

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

ORLANDO, FL



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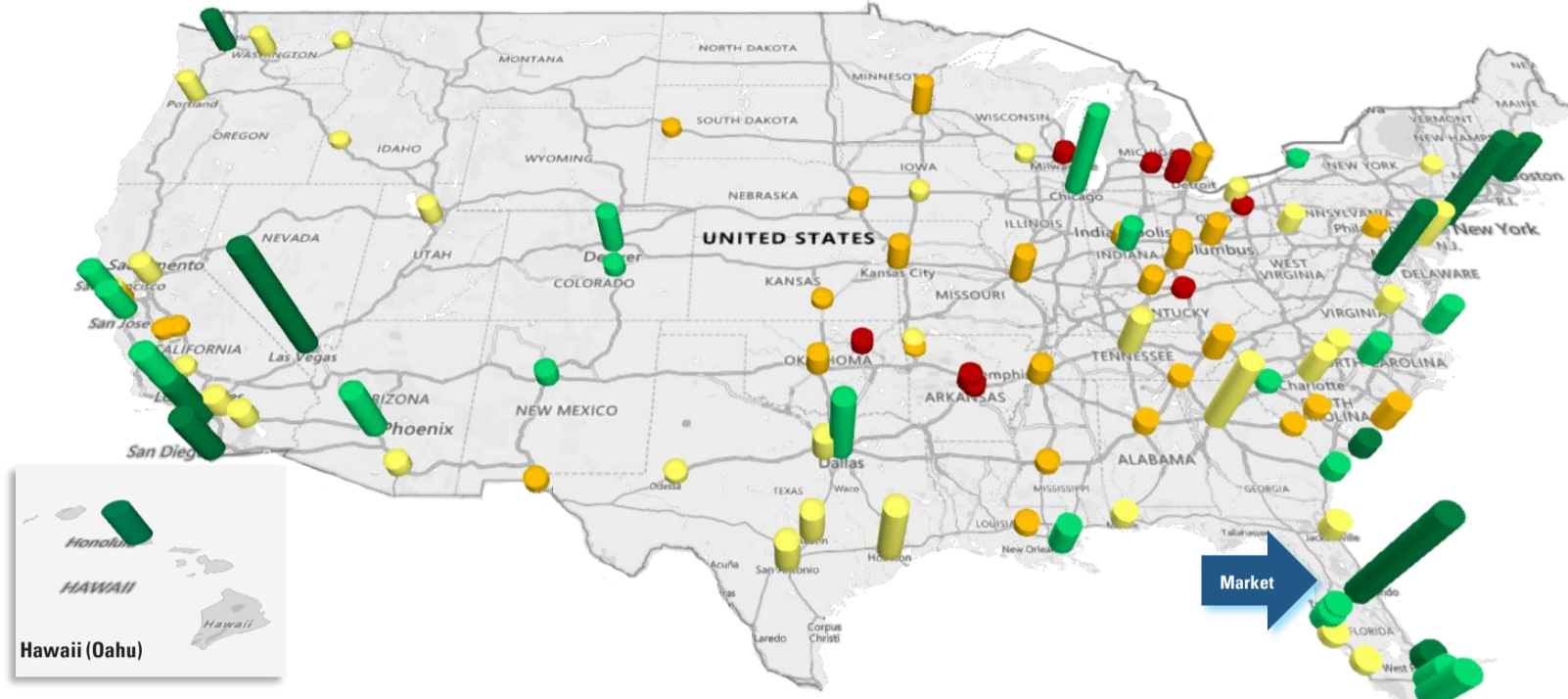
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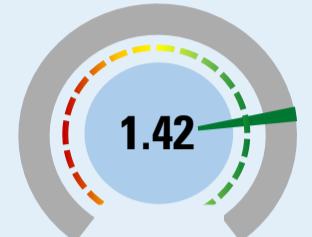


Lodging Performance Index Snapshot



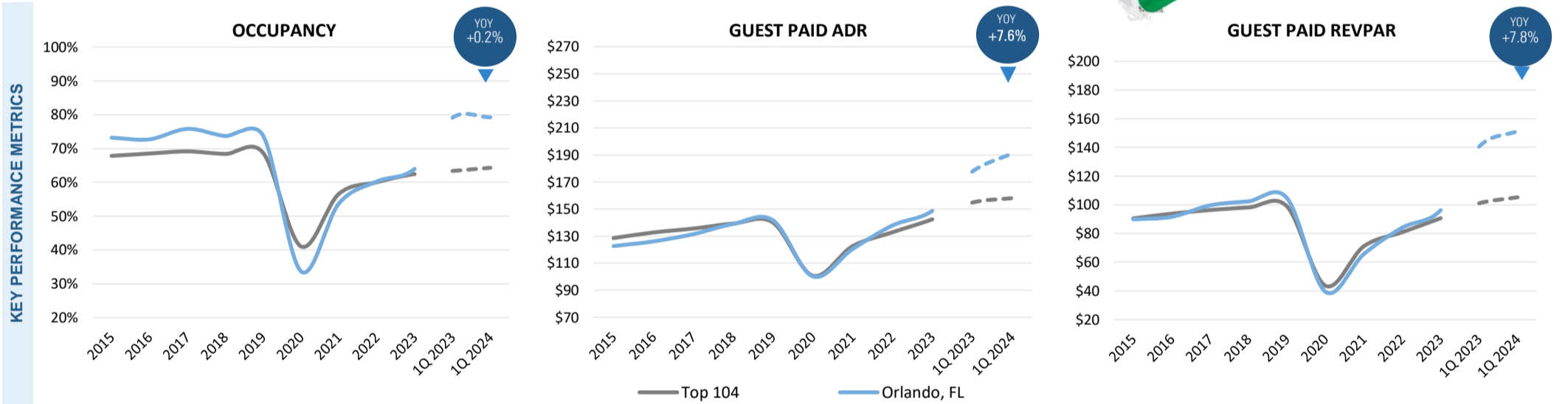
LODGING PERFORMANCE INDEX

Orlando, FL



6th of 104  
Strong

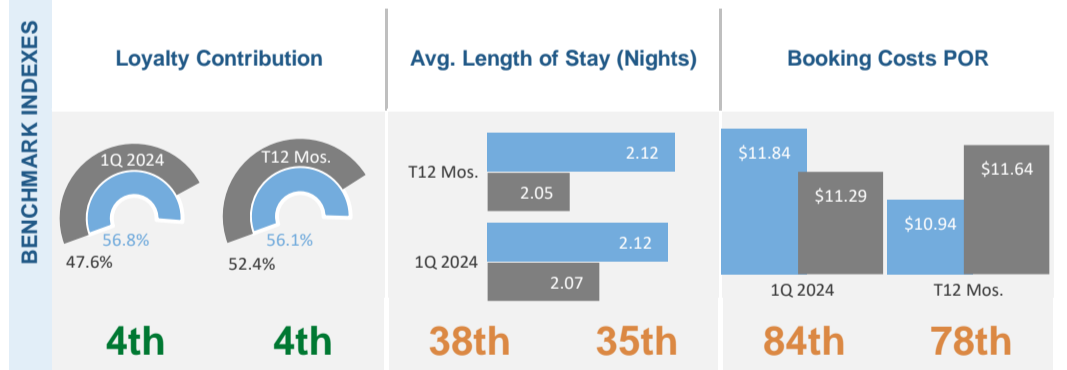
Ranking of overall 1Q 2024 LPI performance (1.42) against all 104 surveyed markets.



Key Performance Indexes

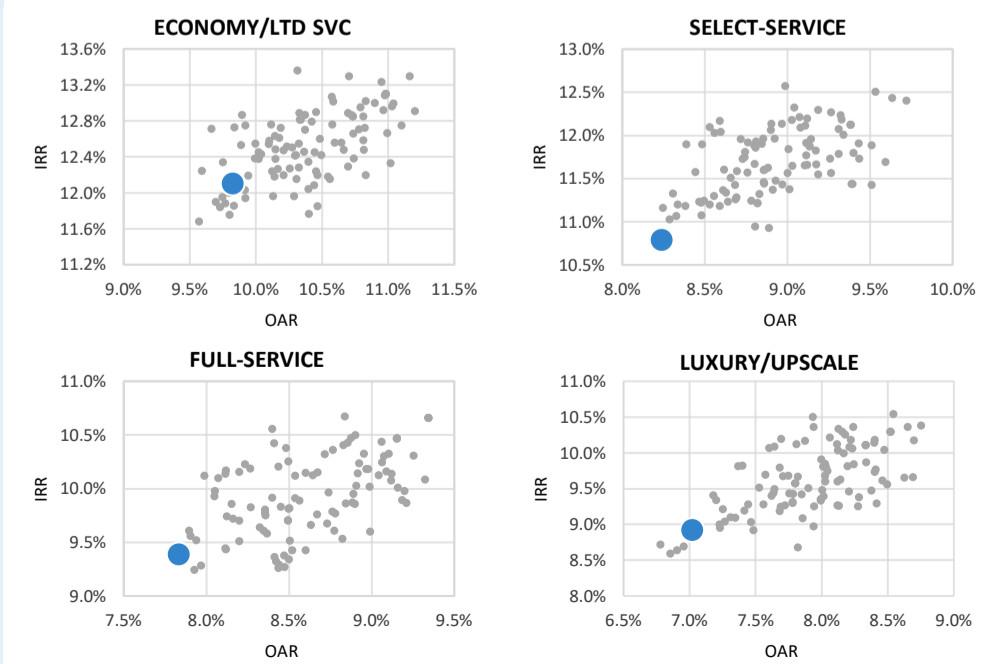


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

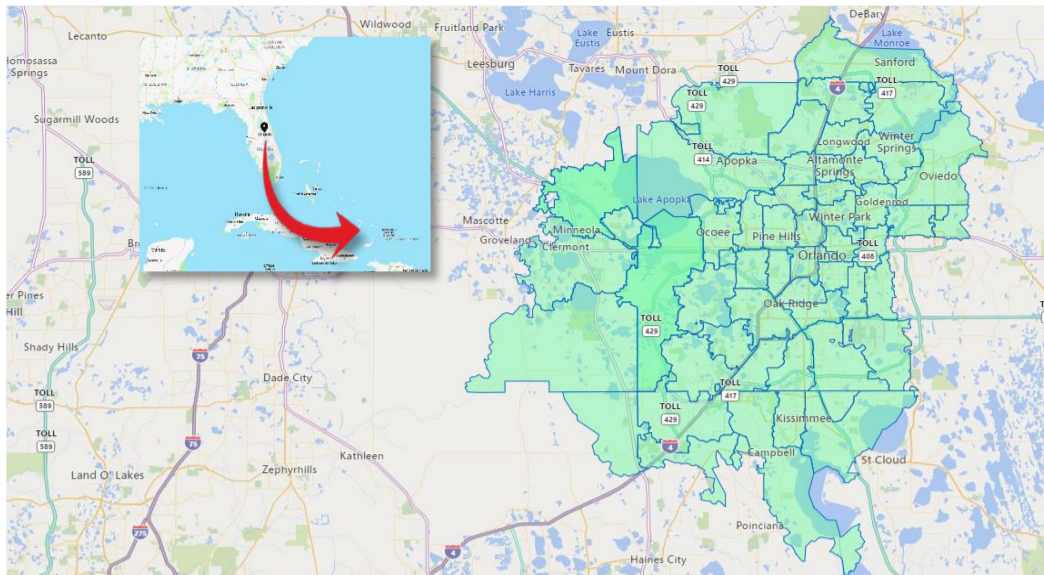


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

<b>Jurisdictional Information</b>		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Orlando	
County:	Orange County	
State:	Florida	
Geo Coordinates (market center):	28.53834, -81.37924	
<b>Major Hotel Demand Generators</b>		
Walt Disney World Resort   Universal Orlando (Comcast)   Adventist Health System/Florida Hospital   Publix Super Markets Inc.   Orlando International Airport   Orlando Health   University of Central Florida   Lockheed Martin   Darden Restaurants   SeaWorld Parks & Entertainment   Rosen Hotels & Resorts   Siemens   Wal-Mart Stores Inc.   Westgate Resorts   Wyndham Vacation Ownership   Valencia College   Hilton Grand Vacations Club   AT&T Mobility   JP Morgan Chase   Bright House Networks		
<b>Metrics and Ranking</b>		<b>Measurement</b>
Population (hotel market area)	1,657,251	<b>Rankings</b>
Income per Capita	\$45,436	34th of 104 (Above Average)
Feeder Group Size	13.6 Persons PSR	60th of 104 (Average)
Feeder Group Earnings	\$619,356 PSR	2nd of 104 (Very Strong)
Total Market Hotel Revenues	\$7.0 billion	3rd of 104 (Very Strong)
		2nd of 104 (Very Strong)

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	73.2%	\$122.64	\$89.82	\$111.77	\$81.82	\$10.87	91.1%	38.7%	2.52	153,000	1.43
2016	72.7%	\$126.09	\$91.61	\$114.89	\$83.53	\$11.20	91.1%	42.0%	2.42	154,630	1.27
2017	75.8%	\$131.45	\$99.59	\$119.52	\$90.60	\$11.93	90.9%	43.7%	2.41	153,670	1.32
2018	73.7%	\$138.96	\$102.40	\$126.63	\$93.32	\$12.32	91.1%	47.8%	2.30	152,510	1.41
2019	73.8%	\$141.73	\$104.64	\$129.93	\$95.93	\$11.80	91.7%	52.7%	2.17	169,220	1.38
2020	33.7%	\$100.24	\$39.35	\$92.41	\$31.13	\$7.83	92.2%	49.9%	2.25	170,180	0.81
2021	53.7%	\$120.41	\$65.63	\$109.93	\$59.05	\$10.48	91.3%	50.4%	2.19	178,840	0.83
2022	60.2%	\$137.88	\$84.01	\$125.93	\$75.84	\$11.95	91.3%	46.9%	2.22	177,700	1.33
2023	64.0%	\$148.67	\$96.25	\$136.56	\$87.36	\$12.11	91.9%	47.6%	2.23	175,420	1.09
<b>CAGR: 2015 thru 2023</b>	<b>-1.7%</b>	<b>2.4%</b>	<b>0.9%</b>	<b>2.5%</b>	<b>0.8%</b>	<b>1.4%</b>	<b>0.1%</b>	<b>2.6%</b>	<b>-1.5%</b>	<b>1.7%</b>	<b>-3.3%</b>
<b>1Q 2023</b>	79.1%	\$177.65	\$140.52	\$166.70	\$131.86	\$10.95	93.8%	56.5%	2.16	166,380	1.44
<b>1Q 2024</b>	79.2%	\$191.11	\$151.41	\$179.27	\$142.03	\$11.84	93.8%	56.8%	2.12	167,740	1.42

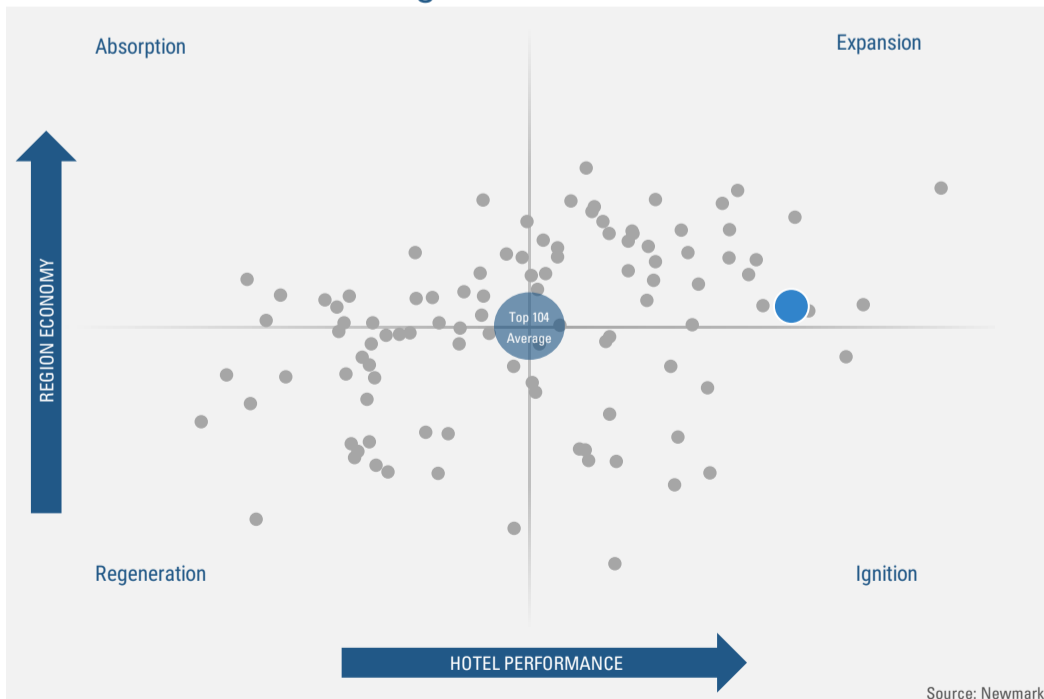
Notable Metrics

HIGHEST	Total Rooms Supply	Total Rooms Sold	OAR: Select-Service
	<b>1st Very Strong</b>	<b>1st Very Strong</b>	<b>1st Highly Favorable</b>
	Orlando, FL benefits from a large and diverse hotel market (167,738 total rooms)	The market boasted a strong total of number of rooms sold (44,375,231 room nights)	The market also enjoyed favorable OAR metrics in the select-service segment (8.2%)
LOWEST	Feeder Population Per Room	Population Density per Room	Marketwide Income per Room
	<b>103rd Soft</b>	<b>103rd Soft</b>	<b>102nd Soft</b>
	This market posted a low ratio of feeder population per room (6.98)	The market has been hindered by weak population density per room (9.8)	Orlando, FL also exhibited a low ratio of marketwide per-capita income per room (\$317,356)

Notable Trends

STRONGEST	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth	Overall Health of Hotel Market
	<b>4th Strong</b>	<b>4th Strong</b>	<b>6th Strong</b>
	Orlando, FL has benefited from low long-term historical booking costs POR growth (0.7%)	The market enjoyed low short-term historical growth in booking costs (-1.9%)	The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
WEAKEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Supply Growth
	<b>101st Soft</b>	<b>100th Soft</b>	<b>74th Below Average</b>
	The market exhibited weak long-term historical average length of stay growth (-1.7%)	We note this area exhibited weak short-term historical average length of stay growth (-2.1%)	Orlando, FL also has been burdened by high short-term historical supply growth (0.9%)

Market Performance Stage



Orlando, FL: Expansion Stage

The Orlando, FL 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: **In Recovery**

Employment Growth (2 yr): **1.9%**

Risk Exposure (402 US markets): **14th Percentile: Below Average**

Key Industry Notes:

- Strong demographics
- Natural gains for tourism
- Job opportunities in services
- Low employment and high volatility
- Profusion of low-wage jobs

**Moody's Rating**

**Aa1**

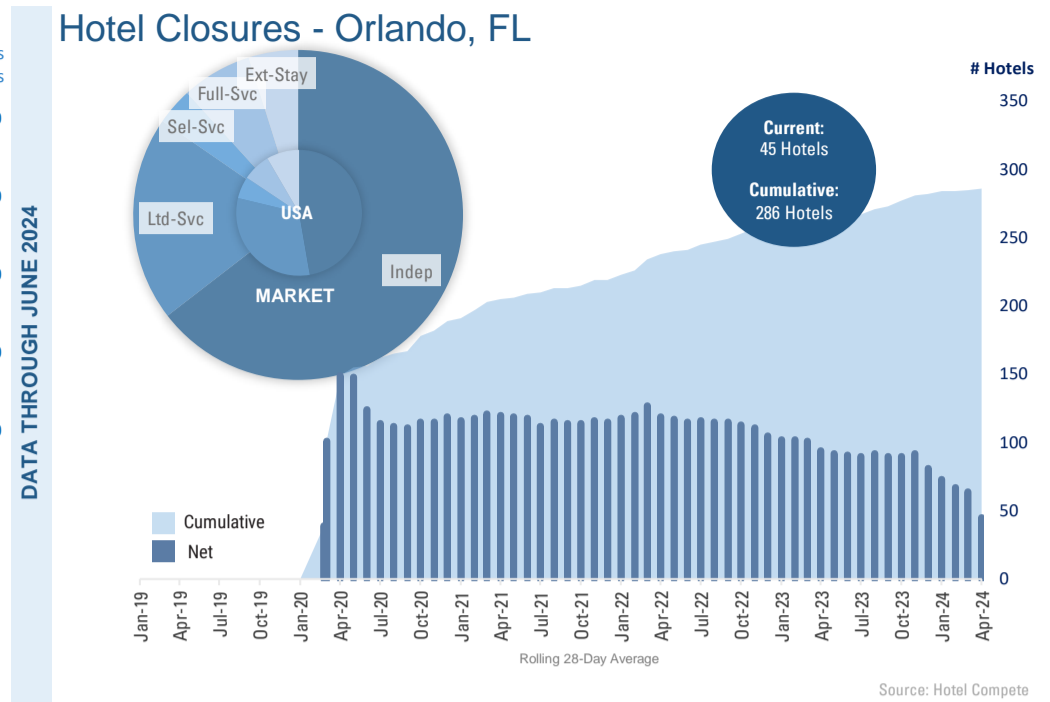
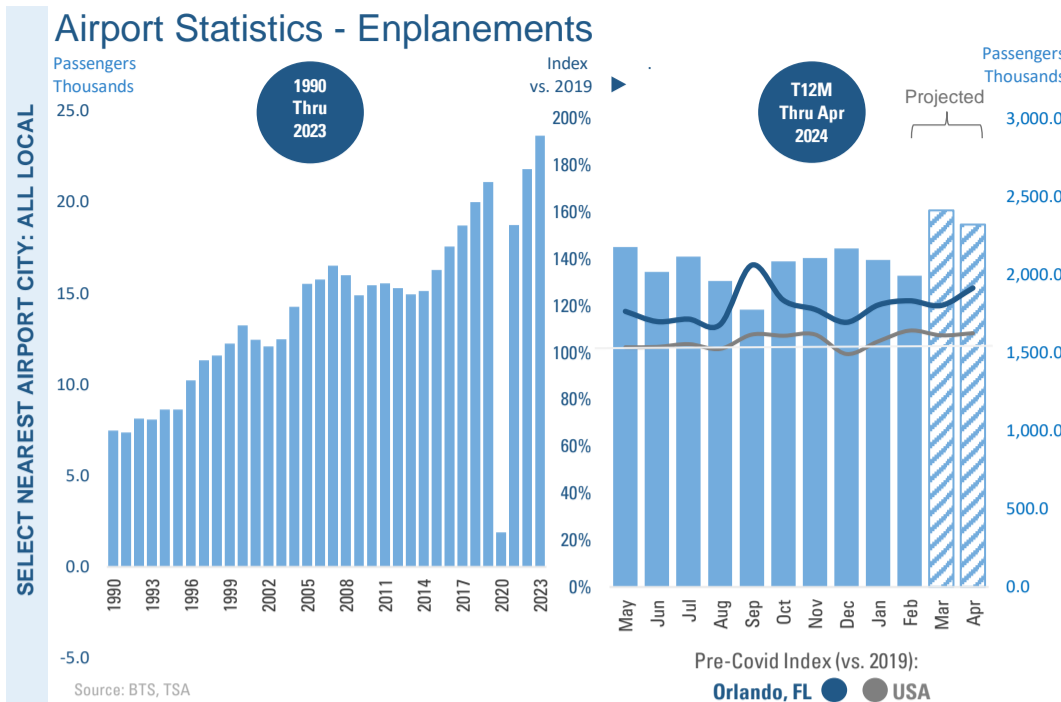
**Investment Grade**

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

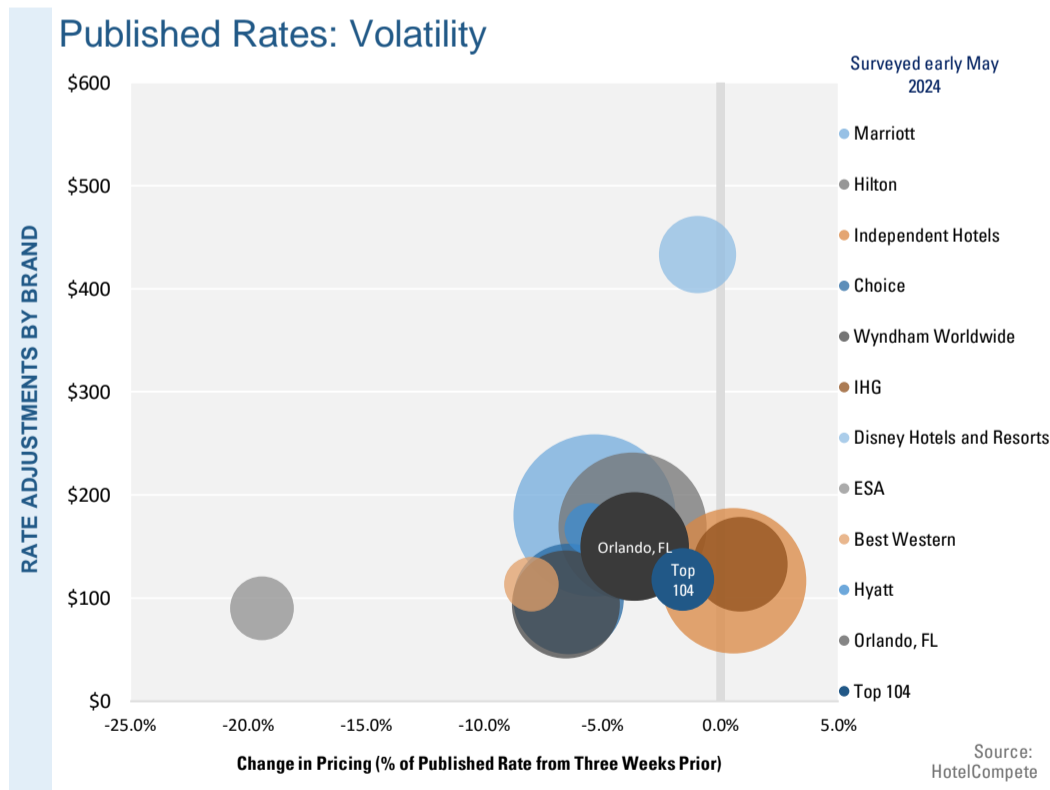
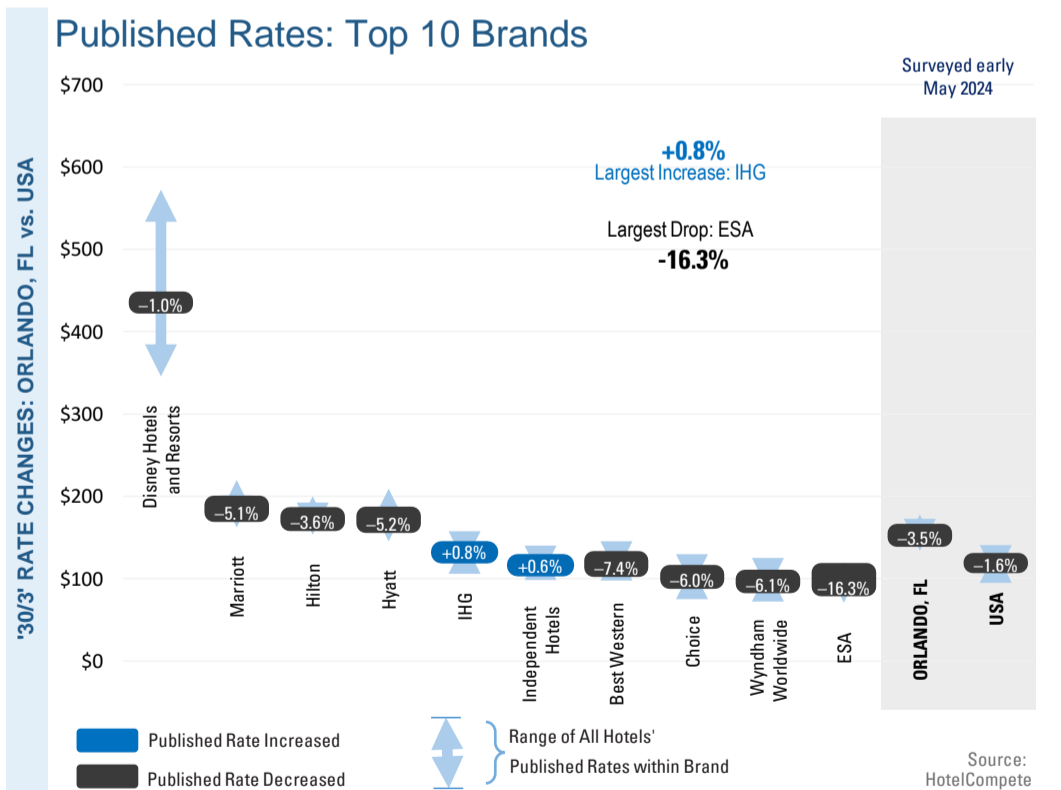
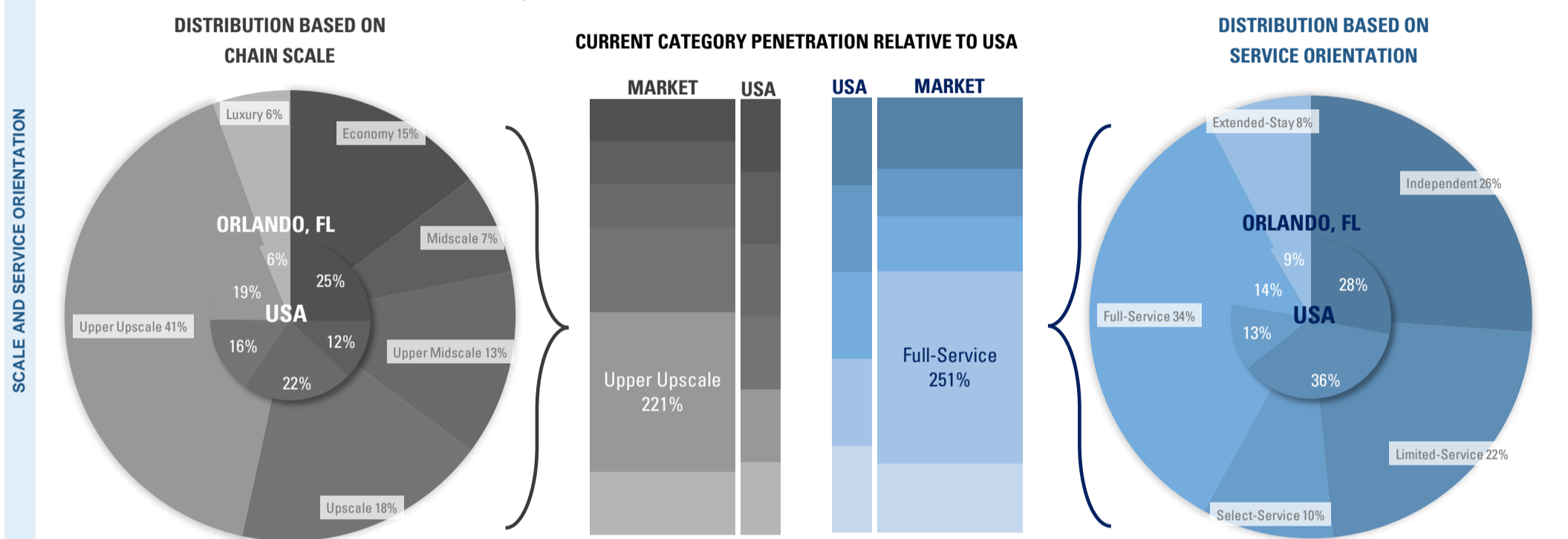
**TOP 10 BRANDS**

Disney's Value Resorts (10,381)	Hampton Inn (17)
Disney's Moderate Resorts (6,976)	Ext-Stay America (14)
Disney's Deluxe Resorts (4,978)	SpringHill Suites (12)
Hilton (3,558)	Residence Inn (12)
Loews (3,350)	Quality Inn (12)
Marriott (3,099)	Holiday Inn Exp. (12)
Holiday Inn (3,012)	WoodSpring (11)
DoubleTree (2,949)	Fairfield Inn (11)
Hyatt Regency (2,865)	Days Inn (10)
Sheraton (2,539)	Courtyard (10)

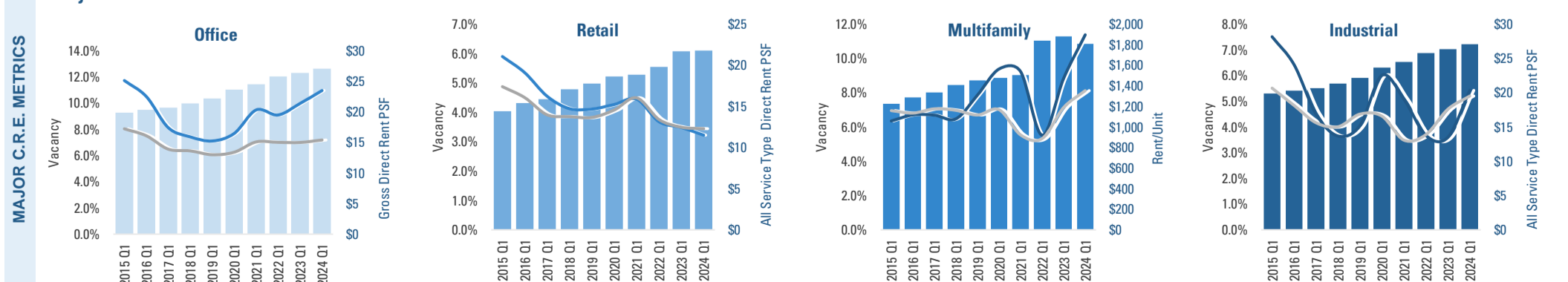
Source: Newmark



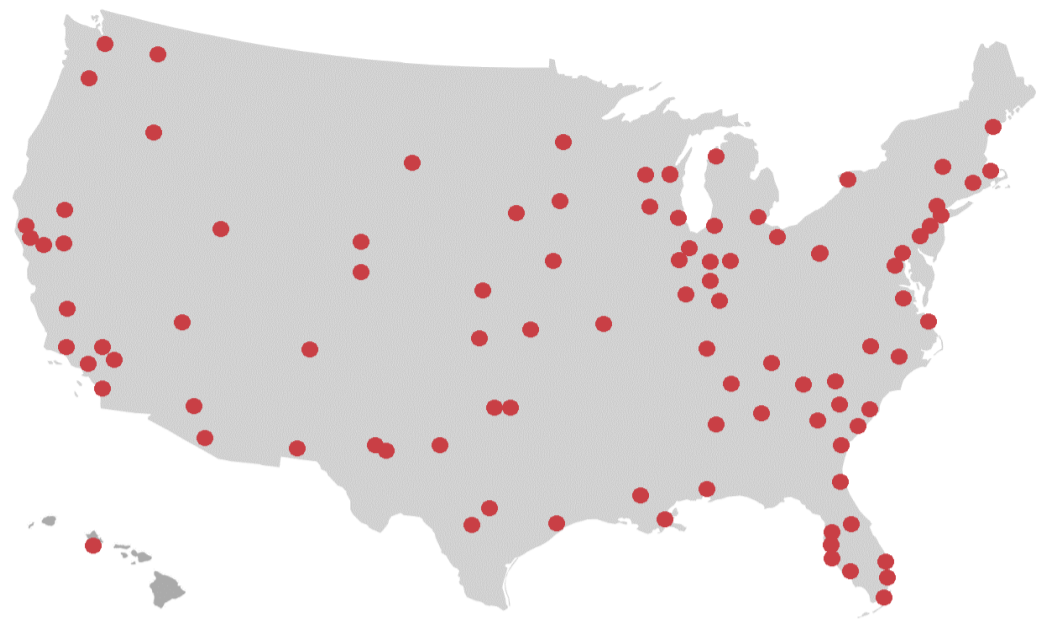
## Scale and Service Distribution: Orlando, FL



## 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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