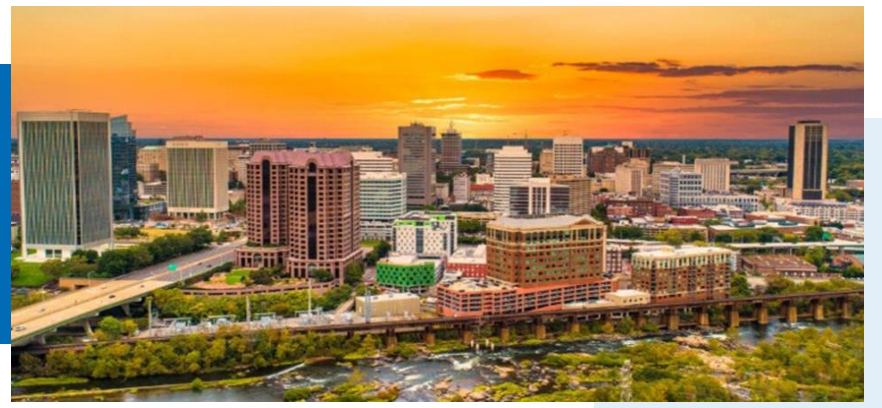
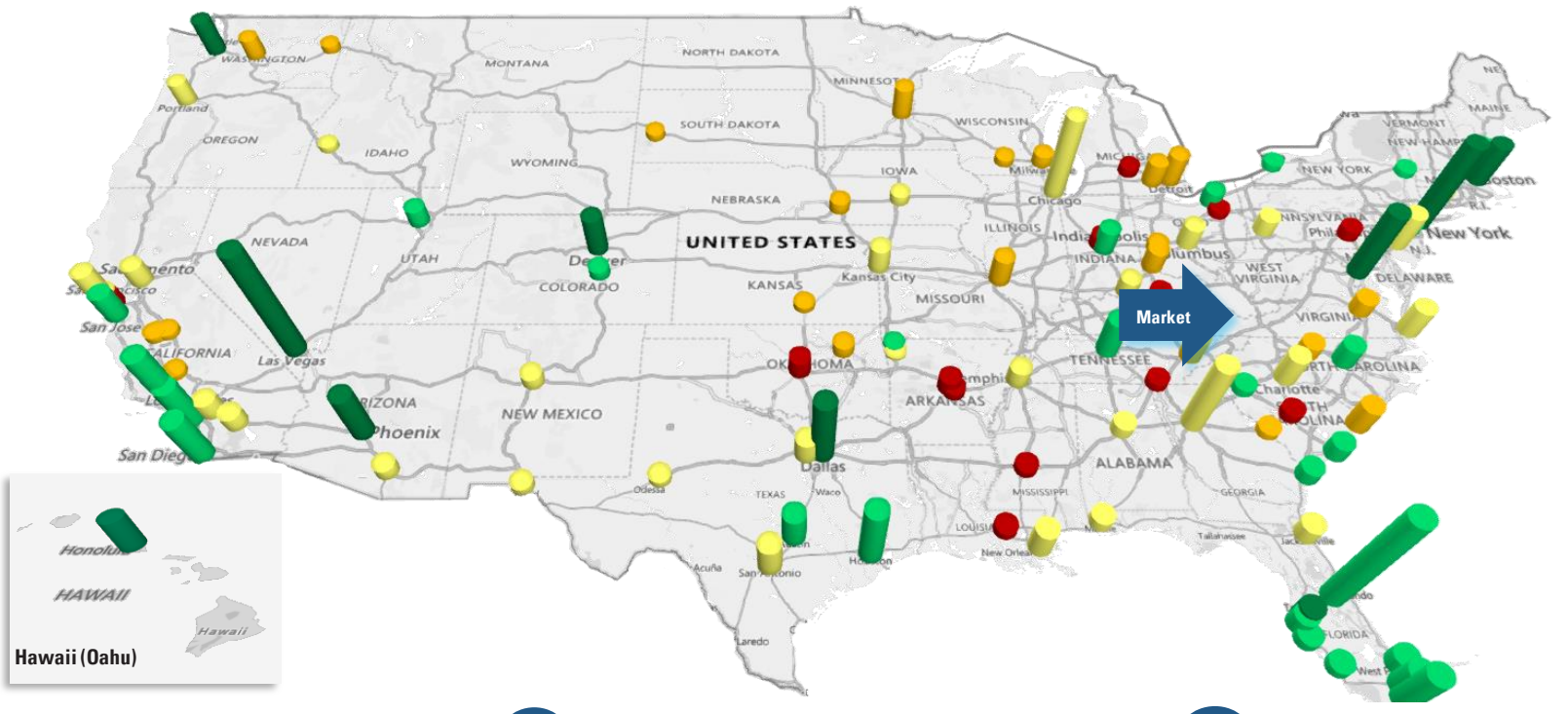
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

1Q 2025
RICHMOND, VA

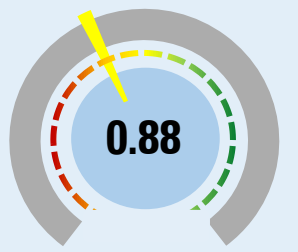


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Richmond, VA

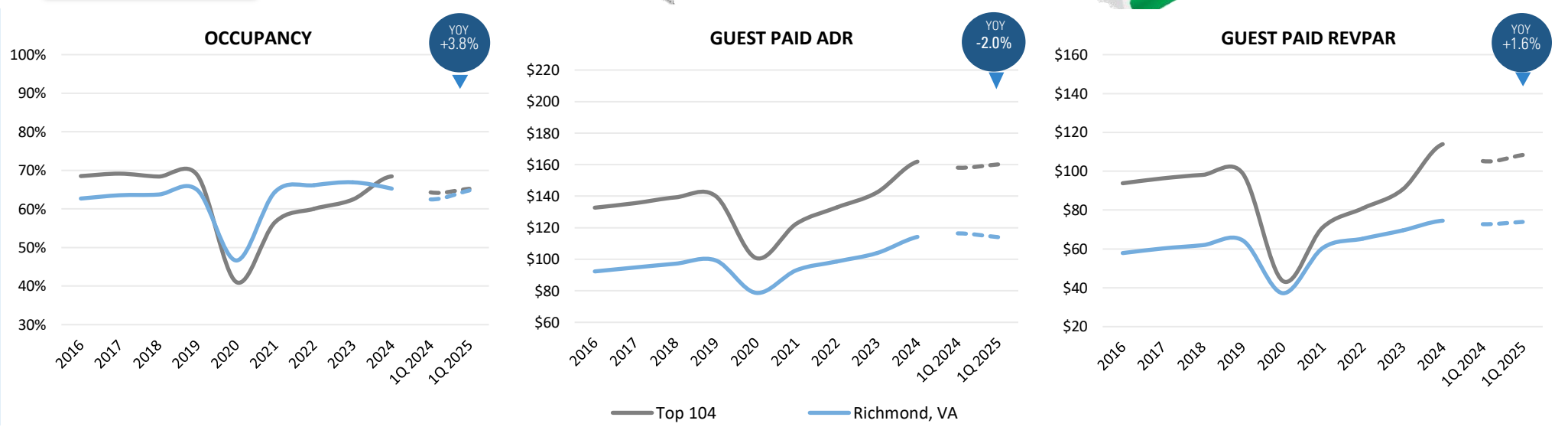


67th of 104

Average

Ranking of overall '1Q 2025 LPI' performance (0.88) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
1Q 2025	T12 Mos.	1Q 2025	T12 Mos.	1Q 2025	T12 Mos.
64.8% / 65.2%	65.8% / 68.7%	$114 / $160	$114 / $162	$74 / $108	$75 / $115
39th	56th	72nd	89th	52nd	82nd

BENCHMARK INDEXES

Key Benchmark Indexes

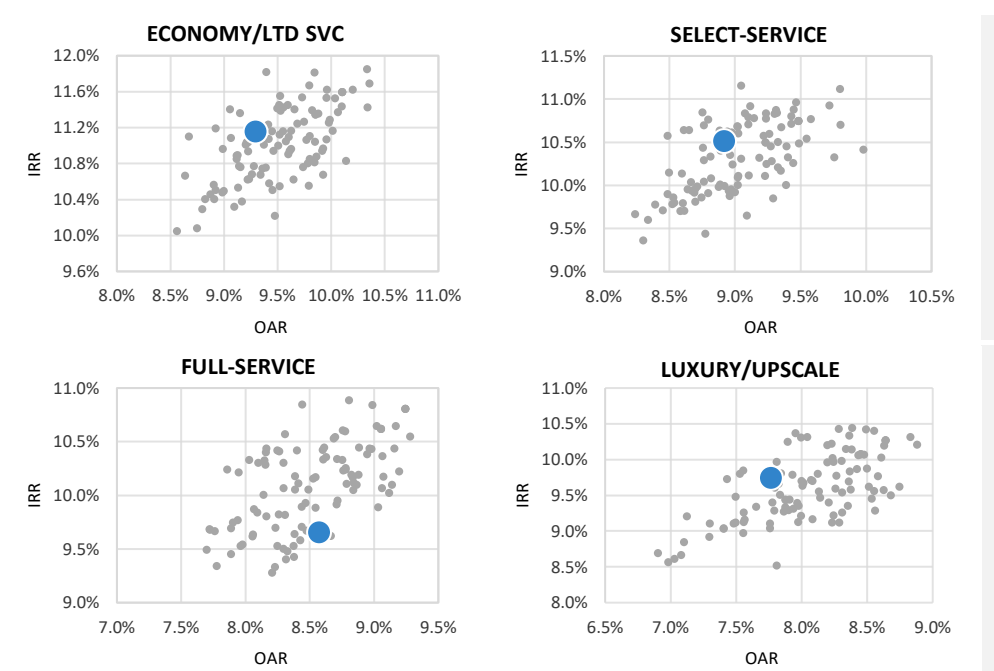
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
1Q 2025	T12 Mos.	1Q 2025	T12 Mos.	1Q 2025	T12 Mos.
48.3% / 49.2%	48.6% / 50.8%	2.29 / 2.07	2.21 / 2.06	$7.53 / $11.27	$7.69 / $11.96
65th	59th	13th	16th	21st	15th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

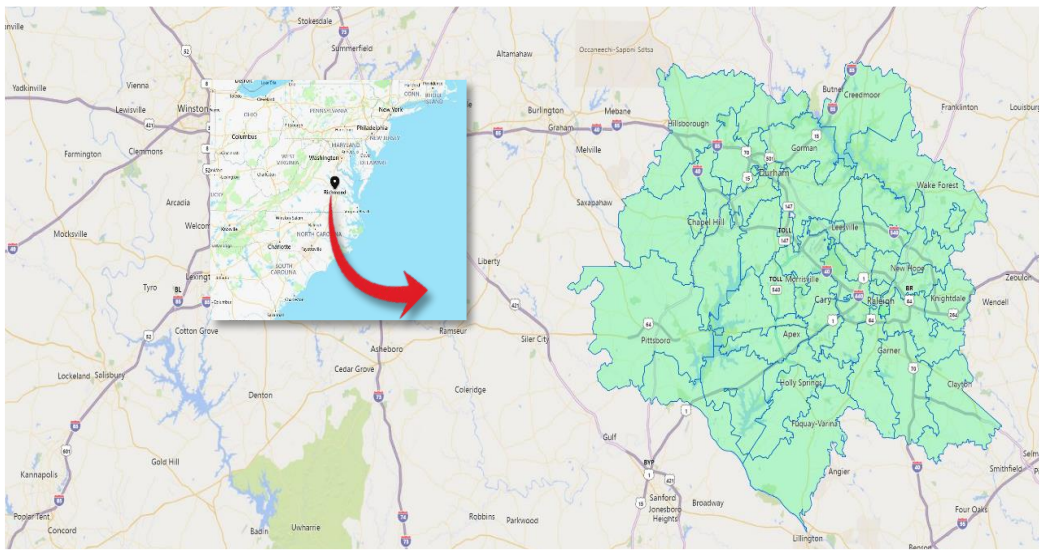
Revenue Stability	Supplier Power Trend	Investment Yields
32nd	58th	44th
Above Average	Average	Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs 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
11th	55th	53rd
Above Average	Average Risk	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:	Richmond
County:	Richmond City
State:	Virginia
Geo Coordinates (market center):	37.55376, -77.46026

Major Hotel Demand Generators

Capital One Financial Corp. | Fort Lee | VCU Health System | HCA Inc. | Bon Secours Richmond Health System | Wal-Mart Stores Inc. | Dominion Resources Inc. | Food Lion LLC | SunTrust Banks Inc. | Altria Group Inc. | Amazon.com | Wells Fargo | Anthem Blue Cross and Blue Shield | The Kroger Co. | DuPont | Bank of America Corp. | Markel Corp. | Federal Reserve Bank of Richmond | Verizon Communications | Fort AP Hill

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	967,066	57th of 104 (Average)
Income per Capita	$42,356	73rd of 104 (Below Average)
Feeder Group Size	69.2 Persons PSR	47th of 104 (Average)
Feeder Group Earnings	$2,931,377 PSR	33rd of 104 (Above Average)
Total Market Hotel Revenues	$577.9 million	58th of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Guest Paid 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)
2016	62.7%	$92.28	$57.85	$85.76	$53.76	$6.53	92.9%	47.6%	2.01	22,970	0.92
2017	63.6%	$94.78	$60.24	$87.74	$55.76	$7.05	92.6%	49.8%	1.99	22,830	0.80
2018	63.7%	$97.17	$61.93	$89.90	$57.30	$7.28	92.5%	52.6%	1.99	22,190	0.95
2019	64.9%	$99.26	$64.39	$91.57	$59.40	$7.69	92.3%	56.5%	1.94	20,990	0.81
2020	46.6%	$78.67	$37.22	$73.62	$34.34	$5.04	93.6%	39.0%	2.36	20,980	1.06
2021	64.4%	$93.05	$60.47	$87.13	$56.15	$5.92	93.6%	40.0%	2.41	21,210	1.24
2022	66.2%	$98.57	$65.27	$92.29	$61.05	$6.28	93.6%	40.8%	2.39	21,330	1.02
2023	66.9%	$103.96	$69.54	$97.34	$65.13	$6.61	93.6%	41.5%	2.37	21,430	1.03
2024	65.3%	$114.20	$74.54	$106.47	$69.49	$7.73	93.2%	48.7%	2.19	22,030	0.92
CAGR: 2016 thru 2024	0.5%	2.7%	3.2%	2.7%	3.3%	2.1%	0.0%	0.3%	1.0%	-0.5%	0.0%
1Q 2024	62.5%	$116.41	$72.72	$108.72	$67.91	$7.69	93.4%	48.6%	2.18	21,790	1.01
1Q 2025	64.8%	$114.03	$73.91	$106.50	$69.03	$7.53	93.4%	48.3%	2.29	22,240	0.88

Notable Metrics

HIGHEST

Latest-Quarter Average Length of Stay	T12-Month Booking Costs POR	T12-Month Average Length of Stay
13th	**15th**	**16th**
Above Average	**Above Average**	**Above Average**
Richmond, VA boasted strong latest—quarter average length of stay (2.29 Nights)	The market enjoyed low T12—month booking costs POR ($7.69)	The market also benefited from strong T12—month average length of stay (2.21 Nights)

LOWEST

T12-Month COPE ADR	T12-Month Guest Paid ADR	T12-Month Guest Paid RevPAR
90th	**89th**	**82nd**
Soft	**Below Average**	**Below Average**
This market has been hindered by weak T12—month COPE ADR ($105.92)	The market exhibited weak T12—month Guest Paid ADR ($113.61)	Richmond, VA also has been hindered by weak T12—month Guest Paid RevPAR ($74.84)

Notable Trends

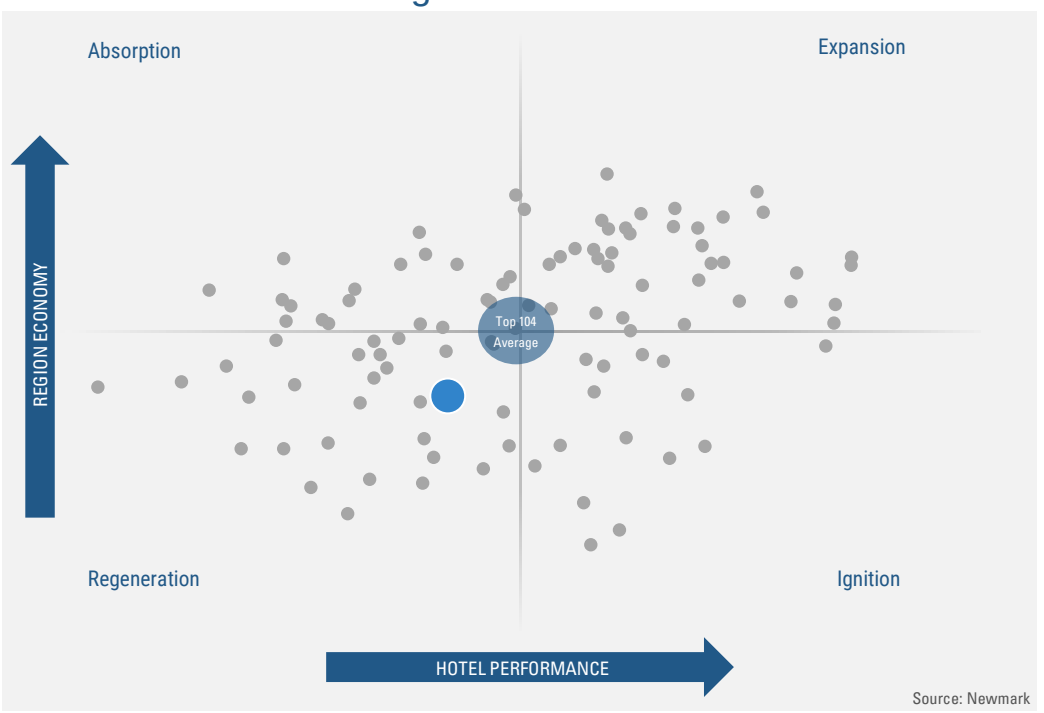
STRONGEST

Long-Term Historical Occupancy Growth	Long-Term Historical Average Length of Stay Growth	Long-Term Historical LPI Growth
5th	**12th**	**12th**
Strong	**Above Average**	**Above Average**
Richmond, VA enjoyed strong long—term historical occupancy growth (1.3%)	The market enjoyed strong long—term historical average length of stay growth (1.4%)	The market also enjoyed strong long—term historical LPI growth (5.0%)

WEAKEST

Long-Term Historical Loyalty Contribution Growth	T12-Month Rooms Supply Growth	Short-Term Historical Loyalty Contribution Growth
96th	**94th**	**92nd**
Soft	**Soft**	**Soft**
The market has been hindered by weak long—term historical loyalty contribution growth (2.9%)	We note this area has been hindered by high rooms supply growth over the last 12 months (2.1%)	Richmond, VA also has been hindered by weak short—term historical loyalty contribution growth (2.4%)

Market Performance Stage



Source: Newmark

Richmond, VA: Regeneration Stage

Regeneration

The Richmond, VA market is currently in the 'Regeneration' stage of the performance cycle. In this 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.

Other Stages:

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; Chicago, IL; and Miami, FL.

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 Fort Worth, TX; Minneapolis, MN; and Portland, OR.

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:	**Expansion**
Employment Growth (2 yr):	1.2%
Risk Exposure (402 US markets):	74th Percentile: Above Average
Key Industry Notes:	Above-average per capita income
	Lower business costs
	Stable, positive net migration
	Sensitivity to strength of DC economy
	Reliance on state government

Moody's Rating

Aaa

Investment Grade

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

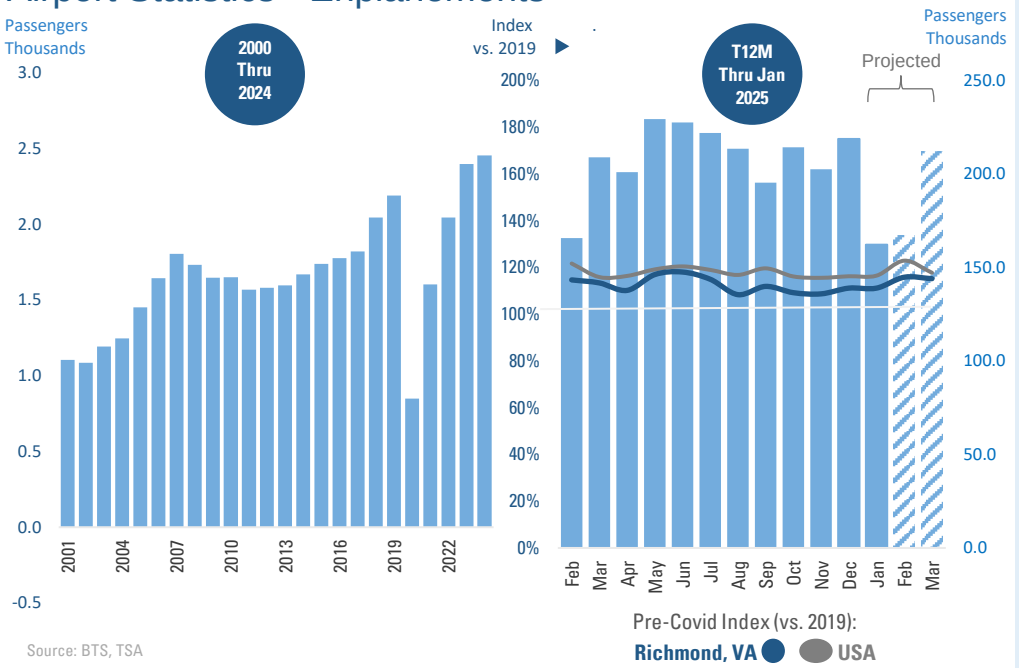
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

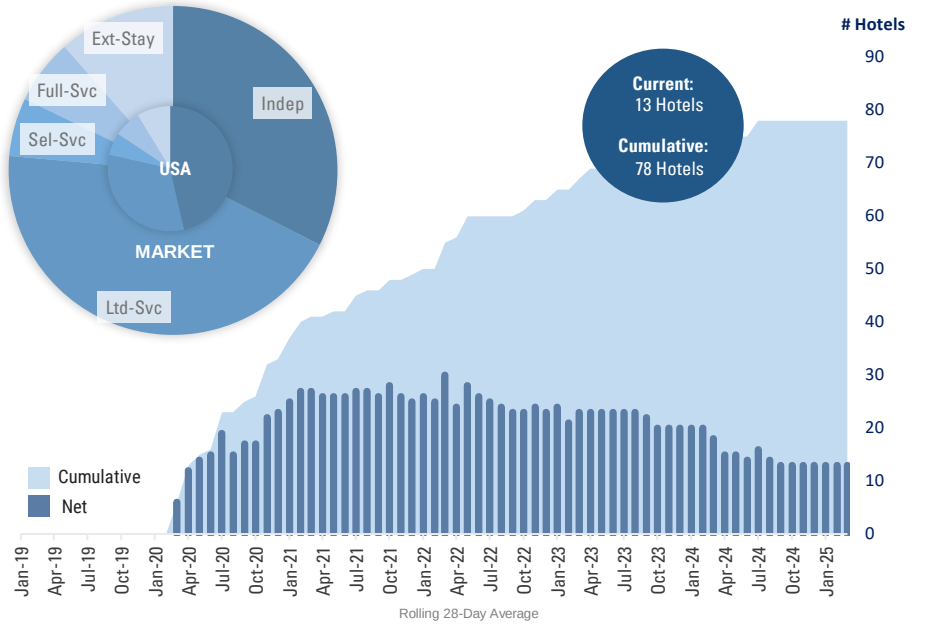
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH MAY 2025

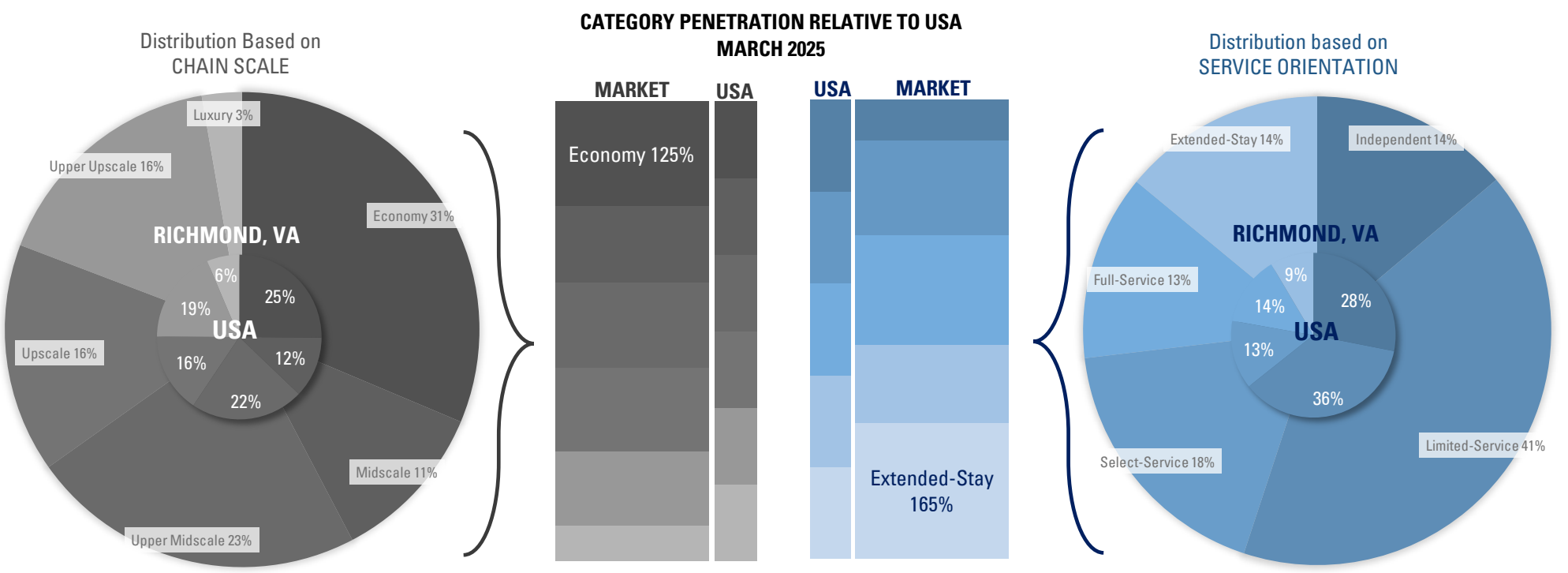
Hotel Closures - Richmond, VA



Source: Hotel Compete

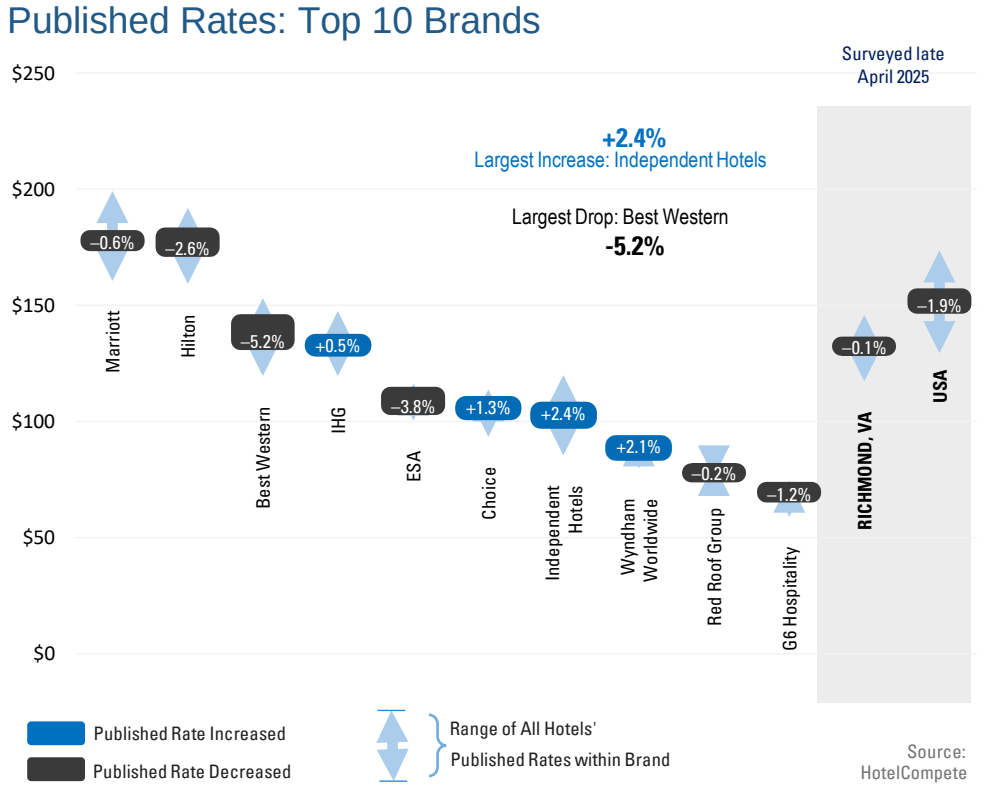
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Richmond, VA



'30/3' RATE CHANGES: RICHMOND, VA vs. USA

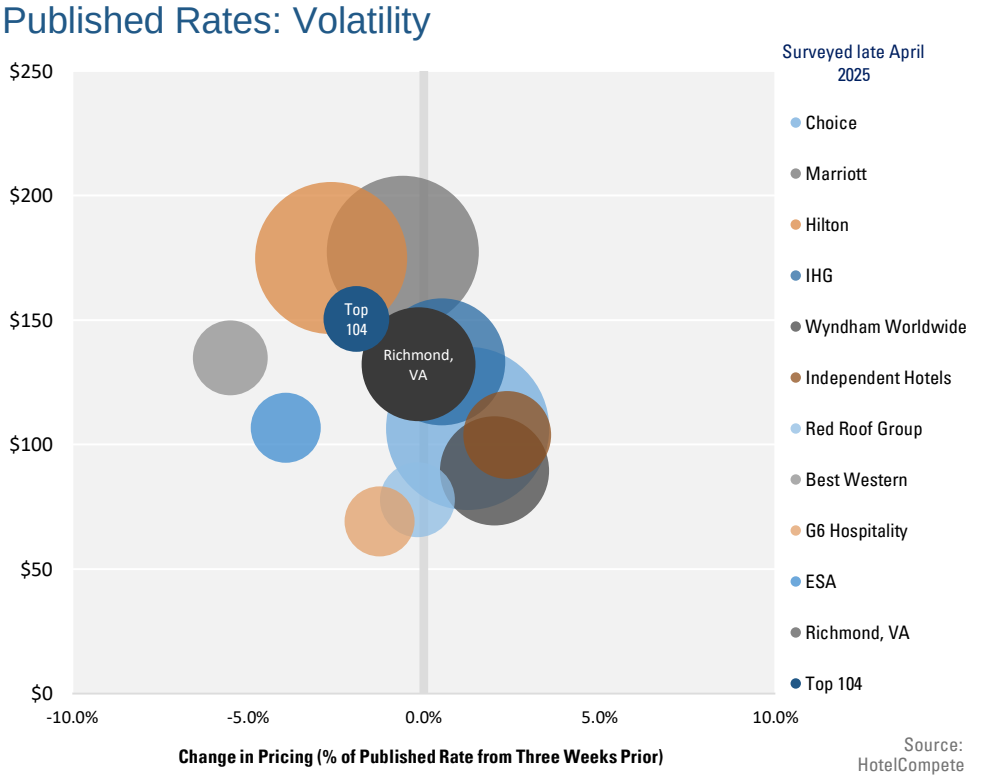
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

Published Rates: Volatility



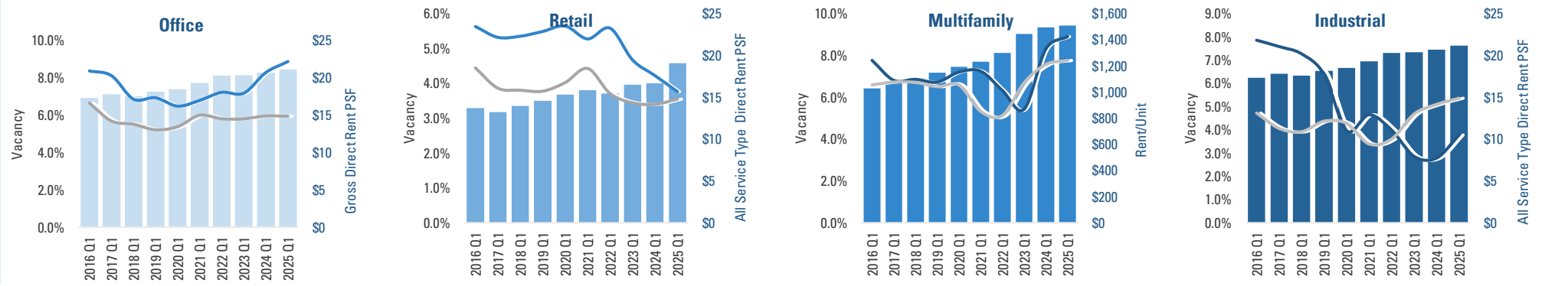
Source: HotelCompete

MAJOR C.R.E. METRICS

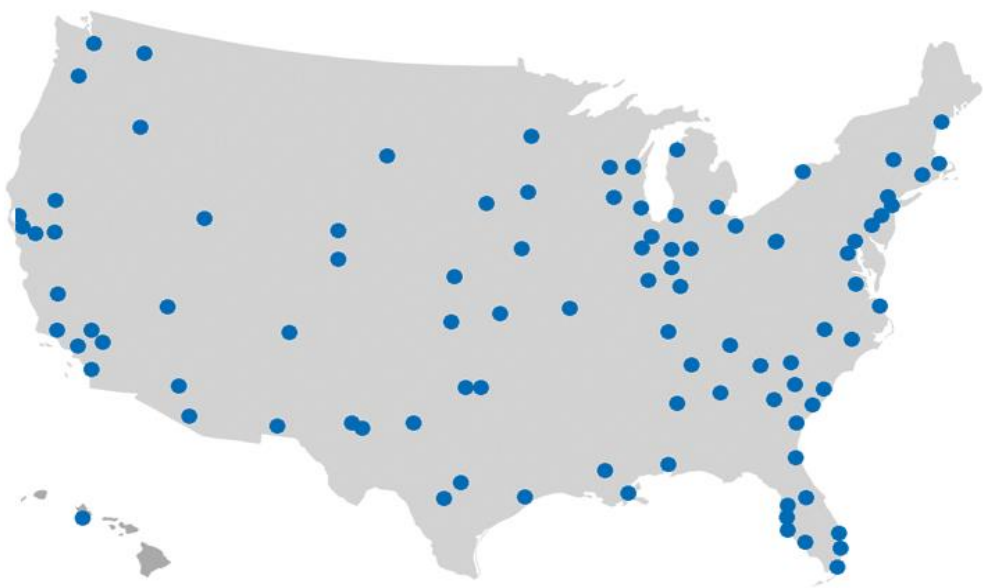
Major CRE Market Performance

Richmond, VA ● 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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Stadiums, Sports & Entertainment Facilities

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Golf Courses

Marinas

Ski and Village Resorts

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CONTACT: MID-ATLANTIC MARKETS

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