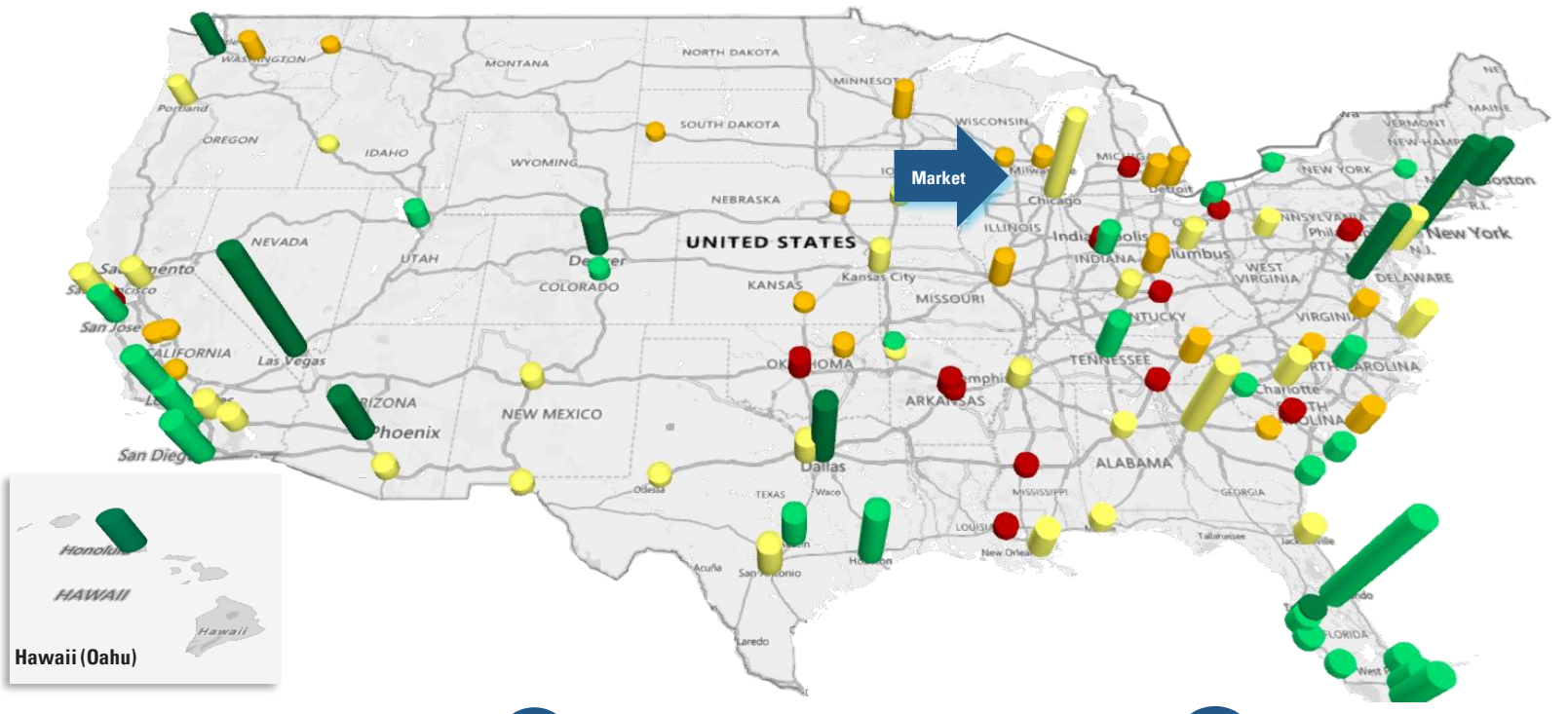
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

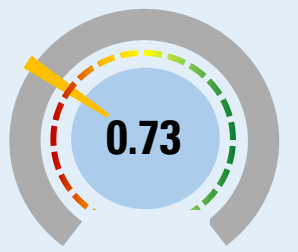
1Q 2025
MICHIGAN NORTH AREA, MI

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

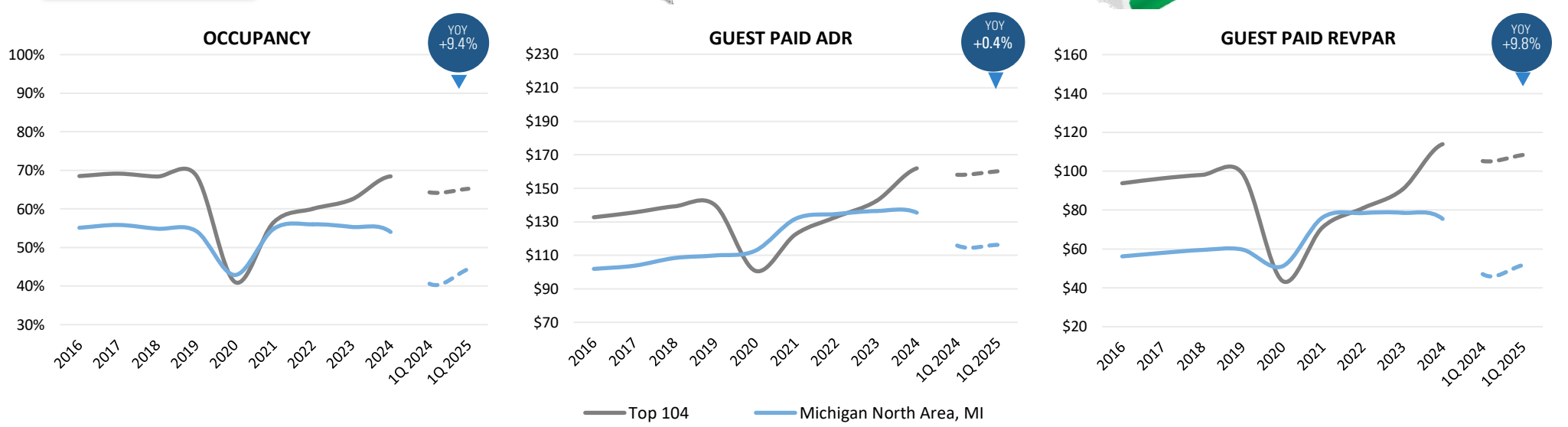
Michigan North Area, MI



85th of 104
Below Average

Ranking of overall '1Q 2025 LPI' performance (0.73) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
44.4% / 65.2%	55.0% / 68.7%	$116 / $160	$136 / $162	$52 / $108	$77 / $115
1Q 2025	T12 Mos.	1Q 2025	T12 Mos.	1Q 2025	T12 Mos.
103rd	100th	69th	49th	97th	79th

BENCHMARK INDEXES

Key Benchmark Indexes

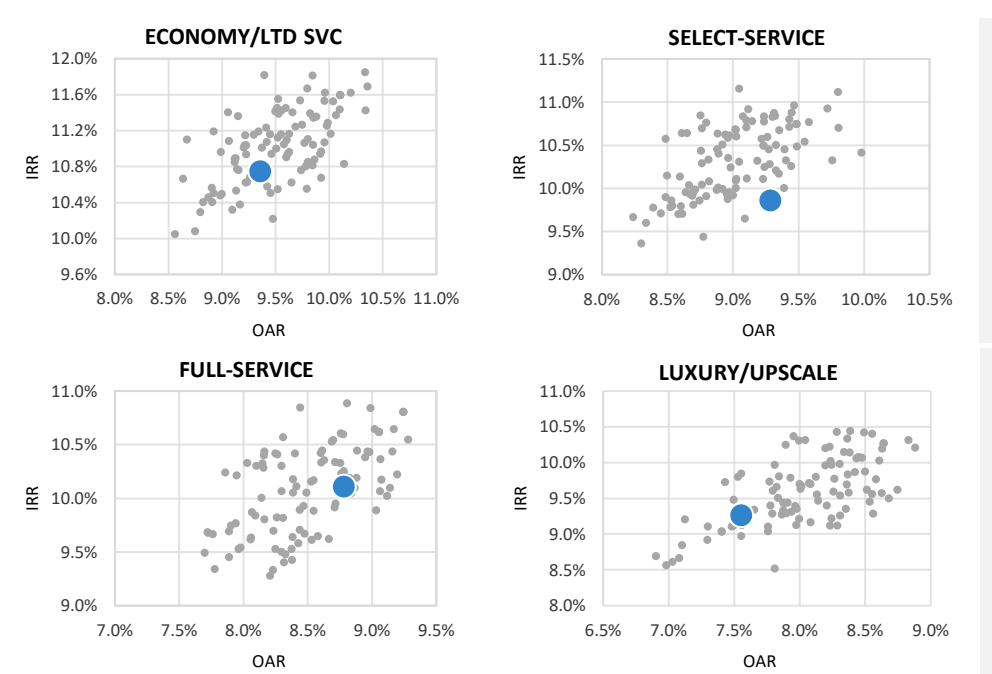
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
26.9% / 49.2%	26.9% / 50.8%	1.79 / 2.06	1.86 / 2.07	$8.99 / $11.27	$10.50 / $11.96
1Q 2025	T12 Mos.	T12 Mos.	1Q 2025	1Q 2025	T12 Mos.
103rd	103rd	91st	99th	56th	70th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

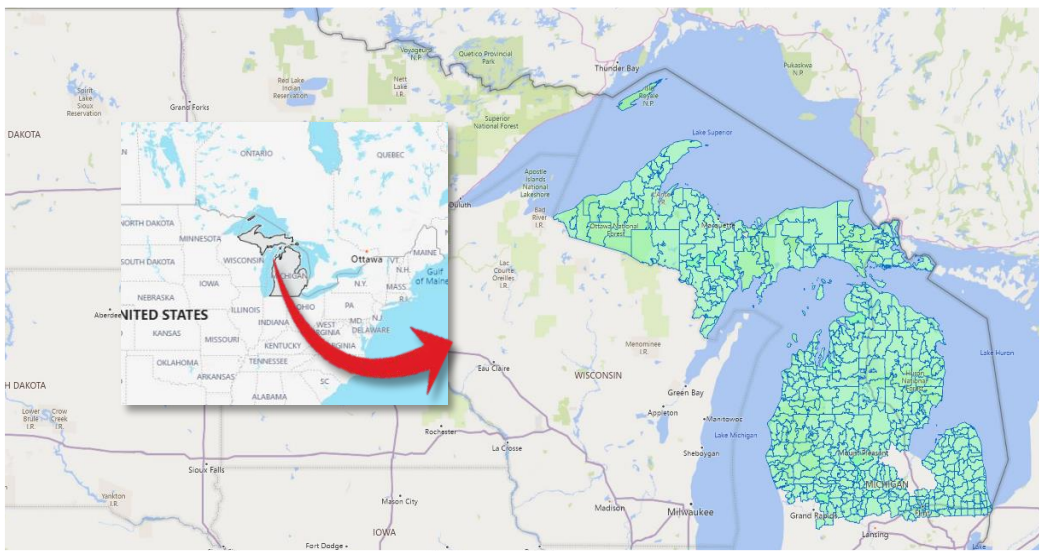
Revenue Stability	Supplier Power Trend	Investment Yields
34th	**103rd**	**32nd**
Above Average	Soft	Above Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets

RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
30th	**31st**	**7th**
Above Average	Above Average	High Risk
Assessment of market supply growth over past 12 months relative to Top 104 markets	Measure of current employment health over past two years relative to Top 104 markets	Assessment of health and diversity of lodging demand generators relative to Top 104 markets

NEWMARK

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Multiple
County:	Multiple
State:	Michigan
Geo Coordinates (market center):	44.96227, -85.50516

Major Hotel Demand Generators

McLaren Bay Region Hospital | Dow Corning Corp. | Michigan Sugar Co. | Delta College | Covenant HealthCare | Meijer Inc. | SC Johnson & Son Inc. | General Motors Powertrain | Consumers Energy | Fabiano Brothers | Bay medical Care Facility | Bay View Foods | Go-To Transport Inc | Dow Bay Area Family YMCA | Bay Arenac Behavioral Health | SK Siltron CSS | Carriage House Nursing & Rehab | Mersen USA | Do-All Inc. | Symphony Tri-Cities

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,013,568	23rd of 104 (Above Average)
Income per Capita	$44,926	65th of 104 (Average)
Feeder Group Size	113.1 Persons PSR	89th of 104 (Below Average)
Feeder Group Earnings	$5,079,846 PSR	81st of 104 (Below Average)
Total Market Hotel Revenues	$874.7 million	44th of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE ADR	COPE RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
2016	55.1%	$101.89	$56.16	$95.15	$52.44	$6.74	93.4%	42.9%	1.64	34,130	0.76
2017	55.9%	$103.77	$57.96	$96.31	$53.79	$7.47	92.8%	46.2%	1.65	34,700	0.63
2018	54.9%	$108.38	$59.47	$100.39	$55.09	$7.99	92.6%	50.0%	1.68	34,640	0.74
2019	54.3%	$109.91	$59.67	$101.45	$55.08	$8.45	92.3%	54.1%	1.65	32,510	0.52
2020	42.9%	$112.75	$51.07	$104.20	$44.67	$8.55	92.4%	23.4%	1.80	32,570	1.24
2021	54.9%	$131.85	$76.14	$121.70	$66.79	$10.15	92.3%	23.2%	1.80	32,940	1.17
2022	56.0%	$134.62	$78.45	$124.28	$69.62	$10.34	92.3%	23.2%	1.82	33,050	0.87
2023	55.3%	$136.46	$78.59	$125.97	$69.71	$10.49	92.3%	23.2%	1.81	33,130	0.55
2024	54.0%	$135.47	$75.47	$124.98	$67.53	$10.49	92.3%	26.9%	1.78	33,400	0.63
CAGR: 2016 thru 2024	-0.2%	3.6%	3.8%	3.5%	3.2%	5.7%	-0.2%	-5.7%	1.1%	-0.3%	-2.4%
1Q 2024	40.6%	$115.83	$47.05	$106.85	$43.41	$8.97	92.3%	26.8%	1.84	32,920	0.58
1Q 2025	44.4%	$116.24	$51.64	$107.26	$47.65	$8.99	92.3%	26.9%	1.86	33,170	0.73

Notable Metrics

HIGHEST

IRR: Select-Service	Feeder Population Per Room	IRR: Economy/Ltd Svc
14th	31st	26th
Favorable	Above Average	Favorable
Michigan North Area, MI posted favorable IRR metrics in the select–service segment (9.9%)	The market posted a high ratio of feeder population per room (42.74)	The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (10.7%)

LOWEST

T12-Month Loyalty Contribution	Latest-Quarter Loyalty Contribution	Latest-Quarter Occupancy
103rd	103rd	103rd
Soft	Soft	Soft
This market has been hindered by weak T12–month loyalty contribution (26.9%)	The market has been hindered by weak latest–quarter loyalty contribution (26.9%)	Michigan North Area, MI also exhibited weak latest–quarter occupancy (44.4%)

Notable Trends

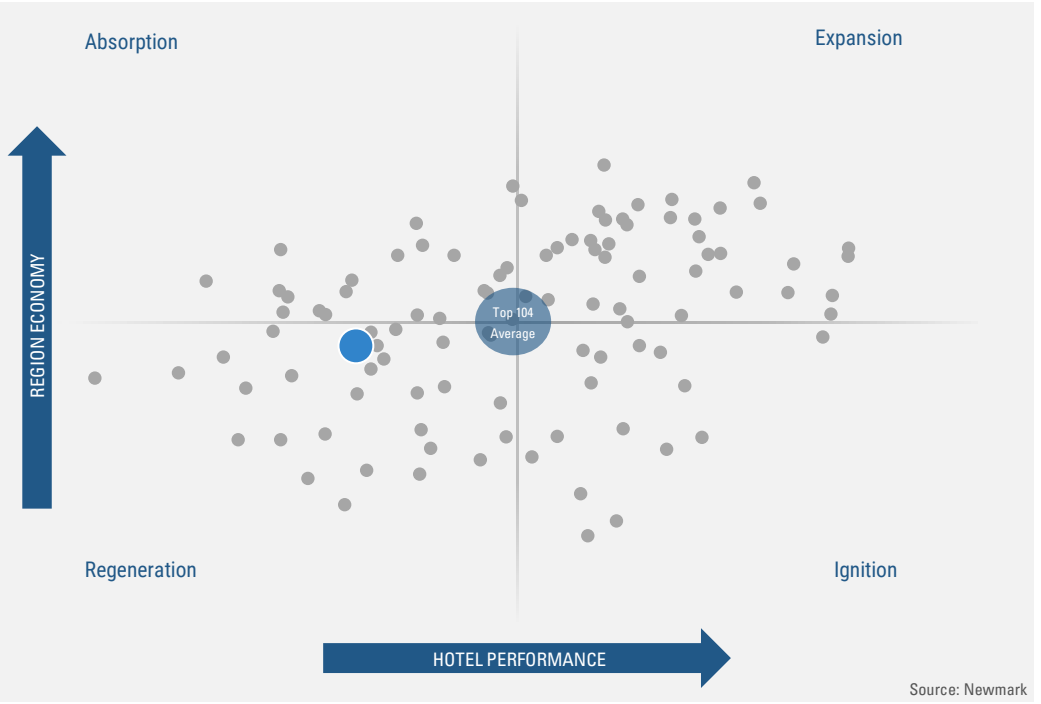
STRONGEST

Long-Term Historical Loyalty Contribution Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
8th	15th	15th
Strong	Above Average	Above Average
Michigan North Area, MI exhibited strong long–term historical loyalty contribution growth (5.4%)	The market enjoyed strong long–term historical LPI growth (4.4%)	The market also has benefited from strong short–term historical LPI growth (5.7%)

WEAKEST

Long-Term Historical Booking Costs POR Growth	Short-Term Historical Supply Growth	Short-Term Historical Booking Costs POR Growth
86th	85th	85th
Below Average	Below Average	Below Average
The market exhibited high long–term historical booking costs POR growth (4.0%)	We note this area has been burdened by high short–term historical supply growth (0.4%)	Michigan North Area, MI also has been impeded by high short–term historical growth in booking costs (4.0%)

Market Performance Stage



Source: Newmark

Michigan North Area, MI: Regeneration Stage

Regeneration

The Michigan North Area, MI 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; Chicago, IL; and Miami, FL.

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 Fort Worth, TX; Minneapolis, MN; and Portland, OR.

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.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	0.2%
Risk Exposure (402 US markets):	51st Percentile: Average Risk
Key Industry Notes:	Growth in semiconductors
	Large healthcare industry
	Lack of jobs outside manufacturing
	Labor shortages
	Low-skilled workforce

Moody's Rating

NR

This market is not rated by Moody's

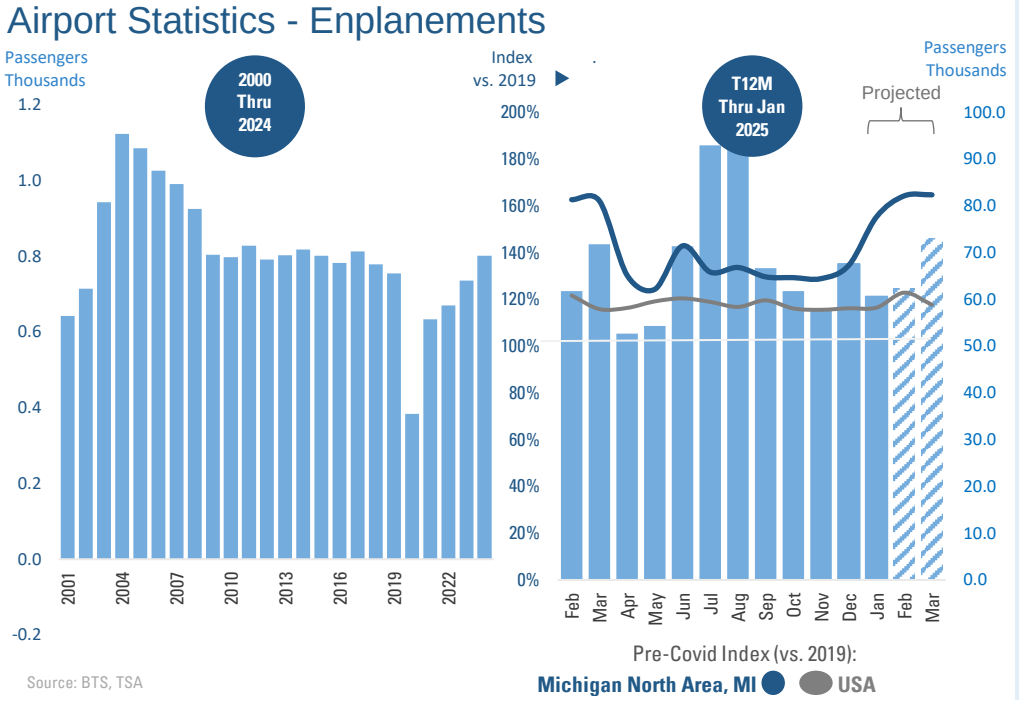
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

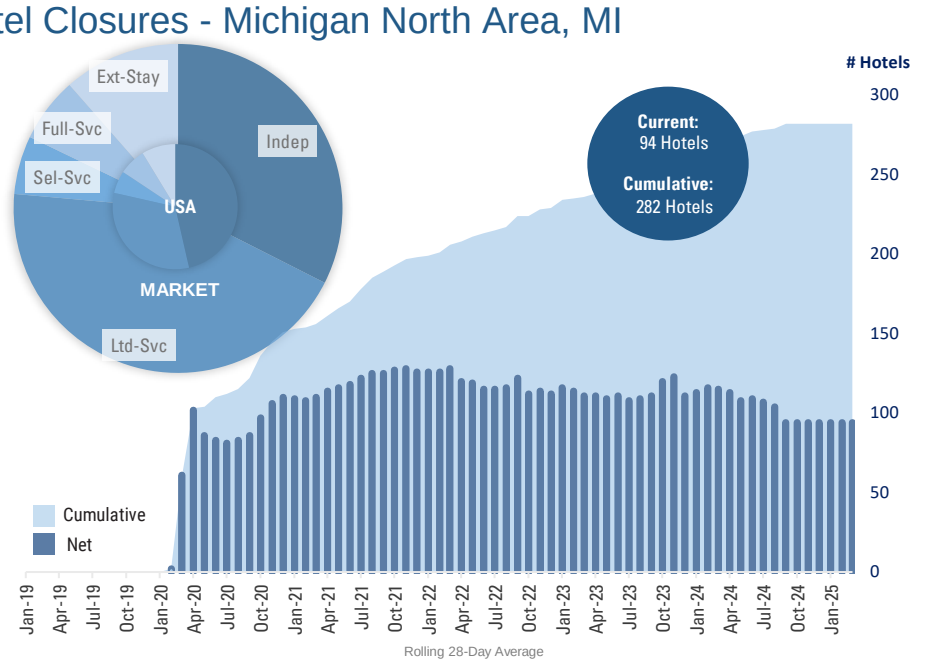
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH MAY 2025

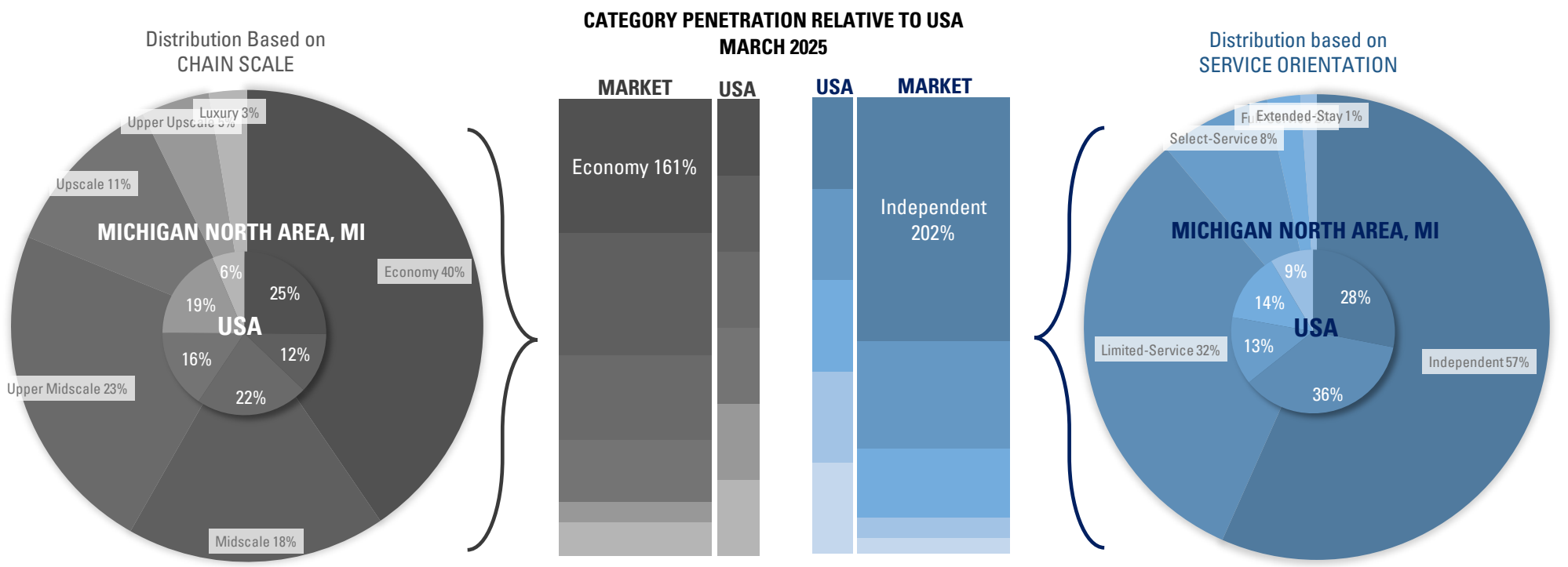
Hotel Closures - Michigan North Area, MI



Source: Hotel Compete

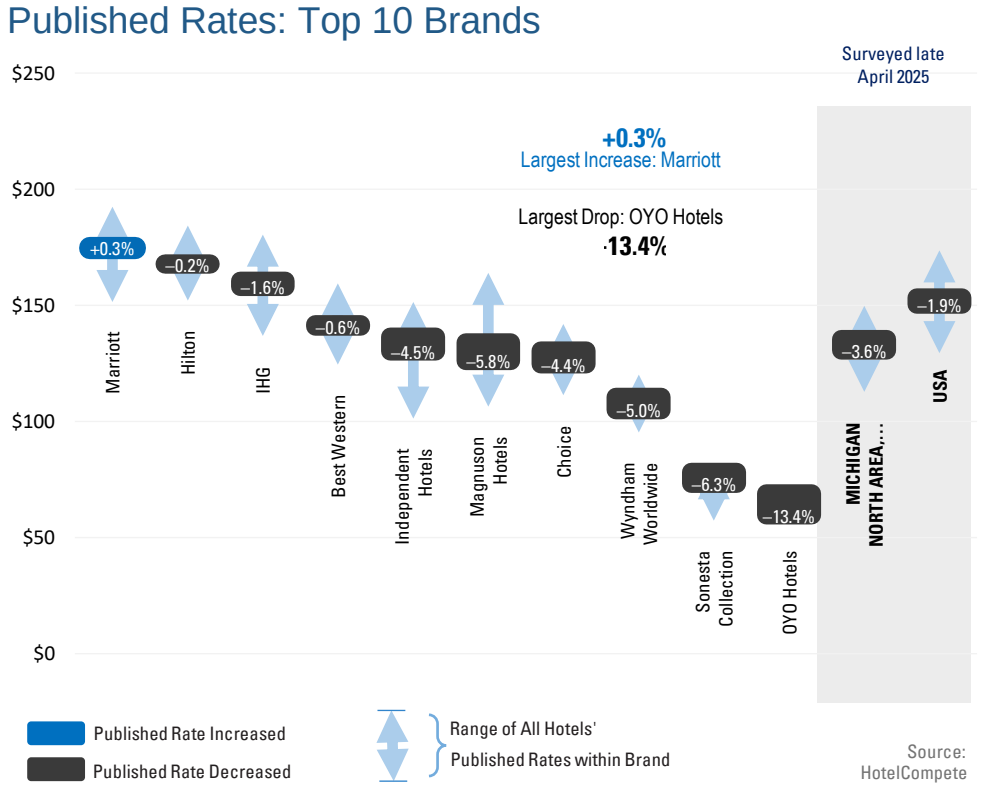
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Michigan North Area, MI



'30/3' RATE CHANGES: MICHIGAN NORTH AREA, MI vs. USA

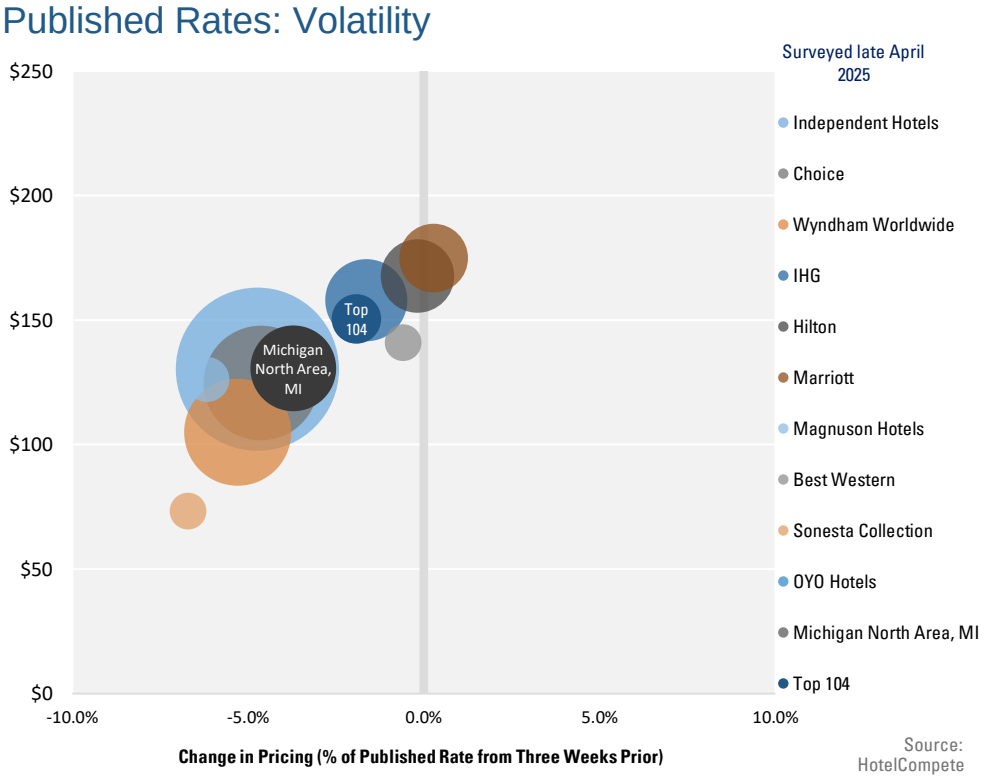
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



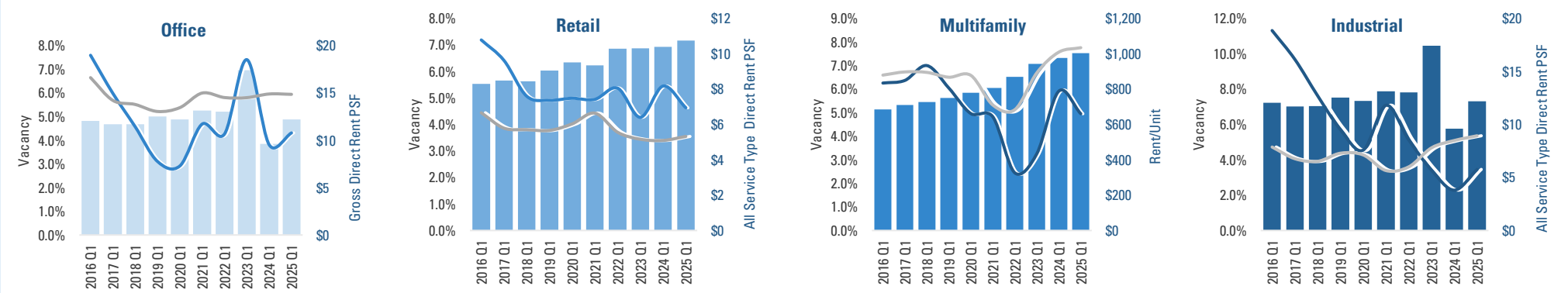
Source: HotelCompete

MAJOR C.R.E. METRICS

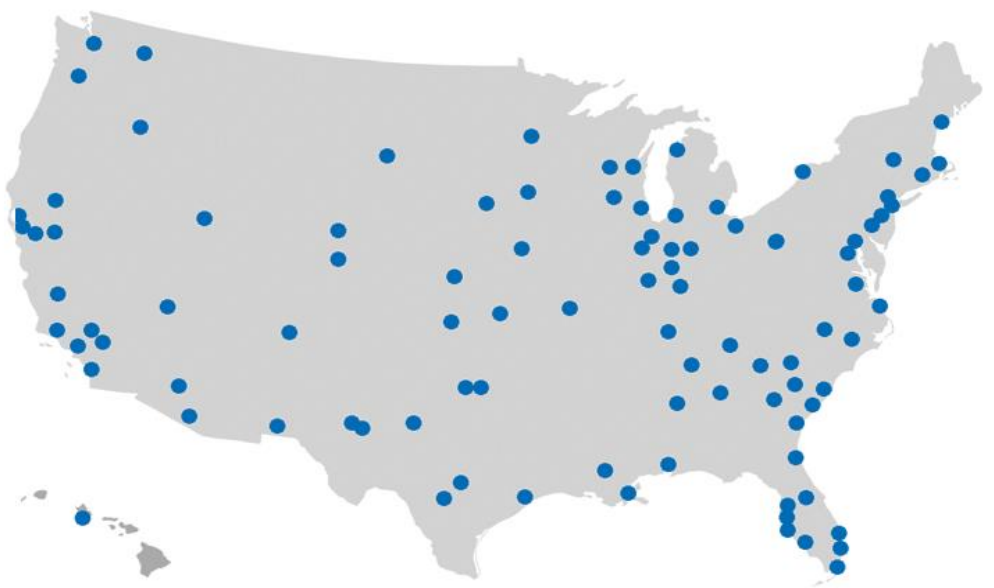
Major CRE Market Performance

Michigan North Area, MI — USA - Vacancy

Source: CoSTAR



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

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Stadiums, Sports & Entertainment Facilities

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Golf Courses

Marinas

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