NEWMARK

1Q 2024

Hotel Market Nsights Report

FORT WORTH, TX

FOR MORE INFORMATION:

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1Q 2024
FORT WORTH, TX

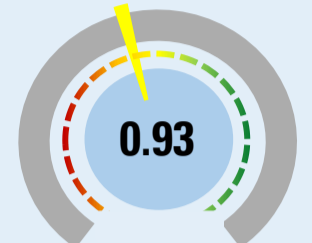## Lodging Performance Index Snapshot
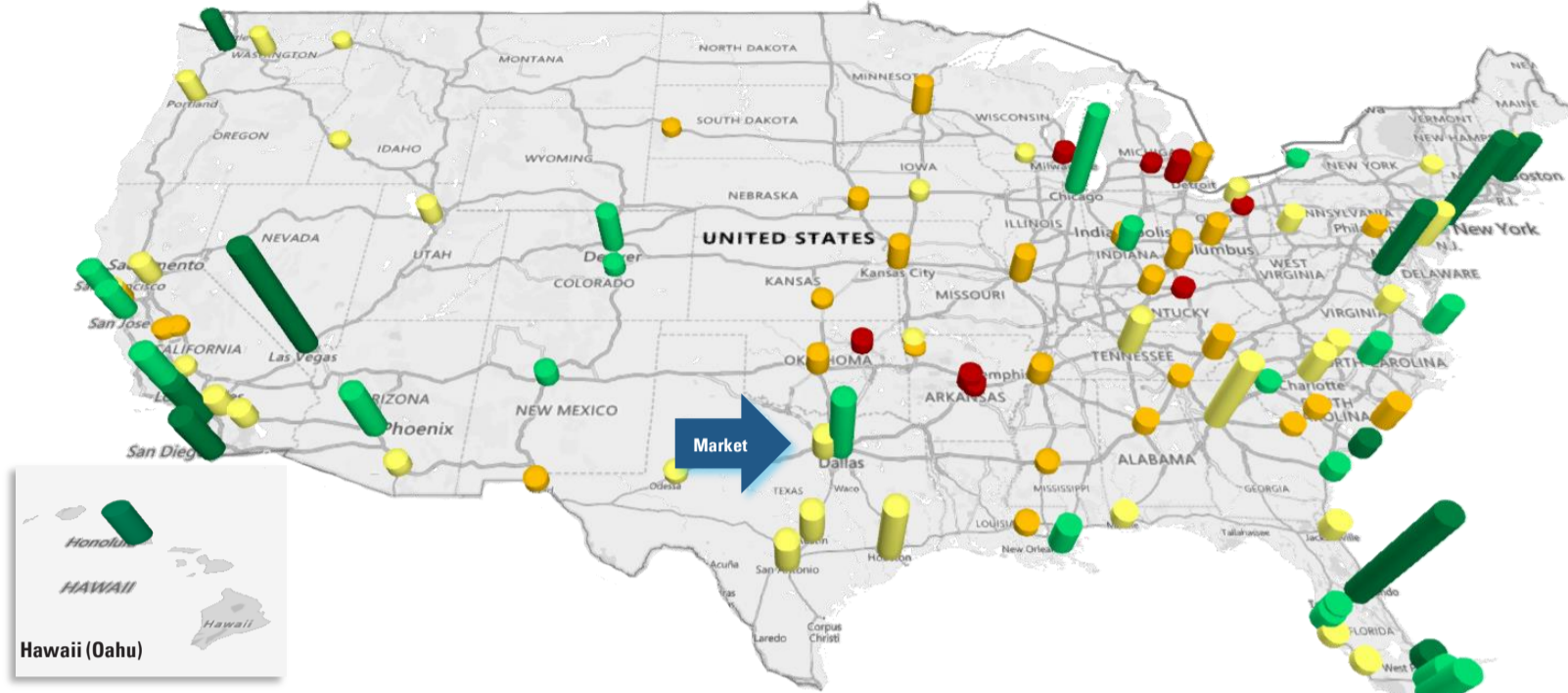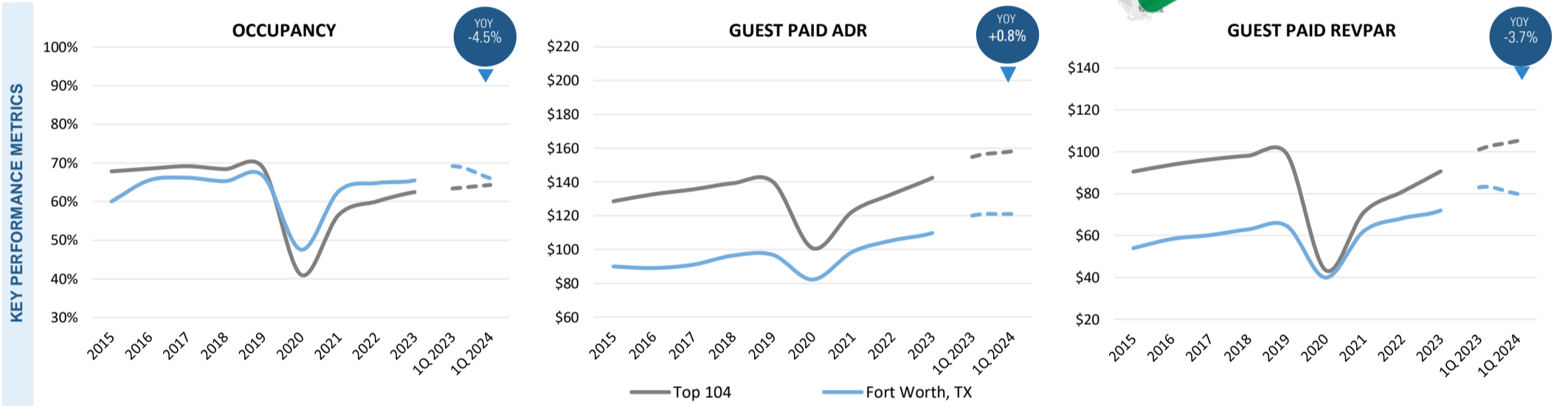

Market

LODGING PERFORMANCE INDEX

Fort Worth, TX

0.93

62nd of 104
Average

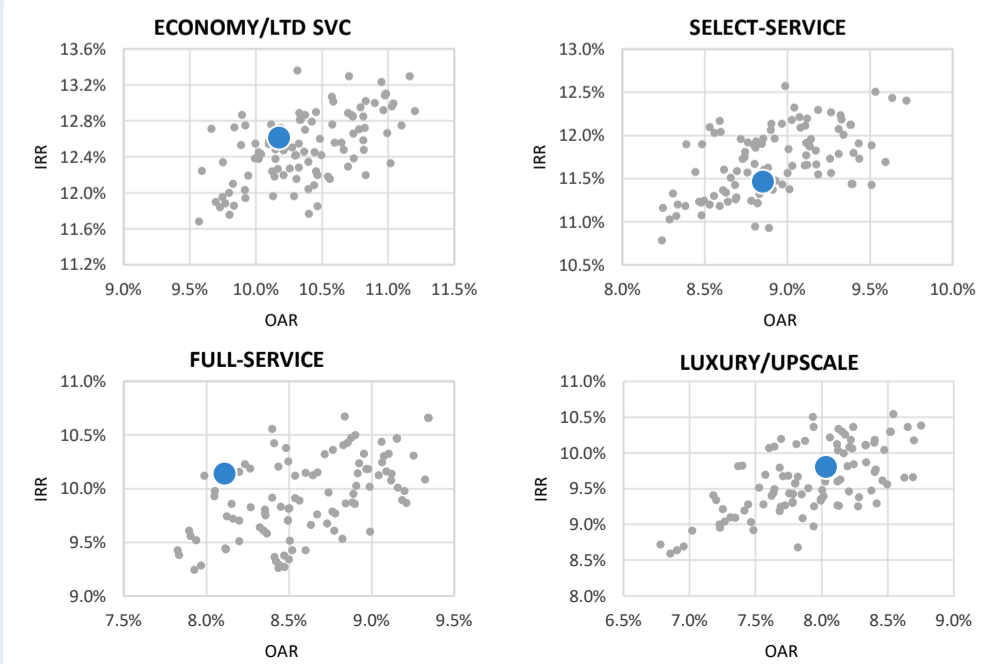Ranking of overall '1Q 2024 LPI' performance (0.93) against all 104 surveyed markets.

OCCUPANCY
YOY -4.5%

GUEST PAID ADR
YOY +0.8%

GUEST PAID REVPAR
YOY -3.7%

KEY PERFORMANCE METRICS

— Top 104   — Fort Worth, TX

Key Performance Indexes

● Subject Market ● Top 104

PERFORMANCE INDEXES

Occupancy
1Q 2024: 66.0% / 64.3% — **28th**
T12 Mos.: 67.5% / 66.7% — **35th**

Guest Paid ADR
1Q 2024: $121 / $158 — **59th**
T12 Mos.: $123 / $158 — **66th**

Guest Paid RevPAR
1Q 2024: $80 / $105 — **41st**
T12 Mos.: $83 / $108 — **55th**

Key Benchmark Indexes

kalibri LABS

BENCHMARK INDEXES

Loyalty Contribution
1Q 2024: 48.9% / 47.6% — **47th**
T12 Mos.: 47.9% / 52.4% — **46th**

Avg. Length of Stay (Nights)
T12 Mos.: 2.22 / 2.05 — **13th**
1Q 2024: 2.24 / 2.07 — **15th**

Booking Costs POR
1Q 2024: $8.01 / $11.29 — **36th**
T12 Mos.: $8.22 / $11.64 — **31st**

Discount and Capitalization Rates

Source: Newmark

INVESTMENT PARAMETERS

ECONOMY/LTD SVC
SELECT-SERVICE
FULL-SERVICE
LUXURY/UPSCALE

Trends and Risks

Source: Kalibri Labs, Newmark

FUNDAMENTALS

Revenue Stability
51st
Average
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets

Supplier Power Trend
44th
Average
Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months

Investment Yields
49th
Average
Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets

RISKS

Supply Risk
9th
High Risk
Assessment of market supply growth over past 12 months relative to Top 104 markets

Labor Risk
100th
Low Risk
Measure of current employment health over past two years relative to Top 104 markets

Macro-Fiscal Risk
89th
Below Average
Assessment of health and diversity of lodging demand generators relative to Top 104 markets

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Location

Quick Facts

Jurisdictional Information

Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name:	Fort Worth
County:	Denton County, Johnson County, Parker County, and others
State:	Texas
Geo Coordinates (market center):	32.78152, -97.34675

Major Hotel Demand Generators

AMR/American Airlines | Lockheed Martin | Texas Health Resources | NAS - Fort Worth - JRB | Arlington ISD | University of Texas at Arlington | JPS Health Network | Cook Children's Health Care System | Tarrant County College | Alcon Laboratories Inc. | Bell Helicopter Textron | BNSF Railway | General Motors | GM Financial | Fidelity | JPMorgan Chase | Kelden Companies | Hickman Companies | Novartis | Range Resources Corp.

Metrics and Ranking

	Measurement	Rankings
Population (hotel market area)	1,988,406	24th of 104 (Above Average)
Income per Capita	$57,309	24th of 104 (Above Average)
Feeder Group Size	90.7 Persons PSR	73rd of 104 (Below Average)
Feeder Group Earnings	$5,199,461 PSR	83rd of 104 (Below Average)
Total Market Hotel Revenues	$980.5 million	42nd of 104 (Average)

Key Performance Metrics

Data provided by: kalibri LABS

| YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE ADR	COPE RevPAR	Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
2015	60.0%	$89.94	$53.98	$83.77	$50.27	$6.17	93.1%	38.4%	2.37	26,530	0.96
2016	65.5%	$89.04	$58.35	$82.61	$54.14	$6.43	92.8%	38.5%	2.43	26,560	1.06
2017	66.2%	$91.02	$60.21	$83.93	$55.52	$7.09	92.2%	41.9%	2.37	27,410	1.00
2018	65.3%	$96.45	$62.96	$89.04	$58.12	$7.42	92.3%	45.3%	2.36	28,330	1.16
2019	66.6%	$96.82	$64.53	$89.32	$59.53	$7.50	92.3%	50.3%	2.27	28,890	0.97
2020	47.6%	$82.22	$39.93	$76.93	$36.58	$5.29	93.6%	39.0%	2.47	29,700	1.14
2021	62.7%	$98.64	$62.13	$91.98	$57.68	$6.66	93.2%	40.8%	2.36	30,810	1.11
2022	64.8%	$105.40	$68.23	$98.34	$63.71	$7.06	93.3%	41.6%	2.34	30,990	1.12
2023	65.5%	$109.79	$71.97	$102.53	$67.14	$7.26	93.4%	42.3%	2.32	31,110	1.18
CAGR: 2015 thru 2023	1.1%	2.5%	3.7%	2.6%	3.7%	2.1%	0.0%	1.2%	-0.3%	2.0%	2.7%
1Q 2023	69.1%	$120.03	$82.99	$112.38	$77.70	$7.65	93.6%	46.1%	2.32	31,350	1.09
1Q 2024	66.0%	$121.04	$79.89	$113.03	$74.60	$8.01	93.4%	48.9%	2.24	32,340	0.93

Notable Metrics

HIGHEST

OAR: Full-Service	T12-Month Average Length of Stay	T12-Month Average Length of Stay
12th Favorable	**15th** Above Average	**15th** Above Average
Fort Worth, TX posted favorable OAR metrics in the full−service segment (8.1%)	The market benefited from strong T12−month average length of stay (2.22 Nights)	The market also benefited from strong T12−month average length of stay (2.22 Nights)

LOWEST

Feeder Group Earnings per sold room	Feeder Group Size	IRR: Full-Service
83rd Below Average	**73rd** Below Average	**68th** Unfavorable
This market has low feeder group earnings per sold room ($5,199,461)	The market required a large feeder group size (90.73 Persons)	Fort Worth, TX also posted unfavorable IRR metrics in the full−service segment (10.1%)

Notable Trends

STRONGEST

Short-Term Historical Supply Growth	General Economy Reverence	Long-Term Historical Occupancy Growth
5th Strong	**5th** Strong	**23rd** Above Average
Fort Worth, TX has benefited from low short−term historical supply growth (3.8%)	The market enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)	The market also enjoyed strong long−term historical occupancy growth (0.2%)

WEAKEST

T12-Month Rooms Supply Growth	Long-Term Historical Supply Growth	Short-Term Historical Average Length of Stay Growth
96th Soft	**96th** Soft	**84th** Below Average
The market has been hindered by high rooms supply growth over the last 12 months (3.2%)	We note this area has been burdened by high long−term historical supply growth (2.9%)	Fort Worth, TX also exhibited weak short−term historical average length of stay growth (−0.1%)

Market Performance Stage

Source: Newmark
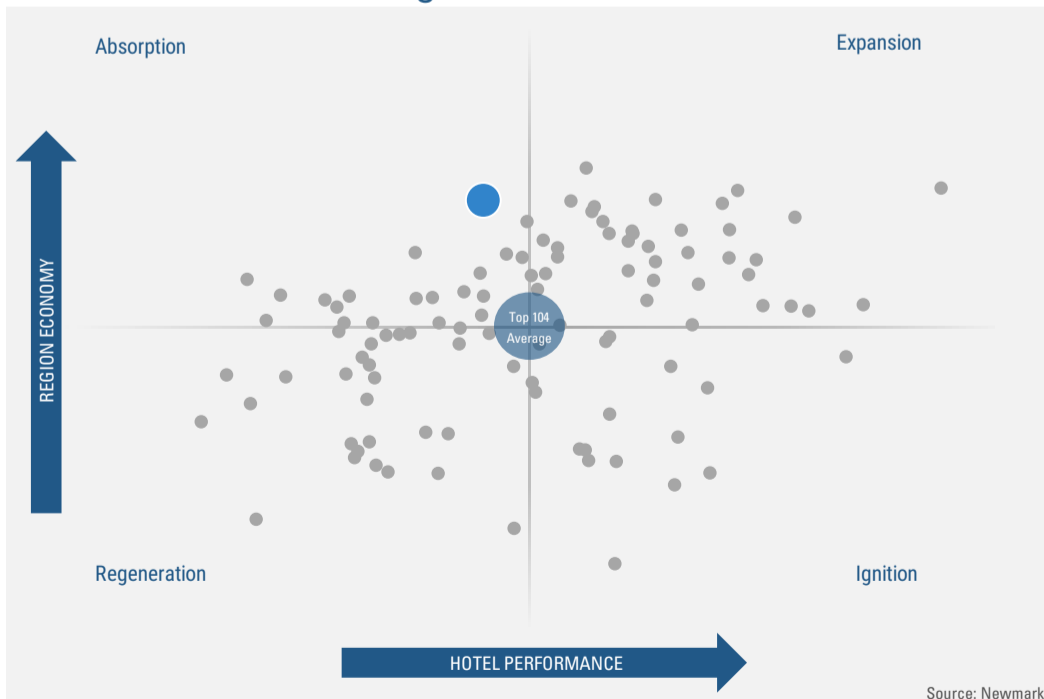
Fort Worth, TX: Absorption Stage

Absorption

The Fort Worth, TX 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.
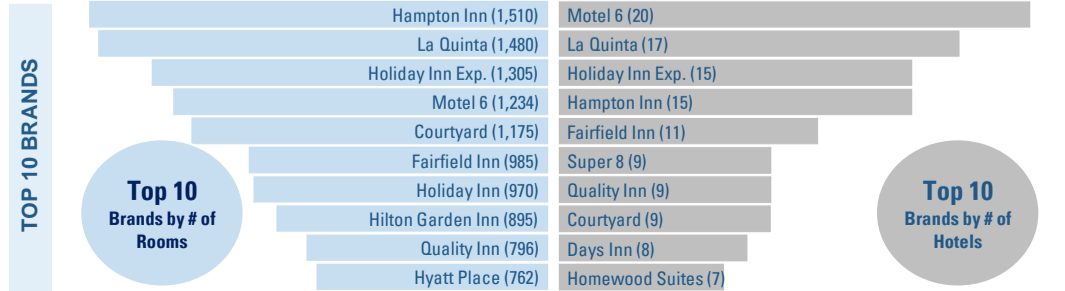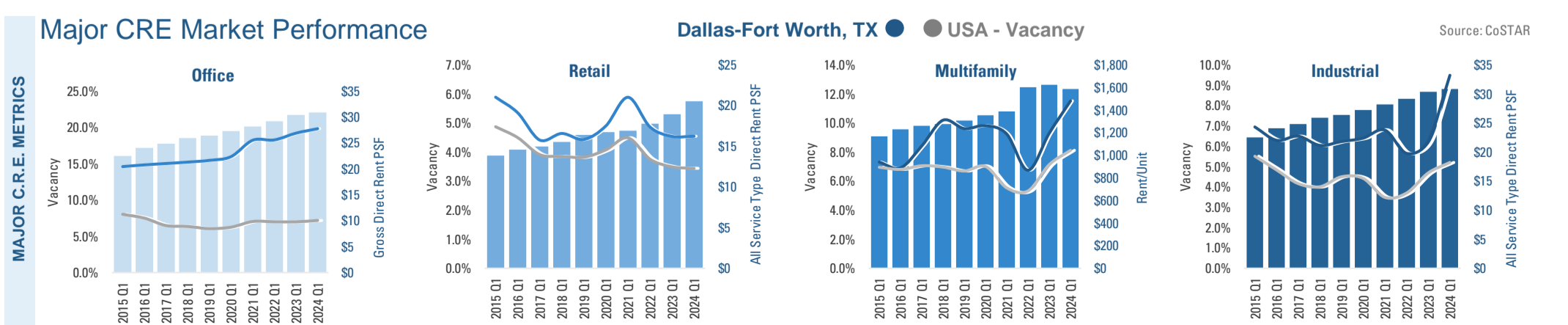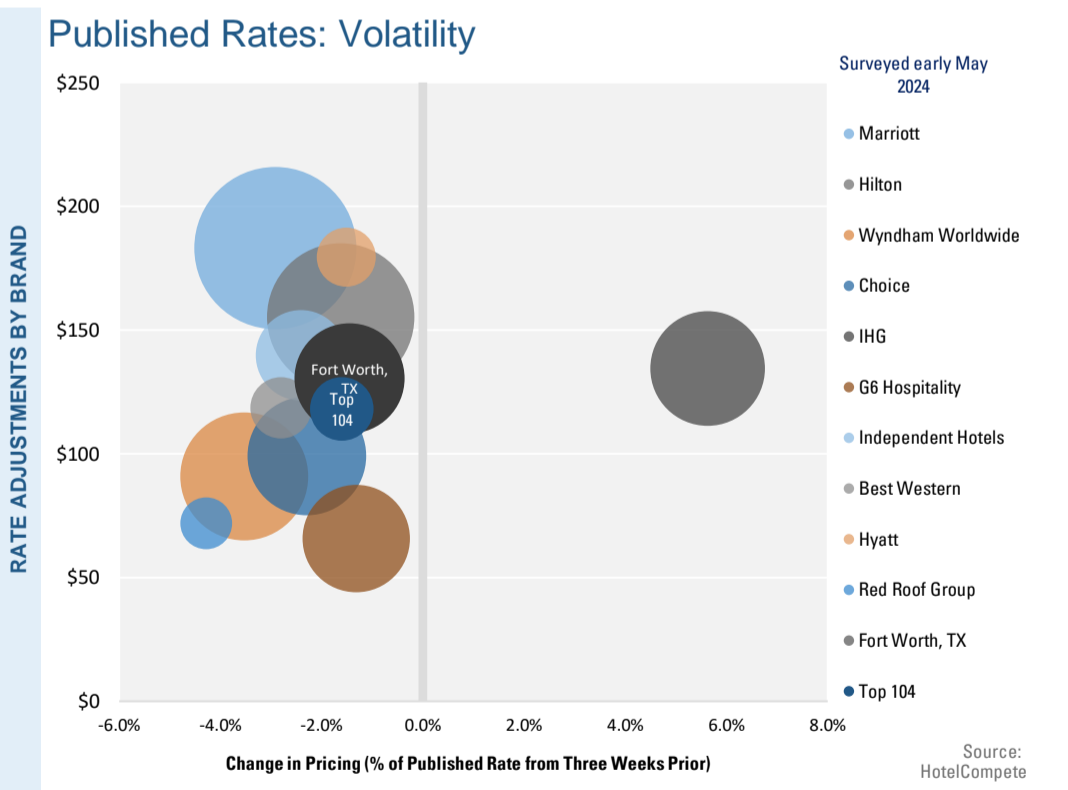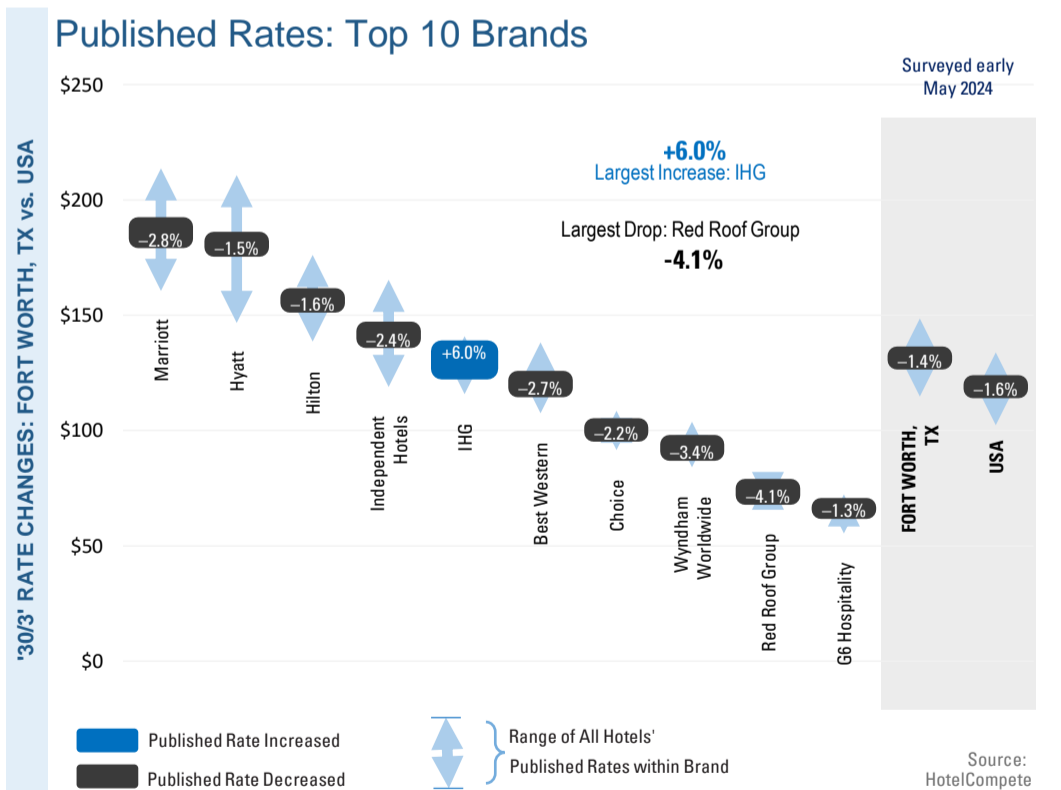
Industry Observations
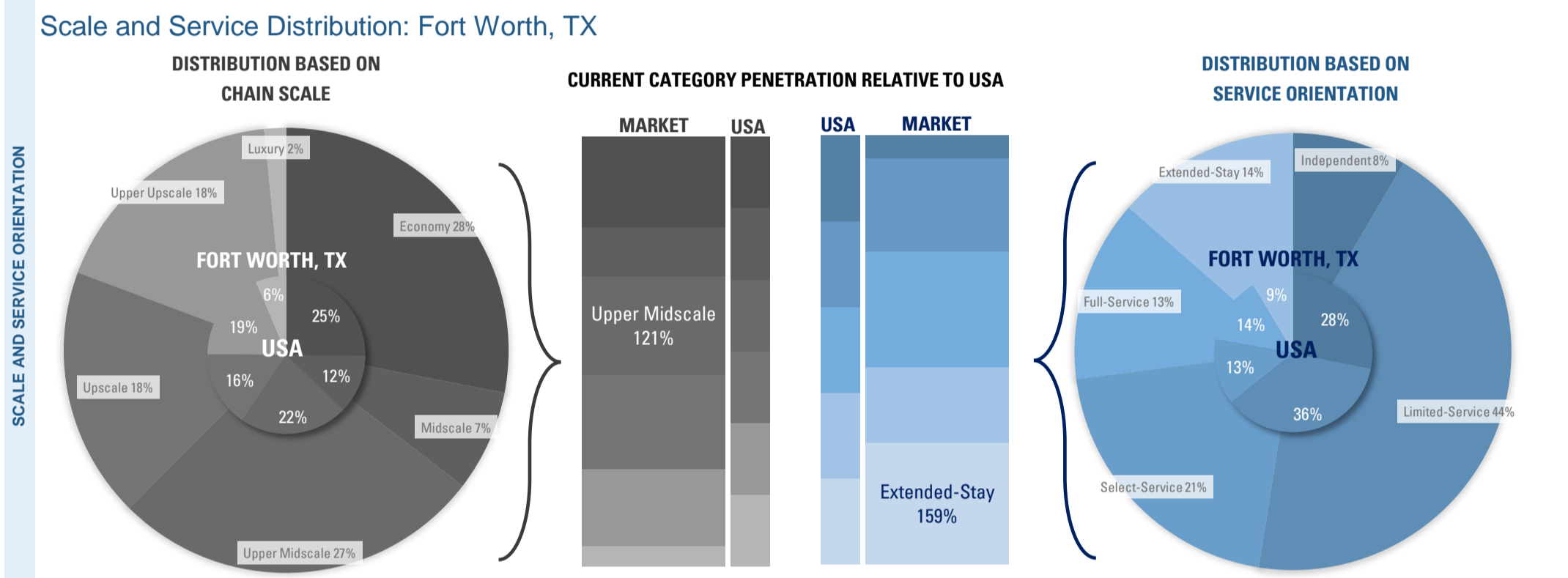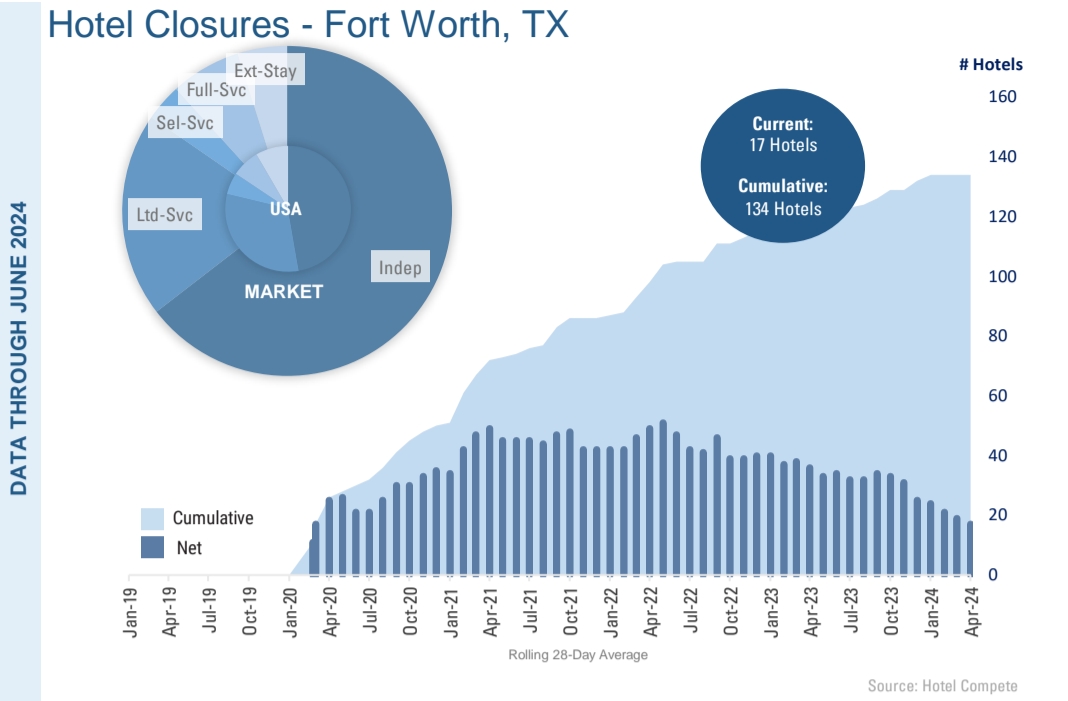
MOODY'S ANALYTICS

Business Cycle:	Expansion
Employment Growth (2 yr):	3.0%
Risk Exposure (402 US markets):	11th Percentile: Low Risk

Key Industry Notes:
High housing affordability
Central Southwest location
Low costs of doing business
Military procurement industry
Some cyclical volatility in industries

Moody's Rating

Aaa
Investment Grade

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

TOP 10 BRANDS

Top 10 Brands by # of Rooms:
Hampton Inn (1,510)
La Quinta (1,480)
Holiday Inn Exp. (1,305)
Motel 6 (1,234)
Courtyard (1,175)
Fairfield Inn (985)
Holiday Inn (970)
Hilton Garden Inn (895)
Quality Inn (796)
Hyatt Place (762)

Top 10 Brands by # of Hotels:
Motel 6 (20)
La Quinta (17)
Holiday Inn Exp. (15)
Hampton Inn (15)
Fairfield Inn (11)
Super 8 (9)
Quality Inn (9)
Courtyard (9)
Days Inn (8)
Homewood Suites (7)

Source: Newmark

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Airport Statistics - Enplanements

Passengers Thousands

1990 Thru 2023

Index vs. 2019 ▶

T12M Thru Apr 2024

Projected

Passengers Thousands

DATA THROUGH JUNE 2024

SELECT NEAREST AIRPORT CITY: ALL LOCAL

Source: BTS, TSA

Pre-Covid Index (vs. 2019):
Fort Worth, TX ● **USA** ●

Hotel Closures - Fort Worth, TX

Hotels

Ext-Stay
Full-Svc
Sel-Svc
Ltd-Svc
USA
Indep
MARKET

Current: 17 Hotels
Cumulative: 134 Hotels

Cumulative
Net

Rolling 28-Day Average

Source: Hotel Compete

Scale and Service Distribution: Fort Worth, TX

SCALE AND SERVICE ORIENTATION

DISTRIBUTION BASED ON CHAIN SCALE

Luxury 2%
Upper Upscale 18%
Economy 28%
FORT WORTH, TX
6%
25%
19%
USA
16%
12%
Upscale 18%
22%
Midscale 7%
Upper Midscale 27%

CURRENT CATEGORY PENETRATION RELATIVE TO USA

MARKET | USA

USA | MARKET

Upper Midscale 121%

Extended-Stay 159%

DISTRIBUTION BASED ON SERVICE ORIENTATION

Extended-Stay 14%
Independent 8%
Full-Service 13%
FORT WORTH, TX
9%
28%
14%
USA
13%
Limited-Service 44%
36%
Select-Service 21%

Published Rates: Top 10 Brands

'30/3' RATE CHANGES: FORT WORTH, TX vs. USA

Surveyed early May 2024

+6.0% Largest Increase: IHG

Largest Drop: Red Roof Group **-4.1%**

Marriott -2.8%
Hyatt -1.5%
Hilton -1.6%
Independent Hotels -2.4%
IHG +6.0%
Best Western -2.7%
Choice -2.2%
Wyndham Worldwide -3.4%
Red Roof Group -4.1%
G6 Hospitality -1.3%
FORT WORTH, TX -1.4%
USA -1.6%

Published Rate Increased
Published Rate Decreased
Range of All Hotels' Published Rates within Brand

Source: HotelCompete

Published Rates: Volatility

RATE ADJUSTMENTS BY BRAND

Surveyed early May 2024

● Marriott
● Hilton
● Wyndham Worldwide
● Choice
● IHG
● G6 Hospitality
● Independent Hotels
● Best Western
● Hyatt
● Red Roof Group
● Fort Worth, TX
● Top 104

Fort Worth, TX Top 104

Change in Pricing (% of Published Rate from Three Weeks Prior)

Source: HotelCompete

Major CRE Market Performance

Dallas-Fort Worth, TX ● **USA - Vacancy** ●

Source: CoStar

MAJOR C.R.E. METRICS

Office
Vacancy
Gross Direct Rent PSF

Retail
Vacancy
All Service Type Direct Rent PSF

Multifamily
Vacancy
Rent/Unit

Industrial
Vacancy
All Service Type Direct Rent PSF

2015 Q1 ... 2024 Q1

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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.

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Gaming Facilities

Arenas, Stadiums and Sports Facilities

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

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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.

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