

NEWMARK

1Q 2024

Hotel Market Nsights Report

FORT MYERS, FL



FOR MORE INFORMATION:

Bryan Younge, MAI, ASA, FRICS

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

David Gray, MAI, MRICS

Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 561-302-3943

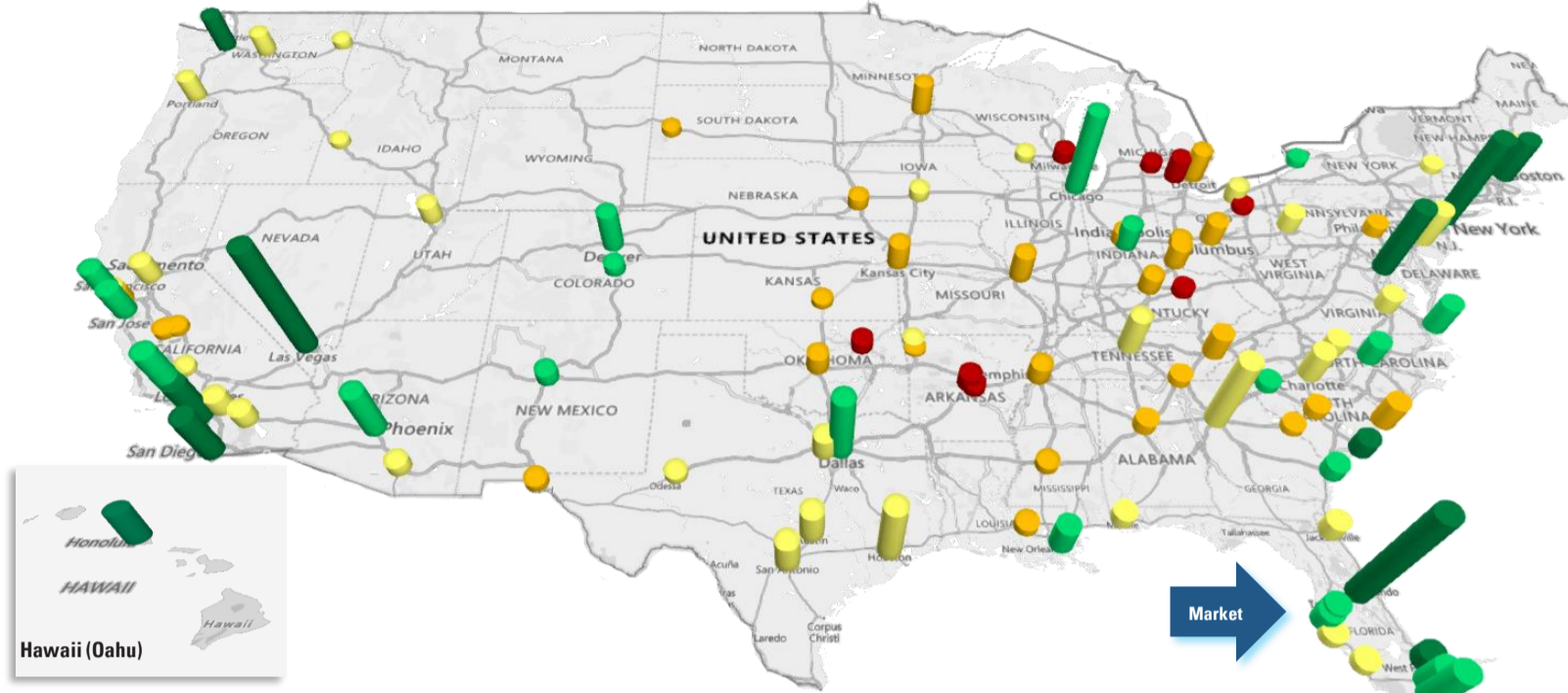
Edy Gross

Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 305-582-7376

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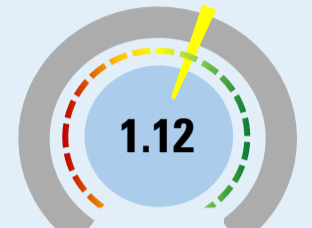


Lodging Performance Index Snapshot



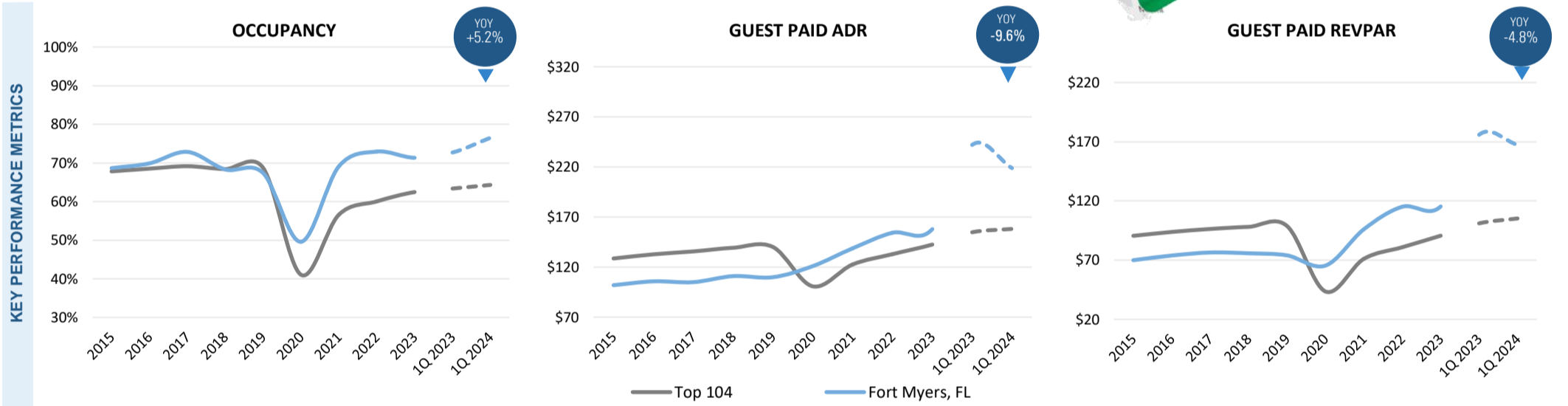
LODGING PERFORMANCE INDEX

Fort Myers, FL



38th of 104 Average

Ranking of overall '1Q 2024 LPI' performance (1.12) against all 104 surveyed markets.

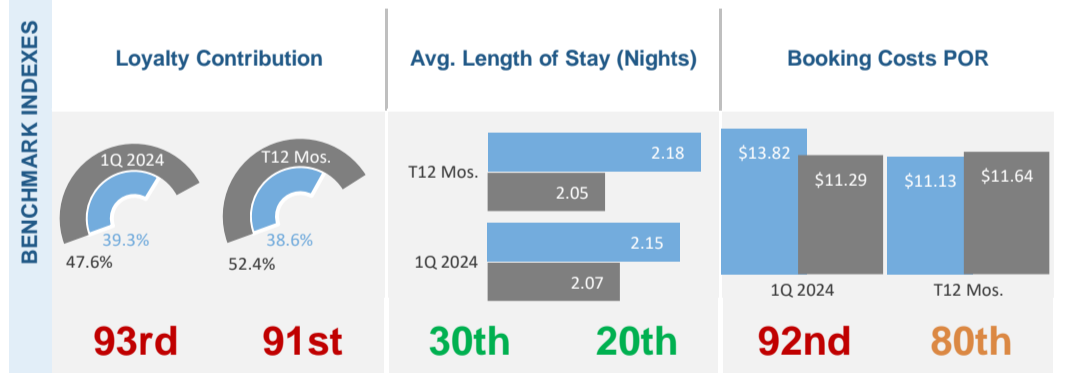


Key Performance Indexes

● Subject Market ● Top 104

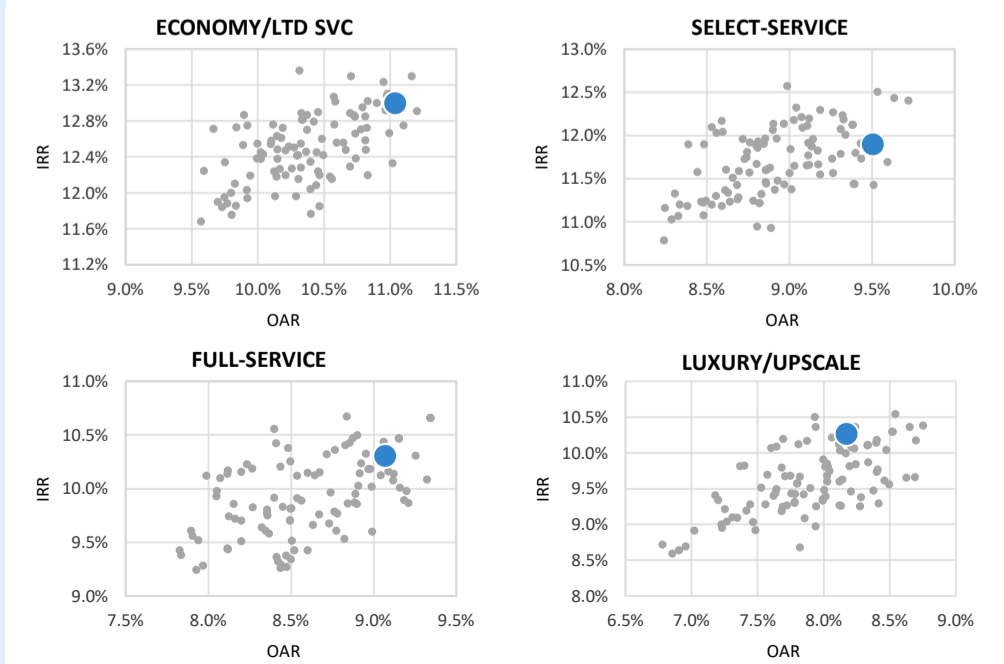


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

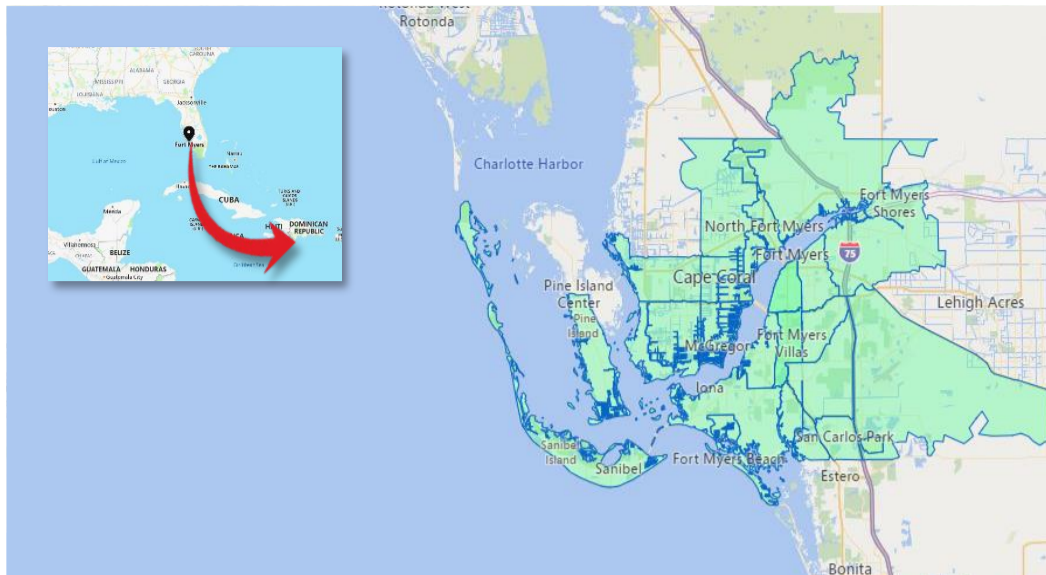


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Fort Myers	
County:	Lee County	
State:	Florida	
Geo Coordinates (market center):	26.64063, -81.87231	
Major Hotel Demand Generators		
Lee Memorial Health System Publix Super Markets Inc. Wal-Mart Stores Inc. Winn Dixie Stores Inc. Florida Gulf Coast University Goodwill Industries of South West Florida Chico's Fas Inc. Home Depot Shell Point Retirement Community Hope Hospice Gartner Florida Southwestern State College News-Press Publishing Co. Target Corp. Robb & Stucky Lowe's Cos. Inc. Hertz WCI Communities Alorica Inc. Comcast		
Metrics and Ranking		Measurements
Population (hotel market area)	401,620	Rankings
Income per Capita	\$41,591	92nd of 104 (Small)
Feeder Group Size	55.8 Persons PSR	76th of 104 (Below Average)
Feeder Group Earnings	\$2,322,318 PSR	28th of 104 (Above Average)
Total Market Hotel Revenues	\$456.1 million	18th of 104 (Above Average)
		64th of 104 (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	68.6%	\$101.90	\$69.94	\$94.17	\$64.64	\$7.72	92.4%	40.9%	2.25	10,300	1.36
2016	69.9%	\$105.73	\$73.88	\$97.45	\$68.10	\$8.27	92.2%	41.7%	2.17	10,200	1.09
2017	72.9%	\$104.92	\$76.44	\$96.89	\$70.59	\$8.03	92.3%	41.3%	2.24	10,260	1.19
2018	68.3%	\$110.94	\$75.77	\$102.39	\$69.93	\$8.56	92.3%	47.0%	2.13	10,400	1.16
2019	67.4%	\$109.87	\$74.03	\$101.22	\$68.20	\$8.65	92.1%	52.8%	2.00	10,880	0.99
2020	49.6%	\$120.93	\$65.37	\$112.08	\$55.57	\$8.85	92.7%	32.8%	2.06	10,910	1.44
2021	69.1%	\$138.68	\$96.05	\$128.11	\$88.52	\$10.57	92.4%	33.6%	1.97	11,460	1.37
2022	72.9%	\$154.24	\$115.10	\$142.98	\$104.27	\$11.27	92.7%	33.6%	2.04	11,490	1.62
2023	71.3%	\$157.89	\$115.35	\$146.90	\$104.78	\$10.99	93.0%	33.9%	2.06	11,490	0.98
CAGR: 2015 thru 2023	0.5%	5.6%	6.5%	5.7%	6.2%	4.5%	0.1%	-2.3%	-1.1%	1.4%	-4.0%
1Q 2023	72.7%	\$241.93	\$175.86	\$228.46	\$166.07	\$13.47	94.4%	37.3%	2.47	11,240	1.43
1Q 2024	76.5%	\$218.82	\$167.40	\$204.99	\$156.82	\$13.82	93.7%	39.3%	2.15	10,620	1.12

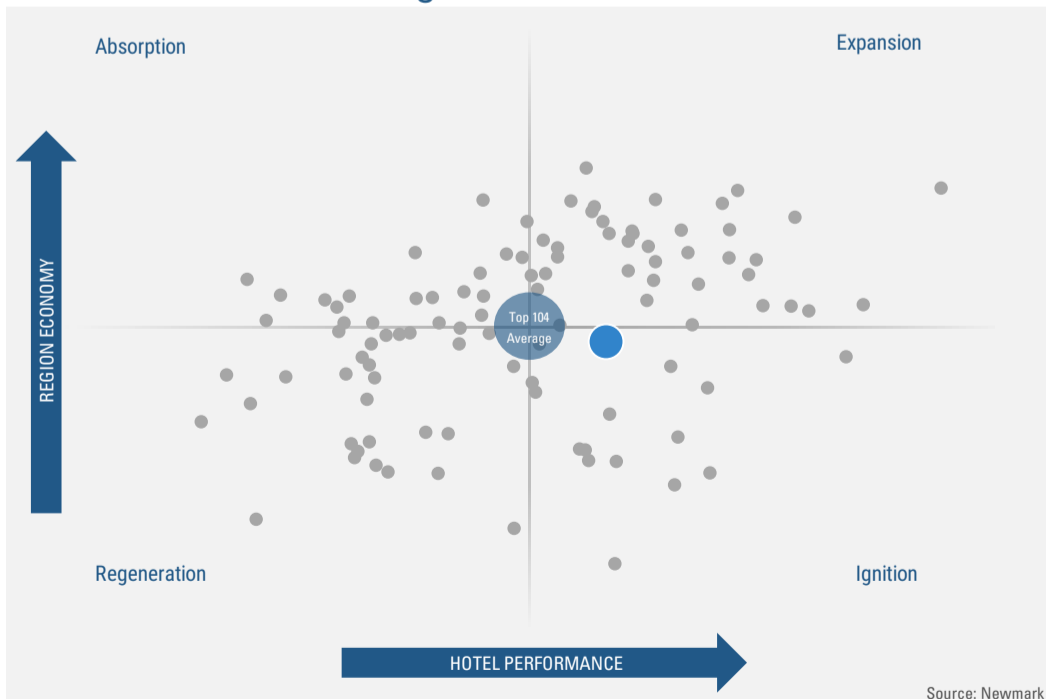
Notable Metrics

HIGHEST	Latest-Quarter Occupancy	Latest-Quarter Guest Paid RevPAR	Latest-Quarter COPE RevPAR
	10th Above Average	10th Above Average	10th Above Average
	Fort Myers, FL enjoyed strong latest-quarter occupancy (76.5%)	The market benefited from strong latest-quarter Guest Paid RevPAR (\$167.40)	The market also benefited from strong latest-quarter COPE RevPAR (\$156.82)
LOWEST	OAR: Economy/Ltd Svc	OAR: Select-Service	IRR: Luxury/Upscale
	101st Highly Unfavorable	99th Highly Unfavorable	93rd Unfavorable
	This market exhibited unfavorable OAR metrics in the economy/ltd svc segment (11.0%)	The market exhibited unfavorable OAR metrics in the select-service segment (9.5%)	Fort Myers, FL also posted unfavorable IRR metrics in the luxury/upscale segment (10.3%)

Notable Trends

STRONGEST	T12-Month Rooms Supply Growth	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth
	3rd Very Strong	10th Above Average	11th Above Average
	Fort Myers, FL exhibited low rooms supply growth over the last 12 months (-5.6%)	The market enjoyed low short-term historical growth in booking costs (0.4%)	The market also has benefited from low long-term historical booking costs POR growth (1.3%)
WEAKEST	Long-Term Historical Occupancy Growth	Long-Term Historical Average Length of Stay Growth	Short-Term Historical LPI Growth
	96th Soft	91st Soft	88th Below Average
	The market has been hindered by weak long-term historical occupancy growth (-1.4%)	We note this area exhibited weak long-term historical average length of stay growth (-0.7%)	Fort Myers, FL also has been hampered by weak short-term historical LPI growth (-3.1%)

Market Performance Stage



Fort Myers, FL: Ignition Stage

The Fort Myers, FL market is currently in the 'Ignition' stage of the performance cycle. In this 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.

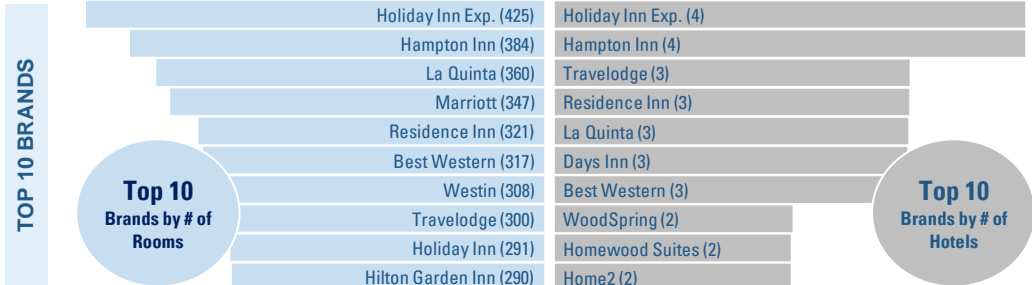
Other Stages:

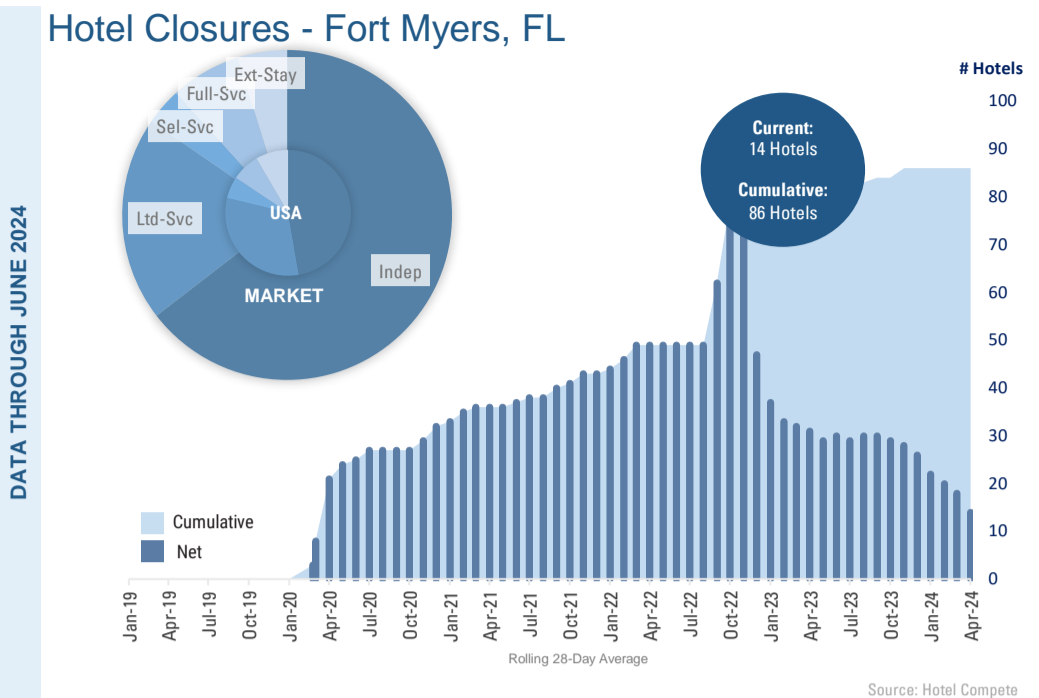
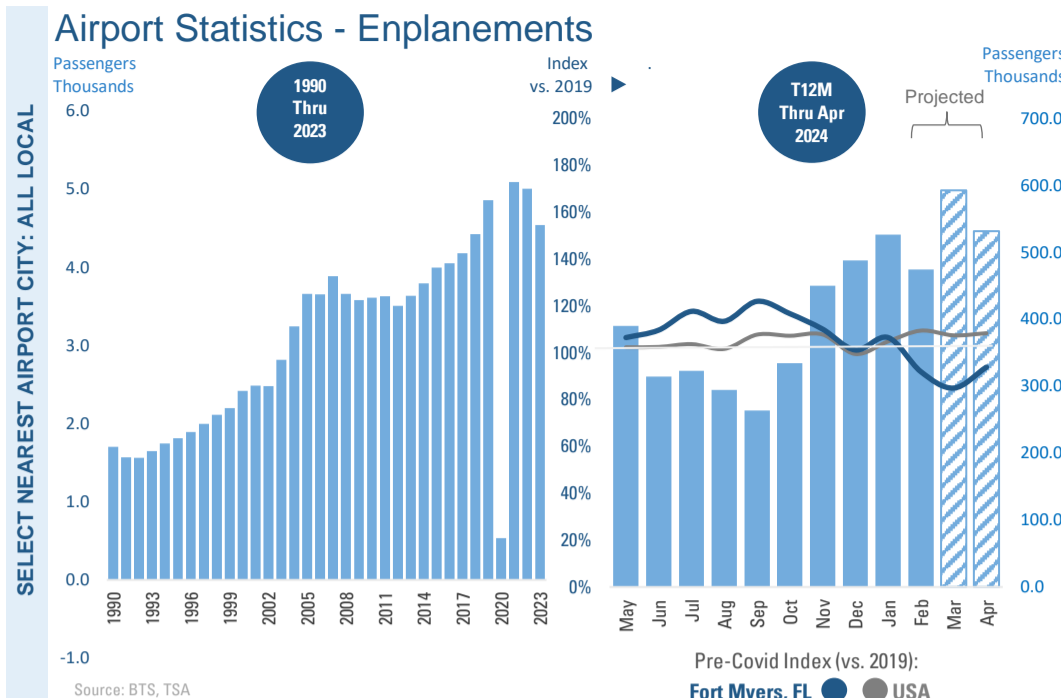
- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Cincinnati, OH; Detroit, MI; and Knoxville, TN.
- 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.

Industry Observations

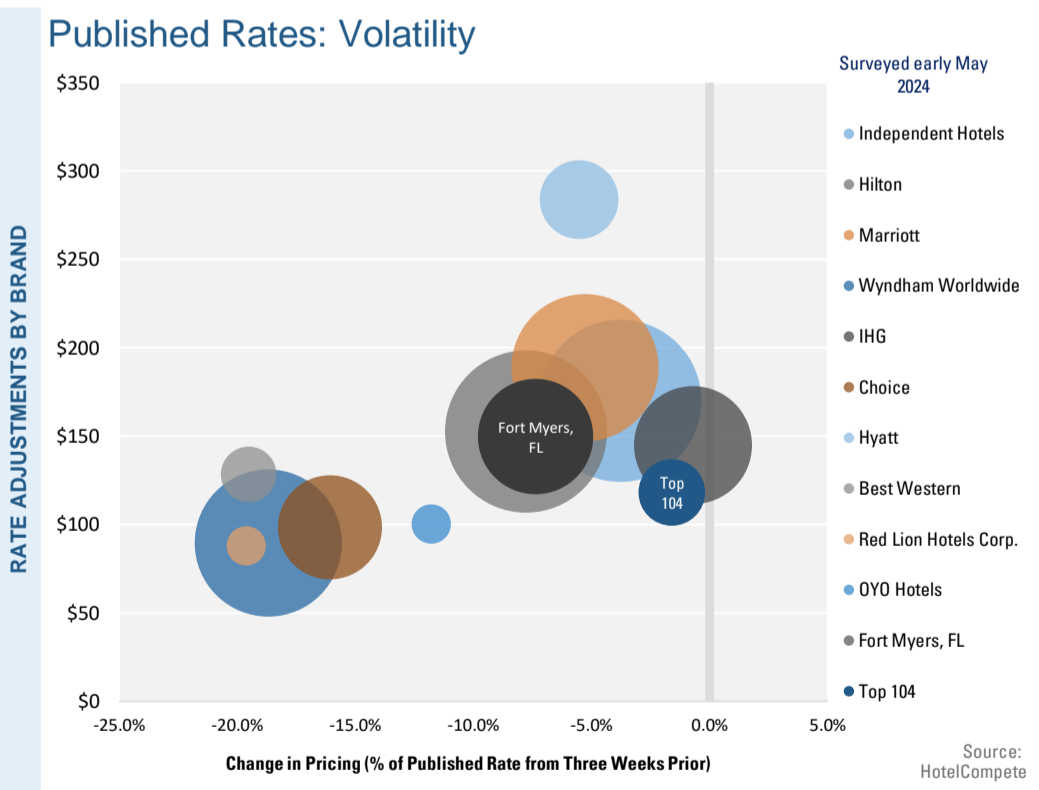
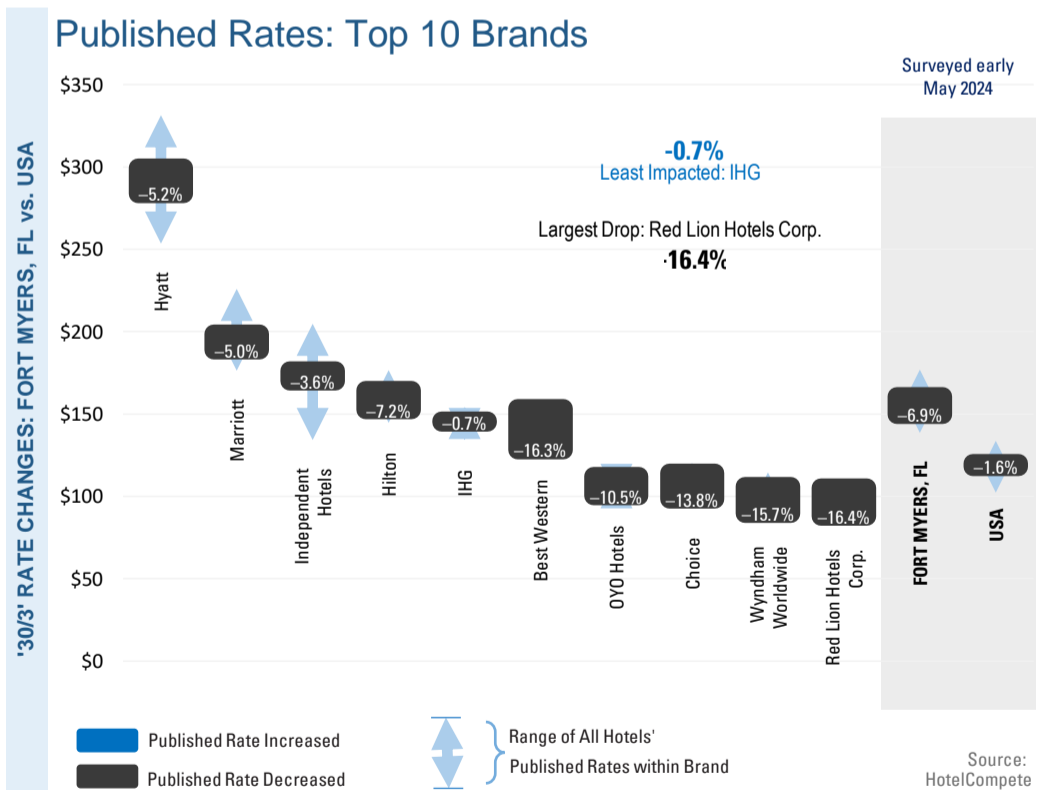
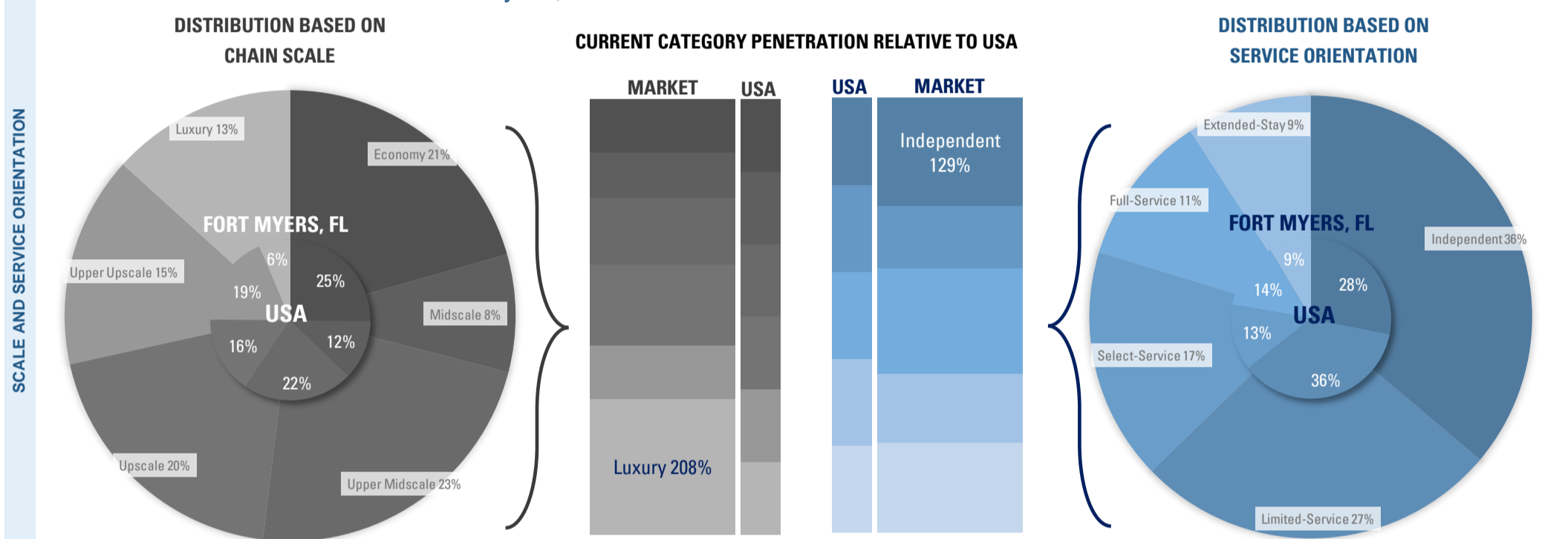
MOODY'S ANALYTICS
 Business Cycle: **At Risk**
 Employment Growth (2 yr): **1.9%**
 Risk Exposure (402 US markets): **3rd Percentile: Low Risk**
 Key Industry Notes:
 Very high economic vitality
 Favorable migration trends
 Tourism support's consumer industries
 Few jobs in tech industries
 Low labor force quality

Moody's Rating
Aa1
Investment Grade
 Long-term investment grade, Prime-1 short-term outlook

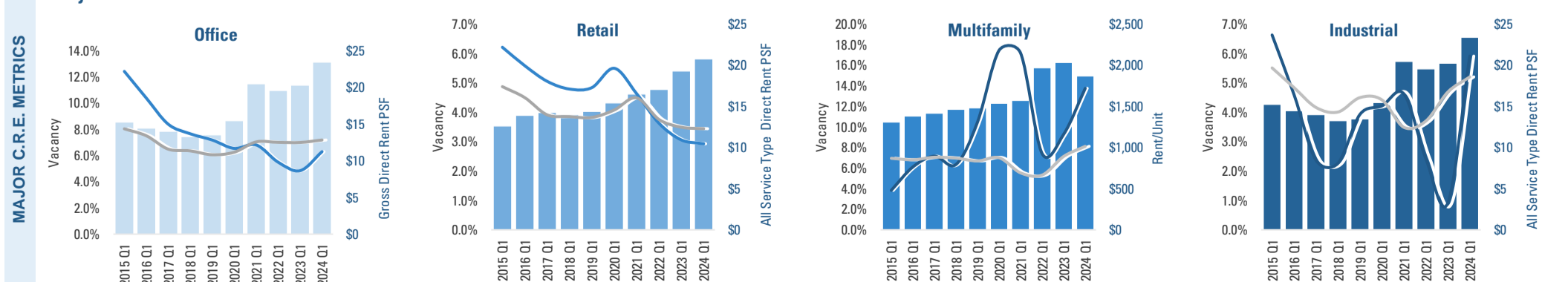




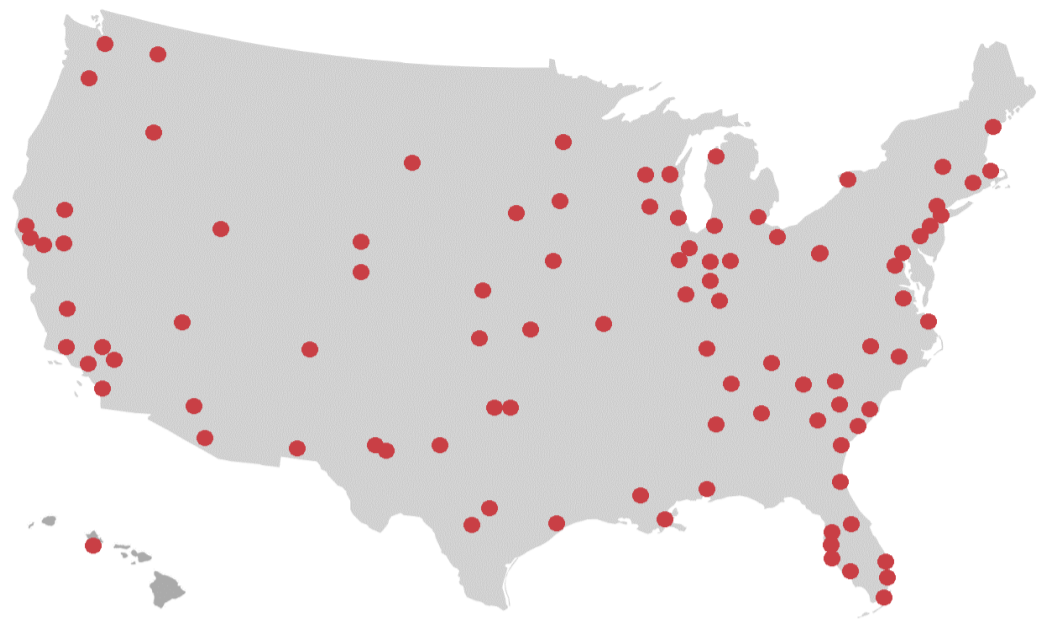
Scale and Service Distribution: Fort Myers, FL



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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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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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@nrmk.com

CONTACT: SOUTHEAST & CARRIBBEAN MARKETS

FOR MORE INFORMATION

David Gray, MAI, MRICS
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 561-302-3943
david.gray@nrmk.com

Edy Gross
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 305-582-7376
edy.gross@nrmk.com

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