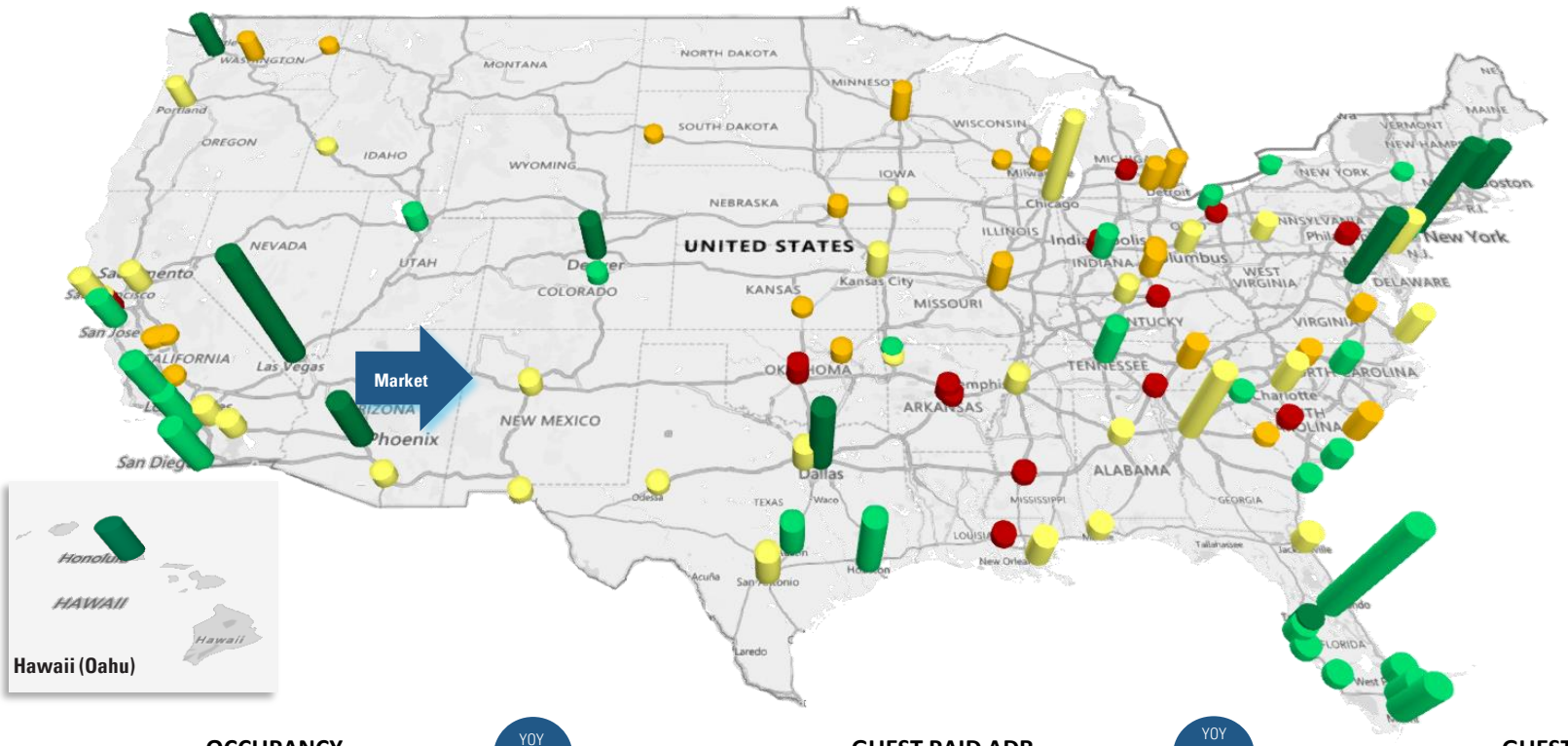
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

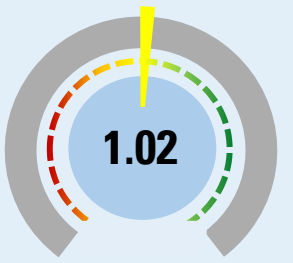
3Q 2024
ALBUQUERQUE, NM

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

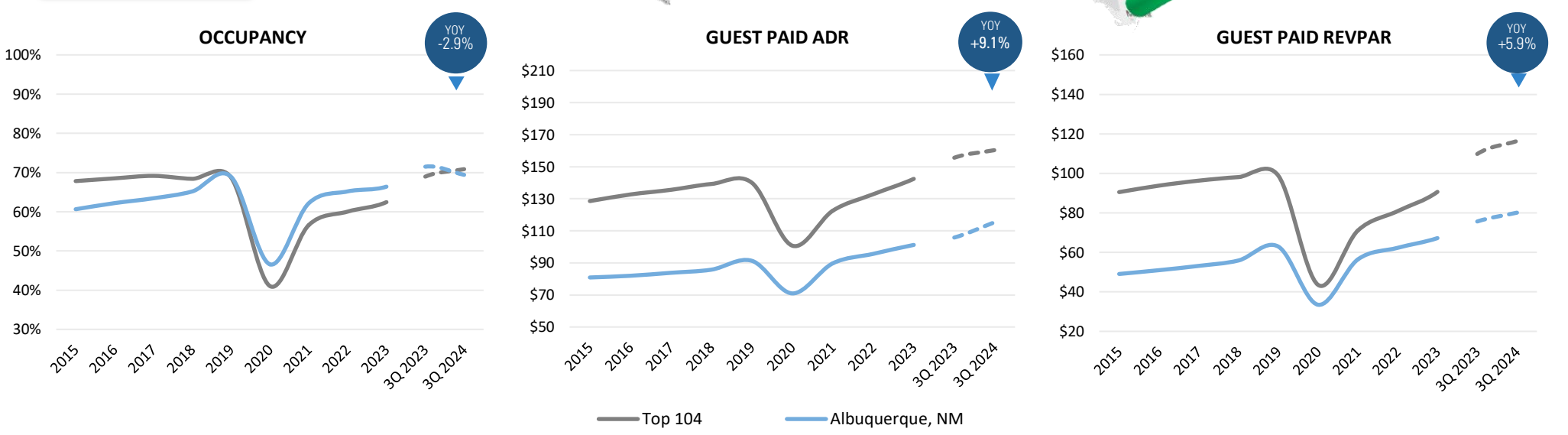
Albuquerque, NM



56th of 104
Average

Ranking of overall '3Q 2024 LPI' performance (1.02) against all 104 surveyed markets.

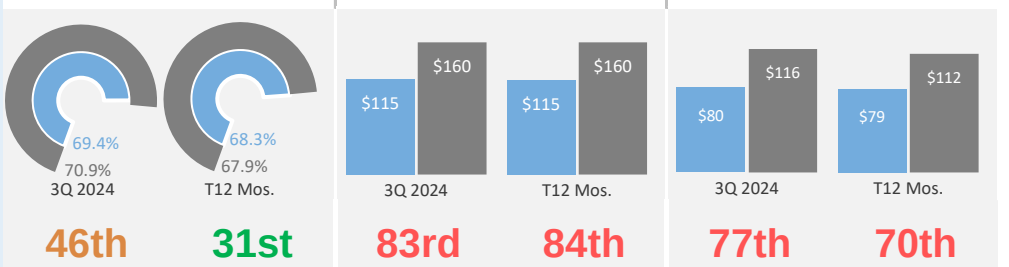
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

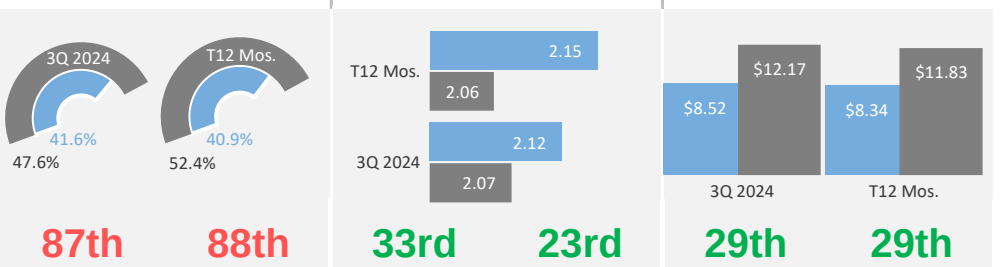


Occupancy		Guest Paid ADR		Guest Paid RevPAR	
46th	31st	83rd	84th	77th	70th

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

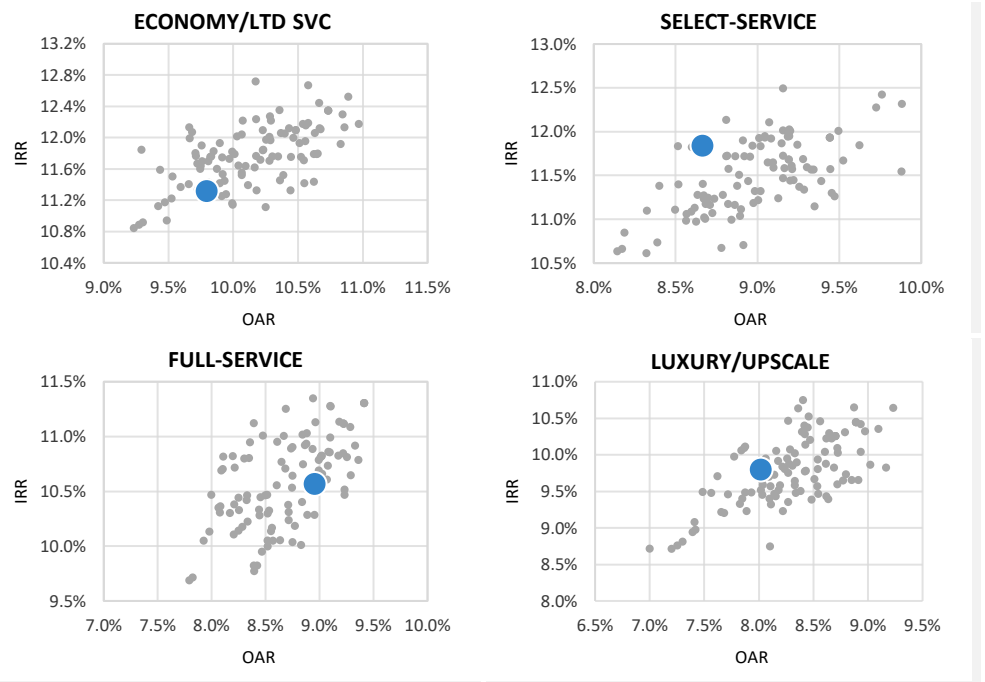


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
87th	88th	33rd	23rd	29th	29th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

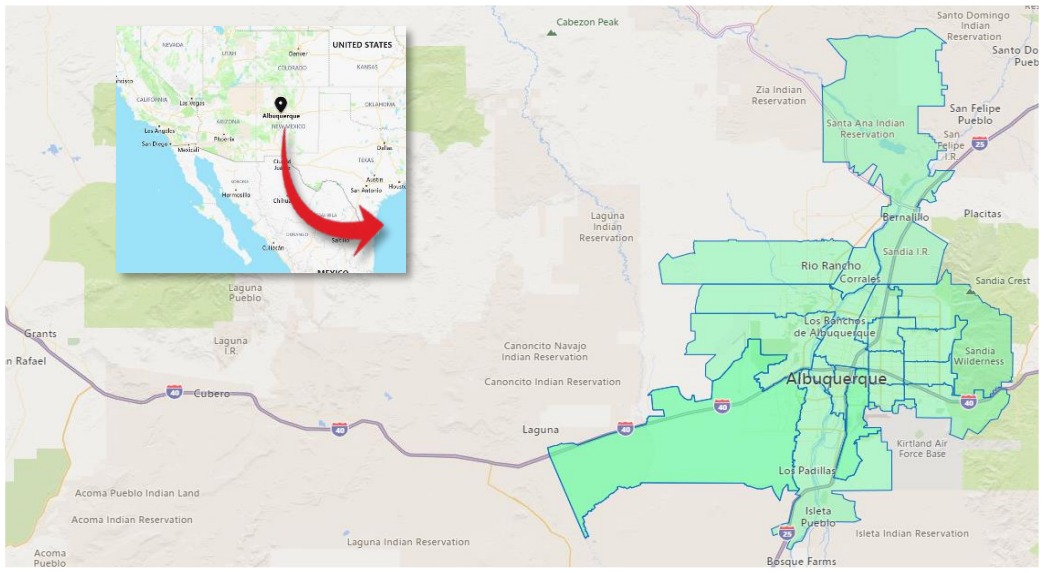
Revenue Stability	Supplier Power Trend	Investment Yields
5th	**88th**	**30th**
Strong	**Below Average**	**Above Average**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to 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
80th	**47th**	**15th**
Below Average	**Average 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

NEWMARK

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Albuquerque
County:	Bernalillo County
State:	New Mexico
Geo Coordinates (market center):	35.08449, -106.65114

Major Hotel Demand Generators

University of New Mexico | Kirtland Air Force Base | Sandia National Laboratories | Presbyterian Healthcare Services | UNM Hospital | Lovelace Medical Center | Raymond G. Murphy VA Medical Center | Ambercare Corp. | CHRISTUS St. | Intel Corp. | Central New Mexico Community College | PNM Electric & Gas Services | Sandia Resort & Casino | T-Mobile | Verizon | Blue Cross & Blue Shield Association | Isleta Resort & Casino | Tricore Reference Laboratories | Molina Healthcare Inc. | Allsup's

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	609,610	73rd of 104 (Below Average)
Income per Capita	$49,878	46th of 104 (Average)
Feeder Group Size	51.6 Persons PSR	22nd of 104 (Above Average)
Feeder Group Earnings	$2,575,984 PSR	23rd of 104 (Above Average)
Total Market Hotel Revenues	$466.2 million	63rd of 104 (Average)

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	60.6%	$80.91	$49.06	$74.67	$45.28	$6.24	92.3%	45.5%	1.79	17,390	0.42
2016	62.2%	$81.98	$50.99	$75.49	$46.95	$6.49	92.1%	47.1%	1.76	17,540	0.53
2017	63.4%	$83.82	$53.17	$77.00	$48.84	$6.82	91.9%	49.0%	1.76	17,360	0.74
2018	65.2%	$85.78	$55.90	$78.83	$51.37	$6.95	91.9%	51.1%	1.75	17,000	0.62
2019	68.9%	$91.32	$62.93	$83.79	$57.75	$7.53	91.8%	55.7%	1.79	17,280	0.99
2020	46.6%	$70.97	$33.49	$65.90	$30.70	$5.08	92.8%	34.9%	2.00	17,250	0.79
2021	62.2%	$89.73	$56.44	$83.00	$51.59	$6.74	92.5%	37.0%	1.98	17,230	0.89
2022	65.2%	$95.66	$62.31	$88.51	$57.69	$7.14	92.5%	37.7%	2.01	17,230	1.06
2023	66.4%	$101.23	$67.22	$93.77	$62.25	$7.46	92.6%	38.1%	2.04	17,210	1.03
CAGR: 2015 thru 2023	1.1%	2.8%	4.0%	2.9%	4.1%	2.3%	0.0%	-2.2%	1.6%	-0.1%	12.0%
3Q 2023	71.5%	$105.82	$75.64	$98.20	$70.20	$7.62	92.8%	40.0%	2.22	17,510	0.96
3Q 2024	69.4%	$115.42	$80.11	$106.90	$74.20	$8.52	92.6%	41.6%	2.12	17,360	1.02

Notable Metrics

HIGHEST

IRR: Economy/Ltd Svc	T12-Month Average Length of Stay	Feeder Group Size
13th	**23rd**	**22nd**
Favorable	**Above Average**	**Above Average**
Albuquerque, NM enjoyed favorable IRR metrics in the economy/ltd svc segment (11.3%)	The market benefited from strong T12–month average length of stay (2.15 Nights)	The market also required a small feeder group size (51.65 Persons)

LOWEST

T12-Month Loyalty Contribution	Latest-Quarter Loyalty Contribution	T12-Month COPE ADR
88th	**87th**	**85th**
Below Average	**Below Average**	**Below Average**
This market has been hindered by weak T12–month loyalty contribution (40.9%)	The market has been hindered by weak latest–quarter loyalty contribution (41.6%)	Albuquerque, NM also has been hindered by weak T12–month COPE ADR ($106.78)

Notable Trends

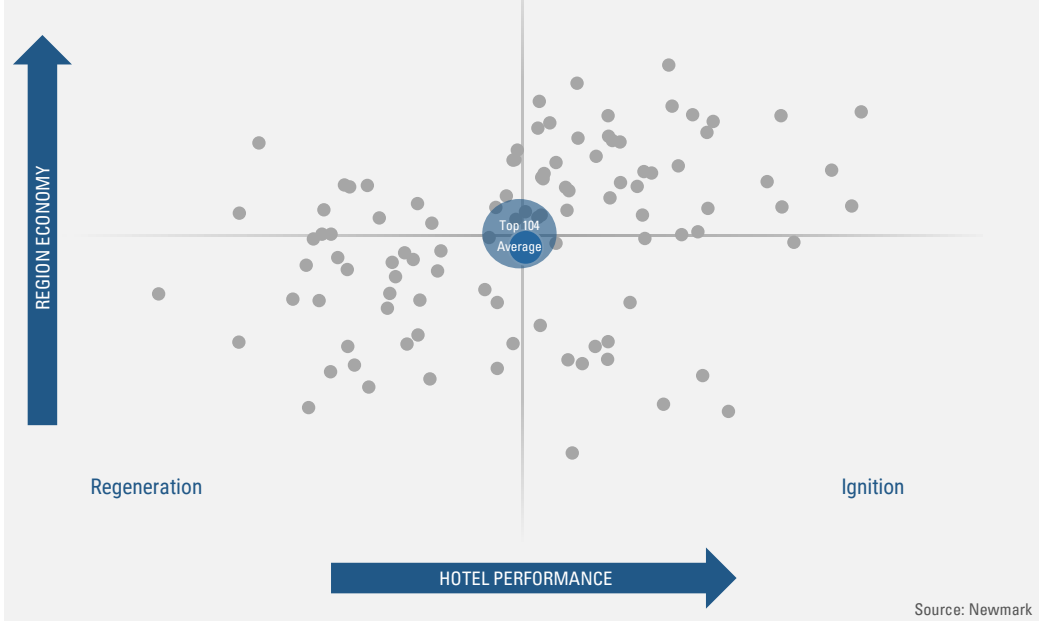
STRONGEST

Long-Term Historical Average Length of Stay Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
1st	**1st**	**1st**
Very Strong	**Very Strong**	**Very Strong**
Albuquerque, NM enjoyed strong long–term historical average length of stay growth (1.9%)	The market enjoyed strong long–term historical LPI growth (10.8%)	The market also has benefited from strong short–term historical LPI growth (14.3%)

WEAKEST

Short-Term Historical Booking Costs POR Growth	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Supply Growth
97th	**93rd**	**86th**
Soft	**Soft**	**Below Average**
The market has been impeded by high short–term historical growth in booking costs (5.5%)	We note this area has been hindered by weak long–term historical loyalty contribution growth (3.2%)	Albuquerque, NM also has been burdened by high short–term historical supply growth (0.2%)

Market Performance Stage



Source: Newmark

Albuquerque, NM: Ignition Stage

Ignition

The Albuquerque, NM 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.

Industry Observations

MOODYS ANALYTICS

Business Cycle:	**Mid Expansion**
Employment Growth (2 yr):	1.5%
Risk Exposure (402 US markets):	86th Percentile: Above Average
Key Industry Notes:	Stable base of education and healthcare
	Accessto important trade corridors
	High poverty rate
	Low worker productivity
	Below-average per capita income

Moody's Rating

Aaa

Investment Grade

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

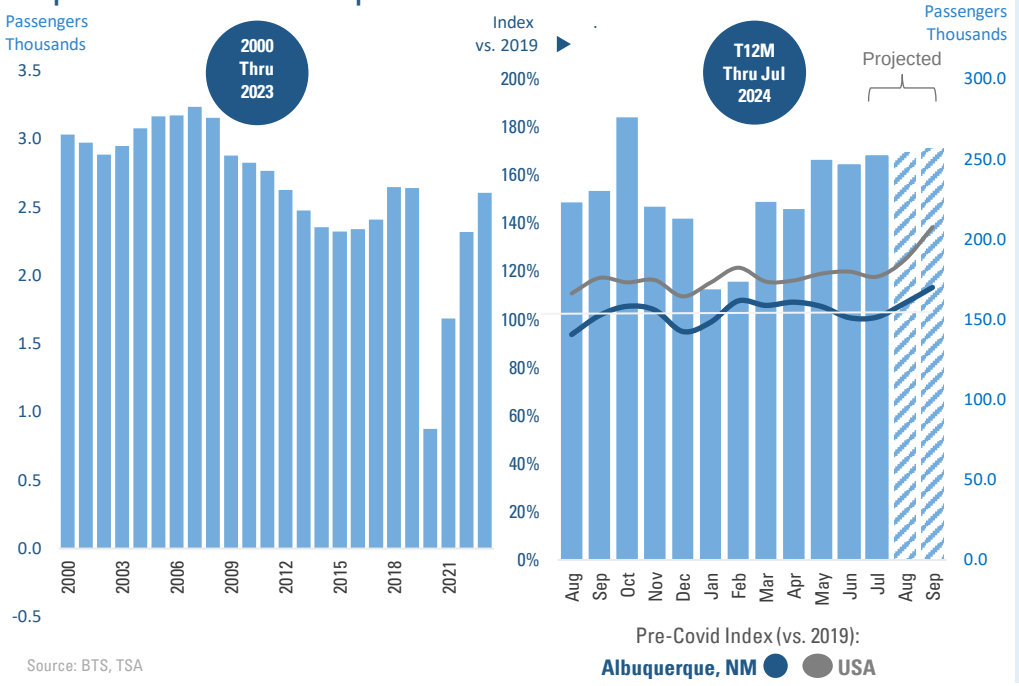
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

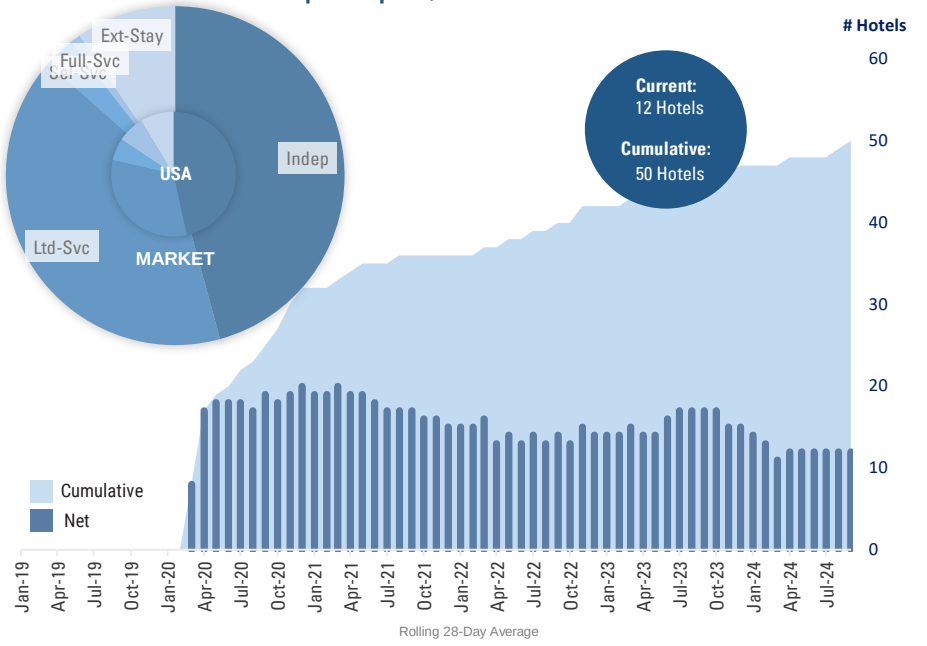
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

Hotel Closures - Albuquerque, NM

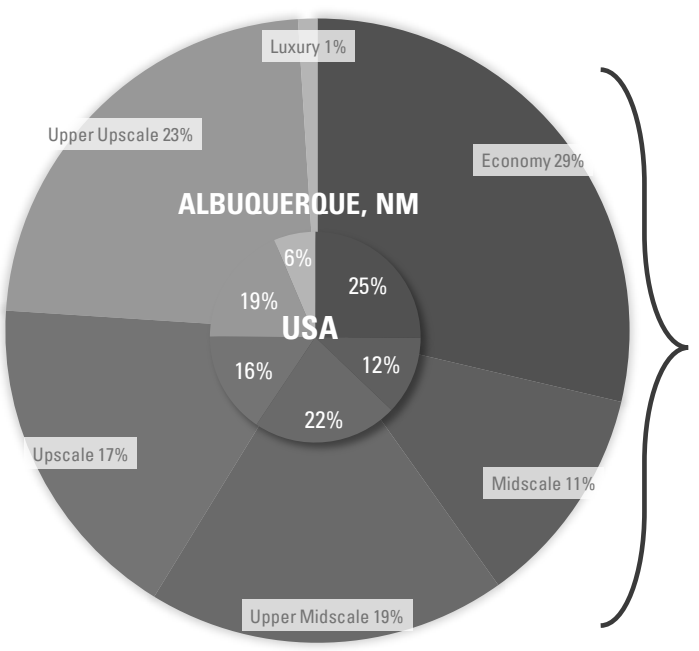


Source: Hotel Compete

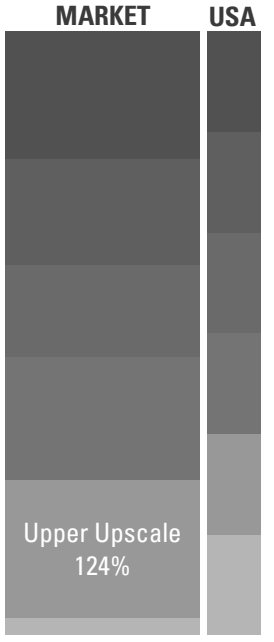
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Albuquerque, NM

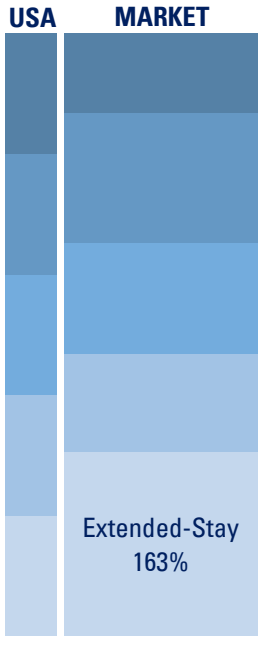
Distribution Based on CHAIN SCALE

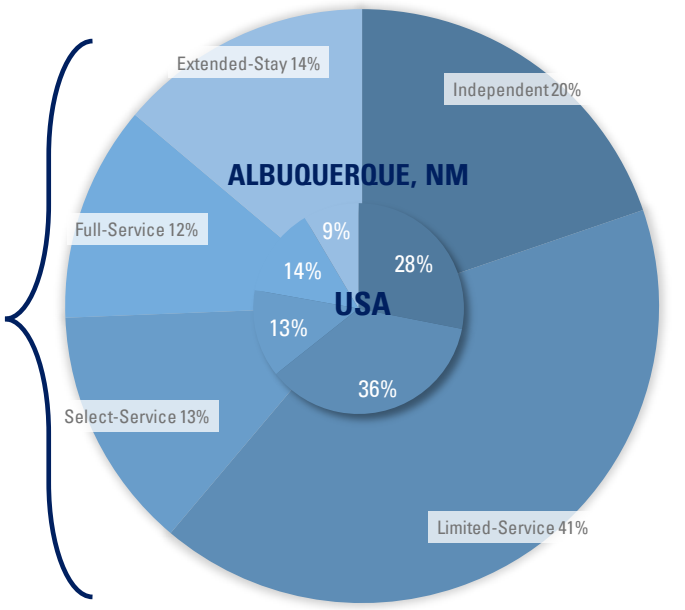


CATEGORY PENETRATION RELATIVE TO USA SEPTEMBER 2024



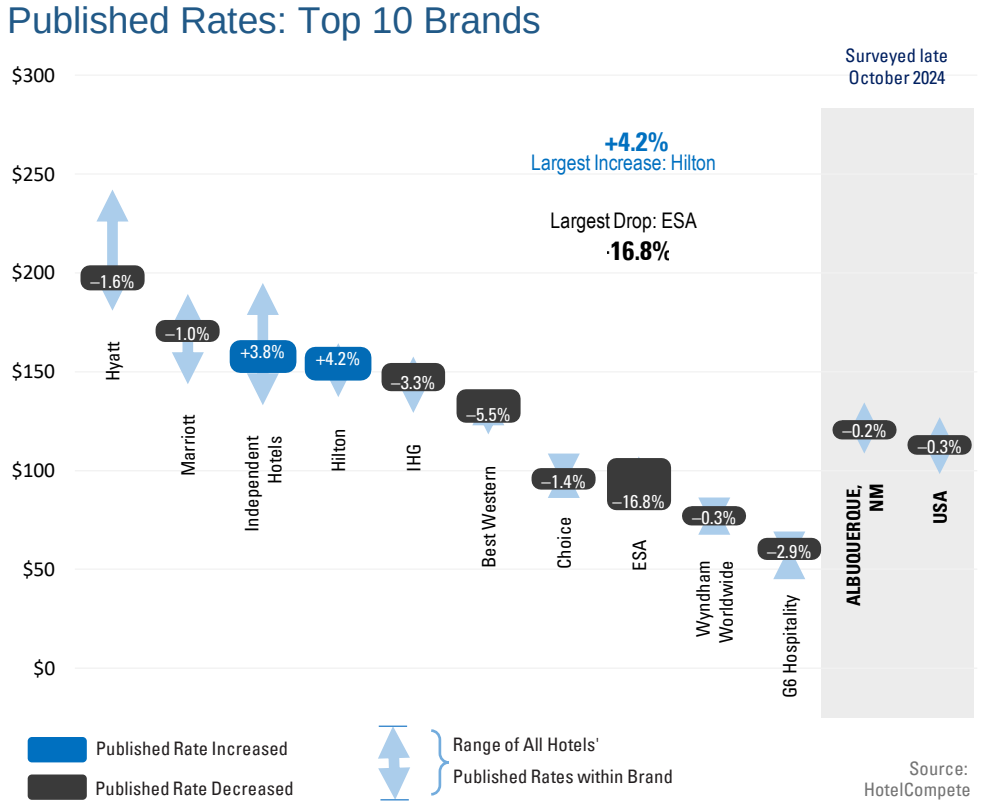
Distribution based on SERVICE ORIENTATION





'30/3' RATE CHANGES: ALBUQUERQUE, NM vs. USA

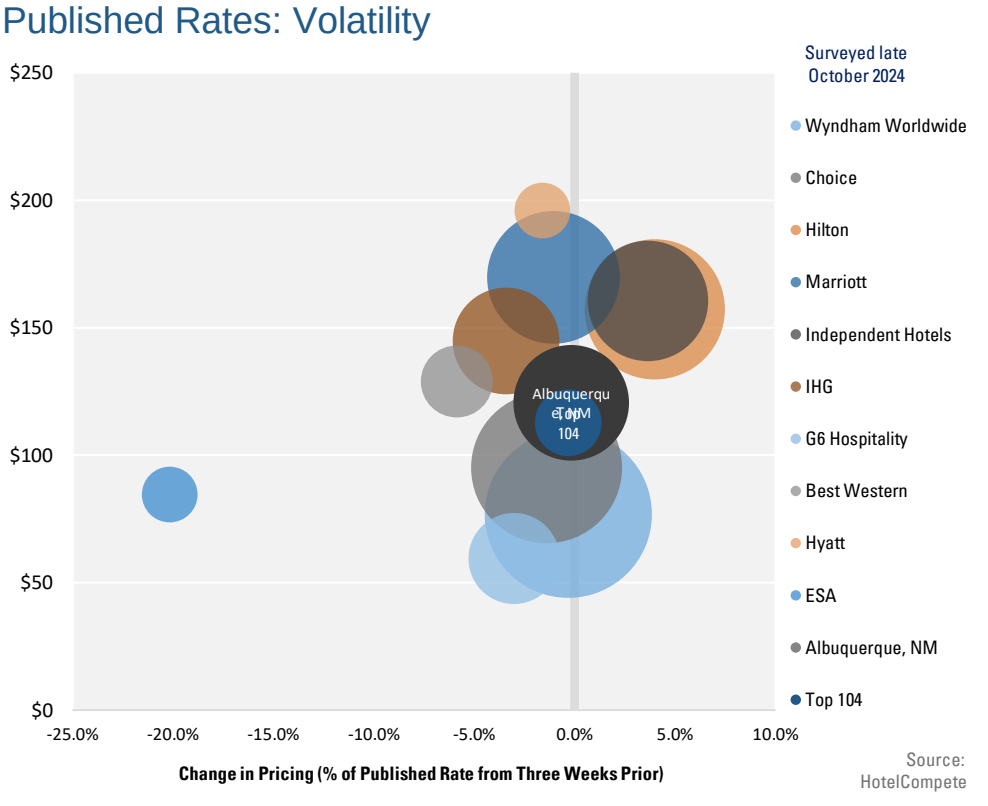
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



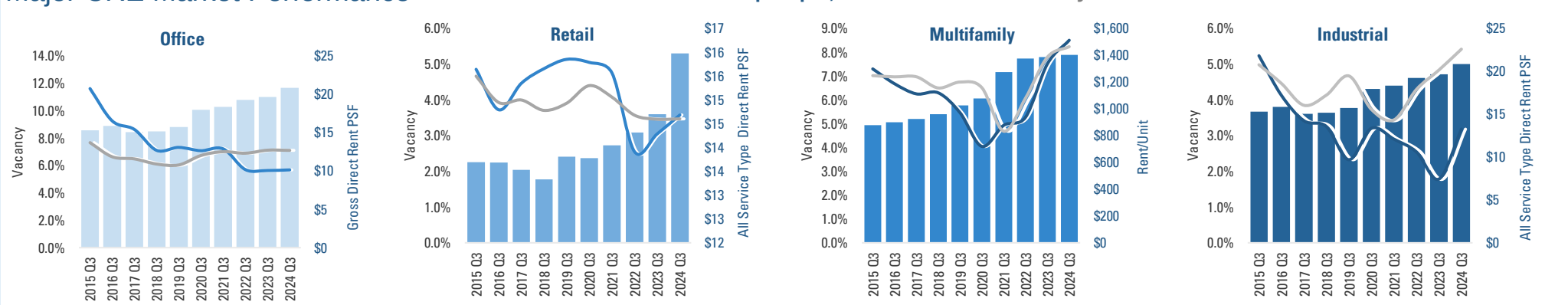
Source: HotelCompete

MAJOR C.R.E. METRICS

Major CRE Market Performance

Albuquerque, NM — 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

Hospitality, Gaming & Leisure

Our Hospitality, Gaming & Leisure practice is focused exclusively on providing superior valuation and consulting services for a broad range of hotels, casinos and leisure properties. Our team takes a holistic, consultative approach that goes far beyond the physical asset, analyzing every aspect of a property's business and real estate operations to identify all areas of value for owners and investors.

Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

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

Our core disciplines and expert subject areas include:

Economic Impact
We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

Feasibility
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.

Financial Reporting
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.

ABOUT NEWMARK

We transform untapped potential into limitless opportunity.

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

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: SOUTHWEST MARKETS

CONTACT

FOR MORE INFORMATION

Chad Eschmeyer
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southwest Markets
Dir 602.315.5888
chad.eschmeyer@nmrk.com

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

MARKET DISCLAIMERS

LEGAL

COPYRIGHT INFORMATION

© 2024 by Newmark. All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication and should consult with professionals of the recipient's choice regarding all aspects of that decision, including its legal, financial, and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.