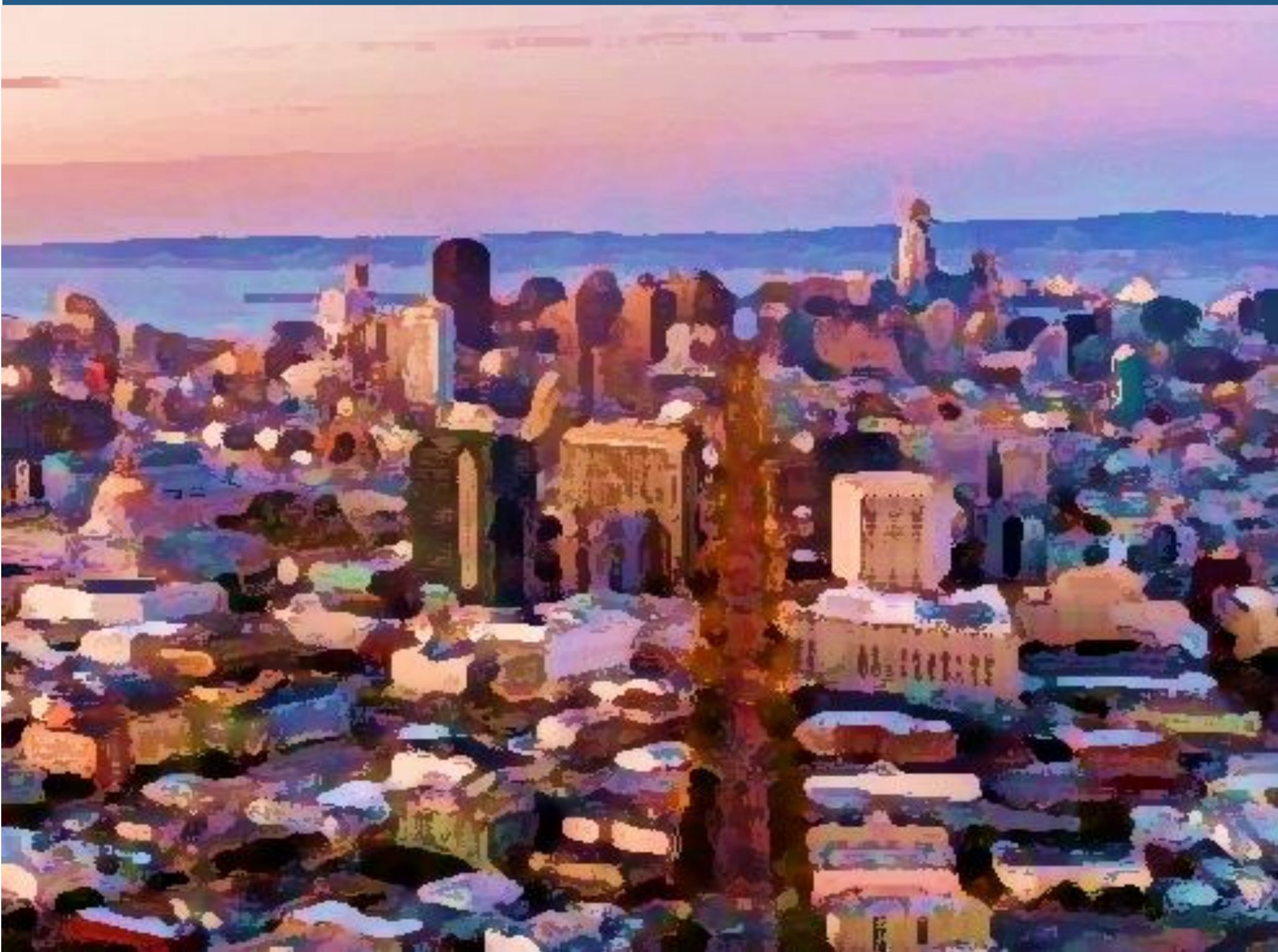


NEWMARK

1Q 2024

Hotel Market Nsights Report

OAKLAND, CA



FOR MORE INFORMATION:

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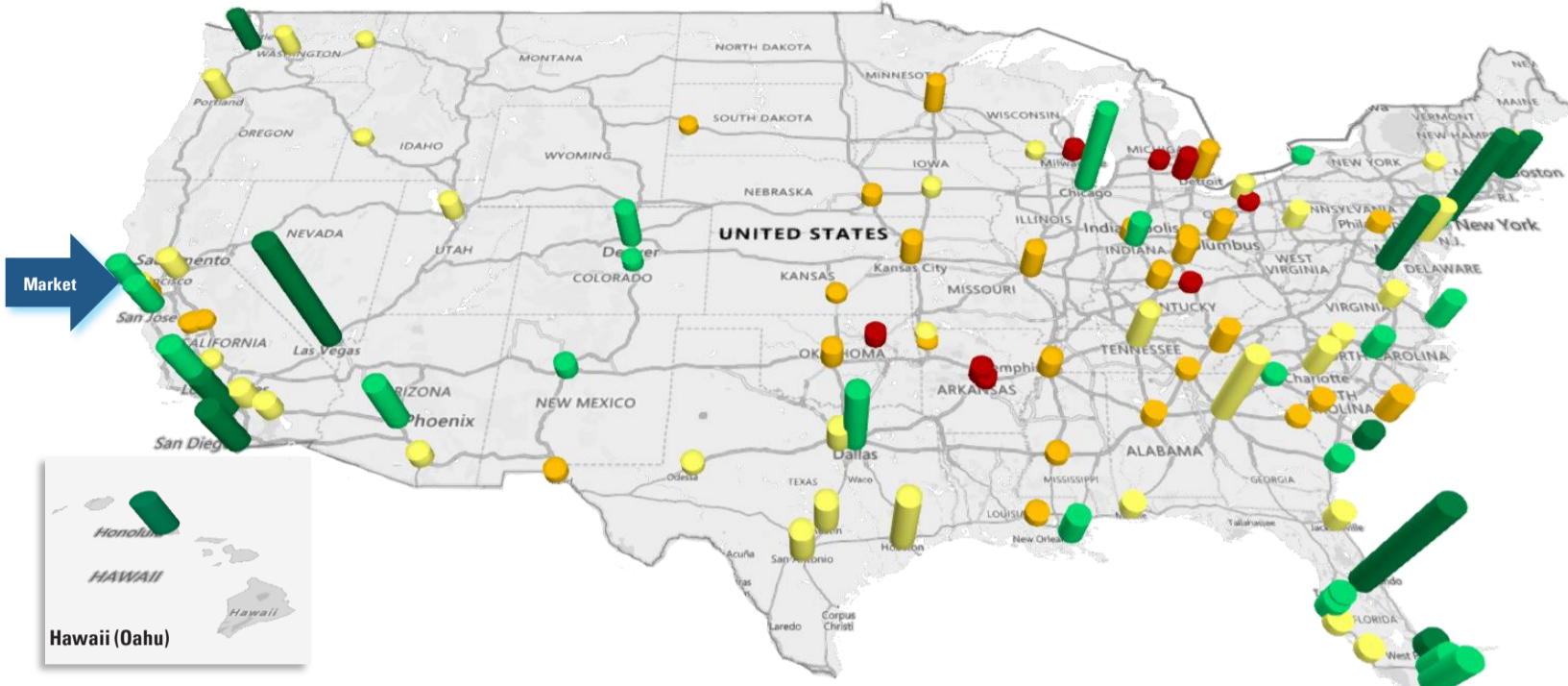
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[NMRK.COM/VALUATION](https://www.nmrk.com/valuation)

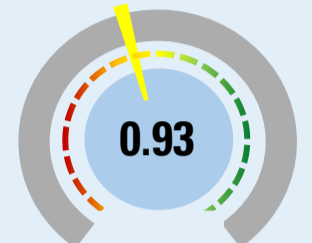


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

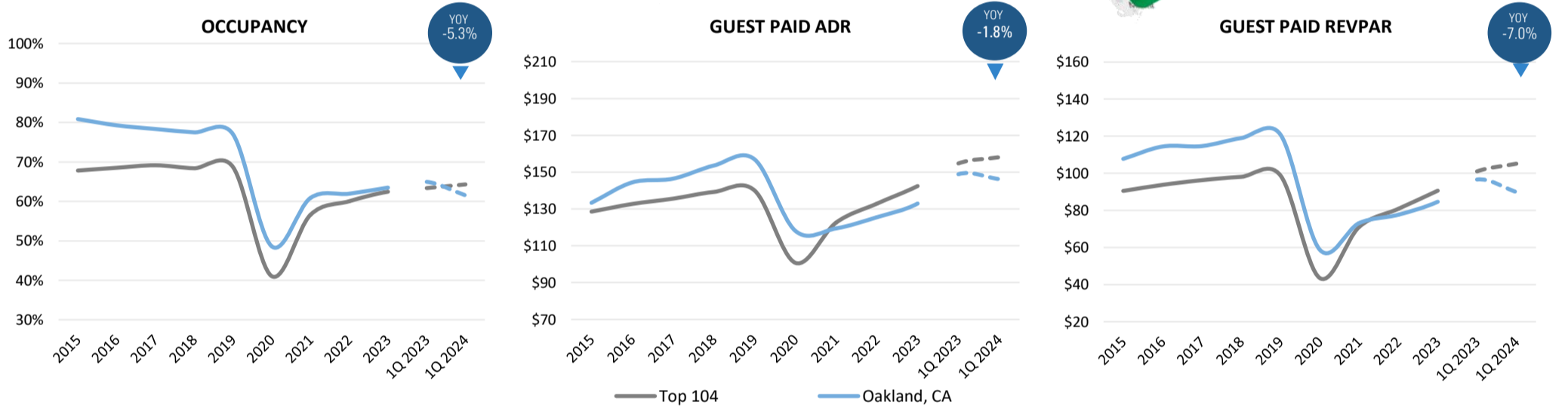
Oakland, CA



63rd of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.93) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

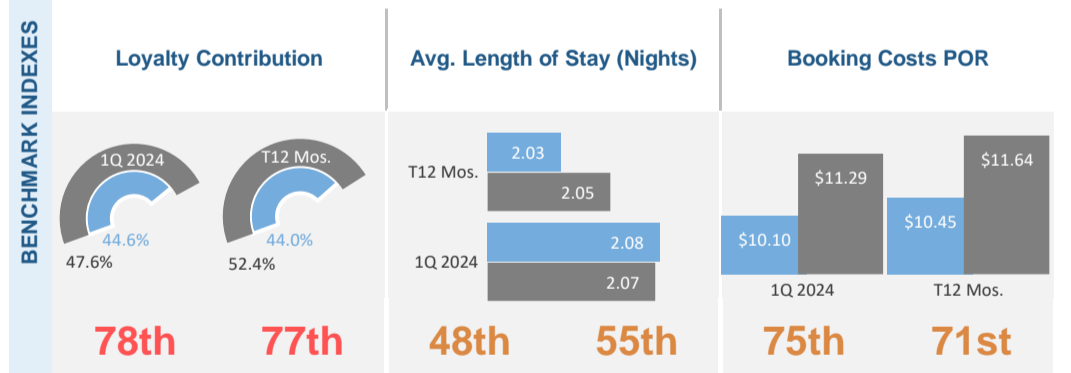


PERFORMANCE INDEXES

Key Performance Indexes

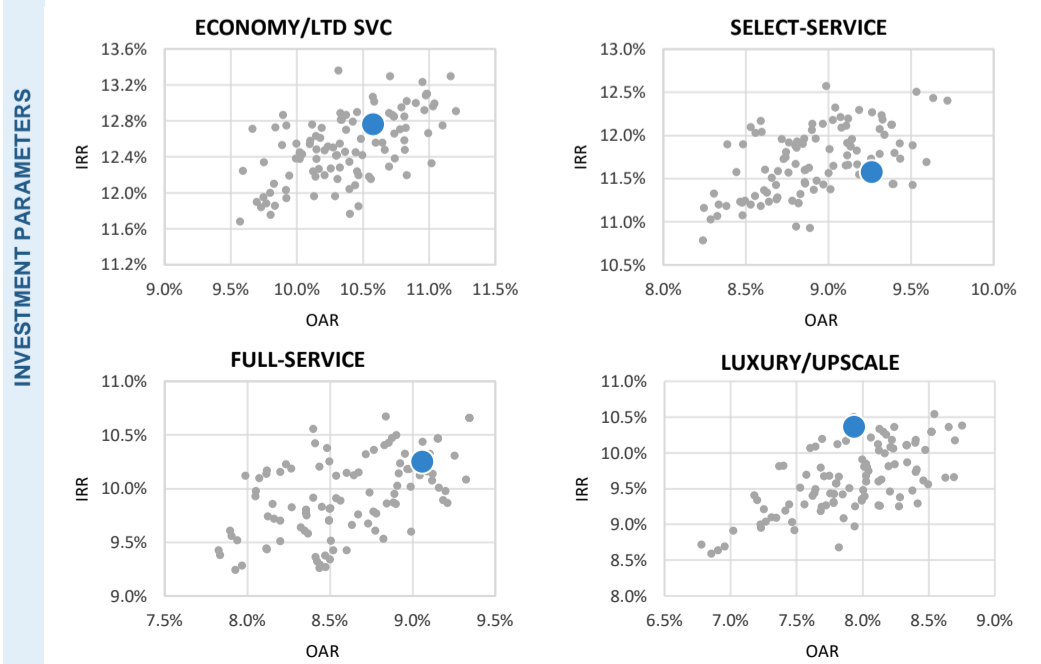


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

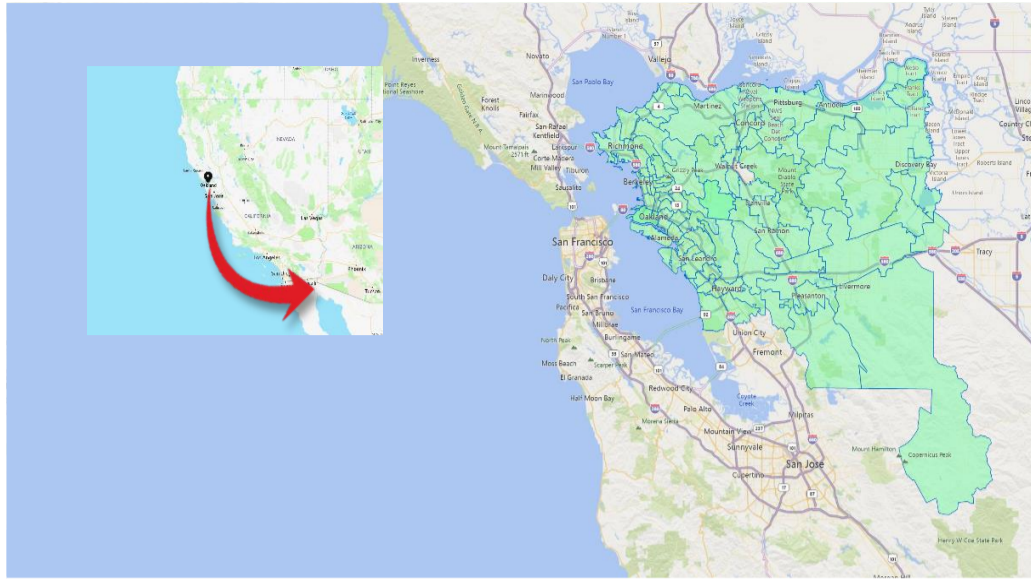


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Source: US Census Bureau, Dept. of Labor Statistics

Jurisdictional Information
 Municipal Name: Oakland
 County: Alameda County
 State: California
 Geo Coordinates (market center): 37.80437, -122.2708

Major Hotel Demand Generators
 University of California, Berkeley | Safeway Inc. | Kaiser Permanente | Tesla | Chevron Corp. | John Muir Health | Wells Fargo | Lam Research Corp. | Alta Bates Summit Medical Center | Lawrence Berkeley National Laboratory | Lawrence Livermore National Laboratory | Alameda Health System | PG&E | Bank of the West | Bay Area Rapid Transit District | Contra Costa Community College District | Workday Inc. | Children's Hospital and Research Center at Oakland | Southwest Airlines Co. | Alameda Health Systems (Highland Hospital)

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	2,269,183	21st of 104 (Above Average)
Income per Capita	\$63,251	11th of 104 (Above Average)
Feeder Group Size	166.0 Persons PSR	98th of 104 (Soft)
Feeder Group Earnings	\$10,499,130 PSR	103rd of 104 (Soft)
Total Market Hotel Revenues	\$741.8 million	51st of 104 (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	80.8%	\$133.34	\$107.79	\$123.27	\$99.66	\$10.06	92.5%	46.1%	2.24	19,950	1.52
2016	79.3%	\$144.42	\$114.48	\$132.84	\$105.30	\$11.58	92.0%	49.1%	2.12	19,940	1.37
2017	78.3%	\$146.43	\$114.70	\$133.98	\$104.95	\$12.45	91.5%	49.6%	2.06	20,260	1.23
2018	77.5%	\$153.56	\$118.99	\$140.41	\$108.80	\$13.15	91.4%	52.1%	2.04	20,530	1.33
2019	77.0%	\$156.94	\$120.90	\$143.67	\$110.67	\$13.27	91.5%	55.1%	2.04	20,320	1.43
2020	48.6%	\$118.14	\$58.81	\$110.28	\$53.62	\$7.85	93.4%	33.2%	2.28	19,920	1.23
2021	60.9%	\$119.45	\$73.16	\$110.99	\$67.55	\$8.46	92.9%	37.0%	2.30	19,630	1.10
2022	61.9%	\$125.50	\$77.69	\$116.50	\$72.16	\$9.00	92.8%	38.7%	2.22	19,760	0.99
2023	63.5%	\$132.95	\$84.68	\$123.36	\$78.31	\$9.58	92.8%	40.0%	2.16	20,030	1.02
CAGR: 2015 thru 2023	-3.0%	0.0%	-3.0%	0.0%	-3.0%	-0.6%	0.0%	-1.8%	-0.5%	0.1%	-4.9%
1Q 2023	64.9%	\$148.87	\$96.67	\$138.47	\$89.92	\$10.40	93.0%	42.1%	2.12	20,290	1.17
1Q 2024	61.5%	\$146.20	\$89.94	\$136.09	\$83.73	\$10.10	93.1%	44.6%	2.08	20,690	0.93

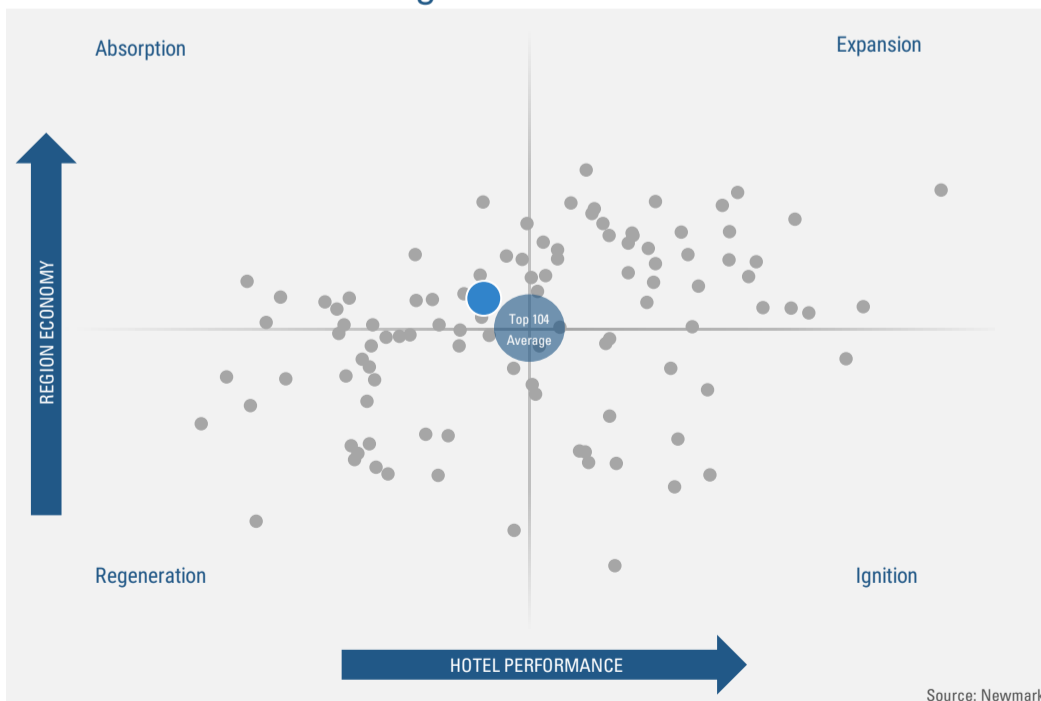
Notable Metrics

	Marketwide Income per Room	Feeder Population Per Room	Population Density per Room
HIGHEST	2nd Very Strong Oakland, CA enjoyed a high ratio of marketwide income per room (\$4,934,547)	6th Strong The market posted a high ratio of feeder population per room (78.02)	7th Strong The market also boasted strong population density per room (108.82)
LOWEST	103rd Soft This market has low feeder group earnings per sold room (\$10,499,130)	99th Highly Unfavorable The market posted unfavorable IRR metrics in the luxury/upscale segment (10.4%)	98th Soft Oakland, CA also required a large feeder group size (165.99 Persons)

Notable Trends

	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Average Length of Stay Growth
STRONGEST	7th Strong Oakland, CA enjoyed low short-term historical growth in booking costs (-0.3%)	34th Above Average The market has benefited from low long-term historical booking costs POR growth (2.1%)	37th Average The market also has benefited from strong short-term historical average length of stay growth (1.4%)
WEAKEST	Last Soft The market has been hampered by weak short-term historical LPI growth (-7.5%)	Last Soft We note this area posted weak long-term historical LPI growth (-5.8%)	101st Soft Oakland, CA also has been hindered by weak long-term historical occupancy growth (-2.3%)

Market Performance Stage



Oakland, CA: Absorption Stage

The Oakland, CA market is currently in the 'Absorption' stage of the performance cycle. In this 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.

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.

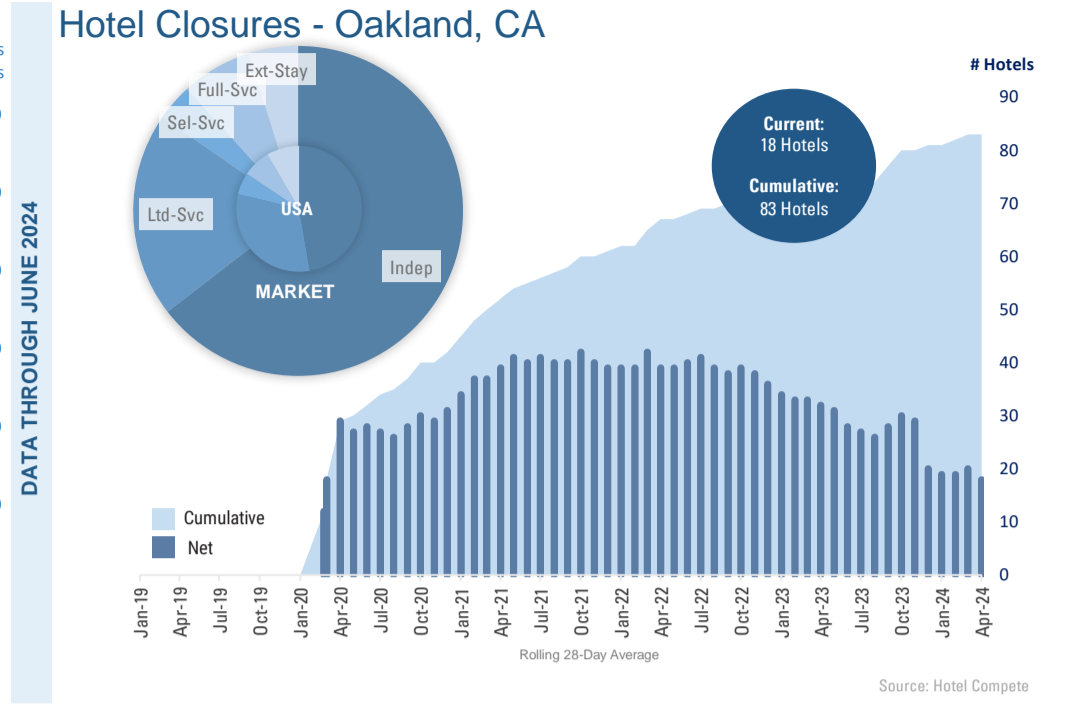
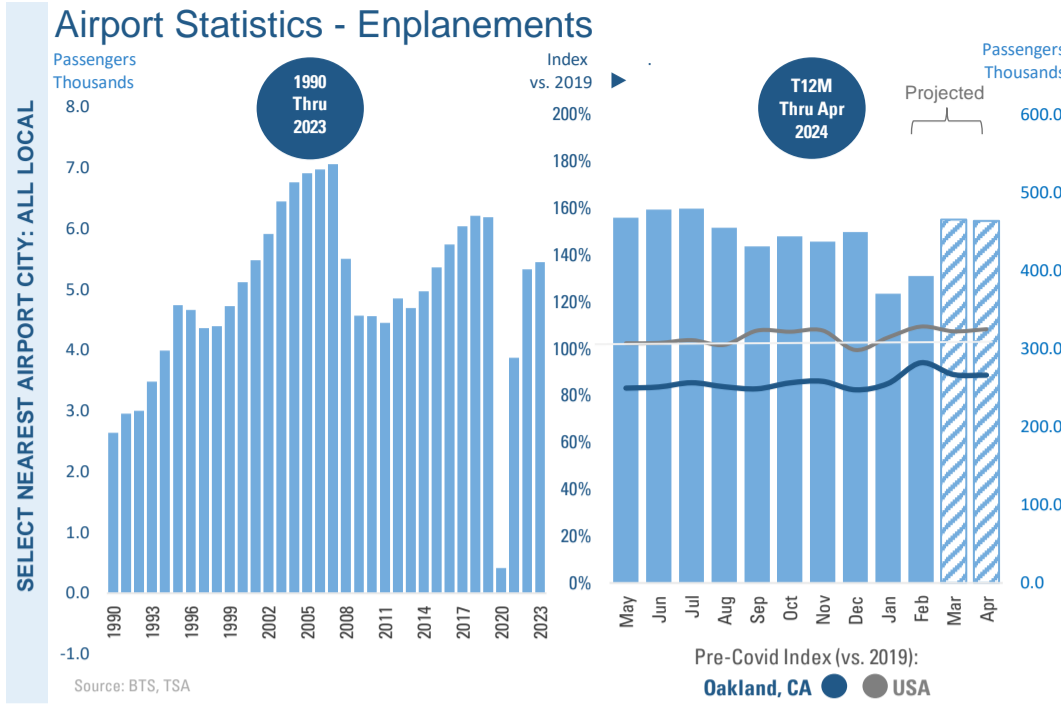
Expansion: In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that has fully exited from the pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Austin, TX; and Boston, MA.

Industry Observations

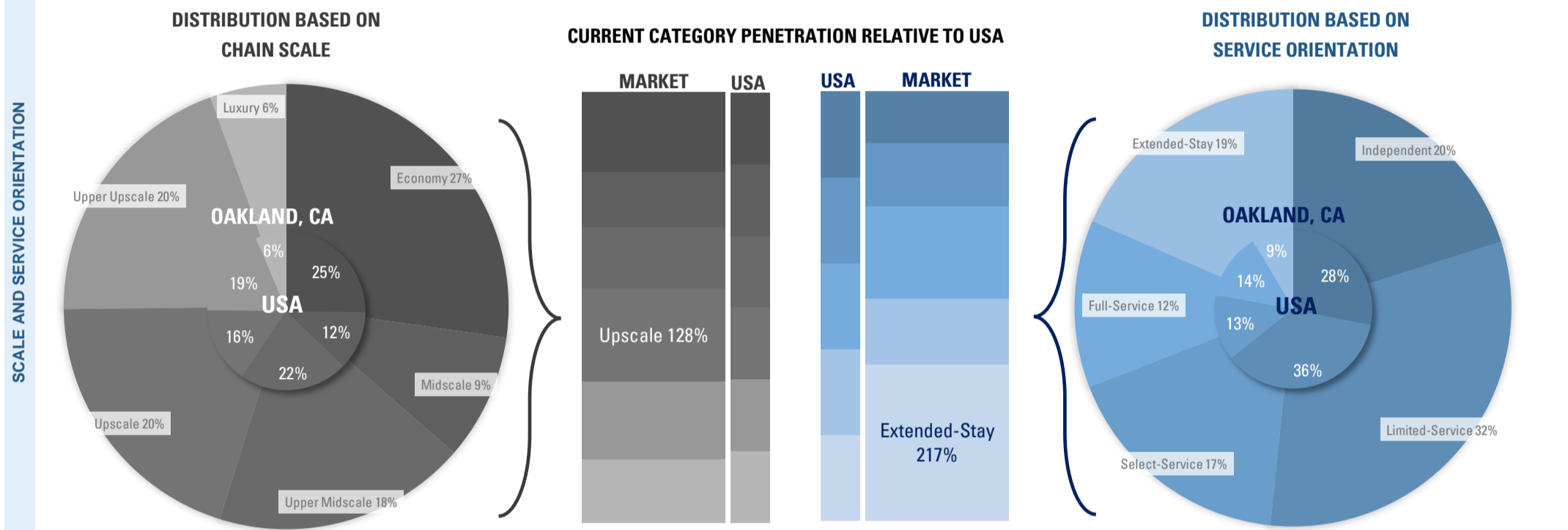
MOODY'S ANALYTICS
 Business Cycle: **Expansion**
 Employment Growth (2 yr): **0.8%**
 Risk Exposure (402 US markets): **83rd Percentile: Above Average**
 Key Industry Notes:
 World-class universities and labs
 Proximity to world's tech capital
 Ample transportation infrastructure
 Deteriorating migration trends
 Higher housing costs

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

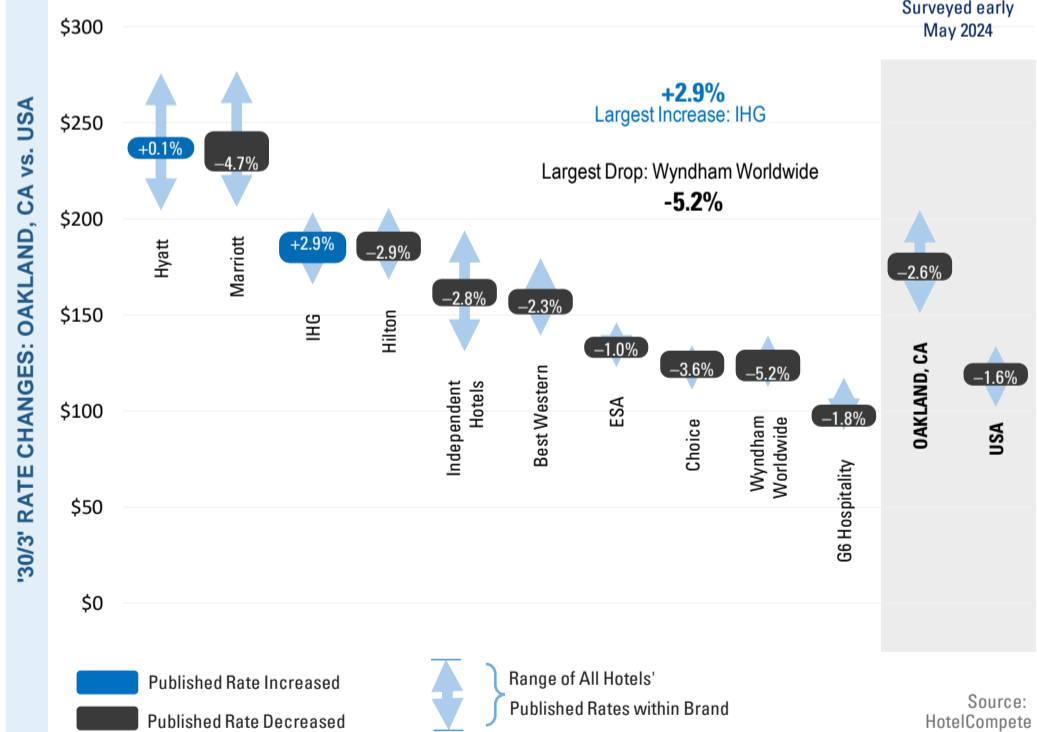




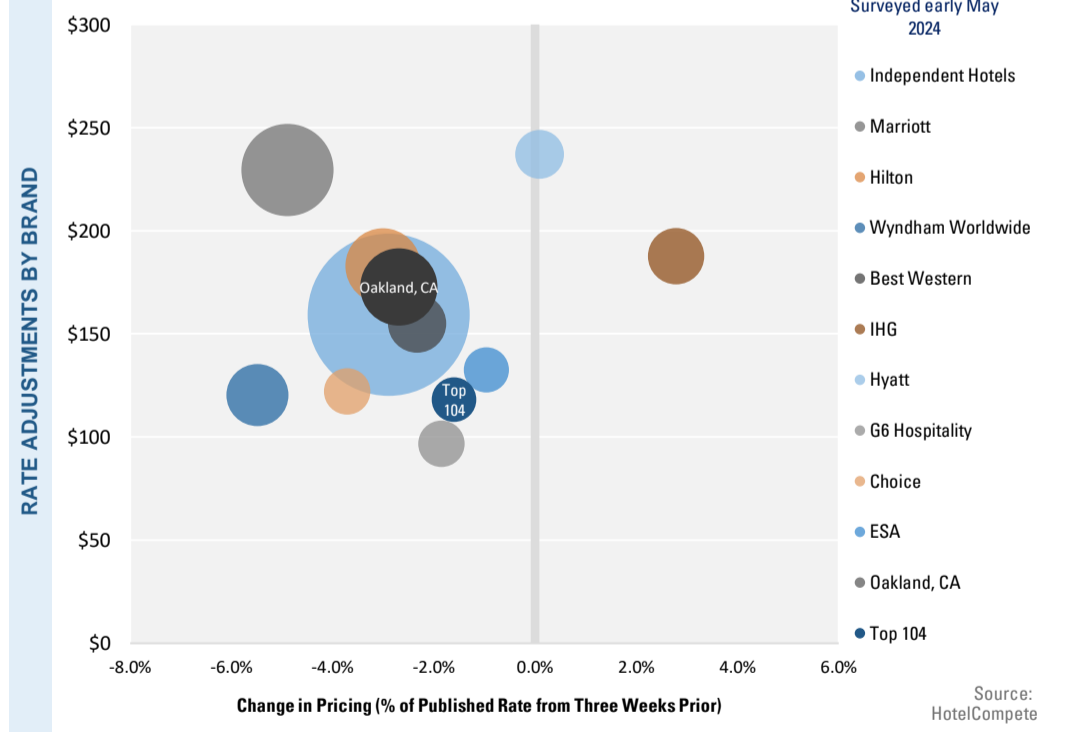
Scale and Service Distribution: Oakland, CA



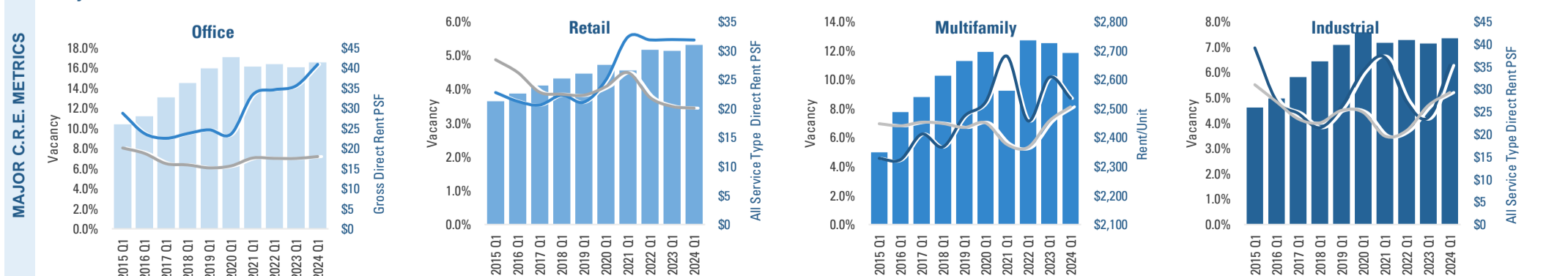
Published Rates: Top 10 Brands



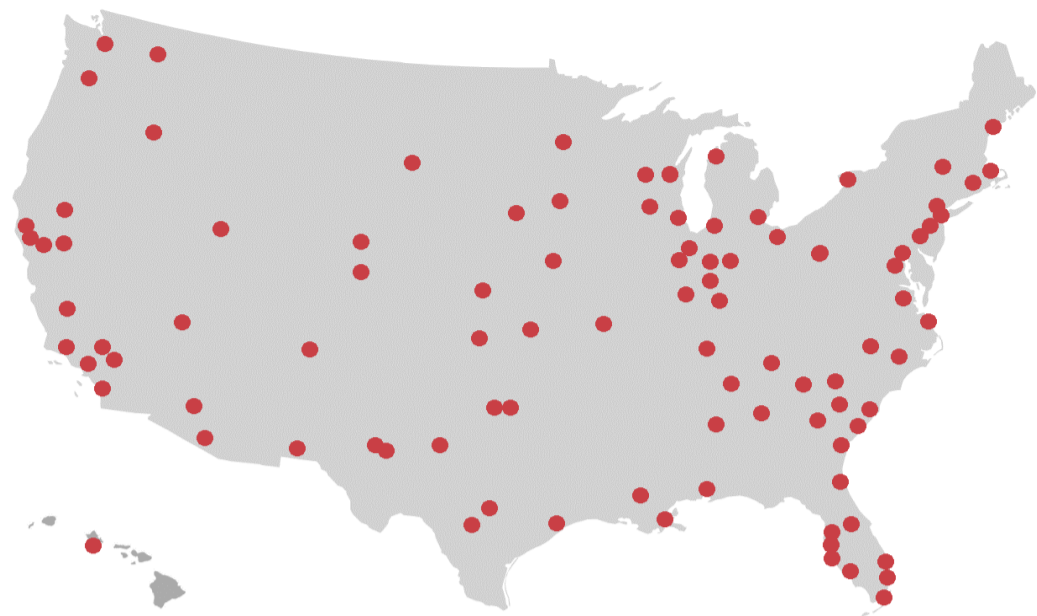
Published Rates: Volatility



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.

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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

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Economic Impact

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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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