VALUATION & ADVISORY
3Q 2021 HOTEL MARKET NSIGHTS REPORT

Hospitality, Gaming & Leisure Practice — Nashville, TN

Fundamentals Dashboard

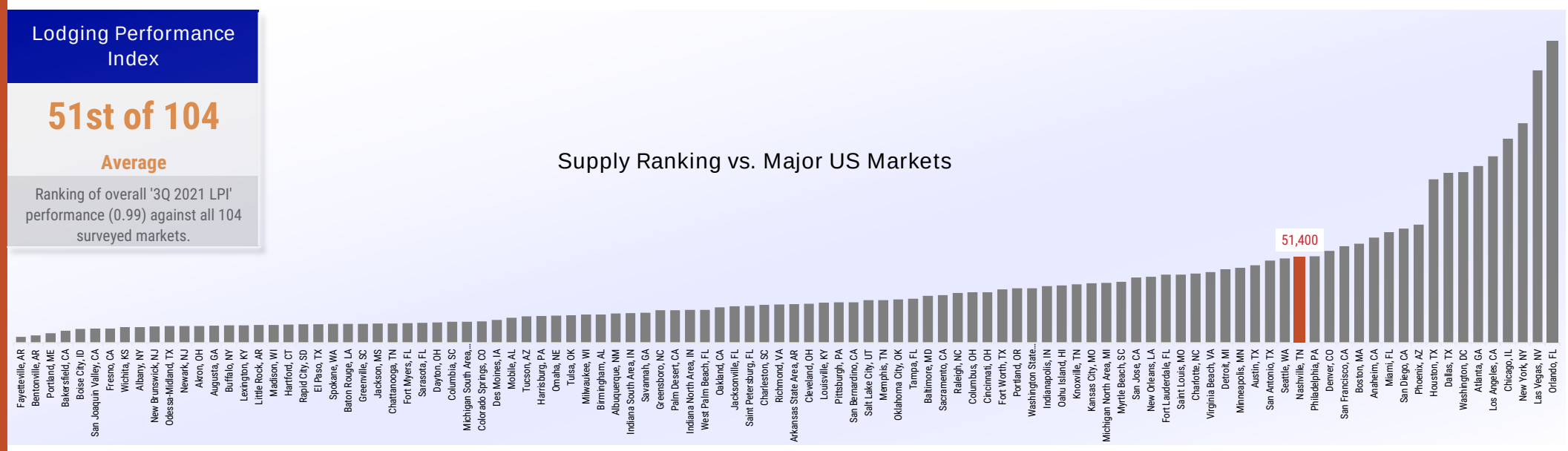
KEY PERFORMANCE METRICS

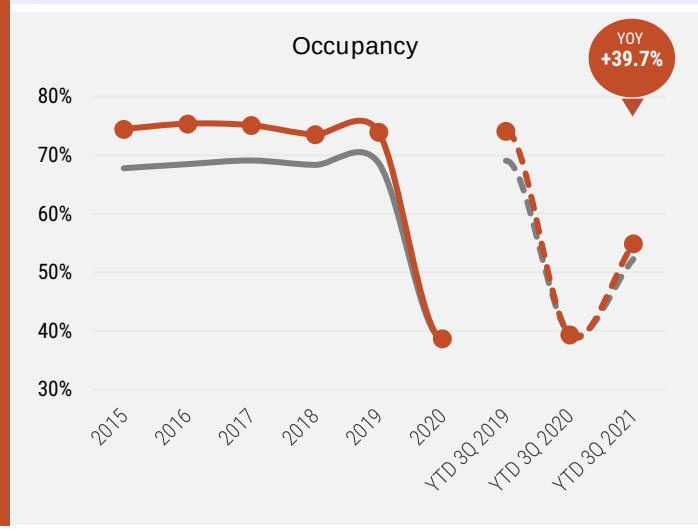
Lodging Performance Index

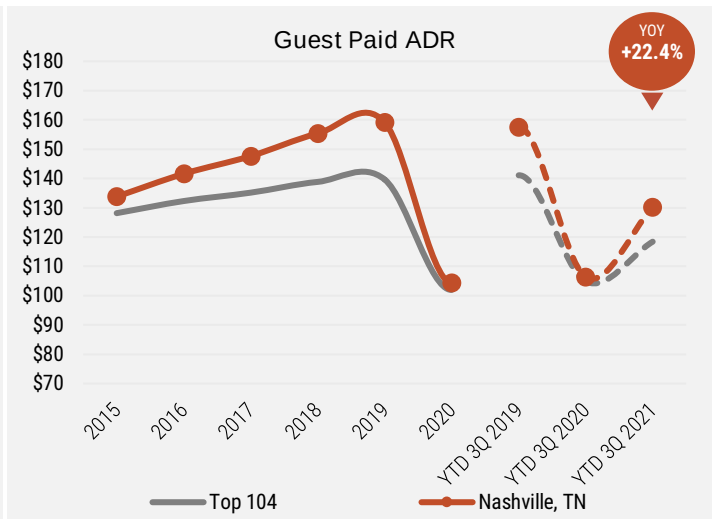
51st of 104

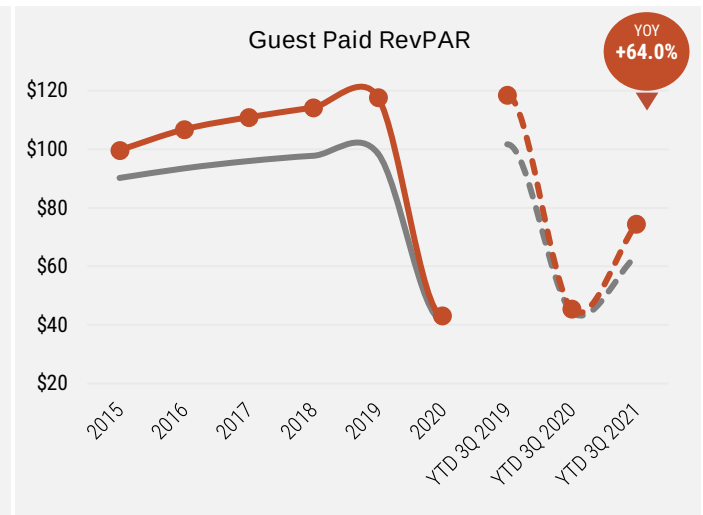
Average

Ranking of overall '3Q 2021 LPI' performance (0.99) against all 104 surveyed markets.









PERFORMANCE INDEXES

Key Performance Indexes

Subject Market · Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
66.3% / 60.4%	50.4% / 48.3%	$160 / $137	$122 / $112	$106 / $83	$65 / $56
3Q 2021	T12 Mos.	3Q 2021	T12 Mos.	3Q 2021	T12 Mos.
28th	50th	13th	17th	15th	26th

BENCHMARK INDEXES

Key Benchmark Indexes

Data provided by: kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
3Q 2021: 53.1% / 48.6%	T12 Mos.: 52.7% / 46.7%	T12 Mos.: 1.92 / 2.13	3Q 2021: 1.94 / 2.09	$12.30 / $10.81	$9.19 / $8.56
3Q 2021	T12 Mos.			3Q 2021	T12 Mos.
27th	12th	80th	93rd	87th	86th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark

FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
60th	**16th**	**23rd**
Average	**Above 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

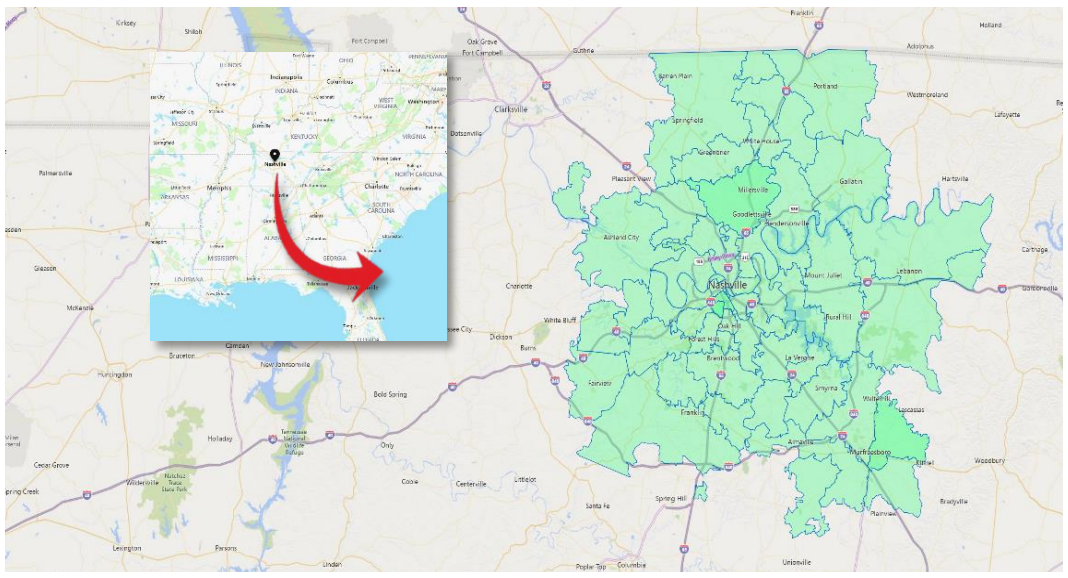
RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
7th	**82nd**	**96th**
High Risk	**Below Average**	**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

Nashville, TN

Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Nashville
County:	Davidson County
State:	Tennessee
Geo Coordinates (market center):	36.16913, -86.78479

Major Hotel Demand Generators

Vanderbilt University Medical Center | HCA Inc. | Nissan North America Inc. | Saint Thomas Health Services | Vanderbilt University | Community Health Systems Inc. | Randstad Work Solutions | General Motors | Asurion | The Kroger Co. | National HealthCare Corp. | Shoney's Inc. | Electrolux Home Products North America | Lowe's Cos. Inc. | Cracker Barrel Old Country Store Inc. | Gaylord Entertainment Co. | Middle Tennessee State University | AT&T | Dollar General Corp. | AO Smith Water Products Co.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,386,498	46th of 104 (Average)
Income per Capita	$45,170	62nd of 104 (Average)
Feeder Group Size	55.1 Persons PSR	15th of 104 (Above Average)
Feeder Group Earnings	$2,489,749 PSR	17th of 104 (Above Average)
Total Market COPE	$1.1 billion	16th of 104 (Above Average)

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	74.5%	$133.81	$99.67	$123.81	$92.22	$10.00	92.5%	43.3%	2.00	37,700	1.41
2016	75.4%	$141.60	$106.76	$130.76	$98.58	$10.84	92.3%	46.4%	1.97	38,400	1.39
2017	75.1%	$147.64	$110.91	$135.99	$102.16	$11.65	92.1%	49.3%	1.95	39,600	1.34
2018	73.5%	$155.35	$114.23	$143.23	$105.31	$12.13	92.2%	50.8%	1.93	42,000	1.31
2019	74.0%	$159.16	$117.74	$147.10	$108.81	$12.06	92.4%	54.8%	1.90	46,400	1.32
2020	38.7%	$104.30	$43.04	$97.08	$37.53	$7.22	93.1%	52.0%	1.99	49,100	0.99
CAGR: 2015 thru 2020	**-12.3%**	**-4.9%**	**-15.5%**	**-4.7%**	**-16.5%**	**-6.3%**	**0.1%**	**3.7%**	**-0.1%**	**5.4%**	**-6.8%**
YTD 3Q 2019	74.1%	$157.56	$118.33	$145.78	$109.47	$11.79	92.5%	54.0%	1.89	44,600	1.19
YTD 3Q 2020	39.3%	$106.39	$45.38	$99.04	$42.19	$7.34	93.1%	51.5%	2.02	47,700	1.04
YTD 3Q 2021	54.9%	$130.17	$74.43	$120.19	$68.70	$9.98	92.3%	52.4%	1.92	50,200	0.99
% Change	**39.7%**	**22.4%**	**64.0%**	**21.4%**	**62.8%**	**35.8%**	**-0.8%**	**1.7%**	**-4.9%**	**5.2%**	**-4.8%**

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

Notable Metrics

HIGHEST

OAR: Full-Service	Latest-Quarter Guest Paid ADR	OAR: Luxury/Upscale
8th	**13th**	**12th**
Highly Favorable	**Above Average**	**Favorable**
Nashville, TN posted favorable OAR metrics in the full-service segment (6.9%)	The market exhibited strong latest-quarter Guest Paid ADR ($159.79)	The market also exhibited favorable OAR metrics in the luxury/upscale segment (6.5%)

LOWEST

Feeder Population Per Room	T12-Month Average Length of Stay	Marketwide Income per Room
93rd	**93rd**	**91st**
Soft	**Soft**	**Soft**
This market posted a low ratio of feeder population per room (20.72)	The market exhibited weak T12-month average length of stay (1.92 Nights)	Nashville, TN also exhibited a low ratio of marketwide income per room ($936,075)

Notable Trends

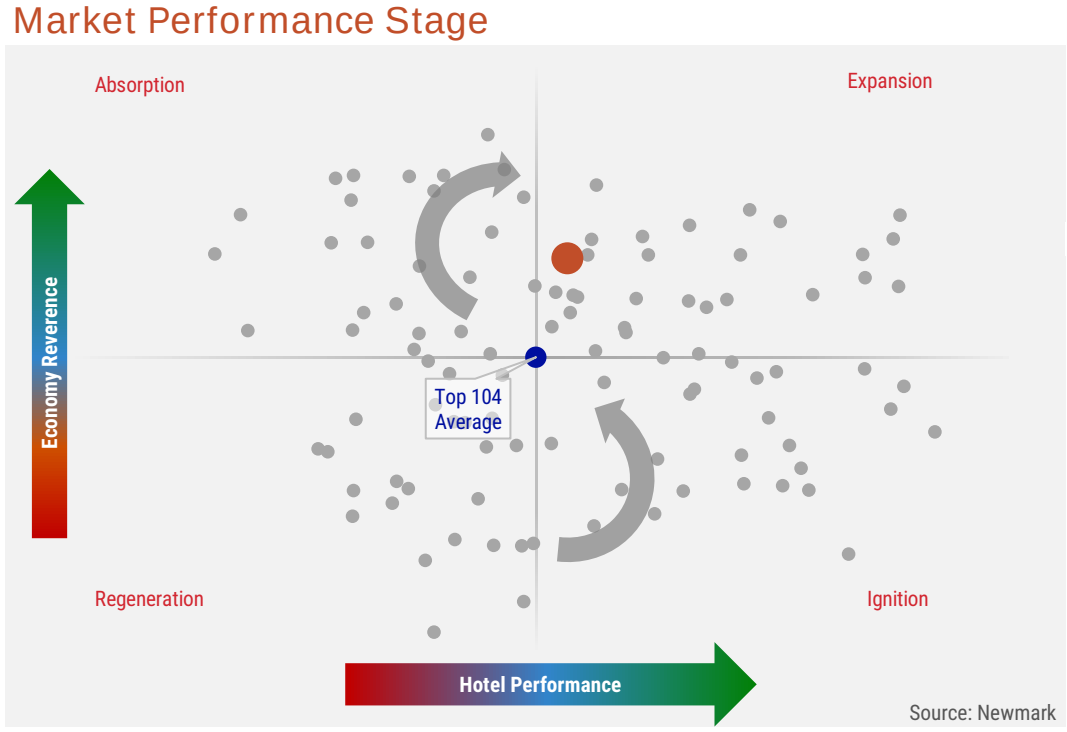
FASTEST

Short-Term Historical Supply Growth	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth
1st	**7th**	**11th**
Strong	**Strong**	**Above Average**
Nashville, TN has benefited from low short-term historical supply growth (6.9%)	The market exhibited strong long-term historical loyalty contribution growth (3.2%)	The market also enjoyed strong short-term historical loyalty contribution growth (1.5%)

SLOWEST

Long-Term Historical Supply Growth	T12-Month Rooms Supply Growth	Short-Term Historical Booking Costs POR Growth
103rd	**98th**	**75th**
Soft	**Soft**	**Below Average**
The market has been burdened by high long-term historical supply growth (5.1%)	We note this area has been hindered by high rooms supply growth over the last 12 months (6.3%)	Nashville, TN also has been impeded by high short-term historical growth in booking costs (2.6%)

Market Performance Stage



Source: Newmark

Nashville, TN: Expansion Stage

Expansion

The Nashville, TN 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 Recovery
Employment Growth (2 yr):	-2.0%
Risk Exposure (402 US markets):	22nd Percentile: Below Average
Key Industry Notes:	Manufacturing, tourism High birthrate, in-migration Prime-age workers Strong housing market Employment volatility

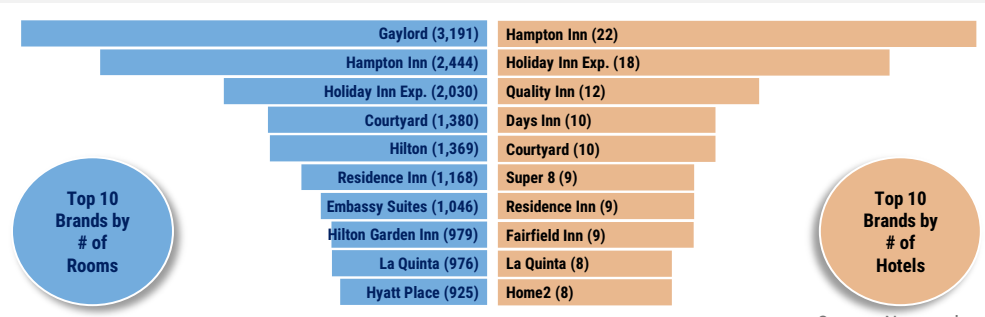
Moody's Rating

Aa2

Investment Grade

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

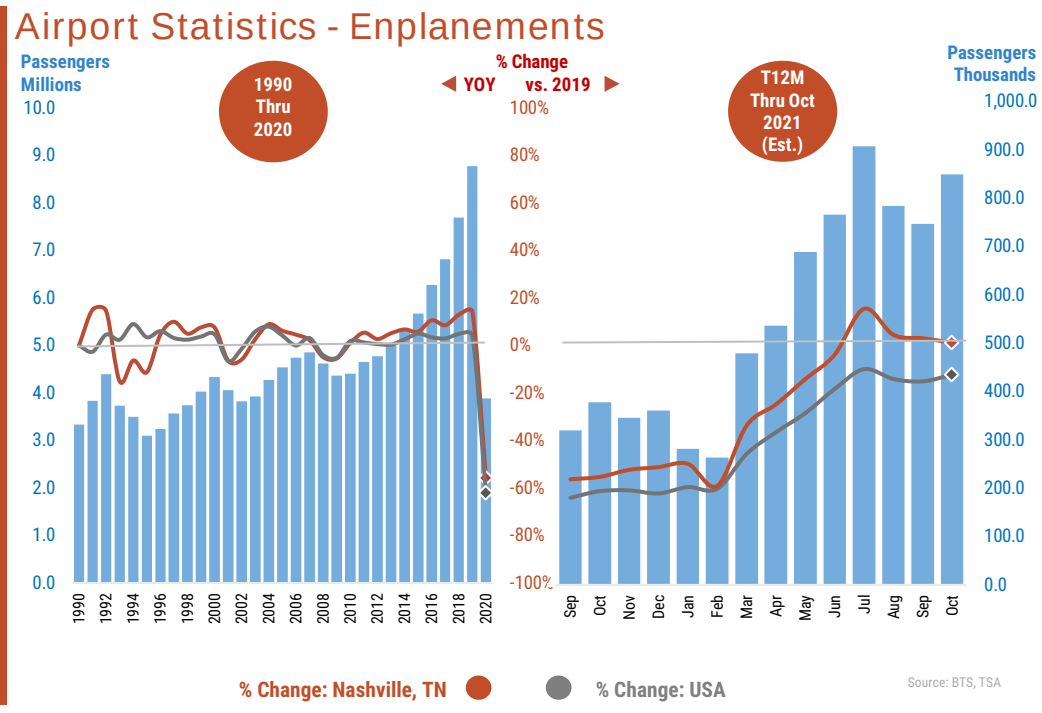
TOP 10 BRANDS



Source: Newmark

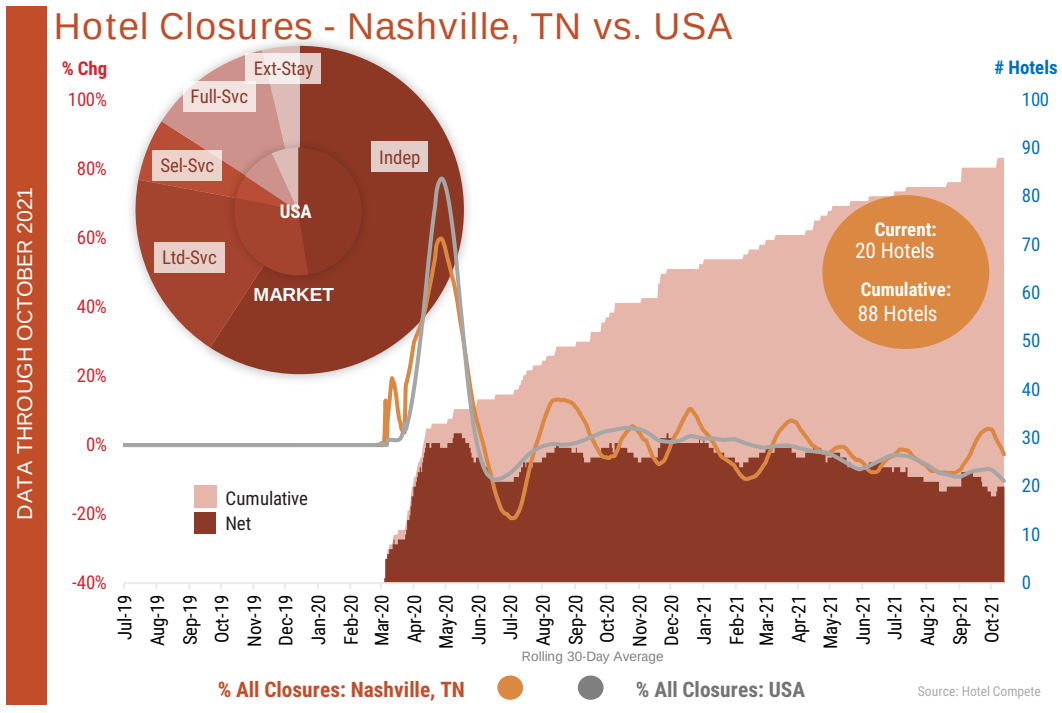
Airport Statistics - Enplanements

NASHVILLE, TN: ALL LOCAL



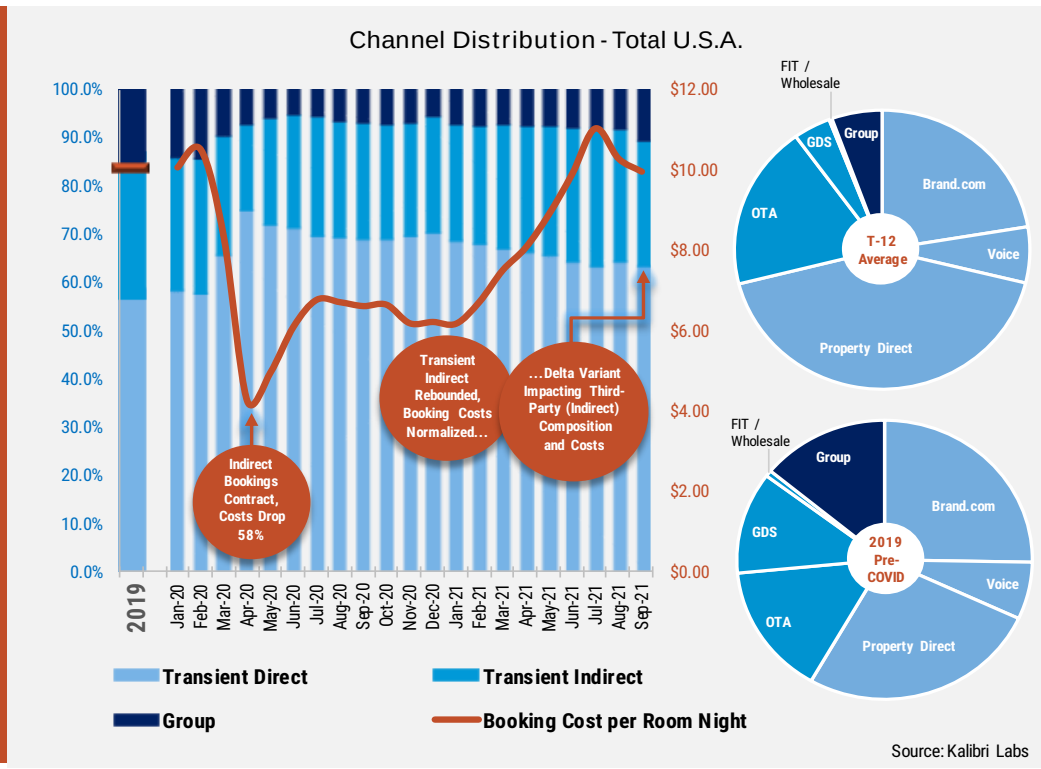
Hotel Closures - Nashville, TN vs. USA

DATA THROUGH OCTOBER 2021



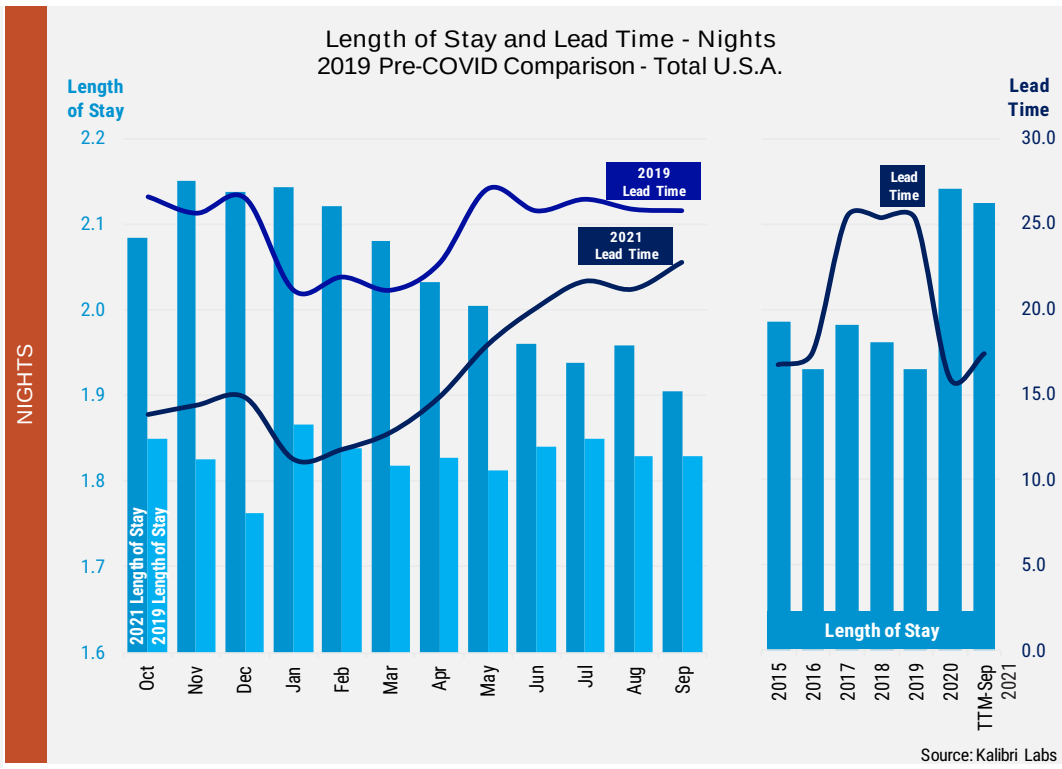
National Trends Dashboard - Channel Distribution

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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