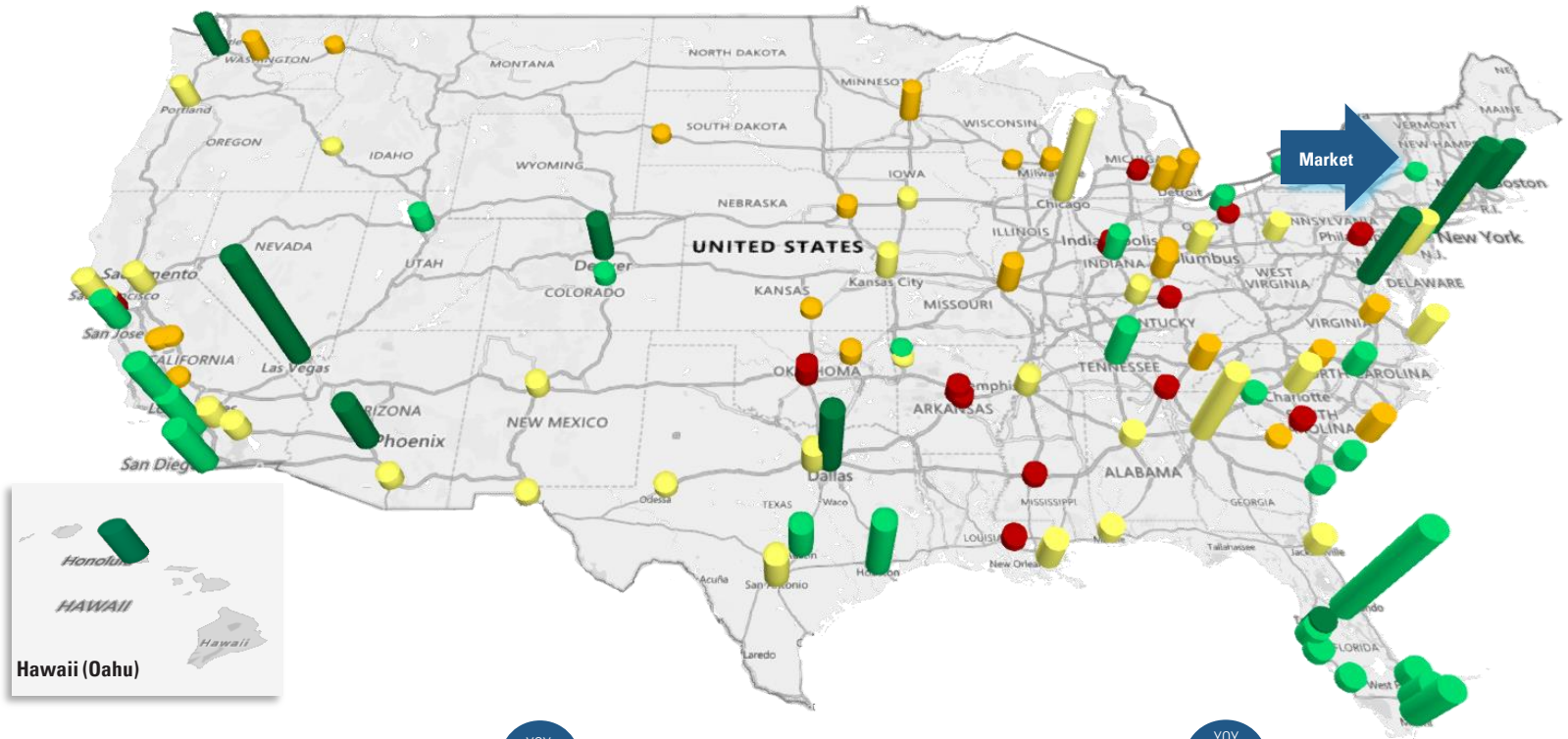
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

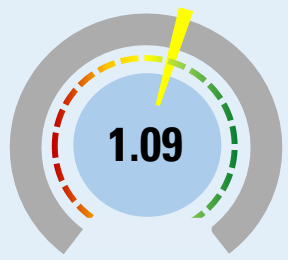
3Q 2024
PORTLAND, ME

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

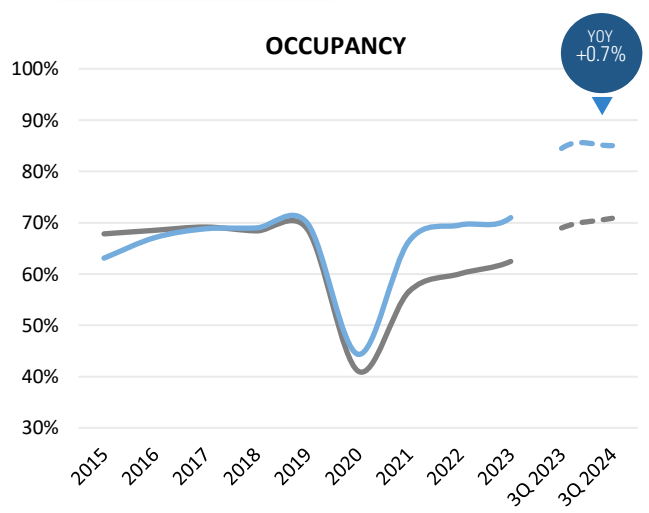
Portland, ME

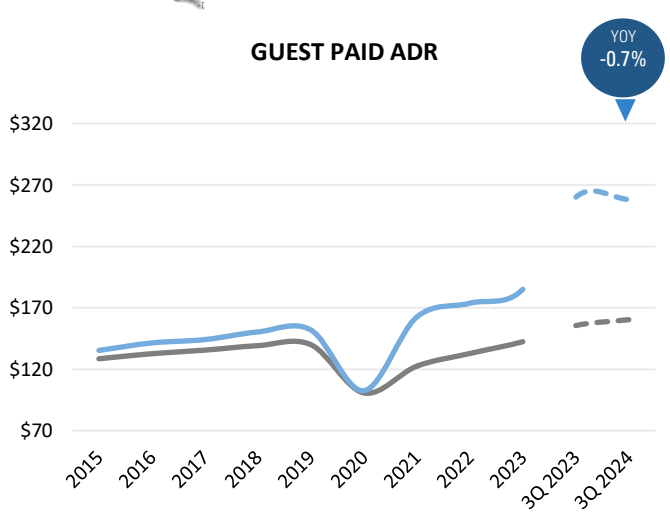


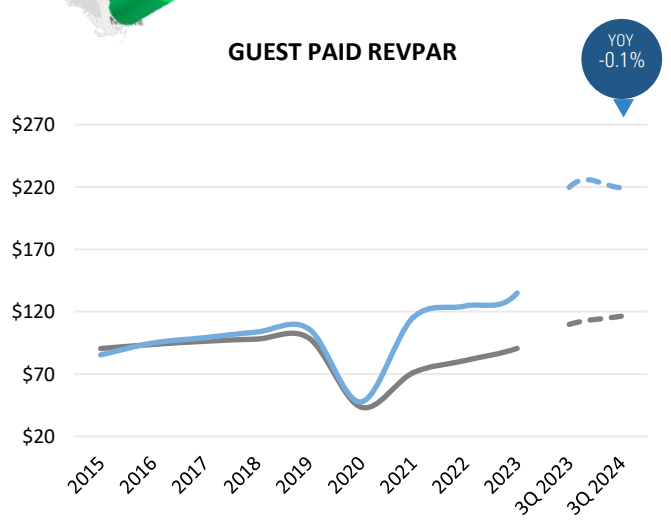
42nd of 104
Average

Ranking of overall '3Q 2024 LPI' performance (1.09) against all 104 surveyed markets.

KEY PERFORMANCE METRICS





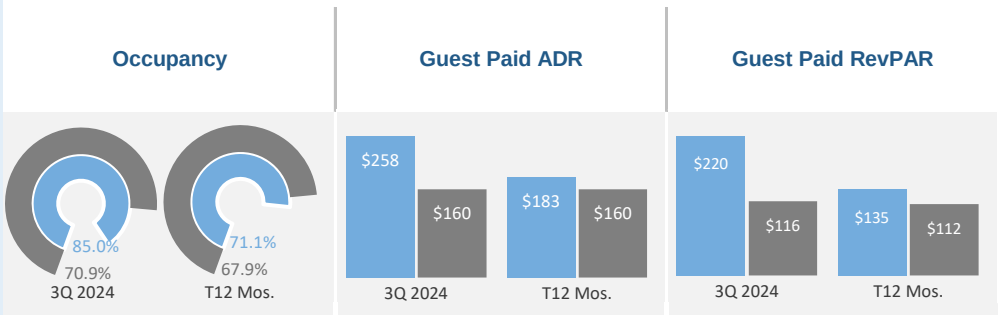


Top 104 — Portland, ME

PERFORMANCE INDEXES

Key Performance Indexes

Subject Market — Top 104

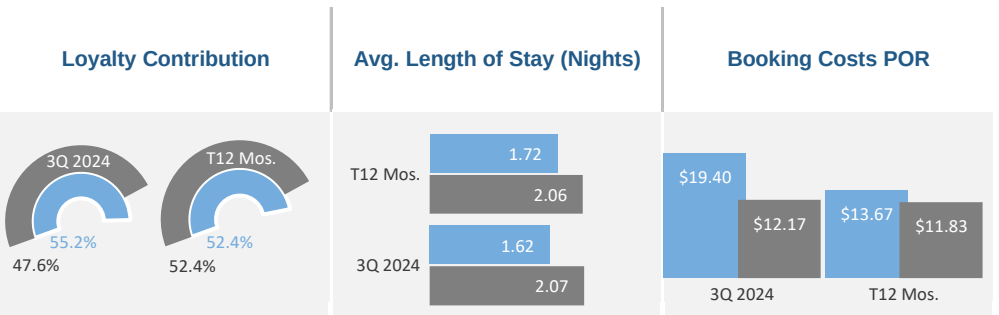


Occupancy		Guest Paid ADR		Guest Paid RevPAR	
2nd	18th	3rd	14th	3rd	13th

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

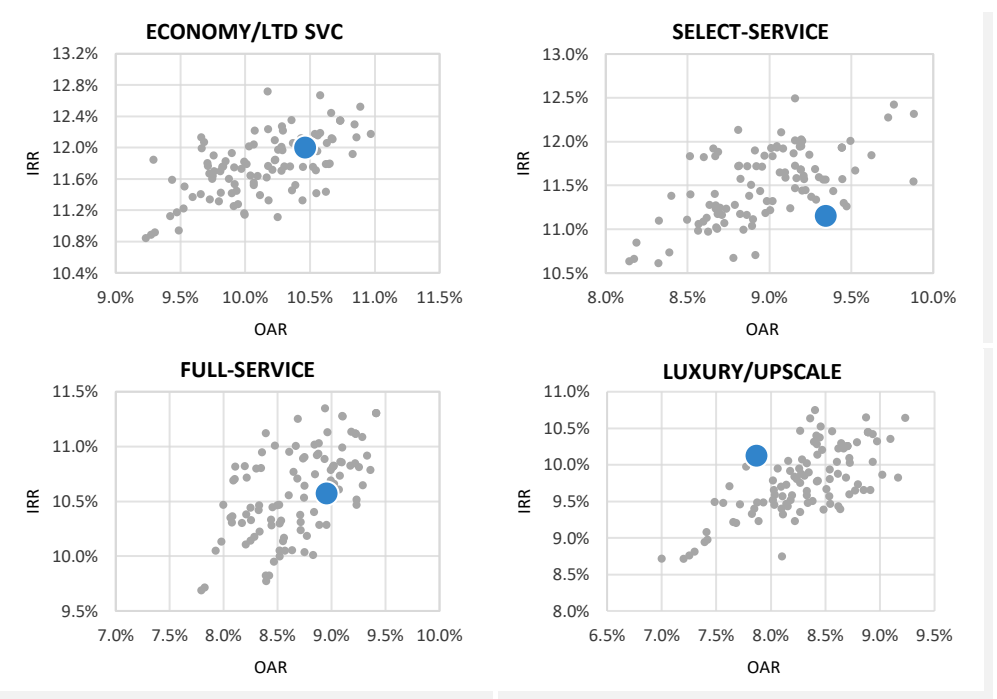


Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
12th	21st	104th	102nd	102nd	93rd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

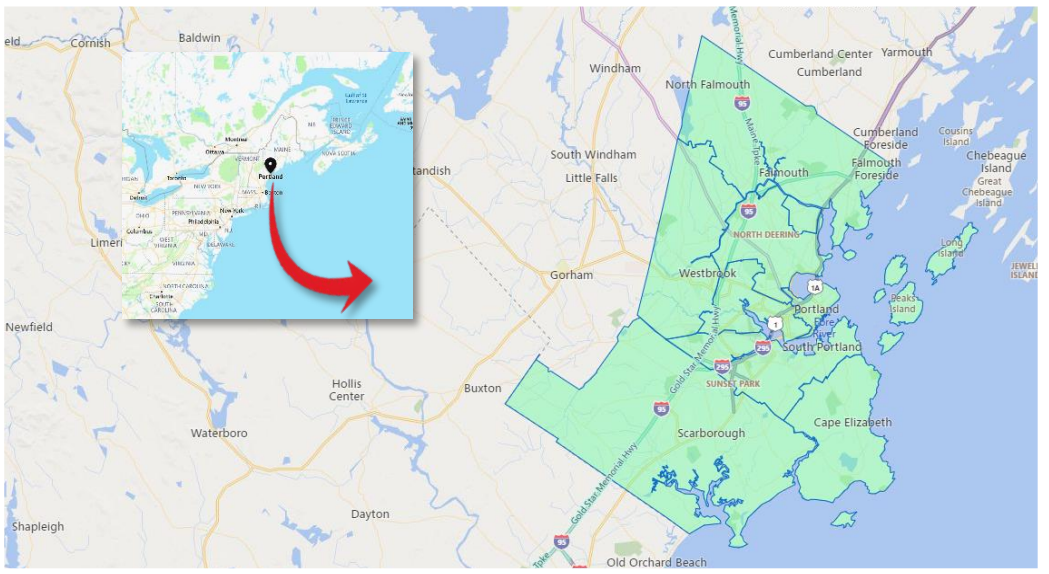
Revenue Stability	Supplier Power Trend	Investment Yields
6th	**25th**	**65th**
Strong	Above Average	Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking 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
31st	**32nd**	**53rd**
Above Average	Above 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:	Portland
County:	Cumberland County
State:	Maine
Geo Coordinates (market center):	43.66147, -70.25533

Major Hotel Demand Generators

Maine Health | Bath Iron Works | L.L. Bean Inc. | Unum Provident | Hannaford Bros. Co. | Southern Maine Medical Center | Mercy Hospital | Webber Hospital Association | Pratt & Whitney Aircraft Group | University of Southern Maine | Mid Coast Hospital | Wal-Mart Stores Inc. | Bowdoin College | IDEXX Laboratories Inc. | TD Bank N.A. | York Hospital | WEX LLC | Verizon | Southern Maine Community College | Martin's Point HealthCare

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	133,155	Last of 104
Income per Capita	$51,430	41st of 104 (Average)
Feeder Group Size	31.5 Persons PSR	8th of 104 (Strong)
Feeder Group Earnings	$1,620,265 PSR	12th of 104 (Above Average)
Total Market Hotel Revenues	$289.5 million	86th 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	63.1%	$135.37	$85.39	$124.54	$78.56	$10.83	92.0%	50.0%	1.60	5,150	0.97
2016	67.1%	$141.48	$94.92	$129.87	$87.12	$11.62	91.8%	53.8%	1.59	5,190	1.16
2017	68.8%	$144.19	$99.22	$132.05	$90.86	$12.14	91.6%	54.6%	1.60	5,170	1.11
2018	69.0%	$150.41	$103.74	$138.17	$95.30	$12.24	91.9%	56.8%	1.59	5,300	1.12
2019	69.9%	$151.99	$106.22	$139.51	$97.50	$12.48	91.8%	59.3%	1.56	5,540	1.15
2020	44.3%	$102.60	$47.70	$95.58	$42.37	$7.01	93.2%	38.6%	2.30	5,530	1.34
2021	66.4%	$162.57	$115.25	$151.15	$100.38	$11.42	93.0%	39.9%	2.05	5,620	1.51
2022	69.5%	$173.76	$124.58	$161.61	$112.39	$12.15	93.0%	41.5%	2.03	5,700	1.57
2023	71.0%	$185.15	$135.07	$172.58	$122.51	$12.57	93.2%	42.0%	2.05	5,800	1.06
CAGR: 2015 thru 2023	1.5%	4.0%	5.9%	4.2%	5.7%	1.9%	0.2%	-2.1%	3.1%	1.5%	1.1%
3Q 2023	84.5%	$260.11	$219.69	$241.07	$203.60	$19.04	92.7%	51.3%	1.72	5,960	1.36
3Q 2024	85.0%	$258.18	$219.50	$238.78	$203.01	$19.40	92.5%	55.2%	1.62	6,030	1.09

Notable Metrics

HIGHEST

Latest-Quarter Occupancy	Latest-Quarter Guest Paid ADR	Latest-Quarter Guest Paid RevPAR
2nd	**3rd**	**3rd**
Very Strong	**Very Strong**	**Very Strong**
Portland, ME enjoyed strong latest–quarter occupancy (85.0%)	The market exhibited strong latest–quarter Guest Paid ADR ($258.18)	The market also benefited from strong latest–quarter Guest Paid RevPAR ($219.50)

LOWEST

Latest-Quarter Average Length of Stay	Total Rooms Sold	T12-Month Average Length of Stay
Last	**102nd**	**102nd**
Soft	**Soft**	**Soft**
This market has been impeded by weak latest–quarter average length of stay (1.62 Nights)	The market has a limited lodging–related economy and shows minimal diversity in its sources of demand (1,542,698 room nights)	Portland, ME also exhibited weak T12–month average length of stay (1.72 Nights)

Notable Trends

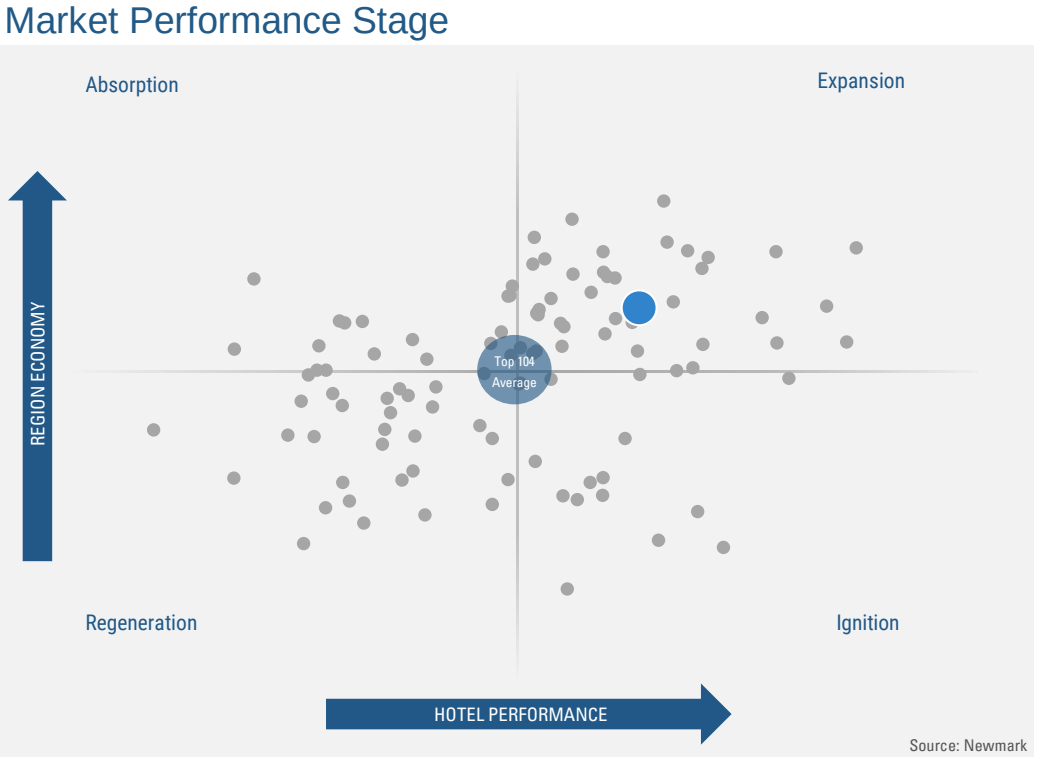
STRONGEST

Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE RevPAR Growth	Long-Term Historical Guest Paid ADR Growth
2nd	**2nd**	**3rd**
Very Strong	**Very Strong**	**Very Strong**
Portland, ME exhibited strong long–term historical Guest Paid RevPAR growth (5.2%)	The market posted strong long–term historical COPE RevPAR growth (5.2%)	The market also has benefited from strong long–term historical Guest Paid ADR growth (4.8%)

WEAKEST

Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth	T12-Month Rooms Supply Growth
97th	**95th**	**74th**
Soft	**Soft**	**Below Average**
The market exhibited high long–term historical booking costs POR growth (4.9%)	We note this area has been impeded by high short–term historical growth in booking costs (5.5%)	Portland, ME also has been hindered by high rooms supply growth over the last 12 months (1.2%)

Market Performance Stage



Source: Newmark

Portland, ME: Expansion Stage

Expansion

The Portland, ME 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 .

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	0.9%
Risk Exposure (402 US markets):	65th Percentile: Average Risk
Key Industry Notes:	Large healthcare industry
	Coastline that attracts tourism
	Well-educated workforce
	Reliance on nonresident spending
	High business costs

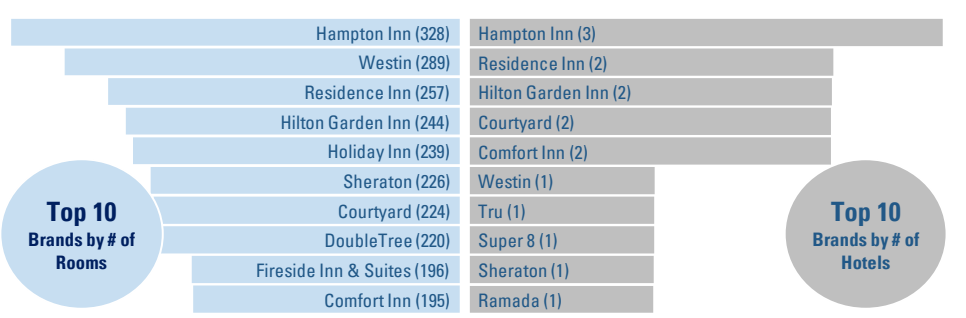
Moody's Rating

Aa2

Investment Grade

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

TOP 10 BRANDS

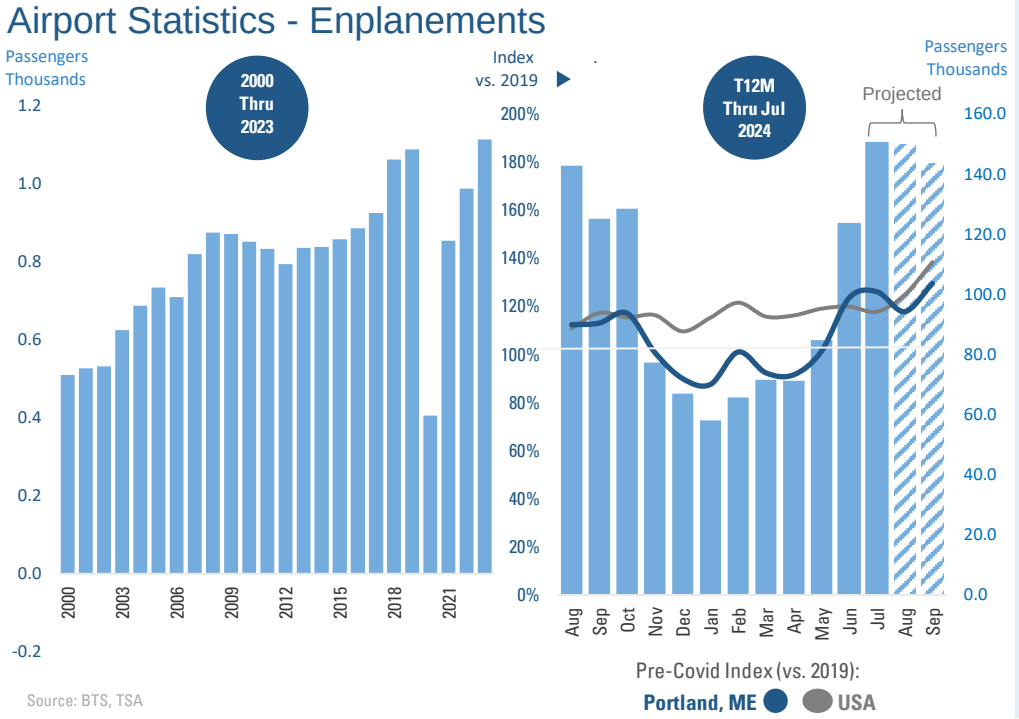


Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

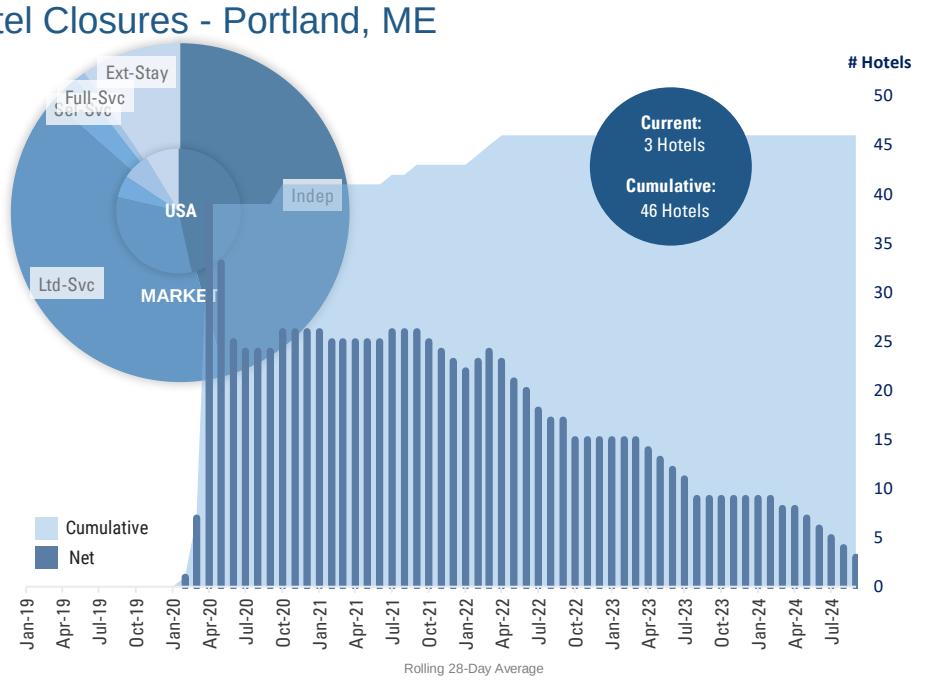
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

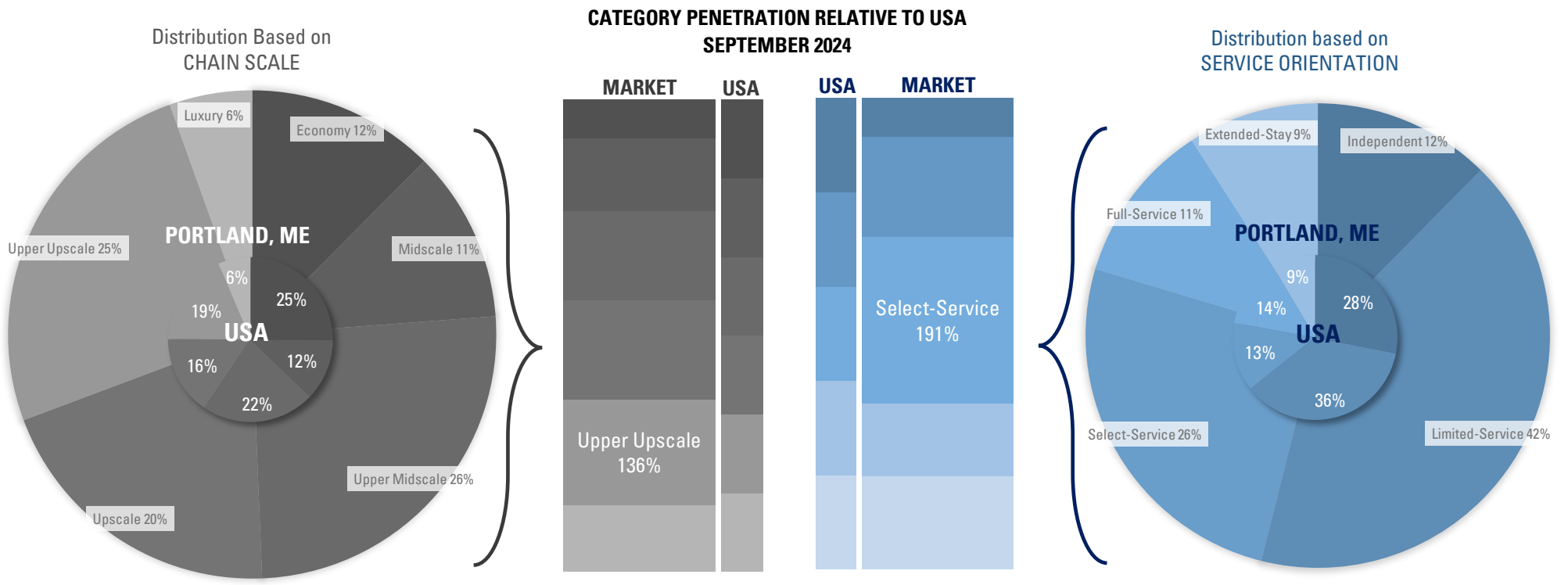
Hotel Closures - Portland, ME



Source: Hotel Compete

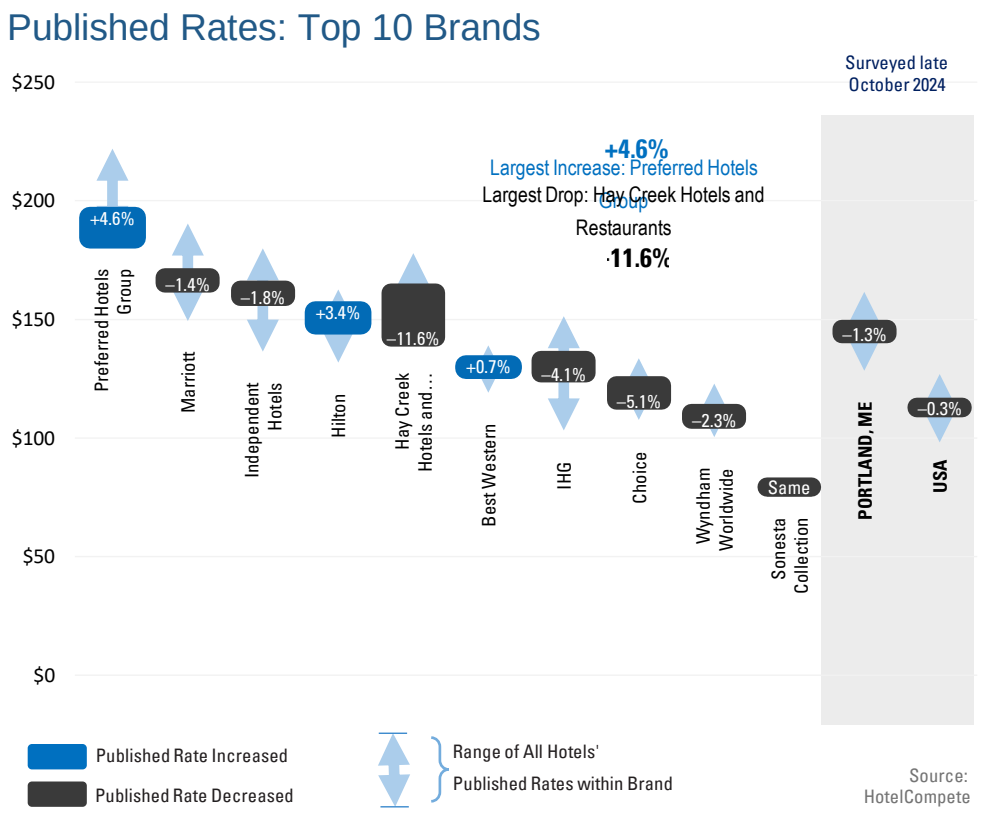
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Portland, ME



'30/3' RATE CHANGES: PORTLAND, ME vs. USA

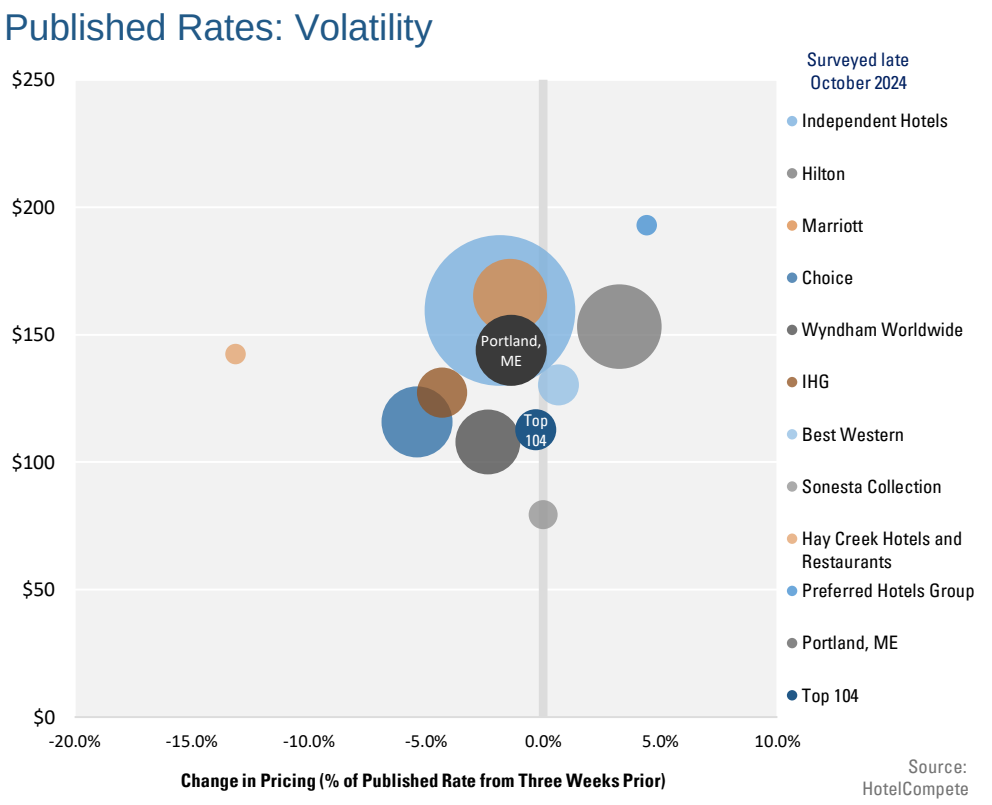
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

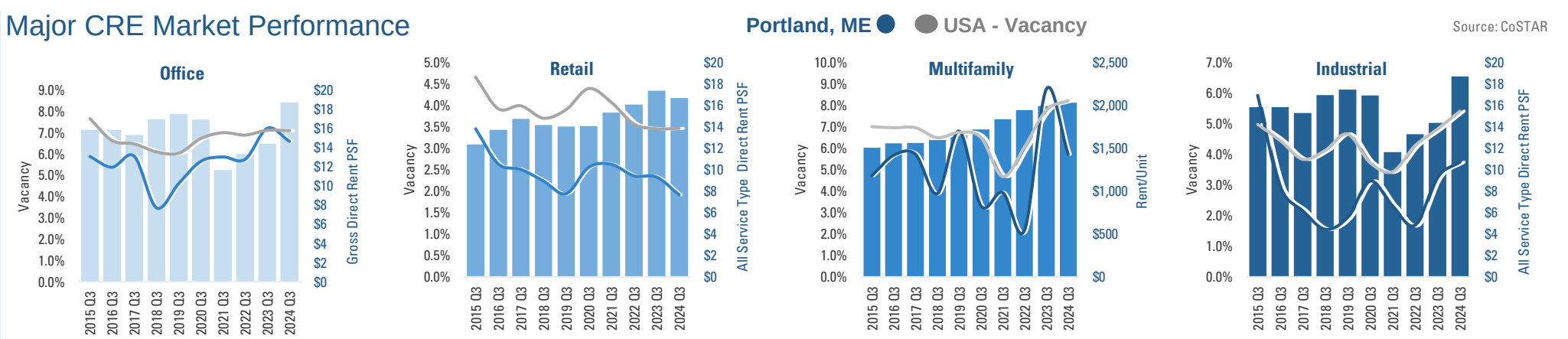
Published Rates: Volatility



Source: HotelCompete

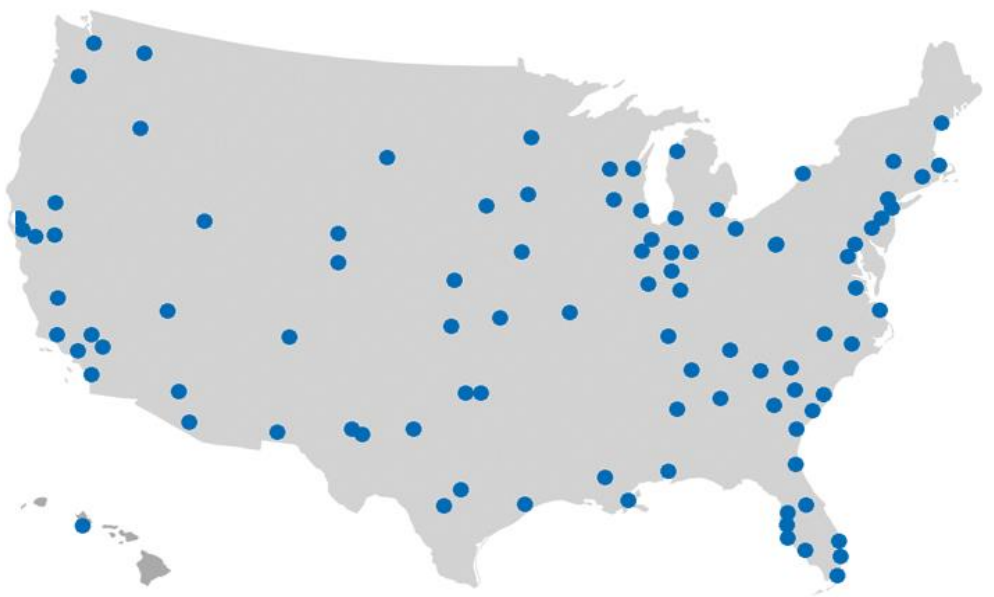
MAJOR C.R.E. METRICS

Major CRE Market Performance



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

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Golf Courses

Marinas

Ski and Village Resorts

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