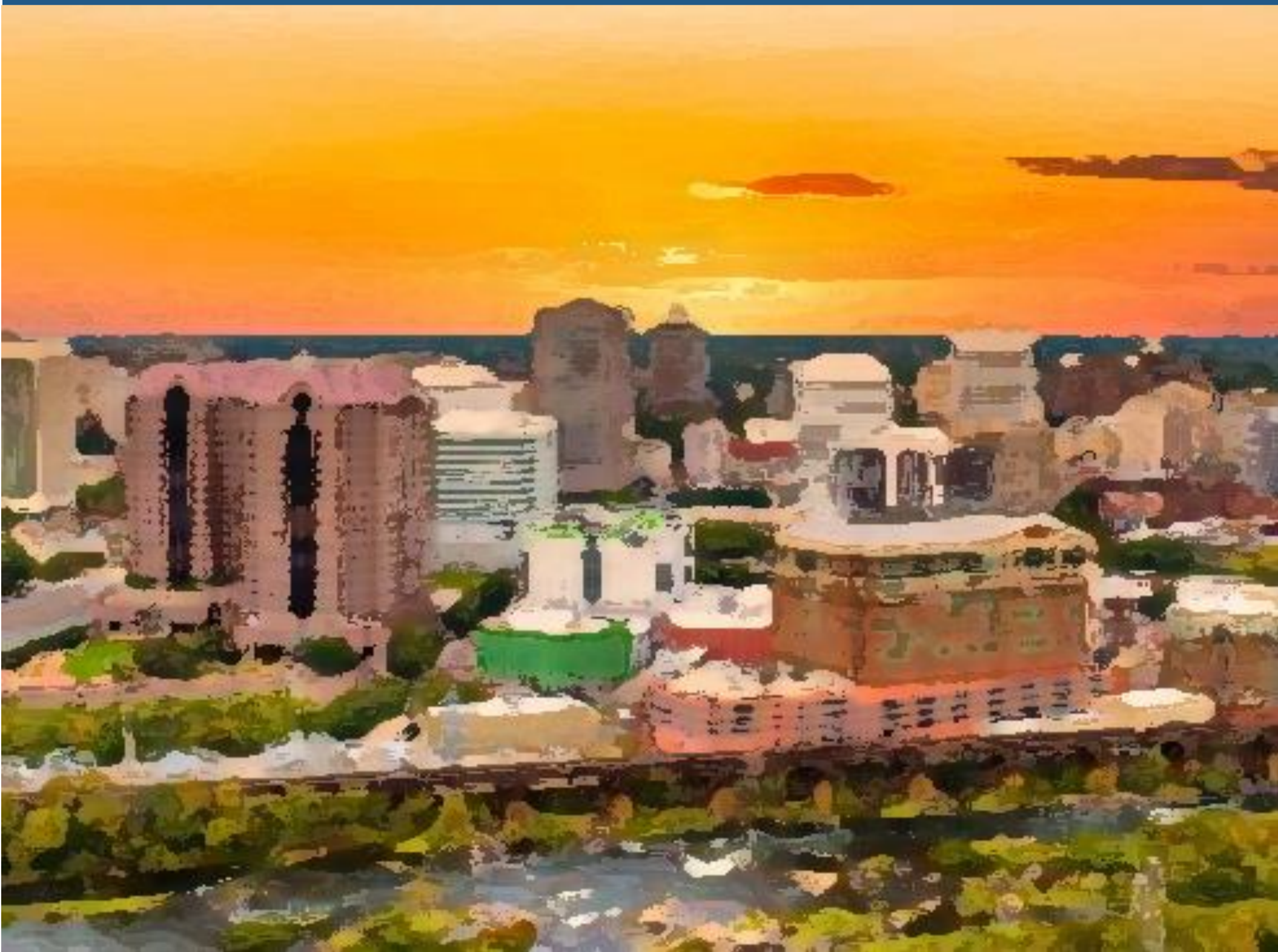


NEWMARK

1Q 2024

Hotel Market Nsights Report

RICHMOND, VA



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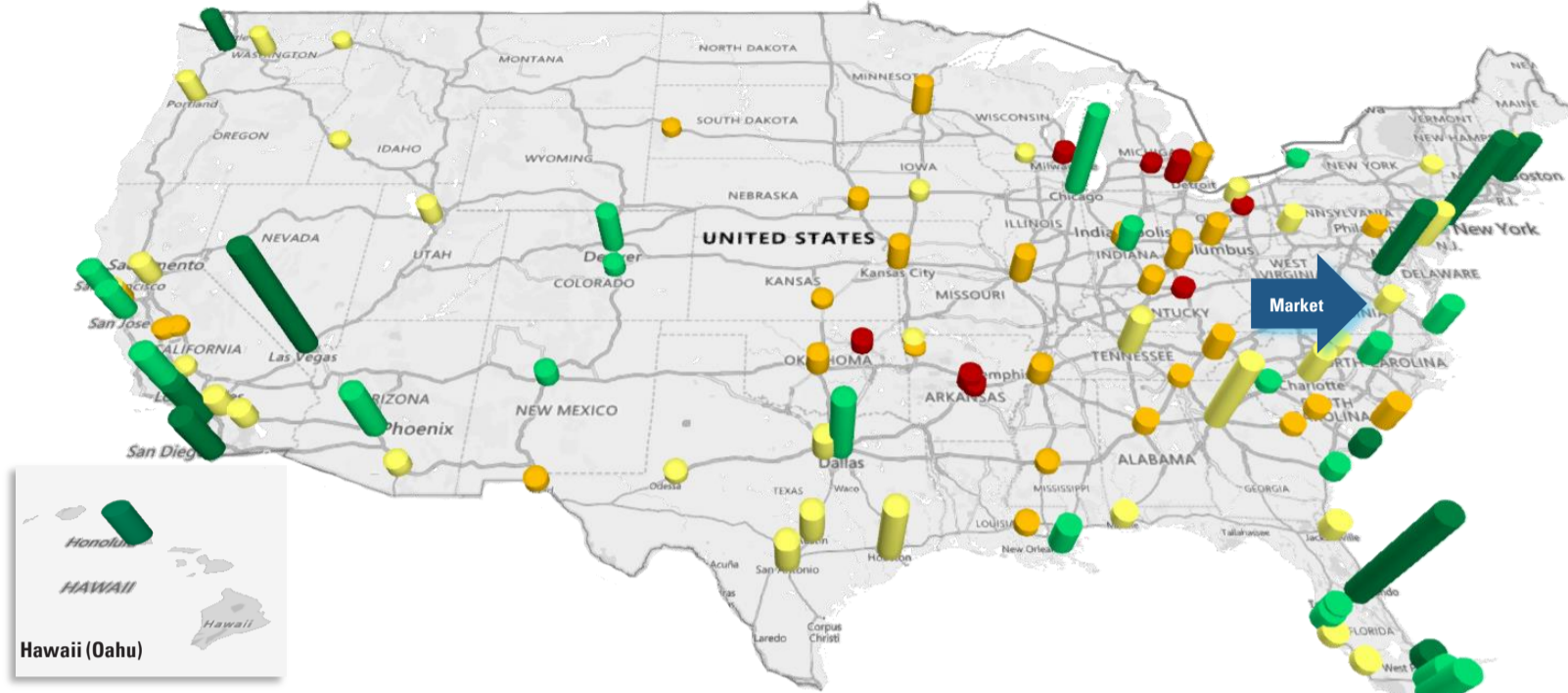
Mid-Atlantic Markets

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

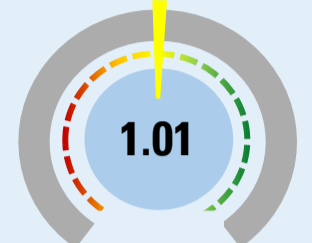


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

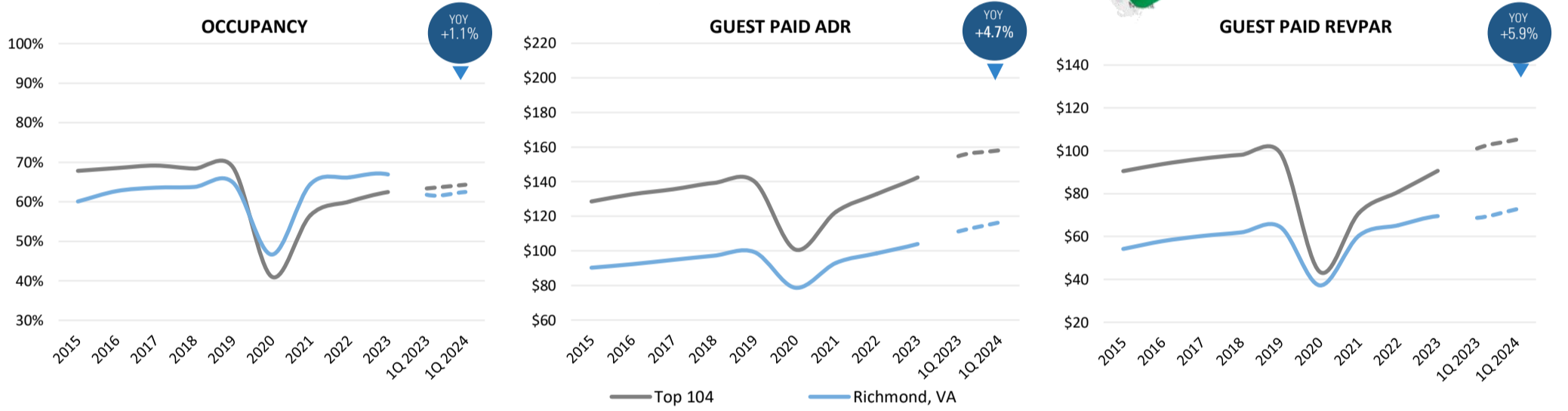
Richmond, VA



53rd of 104
Average

Ranking of overall '1Q 2024 LPI' performance (1.01) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

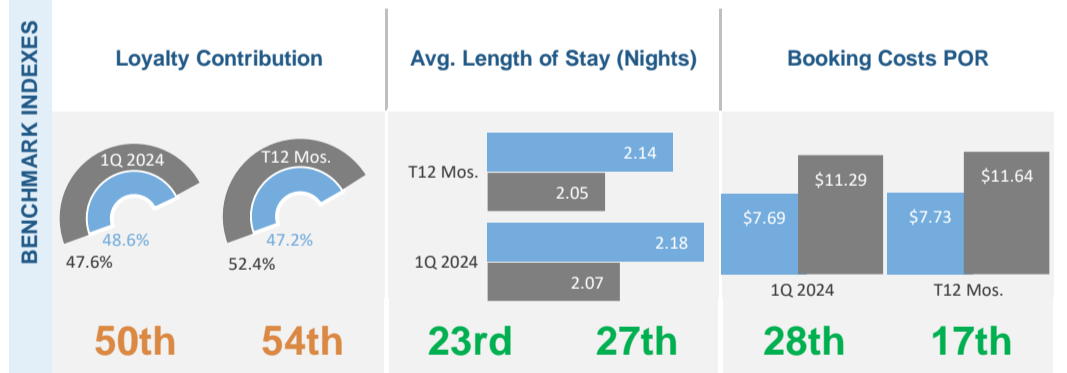


PERFORMANCE INDEXES

Key Performance Indexes

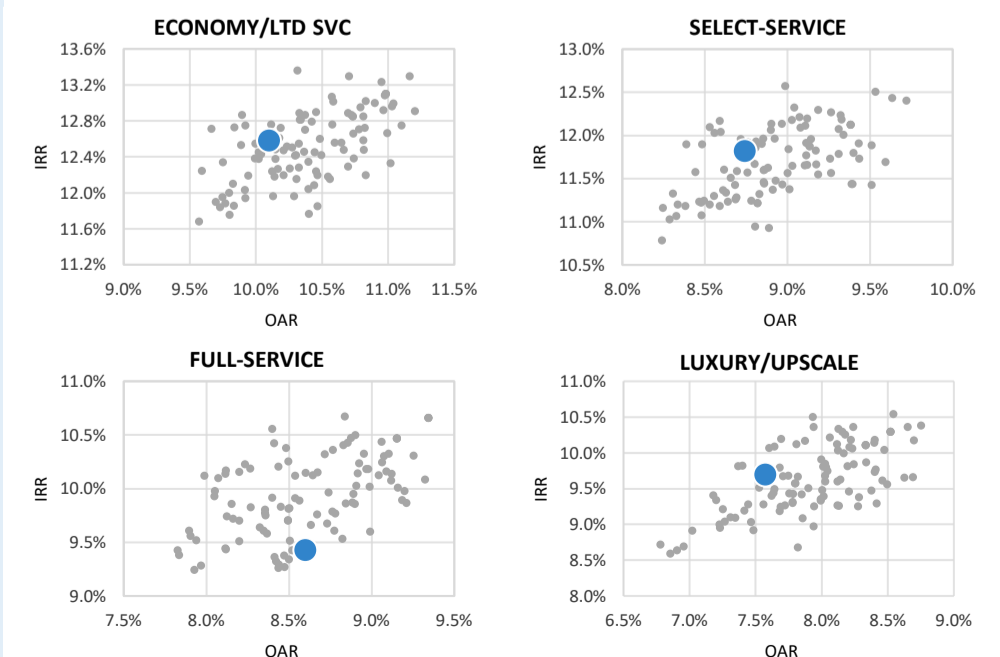


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

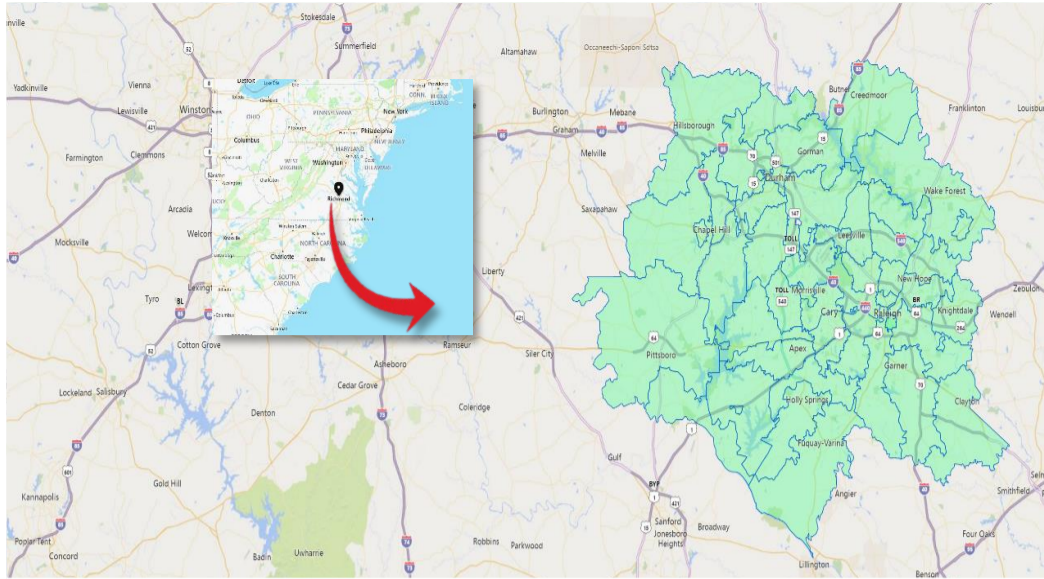


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

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

Municipal Name: Richmond
 County: Richmond City
 State: Virginia
 Geo Coordinates (market center): 37.55376, -77.46026

Major Hotel Demand Generators

Capital One Financial Corp. | Fort Lee | VCU Health System | HCA Inc. | Bon Secours Richmond Health System | Wal-Mart Stores Inc. | Dominion Resources Inc. | Food Lion LLC | SunTrust Banks Inc. | Altria Group Inc. | Amazon.com | Wells Fargo | Anthem Blue Cross and Blue Shield | The Kroger Co. | DuPont | Bank of America Corp. | Market Corp. | Federal Reserve Bank of Richmond | Verizon Communications | Fort AP Hill

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	967,066	57th of 104 (Average)
Income per Capita	\$42,356	73rd of 104 (Below Average)
Feeder Group Size	69.2 Persons PSR	47th of 104 (Average)
Feeder Group Earnings	\$2,931,377 PSR	33rd of 104 (Above Average)
Total Market Hotel Revenues	\$577.9 million	58th 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	60.1%	\$90.25	\$54.21	\$84.07	\$50.50	\$6.18	93.2%	45.0%	1.99	22,870	0.56
2016	62.7%	\$92.28	\$57.85	\$85.76	\$53.76	\$6.53	92.9%	47.6%	2.01	22,970	0.92
2017	63.6%	\$94.78	\$60.24	\$87.74	\$55.76	\$7.05	92.6%	49.8%	1.99	22,830	0.80
2018	63.7%	\$97.17	\$61.93	\$89.90	\$57.30	\$7.28	92.5%	52.6%	1.99	22,190	0.95
2019	64.9%	\$99.26	\$64.39	\$91.57	\$59.40	\$7.69	92.3%	56.5%	1.94	20,990	0.81
2020	46.6%	\$78.67	\$37.22	\$73.62	\$34.34	\$5.04	93.6%	39.0%	2.36	20,980	1.06
2021	64.4%	\$93.05	\$60.47	\$87.13	\$56.15	\$5.92	93.6%	40.0%	2.41	21,210	1.24
2022	66.2%	\$98.57	\$65.27	\$92.29	\$61.05	\$6.28	93.6%	40.8%	2.39	21,330	1.02
2023	66.9%	\$103.96	\$69.54	\$97.34	\$65.13	\$6.61	93.6%	41.5%	2.37	21,430	1.03
CAGR: 2015 thru 2023	1.4%	1.8%	3.2%	1.8%	3.2%	0.8%	0.1%	-1.0%	2.3%	-0.8%	7.9%
1Q 2023	61.8%	\$111.22	\$68.70	\$103.89	\$64.17	\$7.33	93.4%	46.1%	2.18	21,430	0.88
1Q 2024	62.5%	\$116.41	\$72.72	\$108.72	\$67.91	\$7.69	93.4%	48.6%	2.18	21,790	1.01

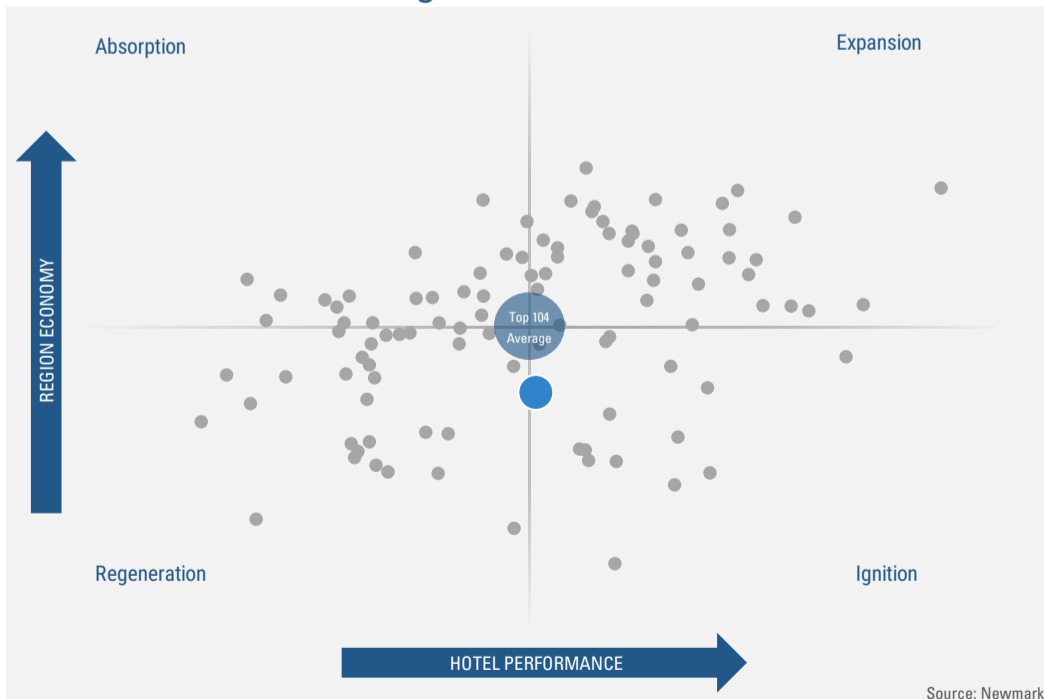
Notable Metrics

HIGHEST	IRR: Full-Service	T12-Month COPE ADR Percentage	T12-Month COPE ADR Percentage
	11th Favorable Richmond, VA enjoyed favorable IRR metrics in the full-service segment (9.4%)	22nd Above Average The market benefited from strong T12-month COPE ADR percentage (93.3%)	22nd Above Average The market also benefited from strong T12-month COPE ADR percentage (93.3%)
	T12-Month Guest Paid ADR	T12-Month COPE ADR	T12-Month COPE RevPAR
LOWEST	84th Below Average This market exhibited weak T12-month Guest Paid ADR (\$114.61)	83rd Below Average The market has been hindered by weak T12-month COPE ADR (\$106.88)	74th Below Average Richmond, VA also posted weak T12-month COPE RevPAR (\$68.93)

Notable Trends

STRONGEST	Long-Term Historical Occupancy Growth	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth
	8th Strong Richmond, VA enjoyed strong long-term historical occupancy growth (1.0%)	8th Strong The market enjoyed strong long-term historical LPI growth (7.4%)	8th Strong The market also has benefited from strong short-term historical LPI growth (9.9%)
	Long-Term Historical Loyalty Contribution Growth	General Economy Reversion	T12-Month Rooms Supply Growth
WEAKEST	84th Below Average The market has been hindered by weak long-term historical loyalty contribution growth (3.3%)	81st Below Average We note this area posted weak general economic reversion (per-capita unemployment, GDP and other indicators)	74th Below Average Richmond, VA also has been hindered by high rooms supply growth over the last 12 months (1.7%)

Market Performance Stage



Richmond, VA: Ignition Stage

The Richmond, VA 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

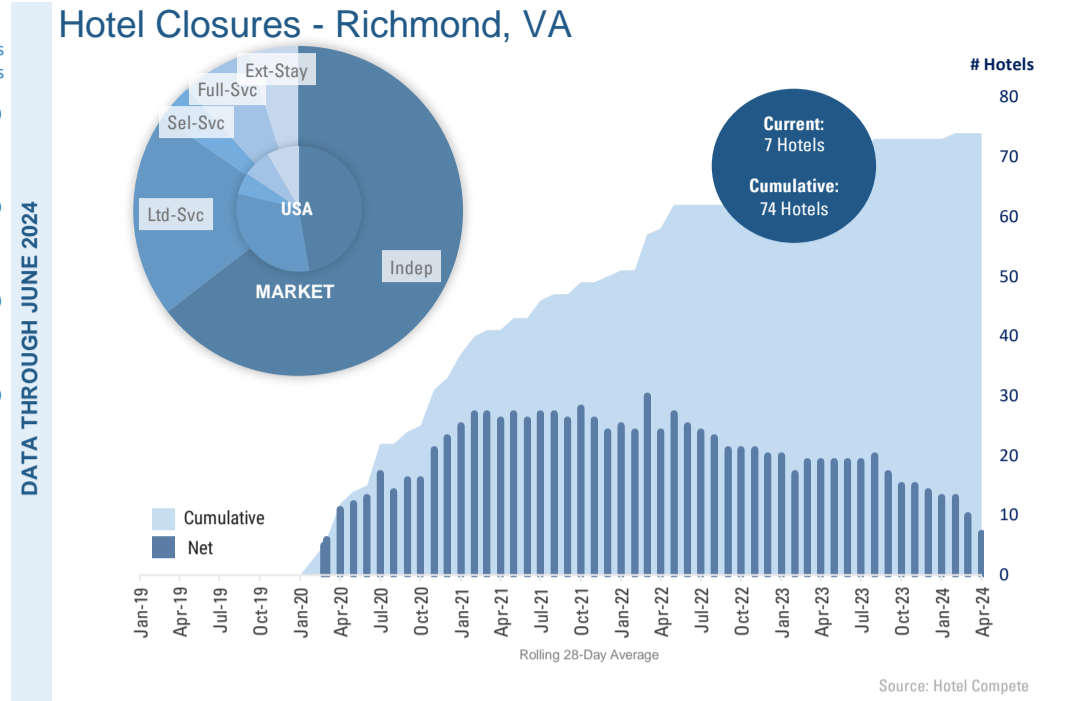
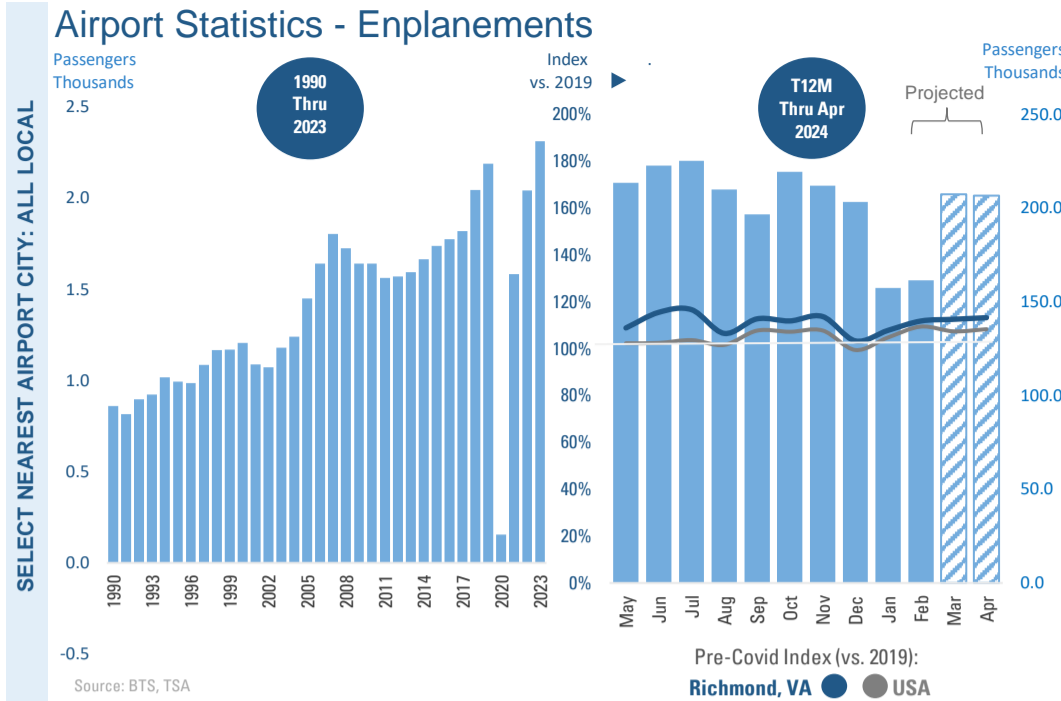
Business Cycle: **At Risk**
 Employment Growth (2 yr): **1.4%**
 Risk Exposure (402 US markets): **78th Percentile: Above Average**
 Key Industry Notes:
 Above-average per capita income
 Lower business costs
 Stable, positive net migration
 Sensitivity to strength of DC economy
 Reliance on state government

Moody's Rating

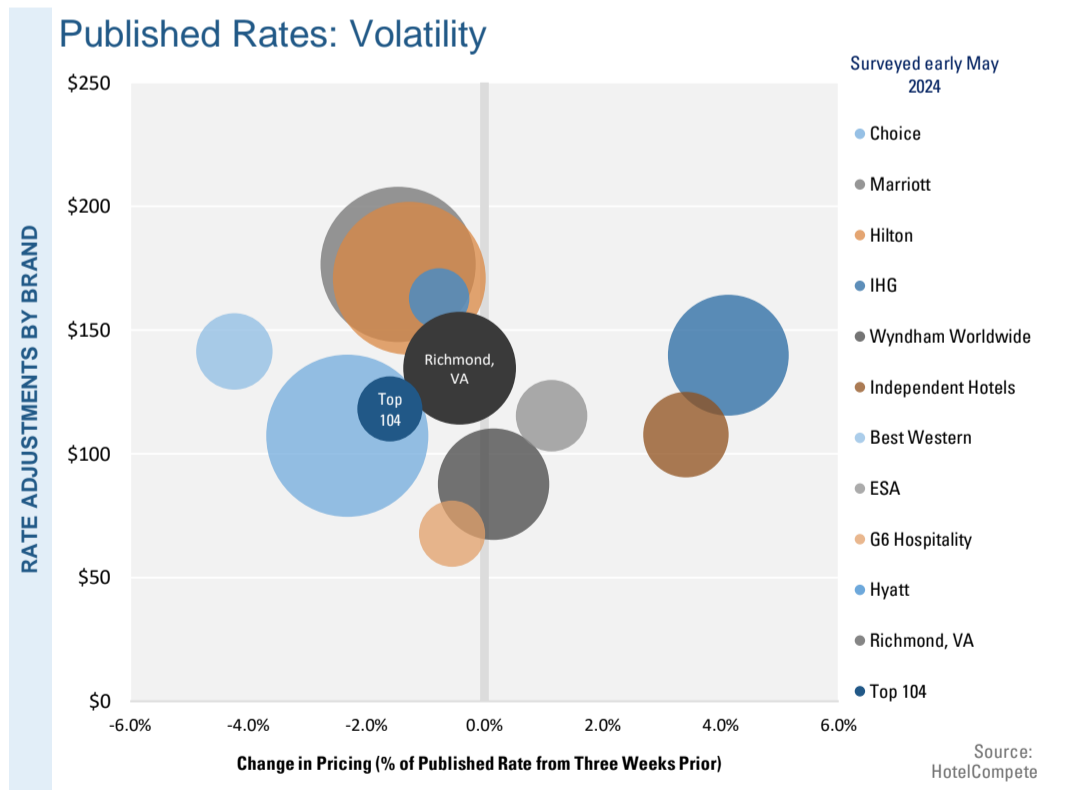
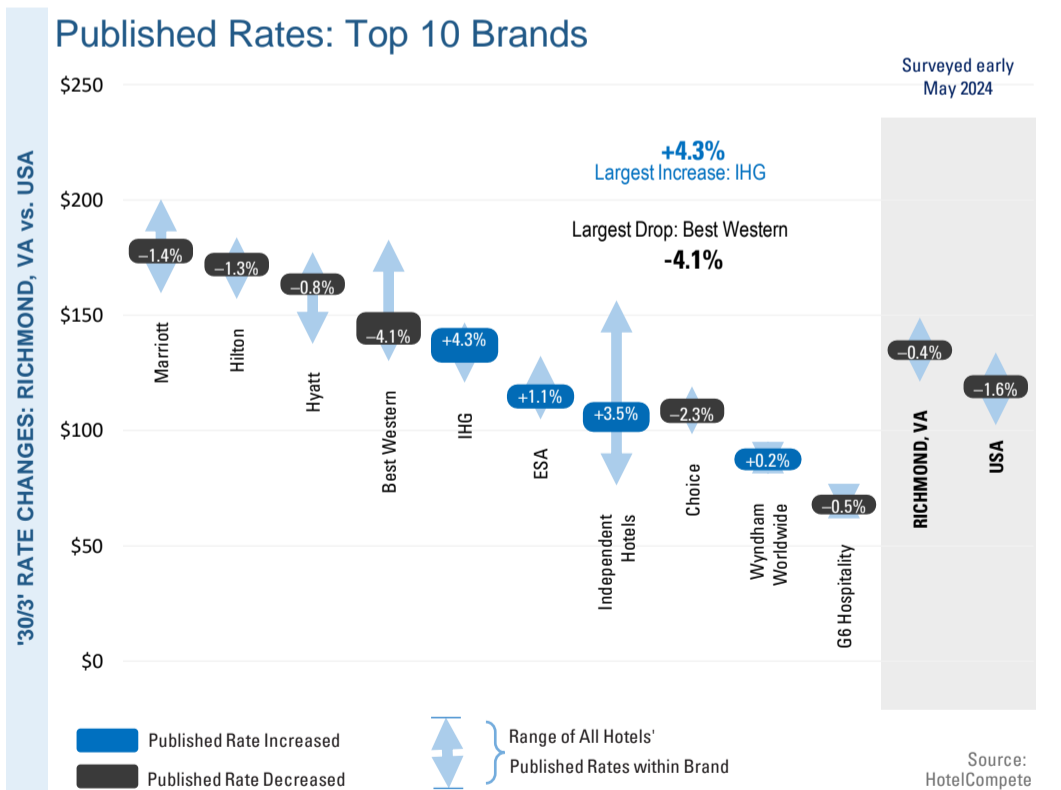
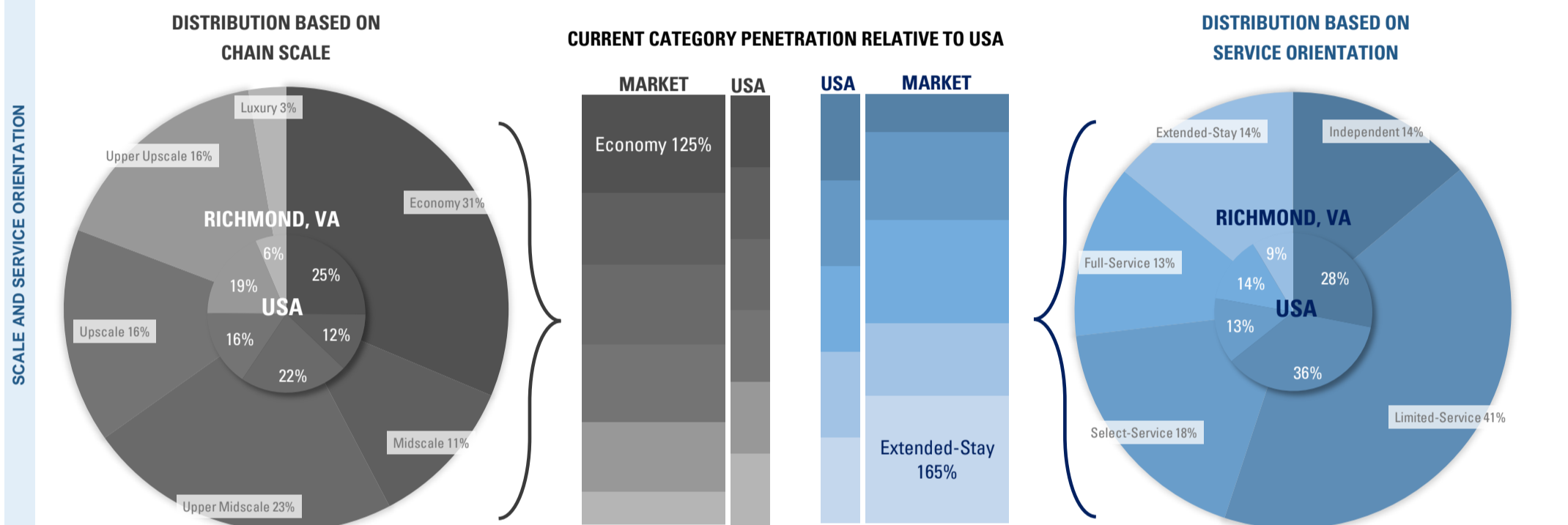
Aaa
Investment Grade

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

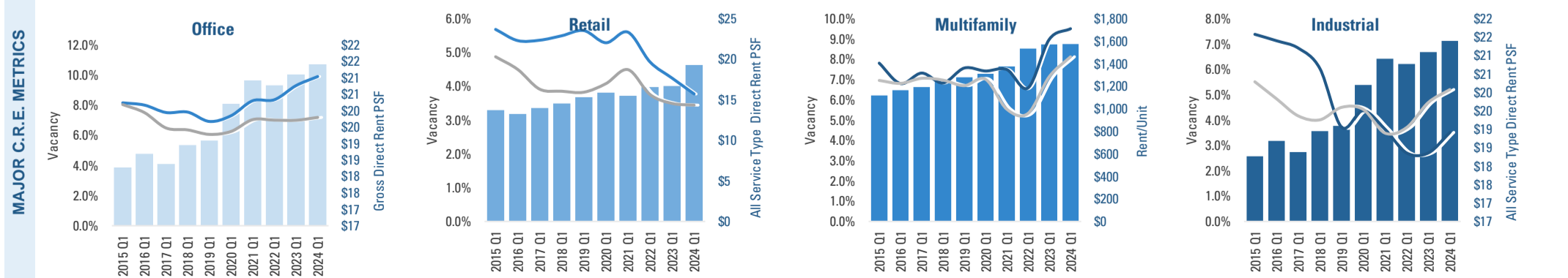




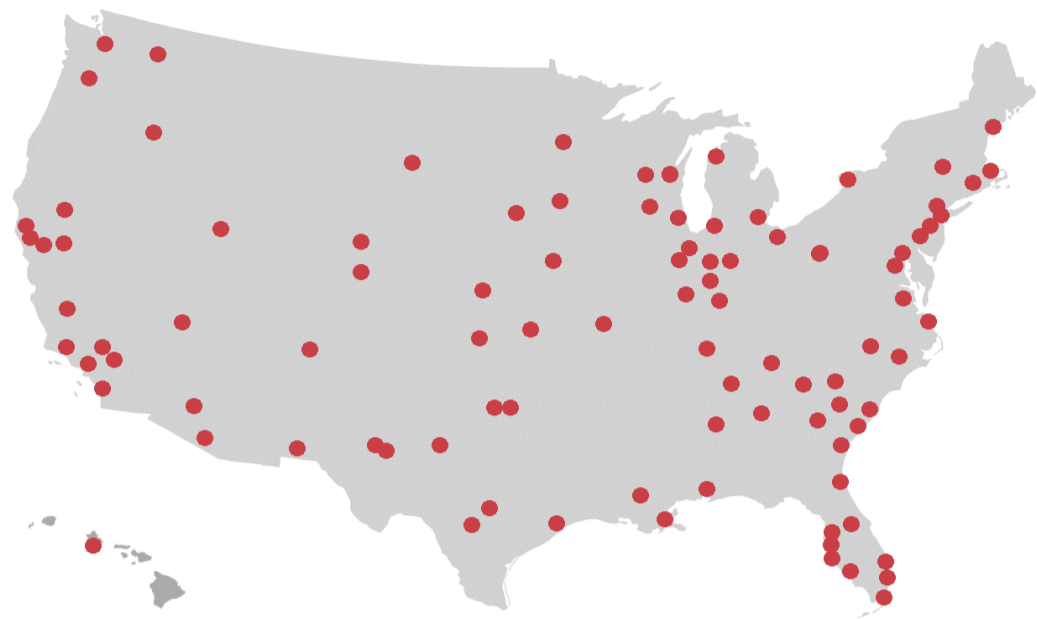
Scale and Service Distribution: Richmond, VA



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

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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

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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