

NEWMARK

1Q 2024

Hotel Market Nsights Report

MOBILE, AL



FOR MORE INFORMATION:

Bryan Younge, MAI, ASA, FRICS

Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
m 773-263-4544

David Gray, MAI, MRICS

Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 561-302-3943

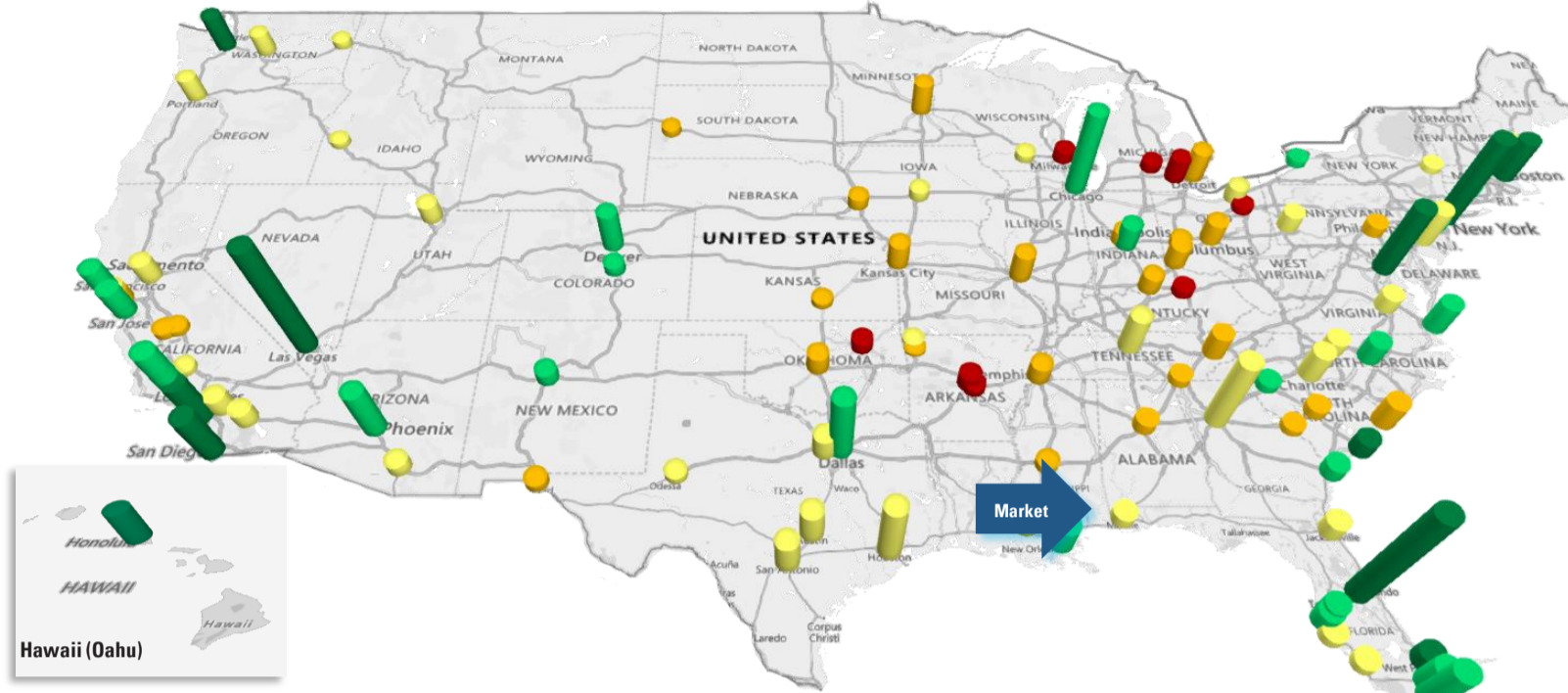
Edy Gross

Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 305-582-7376

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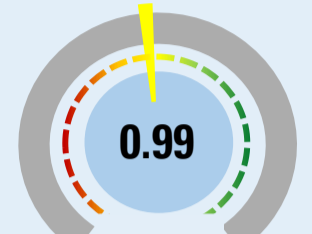


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

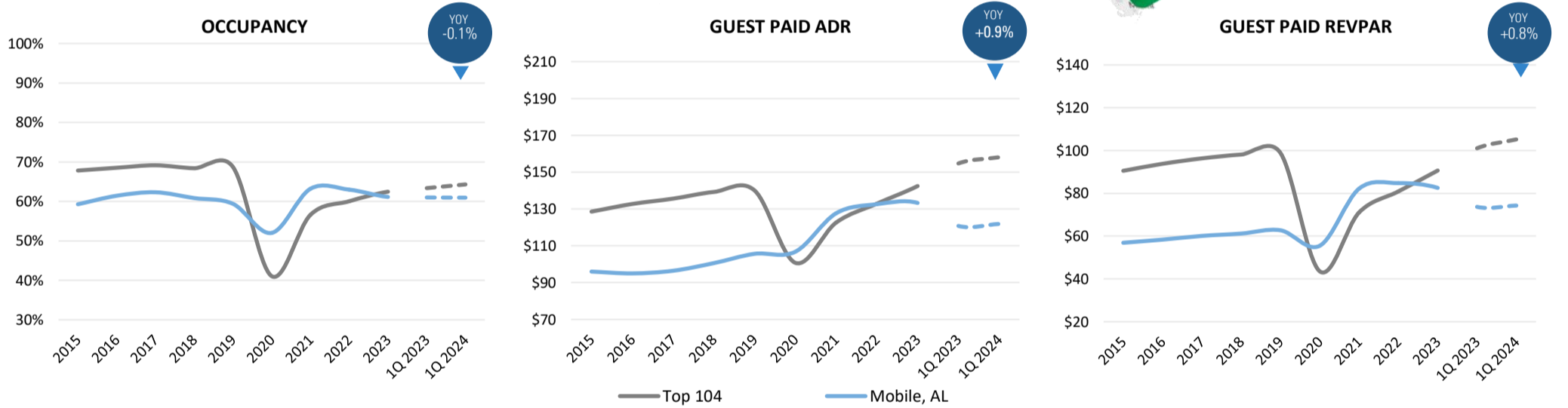
Mobile, AL



57th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.99) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

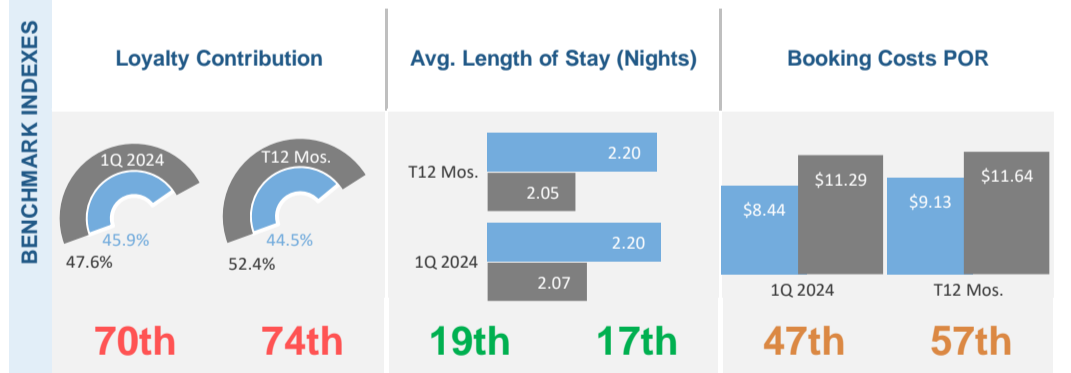


PERFORMANCE INDEXES

Key Performance Indexes

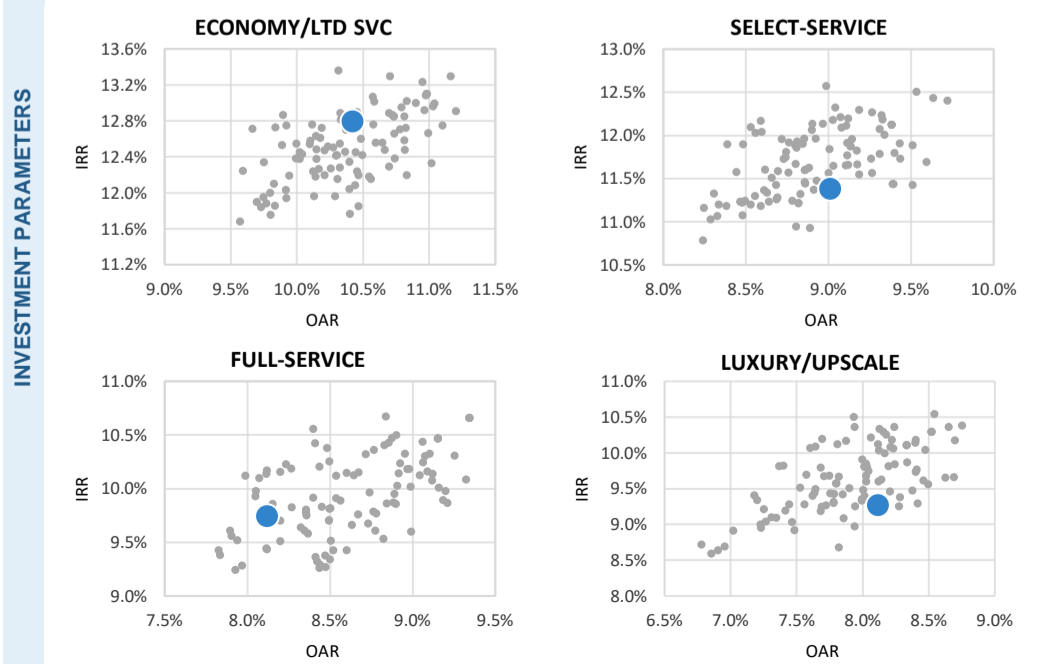


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

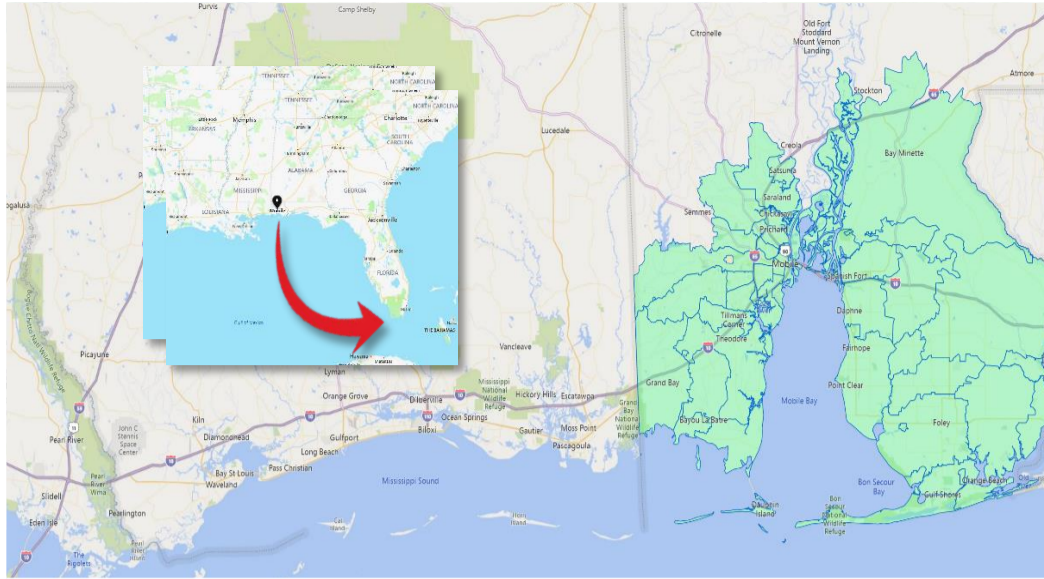


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Mobile	
County:	Mobile County	
State:	Alabama	
Geo Coordinates (market center):	30.69436, -88.04305	
Major Hotel Demand Generators		
USA Health System Infirmary Health Austal CPSI AM/NS Calvert Providence Hospital SMC AltaPointe VT Mobile Aerospace Engineering Inc. Outokumpu Evonik Industries United Technologies Standard Furniture Manufacturing Co. Inc. Kimberly-Clark Corp. SSAB Americas BASF SE KCWW Continental Motors Group Airbus S.A.S. Univ. South Alabama		
Metrics and Ranking		Measurement
Population (hotel market area)	471,703	Rankings
Income per Capita	\$40,020	88th of 104 (Below Average)
Feeder Group Size	51.2 Persons PSR	81st of 104 (Below Average)
Feeder Group Earnings	\$2,048,321 PSR	21st of 104 (Above Average)
Total Market Hotel Revenues	\$427.9 million	14th of 104 (Above Average)
		67th 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	59.3%	\$96.00	\$56.89	\$89.47	\$53.02	\$6.53	93.2%	45.9%	2.00	13,000	0.73
2016	61.4%	\$95.02	\$58.36	\$88.19	\$54.16	\$6.83	92.8%	47.5%	2.05	12,940	0.80
2017	62.3%	\$96.44	\$60.08	\$89.13	\$55.53	\$7.31	92.4%	47.7%	2.04	13,110	0.85
2018	60.8%	\$100.58	\$61.19	\$92.88	\$56.50	\$7.70	92.3%	51.7%	2.04	12,910	0.80
2019	59.4%	\$105.65	\$62.73	\$97.54	\$57.92	\$8.11	92.3%	56.6%	1.98	14,850	0.62
2020	52.0%	\$106.77	\$55.51	\$99.15	\$51.56	\$7.62	92.9%	38.6%	2.24	14,600	1.43
2021	63.2%	\$127.64	\$82.20	\$118.48	\$74.87	\$9.16	92.8%	40.5%	2.22	14,510	1.48
2022	63.0%	\$132.57	\$84.76	\$123.04	\$77.47	\$9.53	92.8%	41.2%	2.20	14,530	1.14
2023	61.1%	\$133.29	\$82.54	\$123.71	\$75.62	\$9.58	92.8%	41.6%	2.19	14,550	0.89
CAGR: 2015 thru 2023	0.4%	4.2%	4.8%	4.1%	4.5%	4.9%	-0.1%	-1.2%	1.1%	1.4%	2.5%
1Q 2023	61.0%	\$120.77	\$73.66	\$112.50	\$68.61	\$8.27	93.2%	43.9%	2.17	14,340	1.04
1Q 2024	60.9%	\$121.89	\$74.28	\$113.45	\$69.13	\$8.44	93.1%	45.9%	2.20	14,870	0.99

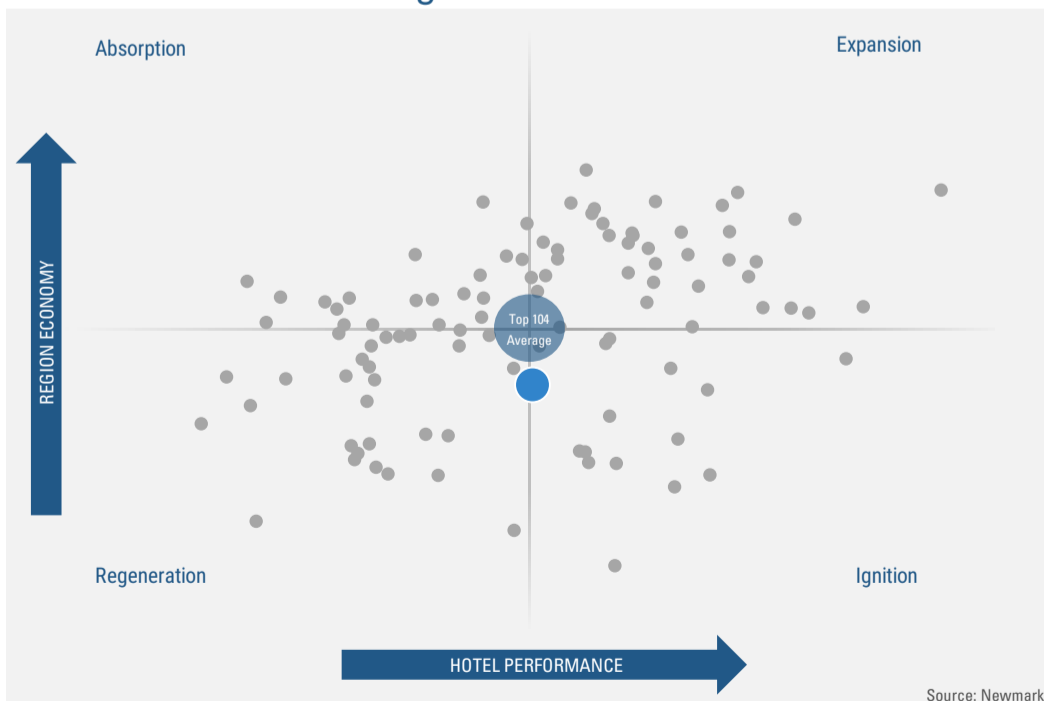
Notable Metrics

HIGHEST	Feeder Group Earnings per sold room	OAR: Full-Service	Latest-Quarter Average Length of Stay
	14th Above Average	16th Favorable	19th Above Average
	Mobile, AL posted strong feeder group earnings per sold room (\$2,048,321)	The market posted favorable OAR metrics in the full-service segment (8.1%)	The market also boasted strong latest-quarter average length of stay (2.20 Nights)
LOWEST	Marketwide Income per Room	Feeder Population Per Room	Population Density per Room
	90th Soft	87th Below Average	87th Below Average
	This market exhibited a low ratio of marketwide per-capita income per room (\$913,899)	The market posted a low ratio of feeder population per room (22.84)	Mobile, AL also has been hindered by weak population density per room (31.44)

Notable Trends

STRONGEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Occupancy Growth	Long-Term Historical Loyalty Contribution Growth
	8th Strong	11th Above Average	22nd Above Average
	Mobile, AL enjoyed strong long-term historical average length of stay growth (1.4%)	The market has benefited from strong short-term historical occupancy growth (1.0%)	The market also exhibited strong long-term historical loyalty contribution growth (4.7%)
WEAKEST	T12-Month Rooms Supply Growth	Short-Term Historical Booking Costs POR Growth	General Economy Reversion
	100th Soft	82nd Below Average	79th Below Average
	The market has been hindered by high rooms supply growth over the last 12 months (3.6%)	We note this area has been impeded by high short-term historical growth in booking costs (4.3%)	Mobile, AL also posted weak general economic reversion (per-capita unemployment, GDP and other indicators)

Market Performance Stage



Mobile, AL: Ignition Stage

The Mobile, AL market is currently in the 'Ignition' stage of the performance cycle. In this 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.

Other Stages:

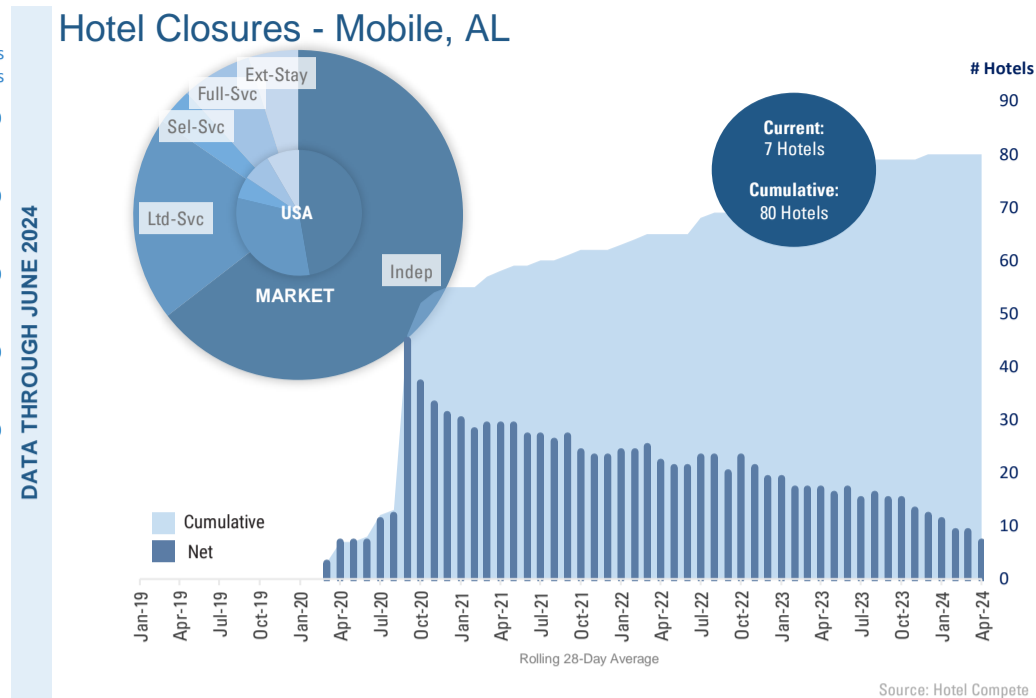
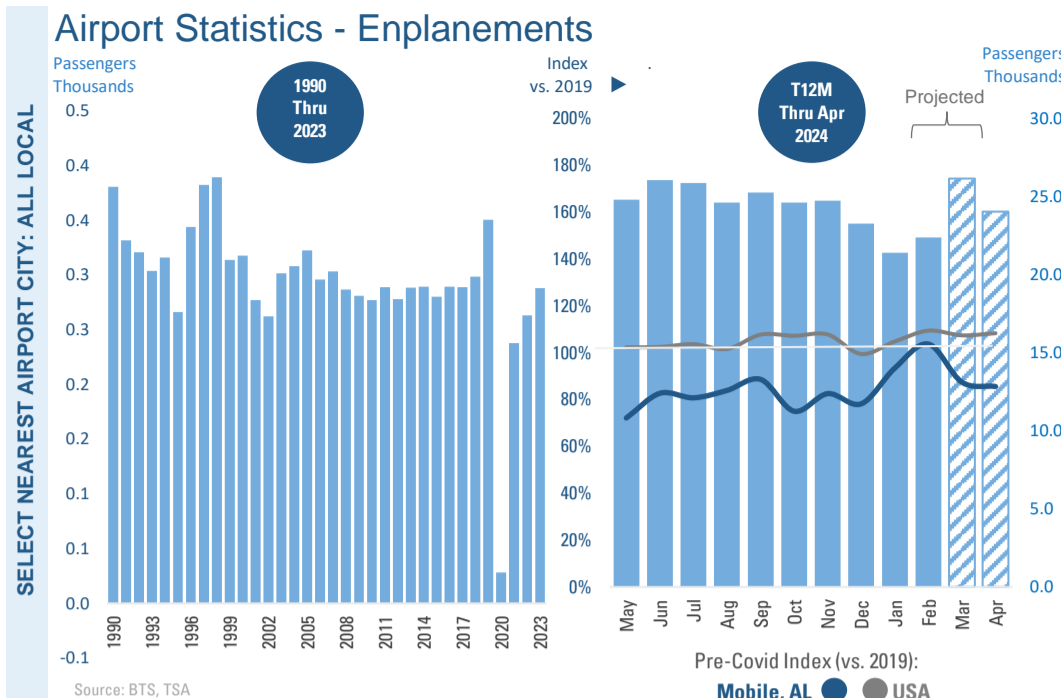
- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Cincinnati, OH; Detroit, MI; and Knoxville, TN.
- 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

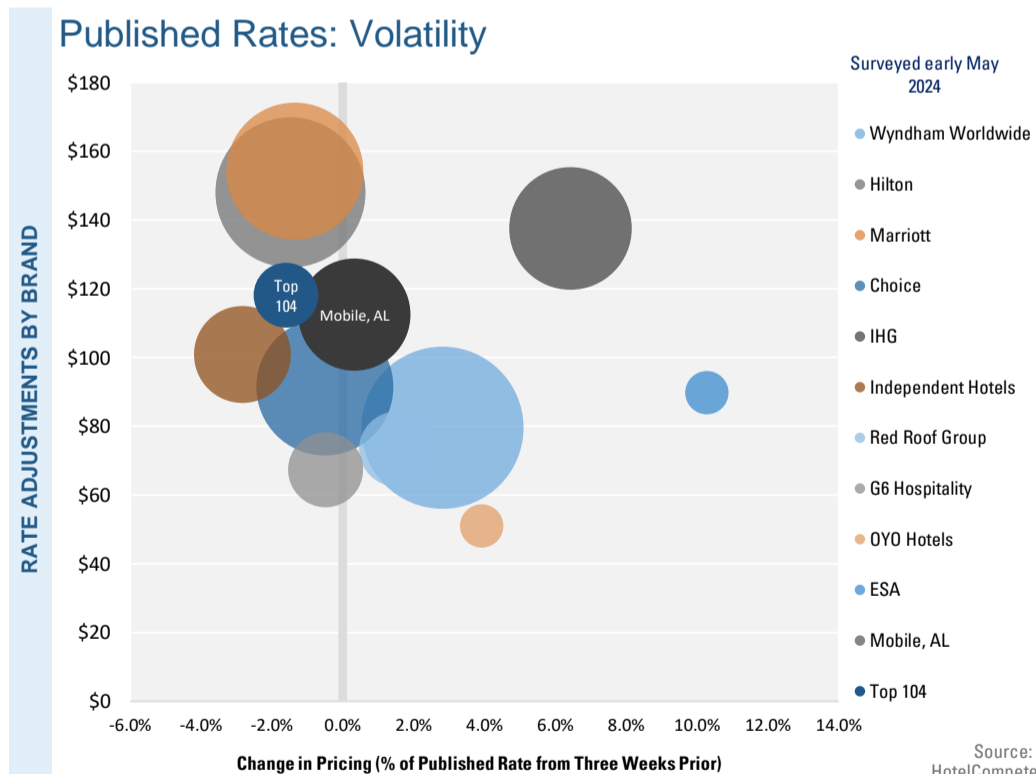
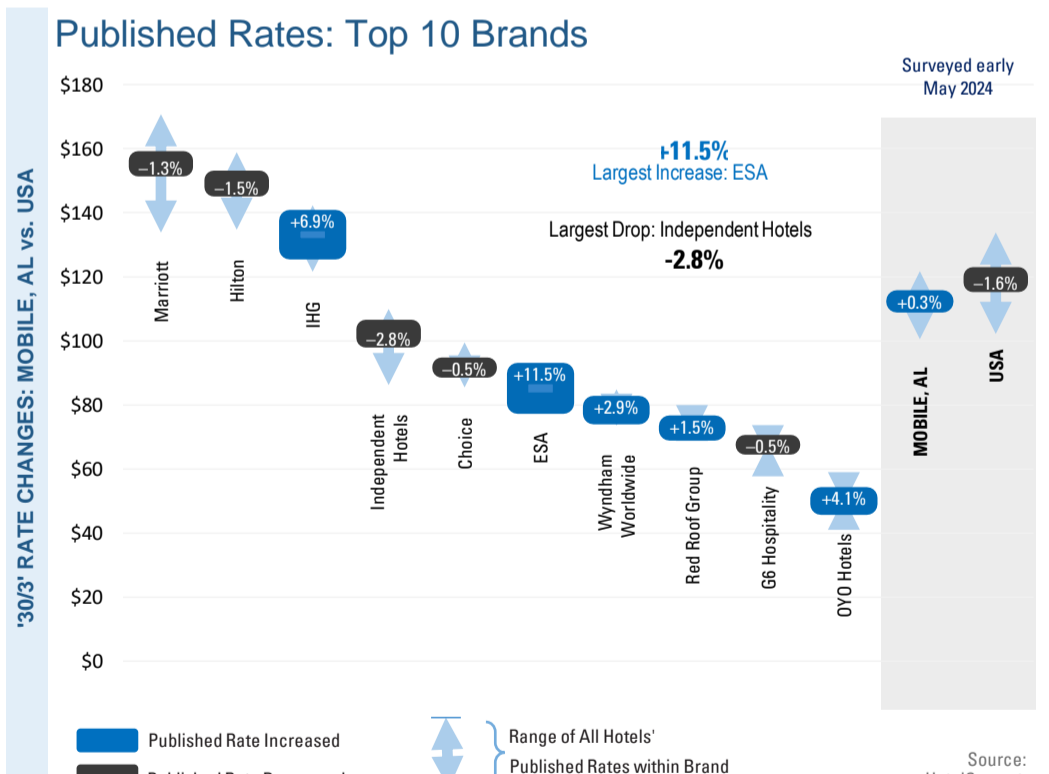
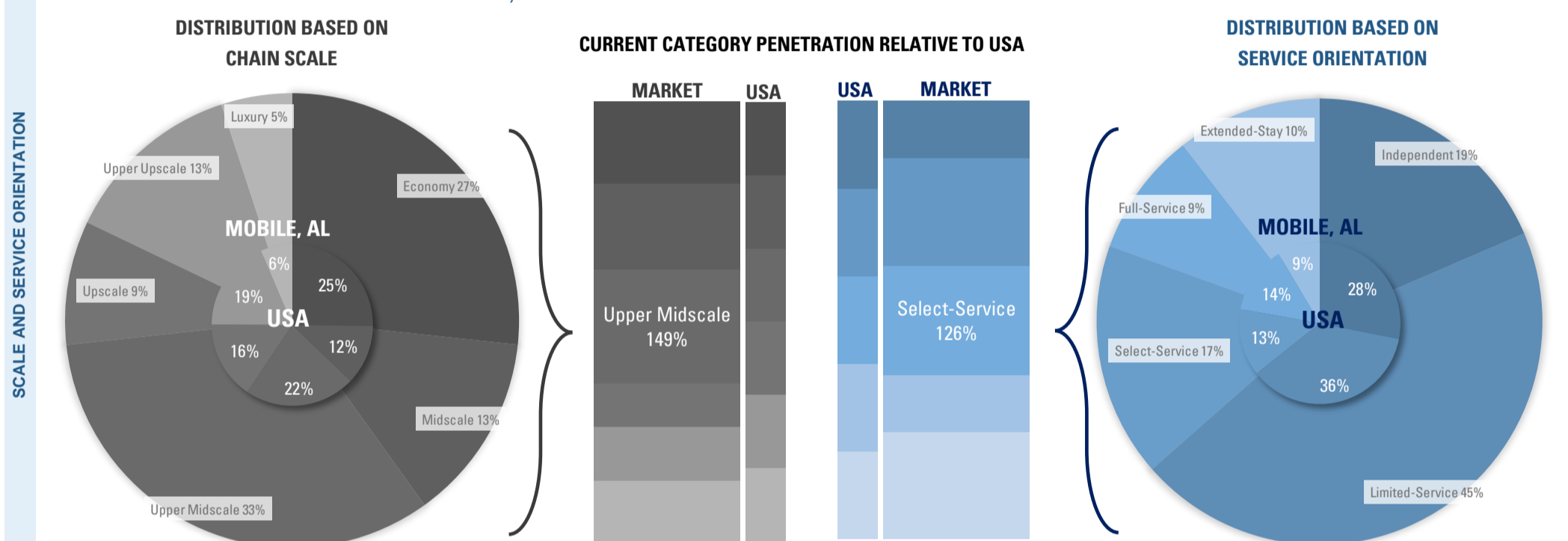
MOODY'S ANALYTICS
 Business Cycle: **At Risk**
 Employment Growth (2 yr): **0.7%**
 Risk Exposure (402 US markets): **68th Percentile: Above Average**
 Key Industry Notes:
 Strong manufacturing base
 Transportation infrastructure
 High poverty rate
 Low per capita income
 Low educational attainment

Moody's Rating
Aa1
 Investment Grade
 Long-term investment grade, Prime-1 short-term outlook

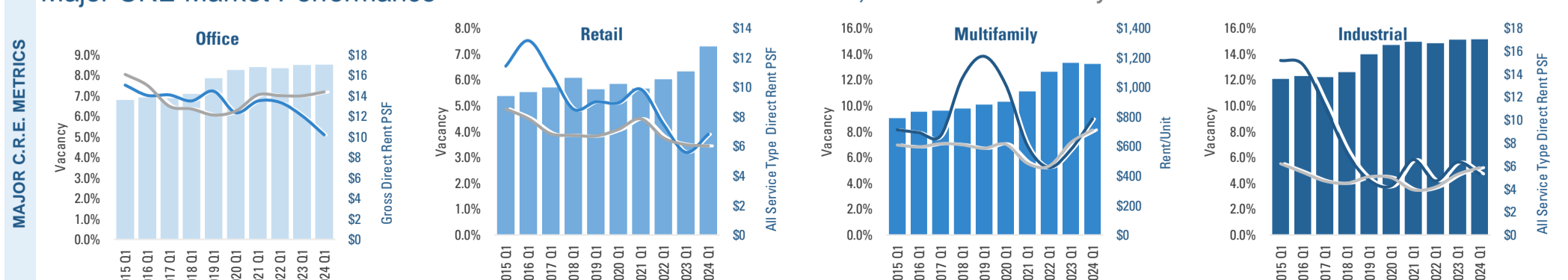




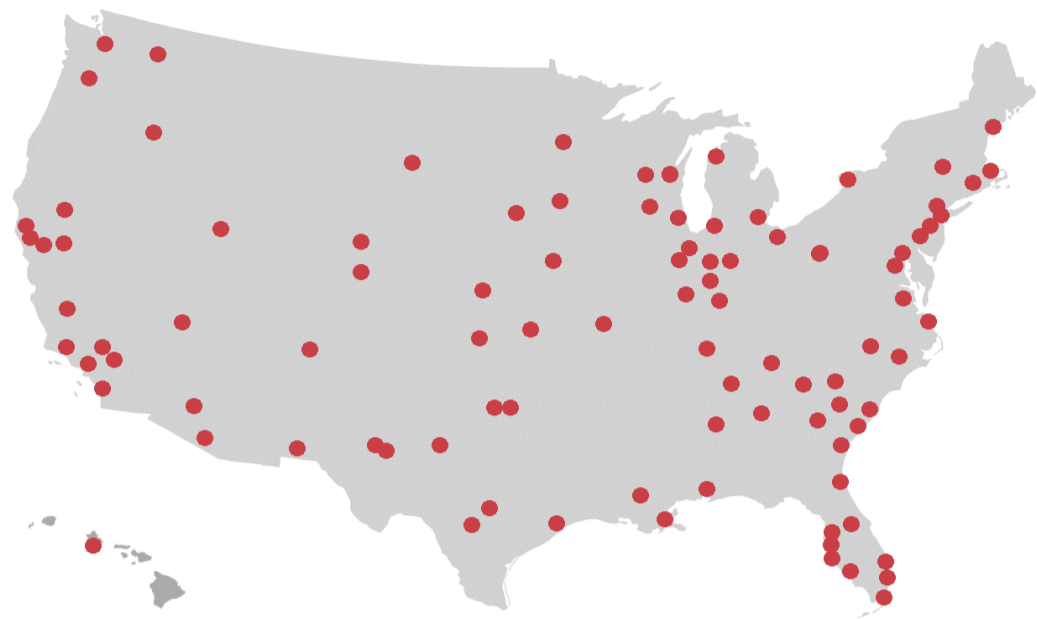
Scale and Service Distribution: Mobile, AL



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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Portfolio Analytics

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FOR INFORMATION CONTACT:

Bryan Younge MAI, ASA, FRICS

Executive Vice President, Valuation & Advisory,
Specialty Practice Leader – Hospitality, Gaming & Leisure
m 773-263-4544
bryan.younge@nrmk.com

CONTACT: SOUTHEAST & CARRIBBEAN MARKETS

FOR MORE INFORMATION

David Gray, MAI, MRICS
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 561-302-3943
david.gray@nrmk.com

Edy Gross
Executive Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Southeast & Carribean Markets
m 305-582-7376
edy.gross@nrmk.com

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