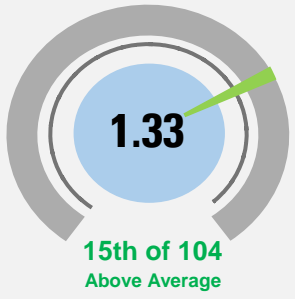


2Q 2022 AUSTIN, TX



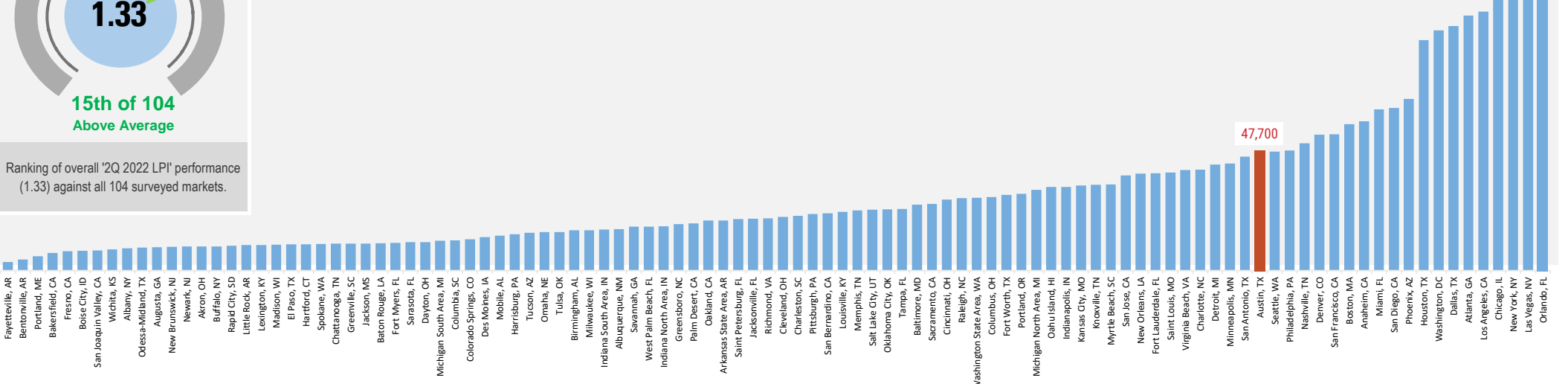
Fundamentals Dashboard

Lodging Performance Index

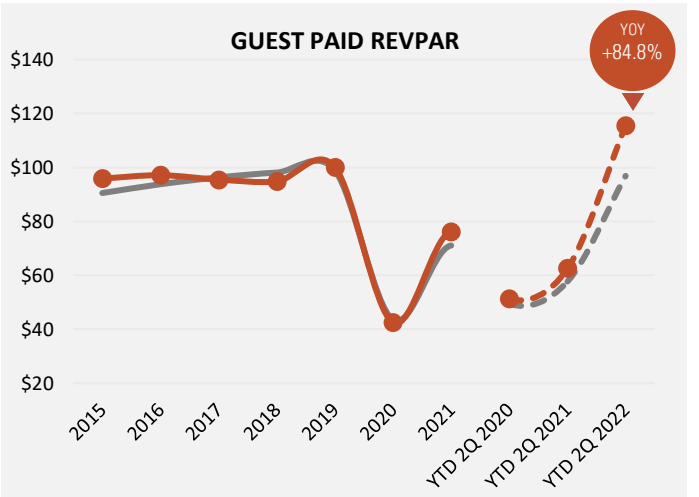
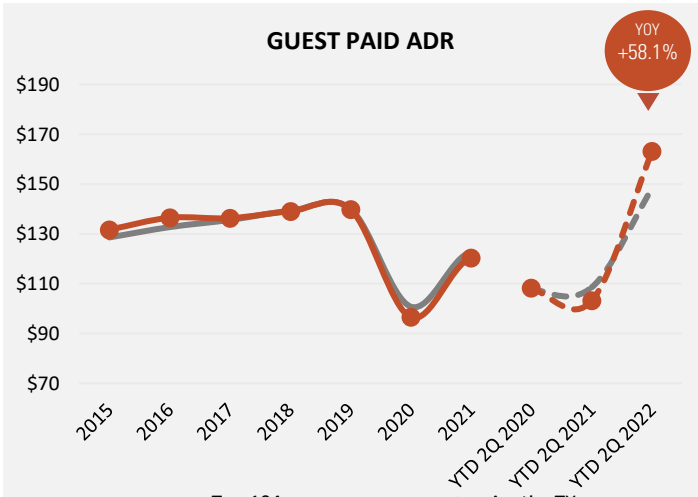
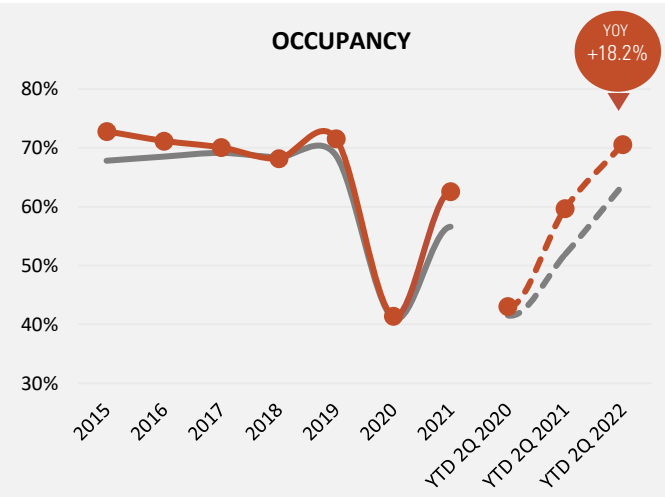


Ranking of overall '2Q 2022 LPI' performance (1.33) against all 104 surveyed markets.

ROOM SUPPLY RANKING vs. MAJOR US MARKETS

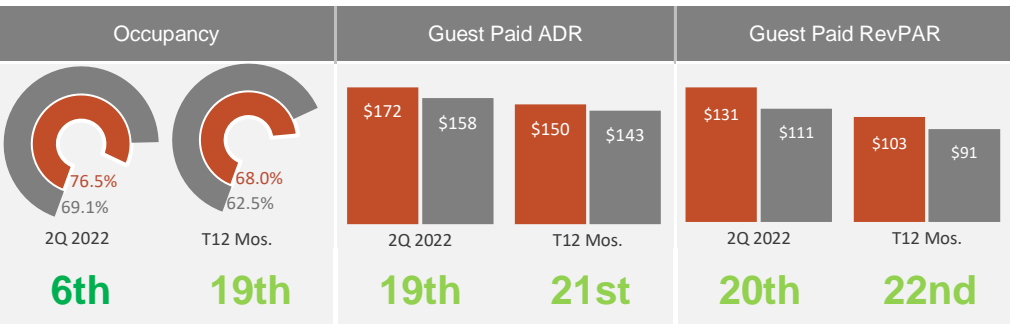


KEY PERFORMANCE METRICS

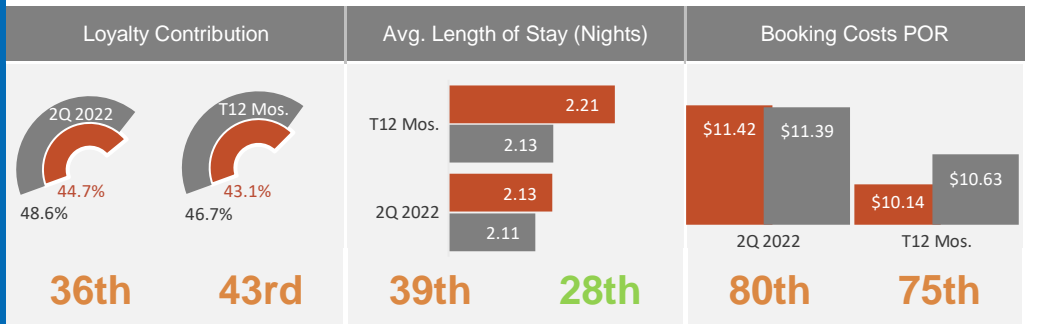


Key Performance Indexes

● Subject Market ● Top 104

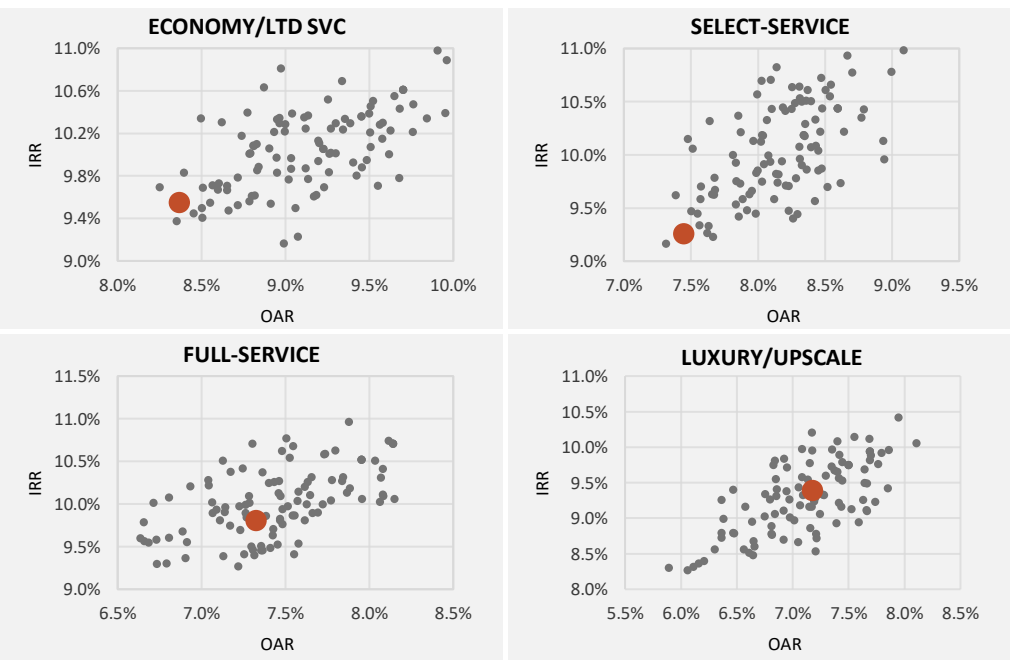


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

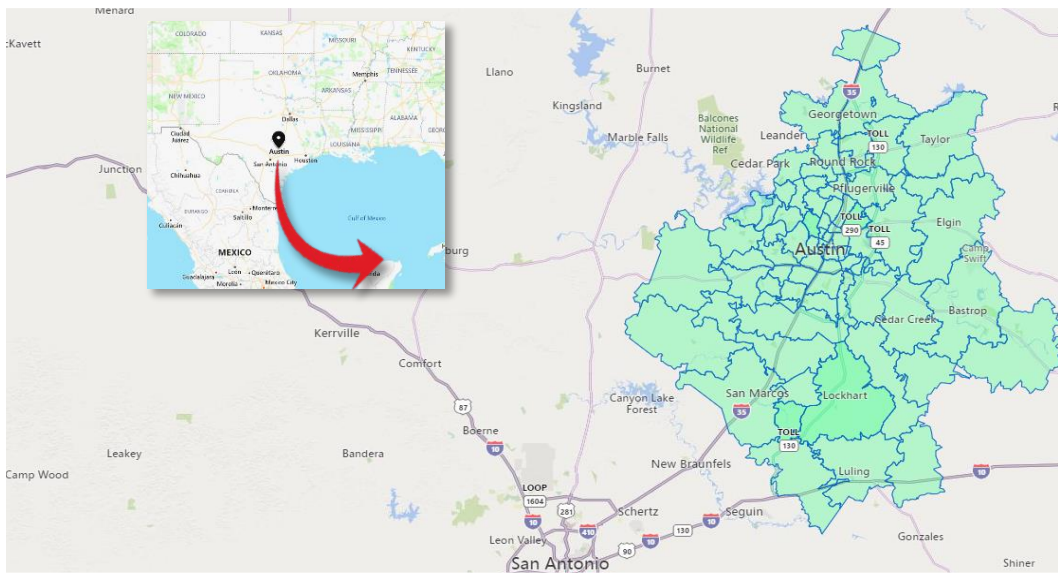


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Austin	
County:	Bastrop County, Hays County, Travis County, and others	
State:	Texas	
Geo Coordinates (market center):	30.30116, -97.7527	
Major Hotel Demand Generators		
University of Texas at Austin Dell Inc. Seton Healthcare Network Walmart Inc. St. David's Healthcare Samsung Austin Semiconductor Apple Computer IBM Corp. Texas State University - San Marcos Austin Community College NXP Semiconductors Applied Materials AT&T National Instruments Whole Foods Market Keller Williams Realty Accenture Flextronics International Lower Colorado River Authority Spectrum		
Metrics and Ranking		Rankings
Population (hotel market area)	1,671,201	33rd of 104 (Above Average)
Income per Capita	\$63,717	10th of 104 (Above Average)
Feeder Group Size	52.7 Persons PSR	18th of 104 (Above Average)
Feeder Group Earnings	\$3,360,436 PSR	42nd of 104 (Average)
Total Market COPE	\$1.7 billion	20th of 104 (Above Average)

Key Performance Metrics

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	72.8%	\$131.69	\$95.89	\$121.29	\$88.32	\$10.40	92.1%	42.1%	2.19	33,070	1.49
2016	71.2%	\$136.46	\$97.13	\$125.29	\$89.18	\$11.17	91.8%	45.1%	2.13	34,800	1.21
2017	70.1%	\$136.29	\$95.50	\$124.98	\$87.58	\$11.31	91.7%	48.5%	2.12	36,510	1.22
2018	68.2%	\$139.05	\$94.84	\$127.46	\$86.94	\$11.58	91.7%	51.8%	2.06	38,470	1.19
2019	71.6%	\$139.82	\$100.09	\$128.30	\$91.85	\$11.52	91.8%	55.7%	2.03	42,110	1.39
2020	41.4%	\$96.47	\$42.50	\$90.02	\$37.23	\$6.45	93.3%	39.5%	2.40	42,980	0.91
2021	62.6%	\$120.21	\$76.19	\$111.84	\$69.96	\$8.37	93.0%	41.2%	2.38	45,400	1.20
CAGR: 2015 thru 2021	-2.5%	-1.5%	-3.8%	-1.3%	-3.8%	-3.5%	0.2%	-0.4%	1.4%	5.4%	-3.6%
YTD 2Q 2020	43.0%	\$108.25	\$51.37	\$101.28	\$48.02	\$6.97	93.6%	40.8%	2.39	42,280	1.31
YTD 2Q 2021	59.7%	\$103.14	\$62.53	\$95.96	\$58.16	\$7.18	93.0%	40.3%	2.51	44,460	1.07
YTD 2Q 2022	70.5%	\$163.03	\$115.55	\$152.31	\$107.94	\$10.73	93.4%	44.0%	2.19	46,880	1.33
% Change	18.2%	58.1%	84.8%	58.7%	85.6%	49.4%	0.4%	9.3%	-12.9%	5.4%	24.0%

Data provided by: kalibri LABS

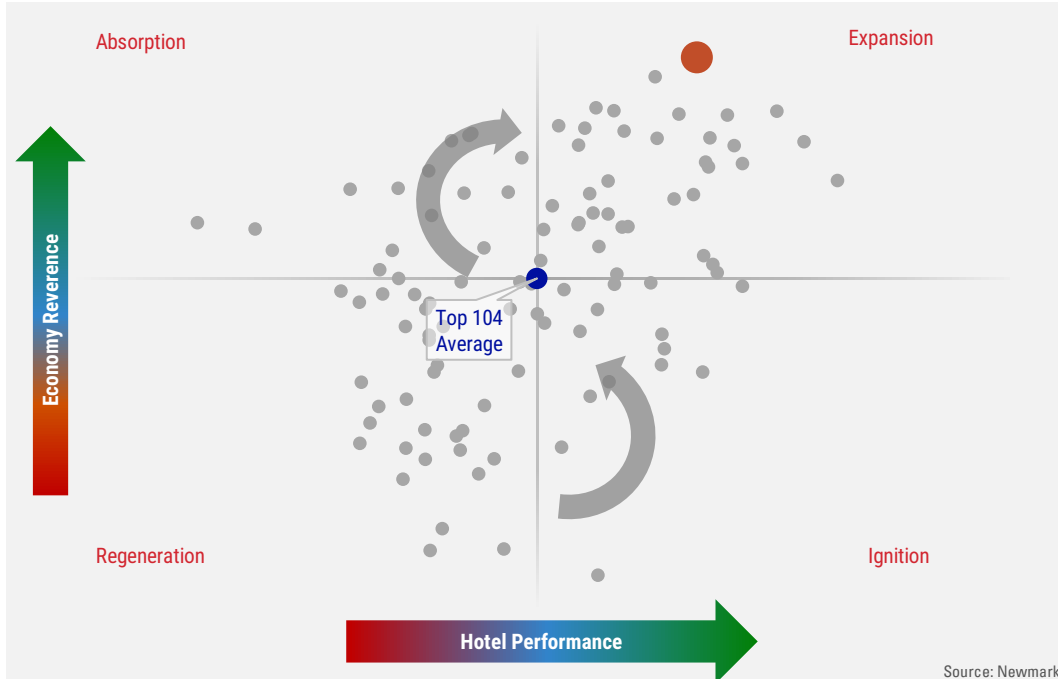
Notable Metrics

HIGHEST	OAR: Economy/Ltd Svc	Economy Median Income	IRR: Select-Service
	3rd Highly Favorable Austin, TX exhibited favorable OAR metrics in the economy/ltd svc segment (8.4%)	10th Above Average The market exhibited strong Economy Median Income (\$63,717)	3rd Highly Favorable The market also posted favorable IRR metrics in the select-service segment (9.3%)
LOWEST	Population Density per Room	Latest-Quarter Booking Costs POR	Feeder Population Per Room
	80th Below Average This market has been hindered by weak population density per room (35.05)	80th Below Average The market has been burdened by high latest-quarter booking costs (\$11.42)	78th Below Average Austin, TX also posted a low ratio of feeder population per room (24.47)

Notable Trends

FASTEST	General Economy Reversion	Short-Term Historical Supply Growth	Overall Health of Hotel Market
	1st Strong Austin, TX enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)	2nd Strong The market has benefited from low short-term historical supply growth (4.5%)	15th Above Average The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
SLOWEST	Long-Term Historical Supply Growth	T12-Month Rooms Supply Growth	Short-Term Historical Loyalty Contribution Growth
	104th Soft The market has been burdened by high long-term historical supply growth (5.4%)	101st Soft We note this area has been hindered by high rooms supply growth over the last 12 months (6.1%)	96th Soft Austin, TX also has been hindered by weak short-term historical loyalty contribution growth (0.2%)

Market Performance Stage



Austin, TX: Expansion Stage

The Austin, TX market is currently in the 'Expansion' stage of the performance cycle. In this 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 Boston, MA.

Other Stages:

- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged whether by 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; Columbus, OH; and Detroit, MI.
- Ignition:** In the 'Ignition' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Las Vegas, NV; and Miami, FL.
- Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will recover from the COVID-19 crisis, 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 Charlotte, NC; Kansas City, MO; and Minneapolis, MN.

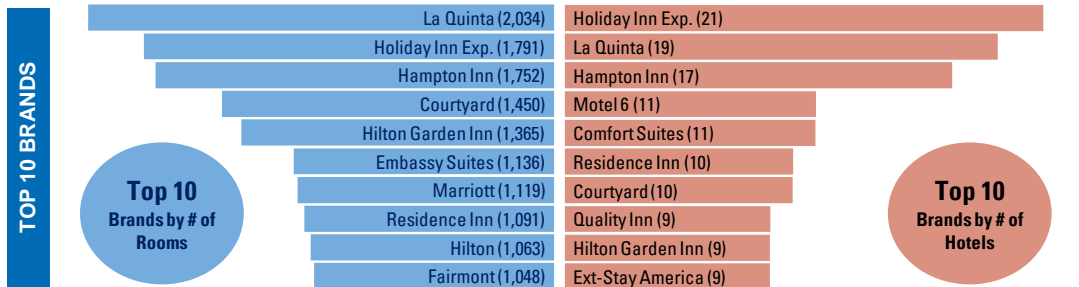
Industry Observations

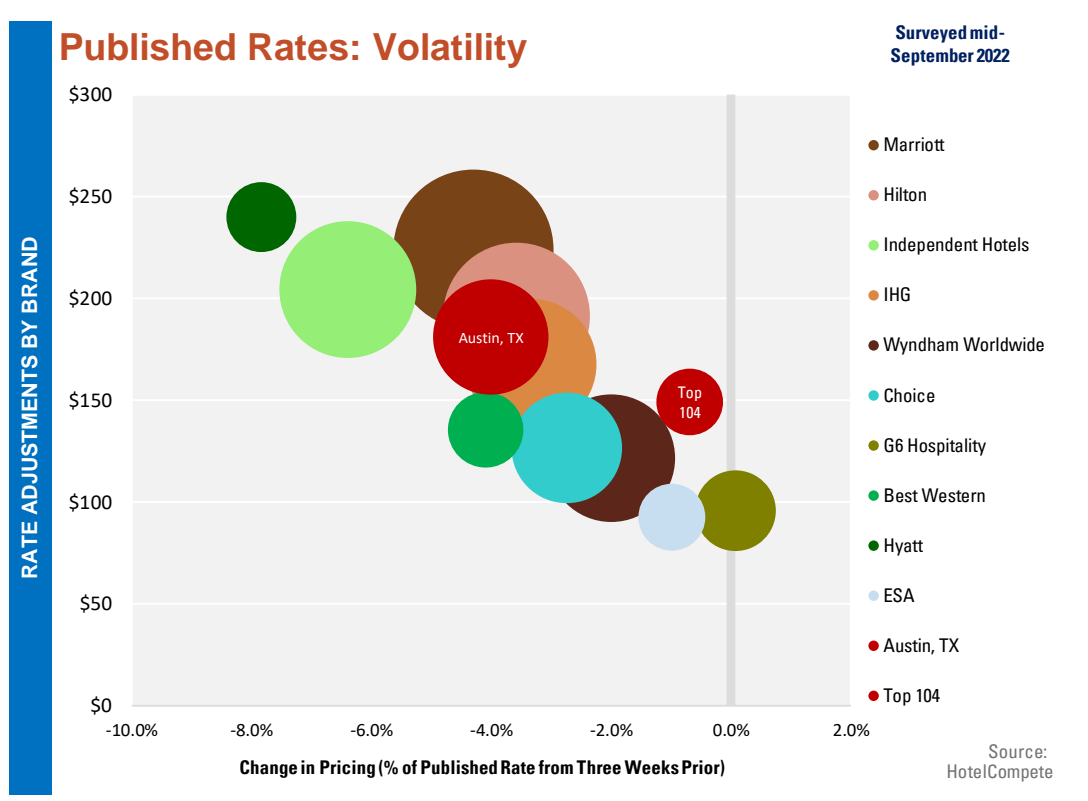
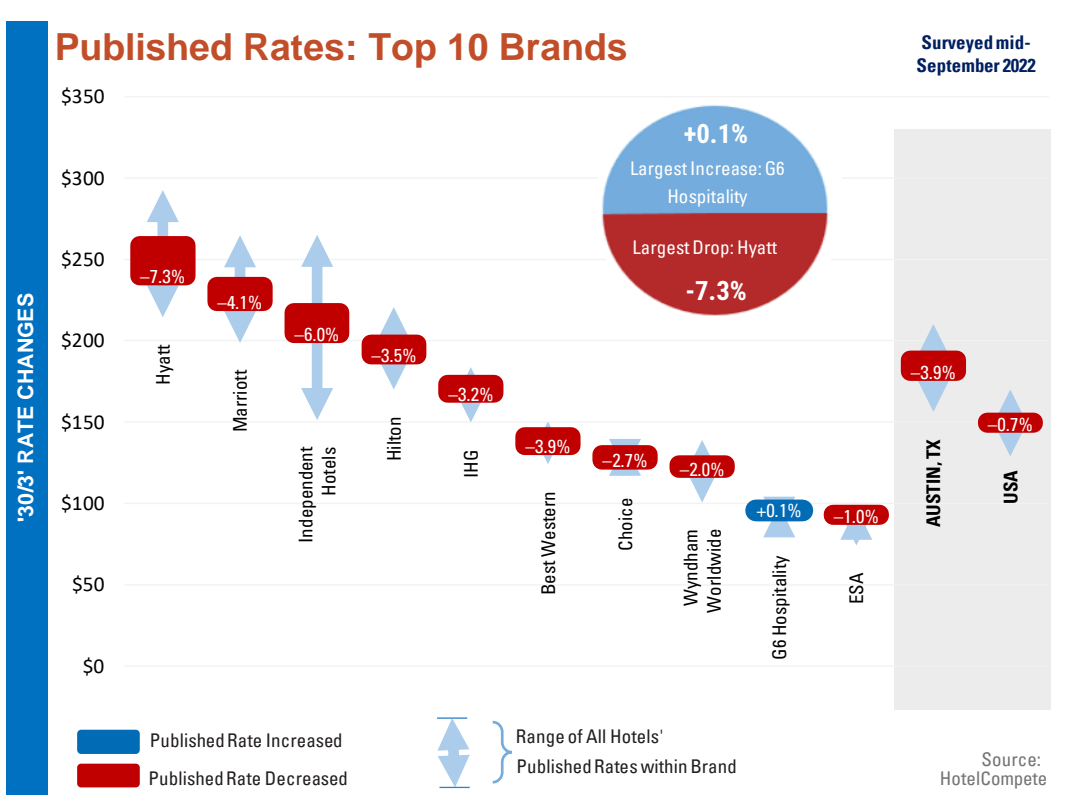
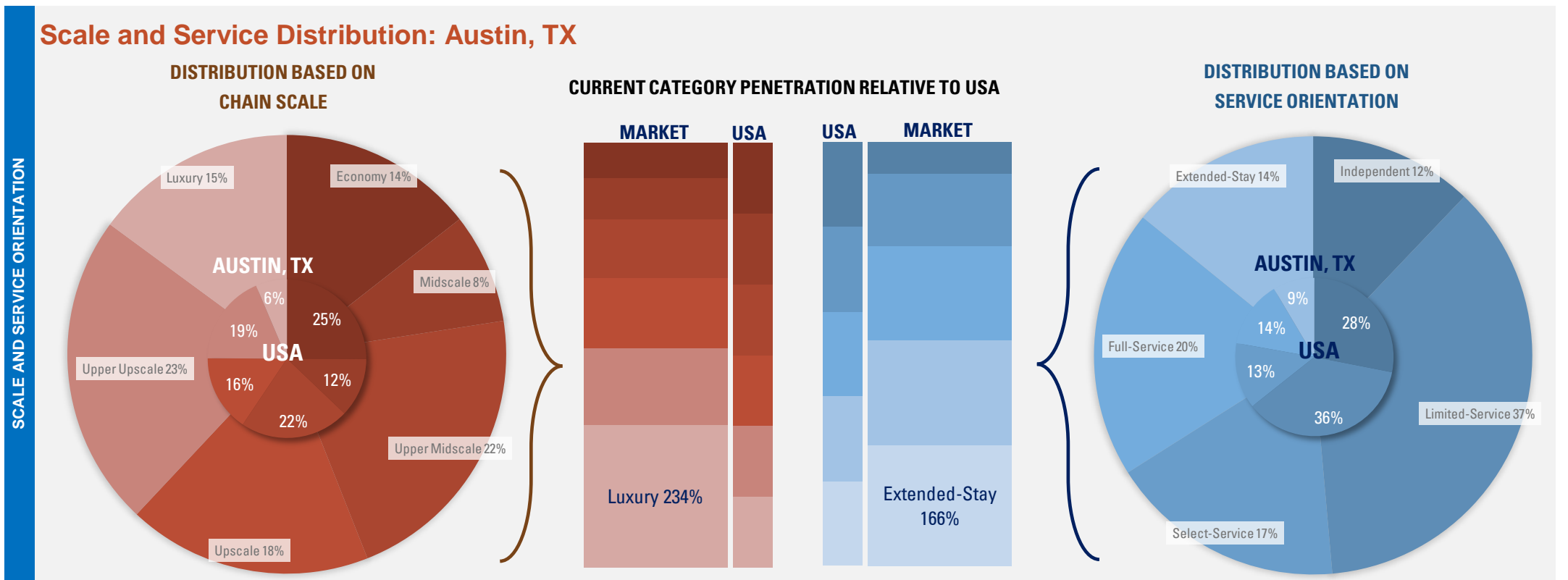
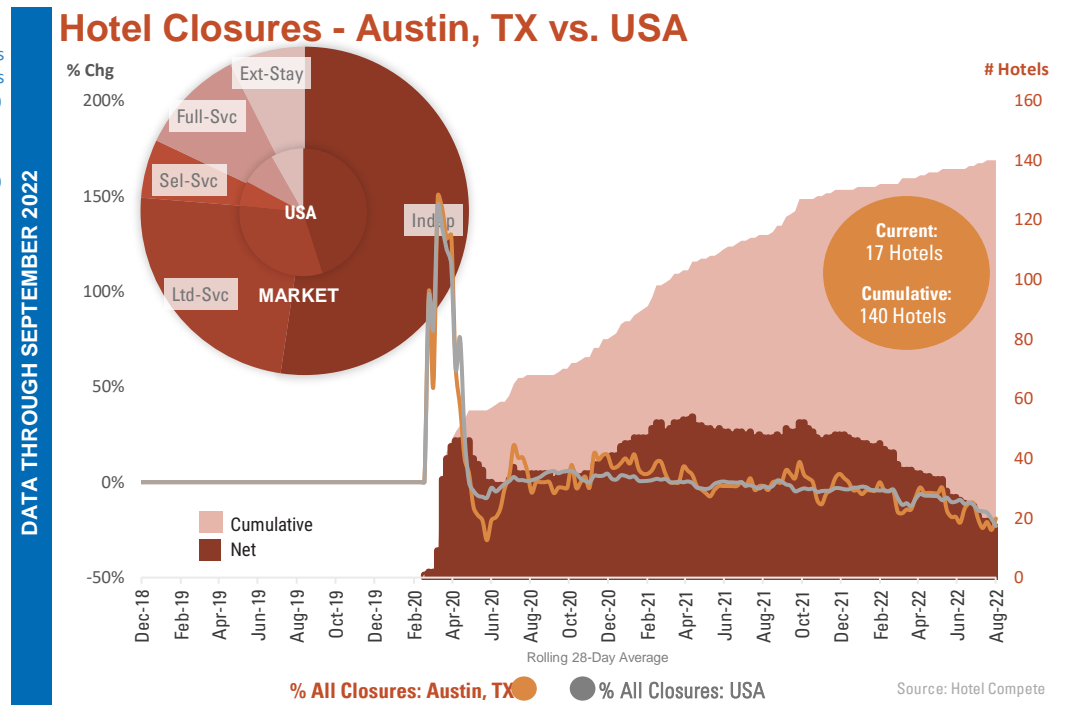
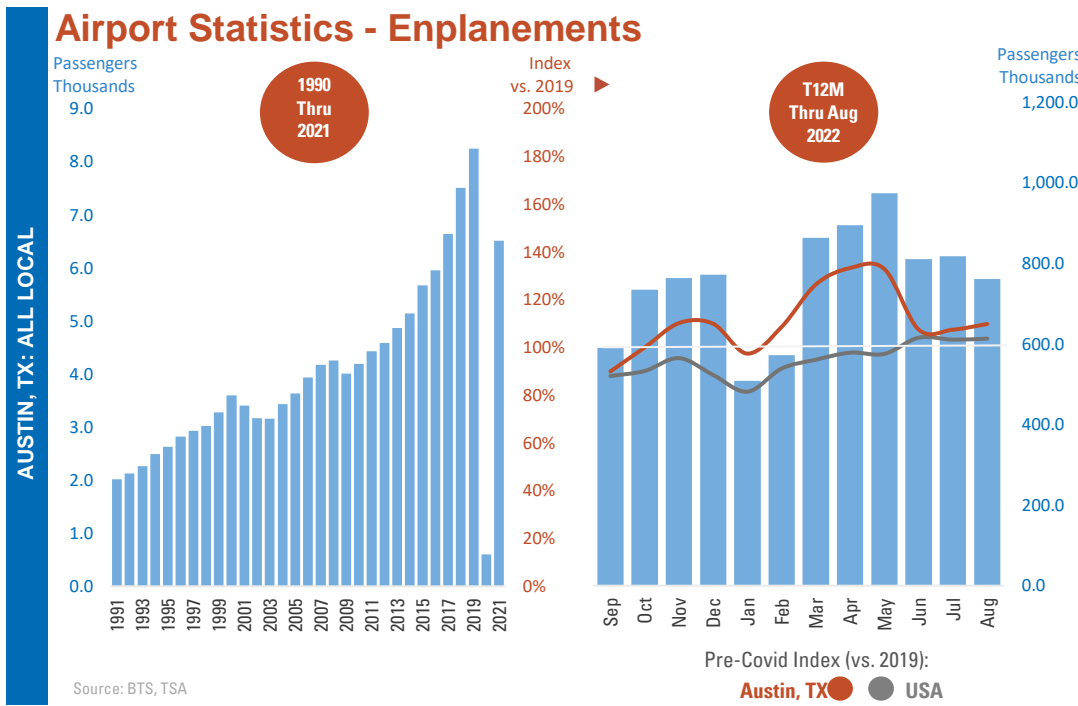
Business Cycle: In Expansion
Employment Growth (2 yr): 2.2%
Risk Exposure (402 US markets): 4th Percentile: Low Risk
Key Industry Notes: College town, high tech
 Strong population growth
 Well-educated labor force
 Foreign high-tech business
 High cost of living

Moody's Rating

Aaa
Investment Grade

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



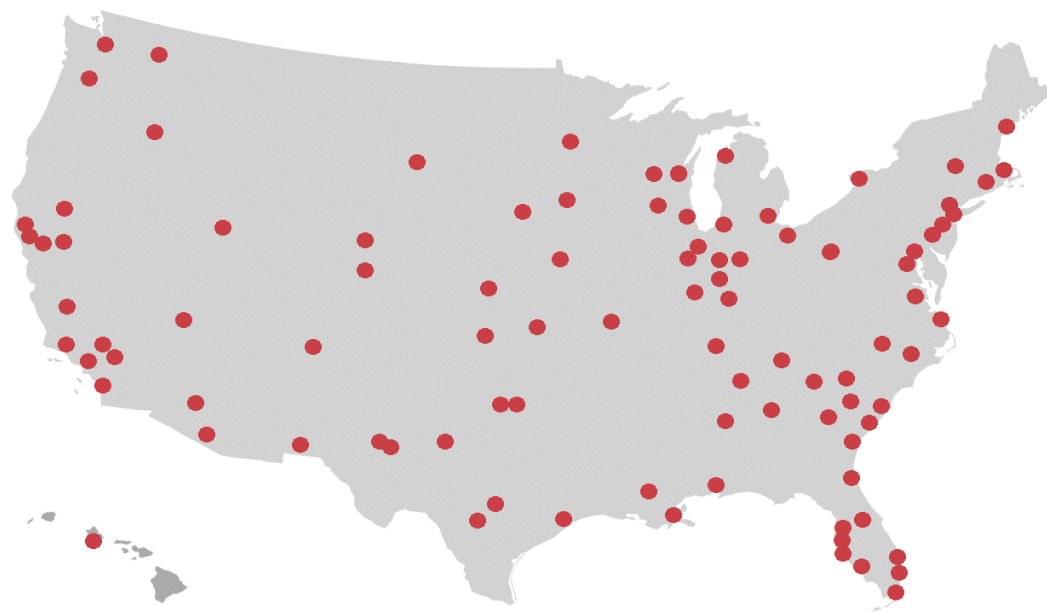


Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	19th Above Average	97th Soft	66th Below Average
	The 30-day advanced published rate for the market was a somewhat aggressive \$181.00, ranking 19th out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 19th at \$163.03 in 2Q 2022.)	Published rates have recently been moving downward, decreasing by a noticeable 3.9% over three weeks going into mid-September 2022. By comparison, the T-104 average posted downward movement of 0.68%.	Published rates reported in mid-September 2022 were 5.3% higher than the market's Guest-Paid ADR in 2Q 2022. This optimism is below average. By comparison, the T-104 spread was -5.6%.

	Published Rate Integrity	Coverage	Volatility
BRAND LEVEL	45th Average	29th Above Average	76th Elevated
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Austin, TX has an above average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Austin, TX's top 10 brands are exhibiting elevated volatility with respect to advanced booking pricing movements in the three weeks leading into mid-September 2022.

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

Arenas, Stadiums and Sports 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@nrmk.com

CONTACT: SOUTH US MARKETS

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@nrmk.com

Chris Remund, MAI
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
South US Markets
t 737-263-0343
chris.remund@nrmk.com

MARKET DISCLAIMERS

COPYRIGHT INFORMATION

© 2022 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.