

NEWMARK

1Q 2024

Hotel Market Nsights Report

ARKANSAS STATE AREA, AR



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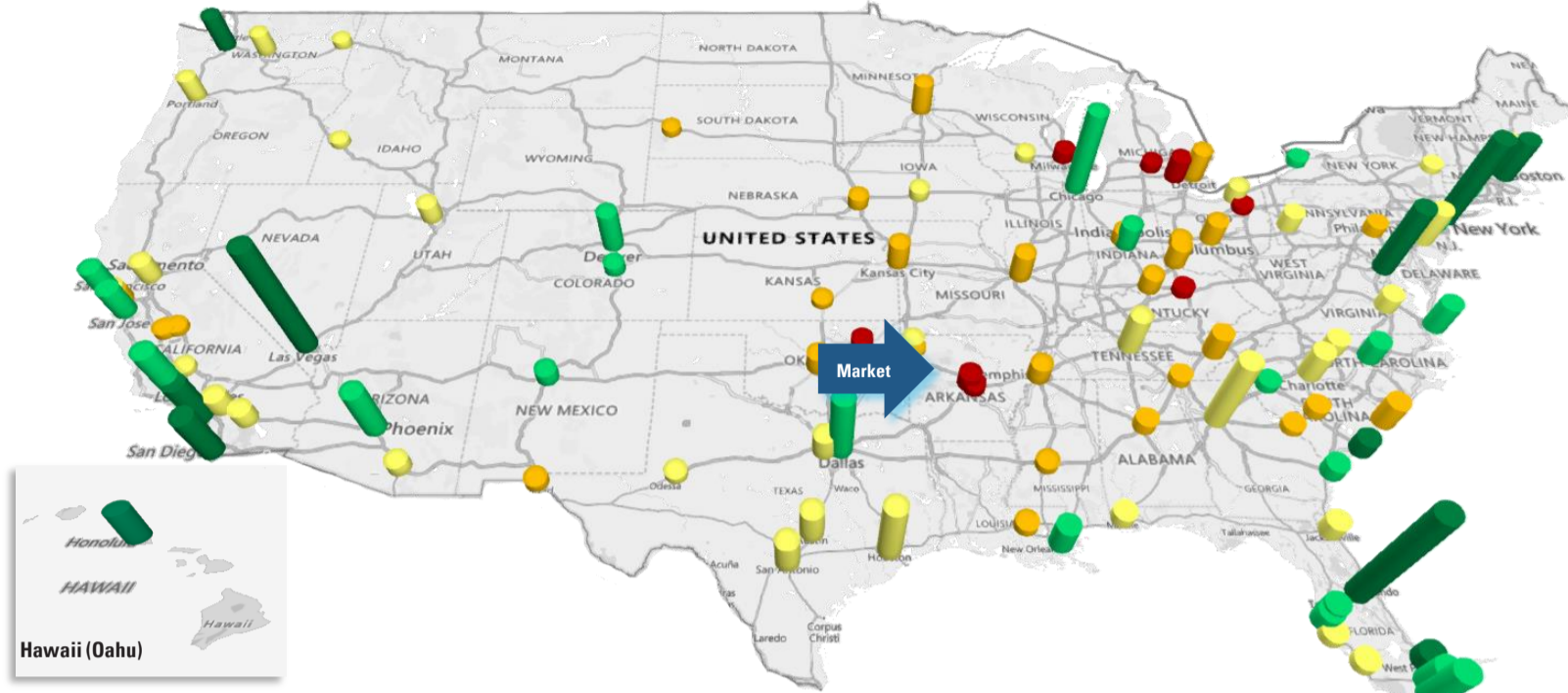
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1Q 2024 ARKANSAS STATE AREA, AR

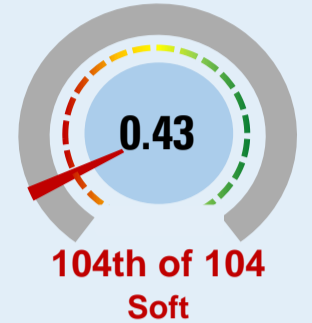


Lodging Performance Index Snapshot

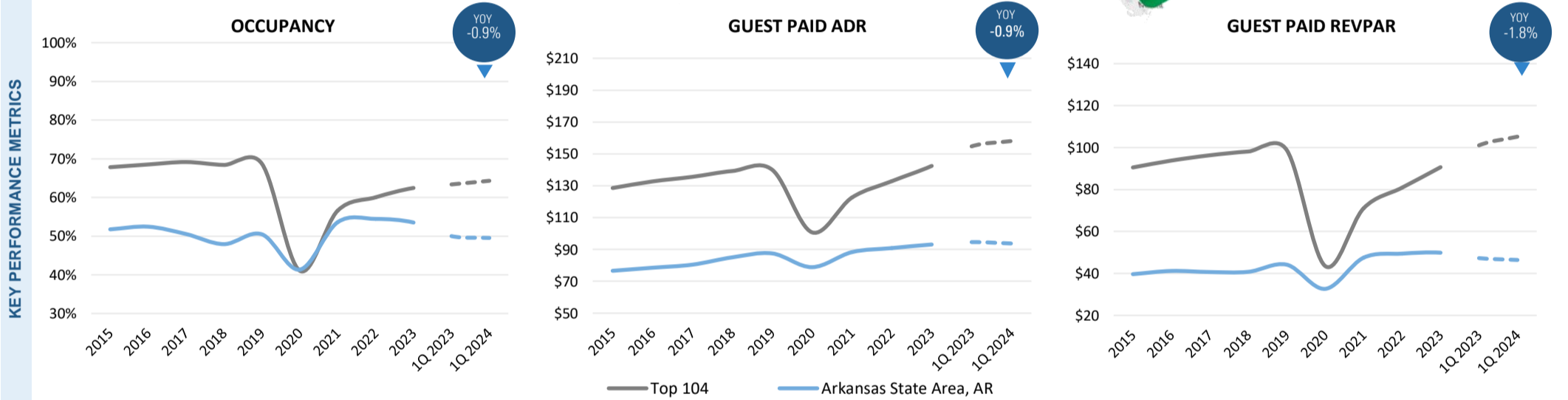


LODGING PERFORMANCE INDEX

Arkansas State Area, AR



Ranking of overall '1Q 2024 LPI' performance (0.43) against all 104 surveyed markets.

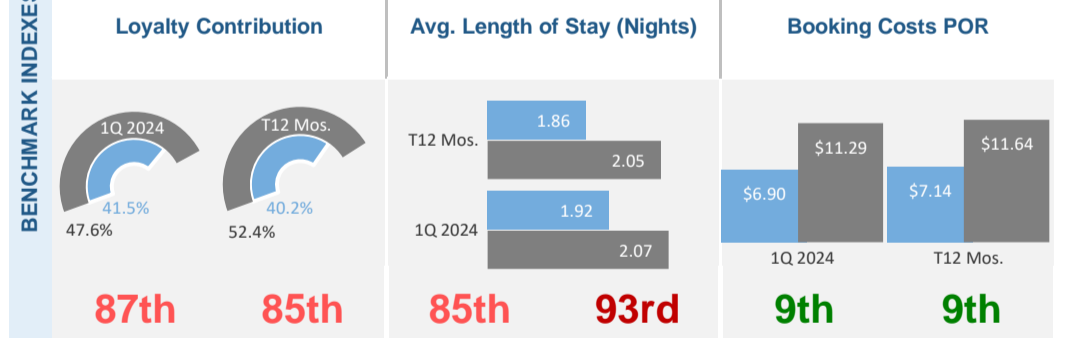


Key Performance Indexes

● Subject Market ● Top 104

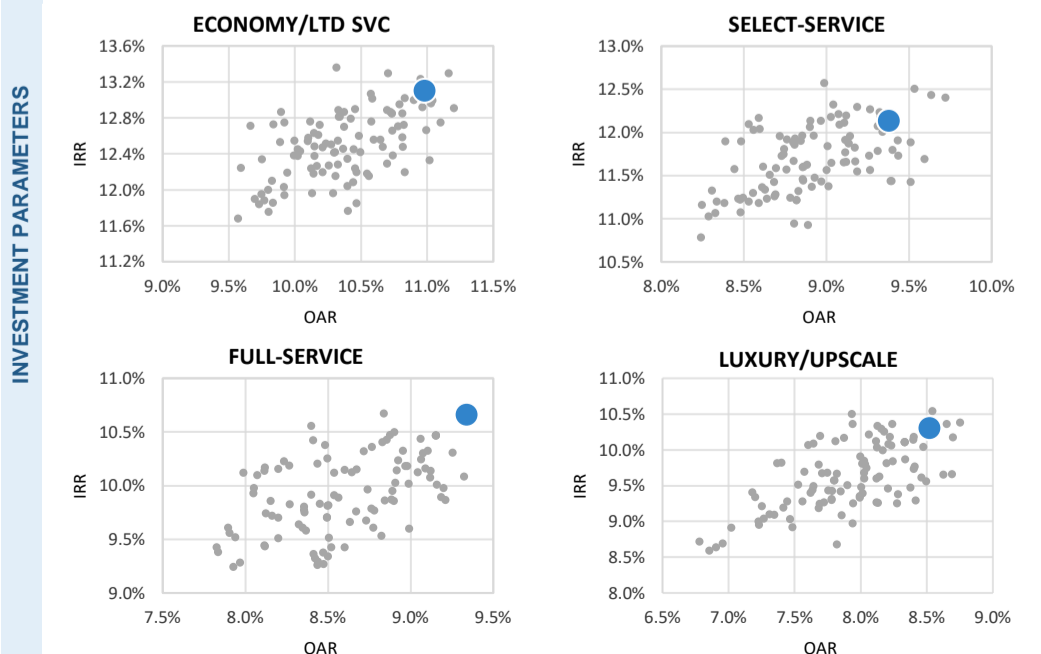


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

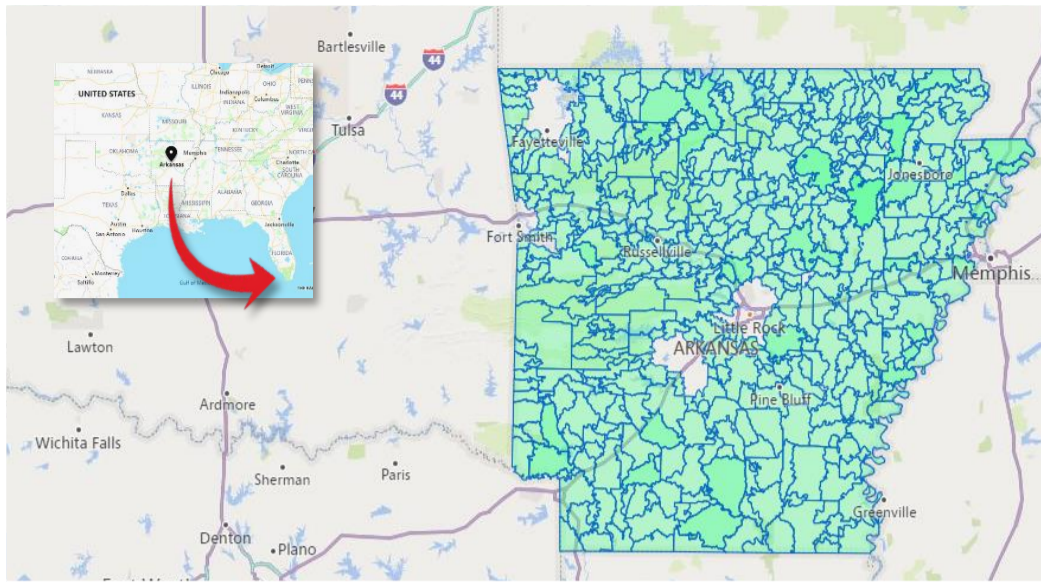


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Multiple	
County:	Multiple	
State:	Michigan	
Geo Coordinates (market center):	35.07141, -92.35122	
Major Hotel Demand Generators		
Aerojet Rocketdyne Arkansas Best Corp. Arkansas Children's Hospital Arkansas State University Baldor Electric Baptist Health Central Arkansas Veterans Healthcare System ExxonMobil (lithium) FedEx Freight Hytrol Conveyor Co. Little Rock Air Force Base NEA Baptist Memorial Medical O.K. Foods Inc. Oaklawn Racing Casino Resort Riceland Foods Sparks Health System St. Bernards Medical Center St. Edward Mercy Medical Center Tyson Foods Inc. Walmart Inc.		
Metrics and Ranking		Measurements
Population (hotel market area)		1,604,600
Income per Capita		\$38,097
Feeder Group Size		142.7 Persons PSR
Feeder Group Earnings		\$5,437,463 PSR
Total Market Hotel Revenues		\$402.0 million
		Rankings
		39th of 104 (Average)
		90th of 104 (Soft)
		96th of 104 (Soft)
		88th of 104 (Below Average)
		70th of 104 (Below Average)

Key Performance Metrics

Data provided by:

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	51.7%	\$76.62	\$39.65	\$72.66	\$37.60	\$3.96	94.8%	41.6%	1.76	22,570	0.24
2016	52.4%	\$78.54	\$41.18	\$74.25	\$38.94	\$4.28	94.6%	43.7%	1.75	22,520	0.50
2017	50.5%	\$80.46	\$40.67	\$75.75	\$38.28	\$4.71	94.1%	46.8%	1.72	22,630	0.39
2018	47.9%	\$85.06	\$40.76	\$79.78	\$38.23	\$5.29	93.8%	51.6%	1.71	21,810	0.36
2019	50.5%	\$87.53	\$44.17	\$81.71	\$41.24	\$5.82	93.4%	58.7%	1.73	20,790	0.59
2020	41.3%	\$78.89	\$32.65	\$73.62	\$30.43	\$5.27	93.3%	36.6%	1.87	20,600	0.87
2021	53.6%	\$88.33	\$47.51	\$82.20	\$44.06	\$6.13	93.1%	38.1%	1.83	20,670	0.75
2022	54.4%	\$90.87	\$49.44	\$84.45	\$45.98	\$6.41	92.9%	37.8%	1.82	20,720	0.60
2023	53.5%	\$93.12	\$49.88	\$86.46	\$46.26	\$6.66	92.8%	37.6%	1.81	20,730	0.46
CAGR: 2015 thru 2023	0.4%	2.5%	2.9%	2.2%	2.6%	6.7%	-0.3%	-1.3%	0.4%	-1.1%	8.5%
1Q 2023	50.0%	\$94.62	\$47.30	\$87.88	\$43.93	\$6.73	92.9%	37.3%	1.87	20,810	0.47
1Q 2024	49.5%	\$93.75	\$46.43	\$86.85	\$43.01	\$6.90	92.6%	41.5%	1.92	20,730	0.43

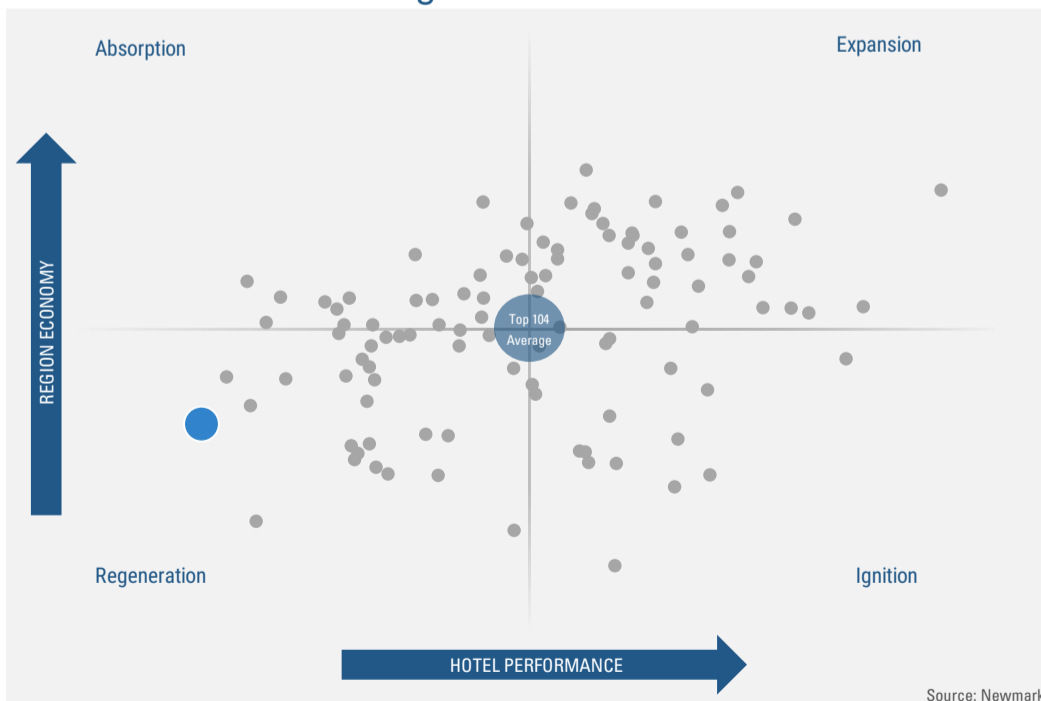
Notable Metrics

	Latest-Quarter Booking Costs POR	T12-Month Booking Costs POR	Population Density per Room
HIGHEST	9th Strong Arkansas State Area, AR enjoyed low latest-quarter booking costs POR (\$6.90)	9th Strong The market enjoyed low T12-month booking costs POR (\$7.14)	13th Above Average The market also boasted strong population density per room (76.03)
LOWEST	Last Soft This market posted weak T12-month COPE RevPAR (\$48.39)	Last Soft The market has been hindered by weak T12-month Guest Paid RevPAR (\$52.30)	Last Soft Arkansas State Area, AR also posted weak latest-quarter LPI (0.43)

Notable Trends

	Short-Term Historical Occupancy Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
STRONGEST	2nd Very Strong Arkansas State Area, AR has benefited from strong short-term historical occupancy growth (2.0%)	6th Strong The market enjoyed strong long-term historical LPI growth (7.5%)	6th Strong The market also has benefited from strong short-term historical LPI growth (10.0%)
WEAKEST	Last Soft The market has been hampered by weak general hotel market performance (levels and trends of fundamentals)	95th Soft We note this area exhibited high long-term historical booking costs POR growth (4.7%)	85th Below Average Arkansas State Area, AR also posted weak general economic reverence (per-capita unemployment, GDP and other indicators)

Market Performance Stage



Arkansas State Area, AR: Regeneration Stage

The Arkansas State Area, AR market is currently in the 'Regeneration' stage of the performance cycle. In this 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.

Other Stages:

- Ignition:** In the 'Ignition' 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.
- 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: **At Risk**
 Employment Growth (2 yr): **1.3%**
 Risk Exposure (402 US markets): **92nd Percentile: High Risk**
 Key Industry Notes:
 Low business costs
 Well-developed infrastructure
 Regional healthcare hub
 Few dynamic growth drivers
 Low incomes, high poverty rate

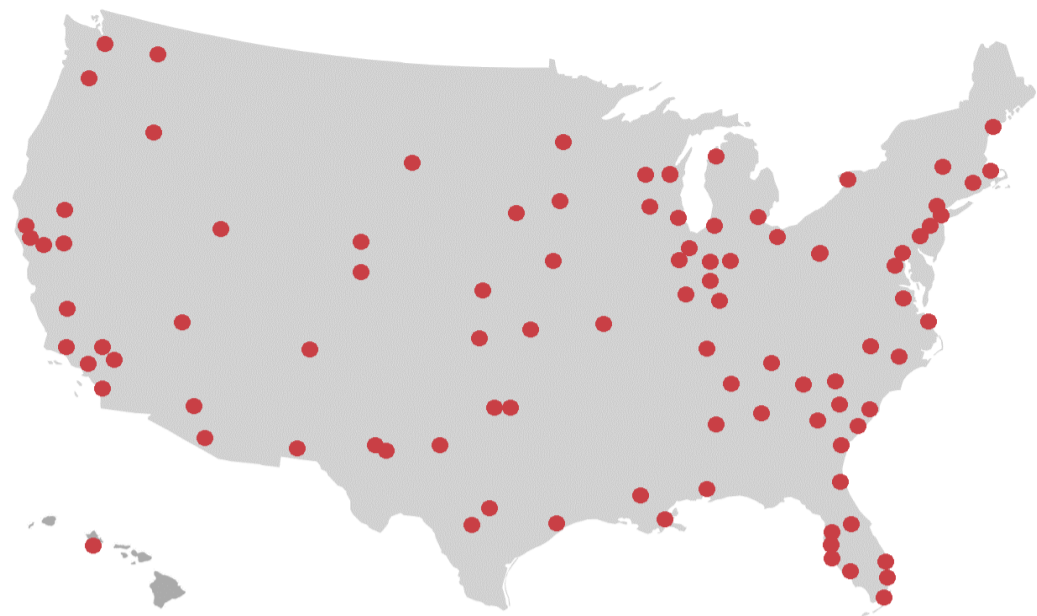
Moody's Rating

NR

This market is not rated by Moody's



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

Hospitality, Gaming & Leisure

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Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

Hotels and Resorts

Gaming Facilities

Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

Our core disciplines and expert subject areas include:

Economic Impact

We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

Feasibility

We take feasibility studies to the next level, combining market knowledge with expert economic impact analysis and acumen in cash-on-cash, ROI and other metrics.

Financial Reporting

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

Litigation

Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

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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