

NEWMARK

1Q 2024

Hotel Market Nsights Report

DENVER, CO



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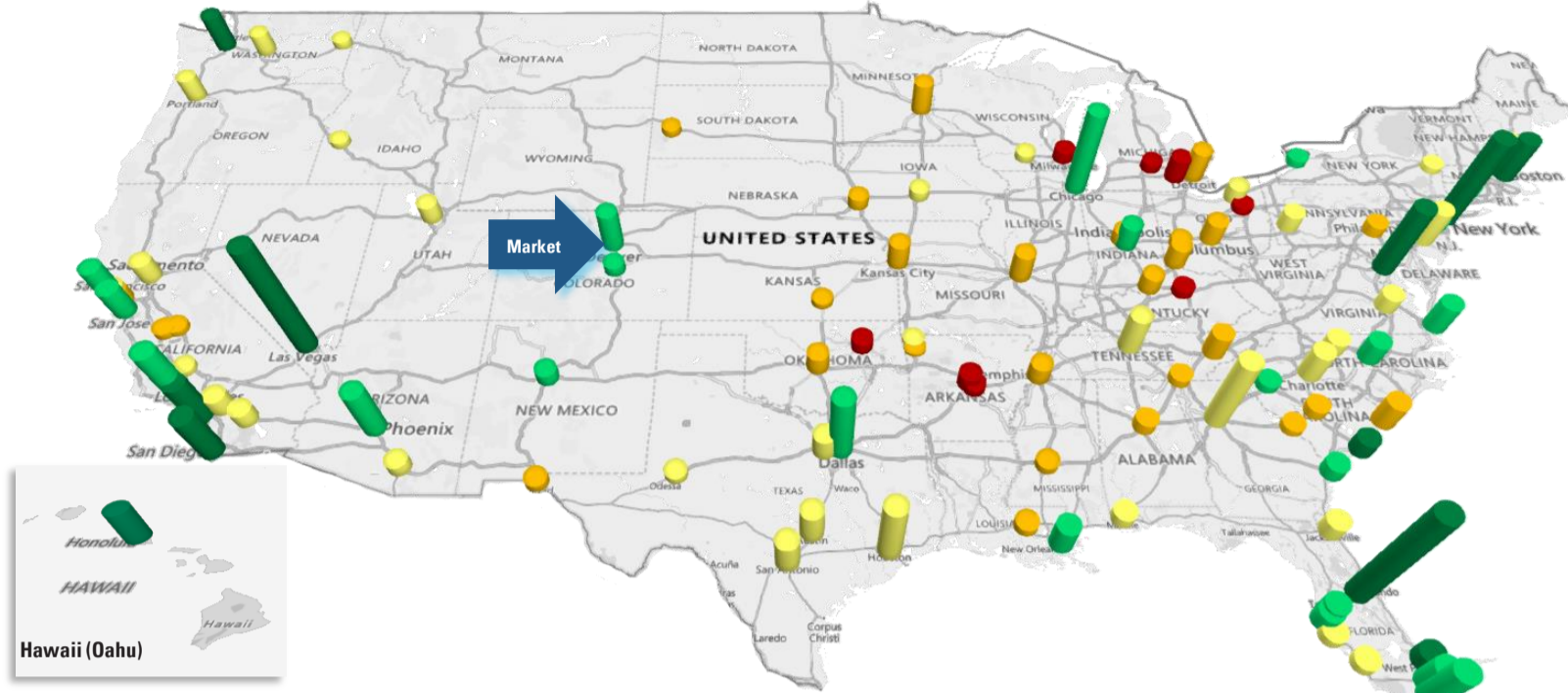
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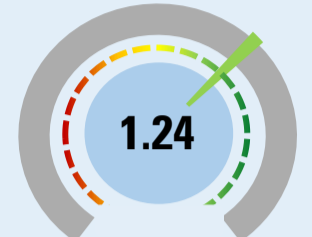


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

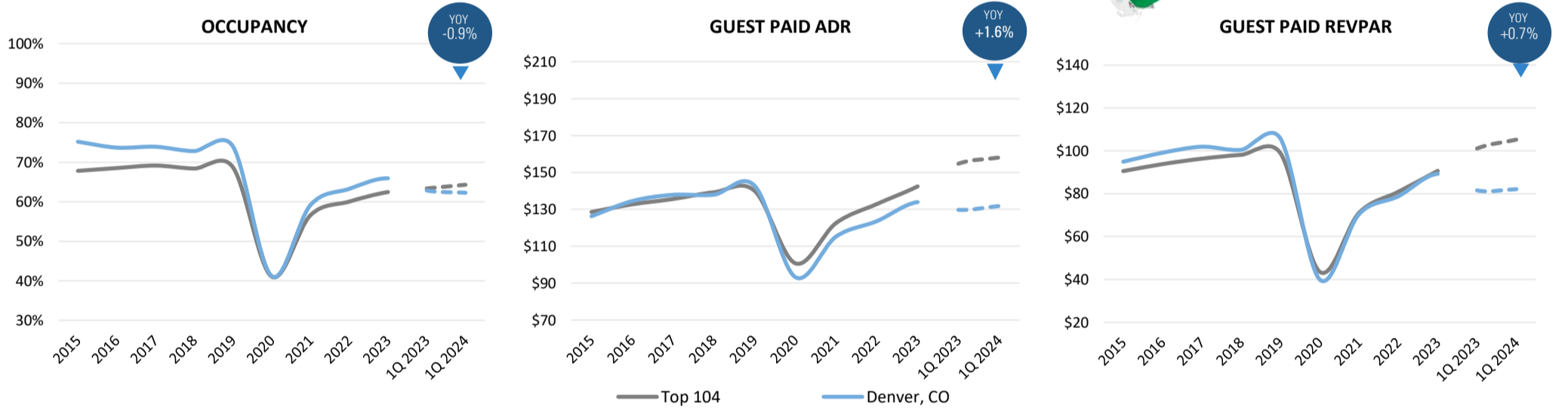
Denver, CO



20th of 104
Above Average

Ranking of overall 1Q 2024 LPI performance (1.24) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

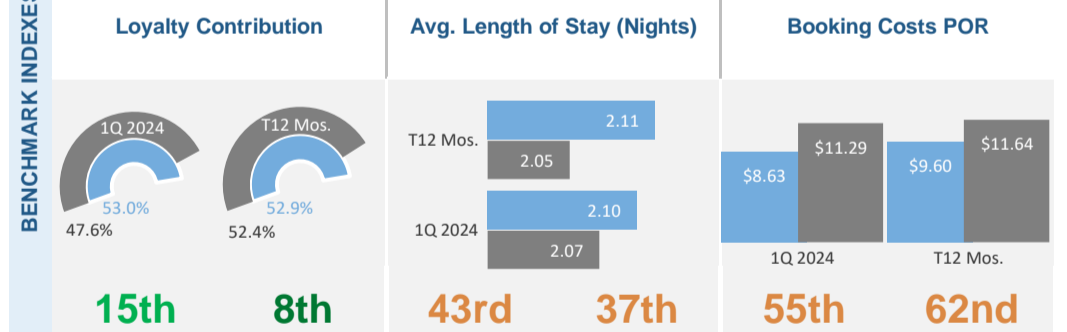


PERFORMANCE INDEXES

Key Performance Indexes

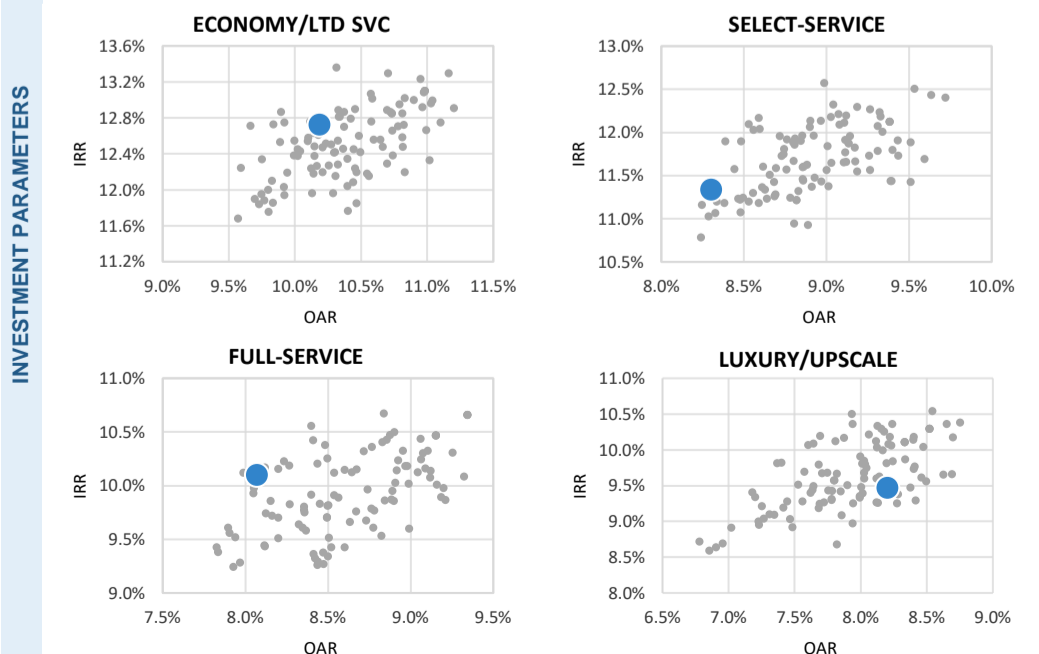


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

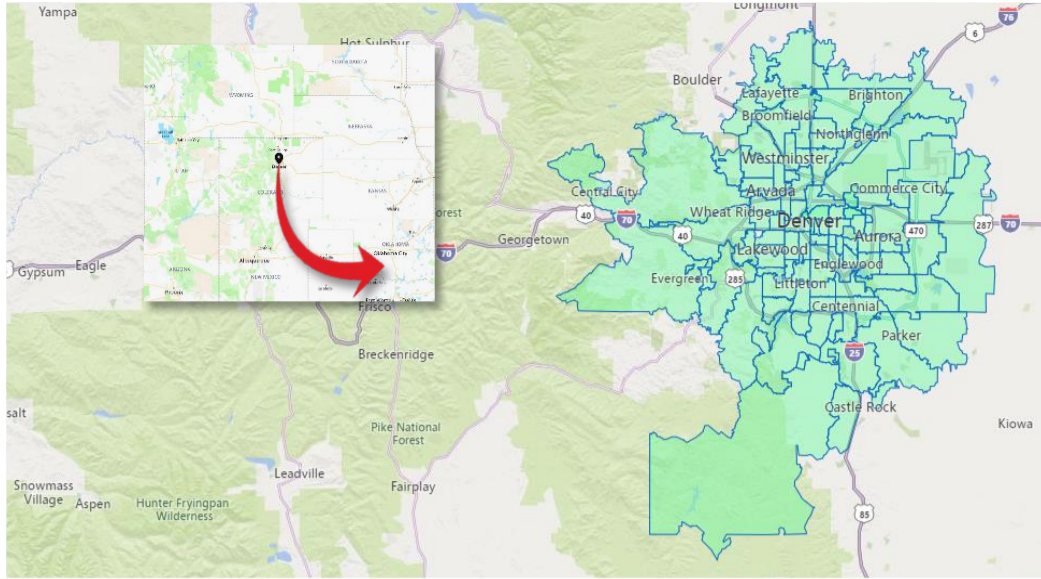


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Denver
 County: Denver County
 State: Colorado
 Geo Coordinates (market center): 39.73915, -104.9847

Major Hotel Demand Generators

HealthONE | University of Colorado Hospital | Lockheed Martin Corp. | Centura Health | United Airlines Inc. | Children's Hospital | Kaiser Permanente | Denver Health | CenturyLink | Banner Health | Comcast | University of Denver | Charles Schwab & Co. Inc. | Frontier Airlines | Southwest Airlines Co. | GlobalFoundries | Xcel Energy Inc. | Great-West Financial | United Parcel Service Inc. | Dish Network LLC

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,595,292	16th of 104 (Large)
Income per Capita	\$60,098	18th of 104 (Above Average)
Feeder Group Size	66.1 Persons PSR	42nd of 104 (Average)
Feeder Group Earnings	\$3,974,156 PSR	65th of 104 (Average)
Total Market Hotel Revenues	\$2.1 billion	18th 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	75.2%	\$126.25	\$94.91	\$116.17	\$87.33	\$10.08	92.0%	46.4%	2.16	43,720	1.45
2016	73.7%	\$134.48	\$99.09	\$123.45	\$90.96	\$11.03	91.8%	48.5%	2.05	45,400	1.15
2017	73.9%	\$137.86	\$101.89	\$126.28	\$93.33	\$11.58	91.6%	50.1%	2.00	46,530	1.24
2018	72.8%	\$137.94	\$100.44	\$126.72	\$92.27	\$11.22	91.9%	52.5%	1.97	47,610	1.15
2019	74.0%	\$142.80	\$105.67	\$131.49	\$97.30	\$11.31	92.1%	56.4%	1.91	53,800	1.36
2020	41.2%	\$93.28	\$39.93	\$86.67	\$35.70	\$6.62	92.9%	43.6%	2.16	53,630	0.89
2021	59.2%	\$115.25	\$70.48	\$106.78	\$63.17	\$8.47	92.7%	45.7%	2.10	54,620	0.97
2022	63.3%	\$123.60	\$78.81	\$114.70	\$72.56	\$8.90	92.8%	46.9%	2.11	55,070	1.16
2023	65.9%	\$133.93	\$89.24	\$124.63	\$82.16	\$9.30	93.1%	48.0%	2.11	55,490	1.38
CAGR: 2015 thru 2023	-1.6%	0.7%	-0.8%	0.9%	-0.8%	-1.0%	0.1%	0.4%	-0.3%	3.0%	-0.7%
1Q 2023	62.9%	\$129.71	\$81.53	\$121.26	\$76.22	\$8.45	93.5%	51.6%	2.14	55,240	1.24
1Q 2024	62.3%	\$131.82	\$82.09	\$123.19	\$76.72	\$8.63	93.5%	53.0%	2.10	55,060	1.24

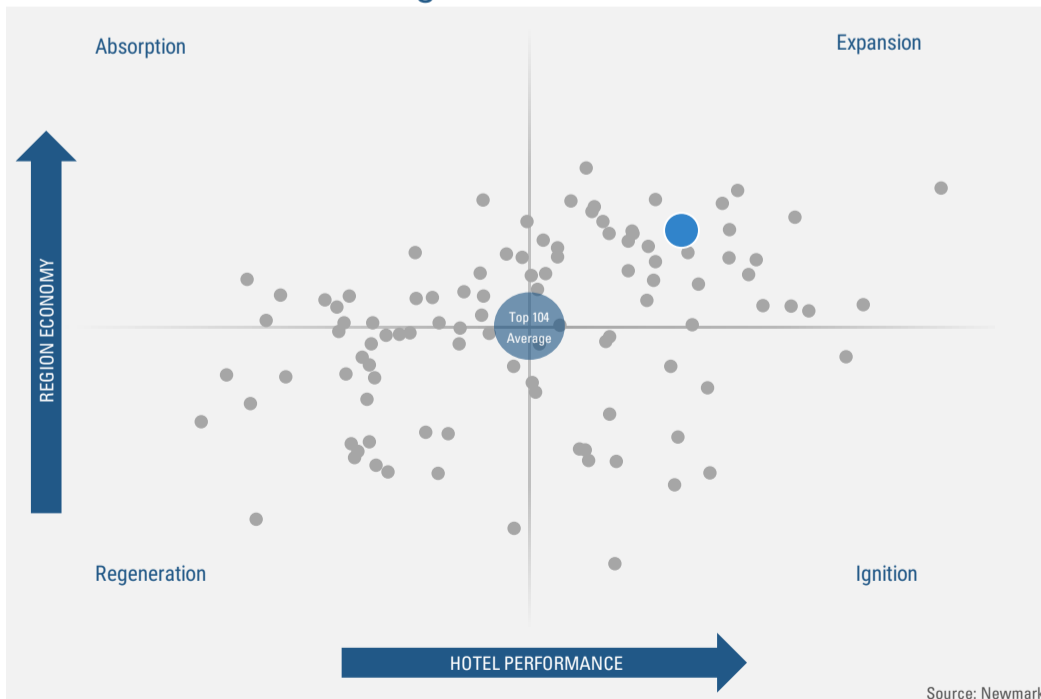
Notable Metrics

	OAR: Select-Service	T12-Month Loyalty Contribution	T12-Month Loyalty Contribution
HIGHEST	4th Highly Favorable Denver, CO enjoyed favorable OAR metrics in the select-service segment (8.3%)	8th Strong The market exhibited strong T12-month loyalty contribution (52.9%)	8th Strong The market also exhibited strong T12-month loyalty contribution (52.9%)
LOWEST	75th Unfavorable This market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.2%)	62nd Average The market was burdened by high T12-month booking costs POR (\$9.60)	65th Average Denver, CO also has low feeder group earnings per sold room (\$3,974,156)

Notable Trends

	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth	General Economy Relevance
STRONGEST	8th Strong Denver, CO enjoyed low short-term historical growth in booking costs (0.0%)	10th Above Average The market has benefited from low long-term historical booking costs POR growth (1.3%)	14th Above Average The market also enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)
WEAKEST	94th Soft The market has been hindered by weak long-term historical occupancy growth (-1.3%)	93rd Soft We note this area has been burdened by high long-term historical supply growth (2.7%)	89th Below Average Denver, CO also has been impeded by weak short-term historical Guest Paid ADR growth (1.6%)

Market Performance Stage



Denver, CO: Expansion Stage

The Denver, 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:
 Employment Growth (2 yr):
 Risk Exposure (402 US markets):
 Key Industry Notes:

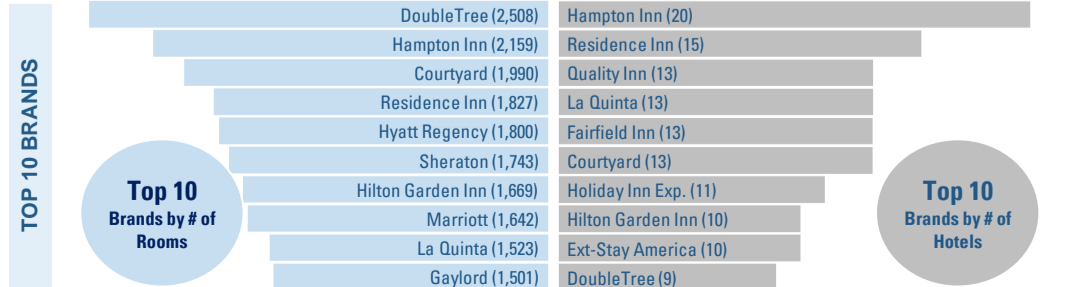
At Risk
 0.6%
 28th Percentile: Below Average

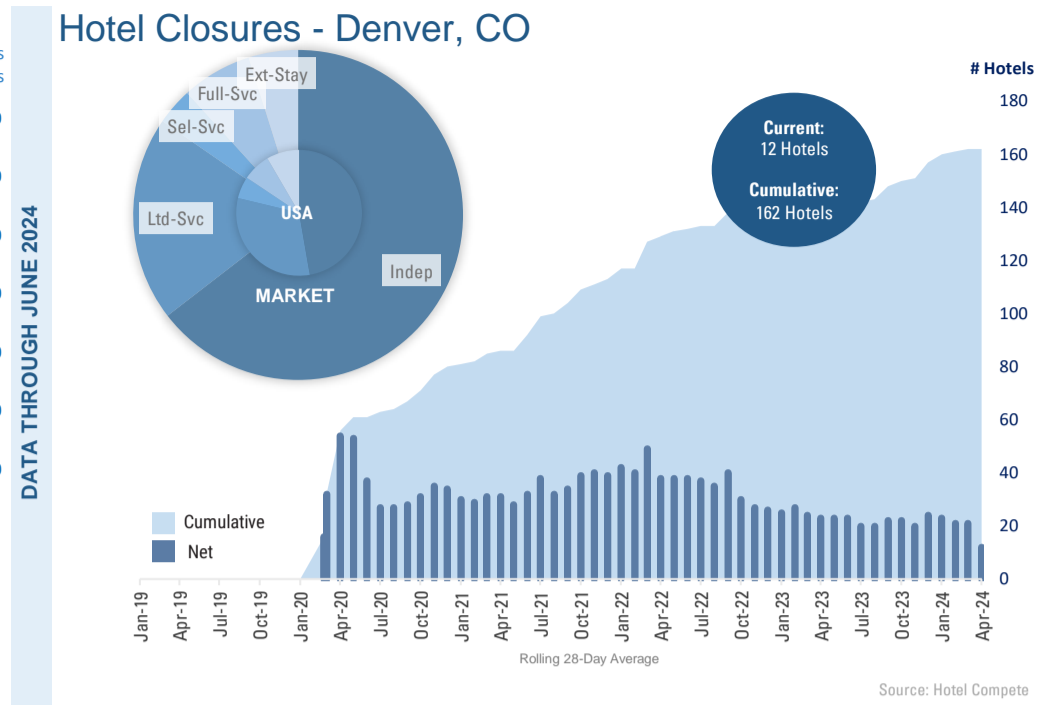
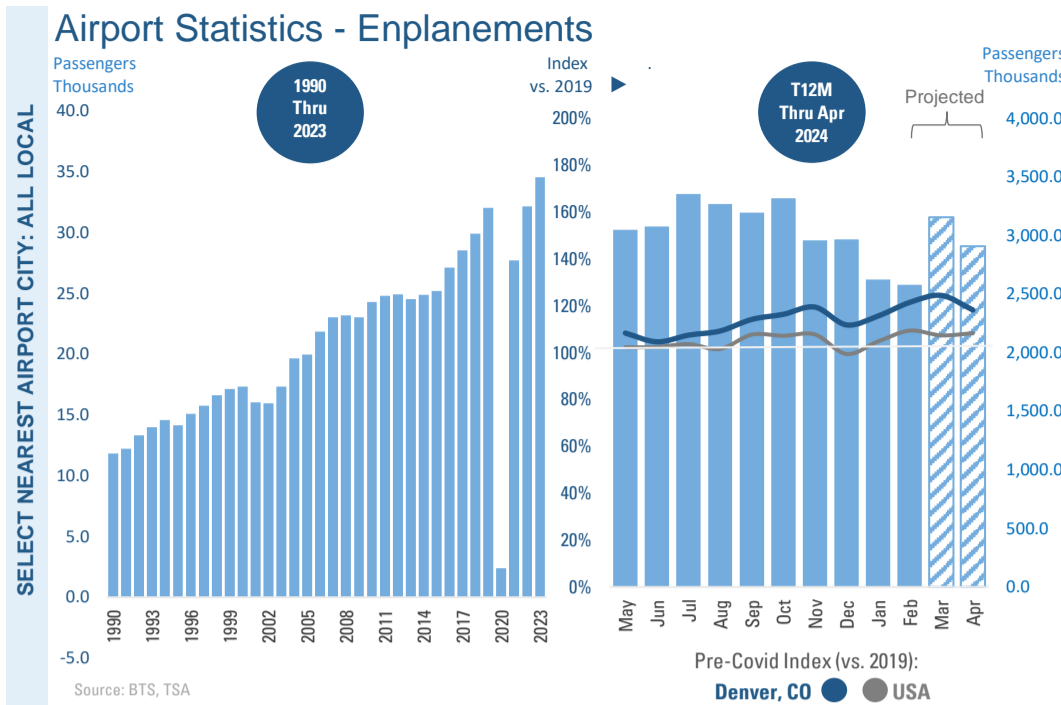
High employment diversity
 Knowledge-based industries
 Skilled workforce
 Significantly overvalued housing market
 Elevated cost of living

Moody's Rating

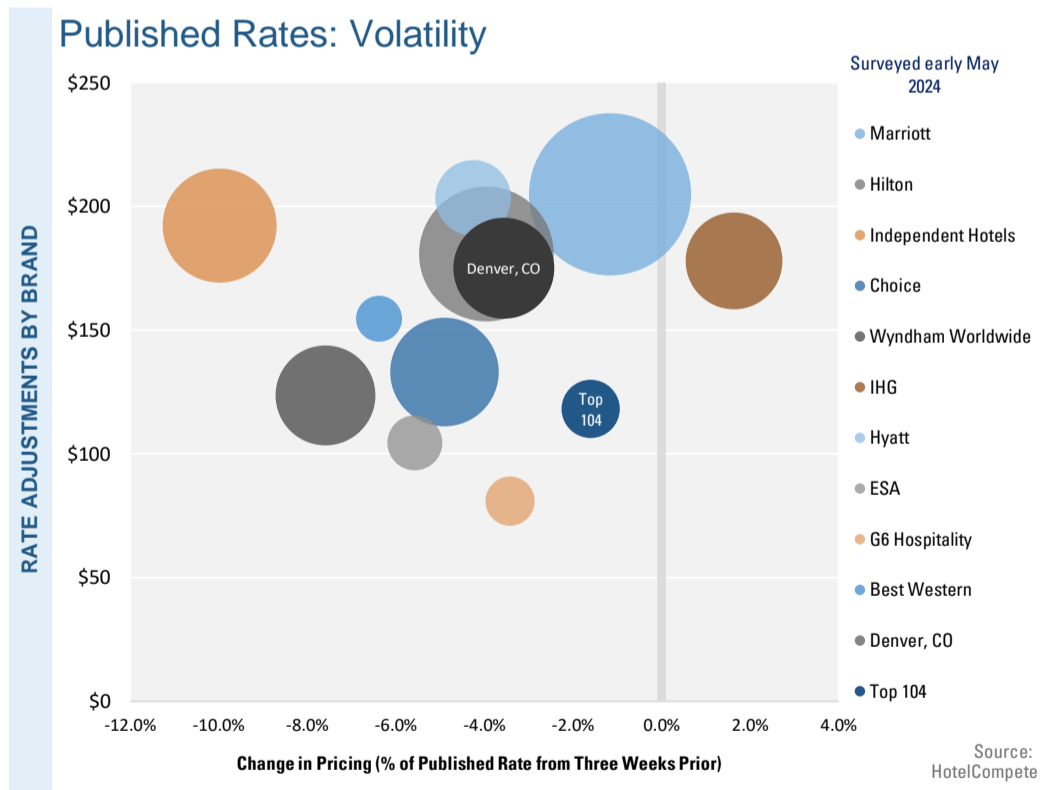
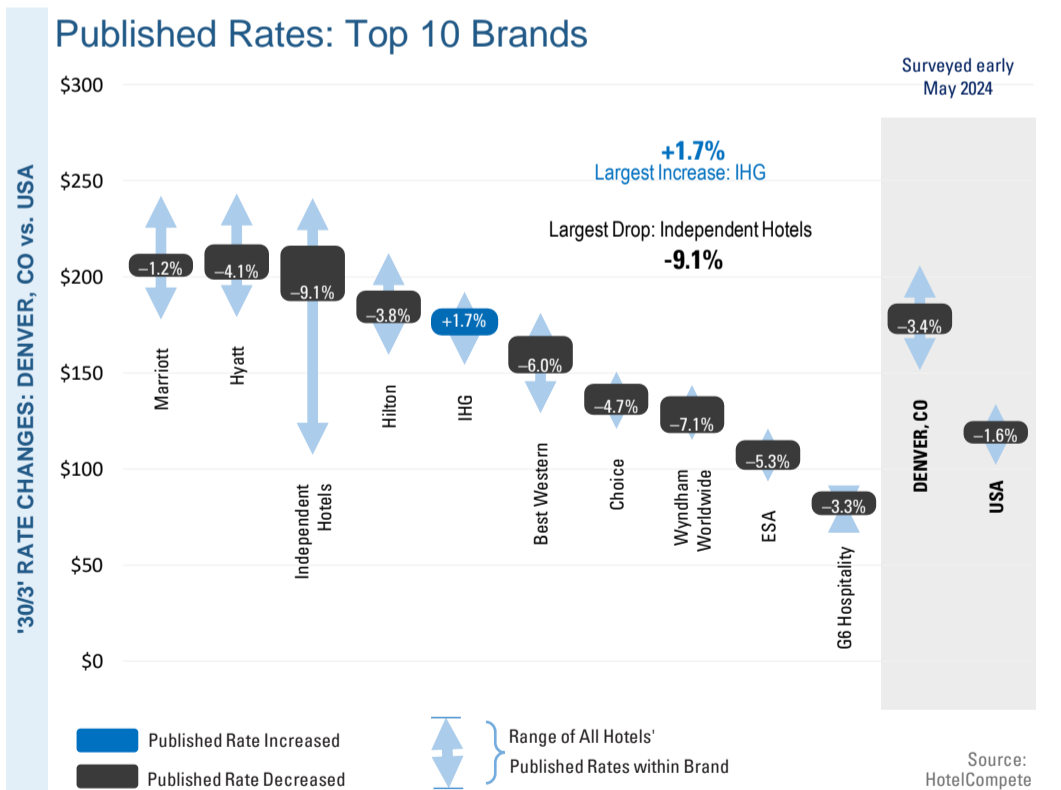
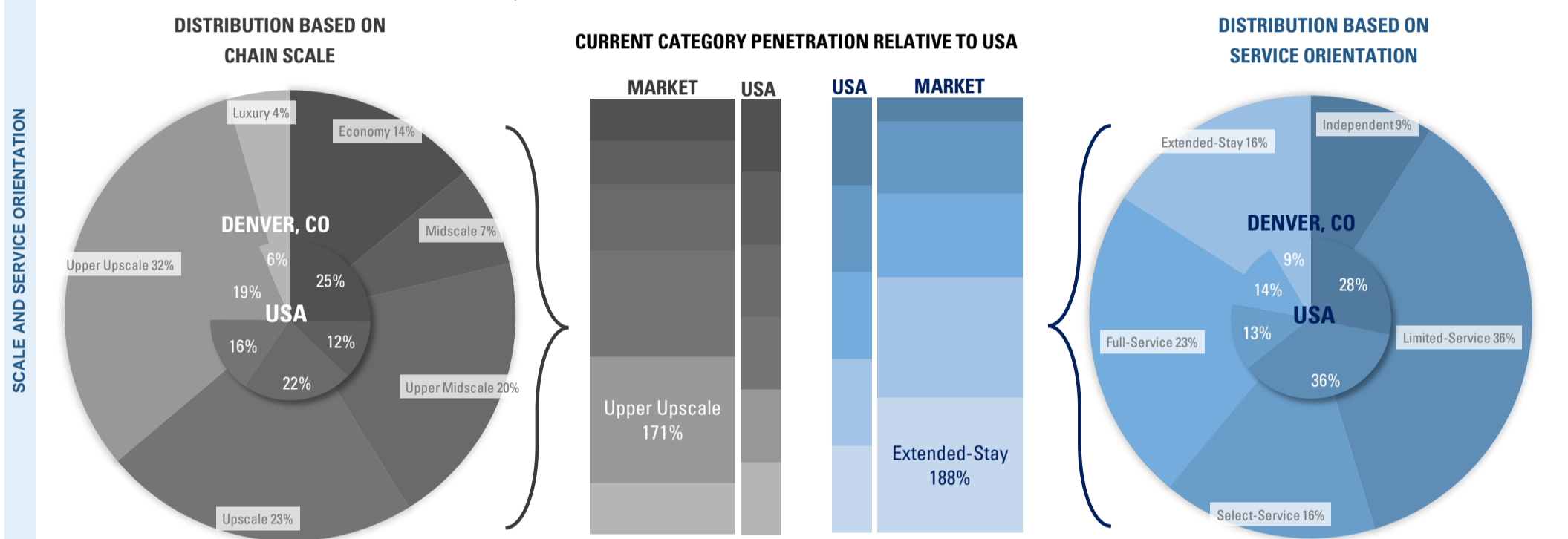
Aaa
 Investment Grade

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

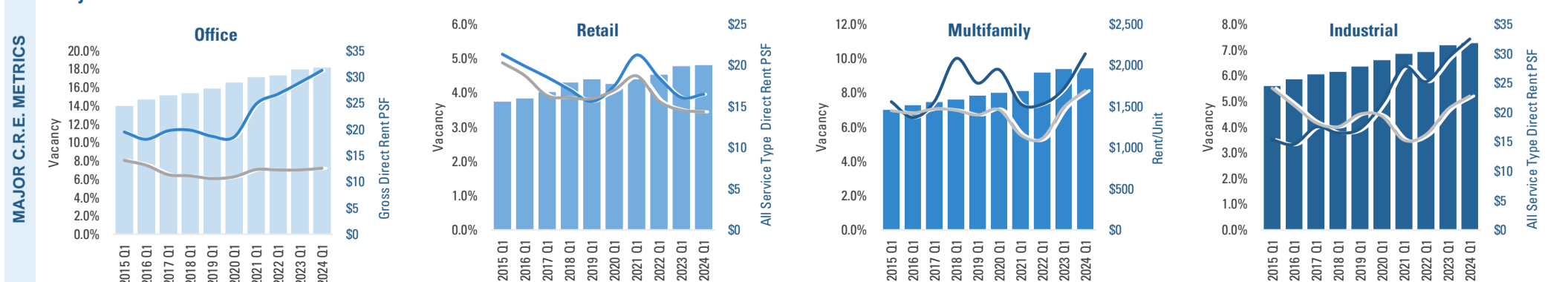




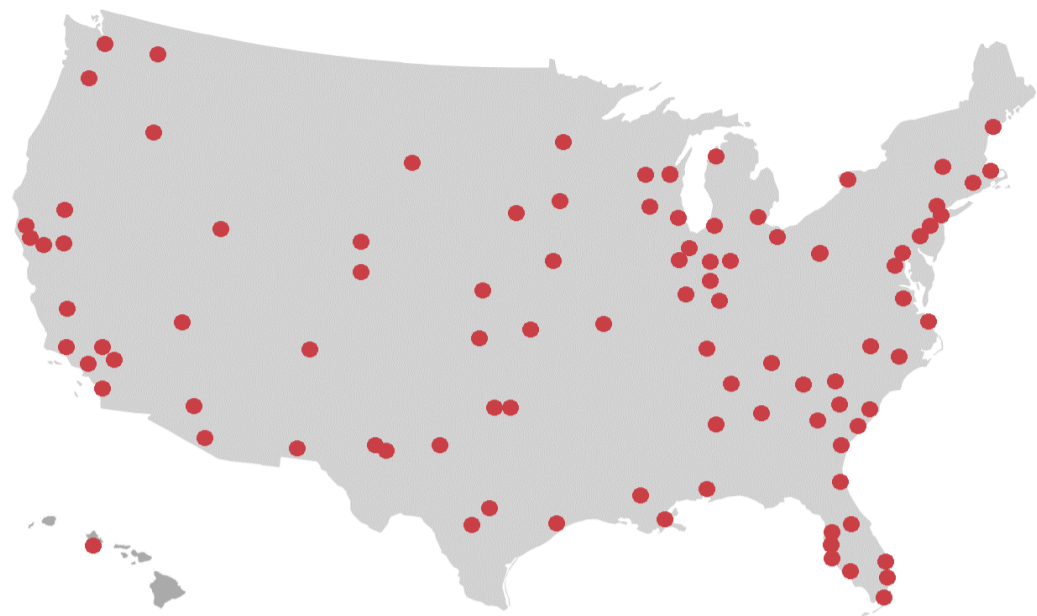
Scale and Service Distribution: Denver, CO



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

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Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

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We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

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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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