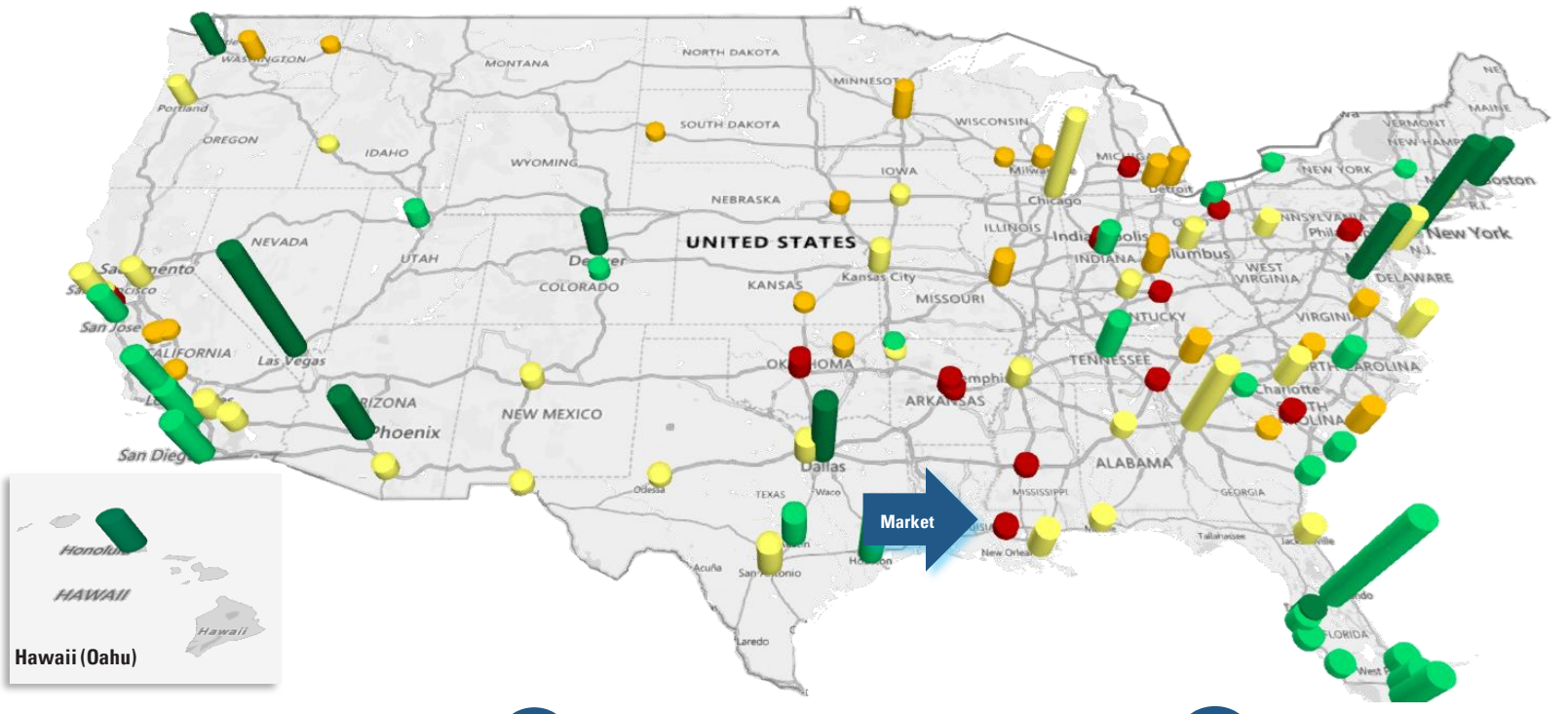
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

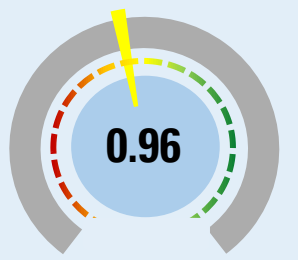
1Q 2025
MOBILE, AL

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Mobile, AL

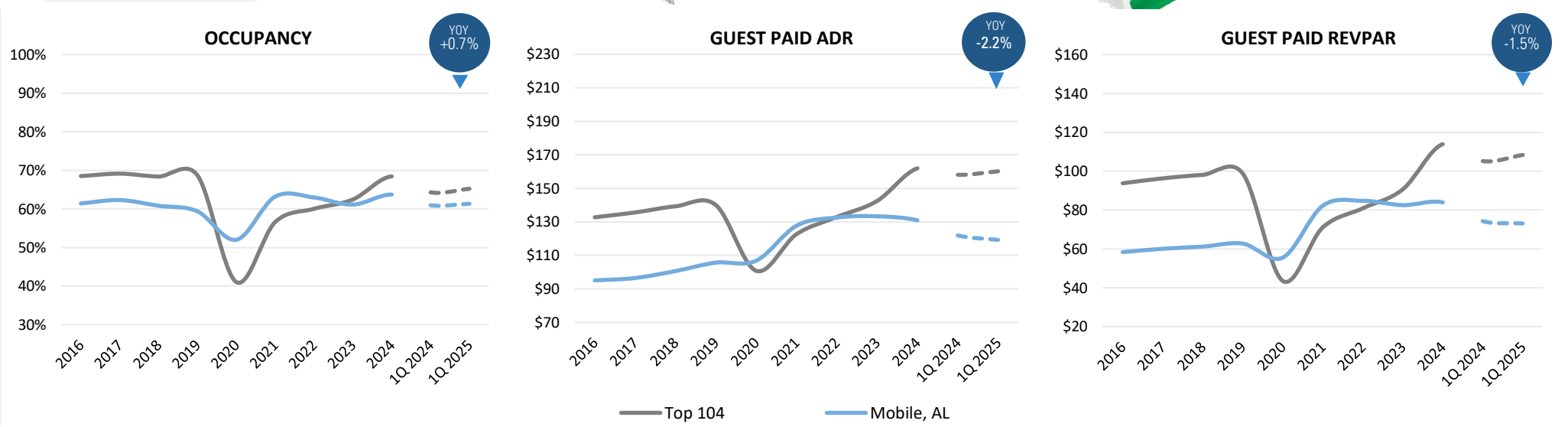


61st of 104

Average

Ranking of overall '1Q 2025 LPI' performance (0.96) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
1Q 2025	T12 Mos.	1Q 2025	T12 Mos.	1Q 2025	T12 Mos.
61.3% / 65.2%	63.8% / 68.7%	$119 / $160	$130 / $162	$73 / $108	$84 / $115
50th	69th	63rd	60th	57th	58th

BENCHMARK INDEXES

Key Benchmark Indexes

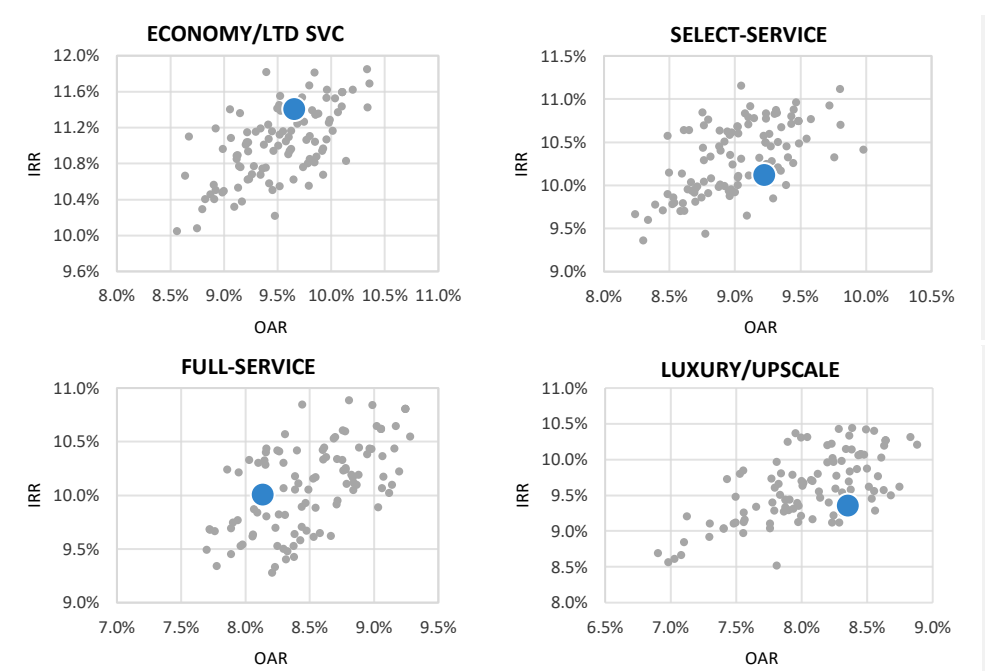
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
1Q 2025	T12 Mos.	1Q 2025	T12 Mos.	1Q 2025	T12 Mos.
46.6% / 49.2%	46.1% / 50.8%	2.30 / 2.07	2.20 / 2.06	$8.43 / $11.27	$9.49 / $11.96
74th	75th	11th	19th	43rd	53rd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
47th	75th	54th
Average	Below Average	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
99th	44th	49th
Low Risk	Average Risk	Average 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:	Mobile
County:	Mobile County
State:	Alabama
Geo Coordinates (market center):	30.69436, -88.04305

Major Hotel Demand Generators

USA Health System | Infirmary Health | Austal | CPSI | AM/NS Calvert | Providence Hospital | SMC | AltaPointe | VT Mobile Aerospace Engineering Inc. | Outokumpu | Evonik Industries | United Technologies | Standard Furniture Manufacturing Co. Inc. | Kimberly-Clark Corp. | SSAB Americas | BASF SE | KCWW | Continental Motors Group | Airbus S.A.S. | Univ. South Alabama

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	471,703	88th of 104 (Below Average)
Income per Capita	$40,020	81st of 104 (Below Average)
Feeder Group Size	51.2 Persons PSR	21st of 104 (Above Average)
Feeder Group Earnings	$2,048,321 PSR	14th of 104 (Above Average)
Total Market Hotel Revenues	$427.9 million	67th of 104 (Below Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Guest Paid 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	61.4%	$95.02	$58.36	$88.19	$54.16	$6.83	92.8%	47.5%	2.05	12,940	0.80
2017	62.3%	$96.44	$60.08	$89.13	$55.53	$7.31	92.4%	47.7%	2.04	13,110	0.85
2018	60.8%	$100.58	$61.19	$92.88	$56.50	$7.70	92.3%	51.7%	2.04	12,910	0.80
2019	59.4%	$105.65	$62.73	$97.54	$57.92	$8.11	92.3%	56.6%	1.98	14,850	0.62
2020	52.0%	$106.77	$55.51	$99.15	$51.56	$7.62	92.9%	38.6%	2.24	14,600	1.43
2021	63.2%	$127.64	$82.20	$118.48	$74.87	$9.16	92.8%	40.5%	2.22	14,510	1.48
2022	63.0%	$132.57	$84.76	$123.04	$77.47	$9.53	92.8%	41.2%	2.20	14,530	1.14
2023	61.1%	$133.29	$82.54	$123.71	$75.62	$9.58	92.8%	41.6%	2.19	14,550	0.89
2024	63.7%	$130.89	$83.97	$121.40	$77.37	$9.49	92.7%	45.9%	2.18	14,920	1.03
CAGR: 2016 thru 2024	0.5%	4.1%	4.7%	4.1%	4.6%	4.2%	0.0%	-0.4%	0.7%	1.8%	3.3%
1Q 2024	60.9%	$121.89	$74.28	$113.45	$69.13	$8.44	93.1%	45.9%	2.20	14,870	0.99
1Q 2025	61.3%	$119.21	$73.13	$110.78	$67.96	$8.43	92.9%	46.6%	2.30	14,500	0.96

Notable Metrics

HIGHEST

Latest-Quarter Average Length of Stay	Feeder Group Earnings per sold room	T12-Month Average Length of Stay
11th	**14th**	**19th**
Above Average	**Above Average**	**Above Average**
Mobile, AL boasted strong latest–quarter average length of stay (2.30 Nights)	The market posted strong feeder group earnings per sold room ($2,048,321)	The market also benefited from strong T12–month average length of stay (2.20 Nights)

LOWEST

Marketwide Income per Room	Feeder Population Per Room	Population Density per Room
90th	**87th**	**87th**
Soft	**Below Average**	**Below Average**
This market exhibited a low ratio of marketwide per–capita income per room ($913,899)	The market posted a low ratio of feeder population per room (22.84)	Mobile, AL also has been hindered by weak population density per room (31.44)

Notable Trends

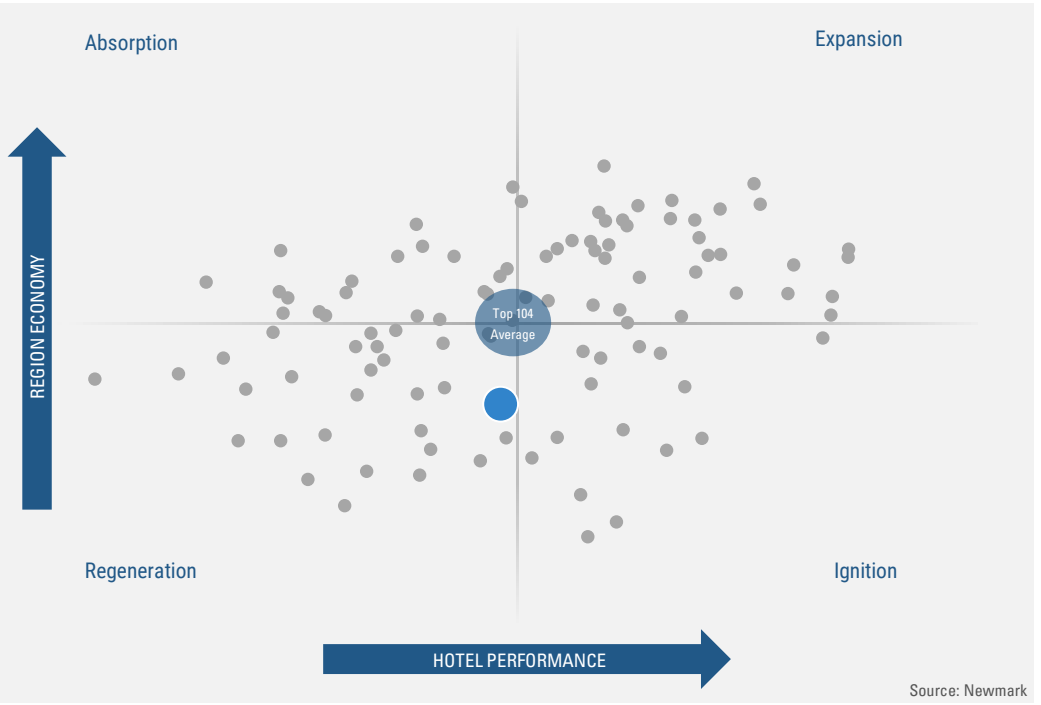
STRONGEST

T12-Month Rooms Supply Growth	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Occupancy Growth
6th	**8th**	**11th**
Strong	**Strong**	**Above Average**
Mobile, AL exhibited low rooms supply growth over the last 12 months (–2.5%)	The market enjoyed strong long–term historical average length of stay growth (1.6%)	The market also has benefited from strong short–term historical occupancy growth (1.0%)

WEAKEST

General Economy Reverence	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth
85th	**74th**	**73rd**
Below Average	**Below Average**	**Below Average**
The market posted weak general economic reverence (per–capita unemployment, GDP and other indicators)	We note this area exhibited high long–term historical booking costs POR growth (3.5%)	Mobile, AL also has been impeded by high short–term historical growth in booking costs (3.6%)

Market Performance Stage



Source: Newmark

Mobile, AL: Regeneration Stage

Regeneration

The Mobile, AL 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:	**Expansion**
Employment Growth (2 yr):	0.9%
Risk Exposure (402 US markets):	78th Percentile: Above Average
Key Industry Notes:	Strong manufacturing base
	Transportation infrastructure
	High poverty rate
	Low per capita income
	Low educational attainment

Moody's Rating

Aa1

Investment Grade

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

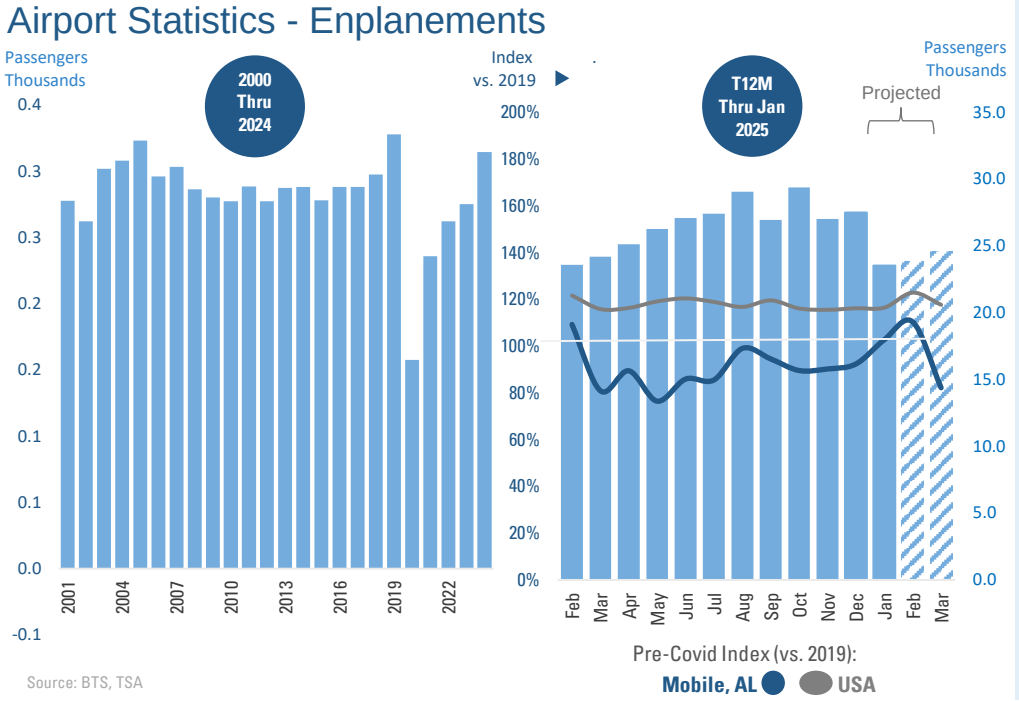
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

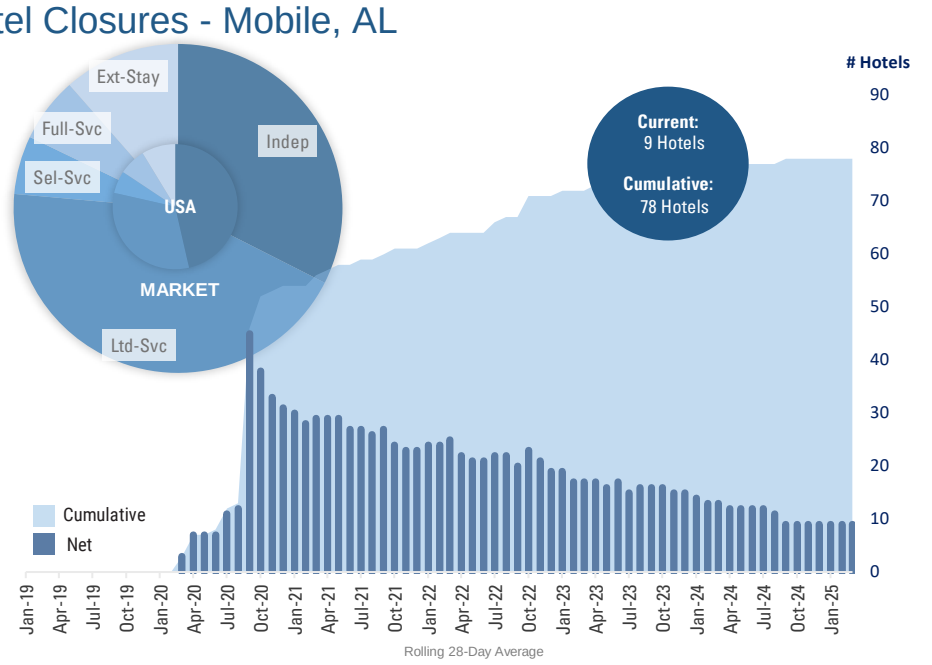
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH MAY 2025

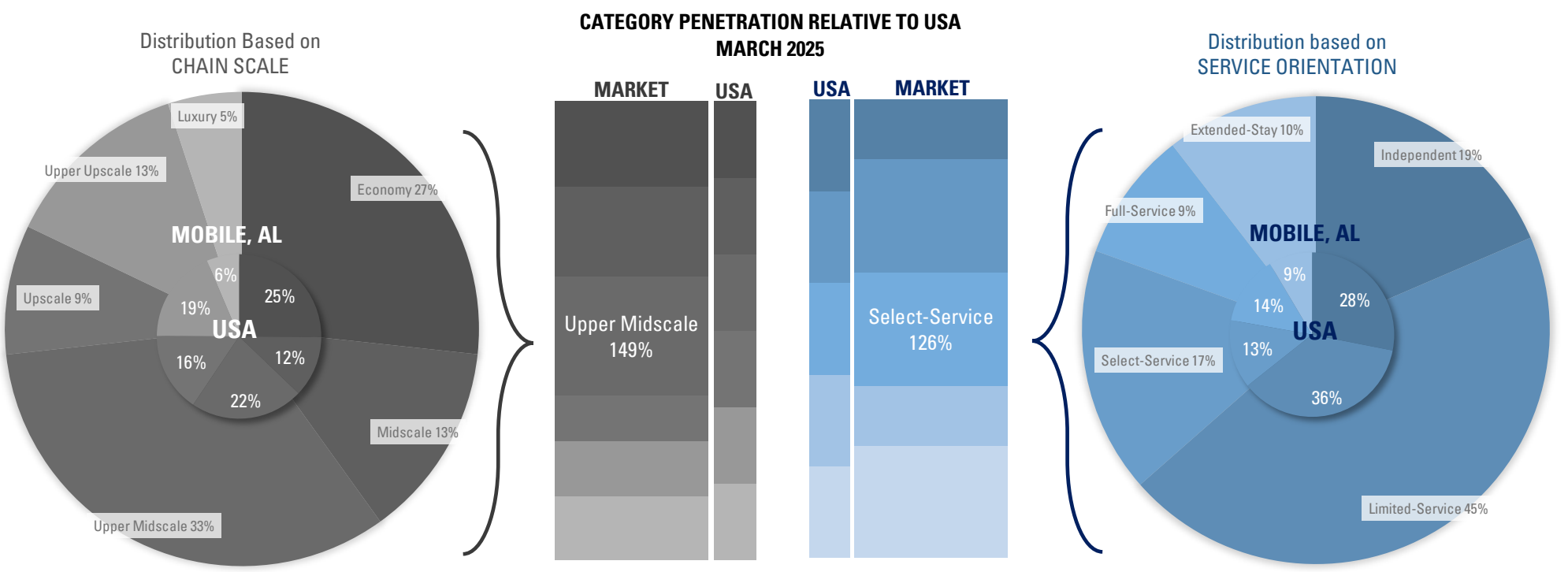
Hotel Closures - Mobile, AL



Source: Hotel Compete

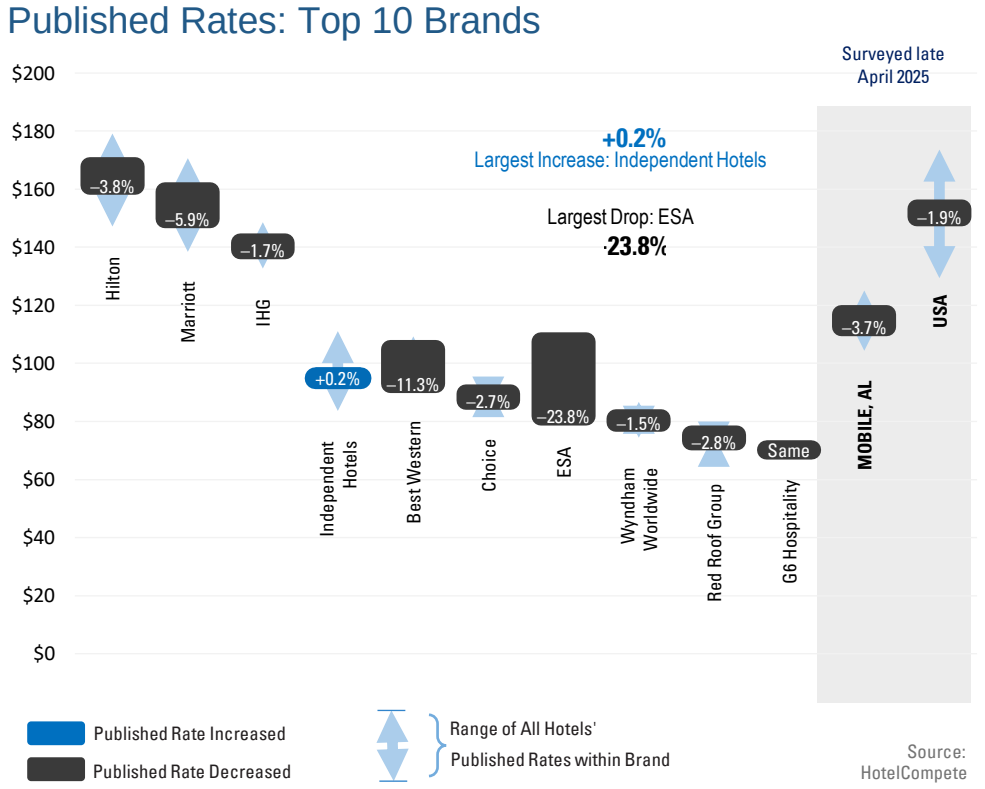
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Mobile, AL



'30/3' RATE CHANGES: MOBILE, AL vs. USA

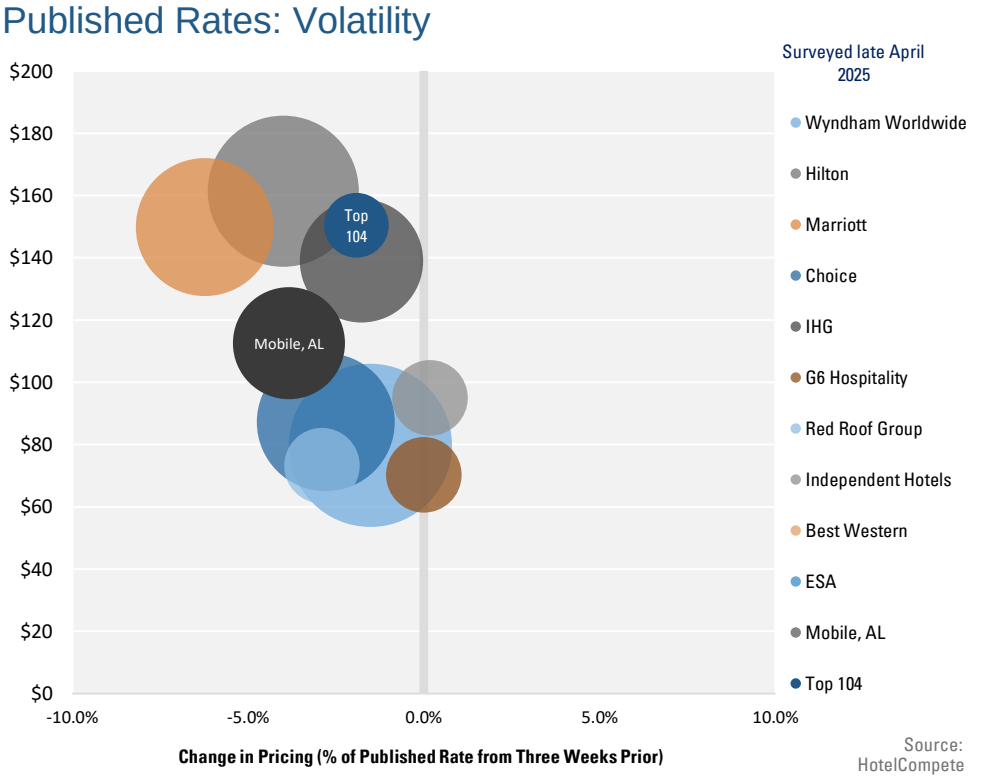
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



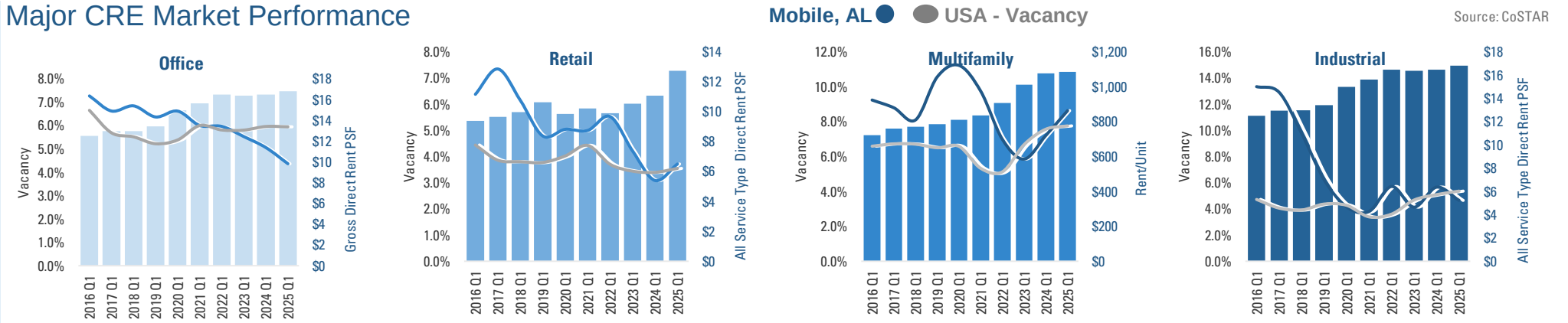
Source: HotelCompete

MAJOR C.R.E. METRICS

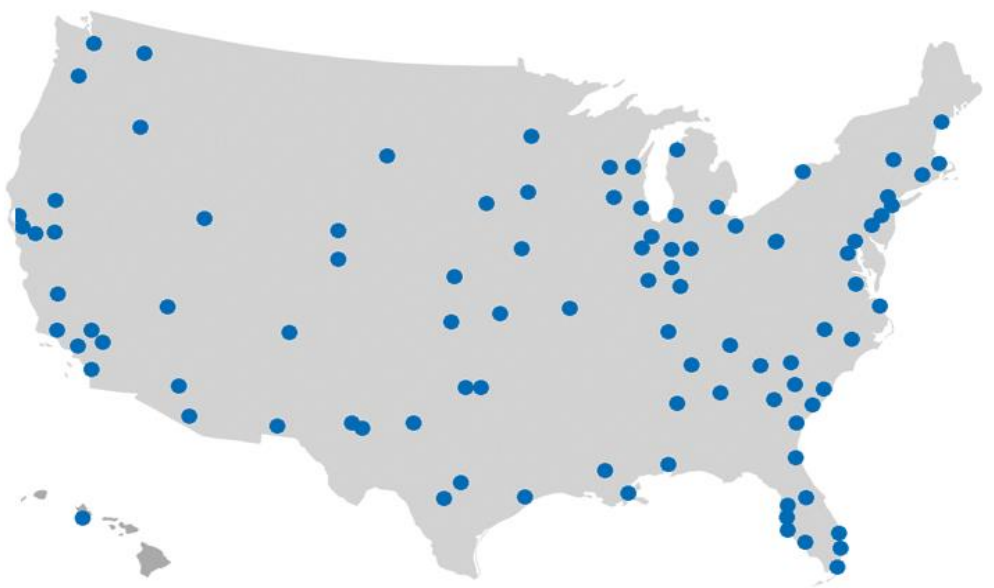
Major CRE Market Performance

Mobile, AL ● 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

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.

ABOUT NEWMARK

We transform untapped potential into limitless opportunity.

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

CONTACT: SOUTHEAST & CARRIBBEAN MARKETS

CONTACT

FOR MORE INFORMATION

David Gray, MAI, MRICS
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribbean Markets
m 561-302-3943
david.gray@nmrk.com

Edy Gross
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribbean Markets
m 305-582-7376
edy.gross@nmrk.com

DISCLAIMERS

LEGAL

COPYRIGHT INFORMATION

© 2024 by Newmark. All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication and should consult with professionals of the recipient's choice regarding all aspects of that decision, including its legal, financial, and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.