

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

CHARLOTTE, NC



### FOR MORE INFORMATION:

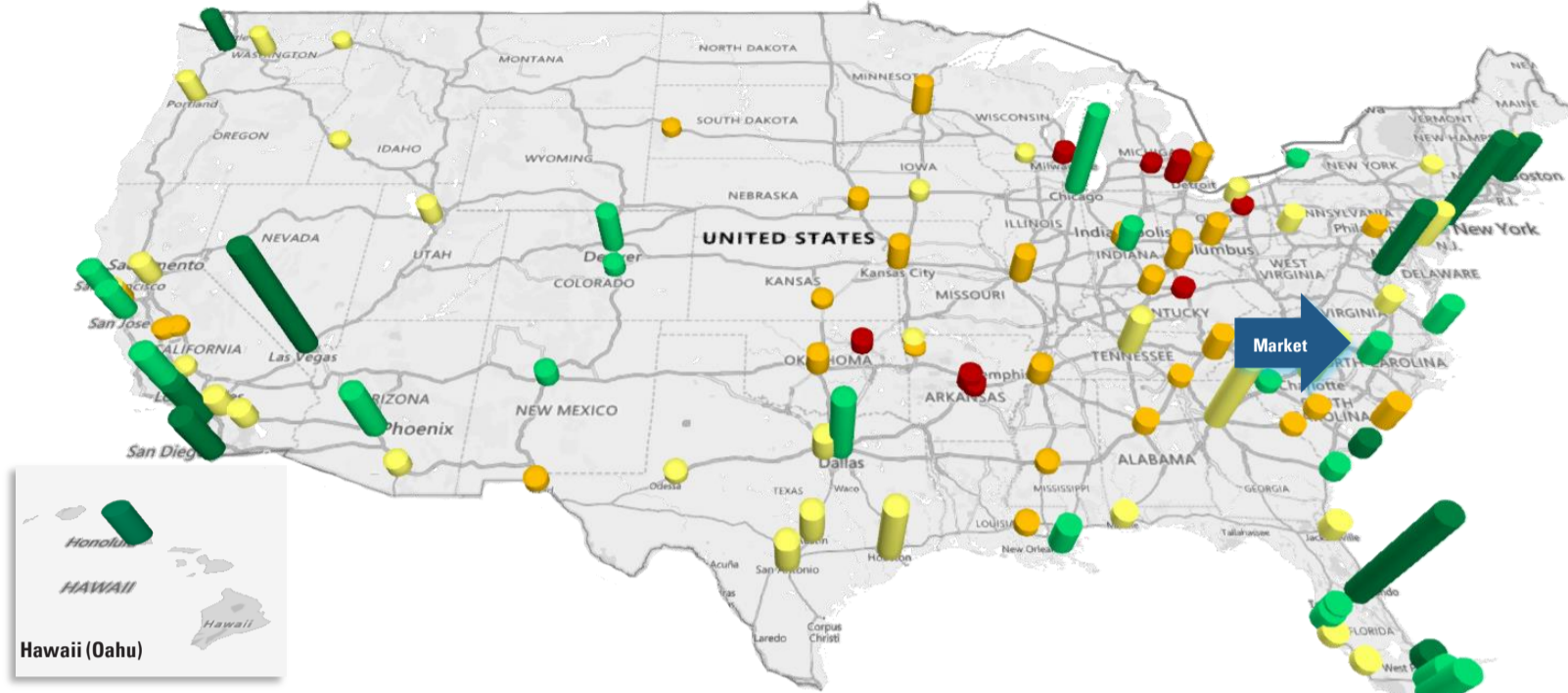
**Bryan Younge, MAI, ASA, FRICS**  
Senior Managing Director  
Practice Leader - Hospitality, Gaming & Leisure  
NEWMARK VALUATION & ADVISORY  
Americas  
m 773-263-4544

**Brian Johnson**  
Executive Vice President  
Hospitality, Gaming & Leisure  
NEWMARK VALUATION & ADVISORY  
Mid-Atlantic Markets  
m 434-996-2323

[NMRK.COM/VALUATION](https://www.nmrk.com/valuation)

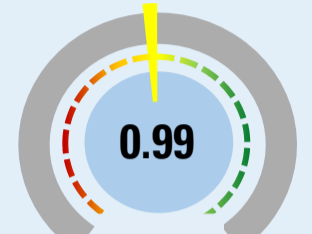


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

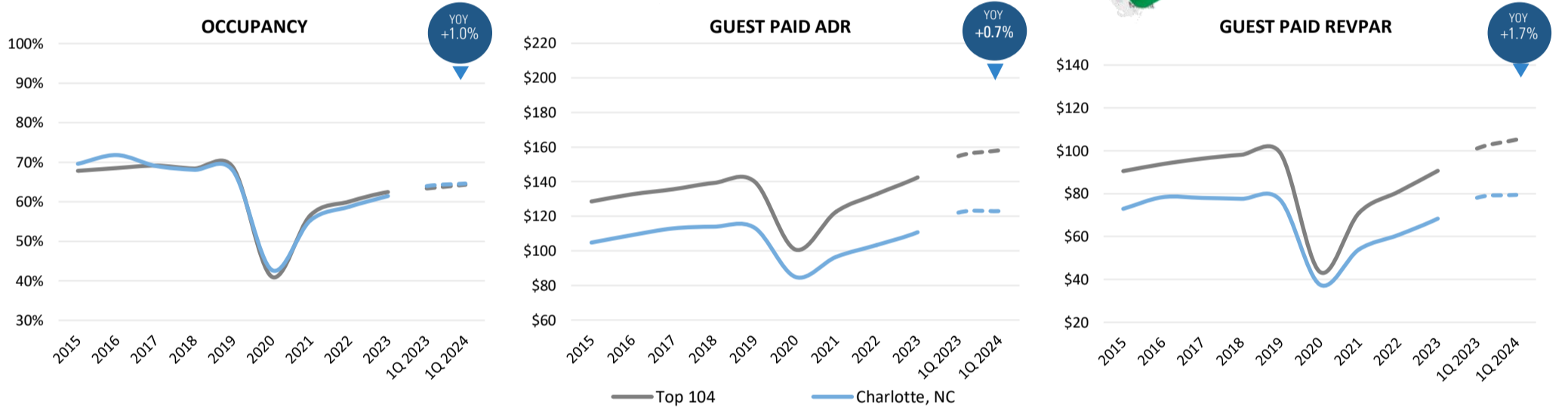
Charlotte, NC



55th of 104  
Average

Ranking of overall '1Q 2024 LPI' performance (0.99) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

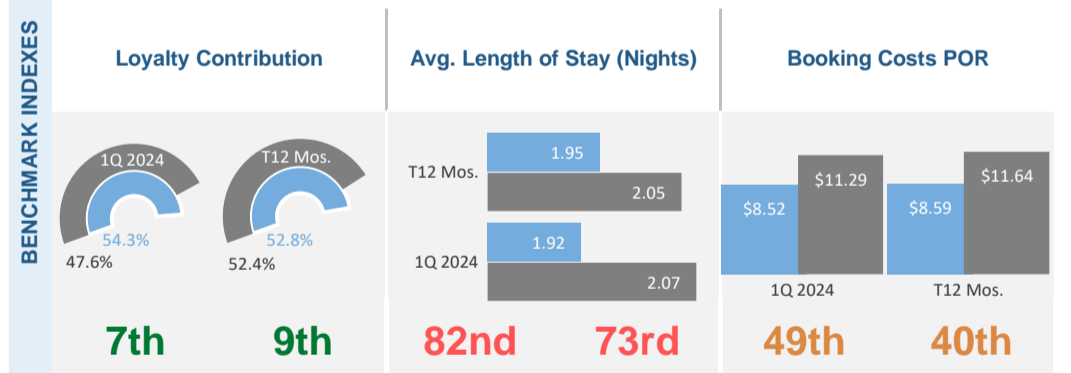


PERFORMANCE INDEXES

Key Performance Indexes



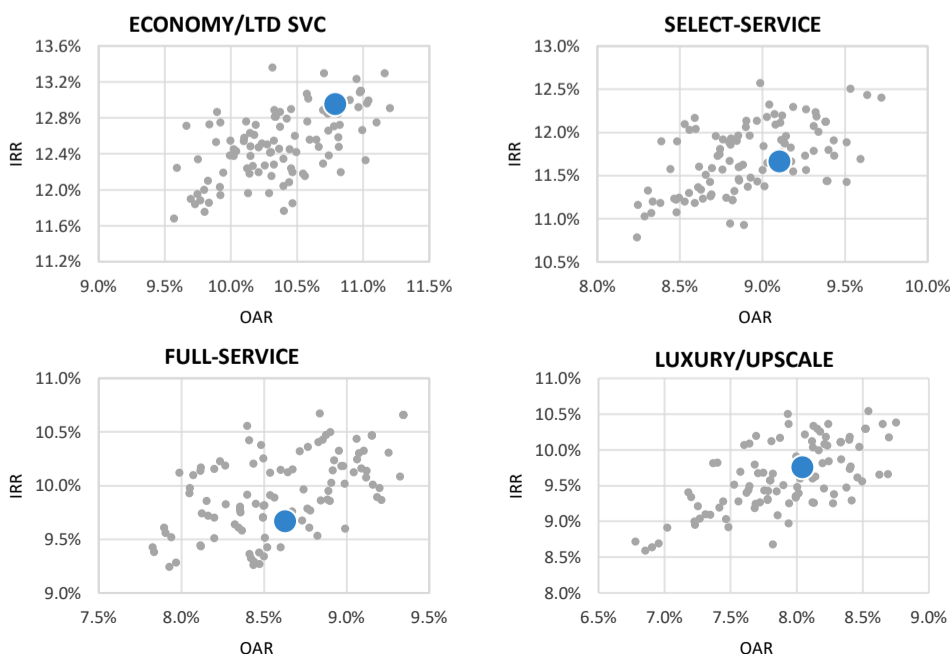
Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark

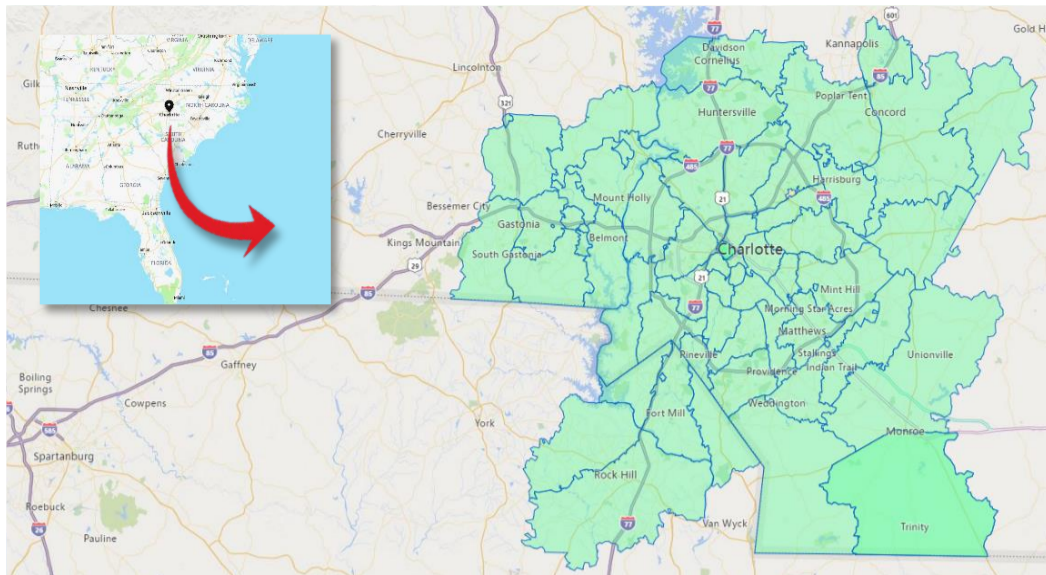


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Charlotte	
County:	Mecklenburg County	
State:	North Carolina	
Geo Coordinates (market center):	35.22709, -80.84313	
Major Hotel Demand Generators		
Atrium Health   Wells Fargo   Wal-Mart Stores Inc.   Bank of America Corp.   American Airlines   Food Lion   Presbyterian Regional Healthcare   Novant Health Inc.   Lowe's Cos. Inc.   Duke Energy   Ruddick/Harris Teeter Inc.   The Timken Co.   Compass Group   HSM Solutions   CaroMont Health   Adecco USA Inc.   Carolinas Medical Center - Northeast   Alex Lee Inc.   AT&T   Spectrum		
Metrics and Ranking		Measurements
Population (hotel market area)	1,656,482	
Income per Capita	\$58,202	
Feeder Group Size	60.3 Persons PSR	
Feeder Group Earnings	\$3,506,760 PSR	
Total Market Hotel Revenues	\$1.3 billion	
		Rankings
		35th of 104 (Average)
		21st of 104 (Above Average)
		34th of 104 (Above Average)
		51st of 104 (Average)
		26th 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	69.6%	\$104.78	\$72.91	\$96.62	\$67.24	\$8.16	92.2%	47.0%	1.91	31,600	1.14
2016	71.8%	\$109.14	\$78.36	\$100.48	\$72.14	\$8.66	92.1%	49.6%	1.90	31,830	1.18
2017	69.1%	\$112.96	\$78.02	\$103.63	\$71.58	\$9.33	91.7%	53.0%	1.86	33,140	1.01
2018	68.1%	\$113.96	\$77.58	\$104.79	\$71.34	\$9.17	92.0%	54.6%	1.86	33,570	1.08
2019	67.9%	\$113.35	\$76.93	\$104.11	\$70.66	\$9.24	91.8%	57.6%	1.83	37,730	1.04
2020	42.7%	\$84.94	\$37.59	\$79.29	\$33.89	\$5.64	93.4%	42.7%	2.16	38,830	0.84
2021	55.3%	\$96.50	\$54.02	\$89.67	\$49.58	\$6.83	92.9%	45.4%	2.05	40,980	0.67
2022	58.7%	\$103.38	\$60.72	\$96.13	\$56.46	\$7.25	93.0%	46.1%	2.04	41,420	0.92
2023	61.4%	\$110.75	\$68.35	\$103.12	\$63.35	\$7.63	93.1%	46.8%	2.04	41,680	0.99
<b>CAGR: 2015 thru 2023</b>	<b>-1.5%</b>	<b>0.7%</b>	<b>-0.8%</b>	<b>0.8%</b>	<b>-0.7%</b>	<b>-0.8%</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>0.8%</b>	<b>3.5%</b>	<b>-1.8%</b>
<b>1Q 2023</b>	63.9%	\$122.10	\$78.08	\$113.84	\$72.79	\$8.26	93.2%	51.2%	2.00	40,710	1.06
<b>1Q 2024</b>	64.6%	\$122.97	\$79.42	\$114.45	\$73.92	\$8.52	93.1%	54.3%	1.92	41,500	0.99

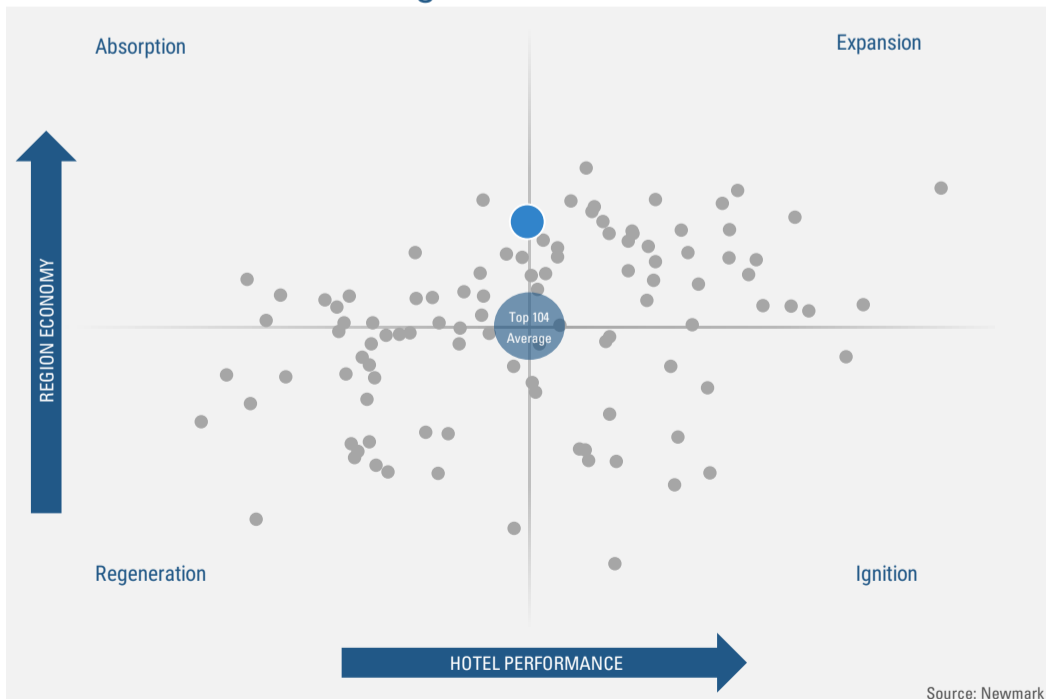
Notable Metrics

	Latest-Quarter Loyalty Contribution	T12-Month Loyalty Contribution	Economy Median Income
<b>HIGHEST</b>	<b>7th Strong</b> Charlotte, NC exhibited strong latest-quarter loyalty contribution (54.3%)	<b>9th Strong</b> The market exhibited strong T12-month loyalty contribution (52.8%)	<b>21st Above Average</b> The market also exhibited strong Economy Median Income (\$58,202)
<b>LOWEST</b>	<b>90th Unfavorable</b> This market posted unfavorable IRR metrics in the economy/ltltd svc segment (13.0%)	<b>84th Unfavorable</b> The market exhibited unfavorable OAR metrics in the economy/ltltd svc segment (10.8%)	<b>82nd Below Average</b> Charlotte, NC also has been impeded by weak latest-quarter average length of stay (1.92 Nights)

Notable Trends

	Short-Term Historical Supply Growth	General Economy Reversion	Short-Term Historical Booking Costs POR Growth
<b>STRONGEST</b>	<b>6th Strong</b> Charlotte, NC has benefited from low short-term historical supply growth (3.7%)	<b>11th Above Average</b> The market enjoyed strong general economic reversion (per-capita unemployment, GDP and other indicators)	<b>16th Above Average</b> The market also enjoyed low short-term historical growth in booking costs (1.3%)
<b>WEAKEST</b>	<b>101st Soft</b> The market has been burdened by high long-term historical supply growth (3.2%)	<b>94th Soft</b> We note this area posted weak short-term historical COPE ADR growth (1.2%)	<b>94th Soft</b> Charlotte, NC also has been impeded by weak short-term historical Guest Paid ADR growth (1.3%)

Market Performance Stage



Charlotte, NC: Absorption Stage

The Charlotte, NC 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; Columbus, OH; and Fort Worth, 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.
- 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:

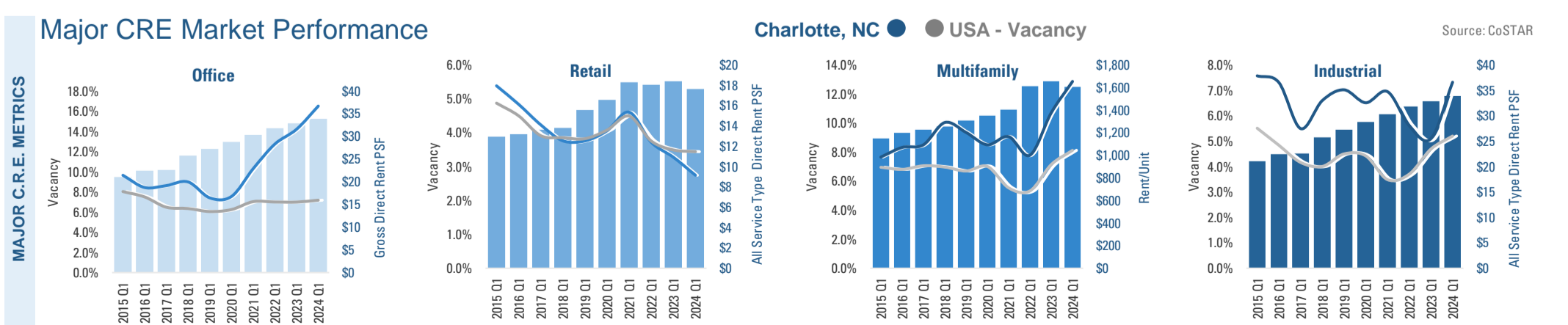
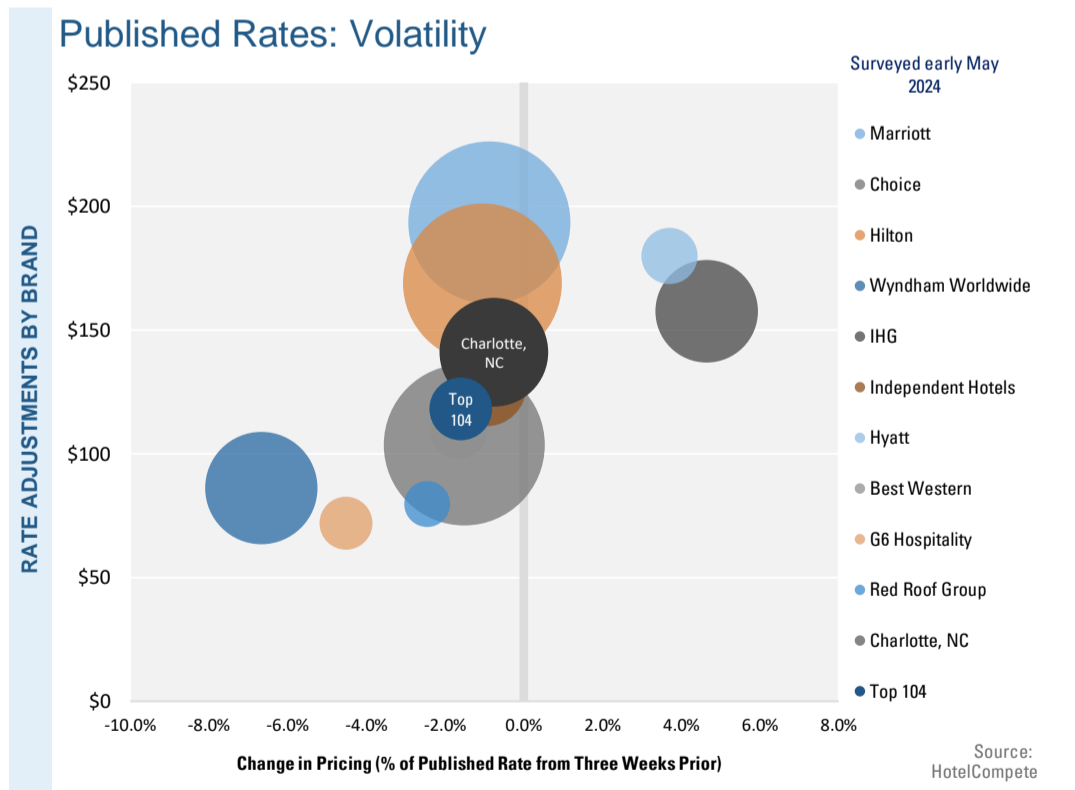
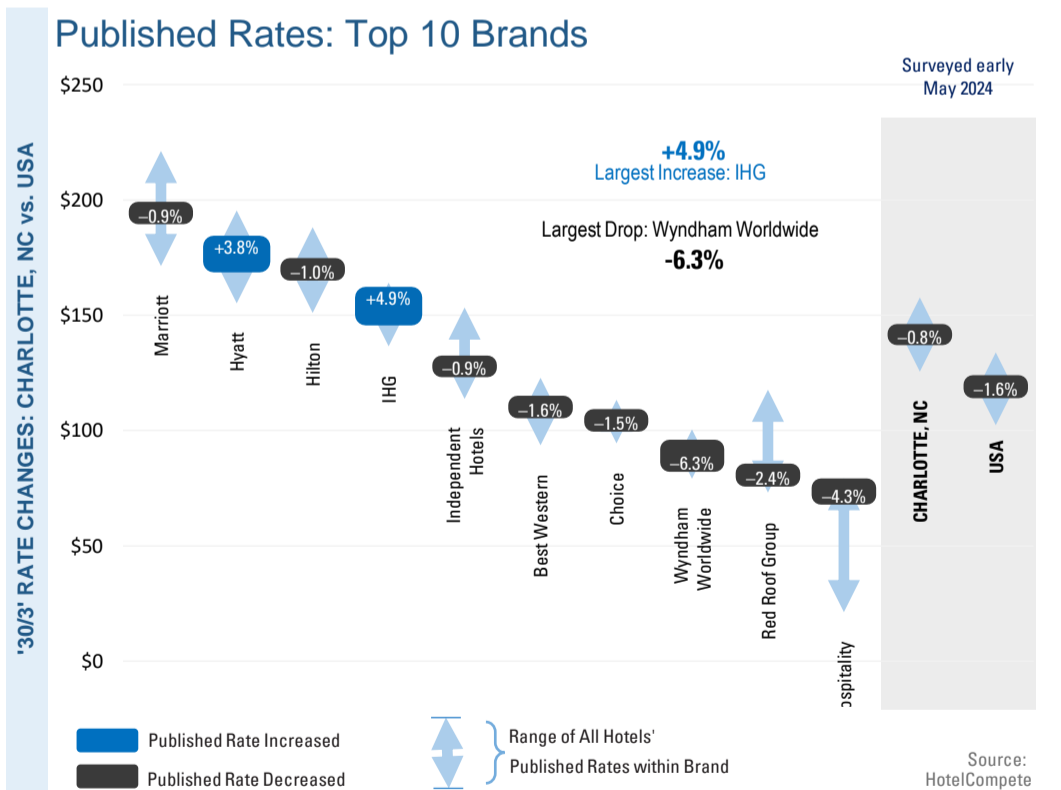
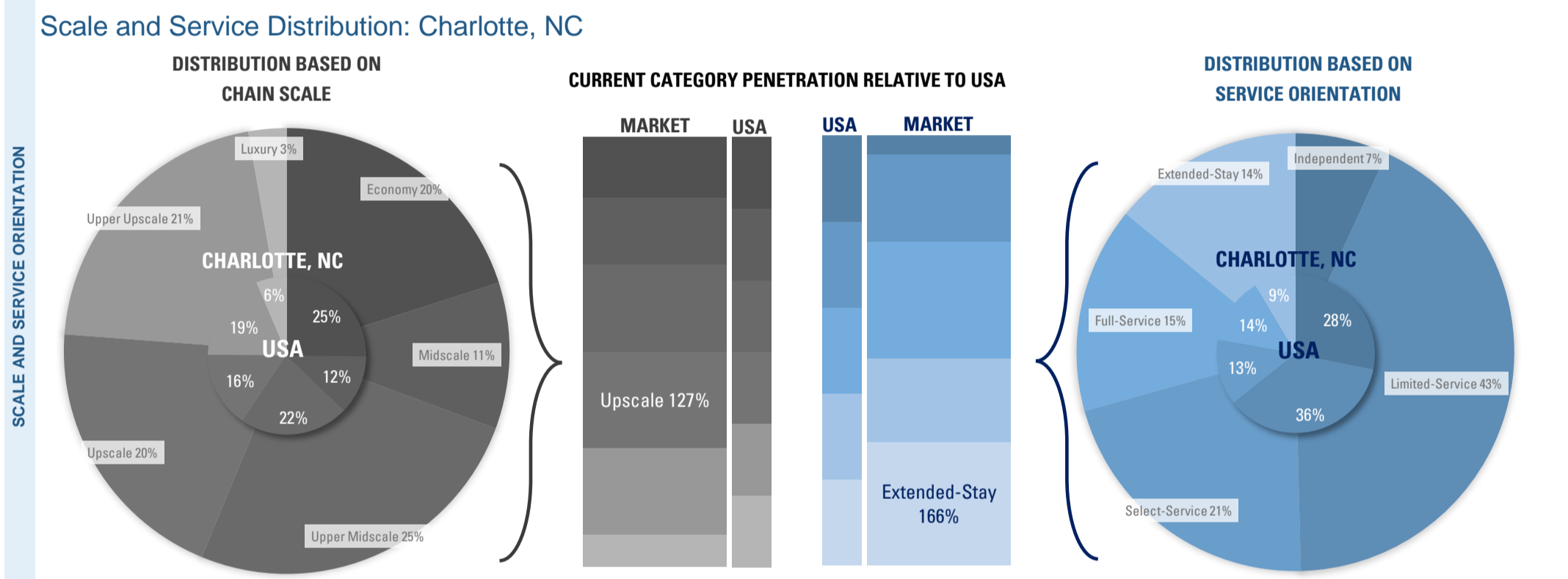
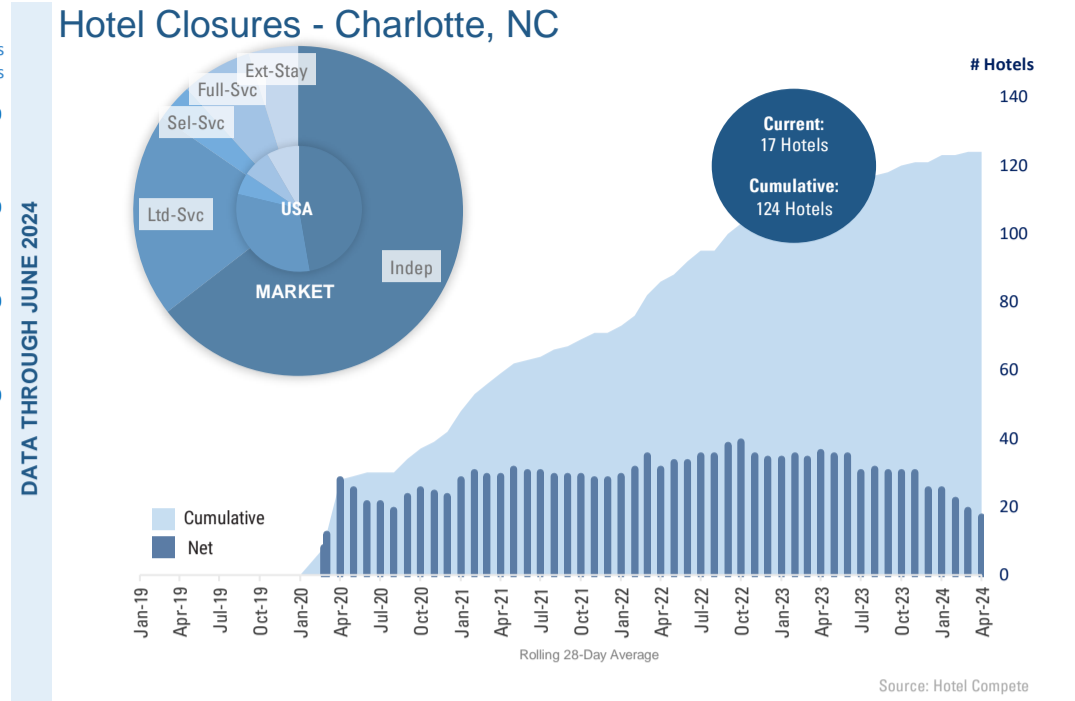
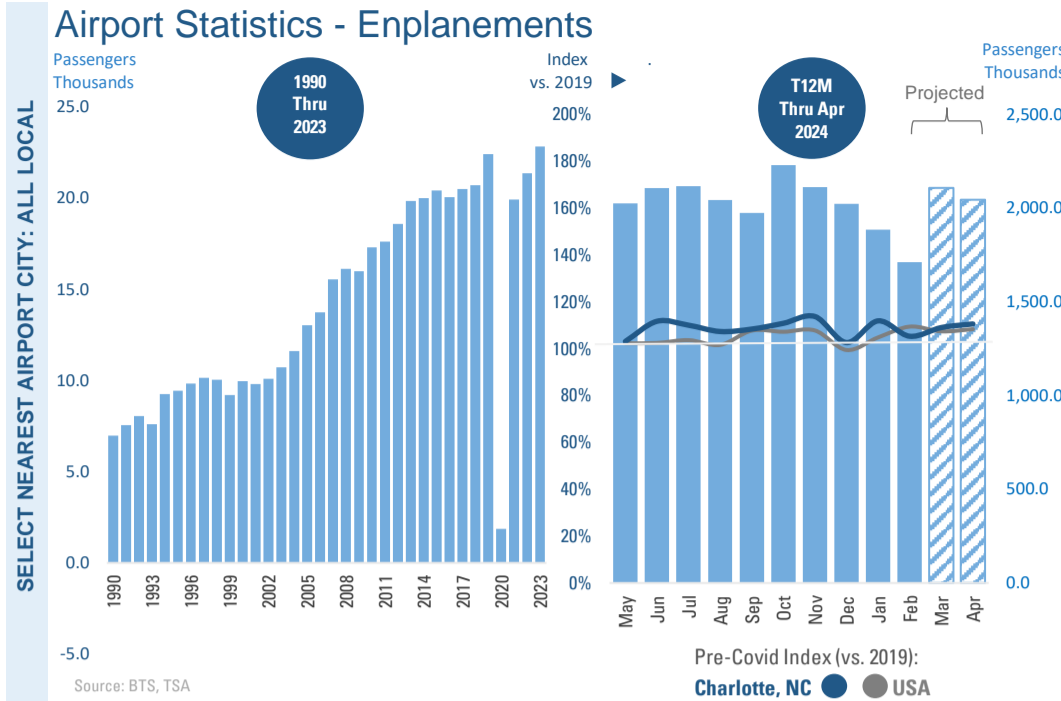
**Expansion**  
1.4%  
22nd Percentile: Below Average  
Attracts business investments  
Single-family housing is overvalued  
Low living costs  
Low business costs  
New building activity plateau

**Moody's Rating**

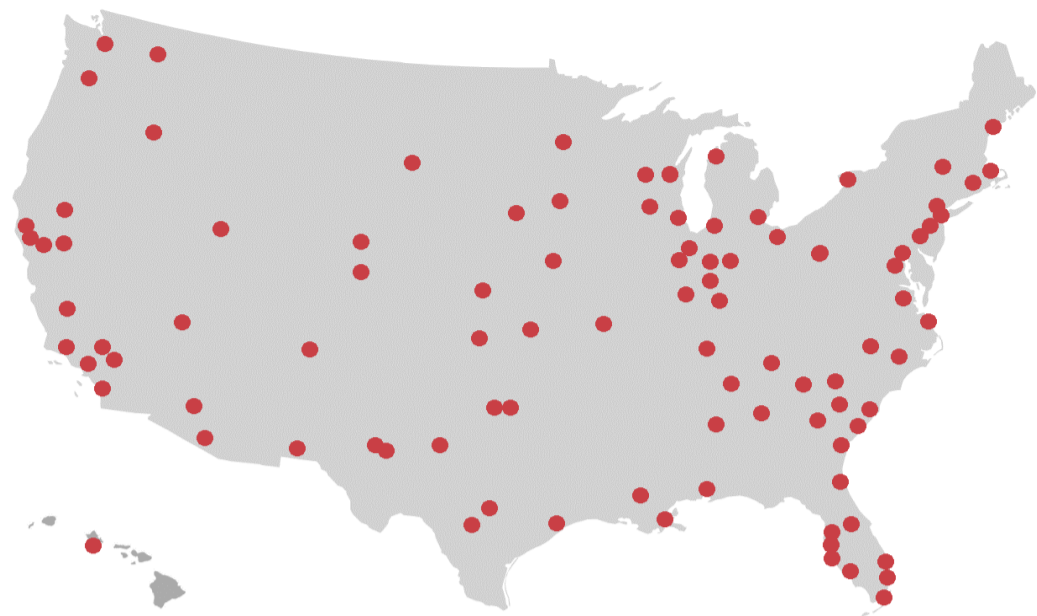
**Aaa**  
Investment Grade

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





# 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.

FOR INFORMATION CONTACT:

**Bryan Younge MAI, ASA, FRICS**

Executive Vice President, Valuation & Advisory,  
Specialty Practice Leader – Hospitality, Gaming & Leisure  
m 773-263-4544  
bryan.younge@nmrk.com

### CONTACT: MID-ATLANTIC MARKETS

#### FOR MORE INFORMATION

**Brian Johnson**  
Executive Vice President  
Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
Mid-Atlantic Markets  
m 434-996-2323  
brian.johnson@nmrk.com

**Bryan Younge, MAI, ASA, FRICS**  
Senior Managing Director  
Practice Leader - Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
Americas  
M 773.263.4544  
bryan.younge@nmrk.com

### MARKET DISCLAIMERS

#### COPYRIGHT INFORMATION

© 2024 by Newmark. All information contained in this publication is derived from sources that are deemed to be reliable. However, Newmark has not verified any such information, and the same constitutes the statements and representations only of the source thereof, and not of Newmark. Any recipient of this publication should independently verify such information and all other information that may be material to any decision that recipient may make in response to this publication and should consult with professionals of the recipient's choice regarding all aspects of that decision, including its legal, financial, and tax aspects and implications. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains.