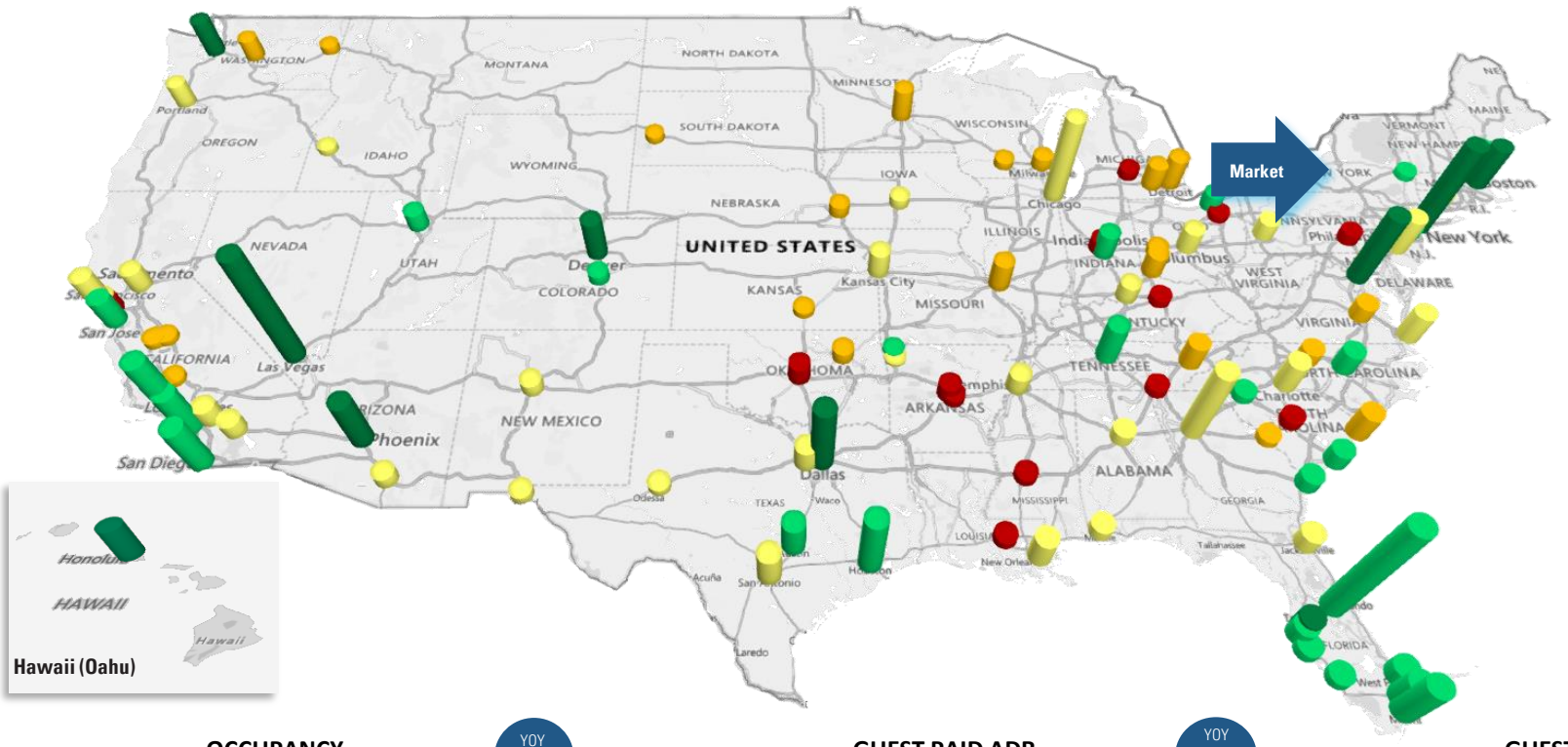
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

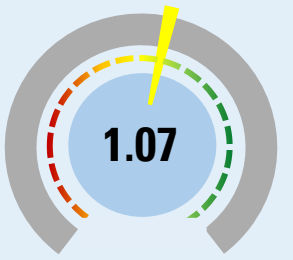
3Q 2024
ALBANY, NY

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

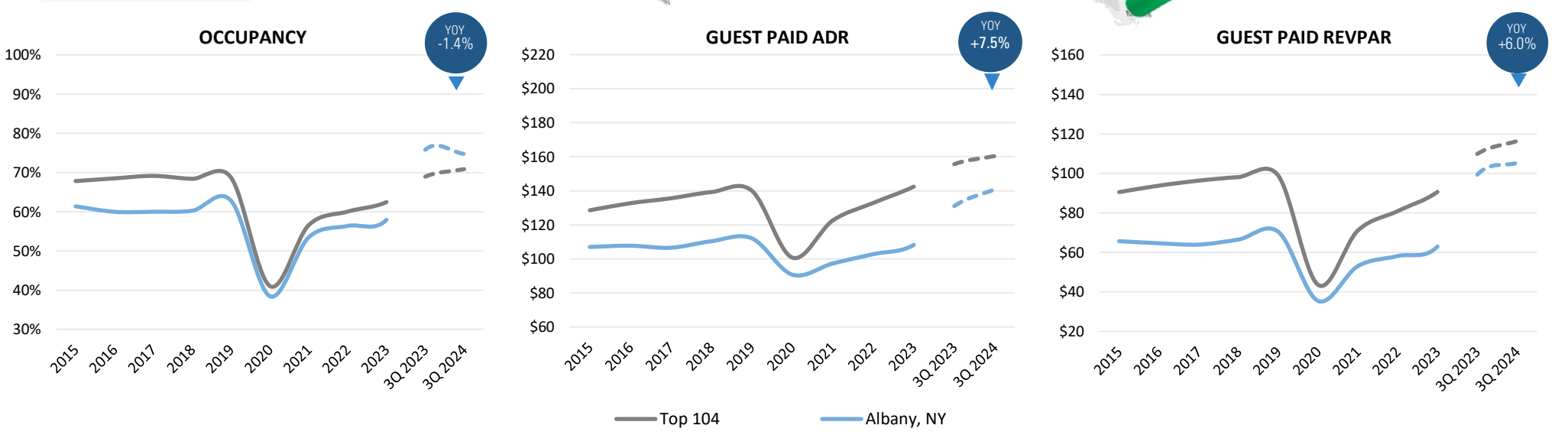
Albany, NY



44th of 104
Average

Ranking of overall '3Q 2024 LPI' performance (1.07) against all 104 surveyed markets.

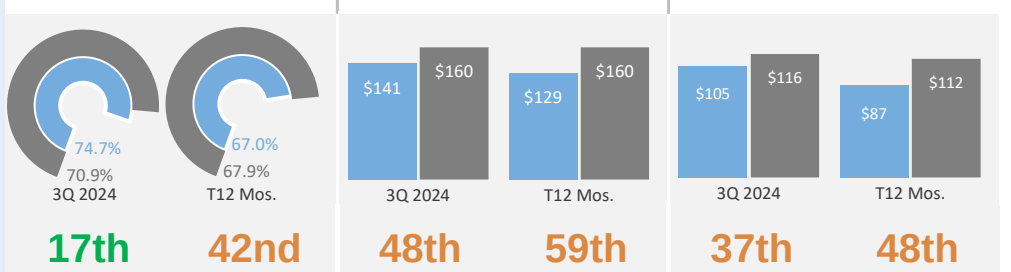
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

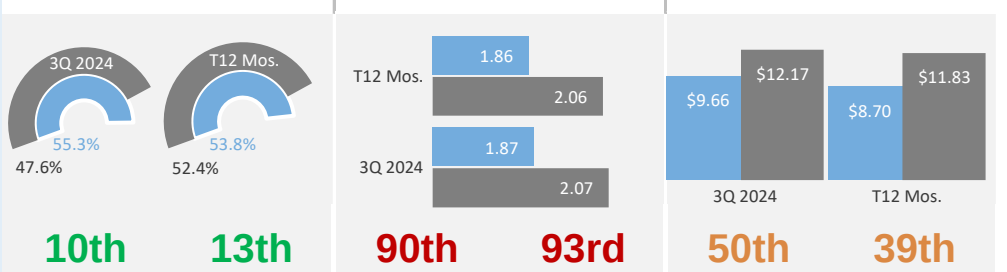
Subject Market | Top 104



Occupancy		Guest Paid ADR		Guest Paid RevPAR	
3Q 2024	T12 Mos.	3Q 2024	T12 Mos.	3Q 2024	T12 Mos.
17th	42nd	48th	59th	37th	48th

BENCHMARK INDEXES

Key Benchmark Indexes

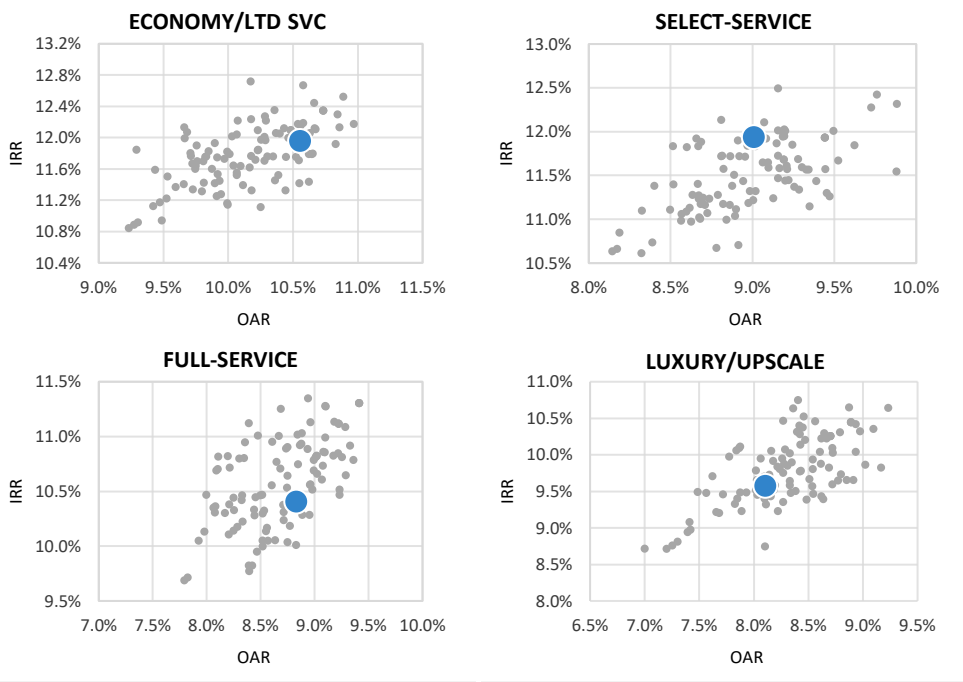


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
3Q 2024	T12 Mos.	T12 Mos.	3Q 2024	3Q 2024	T12 Mos.
10th	13th	90th	93rd	50th	39th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

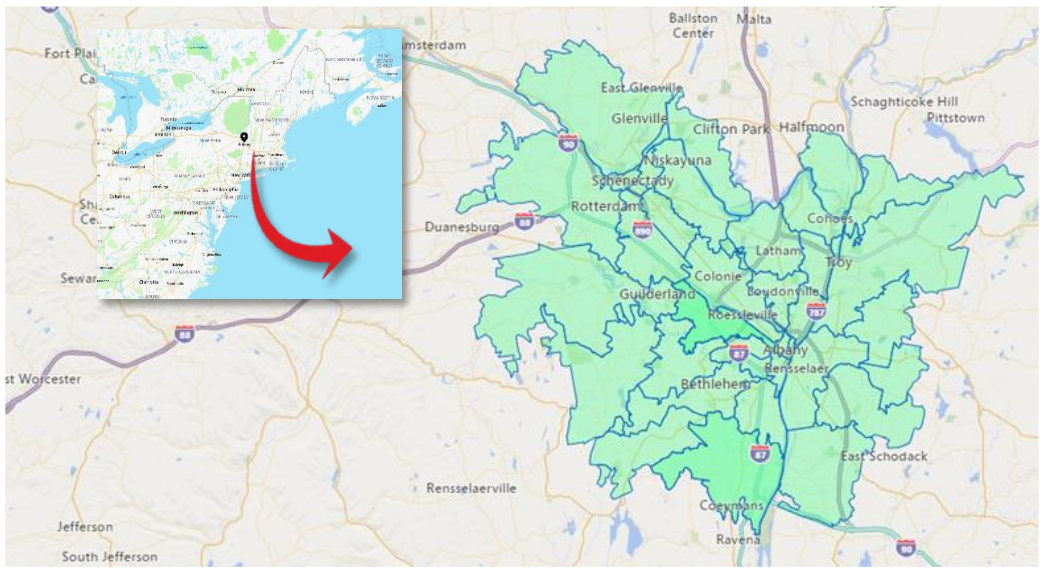
Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
13th	**13th**	**59th**
Above Average	**Above Average**	**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
102nd	**25th**	**28th**
Low Risk	**Above Average**	**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:	Albany
County:	Albany County
State:	New York
Geo Coordinates (market center):	42.65258, -73.75623

Major Hotel Demand Generators

St. Peter's Health Partners | Albany Medical Center | Golub Corp. | Hannaford Supermarkets | GE | Ellis Medicine | Stewart's Shops Corp. | GlobalFoundries | Bechtel Marine Propulsion Corp. | Glens Falls Hospital | Center for Disability Services Holding Corp. | Saratoga Hospital and Care Nursing Home | Rensselaer Polytechnic Institute | St. Mary's Hospital at Amsterdam | Empire Blue Cross | Northern Rivers Family Services | National Grid | Lia Auto Group | Momentive Performance Materials Inc. | Rivers Casino & Resort Schenectady

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	489,936	85th of 104 (Below Average)
Income per Capita	$43,790	71st of 104 (Below Average)
Feeder Group Size	83.0 Persons PSR	64th of 104 (Average)
Feeder Group Earnings	$3,635,915 PSR	53rd of 104 (Average)
Total Market Hotel Revenues	$263.4 million	90th 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 Rooms	Performance Index (LPI)
2015	61.4%	$107.02	$65.67	$99.46	$61.03	$7.56	92.9%	48.6%	1.82	8,800	1.03
2016	60.0%	$107.75	$64.63	$99.82	$59.87	$7.92	92.6%	51.1%	1.80	8,660	0.76
2017	60.0%	$106.56	$63.93	$98.57	$59.14	$7.99	92.5%	52.1%	1.76	8,960	0.78
2018	60.3%	$110.39	$66.52	$101.84	$61.36	$8.55	92.3%	55.0%	1.72	8,800	0.76
2019	62.8%	$112.09	$70.40	$103.30	$64.88	$8.79	92.2%	59.6%	1.74	9,470	0.94
2020	38.5%	$90.73	$35.41	$85.59	$32.91	$5.14	94.3%	42.3%	2.29	9,280	0.93
2021	53.5%	$97.33	$53.05	$91.34	$48.85	$5.98	93.9%	45.1%	2.16	9,110	0.78
2022	56.4%	$102.78	$58.13	$96.35	$54.32	$6.43	93.7%	46.4%	2.11	9,140	0.81
2023	57.9%	$108.25	$62.99	$101.29	$58.68	$6.96	93.6%	47.4%	2.03	9,170	1.08
CAGR: 2015 thru 2023	**-0.7%**	**0.1%**	**-0.5%**	**0.2%**	**-0.5%**	**-1.0%**	**0.1%**	**-0.3%**	**1.3%**	**0.5%**	**0.7%**
3Q 2023	75.8%	$131.01	$99.32	$121.89	$92.40	$9.12	93.0%	51.1%	1.91	8,980	0.98
3Q 2024	74.7%	$140.88	$105.30	$131.22	$98.08	$9.66	93.1%	55.3%	1.87	8,730	1.07

Notable Metrics

HIGHEST

Latest-Quarter Loyalty Contribution	T12-Month Loyalty Contribution	Latest-Quarter Occupancy
10th	**13th**	**17th**
Above Average	**Above Average**	**Above Average**
Albany, NY exhibited strong latest–quarter loyalty contribution (55.3%)	The market exhibited strong T12–month loyalty contribution (53.8%)	The market also enjoyed strong latest–quarter occupancy (74.7%)

LOWEST

Total Rooms Supply	Total Rooms Sold	T12-Month Average Length of Stay
97th	**95th**	**93rd**
Soft	**Soft**	**Soft**
This market is small and offers a narrow variety of lodging scales and classes (8,735 total rooms)	The market has a limited lodging–related economy and shows minimal diversity in its sources of demand (2,153,741 room nights)	Albany, NY also exhibited weak T12–month average length of stay (1.86 Nights)

Notable Trends

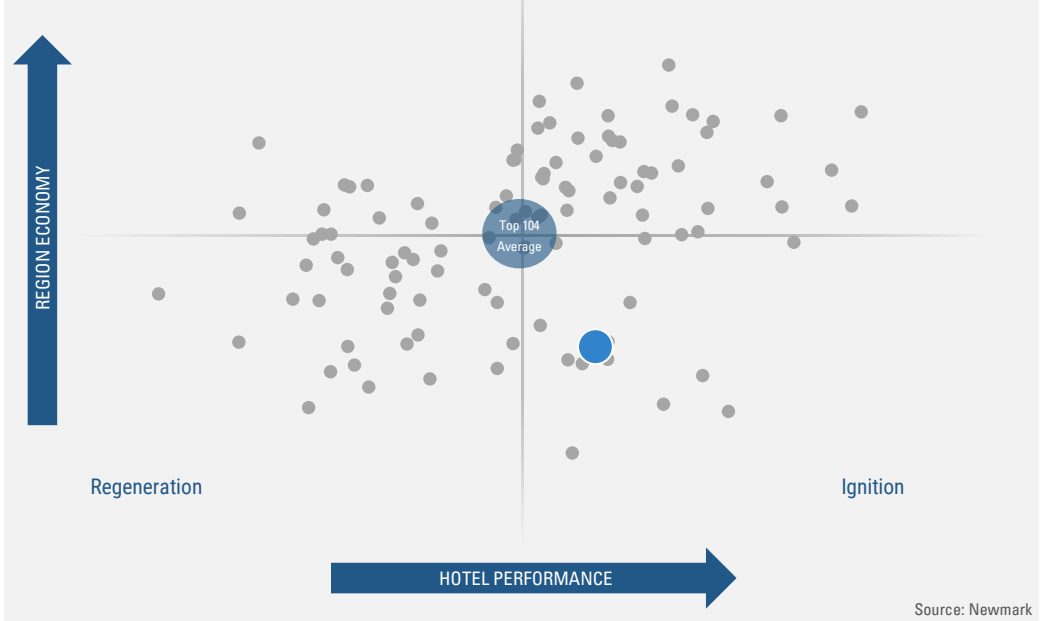
STRONGEST

T12-Month Rooms Supply Growth	Short-Term Historical Guest Paid RevPAR Growth	Short-Term Historical COPE RevPAR Growth
3rd	**13th**	**15th**
Very Strong	**Above Average**	**Above Average**
Albany, NY exhibited low rooms supply growth over the last 12 months (–2.7%)	The market has benefited from strong short–term historical Guest Paid RevPAR growth (5.3%)	The market also exhibited strong short–term historical COPE RevPAR growth (5.3%)

WEAKEST

Short-Term Historical Supply Growth	General Economy Reverence	Short-Term Historical Loyalty Contribution Growth
95th	**91st**	**77th**
Soft	**Soft**	**Below Average**
The market has been burdened by high short–term historical supply growth (–0.4%)	We note this area posted weak general economic reverence (per–capita unemployment, GDP and other indicators)	Albany, NY also has been hindered by weak short–term historical loyalty contribution growth (3.4%)

Market Performance Stage



Source: Newmark

Albany, NY: Ignition Stage

Ignition

The Albany, NY market is currently in the 'Ignition' stage of the performance cycle. In this 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.

Other Stages:

Regeneration

In the 'Regeneration' 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.

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):	1.3%
Risk Exposure (402 US markets):	99th Percentile: High Risk
Key Industry Notes:	Central location relative to NYC
	Semiconductor production hub
	Low business costs, affordable housing
	Worsening population trends
	Elevated reliance on state government

Moody's Rating

Aa3

Investment Grade

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

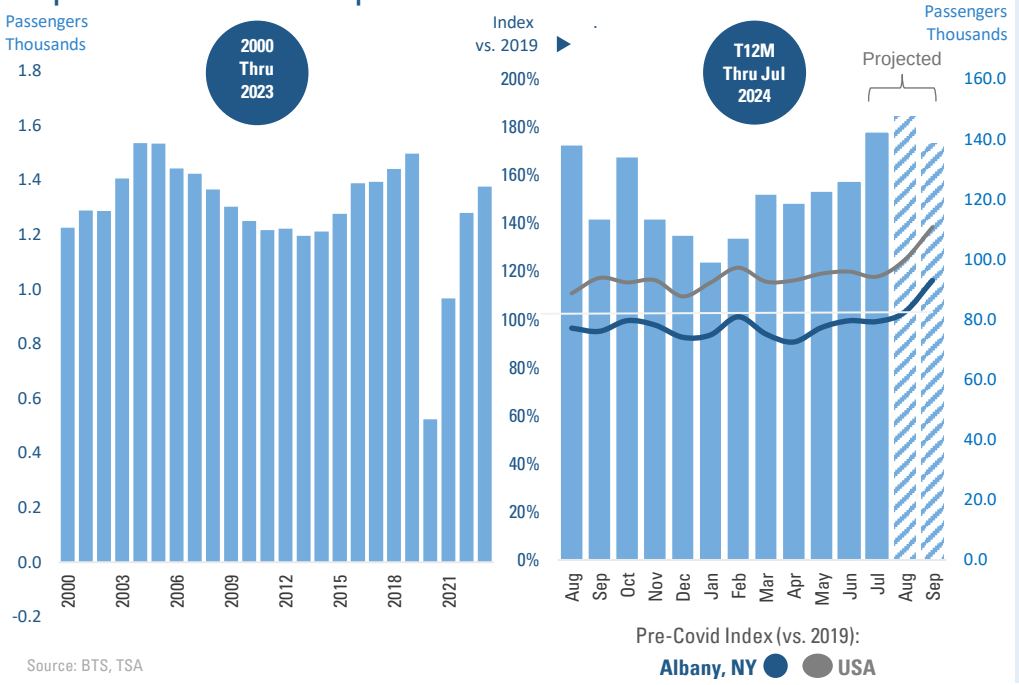
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

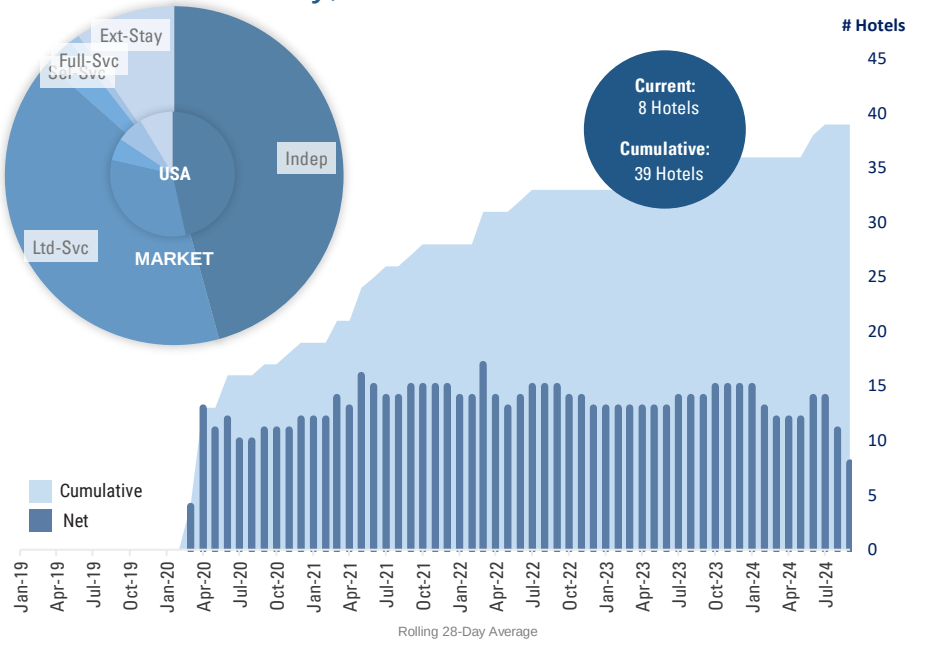
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

Hotel Closures - Albany, NY



Source: Hotel Compete

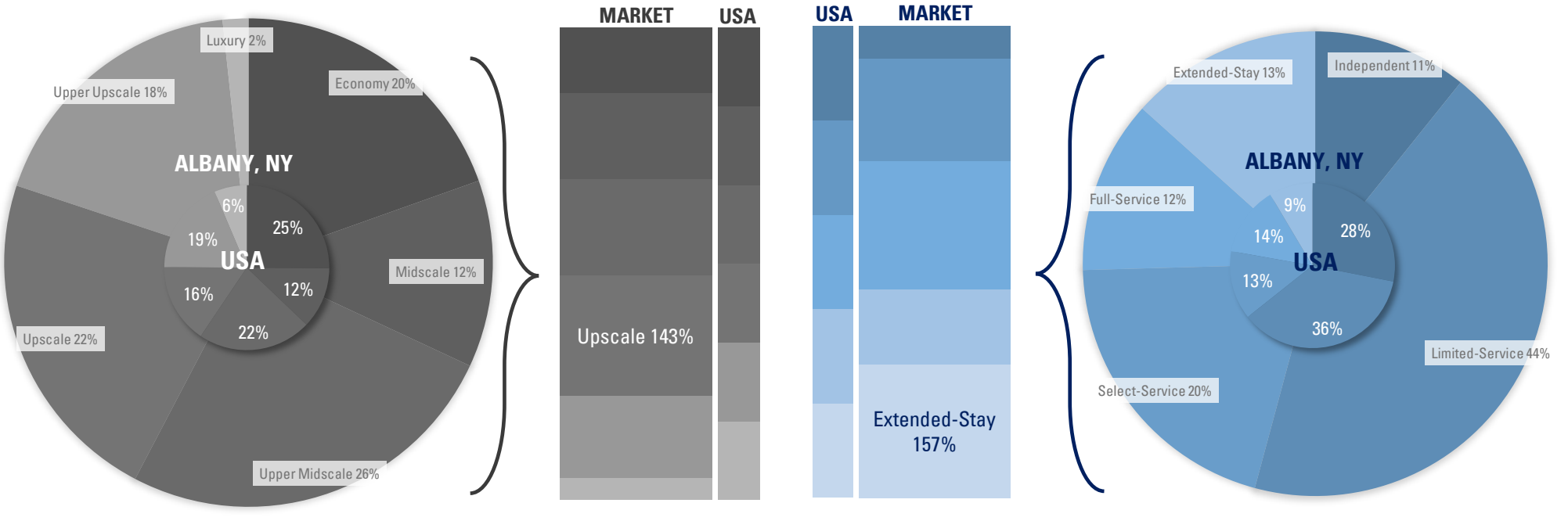
Scale and Service Distribution: Albany, NY

SCALE AND SERVICE ORIENTATION

Distribution Based on CHAIN SCALE

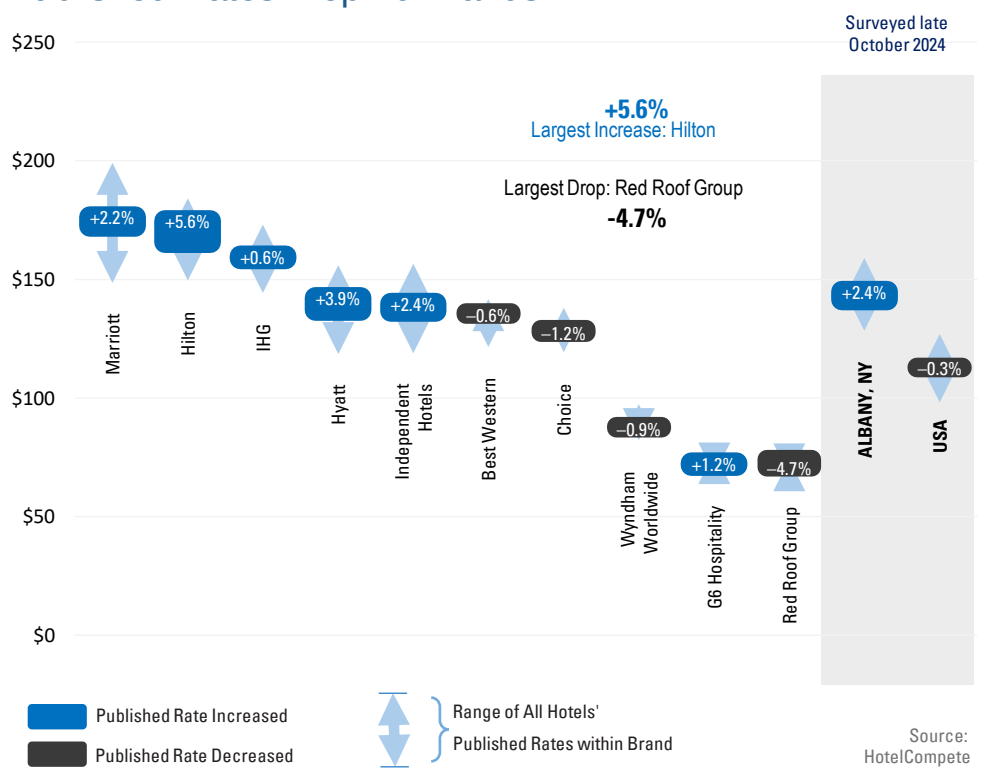
CATEGORY PENETRATION RELATIVE TO USA SEPTEMBER 2024

Distribution based on SERVICE ORIENTATION



'30/3' RATE CHANGES: ALBANY, NY vs. USA

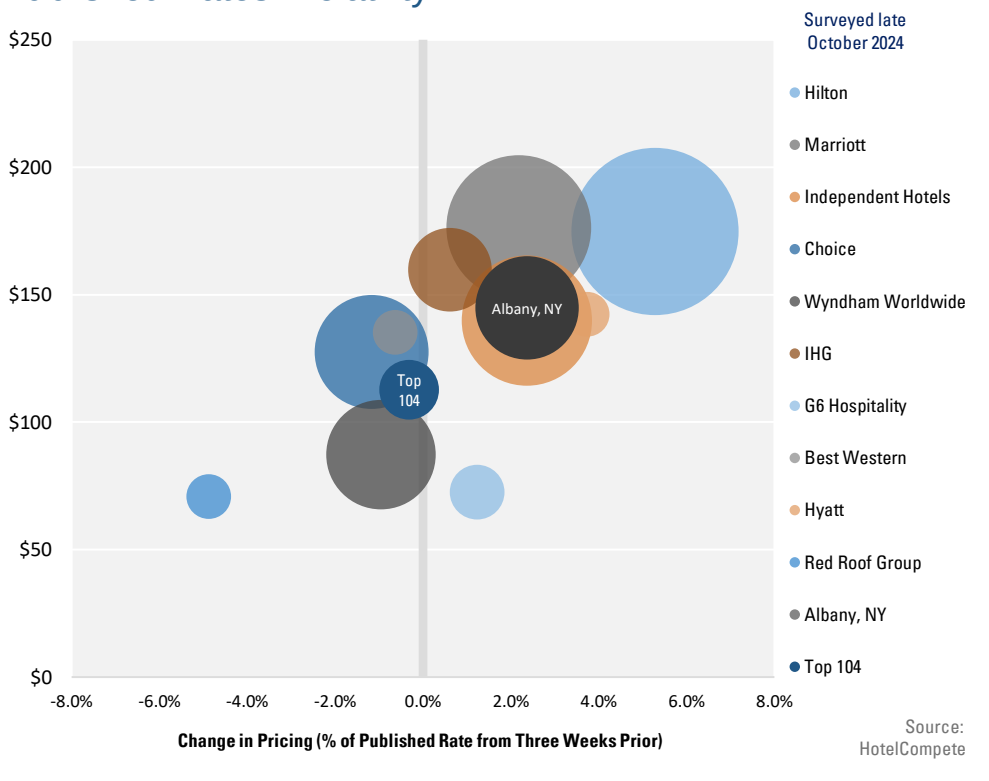
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

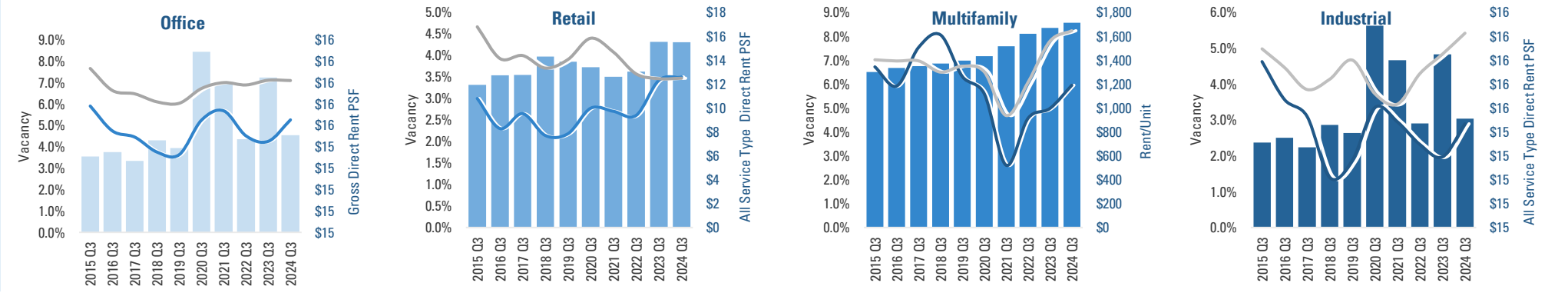
Published Rates: Volatility



Source: HotelCompete

MAJOR C.R.E. METRICS

Major CRE Market Performance



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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- Golf Courses
- Marinas
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