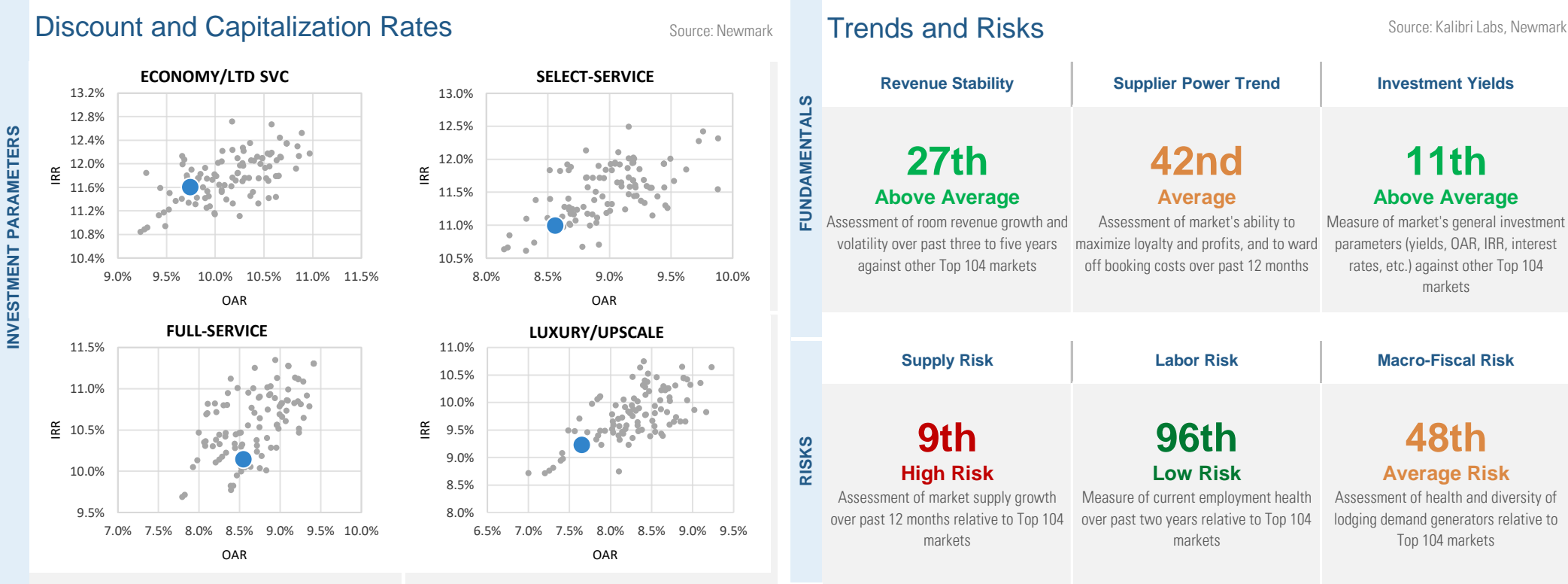
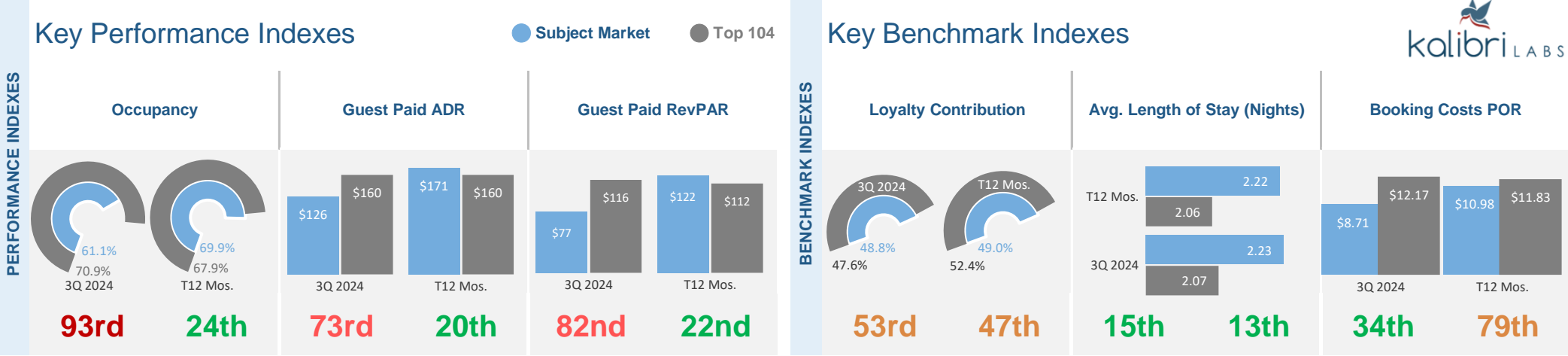
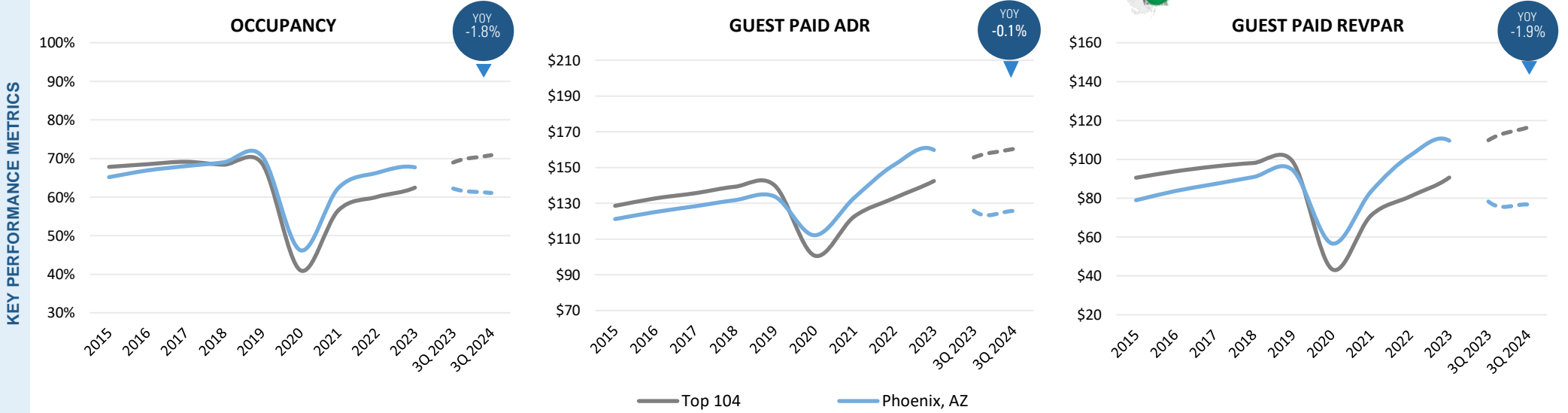
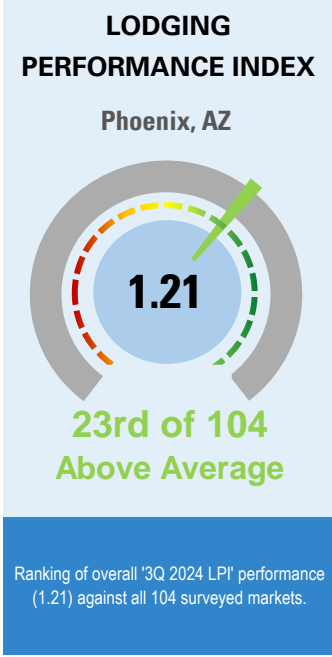
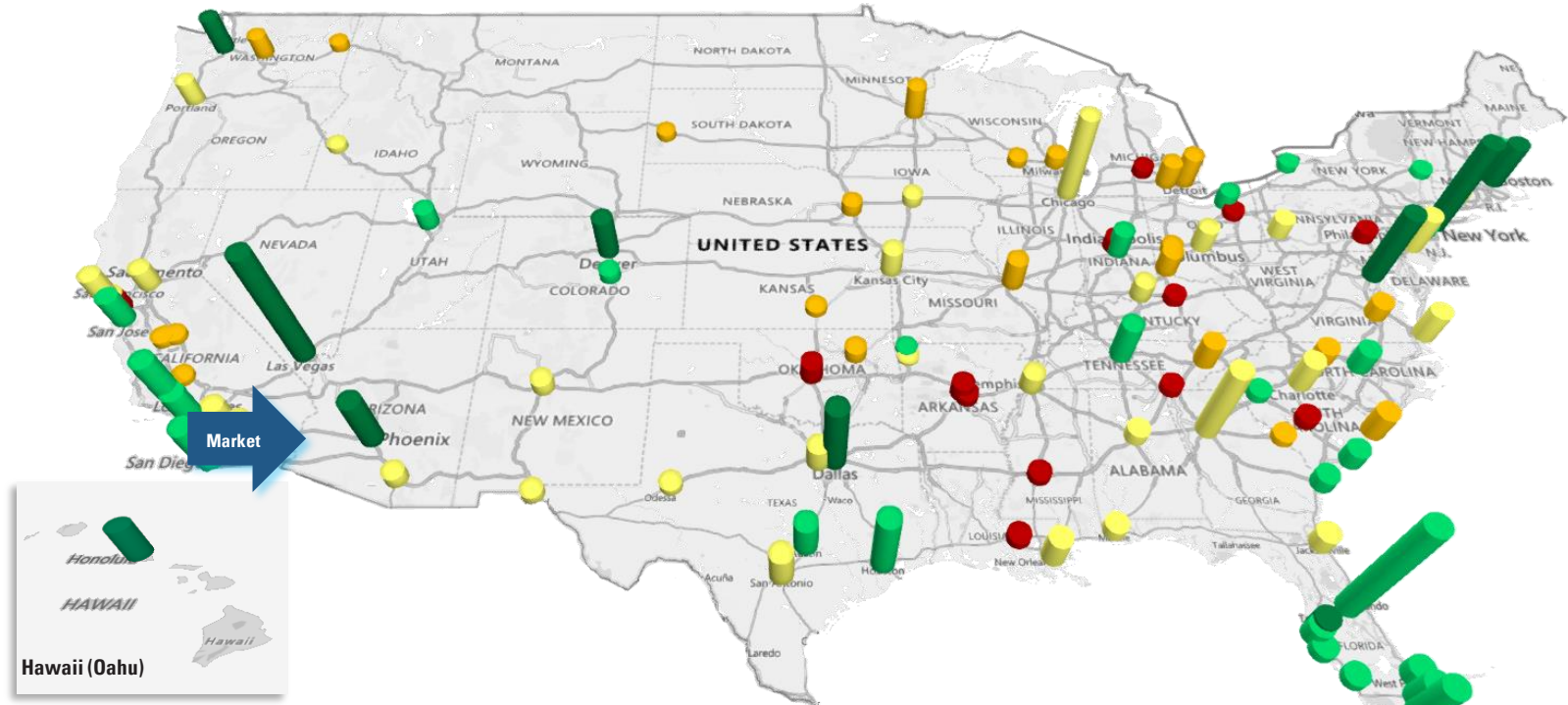
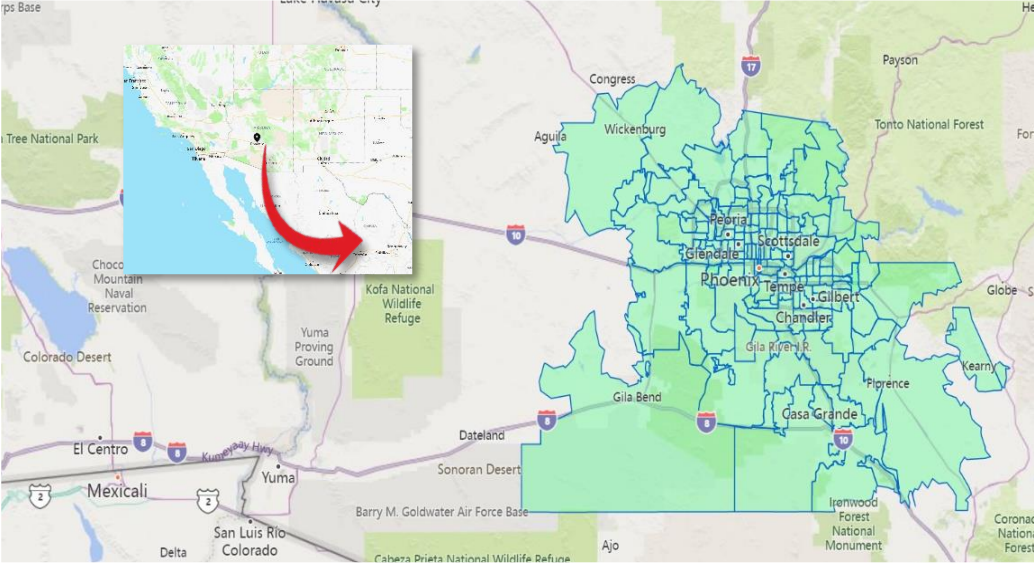




Lodging Performance Index Snapshot



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Phoenix	
County:	Maricopa County	
State:	Arizona	
Geo Coordinates (market center):	33.44838, -112.07404	
Major Hotel Demand Generators		
Banner Health System Wal-Mart Stores Inc. Wells Fargo Arizona State University HonorHealth Dignity Health Intel Corp. JP Morgan Chase & Co. Bank of America Raytheon Missile Systems US Airways Target American Airlines Group Honeywell Aerospace Freeport-McMoRan Copper & Gold Inc. United Parcel Service American Express UnitedHealthcare of Arizona Inc. Apollo Group Inc. Safeway Inc.		
Metrics and Ranking		
Population (hotel market area)	3,872,111	Rankings 9th of 104 (Large) 38th of 104 (Average) 60th of 104 (Average) 68th of 104 (Below Average) 13th of 104 (Above Average)
Income per Capita	\$52,080	
Feeder Group Size	77.8 Persons PSR	
Feeder Group Earnings	\$4,052,200 PSR	
Total Market Hotel Revenues	\$3.2 billion	

Key Performance Metrics

YEAR ENDING	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR						
2015	65.2%	\$121.15	\$78.94	\$111.99	\$9.16	92.4%	44.6%	2.40	63,900	1.31
2016	66.9%	\$125.08	\$83.68	\$115.36	\$9.72	92.2%	46.8%	2.32	63,510	1.16
2017	68.0%	\$128.30	\$87.27	\$118.05	\$10.25	92.0%	48.9%	2.30	64,080	1.23
2018	69.0%	\$131.72	\$90.89	\$121.33	\$10.39	92.1%	51.8%	2.26	64,820	1.33
2019	70.6%	\$133.81	\$94.47	\$123.37	\$10.44	92.2%	56.7%	2.22	69,170	1.39
2020	46.2%	\$112.10	\$56.71	\$104.91	\$7.18	93.6%	38.4%	2.34	69,130	1.20
2021	62.4%	\$133.06	\$83.40	\$123.86	\$9.20	93.1%	41.4%	2.28	70,170	1.24
2022	66.3%	\$151.43	\$101.95	\$141.26	\$10.17	93.3%	42.3%	2.29	70,440	1.40
2023	67.7%	\$159.79	\$109.58	\$149.31	\$10.48	93.4%	43.2%	2.30	70,700	1.23
CAGR: 2015 thru 2023	0.5%	3.5%	4.2%	3.7%	1.7%	0.1%	-0.4%	-0.5%	1.3%	-0.8%
3Q 2023	62.2%	\$125.82	\$78.27	\$117.21	\$8.61	93.2%	45.6%	2.23	71,560	1.44
3Q 2024	61.1%	\$125.70	\$76.76	\$116.99	\$8.71	93.1%	48.8%	2.23	73,380	1.21

Data provided by:

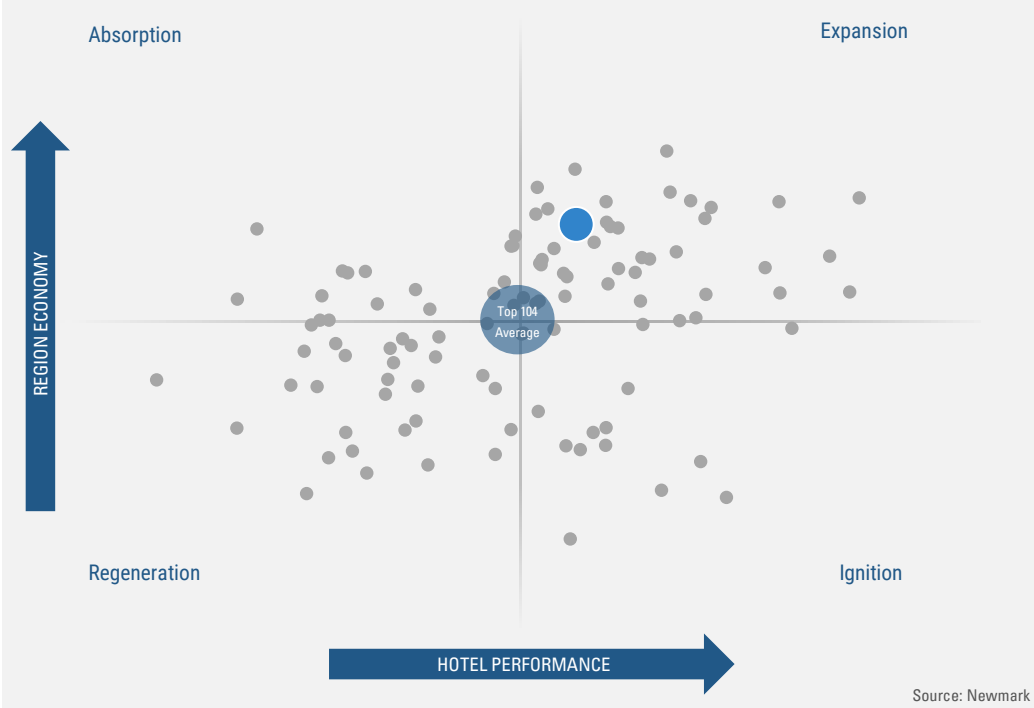
Notable Metrics

HIGHEST	T12-Month COPE ADR Percentage	IRR: Select-Service	Total Rooms Sold
	4th Strong Phoenix, AZ benefited from strong T12-month COPE ADR percentage (93.6%)	9th Highly Favorable The market posted favorable IRR metrics in the select-service segment (11.0%)	12th Above Average The market also boasted a strong total of number of rooms sold (18,164,389 room nights)
LOWEST	Latest-Quarter Occupancy	Latest-Quarter COPE RevPAR	Latest-Quarter Guest Paid RevPAR
	93rd Soft This market exhibited weak latest-quarter occupancy (61.1%)	82nd Below Average The market has been hampered by weak latest-quarter COPE RevPAR (\$71.44)	82nd Below Average Phoenix, AZ also posted weak latest-quarter Guest Paid RevPAR (\$76.76)

Notable Trends

STRONGEST	Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE RevPAR Growth	Long-Term Historical Occupancy Growth
	5th Strong Phoenix, AZ exhibited strong long-term historical Guest Paid RevPAR growth (4.3%)	5th Strong The market posted strong long-term historical COPE RevPAR growth (4.3%)	7th Strong The market also enjoyed strong long-term historical occupancy growth (0.7%)
WEAKEST	Short-Term Historical Occupancy Growth	T12-Month Rooms Supply Growth	Short-Term Historical Booking Costs POR Growth
	100th Soft The market has been hindered by weak short-term historical occupancy growth (-5.0%)	96th Soft We note this area has been hindered by high rooms supply growth over the last 12 months (2.5%)	87th Below Average Phoenix, AZ also has been impeded by high short-term historical growth in booking costs (4.8%)

Market Performance Stage

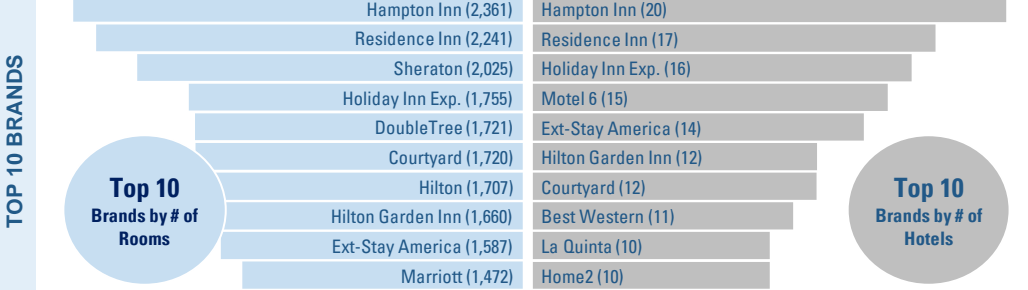


Phoenix, AZ: Expansion Stage

Expansion	The Phoenix, AZ market is currently in the 'Expansion' stage of the performance cycle. In this 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.
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.
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 .

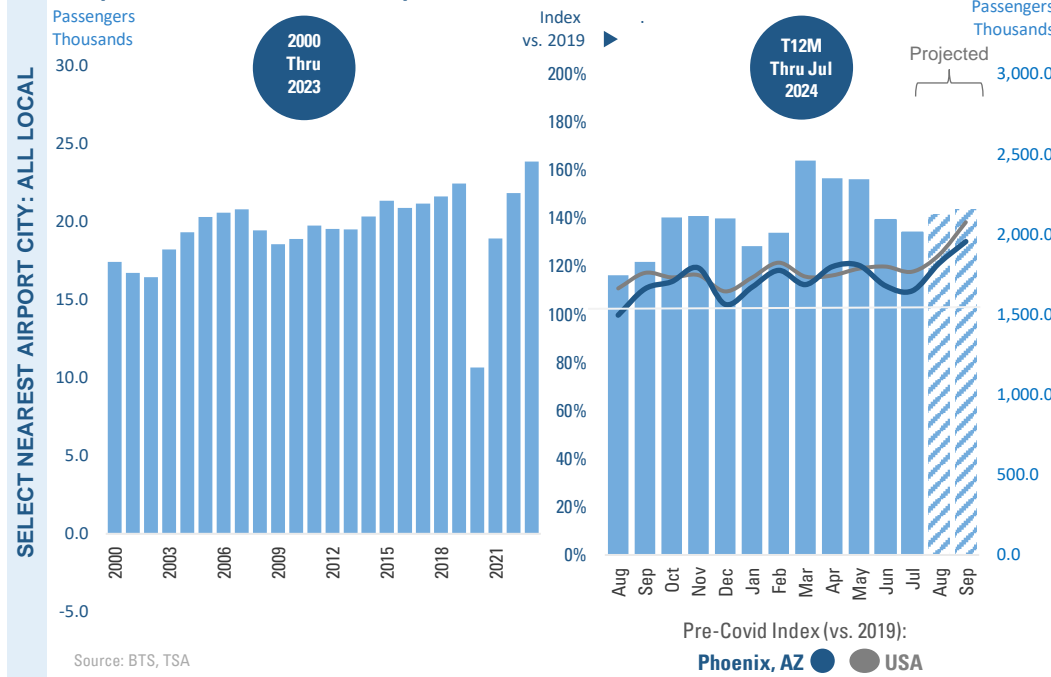
Industry Observations

MOODY'S ANALYTICS	Business Cycle:	At Risk	<div>Aa1</div> <div>Investment Grade</div> <div>Long-term investment grade, Prime-1 short-term outlook</div>
	Employment Growth (2 yr):	2.2%	
	Risk Exposure (402 US markets):	12th Percentile: Below Average	
	Key Industry Notes:		
	Hub for relocation of banks		
	Robust population growth		
	Lower business costs		
	High cyclicality in businesses		
	Lower wages than the West		

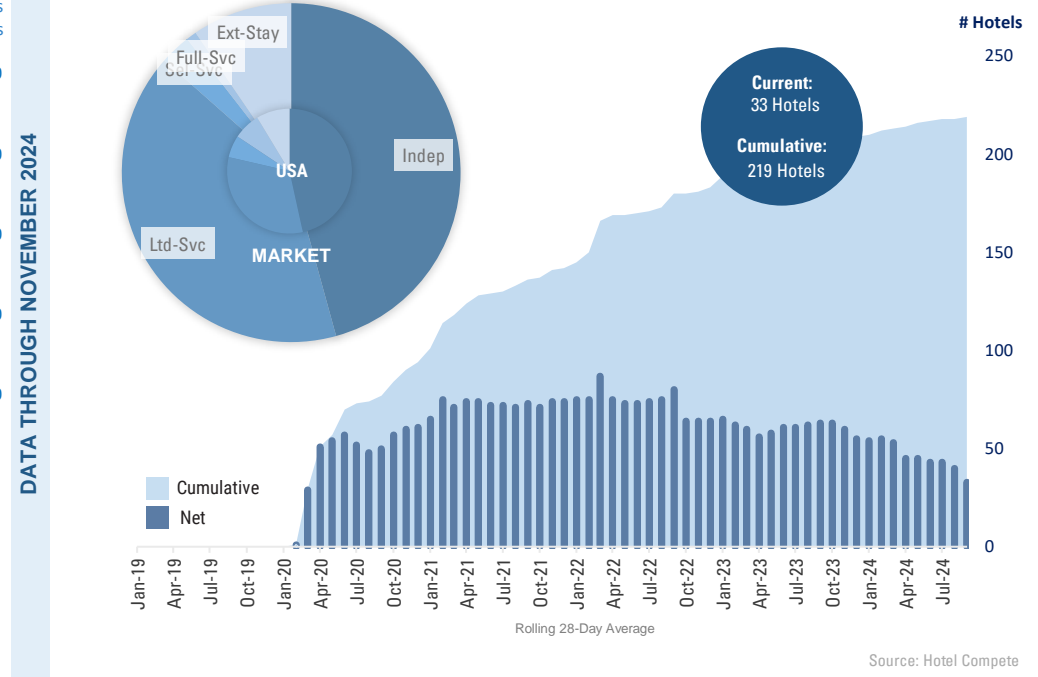


Source: Newmark

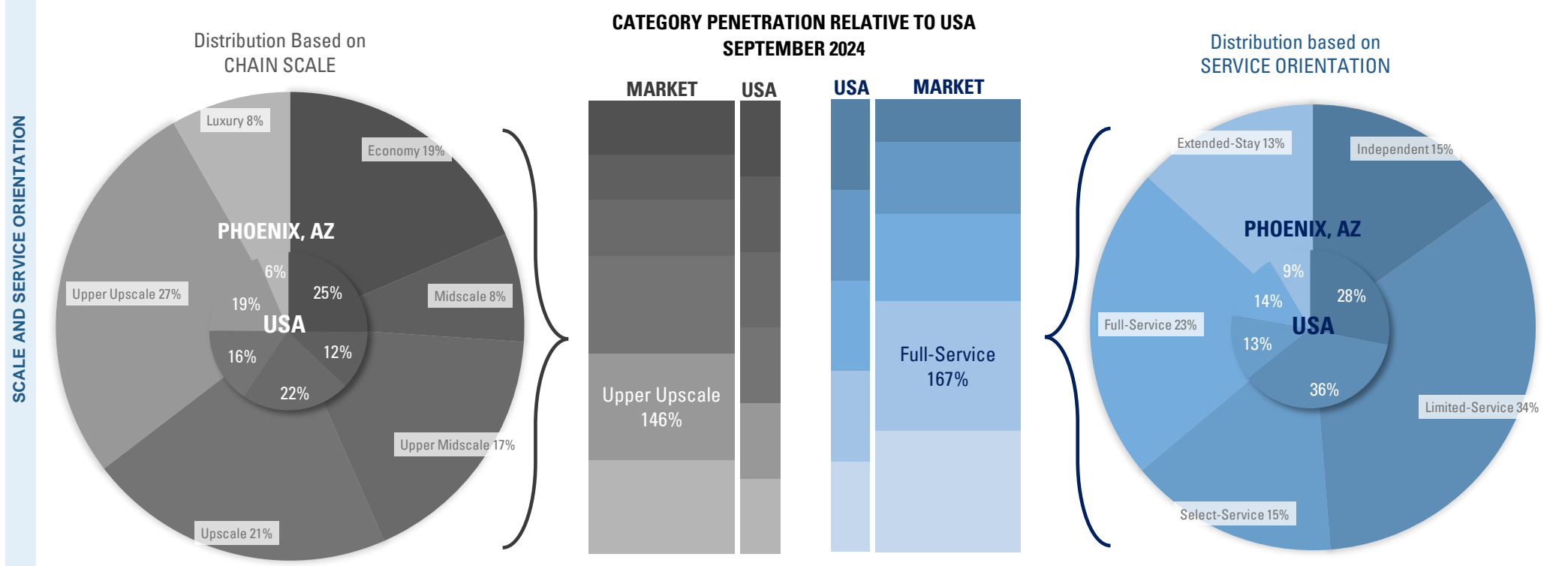
Airport Statistics - Enplanements



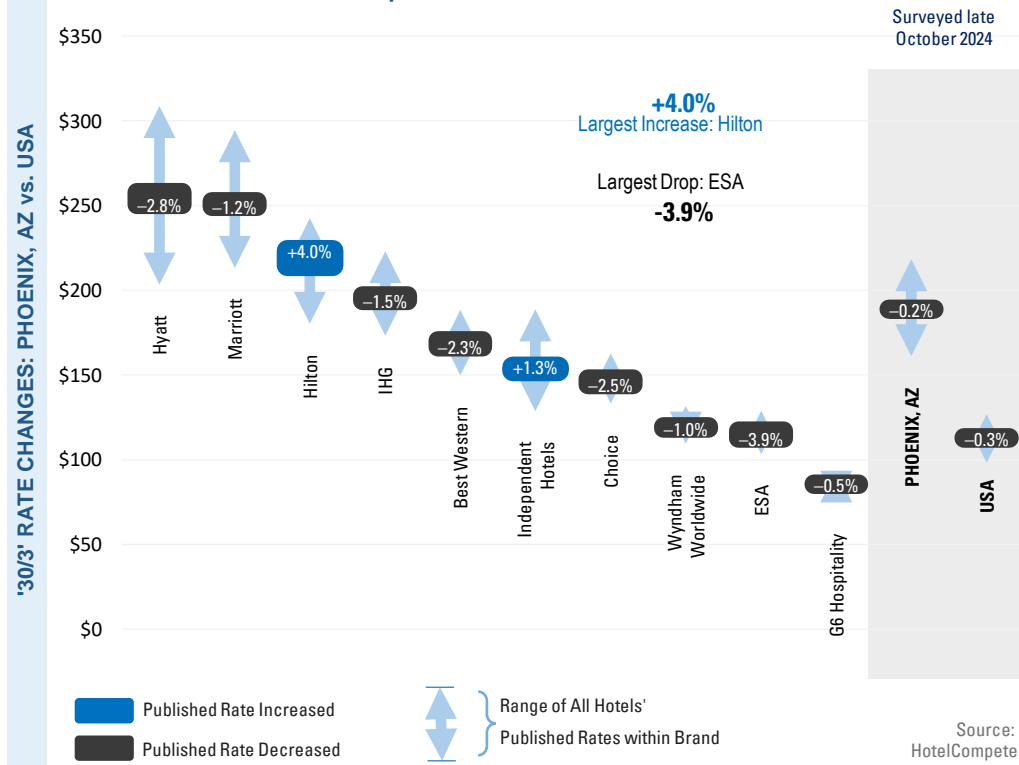
Hotel Closures - Phoenix, AZ



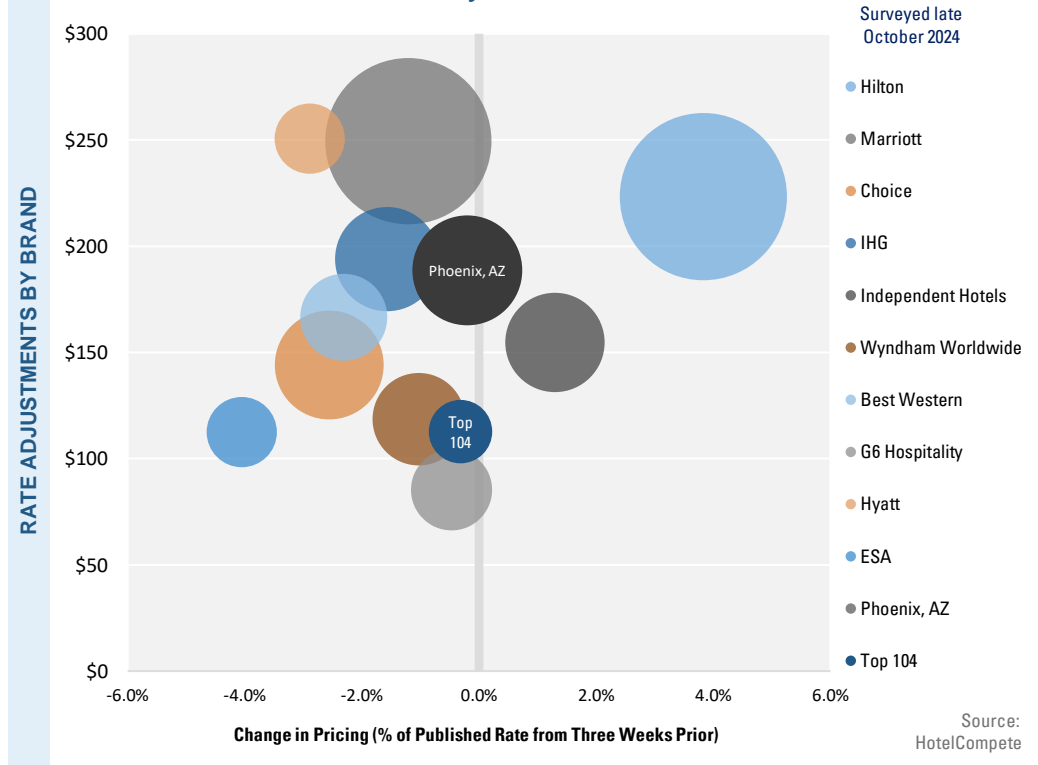
Scale and Service Distribution: Phoenix, AZ



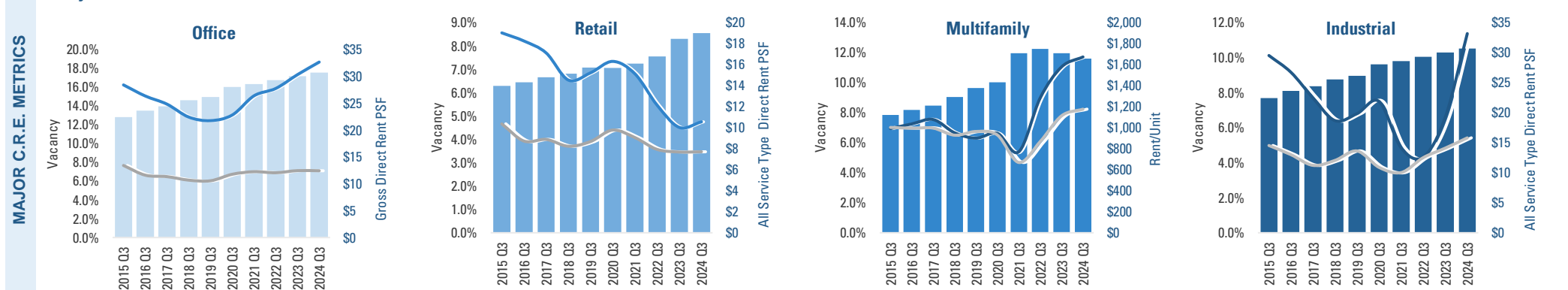
Published Rates: Top 10 Brands



Published Rates: Volatility



Major CRE Market Performance



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

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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.

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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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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.

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Portfolio Analytics
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Property Tax
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