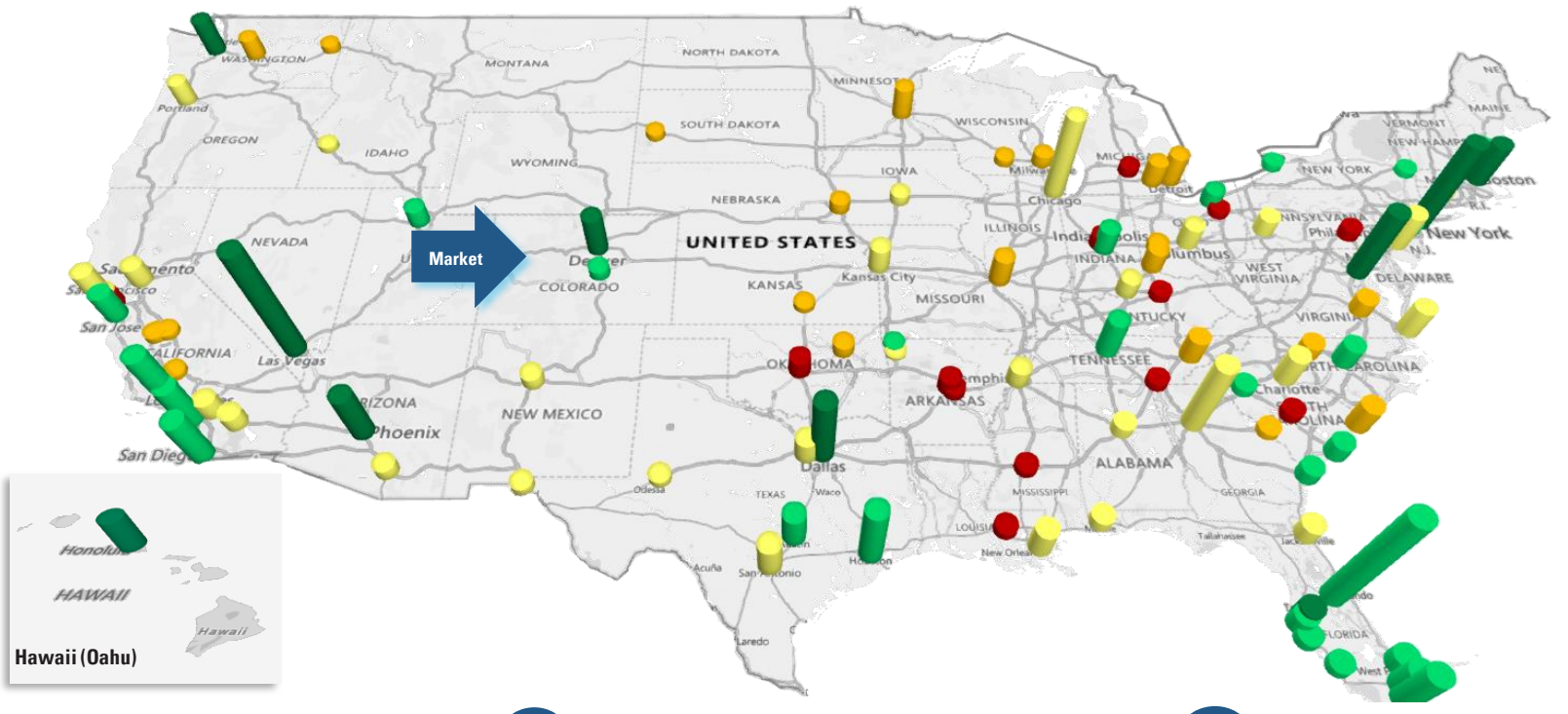
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

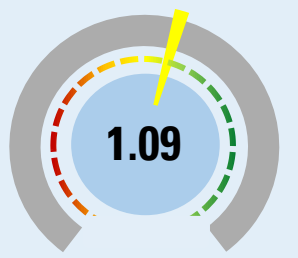
1Q 2025
DENVER, CO

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

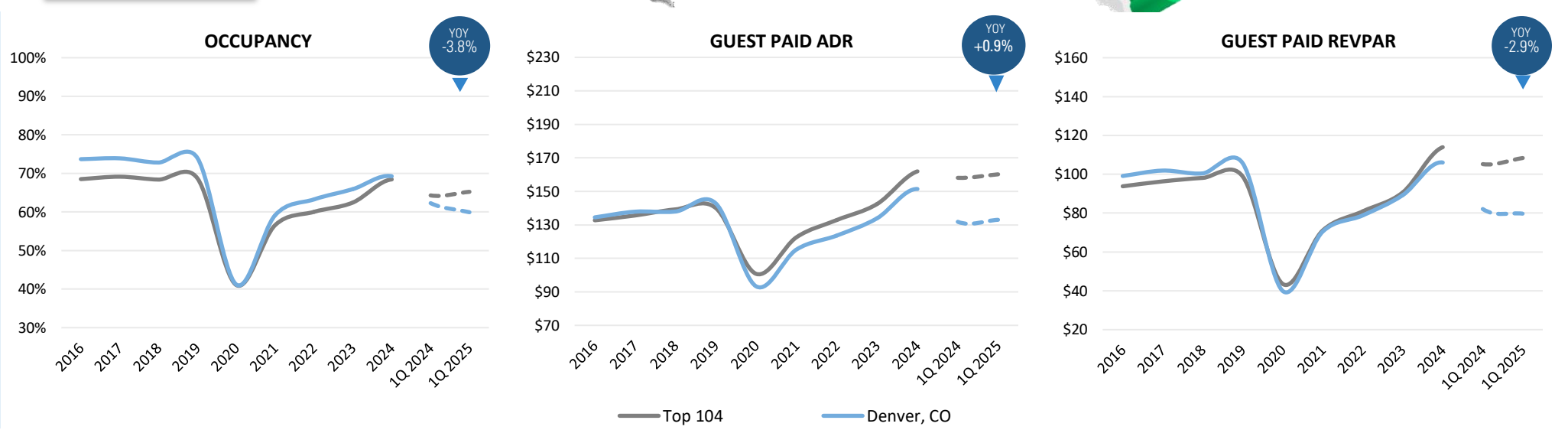
Denver, CO



46th of 104
Average

Ranking of overall '1Q 2025 LPI' performance (1.09) against all 104 surveyed markets.

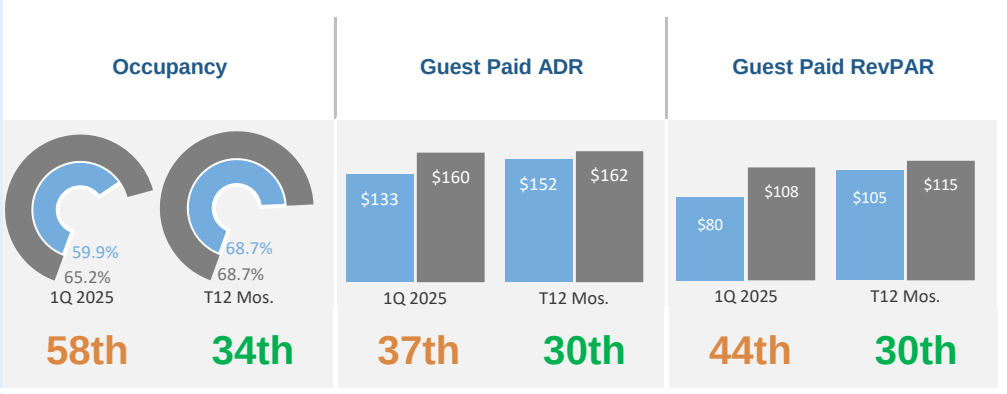
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104



BENCHMARK INDEXES

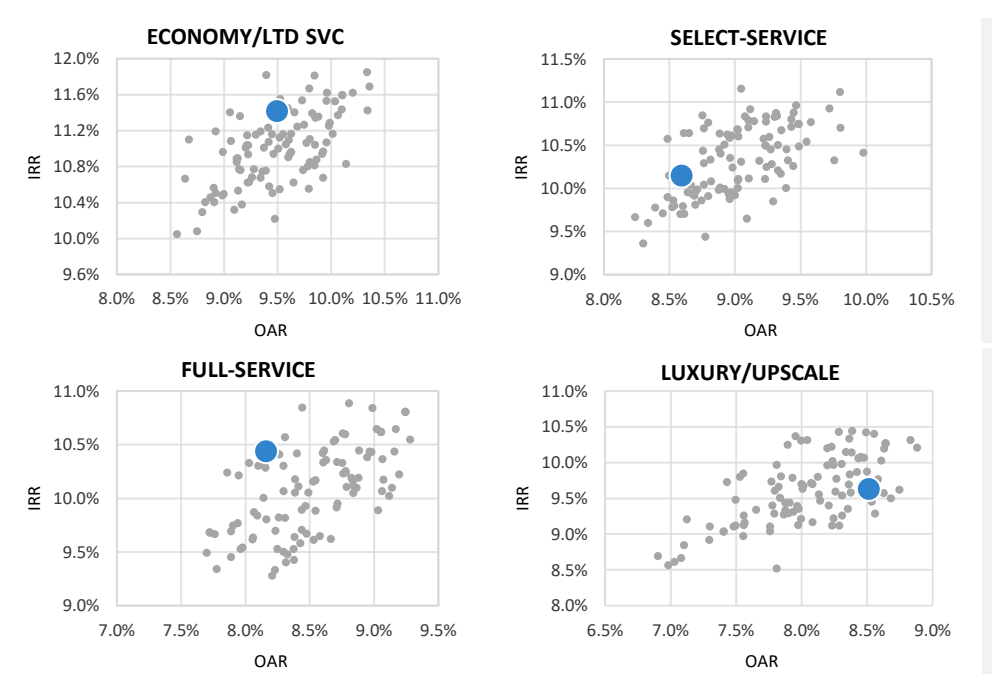
Key Benchmark Indexes

kalibri LABS

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

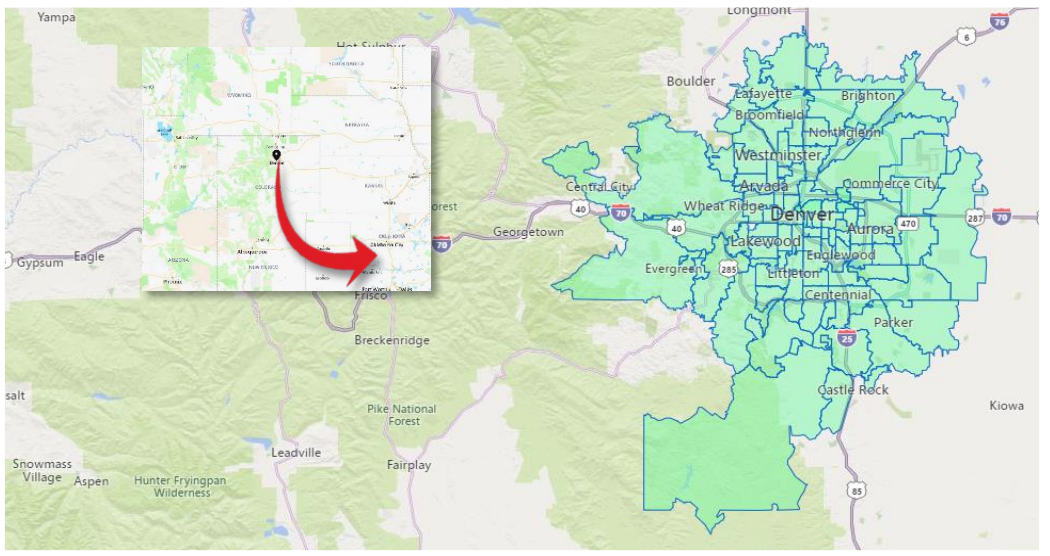
Revenue Stability	Supplier Power Trend	Investment Yields
92nd	**7th**	**59th**
Soft	**Strong**	**Average**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking 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
47th	**65th**	**77th**
Average Risk	**Average Risk**	**Below Average**
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

NEWMARK

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Denver
County:	Denver County
State:	Colorado
Geo Coordinates (market center):	39.73915, -104.9847

Major Hotel Demand Generators

HealthONE | University of Colorado Hospital | Lockheed Martin Corp. | Centura Health | United Airlines Inc. | Children's Hospital | Kaiser Permanente | Denver Health | CenturyLink | Banner Health | Comcast | University of Denver | Charles Schwab & Co. Inc. | Frontier Airlines | Southwest Airlines Co. | GlobalFoundries | Xcel Energy Inc. | Great-West Financial | United Parcel Service Inc. | Dish Network LLC

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,595,292	16th of 104 (Large)
Income per Capita	$60,098	18th of 104 (Above Average)
Feeder Group Size	66.1 Persons PSR	42nd of 104 (Average)
Feeder Group Earnings	$3,974,156 PSR	65th of 104 (Average)
Total Market Hotel Revenues	$2.1 billion	18th of 104 (Above 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	73.7%	$134.48	$99.09	$123.45	$90.96	$11.03	91.8%	48.5%	2.05	45,400	1.15
2017	73.9%	$137.86	$101.89	$126.28	$93.33	$11.58	91.6%	50.1%	2.00	46,530	1.24
2018	72.8%	$137.94	$100.44	$126.72	$92.27	$11.22	91.9%	52.5%	1.97	47,610	1.15
2019	74.0%	$142.80	$105.67	$131.49	$97.30	$11.31	92.1%	56.4%	1.91	53,800	1.36
2020	41.2%	$93.28	$39.93	$86.67	$35.70	$6.62	92.9%	43.6%	2.16	53,630	0.89
2021	59.2%	$115.25	$70.48	$106.78	$63.17	$8.47	92.7%	45.7%	2.10	54,620	0.97
2022	63.3%	$123.60	$78.81	$114.70	$72.56	$8.90	92.8%	46.9%	2.11	55,070	1.16
2023	65.9%	$133.93	$89.24	$124.63	$82.16	$9.30	93.1%	48.0%	2.11	55,490	1.38
2024	69.3%	$151.41	$106.03	$141.41	$97.95	$10.00	93.4%	54.8%	2.03	55,270	1.09
CAGR: 2016 thru 2024	-0.8%	1.5%	0.9%	1.7%	0.9%	-1.2%	0.2%	1.5%	-0.1%	2.5%	-0.7%
1Q 2024	62.3%	$131.82	$82.09	$123.19	$76.72	$8.63	93.5%	53.0%	2.10	55,060	1.24
1Q 2025	59.9%	$133.01	$79.71	$124.22	$74.45	$8.78	93.4%	55.9%	2.04	55,020	1.09

Notable Metrics

HIGHEST

Latest-Quarter Loyalty Contribution	T12-Month Loyalty Contribution	T12-Month COPE ADR Percentage
7th	**8th**	**12th**
Strong	**Strong**	**Above Average**
Denver, CO exhibited strong latest-quarter loyalty contribution (55.9%)	The market exhibited strong T12-month loyalty contribution (55.6%)	The market also benefited from strong T12-month COPE ADR percentage (93.4%)

LOWEST

OAR: Luxury/Upscale	IRR: Economy/Ltd Svc	IRR: Full-Service
89th	**85th**	**83rd**
Unfavorable	**Unfavorable**	**Unfavorable**
This market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.5%)	The market posted unfavorable IRR metrics in the economy/ltd svc segment (11.4%)	Denver, CO also posted unfavorable IRR metrics in the full-service segment (10.4%)

Notable Trends

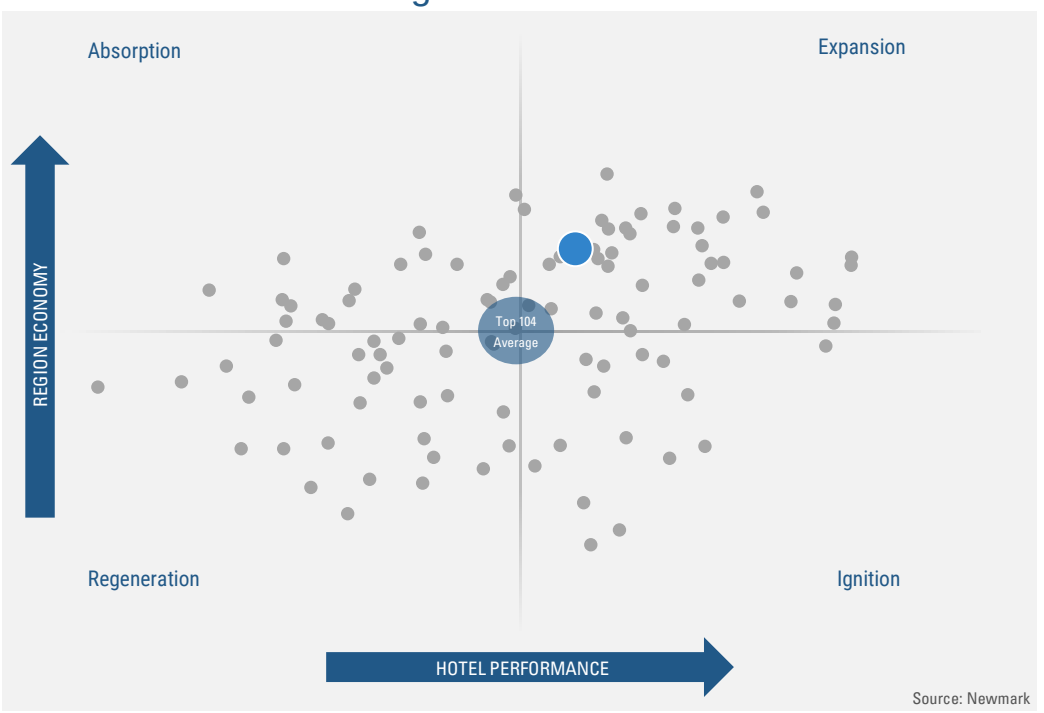
STRONGEST

Short-Term Historical Booking Costs POR Growth	General Economy Reverence	Long-Term Historical Booking Costs POR Growth
10th	**17th**	**18th**
Above Average	**Above Average**	**Above Average**
Denver, CO enjoyed low short-term historical growth in booking costs (0.3%)	The market enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)	The market also has benefited from low long-term historical booking costs POR growth (1.3%)

WEAKEST

Short-Term Historical LPI Growth	Long-Term Historical LPI Growth	Long-Term Historical Occupancy Growth
96th	**96th**	**96th**
Soft	**Soft**	**Soft**
The market has been hampered by weak short-term historical LPI growth (-3.9%)	We note this area posted weak long-term historical LPI growth (-3.1%)	Denver, CO also has been hindered by weak long-term historical occupancy growth (-1.5%)

Market Performance Stage



Source: Newmark

Denver, CO: Expansion Stage

Expansion

The Denver, 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):	1.1%
Risk Exposure (402 US markets):	43rd Percentile: Average Risk
Key Industry Notes:	High employment diversity
	Knowledge-based industries
	Skilled workforce
	Significantly overvalued housing market
	Elevated cost of living

Moody's Rating

Aaa

Investment Grade

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

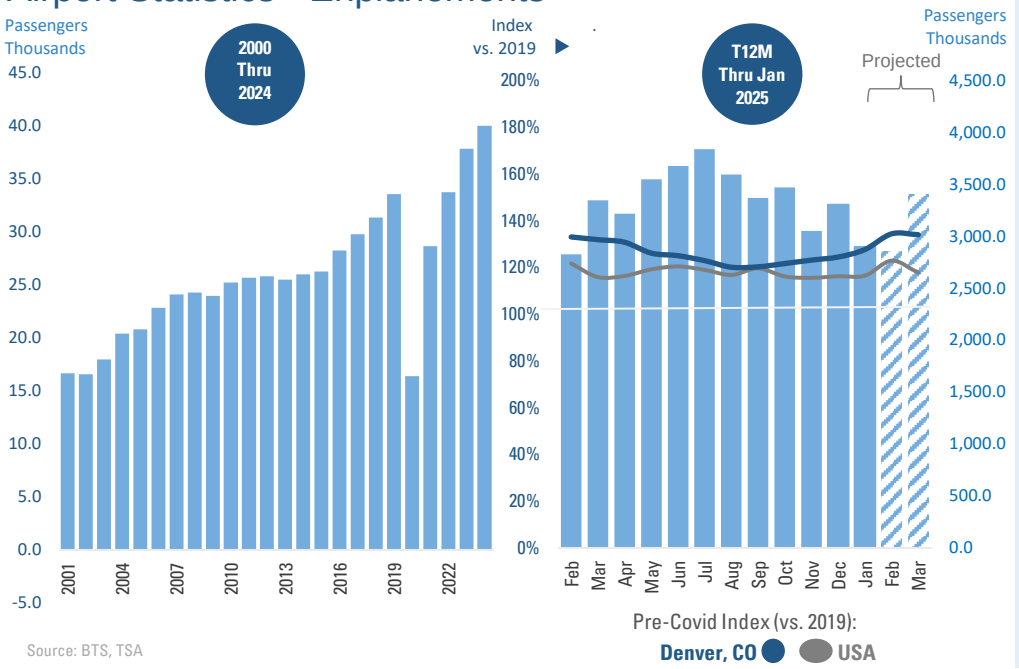
TOP 10 BRANDS

Source: Newmark

NEWMARK

Airport Statistics - Enplanements

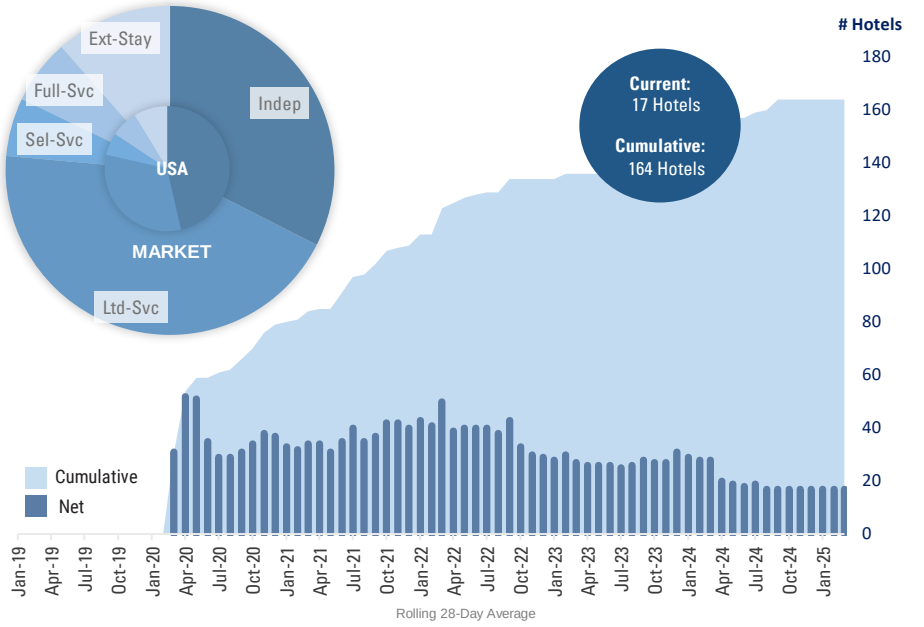
SELECT NEAREST AIRPORT CITY: ALL LOCAL



Source: BTS, TSA

DATA THROUGH MAY 2025

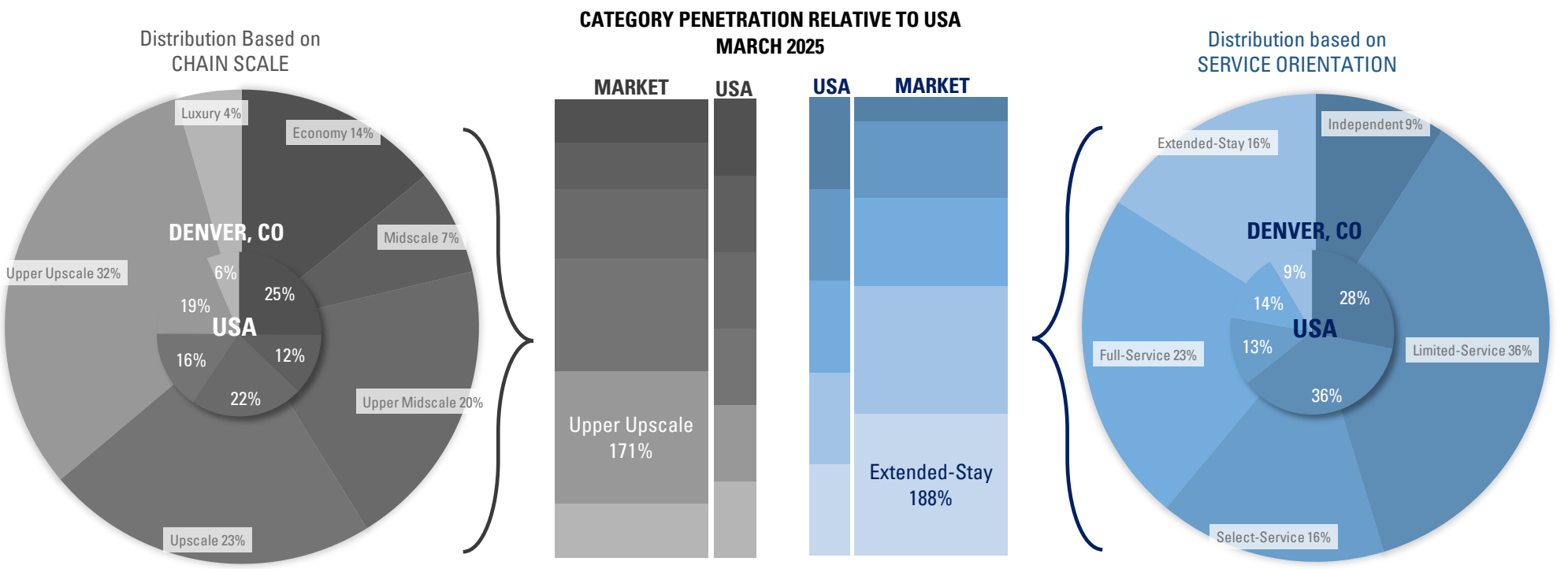
Hotel Closures - Denver, CO



Source: Hotel Compete

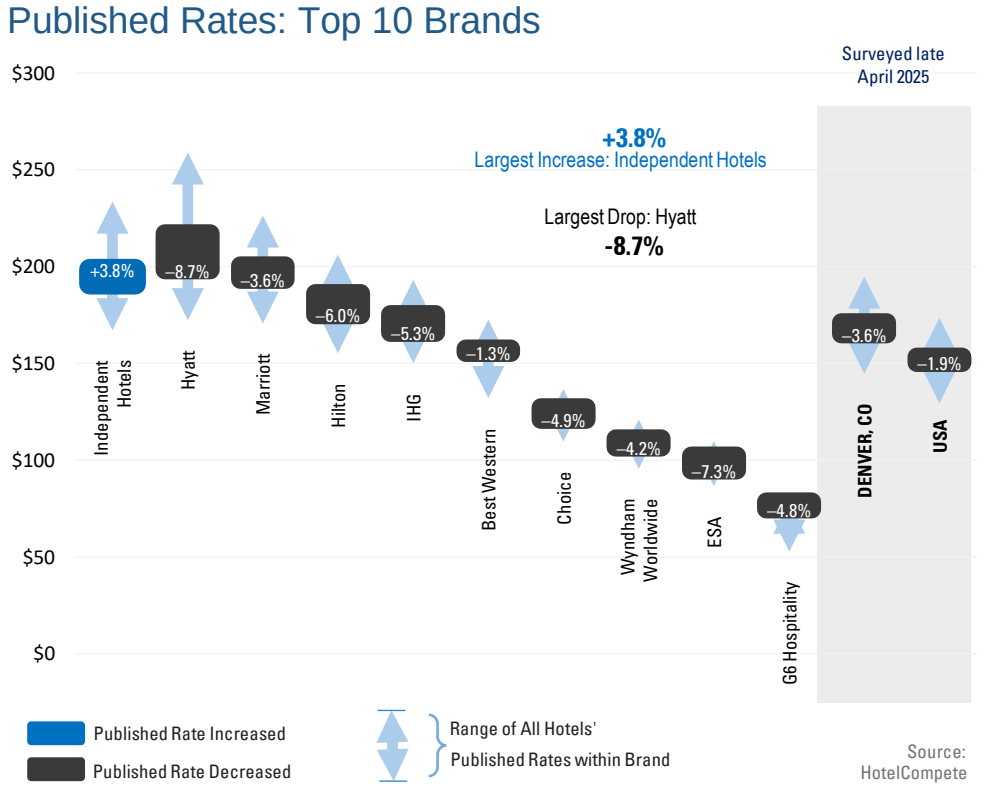
Scale and Service Distribution: Denver, CO

SCALE AND SERVICE ORIENTATION



Published Rates: Top 10 Brands

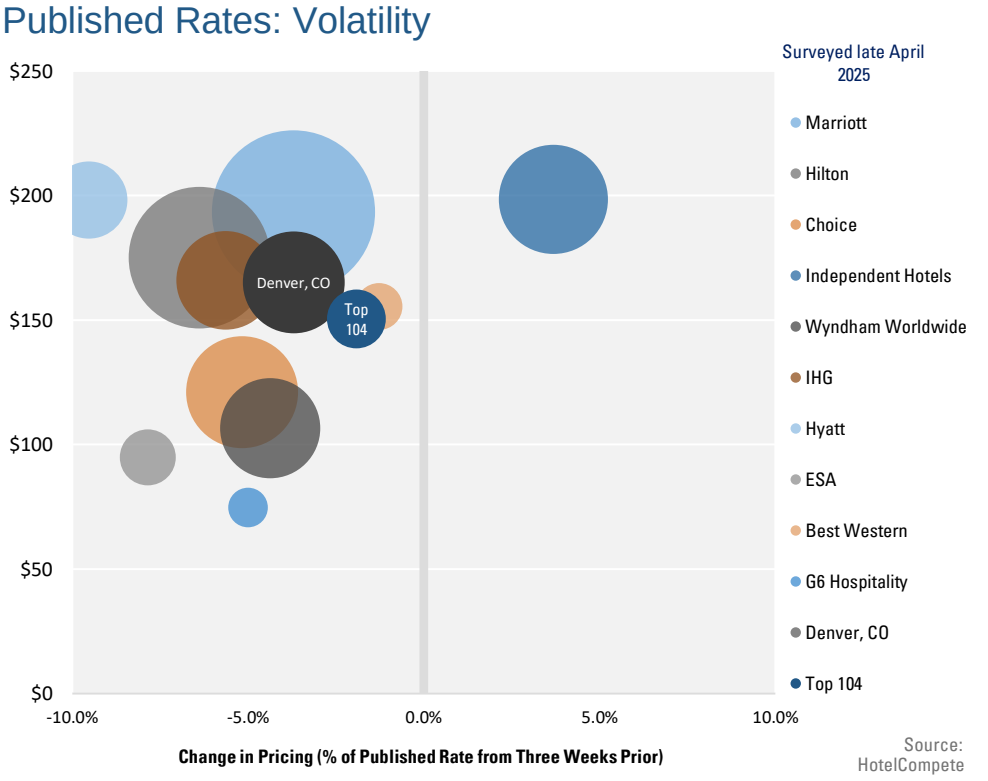
'30/3' RATE CHANGES: DENVER, CO vs. USA



Source: HotelCompete

Published Rates: Volatility

RATE ADJUSTMENTS BY BRAND



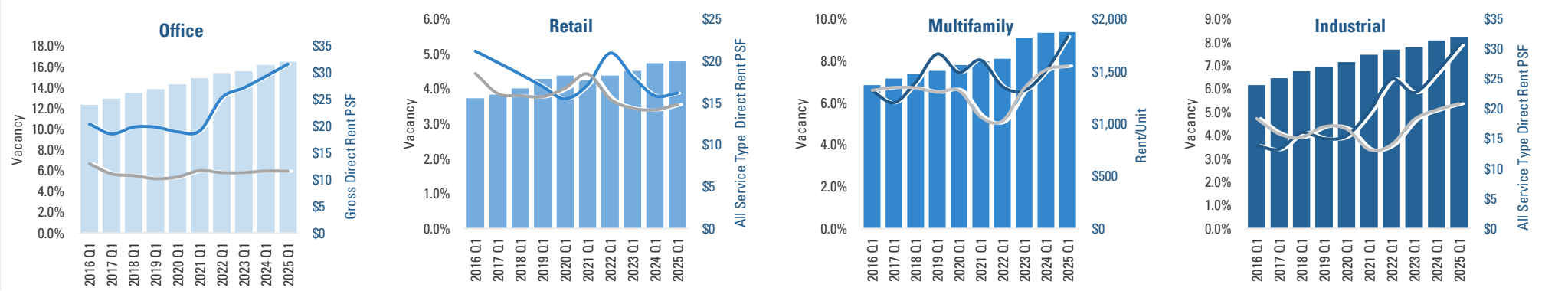
Source: HotelCompete

Major CRE Market Performance

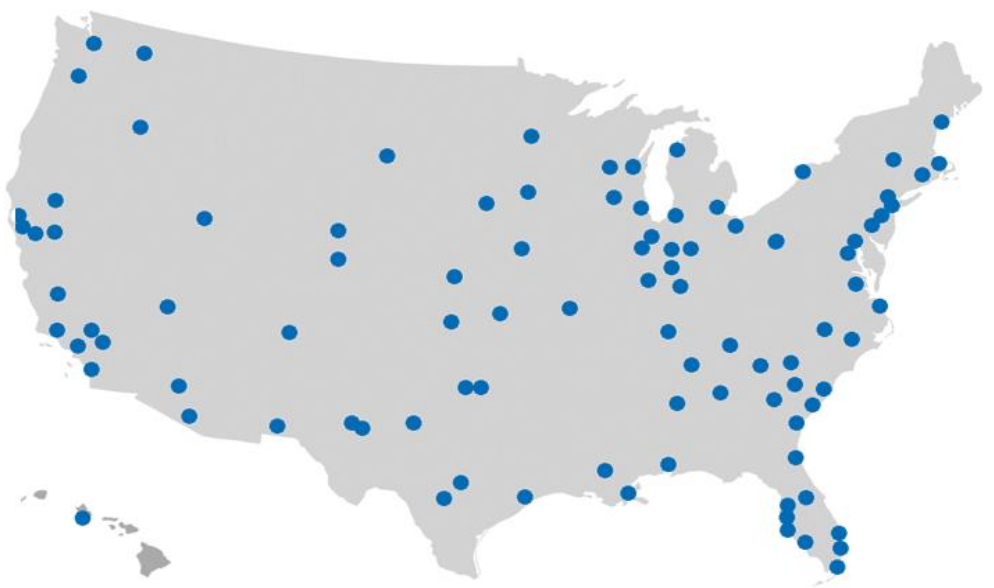
MAJOR C.R.E. METRICS

Denver, CO 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

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Stadiums, Sports & Entertainment Facilities

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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

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