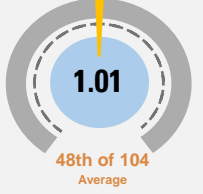


4Q 2022 BUFFALO, NY



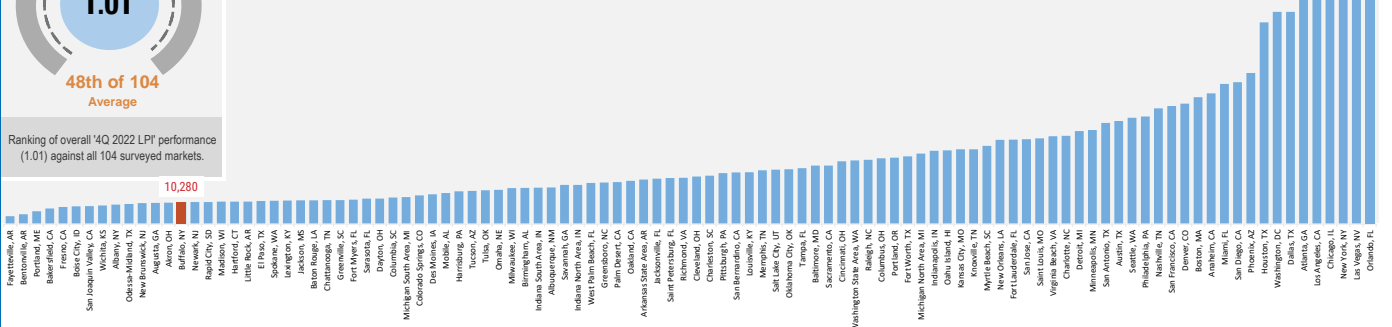
Fundamentals Dashboard

Lodging Performance Index



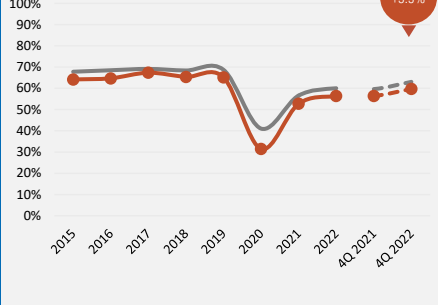
Ranking of overall 4Q 2022 LPI performance (1.01) against all 104 surveyed markets.

ROOM SUPPLY RANKING vs. MAJOR US MARKETS

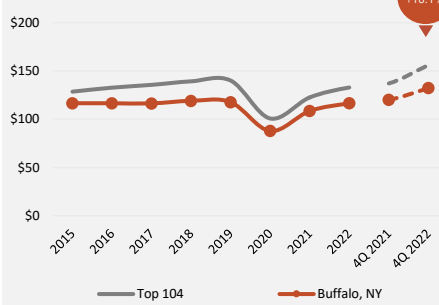


KEY PERFORMANCE METRICS

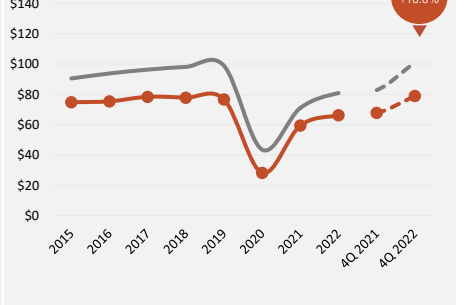
OCCUPANCY



GUEST PAID ADR

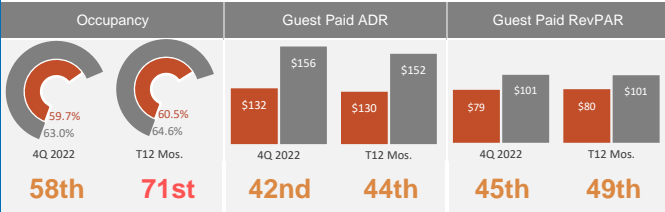


GUEST PAID REVPAR

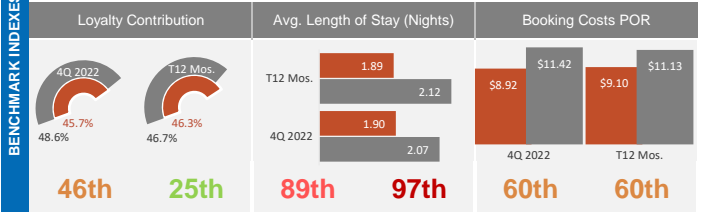


Key Performance Indexes

● Subject Market ● Top 104

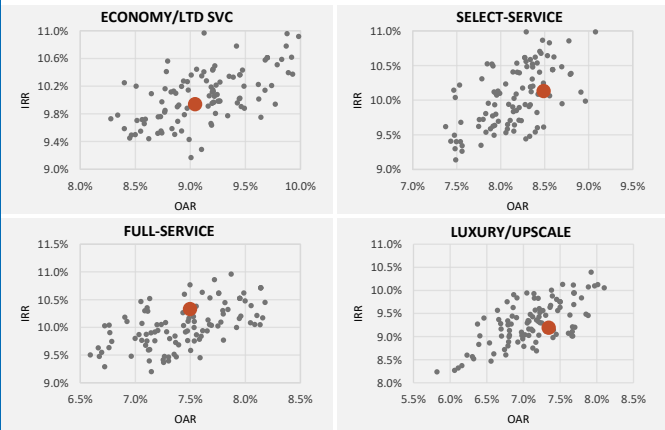


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark



Trends and Risks

Source: Kalibri Labs, Newmark



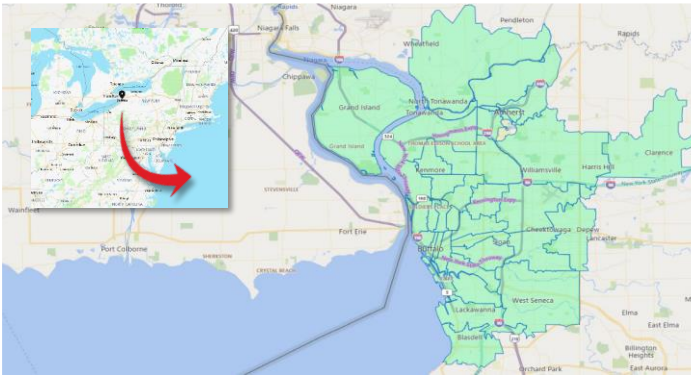
INVESTMENT PARAMETERS

BENCHMARK INDEXES

FUNDAMENTALS

RISKS

Location



Quick Facts

Jurisdictional Information
 Municipal Name: Buffalo
 County: Erie County
 State: New York
 Geo Coordinates (market center): 42.88645, -78.87837

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators
 Kaleida Health | Catholic Health | M&T Bank | University at Buffalo | Employer Services Corp. | Tops Friendly Markets | Seneca Gaming Corp. | Erie County Medical Center (ECMC) Corp. | Wegmans Food Markets Inc. | Catholic Diocese of Buffalo | HSBC Bank USA NA | Roswell Park Cancer Institute | GEICO | Alcott HR Group Inc. | People Inc. | Moog Inc. | Dresser-Rand Co. | First Niagara Bank NA | Delaware North | VA Western New York Healthcare System

Metrics and Ranking

Measurement	Rankings
Population (hotel market area)	593,220
Income per Capita	\$34,268
Feeder Group Size	97 Persons PSR
Feeder Group Earnings	\$3,323,753 PSR
Total Market COPE	\$290.4 million
	76th of 104 (Below Average)
	97th of 104 (Soft)
	76th of 104 (Below Average)
	46th of 104 (Average)
	83rd 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	64.2%	\$116.60	\$74.83	\$107.14	\$68.76	\$9.45	91.9%	49.2%	1.79	9,450	0.89
2016	64.7%	\$116.53	\$75.42	\$107.04	\$69.28	\$9.48	91.9%	50.8%	1.72	9,760	0.76
2017	67.4%	\$116.41	\$78.41	\$106.75	\$71.90	\$9.67	91.7%	51.6%	1.73	9,660	1.06
2018	65.4%	\$119.03	\$77.86	\$109.12	\$71.38	\$9.91	91.7%	54.7%	1.71	9,840	0.87
2019	65.1%	\$117.69	\$76.66	\$107.96	\$70.32	\$9.73	91.7%	57.3%	1.70	10,080	0.79
2020	31.4%	\$87.79	\$28.22	\$81.90	\$25.76	\$5.88	93.3%	43.3%	2.10	10,050	0.50
2021	52.7%	\$108.50	\$59.43	\$100.94	\$53.20	\$7.56	93.0%	44.1%	2.00	10,000	0.86
2022	56.3%	\$116.37	\$66.11	\$108.28	\$60.96	\$8.09	93.0%	45.4%	1.99	10,000	1.01
CAGR: 2015 thru 2022	-1.9%	0.0%	-1.8%	0.2%	-1.7%	-2.2%	0.2%	-1.2%	1.5%	0.8%	1.8%
4Q 2021	56.4%	\$120.01	\$67.67	\$111.97	\$63.13	\$8.04	93.3%	45.0%	1.95	10,030	0.86
4Q 2022	59.7%	\$132.08	\$78.87	\$123.15	\$73.54	\$8.92	93.2%	45.7%	1.90	10,280	1.01
% Change	5.9%	10.1%	16.6%	10.0%	16.5%	11.0%	-0.1%	1.5%	-2.5%	2.5%	17.5%

Data provided by: kalibri LABS

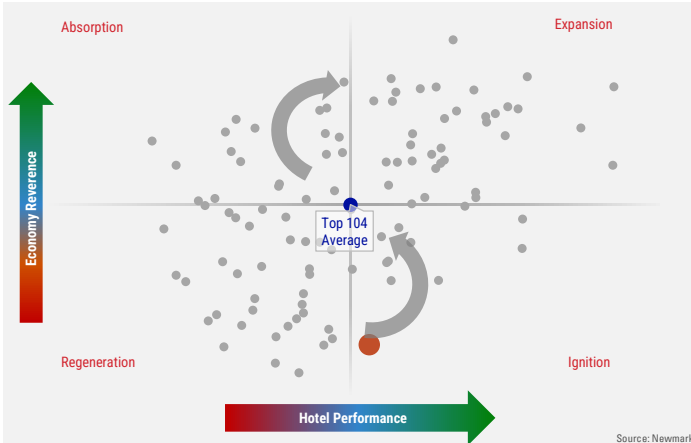
Notable Metrics

HIGHEST	T12-Month Loyalty Contribution	Feeder Population Per Room	Population Density per Room
	25th Above Average	32nd Above Average	34th Above Average
	Buffalo, NY exhibited strong T12-month loyalty contribution (46.3%)	The market posted a high ratio of feeder population per room (40.37)	The market also boasted strong population density per room (57.68)
LOWEST	Economy Median Income	T12-Month Average Length of Stay	Total Rooms Supply
	97th Soft	97th Soft	91st Soft
	This market was stymied by weak Economy Median Income (\$34,268)	The market exhibited weak T12-month average length of stay (1.89 Nights)	Buffalo, NY also is burdened with a small and non-diverse hotel market (10,285)

Notable Trends

FASTEST	Short-Term Historical Occupancy Growth	Short-Term Historical Average Length of Stay Growth	Short-Term Historical COPE RevPAR Growth
	7th Strong	12th Above Average	16th Above Average
	Buffalo, NY has benefited from strong short-term historical occupancy growth (2.6%)	The market has benefited from strong short-term historical average length of stay growth (2.8%)	The market also exhibited strong short-term historical COPE RevPAR growth (5.1%)
SLOWEST	General Economy Reversion	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth
	99th Soft	99th Soft	93rd Soft
	The market posted weak general economic reversion (per-capita unemployment, GDP and other indicators)	We note this area has been hindered by weak long-term historical loyalty contribution growth (2.0%)	Buffalo, NY also has been hindered by weak short-term historical loyalty contribution growth (0.6%)

Market Performance Stage



Buffalo, NY: Ignition Stage

The Buffalo, NY 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 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.

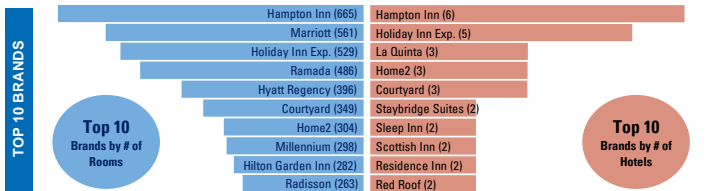
Other Stages:

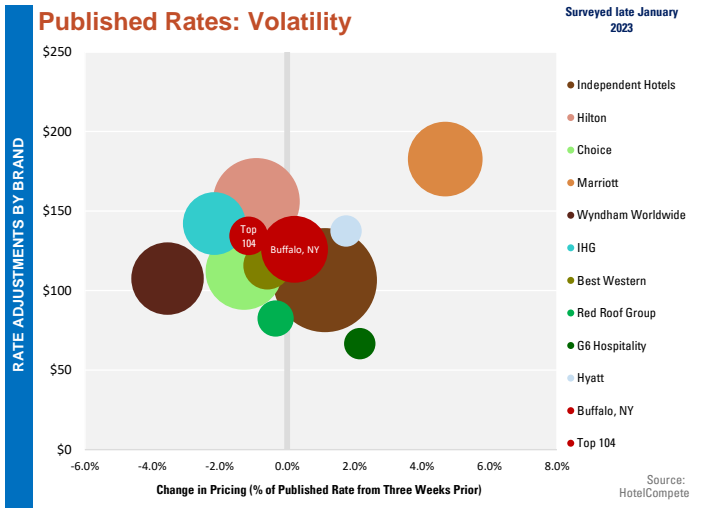
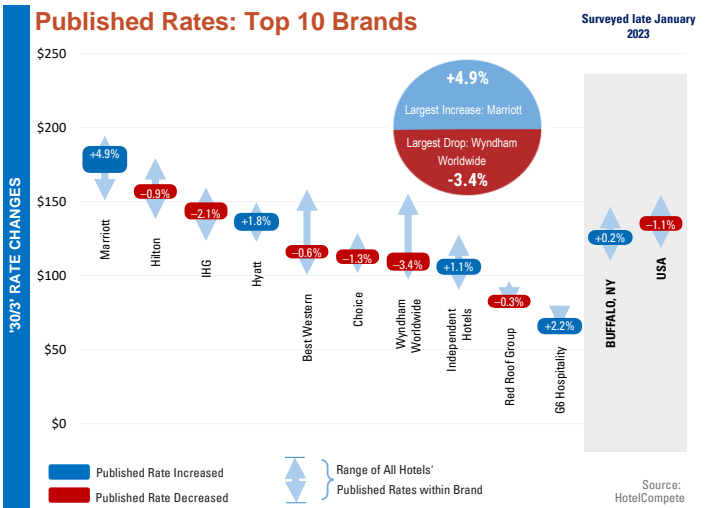
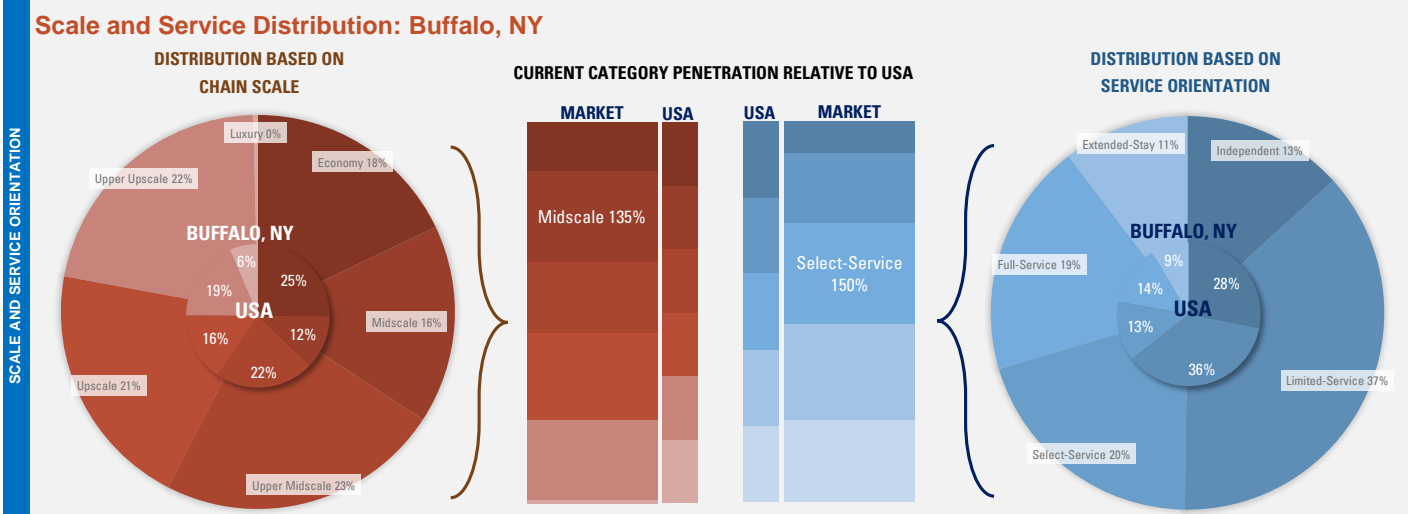
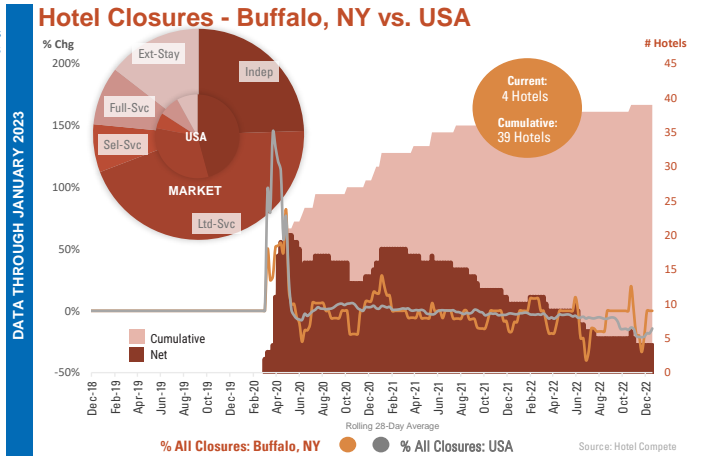
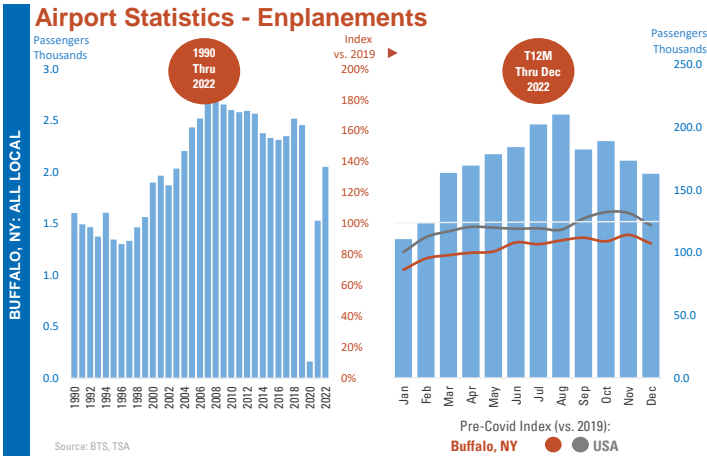
- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged whether by lingering COVID-19 impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Chicago, IL; Detroit, MI; and Houston, TX.
- 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

MOODY'S ANALYTICS	Business Cycle:	Moody's Rating
	Employment Growth (2 yr):	A1
	Risk Exposure (402 US markets):	Investment Grade
	Key Industry Notes:	Long-term investment grade, Prime-1 short-term outlook

In Expansion
 0.2%
96th Percentile: High Risk
 Manufacturing, medical
 Housing affordability
 Tourist attractions
 Low business costs
 Population losses





Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	52nd Average	20th Above Average	78th Below Average
	The 30-day advanced published rate for the market was a moderate \$125.97, ranking 52nd out of 104 markets. (Guest-Paid ADR ranked a moderate 42nd at \$132.08 in 4Q 2022.)	Published rates have recently been moving upward, increasing by a modest 0.2% 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 4.6% 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: Brand Level

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	66th Below Average	56th Average	18th Low
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Buffalo, NY has an average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	Buffalo, NY's top 10 brands are exhibiting low 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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Property Tax

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