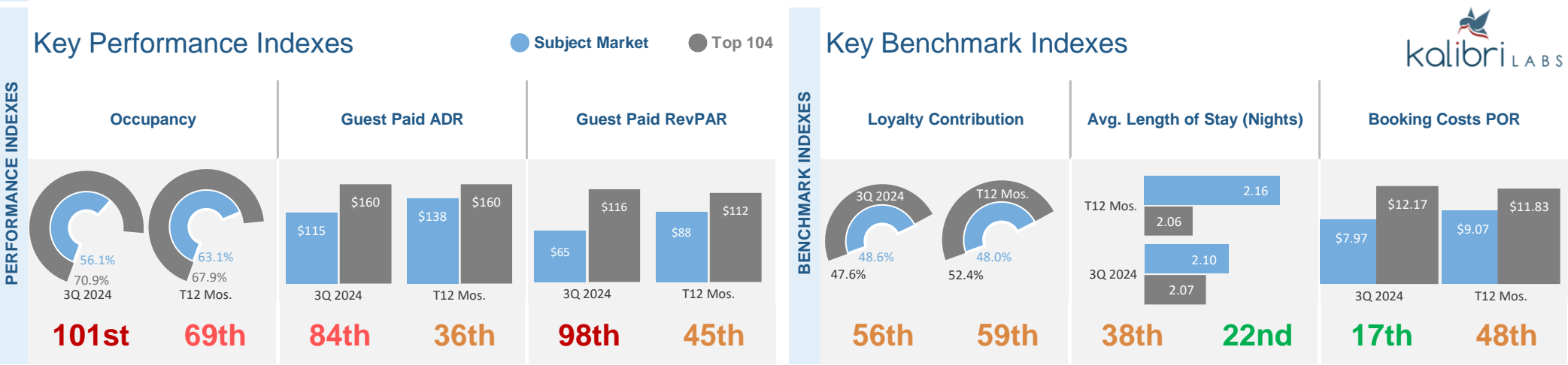
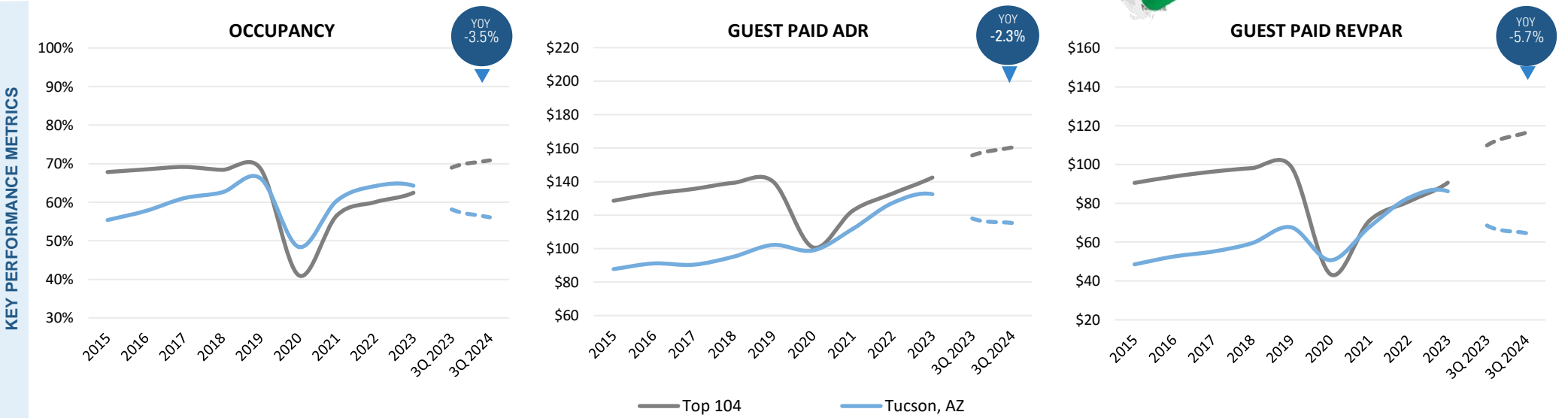
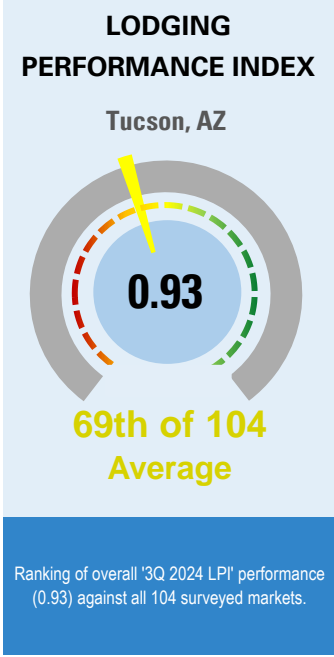
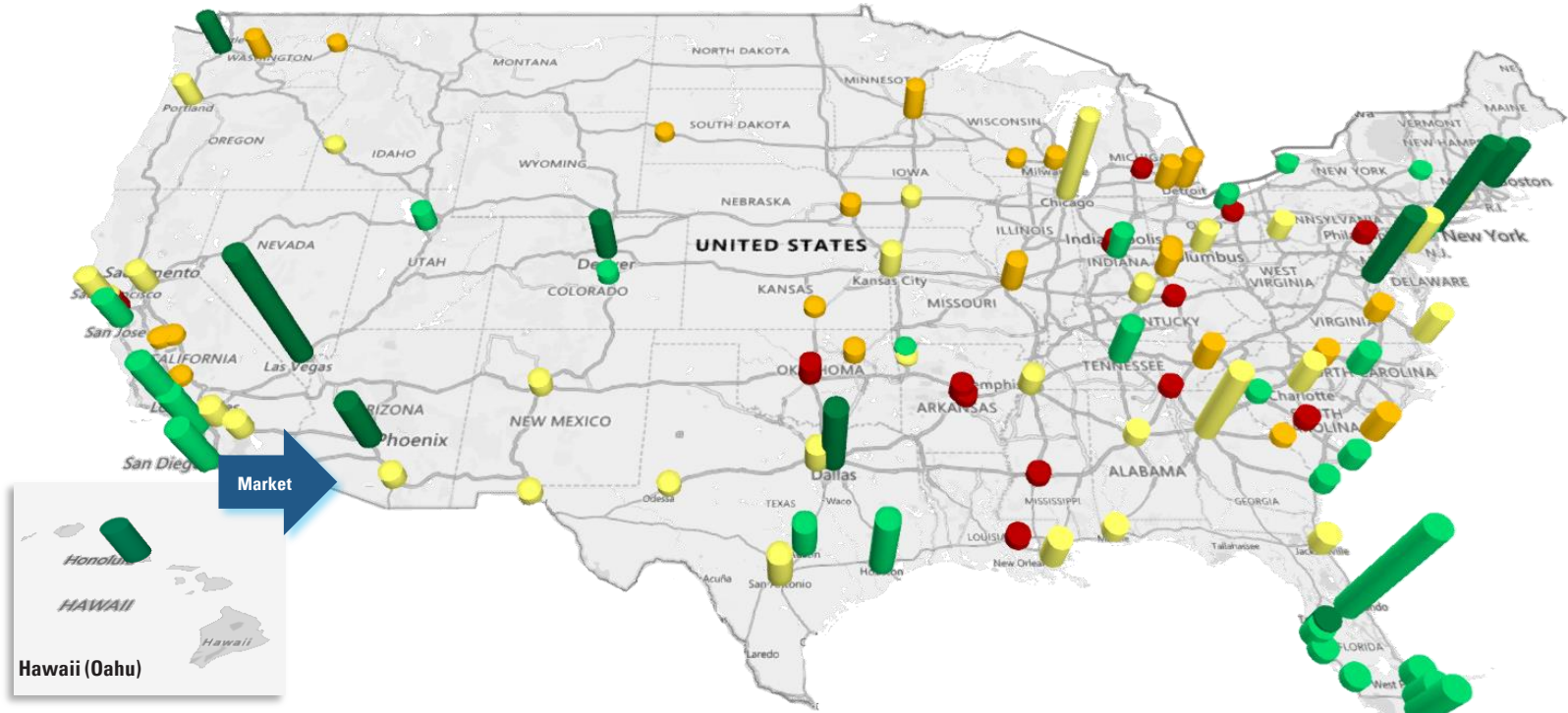


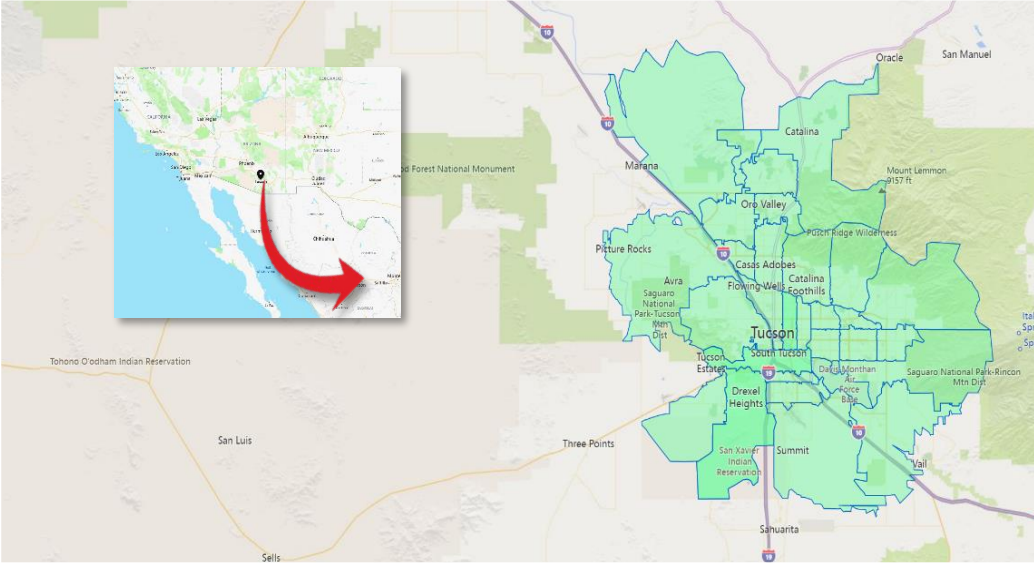
3Q 2024
TUCSON, AZ



Lodging Performance Index Snapshot



Location



Quick Facts

Jurisdictional Information

Municipal Name:

County:

State:

Geo Coordinates (market center):

Tucson

Pima County

Arizona

32.22174, -110.92648

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators

University of Arizona | Raytheon Missile Systems | Davis-Monthan Air Force Base | Wal-Mart Stores Inc. | U.S. Customs and Border Protection | Banner - University Medicine (UA Healthcare) | Freeport-McMoRan Inc. | Tohono O'odham Nation | Carondelet Health Network | TMC Healthcare | Southern Arizona VA Health Care System | Corrections Corp. of America | Fry's Food Stores | Pima Community College | Asarco | Afni Inc. | Arizona National Guard | APAC Customer Services Inc. | Safeway Stores Inc.- Phoenix Division | Target Corp.

Metrics and Ranking

Measurement

Rankings

Population (hotel market area)

731,362

67th of 104 (Below Average)

Income per Capita

\$39,617

82nd of 104 (Below Average)

Feeder Group Size

72.8 Persons PSR

56th of 104 (Average)

Feeder Group Earnings

\$2,884,867 PSR

32nd of 104 (Above Average)

Total Market Hotel Revenues

\$516.2 million

61st of 104 (Average)

Key Performance Metrics

YEAR ENDING	Guest Paid			COPE		Booking Cost	ADR COPE	Loyalty	Avg Length of	Supply	Performance
	Occ %	ADR	RevPAR	ADR	RevPAR	POR	%	%	Stay Nights	Rooms	Index (LPI)
2015	55.4%	\$87.74	\$48.58	\$81.28	\$45.00	\$6.46	92.6%	42.3%	2.13	15,810	0.73
2016	57.7%	\$91.13	\$52.61	\$84.10	\$48.55	\$7.03	92.3%	43.4%	2.07	15,790	1.06
2017	61.0%	\$90.36	\$55.16	\$83.13	\$50.74	\$7.23	92.0%	42.9%	2.03	15,390	1.17
2018	62.6%	\$95.09	\$59.49	\$87.57	\$54.79	\$7.51	92.1%	45.2%	2.08	15,270	1.12
2019	66.2%	\$102.19	\$67.65	\$94.16	\$62.33	\$8.03	92.1%	49.7%	2.07	15,290	1.31
2020	48.4%	\$98.86	\$50.72	\$92.35	\$44.70	\$6.50	93.4%	36.6%	2.31	15,290	1.29
2021	60.4%	\$111.74	\$67.84	\$104.02	\$62.83	\$7.73	93.1%	41.4%	2.27	15,340	1.14
2022	64.2%	\$127.27	\$82.78	\$118.65	\$76.15	\$8.62	93.2%	42.1%	2.27	15,440	1.20
2023	64.3%	\$132.47	\$86.18	\$123.70	\$79.51	\$8.77	93.4%	42.6%	2.26	15,500	1.06
CAGR: 2015 thru 2023	1.9%	5.3%	7.4%	5.4%	7.4%	3.9%	0.1%	0.1%	0.7%	-0.2%	4.8%
3Q 2023	58.1%	\$117.98	\$68.58	\$110.08	\$63.99	\$7.90	93.3%	45.9%	2.15	15,810	1.24
3Q 2024	56.1%	\$115.32	\$64.67	\$107.35	\$60.20	\$7.97	93.1%	48.6%	2.10	15,810	0.93

Data provided by: kalibri LABS

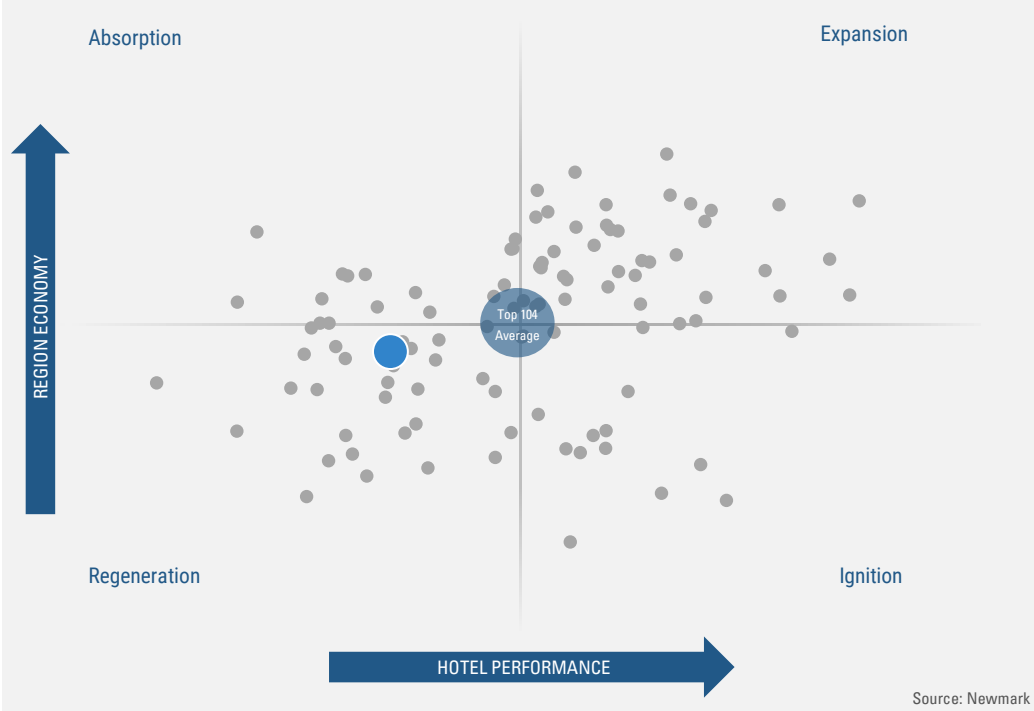
Notable Metrics

HIGHEST	T12-Month COPE ADR Percentage	Latest-Quarter Booking Costs POR	T12-Month Average Length of Stay
	11th Above Average Tucson, AZ benefited from strong T12-month COPE ADR percentage (93.4%)	17th Above Average The market enjoyed low latest-quarter booking costs POR (\$7.97)	22nd Above Average The market also benefited from strong T12-month average length of stay (2.16 Nights)
LOWEST	Latest-Quarter Occupancy	Latest-Quarter COPE RevPAR	Latest-Quarter Guest Paid RevPAR
	101st Soft This market exhibited weak latest-quarter occupancy (56.1%)	98th Soft The market has been hampered by weak latest-quarter COPE RevPAR (\$60.20)	98th Soft Tucson, AZ also posted weak latest-quarter Guest Paid RevPAR (\$64.67)

Notable Trends

STRONGEST	Long-Term Historical Occupancy Growth	Long-Term Historical Guest Paid RevPAR Growth	Short-Term Historical Guest Paid ADR Growth
	8th Strong Tucson, AZ enjoyed strong long-term historical occupancy growth (0.7%)	9th Strong The market exhibited strong long-term historical Guest Paid RevPAR growth (4.1%)	9th Strong The market also exhibited strong short-term historical Guest Paid ADR growth (5.2%)
WEAKEST	Short-Term Historical Occupancy Growth	Overall Health of Hotel Market	Short-Term Historical Booking Costs POR Growth
	103rd Soft The market has been hindered by weak short-term historical occupancy growth (-6.5%)	80th Below Average We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	80th Below Average Tucson, AZ also has been impeded by high short-term historical growth in booking costs (4.5%)

Market Performance Stage



Tucson, AZ: Regeneration Stage

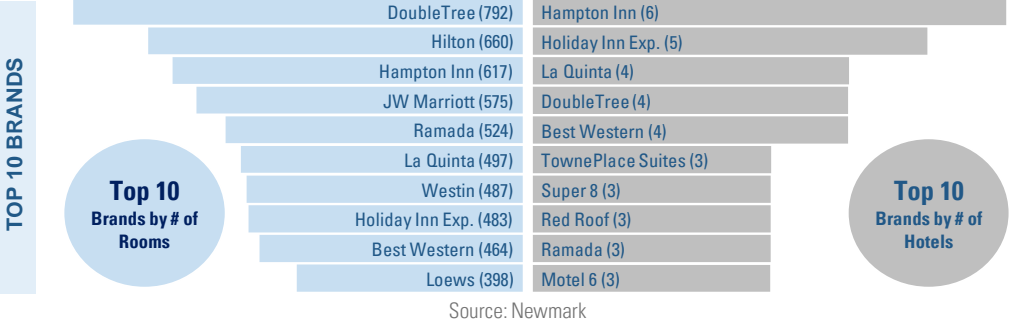
The Tucson, AZ market is currently in the 'Regeneration' stage of the performance cycle. In this stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or 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:

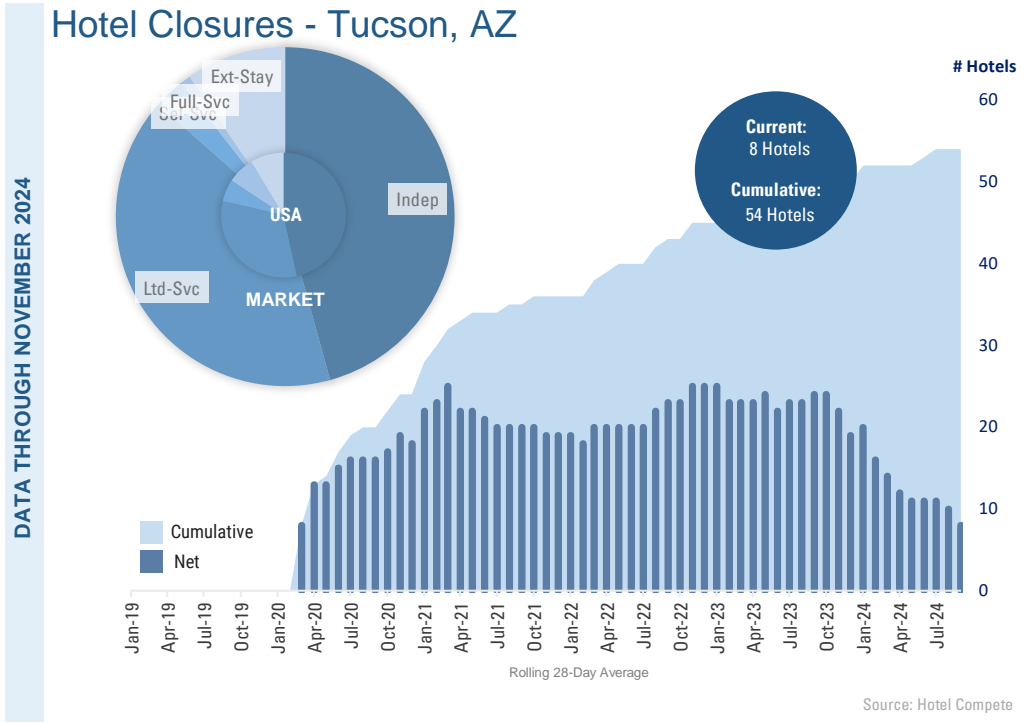
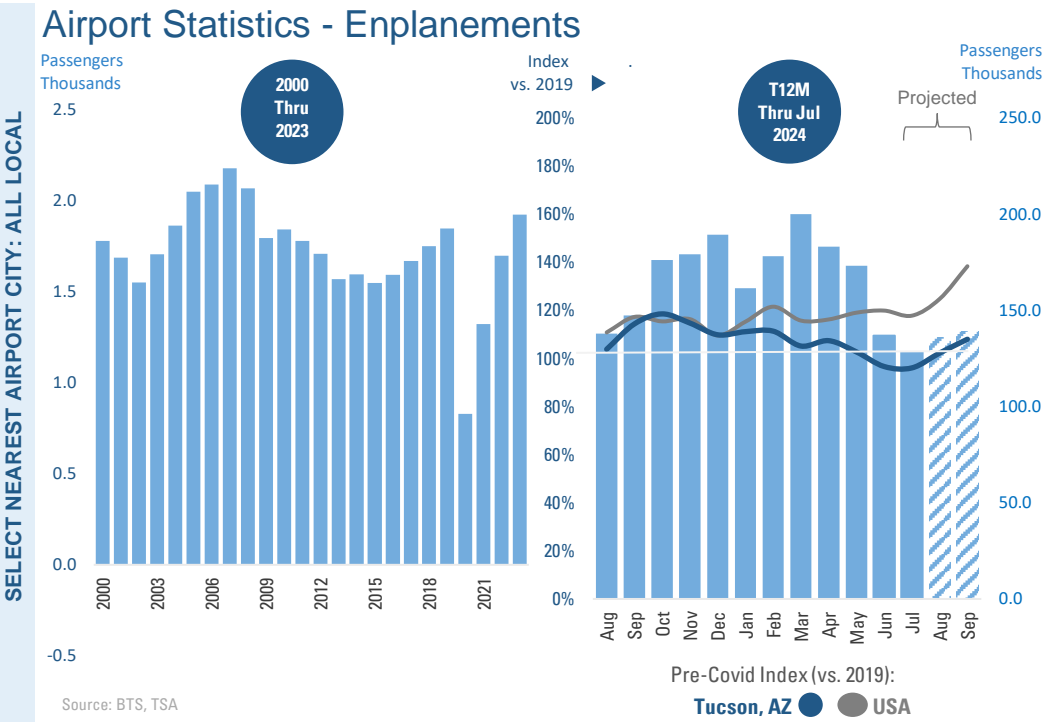
Ignition	In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain 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.

Industry Observations

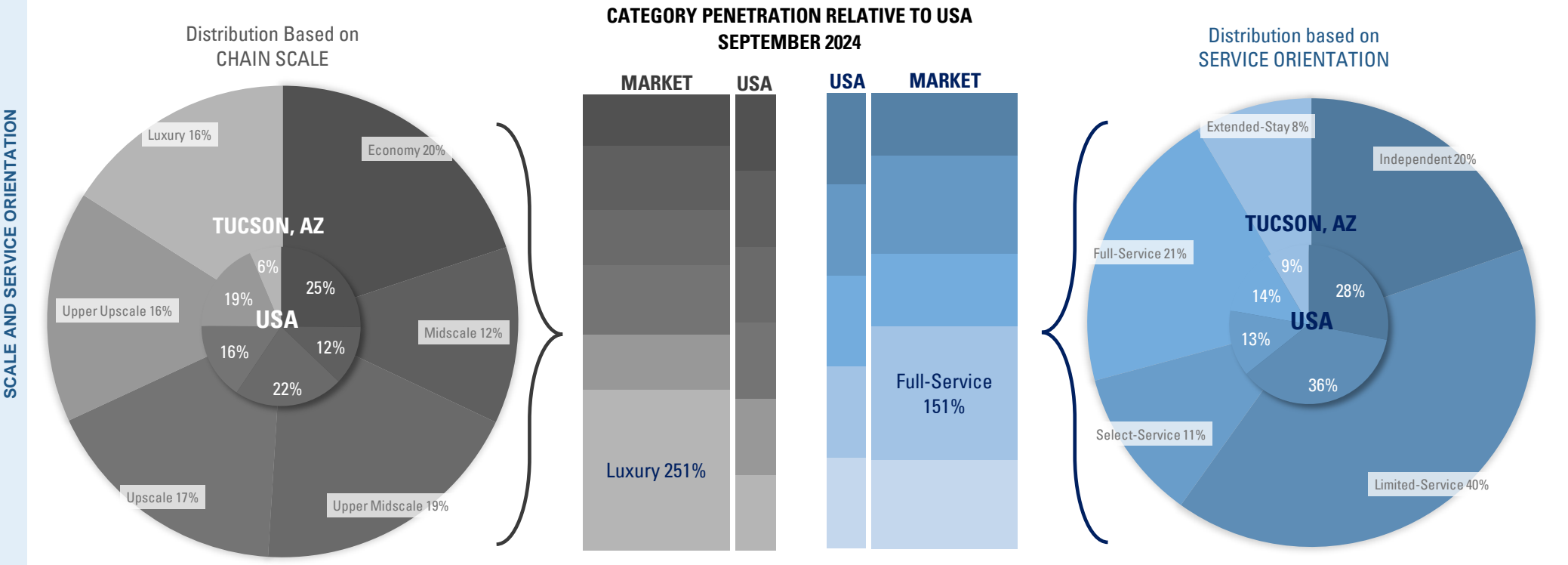
MOODY'S ANALYTICS	Business Cycle:	Mid Expansion	Moody's Rating
	Employment Growth (2 yr):	1.5%	
	Risk Exposure (402 US markets):	23rd Percentile: Below Average	NR
	Key Industry Notes:	Exposure to military employment Highly educated workforce Small working-age population Below-average incomes Employment volatility	



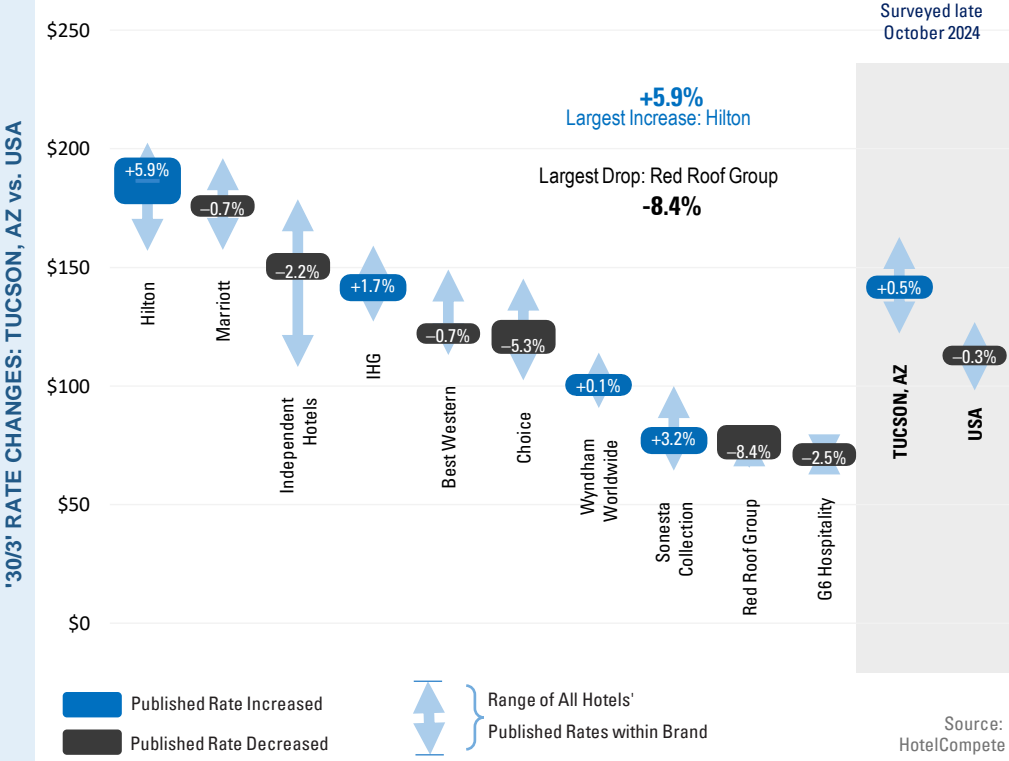
Source: Newmark



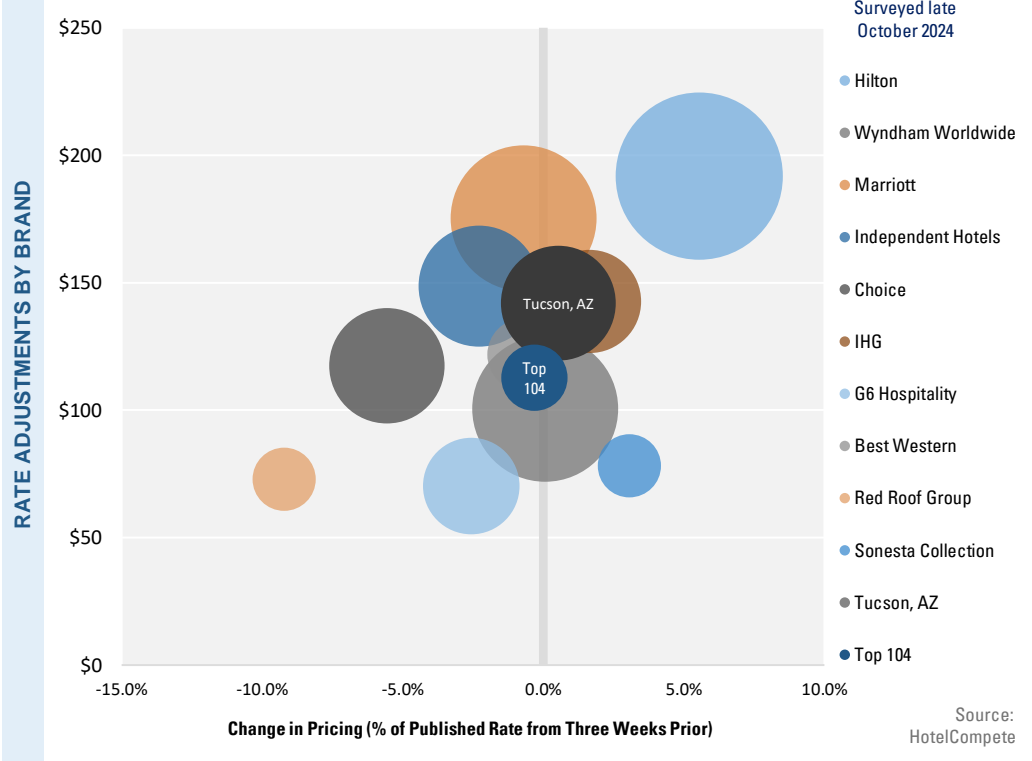
Scale and Service Distribution: Tucson, AZ



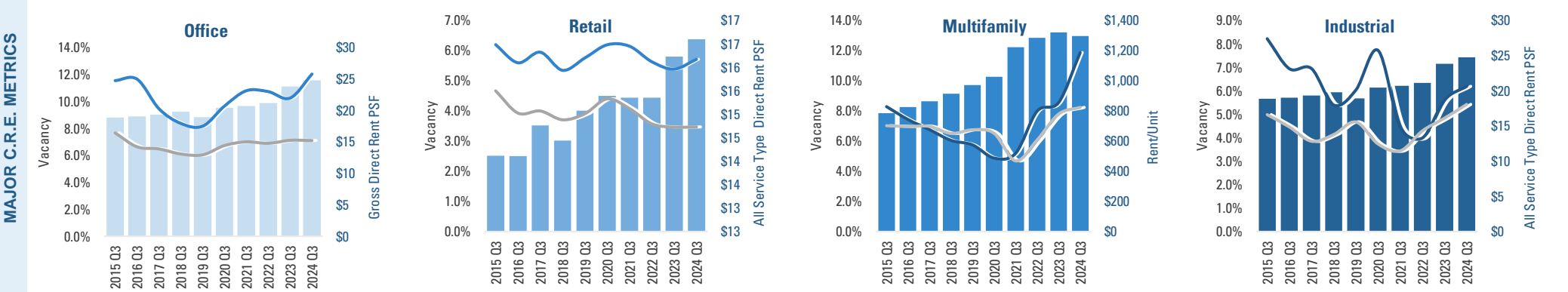
Published Rates: Top 10 Brands



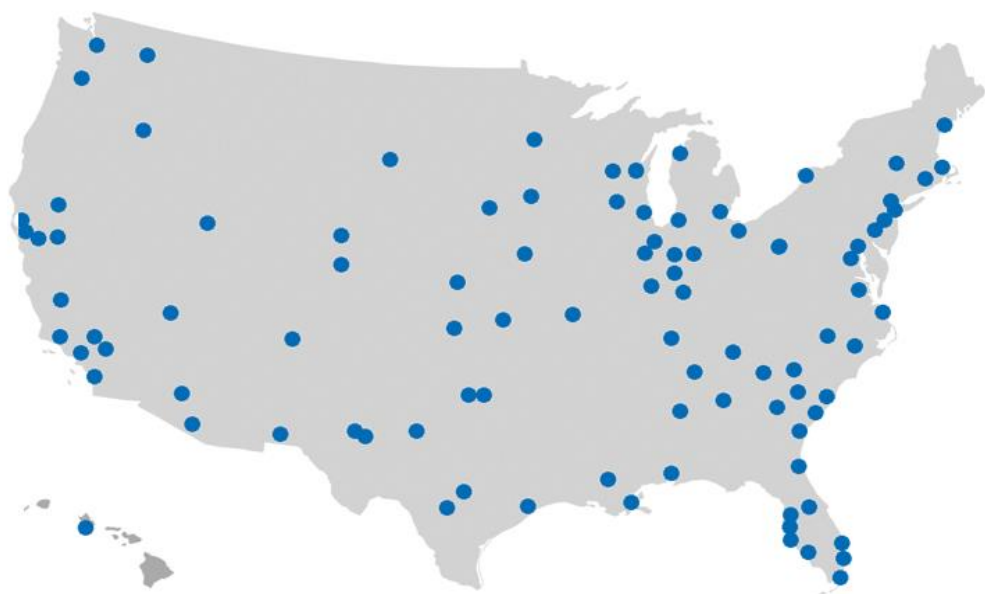
Published Rates: Volatility



Major CRE Market Performance



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
Gaming Facilities
Stadiums, Sports & Entertainment 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.

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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