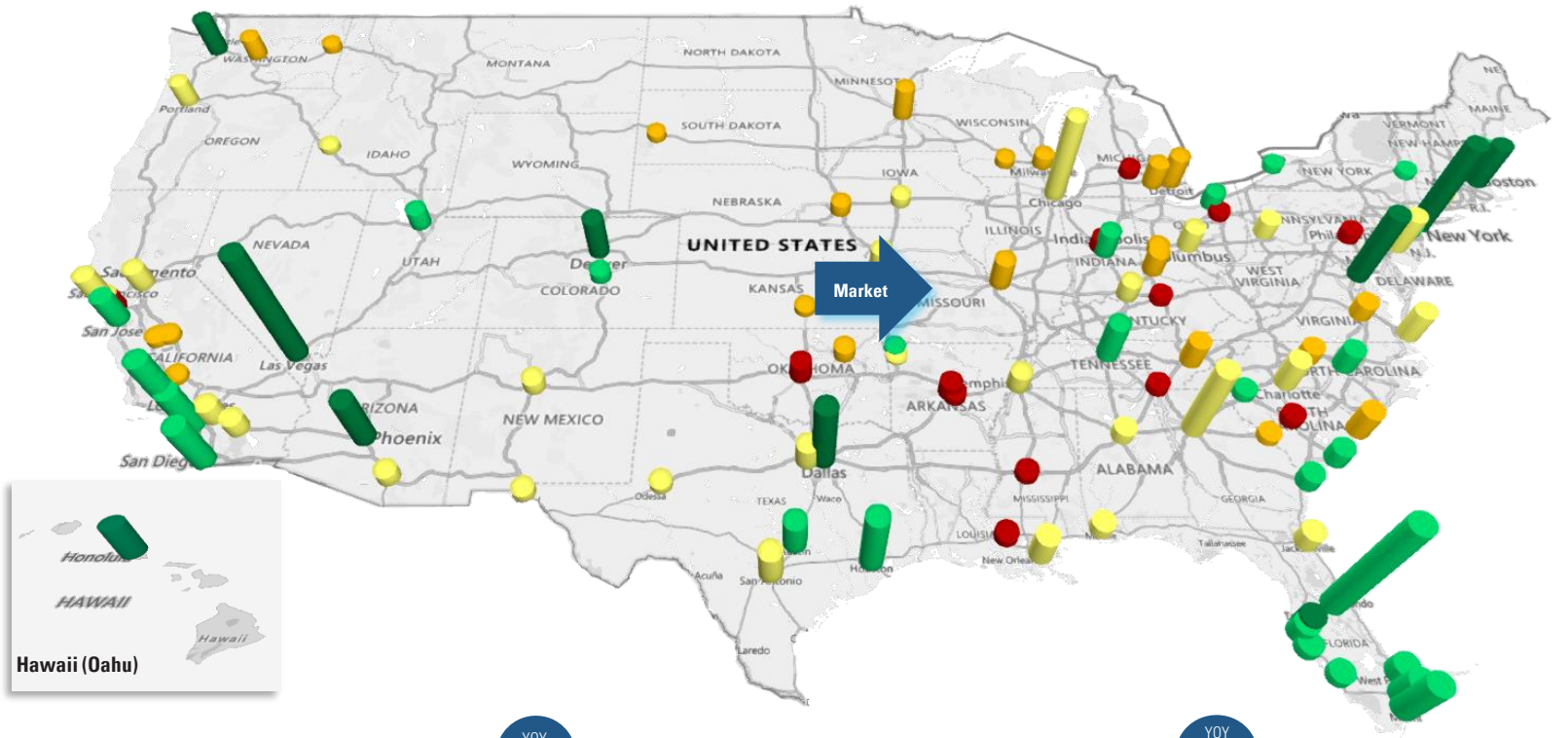
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

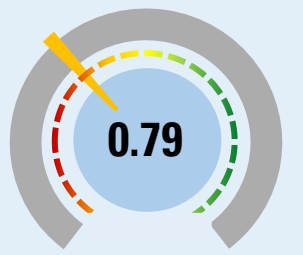
3Q 2024
SAINT LOUIS, MO

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

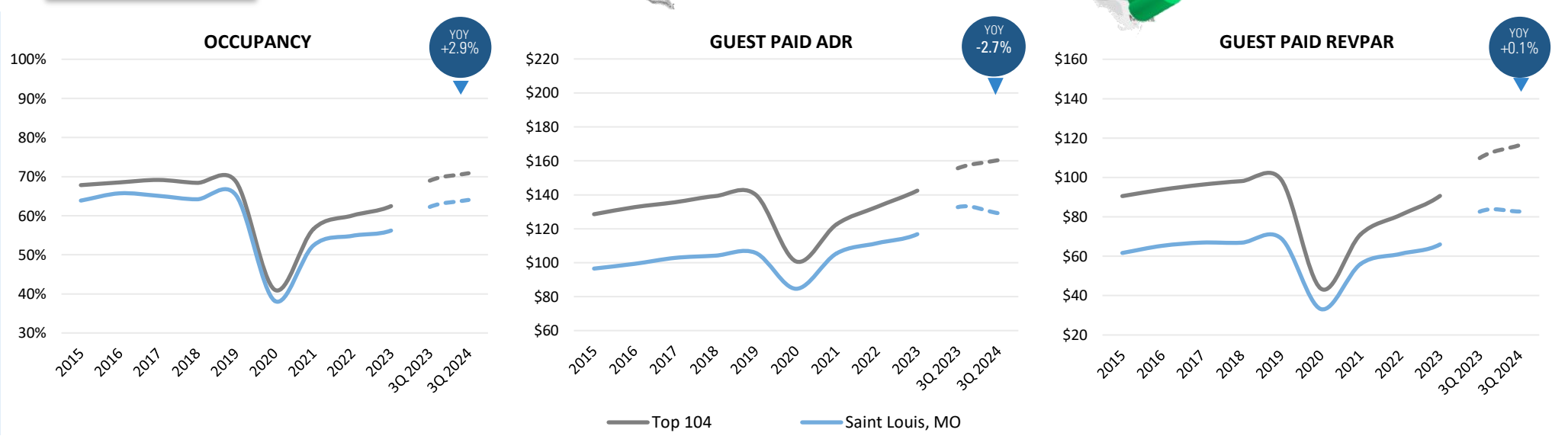
Saint Louis, MO



79th of 104
Below Average

Ranking of overall '3Q 2024 LPI' performance (0.79) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

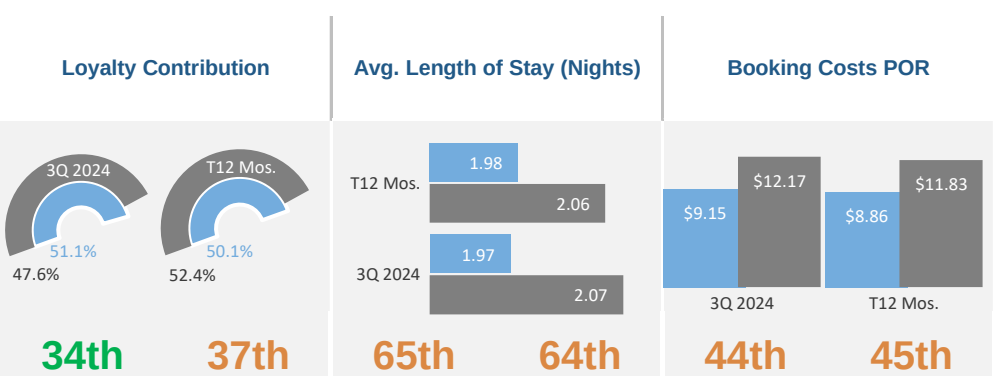
Subject Market | Top 104

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.
86th	86th	61st	63rd	71st	72nd

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

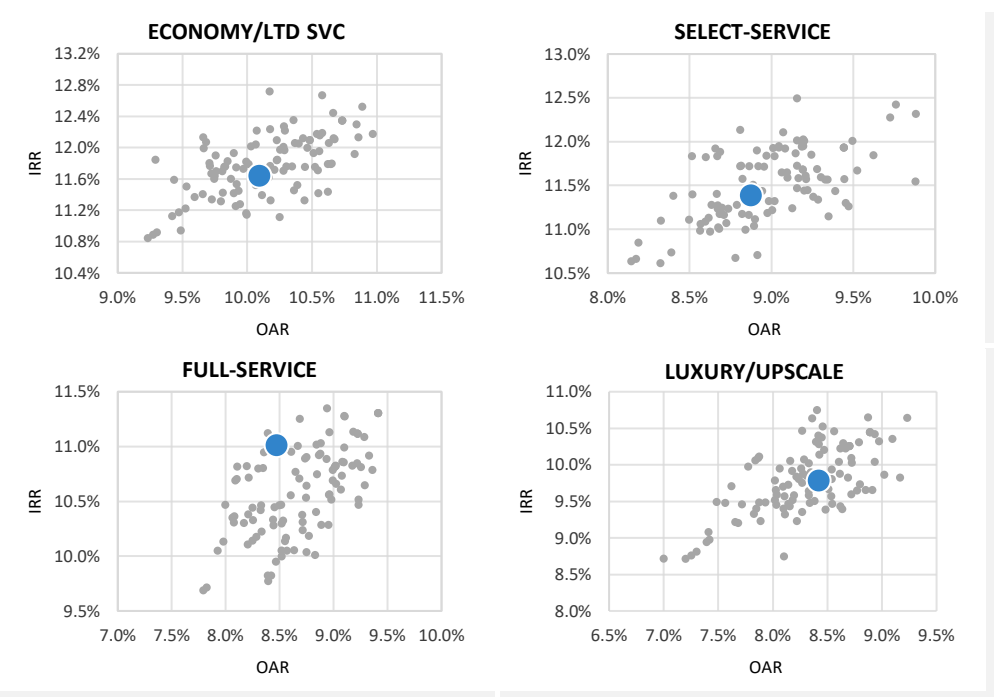


Loyalty Contribution 3Q 2024	Loyalty Contribution T12 Mos.	Avg. Length of Stay 3Q 2024	Avg. Length of Stay T12 Mos.	Booking Costs POR 3Q 2024	Booking Costs POR T12 Mos.
34th	37th	65th	64th	44th	45th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

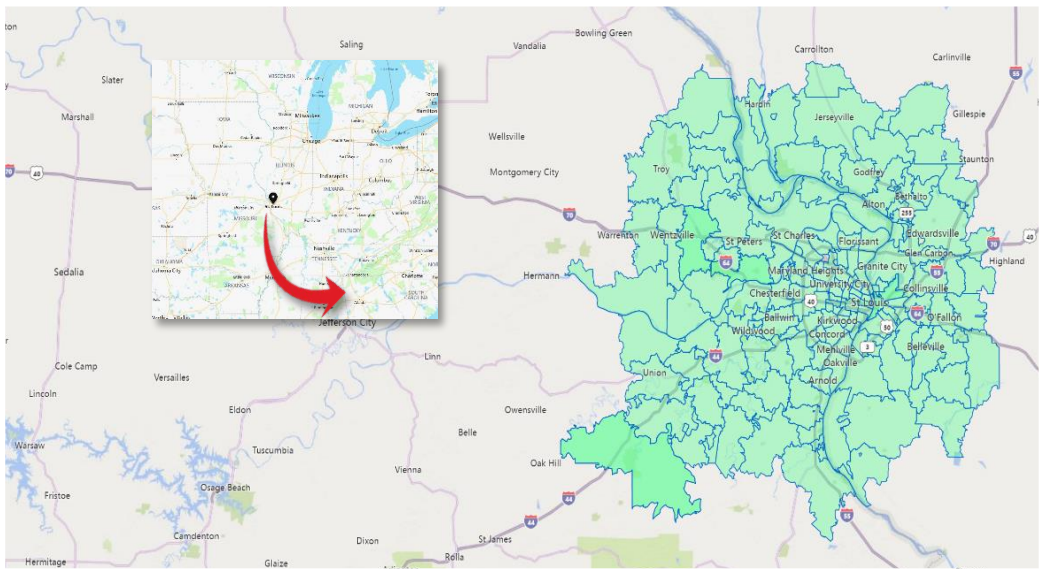
Revenue Stability	Supplier Power Trend	Investment Yields
93rd	**37th**	**50th**
Soft	**Average**	**Average**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking 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
49th	**33rd**	**34th**
Average Risk	**Above Average**	**Above 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:	St. Louis
County:	St. Louis City
State:	Missouri
Geo Coordinates (market center):	38.62727, -90.19789

Major Hotel Demand Generators

BJC Healthcare | Wal-Mart Stores Inc. | SSM Health Care System | Washington University in St. Louis | Boeing Defense, Space & Security | Mercy Health Care | Scott Air Force Base | Schnuck Markets Inc. | Archdiocese of St. Louis | AT&T | McDonald's Corp. | St. Louis University | Washington University Physicians | Express Scripts Inc. | Edward Jones | Imo's Pizza | Enterprise Holdings | Wells Fargo | Walgreens | Target Corp.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,370,623	19th of 104 (Above Average)
Income per Capita	$38,664	86th of 104 (Below Average)
Feeder Group Size	100.9 Persons PSR	83rd of 104 (Below Average)
Feeder Group Earnings	$3,900,683 PSR	60th of 104 (Average)
Total Market Hotel Revenues	$1.1 billion	32nd of 104 (Above 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)
2015	63.9%	$96.54	$61.64	$89.15	$56.92	$7.39	92.3%	47.2%	1.99	38,170	0.92
2016	65.7%	$99.33	$65.28	$91.59	$60.19	$7.74	92.2%	49.5%	1.94	38,060	1.01
2017	65.1%	$102.83	$66.92	$94.59	$61.55	$8.25	92.0%	51.9%	1.90	38,010	0.99
2018	64.2%	$104.16	$66.86	$95.72	$61.45	$8.44	91.9%	55.0%	1.90	38,010	0.77
2019	65.3%	$105.78	$69.03	$97.22	$63.44	$8.56	91.9%	58.9%	1.90	39,840	1.00
2020	38.2%	$84.65	$33.16	$78.67	$30.06	$5.98	92.9%	38.7%	2.12	39,920	0.69
2021	52.4%	$105.45	$56.05	$98.01	$51.35	$7.44	92.9%	41.7%	2.03	39,800	0.74
2022	54.8%	$111.48	$61.17	$103.66	$56.86	$7.81	93.0%	42.4%	2.04	39,910	0.77
2023	56.2%	$116.81	$65.99	$108.69	$61.08	$8.12	93.0%	43.0%	2.03	40,150	0.81
CAGR: 2015 thru 2023	-1.6%	2.4%	0.9%	2.5%	0.9%	1.2%	0.1%	-1.2%	0.3%	0.6%	-1.6%
3Q 2023	62.2%	$132.71	$82.60	$123.51	$76.88	$9.20	93.1%	48.4%	1.92	40,160	0.68
3Q 2024	64.0%	$129.17	$82.71	$120.02	$76.85	$9.15	92.9%	51.1%	1.97	40,300	0.79

Notable Metrics

HIGHEST

Total Rooms Supply	Total Rooms Sold	Population Density per Room
26th	30th	32nd
Above Average	Above Average	Above Average
Saint Louis, MO benefits from a large and diverse hotel market (40,303 total rooms)	The market boasted a strong total of number of rooms sold (8,576,726 room nights)	The market also boasted strong population density per room (59)

LOWEST

IRR: Full-Service	Economy Median Income	T12-Month Occupancy
88th	86th	86th
Unfavorable	Below Average	Below Average
This market posted unfavorable IRR metrics in the full–service segment (11.0%)	The market was stymied by weak Economy Median Income ($38,664)	Saint Louis, MO also has been hindered by weak T12–month occupancy (60.5%)

Notable Trends

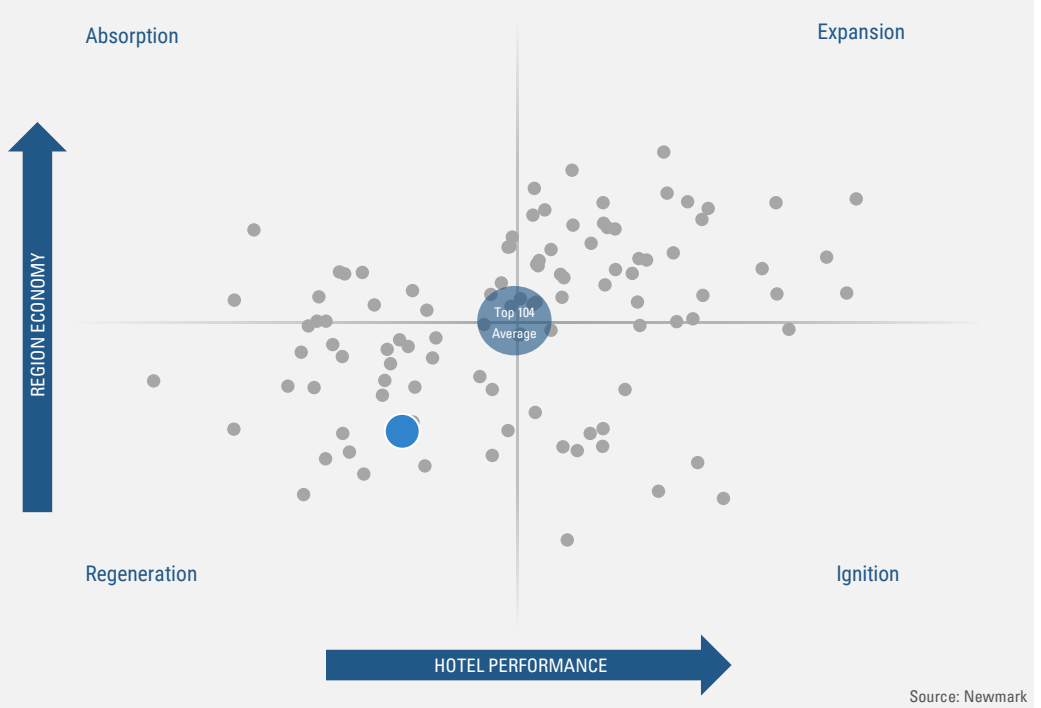
STRONGEST

Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Booking Costs POR Growth	Short-Term Historical Loyalty Contribution Growth
22nd	26th	26th
Above Average	Above Average	Above Average
Saint Louis, MO exhibited strong long–term historical loyalty contribution growth (4.8%)	The market enjoyed low short–term historical growth in booking costs (2.6%)	The market also enjoyed strong short–term historical loyalty contribution growth (4.7%)

WEAKEST

Long-Term Historical Occupancy Growth	Short-Term Historical COPE RevPAR Growth	Short-Term Historical Guest Paid RevPAR Growth
96th	94th	93rd
Soft	Soft	Soft
The market has been hindered by weak long–term historical occupancy growth (–1.3%)	We note this area has been impeded by weak short–term historical COPE RevPAR growth (0.5%)	Saint Louis, MO also has been hampered by weak short–term historical Guest Paid RevPAR growth (0.6%)

Market Performance Stage



Source: Newmark

Saint Louis, MO: Regeneration Stage

Regeneration

The Saint Louis, MO 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; 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 .

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):	1.2%
Risk Exposure (402 US markets):	83rd Percentile: Above Average
Key Industry Notes:	Low employment volatility
	Low living, business costs
	Location in central US
	Persistent out-migration
	Exposure to declining manufacturing

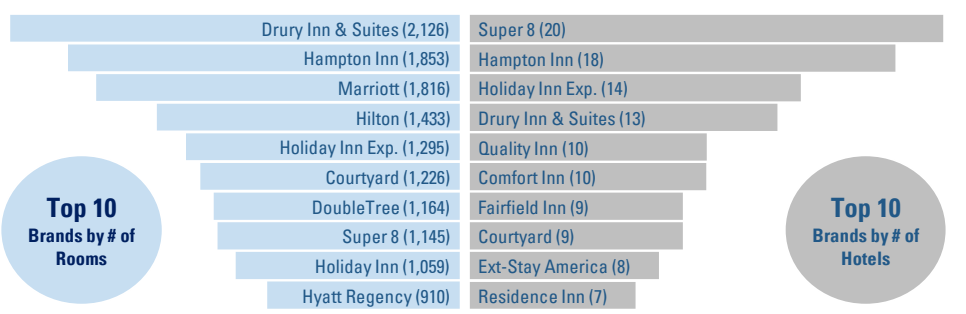
Moody's Rating

Aaa

Investment Grade

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

TOP 10 BRANDS

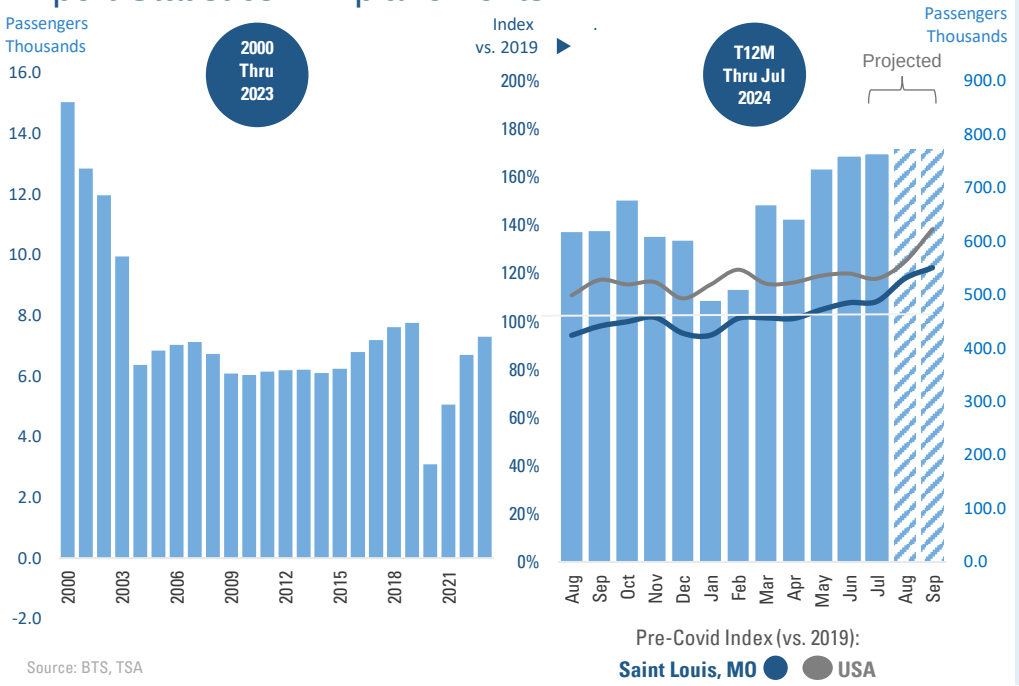


Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

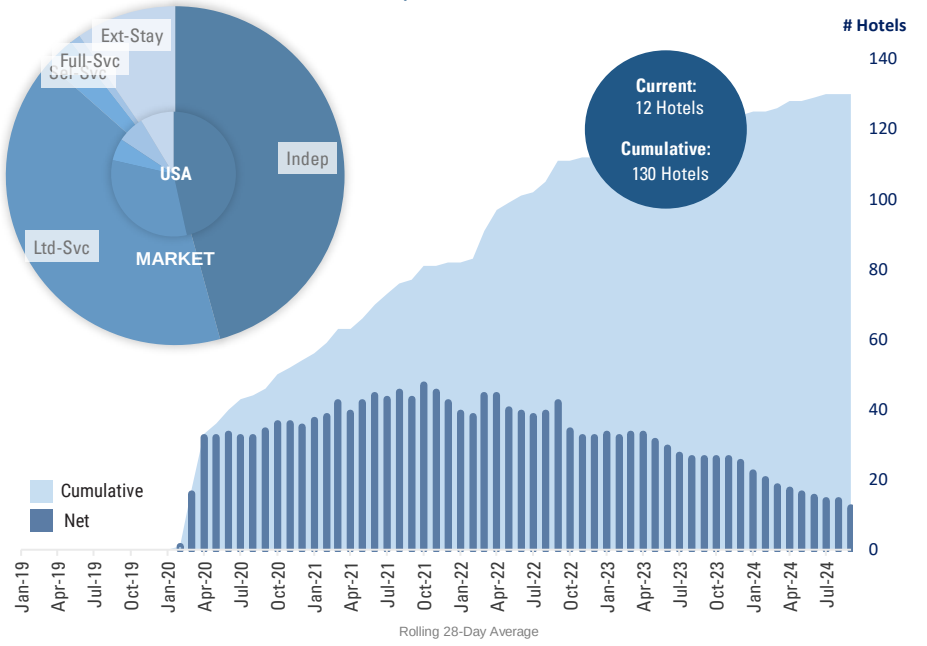
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

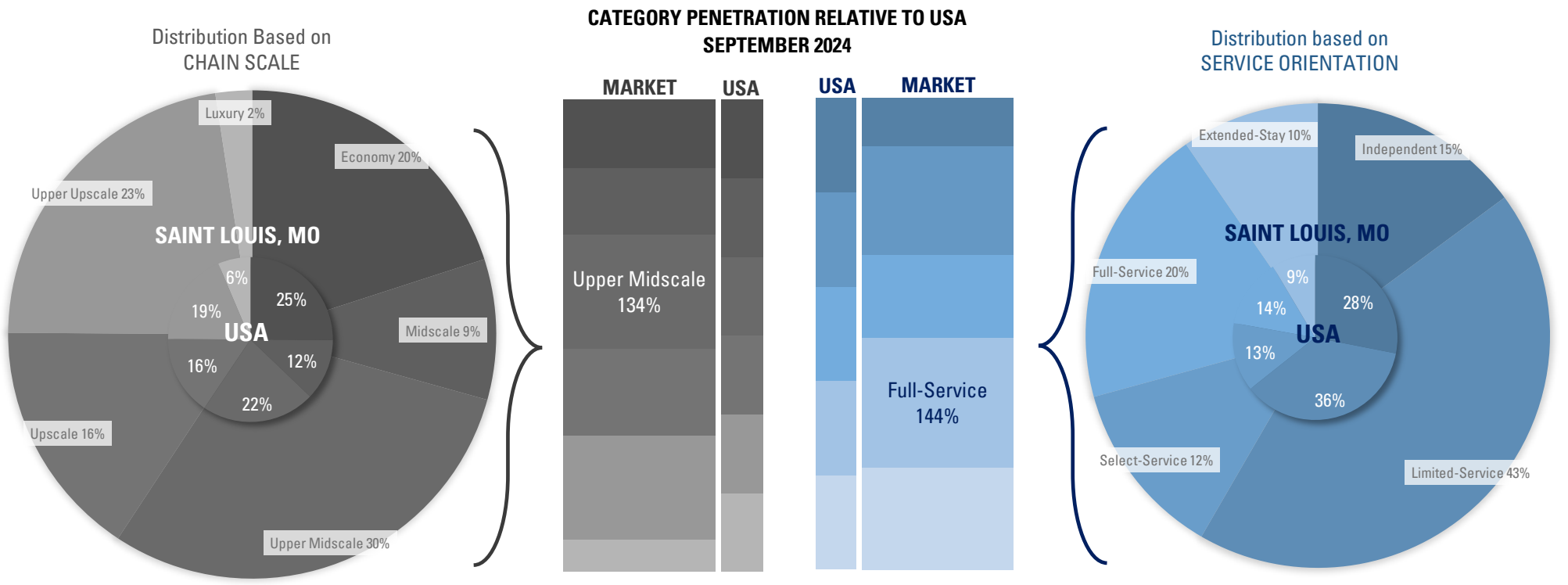
Hotel Closures - Saint Louis, MO



Source: Hotel Compete

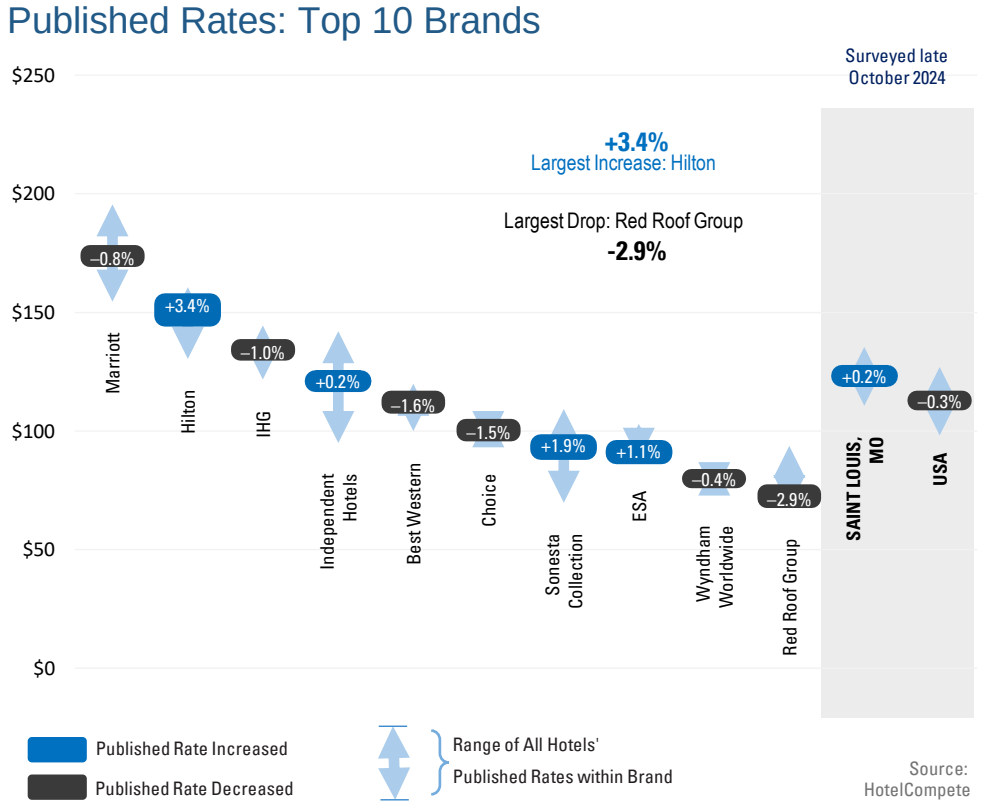
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Saint Louis, MO



'30/3' RATE CHANGES: SAINT LOUIS, MO vs. USA

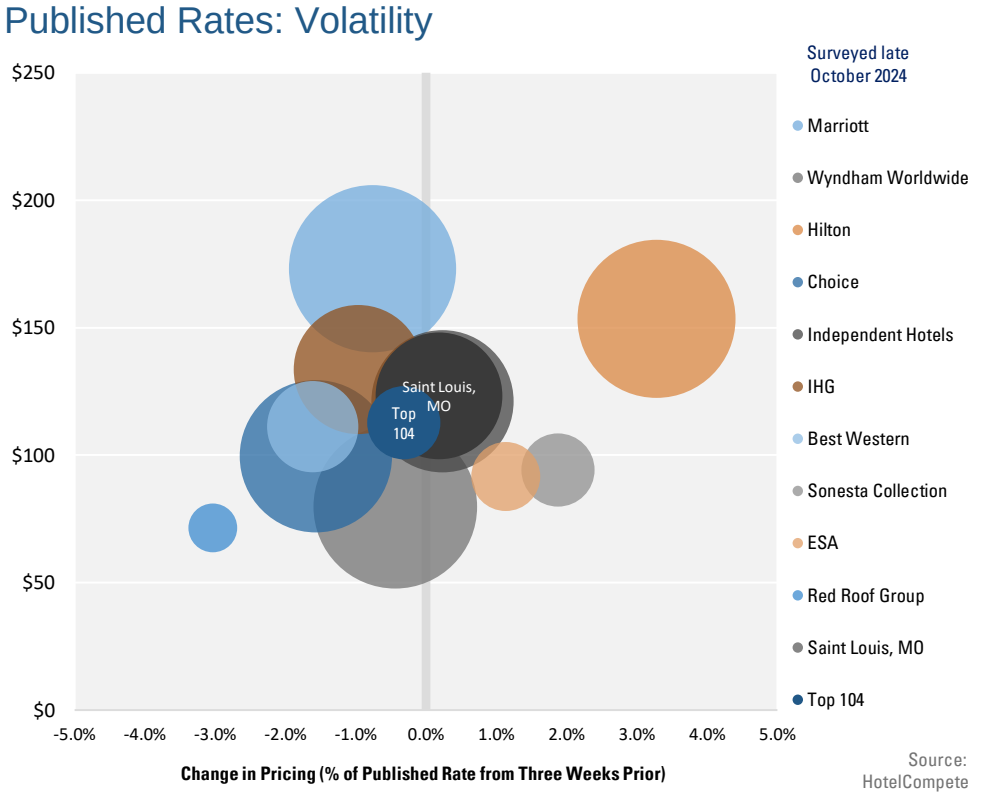
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

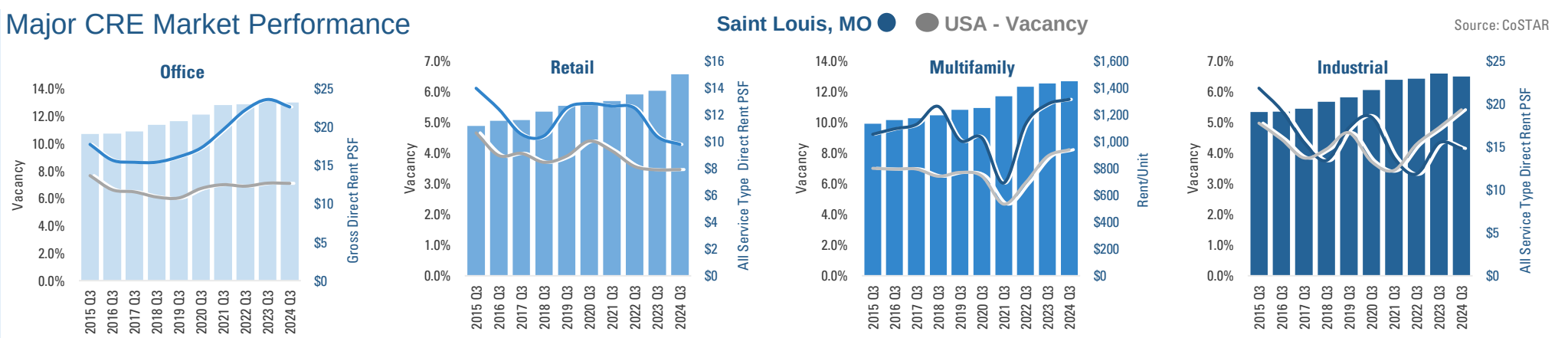
Published Rates: Volatility



Source: HotelCompete

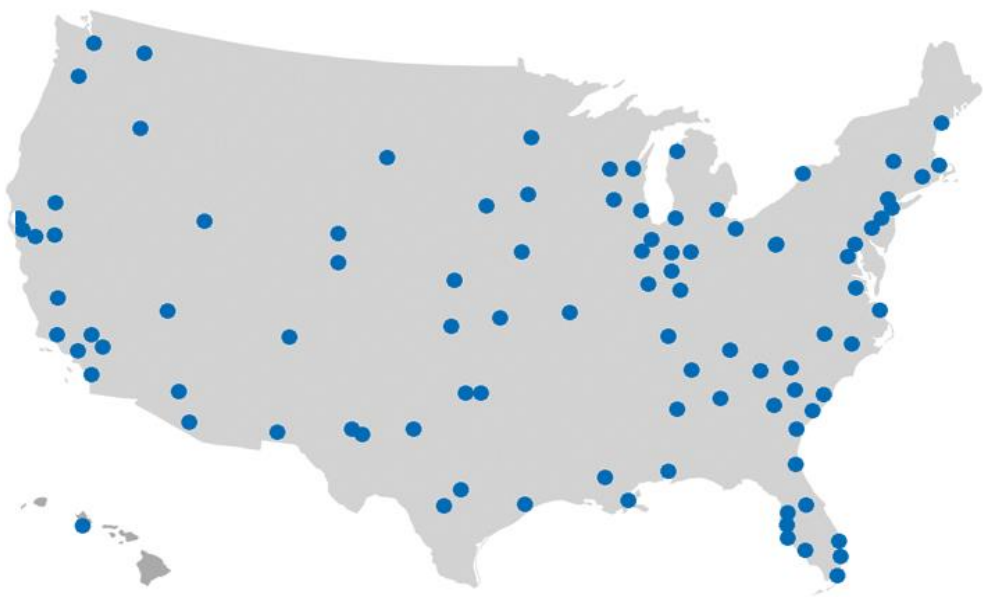
MAJOR C.R.E. METRICS

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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