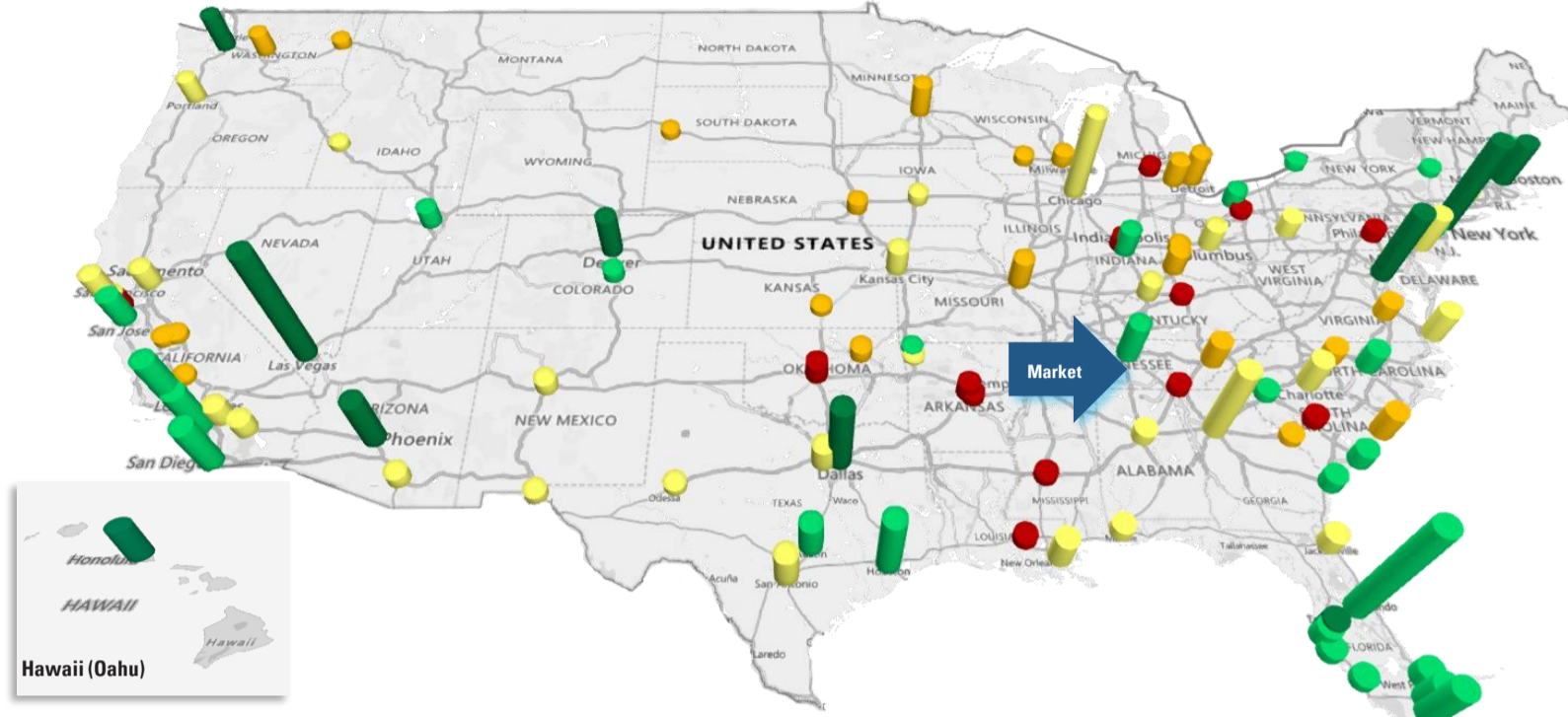


Lodging Performance Index Snapshot

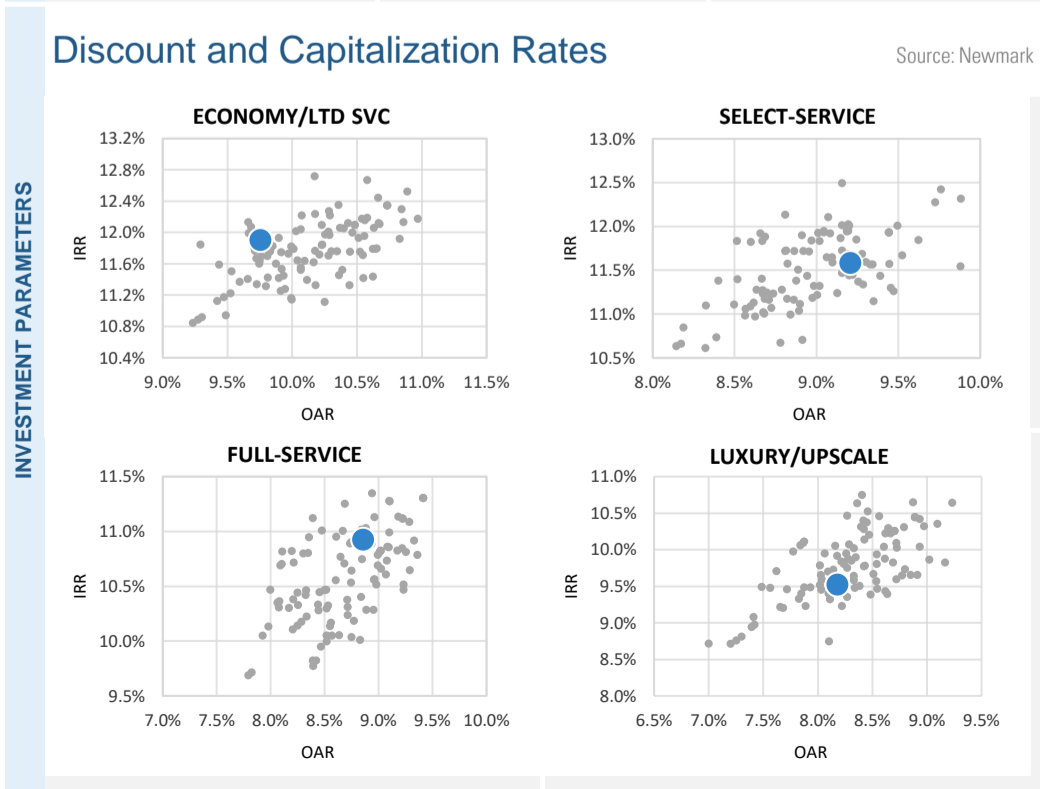
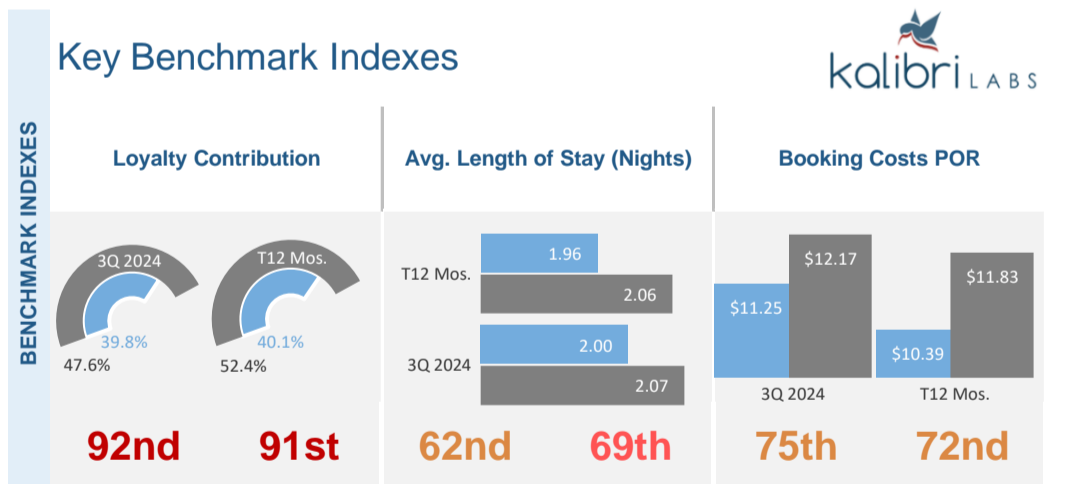
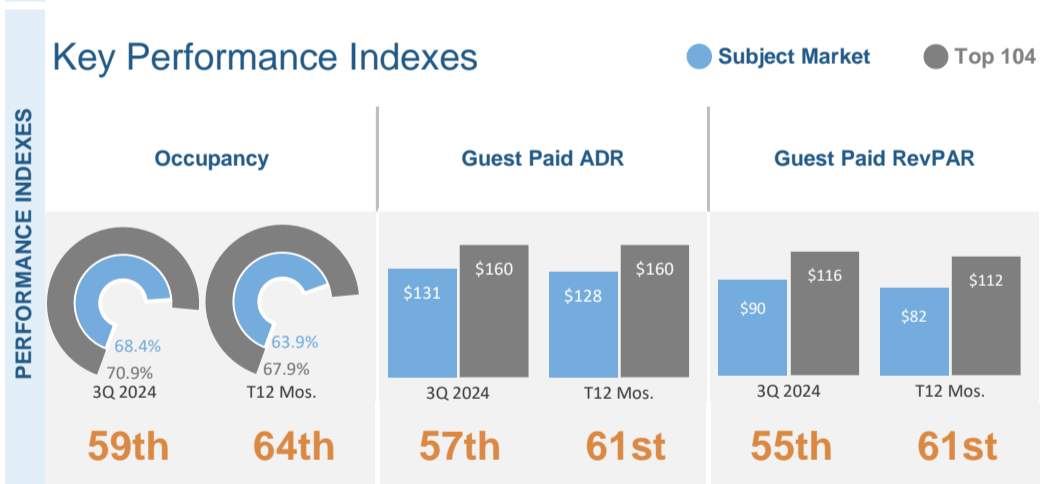
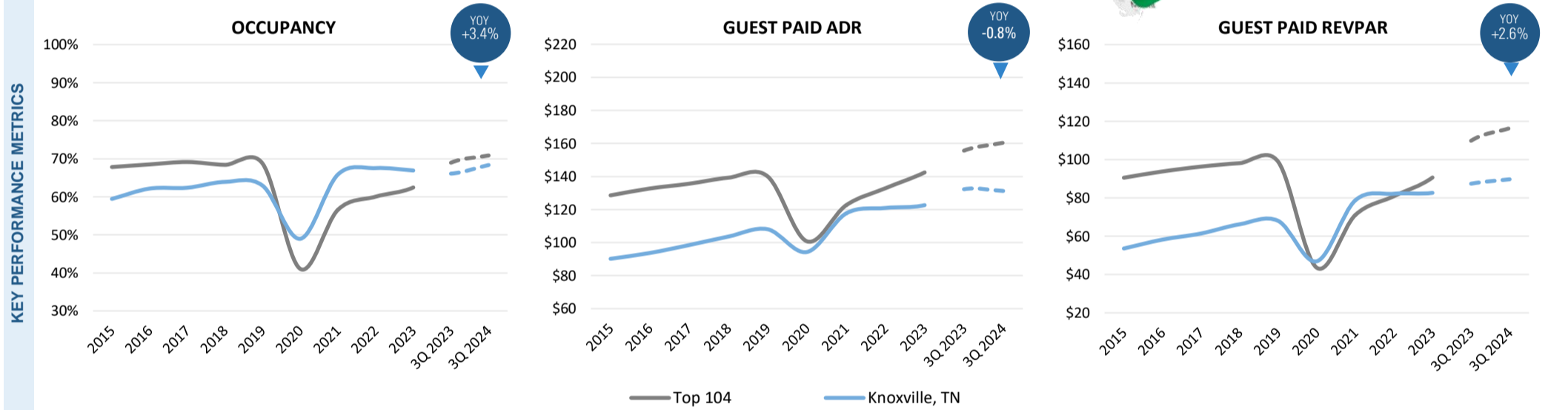


LODGING PERFORMANCE INDEX
Knoxville, TN

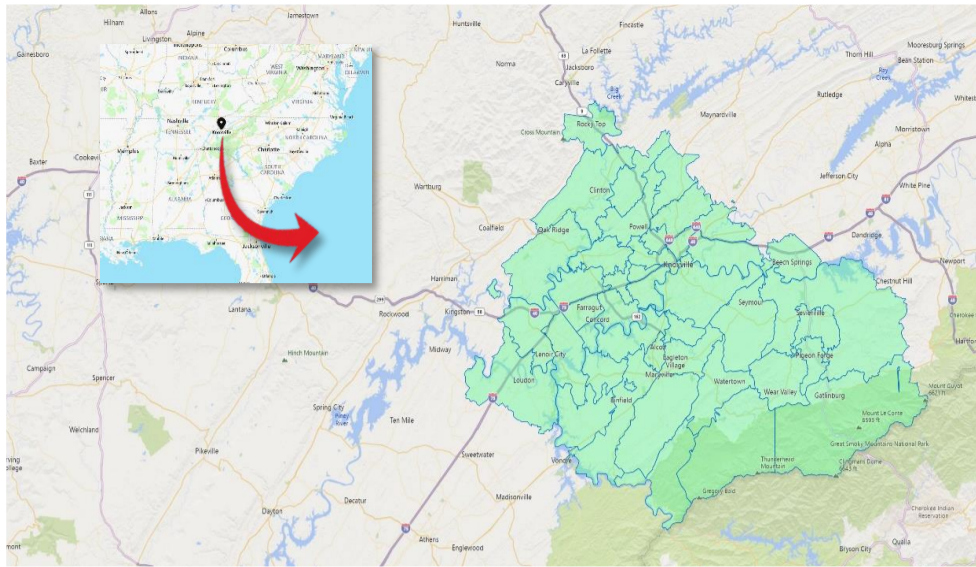
0.78

80th of 104
Below Average

Ranking of overall '3Q 2024 LPI' performance (0.78) against all 104 surveyed markets.



Location



Quick Facts

Jurisdictional Information Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name: Knoxville
 County: Knox County
 State: Tennessee
 Geo Coordinates (market center): 35.96064, -83.92074

Major Hotel Demand Generators

Covenant Health | University of Tennessee | Wal-Mart Stores Inc. | University Health System | Oak Ridge National Laboratory | Tennova Healthcare | Dollywood Co. | DENSO Mfg. Tennessee | K-VA-T Food Stores | Clayton Homes Inc. | The Kroger Co. | McDonald's Corp. | Blount Memorial Hospital | Team Health Holdings | East Tennessee Children's Hospital | Walgreens | Yum! Brands RSC | Pilot Flying J | Roark Capital Group | McGhee Tyson Air National Guard Base

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	669,734	72nd of 104 (Below Average)
Income per Capita	\$36,331	92nd of 104 (Soft)
Feeder Group Size	30.6 Persons PSR	7th of 104 (Strong)
Feeder Group Earnings	\$1,113,370 PSR	5th of 104 (Strong)
Total Market Hotel Revenues	\$1.0 billion	37th of 104 (Average)

Key Performance Metrics

Data provided by: **kalibri** LABS

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	59.4%	\$90.16	\$53.59	\$83.88	\$49.85	\$6.28	93.0%	43.7%	1.86	31,140	0.43
2016	62.2%	\$93.68	\$58.23	\$86.89	\$54.00	\$6.79	92.8%	44.6%	1.89	31,310	0.76
2017	62.4%	\$98.46	\$61.41	\$90.90	\$56.70	\$7.55	92.3%	49.0%	1.84	31,560	0.76
2018	63.9%	\$103.62	\$66.22	\$95.63	\$61.12	\$7.99	92.3%	53.0%	1.87	31,850	0.81
2019	62.9%	\$108.06	\$68.00	\$99.52	\$62.62	\$8.54	92.1%	58.7%	1.84	35,150	0.81
2020	49.0%	\$94.26	\$46.92	\$86.13	\$42.17	\$8.13	91.4%	30.8%	1.95	34,760	1.10
2021	65.9%	\$117.62	\$78.73	\$107.43	\$70.75	\$10.19	91.3%	31.2%	1.94	34,970	1.29
2022	67.5%	\$120.94	\$82.16	\$110.67	\$74.75	\$10.27	91.5%	31.1%	1.96	35,070	1.15
2023	66.9%	\$122.65	\$82.63	\$112.49	\$75.27	\$10.16	91.7%	31.0%	1.97	35,220	0.76
CAGR: 2015 thru 2023	1.5%	3.9%	5.6%	3.7%	5.3%	6.2%	-0.2%	-4.2%	0.7%	1.6%	7.5%
3Q 2023	66.1%	\$132.26	\$87.40	\$121.68	\$80.41	\$10.59	92.0%	37.4%	1.96	35,060	0.96
3Q 2024	68.4%	\$131.24	\$89.71	\$119.99	\$82.02	\$11.25	91.4%	39.8%	2.00	35,660	0.78

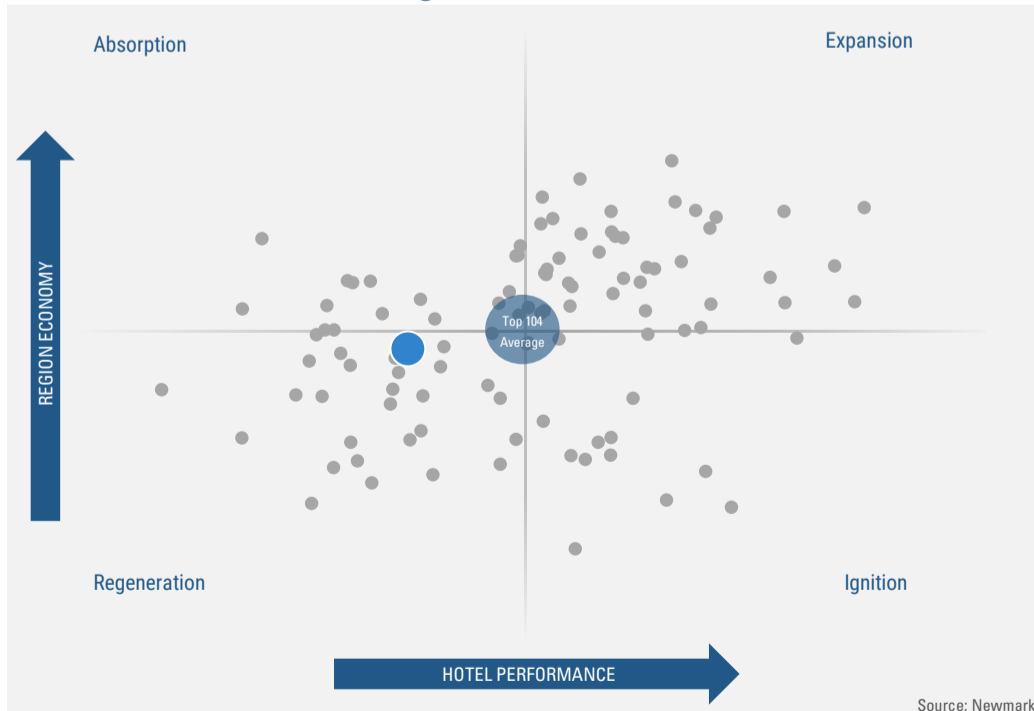
Notable Metrics

	Feeder Group Earnings per sold room	Feeder Group Size	OAR: Economy/Ltd Svc
HIGHEST	5th Strong Knoxville, TN posted strong feeder group earnings per sold room (\$1,113,370)	7th Strong The market required a small feeder group size (30.65 Persons)	22nd Favorable The market also exhibited favorable OAR metrics in the economy/ltd svc segment (9.8%)
LOWEST	100th Soft This market has been hampered by weak T12-month COPE ADR percentage (91.9%)	99th Soft The market exhibited a low ratio of marketwide per-capita income per room (\$494,628)	98th Soft Knoxville, TN also posted a low ratio of feeder population per room (13.61)

Notable Trends

	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	Long-Term Historical LPI Growth
STRONGEST	4th Strong Knoxville, TN enjoyed strong short-term historical loyalty contribution growth (6.5%)	5th Strong The market exhibited strong long-term historical loyalty contribution growth (5.9%)	7th Strong The market also enjoyed strong long-term historical LPI growth (7.1%)
WEAKEST	102nd Soft The market has been impeded by high short-term historical growth in booking costs (5.8%)	102nd Soft We note this area exhibited high long-term historical booking costs POR growth (6.2%)	88th Below Average Knoxville, TN also has been hindered by high rooms supply growth over the last 12 months (1.7%)

Market Performance Stage



Knoxville, TN: Regeneration Stage

The Knoxville, TN market is currently in the 'Regeneration' stage of the performance cycle. In this 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 Michigan North Area, MI.

Other Stages:

- 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.
- Absorption:** In the 'Absorption' 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 .
- 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.

Industry Observations

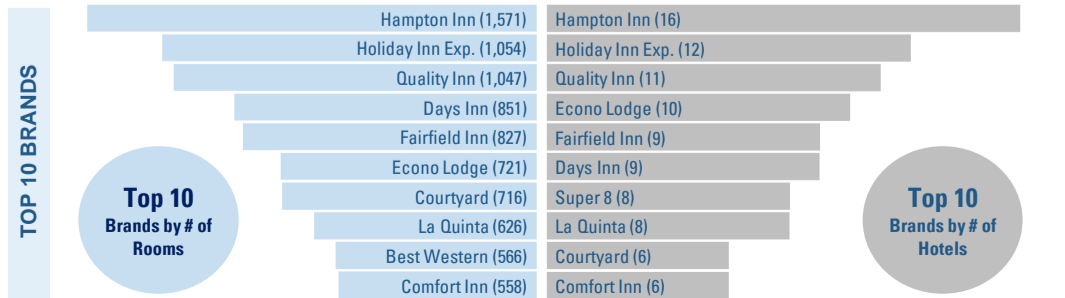
MOODY'S ANALYTICS

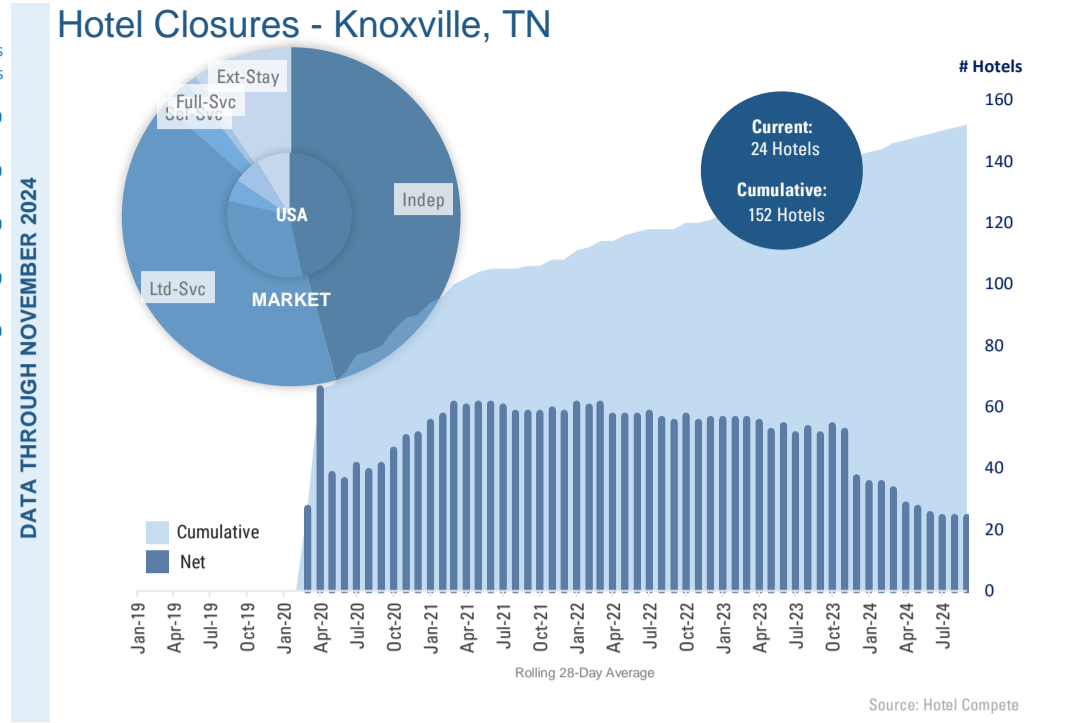
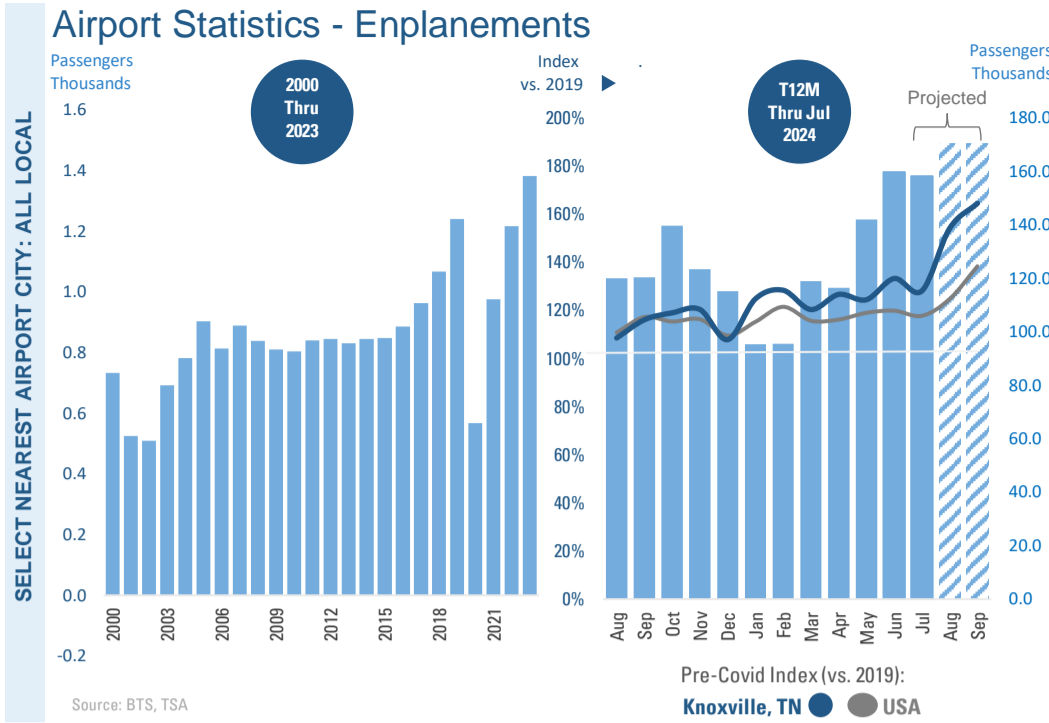
Business Cycle: **Mid Expansion**
 Employment Growth (2 yr): **0.8%**
 Risk Exposure (402 US markets): **27th Percentile: Below Average**
 Key Industry Notes: Favorable business climate, Positive net migration, Value-adding manufacturing, Vulnerable to state budget cuts, Low per capita income

Moody's Rating

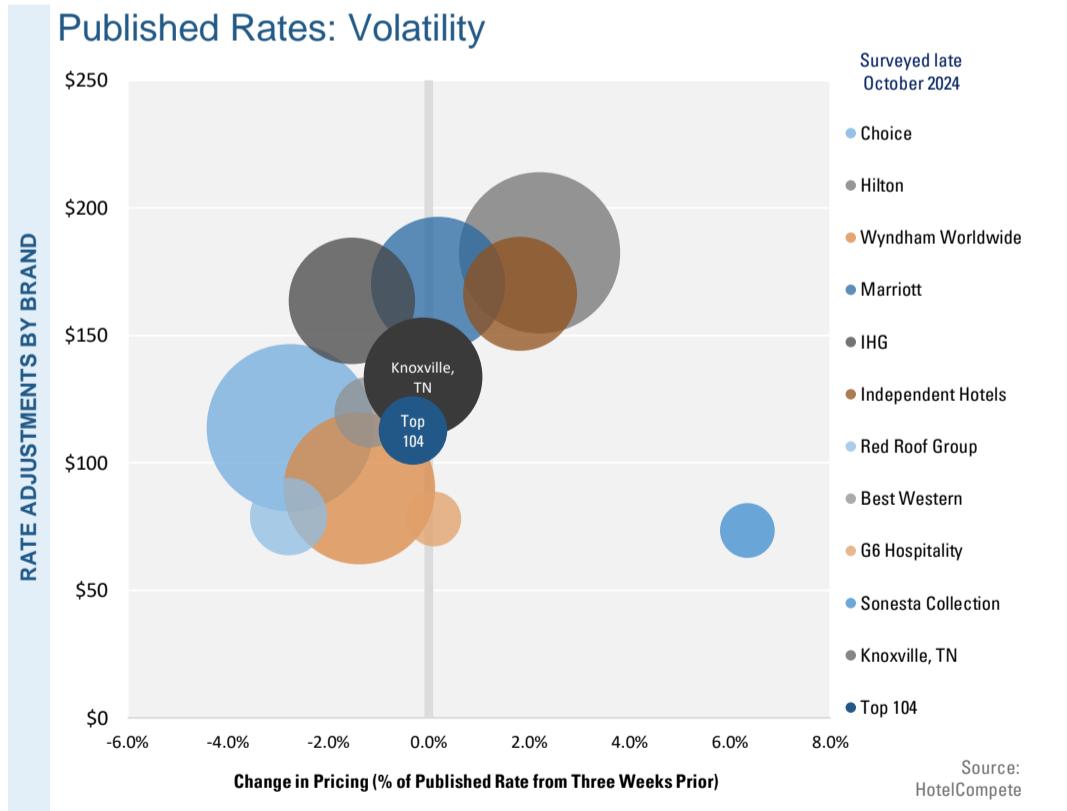
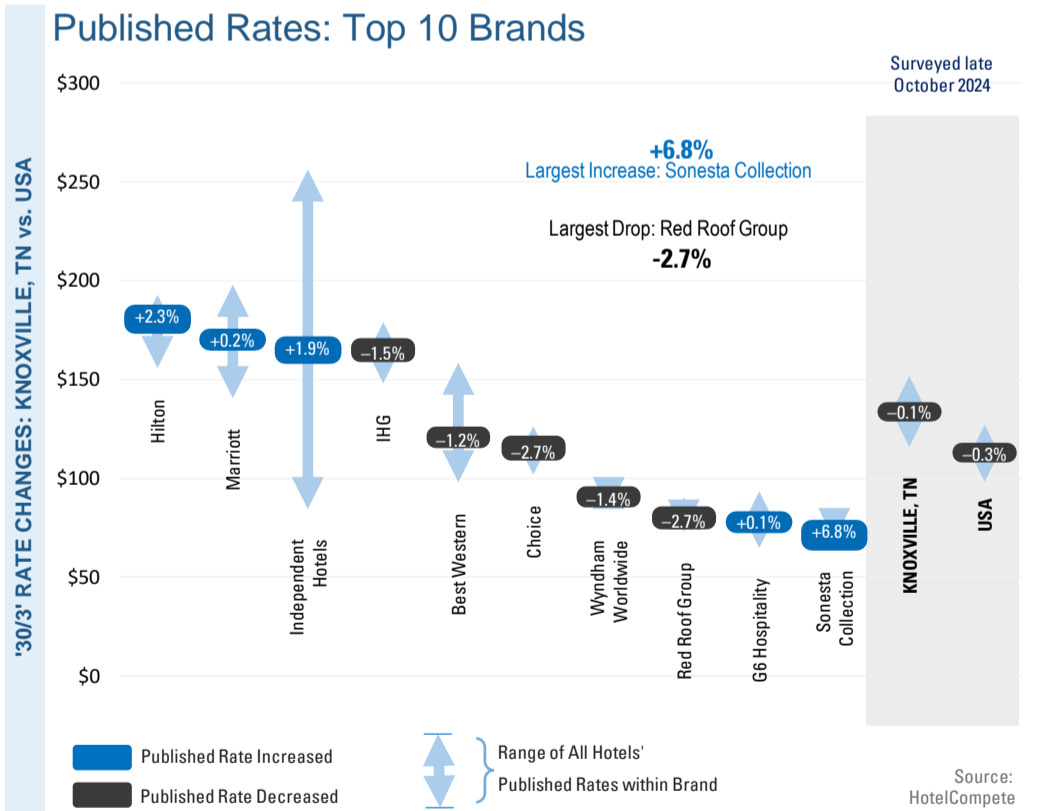
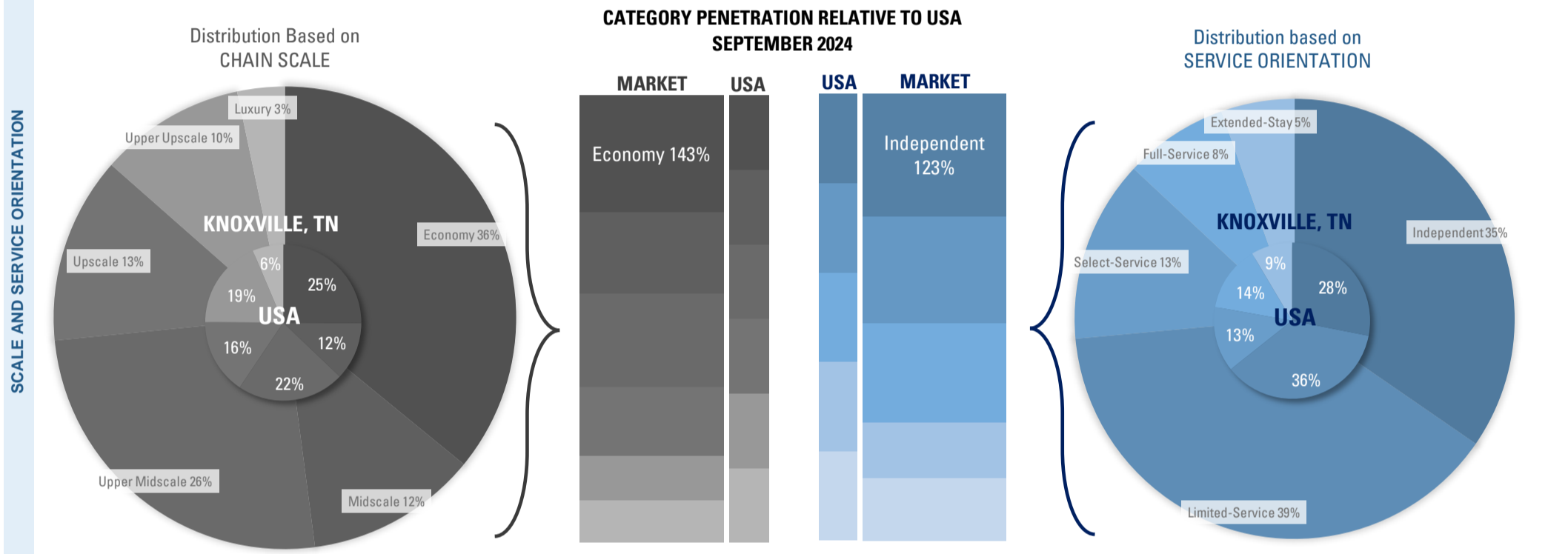
Aa1
Investment Grade

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

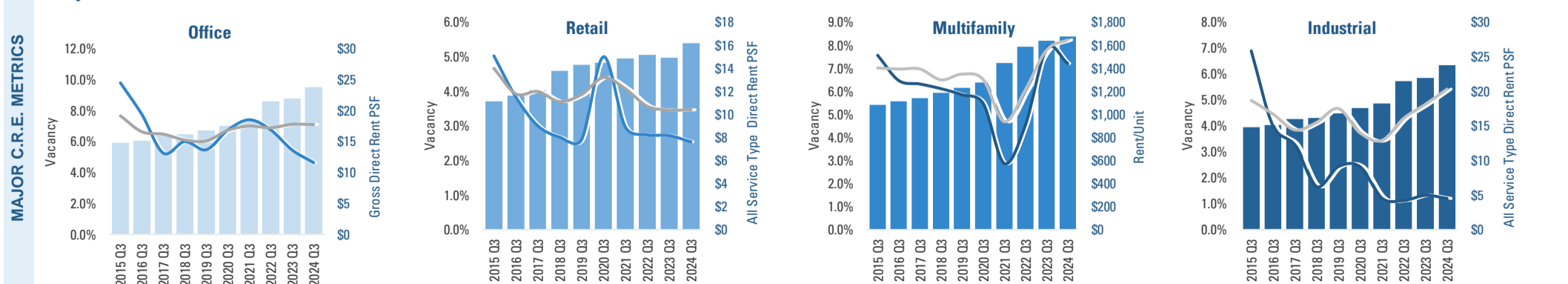




Scale and Service Distribution: Knoxville, TN



Major CRE Market Performance



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

Our Hospitality, Gaming & Leisure practice is focused exclusively on providing superior valuation and consulting services for a broad range of hotels, casinos and leisure properties. Our team takes a holistic, consultative approach that goes far beyond the physical asset, analyzing every aspect of a property's business and real estate operations to identify all areas of value for owners and investors.

Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

Hotels and Resorts
Gaming Facilities
Stadiums, Sports & Entertainment Facilities

Conference, Expo and Convention Centers
Golf Courses
Marinas

Ski and Village Resorts
Water Parks, Amusement Parks and Attractions

Our core disciplines and expert subject areas include:

Economic Impact
 We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

Feasibility
 We take feasibility studies to the next level, combining market knowledge with expert economic impact analysis and acumen in cash-on-cash, ROI and other metrics.

Financial Reporting
 Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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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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