

NEWMARK

1Q 2024

Hotel Market Nsights Report

AUSTIN, TX



FOR MORE INFORMATION:

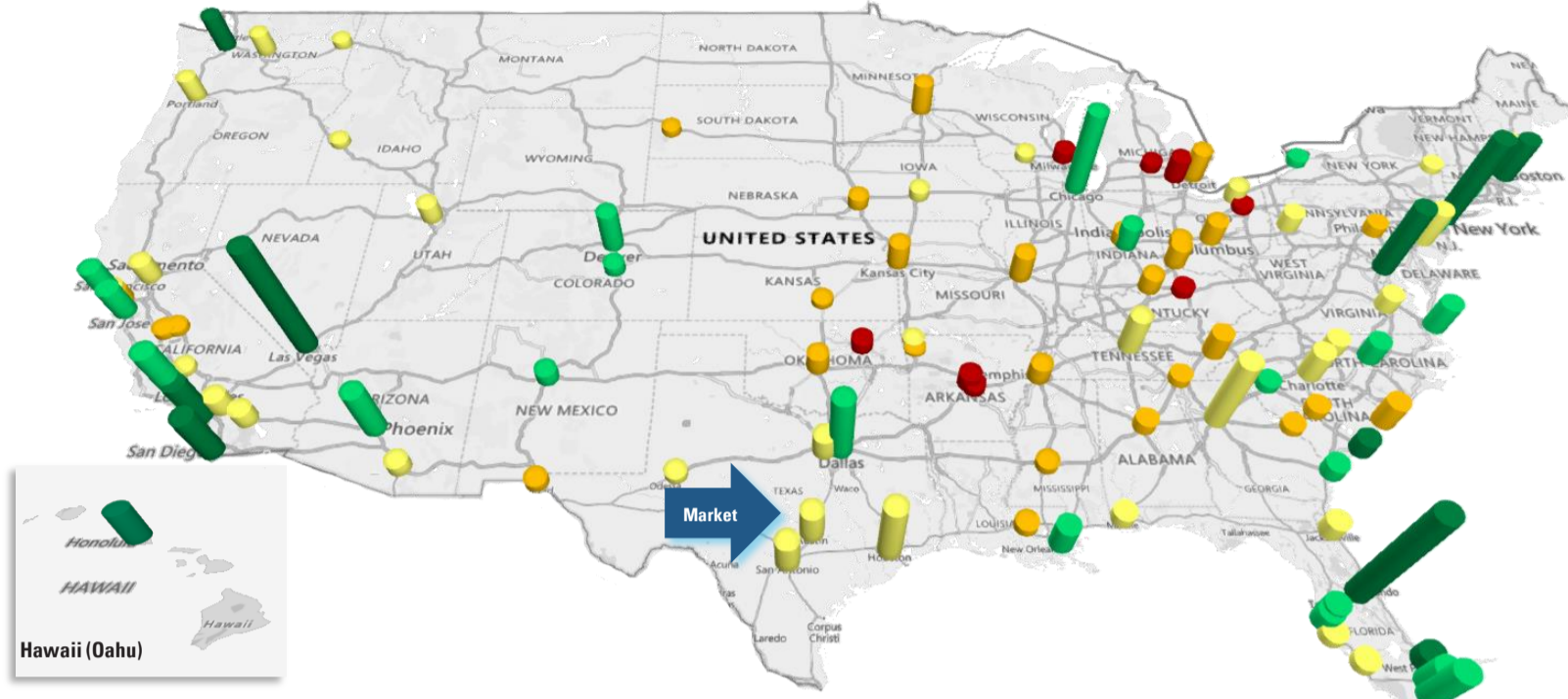
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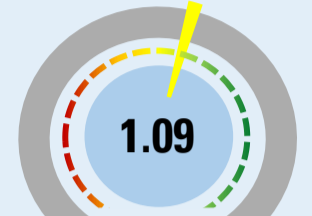


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

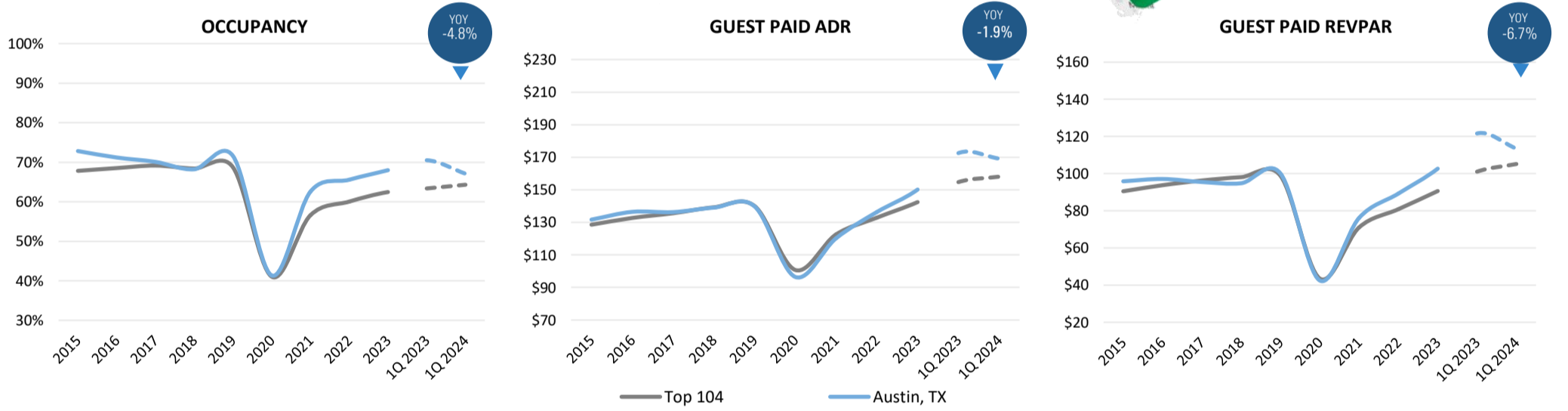
Austin, TX



41st of 104
Average

Ranking of overall '1Q 2024 LPI' performance (1.09) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

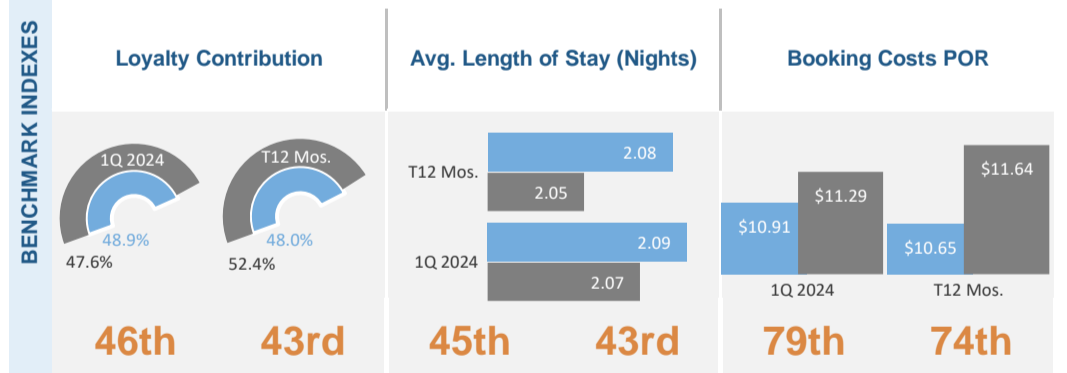


PERFORMANCE INDEXES

Key Performance Indexes

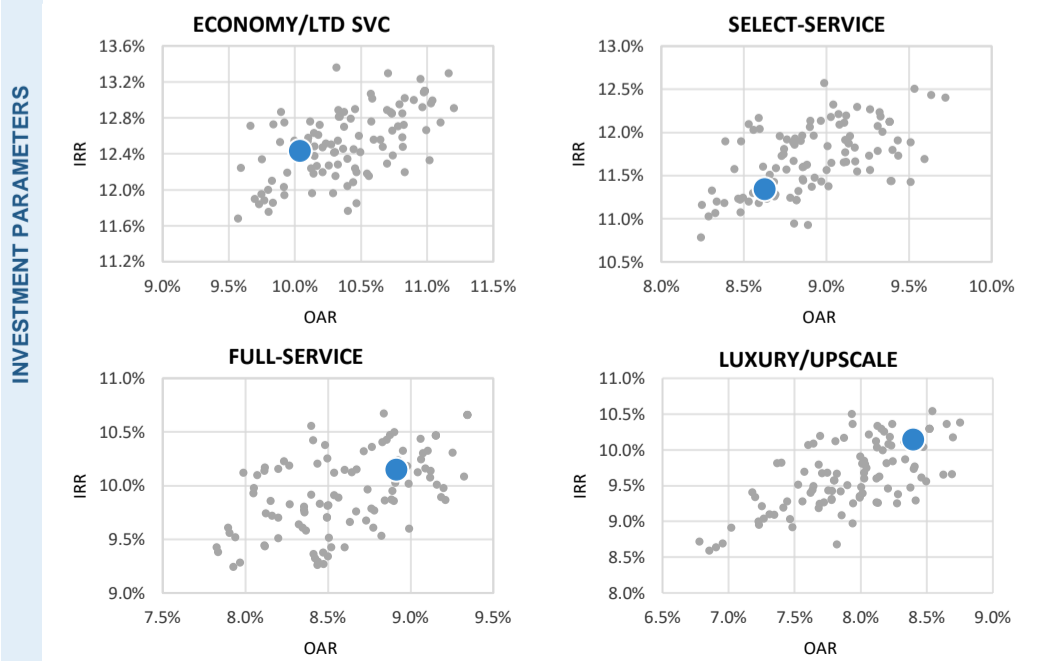


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

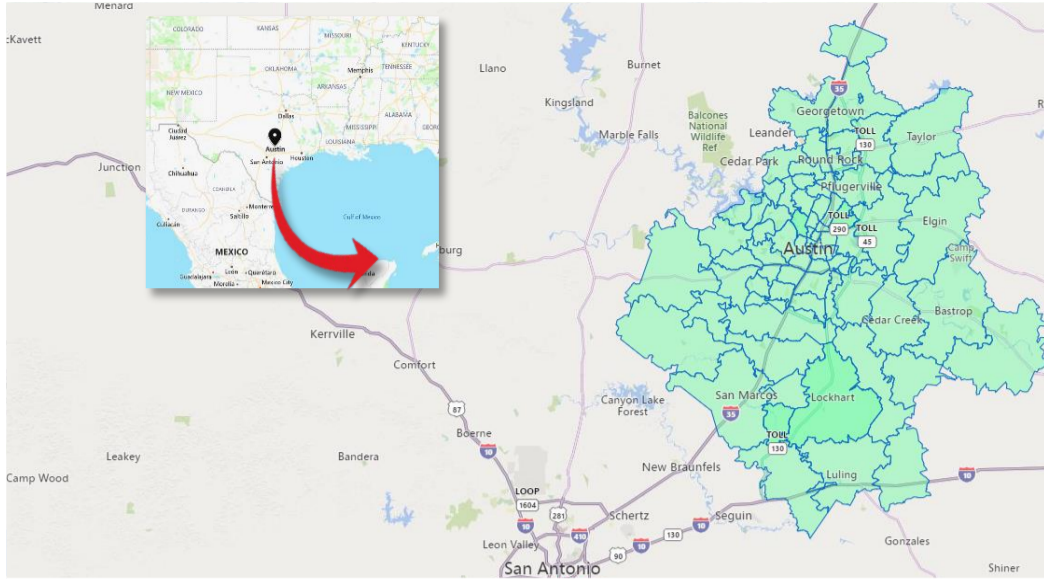


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Austin
 County: Bastrop County, Hays County, Travis County, and others
 State: Texas
 Geo Coordinates (market center): 30.30116, -97.7527

Major Hotel Demand Generators

University of Texas at Austin | Dell Inc. | Seton Healthcare Network | Walmart Inc. | St. David's Healthcare | Samsung Austin Semiconductor | Apple Computer | IBM Corp. | Texas State University - San Marcos | Austin Community College | NXP Semiconductors | Applied Materials | AT&T | National Instruments | Whole Foods Market | Keller Williams Realty | Accenture | Flextronics International | Lower Colorado River Authority | Spectrum

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,671,201	33rd of 104 (Above Average)
Income per Capita	\$63,717	10th of 104 (Above Average)
Feeder Group Size	49.8 Persons PSR	19th of 104 (Above Average)
Feeder Group Earnings	\$3,170,996 PSR	43rd of 104 (Average)
Total Market Hotel Revenues	\$2.0 billion	20th 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	72.8%	\$131.69	\$95.89	\$121.29	\$88.32	\$10.40	92.1%	42.1%	2.19	33,070	1.49
2016	71.2%	\$136.46	\$97.13	\$125.29	\$89.18	\$11.17	91.8%	45.1%	2.13	34,800	1.21
2017	70.1%	\$136.29	\$95.50	\$124.98	\$87.58	\$11.31	91.7%	48.5%	2.12	36,510	1.22
2018	68.2%	\$139.05	\$94.84	\$127.46	\$86.94	\$11.58	91.7%	51.8%	2.06	38,470	1.19
2019	71.6%	\$139.82	\$100.09	\$128.30	\$91.85	\$11.52	91.8%	55.7%	2.03	42,110	1.39
2020	41.4%	\$96.47	\$42.50	\$90.02	\$37.23	\$6.45	93.3%	39.5%	2.40	42,980	0.91
2021	62.6%	\$120.21	\$76.19	\$111.84	\$69.96	\$8.37	93.0%	41.2%	2.38	45,400	1.20
2022	65.6%	\$136.32	\$89.30	\$126.94	\$83.23	\$9.39	93.1%	42.3%	2.28	45,930	1.25
2023	68.0%	\$150.16	\$102.69	\$140.01	\$95.18	\$10.14	93.2%	43.1%	2.21	46,610	1.27
CAGR: 2015 thru 2023	-0.9%	1.7%	0.9%	1.8%	0.9%	-0.3%	0.2%	0.3%	0.2%	4.4%	-2.0%
1Q 2023	70.5%	\$172.53	\$121.62	\$161.75	\$114.02	\$10.78	93.8%	47.5%	2.08	48,080	1.39
1Q 2024	67.1%	\$169.17	\$113.49	\$158.26	\$106.17	\$10.91	93.6%	48.9%	2.09	48,730	1.09

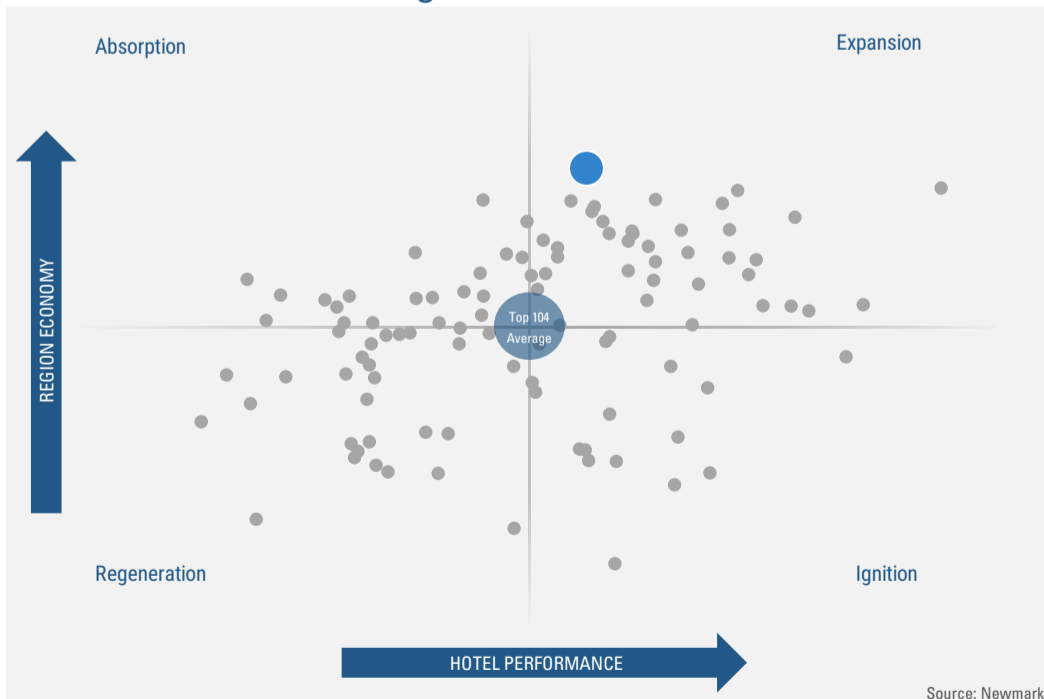
Notable Metrics

	Economy Median Income	T12-Month COPE ADR Percentage	Total Rooms Sold
HIGHEST	10th Above Average Austin, TX exhibited strong Economy Median Income (\$63,717)	12th Above Average The market benefited from strong T12-month COPE ADR percentage (93.4%)	19th Above Average The market also boasted a strong total of number of rooms sold (12,256,913 room nights)
LOWEST	88th Unfavorable This market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.4%)	86th Unfavorable The market posted unfavorable IRR metrics in the luxury/upscale segment (10.1%)	83rd Below Average Austin, TX also has been hindered by weak population density per room (34.15)

Notable Trends

	General Economy Reversion	Short-Term Historical Supply Growth	Short-Term Historical Booking Costs POR Growth
STRONGEST	1st Very Strong Austin, TX enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)	2nd Very Strong The market has benefited from low short-term historical supply growth (4.8%)	19th Above Average The market also enjoyed low short-term historical growth in booking costs (1.6%)
WEAKEST	Last Soft The market has been burdened by high long-term historical supply growth (4.9%)	100th Soft We note this area has been hampered by weak short-term historical LPI growth (-4.9%)	100th Soft Austin, TX also posted weak long-term historical LPI growth (-3.7%)

Market Performance Stage



Austin, TX: Expansion Stage

The Austin, TX market is currently in the 'Expansion' stage of the performance cycle. In this 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; Boston, MA; and Dallas, 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.
- 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.

Industry Observations

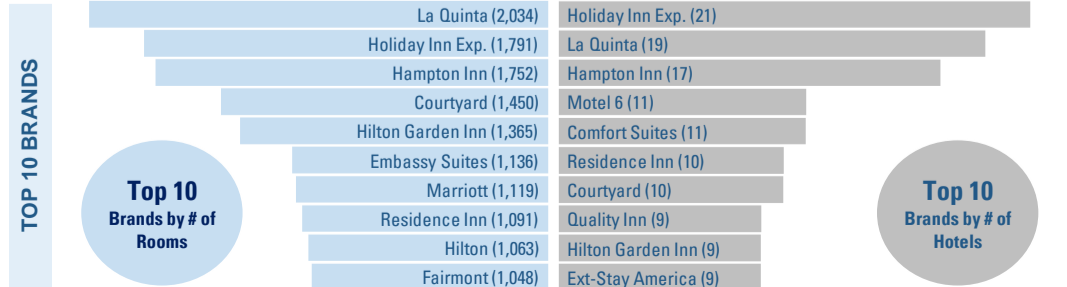
MOODY'S ANALYTICS

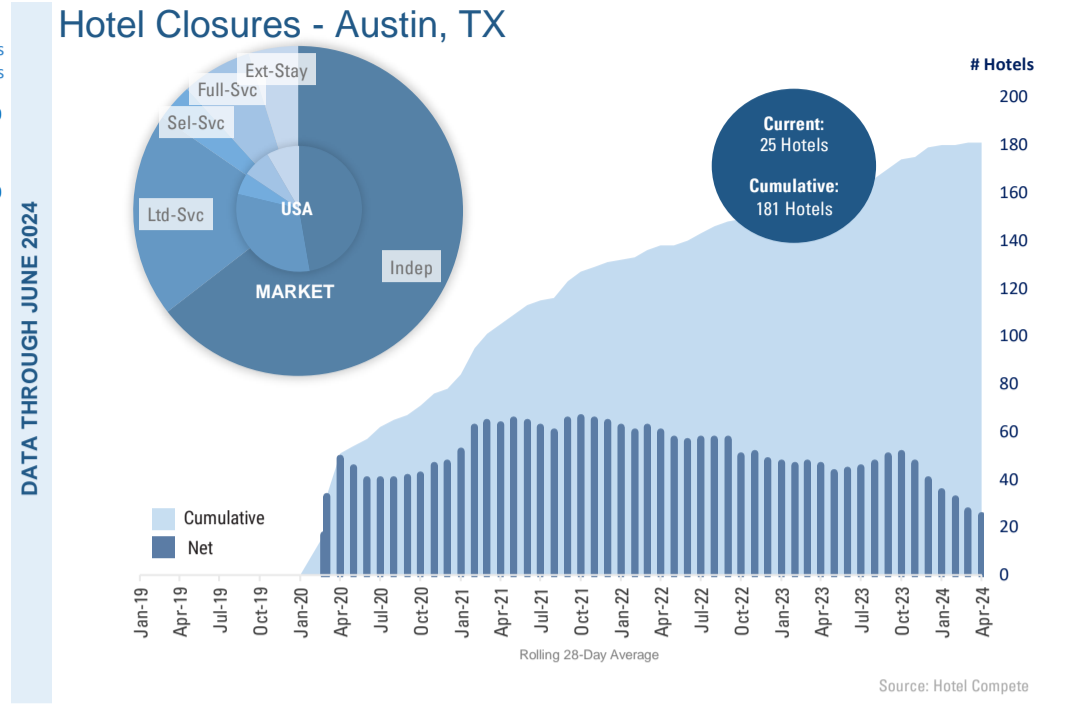
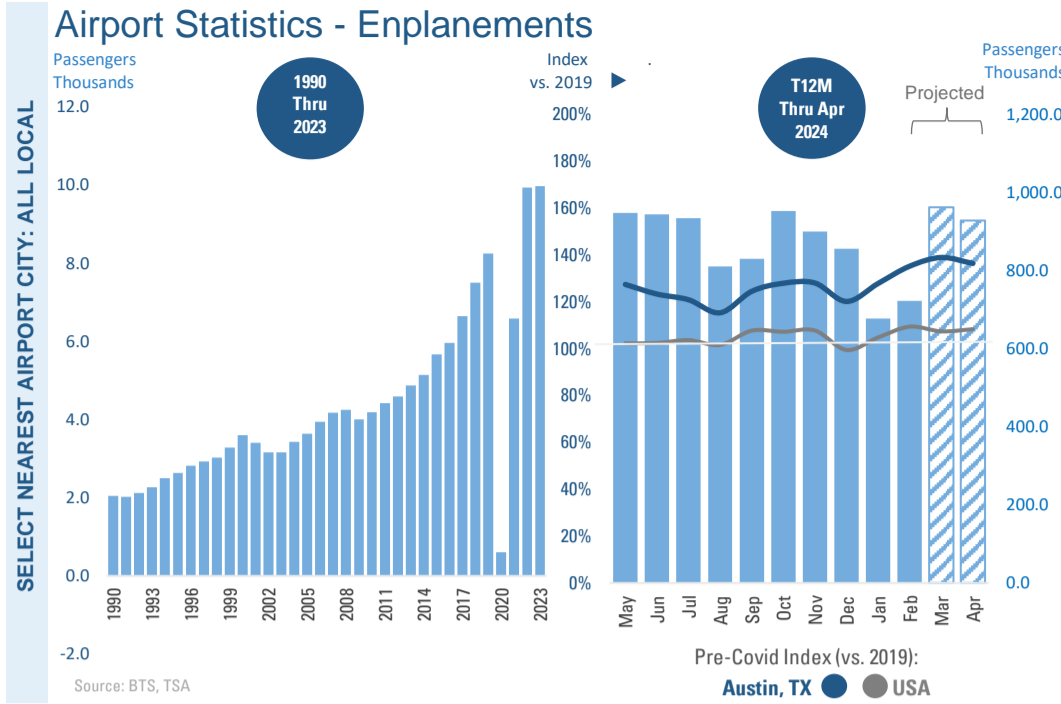
Business Cycle: **Expansion**
 Employment Growth (2 yr): **2.9%**
 Risk Exposure (402 US markets): **6th Percentile: Low Risk**
 Key Industry Notes: College town, high tech
 Strong population growth
 Well-educated labor force
 Foreign high-tech business
 High cost of living

Moody's Rating

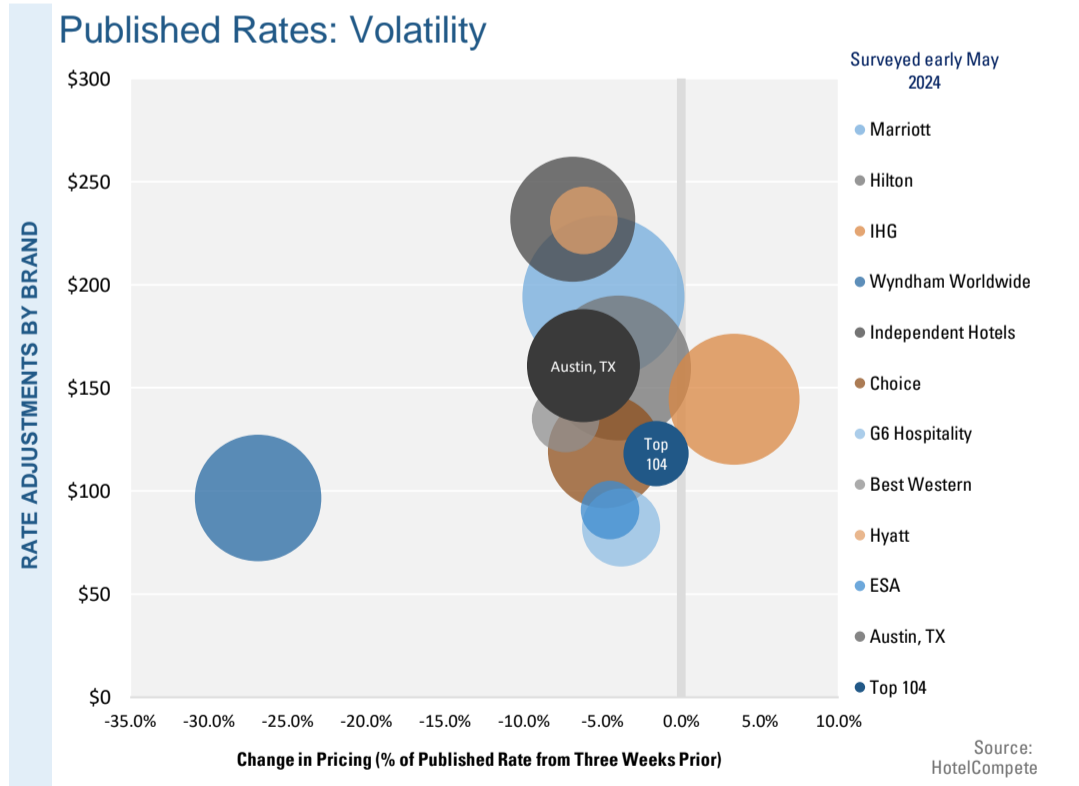
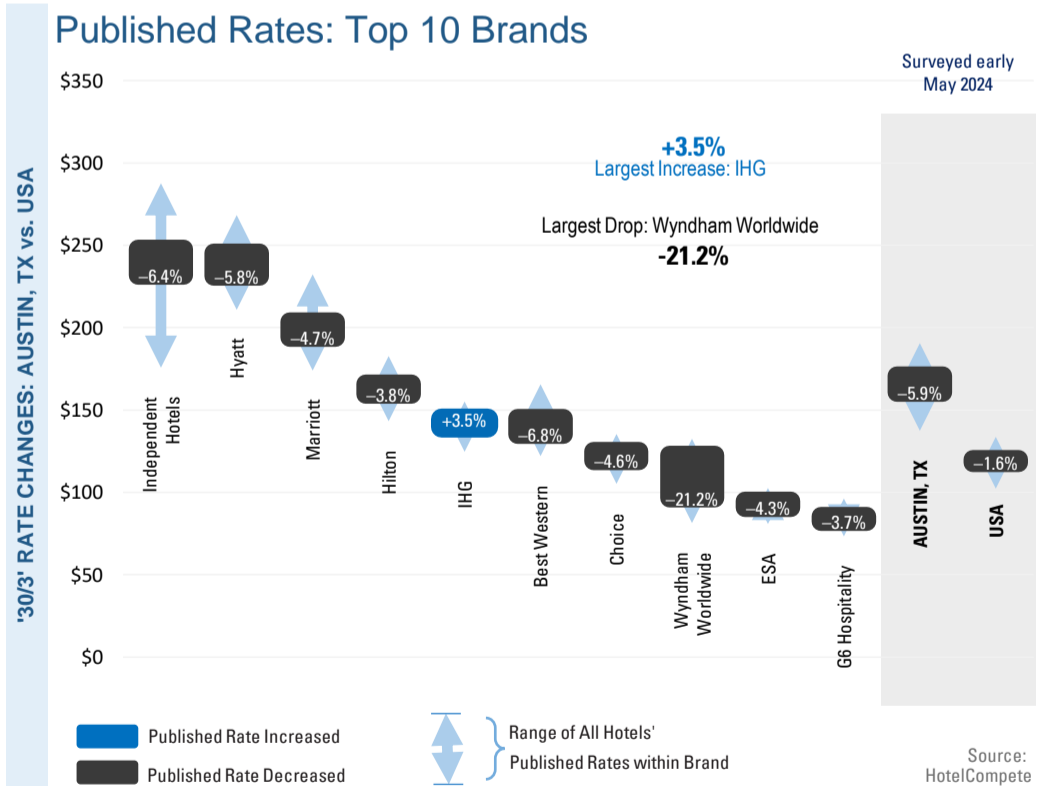
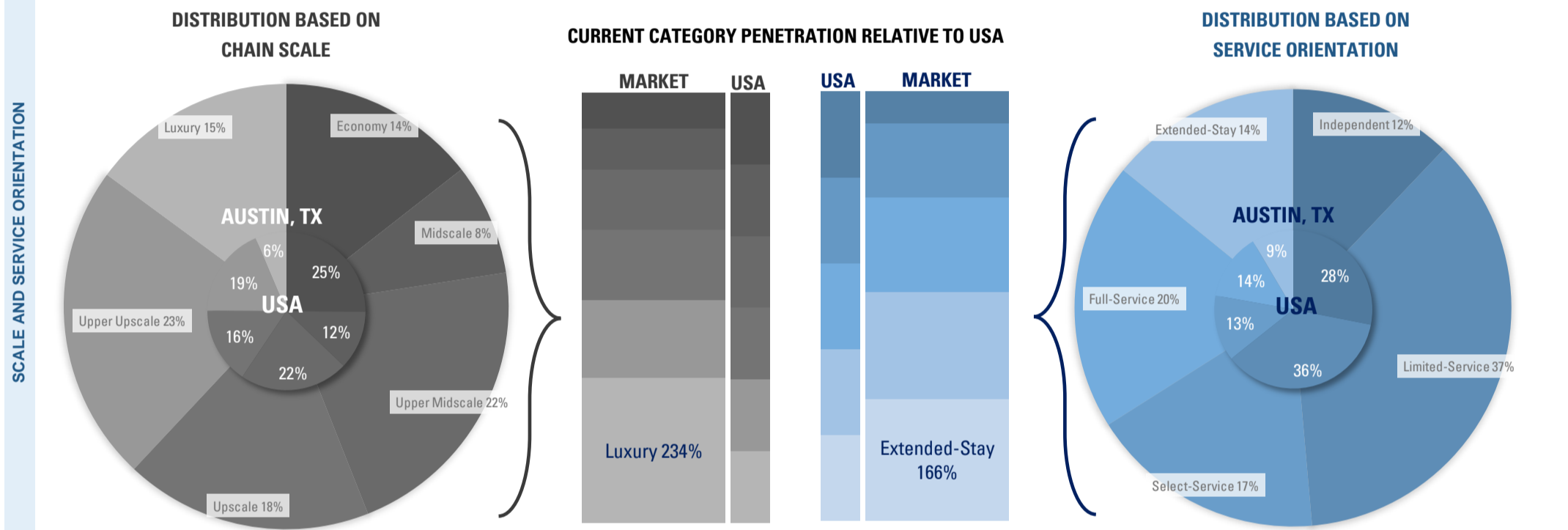
Aaa
Investment Grade

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

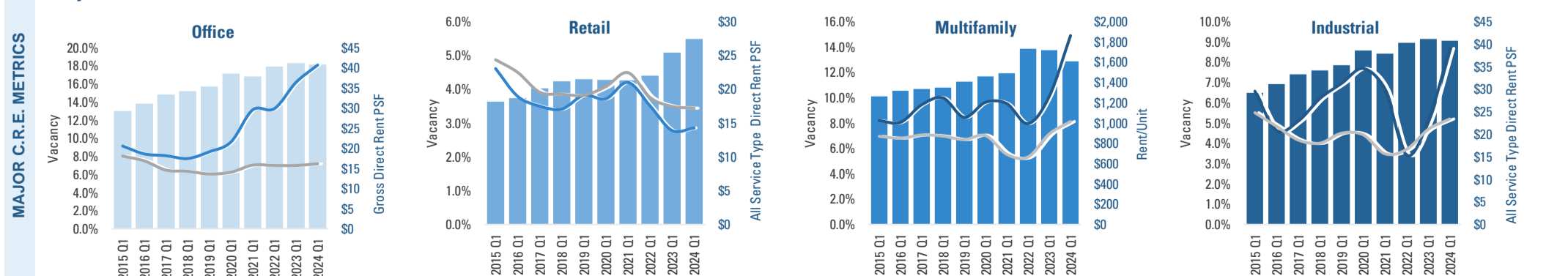




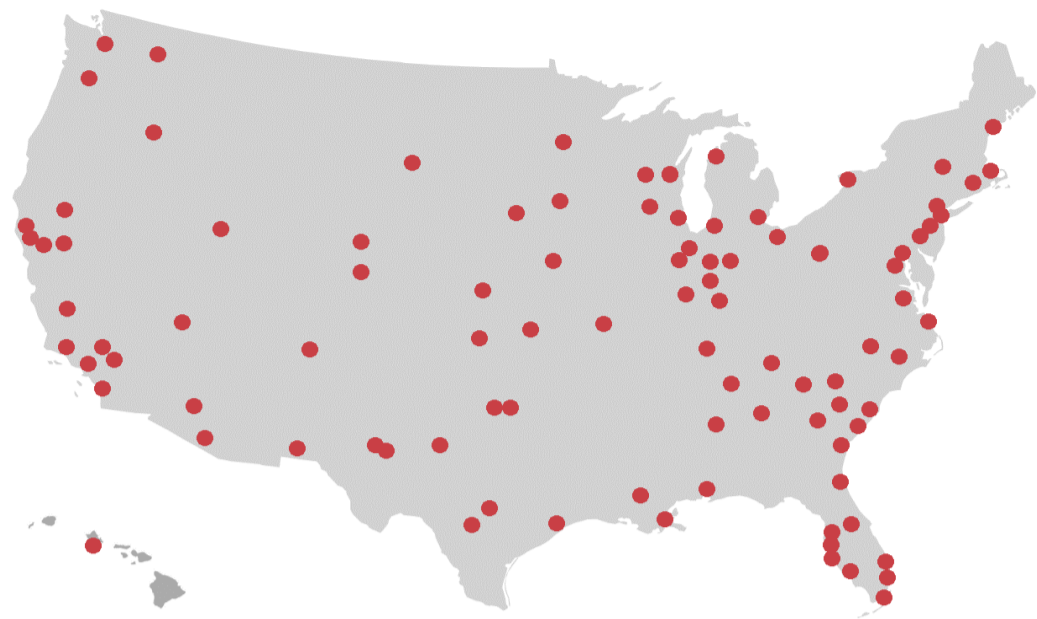
Scale and Service Distribution: Austin, TX



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

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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

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Financial Reporting

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

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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

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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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