

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

BOSTON, MA



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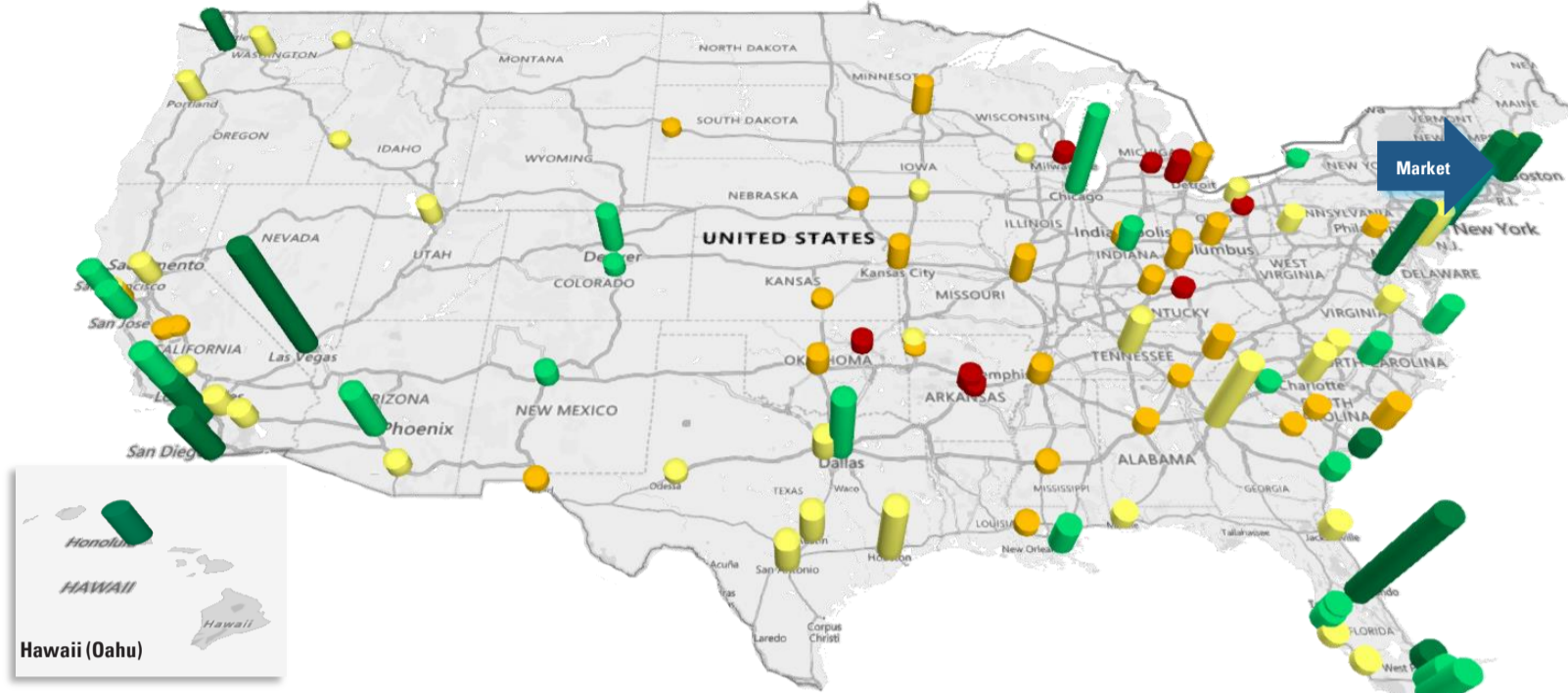
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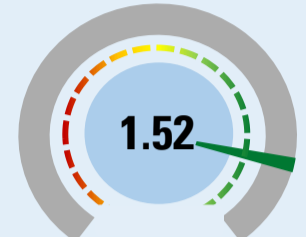


Lodging Performance Index Snapshot



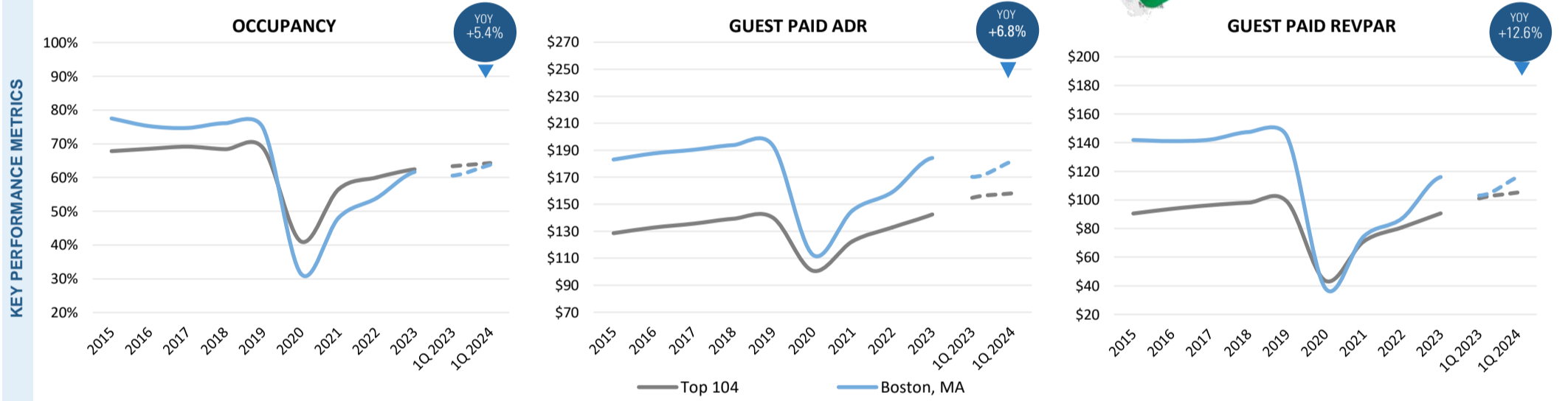
LODGING PERFORMANCE INDEX

Boston, MA



2nd of 104  
Very Strong

Ranking of overall 1Q 2024 LPI performance (1.52) against all 104 surveyed markets.

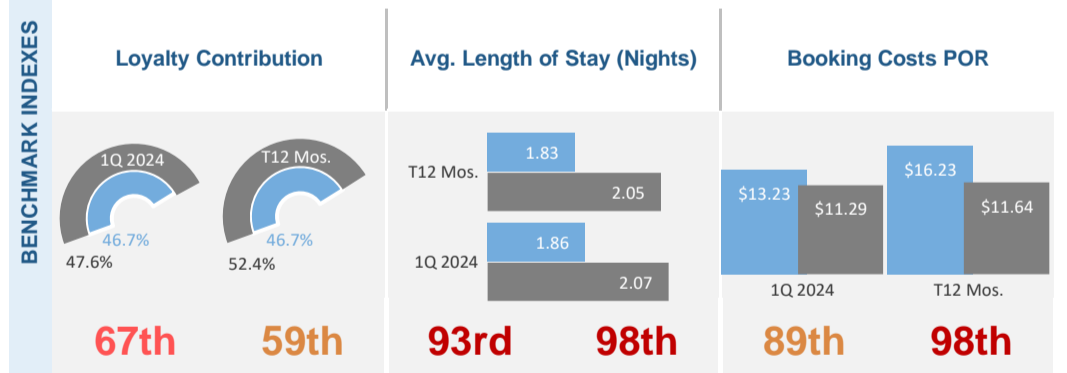


Key Performance Indexes

● Subject Market ● Top 104

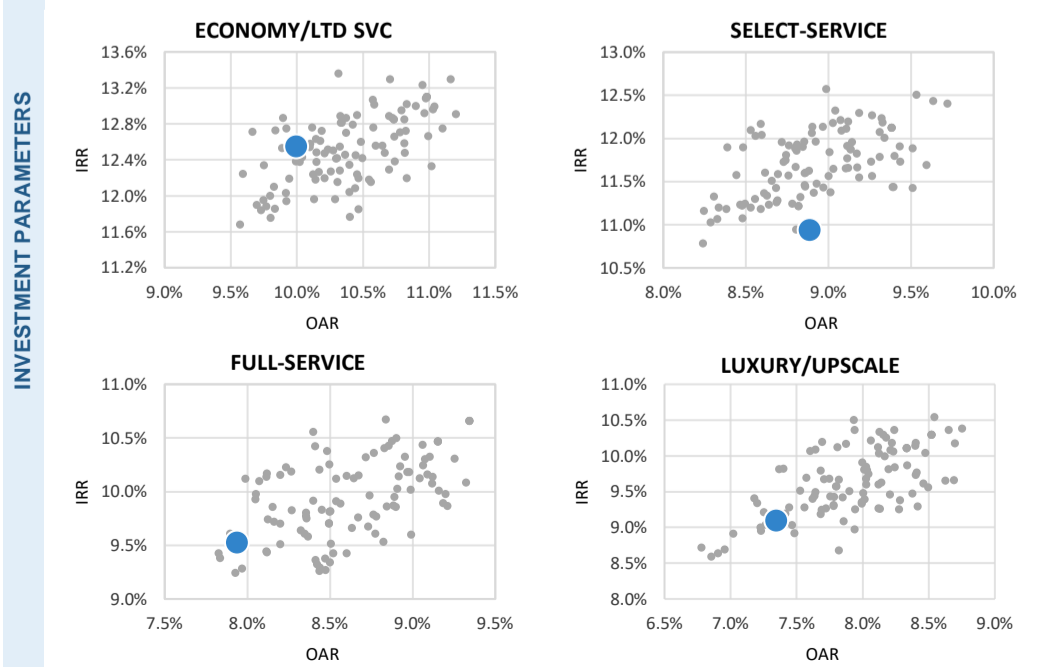


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

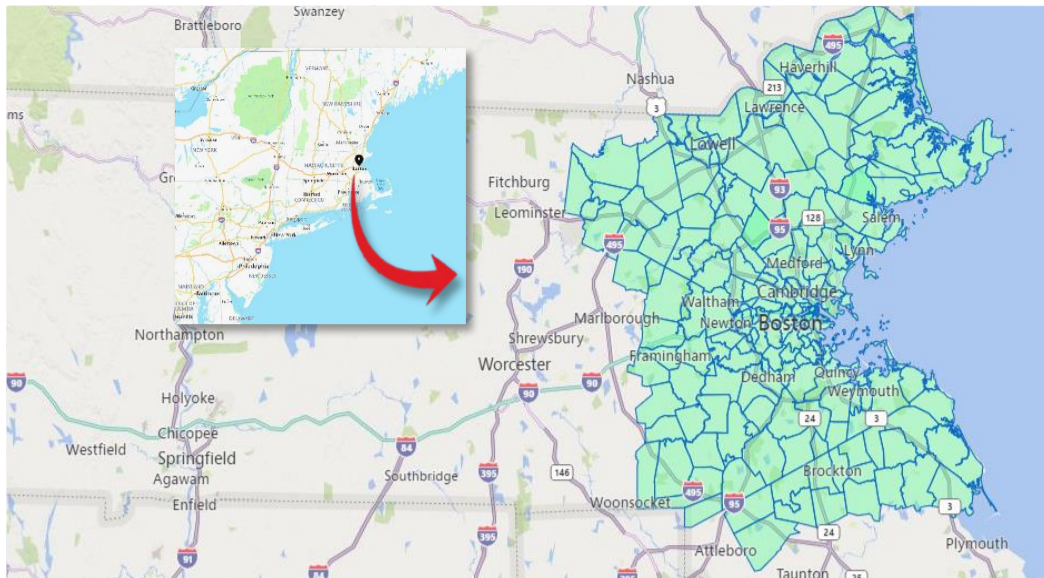


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Boston  
 County: Suffolk County  
 State: Massachusetts  
 Geo Coordinates (market center): 42.35843, -71.05977

**Major Hotel Demand Generators**

Partners HealthCare | University of Massachusetts | Stop & Shop Supermarket Co. | Steward Health Care System | Beth Israel Deaconess Medical Center | State Street Corp. | Children's Hospital Boston | Massachusetts General Hospital | Brigham & Women's Hospital | Boston University | Boston Medical Center | Liberty Mutual Insurance Co. | Tufts Medical Center | Northeastern University | Fidelity Investments | Bank of America | Dana-Farber Cancer Institute Inc. | Santander Bank | John Hancock Financial | AlliedBarton Security Services

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	3,620,408	10th of 104 (Large)
Income per Capita	\$62,021	12th of 104 (Above Average)
Feeder Group Size	83.7 Persons PSR	67th of 104 (Below Average)
Feeder Group Earnings	\$5,189,747 PSR	82nd of 104 (Below Average)
Total Market Hotel Revenues	\$3.5 billion	9th of 104 (Strong)

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	77.5%	\$183.10	\$141.91	\$167.90	\$130.13	\$15.20	91.7%	49.6%	2.04	47,480	1.58
2016	75.2%	\$187.61	\$141.14	\$171.58	\$129.08	\$16.03	91.5%	52.2%	1.91	48,840	1.14
2017	74.7%	\$190.31	\$142.15	\$173.73	\$129.76	\$16.59	91.3%	53.6%	1.86	50,100	1.23
2018	76.1%	\$193.78	\$147.45	\$177.97	\$135.42	\$15.81	91.8%	54.3%	1.87	52,000	1.47
2019	74.7%	\$193.39	\$144.41	\$177.53	\$132.56	\$15.86	91.8%	59.5%	1.73	57,630	1.10
2020	31.5%	\$112.60	\$38.24	\$105.03	\$33.06	\$7.57	93.3%	38.1%	2.42	57,570	0.77
2021	48.1%	\$145.40	\$74.58	\$134.45	\$64.73	\$10.95	92.5%	41.5%	2.06	59,390	0.84
2022	53.9%	\$159.08	\$87.20	\$147.22	\$79.41	\$11.86	92.5%	42.3%	2.01	59,930	1.18
2023	61.7%	\$184.29	\$116.03	\$170.77	\$105.31	\$13.52	92.7%	42.9%	1.97	60,350	1.56
<b>CAGR: 2015 thru 2023</b>	<b>-2.8%</b>	<b>0.1%</b>	<b>-2.5%</b>	<b>0.2%</b>	<b>-2.6%</b>	<b>-1.5%</b>	<b>0.1%</b>	<b>-1.8%</b>	<b>-0.4%</b>	<b>3.0%</b>	<b>-0.2%</b>
<b>1Q 2023</b>	60.6%	\$170.28	\$103.12	\$157.83	\$95.59	\$12.44	92.7%	46.7%	1.83	58,420	1.28
<b>1Q 2024</b>	63.8%	\$181.92	\$116.07	\$168.69	\$107.63	\$13.23	92.7%	46.7%	1.86	57,750	1.52

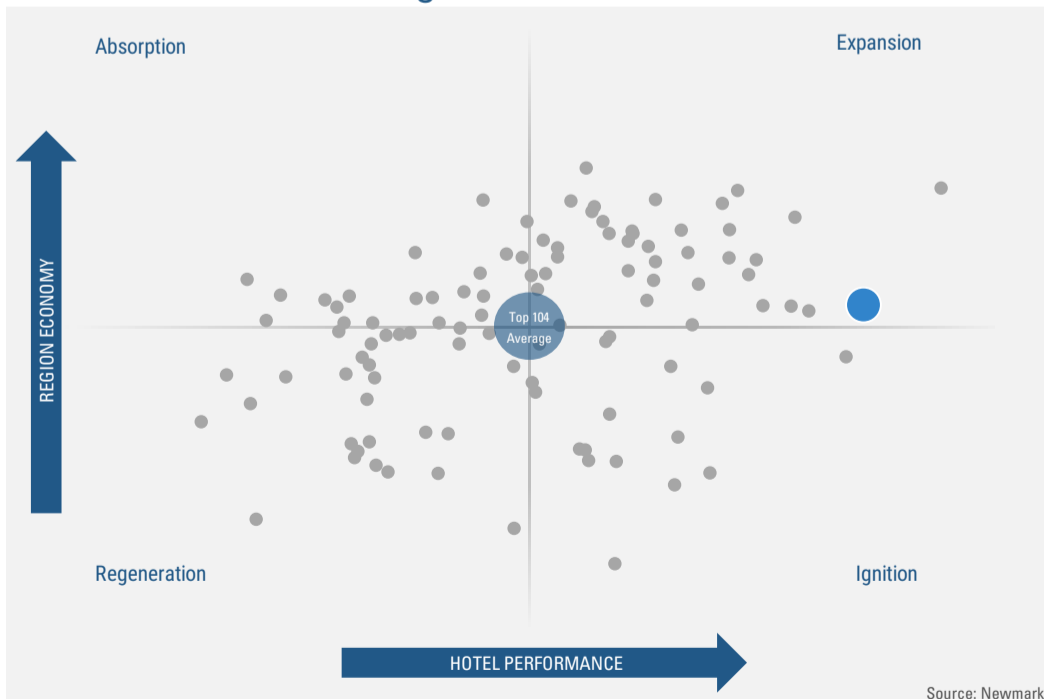
Notable Metrics

	Latest-Quarter LPI	IRR: Select-Service	T12-Month Guest Paid ADR
<b>HIGHEST</b>	<b>2nd Very Strong</b> Boston, MA enjoyed strong latest-quarter LPI (1.52)	<b>2nd Highly Favorable</b> The market posted favorable IRR metrics in the select-service segment (10.9%)	<b>4th Strong</b> The market also benefited from strong T12-month Guest Paid ADR (\$221.45)
<b>LOWEST</b>	<b>98th Soft</b> This market exhibited weak T12-month average length of stay (1.83 Nights)	<b>98th Soft</b> The market was burdened by high T12-month booking costs POR (\$16.23)	<b>93rd Soft</b> Boston, MA also has been impeded by weak latest-quarter average length of stay (1.86 Nights)

Notable Trends

	Overall Health of Hotel Market	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth
<b>STRONGEST</b>	<b>2nd Very Strong</b> Boston, MA has benefited from strong general hotel market performance (levels and trends of fundamentals)	<b>21st Above Average</b> The market has benefited from low long-term historical booking costs POR growth (1.6%)	<b>25th Above Average</b> The market also enjoyed low short-term historical growth in booking costs (1.8%)
<b>WEAKEST</b>	<b>99th Soft</b> The market has been hindered by weak long-term historical loyalty contribution growth (2.6%)	<b>96th Soft</b> We note this area has been hindered by weak short-term historical loyalty contribution growth (2.2%)	<b>93rd Soft</b> Boston, MA also exhibited weak long-term historical average length of stay growth (-0.9%)

Market Performance Stage



Boston, MA: Expansion Stage

The Boston, MA 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; Austin, TX; 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

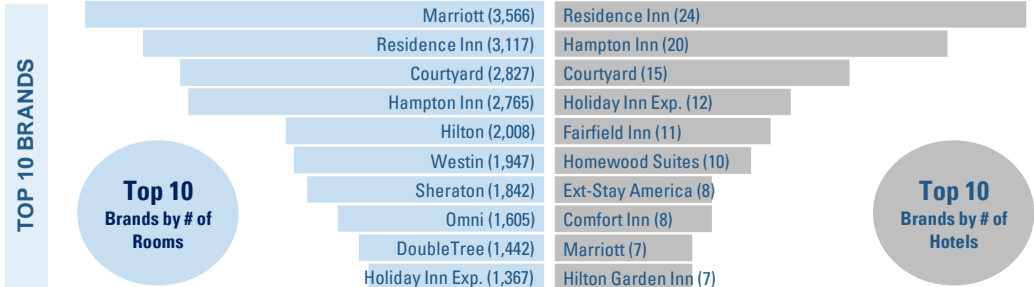
**MOODY'S ANALYTICS**

Business Cycle: **Expansion**  
 Employment Growth (2 yr): **1.1%**  
 Risk Exposure (402 US markets): **94th Percentile: High Risk**  
 Key Industry Notes:  
 High cyclicality in finance and tech  
 New England business capital  
 Access to skilled labor  
 Labor market stability  
 High living costs

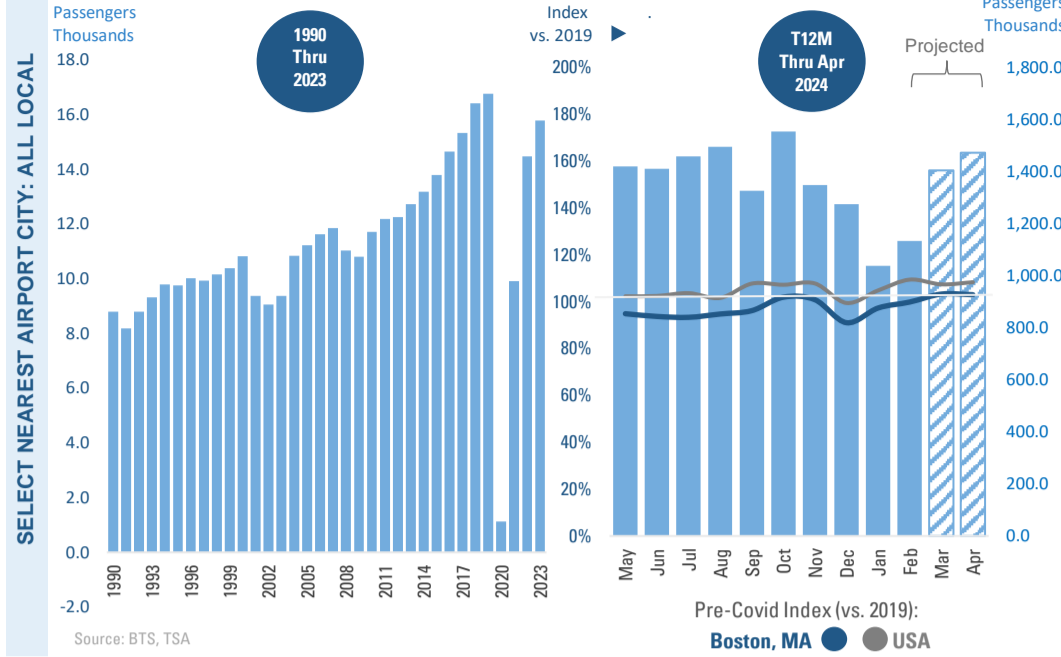
**Moody's Rating**

**Aaa**  
Investment Grade

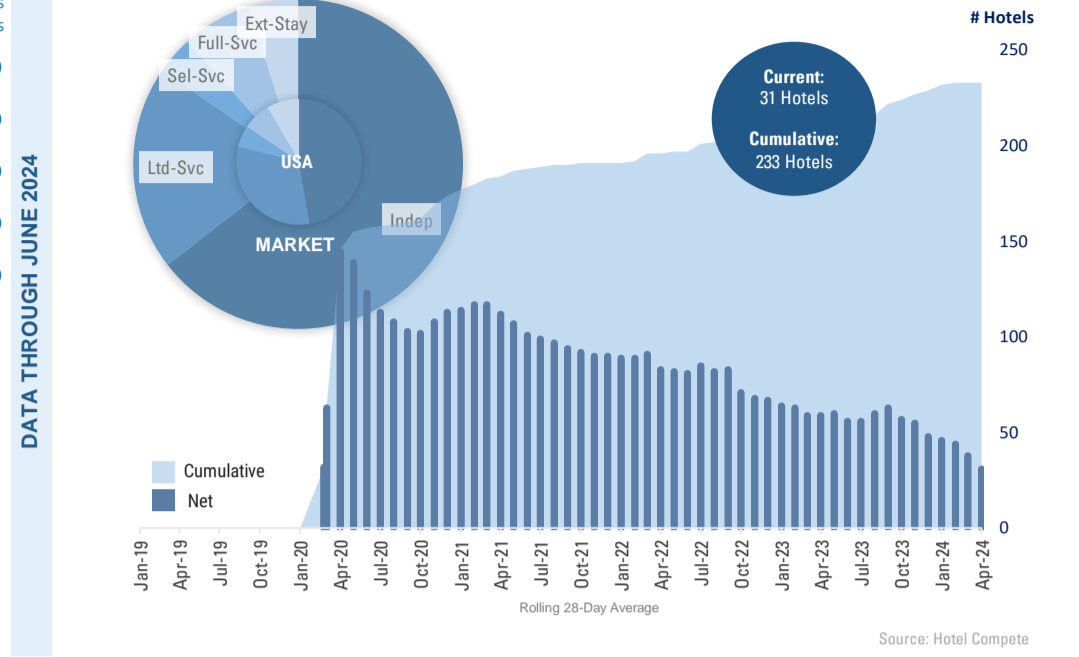
Long-term investment grade, Prime-1 short-term outlook



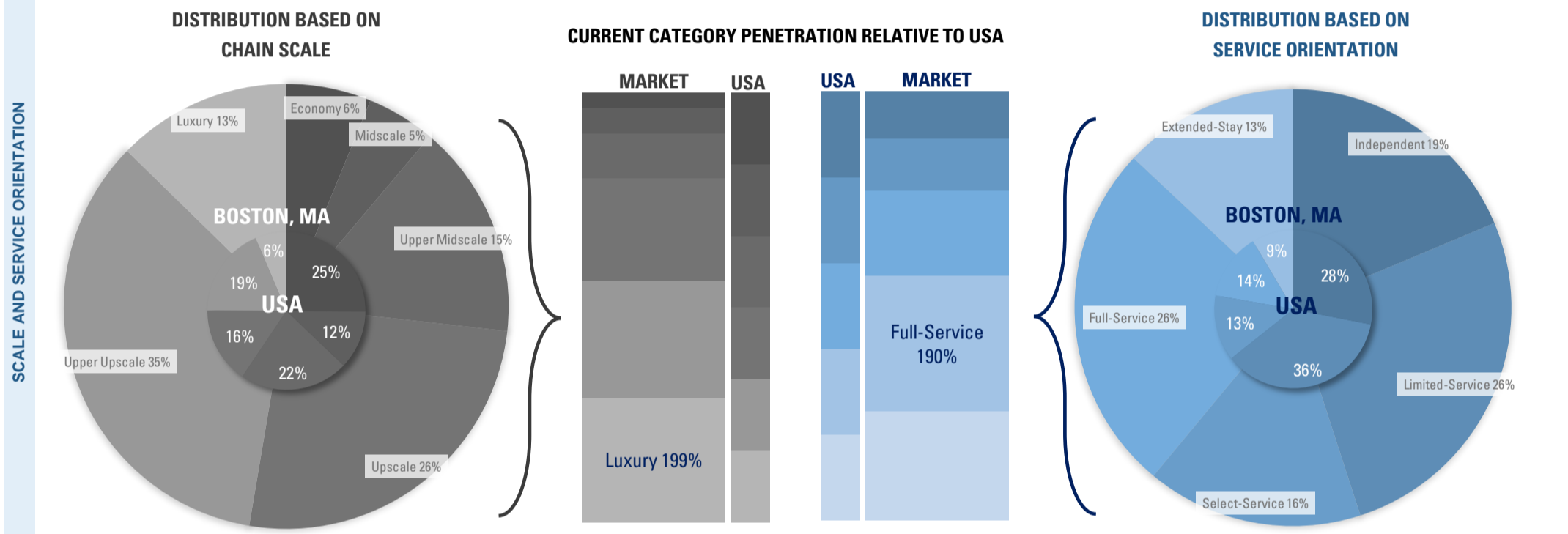
Airport Statistics - Enplanements



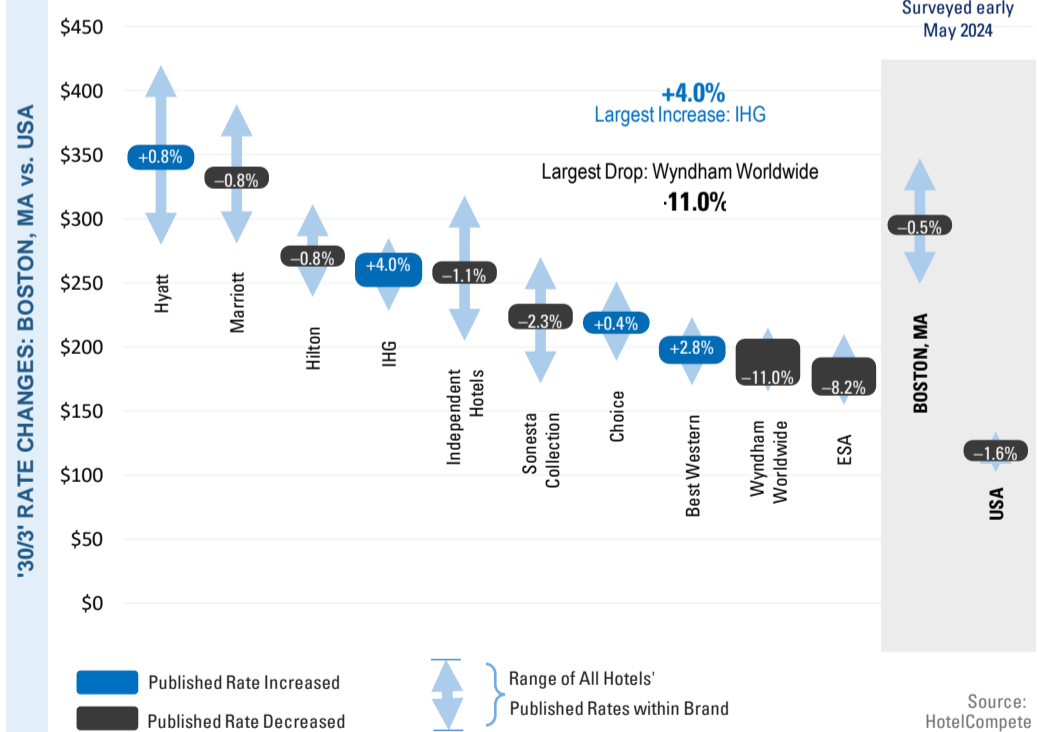
Hotel Closures - Boston, MA



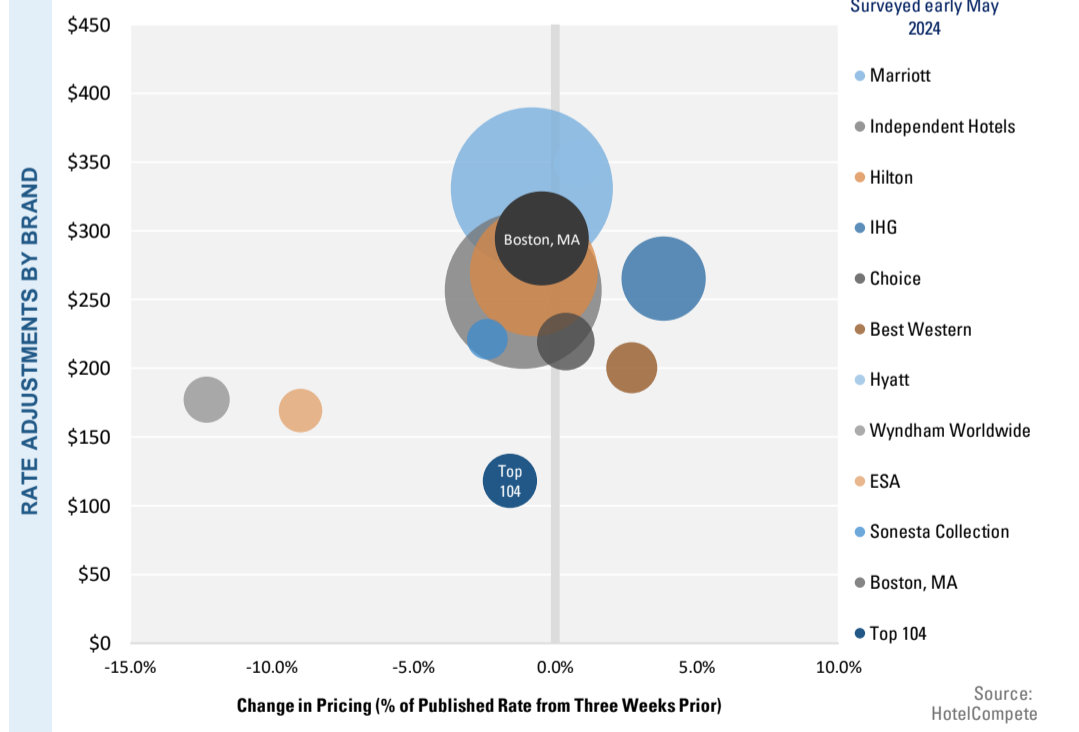
Scale and Service Distribution: Boston, MA



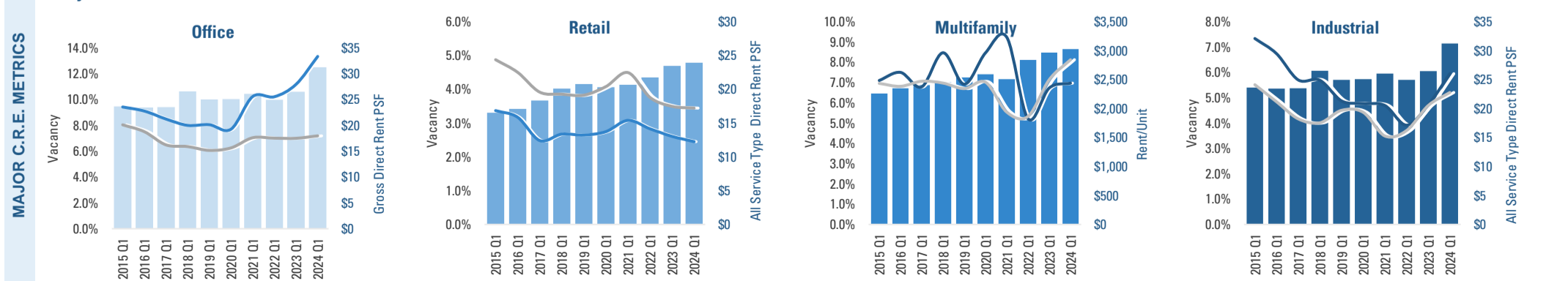
Published Rates: Top 10 Brands



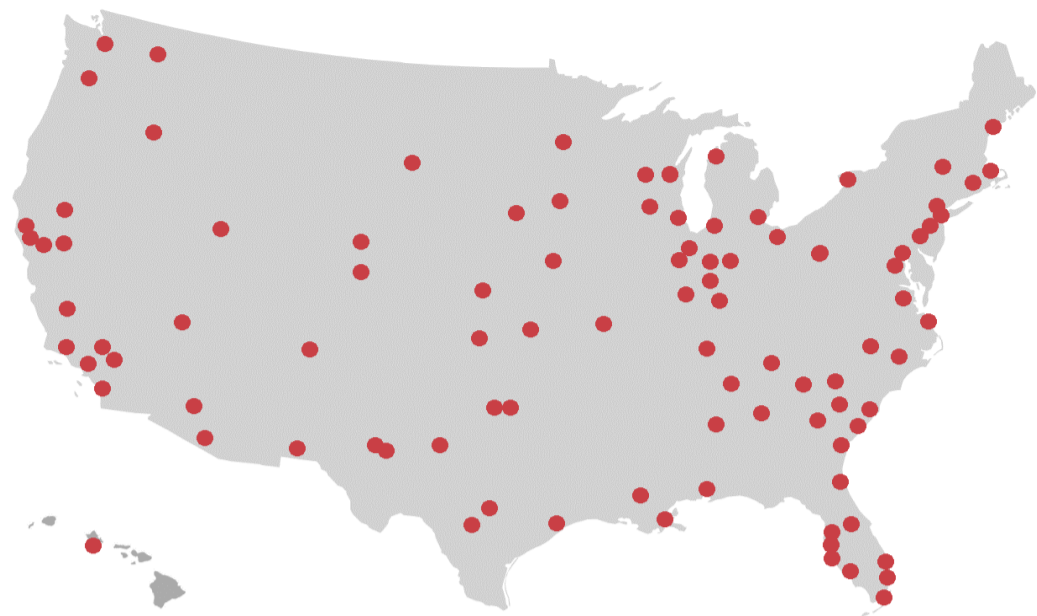
Published Rates: Volatility



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.

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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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