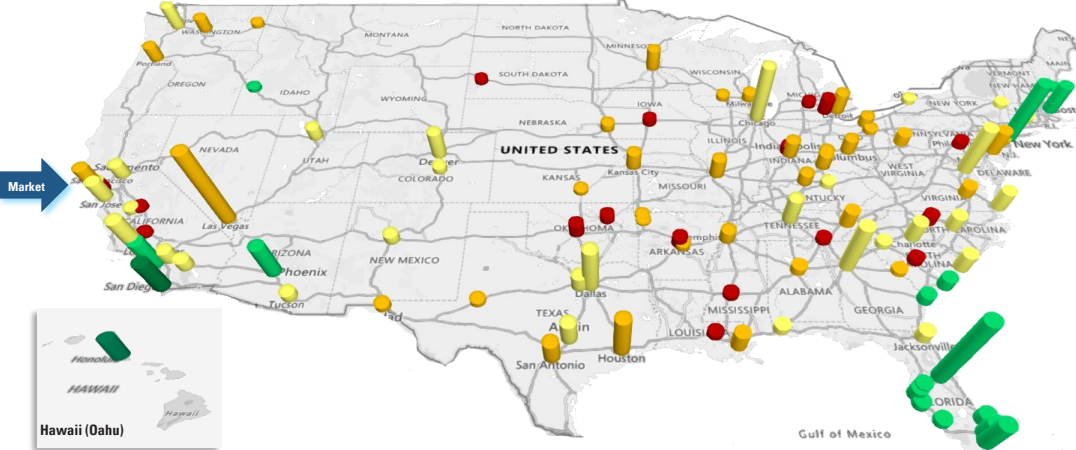


2Q 2023 SAN FRANCISCO, CA

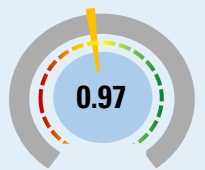


Lodging Performance Index Snapshot

LODGING PERFORMANCE INDEX



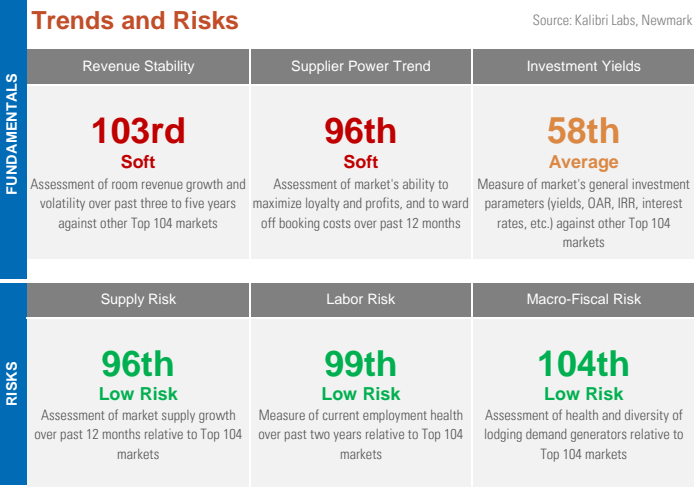
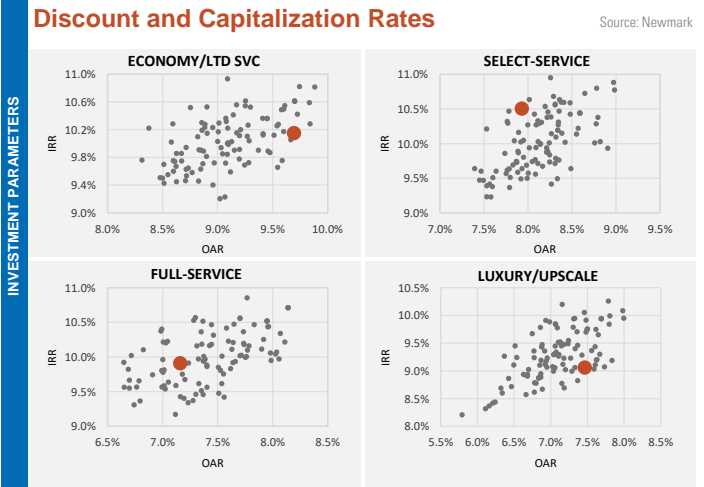
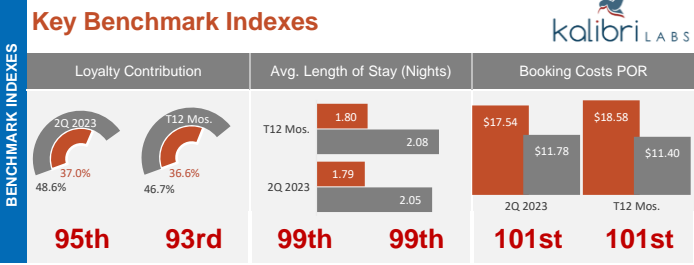
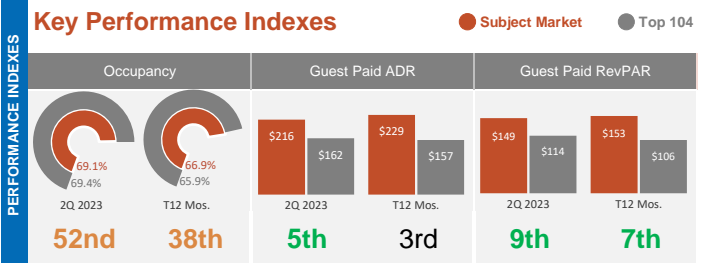
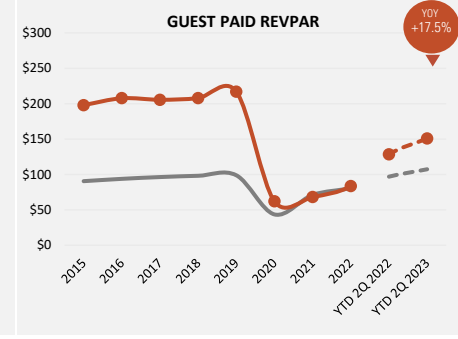
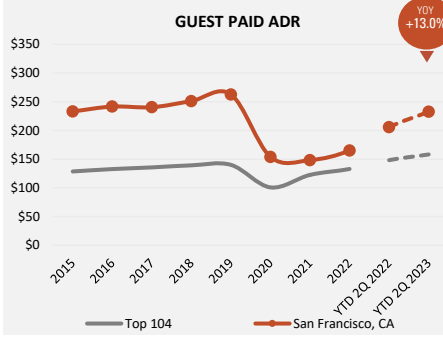
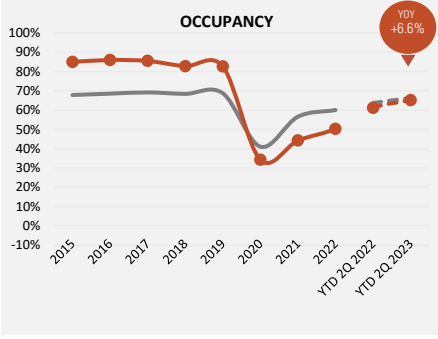
LODGING PERFORMANCE INDEX
San Francisco, CA



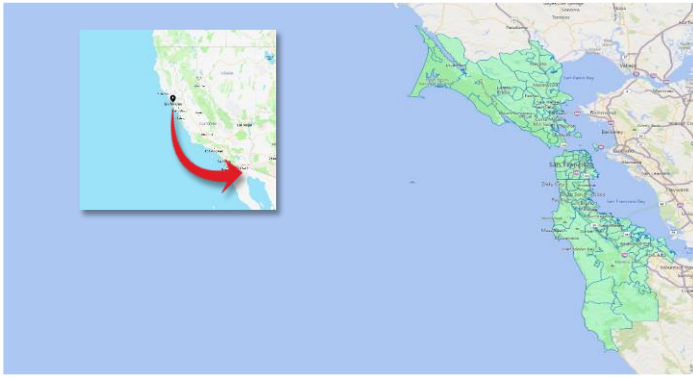
57th of 104
Below Average

Ranking of overall '2Q 2023 LPI' performance (0.97) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



Location



Quick Facts

Jurisdictional Information
 Municipal Name: San Francisco
 County: San Francisco County
 State: California
 Geo Coordinates (market center): 37.775, -122.41944
 Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators
 University of California, San Francisco | Genentech Inc. | Wells Fargo | Oracle Corp. | Salesforce.com Inc. | Sutter Health | California Pacific Medical Center | Dignity Health | Uber Technologies Inc. | Kaiser Permanente | PG&E Corp. | Gap Inc. | Williams-Sonoma Inc. | Visa USA | VMware Inc. | Va Palo Alto Health Care System | San Francisco State University | Lucile Packard Health Care System | Space Systems | Charles Schwab Corp.

Metrics and Ranking

Metric	Measurement	Rankings
Population (hotel market area)	1,720,224	31st of 104 (Above Average)
Income per Capita	\$96,265	2nd of 104 (Very Strong)
Feeder Group Size	46.3 Persons PSR	14th of 104 (Above Average)
Feeder Group Earnings	\$4,457,976 PSR	7th of 104 (Below Average)
Total Market COPE	\$3.1 billion	14th of 104 (Above Average)

Key Performance Metrics

Data provided by: **kalibri LABS**

YEAR ENDING	Occ %	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
		ADR	RevPAR	ADR	RevPAR						
2015	84.9%	\$233.04	\$197.92	\$212.12	\$180.16	\$20.92	91.0%	39.9%	1.98	52,860	1.62
2016	85.9%	\$241.61	\$207.63	\$219.83	\$188.91	\$21.78	91.0%	42.8%	1.91	52,870	1.42
2017	85.5%	\$240.45	\$205.46	\$218.19	\$186.44	\$22.26	90.7%	44.1%	1.86	53,740	1.28
2018	82.7%	\$251.20	\$207.81	\$228.94	\$189.39	\$22.26	91.1%	45.4%	1.82	54,940	1.30
2019	82.6%	\$262.75	\$217.01	\$240.30	\$198.47	\$22.45	91.5%	50.9%	1.77	56,370	1.53
2020	34.2%	\$153.91	\$61.95	\$142.50	\$48.76	\$11.41	92.6%	28.7%	2.30	56,030	0.94
2021	44.2%	\$148.28	\$68.12	\$135.36	\$59.87	\$12.92	91.3%	32.6%	1.91	55,550	0.67
2022	50.3%	\$165.06	\$83.54	\$150.67	\$75.77	\$14.39	91.3%	34.0%	1.85	55,720	0.95
CAGR: 2015 thru 2022	-7.2%	-4.8%	-11.6%	-4.8%	-11.6%	-5.2%	0.0%	-2.3%	-1.0%	0.8%	-7.3%
YTD 2Q 2022	61.1%	\$205.68	\$128.27	\$188.66	\$117.70	\$17.01	91.7%	34.7%	1.87	55,880	0.80
YTD 2Q 2023	65.2%	\$232.39	\$150.75	\$214.37	\$139.03	\$18.02	92.2%	37.3%	1.80	54,640	0.97
% Change	6.6%	13.0%	17.5%	13.6%	18.1%	5.9%	0.6%	7.4%	-3.7%	-2.2%	21.5%

Notable Metrics

	Economy Median Income	T12-Month Guest Paid ADR	T12-Month COPE ADR
HIGHEST	2nd Very Strong San Francisco, CA exhibited strong Economy Median Income (\$96,265)	3rd Very Strong The market benefited from strong T12-month Guest Paid ADR (\$229.11)	3rd Very Strong The market also exhibited strong T12-month COPE ADR (\$210.53)
LOWEST	101st Soft This market was burdened by high T12-month booking costs POR (\$18.58)	101st Soft The market has been burdened by high latest-quarter booking costs (\$17.54)	99th Soft San Francisco, CA also has been hampered by weak T12-month COPE ADR percentage (91.9%)

Notable Trends

	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth	T12-Month Rooms Supply Growth
FASTEST	3rd Very Strong San Francisco, CA has benefited from low long-term historical booking costs POR growth (-0.4%)	3rd Very Strong The market enjoyed low short-term historical growth in booking costs (-3.1%)	9th Strong The market also exhibited low rooms supply growth over the last 12 months (-3.4%)
SLOWEST	104th Soft The market has been hampered by weak short-term historical LPI growth (-8.8%)	104th Soft We note this area posted weak long-term historical LPI growth (-6.5%)	104th Soft San Francisco, CA also posted weak long-term historical COPE RevPAR growth (-3.4%)

Market Performance Stage



San Francisco, CA: Absorption Stage

Absorption
 The San Francisco, CA market is currently in the 'Absorption' stage of the performance cycle. In this 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.

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.

Ignition
 In the 'Ignition' 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.

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

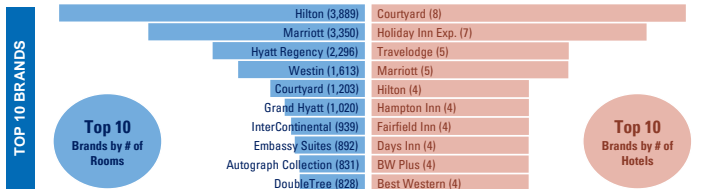
MOODY'S ANALYTICS

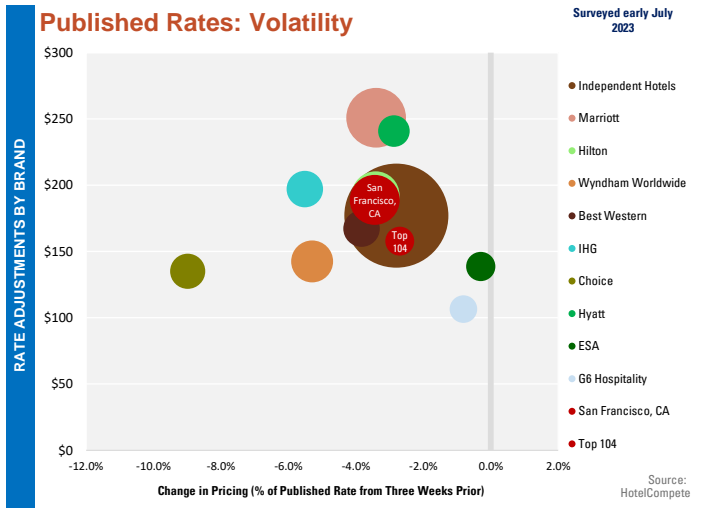
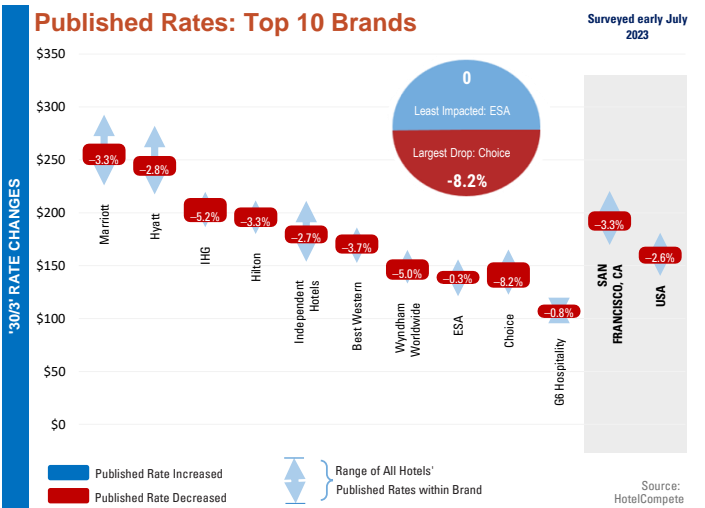
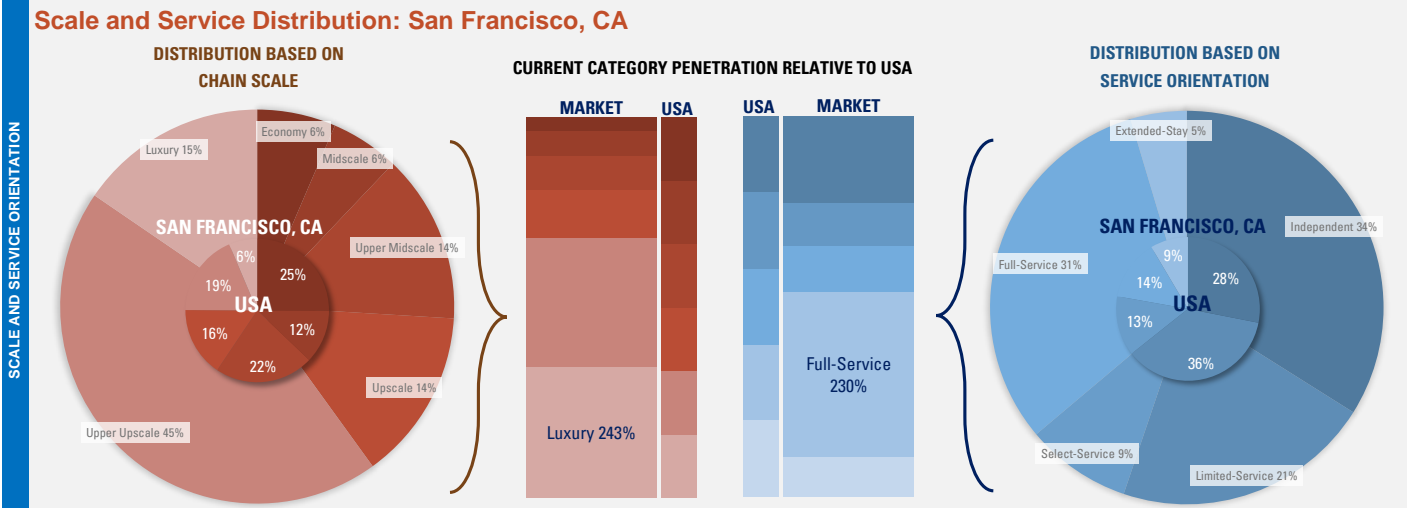
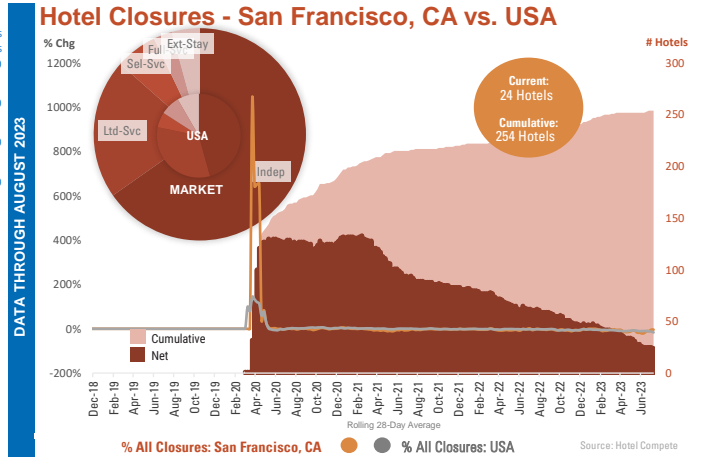
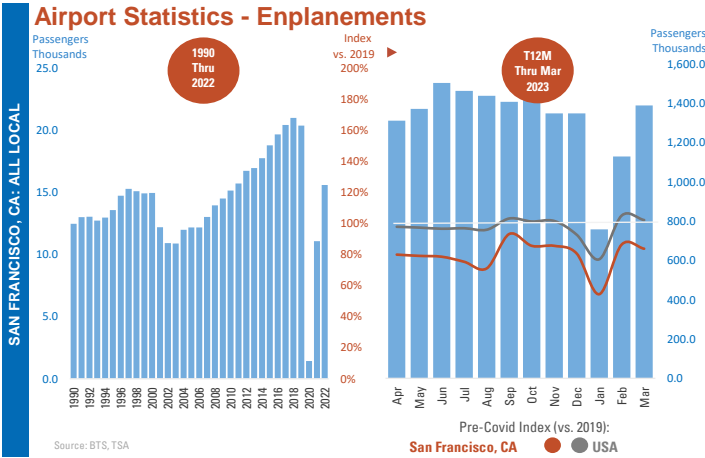
Business Cycle: In Expansion
Employment Growth (2 yr): 1.9%
Risk Exposure (402 US markets): 6th Percentile: Low Risk
Key Industry Notes: Financial, medical, high tech Educated/skilled workforce High incomes Strong office market growth Construction limitations

MOODY'S Rating

Aaa Investment Grade

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



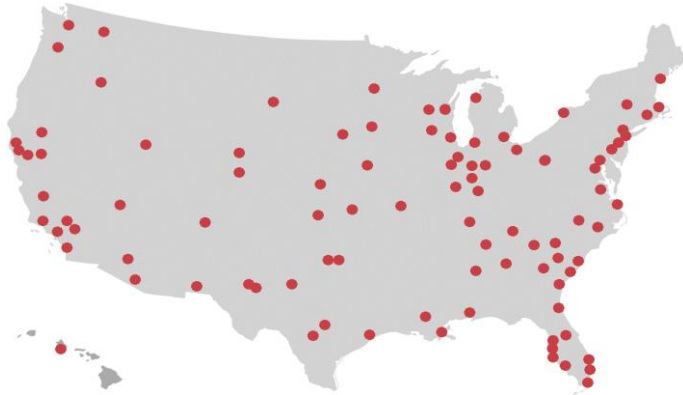


Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	15th Above Average	63rd Average	92nd Soft
	The 30-day advanced published rate for the market was a somewhat aggressive \$188.93, ranking 15th out of 104 markets. (Guest-Paid ADR ranked a very aggressive 5th at \$232.39 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 3.3% 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 12.3% lower than the market's Guest-Paid ADR in 2Q 2023. This optimism is soft. By comparison, the T-104 spread was -2.4%.

BRAND LEVEL	Published Rate Integrity	Coverage	Volatility
	77th Below Average	34th Above Average	60th Moderate
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	San Francisco, CA has an above average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	San Francisco, CA's top 10 brands are exhibiting moderate 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

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

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Gaming Facilities

Arenas, Stadiums and Sports Facilities

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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Portfolio Analytics

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Property Tax

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

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