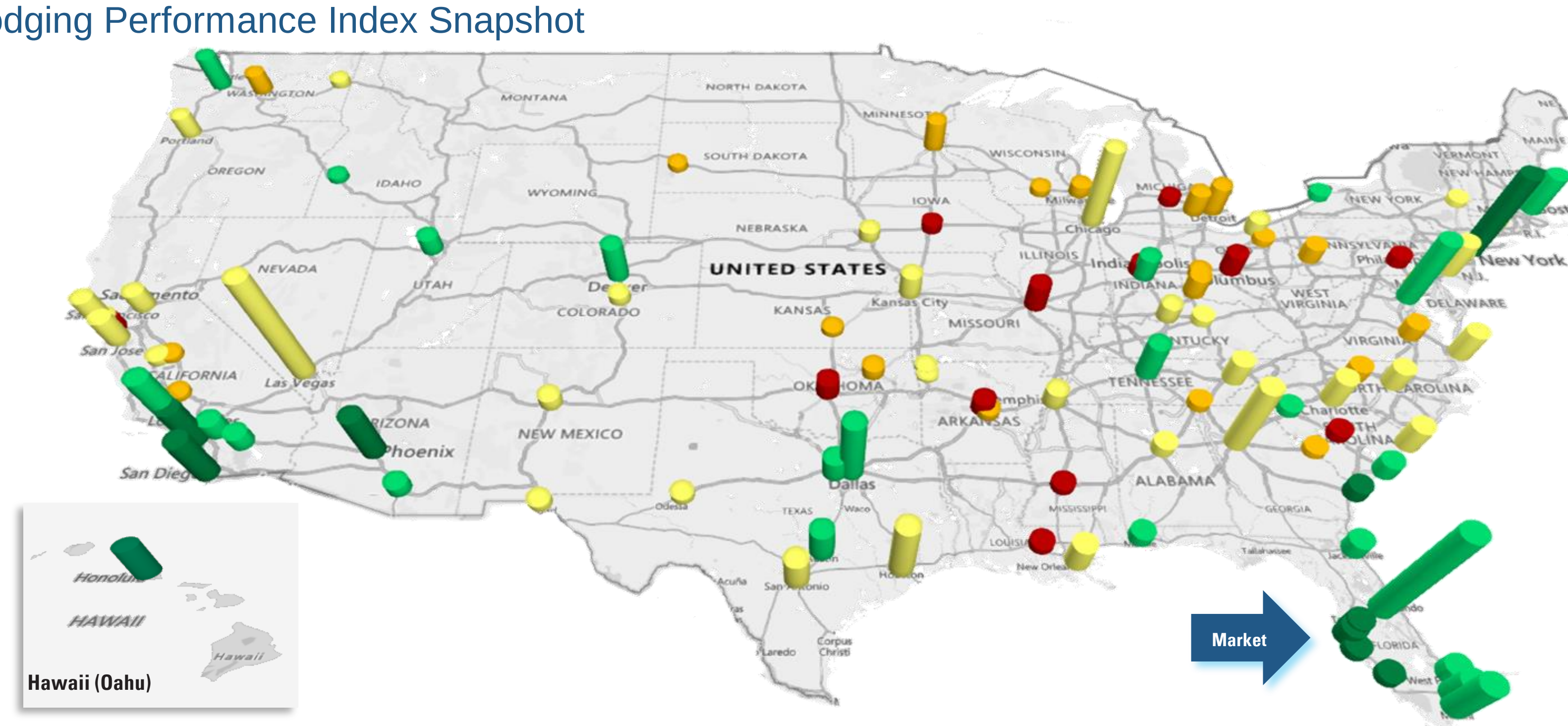
VALUATION & ADVISORY | HOSPITALITY GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

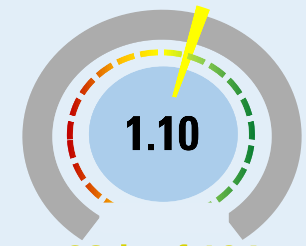
4Q 2023 SARASOTA, FL

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Sarasota, FL

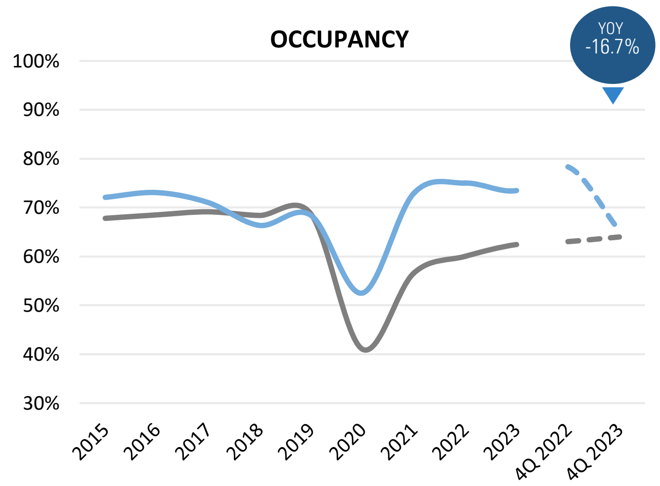


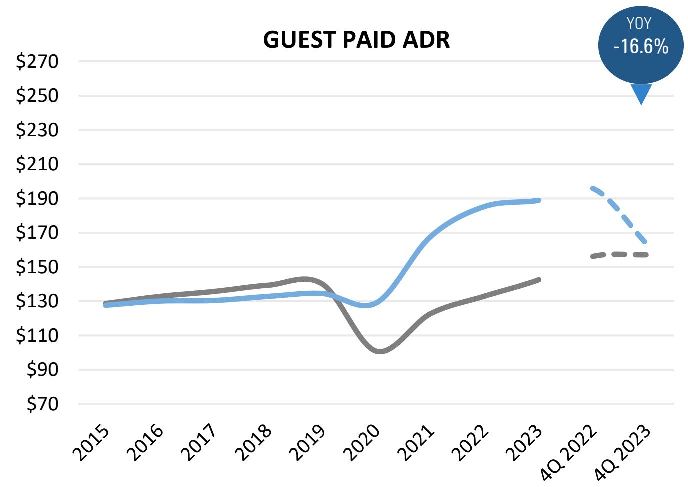
38th of 104

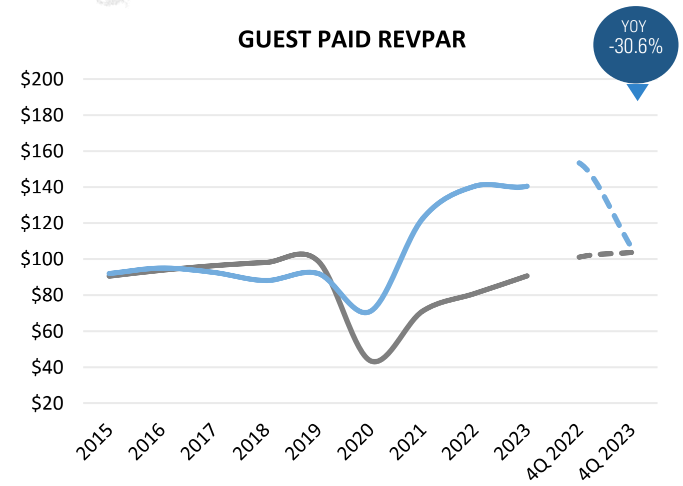
Average

Ranking of overall '4Q 2023 LPI' performance (1.10) against all 104 surveyed markets.

KEY PERFORMANCE METRICS







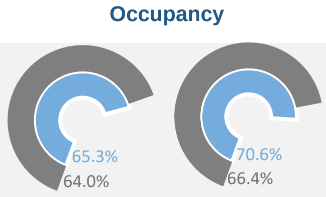
Top 104 — Sarasota, FL

PERFORMANCE INDEXES

Key Performance Indexes

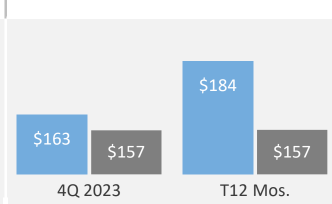
Subject Market Top 104

Occupancy



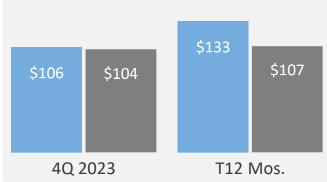
31st 19th

Guest Paid ADR



21st 14th

Guest Paid RevPAR



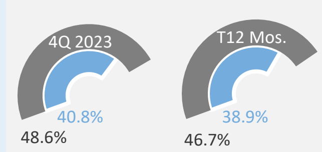
23rd 14th

BENCHMARK INDEXES

Key Benchmark Indexes

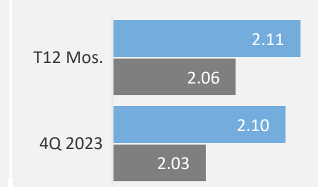
kalibri LABS

Loyalty Contribution



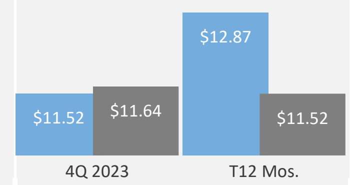
88th 89th

Avg. Length of Stay (Nights)



36th 39th

Booking Costs POR

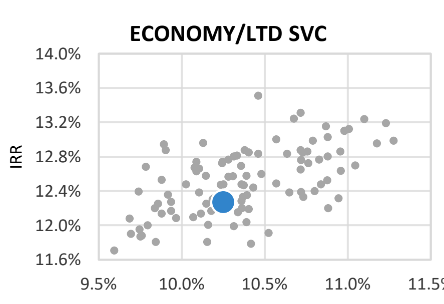


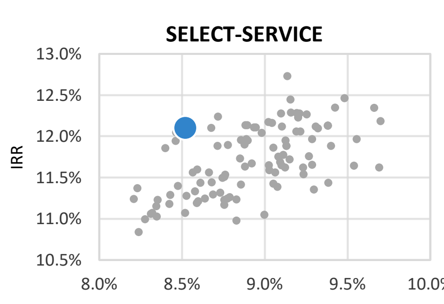
84th 91st

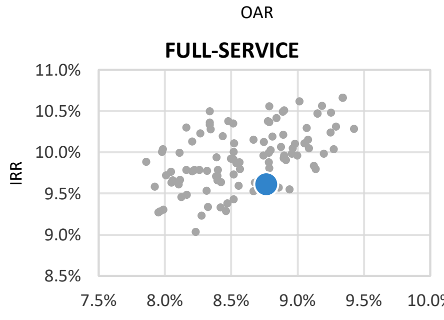
INVESTMENT PARAMETERS

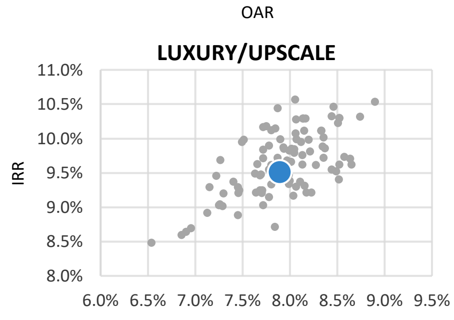
Discount and Capitalization Rates

Source: Newmark









FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

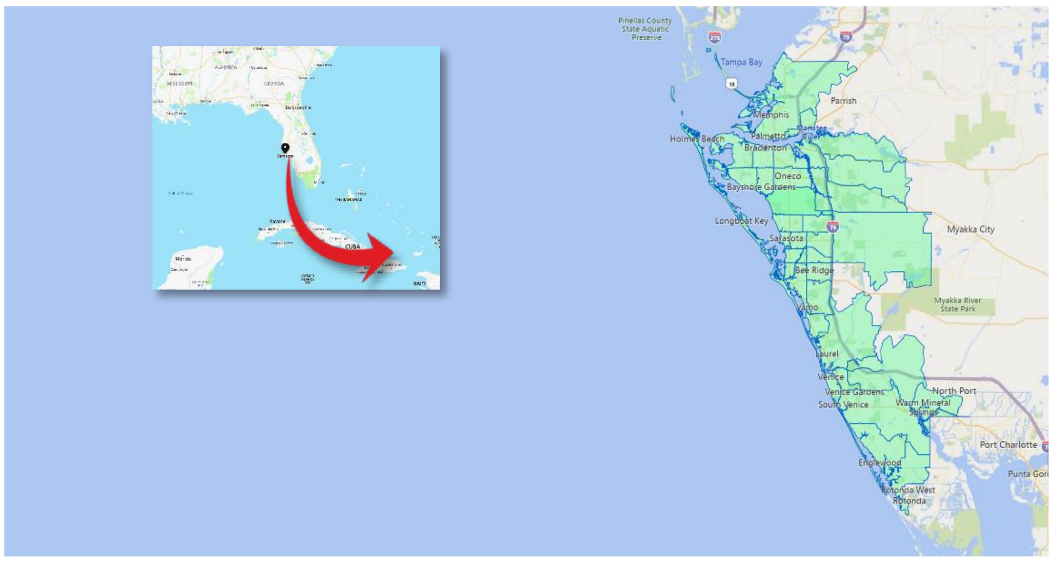
Revenue Stability	Supplier Power Trend	Investment Yields
18th Above Average Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	90th Soft Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	39th Average 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 Average Risk Assessment of market supply growth over past 12 months relative to Top 104 markets	81st Below Average Measure of current employment health over past two years relative to Top 104 markets	75th Below Average 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:	Sarasota
County:	Sarasota County
State:	Florida
Geo Coordinates (market center):	27.33643, -82.53065

Major Hotel Demand Generators

Sarasota Memorial Health Care System | Publix Super Markets Inc. | PGT Industries | Bealls Inc. | Bon Secours Venice Hospital | Wal-Mart Stores Inc. | Venice Regional Medical Center | Manatee Memorial Hospital | Tropicana North America | Charter One Hotels | Sarasota Family YMCA | Winn-Dixie Stores Inc. | Blake Medical Center | SunTrust Bank Inc. | Nielsen Media Research | IMG Academy | Goodwill Industries | Target Corp. | Sun Hydraulics | TriNet

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	586,964	77th of 104 (Below Average)
Income per Capita	$45,073	63rd of 104 (Average)
Feeder Group Size	69.6 Persons PSR	48th of 104 (Average)
Feeder Group Earnings	$3,135,054 PSR	40th of 104 (Average)
Total Market COPE	$566.7 million	59th 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 (Available Rms)	Performance Index (LPI)
2015	72.1%	$127.55	$91.96	$117.96	$85.05	$9.59	92.5%	44.6%	2.27	9,270	1.43
2016	73.1%	$130.01	$95.00	$120.07	$87.74	$9.94	92.4%	45.5%	2.18	9,270	1.33
2017	71.0%	$130.34	$92.59	$120.14	$85.35	$10.20	92.2%	45.2%	2.15	9,310	1.27
2018	66.4%	$132.71	$88.07	$122.43	$81.25	$10.27	92.3%	50.3%	2.06	9,750	0.99
2019	68.4%	$134.40	$91.97	$123.80	$84.71	$10.61	92.1%	57.2%	1.96	11,130	1.07
2020	52.5%	$128.93	$70.96	$119.44	$62.73	$9.49	92.6%	35.7%	2.06	11,270	1.48
2021	72.9%	$167.53	$122.45	$154.71	$112.80	$12.82	92.3%	35.9%	2.14	11,500	1.57
2022	75.0%	$185.20	$140.45	$171.51	$128.67	$13.69	92.6%	36.2%	2.17	11,570	1.66
2023	73.5%	$188.81	$140.43	$175.15	$128.72	$13.66	92.8%	36.6%	2.15	11,630	1.10
CAGR: 2015 thru 2022	0.2%	5.0%	5.4%	5.1%	5.3%	4.5%	0.0%	-2.4%	-0.7%	2.9%	-3.2%
4Q 2022	78.3%	$195.76	$153.35	$184.91	$144.85	$10.85	94.5%	38.2%	2.57	11,970	1.66
4Q 2023	65.3%	$163.17	$106.49	$151.65	$98.97	$11.52	92.9%	40.8%	2.10	11,980	1.10

Notable Metrics

HIGHEST

T12-Month Guest Paid ADR
14th
Above Average
Sarasota, FL benefited from strong T12–month Guest Paid ADR ($183.97)

T12-Month Guest Paid RevPAR
14th
Above Average
The market exhibited strong T12–month Guest Paid RevPAR ($132.69)

T12-Month COPE ADR
14th
Above Average
The market also exhibited strong T12–month COPE ADR ($171.10)

LOWEST

T12-Month Booking Costs POR
91st
Soft
This market was burdened by high T12–month booking costs POR ($12.87)

T12-Month Loyalty Contribution
89th
Below Average
The market has been hindered by weak T12–month loyalty contribution (38.9%)

Latest-Quarter Loyalty Contribution
88th
Below Average
Sarasota, FL also has been hindered by weak latest–quarter loyalty contribution (40.8%)

Notable Trends

FASTEST

Short-Term Historical Supply Growth
5th
Strong
Sarasota, FL has benefited from low short–term historical supply growth (2.5%)

Long-Term Historical Loyalty Contribution Growth
11th
Above Average
The market exhibited strong long–term historical loyalty contribution growth (5.3%)

Short-Term Historical Guest Paid RevPAR Growth
18th
Above Average
The market also has benefited from strong short–term historical Guest Paid RevPAR growth (4.1%)

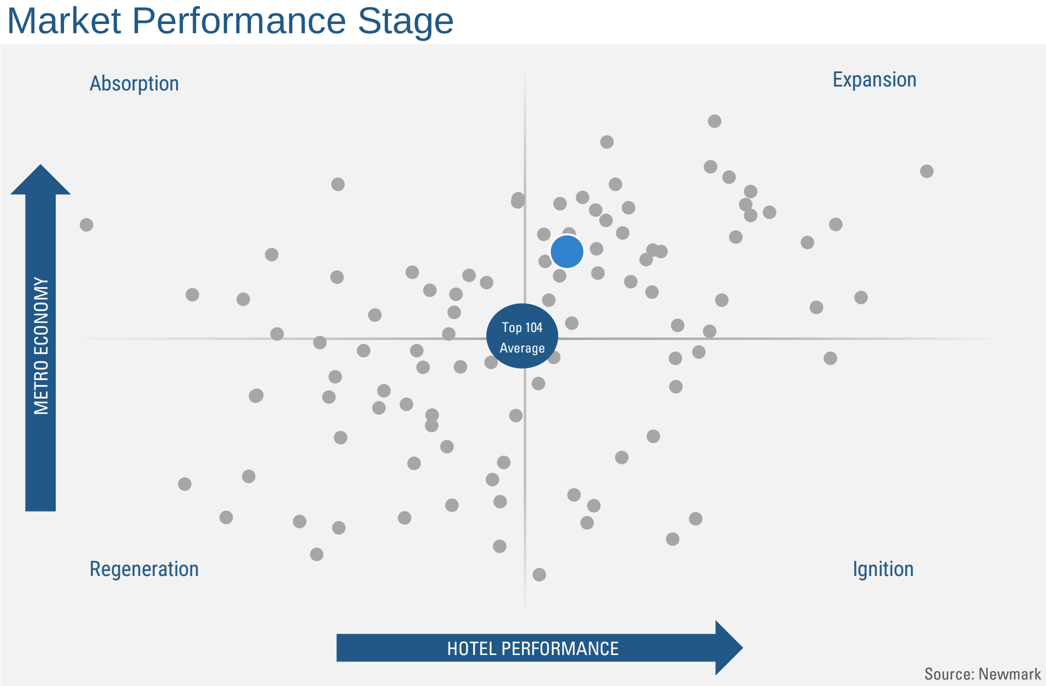
SLOWEST

Long-Term Historical Supply Growth
101st
Soft
The market has been burdened by high long–term historical supply growth (3.1%)

Short-Term Historical Occupancy Growth
98th
Soft
We note this area has been hindered by weak short–term historical occupancy growth (–3.3%)

Short-Term Historical LPI Growth
97th
Soft
Sarasota, FL also has been hampered by weak short–term historical LPI growth (–4.2%)

Market Performance Stage



Source: Newmark

Sarasota, FL: Expansion Stage

Expansion

The Sarasota, FL market is currently in the 'Expansion' stage of the performance cycle. In this 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.

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 enter a sustained post-pandemic status. 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; Miami, FL; and Myrtle Beach, SC.Chicago, IL; Miami, FL; and New York, NY.

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; Houston, TX; and Minneapolis, MN.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	7.1%
Risk Exposure (402 US markets):	4th Percentile: Low Risk
Key Industry Notes:	Retiree magnet, tourism Nonwage income increase Large demand for 2nd homes Lower housing affordability Excellent risk rating

Moody's Rating

NR

This market is not rated by Moody's

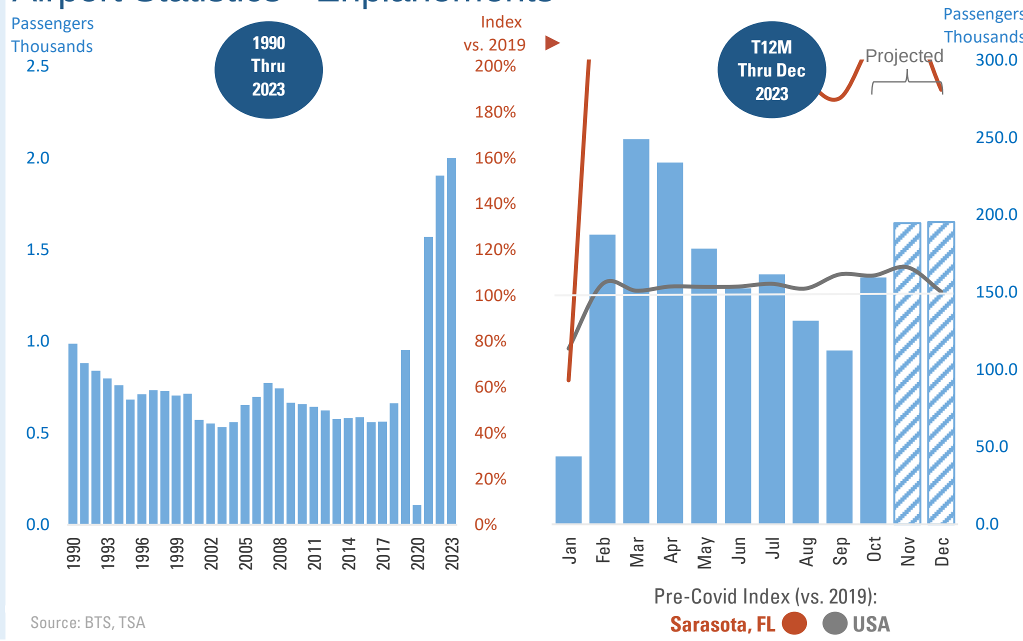
TOP 10 BRANDS

Source: Newmark

NEWMARK

Airport Statistics - Enplanements

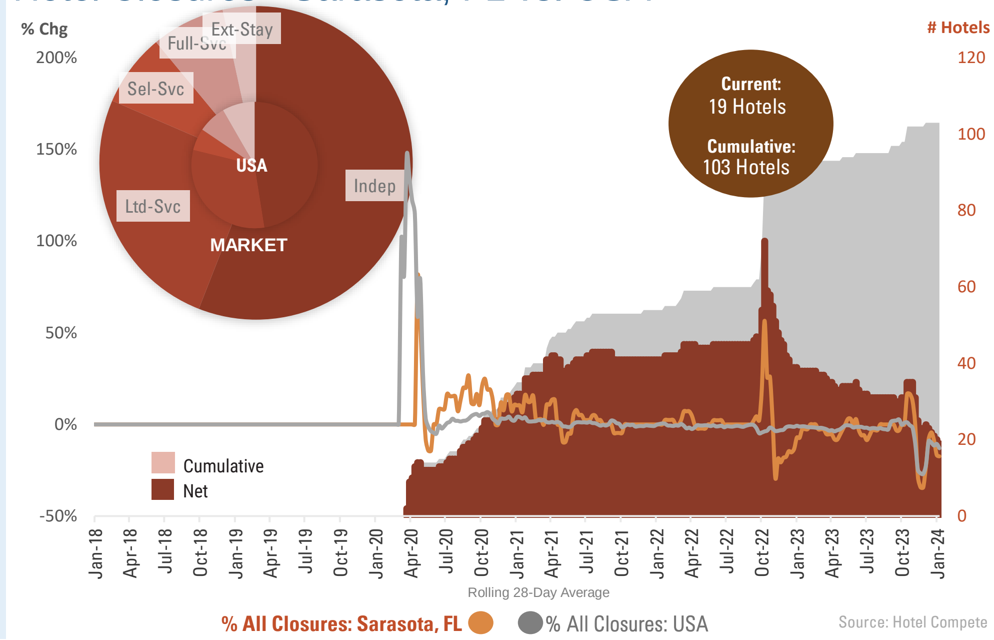
SARASOTA/BRADENTON, FL: ALL LOCAL



Source: BTS, TSA

Hotel Closures - Sarasota, FL vs. USA

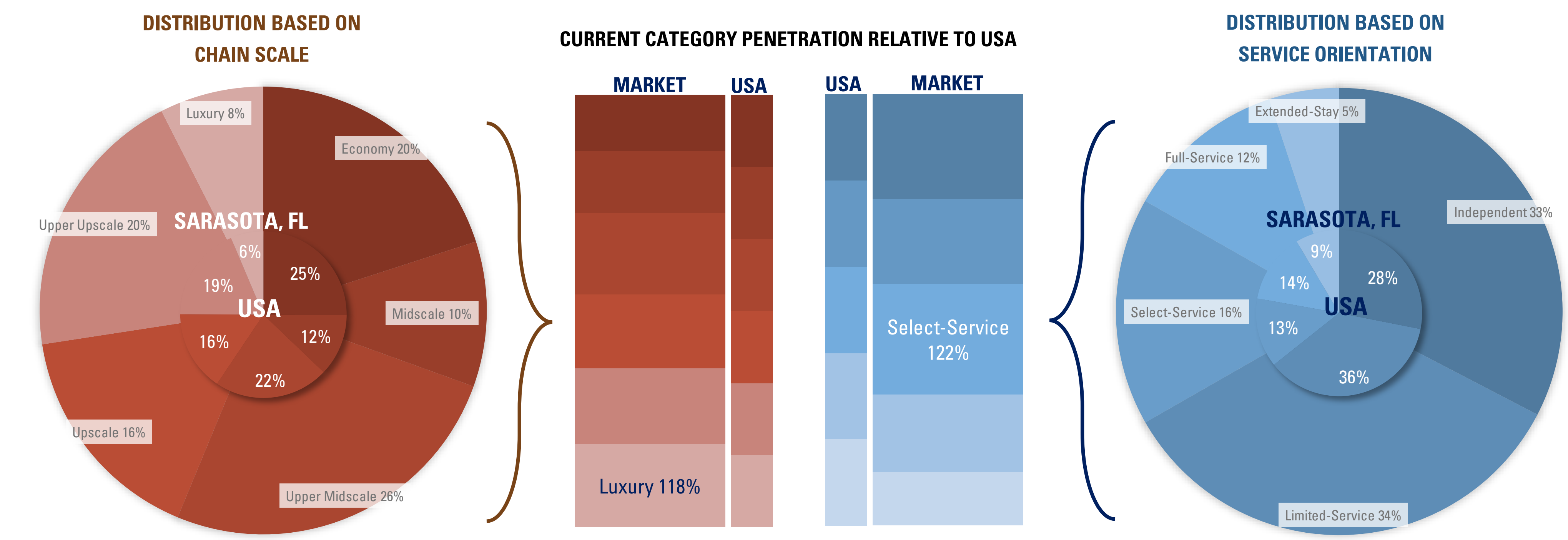
DATA THROUGH JANUARY 2024



Source: Hotel Compete

Scale and Service Distribution: Sarasota, FL

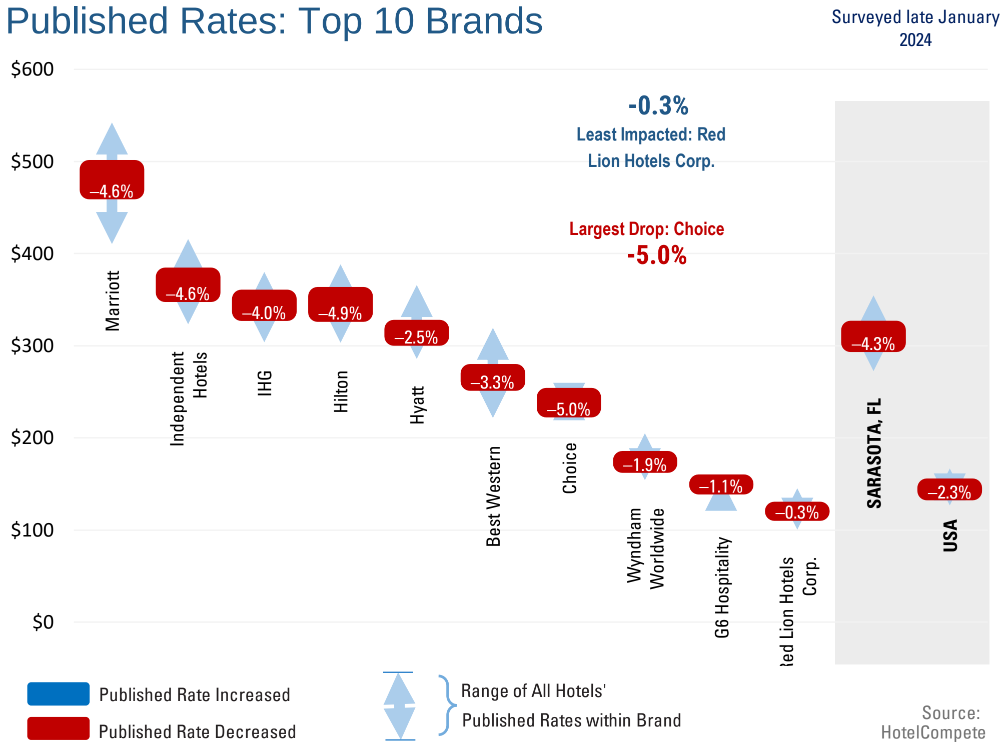
SCALE AND SERVICE ORIENTATION



Published Rates: Top 10 Brands

Surveyed late January 2024

'30/3' RATE CHANGES

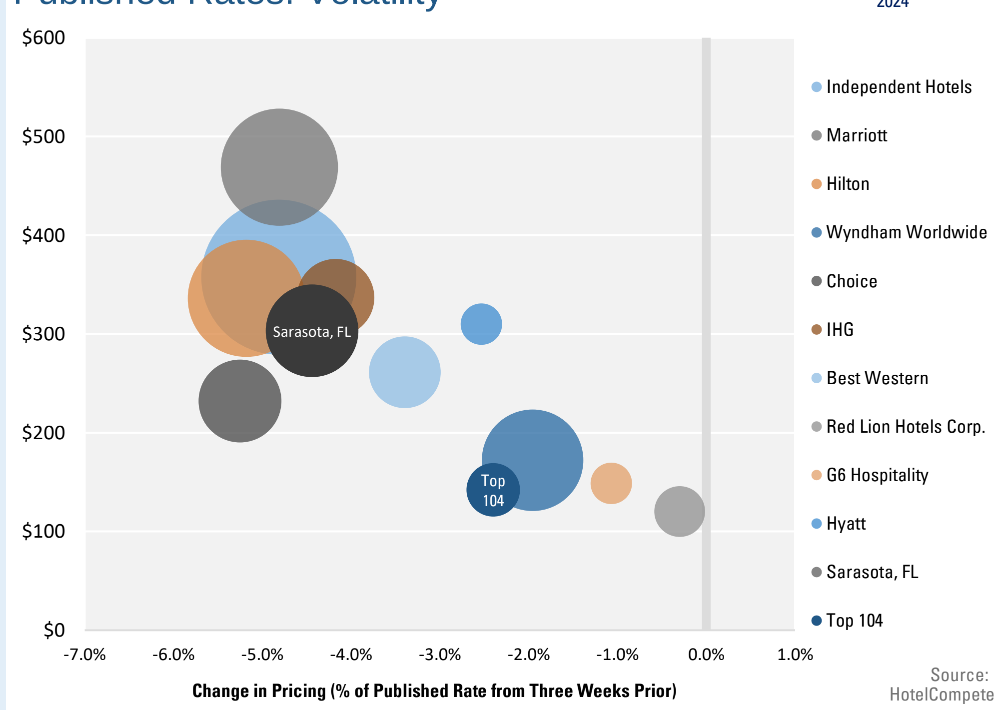


Source: HotelCompete

Published Rates: Volatility

Surveyed late January 2024

RATE ADJUSTMENTS BY BRAND



Source: HotelCompete

Published Rate Observations: 30-Day Advance

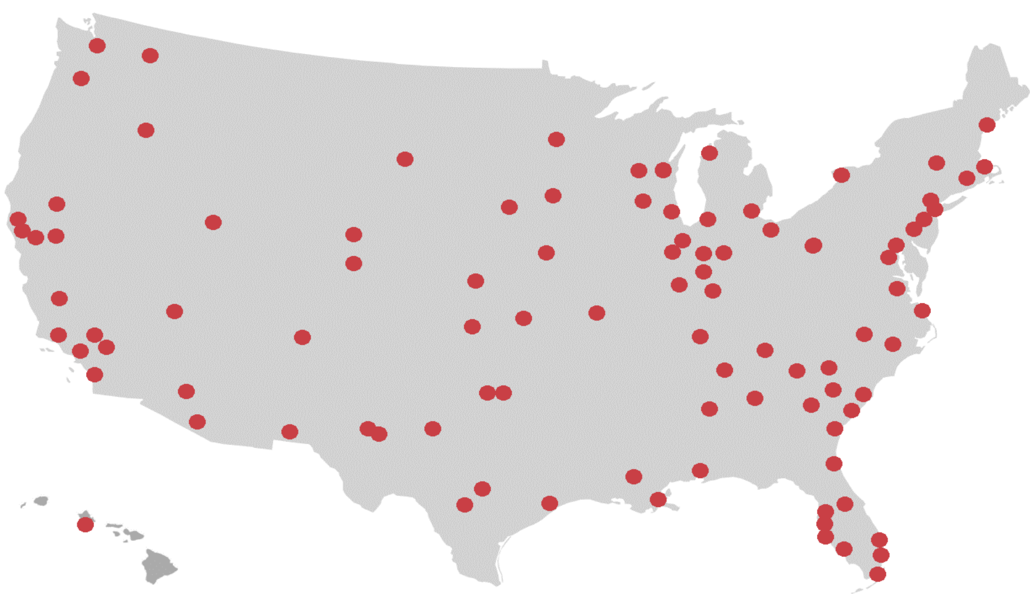
MARKET LEVEL

Published Rate Level	Rate Movement	Optimism
5th	**84th**	**3rd**
Strong	**Below Average**	**Very Strong**
The 30-day advanced published rate for the market was a very aggressive \$303.29, ranking 5th out of 104 markets. (Guest-Paid ADR ranked a somewhat aggressive 21st at \$163.17 in 4Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 4.3% over three weeks going into late January 2024. By comparison, the T-104 average posted downward movement of 2.34%.	Published rates reported in late January 2024 were 85.9% higher than the market's Guest-Paid ADR in 4Q 2023. This optimism is very strong. By comparison, the T-104 spread was -9.5%.

BRAND LEVEL

Published Rate Integrity	Coverage	Volatility
27th	**9th**	**33rd**
Above Average	**Strong**	**Low**
Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Sarasota, FL has a strong spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Sarasota, FL's top 10 brands are exhibiting low volatility with respect to advanced booking pricing movements in the three weeks leading into late January 2024.

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:

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Gaming Facilities

Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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

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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.

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

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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

We transform untapped potential into limitless opportunity.

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

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