VALUATION & ADVISORY | HOSPITALITY GAMING & LEISURE

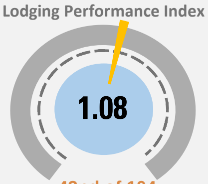
HOTEL MARKET NSIGHTS REPORT

2Q 2022 INDIANAPOLIS, IN

Fundamentals Dashboard

KEY PERFORMANCE METRICS

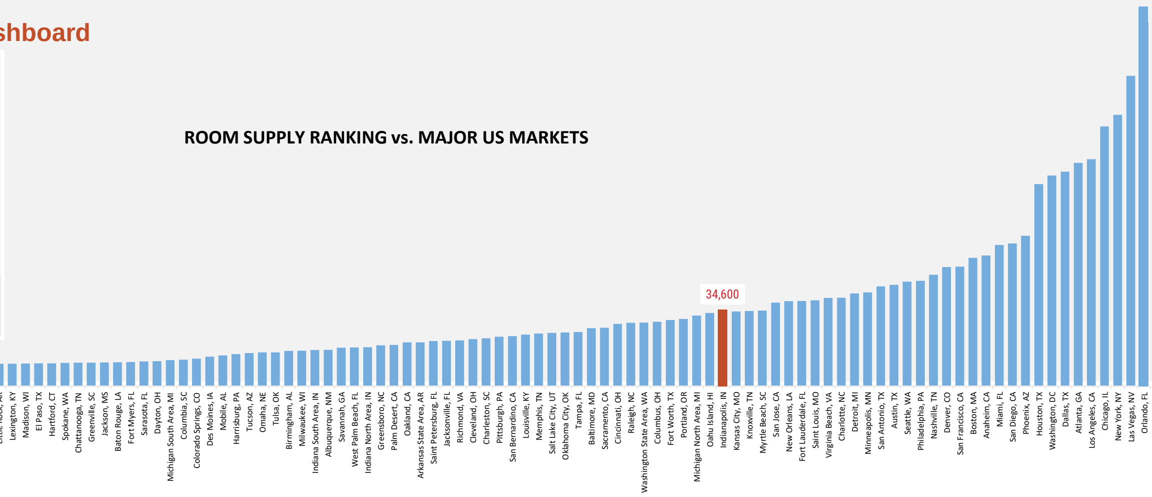
Lodging Performance Index

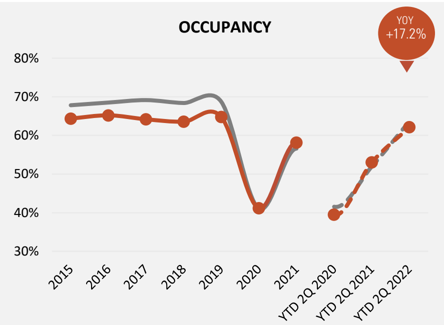


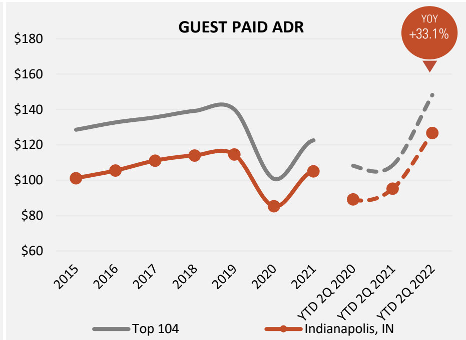
42nd of 104

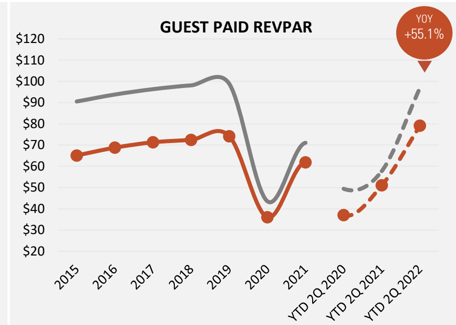
Average

Ranking of overall '2Q 2022 LPI' performance (1.08) against all 104 surveyed markets.









Key Performance Indexes

PERFORMANCE INDEXES

Subject Market ● Top 104

	Occupancy		Guest Paid ADR		Guest Paid RevPAR	
	2Q 2022	T12 Mos.	2Q 2022	T12 Mos.	2Q 2022	T12 Mos.
Subject Market	67.4%	62.7%	$134	$121	$90	$76
Top 104	69.1%	62.5%	$158	$143	$111	$91
Rank	52nd	51st	46th	49th	46th	49th

Key Benchmark Indexes

BENCHMARK INDEXES

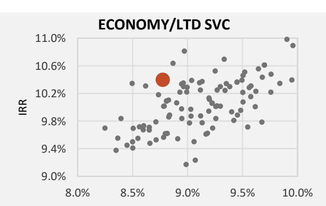
kalibri LABS

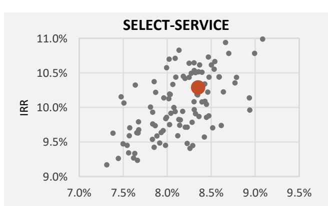
	Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
	2Q 2022	T12 Mos.	2Q 2022	T12 Mos.	2Q 2022	T12 Mos.
Subject Market	45.9%	44.3%	2.17	2.21	$7.91	$7.32
Top 104	48.6%	46.7%	2.11	2.13	$11.39	$10.63
Rank	27th	35th	29th	29th	32nd	30th

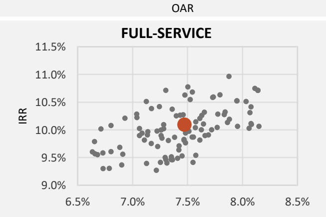
Discount and Capitalization Rates

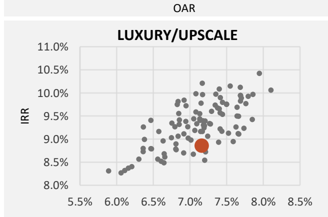
INVESTMENT PARAMETERS

Source: Newmark









Trends and Risks

Source: Kalibri Labs, Newmark

FUNDAMENTALS

Revenue Stability	Supplier Power Trend	Investment Yields
61st	29th	56th
Average	Above 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
40th	65th	66th
Average Risk	Average Risk	Below 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:	Indianapolis
County:	Marion County.
State:	Indiana
Geo Coordinates (market center):	39.778, -86.14584

Major Hotel Demand Generators

Indiana University Health | St. Vincent Hospitals & Health Services | Eli Lilly and Co. | Community Health Network | Wal-Mart Stores Inc. | The Kroger Co. | Marsh Supermarkets Inc. | Purdue University | FedEx | Meijer | Roche Diagnostic Corp. | Anthem | St. Francis Hospital & Health Center | Rolls-Royce Corp. | Eskenazi Health | U.S. Veterans Medical Center | LDI Ltd. | Goodwill Industries | Allison Transmission/Division of GMC | AT&T

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,580,516	42nd of 104 (Average)
Income per Capita	$54,640	28th of 104 (Above Average)
Feeder Group Size	73.6 Persons PSR	51st of 104 (Average)
Feeder Group Earnings	$4,020,826 PSR	57th of 104 (Average)
Total Market COPE	$946.7 million	35th 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 (Available Rms)	Performance Index (LPI)
2015	64.4%	$101.18	$65.13	$93.95	$60.47	$7.23	92.9%	40.2%	2.10	31,310	1.08
2016	65.2%	$105.50	$68.79	$97.76	$63.74	$7.74	92.7%	42.1%	2.11	31,310	1.19
2017	64.2%	$111.12	$71.31	$102.62	$65.86	$8.50	92.4%	44.6%	2.07	30,910	1.06
2018	63.6%	$114.05	$72.49	$105.50	$67.05	$8.55	92.5%	47.9%	2.03	30,900	0.97
2019	64.8%	$114.54	$74.20	$106.07	$68.72	$8.46	92.6%	51.5%	2.04	33,110	1.11
2020	41.1%	$85.19	$35.97	$80.03	$32.93	$5.15	94.0%	40.1%	2.38	33,290	0.85
2021	58.1%	$105.00	$61.80	$98.46	$57.23	$6.54	93.8%	42.2%	2.23	33,890	1.07
CAGR: 2015 thru 2021	-1.7%	0.6%	-0.9%	0.8%	-0.9%	-1.7%	0.2%	0.8%	1.0%	1.3%	-0.1%
YTD 2Q 2020	39.4%	$89.10	$36.98	$83.89	$34.80	$5.21	94.2%	40.4%	2.41	33,080	1.15
YTD 2Q 2021	53.0%	$95.18	$50.99	$89.28	$47.81	$5.90	93.8%	41.0%	2.24	33,560	0.97
YTD 2Q 2022	62.1%	$126.70	$79.07	$119.23	$74.41	$7.47	94.1%	45.1%	2.21	34,310	1.08
% Change	17.2%	33.1%	55.1%	33.5%	55.6%	26.5%	0.3%	10.1%	-1.5%	2.2%	10.9%

Notable Metrics

HIGHEST

T12-Month COPE ADR Percentage	OAR: Economy/Ltd Svc	Economy Median Income
1st	21st	28th
Strong	Favorable	Above Average
Indianapolis, IN benefited from strong T12-month COPE ADR percentage (93.9%)	The market exhibited favorable OAR metrics in the economy/ltd svc segment (8.8%)	The market also exhibited strong Economy Median Income ($54,640)

LOWEST

IRR: Economy/Ltd Svc	OAR: Select-Service	Population Density per Room
89th	73rd	55th
Unfavorable	Unfavorable	Average
This market posted unfavorable IRR metrics in the economy/ltd svc segment (10.4%)	The market exhibited unfavorable OAR metrics in the select-service segment (8.3%)	Indianapolis, IN also has been hindered by weak population density per room (45.73)

Notable Trends

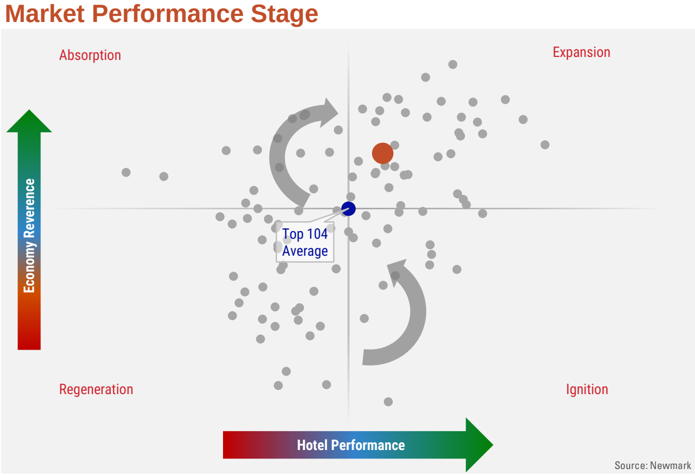
FASTEST

Long-Term Historical Average Length of Stay Growth	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Booking Costs POR Growth
15th	17th	25th
Above Average	Above Average	Above Average
Indianapolis, IN enjoyed strong long-term historical average length of stay growth (1.4%)	The market has benefited from strong short-term historical average length of stay growth (3.1%)	The market also enjoyed low short-term historical growth in booking costs (0.8%)

SLOWEST

Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid ADR Growth	Long-Term Historical Guest Paid RevPAR Growth
82nd	82nd	66th
Below Average	Below Average	Below Average
The market posted weak short-term historical COPE ADR growth (1.5%)	We note this area has been impeded by weak short-term historical Guest Paid ADR growth (1.5%)	Indianapolis, IN also has been hampered by weak long-term historical Guest Paid RevPAR growth (1.4%)

Market Performance Stage



Indianapolis, IN: Expansion Stage

Expansion

The Indianapolis, IN market is currently in the 'Expansion' stage of the performance cycle. In this 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.

Other Stages:

Regeneration

In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged whether by 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 Chicago, IL; Columbus, OH; and Detroit, MI.

Ignition

In the 'Ignition' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Las Vegas, NV; and Miami, FL.

Absorption

In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will recover from the COVID-19 crisis, 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 Charlotte, NC; Kansas City, MO; and Minneapolis, MN.

MOODY'S ANALYTICS

Industry Observations

Business Cycle:	In Expansion
Employment Growth (2 yr):	-2.3%
Risk Exposure (402 US markets):	37th Percentile: Average Risk
Key Industry Notes:	Manufacturing, logistics Varied industrial structure Affordable housing Low cost of doing business Employment volatility

Moody's Rating

Aaa

Investment Grade

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

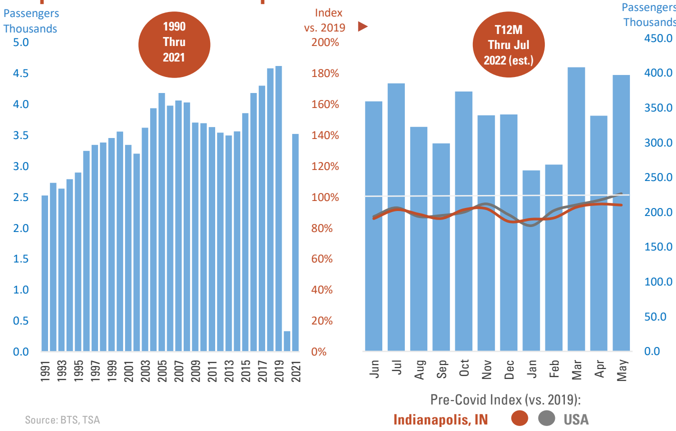
TOP 10 BRANDS

Source: Newmark

NEWMARK

INDIANAPOLIS, IN: ALL LOCAL

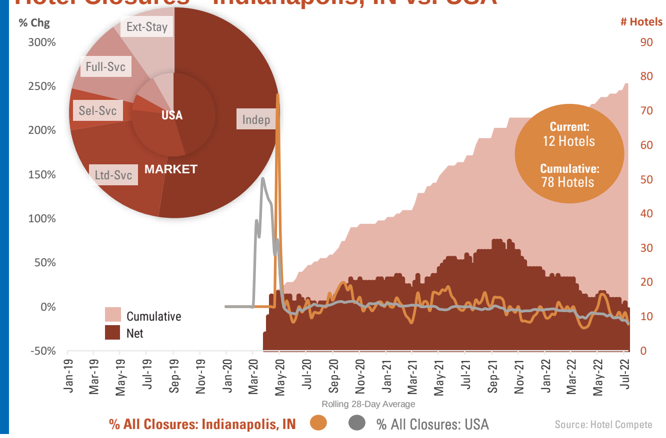
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH AUGUST 2022

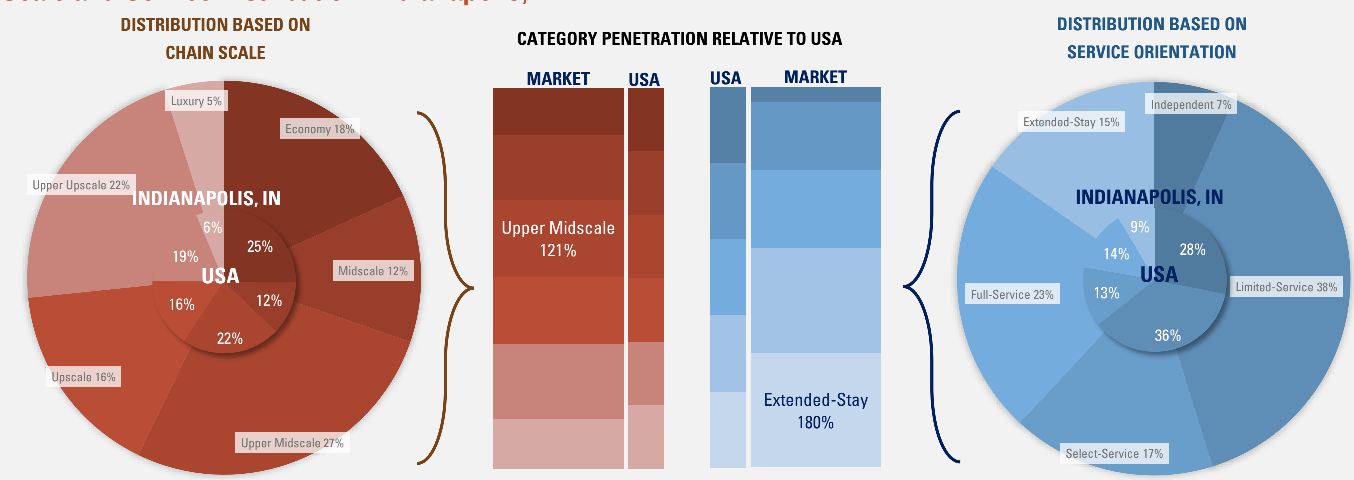
Hotel Closures - Indianapolis, IN vs. USA



Source: Hotel Compete

SCALE AND SERVICE ORIENTATION

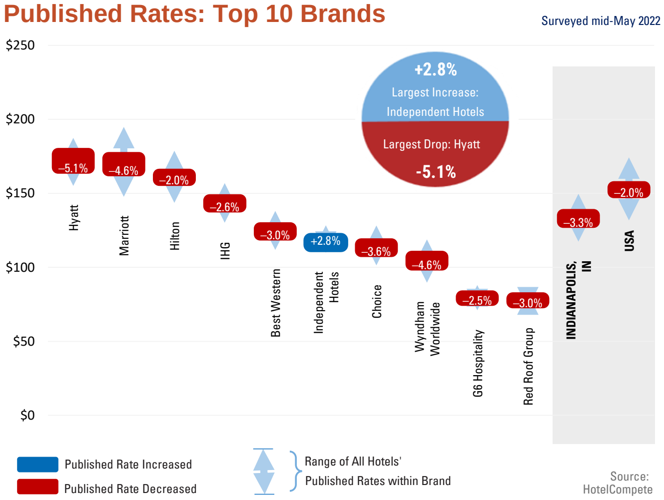
Scale and Service Distribution: Indianapolis, IN



'30/3' RATE CHANGES

Published Rates: Top 10 Brands

Surveyed mid-May 2022

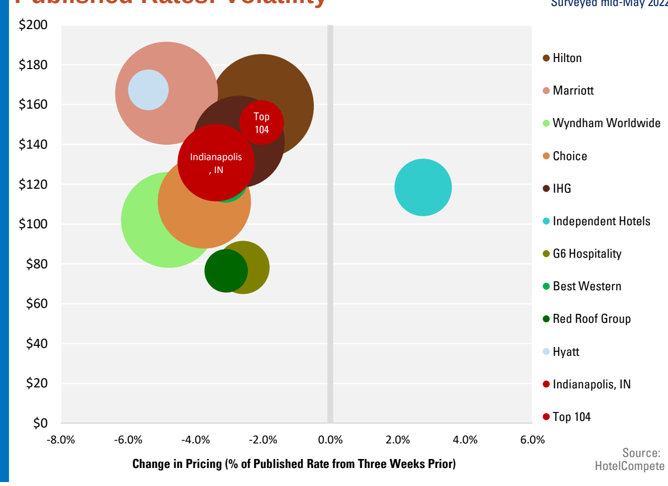


Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility

Surveyed mid-May 2022



Source: HotelCompete

Published Rate Observations: 30-Day Advance

MARKET LEVEL

Published Rate Level	Rate Movement	Optimism
69th	76th	79th
Below Average	Below Average	Below Average
The 30-day advanced published rate for the market was a somewhat conservative $130.84, ranking 69th out of 104 markets. (Guest-Paid ADR ranked a moderate 46th at $126.70 in 2Q 2022.)	Published rates have recently been moving downward, decreasing by a noticeable 3.3% over three weeks going into early August 2022. By comparison, the T-104 average posted downward movement of 2.00%.	Published rates reported in early August 2022 were 2.4% lower than the market's Guest-Paid ADR in 2Q 2022. This optimism is below average. By comparison, the T-104 spread was -4.4%.

BRAND LEVEL

Published Rate Integrity	Coverage	Volatility
62nd	70th	66th
Average	Below Average	Elevated
Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Indianapolis, IN has a below average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Indianapolis, IN's top 10 brands are exhibiting elevated volatility with respect to advanced booking pricing movements in the three weeks leading into early August 2022.

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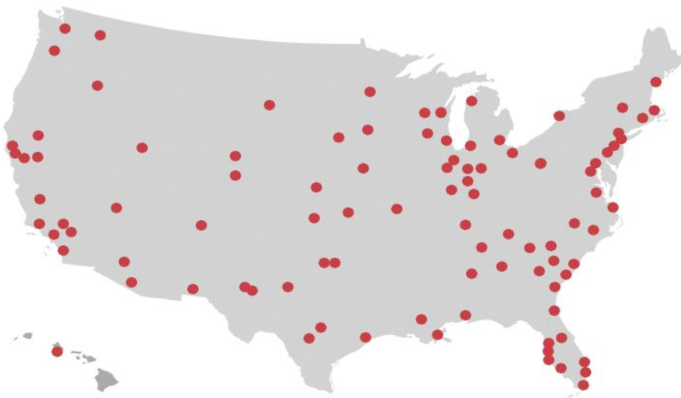
Nsights Hotel Market Reports Coverage



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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Gaming Facilities

Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

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Marinas

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FOR INFORMATION CONTACT:
Bryan Younge MAI, ASA, FRICS
Executive Vice President, Valuation & Advisory, Specialty Practice Leader – Hospitality, Gaming & Leisure
m 773-263-4544
bryan.younge@nmrk.com

CONTACT: GREAT LAKES MARKETS

CONTACT

FOR MORE INFORMATION

Bryan Younge, MAI, ASA, FRICS
Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
m 773-263-4544
bryan.younge@nmrk.com

Laurel Keller, MAI
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Great Lakes Markets
t 216-453-3023
laurel.keller@nmrk.com

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