

NEWMARK

1Q 2024

Hotel Market Nsights Report

PORTLAND, OR



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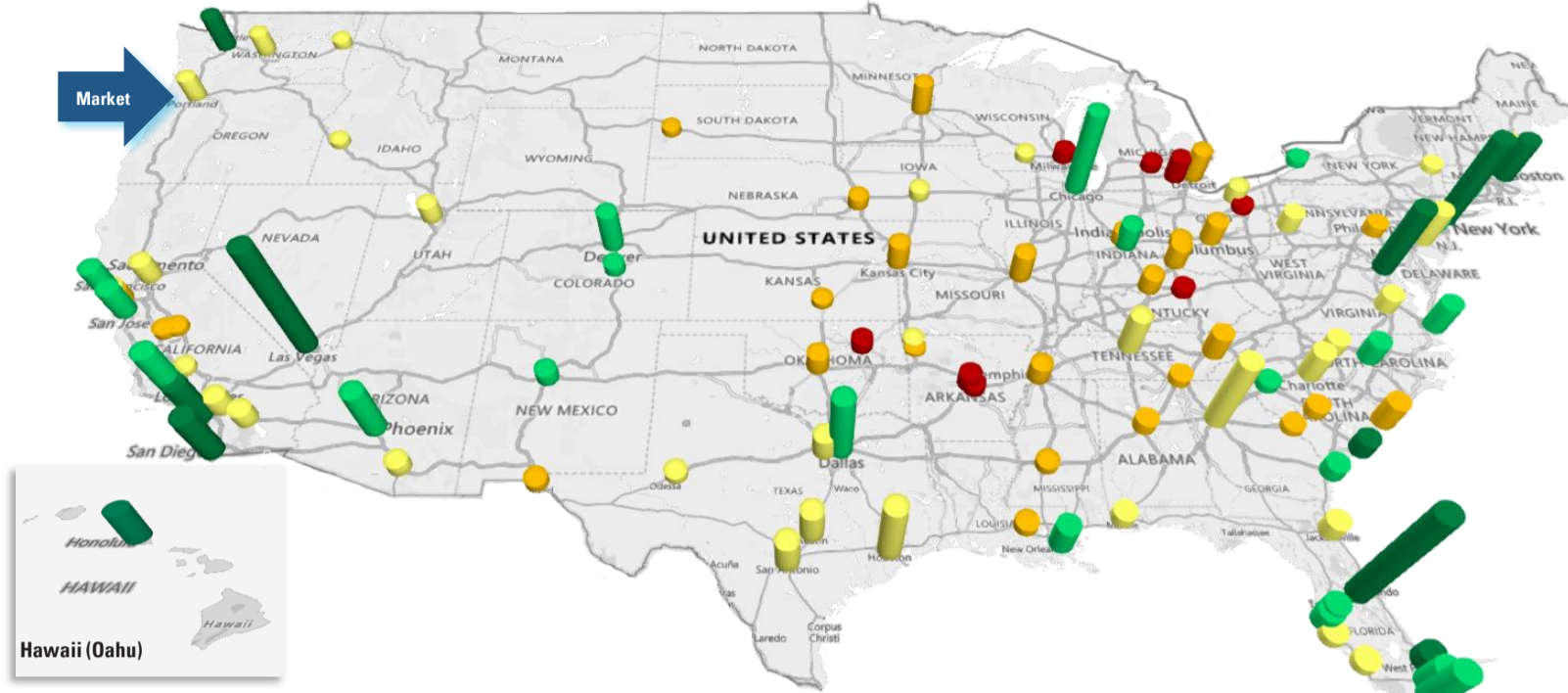
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1Q 2024
PORTLAND, OR

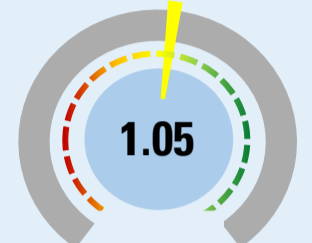


Lodging Performance Index Snapshot



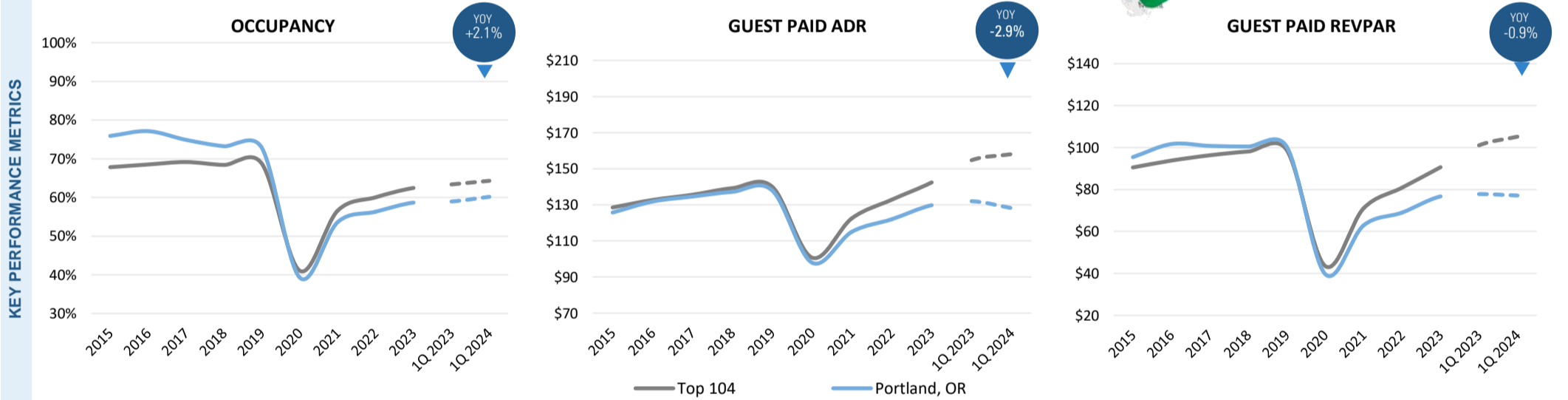
LODGING PERFORMANCE INDEX

Portland, OR



47th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (1.05) against all 104 surveyed markets.

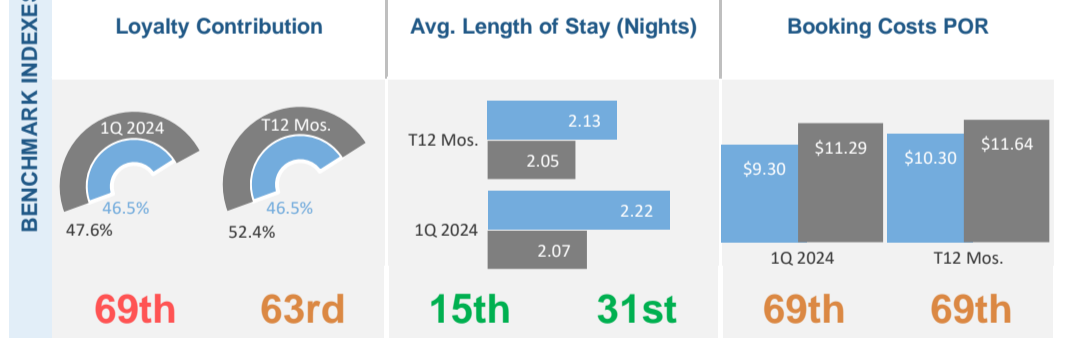


Key Performance Indexes

● Subject Market ● Top 104

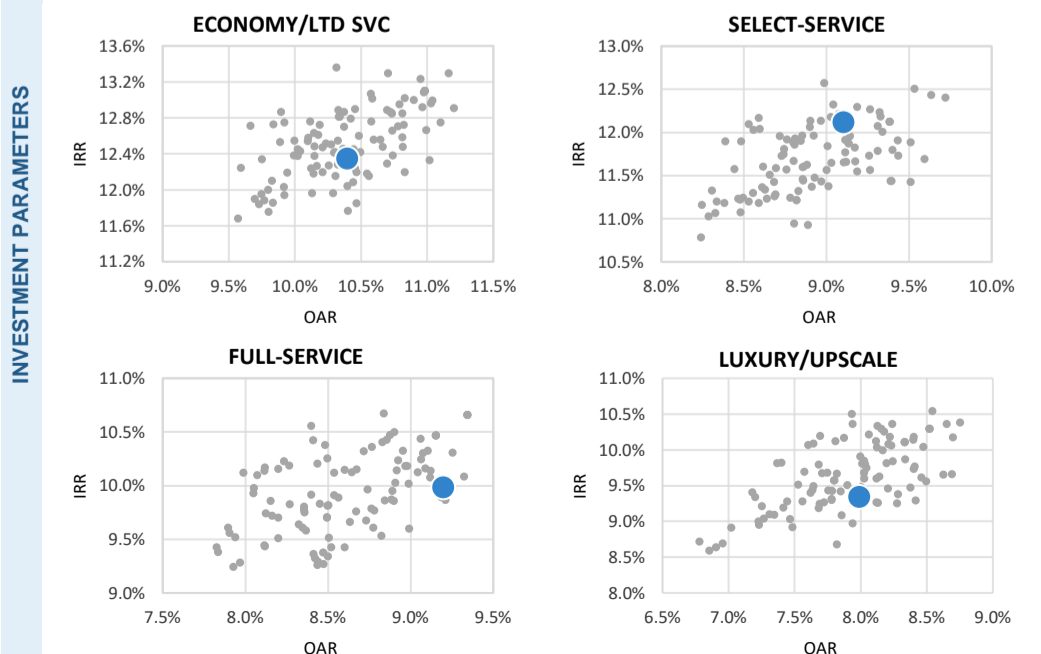


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

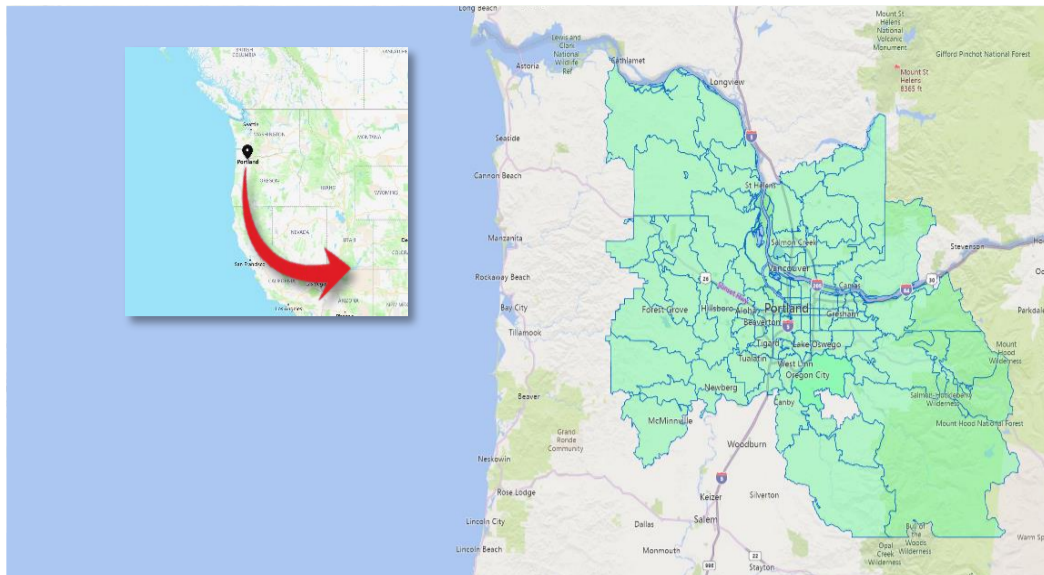


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Portland	
County:	Clackamas County, Multnomah County, Washington County and others	
State:	Oregon	
Geo Coordinates (market center):	45.53695, -122.64997	
Major Hotel Demand Generators		
Intel Corp. Providence Health Systems Oregon Health & Science University Legacy Health System Nike Inc. Kaiser Foundation Health Plan of the NW Fred Meyer Stores PeaceHealth Portland State University Daimler Trucks North America LLC Legacy Salmon Creek Medical Center Adidas Columbia Sportswear Co. The Vancouver Clinic WaferTech LLC - A TSMC Co. SEH America Inc. Dick Hannah Dealerships BNSF Railway Co. Banfield Pet Hospital Andersen Construction		
Metrics and Ranking		Measurements
Population (hotel market area)	2,132,661	
Income per Capita	\$61,532	
Feeder Group Size	108.7 Persons PSR	
Feeder Group Earnings	\$6,690,583 PSR	
Total Market Hotel Revenues	\$999.4 million	
Rankings		
	22nd of 104 (Above Average)	
	14th of 104 (Above Average)	
	88th of 104 (Below Average)	
	95th of 104 (Soft)	
	40th 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	75.9%	\$125.74	\$95.42	\$115.52	\$87.67	\$10.21	91.9%	47.2%	2.09	27,380	1.43
2016	77.1%	\$131.83	\$101.67	\$120.90	\$93.24	\$10.93	91.7%	51.0%	2.04	27,590	1.33
2017	74.9%	\$134.61	\$100.78	\$123.28	\$92.30	\$11.33	91.6%	51.6%	1.98	28,070	1.15
2018	73.2%	\$137.21	\$100.48	\$125.59	\$91.97	\$11.62	91.5%	55.1%	1.95	28,520	1.17
2019	72.8%	\$137.96	\$100.45	\$126.16	\$91.86	\$11.80	91.4%	58.7%	1.98	30,030	1.16
2020	39.3%	\$97.97	\$39.71	\$91.38	\$35.89	\$6.59	93.3%	37.1%	2.41	30,320	0.92
2021	53.6%	\$115.11	\$62.92	\$106.59	\$57.16	\$8.52	92.6%	38.4%	2.26	30,970	0.87
2022	56.3%	\$122.04	\$69.02	\$113.04	\$63.64	\$9.00	92.6%	39.6%	2.27	31,270	0.95
2023	58.7%	\$129.82	\$76.73	\$120.31	\$70.58	\$9.51	92.7%	40.6%	2.27	31,520	0.96
CAGR: 2015 thru 2023	-3.2%	0.4%	-2.7%	0.5%	-2.7%	-0.9%	0.1%	-1.9%	1.0%	1.8%	-4.9%
1Q 2023	58.9%	\$132.02	\$77.81	\$122.31	\$72.09	\$9.71	92.6%	46.0%	2.22	31,070	1.07
1Q 2024	60.2%	\$128.22	\$77.13	\$118.92	\$71.54	\$9.30	92.7%	46.5%	2.22	31,270	1.05

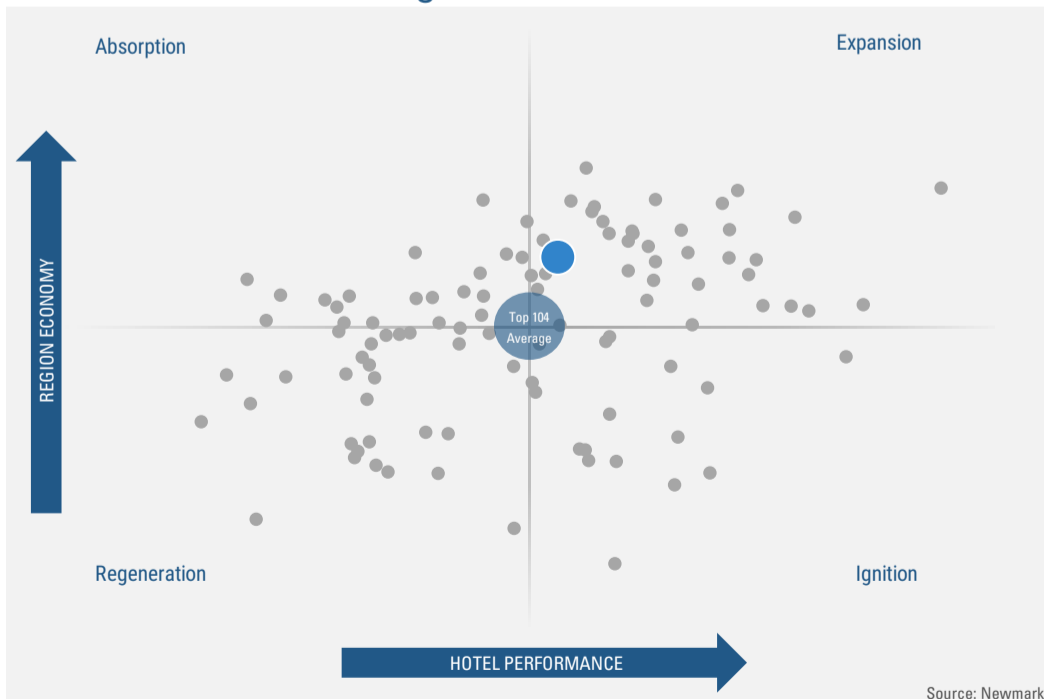
Notable Metrics

	Marketwide Income per Room	Economy Median Income	Latest-Quarter Average Length of Stay
HIGHEST	12th Above Average Portland, OR enjoyed a high ratio of marketwide income per room (\$2,972,506)	14th Above Average The market exhibited strong Economy Median Income (\$61,532)	15th Above Average The market also boasted strong latest-quarter average length of stay (2.22 Nights)
LOWEST	98th Highly Unfavorable This market posted unfavorable OAR metrics in the full-service segment (9.2%)	95th Soft The market has low feeder group earnings per sold room (\$6,690,583)	88th Below Average Portland, OR also required a large feeder group size (108.73 Persons)

Notable Trends

	Short-Term Historical Average Length of Stay Growth	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth
STRONGEST	6th Strong Portland, OR has benefited from strong short-term historical average length of stay growth (3.2%)	9th Strong The market enjoyed low short-term historical growth in booking costs (0.0%)	17th Above Average The market also has benefited from low long-term historical booking costs POR growth (1.5%)
WEAKEST	99th Soft The market has been hampered by weak short-term historical LPI growth (-4.9%)	99th Soft We note this area posted weak short-term historical COPE ADR growth (0.6%)	99th Soft Portland, OR also has been impeded by weak short-term historical Guest Paid ADR growth (0.6%)

Market Performance Stage



Portland, OR: Expansion Stage

The Portland, OR 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

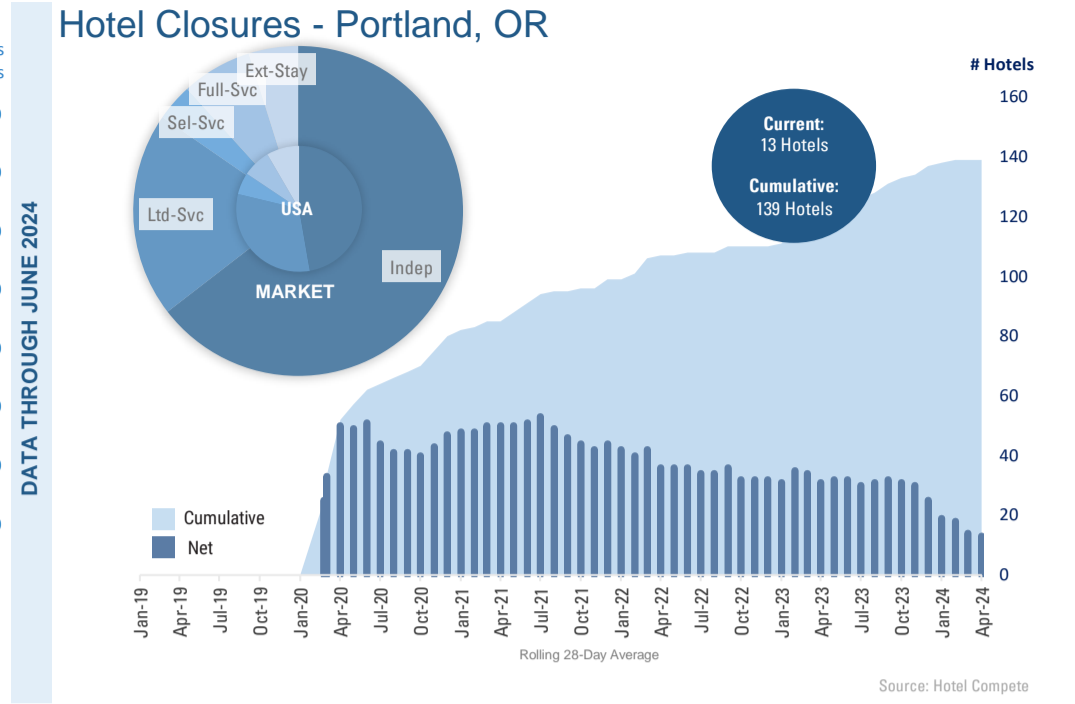
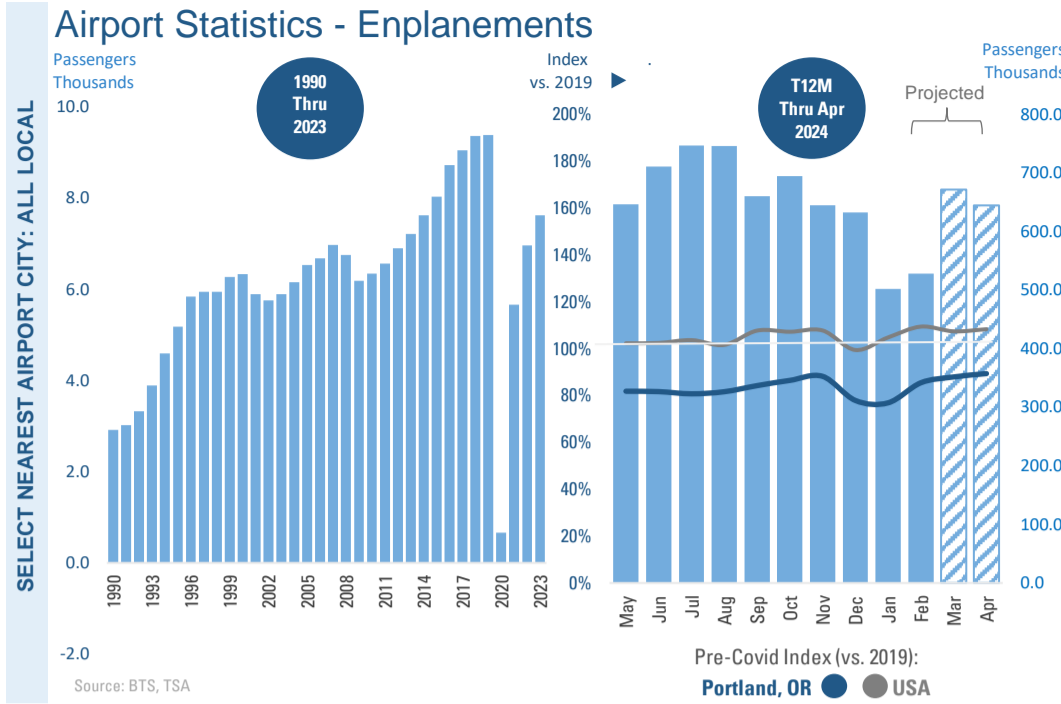
Business Cycle: **At Risk**
 Employment Growth (2 yr): **0.2%**
 Risk Exposure (402 US markets): **69th Percentile: Above Average**
 Key Industry Notes:
 High quality of life, low poverty rate
 Diversified economy
 Low costs versus other tech hubs
 Vulnerable to changes in terms of trade
 Expensive housing market

Moody's Rating

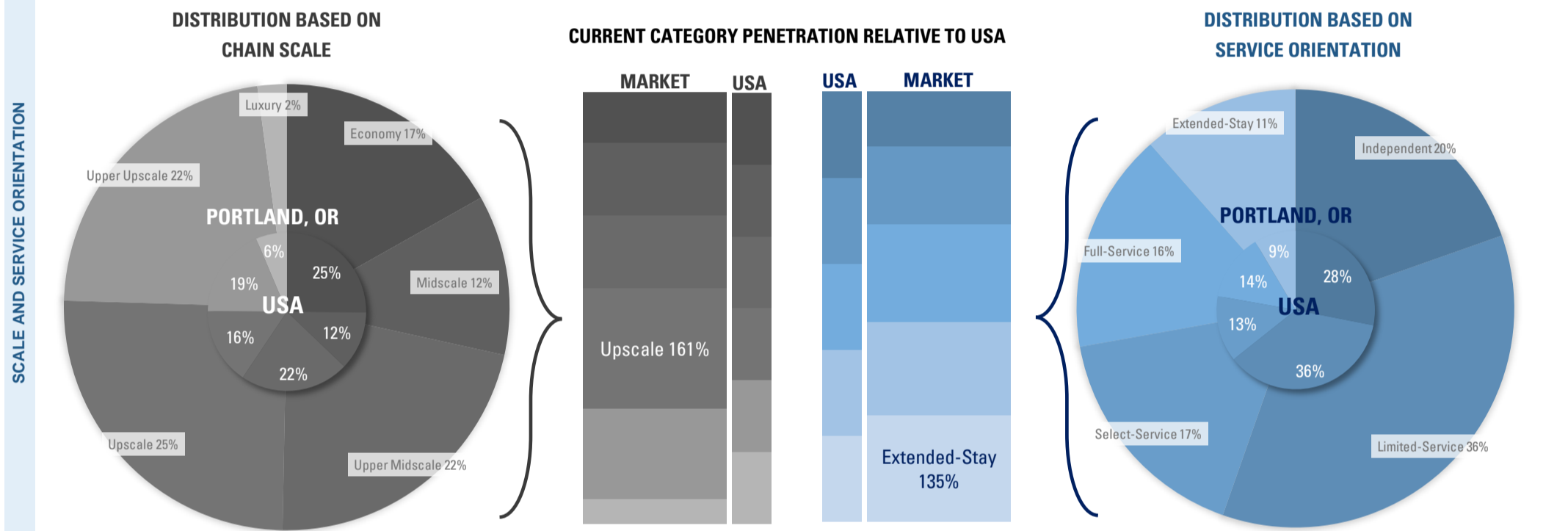
Aaa
Investment Grade

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

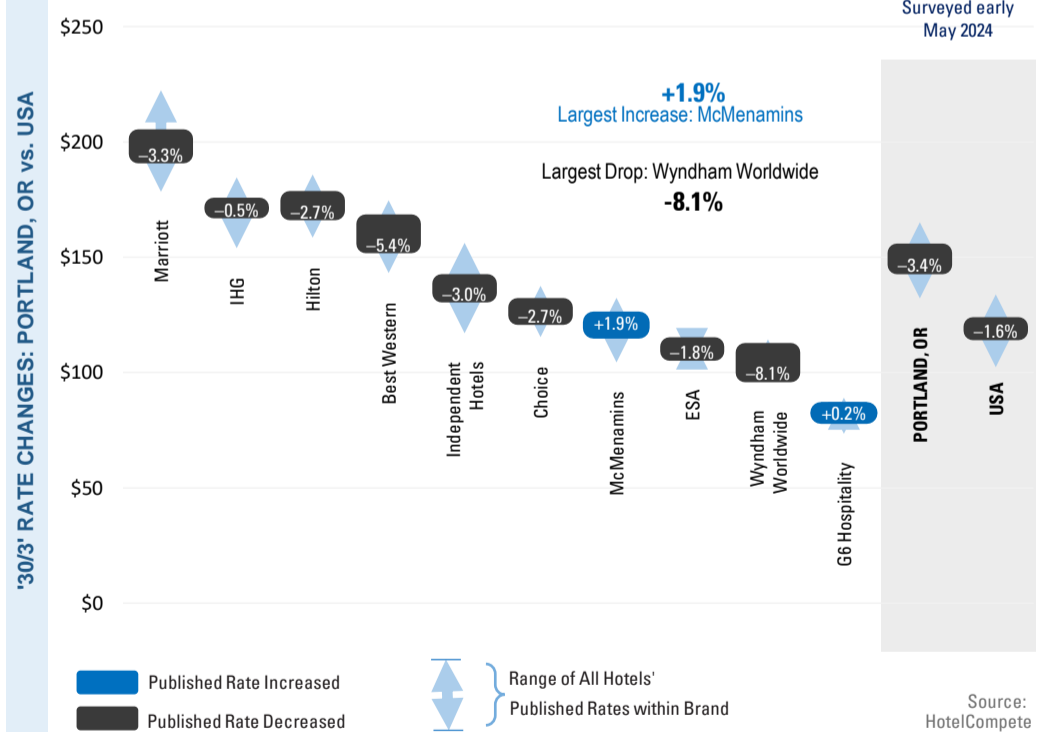




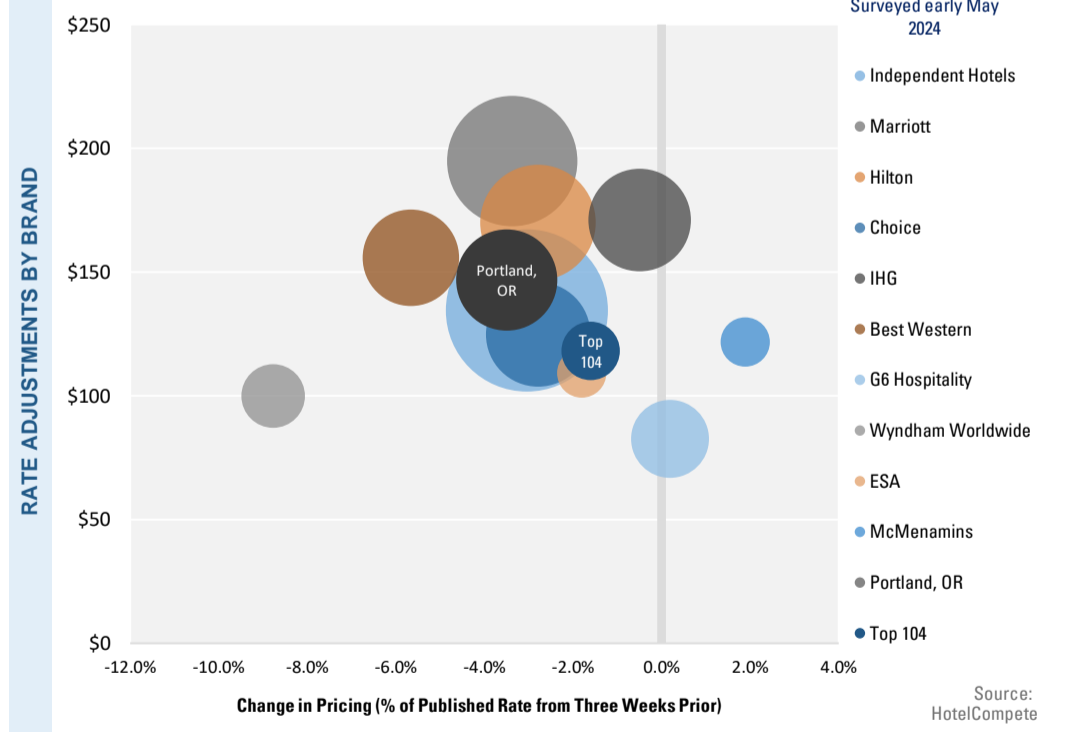
Scale and Service Distribution: Portland, OR



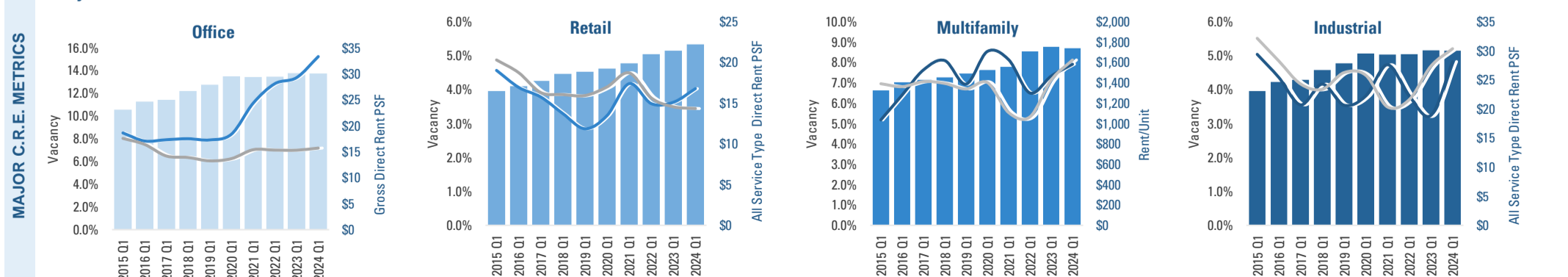
Published Rates: Top 10 Brands



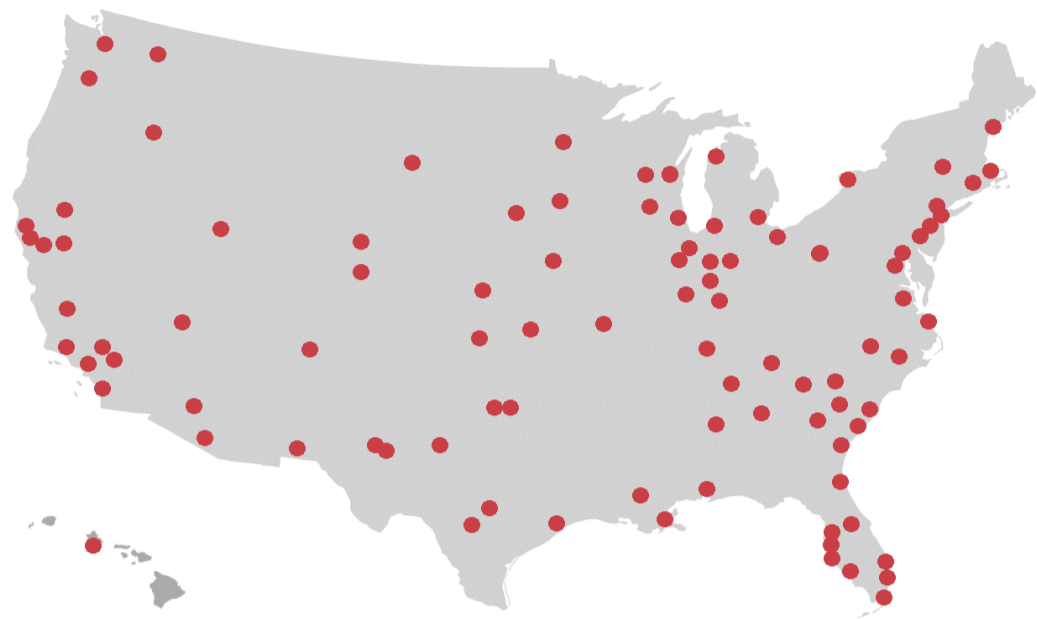
Published Rates: Volatility



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

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.

ABOUT NEWMARK

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