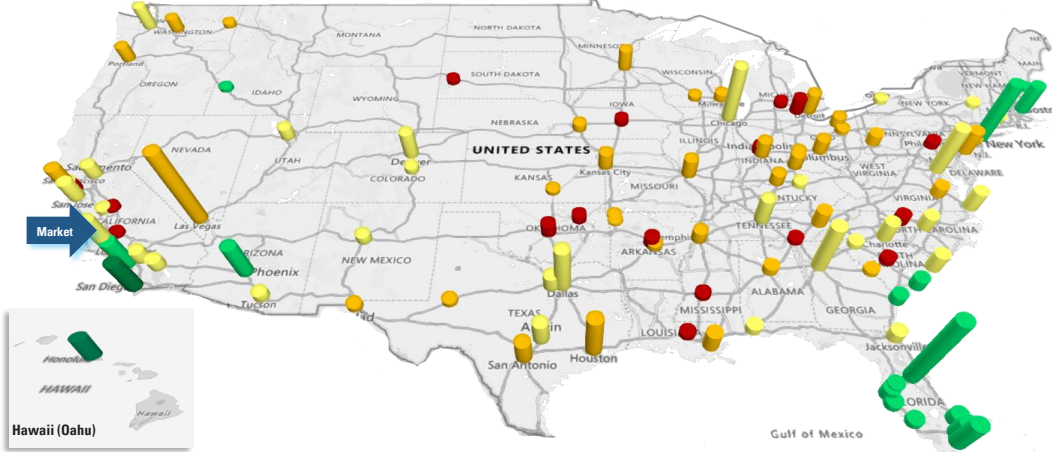


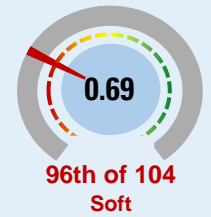
2Q 2023 BAKERSFIELD, CA



Lodging Performance Index Snapshot



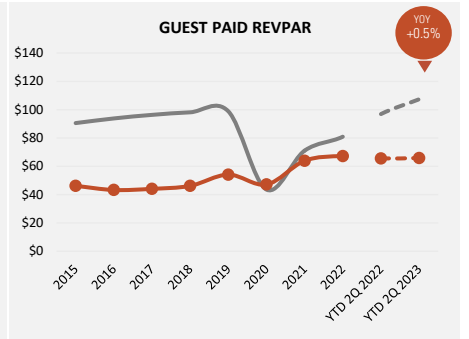
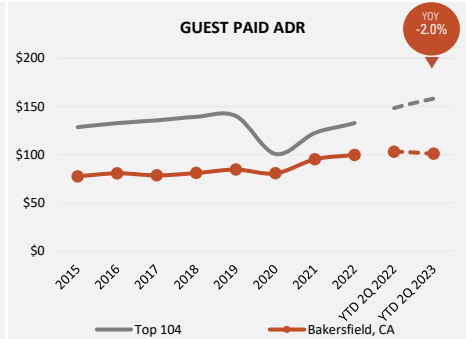
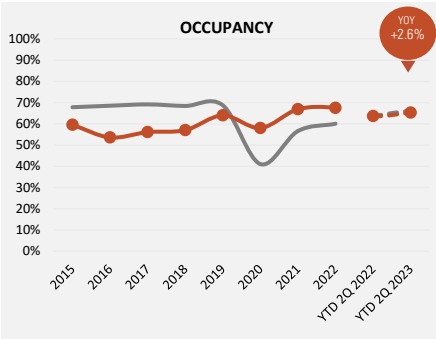
LODGING PERFORMANCE INDEX
Bakersfield, CA



Ranking of overall '2Q 2023 LPI' performance (0.69) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

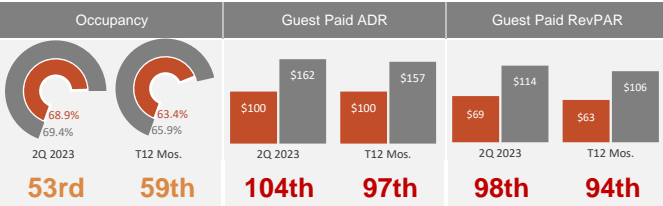
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

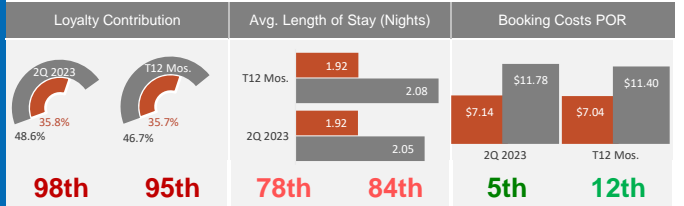
Key Performance Indexes

● Subject Market ● Top 104



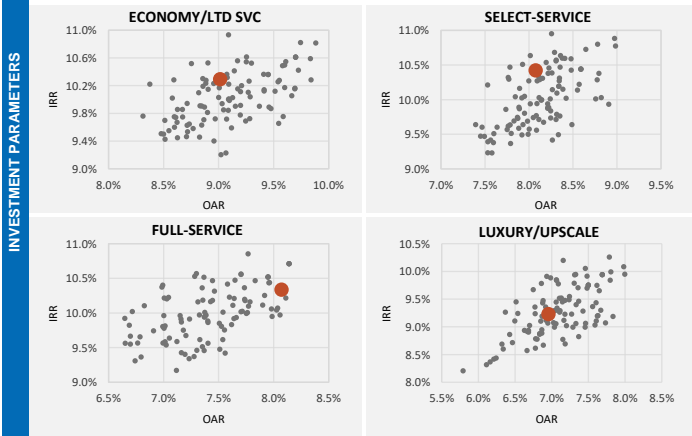
BENCHMARK INDEXES

Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

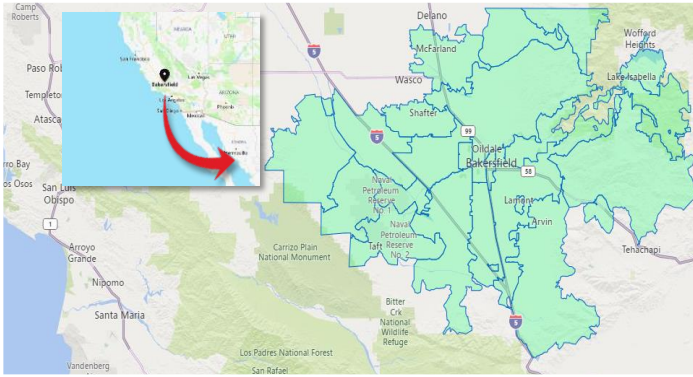


Trends and Risks

Source: Kalibri Labs, Newmark

Category	Rank	Assessment
Revenue Stability	14th	Above Average
Supplier Power Trend	94th	Soft
Investment Yields	69th	Below Average
Supply Risk	101st	Low Risk
Labor Risk	94th	Low Risk
Macro-Fiscal Risk	33rd	Above Average

Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Bakersfield	
County:	Kern County	
State:	California	
Geo Coordinates (market center):	35.37329, -119.01871	

Major Hotel Demand Generators

Edwards Air Force Base | China Lake Naval Weapons Center | Grimmway Farms | Wm. Bolthouse Farms Inc. | Dignity Health | Adventist Health | San Joaquin Community Hospital | Kern Medical Center | Sun World Inc. | Bakersfield Memorial Hospital | Chevron Texaco Corp. | Bear Creek Production Co. | Giumarra Farms | Mercy Hospital | ARB Inc. | State Farm Insurance Co. | Benjamin Picar Farm Labor | Pandol & Sons | Paramount Farms | Andrews Distribution

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	596,556	75th of 104 (Below Average)
Income per Capita	\$60,058	19th of 104 (Above Average)
Feeder Group Size	130.5 Persons PSR	93rd of 104 (Soft)
Feeder Group Earnings	\$7,837,550 PSR	98th of 104 (Soft)
Total Market COPE	\$166.1 million	102nd of 104 (Soft)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	RevPAR	COPE ADR	RevPAR	Booking Cost POR	ADR COPE	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	59.5%	\$77.62	\$46.21	\$72.13	\$42.94	\$5.49	92.9%	40.0%	1.77	6,500	0.41
2016	53.6%	\$80.74	\$43.26	\$74.81	\$40.09	\$5.93	92.7%	43.0%	1.68	6,700	0.32
2017	56.1%	\$78.59	\$44.08	\$72.30	\$40.56	\$6.28	92.0%	40.0%	1.73	6,800	0.48
2018	57.0%	\$80.99	\$46.17	\$74.46	\$42.44	\$6.53	91.9%	41.7%	1.73	6,910	0.73
2019	64.0%	\$84.61	\$54.12	\$77.70	\$49.71	\$6.91	91.8%	44.9%	1.77	7,410	0.89
2020	58.0%	\$80.71	\$47.15	\$75.31	\$43.70	\$5.40	93.3%	30.5%	2.01	7,290	1.33
2021	66.9%	\$95.25	\$63.89	\$88.74	\$59.33	\$6.51	93.2%	34.7%	1.90	7,260	1.13
2022	67.5%	\$99.68	\$67.22	\$92.86	\$62.68	\$6.83	93.1%	35.1%	1.91	7,300	0.76
CAGR: 2015 thru 2022	1.8%	3.6%	5.5%	3.7%	5.6%	3.2%	0.0%	-1.9%	1.1%	1.7%	9.4%
YTD 2Q 2022	63.6%	\$103.04	\$65.56	\$95.92	\$61.03	\$7.12	93.1%	35.4%	1.90	7,250	0.97
YTD 2Q 2023	65.3%	\$100.97	\$65.86	\$93.85	\$61.21	\$7.12	92.9%	35.8%	1.93	7,080	0.69
% Change	2.6%	-2.0%	0.5%	-2.2%	0.3%	0.1%	-0.2%	1.0%	1.8%	-2.3%	-29.1%

Notable Metrics

HIGHEST	Latest-Quarter Booking Costs POR	Marketwide Income per Room	Population Density per Room
	5th Strong Bakersfield, CA enjoyed low latest-quarter booking costs POR (\$7.14)	7th Strong The market enjoyed a high ratio of marketwide income per room (\$3,449,606)	10th Above Average The market also boasted strong population density per room (86.01)
LOWEST	Latest-Quarter COPE ADR	Latest-Quarter Guest Paid ADR	Total Rooms Sold
	104th Soft This market exhibited weak latest-quarter COPE ADR (\$92.60)	104th Soft The market has been hampered by weak latest-quarter Guest Paid ADR (\$99.75)	101st Soft Bakersfield, CA also has been hindered by weak total rooms sold (1,688,532)

Notable Trends

FASTEST	Short-Term Historical Average Length of Stay Growth	T12-Month Rooms Supply Growth	Long-Term Historical Average Length of Stay Growth
	4th Strong Bakersfield, CA has benefited from strong short-term historical average length of stay growth (3.7%)	4th Strong The market exhibited low rooms supply growth over the last 12 months (-4.9%)	9th Strong The market also enjoyed strong long-term historical average length of stay growth (1.5%)
SLOWEST	Short-Term Historical Supply Growth	Overall Health of Hotel Market	Short-Term Historical Loyalty Contribution Growth
	99th Soft The market has been burdened by high short-term historical supply growth (-0.5%)	93rd Soft We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	89th Below Average Bakersfield, CA also has been hindered by weak short-term historical loyalty contribution growth (1.9%)

Market Performance Stage



Bakersfield, CA: Absorption Stage

The Bakersfield, CA market is currently in the 'Absorption' stage of the performance cycle. In this 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 Columbus, OH; Kansas City, MO; and Las Vegas, NV.

Other Stages:

Regeneration: In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged 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 Detroit, MI; Houston, TX; and New Orleans, LA.

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 Chicago, IL; Knoxville, TN; and Miami, FL.

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; Atlanta, GA; and Austin, TX.

Industry Observations

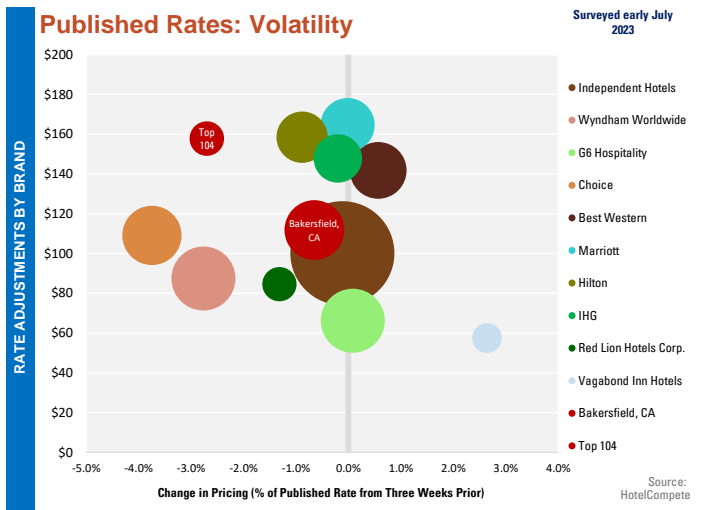
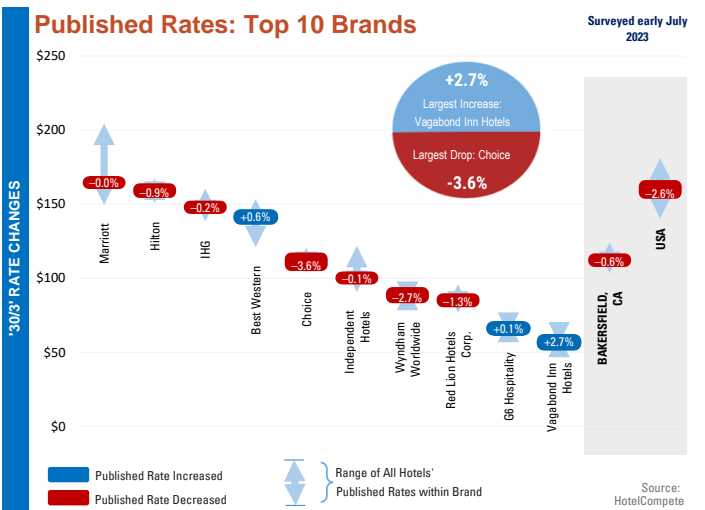
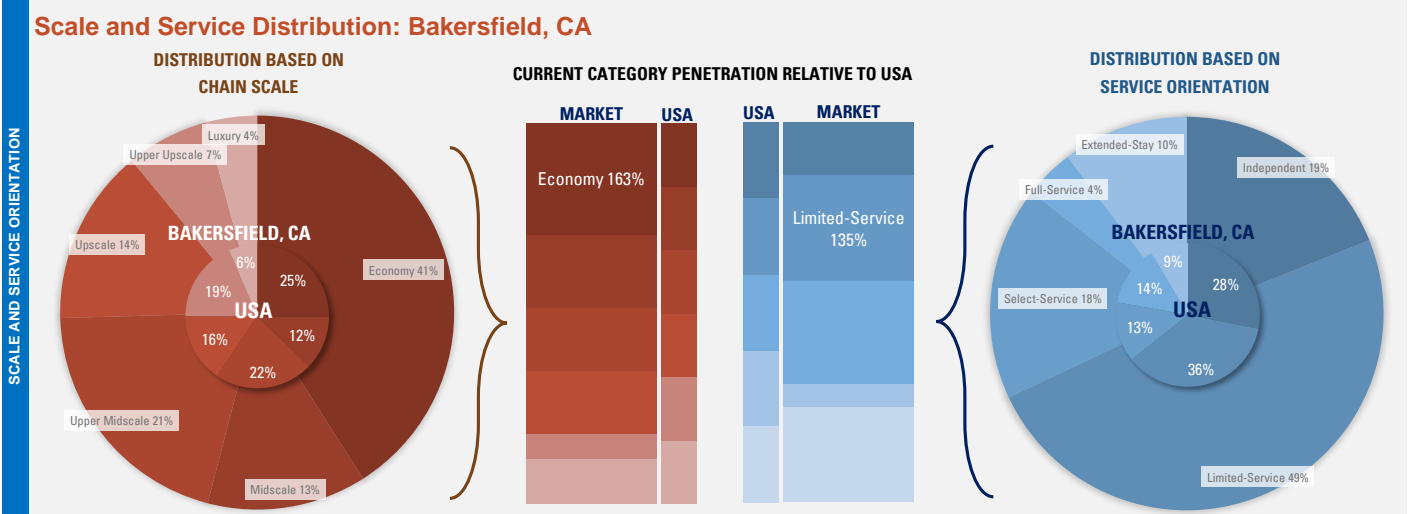
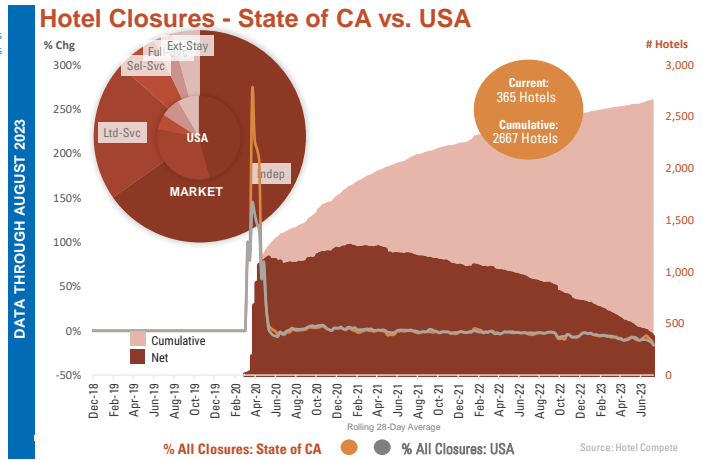
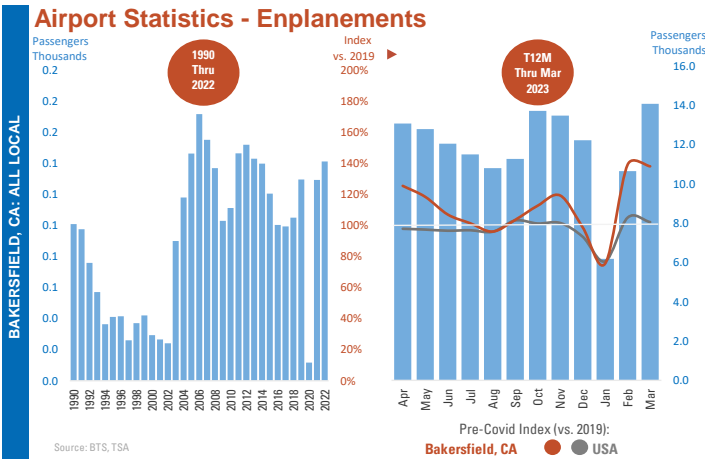
Business Cycle: In Expansion
Employment Growth (2 yr): 1.3%
Risk Exposure (402 US markets): 33rd Percentile: Below Average
Key Industry Notes: Agriculture, energy
 Vast oil deposits
 Abundant farmland
 Young population
 High poverty

Moody's Rating

Aa3
Investment Grade

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



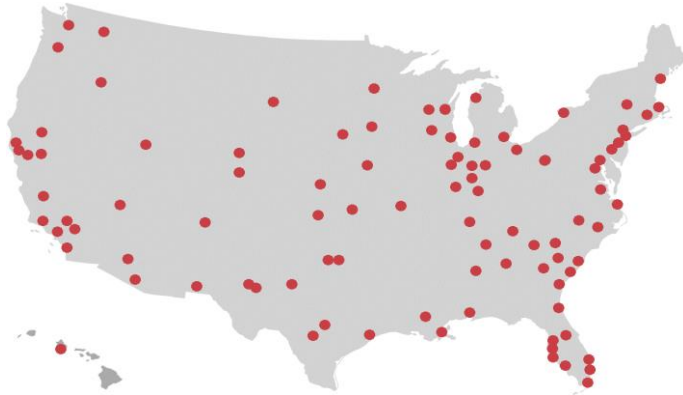


Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	95th Soft	15th Above Average	44th Average
	The 30-day advanced published rate for the market was a conservative \$111.78, ranking 95th out of 104 markets. (Guest-Paid ADR ranked a very conservative 104th at \$100.97 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 0.6% over three weeks going into early July 2023. By comparison, the T-104 average posted downward movement of 2.63%.	Published rates reported in early July 2023 were 12.1% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is average. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	26th Above Average	65th Average	6th Very Low
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Bakersfield, CA has an average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been holding steady.	Bakersfield, CA's top 10 brands are exhibiting very low volatility with respect to advanced booking pricing movements in the three weeks leading into early July 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

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

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.

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