

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

JACKSONVILLE, FL



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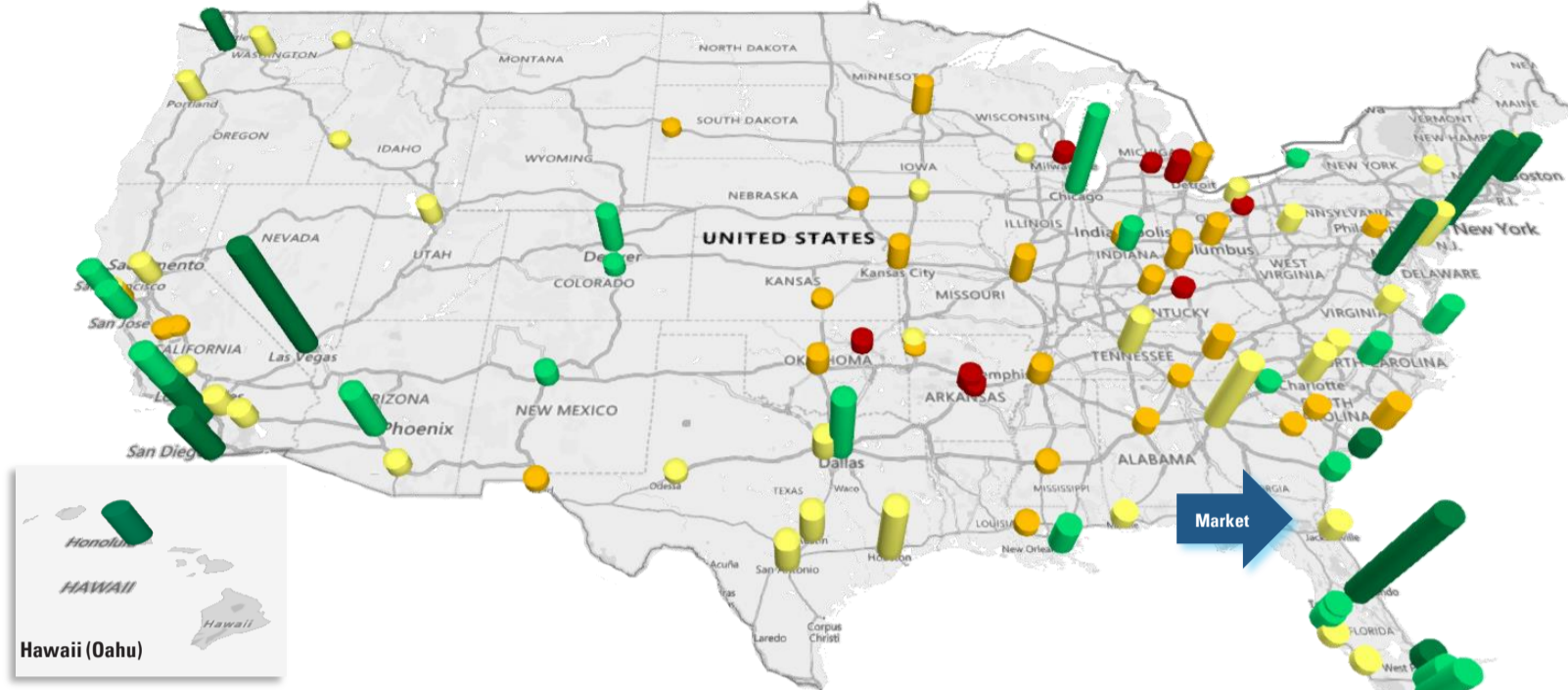
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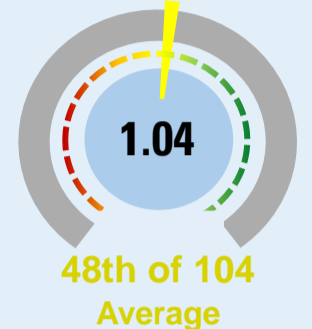


Lodging Performance Index Snapshot



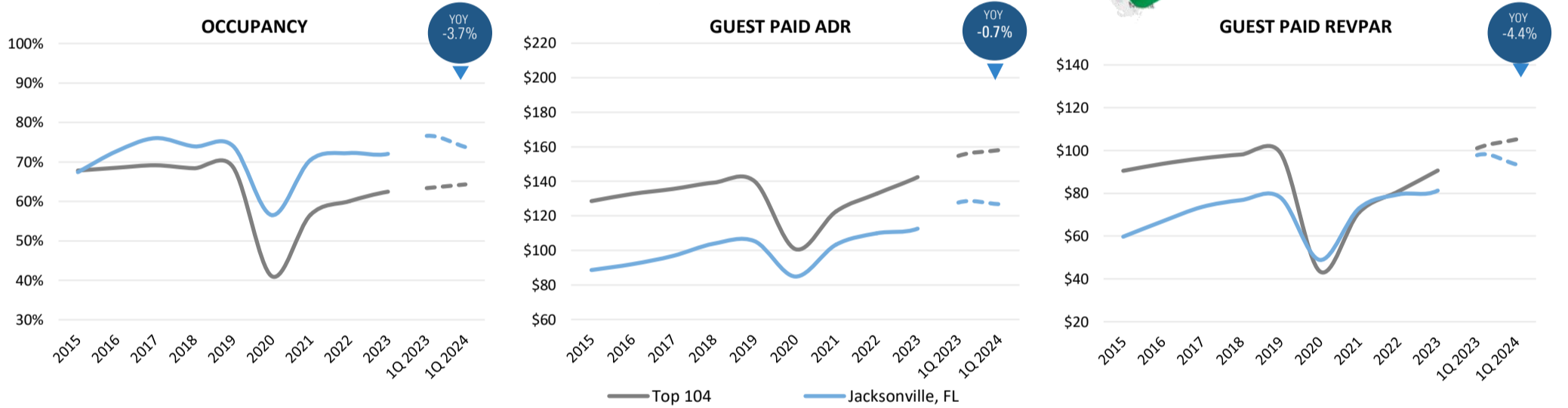
LODGING PERFORMANCE INDEX

Jacksonville, FL



Ranking of overall '1Q 2024 LPI' performance (1.04) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



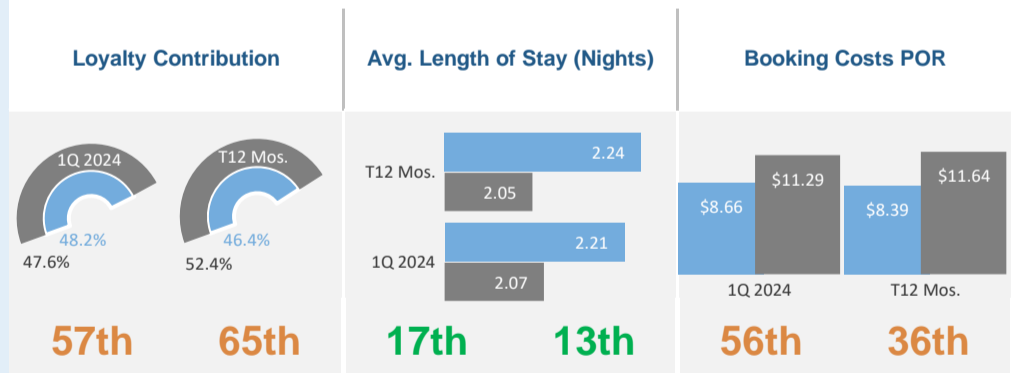
PERFORMANCE INDEXES

Key Performance Indexes



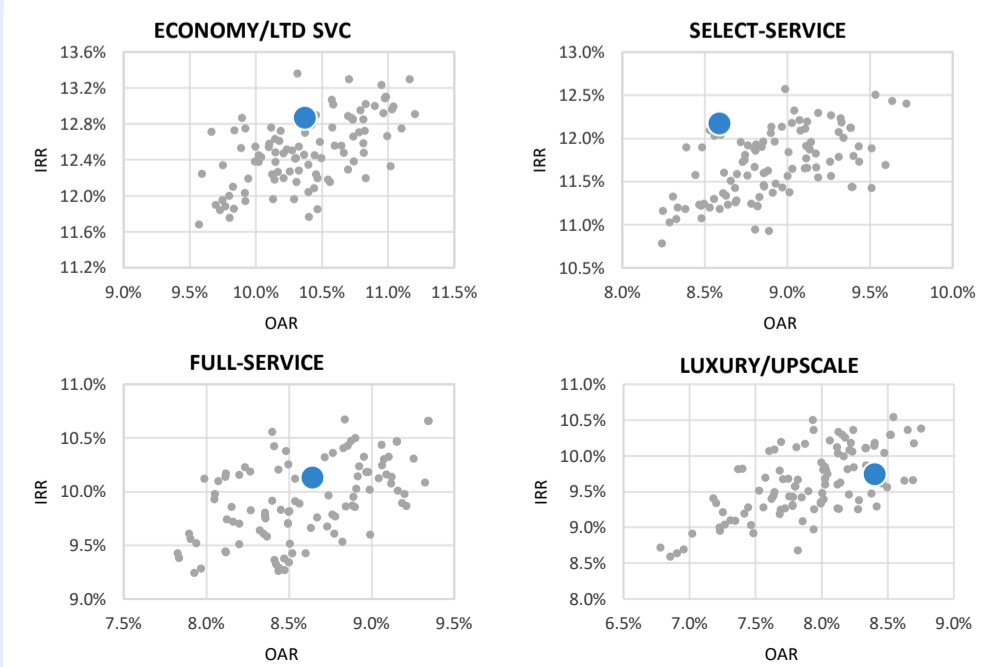
BENCHMARK INDEXES

Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates



FUNDAMENTALS

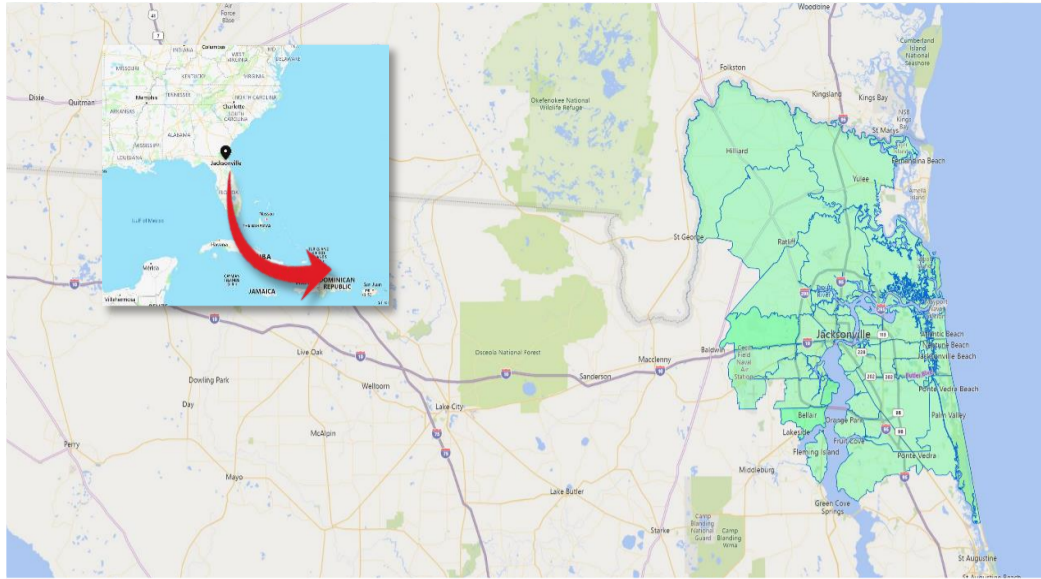
Trends and Risks



RISKS



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Jacksonville	
County:	Duval County	
State:	Florida	
Geo Coordinates (market center):	30.33218, -81.65565	
Major Hotel Demand Generators		
Naval Air Station Jacksonville   Baptist Health   Mayport Naval Station   Bank of America Merrill Lynch   Florida Blue   Mayo Clinic   Southeastern Grocers   Citi   JP Morgan Chase   Fleet Readiness Center Southeast   CSX Corp.   UF Health   Wells Fargo   Florida State College   Gate Petroleum Co.   Amazon   St. Vincent's HealthCare   AT&T   University of North Florida   Black Knight Financial Services		
Metrics and Ranking		Measurements
Population (hotel market area)	992,632	55th of 104 (Average)
Income per Capita	\$50,555	43rd of 104 (Average)
Feeder Group Size	63.9 Persons PSR	39th of 104 (Average)
Feeder Group Earnings	\$3,232,747 PSR	46th of 104 (Average)
Total Market Hotel Revenues	\$673.7 million	55th of 104 (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	67.4%	\$88.62	\$59.73	\$82.11	\$55.35	\$6.51	92.7%	42.2%	2.18	21,840	0.92
2016	72.7%	\$92.03	\$66.92	\$85.17	\$61.94	\$6.85	92.6%	44.6%	2.27	21,340	1.30
2017	76.0%	\$96.81	\$73.60	\$89.29	\$67.88	\$7.52	92.2%	49.4%	2.29	21,090	1.40
2018	73.9%	\$103.90	\$76.82	\$95.70	\$70.75	\$8.21	92.1%	52.2%	2.20	20,460	1.22
2019	74.1%	\$105.35	\$78.02	\$97.11	\$71.92	\$8.23	92.2%	56.5%	2.13	20,700	1.09
2020	56.5%	\$84.87	\$48.86	\$79.17	\$44.75	\$5.70	93.3%	38.2%	2.47	20,920	1.39
2021	70.5%	\$103.35	\$73.00	\$96.23	\$67.81	\$7.12	93.1%	40.7%	2.40	21,220	1.34
2022	72.2%	\$109.93	\$79.48	\$102.33	\$73.92	\$7.59	93.1%	41.2%	2.38	21,330	1.28
2023	72.0%	\$112.60	\$81.28	\$104.77	\$75.48	\$7.83	93.0%	41.8%	2.36	21,410	1.10
<b>CAGR: 2015 thru 2023</b>	<b>0.8%</b>	<b>3.0%</b>	<b>3.9%</b>	<b>3.1%</b>	<b>4.0%</b>	<b>2.3%</b>	<b>0.1%</b>	<b>-0.1%</b>	<b>1.0%</b>	<b>-0.2%</b>	<b>2.3%</b>
<b>1Q 2023</b>	76.6%	\$127.69	\$97.81	\$119.12	\$91.24	\$8.57	93.3%	45.7%	2.20	20,880	1.24
<b>1Q 2024</b>	73.8%	\$126.78	\$93.51	\$118.12	\$87.12	\$8.66	93.2%	48.2%	2.21	21,650	1.04

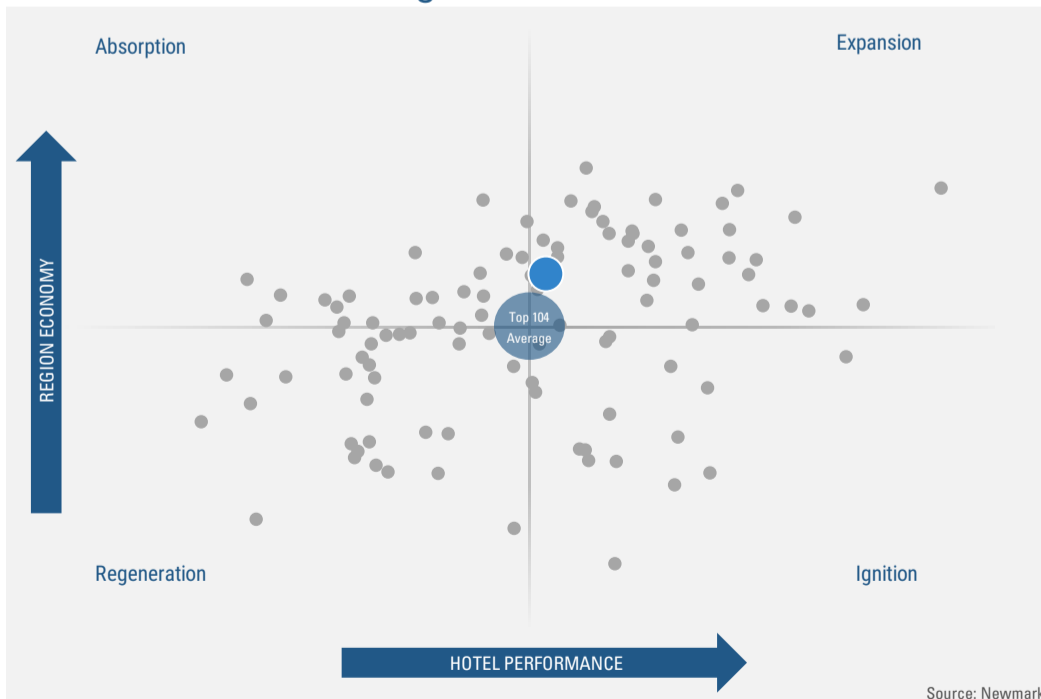
Notable Metrics

	Latest-Quarter Occupancy	T12-Month Average Length of Stay	T12-Month Occupancy
<b>HIGHEST</b>	<b>12th Above Average</b> Jacksonville, FL enjoyed strong latest-quarter occupancy (73.8%)	<b>13th Above Average</b> The market benefited from strong T12-month average length of stay (2.24 Nights)	<b>14th Above Average</b> The market also exhibited strong T12-month occupancy (71.9%)
<b>LOWEST</b>	<b>92nd Unfavorable</b> This market posted unfavorable IRR metrics in the select-service segment (12.2%)	<b>90th Unfavorable</b> The market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.4%)	<b>83rd Unfavorable</b> Jacksonville, FL also posted unfavorable IRR metrics in the economy/ltl svc segment (12.9%)

Notable Trends

	Long-Term Historical Guest Paid ADR Growth	Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE ADR Growth
<b>STRONGEST</b>	<b>9th Strong</b> Jacksonville, FL has benefited from strong long-term historical Guest Paid ADR growth (4.2%)	<b>10th Above Average</b> The market exhibited strong long-term historical Guest Paid RevPAR growth (4.3%)	<b>10th Above Average</b> The market also enjoyed from strong long-term historical COPE ADR growth (4.2%)
<b>WEAKEST</b>	<b>101st Soft</b> The market has been hindered by high rooms supply growth over the last 12 months (3.7%)	<b>89th Below Average</b> We note this area exhibited high long-term historical booking costs POR growth (4.5%)	<b>82nd Below Average</b> Jacksonville, FL also exhibited weak short-term historical average length of stay growth (-0.1%)

Market Performance Stage



Jacksonville, FL: Expansion Stage

The Jacksonville, FL 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.

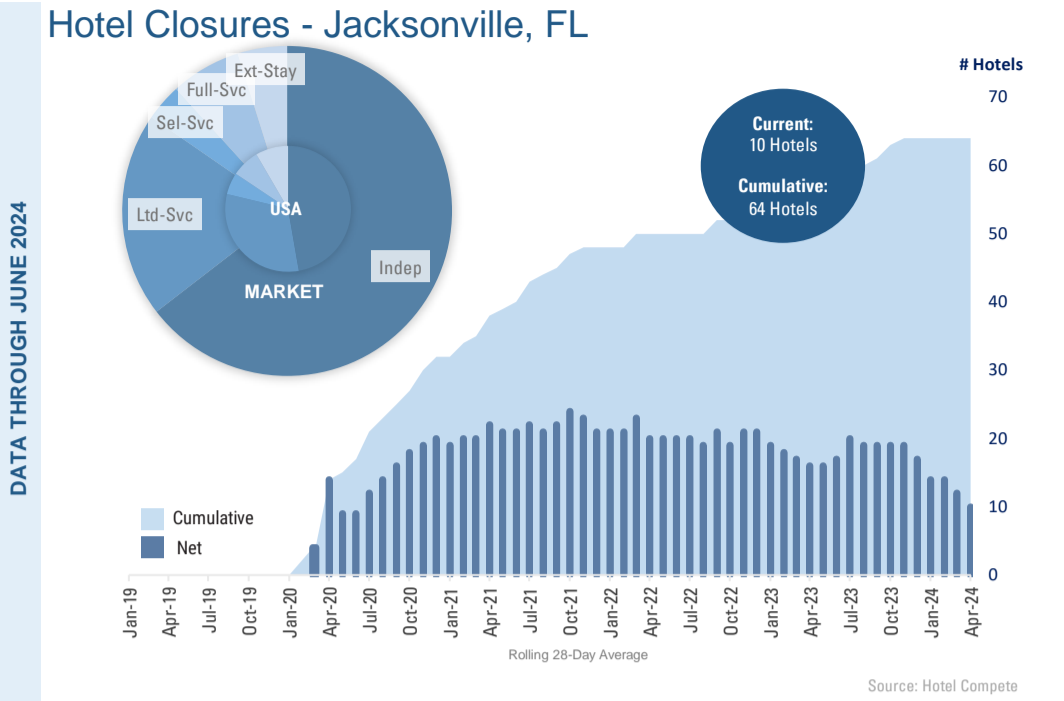
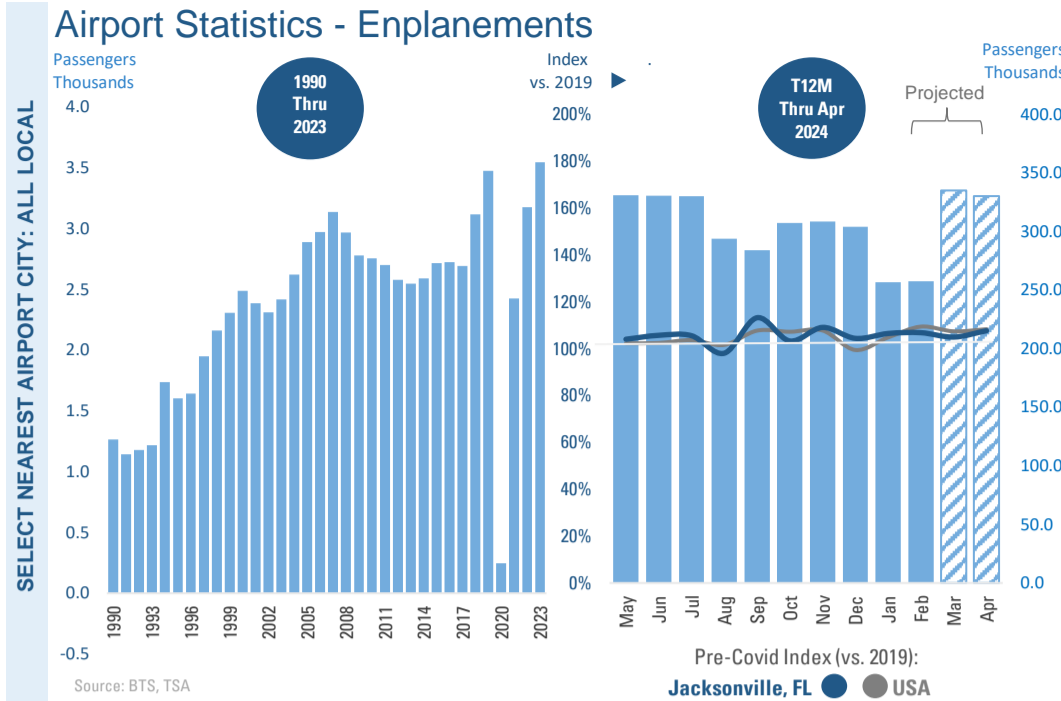
Industry Observations

**MOODY'S ANALYTICS**  
 Business Cycle: **At Risk**  
 Employment Growth (2 yr): **1.6%**  
 Risk Exposure (402 US markets): **29th Percentile: Below Average**  
 Key Industry Notes:  
 Robust distribution industry  
 Employment at military base  
 Low cost financial services  
 Chances to downturn business cycle  
 Defense spending reliance

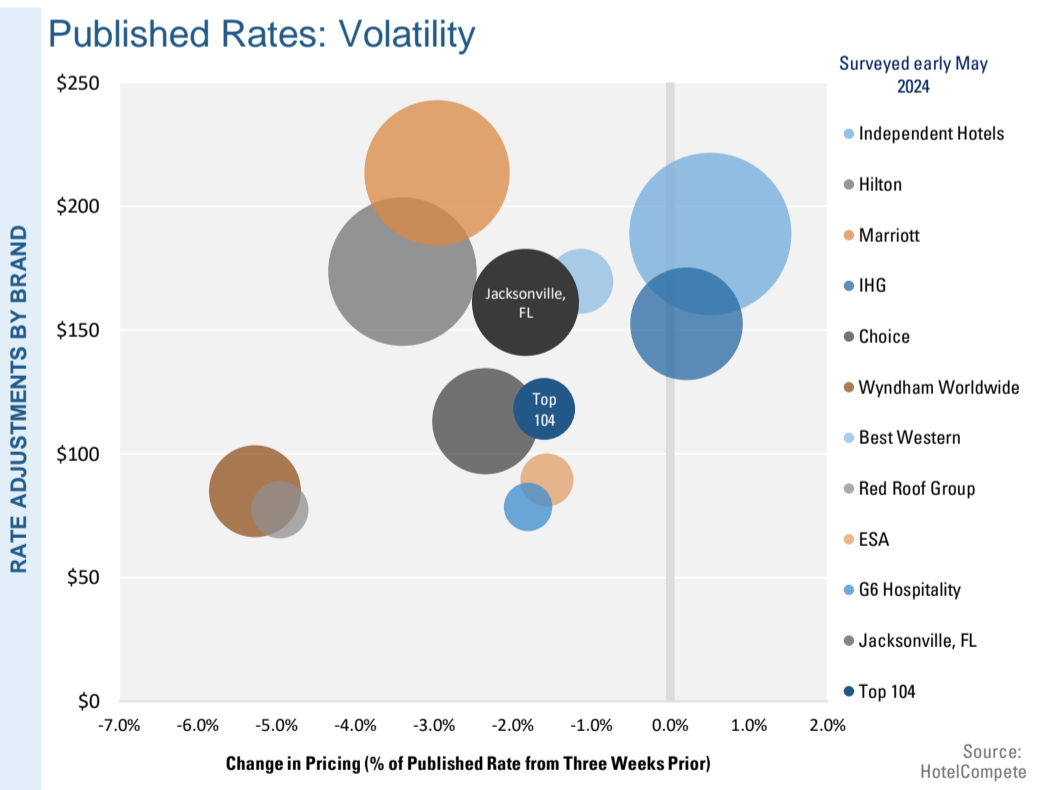
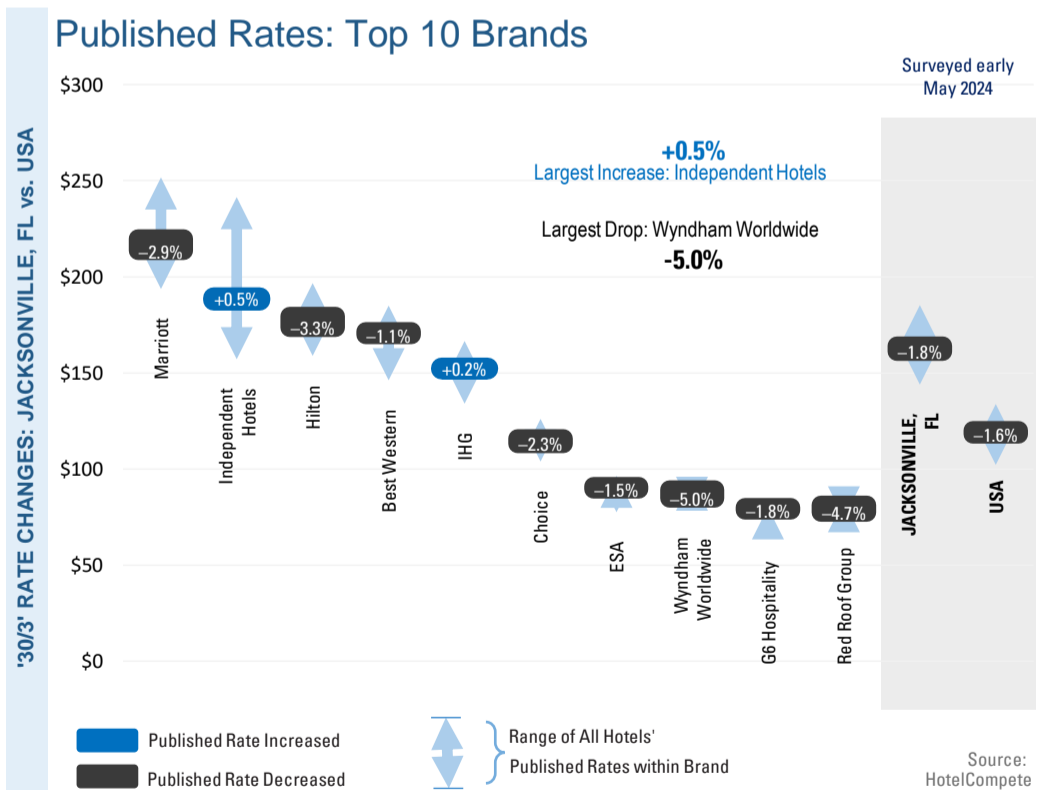
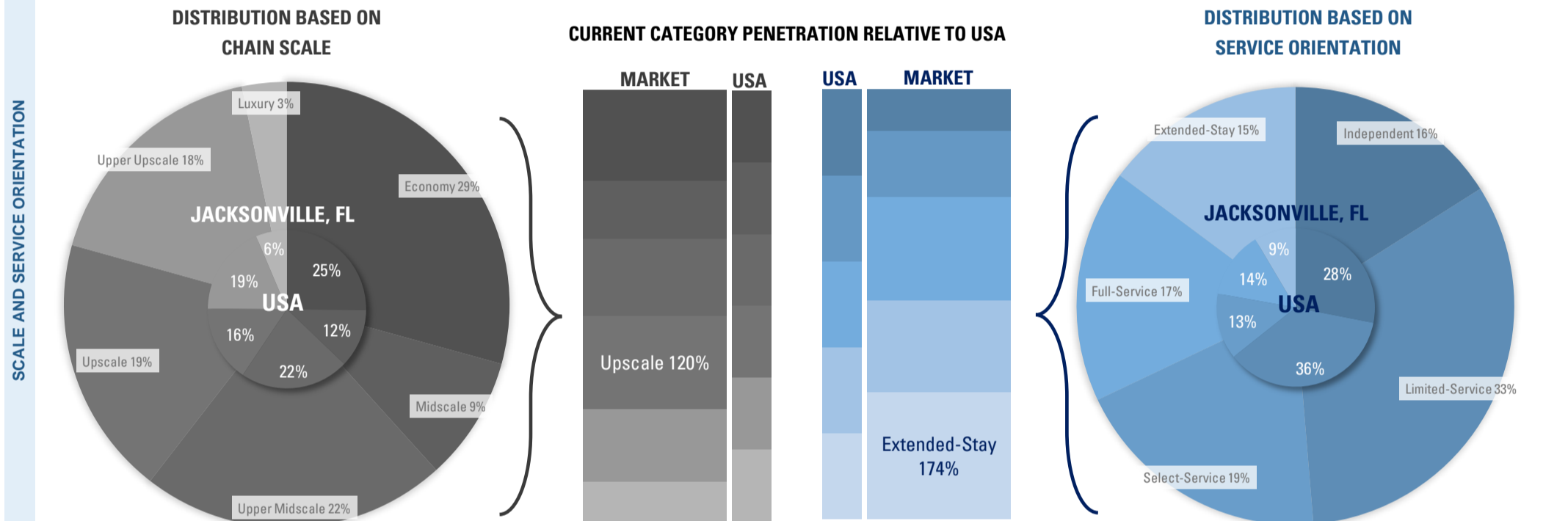
**Moody's Rating**  
**Aa2**  
**Investment Grade**  
 Long-term investment grade, Prime-1 short-term outlook



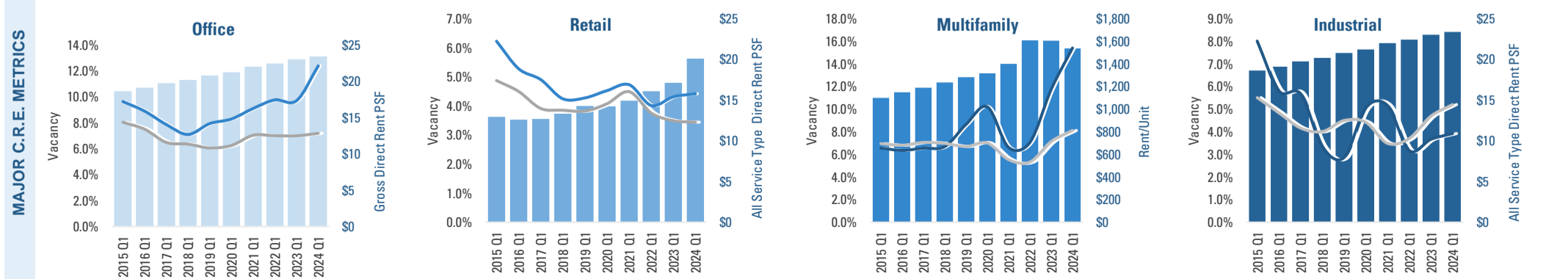




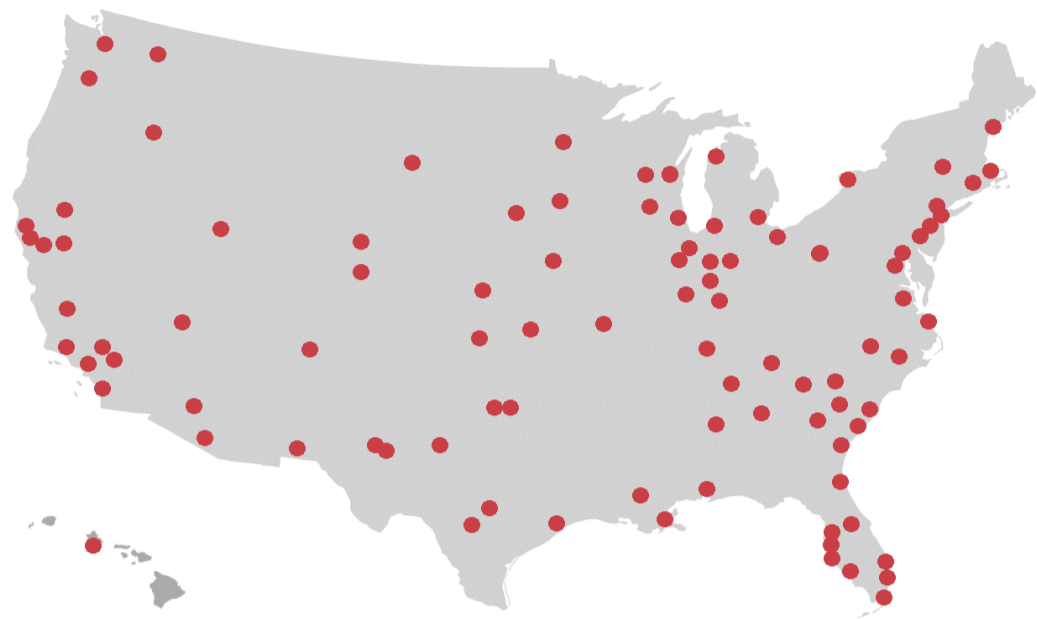
## Scale and Service Distribution: Jacksonville, FL



## 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

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.

*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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**We transform untapped potential into limitless opportunity.**

At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

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