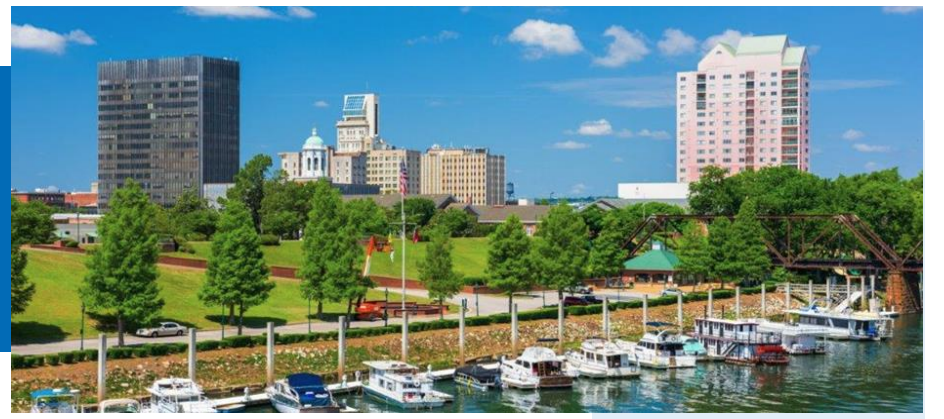
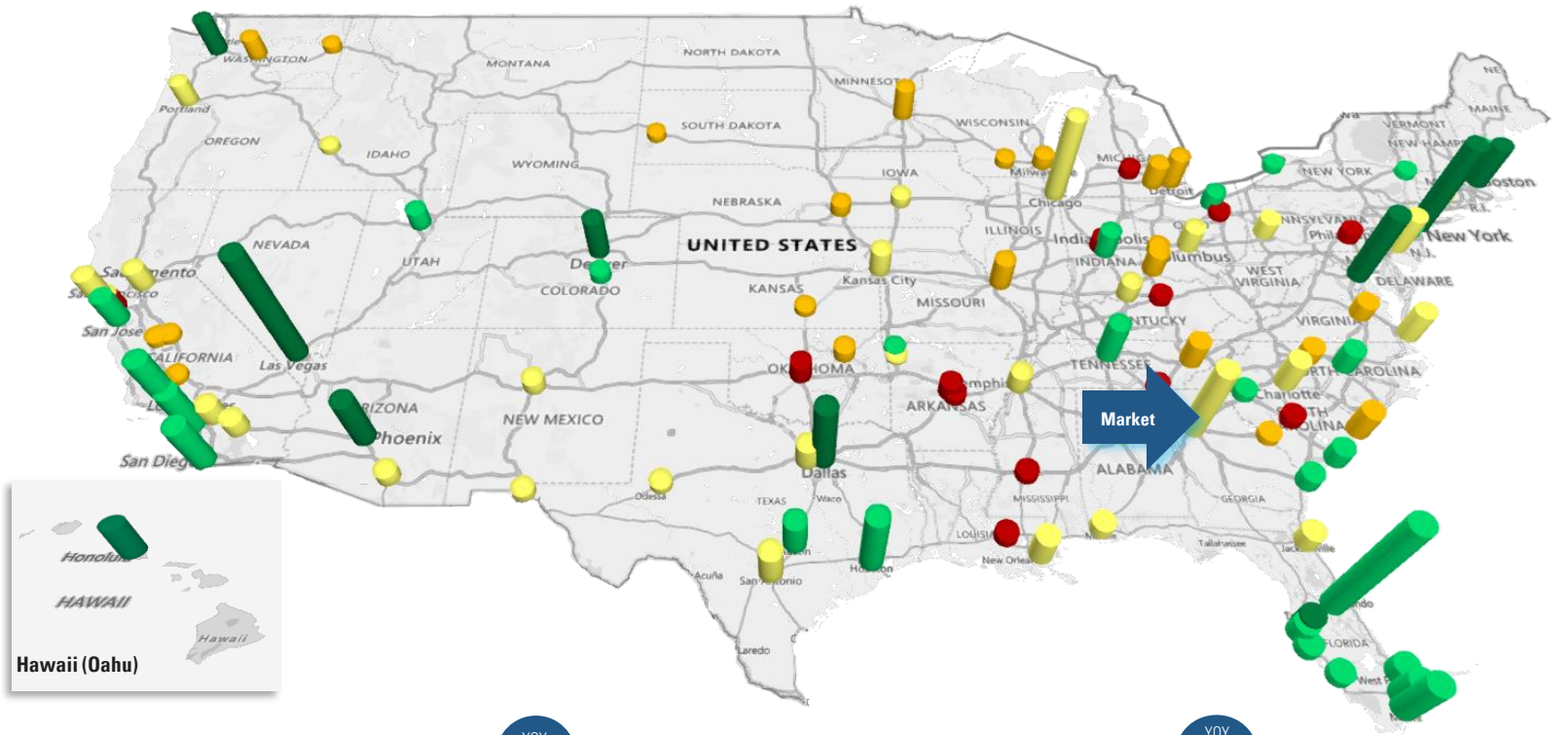
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

3Q 2024
AUGUSTA, GA

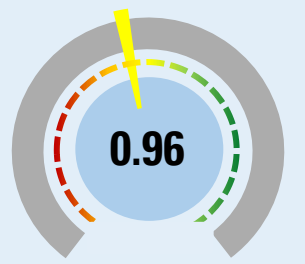


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

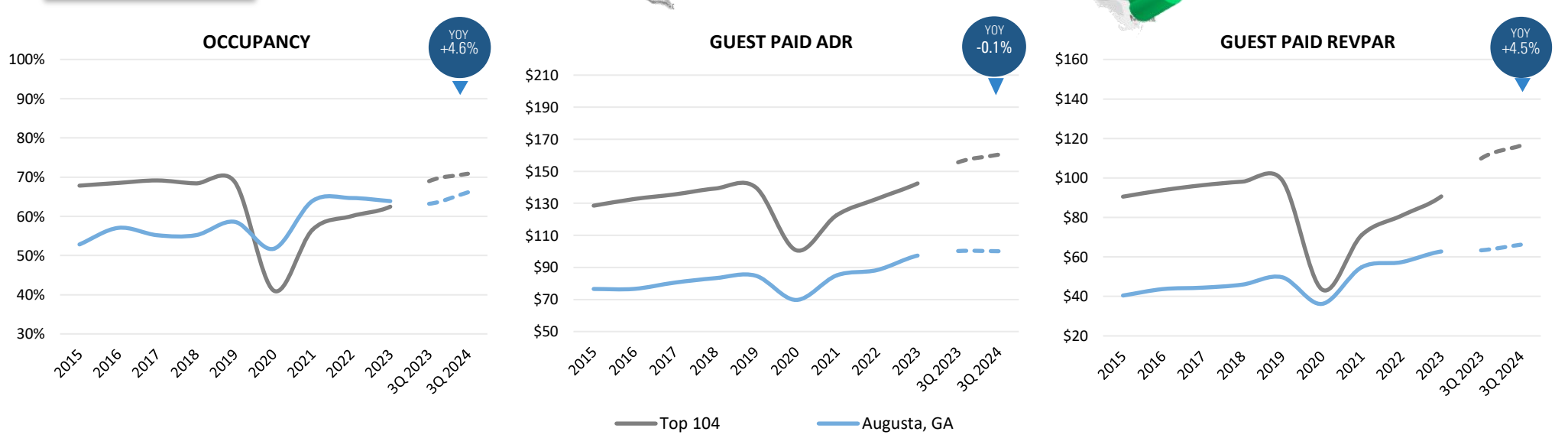
Augusta, GA



65th of 104
Average

Ranking of overall '3Q 2024 LPI' performance (0.96) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
66.1% / 70.9%	63.0% / 67.9%	$100 / $160	$105 / $160	$66 / $116	$67 / $112
3Q 2024	T12 Mos.	3Q 2024	T12 Mos.	3Q 2024	T12 Mos.
76th	71st	101st	93rd	97th	91st

BENCHMARK INDEXES

Key Benchmark Indexes

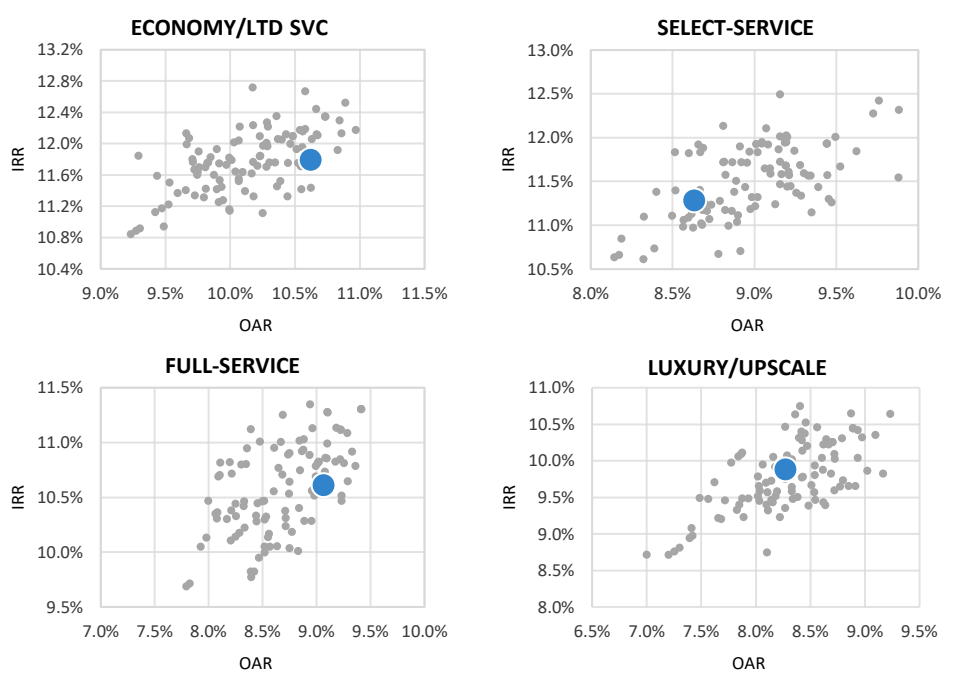
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
48.2% / 47.6%	48.8% / 52.4%	2.38 / 2.06	2.51 / 2.07	$6.77 / $12.17	$6.77 / $11.83
3Q 2024	T12 Mos.	T12 Mos.	3Q 2024	3Q 2024	T12 Mos.
62nd	50th	5th	6th	2nd	2nd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

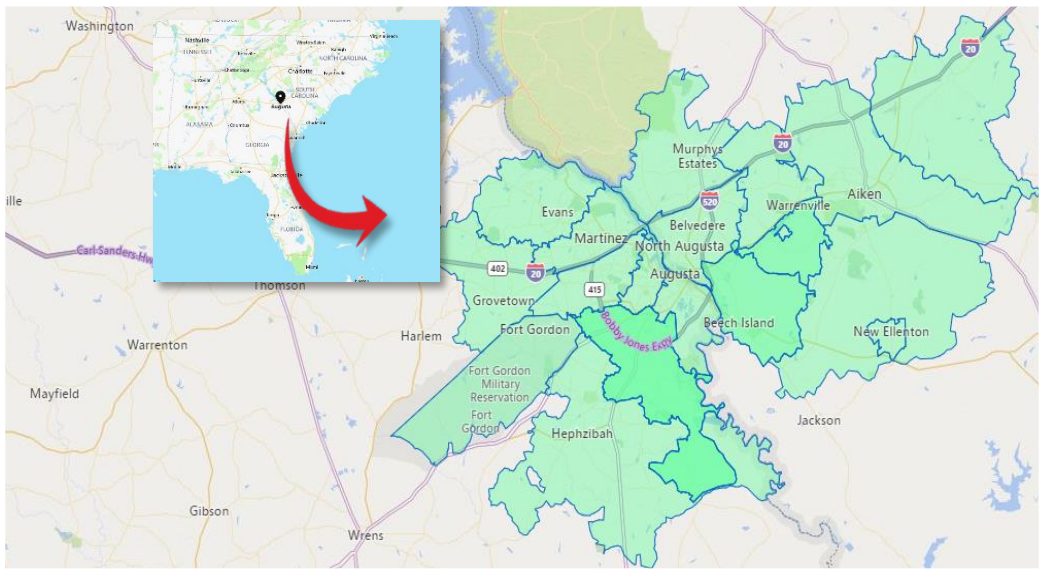
Revenue Stability	Supplier Power Trend	Investment Yields
11th	45th	55th
Above Average	Average	Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs 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
90th	50th	7th
Low Risk	Average Risk	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:	Augusta
County:	Richmond County
State:	Georgia
Geo Coordinates (market center):	33.36149, -82.075

Major Hotel Demand Generators

U.S. Army Signal Center & Fort Gordon | Washington Savannah River Company | Georgia Regents University | Augusta University | Augusta University Hospitals | James A. Haley Veterans Hospital | Bridgestone Corp. | East Central Regional Hospital | Sitel Corp. | E-Z-GO/Textron | Doctors Hospital | Kimberly-Clark Corp. | John Deere | St. Joseph Hospital | Plant Vogtle | Procter & Gamble Manufacturing Co. | Tyco Healthcare-Kendall | Covidien | Club Car Inc. | Morris Communications Corp.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	414,126	90th of 104 (Small)
Income per Capita	$42,176	74th of 104 (Below Average)
Feeder Group Size	70.1 Persons PSR	50th of 104 (Average)
Feeder Group Earnings	$2,956,493 PSR	34th of 104 (Above Average)
Total Market Hotel Revenues	$230.4 million	97th 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	52.8%	$76.58	$40.46	$71.89	$37.97	$4.70	93.9%	37.6%	2.20	9,270	0.50
2016	57.1%	$76.62	$43.71	$71.98	$41.07	$4.64	93.9%	38.4%	2.27	9,240	0.82
2017	55.2%	$80.54	$44.44	$75.38	$41.59	$5.17	93.6%	42.1%	2.23	9,250	0.49
2018	55.2%	$83.31	$45.98	$77.96	$43.02	$5.35	93.6%	45.1%	2.25	9,160	0.72
2019	58.6%	$84.86	$49.71	$79.33	$46.47	$5.53	93.5%	49.5%	2.33	9,840	0.79
2020	51.7%	$69.72	$36.23	$65.48	$33.86	$4.24	93.9%	41.5%	2.65	9,750	1.28
2021	63.9%	$85.05	$54.79	$79.71	$50.96	$5.34	93.7%	43.1%	2.53	9,630	1.17
2022	64.7%	$88.39	$57.34	$82.78	$53.52	$5.61	93.7%	42.7%	2.49	9,640	0.91
2023	63.9%	$97.42	$62.77	$91.29	$58.31	$6.12	93.7%	42.5%	2.42	9,650	1.00
CAGR: 2015 thru 2023	2.4%	3.1%	5.6%	3.0%	5.5%	3.4%	0.0%	1.5%	1.2%	0.5%	9.0%
3Q 2023	63.2%	$100.26	$63.35	$93.58	$59.12	$6.69	93.3%	48.0%	2.38	9,660	0.81
3Q 2024	66.1%	$100.15	$66.22	$93.39	$61.75	$6.77	93.2%	48.2%	2.51	9,510	0.96

Notable Metrics

HIGHEST

Latest-Quarter Booking Costs POR	T12-Month Booking Costs POR	Latest-Quarter Average Length of Stay
2nd	**2nd**	**5th**
Very Strong	Very Strong	Strong
Augusta, GA enjoyed low latest–quarter booking costs POR ($6.77)	The market enjoyed low T12–month booking costs POR ($6.77)	The market also boasted strong latest–quarter average length of stay (2.51 Nights)

LOWEST

Latest-Quarter COPE ADR	Latest-Quarter Guest Paid ADR	Latest-Quarter Guest Paid RevPAR
101st	**101st**	**97th**
Soft	Soft	Soft
This market exhibited weak latest–quarter COPE ADR ($93.39)	The market has been hampered by weak latest–quarter Guest Paid ADR ($100.15)	Augusta, GA also posted weak latest–quarter Guest Paid RevPAR ($66.22)

Notable Trends

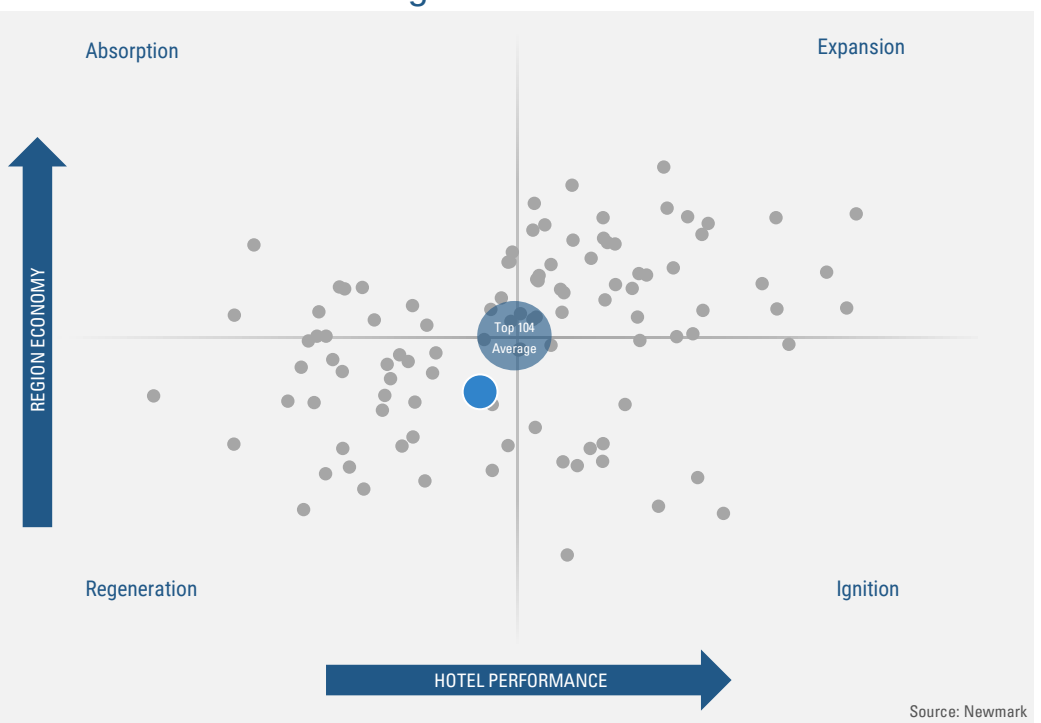
STRONGEST

Long-Term Historical Occupancy Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
2nd	**5th**	**5th**
Very Strong	Strong	Strong
Augusta, GA enjoyed strong long–term historical occupancy growth (1.1%)	The market enjoyed strong long–term historical LPI growth (7.7%)	The market also has benefited from strong short–term historical LPI growth (10.0%)

WEAKEST

Short-Term Historical Booking Costs POR Growth	Short-Term Historical Loyalty Contribution Growth	Short-Term Historical Supply Growth
96th	**93rd**	**82nd**
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 short–term historical loyalty contribution growth (2.8%)	Augusta, GA also has been burdened by high short–term historical supply growth (0.3%)

Market Performance Stage



Source: Newmark

Augusta, GA: Regeneration Stage

Regeneration

The Augusta, GA 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):	0.9%
Risk Exposure (402 US markets):	33rd Percentile: Below Average
Key Industry Notes:	Excellent medical institutions
	Reduced cyclical downturns
	Fort Eisenhower
	Low educational attainment of workforce
	Low per capita income

Moody's Rating

Aa2

Investment Grade

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

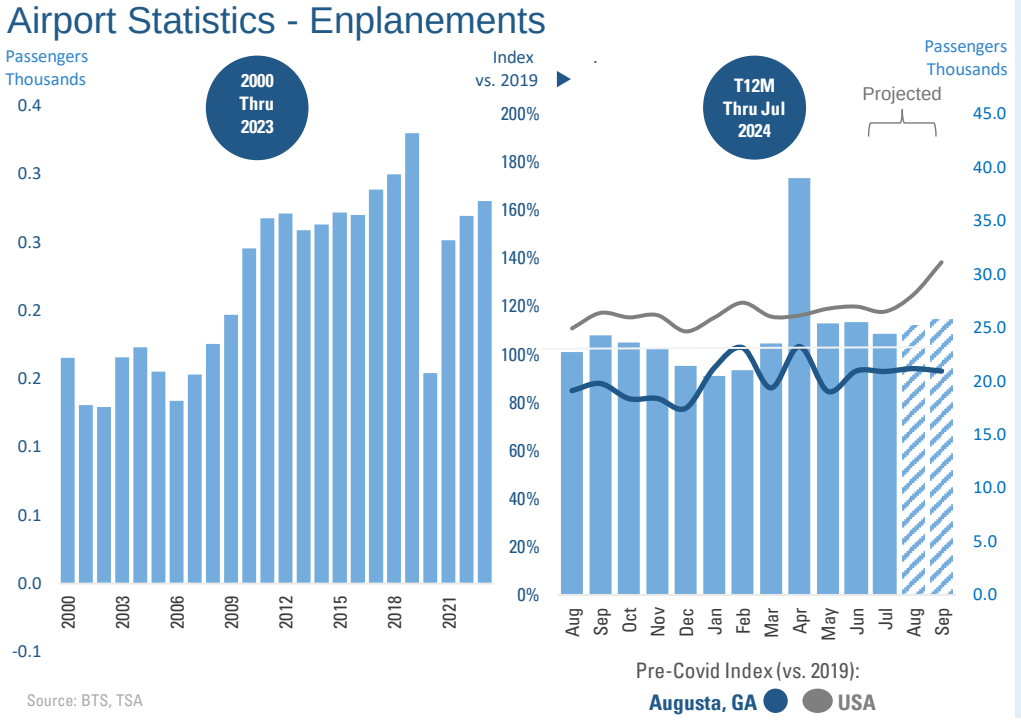
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

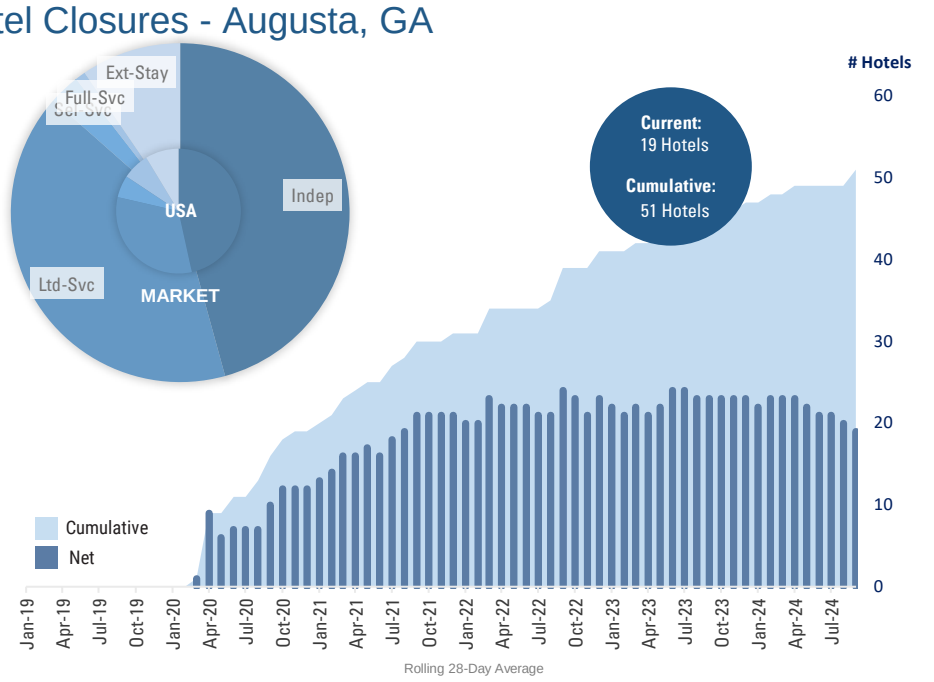
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

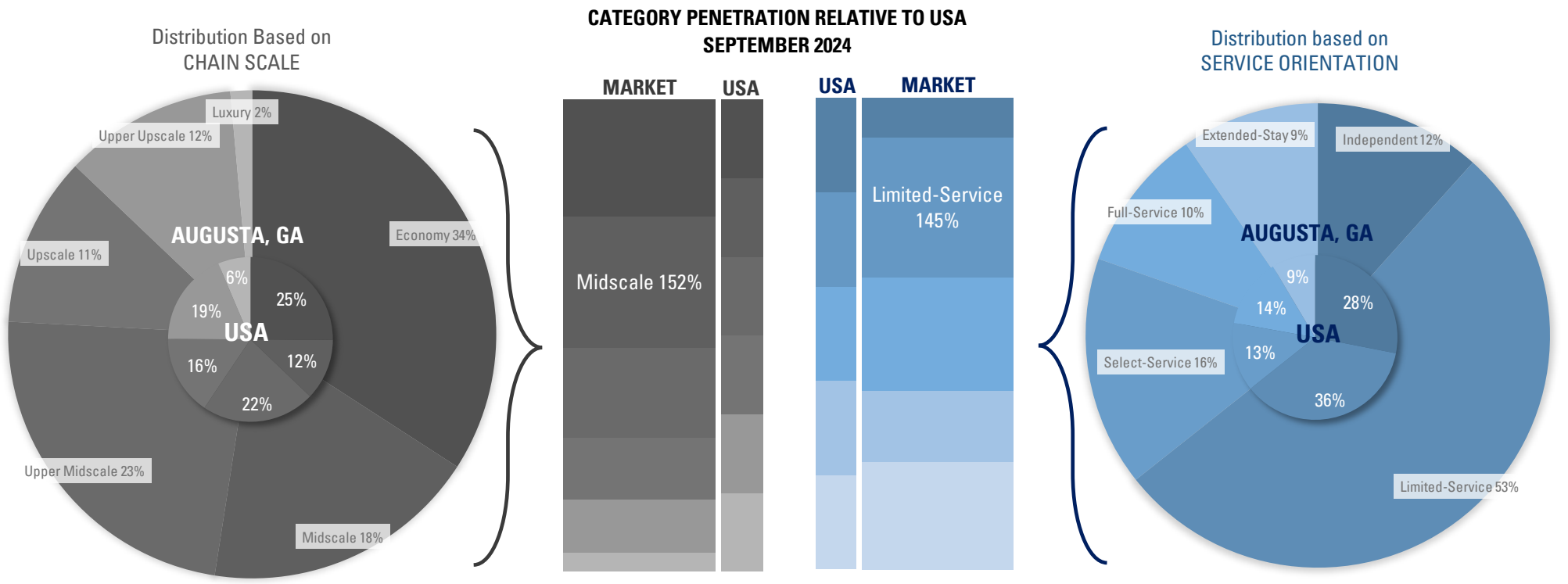
Hotel Closures - Augusta, GA



Source: Hotel Compete

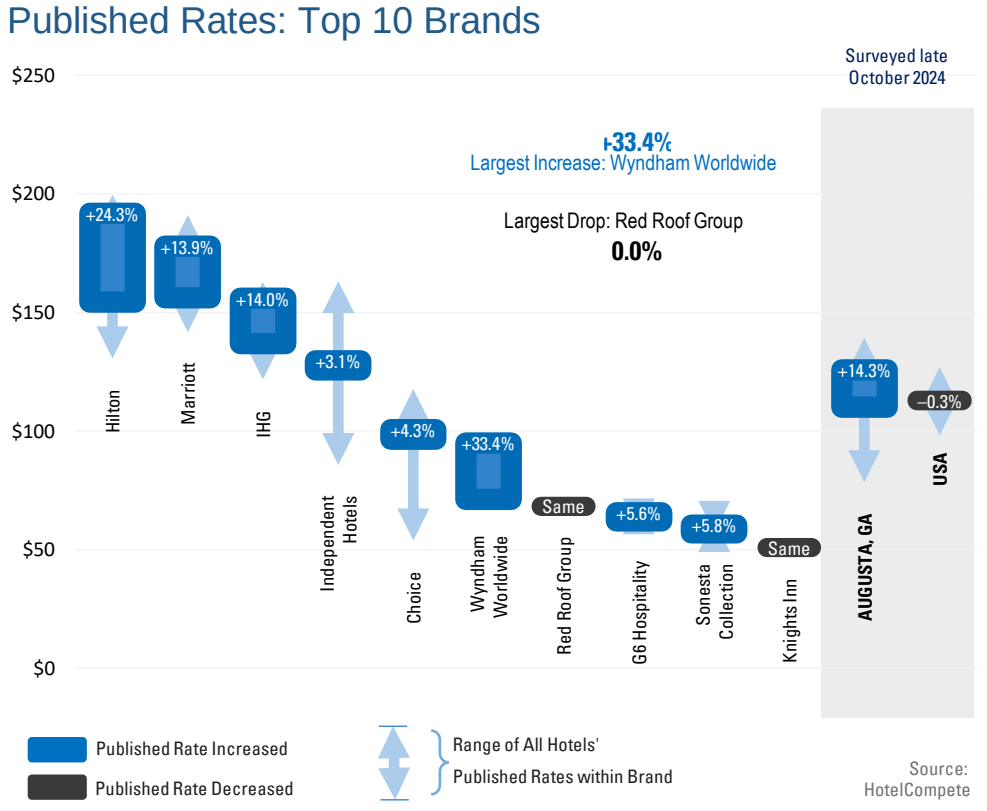
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Augusta, GA



'30/3' RATE CHANGES: AUGUSTA, GA vs. USA

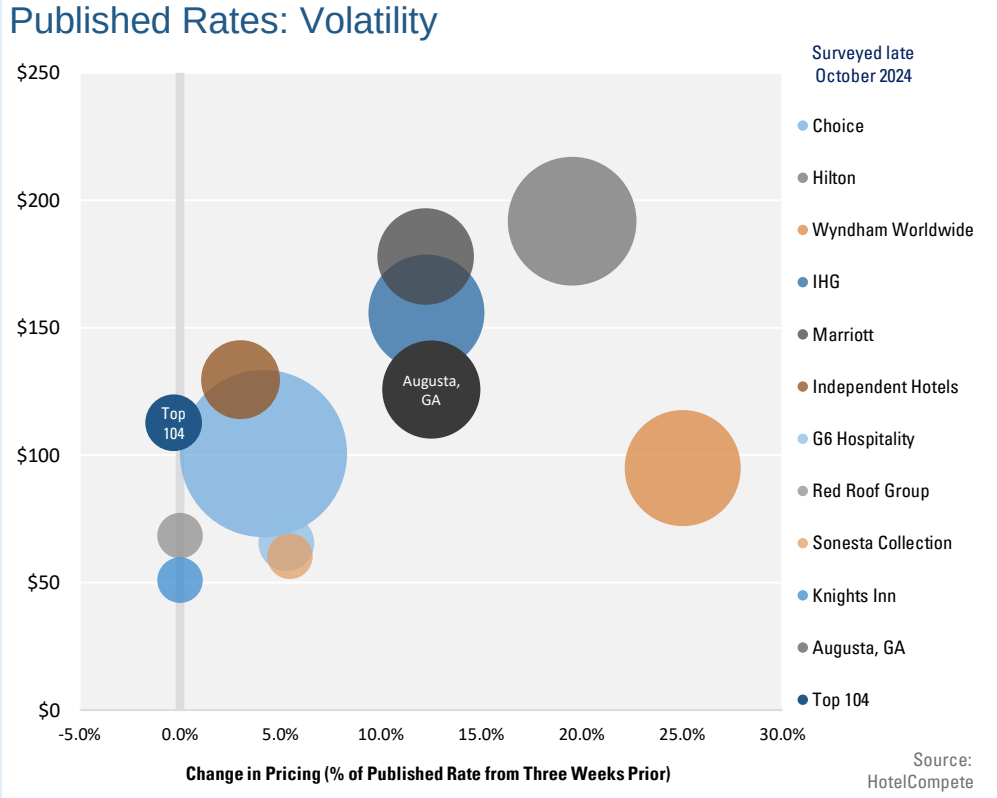
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

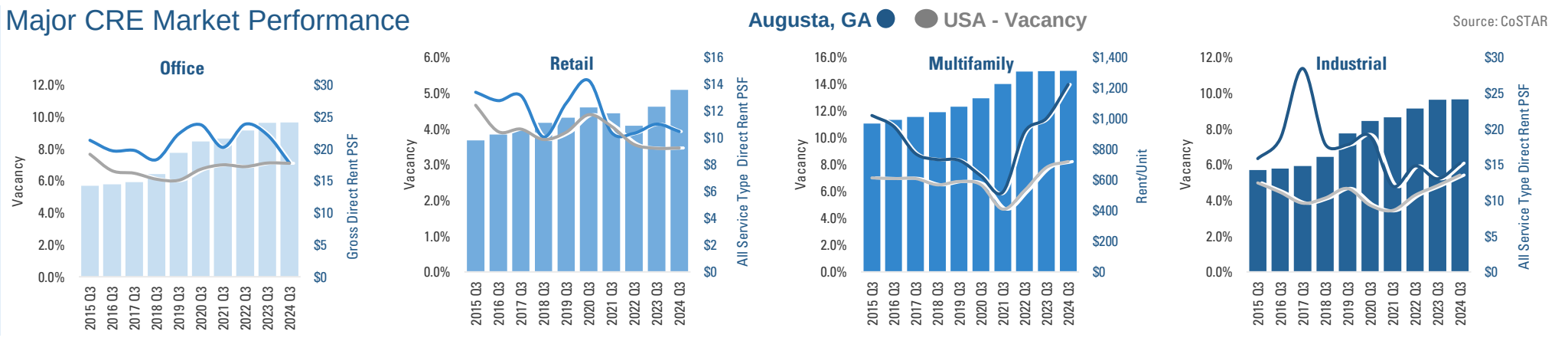
Published Rates: Volatility



Source: HotelCompete

MAJOR C.R.E. METRICS

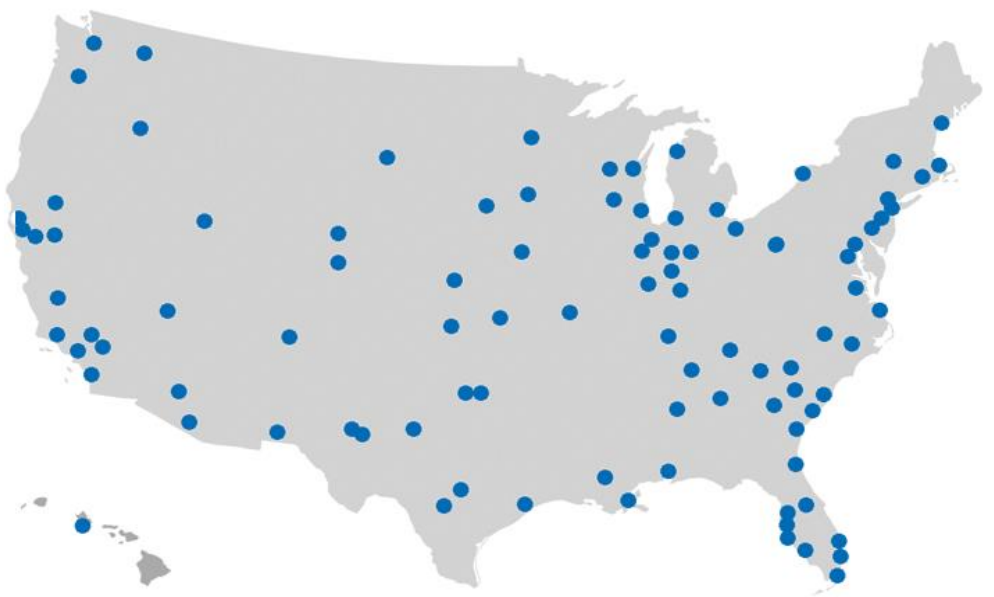
Major CRE Market Performance



Source: CoSTAR

NEWMARK

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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Golf Courses

Marinas

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