

NEWMARK

1Q 2024

Hotel Market Nsights Report

BAKERSFIELD, CA



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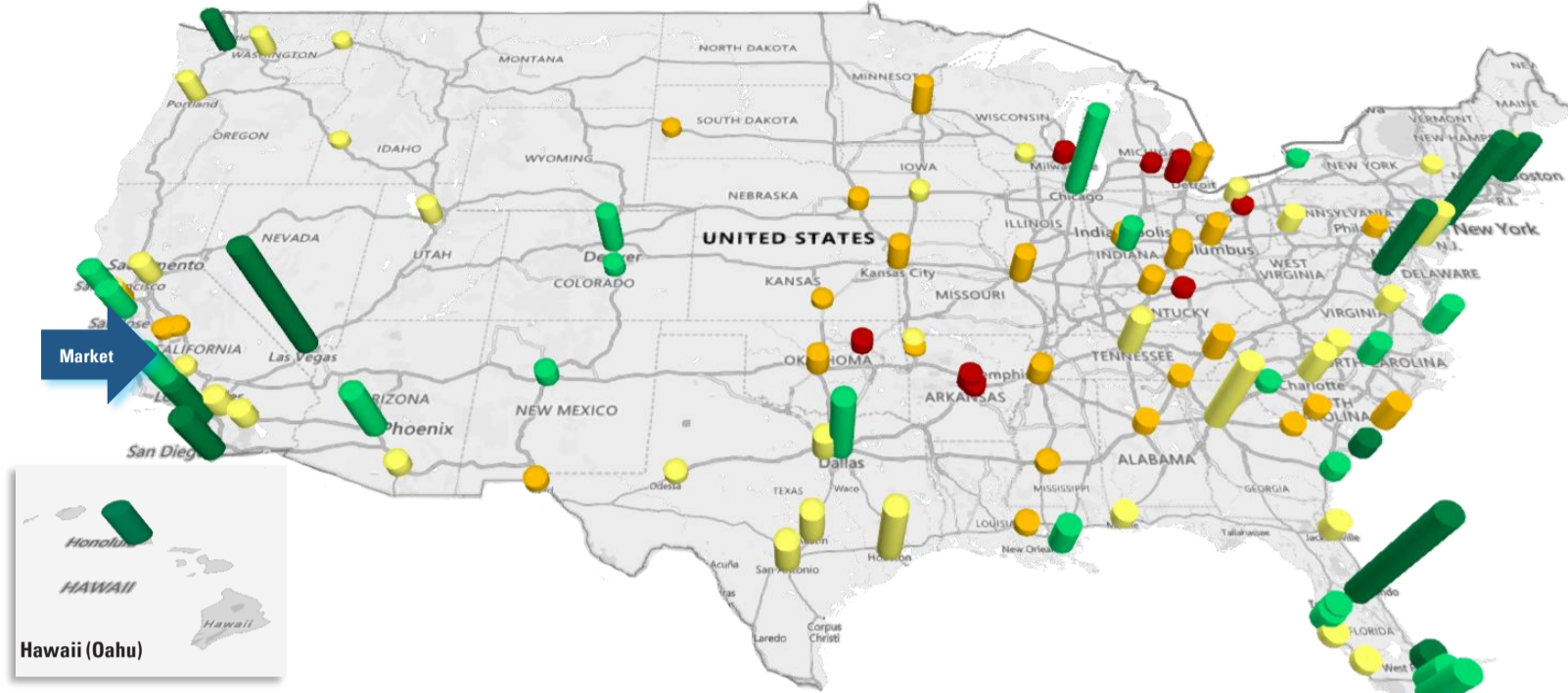
Northern California Markets

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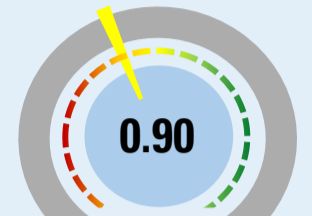


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

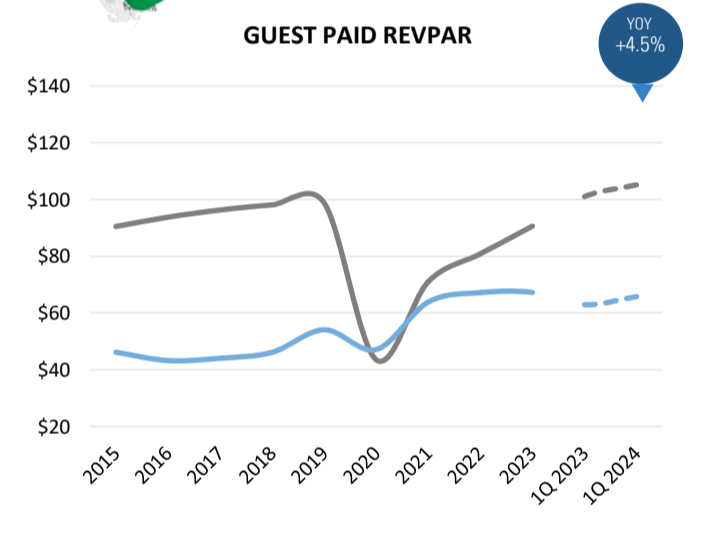
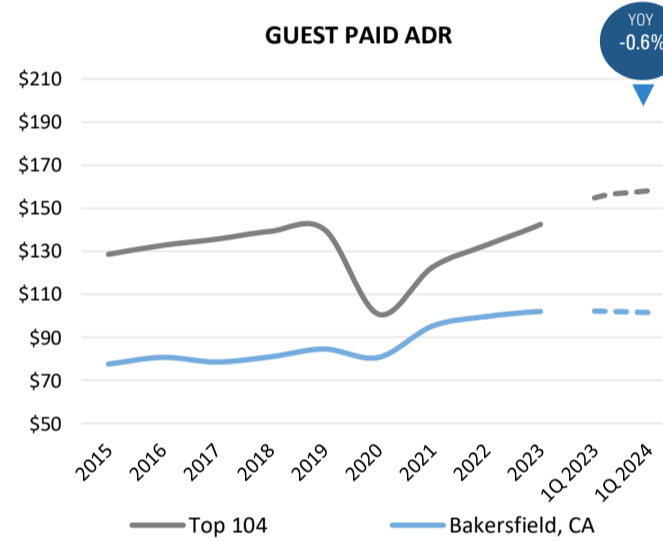
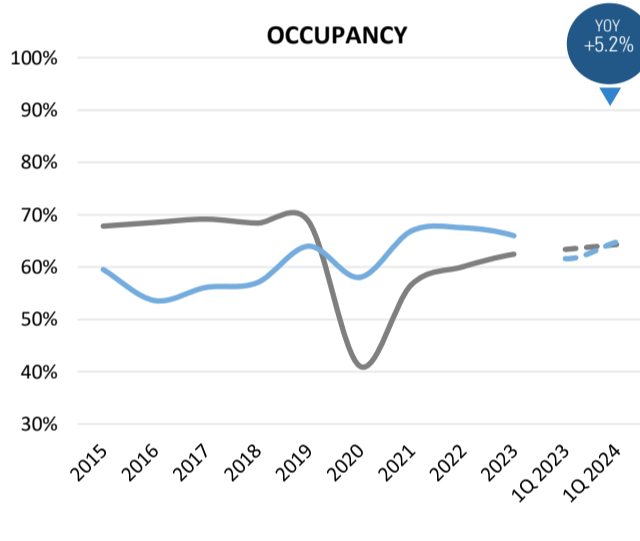
Bakersfield, CA



67th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.90) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

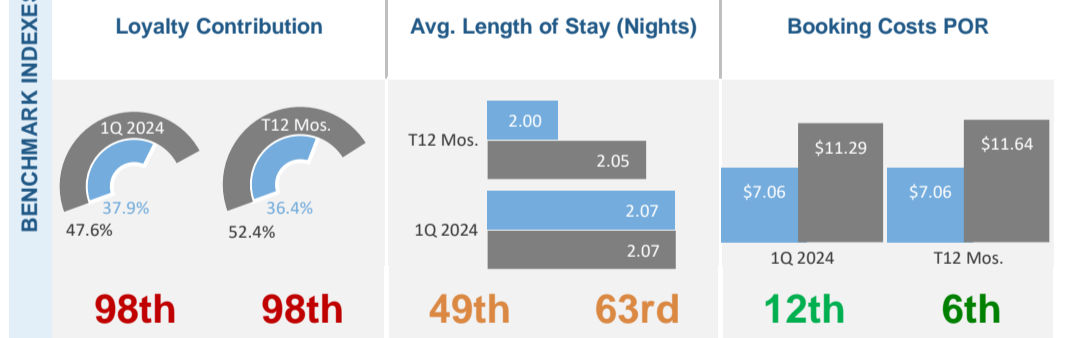


Key Performance Indexes

● Subject Market ● Top 104

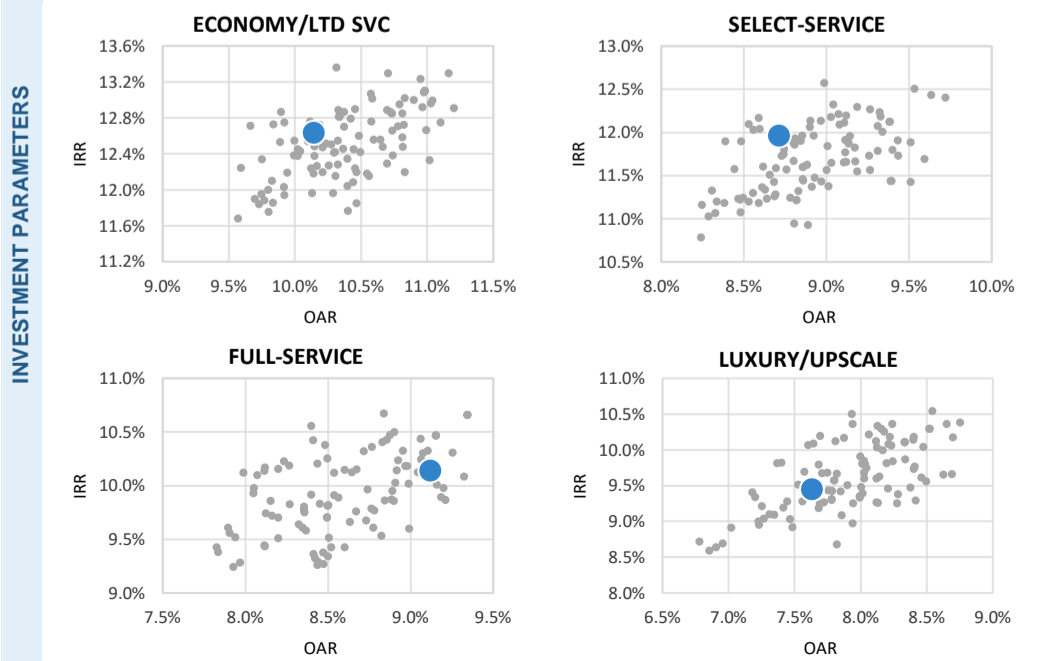


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

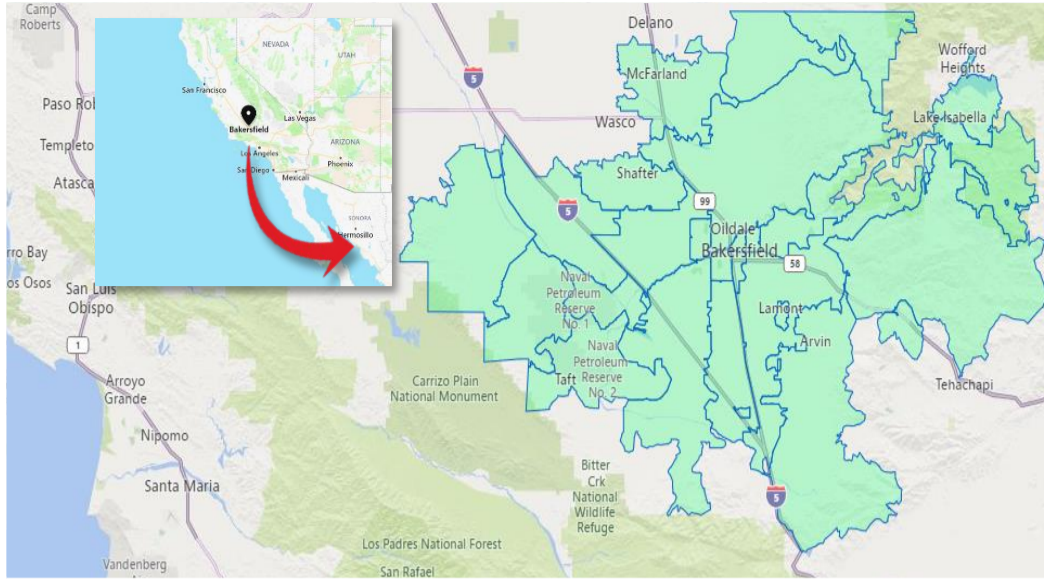


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Bakersfield	
County:	Kern County	
State:	California	
Geo Coordinates (market center):	35.37329, -119.01871	
Major Hotel Demand Generators		
Edwards Air Force Base China Lake Naval Weapons Center Grimmway Farms Wm. Bolthouse Farms Inc. Dignity Health Adventist Health San Joaquin Community Hospital Kern Medical Center Sun World Inc. Bakersfield Memorial Hospital Chevron Texaco Corp. Bear Creek Production Co. Giumarra Farms Mercy Hospital ARB Inc. State Farm Insurance Co. Benjamin Picar Farm Labor Pandol & Sons Paramount Farms Andrews Distribution		
Metrics and Ranking		Measurements
Population (hotel market area)	596,556	75th of 104 (Below Average)
Income per Capita	\$60,058	19th of 104 (Above Average)
Feeder Group Size	128.9 Persons PSR	93rd of 104 (Soft)
Feeder Group Earnings	\$7,741,467 PSR	98th of 104 (Soft)
Total Market Hotel Revenues	\$169.1 million	102nd of 104 (Soft)

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	59.5%	\$77.62	\$46.21	\$72.13	\$42.94	\$5.49	92.9%	40.0%	1.77	6,500	0.41
2016	53.6%	\$80.74	\$43.26	\$74.81	\$40.09	\$5.93	92.7%	43.0%	1.68	6,700	0.32
2017	56.1%	\$78.59	\$44.08	\$72.30	\$40.56	\$6.28	92.0%	40.0%	1.73	6,800	0.48
2018	57.0%	\$80.99	\$46.17	\$74.46	\$42.44	\$6.53	91.9%	41.7%	1.73	6,910	0.73
2019	64.0%	\$84.61	\$54.12	\$77.70	\$49.71	\$6.91	91.8%	44.9%	1.77	7,410	0.89
2020	58.0%	\$80.71	\$47.15	\$75.31	\$43.70	\$5.40	93.3%	30.5%	2.01	7,290	1.33
2021	66.9%	\$95.25	\$63.89	\$88.74	\$59.33	\$6.51	93.2%	34.7%	1.90	7,260	1.13
2022	67.5%	\$99.68	\$67.22	\$92.86	\$62.68	\$6.83	93.1%	35.1%	1.91	7,300	0.76
2023	66.0%	\$102.02	\$67.28	\$94.99	\$62.66	\$7.04	93.1%	35.5%	1.90	7,300	0.89
CAGR: 2015 thru 2023	1.3%	3.5%	4.8%	3.5%	4.8%	3.2%	0.0%	-1.5%	0.9%	1.5%	10.3%
1Q 2023	61.6%	\$102.20	\$62.95	\$95.09	\$58.57	\$7.11	93.0%	35.8%	1.94	7,210	0.65
1Q 2024	64.8%	\$101.54	\$65.80	\$94.48	\$61.22	\$7.06	93.0%	37.9%	2.07	7,040	0.90

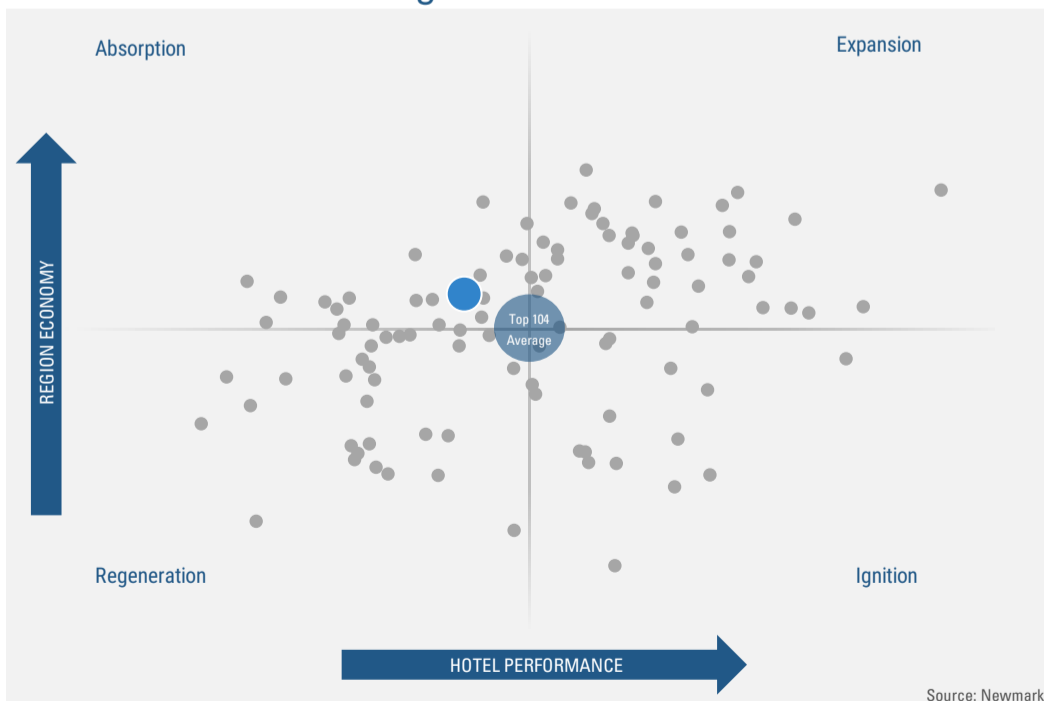
Notable Metrics

	T12-Month Booking Costs POR	Marketwide Income per Room	Population Density per Room
HIGHEST	6th Strong Bakersfield, CA enjoyed low T12-month booking costs POR (\$7.06)	7th Strong The market enjoyed a high ratio of marketwide income per room (\$3,600,158)	11th Above Average The market also boasted strong population density per room (84.53)
LOWEST	101st Soft This market has a limited lodging-related economy and shows minimal diversity in its sources of demand (1,689,241 room nights)	101st Soft The market has been hindered by weak T12-month COPE ADR (\$92.90)	101st Soft Bakersfield, CA also exhibited weak T12-month Guest Paid ADR (\$99.96)

Notable Trends

	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Average Length of Stay Growth	Long-Term Historical LPI Growth
STRONGEST	1st Very Strong Bakersfield, CA has benefited from strong short-term historical average length of stay growth (4.8%)	2nd Very Strong The market enjoyed strong long-term historical average length of stay growth (2.0%)	2nd Very Strong The market also enjoyed strong long-term historical LPI growth (10.0%)
WEAKEST	98th Soft The market has been burdened by high short-term historical supply growth (0.0%)	84th Below Average We note this area has been hindered by weak short-term historical loyalty contribution growth (2.6%)	82nd Below Average Bakersfield, CA also has been hindered by weak long-term historical loyalty contribution growth (3.3%)

Market Performance Stage



Bakersfield, CA: Absorption Stage

The Bakersfield, CA 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 Atlanta, GA; Charlotte, NC; and Columbus, OH.

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.

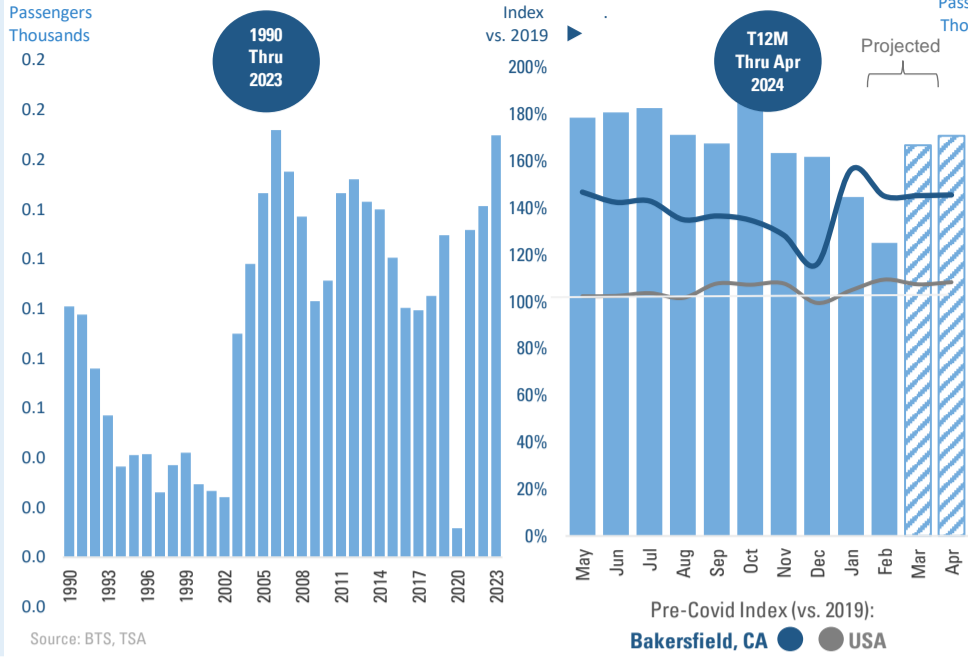
Industry Observations

MOODY'S ANALYTICS
 Business Cycle: **In Recovery**
 Employment Growth (2 yr): **1.4%**
 Risk Exposure (402 US markets): **61st Percentile: Average Risk**
 Key Industry Notes:
 Vast oil deposits in Monterey Shale
 Abundant farmland
 Low rate of business formation
 Young population
 High poverty

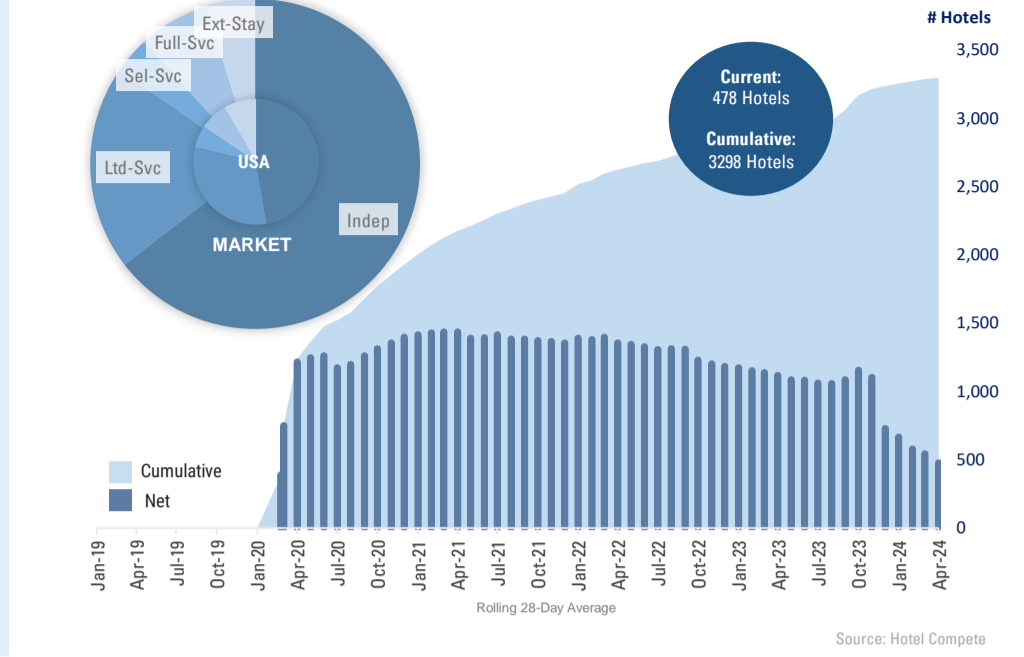
Moody's Rating
A1
Investment Grade
 Long-term investment grade, Prime-1 short-term outlook



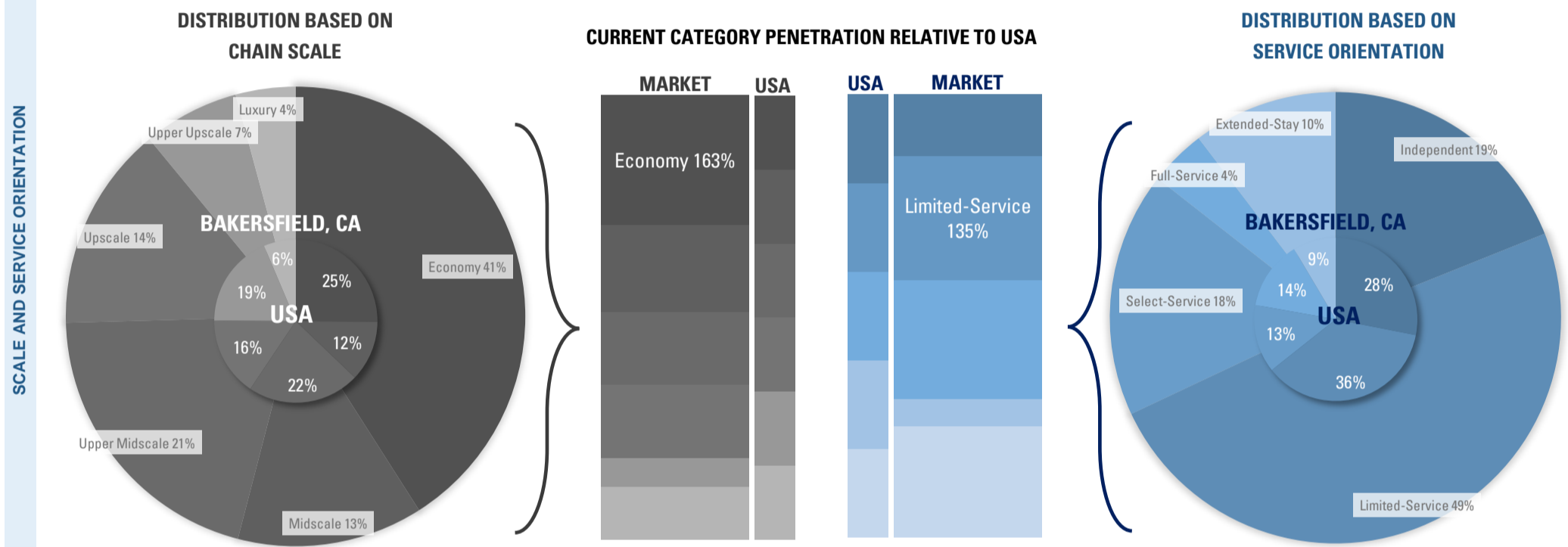
Airport Statistics - Enplanements



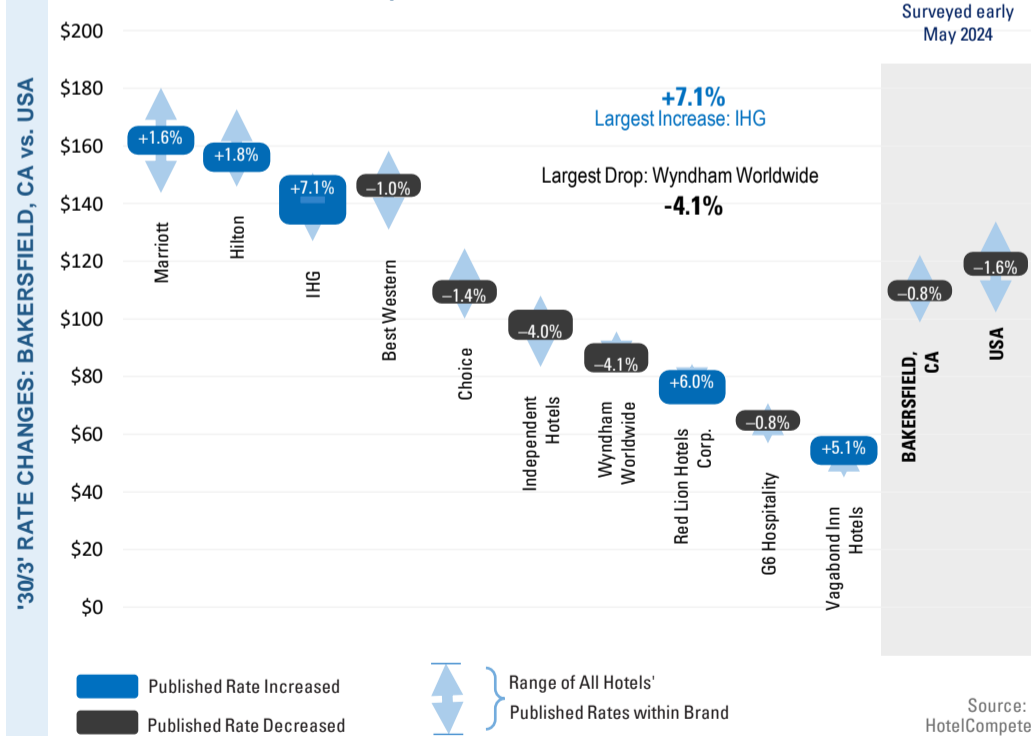
Hotel Closures - State of CA



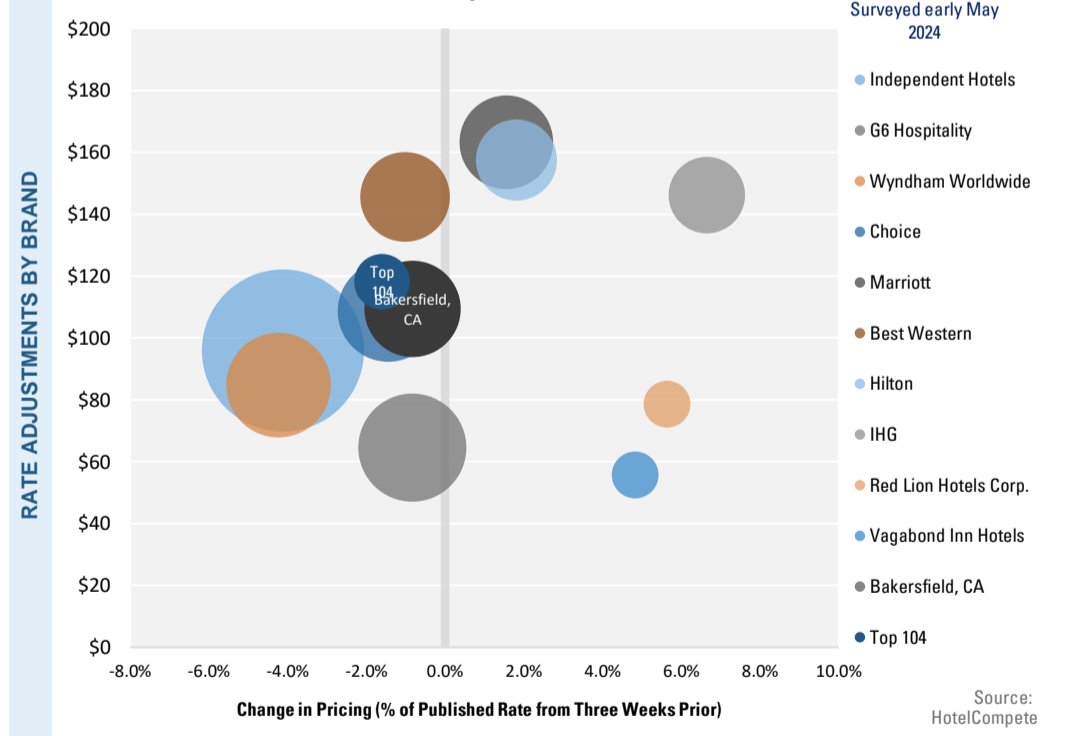
Scale and Service Distribution: Bakersfield, CA



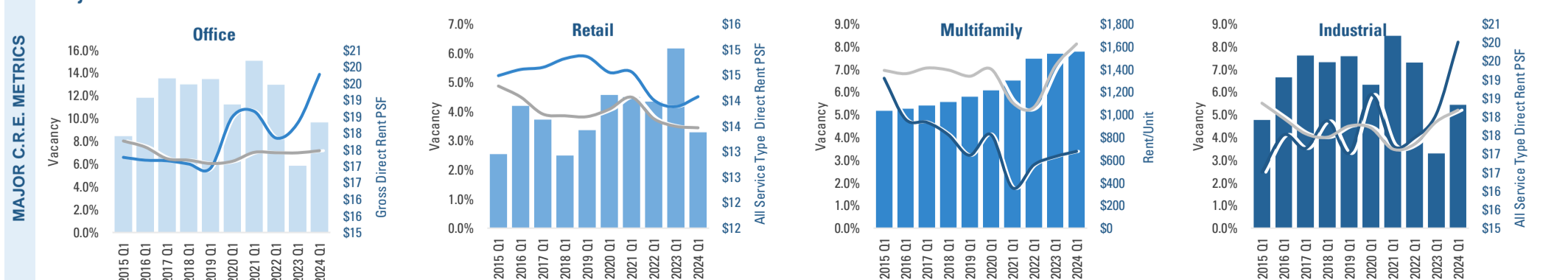
Published Rates: Top 10 Brands



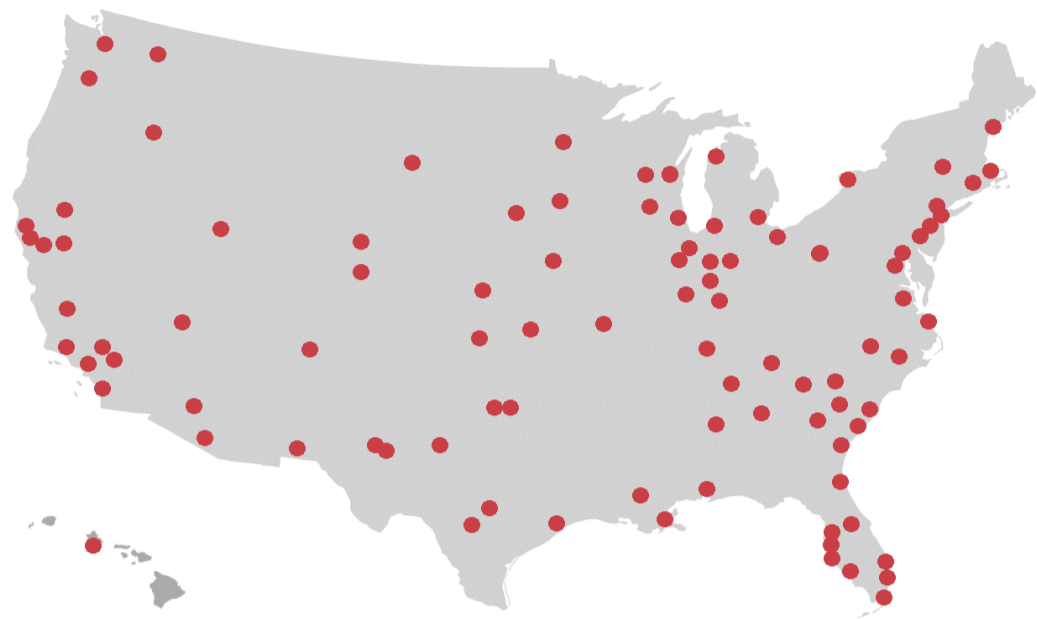
Published Rates: Volatility



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

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Arenas, Stadiums and Sports Facilities

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

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Property Tax

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

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