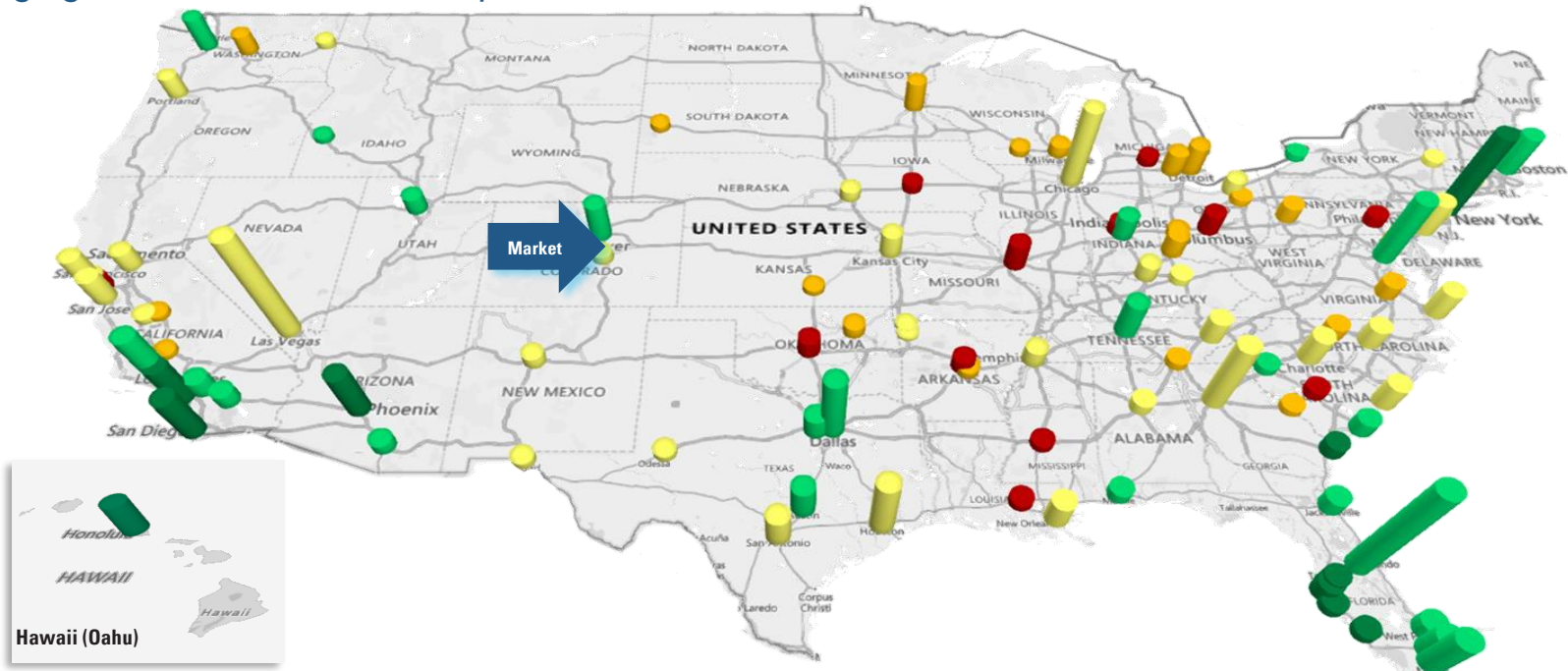


4Q 2023  
DENVER, CO

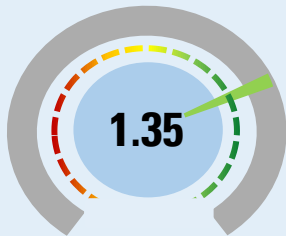


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

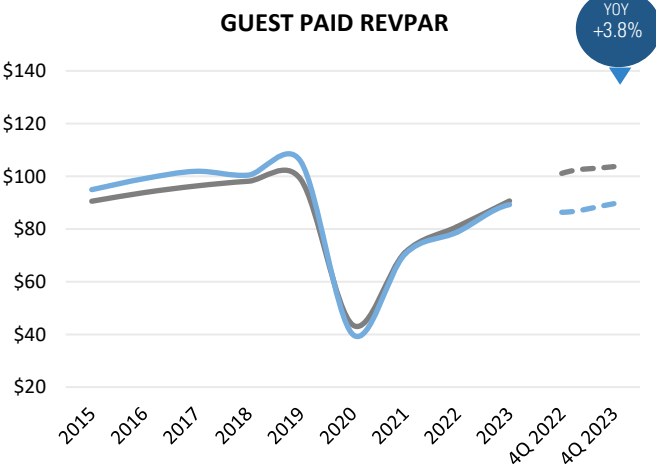
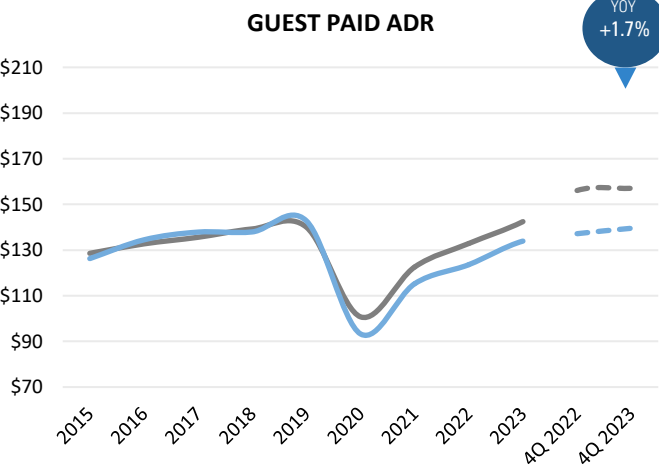
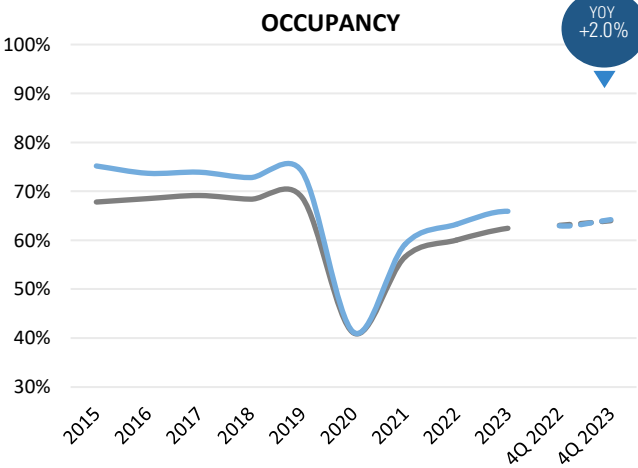
Denver, CO



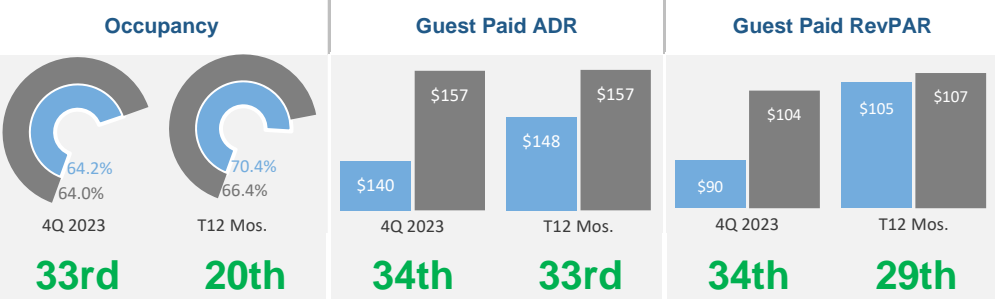
10th of 104  
Above Average

Ranking of overall '4Q 2023 LPI' performance (1.35) against all 104 surveyed markets.

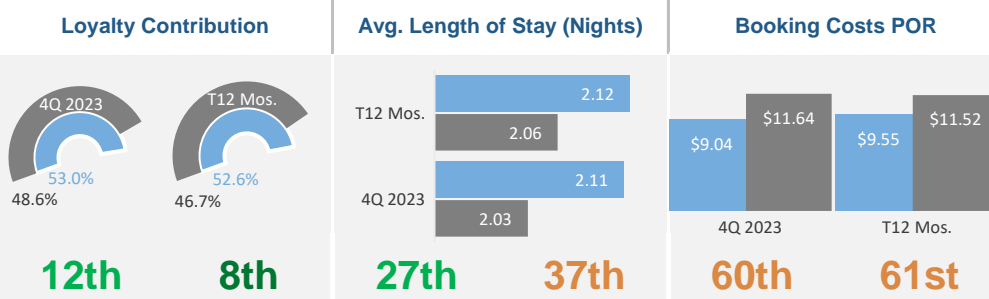
KEY PERFORMANCE METRICS



Key Performance Indexes

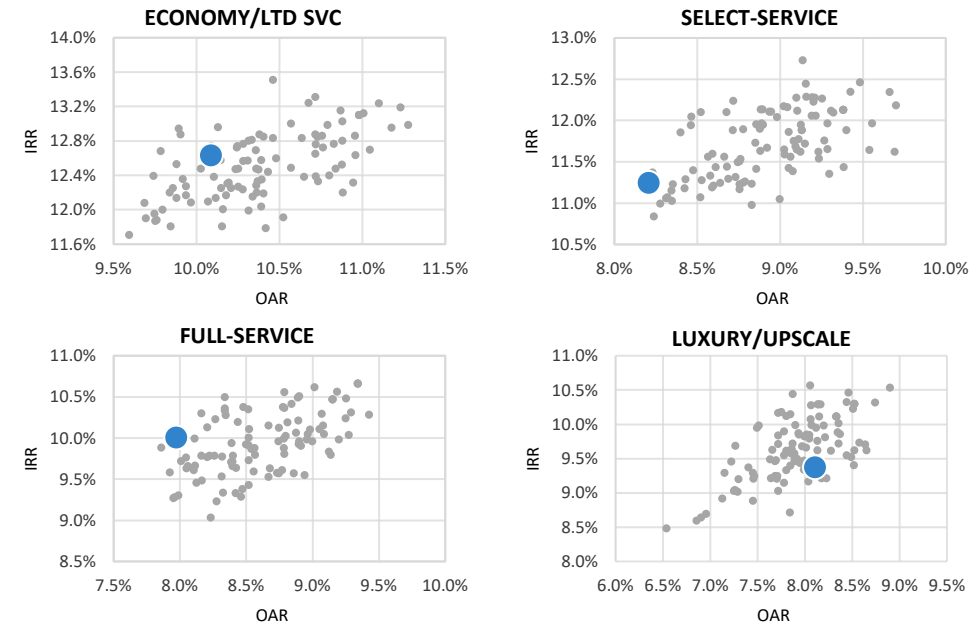


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

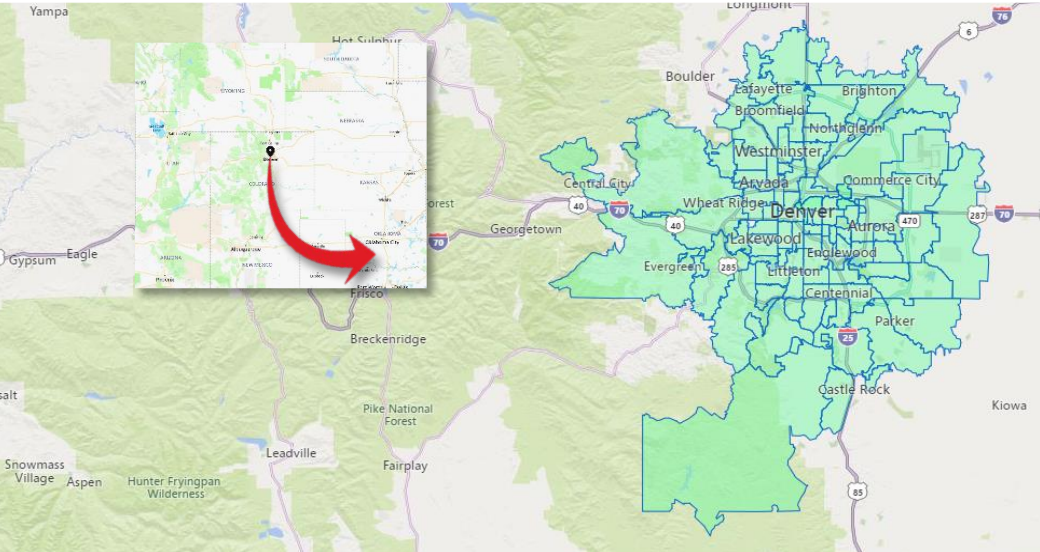


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

**Jurisdictional Information**

Municipal Name: Denver

County: Denver County

State: Colorado

Geo Coordinates (market center): 39.73915, -104.9847

Source: US Census Bureau, Dept. of Labor Statistics

**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**

Population (hotel market area)	2,595,292
Income per Capita	\$60,098
Feeder Group Size	66.1 Persons PSR
Feeder Group Earnings	\$3,974,156 PSR
Total Market COPE	\$2.1 billion

**Measurements**

**Rankings**

16th of 104 (Large)

18th of 104 (Above Average)

42nd of 104 (Average)

65th of 104 (Average)

18th of 104 (Above Average)

Key Performance Metrics

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	75.2%	\$126.25	\$94.91	\$116.17	\$87.33	\$10.08	92.0%	46.4%	2.16	43,720	1.45
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	1.35
CAGR: 2015 thru 2022	-1.6%	0.7%	-0.8%	0.9%	-0.8%	-1.0%	0.1%	0.4%	-0.3%	3.0%	-0.9%
4Q 2022	62.9%	\$137.16	\$86.33	\$128.23	\$80.71	\$8.93	93.5%	50.9%	2.11	57,070	1.16
4Q 2023	64.2%	\$139.52	\$89.60	\$130.48	\$83.79	\$9.04	93.5%	53.0%	2.11	55,920	1.35

Data provided by: kalibri LABS

Notable Metrics

OAR: Select-Service

**1st**  
Highly Favorable

Denver, CO enjoyed favorable OAR metrics in the select-service segment (8.2%)

Latest-Quarter LPI

**10th**  
Above Average

The market enjoyed strong latest-quarter LPI (1.35)

T12-Month Loyalty Contribution

**8th**  
Strong

The market also exhibited strong T12-month loyalty contribution (52.6%)

OAR: Luxury/Upscale

**69th**  
Unfavorable

This market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.1%)

T12-Month Booking Costs POR

**61st**  
Average

The market was burdened by high T12-month booking costs POR (\$9.55)

T12-Month Booking Costs POR

**61st**  
Average

Denver, CO also was burdened by high T12-month booking costs POR (\$9.55)

Notable Trends

Long-Term Historical Booking Costs POR Growth

**9th**  
Strong

Denver, CO has benefited from low long-term historical booking costs POR growth (0.7%)

Overall Health of Hotel Market

**10th**  
Above Average

The market has benefited from strong general hotel market performance (levels and trends of fundamentals)

Short-Term Historical Booking Costs POR Growth

**12th**  
Above Average

The market also enjoyed low short-term historical growth in booking costs (0.5%)

Long-Term Historical Supply Growth

**91st**  
Soft

The market has been burdened by high long-term historical supply growth (2.4%)

Short-Term Historical Guest Paid ADR Growth

**87th**  
Below Average

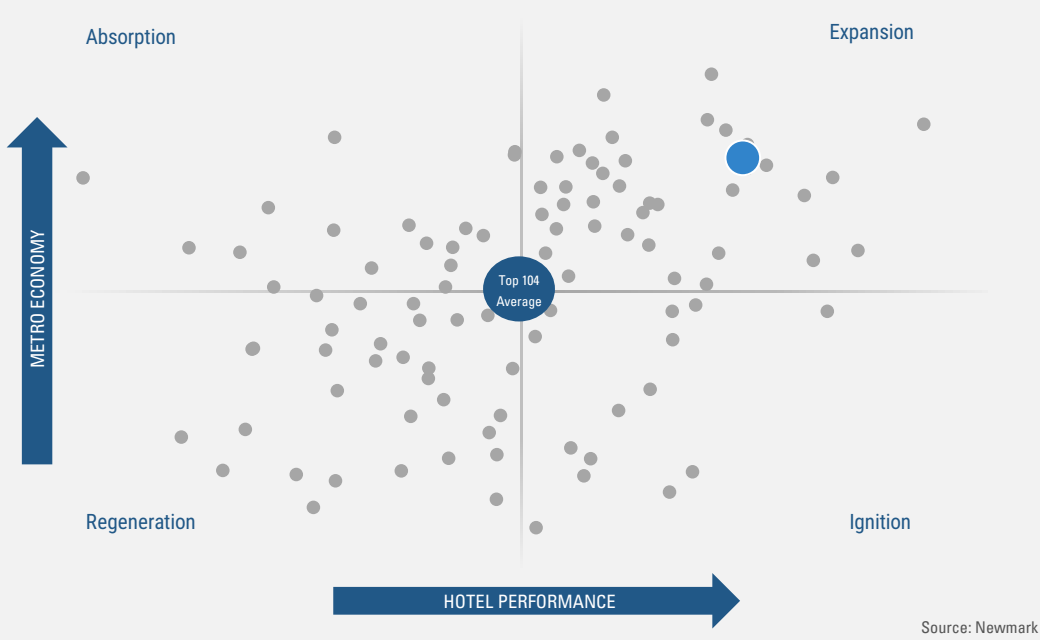
We note this area has been impeded by weak short-term historical Guest Paid ADR growth (1.6%)

Long-Term Historical COPE ADR Growth

**86th**  
Below Average

Denver, CO also posted weak long-term historical COPE ADR growth (1.6%)

Market Performance Stage



Denver, CO: Expansion Stage

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 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 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 enter a sustained post-pandemic status. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Chicago, IL; Miami, FL; and Myrtle Beach, SC.Chicago, IL; Miami, FL; and New York, NY.
- 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; Houston, TX; and Minneapolis, MN.

Industry Observations

Business Cycle:

Employment Growth (2 yr):

Risk Exposure (402 US markets):

Key Industry Notes:

**At Risk**

5.5%

28th Percentile: Below Average

Financial, high tech

Knowledge-based industries

Skilled workforce

High employment diversity

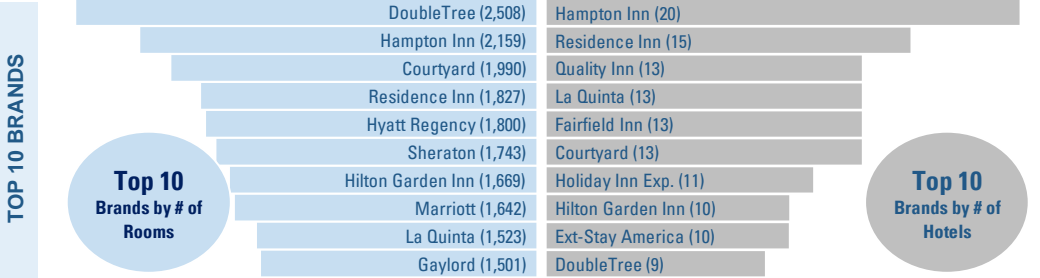
Elevated cost of living

**Moody's Rating**

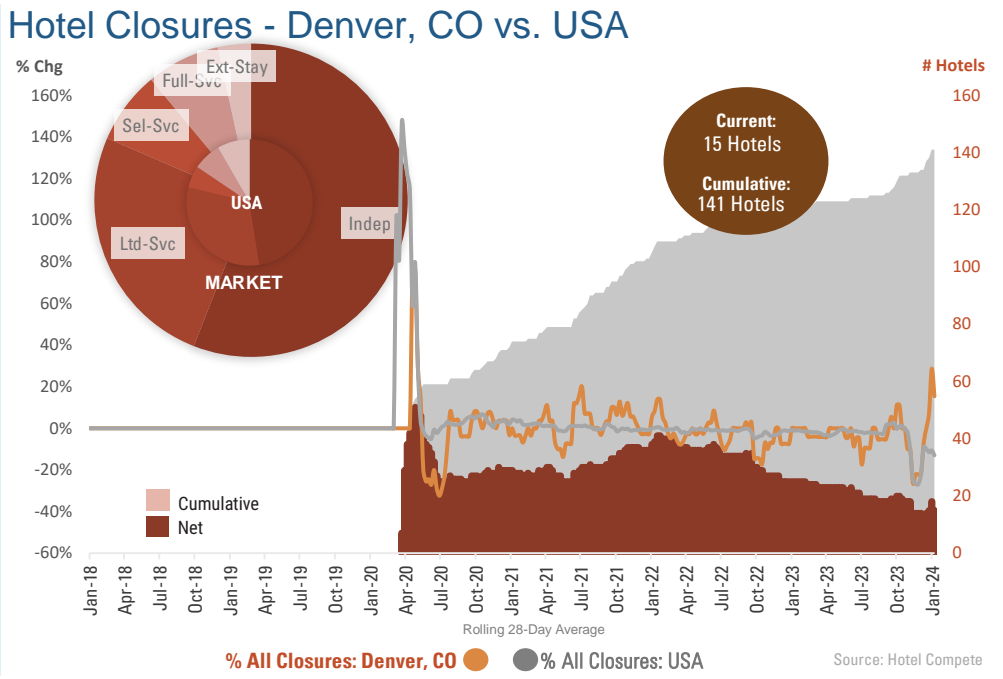
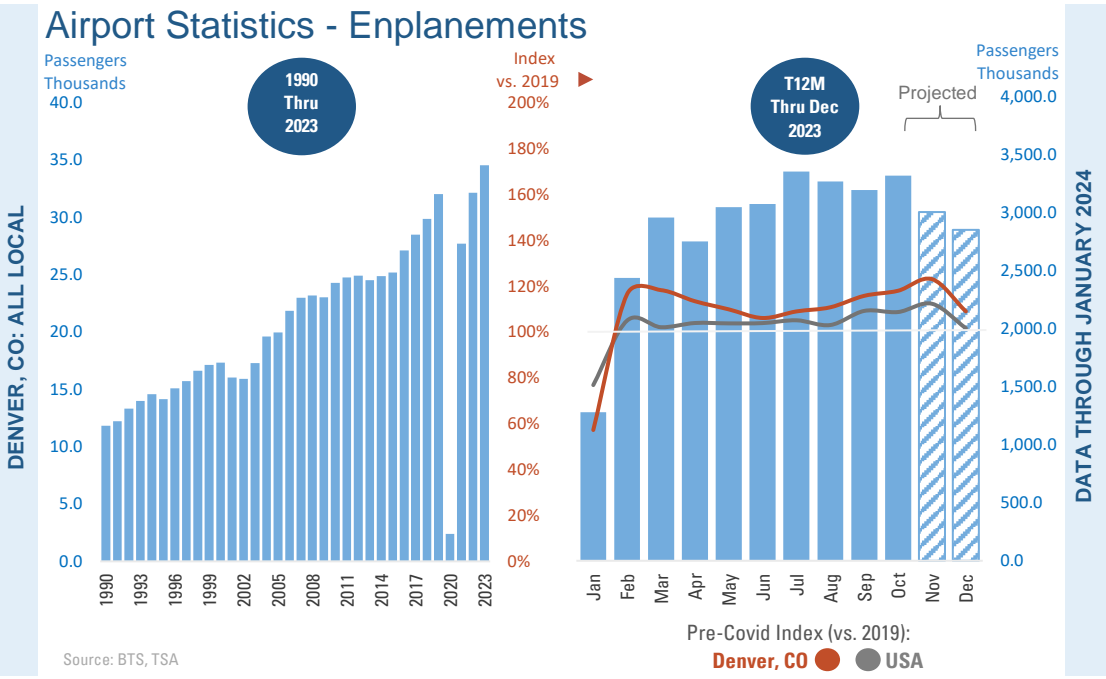
**Aaa**

Investment Grade

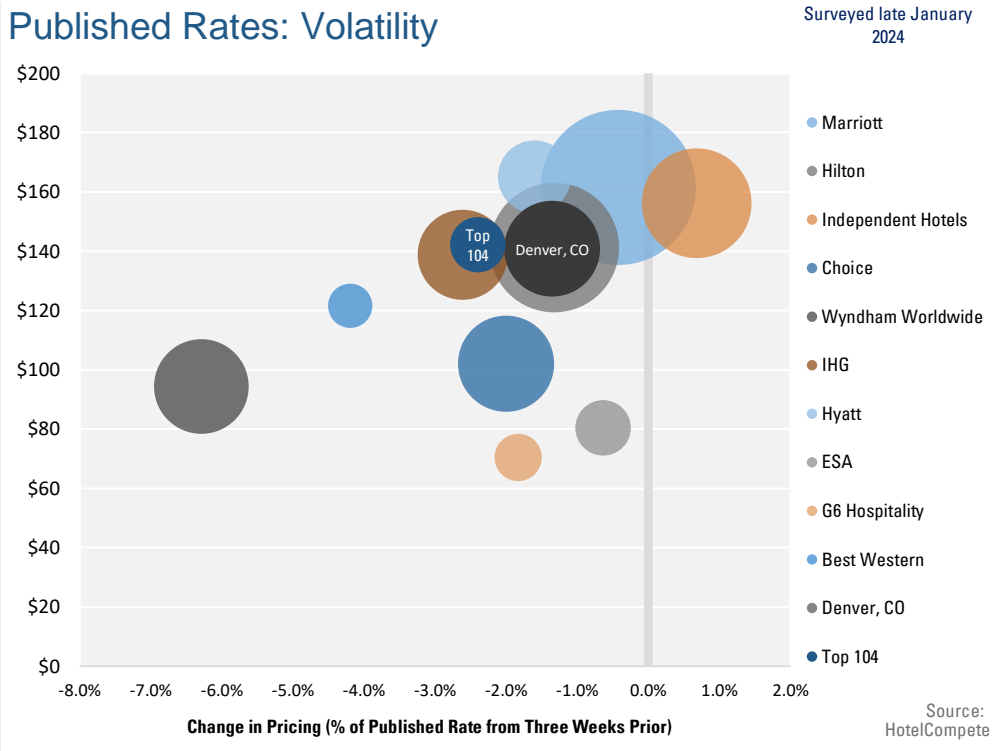
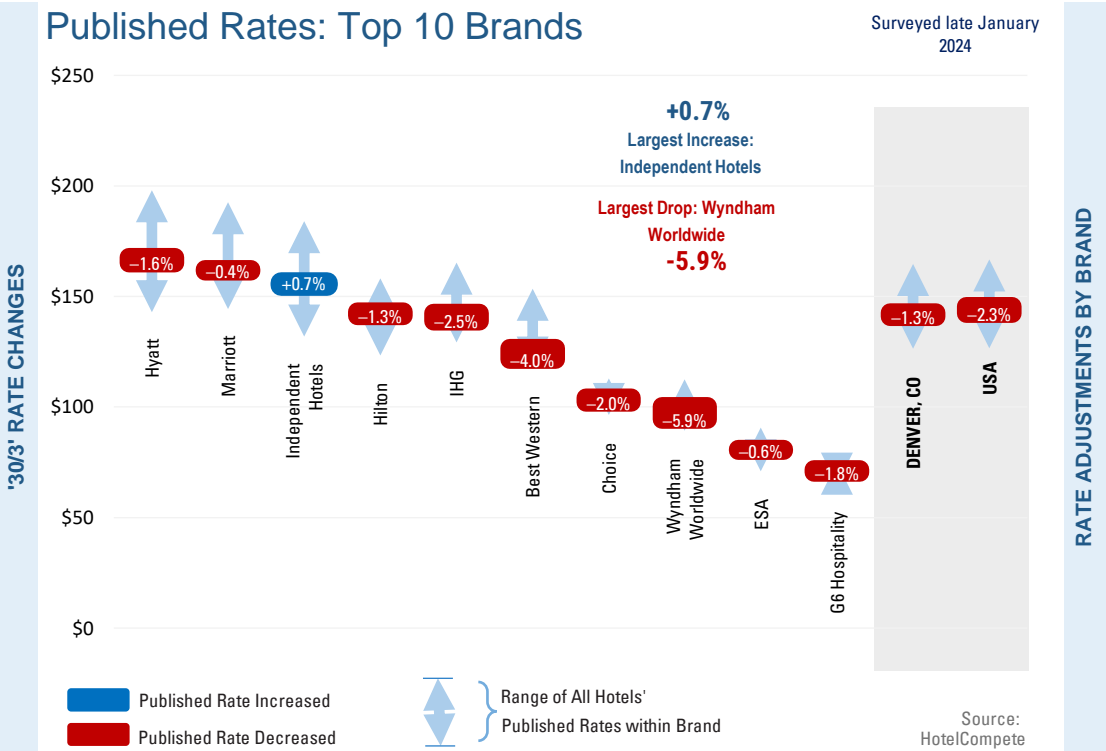
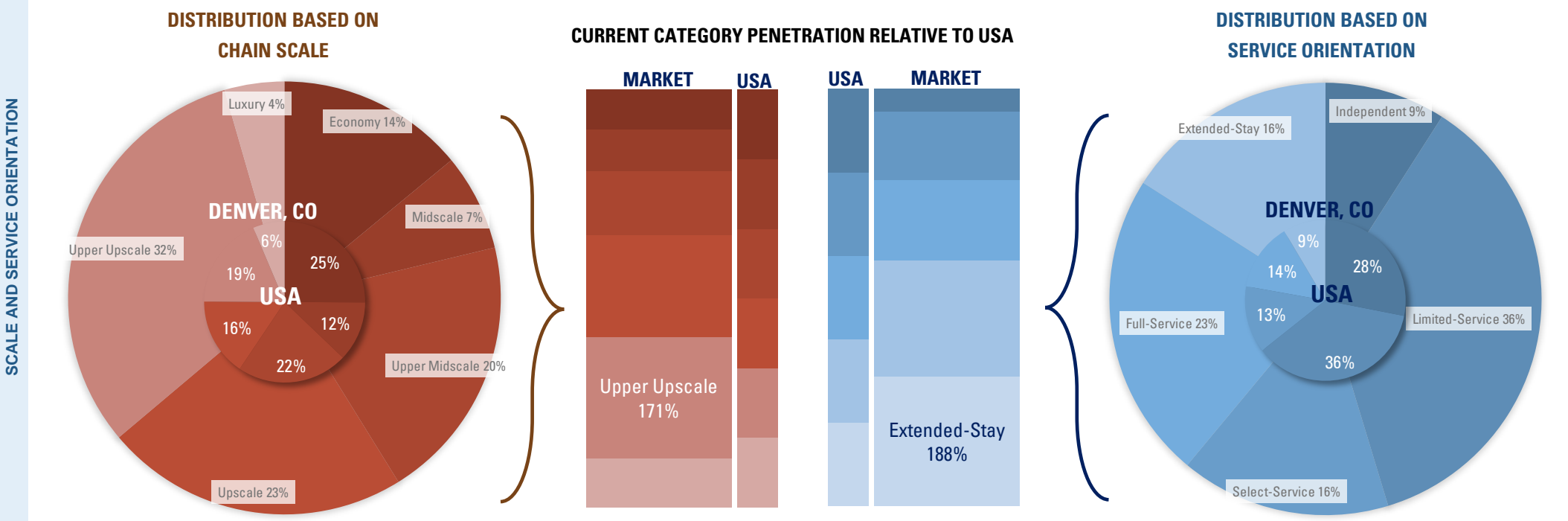
Long-term investment grade, Prime-1 short-term outlook







## Scale and Service Distribution: Denver, CO



## Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	37th Average	24th Above Average	71st Below Average
	The 30-day advanced published rate for the market was a moderate \$140.85, ranking 37th out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 34th at \$139.52 in 4Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 1.3% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	Published rates reported in late January 2024 were 0.9% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is below average. By comparison, the T-104 spread was -9.5%.

	Published Rate Integrity	Coverage	Volatility
BRAND LEVEL	89th Below Average	77th Below Average	6th Very Low
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Denver, CO has a below average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	Denver, CO's top 10 brands are exhibiting very low volatility with respect to advanced booking pricing movements in the three weeks leading into late January 2024.

# 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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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

Arenas, Stadiums and Sports 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

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### 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.

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