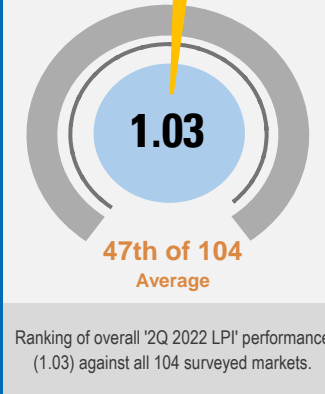


# 2Q 2022 DALLAS, TX

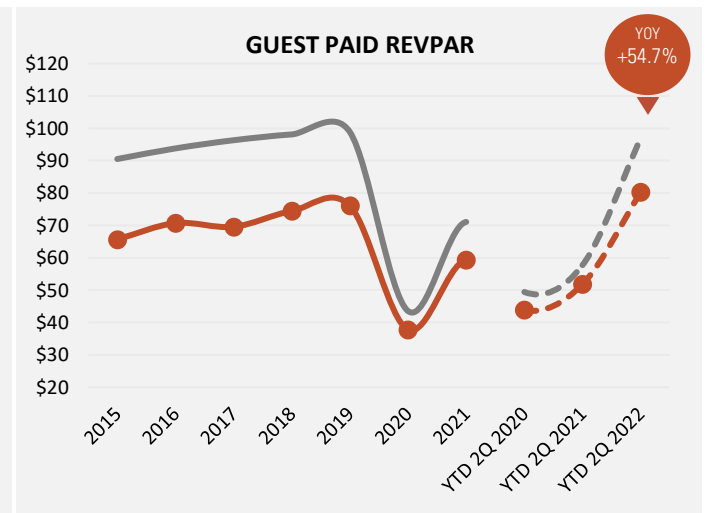
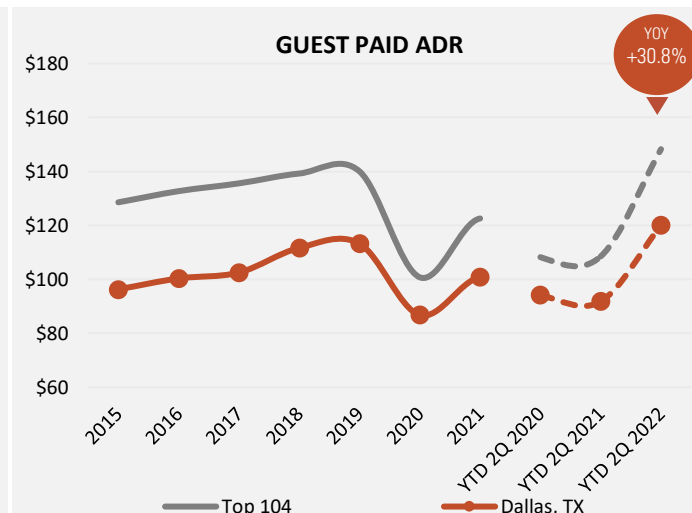
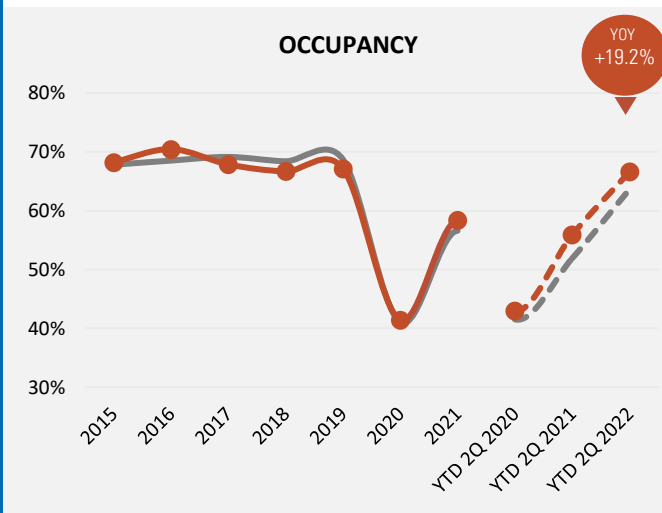
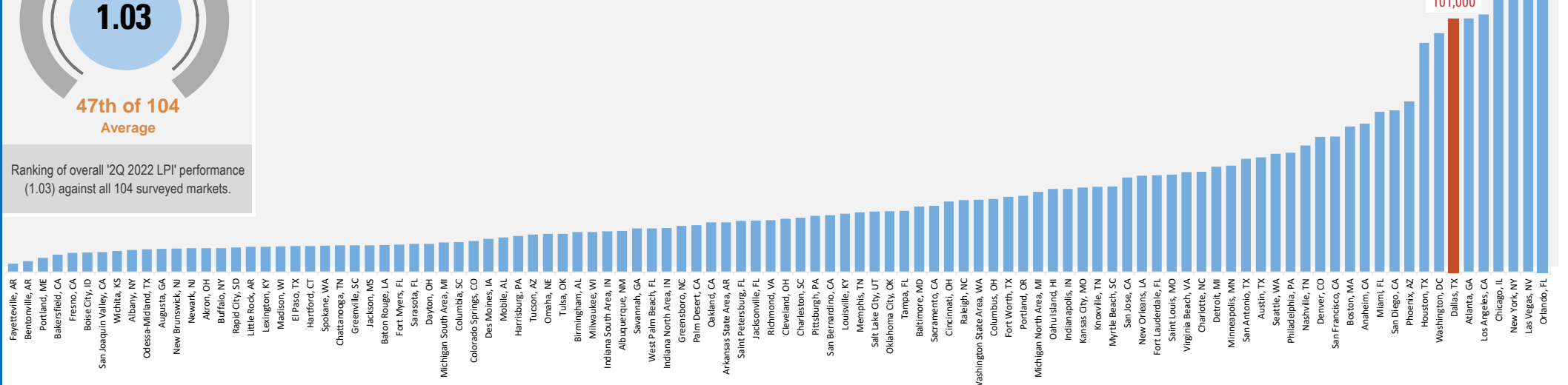


## Fundamentals Dashboard

### Lodging Performance Index

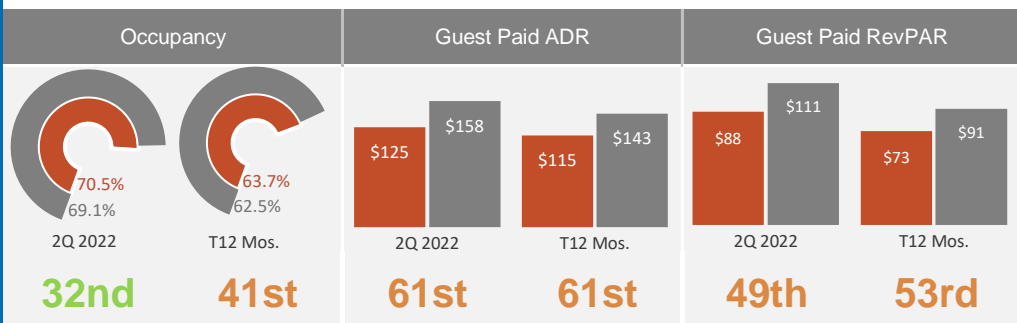


### ROOM SUPPLY RANKING vs. MAJOR US MARKETS

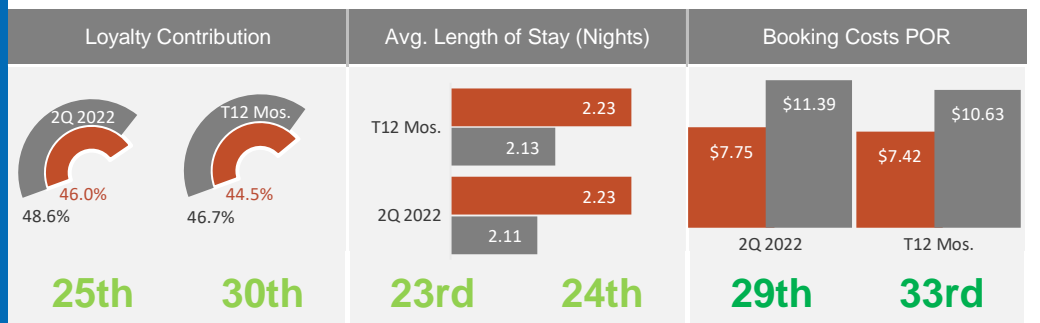


## Key Performance Indexes

● Subject Market ● Top 104

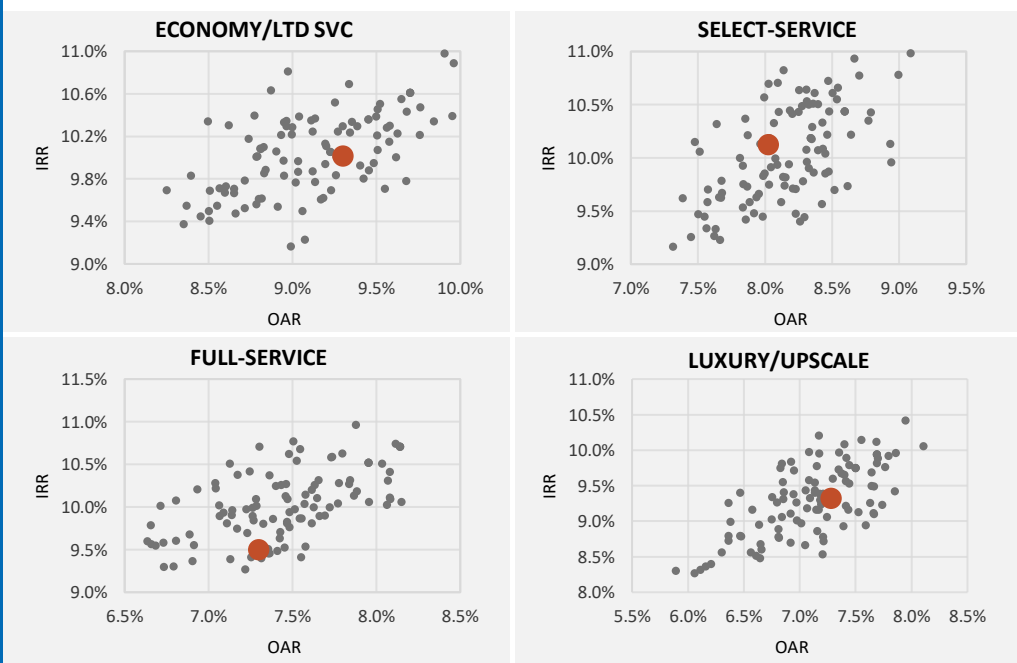


## Key Benchmark Indexes



## Discount and Capitalization Rates

Source: Newmark

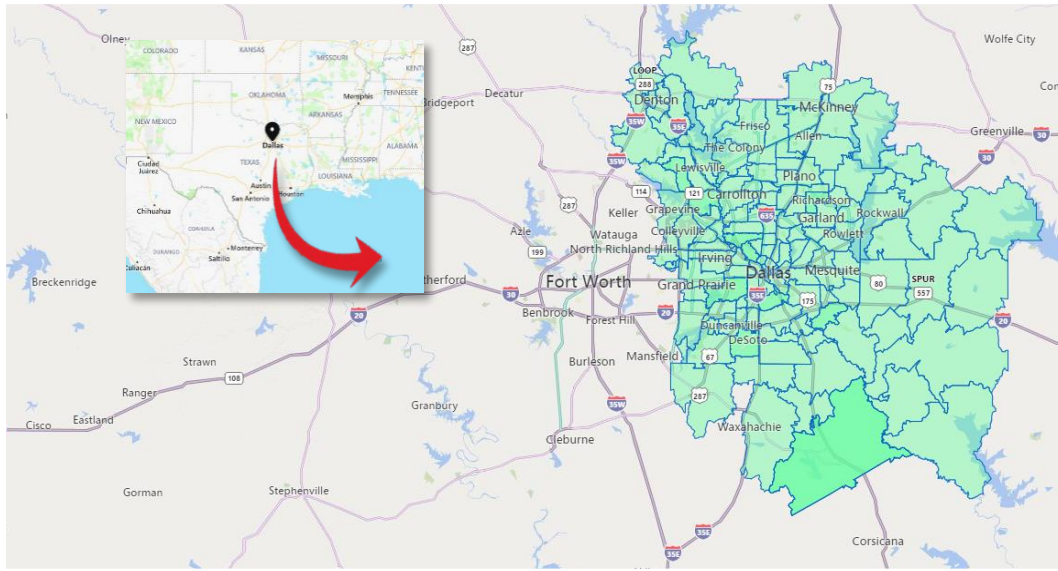


## Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

<b>Jurisdictional Information</b>		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Dallas	
County:	Collin County, Dallas County, Denton County, and others	
State:	Texas	
Geo Coordinates (market center):	32.79333, -96.76651	
<b>Major Hotel Demand Generators</b>		
Wal-Mart Stores Inc.   AT&T   Baylor Scott & White Health   Bank of America Corp.   Texas Instruments Inc.   JPMorgan Chase & Co.   HCA North Texas Division   UT Southwestern Medical Center   Southwest Airlines Co.   Target Brands Inc.   Verizon   Raytheon Co.   Cook Children's Health Care System   The Kroger Co.   Methodist Health System   Albertsons Cos. LLC   FRM LLC   Citi   Capital One   Children's Health		
<b>Metrics and Ranking</b>		<b>Rankings</b>
Population (hotel market area)	4,336,886	<b>6th of 104 (Large)</b>
Income per Capita	\$47,285	<b>58th of 104 (Average)</b>
Feeder Group Size	68.1 Persons PSR	<b>42nd of 104 (Average)</b>
Feeder Group Earnings	\$3,221,695 PSR	<b>36th of 104 (Average)</b>
Total Market COPE	\$2.7 billion	<b>11th of 104 (Above Average)</b>

Key Performance Metrics

YEAR ENDING	Occ %	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
		ADR	RevPAR	ADR	RevPAR						
2015	68.2%	\$96.29	\$65.70	\$89.12	\$60.81	\$7.17	92.6%	41.3%	2.48	84,790	1.32
2016	70.5%	\$100.35	\$70.70	\$92.76	\$65.36	\$7.58	92.4%	42.8%	2.47	85,420	1.27
2017	67.9%	\$102.53	\$69.58	\$94.32	\$64.02	\$8.20	92.0%	45.3%	2.35	87,420	1.06
2018	66.7%	\$111.67	\$74.46	\$102.78	\$68.53	\$8.89	92.0%	49.6%	2.23	89,020	1.13
2019	67.2%	\$113.23	\$76.05	\$104.28	\$70.04	\$8.94	92.1%	54.7%	2.16	96,090	1.10
2020	41.4%	\$86.76	\$37.76	\$81.27	\$33.65	\$5.48	93.7%	39.1%	2.33	97,010	0.93
2021	58.3%	\$100.81	\$59.28	\$93.96	\$54.81	\$6.85	93.2%	42.1%	2.27	98,700	0.92
<b>CAGR: 2015 thru 2021</b>	<b>-2.6%</b>	<b>0.8%</b>	<b>-1.7%</b>	<b>0.9%</b>	<b>-1.7%</b>	<b>-0.7%</b>	<b>0.1%</b>	<b>0.3%</b>	<b>-1.5%</b>	<b>2.6%</b>	<b>-5.7%</b>
YTD 2Q 2020	42.9%	\$94.10	\$43.87	\$88.42	\$41.22	\$5.68	94.0%	40.2%	2.35	95,840	1.08
YTD 2Q 2021	55.9%	\$91.82	\$51.82	\$85.49	\$48.24	\$6.33	93.1%	40.7%	2.33	97,290	0.88
YTD 2Q 2022	66.6%	\$120.08	\$80.17	\$112.62	\$75.20	\$7.45	93.8%	45.4%	2.26	99,780	1.03
<b>% Change</b>	<b>19.2%</b>	<b>30.8%</b>	<b>54.7%</b>	<b>31.7%</b>	<b>55.9%</b>	<b>17.8%</b>	<b>0.7%</b>	<b>11.7%</b>	<b>-2.8%</b>	<b>2.6%</b>	<b>17.7%</b>

Data provided by: kalibri LABS

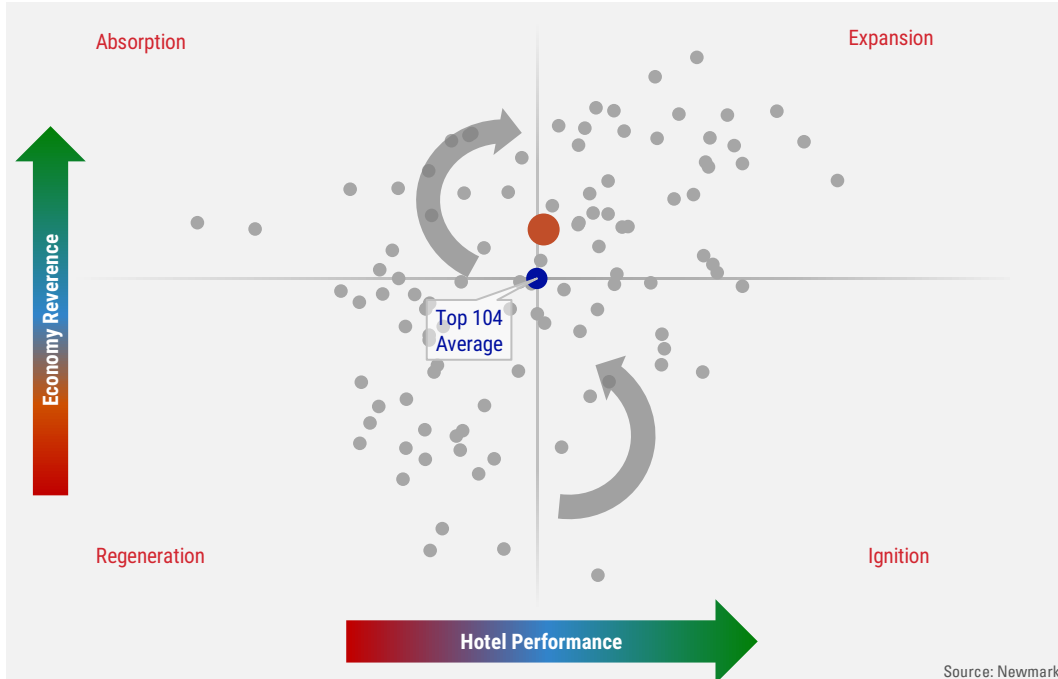
Notable Metrics

HIGHEST	Total Rooms Supply	Total Rooms Sold	T12-Month COPE ADR Percentage
	<b>7th Strong</b> Dallas, TX benefits from a large and diverse hotel market (101,019)	<b>7th Strong</b> The market boasted strong total rooms sold (23,233,241)	<b>9th Strong</b> The market also benefited from strong T12-month COPE ADR percentage (93.5%)
	OAR: Economy/Ltd Svc	OAR: Luxury/Upscale	Marketwide Income per Room
LOWEST	<b>70th Unfavorable</b> This market exhibited unfavorable OAR metrics in the economy/ltd svc segment (9.3%)	<b>66th Unfavorable</b> The market exhibited unfavorable OAR metrics in the luxury/upscale segment (7.3%)	<b>63rd Average</b> Dallas, TX also exhibited a low ratio of marketwide income per room (\$1,400,610)

Notable Trends

FASTEST	Short-Term Historical Supply Growth	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth
	<b>15th Above Average</b> Dallas, TX has benefited from low short-term historical supply growth (3.0%)	<b>17th Above Average</b> The market enjoyed low short-term historical growth in booking costs (0.1%)	<b>23rd Above Average</b> The market also has benefited from low long-term historical booking costs POR growth (1.3%)
	Long-Term Historical Supply Growth	Long-Term Historical Average Length of Stay Growth	T12-Month Rooms Supply Growth
SLOWEST	<b>92nd Soft</b> The market has been burdened by high long-term historical supply growth (3.1%)	<b>89th Below Average</b> We note this area exhibited weak long-term historical average length of stay growth (-0.4%)	<b>88th Below Average</b> Dallas, TX also has been hindered by high rooms supply growth over the last 12 months (3.2%)

Market Performance Stage



Dallas, TX: Expansion Stage

The Dallas, TX 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 challenged whether by 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 Chicago, IL; Columbus, OH; and Detroit, MI.

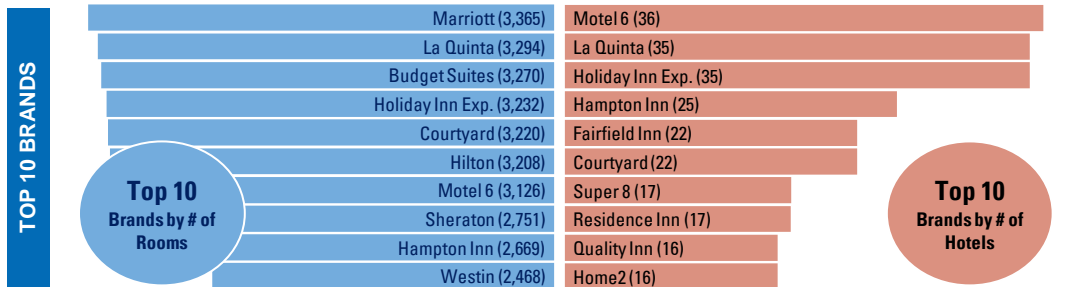
**Ignition:** In the 'Ignition' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Las Vegas, NV; and Miami, FL.

**Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will recover from the COVID-19 crisis, 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 Charlotte, NC; Kansas City, MO; and Minneapolis, MN.

Industry Observations

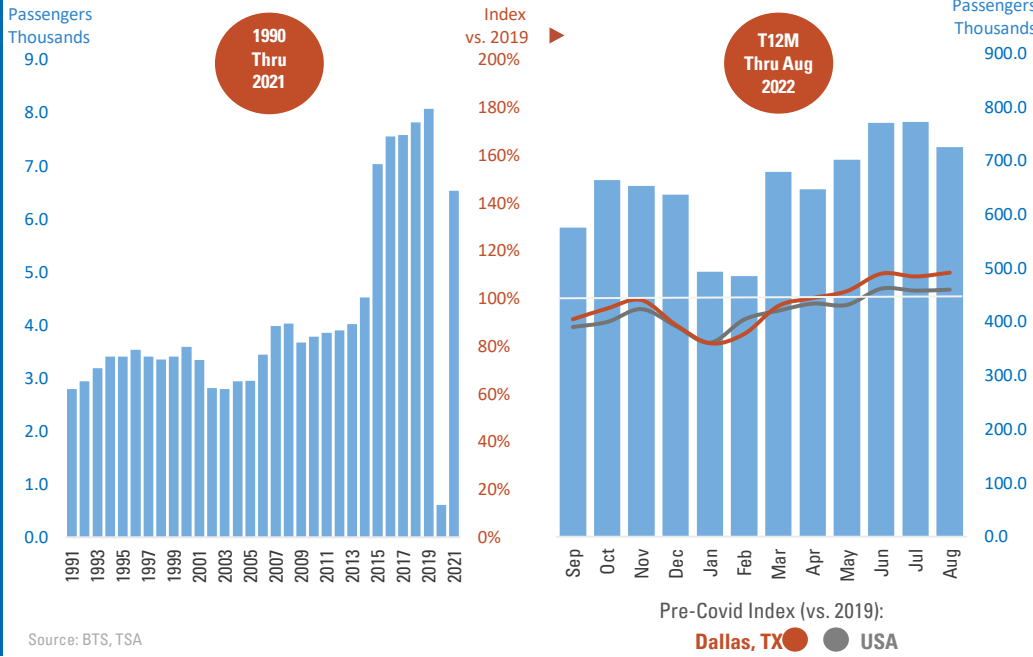
<b>Business Cycle:</b>	In Recovery
<b>Employment Growth (2 yr):</b>	-1.2%
<b>Risk Exposure (402 US markets):</b>	11th Percentile: Low Risk
<b>Key Industry Notes:</b>	Financial, high tech Professional services demand Distribution center for SW Favorable migration trends Volatile high tech exposure

<b>Moody's Rating</b>
<b>Aaa</b> Investment Grade
Long-term investment grade, Prime-1 short-term outlook

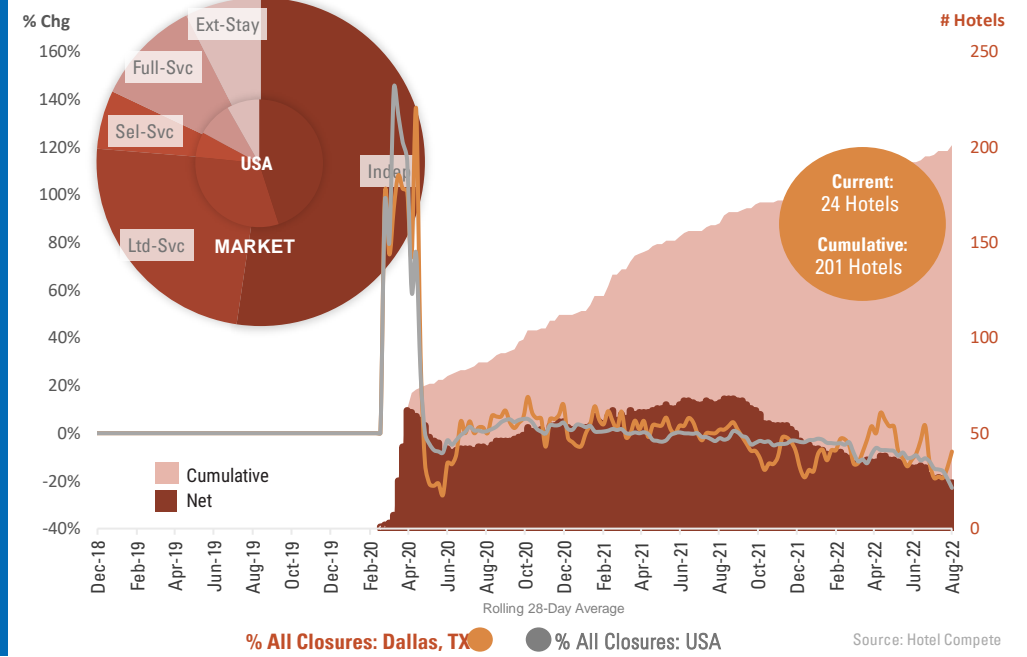


Source: Newmark

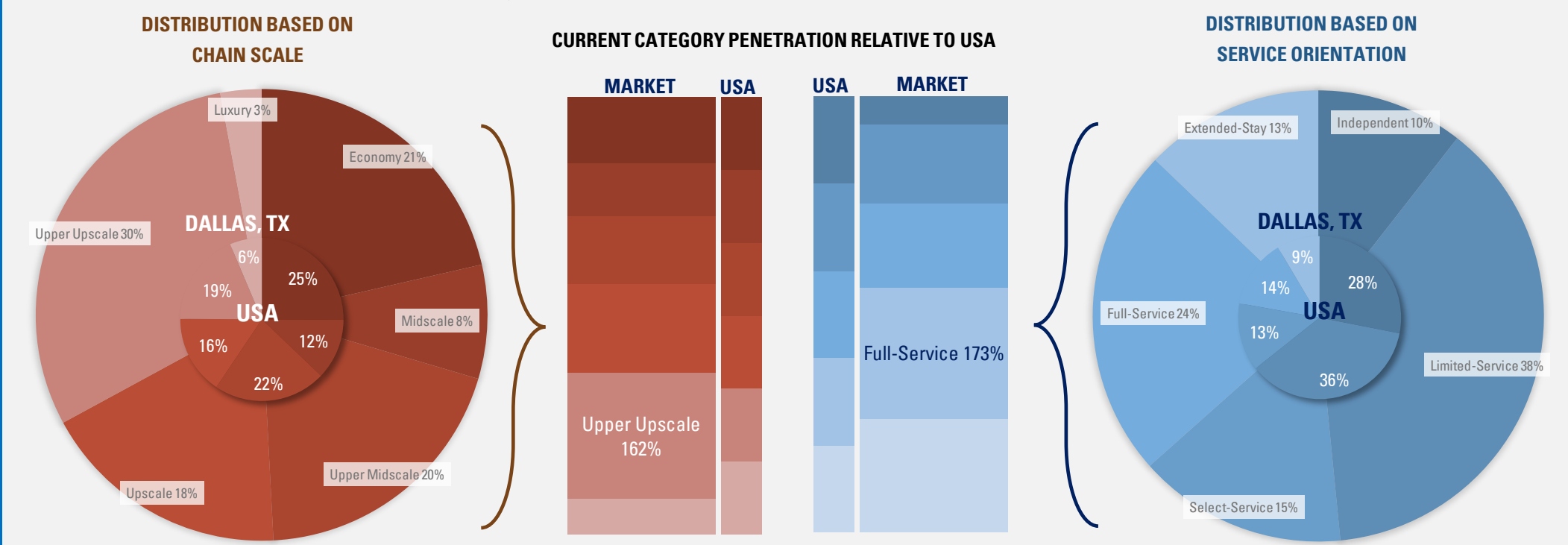
**Airport Statistics - Enplanements**



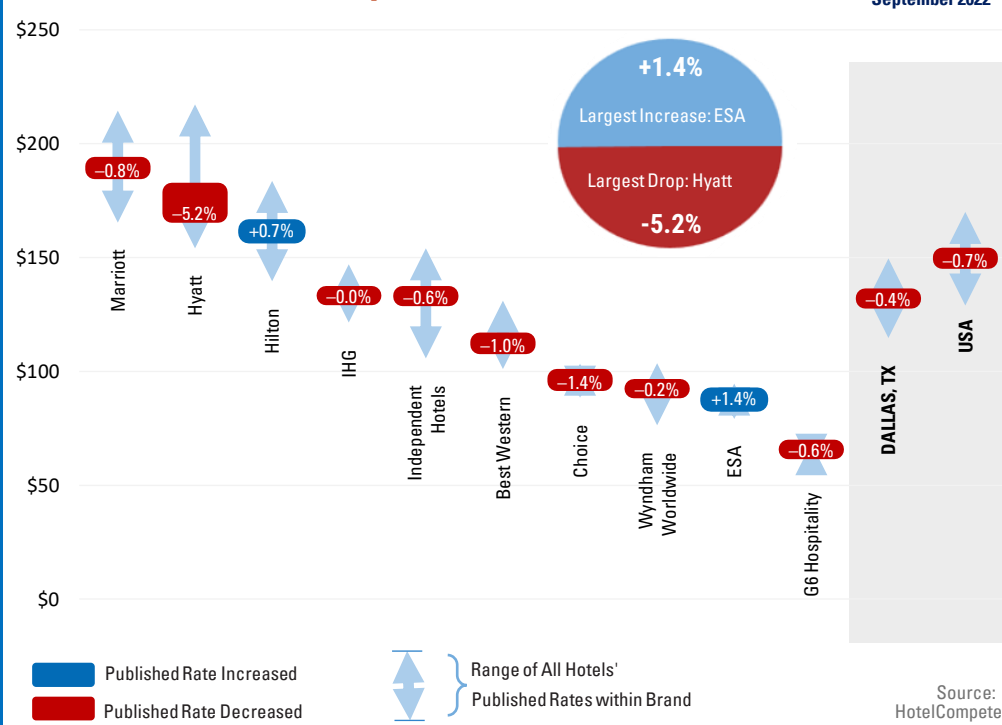
**Hotel Closures - Dallas, TX vs. USA**



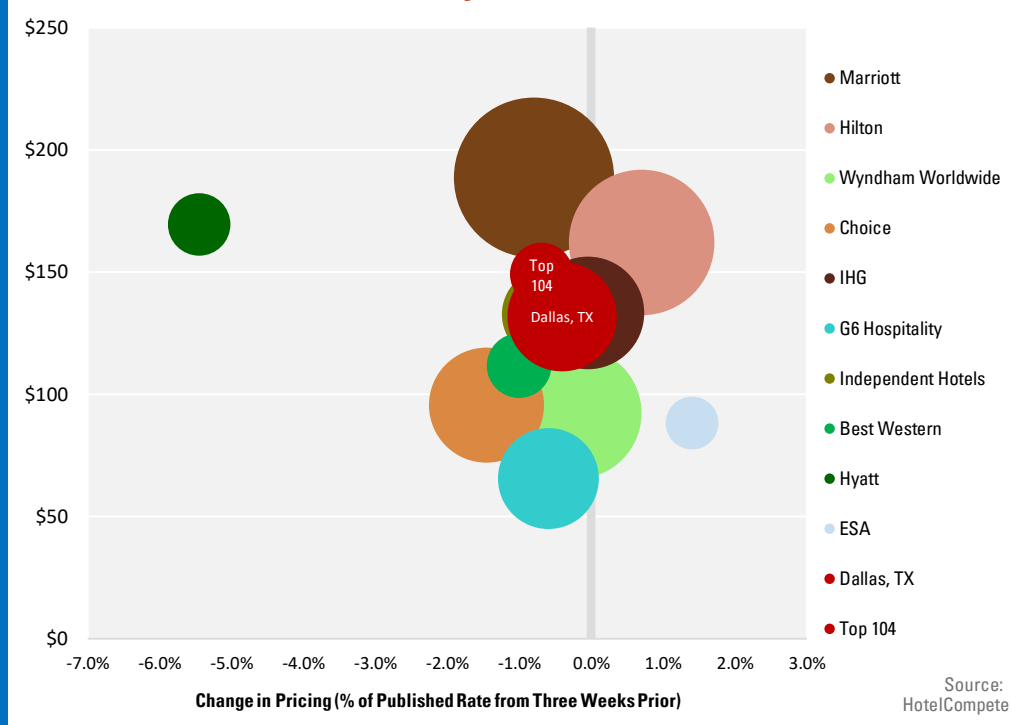
**Scale and Service Distribution: Dallas, TX**



**Published Rates: Top 10 Brands**



**Published Rates: Volatility**

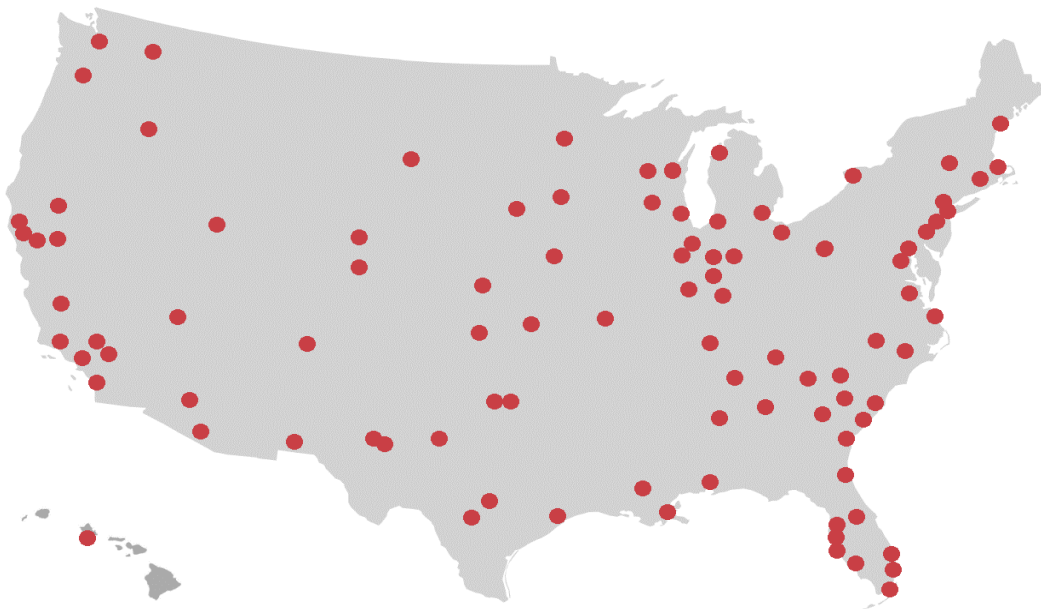


**Published Rate Observations: 30-Day Advance**

	Published Rate Level	Rate Movement	Optimism
<b>MARKET LEVEL</b>	<b>72nd</b> Below Average The 30-day advanced published rate for the market was a somewhat conservative \$131.73, ranking 72nd out of 104 markets. (Guest-Paid ADR ranked a moderate 61st at \$120.08 in 2Q 2022.)	<b>43rd</b> Average Published rates have recently been moving downward, decreasing by a modest 0.4% over three weeks going into mid-September 2022. By comparison, the T-104 average posted downward movement of 0.68%.	<b>68th</b> Below Average Published rates reported in mid-September 2022 were 5.1% higher than the market's Guest-Paid ADR in 2Q 2022. This optimism is below average. By comparison, the T-104 spread was -5.6%.

	Published Rate Integrity	Coverage	Volatility
<b>BRAND LEVEL</b>	<b>53rd</b> Average Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	<b>61st</b> Average Dallas, TX has an average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	<b>4th</b> Very Low Dallas, TX's top 10 brands are exhibiting very low volatility with respect to advanced booking pricing movements in the three weeks leading into mid-September 2022.

# 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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### Hotels and Resorts

### Gaming Facilities

### Arenas, Stadiums and Sports Facilities

### Conference, Expo and Convention Centers

### Golf Courses

### Marinas

### Ski and Village Resorts

### Water Parks, Amusement Parks and Attractions

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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.

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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### Portfolio Analytics

We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

### Property Tax

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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@nrmk.com

### CONTACT: SOUTH US MARKETS

#### FOR MORE INFORMATION

**Bryan Younge, MAI, ASA, FRICS**  
Senior Managing Director  
Practice Leader - Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
Americas  
m 773-263-4544  
bryan.younge@nrmk.com

**Chris Remund, MAI**  
Senior Vice President  
Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
South US Markets  
t 737-263-0343  
chris.remund@nrmk.com

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