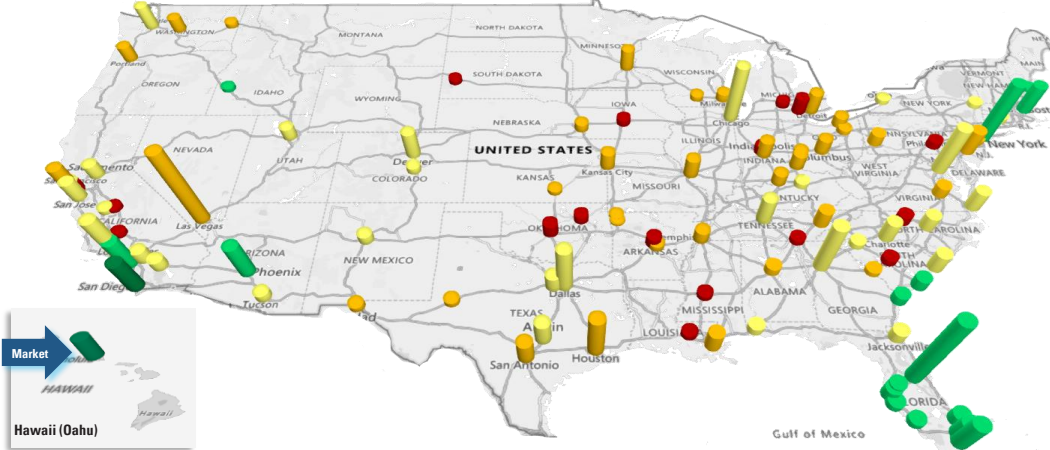


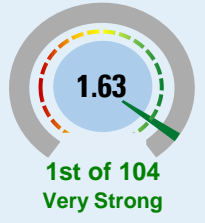
2Q 2023 OAHU ISLAND, HI



Lodging Performance Index Snapshot



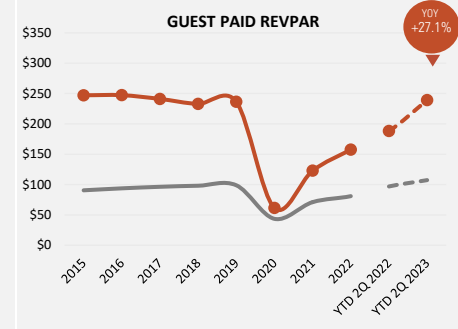
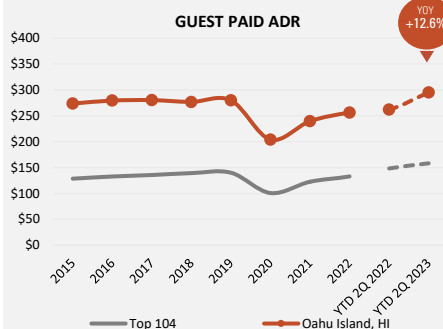
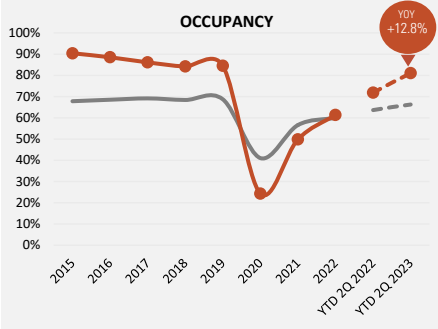
LODGING PERFORMANCE INDEX
Oahu Island, HI



Ranking of overall '2Q 2023 LPI' performance (1.63) against all 104 surveyed markets.

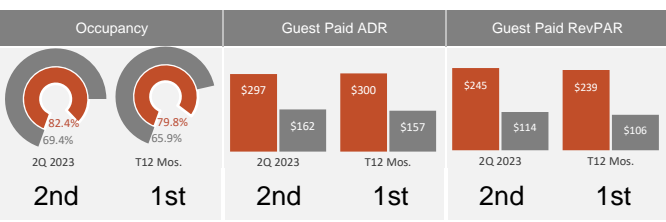
LODGING PERFORMANCE INDEX

KEY PERFORMANCE METRICS



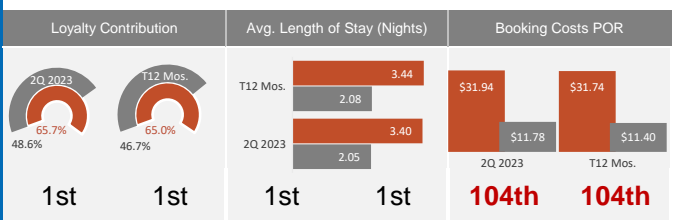
PERFORMANCE INDEXES

Key Performance Indexes



BENCHMARK INDEXES

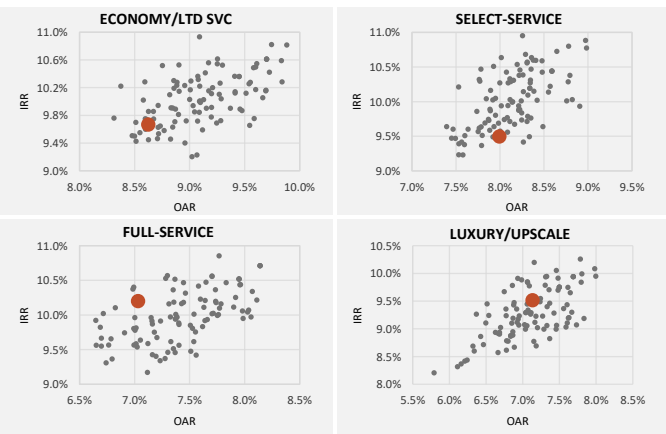
Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



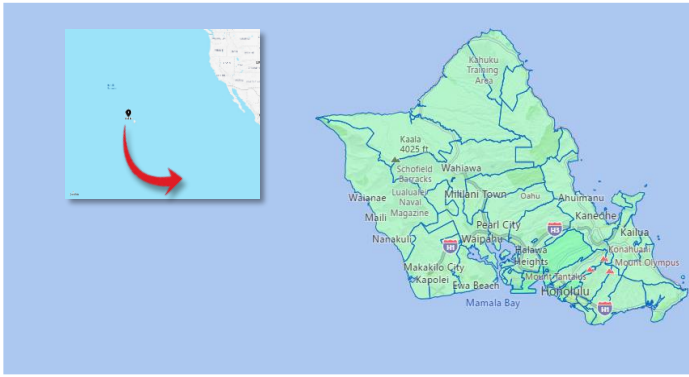
FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
74th Below Average	1st Very Strong	34th Above 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
Supply Risk	Labor Risk	Macro-Fiscal Risk
37th Average Risk	39th Average Risk	97th Low 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

Location



Quick Facts

Jurisdictional Information

Municipal Name: Multiple
 County: Honolulu County
 State: Hawaii
 Geo Coordinates (market center): 21.43952, -157.97418

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators

Wal-Mart Stores Inc. | Pearl Harbor Naval Complex | Fort Shafter | Marine Corps Base Hawaii Kaneohe Bay | Hickam AFB | University of Hawaii System | Hawaii Pacific Health (Kapi'olani Health) | Starwood Hotels and Resorts | Hilton Hotels Corp. | The Queen's Health Systems | Hawaiian Airlines Inc. | Kaiser Foundation | Hawaiian Electric Industries Inc. | Wal-Mart Stores Inc. | Foodland Super Market Ltd. | Securitas Security Services USA Inc. | Bank of Hawaii | Kamehameha Schools | Alexander & Baldwin Inc. | First Hawaiian Bank

Metrics and Ranking

Measurement	Rankings
Population (hotel market area)	897,402
Income per Capita	\$86,197
Feeder Group Size	32.5 Persons PSR
Feeder Group Earnings	\$2,798,393 PSR
Total Market COPE	\$3.0 billion
	59th of 104 (Average)
	3rd of 104 (Very Strong)
	10th of 104 (Above Average)
	27th of 104 (Above Average)
	15th of 104 (Above 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	90.4%	\$273.46	\$247.13	\$233.45	\$211.04	\$40.01	85.4%	30.8%	3.49	33,470	1.75
2016	88.5%	\$279.33	\$247.30	\$239.38	\$211.85	\$39.95	85.7%	32.7%	3.44	34,110	1.52
2017	86.1%	\$280.13	\$241.14	\$240.19	\$206.80	\$39.94	85.7%	33.3%	3.36	33,360	1.34
2018	84.2%	\$276.69	\$232.89	\$241.44	\$203.22	\$35.25	87.3%	38.0%	3.30	32,770	1.39
2019	84.5%	\$279.69	\$236.44	\$243.32	\$205.69	\$36.37	87.0%	42.4%	3.18	34,660	1.43
2020	24.3%	\$203.91	\$61.36	\$187.54	\$45.63	\$16.37	92.0%	57.1%	3.57	34,710	1.24
2021	49.8%	\$239.43	\$122.74	\$214.74	\$107.02	\$24.70	89.7%	62.3%	3.55	34,950	1.08
2022	61.3%	\$255.90	\$157.39	\$228.87	\$140.38	\$27.03	89.4%	56.4%	3.58	34,870	1.43
CAGR: 2015 thru 2022	-5.4%	-0.9%	-6.2%	-0.3%	-5.7%	-5.4%	0.7%	9.0%	0.4%	0.6%	-2.8%
YTD 2Q 2022	71.8%	\$261.99	\$188.16	\$237.31	\$170.44	\$24.68	90.6%	55.0%	3.71	34,540	1.31
YTD 2Q 2023	81.0%	\$295.04	\$239.07	\$264.01	\$213.92	\$31.03	89.5%	66.8%	3.38	34,370	1.63
% Change	12.8%	12.6%	27.1%	11.3%	25.5%	25.8%	-1.2%	21.6%	-9.0%	-0.5%	24.5%

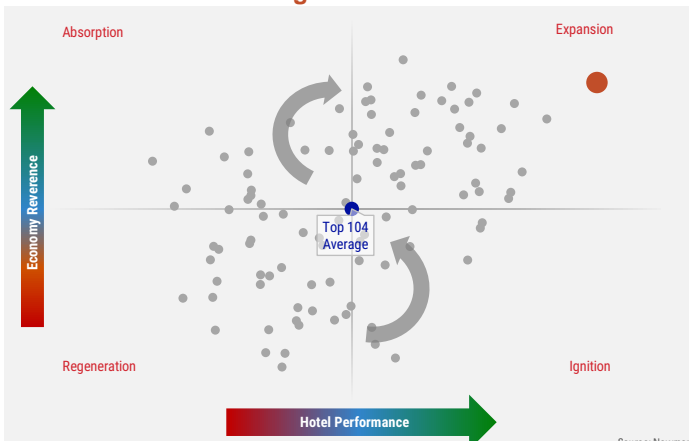
Notable Metrics

HIGHEST	Latest-Quarter Loyalty Contribution	Latest-Quarter Average Length of Stay	Latest-Quarter LPI
	1st Very Strong Oahu Island, HI exhibited strong latest-quarter loyalty contribution (65.7%)	1st Very Strong The market boasted strong latest-quarter average length of stay (3.40 Nights)	1st Very Strong The market also enjoyed strong latest-quarter LPI (1.63)
LOWEST	T12-Month COPE ADR Percentage	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR
	104th Soft This market has been hampered by weak T12-month COPE ADR percentage (89.4%)	104th Soft The market was burdened by high T12-month booking costs POR (\$31.74)	104th Soft Oahu Island, HI also has been burdened by high latest-quarter booking costs (\$31.94)

Notable Trends

FATEST	Long-Term Historical Booking Costs POR Growth	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth
	1st Very Strong Oahu Island, HI has benefited from low long-term historical booking costs POR growth (-2.0%)	1st Very Strong The market exhibited strong long-term historical loyalty contribution growth (10.2%)	1st Very Strong The market also enjoyed strong short-term historical loyalty contribution growth (13.3%)
SLOWEST	Long-Term Historical Guest Paid ADR Growth	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical Supply Growth
	89th Below Average The market has been impeded by weak long-term historical Guest Paid ADR growth (1.6%)	88th Below Average We note this area has been impeded by weak short-term historical Guest Paid ADR growth (1.9%)	86th Below Average Oahu Island, HI also has been burdened by high short-term historical supply growth (0.3%)

Market Performance Stage



Oahu Island, HI: Expansion Stage

Expansion The Oahu Island, HI market is currently in the 'Expansion' stage of the performance cycle. In this 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.

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.
- 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 Chicago, IL; Knoxville, TN; and Miami, FL.
- 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.

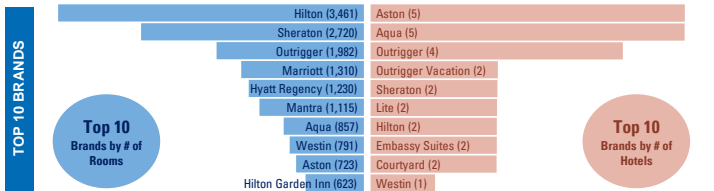
Industry Observations

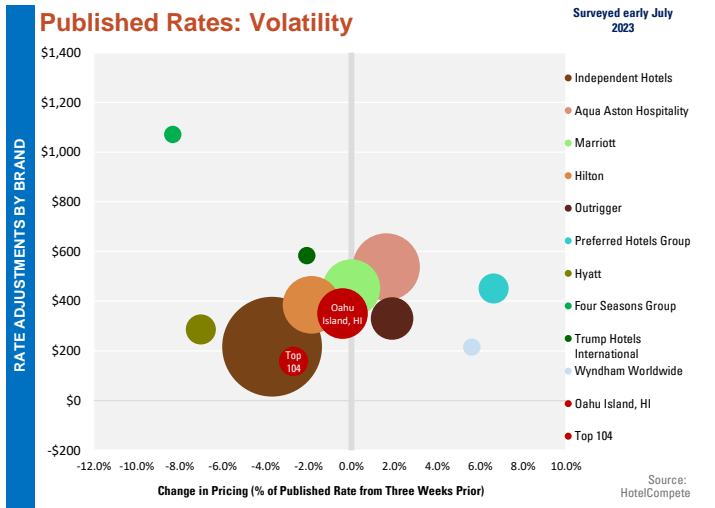
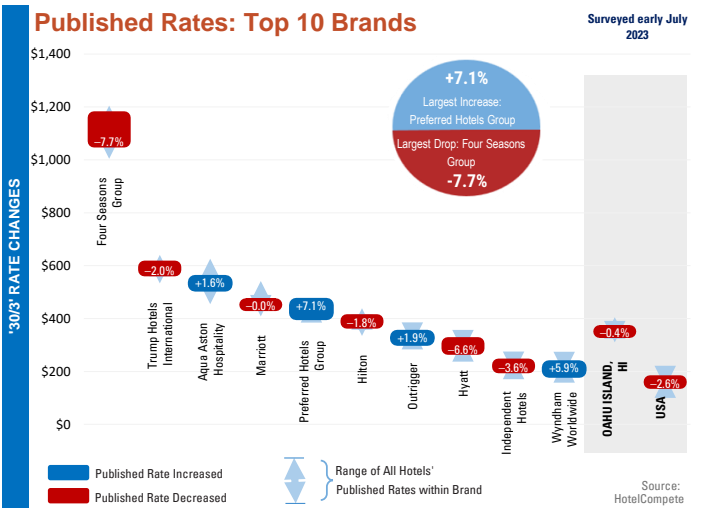
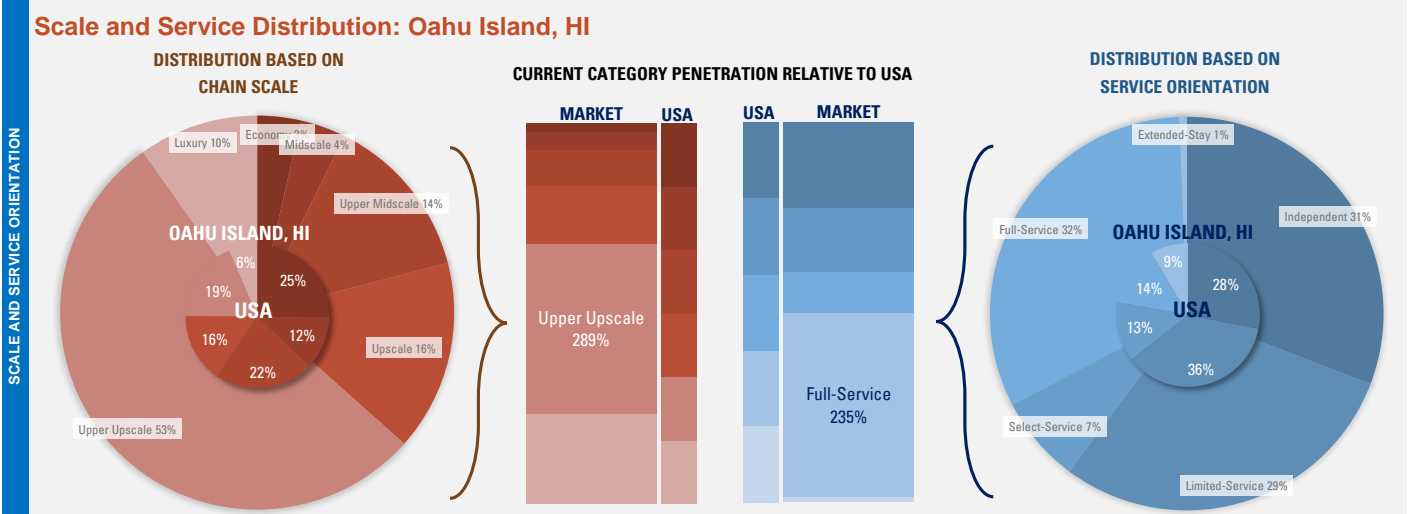
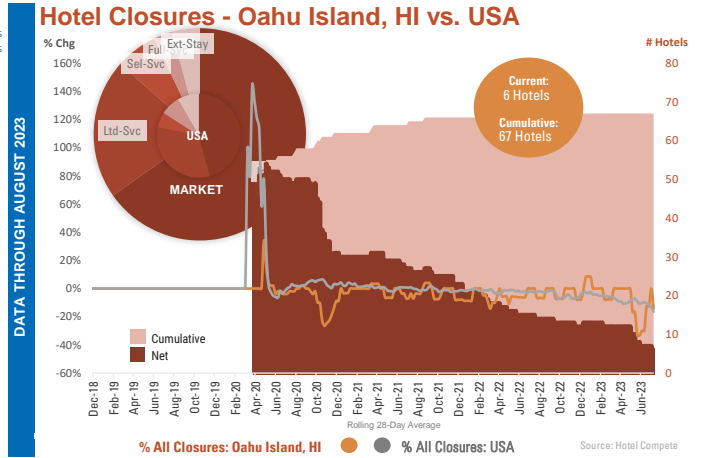
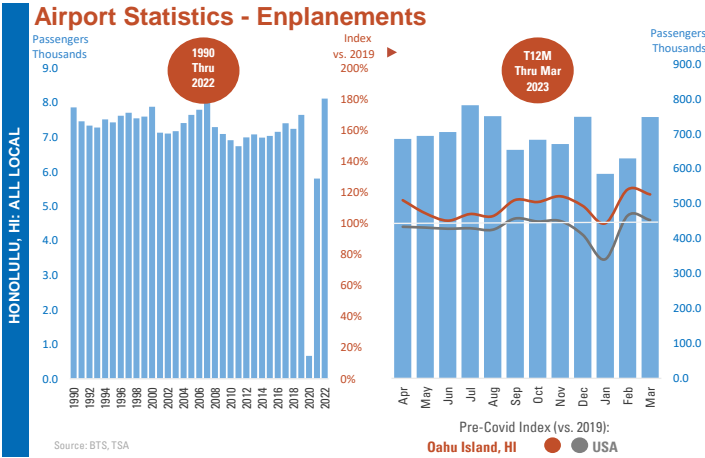
Business Cycle: In Expansion
Employment Growth (2 yr): 0.8%
Risk Exposure (402 US markets): 85th Percentile: Above Average
Key Industry Notes: Attractive climate, tourism
 Large military presence
 High per capita income
 Significant class division
 Extremely high costs

Moody's Rating

Aa1
Investment Grade

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



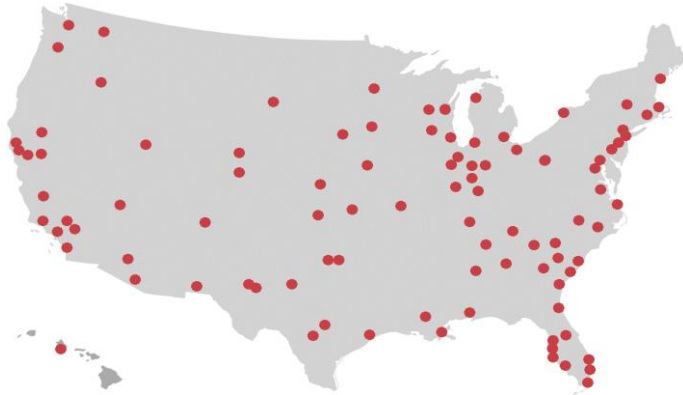


Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	1st Very Strong	12th Above Average	30th Above Average
	The 30-day advanced published rate for the market was a very aggressive \$350.20, ranking 1st out of 104 markets. (Guest-Paid ADR ranked a very aggressive 2nd at \$295.04 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a modest 0.4% 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 17.8% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is above average. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	1st Very Strong	1st Very Strong	64th Moderate
	Published rates among the top 10 brands have a significant amount of integrity with very little pricing overlap, suggesting bottom-feeding rarely exists.	Oahu Island, HI has a very strong spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Oahu Island, HI's top 10 brands are exhibiting moderate 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

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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.

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