

NEWMARK

1Q 2024

Hotel Market Nsights Report

CHARLESTON, SC



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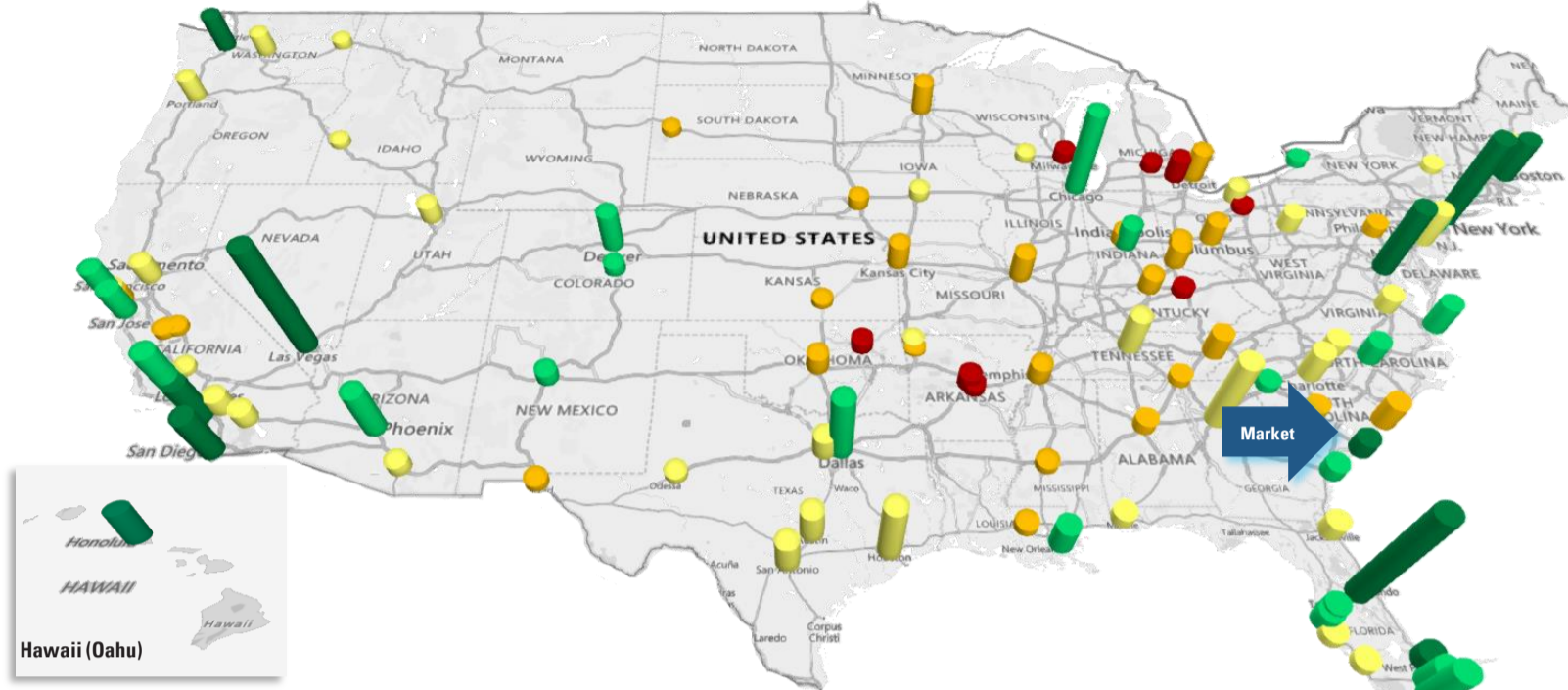
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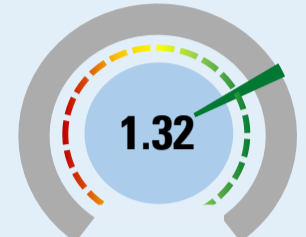


Lodging Performance Index Snapshot



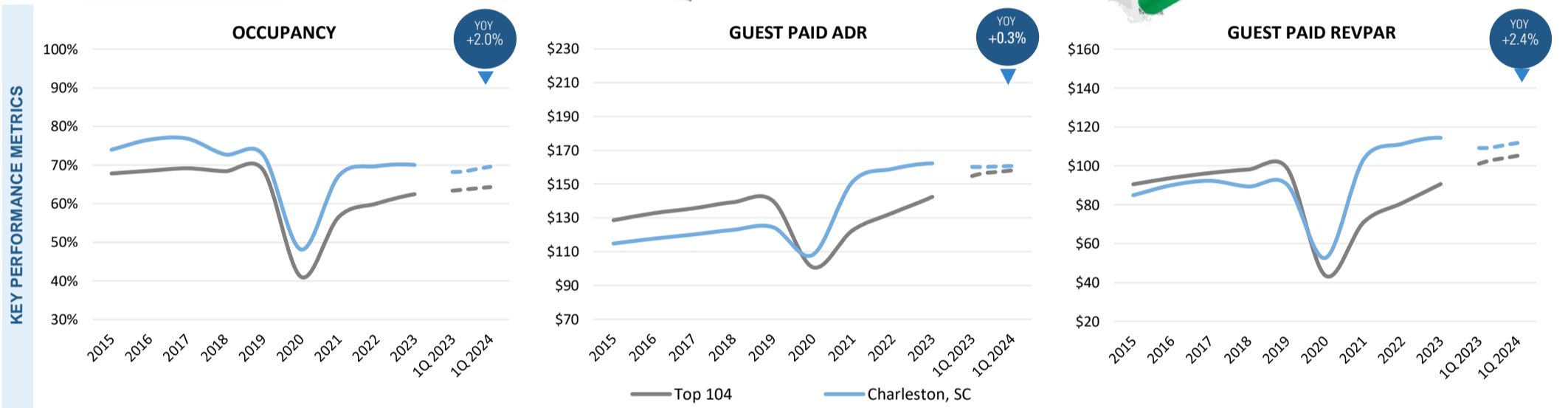
LODGING PERFORMANCE INDEX

Charleston, SC



11th of 104
Strong

Ranking of overall '1Q 2024 LPI' performance (1.32) against all 104 surveyed markets.

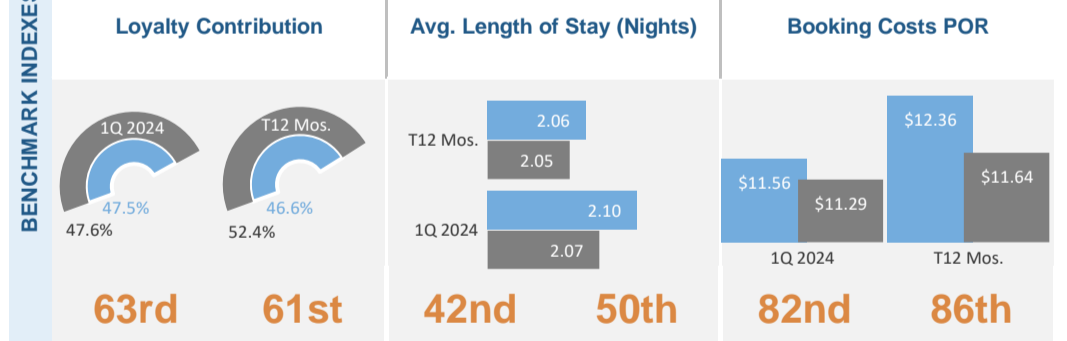


Key Performance Indexes

● Subject Market ● Top 104

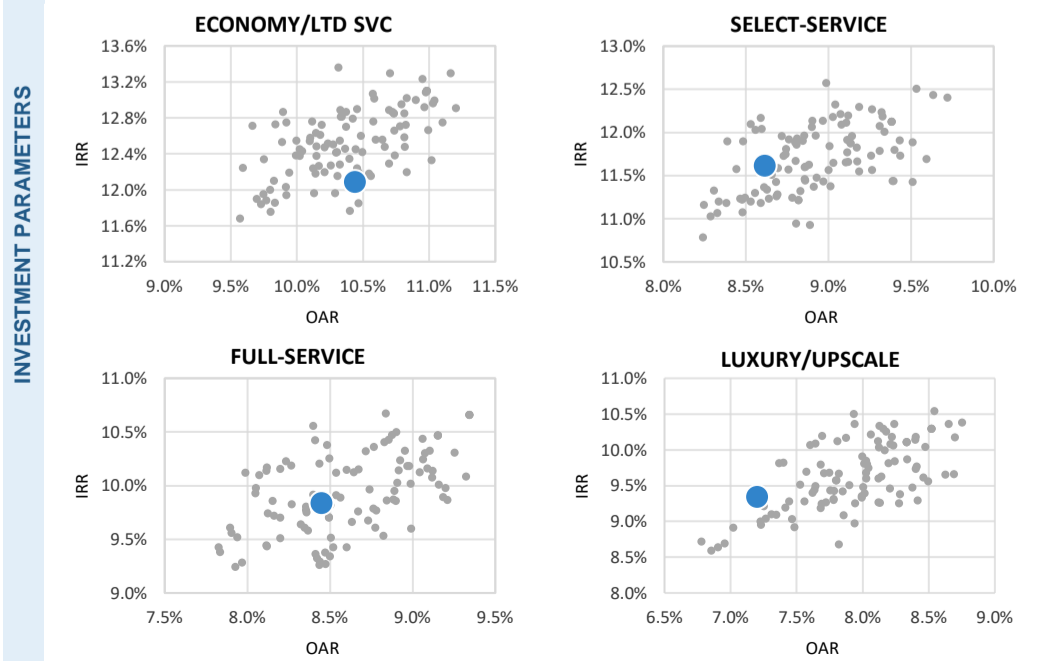


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

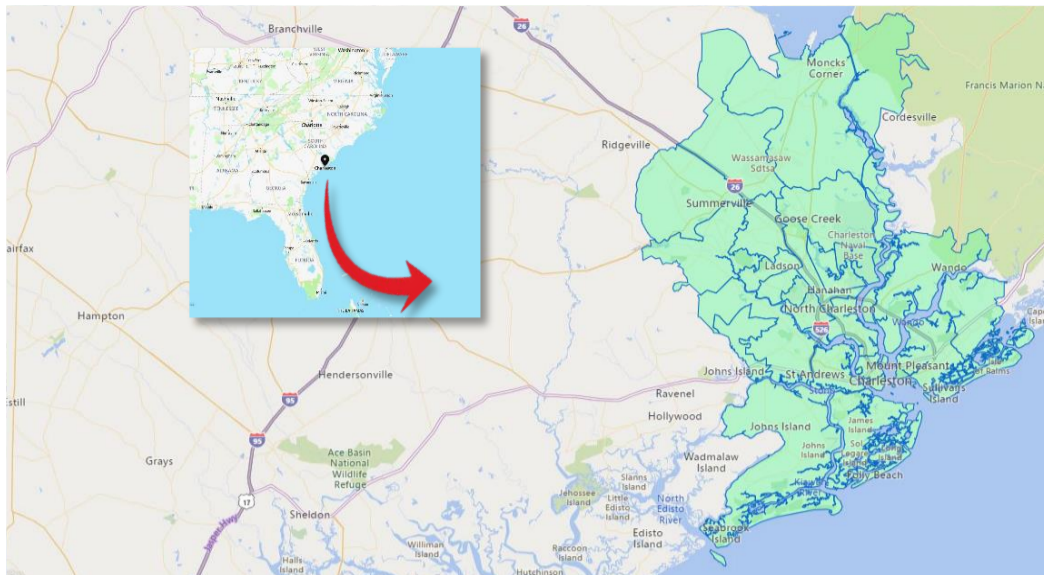


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Charleston	
County:	Berkeley County, Charleston County	
State:	South Carolina	
Geo Coordinates (market center):	32.81792, -79.95897	
Major Hotel Demand Generators		
Joint Base Charleston Medical University of South Carolina Boeing Co. Roper St. Francis SPAWAR-Atlantic Trident Health Wal-Mart Stores Inc. Ralph H. Johnson VA Medical Center College of Charleston Rober Bosch LLC Kiawah Island Golf Resort SAIC Inc. Intercontinental Hotels Group Resources Inc. Blackbaud Inc. Santee Cooper Bi-Lo Stores Verizon Wireless Publix Supermarkets IQOR Inc. Trident Technical College		
Metrics and Ranking		Measurements
Population (hotel market area)	586,580	78th of 104 (Below Average)
Income per Capita	\$61,367	17th of 104 (Above Average)
Feeder Group Size	35.8 Persons PSR	12th of 104 (Above Average)
Feeder Group Earnings	\$2,194,719 PSR	17th of 104 (Above Average)
Total Market Hotel Revenues	\$1.0 billion	39th of 104 (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	74.0%	\$114.77	\$84.88	\$106.84	\$79.02	\$7.93	93.1%	48.8%	2.29	18,480	1.49
2016	76.6%	\$117.64	\$90.07	\$109.31	\$83.69	\$8.33	92.9%	51.9%	2.27	18,770	1.41
2017	76.8%	\$120.12	\$92.30	\$111.38	\$85.59	\$8.74	92.7%	54.1%	2.26	19,230	1.39
2018	72.7%	\$122.87	\$89.37	\$113.86	\$82.81	\$9.02	92.7%	56.8%	2.19	19,710	1.25
2019	72.7%	\$124.46	\$90.43	\$115.34	\$83.80	\$9.12	92.7%	59.5%	2.14	21,950	1.21
2020	48.1%	\$108.09	\$52.65	\$100.92	\$48.58	\$7.17	93.4%	41.5%	2.26	22,510	1.26
2021	67.2%	\$151.30	\$103.53	\$140.62	\$94.54	\$10.68	92.9%	43.3%	2.19	22,850	1.44
2022	69.7%	\$158.95	\$111.23	\$147.81	\$103.03	\$11.14	93.0%	43.9%	2.17	22,810	1.31
2023	70.0%	\$162.23	\$114.40	\$150.91	\$105.69	\$11.31	93.0%	44.4%	2.13	22,740	1.35
CAGR: 2015 thru 2023	-0.7%	4.4%	3.8%	4.4%	3.7%	4.5%	0.0%	-1.2%	-0.9%	2.6%	-1.2%
1Q 2023	68.2%	\$160.16	\$109.20	\$149.13	\$101.68	\$11.03	93.1%	46.7%	2.07	22,440	1.31
1Q 2024	69.6%	\$160.69	\$111.78	\$149.13	\$103.74	\$11.56	92.8%	47.5%	2.10	23,020	1.32

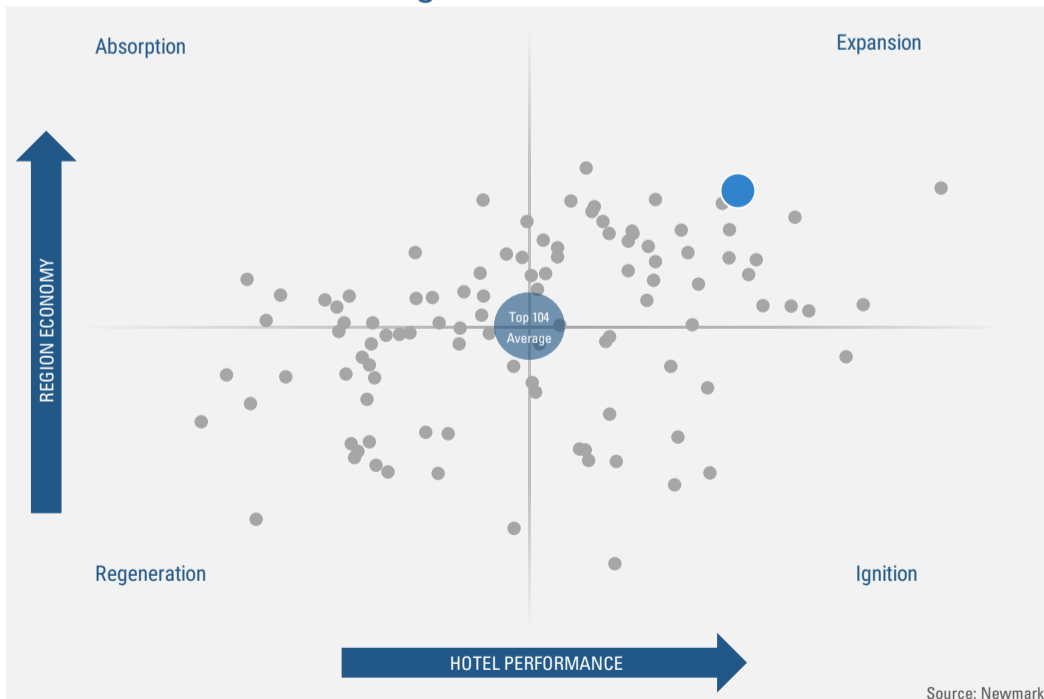
Notable Metrics

	OAR: Luxury/Upscale	Feeder Group Size	Feeder Group Size
HIGHEST	7th Highly Favorable Charleston, SC exhibited favorable OAR metrics in the luxury/upscale segment (7.2%)	12th Above Average The market required a small feeder group size (35.76 Persons)	12th Above Average The market also required a small feeder group size (35.76 Persons)
LOWEST	94th Soft This market posted a low ratio of feeder population per room (18.19)	94th Soft The market has been hindered by weak population density per room (25.25)	86th Below Average Charleston, SC also was burdened by high T12-month booking costs POR (\$12.36)

Notable Trends

	General Economy Reverence	Overall Health of Hotel Market	Short-Term Historical Supply Growth
STRONGEST	3rd Very Strong Charleston, SC enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)	10th Above Average The market has benefited from strong general hotel market performance (levels and trends of fundamentals)	13th Above Average The market also has benefited from low short-term historical supply growth (3.2%)
WEAKEST	102nd Soft The market has been impeded by high short-term historical growth in booking costs (6.7%)	97th Soft We note this area has been burdened by high long-term historical supply growth (2.9%)	94th Soft Charleston, SC also exhibited high long-term historical booking costs POR growth (4.7%)

Market Performance Stage



Charleston, SC: Expansion Stage

The Charleston, SC 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 Boston, MA.

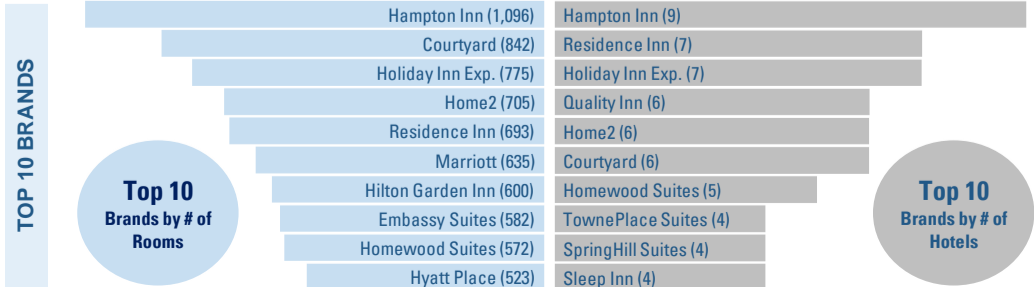
Other Stages:

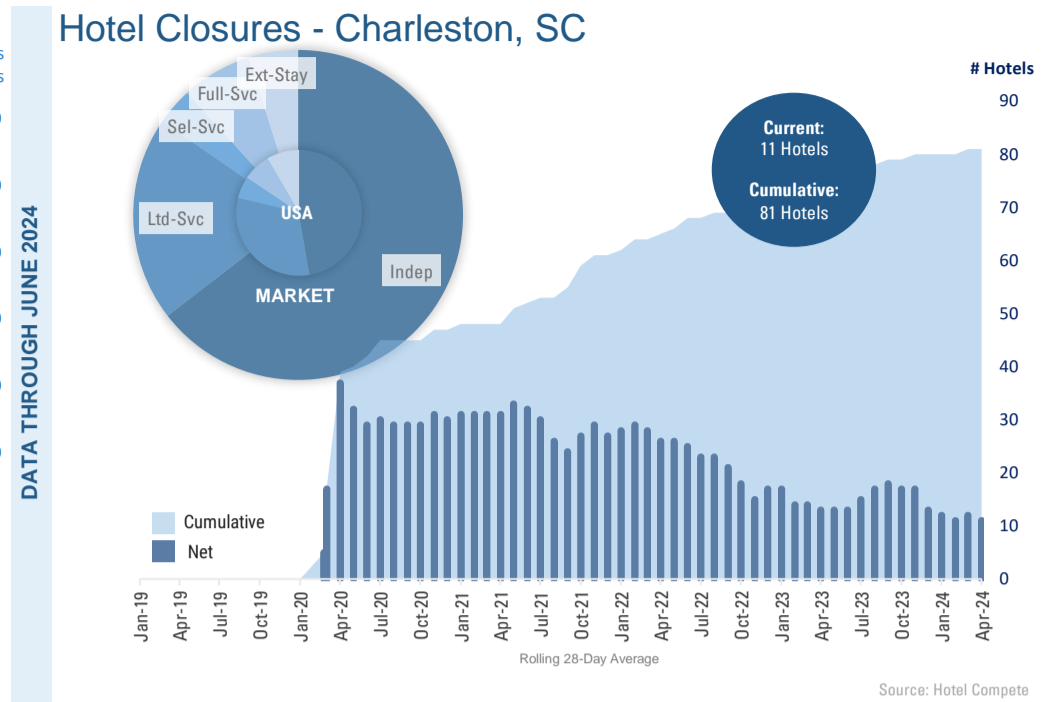
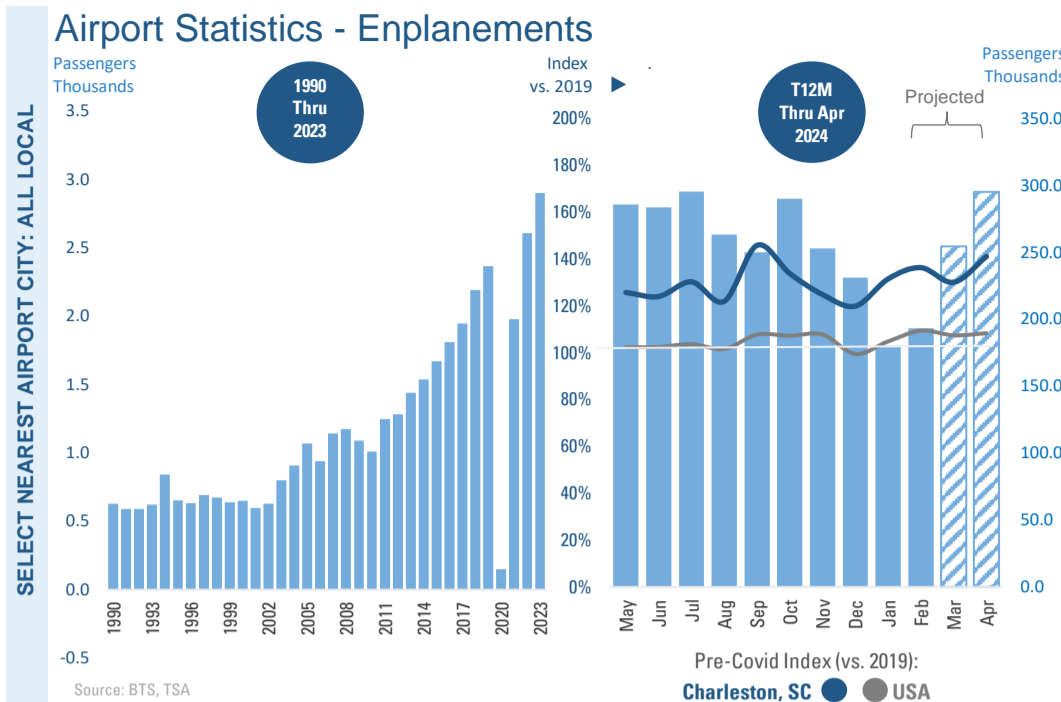
- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for 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

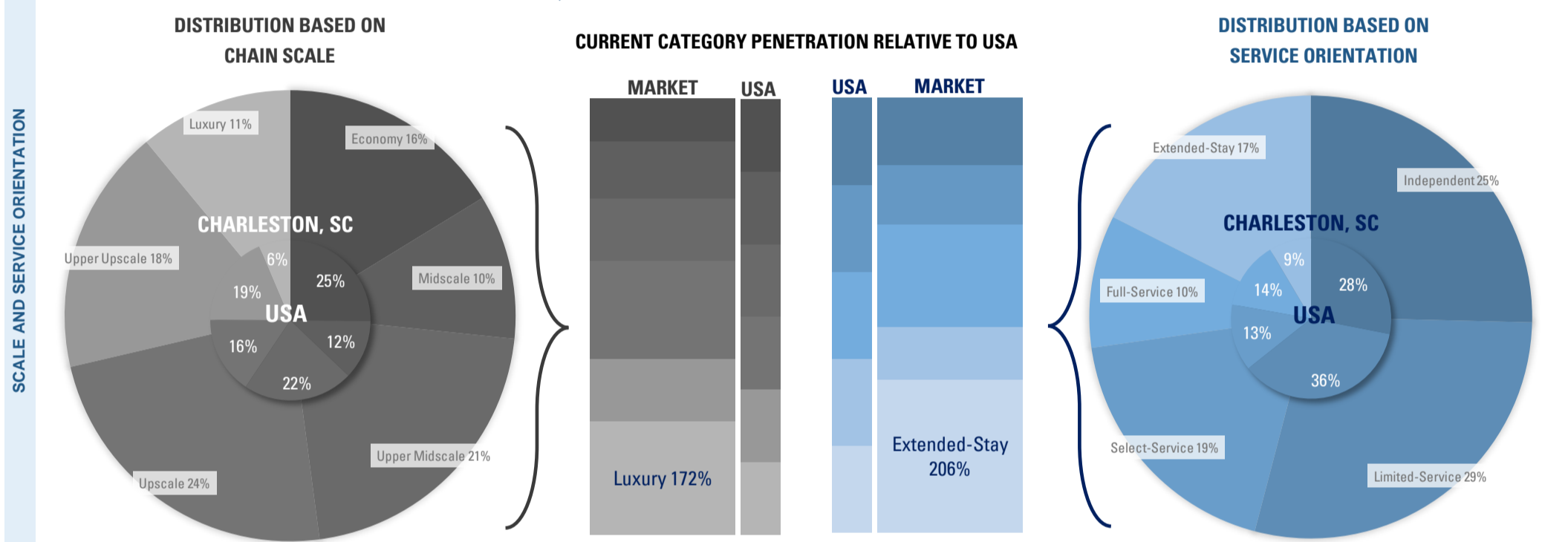
MOODY'S ANALYTICS
 Business Cycle: **Expansion**
 Employment Growth (2 yr): **2.3%**
 Risk Exposure (402 US markets): **15th Percentile: Below Average**
 Key Industry Notes:
 Single-family housing is overvalued
 Diverse economy
 Strong demographics
 Aerospace manufacturing
 High concentration of jobs

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

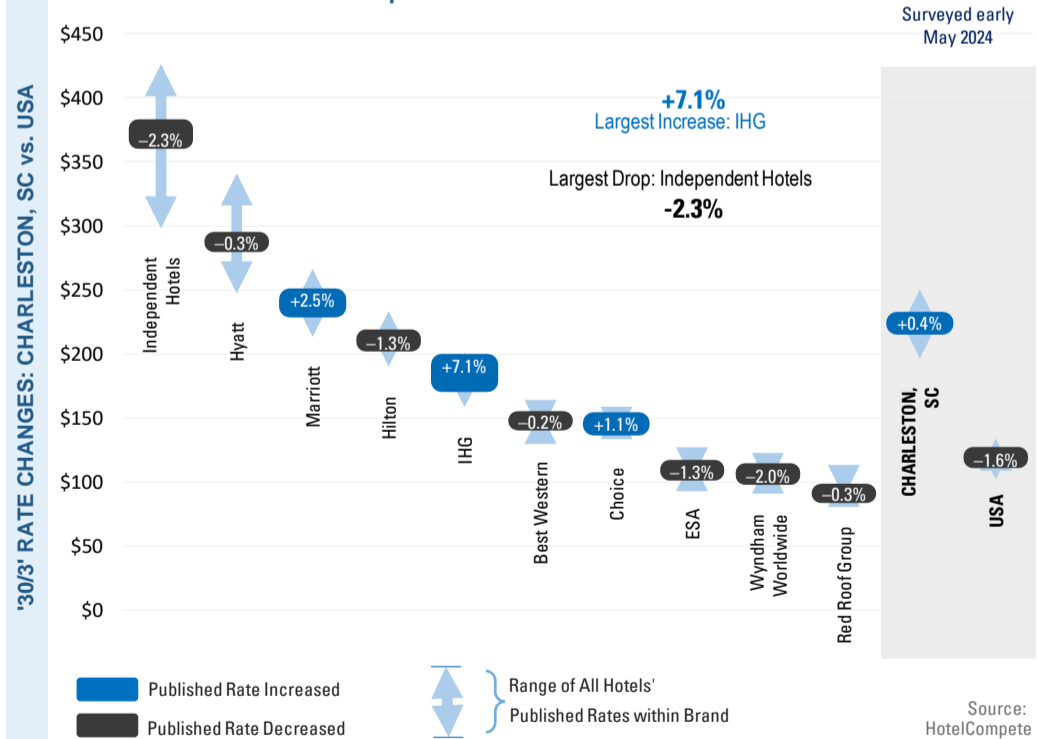




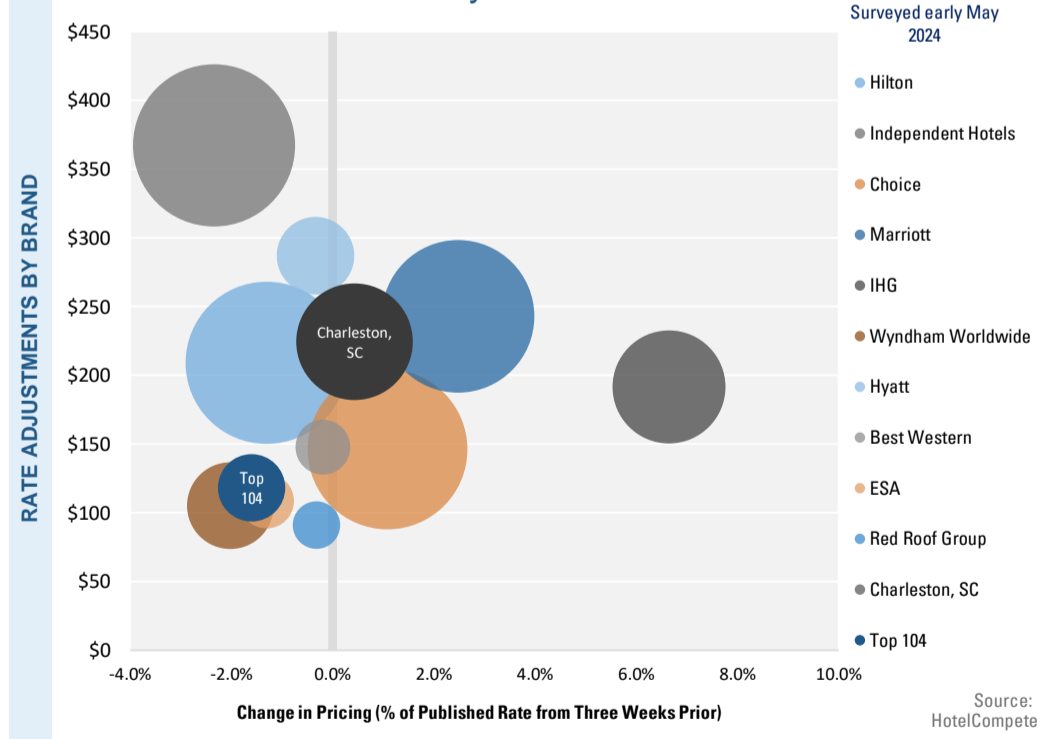
Scale and Service Distribution: Charleston, SC



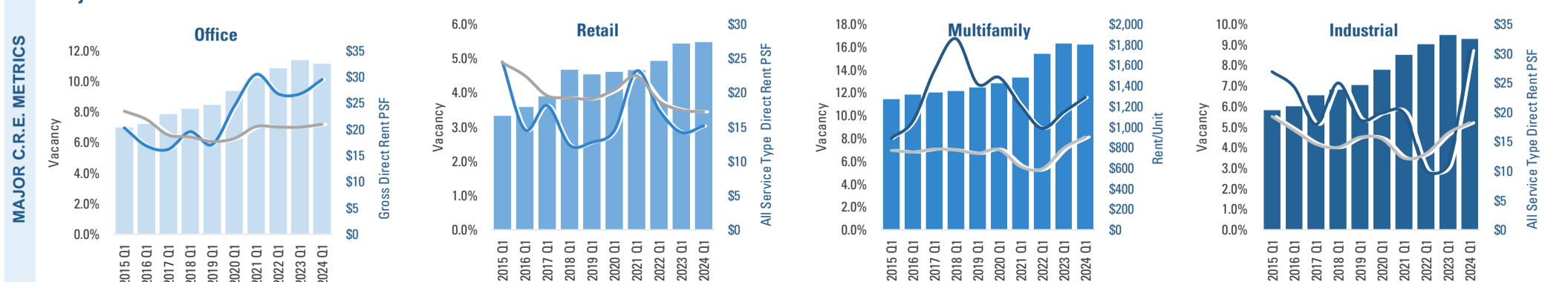
Published Rates: Top 10 Brands



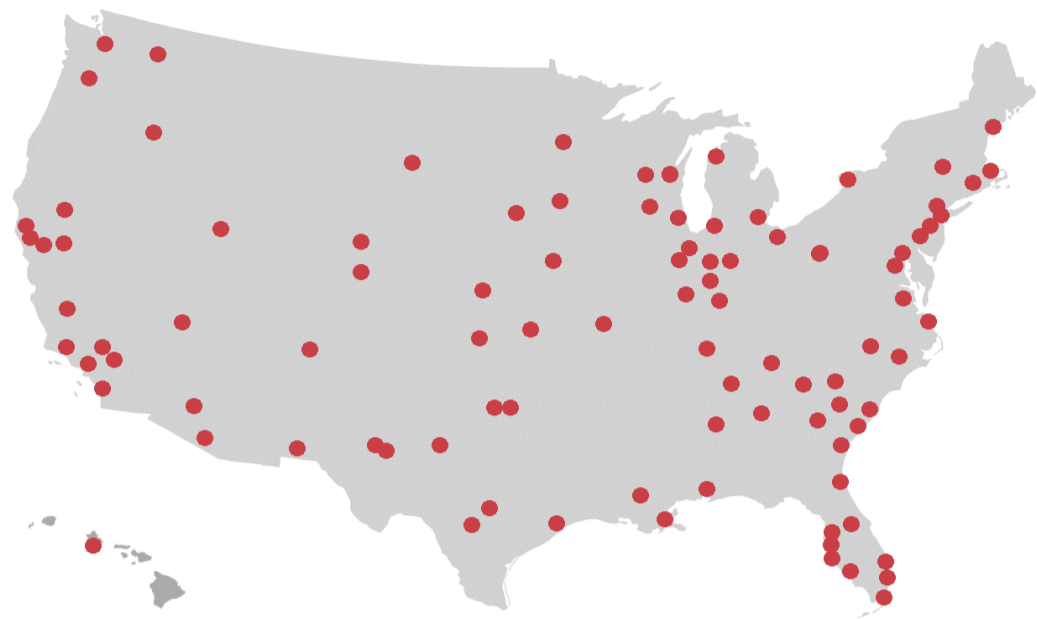
Published Rates: Volatility



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

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Gaming Facilities

Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

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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Portfolio Analytics

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