

NEWMARK

1Q 2024

Hotel Market Nsights Report

INDIANAPOLIS, IN



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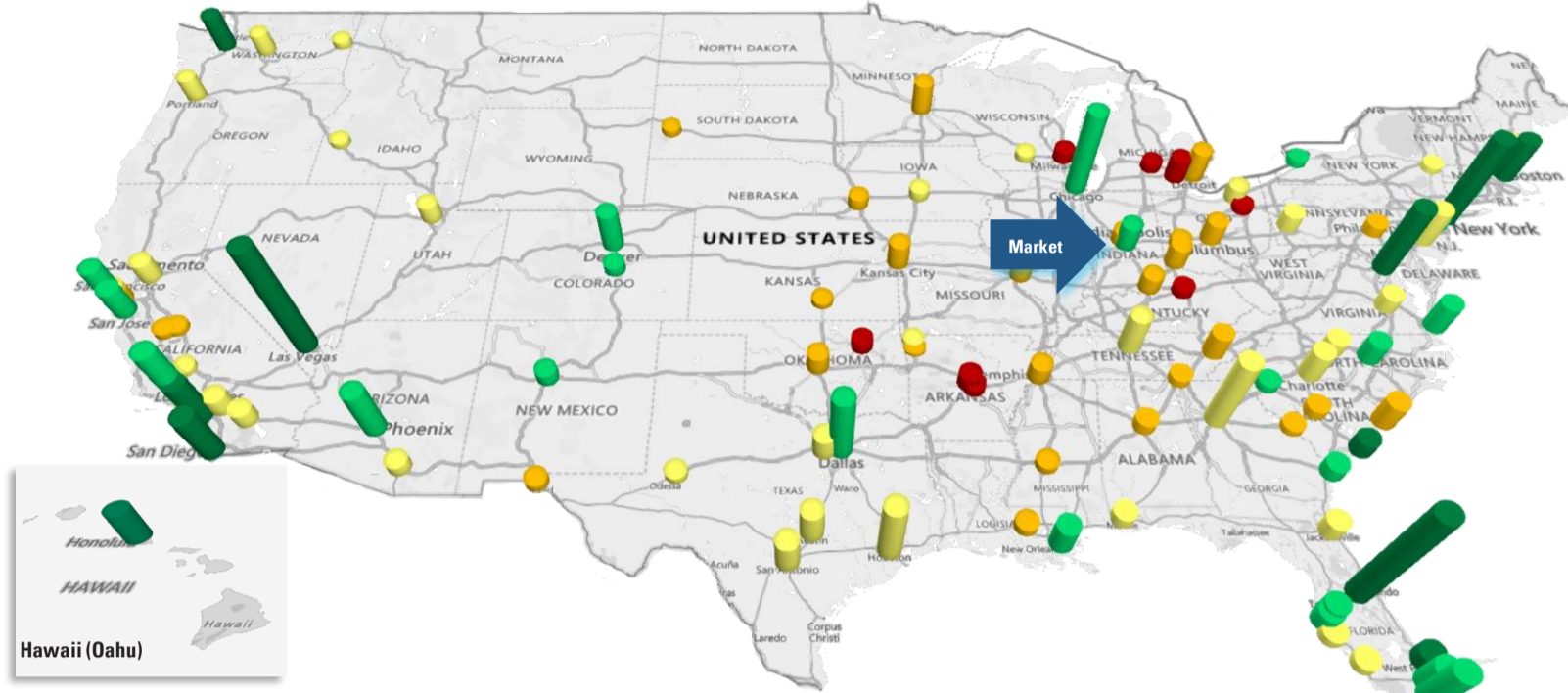
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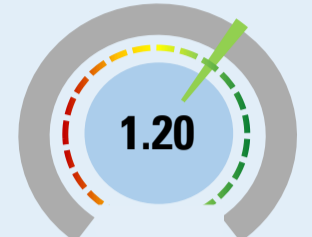


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

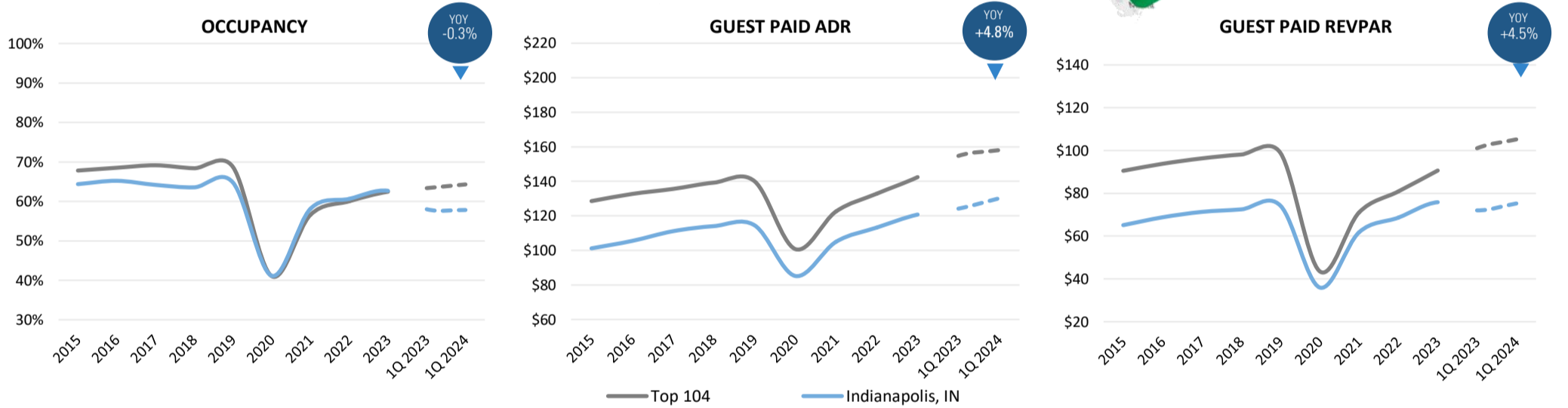
Indianapolis, IN



24th of 104
Above Average

Ranking of overall '1Q 2024 LPI' performance (1.20) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

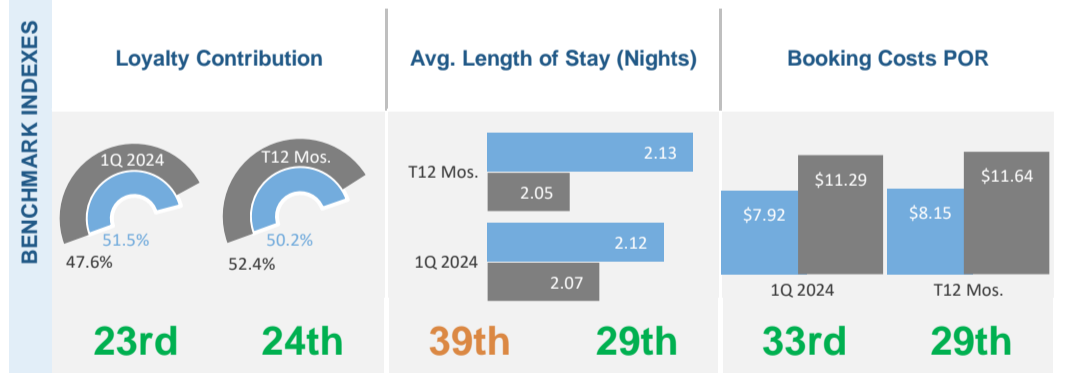


PERFORMANCE INDEXES

Key Performance Indexes

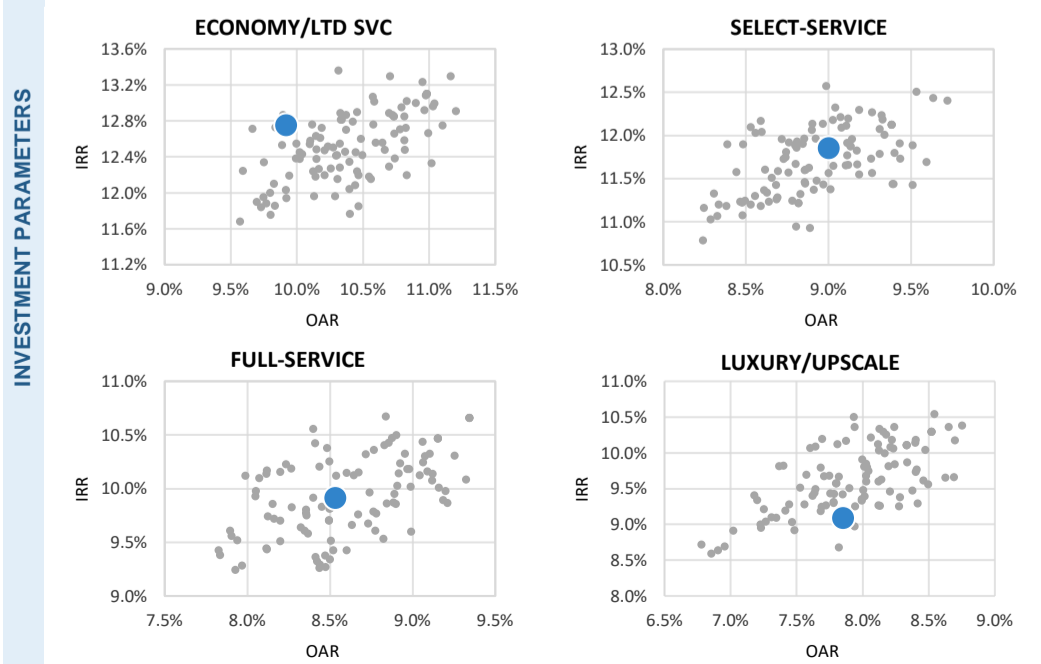


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

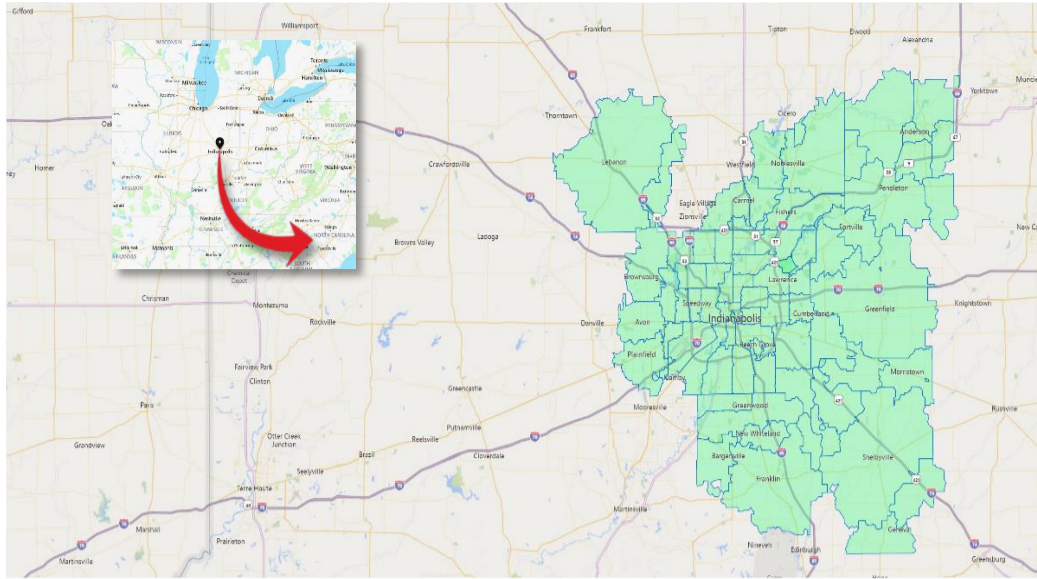


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Indianapolis	
County:	Marion County.	
State:	Indiana	
Geo Coordinates (market center):	39.778, -86.14584	
Major Hotel Demand Generators		
Indiana University Health St. Vincent Hospitals & Health Services Eli Lilly and Co. Community Health Network Wal-Mart Stores Inc. The Kroger Co. Marsh Supermarkets Inc. Purdue University FedEx Meijer Roche Diagnostic Corp. Anthem St. Francis Hospital & Health Center Rolls-Royce Corp. Eskenazi Health U.S. Veterans Medical Center LDI Ltd. Goodwill Industries Allison Transmission/Division of GMC AT&T		
Metrics and Ranking		Measurements
Population (hotel market area)	1,580,516	Rankings
Income per Capita	\$54,640	42nd of 104 (Average)
Feeder Group Size	71.7 Persons PSR	28th of 104 (Above Average)
Feeder Group Earnings	\$3,919,029 PSR	53rd of 104 (Average)
Total Market Hotel Revenues	\$1.1 billion	62nd of 104 (Average)
		35th 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	64.4%	\$101.18	\$65.13	\$93.95	\$60.47	\$7.23	92.9%	40.2%	2.10	31,310	1.08
2016	65.2%	\$105.50	\$68.79	\$97.76	\$63.74	\$7.74	92.7%	42.1%	2.11	31,310	1.19
2017	64.2%	\$111.12	\$71.31	\$102.62	\$65.86	\$8.50	92.4%	44.6%	2.07	30,910	1.06
2018	63.6%	\$114.05	\$72.49	\$105.50	\$67.05	\$8.55	92.5%	47.9%	2.03	30,900	0.97
2019	64.8%	\$114.54	\$74.20	\$106.07	\$68.72	\$8.46	92.6%	51.5%	2.04	33,110	1.11
2020	41.1%	\$85.19	\$35.97	\$80.03	\$32.93	\$5.15	94.0%	40.1%	2.38	33,290	0.85
2021	58.1%	\$105.00	\$61.80	\$98.46	\$57.23	\$6.54	93.8%	42.2%	2.23	33,890	1.07
2022	60.6%	\$113.24	\$68.65	\$106.23	\$64.41	\$7.01	93.8%	43.5%	2.21	34,100	1.12
2023	62.7%	\$120.76	\$75.84	\$113.44	\$71.10	\$7.32	93.9%	44.3%	2.21	34,270	1.13
CAGR: 2015 thru 2023	-0.3%	2.2%	1.9%	2.4%	2.0%	0.2%	0.1%	1.2%	0.6%	1.1%	0.5%
1Q 2023	58.0%	\$124.18	\$72.03	\$116.48	\$67.57	\$7.69	93.8%	48.6%	2.11	33,950	1.00
1Q 2024	57.8%	\$130.17	\$75.26	\$122.25	\$70.68	\$7.92	93.9%	51.5%	2.12	34,640	1.20

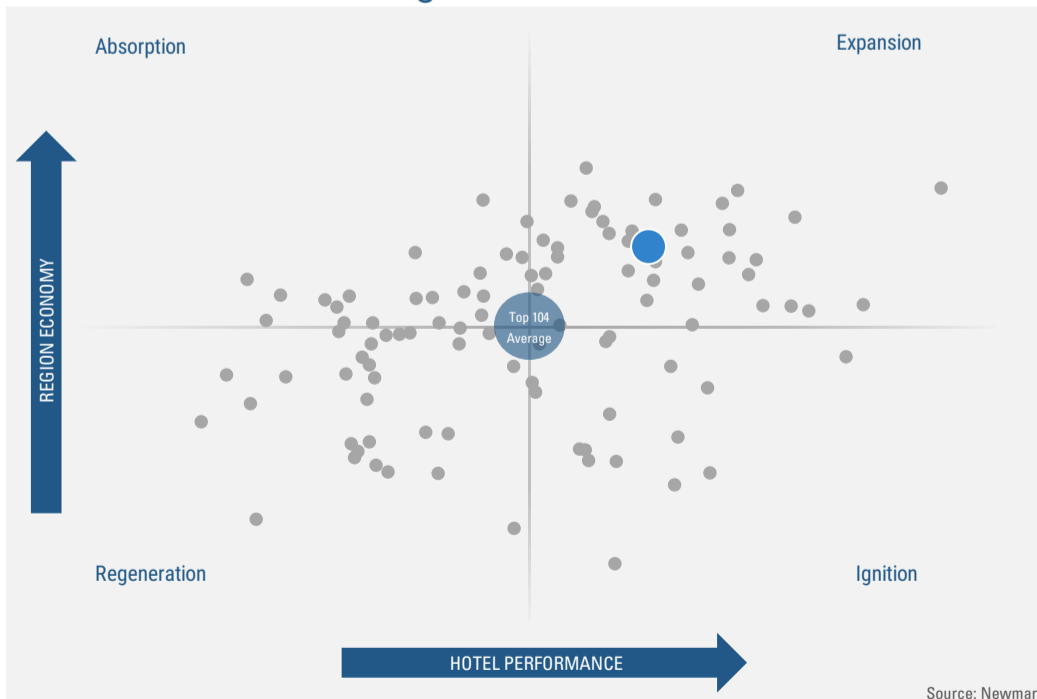
Notable Metrics

HIGHEST	T12-Month COPE ADR Percentage	IRR: Luxury/Upscale	Latest-Quarter LPI
	1st Very Strong	13th Favorable	24th Above Average
	Indianapolis, IN benefited from strong T12-month COPE ADR percentage (93.8%)	The market posted favorable IRR metrics in the luxury/upscale segment (9.1%)	The market also enjoyed strong latest-quarter LPI (1.2)
LOWEST	IRR: Economy/Ltd Svc	Latest-Quarter Occupancy	T12-Month Occupancy
	73rd Unfavorable	65th Average	56th Average
	This market posted unfavorable IRR metrics in the economy/ltd svc segment (12.8%)	The market exhibited weak latest-quarter occupancy (57.8%)	Indianapolis, IN also has been hindered by weak T12-month occupancy (63.8%)

Notable Trends

STRONGEST	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Average Length of Stay Growth	General Economy Relevance
	14th Above Average	17th Above Average	20th Above Average
	Indianapolis, IN has benefited from strong short-term historical average length of stay growth (2.3%)	The market enjoyed strong long-term historical average length of stay growth (1.1%)	The market also enjoyed strong general economic relevance (per-capita unemployment, GDP and other indicators)
WEAKEST	T12-Month Rooms Supply Growth	Short-Term Historical Occupancy Growth	Long-Term Historical Occupancy Growth
	82nd Below Average	67th Below Average	57th Average
	The market has been hindered by high rooms supply growth over the last 12 months (2.0%)	We note this area has been hindered by weak short-term historical occupancy growth (-0.9%)	Indianapolis, IN also has been hindered by weak long-term historical occupancy growth (-0.4%)

Market Performance Stage



Indianapolis, IN: Expansion Stage

The Indianapolis, IN 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:

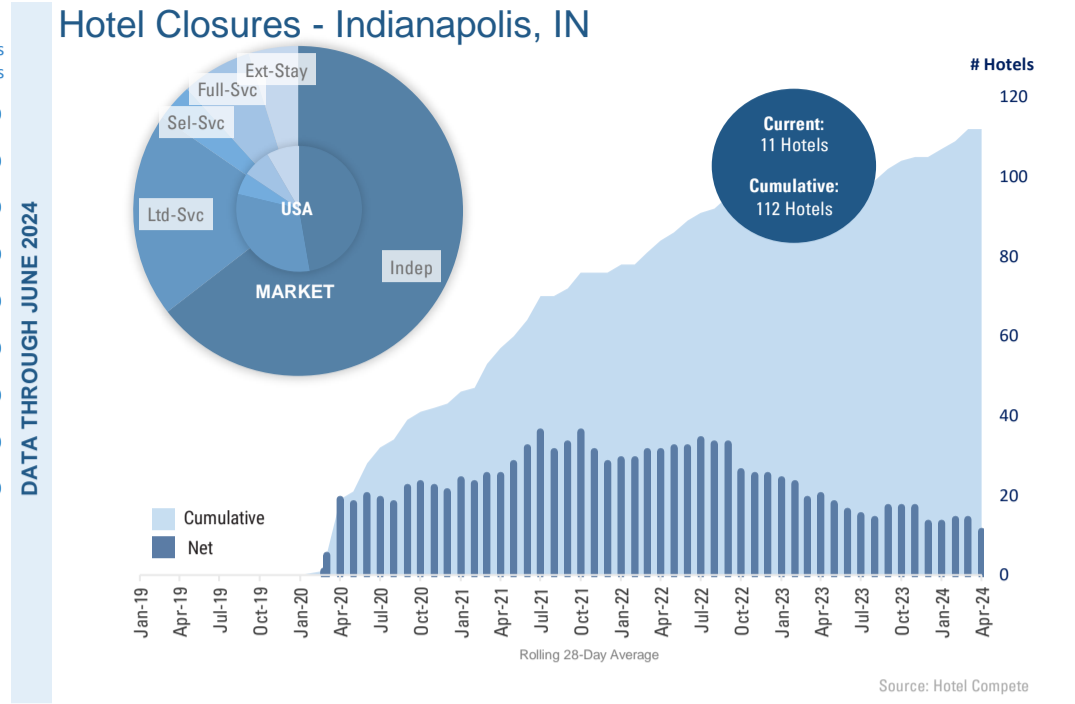
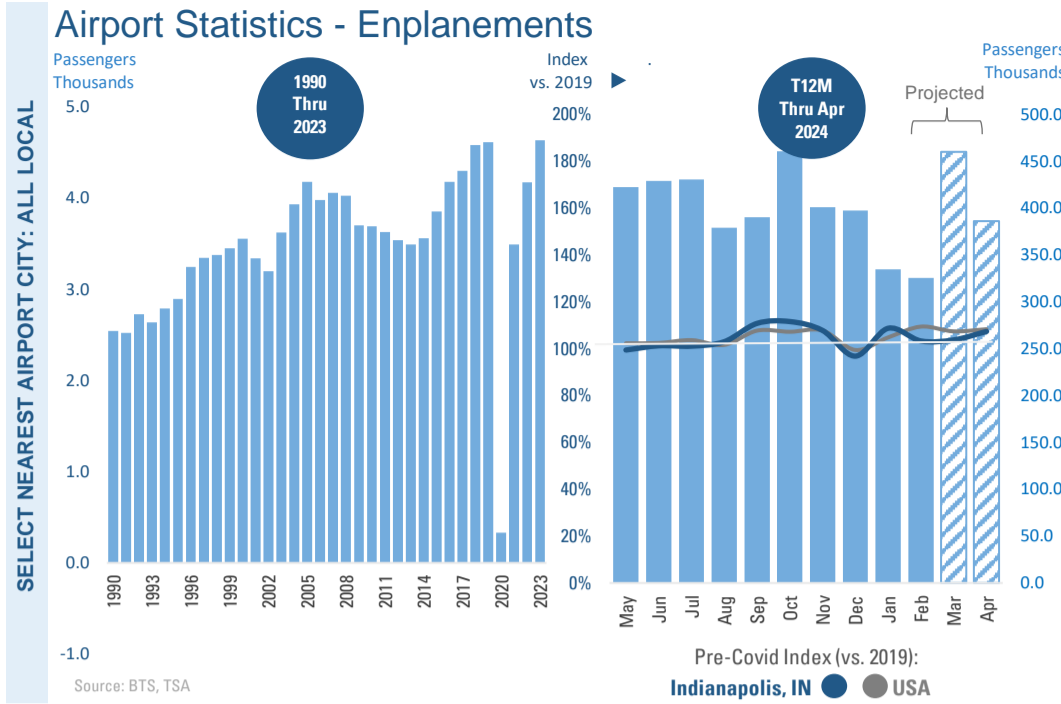
- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for 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

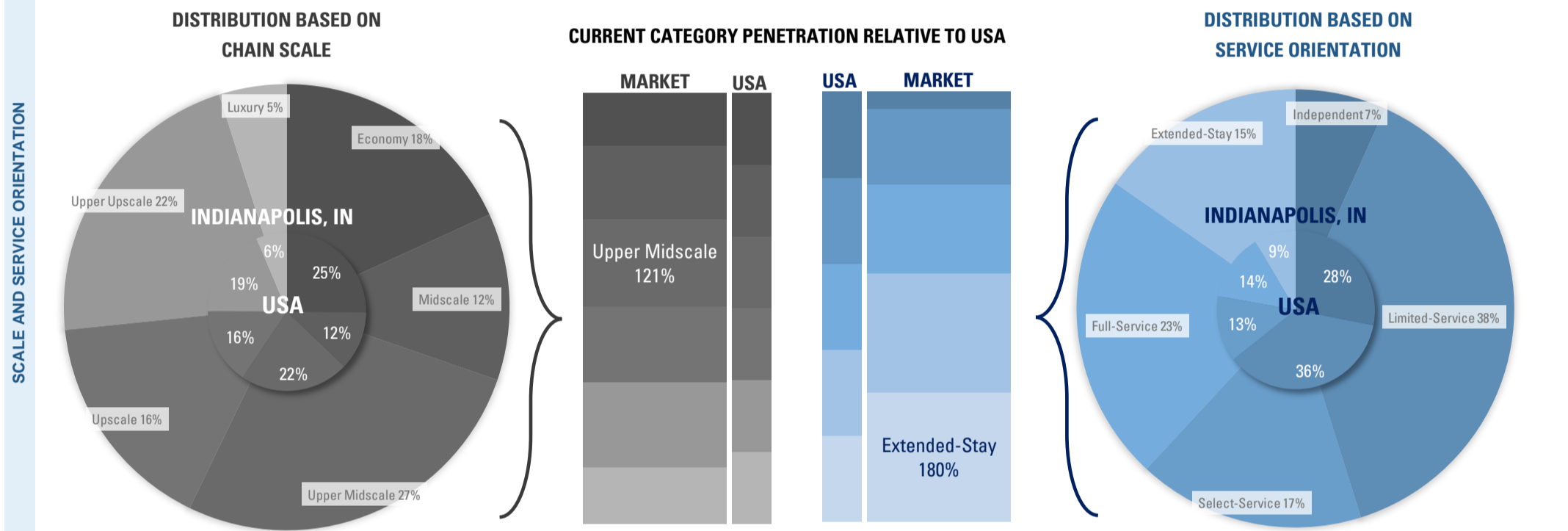
MOODY'S ANALYTICS
 Business Cycle: **Expansion**
 Employment Growth (2 yr): **1.1%**
 Risk Exposure (402 US markets): **37th Percentile: Average Risk**
 Key Industry Notes:
 Diversified industrial structure
 High birthrate, strong migration trends
 Low business and living costs
 Exposure to public sector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

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

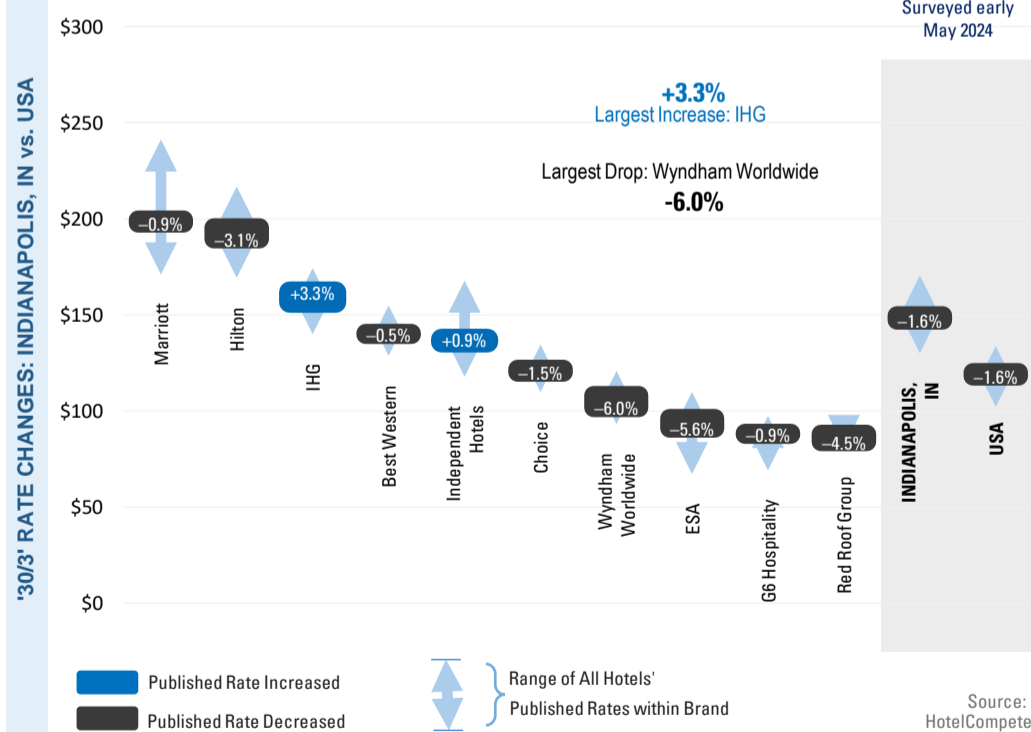




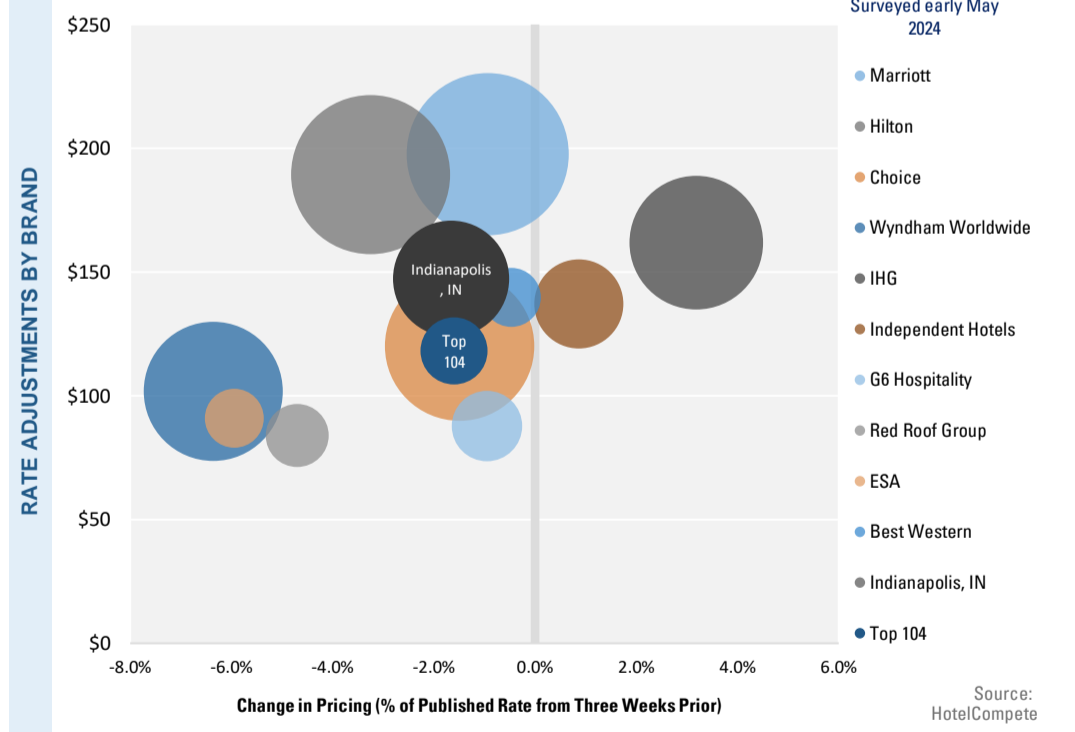
Scale and Service Distribution: Indianapolis, IN



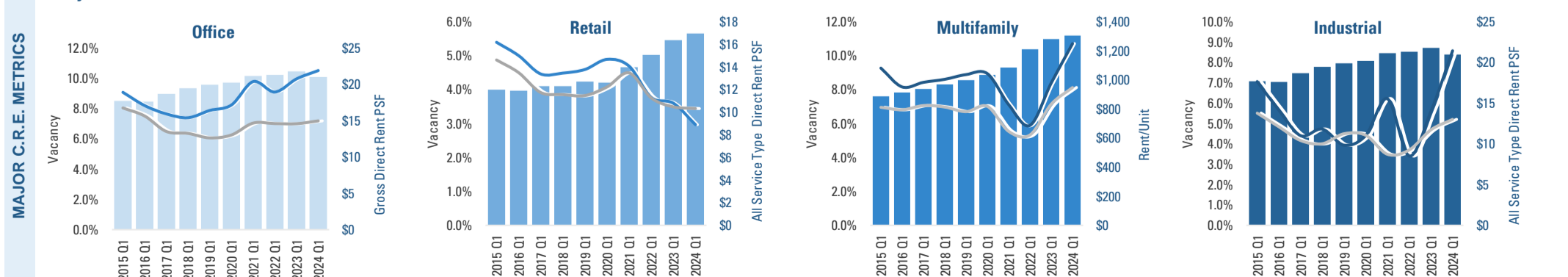
Published Rates: Top 10 Brands



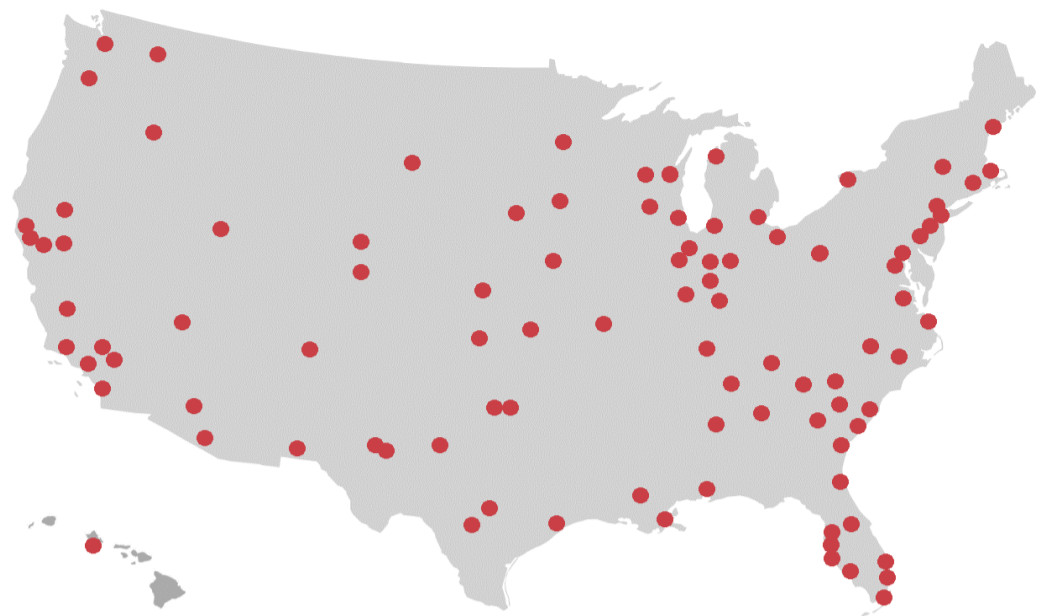
Published Rates: Volatility



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

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

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

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

ABOUT NEWMARK

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