

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

NEW ORLEANS, LA



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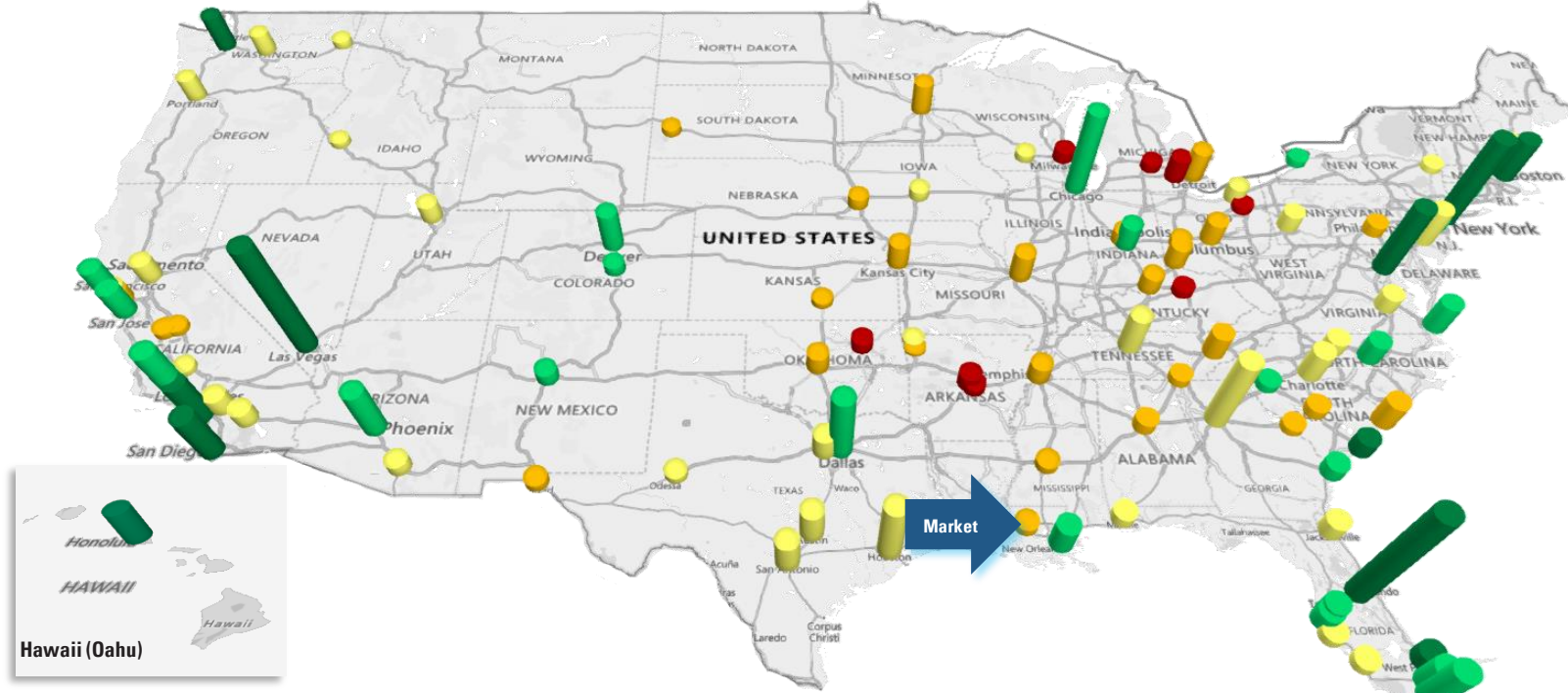
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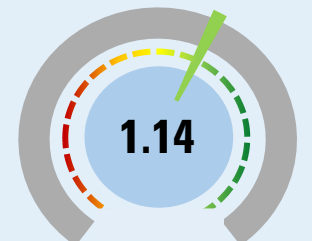


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

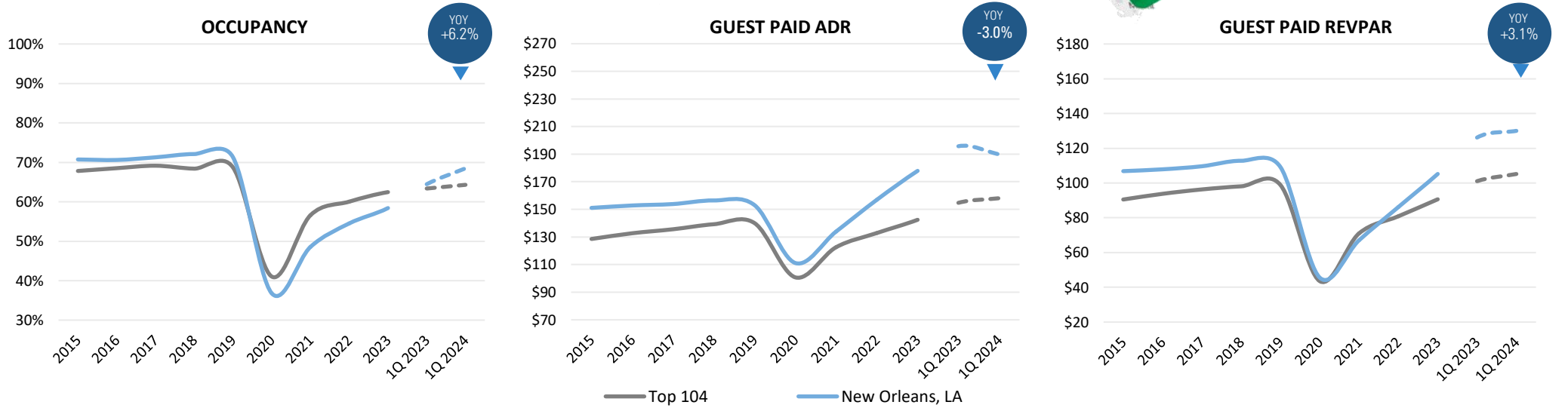
New Orleans, LA



33rd of 104  
Above Average

Ranking of overall '1Q 2024 LPI' performance (1.14) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

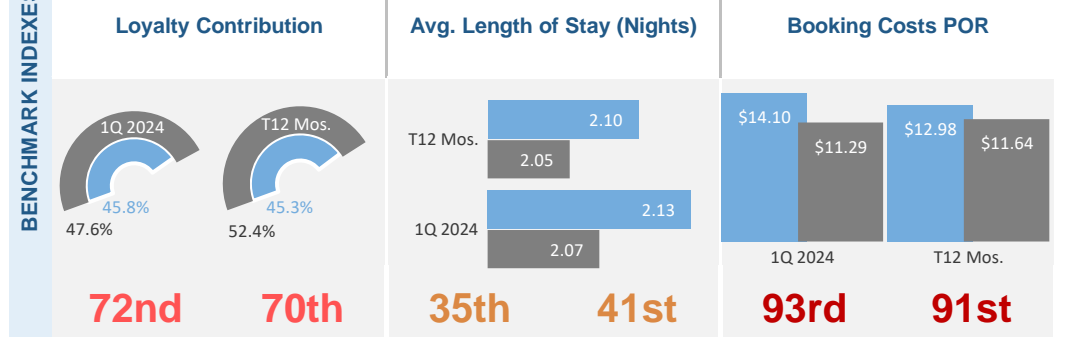


Key Performance Indexes

● Subject Market ● Top 104

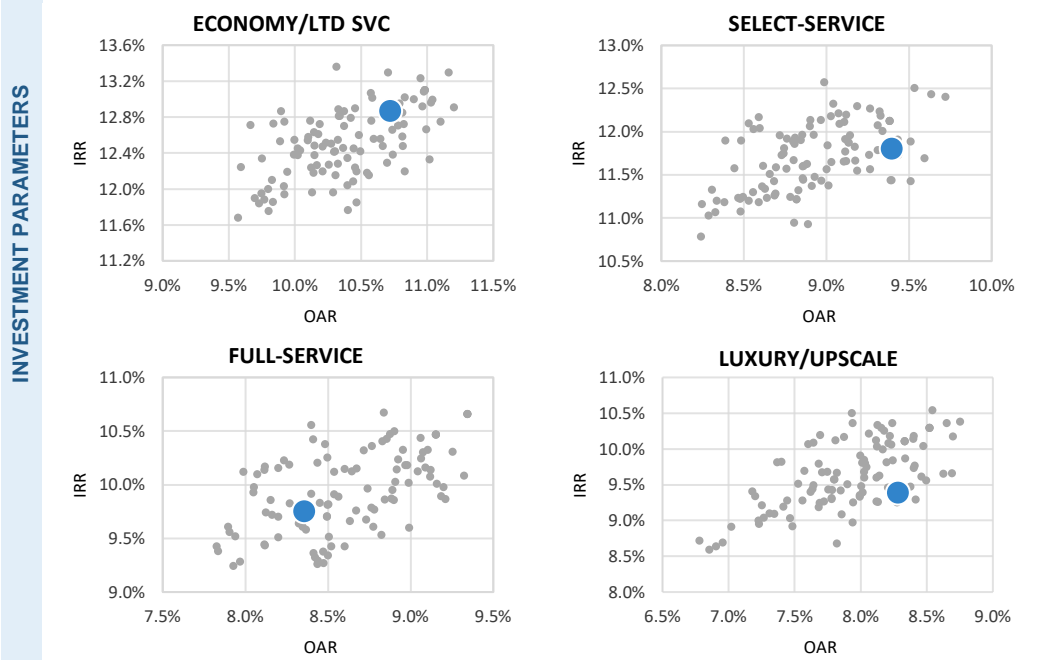


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

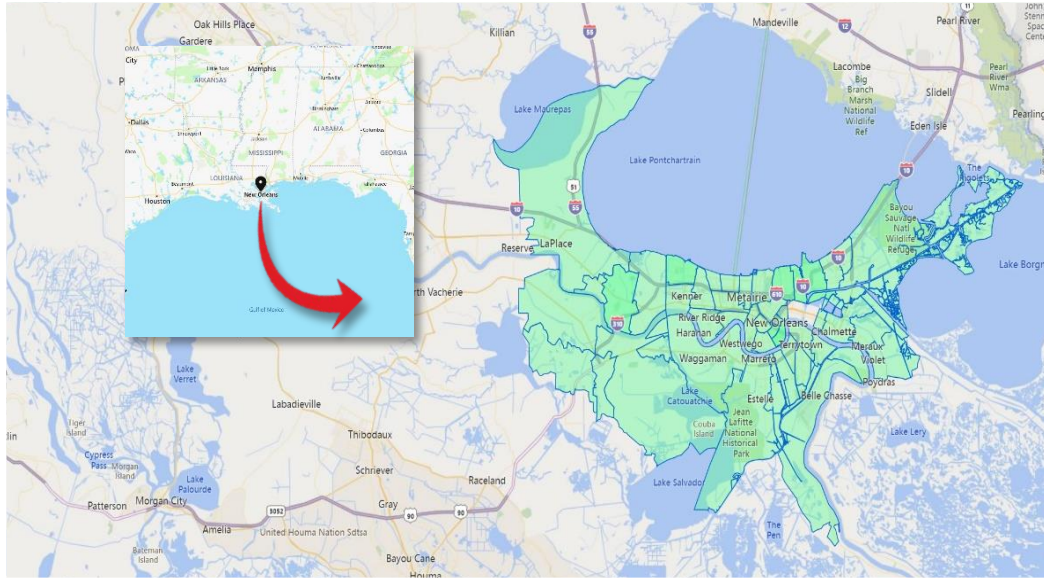


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: New Orleans  
 County: Orleans Parish  
 State: Louisiana  
 Geo Coordinates (market center): 29.95465, -90.07507

**Major Hotel Demand Generators**

Ochsner Health System | East Jefferson General Hospital | ACME Truck Line Inc. | Laitram, LLC | West Jefferson Medical Center | AI Copeland Investments Inc. | Cox Communications Louisiana LLC | People's Health Inc. | Audubon Engineering Co. LLC | Blessey Marine Service Inc. | Ochsner Medical Center Kenner LLC | Boomtown Belle Vessel | Cross Road Centers | Pellerin Milnor Corp. | Republic Nat'l Distributing Co. LLC | Imperial Trading Co. Inc. | Mcc Electric LLC | Cornerstone Chemical Co. | Stress Engineering Services Inc. | Whitney Bank

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	773,831	63rd of 104 (Average)
Income per Capita	\$38,721	85th of 104 (Below Average)
Feeder Group Size	32.2 Persons PSR	10th of 104 (Above Average)
Feeder Group Earnings	\$1,246,510 PSR	7th of 104 (Strong)
Total Market Hotel Revenues	\$1.5 billion	24th 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	70.7%	\$151.07	\$106.83	\$138.49	\$97.94	\$12.58	91.7%	42.5%	2.18	35,500	1.52
2016	70.6%	\$152.81	\$107.89	\$139.91	\$98.78	\$12.90	91.6%	46.1%	2.14	35,680	1.12
2017	71.3%	\$153.85	\$109.64	\$140.39	\$100.05	\$13.46	91.3%	49.9%	2.10	37,100	1.41
2018	72.1%	\$156.45	\$112.79	\$143.14	\$103.20	\$13.31	91.5%	52.6%	2.06	37,790	1.34
2019	71.3%	\$153.04	\$109.15	\$140.51	\$100.21	\$12.53	91.8%	57.4%	2.02	38,900	1.24
2020	36.8%	\$111.15	\$45.53	\$104.14	\$38.33	\$7.01	93.7%	30.7%	2.67	39,150	0.90
2021	48.6%	\$133.91	\$67.10	\$123.81	\$60.12	\$10.10	92.5%	34.2%	2.40	38,730	0.86
2022	54.5%	\$156.94	\$86.20	\$145.36	\$79.24	\$11.58	92.6%	36.1%	2.41	38,870	1.12
2023	58.4%	\$177.89	\$105.23	\$165.60	\$96.72	\$12.29	93.1%	37.9%	2.48	39,200	0.87
<b>CAGR: 2015 thru 2023</b>	<b>-2.4%</b>	<b>2.1%</b>	<b>-0.2%</b>	<b>2.3%</b>	<b>-0.2%</b>	<b>-0.3%</b>	<b>0.2%</b>	<b>-1.4%</b>	<b>1.6%</b>	<b>1.2%</b>	<b>-6.7%</b>
<b>1Q 2023</b>	64.5%	\$195.71	\$126.15	\$182.10	\$117.37	\$13.61	93.0%	44.7%	2.13	38,880	1.32
<b>1Q 2024</b>	68.5%	\$189.86	\$130.02	\$175.76	\$120.37	\$14.10	92.6%	45.8%	2.13	39,540	1.14

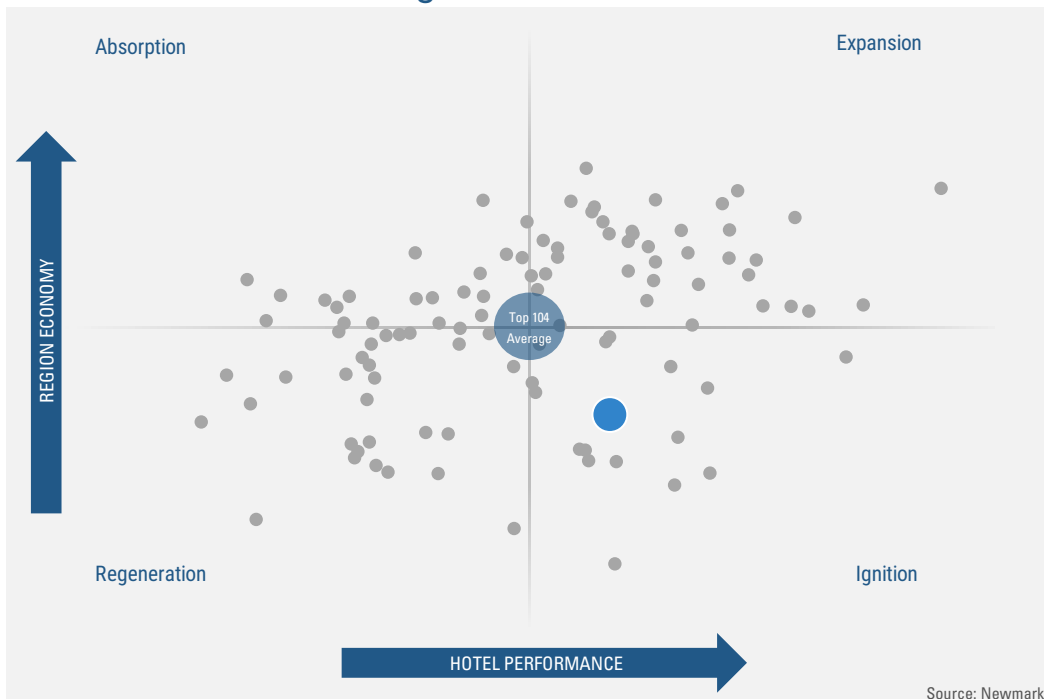
Notable Metrics

	Feeder Group Earnings per sold room	Feeder Group Size	Latest-Quarter Guest Paid RevPAR
<b>HIGHEST</b>	<b>7th Strong</b> New Orleans, LA posted strong feeder group earnings per sold room (\$1,246,510)	<b>10th Above Average</b> The market required a small feeder group size (32.19 Persons)	<b>17th Above Average</b> The market also benefited from strong latest-quarter Guest Paid RevPAR (\$130.02)
<b>LOWEST</b>	<b>97th Soft</b> This market exhibited a low ratio of marketwide per-capita income per room (\$537,142)	<b>97th Soft</b> The market posted a low ratio of feeder population per room (13.87)	<b>97th Soft</b> New Orleans, LA also has been hindered by weak population density per room (19.39)

Notable Trends

	Short-Term Historical Booking Costs POR Growth	Overall Health of Hotel Market	Short-Term Historical Loyalty Contribution Growth
<b>STRONGEST</b>	<b>29th Above Average</b> New Orleans, LA enjoyed low short-term historical growth in booking costs (2.0%)	<b>34th Above Average</b> The market has benefited from strong general hotel market performance (levels and trends of fundamentals)	<b>42nd Average</b> The market also enjoyed strong short-term historical loyalty contribution growth (4.0%)
<b>WEAKEST</b>	<b>97th Soft</b> The market has been hampered by weak short-term historical LPI growth (-4.4%)	<b>97th Soft</b> We note this area posted weak long-term historical LPI growth (-3.4%)	<b>95th Soft</b> New Orleans, LA also has been hindered by weak short-term historical occupancy growth (-2.2%)

Market Performance Stage



New Orleans, LA: Ignition Stage

The New Orleans, LA 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**

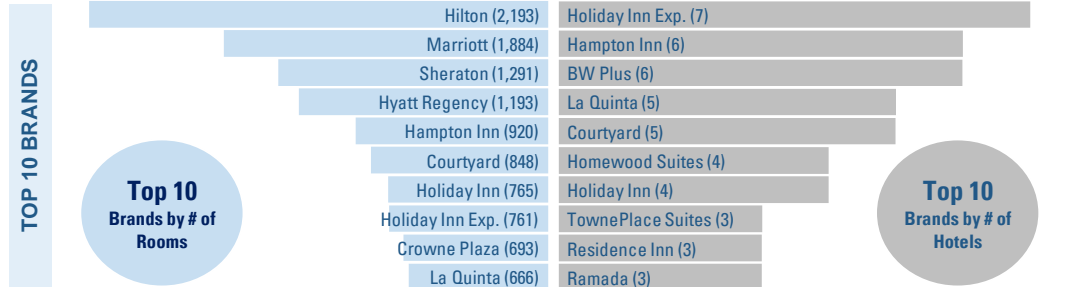
Business Cycle:  
 Employment Growth (2 yr):  
 Risk Exposure (402 US markets):  
 Key Industry Notes:

**Expansion**  
**2.1%**  
**61st Percentile: Average Risk**  
 Well-developed port  
 Investments in energy, manufacturing  
 Many highvalue-added industries  
 Few high-tech jobs  
 Weak migration patterns

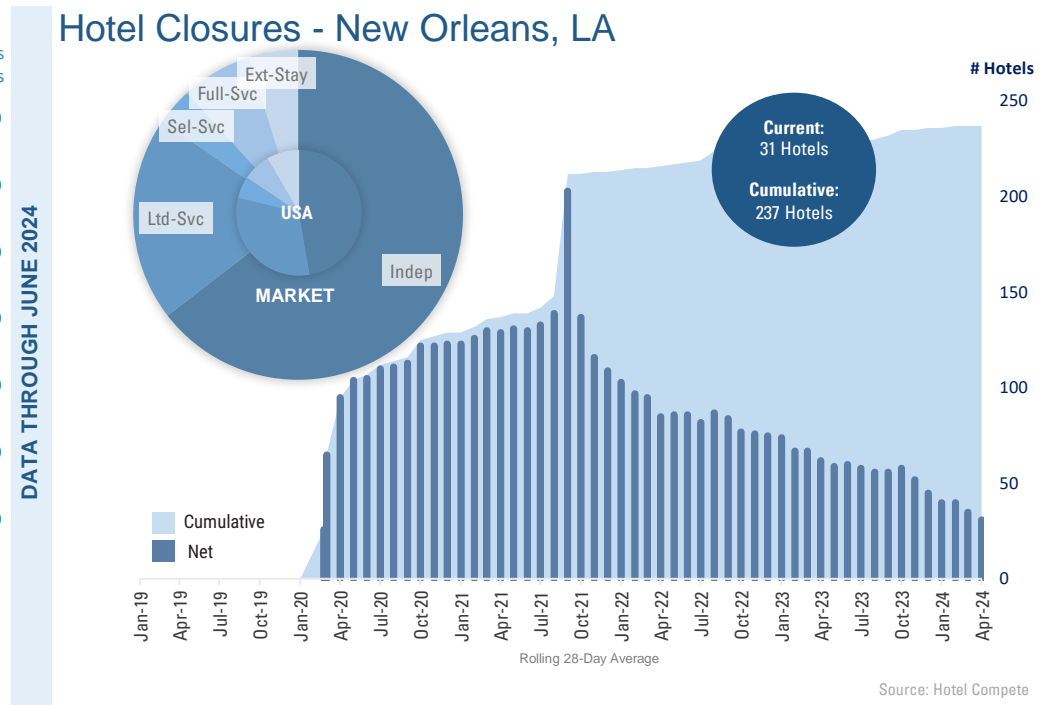
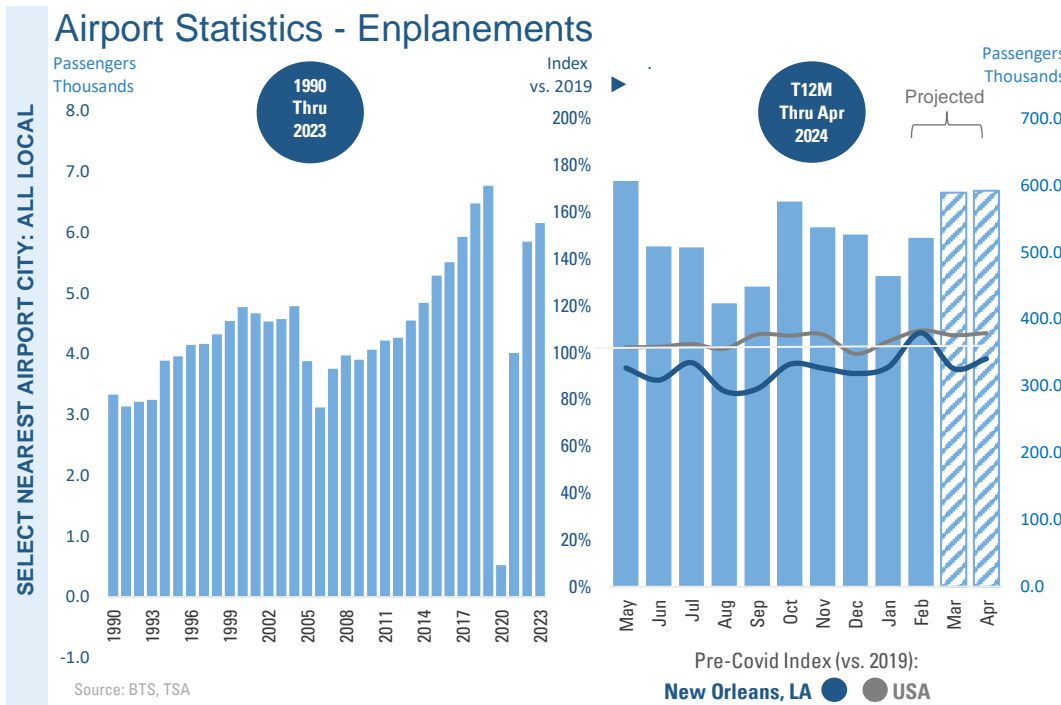
**Moody's Rating**

**A2**  
**Investment Grade**

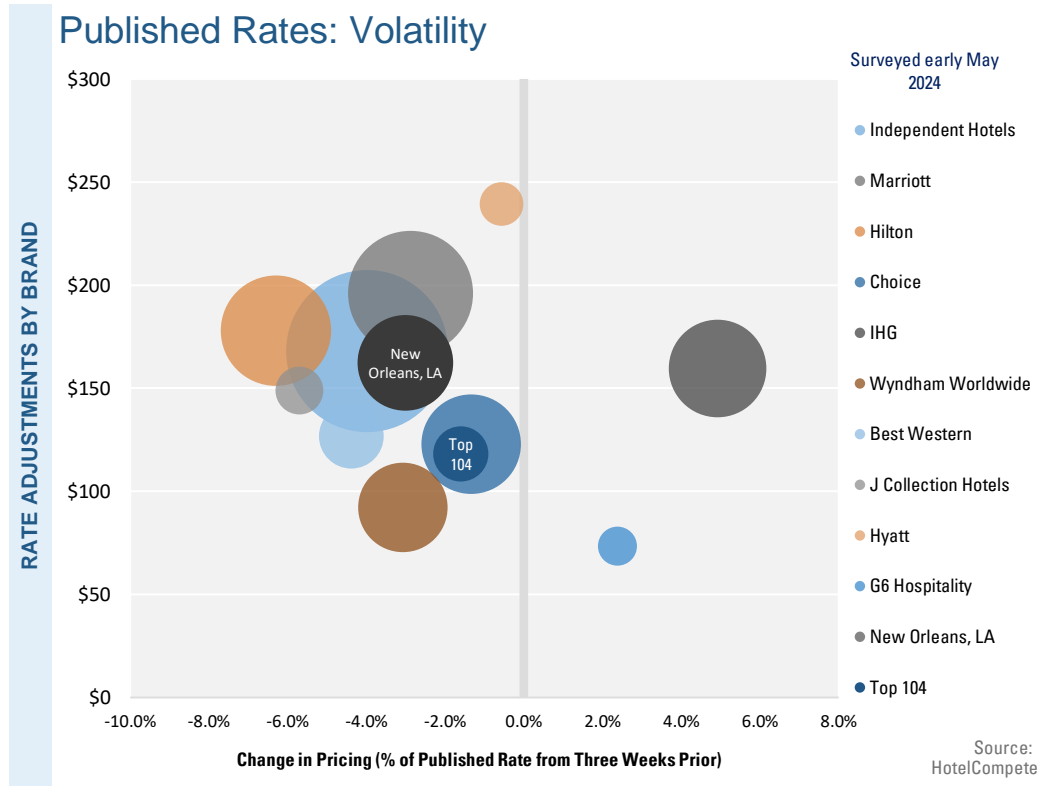
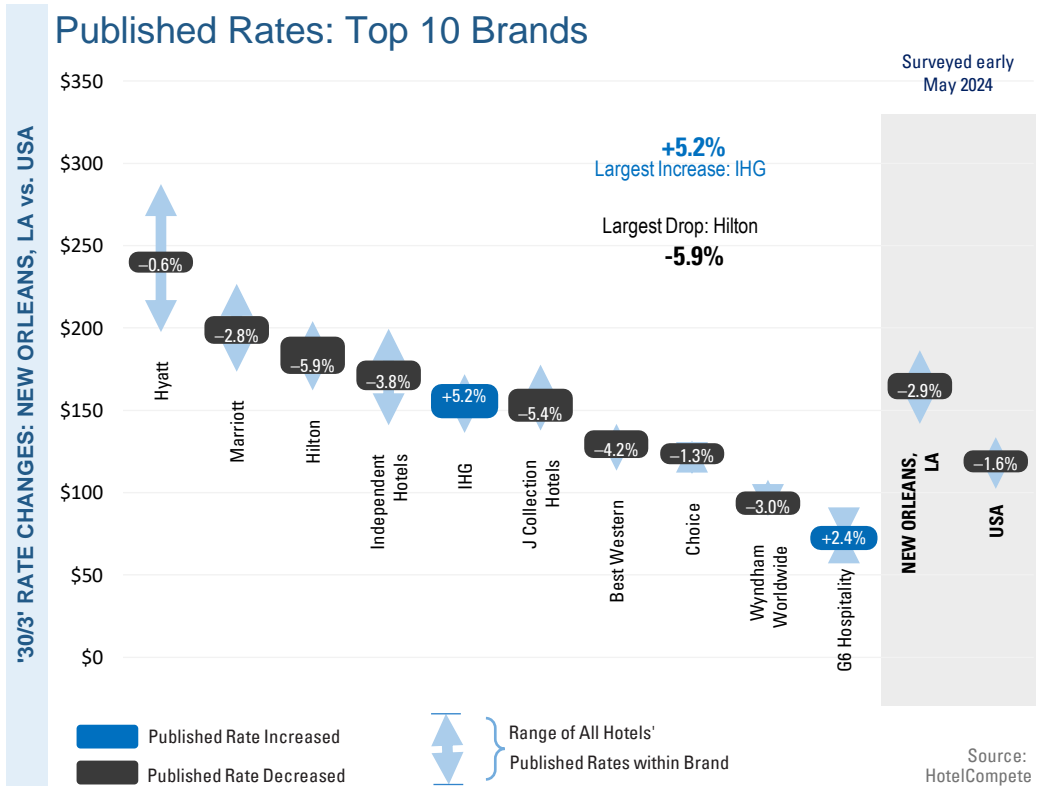
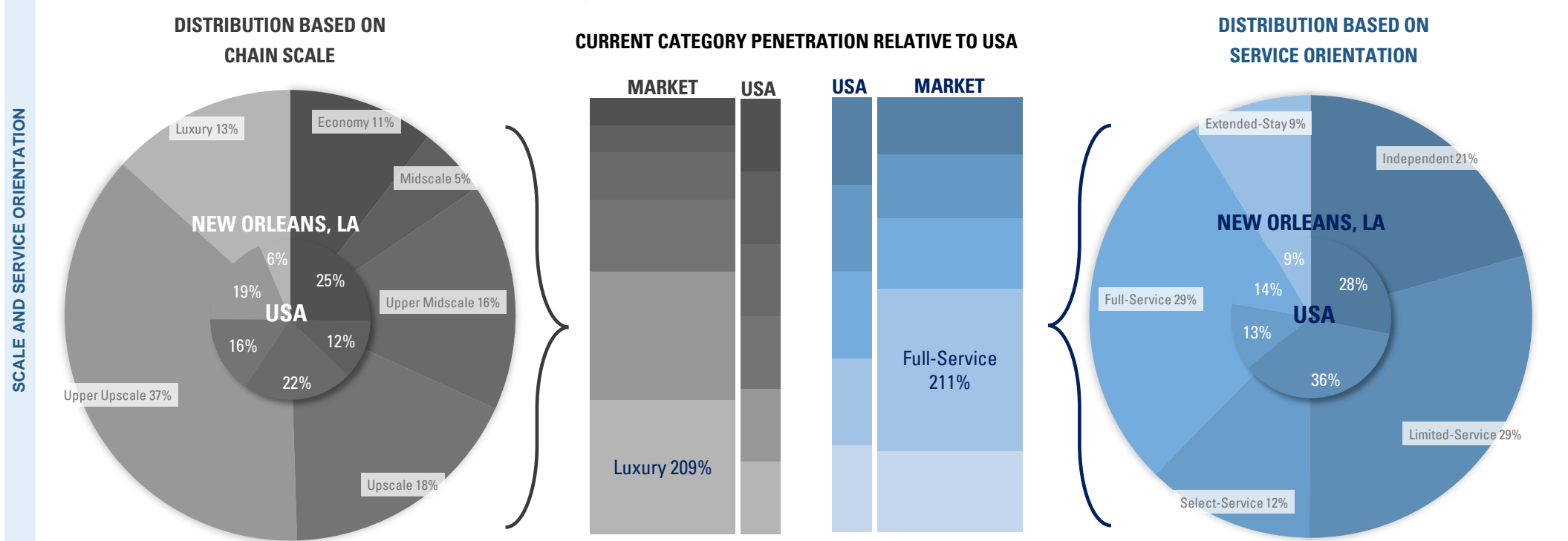
Long-term investment grade, Prime-2 short-term outlook



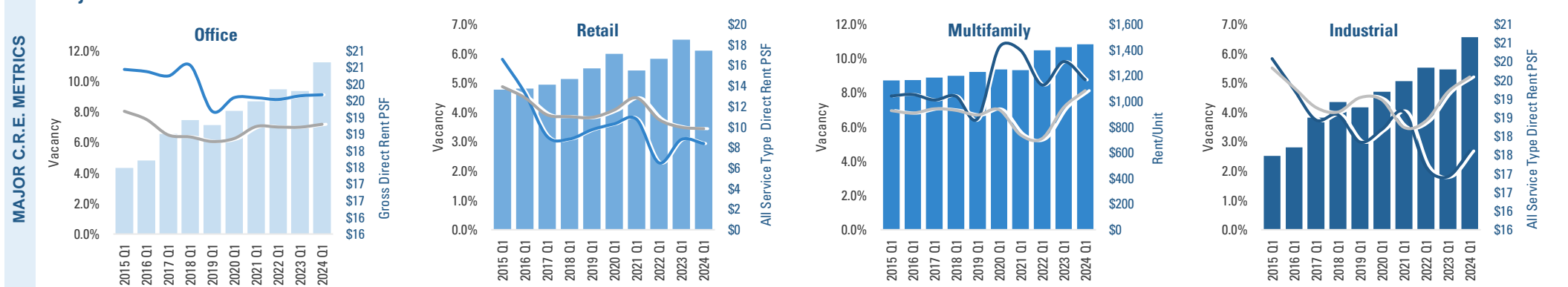




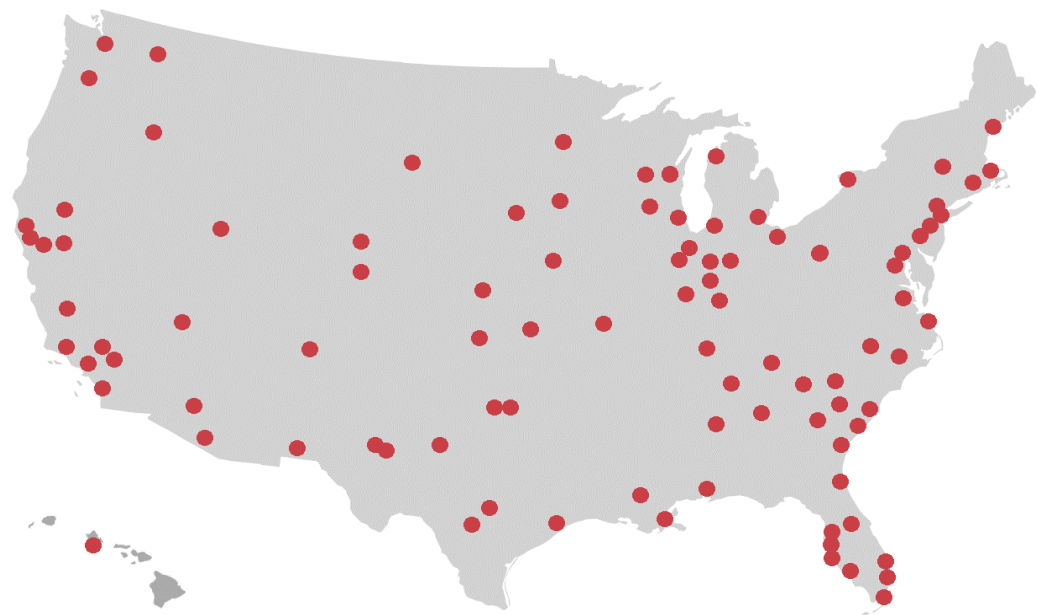
## Scale and Service Distribution: New Orleans, LA



## 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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