

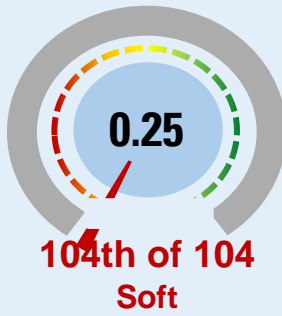
4Q 2023
MICHIGAN SOUTH AREA, MI



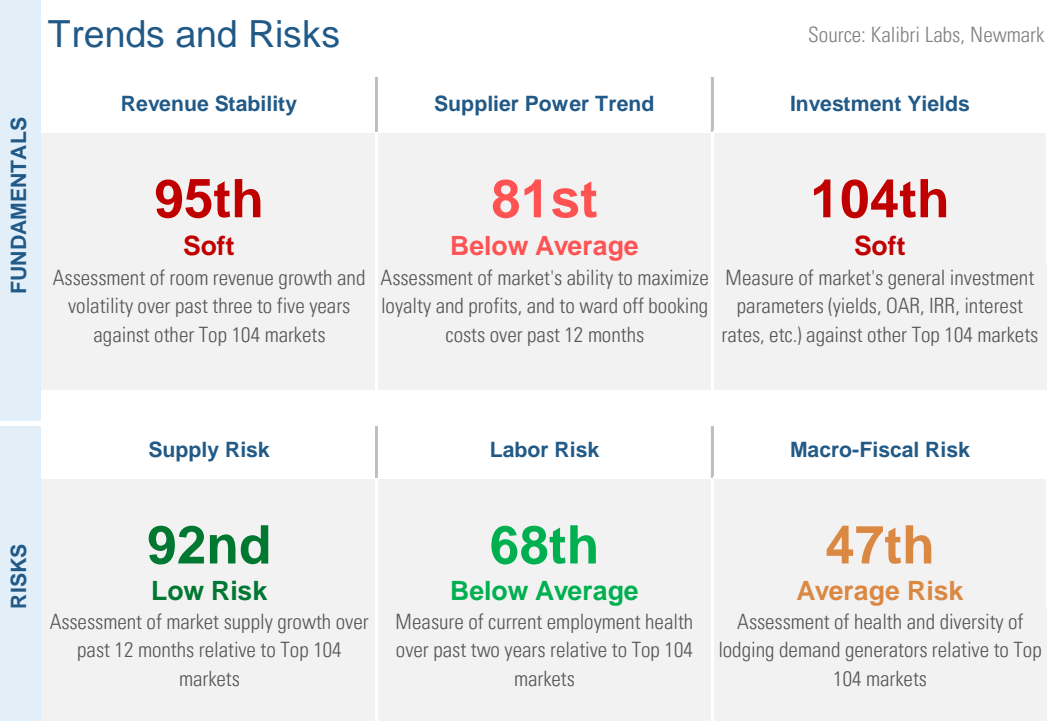
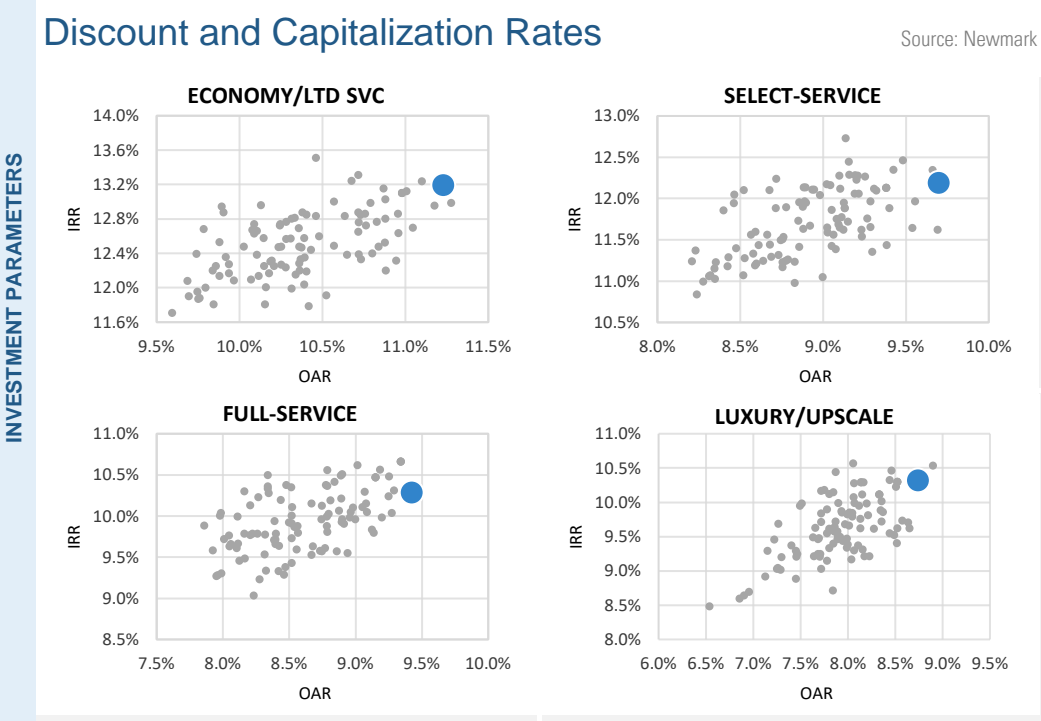
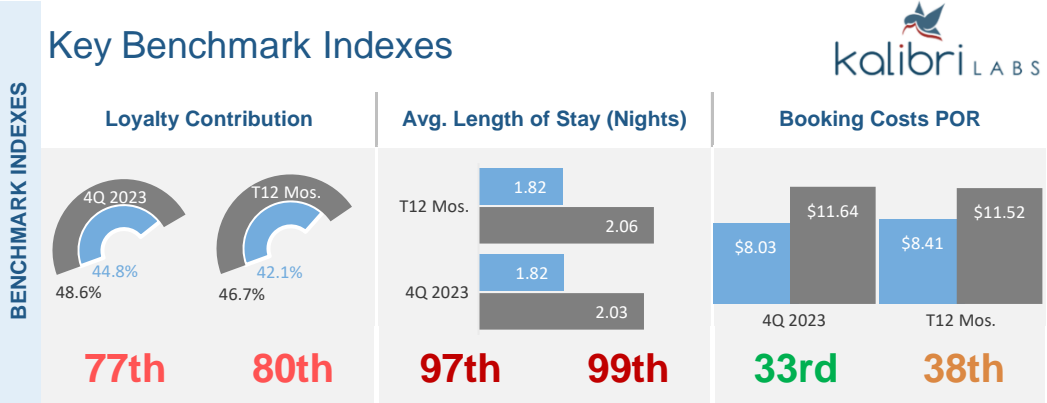
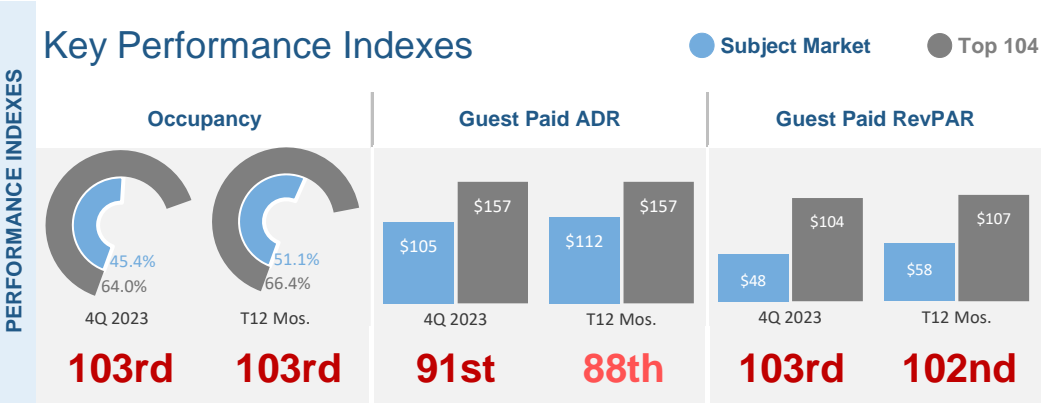
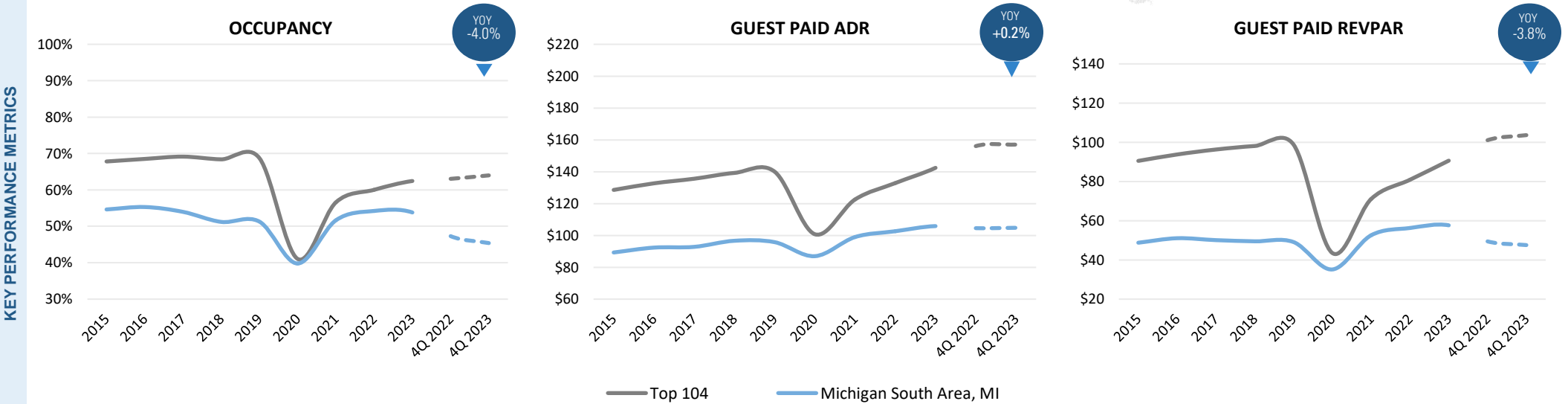
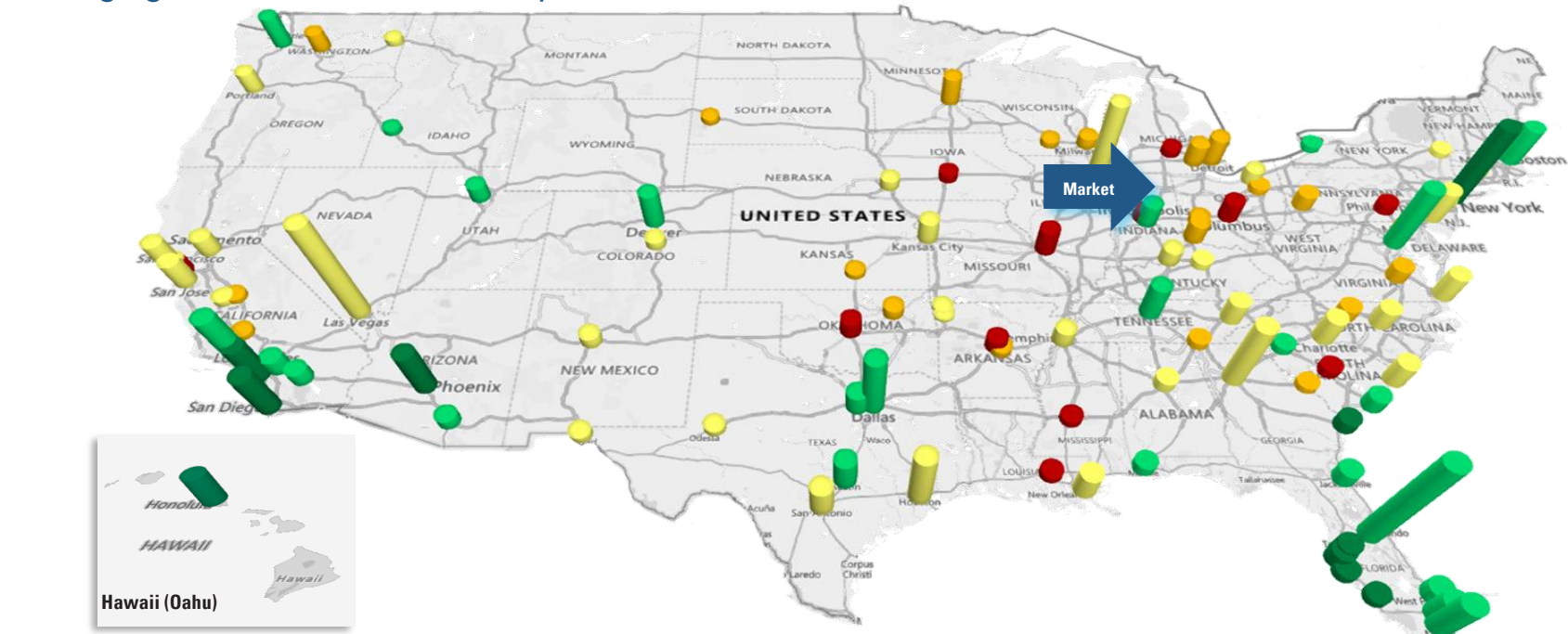
Lodging Performance Index Snapshot

LODGING PERFORMANCE INDEX

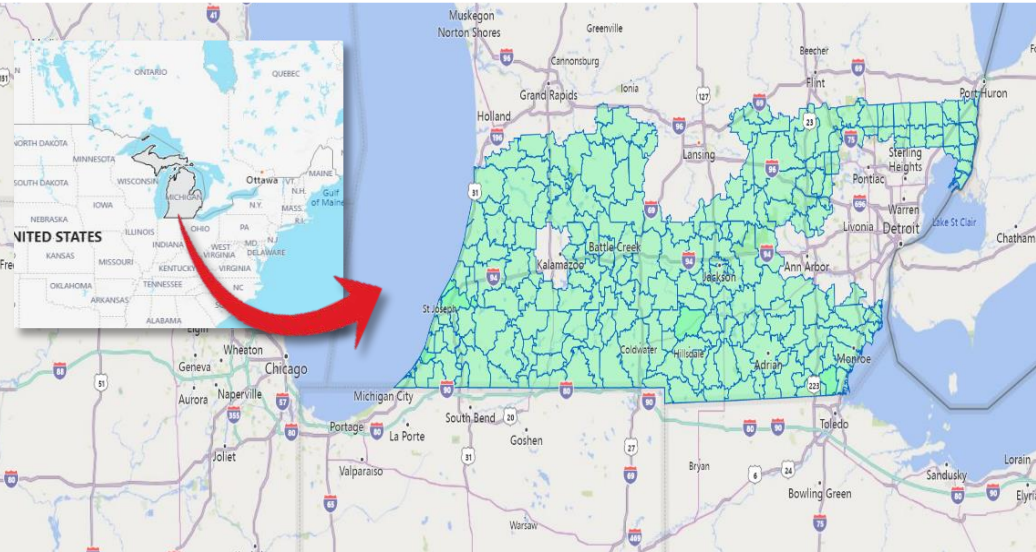
Michigan South Area, MI



Ranking of overall '4Q 2023 LPI' performance (0.25) against all 104 surveyed markets.



Location



Quick Facts

Jurisdictional Information

Municipal Name: Multiple

County: Multiple

State: Michigan

Geo Coordinates (market center): 42.69641, -84.53906

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators

Amway Corp. | Ascension | Axios Inc. | Blue Cross Blue Shield of Michigan | CHE Trinity Health | Chrysler Group LLC | Comerica Bank | DTE Energy Co. | Ford Motor Co. | General Motors Corp. | Johnson Controls Inc. | Liberty National Life Insurance | McLaren Health Care Corp. | Michigan State University | Pfizer | Quicken Loans | Stryker Corp. | University of Michigan | Wayne State University | Western Michigan University

Metrics and Ranking

Population (hotel market area) 1,701,183

Income per Capita \$56,820

Feeder Group Size 269.4 Persons PSR

Feeder Group Earnings \$15,307,905 PSR

Total Market COPE \$257.3 million

Measurements

Rankings

32nd of 104 (Above Average)

25th of 104 (Above Average)

104th of 104 (Soft)

104th of 104 (Soft)

92nd of 104 (Soft)

Key Performance Metrics

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	54.6%	\$89.29	\$48.78	\$84.15	\$45.97	\$5.14	94.2%	41.5%	1.93	10,650	0.45
2016	55.3%	\$92.36	\$51.08	\$86.69	\$47.94	\$5.67	93.9%	44.3%	1.87	10,590	0.69
2017	54.0%	\$92.81	\$50.09	\$86.58	\$46.73	\$6.24	93.3%	46.9%	1.85	10,670	0.47
2018	51.2%	\$96.65	\$49.50	\$89.89	\$46.04	\$6.75	93.0%	51.5%	1.81	11,000	0.61
2019	51.3%	\$95.78	\$49.12	\$88.82	\$45.55	\$6.96	92.7%	56.2%	1.81	11,850	0.50
2020	39.8%	\$86.98	\$35.15	\$81.34	\$32.37	\$5.64	93.5%	38.2%	2.16	11,840	0.96
2021	51.7%	\$98.99	\$52.57	\$92.30	\$47.68	\$6.69	93.2%	40.3%	2.01	12,150	0.82
2022	54.2%	\$102.63	\$56.29	\$95.63	\$51.85	\$7.00	93.2%	39.7%	2.09	12,240	0.68
2023	53.8%	\$105.86	\$57.67	\$98.48	\$52.99	\$7.38	93.0%	39.1%	2.06	12,300	0.25
CAGR: 2015 thru 2022	-0.2%	2.2%	2.1%	2.0%	1.8%	4.6%	-0.2%	-0.7%	0.8%	1.8%	-6.9%
4Q 2022	47.3%	\$104.55	\$49.45	\$96.97	\$45.87	\$7.58	92.8%	39.2%	1.93	12,790	0.68
4Q 2023	45.4%	\$104.79	\$47.57	\$96.76	\$43.93	\$8.03	92.3%	44.8%	1.82	12,310	0.25

Data provided by: kalibri LABS

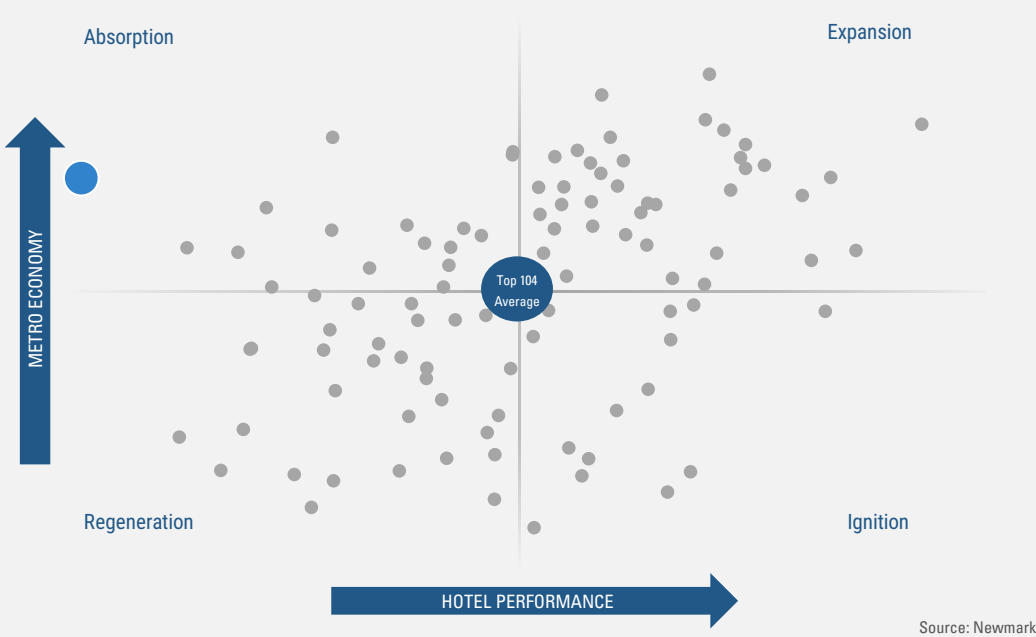
Notable Metrics

HIGHEST	Population Density per Room	Feeder Population Per Room	Marketwide Income per Room
	1st Very Strong Michigan South Area, MI boasted strong population density per room (138.18)	1st Very Strong The market posted a high ratio of feeder population per room (97.58)	1st Very Strong The market also enjoyed a high ratio of marketwide income per room (\$5,544,474)
LOWEST	OAR: Full-Service	OAR: Select-Service	Feeder Group Earnings PSR
	104th Highly Unfavorable This market posted unfavorable OAR metrics in the full-service segment (9.4%)	104th Highly Unfavorable The market exhibited unfavorable OAR metrics in the select-service segment (9.7%)	104th Soft Michigan South Area, MI also has been hindered by weak feeder group earnings PSR (\$15,307,905)

Notable Trends

FASTEST	T12-Month Rooms Supply Growth	Long-Term Historical Loyalty Contribution Growth	General Economy Reverence
	13th Above Average Michigan South Area, MI exhibited low rooms supply growth over the last 12 months (-3.8%)	20th Above Average The market exhibited strong long-term historical loyalty contribution growth (4.5%)	20th Above Average The market also enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)
SLOWEST	Overall Health of Hotel Market	Short-Term Historical LPI Growth	Long-Term Historical LPI Growth
	104th Soft The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	104th Soft We note this area has been hampered by weak short-term historical LPI growth (-9.1%)	104th Soft Michigan South Area, MI also posted weak long-term historical LPI growth (-6.9%)

Market Performance Stage



Michigan South Area, MI: Absorption Stage

The Michigan South Area, MI market is currently in the 'Absorption' stage of the performance cycle. In this 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; Houston, TX; and Minneapolis, MN.

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Other Stages:	
Regeneration	In the 'Regeneration' 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.
Ignition	In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will enter a sustained post-pandemic status. 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; Miami, FL; and Myrtle Beach, SC.Chicago, IL; Miami, FL; and New York, NY.
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

MOODY'S ANALYTICS

Business Cycle: At Risk

Employment Growth (2 yr): 6.7%

Risk Exposure (402 US markets): 17th Percentile: Below Average

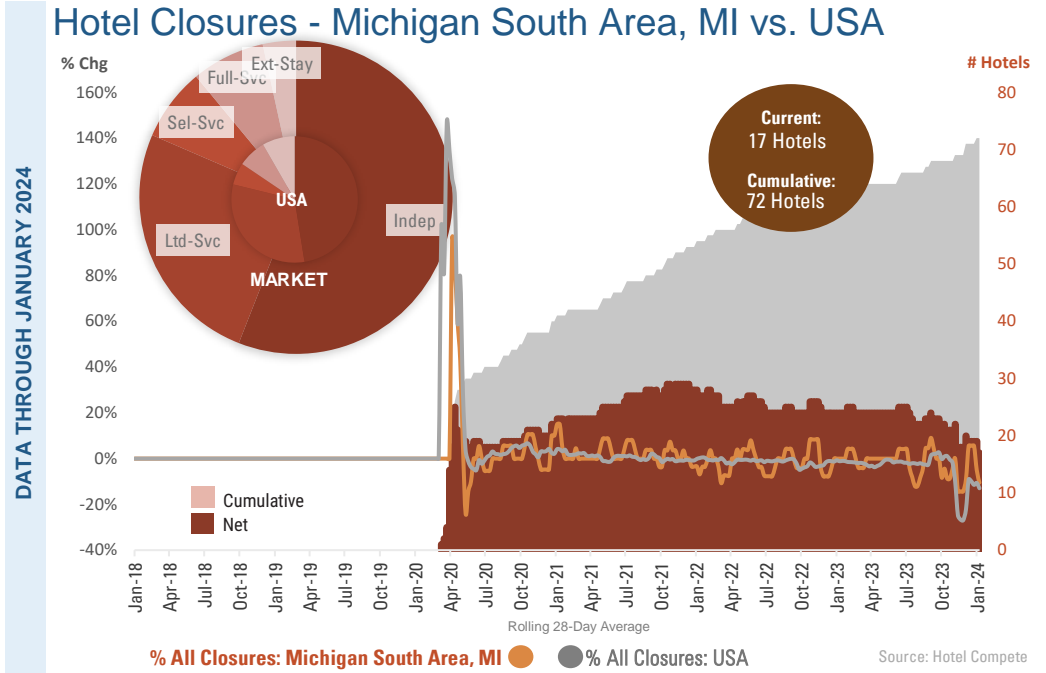
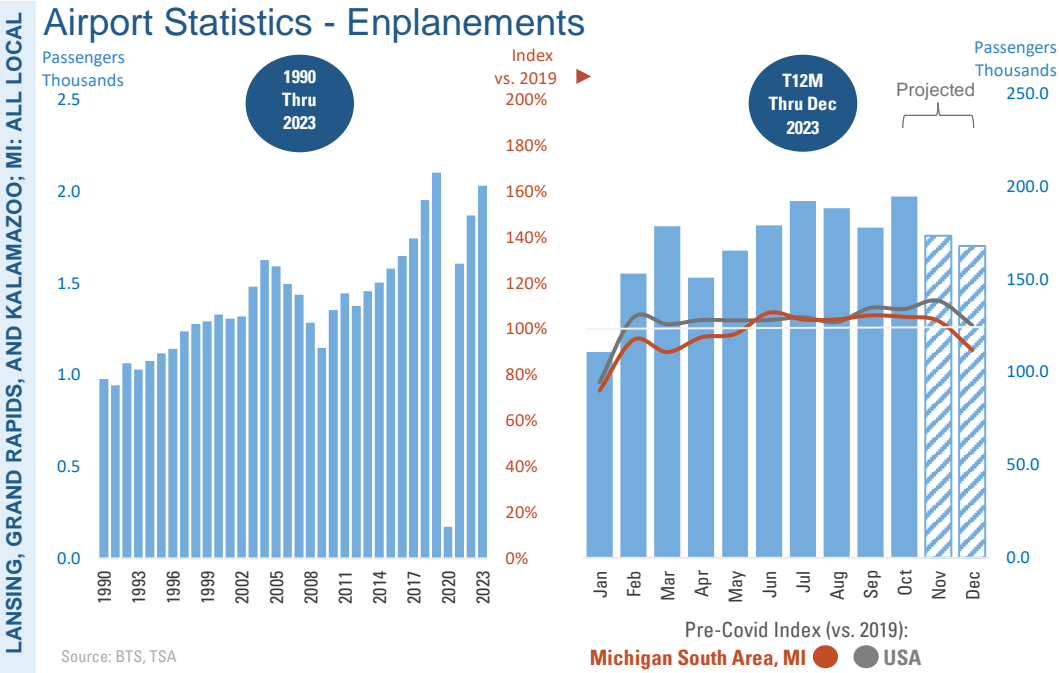
Key Industry Notes: College town, manufacturing
Regional healthcare hub
Good share of jobs-high tech
Low per capita income
Graduate retention

Moody's Rating

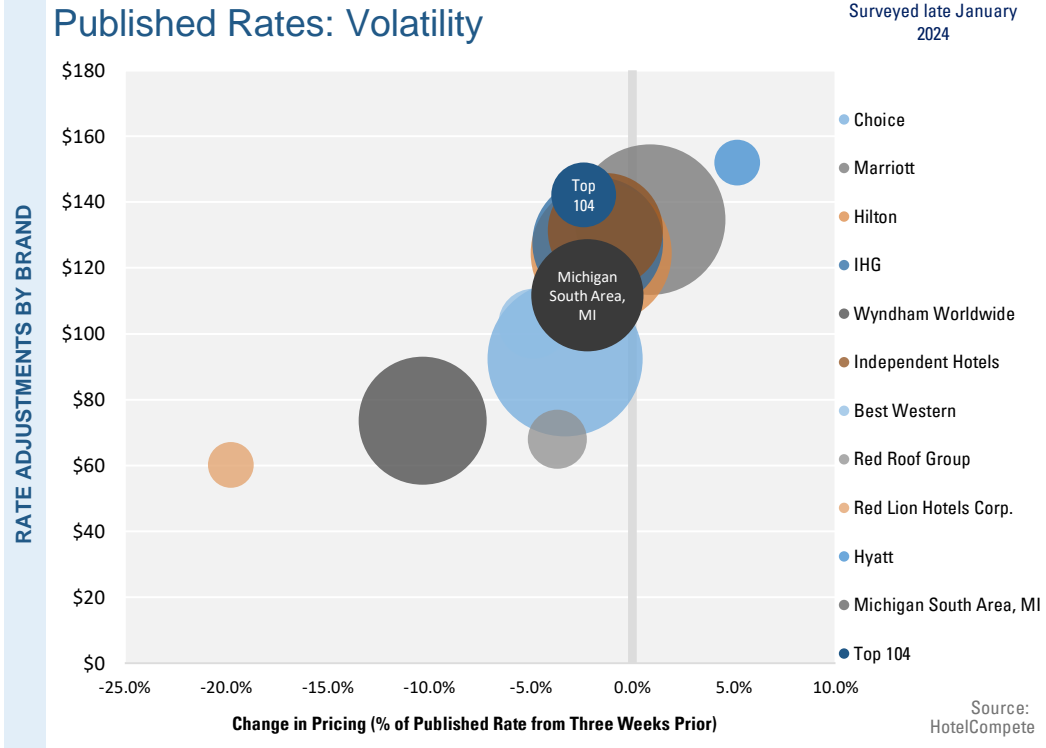
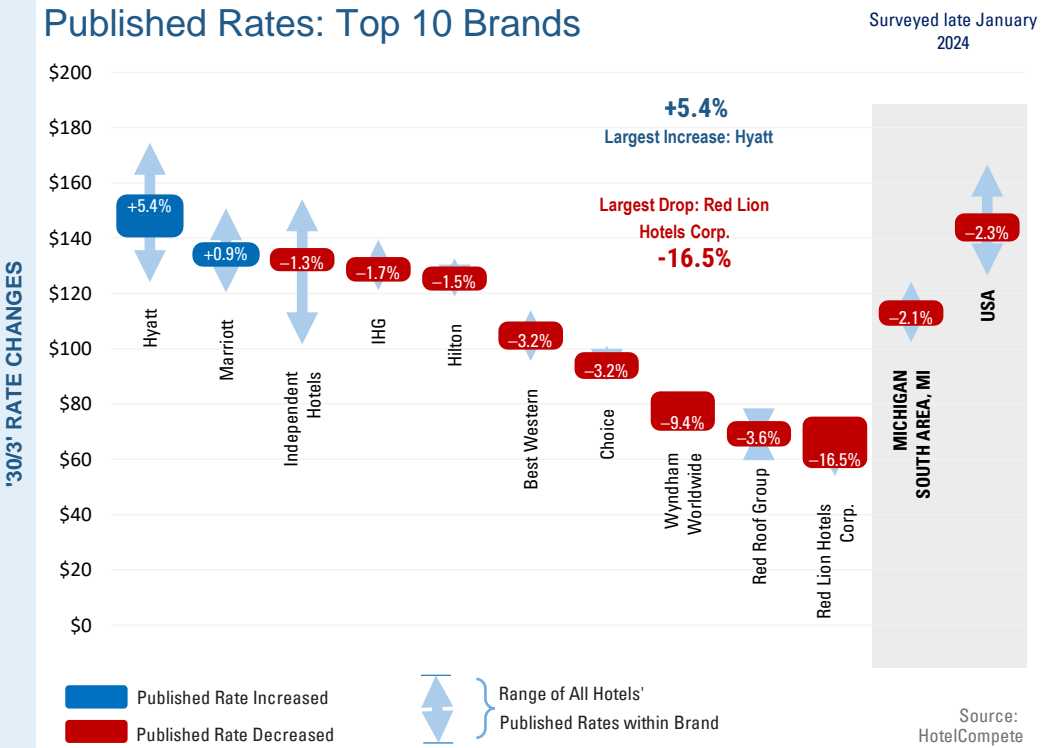
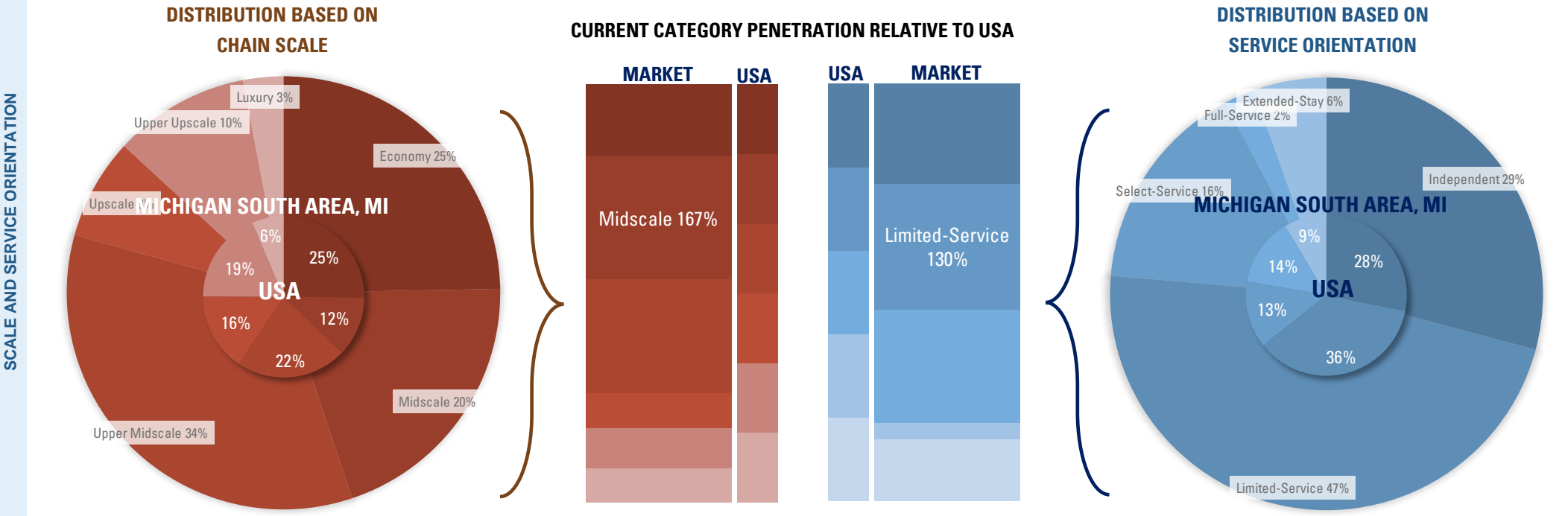
Aaa
Investment Grade

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





Scale and Service Distribution: Michigan South Area, MI

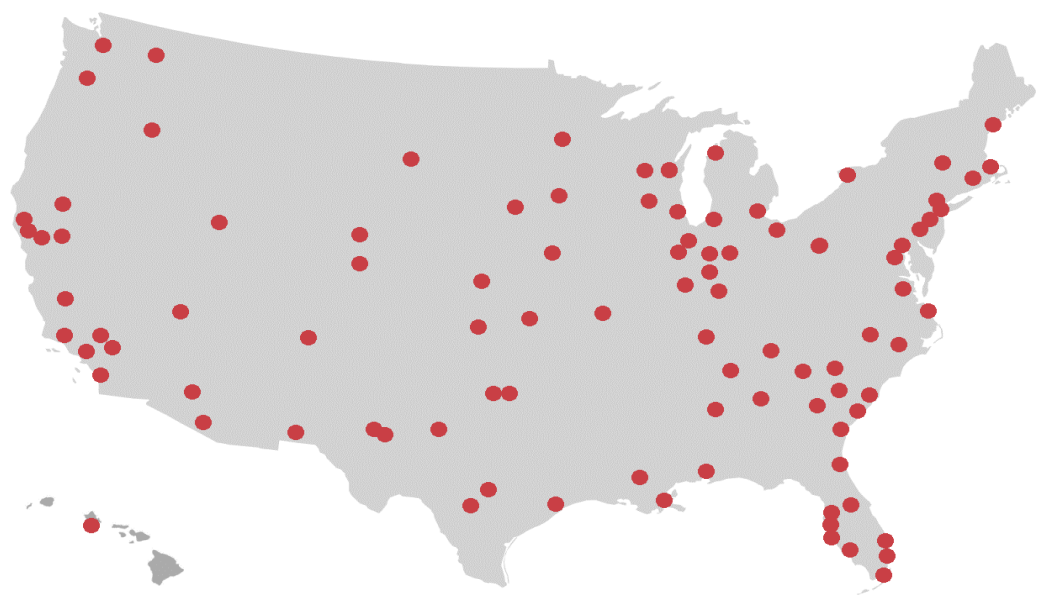


Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	89th Below Average The 30-day advanced published rate for the market was a somewhat conservative \$111.70, ranking 89th out of 104 markets. (Guest-Paid ADR ranked a conservative 91st at \$104.79 in 4Q 2023.)	43rd Average Published rates have recently been moving downward, decreasing by a noticeable 2.1% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	43rd Average Published rates reported in late January 2024 were 6.6% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is average. By comparison, the T-104 spread was -9.5%.

	Published Rate Integrity	Coverage	Volatility
BRAND LEVEL	82nd Below Average Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	92nd Soft Michigan South Area, MI has a soft spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	81st Elevated Michigan South Area, MI's top 10 brands are exhibiting elevated volatility with respect to advanced booking pricing movements in the three weeks leading into late January 2024.

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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Marinas

Ski and Village Resorts

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