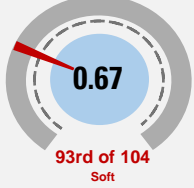


2Q 2022 KANSAS CITY, MO



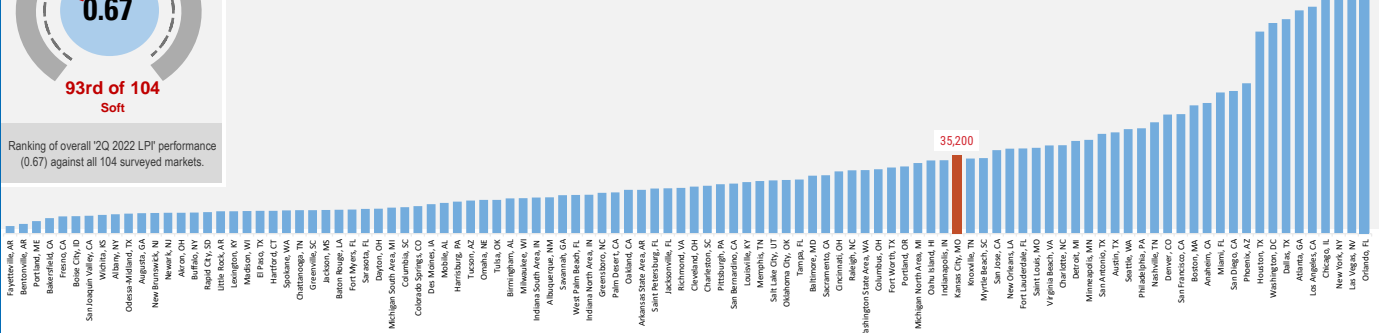
Fundamentals Dashboard

Lodging Performance Index

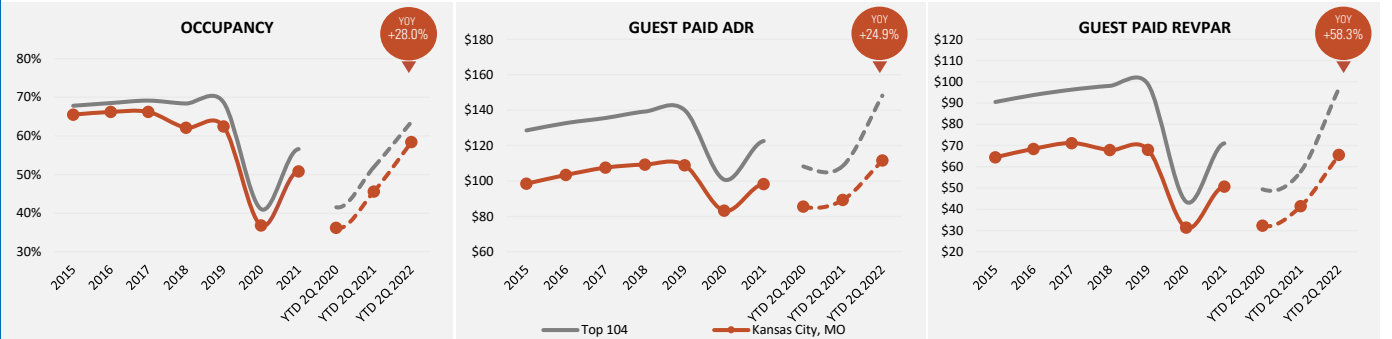


Ranking of overall 2Q 2022 LPI performance (0.67) against all 104 surveyed markets.

ROOM SUPPLY RANKING vs. MAJOR US MARKETS

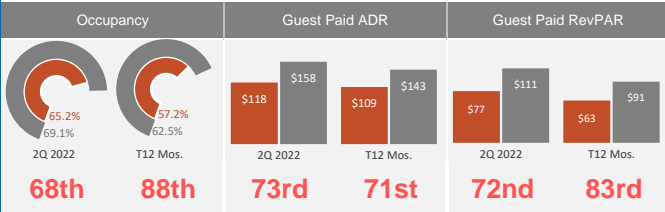


KEY PERFORMANCE METRICS

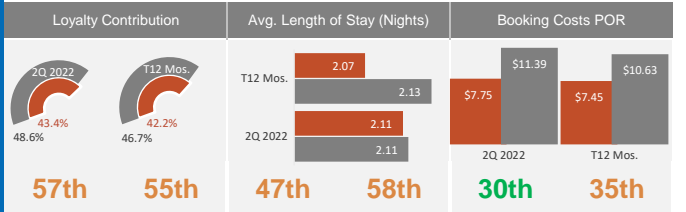


Key Performance Indexes

● Subject Market ● Top 104

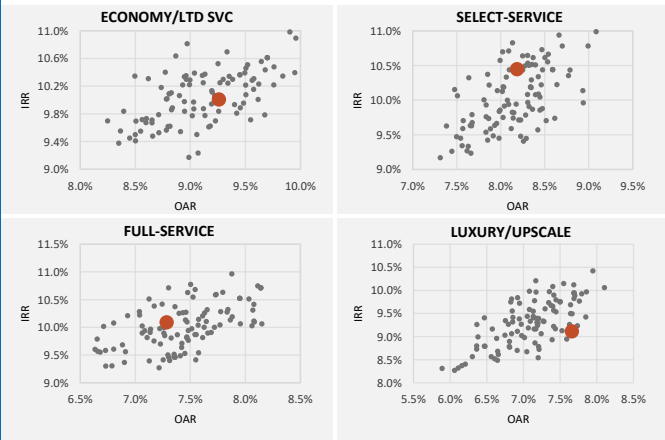


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

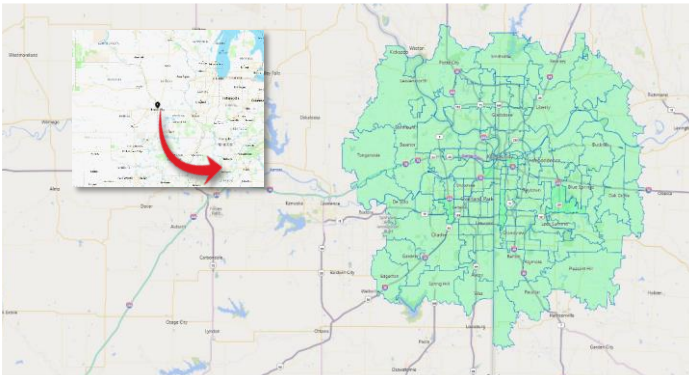


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information
 Municipal Name: Kansas City
 County: Cass County, Clay County, Jackson County, and others
 State: Missouri
 Geo Coordinates (market center): 39.12516, -94.55031

Major Hotel Demand Generators
 Corner Corp. | HCA Midwest Health System | The University of Kansas Hospital | Saint Luke's Health System | Ford Motor Co. | Children's Mercy Hospital & Clinics | Sprint Corp. | DST Systems Inc. | General Motors Corp. | Garmin International Inc. | Black & Veatch LLP | Home Depot | Truman Medical Center | Research Medical Center | United Parcel Service Inc. | Honeywell Inc. | Hallmark Cards Inc. | Burns & McDonnell | Olathe Health System Inc. | BNSF Railway Co.

Metrics and Ranking
 Population (hotel market area): 1,762,726
 Income per Capita: \$50,136
 Feeder Group Size: 87.6 Persons PSR
 Feeder Group Earnings: \$4,391,586 PSR
 Total Market COPE: \$802.9 million

Rankings
 29th of 104 (Above Average)
 44th of 104 (Average)
 63rd of 104 (Average)
 66th of 104 (Below Average)
 44th of 104 (Average)

Source: US Census Bureau, Dept. of Labor Statistics

Key Performance Metrics

YEAR ENDING	Occ %	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
		ADR	RevPAR	ADR	RevPAR						
2015	65.5%	\$98.46	\$64.50	\$90.95	\$59.58	\$7.52	92.4%	47.2%	2.04	31,520	0.91
2016	66.2%	\$103.41	\$68.47	\$95.35	\$63.14	\$8.05	92.2%	49.3%	1.98	31,950	0.89
2017	66.2%	\$107.53	\$71.20	\$98.83	\$65.44	\$8.69	91.9%	51.4%	1.95	31,910	1.07
2018	62.1%	\$109.27	\$67.89	\$100.59	\$62.50	\$8.69	92.1%	54.1%	1.89	31,990	0.65
2019	62.5%	\$108.91	\$68.06	\$100.22	\$62.63	\$8.70	92.0%	58.0%	1.89	34,140	0.81
2020	36.8%	\$83.18	\$31.30	\$77.67	\$28.59	\$5.50	93.4%	40.0%	2.14	34,430	0.58
2021	50.8%	\$98.18	\$50.64	\$91.28	\$46.34	\$6.90	93.0%	40.7%	2.04	35,070	0.56
CAGR: 2015 thru 2021	-4.2%	0.0%	-4.0%	0.1%	-4.1%	-1.4%	0.1%	-2.4%	0.0%	1.8%	-7.8%
YTD 2Q 2020	36.2%	\$85.45	\$32.28	\$79.81	\$30.13	\$5.63	93.4%	41.0%	2.11	33,880	0.61
YTD 2Q 2021	45.6%	\$89.28	\$41.39	\$83.04	\$38.50	\$6.23	93.0%	39.8%	2.07	34,640	0.60
YTD 2Q 2022	58.4%	\$111.54	\$65.53	\$104.20	\$61.22	\$7.35	93.4%	42.8%	2.12	34,920	0.67
% Change	28.0%	24.9%	58.3%	25.5%	59.0%	17.8%	0.4%	7.4%	2.7%	0.8%	10.7%

Data provided by: kalibri LABS

Notable Metrics

HIGHEST	Latest-Quarter Booking Costs POR	Total Rooms Supply	T12-Month COPE ADR Percentage
	30th Above Average Kansas City, MO enjoyed low latest-quarter booking costs POR (\$7.75)	32nd Above Average The market benefits from a large and diverse hotel market (35,212)	32nd Above Average The market also benefited from strong T12-month COPE ADR percentage (93.2%)
LOWEST	Latest-Quarter LPI	OAR: Luxury/Upscale	T12-Month Occupancy
	93rd Soft This market posted weak latest-quarter LPI (0.67)	89th Unfavorable The market exhibited unfavorable OAR metrics in the luxury/upscale segment (7.7%)	88th Below Average Kansas City, MO also has been hindered by weak T12-month occupancy (57.2%)

Notable Trends

FASTEST	Short-Term Historical Occupancy Growth	Short-Term Historical Supply Growth	Long-Term Historical Booking Costs POR Growth
	25th Above Average Kansas City, MO has benefited from strong short-term historical occupancy growth (3.8%)	27th Above Average The market has benefited from low short-term historical supply growth (2.3%)	34th Above Average The market also has benefited from low long-term historical booking costs POR growth (1.8%)
SLOWEST	Overall Health of Hotel Market	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth
	91st Soft The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	91st Soft We note this area has been hindered by weak short-term historical loyalty contribution growth (0.6%)	89th Below Average Kansas City, MO also has been hindered by weak long-term historical loyalty contribution growth (2.7%)

Market Performance Stage



Kansas City, MO: Absorption Stage

The Kansas City, MO 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 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; Minneapolis, MN; and Portland, OR.

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.

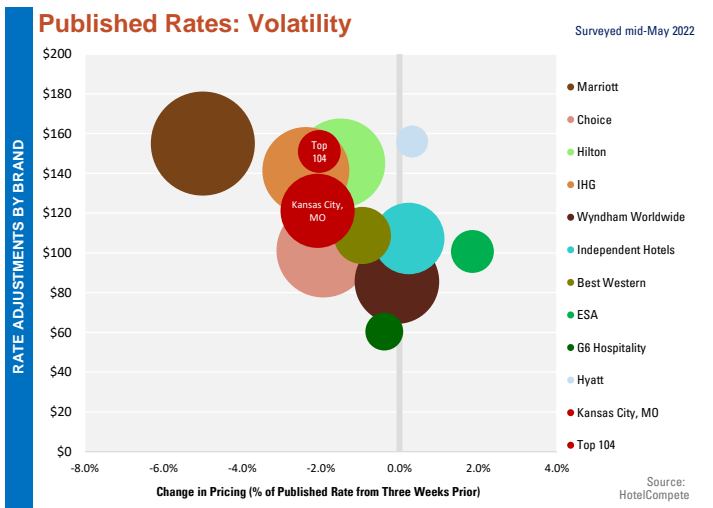
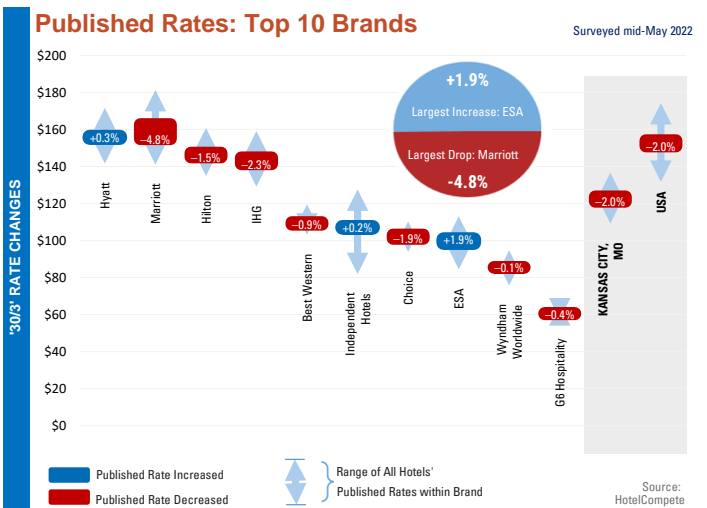
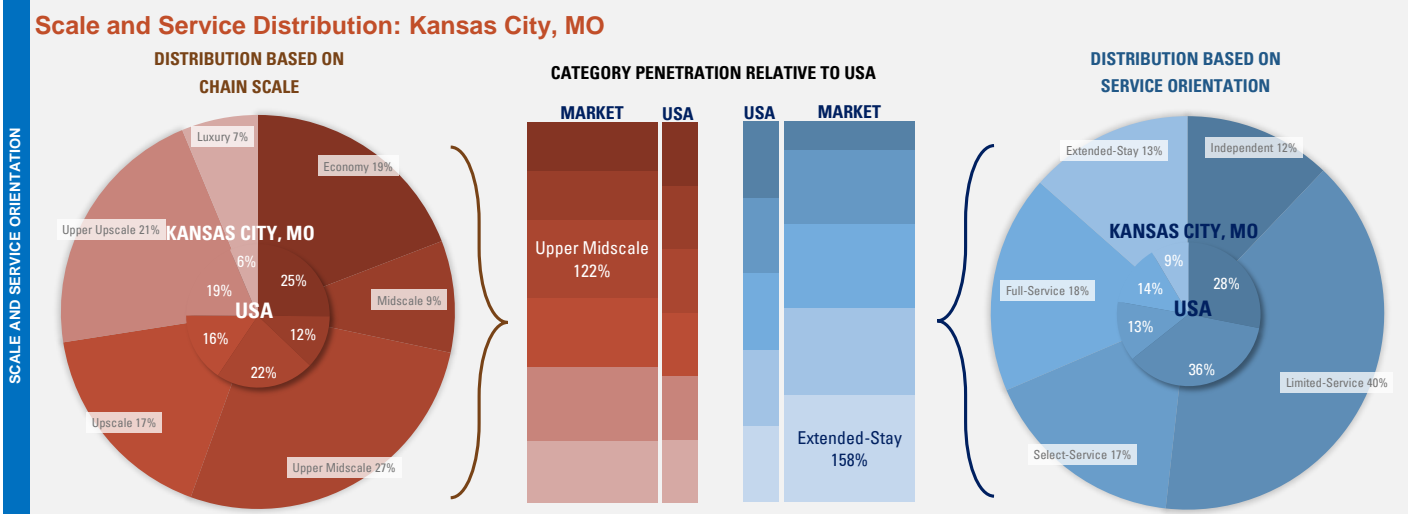
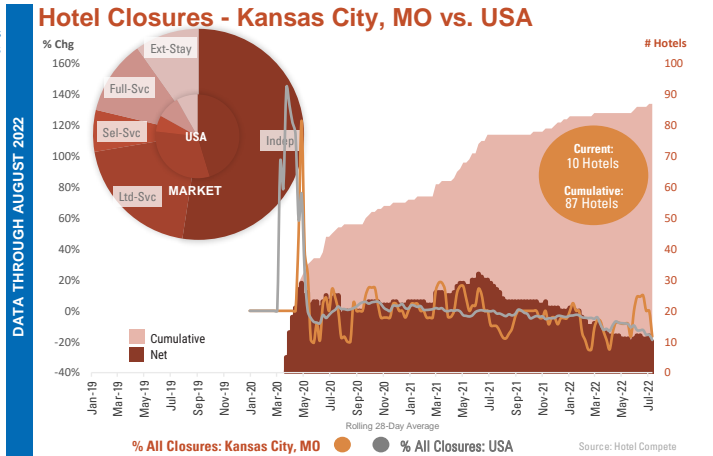
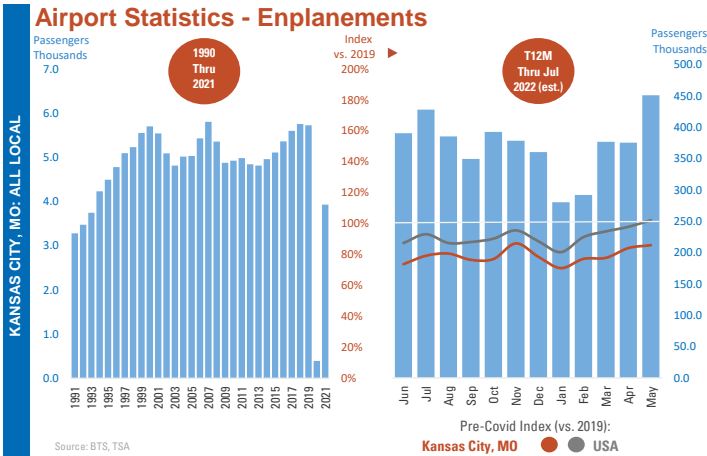
Expansion: In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that is approaching a 'post' pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Atlanta, GA; and Austin, TX.

Industry Observations

Business Cycle: Employment Growth (2 yr): -2.0%
Risk Exposure (402 US markets): 59th Percentile: Average Risk
Key Industry Notes: Financial center, high tech
 Transportation network
 Educated workforce
 Low costs of doing business
 Limited growth in CBD

Moody's Rating
Aa2
 Investment Grade
 Long-term investment grade, Prime-1 short-term outlook





Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	87th Below Average	47th Average	67th Below Average
	The 30-day advanced published rate for the market was a somewhat conservative \$121.12, ranking 87th out of 104 markets. (Guest-Paid ADR ranked a somewhat conservative 73rd at \$111.54 in 2Q 2022.)	Published rates have recently been moving downward, decreasing by a noticeable 2.0% 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 2.7% higher than the market's Guest-Paid ADR in 2Q 2022. This optimism is below average. By comparison, the T-104 spread was -4.4%.

Published Rate Observations: Brand Level

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	57th Average	81st Below Average	6th Very Low
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Kansas City, MO has a below average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Kansas City, MO's top 10 brands are exhibiting very low volatility with respect to advanced booking pricing movements in the three weeks leading into early August 2022.

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	Salt Lake City, UT
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

Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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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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