

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

COLORADO SPRINGS, CO



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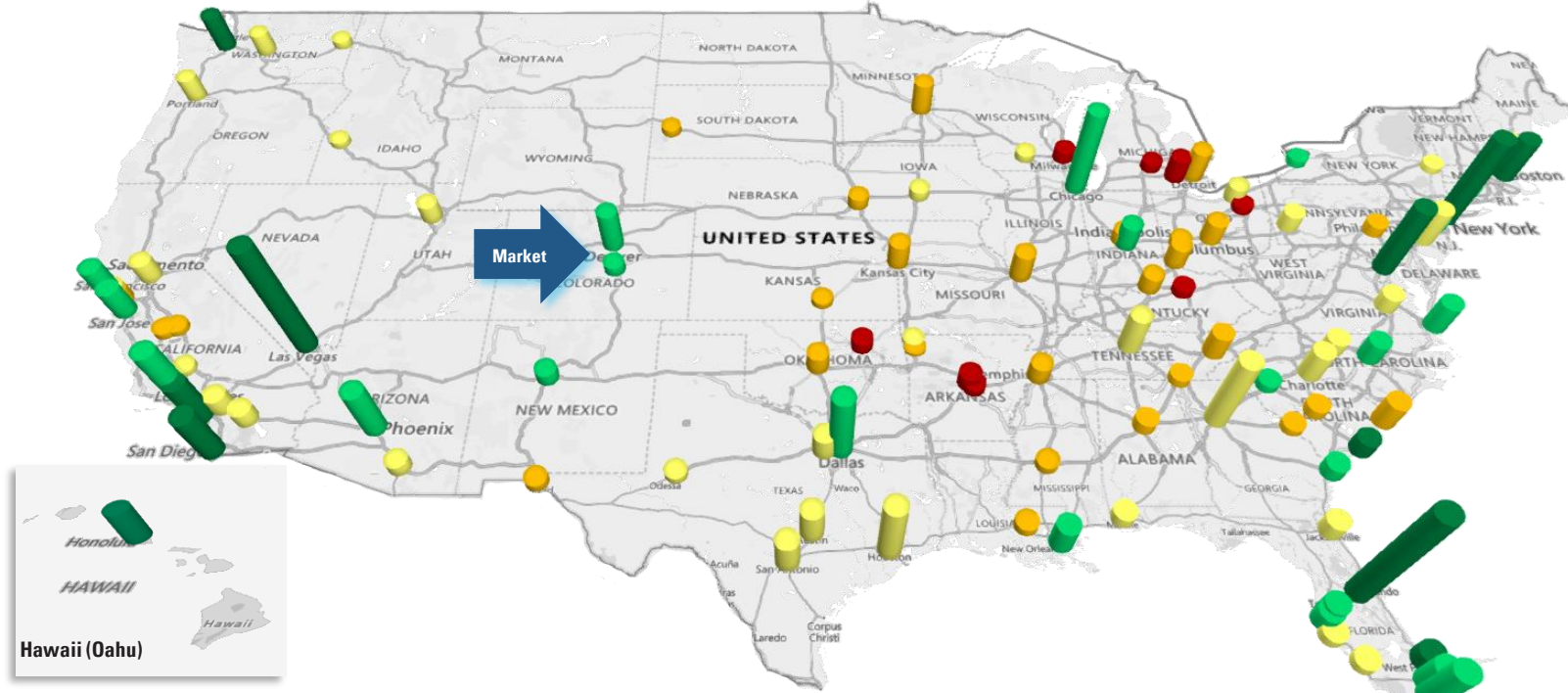
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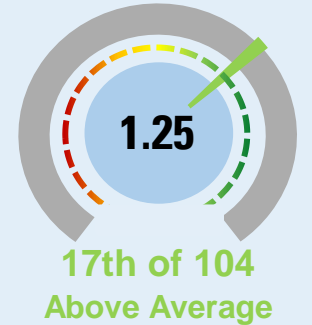


Lodging Performance Index Snapshot

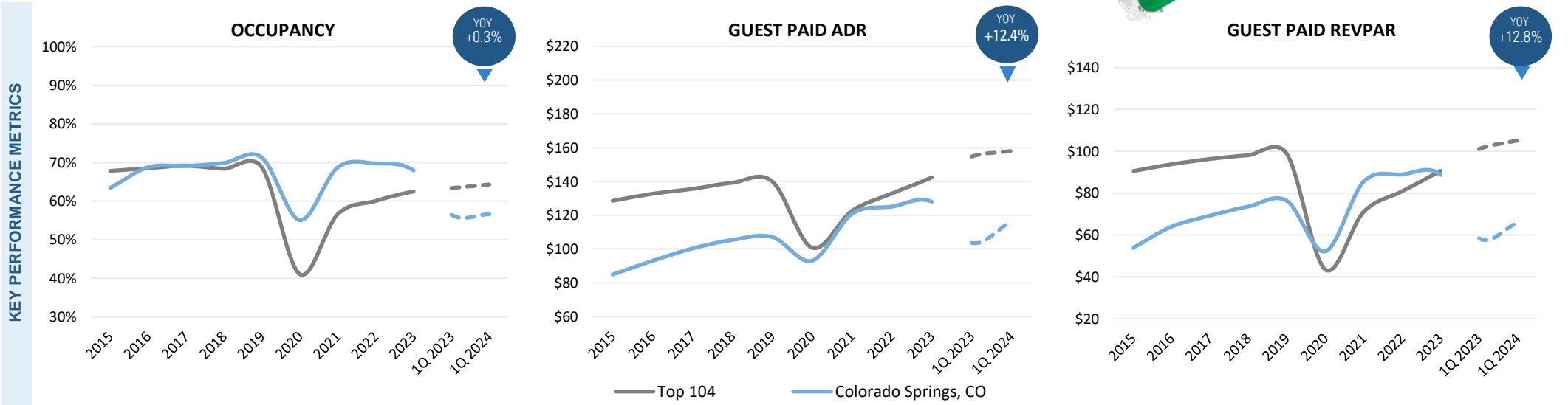


LODGING PERFORMANCE INDEX

Colorado Springs, CO



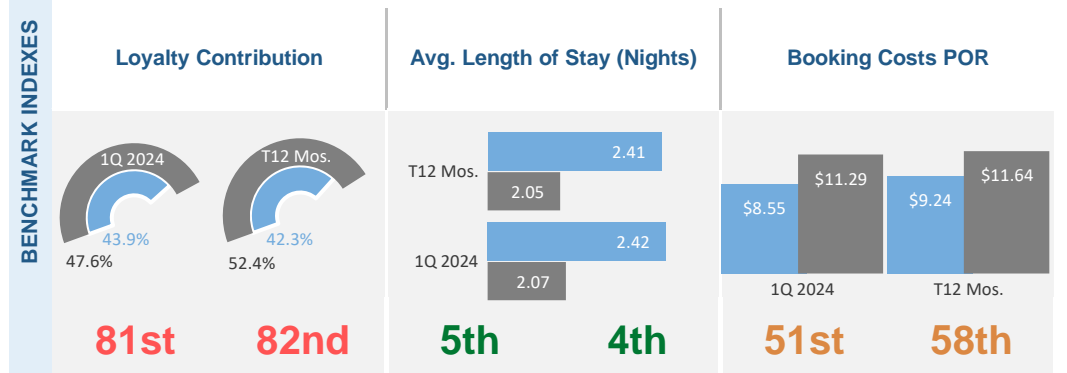
Ranking of overall 1Q 2024 LPI performance (1.25) against all 104 surveyed markets.



Key Performance Indexes

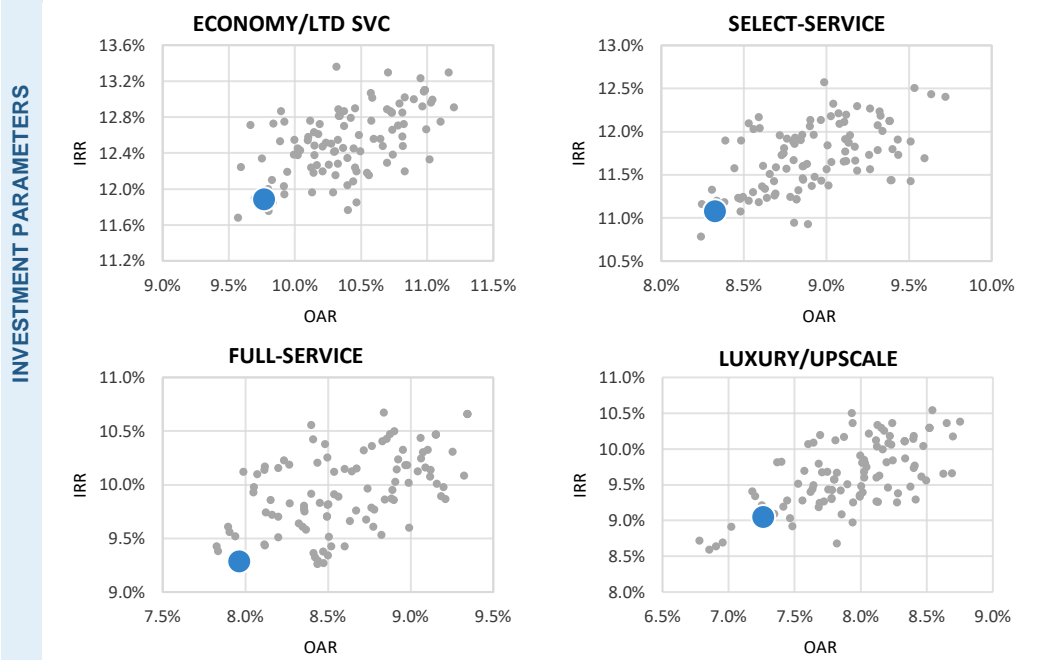


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

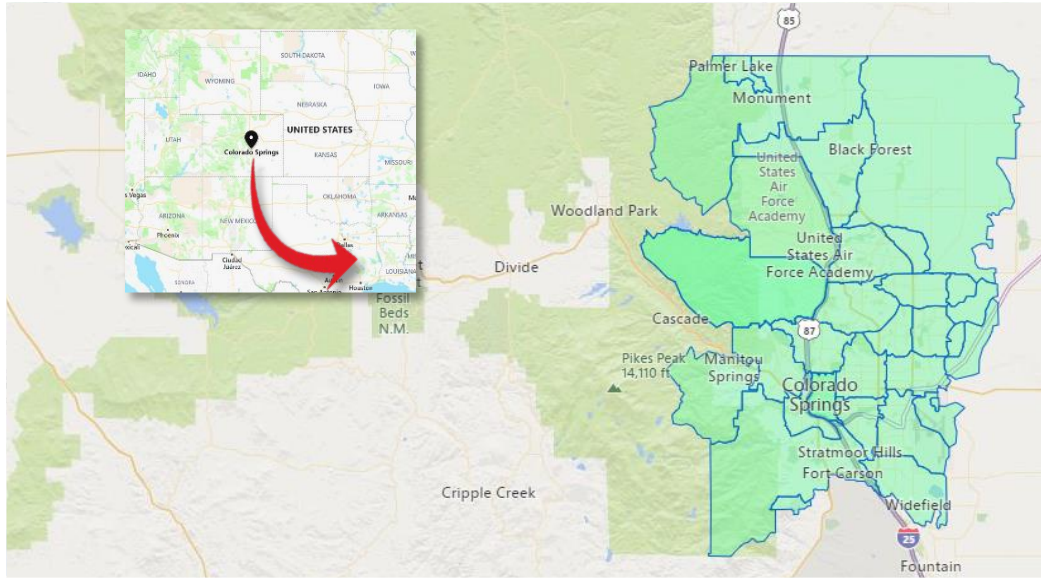


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Colorado Springs  
 County: El Paso County  
 State: Colorado  
 Geo Coordinates (market center): 38.83388, -104.82136

**Major Hotel Demand Generators**

Fort Carson | Peterson Air Force Base | Schriever Air Force Base | UCHealth Memorial Hospital | Air Force Academy | Hewlett-Packard | Memorial Hospital | Penrose-St. Francis Health Services | USAA | Lockheed Martin Integrated Systems | Northrop Grumman Corp. | Verizon | Children's Hospital of Colorado | Martin Senour Automotive Finishes | Compassion International Inc. | Evans Army Hospital | Atmel Corp. | The Broadmoor | University of Colorado | Checks Unlimited

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	522,092	82nd of 104 (Below Average)
Income per Capita	\$58,158	22nd of 104 (Above Average)
Feeder Group Size	60.0 Persons PSR	33rd of 104 (Above Average)
Feeder Group Earnings	\$3,488,383 PSR	50th of 104 (Average)
Total Market Hotel Revenues	\$389.9 million	71st 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	63.4%	\$84.85	\$53.78	\$78.77	\$49.92	\$6.09	92.8%	44.7%	2.38	11,050	0.87
2016	68.8%	\$93.00	\$63.94	\$85.83	\$59.01	\$7.17	92.3%	46.5%	2.43	11,010	1.28
2017	69.1%	\$100.28	\$69.26	\$92.06	\$63.58	\$8.22	91.8%	50.0%	2.34	11,360	1.19
2018	69.9%	\$105.35	\$73.62	\$96.78	\$67.63	\$8.57	91.9%	52.5%	2.35	11,220	1.18
2019	71.3%	\$107.15	\$76.37	\$98.43	\$70.16	\$8.72	91.9%	57.9%	2.32	12,190	1.29
2020	55.1%	\$93.07	\$52.16	\$86.24	\$47.49	\$6.83	92.7%	36.1%	2.57	12,270	1.38
2021	68.7%	\$120.76	\$85.52	\$111.52	\$76.65	\$9.24	92.3%	36.2%	2.38	12,380	1.43
2022	69.8%	\$125.12	\$88.96	\$115.55	\$80.61	\$9.57	92.4%	36.7%	2.37	12,470	1.12
2023	67.9%	\$128.00	\$88.74	\$118.30	\$80.36	\$9.70	92.4%	37.0%	2.36	12,640	1.09
<b>CAGR: 2015 thru 2023</b>	<b>0.9%</b>	<b>5.3%</b>	<b>6.5%</b>	<b>5.2%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>-0.1%</b>	<b>-2.3%</b>	<b>-0.1%</b>	<b>1.7%</b>	<b>3.0%</b>
<b>1Q 2023</b>	56.4%	\$103.63	\$58.48	\$95.72	\$54.02	\$7.90	92.4%	38.9%	2.47	13,430	0.94
<b>1Q 2024</b>	56.6%	\$116.49	\$65.94	\$107.94	\$61.10	\$8.55	92.7%	43.9%	2.42	12,550	1.25

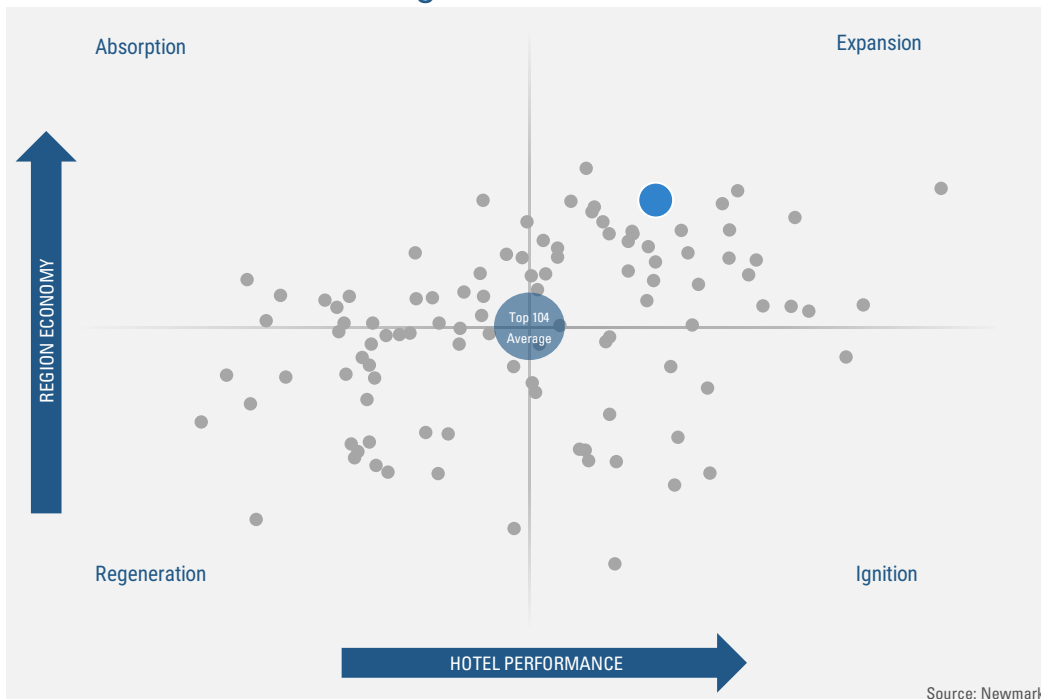
Notable Metrics

	T12-Month Average Length of Stay	IRR: Full-Service	Latest-Quarter LPI
<b>HIGHEST</b>	<b>4th Strong</b> Colorado Springs, CO benefited from strong T12-month average length of stay (2.41 Nights)	<b>4th Highly Favorable</b> The market enjoyed favorable IRR metrics in the full-service segment (9.3%)	<b>17th Above Average</b> The market also enjoyed strong latest-quarter LPI (1.26)
<b>LOWEST</b>	<b>82nd Below Average</b> This market has been hindered by weak T12-month loyalty contribution (42.3%)	<b>81st Below Average</b> The market has been hindered by weak latest-quarter loyalty contribution (43.9%)	<b>78th Below Average</b> Colorado Springs, CO also has been hampered by weak T12-month COPE ADR percentage (92.7%)

Notable Trends

	T12-Month Rooms Supply Growth	Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE RevPAR Growth
<b>STRONGEST</b>	<b>2nd Very Strong</b> Colorado Springs, CO exhibited low rooms supply growth over the last 12 months (-6.5%)	<b>3rd Very Strong</b> The market exhibited strong long-term historical Guest Paid RevPAR growth (5.3%)	<b>3rd Very Strong</b> The market also posted strong long-term historical COPE RevPAR growth (5.3%)
<b>WEAKEST</b>	<b>99th Soft</b> The market has been hindered by weak short-term historical occupancy growth (-2.9%)	<b>80th Below Average</b> We note this area exhibited high long-term historical booking costs POR growth (4.2%)	<b>79th Below Average</b> Colorado Springs, CO also exhibited weak short-term historical average length of stay growth (0.1%)

Market Performance Stage



Colorado Springs, CO: Expansion Stage

The Colorado Springs, CO 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: **At Risk**  
 Employment Growth (2 yr): **1.6%**  
 Risk Exposure (402 US markets): **28th Percentile: Below Average**  
 Key Industry Notes:  
 University of Colorado  
 Skilled workforce  
 Low living, business costs  
 Unstable private sector contracts  
 Low-skill industrial mix

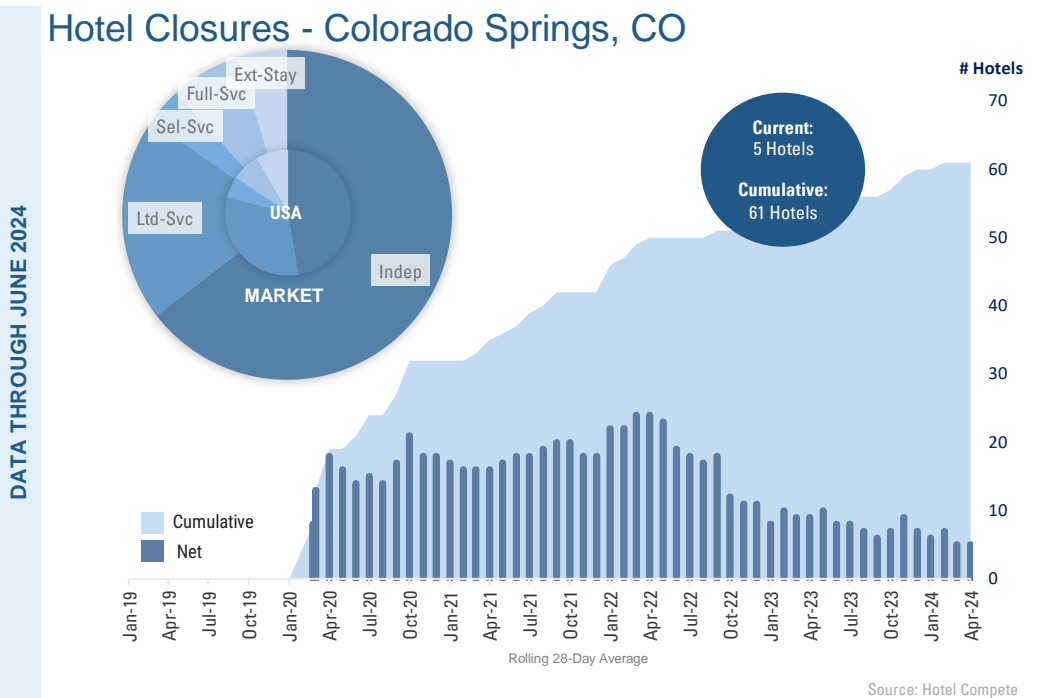
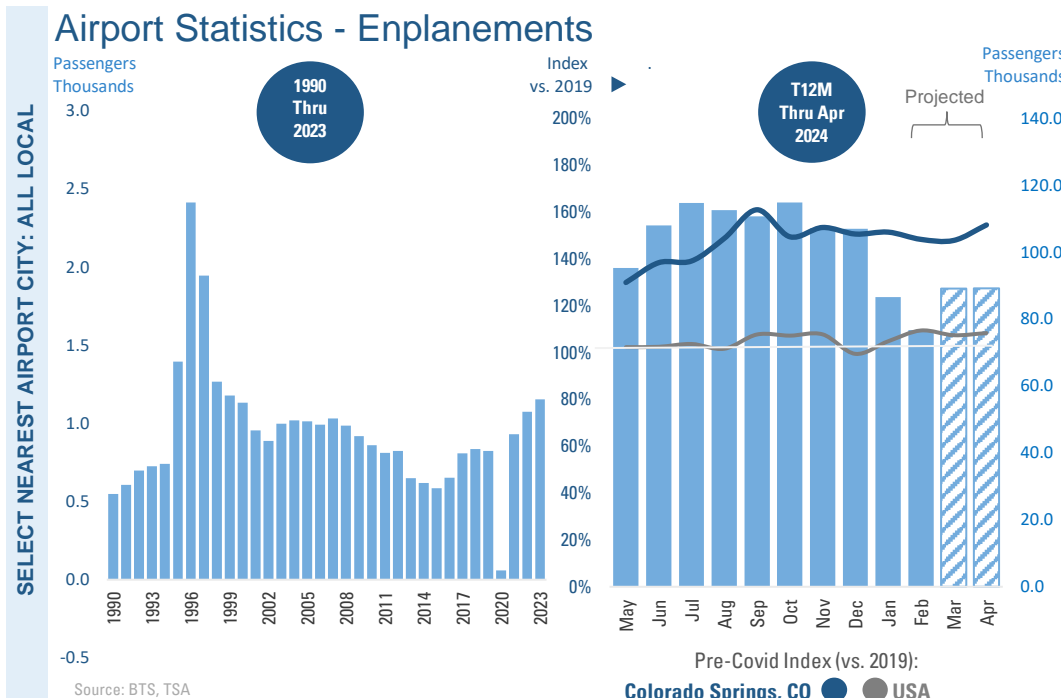
**Moody's Rating**

**Aa2**  
Investment Grade

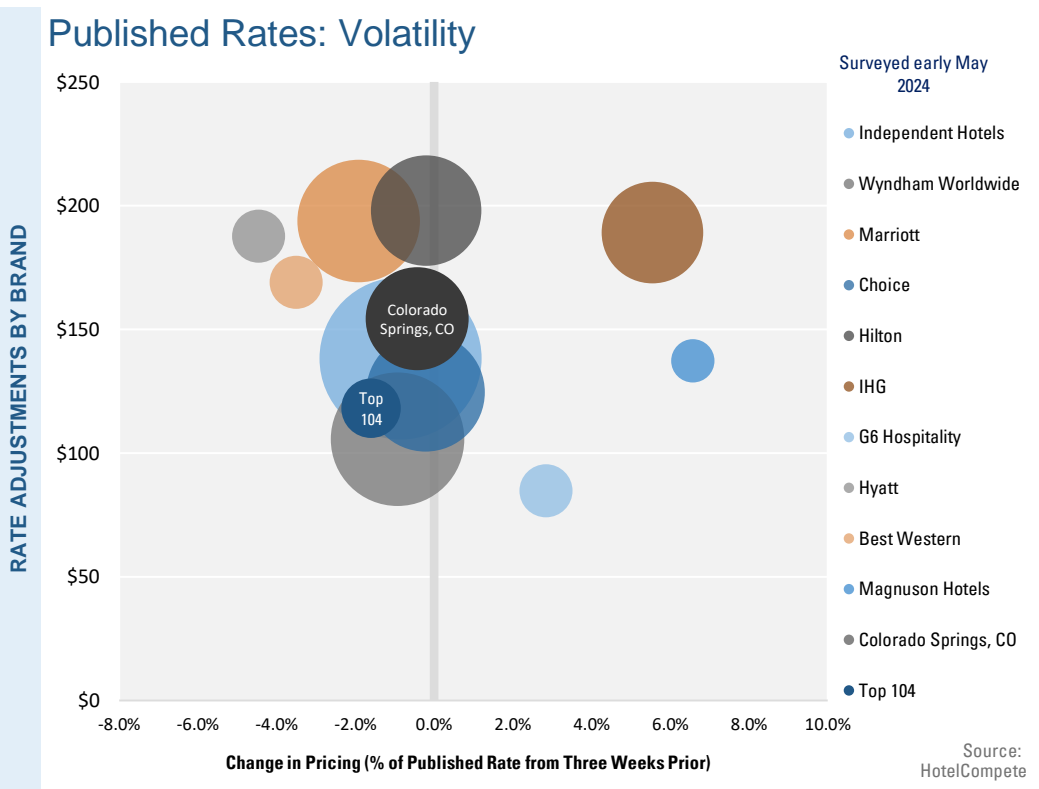
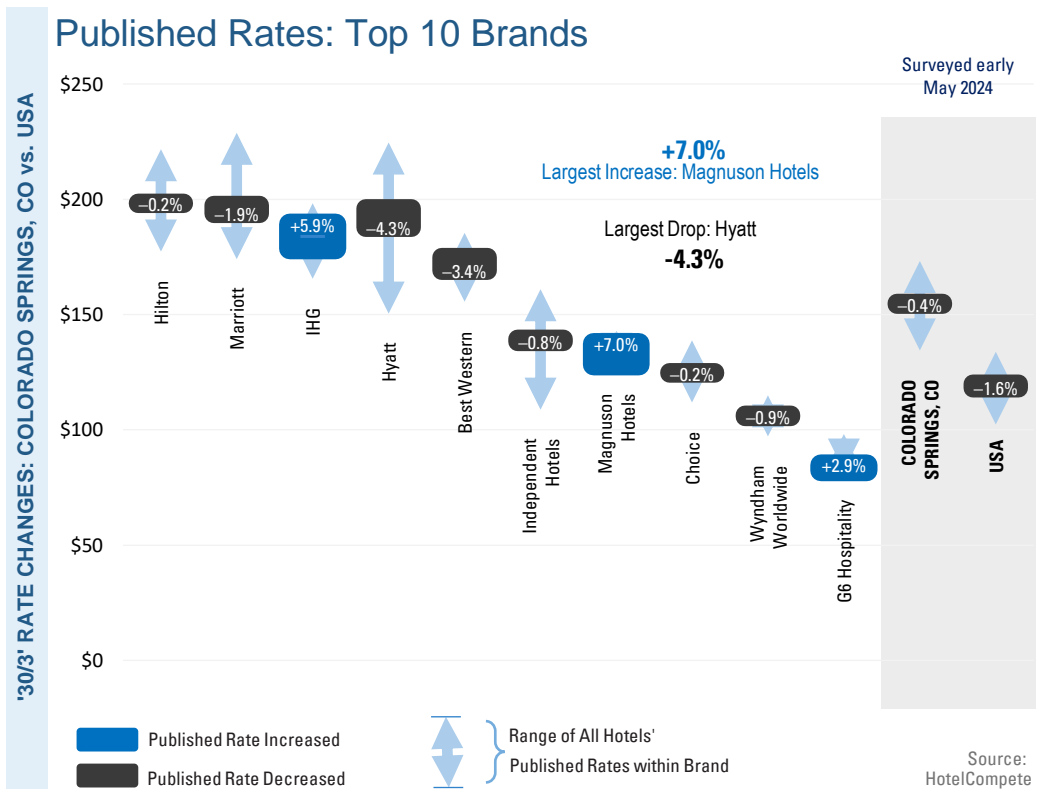
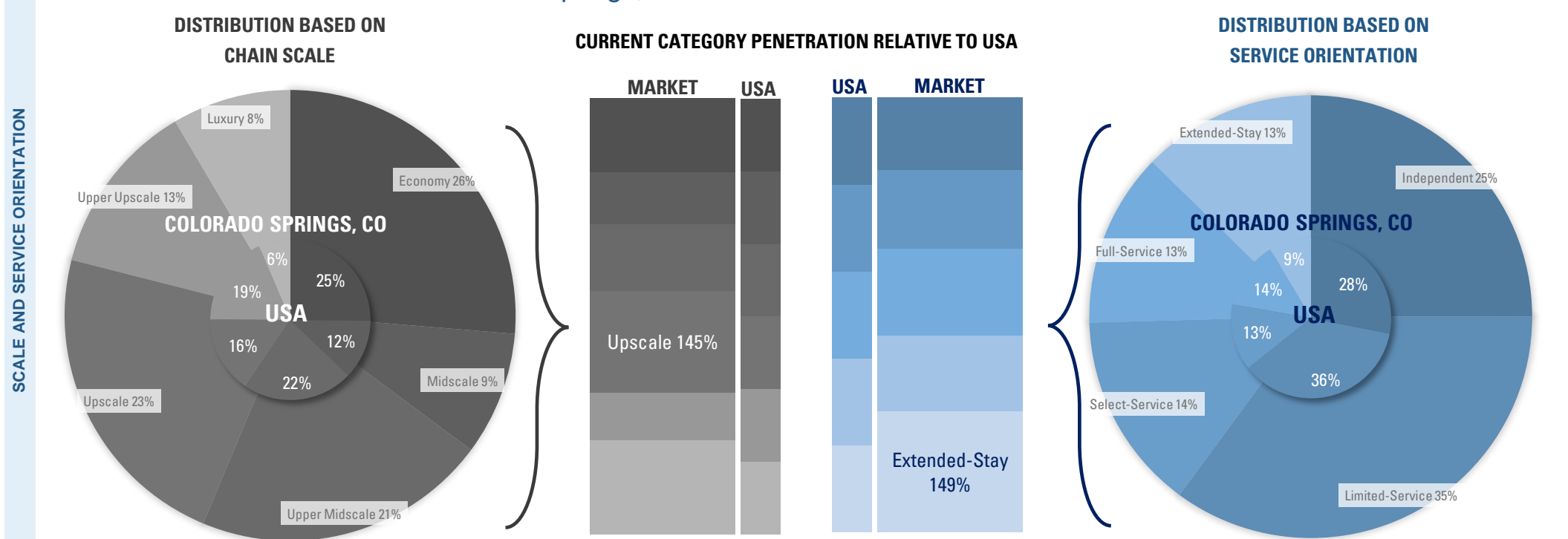
Long-term investment grade, Prime-1 short-term outlook



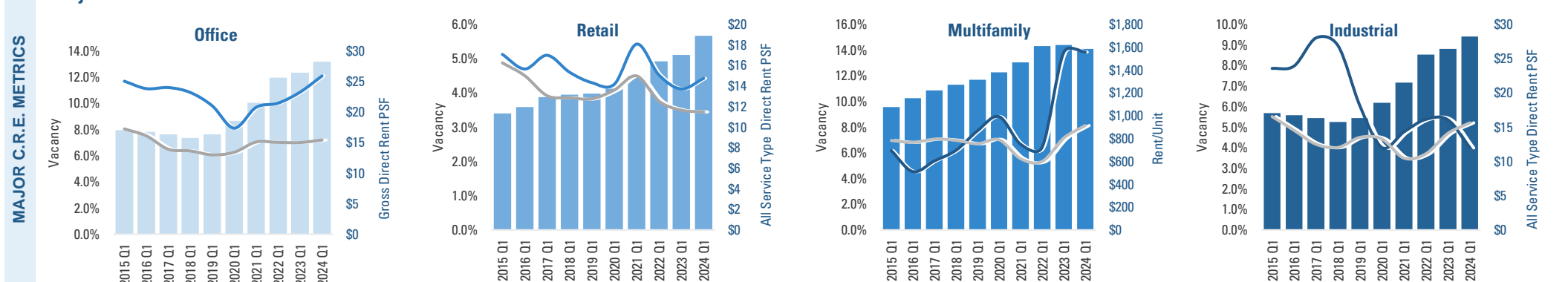




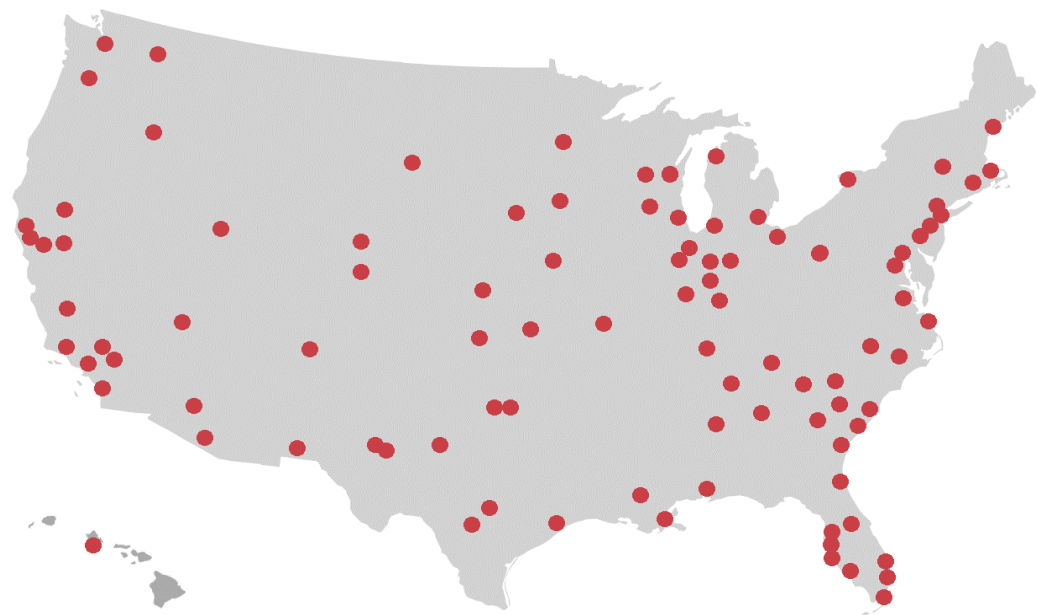
## Scale and Service Distribution: Colorado Springs, CO



## 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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