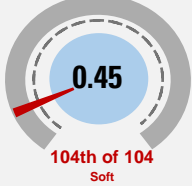


1Q 2023 MICHIGAN SOUTH AREA, MI



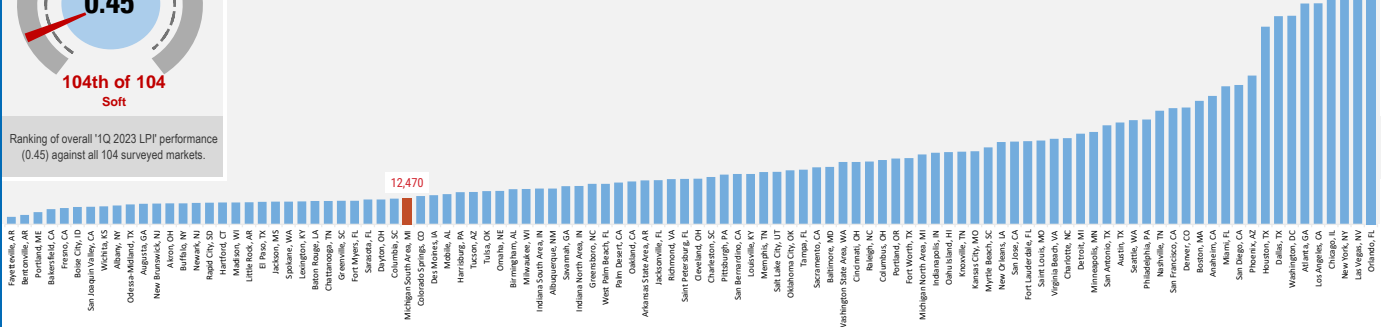
Fundamentals Dashboard

Lodging Performance Index

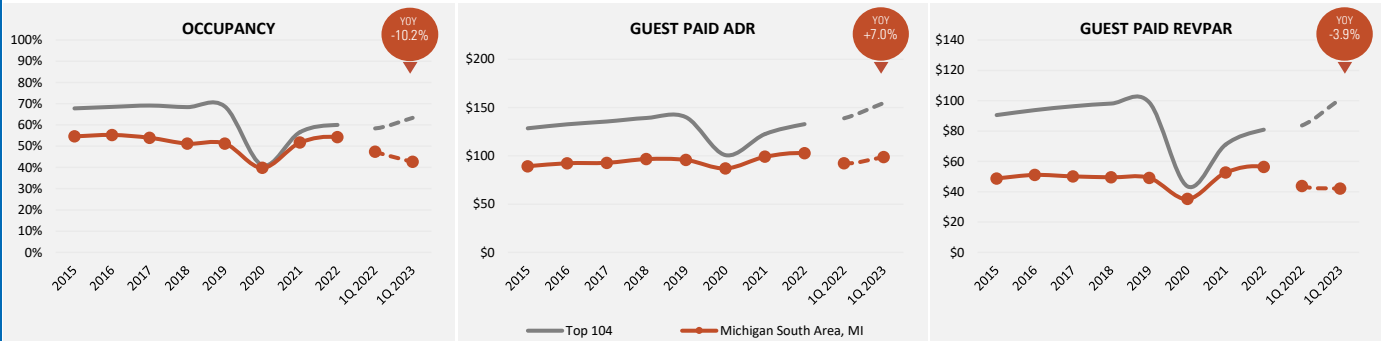


Ranking of overall 1Q 2023 LPI performance (0.45) against all 104 surveyed markets.

ROOM SUPPLY RANKING vs. MAJOR US MARKETS

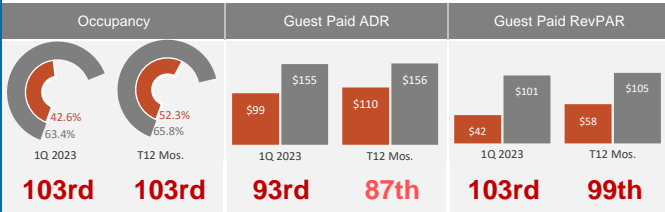


KEY PERFORMANCE METRICS

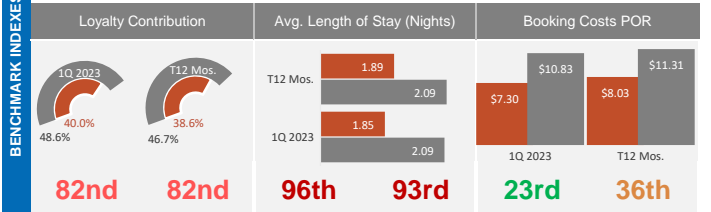


Key Performance Indexes

● Subject Market ● Top 104

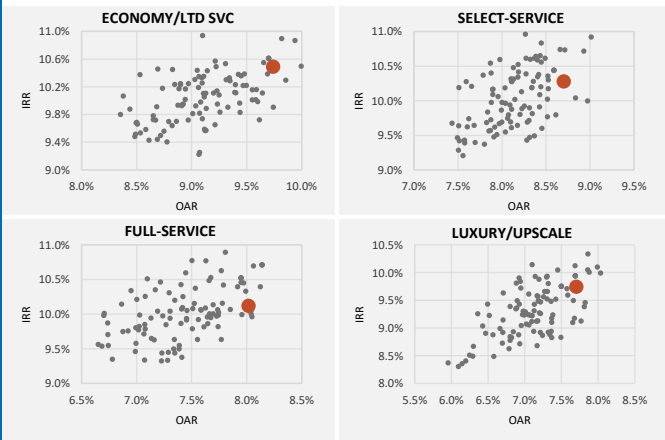


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

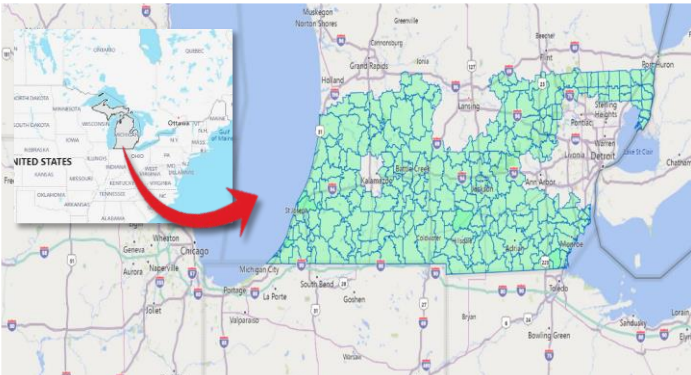


Trends and Risks

Source: Kalibri Labs, Newmark



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	Measurement	Rankings
Population (hotel market area)	1,701,183	32nd of 104 (Above Average)
Income per Capita	\$56,820	25th of 104 (Above Average)
Feeder Group Size	258.1 Persons PSR	104th of 104 (Soft)
Feeder Group Earnings	\$14,662,847 PSR	104th of 104 (Soft)
Total Market COPE	\$264.4 million	90th of 104 (Soft)

Key Performance Metrics

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	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
CAGR: 2015 thru 2022	-0.1%	2.0%	2.1%	1.8%	1.7%	4.5%	-0.2%	-0.6%	1.1%	2.0%	6.1%
1Q 2022	47.4%	\$92.26	\$43.74	\$85.91	\$40.73	\$6.35	93.1%	37.8%	2.37	12,180	0.84
1Q 2023	42.6%	\$98.70	\$42.02	\$91.40	\$38.91	\$7.30	92.6%	40.0%	1.85	12,470	0.45
% Change	-10.2%	7.0%	-3.9%	6.4%	-4.5%	15.1%	-0.6%	5.8%	-21.8%	2.4%	-46.7%

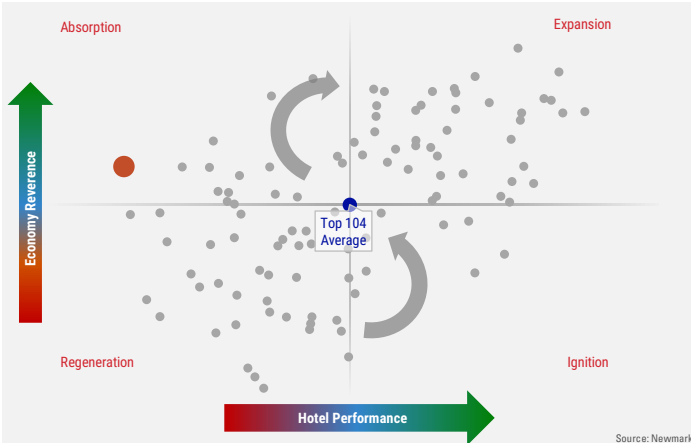
Notable Metrics

HIGHEST	Population Density per Room	Feeder Population Per Room	Marketwide Income per Room
1st Strong	Michigan South Area, MI boasted strong population density per room (136.42)	1st Strong	The market posted a high ratio of feeder population per room (94.3)
1st Strong			The market also enjoyed a high ratio of marketwide income per room (\$5,358,159)
LOWEST	Feeder Group Earnings PSR	Feeder Group Size	Latest-Quarter LPI
104th Soft	This market has been hindered by weak feeder group earnings PSR (\$14,662,847)	104th Soft	The market required a large feeder group size (258.06 Persons)
104th Soft			Michigan South Area, MI also posted weak latest-quarter LPI (0.45)

Notable Trends

FASTEST	Short-Term Historical Supply Growth	General Economy Reversion	Short-Term Historical Guest Paid ADR Growth
32nd Above Average	Michigan South Area, MI has benefited from low short-term historical supply growth (2.1%)	38th Average	The market enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)
40th Average			The market also exhibited strong short-term historical Guest Paid ADR growth (3.0%)
SLOWEST	Overall Health of Hotel Market	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Booking Costs POR Growth
104th Soft	The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	94th Soft	We note this area exhibited weak short-term historical average length of stay growth (-0.7%)
89th Below Average			Michigan South Area, MI also has been impeded by high short-term historical growth in booking costs (4.1%)

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; Kansas City, MO; and Michigan North Area, MI.

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 Chicago, IL; Detroit, MI; and Houston, TX.
- 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 Miami, FL; New Orleans, LA; 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

Business Cycle: In Expansion
Employment Growth (2 yr): 0.8%
Risk Exposure (402 US markets): 68th Percentile: Above Average
Key Industry Notes: College town, manufacturing
 Regional healthcare hub
 Good share of jobs-high tech
 Low per capita income
 Graduate retention

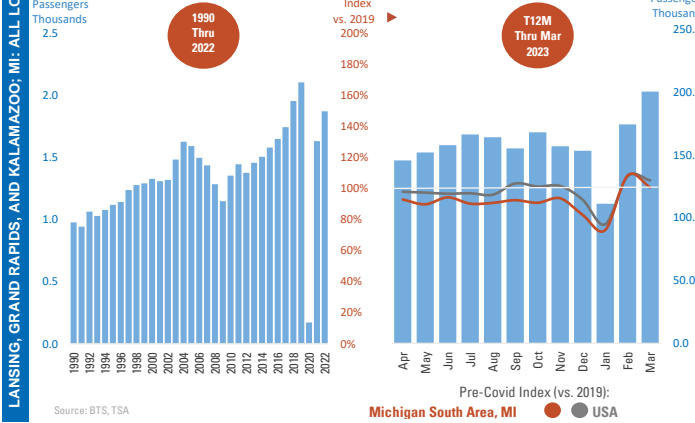
Moody's Rating

Aa2
 Investment Grade

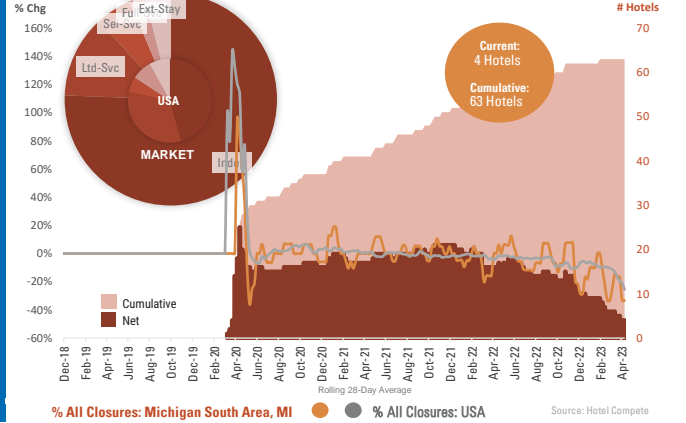
Long-term investment grade, Prime-1 short-term outlook



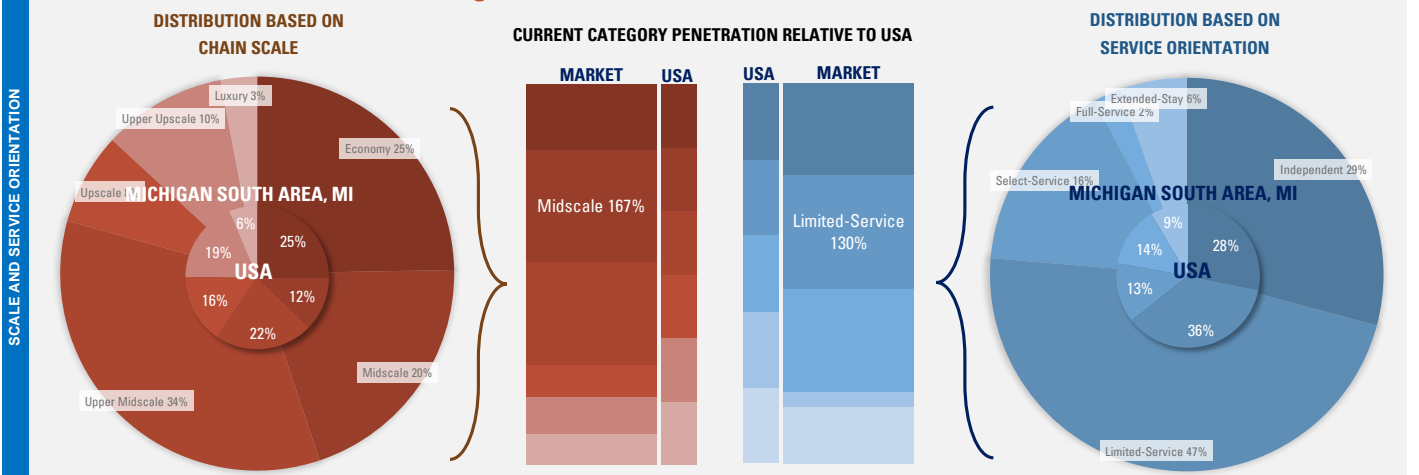
Airport Statistics - Enplanements



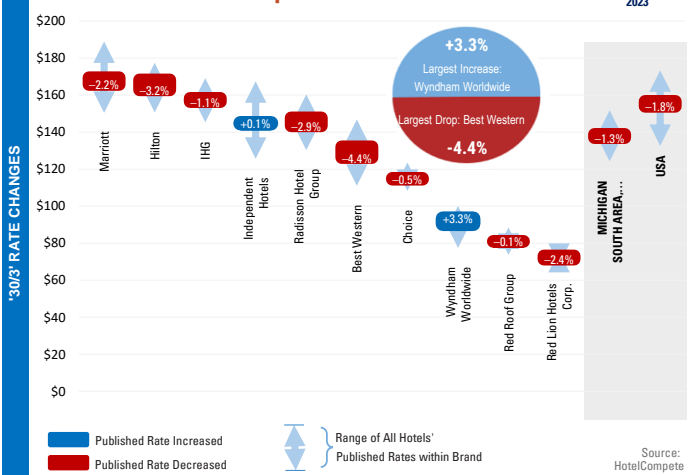
Hotel Closures - Michigan South Area, MI vs. USA



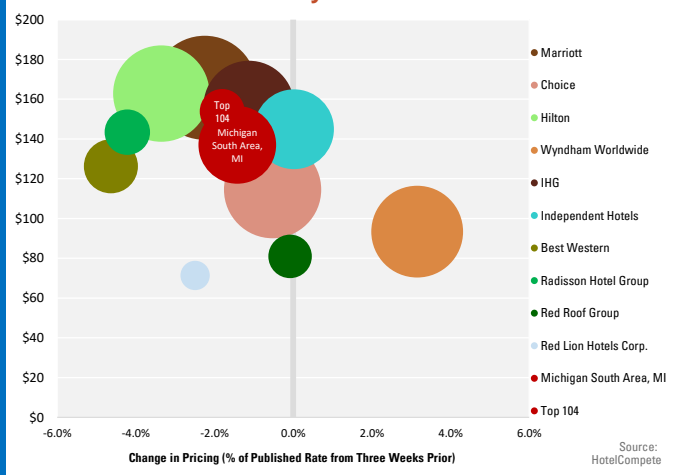
Scale and Service Distribution: Michigan South Area, MI



Published Rates: Top 10 Brands



Published Rates: Volatility

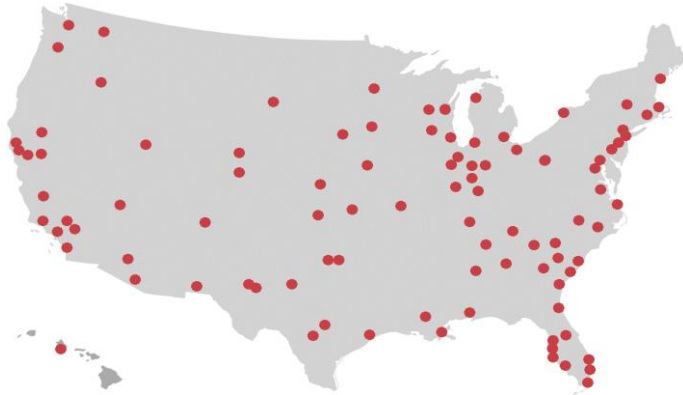


Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	71st Below Average	54th Average	11th Above Average
	The 30-day advanced published rate for the market was a somewhat conservative \$137.02, ranking 71st out of 104 markets. (Guest-Paid ADR ranked a conservative 93rd at \$98.70 in 1Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 1.3% over three weeks going into late April 2023. By comparison, the T-104 average posted downward movement of 1.77%.	Published rates reported in late April 2023 were 38.8% higher than the market's Guest-Paid ADR in 1Q 2023. This optimism is above average. By comparison, the T-104 spread was -0.6%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	88th Below Average	89th Below Average	33rd Low
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Michigan South Area, MI has a below average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Michigan South Area, MI's top 10 brands are exhibiting low volatility with respect to advanced booking pricing movements in the three weeks leading into late April 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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- Conference, Expo and Convention Centers
- Golf Courses
- Marinas

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