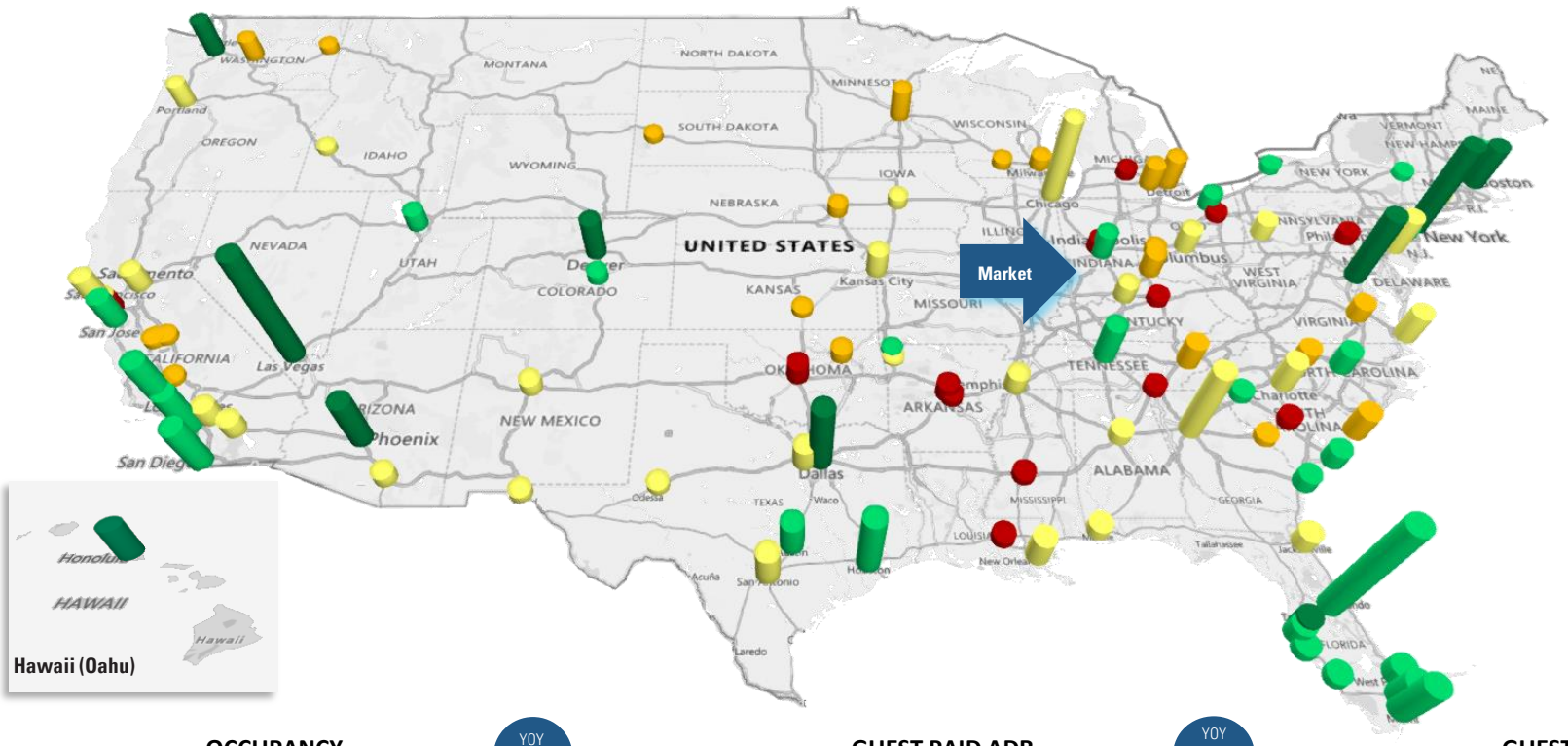
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

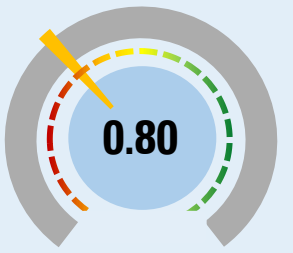
3Q 2024
CINCINNATI, OH

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Cincinnati, OH

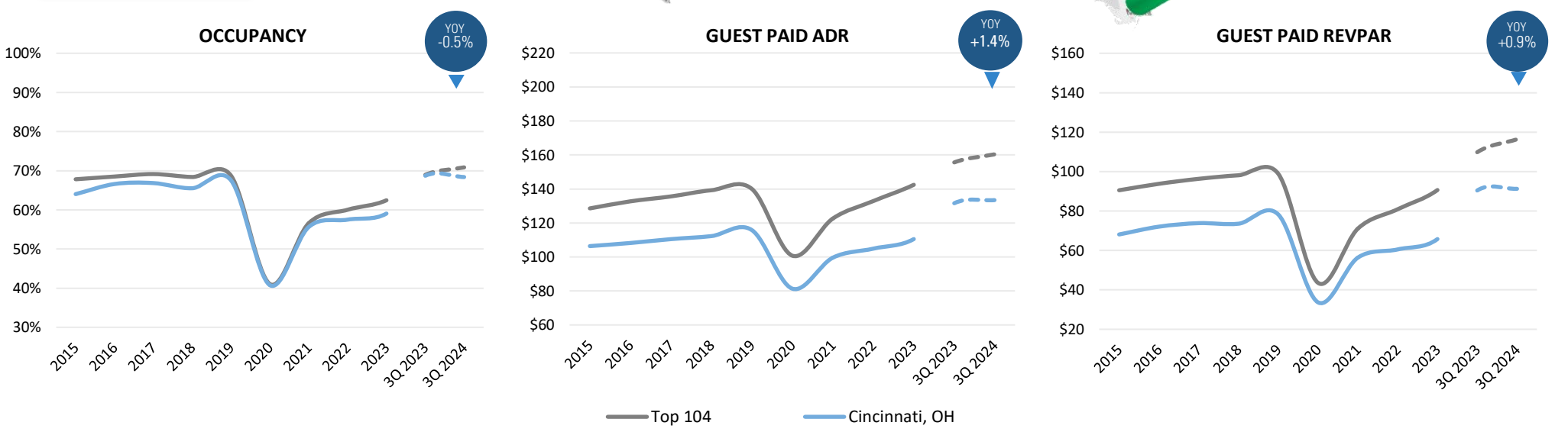


78th of 104

Below Average

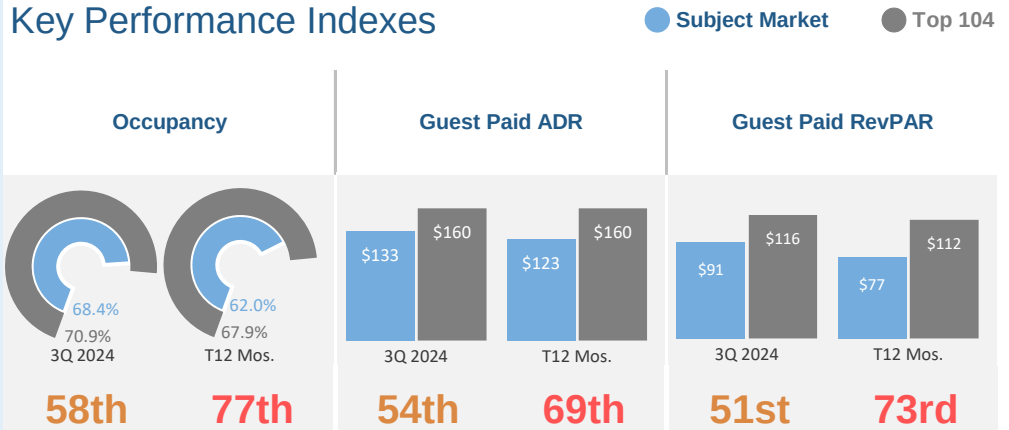
Ranking of overall '3Q 2024 LPI' performance (0.80) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

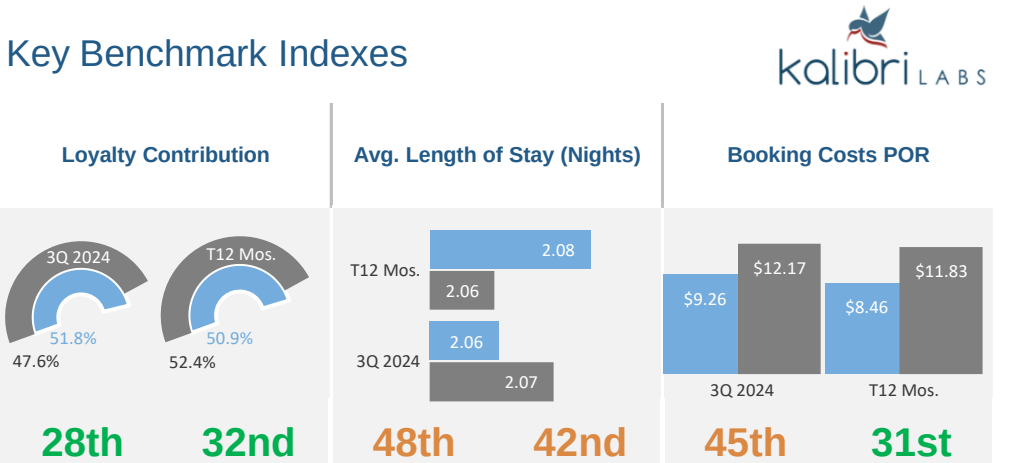
Key Performance Indexes



Occupancy		Guest Paid ADR		Guest Paid RevPAR	
58th	77th	54th	69th	51st	73rd

BENCHMARK INDEXES

Key Benchmark Indexes

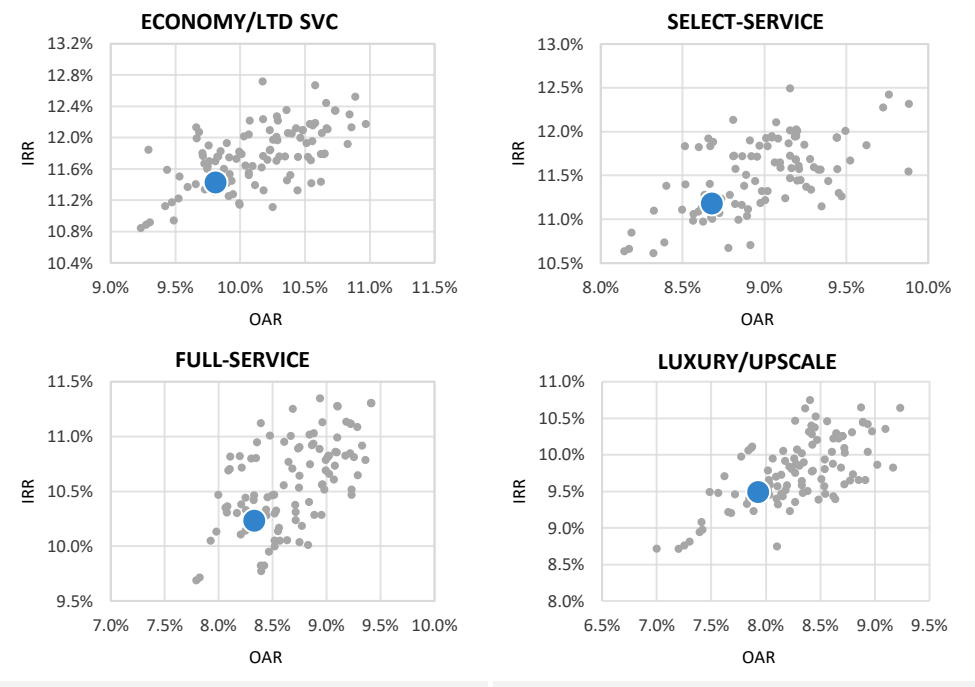


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
28th	32nd	48th	42nd	45th	31st

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

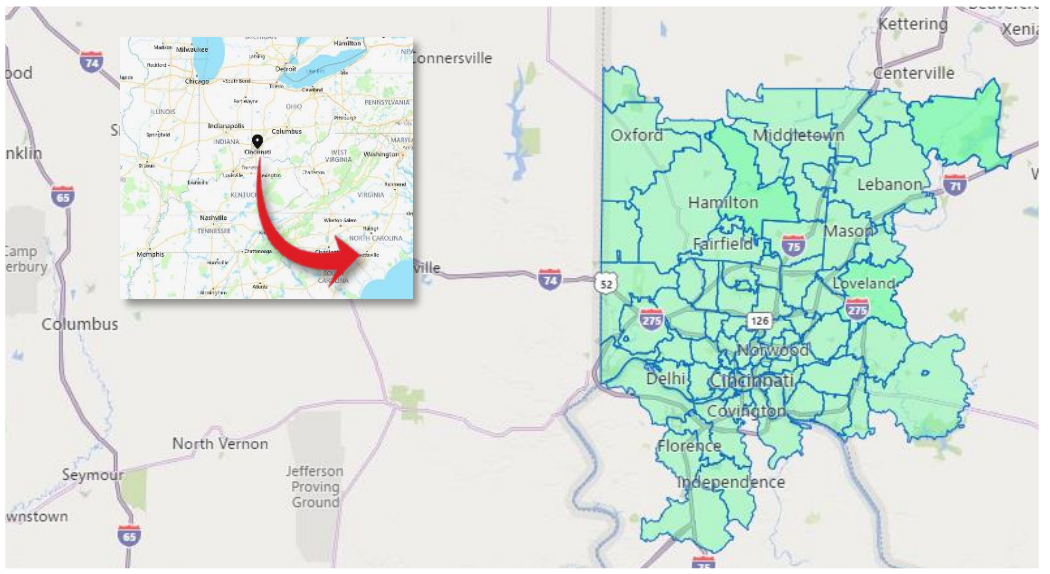
Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
69th Below Average Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	33rd Above Average Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	17th Above Average Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets

RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
20th Above Average Assessment of market supply growth over past 12 months relative to Top 104 markets	27th Above Average Measure of current employment health over past two years relative to Top 104 markets	35th Average Risk Assessment of health and diversity of lodging demand generators relative to Top 104 markets

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Cincinnati
County:	Hamilton County
State:	Ohio
Geo Coordinates (market center):	39.10346, -84.51527

Major Hotel Demand Generators

Cincinnati Children's Hospital Medical Center | Kroger Co. | Cincinnati/Northern Kentucky International Airport | TriHealth Inc. | UC Health | Mercy Health | University of Cincinnati | Procter & Gamble Co. | General Electric | St. Elizabeth Healthcare | Fifth Third Bancorp | The Christ Hospital Corp. | Kings Island | Miami University | Fidelity Investments | Staffmark Group LLC | Macy's Inc. | Amazon.com LLC | Cincinnati Financial Group | U.S. Bank National Association

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,622,700	38th of 104 (Average)
Income per Capita	$36,429	91st of 104 (Soft)
Feeder Group Size	86.6 Persons PSR	69th of 104 (Below Average)
Feeder Group Earnings	$3,154,935 PSR	42nd of 104 (Average)
Total Market Hotel Revenues	$836.0 million	47th of 104 (Average)

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 Rooms	Performance Index (LPI)
2015	64.0%	$106.38	$68.10	$98.22	$62.88	$8.15	92.3%	52.0%	2.02	27,580	0.86
2016	66.6%	$108.21	$72.07	$99.62	$66.35	$8.59	92.1%	53.3%	2.00	27,780	1.00
2017	66.8%	$110.48	$73.84	$101.59	$67.90	$8.89	92.0%	52.9%	1.94	28,080	0.95
2018	65.5%	$112.26	$73.56	$103.28	$67.67	$8.98	92.0%	55.5%	1.92	27,560	0.88
2019	67.5%	$115.82	$78.21	$106.48	$71.90	$9.33	91.9%	59.7%	1.89	30,530	1.14
2020	40.8%	$81.35	$33.65	$76.08	$31.02	$5.27	93.5%	41.2%	2.40	29,020	0.84
2021	55.6%	$99.57	$56.36	$92.79	$51.62	$6.78	93.2%	45.1%	2.16	29,090	0.88
2022	57.5%	$104.89	$60.52	$97.72	$56.19	$7.17	93.2%	46.1%	2.14	29,190	0.82
2023	59.1%	$110.53	$65.77	$103.01	$60.84	$7.51	93.2%	46.6%	2.13	29,270	0.83
CAGR: 2015 thru 2023	-1.0%	0.5%	-0.4%	0.6%	-0.4%	-1.0%	0.1%	-1.4%	0.6%	0.7%	-0.6%
3Q 2023	68.7%	$131.58	$90.40	$122.61	$84.24	$8.97	93.2%	49.8%	2.06	30,250	0.86
3Q 2024	68.4%	$133.44	$91.25	$124.19	$84.92	$9.26	93.1%	51.8%	2.06	30,770	0.80

Notable Metrics

HIGHEST

IRR: Full-Service	T12-Month Booking Costs POR	IRR: Economy/Ltd Svc
21st	**31st**	**22nd**
Favorable	**Above Average**	**Favorable**
Cincinnati, OH enjoyed favorable IRR metrics in the full–service segment (10.2%)	The market enjoyed low T12–month booking costs POR ($8.46)	The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (11.4%)

LOWEST

Economy Median Income	Latest-Quarter LPI	T12-Month Occupancy
91st	**78th**	**77th**
Soft	**Below Average**	**Below Average**
This market was stymied by weak Economy Median Income ($36,429)	The market posted weak latest–quarter LPI (0.8)	Cincinnati, OH also has been hindered by weak T12–month occupancy (62.0%)

Notable Trends

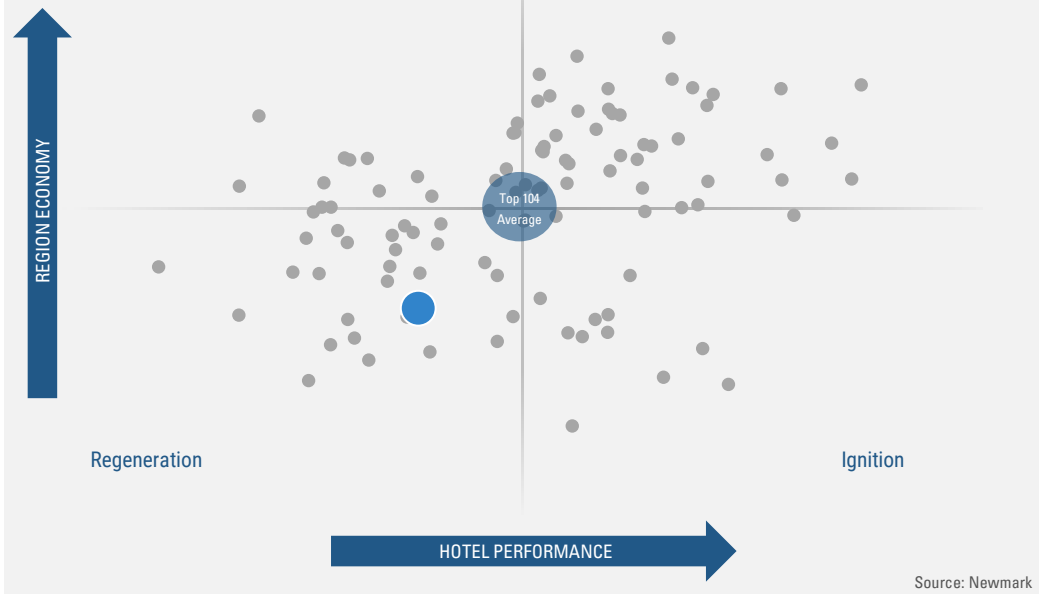
STRONGEST

Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Occupancy Growth	Long-Term Historical Guest Paid ADR Growth
23rd	**31st**	**46th**
Above Average	**Above Average**	**Average**
Cincinnati, OH exhibited strong long–term historical loyalty contribution growth (4.7%)	The market has benefited from strong short–term historical occupancy growth (3.3%)	The market also has benefited from strong long–term historical Guest Paid ADR growth (2.6%)

WEAKEST

Short-Term Historical Loyalty Contribution Growth	T12-Month Rooms Supply Growth	General Economy Reverence
90th	**85th**	**85th**
Soft	**Below Average**	**Below Average**
The market has been hindered by weak short–term historical loyalty contribution growth (2.9%)	We note this area has been hindered by high rooms supply growth over the last 12 months (1.7%)	Cincinnati, OH also posted weak general economic reverence (per–capita unemployment, GDP and other indicators)

Market Performance Stage



Source: Newmark

Cincinnati, OH: Regeneration Stage

Regeneration

The Cincinnati, OH market is currently in the 'Regeneration' stage of the performance cycle. In this 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 Detroit, MI; Knoxville, TN; and Michigan North Area, MI.

Other Stages:

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.

Absorption

In the 'Absorption' 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 .

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.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	0.8%
Risk Exposure (402 US markets):	64th Percentile: Average Risk
Key Industry Notes:	Strong transportation network
	Educated, skilled workforce
	Low living and business costs
	High population growth
	High exposure to trade policy changes

Moody's Rating

Aa2

Investment Grade

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

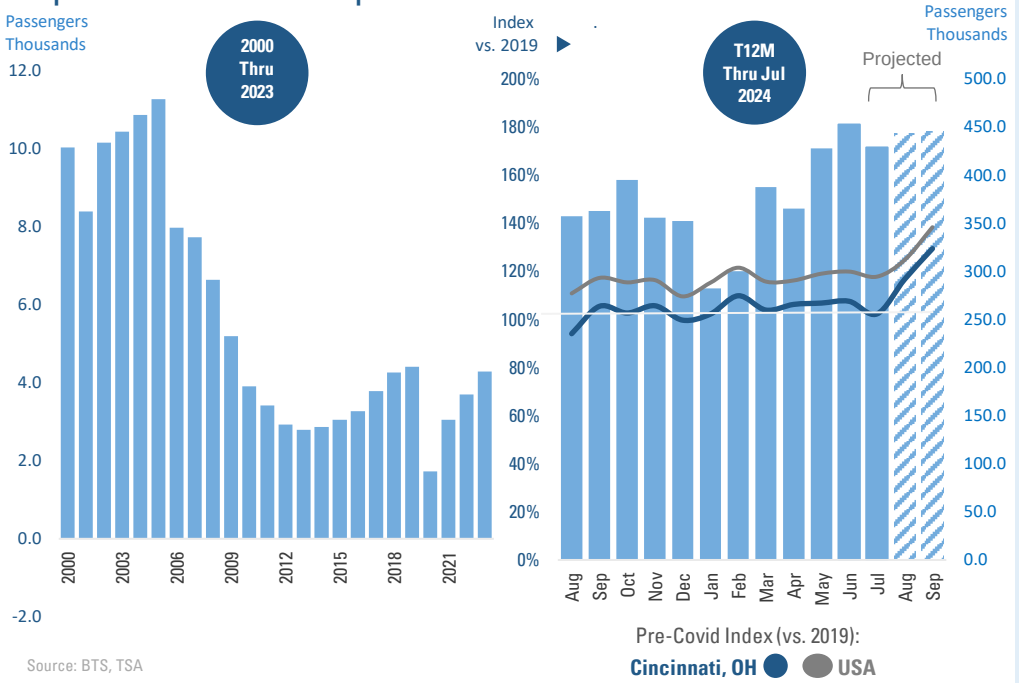
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

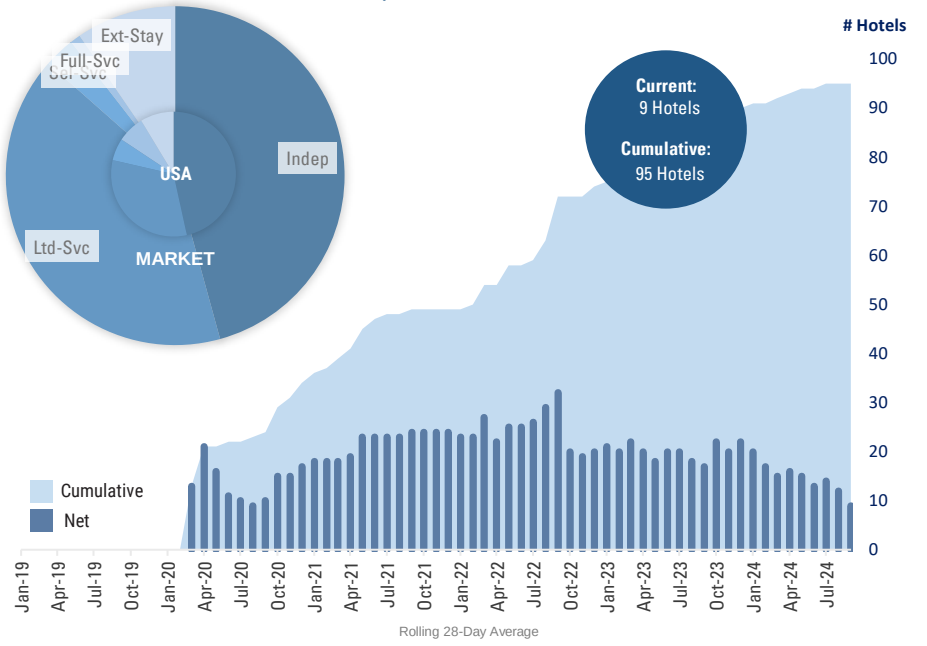
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

Hotel Closures - Cincinnati, OH



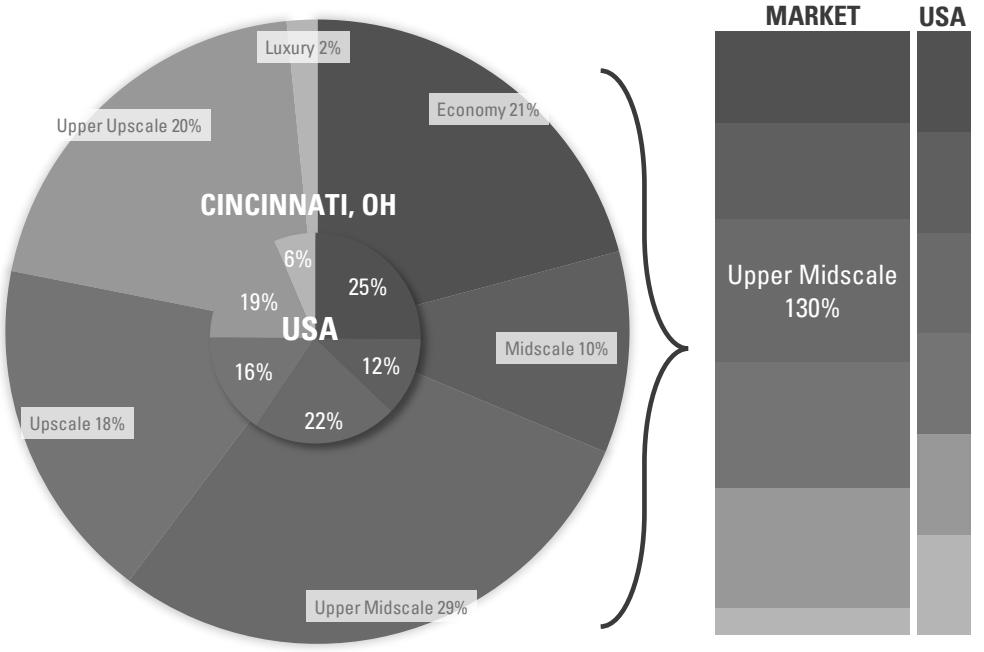
Source: Hotel Compete

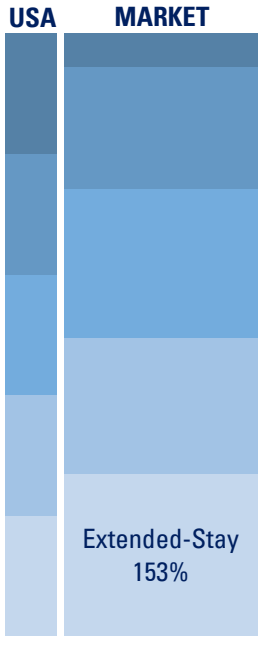
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Cincinnati, OH

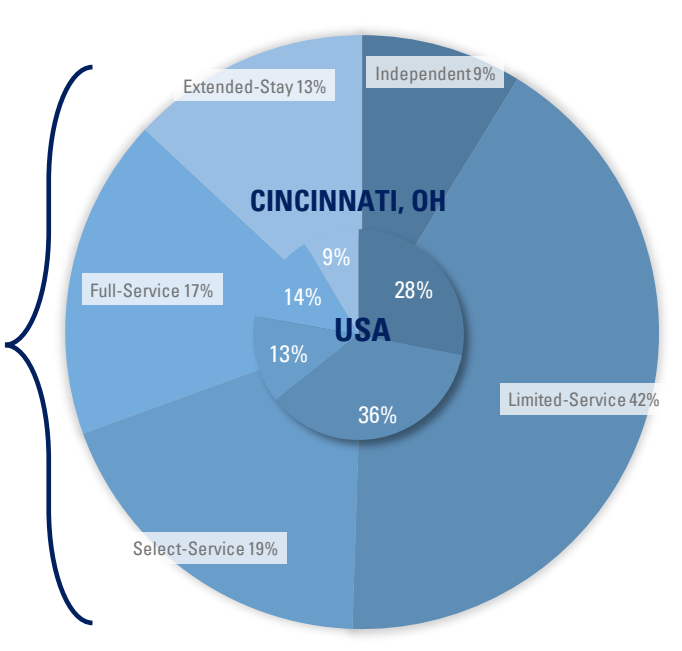
CATEGORY PENETRATION RELATIVE TO USA
SEPTEMBER 2024

Distribution Based on CHAIN SCALE



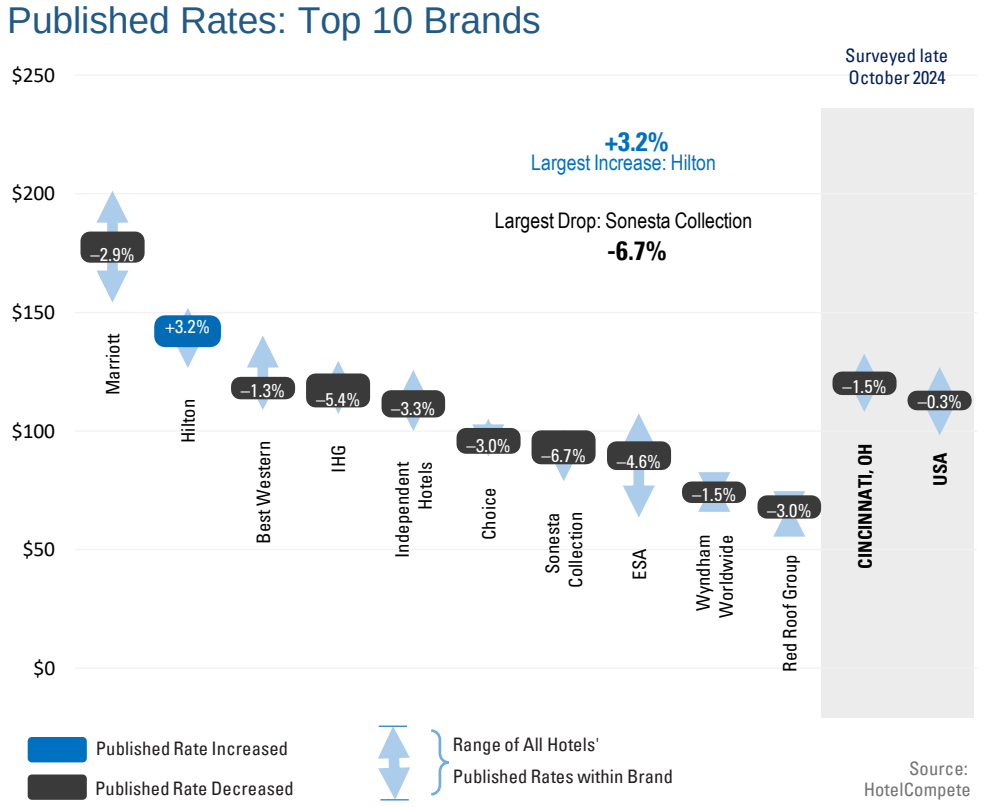


Distribution based on SERVICE ORIENTATION



'30/3' RATE CHANGES: CINCINNATI, OH vs. USA

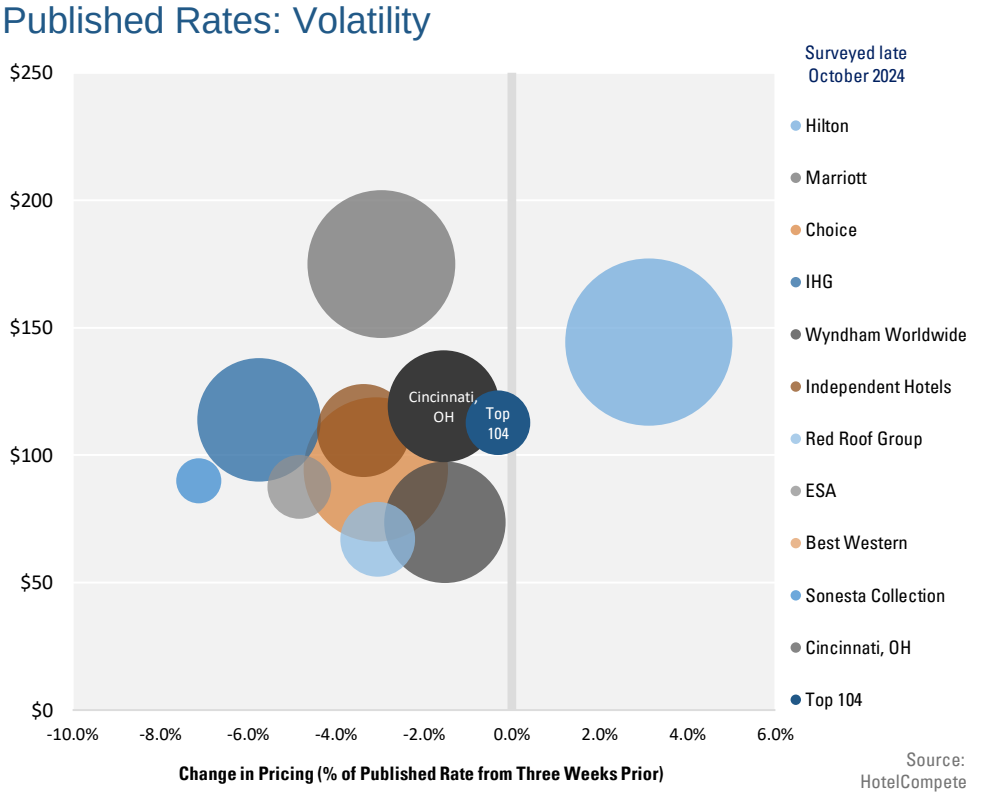
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



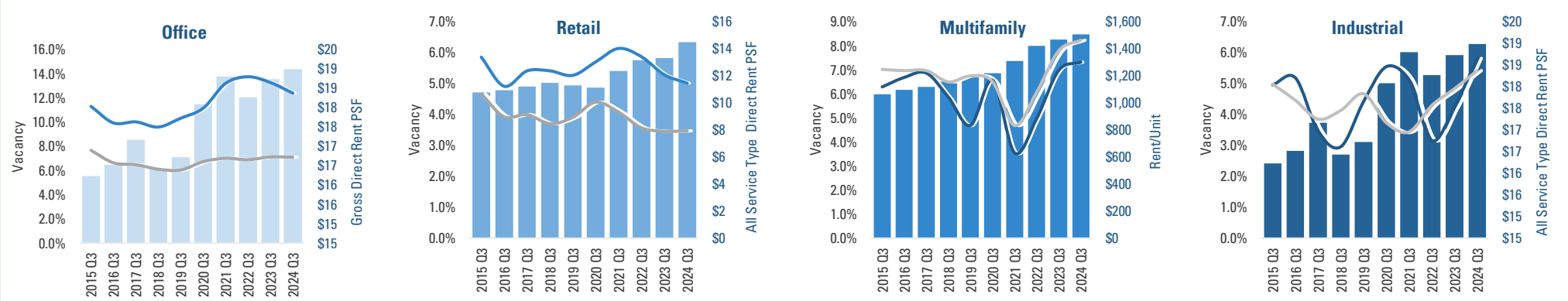
Source: HotelCompete

MAJOR C.R.E. METRICS

Major CRE Market Performance

Cincinnati, OH — USA - Vacancy

Source: CoSTAR



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: GREAT LAKES MARKETS

CONTACT

FOR MORE INFORMATION

Laurel Keller, MAI
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Great Lakes Markets
t 216-453-3023
laurel.keller@nmrk.com

Allie Chapekis, CHIA
Senior Appraiser
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Great Lakes Markets
t 216-453-3035
alexandra.Chapekis@nmrk.com

MARKET DISCLAIMERS

LEGAL

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.