

NEWMARK

1Q 2024

Hotel Market Nsights Report

FRESNO, CA



FOR MORE INFORMATION:

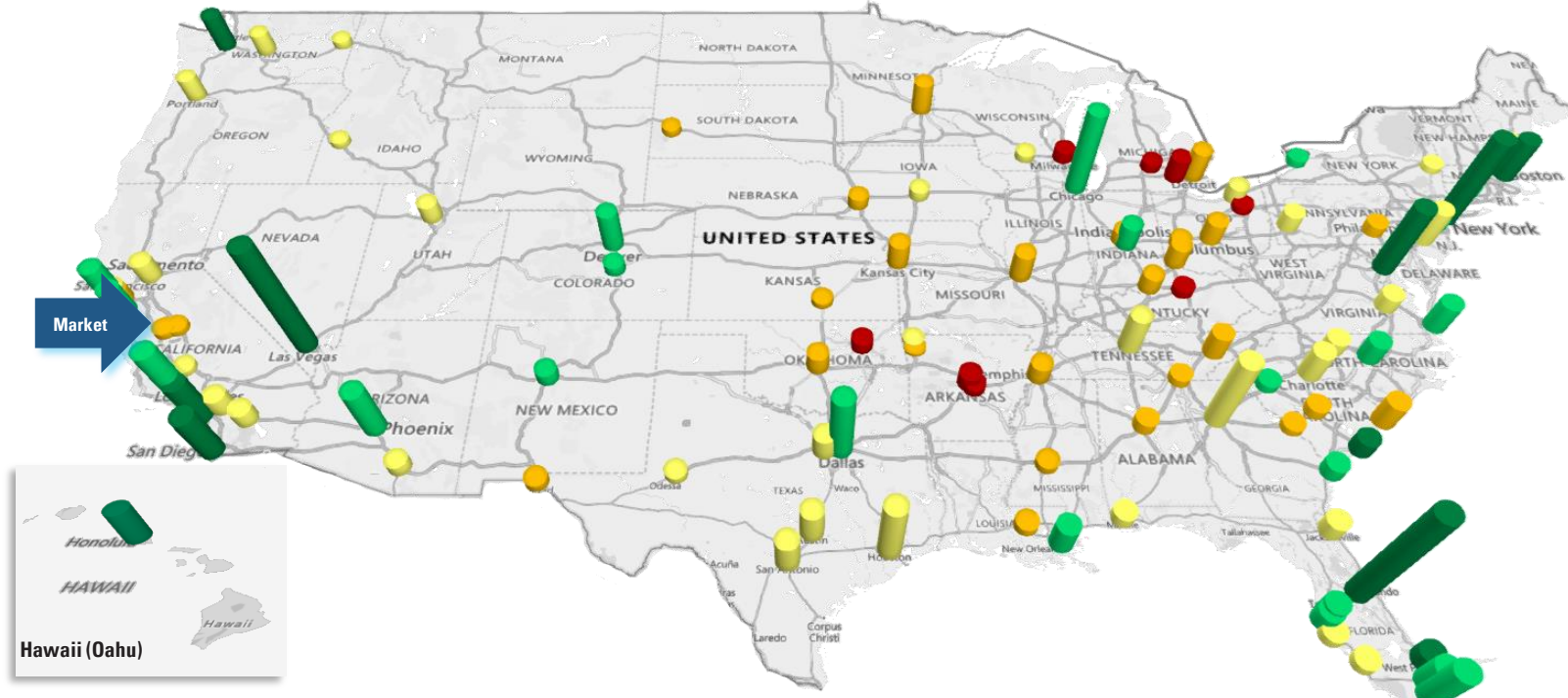
Bryan Younge, MAI, ASA, FRICS
Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
m 773-263-4544

Chad Eschmeyer
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Northern California Markets
Dir 602.315.5888

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

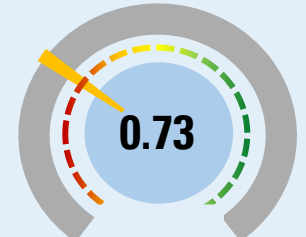


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

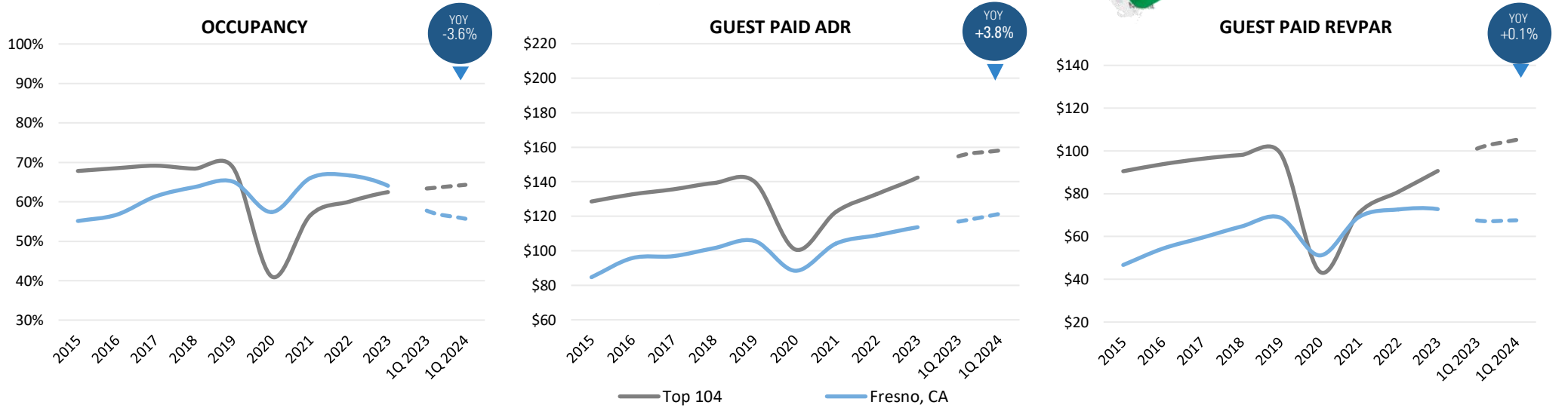
Fresno, CA



85th of 104
Below Average

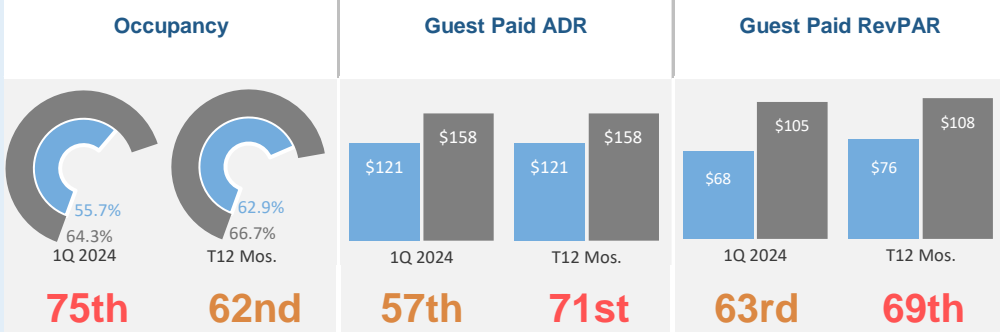
Ranking of overall '1Q 2024 LPI' performance (0.73) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

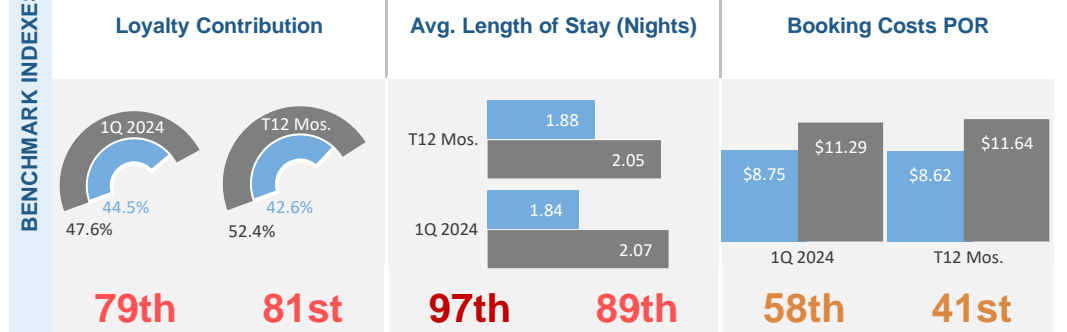


PERFORMANCE INDEXES

Key Performance Indexes

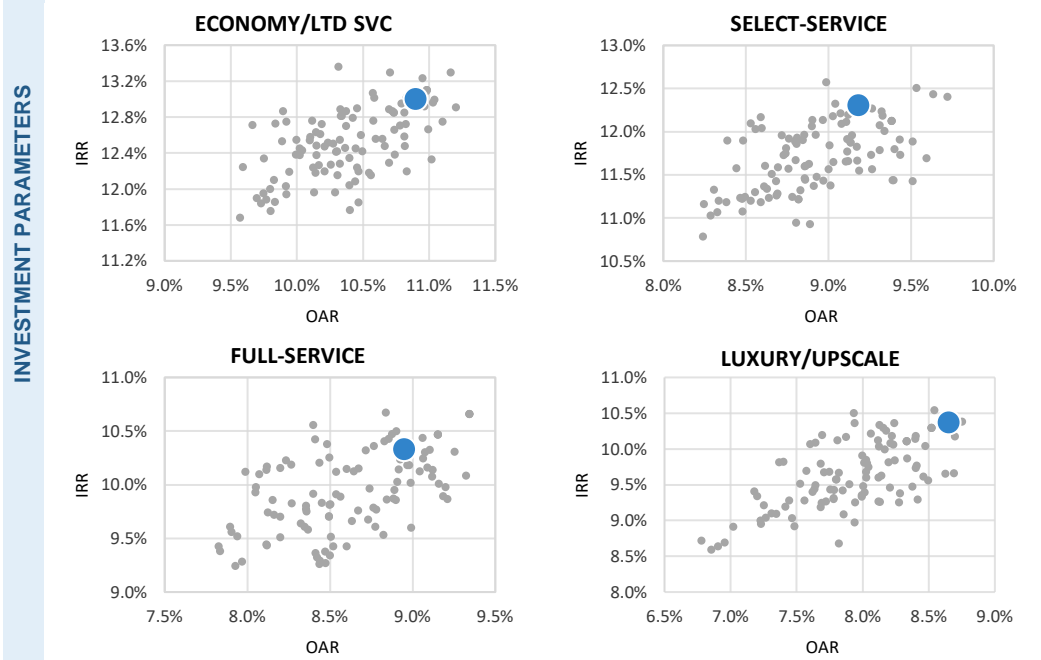


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

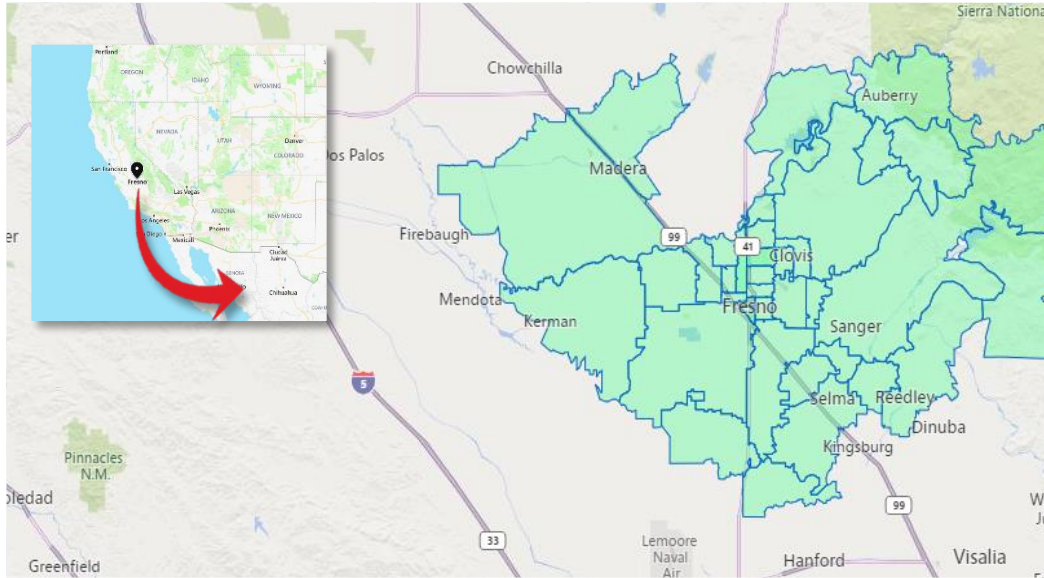


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Fresno	
County:	Fresno County	
State:	California	
Geo Coordinates (market center):	36.74773, -119.77237	
Major Hotel Demand Generators		
Community Medical Center Saint Agnes Medical Center Kaiser Permanente Ruiz Food Products Inc. California State University - Fresno Coalinga State Hospital Colvis Community Medical Center State Center Community College District Alorica Reedley College Sante Health System Sun-Maid Growers of California Pelco Lyons Magnus Chukchansi Gold Resort & Casino AmeriGuard Security Services Inc. Rex Moore Electrical Contractors Guarantee Real Estate Fresno Heart & Surgical Hospital The Nelson Group		
Metrics and Ranking		Measurements
Population (hotel market area)	870,424	
Income per Capita	\$44,853	
Feeder Group Size	176.2 Persons PSR	
Feeder Group Earnings	\$7,902,673 PSR	
Total Market Hotel Revenues	\$216.4 million	
		Rankings
		60th of 104 (Average)
		66th of 104 (Below Average)
		99th of 104 (Soft)
		99th of 104 (Soft)
		100th of 104 (Soft)

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	55.1%	\$84.68	\$46.68	\$79.11	\$43.61	\$5.58	93.4%	39.7%	1.92	8,100	0.41
2016	56.7%	\$95.76	\$54.31	\$88.84	\$50.38	\$6.92	92.8%	45.2%	1.73	7,880	0.68
2017	61.3%	\$96.87	\$59.42	\$89.48	\$54.88	\$7.39	92.4%	43.9%	1.77	7,880	0.89
2018	63.7%	\$101.49	\$64.65	\$93.08	\$59.29	\$8.41	91.7%	45.4%	1.78	7,830	0.86
2019	65.1%	\$105.69	\$68.82	\$96.62	\$62.91	\$9.07	91.4%	49.2%	1.74	7,900	0.86
2020	57.4%	\$88.42	\$51.16	\$82.30	\$47.23	\$6.12	93.1%	31.7%	2.07	8,180	1.35
2021	66.0%	\$104.21	\$69.16	\$96.78	\$63.90	\$7.43	92.9%	35.8%	2.00	8,060	1.24
2022	66.7%	\$108.99	\$72.65	\$101.23	\$67.49	\$7.76	92.9%	37.1%	1.98	8,070	0.75
2023	64.1%	\$113.65	\$72.80	\$105.59	\$67.64	\$8.06	92.9%	38.3%	1.97	8,080	1.02
CAGR: 2015 thru 2023	1.9%	3.7%	5.7%	3.7%	5.6%	4.7%	-0.1%	-0.5%	0.3%	0.0%	12.1%
1Q 2023	57.8%	\$116.90	\$67.52	\$108.57	\$62.71	\$8.33	92.9%	41.6%	1.92	7,730	0.58
1Q 2024	55.7%	\$121.34	\$67.58	\$112.59	\$62.71	\$8.75	92.8%	44.5%	1.84	7,800	0.73

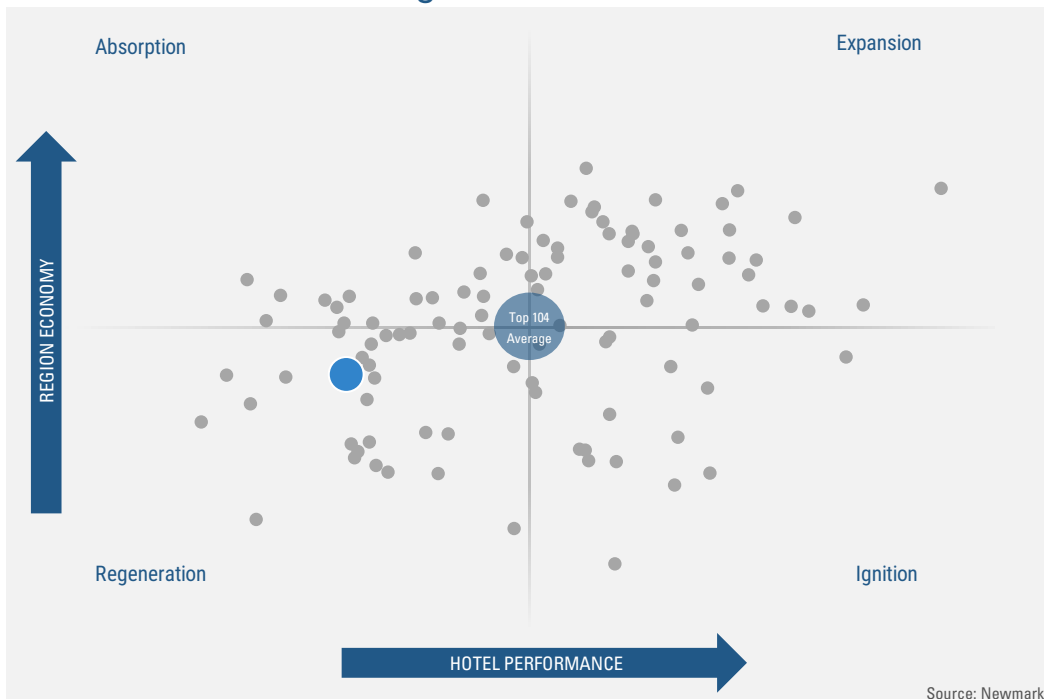
Notable Metrics

HIGHEST	Feeder Population Per Room	Population Density per Room	Marketwide Income per Room
	5th Strong Fresno, CA posted a high ratio of feeder population per room (79.26)	6th Strong The market boasted strong population density per room (109.59)	8th Strong The market also enjoyed a high ratio of marketwide income per room (\$3,554,889)
	101st Highly Unfavorable This market posted unfavorable IRR metrics in the luxury/upscale segment (10.4%)	101st Highly Unfavorable The market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.7%)	100th Soft Fresno, CA also has a limited lodging-related economy and shows minimal diversity in its sources of demand (1,803,189 room nights)

Notable Trends

STRONGEST	Long-Term Historical Supply Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
	5th Strong Fresno, CA has benefited from low long-term historical supply growth (0.2%)	9th Strong The market enjoyed strong long-term historical LPI growth (7.3%)	9th Strong The market also has benefited from strong short-term historical LPI growth (9.7%)
	96th Soft The market has been hindered by weak short-term historical occupancy growth (-2.3%)	96th Soft We note this area exhibited high long-term historical booking costs POR growth (4.8%)	92nd Soft Fresno, CA also has been hampered by weak general hotel market performance (levels and trends of fundamentals)

Market Performance Stage



Fresno, CA: Regeneration Stage

The Fresno, CA market is currently in the 'Regeneration' stage of the performance cycle. In this 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.

Other Stages:

- 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.
- 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:
Employment Growth (2 yr):
Risk Exposure (402 US markets):
Key Industry Notes:

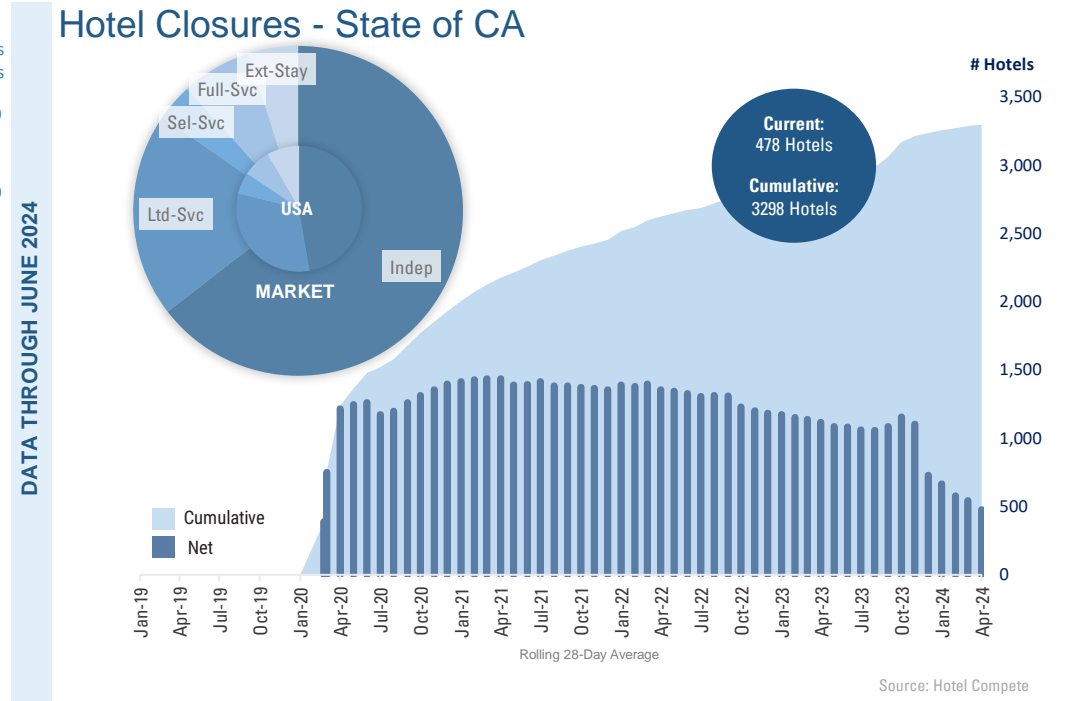
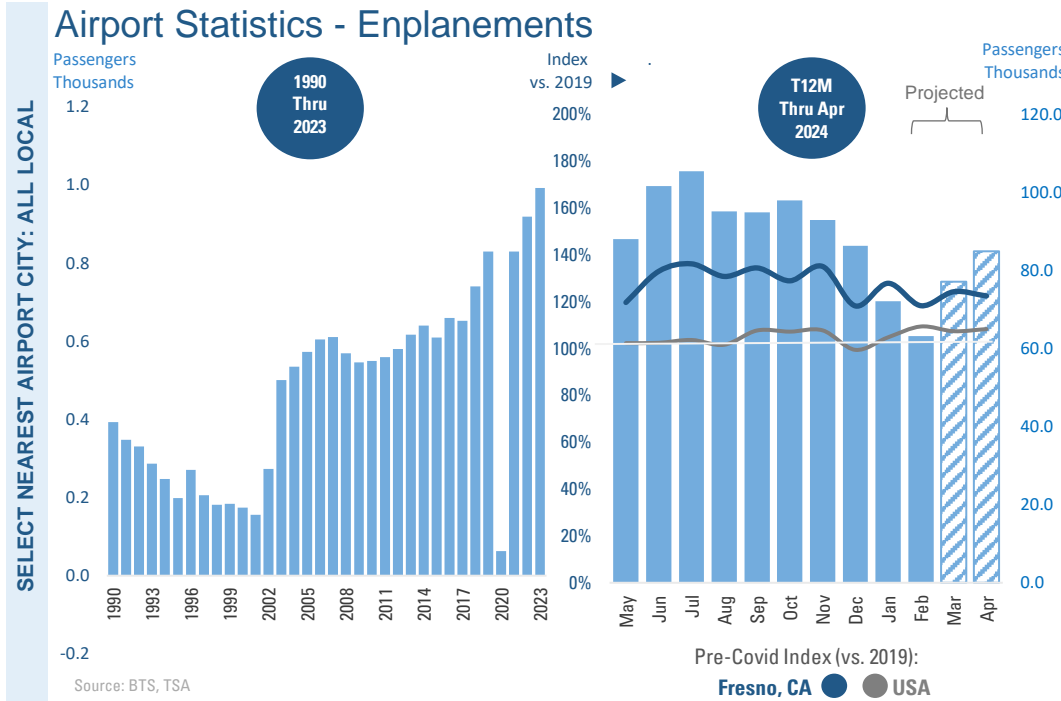
Expansion
1.3%
88th Percentile: Above Average
Stable population growth and low costs
Central location that attracts firms
House price growth
Elevated employment volatility
Low household income

Moody's Rating

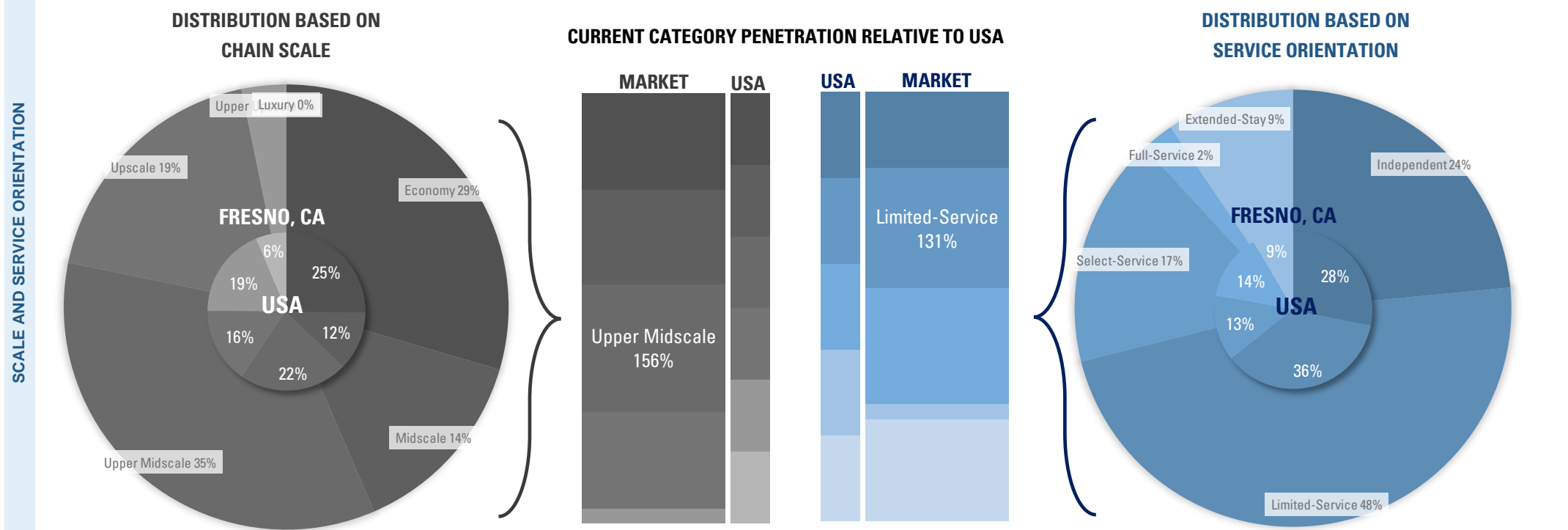
NR

This market is not rated by Moody's

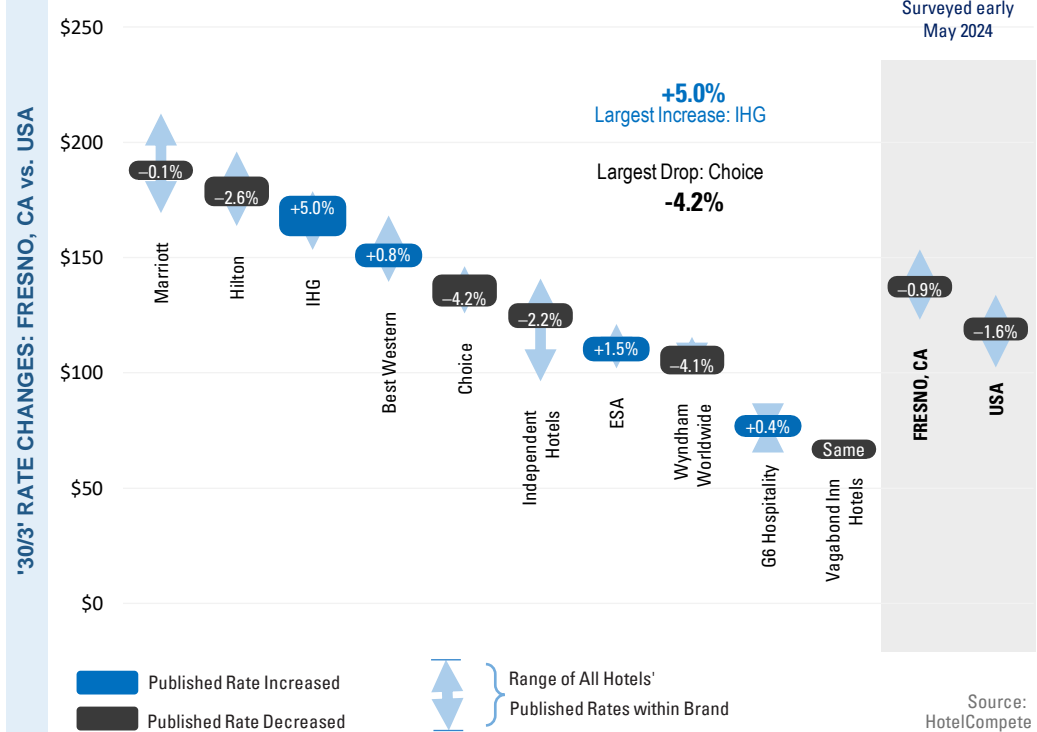




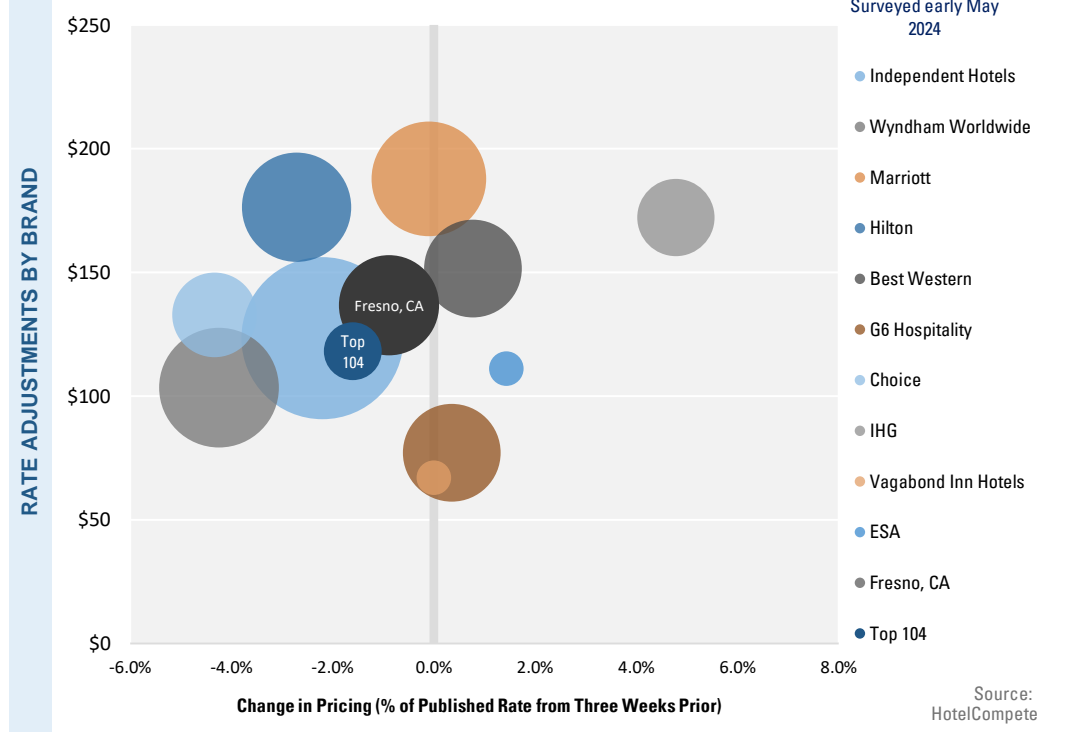
Scale and Service Distribution: Fresno, CA



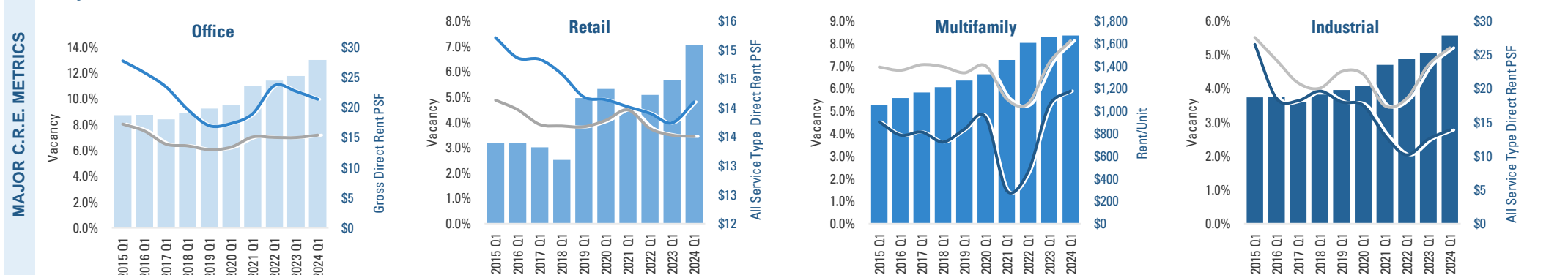
Published Rates: Top 10 Brands



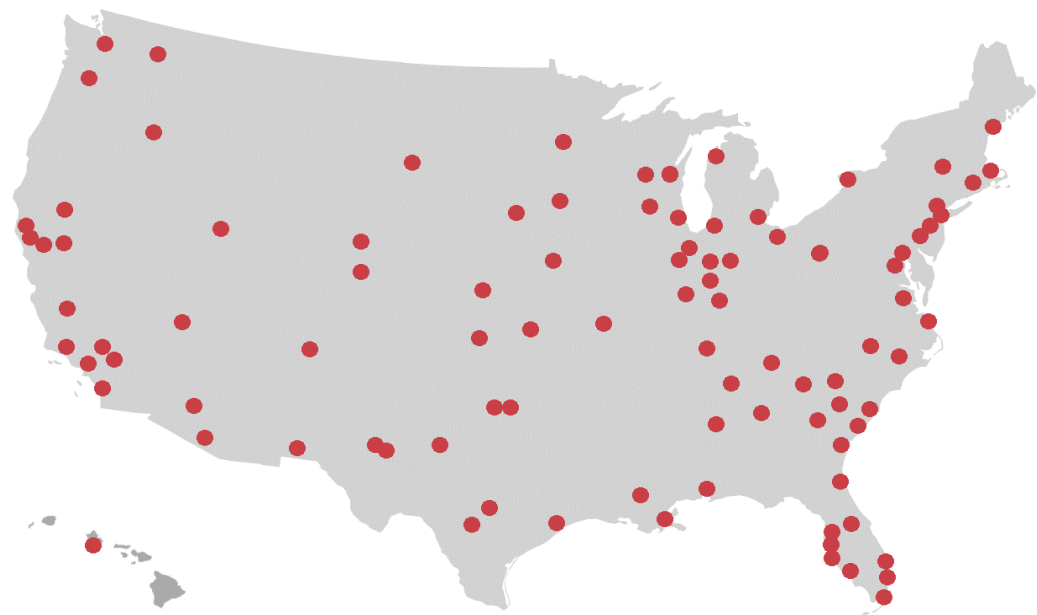
Published Rates: Volatility



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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Golf Courses

Marinas

Ski and Village Resorts

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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@nrmk.com

CONTACT: NORTHERN CALIFORNIA MARKETS

FOR MORE INFORMATION

Chad Eschmeyer
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Northern California Markets
Dir 602.315.5888
chad.eschmeyer@nrmk.com

Bryan Younge, MAI, ASA, FRICS
Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
M 773.263.4544
bryan.younge@nrmk.com

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