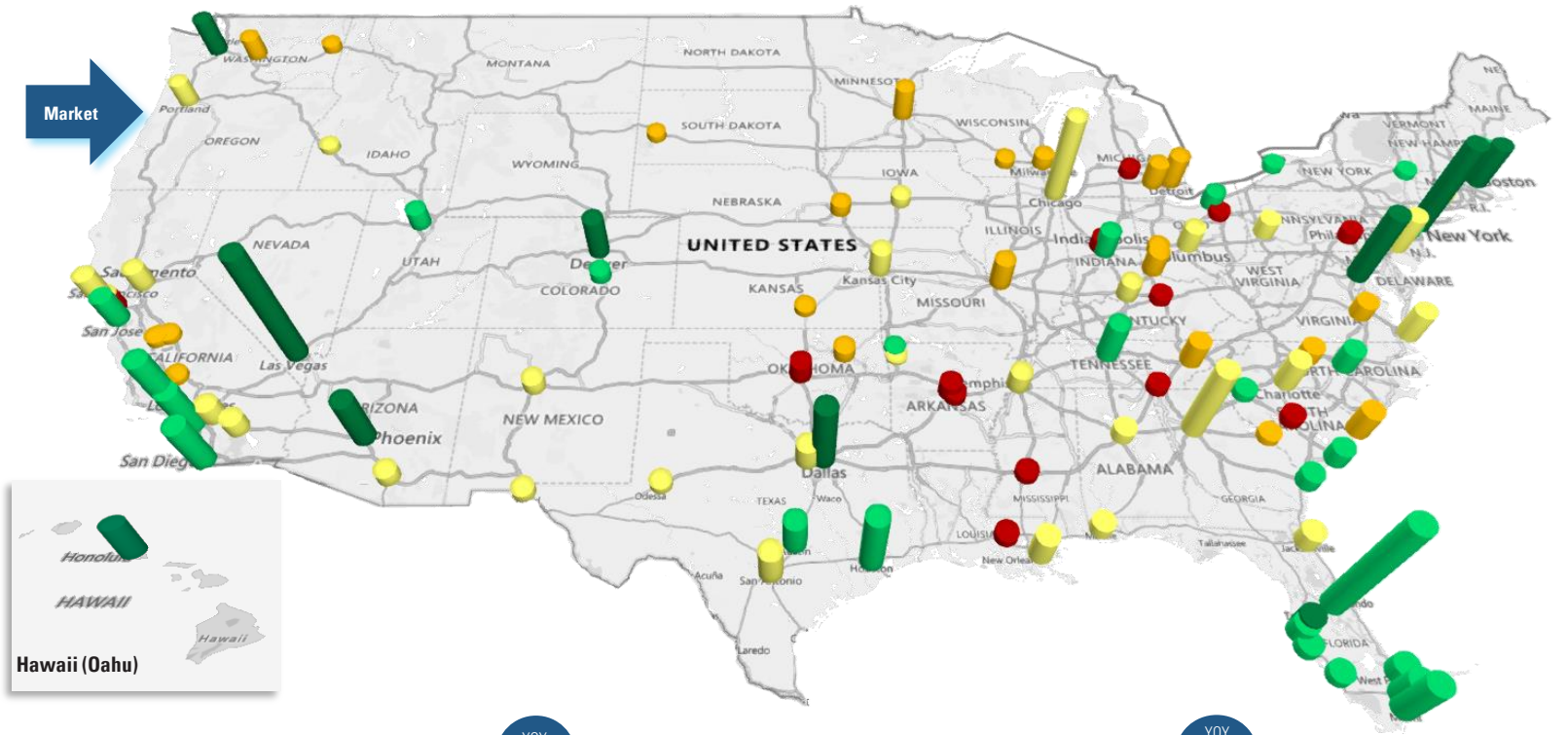
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

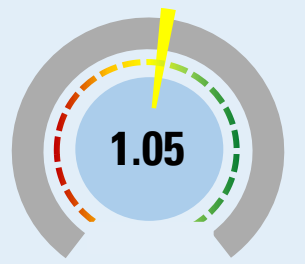
3Q 2024
PORTLAND, OR

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

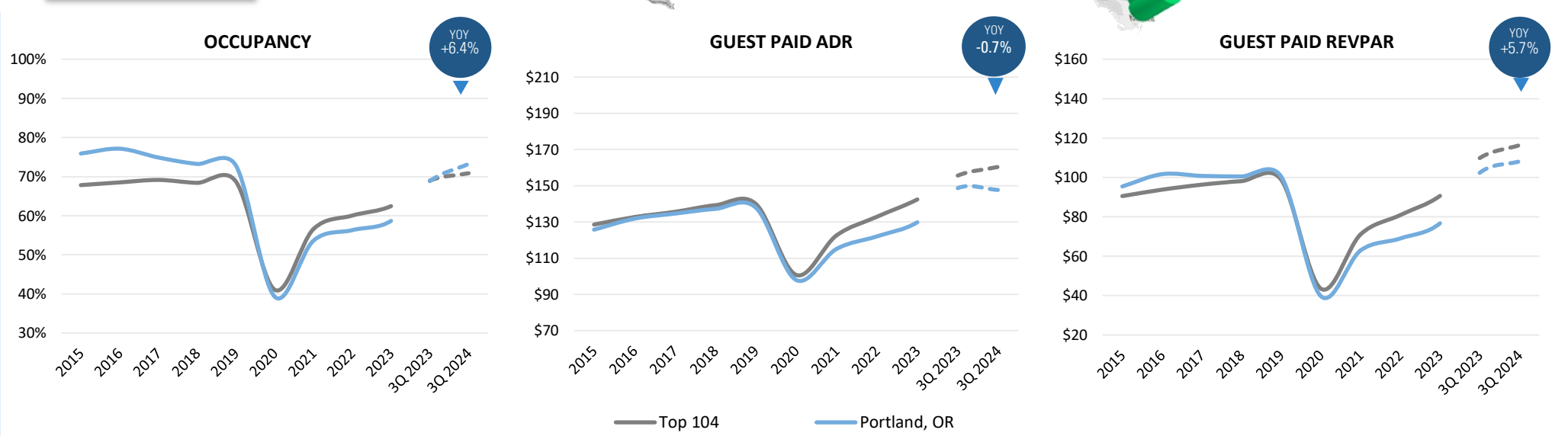
Portland, OR



49th of 104
Average

Ranking of overall '3Q 2024 LPI' performance (1.05) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

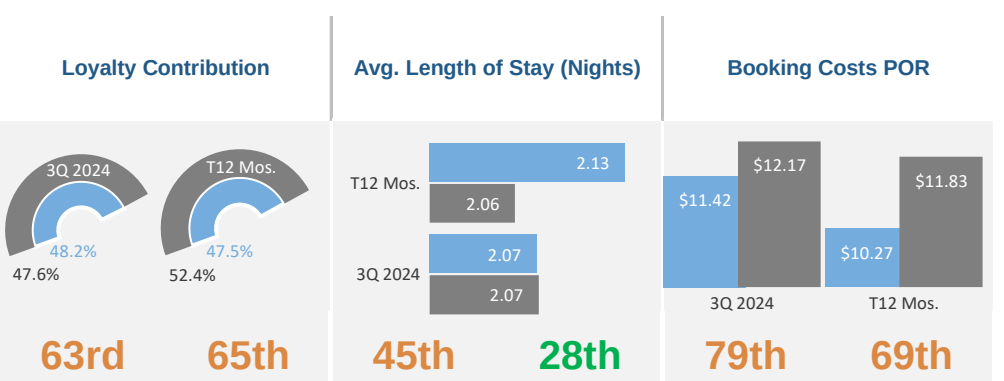
Subject Market | Top 104

Occupancy 3Q 2024	Occupancy T12 Mos.	Guest Paid ADR 3Q 2024	Guest Paid ADR T12 Mos.	Guest Paid RevPAR 3Q 2024	Guest Paid RevPAR T12 Mos.
23rd	56th	37th	37th	31st	42nd

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

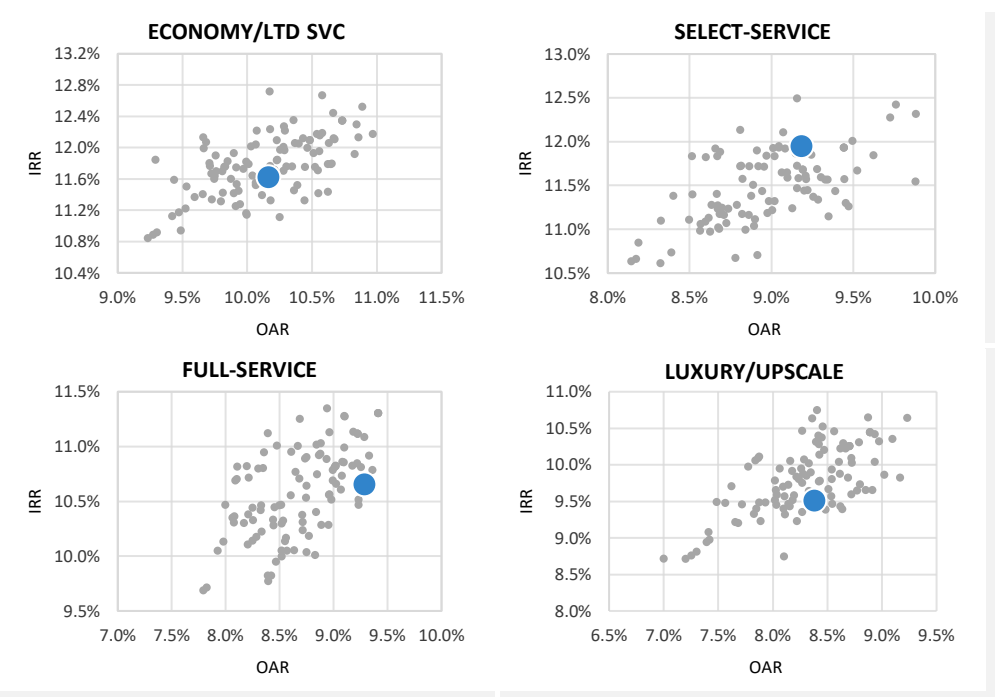


Loyalty Contribution 3Q 2024	Loyalty Contribution T12 Mos.	Avg. Length of Stay (Nights) 3Q 2024	Avg. Length of Stay (Nights) T12 Mos.	Booking Costs POR 3Q 2024	Booking Costs POR T12 Mos.
63rd	65th	45th	28th	79th	69th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

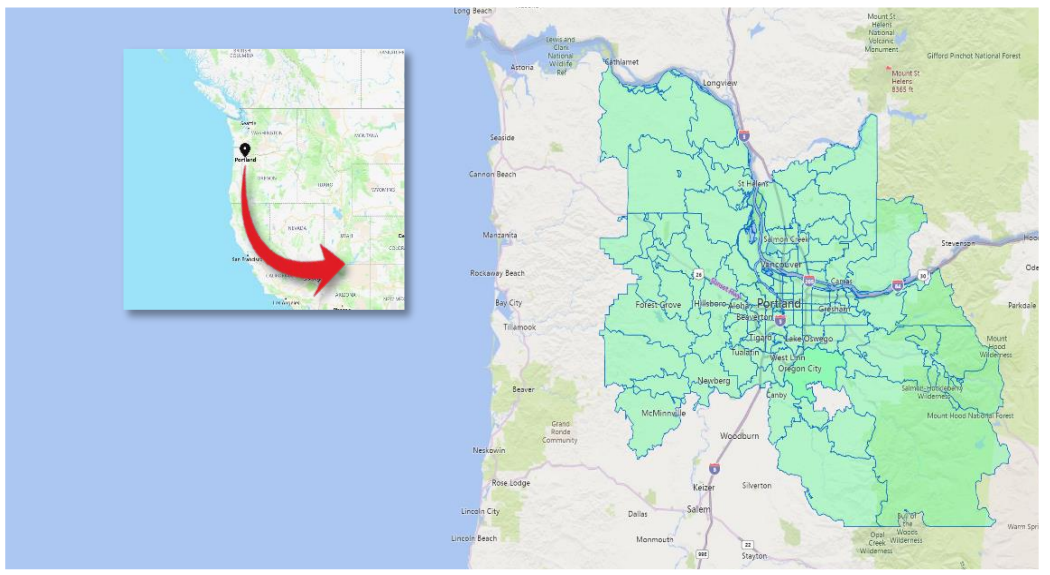
Revenue Stability	Supplier Power Trend	Investment Yields
100th	**65th**	**67th**
Soft	**Average**	**Below Average**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward 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
39th	**8th**	**68th**
Average Risk	**High Risk**	**Below Average**
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:	Clackamas County, Multnomah County, Washington County and others
State:	Oregon
Geo Coordinates (market center):	45.53695, -122.64997

Major Hotel Demand Generators

Intel Corp. | Providence Health Systems | Oregon Health & Science University | Legacy Health System | Nike Inc. | Kaiser Foundation Health Plan of the NW | Fred Meyer Stores | PeaceHealth | Portland State University | Daimler Trucks North America LLC | Legacy Salmon Creek Medical Center | Adidas | Columbia Sportswear Co. | The Vancouver Clinic | WaferTech LLC – A TSMC Co. | SEH America Inc. | Dick Hannah Dealerships | BNSF Railway Co. | Banfield Pet Hospital | Andersen Construction

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,132,661	22nd of 104 (Above Average)
Income per Capita	$61,532	14th of 104 (Above Average)
Feeder Group Size	108.7 Persons PSR	88th of 104 (Below Average)
Feeder Group Earnings	$6,690,583 PSR	95th of 104 (Soft)
Total Market Hotel Revenues	$999.4 million	40th of 104 (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	75.9%	$125.74	$95.42	$115.52	$87.67	$10.21	91.9%	47.2%	2.09	27,380	1.43
2016	77.1%	$131.83	$101.67	$120.90	$93.24	$10.93	91.7%	51.0%	2.04	27,590	1.33
2017	74.9%	$134.61	$100.78	$123.28	$92.30	$11.33	91.6%	51.6%	1.98	28,070	1.15
2018	73.2%	$137.21	$100.48	$125.59	$91.97	$11.62	91.5%	55.1%	1.95	28,520	1.17
2019	72.8%	$137.96	$100.45	$126.16	$91.86	$11.80	91.4%	58.7%	1.98	30,030	1.16
2020	39.3%	$97.97	$39.71	$91.38	$35.89	$6.59	93.3%	37.1%	2.41	30,320	0.92
2021	53.6%	$115.11	$62.92	$106.59	$57.16	$8.52	92.6%	38.4%	2.26	30,970	0.87
2022	56.3%	$122.04	$69.02	$113.04	$63.64	$9.00	92.6%	39.6%	2.27	31,270	0.95
2023	58.7%	$129.82	$76.73	$120.31	$70.58	$9.51	92.7%	40.6%	2.27	31,520	0.96
CAGR: 2015 thru 2023	-3.2%	0.4%	-2.7%	0.5%	-2.7%	-0.9%	0.1%	-1.9%	1.0%	1.8%	-4.9%
3Q 2023	68.8%	$148.68	$102.32	$137.34	$94.52	$11.34	92.4%	46.0%	2.06	31,510	0.98
3Q 2024	73.2%	$147.67	$108.15	$136.26	$99.79	$11.42	92.3%	48.2%	2.07	31,730	1.05

Notable Metrics

HIGHEST

Marketwide Income per Room	Economy Median Income	Population Density per Room
12th	14th	19th
Above Average	Above Average	Above Average
Portland, OR enjoyed a high ratio of marketwide income per room ($2,972,506)	The market exhibited strong Economy Median Income ($61,532)	The market also boasted strong population density per room (67.69)

LOWEST

OAR: Full-Service	Feeder Group Earnings per sold room	IRR: Select-Service
99th	95th	90th
Highly Unfavorable	Soft	Unfavorable
This market posted unfavorable OAR metrics in the full–service segment (9.3%)	The market has low feeder group earnings per sold room ($6,690,583)	Portland, OR also posted unfavorable IRR metrics in the select–service segment (11.9%)

Notable Trends

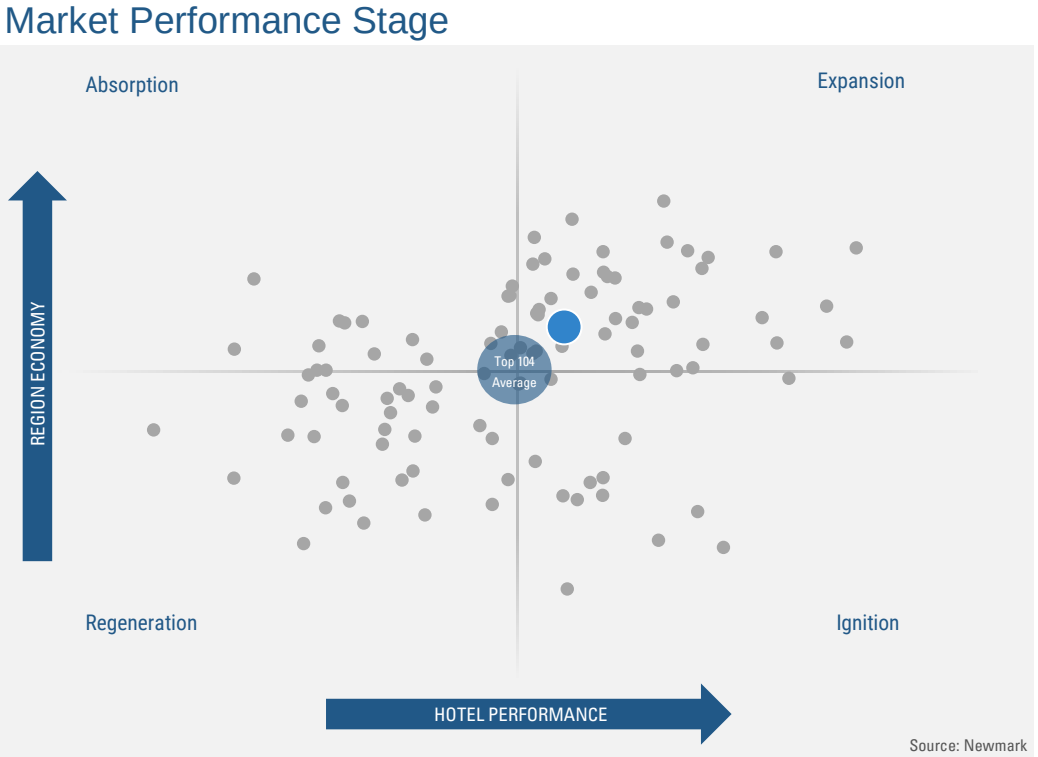
STRONGEST

Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Supply Growth
6th	9th	20th
Strong	Strong	Above Average
Portland, OR enjoyed low short–term historical growth in booking costs (–0.1%)	The market has benefited from low long–term historical booking costs POR growth (1.1%)	The market also has benefited from low short–term historical supply growth (2.0%)

WEAKEST

Long-Term Historical COPE RevPAR Growth	Long-Term Historical COPE ADR Growth	Long-Term Historical Guest Paid RevPAR Growth
103rd	102nd	102nd
Soft	Soft	Soft
The market posted weak long–term historical COPE RevPAR growth (–1.7%)	We note this area posted weak long–term historical COPE ADR growth (0.1%)	Portland, OR also has been hampered by weak long–term historical Guest Paid RevPAR growth (–1.6%)

Market Performance Stage



Source: Newmark

Portland, OR: Expansion Stage

Expansion

The Portland, OR 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):	0.4%
Risk Exposure (402 US markets):	75th Percentile: Above Average
Key Industry Notes:	High quality of life, low poverty rate Diversified economy Low costs versus other tech hubs Vulnerable to changes in terms of trade Expensive housing market

Moody's Rating

Aaa

Investment Grade

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

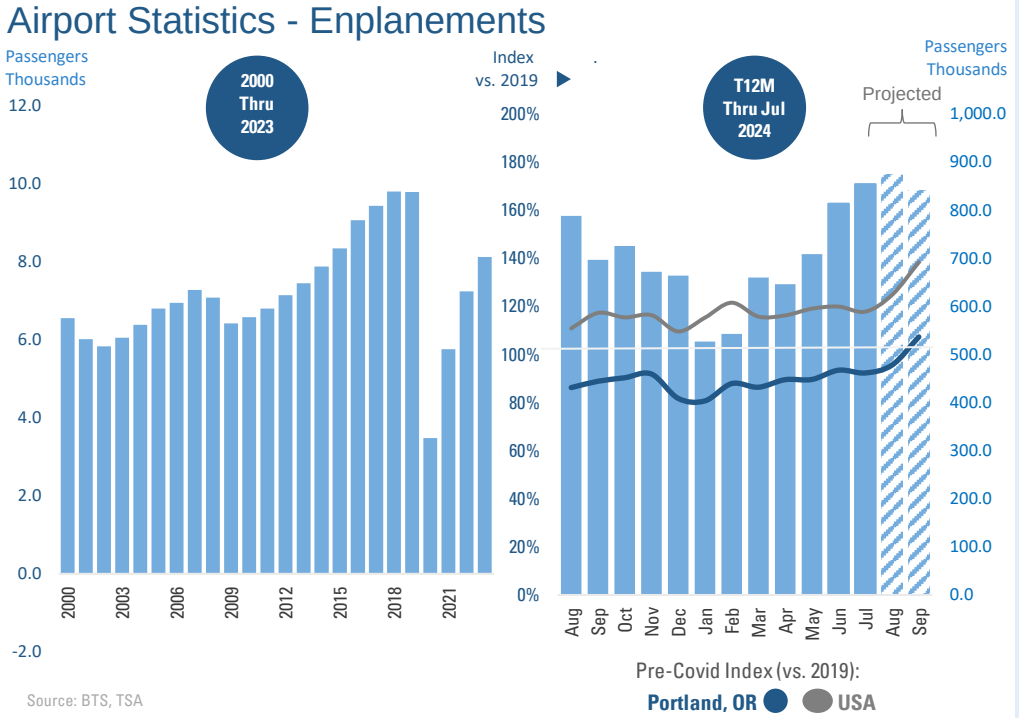
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

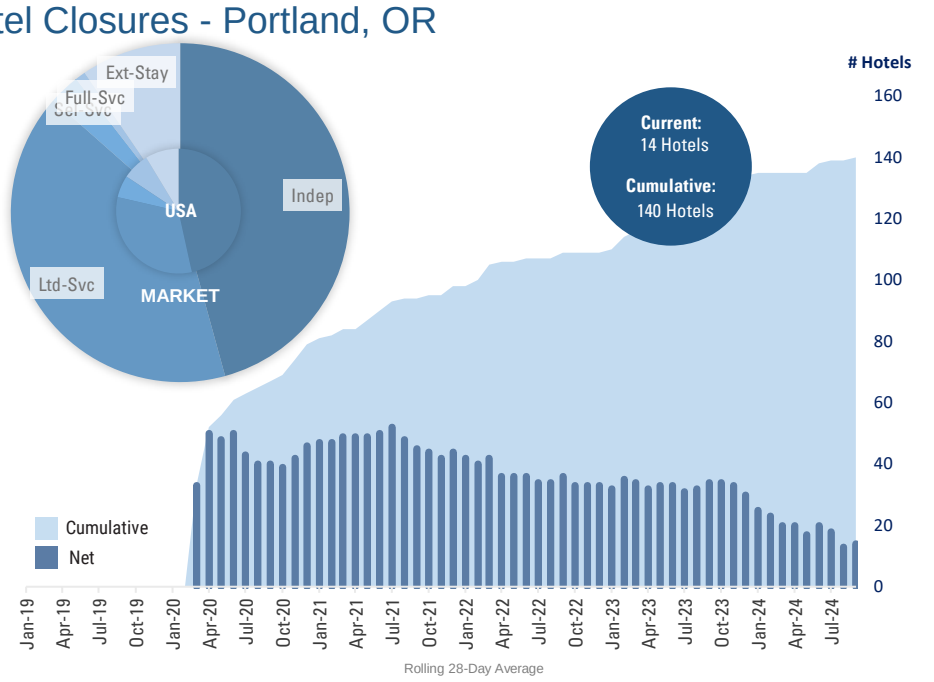
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

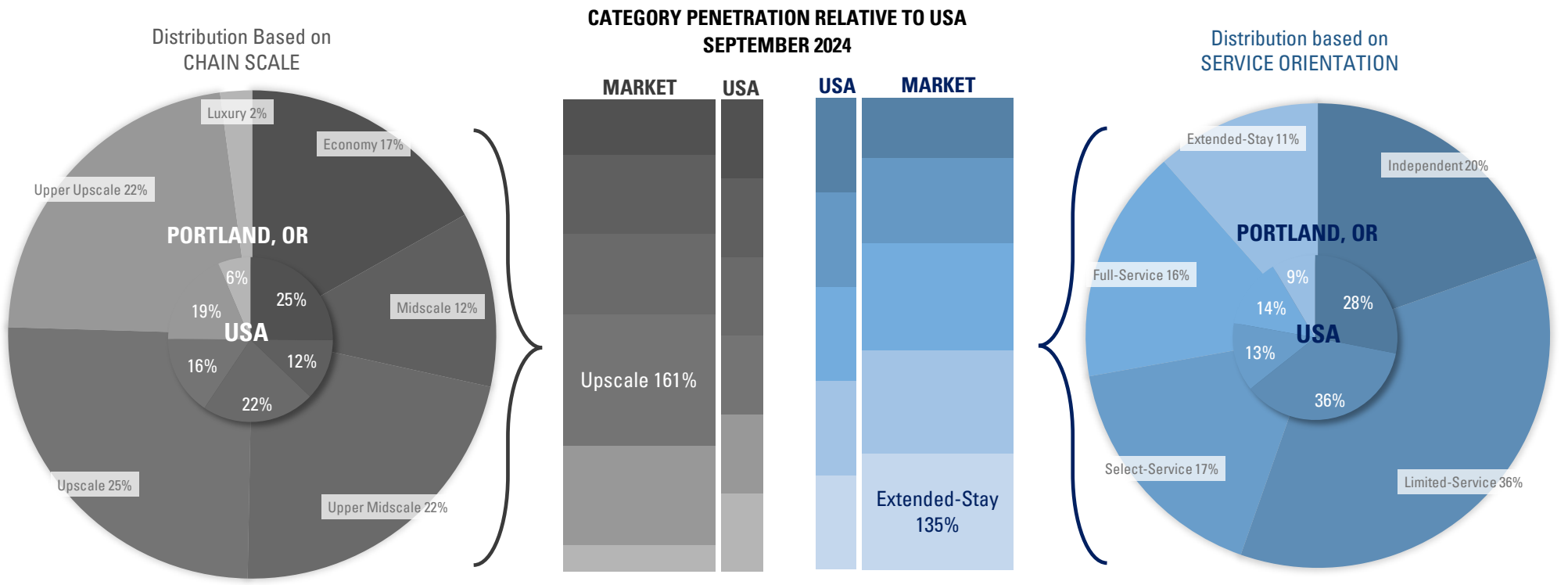
Hotel Closures - Portland, OR



Source: Hotel Compete

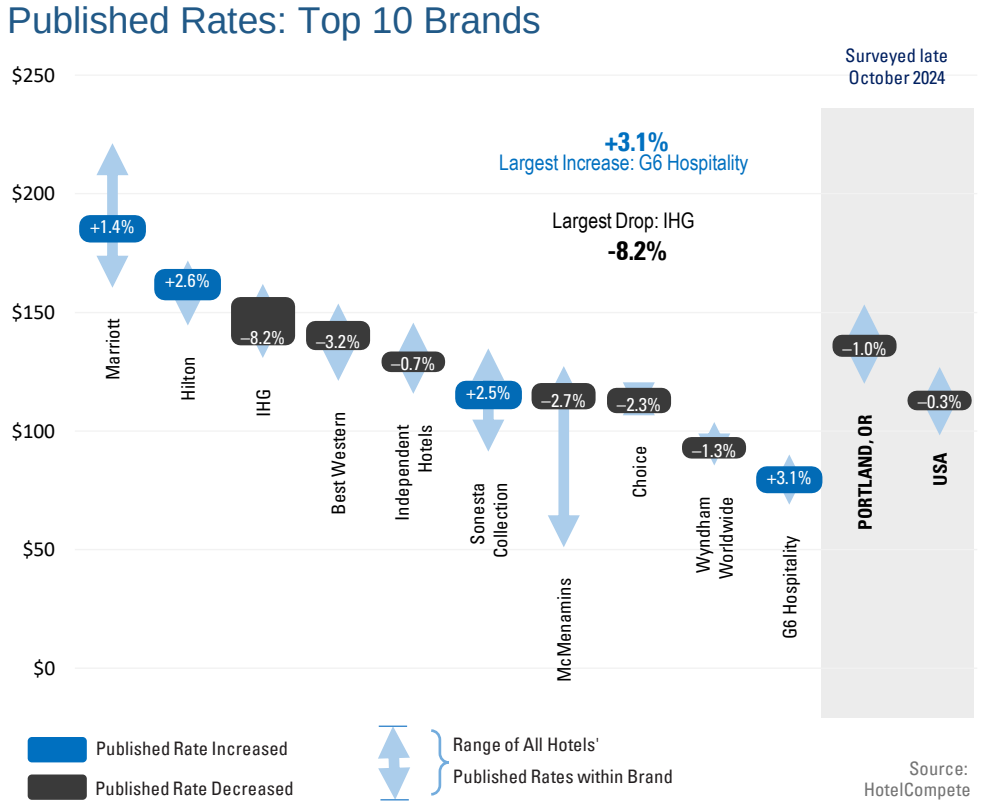
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Portland, OR



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

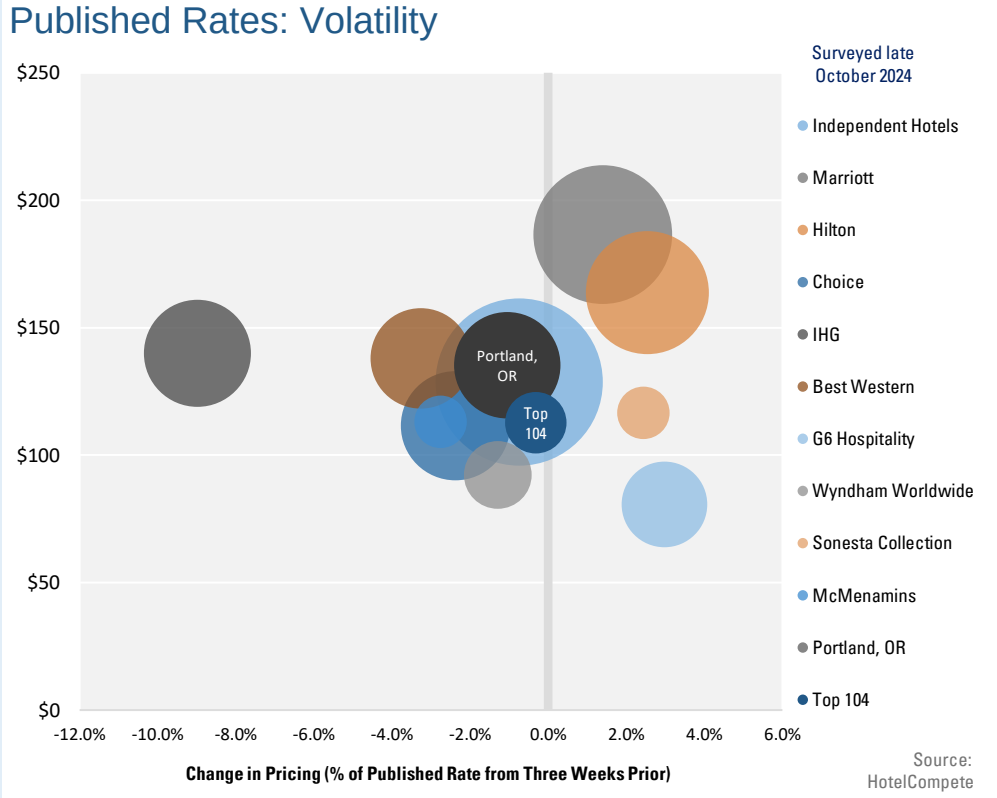
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

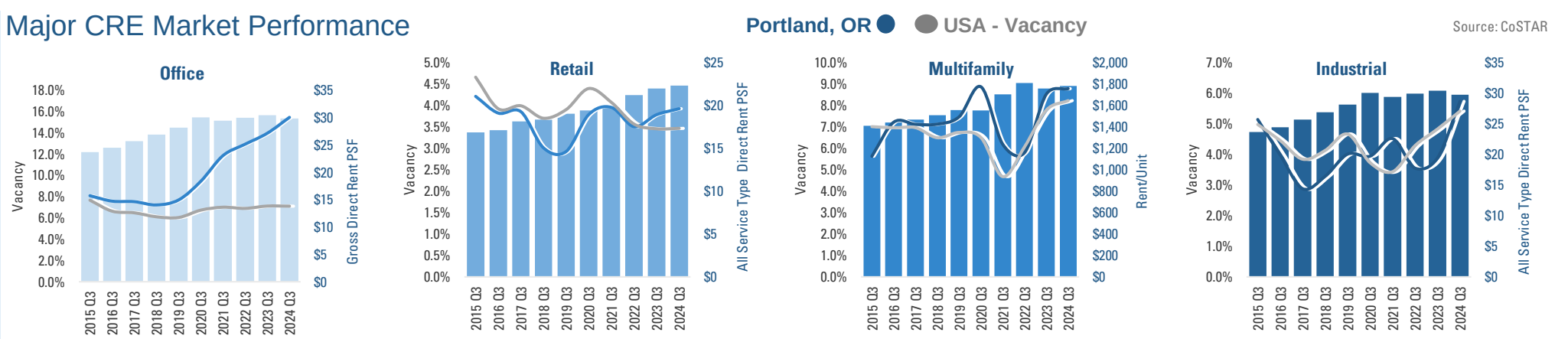
Published Rates: Volatility



Source: HotelCompete

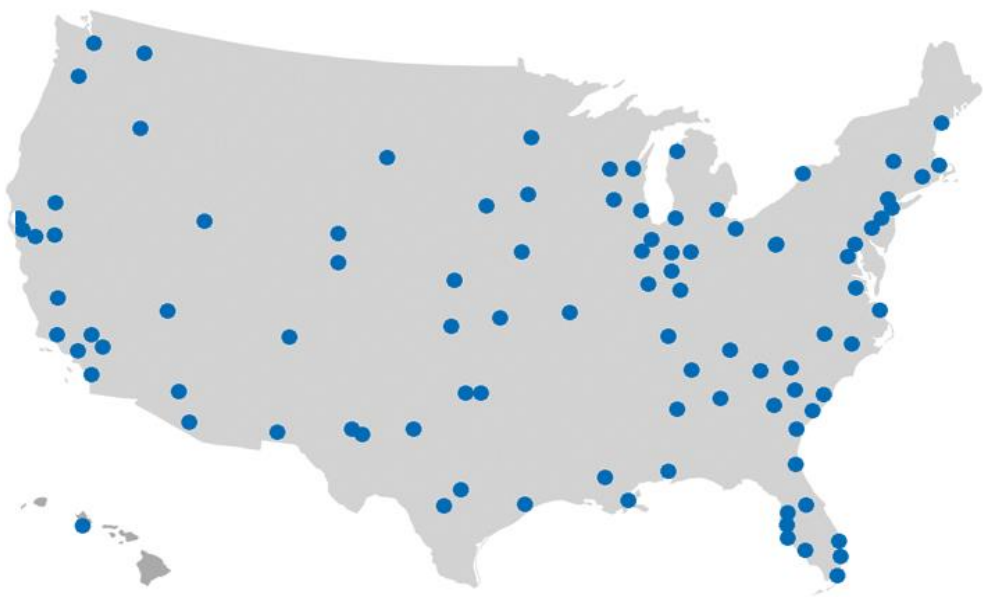
MAJOR C.R.E. METRICS

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

Hospitality, Gaming & Leisure

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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