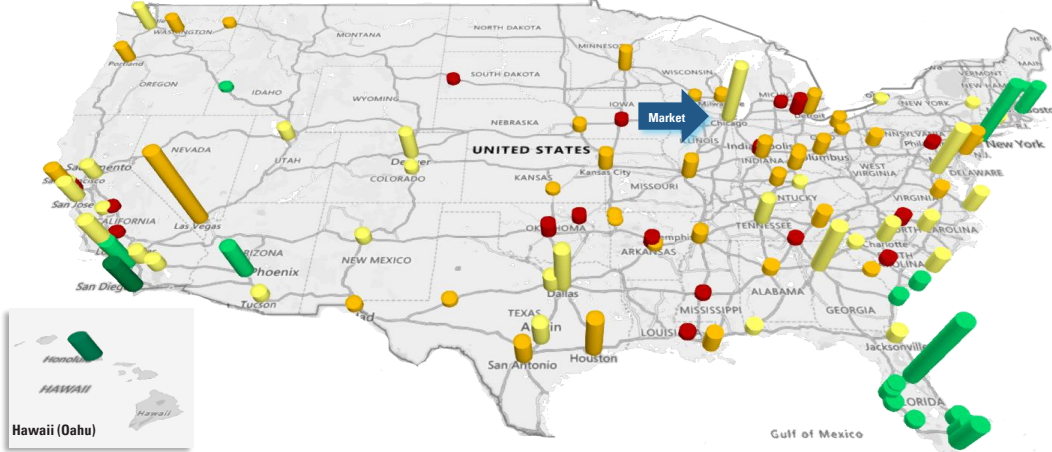


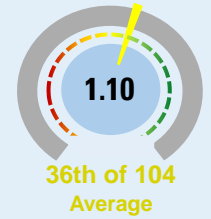
2Q 2023 CHICAGO, IL



Lodging Performance Index Snapshot



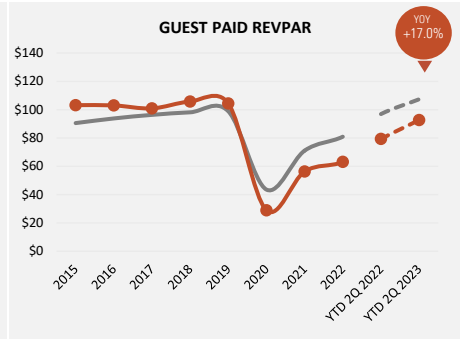
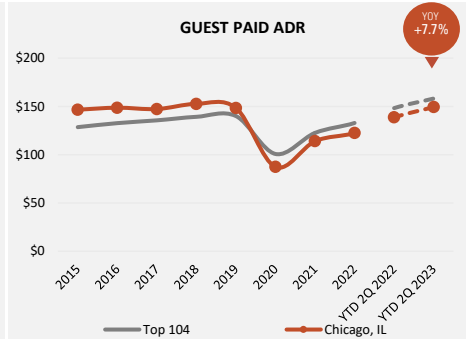
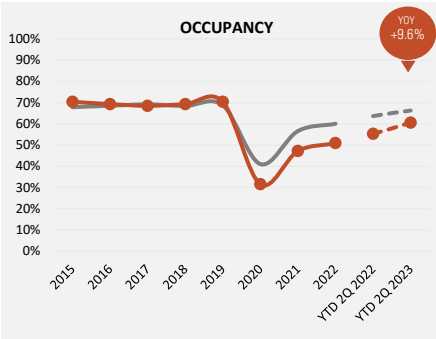
LODGING PERFORMANCE INDEX
Chicago, IL



Ranking of overall '2Q 2023 LPI' performance (1.10) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

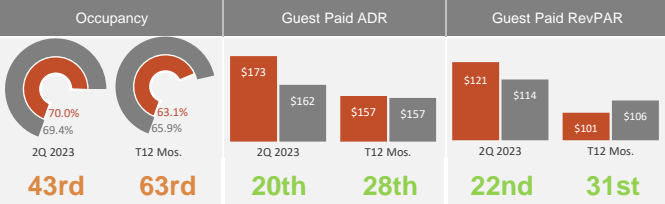
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

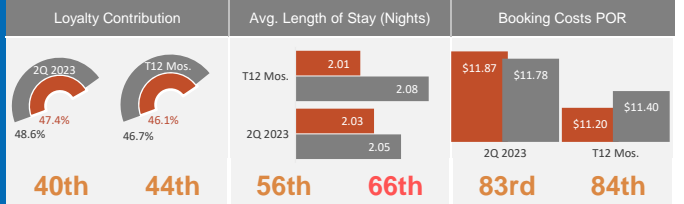
Key Performance Indexes

● Subject Market ● Top 104



BENCHMARK INDEXES

Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

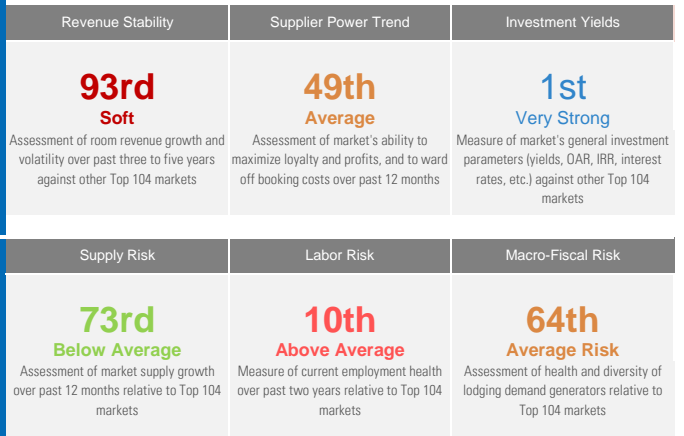
Source: Newmark



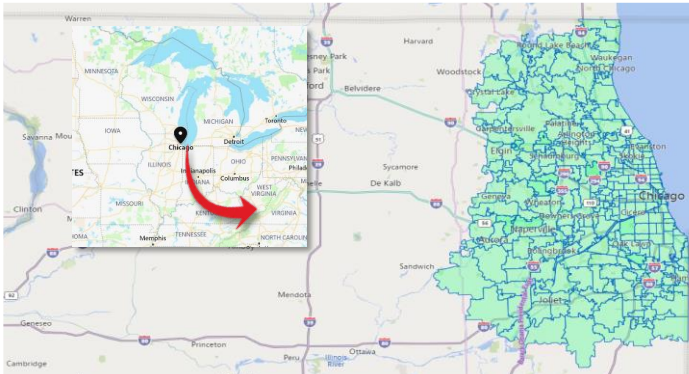
FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Chicago	
County:	Cook County, DuPage County	
State:	Illinois	
Geo Coordinates (market center):	41.83755, -87.68184	

Major Hotel Demand Generators
 Advocate Health Care System | Northwestern Memorial Healthcare | University of Chicago | JPMorgan Chase & Co. | Amazon | United Continental Holdings Inc. | Walgreens Boots Alliance Inc. | Northwestern University | Presence Health | Wal-Mart Stores Inc. | Abbott Laboratories | Jewel-Osco Stores | University of Illinois | American Airlines | Rush University Medical Center | Chicago Transit Authority | AT&T | University of Chicago Medical Center | Allstate Insurance Co. | Employco USA Inc.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	7,749,499	2nd of 104 (Very Large)
Income per Capita	\$52,497	36th of 104 (Average)
Feeder Group Size	100.5 Persons PSR	83rd of 104 (Below Average)
Feeder Group Earnings	\$5,277,221 PSR	84th of 104 (Below Average)
Total Market COPE	\$4.4 billion	6th of 104 (Strong)

Key Performance Metrics

Data provided by: **kalibri LABS**

YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE ADR	COPE RevPAR	Booking Cost POR	ADR COPE	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	70.4%	\$146.61	\$103.17	\$134.06	\$94.33	\$12.55	91.4%	48.3%	2.03	111,690	1.36
2016	69.3%	\$148.68	\$103.01	\$135.69	\$94.01	\$12.99	91.3%	50.6%	1.98	113,340	1.08
2017	68.5%	\$147.29	\$100.87	\$134.21	\$91.91	\$13.08	91.1%	52.4%	1.95	114,850	1.09
2018	69.2%	\$152.68	\$105.73	\$139.65	\$96.70	\$13.03	91.5%	54.1%	1.94	116,240	1.34
2019	70.3%	\$148.40	\$104.35	\$135.84	\$95.52	\$12.56	91.5%	57.7%	1.89	121,730	1.08
2020	31.5%	\$87.31	\$28.94	\$81.12	\$25.58	\$6.19	92.9%	35.3%	2.29	118,950	0.54
2021	47.2%	\$113.98	\$56.32	\$105.13	\$49.62	\$8.85	92.2%	39.2%	2.08	120,790	0.59
2022	50.9%	\$122.49	\$63.08	\$113.05	\$57.54	\$9.44	92.3%	41.0%	2.07	121,790	0.89
CAGR: 2015 thru 2022	-4.5%	-2.5%	-6.8%	-2.4%	-6.8%	-4.0%	0.1%	-2.3%	0.3%	1.2%	-5.8%
YTD 2Q 2022	55.3%	\$138.62	\$79.22	\$128.68	\$73.57	\$9.94	92.8%	42.9%	2.07	121,510	0.73
YTD 2Q 2023	60.6%	\$149.32	\$92.66	\$138.73	\$86.12	\$10.59	92.9%	46.6%	2.02	120,540	1.10
% Change	9.6%	7.7%	17.0%	7.8%	17.1%	6.5%	0.1%	8.6%	-2.2%	-0.8%	50.7%

Notable Metrics

HIGHEST	Total Rooms Supply	Total Rooms Sold	IRR: Economy/Ltd Svc
	4th Strong Chicago, IL benefits from a large and diverse hotel market (120,693)	4th Strong The market boasted strong total rooms sold (28,138,160)	4th Highly Favorable The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (9.4%)
LOWEST	Feeder Group Earnings PSR	T12-Month Booking Costs POR	Feeder Group Size
	84th Below Average This market has been hindered by weak feeder group earnings PSR (\$5,277,221)	84th Below Average The market was burdened by high T12-month booking costs POR (\$11.20)	83rd Below Average Chicago, IL also required a large feeder group size (100.52 Persons)

Notable Trends

FASTEST	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth	Overall Health of Hotel Market
	9th Strong Chicago, IL has benefited from low long-term historical booking costs POR growth (1.0%)	12th Above Average The market enjoyed low short-term historical growth in booking costs (0.9%)	30th Above Average The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
SLOWEST	Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid ADR Growth	Long-Term Historical COPE RevPAR Growth
	95th Soft The market posted weak short-term historical COPE ADR growth (1.3%)	95th Soft We note this area has been impeded by weak short-term historical Guest Paid ADR growth (1.2%)	94th Soft Chicago, IL also posted weak long-term historical COPE RevPAR growth (-0.1%)

Market Performance Stage



Chicago, IL: Ignition Stage

The Chicago, IL 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.

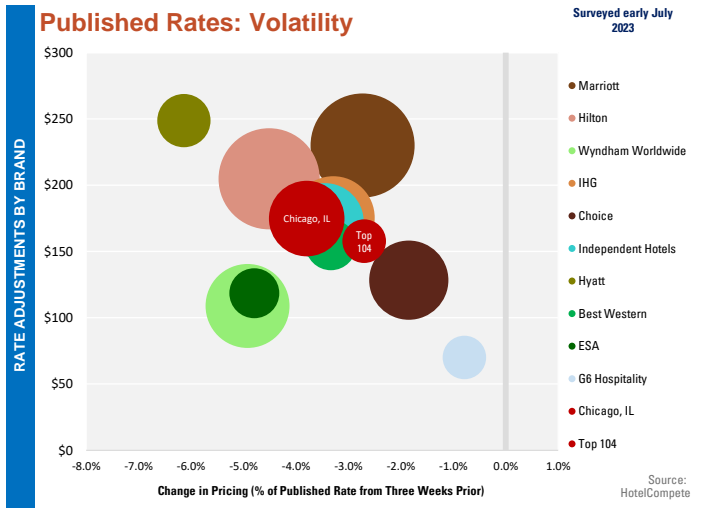
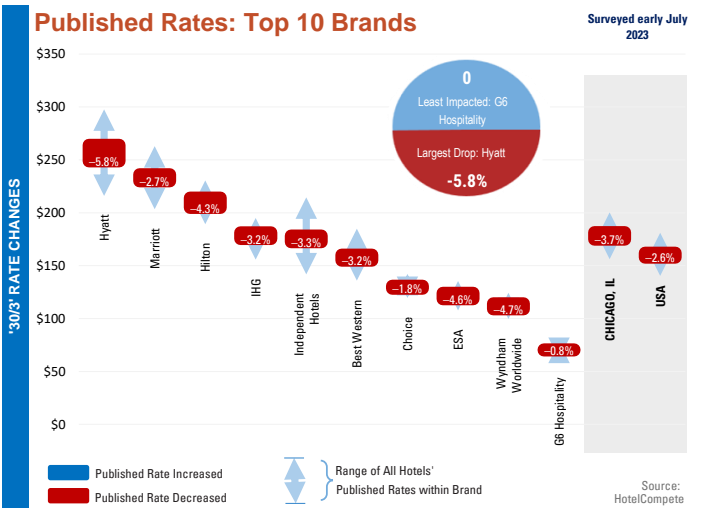
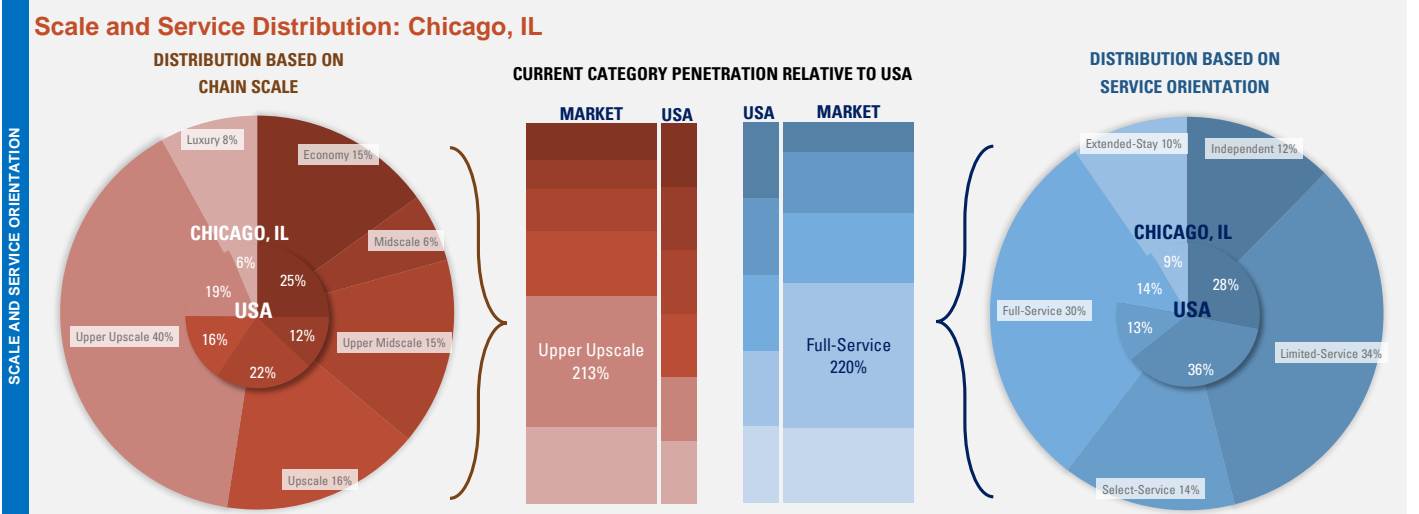
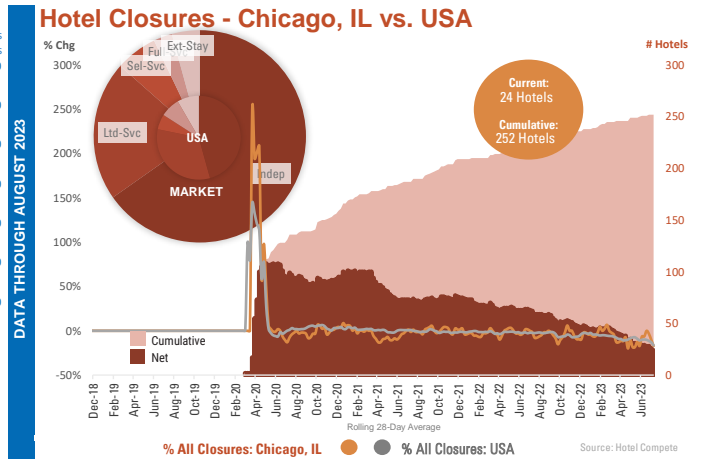
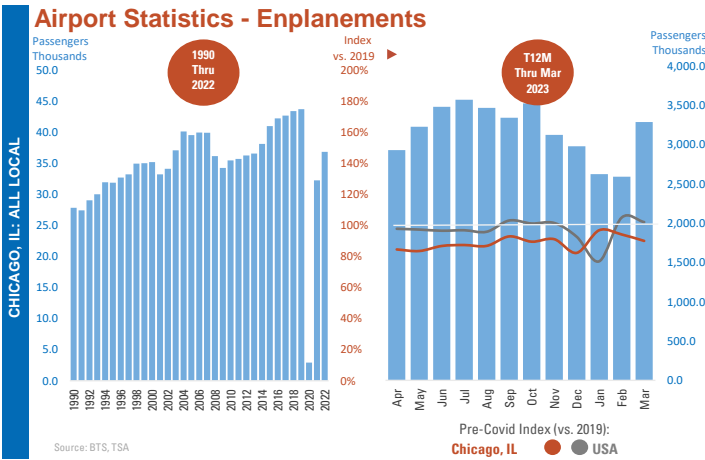
Other Stages:
Regeneration: In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged by lingering COVID-19 impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Detroit, MI; Houston, TX; and New Orleans, LA.
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; Kansas City, MO; and Las Vegas, NV.
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 Recovery
Employment Growth (2 yr): -2.4%
Risk Exposure (402 US markets): 95th Percentile: High Risk
Key Industry Notes: Financial, tourism; Major business center; Huge talent pool; Budgetary pressures; High crime rate

Moody's Rating:
A2 Investment Grade
 Long-term investment grade, Prime-2 short-term outlook



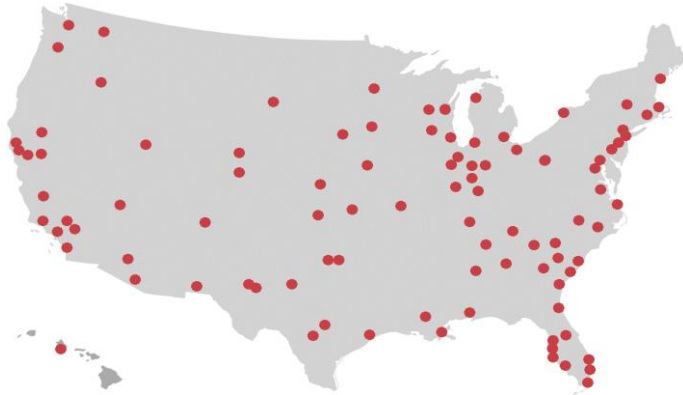


Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	25th Above Average	69th Below Average	73rd Below Average
	The 30-day advanced published rate for the market was a somewhat aggressive \$174.83, ranking 25th out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 20th at \$149.32 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 3.7% 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 1.2% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is below average. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	25th Above Average	15th Above Average	56th Moderate
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Chicago, IL has an above average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Chicago, IL's top 10 brands are exhibiting moderate 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.

ABOUT NEWMARK

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