

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

LOUISVILLE, KY



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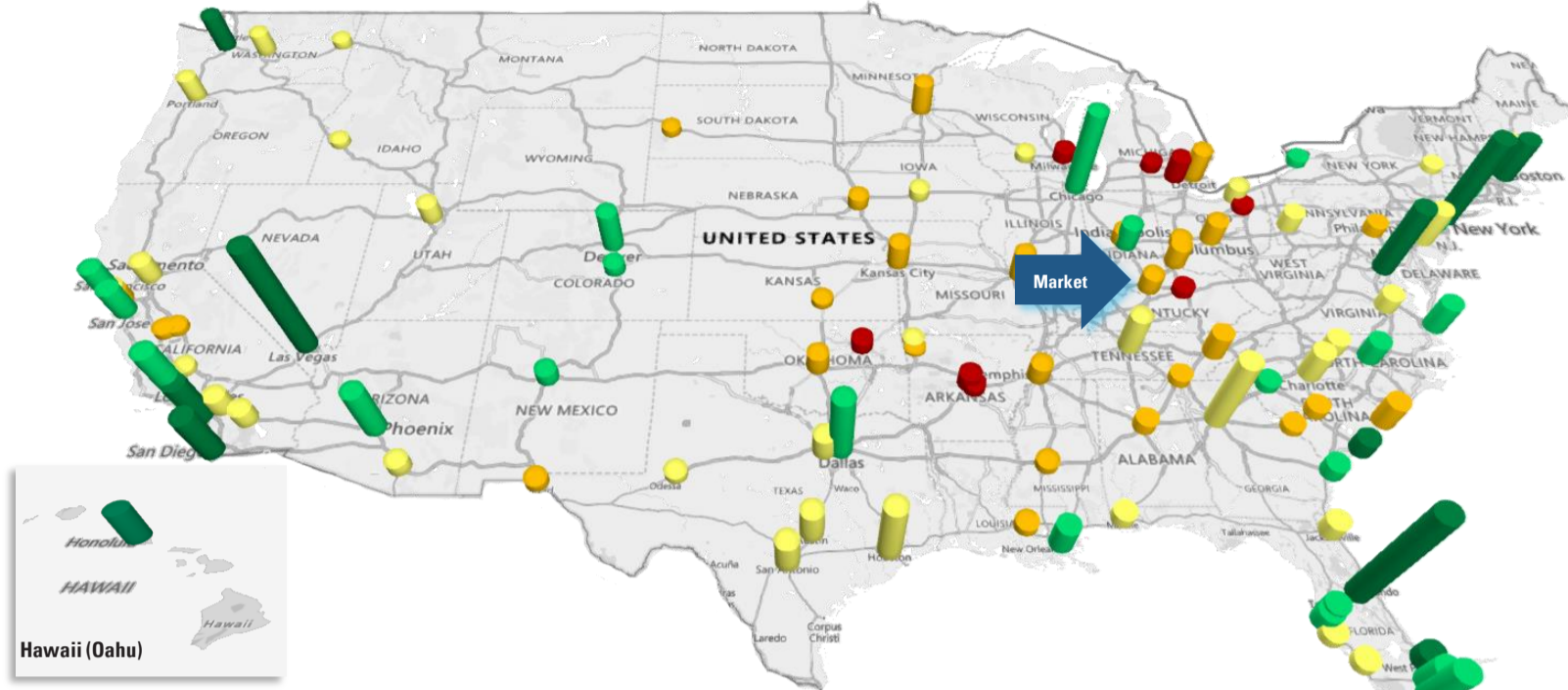
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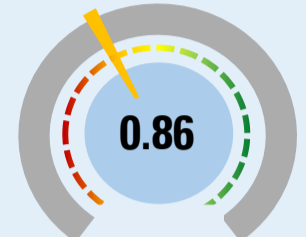


Lodging Performance Index Snapshot



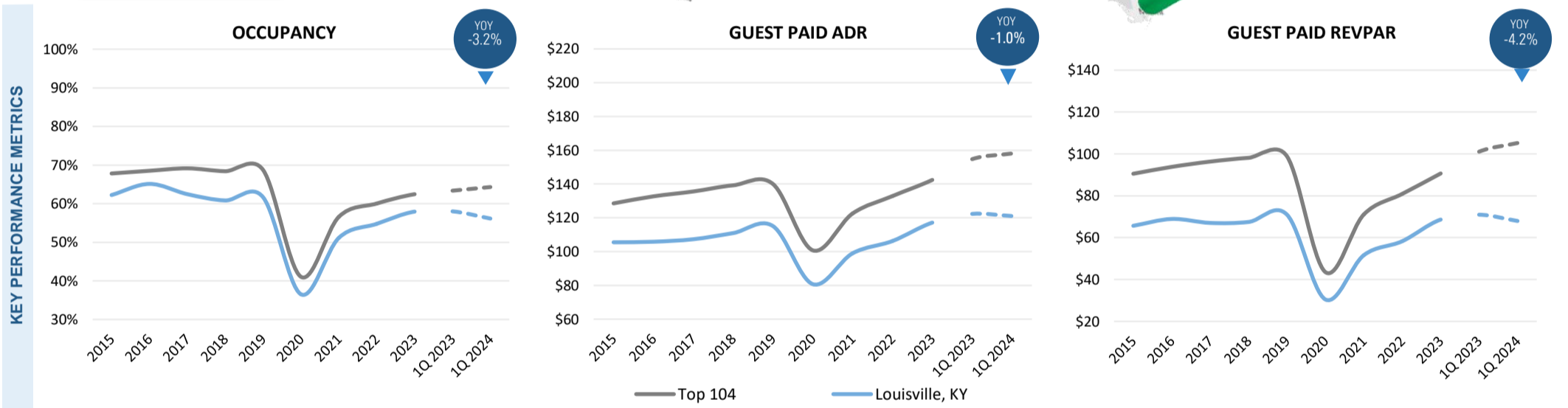
LODGING PERFORMANCE INDEX

Louisville, KY



71st of 104  
Below Average

Ranking of overall '1Q 2024 LPI' performance (0.86) against all 104 surveyed markets.

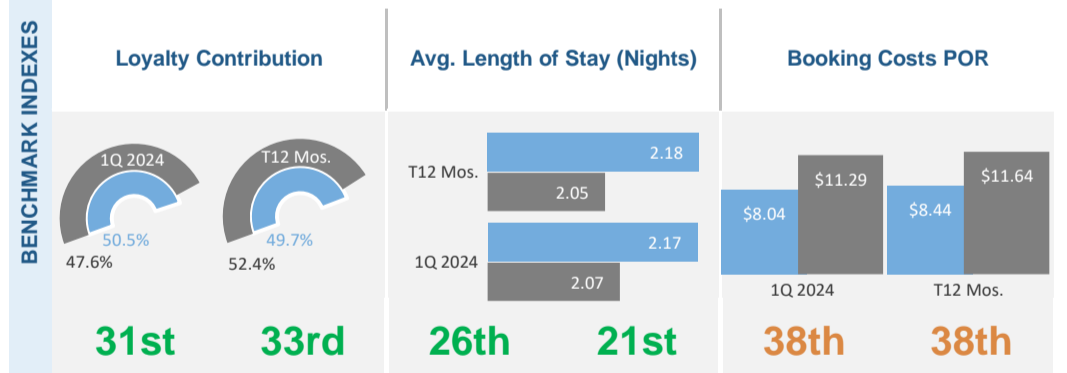


Key Performance Indexes

● Subject Market ● Top 104

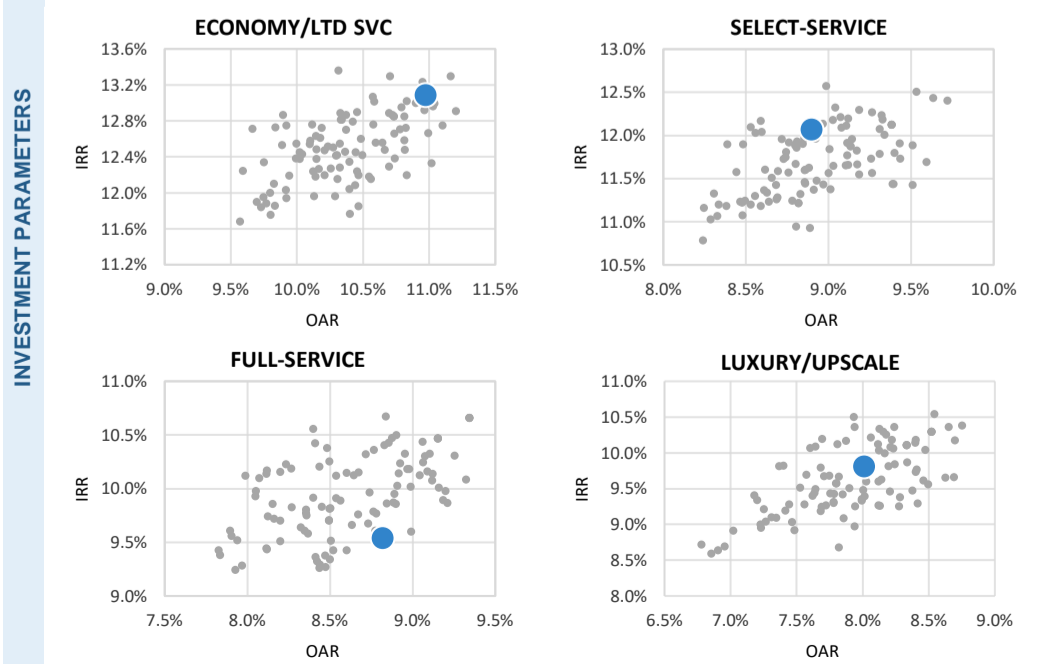


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

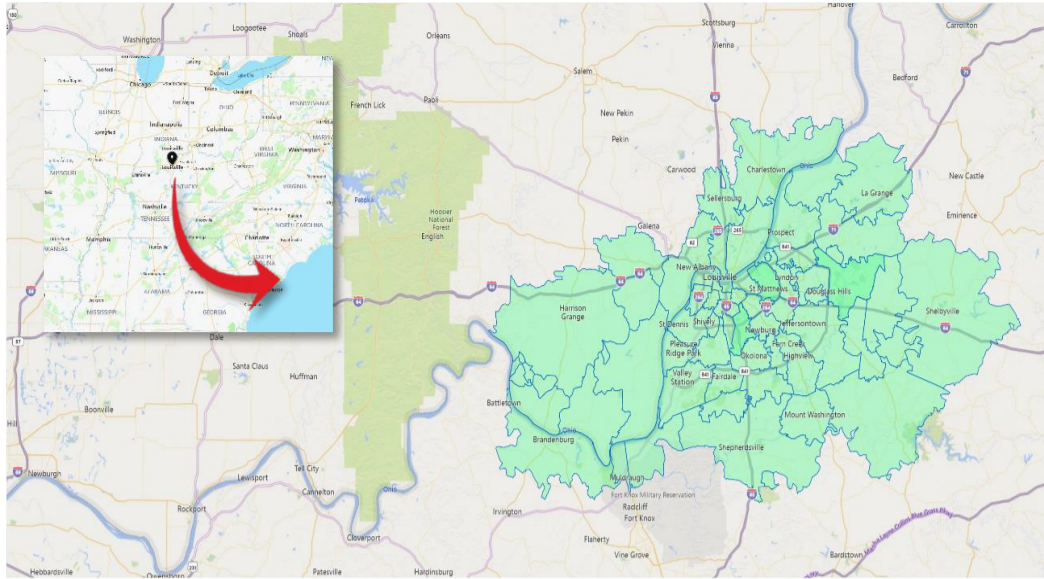


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Louisville  
 County: Jefferson County  
 State: Kentucky  
 Geo Coordinates (market center): 38.25424, -85.75941

**Major Hotel Demand Generators**

Fort Knox | Ford Motor Co. | Humana Inc. | Norton Healthcare | Baptist Healthcare Systems Inc. | Amazon.com | GE Appliances | KentuckyOne Health Inc. | University of Louisville | Kroger Co. | Manna Inc. | Catholic Archdiocese of Louisville | Charter Communications | Kindred Healthcare Inc. | LG&E and KU Energy | Papa John's International Inc. | Floyd Memorial Hospital | Baptist Health Floyd | ResCare Inc. | Signature Healthcare

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,033,095	53rd of 104 (Average)
Income per Capita	\$0	Last of 104
Feeder Group Size	70.0 Persons PSR	49th of 104 (Average)
Feeder Group Earnings	\$ PSR	1st of 104 (Very Strong)
Total Market Hotel Revenues	\$709.2 million	53rd 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	62.2%	\$105.51	\$65.65	\$98.31	\$61.17	\$7.21	93.2%	42.6%	2.10	19,750	1.05
2016	65.1%	\$105.84	\$68.91	\$98.42	\$64.08	\$7.42	93.0%	43.6%	2.16	20,260	1.07
2017	62.5%	\$107.33	\$67.03	\$99.42	\$62.09	\$7.91	92.6%	45.1%	2.09	20,870	0.86
2018	60.8%	\$110.94	\$67.48	\$102.87	\$62.57	\$8.07	92.7%	48.6%	2.14	22,060	1.01
2019	61.7%	\$115.12	\$70.97	\$106.71	\$65.79	\$8.40	92.7%	53.4%	2.08	23,700	1.06
2020	36.5%	\$80.74	\$30.46	\$75.78	\$27.68	\$4.96	93.9%	39.6%	2.52	23,580	0.64
2021	51.1%	\$99.00	\$51.61	\$92.52	\$47.32	\$6.48	93.5%	43.6%	2.23	23,740	0.70
2022	54.8%	\$106.27	\$58.29	\$99.30	\$54.39	\$6.97	93.4%	44.2%	2.21	23,870	0.86
2023	57.9%	\$117.17	\$68.63	\$109.69	\$63.55	\$7.49	93.6%	44.6%	2.23	23,980	1.03
<b>CAGR: 2015 thru 2023</b>	<b>-0.9%</b>	<b>1.3%</b>	<b>0.6%</b>	<b>1.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>2.5%</b>	<b>-0.2%</b>
<b>1Q 2023</b>	58.0%	\$122.32	\$70.95	\$114.33	\$66.32	\$7.98	93.5%	49.3%	2.16	23,840	1.00
<b>1Q 2024</b>	56.1%	\$121.05	\$67.95	\$113.00	\$63.44	\$8.04	93.4%	50.5%	2.17	24,070	0.86

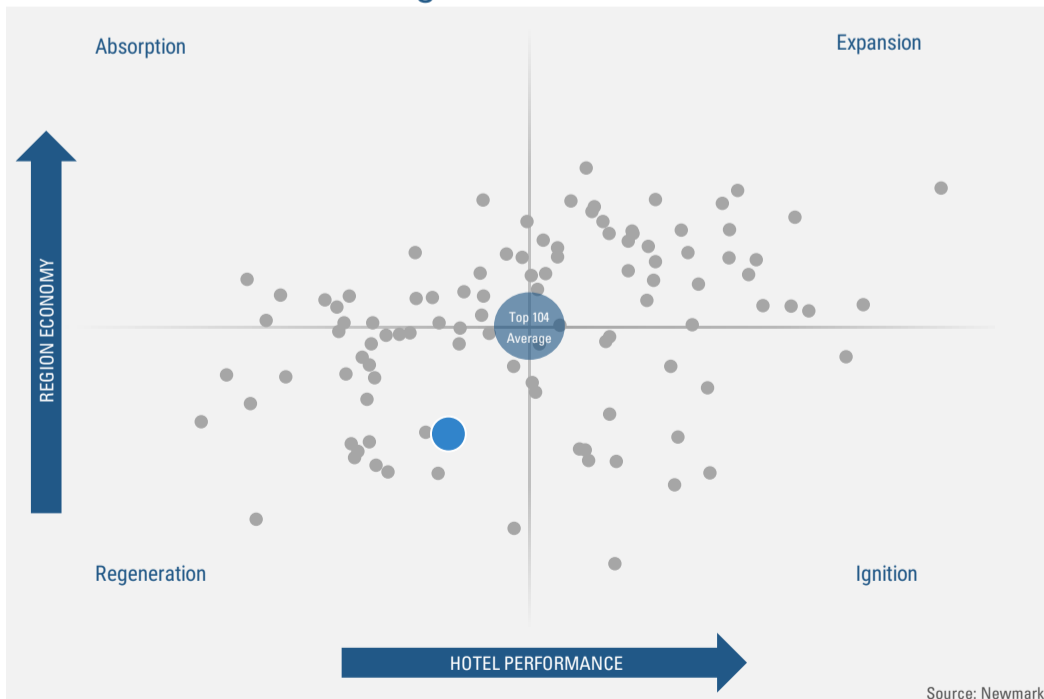
Notable Metrics

HIGHEST	Feeder Group Earnings per sold room	T12-Month COPE ADR Percentage	IRR: Full-Service
	<b>1st Very Strong</b>	<b>6th Strong</b>	<b>19th Favorable</b>
	Louisville, KY posted strong feeder group earnings per sold room (\$0)	The market benefited from strong T12-month COPE ADR percentage (93.6%)	The market also enjoyed favorable IRR metrics in the full-service segment (9.5%)
LOWEST	Marketwide Income per Room	Economy Median Income	IRR: Economy/Ltd Svc
	<b>Last Soft</b>	<b>Last Soft</b>	<b>97th Unfavorable</b>
	This market exhibited a low ratio of marketwide per-capita income per room (\$0)	The market was stymied by weak Economy Median Income (\$0)	Louisville, KY also posted unfavorable IRR metrics in the economy/limited service segment (13.1%)

Notable Trends

STRONGEST	Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Booking Costs POR Growth	Long-Term Historical Loyalty Contribution Growth
	<b>5th Strong</b>	<b>12th Above Average</b>	<b>14th Above Average</b>
	Louisville, KY enjoyed strong short-term historical loyalty contribution growth (6.2%)	The market has benefited from low long-term historical booking costs POR growth (1.3%)	The market also exhibited strong long-term historical loyalty contribution growth (5.3%)
WEAKEST	General Economy Reversion	Long-Term Historical Guest Paid ADR Growth	Short-Term Historical LPI Growth
	<b>87th Below Average</b>	<b>87th Below Average</b>	<b>86th Below Average</b>
	The market posted weak general economic reversion (per-capita unemployment, GDP and other indicators)	We note this area has been impeded by weak long-term historical Guest Paid ADR growth (1.3%)	Louisville, KY also has been hampered by weak short-term historical LPI growth (-3.0%)

Market Performance Stage



Louisville, KY: Regeneration Stage

The Louisville, KY 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

**MOODY'S ANALYTICS**

Business Cycle:  
 Employment Growth (2 yr):  
 Risk Exposure (402 US markets):  
 Key Industry Notes:

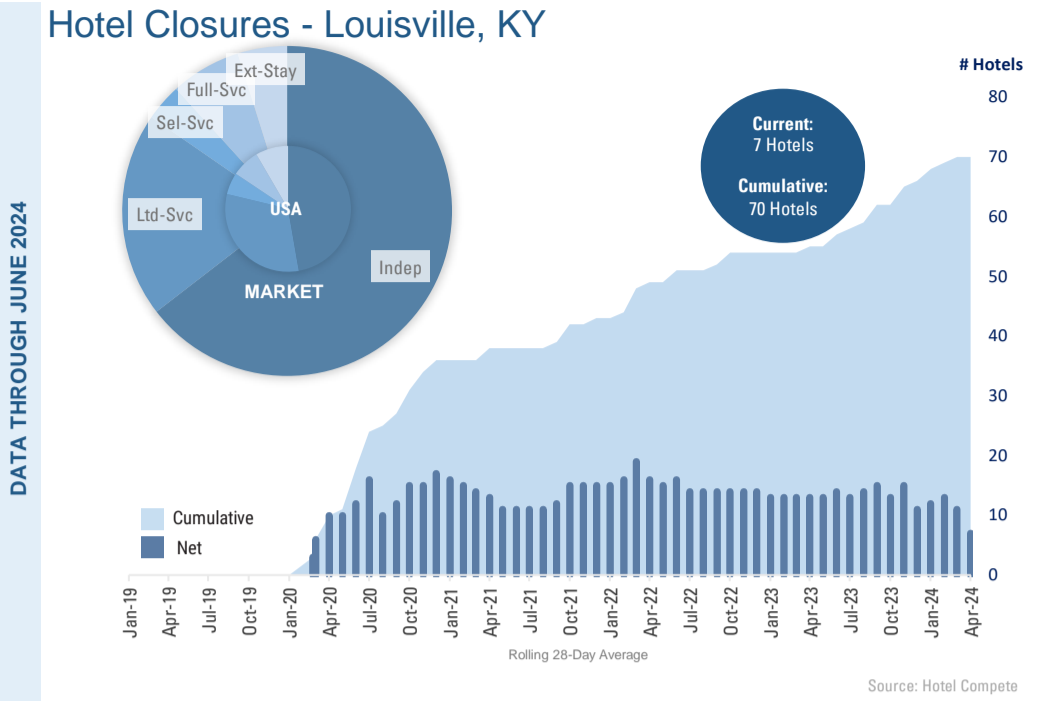
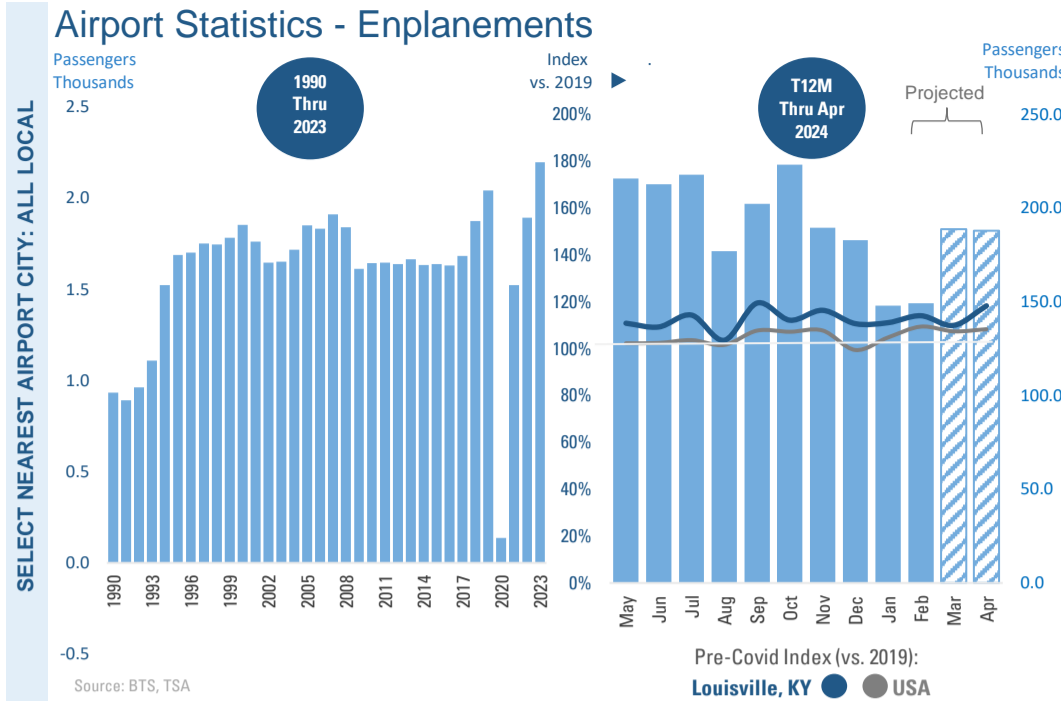
**At Risk**  
**0.7%**  
**82nd Percentile: Above Average**  
 Below-average energy and tax costs  
 Home to UPS's Worldport air hub  
 Skilled manufacturing workers  
 Sluggish population growth  
 Lack of dynamic, high-paying industries

**Moody's Rating**

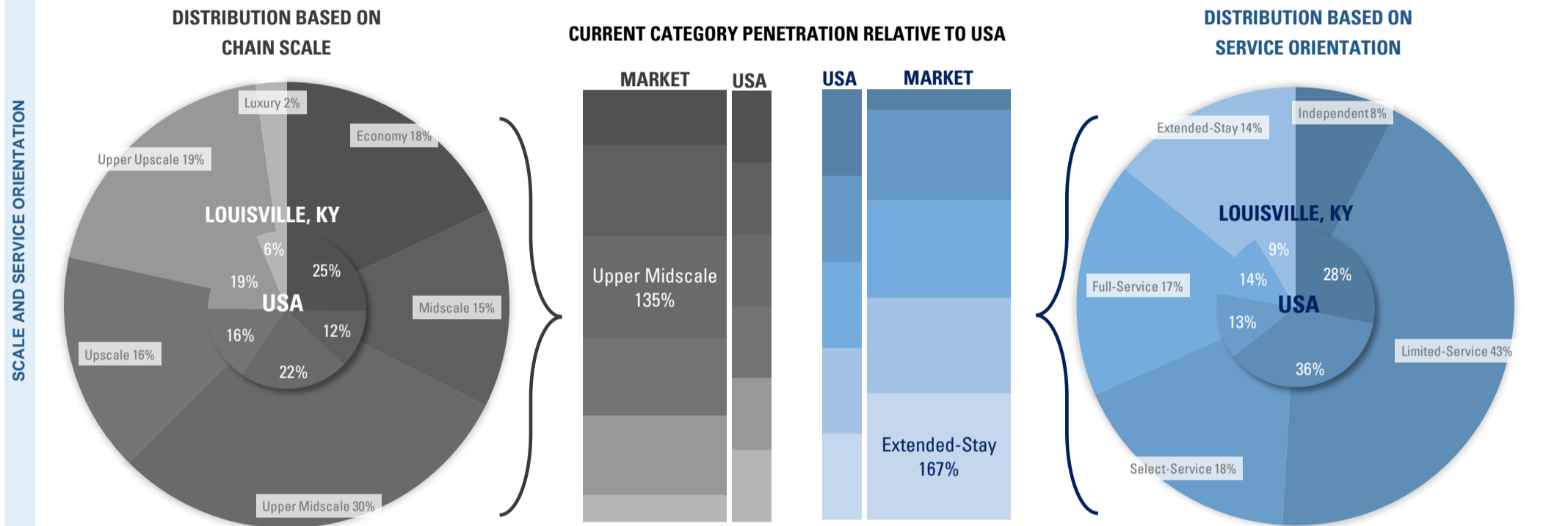
**Aa1**  
**Investment Grade**

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

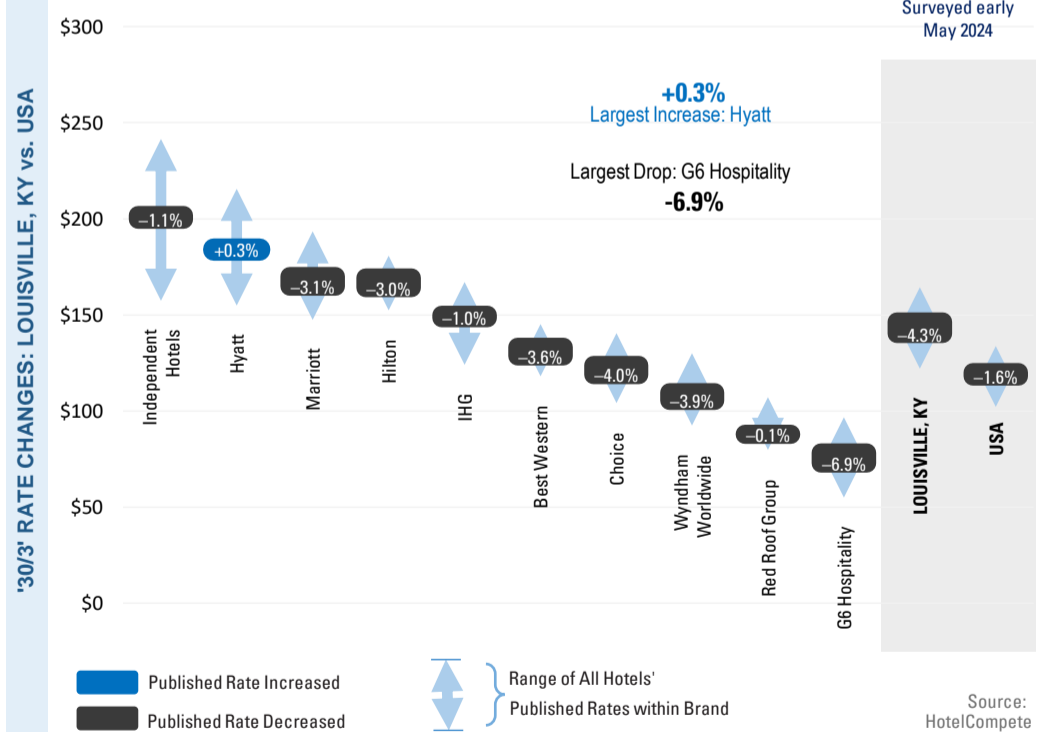




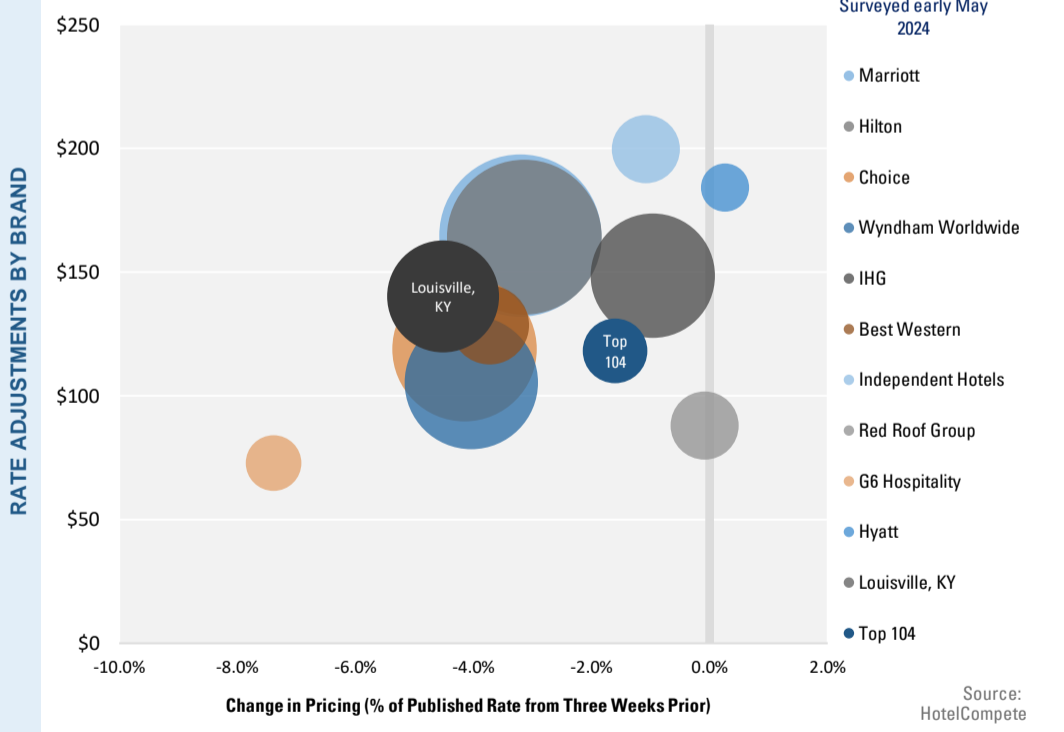
## Scale and Service Distribution: Louisville, KY



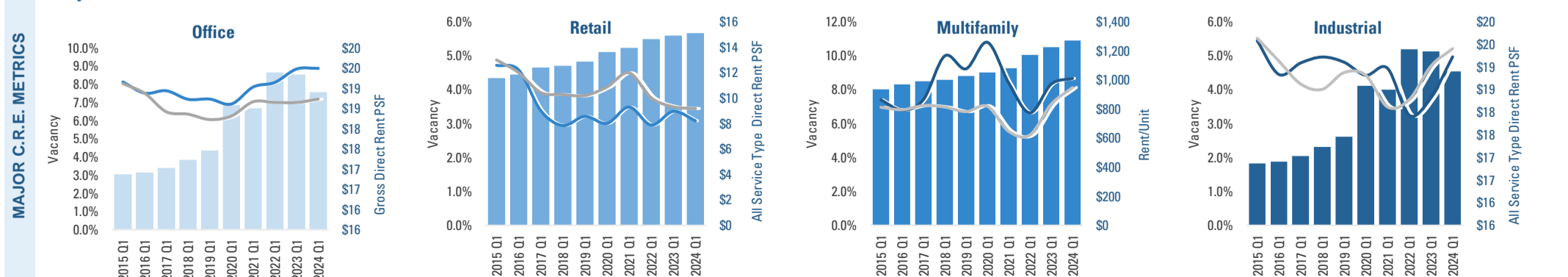
## Published Rates: Top 10 Brands



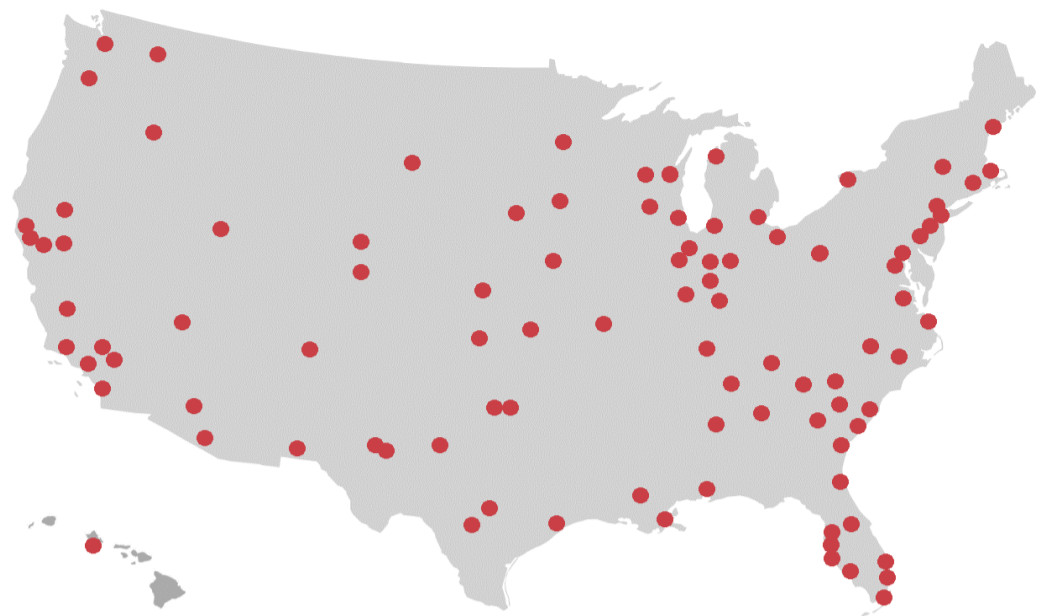
## Published Rates: Volatility



## 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

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.

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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.

### 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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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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