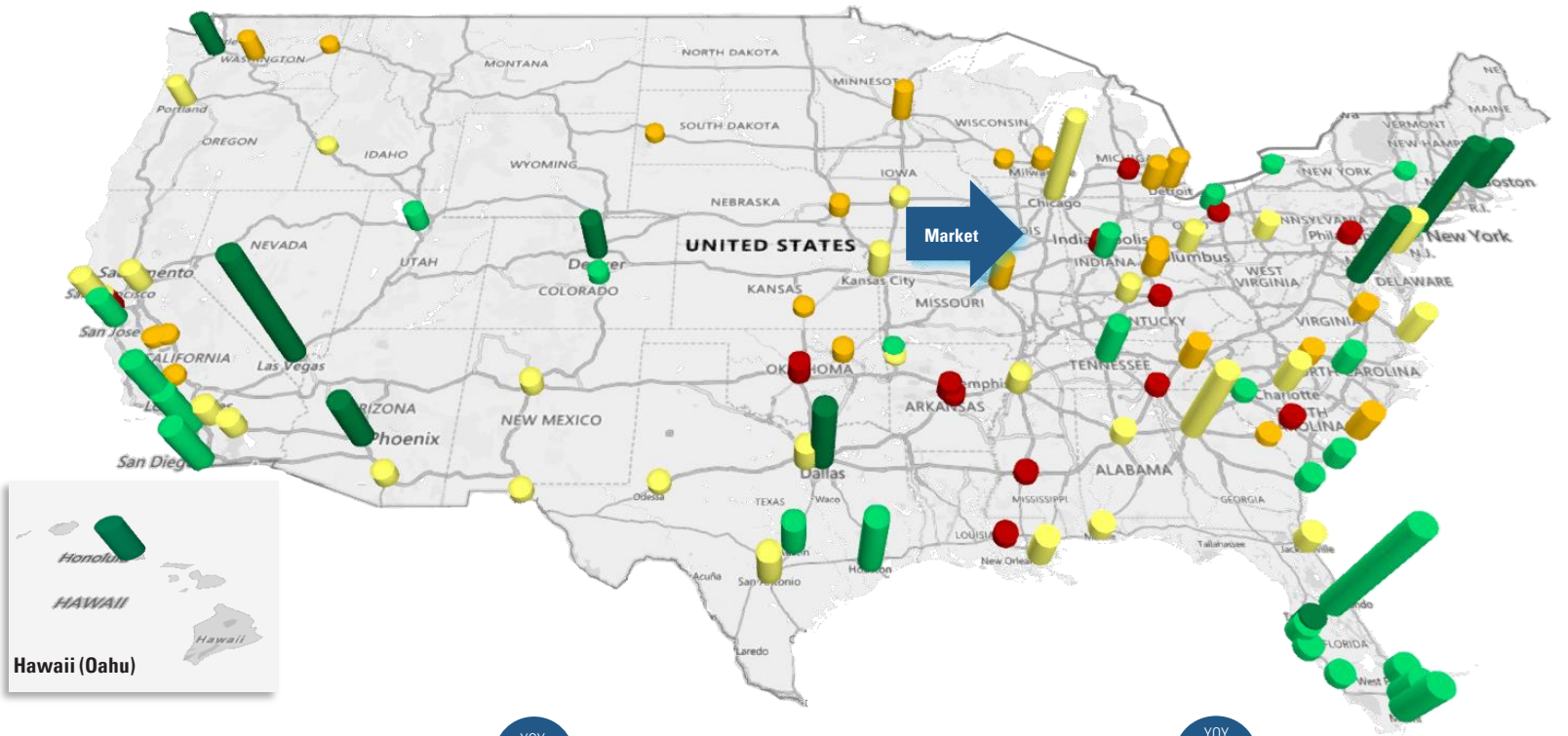
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

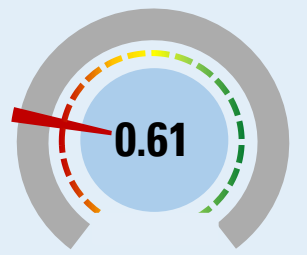
3Q 2024
INDIANA NORTH AREA, IN

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

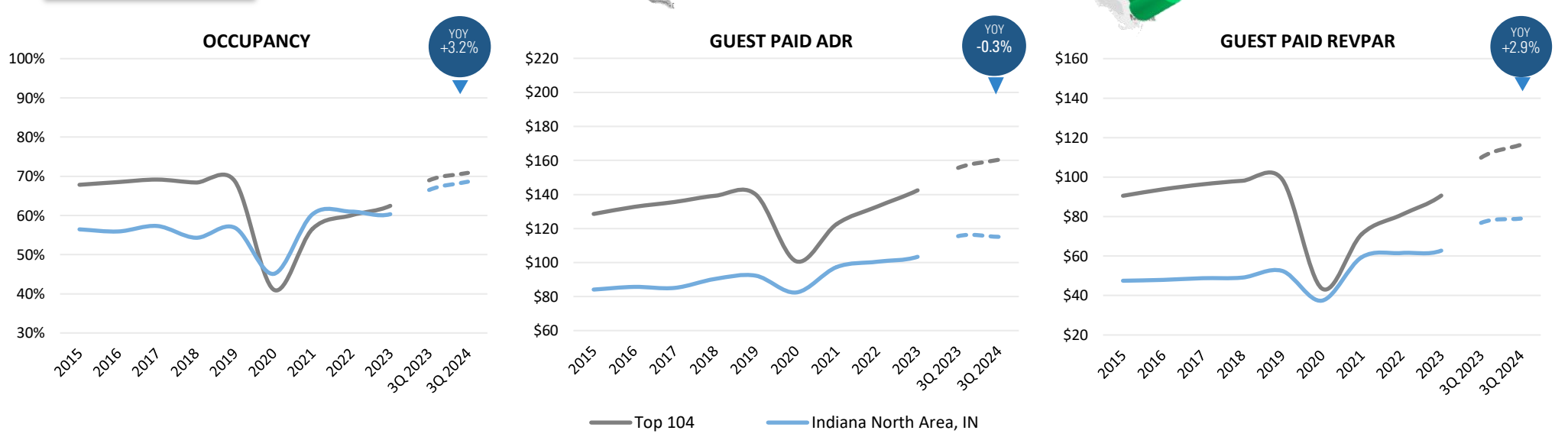
Indiana North Area, IN



99th of 104
Soft

Ranking of overall '3Q 2024 LPI' performance (0.61) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
68.6% / 70.9%	59.5% / 67.9%	$115 / $160	$105 / $160	$79 / $116	$63 / $112
3Q 2024	T12 Mos.	3Q 2024	T12 Mos.	3Q 2024	T12 Mos.
55th	93rd	86th	92nd	78th	96th

BENCHMARK INDEXES

Key Benchmark Indexes

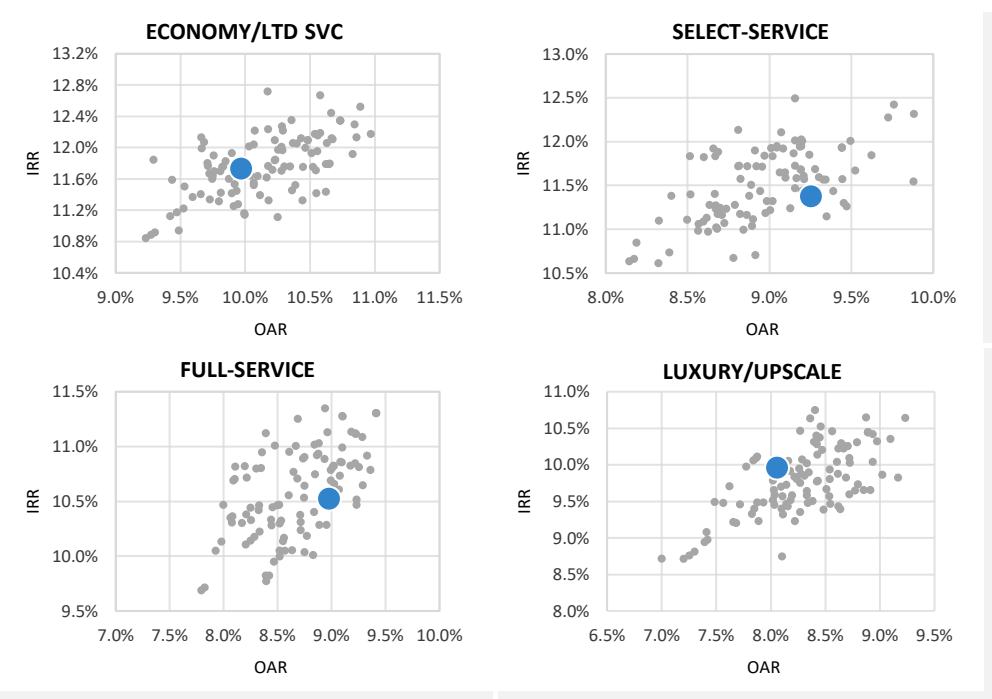
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
44.2% / 47.6%	44.6% / 52.4%	2.11 / 2.06	2.14 / 2.07	$8.13 / $12.17	$7.48 / $11.83
3Q 2024	T12 Mos.	T12 Mos.	3Q 2024	3Q 2024	T12 Mos.
80th	80th	28th	37th	22nd	12th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

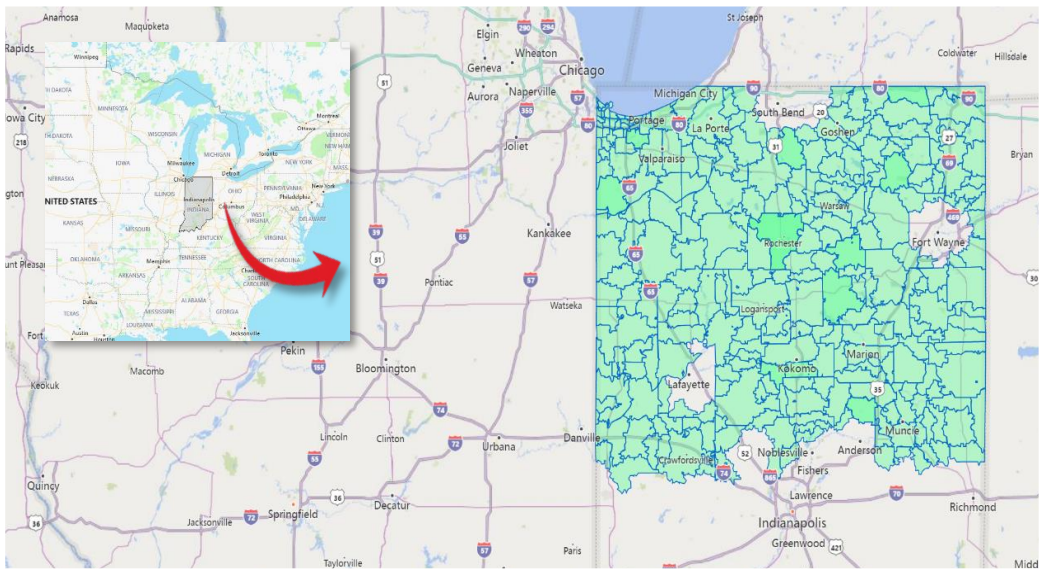
Revenue Stability	Supplier Power Trend	Investment Yields
38th	**77th**	**52nd**
Average	Below Average	Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking 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
54th	**71st**	**42nd**
Average Risk	Below Average	Average 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:	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 Hotel Revenues	$412.7 million	69th of 104 (Below 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	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	93.0%	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	0.50
CAGR: 2015 thru 2023	0.8%	2.6%	3.5%	2.5%	3.4%	3.5%	-0.1%	-2.3%	1.6%	0.4%	4.2%
3Q 2023	66.5%	$115.49	$76.78	$107.39	$71.40	$8.10	93.0%	42.6%	2.02	18,070	0.62
3Q 2024	68.6%	$115.12	$78.98	$106.98	$73.39	$8.13	92.9%	44.2%	2.14	18,100	0.61

Notable Metrics

HIGHEST

Population Density per Room	Marketwide Income per Room	Feeder Population Per Room
5th	**5th**	**7th**
Strong	**Strong**	**Strong**
Indiana North Area, IN boasted strong population density per room (110.14)	The market enjoyed a high ratio of marketwide income per room ($3,823,638)	The market also posted a high ratio of feeder population per room (77.17)

LOWEST

Feeder Group Earnings per sold room	Feeder Group Size	Latest-Quarter LPI
102nd	**102nd**	**99th**
Soft	**Soft**	**Soft**
This market has low feeder group earnings per sold room ($9,241,443)	The market required a large feeder group size (186.50 Persons)	Indiana North Area, IN also posted weak latest-quarter LPI (0.61)

Notable Trends

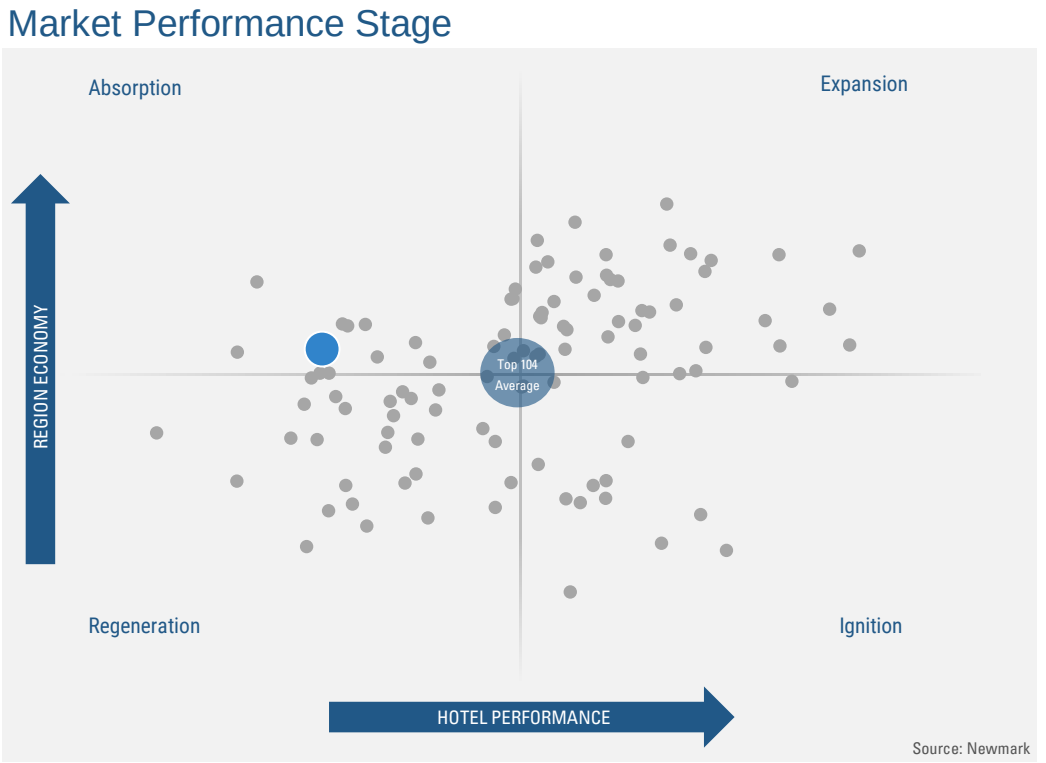
STRONGEST

Long-Term Historical Average Length of Stay Growth	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Occupancy Growth
2nd	**5th**	**9th**
Very Strong	**Strong**	**Strong**
Indiana North Area, IN enjoyed strong long-term historical average length of stay growth (1.7%)	The market has benefited from strong short-term historical average length of stay growth (2.5%)	The market also has benefited from strong short-term historical occupancy growth (6.0%)

WEAKEST

Overall Health of Hotel Market	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Guest Paid ADR Growth
94th	**79th**	**70th**
Soft	**Below Average**	**Below Average**
The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	We note this area exhibited high long-term historical booking costs POR growth (3.8%)	Indiana North Area, IN also has been impeded by weak short-term historical Guest Paid ADR growth (2.9%)

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 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:	**Mid Expansion**
Employment Growth (2 yr):	1.6%
Risk Exposure (402 US markets):	39th Percentile: Average Risk
Key Industry Notes:	Diversified industrial structure
	High birthrate, strong migration trends
	Low business and living costs
	Exposure to public sector weakness
	Employment volatility

Moody's Rating

Aaa

Investment Grade

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

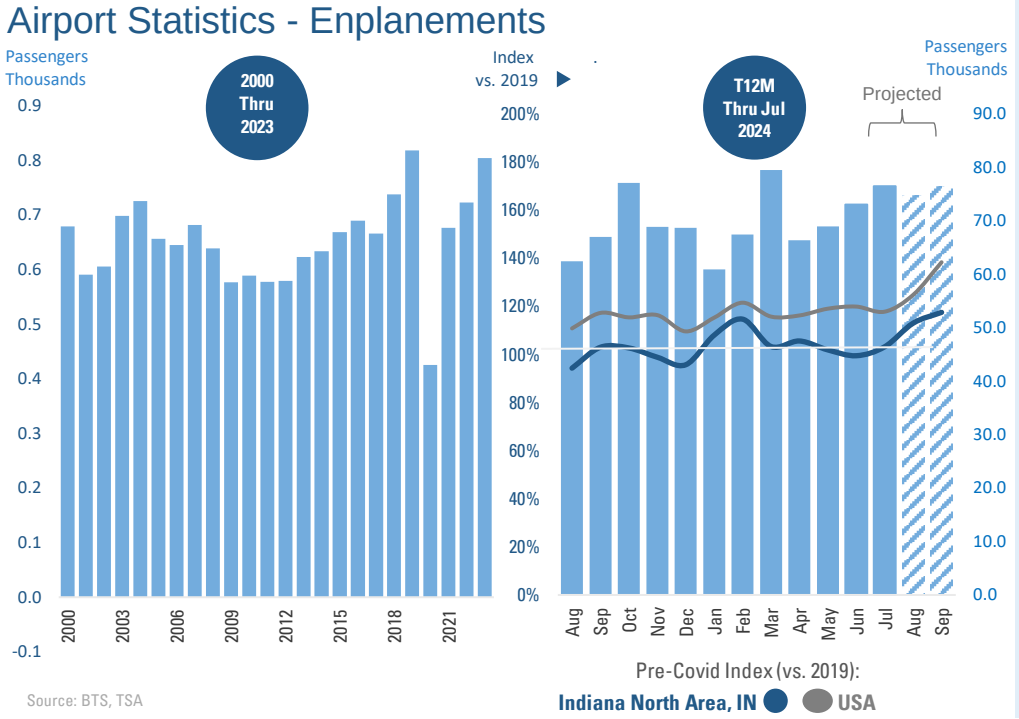
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

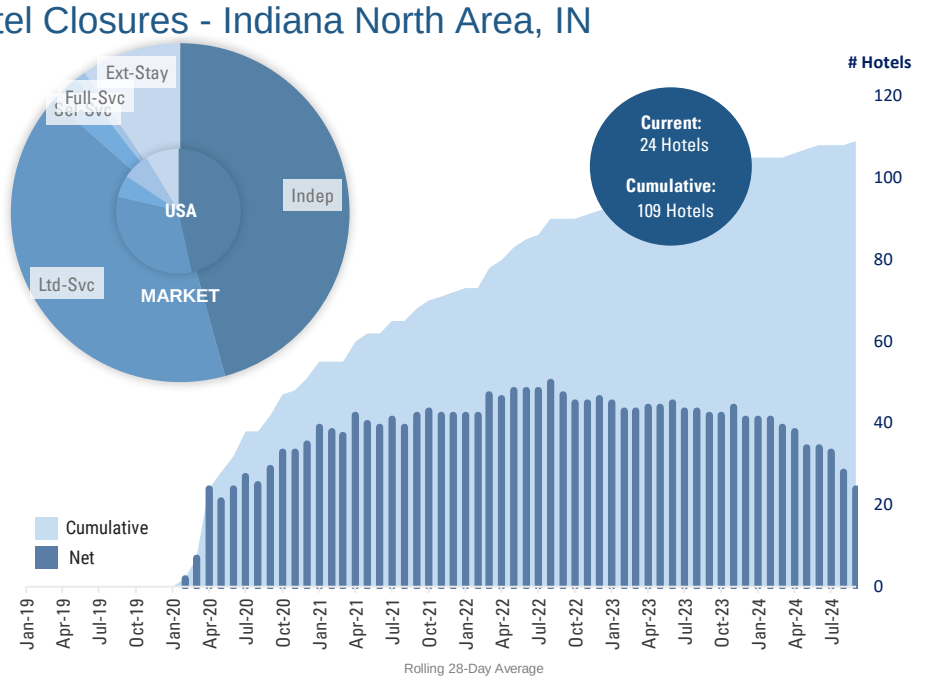
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

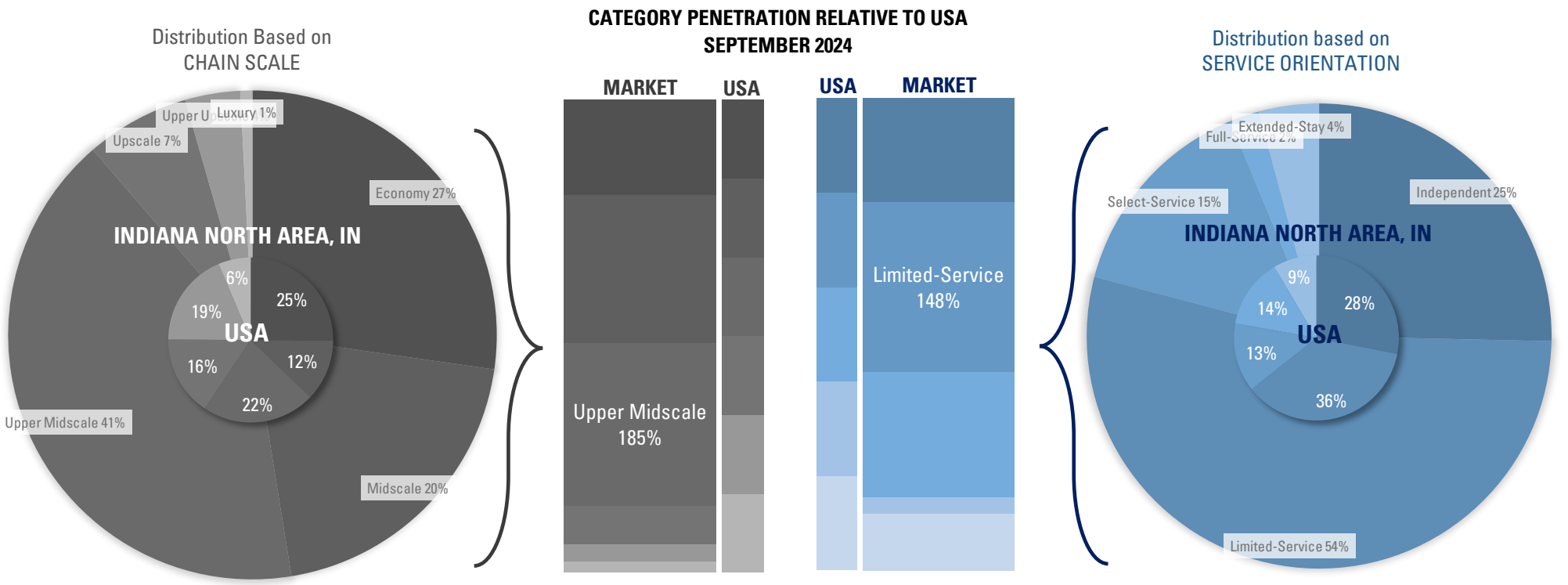
Hotel Closures - Indiana North Area, IN



Source: Hotel Compete

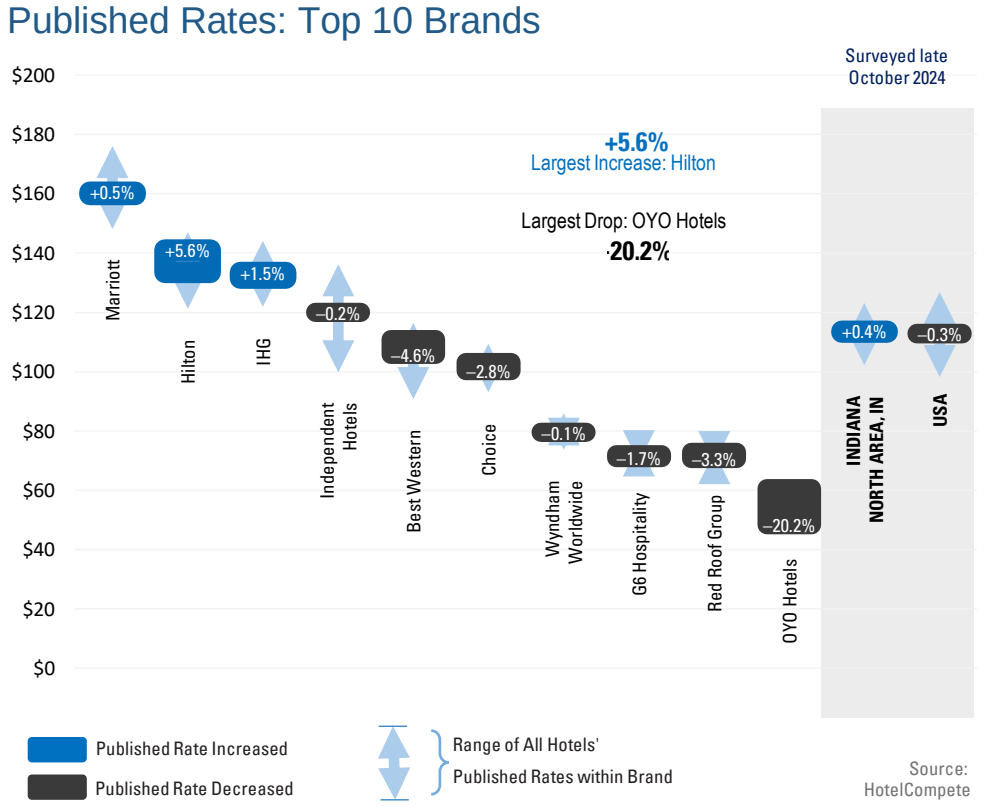
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Indiana North Area, IN



'30/3' RATE CHANGES: INDIANA NORTH AREA, IN vs. USA

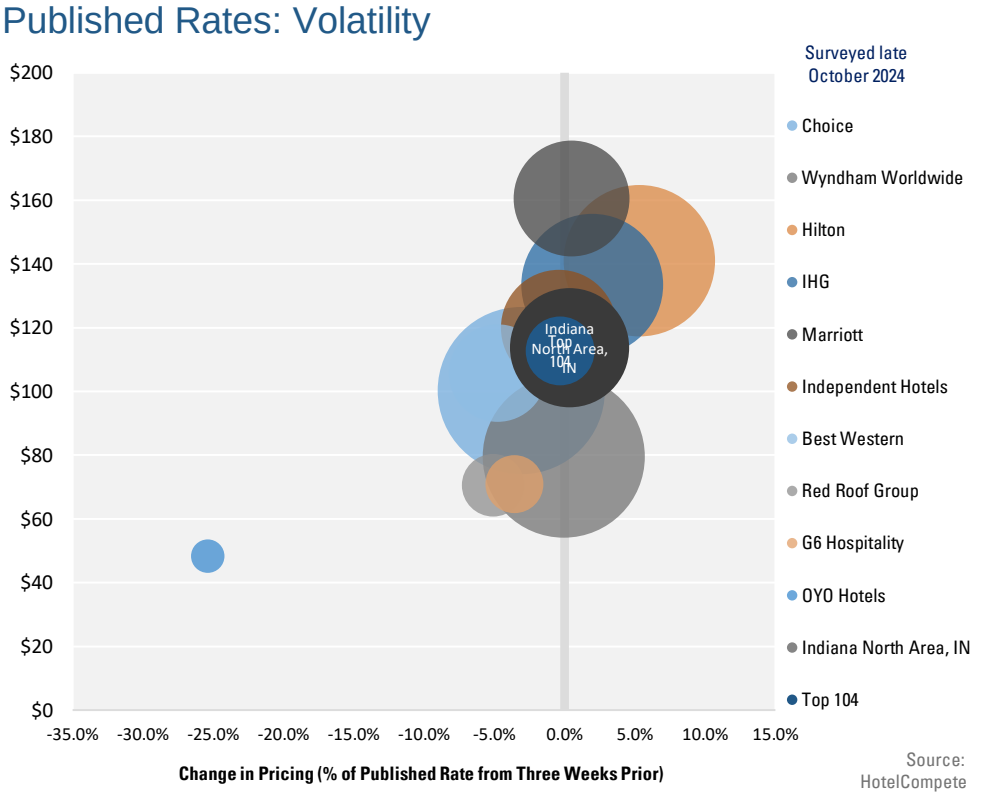
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

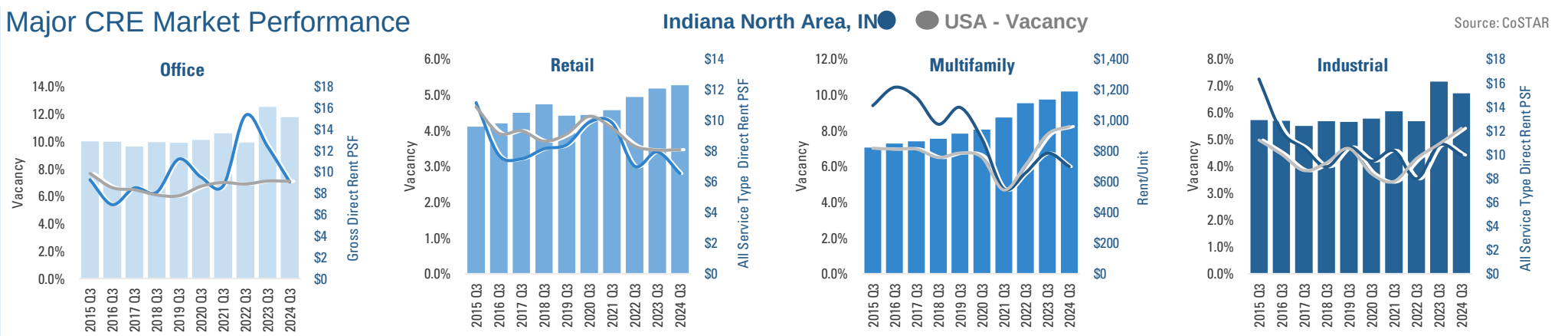
Published Rates: Volatility



Source: HotelCompete

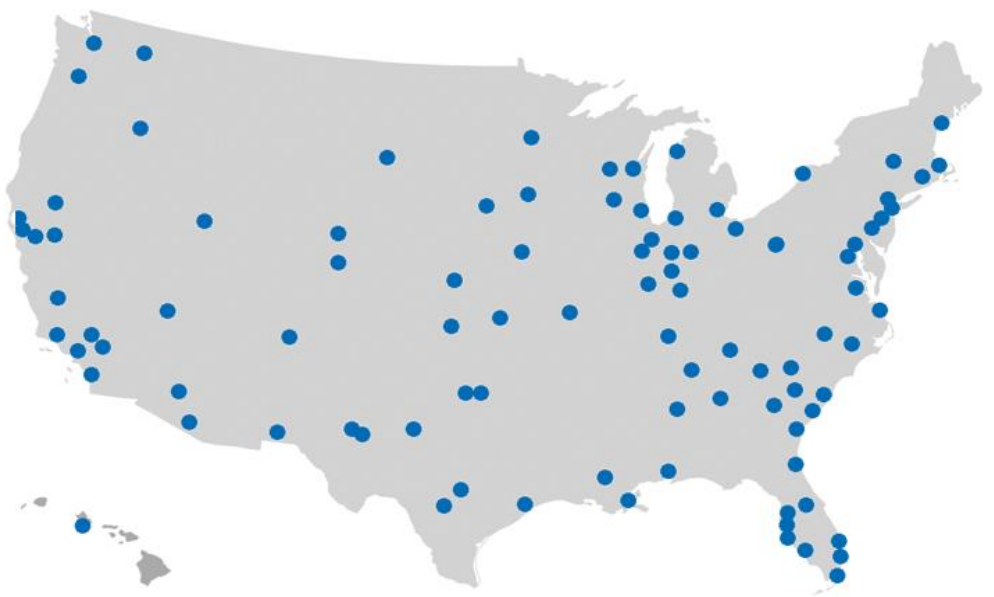
MAJOR C.R.E. METRICS

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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Marinas

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