



VALUATION & ADVISORY 3Q 2021 HOTEL MARKET INSIGHTS REPORT

Hospitality, Gaming & Leisure Practice

Anaheim, CA

Fundamentals Dashboard

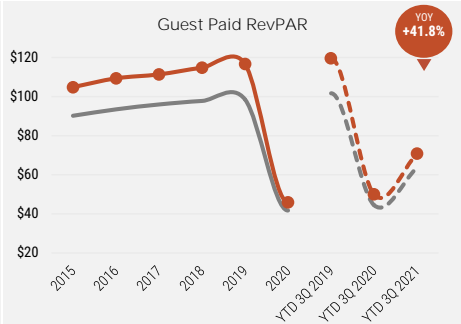
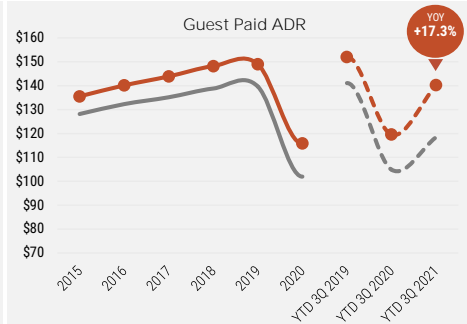
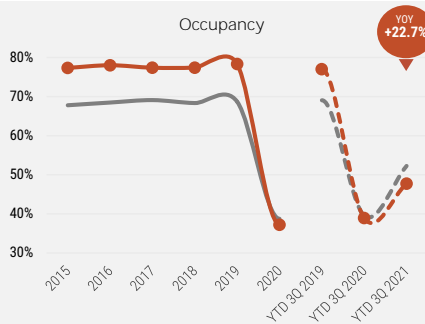
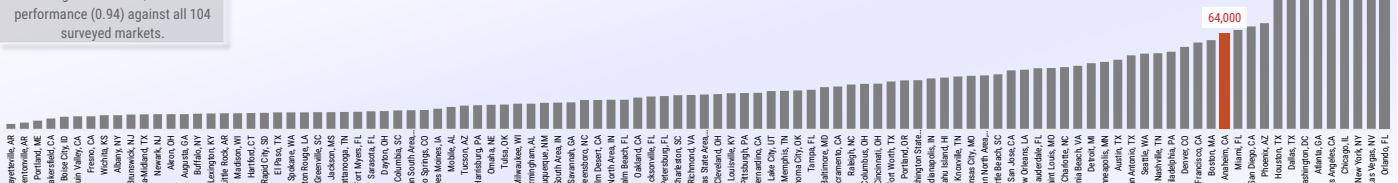
Lodging Performance Index

54th of 104

Average

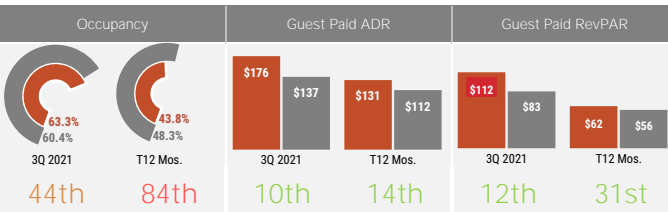
Ranking of overall '3Q 2021 LPI' performance (0.94) against all 104 surveyed markets.

Supply Ranking vs. Major US Markets



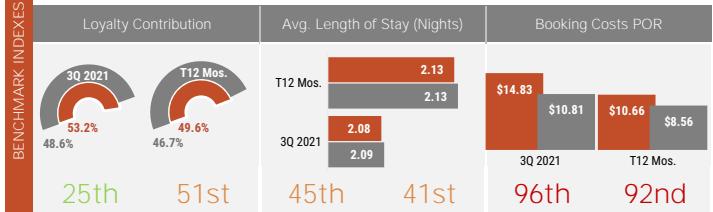
Key Performance Indexes

● Subject Market ● Top 104



Key Benchmark Indexes

Data provided by: **kalibri LABS**



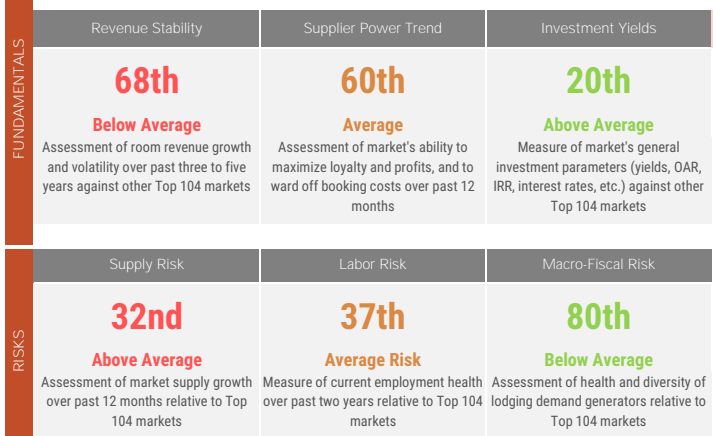
Discount and Capitalization Rates

Source: Newmark

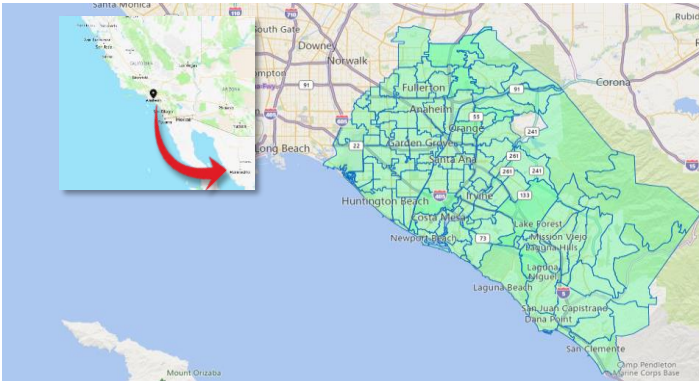


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information

Municipal Name:	Anaheim
County:	Orange County
State:	California
Geo Coordinates (market center):	33.83529, -117.9145

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators

Disneyland Resort | The Walt Disney Co. | University of California, Irvine | St. Joseph Health | Kaiser Permanente | Boeing Co. | Wal-Mart Stores Inc. | California State University | Bank of America Corp. | Universal Services of America | Target Brands Inc. | Hoag Memorial Hospital Presbyterian | MemorialCare Health System | Wells Fargo & Co. | Panasonic Avionics Corp. | Tenet Healthcare Corp. | Irvine Co. | Home Depot Inc. | Edwards Lifesciences LLC | Albertsons Southern California Division

Metrics and Ranking

Population (hotel market area)	2,975,637
Income per Capita	\$65,313
Feeder Group Size	107.4 Persons PSR
Feeder Group Earnings	\$7,014,086 PSR
Total Market COPE	\$1.3 billion

Rankings

14th of 104 (Large)
9th of 104 (Strong)
66th of 104 (Below Average)
84th of 104 (Below Average)
13th of 104 (Above Average)

Key Performance Metrics

Data provided by: kolibriLABS

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	77.3%	\$135.55	\$104.83	\$123.79	\$95.74	\$11.76	91.3%	47.7%	2.27	57,900	1.58
2016	78.0%	\$140.14	\$109.33	\$127.61	\$99.56	\$12.53	91.1%	50.2%	2.15	58,400	1.40
2017	77.4%	\$143.89	\$111.34	\$130.62	\$101.07	\$13.28	90.8%	51.9%	2.08	59,500	1.28
2018	77.4%	\$148.21	\$114.75	\$134.40	\$104.06	\$13.81	90.7%	55.4%	2.05	59,900	1.40
2019	78.3%	\$148.98	\$116.70	\$135.38	\$106.04	\$13.60	90.9%	58.0%	2.02	61,800	1.40
2020	37.2%	\$115.83	\$45.85	\$106.70	\$39.70	\$9.13	92.1%	48.2%	2.19	62,900	1.01
CAGR: 2015 thru 2020	-13.6%	-3.1%	-15.2%	-2.9%	-16.1%	-4.9%	0.2%	0.2%	-0.7%	1.7%	-8.6%
YTD 3Q 2019	77.0%	\$152.01	\$119.47	\$138.57	\$108.90	\$13.44	91.2%	55.8%	1.99	60,900	1.32
YTD 3Q 2020	38.9%	\$119.51	\$49.90	\$109.98	\$45.81	\$9.53	92.0%	48.9%	2.18	61,500	1.24
YTD 3Q 2021	47.7%	\$140.19	\$70.77	\$128.61	\$64.89	\$11.57	91.7%	50.8%	2.11	63,300	0.94
% Change	22.7%	17.3%	41.8%	16.9%	41.6%	21.4%	-0.3%	4.0%	-3.5%	2.9%	-23.7%

*COPE: Contribution to Operating Profit and Expenses. Metrics do not account for Sales and Marketing Spend.

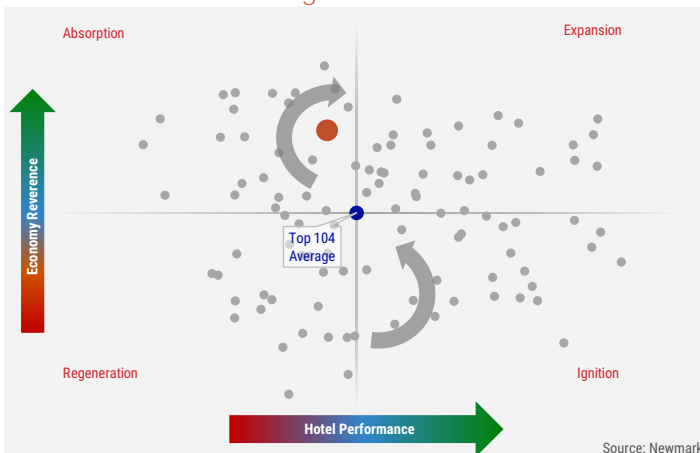
Notable Metrics

HIGHEST	OAR: Luxury/Upscale	Latest-Quarter Guest Paid ADR	Latest-Quarter Guest Paid ADR
	6th Highly Favorable Anaheim, CA exhibited favorable OAR metrics in the luxury/upscale segment (6.2%)	10th Above Average The market exhibited strong latest-quarter Guest Paid ADR (\$176.18)	10th Above Average The market also exhibited strong latest-quarter Guest Paid ADR (\$176.18)
LOWEST	T12-Month COPE ADR Percentage	Latest-Quarter Booking Costs POR	T12-Month Booking Costs POR
	99th Soft This market has been hampered by weak T12-month COPE ADR percentage (91.9%)	96th Soft The market has been burdened by high latest-quarter booking costs (\$14.83)	92nd Soft Anaheim, CA also was burdened by high T12-month booking costs POR (\$10.66)

Notable Trends

HIGHEST	General Economy Reverence	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical COPE ADR Growth
	16th Above Average Anaheim, CA enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)	23rd Above Average The market has benefited from strong long-term historical Guest Paid ADR growth (4.2%)	23rd Above Average The market also enjoyed from strong long-term historical COPE ADR growth (4.2%)
LOWEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical LPI Growth	Long-Term Historical LPI Growth
	93rd Soft The market exhibited weak long-term historical average length of stay growth (-1.2%)	86th Below Average We note this area has been hampered by weak short-term historical LPI growth (-12.9%)	86th Below Average Anaheim, CA also posted weak long-term historical LPI growth (-8.6%)

Market Performance Stage



Source: Newmark

Anaheim, CA: Absorption Stage

The Anaheim, CA market is currently in the 'Absorption' stage of the performance cycle. In this stage, hotels are underperforming but in an economy with resilience and confidence the economy will recover from the COVID-19 crisis, presenting upside for CRE. Barriers to entry are high and the market typically hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Austin, TX; Boston, MA; and Charlotte, NC.

Other Stages:

Regeneration	In the 'Regeneration' stage, hotels and the underlying economy are generally underperforming. The highest and best uses of hotel assets are challenged whether by 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 Cincinnati, OH; Detroit, MI; and New Orleans, LA.
Ignition	In the 'Ignition' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Knoxville, TN; Miami, FL; and Michigan North Area, MI.
Expansion	In the 'Expansion' stage, hotels generally perform adequately and in an economy with resilience and higher confidence the economy will recover from the COVID-19 crisis. Barriers to entry are low, displacement demand is high, and the market typically experiences an expansion of both hotel supply and general economic conditions. Example markets in this stage include Atlanta, GA; Fort Lauderdale, FL; and Fort Worth, TX.

Industry Observations

Business Cycle: In Recovery
Employment Growth (2 yr): -3.2%
Risk Exposure (402 US markets): 29th Percentile: Below Average
Key Industry Notes: Finance/medical, tourism
Strong labor force
Demand for office space
Diversified economy
High costs hurt competition

Moody's Rating

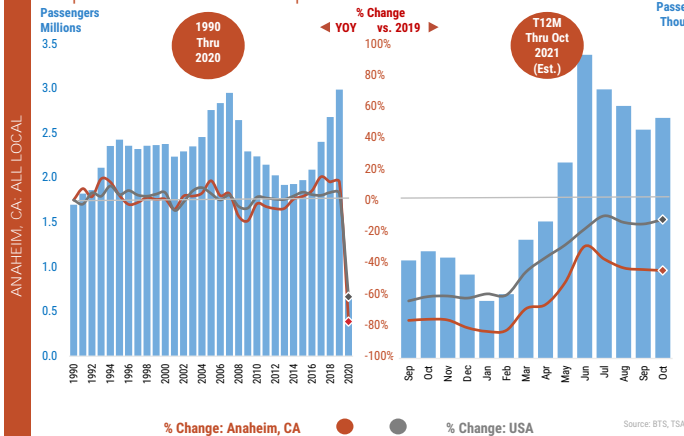
Aa1
Investment Grade
Long-term investment grade, Prime-1 short-term outlook

TOP 10 BRANDS

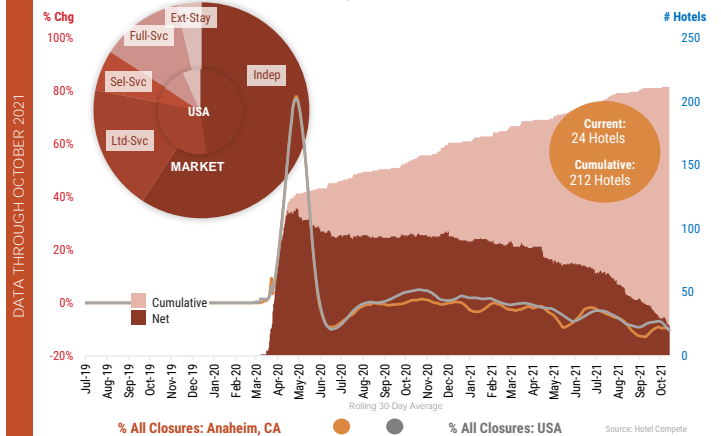


Source: Newmark

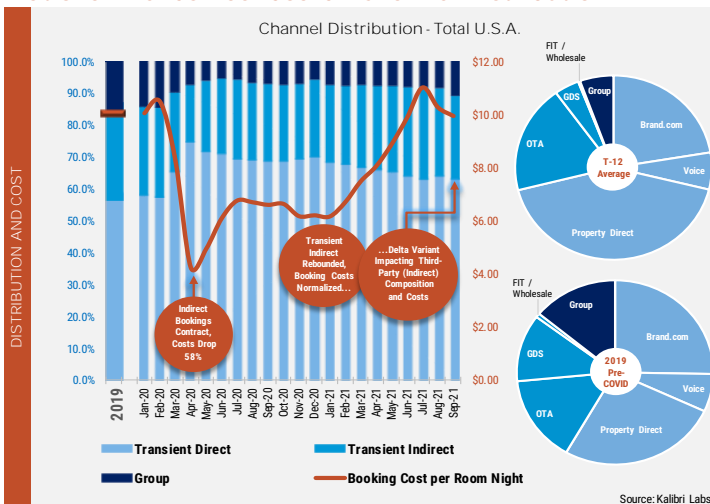
Airport Statistics - Enplanements



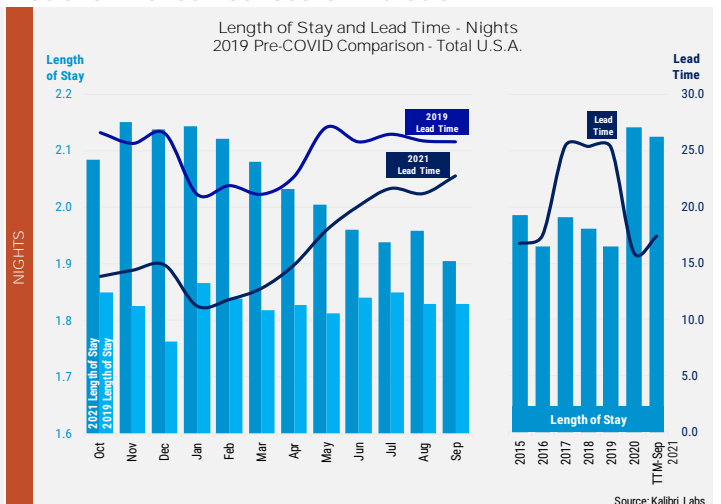
Hotel Closures - Anaheim, CA vs. USA



National Trends Dashboard - Channel Distribution



National Trends Dashboard - Duration



Newmark Hotel Market Insights Report Coverage



Akron, OH
Albany, NY
Albuquerque, NM
Anaheim, CA
Arkansas State Area, AR
Atlanta, GA
Augusta, GA
Austin, TX
Bakersfield, CA
Baltimore, MD
Baton Rouge, LA
Bentonville, AR
Birmingham, AL
Boise City, ID
Boston, MA
Buffalo, NY
Charleston, SC
Charlotte, NC
Chattanooga, TN
Chicago, IL
Cincinnati, OH
Cleveland, OH
Colorado Springs, CO
Columbia, SC
Columbus, OH
Dallas, TX
Dayton, OH
Denver, CO
Des Moines, IA
Detroit, MI
El Paso, TX
Fayetteville, AR
Fort Lauderdale, FL
Fort Myers, FL
Fort Worth, TX
Fresno, CA
Greensboro, NC
Greenville, SC
Harrisburg, PA
Hartford, CT
Houston, TX
Indiana North Area, IN
Indiana South Area, IN
Indianapolis, IN
Jackson, MS
Jacksonville, FL
Kansas City, MO
Knoxville, TN
Las Vegas, NV (Non-Strip)
Lexington, KY
Little Rock, AR
Los Angeles, CA
Louisville, KY
Madison, WI
Memphis, TN
Miami, FL
Michigan North Area, MI
Michigan South Area, MI
Milwaukee, WI
Minneapolis, MN
Mobile, AL
Myrtle Beach, SC
Nashville, TN
New Brunswick, NJ
New Orleans, LA
New York, NY
Newark, NJ
Oahu Island, HI (Branded)
Oakland, CA
Odessa-Midland, TX
Oklahoma City, OK
Omaha, NE
Orlando, FL (Non-Disney)
Palm Desert, CA
Philadelphia, PA
Phoenix, AZ
Pittsburgh, PA
Portland, ME
Portland, OR
Raleigh, NC
Rapid City, SD
Richmond, VA
Sacramento, CA
Saint Louis, MO
Saint Petersburg, FL
Salt Lake City, UT
San Antonio, TX
San Bernardino, CA
San Diego, CA
San Francisco, CA
San Joaquin Valley, CA
San Jose, CA
Sarasota, FL
Savannah, GA
Seattle, WA
Spokane, WA
Tampa, FL
Tucson, AZ
Tulsa, OK
Virginia Beach, VA
Washington State Area, WA
Washington, DC
West Palm Beach, FL
Wichita, KS

MARKET DISCLAIMERS

Las Vegas, NV; Oahu, HI; Orlando, FL: market data based on actual reporting properties only. Excludes vast majority of casino properties and assets located within the "strip" district of Las Vegas, as well as the vast majority of Disney-associated assets, which comprises most of the Orlando market.

Total Supply The total supply figures are aggregated estimates from multiple third-party sources.

Air Passenger Statistics The latest two months are estimates based on daily national trends reported by TSA. These data are subject to revision.

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