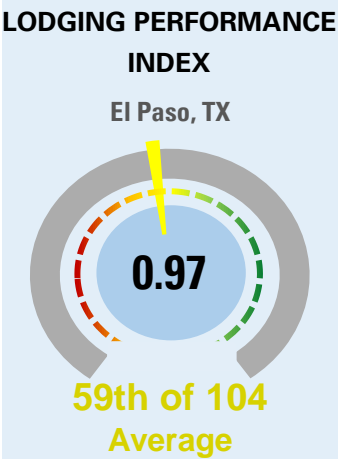
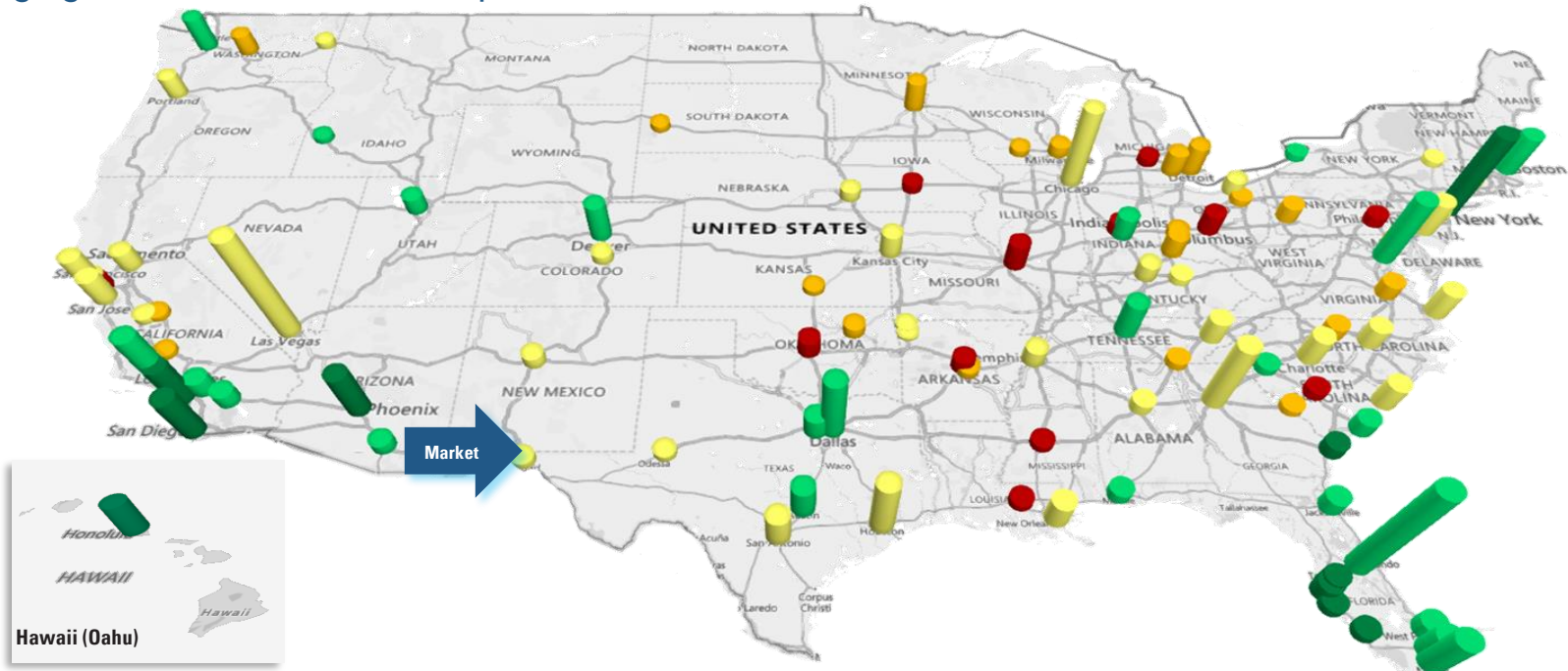


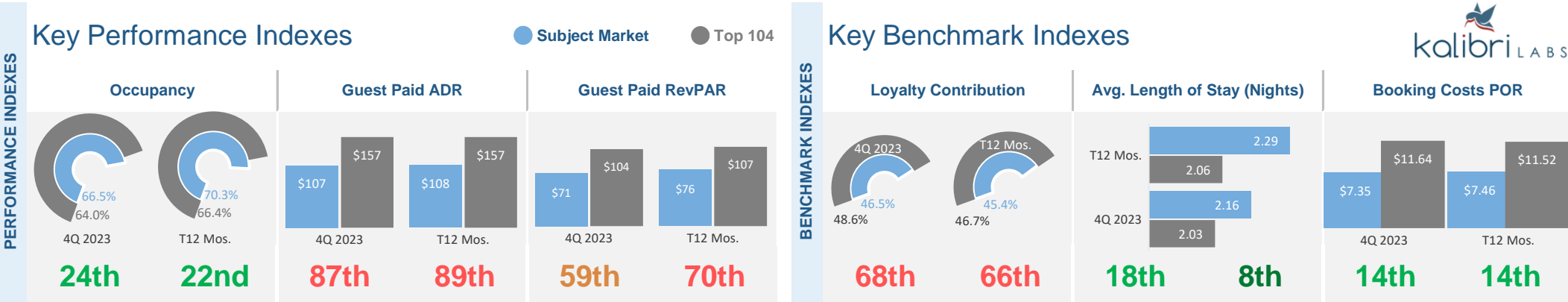
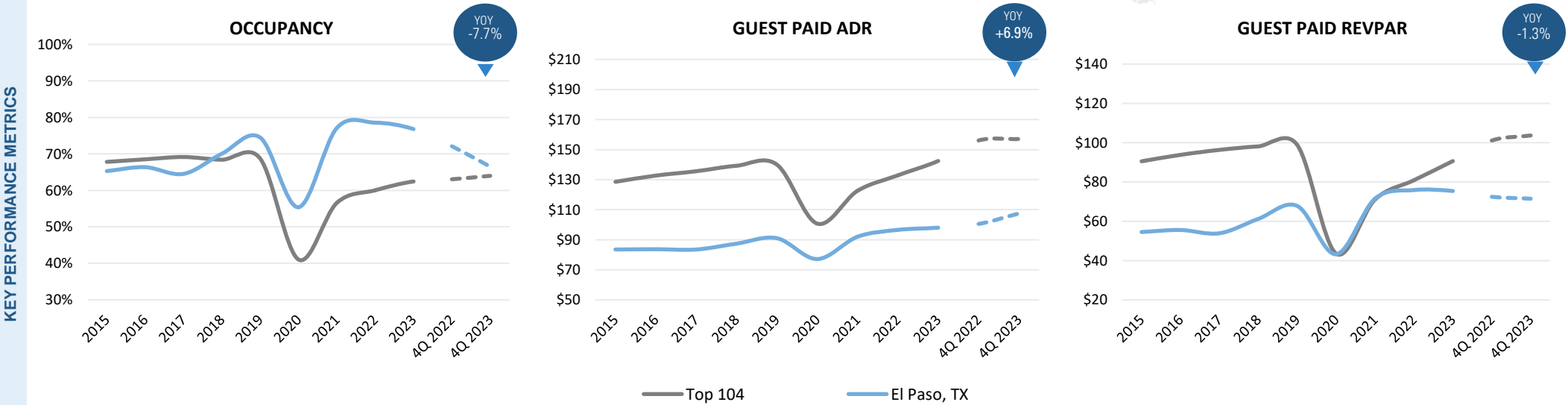
4Q 2023
EL PASO, TX



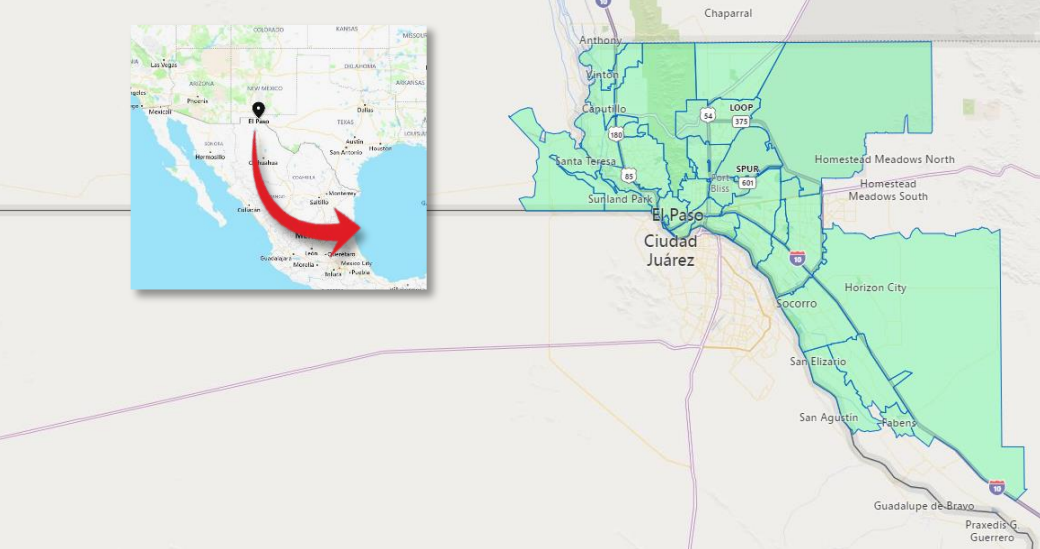
Lodging Performance Index Snapshot



Ranking of overall '4Q 2023 LPI' performance (0.97) against all 104 surveyed markets.



Location



Quick Facts

Jurisdictional Information

Municipal Name:

El Paso

County:

El Paso County

State:

Texas

Geo Coordinates (market center):

31.75872, -106.48693

Source: US Census Bureau,
Dept. of Labor Statistics

Major Hotel Demand Generators

Fort Bliss | T&T Staff Management | TH Medical | El Paso Community College | UMC Health System | Alorica | El Paso HealthCare System LTD | University of Texas at El Paso | ADP LLC | Dish Network LLC | Texas Tech University Health Sciences Center | GC Services Ltd. | El Paso Electric | Schneider Electric | Verizon Wireless | Federal-Mogul LLC | Jordan Foster Construction LLC | Tecma Group LP | Foret Companies | The Urban Companies

Metrics and Ranking

Population (hotel market area)

713,264

68th of 104 (Below Average)

Income per Capita

\$44,431

69th of 104 (Below Average)

Feeder Group Size

98.1 Persons PSR

81st of 104 (Below Average)

Feeder Group Earnings

\$4,358,748 PSR

75th of 104 (Below Average)

Total Market COPE

\$287.3 million

87th of 104 (Below Average)

Key Performance Metrics

						Data provided by: kalibri LABS					
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	65.3%	\$83.54	\$54.54	\$77.33	\$50.49	\$6.20	92.6%	46.1%	2.09	9,500	0.88
2016	66.4%	\$83.71	\$55.56	\$77.25	\$51.27	\$6.46	92.3%	47.5%	2.22	9,530	0.91
2017	64.5%	\$83.53	\$53.89	\$76.59	\$49.42	\$6.94	91.7%	50.3%	2.08	9,700	0.78
2018	70.0%	\$87.40	\$61.22	\$80.14	\$56.13	\$7.26	91.7%	51.1%	2.11	9,790	0.94
2019	74.5%	\$91.05	\$67.81	\$83.49	\$62.18	\$7.56	91.7%	55.0%	2.20	9,910	1.15
2020	55.4%	\$77.16	\$43.23	\$72.09	\$39.93	\$5.07	93.4%	39.6%	2.40	10,140	1.38
2021	77.1%	\$92.02	\$71.51	\$86.22	\$66.47	\$5.80	93.7%	39.3%	2.67	10,660	1.46
2022	78.6%	\$96.57	\$75.90	\$90.24	\$70.89	\$6.32	93.5%	40.1%	2.60	10,680	1.07
2023	76.8%	\$98.05	\$75.40	\$91.50	\$70.27	\$6.55	93.3%	40.7%	2.49	10,700	0.97
CAGR: 2015 thru 2022	2.0%	2.0%	4.1%	2.1%	4.2%	0.7%	0.1%	-1.5%	2.3%	1.5%	1.3%
4Q 2022	72.1%	\$100.52	\$72.46	\$93.48	\$67.39	\$7.03	93.0%	42.2%	2.16	10,880	1.07
4Q 2023	66.5%	\$107.49	\$71.49	\$100.15	\$66.61	\$7.35	93.2%	46.5%	2.16	10,030	0.97

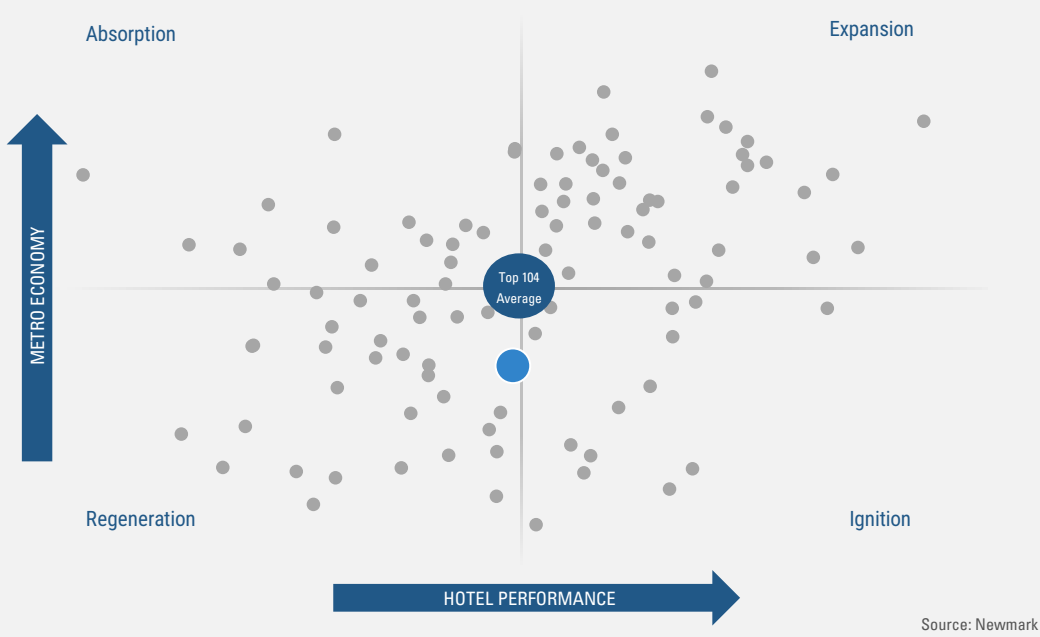
Notable Metrics

HIGHEST	T12-Month Average Length of Stay	Latest-Quarter Booking Costs POR	T12-Month Booking Costs POR
	8th Strong El Paso, TX benefited from strong T12-month average length of stay (2.29 Nights)	14th Above Average The market enjoyed low latest-quarter booking costs POR (\$7.35)	14th Above Average The market also enjoyed low T12-month booking costs POR (\$7.46)
LOWEST	IRR: Full-Service	OAR: Luxury/Upscale	OAR: Economy/Ltd Svc
	101st Highly Unfavorable This market posted unfavorable IRR metrics in the full-service segment (10.6%)	101st Highly Unfavorable The market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.6%)	89th Unfavorable El Paso, TX also exhibited unfavorable OAR metrics in the economy/ltd svc segment (10.9%)

Notable Trends

FASTEST	T12-Month Rooms Supply Growth	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical COPE ADR Growth
	1st Very Strong El Paso, TX exhibited low rooms supply growth over the last 12 months (~7.8%)	23rd Above Average The market exhibited strong short-term historical Guest Paid ADR growth (3.5%)	23rd Above Average The market also has benefited from strong short-term historical COPE ADR growth (3.5%)
SLOWEST	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Guest Paid RevPAR Growth	Short-Term Historical COPE RevPAR Growth
	87th Below Average The market exhibited weak short-term historical average length of stay growth (-0.2%)	87th Below Average We note this area has been hampered by weak short-term historical Guest Paid RevPAR growth (0.5%)	85th Below Average El Paso, TX also has been impeded by weak short-term historical COPE RevPAR growth (0.5%)

Market Performance Stage



El Paso, TX: Regeneration Stage

The El Paso, TX 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 Cincinnati, OH; Detroit, MI; and Knoxville, TN.

Other Stages:

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.
Expansion	In the 'Expansion' 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.

Industry Observations

Business Cycle:
Employment Growth (2 yr):
Risk Exposure (402 US markets):
Key Industry Notes:

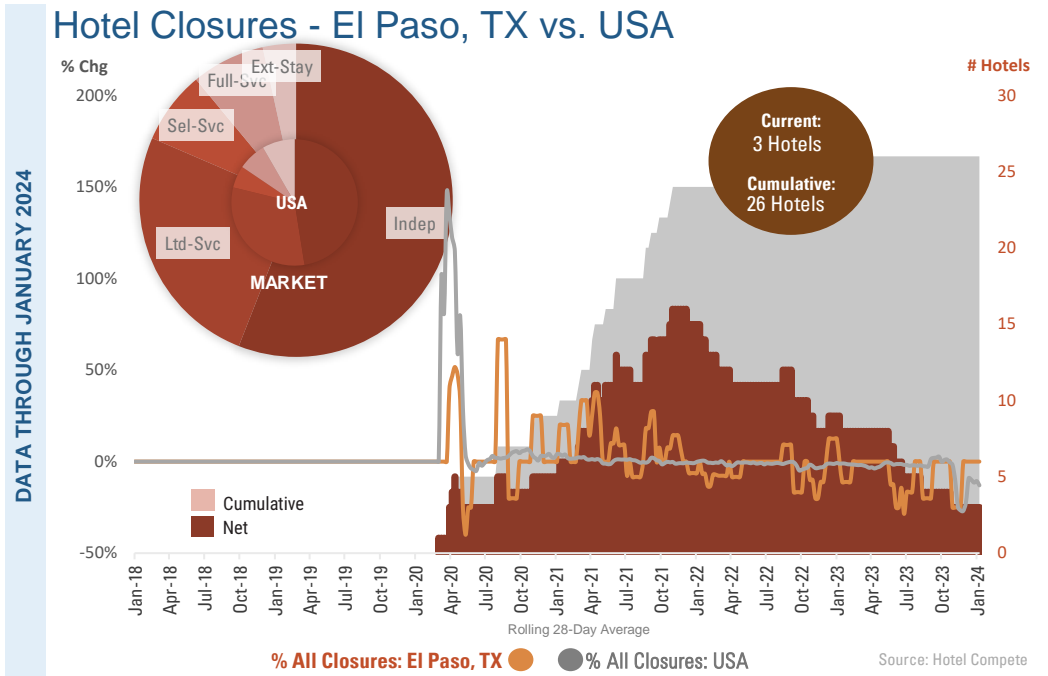
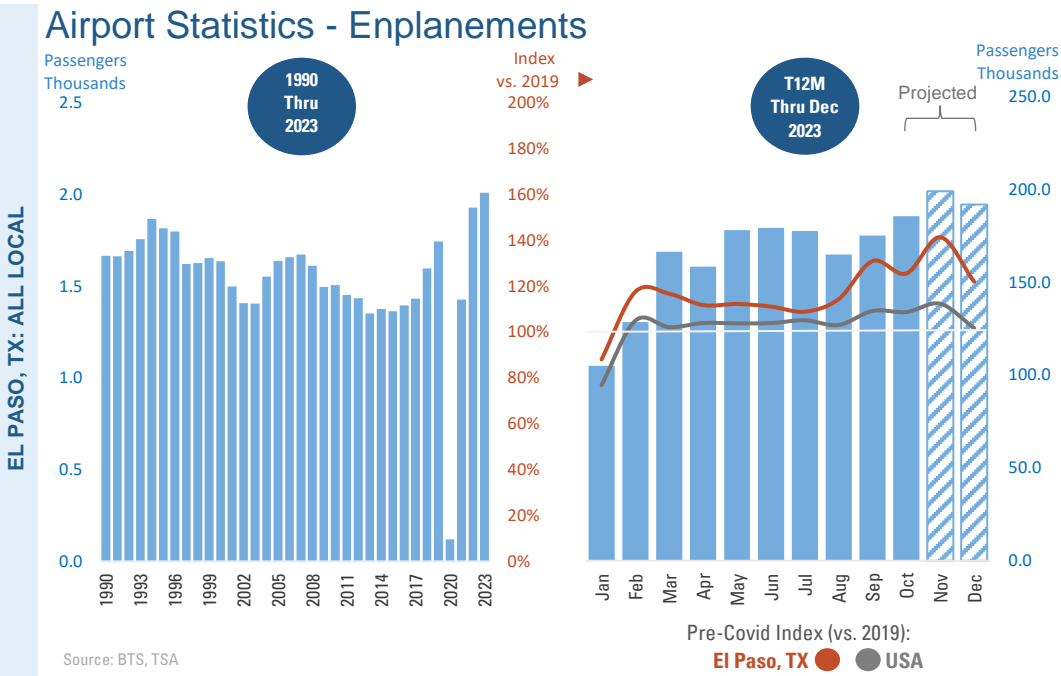
In Recovery
6.7%
70th Percentile: Above Average
Defense, logistics
Large military presence
Commerce with Mexico
Low educational attainment
Low per capita income

Moody's Rating

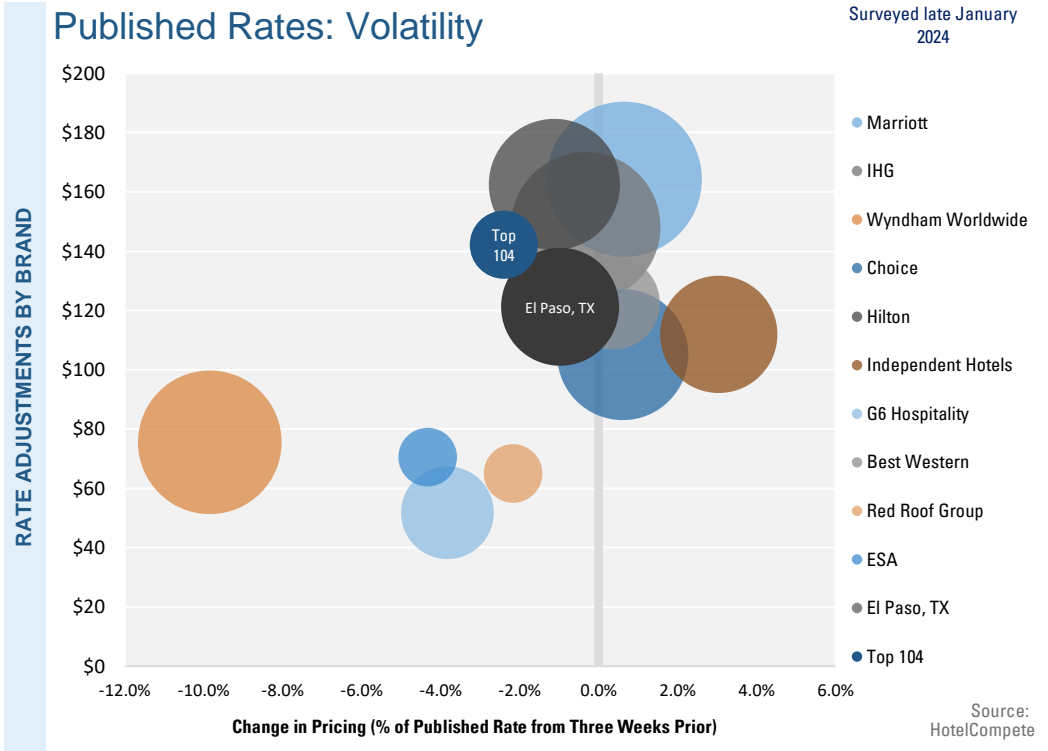
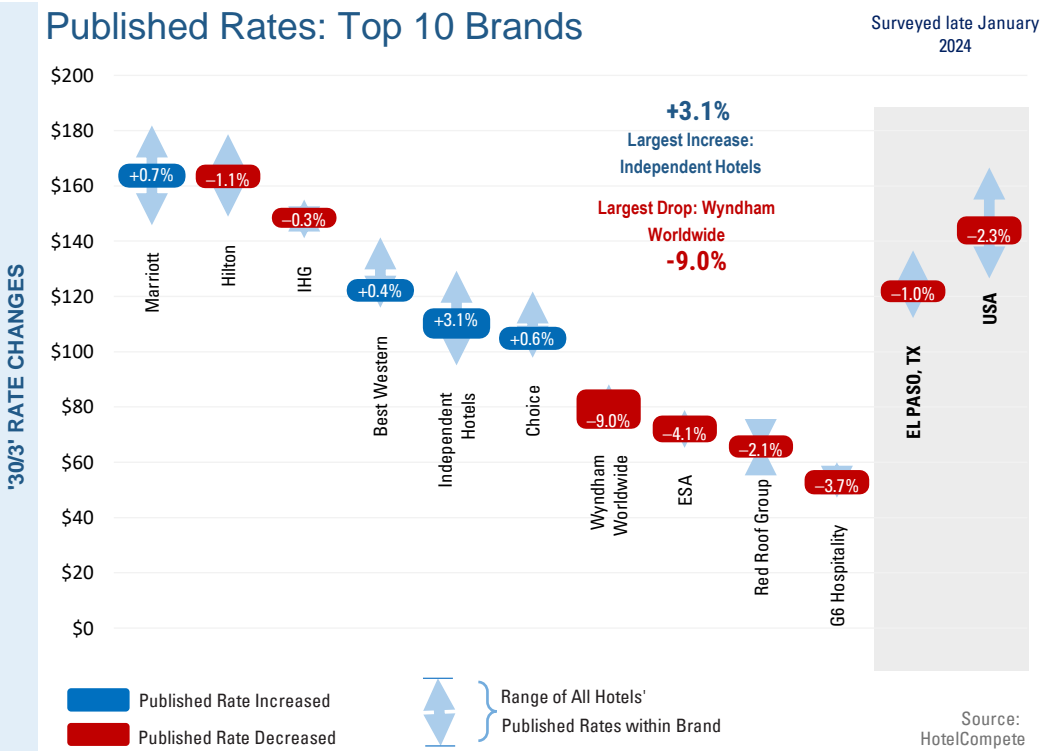
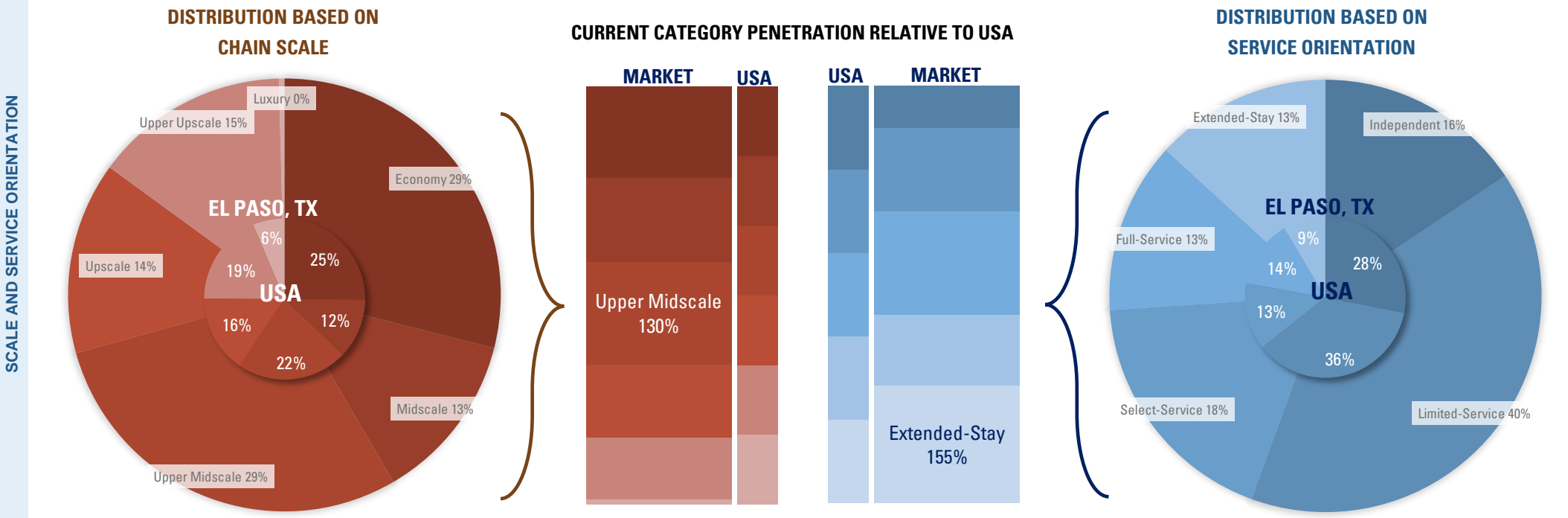
Aa2
Investment Grade

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





Scale and Service Distribution: El Paso, TX



Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	74th Below Average The 30-day advanced published rate for the market was a somewhat conservative \$121.24, ranking 74th out of 104 markets. (Guest-Paid ADR ranked a somewhat conservative 87th at \$107.49 in 4Q 2023.)	18th Above Average Published rates have recently been moving downward, decreasing by a modest 1.0% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	24th Above Average Published rates reported in late January 2024 were 12.8% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is above average. By comparison, the T-104 spread was -9.5%.

	Published Rate Integrity	Coverage	Volatility
BRAND LEVEL	30th Above Average Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	51st Average El Paso, TX has an average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	15th Low El Paso, TX's top 10 brands are exhibiting 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 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

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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.

Litigation

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Portfolio Analytics

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Property Tax

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

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