

NEWMARK

1Q 2024

Hotel Market Nsights Report

GREENVILLE, SC



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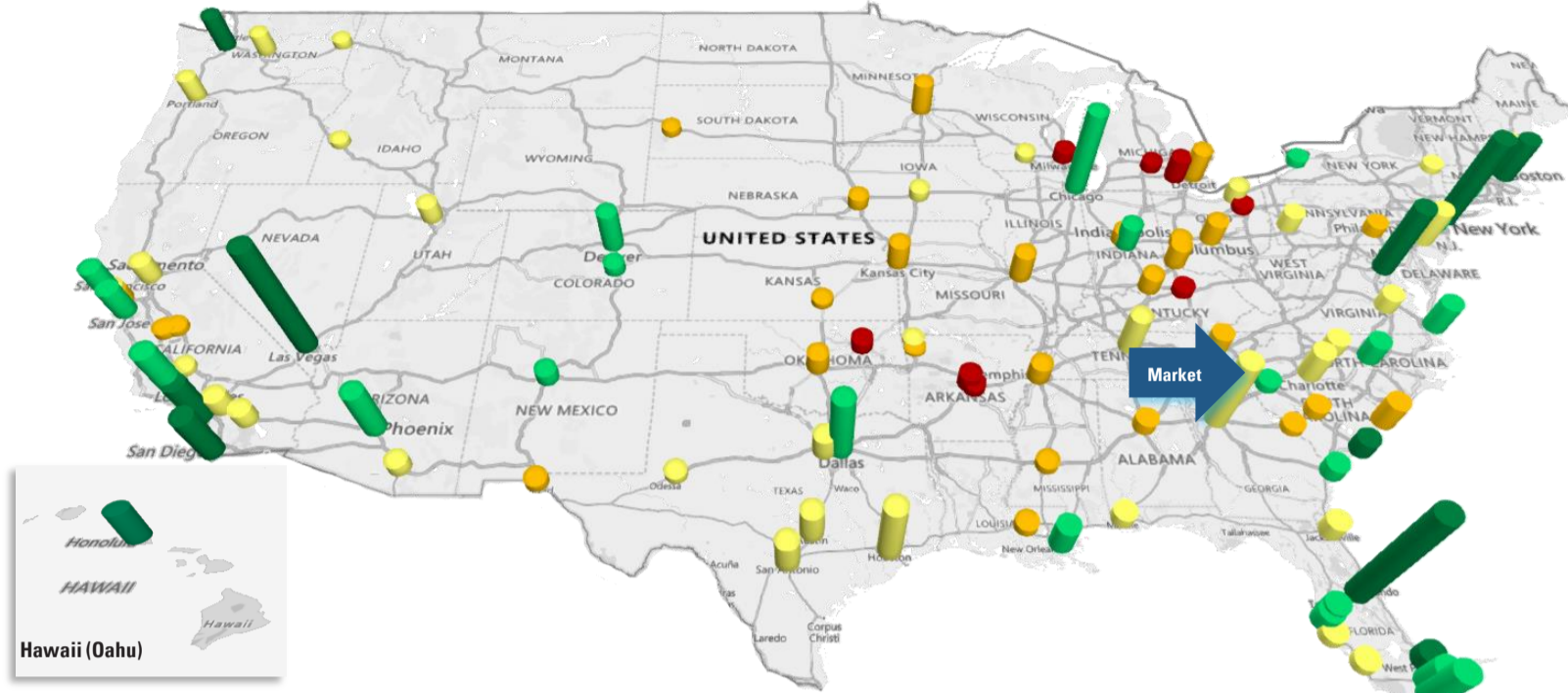
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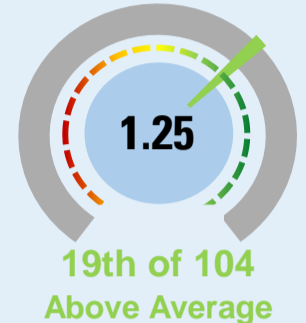


Lodging Performance Index Snapshot

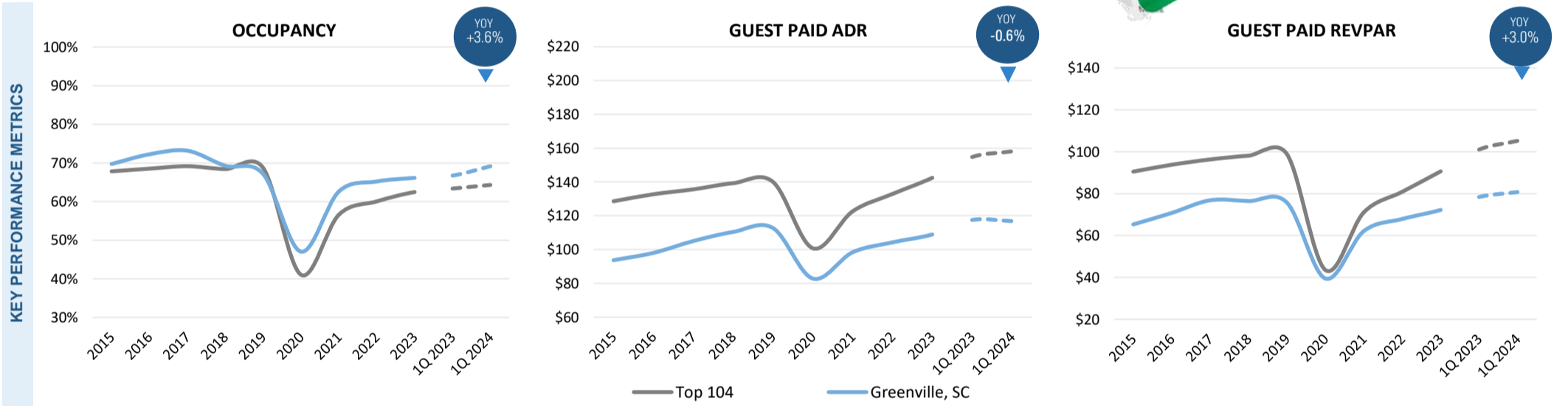


LODGING PERFORMANCE INDEX

Greenville, SC



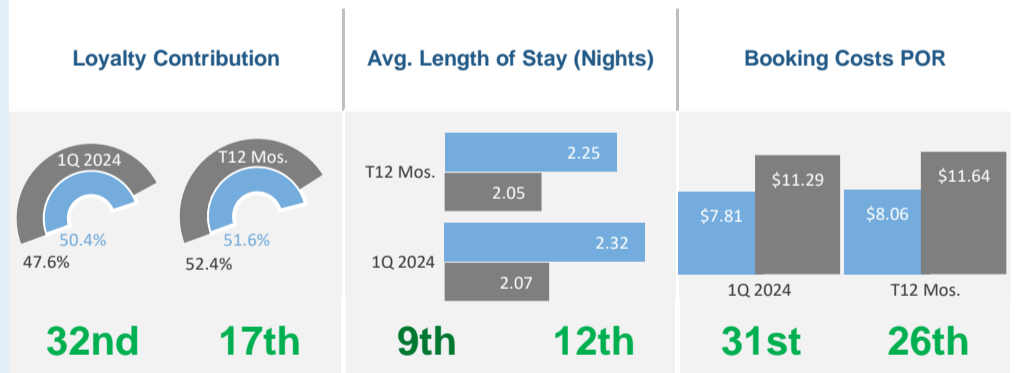
Ranking of overall '1Q 2024 LPI' performance (1.25) against all 104 surveyed markets.



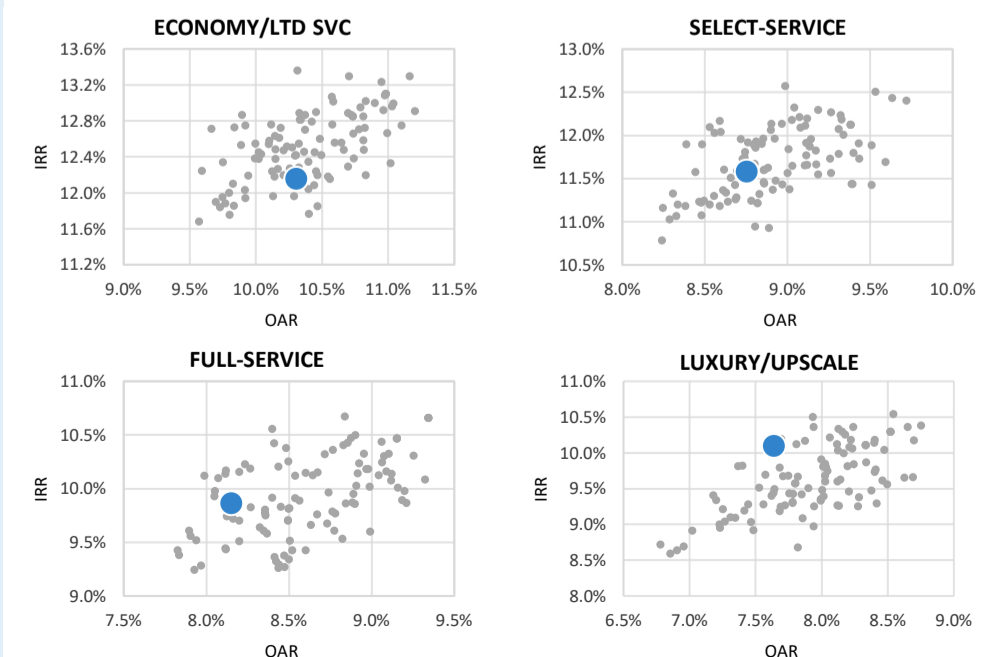
Key Performance Indexes



Key Benchmark Indexes



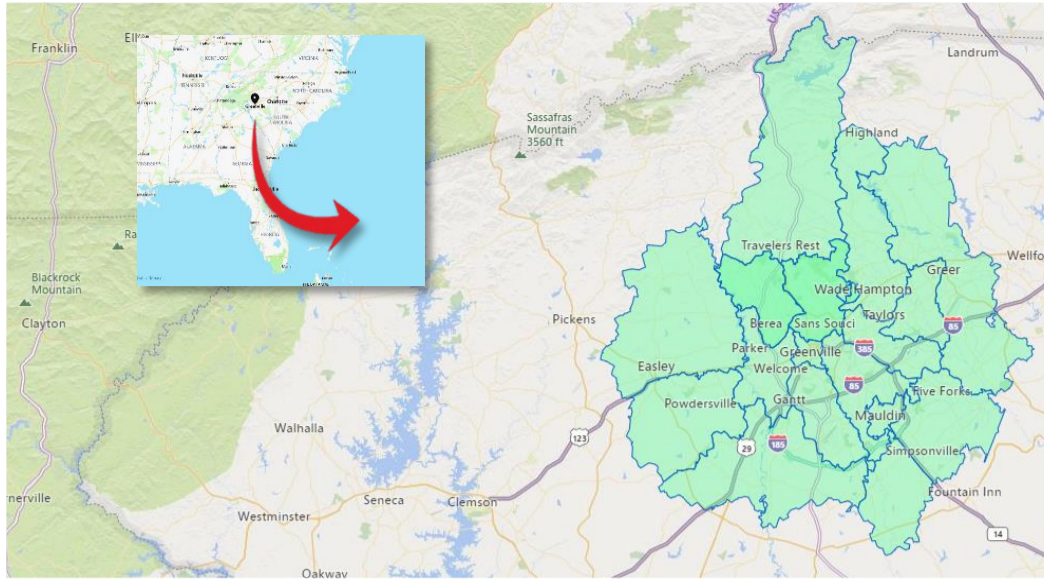
Discount and Capitalization Rates



Trends and Risks



Location



Quick Facts

| Jurisdictional Information | | Source: US Census Bureau, Dept. of Labor Statistics |
|---|---------------------|---|
| Municipal Name: | Greenville | |
| County: | Greenville County | |
| State: | South Carolina | |
| Geo Coordinates (market center): | 34.85262, -82.39401 | |
| Major Hotel Demand Generators | | |
| Greenville Health System Michelin North America Inc. Bi-Lo Supermarkets Bon Secours St. Francis Health System AnMed Health Clemson University GE Power & Water Duke Energy Corp. General Electric Co. Fluor Corp. ZF Friedrichshafen AG Electrolux Home Products TD Bank Concentrix Greenville Technical College Verizon Wireless Charter Communication Sealed Air Corp. - Cryovac Division Bob Jones University Robert Bosch | | |
| Metrics and Ranking | | Measurements |
| Population (hotel market area) | 491,852 | 84th of 104 (Below Average) |
| Income per Capita | \$48,984 | 53rd of 104 (Average) |
| Feeder Group Size | 63.9 Persons PSR | 38th of 104 (Average) |
| Feeder Group Earnings | \$3,129,127 PSR | 39th of 104 (Average) |
| Total Market Hotel Revenues | \$343.2 million | 76th 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 | 69.7% | \$93.68 | \$65.31 | \$87.19 | \$60.78 | \$6.50 | 93.1% | 45.1% | 2.16 | 8,570 | 1.08 |
| 2016 | 72.2% | \$98.00 | \$70.78 | \$91.08 | \$65.79 | \$6.91 | 92.9% | 46.3% | 2.20 | 8,750 | 1.22 |
| 2017 | 73.2% | \$105.01 | \$76.83 | \$97.20 | \$71.12 | \$7.80 | 92.6% | 48.3% | 2.17 | 9,100 | 1.36 |
| 2018 | 69.3% | \$110.39 | \$76.46 | \$102.30 | \$70.85 | \$8.09 | 92.7% | 52.4% | 2.12 | 9,330 | 1.10 |
| 2019 | 67.1% | \$112.73 | \$75.69 | \$103.76 | \$69.66 | \$8.97 | 92.0% | 60.0% | 1.94 | 10,570 | 0.73 |
| 2020 | 47.0% | \$82.81 | \$39.48 | \$77.53 | \$36.46 | \$5.28 | 93.6% | 44.4% | 2.36 | 10,620 | 1.12 |
| 2021 | 62.6% | \$98.36 | \$62.12 | \$91.82 | \$57.48 | \$6.54 | 93.4% | 47.4% | 2.22 | 10,930 | 1.14 |
| 2022 | 65.2% | \$104.22 | \$67.90 | \$97.34 | \$63.45 | \$6.88 | 93.4% | 48.0% | 2.24 | 11,020 | 1.23 |
| 2023 | 66.1% | \$108.91 | \$72.22 | \$101.77 | \$67.29 | \$7.15 | 93.4% | 48.5% | 2.24 | 11,070 | 1.22 |
| CAGR: 2015 thru 2023 | -0.7% | 1.9% | 1.3% | 2.0% | 1.3% | 1.2% | 0.1% | 0.9% | 0.4% | 3.3% | 1.6% |
| 1Q 2023 | 66.7% | \$117.49 | \$78.39 | \$109.80 | \$73.26 | \$7.69 | 93.5% | 50.4% | 2.26 | 11,210 | 1.20 |
| 1Q 2024 | 69.1% | \$116.81 | \$80.77 | \$109.00 | \$75.37 | \$7.81 | 93.3% | 50.4% | 2.32 | 10,910 | 1.25 |

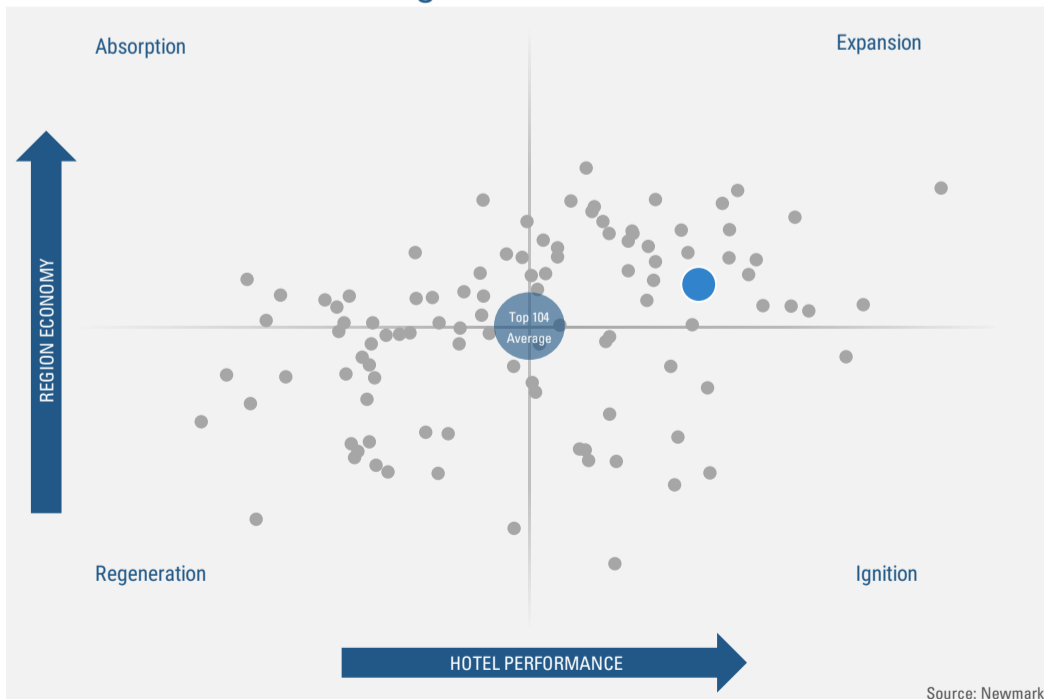
Notable Metrics

| | Latest-Quarter Average Length of Stay | T12-Month Average Length of Stay | T12-Month COPE ADR Percentage |
|----------------|---|---|---|
| HIGHEST | 9th Strong Greenville, SC boasted strong latest-quarter average length of stay (2.32 Nights) | 12th Above Average The market benefited from strong T12-month average length of stay (2.25 Nights) | 14th Above Average The market also benefited from strong T12-month COPE ADR percentage (93.4%) |
| LOWEST | 80th Unfavorable This market posted unfavorable IRR metrics in the luxury/upscale segment (10.1%) | 80th Below Average The market is small and offers a narrow variety of lodging scales and classes (10,913 total rooms) | 75th Below Average Greenville, SC also has a limited lodging-related economy and shows minimal diversity in its sources of demand (2,810,337 room nights) |

Notable Trends

| | Short-Term Historical Occupancy Growth | T12-Month Rooms Supply Growth | Short-Term Historical Supply Growth |
|------------------|---|---|--|
| STRONGEST | 6th Strong Greenville, SC has benefited from strong short-term historical occupancy growth (1.8%) | 10th Above Average The market exhibited low rooms supply growth over the last 12 months (-2.6%) | 11th Above Average The market also has benefited from low short-term historical supply growth (3.3%) |
| WEAKEST | 95th Soft The market has been burdened by high long-term historical supply growth (2.8%) | 81st Below Average We note this area has been hindered by weak short-term historical loyalty contribution growth (2.8%) | 81st Below Average Greenville, SC also has been hindered by weak long-term historical loyalty contribution growth (3.3%) |

Market Performance Stage



Greenville, SC: Expansion Stage

The Greenville, SC 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:

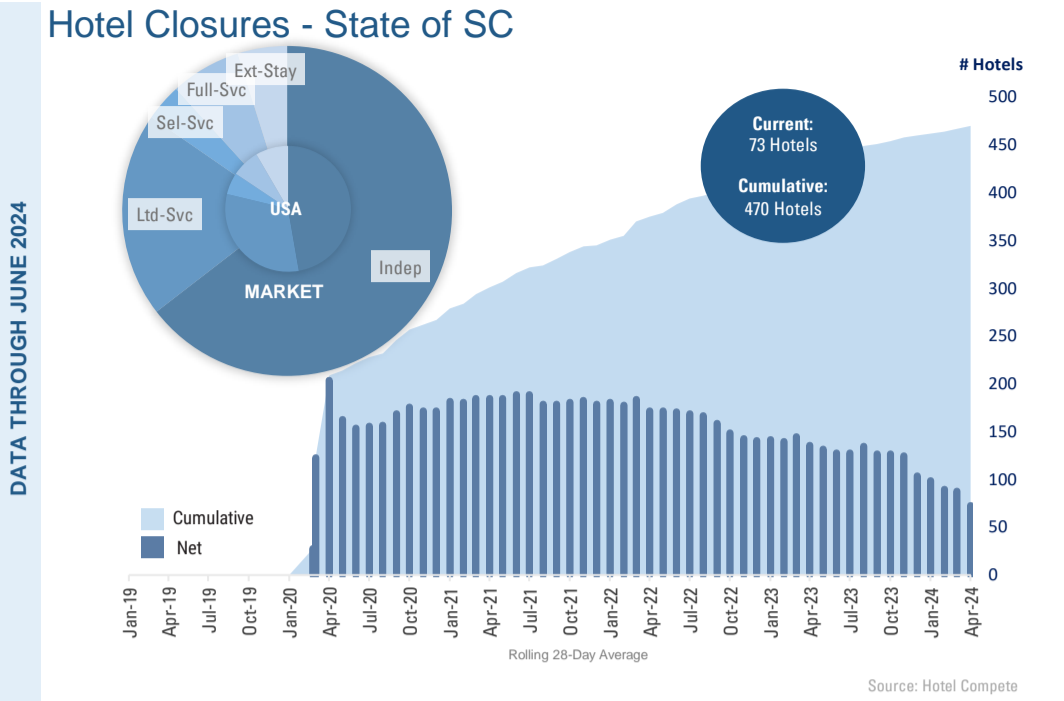
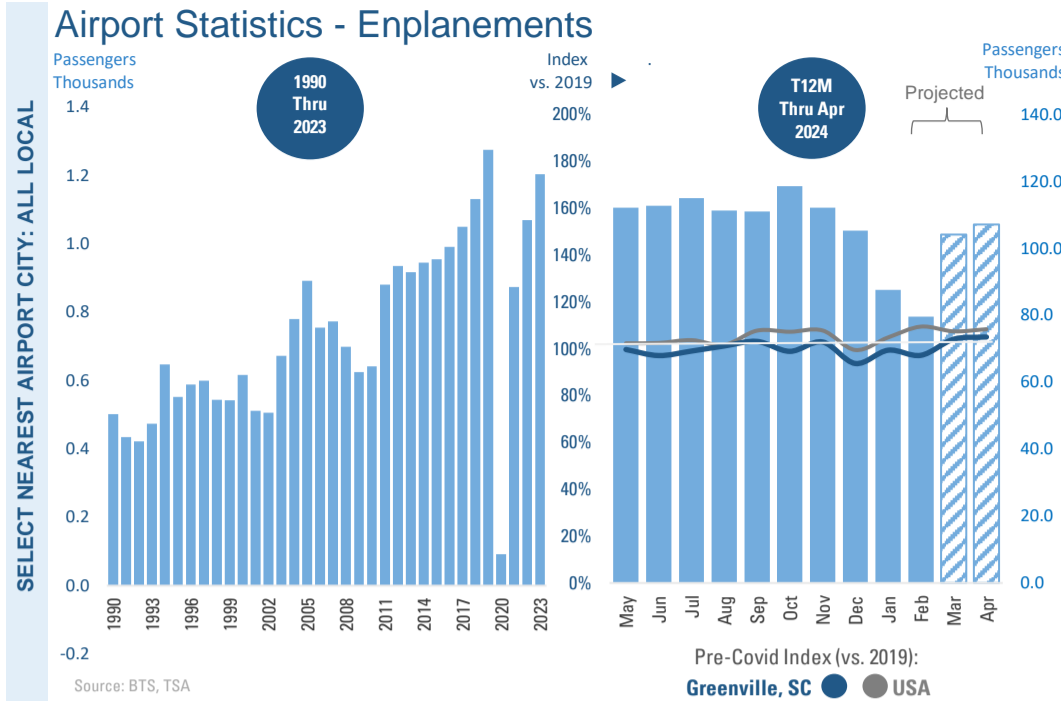
At Risk
 1.6%
 21st Percentile: Below Average
 Expanding population
 Low unionization
 Clemson University
 Rising share of low-paying service jobs
 High employment volatility

Moody's Rating

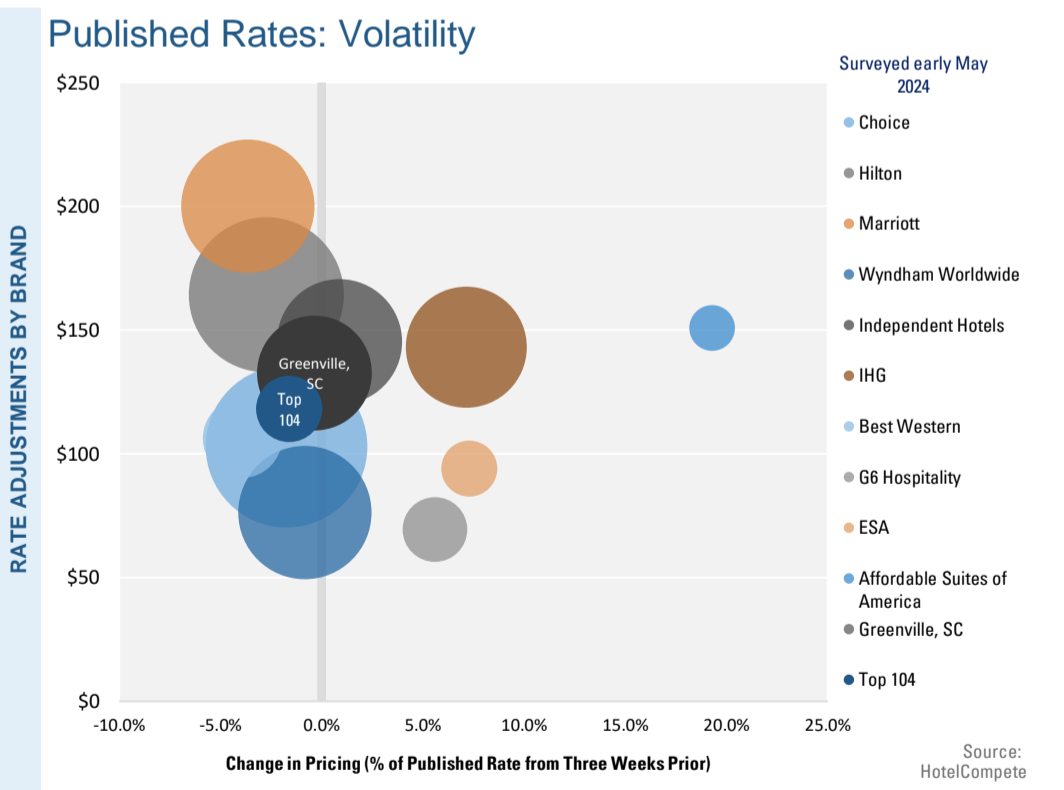
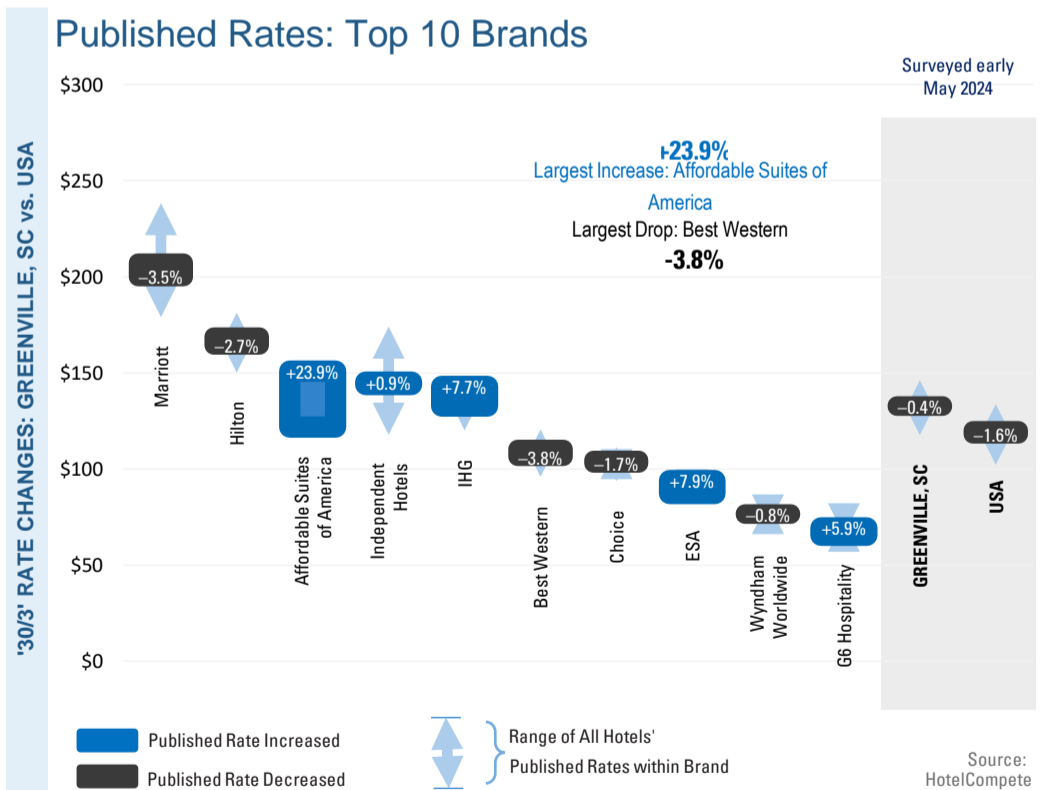
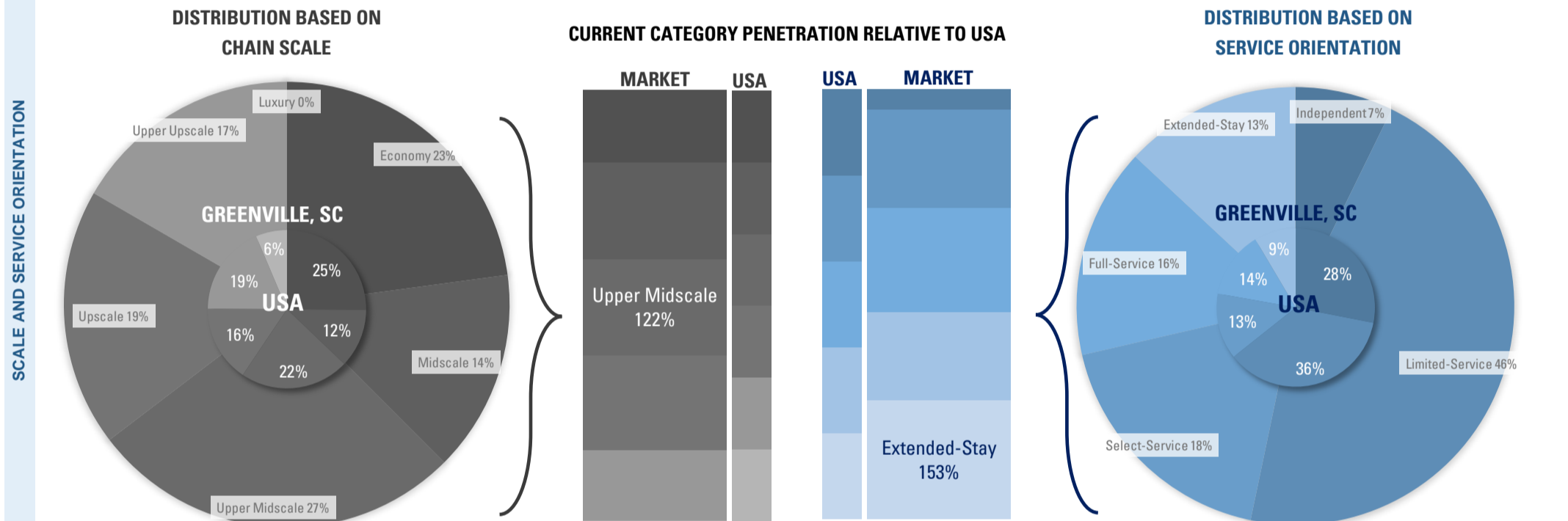
Aaa
 Investment Grade

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

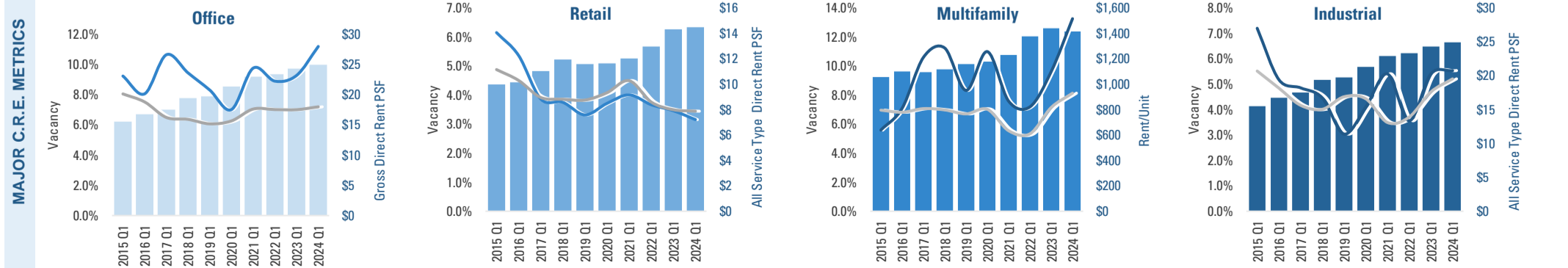




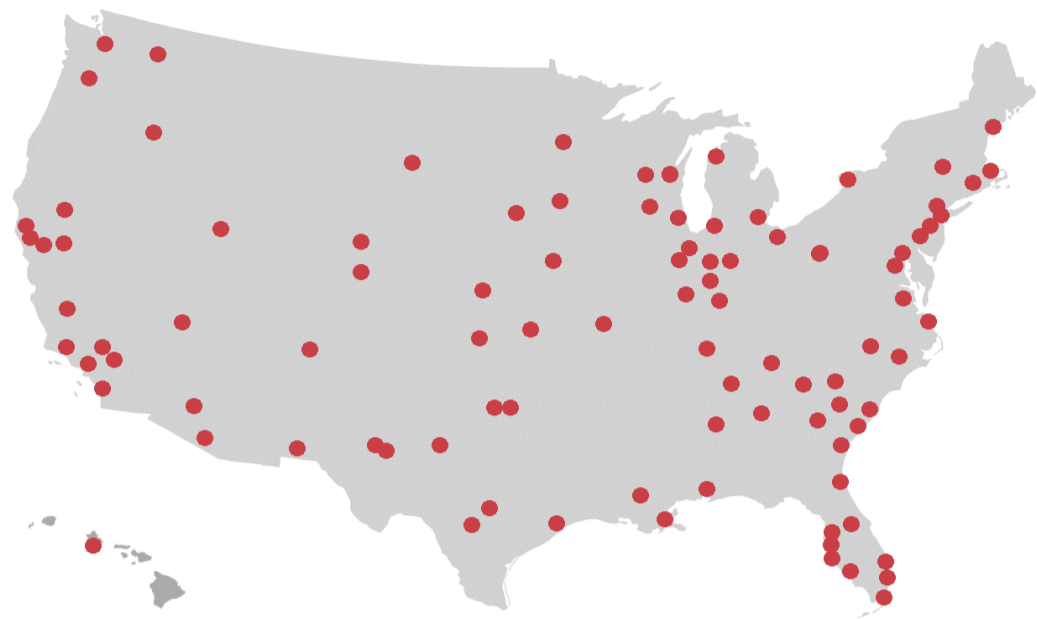
Scale and Service Distribution: Greenville, SC



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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Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

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

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