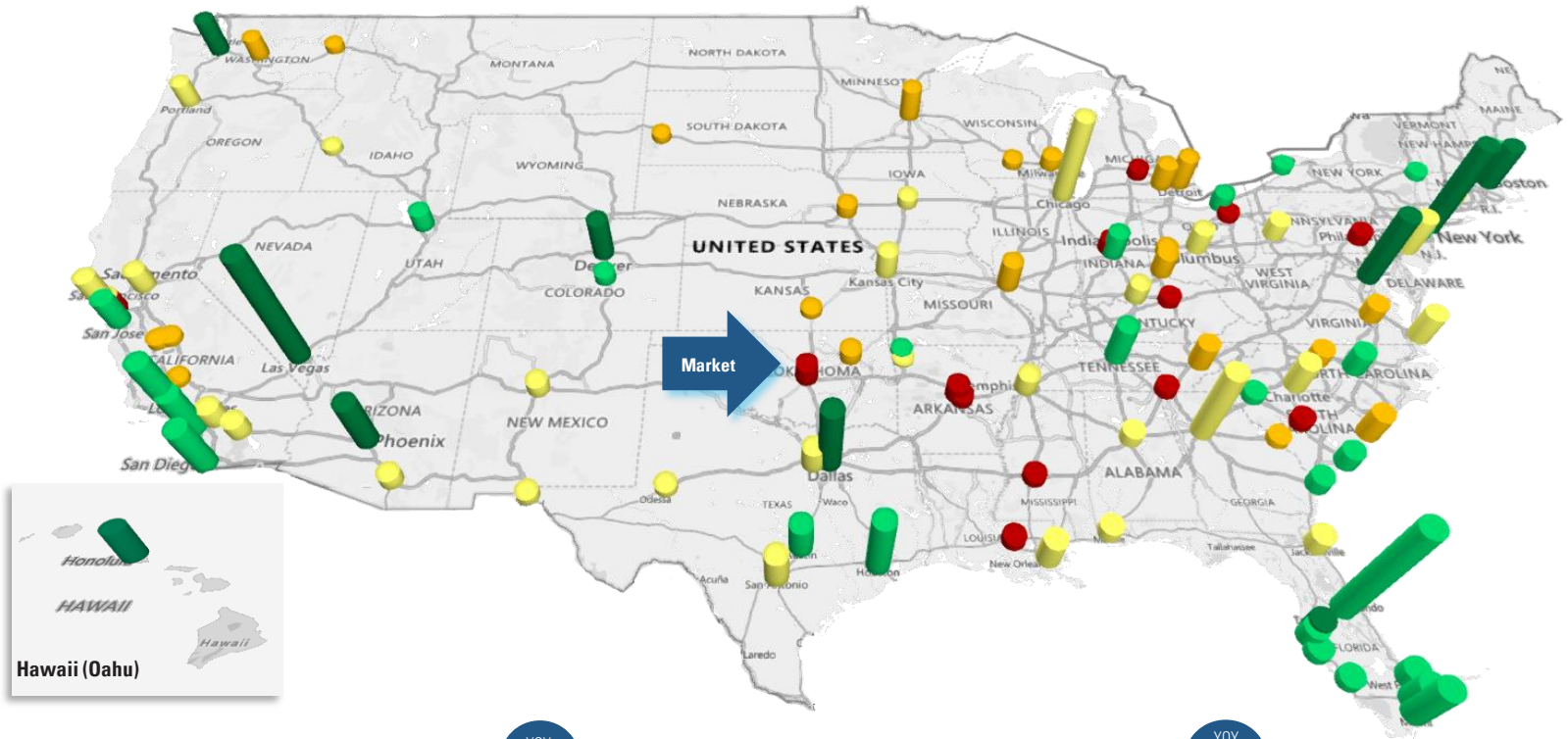
VALUATION & ADVISORY | HOSPITALITY, GAMING & LEISURE

HOTEL MARKET NSIGHTS REPORT

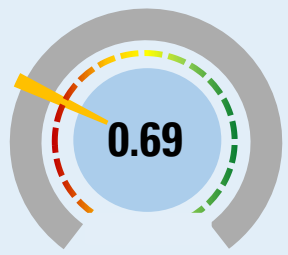
3Q 2024
TULSA, OK

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

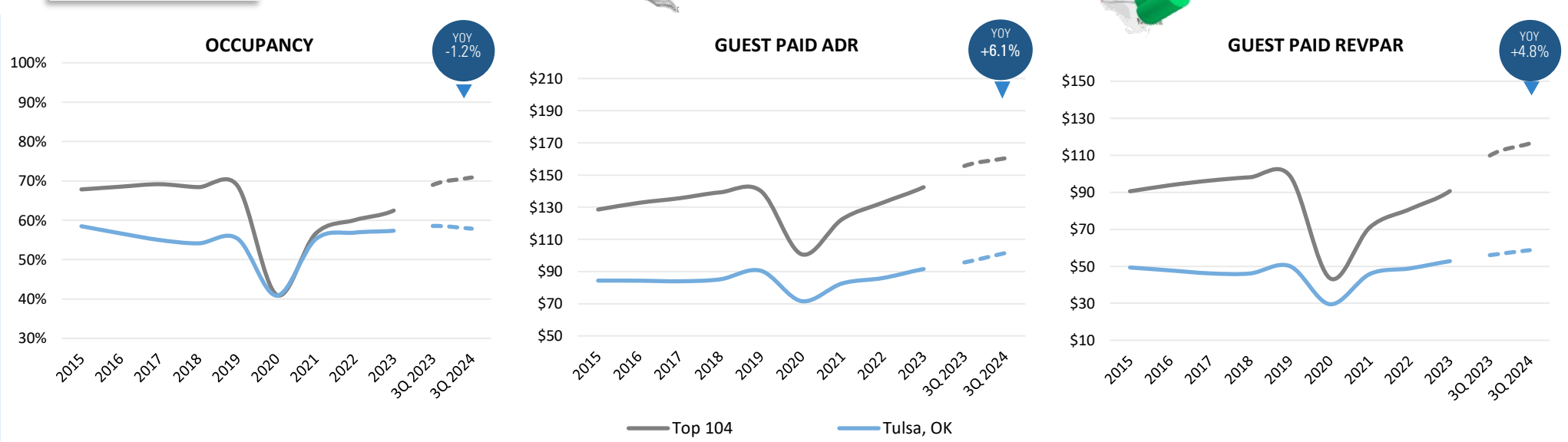
Tulsa, OK



87th of 104
Below Average

Ranking of overall '3Q 2024 LPI' performance (0.69) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
57.9% / 70.9%	57.6% / 67.9%	$101 / $160	$103 / $160	$59 / $116	$59 / $112
3Q 2024	T12 Mos.	3Q 2024	T12 Mos.	3Q 2024	T12 Mos.
98th	96th	99th	99th	101st	102nd

BENCHMARK INDEXES

Key Benchmark Indexes

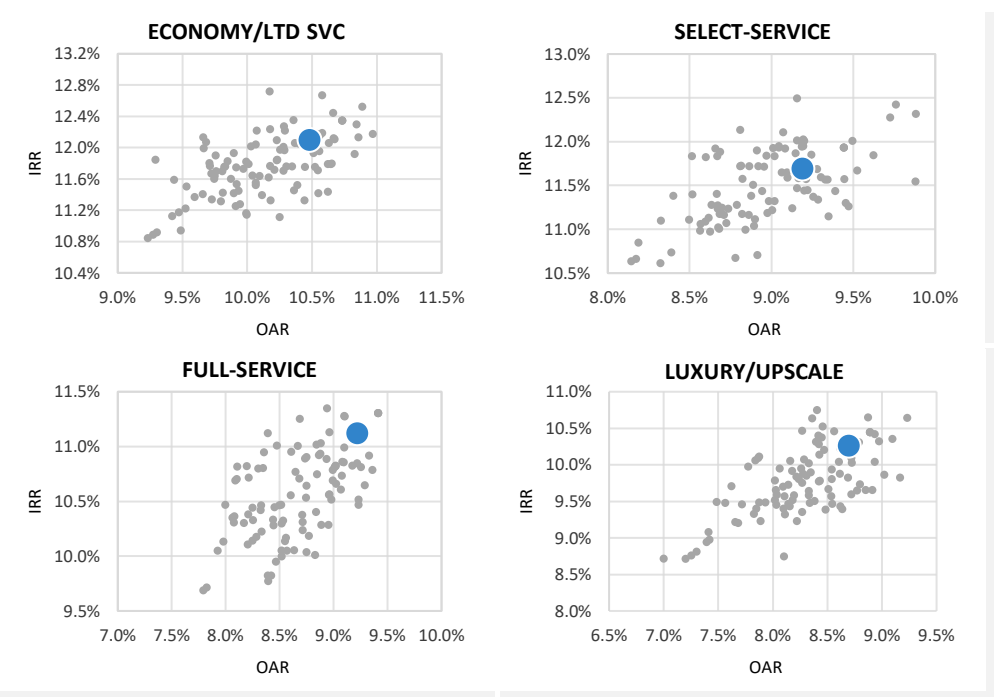
kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
48.8% / 47.6%	48.1% / 52.4%	2.11 / 2.06	2.15 / 2.07	$7.48 / $12.17	$7.54 / $11.83
3Q 2024	T12 Mos.	T12 Mos.	3Q 2024	3Q 2024	T12 Mos.
51st	58th	27th	35th	11th	14th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

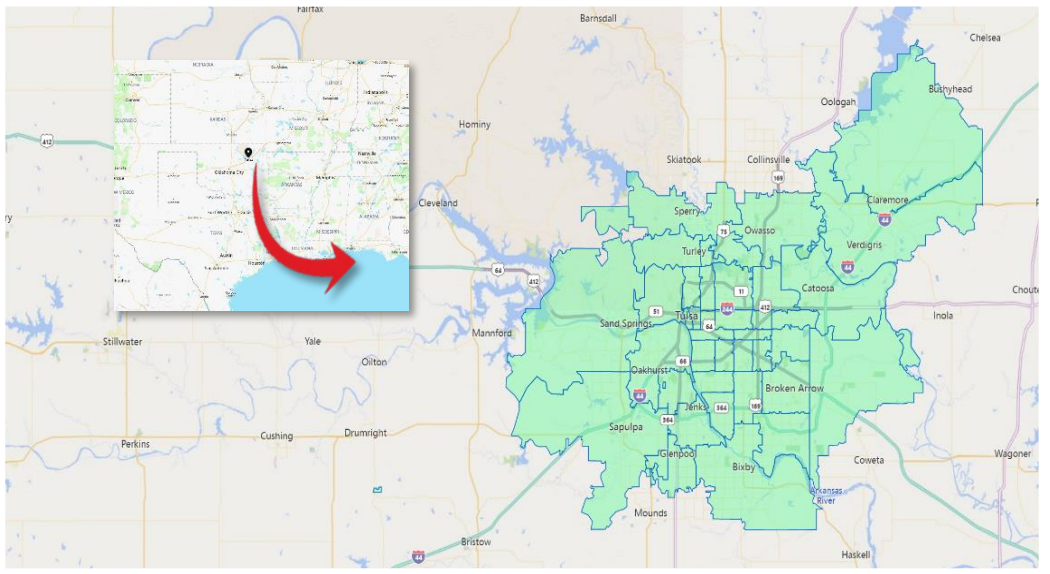
Revenue Stability	Supplier Power Trend	Investment Yields
7th	**60th**	**90th**
Strong	**Average**	**Soft**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	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
85th	**70th**	**11th**
Below Average	**Below Average**	**Above Average**
Assessment of market supply growth over past 12 months relative to Top 104 markets	Measure of current employment health over past two years relative to Top 104 markets	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:	Tulsa
County:	Osage County, Rogers County, Tulsa County, and others
State:	Oklahoma
Geo Coordinates (market center):	36.12795, -95.90232

Major Hotel Demand Generators

American Airlines | AAON | AEPPublic Service Co. | Alorica Inc. | AT&T | Baker Hughes | Bank of Oklahoma | Blue Cross & Blue Shield | Enterprise Holdings Inc. | Hard Rock Hotel & Casino | Hillcrest Healthcare System | IC of Oklahoma | Nordam Group | OneOK Inc. | OSU Medical Center | OU-Tulsa Schusterman Center | Quiktrip Corp. | Reasor's Foods | River Spirit Casino | Saint Francis Health System

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	692,443	71st of 104 (Below Average)
Income per Capita	$44,577	68th of 104 (Below Average)
Feeder Group Size	75.1 Persons PSR	58th of 104 (Average)
Feeder Group Earnings	$3,347,386 PSR	47th of 104 (Average)
Total Market Hotel Revenues	$331.7 million	78th of 104 (Below 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 Rooms	Performance Index (LPI)
2015	58.5%	$84.40	$49.35	$78.18	$45.71	$6.21	92.6%	47.9%	2.03	14,340	0.42
2016	56.7%	$84.33	$47.77	$77.79	$44.07	$6.54	92.2%	50.5%	1.98	14,530	0.43
2017	55.0%	$83.98	$46.16	$77.32	$42.50	$6.65	92.1%	50.3%	1.95	14,710	0.39
2018	54.1%	$85.18	$46.10	$78.37	$42.42	$6.81	92.0%	52.4%	2.00	15,290	0.61
2019	55.3%	$90.52	$50.06	$83.35	$46.09	$7.17	92.1%	57.5%	1.99	17,120	0.75
2020	40.8%	$71.64	$29.50	$66.68	$27.24	$4.96	93.1%	39.1%	2.38	16,330	0.82
2021	55.2%	$82.64	$45.84	$76.74	$42.33	$5.90	92.9%	40.4%	2.24	15,830	0.80
2022	56.8%	$85.98	$48.86	$79.82	$45.37	$6.16	92.8%	40.6%	2.24	15,860	0.70
2023	57.3%	$91.58	$52.77	$85.09	$48.78	$6.50	92.9%	40.9%	2.25	15,880	0.78
CAGR: 2015 thru 2023	-0.2%	1.0%	0.8%	1.1%	0.8%	0.6%	0.0%	-2.0%	1.3%	1.3%	7.9%
3Q 2023	58.5%	$95.70	$56.02	$88.70	$51.92	$7.00	92.7%	45.3%	2.23	15,630	0.76
3Q 2024	57.9%	$101.49	$58.71	$94.01	$54.39	$7.48	92.6%	48.8%	2.15	15,460	0.69

Notable Metrics

HIGHEST

Latest-Quarter Booking Costs POR	T12-Month Booking Costs POR	Latest-Quarter Average Length of Stay
11th	14th	27th
Above Average	Above Average	Above Average
Tulsa, OK enjoyed low latest–quarter booking costs POR ($7.48)	The market enjoyed low T12–month booking costs POR ($7.54)	The market also boasted strong latest–quarter average length of stay (2.15 Nights)

LOWEST

T12-Month COPE RevPAR	T12-Month Guest Paid RevPAR	Latest-Quarter COPE RevPAR
102nd	102nd	102nd
Soft	Soft	Soft
This market posted weak T12–month COPE RevPAR ($54.73)	The market has been hindered by weak T12–month Guest Paid RevPAR ($59.15)	Tulsa, OK also has been hampered by weak latest–quarter COPE RevPAR ($54.39)

Notable Trends

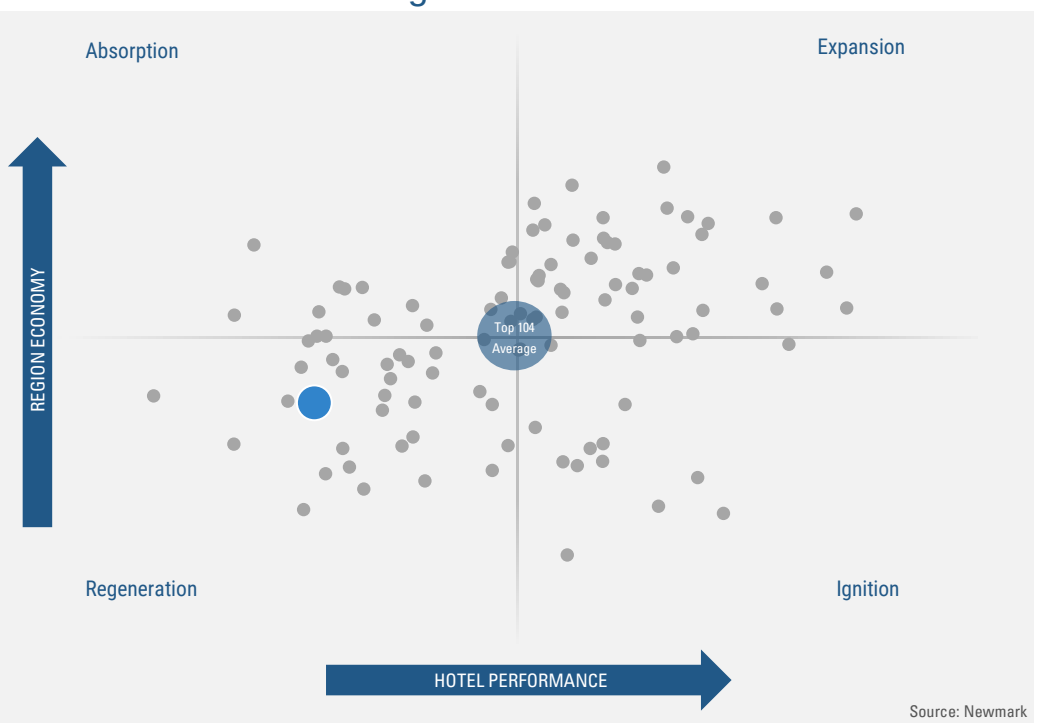
STRONGEST

Short-Term Historical Guest Paid RevPAR Growth	Short-Term Historical COPE RevPAR Growth	Long-Term Historical LPI Growth
7th	7th	12th
Strong	Strong	Above Average
Tulsa, OK has benefited from strong short–term historical Guest Paid RevPAR growth (5.9%)	The market exhibited strong short–term historical COPE RevPAR growth (5.9%)	The market also enjoyed strong long–term historical LPI growth (5.6%)

WEAKEST

Short-Term Historical Supply Growth	Overall Health of Hotel Market	Short-Term Historical Booking Costs POR Growth
100th	96th	85th
Soft	Soft	Below Average
The market has been burdened by high short–term historical supply growth (–1.0%)	We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	Tulsa, OK also has been impeded by high short–term historical growth in booking costs (4.6%)

Market Performance Stage



Source: Newmark

Tulsa, OK: Regeneration Stage

Regeneration

The Tulsa, OK 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.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	**Mid Expansion**
Employment Growth (2 yr):	1.4%
Risk Exposure (402 US markets):	37th Percentile: Average Risk
Key Industry Notes:	Strong household balance sheets
	Low energy costs, taxes
	Low living costs
	Few high-wage jobs in services
	Sluggish income trends

Moody's Rating

Aa1

Investment Grade

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

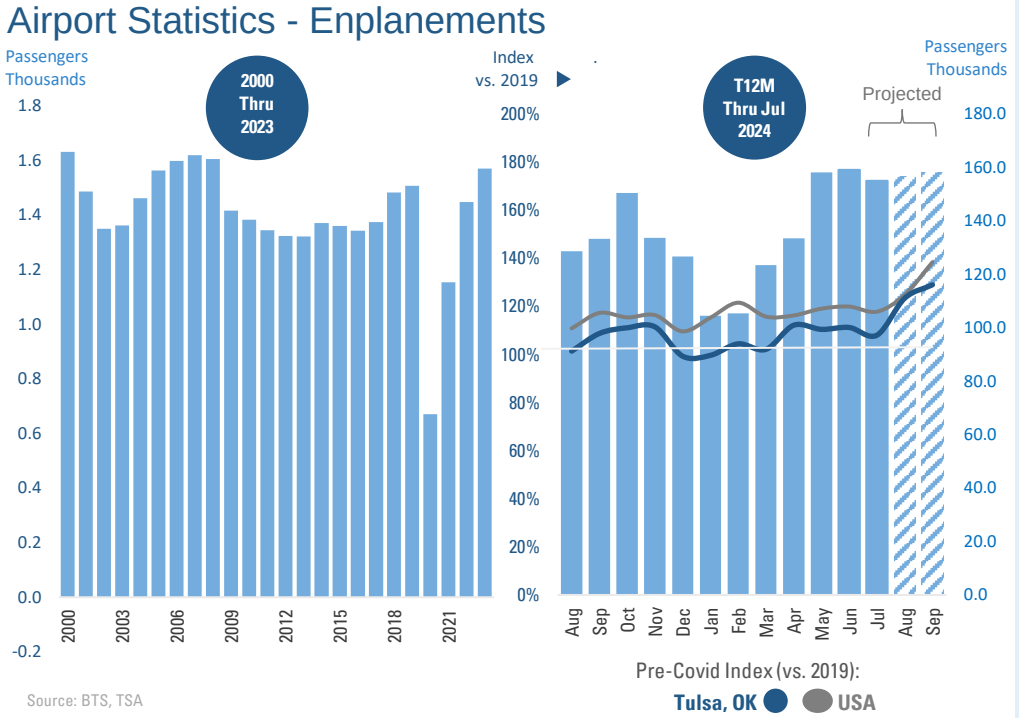
TOP 10 BRANDS

Source: Newmark

NEWMARK

SELECT NEAREST AIRPORT CITY: ALL LOCAL

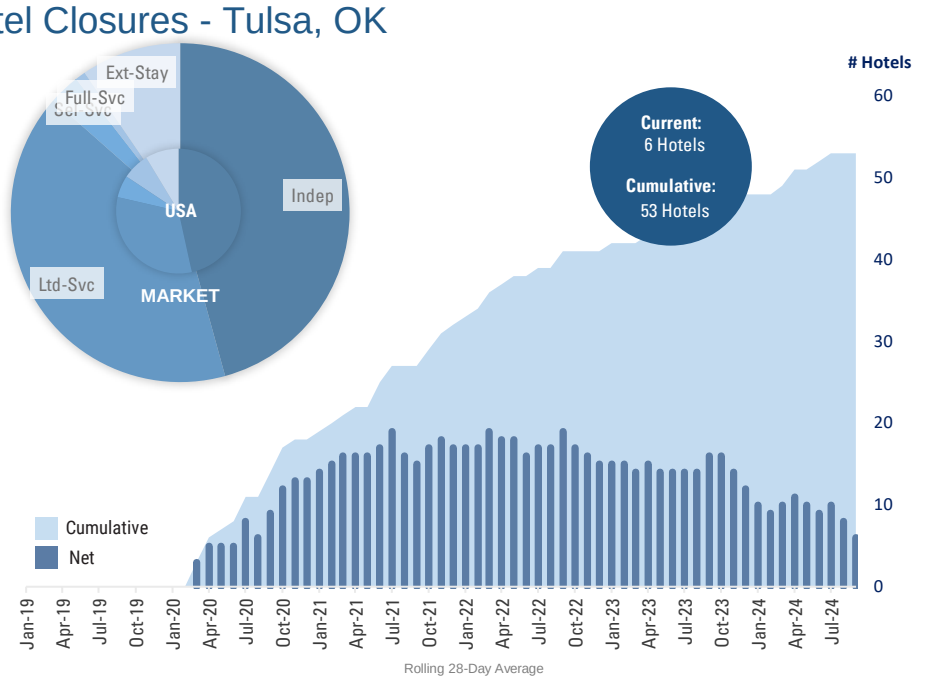
Airport Statistics - Enplanements



Source: BTS, TSA

DATA THROUGH NOVEMBER 2024

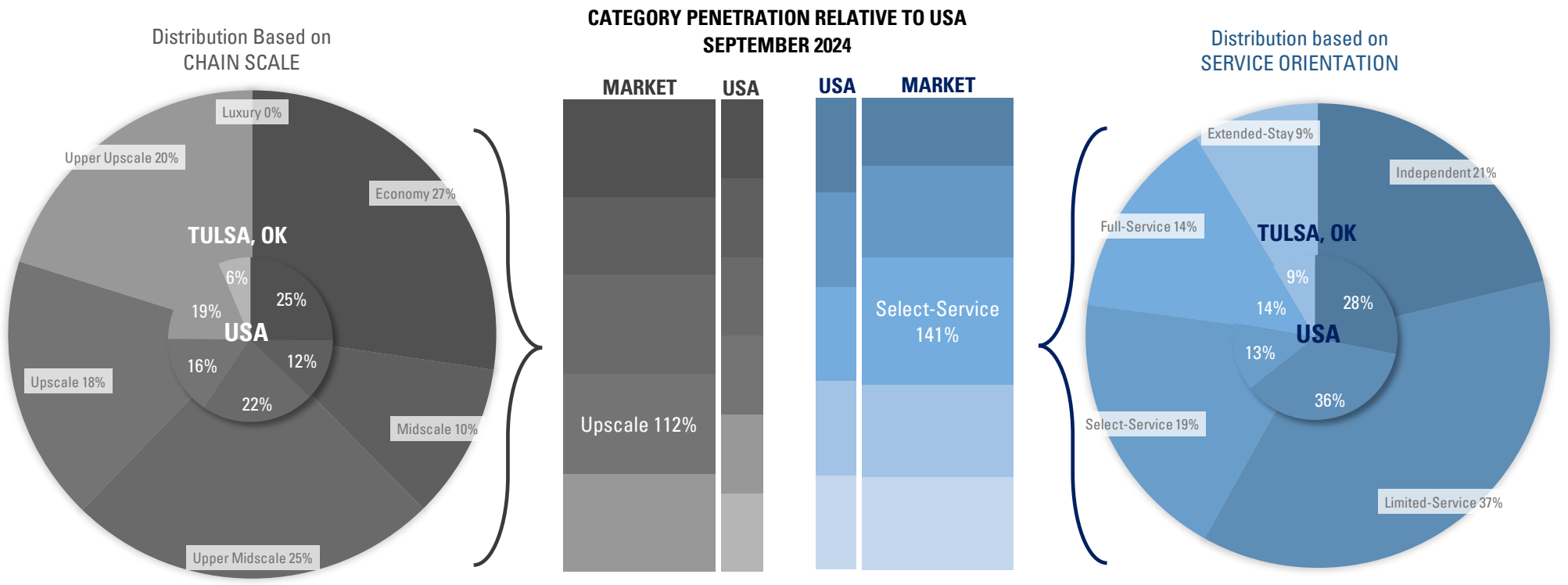
Hotel Closures - Tulsa, OK



Source: Hotel Compete

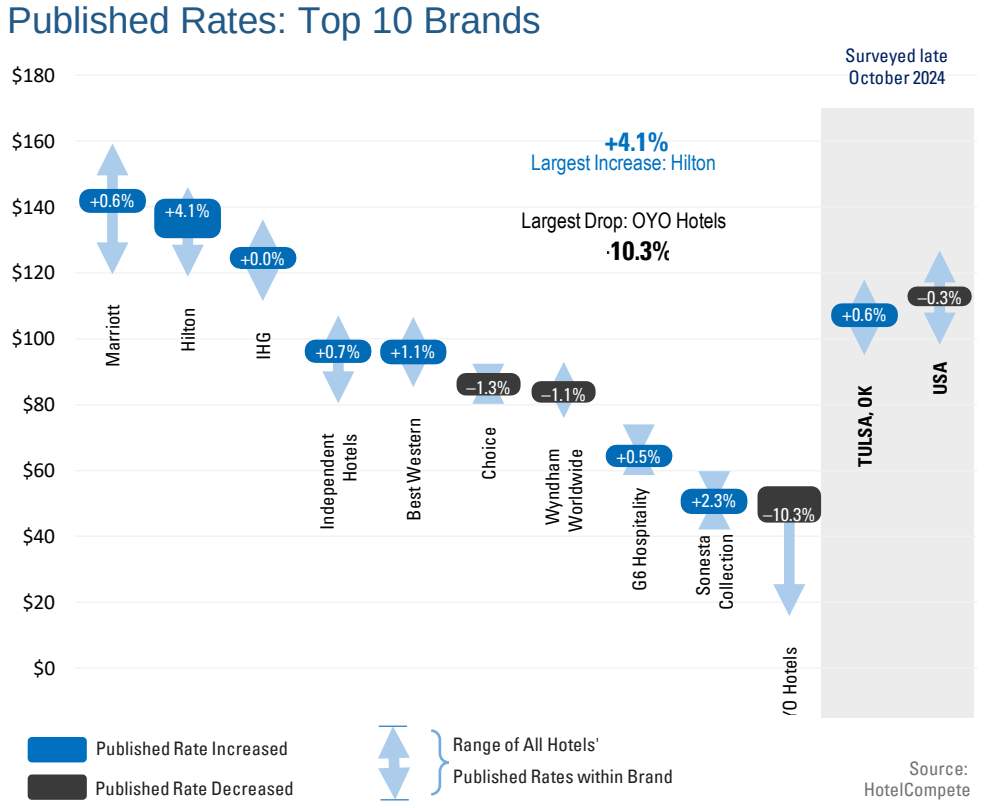
SCALE AND SERVICE ORIENTATION

Scale and Service Distribution: Tulsa, OK



'30/3' RATE CHANGES: TULSA, OK vs. USA

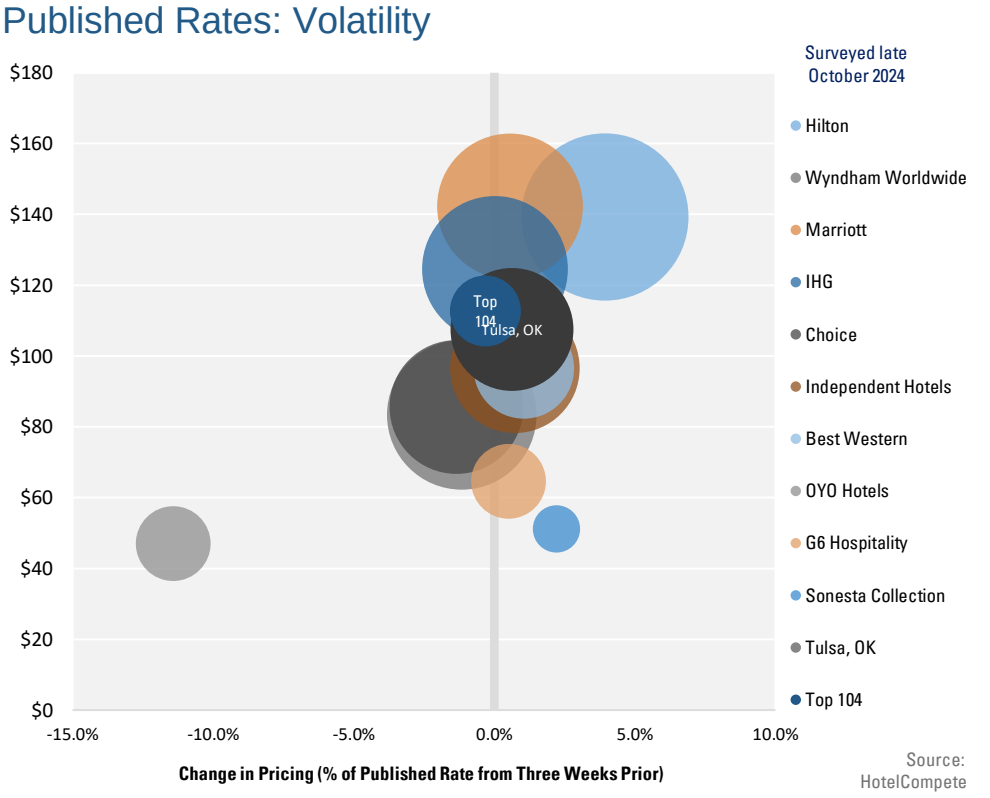
Published Rates: Top 10 Brands



Source: HotelCompete

RATE ADJUSTMENTS BY BRAND

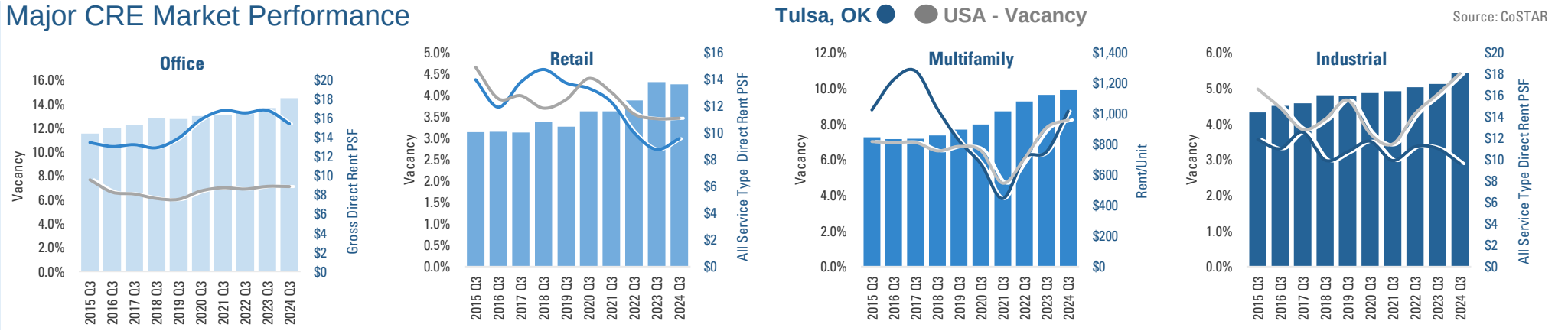
Published Rates: Volatility



Source: HotelCompete

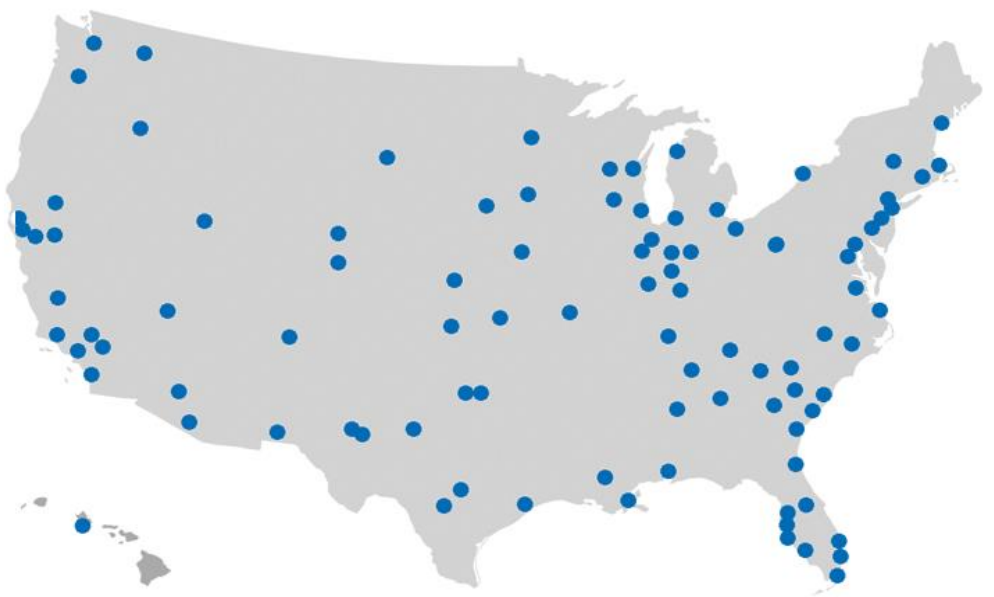
MAJOR C.R.E. METRICS

Major CRE Market Performance



Source: CoSTAR

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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