

NEWMARK

1Q 2024

Hotel Market Nsights Report

INDIANA NORTH AREA, IN



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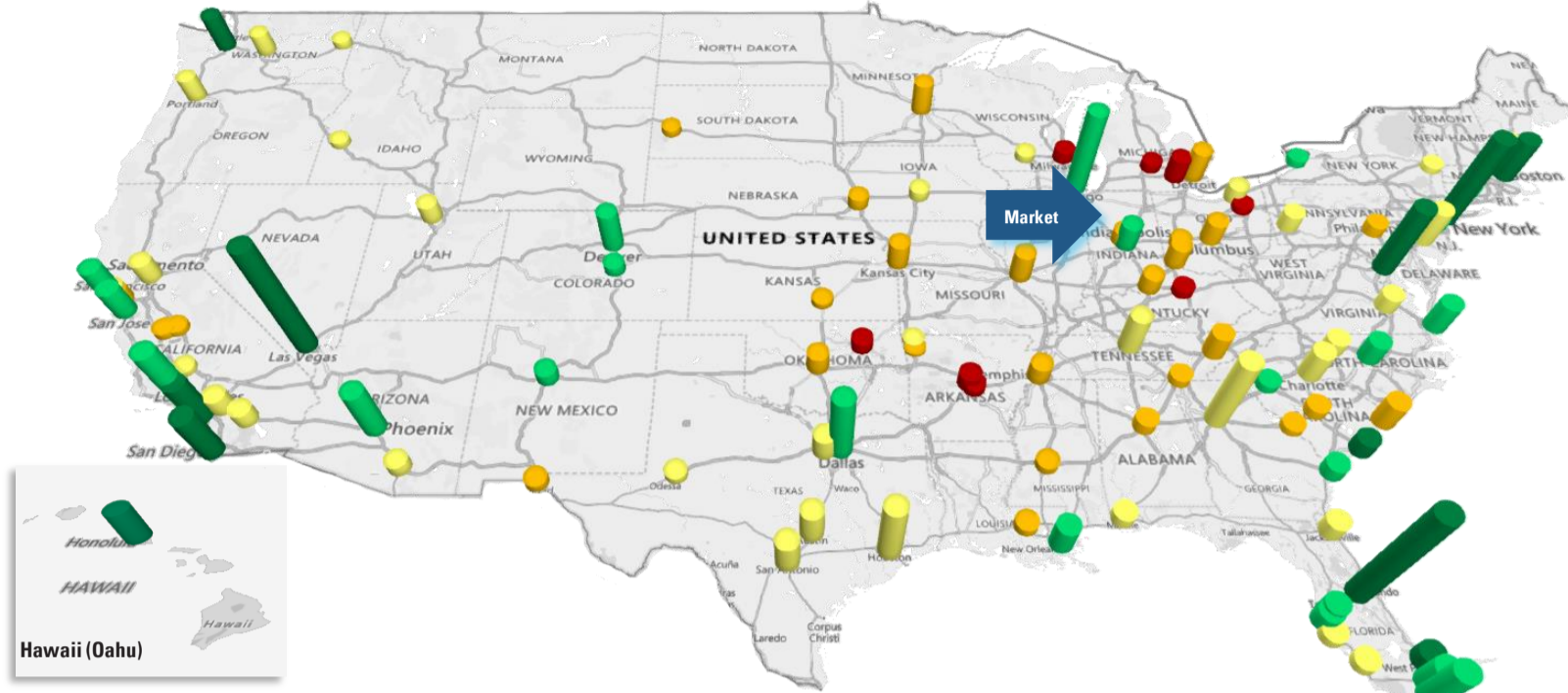
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1Q 2024 INDIANA NORTH AREA, IN

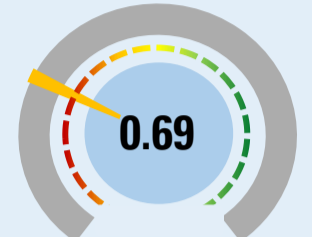


Lodging Performance Index Snapshot



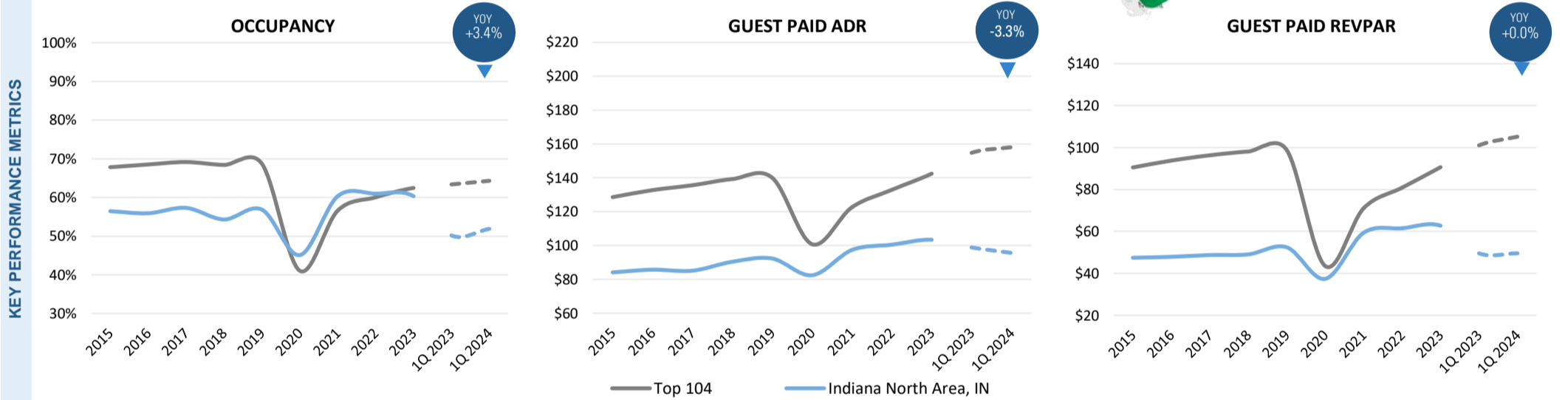
LODGING PERFORMANCE INDEX

Indiana North Area, IN



95th of 104
Below Average

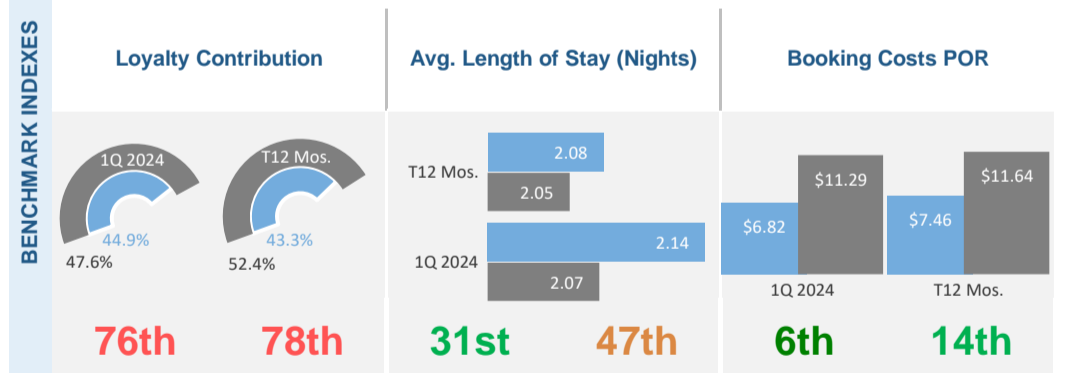
Ranking of overall '1Q 2024 LPI' performance (0.69) against all 104 surveyed markets.



Key Performance Indexes

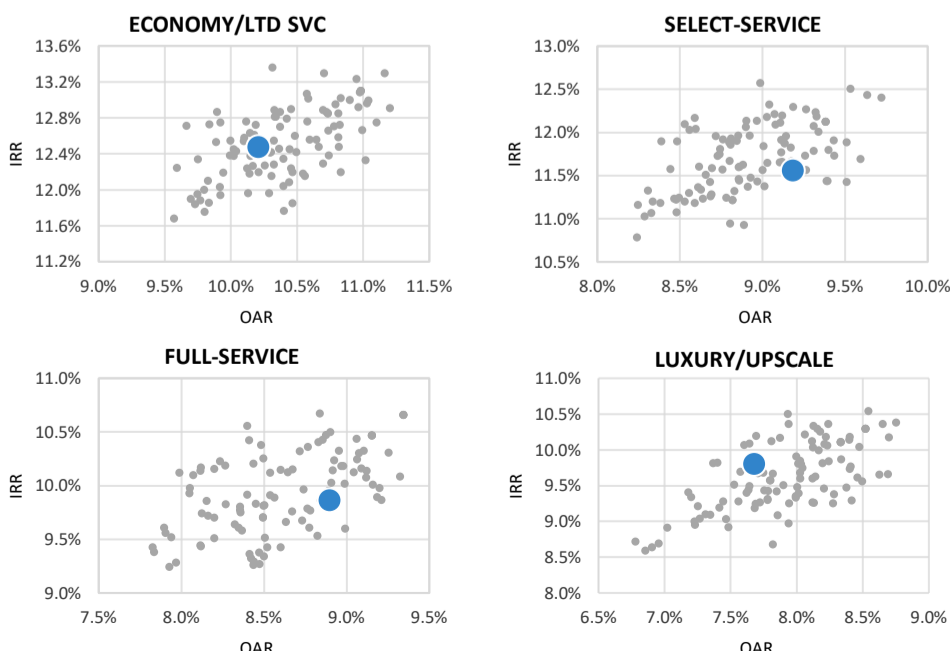


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

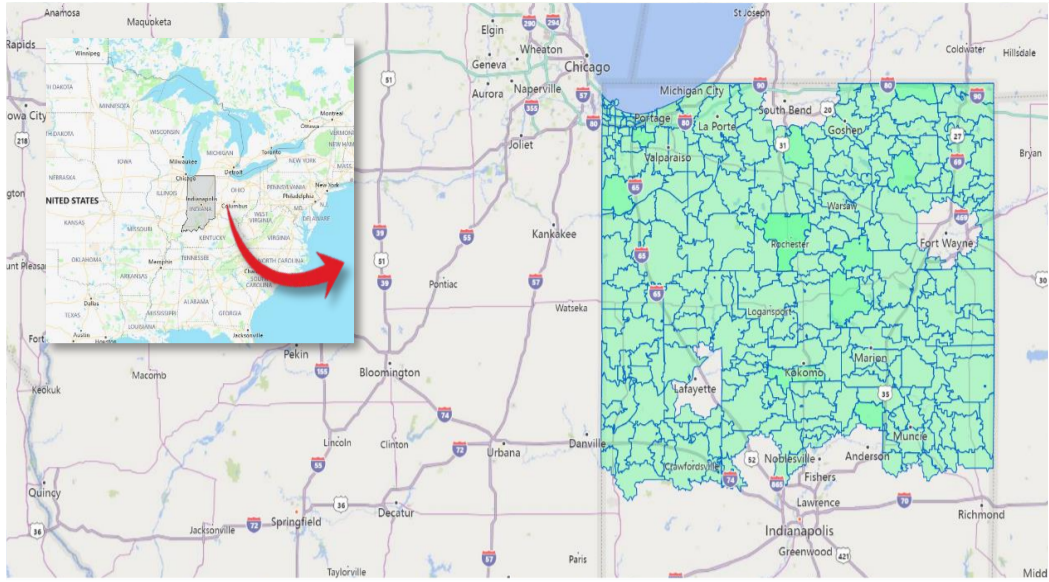


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name: Indiana North Area
 County: Multiple
 State: Indiana
 Geo Coordinates (market center): 39.53219, -85.59317

Major Hotel Demand Generators

Indiana University Health | St. Vincent Hospitals & Health Services | Eli Lilly and Co. | Community Health Network | Wal-Mart Stores Inc. | Purdue University | Roche Diagnostic Corp. | Rolls-Royce Corp. | Subaru of Indiana Inc. | Wabash National Corp. | Arcelor Mittal | General Motors Truck Group | Thor Industries Inc. | Forest River Industries Inc. | Lippert | Jayco Inc. | Patrick Industries | University of Notre Dame | Ball State University | Blue Chip Hotel & Casino

| Metrics and Ranking | Measurement | Rankings |
|--------------------------------|-------------------|-----------------------------|
| Population (hotel market area) | 1,977,686 | 25th of 104 (Above Average) |
| Income per Capita | \$49,551 | 48th of 104 (Average) |
| Feeder Group Size | 186.5 Persons PSR | 102nd of 104 (Soft) |
| Feeder Group Earnings | \$9,241,443 PSR | 102nd of 104 (Soft) |
| Total Market Hotel Revenues | \$412.7 million | 69th of 104 (Below Average) |

Key Performance Metrics

Data provided by: **kalibri LABS**

| YEAR ENDING | Occ % | Guest Paid ADR | RevPAR | COPE ADR | RevPAR | Booking Cost POR | ADR COPE % | Loyalty % | Avg Length of Stay Nights | Supply Rooms | Performance Index (LPI) |
|-----------------------------|-------------|----------------|-------------|-------------|-------------|------------------|--------------|--------------|---------------------------|--------------|-------------------------|
| 2015 | 56.4% | \$84.12 | \$47.48 | \$78.74 | \$44.44 | \$5.38 | 93.6% | 43.8% | 1.85 | 17,780 | 0.36 |
| 2016 | 55.9% | \$85.71 | \$47.91 | \$80.14 | \$44.80 | \$5.57 | 93.5% | 45.0% | 1.84 | 17,970 | 0.52 |
| 2017 | 57.3% | \$85.11 | \$48.76 | \$79.33 | \$45.45 | \$5.78 | 93.2% | 46.7% | 1.84 | 17,890 | 0.72 |
| 2018 | 54.3% | \$90.39 | \$49.07 | \$84.01 | \$45.61 | \$6.37 | 93.0% | 51.1% | 1.85 | 17,880 | 0.53 |
| 2019 | 56.9% | \$92.30 | \$52.47 | \$85.50 | \$48.61 | \$6.80 | 92.6% | 56.9% | 1.93 | 18,080 | 0.78 |
| 2020 | 45.1% | \$82.42 | \$37.40 | \$76.93 | \$34.68 | \$5.49 | 93.3% | 36.9% | 2.08 | 18,350 | 0.87 |
| 2021 | 60.3% | \$97.34 | \$59.39 | \$90.75 | \$54.73 | \$6.59 | 93.2% | 37.1% | 2.11 | 18,420 | 1.08 |
| 2022 | 61.0% | \$100.48 | \$61.53 | \$93.61 | \$57.07 | \$6.87 | 93.2% | 36.8% | 2.11 | 18,440 | 0.80 |
| 2023 | 60.3% | \$103.39 | \$62.75 | \$96.28 | \$58.07 | \$7.11 | 93.1% | 36.5% | 2.09 | 18,410 | 0.50 |
| CAGR: 2015 thru 2023 | 0.8% | 2.6% | 3.5% | 2.5% | 3.4% | 3.5% | -0.1% | -2.3% | 1.6% | 0.4% | 4.2% |
| 1Q 2023 | 50.2% | \$98.82 | \$49.58 | \$91.90 | \$46.11 | \$6.92 | 93.0% | 40.0% | 2.09 | 18,200 | 0.69 |
| 1Q 2024 | 51.9% | \$95.60 | \$49.60 | \$88.78 | \$46.06 | \$6.82 | 92.9% | 44.9% | 2.14 | 17,650 | 0.69 |

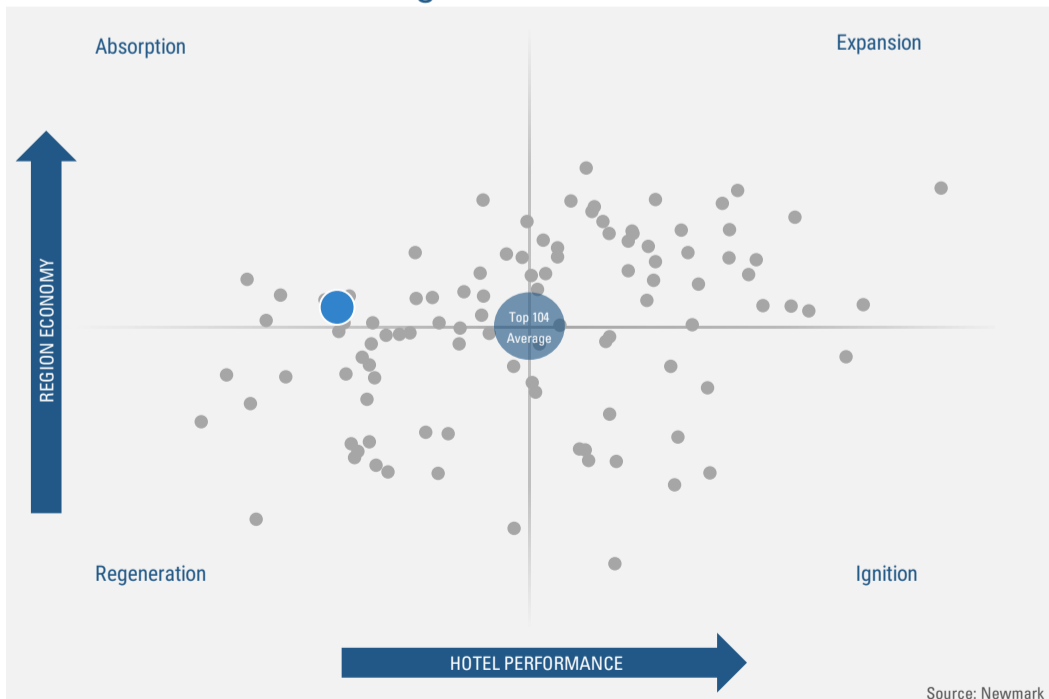
Notable Metrics

| | | | |
|----------------|--|---|--|
| HIGHEST | Population Density per Room | Marketwide Income per Room | Latest-Quarter Booking Costs POR |
| | 5th Strong | 5th Strong | 6th Strong |
| | Indiana North Area, IN boasted strong population density per room (110.14) | The market enjoyed a high ratio of marketwide income per room (\$3,823,638) | The market also enjoyed low latest-quarter booking costs POR (\$6.82) |
| LOWEST | Feeder Group Earnings per sold room | Feeder Group Size | Latest-Quarter COPE ADR |
| | 102nd Soft | 102nd Soft | 100th Soft |
| | This market has low feeder group earnings per sold room (\$9,241,443) | The market required a large feeder group size (186.50 Persons) | Indiana North Area, IN also exhibited weak latest-quarter COPE ADR (\$88.78) |

Notable Trends

| | | | |
|------------------|---|---|---|
| STRONGEST | Long-Term Historical LPI Growth | Short-Term Historical LPI Growth | Long-Term Historical Average Length of Stay Growth |
| | 3rd Very Strong | 3rd Very Strong | 5th Strong |
| | Indiana North Area, IN enjoyed strong long-term historical LPI growth (8.1%) | The market has benefited from strong short-term historical LPI growth (10.8%) | The market also enjoyed strong long-term historical average length of stay growth (1.9%) |
| WEAKEST | Overall Health of Hotel Market | Short-Term Historical COPE ADR Growth | Short-Term Historical Guest Paid ADR Growth |
| | 95th Soft | 87th Below Average | 86th Below Average |
| | The market has been hampered by weak general hotel market performance (levels and trends of fundamentals) | We note this area posted weak short-term historical COPE ADR growth (1.6%) | Indiana North Area, IN also has been impeded by weak short-term historical Guest Paid ADR growth (1.6%) |

Market Performance Stage



Indiana North Area, IN: Absorption Stage

The Indiana North Area, IN 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

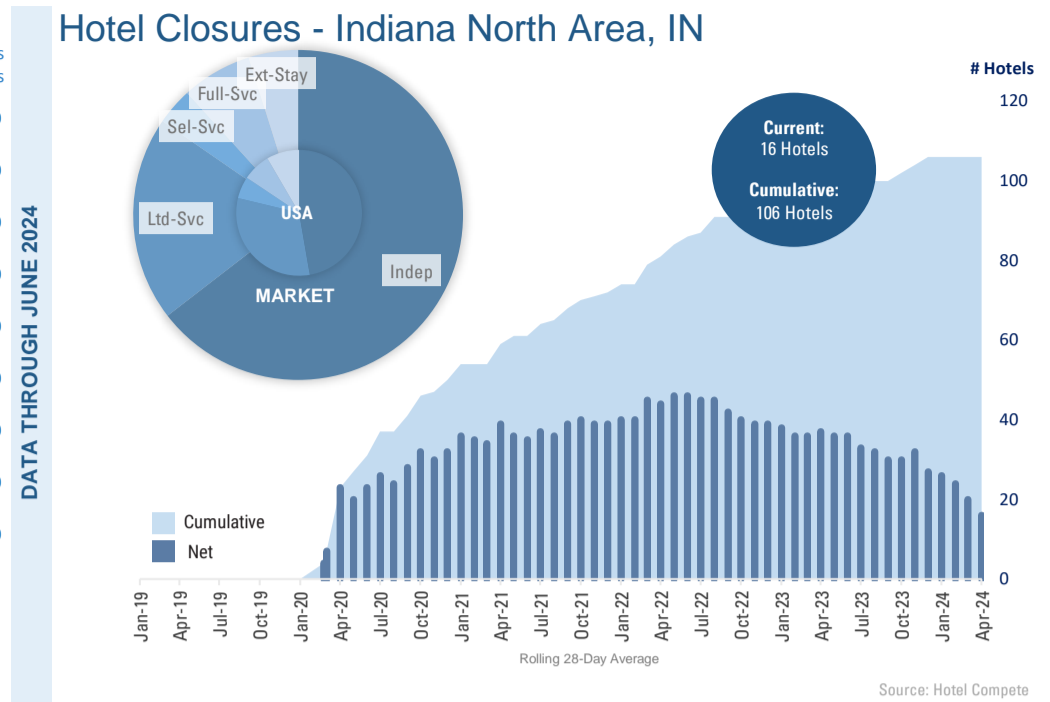
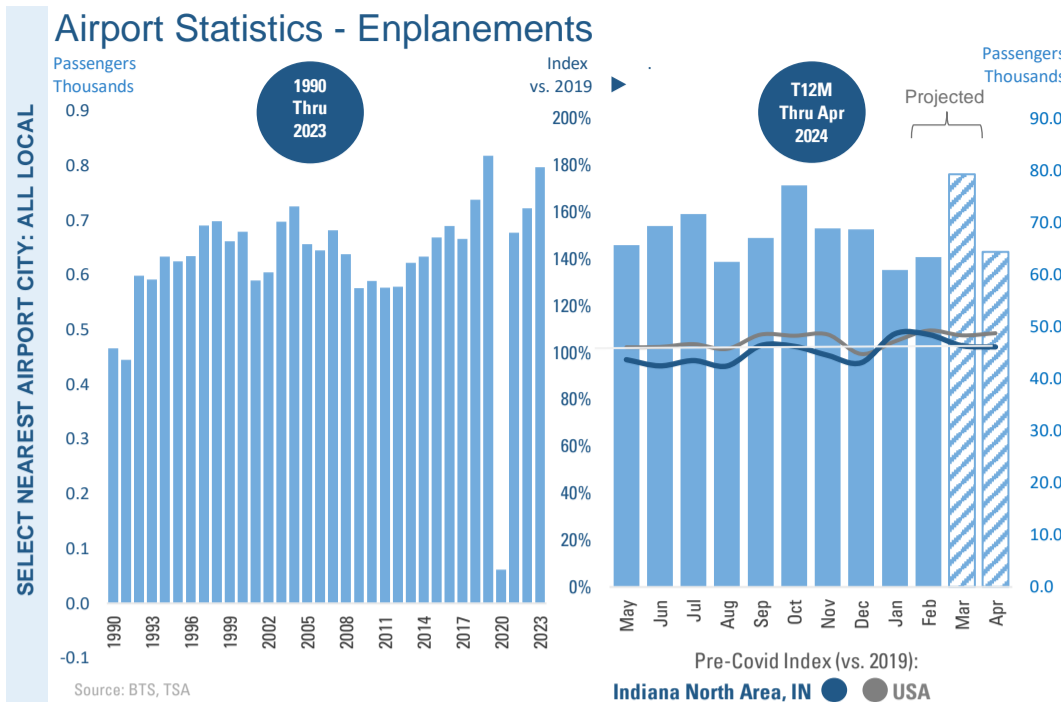
Business Cycle: **Expansion**
 Employment Growth (2 yr): **1.1%**
 Risk Exposure (402 US markets): **37th Percentile: Average Risk**
 Key Industry Notes:
 Diversified industrial structure
 High birthrate, strong migration trends
 Low business and living costs
 Exposure to public sector weakness
 Employment volatility

Moody's Rating

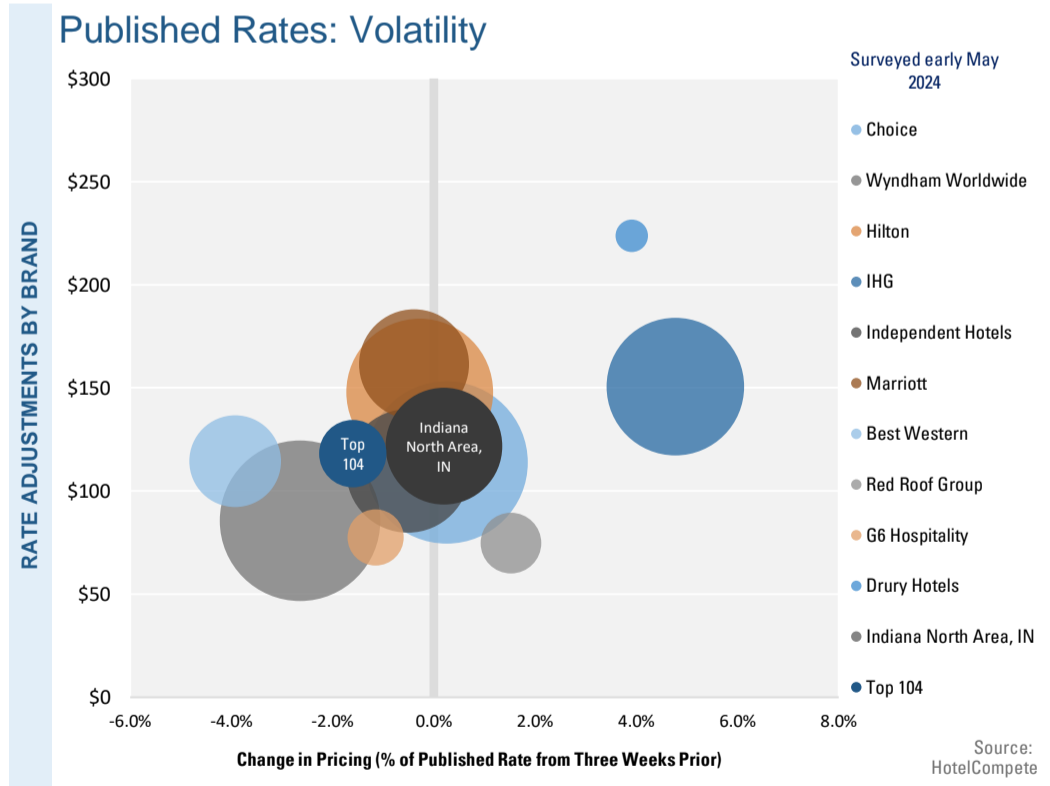
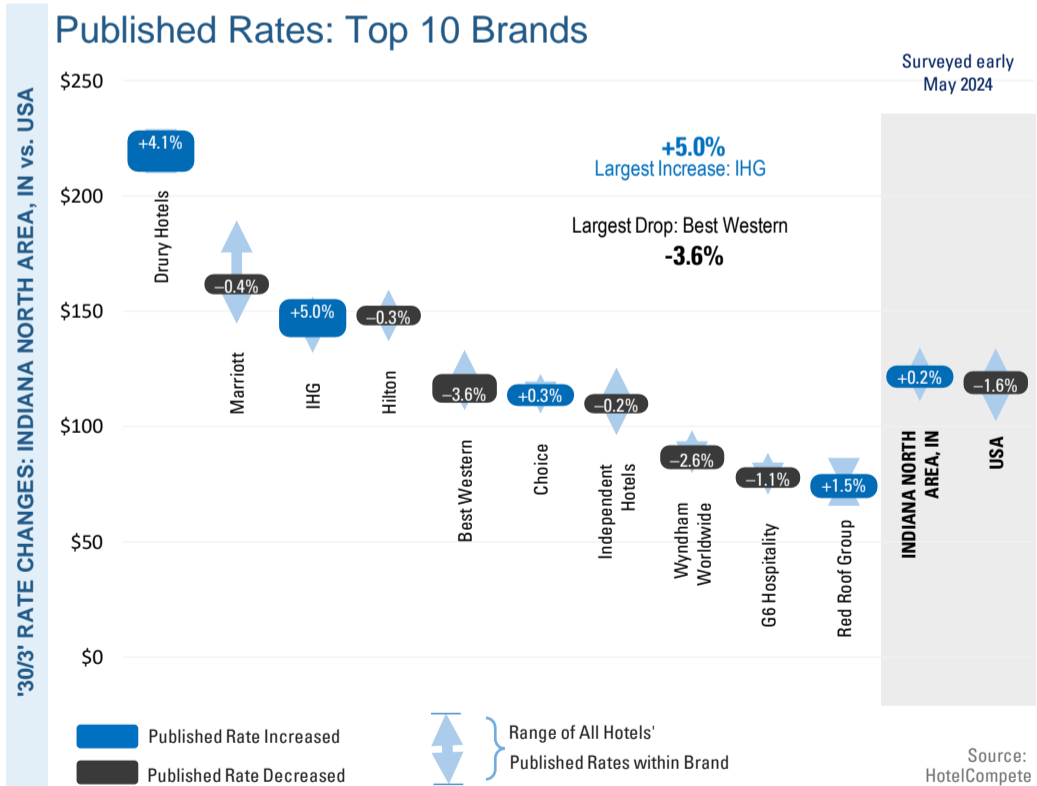
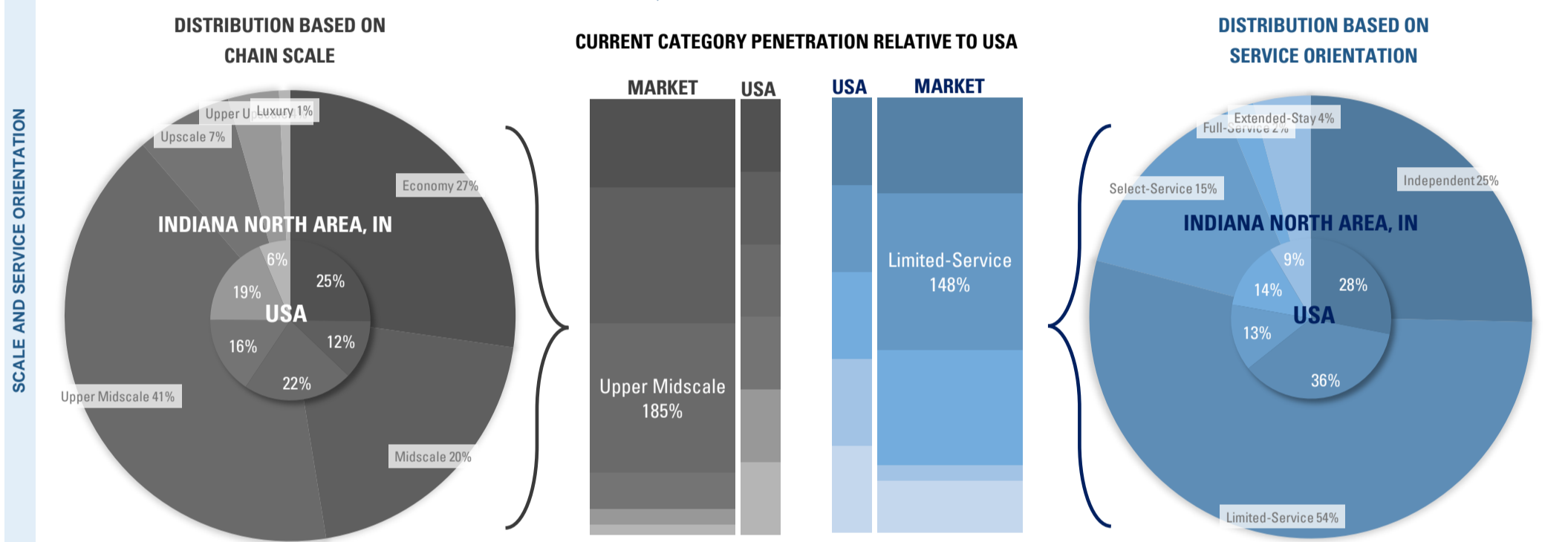
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Investment Grade

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

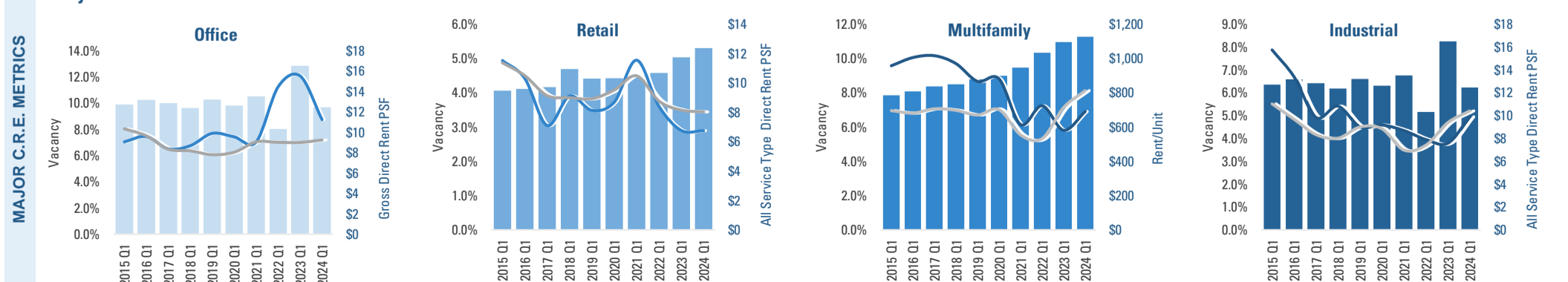




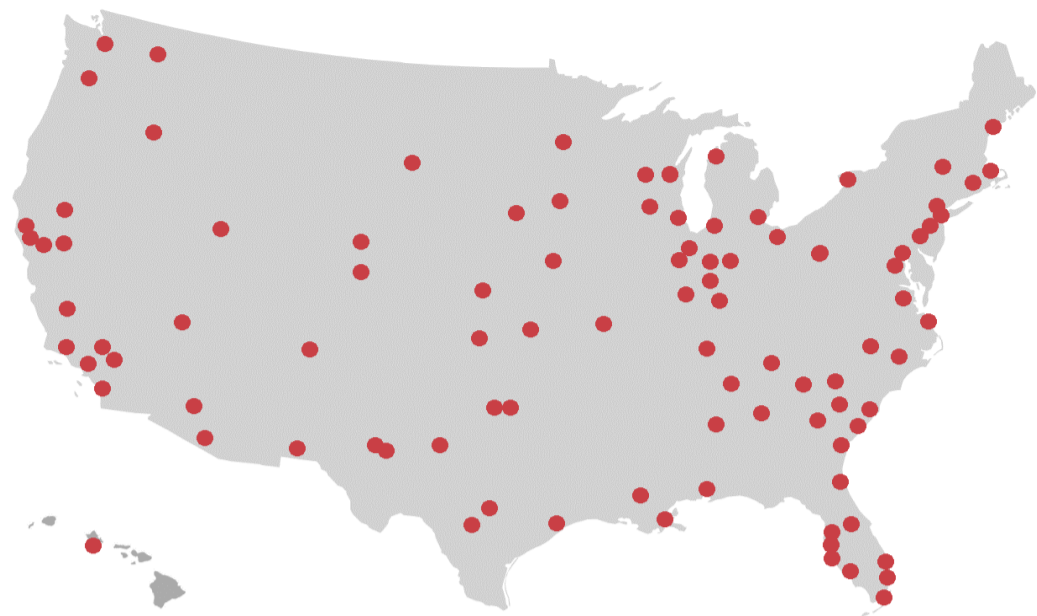
Scale and Service Distribution: Indiana North Area, IN



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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Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

Hotels and Resorts

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

Our core disciplines and expert subject areas include:

Economic Impact

We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

Feasibility

We take feasibility studies to the next level, combining market knowledge with expert economic impact analysis and acumen in cash-on-cash, ROI and other metrics.

Financial Reporting

Our seamless approach to fulfilling clients’ financial reporting requirements means no outside assistance is needed.

Litigation

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

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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