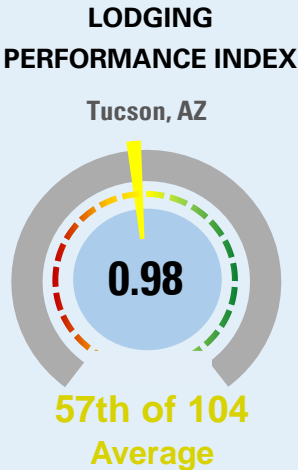
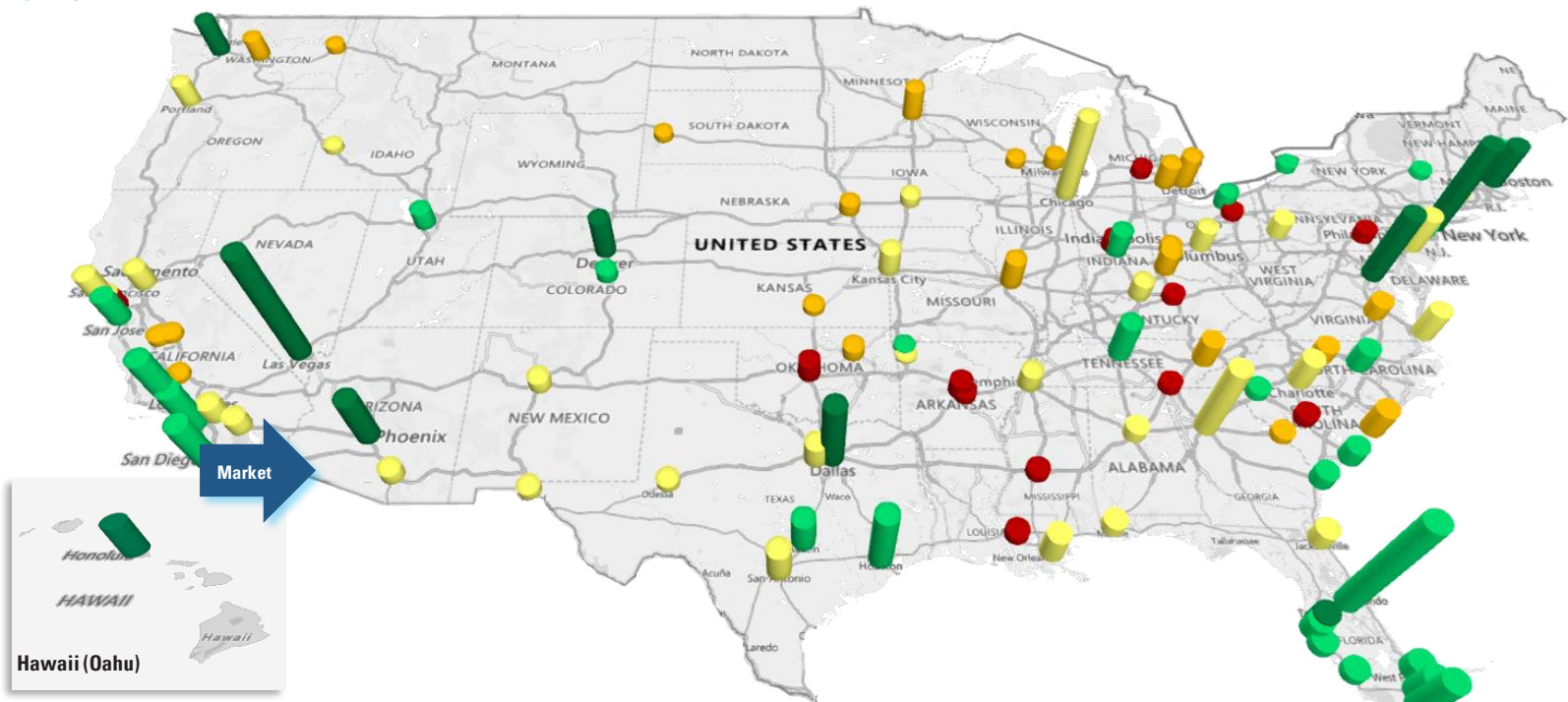


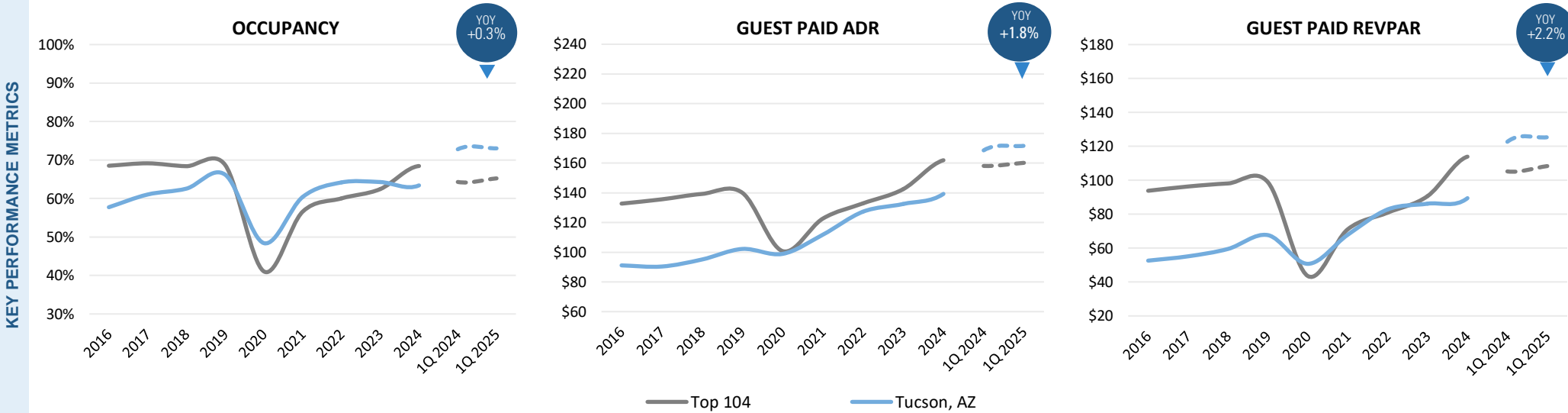
1Q 2025  
TUCSON, AZ



Lodging Performance Index Snapshot



Ranking of overall '1Q 2025 LPI' performance (0.98) against all 104 surveyed markets.

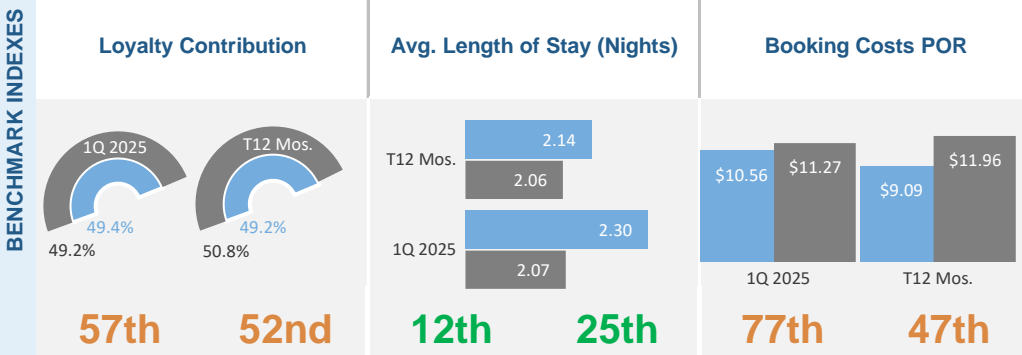


Key Performance Indexes

● Subject Market ● Top 104

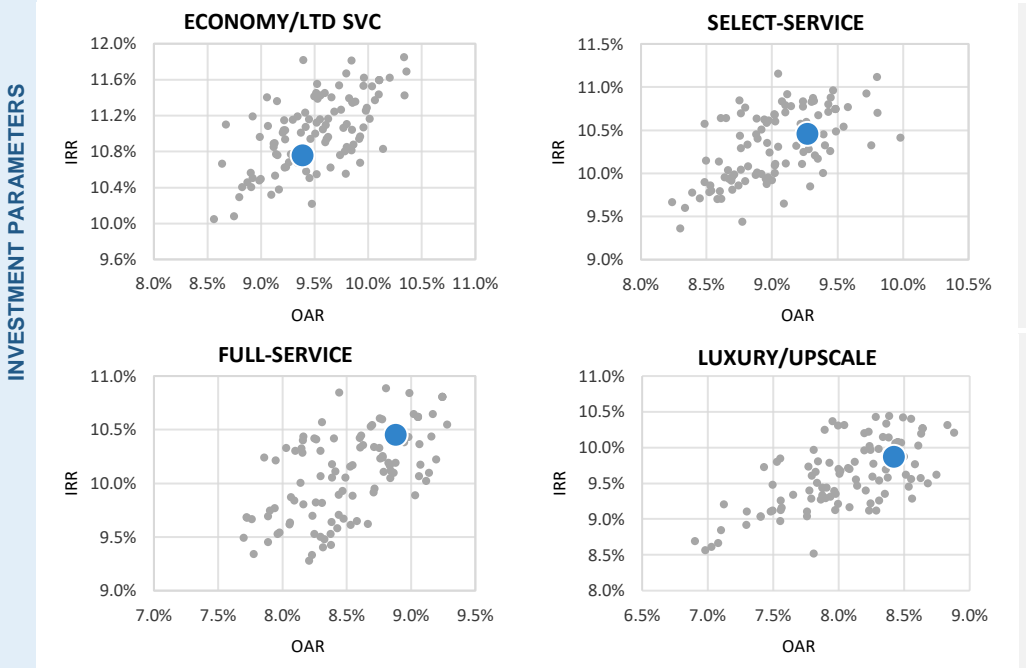


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

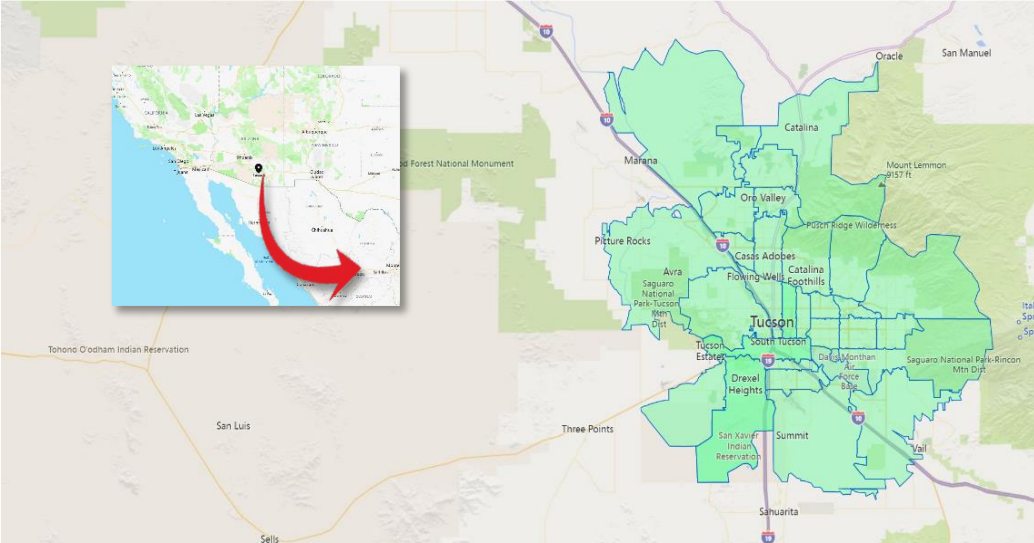


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Key Performance Metrics

YEAR ENDING	Guest Paid		COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR						
2016	57.7%	\$91.13	\$52.61	\$84.10	\$7.03	92.3%	43.4%	2.07	15,790	1.06
2017	61.0%	\$90.36	\$55.16	\$83.13	\$7.23	92.0%	42.9%	2.03	15,390	1.17
2018	62.6%	\$95.09	\$59.49	\$87.57	\$7.51	92.1%	45.2%	2.08	15,270	1.12
2019	66.2%	\$102.19	\$67.65	\$94.16	\$8.03	92.1%	49.7%	2.07	15,290	1.31
2020	48.4%	\$98.86	\$50.72	\$92.35	\$6.50	93.4%	36.6%	2.31	15,290	1.29
2021	60.4%	\$111.74	\$67.84	\$104.02	\$7.73	93.1%	41.4%	2.27	15,340	1.14
2022	64.2%	\$127.27	\$82.78	\$118.65	\$8.62	93.2%	42.1%	2.27	15,440	1.20
2023	64.3%	\$132.47	\$86.18	\$123.70	\$8.77	93.4%	42.6%	2.26	15,500	1.06
2024	63.4%	\$139.26	\$89.45	\$130.13	\$9.13	93.4%	48.8%	2.16	15,740	1.03
CAGR: 2016 thru 2024	1.2%	5.4%	6.9%	5.6%	3.3%	0.2%	1.5%	0.5%	0.0%	-0.4%
1Q 2024	72.8%	\$168.55	\$122.69	\$157.81	\$10.74	93.6%	47.6%	2.35	15,670	1.05
1Q 2025	73.0%	\$171.64	\$125.36	\$161.09	\$10.56	93.8%	49.4%	2.30	15,710	0.98

Data provided by: kalibri LABS

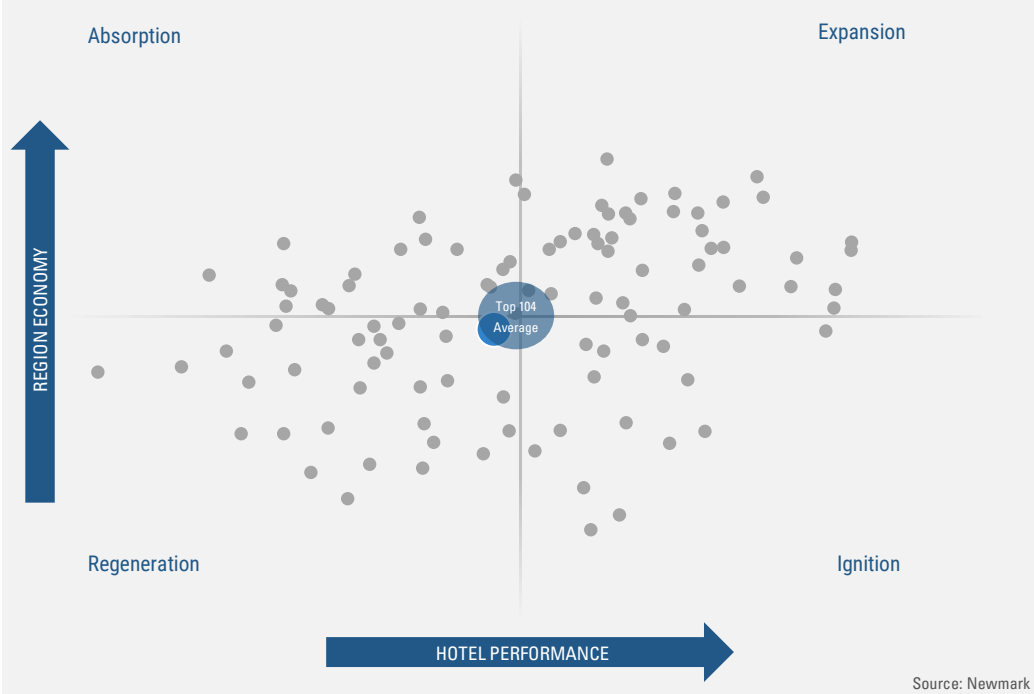
Notable Metrics

	T12-Month COPE ADR Percentage	Latest-Quarter Average Length of Stay	Latest-Quarter Occupancy
	<b>8th Strong</b> Tucson, AZ benefited from strong T12-month COPE ADR percentage (93.5%)	<b>12th Above Average</b> The market boasted strong latest-quarter average length of stay (2.30 Nights)	<b>17th Above Average</b> The market also enjoyed strong latest-quarter occupancy (73.0%)
	IRR: Full-Service	OAR: Full-Service	Economy Median Income
	<b>87th Unfavorable</b> This market posted unfavorable IRR metrics in the full-service segment (10.4%)	<b>83rd Unfavorable</b> The market posted unfavorable OAR metrics in the full-service segment (8.9%)	<b>82nd Below Average</b> Tucson, AZ also was stymied by weak Economy Median Income (\$39,617)

Notable Trends

	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE RevPAR Growth
	<b>8th Strong</b> Tucson, AZ has benefited from strong long-term historical Guest Paid ADR growth (4.0%)	<b>8th Strong</b> The market exhibited strong long-term historical Guest Paid RevPAR growth (4.4%)	<b>8th Strong</b> The market also posted strong long-term historical COPE RevPAR growth (4.4%)
	Short-Term Historical Occupancy Growth	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Supply Growth
	<b>91st Soft</b> The market has been hindered by weak short-term historical occupancy growth (-1.7%)	<b>84th Below Average</b> We note this area exhibited high long-term historical booking costs POR growth (3.9%)	<b>74th Below Average</b> Tucson, AZ also has been burdened by high short-term historical supply growth (0.7%)

Market Performance Stage



Tucson, AZ: Regeneration Stage

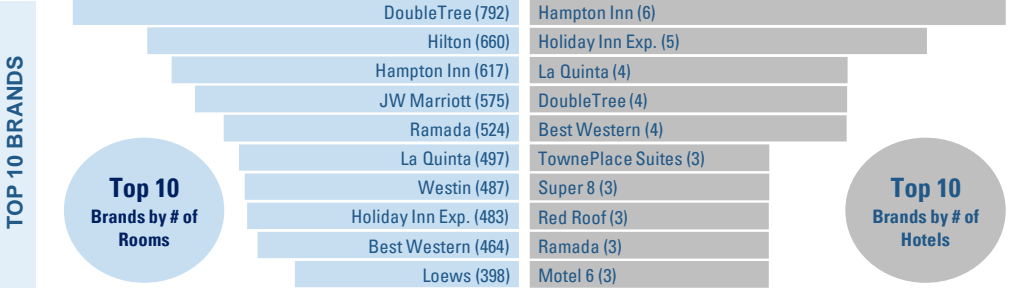
The Tucson, AZ market is currently in the 'Regeneration' stage of the performance cycle. In this stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or 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; Chicago, IL; and Miami, FL.
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 Fort Worth, TX; Minneapolis, MN; and Portland, OR.
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.

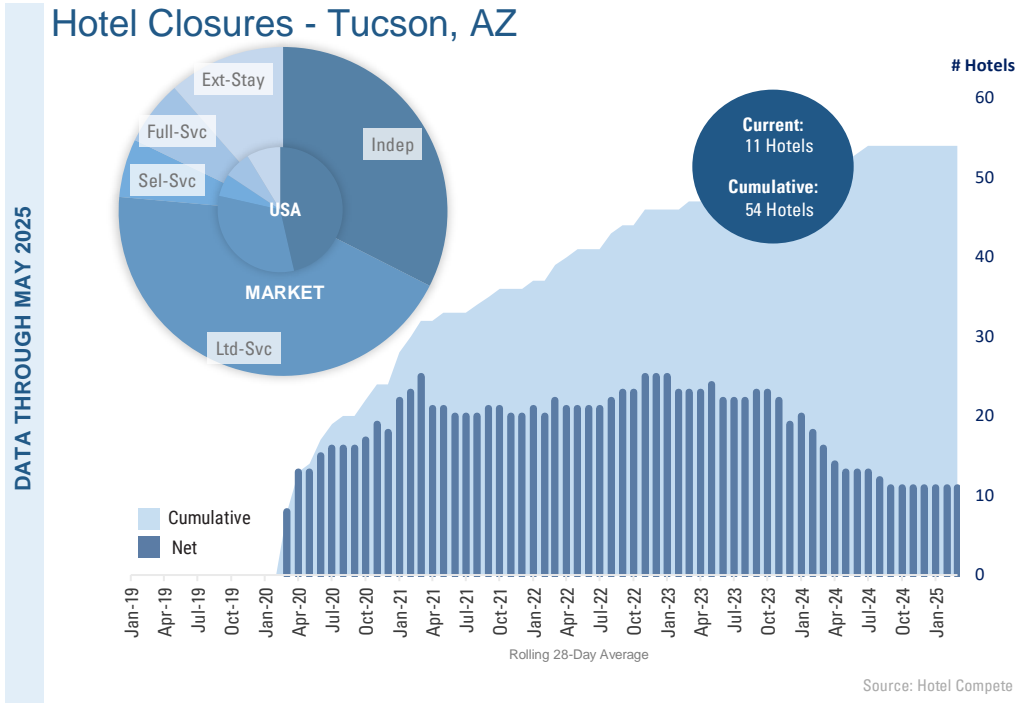
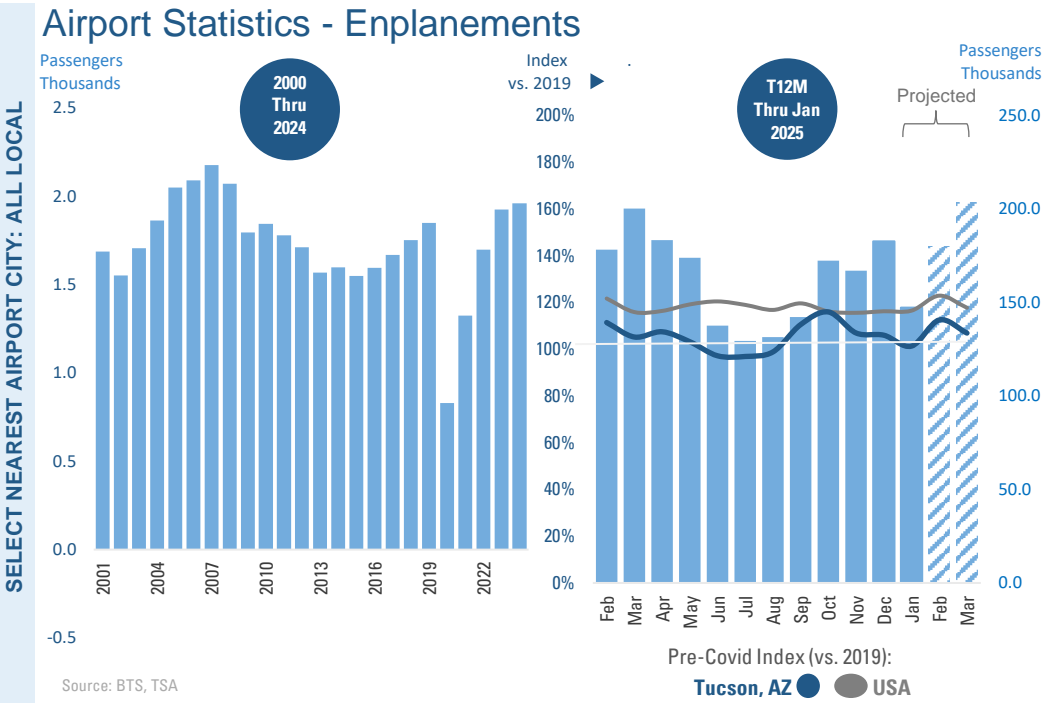
Industry Observations

MOODY'S ANALYTICS	Business Cycle:	Expansion	Moody's Rating
	Employment Growth (2 yr): Risk Exposure (402 US markets): Key Industry Notes:	<b>1.5%</b> <b>18th Percentile: Below Average</b> Exposure to military employment Highly educated workforce Small working-age population Below-average incomes Employment volatility	
			<b>NR</b> This market is not rated by Moody's

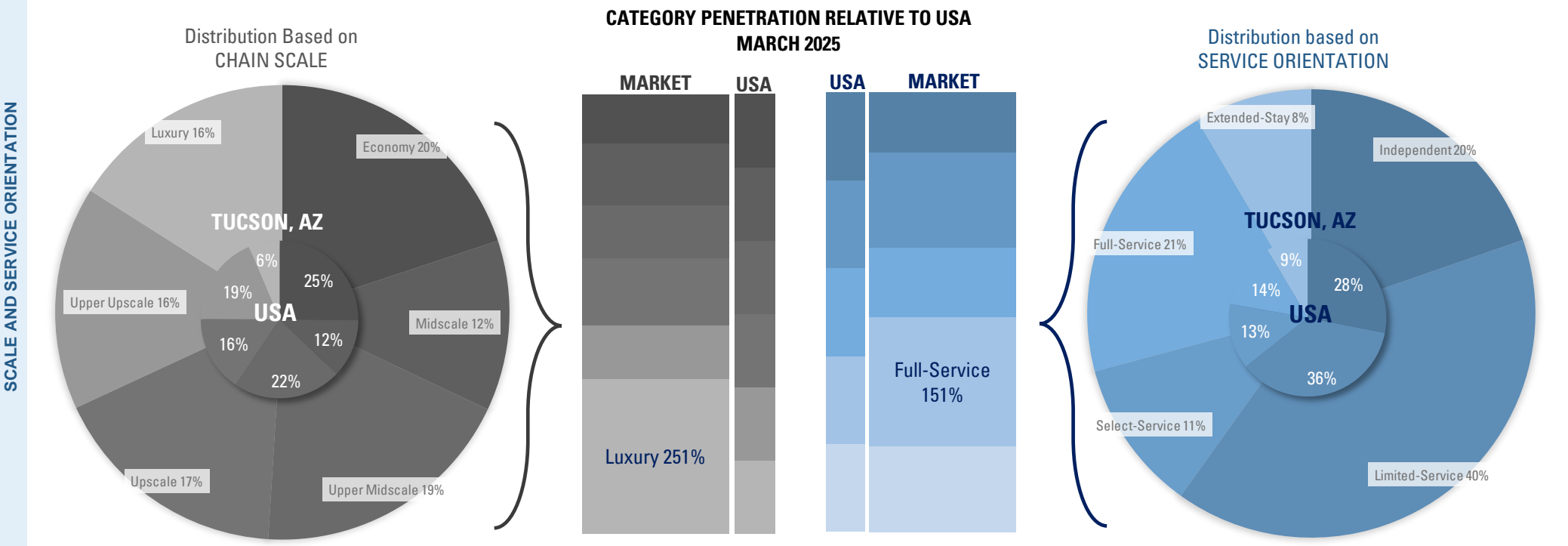


Source: Newmark

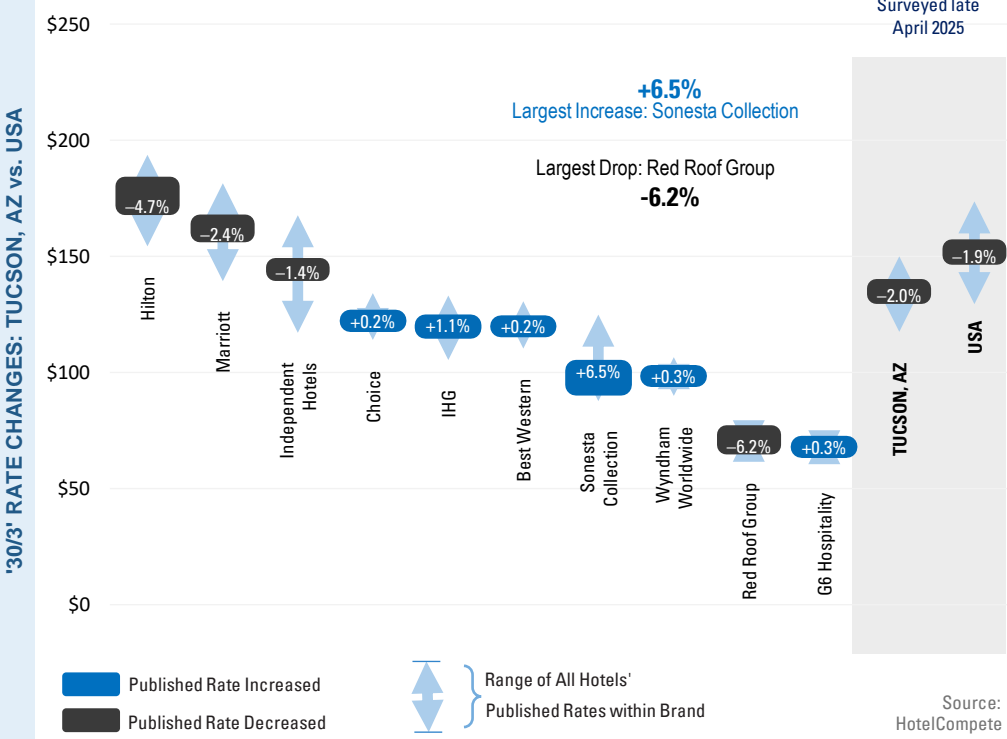




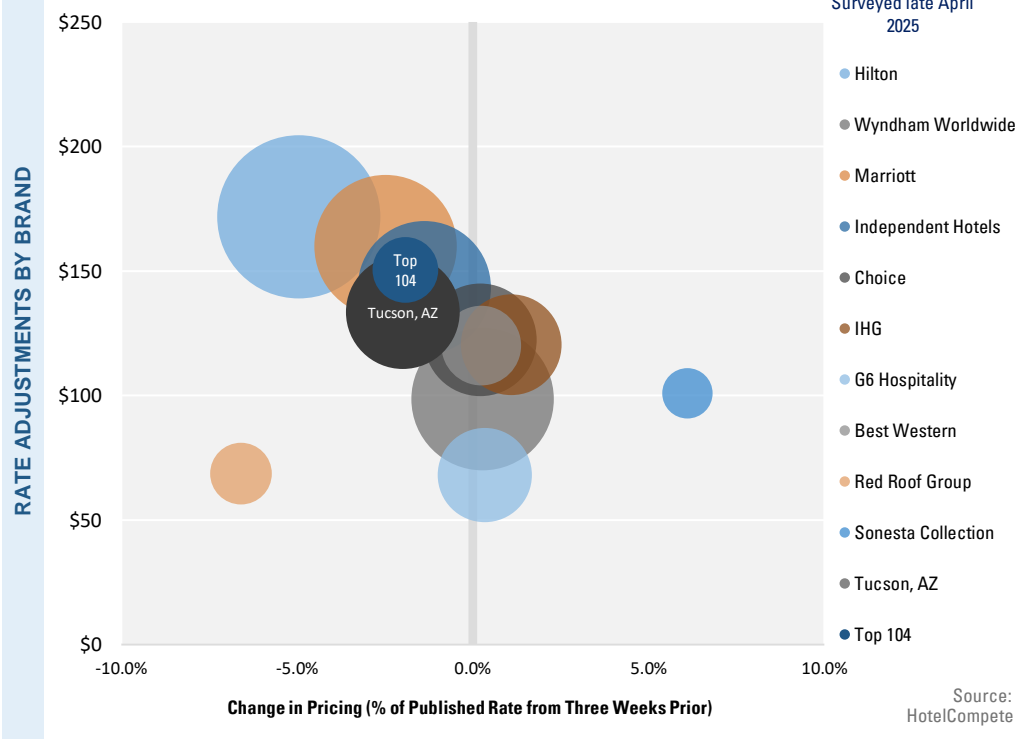
## Scale and Service Distribution: Tucson, AZ



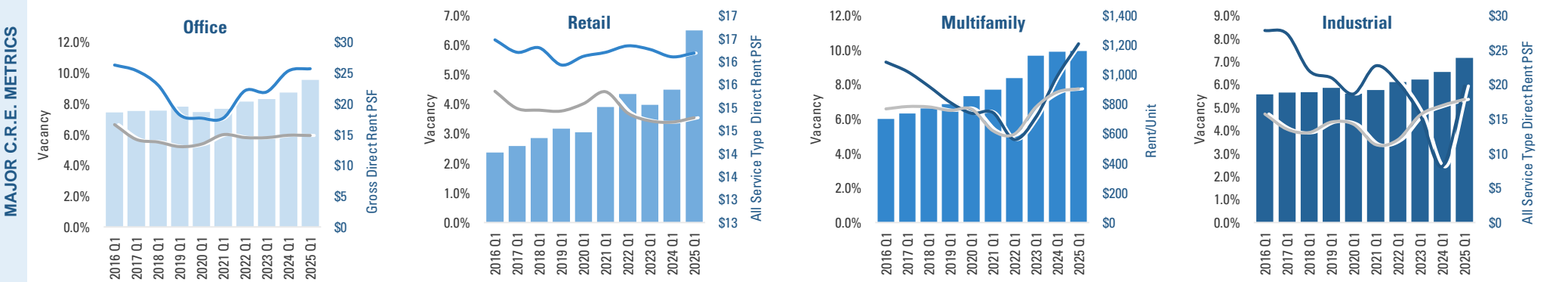
## Published Rates: Top 10 Brands



## 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**  
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**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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### CONTACT: SOUTHWEST MARKETS

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