



VALUATION & ADVISORY 3Q 2021 HOTEL MARKET INSIGHTS REPORT

Hospitality, Gaming & Leisure Practice

Los Angeles, CA

Fundamentals Dashboard

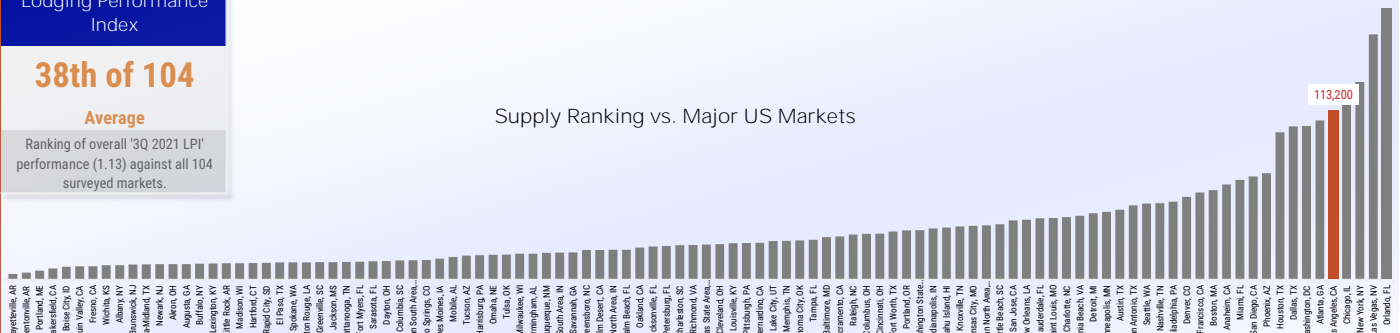
Lodging Performance Index

38th of 104

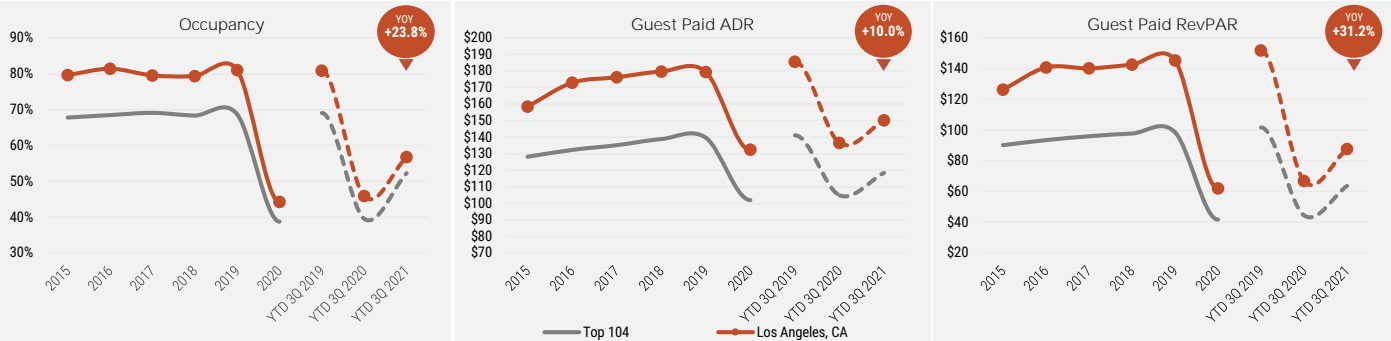
Average

Ranking of overall '3Q 2021 LPI'
performance (1.13) against all 104
surveyed markets.

Supply Ranking vs. Major US Markets



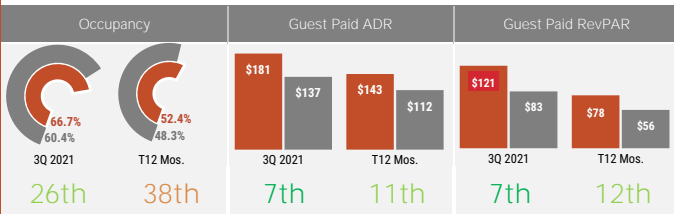
KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

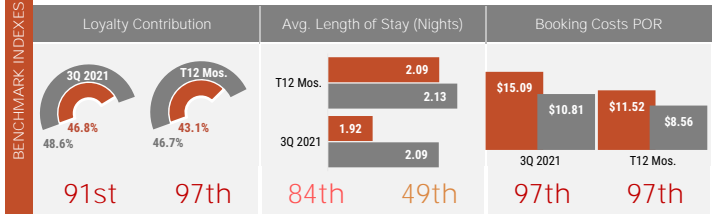
Key Performance Indexes

● Subject Market ● Top 104



Key Benchmark Indexes

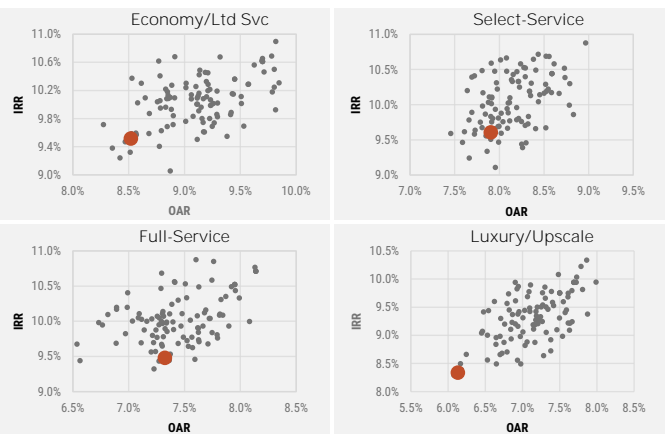
Data provided by: **kalibri LABS**



BENCHMARK INDEXES

Discount and Capitalization Rates

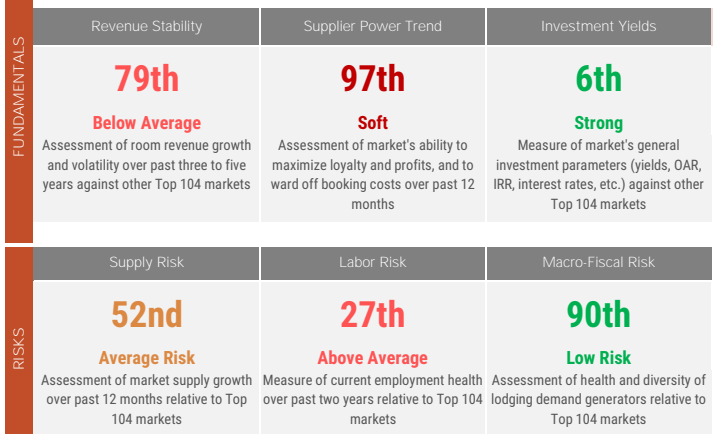
Source: Newmark



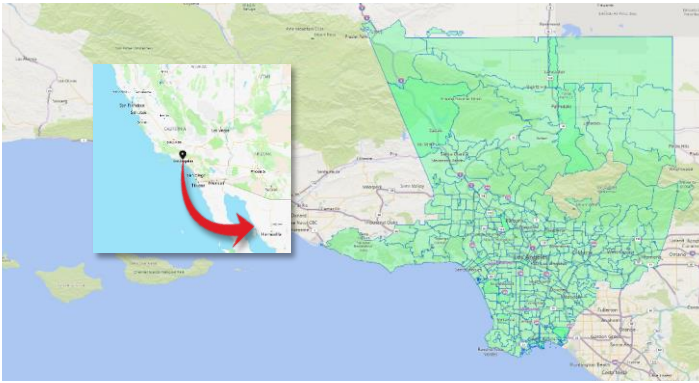
INVESTMENT PARAMETERS

Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information

Municipal Name:	Los Angeles
County:	Los Angeles County
State:	California
Geo Coordinates (market center):	34.05223, -118.24368

Source: US Census Bureau,
Dept. of Labor Statistics

Major Hotel Demand Generators

University of California Los Angeles | Kaiser Permanente | University of Southern California | Northrop Grumman Corp. | Providence Health Systems | Target Brands Inc. | The Kroger Co. | The Boeing Co. | The Walt Disney Co. | Albertsons/Vons/Pavilions | Bank of America Corp. | Cedars-Sinai Medical Center | NBC Universal | AT&T | The Home Depot U.S.A. Inc. | Wells Fargo & Co. | ABM Industries Inc. | California Institute of Technology | Wonderfo Co. | FedEx Corp.

Metrics and Ranking

Population (hotel market area)	8,944,687
Income per Capita	\$54,501
Feeder Group Size	152 Persons PSR
Feeder Group Earnings	\$8,284,172 PSR
Total Market COPE	\$3.1 billion

Measurement

Population (hotel market area)	8,944,687
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Rankings

1st of 104 (Very Large)
31st of 104 (Above Average)
91st of 104 (Soft)
90th of 104 (Soft)
2nd of 104 (Strong)

Key Performance Metrics

Data provided by: **kolibriLABS**

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	79.7%	\$158.53	\$126.27	\$145.10	\$115.58	\$13.43	91.5%	40.0%	2.10	98,500	1.56
2016	81.4%	\$172.92	\$140.76	\$157.93	\$128.56	\$14.99	91.3%	42.4%	2.07	98,900	1.55
2017	79.6%	\$176.23	\$140.19	\$160.48	\$127.66	\$15.75	91.1%	44.4%	1.98	101,900	1.22
2018	79.4%	\$179.67	\$142.60	\$164.06	\$130.21	\$15.61	91.3%	46.6%	1.94	105,600	1.43
2019	81.0%	\$179.35	\$145.34	\$163.68	\$132.64	\$15.67	91.3%	50.6%	1.87	110,900	1.28
2020	44.2%	\$132.39	\$61.94	\$122.20	\$54.01	\$10.19	92.3%	40.5%	2.13	113,400	1.18
CAGR: 2015 thru 2020	-11.1%	-3.5%	-13.3%	-3.4%	-14.1%	-5.4%	0.2%	0.3%	0.3%	2.9%	-5.5%
YTD 3Q 2019	80.8%	\$185.47	\$151.80	\$169.32	\$138.57	\$16.15	91.3%	48.6%	1.84	110,400	1.22
YTD 3Q 2020	45.8%	\$136.44	\$66.82	\$125.92	\$61.55	\$10.52	92.3%	40.4%	2.11	110,000	1.25
YTD 3Q 2021	56.7%	\$150.13	\$87.64	\$137.84	\$80.43	\$12.28	91.8%	43.9%	2.06	112,000	1.13
% Change	23.8%	10.0%	31.2%	9.5%	30.7%	16.8%	-0.5%	8.7%	-2.5%	1.8%	-9.9%

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

Notable Metrics

HIGHEST	Total Rooms Sold	OAR: Luxury/Upscale	Latest-Quarter Guest Paid ADR
	3rd Strong Los Angeles, CA boasted strong total rooms sold (21,478,965)	3rd Highly Favorable The market exhibited favorable OAR metrics in the luxury/upscale segment (6.1%)	7th Strong The market also exhibited strong latest-quarter Guest Paid ADR (\$181.37)
LOWEST	T12-Month COPE ADR Percentage	T12-Month Loyalty Contribution	T12-Month Booking Costs POR
	97th Soft This market has been hampered by weak T12-month COPE ADR percentage (91.9%)	97th Soft The market has been hindered by weak T12-month loyalty contribution (43.1%)	97th Soft Los Angeles, CA also was burdened by high T12-month booking costs POR (\$11.52)

Notable Trends

FASTEST	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	Overall Health of Hotel Market
	17th Above Average Los Angeles, CA enjoyed strong short-term historical loyalty contribution growth (1.2%)	25th Above Average The market exhibited strong long-term historical loyalty contribution growth (2.3%)	39th Average The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
SLOWEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Supply Growth	Short-Term Historical Average Length of Stay Growth
	91st Soft The market exhibited weak long-term historical average length of stay growth (-1.0%)	87th Below Average We note this area has been burdened by high short-term historical supply growth (1.4%)	86th Below Average Los Angeles, CA also exhibited weak short-term historical average length of stay growth (0.2%)

Market Performance Stage



Source: Newmark

Los Angeles, CA: Expansion Stage

The Los Angeles, CA 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.

Industry Observations

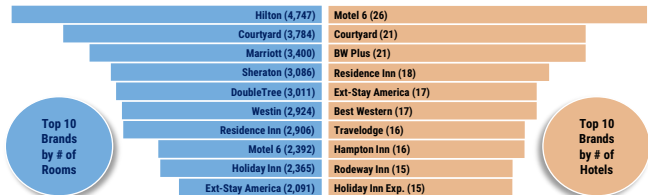
Business Cycle:	In Recovery
Employment Growth (2 yr):	-3.0%
Risk Exposure (402 US markets):	45th Percentile: Average Risk
Key Industry Notes:	High tech, tourism Strong healthcare base Global links through tourism Deep Sea Pedro Harbor Prone to natural disasters

Moody's Rating

Aa1
Investment Grade

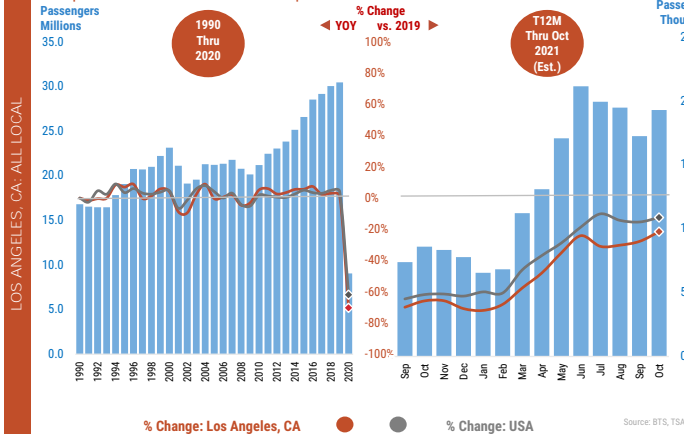
Long-term investment grade,
Prime-1 short-term outlook

TOP 10 BRANDS

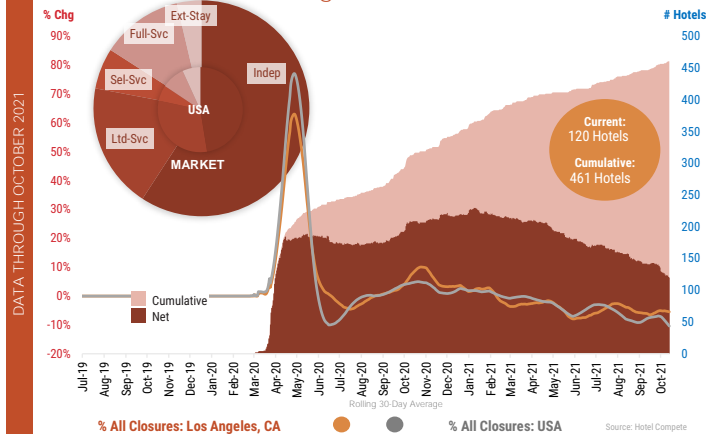


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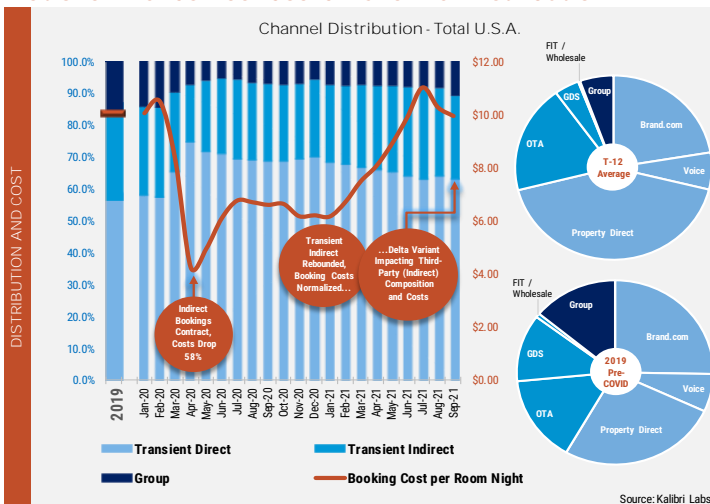
Airport Statistics - Enplanements



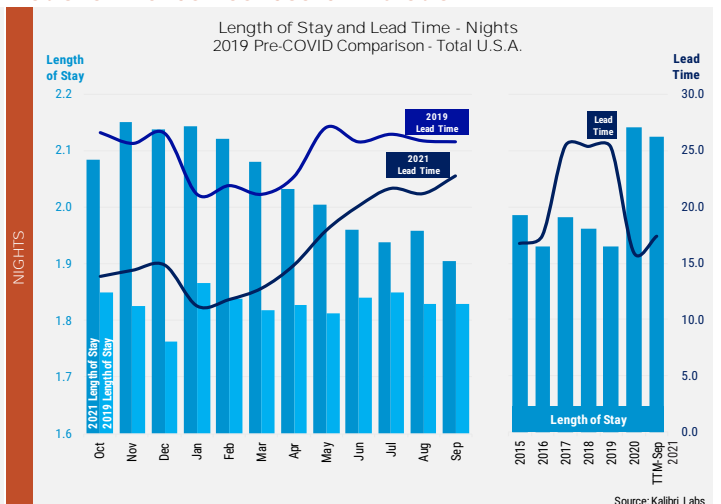
Hotel Closures - Los Angeles, CA vs. USA



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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