VALUATION & ADVISORY
3Q 2021 HOTEL MARKET NSIGHTS REPORT

Hospitality, Gaming & Leisure Practice — Orlando, FL

Fundamentals Dashboard

KEY PERFORMANCE METRICS

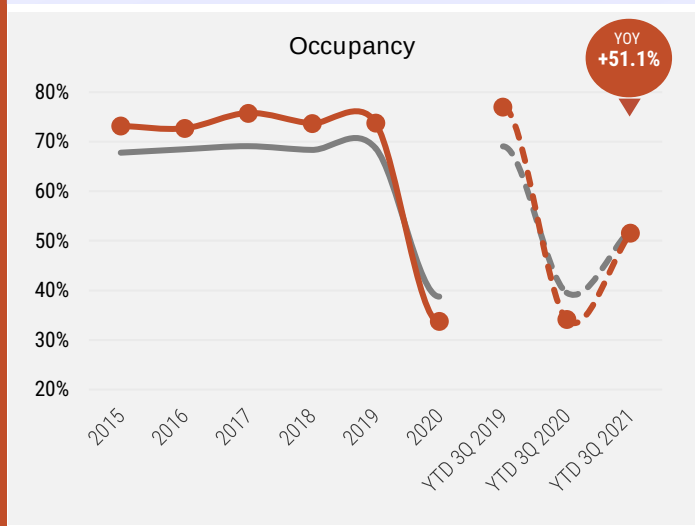
Lodging Performance Index

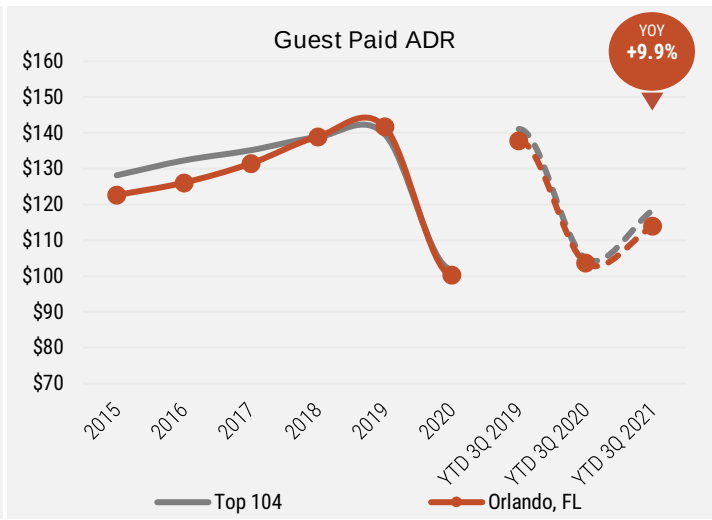
71st of 104

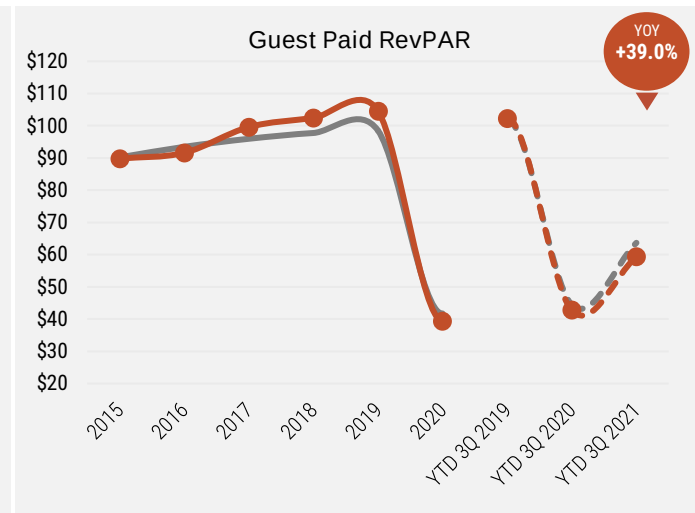
Below Average

Ranking of overall '3Q 2021 LPI' performance (0.83) 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.
54.9% / 60.4%	46.8% / 48.3%	$124 / $137	$108 / $112	$68 / $83	$52 / $56
93rd	71st	45th	41st	66th	49th

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.
48.6% / 48.6%	50.0% / 46.7%	2.18 / 2.13	2.29 / 2.09	$10.73 / $10.81	$9.29 / $8.56
78th	46th	10th	30th	76th	87th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark

FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
95th	**63rd**	**52nd**
Soft	**Average**	**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

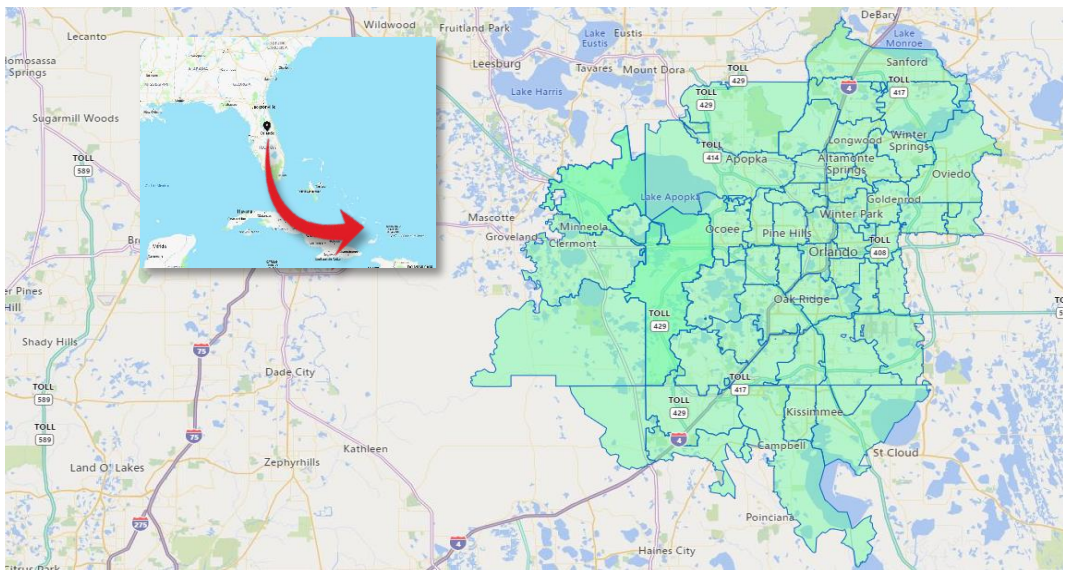
RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
8th	**58th**	**56th**
High 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

Orlando, FL

Location



Quick Facts

Source: US Census Bureau, Dept. of Labor Statistics

Jurisdictional Information

Municipal Name:	Orlando
County:	Orange County
State:	Florida
Geo Coordinates (market center):	28.53834, -81.37924

Major Hotel Demand Generators

Walt Disney World Resort | Universal Orlando (Comcast) | Adventist Health System/Florida Hospital | Publix Super Markets Inc. | Orlando International Airport | Orlando Health | University of Central Florida | Lockheed Martin | Darden Restaurants | SeaWorld Parks & Entertainment | Rosen Hotels & Resorts | Siemens | Wal-Mart Stores Inc. | Westgate Resorts | Wyndham Vacation Ownership | Valencia College | Hilton Grand Vacations Club | AT&T Mobility | JP Morgan Chase | Bright House Networks

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,657,251	34th of 104 (Above Average)
Income per Capita	$45,436	60th of 104 (Average)
Feeder Group Size	19.9 Persons PSR	2nd of 104 (Strong)
Feeder Group Earnings	$905,149 PSR	3rd of 104 (Strong)
Total Market COPE	$3.3 billion	1st 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	73.2%	$122.64	$89.82	$111.77	$81.82	$10.87	91.1%	38.7%	2.52	153,000	1.42
2016	72.7%	$126.09	$91.61	$114.89	$83.53	$11.20	91.1%	42.0%	2.42	154,600	1.25
2017	75.8%	$131.45	$99.59	$119.52	$90.60	$11.93	90.9%	43.7%	2.41	153,700	1.34
2018	73.7%	$138.96	$102.40	$126.63	$93.32	$12.32	91.1%	47.8%	2.30	152,500	1.42
2019	73.8%	$141.73	$104.64	$129.93	$95.93	$11.80	91.7%	52.7%	2.17	169,200	1.33
2020	33.7%	$100.24	$39.35	$92.41	$31.13	$7.83	92.2%	49.9%	2.25	173,900	0.85
CAGR: 2015 thru 2020	**-14.4%**	**-4.0%**	**-15.2%**	**-3.7%**	**-17.6%**	**-6.3%**	**0.2%**	**5.2%**	**-2.3%**	**2.6%**	**-9.7%**
YTD 3Q 2019	77.0%	$137.78	$102.21	$126.28	$93.72	$11.49	91.7%	51.2%	2.17	166,300	0.99
YTD 3Q 2020	34.1%	$103.63	$42.72	$95.64	$39.38	$7.99	92.3%	49.4%	2.29	168,900	1.16
YTD 3Q 2021	51.5%	$113.92	$59.38	$103.99	$54.19	$9.93	91.3%	49.5%	2.20	179,300	0.83
% Change	**51.1%**	**9.9%**	**39.0%**	**8.7%**	**37.6%**	**24.3%**	**-1.1%**	**0.1%**	**-3.7%**	**6.2%**	**-28.7%**

*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
1st	**1st**	**2nd**
Strong	**Strong**	**Strong**
Orlando, FL benefits from a large and diverse hotel market (181,599)	The market boasted strong total rooms sold (30,364,169)	The market also required a small feeder group size (19.92 Persons)

LOWEST

Feeder Population Per Room	Marketwide Income per Room	Population Density per Room
103rd	**102nd**	**102nd**
Soft	**Soft**	**Soft**
This market posted a low ratio of feeder population per room (6.95)	The market exhibited a low ratio of marketwide income per room ($315,982)	Orlando, FL also has been hindered by weak population density per room (3.13)

Notable Trends

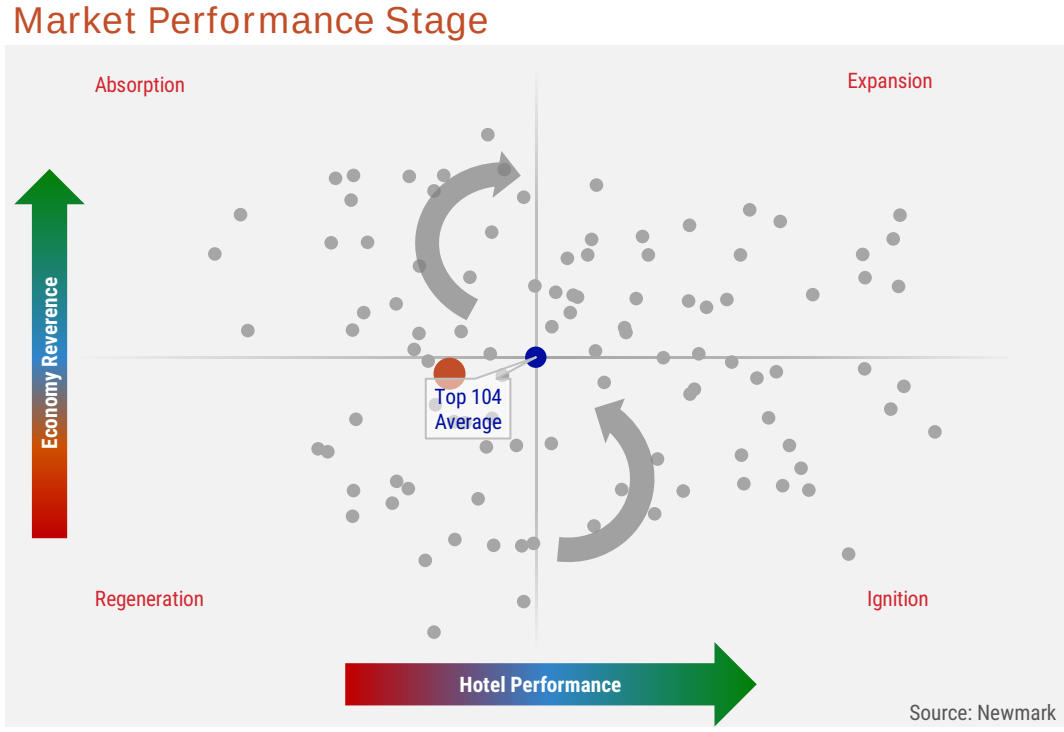
FASTEST

Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Booking Costs POR Growth
9th	**10th**	**15th**
Strong	**Above Average**	**Above Average**
Orlando, FL enjoyed strong short-term historical loyalty contribution growth (1.6%)	The market exhibited strong long-term historical loyalty contribution growth (3.0%)	The market also enjoyed low short-term historical growth in booking costs (-5.4%)

SLOWEST

Short-Term Historical Occupancy Growth	Long-Term Historical Occupancy Growth	T12-Month Rooms Supply Growth
99th	**99th**	**97th**
Soft	**Soft**	**Soft**
The market has been hindered by weak short-term historical occupancy growth (-9.9%)	We note this area has been hindered by weak long-term historical occupancy growth (-5.4%)	Orlando, FL also has been hindered by high rooms supply growth over the last 12 months (6.2%)

Market Performance Stage



Source: Newmark

Orlando, FL: Regeneration Stage

Regeneration

The Orlando, FL market is currently in the 'Regeneration' stage of the performance cycle. In this 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.

Other Stages:

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.

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):	-3.7%
Risk Exposure (402 US markets):	8th Percentile: Low Risk
Key Industry Notes:	Financial center, high tech Natural gains for tourism Strong demographics Job opportunities in services Profusion of low-wage jobs

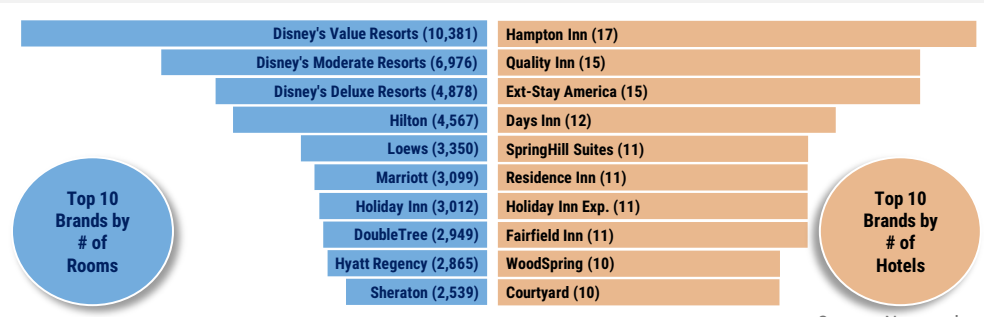
Moody's Rating

Aaa

Investment Grade

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

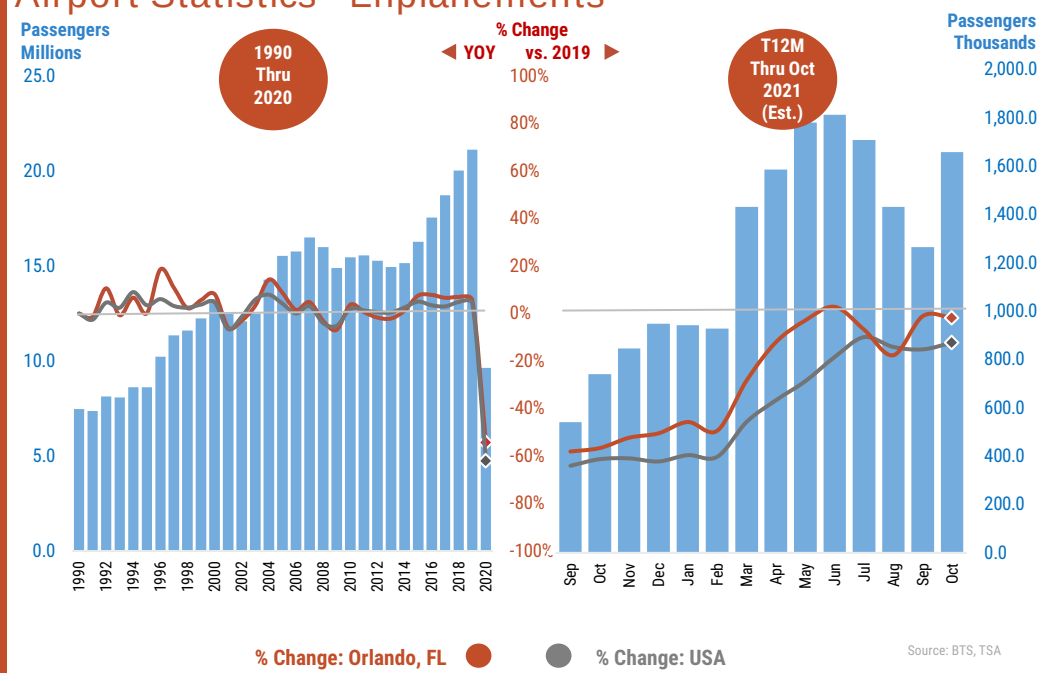
TOP 10 BRANDS



Source: Newmark

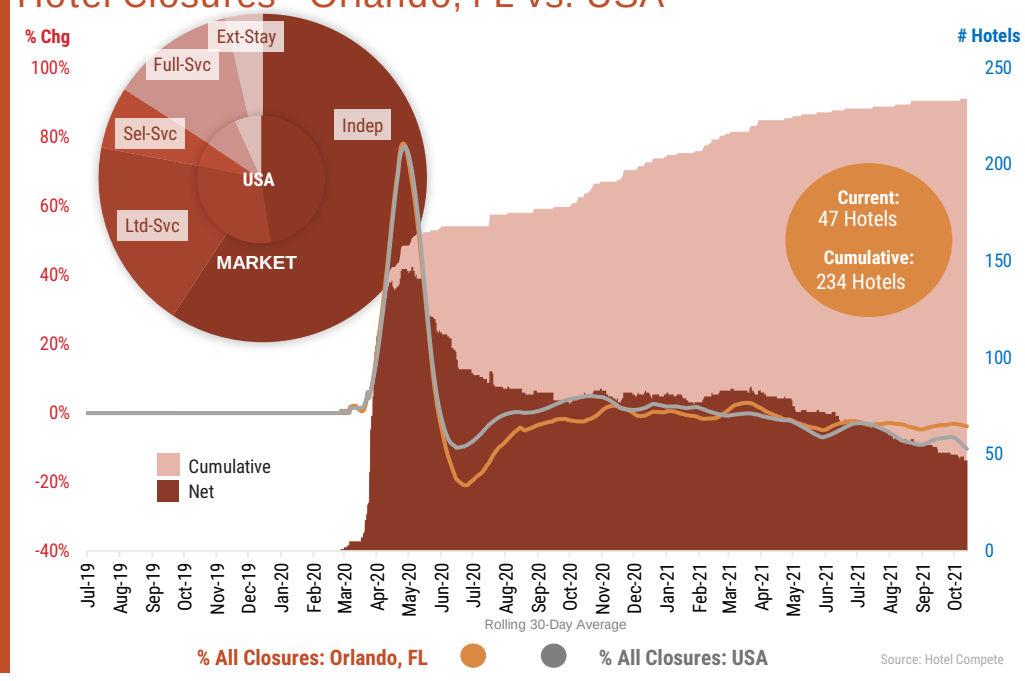
Airport Statistics - Enplanements

ORLANDO, FL: ALL LOCAL



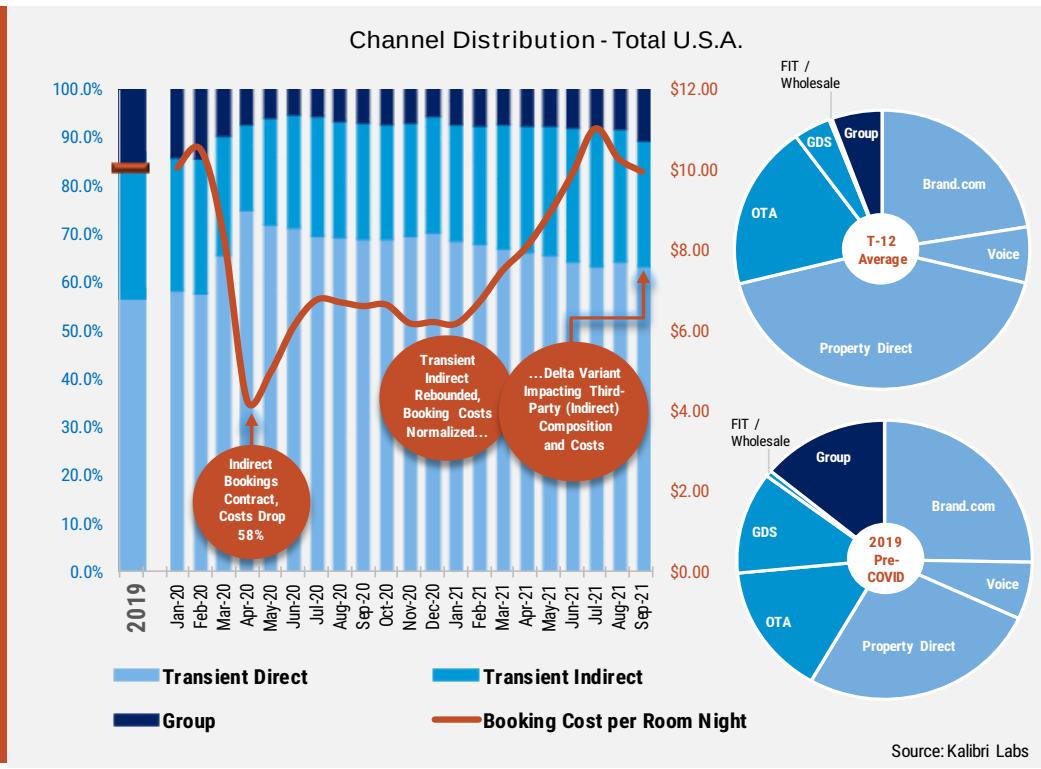
Hotel Closures - Orlando, FL vs. USA

DATA THROUGH OCTOBER 2021



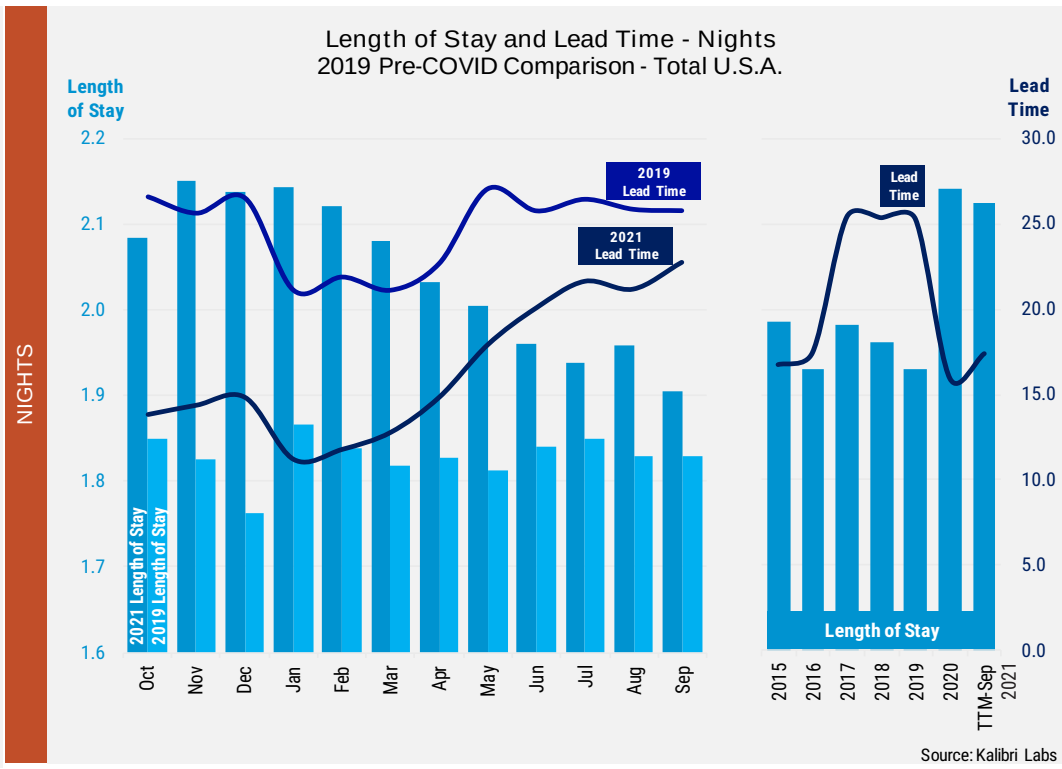
National Trends Dashboard - Channel Distribution

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.

CONTACT: SOUTHEAST & CARRIBBEAN MARKETS

For more information:

David Gray, MAI, MRICS
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribbean Markets
Dir 561.302.3943
david.gray@nmrk.com

Edy Gross
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribbean Markets
Dir 305.582.7376
edy.gross@nmrk.com

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