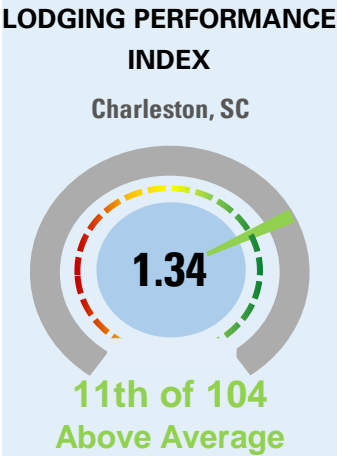


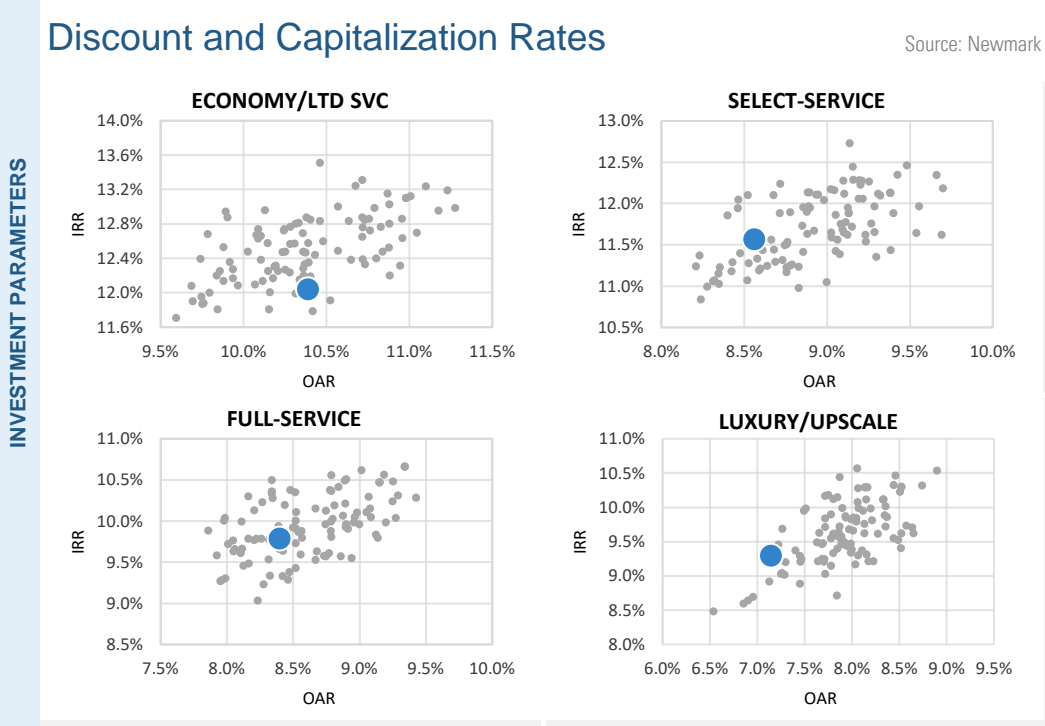
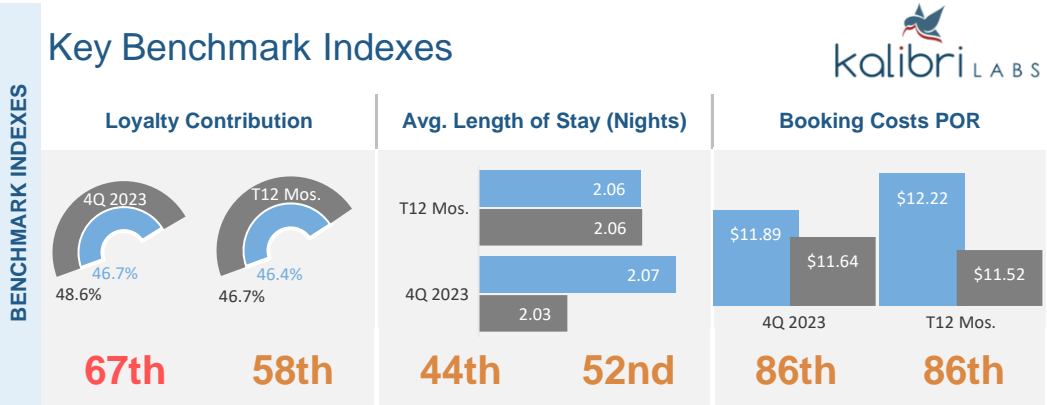
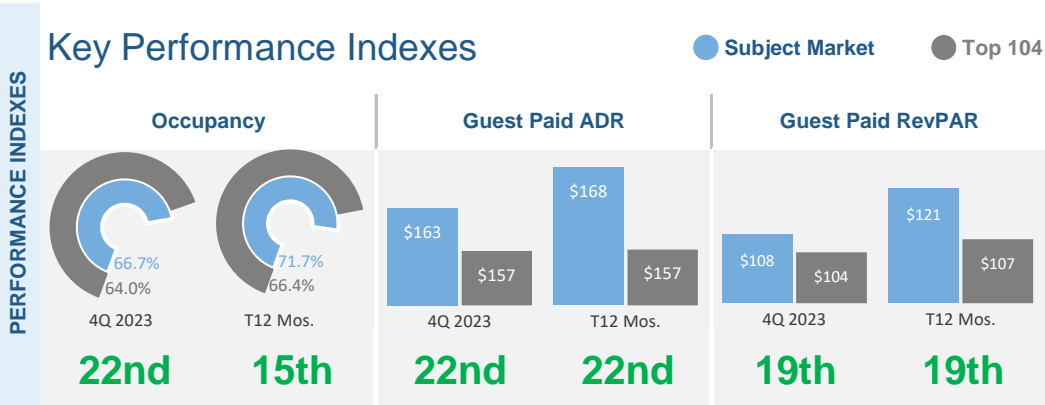
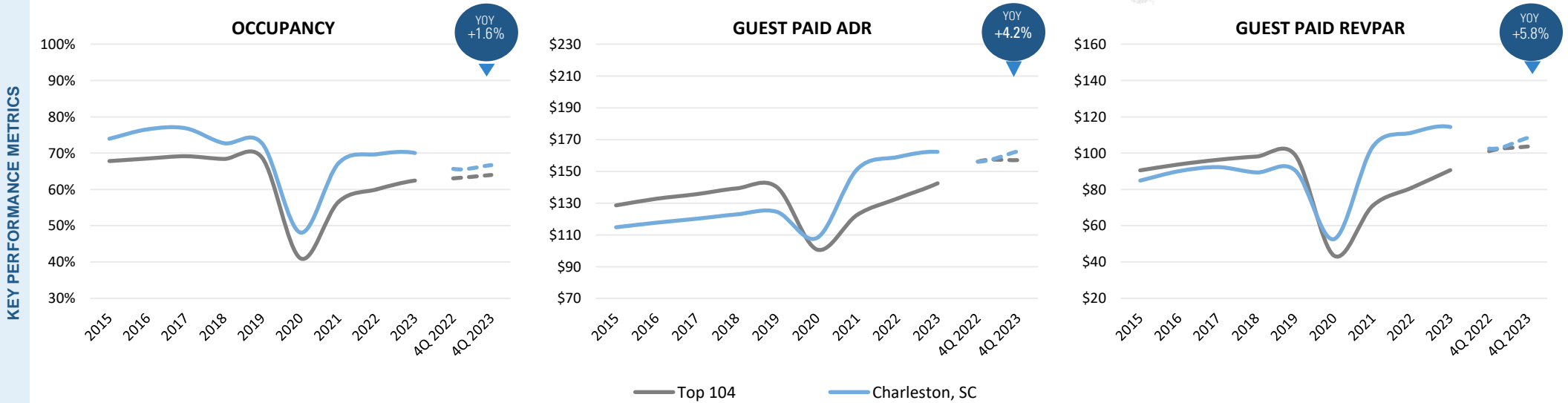
4Q 2023
CHARLESTON, SC



Lodging Performance Index Snapshot



Ranking of overall '4Q 2023 LPI' performance (1.34) against all 104 surveyed markets.



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Charleston	
County:	Berkeley County, Charleston County	
State:	South Carolina	
Geo Coordinates (market center):	32.81792, -79.95897	

Major Hotel Demand Generators

Joint Base Charleston | Medical University of South Carolina | Boeing Co. | Roper St. Francis | SPAWAR-Atlantic | Trident Health | Wal-Mart Stores Inc. | Ralph H. Johnson VA Medical Center | College of Charleston | Rober Bosch LLC | Kiawah Island Golf Resort | SAIC Inc. | Intercontinental Hotels Group Resources Inc. | Blackbaud Inc. | Santee Cooper | Bi-Lo Stores | Verizon Wireless | Publix Supermarkets | IQOR Inc. | Trident Technical College

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	586,580	78th of 104 (Below Average)
Income per Capita	\$61,367	17th of 104 (Above Average)
Feeder Group Size	35.8 Persons PSR	12th of 104 (Above Average)
Feeder Group Earnings	\$2,194,719 PSR	17th of 104 (Above Average)
Total Market COPE	\$1.0 billion	39th of 104 (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	74.0%	\$114.77	\$84.88	\$106.84	\$79.02	\$7.93	93.1%	48.8%	2.29	18,480	1.49
2016	76.6%	\$117.64	\$90.07	\$109.31	\$83.69	\$8.33	92.9%	51.9%	2.27	18,770	1.41
2017	76.8%	\$120.12	\$92.30	\$111.38	\$85.59	\$8.74	92.7%	54.1%	2.26	19,230	1.39
2018	72.7%	\$122.87	\$89.37	\$113.86	\$82.81	\$9.02	92.7%	56.8%	2.19	19,710	1.25
2019	72.7%	\$124.46	\$90.43	\$115.34	\$83.80	\$9.12	92.7%	59.5%	2.14	21,950	1.21
2020	48.1%	\$108.09	\$52.65	\$100.92	\$48.58	\$7.17	93.4%	41.5%	2.26	22,510	1.26
2021	67.2%	\$151.30	\$103.53	\$140.62	\$94.54	\$10.68	92.9%	43.3%	2.19	22,850	1.44
2022	69.7%	\$158.95	\$111.23	\$147.81	\$103.03	\$11.14	93.0%	43.9%	2.17	22,810	1.31
2023	70.0%	\$162.23	\$114.40	\$150.91	\$105.69	\$11.31	93.0%	44.4%	2.13	22,740	1.34
CAGR: 2015 thru 2022	-0.7%	4.4%	3.8%	4.4%	3.7%	4.5%	0.0%	-1.2%	-0.9%	2.6%	-1.3%
4Q 2022	65.7%	\$156.10	\$102.49	\$145.75	\$95.70	\$10.35	93.4%	46.4%	2.14	22,920	1.31
4Q 2023	66.7%	\$162.61	\$108.46	\$150.73	\$100.53	\$11.89	92.7%	46.7%	2.07	23,230	1.34

Data provided by:

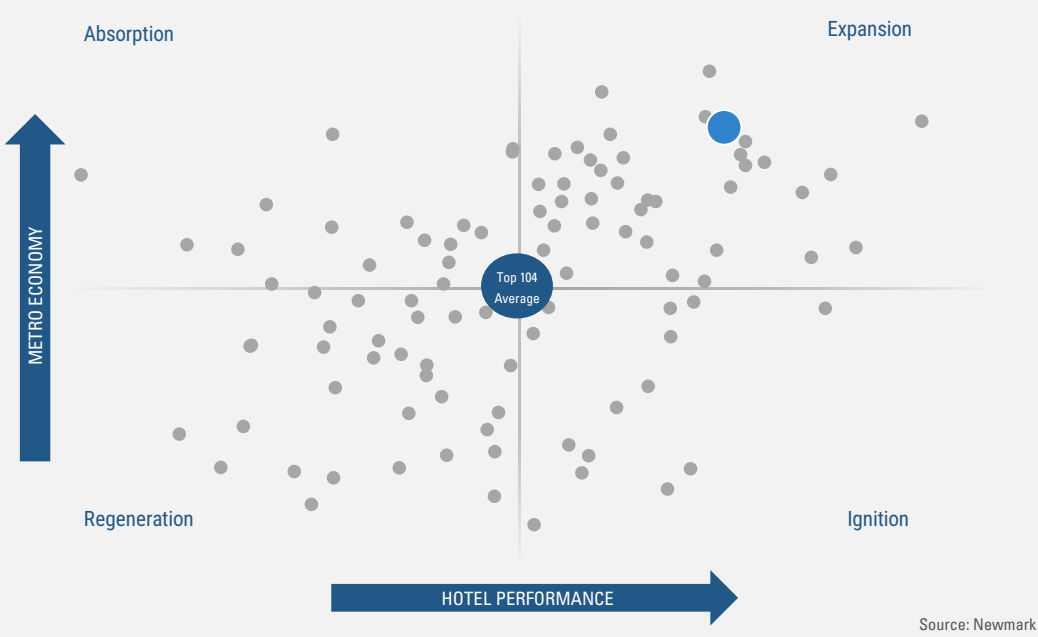
Notable Metrics

HIGHEST	OAR: Luxury/Upscale	Feeder Group Size	Feeder Group Size
	6th Highly Favorable Charleston, SC exhibited favorable OAR metrics in the luxury/upscale segment (7.2%)	12th Above Average The market required a small feeder group size (35.76 Persons)	12th Above Average The market also required a small feeder group size (35.76 Persons)
LOWEST	Feeder Population Per Room	Population Density per Room	T12-Month Booking Costs POR
	94th Soft This market posted a low ratio of feeder population per room (18.19)	94th Soft The market has been hindered by weak population density per room (25.25)	86th Below Average Charleston, SC also was burdened by high T12-month booking costs POR (\$12.22)

Notable Trends

FASTEST	General Economy Reverence	Overall Health of Hotel Market	Short-Term Historical Supply Growth
	5th Strong Charleston, SC enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)	12th Above Average The market has benefited from strong general hotel market performance (levels and trends of fundamentals)	16th Above Average The market also has benefited from low short-term historical supply growth (2.0%)
SLOWEST	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth	Long-Term Historical Supply Growth
	98th Soft The market has been impeded by high short-term historical growth in booking costs (5.2%)	98th Soft We note this area exhibited high long-term historical booking costs POR growth (4.9%)	97th Soft Charleston, SC also has been burdened by high long-term historical supply growth (2.6%)

Market Performance Stage



Source: Newmark

Charleston, SC: Expansion Stage

The Charleston, SC 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 Austin, TX.

Other Stages:	
Regeneration	In the 'Regeneration' 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.
Ignition	In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will enter a sustained post-pandemic status. 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; Miami, FL; and Myrtle Beach, SC.Chicago, IL; Miami, FL; and New York, NY.
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 Columbus, OH; Houston, TX; and Minneapolis, MN.

Industry Observations

Business Cycle:
Employment Growth (2 yr):
Risk Exposure (402 US markets):
Key Industry Notes:

Late Expansion
10.9%
16th Percentile: Below Average
Defense, tourists
Diverse economy
Strong demographics
Aerospace manufacturing
Worker shortage in tech

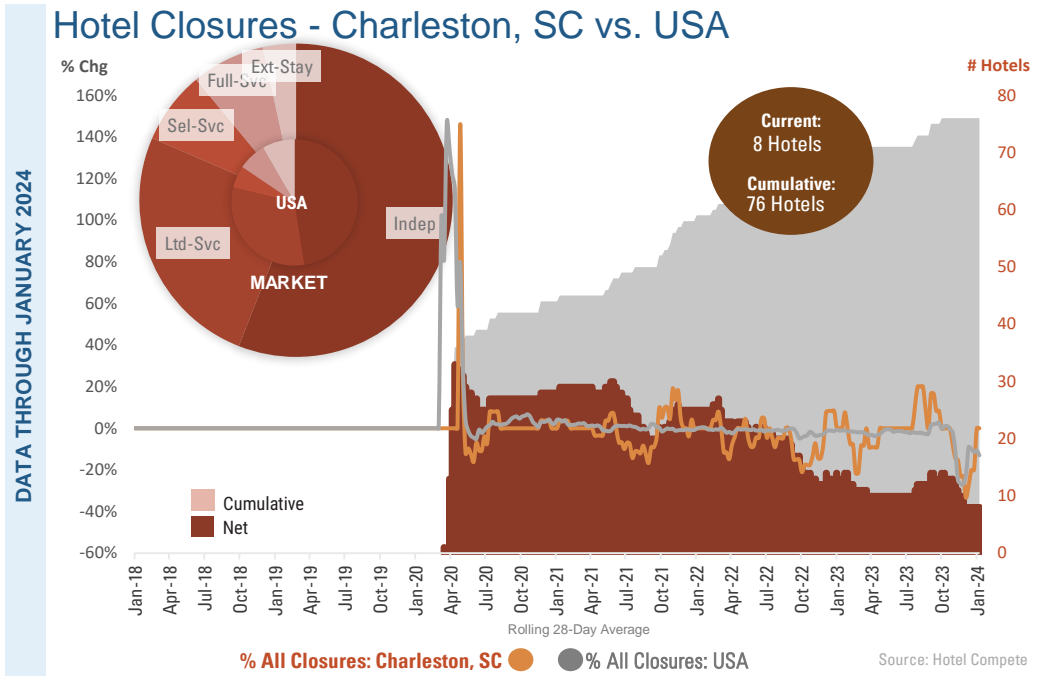
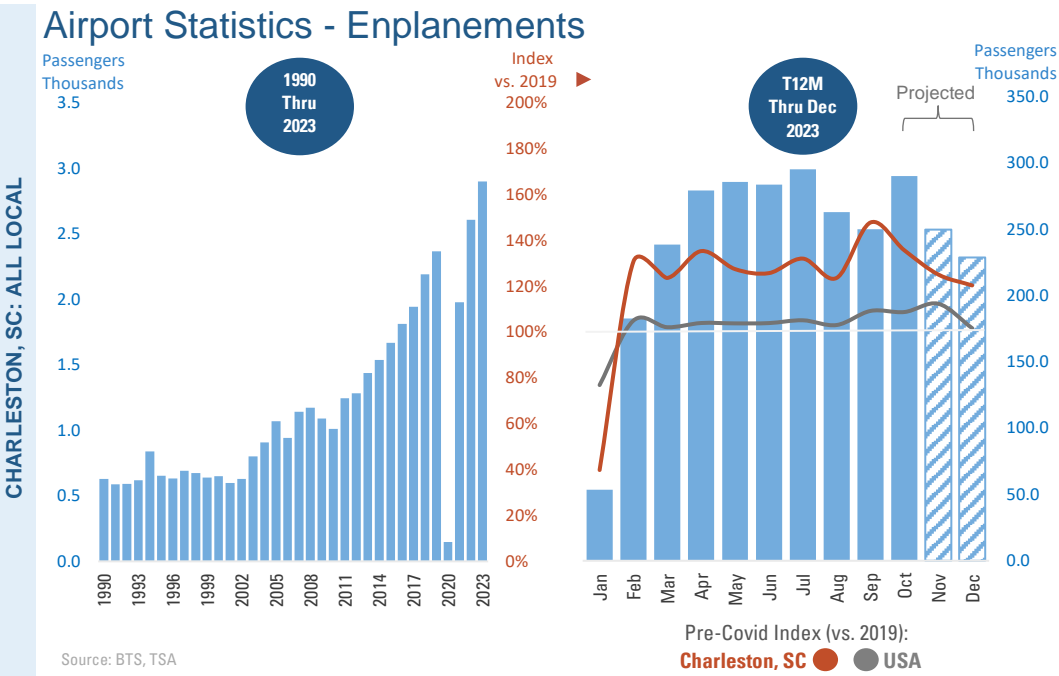
Moody's Rating

Aaa
Investment Grade

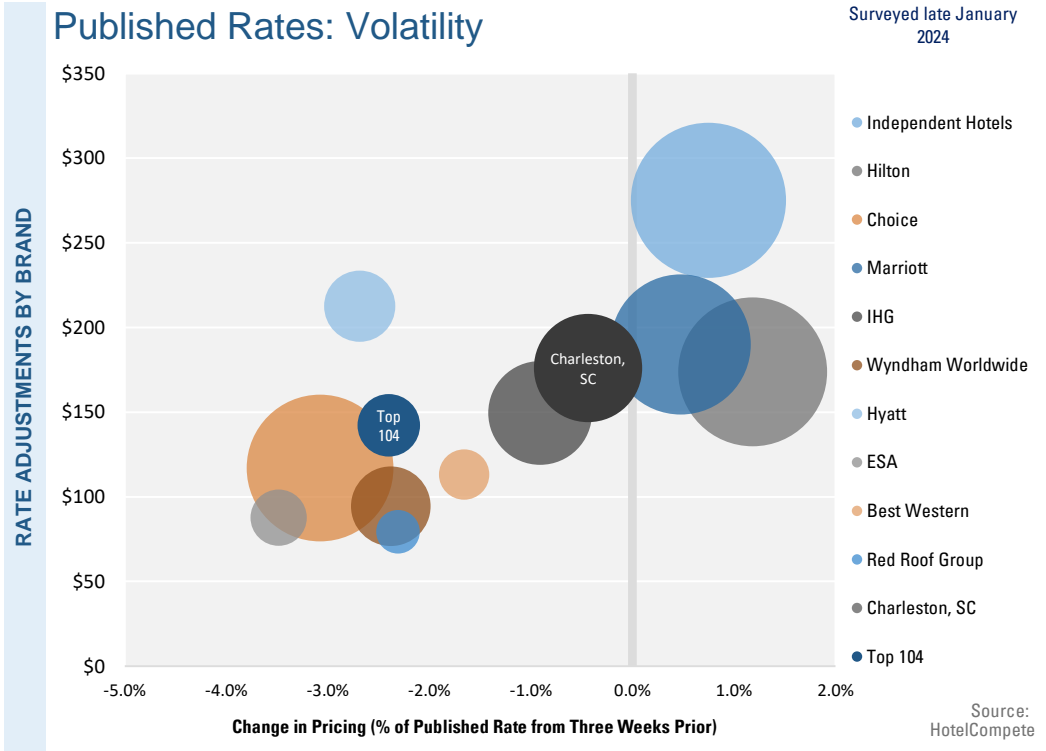
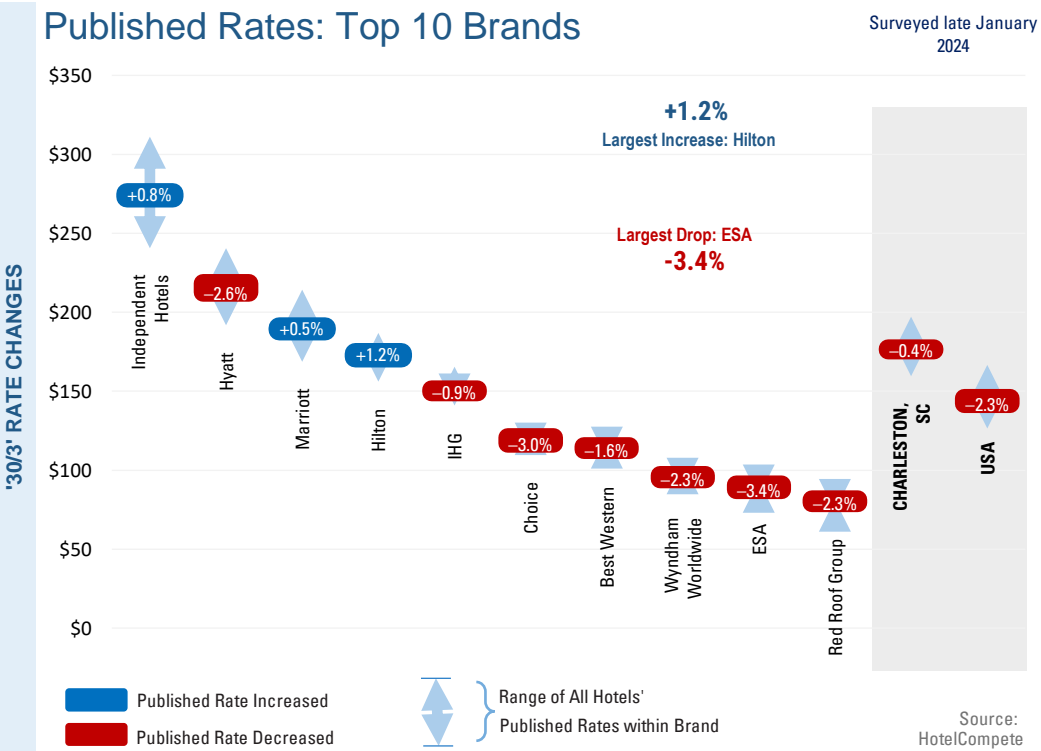
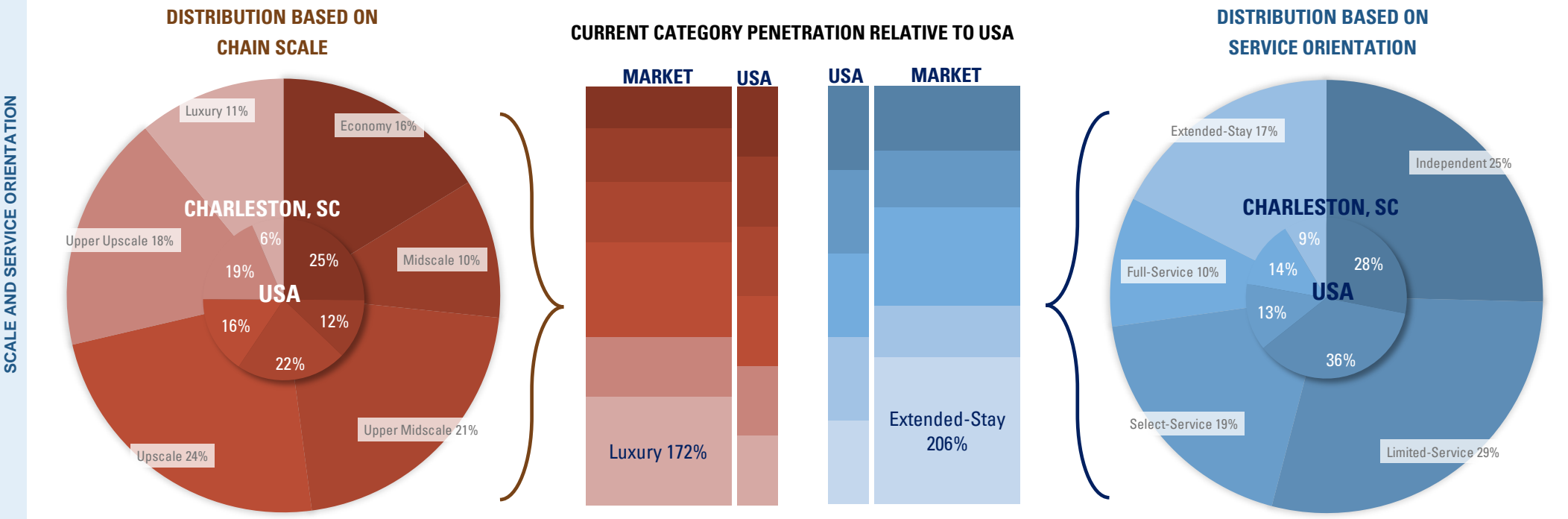
Long-term investment grade, Prime-1 short-term outlook



Source: Newmark



Scale and Service Distribution: Charleston, SC



Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	22nd Above Average The 30-day advanced published rate for the market was a somewhat aggressive \$176.01, ranking 22nd out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 22nd at \$162.61 in 4Q 2023.)	11th Above Average Published rates have recently been moving downward, decreasing by a modest 0.4% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	37th Average Published rates reported in late January 2024 were 8.2% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is average. By comparison, the T-104 spread was -9.5%.

	Published Rate Integrity	Coverage	Volatility
BRAND LEVEL	18th Above Average Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	25th Above Average Charleston, SC has an above average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	4th Very Low Charleston, SC's top 10 brands are exhibiting very low volatility with respect to advanced booking pricing movements in the three weeks leading into late January 2024.

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

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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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.

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Portfolio Analytics

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Property Tax

We understand every aspect of a property’s operations, allowing us to craft advanced tax strategies.

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