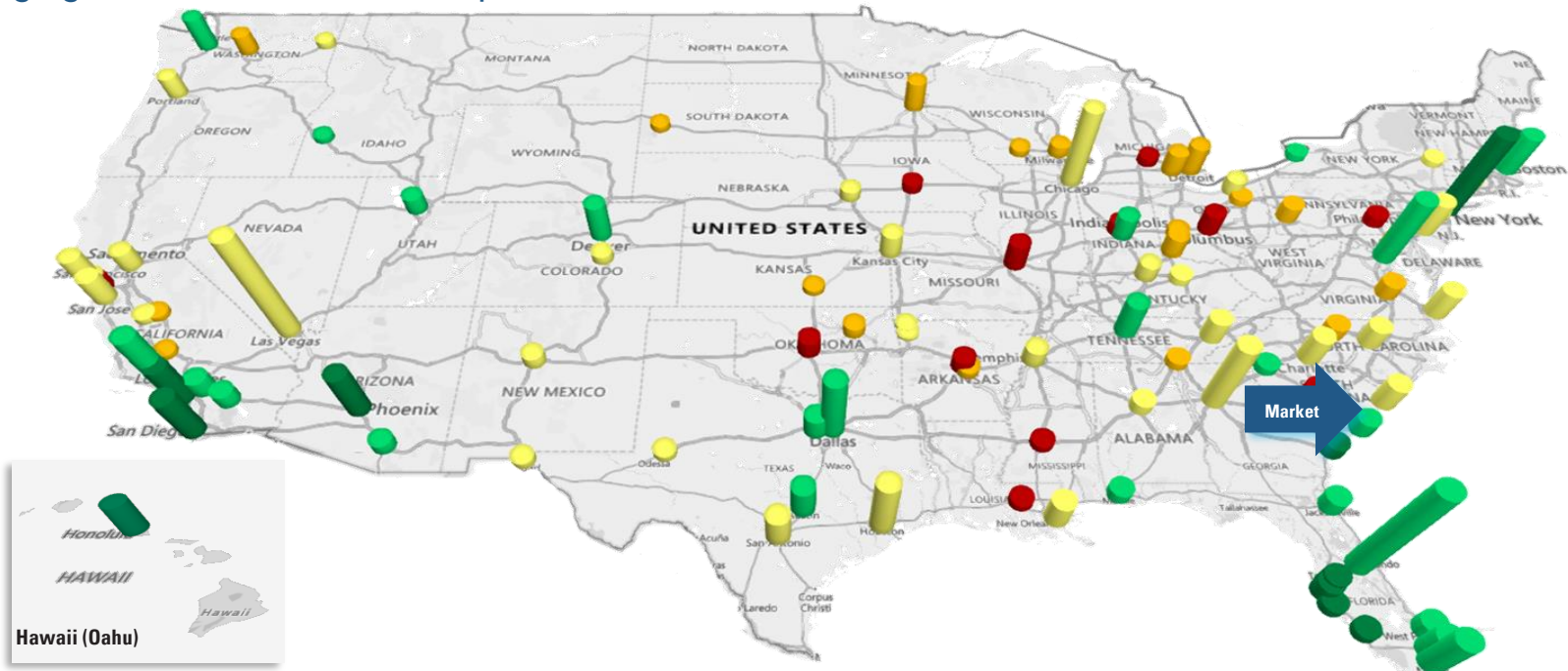


4Q 2023
MYRTLE BEACH, SC

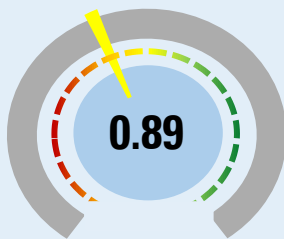


Lodging Performance Index Snapshot



LODGING PERFORMANCE
INDEX

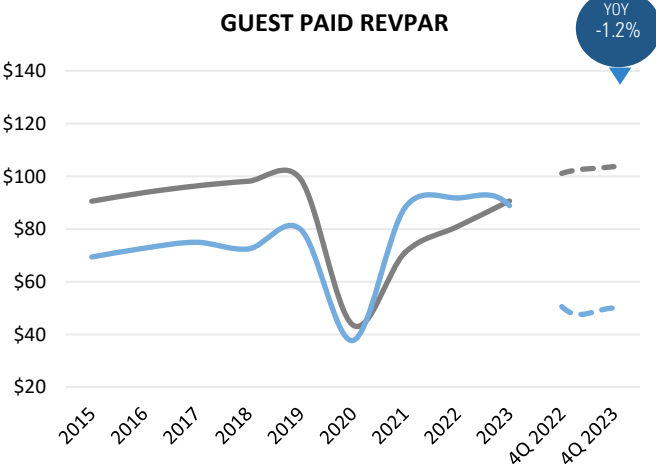
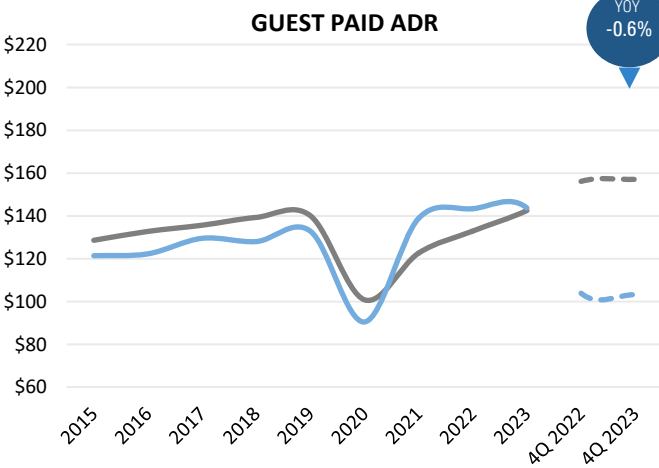
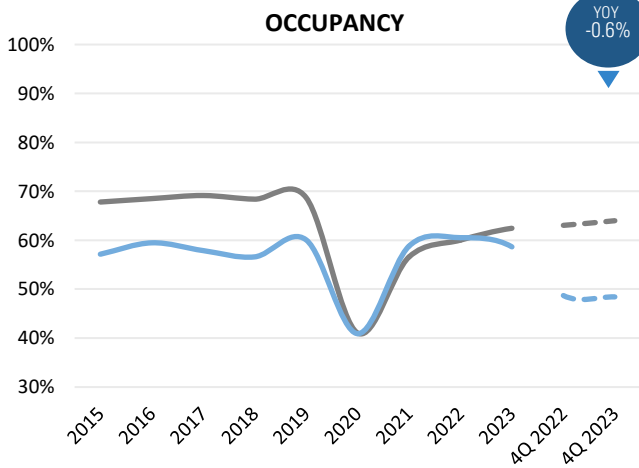
Myrtle Beach, SC



68th of 104
Average

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

KEY PERFORMANCE METRICS



Top 104

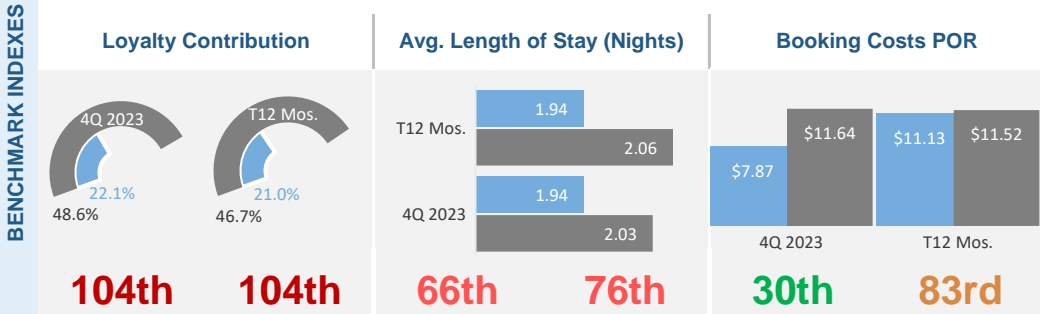
Myrtle Beach, SC

Key Performance Indexes

Subject Market Top 104

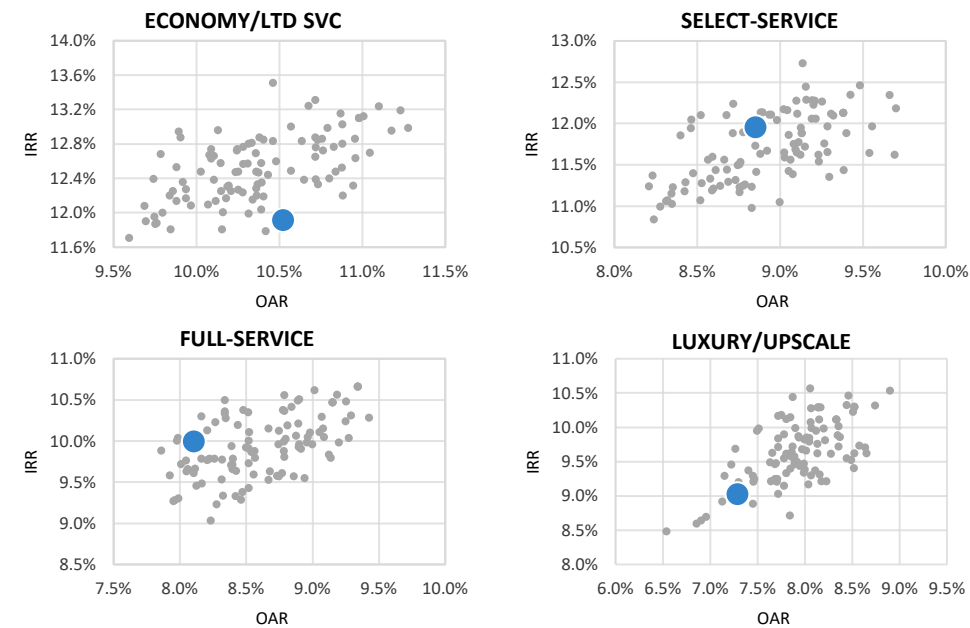


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

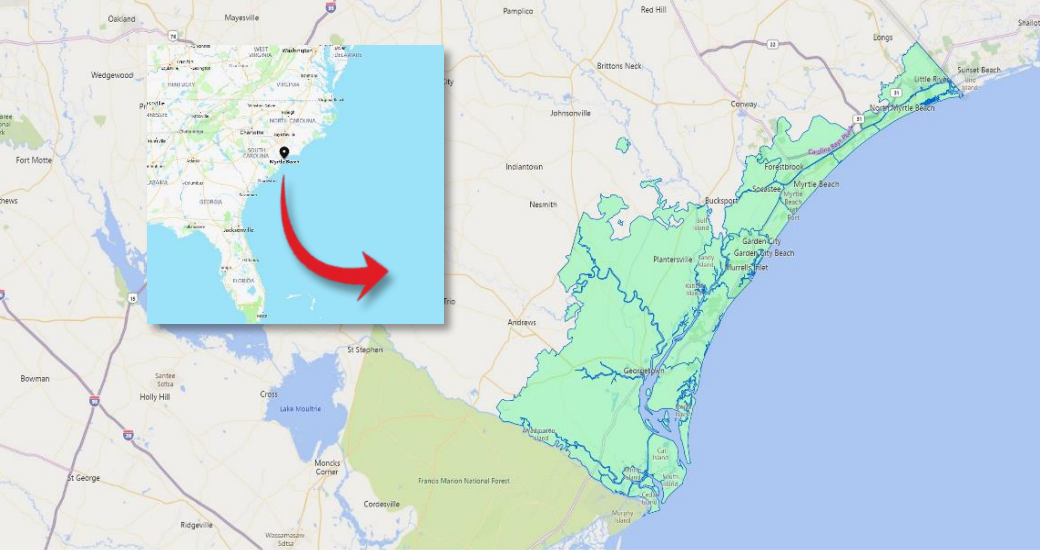


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information

Municipal Name:

Myrtle Beach

County:

Horry County

State:

South Carolina

Geo Coordinates (market center):

33.68906, -78.88669

Source: US Census Bureau,
Dept. of Labor Statistics

Major Hotel Demand Generators

Wal-Mart Stores Inc. | Coastal Carolina University | Conway Medical Center | Grand Strand Regional Medical Center | Progress Energy Co. | Food Lion | Myrtle Beach National | Blue Cross/Blue Shield | National Golf Management | HTC Communications | (McLeod Loris Seacoast) Loris Healthcare | Wyndham Vacation Ownership | Lowe's Building Supply | Kingston Plantation | Novant Medical/Brunswick College | Sands Oceanfront Resorts | Bi-Lo | Ocean Lakes Family Campground | Conbraco Industries Inc. | AVX Corp.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	215,750	100th of 104 (Small)
Income per Capita	\$39,006	84th of 104 (Below Average)
Feeder Group Size	9.6 Persons PSR	1st of 104 (Very Strong)
Feeder Group Earnings	\$373,985 PSR	2nd of 104 (Very Strong)
Total Market COPE	\$1.1 billion	31st of 104 (Above Average)

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	57.2%	\$121.35	\$69.35	\$112.87	\$64.51	\$8.47	93.0%	49.9%	2.07	34,100	0.68
2016	59.5%	\$122.22	\$72.70	\$113.66	\$67.60	\$8.56	93.0%	51.5%	2.12	34,130	1.07
2017	57.9%	\$129.48	\$74.95	\$119.56	\$69.21	\$9.92	92.3%	55.6%	2.07	34,310	0.73
2018	56.6%	\$127.96	\$72.43	\$118.76	\$67.22	\$9.20	92.8%	54.6%	2.10	34,370	0.78
2019	60.1%	\$132.84	\$79.81	\$122.09	\$73.35	\$10.75	91.9%	59.3%	2.02	35,910	0.84
2020	40.9%	\$90.42	\$37.67	\$84.20	\$34.45	\$6.21	93.1%	16.3%	2.20	35,860	0.86
2021	58.8%	\$138.82	\$88.15	\$127.36	\$74.89	\$11.45	91.8%	18.4%	2.06	35,840	1.30
2022	60.5%	\$143.29	\$91.76	\$131.59	\$79.64	\$11.71	91.8%	18.9%	2.06	35,800	1.01
2023	58.7%	\$143.67	\$88.86	\$132.18	\$77.53	\$11.49	92.0%	19.4%	2.03	35,770	0.89
CAGR: 2015 thru 2022	0.3%	2.1%	3.1%	2.0%	2.3%	3.9%	-0.1%	-11.1%	-0.3%	0.6%	3.3%
4Q 2022	48.7%	\$103.81	\$50.56	\$96.16	\$46.83	\$7.66	92.6%	20.1%	1.98	36,990	1.01
4Q 2023	48.4%	\$103.15	\$49.95	\$95.28	\$46.15	\$7.87	92.4%	22.1%	1.94	36,760	0.89

Data provided by:

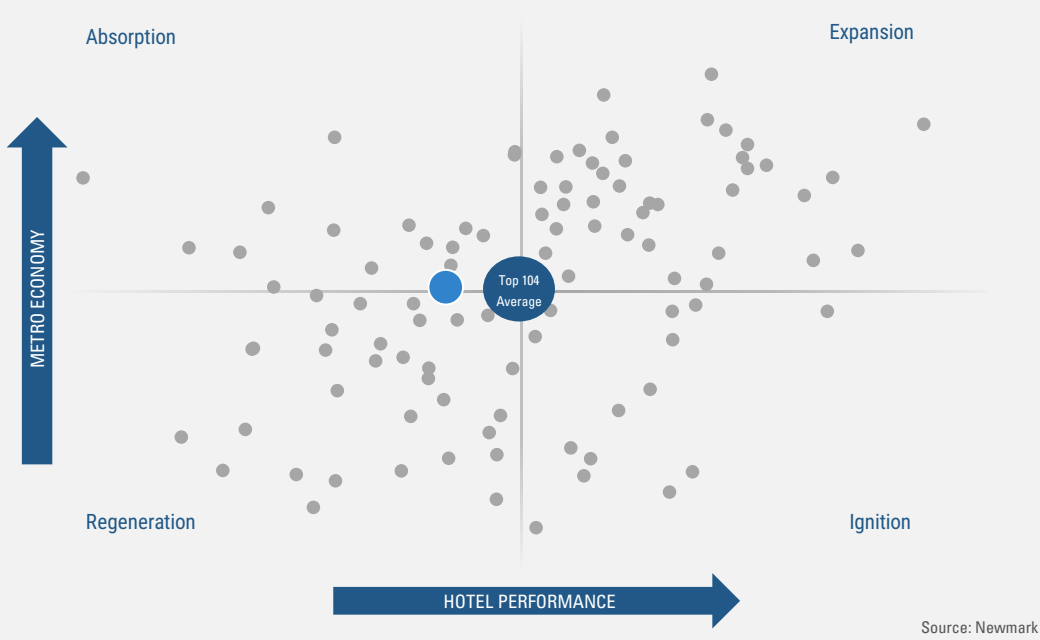
Notable Metrics

HIGHEST	Feeder Group Size	Feeder Group Earnings PSR	IRR: Economy/Ltd Svc
	1st Very Strong Myrtle Beach, SC required a small feeder group size (9.59 Persons)	2nd Very Strong The market posted strong feeder group earnings PSR (\$373,985)	8th Highly Favorable The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (11.9%)
LOWEST	Feeder Population Per Room	Population Density per Room	T12-Month Loyalty Contribution
	104th Soft This market posted a low ratio of feeder population per room (4.16)	104th Soft The market has been hindered by weak population density per room (5.87)	104th Soft Myrtle Beach, SC also has been hindered by weak T12-month loyalty contribution (21.0%)

Notable Trends

FASTEST	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Supply Growth
	1st Very Strong Myrtle Beach, SC exhibited strong long-term historical loyalty contribution growth (9.7%)	2nd Very Strong The market enjoyed strong short-term historical loyalty contribution growth (7.8%)	3rd Very Strong The market also has benefited from low long-term historical supply growth (-0.4%)
SLOWEST	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Average Length of Stay Growth
	104th Soft The market exhibited weak short-term historical average length of stay growth (-2.7%)	104th Soft We note this area has been impeded by high short-term historical growth in booking costs (9.3%)	104th Soft Myrtle Beach, SC also exhibited weak long-term historical average length of stay growth (-2.8%)

Market Performance Stage



Myrtle Beach, SC: Absorption Stage

The Myrtle Beach, SC 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.

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

Business Cycle:

Employment Growth (2 yr):

Risk Exposure (402 US markets):

Key Industry Notes:

Mid Expansion

10.0%

2nd Percentile: Low Risk

Retiree magnet, logistics

Tourism, retirees

Strong population growth

Low cost of doing business

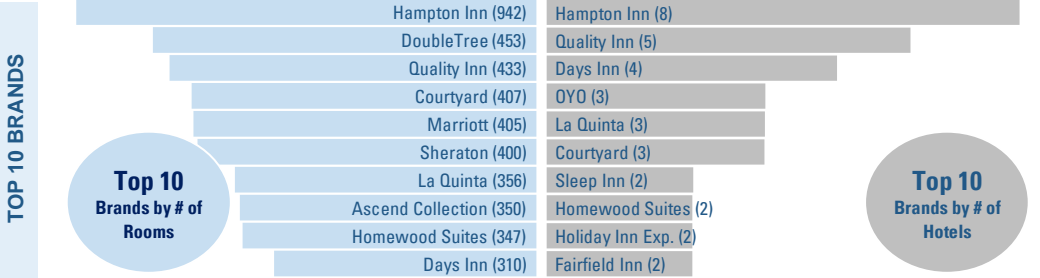
High rental vacancy rate

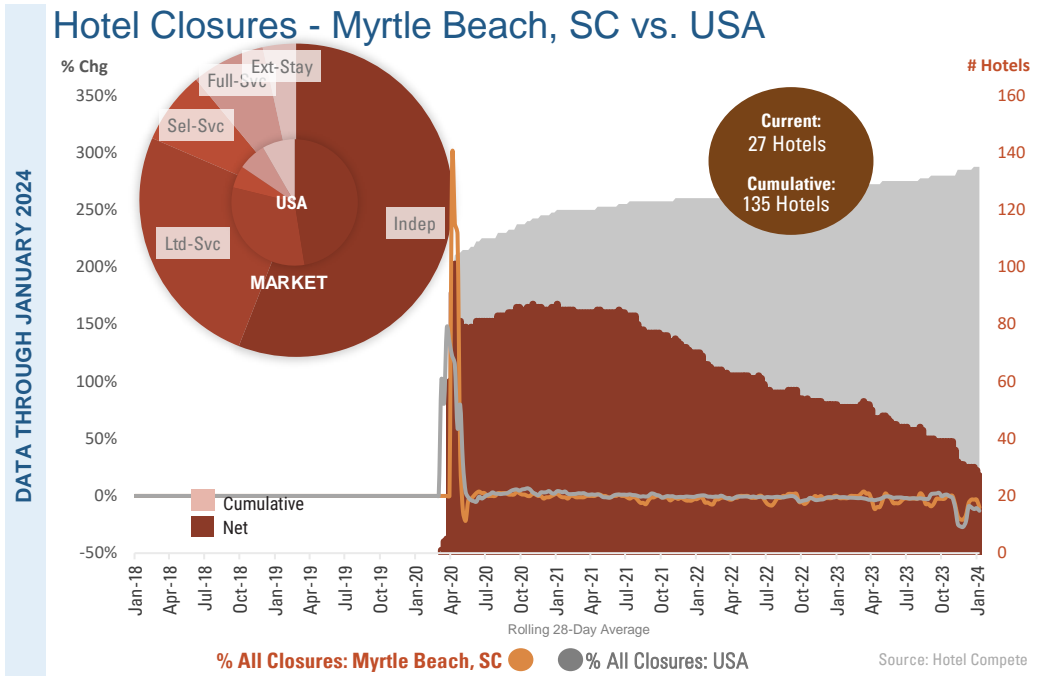
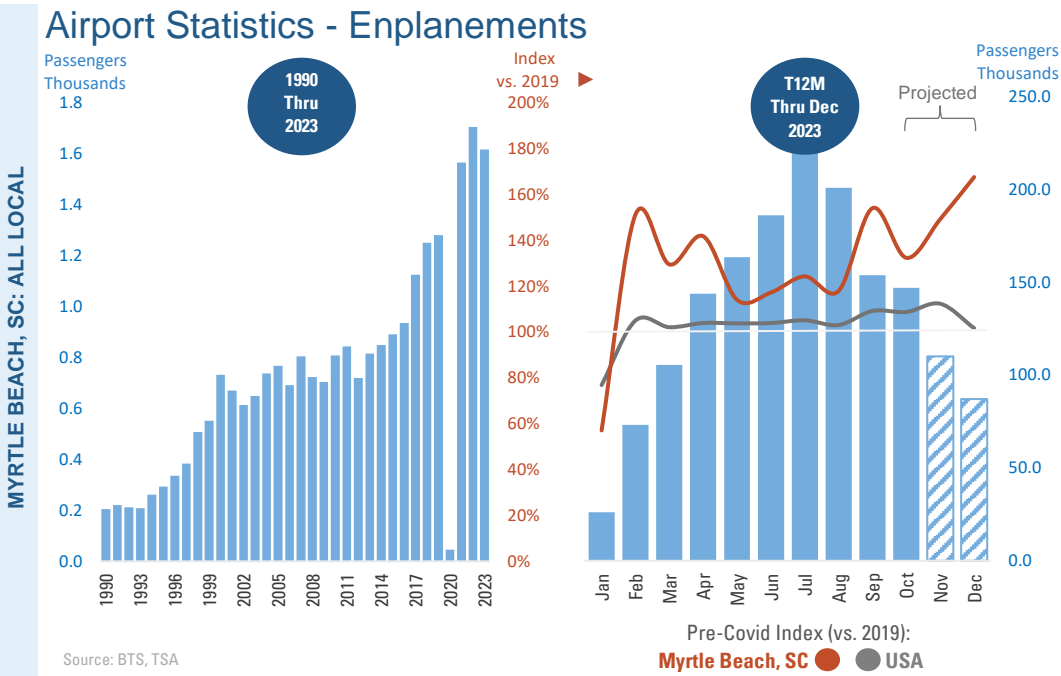
Moody's Rating

Aa1

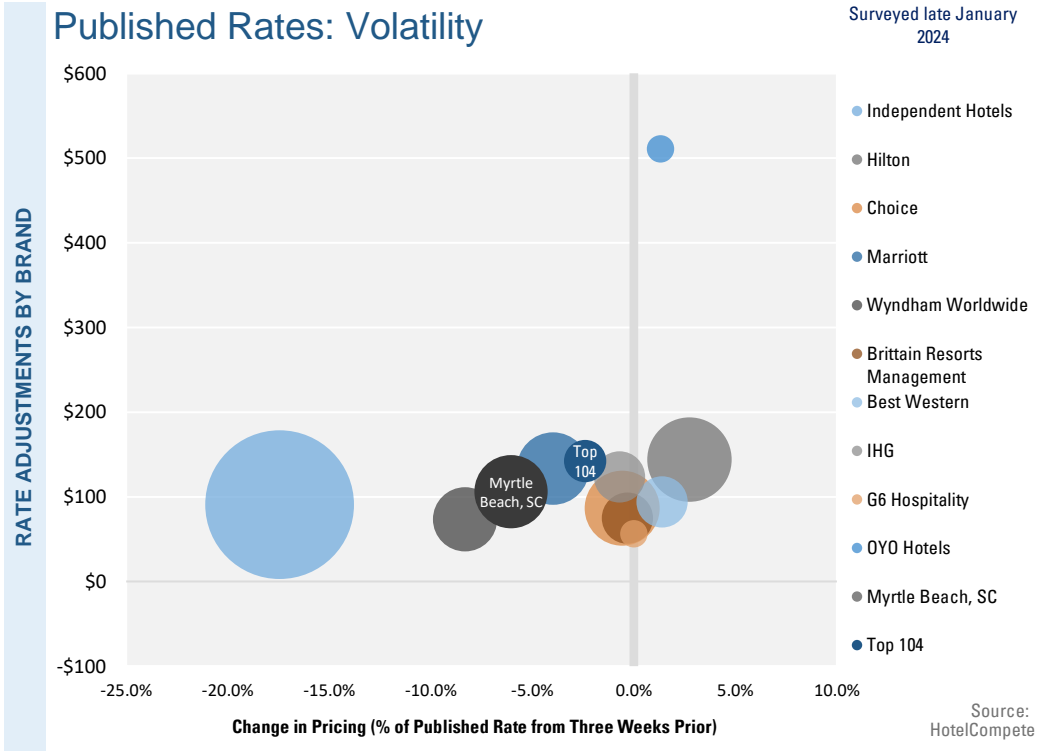
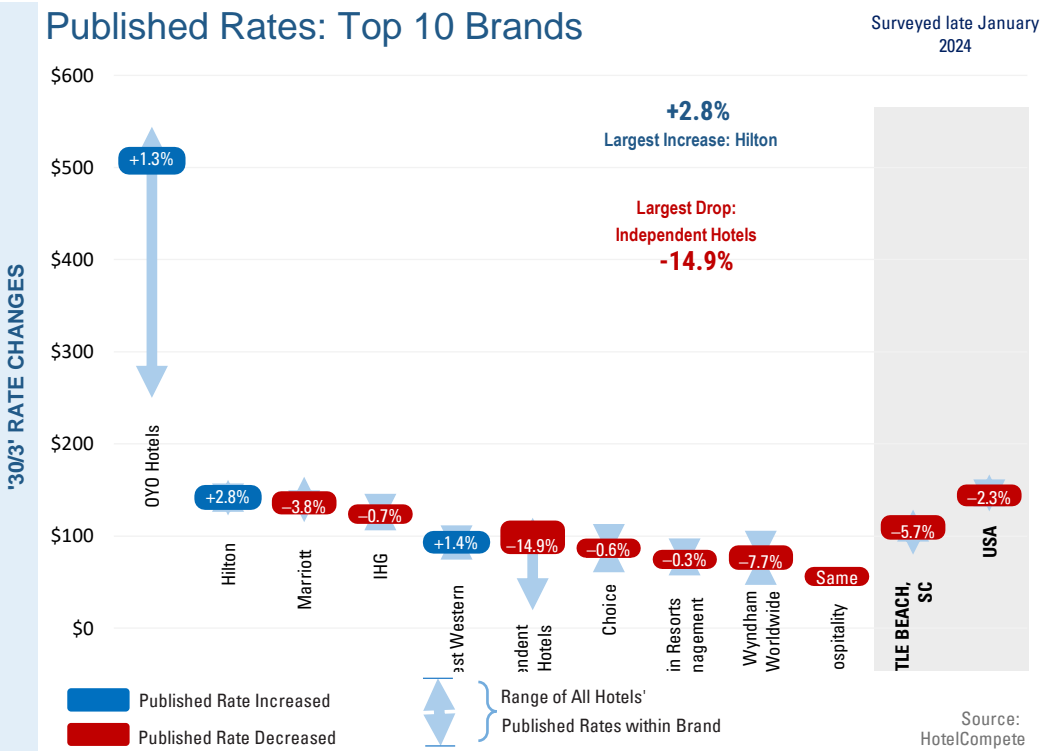
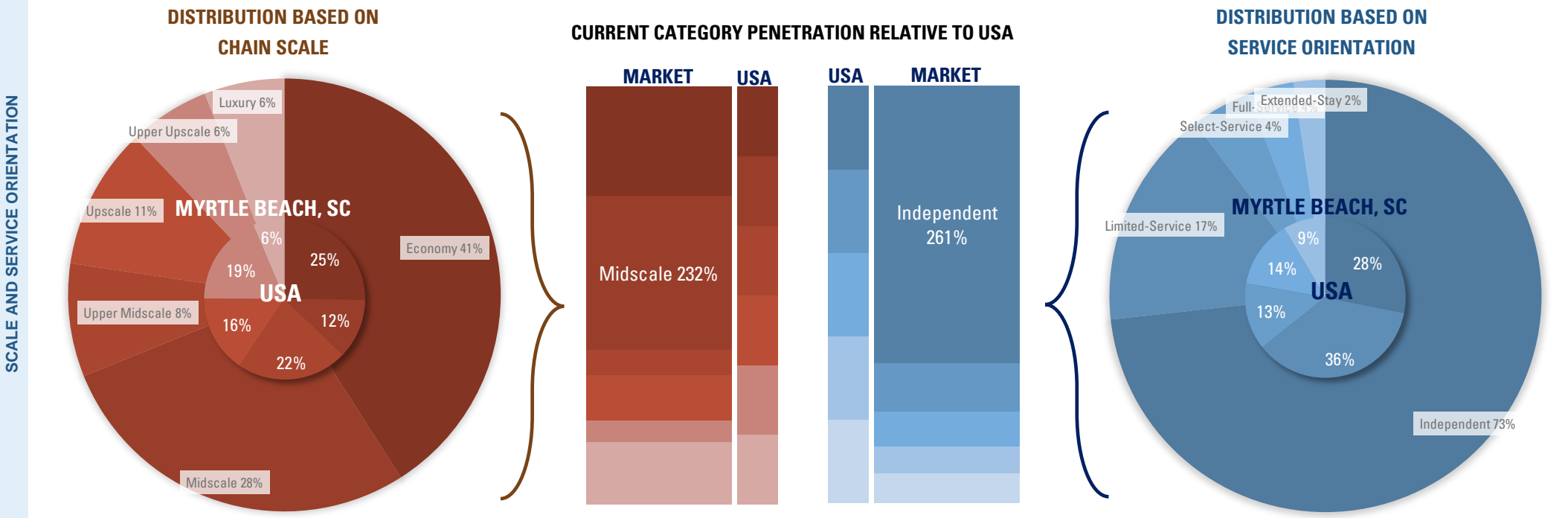
Investment Grade

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





Scale and Service Distribution: Myrtle Beach, SC



Published Rate Observations: 30-Day Advance

	Published Rate Level	Rate Movement	Optimism
MARKET LEVEL	96th Soft The 30-day advanced published rate for the market was a conservative \$106.00, ranking 96th out of 104 markets. (Guest-Paid ADR ranked a conservative 92nd at \$103.15 in 4Q 2023.)	97th Soft Published rates have recently been moving downward, decreasing by a substantial 5.7% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	61st Average Published rates reported in late January 2024 were 2.8% 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	1st Very Strong Published rates among the top 10 brands have a significant amount of integrity with very little pricing overlap, suggesting bottom-feeding rarely exists.	6th Strong Myrtle Beach, SC has a strong spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening.	49th Moderate Myrtle Beach, SC's top 10 brands are exhibiting moderate 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

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

Arenas, Stadiums and Sports 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.

FOR INFORMATION CONTACT:
Bryan Younge MAI, ASA,
FRICS

Executive Vice President, Valuation & Advisory,
Specialty Practice Leader – Hospitality, Gaming & Leisure
m 773-263-4544
bryan.younge@nmrk.com

CONTACT: SOUTHEAST & CARRIBBEAN MARKETS

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

MARKET DISCLAIMERS

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.

CONTACT

LEGAL