

NEWMARK

1Q 2024

Hotel Market Nsights Report

DALLAS, TX



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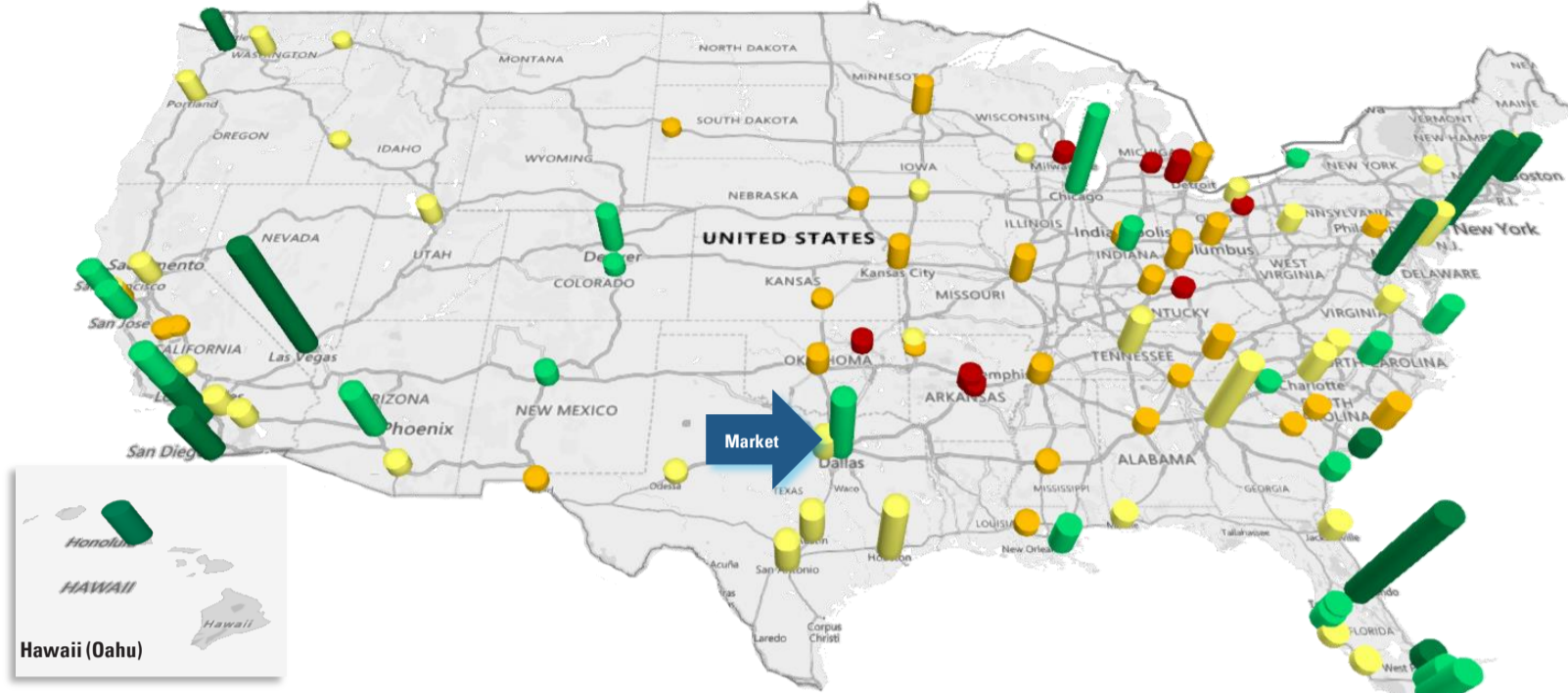
South US Markets

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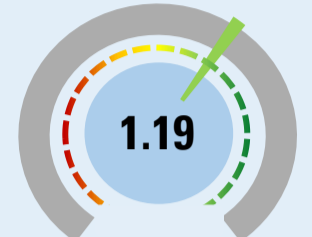


Lodging Performance Index Snapshot



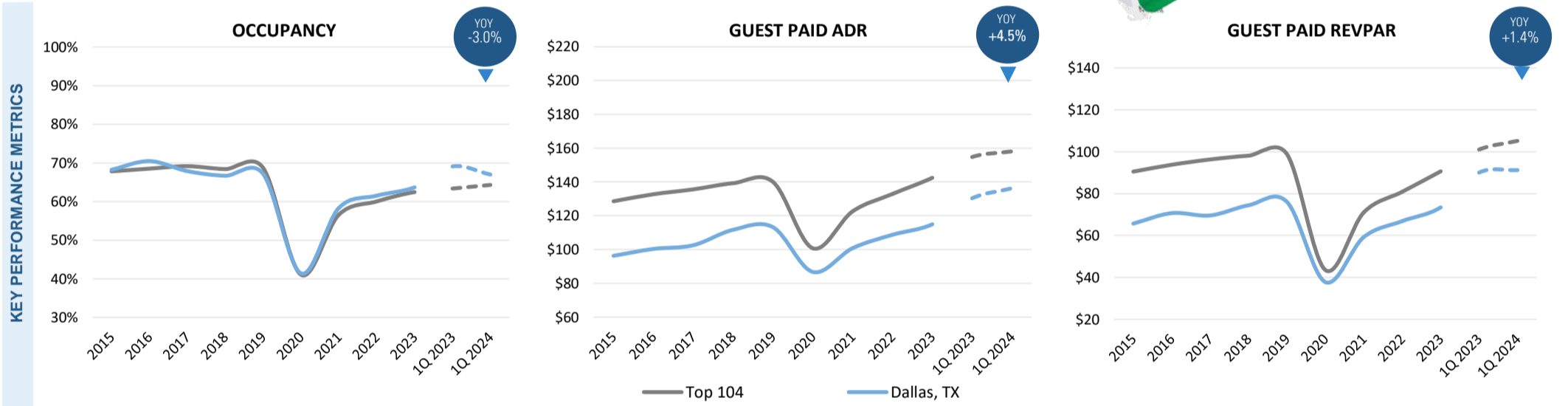
LODGING PERFORMANCE INDEX

Dallas, TX



26th of 104
Above Average

Ranking of overall '1Q 2024 LPI' performance (1.19) against all 104 surveyed markets.

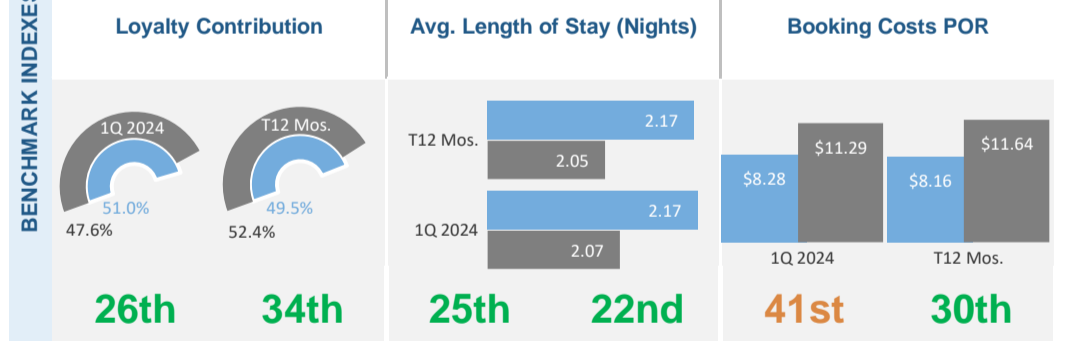


Key Performance Indexes

● Subject Market ● Top 104

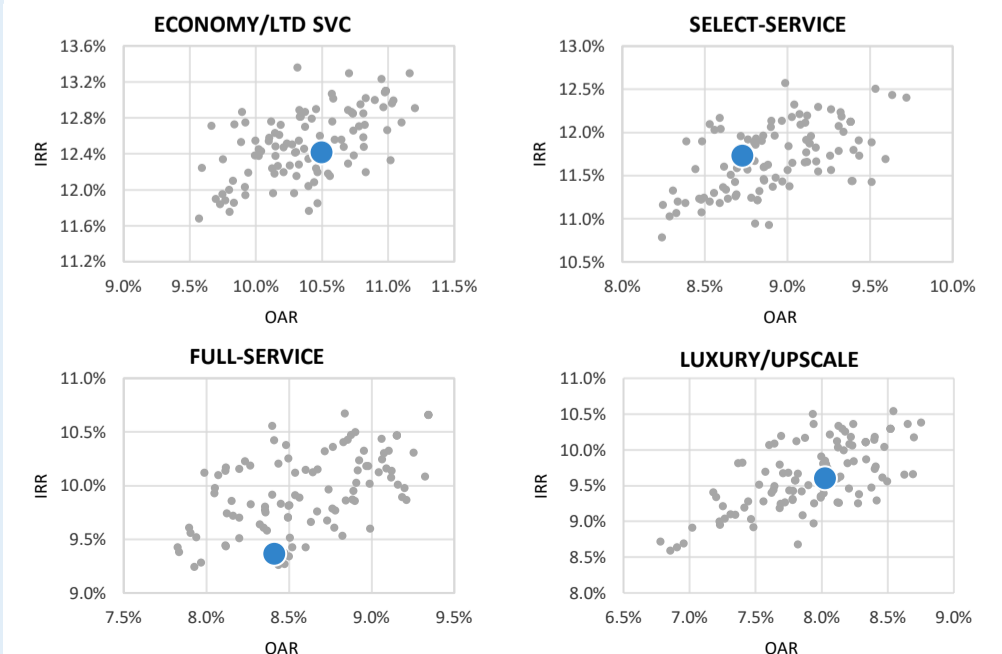


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

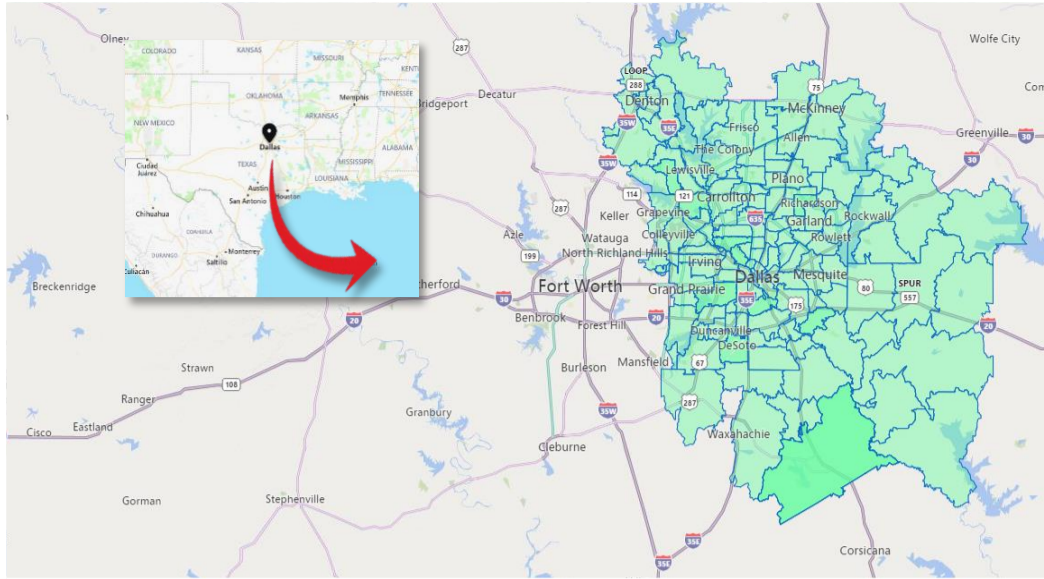


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Dallas
 County: Collin County, Dallas County, Denton County, and others
 State: Texas
 Geo Coordinates (market center): 32.79333, -96.76651

Major Hotel Demand Generators

Wal-Mart Stores Inc. | AT&T | Baylor Scott & White Health | Bank of America Corp. | Texas Instruments Inc. | JPMorgan Chase & Co. | HCA North Texas Division | UT Southwestern Medical Center | Southwest Airlines Co. | Target Brands Inc. | Verizon | Raytheon Co. | Cook Children's Health Care System | The Kroger Co. | Methodist Health System | Albertsons Cos. LLC | FRM LLC | Citi | Capital One | Children's Health

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	4,336,886	6th of 104 (Large)
Income per Capita	\$47,285	58th of 104 (Average)
Feeder Group Size	63.3 Persons PSR	37th of 104 (Average)
Feeder Group Earnings	\$2,994,042 PSR	36th of 104 (Average)
Total Market Hotel Revenues	\$3.2 billion	12th of 104 (Above Average)

Key Performance Metrics

Data provided by:

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	68.2%	\$96.29	\$65.70	\$89.12	\$60.81	\$7.17	92.6%	41.3%	2.48	84,790	1.32
2016	70.5%	\$100.35	\$70.70	\$92.76	\$65.36	\$7.58	92.4%	42.8%	2.47	85,420	1.27
2017	67.9%	\$102.53	\$69.58	\$94.32	\$64.02	\$8.20	92.0%	45.3%	2.35	87,420	1.06
2018	66.7%	\$111.67	\$74.46	\$102.78	\$68.53	\$8.89	92.0%	49.6%	2.23	89,020	1.13
2019	67.2%	\$113.23	\$76.05	\$104.28	\$70.04	\$8.94	92.1%	54.7%	2.16	96,090	1.10
2020	41.4%	\$86.76	\$37.76	\$81.27	\$33.65	\$5.48	93.7%	39.1%	2.33	97,010	0.93
2021	58.3%	\$100.81	\$59.28	\$93.96	\$54.81	\$6.85	93.2%	42.1%	2.27	98,700	0.92
2022	61.5%	\$108.72	\$66.89	\$101.49	\$62.43	\$7.23	93.3%	43.5%	2.24	99,170	1.09
2023	63.7%	\$114.94	\$73.46	\$107.53	\$68.48	\$7.42	93.5%	44.5%	2.23	99,940	1.29
CAGR: 2015 thru 2023	-0.9%	2.2%	1.4%	2.4%	1.5%	0.4%	0.1%	1.0%	-1.3%	2.1%	-0.2%
1Q 2023	69.1%	\$130.33	\$90.04	\$122.48	\$84.61	\$7.85	94.0%	48.2%	2.20	98,380	1.21
1Q 2024	67.0%	\$136.24	\$91.26	\$127.96	\$85.72	\$8.28	93.9%	51.0%	2.17	100,660	1.19

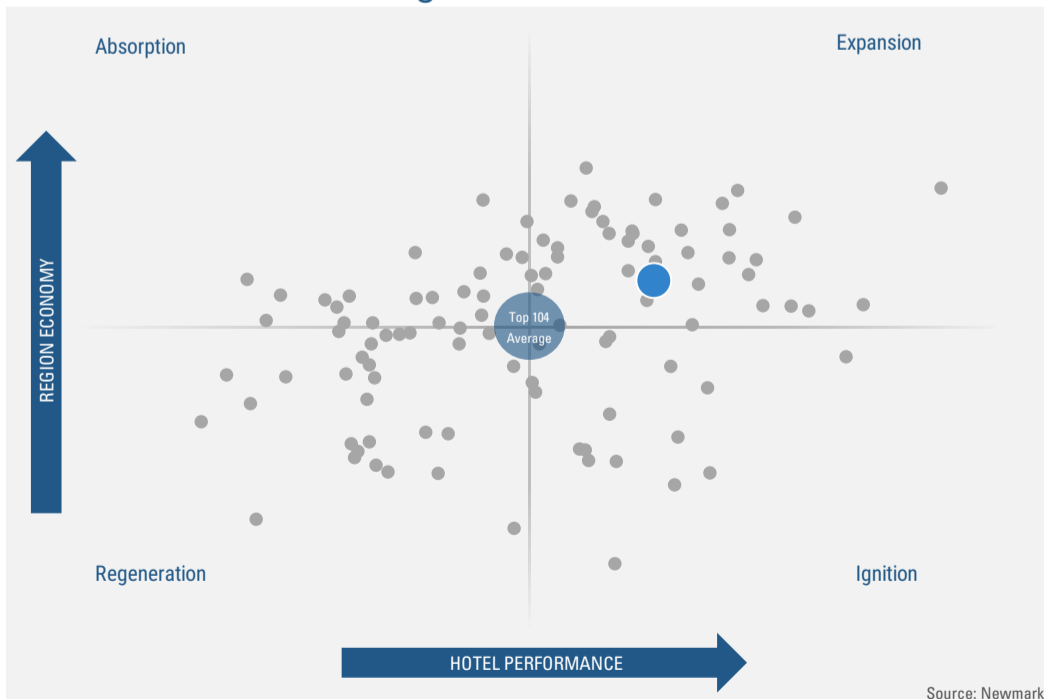
Notable Metrics

	T12-Month COPE ADR Percentage	Total Rooms Supply	Total Rooms Sold
HIGHEST	3rd Very Strong Dallas, TX benefited from strong T12-month COPE ADR percentage (93.8%)	7th Strong The market benefits from a large and diverse hotel market (100,661 total rooms)	8th Strong The market also boasted a strong total of number of rooms sold (24,999,787 room nights)
LOWEST	66th Unfavorable This market exhibited unfavorable OAR metrics in the economy/ltltd svc segment (10.5%)	64th Average The market exhibited a low ratio of marketwide per-capita income per room (\$1,459,853)	63rd Average Dallas, TX also has been hindered by weak population density per room (43.01)

Notable Trends

	Short-Term Historical Supply Growth	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth
STRONGEST	16th Above Average Dallas, TX has benefited from low short-term historical supply growth (3.0%)	19th Above Average The market has benefited from low long-term historical booking costs POR growth (1.6%)	22nd Above Average The market also enjoyed low short-term historical growth in booking costs (1.6%)
WEAKEST	90th Soft The market has been burdened by high long-term historical supply growth (2.6%)	89th Below Average We note this area has been hindered by high rooms supply growth over the last 12 months (2.3%)	87th Below Average Dallas, TX also exhibited weak long-term historical average length of stay growth (-0.5%)

Market Performance Stage



Dallas, TX: Expansion Stage

The Dallas, TX 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

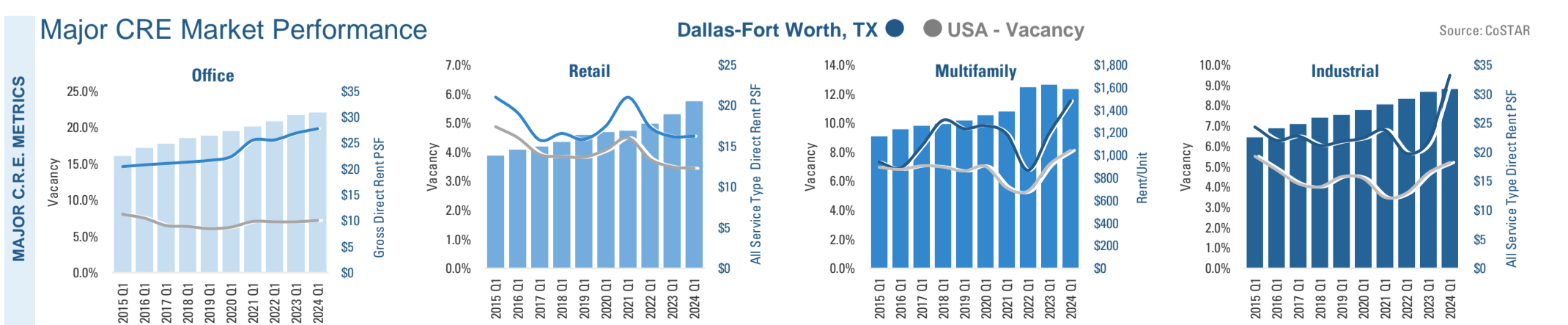
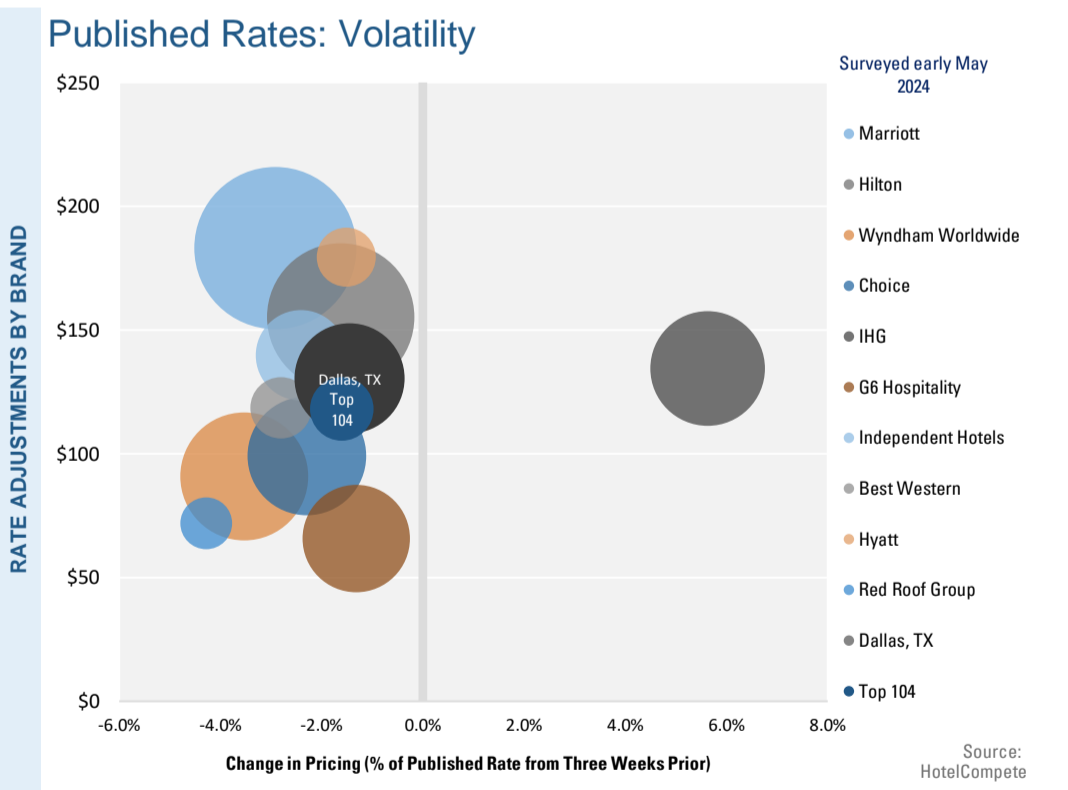
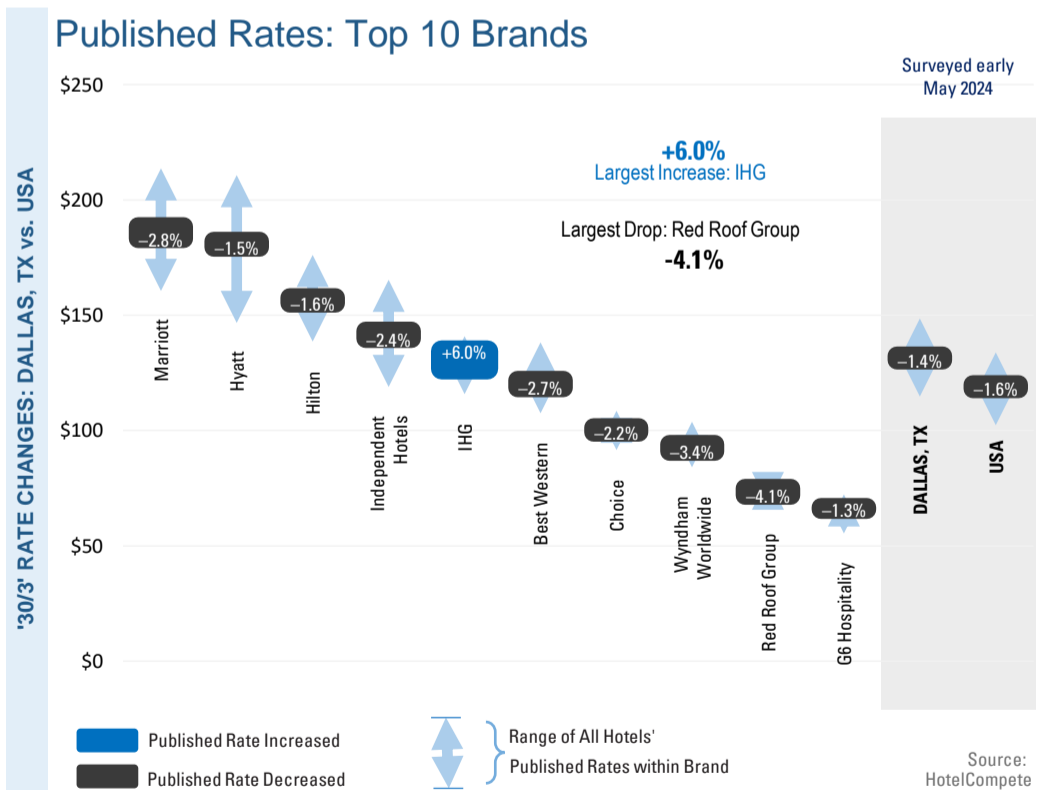
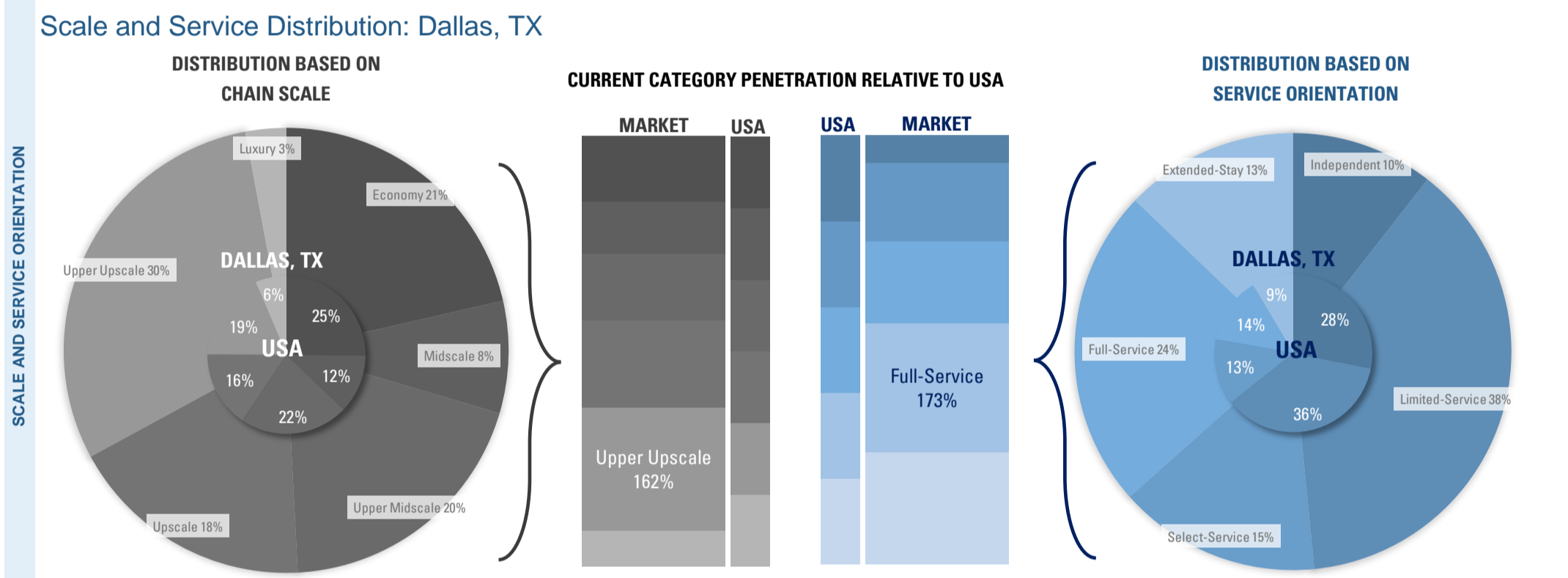
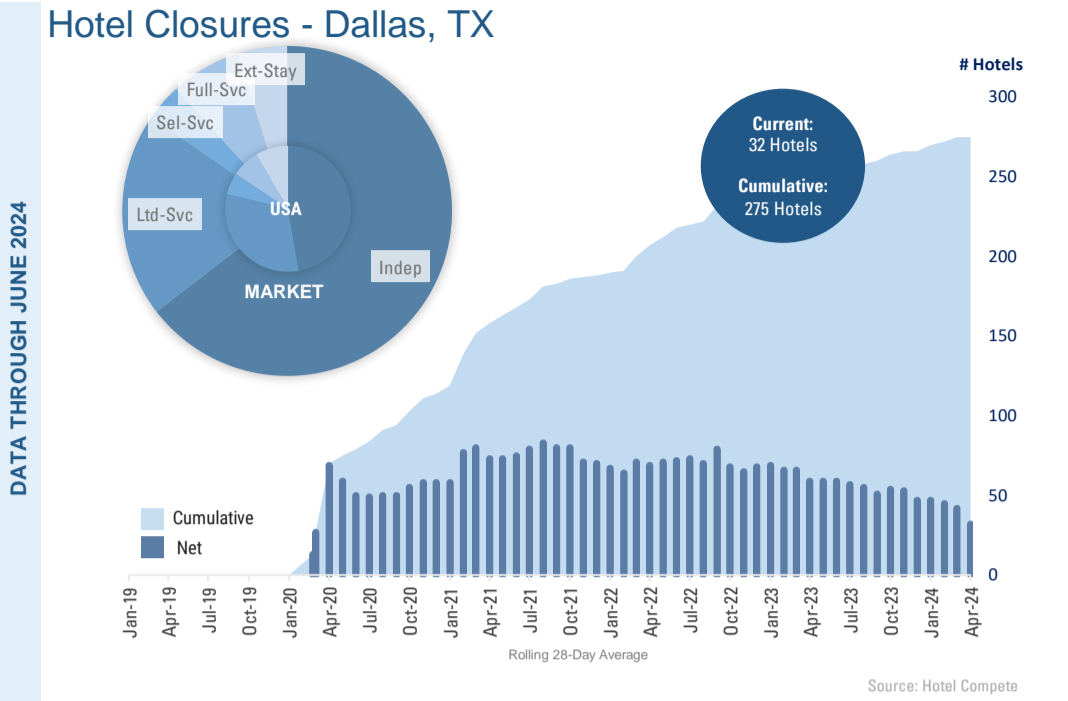
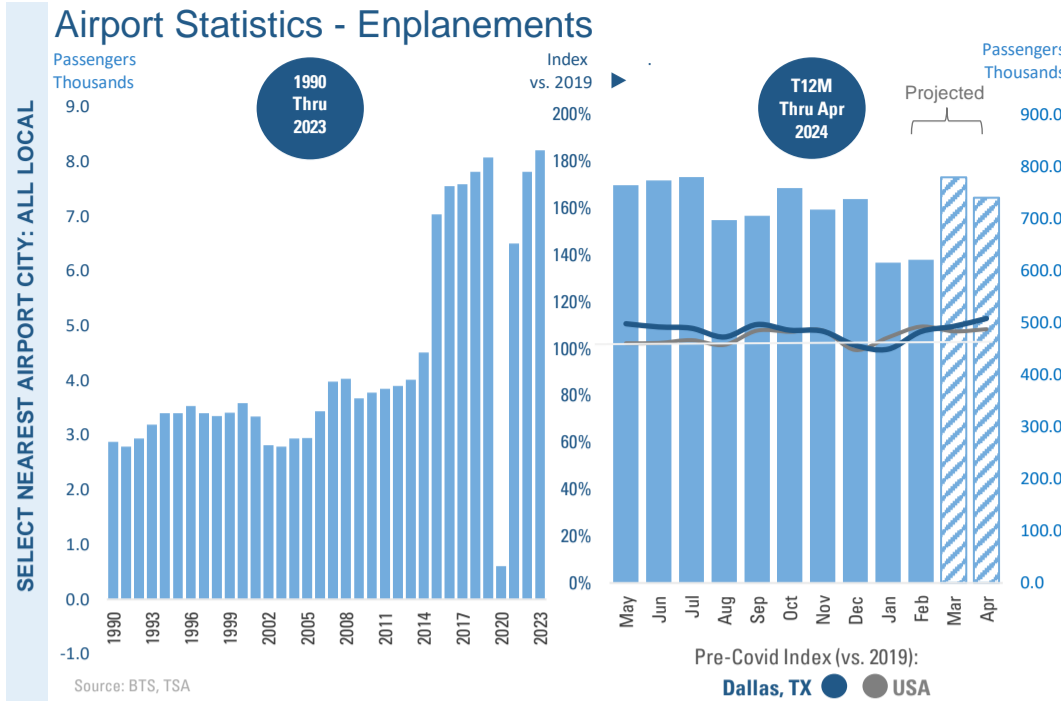
Business Cycle: **Expansion**
 Employment Growth (2 yr): **3.4%**
 Risk Exposure (402 US markets): **10th Percentile: Low Risk**
 Key Industry Notes: Favorable migration trends
 Professional services demand
 Distribution center for SW
 Diminished housing affordability
 Volatile high tech exposure

Moody's Rating

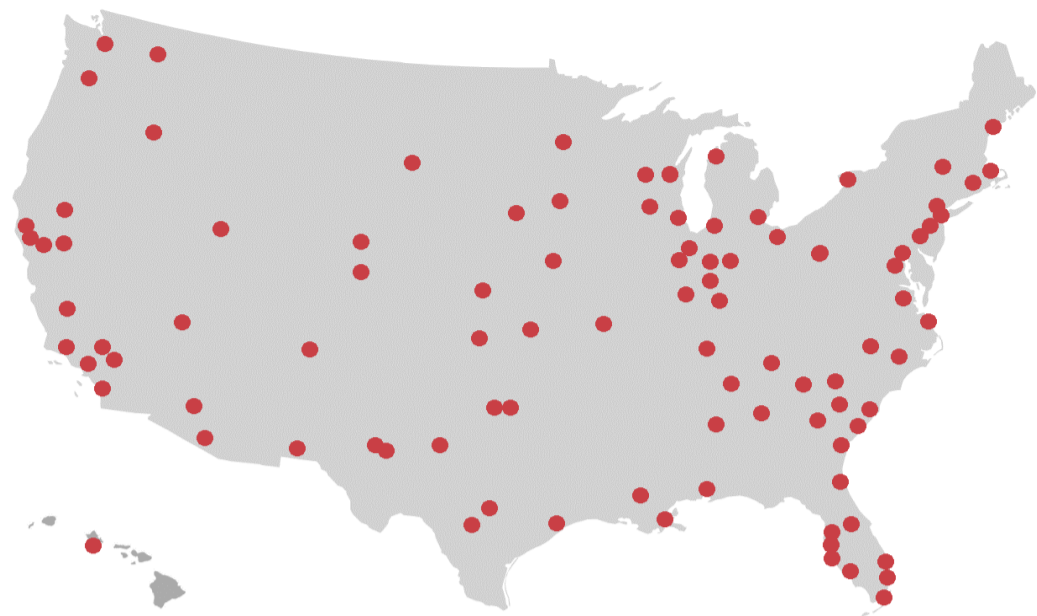
Aaa
Investment Grade

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

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