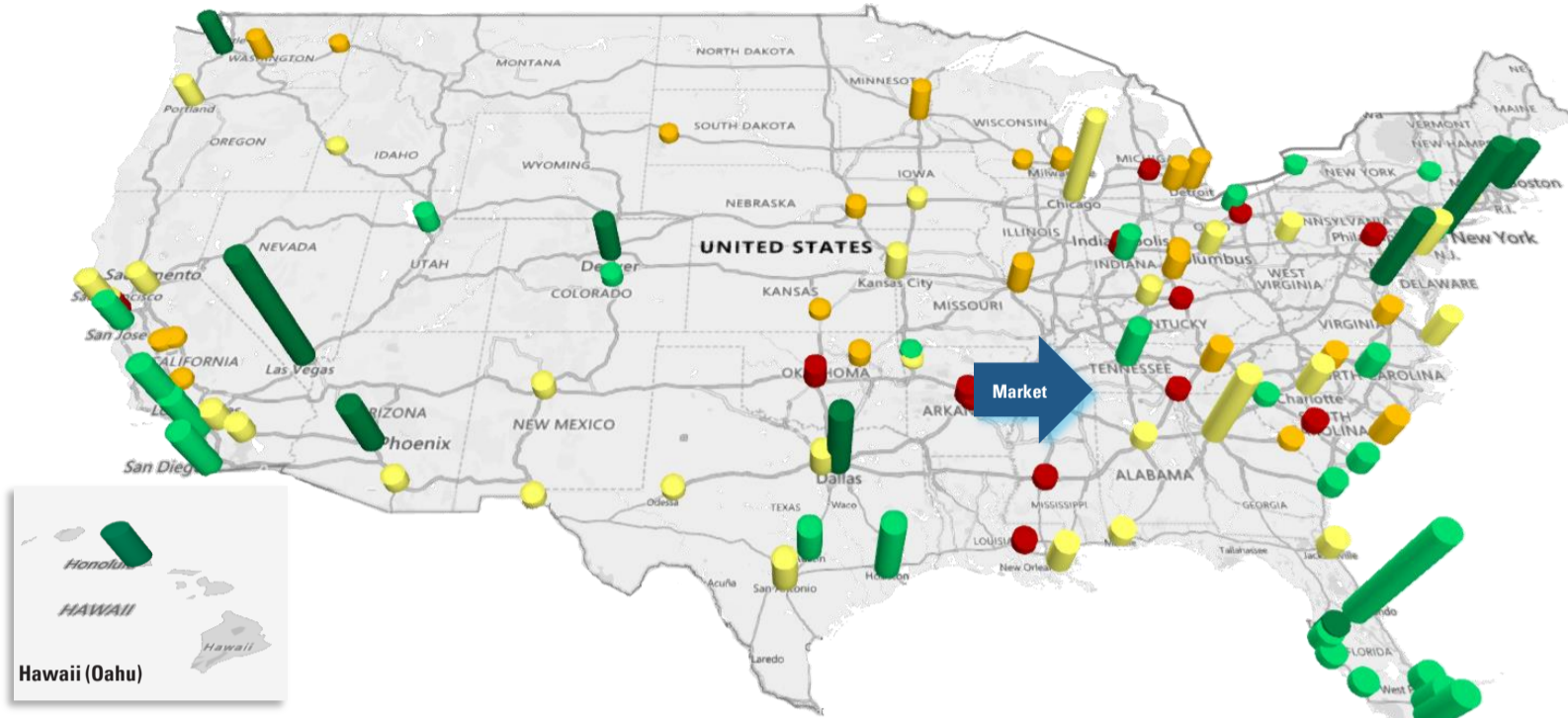




Lodging Performance Index Snapshot

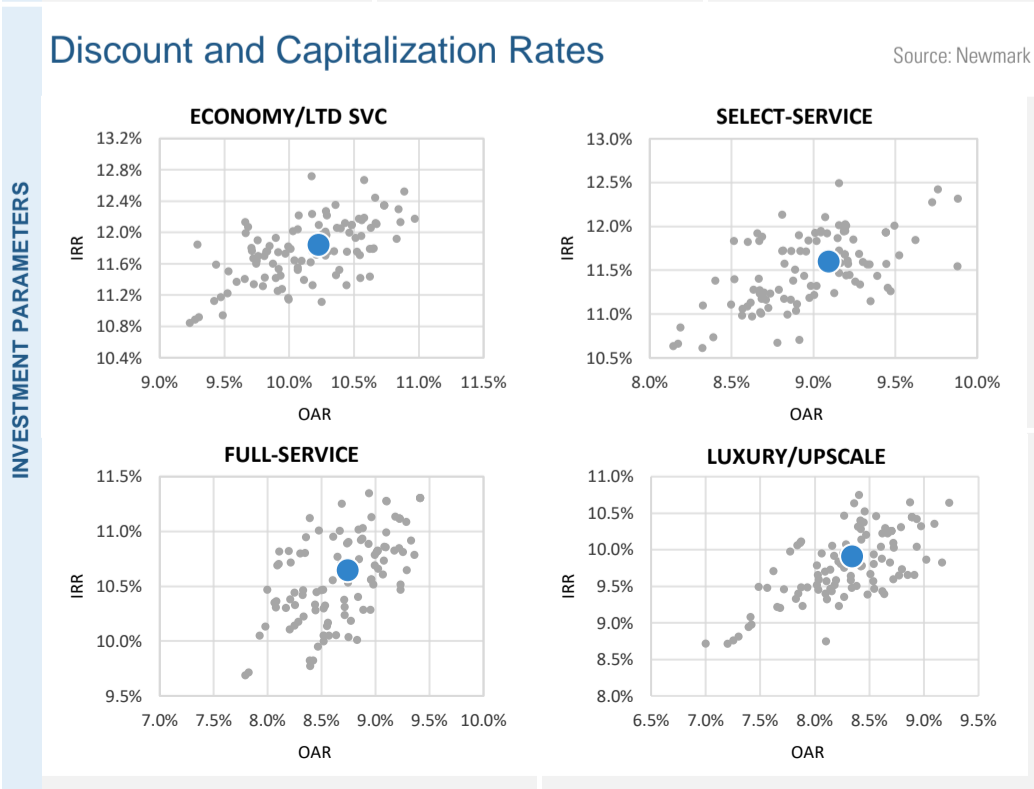
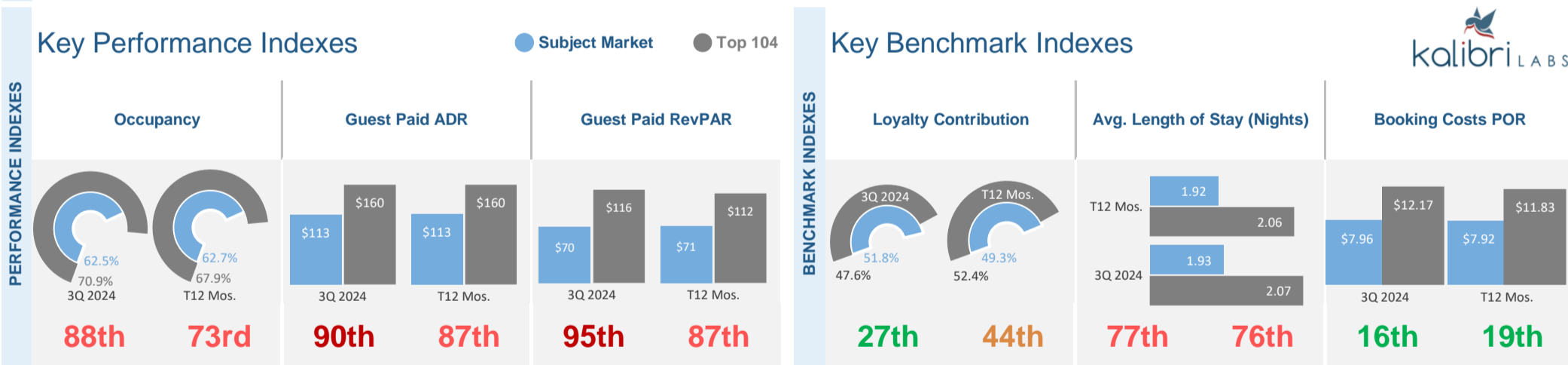
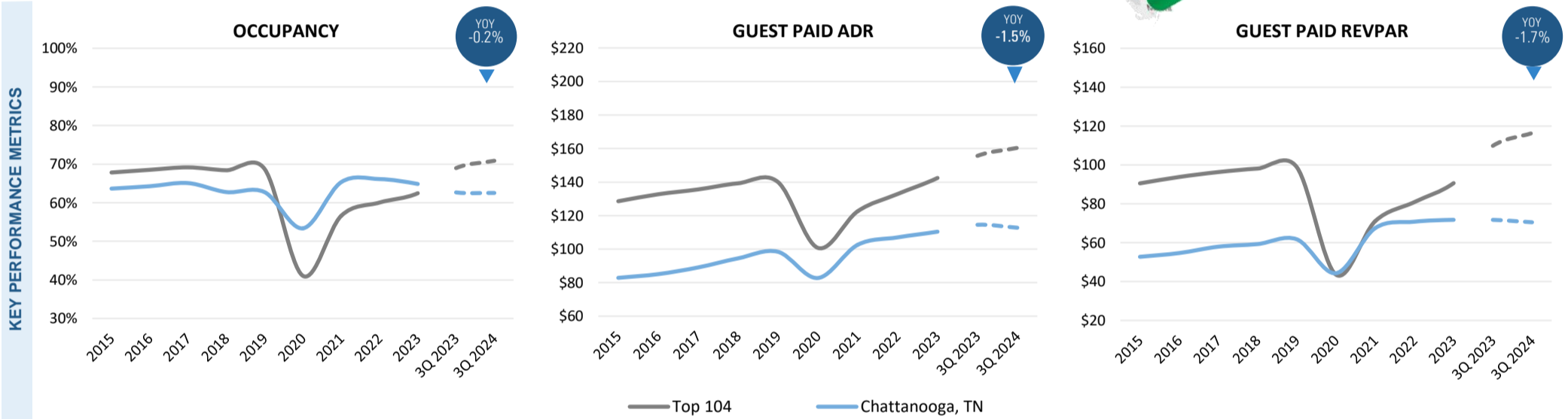


LODGING PERFORMANCE INDEX
Chattanooga, TN

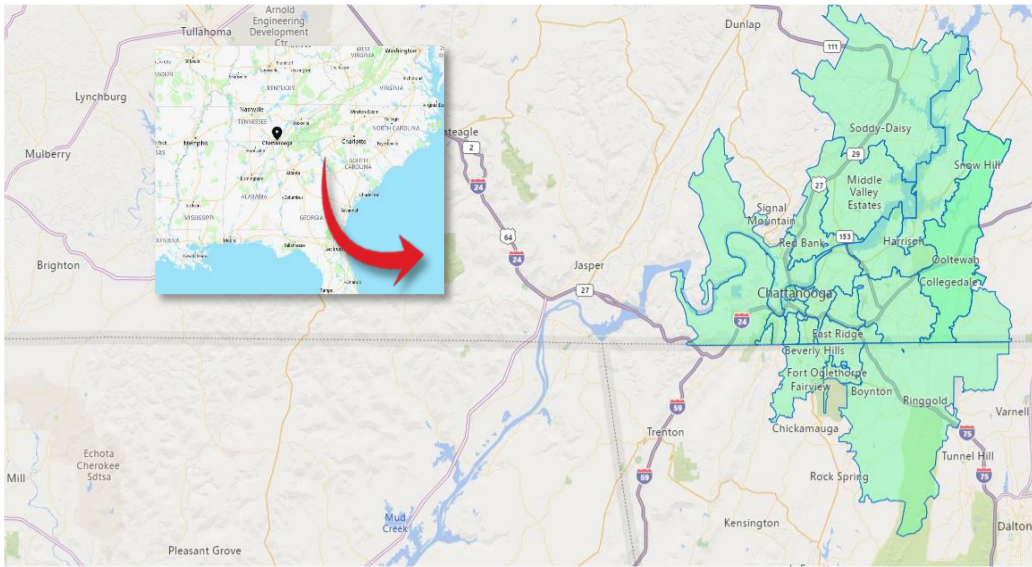
0.65

93rd of 104
Soft

Ranking of overall '3Q 2024 LPI' performance (0.65) against all 104 surveyed markets.



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Chattanooga	
County:	Hamilton County	
State:	Tennessee	
Geo Coordinates (market center):	35.04563, -85.30968	
Major Hotel Demand Generators		
BlueCross BlueShield of Tennessee Erlanger Health System Tennessee Valley Authority Volkswagen Chattanooga McKee Foods Corp. Unum CHI Memorial Amazon Roper Corp. Astec Industries Inc. Cigna HealthCare Parkridge Medical Center The University of Tennessee at Chattanooga Pilgrim's Pride Corp. U.S. Xpress Enterprises Inc. Convergys Corp. Chatter Inc. Orange Grove Center Inc. Chattanooga State Community College Koch Foods LLC		
Metrics and Ranking		Measurements
Population (hotel market area)	356,975	Rankings
Income per Capita	\$41,911	96th of 104 (Small)
Feeder Group Size	50.6 Persons PSR	75th of 104 (Below Average)
Feeder Group Earnings	\$2,122,094 PSR	20th of 104 (Above Average)
Total Market Hotel Revenues	\$292.9 million	16th of 104 (Above Average)
		85th of 104 (Below Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	63.6%	\$82.86	\$52.73	\$77.42	\$49.26	\$5.44	93.4%	41.1%	1.80	10,220	0.72
2016	64.3%	\$85.06	\$54.66	\$79.25	\$50.92	\$5.81	93.2%	41.9%	1.83	10,190	0.91
2017	65.1%	\$89.05	\$57.95	\$82.61	\$53.76	\$6.44	92.8%	43.9%	1.83	10,050	0.76
2018	62.7%	\$94.48	\$59.28	\$87.37	\$54.82	\$7.11	92.5%	47.1%	1.78	10,130	0.79
2019	62.7%	\$98.41	\$61.72	\$90.82	\$56.97	\$7.58	92.3%	53.0%	1.72	10,670	0.74
2020	53.4%	\$82.76	\$44.29	\$76.99	\$41.07	\$5.78	93.0%	37.9%	2.01	10,640	1.19
2021	65.3%	\$102.56	\$67.49	\$95.11	\$62.12	\$7.44	92.7%	40.5%	1.87	10,900	1.17
2022	66.1%	\$106.99	\$70.79	\$99.28	\$65.63	\$7.71	92.8%	40.8%	1.89	10,980	0.93
2023	64.9%	\$110.39	\$71.76	\$102.54	\$66.50	\$7.85	92.9%	41.5%	1.89	11,040	0.66
CAGR: 2015 thru 2023	0.2%	3.7%	3.9%	3.6%	3.8%	4.7%	-0.1%	0.1%	0.6%	1.0%	-1.1%
3Q 2023	62.7%	\$114.50	\$71.74	\$106.38	\$66.65	\$8.12	92.9%	48.1%	1.90	11,290	0.70
3Q 2024	62.5%	\$112.76	\$70.49	\$104.80	\$65.52	\$7.96	92.9%	51.8%	1.93	11,490	0.65

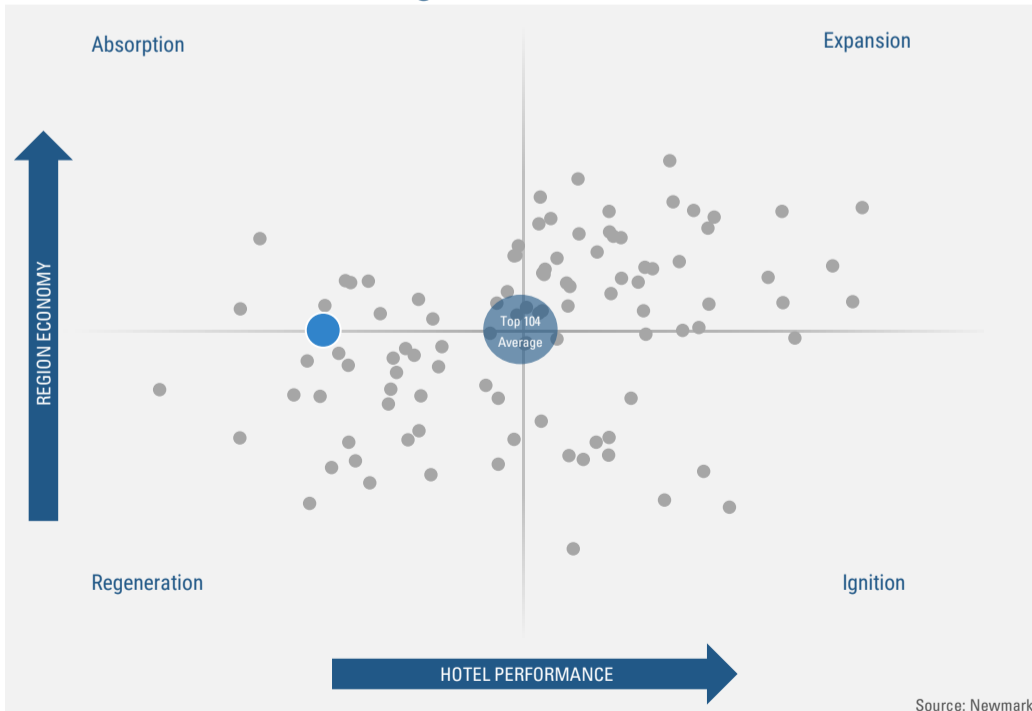
Notable Metrics

HIGHEST	Latest-Quarter Booking Costs POR	Feeder Group Earnings per sold room	T12-Month Booking Costs POR
	16th Above Average	16th Above Average	19th Above Average
	Chattanooga, TN enjoyed low latest-quarter booking costs POR (\$7.96)	The market posted strong feeder group earnings per sold room (\$2,122,094)	The market also enjoyed low T12-month booking costs POR (\$7.92)
LOWEST	Latest-Quarter Guest Paid RevPAR	Latest-Quarter COPE RevPAR	Latest-Quarter LPI
	95th Soft	94th Soft	93rd Soft
	This market posted weak latest-quarter Guest Paid RevPAR (\$70.49)	The market has been hampered by weak latest-quarter COPE RevPAR (\$65.52)	Chattanooga, TN also posted weak latest-quarter LPI (0.65)

Notable Trends

STRONGEST	Short-Term Historical Supply Growth	Short-Term Historical Booking Costs POR Growth	Short-Term Historical Loyalty Contribution Growth
	10th Above Average	15th Above Average	22nd Above Average
	Chattanooga, TN has benefited from low short-term historical supply growth (2.7%)	The market enjoyed low short-term historical growth in booking costs (1.6%)	The market also enjoyed strong short-term historical loyalty contribution growth (4.8%)
WEAKEST	Long-Term Historical Occupancy Growth	Short-Term Historical COPE RevPAR Growth	Short-Term Historical COPE ADR Growth
	101st Soft	97th Soft	97th Soft
	The market has been hindered by weak long-term historical occupancy growth (-1.8%)	We note this area has been impeded by weak short-term historical COPE RevPAR growth (0.1%)	Chattanooga, TN also posted weak short-term historical COPE ADR growth (1.6%)

Market Performance Stage



Chattanooga, TN: Absorption Stage

The Chattanooga, TN 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 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 .

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 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.
- 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.

Industry Observations

MOODYS ANALYTICS
 Business Cycle: **Mid Expansion**
 Employment Growth (2 yr): **1.3%**
 Risk Exposure (402 US markets): **38th Percentile: Average Risk**
 Key Industry Notes:
 Proximity to large southern markets
 Favorable tax structure
 Low educational attainment
 Low business costs
 Below-avg per capita income

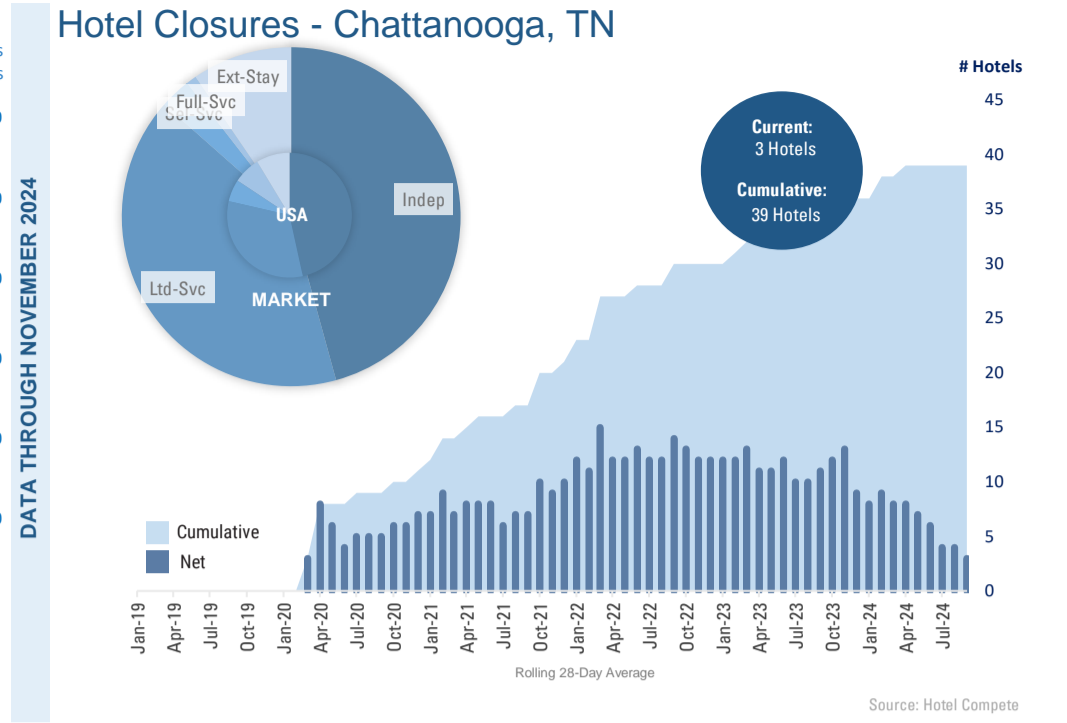
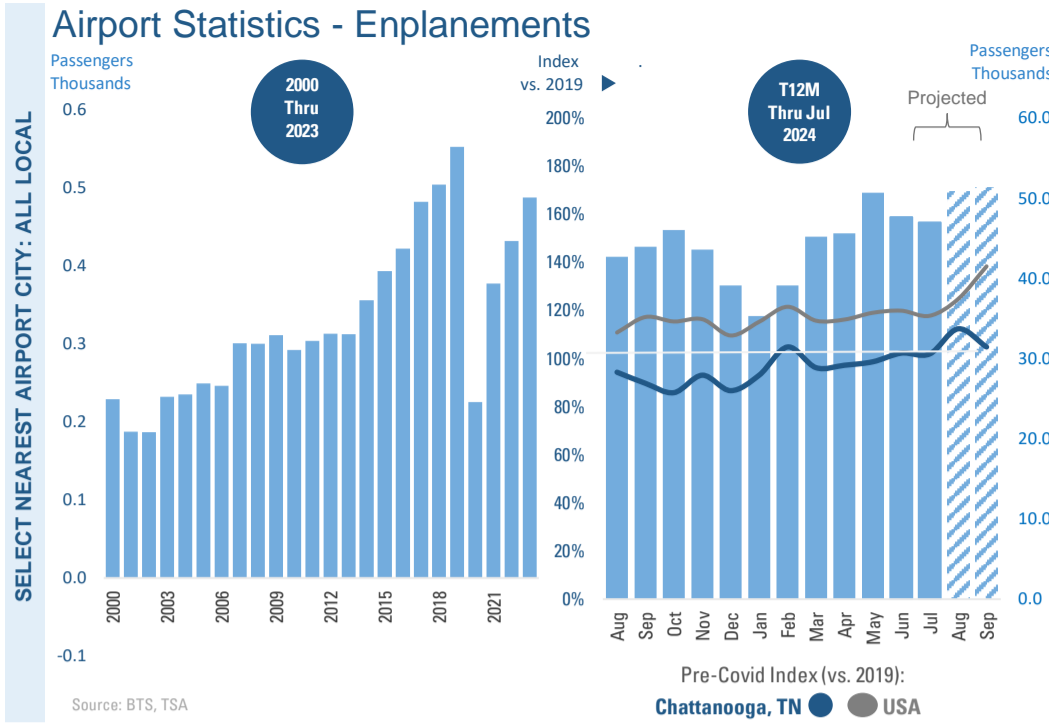
Moody's Rating

Aaa
Investment Grade

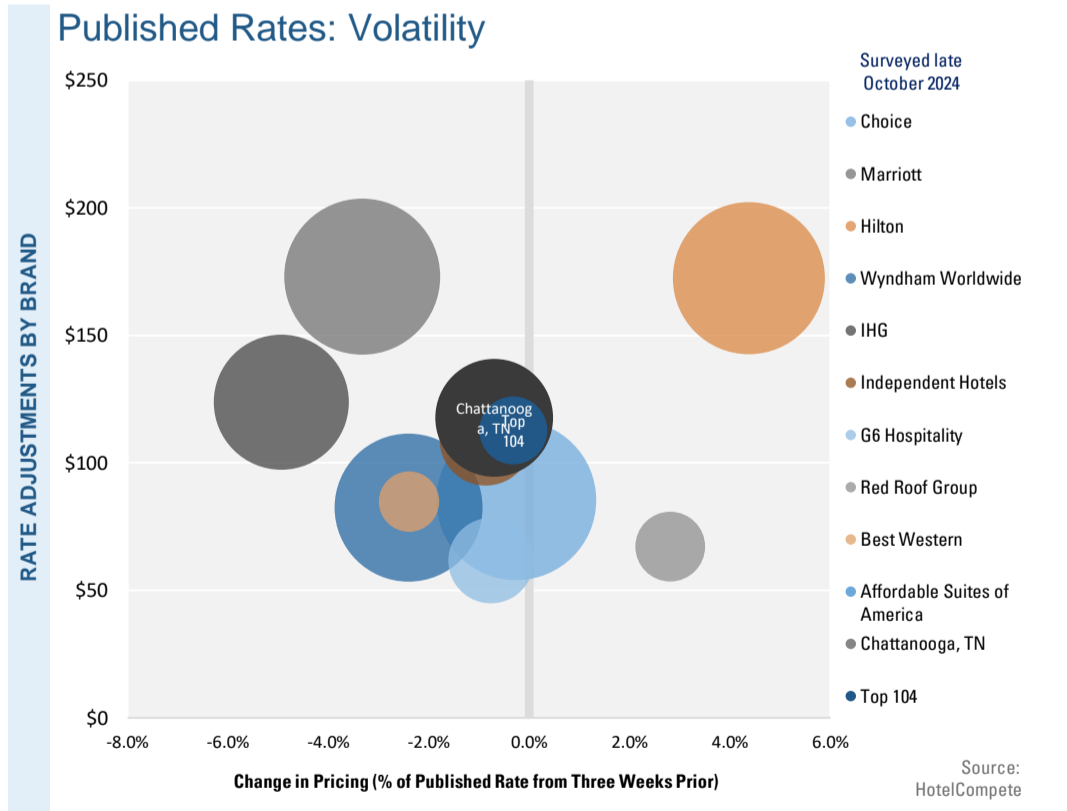
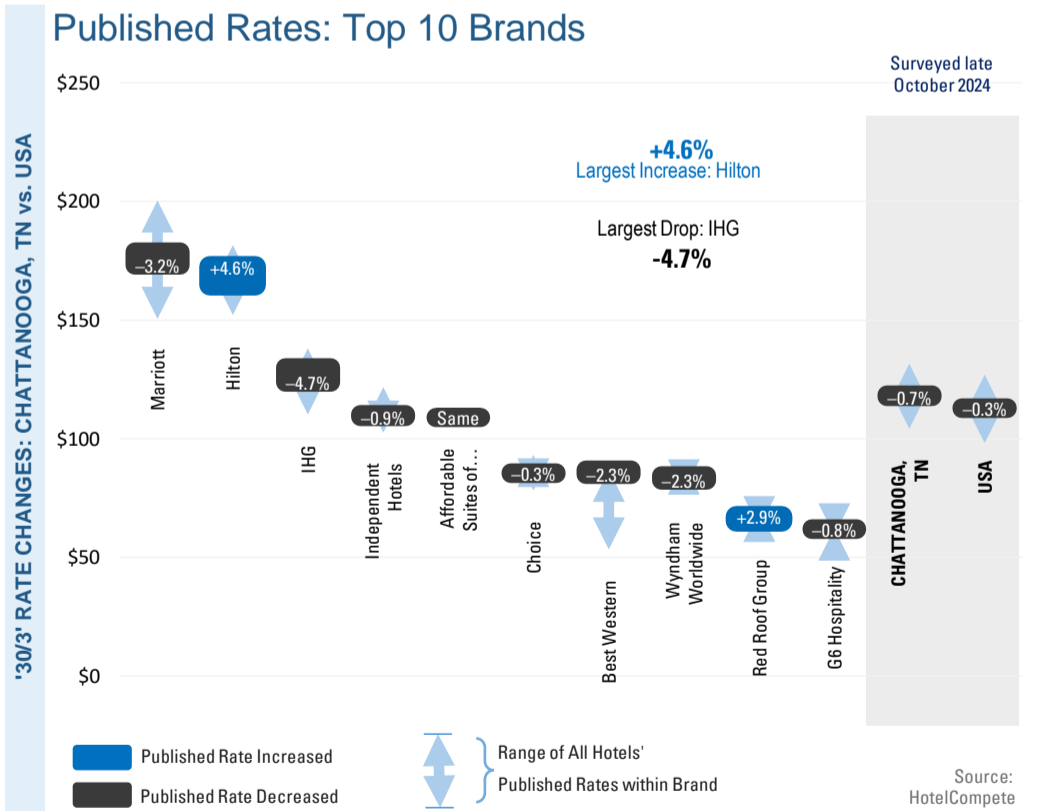
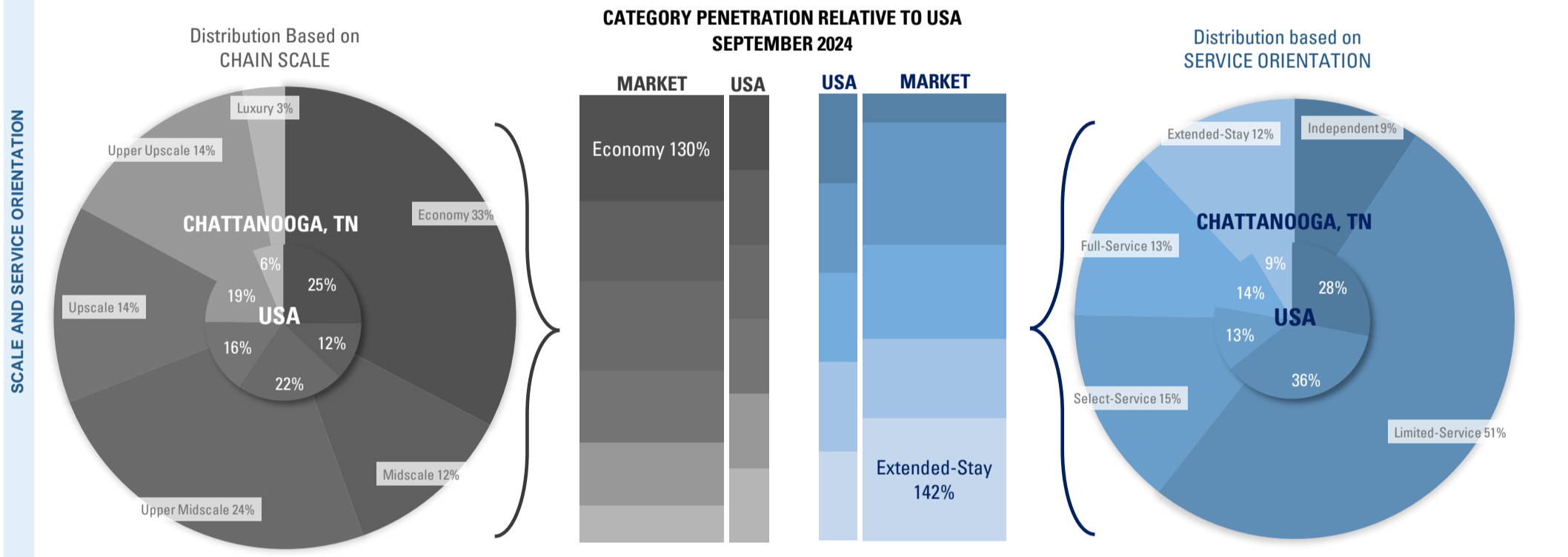
Long-term investment grade, Prime-1 short-term outlook



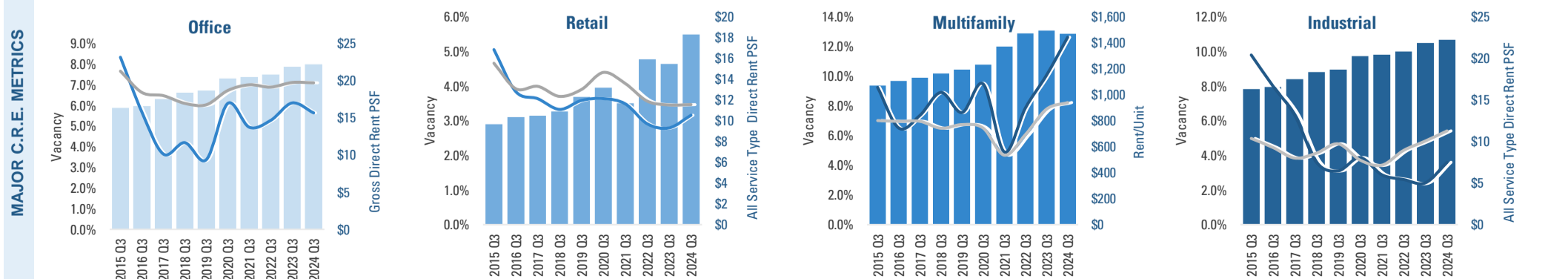
Source: Newmark



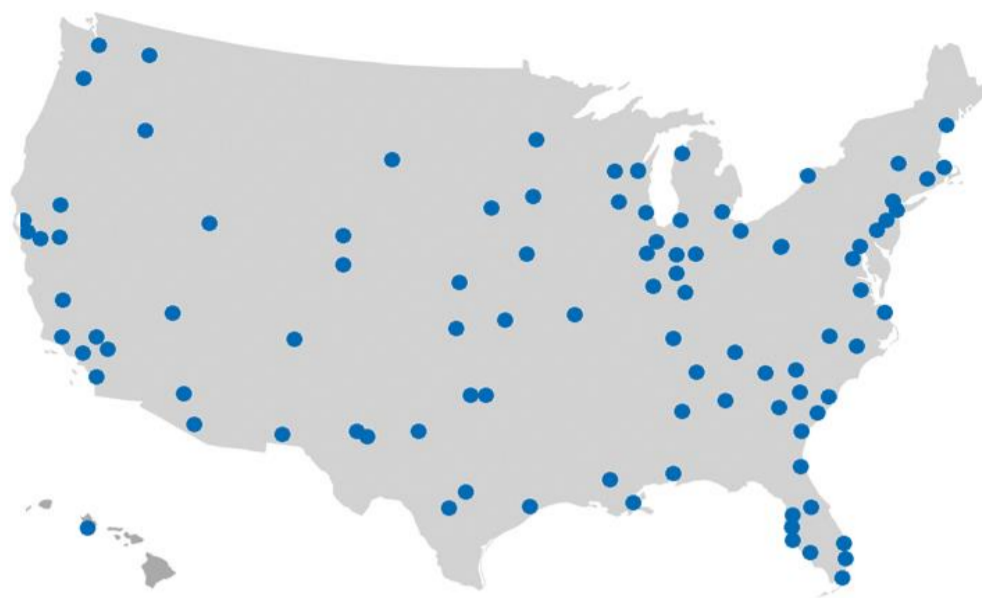
Scale and Service Distribution: Chattanooga, TN



Major CRE Market Performance



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
- Stadiums, Sports & Entertainment 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@nmrk.com

CONTACT: SOUTHEAST & CARRIBBEAN MARKETS

FOR MORE INFORMATION

David Gray, MAI, MRICS
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Caribbean Markets
m 561-302-3943
david.gray@nmrk.com

Edy Gross
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Caribbean Markets
m 305-582-7376
edy.gross@nmrk.com

MARKET DISCLAIMERS

COPYRIGHT INFORMATION

© 2024 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.