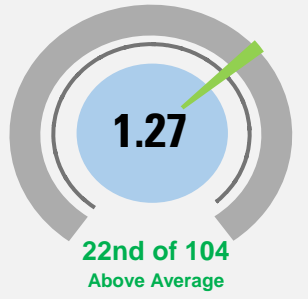


2Q 2022 EL PASO, TX



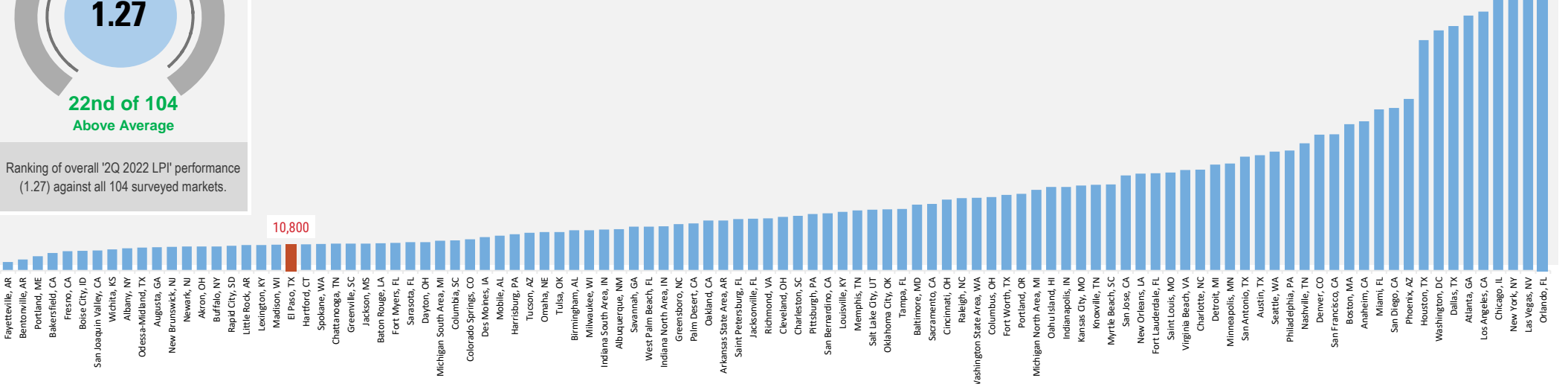
Fundamentals Dashboard

Lodging Performance Index

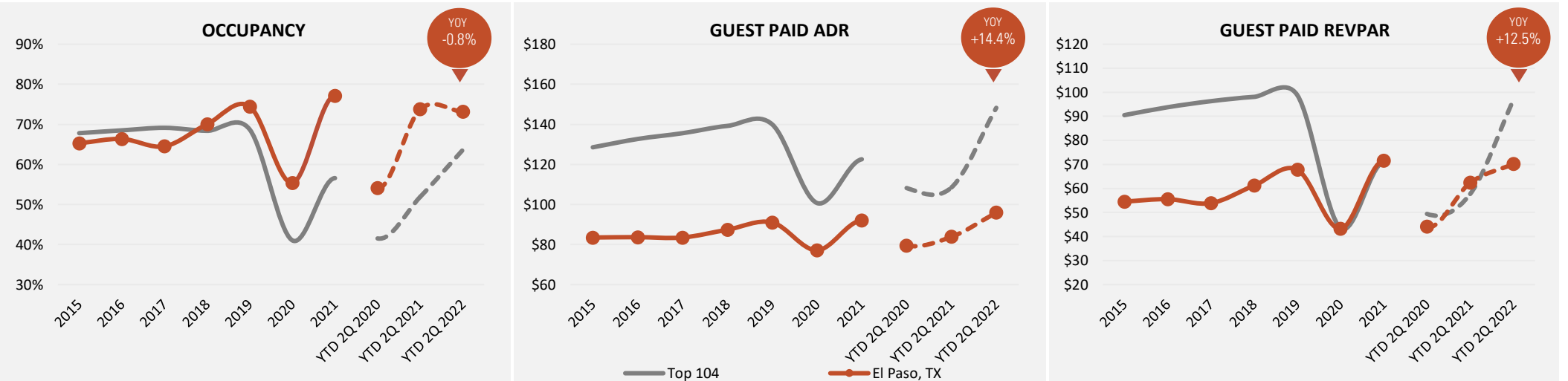


Ranking of overall '2Q 2022 LPI' performance (1.27) against all 104 surveyed markets.

ROOM SUPPLY RANKING vs. MAJOR US MARKETS

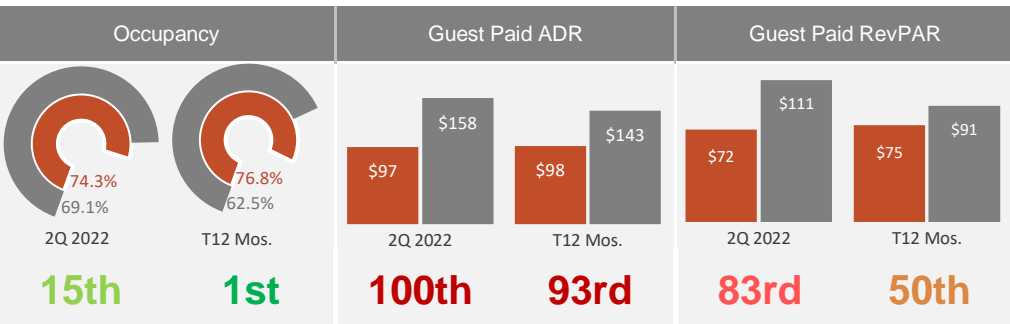


KEY PERFORMANCE METRICS

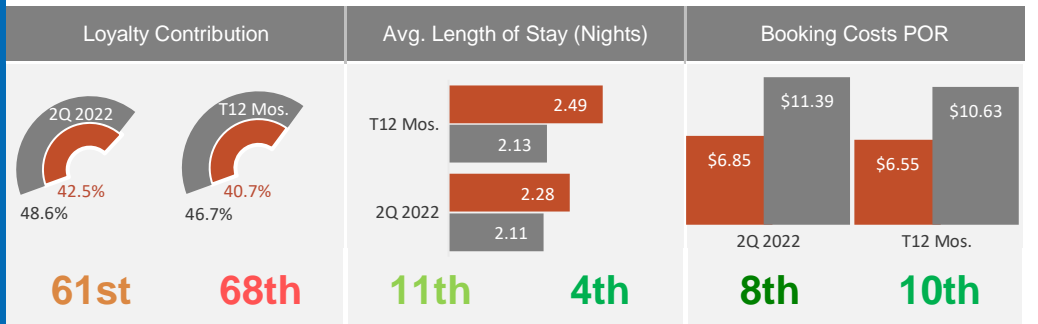


Key Performance Indexes

● Subject Market ● Top 104

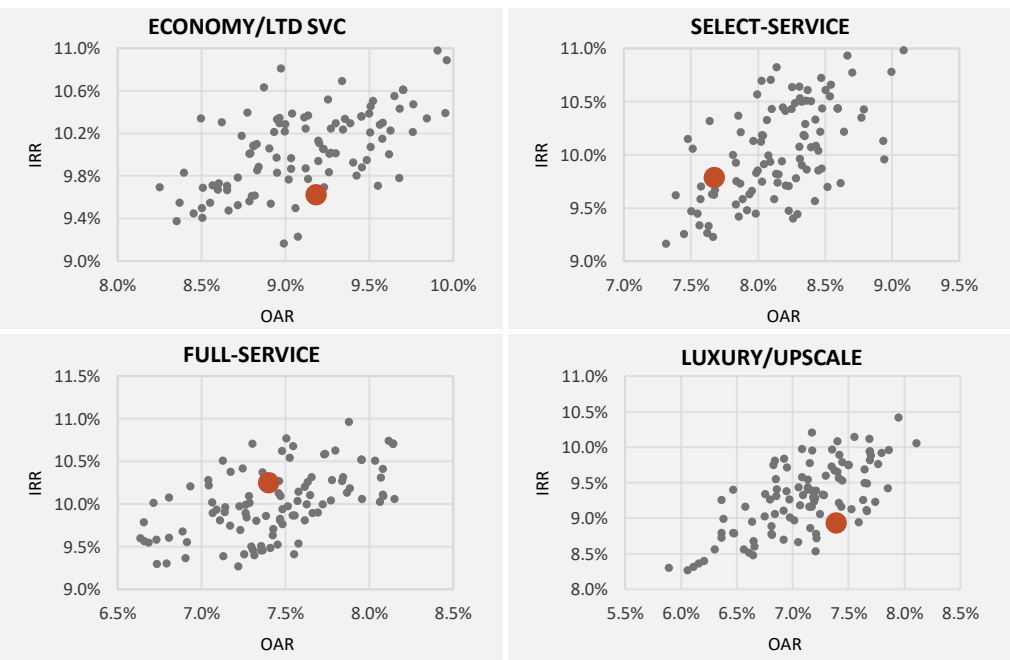


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

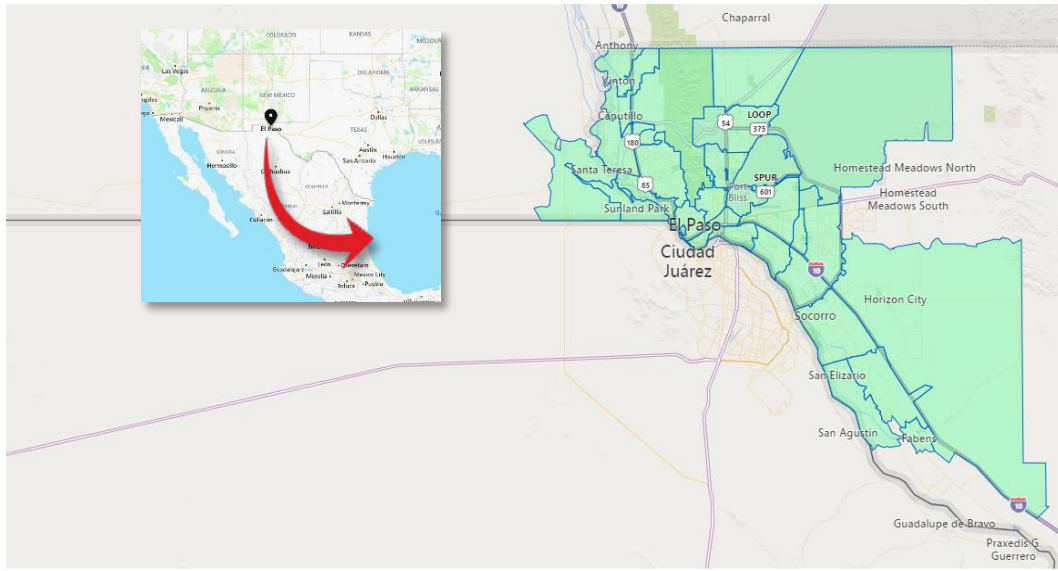


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	El Paso	
County:	El Paso County	
State:	Texas	
Geo Coordinates (market center):	31.75872, -106.48693	
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		Measurements
Population (hotel market area)	713,264	68th of 104 (Below Average)
Income per Capita	\$44,431	69th of 104 (Below Average)
Feeder Group Size	86.8 Persons PSR	62nd of 104 (Average)
Feeder Group Earnings	\$3,855,902 PSR	56th of 104 (Average)
Total Market COPE	\$294.1 million	77th of 104 (Below Average)

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	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
CAGR: 2015 thru 2021	2.8%	1.6%	4.6%	1.8%	4.7%	-1.1%	0.2%	-2.6%	4.2%	1.9%	8.9%
YTD 2Q 2020	54.1%	\$79.52	\$44.06	\$74.08	\$40.98	\$5.44	93.2%	39.9%	2.25	9,900	1.36
YTD 2Q 2021	73.8%	\$83.86	\$62.39	\$78.67	\$58.50	\$5.20	93.8%	39.3%	2.67	10,620	1.35
YTD 2Q 2022	73.2%	\$95.92	\$70.18	\$89.24	\$65.29	\$6.69	93.0%	42.1%	2.31	10,710	1.27
% Change	-0.8%	14.4%	12.5%	13.4%	11.6%	28.7%	-0.8%	7.2%	-13.6%	0.8%	-6.1%

Data provided by: kalibri LABS

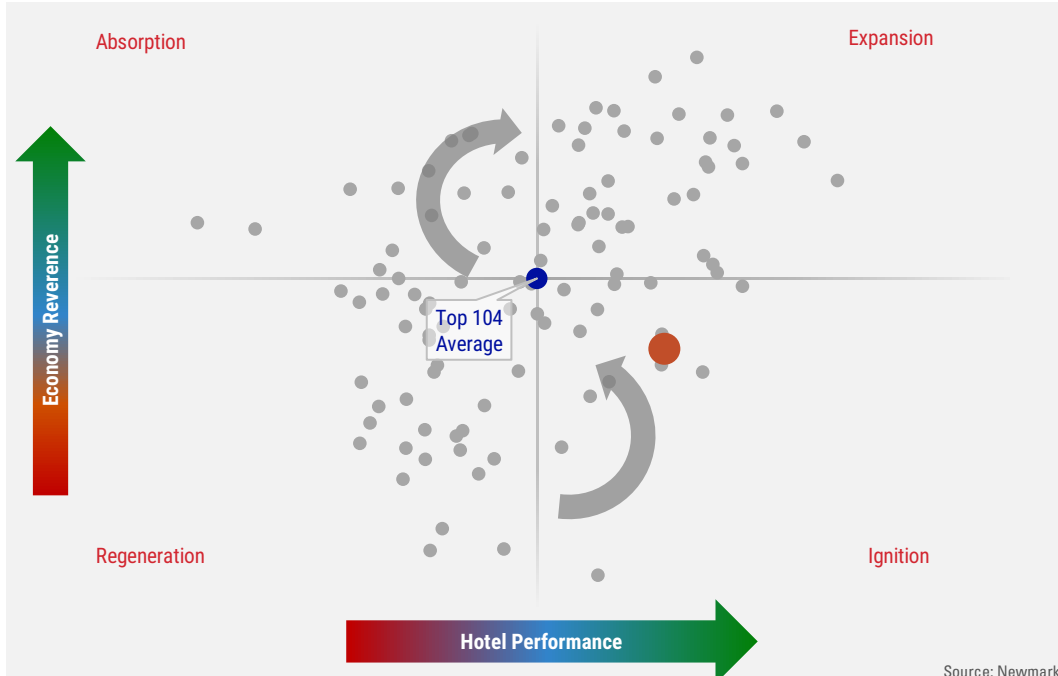
Notable Metrics

HIGHEST	T12-Month Occupancy	T12-Month Average Length of Stay	Latest-Quarter Booking Costs POR
1st Strong	El Paso, TX exhibited strong T12-month occupancy (76.8%)	4th Strong The market benefited from strong T12-month average length of stay (2.49 Nights)	8th Strong The market also enjoyed low latest-quarter booking costs POR (\$6.85)
LOWEST	Latest-Quarter COPE ADR	Latest-Quarter Guest Paid ADR	T12-Month COPE ADR
100th Soft	This market exhibited weak latest-quarter COPE ADR (\$90.00)	100th Soft The market has been hampered by weak latest-quarter Guest Paid ADR (\$96.85)	93rd Soft El Paso, TX also has been hindered by weak T12-month COPE ADR (\$91.50)

Notable Trends

FASTEST	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Booking Costs POR Growth	Overall Health of Hotel Market
10th Above Average	El Paso, TX has benefited from strong short-term historical average length of stay growth (3.6%)	13th Above Average The market enjoyed low short-term historical growth in booking costs (0.0%)	19th Above Average The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
SLOWEST	Long-Term Historical COPE ADR Growth	Long-Term Historical Guest Paid ADR Growth	General Economy Reversion
87th Below Average	The market posted weak long-term historical COPE ADR growth (1.2%)	87th Below Average We note this area has been impeded by weak long-term historical Guest Paid ADR growth (1.3%)	77th Below Average El Paso, TX also posted weak general economic reversion (per-capita unemployment, GDP and other indicators)

Market Performance Stage



El Paso, TX: Ignition Stage

The El Paso, TX market is currently in the 'Ignition' stage of the performance cycle. In this 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.

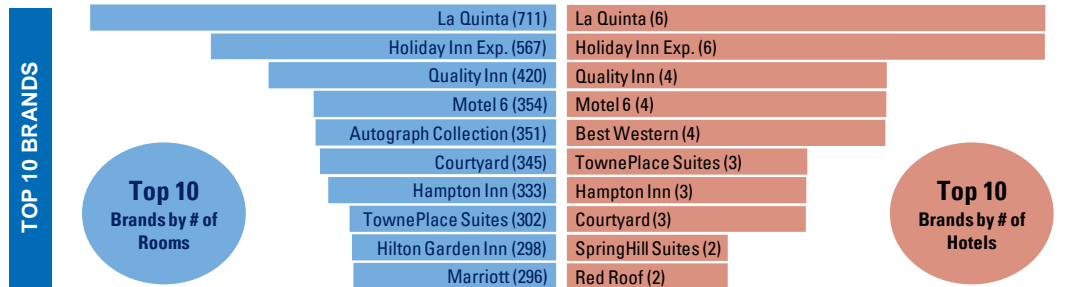
Other Stages:

- 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.
- 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.
- 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.

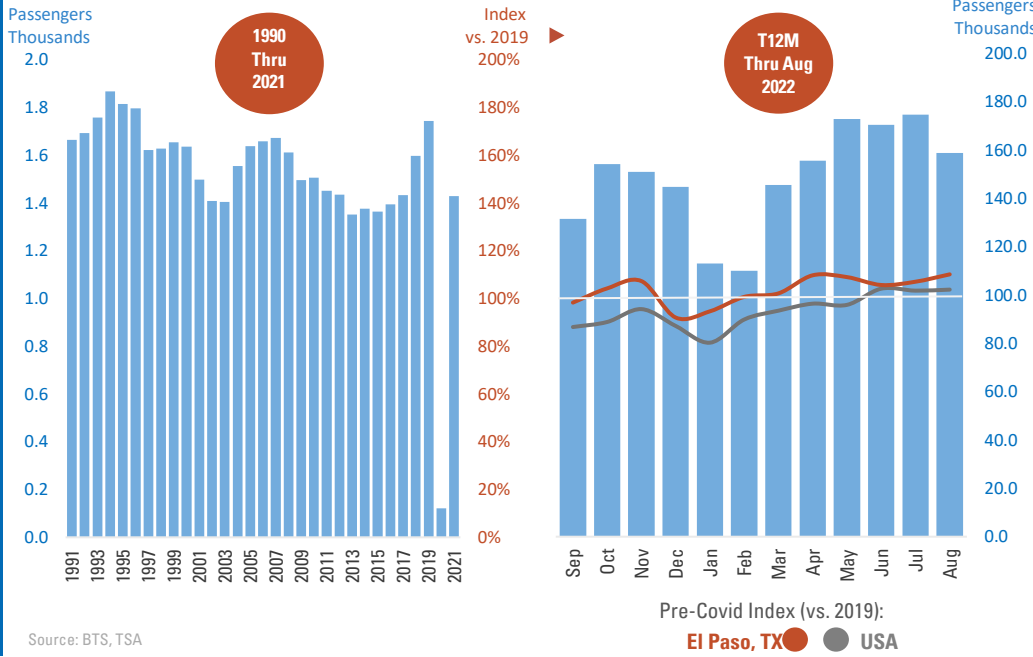
Industry Observations

Business Cycle: In Expansion
Employment Growth (2 yr): -1.6%
Risk Exposure (402 US markets): 88th Percentile: Above Average
Key Industry Notes: Defense, logistics; Large military presence; Commerce with Mexico; Low educational attainment; Low per capita income

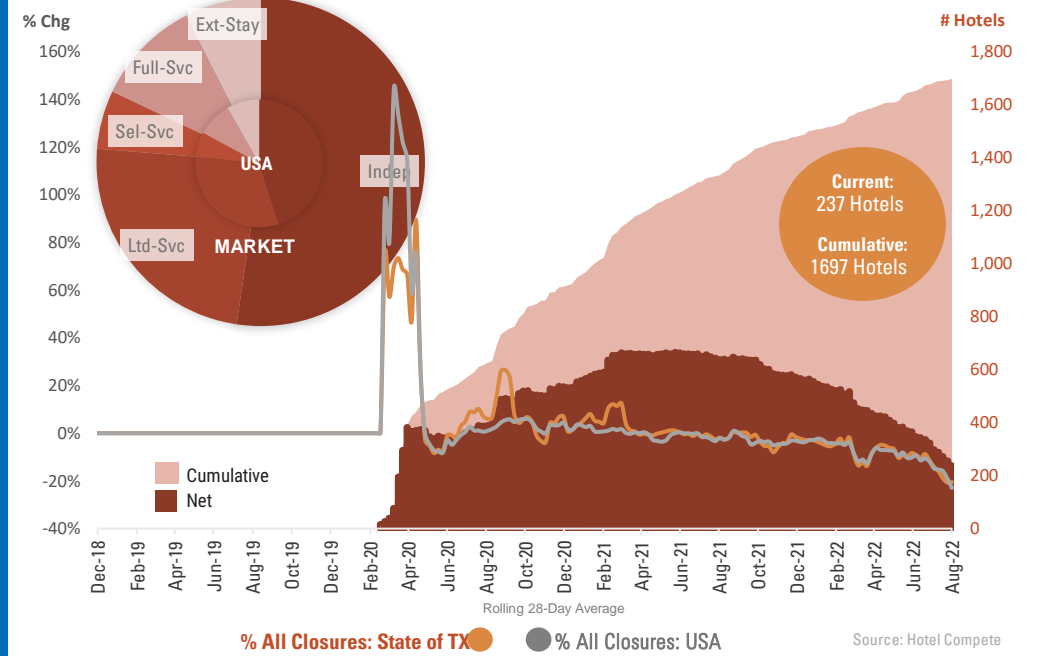
Moody's Rating: **Aa2 Investment Grade**
 Long-term investment grade, Prime-1 short-term outlook



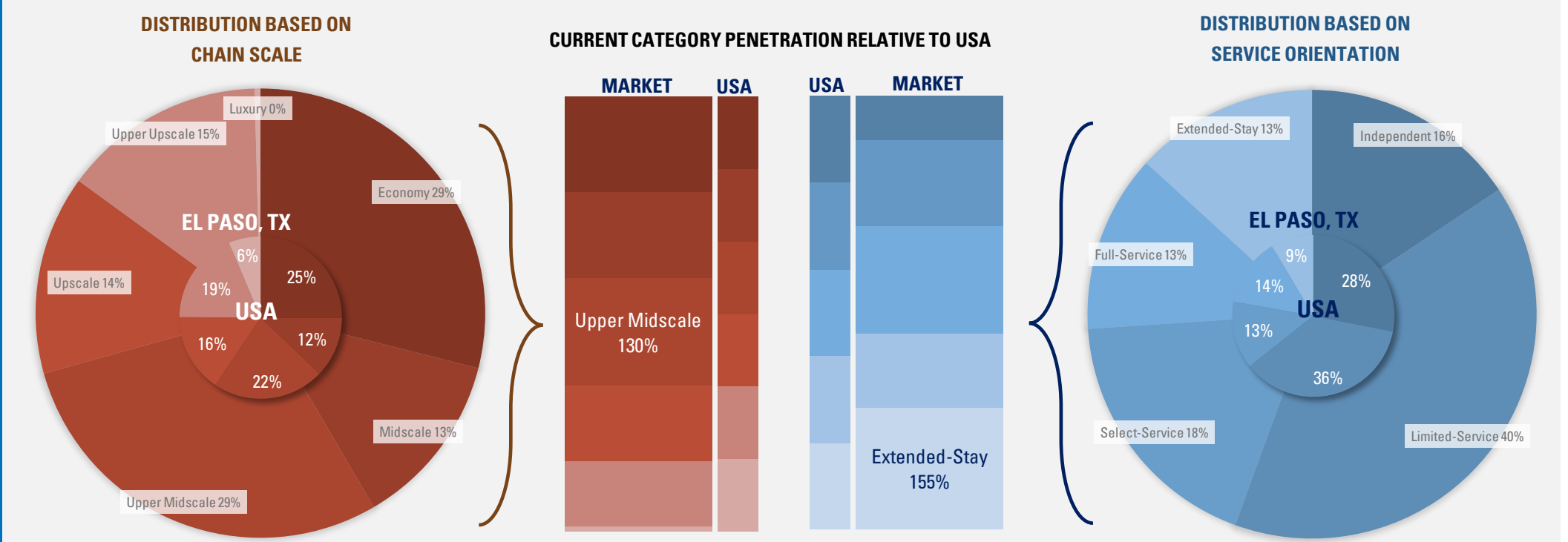
Airport Statistics - Enplanements



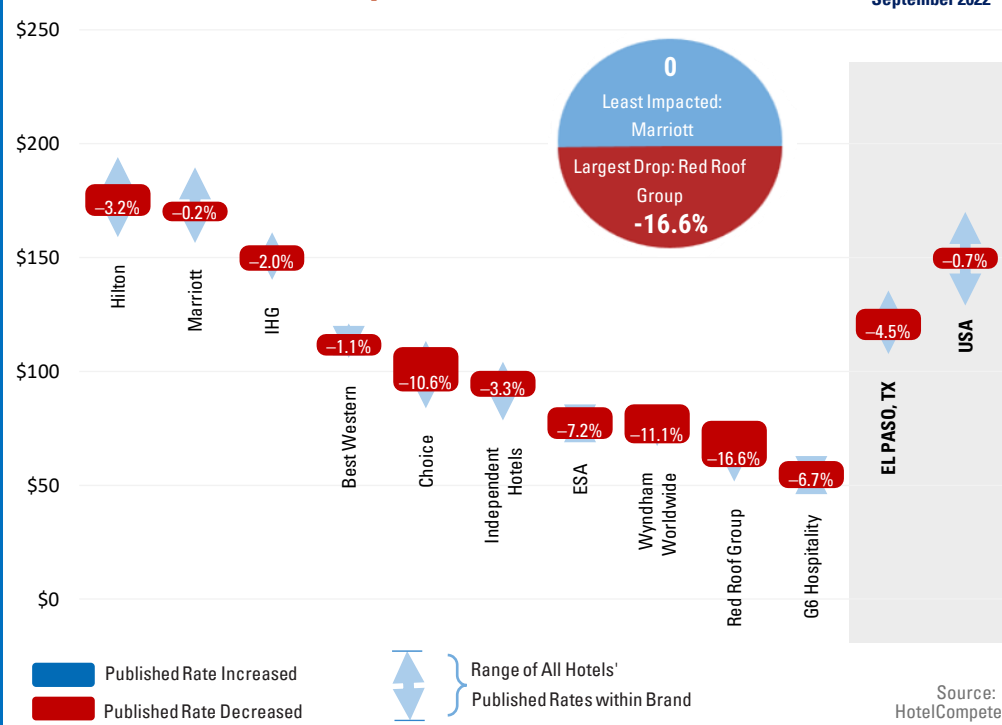
Hotel Closures - State of TX vs. USA



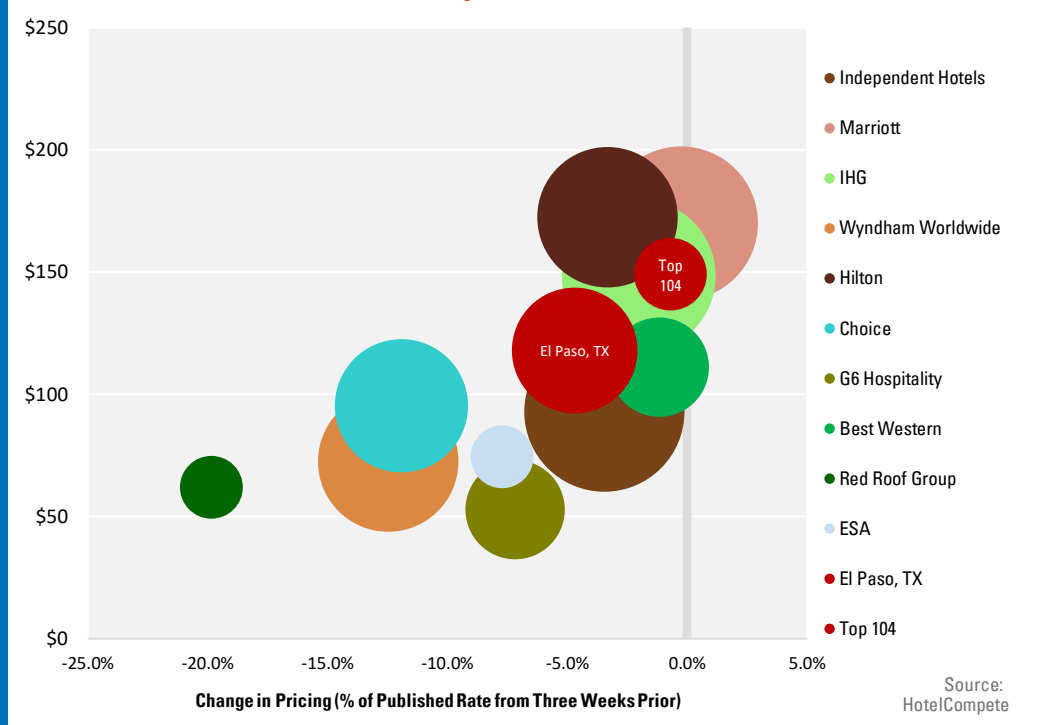
Scale and Service Distribution: El Paso, TX



Published Rates: Top 10 Brands



Published Rates: Volatility

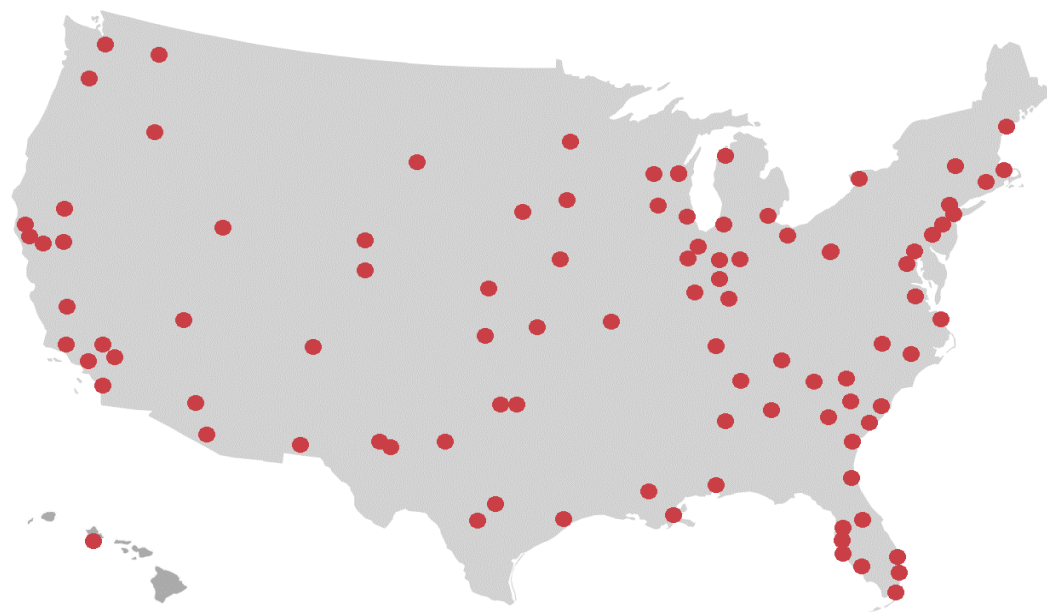


Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	89th Below Average	99th Soft	17th Above Average
	The 30-day advanced published rate for the market was a somewhat conservative \$117.92, ranking 89th out of 104 markets. (Guest-Paid ADR ranked a very conservative 100th at \$95.92 in 2Q 2022.)	Published rates have recently been moving downward, decreasing by a noticeable 4.5% over three weeks going into mid-September 2022. By comparison, the T-104 average posted downward movement of 0.68%.	Published rates reported in mid-September 2022 were 21.8% higher than the market's Guest-Paid ADR in 2Q 2022. This optimism is above average. By comparison, the T-104 spread was -5.6%.

	Published Rate Integrity	Coverage	Volatility
BRAND LEVEL	13th Above Average	46th Average	101st Very High
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	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.	El Paso, TX's top 10 brands are exhibiting very high 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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Gaming Facilities

Arenas, Stadiums and Sports Facilities

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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Property Tax

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