

NEWMARK

1Q 2024

Hotel Market Nsights Report

SAN ANTONIO, TX



FOR MORE INFORMATION:

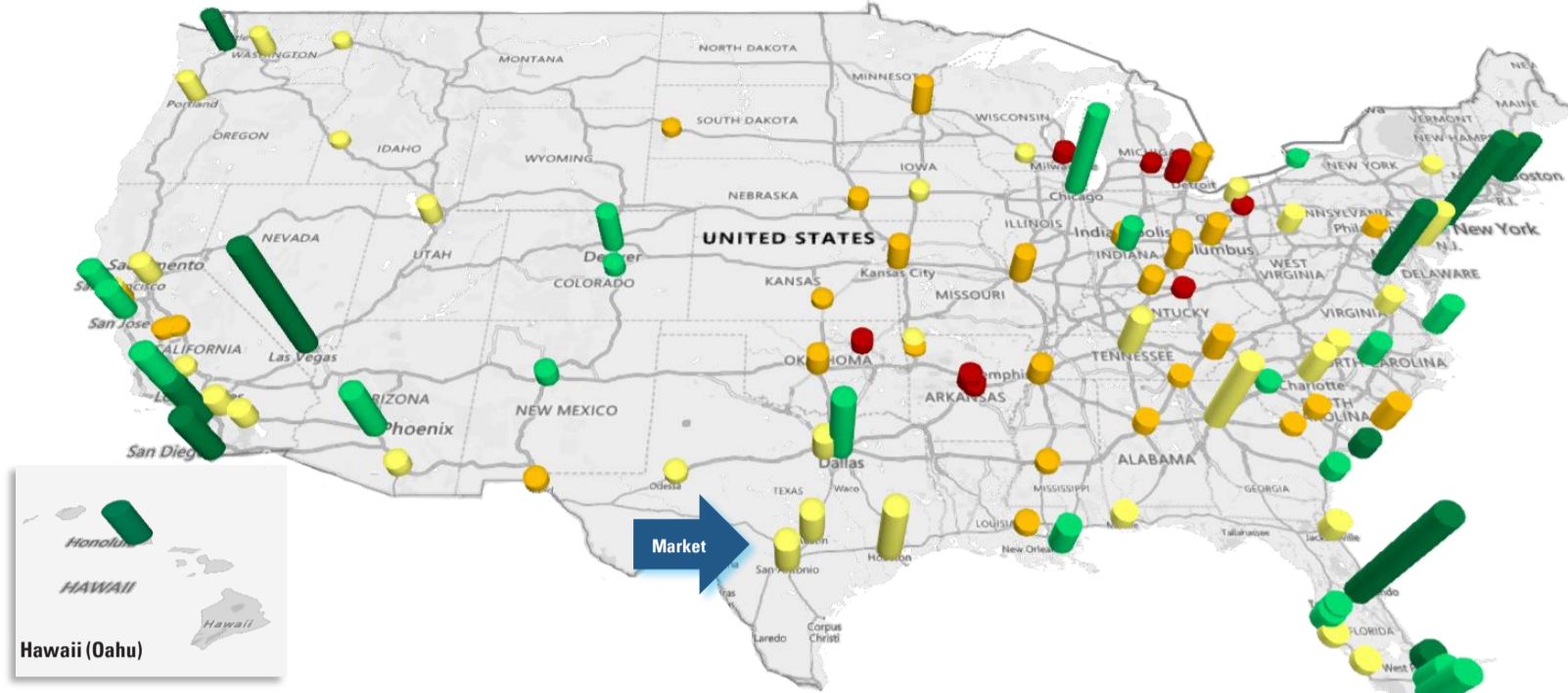
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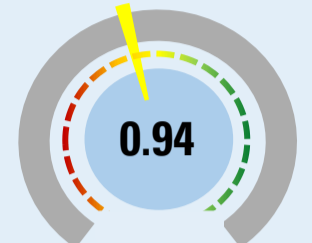


Lodging Performance Index Snapshot



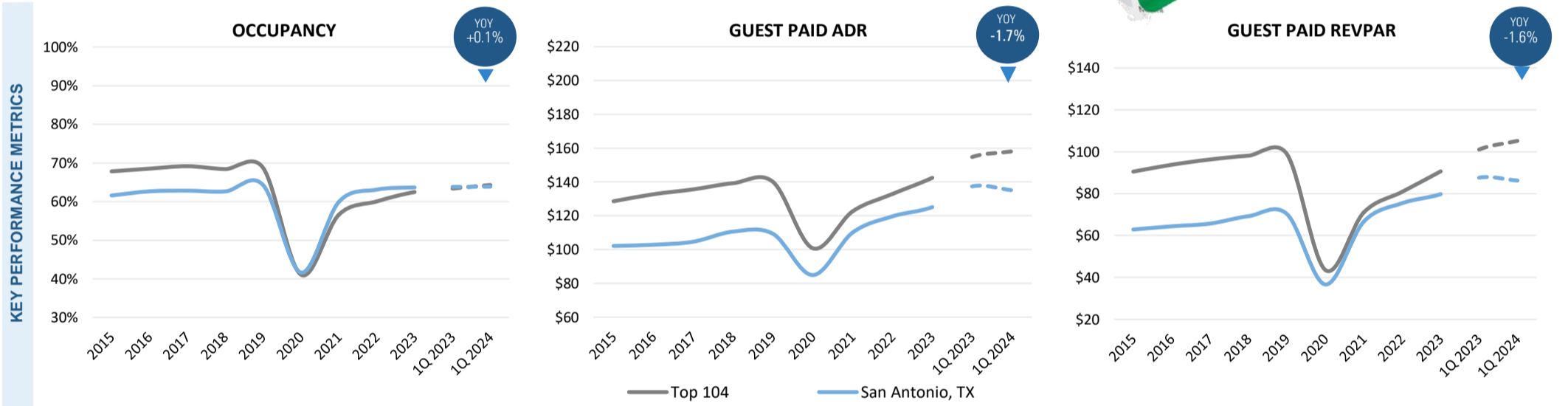
LODGING PERFORMANCE INDEX

San Antonio, TX



61st of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.94) against all 104 surveyed markets.

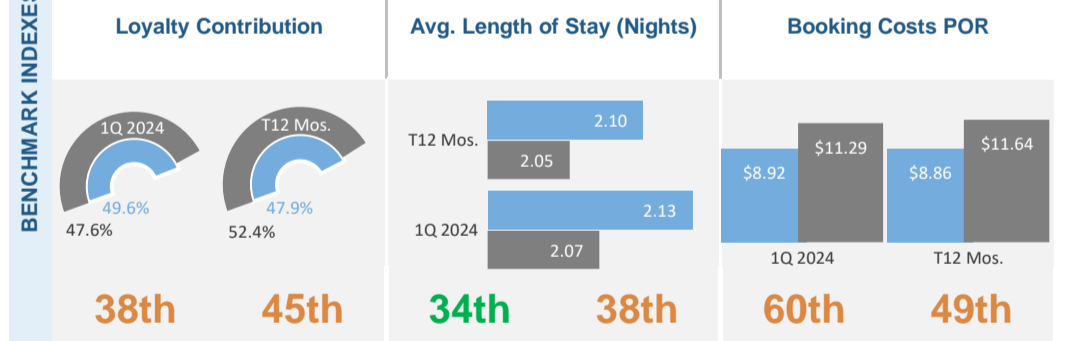


Key Performance Indexes

● Subject Market ● Top 104

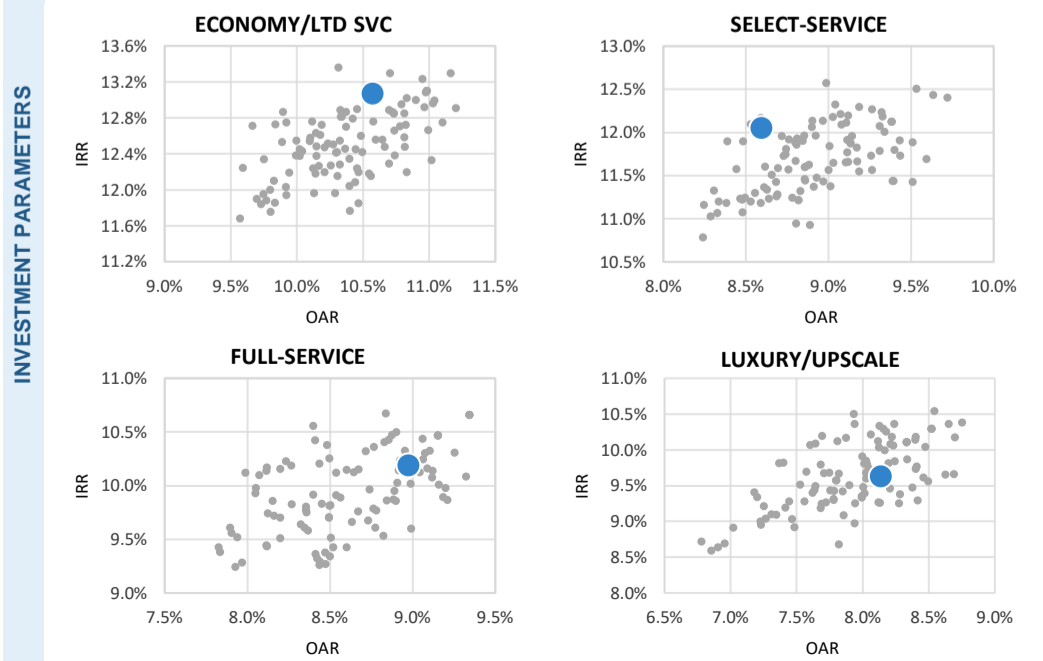


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

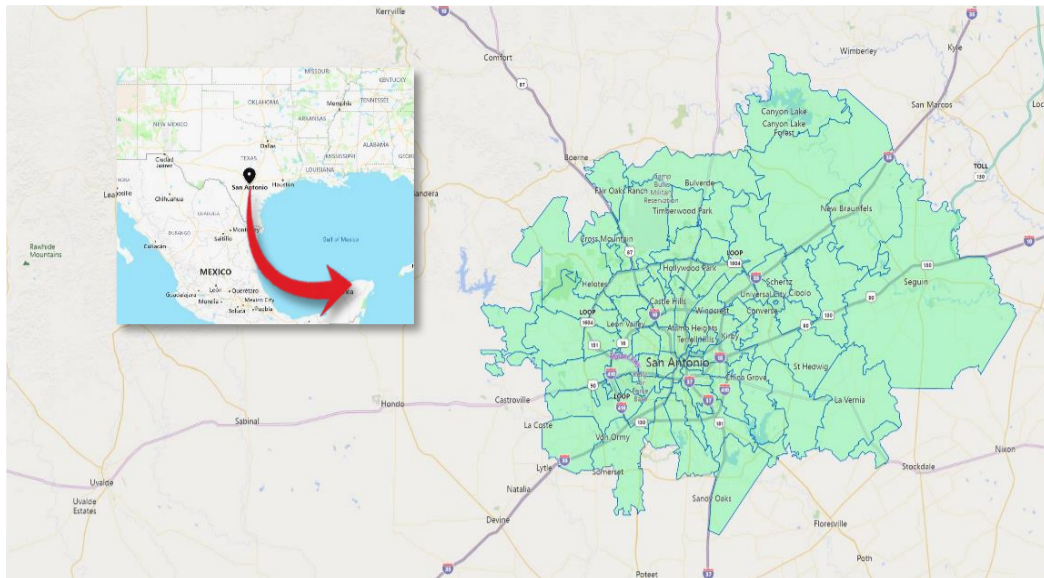


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	San Antonio	
County:	Bexar County, Comal County, Medina County	
State:	Texas	
Geo Coordinates (market center):	29.46594, -98.5247	
Major Hotel Demand Generators		
Joint Base San Antonio (JBSA) H-E-B USAA Methodist Healthcare System Baptist Health System JP Morgan Chase Wells Fargo AT&T Bill Miller BBQ Christus Santa Rosa Health Care Rackspace CPS Energy Toyota Motor Manufacturing Clear Channel Communications Boeing Southwest Research Institute Frost Bank Accenture Valero Energy Harland Clarke		
Metrics and Ranking		Measurement
Population (hotel market area)	1,928,907	Rankings
Income per Capita	\$49,711	26th of 104 (Above Average)
Feeder Group Size	64.2 Persons PSR	47th of 104 (Average)
Feeder Group Earnings	\$3,192,042 PSR	40th of 104 (Average)
Total Market Hotel Revenues	\$1.4 billion	44th of 104 (Average)
		25th of 104 (Above Average)

Key Performance Metrics

Data provided by: kolibri 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	61.6%	\$102.12	\$62.87	\$94.31	\$58.06	\$7.82	92.3%	38.7%	2.18	44,790	1.12
2016	62.6%	\$102.82	\$64.41	\$94.42	\$59.15	\$8.40	91.8%	41.1%	2.13	44,880	0.91
2017	62.8%	\$104.61	\$65.71	\$95.88	\$60.22	\$8.74	91.6%	43.6%	2.09	45,310	1.16
2018	62.6%	\$110.60	\$69.25	\$101.43	\$63.51	\$9.17	91.7%	47.6%	2.08	46,150	1.22
2019	64.3%	\$109.31	\$70.25	\$100.37	\$64.50	\$8.94	91.8%	52.1%	2.04	47,580	0.91
2020	41.6%	\$84.88	\$36.65	\$79.12	\$32.93	\$5.76	93.2%	40.2%	2.37	47,220	0.85
2021	59.9%	\$110.04	\$66.65	\$102.02	\$61.11	\$8.02	92.7%	42.2%	2.28	46,780	1.13
2022	63.1%	\$119.62	\$75.46	\$111.07	\$70.06	\$8.55	92.9%	43.3%	2.26	46,690	1.17
2023	63.6%	\$125.13	\$79.78	\$116.44	\$74.11	\$8.69	93.1%	44.4%	2.23	46,750	1.07
CAGR: 2015 thru 2023	0.4%	2.6%	3.0%	2.7%	3.1%	1.3%	0.1%	1.7%	0.3%	0.5%	-0.6%
1Q 2023	63.8%	\$137.36	\$87.62	\$128.32	\$81.85	\$9.04	93.4%	47.9%	2.14	46,790	1.08
1Q 2024	63.8%	\$135.09	\$86.25	\$126.17	\$80.55	\$8.92	93.4%	49.6%	2.13	47,140	0.94

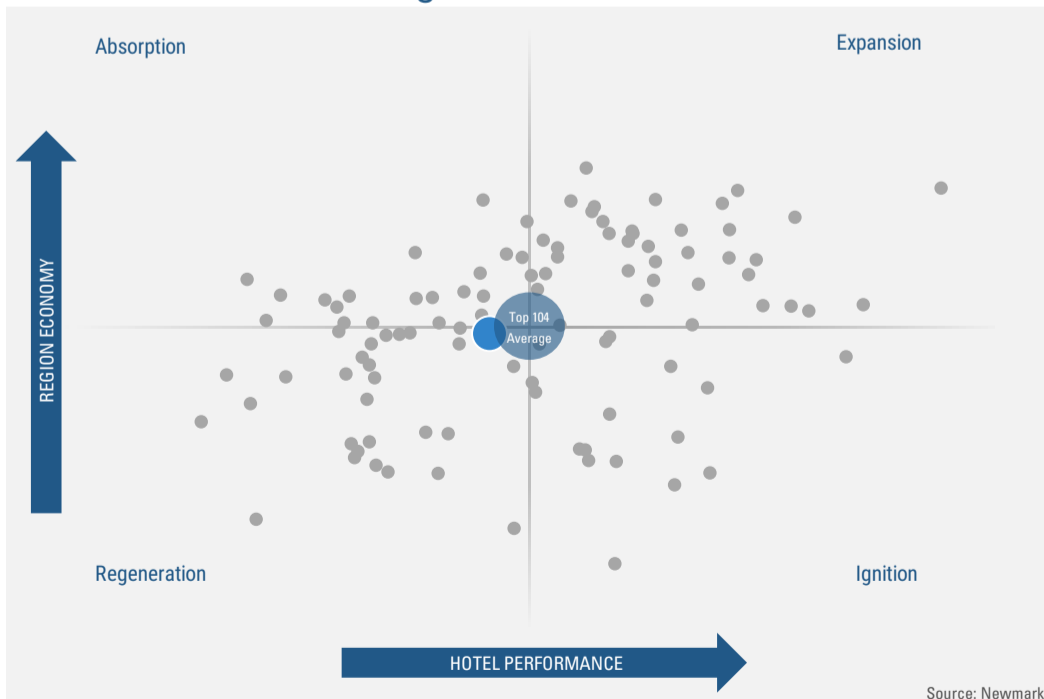
Notable Metrics

HIGHEST	Total Rooms Supply	Total Rooms Sold	OADR: Select-Service
	21st Above Average	21st Above Average	21st Favorable
	San Antonio, TX benefits from a large and diverse hotel market (47,138 total rooms)	The market boasted a strong total of number of rooms sold (10,964,480 room nights)	The market also enjoyed favorable OADR metrics in the select-service segment (8.6%)
LOWEST	IRR: Economy/Ltd Svc	OADR: Full-Service	IRR: Select-Service
	96th Unfavorable	82nd Unfavorable	81st Unfavorable
	This market posted unfavorable IRR metrics in the economy/ltd svc segment (13.1%)	The market posted unfavorable OADR metrics in the full-service segment (9.0%)	San Antonio, TX also posted unfavorable IRR metrics in the select-service segment (12.0%)

Notable Trends

STRONGEST	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Loyalty Contribution Growth	Long-Term Historical Booking Costs POR Growth
	13th Above Average	35th Average	37th Average
	San Antonio, TX enjoyed low short-term historical growth in booking costs (1.0%)	The market exhibited strong long-term historical loyalty contribution growth (4.5%)	The market also has benefited from low long-term historical booking costs POR growth (2.2%)
WEAKEST	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid RevPAR Growth
	92nd Soft	91st Soft	84th Below Average
	The market has been impeded by weak short-term historical Guest Paid ADR growth (1.4%)	We note this area posted weak short-term historical COPE ADR growth (1.4%)	San Antonio, TX also has been hampered by weak short-term historical Guest Paid RevPAR growth (0.7%)

Market Performance Stage



San Antonio, TX: Regeneration Stage

The San Antonio, TX market is currently in the 'Regeneration' stage of the performance cycle. In this 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.

Other Stages:

- 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.
- 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.

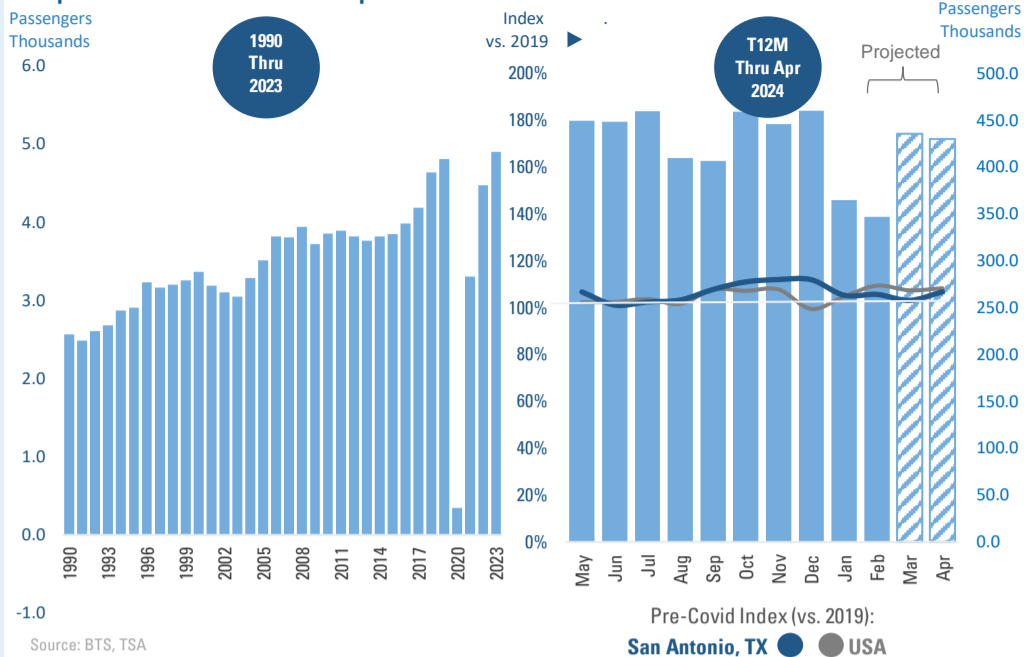
Industry Observations

MOODY'S ANALYTICS
 Business Cycle: **Expansion**
 Employment Growth (2 yr): **2.7%**
 Risk Exposure (402 US markets): **38th Percentile: Average Risk**
 Key Industry Notes:
 Strategic locale near Mexico
 Military supports economy
 Trade distribution in the Southwest
 Slow educational attainment
 Exposure to energy industry

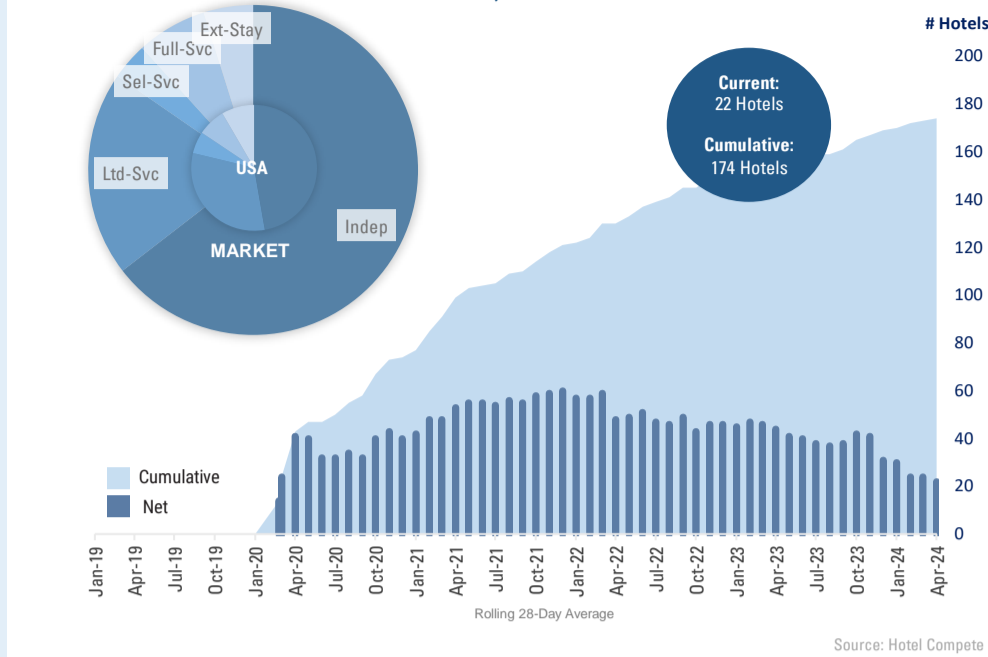
Moody's Rating
Aaa
Investment Grade
 Long-term investment grade, Prime-1 short-term outlook



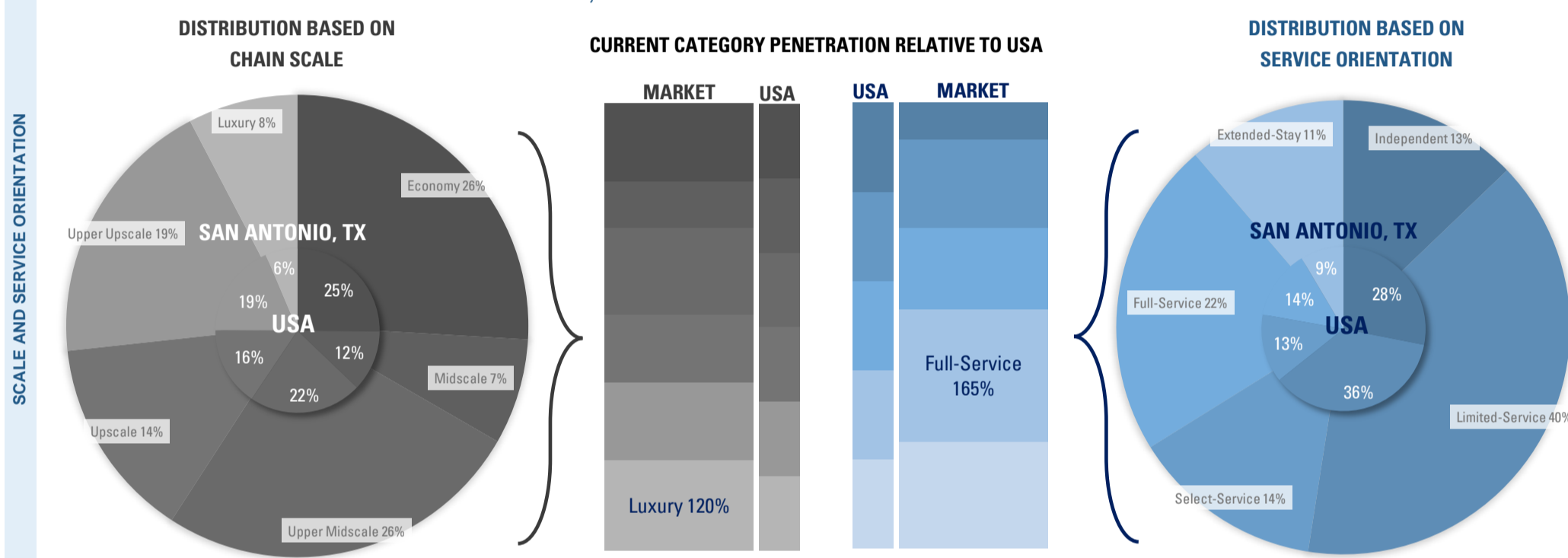
Airport Statistics - Enplanements



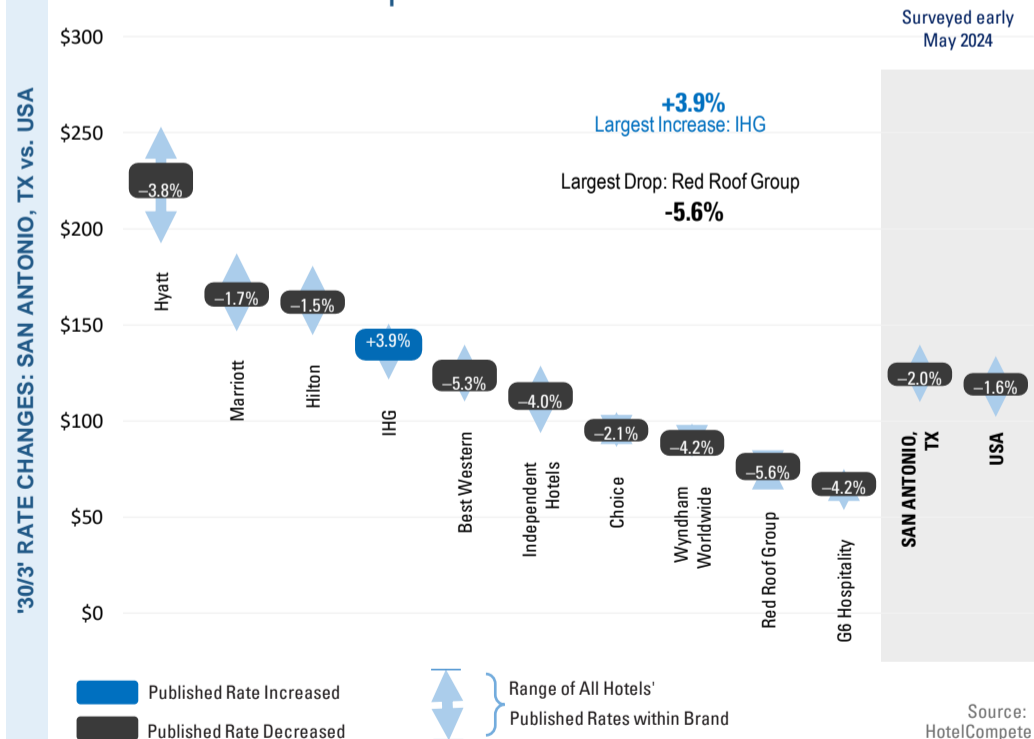
Hotel Closures - San Antonio, TX



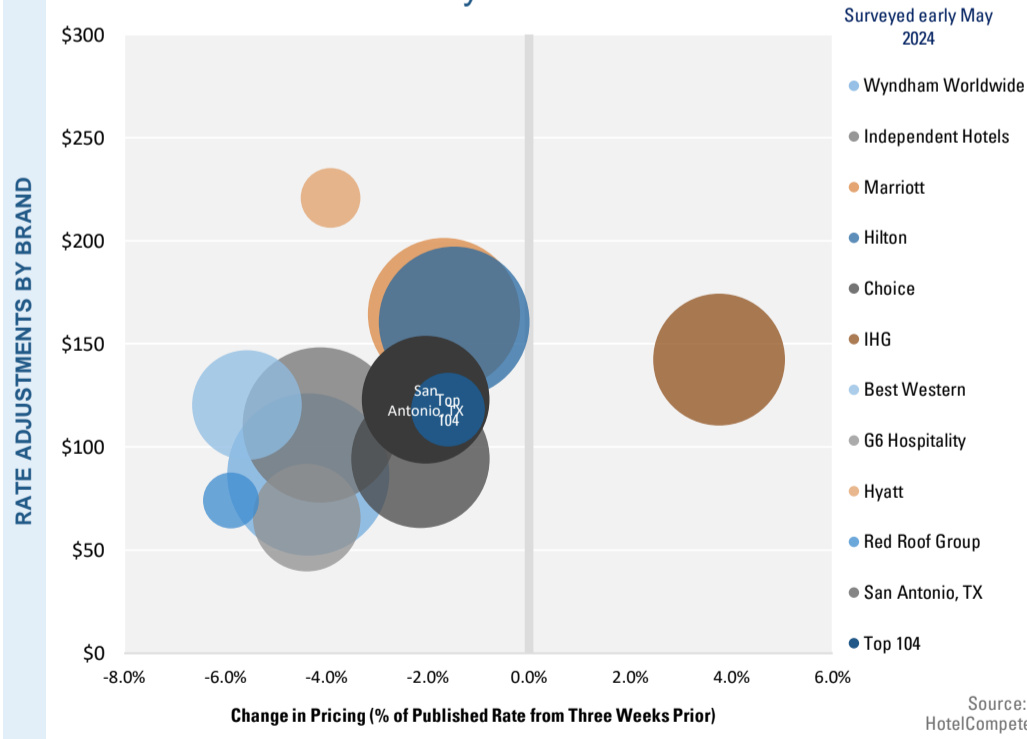
Scale and Service Distribution: San Antonio, TX



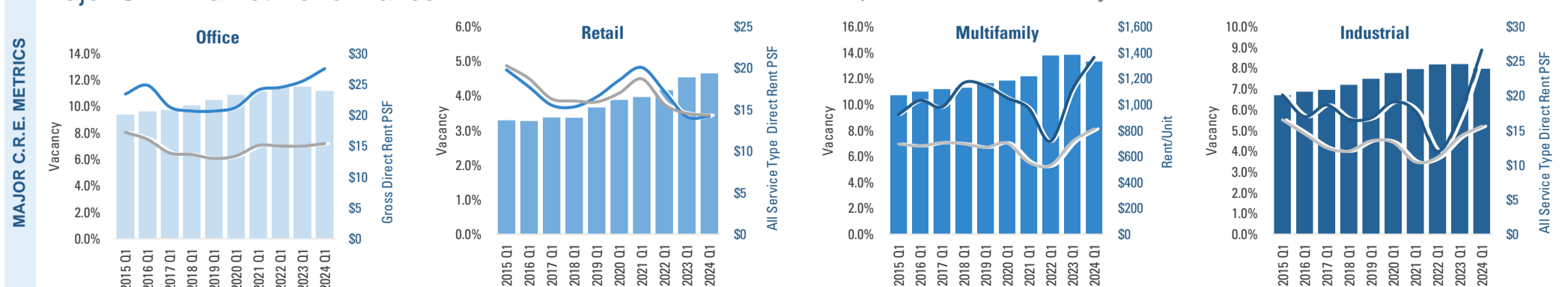
Published Rates: Top 10 Brands



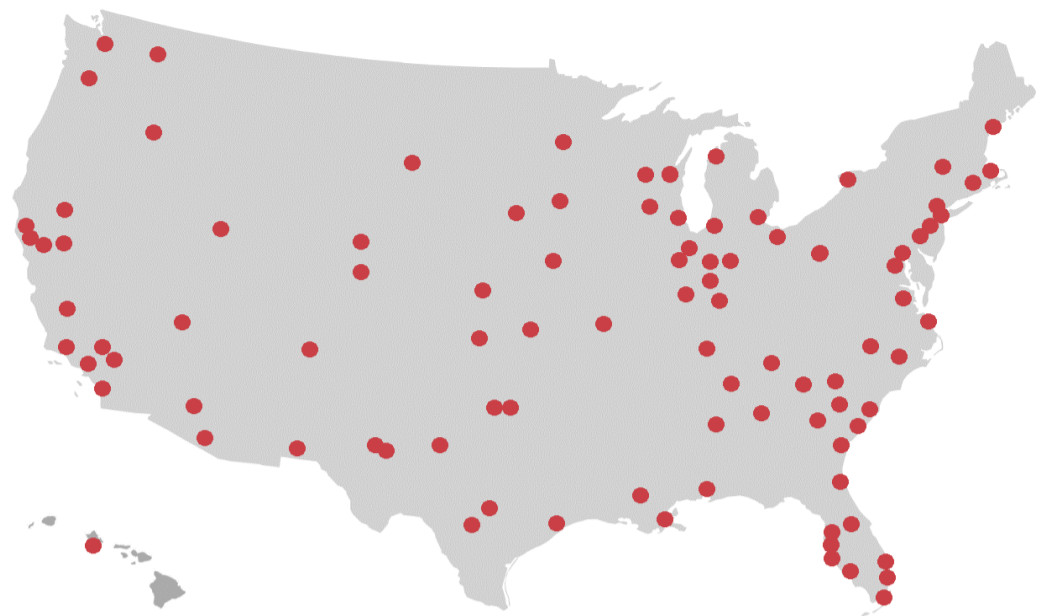
Published Rates: Volatility



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

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Gaming Facilities

Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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Portfolio Analytics

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We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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