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1Q 2024

Hotel Market Nsights Report

CINCINNATI, OH

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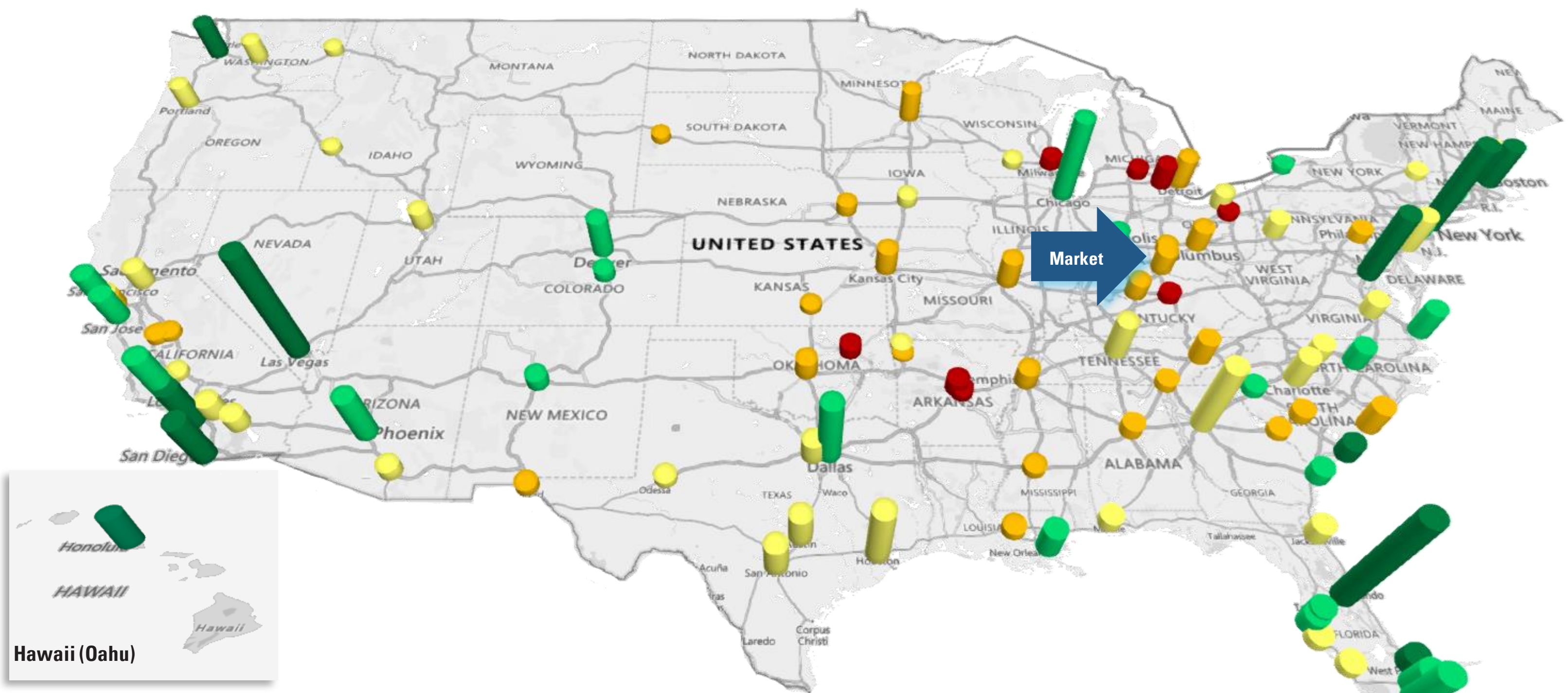
HOTEL MARKET NSIGHTS REPORT

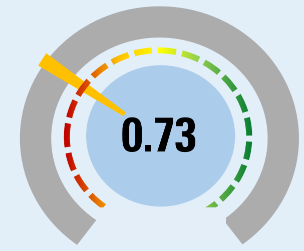
1Q 2024
CINCINNATI, OH

Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

Cincinnati, OH

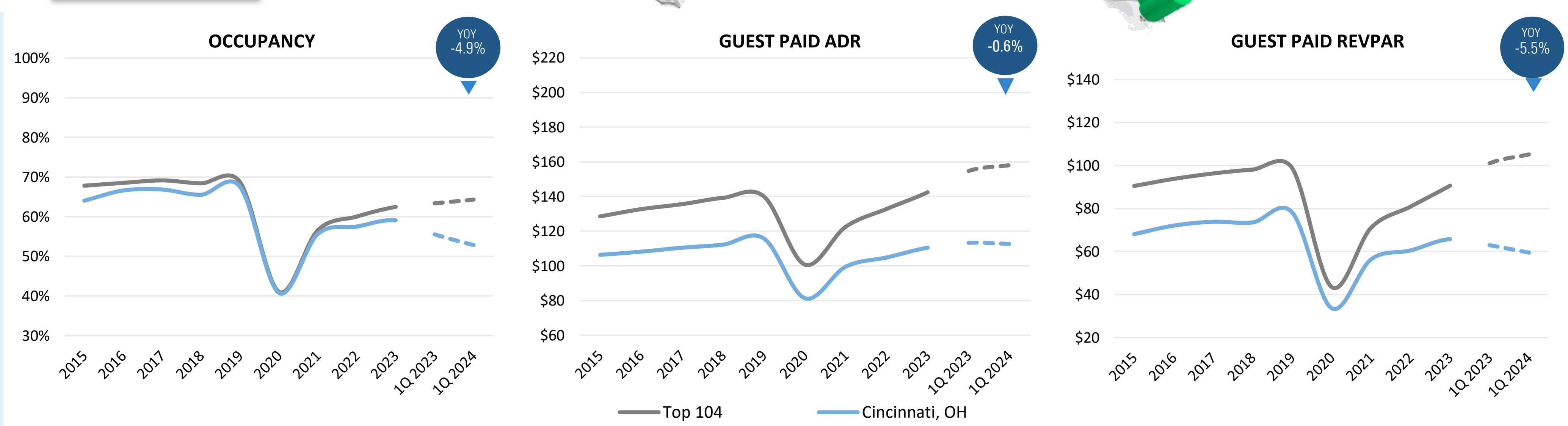


89th of 104

Below Average

Ranking of overall '1Q 2024 LPI' performance (0.73) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

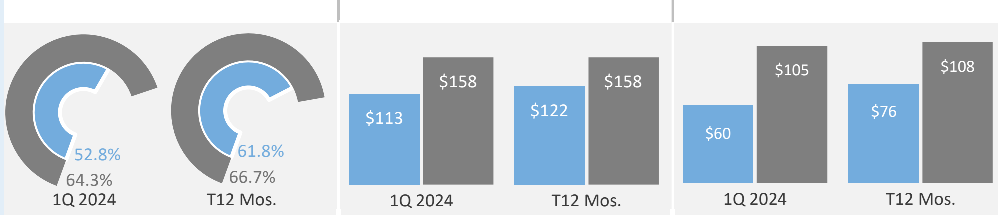


PERFORMANCE INDEXES

Key Performance Indexes

Subject Market Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	



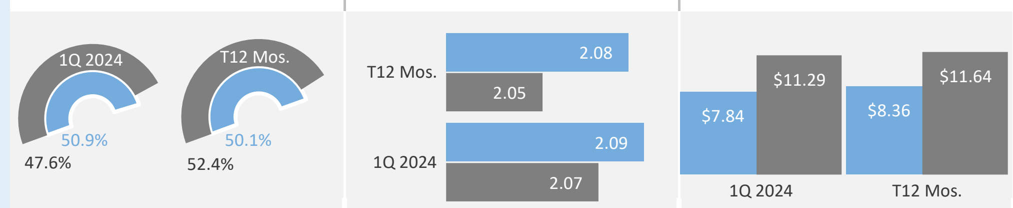
87th	72nd	75th	67th	84th	71st

BENCHMARK INDEXES

Key Benchmark Indexes

kalibri LABS

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	

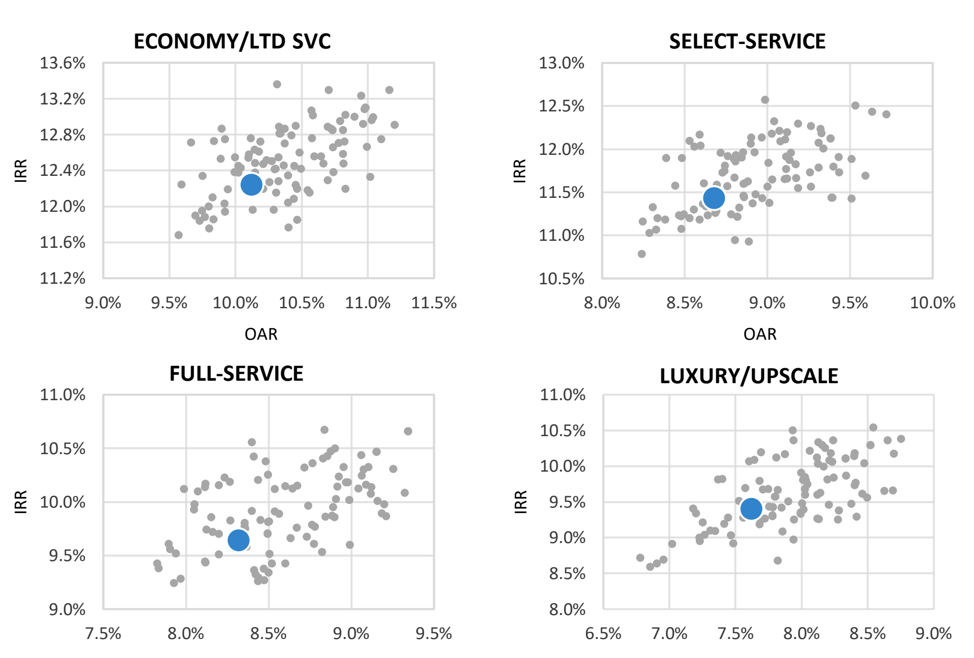


28th	25th	46th	44th	32nd	34th

INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
70th Below Average Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	29th Above Average Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	18th Above Average Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets

RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
11th Above Average Assessment of market supply growth over past 12 months relative to Top 104 markets	35th Average Risk Measure of current employment health over past two years relative to Top 104 markets	32nd Above Average Assessment of health and diversity of lodging demand generators relative to Top 104 markets

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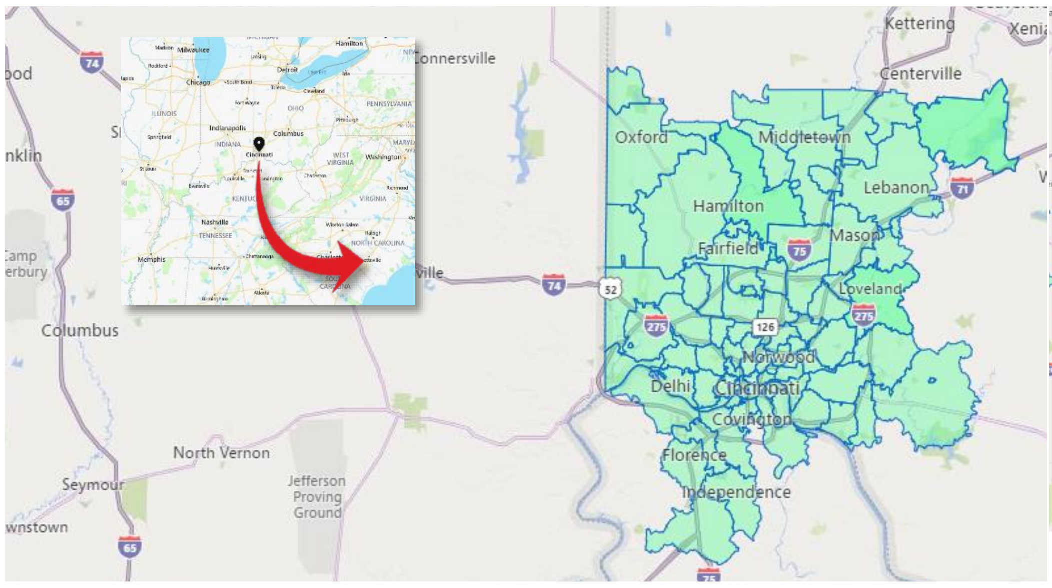
Location



Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Cincinnati
County:	Hamilton County
State:	Ohio
Geo Coordinates (market center):	39.10346, -84.51527

Major Hotel Demand Generators

Cincinnati Children's Hospital Medical Center | Kroger Co. | Cincinnati/Northern Kentucky International Airport | TriHealth Inc. | UC Health | Mercy Health | University of Cincinnati | Procter & Gamble Co. | General Electric | St. Elizabeth Healthcare | Fifth Third Bancorp | The Christ Hospital Corp. | Kings Island | Miami University | Fidelity Investments | Staffmark Group LLC | Macy's Inc. | Amazon.com LLC | Cincinnati Financial Group | U.S. Bank National Association

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,622,700	38th of 104 (Average)
Income per Capita	$36,429	91st of 104 (Soft)
Feeder Group Size	86.6 Persons PSR	69th of 104 (Below Average)
Feeder Group Earnings	$3,154,935 PSR	42nd of 104 (Average)
Total Market Hotel Revenues	$836.0 million	47th of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE ADR	COPE RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
2015	64.0%	$106.38	$68.10	$98.22	$62.88	$8.15	92.3%	52.0%	2.02	27,580	0.86
2016	66.6%	$108.21	$72.07	$99.62	$66.35	$8.59	92.1%	53.3%	2.00	27,780	1.00
2017	66.8%	$110.48	$73.84	$101.59	$67.90	$8.89	92.0%	52.9%	1.94	28,080	0.95
2018	65.5%	$112.26	$73.56	$103.28	$67.67	$8.98	92.0%	55.5%	1.92	27,560	0.88
2019	67.5%	$115.82	$78.21	$106.48	$71.90	$9.33	91.9%	59.7%	1.89	30,530	1.14
2020	40.8%	$81.35	$33.65	$76.08	$31.02	$5.27	93.5%	41.2%	2.40	29,020	0.84
2021	55.6%	$99.57	$56.36	$92.79	$51.62	$6.78	93.2%	45.1%	2.16	29,090	0.88
2022	57.5%	$104.89	$60.52	$97.72	$56.19	$7.17	93.2%	46.1%	2.14	29,190	0.82
2023	59.1%	$110.53	$65.77	$103.01	$60.84	$7.51	93.2%	46.6%	2.13	29,270	0.83
CAGR: 2015 thru 2023	-1.0%	0.5%	-0.4%	0.6%	-0.4%	-1.0%	0.1%	-1.4%	0.6%	0.7%	-0.6%
1Q 2023	55.5%	$113.34	$62.94	$105.53	$58.60	$7.81	93.1%	50.3%	2.10	29,490	0.90
1Q 2024	52.8%	$112.66	$59.50	$104.82	$55.36	$7.84	93.0%	50.9%	2.09	30,270	0.73

Notable Metrics

HIGHEST

OAR: Luxury/Upscale	Latest-Quarter Loyalty Contribution	OAR: Full-Service
24th	**28th**	**25th**
Favorable	**Above Average**	**Favorable**
Cincinnati, OH exhibited favorable OAR metrics in the luxury/upscale segment (7.6%)	The market exhibited strong latest–quarter loyalty contribution (50.9%)	The market also posted favorable OAR metrics in the full–service segment (8.3%)

LOWEST

Economy Median Income	Latest-Quarter LPI	Latest-Quarter Occupancy
91st	**89th**	**87th**
Soft	**Below Average**	**Below Average**
This market was stymied by weak Economy Median Income ($36,429)	The market posted weak latest–quarter LPI (0.73)	Cincinnati, OH also exhibited weak latest–quarter occupancy (52.8%)

Notable Trends

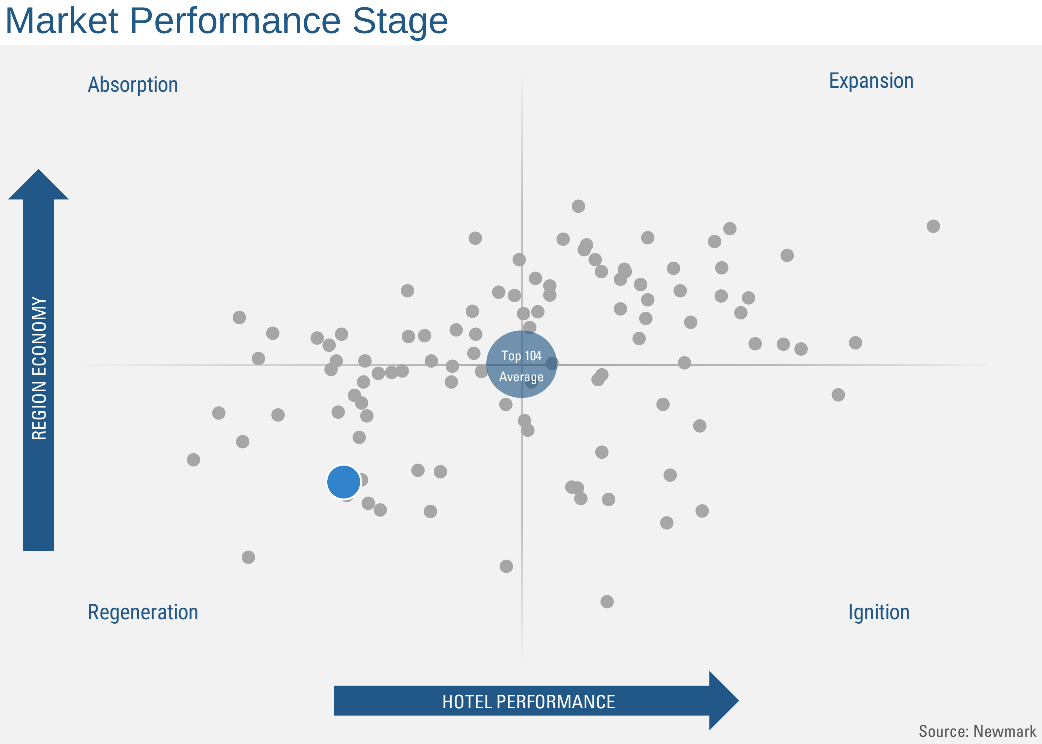
STRONGEST

Long-Term Historical Booking Costs POR Growth	Long-Term Historical Average Length of Stay Growth	Long-Term Historical Supply Growth
33rd	**46th**	**47th**
Above Average	**Average**	**Average**
Cincinnati, OH has benefited from low long–term historical booking costs POR growth (2.0%)	The market enjoyed strong long–term historical average length of stay growth (0.5%)	The market also has benefited from low long–term historical supply growth (1.2%)

WEAKEST

T12-Month Rooms Supply Growth	Overall Health of Hotel Market	General Economy Reverence
94th	**90th**	**90th**
Soft	**Soft**	**Soft**
The market has been hindered by high rooms supply growth over the last 12 months (2.6%)	We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	Cincinnati, OH also posted weak general economic reverence (per–capita unemployment, GDP and other indicators)

Market Performance Stage



Cincinnati, OH: Regeneration Stage

Regeneration

The Cincinnati, OH market is currently in the 'Regeneration' stage of the performance cycle. In this 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 Detroit, MI; Knoxville, TN; and Myrtle Beach, SC.

Other Stages:

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.

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.

MOODYS ANALYTICS

Industry Observations

Business Cycle:	At Risk
Employment Growth (2 yr):	0.8%
Risk Exposure (402 US markets):	57th Percentile: Average Risk
Key Industry Notes:	Strong transportation network
	Educated, skilled workforce
	Low living and business costs
	High population growth
	High exposure to trade policy changes

Moody's Rating

Aa2

Investment Grade

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

TOP 10 BRANDS

Source: Newmark

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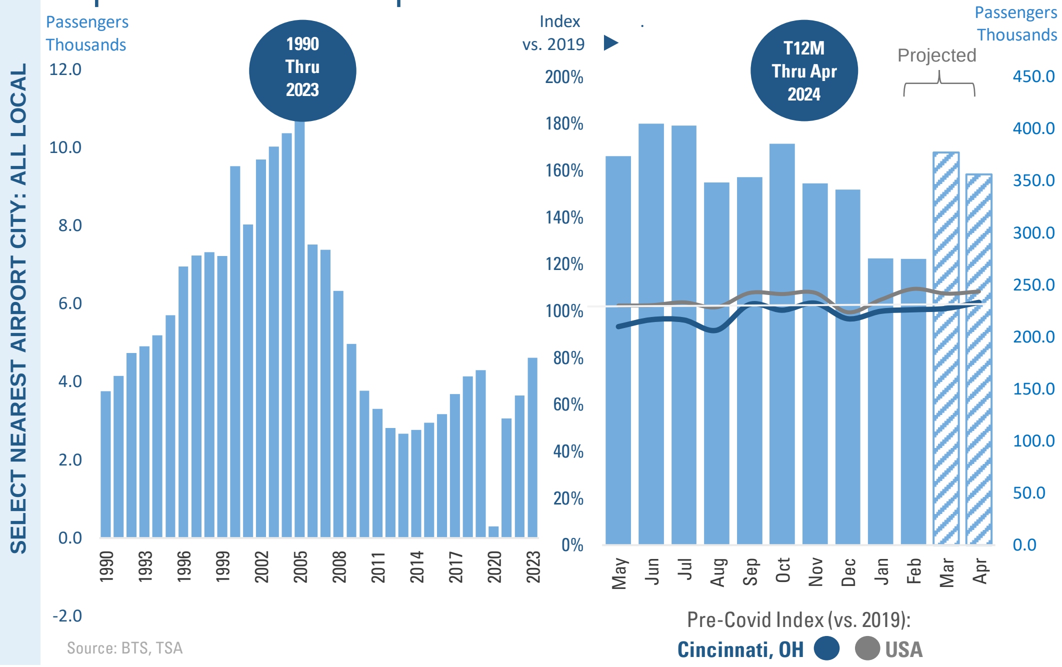
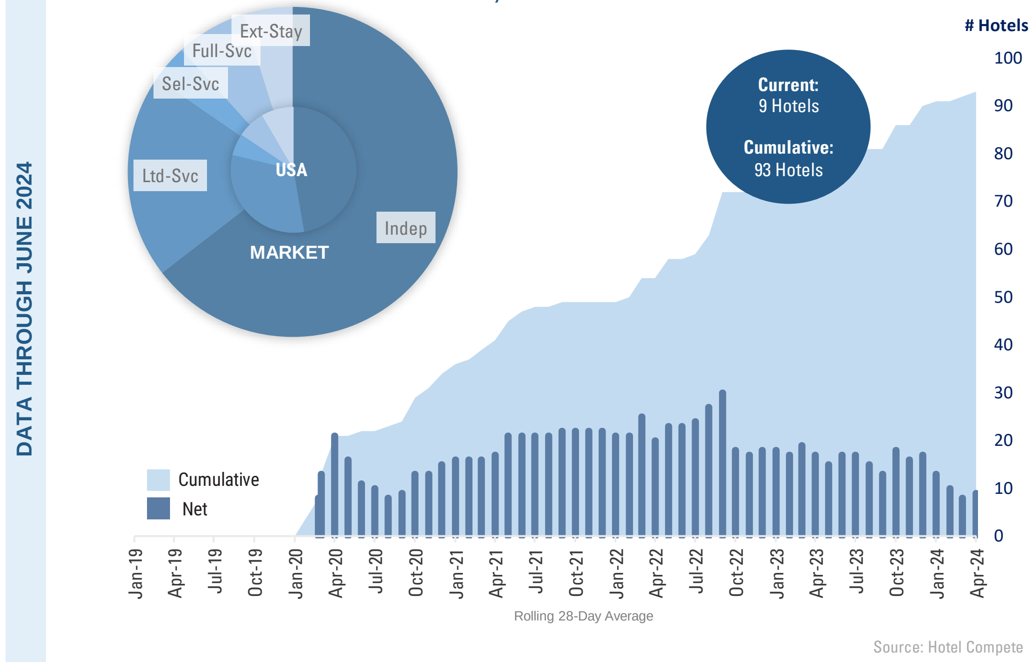
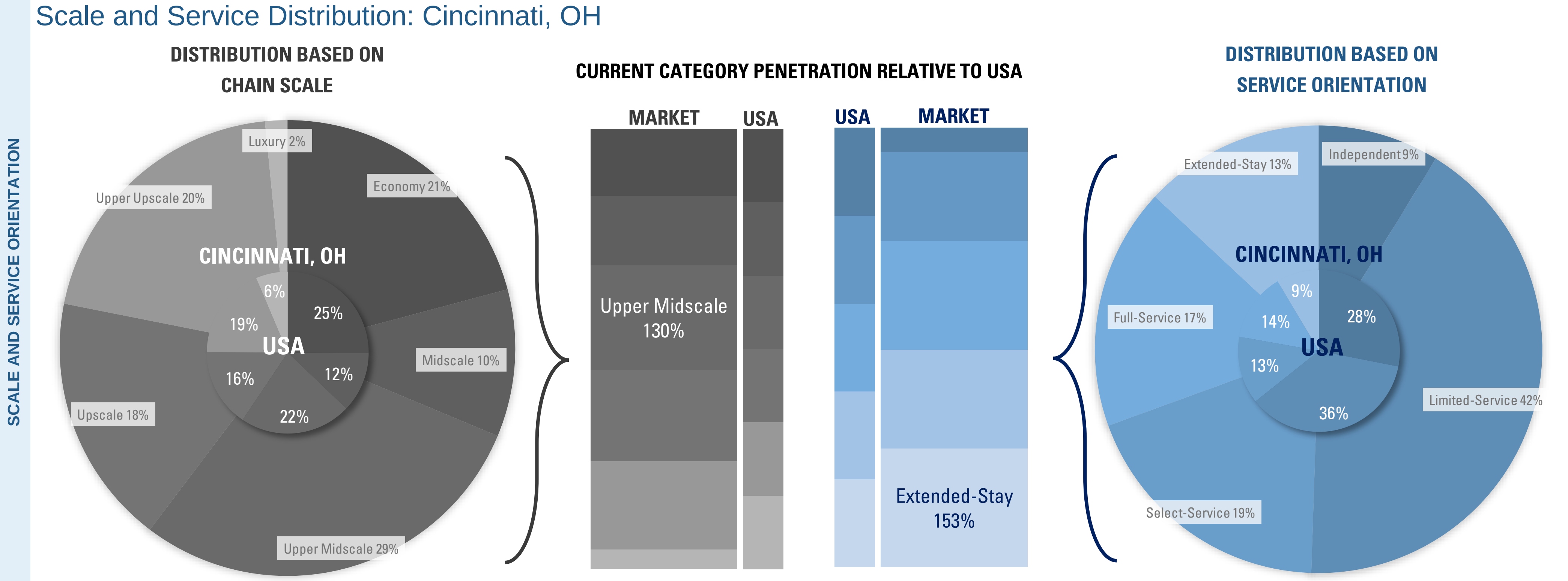
Airport Statistics - Enplanements



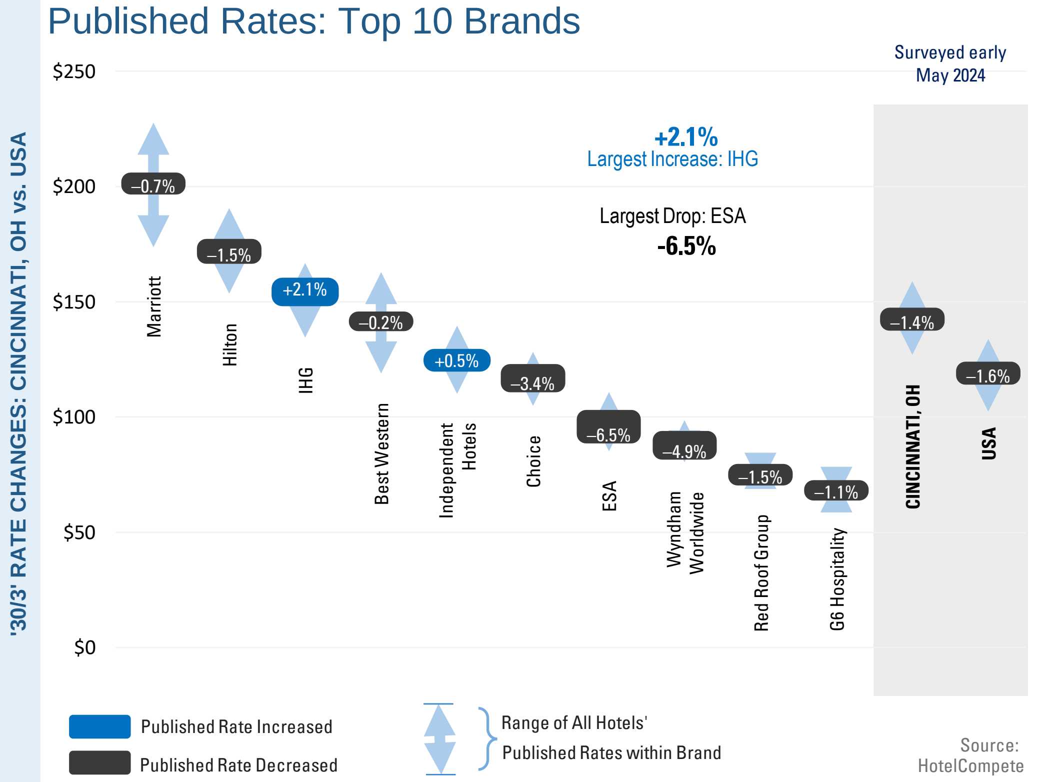
Hotel Closures - Cincinnati, OH



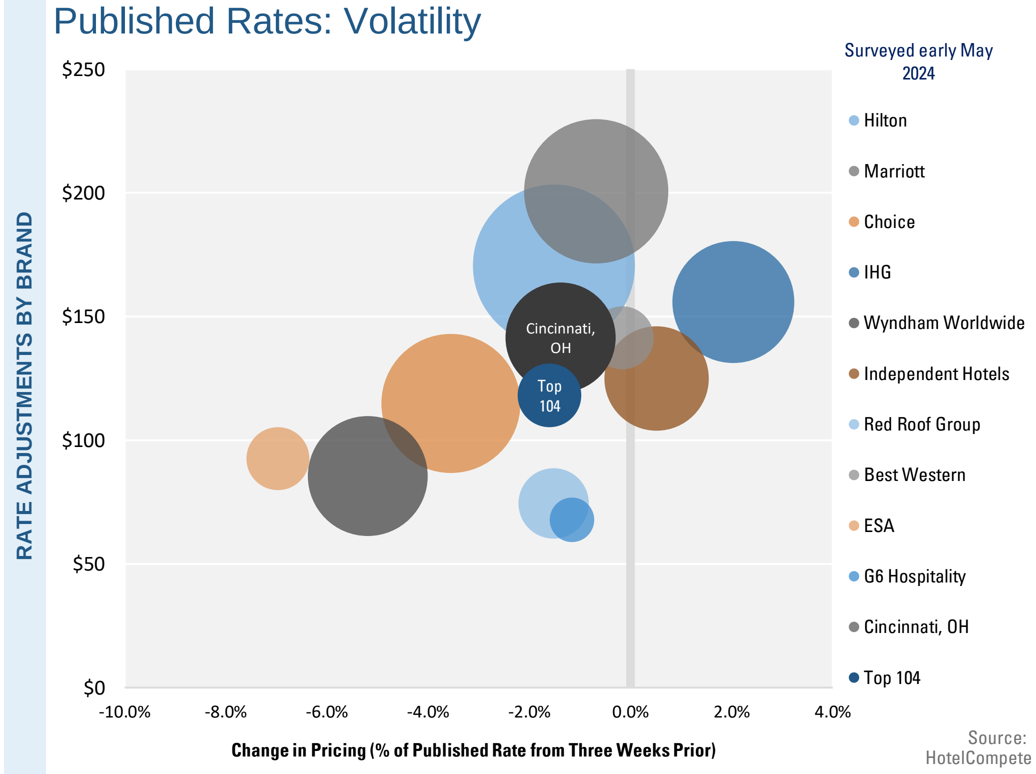
Scale and Service Distribution: Cincinnati, OH



Published Rates: Top 10 Brands



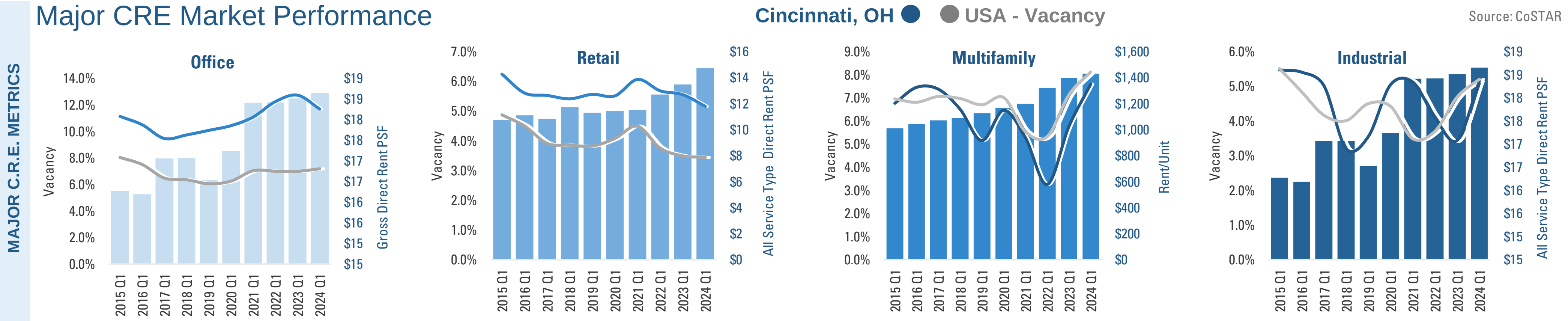
Published Rates: Volatility



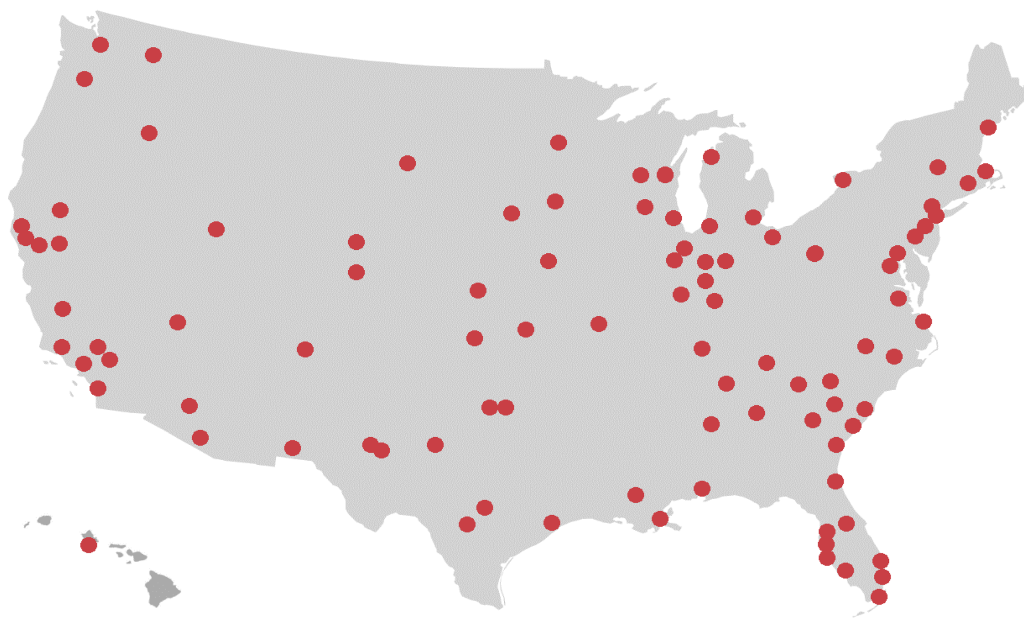
Major CRE Market Performance

Cincinnati, OH USA - Vacancy

Source: CoSTAR



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:

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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

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Economic Impact
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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.

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

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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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