VALUATION & ADVISORY
3Q 2021 HOTEL MARKET NSIGHTS REPORT

Hospitality, Gaming & Leisure Practice

Las Vegas, NV

Fundamentals Dashboard

KEY PERFORMANCE METRICS

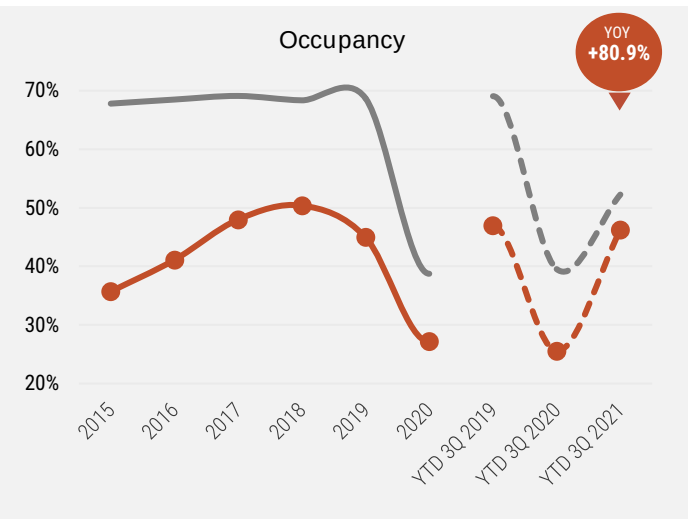
Lodging Performance Index

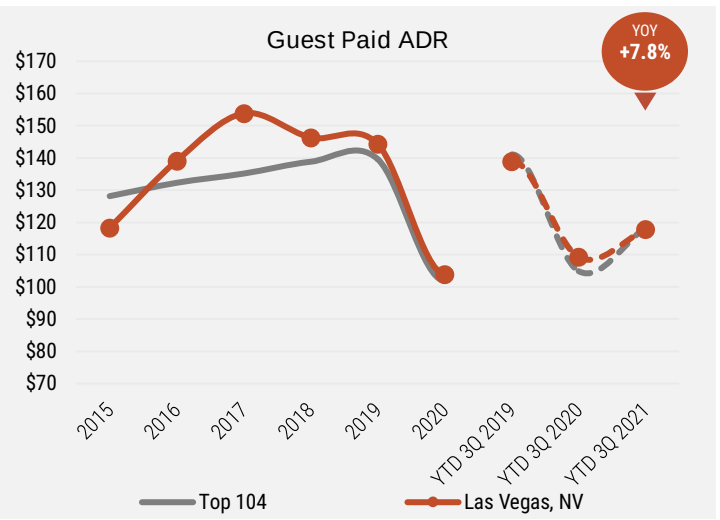
52nd of 104

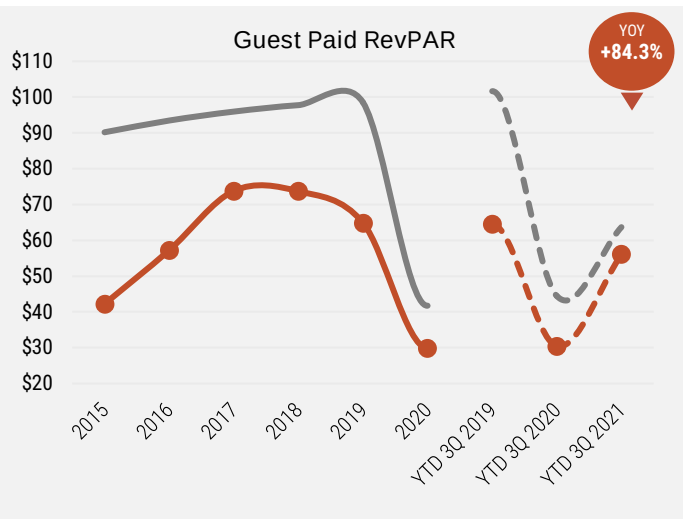
Average

Ranking of overall '3Q 2021 LPI' performance (0.95) against all 104 surveyed markets.

Supply Ranking vs. Major US Markets







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.
54.1% / 60.4%	42.7% / 48.3%	$143 / $137	$110 / $112	$77 / $83	$49 / $56
97th	90th	25th	36th	40th	58th

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.
48.1% / 48.6%	46.7% / 46.7%	2.10 / 2.13	2.06 / 2.09	$9.75 / $10.81	$7.35 / $8.56
85th	82nd	48th	48th	61st	51st

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark

FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
63rd	75th	28th
Average	Below Average	Above 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

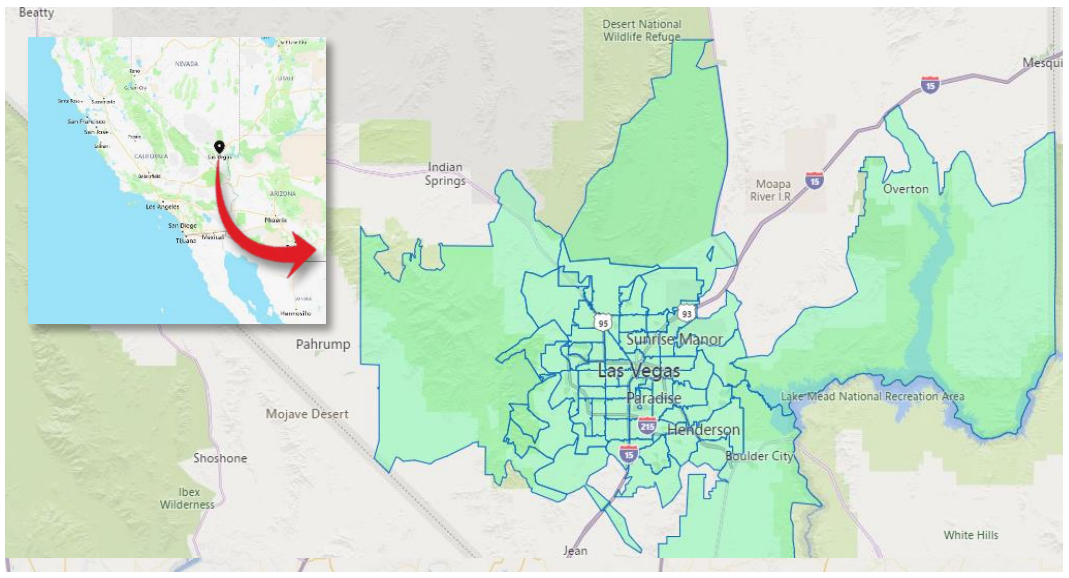
RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
13th	60th	52nd
Above Average	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

Las Vegas, NV

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Las Vegas
County:	Clark County
State:	Nevada
Geo Coordinates (market center):	36.17497, -115.13722

Major Hotel Demand Generators

MGM Resorts International | Caesars Entertainment Corp. | Station Casinos Inc. | Wynn Las Vegas LLC | Boyd Gaming Corp. | Las Vegas Sands Corp. | Bellagio LLC | The Valley Health System | Aria Resort & Casino | Mandalay Bay Resort & Casino | The Palazzo Casino Resort | Wal-Mart Stores Inc. | University of Nevada-Las Vegas | McDonald's | UnitedHealthcare | Cosmopolitan of Las Vegas | Mirage Casino-Hotel | The Venetian Casino Resort | SUPERVALU Inc. | St. Rose Dominican Hospitals

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,888,675	27th of 104 (Above Average)
Income per Capita	$53,159	34th of 104 (Above Average)
Feeder Group Size	27.7 Persons PSR	5th of 104 (Strong)
Feeder Group Earnings	$1,470,186 PSR	7th of 104 (Strong)
Total Market COPE	$2.8 billion	3rd 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	35.7%	$118.30	$42.22	$108.96	$38.90	$9.34	92.1%	53.1%	2.22	149,700	0.88
2016	41.1%	$139.12	$57.21	$129.32	$53.15	$9.80	93.0%	51.1%	1.96	150,000	1.10
2017	48.0%	$153.85	$73.79	$144.81	$69.51	$9.04	94.1%	47.3%	1.73	149,900	1.19
2018	50.4%	$146.34	$73.72	$137.20	$69.12	$9.13	93.8%	48.4%	1.72	150,900	0.70
2019	45.0%	$144.31	$64.88	$133.42	$59.99	$10.89	92.5%	62.3%	1.96	156,900	0.62
2020	27.2%	$103.84	$29.85	$96.89	$26.33	$6.95	93.3%	49.9%	2.12	157,700	0.76
CAGR: 2015 thru 2020	**-5.3%**	**-2.6%**	**-6.7%**	**-2.3%**	**-7.5%**	**-5.7%**	**0.3%**	**-1.2%**	**-1.0%**	**1.0%**	**-3.0%**
YTD 3Q 2019	46.9%	$138.90	$64.47	$128.40	$59.60	$10.50	92.4%	57.1%	1.94	156,200	0.67
YTD 3Q 2020	25.5%	$109.20	$30.40	$101.82	$28.32	$7.38	93.2%	51.1%	2.12	155,500	0.66
YTD 3Q 2021	46.2%	$117.70	$56.03	$109.79	$52.24	$7.92	93.3%	46.8%	2.09	160,800	0.95
% Change	**80.9%**	**7.8%**	**84.3%**	**7.8%**	**84.5%**	**7.3%**	**0.0%**	**-8.4%**	**-1.0%**	**3.4%**	**43.8%**

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

Notable Metrics

HIGHEST

Total Rooms Supply	Total Rooms Sold	Feeder Group Size
2nd	**2nd**	**5th**
Strong	**Strong**	**Strong**
Las Vegas, NV benefits from a large and diverse hotel market (165,208)	The market boasted strong total rooms sold (24,926,124)	The market also required a small feeder group size (27.66 Persons)

LOWEST

Population Density per Room	Feeder Population Per Room	Marketwide Income per Room
103rd	**102nd**	**100th**
Soft	**Soft**	**Soft**
This market has been hindered by weak population density per room (1.96)	The market posted a low ratio of feeder population per room (8.81)	Las Vegas, NV also exhibited a low ratio of marketwide income per room ($468,418)

Notable Trends

FASTEST

Short-Term Historical Loyalty Contribution Growth	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Supply Growth
10th	**14th**	**15th**
Above Average	**Above Average**	**Above Average**
Las Vegas, NV enjoyed strong short-term historical loyalty contribution growth (1.6%)	The market has benefited from strong short-term historical average length of stay growth (3.7%)	The market also has benefited from low long-term historical supply growth (1.2%)

SLOWEST

Long-Term Historical Average Length of Stay Growth	Long-Term Historical Loyalty Contribution Growth	T12-Month Rooms Supply Growth
100th	**100th**	**92nd**
Soft	**Soft**	**Soft**
The market exhibited weak long-term historical average length of stay growth (-1.7%)	We note this area has been hindered by weak long-term historical loyalty contribution growth (-0.4%)	Las Vegas, NV also has been hindered by high rooms supply growth over the last 12 months (5.8%)

Market Performance Stage

Source: Newmark

Las Vegas, NV: Expansion Stage

Expansion

The Las Vegas, NV 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 Atlanta, GA; Fort Lauderdale, FL; and Fort Worth, TX.

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 Expansion**
Employment Growth (2 yr):	**-6.3%**
Risk Exposure (402 US markets):	**2nd Percentile: Low Risk**
Key Industry Notes:	Retiree magnet, tourism
	Gaming and entertainment
	No personal income tax
	Strong migration trends
	High employment volatility

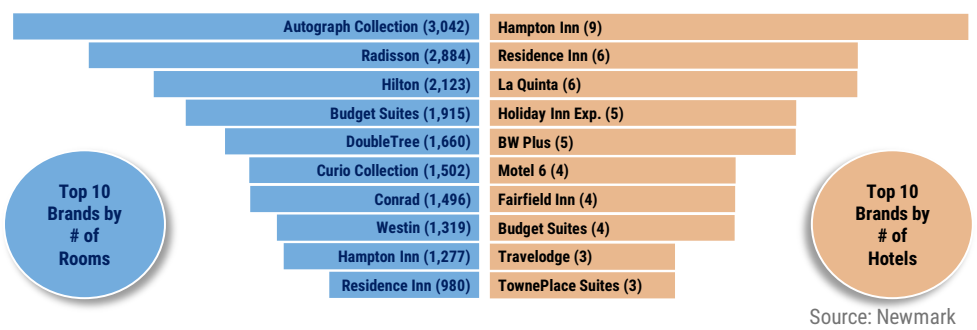
Moody's Rating

Aa1

Investment Grade

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

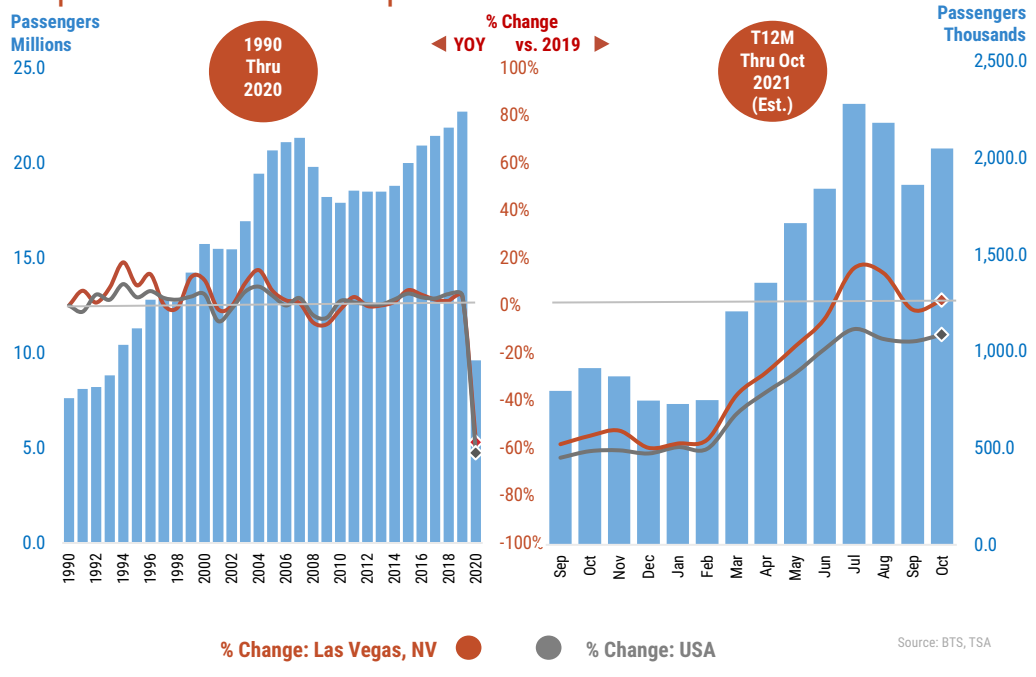
TOP 10 BRANDS



Source: Newmark

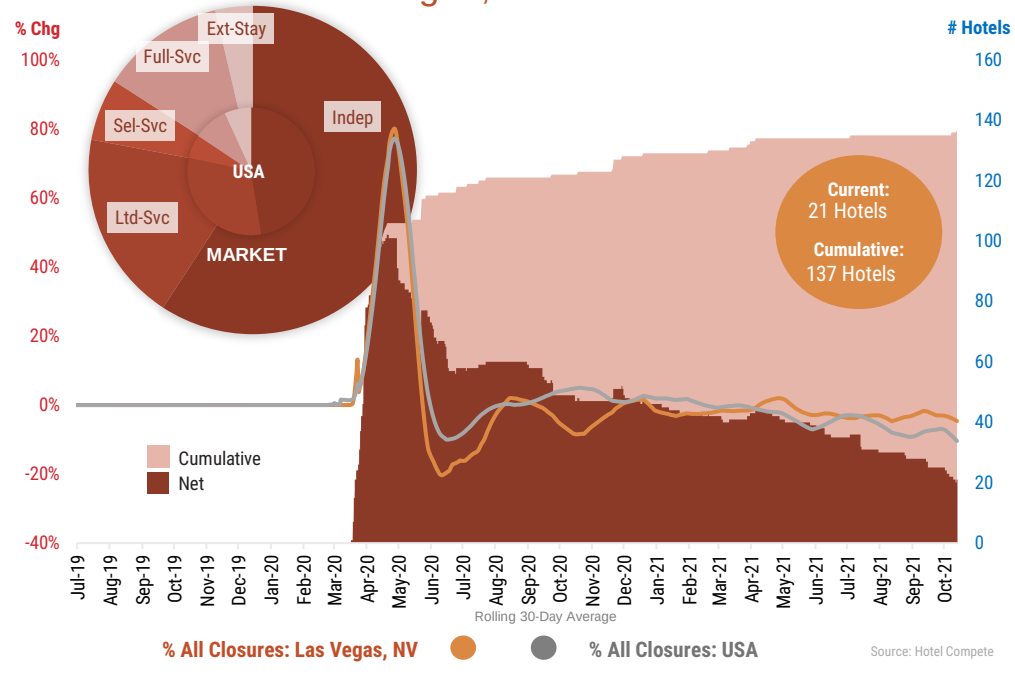
LAS VEGAS, NV: ALL LOCAL

Airport Statistics - Enplanements



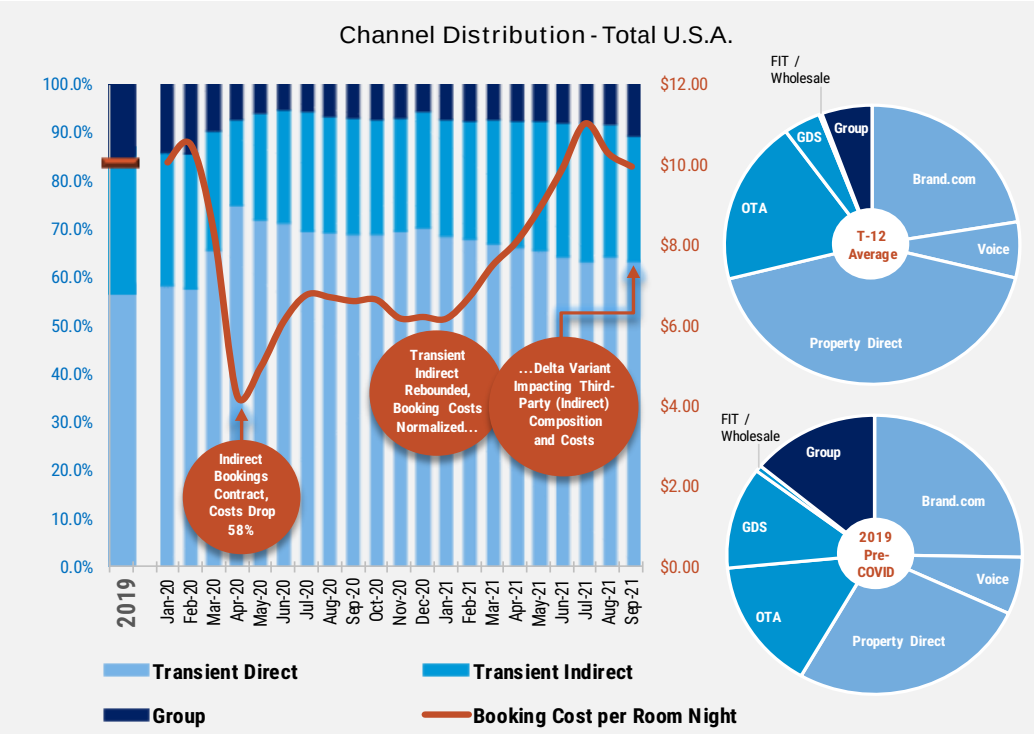
DATA THROUGH OCTOBER 2021

Hotel Closures - Las Vegas, NV vs. USA



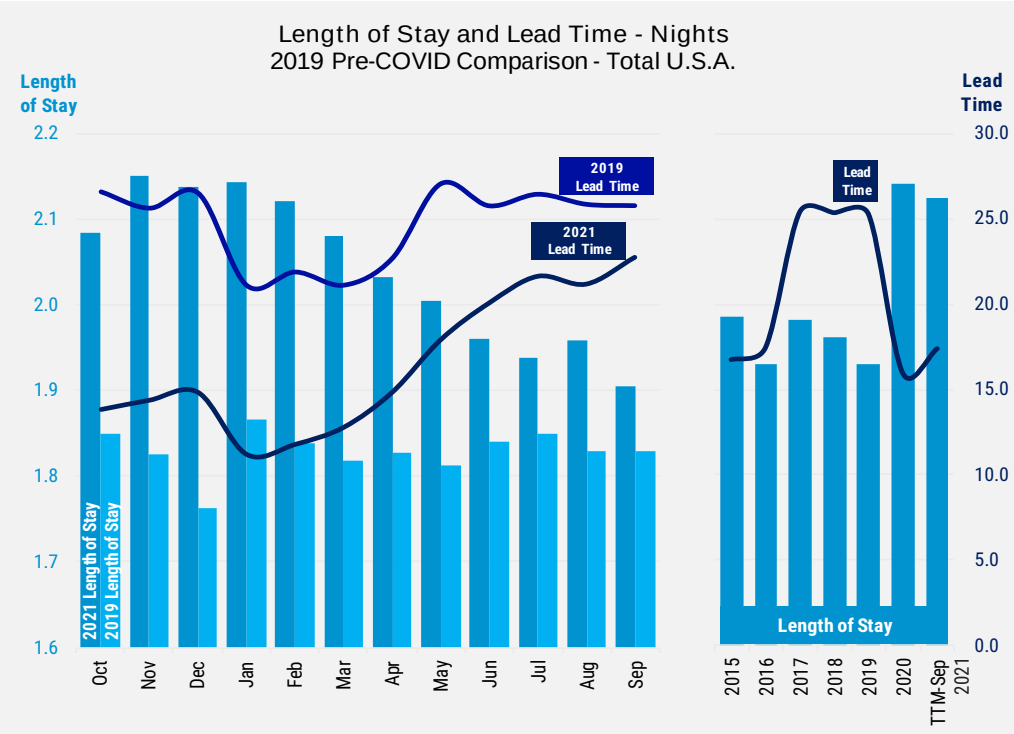
National Trends Dashboard - Channel Distribution

DISTRIBUTION AND COST

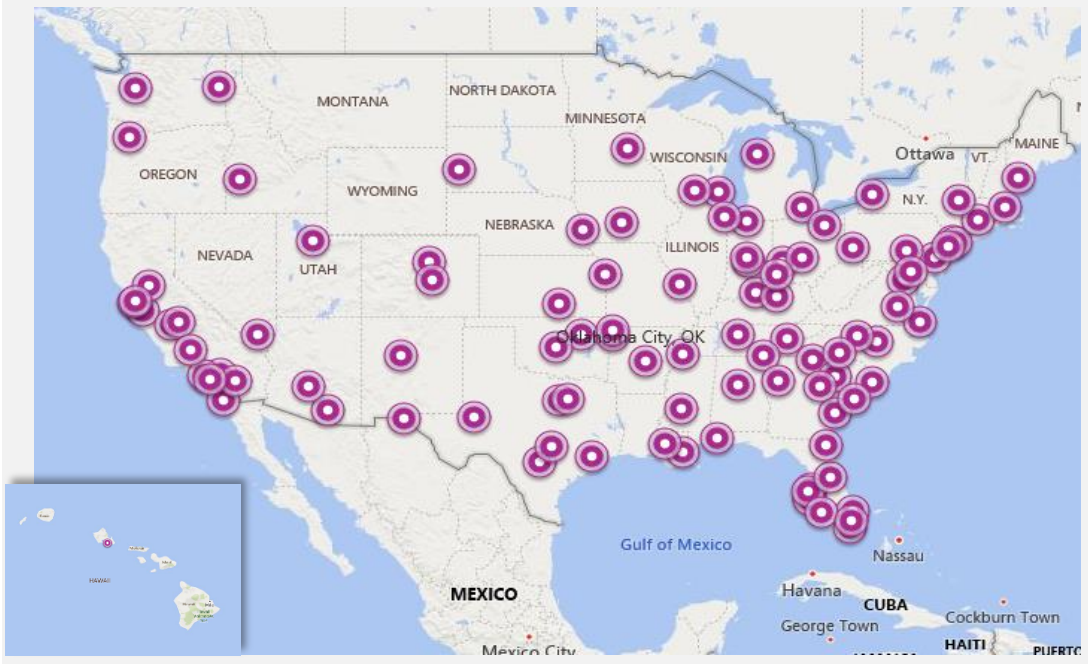


National Trends Dashboard - Duration

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.

CONTACT: LAS VEGAS MARKET

For more information:

Mark Capasso, MAI
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Las Vegas/Gaming Markets
M 310.714.7579
mark.capasso@nmrk.com

Chad Eschmeyer
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Las Vegas Market/Soutwest Markets
Dir 602.315.5888
chad.eschmeyer@nmrk.com

NEWMARK

© 2020 by Newmark. All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication, and should consult with professionals of the recipient's choice with regard to all aspects of that decision, including its legal, financial, and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.