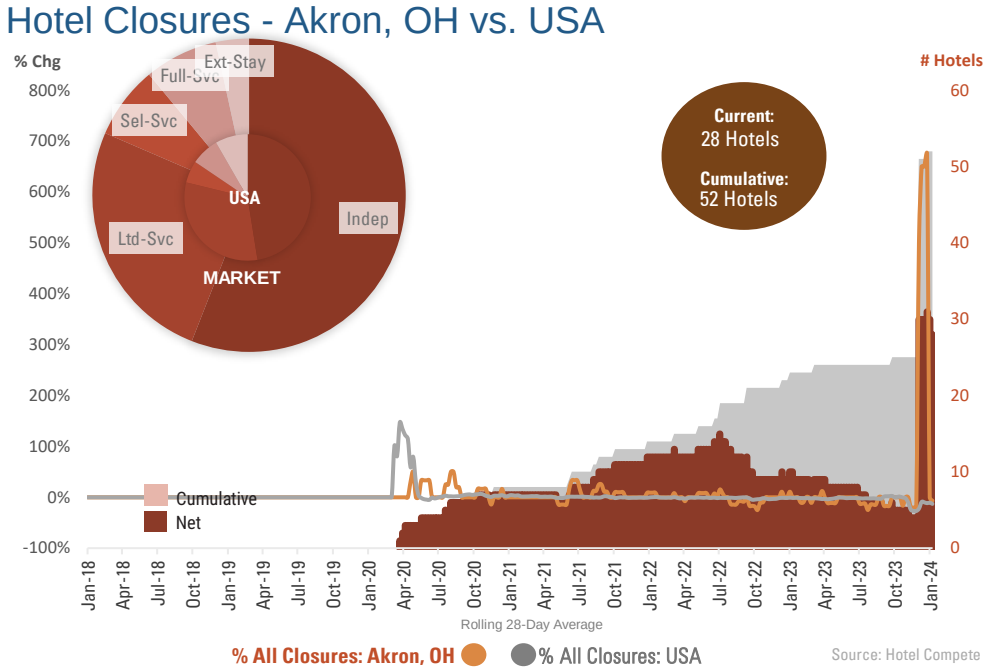
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH JANUARY 2024

Hotel Closures - Akron, OH vs. USA

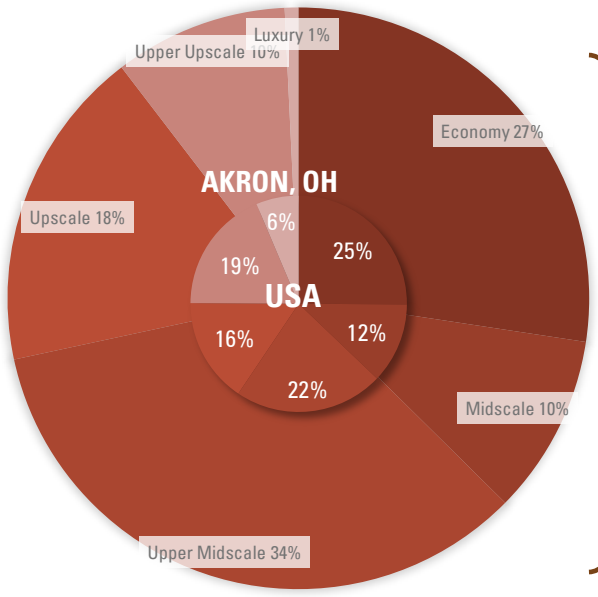


Source: Hotel Compete

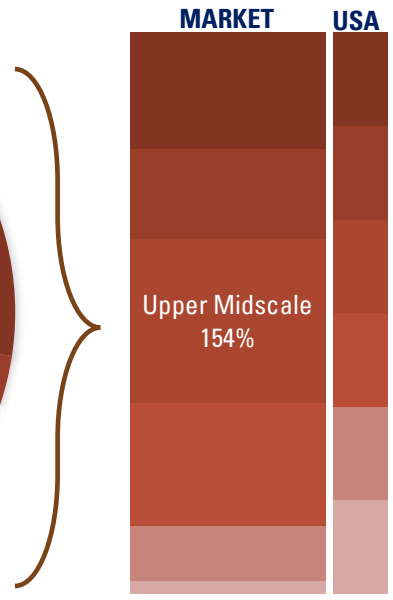
SCALE AND SERVICE ORIENTATION

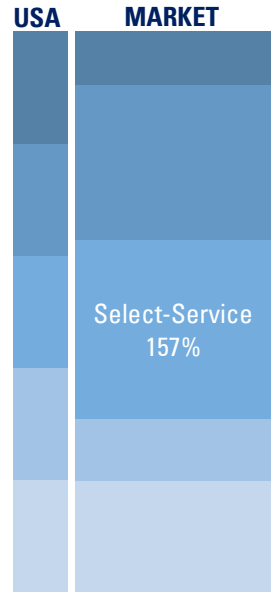
Scale and Service Distribution: Akron, OH

DISTRIBUTION BASED ON CHAIN SCALE

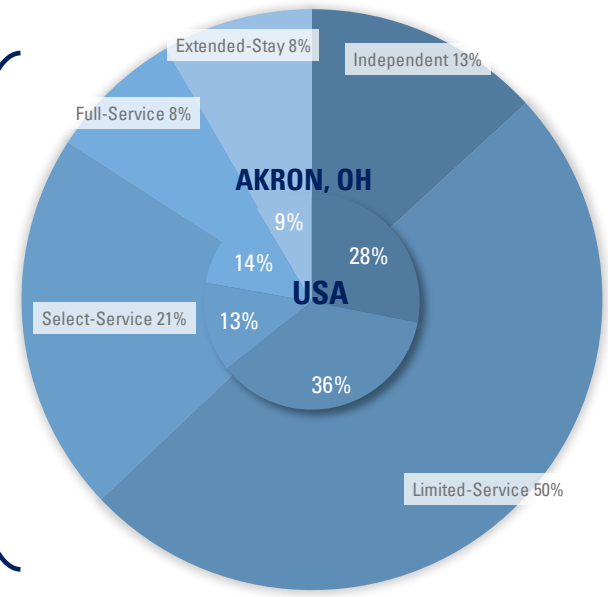


CURRENT CATEGORY PENETRATION RELATIVE TO USA





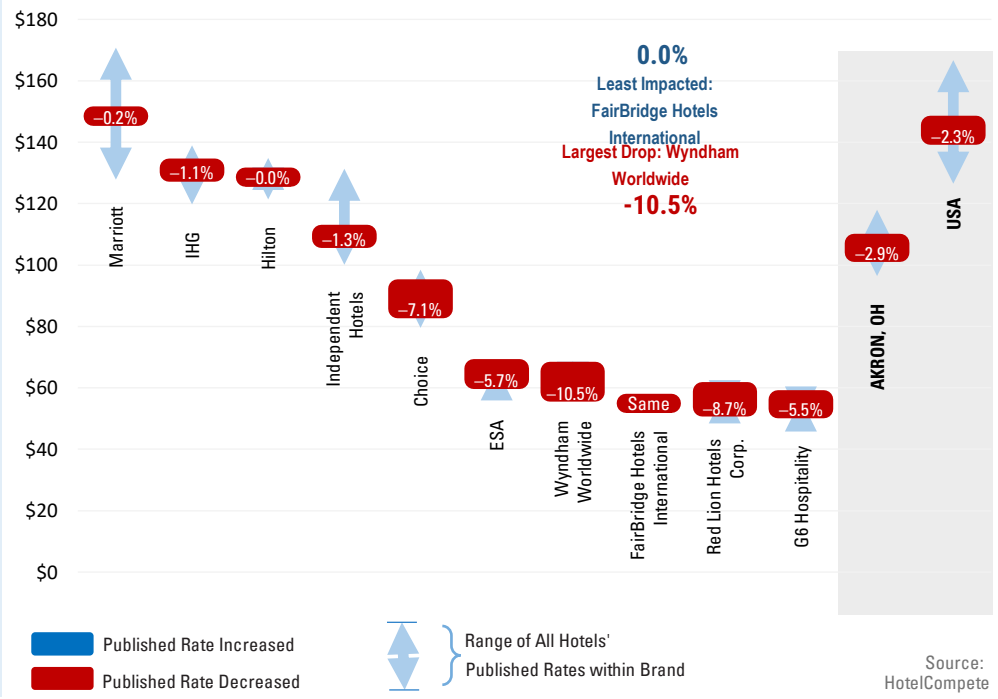
DISTRIBUTION BASED ON SERVICE ORIENTATION



'30/3' RATE CHANGES

Published Rates: Top 10 Brands

Surveyed late January 2024

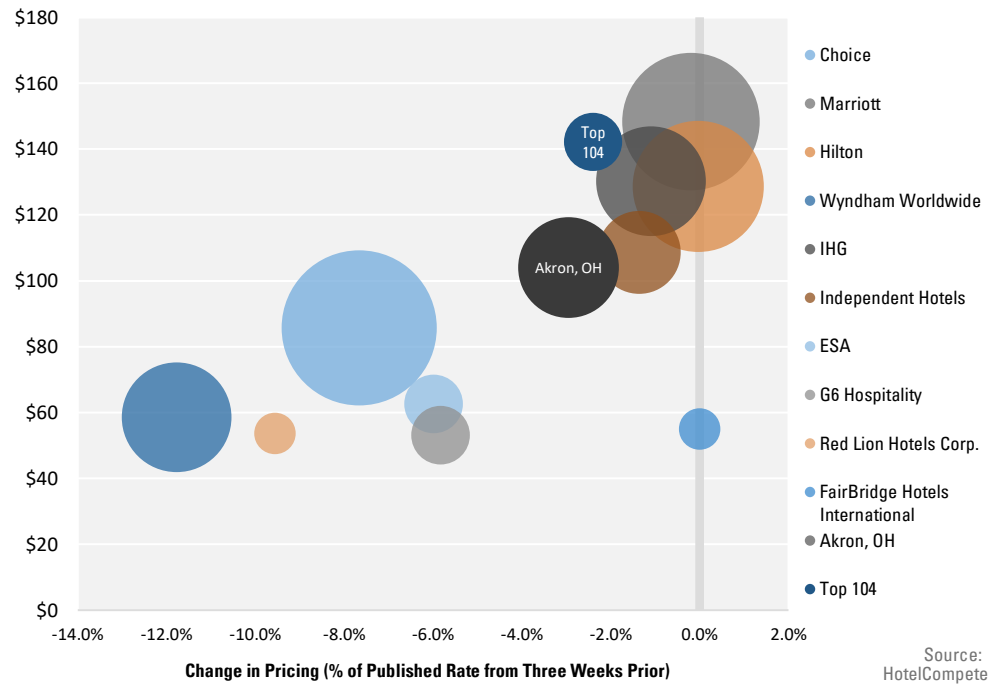


Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility

Surveyed late January 2024



Source: HotelCompete

Published Rate Observations: 30-Day Advance

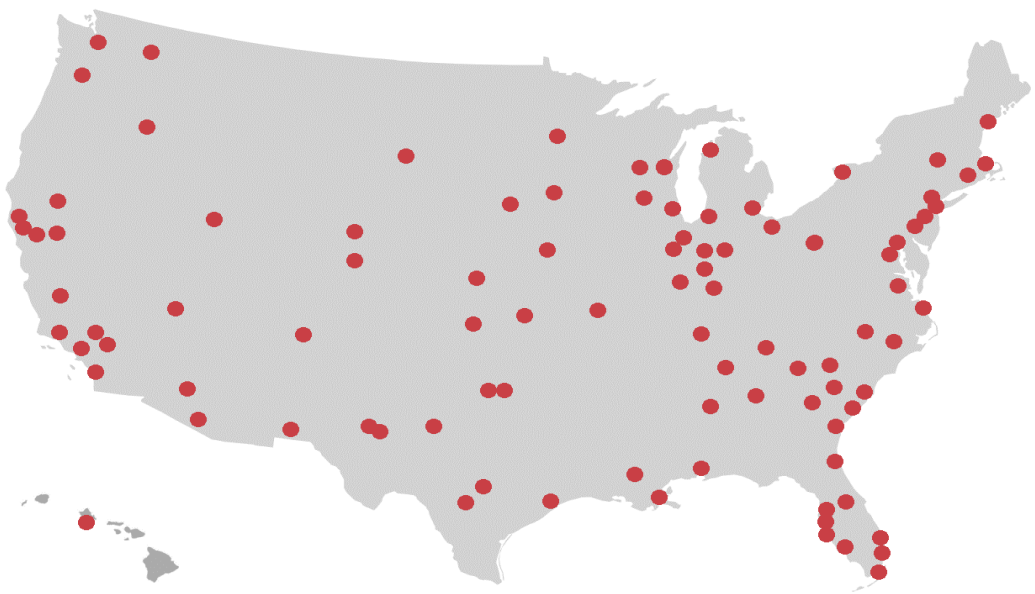
MARKET LEVEL

Published Rate Level	Rate Movement	Optimism
97th	**60th**	**45th**
Soft	**Average**	**Average**
The 30-day advanced published rate for the market was a conservative $104.02, ranking 97th out of 104 markets. (Guest-Paid ADR ranked a very conservative 100th at $97.81 in 4Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 2.9% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	Published rates reported in late January 2024 were 6.4% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is average. By comparison, the T-104 spread was -9.5%.

BRAND LEVEL

Published Rate Integrity	Coverage	Volatility
19th	**66th**	**70th**
Above Average	**Below Average**	**Elevated**
Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Akron, OH has a below average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	Akron, OH's top 10 brands are exhibiting elevated volatility with respect to advanced booking pricing movements in the three weeks leading into late January 2024.

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

Hospitality, Gaming & Leisure

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- Gaming Facilities
- Arenas, Stadiums and Sports Facilities
- Conference, Expo and Convention Centers
- Golf Courses
- Marinas
- Ski and Village Resorts
- Water Parks, Amusement Parks and Attractions

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We take feasibility studies to the next level, combining market knowledge with expert economic impact analysis and acumen in cash-on-cash, ROI and other metrics.

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

Litigation
Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

Portfolio Analytics
We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

Property Tax
We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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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

Bryan Younge, MAI, ASA, FRICS
Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
m 773-263-4544
bryan.younge@nmrk.com

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

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