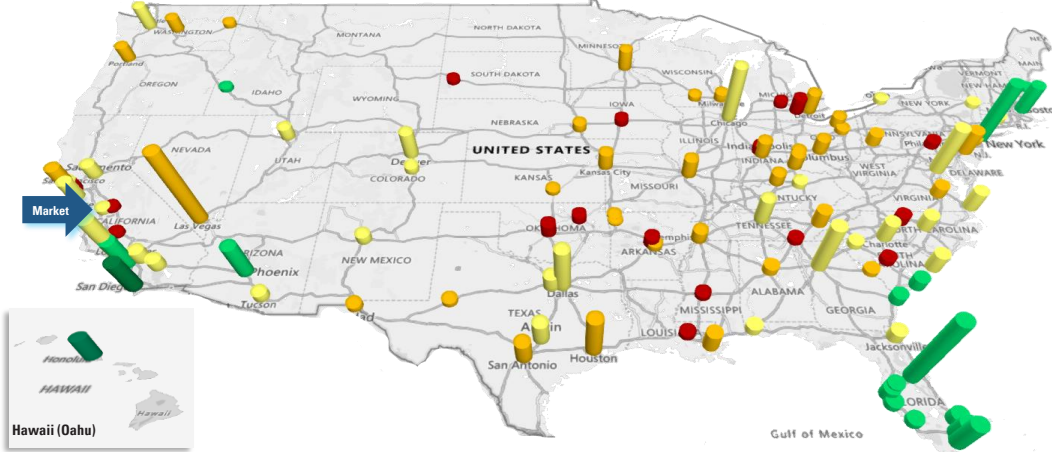


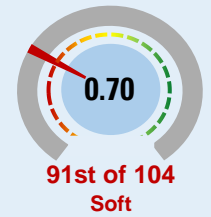
# 2Q 2023 FRESNO, CA



## Lodging Performance Index Snapshot



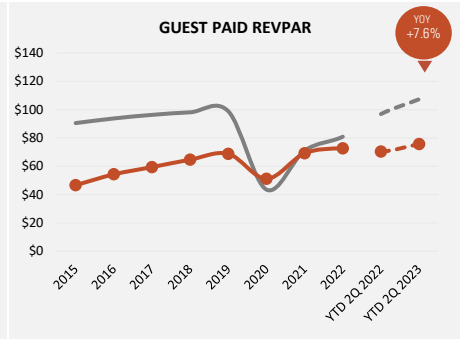
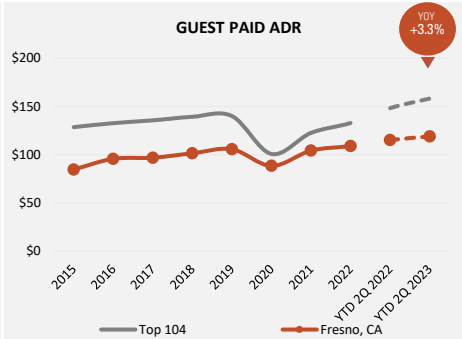
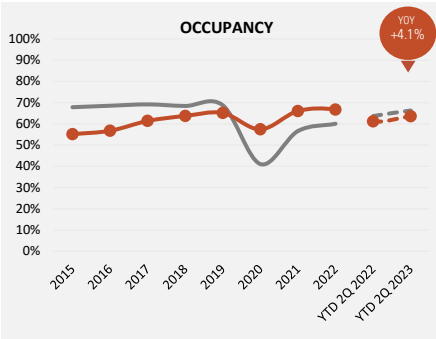
**LODGING PERFORMANCE INDEX**  
Fresno, CA



Ranking of overall '2Q 2023 LPI' performance (0.70) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

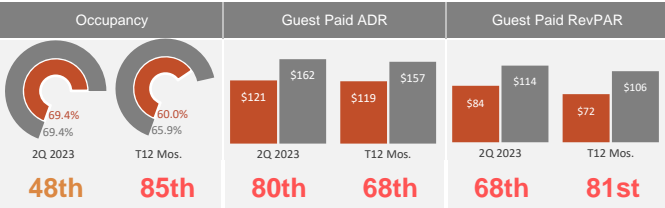
KEY PERFORMANCE METRICS



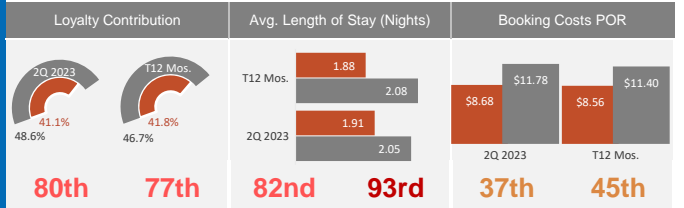
PERFORMANCE INDEXES

### Key Performance Indexes

● Subject Market ● Top 104



### Key Benchmark Indexes



INVESTMENT PARAMETERS

### Discount and Capitalization Rates

Source: Newmark

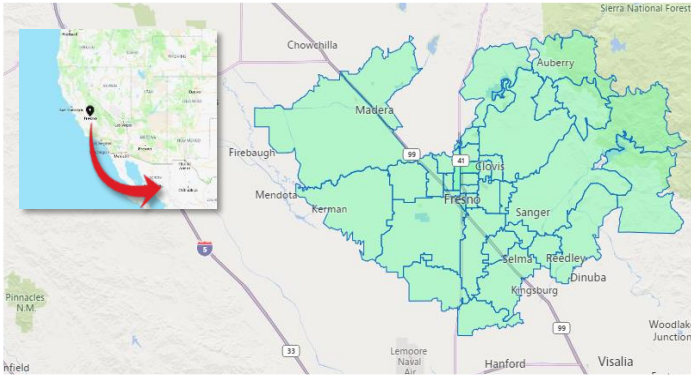


### Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

**Jurisdictional Information**

Municipal Name: Fresno  
 County: Fresno County  
 State: California  
 Geo Coordinates (market center): 36.74773, -119.77237

Source: US Census Bureau, Dept. of Labor Statistics

**Major Hotel Demand Generators**

Community Medical Center | Saint Agnes Medical Center | Kaiser Permanente | Ruiz Food Products Inc. | California State University - Fresno | Coalinga State Hospital | Colvis Community Medical Center | State Center Community College District | Alorica | Reedley College | Sante Health System | Sun-Maid Growers of California | Pelco | Lyons Magnus | Chukchansi Gold Resort & Casino | AmeriGuard Security Services Inc. | Rex Moore Electrical Contractors | Guarantee Real Estate | Fresno Heart & Surgical Hospital | The Nelson Group

**Metrics and Ranking**

Measurement	Rankings
Population (hotel market area)	870,424
Income per Capita	\$44,853
Feeder Group Size	184.1 Persons PSR
Feeder Group Earnings	\$8,255,604 PSR
Total Market COPE	\$205.8 million
	60th of 104 (Average)
	66th of 104 (Below Average)
	101st of 104 (Soft)
	99th of 104 (Soft)
	101st of 104 (Soft)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	RevPAR	COPE ADR	RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	55.1%	\$84.68	\$46.68	\$79.11	\$43.61	\$5.58	93.4%	39.7%	1.92	8,100	0.41
2016	56.7%	\$95.76	\$54.31	\$88.84	\$50.38	\$6.92	92.8%	45.2%	1.73	7,880	0.68
2017	61.3%	\$96.87	\$59.42	\$89.48	\$54.88	\$7.39	92.4%	43.9%	1.77	7,880	0.89
2018	63.7%	\$101.49	\$64.65	\$93.08	\$59.29	\$8.41	91.7%	45.4%	1.78	7,830	0.86
2019	65.1%	\$105.69	\$68.82	\$96.62	\$62.91	\$9.07	91.4%	49.2%	1.74	7,900	0.86
2020	57.4%	\$88.42	\$51.16	\$82.30	\$47.23	\$6.12	93.1%	31.7%	2.07	8,180	1.35
2021	66.0%	\$104.21	\$69.16	\$96.78	\$63.90	\$7.43	92.9%	35.8%	2.00	8,060	1.24
2022	66.7%	\$108.99	\$72.65	\$101.23	\$67.49	\$7.76	92.9%	37.1%	1.98	8,070	0.75
CAGR: 2015 thru 2022	2.8%	3.7%	6.5%	3.6%	6.4%	4.8%	-0.1%	-1.0%	0.5%	-0.1%	9.1%
YTD 2Q 2022	61.1%	\$115.16	\$70.35	\$107.21	\$65.50	\$7.94	93.1%	39.4%	1.96	8,070	1.03
YTD 2Q 2023	63.6%	\$118.93	\$75.70	\$110.42	\$70.29	\$8.51	92.8%	41.4%	1.92	7,710	0.70
% Change	4.1%	3.3%	7.6%	3.0%	7.3%	7.1%	-0.3%	5.1%	-2.2%	-4.5%	-32.0%

Notable Metrics

HIGHEST	Population Density per Room	Feeder Population Per Room	Marketwide Income per Room
	<b>5th Strong</b> Fresno, CA boasted strong population density per room (113.25)	<b>6th Strong</b> The market posted a high ratio of feeder population per room (76.71)	<b>8th Strong</b> The market also enjoyed a high ratio of marketwide income per room (\$3,440,770)
LOWEST	OAR: Luxury/Upscale	Feeder Group Size	IRR: Luxury/Upscale
	<b>101st Highly Unfavorable</b> This market exhibited unfavorable OAR metrics in the luxury/upscale segment (7.8%)	<b>101st Soft</b> The market required a large feeder group size (184.06 Persons)	<b>100th Highly Unfavorable</b> Fresno, CA also posted unfavorable IRR metrics in the luxury/upscale segment (10.0%)

Notable Trends

FATEST	T12-Month Rooms Supply Growth	Long-Term Historical Occupancy Growth	Long-Term Historical Supply Growth
	<b>3rd Very Strong</b> Fresno, CA exhibited low rooms supply growth over the last 12 months (-5.1%)	<b>4th Strong</b> The market enjoyed strong long-term historical occupancy growth (1.3%)	<b>5th Strong</b> The market also has benefited from low long-term historical supply growth (0.0%)
SLOWEST	Overall Health of Hotel Market	Short-Term Historical Supply Growth	Long-Term Historical Booking Costs POR Growth
	<b>94th Soft</b> The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	<b>92nd Soft</b> We note this area has been burdened by high short-term historical supply growth (0.0%)	<b>88th Below Average</b> Fresno, CA also exhibited high long-term historical booking costs POR growth (4.8%)

Market Performance Stage



Fresno, CA: Regeneration Stage

**Regeneration:** The Fresno, CA 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 challenged by lingering 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 Detroit, MI; Houston, TX; and New Orleans, LA.

**Other Stages:**

**Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. 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; Knoxville, TN; and Miami, FL.

**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; Kansas City, MO; and Las Vegas, NV.

**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.

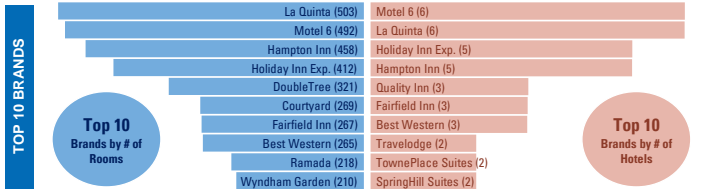
Industry Observations

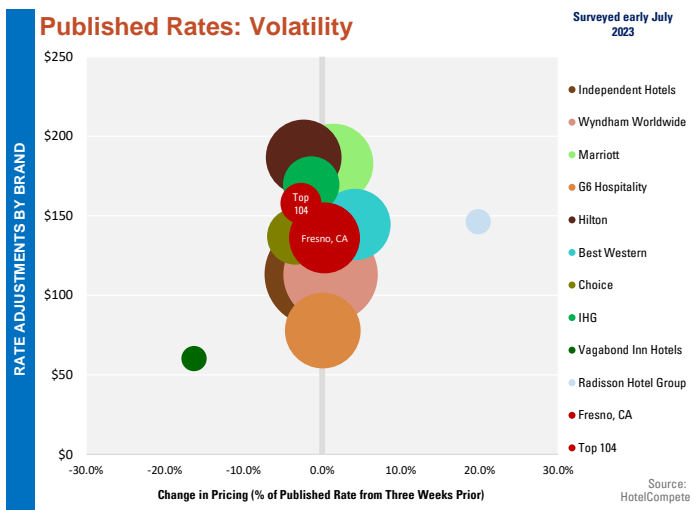
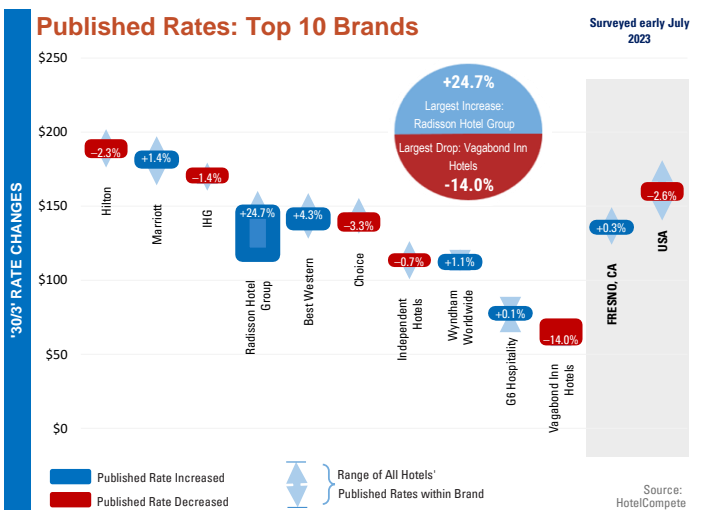
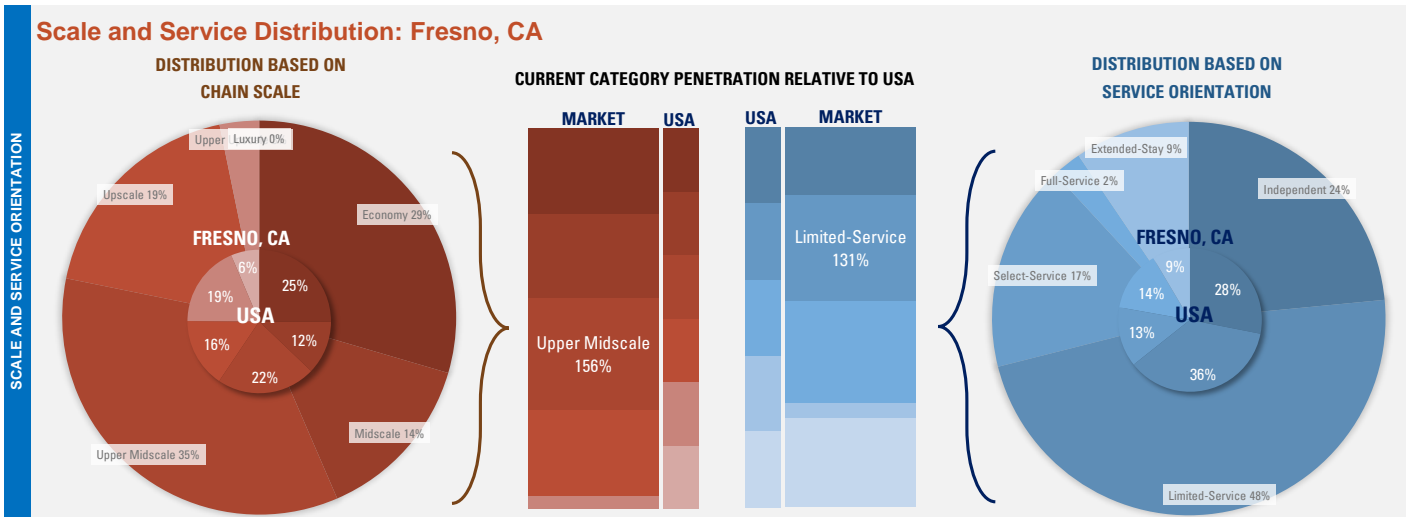
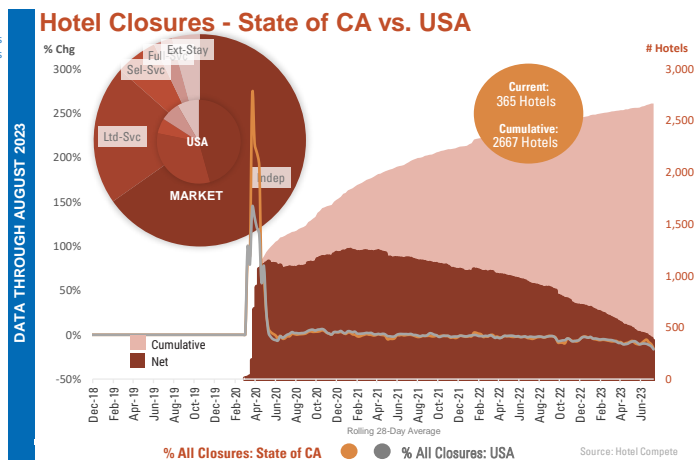
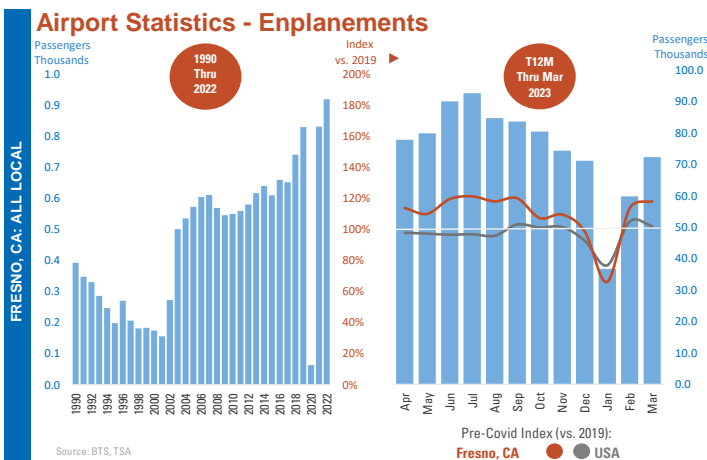
**Business Cycle:** In Recovery  
**Employment Growth (2 yr):** -2.5%  
**Risk Exposure (402 US markets):** 71st Percentile: Above Average  
**Key Industry Notes:** Agriculture, manufacturing  
 Central location  
 House price growth  
 Dearth of talent  
 Low household income

**Moody's Rating**

**NR**

This market is not rated by Moody's



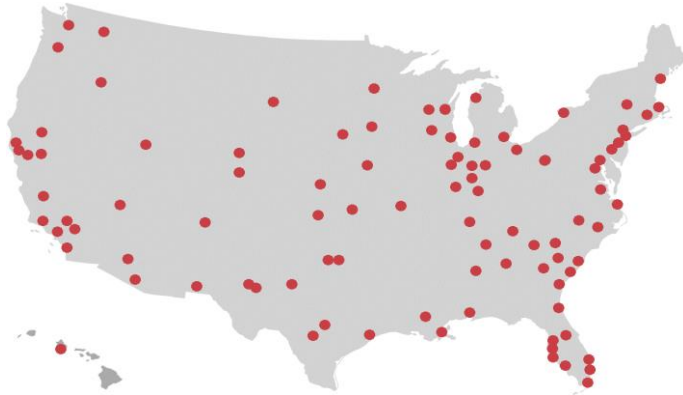


### Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	<b>67th</b> Below Average	<b>3rd</b> Very Strong	<b>43rd</b> Average
	The 30-day advanced published rate for the market was a somewhat conservative \$136.05, ranking 67th out of 104 markets. (Guest-Paid ADR ranked a somewhat conservative 80th at \$118.93 in 2Q 2023.)	Published rates have recently been moving upward, increasing by a modest 0.3% over three weeks going into early July 2023. By comparison, the T-104 average posted downward movement of 2.63%.	Published rates reported in early July 2023 were 12.5% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is average. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	<b>47th</b> Average	<b>53rd</b> Average	<b>81st</b> Elevated
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Fresno, CA has an average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	Fresno, CA's top 10 brands are exhibiting elevated volatility with respect to advanced booking pricing movements in the three weeks leading into early July 2023.

# 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

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### Golf Courses

### Marinas

### Ski and Village Resorts

### Water Parks, Amusement Parks and Attractions

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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.

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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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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