VALUATION & ADVISORY
3Q 2021 HOTEL MARKET NSIGHTS REPORT

Hospitality, Gaming & Leisure Practice — Atlanta, GA

Fundamentals Dashboard

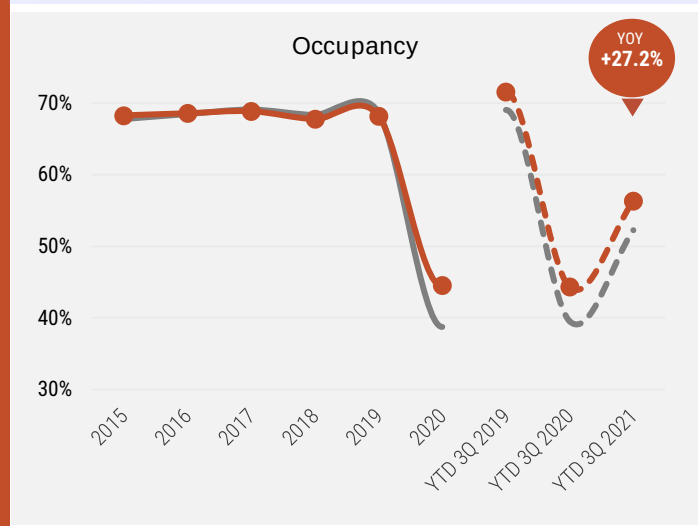
Lodging Performance Index

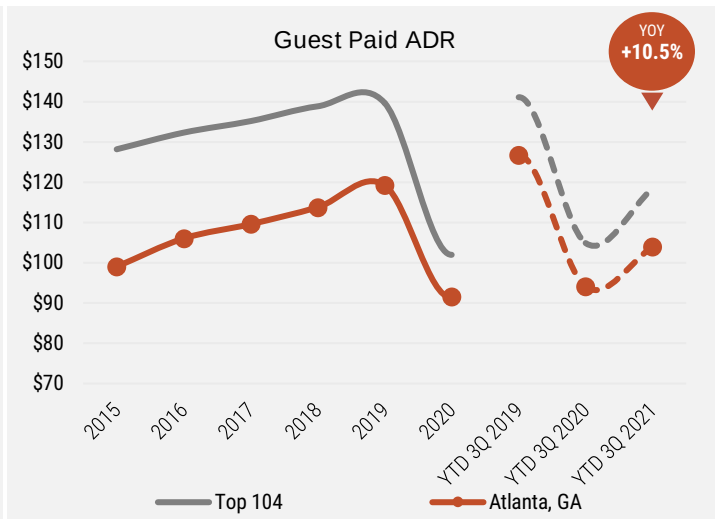
46th of 104

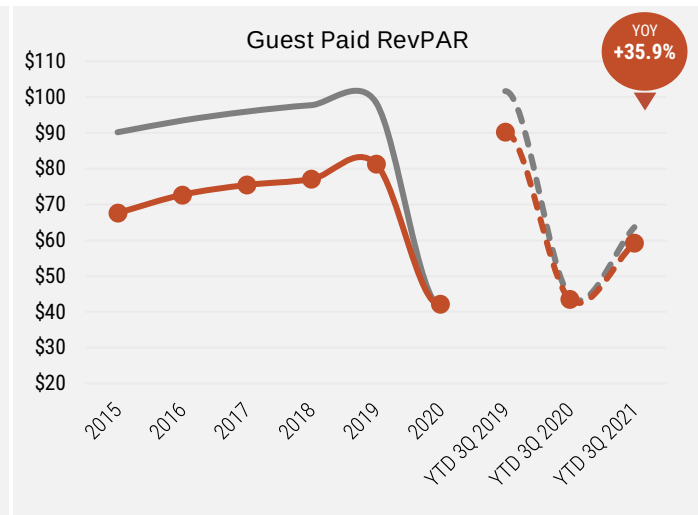
Average

Ranking of overall '3Q 2021 LPI' performance (1.03) against all 104 surveyed markets.

KEY PERFORMANCE METRICS







PERFORMANCE INDEXES

Key Performance Indexes

Subject Market | Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
3Q 2021	T12 Mos.	3Q 2021	T12 Mos.	3Q 2021	T12 Mos.
61.4% / 60.4%	53.5% / 48.3%	$119 / $137	$99 / $112	$73 / $83	$54 / $56
55th	35th	54th	54th	51st	41st

BENCHMARK INDEXES

Key Benchmark Indexes

Data provided by: kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
3Q 2021	T12 Mos.	T12 Mos.	3Q 2021	3Q 2021	T12 Mos.
46.8% / 48.6%	45.0% / 46.7%	2.07 / 2.13	2.11 / 2.09	$8.96 / $10.81	$7.54 / $8.56
90th	93rd	37th	56th	52nd	57th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark

FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
78th	**95th**	**39th**
Below Average	**Soft**	**Average**
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

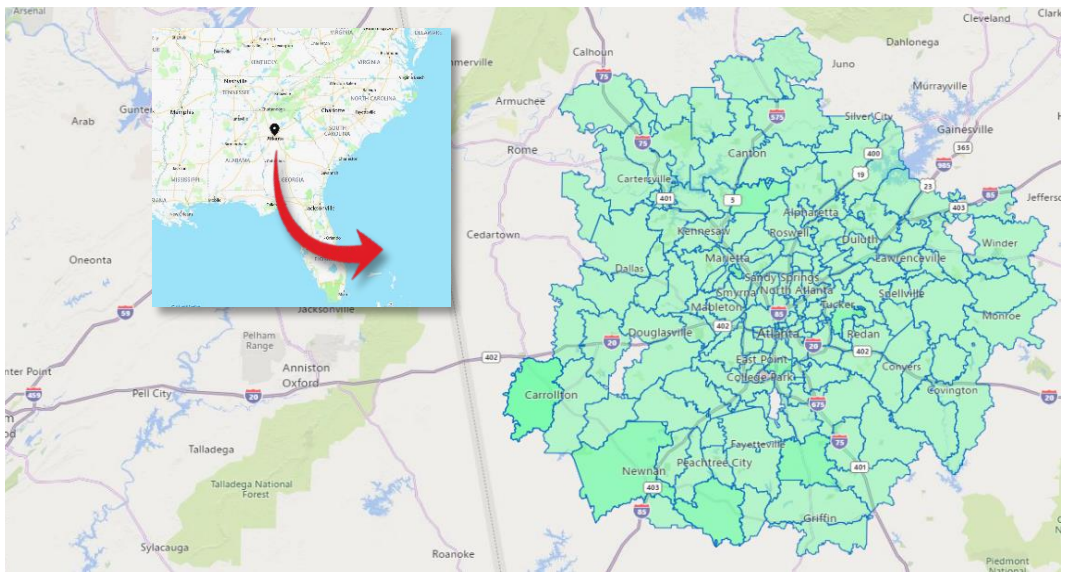
RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
51st	**52nd**	**60th**
Average Risk	**Average Risk**	**Average Risk**
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 Hotel Market Nsights Report - 3Q 2021

Atlanta, GA

Location



Quick Facts

Source: US Census Bureau, Dept. of Labor Statistics

Jurisdictional Information

Municipal Name:	Atlanta
County:	DeKalb County, Fulton County
State:	Georgia
Geo Coordinates (market center):	33.76291, -84.42267

Major Hotel Demand Generators

Delta Air Lines Inc. | Walmart Inc. | The Home Depot Inc. | Emory University | WellStar Health System Inc. | AT&T Inc. | Northside Hospital | Piedmont Healthcare | Emory Healthcare | Marriott International | Publix Supermarkets | Georgia State University | Centers for Disease Control and Prevention | Cox Enterprises Inc. | The Coca-Cola Co. | Southern Co. | Coreslab Structures | Children's Healthcare of Atlanta | SunTrust Banks Inc. | State Farm, Southeastern Market Area

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	4,978,495	5th of 104 (Very Large)
Income per Capita	$51,701	39th of 104 (Average)
Feeder Group Size	88.1 Persons PSR	47th of 104 (Average)
Feeder Group Earnings	$4,554,729 PSR	51st of 104 (Average)
Total Market COPE	$2.0 billion	6th of 104 (Strong)

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 (Available Rms)	Performance Index (LPI)
2015	68.3%	$99.02	$67.62	$91.44	$62.45	$7.58	92.3%	41.5%	2.14	95,300	1.16
2016	68.6%	$106.02	$72.72	$97.58	$66.93	$8.44	92.0%	44.0%	2.06	95,500	1.19
2017	68.9%	$109.57	$75.46	$100.59	$69.28	$8.98	91.8%	46.2%	1.99	94,900	1.19
2018	67.8%	$113.76	$77.09	$104.58	$70.87	$9.18	91.9%	49.8%	1.97	95,200	1.11
2019	68.2%	$119.23	$81.33	$109.71	$74.84	$9.51	92.0%	54.8%	1.93	103,100	1.30
2020	44.5%	$91.51	$42.13	$84.87	$37.77	$6.64	92.7%	45.2%	2.08	105,800	0.93
CAGR: 2015 thru 2020	**-8.2%**	**-1.6%**	**-9.0%**	**-1.5%**	**-9.6%**	**-2.6%**	**0.1%**	**1.7%**	**-0.6%**	**2.1%**	**-4.2%**
YTD 3Q 2019	71.6%	$126.63	$90.17	$116.57	$83.01	$10.06	92.1%	53.1%	1.91	101,300	1.01
YTD 3Q 2020	44.3%	$94.01	$43.54	$87.22	$40.34	$6.80	92.8%	45.4%	2.08	104,000	1.05
YTD 3Q 2021	56.3%	$103.90	$59.16	$95.90	$54.61	$8.00	92.3%	45.1%	2.06	105,500	1.03
% Change	**27.2%**	**10.5%**	**35.9%**	**10.0%**	**35.4%**	**17.7%**	**-0.5%**	**-0.8%**	**-1.0%**	**1.4%**	**-1.7%**

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

Notable Metrics

HIGHEST

Total Rooms Sold	Total Rooms Supply	OAR: Select-Service
4th	**6th**	**12th**
Strong	**Strong**	**Favorable**
Atlanta, GA boasted strong total rooms sold (20,626,584)	The market benefits from a large and diverse hotel market (107,161)	The market also enjoyed favorable OAR metrics in the select-service segment (7.8%)

LOWEST

T12-Month Loyalty Contribution	Latest-Quarter Loyalty Contribution	OAR: Full-Service
93rd	**90th**	**79th**
Soft	**Soft**	**Unfavorable**
This market has been hindered by weak T12-month loyalty contribution (45.0%)	The market has been hindered by weak latest-quarter loyalty contribution (46.8%)	Atlanta, GA also posted unfavorable OAR metrics in the full-service segment (7.7%)

Notable Trends

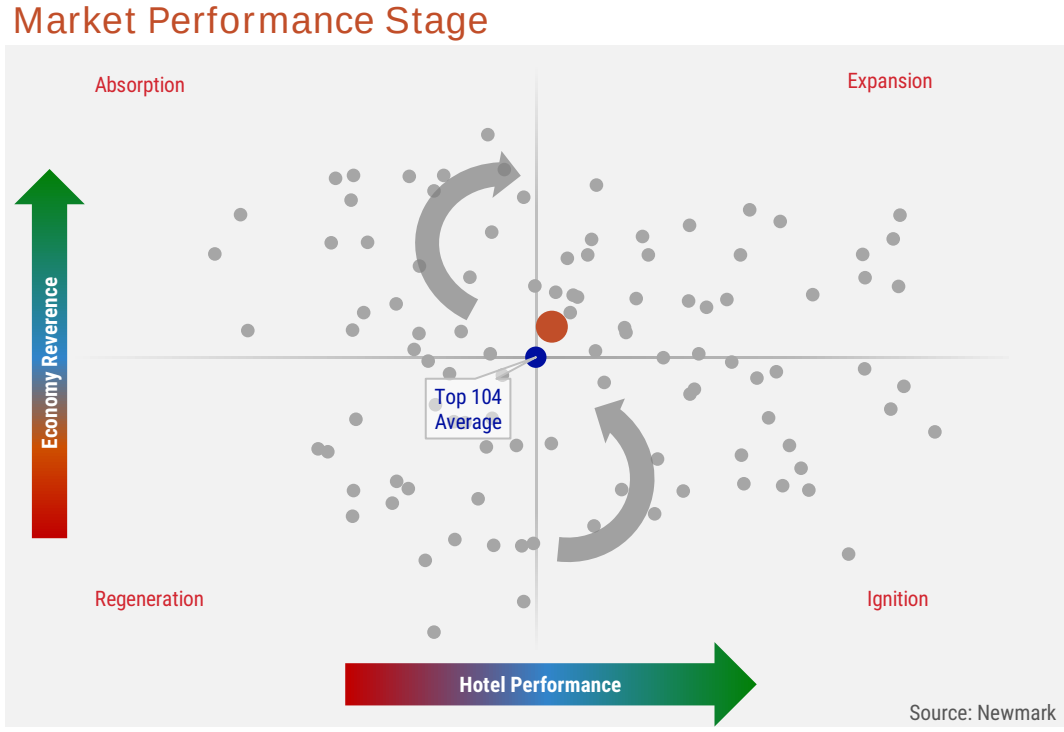
FASTEST

Short-Term Historical Booking Costs POR Growth	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Booking Costs POR Growth
30th	**31st**	**42nd**
Above Average	**Above Average**	**Average**
Atlanta, GA enjoyed low short-term historical growth in booking costs (-2.5%)	The market has benefited from strong short-term historical average length of stay growth (2.6%)	The market also has benefited from low long-term historical booking costs POR growth (1.5%)

SLOWEST

Short-Term Historical COPE RevPAR Growth	Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid RevPAR Growth
78th	**78th**	**78th**
Below Average	**Below Average**	**Below Average**
The market has been impeded by weak short-term historical COPE RevPAR growth (-3.9%)	We note this area posted weak short-term historical COPE ADR growth (-0.6%)	Atlanta, GA also has been hampered by weak short-term historical Guest Paid RevPAR growth (-4.1%)

Market Performance Stage



Source: Newmark

Atlanta, GA: Expansion Stage

Expansion

The Atlanta, GA market is currently in the 'Expansion' stage of the performance cycle. In this 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 Fort Lauderdale, FL; Fort Worth, TX; and Indianapolis, IN.

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.

Absorption

In the 'Absorption' 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 Anaheim, CA; Austin, TX; and Boston, MA.

MOODY'S ANALYTICS

Industry Observations

Business Cycle:	In Recovery
Employment Growth (2 yr):	-3.0%
Risk Exposure (402 US markets):	25th Percentile: Below Average
Key Industry Notes:	Manufacturing, high tech Diverse economy Strong demographics Business-friendly Strained infrastructure

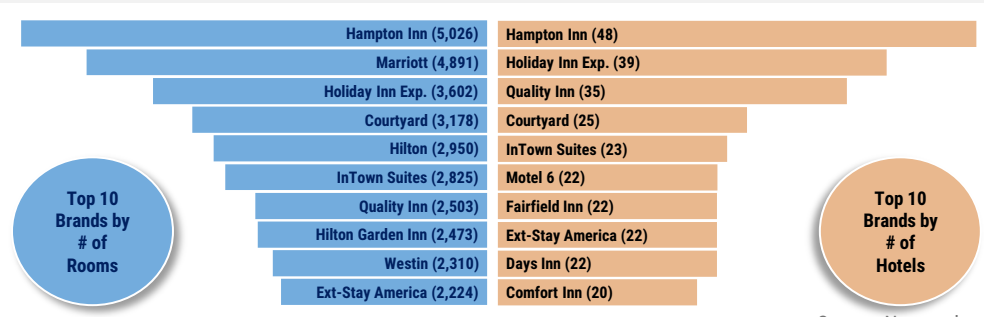
Moody's Rating

Aaa

Investment Grade

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

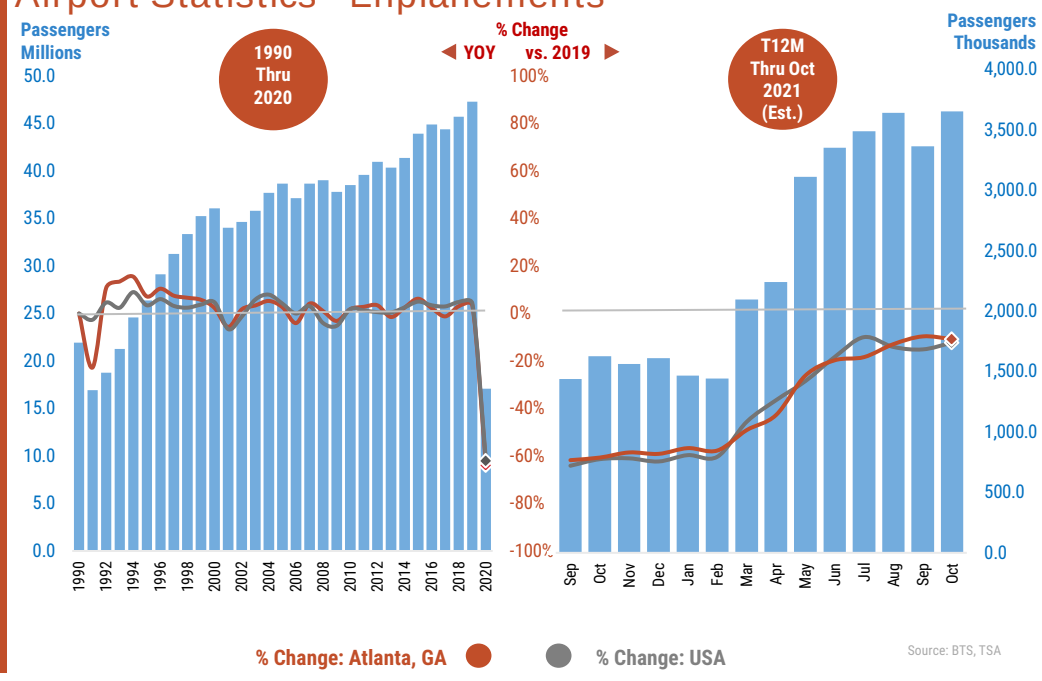
TOP 10 BRANDS



Source: Newmark

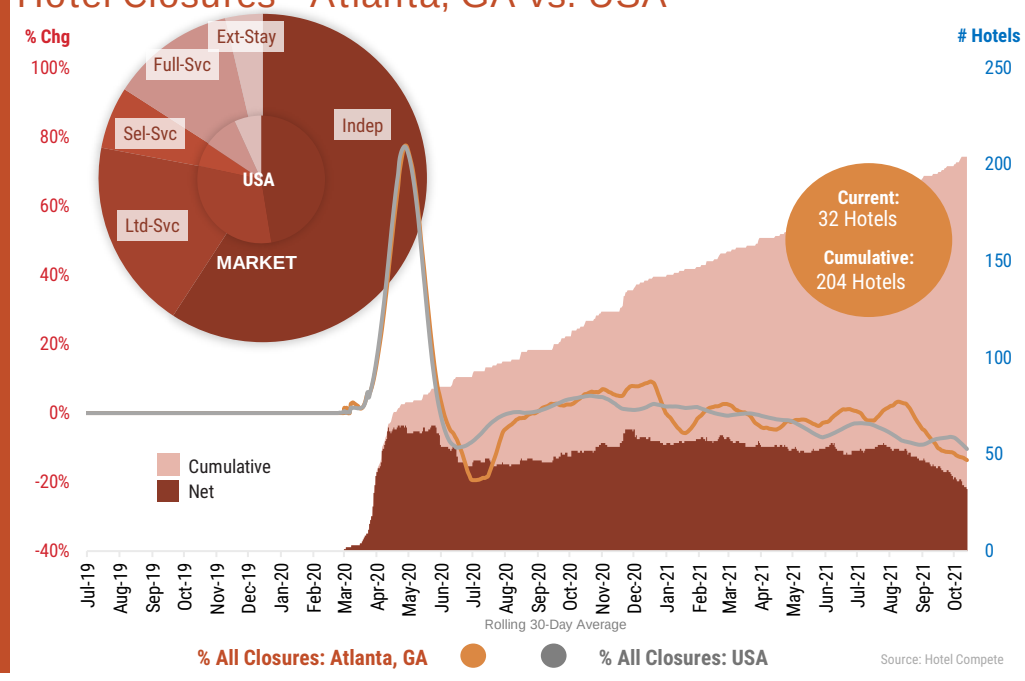
Airport Statistics - Enplanements

ATLANTA, GA: ALL LOCAL



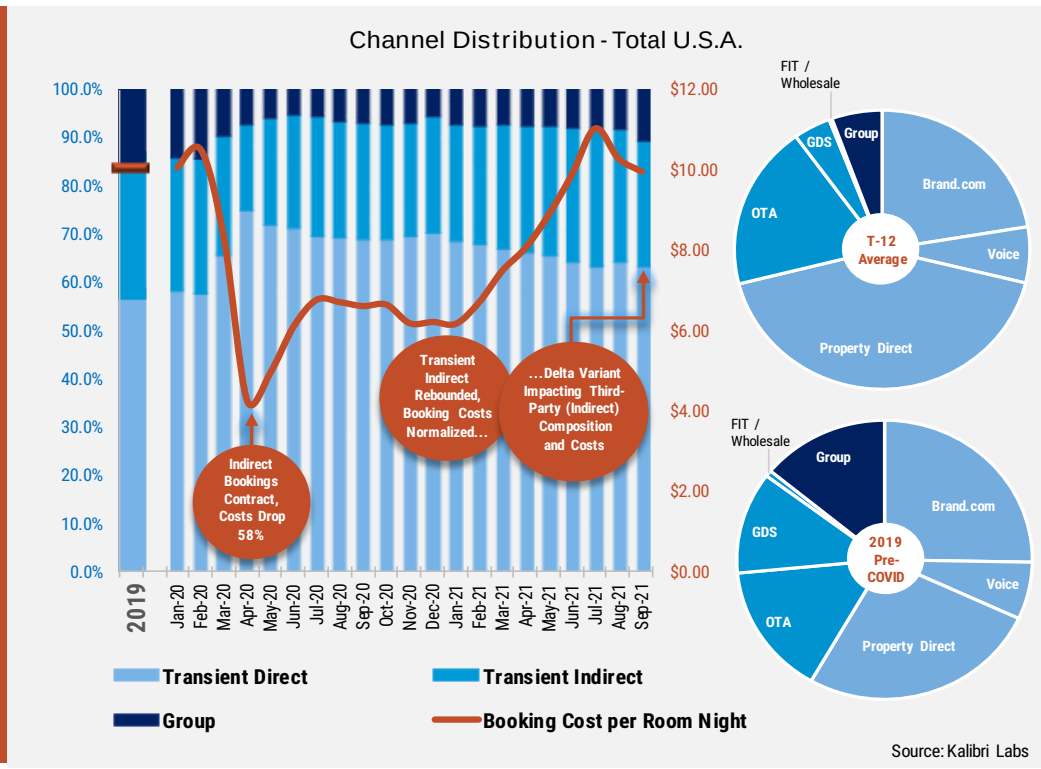
Hotel Closures - Atlanta, GA vs. USA

DATA THROUGH OCTOBER 2021



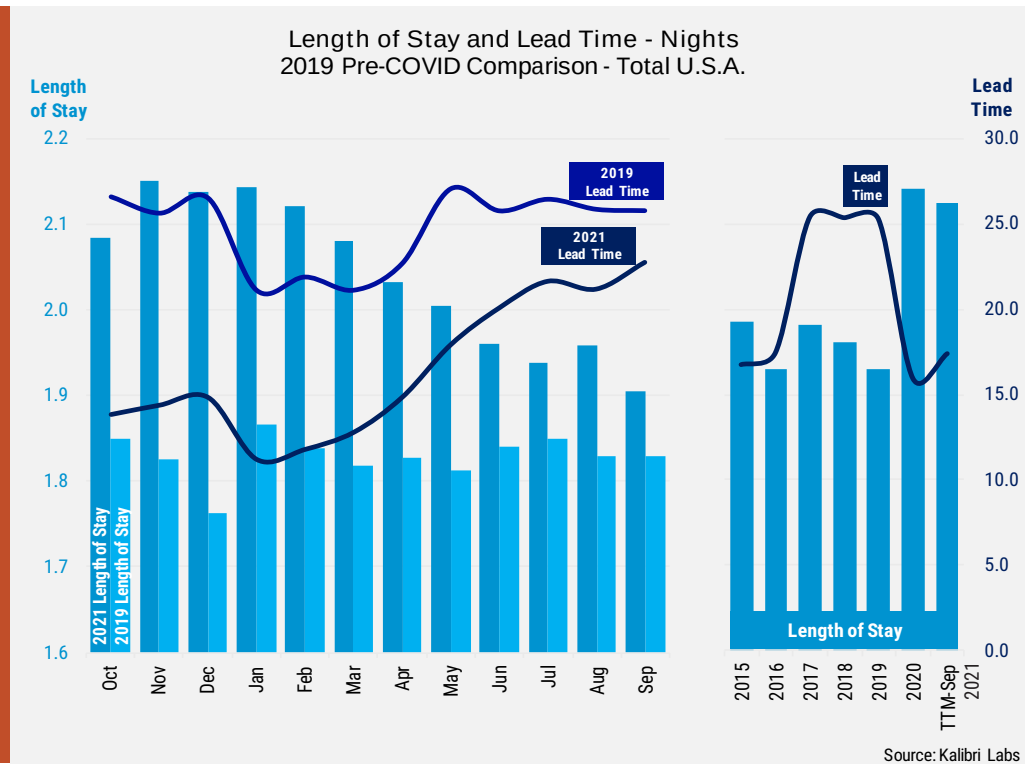
National Trends Dashboard - Channel Distribution

DISTRIBUTION AND COST



National Trends Dashboard - Duration

NIGHTS



Newmark Hotel Market Nsights Report 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

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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