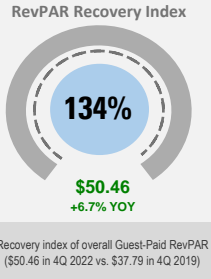


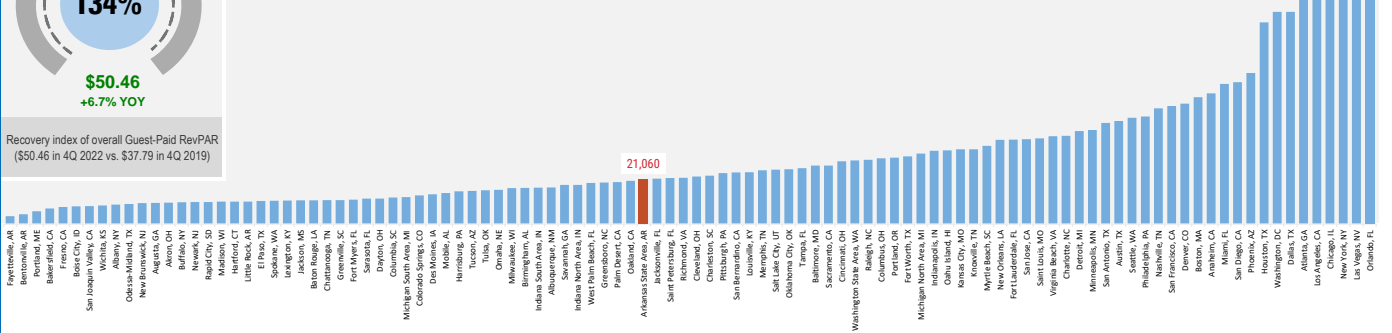
# 4Q 2022 ARKANSAS STATE AREA, AR



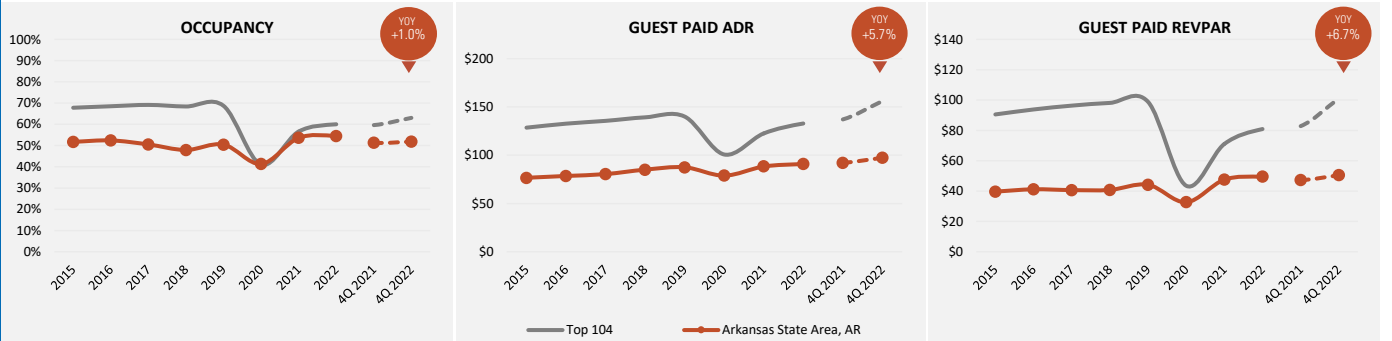
## Fundamentals Dashboard



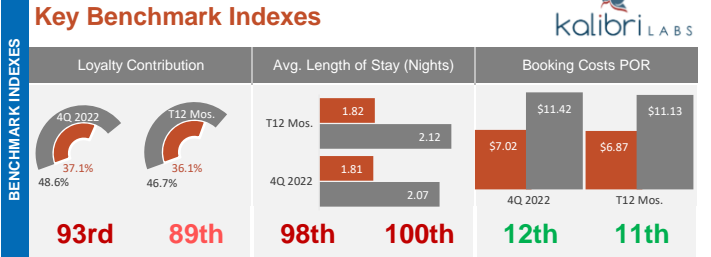
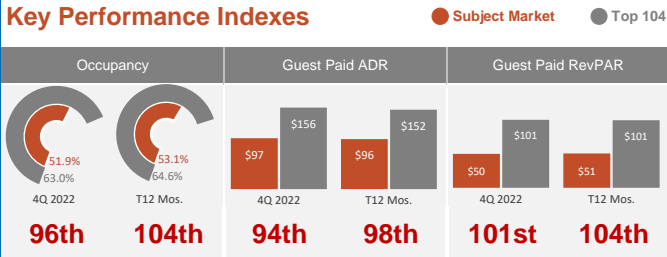
ROOM SUPPLY RANKING vs. MAJOR US MARKETS



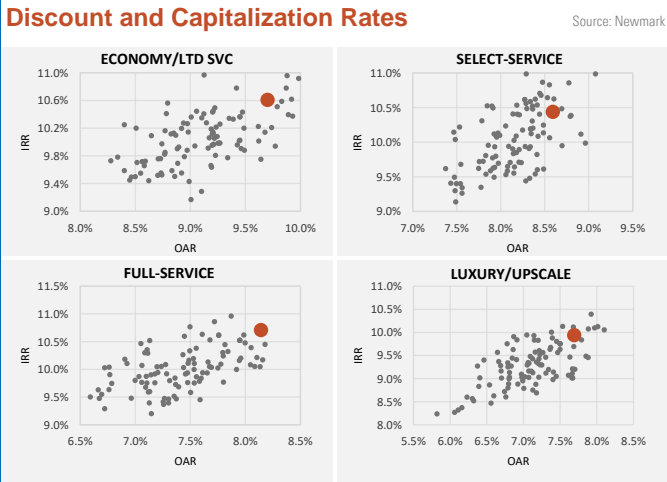
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES



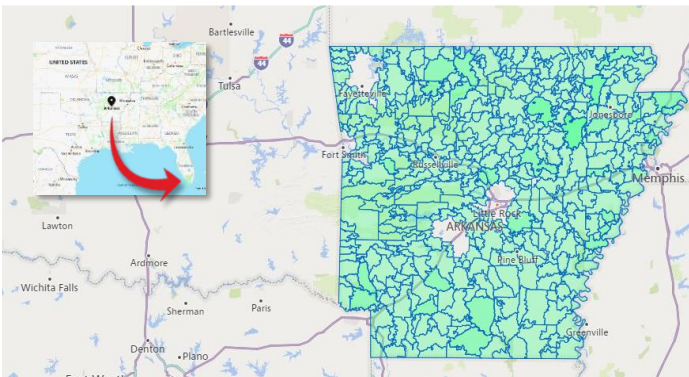
INVESTMENT PARAMETERS



FUNDAMENTALS



Location



Quick Facts

**Jurisdictional Information**  
 Municipal Name: Multiple  
 County: Multiple  
 State: Michigan  
 Geo Coordinates (market center): 35.07141, -92.35122

Source: US Census Bureau, Dept. of Labor Statistics

**Major Hotel Demand Generators**  
 University of Arkansas for Medical Sciences | Baptist Health | Little Rock Air Force Base | Arkansas Children's Hospital | Central Arkansas Veterans Healthcare System | O.K. Foods Inc. | St. Edward Mercy Medical Center | Baldor Electric | Sparks Health System | Arkansas Best Corp. | Walmart Inc. | University of Arkansas | Tyson Foods Inc. | J.B. Hunt Transport Services Inc. | St. Bernards Medical Center | Arkansas State University | NEA Baptist Memorial Medical | Hytrol Conveyor Co. | Evergreen Packaging Inc. | George's Inc.

**Metrics and Ranking**

Measurement	Rankings
Population (hotel market area)	39th of 104 (Average)
Income per Capita	90th of 104 (Soft)
Feeder Group Size	95th of 104 (Soft)
Feeder Group Earnings	88th of 104 (Below Average)
Total Market COPE	71st of 104 (Below Average)

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	51.7%	\$76.62	\$39.65	\$72.66	\$37.60	\$3.96	94.8%	41.6%	1.76	22,570	0.24
2016	52.4%	\$78.54	\$41.18	\$74.25	\$38.94	\$4.28	94.5%	43.7%	1.75	22,520	0.50
2017	50.5%	\$80.46	\$40.67	\$75.75	\$38.28	\$4.71	94.1%	46.8%	1.72	22,630	0.39
2018	47.9%	\$85.06	\$40.76	\$79.78	\$38.23	\$5.29	93.8%	51.6%	1.71	21,810	0.36
2019	50.5%	\$87.53	\$44.17	\$81.71	\$41.24	\$5.82	93.4%	58.7%	1.73	20,790	0.59
2020	41.3%	\$78.89	\$32.65	\$73.62	\$30.43	\$5.27	93.3%	36.6%	1.87	20,600	0.87
2021	53.6%	\$88.33	\$47.51	\$82.20	\$44.06	\$6.13	93.1%	38.1%	1.83	20,670	0.75
2022	54.4%	\$90.87	\$49.44	\$84.45	\$45.98	\$6.41	92.9%	37.8%	1.82	20,720	0.60
CAGR: 2015 thru 2022	0.7%	2.5%	3.2%	2.2%	2.9%	7.1%	-0.3%	-1.4%	0.5%	-1.2%	14.1%
4Q 2021	51.3%	\$92.09	\$47.29	\$85.45	\$43.88	\$6.64	92.8%	39.6%	1.77	20,770	0.75
4Q 2022	51.9%	\$97.32	\$50.46	\$90.29	\$46.82	\$7.02	92.8%	37.1%	1.81	21,060	0.60
% Change	1.0%	5.7%	6.7%	5.7%	6.7%	5.8%	0.0%	-6.1%	2.2%	1.4%	-19.4%

Notable Metrics

HIGHEST	T12-Month Booking Costs POR <b>11th Above Average</b> Arkansas State Area, AR enjoyed low T12-month booking costs POR (\$6.87)	Latest-Quarter Booking Costs POR <b>12th Above Average</b> The market enjoyed low latest-quarter booking costs POR (\$7.02)	Population Density per Room <b>12th Above Average</b> The market also boasted strong population density per room (76.18)
	T12-Month COPE RevPAR <b>104th Soft</b> This market posted weak T12-month COPE RevPAR (\$47.25)	T12-Month Guest Paid RevPAR <b>104th Soft</b> The market has been hindered by weak T12-month Guest Paid RevPAR (\$50.97)	T12-Month Occupancy <b>104th Soft</b> Arkansas State Area, AR also has been hindered by weak T12-month occupancy (53.1%)

Notable Trends

FASTEST	Long-Term Historical LPI Growth <b>3rd Strong</b> Arkansas State Area, AR enjoyed strong long-term historical LPI growth (14.1%)	Short-Term Historical LPI Growth <b>3rd Strong</b> The market has benefited from strong short-term historical LPI growth (20.3%)	Short-Term Historical Occupancy Growth <b>4th Strong</b> The market also has benefited from strong short-term historical occupancy growth (3.4%)
	Short-Term Historical Loyalty Contribution Growth <b>102nd Soft</b> The market has been hindered by weak short-term historical loyalty contribution growth (-0.5%)	Overall Health of Hotel Market <b>97th Soft</b> We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	Long-Term Historical Booking Costs POR Growth <b>96th Soft</b> Arkansas State Area, AR also exhibited high long-term historical booking costs POR growth (4.8%)

Market Performance Stage



Arkansas State Area, AR: Regeneration Stage

The Arkansas State Area, AR 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 challenged whether by lingering 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 Chicago, IL; Detroit, MI; and Houston, TX.

**Other Stages:**

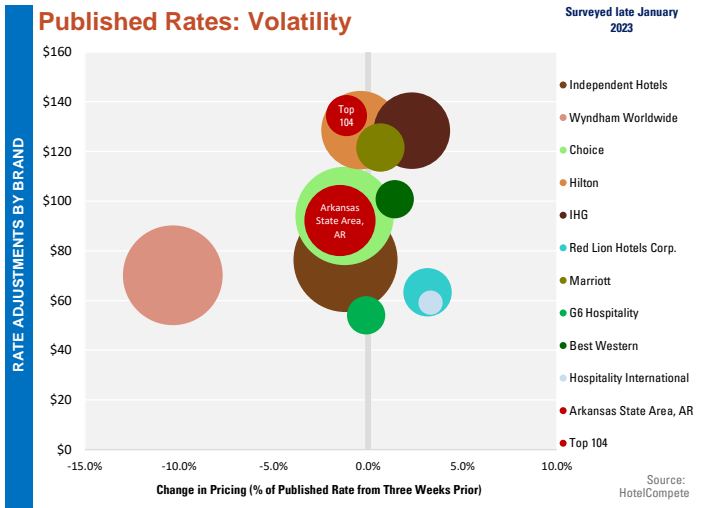
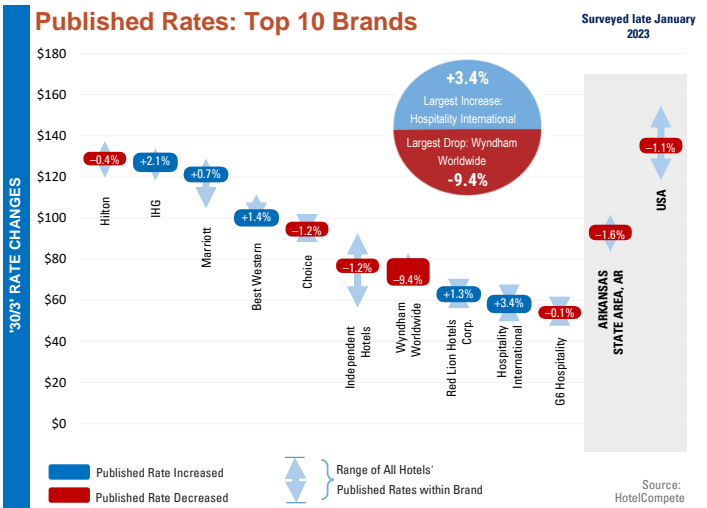
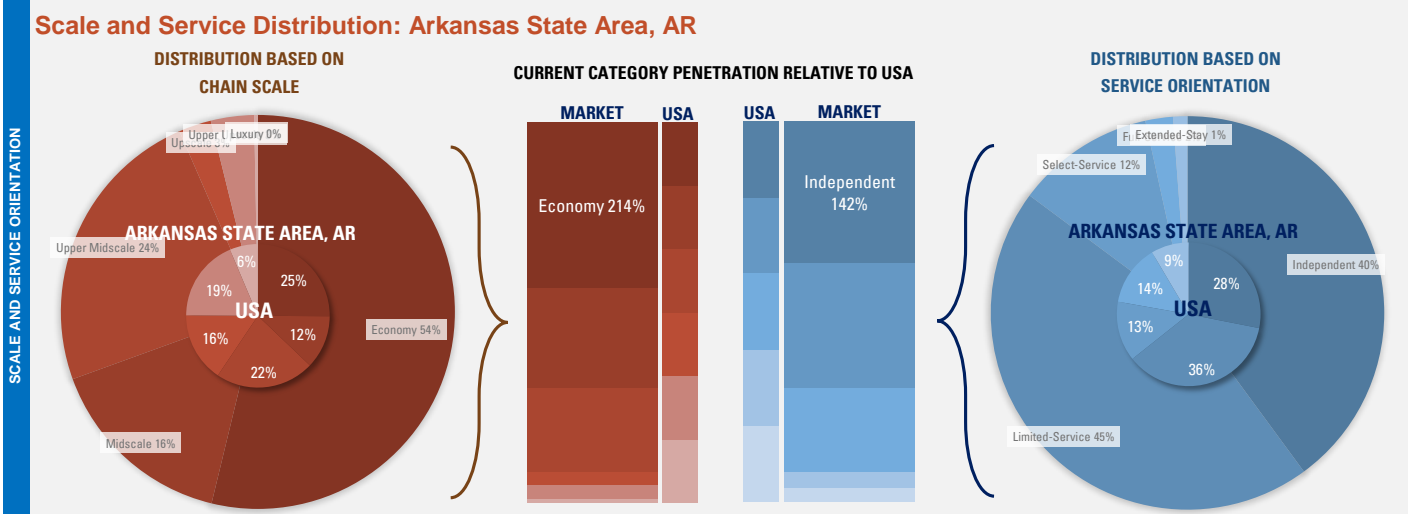
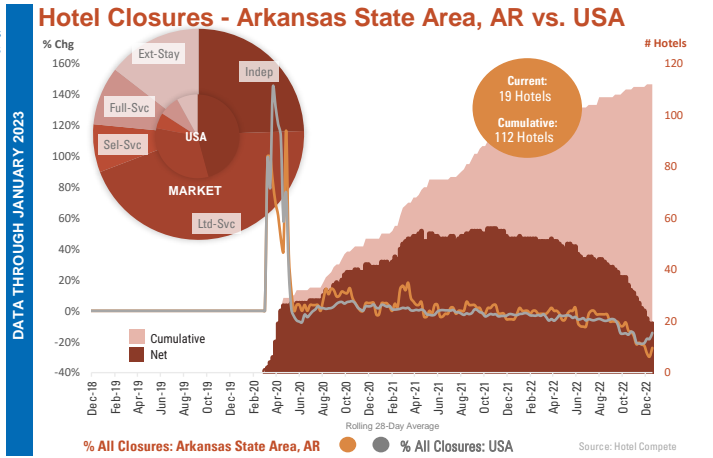
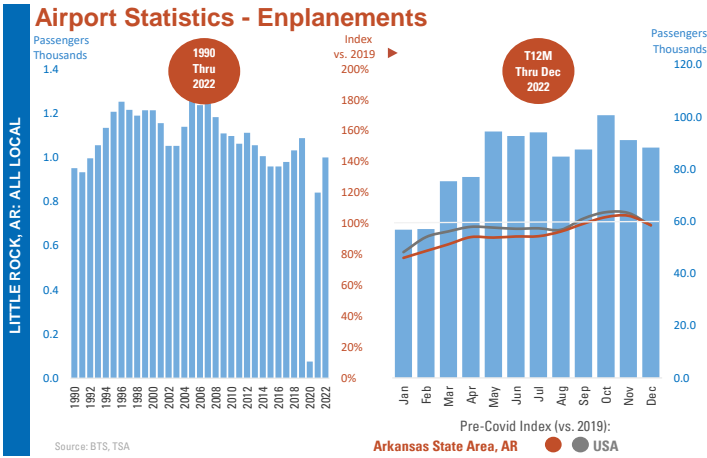
- Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Miami, FL; and Myrtle Beach, SC.
- 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 Atlanta, GA; Charlotte, NC; and Columbus, OH.
- 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; Austin, TX; and Boston, MA.

Industry Observations

**Business Cycle:** Employment Growth (2 yr): 0.8%  
**Risk Exposure (402 US markets):** 92nd Percentile: High Risk  
**Key Industry Notes:** Defense, medical center  
 Well-developed infrastructure  
 Regional healthcare hub  
 Low business costs  
 Tight job market

**Moody's Rating**  
**Aa1**  
 Investment Grade  
 Long-term investment grade, Prime-1 short-term outlook





### Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	<b>101st</b> Soft	<b>68th</b> Below Average	<b>80th</b> Below Average
	The 30-day advanced published rate for the market was a very conservative \$92.20, ranking 101st out of 104 markets. (Guest-Paid ADR ranked a conservative 94th at \$97.32 in 4Q 2022.)	Published rates have recently been moving downward, decreasing by a modest 1.6% over three weeks going into late January 2023. By comparison, the T-104 average posted downward movement of 1.13%.	Published rates reported in late January 2023 were 5.3% lower than the market's Guest-Paid ADR in 4Q 2022. This optimism is below average. By comparison, the T-104 spread was -13.9%.

### Published Rate Observations: 30-Day Advance

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	<b>31st</b> Above Average	<b>81st</b> Below Average	<b>38th</b> Moderate
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Arkansas State Area, AR has a below average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	Arkansas State Area, AR's top 10 brands are exhibiting moderate volatility with respect to advanced booking pricing movements in the three weeks leading into late January 2023.

# 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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**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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### Feasibility

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