

NEWMARK

1Q 2024

Hotel Market Nsights Report

DES MOINES, IA



FOR MORE INFORMATION:

Bryan Younge, MAI, ASA, FRICS

Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
m 773-263-4544

Ryan Sikorski, MAI, CFA

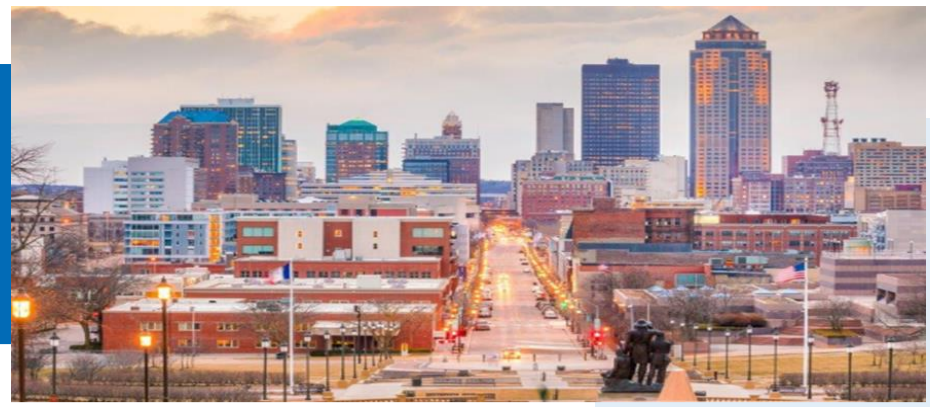
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Midwest Markets
m 414-708-0556

John Burke

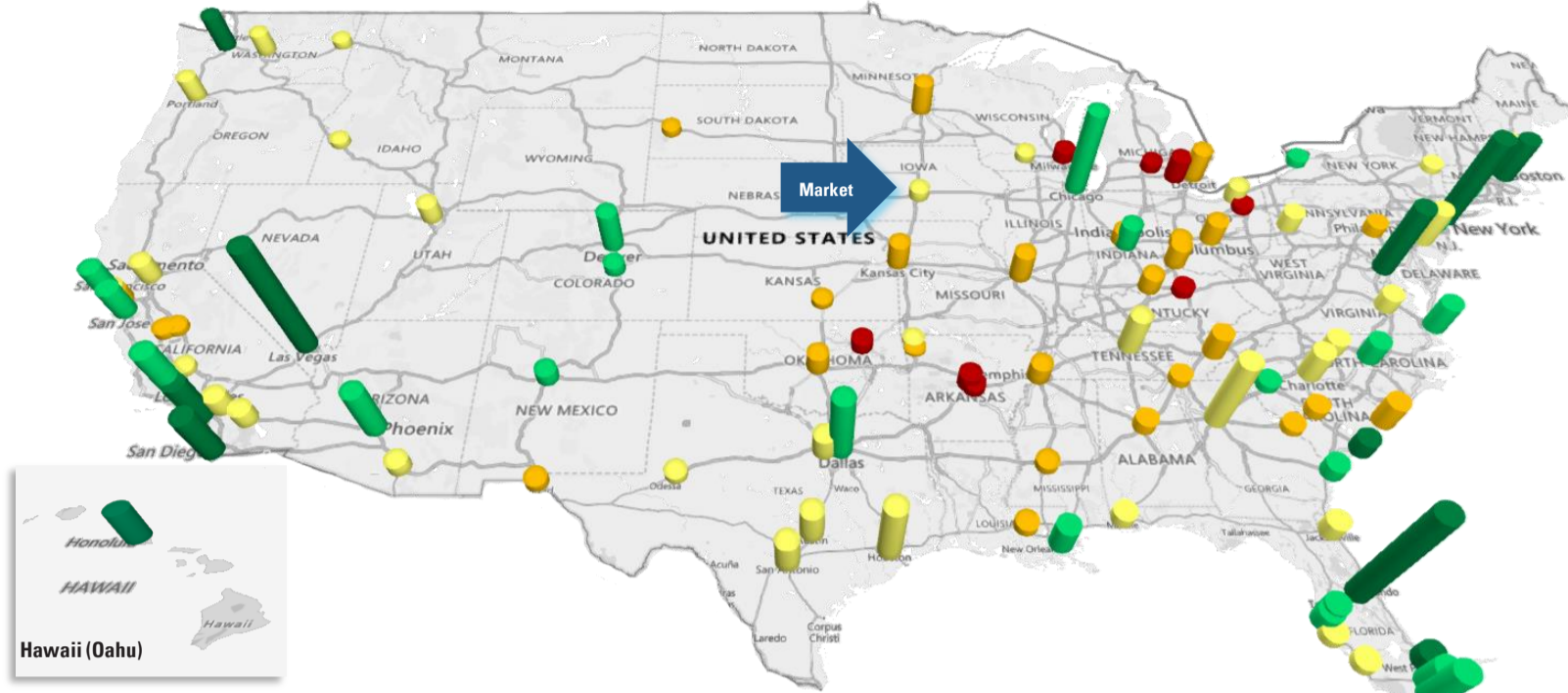
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Midwest Markets
t 312-224-3170

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

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DES MOINES, IA

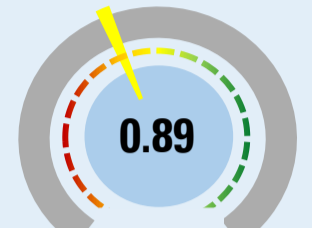


Lodging Performance Index Snapshot



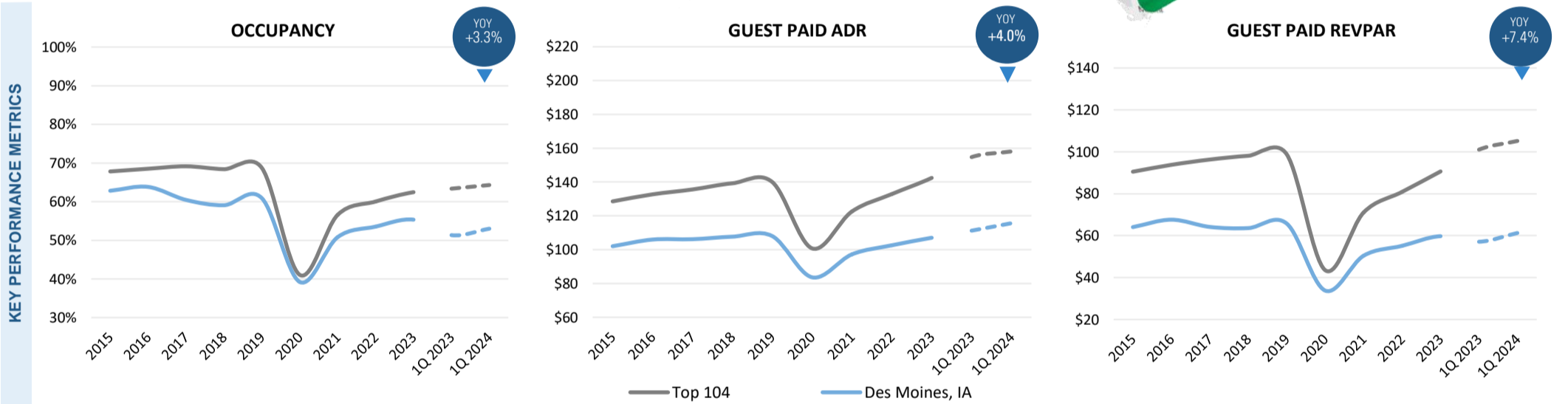
LODGING PERFORMANCE INDEX

Des Moines, IA



68th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.89) against all 104 surveyed markets.

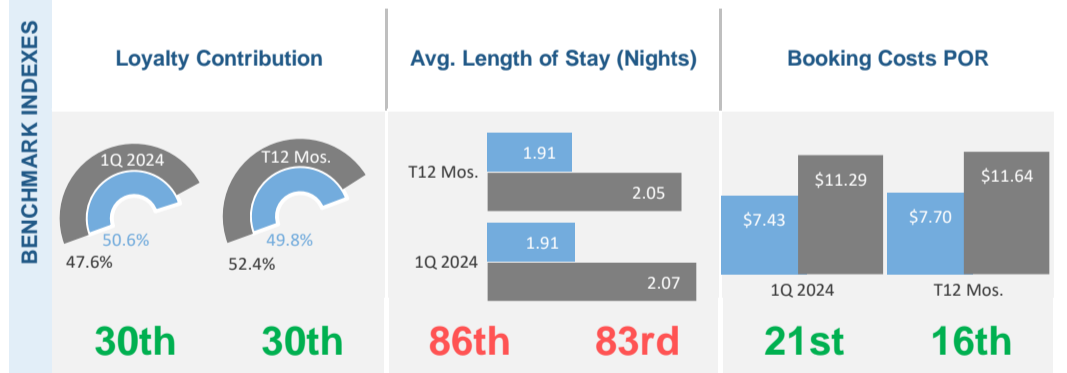


Key Performance Indexes

● Subject Market ● Top 104

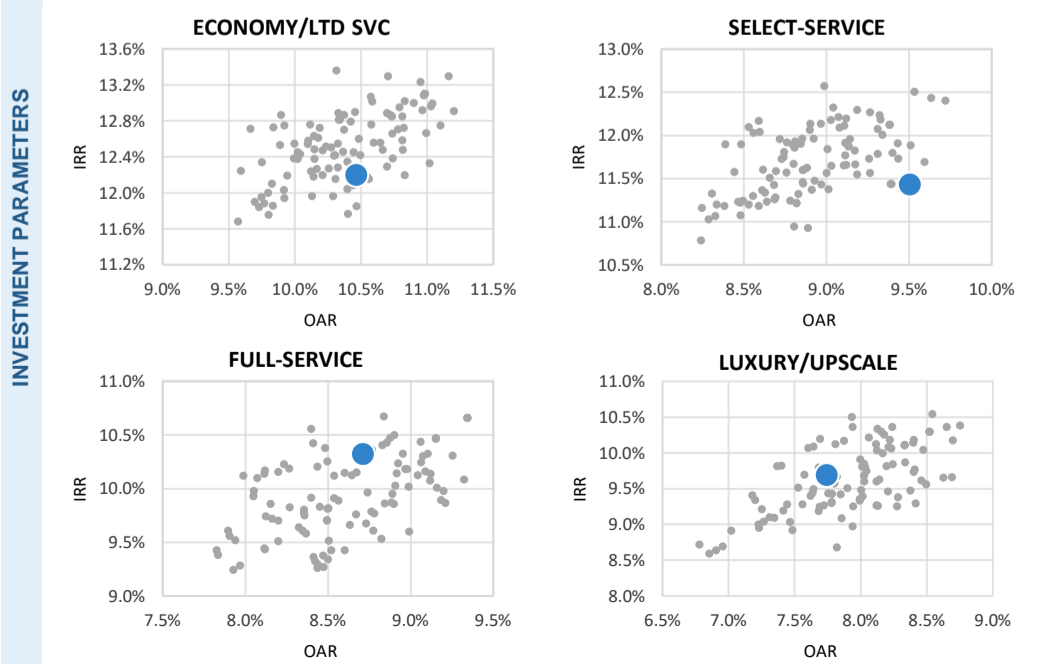


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

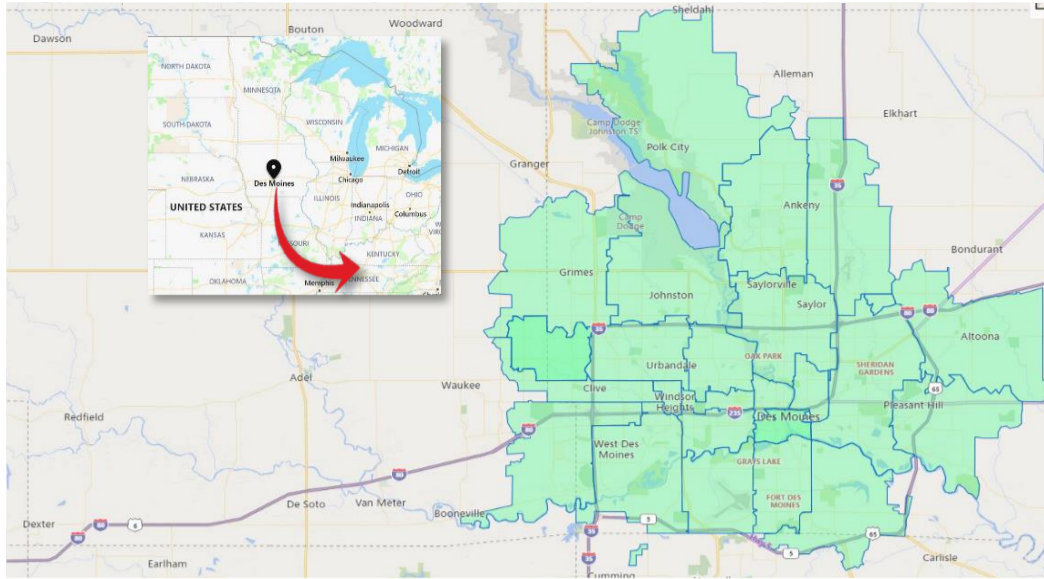


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Des Moines	
County:	Polk County, Warren County	
State:	Iowa	
Geo Coordinates (market center):	41.57259, -93.61024	
Major Hotel Demand Generators		
Wells Fargo & Co. UnityPoint Health Principal Financial Group Hy-Vee Inc. Nationwide/Allied Insurance Mercy Medical Center Vermeer Corp. Dupont Pioneer JBS Swift Pella Corp. Wellmark Inc. John Deere Co. Marsh Bridgestone Americas Tire Operations Mercer Consumer YMCA of Greater Des Moines EMC Prairie Meadows Casey's General Store Tyson Foods Inc.		
Metrics and Ranking		Measurements
Population (hotel market area)	449,937	
Income per Capita	\$49,999	
Feeder Group Size	54.8 Persons PSR	
Feeder Group Earnings	\$2,742,121 PSR	
Total Market Hotel Revenues	\$350.3 million	
Rankings		
	89th of 104 (Below Average)	
	45th of 104 (Average)	
	26th of 104 (Above Average)	
	25th of 104 (Above Average)	
	74th 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	62.8%	\$102.03	\$64.08	\$94.63	\$59.44	\$7.39	92.8%	45.5%	1.78	10,730	0.78
2016	63.8%	\$105.97	\$67.62	\$98.10	\$62.60	\$7.86	92.6%	48.0%	1.78	11,030	1.05
2017	60.4%	\$106.17	\$64.17	\$97.97	\$59.21	\$8.20	92.3%	51.7%	1.74	11,640	0.53
2018	59.1%	\$107.68	\$63.61	\$99.29	\$58.66	\$8.38	92.2%	55.0%	1.75	12,500	0.52
2019	60.9%	\$108.04	\$65.78	\$99.44	\$60.55	\$8.60	92.0%	60.1%	1.75	13,170	0.65
2020	39.2%	\$83.66	\$33.79	\$78.36	\$30.73	\$5.30	93.7%	43.1%	2.04	13,140	0.93
2021	50.8%	\$97.22	\$50.44	\$90.73	\$46.11	\$6.49	93.3%	44.0%	1.88	13,810	0.60
2022	53.5%	\$102.58	\$55.15	\$95.77	\$51.27	\$6.81	93.4%	44.0%	1.88	13,890	0.65
2023	55.3%	\$107.04	\$59.76	\$100.02	\$55.34	\$7.02	93.4%	44.1%	1.89	13,910	0.71
CAGR: 2015 thru 2023	-1.6%	0.6%	-0.9%	0.7%	-0.9%	-0.6%	0.1%	-0.4%	0.7%	3.3%	-1.2%
1Q 2023	51.3%	\$111.24	\$57.10	\$103.91	\$53.34	\$7.33	93.4%	48.5%	1.86	13,800	0.66
1Q 2024	53.0%	\$115.65	\$61.29	\$108.21	\$57.36	\$7.43	93.6%	50.6%	1.91	13,590	0.89

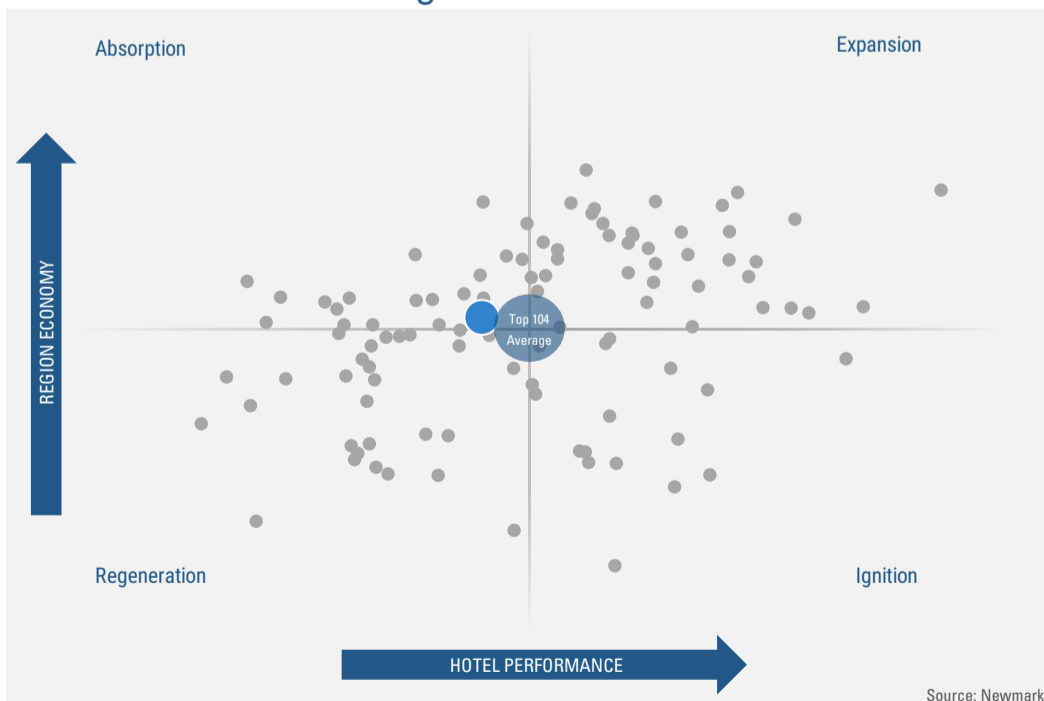
Notable Metrics

	T12-Month COPE ADR Percentage	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR
HIGHEST	11th Above Average Des Moines, IA benefited from strong T12-month COPE ADR percentage (93.5%)	16th Above Average The market enjoyed low T12-month booking costs POR (\$7.70)	21st Above Average The market also enjoyed low latest-quarter booking costs POR (\$7.43)
LOWEST	99th Highly Unfavorable This market exhibited unfavorable OAR metrics in the select-service segment (9.5%)	88th Below Average The market has been hindered by weak T12-month occupancy (59.7%)	86th Unfavorable Des Moines, IA also posted unfavorable IRR metrics in the full-service segment (10.3%)

Notable Trends

	Short-Term Historical Occupancy Growth	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Average Length of Stay Growth
STRONGEST	12th Above Average Des Moines, IA has benefited from strong short-term historical occupancy growth (1.0%)	13th Above Average The market enjoyed strong long-term historical average length of stay growth (1.3%)	20th Above Average The market also has benefited from strong short-term historical average length of stay growth (2.1%)
WEAKEST	89th Below Average The market has been burdened by high long-term historical supply growth (2.6%)	74th Below Average We note this area has been hindered by weak short-term historical loyalty contribution growth (3.0%)	69th Below Average Des Moines, IA also has been hampered by weak long-term historical Guest Paid RevPAR growth (1.6%)

Market Performance Stage



Des Moines, IA: Absorption Stage

The Des Moines, IA 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; Charlotte, NC; and Columbus, OH.

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

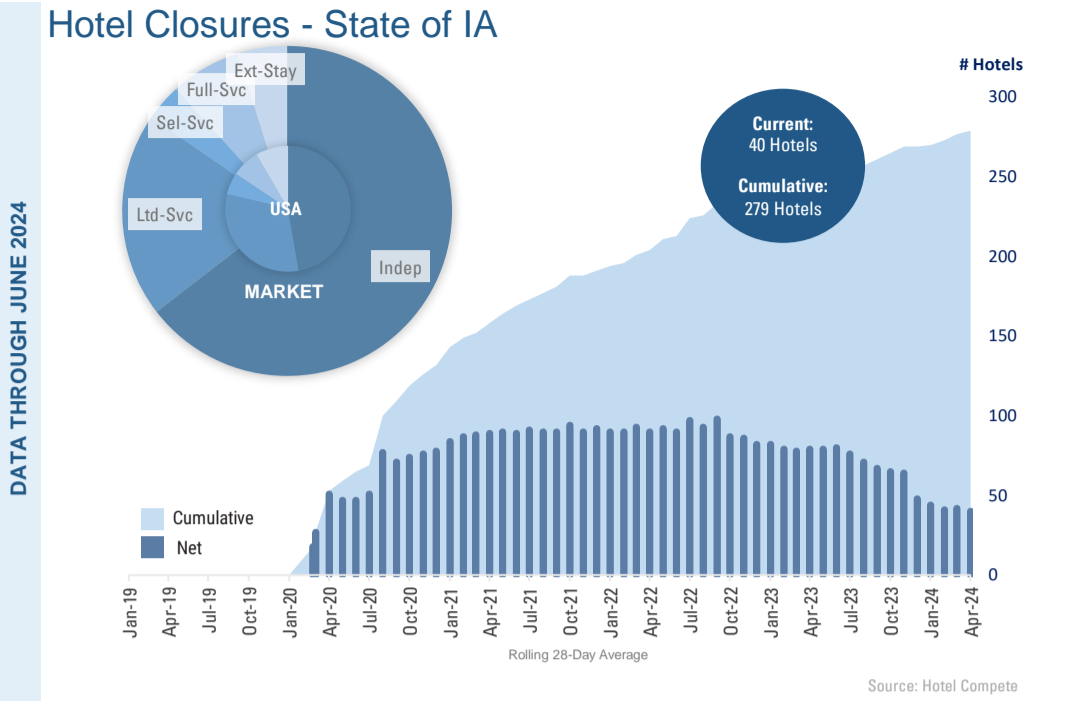
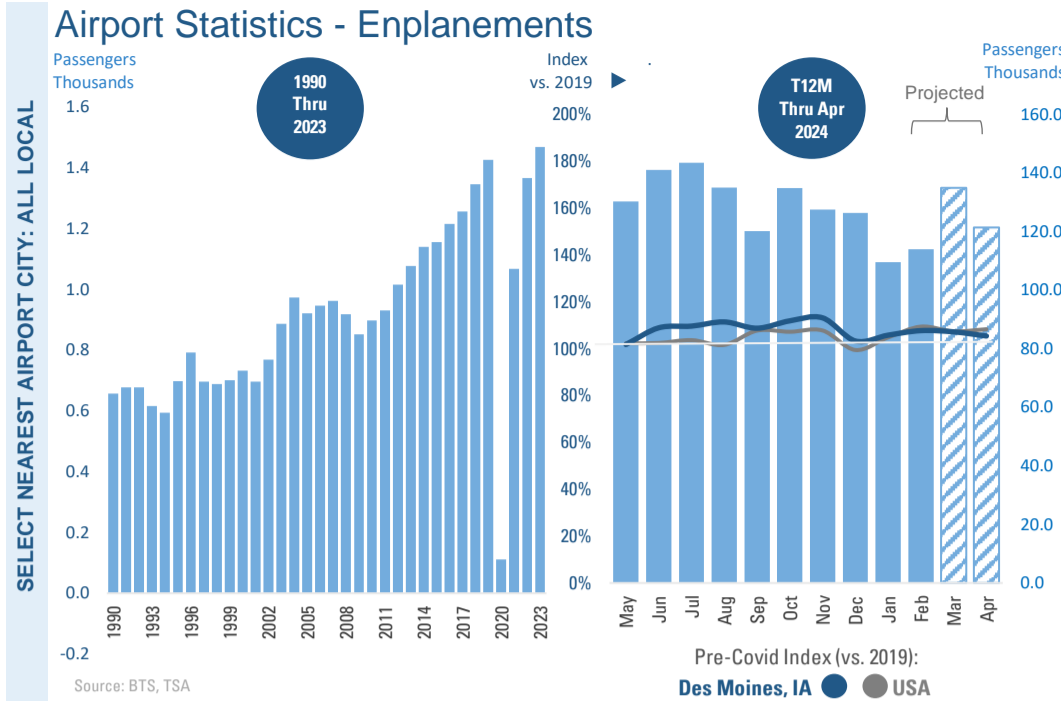
Business Cycle:	At Risk
Employment Growth (2 yr):	1.1%
Risk Exposure (402 US markets):	50th Percentile: Average Risk
Key Industry Notes:	High educational attainment High per capita income Low living, business costs Volatility in agriculture sector Cyclical financial services

Moody's Rating

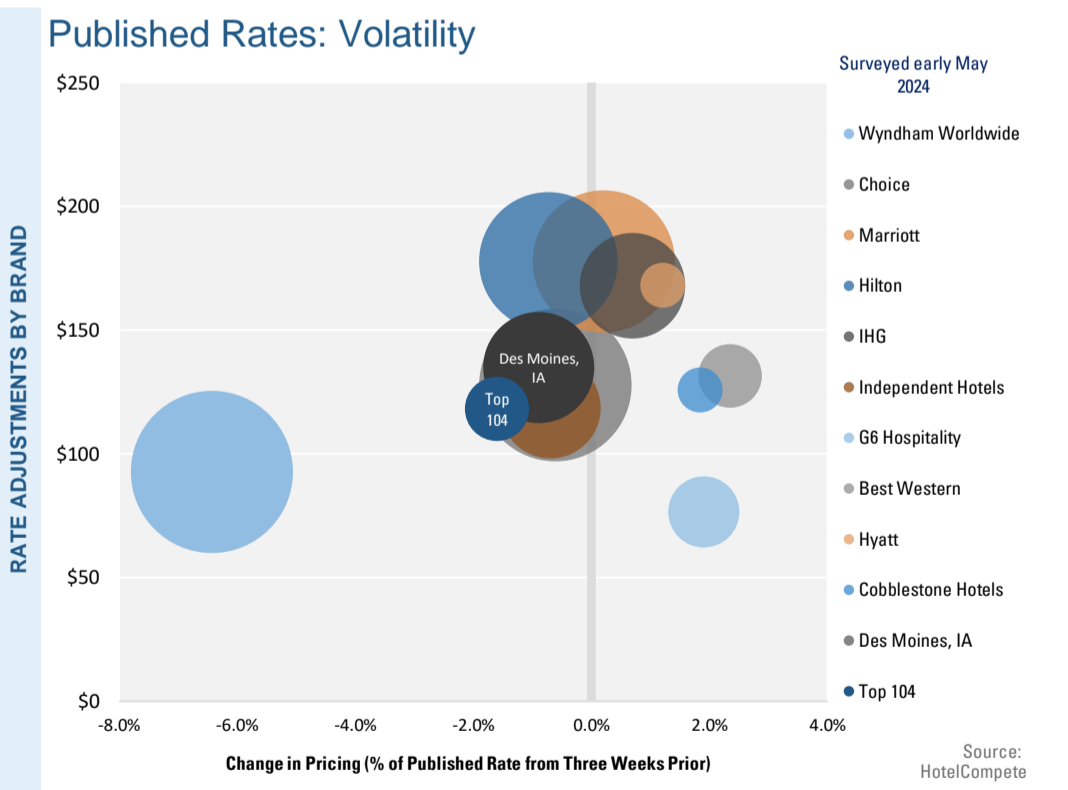
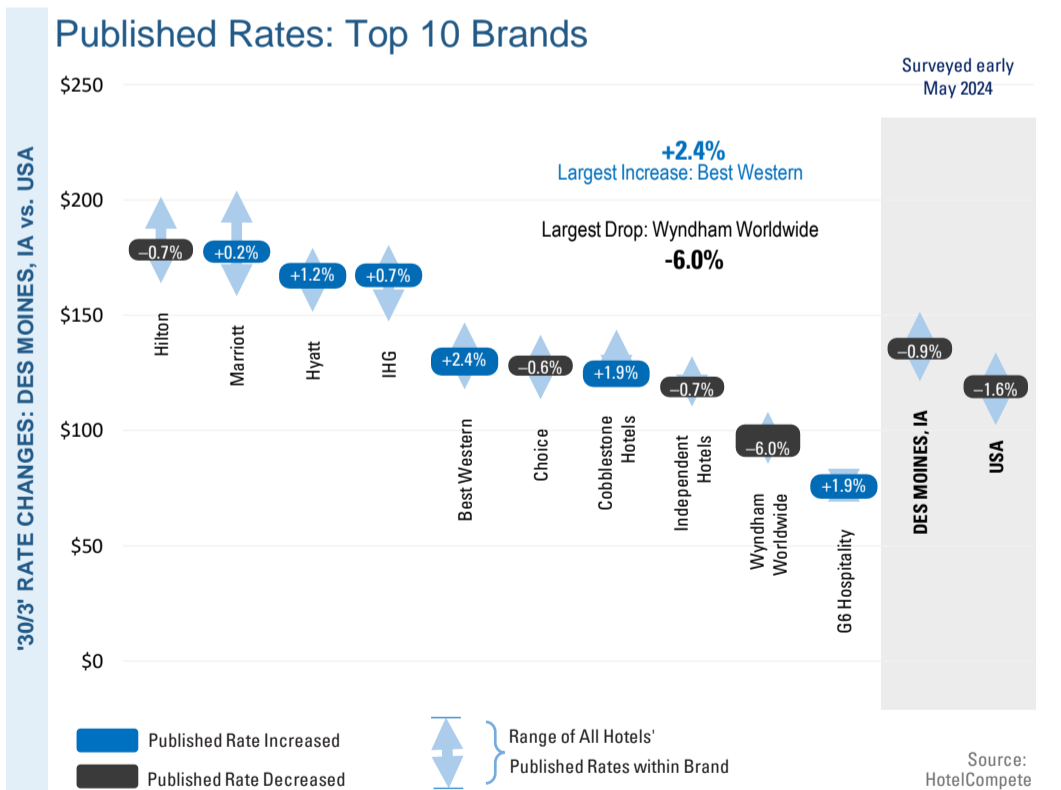
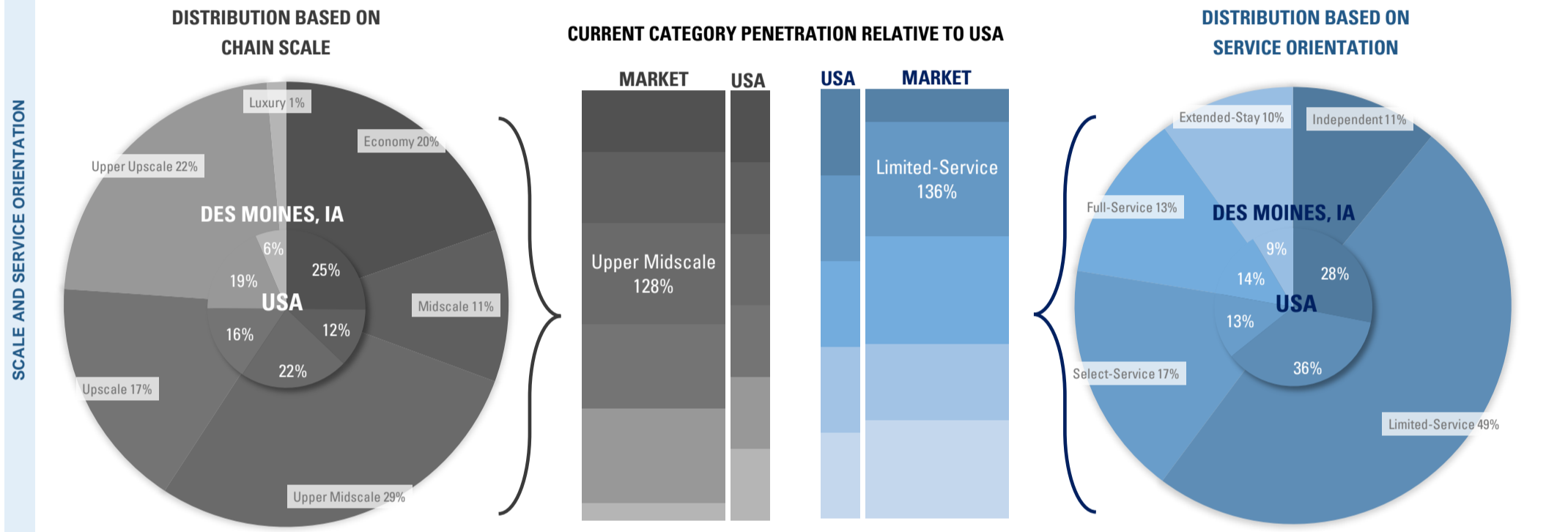
Aaa
Investment Grade

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

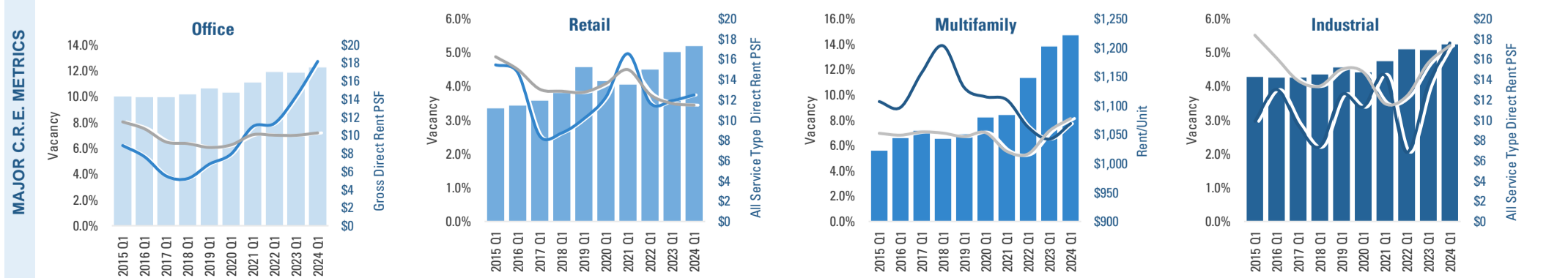




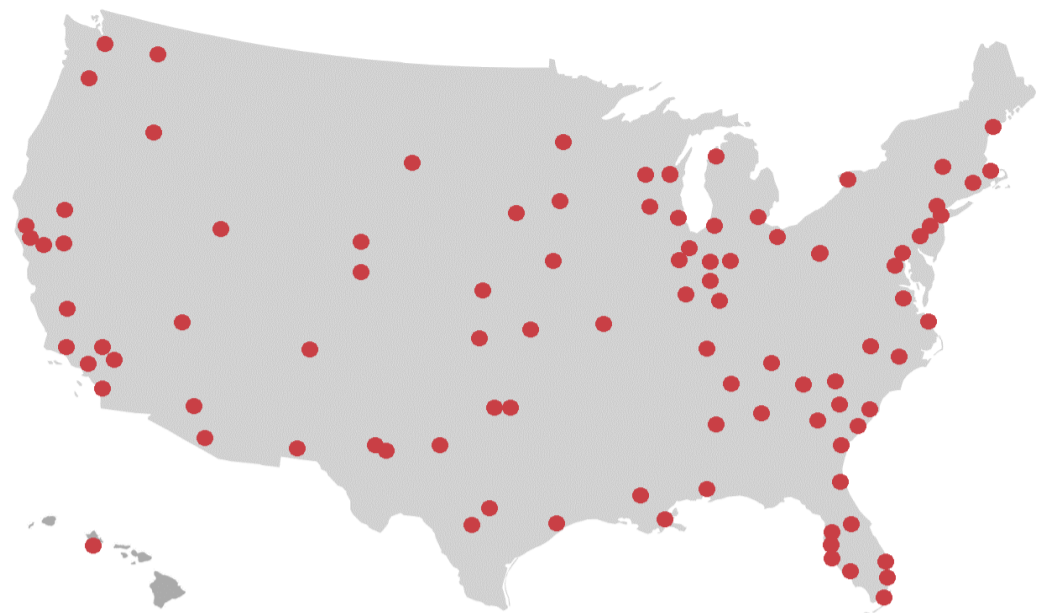
Scale and Service Distribution: Des Moines, IA



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

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Marinas

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Portfolio Analytics

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Property Tax

We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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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: MIDWEST MARKETS

FOR MORE INFORMATION

Ryan Sikorski, MAI, CFA
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Midwest Markets
m 414-708-0556
ryan.sikorski@nmrk.com

John Burke
Senior Vice President
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NEWMARK VALUATION & ADVISORY
Midwest Markets
t 312-224-3170
john.burke@nmrk.com

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