

NEWMARK

1Q 2024

Hotel Market Nsights Report

NASHVILLE, TN



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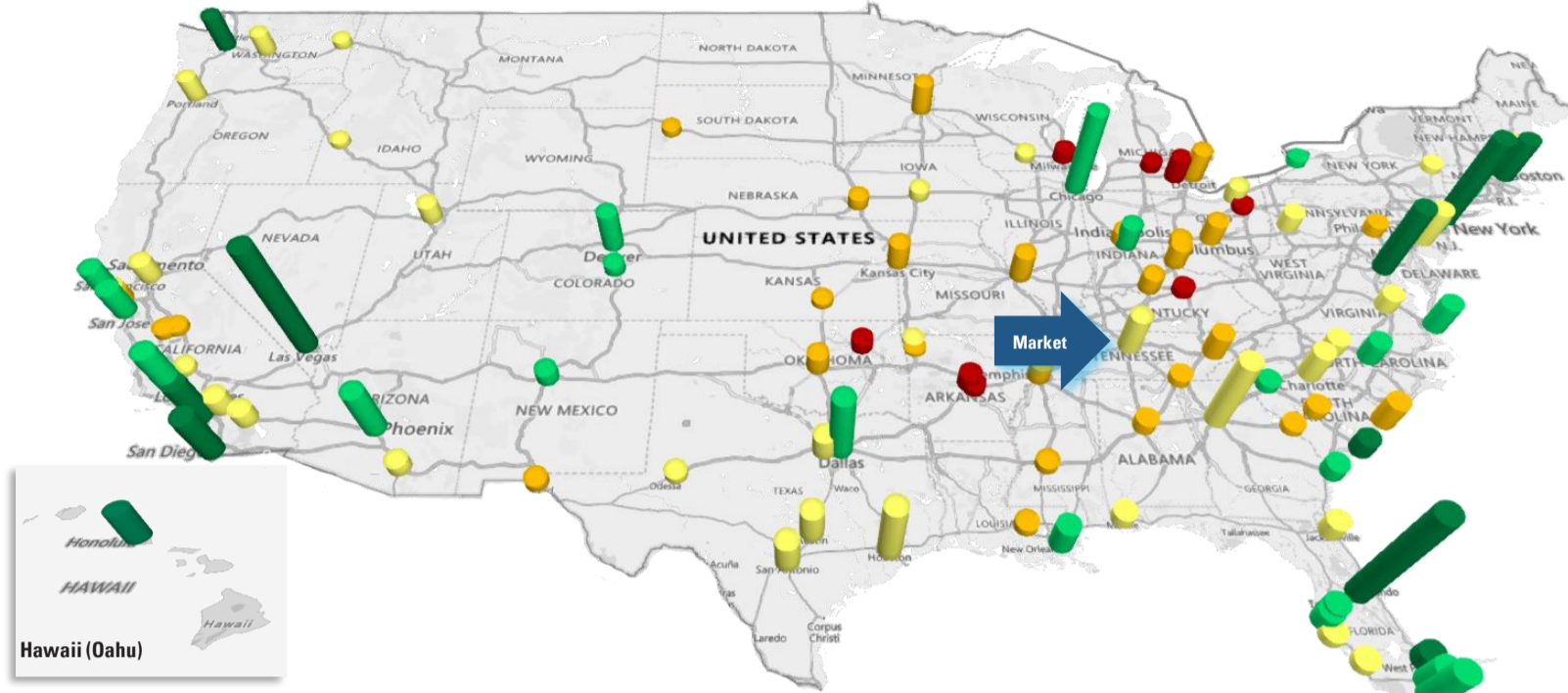
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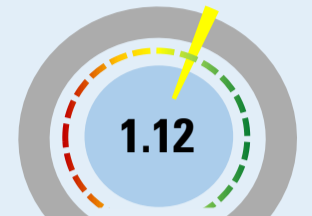


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

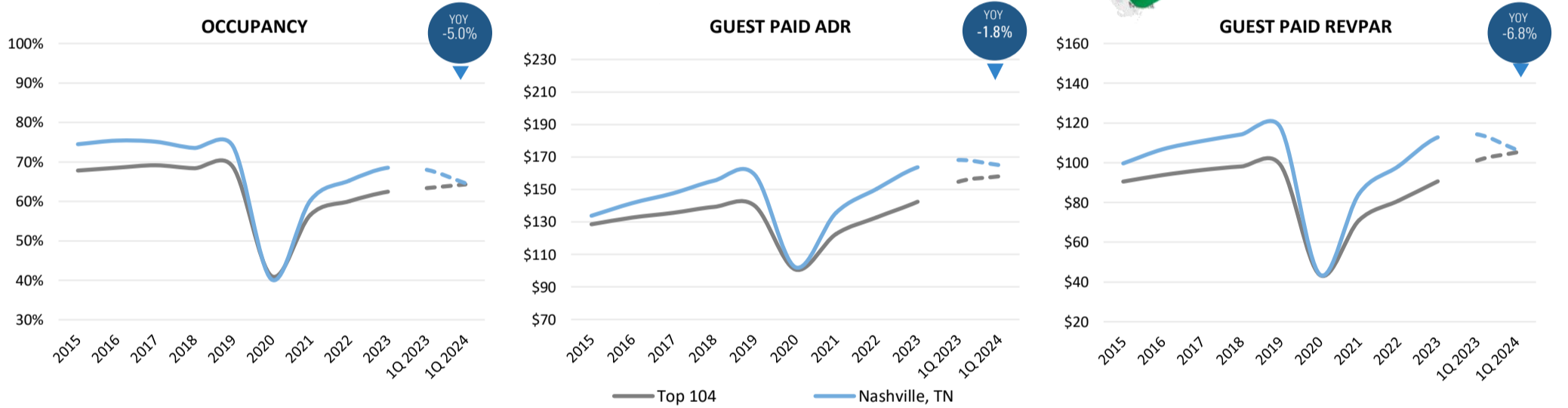
Nashville, TN



36th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (1.12) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

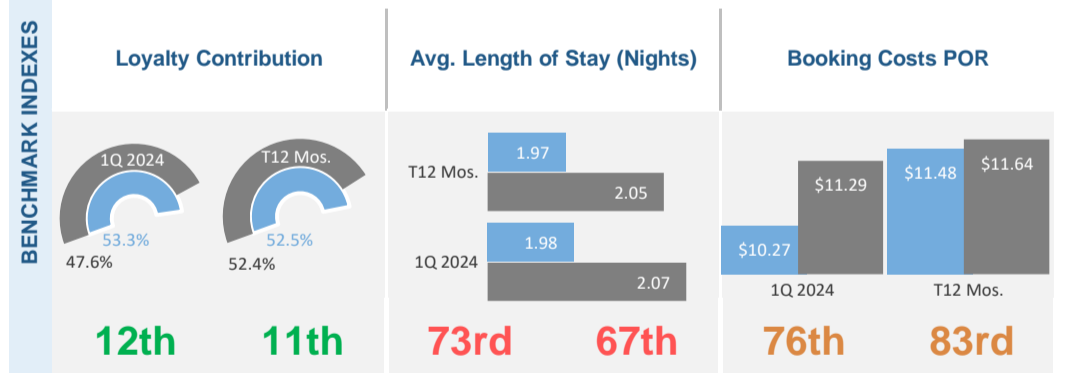


PERFORMANCE INDEXES

Key Performance Indexes

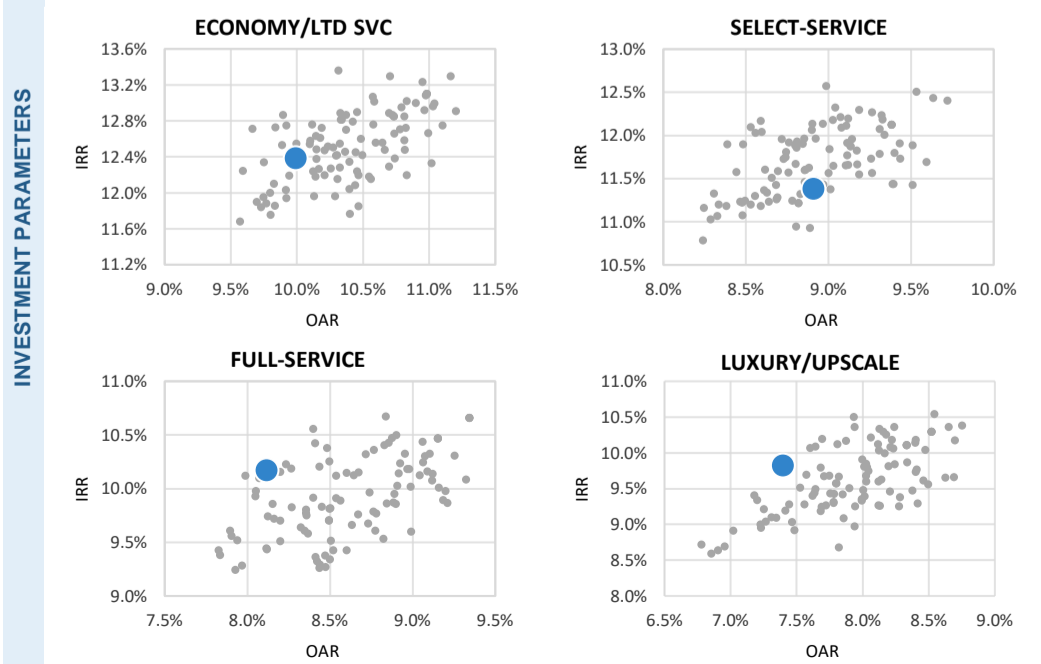


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

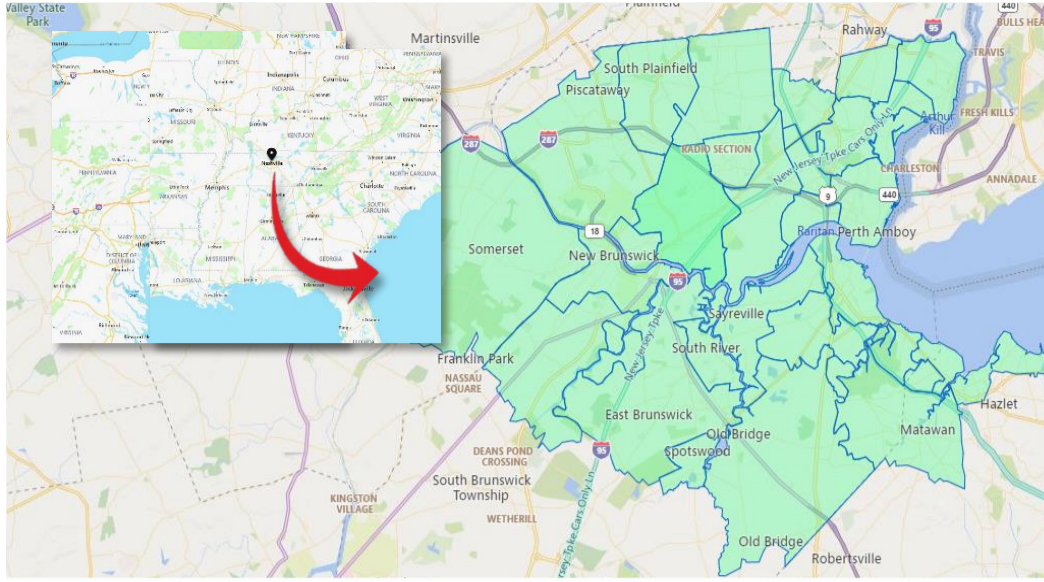


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Nashville
 County: Davidson County
 State: Tennessee
 Geo Coordinates (market center): 36.16913, -86.78479

Major Hotel Demand Generators

Vanderbilt University Medical Center | HCA Inc. | Nissan North America Inc. | Saint Thomas Health Services | Vanderbilt University | Community Health Systems Inc. | Randstad Work Solutions | General Motors | Asurion | The Kroger Co. | National HealthCare Corp. | Shoney's Inc. | Electrolux Home Products North America | Lowe's Cos. Inc. | Cracker Barrel Old Country Store Inc. | Gaylord Entertainment Co. | Middle Tennessee State University | AT&T | Dollar General Corp. | AO Smith Water Products Co.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	1,386,498	46th of 104 (Average)
Income per Capita	\$45,170	62nd of 104 (Average)
Feeder Group Size	35.5 Persons PSR	11th of 104 (Above Average)
Feeder Group Earnings	\$1,604,323 PSR	11th of 104 (Above Average)
Total Market Hotel Revenues	\$2.5 billion	16th 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	74.5%	\$133.81	\$99.67	\$123.81	\$92.22	\$10.00	92.5%	43.3%	2.00	37,680	1.40
2016	75.4%	\$141.60	\$106.76	\$130.76	\$98.58	\$10.84	92.3%	46.4%	1.97	38,360	1.41
2017	75.1%	\$147.64	\$110.91	\$135.99	\$102.16	\$11.65	92.1%	49.3%	1.95	39,590	1.38
2018	73.5%	\$155.35	\$114.23	\$143.23	\$105.31	\$12.13	92.2%	50.8%	1.93	41,980	1.37
2019	74.0%	\$159.16	\$117.74	\$147.10	\$108.81	\$12.06	92.4%	54.8%	1.90	46,370	1.36
2020	40.2%	\$102.19	\$43.77	\$95.66	\$38.47	\$6.53	93.6%	45.2%	2.09	48,090	0.96
2021	60.2%	\$135.66	\$84.41	\$126.11	\$75.94	\$9.56	93.0%	47.2%	1.98	50,520	1.03
2022	65.2%	\$150.39	\$98.25	\$140.01	\$91.35	\$10.38	93.1%	47.9%	1.98	51,170	1.21
2023	68.5%	\$163.67	\$112.79	\$152.74	\$104.67	\$10.94	93.3%	48.6%	1.98	51,770	1.21
CAGR: 2015 thru 2023	-1.0%	2.5%	1.6%	2.7%	1.6%	1.1%	0.1%	1.5%	-0.1%	4.1%	-1.8%
1Q 2023	68.0%	\$168.11	\$114.31	\$157.88	\$107.36	\$10.23	93.9%	51.1%	1.99	53,670	1.34
1Q 2024	64.6%	\$165.01	\$106.57	\$154.74	\$99.93	\$10.27	93.8%	53.3%	1.98	54,890	1.12

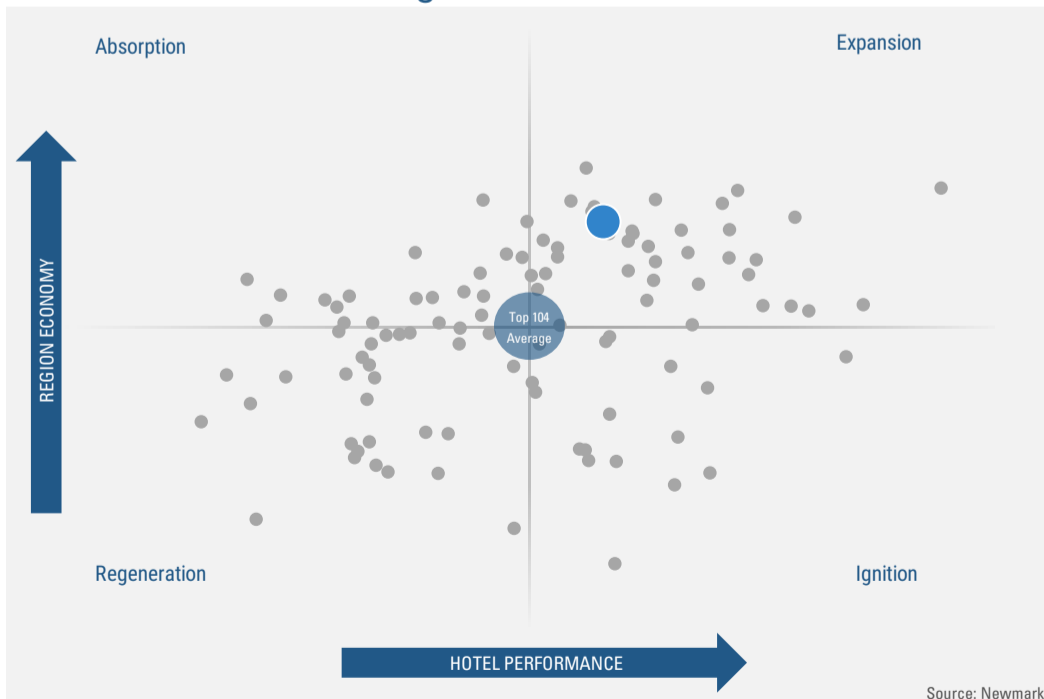
Notable Metrics

	T12-Month COPE ADR Percentage	T12-Month Loyalty Contribution	Feeder Group Size
HIGHEST	8th Strong Nashville, TN benefited from strong T12-month COPE ADR percentage (93.5%)	11th Above Average The market exhibited strong T12-month loyalty contribution (52.5%)	11th Above Average The market also required a small feeder group size (35.52 Persons)
LOWEST	95th Soft This market exhibited a low ratio of marketwide per-capita income per room (\$813,777)	95th Soft The market posted a low ratio of feeder population per room (18.02)	95th Soft Nashville, TN also has been hindered by weak population density per room (25.24)

Notable Trends

	Short-Term Historical Supply Growth	General Economy Reverence	Long-Term Historical Loyalty Contribution Growth
STRONGEST	1st Very Strong Nashville, TN has benefited from low short-term historical supply growth (6.2%)	12th Above Average The market enjoyed strong general economic reverence (per-capita unemployment, GDP and other indicators)	18th Above Average The market also exhibited strong long-term historical loyalty contribution growth (5.0%)
WEAKEST	103rd Soft The market has been burdened by high long-term historical supply growth (4.7%)	91st Soft We note this area has been hampered by weak short-term historical LPI growth (-3.4%)	91st Soft Nashville, TN also posted weak long-term historical LPI growth (-2.6%)

Market Performance Stage



Nashville, TN: Expansion Stage

The Nashville, TN 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

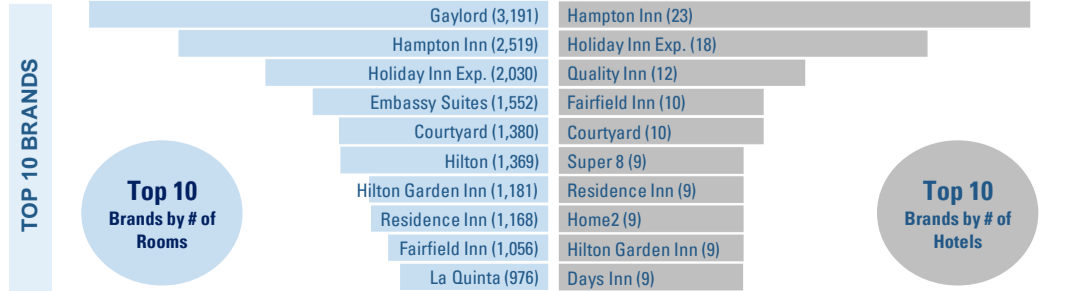
MOODY'S ANALYTICS

Business Cycle: **Expansion**
 Employment Growth (2 yr): **1.0%**
 Risk Exposure (402 US markets): **23rd Percentile: Below Average**
 Key Industry Notes: Favorable business tax structure, Healthy net migration, Prime-age workers, Decreasing affordability, Above-average employment volatility

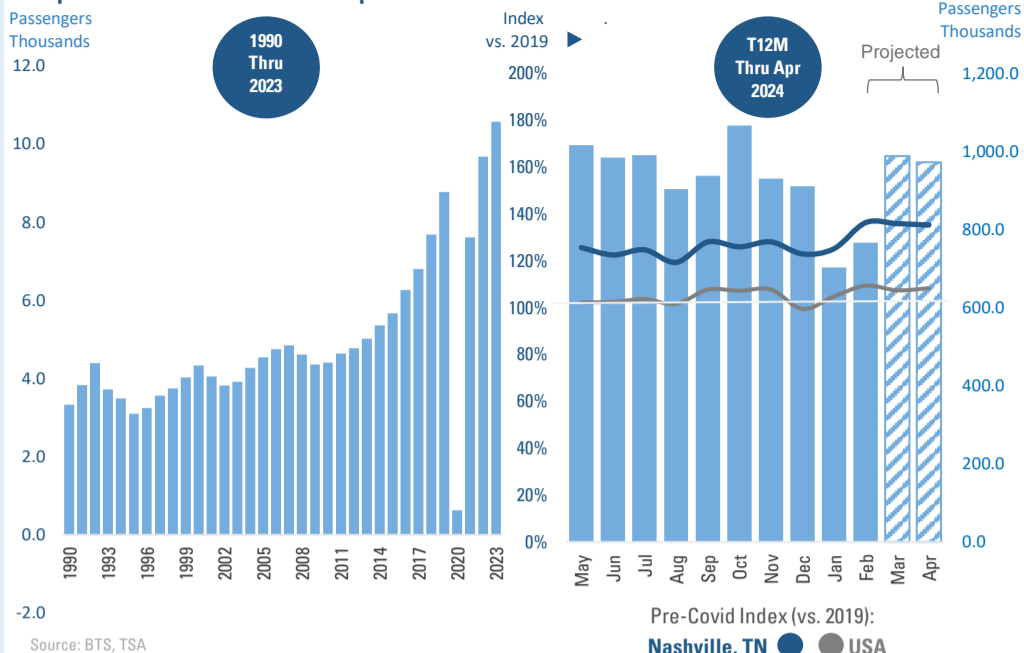
Moody's Rating

Aa2
Investment Grade

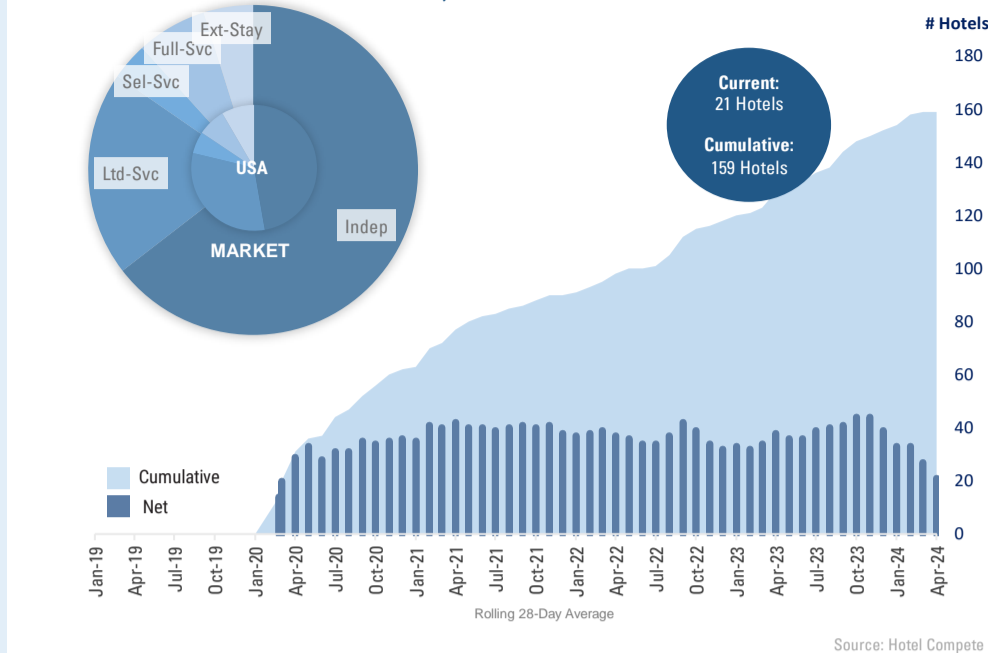
Long-term investment grade, Prime-1 short-term outlook



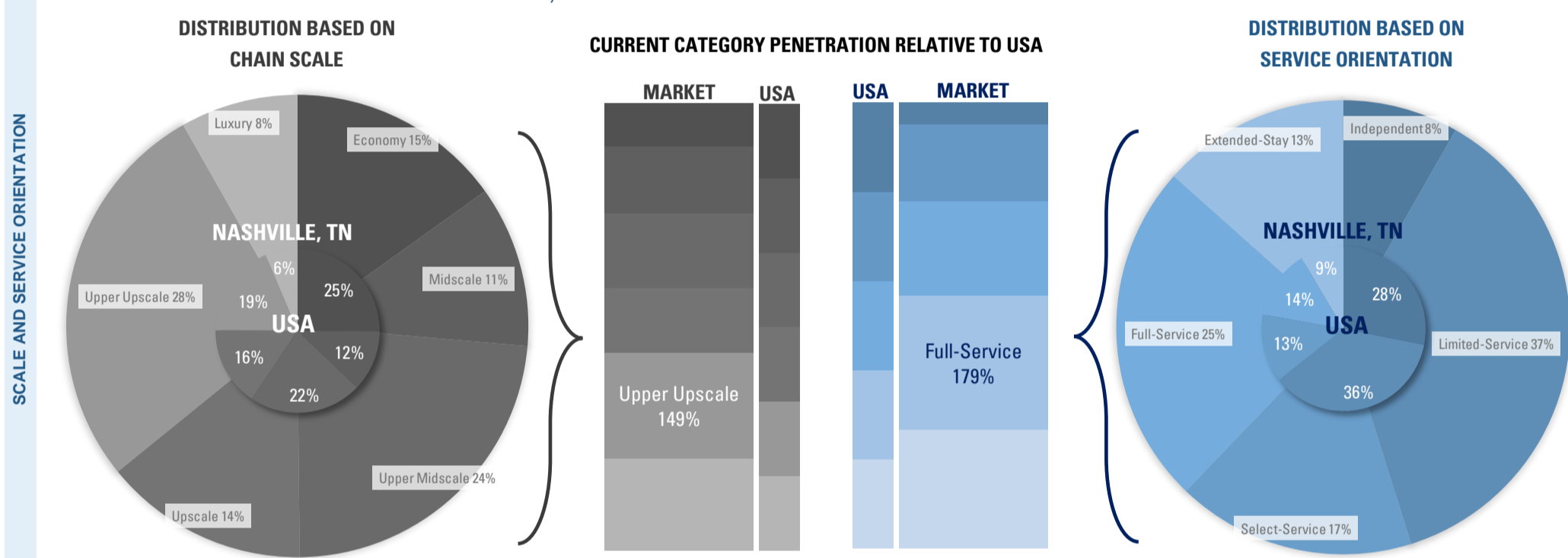
Airport Statistics - Enplanements



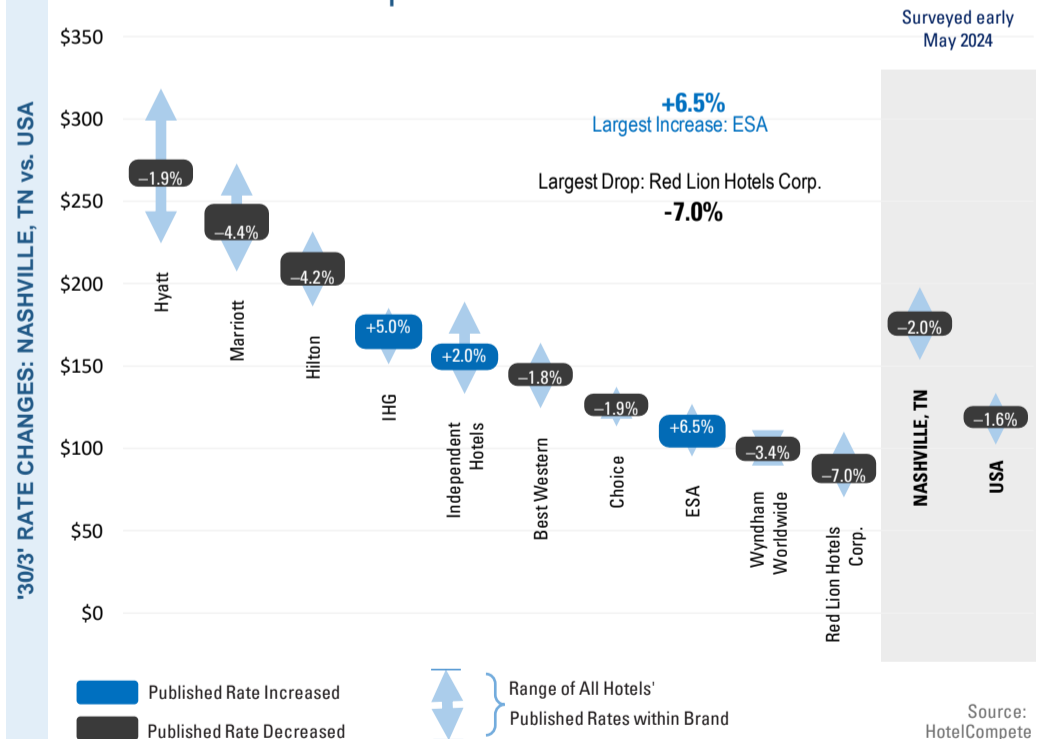
Hotel Closures - Nashville, TN



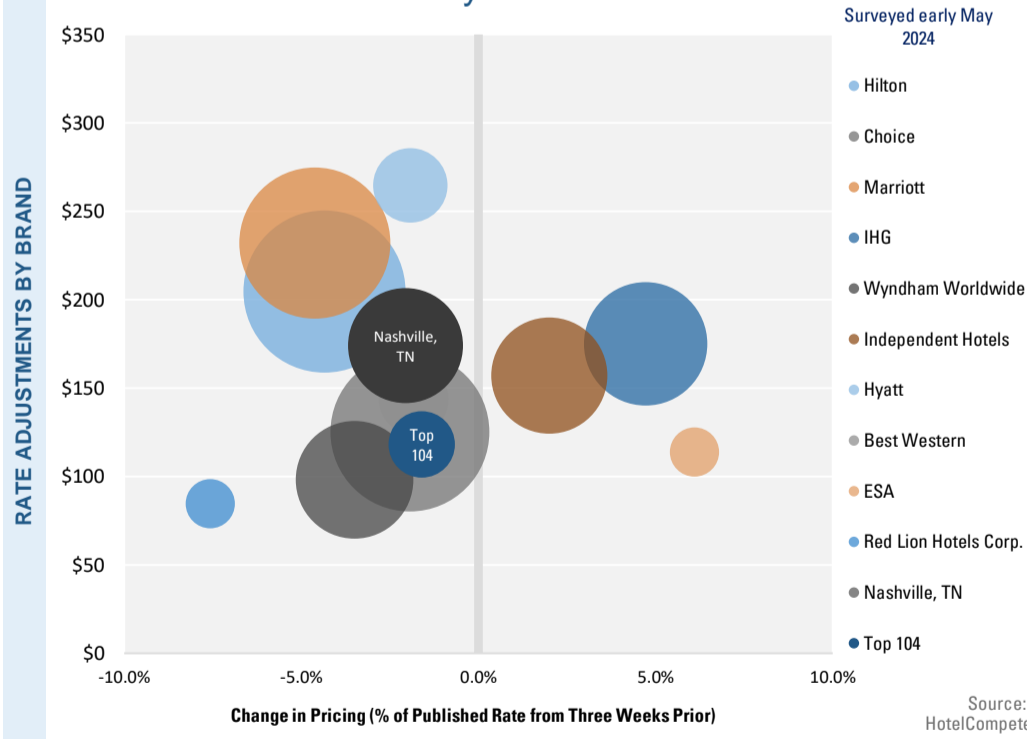
Scale and Service Distribution: Nashville, TN



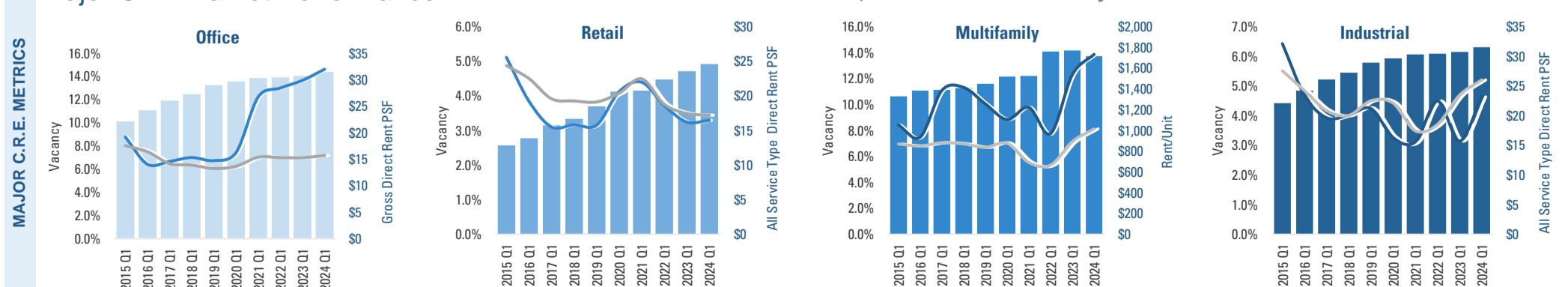
Published Rates: Top 10 Brands



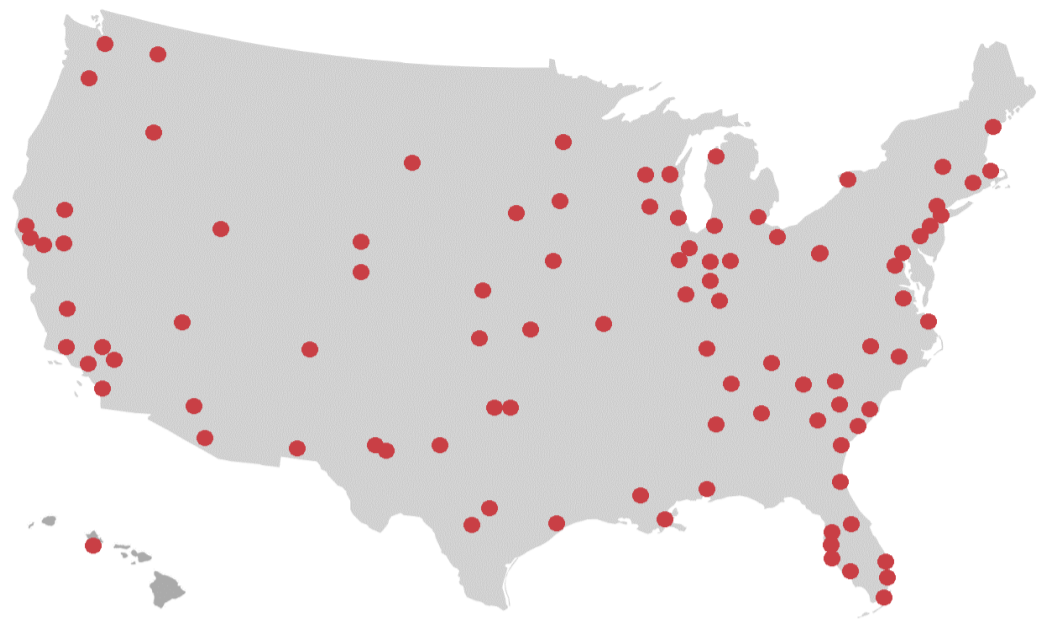
Published Rates: Volatility



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

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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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Property Tax

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

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