Hospitality, Gaming & Leisure Practice

Saint Louis, MO

Fundamentals Dashboard

KEY PERFORMANCE METRICS

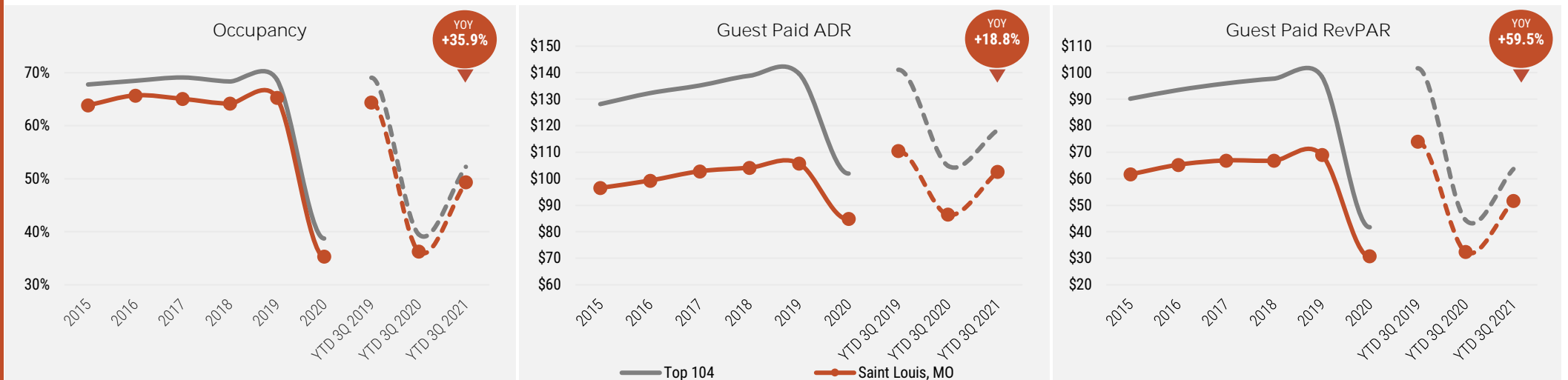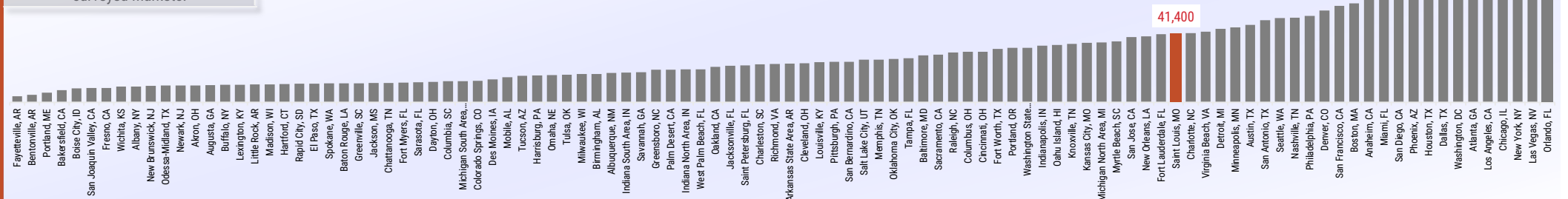**Lodging Performance Index**

87th of 104

Below Average
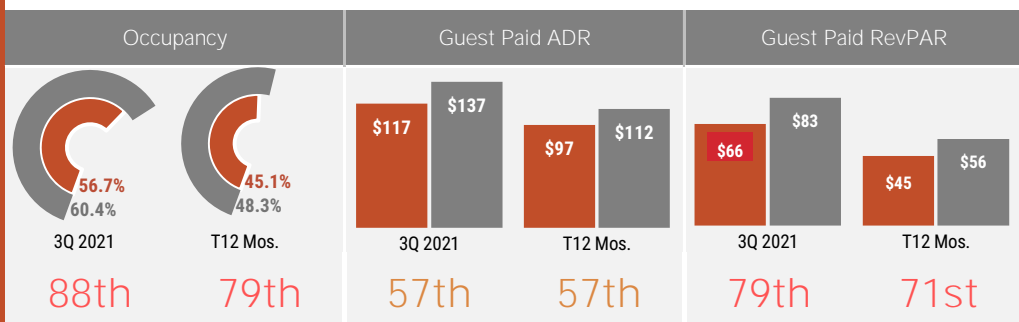
Ranking of overall '3Q 2021 LPI' performance (0.69) against all 104 surveyed markets.
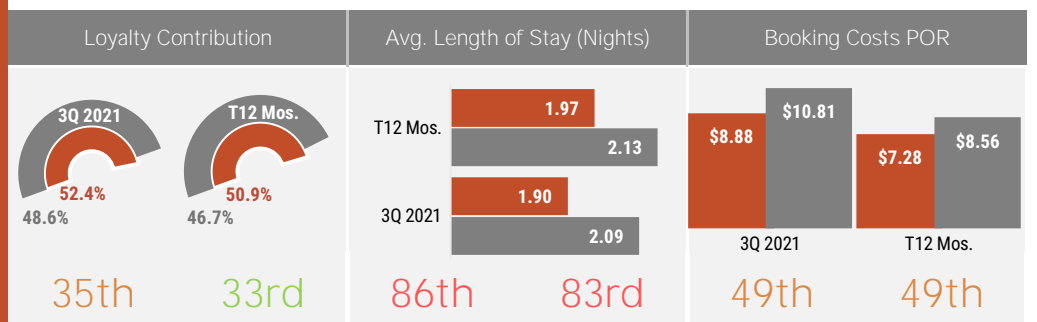
Supply Ranking vs. Major US Markets

41,400

Occupancy
YOY +35.9%

Guest Paid ADR
YOY +18.8%

Guest Paid RevPAR
YOY +59.5%

— Top 104   — Saint Louis, MO

Key Performance Indexes

● Subject Market   ● Top 104

PERFORMANCE INDEXES

	Occupancy		Guest Paid ADR		Guest Paid RevPAR	
	3Q 2021	T12 Mos.	3Q 2021	T12 Mos.	3Q 2021	T12 Mos.
Subject	56.7%	45.1%	$117	$97	$66	$45
Top 104	60.4%	48.3%	$137	$112	$83	$56
Rank	88th	79th	57th	57th	79th	71st

Key Benchmark Indexes

Data provided by: **Kalibri LABS**

BENCHMARK INDEXES

	Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
	3Q 2021	T12 Mos.	T12 Mos.	3Q 2021	3Q 2021	T12 Mos.
Subject	52.4%	50.9%	1.97	1.90	$8.88	$7.28
Top 104	48.6%	46.7%	2.13	2.09	$10.81	$8.56
Rank	35th	33rd	86th	83rd	49th	49th

Discount and Capitalization Rates

Source: Newmark

INVESTMENT PARAMETERS

Economy/Ltd Svc · Select-Service · Full-Service · Luxury/Upscale
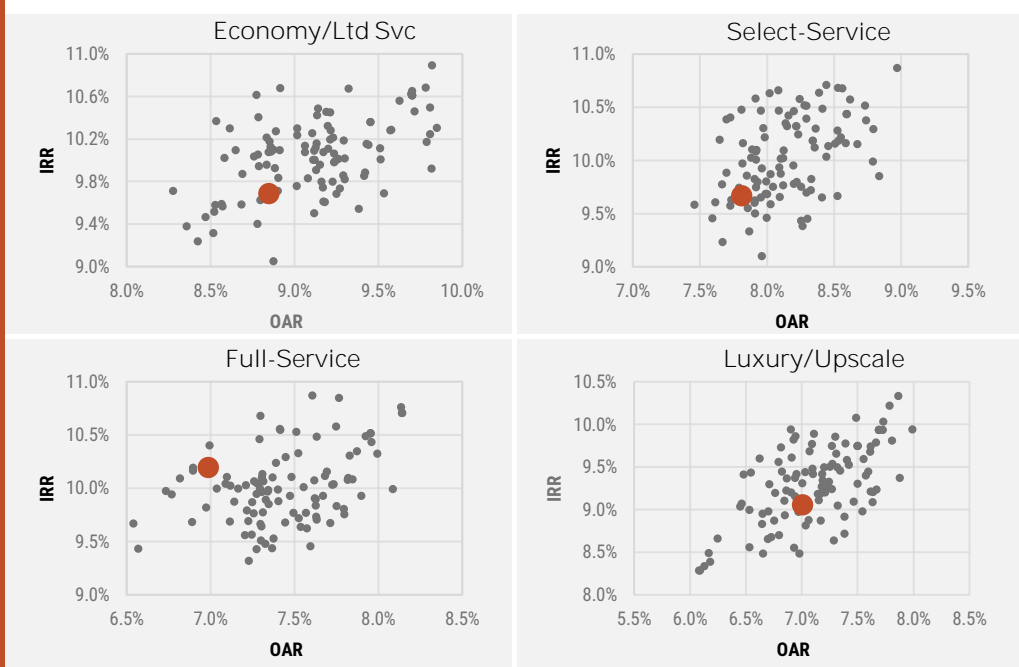
Trends and Risks

Source: Kalibri Labs, Newmark

FUNDAMENTALS

Revenue Stability	Supplier Power Trend	Investment Yields
44th	**38th**	**15th**
Average	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
72nd	**14th**	**10th**
Below Average	Above Average	Above Average
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

Location

Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	St. Louis
County:	St. Louis City
State:	Missouri
Geo Coordinates (market center):	38.62727, -90.19789

Major Hotel Demand Generators

BJC Healthcare | Wal-Mart Stores Inc. | SSM Health Care System | Washington University in St. Louis | Boeing Defense, Space & Security | Mercy Health Care | Scott Air Force Base | Schnuck Markets Inc. | Archdiocese of St. Louis | AT&T | McDonald's Corp. | St. Louis University | Washington University Physicians | Express Scripts Inc. | Edward Jones | Imo's Pizza | Enterprise Holdings | Wells Fargo | Walgreens | Target Corp.

Metrics and Ranking	Measurement	Rankings	
Population (hotel market area)	2,370,623	19th of 104	(Above Average)
Income per Capita	$38,664	86th of 104	(Below Average)
Feeder Group Size	129.3 Persons PSR	78th of 104	(Below Average)
Feeder Group Earnings	$5,000,561 PSR	58th of 104	(Average)
Total Market COPE	$648.8 million	35th of 104	(Average)

Key Performance Metrics

Data provided by: **kalibri** LABS

YEAR ENDING	Occ %	Guest Paid		COPE*		Booking Cost POR	ADR COPE* %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
		ADR	RevPAR	ADR	RevPAR						
2015	63.9%	$96.54	$61.64	$89.15	$56.92	$7.39	92.3%	47.2%	1.99	38,200	0.84
2016	65.7%	$99.33	$65.28	$91.59	$60.19	$7.74	92.2%	49.5%	1.94	38,100	0.97
2017	65.1%	$102.83	$66.92	$94.59	$61.55	$8.25	92.0%	51.9%	1.90	38,000	0.92
2018	64.2%	$104.16	$66.86	$95.72	$61.45	$8.44	91.9%	55.0%	1.90	38,000	0.79
2019	65.3%	$105.78	$69.03	$97.22	$63.44	$8.56	91.9%	58.9%	1.90	40,100	0.93
2020	35.3%	$84.79	$30.75	$78.46	$27.69	$6.33	92.5%	51.5%	1.99	40,900	0.62
CAGR: 2015 thru 2020	-11.2%	-2.6%	-13.0%	-2.5%	-13.4%	-3.0%	0.0%	1.8%	0.0%	1.4%	-6.1%
YTD 3Q 2019	64.4%	$110.43	$74.00	$101.43	$67.97	$9.00	91.9%	58.2%	1.85	40,100	0.79
YTD 3Q 2020	36.3%	$86.40	$32.39	$79.87	$29.91	$6.53	92.4%	51.6%	1.97	40,500	0.76
YTD 3Q 2021	49.3%	$102.65	$51.67	$94.86	$47.74	$7.79	92.4%	50.7%	1.95	40,600	0.69
% Change	35.9%	18.8%	59.5%	18.8%	59.6%	19.3%	0.0%	-1.7%	-1.0%	0.2%	-10.1%

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

Notable Metrics

HIGHEST

OAR: Full-Service	Total Rooms Sold	IRR: Economy/Ltd Svc
11th Favorable	**28th** Above Average	**17th** Favorable
Saint Louis, MO posted favorable OAR metrics in the full-service segment (7.0%)	The market boasted strong total rooms sold (6,690,266)	The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (9.7%)

LOWEST

Latest-Quarter Occupancy	Economy Median Income	Latest-Quarter Average Length of Stay
88th Below Average	**86th** Below Average	**86th** Below Average
This market exhibited weak latest-quarter occupancy (56.7%)	The market was stymied by weak Economy Median Income ($38,664)	Saint Louis, MO also has been impeded by weak latest-quarter average length of stay (1.90 Nights)

Notable Trends

FASTEST

Long-Term Historical Supply Growth	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical COPE ADR Growth
22nd Above Average	**31st** Above Average	**31st** Above Average
Saint Louis, MO has benefited from low long-term historical supply growth (1.4%)	The market exhibited strong short-term historical Guest Paid ADR growth (4.2%)	The market also has benefited from strong short-term historical COPE ADR growth (4.4%)

SLOWEST

General Economy Reverence	Overall Health of Hotel Market	Short-Term Historical Average Length of Stay Growth
87th Below Average	**86th** Below Average	**81st** Below Average
The market posted weak general economic reverence (per-capita unemployment, GDP and other indicators)	We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	Saint Louis, MO also exhibited weak short-term historical average length of stay growth (0.5%)

Market Performance Stage

Source: Newmark
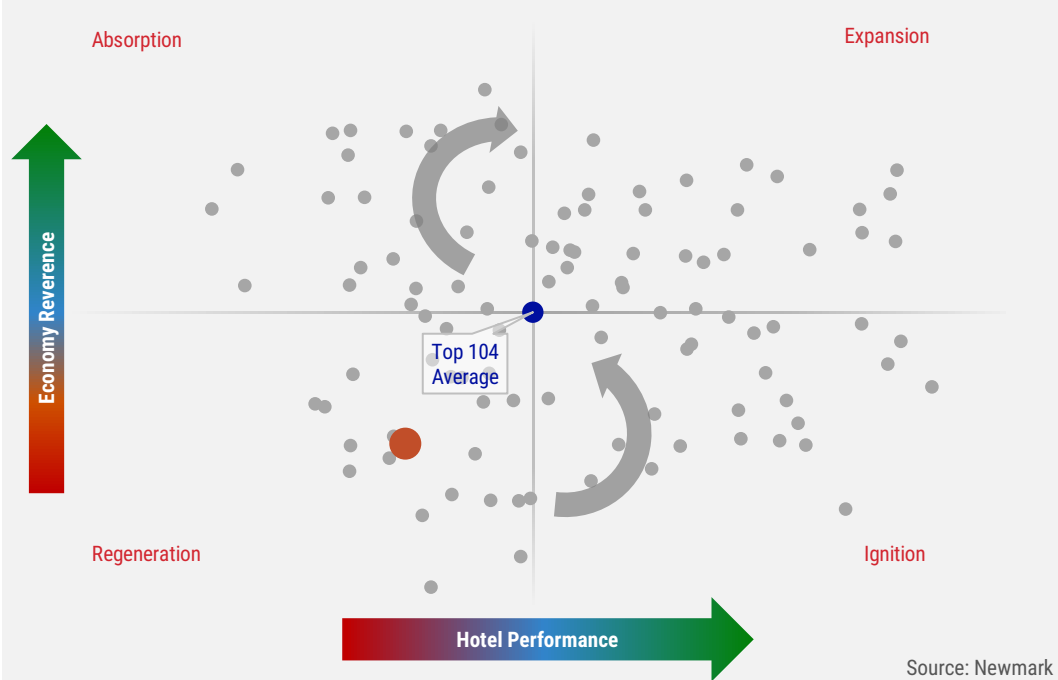
Saint Louis, MO: Regeneration Stage

Regeneration

The Saint Louis, MO 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.
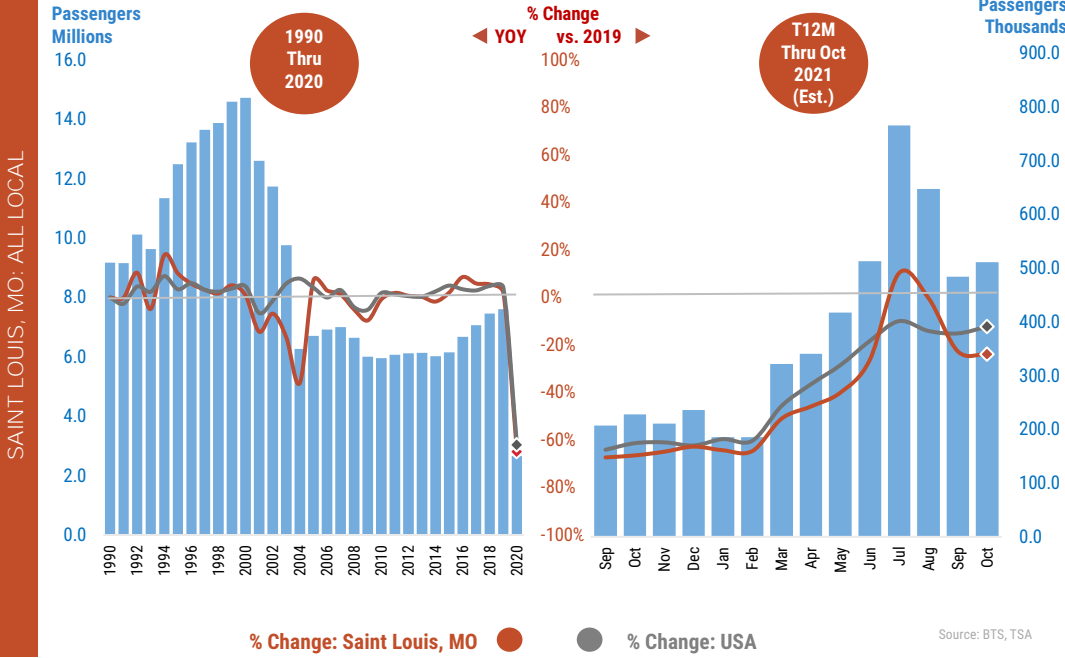
Other Stages:

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.
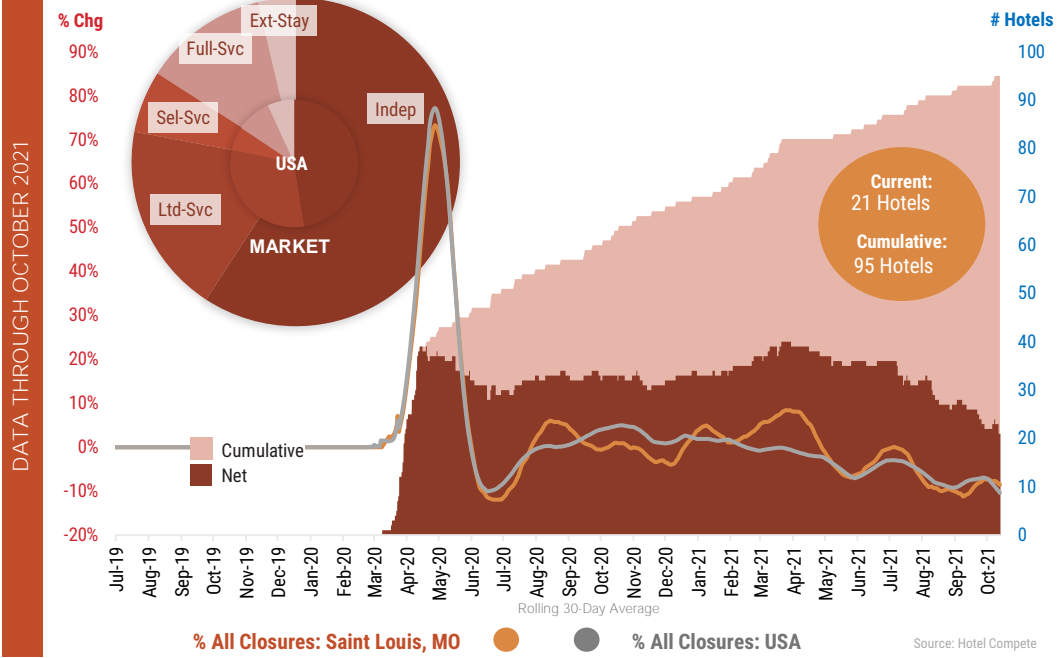
Industry Observations

MOODY'S ANALYTICS

Business Cycle:	In Recovery
Employment Growth (2 yr):	-2.4%
Risk Exposure (402 US markets):	86th Percentile: Above Average
Key Industry Notes:	Financial, logistics
	Low living, business costs
	Location in central U.S.
	Low employment volatility
	Exposure to declining mfg

Moody's Rating

Aaa
Investment Grade

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

Top 10 Brands

Top 10 Brands by # of Rooms

- Drury Inn & Suites (2,126)
- Marriott (1,816)
- Hampton Inn (1,736)
- Hilton (1,526)
- Holiday Inn Exp. (1,296)
- Courtyard (1,226)
- Super 8 (1,220)
- Holiday Inn (1,178)
- DoubleTree (1,164)
- Hyatt Regency (910)

Top 10 Brands by # of Hotels

- Super 8 (21)
- Hampton Inn (17)
- Holiday Inn Exp. (14)
- Drury Inn & Suites (13)
- Comfort Inn (10)
- Quality Inn (9)
- Fairfield Inn (9)
- Courtyard (9)
- Residence Inn (7)
- La Quinta (7)

Source: Newmark

Airport Statistics - Enplanements

Passengers Millions

1990 Thru 2020

% Change ◀ YOY   vs. 2019 ▶

T12M Thru Oct 2021 (Est.)

Passengers Thousands

SAINT LOUIS, MO: ALL LOCAL

% Change: Saint Louis, MO   ● % Change: USA

Source: BTS, TSA

Hotel Closures - Saint Louis, MO vs. USA

% Chg

Ext-Stay
Full-Svc
Sel-Svc
Ltd-Svc
USA
MARKET
Indep

Current: 21 Hotels

Cumulative: 95 Hotels

Hotels

Cumulative
Net

Rolling 30-Day Average

% All Closures: Saint Louis, MO   ● % All Closures: USA

Source: Hotel Compete

DATA THROUGH OCTOBER 2021

National Trends Dashboard - Channel Distribution

Channel Distribution - Total U.S.A.

DISTRIBUTION AND COST

Indirect Bookings Contract, Costs Drop 58%

Transient Indirect Rebounded, Booking Costs Normalized...

...Delta Variant Impacting Third-Party (Indirect) Composition and Costs

FIT / Wholesale
GDS   Group
OTA   Brand.com
T-12 Average
Voice
Property Direct

FIT / Wholesale
Group
GDS   Brand.com
2019 Pre-COVID   Voice
OTA
Property Direct

■ Transient Direct   ■ Transient Indirect
■ Group   ■ Booking Cost per Room Night

Source: Kalibri Labs

National Trends Dashboard - Duration

Length of Stay and Lead Time - Nights
2019 Pre-COVID Comparison - Total U.S.A.

Length of Stay

Lead Time

NIGHTS

2019 Lead Time
2021 Lead Time
2021 Length of Stay
2019 Length of Stay
Lead Time
Length of Stay

Source: Kalibri Labs
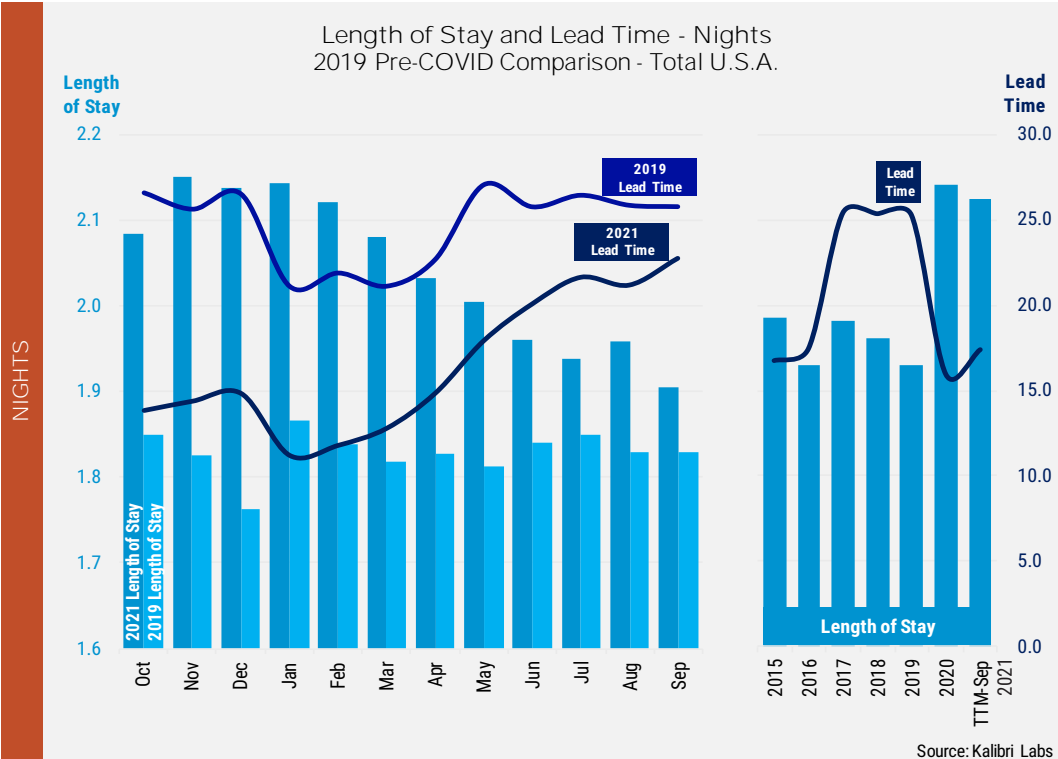
Newmark Hotel Market Nsights Report Coverage

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: MIDWEST MARKETS

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