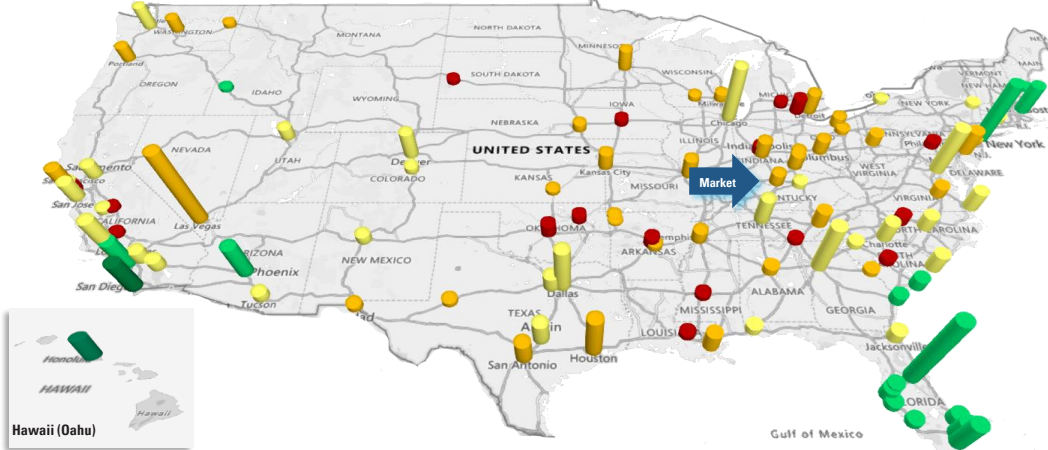


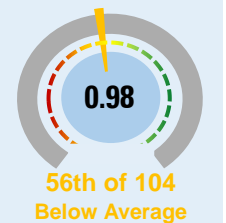
2Q 2023 LOUISVILLE, KY



Lodging Performance Index Snapshot



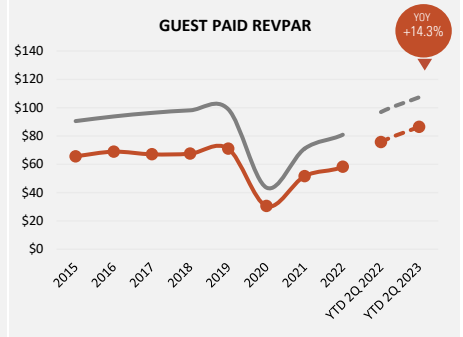
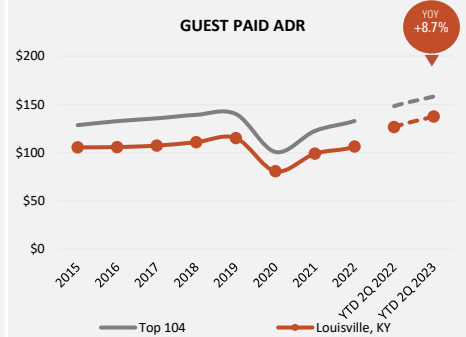
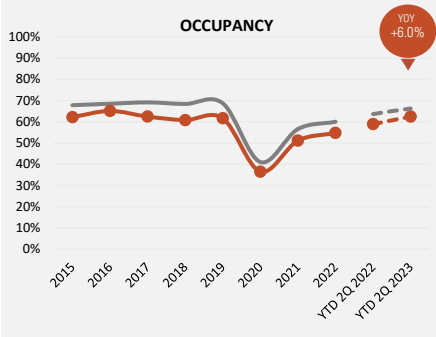
LODGING PERFORMANCE INDEX
Louisville, KY



Ranking of overall '2Q 2023 LPI' performance (0.98) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

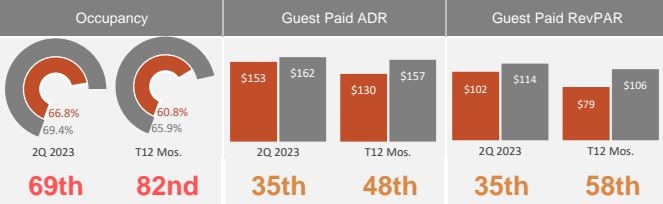
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

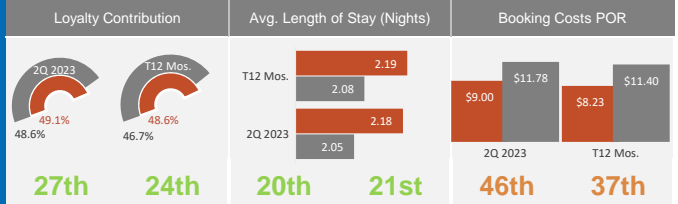
Key Performance Indexes

● Subject Market ● Top 104



BENCHMARK INDEXES

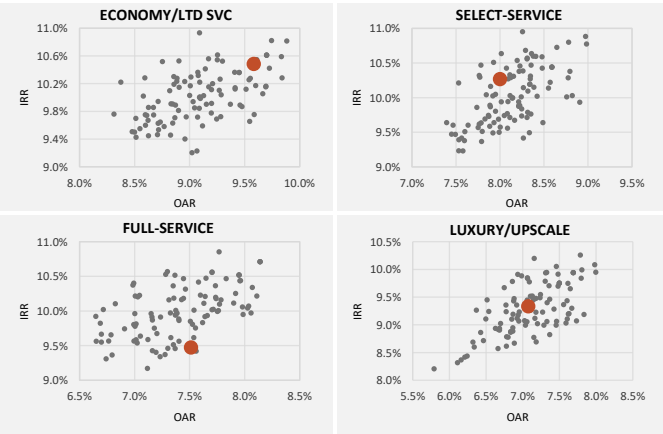
Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



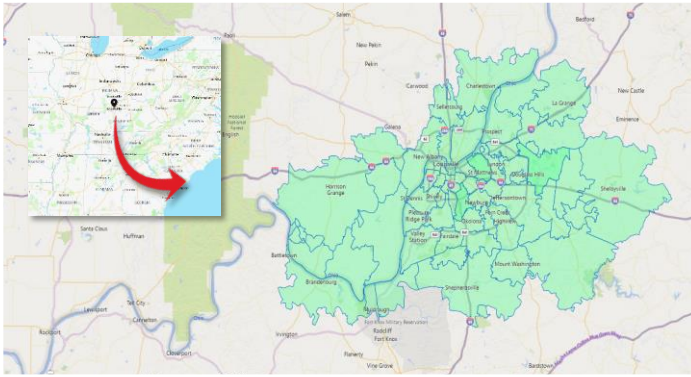
FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

FUNDAMENTALS		RISKS	
Revenue Stability	43rd Average	Supply Risk	76th Below Average
Supplier Power Trend	20th Above Average	Labor Risk	15th Above Average
Investment Yields	59th Average	Macro-Fiscal Risk	31st Above Average

Location



Quick Facts

Jurisdictional Information
 Municipal Name: Louisville
 County: Jefferson County
 State: Kentucky
 Geo Coordinates (market center): 38.25424, -85.75941

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators
 Fort Knox | Ford Motor Co. | Humana Inc. | Norton Healthcare | Baptist Healthcare Systems Inc. | Amazon.com | GE Appliances | KentuckyOne Health Inc. | University of Louisville | Kroger Co. | Manna Inc. | Catholic Archdiocese of Louisville | Charter Communications | Kindred Healthcare Inc. | LG&E and KU Energy | Papa John's International Inc. | Floyd Memorial Hospital | Baptist Health Floyd | ResCare Inc. | Signature Healthcare

Metrics and Ranking

Measurement	Rankings
Population (hotel market area)	53rd of 104 (Average)
Income per Capita	104th of 104 (Soft)
Feeder Group Size	50th of 104 (Average)
Feeder Group Earnings	1st of 104 (Very Strong)
Total Market COPE	53rd of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	RevPAR	COPE ADR	RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	62.2%	\$105.51	\$65.65	\$98.31	\$61.17	\$7.21	93.2%	42.6%	2.10	19,750	1.05
2016	65.1%	\$105.84	\$68.91	\$98.42	\$64.08	\$7.42	93.0%	43.6%	2.16	20,260	1.07
2017	62.5%	\$107.33	\$67.03	\$99.42	\$62.09	\$7.91	92.6%	45.1%	2.09	20,870	0.86
2018	60.8%	\$110.94	\$67.48	\$102.87	\$62.57	\$8.07	92.7%	48.6%	2.14	22,060	1.01
2019	61.7%	\$115.12	\$70.97	\$106.71	\$65.79	\$8.40	92.7%	53.4%	2.08	23,700	1.06
2020	36.5%	\$80.74	\$30.46	\$75.78	\$27.68	\$4.96	93.9%	39.6%	2.52	23,580	0.64
2021	51.1%	\$99.00	\$51.61	\$92.52	\$47.32	\$6.48	93.5%	43.6%	2.23	23,740	0.70
2022	54.8%	\$106.27	\$58.29	\$99.30	\$54.39	\$6.97	93.4%	44.2%	2.21	23,870	0.86
CAGR: 2015 thru 2022	-1.8%	0.1%	-1.7%	0.1%	-1.7%	-0.5%	0.0%	0.5%	0.7%	2.7%	-2.7%
YTD 2Q 2022	58.9%	\$126.42	\$75.66	\$118.65	\$71.03	\$7.78	93.8%	45.0%	2.25	24,050	0.86
YTD 2Q 2023	62.4%	\$137.43	\$86.46	\$128.93	\$81.13	\$8.49	93.8%	49.2%	2.17	23,850	0.98
% Change	6.0%	8.7%	14.3%	8.7%	14.2%	9.2%	0.0%	9.4%	-3.6%	-0.8%	13.4%

Notable Metrics

HIGHEST	Feeder Group Earnings PSR	T12-Month COPE ADR Percentage	IRR: Full-Service
1st Very Strong	7th Strong	11th Favorable	Louisville, KY posted strong feeder group earnings PSR (\$0) The market benefited from strong T12-month COPE ADR percentage (93.7%) The market also enjoyed favorable IRR metrics in the full-service segment (9.5%)
LOWEST	Marketwide Income per Room	Economy Median Income	IRR: Economy/Ltd Svc
104th Soft	104th Soft	88th Unfavorable	This market exhibited a low ratio of marketwide income per room (\$0) The market was stymied by weak Economy Median Income (\$0) Louisville, KY also posted unfavorable IRR metrics in the economy/ltd svc segment (10.5%)

Notable Trends

HIGHEST	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	Long-Term Historical Booking Costs POR Growth
3rd Very Strong	8th Strong	14th Above Average	Louisville, KY enjoyed strong short-term historical loyalty contribution growth (5.9%) The market exhibited strong long-term historical loyalty contribution growth (5.8%) The market also has benefited from low long-term historical booking costs POR growth (1.6%)
LOWEST	Short-Term Historical Average Length of Stay Growth	General Economy Reversion	Long-Term Historical Supply Growth
93rd Soft	88th Below Average	78th Below Average	The market exhibited weak short-term historical average length of stay growth (-0.1%) We note this area posted weak general economic reversion (per-capita unemployment, GDP and other indicators) Louisville, KY also has been burdened by high long-term historical supply growth (2.1%)

Market Performance Stage



Louisville, KY: Regeneration Stage

Regeneration
 The Louisville, KY 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 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.

Other Stages:

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.

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.

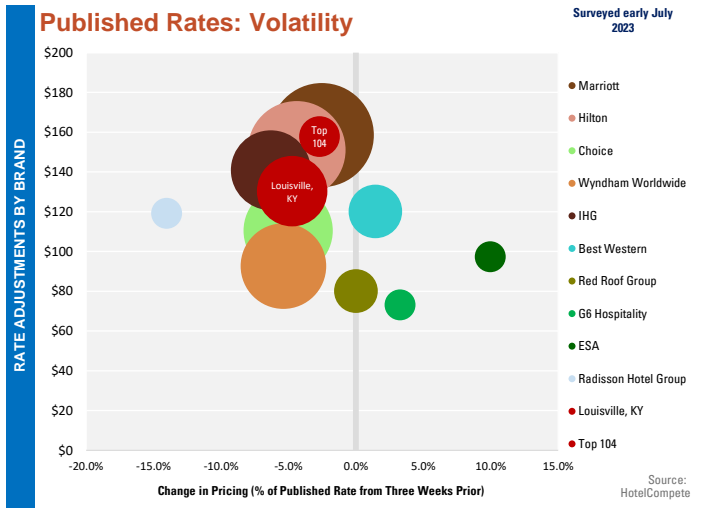
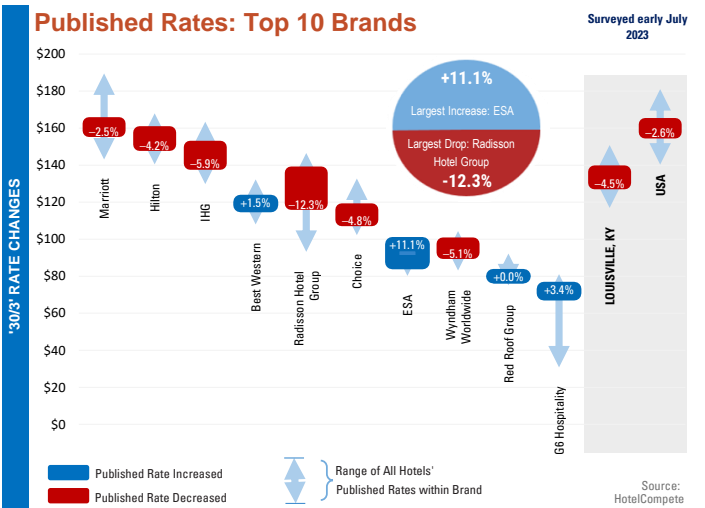
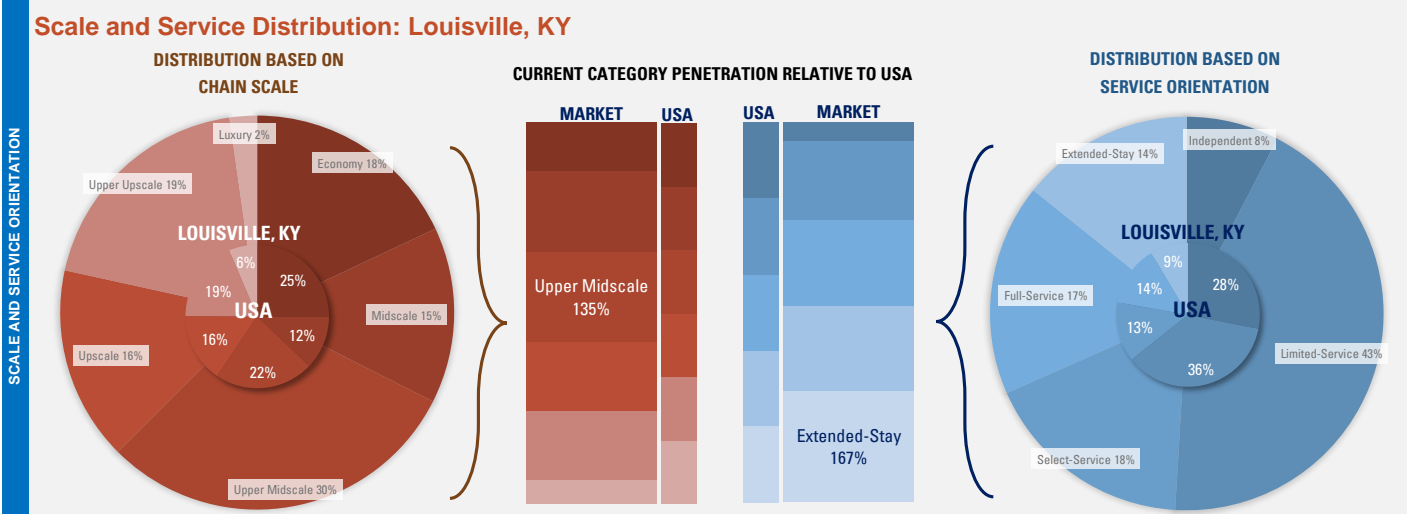
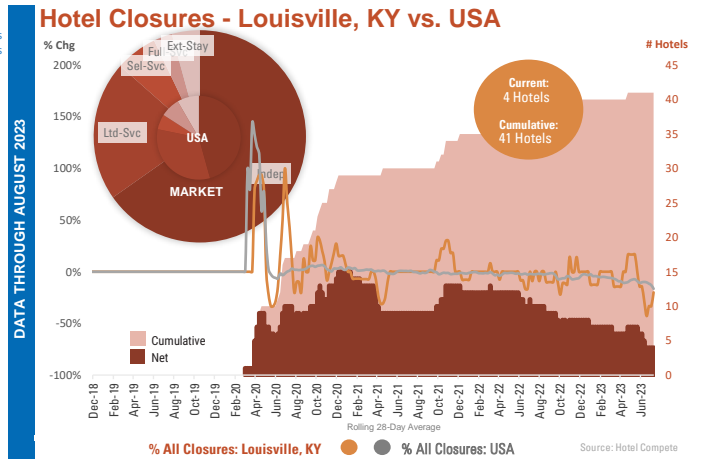
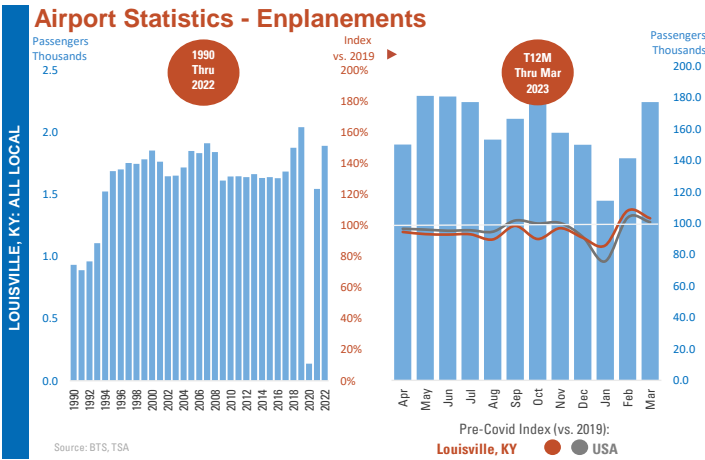
Industry Observations

Business Cycle:
 Employment Growth (2 yr): -2.6%
 Risk Exposure (402 US markets):
 Key Industry Notes:
 Manufacturing, defense
 Truck/SUV production
 Strategic location
 Low office rent/energy costs
 Low per capita income

In Expansion
 -2.6%
 72nd Percentile: Above Average

Moody's Rating
Aa1
 Investment Grade
 Long-term investment grade, Prime-1 short-term outlook





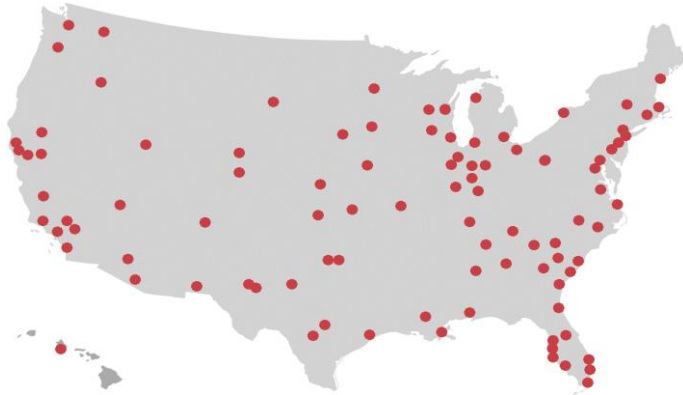
Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	78th Below Average	84th Below Average	97th Soft
	The 30-day advanced published rate for the market was a somewhat conservative \$130.35, ranking 78th out of 104 markets. (Guest-Paid ADR ranked a moderate 35th at \$137.43 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 4.5% 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 14.5% lower than the market's Guest-Paid ADR in 2Q 2023. This optimism is soft. By comparison, the T-104 spread was -2.4%.

Published Rate Observations: Brand Level

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	83rd Below Average	99th Soft	84th Elevated
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Louisville, KY has a soft spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Louisville, KY's top 10 brands are exhibiting elevated 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

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
- 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

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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.

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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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