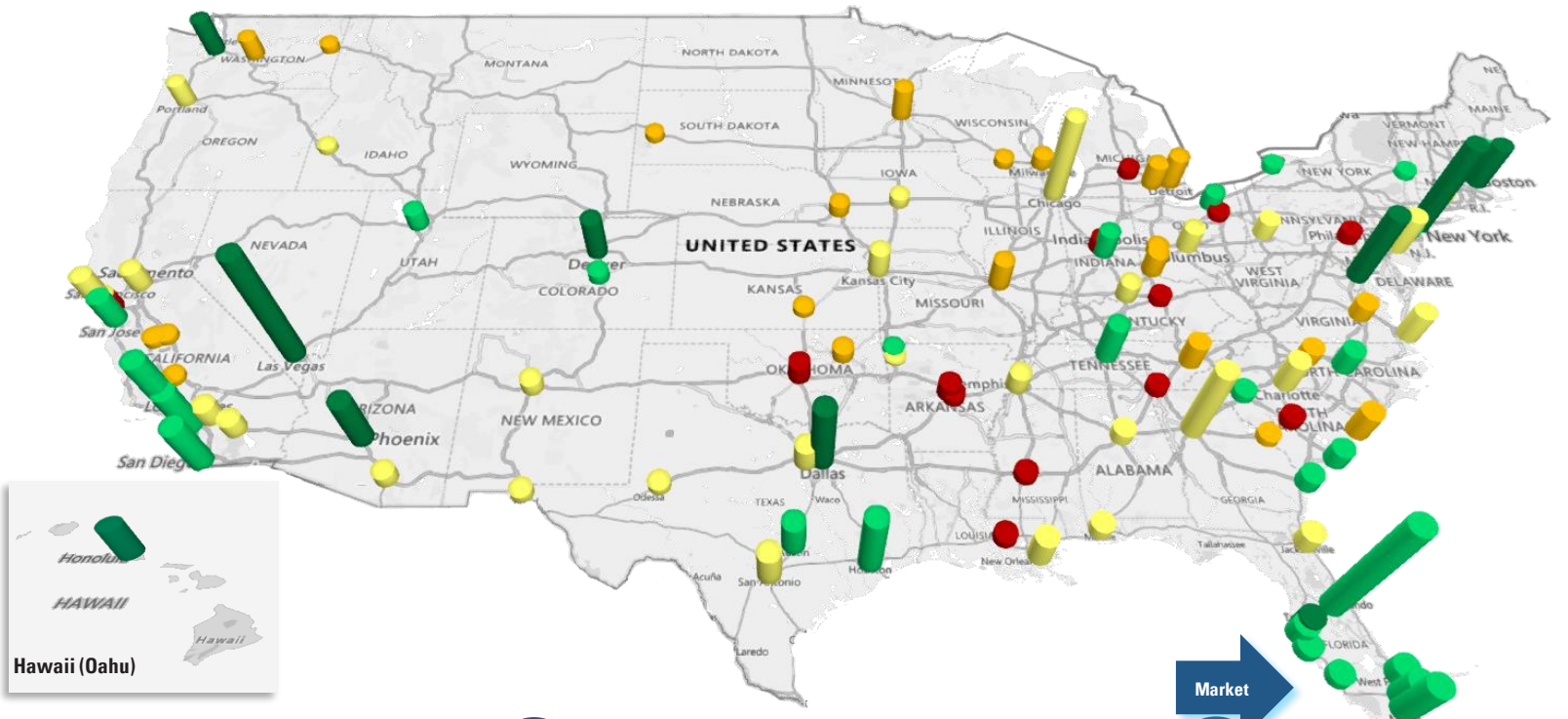
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

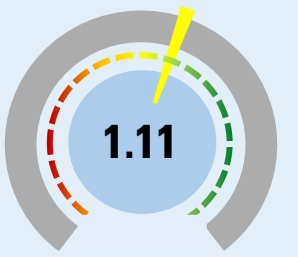
3Q 2024
FORT LAUDERDALE, FL

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

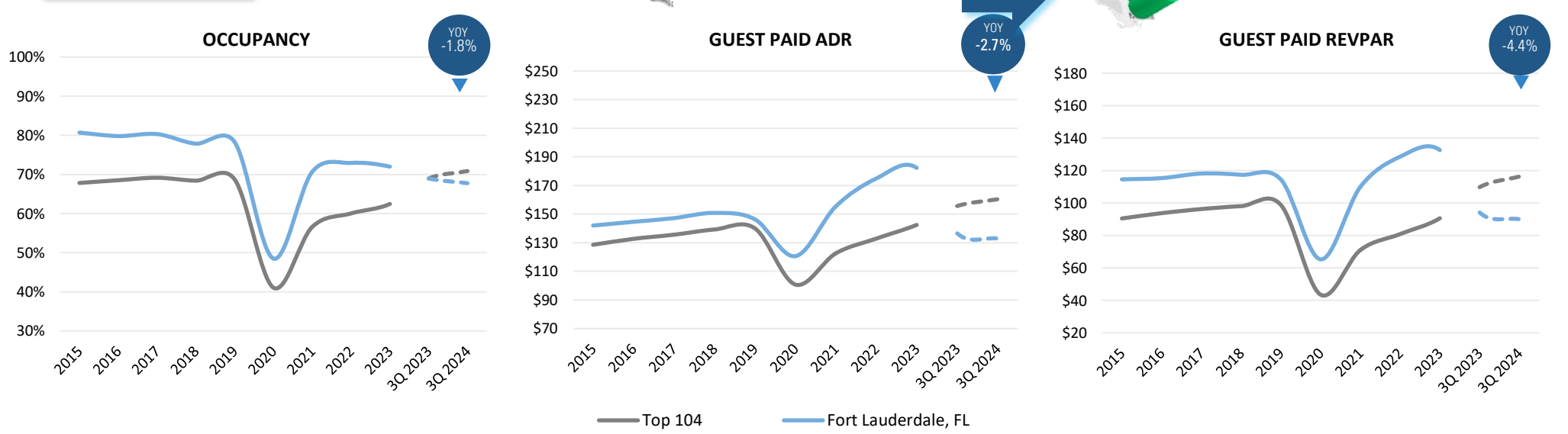
Fort Lauderdale, FL



41st of 104
Average

Ranking of overall '3Q 2024 LPI' performance (1.11) against all 104 surveyed markets.

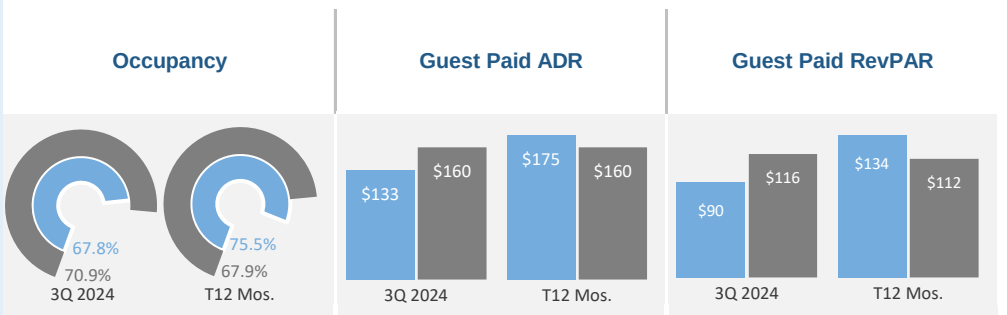
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

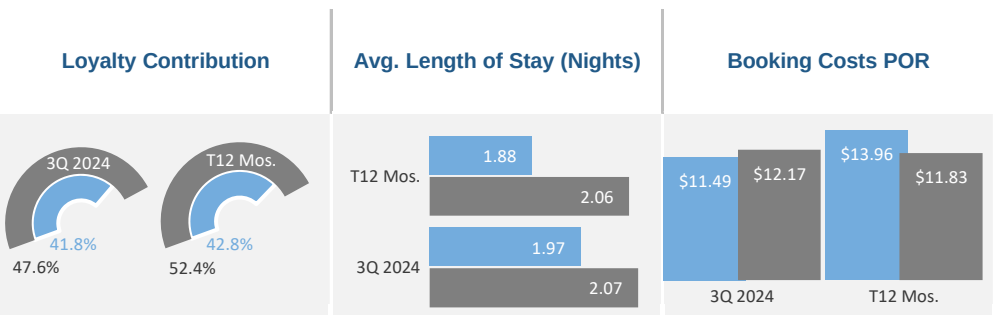
Subject Market | Top 104



BENCHMARK INDEXES

Key Benchmark Indexes

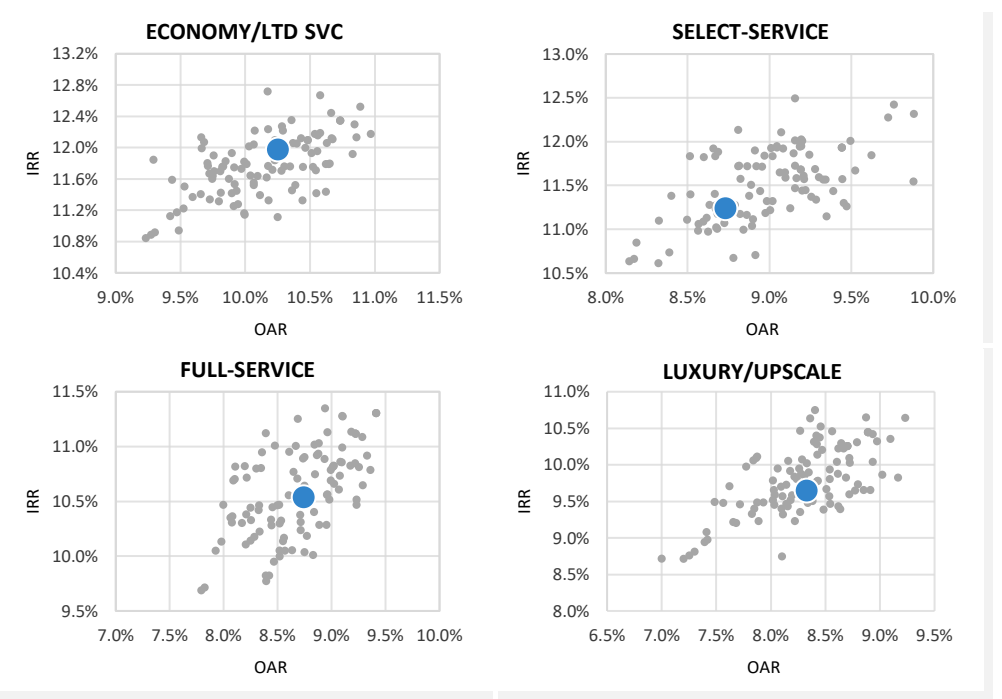
kalibri LABS



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

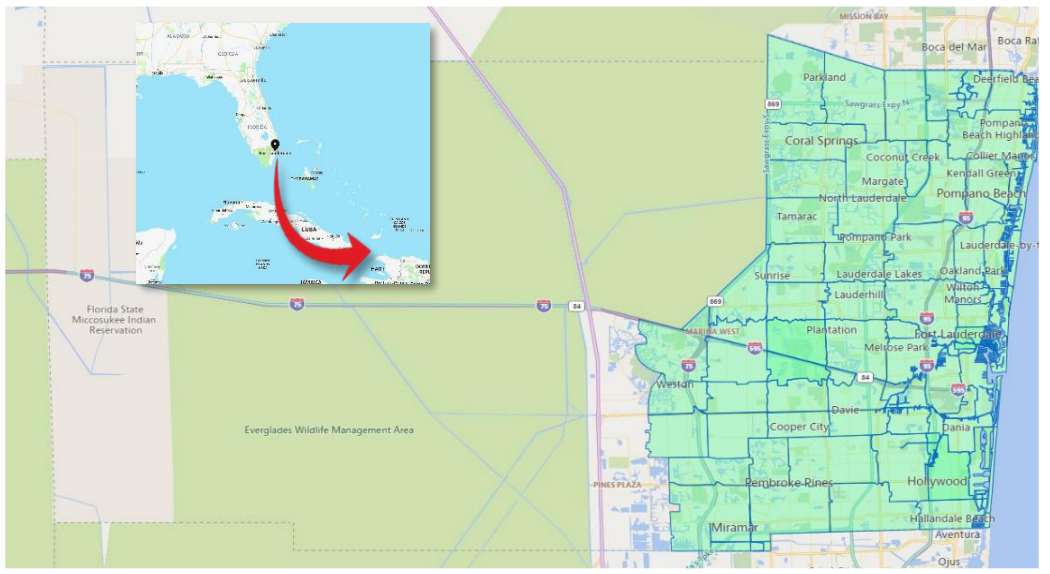
Revenue Stability	Supplier Power Trend	Investment Yields
96th	**83rd**	**46th**
Soft	**Below Average**	**Average**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off 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
78th	**98th**	**96th**
Below Average	**Low Risk**	**Low Risk**
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:	Fort Lauderdale
County:	Broward County
State:	Florida
Geo Coordinates (market center):	26.12231, -80.14338

Major Hotel Demand Generators

Tenet Healthcare Corp. | HCA East Florida Division Office | Memorial Healthcare System | Broward Health | Nova Southeastern University | Comcast | AutoNation | The Continental Group | American Express | Florida Power & Light | Winn-Dixie Stores | Holy Cross Hospital | The Answer Group | Interbond Corp. of America dba BrandsMart USA | MBF Healthcare Partners LP | Maxim Integrated Products Inc. | Alorica | Precision Response Corp. | Spirit Airlines | Citrix Systems

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,583,334	41st of 104 (Average)
Income per Capita	$52,315	37th of 104 (Average)
Feeder Group Size	54.0 Persons PSR	24th of 104 (Above Average)
Feeder Group Earnings	$2,827,250 PSR	30th of 104 (Above Average)
Total Market Hotel Revenues	$1.9 billion	21st of 104 (Above Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Guest Paid 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)
2015	80.7%	$142.03	$114.60	$130.42	$105.24	$11.61	91.8%	47.3%	2.15	31,410	1.58
2016	79.8%	$144.61	$115.39	$132.58	$105.79	$12.03	91.7%	49.7%	2.09	31,790	1.25
2017	80.3%	$147.18	$118.19	$134.73	$108.19	$12.45	91.5%	51.5%	2.05	32,660	1.34
2018	77.8%	$150.84	$117.43	$138.18	$107.57	$12.67	91.6%	54.5%	2.01	33,820	1.35
2019	78.3%	$146.33	$114.53	$134.11	$104.96	$12.23	91.6%	56.8%	1.93	37,140	1.24
2020	48.5%	$120.60	$65.31	$111.89	$54.25	$8.71	92.8%	32.7%	2.35	37,820	1.39
2021	70.7%	$155.40	$109.99	$142.75	$100.89	$12.65	91.9%	35.5%	2.19	39,160	1.40
2022	72.9%	$174.88	$128.61	$160.84	$117.31	$14.04	92.0%	36.3%	2.15	39,690	1.35
2023	72.0%	$182.29	$132.66	$168.11	$121.04	$14.18	92.2%	37.3%	2.12	40,020	1.24
CAGR: 2015 thru 2023	-1.4%	3.2%	1.8%	3.2%	1.8%	2.5%	0.1%	-2.9%	-0.1%	3.1%	-2.9%
3Q 2023	69.0%	$136.55	$94.18	$125.41	$86.49	$11.15	91.8%	38.5%	2.10	39,410	1.25
3Q 2024	67.8%	$132.92	$90.06	$121.44	$82.28	$11.49	91.4%	41.8%	1.97	39,090	1.11

Notable Metrics

HIGHEST

T12-Month Occupancy	T12-Month COPE RevPAR	T12-Month Guest Paid RevPAR
5th	**13th**	**14th**
Strong	**Above Average**	**Above Average**
Fort Lauderdale, FL exhibited strong T12–month occupancy (75.5%)	The market benefited from strong T12–month COPE RevPAR ($121.61)	The market also exhibited strong T12–month Guest Paid RevPAR ($133.99)

LOWEST

T12-Month COPE ADR Percentage	T12-Month Booking Costs POR	T12-Month Average Length of Stay
97th	**94th**	**88th**
Soft	**Soft**	**Below Average**
This market has been hampered by weak T12–month COPE ADR percentage (92.0%)	The market was burdened by high T12–month booking costs POR ($13.96)	Fort Lauderdale, FL also exhibited weak T12–month average length of stay (1.88 Nights)

Notable Trends

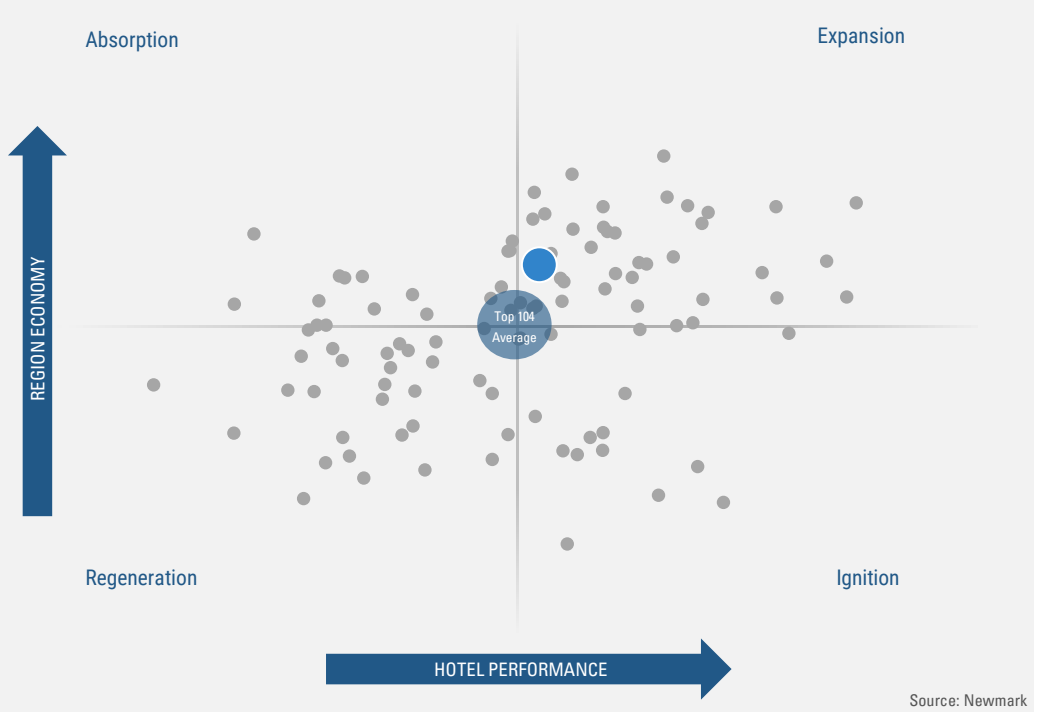
STRONGEST

Short-Term Historical Supply Growth	General Economy Reverence	T12-Month Rooms Supply Growth
18th	**27th**	**27th**
Above Average	**Above Average**	**Above Average**
Fort Lauderdale, FL has benefited from low short–term historical supply growth (2.1%)	The market enjoyed strong general economic reverence (per–capita unemployment, GDP and other indicators)	The market also exhibited low rooms supply growth over the last 12 months (–0.8%)

WEAKEST

Short-Term Historical LPI Growth	Long-Term Historical LPI Growth	Long-Term Historical Average Length of Stay Growth
102nd	**102nd**	**100th**
Soft	**Soft**	**Soft**
The market has been hampered by weak short–term historical LPI growth (–5.1%)	We note this area posted weak long–term historical LPI growth (–4.0%)	Fort Lauderdale, FL also exhibited weak long–term historical average length of stay growth (–1.4%)

Market Performance Stage



Source: Newmark

Fort Lauderdale, FL: Expansion Stage

Expansion

The Fort Lauderdale, FL 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; Miami, FL; and New Orleans, LA.

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 Minneapolis, MN; ; and .

MOODYS ANALYTICS

Industry Observations

Business Cycle:	**Mid Expansion**
Employment Growth (2 yr):	2.3%
Risk Exposure (402 US markets):	**13th Percentile: Below Average**
Key Industry Notes:	Attractive tourist destination Strong ties to international trade Spillover from Miami tourism and trade Limited expansion by Atlantic Ocean Volatile employment base

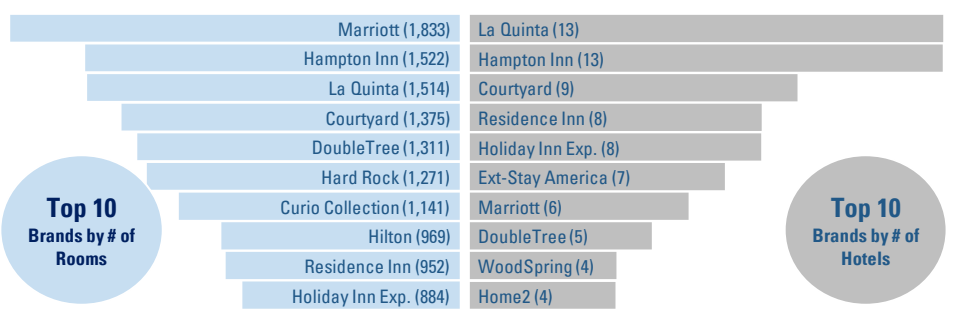
Moody's Rating

Aaa

Investment Grade

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

TOP 10 BRANDS

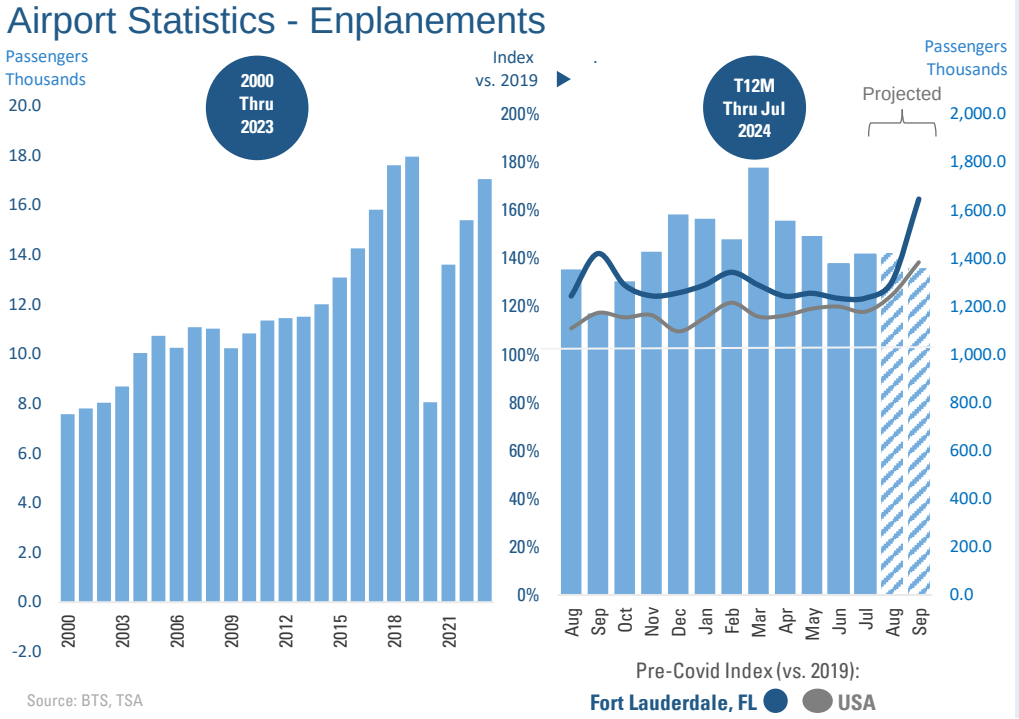


Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

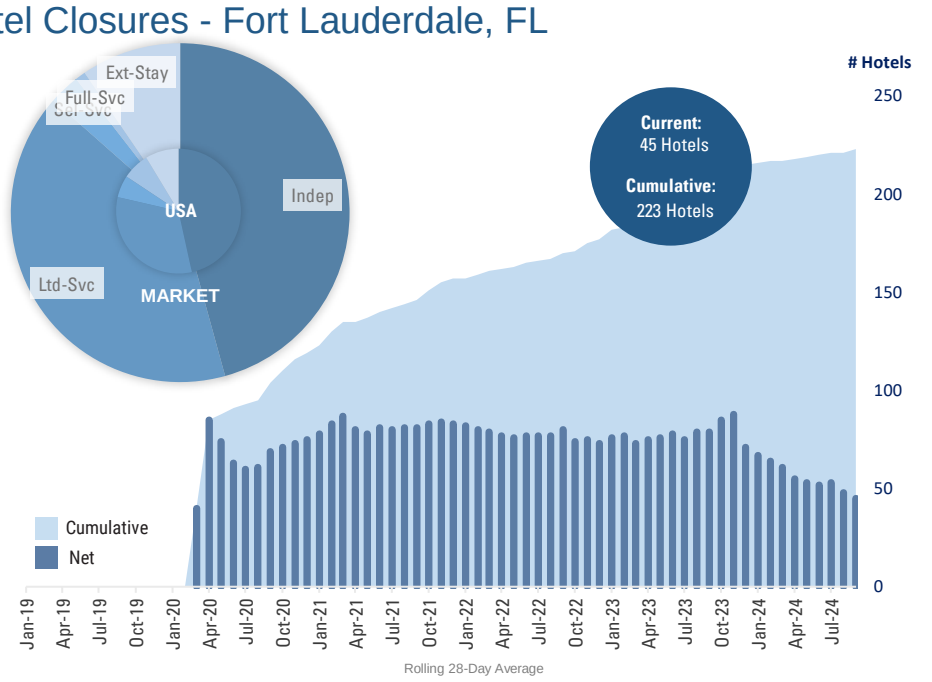
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

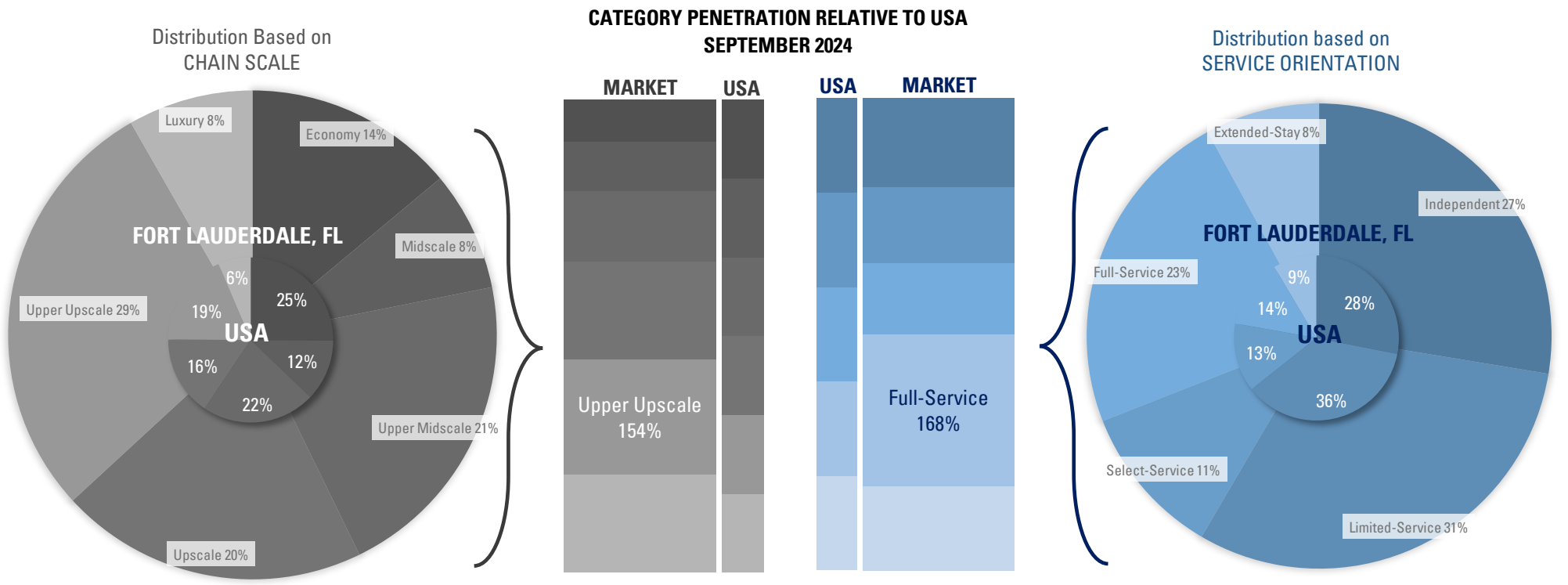
Hotel Closures - Fort Lauderdale, FL



Source: Hotel Compete

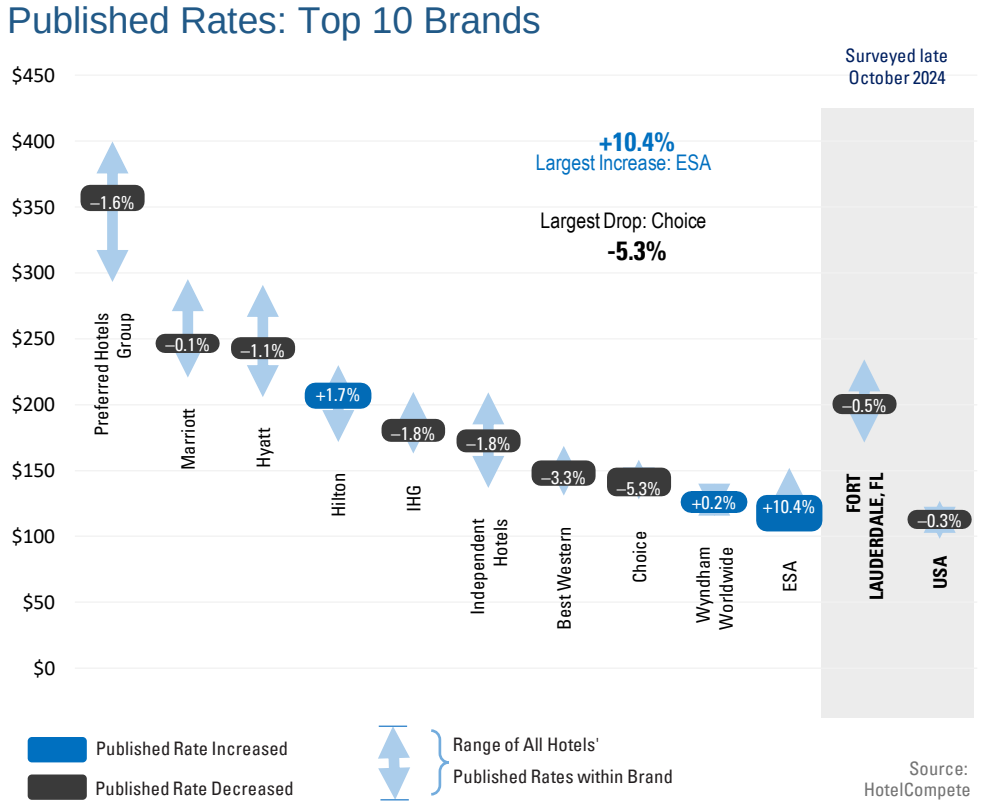
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Fort Lauderdale, FL



'30/3' RATE CHANGES: FORT LAUDERDALE, FL vs. USA

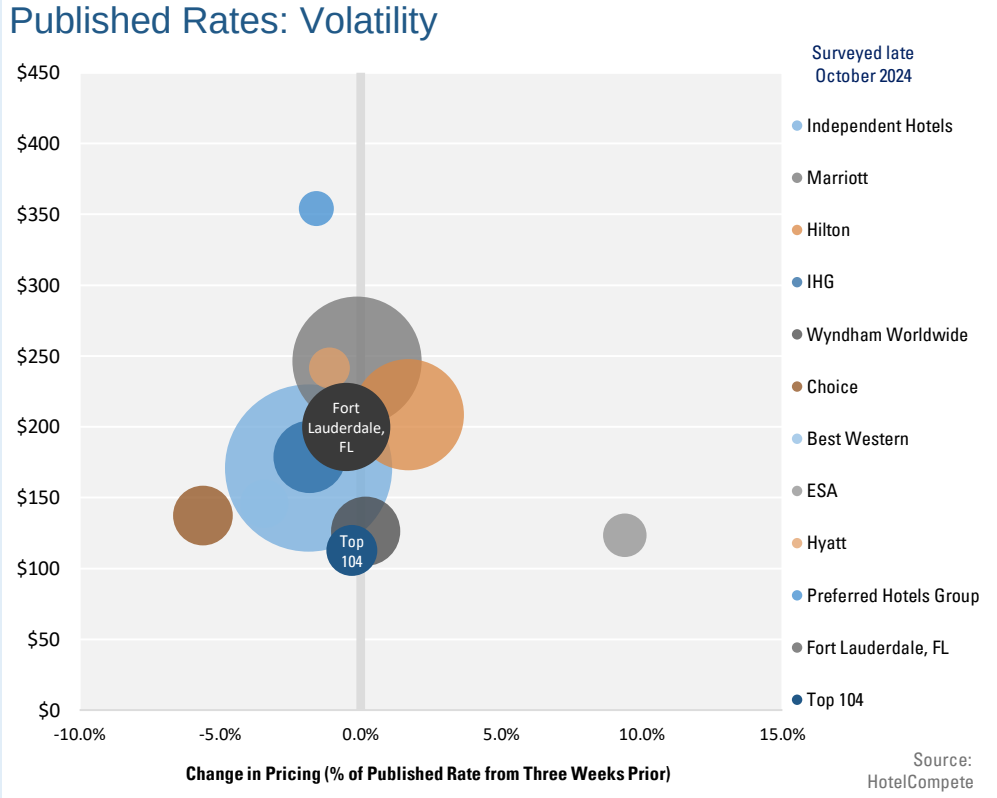
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

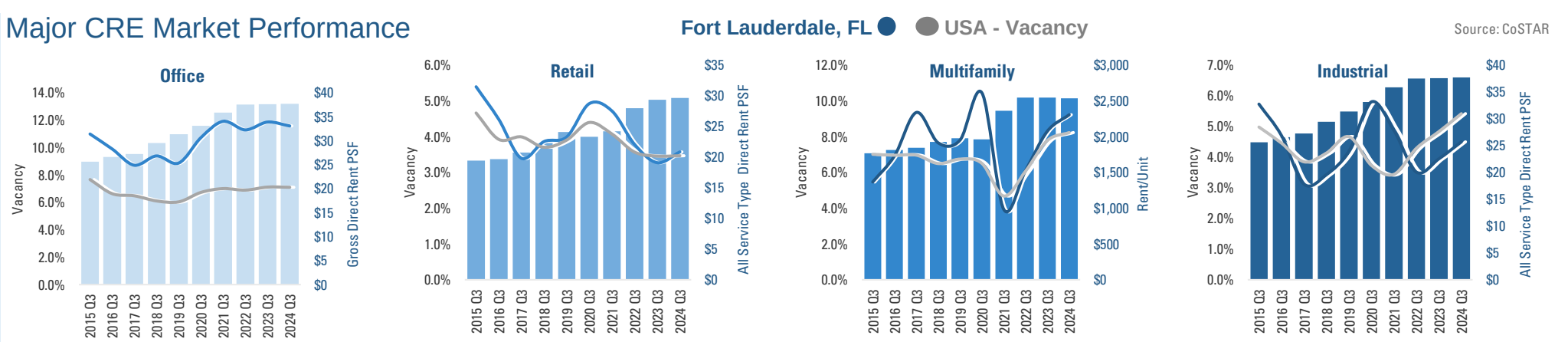
Published Rates: Volatility



Source: HotelCompete

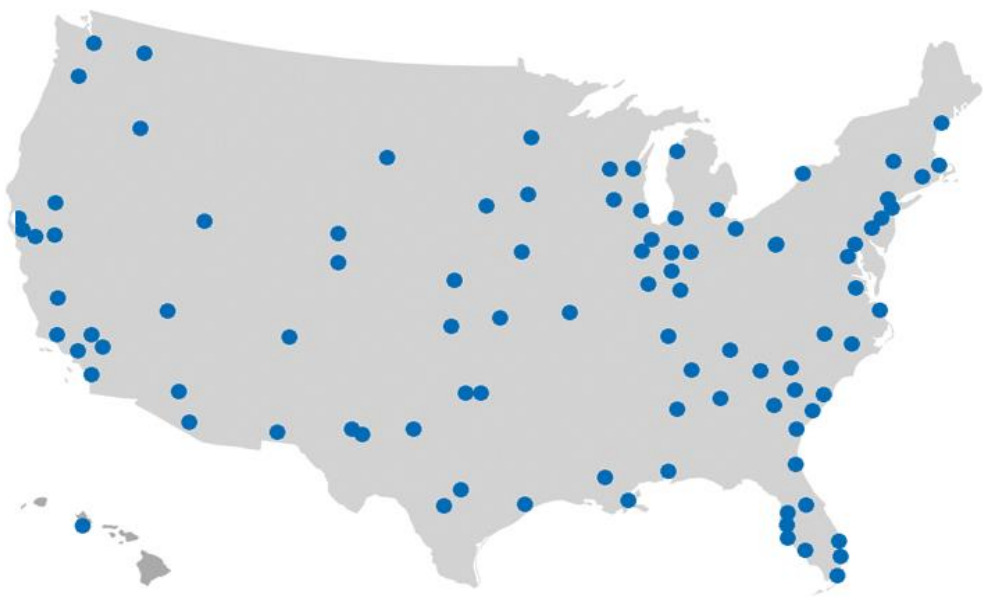
MAJOR C.R.E. METRICS

Major CRE Market Performance



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

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Golf Courses

Marinas

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