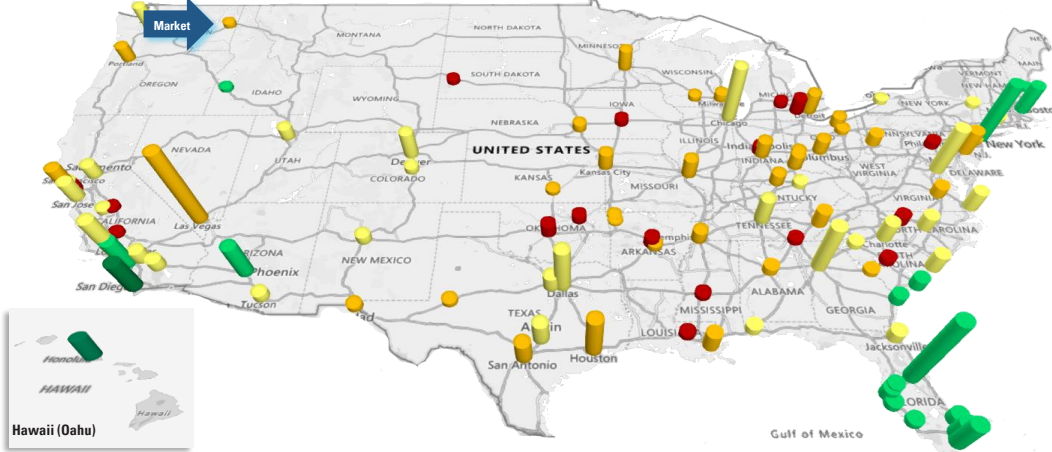


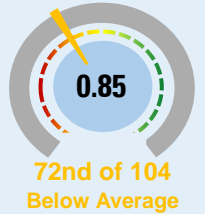
# 2Q 2023 SPOKANE, WA



## Lodging Performance Index Snapshot



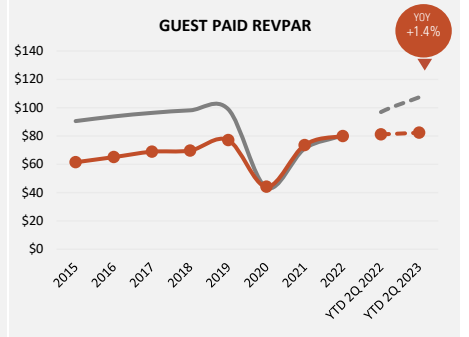
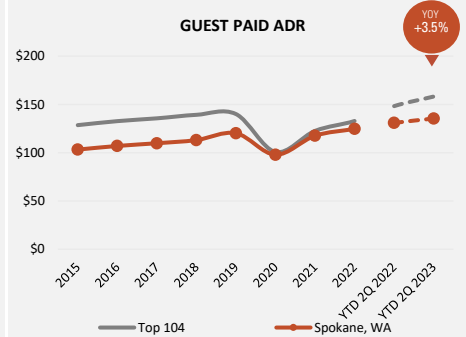
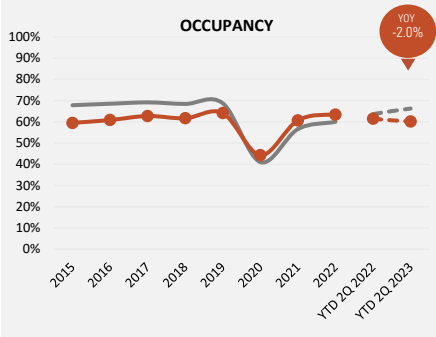
**LODGING PERFORMANCE INDEX**  
Spokane, WA



Ranking of overall '2Q 2023 LPI' performance (0.85) against all 104 surveyed markets.

LODGING PERFORMANCE INDEX

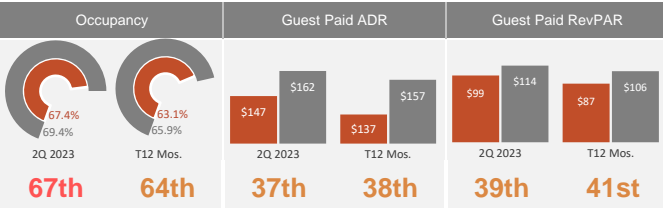
KEY PERFORMANCE METRICS



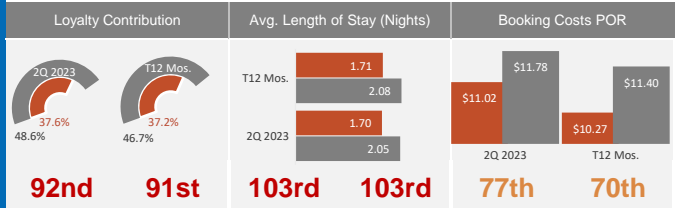
PERFORMANCE INDEXES

### Key Performance Indexes

● Subject Market ● Top 104

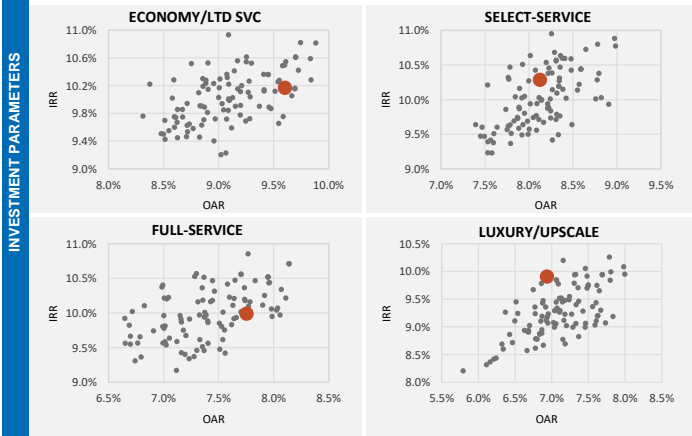


### Key Benchmark Indexes



### Discount and Capitalization Rates

Source: Newmark



### Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

**Jurisdictional Information**  
 Municipal Name: Spokane  
 County: Spokane County  
 State: Washington  
 Geo Coordinates (market center): 47.65878, -117.42605

Source: US Census Bureau, Dept. of Labor Statistics

**Major Hotel Demand Generators**  
 Fairchild AFB | Providence Health Care - Eastern Washington | Kalispel Tribal Economic Authority | URM Stores Inc. | Wal-Mart Stores Inc. | Eastern Washington University | Community Colleges of Spokane | Gonzaga University | Rockwood Clinic PS | Avista Corp. | Deaconess Medical Center | Manns-Grandstaff Veterans Medical Center | Ecova Inc. | Alorica Business Solutions | BNSF Railway Co. | Kaiser Aluminum Washington LLC | Yoke's Food Inc. | Eastern State Hospital | Pathology Associates Medical Laboratories LLC | Fred Meyer Stores

**Metrics and Ranking**

Measurement	Rankings
Population (hotel market area)	562,627
Income per Capita	\$44,768
Feeder Group Size	81.5 Persons PSR
Feeder Group Earnings	\$3,649,317 PSR
Total Market COPE	\$344.3 million
	81st of 104 (Below Average)
	67th of 104 (Below Average)
	64th of 104 (Average)
	54th of 104 (Average)
	78th of 104 (Below 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	59.5%	\$103.23	\$61.44	\$95.70	\$56.96	\$7.53	92.7%	45.6%	1.70	10,200	0.70
2016	60.8%	\$106.98	\$65.08	\$98.62	\$59.99	\$8.37	92.2%	49.3%	1.67	10,450	0.67
2017	62.7%	\$109.81	\$68.89	\$100.90	\$63.31	\$8.90	91.9%	50.4%	1.65	10,470	0.99
2018	61.7%	\$113.07	\$69.71	\$103.57	\$63.85	\$9.49	91.6%	50.8%	1.62	10,400	0.88
2019	64.1%	\$120.19	\$77.04	\$110.28	\$70.68	\$9.92	91.7%	55.4%	1.66	11,060	0.86
2020	44.3%	\$97.93	\$44.09	\$90.58	\$40.10	\$7.35	92.5%	33.6%	1.83	11,170	1.00
2021	60.7%	\$117.52	\$73.54	\$108.33	\$65.73	\$9.19	92.2%	34.8%	1.75	11,120	1.08
2022	63.3%	\$124.61	\$79.85	\$114.96	\$72.80	\$9.65	92.3%	35.4%	1.78	11,090	1.13
CAGR: 2015 thru 2022	0.9%	2.7%	3.8%	2.7%	3.6%	3.6%	-0.1%	-3.5%	0.6%	1.2%	7.0%
YTD 2Q 2022	61.4%	\$130.83	\$81.11	\$121.12	\$75.09	\$9.71	92.6%	36.1%	1.81	10,970	1.01
YTD 2Q 2023	60.1%	\$135.38	\$82.28	\$125.22	\$76.11	\$10.16	92.5%	37.0%	1.71	10,820	0.85
% Change	-2.0%	3.5%	1.4%	3.4%	1.4%	4.6%	-0.1%	2.7%	-5.5%	-1.4%	-16.2%

Notable Metrics

	Latest-Quarter Guest Paid ADR	Latest-Quarter COPE ADR	T12-Month Guest Paid ADR
<b>HIGHEST</b>	<b>37th Average</b> Spokane, WA exhibited strong latest-quarter Guest Paid ADR (\$147.29)	<b>37th Average</b> The market exhibited strong latest-quarter COPE ADR (\$136.28)	<b>38th Average</b> The market also benefited from strong T12-month Guest Paid ADR (\$136.67)
<b>LOWEST</b>	<b>103rd Soft</b> This market exhibited weak T12-month average length of stay (1.71 Nights)	<b>103rd Soft</b> The market has been impeded by weak latest-quarter average length of stay (1.70 Nights)	<b>92nd Highly Unfavorable</b> Spokane, WA also posted unfavorable IRR metrics in the luxury/upscale segment (9.9%)

Notable Trends

	Short-Term Historical Occupancy Growth	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical COPE ADR Growth
<b>FATEST</b>	<b>15th Above Average</b> Spokane, WA has benefited from strong short-term historical occupancy growth (4.3%)	<b>17th Above Average</b> The market exhibited strong short-term historical Guest Paid ADR growth (4.4%)	<b>18th Above Average</b> The market also has benefited from strong short-term historical COPE ADR growth (4.4%)
<b>SLOWEST</b>	<b>98th Soft</b> The market has been hindered by weak short-term historical loyalty contribution growth (1.3%)	<b>93rd Soft</b> We note this area has been impeded by high short-term historical growth in booking costs (4.7%)	<b>87th Below Average</b> Spokane, WA also exhibited high long-term historical booking costs POR growth (4.8%)

Market Performance Stage



Spokane, WA: Regeneration Stage

**Regeneration**  
 The Spokane, WA 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 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.

**Other Stages:**

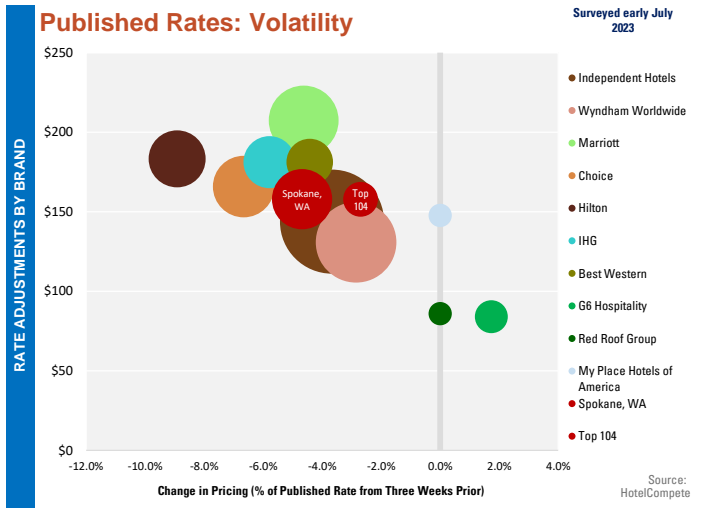
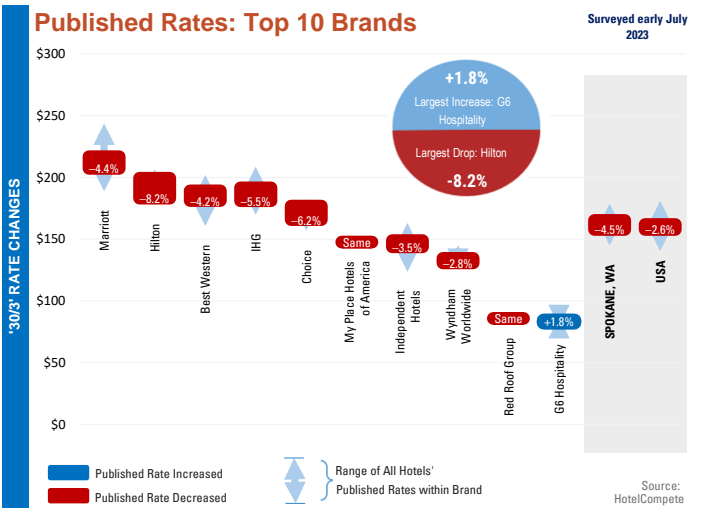
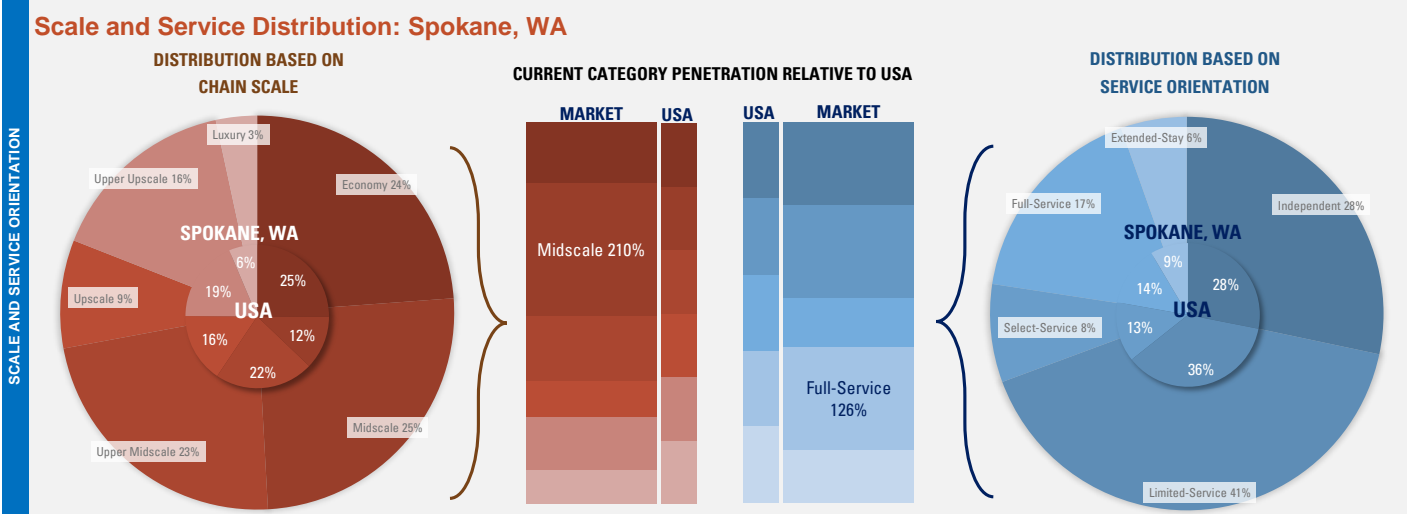
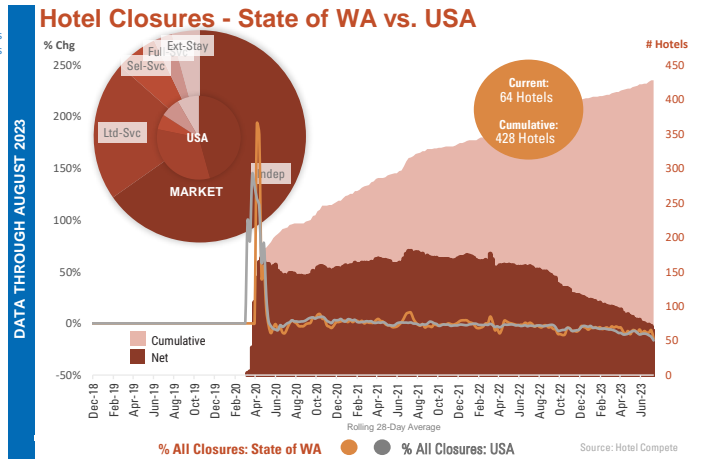
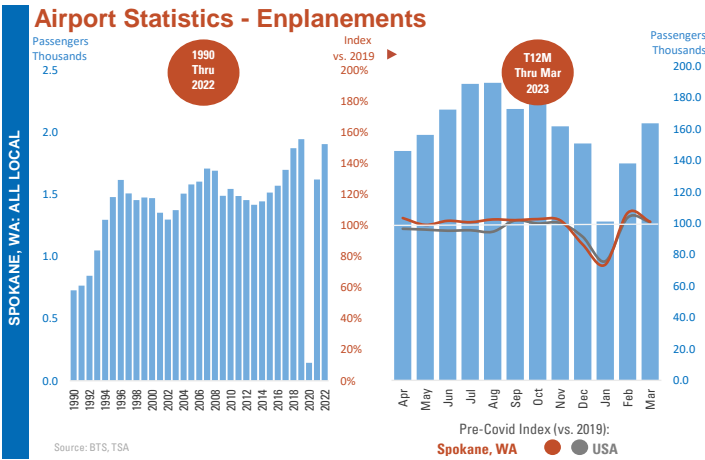
- Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Chicago, IL; Knoxville, TN; and Miami, FL.
- 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):** 2.0%  
**Risk Exposure (402 US markets):** 37th Percentile: Average Risk  
**Key Industry Notes:** College town, defense, Large healthcare industry, Large student population, Industrial diversity, Lack of high-wage industry

**Moody's Rating**  
**Aa1**  
**Investment Grade**  
 Long-term investment grade, Prime-1 short-term outlook



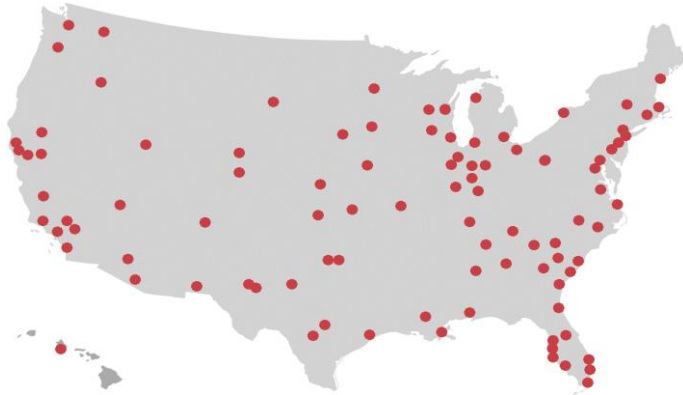


### Published Rate Observations: 30-Day Advance

MARKET LEVEL	Published Rate Level	Rate Movement	Optimism
	<b>44th</b> Average	<b>83rd</b> Below Average	<b>56th</b> Average
	The 30-day advanced published rate for the market was a moderate \$157.88, ranking 44th out of 104 markets. (Guest-Paid ADR ranked a moderate 37th at \$135.38 in 2Q 2023.)	Published rates have recently been moving downward, decreasing by a noticeable 4.5% 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 7.2% 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
	<b>73rd</b> Below Average	<b>56th</b> Average	<b>63rd</b> Moderate
	Published rates among the top 10 brands have a moderate amount of integrity with some pricing overlap, suggesting bottom-feeding occasionally exists.	Spokane, WA has an average spectrum of rate classes and traveler types among its top 10 brands, and the range of coverage has been contracting.	Spokane, WA'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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- 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

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.

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