

NEWMARK

1Q 2024

Hotel Market Nsights Report

SEATTLE, WA



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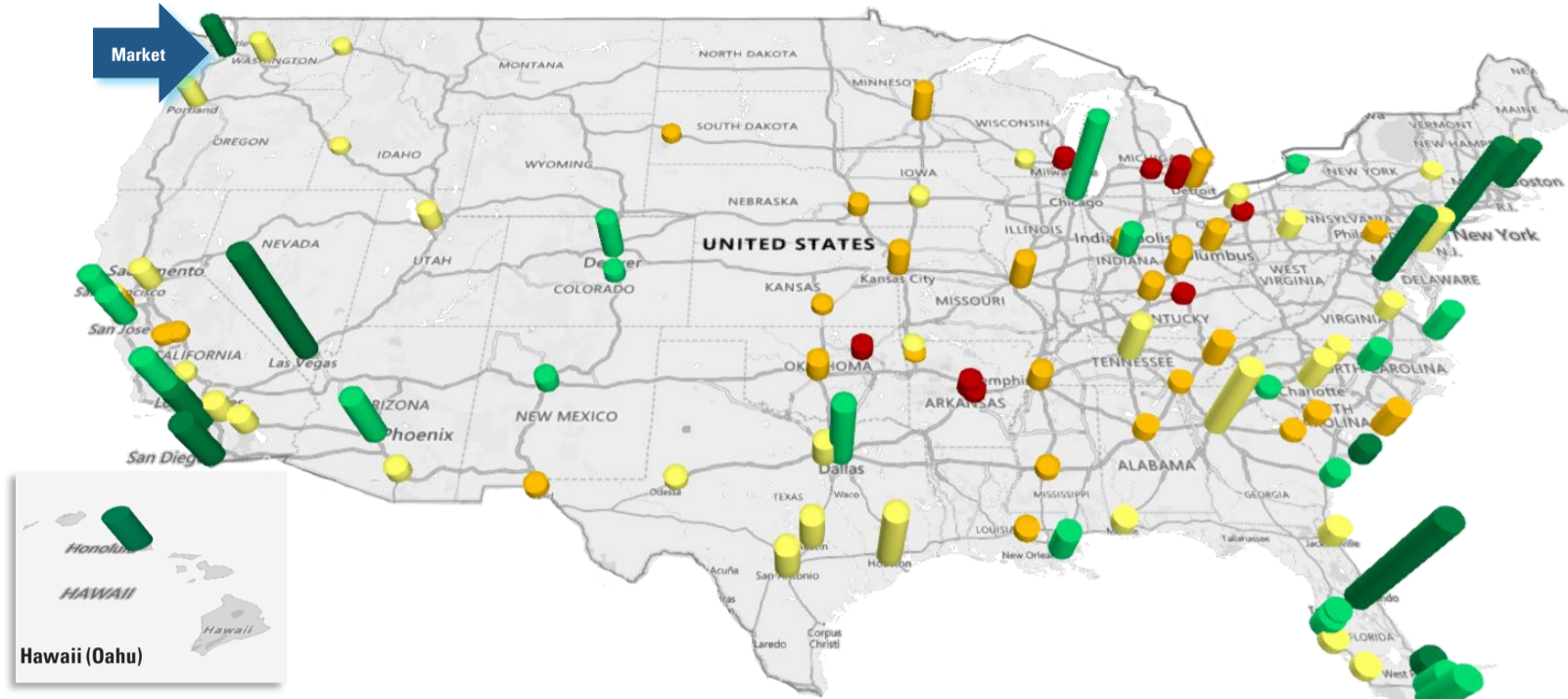
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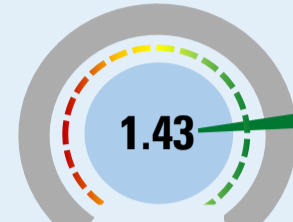


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

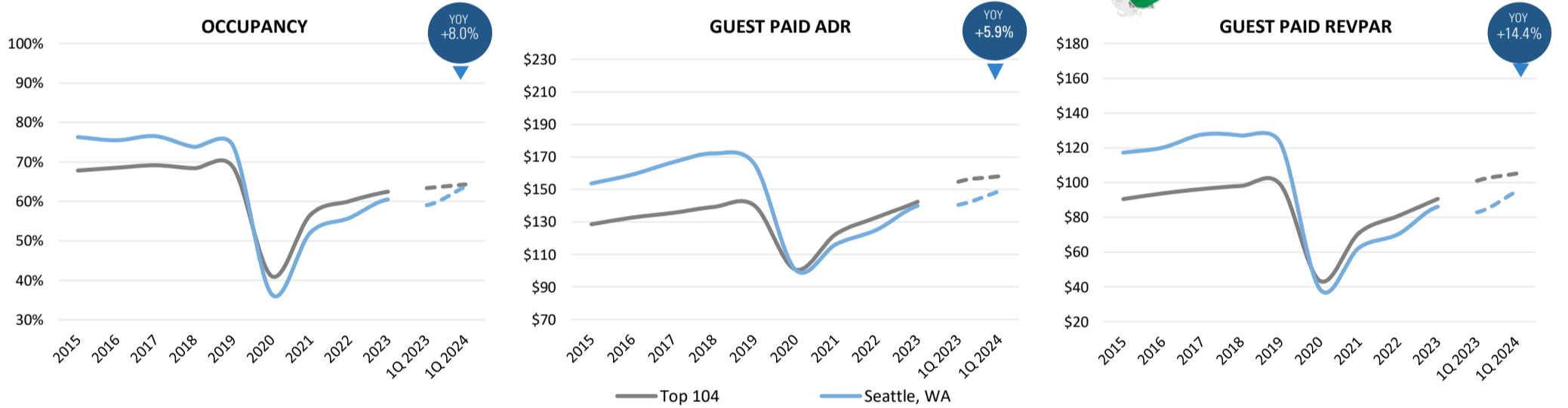
Seattle, WA



5th of 104
Strong

Ranking of overall '1Q 2024 LPI' performance (1.43) against all 104 surveyed markets.

KEY PERFORMANCE METRICS

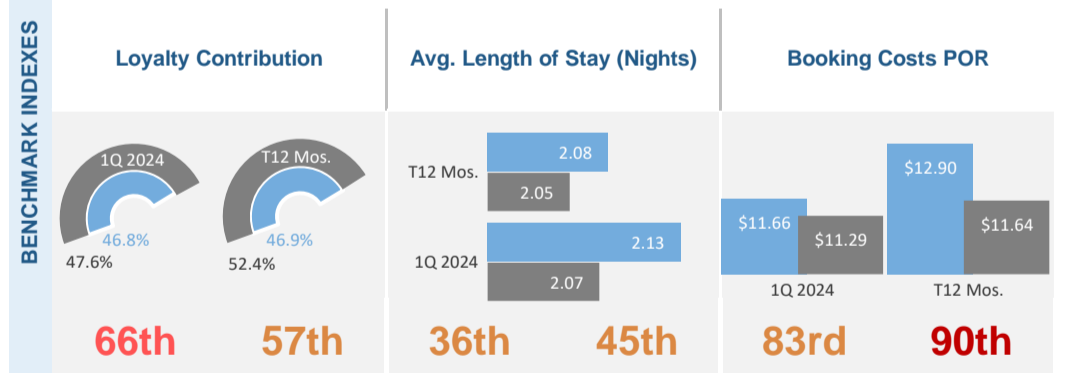


PERFORMANCE INDEXES

Key Performance Indexes

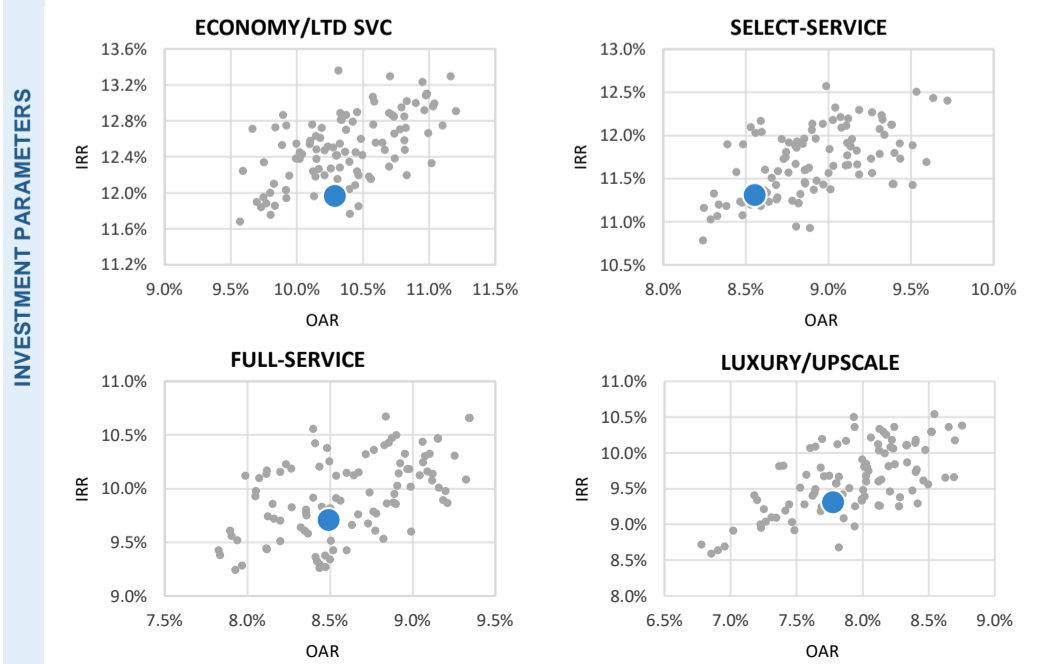


Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

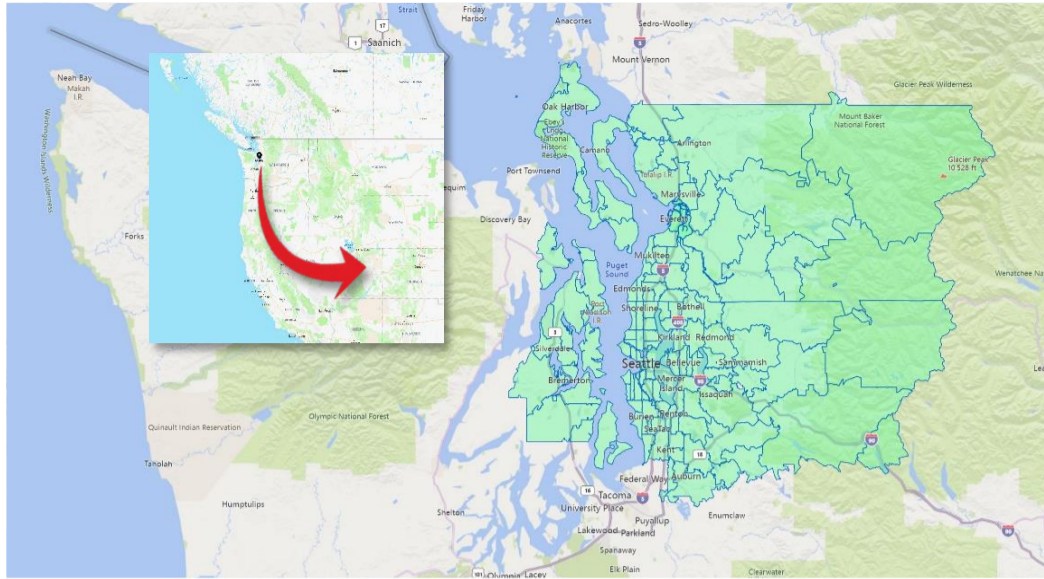


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Seattle	
County:	King County	
State:	Washington	
Geo Coordinates (market center):	47.60621, -122.33207	
Major Hotel Demand Generators		
Boeing Co. Amazon Microsoft Corp. University of Washington Providence Health & Services Wal-Mart Stores Inc. Fred Meyer Stores Starbucks Corp. Swedish Health Services Costco Wholesale Corp. Nordstrom Inc. Alaska Air Group Inc. Group Health Cooperative Naval Station Everett Virginia Mason Medical Center Madigan Army Medical Center T-Mobile Washington State University Quality Food Centers Target		
Metrics and Ranking		Measurements
Population (hotel market area)	2,864,458	Rankings
Income per Capita	\$79,565	15th of 104 (Large)
Feeder Group Size	83.5 Persons PSR	4th of 104 (Strong)
Feeder Group Earnings	\$6,645,619 PSR	66th of 104 (Below Average)
Total Market Hotel Revenues	\$2.1 billion	94th of 104 (Soft)
		19th of 104 (Above 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	76.3%	\$153.68	\$117.24	\$140.33	\$107.06	\$13.35	91.3%	48.8%	2.12	42,530	1.54
2016	75.5%	\$159.14	\$120.11	\$145.07	\$109.49	\$14.07	91.2%	50.2%	2.07	43,460	1.29
2017	76.5%	\$166.74	\$127.59	\$151.67	\$116.06	\$15.07	91.0%	50.4%	2.02	44,470	1.41
2018	73.8%	\$172.17	\$127.08	\$157.06	\$115.93	\$15.11	91.2%	52.6%	1.99	46,560	1.26
2019	74.1%	\$165.51	\$122.69	\$150.89	\$111.86	\$14.62	91.2%	58.4%	1.91	49,710	1.30
2020	36.5%	\$100.66	\$38.81	\$93.74	\$34.17	\$6.92	93.1%	36.6%	2.58	48,890	0.83
2021	52.1%	\$116.30	\$62.57	\$107.37	\$55.95	\$8.94	92.3%	39.8%	2.35	49,420	0.81
2022	55.8%	\$125.23	\$70.40	\$115.50	\$64.43	\$9.73	92.2%	41.4%	2.28	49,520	1.11
2023	60.5%	\$139.93	\$86.11	\$129.27	\$78.21	\$10.66	92.4%	42.8%	2.25	49,520	1.32
CAGR: 2015 thru 2023	-2.9%	-1.2%	-3.8%	-1.0%	-3.8%	-2.8%	0.1%	-1.6%	0.8%	1.9%	-1.9%
1Q 2023	59.0%	\$140.53	\$82.95	\$129.89	\$76.67	\$10.64	92.4%	46.1%	2.19	49,280	1.26
1Q 2024	63.8%	\$148.88	\$94.92	\$137.22	\$87.48	\$11.66	92.2%	46.8%	2.13	49,530	1.43

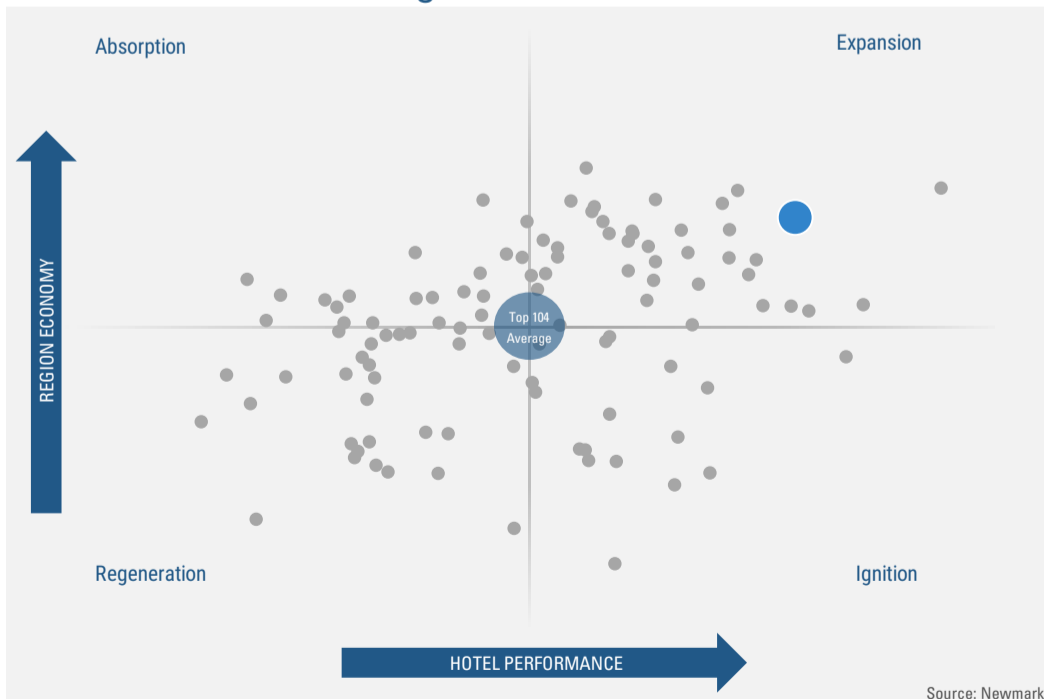
Notable Metrics

HIGHEST	Economy Median Income	Latest-Quarter LPI	Marketwide Income per Room
	4th Strong	5th Strong	10th Above Average
	Seattle, WA exhibited strong Economy Median Income (\$79,565)	The market enjoyed strong latest-quarter LPI (1.43)	The market also enjoyed a high ratio of marketwide income per room (\$3,270,311)
LOWEST	Feeder Group Earnings per sold room	T12-Month COPE ADR Percentage	T12-Month Booking Costs POR
	94th Soft	94th Soft	90th Soft
	This market has low feeder group earnings per sold room (\$6,645,619)	The market has been hampered by weak T12-month COPE ADR percentage (92.3%)	Seattle, WA also was burdened by high T12-month booking costs POR (\$12.90)

Notable Trends

STRONGEST	Overall Health of Hotel Market	General Economy Relevance	Short-Term Historical Booking Costs POR Growth
	5th Strong	10th Above Average	15th Above Average
	Seattle, WA has benefited from strong general hotel market performance (levels and trends of fundamentals)	The market enjoyed strong general economic relevance (per-capita unemployment, GDP and other indicators)	The market also enjoyed low short-term historical growth in booking costs (1.1%)
WEAKEST	Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical COPE RevPAR Growth
	96th Soft	96th Soft	93rd Soft
	The market posted weak short-term historical COPE ADR growth (1.0%)	We note this area has been impeded by weak short-term historical Guest Paid ADR growth (1.0%)	Seattle, WA also has been impeded by weak short-term historical COPE RevPAR growth (-0.2%)

Market Performance Stage



Seattle, WA: Expansion Stage

The Seattle, WA 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

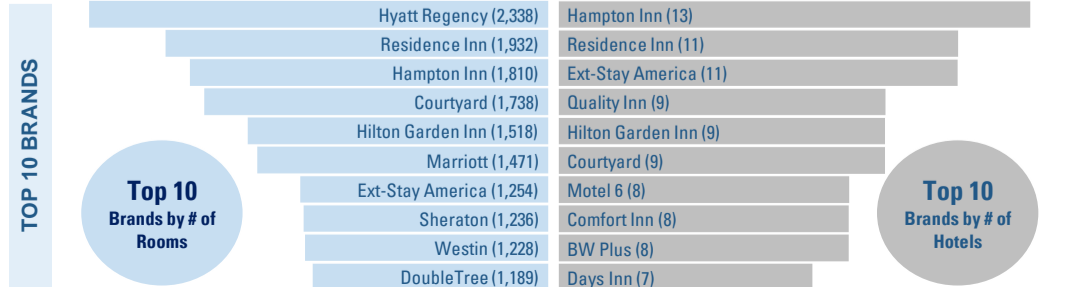
MOODY'S ANALYTICS
 Business Cycle:
 Employment Growth (2 yr):
 Risk Exposure (402 US markets):
 Key Industry Notes:

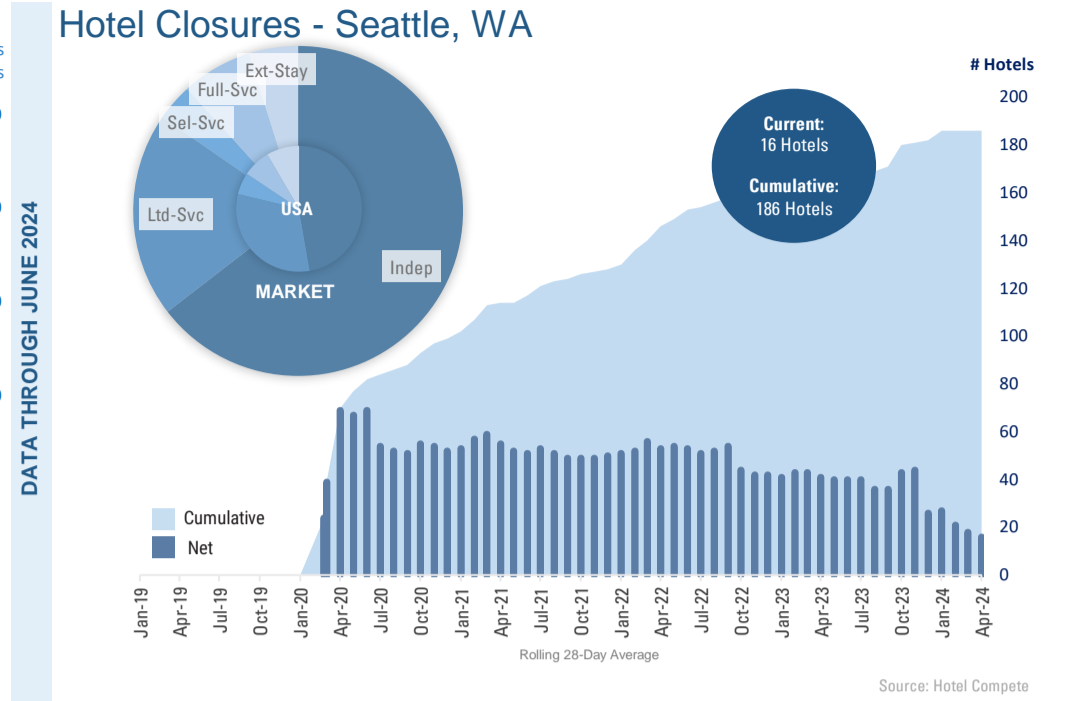
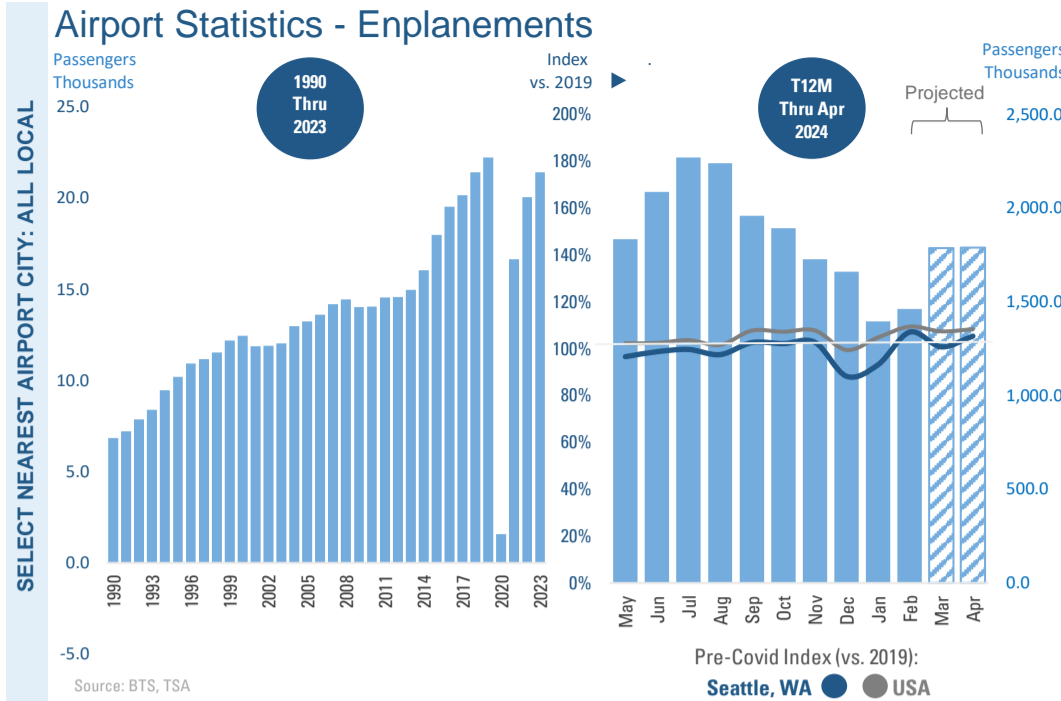
At Risk
 0.7%
 23rd Percentile: Below Average
 Global center for cloud-computing
 Highly trained, educated labor force
 High per capita income
 Tech exposed to cyclical trends
 High business costs

Moody's Rating

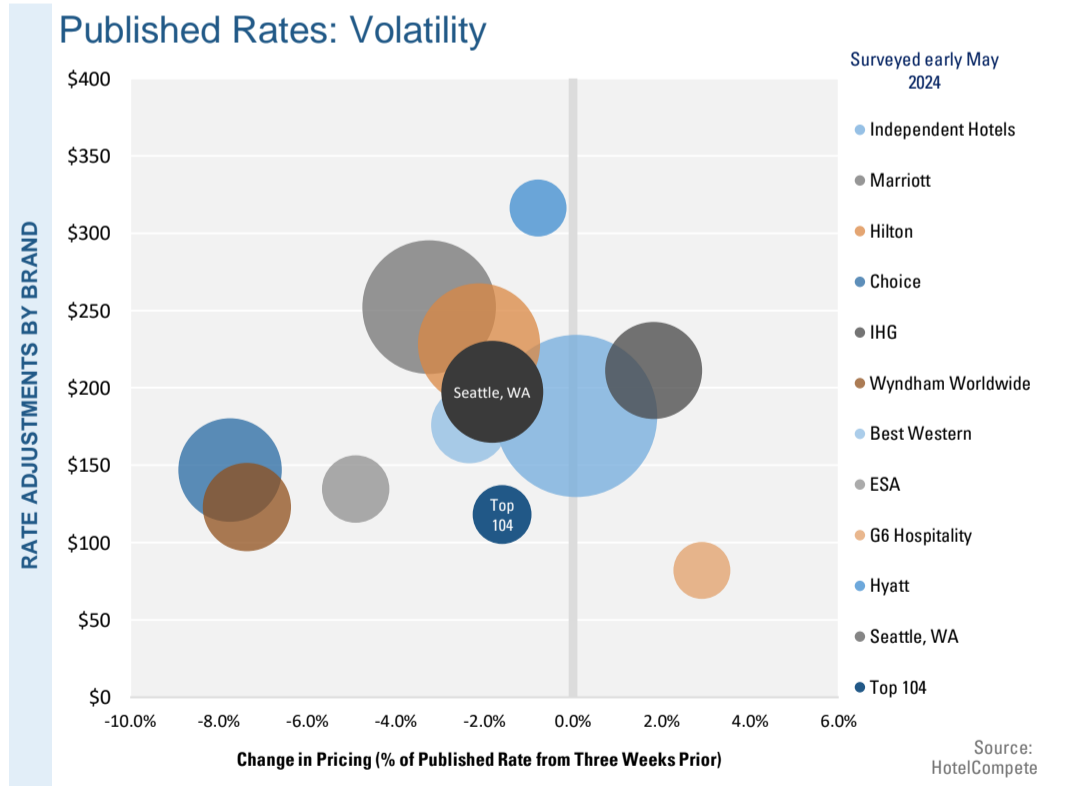
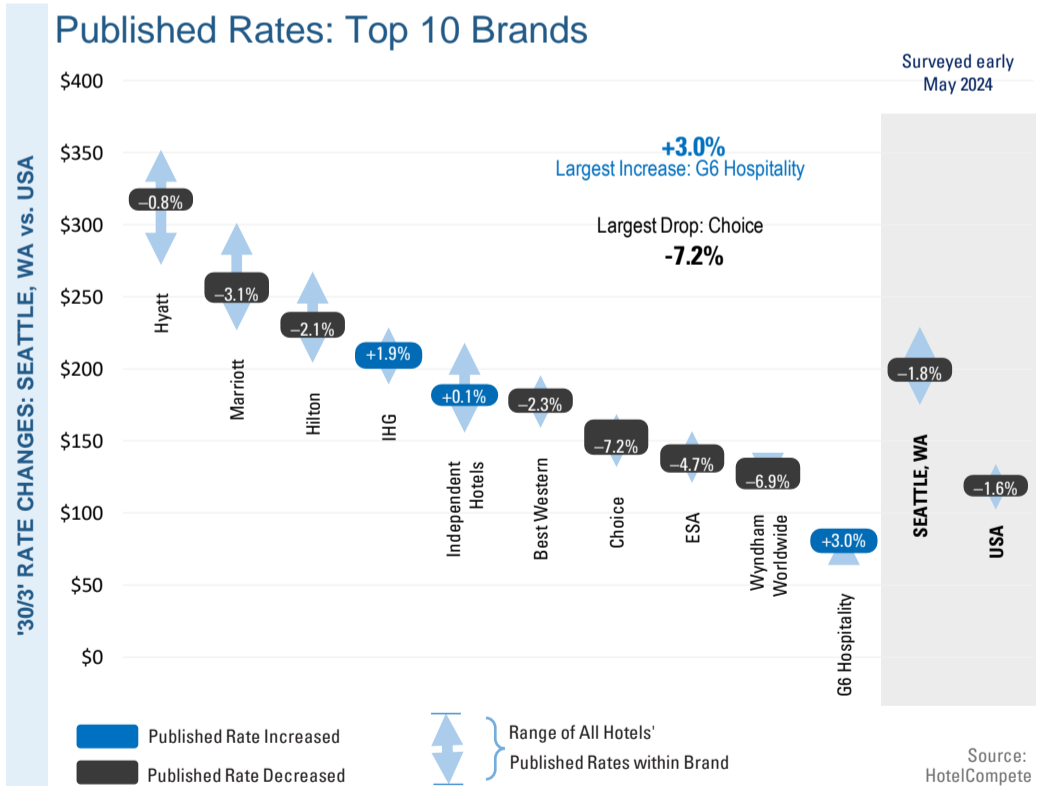
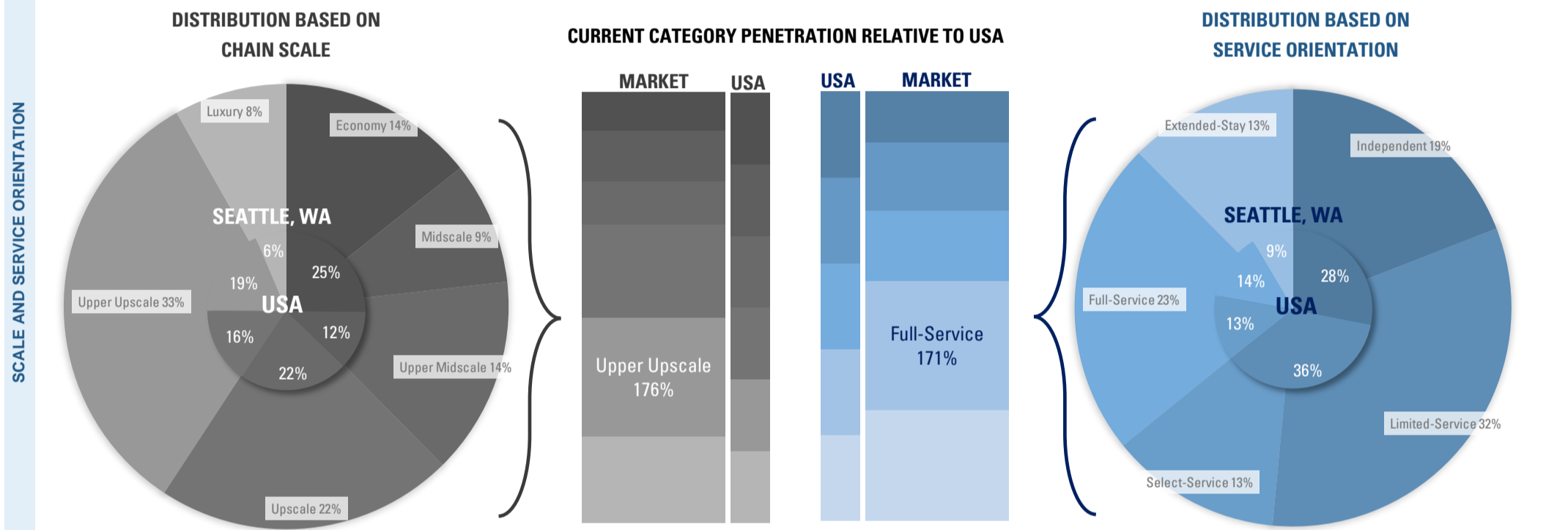
Aaa
 Investment Grade

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

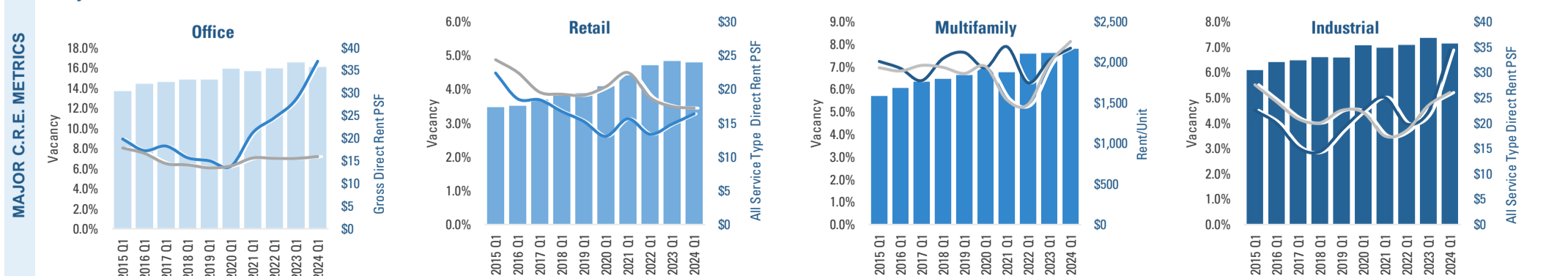




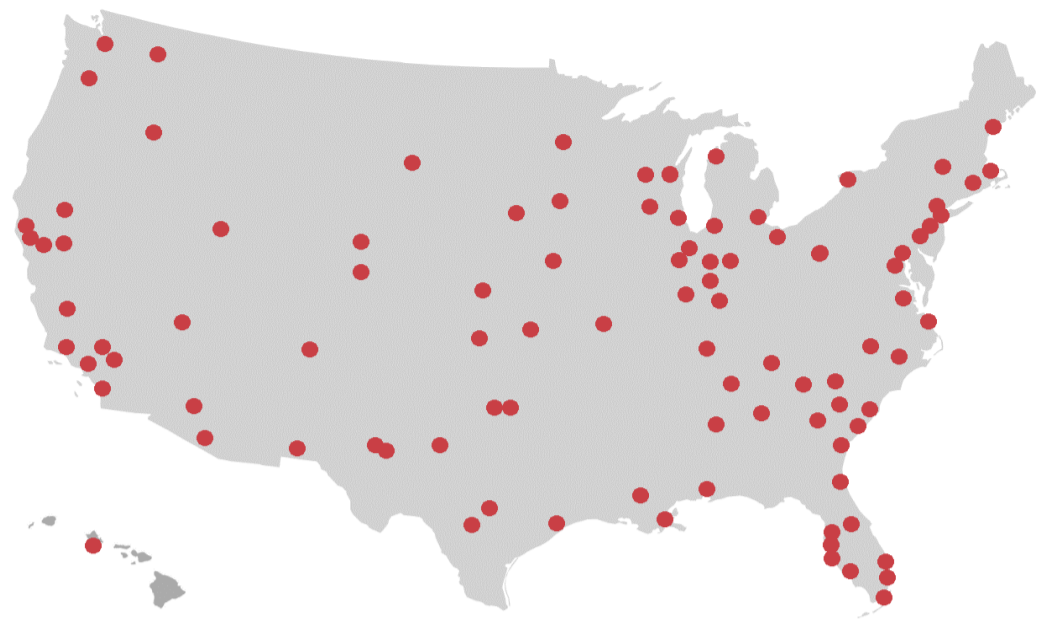
Scale and Service Distribution: Seattle, WA



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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Conference, Expo and Convention Centers

Golf Courses

Marinas

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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

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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