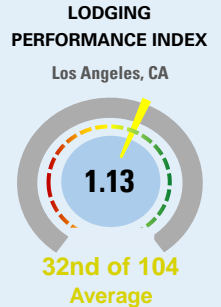
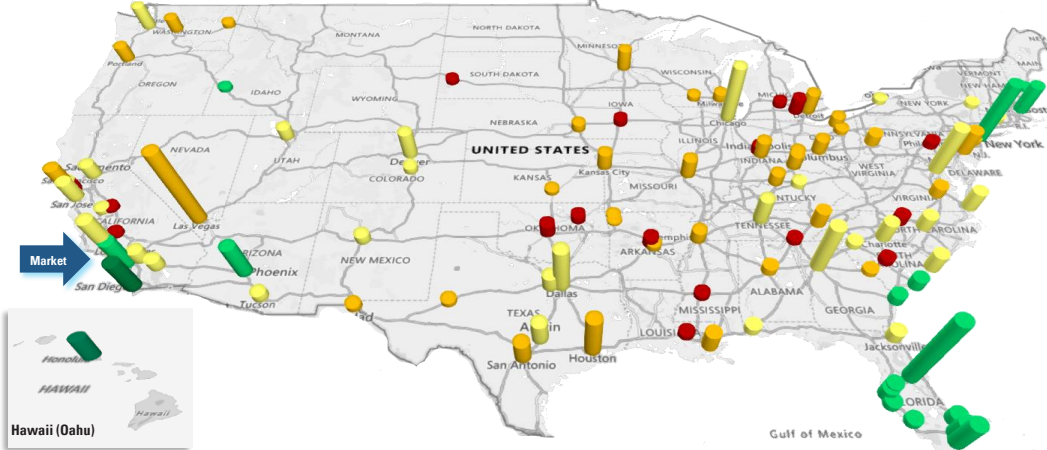


# 2Q 2023 LOS ANGELES, CA



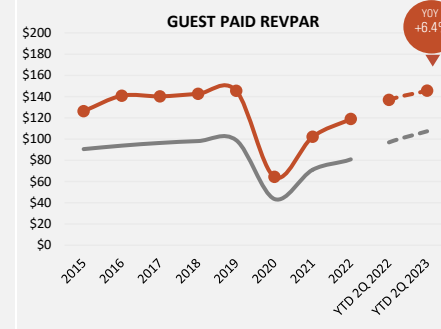
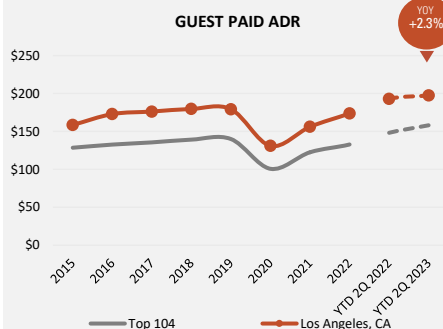
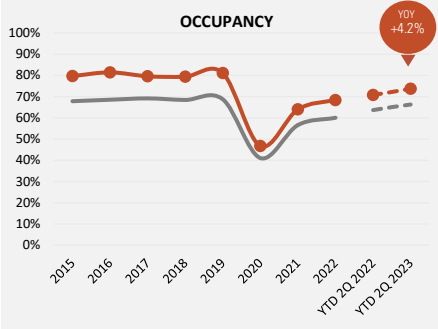
## Lodging Performance Index Snapshot



Ranking of overall '2Q 2023 LPI' performance (1.13) against all 104 surveyed markets.

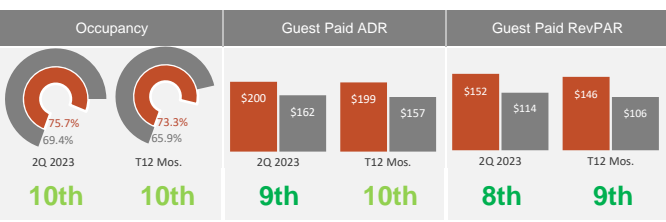
LODGING PERFORMANCE INDEX

KEY PERFORMANCE METRICS



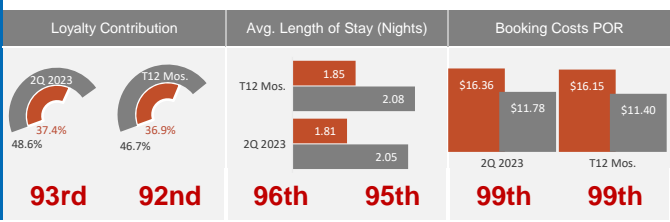
PERFORMANCE INDEXES

### Key Performance Indexes



BENCHMARK INDEXES

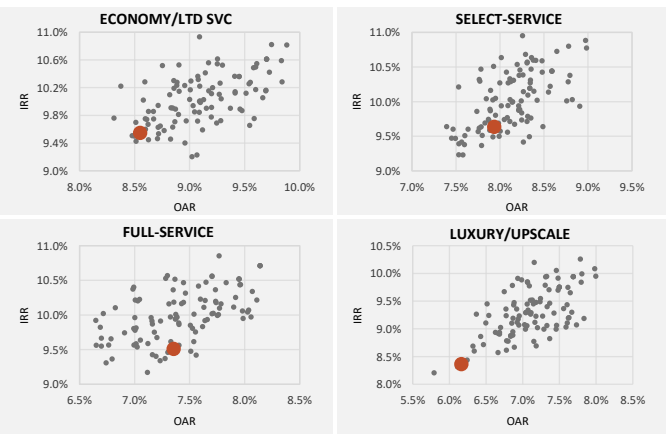
### Key Benchmark Indexes



INVESTMENT PARAMETERS

### Discount and Capitalization Rates

Source: Newmark



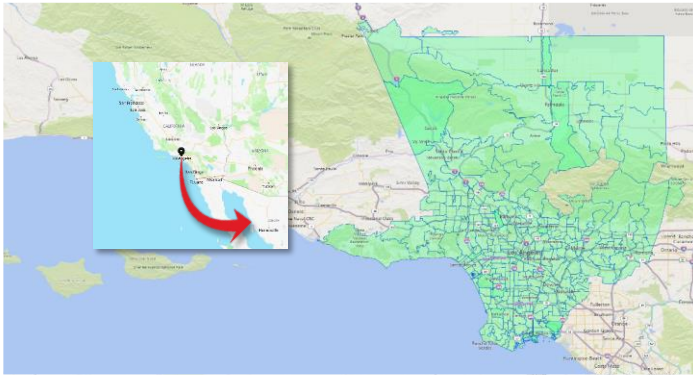
FUNDAMENTALS

### Trends and Risks

Source: Kalibri Labs, Newmark

Category	Rank	Description
Revenue Stability	90th Soft	Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets
Supplier Power Trend	93rd Soft	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months
Investment Yields	8th Strong	Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets
Supply Risk	82nd Below Average	Assessment of market supply growth over past 12 months relative to Top 104 markets
Labor Risk	27th Above Average	Measure of current employment health over past two years relative to Top 104 markets
Macro-Fiscal Risk	95th Low Risk	Assessment of health and diversity of lodging demand generators relative to Top 104 markets

Location



Quick Facts

<b>Jurisdictional Information</b>		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Los Angeles	
County:	Los Angeles County	
State:	California	
Geo Coordinates (market center):	34.05223, -118.24368	
<b>Major Hotel Demand Generators</b>		
University of California Los Angeles   Kaiser Permanente   University of Southern California   Northrop Grumman Corp.   Providence Health Systems   Target Brands Inc.   The Kroger Co.   The Boeing Co.   The Walt Disney Co.   Albertsons/Vons/Pavilions   Bank of America Corp.   Cedars-Sinai Medical Center   NBC Universal   AT&T   The Home Depot U.S.A. Inc.   Wells Fargo & Co.   ABM Industries Inc.   California Institute of Technology   Wonderful Co.   FedEx Corp.		
<b>Metrics and Ranking</b>		<b>Measurements</b>
Population (hotel market area)	8,944,687	
Income per Capita	\$54,501	
Feeder Group Size	115.1 Persons PSR	
Feeder Group Earnings	\$6,274,692 PSR	
Total Market COPE	\$5.6 billion	
		<b>Rankings</b>
		1st of 104 (Very Large)
		31st of 104 (Above Average)
		90th of 104 (Soft)
		92nd of 104 (Soft)
		3rd of 104 (Very Strong)

Key Performance Metrics

Data provided by: **kalibri LABS**

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	79.7%	\$158.53	\$126.27	\$145.10	\$115.58	\$13.43	91.5%	40.0%	2.10	98,510	1.54
2016	81.4%	\$172.92	\$140.76	\$157.93	\$128.56	\$14.99	91.3%	42.4%	2.07	98,910	1.54
2017	79.6%	\$176.23	\$140.19	\$160.48	\$127.66	\$15.75	91.1%	44.4%	1.98	101,880	1.21
2018	79.4%	\$179.67	\$142.60	\$164.06	\$130.21	\$15.61	91.3%	46.6%	1.94	105,600	1.39
2019	81.0%	\$179.35	\$145.34	\$163.68	\$132.64	\$15.67	91.3%	50.6%	1.87	105,590	1.26
2020	46.7%	\$130.99	\$64.24	\$121.05	\$56.56	\$9.93	92.4%	27.7%	2.17	103,870	1.17
2021	63.9%	\$156.12	\$102.00	\$143.34	\$91.65	\$12.79	91.8%	30.9%	2.08	104,910	1.18
2022	68.3%	\$173.73	\$118.90	\$159.70	\$109.15	\$14.03	91.9%	32.3%	2.00	105,630	1.16
CAGR: 2015 thru 2022	-2.2%	1.3%	-0.9%	1.4%	-0.8%	0.6%	0.1%	-3.0%	-0.7%	1.0%	-3.9%
YTD 2Q 2022	70.7%	\$192.99	\$136.73	\$178.00	\$126.09	\$14.99	92.2%	34.3%	1.97	106,150	1.12
YTD 2Q 2023	73.7%	\$197.39	\$145.50	\$181.69	\$133.91	\$15.70	92.0%	37.7%	1.84	104,670	1.13
% Change	4.2%	2.3%	6.4%	2.1%	6.2%	4.7%	-0.2%	10.0%	-6.6%	-1.4%	0.8%

Notable Metrics

HIGHEST	Total Rooms Sold	OAR: Luxury/Upscale	Latest-Quarter Guest Paid RevPAR
	<b>3rd</b> Very Strong Los Angeles, CA boasted strong total rooms sold (28,357,641)	<b>3rd</b> Highly Favorable The market exhibited favorable OAR metrics in the luxury/upscale segment (6.2%)	<b>8th</b> Strong The market also benefited from strong latest-quarter Guest Paid RevPAR (\$151.67)
LOWEST	T12-Month COPE ADR Percentage	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR
	<b>100th</b> Soft This market has been hampered by weak T12-month COPE ADR percentage (91.9%)	<b>99th</b> Soft The market was burdened by high T12-month booking costs POR (\$16.15)	<b>99th</b> Soft Los Angeles, CA also has been burdened by high latest-quarter booking costs (\$16.36)

Notable Trends

FASTEST	Short-Term Historical Loyalty Contribution Growth	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Loyalty Contribution Growth
	<b>14th</b> Above Average Los Angeles, CA enjoyed strong short-term historical loyalty contribution growth (4.2%)	<b>21st</b> Above Average The market enjoyed low short-term historical growth in booking costs (1.6%)	<b>23rd</b> Above Average The market also exhibited strong long-term historical loyalty contribution growth (4.7%)
SLOWEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Average Length of Stay Growth	Short-Term Historical LPI Growth
	<b>98th</b> Soft The market exhibited weak long-term historical average length of stay growth (-1.4%)	<b>97th</b> Soft We note this area exhibited weak short-term historical average length of stay growth (-0.8%)	<b>93rd</b> Soft Los Angeles, CA also has been hampered by weak short-term historical LPI growth (-5.4%)

Market Performance Stage



Los Angeles, CA: Expansion Stage

The Los Angeles, CA 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 by lingering 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 Detroit, MI; Houston, TX; and New Orleans, LA.

**Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. 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; Knoxville, TN; and Miami, FL.

**Absorption:** In the 'Absorption' 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; Kansas City, MO; and Las Vegas, NV.

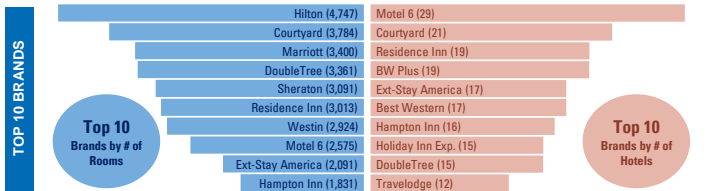
Industry Observations

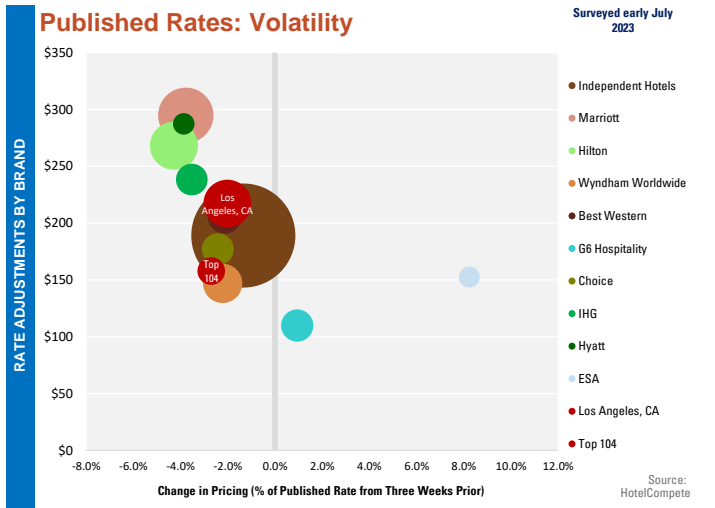
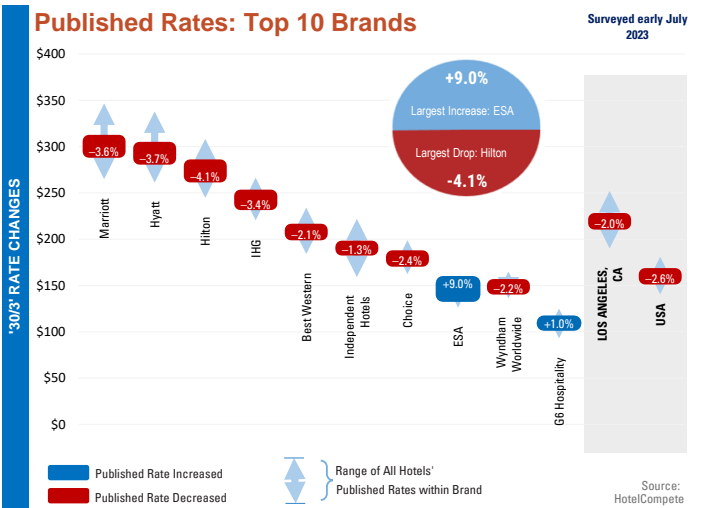
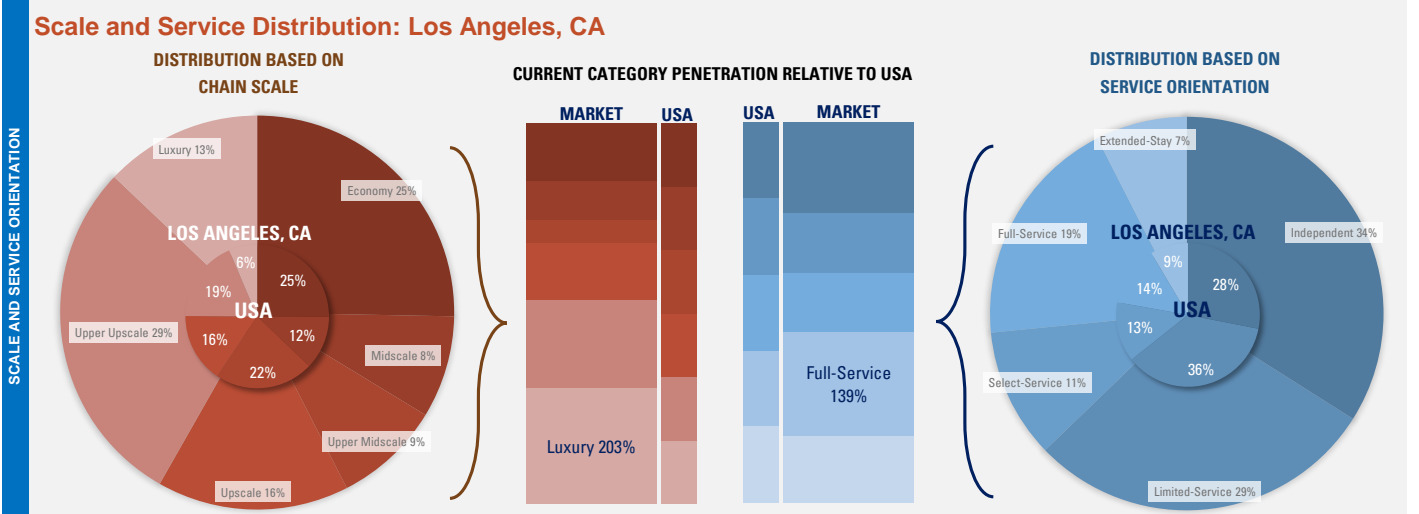
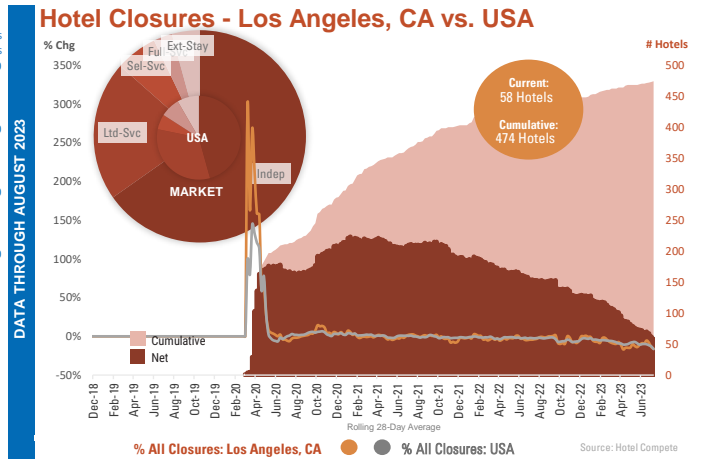
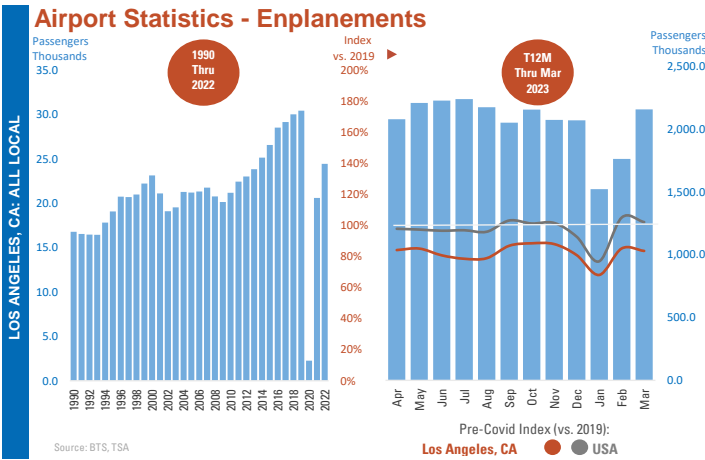
**Business Cycle:** In Recovery  
**Employment Growth (2 yr):** -3.0%  
**Risk Exposure (402 US markets):** 45th Percentile: Average Risk  
**Key Industry Notes:** High tech, tourism; Strong healthcare base; Global links through tourism; Deep Sea Pedro Harbor; Prone to natural disasters

**Moody's Rating**

**Aa1**  
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
	<b>9th</b> Strong	<b>35th</b> Average	<b>54th</b> Average
	The 30-day advanced published rate for the market was an aggressive \$217.14, ranking 9th out of 104 markets. (Guest-Paid ADR ranked an aggressive 9th at \$197.39 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 2.0% over three weeks going into early July 2023. By comparison, the T-104 average posted downward movement of 2.63%.	Published rates reported in early July 2023 were 8.4% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is average. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	<b>58th</b> Average	<b>10th</b> Above Average	<b>53rd</b> Moderate
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Los Angeles, CA has an above average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Los Angeles, CA's top 10 brands are exhibiting moderate volatility with respect to advanced booking pricing movements in the three weeks leading into early July 2023.

# 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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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
- Conference, Expo and Convention Centers
- Ski and Village Resorts
- Gaming Facilities
- Water Parks, Amusement Parks and Attractions
- Arenas, Stadiums and Sports Facilities
- Golf Courses
- Marinas

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.
- Litigation**  
Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.
- 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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