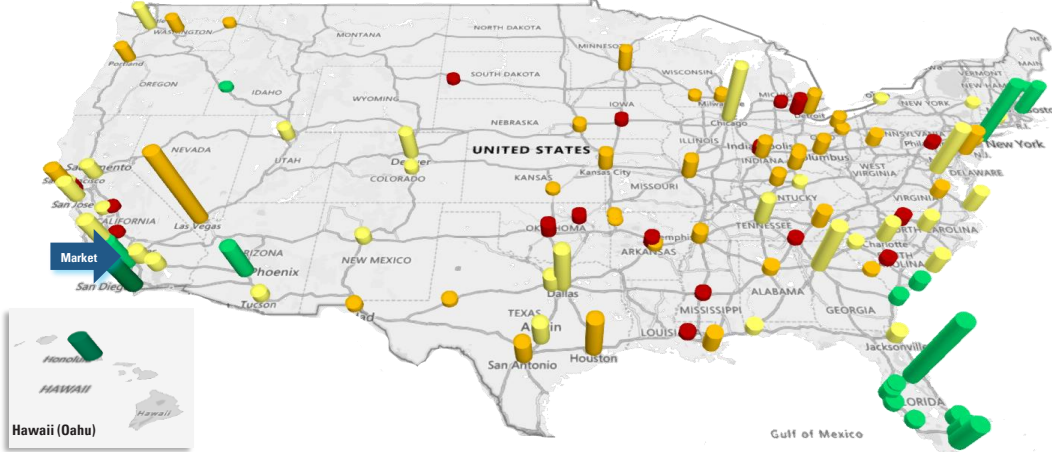


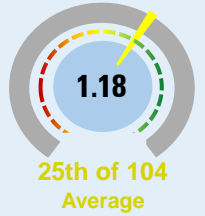
2Q 2023 SAN BERNARDINO, CA



Lodging Performance Index Snapshot



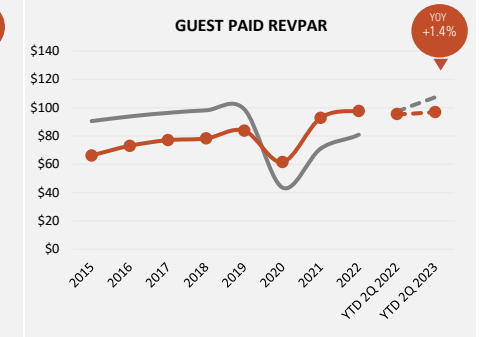
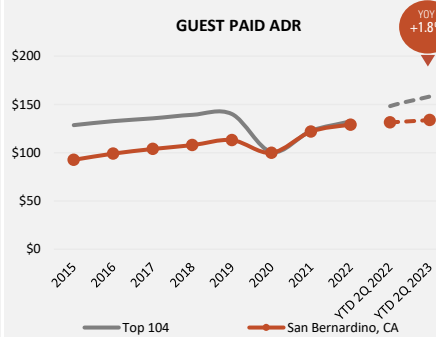
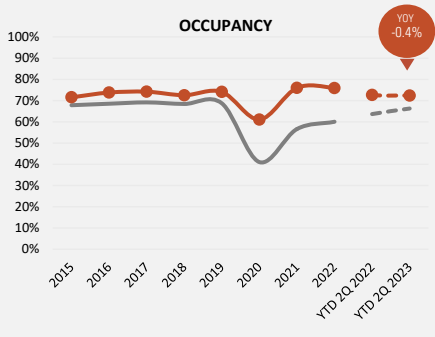
LODGING PERFORMANCE INDEX
San Bernardino, CA



Ranking of overall '2Q 2023 LPI' performance (1.18) against all 104 surveyed markets.

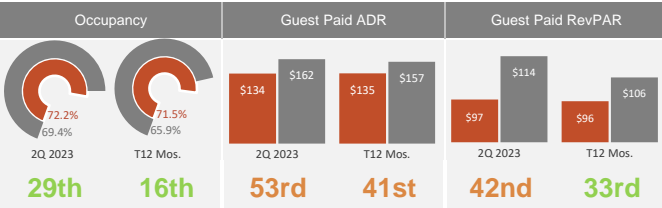
LODGING PERFORMANCE INDEX

KEY PERFORMANCE METRICS

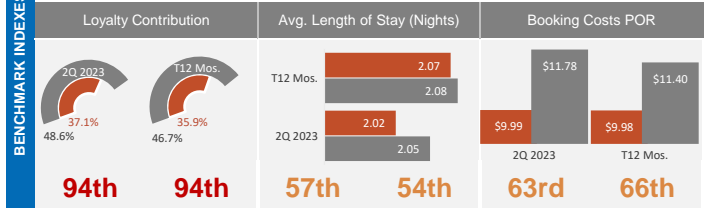


Key Performance Indexes

● Subject Market ● Top 104

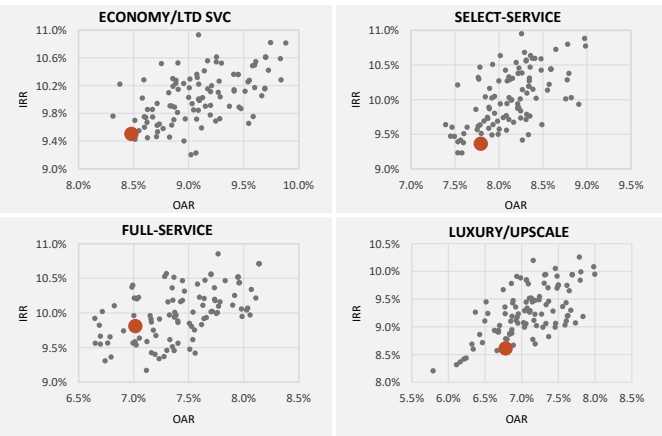


Key Benchmark Indexes



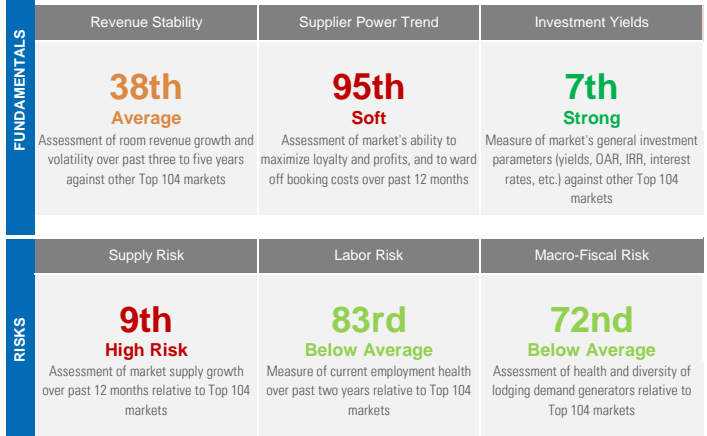
Discount and Capitalization Rates

Source: Newmark

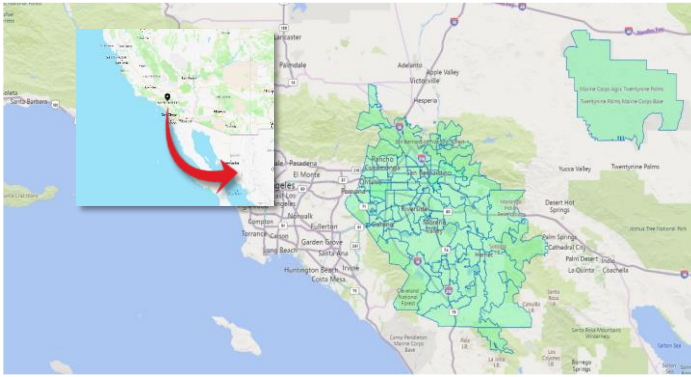


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information
 Municipal Name: San Bernardino
 County: San Bernardino County
 State: California
 Geo Coordinates (market center): 34.10834, -117.28977

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators
 Stater Brothers Markets | Arrowhead Regional Medical Center | U.S. Marine Corps | Fort Irwin | Walmart Inc. | U.C. Riverside | Loma Linda University | Ontario International Airport | Amazon | March Air Reserve Base | VA Loma Linda Healthcare System | Target Brands Inc. | Kaiser Permanente | Pechanga Resort & Casino | Eisenhower Medical Center | San Manuel Band of Mission Indians | Morongo Casino, Resort & Spa | JW Marriott Desert Springs Resort & Spa | Desert Regional Medical Center | Agua Caliente Band of Cahuilla Indians

Metrics and Ranking

Measurement	Rankings
Population (hotel market area)	3,141,160
Income per Capita	\$41,027
Feeder Group Size	182.2 Persons PSR
Feeder Group Earnings	\$7,474,626 PSR
Total Market COPE	\$847.0 million
	12th of 104 (Large)
	78th of 104 (Below Average)
	100th of 104 (Soft)
	97th of 104 (Soft)
	48th of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	RevPAR	COPE ADR	RevPAR	Booking Cost POR	ADR COPE	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	71.5%	\$92.63	\$66.26	\$85.91	\$61.45	\$6.72	92.7%	40.5%	2.04	21,330	1.03
2016	73.8%	\$99.04	\$73.06	\$91.61	\$67.58	\$7.43	92.5%	42.5%	2.00	21,160	1.17
2017	74.2%	\$103.86	\$77.05	\$95.66	\$70.97	\$8.20	92.1%	44.1%	1.95	21,030	1.16
2018	72.5%	\$107.87	\$78.23	\$99.18	\$71.93	\$8.69	91.9%	46.0%	1.91	21,850	1.13
2019	74.1%	\$113.04	\$83.74	\$103.77	\$76.88	\$9.27	91.8%	52.3%	1.93	22,520	1.20
2020	61.1%	\$99.89	\$61.60	\$92.77	\$56.66	\$7.12	92.9%	29.5%	2.16	23,100	1.43
2021	76.0%	\$121.82	\$92.69	\$113.17	\$85.97	\$8.65	92.9%	30.9%	2.34	23,310	1.56
2022	75.9%	\$128.88	\$97.67	\$119.61	\$90.78	\$9.27	92.8%	31.8%	2.28	23,350	1.29
CAGR: 2015 thru 2022	0.8%	4.8%	5.7%	4.8%	5.7%	4.7%	0.0%	-3.4%	1.6%	1.3%	3.3%
YTD 2Q 2022	72.6%	\$131.36	\$95.46	\$121.84	\$88.55	\$9.52	92.8%	33.6%	2.18	23,370	1.42
YTD 2Q 2023	72.4%	\$133.77	\$96.82	\$123.89	\$89.67	\$9.88	92.6%	36.7%	2.06	23,910	1.18
% Change	-0.4%	1.8%	1.4%	1.7%	1.3%	3.8%	-0.2%	9.4%	-5.8%	2.3%	-16.7%

Notable Metrics

HIGHEST	Population Density per Room	Feeder Population Per Room	OAR: Economy/Ltd Svc
	2nd Very Strong San Bernardino, CA boasted strong population density per room (130.59)	3rd Very Strong The market posted a high ratio of feeder population per room (90.55)	3rd Highly Favorable The market also exhibited favorable OAR metrics in the economy/ltd svc segment (8.5%)
LOWEST	Feeder Group Size	Feeder Group Earnings PSR	T12-Month Loyalty Contribution
	100th Soft This market required a large feeder group size (182.19 Persons)	97th Soft The market has been hindered by weak feeder group earnings PSR (\$7,474,626)	94th Soft San Bernardino, CA also has been hindered by weak T12-month loyalty contribution (35.9%)

Notable Trends

FASTEST	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical COPE ADR Growth	Long-Term Historical Guest Paid RevPAR Growth
	7th Strong San Bernardino, CA has benefited from strong long-term historical Guest Paid ADR growth (4.4%)	7th Strong The market enjoyed from strong long-term historical COPE ADR growth (4.3%)	15th Above Average The market also exhibited strong long-term historical Guest Paid RevPAR growth (4.1%)
SLOWEST	Long-Term Historical Booking Costs POR Growth	T12-Month Rooms Supply Growth	Short-Term Historical Occupancy Growth
	99th Soft The market exhibited high long-term historical booking costs POR growth (5.6%)	96th Soft We note this area has been hindered by high rooms supply growth over the last 12 months (2.0%)	82nd Below Average San Bernardino, CA also has been hindered by weak short-term historical occupancy growth (-0.6%)

Market Performance Stage



San Bernardino, CA: Ignition Stage

The San Bernardino, CA market is currently in the 'Ignition' stage of the performance cycle. In this stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Chicago, IL; Knoxville, TN; and Miami, FL.

Other Stages:

- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are challenged by lingering COVID-19 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 Detroit, MI; Houston, TX; and New Orleans, LA.
- Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed 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 Columbus, OH; Kansas City, MO; and Las Vegas, NV.
- Expansion:** In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that is approaching a 'post' 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.

Industry Observations

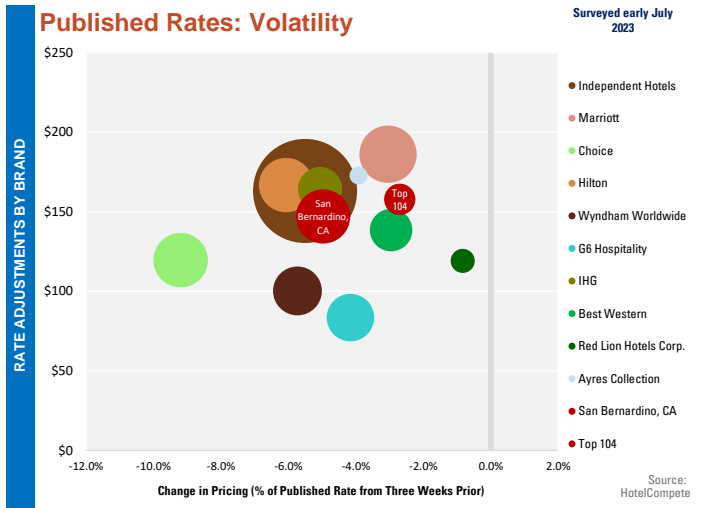
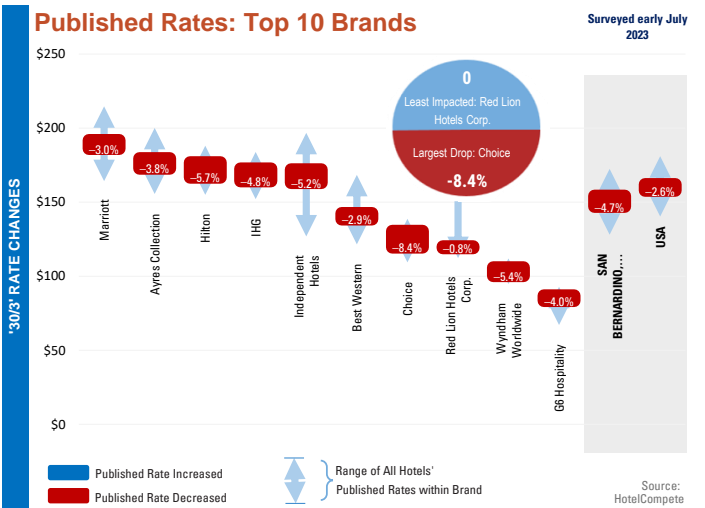
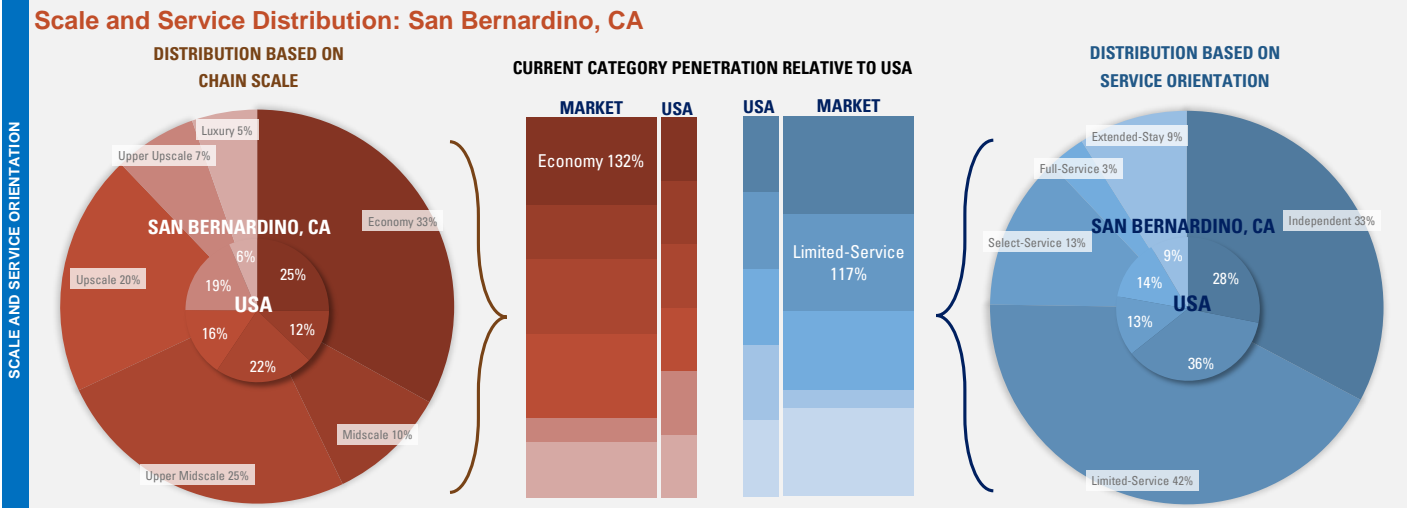
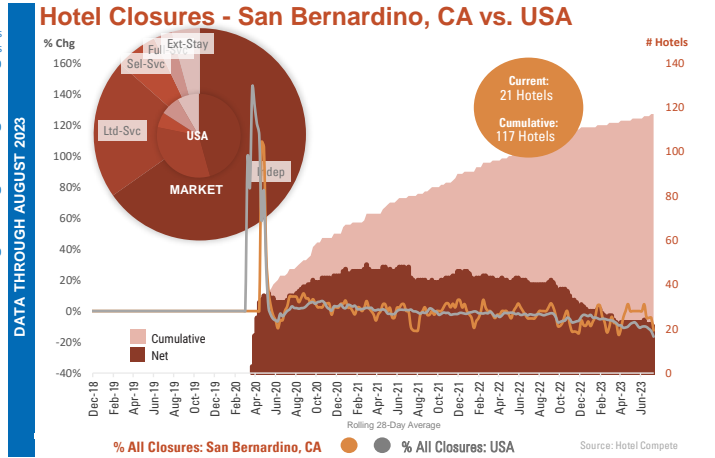
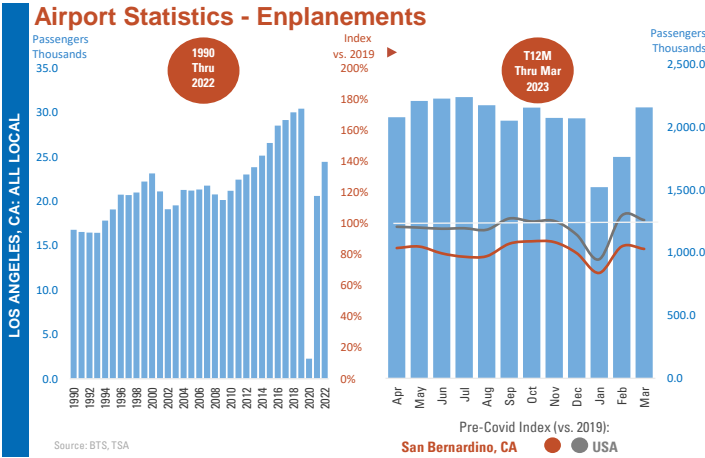
Business Cycle: In Expansion
Employment Growth (2 yr): 1.3%
Risk Exposure (402 US markets): 57th Percentile: Average Risk
Key Industry Notes: Defense, logistics
 Strong R&D/office base
 Positive net migration
 Low per capita income
 Lack of vibrant central core

Moody's Rating

Aa3
 Investment Grade

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





Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	56th Average	91st Soft	52nd Average
	The 30-day advanced published rate for the market was a moderate \$146.99, ranking 56th out of 104 markets. (Guest-Paid ADR ranked a moderate 53rd at \$133.77 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 4.7% over three weeks going into early July 2023. By comparison, the T-104 average posted downward movement of 2.63%.	Published rates reported in early July 2023 were 9.4% higher than the market's Guest-Paid ADR in 2Q 2023. This optimism is average. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	94th Soft	90th Soft	74th Elevated
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	San Bernardino, CA has a soft spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	San Bernardino, CA's top 10 brands are exhibiting elevated volatility with respect to advanced booking pricing movements in the three weeks leading into early July 2023.

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

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.

Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

- Hotels and Resorts
- Conference, Expo and Convention Centers
- Gaming Facilities
- Ski and Village Resorts
- Arenas, Stadiums and Sports Facilities
- Water Parks, Amusement Parks and Attractions
- Golf Courses
- Marinas

Our core disciplines and expert subject areas include:

Economic Impact
We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

Feasibility
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.

Financial Reporting
Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

Litigation
Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

Portfolio Analytics
We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

Property Tax
We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

ABOUT NEWMARK

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