

NEWMARK

1Q 2024

Hotel Market Nsights Report

MYRTLE BEACH, SC



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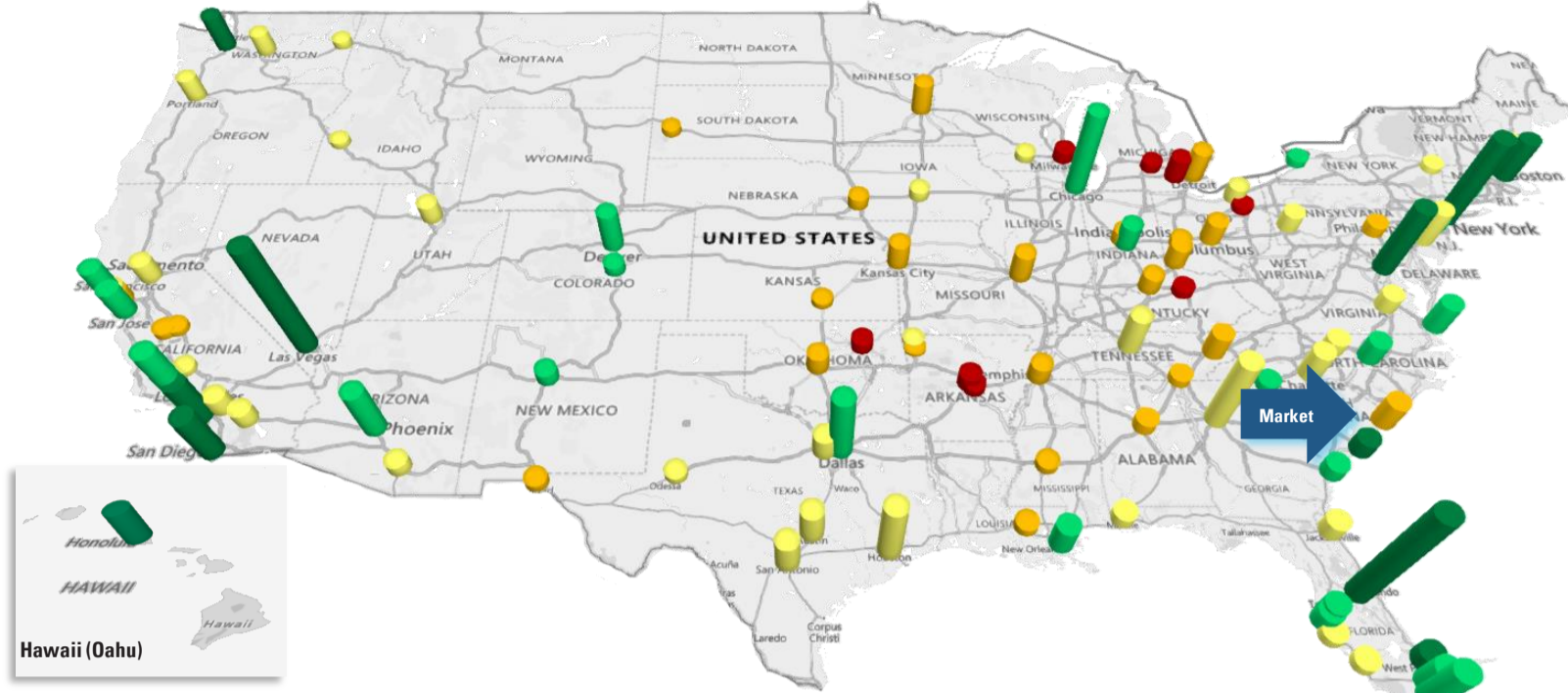
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[NMRK.COM/VALUATION](https://www.nmrk.com/valuation)

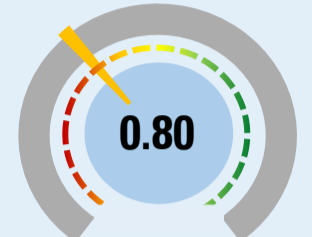


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

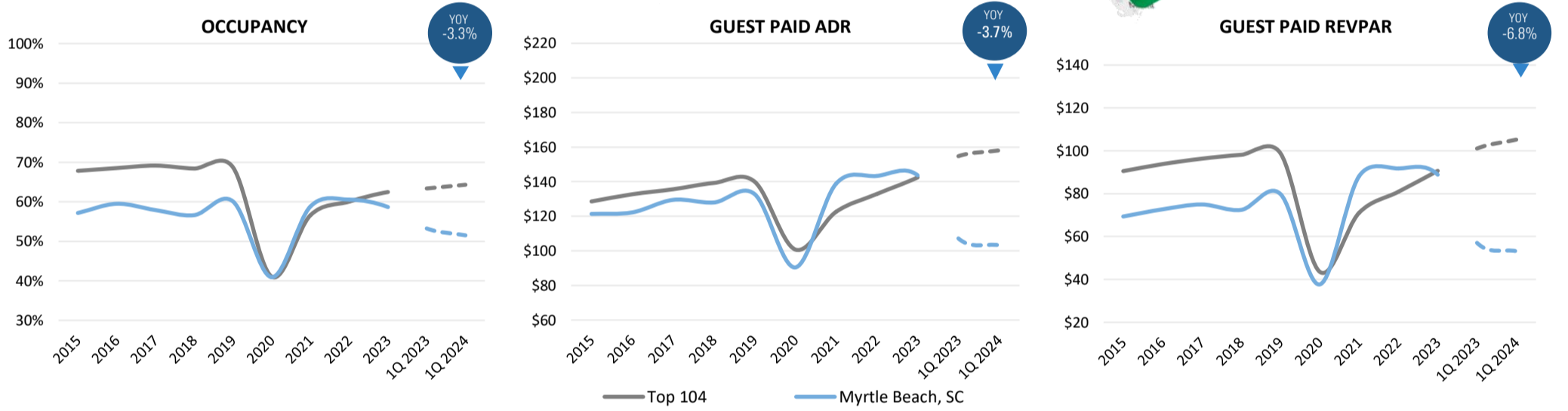
Myrtle Beach, SC



76th of 104
Below Average

Ranking of overall '1Q 2024 LPI' performance (0.80) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

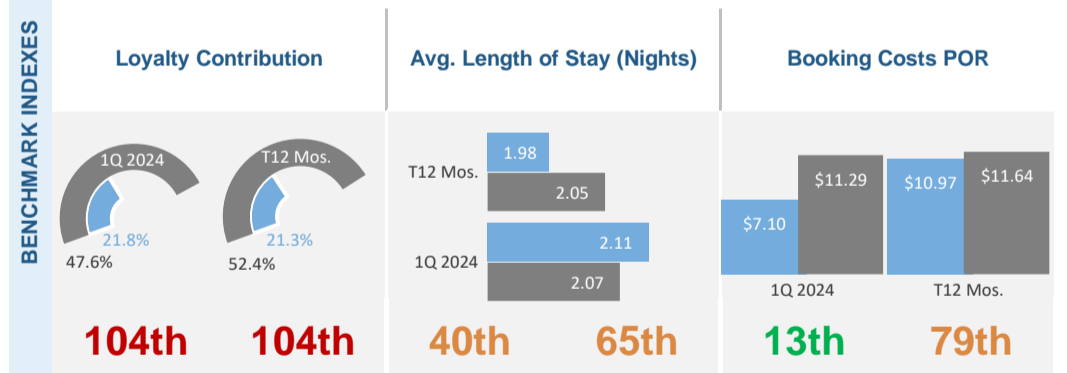


PERFORMANCE INDEXES

Key Performance Indexes

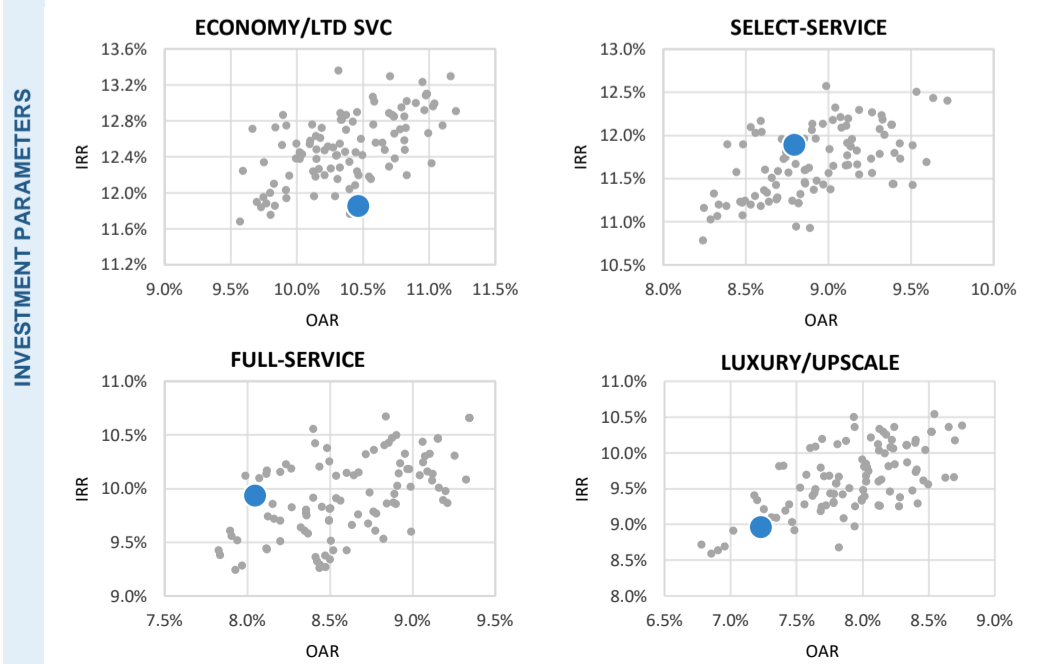


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

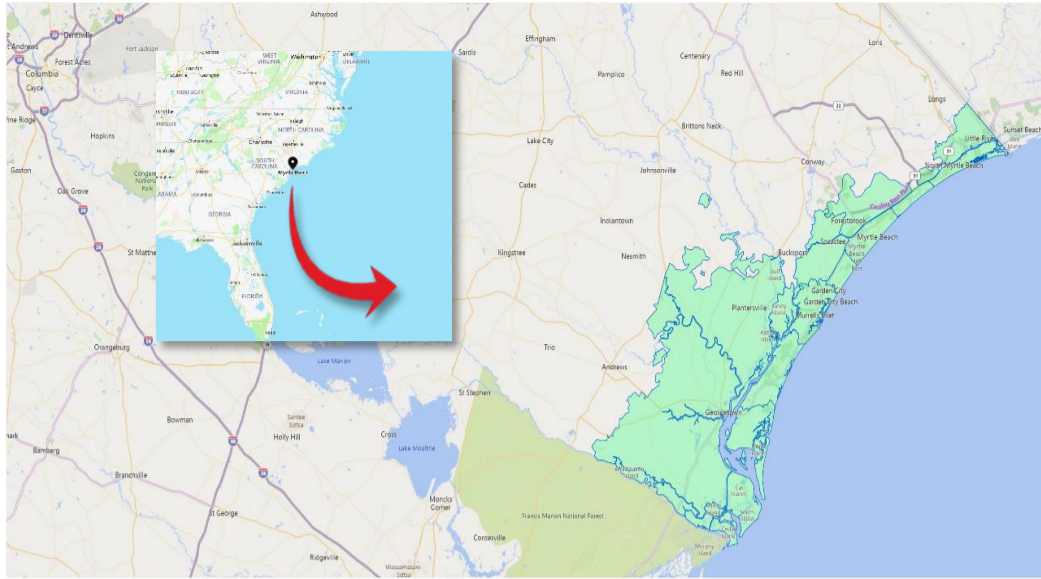


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Myrtle Beach
 County: Horry County
 State: South Carolina
 Geo Coordinates (market center): 33.68906, -78.88669

Major Hotel Demand Generators

Wal-Mart Stores Inc. | Coastal Carolina University | Conway Medical Center | Grand Strand Regional Medical Center | Progress Energy Co. | Food Lion | Myrtle Beach National | Blue Cross/Blue Shield | National Golf Management | HTC Communications | (McLeod Loris Seacoast) Loris Healthcare | Wyndham Vacation Ownership | Lowe's Building Supply | Kingston Plantation | Novant Medical/Brunswick College | Sands Oceanfront Resorts | Bi-Lo | Ocean Lakes Family Campground | Conbraco Industries Inc. | AVX Corp.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	215,750	100th of 104 (Small)
Income per Capita	\$39,006	84th of 104 (Below Average)
Feeder Group Size	9.6 Persons PSR	1st of 104 (Very Strong)
Feeder Group Earnings	\$373,985 PSR	2nd of 104 (Very Strong)
Total Market Hotel Revenues	\$1.1 billion	31st of 104 (Above 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	57.2%	\$121.35	\$69.35	\$112.87	\$64.51	\$8.47	93.0%	49.9%	2.07	34,100	0.68
2016	59.5%	\$122.22	\$72.70	\$113.66	\$67.60	\$8.56	93.0%	51.5%	2.12	34,130	1.07
2017	57.9%	\$129.48	\$74.95	\$119.56	\$69.21	\$9.92	92.3%	55.6%	2.07	34,310	0.73
2018	56.6%	\$127.96	\$72.43	\$118.76	\$67.22	\$9.20	92.8%	54.6%	2.10	34,370	0.78
2019	60.1%	\$132.84	\$79.81	\$122.09	\$73.35	\$10.75	91.9%	59.3%	2.02	35,910	0.84
2020	40.9%	\$90.42	\$37.67	\$84.20	\$34.45	\$6.21	93.1%	16.3%	2.20	35,860	0.86
2021	58.8%	\$138.82	\$88.15	\$127.36	\$74.89	\$11.45	91.8%	18.4%	2.06	35,840	1.30
2022	60.5%	\$143.29	\$91.76	\$131.59	\$79.64	\$11.71	91.8%	18.9%	2.06	35,800	1.01
2023	58.7%	\$143.67	\$88.86	\$132.18	\$77.53	\$11.49	92.0%	19.4%	2.03	35,770	0.84
CAGR: 2015 thru 2023	0.3%	2.1%	3.1%	2.0%	2.3%	3.9%	-0.1%	-11.1%	-0.3%	0.6%	2.6%
1Q 2023	53.2%	\$107.18	\$57.05	\$99.41	\$52.92	\$7.77	92.8%	20.5%	1.95	36,350	0.97
1Q 2024	51.5%	\$103.22	\$53.16	\$96.12	\$49.50	\$7.10	93.1%	21.8%	2.11	36,260	0.80

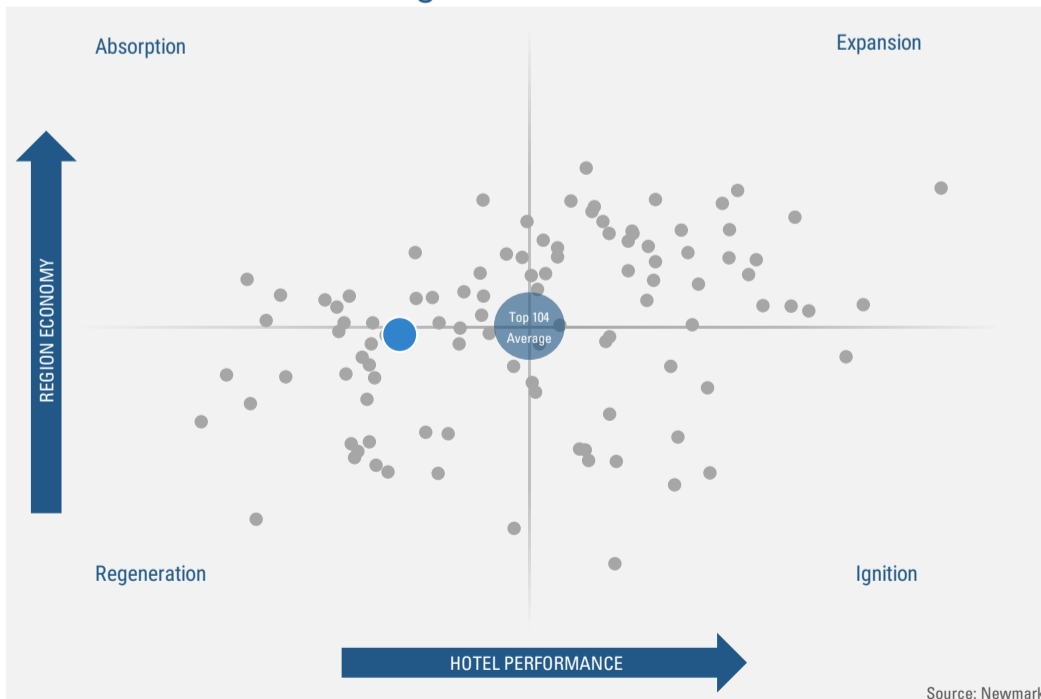
Notable Metrics

	Feeder Group Size	Feeder Group Earnings per sold room	IRR: Economy/Ltd Svc
HIGHEST	1st Very Strong Myrtle Beach, SC required a small feeder group size (9.59 Persons)	2nd Very Strong The market posted strong feeder group earnings per sold room (\$373,985)	5th Highly Favorable The market also enjoyed favorable IRR metrics in the economy/ltd svc segment (11.9%)
LOWEST	Last Soft This market posted a low ratio of feeder population per room (4.16)	Last Soft The market has been hindered by weak population density per room (5.87)	Last Soft Myrtle Beach, SC also has been hindered by weak T12-month loyalty contribution (21.3%)

Notable Trends

	Long-Term Historical Occupancy Growth	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth
STRONGEST	2nd Very Strong Myrtle Beach, SC enjoyed strong long-term historical occupancy growth (1.8%)	2nd Very Strong The market exhibited strong long-term historical loyalty contribution growth (8.9%)	2nd Very Strong The market also enjoyed strong short-term historical loyalty contribution growth (12.0%)
WEAKEST	Last Soft The market exhibited weak short-term historical average length of stay growth (-3.6%)	Last Soft We note this area has been impeded by high short-term historical growth in booking costs (10.0%)	100th Soft Myrtle Beach, SC also has been burdened by high short-term historical supply growth (-0.8%)

Market Performance Stage



Myrtle Beach, SC: Regeneration Stage

The Myrtle Beach, SC 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: **Expansion**
 Employment Growth (2 yr): **3.6%**
 Risk Exposure (402 US markets): **1st Percentile: Low Risk**
 Key Industry Notes:
 - Low cost of doing business
 - Destination for tourists and retirees
 - Strong population growth
 - Location risk
 - Volatility from dependence on tourism

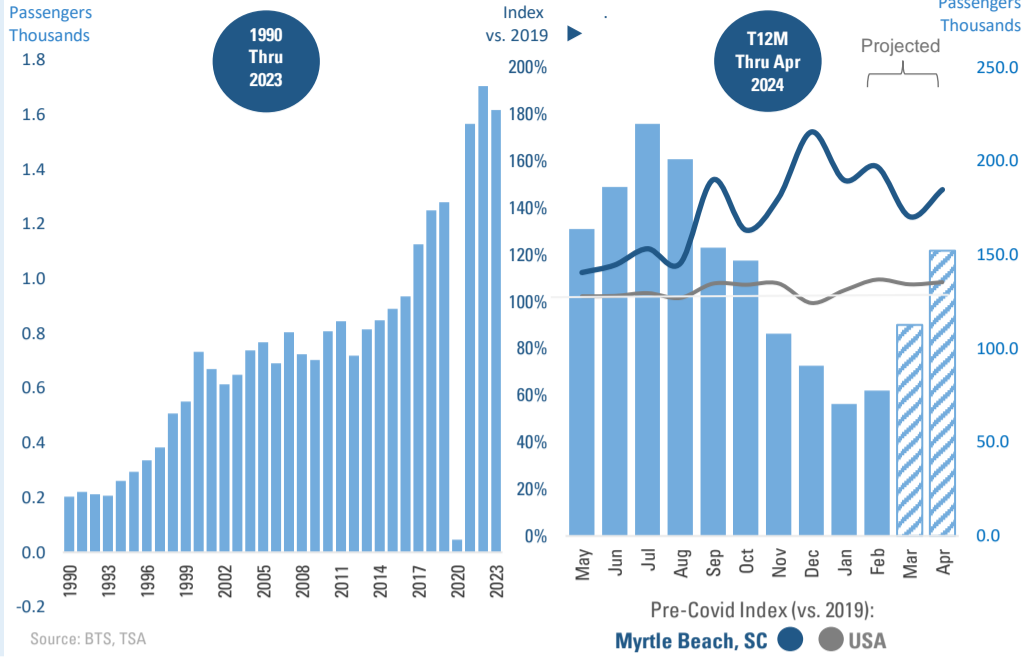
Moody's Rating

Aa1
Investment Grade

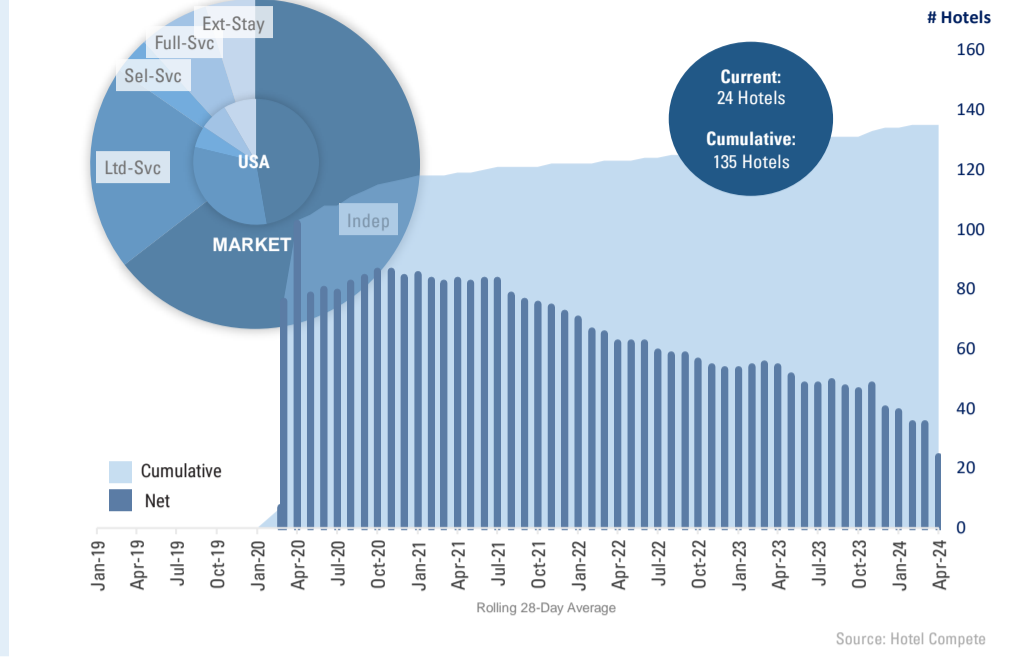
Long-term investment grade, Prime-1 short-term outlook



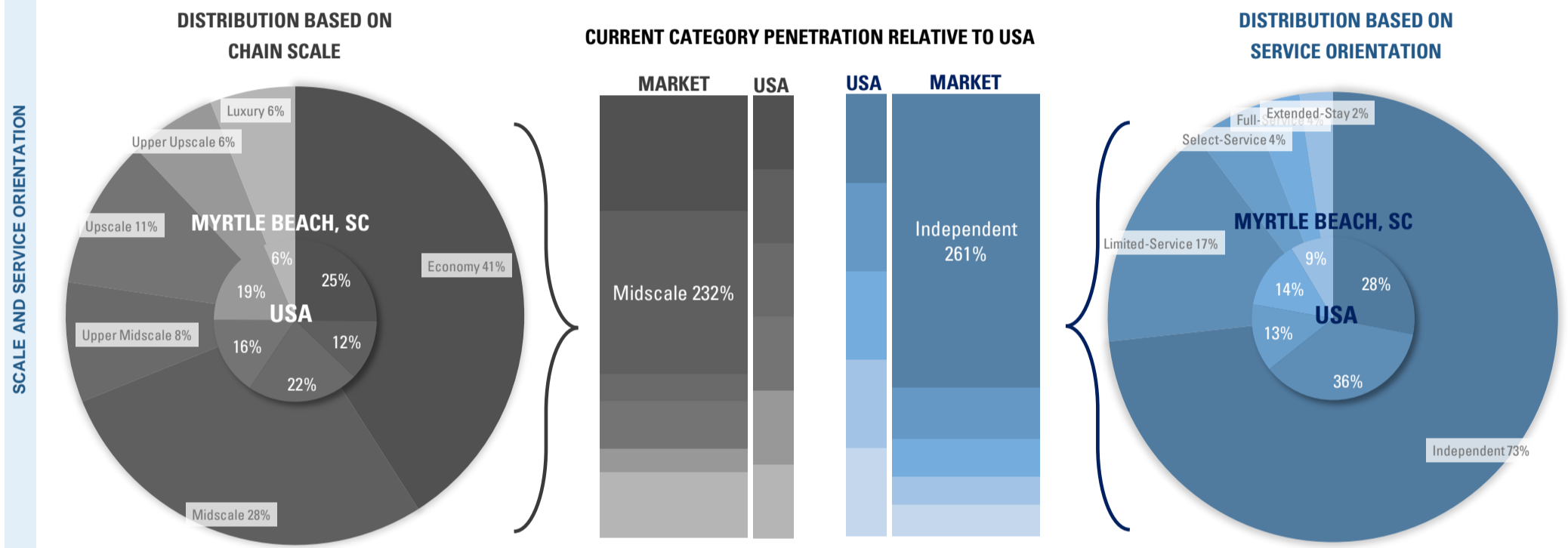
Airport Statistics - Enplanements



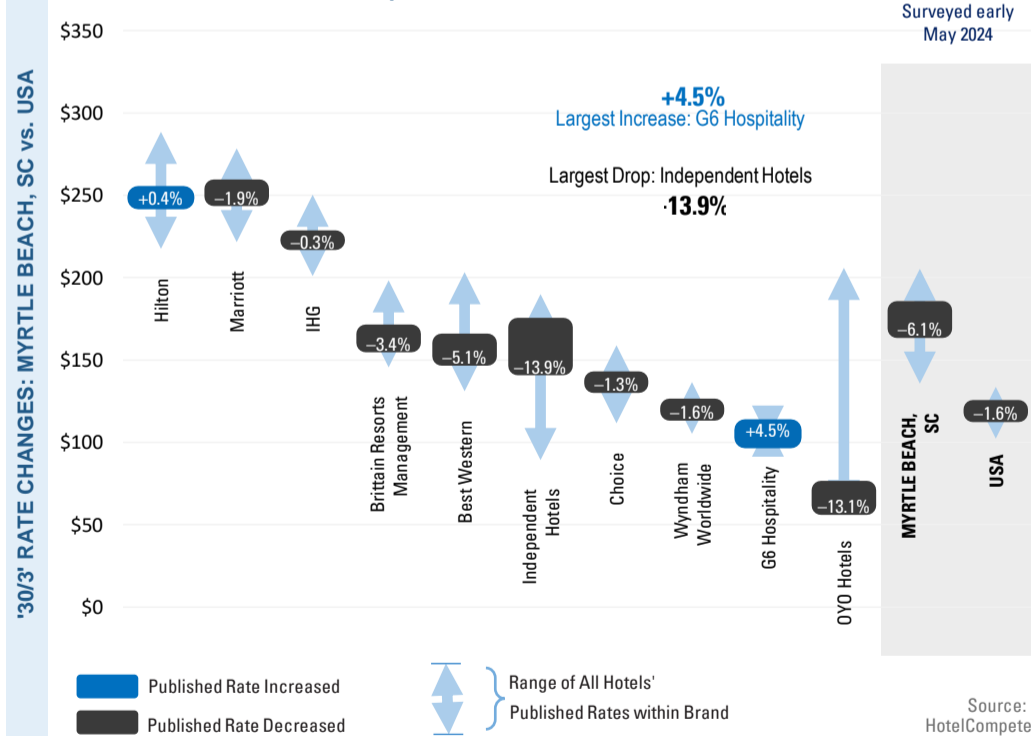
Hotel Closures - Myrtle Beach, SC



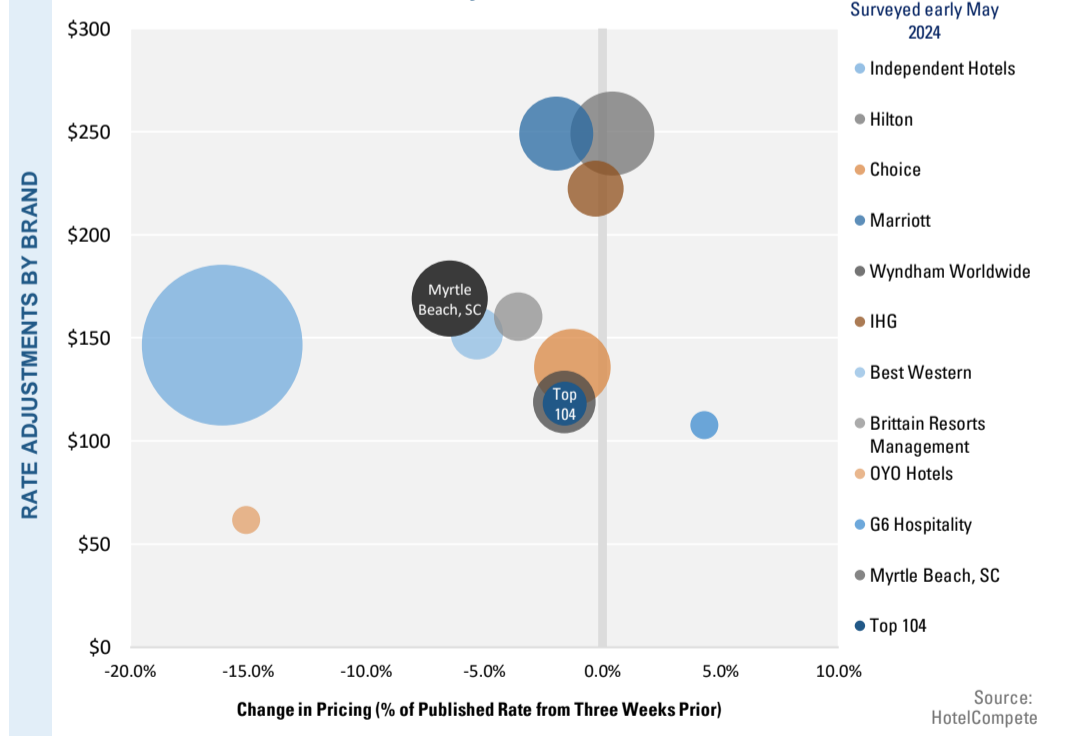
Scale and Service Distribution: Myrtle Beach, SC



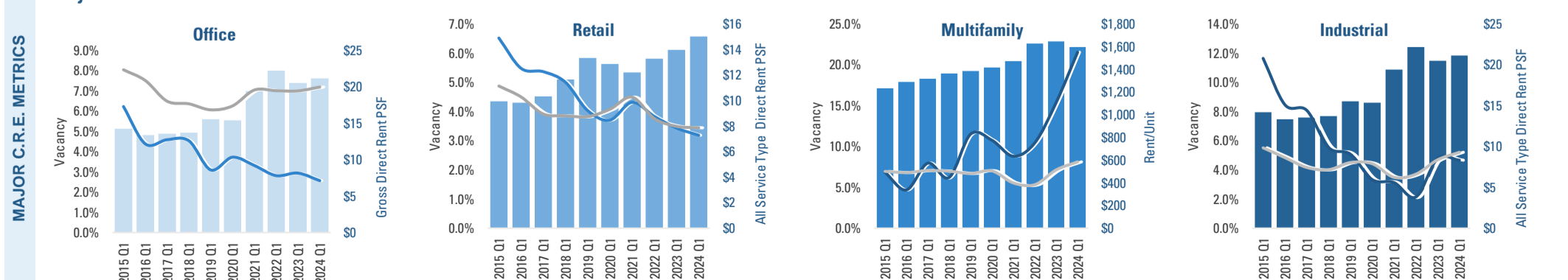
Published Rates: Top 10 Brands



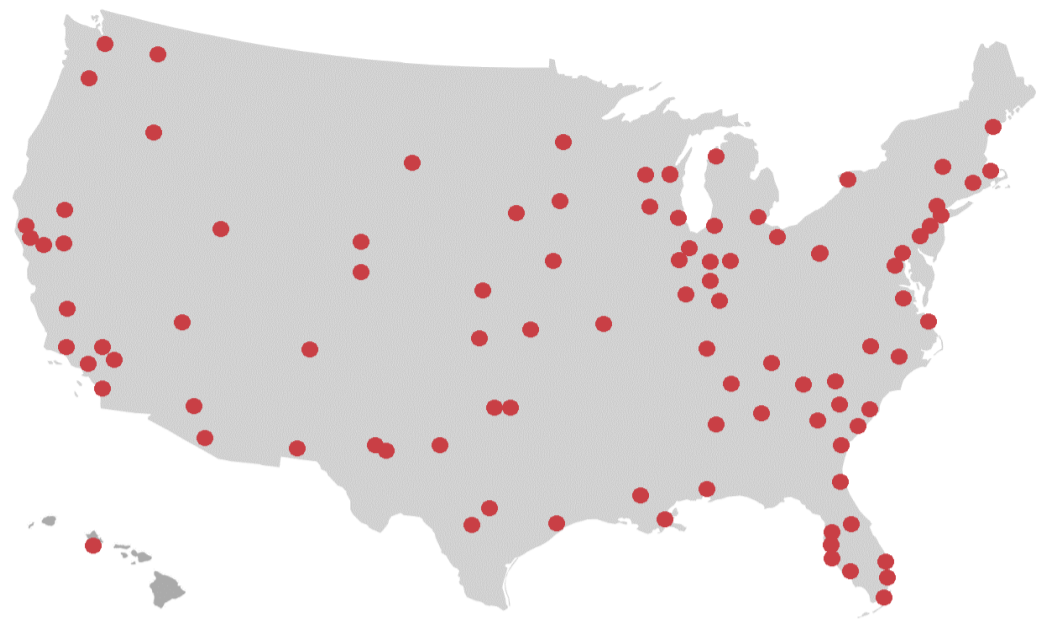
Published Rates: Volatility



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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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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Portfolio Analytics

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Property Tax

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