

NEWMARK

1Q 2024

Hotel Market Nsights Report

PORTLAND, ME



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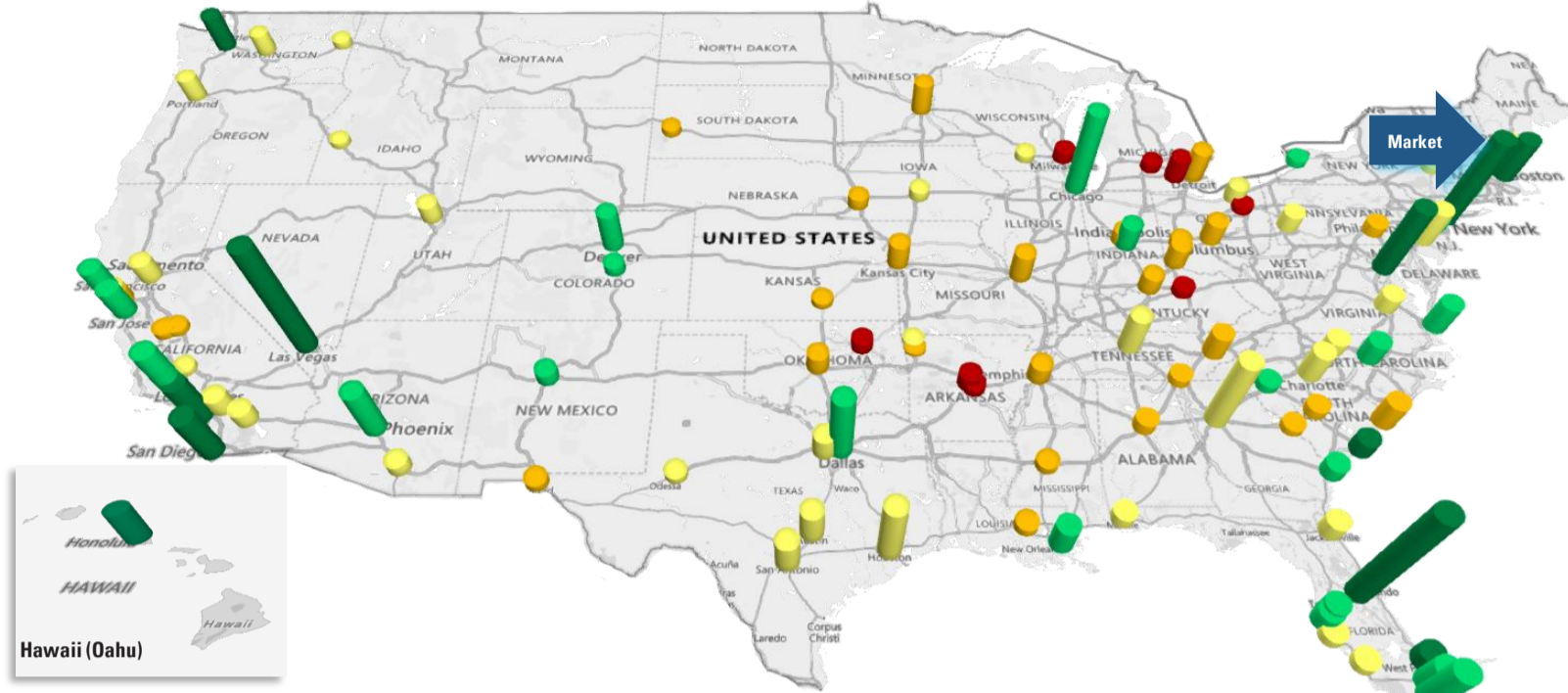
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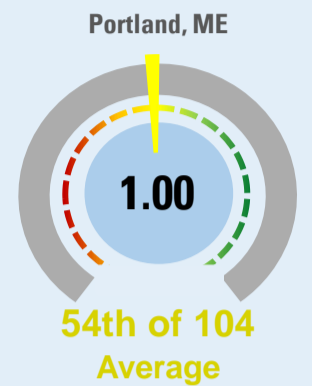
[NMRK.COM/VALUATION](https://www.nmrk.com/valuation)



Lodging Performance Index Snapshot

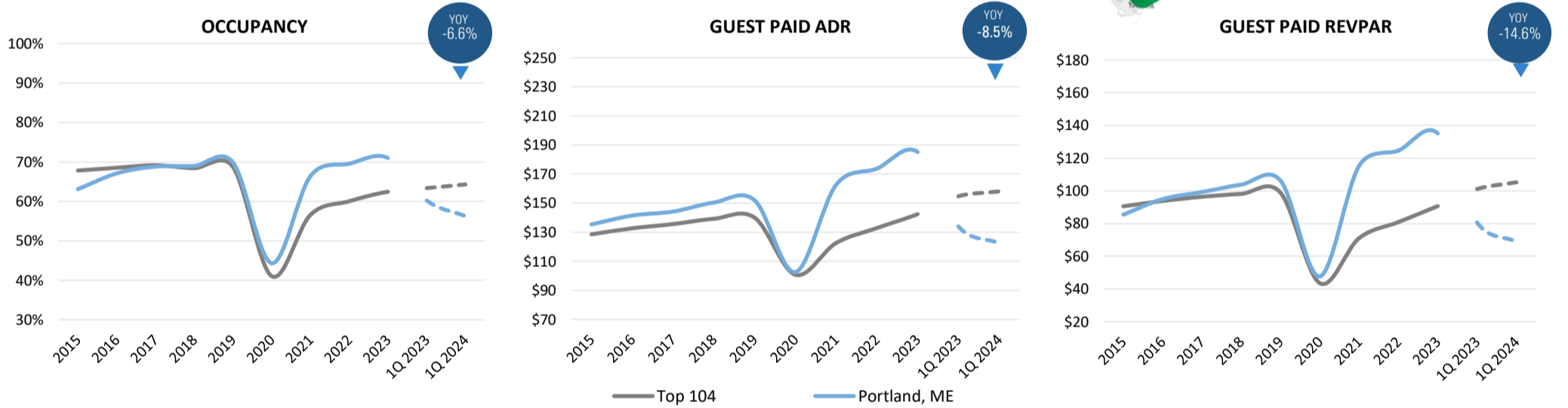


LODGING PERFORMANCE INDEX



Ranking of overall '1Q 2024 LPI' performance (1.00) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



PERFORMANCE INDEXES

Key Performance Indexes



BENCHMARK INDEXES

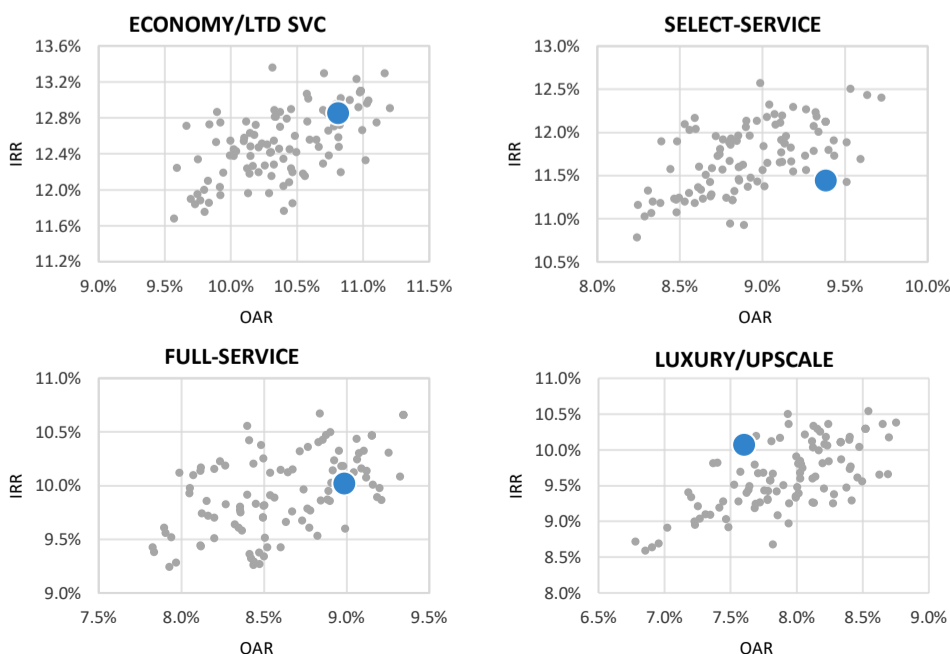
Key Benchmark Indexes



INVESTMENT PARAMETERS

Discount and Capitalization Rates

Source: Newmark



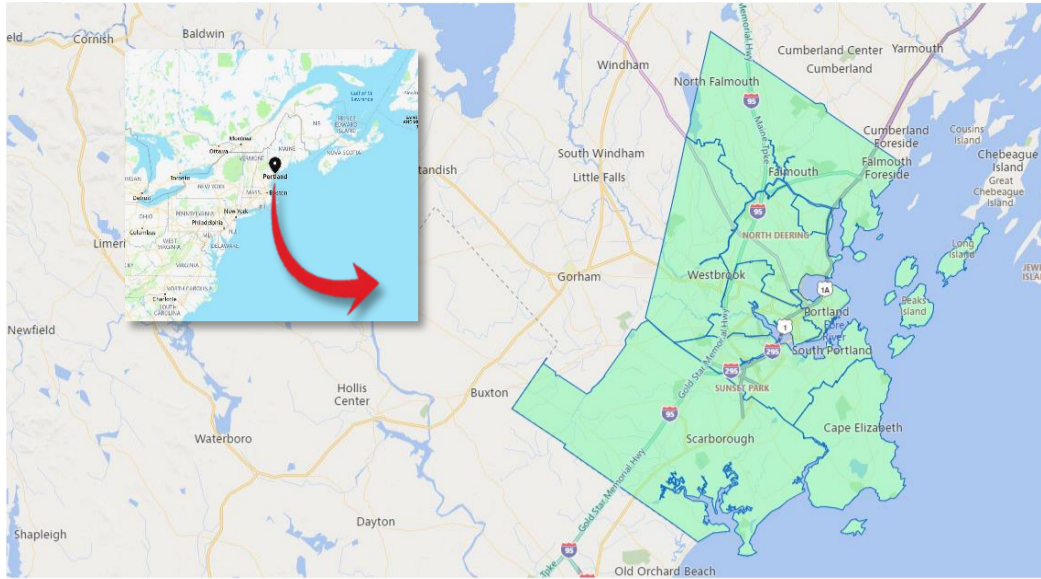
FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Portland
 County: Cumberland County
 State: Maine
 Geo Coordinates (market center): 43.66147, -70.25533

Major Hotel Demand Generators

Maine Health | Bath Iron Works | L.L. Bean Inc. | Unum Provident | Hannaford Bros. Co. | Southern Maine Medical Center | Mercy Hospital | Webber Hospital Association | Pratt & Whitney Aircraft Group | University of Southern Maine | Mid Coast Hospital | Wal-Mart Stores Inc. | Bowdoin College | IDEXX Laboratories Inc. | TD Bank N.A. | York Hospital | WEX LLC | Verizon | Southern Maine Community College | Martin's Point HealthCare

Metrics and Ranking

Measurement	Value	Rankings
Population (hotel market area)	133,155	Last of 104
Income per Capita	\$51,430	41st of 104 (Average)
Feeder Group Size	31.5 Persons PSR	8th of 104 (Strong)
Feeder Group Earnings	\$1,620,265 PSR	12th of 104 (Above Average)
Total Market Hotel Revenues	\$289.5 million	86th of 104 (Below 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	63.1%	\$135.37	\$85.39	\$124.54	\$78.56	\$10.83	92.0%	50.0%	1.60	5,150	0.97
2016	67.1%	\$141.48	\$94.92	\$129.87	\$87.12	\$11.62	91.8%	53.8%	1.59	5,190	1.16
2017	68.8%	\$144.19	\$99.22	\$132.05	\$90.86	\$12.14	91.6%	54.6%	1.60	5,170	1.11
2018	69.0%	\$150.41	\$103.74	\$138.17	\$95.30	\$12.24	91.9%	56.8%	1.59	5,300	1.12
2019	69.9%	\$151.99	\$106.22	\$139.51	\$97.50	\$12.48	91.8%	59.3%	1.56	5,540	1.15
2020	44.3%	\$102.60	\$47.70	\$95.58	\$42.37	\$7.01	93.2%	38.6%	2.30	5,530	1.34
2021	66.4%	\$162.57	\$115.25	\$151.15	\$100.38	\$11.42	93.0%	39.9%	2.05	5,620	1.51
2022	69.5%	\$173.76	\$124.58	\$161.61	\$112.39	\$12.15	93.0%	41.5%	2.03	5,700	1.57
2023	71.0%	\$185.15	\$135.07	\$172.58	\$122.51	\$12.57	93.2%	42.0%	2.05	5,800	1.06
CAGR: 2015 thru 2023	1.5%	4.0%	5.9%	4.2%	5.7%	1.9%	0.2%	-2.1%	3.1%	1.5%	1.1%
1Q 2023	60.2%	\$133.96	\$80.66	\$125.08	\$75.31	\$8.88	93.4%	43.7%	2.02	5,770	1.39
1Q 2024	56.2%	\$122.52	\$68.91	\$113.33	\$63.74	\$9.19	92.5%	50.3%	1.77	6,040	1.00

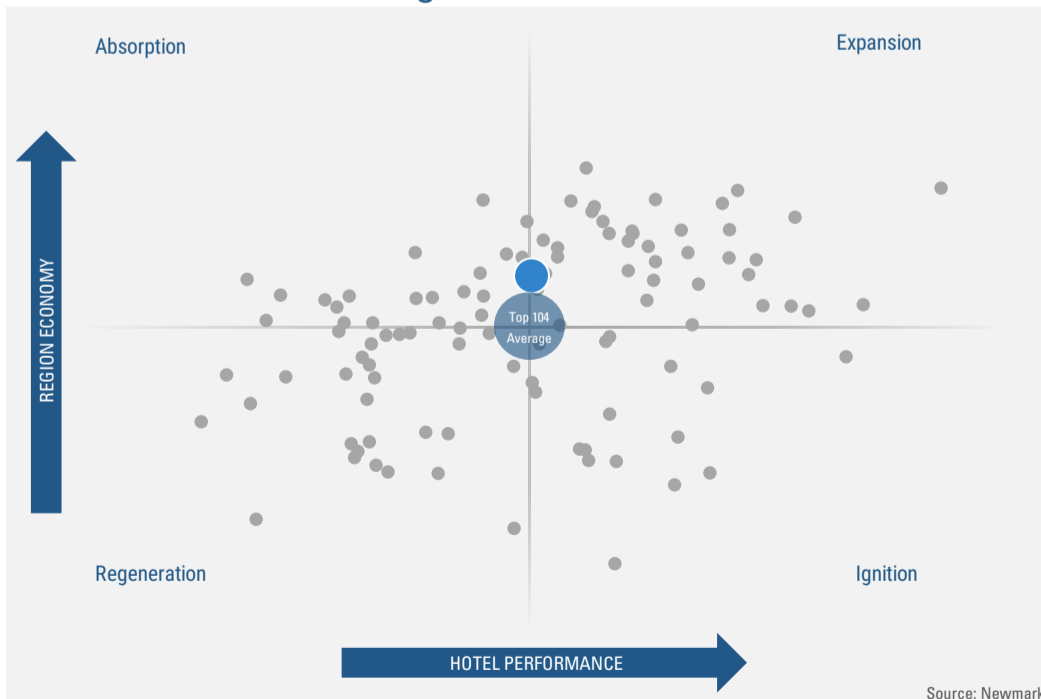
Notable Metrics

	Feeder Group Size	T12-Month Guest Paid RevPAR	Feeder Group Earnings per sold room
HIGHEST	8th Strong Portland, ME required a small feeder group size (31.50 Persons)	11th Above Average The market exhibited strong T12-month Guest Paid RevPAR (\$135.76)	12th Above Average The market also posted strong feeder group earnings per sold room (\$1,620,265)
LOWEST	102nd Soft This market has a limited lodging-related economy and shows minimal diversity in its sources of demand (1,542,698 room nights)	102nd Soft The market is small and offers a narrow variety of lodging scales and classes (6,042 total rooms)	100th Soft Portland, ME also exhibited weak T12-month average length of stay (1.76 Nights)

Notable Trends

	Long-Term Historical Occupancy Growth	Long-Term Historical Guest Paid RevPAR Growth	Long-Term Historical COPE RevPAR Growth
STRONGEST	3rd Very Strong Portland, ME enjoyed strong long-term historical occupancy growth (1.8%)	5th Strong The market exhibited strong long-term historical Guest Paid RevPAR growth (4.8%)	5th Strong The market also posted strong long-term historical COPE RevPAR growth (4.8%)
WEAKEST	102nd Soft The market has been hindered by high rooms supply growth over the last 12 months (4.8%)	81st Below Average We note this area has been burdened by high long-term historical supply growth (2.3%)	70th Below Average Portland, ME also has been hindered by weak long-term historical loyalty contribution growth (3.6%)

Market Performance Stage



Portland, ME: Expansion Stage

The Portland, ME 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: **At Risk**
 Employment Growth (2 yr): **1.5%**
 Risk Exposure (402 US markets): **68th Percentile: Above Average**
 Key Industry Notes:
 Large healthcare industry
 Coastline that attracts tourism
 Well-educated workforce
 Reliance on nonresident spending
 High business costs

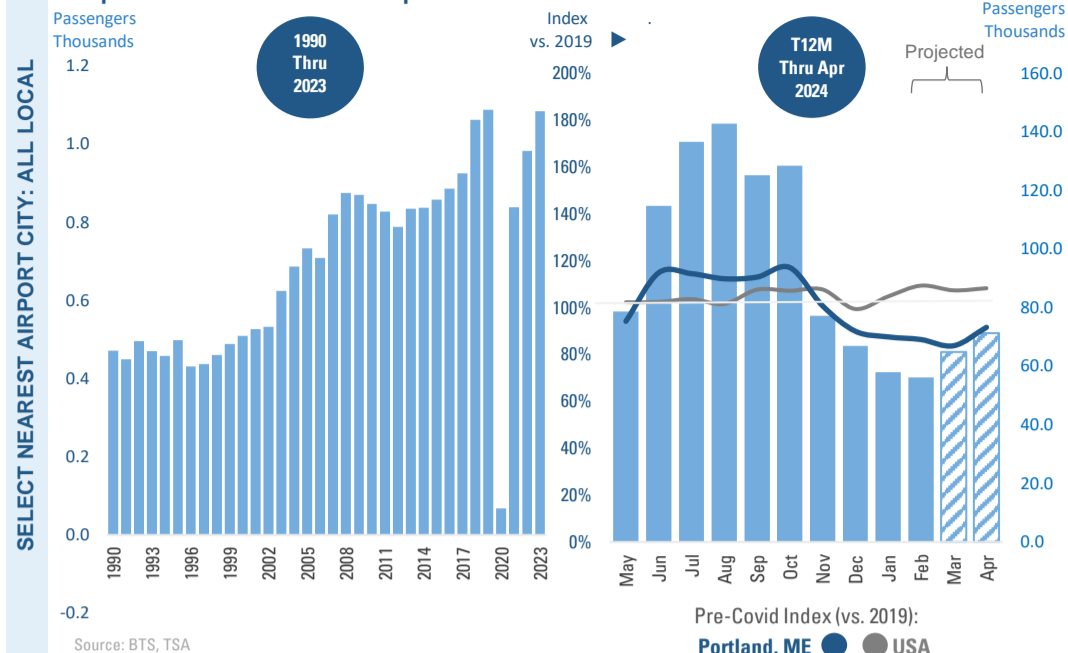
Moody's Rating

Aa2
Investment Grade

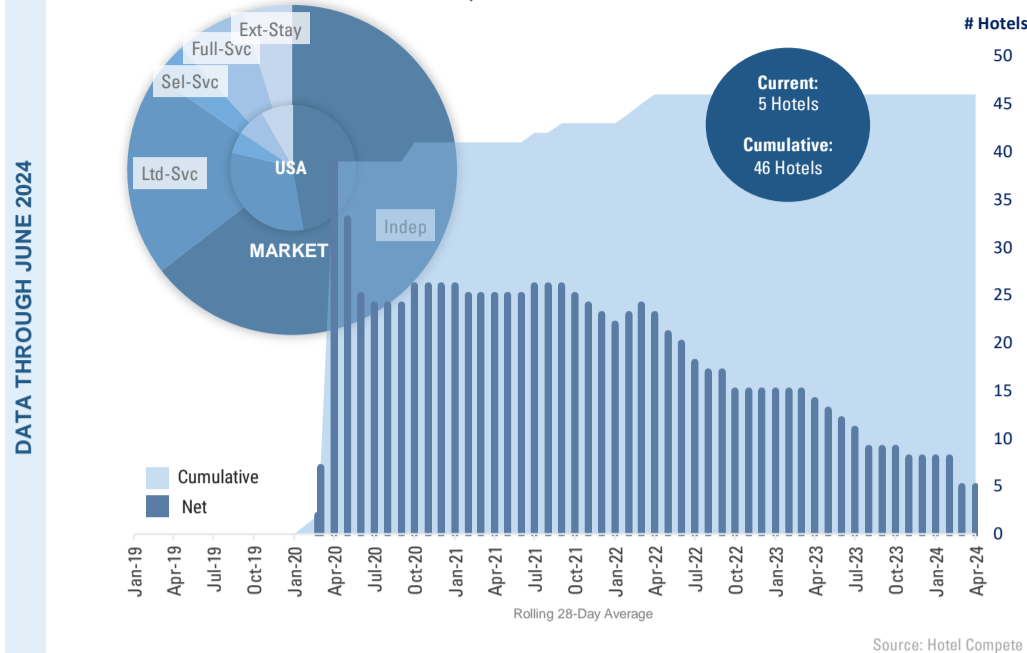
Long-term investment grade, Prime-1 short-term outlook



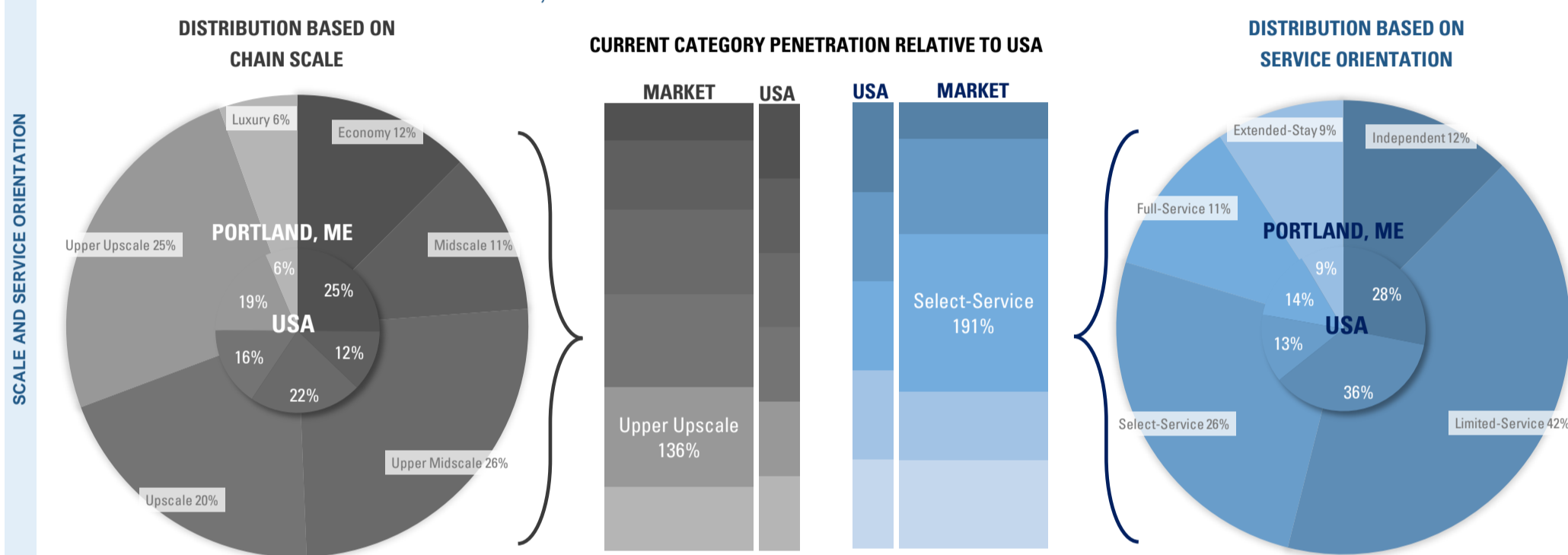
Airport Statistics - Enplanements



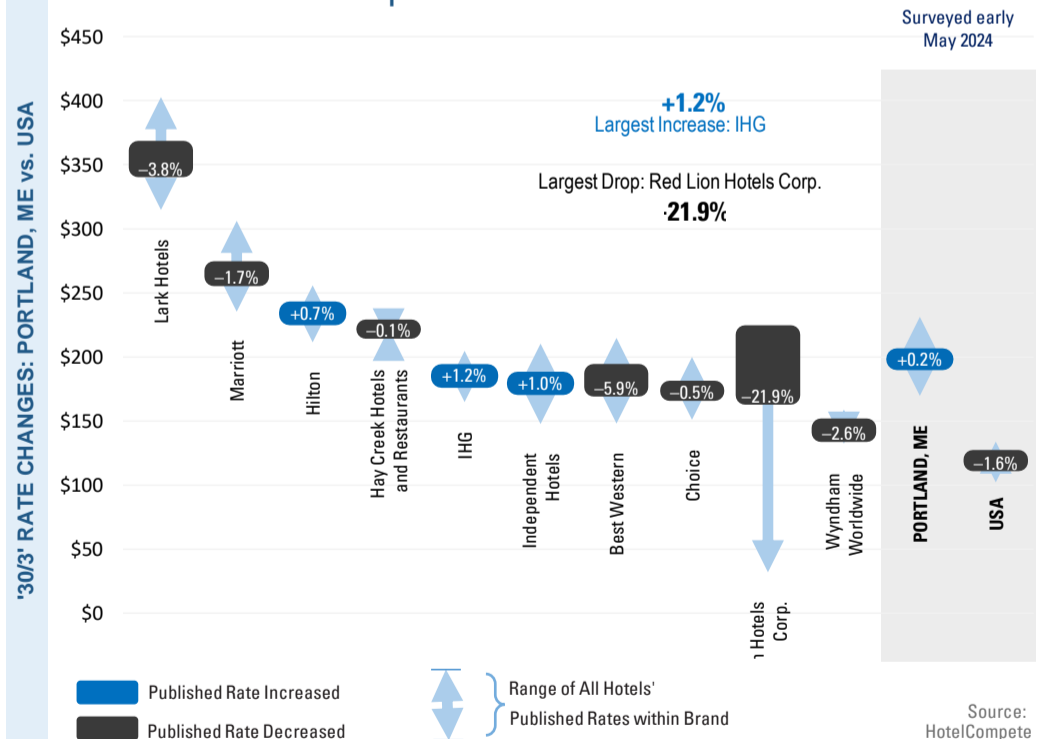
Hotel Closures - Portland, ME



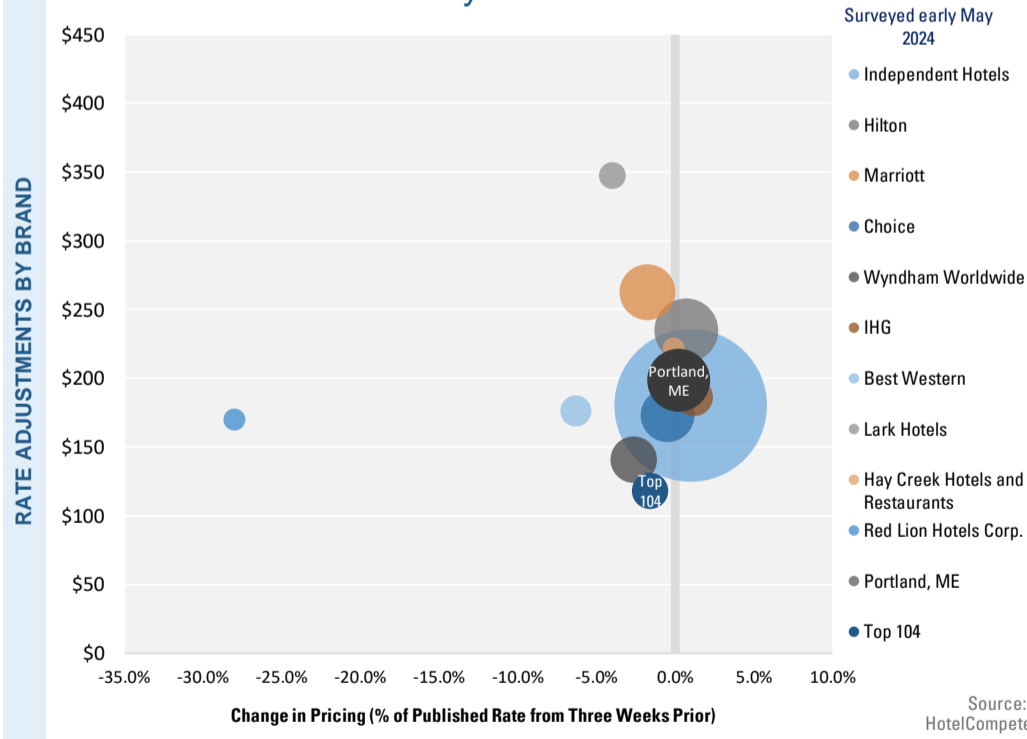
Scale and Service Distribution: Portland, ME



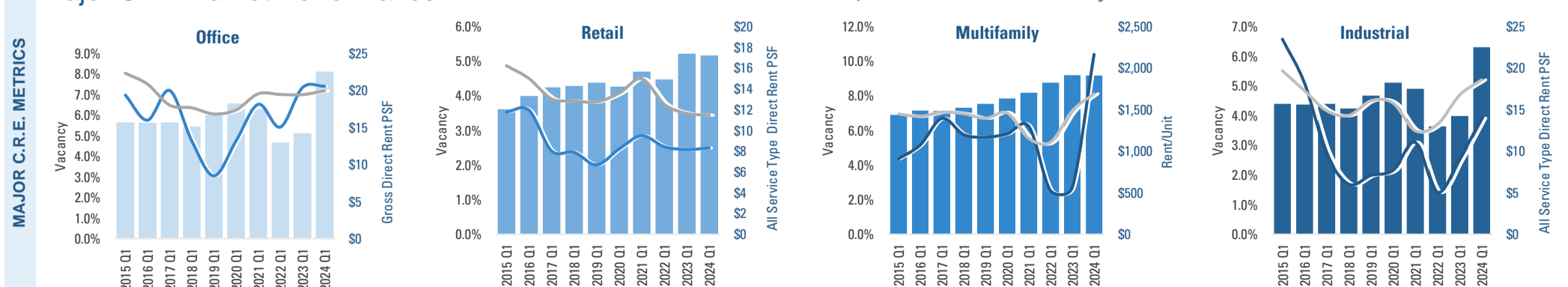
Published Rates: Top 10 Brands



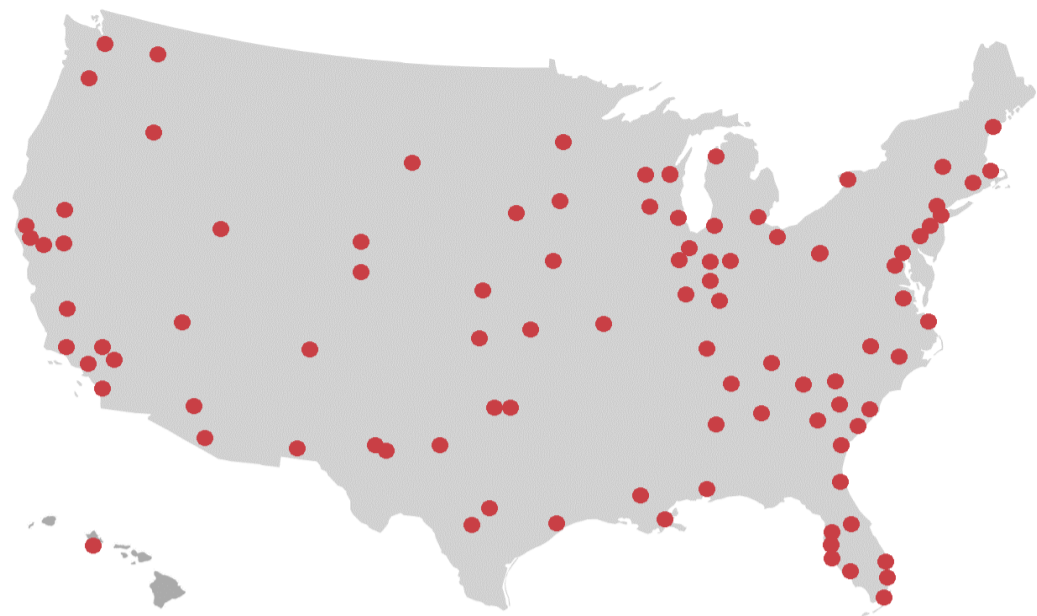
Published Rates: Volatility



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.

Our Hospitality, Gaming & Leisure platform has experience in valuation assignments and market analysis for properties including:

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Gaming Facilities

Arenas, Stadiums and Sports Facilities

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Golf Courses

Marinas

Ski and Village Resorts

Water Parks, Amusement Parks and Attractions

Our core disciplines and expert subject areas include:

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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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