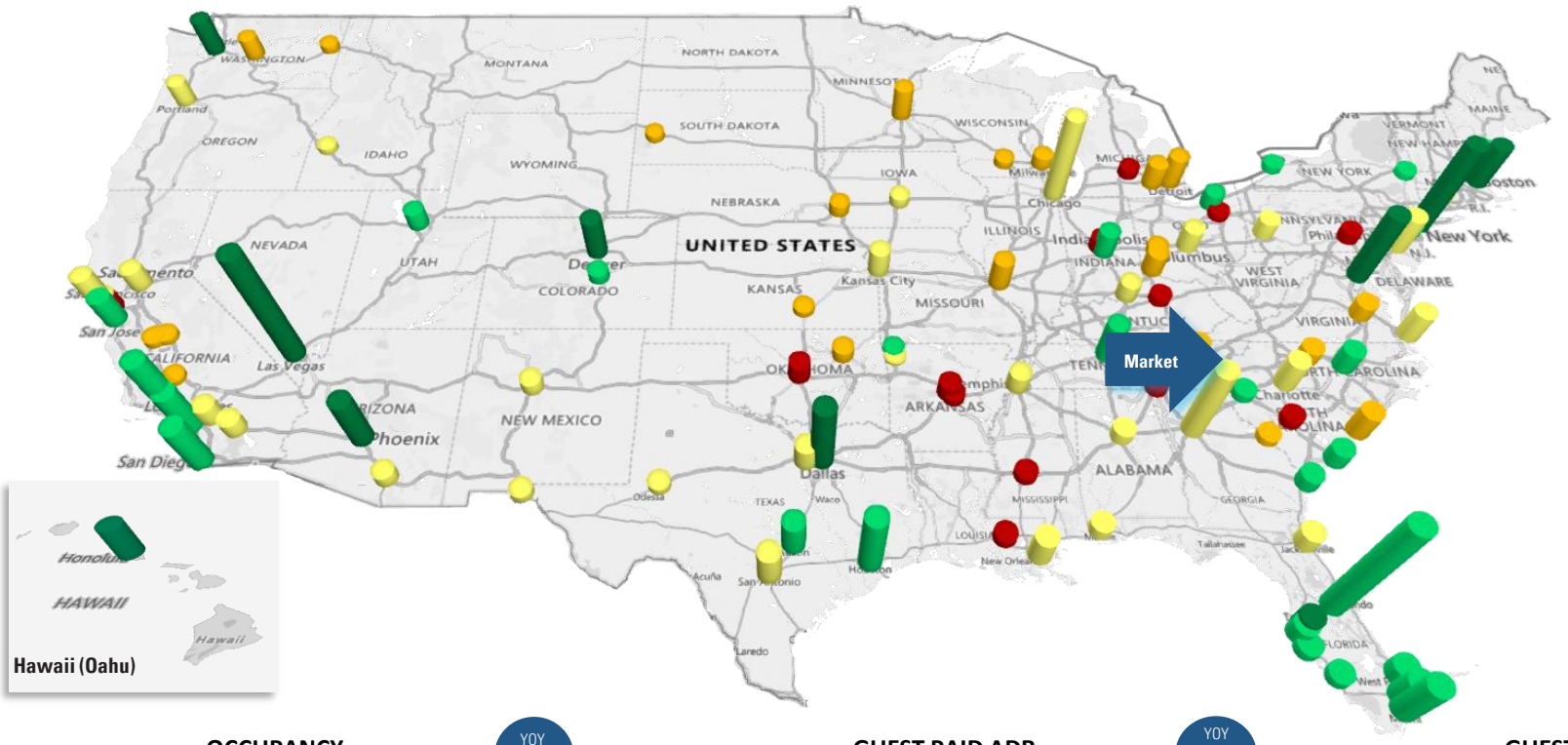
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

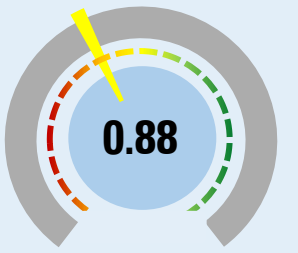
3Q 2024
GREENSBORO, NC

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Greensboro, NC

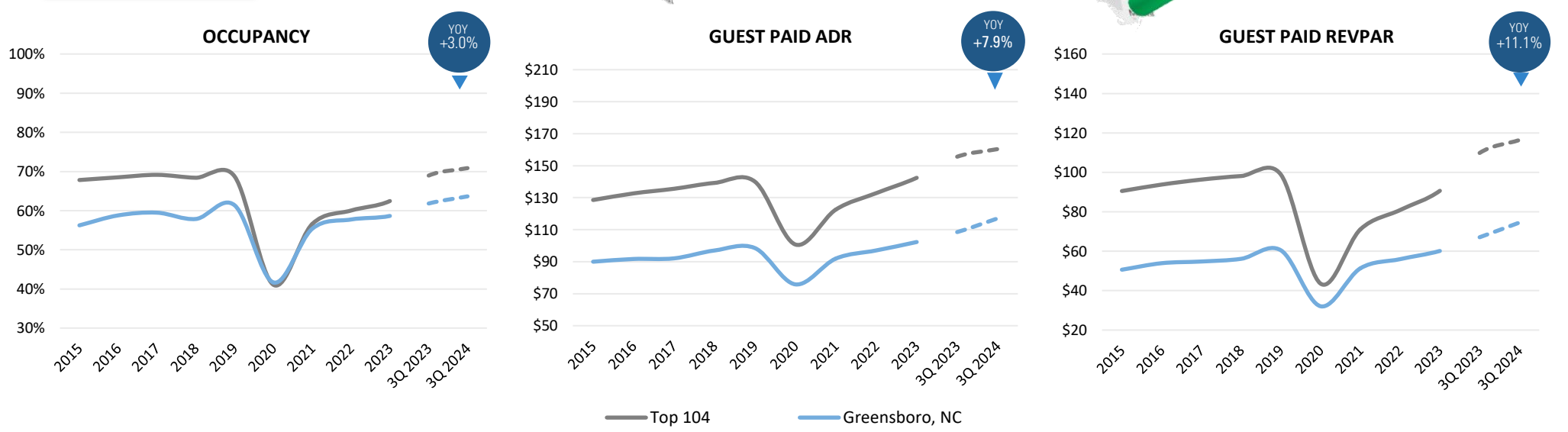


73rd of 104

Average

Ranking of overall '3Q 2024 LPI' performance (0.88) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
63.6% / 70.9% (3Q 2024)	61.4% / 67.9% (T12 Mos.)	$117 / $160 (3Q 2024)	$116 / $160 (T12 Mos.)	$75 / $116 (3Q 2024)	$71 / $112 (T12 Mos.)
87th	81st	82nd	82nd	86th	86th

BENCHMARK INDEXES

Key Benchmark Indexes

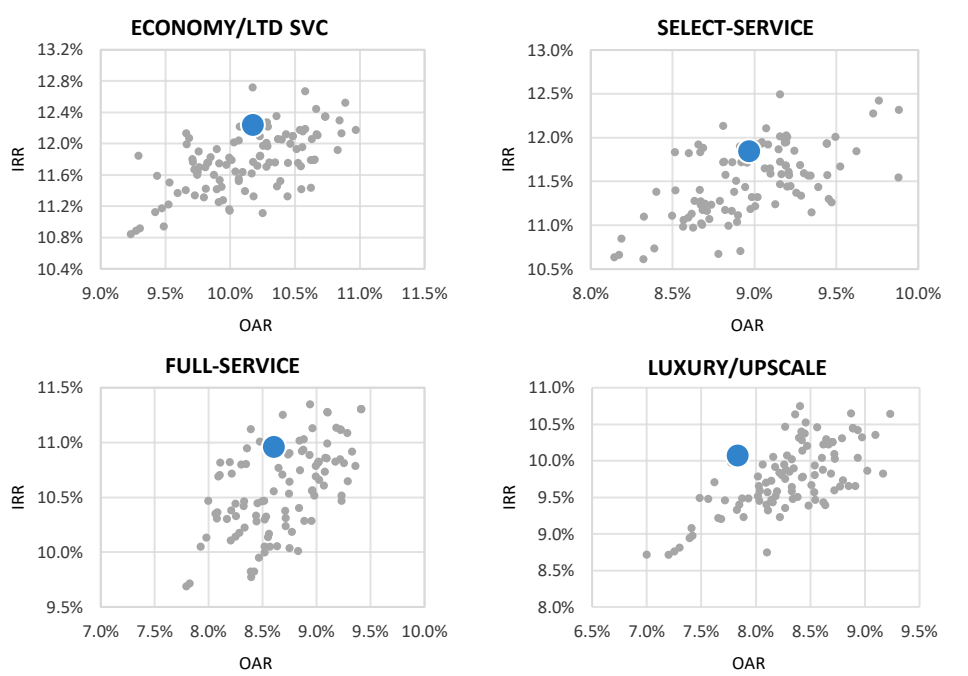
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
50.4% / 47.6% (3Q 2024)	49.6% / 52.4% (T12 Mos.)	2.17 / 2.06 (T12 Mos.)	2.19 / 2.07 (3Q 2024)	$8.12 / $12.17 (3Q 2024)	$8.04 / $11.83 (T12 Mos.)
39th	40th	22nd	20th	21st	22nd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

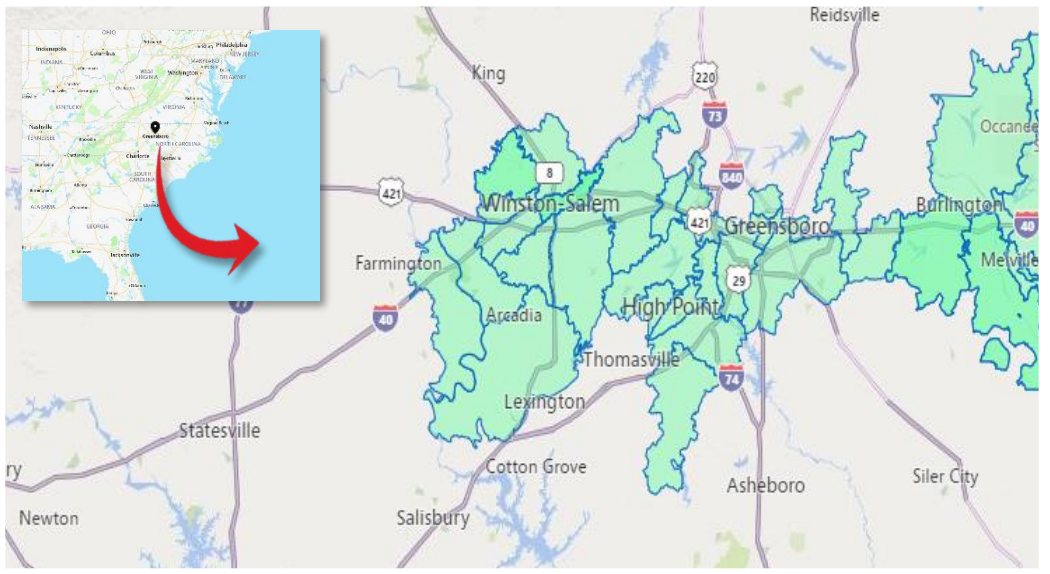
Revenue Stability	Supplier Power Trend	Investment Yields
18th	40th	71st
Above Average	Average	Below Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking 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
27th	62nd	16th
Above Average	Average Risk	Above Average
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:	Greensboro
County:	Guilford County
State:	North Carolina
Geo Coordinates (market center):	36.07264, -79.79198

Major Hotel Demand Generators

Cone Health | Ralph Lauren Corp. | High Point Regional Hospital | University of North Carolina | Bank of America Corp. | The Volvo Group | Unifi Inc. | BB&T | United Healthcare | VF Corp. | HAECO Americas | Thomas Built Buses Inc. | AT&T | Honda Aircraft Co. | Qorvo | LabCorp Inc. | Lincoln Financial Group | Lorillard Tobacco Co. | Procter & Gamble Manufacturing Co. | North Carolina A&T University

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	823,651	62nd of 104 (Average)
Income per Capita	$44,978	64th of 104 (Average)
Feeder Group Size	71.8 Persons PSR	55th of 104 (Average)
Feeder Group Earnings	$3,230,333 PSR	45th of 104 (Average)
Total Market Hotel Revenues	$473.1 million	62nd of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	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	56.2%	$90.00	$50.62	$83.73	$47.09	$6.27	93.0%	48.4%	2.01	17,740	0.48
2016	58.8%	$91.73	$53.92	$85.08	$50.01	$6.65	92.8%	50.0%	2.00	17,940	0.65
2017	59.5%	$92.10	$54.78	$85.15	$50.64	$6.95	92.5%	51.8%	1.99	17,790	0.65
2018	57.9%	$97.01	$56.14	$89.60	$51.85	$7.41	92.4%	55.5%	1.91	17,940	0.71
2019	61.4%	$98.53	$60.46	$90.87	$55.76	$7.66	92.2%	60.0%	1.91	18,700	0.86
2020	41.6%	$75.85	$32.08	$70.83	$29.49	$5.02	93.4%	39.5%	2.21	18,850	0.81
2021	55.4%	$91.96	$51.32	$85.69	$47.45	$6.27	93.2%	42.6%	2.16	18,940	0.79
2022	57.7%	$97.06	$55.98	$90.43	$52.21	$6.63	93.2%	43.4%	2.14	18,990	0.74
2023	58.6%	$102.32	$60.14	$95.35	$55.92	$6.97	93.2%	43.8%	2.14	19,060	0.79
CAGR: 2015 thru 2023	**0.5%**	**1.6%**	**2.2%**	**1.6%**	**2.2%**	**1.3%**	**0.0%**	**-1.2%**	**0.8%**	**0.9%**	**6.3%**
3Q 2023	61.8%	$108.51	$67.08	$101.10	$62.50	$7.41	93.2%	47.9%	2.14	19,290	0.71
3Q 2024	63.6%	$117.08	$74.51	$108.96	$69.34	$8.12	93.1%	50.4%	2.19	19,530	0.88

Notable Metrics

HIGHEST

OAR: Luxury/Upscale	Latest-Quarter Booking Costs POR	Latest-Quarter Booking Costs POR
16th	**21st**	**21st**
Favorable	**Above Average**	**Above Average**
Greensboro, NC exhibited favorable OAR metrics in the luxury/upscale segment (7.8%)	The market enjoyed low latest–quarter booking costs POR ($8.12)	The market also enjoyed low latest–quarter booking costs POR ($8.12)

LOWEST

IRR: Economy/Ltd Svc	T12-Month Guest Paid RevPAR	T12-Month Guest Paid RevPAR
94th	**86th**	**86th**
Unfavorable	**Below Average**	**Below Average**
This market posted unfavorable IRR metrics in the economy/ltd svc segment (12.2%)	The market has been hindered by weak T12–month Guest Paid RevPAR ($71.45)	Greensboro, NC also has been hindered by weak T12–month Guest Paid RevPAR ($71.45)

Notable Trends

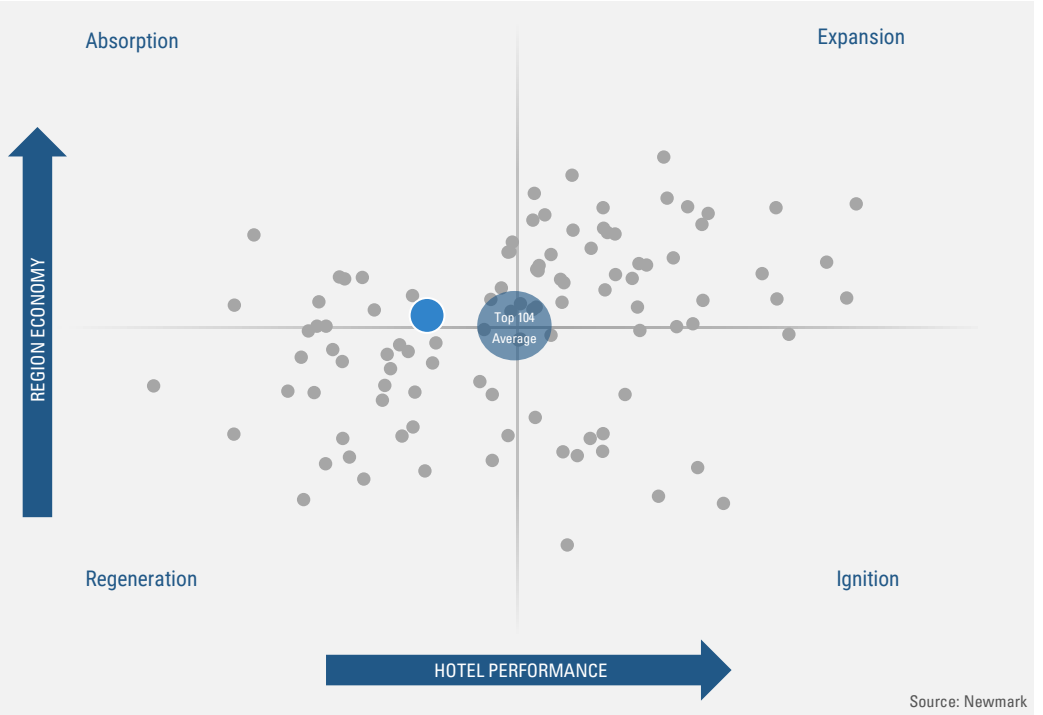
STRONGEST

Long-Term Historical Occupancy Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
5th	**6th**	**6th**
Strong	**Strong**	**Strong**
Greensboro, NC enjoyed strong long–term historical occupancy growth (0.8%)	The market enjoyed strong long–term historical LPI growth (7.1%)	The market also has benefited from strong short–term historical LPI growth (9.3%)

WEAKEST

Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth	T12-Month Rooms Supply Growth
89th	**83rd**	**78th**
Below Average	**Below Average**	**Below Average**
The market has been impeded by high short–term historical growth in booking costs (4.9%)	We note this area exhibited high long–term historical booking costs POR growth (3.9%)	Greensboro, NC also has been hindered by high rooms supply growth over the last 12 months (1.3%)

Market Performance Stage



Source: Newmark

Greensboro, NC: Absorption Stage

Absorption

The Greensboro, NC market is currently in the 'Absorption' stage of the performance cycle. In this 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 .

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.

Expansion

In the 'Expansion' 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.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	1.1%
Risk Exposure (402 US markets):	27th Percentile: Below Average
Key Industry Notes:	Large consumer base
	Low business costs
	High housing affordability
	Above-average employment volatility
	Low per capita income

Moody's Rating

Aaa

Investment Grade

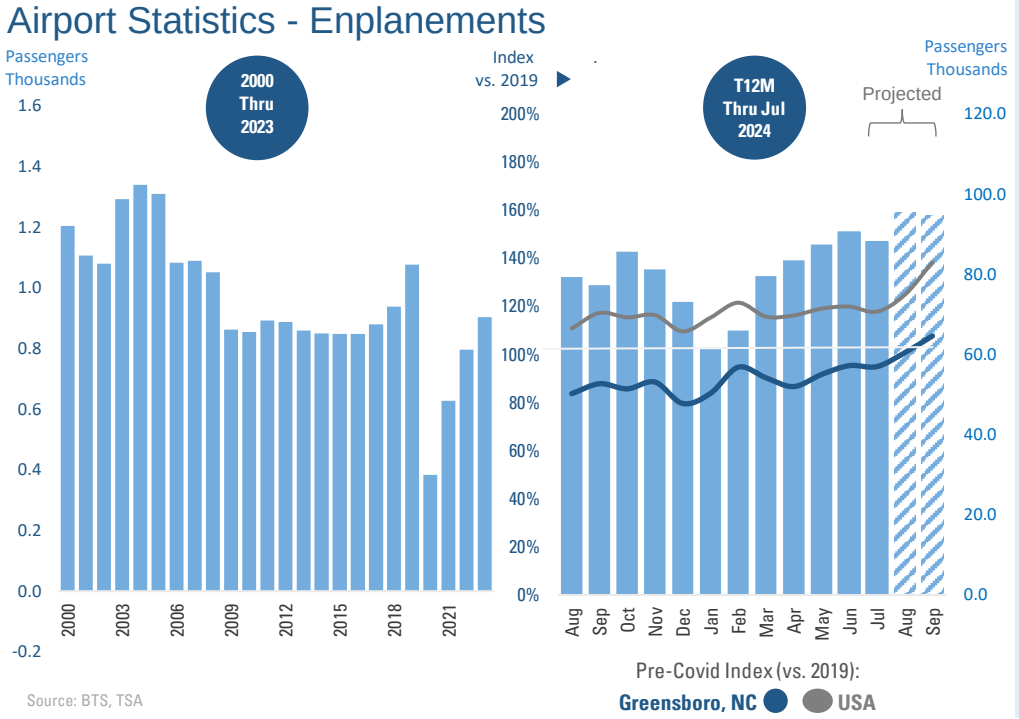
Long-term investment grade, Prime-1 short-term outlook

TOP 10 BRANDS

Source: Newmark

SELECT NEAREST AIRPORT CITY: ALL LOCAL

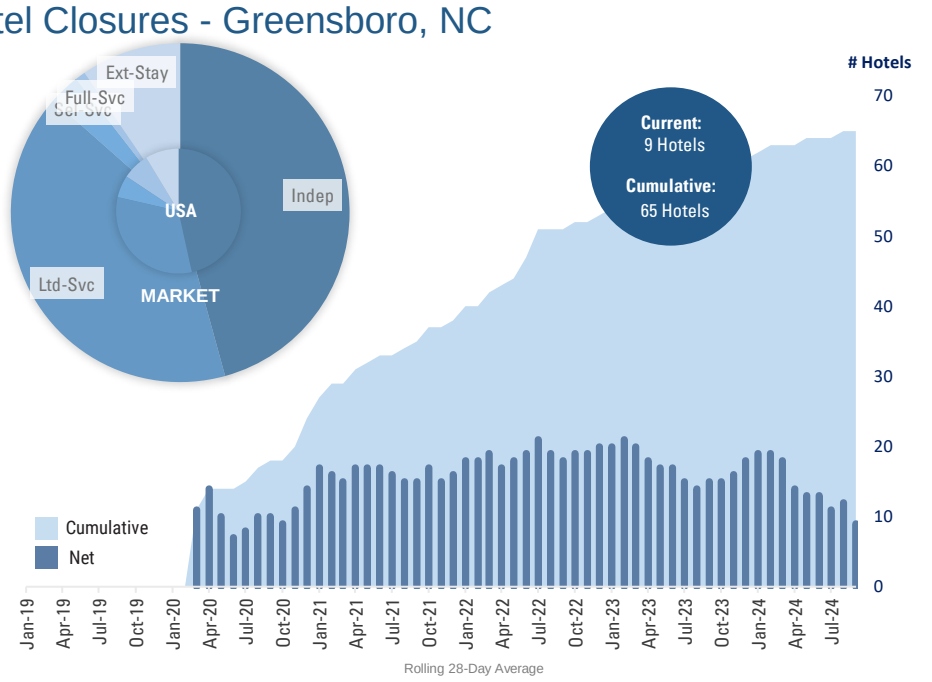
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

Hotel Closures - Greensboro, NC

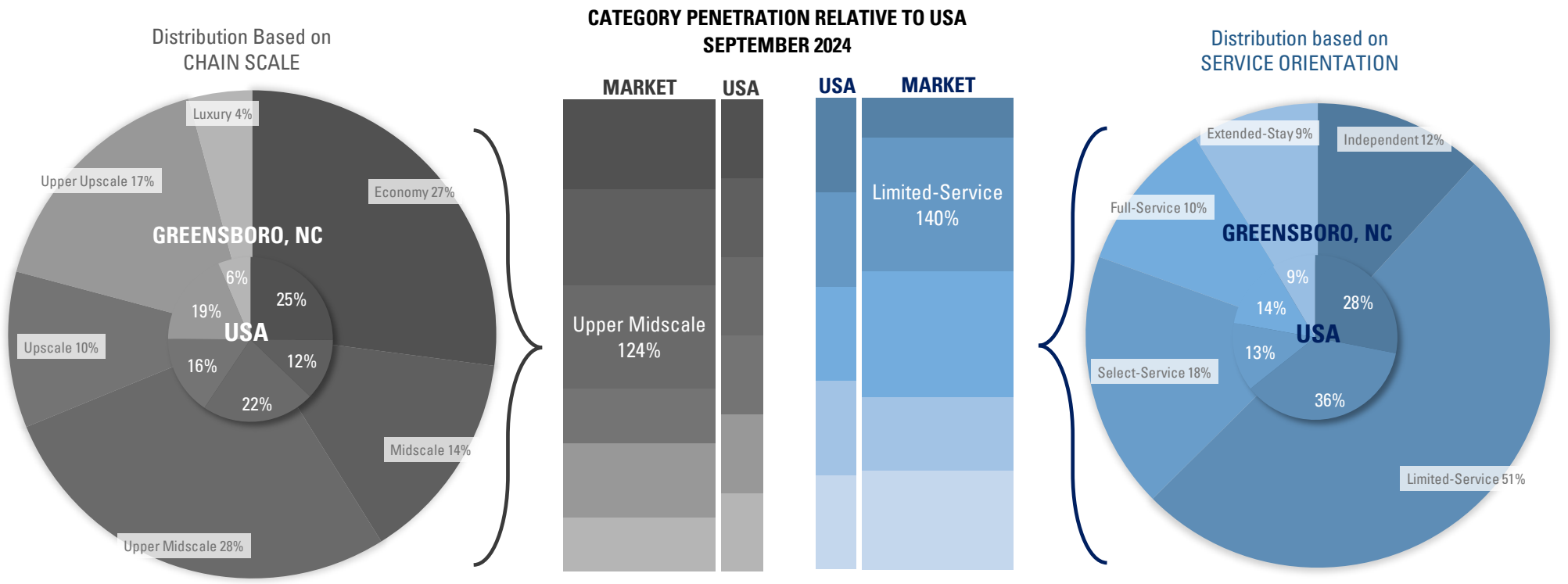


Source: Hotel Compete

SCALE AND SERVICE ORIENTATION

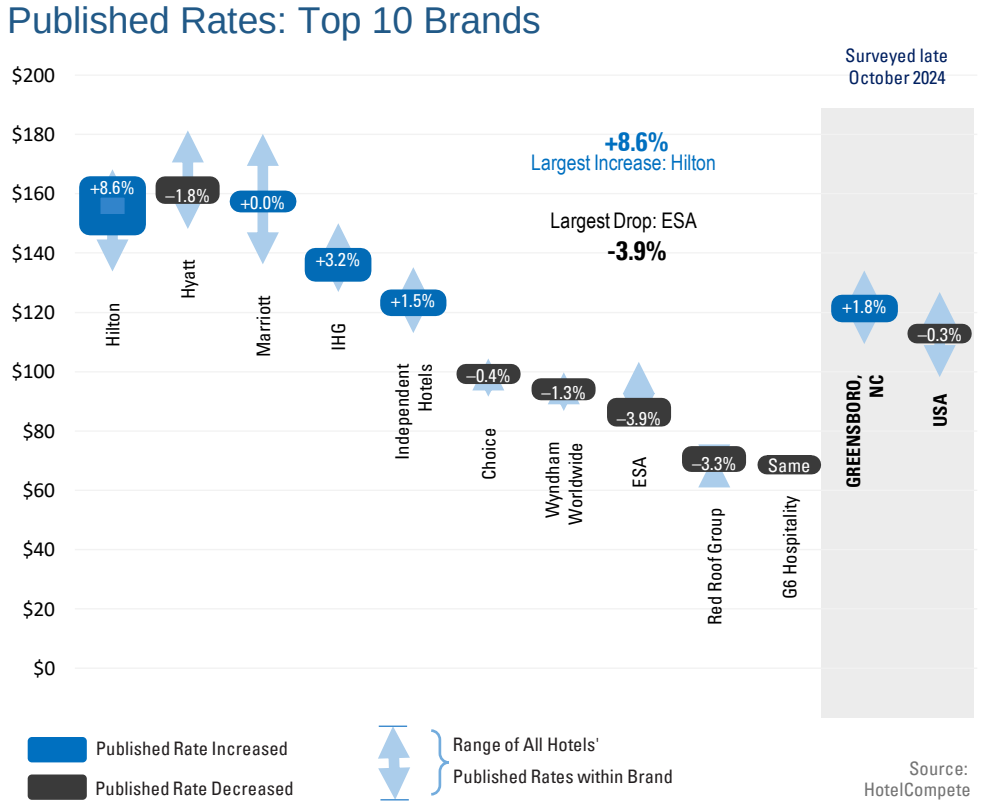
Scale and Service Distribution: Greensboro, NC

CATEGORY PENETRATION RELATIVE TO USA
SEPTEMBER 2024



'30/3' RATE CHANGES: GREENSBORO, NC vs. USA

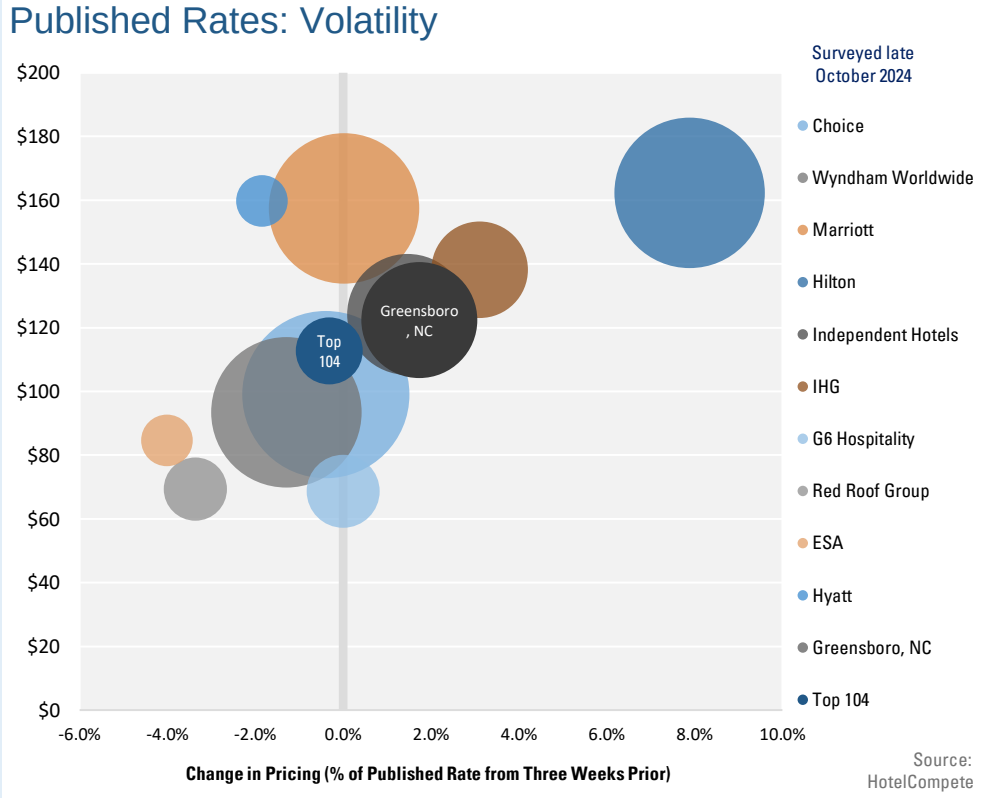
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



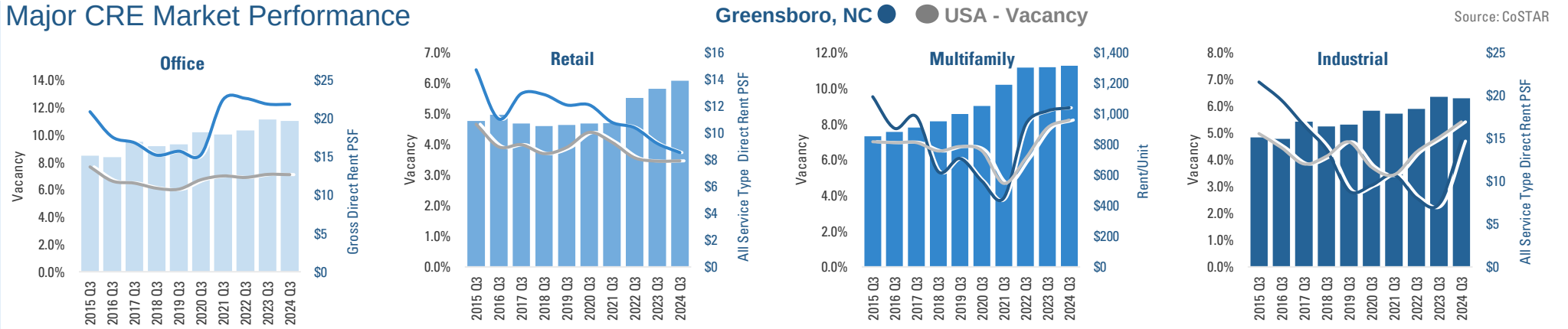
Source: HotelCompete

MAJOR C.R.E. METRICS

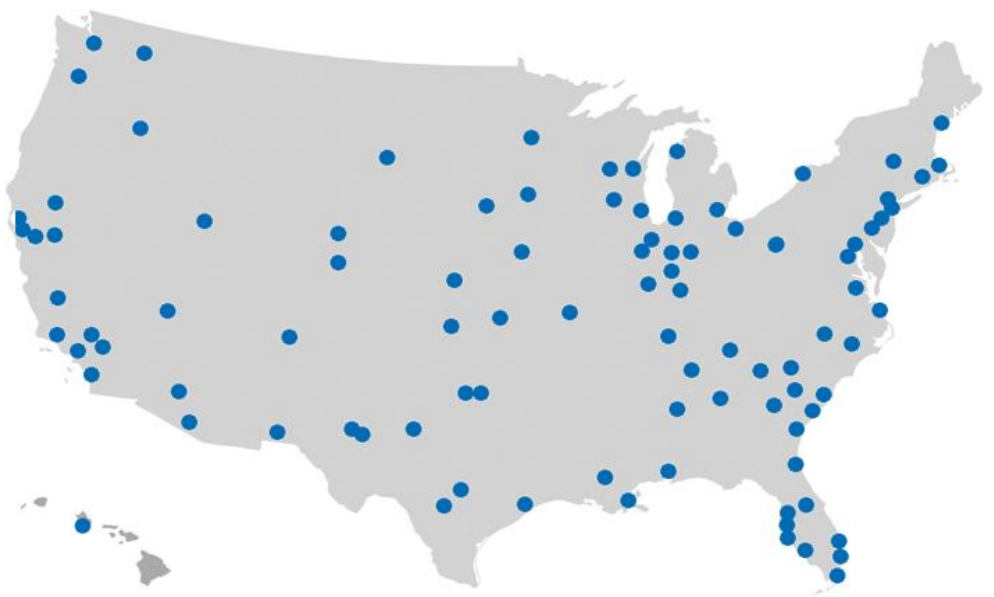
Major CRE Market Performance

Greensboro, NC ● USA - Vacancy

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

Hospitality, Gaming & Leisure

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Stadiums, Sports & Entertainment Facilities

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Golf Courses

Marinas

Ski and Village Resorts

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