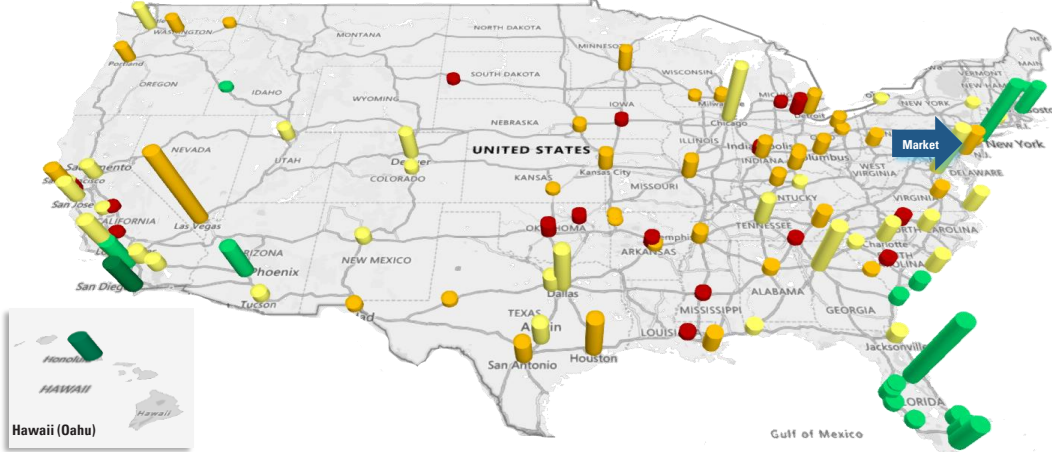


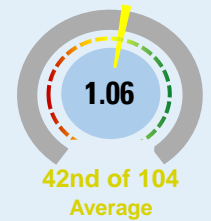
2Q 2023 NEWARK, NJ



Lodging Performance Index Snapshot



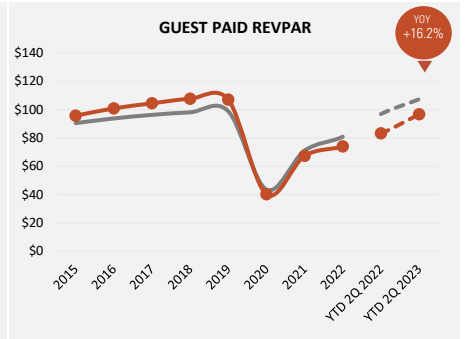
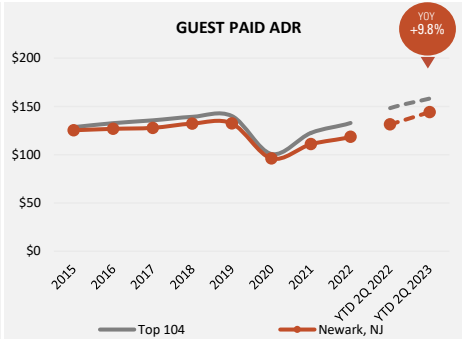
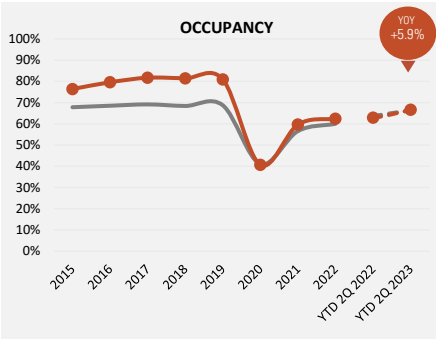
LODGING PERFORMANCE INDEX
Newark, NJ



Ranking of overall '2Q 2023 LPI' performance (1.06) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

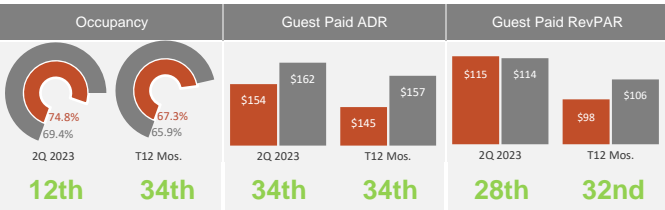
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

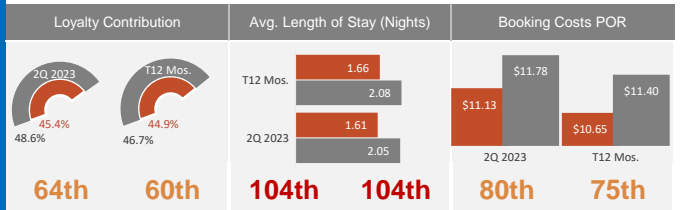
Key Performance Indexes

● Subject Market ● Top 104



BENCHMARK INDEXES

Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



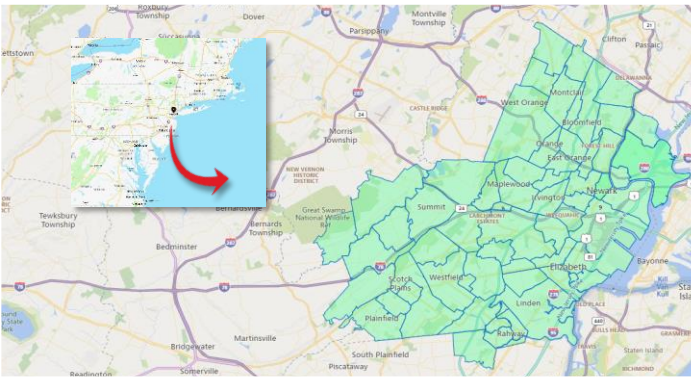
FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

| Category | Rank | Description |
|----------------------|--------------------|--|
| Revenue Stability | 66th Below Average | Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets |
| Supplier Power Trend | 62nd Average | Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months |
| Investment Yields | 67th Below Average | Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets |
| Supply Risk | 58th Average Risk | Assessment of market supply growth over past 12 months relative to Top 104 markets |
| Labor Risk | 4th High Risk | Measure of current employment health over past two years relative to Top 104 markets |
| Macro-Fiscal Risk | 54th Average Risk | 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: | Newark | |
| County: | Essex County | |
| State: | New Jersey | |
| Geo Coordinates (market center): | 40.73566, -74.17237 | |

Major Hotel Demand Generators
 Newark International Airport | Verizon | Univ. of Medicine and Dentistry of New Jersey | NJ Transit | United Airlines Inc. | Public Service Enterprise Group Inc. | Prudential Financial Inc. | AT&T | Montclair State University | Gateway Group One | Merck & Co. Inc. | Horizon Blue Cross & Blue Shield | Pfizer Inc. | Atlantic Health System | Seton Hall University | Covenant Health Medical Group | QuickChek Corp. | Novartis Pharmaceutical Corp. | KPMG LLP | Newark Public Schools

| | | |
|--------------------------------|--------------------|-----------------------------|
| Metrics and Ranking | Measurement | Rankings |
| Population (hotel market area) | 1,263,160 | 48th of 104 (Average) |
| Income per Capita | \$34,826 | 98th of 104 (Soft) |
| Feeder Group Size | 184.6 Persons PSR | 102nd of 104 (Soft) |
| Feeder Group Earnings | \$6,428,192 PSR | 93rd of 104 (Soft) |
| Total Market COPE | \$361.6 million | 73rd of 104 (Below Average) |

Key Performance Metrics

Data provided by: **kalibri LABS**

| YEAR ENDING | Occ % | Guest Paid ADR | RevPAR | COPE ADR | RevPAR | Booking Cost POR | ADR COPE % | Loyalty % | Avg. Length of Stay (Nights) | Supply (Available Rms) | Performance Index (LPI) |
|-----------------------------|--------------|-----------------|----------------|-----------------|----------------|------------------|--------------|--------------|------------------------------|------------------------|-------------------------|
| 2015 | 76.4% | \$125.33 | \$95.71 | \$115.50 | \$88.21 | \$9.83 | 92.2% | 42.6% | 1.62 | 9,140 | 1.20 |
| 2016 | 79.6% | \$126.80 | \$100.88 | \$116.73 | \$92.87 | \$10.06 | 92.1% | 46.4% | 1.60 | 9,140 | 1.20 |
| 2017 | 81.7% | \$127.83 | \$104.42 | \$117.51 | \$96.00 | \$10.32 | 91.9% | 47.3% | 1.59 | 9,300 | 1.24 |
| 2018 | 81.4% | \$132.23 | \$107.64 | \$121.45 | \$98.86 | \$10.79 | 91.8% | 48.8% | 1.57 | 9,320 | 1.17 |
| 2019 | 80.9% | \$132.32 | \$107.03 | \$121.53 | \$98.30 | \$10.79 | 91.8% | 50.9% | 1.54 | 10,170 | 1.05 |
| 2020 | 40.6% | \$96.14 | \$40.24 | \$89.23 | \$36.25 | \$6.91 | 92.8% | 36.1% | 1.82 | 9,810 | 0.80 |
| 2021 | 59.6% | \$110.85 | \$67.29 | \$103.03 | \$61.43 | \$7.82 | 92.9% | 36.3% | 1.78 | 9,650 | 0.92 |
| 2022 | 62.3% | \$118.44 | \$73.97 | \$110.21 | \$68.69 | \$8.23 | 93.0% | 38.5% | 1.75 | 9,670 | 0.94 |
| CAGR: 2015 thru 2022 | -2.9% | -0.8% | -3.6% | -0.7% | -3.5% | -2.5% | 0.1% | -1.4% | 1.1% | 0.8% | -3.4% |
| YTD 2Q 2022 | 62.8% | \$131.30 | \$83.21 | \$122.01 | \$77.29 | \$9.29 | 92.9% | 42.8% | 1.65 | 9,740 | 0.89 |
| YTD 2Q 2023 | 66.5% | \$144.14 | \$96.69 | \$133.83 | \$89.76 | \$10.31 | 92.9% | 46.0% | 1.65 | 9,980 | 1.06 |
| % Change | 5.9% | 9.8% | 16.2% | 9.7% | 16.1% | 11.0% | -0.1% | 7.5% | 0.2% | 2.5% | 19.4% |

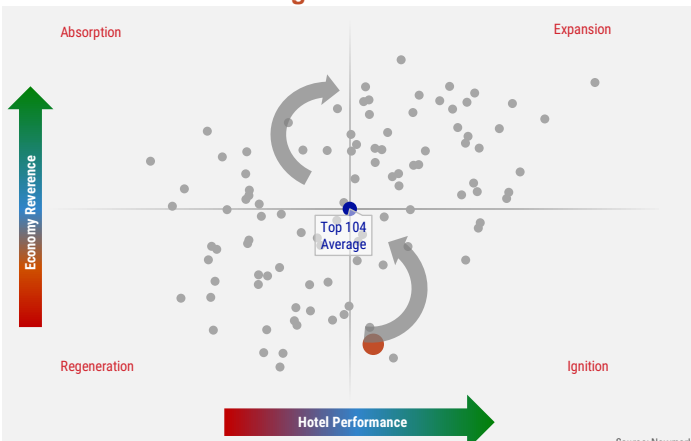
Notable Metrics

| | | | |
|----------------|--|--|---|
| HIGHEST | Population Density per Room | Feeder Population Per Room | Marketwide Income per Room |
| | 4th Strong Newark, NJ boasted strong population density per room (128.53) | 4th Strong The market posted a high ratio of feeder population per room (86.34) | 11th Above Average The market also enjoyed a high ratio of marketwide income per room (\$3,006,821) |
| LOWEST | T12-Month Average Length of Stay | Latest-Quarter Average Length of Stay | Feeder Group Size |
| | 104th Soft This market exhibited weak T12-month average length of stay (1.66 Nights) | 104th Soft The market has been impeded by weak latest-quarter average length of stay (1.61 Nights) | 102nd Soft Newark, NJ also required a large feeder group size (184.58 Persons) |

Notable Trends

| | | | |
|----------------|---|---|--|
| FASTEST | Long-Term Historical Supply Growth | Long-Term Historical Booking Costs POR Growth | Short-Term Historical Booking Costs POR Growth |
| | 21st Above Average Newark, NJ has benefited from low long-term historical supply growth (0.7%) | 32nd Above Average The market has benefited from low long-term historical booking costs POR growth (2.3%) | 39th Average The market also enjoyed low short-term historical growth in booking costs (2.3%) |
| SLOWEST | General Economy Reversion | Short-Term Historical Supply Growth | Long-Term Historical Average Length of Stay Growth |
| | 98th Soft The market posted weak general economic reversion (per-capita unemployment, GDP and other indicators) | 89th Below Average We note this area has been burdened by high short-term historical supply growth (0.3%) | 79th Below Average Newark, NJ also exhibited weak long-term historical average length of stay growth (-0.3%) |

Market Performance Stage



Newark, NJ: Ignition Stage

The Newark, NJ 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 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 Chicago, IL; Knoxville, TN; and Miami, FL.

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 Detroit, MI; Houston, TX; and New Orleans, LA.

Absorption: In the 'Absorption' 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 Las Vegas, NV.

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.

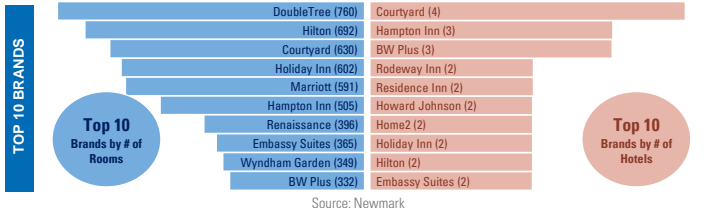
Industry Observations

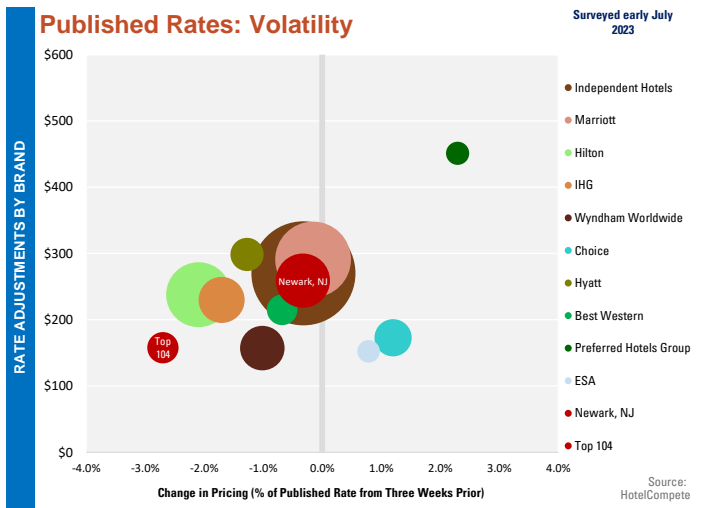
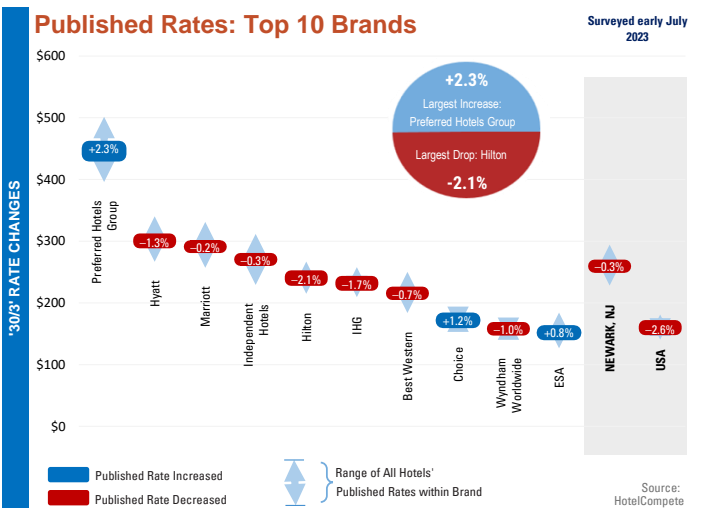
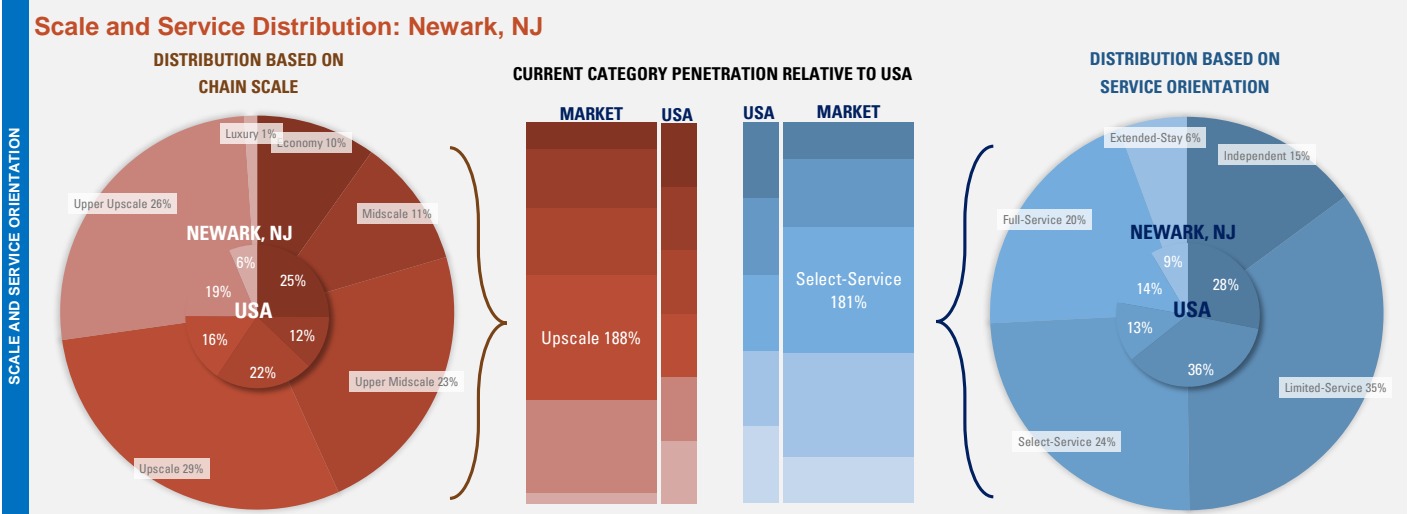
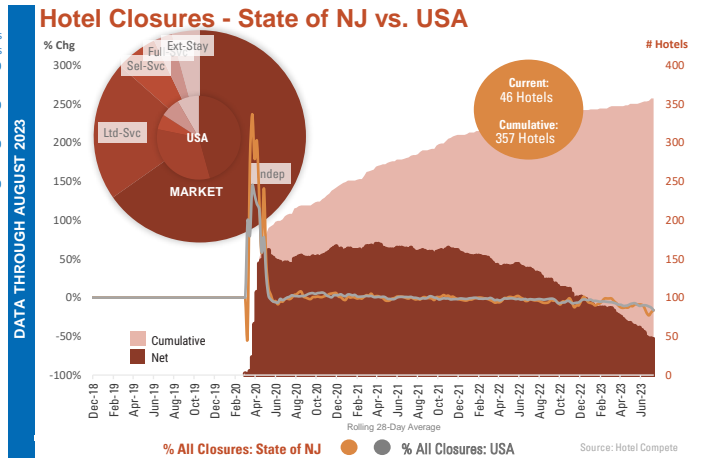
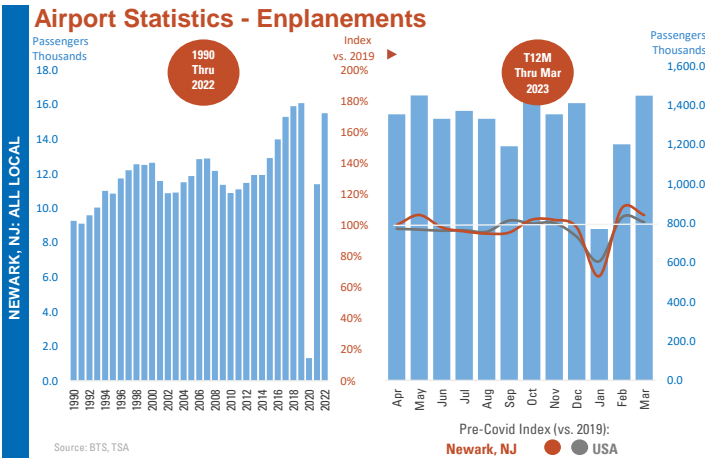
Business Cycle: In Recovery
Employment Growth (2 yr): -2.8%
Risk Exposure (402 US markets): 88th Percentile: Above Average
Key Industry Notes: Financial center, high tech Value-added industries Coastal locale, Port of Newark Well educated workforce High business, living costs

Moody's Rating

Aaa
Investment Grade

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



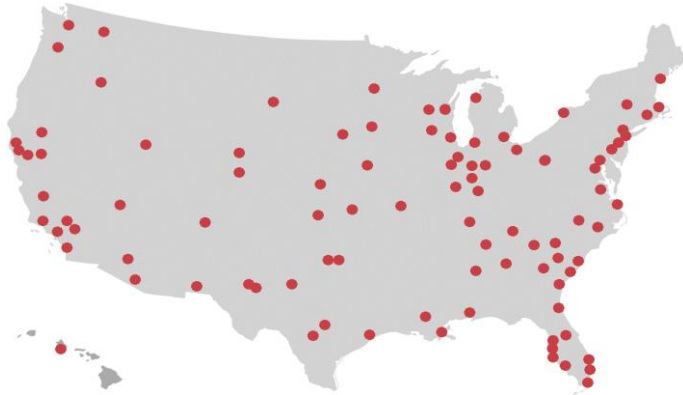


Published Rate Observations: 30-Day Advance

| MARKET LEVEL | Published Rate Level | Rate Movement | Optimism |
|--------------|--|--|---|
| | 5th Strong | 8th Strong | 2nd Very Strong |
| | The 30-day advanced published rate for the market was a very aggressive \$259.05, ranking 5th out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 34th at \$144.14 in 2Q 2023.) | Published rates have recently been moving downward, decreasing by a modest 0.3% over three weeks going into early July 2023. By comparison, the T-104 average posted downward movement of 2.63%. | Published rates reported in early July 2023 were 68.7% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is very strong. By comparison, the T-104 spread was -2.4%. |

| BRAND LEVEL | Published Rate Integrity | Coverage | Volatility |
|-------------|---|---|---|
| | 20th Above Average | 5th Strong | 3rd Very Low |
| | Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists. | Newark, NJ has a strong spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been widening. | Newark, NJ's top 10 brands are exhibiting very low volatility with respect to advanced booking pricing movements in the three weeks leading into early July 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

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

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.

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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@nrmk.com

CONTACT: NORTHEAST/NEW ENGLAND MARKETS

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| CONTACT | <p>FOR MORE INFORMATION</p> <p>Bryan Younge, MAI, ASA, FRICS Senior Managing Director Practice Leader - Hospitality, Gaming & Leisure NEWMARK VALUATION & ADVISORY Americas m 773-263-4544 bryan.younge@nrmk.com</p> | <p>Jeff Mayer Executive Vice President Hospitality, Gaming & Leisure NEWMARK VALUATION & ADVISORY Northeast/New England Markets t 212-850-5416 jeff.mayer@nrmk.com</p> |
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