

NEWMARK

1Q 2024

Hotel Market Nsights Report

ALBUQUERQUE, NM



FOR MORE INFORMATION:

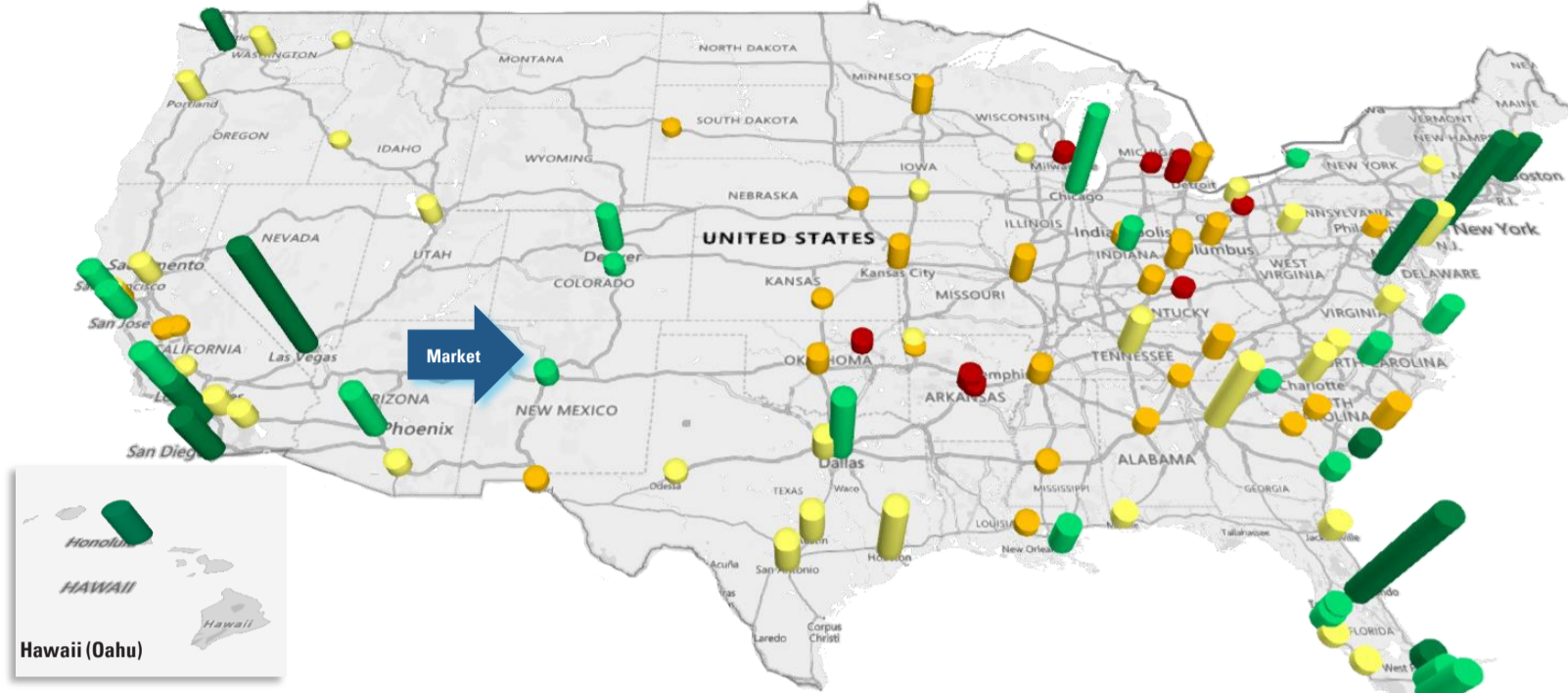
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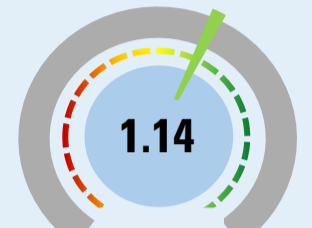


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

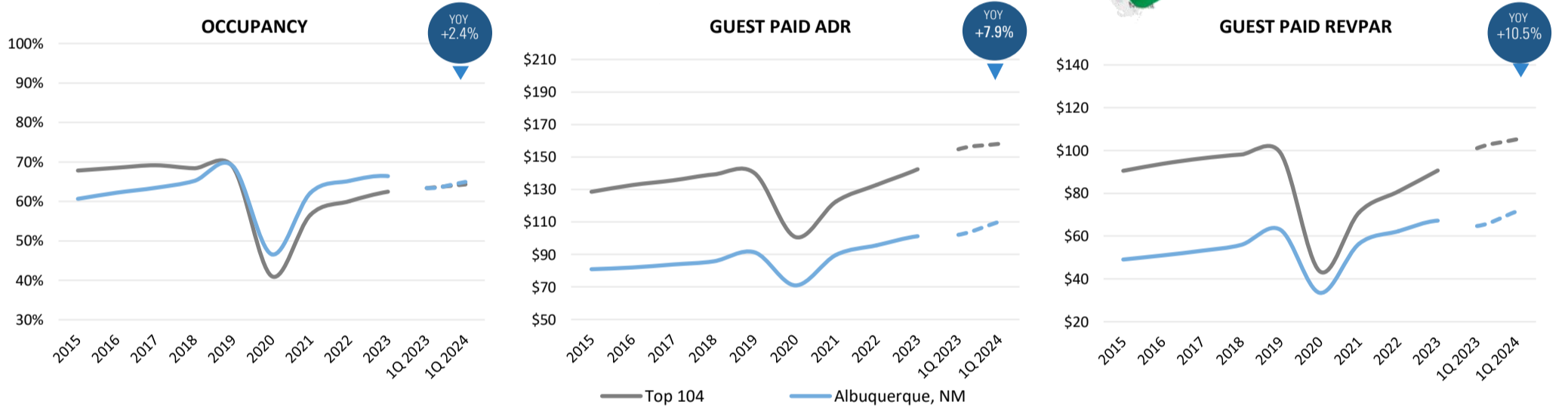
Albuquerque, NM



34th of 104
Above Average

Ranking of overall '1Q 2024 LPI' performance (1.14) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

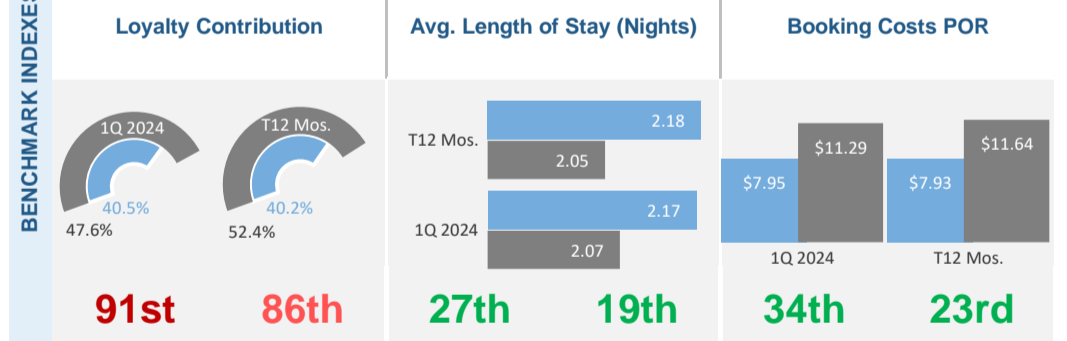


Key Performance Indexes

● Subject Market ● Top 104

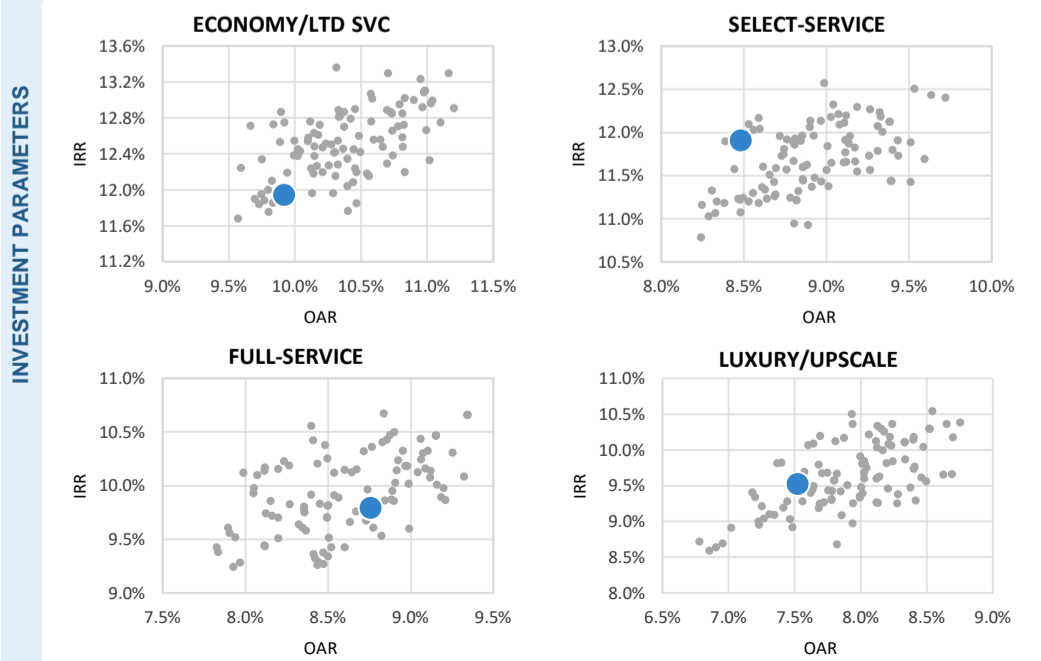


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

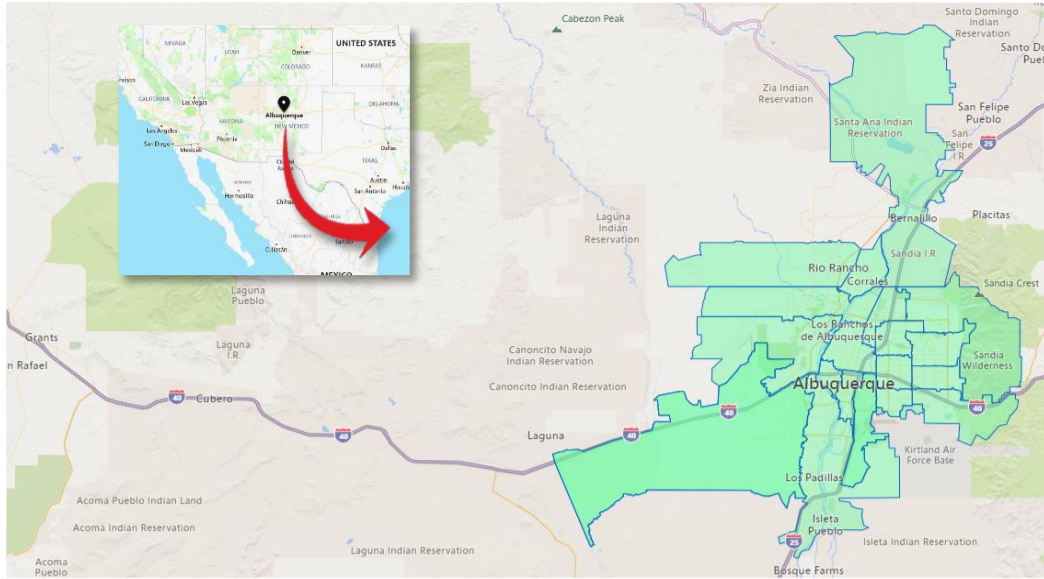


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name: Albuquerque
 County: Bernalillo County
 State: New Mexico
 Geo Coordinates (market center): 35.08449, -106.65114

Major Hotel Demand Generators

University of New Mexico | Kirtland Air Force Base | Sandia National Laboratories | Presbyterian Healthcare Services | UNM Hospital | Lovelace Medical Center | Raymond G. Murphy VA Medical Center | Ambercare Corp. | CHRISTUS St. | Intel Corp. | Central New Mexico Community College | PNM Electric & Gas Services | Sandia Resort & Casino | T-Mobile | Verizon | Blue Cross & Blue Shield Association | Isleta Resort & Casino | Tricore Reference Laboratories | Molina Healthcare Inc. | Allsup's

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	609,610	73rd of 104 (Below Average)
Income per Capita	\$49,878	46th of 104 (Average)
Feeder Group Size	51.6 Persons PSR	22nd of 104 (Above Average)
Feeder Group Earnings	\$2,575,984 PSR	23rd of 104 (Above Average)
Total Market Hotel Revenues	\$466.2 million	63rd of 104 (Average)

Key Performance Metrics

Data provided by: **kalibri LABS**

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	60.6%	\$80.91	\$49.06	\$74.67	\$45.28	\$6.24	92.3%	45.5%	1.79	17,390	0.42
2016	62.2%	\$81.98	\$50.99	\$75.49	\$46.95	\$6.49	92.1%	47.1%	1.76	17,540	0.53
2017	63.4%	\$83.82	\$53.17	\$77.00	\$48.84	\$6.82	91.9%	49.0%	1.76	17,360	0.74
2018	65.2%	\$85.78	\$55.90	\$78.83	\$51.37	\$6.95	91.9%	51.1%	1.75	17,000	0.62
2019	68.9%	\$91.32	\$62.93	\$83.79	\$57.75	\$7.53	91.8%	55.7%	1.79	17,280	0.99
2020	46.6%	\$70.97	\$33.49	\$65.90	\$30.70	\$5.08	92.8%	34.9%	2.00	17,250	0.79
2021	62.2%	\$89.73	\$56.44	\$83.00	\$51.59	\$6.74	92.5%	37.0%	1.98	17,230	0.89
2022	65.2%	\$95.66	\$62.31	\$88.51	\$57.69	\$7.14	92.5%	37.7%	2.01	17,230	1.06
2023	66.4%	\$101.23	\$67.22	\$93.77	\$62.25	\$7.46	92.6%	38.1%	2.04	17,210	1.03
CAGR: 2015 thru 2023	1.1%	2.8%	4.0%	2.9%	4.1%	2.3%	0.0%	-2.2%	1.6%	-0.1%	12.0%
1Q 2023	63.4%	\$102.08	\$64.71	\$94.67	\$60.01	\$7.42	92.7%	40.4%	2.05	16,930	0.85
1Q 2024	64.9%	\$110.16	\$71.52	\$102.21	\$66.36	\$7.95	92.8%	40.5%	2.17	17,300	1.14

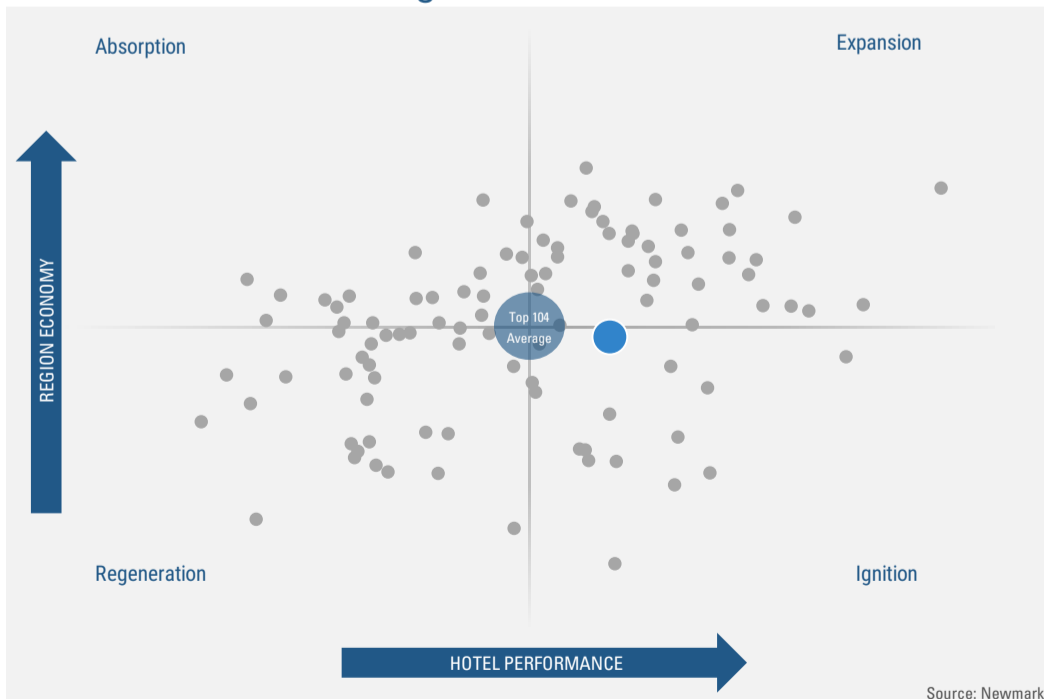
Notable Metrics

HIGHEST	IRR: Economy/Ltd Svc	Feeder Group Size	OAR: Economy/Ltd Svc
	9th Highly Favorable	22nd Above Average	18th Favorable
	Albuquerque, NM enjoyed favorable IRR metrics in the economy/ltd svc segment (11.9%)	The market required a small feeder group size (51.65 Persons)	The market also exhibited favorable OAR metrics in the economy/ltd svc segment (9.9%)
LOWEST	Latest-Quarter Loyalty Contribution	T12-Month COPE ADR	T12-Month Guest Paid ADR
	91st Soft	89th Below Average	89th Below Average
	This market has been hindered by weak latest-quarter loyalty contribution (40.5%)	The market has been hindered by weak T12-month COPE ADR (\$102.30)	Albuquerque, NM also exhibited weak T12-month Guest Paid ADR (\$110.23)

Notable Trends

STRONGEST	Long-Term Historical Average Length of Stay Growth	Long-Term Historical LPI Growth	Short-Term Historical Guest Paid RevPAR Growth
	1st Very Strong	1st Very Strong	1st Very Strong
	Albuquerque, NM enjoyed strong long-term historical average length of stay growth (2.2%)	The market enjoyed strong long-term historical LPI growth (13.0%)	The market also has benefited from strong short-term historical Guest Paid RevPAR growth (8.4%)
WEAKEST	Short-Term Historical Booking Costs POR Growth	Short-Term Historical Loyalty Contribution Growth	T12-Month Rooms Supply Growth
	94th Soft	92nd Soft	86th Below Average
	The market has been impeded by high short-term historical growth in booking costs (5.3%)	We note this area has been hindered by weak short-term historical loyalty contribution growth (2.4%)	Albuquerque, NM also has been hindered by high rooms supply growth over the last 12 months (2.2%)

Market Performance Stage



Albuquerque, NM: Ignition Stage

The Albuquerque, NM market is currently in the 'Ignition' stage of the performance cycle. In this stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Baltimore, MD; Chicago, IL; and Miami, FL.

Other Stages:

- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic 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 Knoxville, TN.
- Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed any lingering pandemic impacts, presenting upside for CRE. Barriers to entry are high and the market hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Atlanta, GA; Charlotte, NC; and Columbus, OH.
- Expansion:** In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that has fully exited from the pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Austin, TX; and Boston, MA.

Industry Observations

MOODY'S ANALYTICS

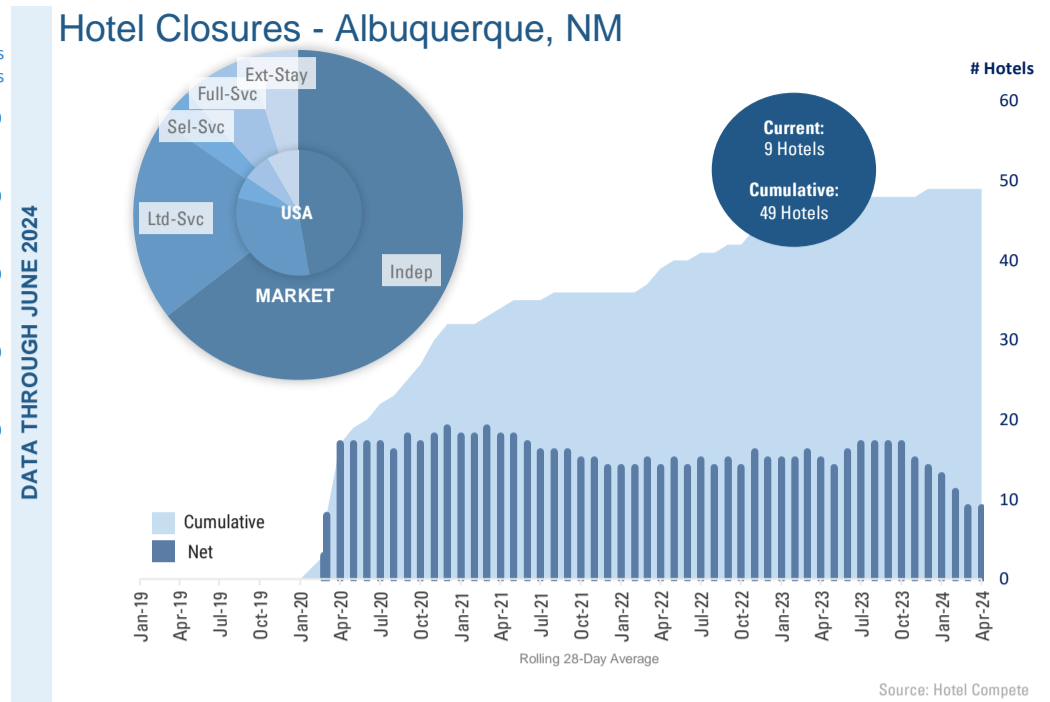
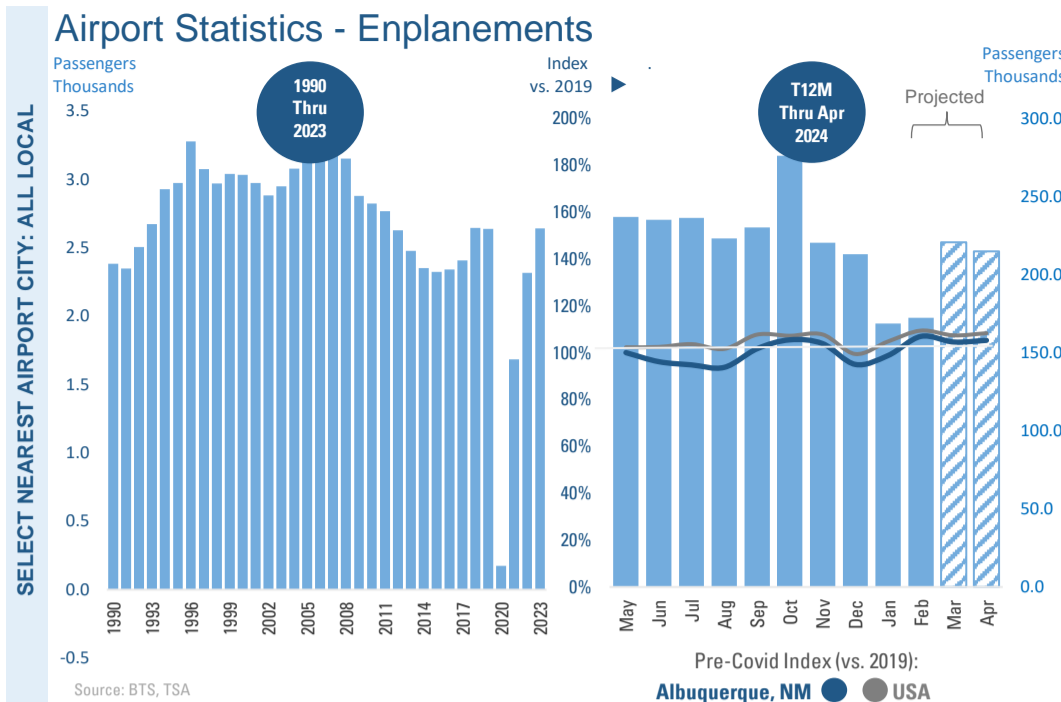
Business Cycle: **Expansion**
 Employment Growth (2 yr): **1.1%**
 Risk Exposure (402 US markets): **87th Percentile: Above Average**
 Key Industry Notes: Stable base of education and healthcare
 Access to important trade corridors
 High poverty rate
 Low worker productivity
 Below-average per capita income

Moody's Rating

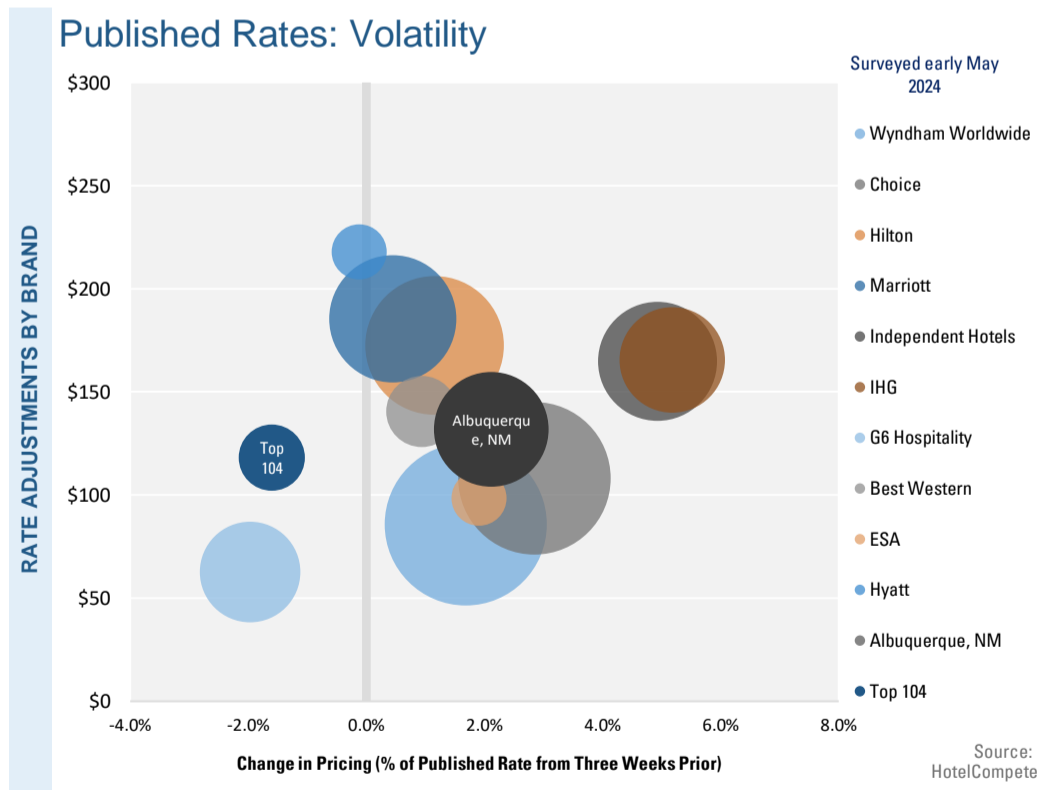
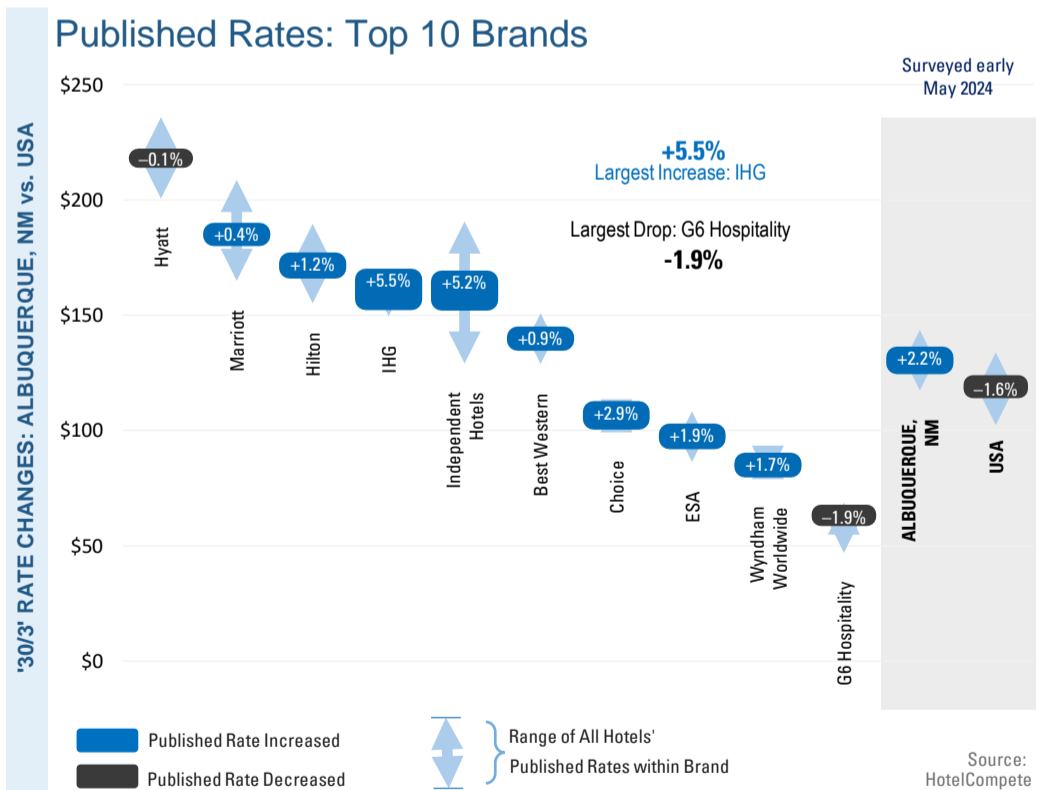
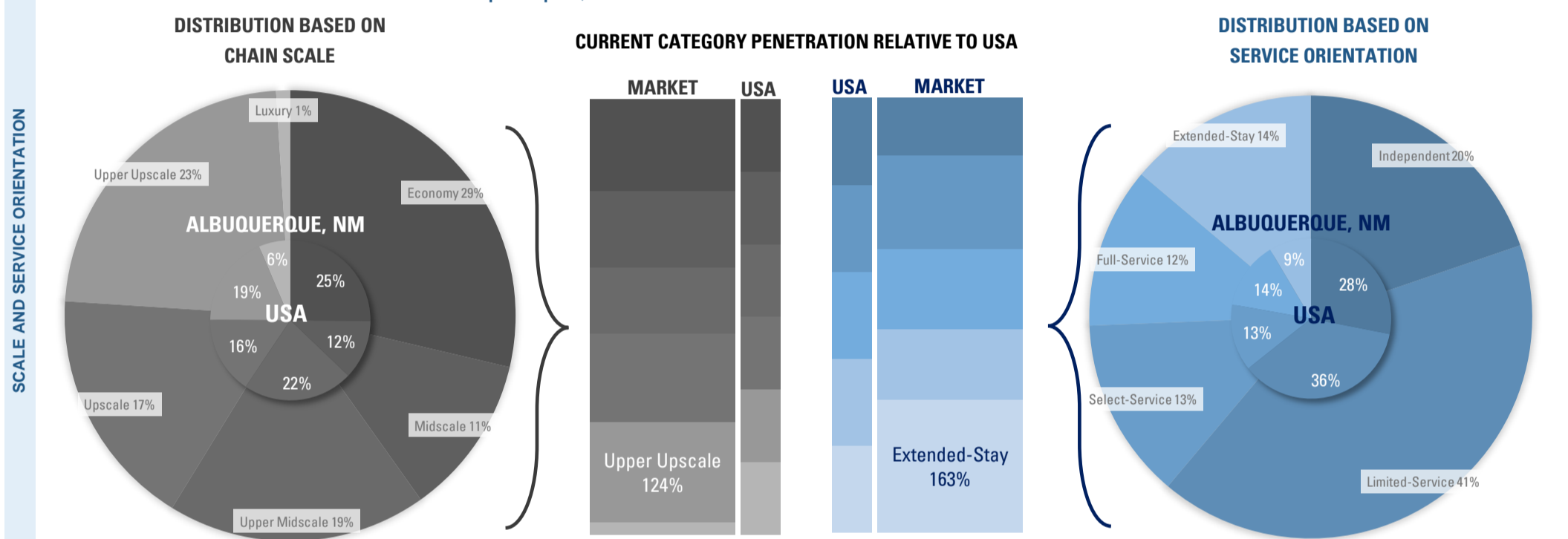
Aaa
Investment Grade

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

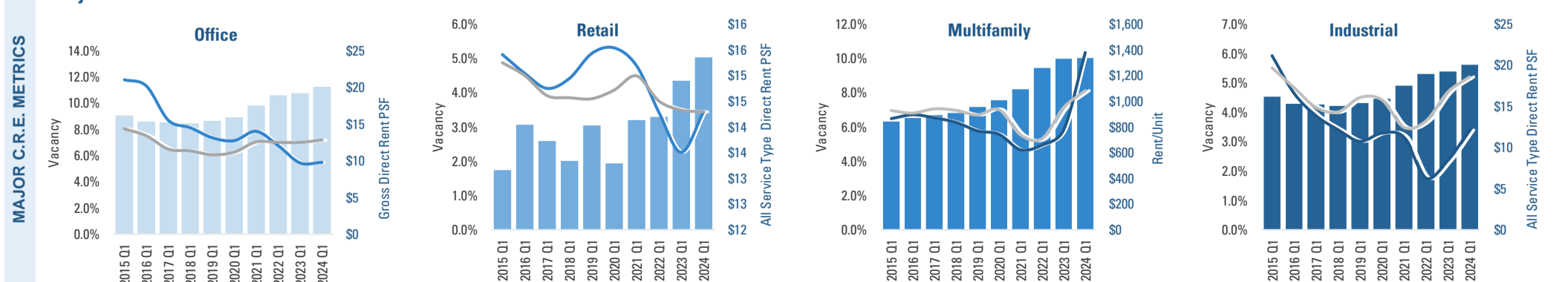




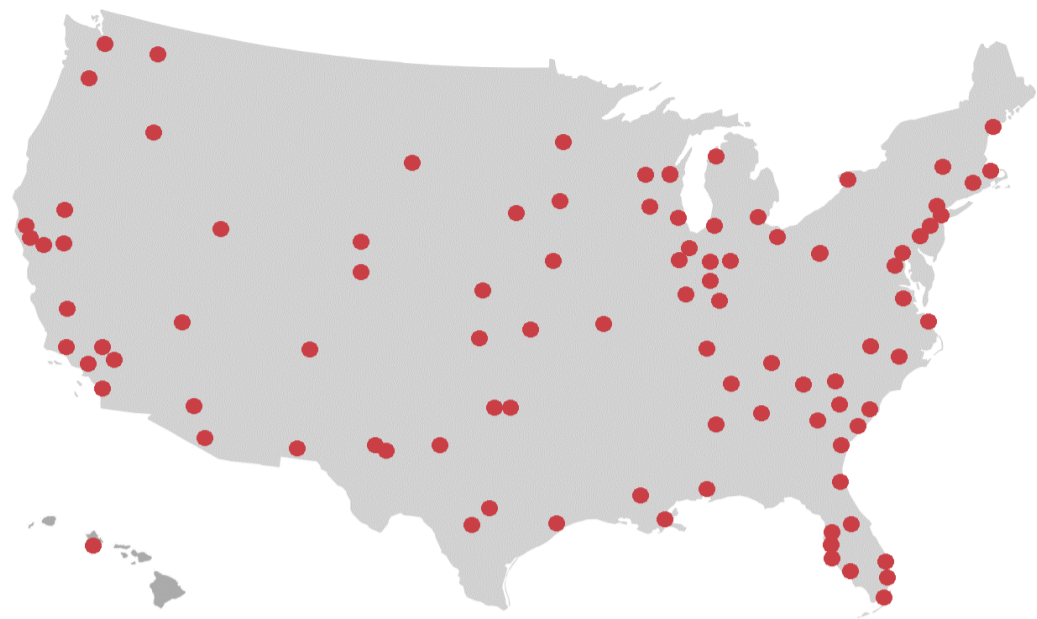
Scale and Service Distribution: Albuquerque, NM



Major CRE Market Performance



Nsights Hotel Market Reports 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

*Customized market reports available upon request

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Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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Portfolio Analytics

We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

Property Tax

We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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