VALUATION & ADVISORY
3Q 2021 HOTEL MARKET NSIGHTS REPORT

Hospitality, Gaming & Leisure Practice — Miami, FL

Fundamentals Dashboard

KEY PERFORMANCE METRICS

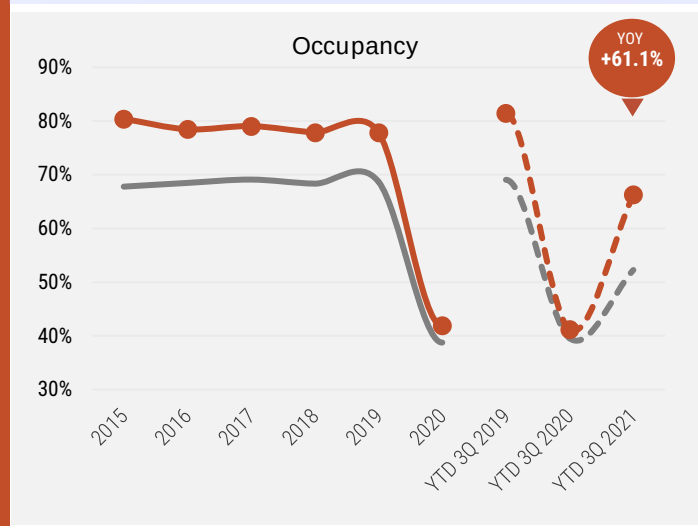
Lodging Performance Index

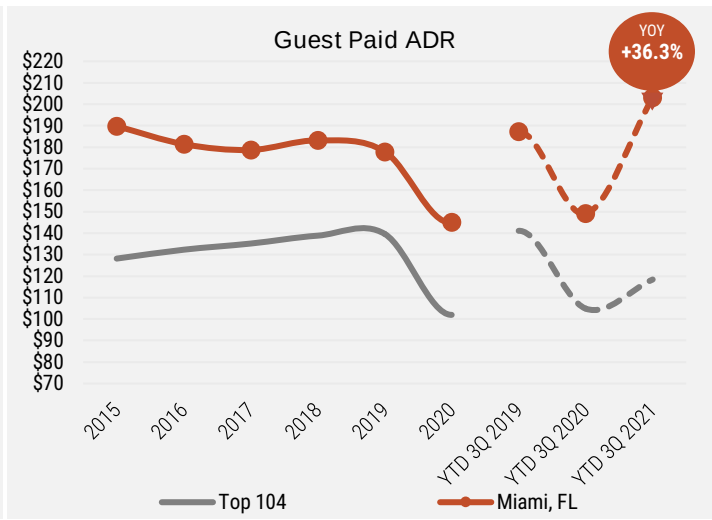
12th of 104

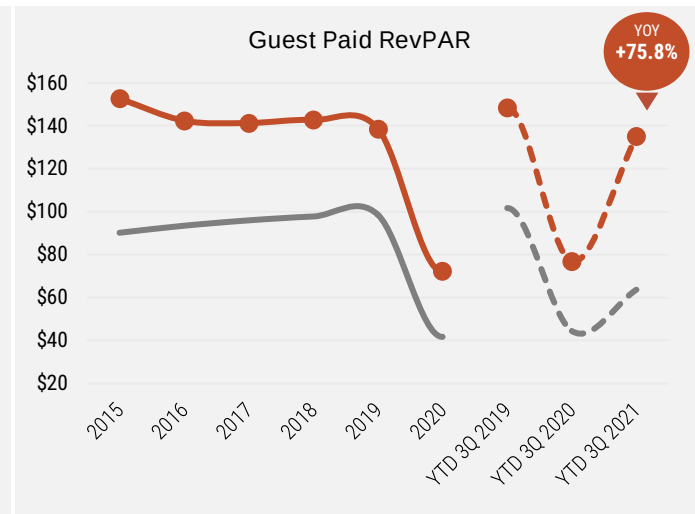
Above Average

Ranking of overall '3Q 2021 LPI' performance (1.42) 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	
62.9% / 60.4%	60.8% / 48.3%	$187 / $137	$186 / $112	$118 / $83	$116 / $56
3Q 2021	T12 Mos.	3Q 2021	T12 Mos.	3Q 2021	T12 Mos.
47th	14th	6th	2nd	9th	1st

BENCHMARK INDEXES

Key Benchmark Indexes

Data provided by: kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
42.0% / 48.6%	43.0% / 46.7%	2.21 / 2.13	2.13 / 2.09	$17.11 / $10.81	$16.37 / $8.56
3Q 2021	T12 Mos.	T12 Mos.	3Q 2021	3Q 2021	T12 Mos.
102nd	98th	32nd	24th	101st	103rd

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark

FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
94th	**99th**	**42nd**
Soft	**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
9th	**35th**	**91st**
High Risk	**Average Risk**	**Low 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

Miami, FL

Location

Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Miami
County:	Miami-Dade County
State:	Florida
Geo Coordinates (market center):	25.77427, -80.19366

Major Hotel Demand Generators

University of Miami | Jackson Health System | Publix Super Markets Inc. | Baptist Health Systems | American Airlines | Miami Cardio Vascular Institute | AT&T | West Kendall Outpatient Center | Florida International University | American Sales & Management | Carnival Cruise Lines | Miami Children's Hospital | Macy's | Mount Sinai Medical Center | Homestead Air Reserve Base | JPMorgan Chase and Co. | Florida Power & Light Co. | Winn-Dixie Stores Inc. | Royal Caribbean/ Celebrity Cruise | Veterans Affairs Medical Center

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,280,379	20th of 104 (Above Average)
Income per Capita	$33,999	98th of 104 (Soft)
Feeder Group Size	56.6 Persons PSR	17th of 104 (Above Average)
Feeder Group Earnings	$1,925,525 PSR	9th of 104 (Strong)
Total Market COPE	$2.7 billion	4th 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	80.4%	$189.83	$152.64	$172.83	$138.97	$17.00	91.0%	39.7%	2.12	54,800	1.66
2016	78.5%	$181.45	$142.38	$164.94	$129.43	$16.50	90.9%	42.4%	2.07	56,200	1.21
2017	79.1%	$178.74	$141.31	$162.25	$128.28	$16.48	90.8%	43.3%	2.08	57,500	1.39
2018	77.9%	$183.20	$142.71	$167.04	$130.12	$16.16	91.2%	46.5%	1.99	59,200	1.49
2019	77.9%	$178.00	$138.60	$162.66	$126.65	$15.34	91.4%	49.3%	1.89	62,600	1.29
2020	41.9%	$144.98	$72.30	$133.83	$56.09	$11.15	92.3%	43.0%	2.33	65,900	1.37
CAGR: 2015 thru 2020	**-12.2%**	**-5.2%**	**-13.9%**	**-5.0%**	**-16.6%**	**-8.1%**	**0.3%**	**1.6%**	**1.9%**	**3.8%**	**-3.8%**
YTD 3Q 2019	81.4%	$187.19	$148.38	$171.00	$135.59	$16.19	91.4%	46.4%	1.95	61,800	1.18
YTD 3Q 2020	41.1%	$149.06	$76.84	$137.81	$70.96	$11.25	92.5%	42.9%	2.35	62,700	1.26
YTD 3Q 2021	66.3%	$203.17	$135.11	$184.95	$122.97	$18.22	91.0%	42.9%	2.18	66,400	1.42
% Change	**61.1%**	**36.3%**	**75.8%**	**34.2%**	**73.3%**	**62.0%**	**-1.5%**	**0.0%**	**-7.0%**	**5.9%**	**12.8%**

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

Notable Metrics

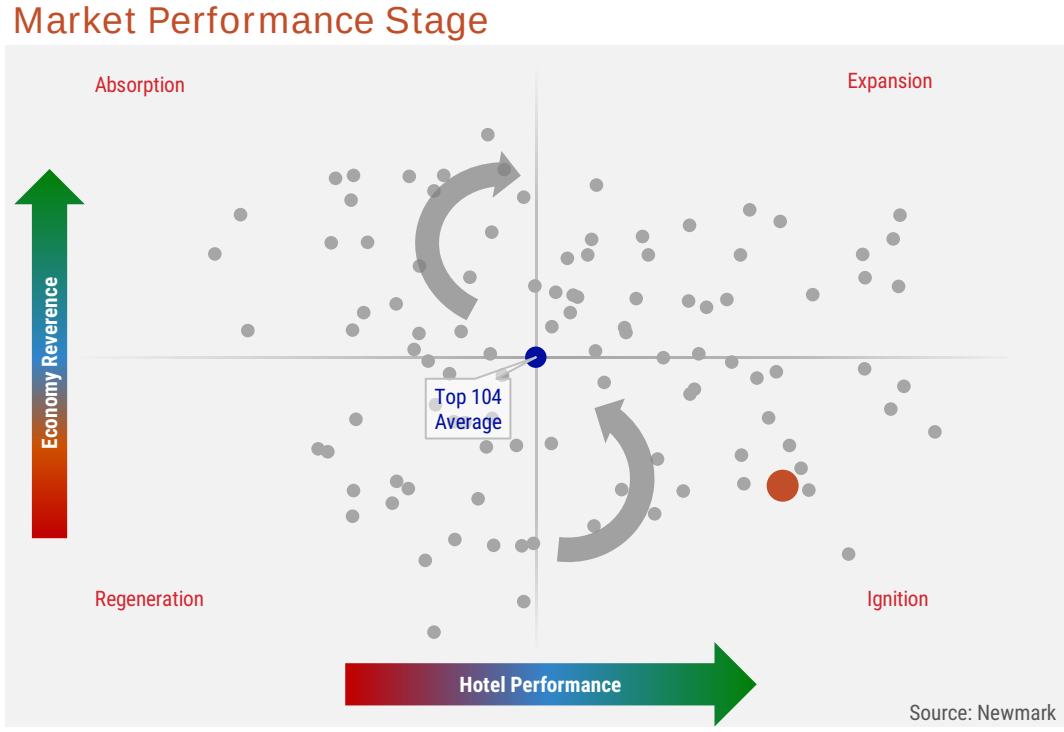
	T12-Month Guest Paid RevPAR	T12-Month COPE RevPAR	T12-Month Guest Paid ADR
HIGHEST	**1st** Strong — Miami, FL exhibited strong T12-month Guest Paid RevPAR ($116.01)	**1st** Strong — The market benefited from strong T12-month COPE RevPAR ($102.82)	**2nd** Strong — The market also benefited from strong T12-month Guest Paid ADR ($185.57)
LOWEST	**103rd** Soft — This market has been hampered by weak T12-month COPE ADR percentage (91.2%)	**103rd** Soft — The market was burdened by high T12-month booking costs POR ($16.37)	**102nd** Soft — Miami, FL also has been hindered by weak latest-quarter loyalty contribution (42.0%)

Notable Trends

	Short-Term Historical Supply Growth	Long-Term Historical Booking Costs POR Growth	Overall Health of Hotel Market
FASTEST	**10th** Above Average — Miami, FL has benefited from low short-term historical supply growth (4.3%)	**13th** Above Average — The market has benefited from low long-term historical booking costs POR growth (-2.9%)	**15th** Above Average — The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)

	Long-Term Historical COPE ADR Growth	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical COPE RevPAR Growth
SLOWEST	**100th** Soft — The market posted weak long-term historical COPE ADR growth (-4.4%)	**100th** Soft — We note this area has been impeded by weak long-term historical Guest Paid ADR growth (-4.3%)	**98th** Soft — Miami, FL also posted weak long-term historical COPE RevPAR growth (-9.1%)

Market Performance Stage



Source: Newmark

Miami, FL: Ignition Stage

Ignition

The Miami, FL market is currently in the 'Ignition' stage of the performance cycle. In this 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; Michigan North Area, MI; and Myrtle Beach, SC.

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.

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.

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

MOODY'S ANALYTICS

Business Cycle:	In Recovery
Employment Growth (2 yr):	-4.4%
Risk Exposure (402 US markets):	20th Percentile: Below Average
Key Industry Notes:	Financial center, tourism Strong ties to Latin America International trade Shipping infrastructure High household debt burden

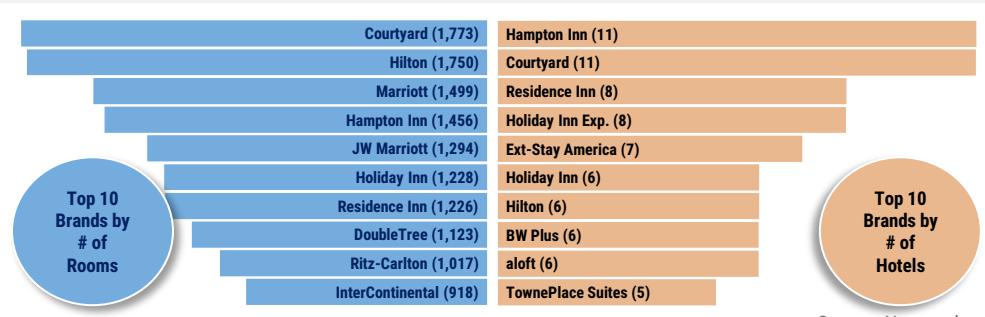
Moody's Rating

Aa2

Investment Grade

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

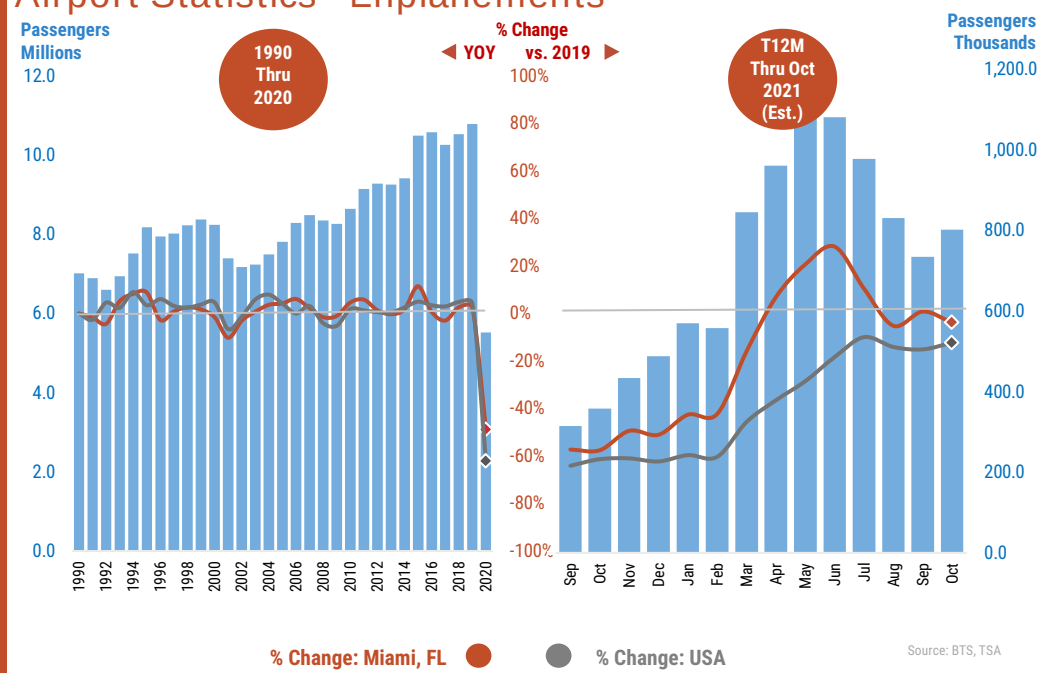
TOP 10 BRANDS



Source: Newmark

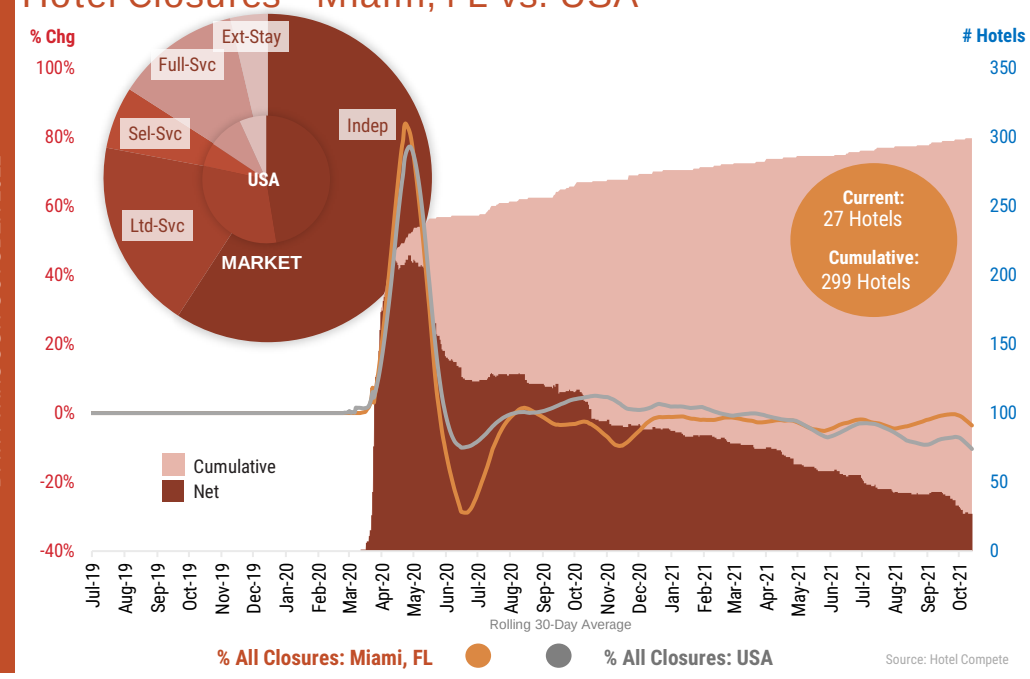
MIAMI, FL: ALL LOCAL

Airport Statistics - Enplanements



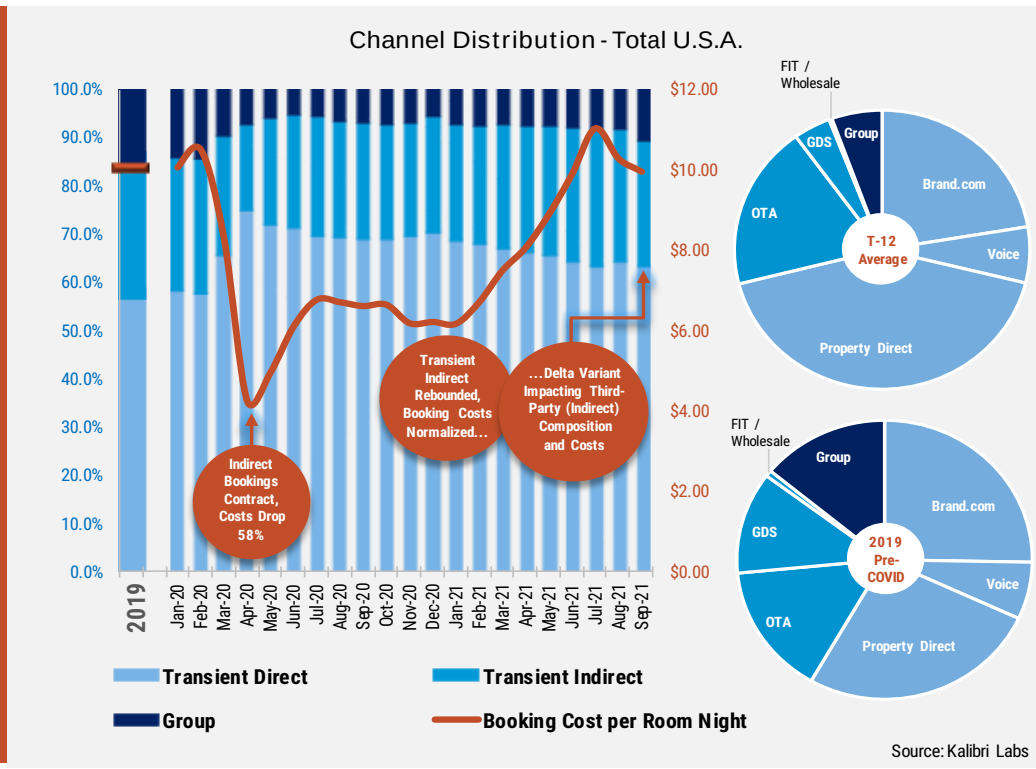
DATA THROUGH OCTOBER 2021

Hotel Closures - Miami, FL vs. USA



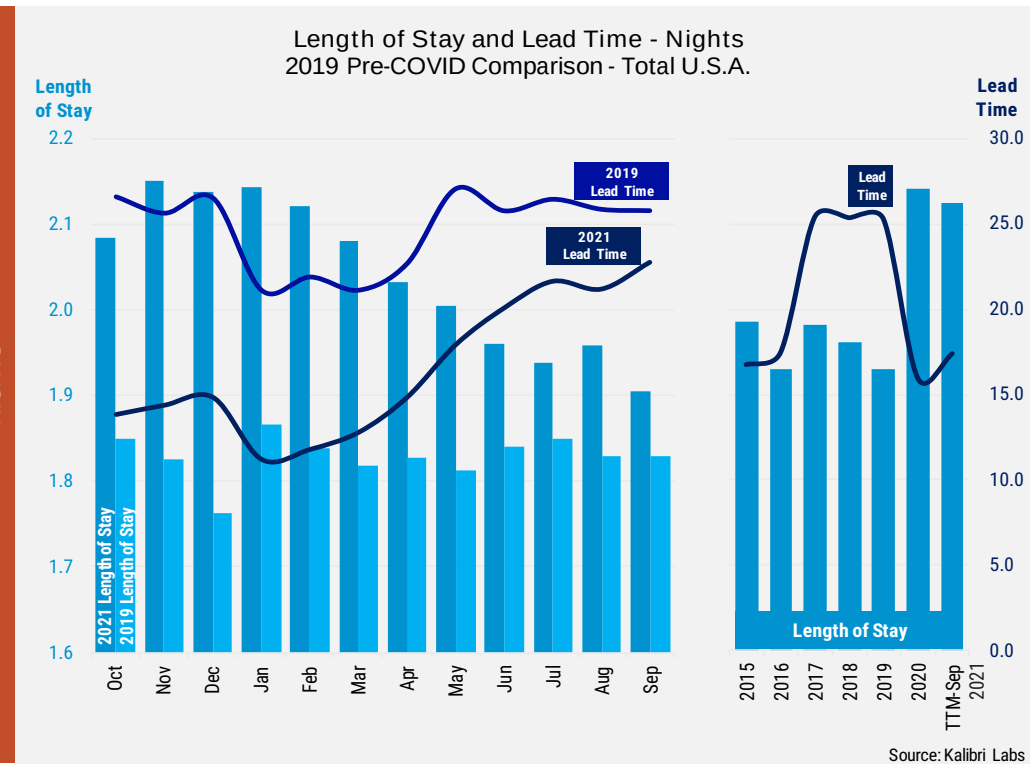
DISTRIBUTION AND COST

National Trends Dashboard - Channel Distribution

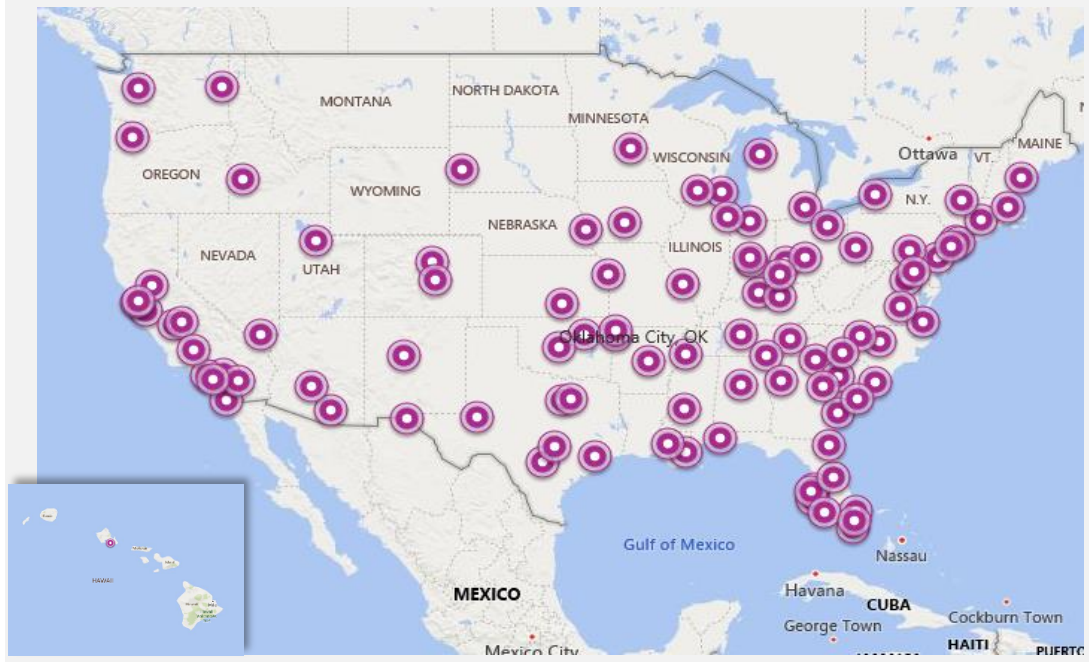


NIGHTS

National Trends Dashboard - Duration



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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