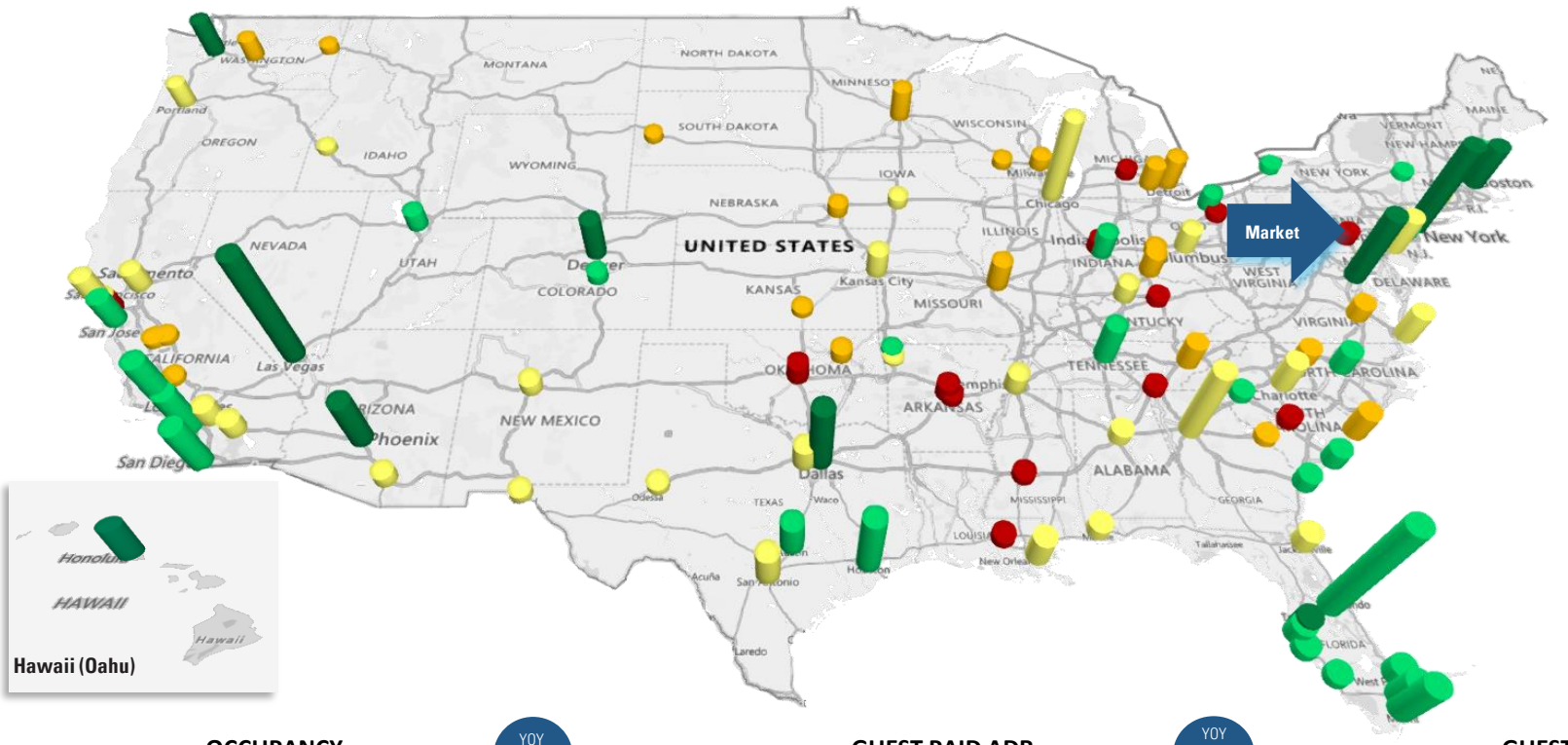
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

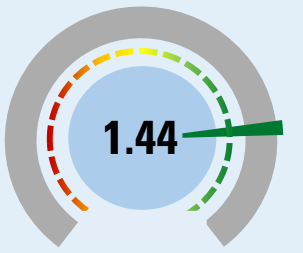
3Q 2024
NEW YORK, NY

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

New York, NY

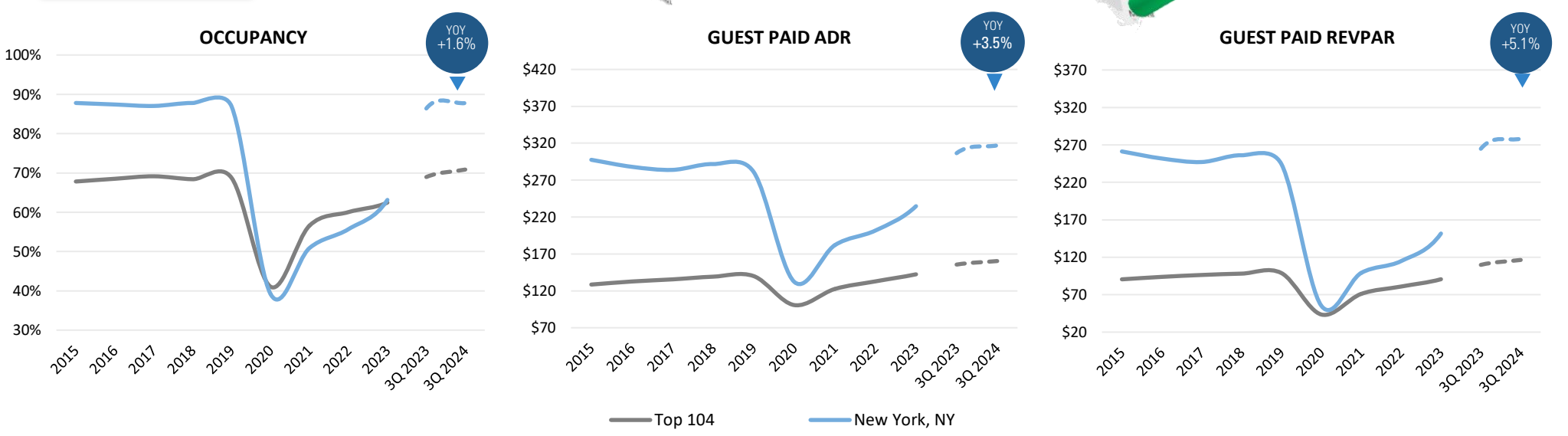


4th of 104

Strong

Ranking of overall '3Q 2024 LPI' performance (1.44) against all 104 surveyed markets.

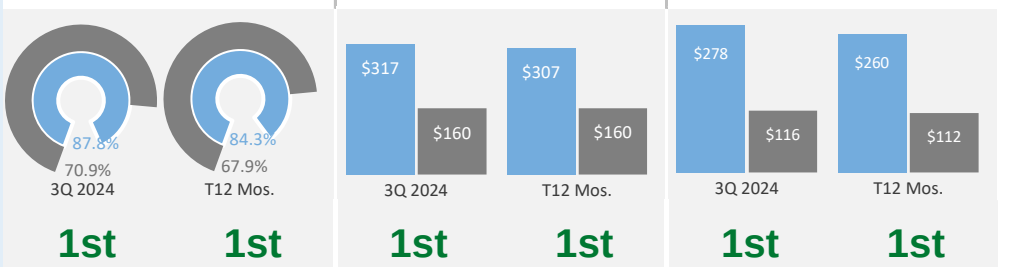
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

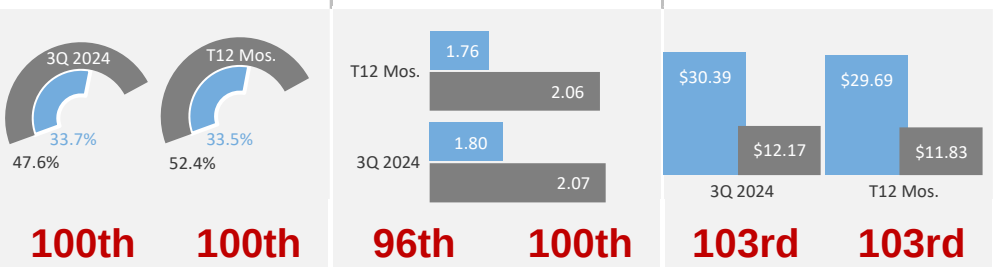
Subject Market | Top 104



Occupancy		Guest Paid ADR		Guest Paid RevPAR	
1st	1st	1st	1st	1st	1st

BENCHMARK INDEXES

Key Benchmark Indexes

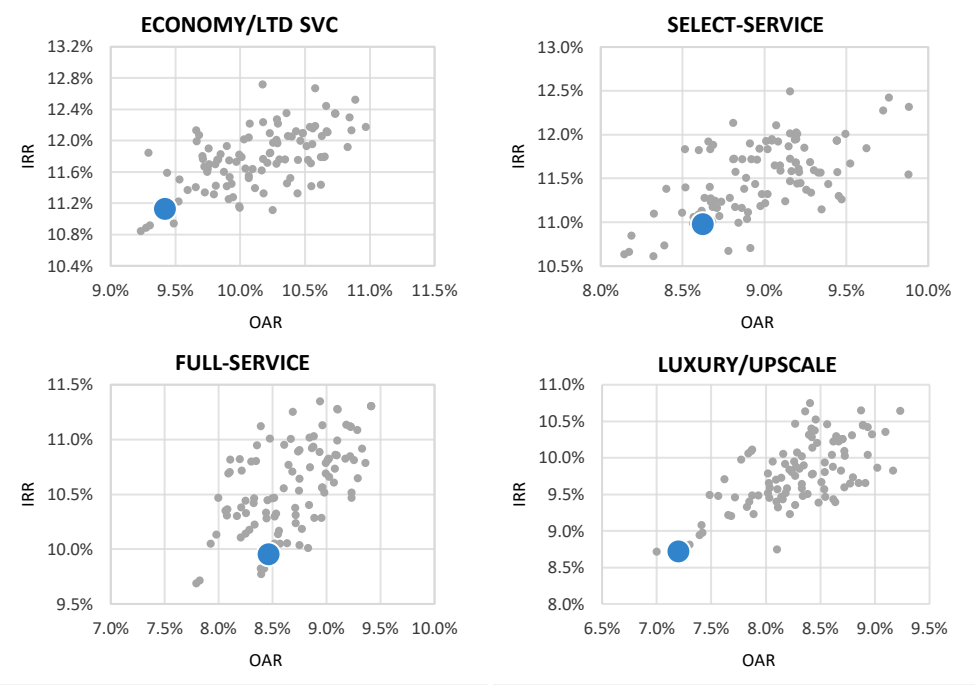


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
100th	100th	96th	100th	103rd	103rd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

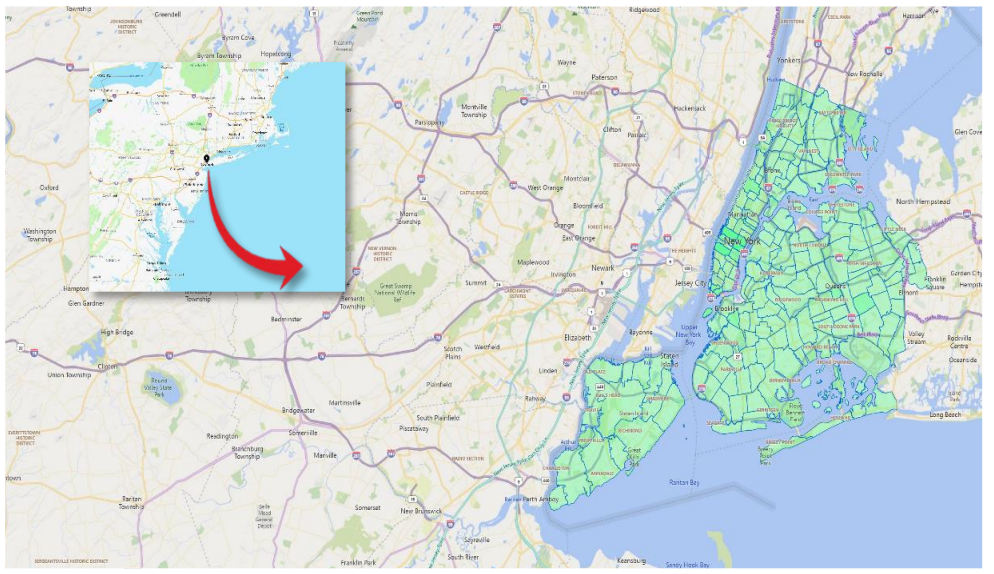
Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
44th	**100th**	**4th**
Average	**Soft**	**Strong**
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
26th	**11th**	**72nd**
Above Average	**Above Average**	**Below Average**
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

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	New York City
County:	Bronx County, Kings County, New York County, and others
State:	New York
Geo Coordinates (market center):	40.66347, -73.9387

Major Hotel Demand Generators

Montefiore Health System | Mount Sinai Health System | JPMorgan Chase & Co. | Bank of America | New York-Presbyterian Healthcare System | NYU Langone Medical Center | Macy's Inc. | Verizon Communications | Columbia University | Citigroup Inc. | Morgan Stanley | Memorial Sloan-Kettering Cancer Center | City University of New York | PwC | Staffing Alternatives | Delta Air Lines Inc. | Time Warner Inc. | American Airlines | Archdiocese of New York | Rutgers, The State University of New Jersey

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	7,328,431	3rd of 104 (Very Large)
Income per Capita	$57,782	23rd of 104 (Above Average)
Feeder Group Size	70.8 Persons PSR	52nd of 104 (Average)
Feeder Group Earnings	$4,089,759 PSR	70th of 104 (Below Average)
Total Market Hotel Revenues	$11.1 billion	1st of 104 (Very Strong)

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)
2015	87.8%	$297.56	$261.23	$268.84	$236.01	$28.72	90.3%	41.6%	2.06	102,830	1.60
2016	87.4%	$288.07	$251.79	$260.00	$227.26	$28.07	90.3%	44.1%	2.05	107,420	1.35
2017	87.0%	$283.92	$247.11	$256.52	$223.26	$27.40	90.3%	44.7%	2.04	110,870	1.30
2018	87.8%	$291.80	$256.18	$265.10	$232.73	$26.70	90.8%	45.9%	2.02	111,790	1.52
2019	86.9%	$281.11	$244.28	$255.72	$222.22	$25.39	91.0%	49.6%	1.81	131,310	1.16
2020	39.2%	$132.23	$55.26	$123.20	$48.28	$9.04	93.2%	19.0%	3.16	124,250	0.96
2021	50.9%	$181.94	$99.04	$166.19	$84.57	$15.76	91.3%	24.8%	2.15	121,760	0.97
2022	55.7%	$201.77	$114.82	$183.66	$102.27	$18.11	91.0%	26.9%	1.98	123,650	1.16
2023	63.1%	$234.73	$151.67	$213.10	$134.54	$21.62	90.8%	28.5%	1.89	125,670	1.46
CAGR: 2015 thru 2023	-4.0%	-2.9%	-6.6%	-2.9%	-6.8%	-3.5%	0.1%	-4.6%	-1.1%	2.5%	-1.2%
3Q 2023	86.4%	$306.50	$264.78	$276.81	$239.14	$29.69	90.3%	31.5%	1.71	123,640	1.38
3Q 2024	87.8%	$317.10	$278.33	$286.71	$251.65	$30.39	90.4%	33.7%	1.80	125,230	1.44

Notable Metrics

HIGHEST

Latest-Quarter Occupancy	Latest-Quarter Guest Paid ADR	Latest-Quarter Guest Paid RevPAR
1st	**1st**	**1st**
Very Strong	**Very Strong**	**Very Strong**
New York, NY enjoyed strong latest–quarter occupancy (87.8%)	The market exhibited strong latest–quarter Guest Paid ADR ($317.10)	The market also benefited from strong latest–quarter Guest Paid RevPAR ($278.33)

LOWEST

T12-Month COPE ADR Percentage	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR
103rd	**103rd**	**103rd**
Soft	**Soft**	**Soft**
This market has been hampered by weak T12–month COPE ADR percentage (90.3%)	The market was burdened by high T12–month booking costs POR ($29.69)	New York, NY also has been burdened by high latest–quarter booking costs ($30.39)

Notable Trends

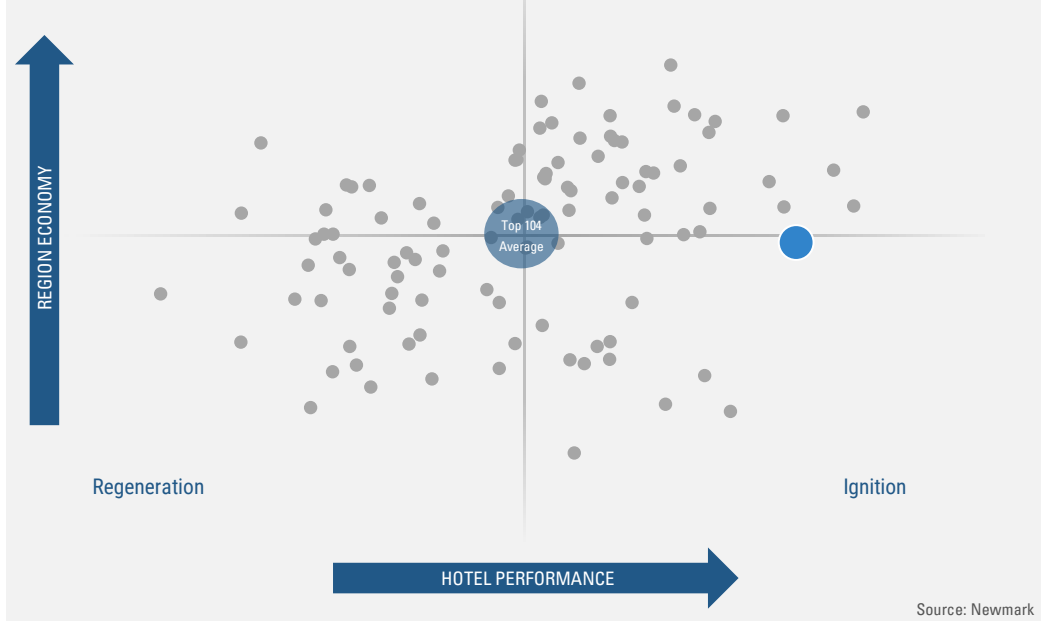
STRONGEST

Overall Health of Hotel Market	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Loyalty Contribution Growth
4th	**8th**	**8th**
Strong	**Strong**	**Strong**
New York, NY has benefited from strong general hotel market performance (levels and trends of fundamentals)	The market has benefited from low long–term historical booking costs POR growth (1.0%)	The market also enjoyed strong short–term historical loyalty contribution growth (6.3%)

WEAKEST

Short-Term Historical Average Length of Stay Growth	Long-Term Historical Average Length of Stay Growth	Long-Term Historical COPE ADR Growth
103rd	**102nd**	**94th**
Soft	**Soft**	**Soft**
The market exhibited weak short–term historical average length of stay growth (–2.2%)	We note this area exhibited weak long–term historical average length of stay growth (–1.6%)	New York, NY also posted weak long–term historical COPE ADR growth (1.2%)

Market Performance Stage



Source: Newmark

New York, NY: Ignition Stage

Ignition

The New York, NY market is currently in the 'Ignition' stage of the performance cycle. In this 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; Miami, FL; and New Orleans, LA.

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.

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 Minneapolis, MN; ; and .

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.

Industry Observations

MOODYS ANALYTICS

Business Cycle:	**Recovery**
Employment Growth (2 yr):	1.1%
Risk Exposure (402 US markets):	**97th Percentile: High Risk**
Key Industry Notes:	Financial capital of the world
	Strong international immigration
	High per capita income
	Rapidly aging infrastructure
	High costs: taxes, housing and energy

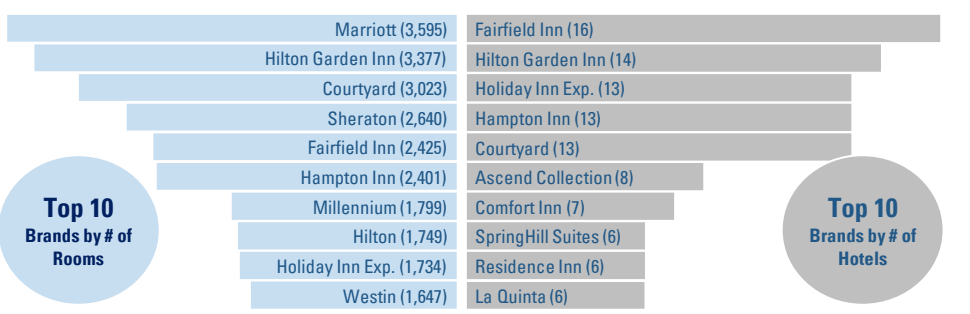
Moody's Rating

Aa2

Investment Grade

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

TOP 10 BRANDS

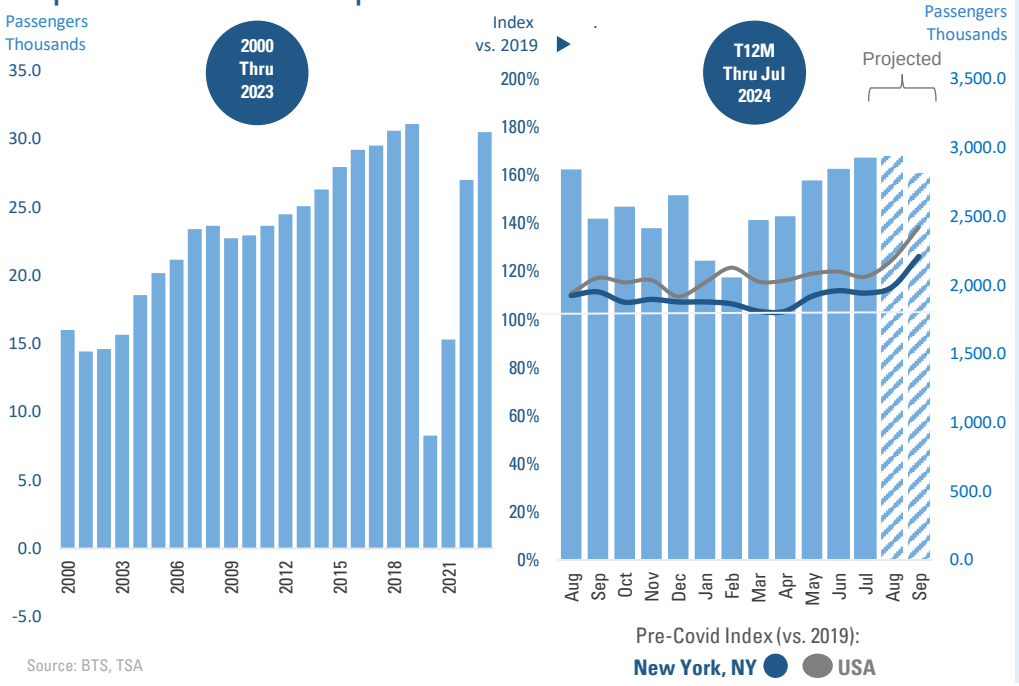


Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

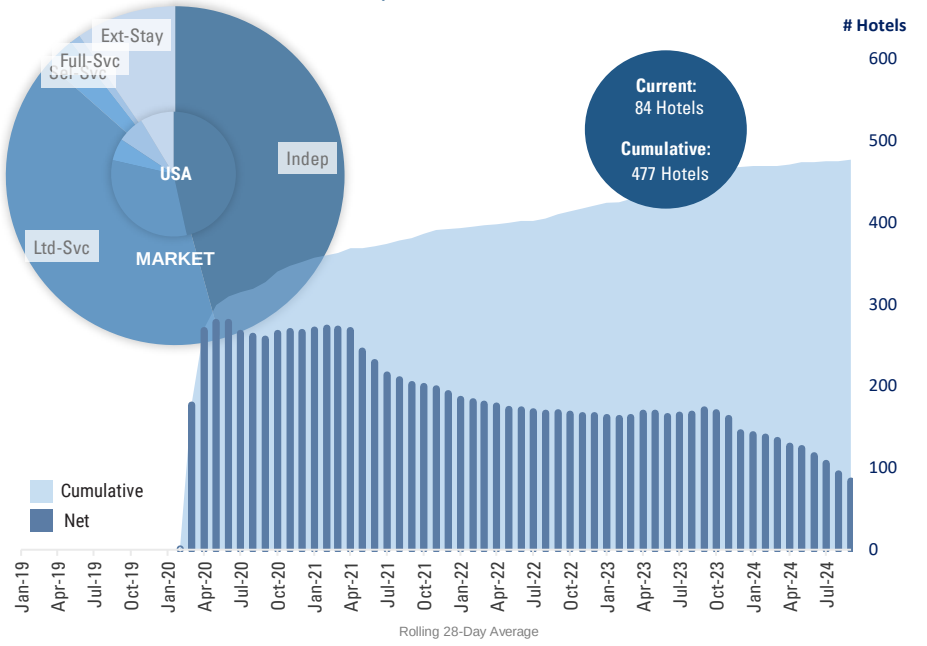
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

Hotel Closures - New York, NY



Source: Hotel Compete

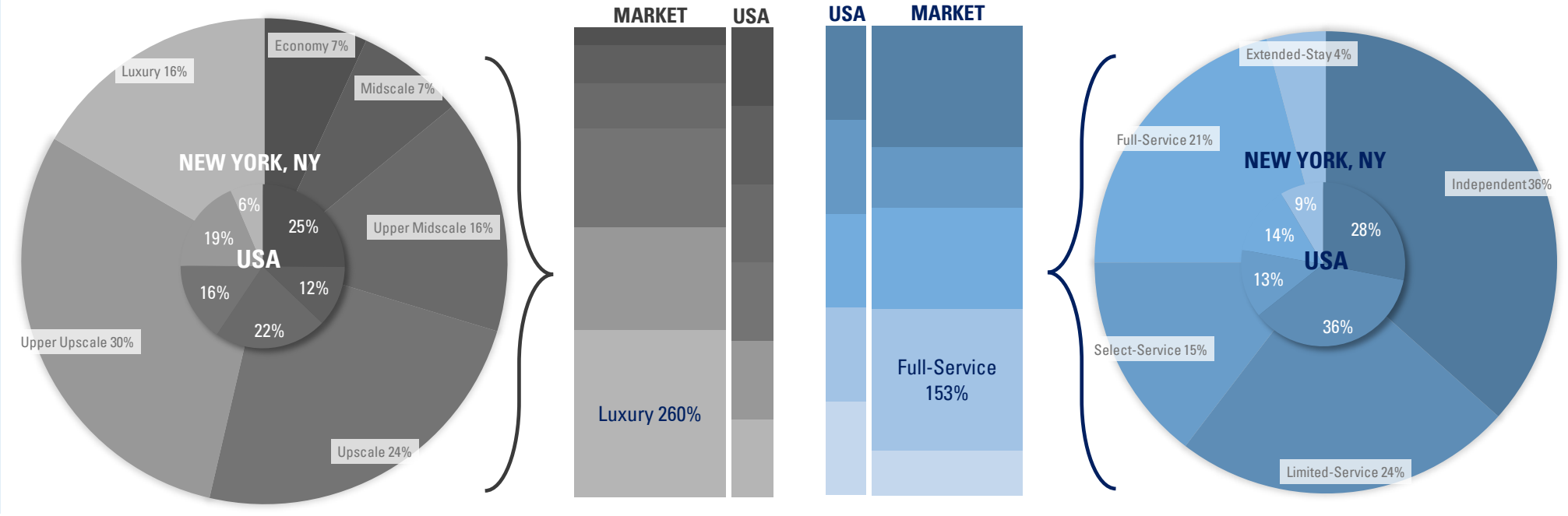
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: New York, NY

Distribution Based on CHAIN SCALE

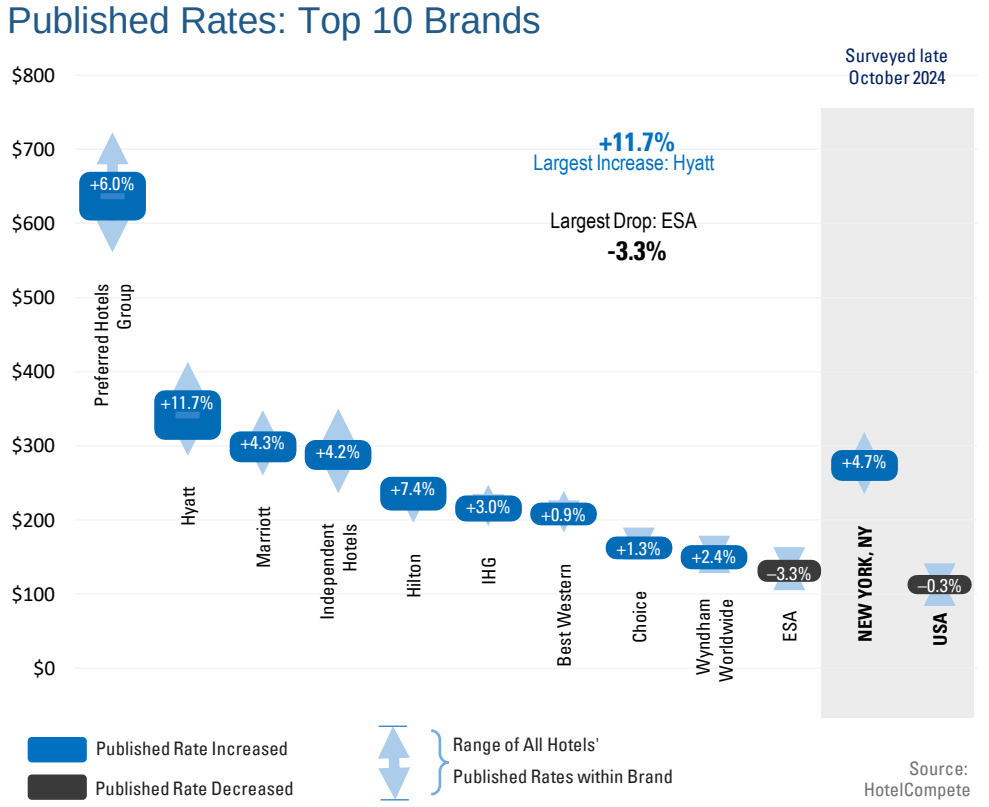
CATEGORY PENETRATION RELATIVE TO USA
SEPTEMBER 2024

Distribution based on SERVICE ORIENTATION



SCALE AND SERVICE ORIENTATION

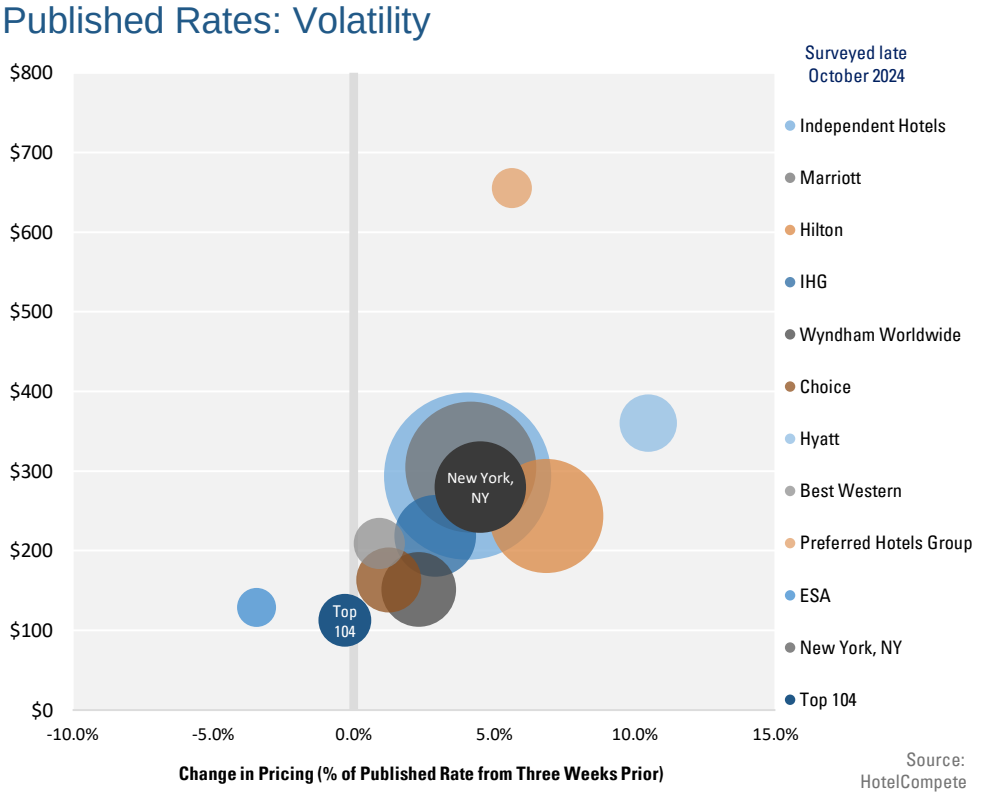
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



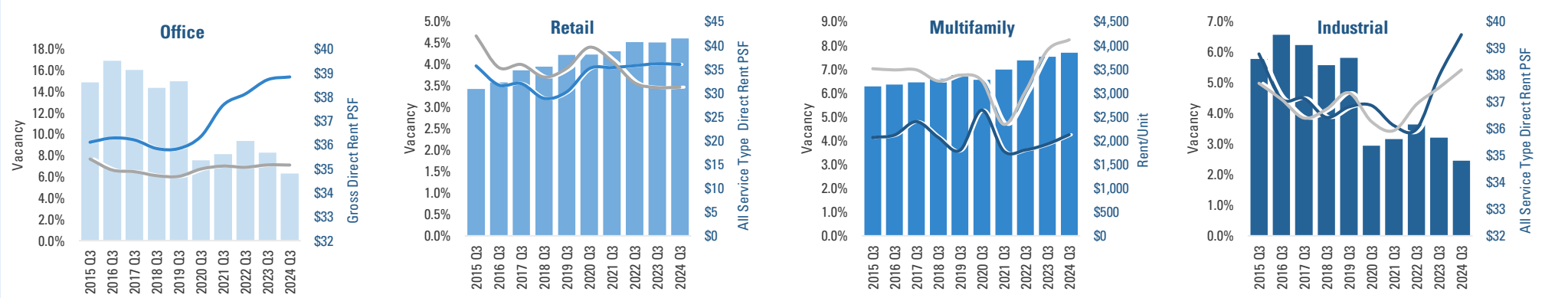
Source: HotelCompete

MAJOR C.R.E. METRICS

Major CRE Market Performance

New York, NY 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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- Gaming Facilities
- Stadiums, Sports & Entertainment Facilities
- Conference, Expo and Convention Centers
- Golf Courses
- Marinas
- Ski and Village Resorts
- Water Parks, Amusement Parks and Attractions

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Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

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We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

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