

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

ATLANTA, GA



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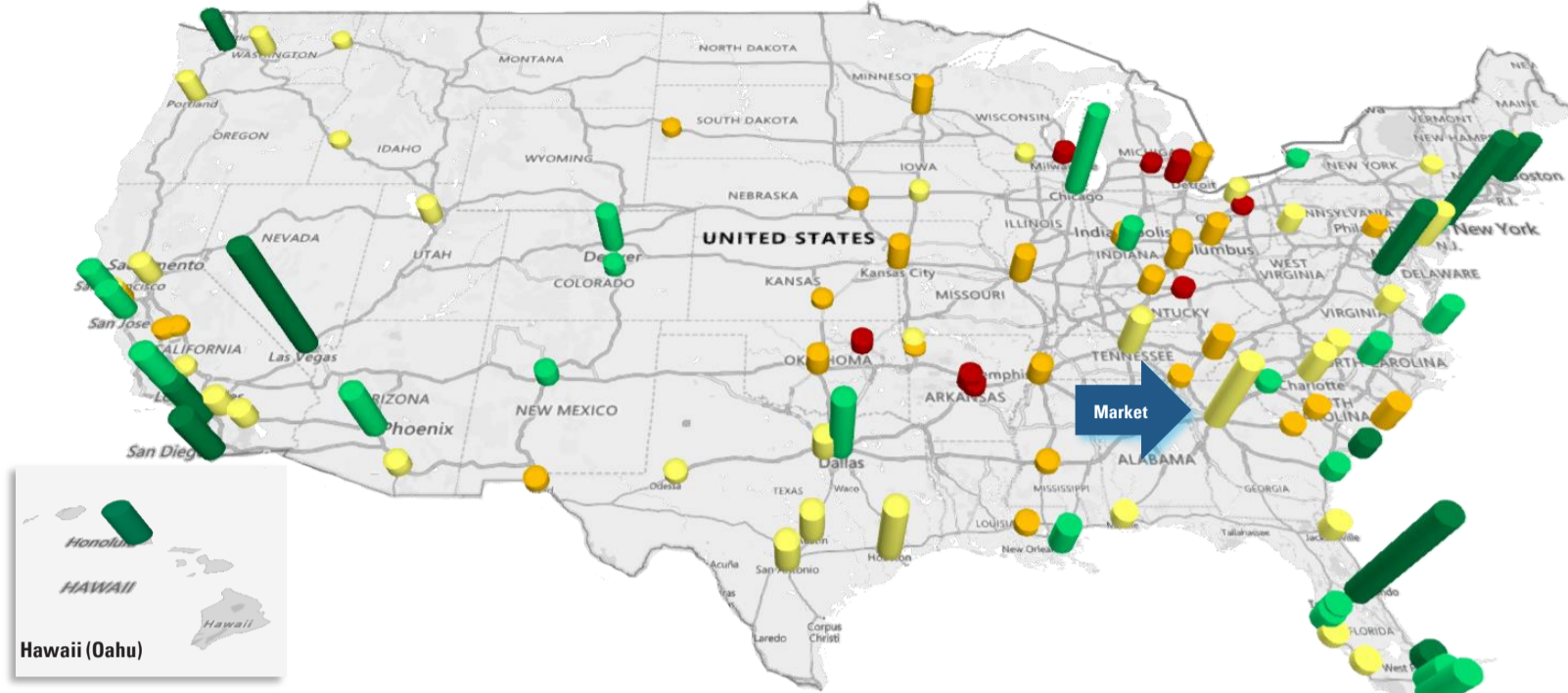
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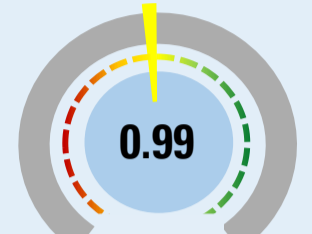


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

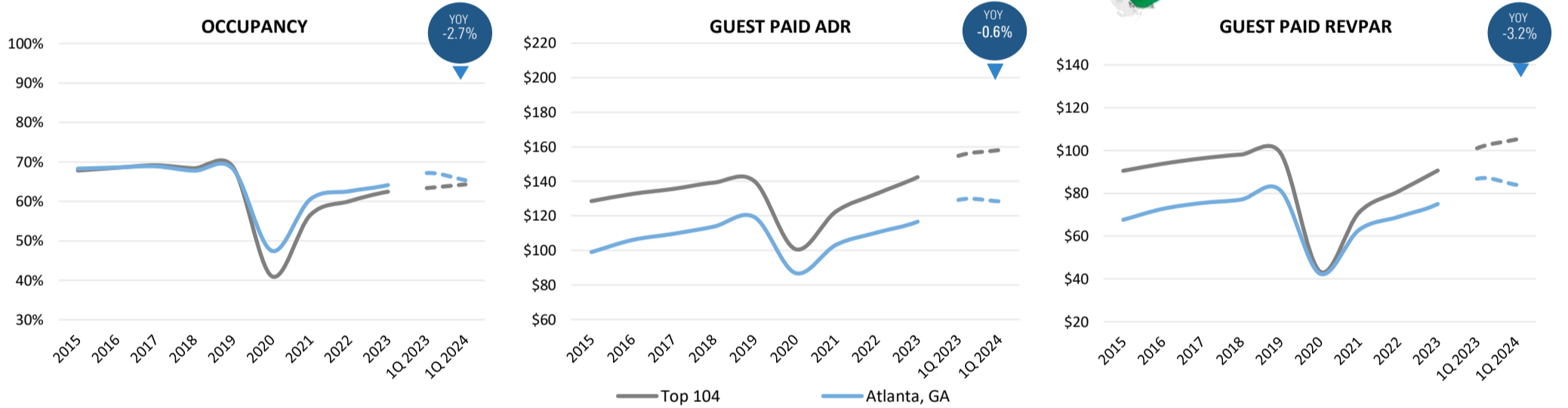
Atlanta, GA



56th of 104  
Average

Ranking of overall '1Q 2024 LPI' performance (0.99) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes

● Subject Market ● Top 104



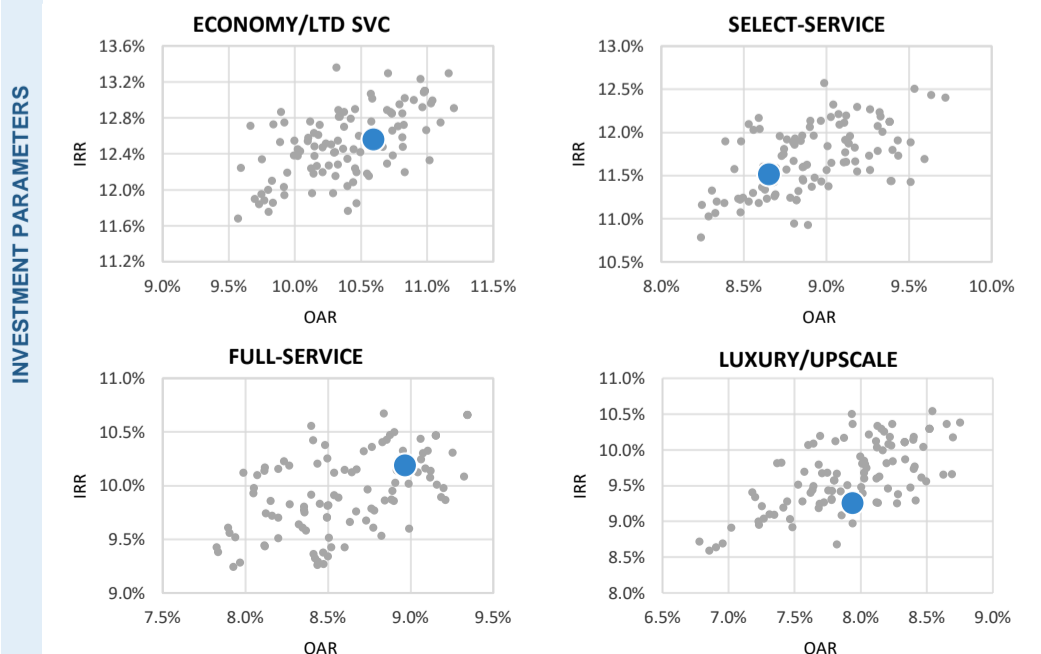
BENCHMARK INDEXES

Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

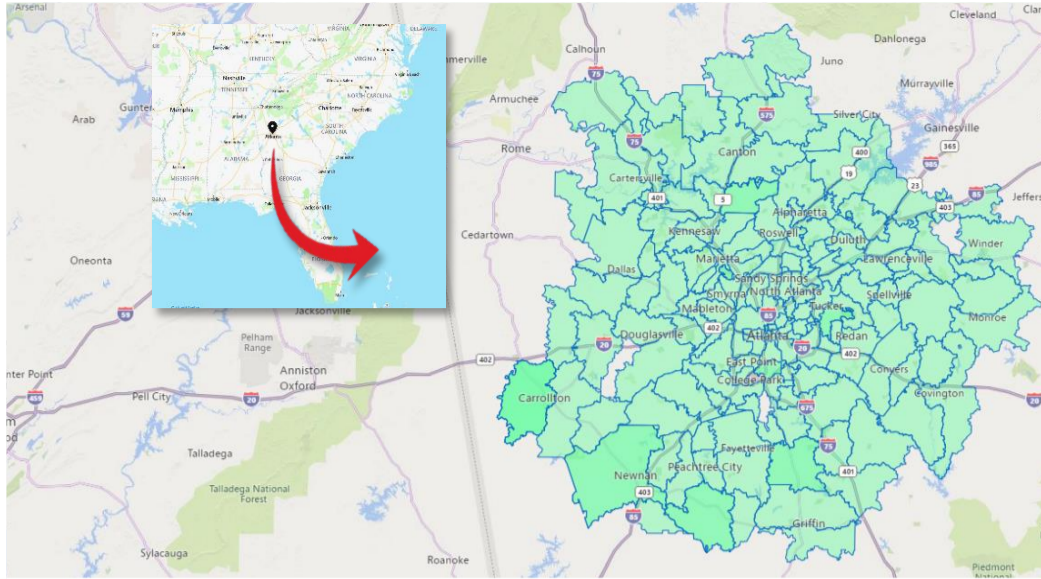


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Atlanta  
 County: DeKalb County, Fulton County  
 State: Georgia  
 Geo Coordinates (market center): 33.76291, -84.42267

**Major Hotel Demand Generators**

Delta Air Lines Inc. | Walmart Inc. | The Home Depot Inc. | Emory University | WellStar Health System Inc. | AT&T Inc. | Northside Hospital | Piedmont Healthcare | Emory Healthcare | Marriott International | Publix Supermarkets | Georgia State University | Centers for Disease Control and Prevention | Cox Enterprises Inc. | The Coca-Cola Co. | Southern Co. | Coreslab Structures | Children's Healthcare of Atlanta | SunTrust Banks Inc. | State Farm, Southeastern Market Area

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	4,978,495	5th of 104 (Very Large)
Income per Capita	\$51,701	39th of 104 (Average)
Feeder Group Size	70.3 Persons PSR	51st of 104 (Average)
Feeder Group Earnings	\$3,633,509 PSR	52nd of 104 (Average)
Total Market Hotel Revenues	\$3.3 billion	10th of 104 (Above 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	68.3%	\$99.02	\$67.62	\$91.44	\$62.45	\$7.58	92.3%	41.5%	2.14	95,320	1.20
2016	68.6%	\$106.02	\$72.72	\$97.58	\$66.93	\$8.44	92.0%	44.0%	2.06	95,470	1.21
2017	68.9%	\$109.57	\$75.46	\$100.59	\$69.28	\$8.98	91.8%	46.2%	1.99	94,870	1.20
2018	67.8%	\$113.76	\$77.09	\$104.58	\$70.87	\$9.18	91.9%	49.8%	1.97	95,160	1.12
2019	68.2%	\$119.23	\$81.33	\$109.71	\$74.84	\$9.51	92.0%	54.8%	1.93	100,900	1.29
2020	47.5%	\$86.92	\$42.48	\$81.08	\$38.50	\$5.85	93.3%	37.7%	2.28	101,750	1.00
2021	60.6%	\$103.22	\$62.93	\$95.74	\$57.98	\$7.48	92.8%	39.7%	2.20	103,410	0.94
2022	62.6%	\$110.33	\$68.99	\$102.52	\$64.13	\$7.81	92.9%	41.0%	2.20	104,150	0.96
2023	64.1%	\$116.65	\$75.01	\$108.63	\$69.67	\$8.02	93.1%	42.2%	2.20	104,770	1.15
<b>CAGR: 2015 thru 2023</b>	<b>-0.8%</b>	<b>2.1%</b>	<b>1.3%</b>	<b>2.2%</b>	<b>1.4%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.4%</b>	<b>1.2%</b>	<b>-0.5%</b>
1Q 2023	67.2%	\$129.19	\$86.78	\$120.78	\$81.13	\$8.41	93.5%	46.8%	2.19	104,370	1.16
1Q 2024	65.4%	\$128.45	\$83.97	\$119.88	\$78.36	\$8.58	93.3%	49.6%	2.16	107,100	0.99

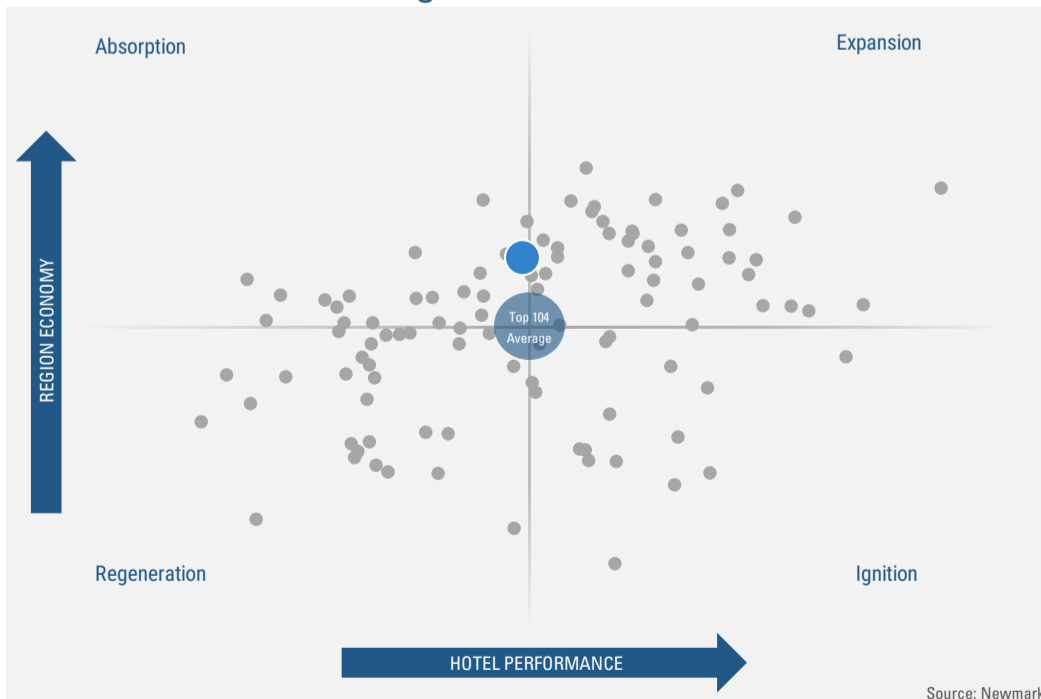
Notable Metrics

	Total Rooms Supply	Total Rooms Sold	IRR: Luxury/Upscale
<b>HIGHEST</b>	<b>5th Strong</b> Atlanta, GA benefits from a large and diverse hotel market (107,105 total rooms)	<b>6th Strong</b> The market boasted a strong total of number of rooms sold (25,856,135 room nights)	<b>20th Favorable</b> The market also posted favorable IRR metrics in the luxury/upscale segment (9.3%)
<b>LOWEST</b>	<b>81st Unfavorable</b> This market posted unfavorable OAR metrics in the full-service segment (9.0%)	<b>76th Unfavorable</b> The market posted unfavorable IRR metrics in the full-service segment (10.2%)	<b>72nd Unfavorable</b> Atlanta, GA also exhibited unfavorable OAR metrics in the economy/ltl svc segment (10.6%)

Notable Trends

	Long-Term Historical Loyalty Contribution Growth	General Economy Reversion	Short-Term Historical Booking Costs POR Growth
<b>STRONGEST</b>	<b>25th Above Average</b> Atlanta, GA exhibited strong long-term historical loyalty contribution growth (4.6%)	<b>26th Above Average</b> The market enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)	<b>28th Above Average</b> The market also enjoyed low short-term historical growth in booking costs (2.0%)
<b>WEAKEST</b>	<b>93rd Soft</b> The market has been hindered by high rooms supply growth over the last 12 months (2.6%)	<b>87th Below Average</b> We note this area has been impeded by weak short-term historical COPE RevPAR growth (0.5%)	<b>87th Below Average</b> Atlanta, GA also has been hampered by weak short-term historical Guest Paid RevPAR growth (0.5%)

Market Performance Stage



Atlanta, GA: Absorption Stage

The Atlanta, GA market is currently in the 'Absorption' stage of the performance cycle. In this 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 Charlotte, NC; Columbus, OH; and Fort Worth, TX.

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.
- 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.
- 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:  
 Employment Growth (2 yr):  
 Risk Exposure (402 US markets):  
 Key Industry Notes:

**At Risk**  
 1.0%  
 23rd Percentile: Below Average

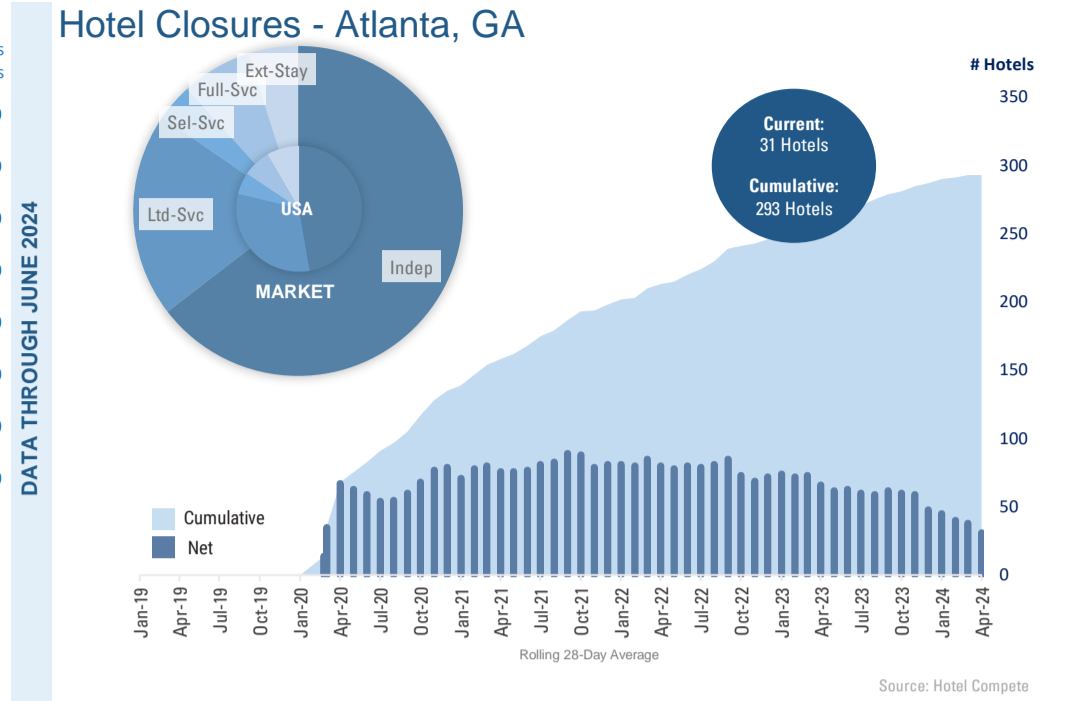
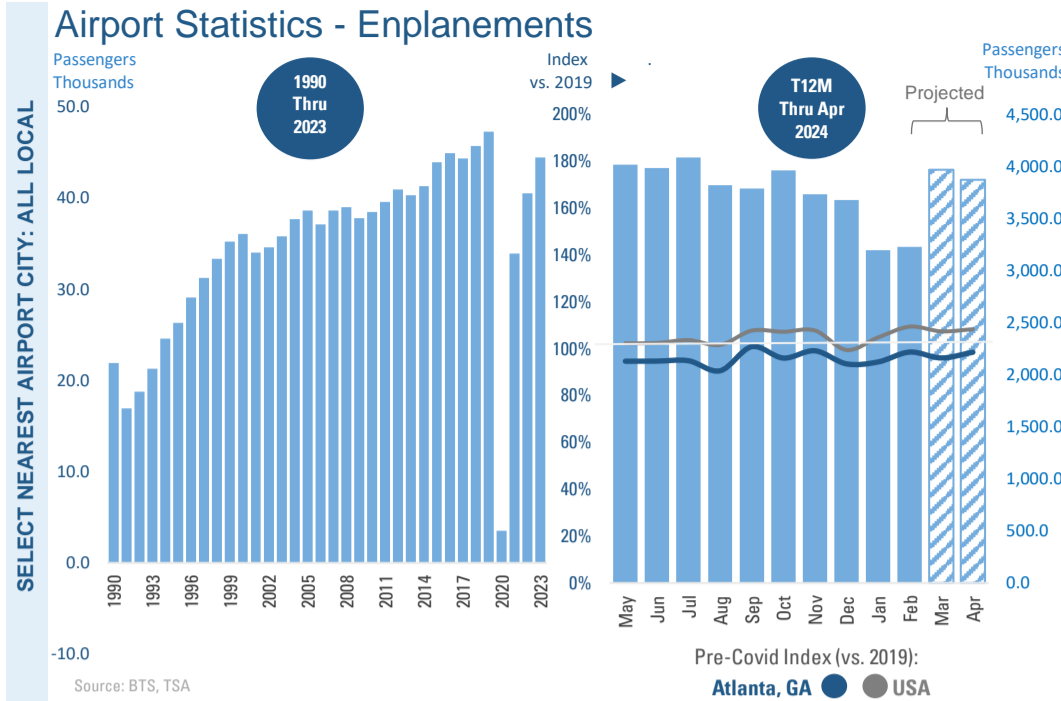
Diverse economy  
 Distribution and cultural center  
 Business-friendly environment  
 Single-family housing is overvalued  
 Strained infrastructure

**Moody's Rating**

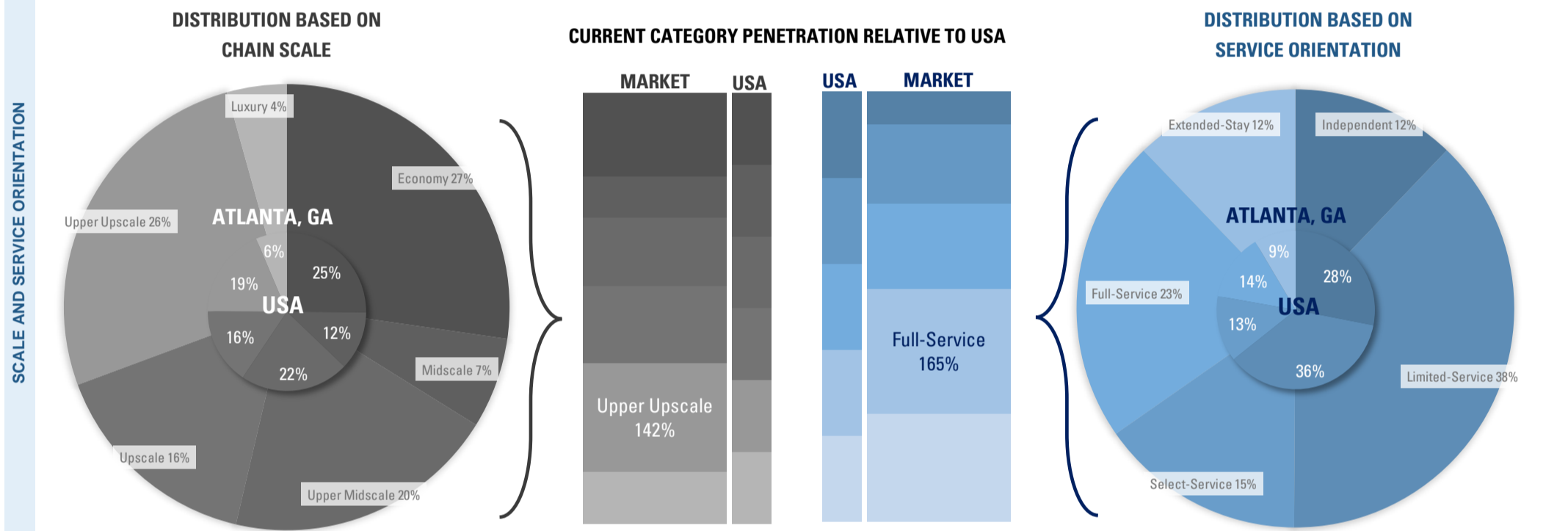
**Aaa**  
 Investment Grade

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

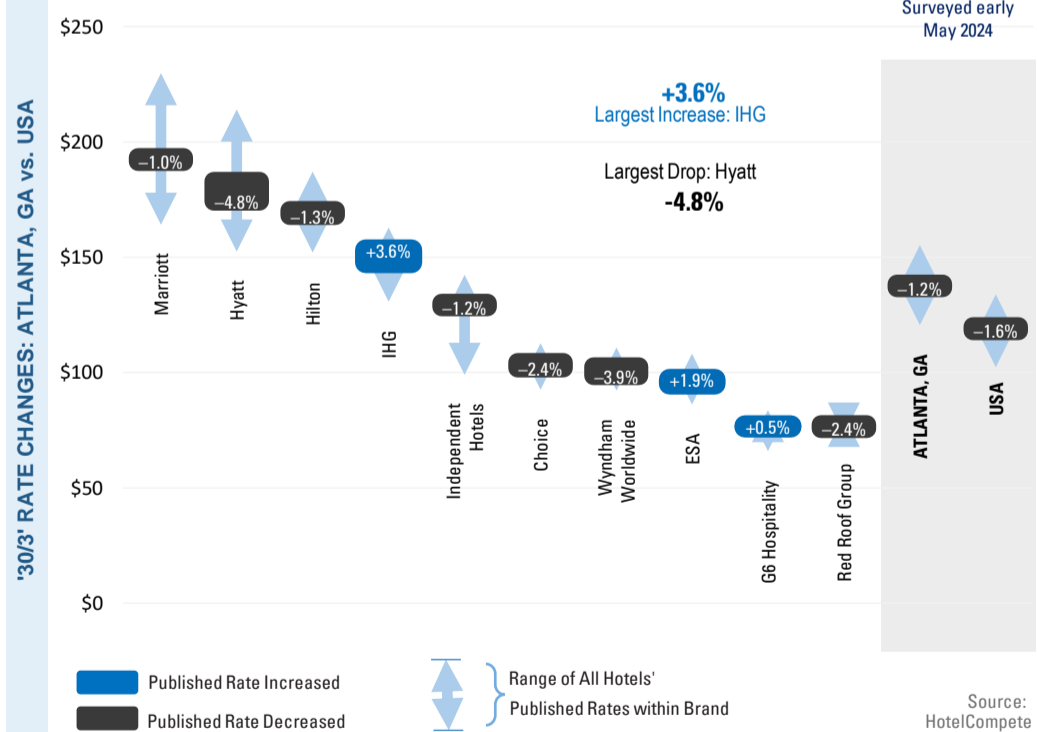




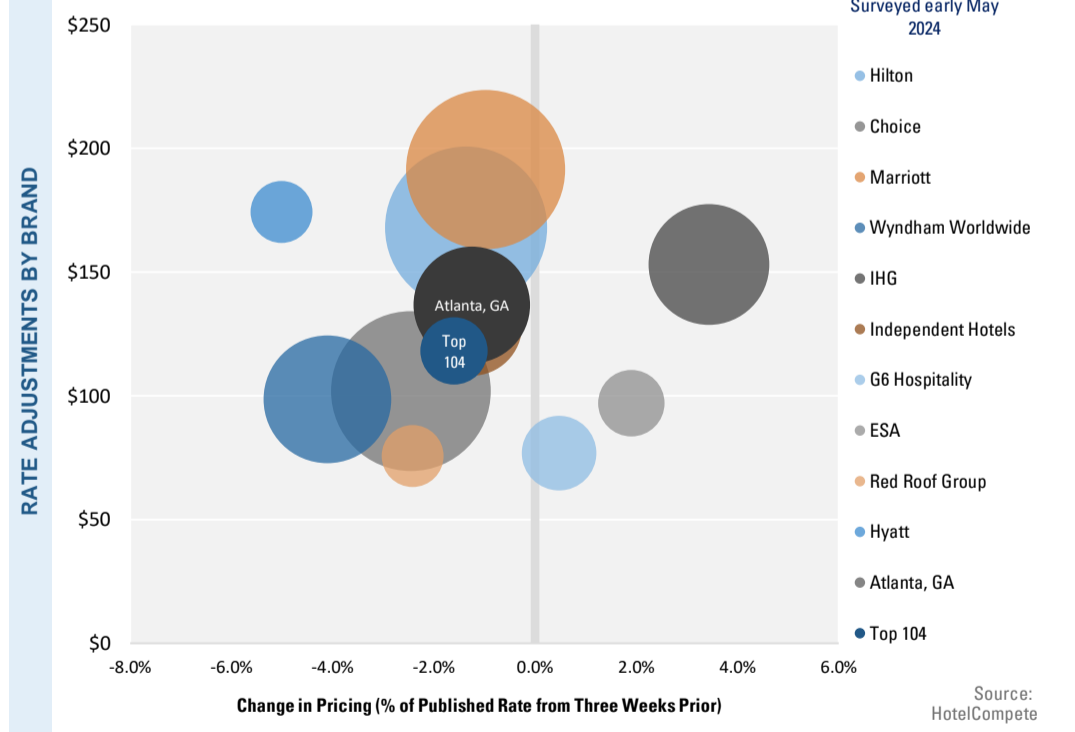
## Scale and Service Distribution: Atlanta, GA



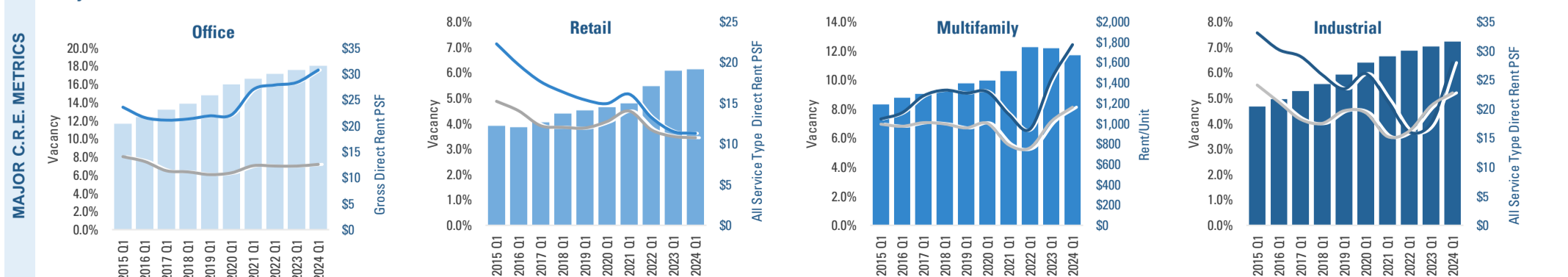
## Published Rates: Top 10 Brands



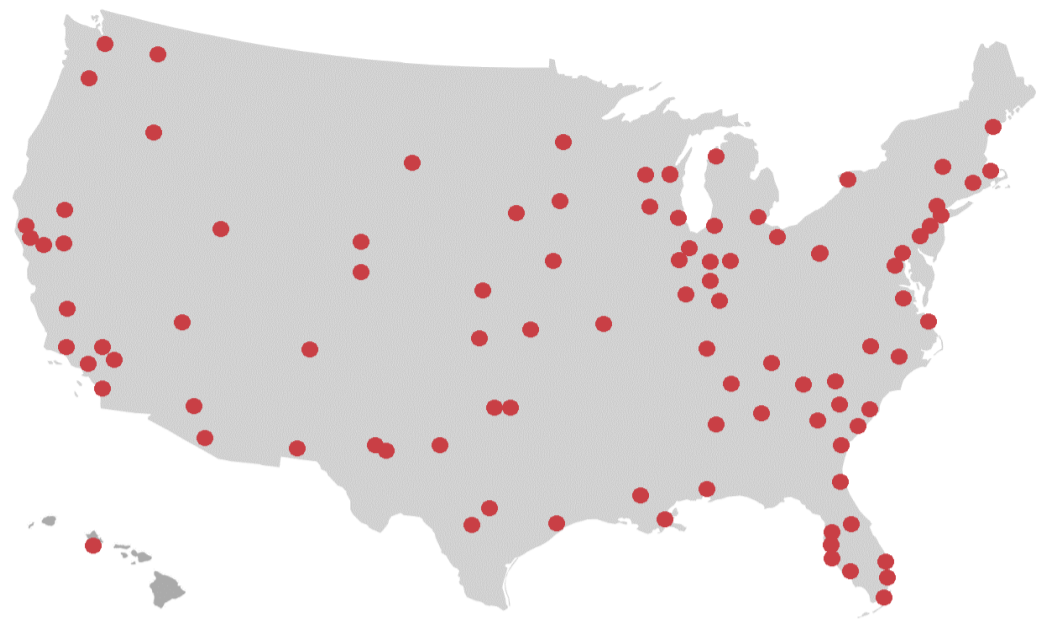
## Published Rates: Volatility



## 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

## Hospitality, Gaming & Leisure

Our Hospitality, Gaming & Leisure practice is focused exclusively on providing superior valuation and consulting services for a broad range of hotels, casinos and leisure properties. Our team takes a holistic, consultative approach that goes far beyond the physical asset, analyzing every aspect of a property's business and real estate operations to identify all areas of value for owners and investors.

*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.

### ABOUT NEWMARK

**We transform untapped potential into limitless opportunity.**

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

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