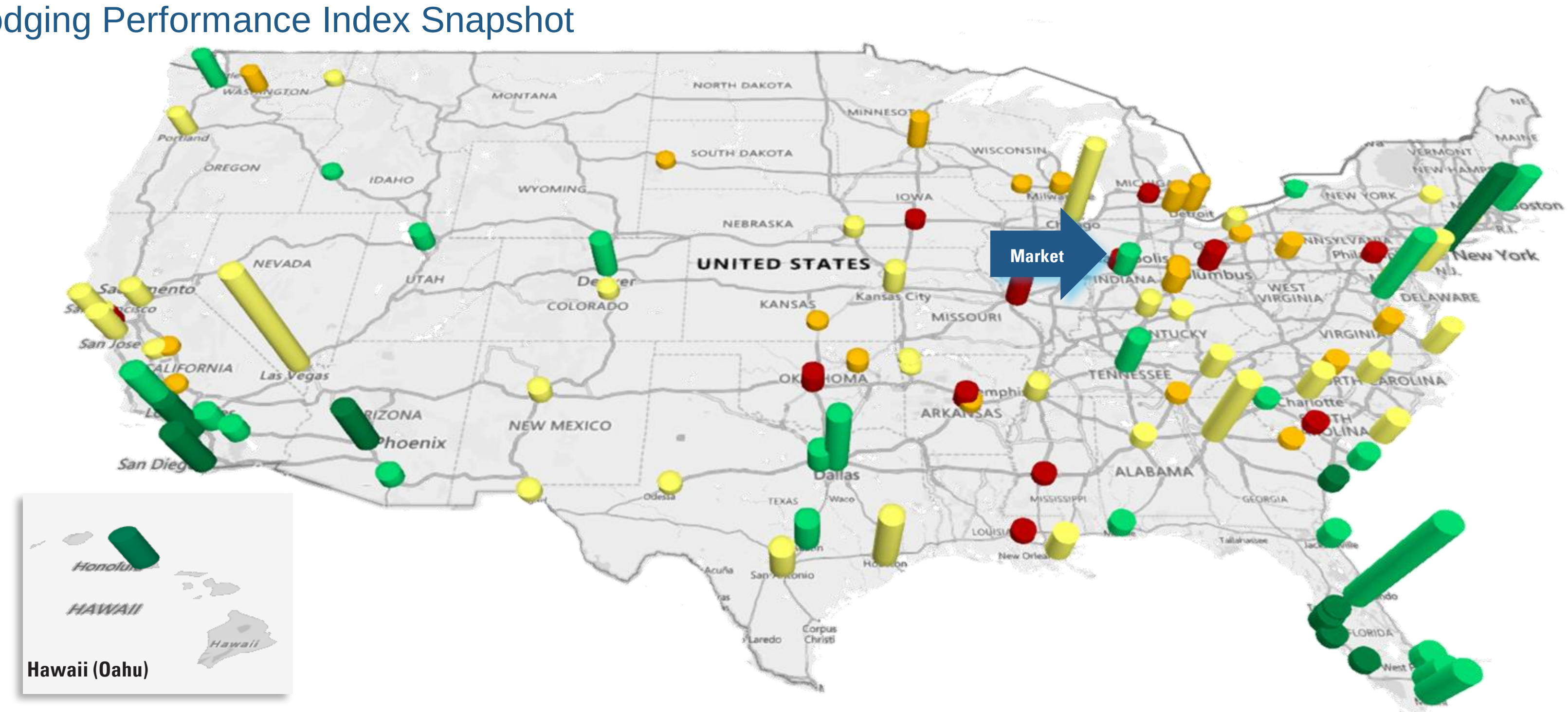
VALUATION & ADVISORY | HOSPITALITY GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

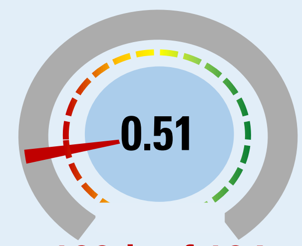
4Q 2023
INDIANA NORTH AREA, IN

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Indiana North Area, IN

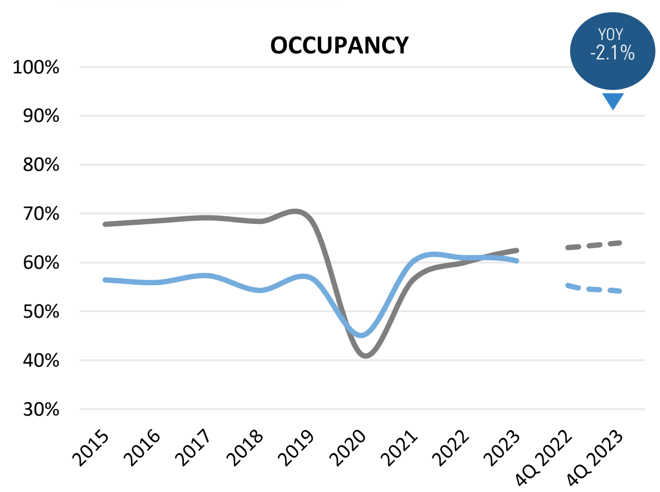


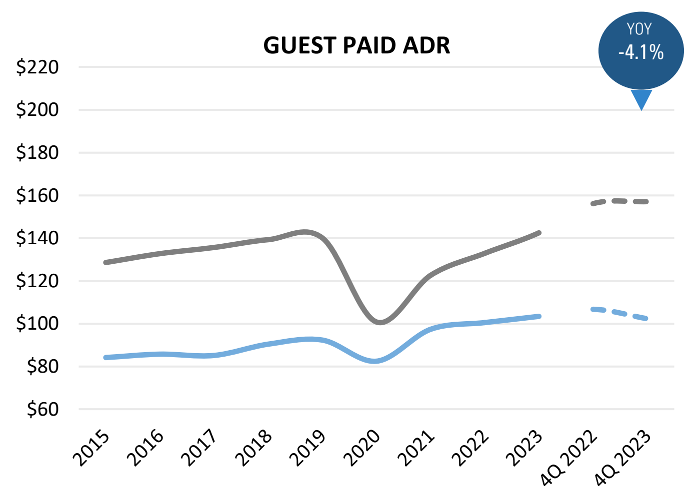
100th of 104

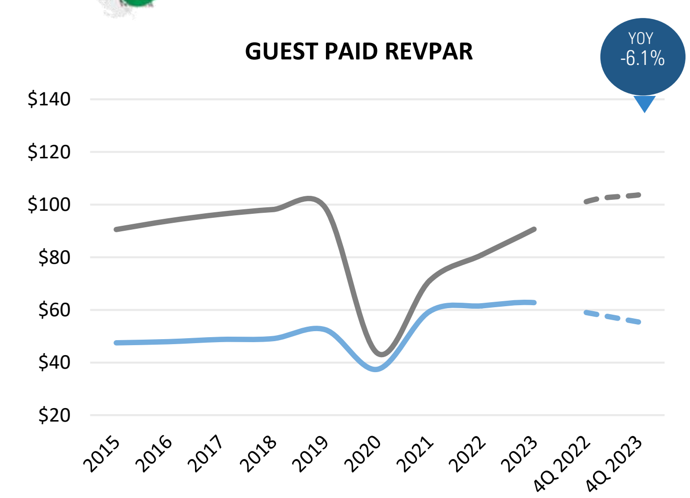
Soft

Ranking of overall '4Q 2023 LPI' performance (0.51) against all 104 surveyed markets.

KEY PERFORMANCE METRICS





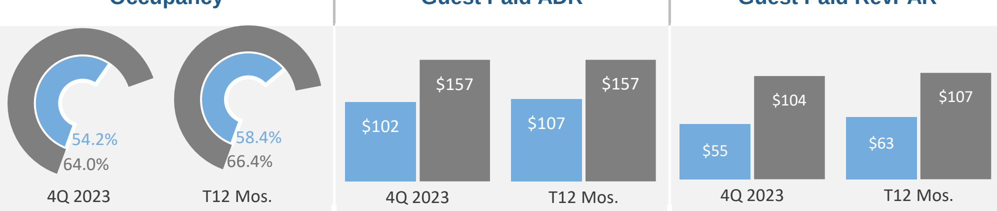


Top 104 — Indiana North Area, IN

PERFORMANCE INDEXES

Key Performance Indexes

Subject Market — Top 104

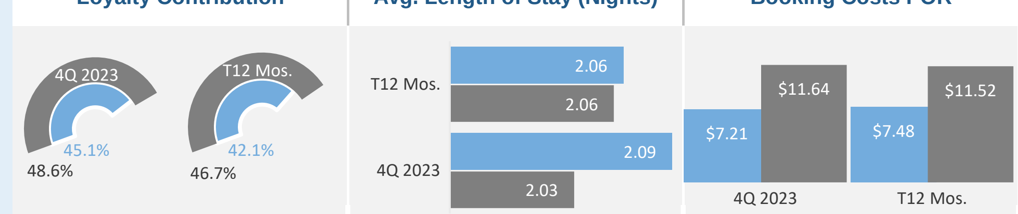


Occupancy 4Q 2023	Occupancy T12 Mos.	Guest Paid ADR 4Q 2023	Guest Paid ADR T12 Mos.	Guest Paid RevPAR 4Q 2023	Guest Paid RevPAR T12 Mos.
91st	94th	93rd	92nd	92nd	95th

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

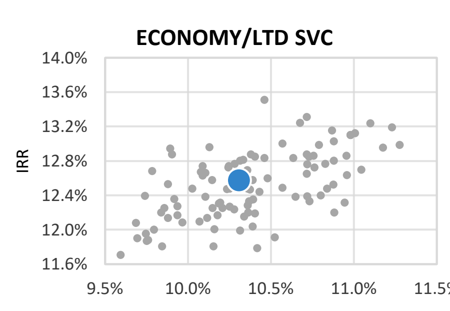


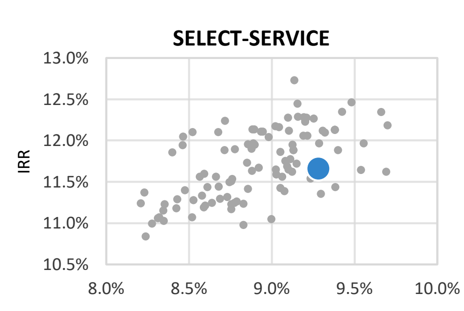
Loyalty Contribution 4Q 2023	Loyalty Contribution T12 Mos.	Avg. Length of Stay T12 Mos.	Avg. Length of Stay 4Q 2023	Booking Costs POR 4Q 2023	Booking Costs POR T12 Mos.
75th	79th	39th	50th	11th	15th

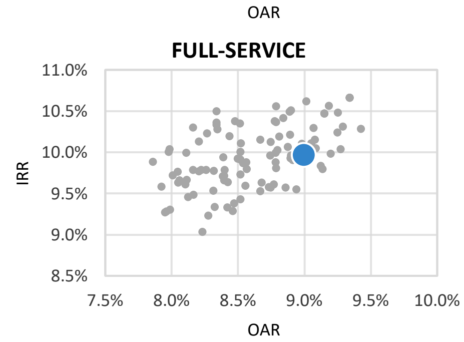
INVESTMENT PARAMETERS

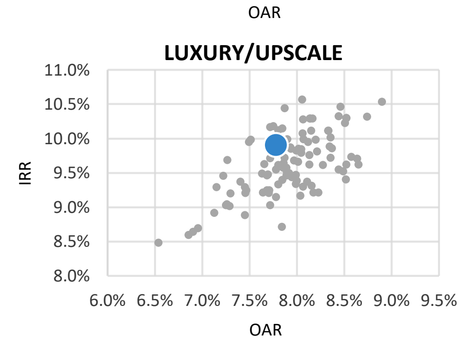
Discount and Capitalization Rates

Source: Newmark









Trends and Risks

Source: Kalibri Labs, Newmark

FUNDAMENTALS

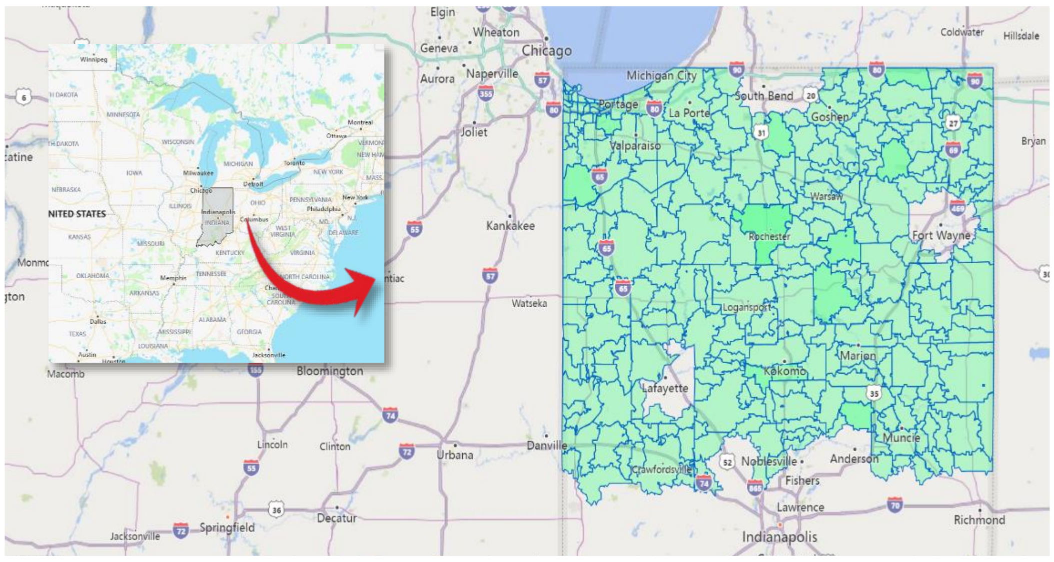
Revenue Stability	Supplier Power Trend	Investment Yields
55th Average	**79th** Below Average	**61st** Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking 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
86th Below Average	**67th** Below Average	**33rd** 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:	Indiana North Area
County:	Multiple
State:	Indiana
Geo Coordinates (market center):	39.53219, -85.59317

Major Hotel Demand Generators

Indiana University Health | St. Vincent Hospitals & Health Services | Eli Lilly and Co. | Community Health Network | Wal-Mart Stores Inc. | Purdue University | Roche Diagnostic Corp. | Rolls-Royce Corp. | Subaru of Indiana Inc. | Wabash National Corp. | Arcelor Mittal | General Motors Truck Group | Thor Industries Inc. | Forest River Industries Inc. | Lippert | Jayco Inc. | Patrick Industries | University of Notre Dame | Ball State University | Blue Chip Hotel & Casino

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,977,686	25th of 104 (Above Average)
Income per Capita	$49,551	48th of 104 (Average)
Feeder Group Size	186.5 Persons PSR	102nd of 104 (Soft)
Feeder Group Earnings	$9,241,443 PSR	102nd of 104 (Soft)
Total Market COPE	$412.7 million	69th of 104 (Below 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 (Available Rms)	Performance Index (LPI)
2015	56.4%	$84.12	$47.48	$78.74	$44.44	$5.38	93.6%	43.8%	1.85	17,780	0.36
2016	55.9%	$85.71	$47.91	$80.14	$44.80	$5.57	93.5%	45.0%	1.84	17,970	0.52
2017	57.3%	$85.11	$48.76	$79.33	$45.45	$5.78	93.2%	46.7%	1.84	17,890	0.72
2018	54.3%	$90.39	$49.07	$84.01	$45.61	$6.37	92.9%	51.1%	1.85	17,880	0.53
2019	56.9%	$92.30	$52.47	$85.50	$48.61	$6.80	92.6%	56.9%	1.93	18,080	0.78
2020	45.1%	$82.42	$37.40	$76.93	$34.68	$5.49	93.3%	36.9%	2.08	18,350	0.87
2021	60.3%	$97.34	$59.39	$90.75	$54.73	$6.59	93.2%	37.1%	2.11	18,420	1.08
2022	61.0%	$100.48	$61.53	$93.61	$57.07	$6.87	93.2%	36.8%	2.11	18,440	0.80
2023	60.3%	$103.39	$62.75	$96.28	$58.07	$7.11	93.1%	36.5%	2.09	18,410	0.51
CAGR: 2015 thru 2022	0.8%	2.6%	3.5%	2.5%	3.4%	3.6%	-0.1%	-2.3%	1.6%	0.4%	4.5%
4Q 2022	55.3%	$106.68	$58.99	$99.43	$54.98	$7.25	93.2%	37.5%	2.11	18,500	0.80
4Q 2023	54.2%	$102.27	$55.39	$95.06	$51.48	$7.21	92.9%	45.1%	2.09	17,960	0.51

Notable Metrics

HIGHEST

Population Density per Room — **5th** **Strong**
Indiana North Area, IN boasted strong population density per room (110.14)

Marketwide Income per Room — **5th** **Strong**
The market enjoyed a high ratio of marketwide income per room ($3,823,638)

Feeder Population Per Room — **7th** **Strong**
The market also posted a high ratio of feeder population per room (77.17)

LOWEST

Feeder Group Earnings PSR — **102nd** **Soft**
This market has been hindered by weak feeder group earnings PSR ($9,241,443)

Feeder Group Size — **102nd** **Soft**
The market required a large feeder group size (186.50 Persons)

Latest-Quarter LPI — **100th** **Soft**
Indiana North Area, IN also posted weak latest–quarter LPI (0.52)

Notable Trends

FASTEST

Long-Term Historical Average Length of Stay Growth — **4th** **Strong**
Indiana North Area, IN enjoyed strong long–term historical average length of stay growth (1.6%)

Short-Term Historical Occupancy Growth — **6th** **Strong**
The market has benefited from strong short–term historical occupancy growth (2.3%)

Long-Term Historical LPI Growth — **16th** **Above Average**
The market also enjoyed strong long–term historical LPI growth (4.5%)

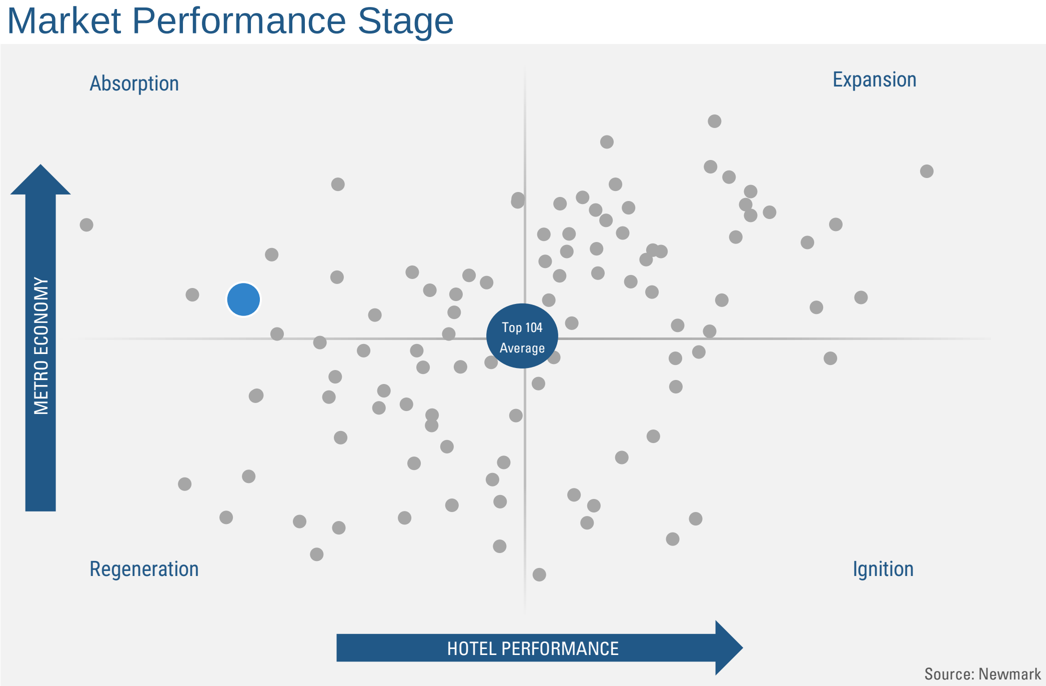
SLOWEST

Overall Health of Hotel Market — **100th** **Soft**
The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)

Short-Term Historical COPE ADR Growth — **81st** **Below Average**
We note this area posted weak short–term historical COPE ADR growth (1.9%)

Short-Term Historical Guest Paid ADR Growth — **79th** **Below Average**
Indiana North Area, IN also has been impeded by weak short–term historical Guest Paid ADR growth (1.9%)

Market Performance Stage



Indiana North Area, IN: Absorption Stage

Absorption

The Indiana North Area, IN 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 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.

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 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.

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

MOODYS ANALYTICS

Business Cycle:	**Late Expansion**
Employment Growth (2 yr):	**6.7%**
Risk Exposure (402 US markets):	**23rd Percentile: Below Average**
Key Industry Notes:	College town, manufacturing Affordable housing Undervalued housing Low business costs Poor migration trends

Moody's Rating

Aa1

Investment Grade

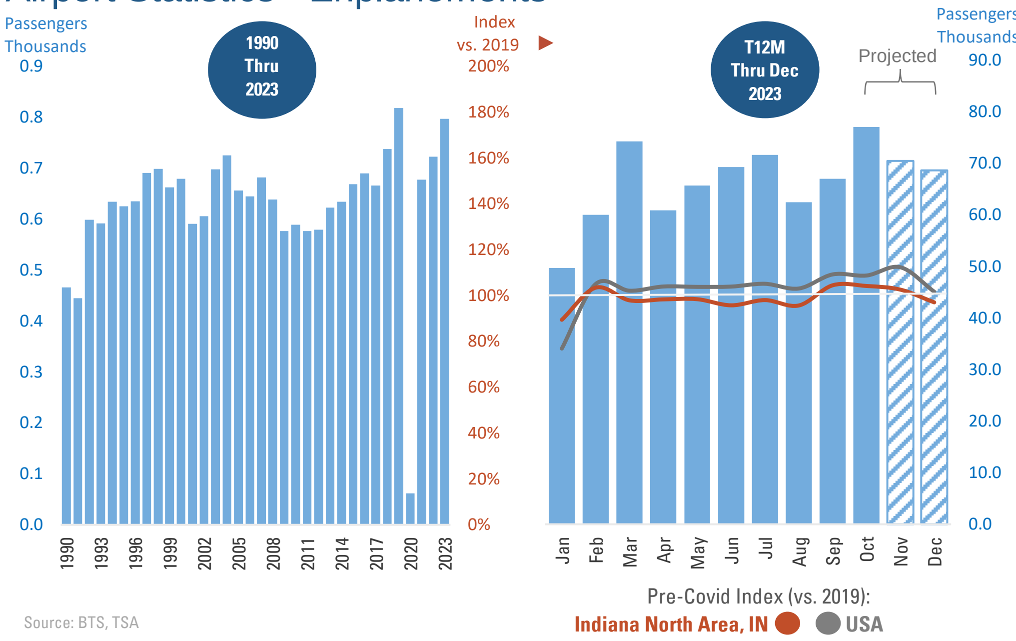
Long-term investment grade, Prime-1 short-term outlook

TOP 10 BRANDS

Source: Newmark

Airport Statistics - Enplanements

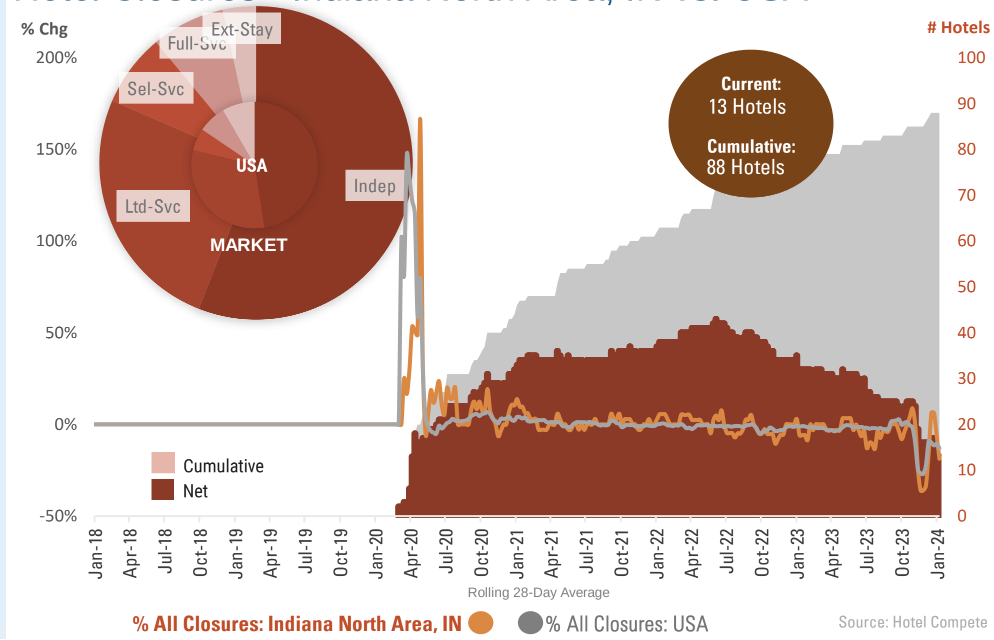
FORT WAYNE/SOUTH BEND, IN: ALL LOCAL



Source: BTS, TSA

Hotel Closures - Indiana North Area, IN vs. USA

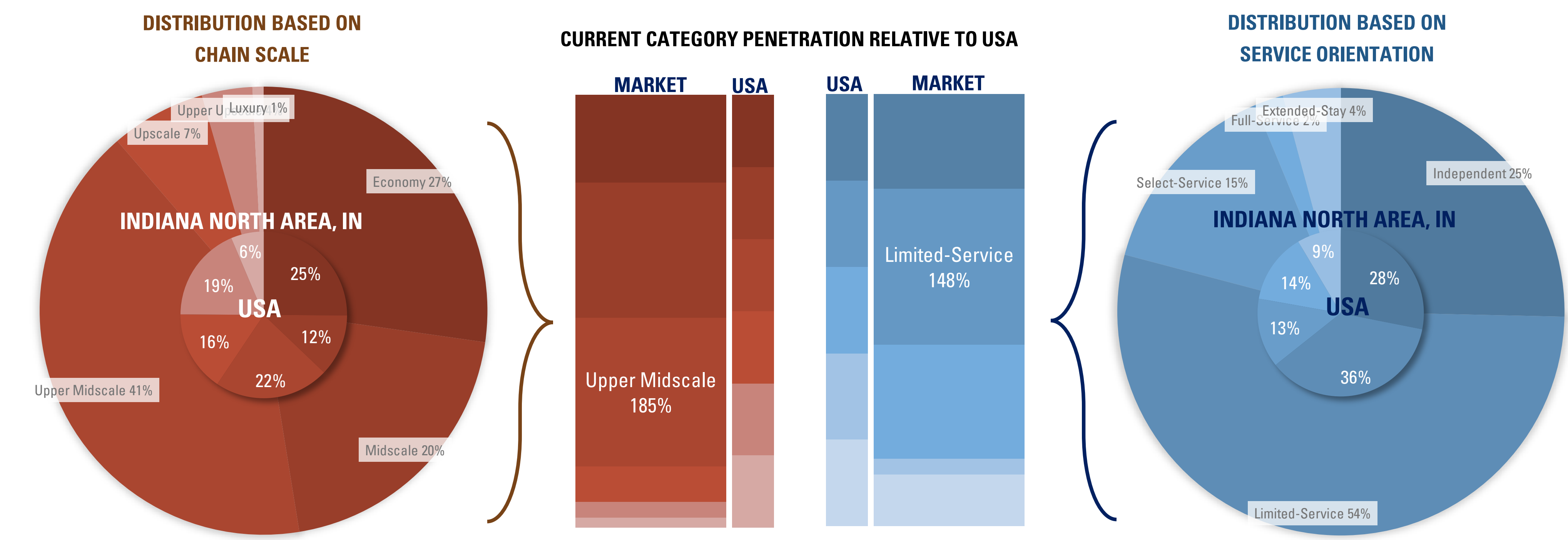
DATA THROUGH JANUARY 2024



Source: Hotel Compete

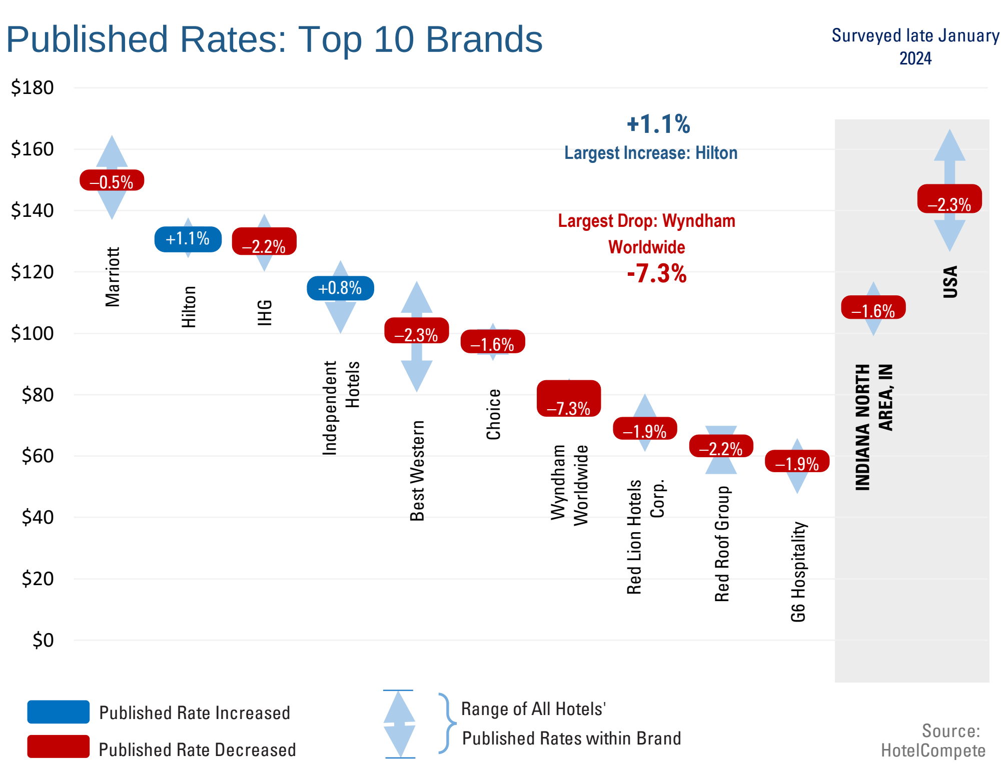
Scale and Service Distribution: Indiana North Area, IN

SCALE AND SERVICE ORIENTATION



Published Rates: Top 10 Brands

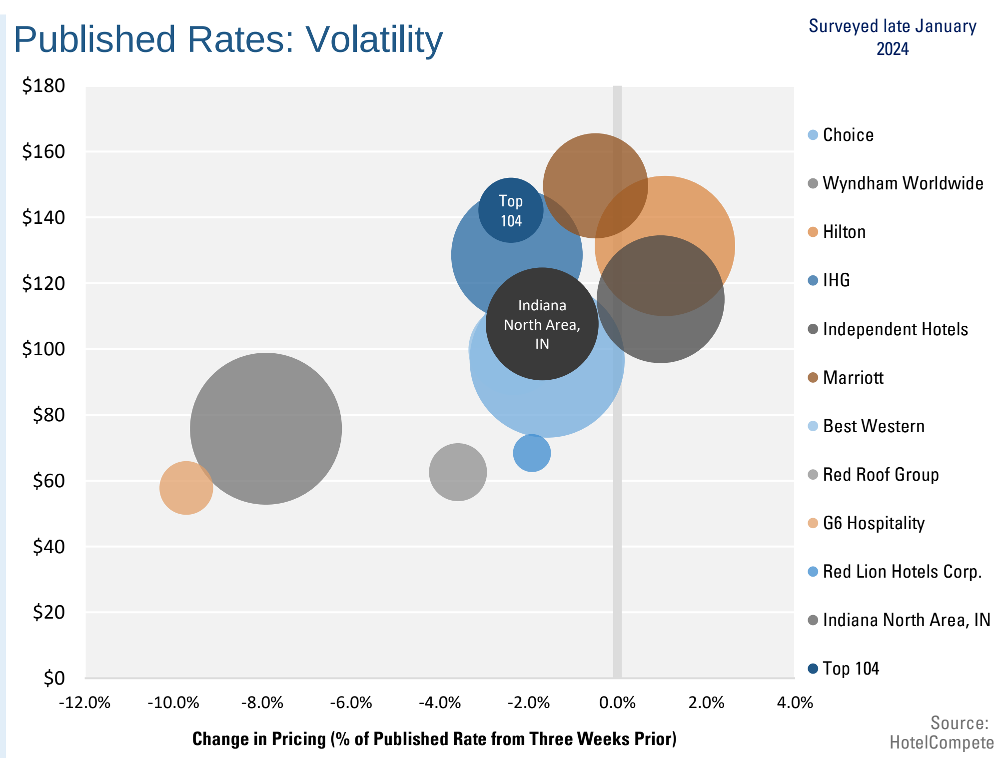
'30/3' RATE CHANGES



Source: HotelCompete

Published Rates: Volatility

RATE ADJUSTMENTS BY BRAND



Source: HotelCompete

Published Rate Observations: 30-Day Advance

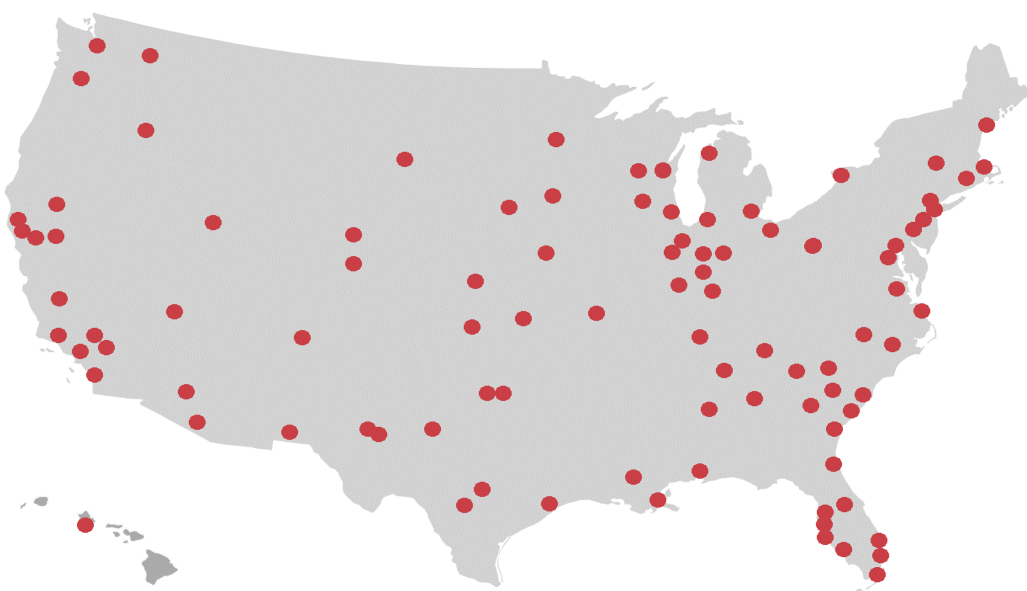
MARKET LEVEL

Published Rate Level	Rate Movement	Optimism
93rd	**28th**	**50th**
Soft	**Above Average**	**Average**
The 30-day advance published rate for the market was a conservative $107.64, ranking 93rd out of 104 markets. (Guest-Paid ADR ranked a conservative 93rd at $102.27 in 4Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 1.6% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	Published rates reported in late January 2024 were 5.3% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is average. By comparison, the T-104 spread was -9.5%.

BRAND LEVEL

Published Rate Integrity	Coverage	Volatility
63rd	**90th**	**30th**
Average	**Soft**	**Low**
Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Indiana North Area, IN has a soft spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	Indiana North Area, IN'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

Hospitality, Gaming & Leisure

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