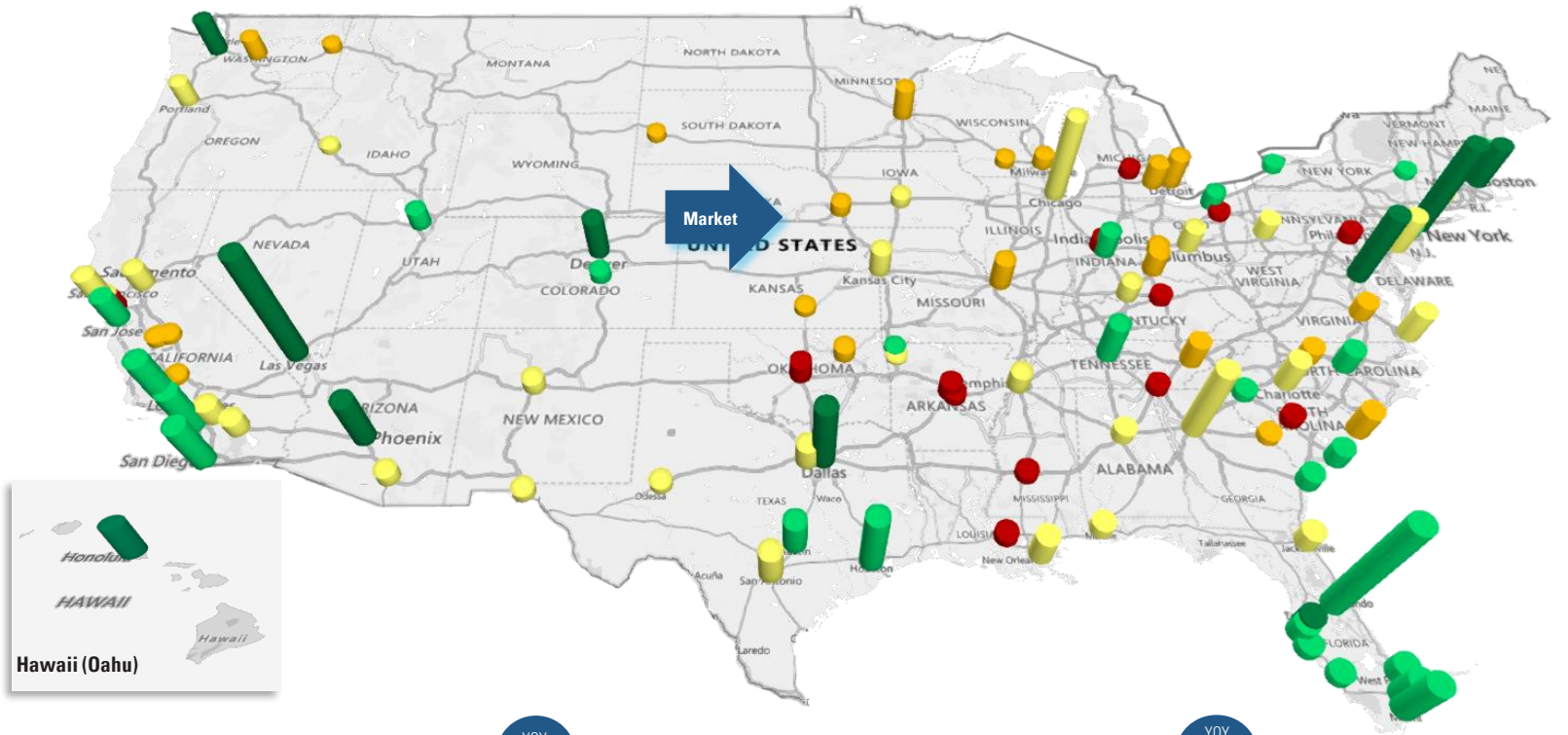
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

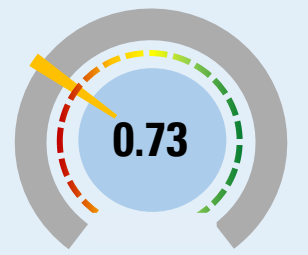
3Q 2024
OMAHA, NE

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Omaha, NE

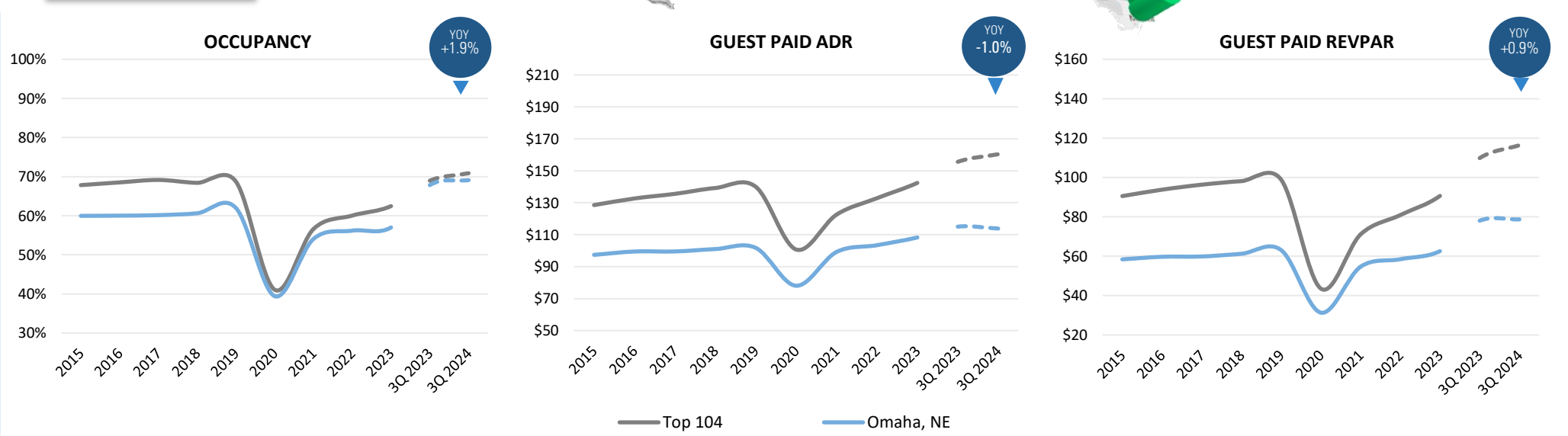


85th of 104

Below Average

Ranking of overall '3Q 2024 LPI' performance (0.73) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
69.1% / 70.9%	62.7% / 67.9%	$114 / $160	$117 / $160	$79 / $116	$75 / $112
3Q 2024	T12 Mos.	3Q 2024	T12 Mos.	3Q 2024	T12 Mos.
48th	72nd	88th	80th	79th	78th

BENCHMARK INDEXES

Key Benchmark Indexes

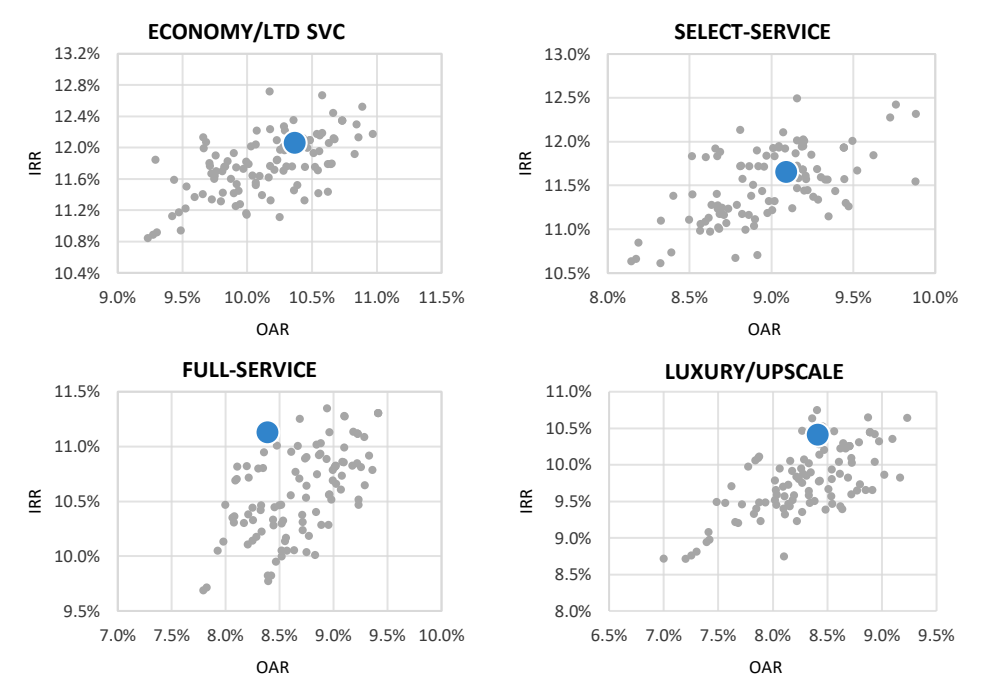
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
55.8% / 47.6%	54.3% / 52.4%	2.05 / 2.06	2.02 / 2.07	$8.27 / $12.17	$8.22 / $11.83
3Q 2024	T12 Mos.	T12 Mos.	3Q 2024	3Q 2024	T12 Mos.
8th	9th	59th	53rd	26th	27th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

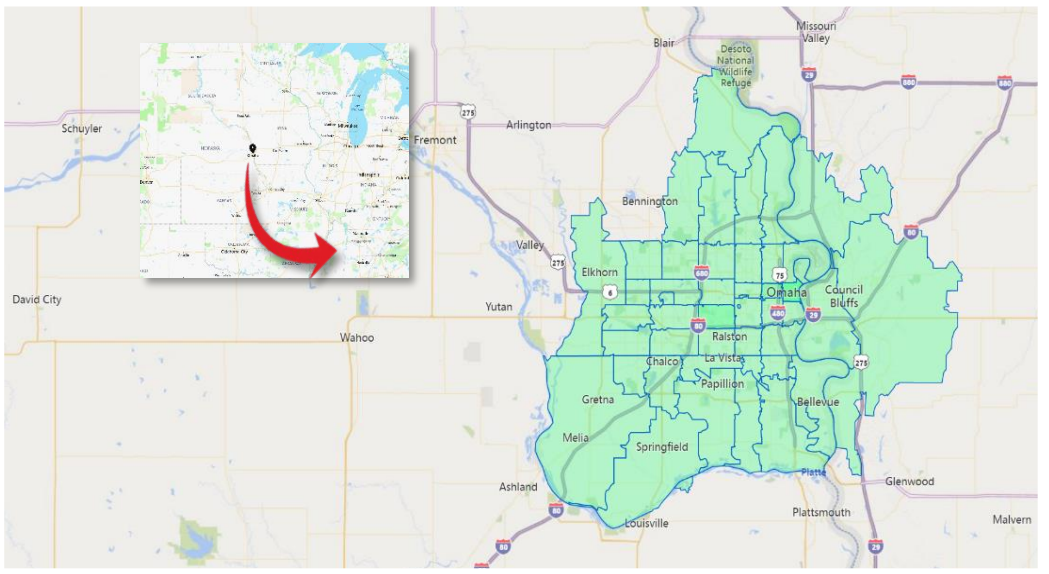
Revenue Stability	Supplier Power Trend	Investment Yields
25th	11th	76th
Above Average	Above Average	Below Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off 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
37th	69th	37th
Average Risk	Below Average	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:	Omaha
County:	Douglas County
State:	Nebraska
Geo Coordinates (market center):	41.25861, -95.93779

Major Hotel Demand Generators

Nebraska Medical Center | Offutt Air Force Base | University of Nebraska Medical Center | CHI Health | The Methodist Health System | Hy-Vee Inc. | Wal-Mart Stores Inc. | Union Pacific | Mutual of Omaha | Valmount Industries Inc. | West Corp. | ConAgra Foods | PayPal | First Data Corp. | University of Nebraska Omaha | CSG International | Omni Center | Werner Enterprises Inc. | First National Bank of Omaha | Blue Cross Blue Shield of Nebraska

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	740,314	66th of 104 (Below Average)
Income per Capita	$53,789	33rd of 104 (Above Average)
Feeder Group Size	75.1 Persons PSR	59th of 104 (Average)
Feeder Group Earnings	$4,041,940 PSR	66th of 104 (Below Average)
Total Market Hotel Revenues	$417.5 million	68th of 104 (Below Average)

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	60.0%	$97.41	$58.40	$90.32	$54.15	$7.09	92.7%	47.1%	1.94	14,620	0.65
2016	60.0%	$99.51	$59.71	$92.05	$55.24	$7.46	92.5%	49.8%	1.92	15,040	0.59
2017	60.1%	$99.54	$59.86	$91.81	$55.21	$7.73	92.2%	52.3%	1.91	14,800	0.74
2018	60.6%	$101.03	$61.24	$93.10	$56.43	$7.93	92.2%	54.9%	1.93	14,950	0.77
2019	62.0%	$101.82	$63.10	$93.82	$58.14	$8.00	92.1%	57.8%	1.93	15,170	0.72
2020	39.4%	$78.08	$31.33	$72.79	$28.69	$5.29	93.2%	44.6%	2.14	15,220	0.82
2021	54.1%	$99.22	$54.65	$92.41	$49.96	$6.80	93.1%	46.4%	2.03	15,750	0.81
2022	56.2%	$103.45	$58.47	$96.33	$54.12	$7.12	93.1%	46.8%	2.03	15,850	0.81
2023	57.0%	$108.30	$62.57	$100.87	$57.49	$7.42	93.1%	46.9%	2.02	15,890	0.72
CAGR: 2015 thru 2023	-0.6%	1.3%	0.9%	1.4%	0.8%	0.6%	0.1%	0.0%	0.5%	1.0%	1.4%
3Q 2023	67.8%	$115.06	$78.02	$106.91	$72.50	$8.15	92.9%	52.6%	2.02	15,540	0.97
3Q 2024	69.1%	$113.88	$78.69	$105.62	$72.98	$8.27	92.7%	55.8%	2.02	15,660	0.73

Notable Metrics

HIGHEST

Latest-Quarter Loyalty Contribution	T12-Month Loyalty Contribution	Latest-Quarter Booking Costs POR
8th	**9th**	**26th**
Strong	**Strong**	**Above Average**
Omaha, NE exhibited strong latest–quarter loyalty contribution (55.8%)	The market exhibited strong T12–month loyalty contribution (54.3%)	The market also enjoyed low latest–quarter booking costs POR ($8.27)

LOWEST

IRR: Full-Service	IRR: Luxury/Upscale	Latest-Quarter COPE ADR
95th	**93rd**	**88th**
Unfavorable	**Unfavorable**	**Below Average**
This market posted unfavorable IRR metrics in the full–service segment (11.1%)	The market posted unfavorable IRR metrics in the luxury/upscale segment (10.4%)	Omaha, NE also exhibited weak latest–quarter COPE ADR ($105.62)

Notable Trends

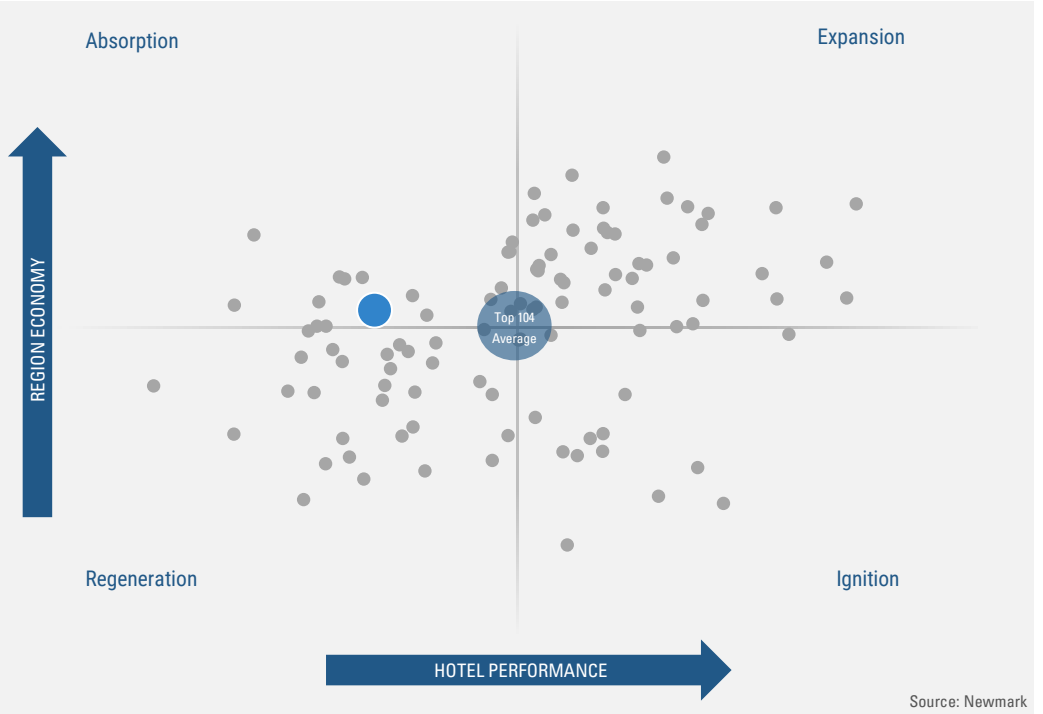
STRONGEST

Long-Term Historical Occupancy Growth	Short-Term Historical Occupancy Growth	Long-Term Historical Average Length of Stay Growth
11th	**17th**	**20th**
Above Average	**Above Average**	**Above Average**
Omaha, NE enjoyed strong long–term historical occupancy growth (0.5%)	The market has benefited from strong short–term historical occupancy growth (4.8%)	The market also enjoyed strong long–term historical average length of stay growth (0.7%)

WEAKEST

Overall Health of Hotel Market	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical COPE ADR Growth
83rd	**82nd**	**81st**
Below Average	**Below Average**	**Below Average**
The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	We note this area has been impeded by weak long–term historical Guest Paid ADR growth (1.8%)	Omaha, NE also posted weak long–term historical COPE ADR growth (1.8%)

Market Performance Stage



Source: Newmark

Omaha, NE: Absorption Stage

Absorption

The Omaha, NE 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 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 .

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 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.

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:	**Mid Expansion**
Employment Growth (2 yr):	1.7%
Risk Exposure (402 US markets):	60th Percentile: Average Risk
Key Industry Notes:	High housing affordability
	Low costs, skilled workforce
	High-wage management jobs
	Tight labor market
	Below-average role for high tech

Moody's Rating

Aaa

Investment Grade

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

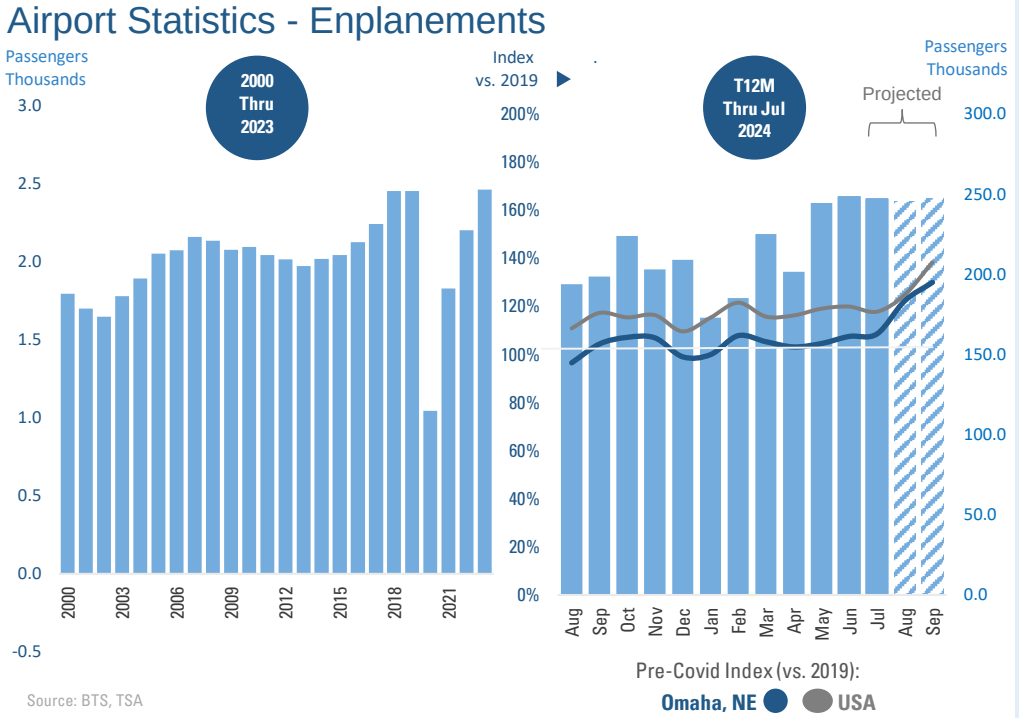
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

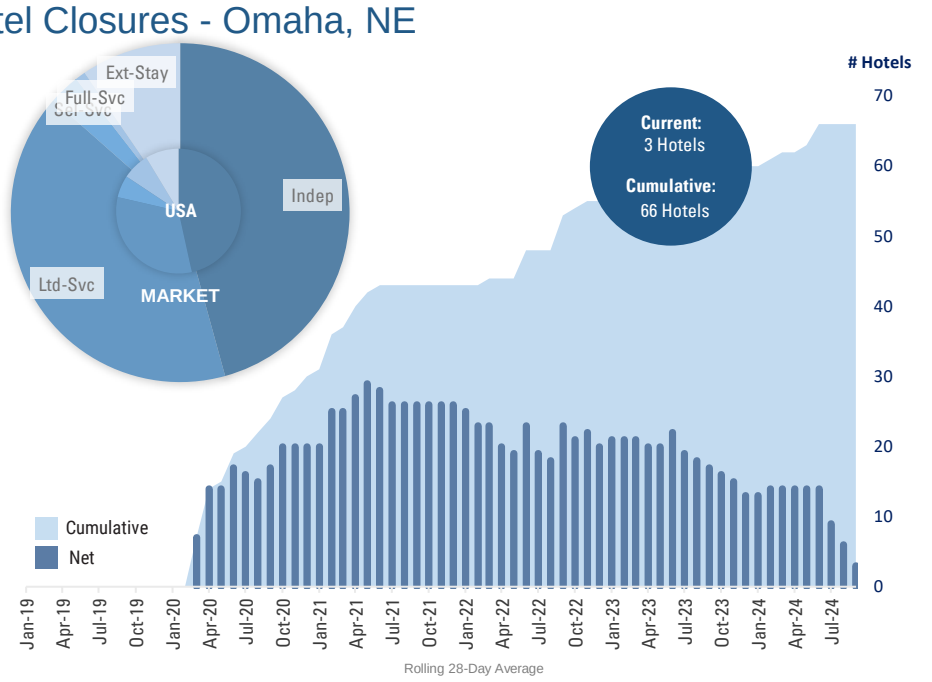
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

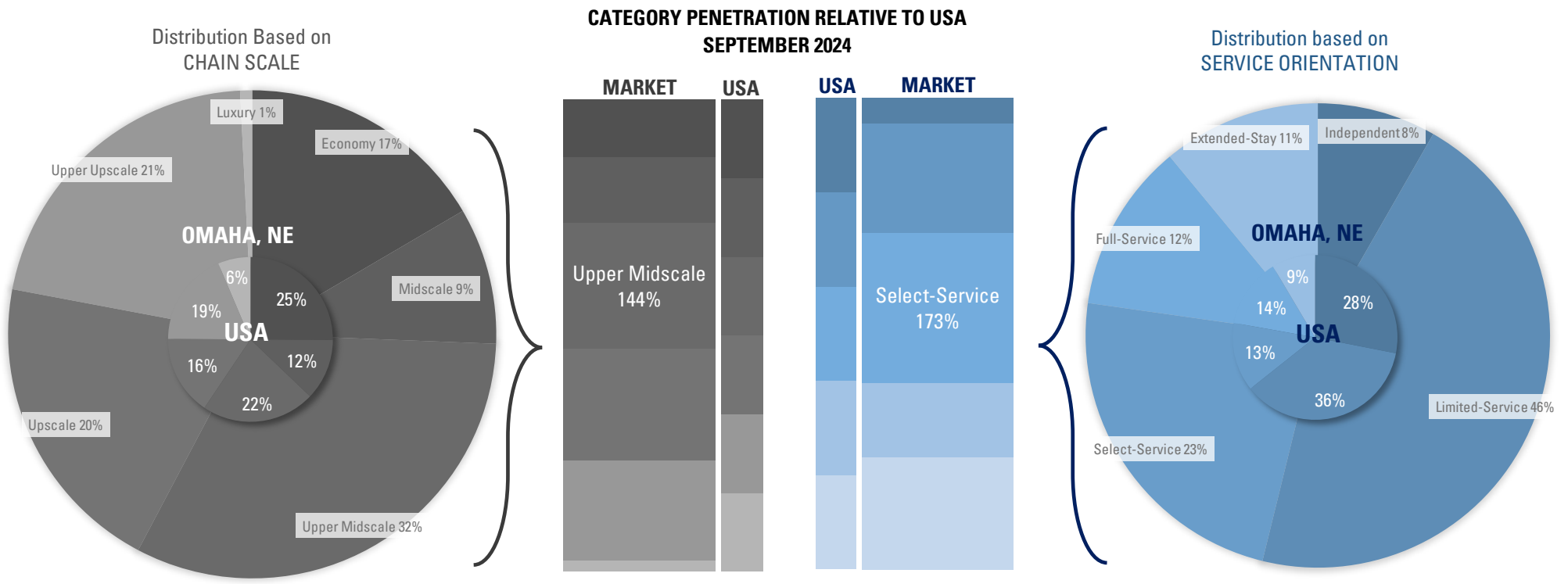
Hotel Closures - Omaha, NE



Source: Hotel Compete

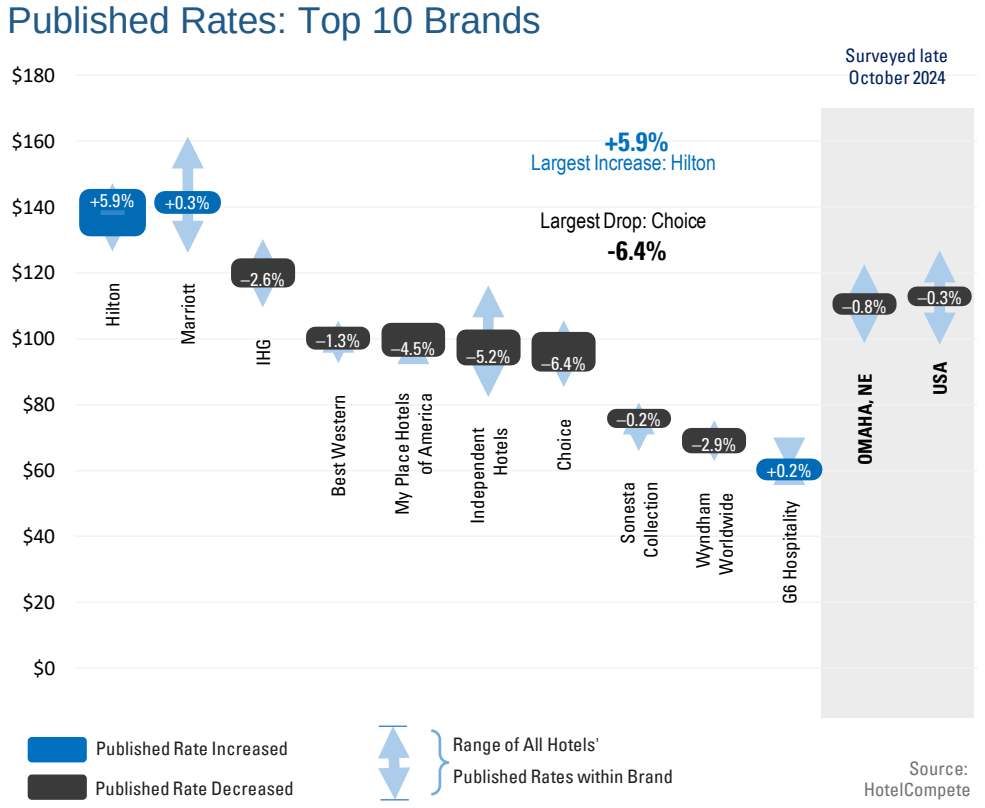
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Omaha, NE



'30/3' RATE CHANGES: OMAHA, NE vs. USA

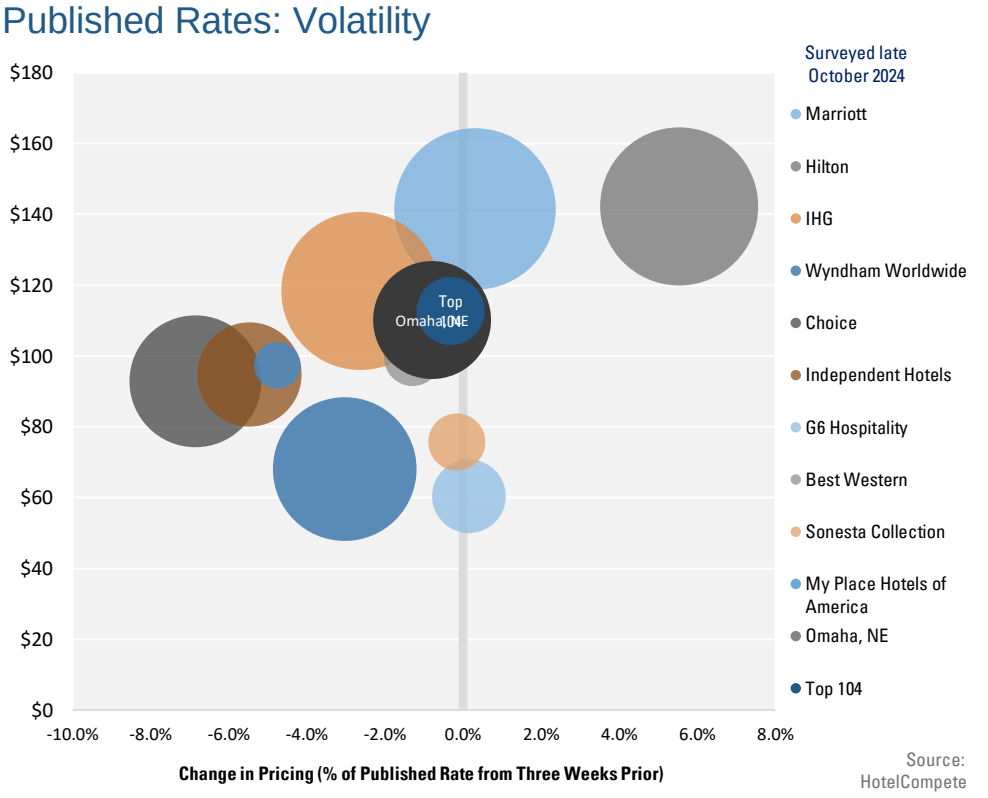
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



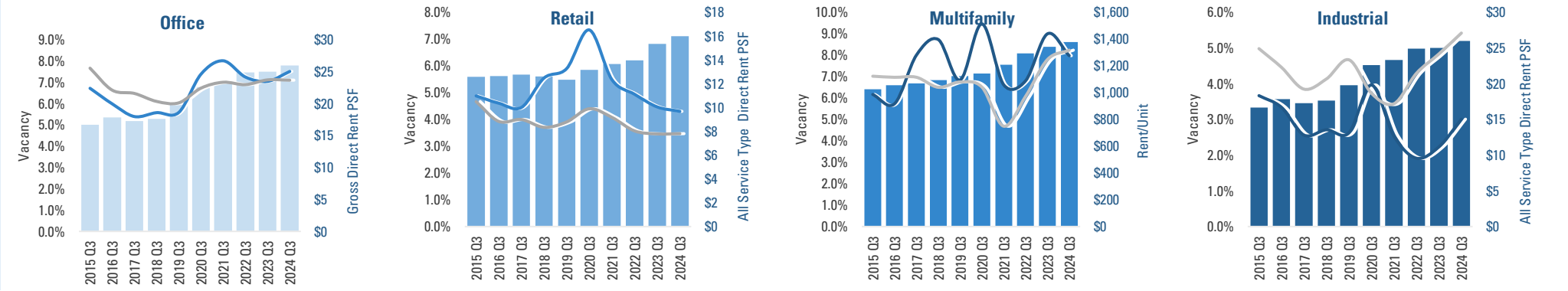
Source: HotelCompete

MAJOR C.R.E. METRICS

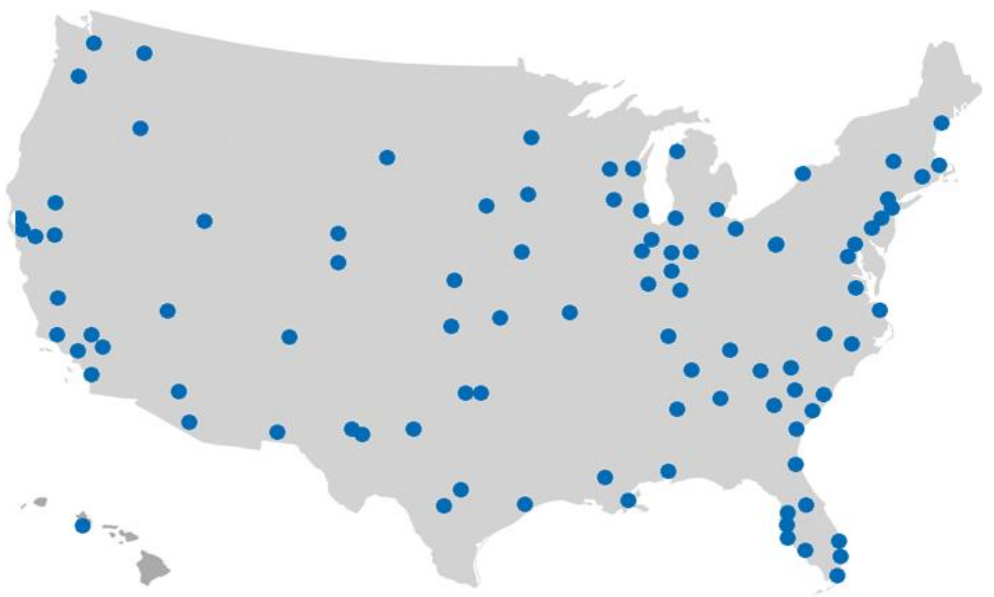
Major CRE Market Performance

Omaha, NE 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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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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