

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

BUFFALO, NY



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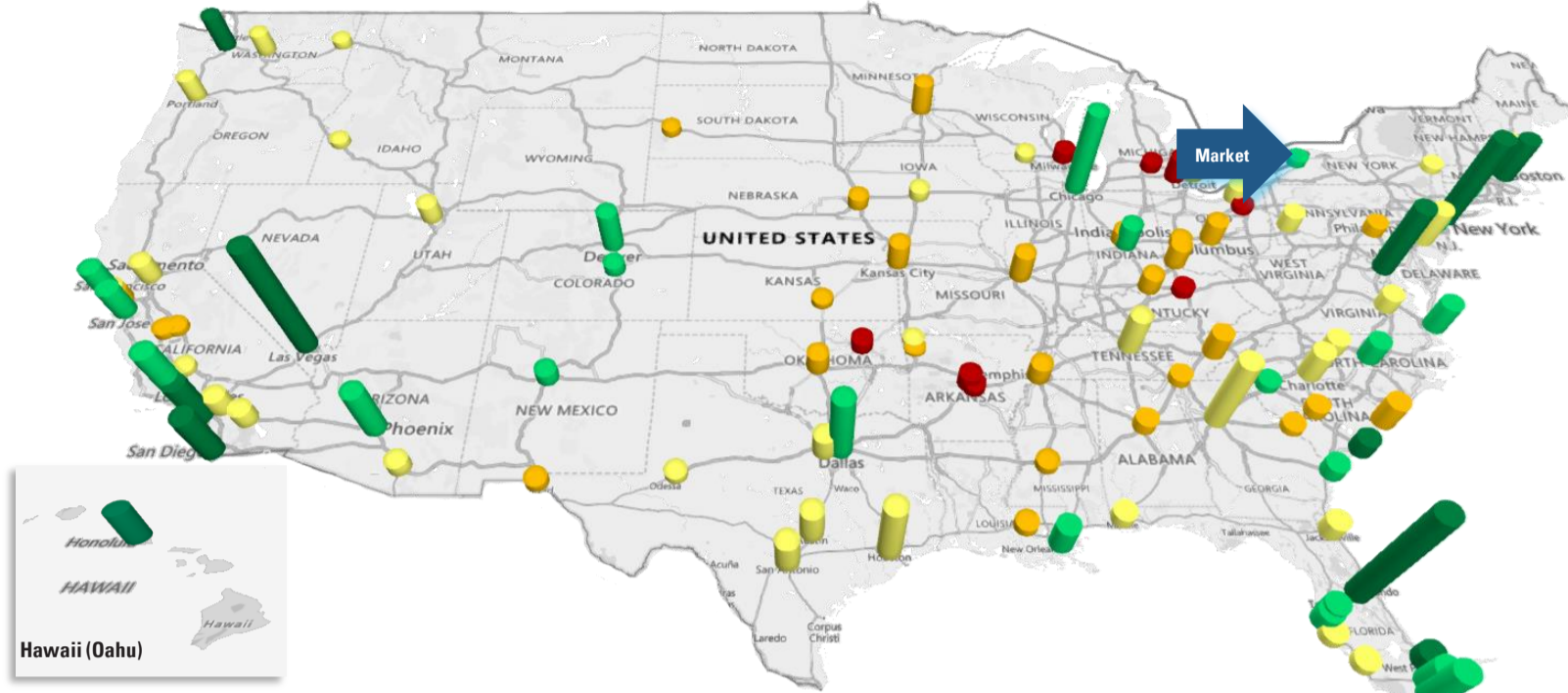
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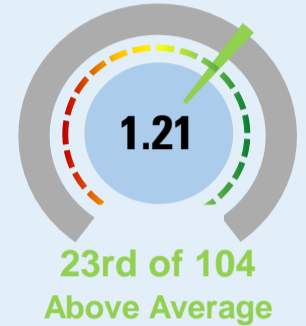


Lodging Performance Index Snapshot



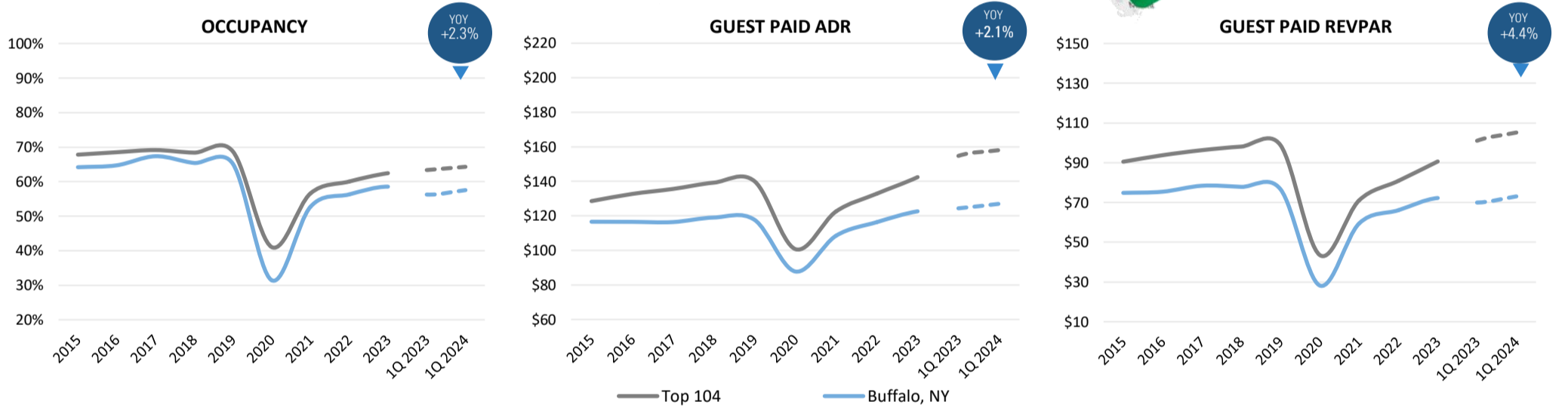
LODGING PERFORMANCE INDEX

Buffalo, NY



Ranking of overall '1Q 2024 LPI' performance (1.21) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

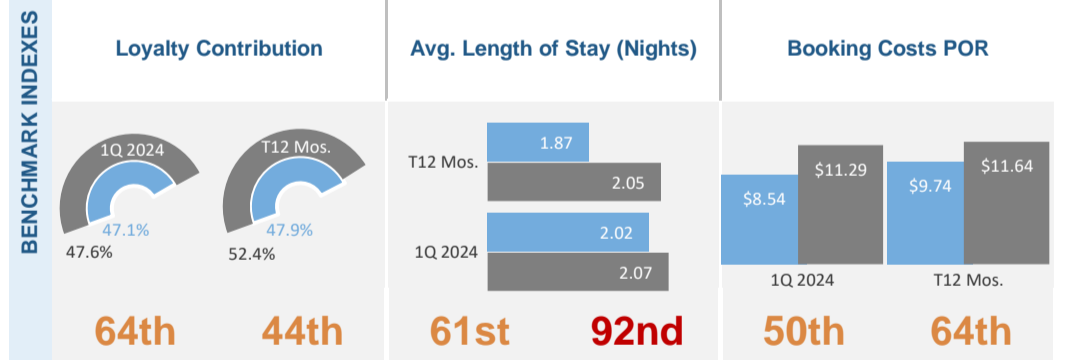


Key Performance Indexes

● Subject Market ● Top 104

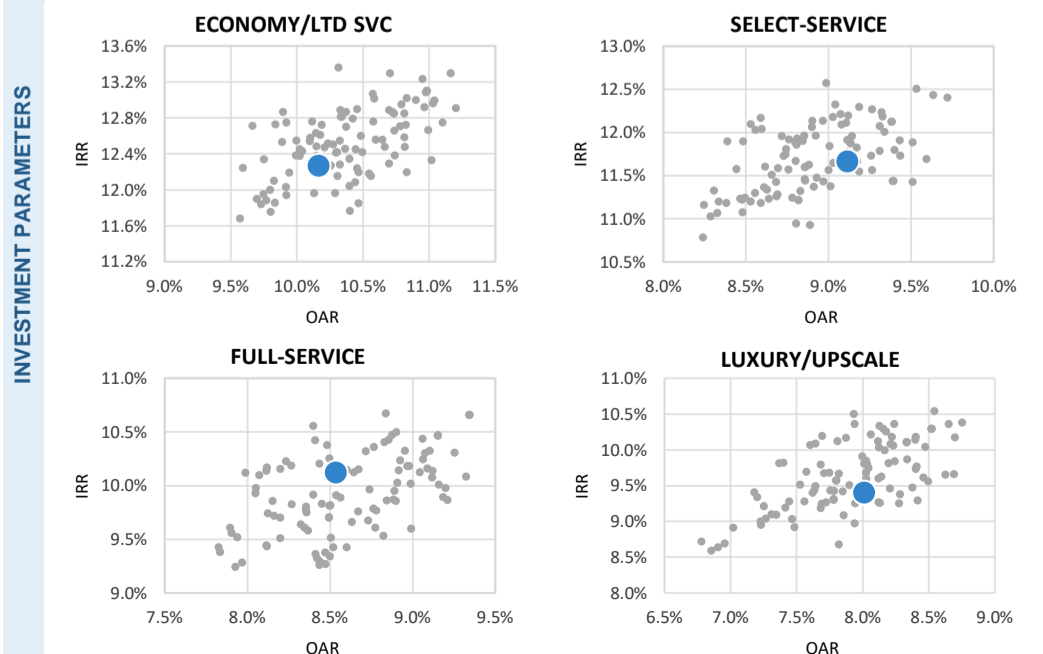


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

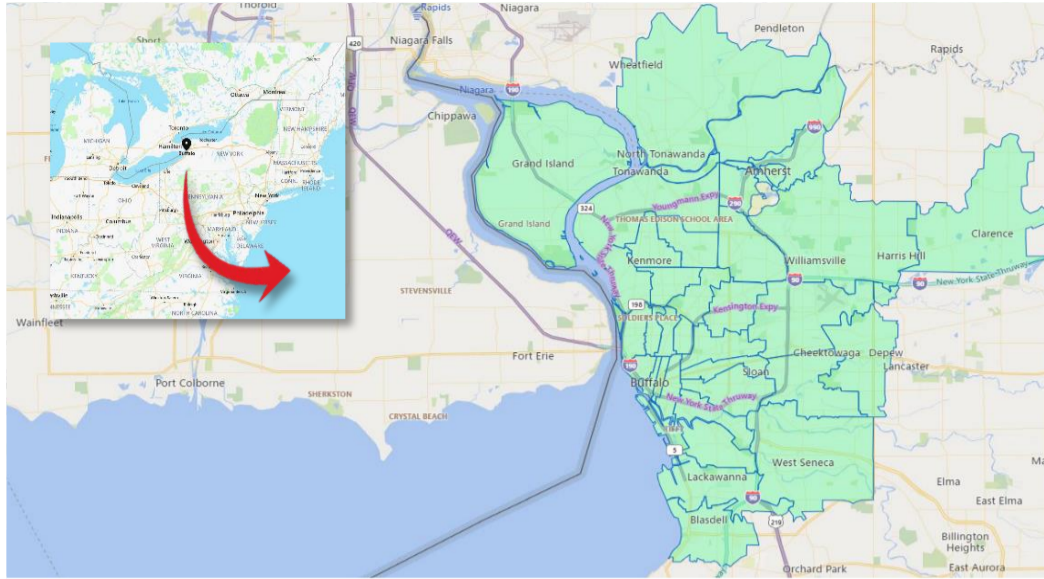


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

<b>Jurisdictional Information</b>		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Buffalo	
County:	Erie County	
State:	New York	
Geo Coordinates (market center):	42.88645, -78.87837	
<b>Major Hotel Demand Generators</b>		
Kaleida Health   Catholic Health   M&T Bank   University at Buffalo   Employer Services Corp.   Tops Friendly Markets   Seneca Gaming Corp.   Erie County Medical Center (ECMC) Corp.   Wegmans Food Markets Inc.   Catholic Diocese of Buffalo   HSBC Bank USA NA   Roswell Park Cancer Institute   GEICO   Alcott HR Group Inc.   People Inc.   Moog Inc.   Dresser-Rand Co.   First Niagara Bank NA   Delaware North   VA Western New York Healthcare System		
<b>Metrics and Ranking</b>		<b>Measurement</b>
Population (hotel market area)	593,220	<b>Rankings</b>
Income per Capita	\$34,268	76th of 104 (Below Average)
Feeder Group Size	91.6 Persons PSR	97th of 104 (Soft)
Feeder Group Earnings	\$3,139,535 PSR	74th of 104 (Below Average)
Total Market Hotel Revenues	\$325.8 million	41st of 104 (Average)
		79th of 104 (Below 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	64.2%	\$116.60	\$74.83	\$107.14	\$68.76	\$9.45	91.9%	49.2%	1.79	9,450	0.89
2016	64.7%	\$116.53	\$75.42	\$107.04	\$69.28	\$9.48	91.9%	50.8%	1.72	9,760	0.76
2017	67.4%	\$116.41	\$78.41	\$106.75	\$71.90	\$9.67	91.7%	51.6%	1.73	9,660	1.06
2018	65.4%	\$119.03	\$77.86	\$109.12	\$71.38	\$9.91	91.7%	54.7%	1.71	9,840	0.87
2019	65.1%	\$117.69	\$76.66	\$107.96	\$70.32	\$9.73	91.7%	57.3%	1.70	10,080	0.79
2020	31.4%	\$87.79	\$28.22	\$81.90	\$25.76	\$5.88	93.3%	43.3%	2.10	10,050	0.50
2021	52.7%	\$108.50	\$59.43	\$100.94	\$53.20	\$7.56	93.0%	44.1%	2.00	10,000	0.86
2022	56.3%	\$116.37	\$66.11	\$108.28	\$60.96	\$8.09	93.0%	45.4%	1.99	10,000	1.01
2023	58.5%	\$122.65	\$72.26	\$114.10	\$66.80	\$8.55	93.0%	46.0%	1.94	10,000	1.23
<b>CAGR: 2015 thru 2023</b>	<b>-1.1%</b>	<b>0.6%</b>	<b>-0.4%</b>	<b>0.8%</b>	<b>-0.4%</b>	<b>-1.2%</b>	<b>0.2%</b>	<b>-0.8%</b>	<b>1.0%</b>	<b>0.7%</b>	<b>4.1%</b>
<b>1Q 2023</b>	56.3%	\$124.37	\$69.97	\$115.71	\$65.09	\$8.66	93.0%	46.6%	1.86	9,860	0.99
<b>1Q 2024</b>	57.5%	\$126.98	\$73.07	\$118.44	\$68.15	\$8.54	93.3%	47.1%	2.02	9,730	1.21

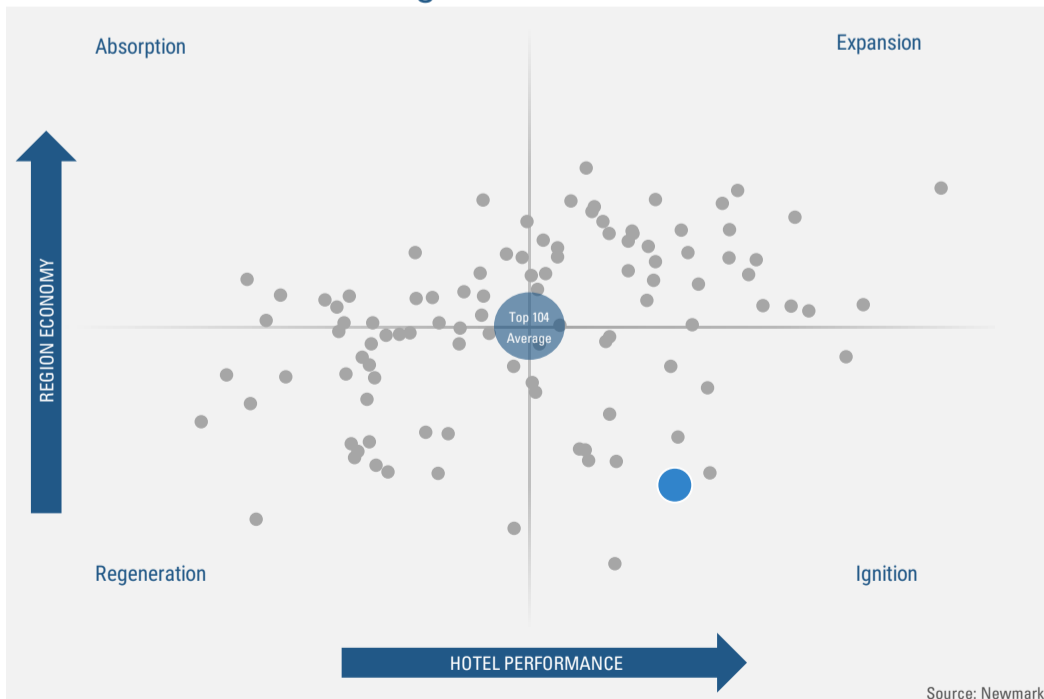
Notable Metrics

<b>HIGHEST</b>	Latest-Quarter LPI	Feeder Population Per Room	Population Density per Room
	<b>23rd Above Average</b> Buffalo, NY enjoyed strong latest-quarter LPI (1.21)	<b>27th Above Average</b> The market posted a high ratio of feeder population per room (43.04)	<b>28th Above Average</b> The market also boasted strong population density per room (60.42)
	Economy Median Income	T12-Month Average Length of Stay	Total Rooms Supply
<b>LOWEST</b>	<b>97th Soft</b> This market was stymied by weak Economy Median Income (\$34,268)	<b>92nd Soft</b> The market exhibited weak T12-month average length of stay (1.87 Nights)	<b>91st Soft</b> Buffalo, NY also is small and offers a narrow variety of lodging scales and classes (9,731 total rooms)

Notable Trends

<b>STRONGEST</b>	Short-Term Historical Occupancy Growth	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Occupancy Growth
	<b>1st Very Strong</b> Buffalo, NY has benefited from strong short-term historical occupancy growth (2.2%)	<b>5th Strong</b> The market has benefited from strong short-term historical average length of stay growth (3.3%)	<b>7th Strong</b> The market also enjoyed strong long-term historical occupancy growth (1.1%)
	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	General Economy Reverence
<b>WEAKEST</b>	<b>Last Soft</b> The market has been hindered by weak short-term historical loyalty contribution growth (0.4%)	<b>102nd Soft</b> We note this area has been hindered by weak long-term historical loyalty contribution growth (2.2%)	<b>101st Soft</b> Buffalo, NY also posted weak general economic reverence (per-capita unemployment, GDP and other indicators)

Market Performance Stage



Buffalo, NY: Ignition Stage

The Buffalo, NY market is currently in the 'Ignition' stage of the performance cycle. In this 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.

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.
- 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

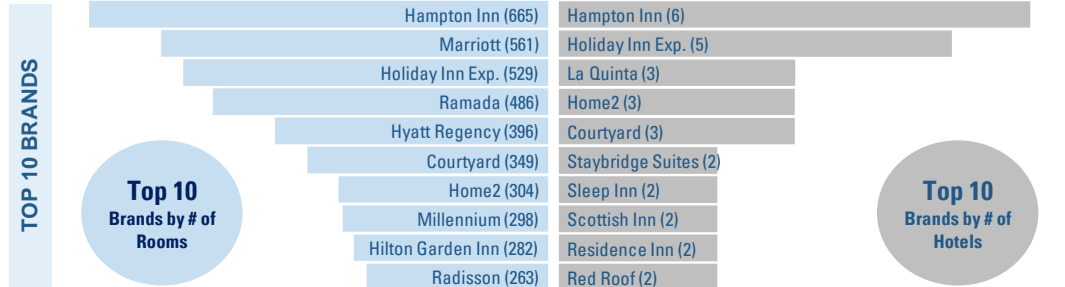
**MOODY'S ANALYTICS**  
 Business Cycle:  
 Employment Growth (2 yr):  
 Risk Exposure (402 US markets):  
 Key Industry Notes:

**At Risk**  
 1.3%  
 89th Percentile: Above Average  
 Vulnerability to international shocks  
 High housing affordability  
 Tourist attractions  
 Low business costs  
 Long-term population losses

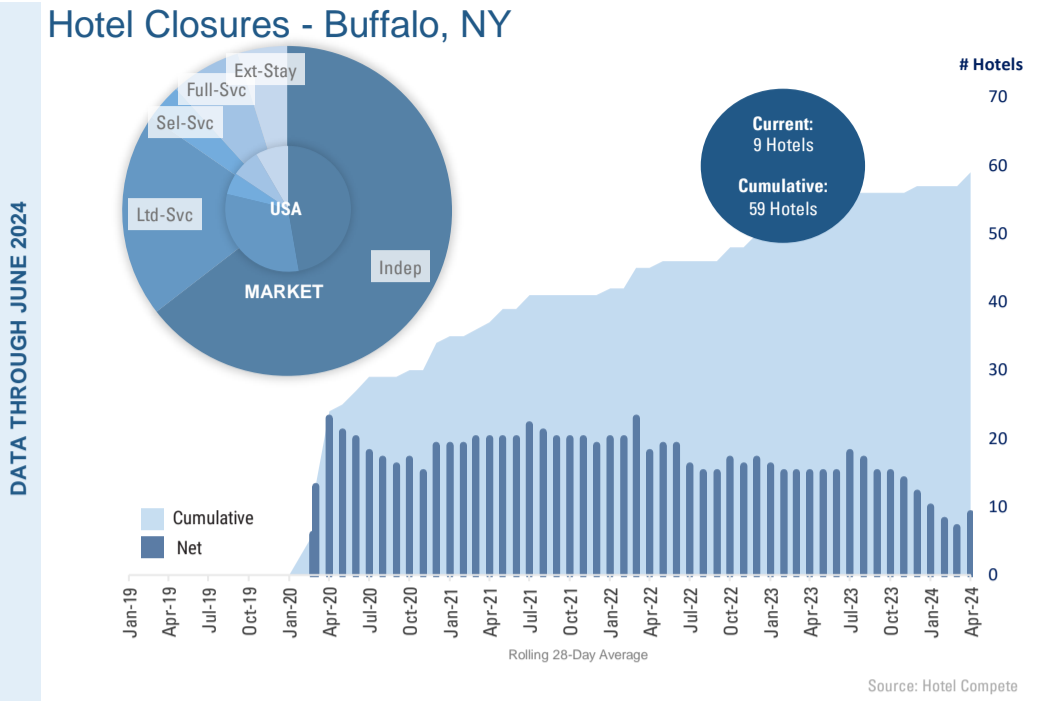
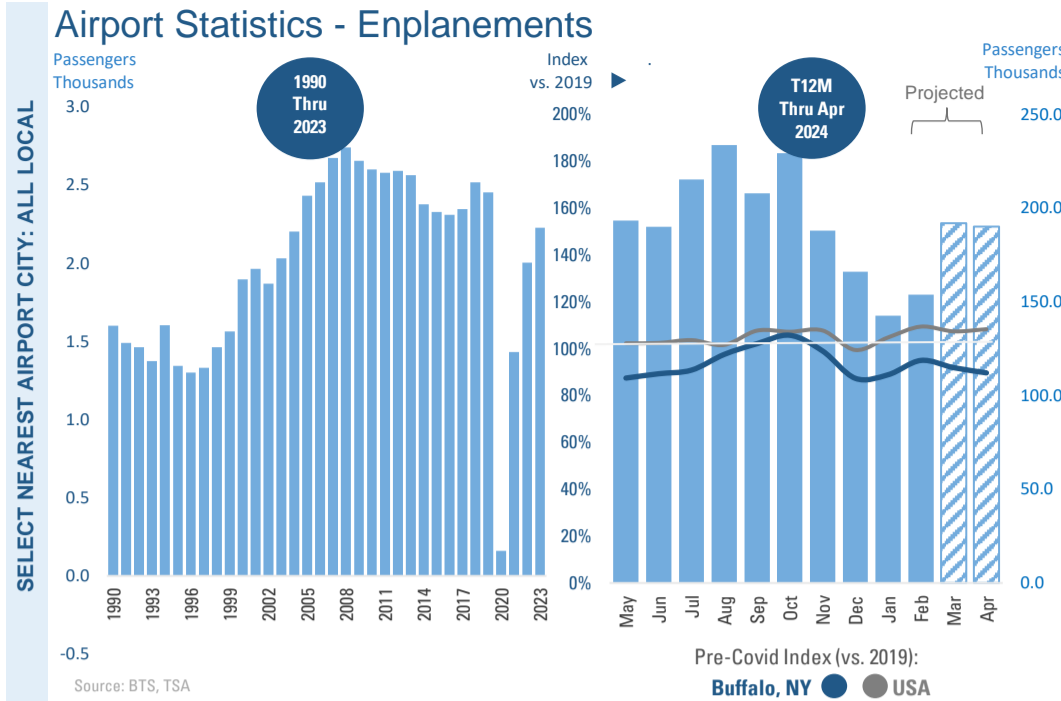
Moody's Rating

**NR**

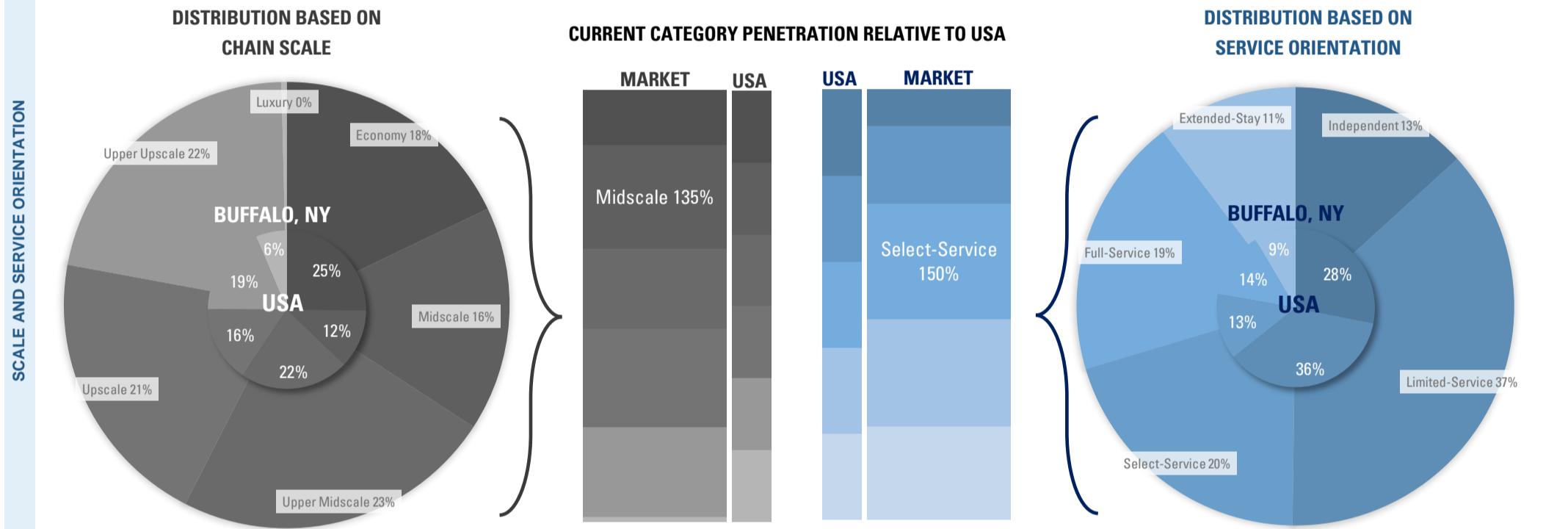
This market is not rated by Moody's



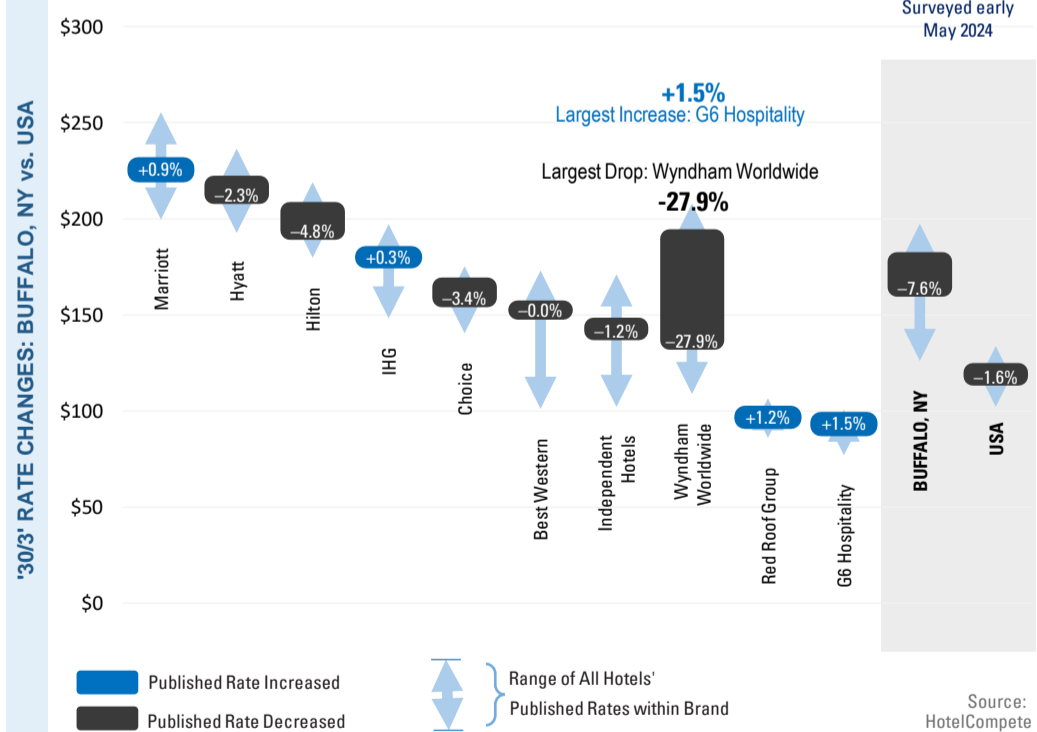
Source: Newmark



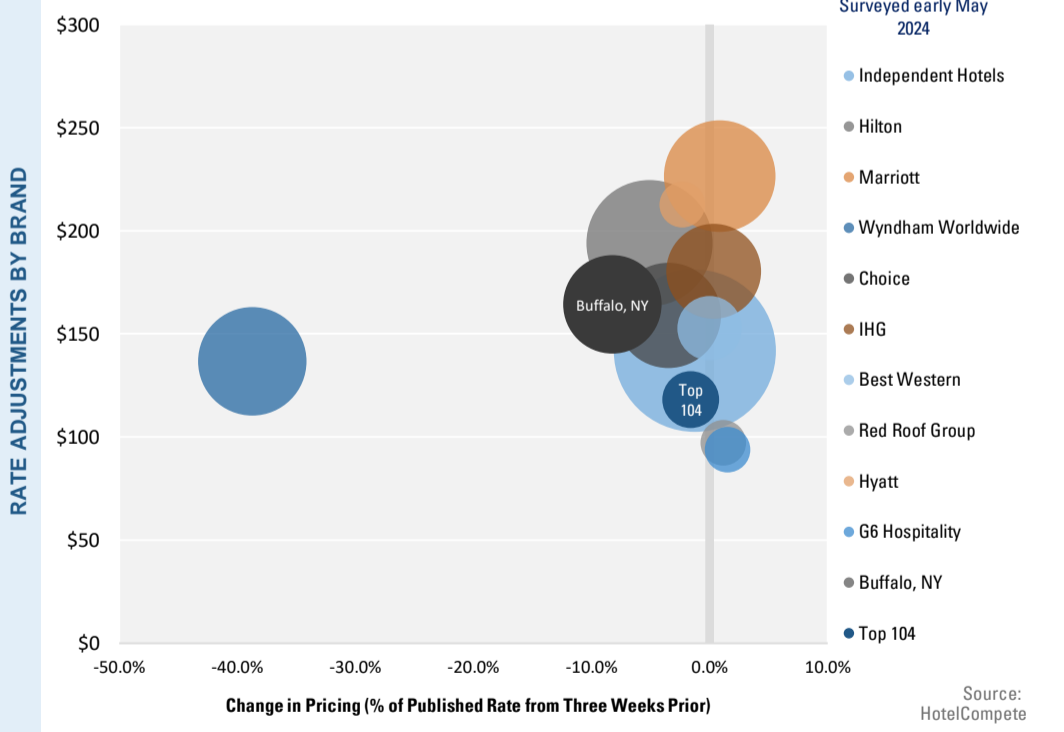
## Scale and Service Distribution: Buffalo, NY



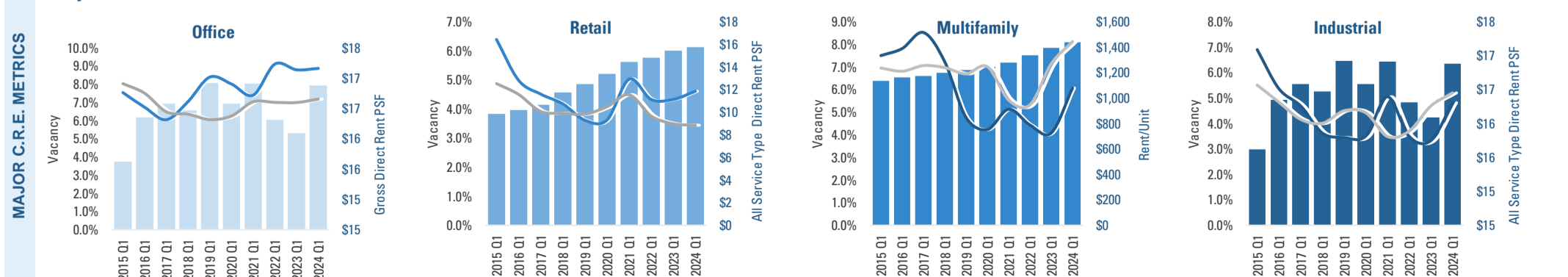
## Published Rates: Top 10 Brands



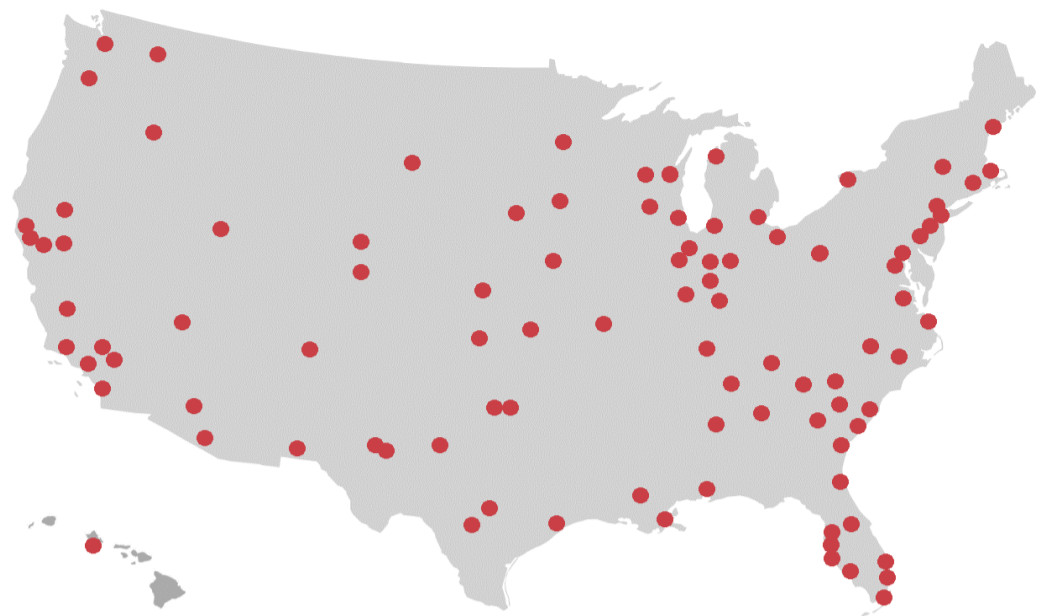
## Published Rates: Volatility



## 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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