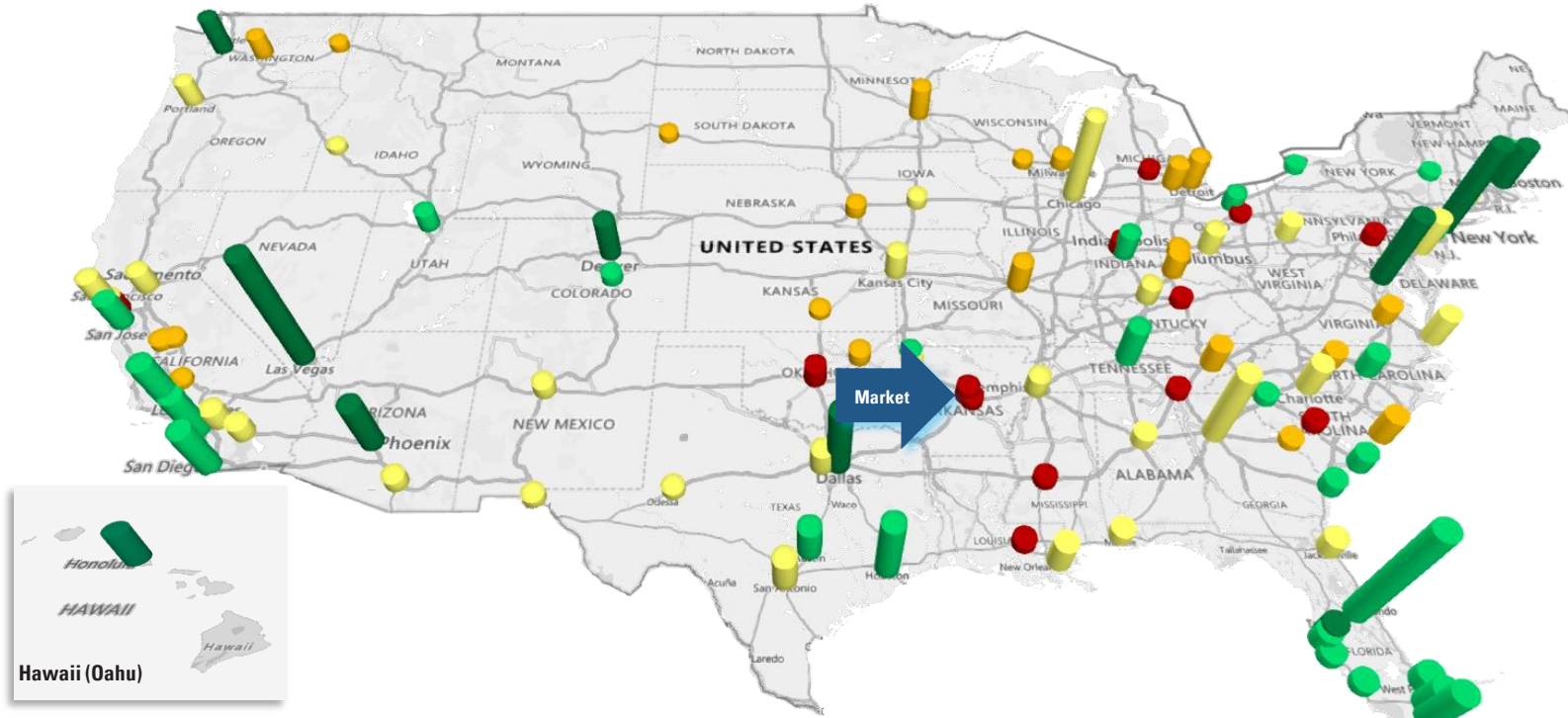




Lodging Performance Index Snapshot

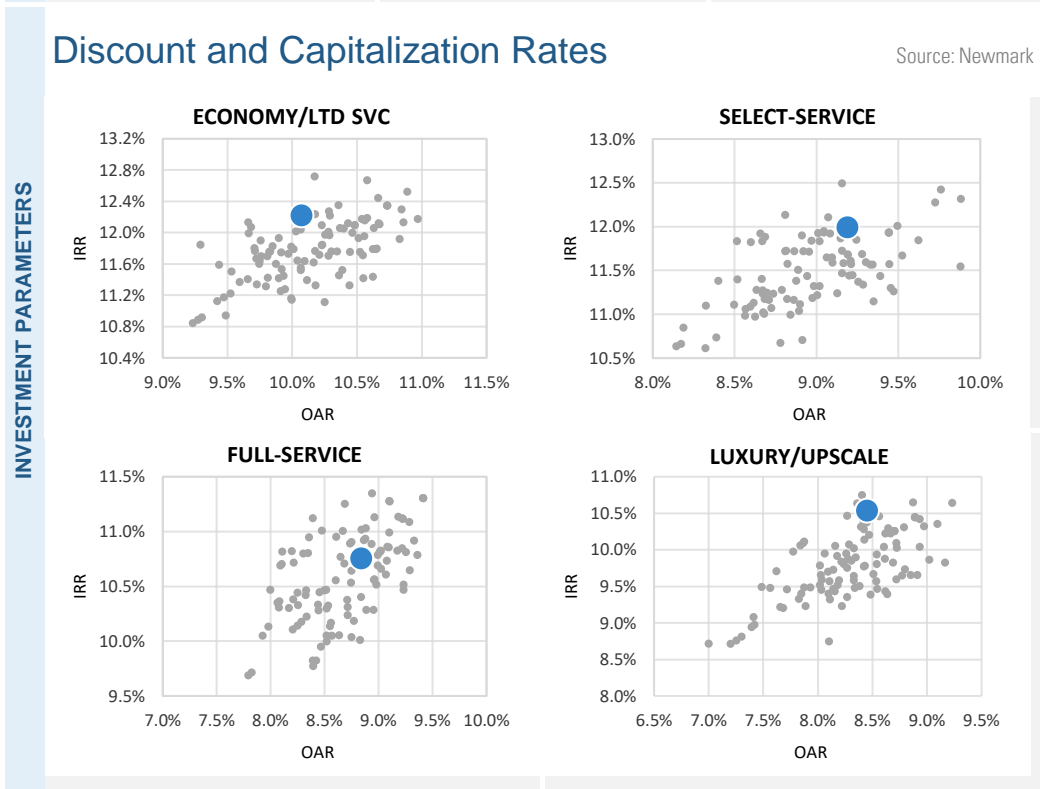
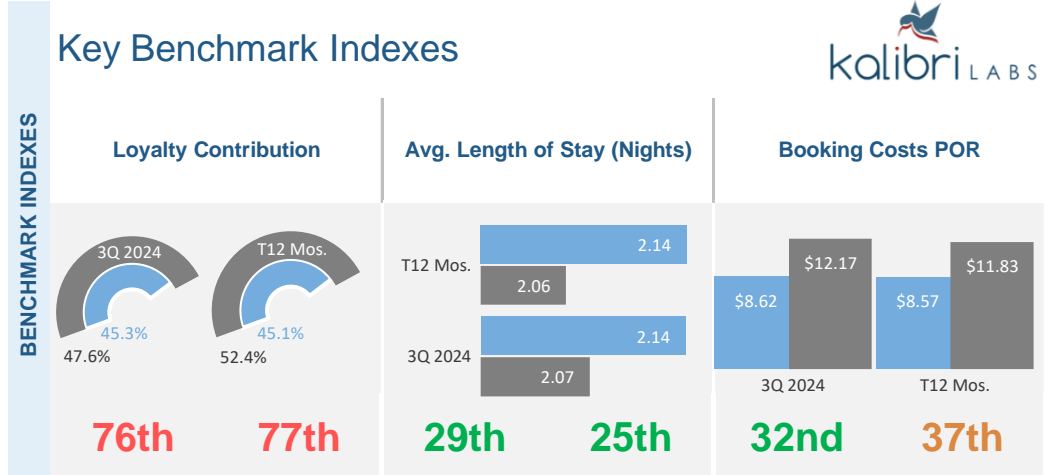
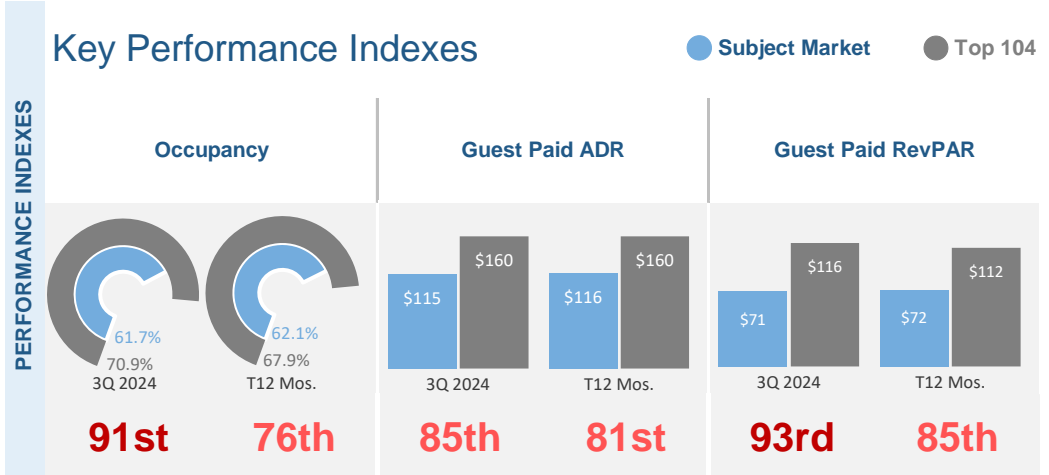
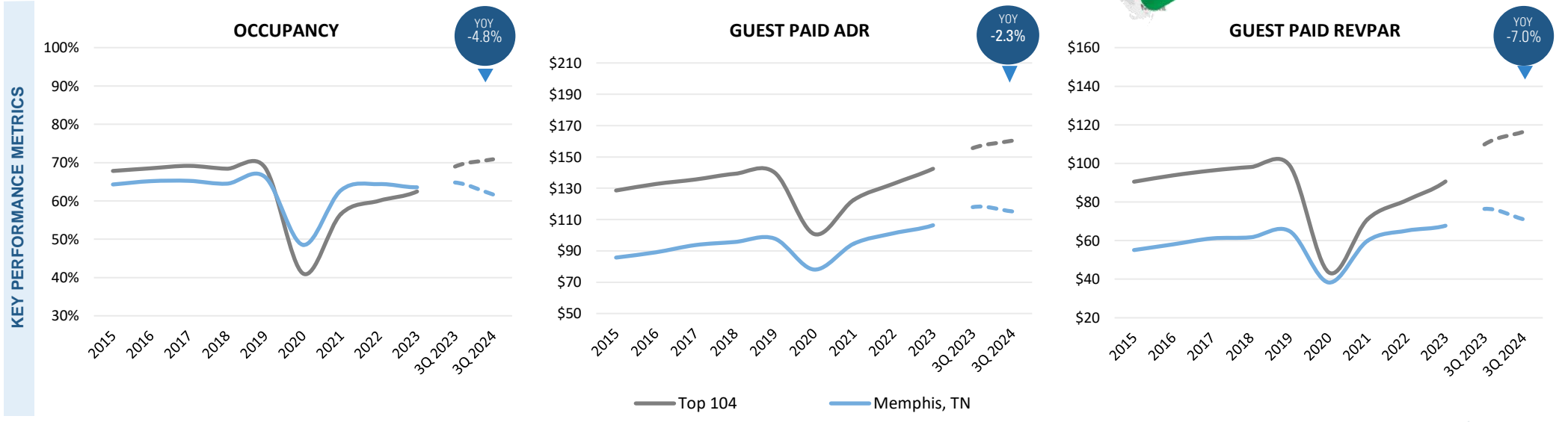


LODGING PERFORMANCE INDEX
Memphis, TN

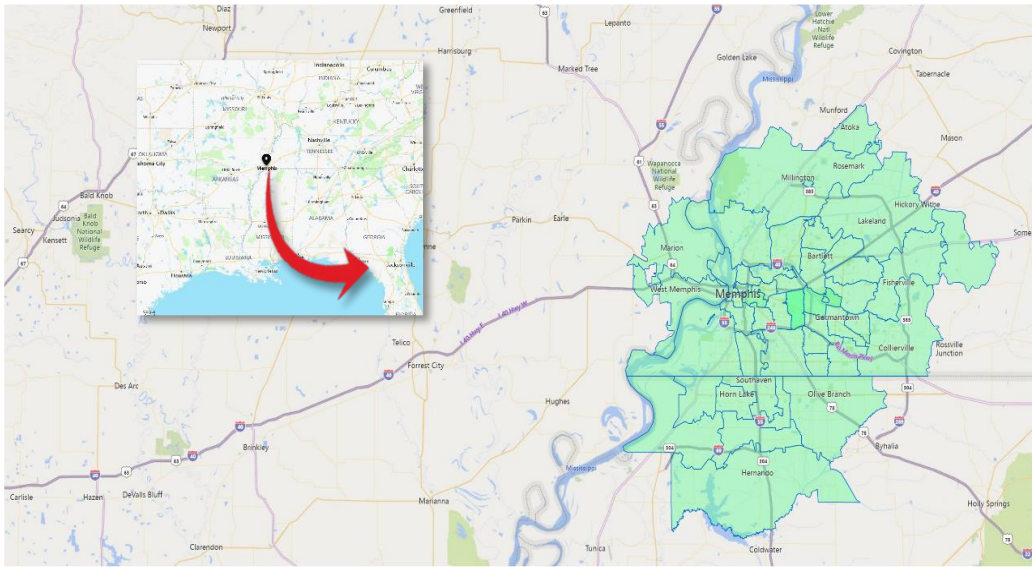
0.64

97th of 104
Soft

Ranking of overall '3Q 2024 LPI' performance (0.64) against all 104 surveyed markets.



Location



Quick Facts

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

Municipal Name: Memphis
 County: Shelby County
 State: Tennessee
 Geo Coordinates (market center): 35.14953, -90.04898

Major Hotel Demand Generators

FedEx Corp. | Methodist Le Bonheur Healthcare | Naval Support Activity Mid-South | Baptist Memorial Healthcare Corp. | The Kroger Co. | Wal-Mart Stores Inc. | St. Jude Children's Research Hospital | Technicolor | XPO Logistics Supply Chain | Century Management Inc. | Nike Inc. | Tenet Healthcare Corp. | International Paper Co. | First Horizon National Corp. | ServiceMaster Global Holdings Inc. | Smith & Nephew Inc. | Valenti Mid-South Management LLC | Caesars Entertainment | Cummins Inc. | Accredo Health Group Inc.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,077,612	52nd of 104 (Average)
Income per Capita	\$38,230	89th of 104 (Below Average)
Feeder Group Size	69.1 Persons PSR	46th of 104 (Average)
Feeder Group Earnings	\$2,640,563 PSR	24th of 104 (Above Average)
Total Market Hotel Revenues	\$665.1 million	56th 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	64.3%	\$85.71	\$55.09	\$79.31	\$50.98	\$6.40	92.5%	41.2%	2.14	21,820	0.70
2016	65.2%	\$89.08	\$58.04	\$82.24	\$53.58	\$6.84	92.3%	44.0%	2.07	21,870	0.87
2017	65.2%	\$93.70	\$61.12	\$86.18	\$56.21	\$7.53	92.0%	46.0%	2.00	22,540	0.85
2018	64.5%	\$95.69	\$61.71	\$87.95	\$56.72	\$7.74	91.9%	49.8%	1.97	22,710	0.74
2019	66.3%	\$97.87	\$64.84	\$89.89	\$59.55	\$7.98	91.8%	54.4%	1.97	23,510	0.79
2020	48.5%	\$78.07	\$38.29	\$72.46	\$35.15	\$5.61	92.8%	36.4%	2.20	23,730	1.09
2021	62.8%	\$94.59	\$59.93	\$87.57	\$54.97	\$7.02	92.6%	38.0%	2.23	24,360	1.07
2022	64.4%	\$101.23	\$65.13	\$93.68	\$60.31	\$7.55	92.5%	38.7%	2.20	24,570	0.90
2023	63.5%	\$106.38	\$67.71	\$98.39	\$62.52	\$7.99	92.5%	39.4%	2.15	24,730	0.76
CAGR: 2015 thru 2023	-0.1%	2.7%	2.6%	2.7%	2.6%	2.8%	0.0%	-0.6%	0.0%	1.6%	0.9%
3Q 2023	64.8%	\$117.94	\$76.41	\$109.30	\$70.81	\$8.64	92.7%	43.6%	2.17	24,800	0.94
3Q 2024	61.7%	\$115.21	\$71.05	\$106.59	\$65.74	\$8.62	92.5%	45.3%	2.14	24,780	0.64

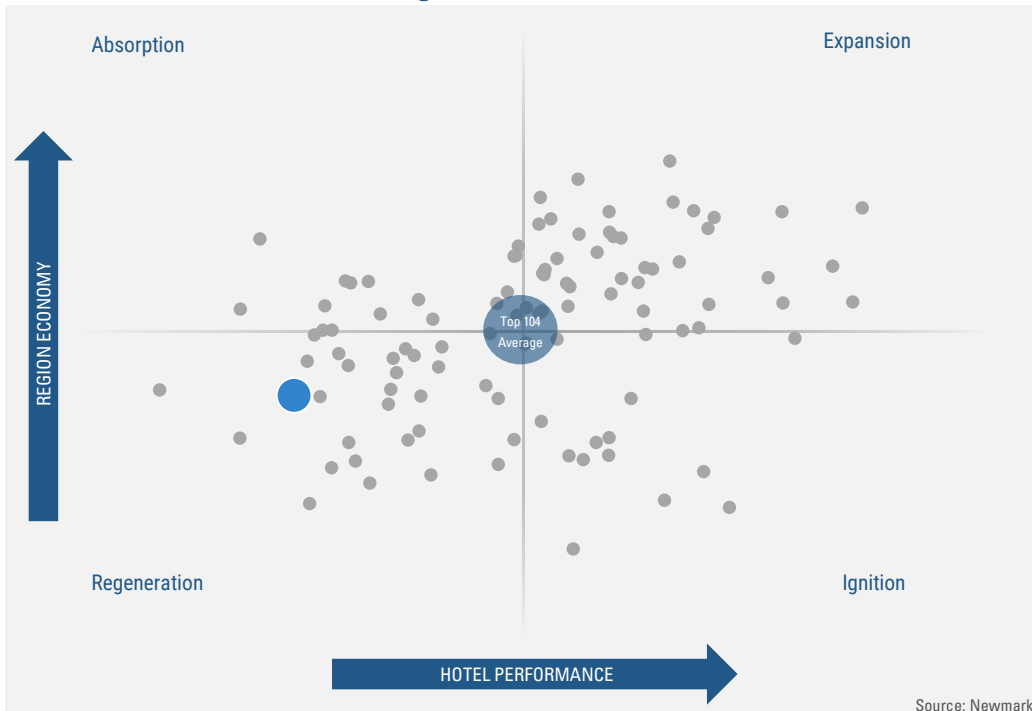
Notable Metrics

	Feeder Group Earnings per sold room	T12-Month Average Length of Stay	Latest-Quarter Average Length of Stay
HIGHEST	24th Above Average Memphis, TN posted strong feeder group earnings per sold room (\$2,640,563)	25th Above Average The market benefited from strong T12-month average length of stay (2.14 Nights)	29th Above Average The market also boasted strong latest-quarter average length of stay (2.14 Nights)
LOWEST	100th Highly Unfavorable This market posted unfavorable IRR metrics in the luxury/upscale segment (10.5%)	97th Soft The market posted weak latest-quarter LPI (0.64)	94th Unfavorable Memphis, TN also posted unfavorable IRR metrics in the select-service segment (12.0%)

Notable Trends

	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Booking Costs POR Growth
STRONGEST	19th Above Average Memphis, TN has benefited from strong short-term historical average length of stay growth (1.4%)	21st Above Average The market enjoyed strong long-term historical average length of stay growth (0.7%)	29th Above Average The market also enjoyed low short-term historical growth in booking costs (2.6%)
WEAKEST	100th Soft The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	82nd Below Average We note this area has been hindered by weak long-term historical occupancy growth (-1.1%)	81st Below Average Memphis, TN also has been hampered by weak long-term historical Guest Paid RevPAR growth (1.1%)

Market Performance Stage



Memphis, TN: Regeneration Stage

The Memphis, 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 Knoxville, TN.

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

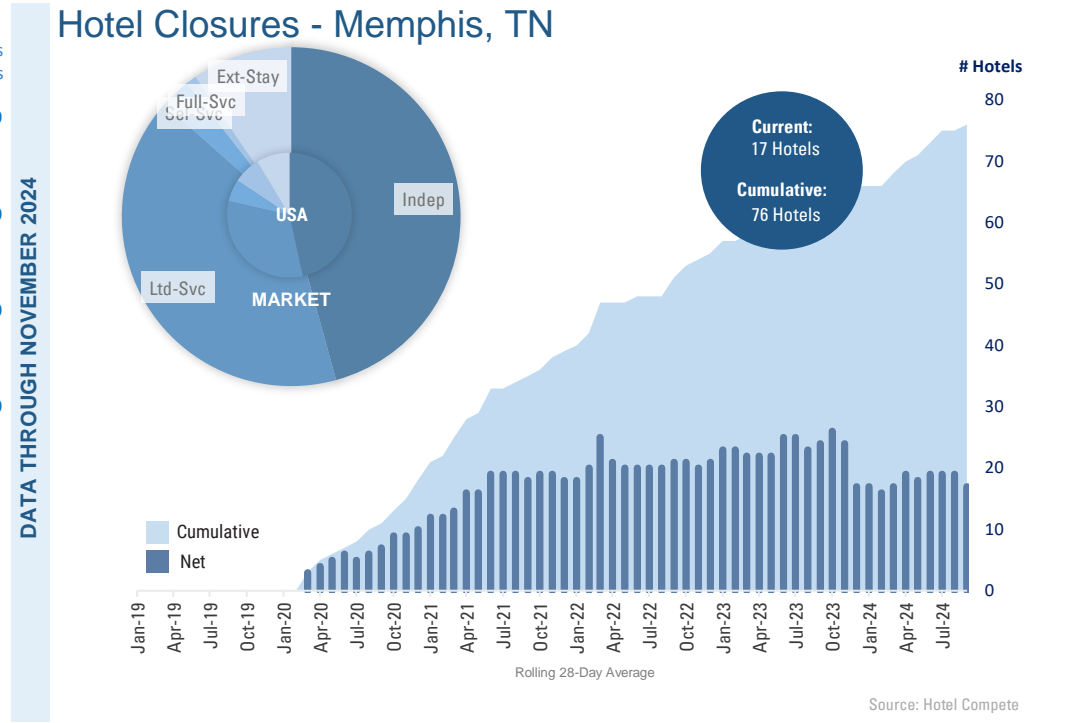
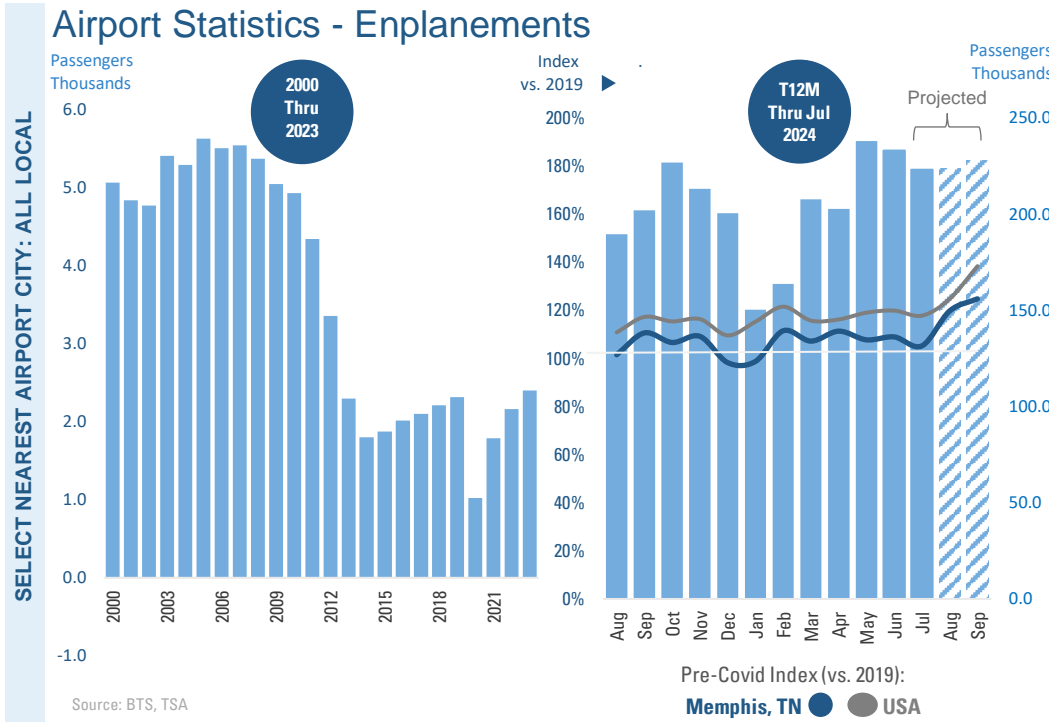
Business Cycle: **At Risk**
 Employment Growth (2 yr): **0.0%**
 Risk Exposure (402 US markets): **53rd Percentile: Average Risk**
 Key Industry Notes:
 Transportation hub
 Low business costs
 Weak public sector
 Undervalued housing
 Low per capita income

Moody's Rating

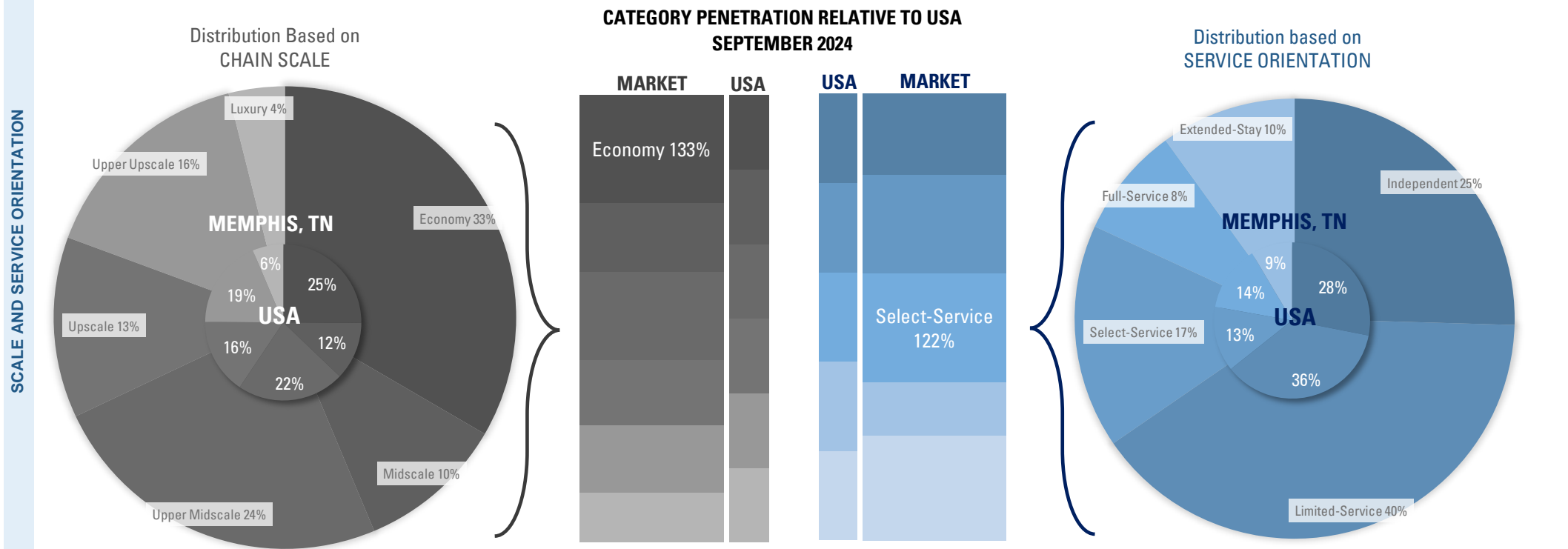
Aa1
Investment Grade

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

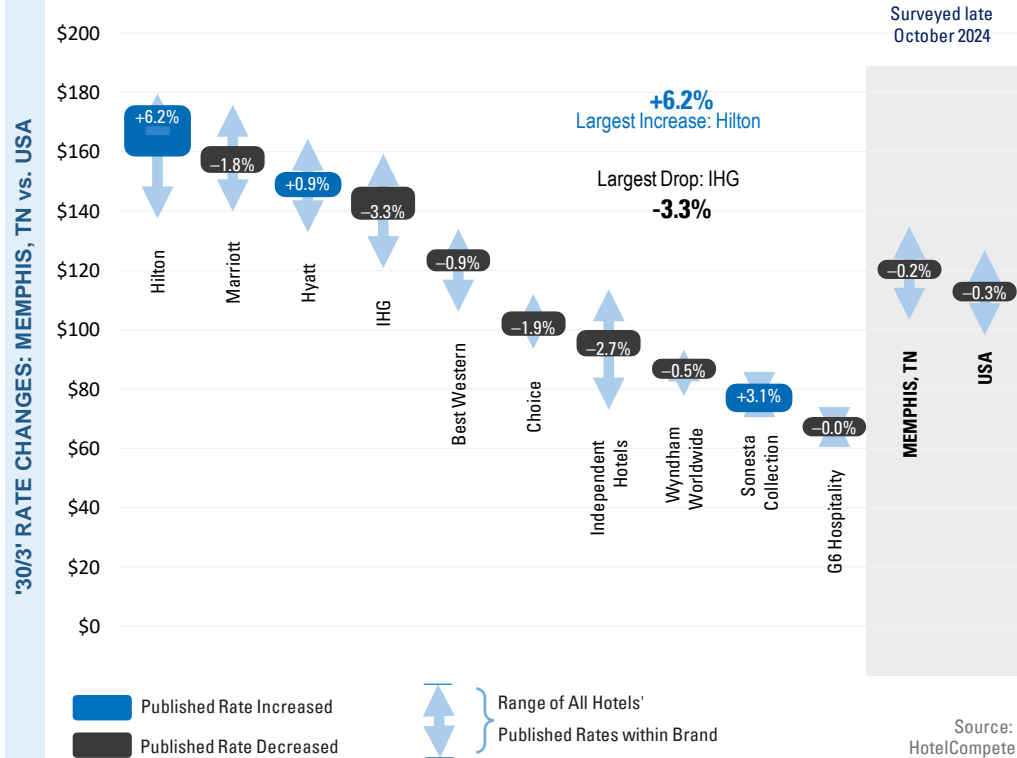




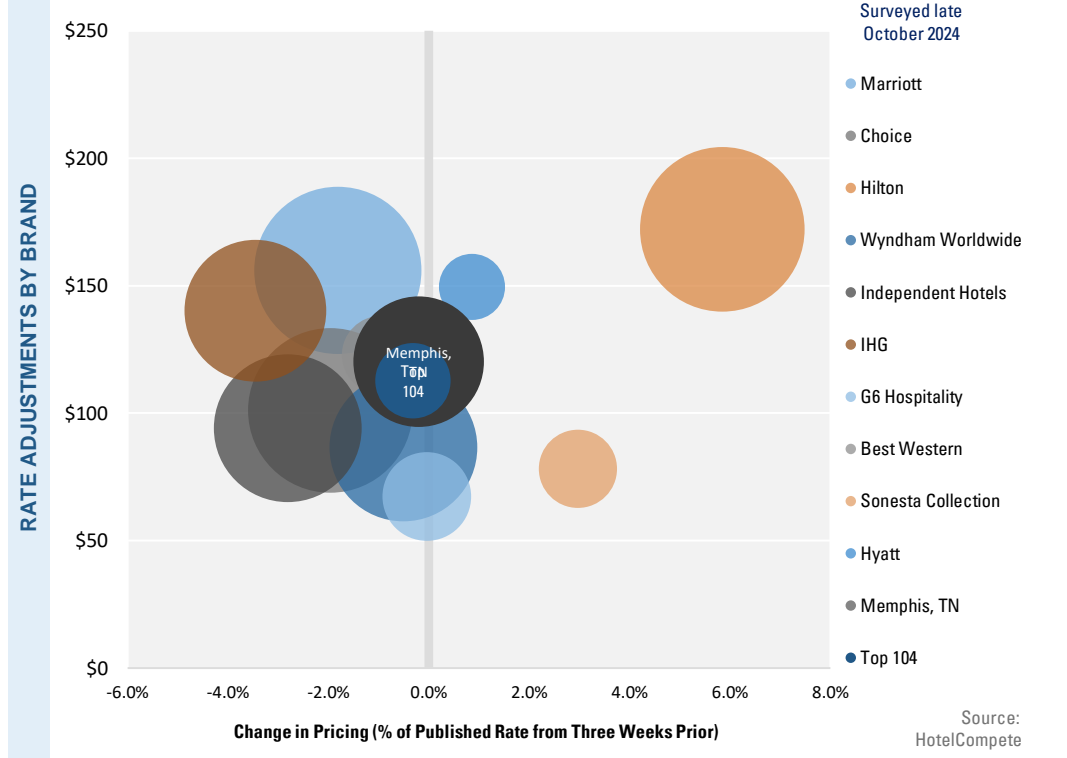
Scale and Service Distribution: Memphis, TN



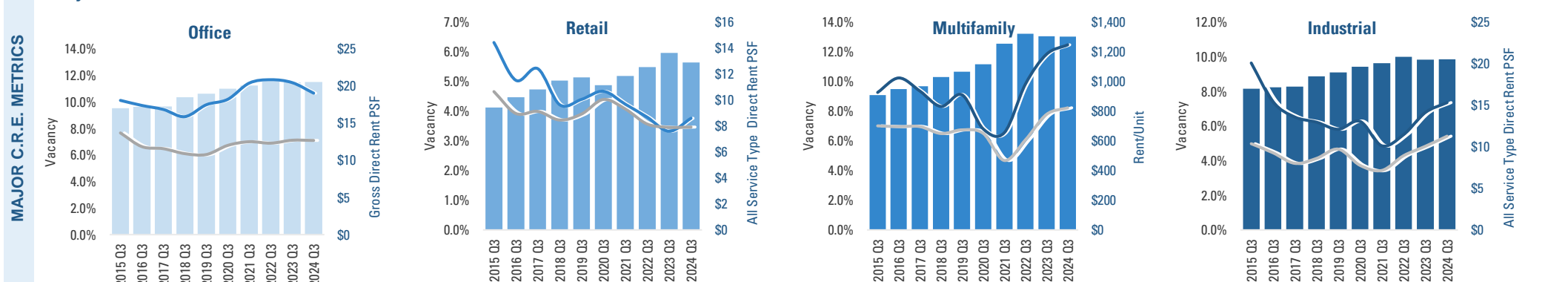
Published Rates: Top 10 Brands



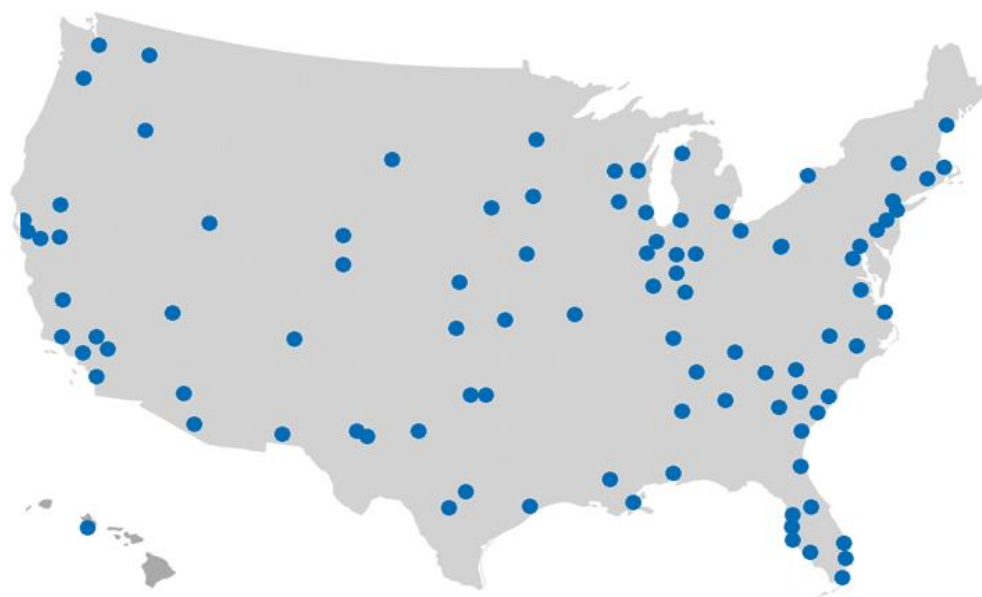
Published Rates: Volatility



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.

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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