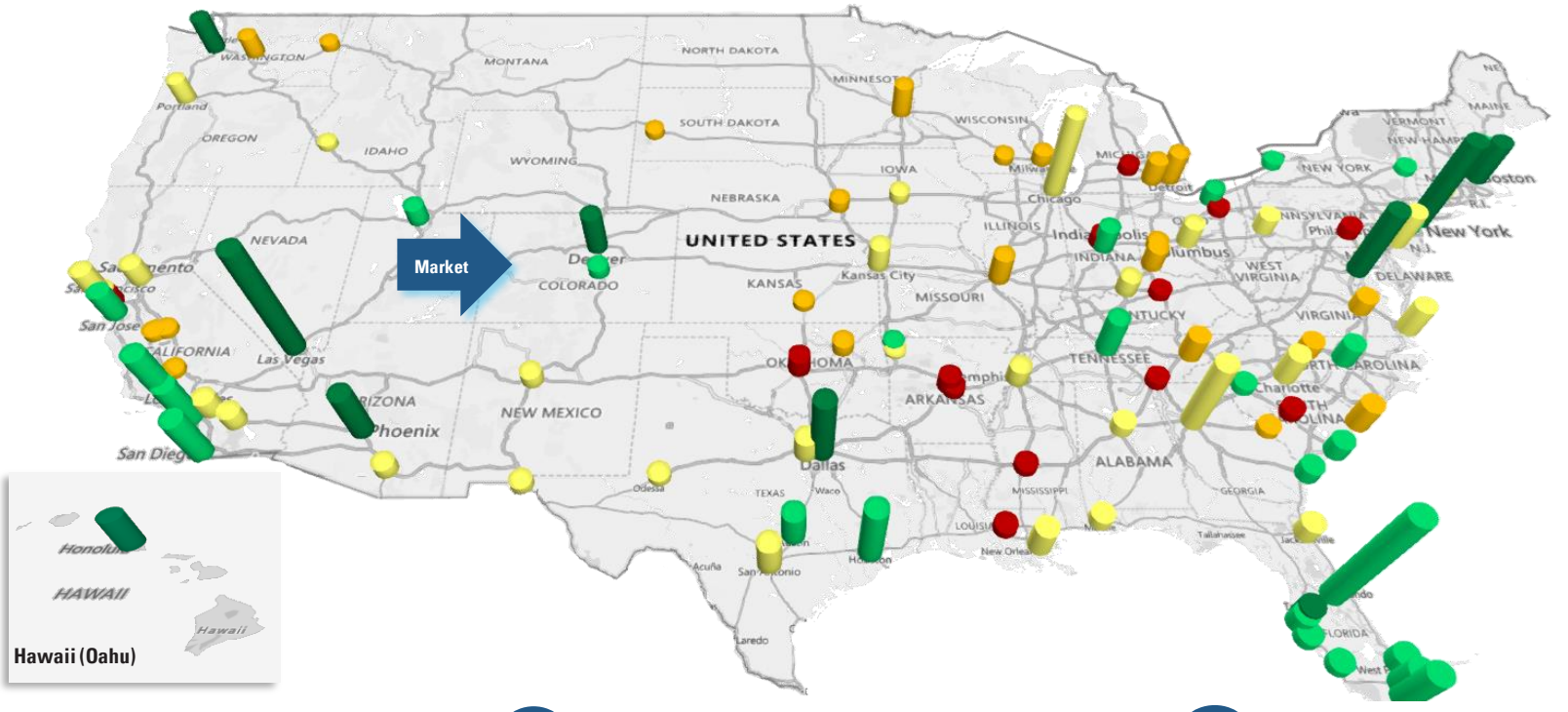
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

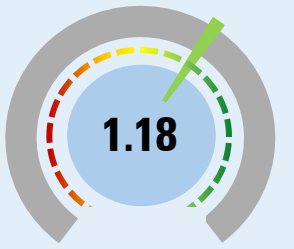
1Q 2025
COLORADO SPRINGS, CO

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Colorado Springs, CO

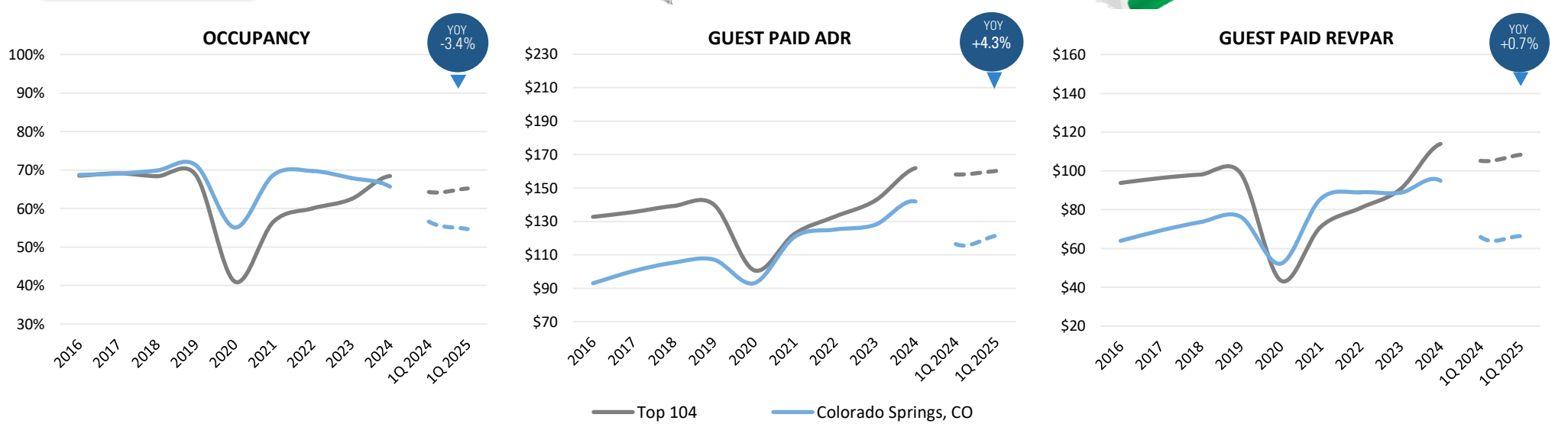


28th of 104

Above Average

Ranking of overall '1Q 2025 LPI' performance (1.18) against all 104 surveyed markets.

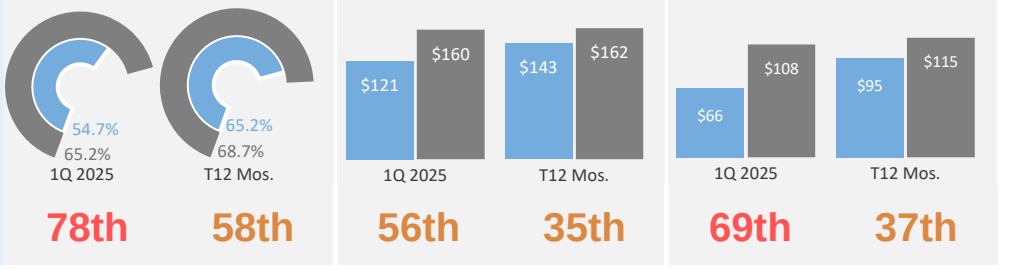
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

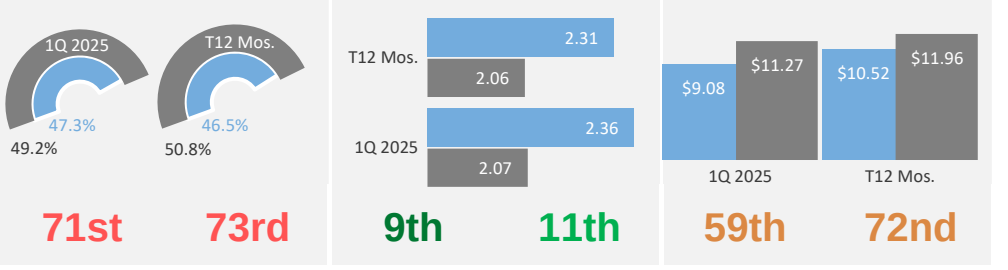
Subject Market | Top 104



Occupancy		Guest Paid ADR		Guest Paid RevPAR	
78th	58th	56th	35th	69th	37th

BENCHMARK INDEXES

Key Benchmark Indexes

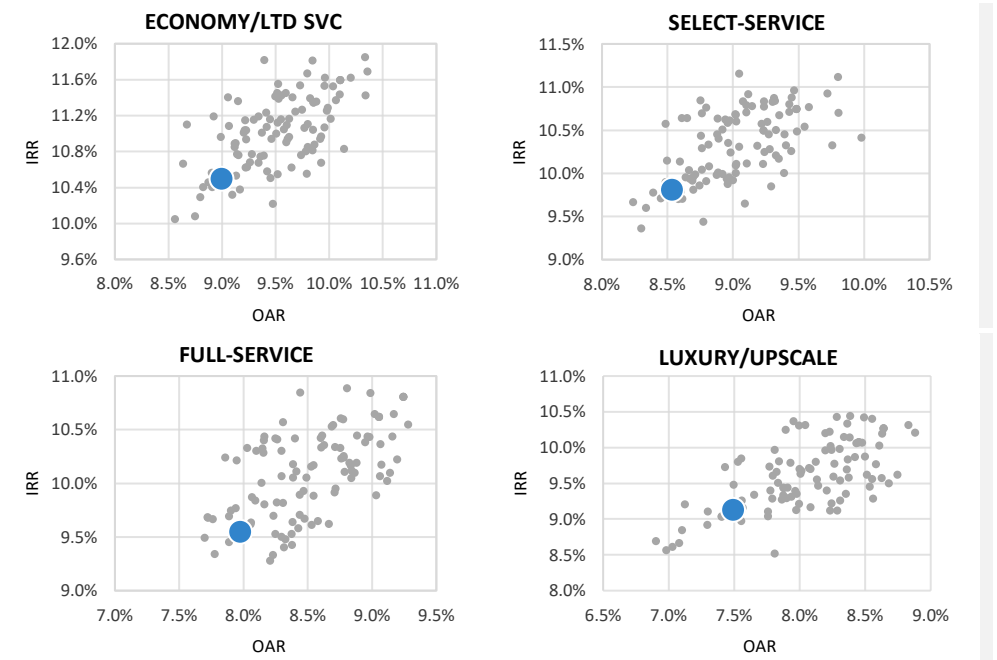


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
71st	73rd	9th	11th	59th	72nd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

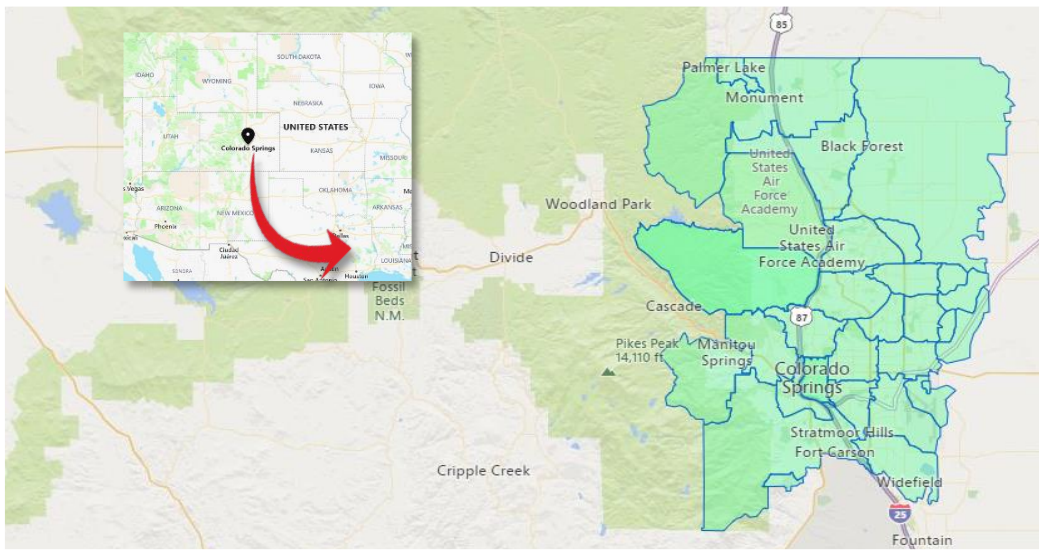
Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
44th	**70th**	**8th**
Average	**Below Average**	**Strong**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	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
101st	**76th**	**61st**
Low Risk	**Below Average**	**Average Risk**
Assessment of market supply growth over past 12 months relative to Top 104 markets	Measure of current employment health over past two years relative to Top 104 markets	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:	Colorado Springs
County:	El Paso County
State:	Colorado
Geo Coordinates (market center):	38.83388, -104.82136

Major Hotel Demand Generators

Fort Carson | Peterson Air Force Base | Schriever Air Force Base | UCHealth Memorial Hospital | Air Force Academy | Hewlett-Packard | Memorial Hospital | Penrose-St. Francis Health Services | USAA | Lockheed Martin Integrated Systems | Northrop Grumman Corp. | Verizon | Children's Hospital of Colorado | Martin Senour Automotive Finishes | Compassion International Inc. | Evans Army Hospital | Atmel Corp. | The Broadmoor | University of Colorado | Checks Unlimited

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	522,092	82nd of 104 (Below Average)
Income per Capita	$58,158	22nd of 104 (Above Average)
Feeder Group Size	60.0 Persons PSR	33rd of 104 (Above Average)
Feeder Group Earnings	$3,488,383 PSR	50th of 104 (Average)
Total Market Hotel Revenues	$389.9 million	71st of 104 (Below 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)
2016	68.8%	$93.00	$63.94	$85.83	$59.01	$7.17	92.3%	46.5%	2.43	11,010	1.28
2017	69.1%	$100.28	$69.26	$92.06	$63.58	$8.22	91.8%	50.0%	2.34	11,360	1.19
2018	69.9%	$105.35	$73.62	$96.78	$67.63	$8.57	91.9%	52.5%	2.35	11,220	1.18
2019	71.3%	$107.15	$76.37	$98.43	$70.16	$8.72	91.9%	57.9%	2.32	12,190	1.29
2020	55.1%	$93.07	$52.16	$86.24	$47.49	$6.83	92.7%	36.1%	2.57	12,270	1.38
2021	68.7%	$120.76	$85.52	$111.52	$76.65	$9.24	92.3%	36.2%	2.38	12,380	1.43
2022	69.8%	$125.12	$88.96	$115.55	$80.61	$9.57	92.4%	36.7%	2.37	12,470	1.12
2023	67.9%	$128.00	$88.74	$118.30	$80.36	$9.70	92.4%	37.0%	2.36	12,640	1.09
2024	65.7%	$141.92	$94.95	$131.53	$86.40	$10.38	92.7%	45.7%	2.32	12,430	1.23
CAGR: 2016 thru 2024	**-0.6%**	**5.4%**	**5.1%**	**5.5%**	**4.9%**	**4.7%**	**0.1%**	**-0.2%**	**-0.6%**	**1.5%**	**-0.6%**
1Q 2024	56.6%	$116.49	$65.94	$107.94	$61.10	$8.55	92.7%	43.9%	2.42	12,550	1.25
1Q 2025	54.7%	$121.50	$66.41	$112.41	$61.45	$9.08	92.5%	47.3%	2.36	12,140	1.18

Notable Metrics

HIGHEST

Latest-Quarter Average Length of Stay	T12-Month Average Length of Stay	OAR: Select-Service
9th	**11th**	**11th**
Strong	**Above Average**	**Favorable**
Colorado Springs, CO boasted strong latest—quarter average length of stay (2.36 Nights)	The market benefited from strong T12—month average length of stay (2.31 Nights)	The market also enjoyed favorable OAR metrics in the select—service segment (8.5%)

LOWEST

Latest-Quarter Occupancy	Total Rooms Supply	T12-Month COPE ADR Percentage
78th	**76th**	**74th**
Below Average	**Below Average**	**Below Average**
This market exhibited weak latest—quarter occupancy (54.7%)	The market is small and offers a narrow variety of lodging scales and classes (12,144 total rooms)	Colorado Springs, CO also has been hampered by weak T12—month COPE ADR percentage (92.7%)

Notable Trends

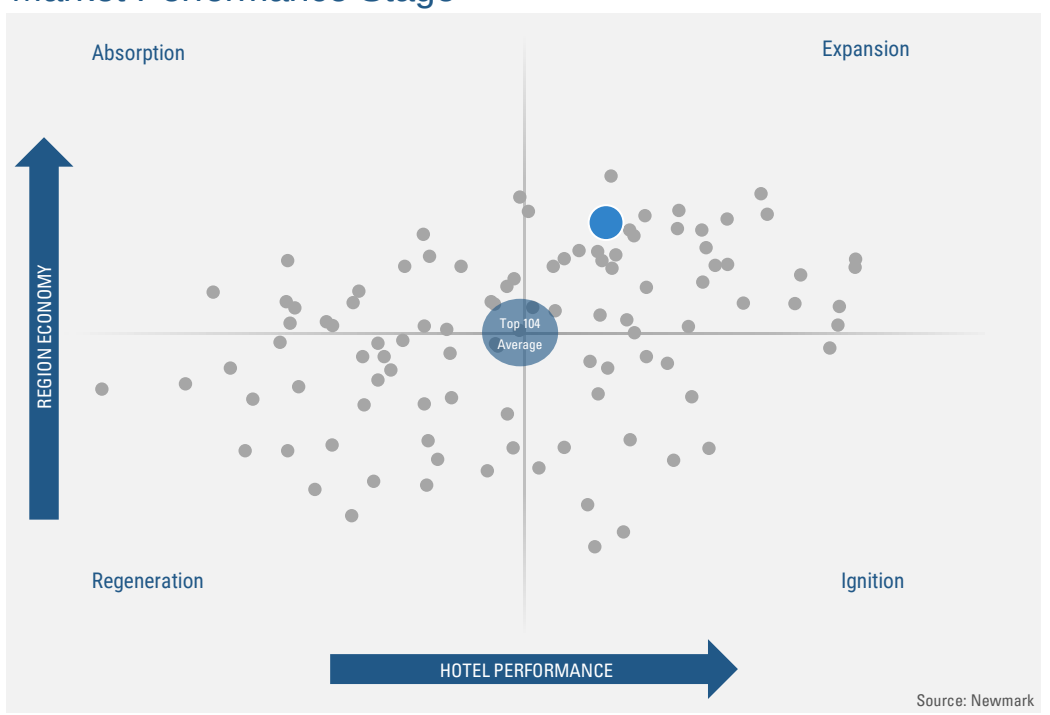
STRONGEST

Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE RevPAR Growth	Long-Term Historical COPE ADR Growth
3rd	**3rd**	**4th**
Very Strong	**Very Strong**	**Strong**
Colorado Springs, CO exhibited strong long—term historical Guest Paid RevPAR growth (4.8%)	The market posted strong long—term historical COPE RevPAR growth (4.9%)	The market also enjoyed from strong long—term historical COPE ADR growth (4.4%)

WEAKEST

Short-Term Historical Occupancy Growth	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Average Length of Stay Growth
101st	**94th**	**87th**
Soft	**Soft**	**Below Average**
The market has been hindered by weak short—term historical occupancy growth (—3.0%)	We note this area exhibited high long—term historical booking costs POR growth (4.4%)	Colorado Springs, CO also exhibited weak short—term historical average length of stay growth (—0.3%)

Market Performance Stage



Source: Newmark

Colorado Springs, CO: Expansion Stage

Expansion

The Colorado Springs, CO market is currently in the 'Expansion' stage of the performance cycle. In this 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.

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; Chicago, IL; and Miami, FL.

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 Fort Worth, TX; Minneapolis, MN; and Portland, OR.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	**Expansion**
Employment Growth (2 yr):	1.3%
Risk Exposure (402 US markets):	37th Percentile: Average Risk
Key Industry Notes:	University of Colorado
	Skilled workforce
	Low living, business costs
	Unstable federal contracts
	Low-skill industrial mix

Moody's Rating

Aa2

Investment Grade

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

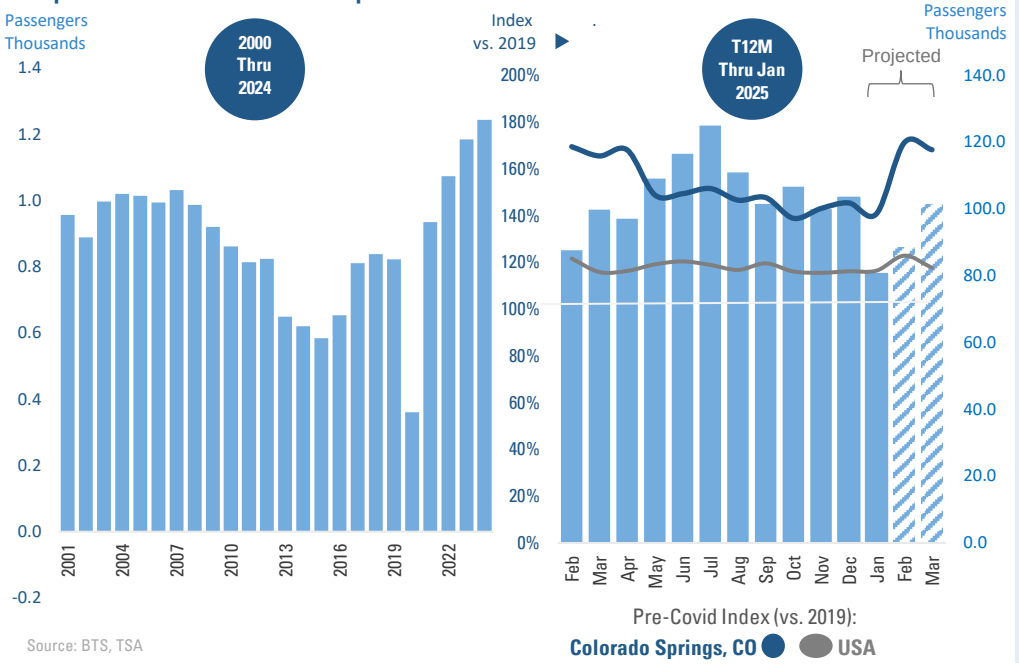
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

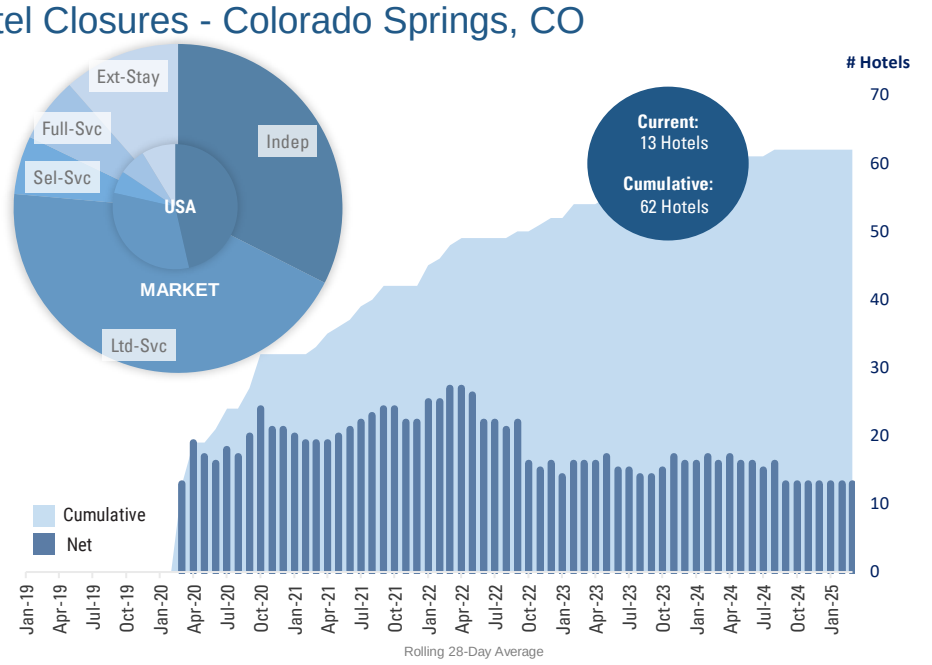
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH MAY 2025

Hotel Closures - Colorado Springs, CO

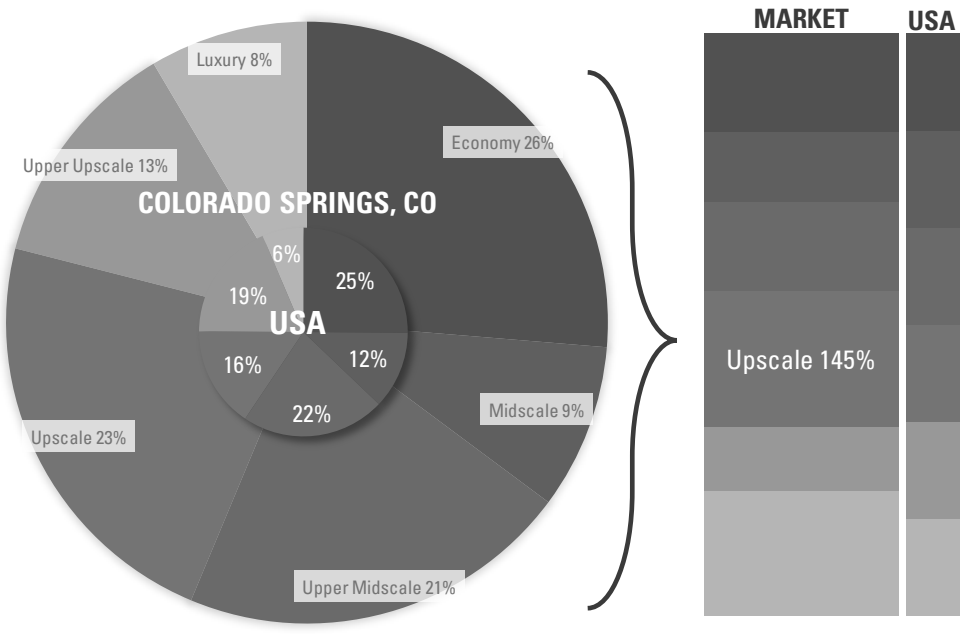


Source: Hotel Compete

SCALE AND SERVICE ORIENTATION

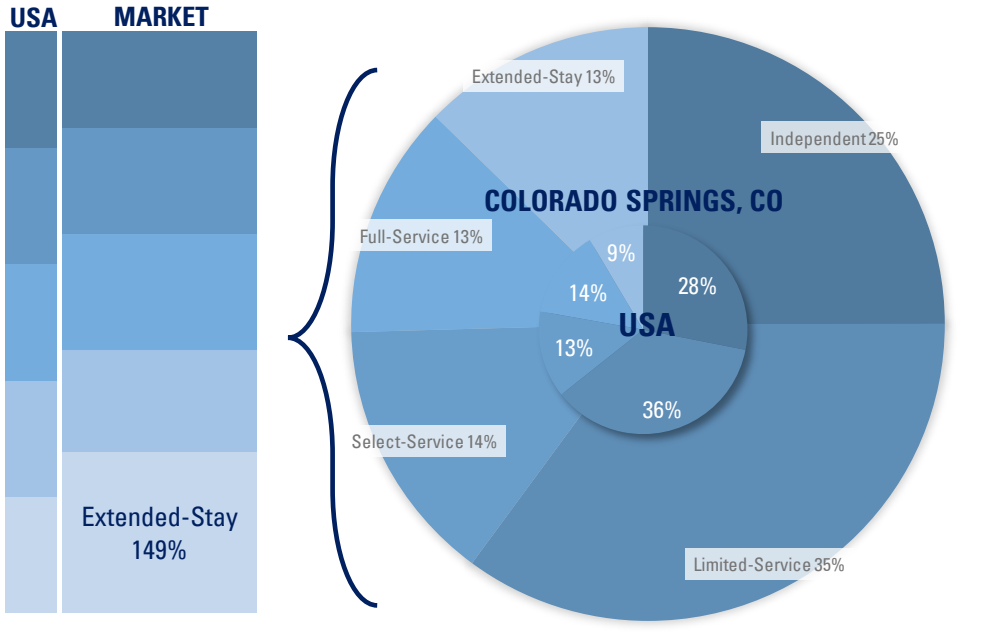
Scale and Service Distribution: Colorado Springs, CO

Distribution Based on CHAIN SCALE



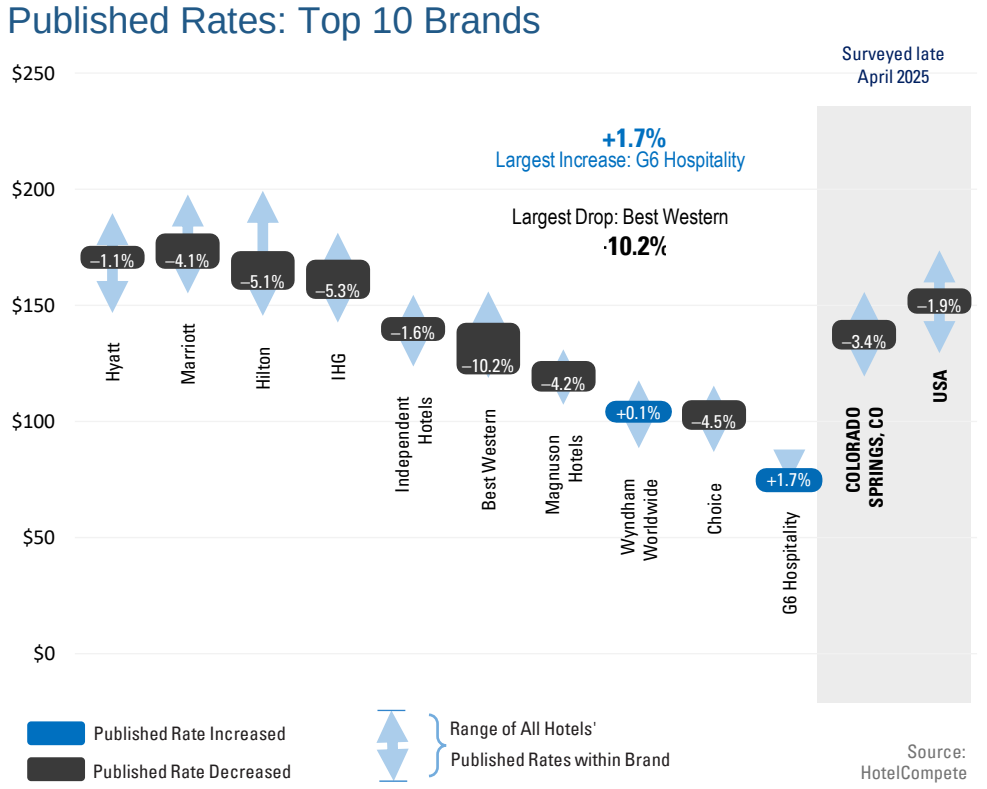
CATEGORY PENETRATION RELATIVE TO USA
MARCH 2025

Distribution based on SERVICE ORIENTATION



'30/3' RATE CHANGES: COLORADO SPRINGS, CO vs. USA

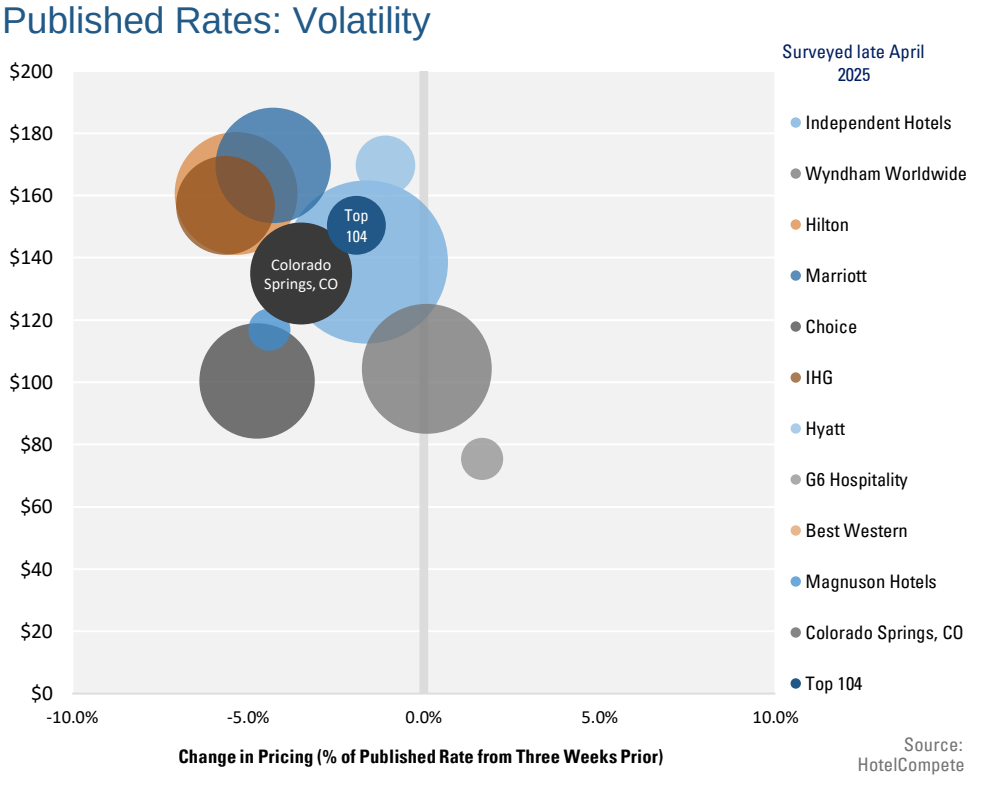
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

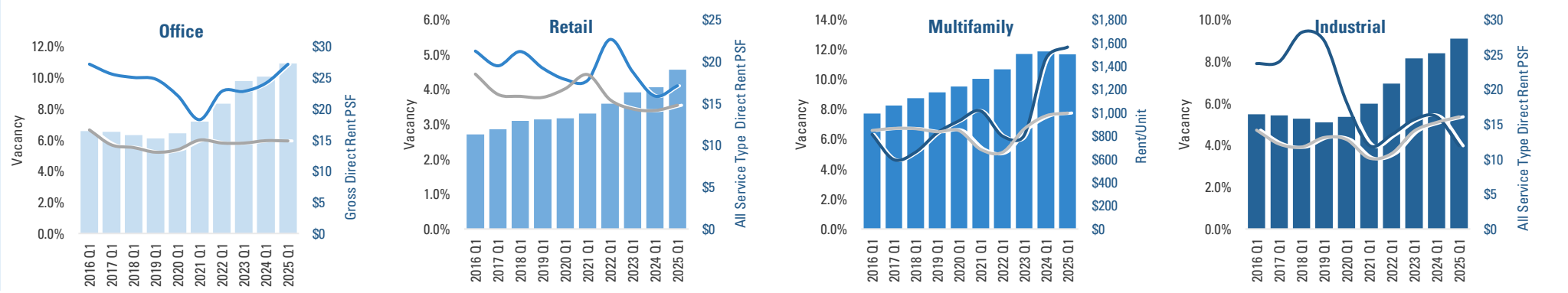
Published Rates: Volatility



Source: HotelCompete

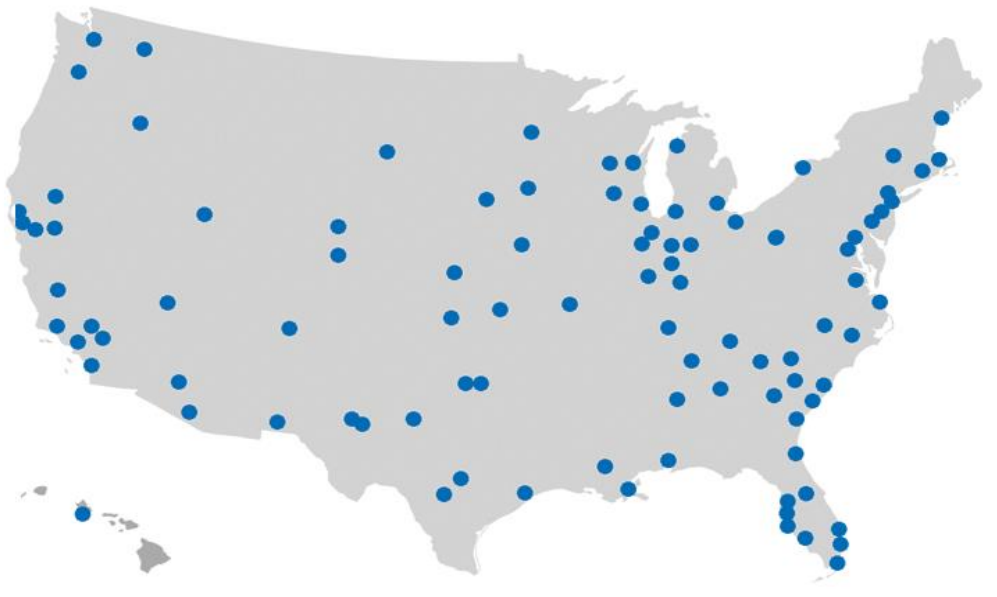
MAJOR C.R.E. METRICS

Major CRE Market Performance



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

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Golf Courses

Marinas

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

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CONTACT: MOUNTAIN MARKETS

CONTACT

FOR MORE INFORMATION

Nancy Dawn
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Mountain Markets
m 206-437-4002
nancy.dawn@nmrk.com

John Kelley III, CHIA
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
PacNW, Hawaii & Mountain Markets
m 301-801-5620
john.kelley2@nmrk.com

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