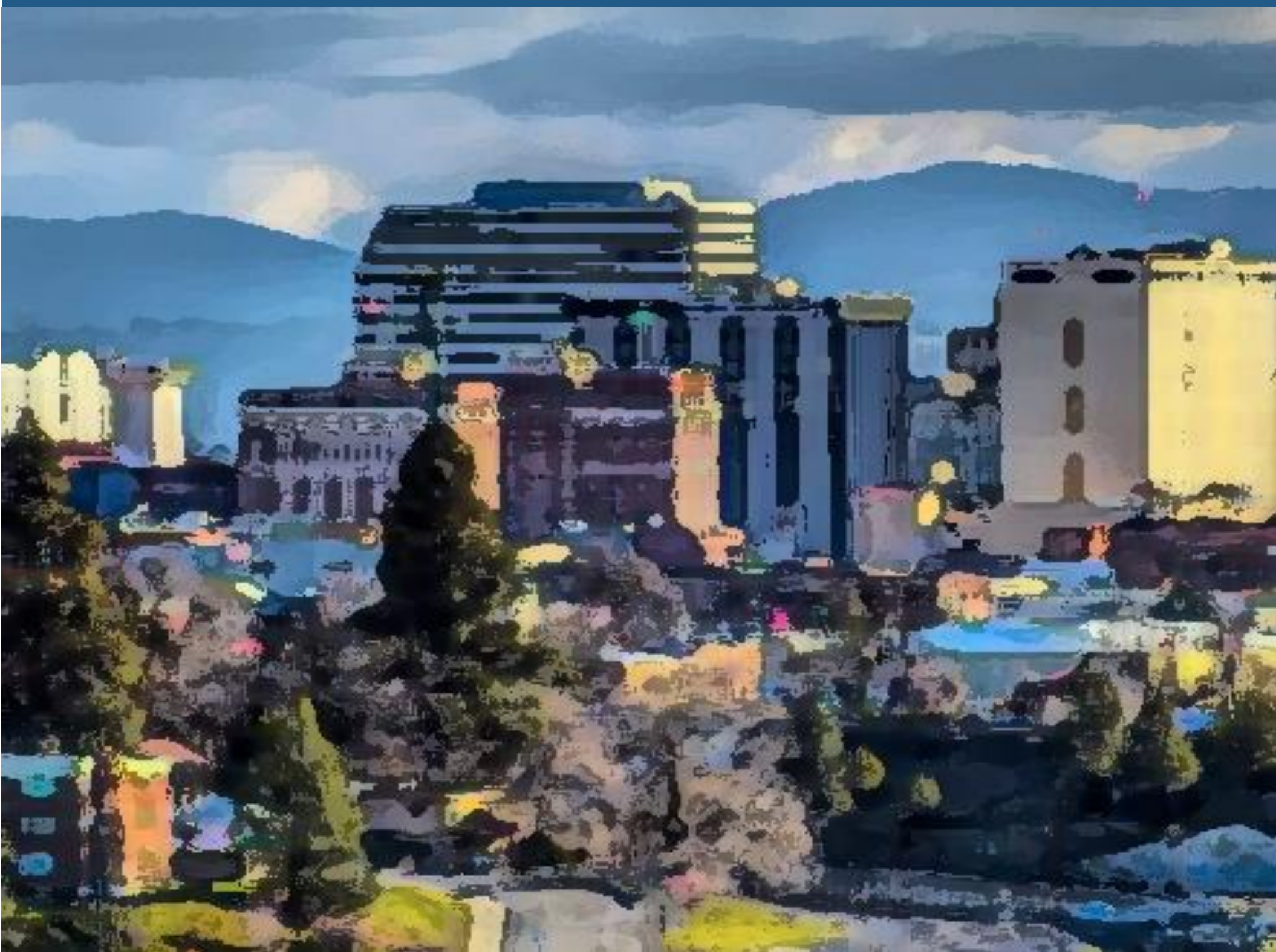


NEWMARK

1Q 2024

Hotel Market Nsights Report

SPOKANE, WA



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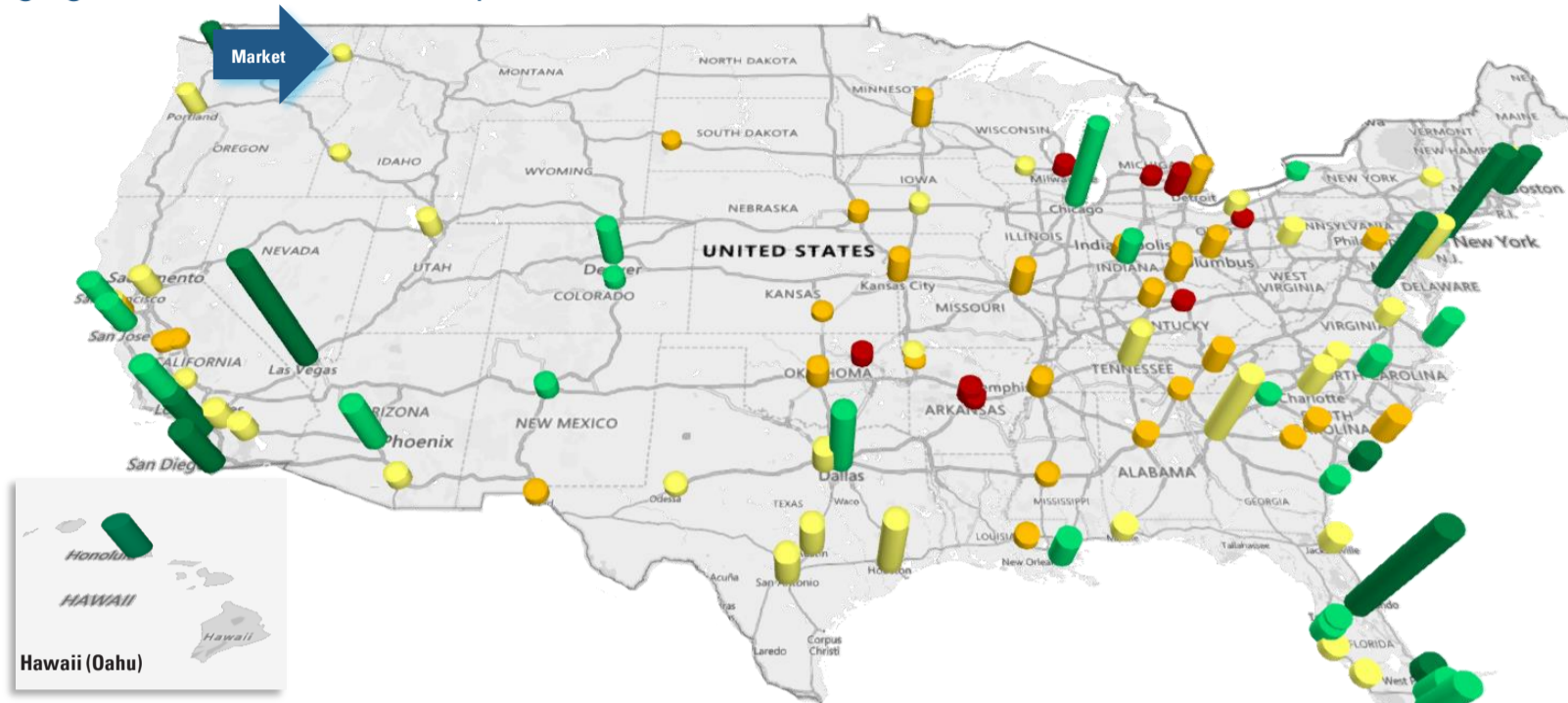
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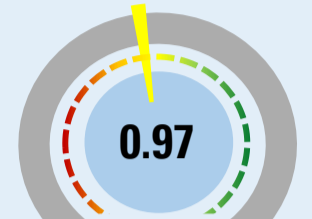


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

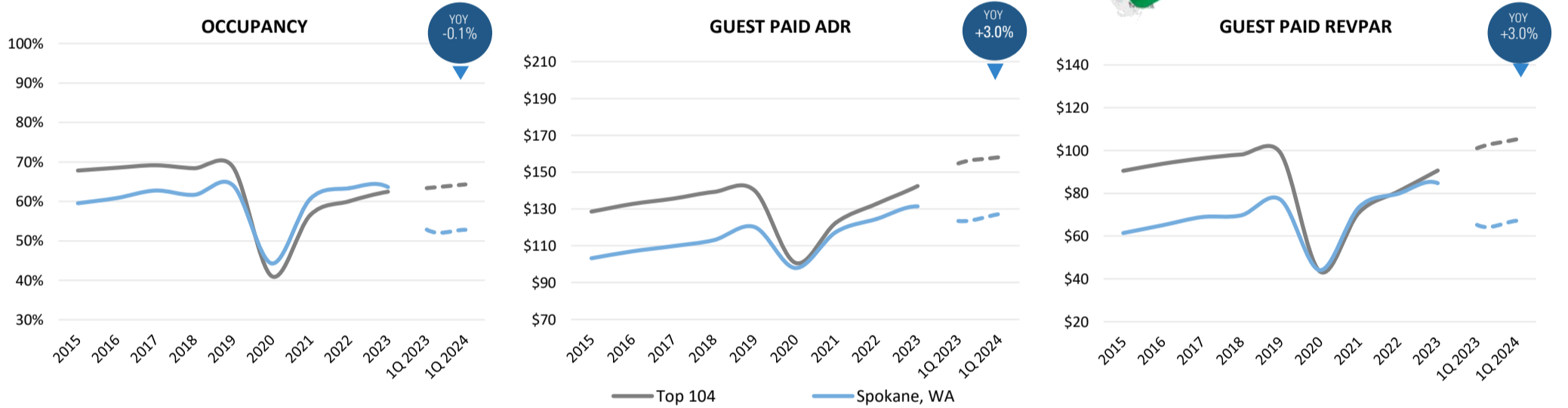
Spokane, WA



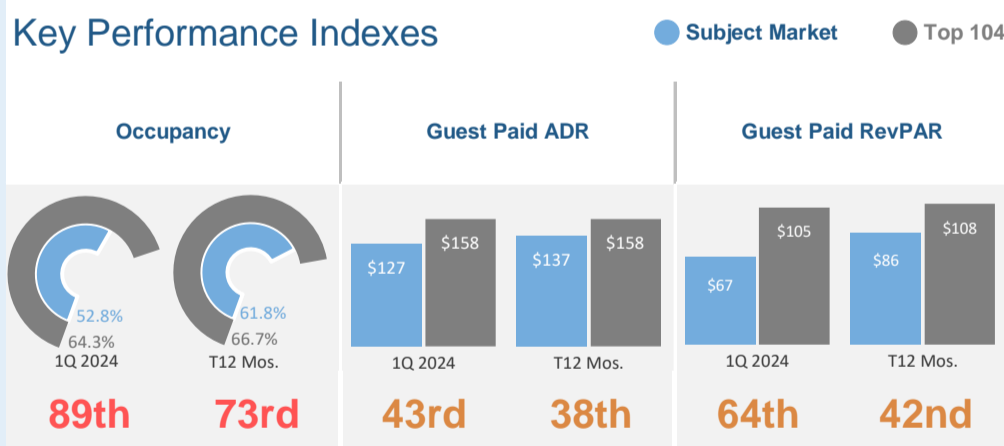
59th of 104
Average

Ranking of overall '1Q 2024 LPI' performance (0.97) against all 104 surveyed markets.

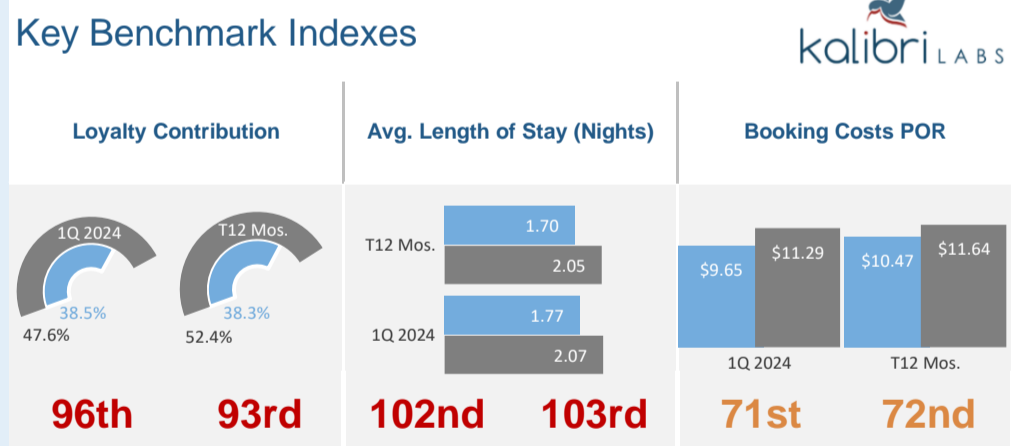
KEY PERFORMANCE METRICS



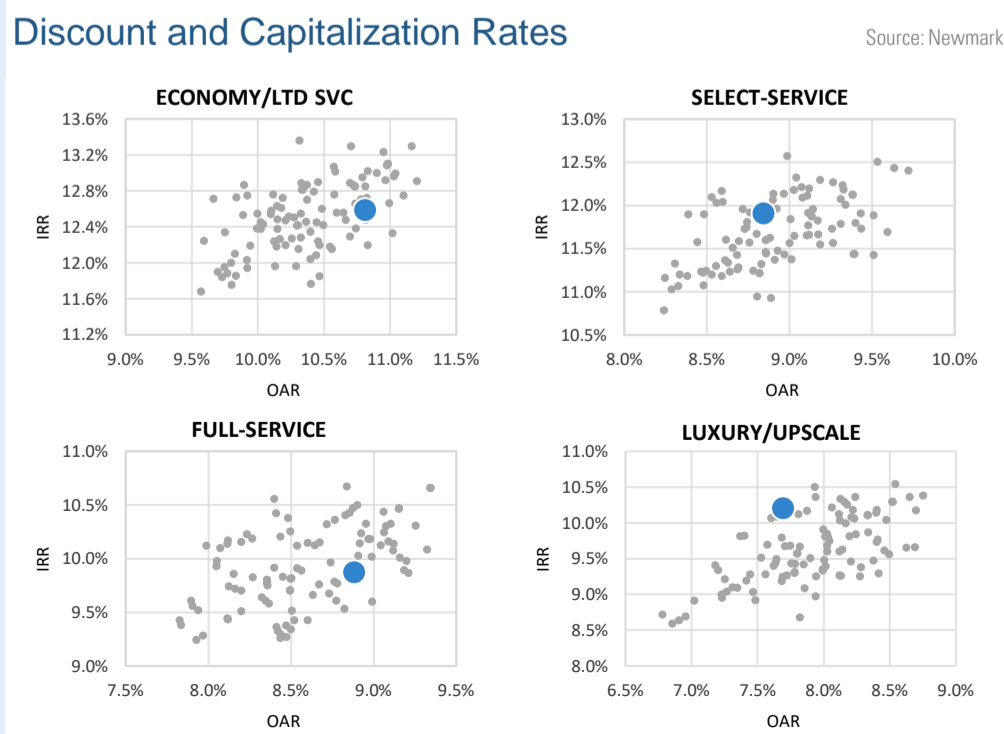
PERFORMANCE INDEXES



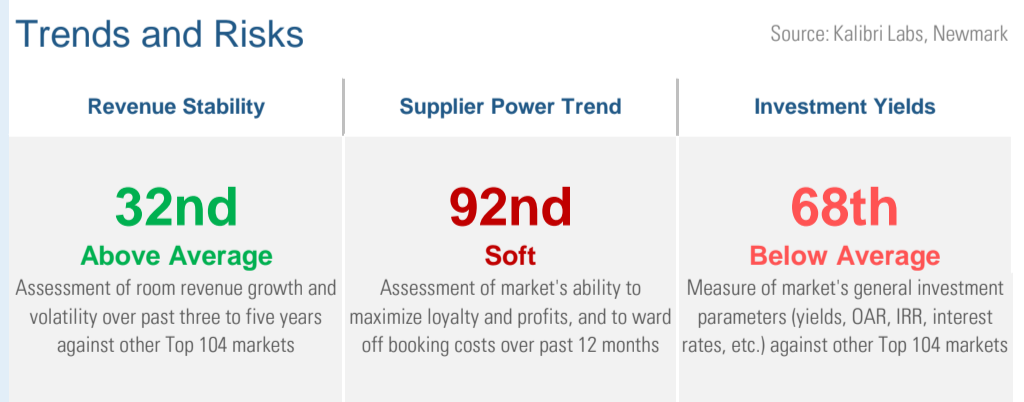
BENCHMARK INDEXES



INVESTMENT PARAMETERS



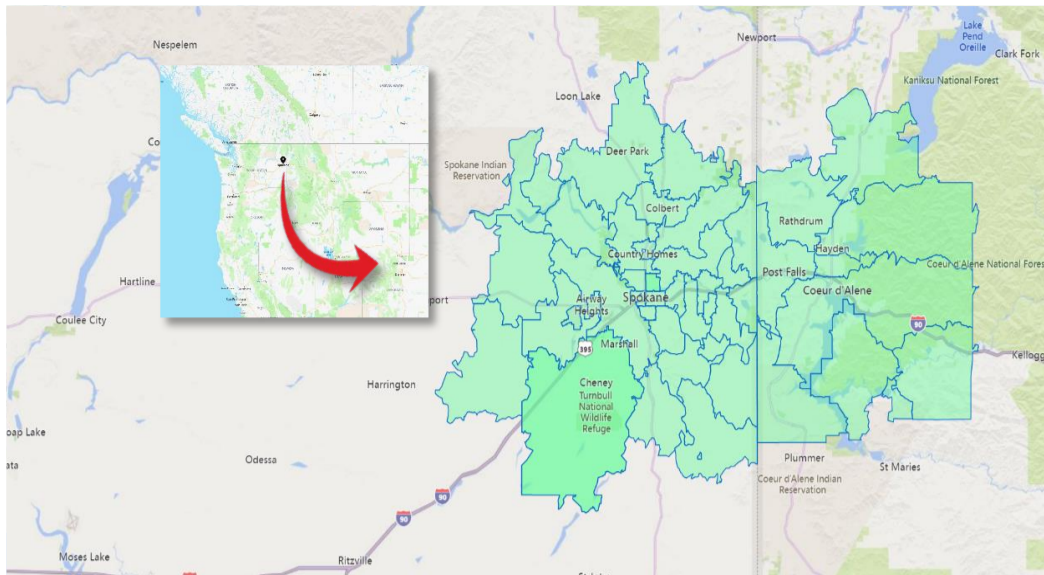
FUNDAMENTALS



RISKS



Location



Quick Facts

Jurisdictional Information		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Spokane	
County:	Spokane County	
State:	Washington	
Geo Coordinates (market center):	47.65878, -117.42605	
Major Hotel Demand Generators		
Fairchild AFB Providence Health Care - Eastern Washington Kalispel Tribal Economic Authority URM Stores Inc. Wal-Mart Stores Inc. Eastern Washington University Community Colleges of Spokane Gonzaga University Rockwood Clinic PS Avista Corp. Deaconess Medical Center Manns-Grandstaff Veterans Medical Center Ecova Inc. Alorica Business Solutions BNSF Railway Co. Kaiser Aluminum Washington LLC Yoke's Food Inc. Eastern State Hospital Pathology Associates Medical Laboratories LLC Fred Meyer Stores		
Metrics and Ranking		Measurements
Population (hotel market area)	562,627	
Income per Capita	\$44,768	
Feeder Group Size	83.5 Persons PSR	
Feeder Group Earnings	\$3,737,150 PSR	
Total Market Hotel Revenues	\$334.9 million	
Rankings		
	81st of 104 (Below Average)	
	67th of 104 (Below Average)	
	65th of 104 (Average)	
	55th of 104 (Average)	
	77th 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	59.5%	\$103.23	\$61.44	\$95.70	\$56.96	\$7.53	92.7%	45.6%	1.70	10,200	0.70
2016	60.8%	\$106.98	\$65.08	\$98.62	\$59.99	\$8.37	92.2%	49.3%	1.67	10,450	0.67
2017	62.7%	\$109.81	\$68.89	\$100.90	\$63.31	\$8.90	91.9%	50.4%	1.65	10,470	0.99
2018	61.7%	\$113.07	\$69.71	\$103.57	\$63.85	\$9.49	91.6%	50.8%	1.62	10,400	0.88
2019	64.1%	\$120.19	\$77.04	\$110.28	\$70.68	\$9.92	91.7%	55.4%	1.66	11,060	0.86
2020	44.3%	\$97.93	\$44.09	\$90.58	\$40.10	\$7.35	92.5%	33.6%	1.83	11,170	1.00
2021	60.7%	\$117.52	\$73.54	\$108.33	\$65.73	\$9.19	92.2%	34.8%	1.75	11,120	1.08
2022	63.3%	\$124.61	\$79.85	\$114.96	\$72.80	\$9.65	92.3%	35.4%	1.78	11,090	1.13
2023	63.6%	\$131.42	\$84.75	\$121.34	\$77.18	\$10.09	92.3%	35.7%	1.79	11,070	0.70
CAGR: 2015 thru 2023	0.8%	3.1%	4.1%	3.0%	3.9%	3.7%	-0.1%	-3.0%	0.6%	1.0%	-0.2%
1Q 2023	52.8%	\$123.47	\$65.24	\$114.17	\$60.33	\$9.30	92.5%	36.5%	1.72	10,780	0.91
1Q 2024	52.8%	\$127.23	\$67.18	\$117.58	\$62.08	\$9.65	92.4%	38.5%	1.77	10,840	0.97

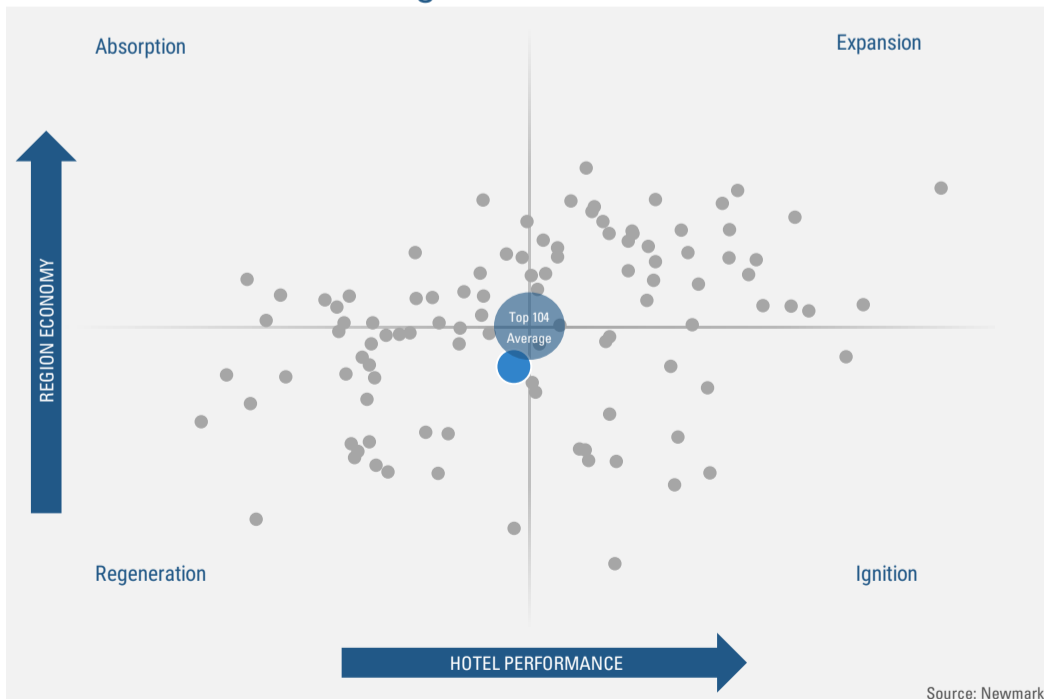
Notable Metrics

	OAR: Luxury/Upscale	T12-Month COPE ADR	T12-Month COPE ADR
HIGHEST	31st Favorable Spokane, WA exhibited favorable OAR metrics in the luxury/upscale segment (7.7%)	38th Average The market exhibited strong T12-month COPE ADR (\$126.60)	38th Average The market also exhibited strong T12-month COPE ADR (\$126.60)
LOWEST	103rd Soft This market exhibited weak T12-month average length of stay (1.70 Nights)	102nd Soft The market has been impeded by weak latest-quarter average length of stay (1.77 Nights)	96th Soft Spokane, WA also has been hindered by weak latest-quarter loyalty contribution (38.5%)

Notable Trends

	Long-Term Historical LPI Growth	Short-Term Historical LPI Growth	Short-Term Historical Guest Paid ADR Growth
STRONGEST	20th Above Average Spokane, WA enjoyed strong long-term historical LPI growth (4.0%)	20th Above Average The market has benefited from strong short-term historical LPI growth (5.3%)	23rd Above Average The market also exhibited strong short-term historical Guest Paid ADR growth (4.4%)
WEAKEST	100th Soft The market has been hindered by weak short-term historical loyalty contribution growth (1.4%)	91st Soft We note this area has been impeded by high short-term historical growth in booking costs (4.9%)	90th Soft Spokane, WA also has been hindered by weak long-term historical loyalty contribution growth (3.2%)

Market Performance Stage



Spokane, WA: Regeneration Stage

The Spokane, WA 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.

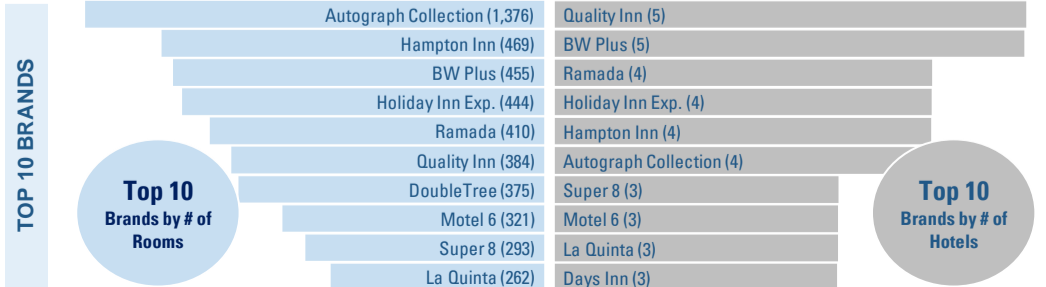
Other Stages:

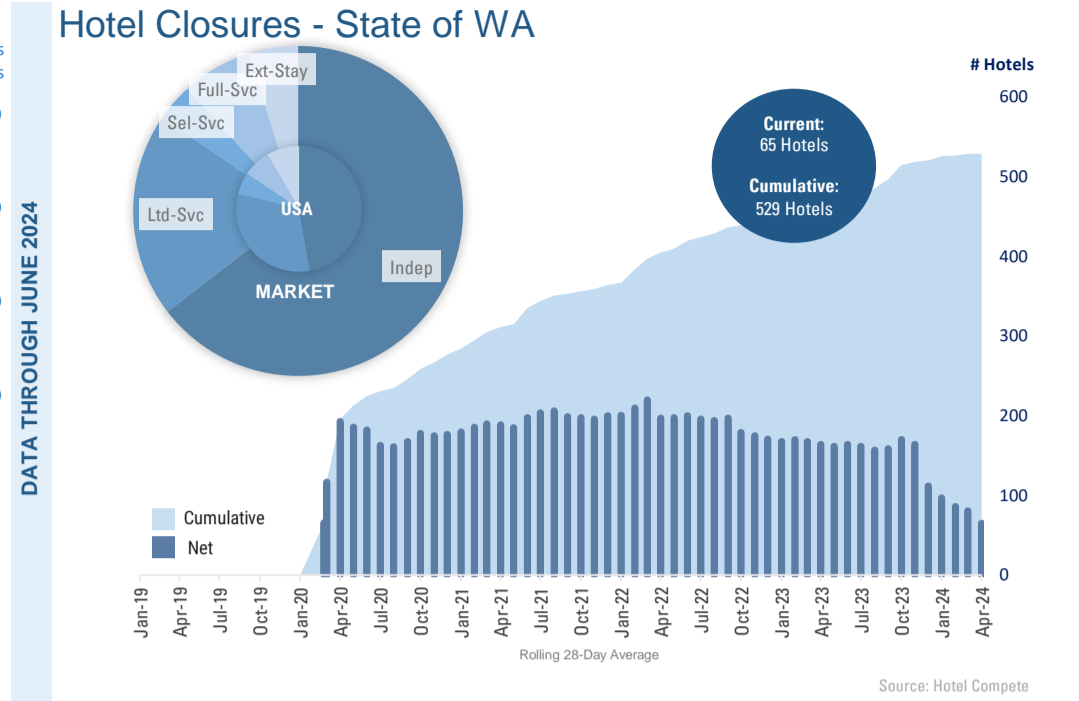
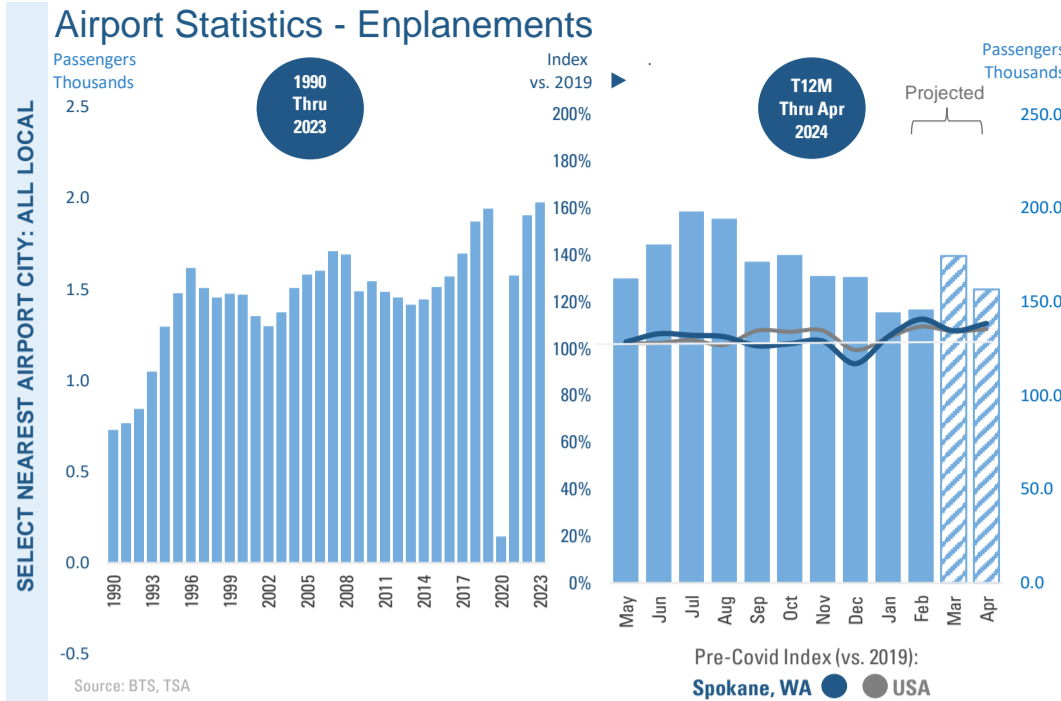
- Ignition:** In the 'Ignition' stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain 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

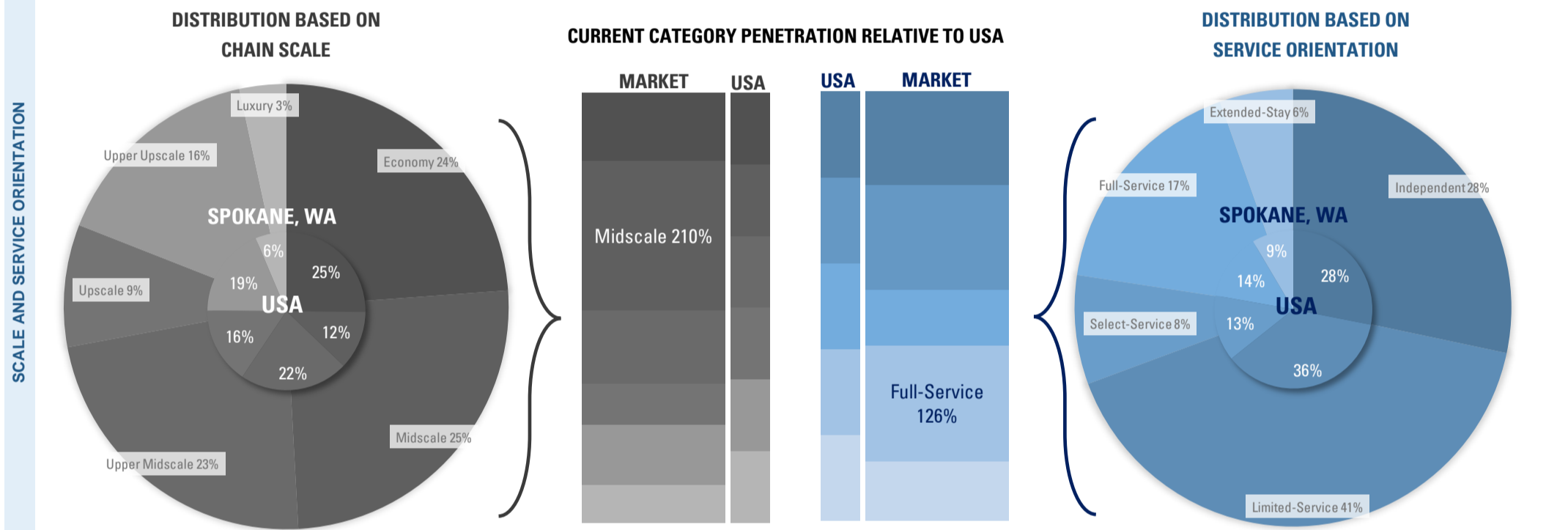
MOODY'S ANALYTICS
 Business Cycle: **Expansion**
 Employment Growth (2 yr): **1.6%**
 Risk Exposure (402 US markets): **43rd Percentile: Average Risk**
 Key Industry Notes:
 Low cost of doing business
 Large healthcare industry
 High industrial diversity
 Industrial diversity
 Low incomes and high living costs

Moody's Rating
Aa1
Investment Grade
 Long-term investment grade, Prime-1 short-term outlook

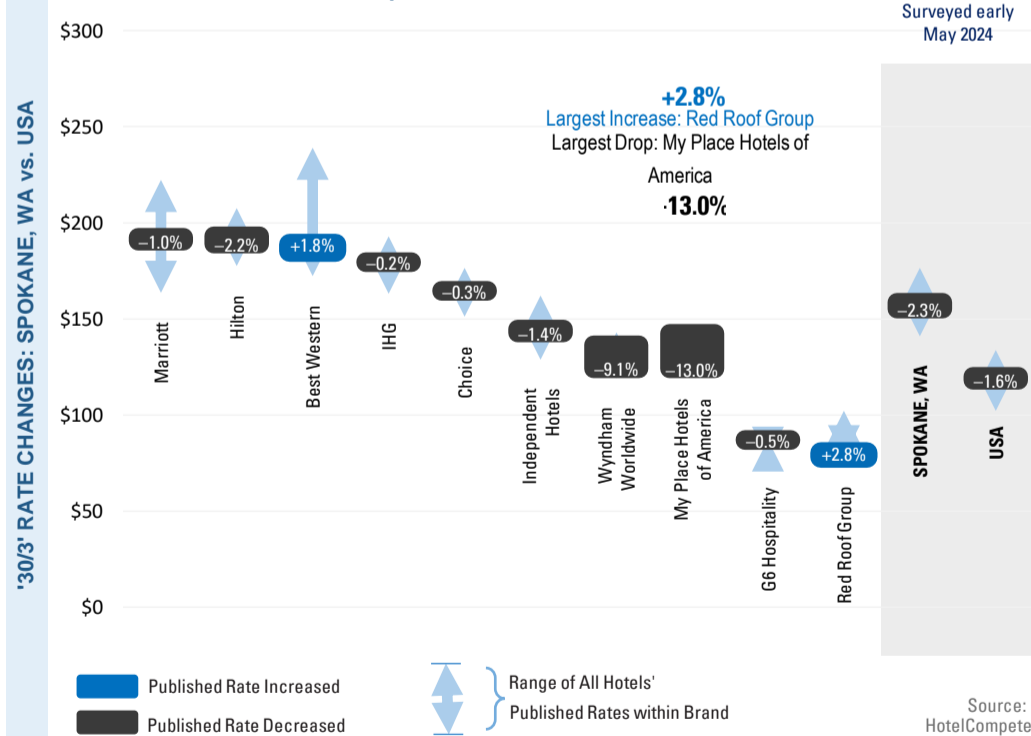




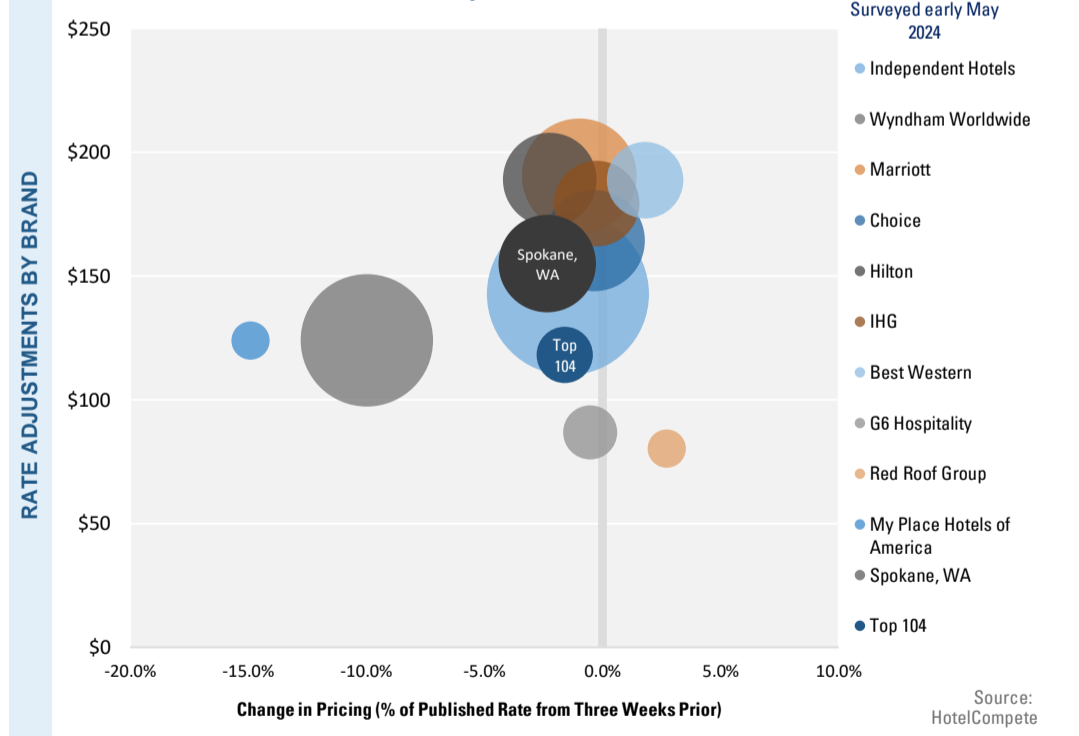
Scale and Service Distribution: Spokane, WA



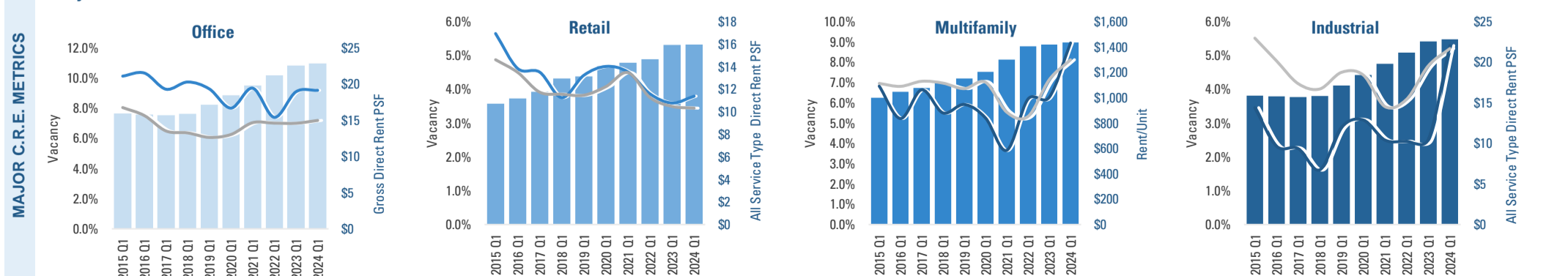
Published Rates: Top 10 Brands



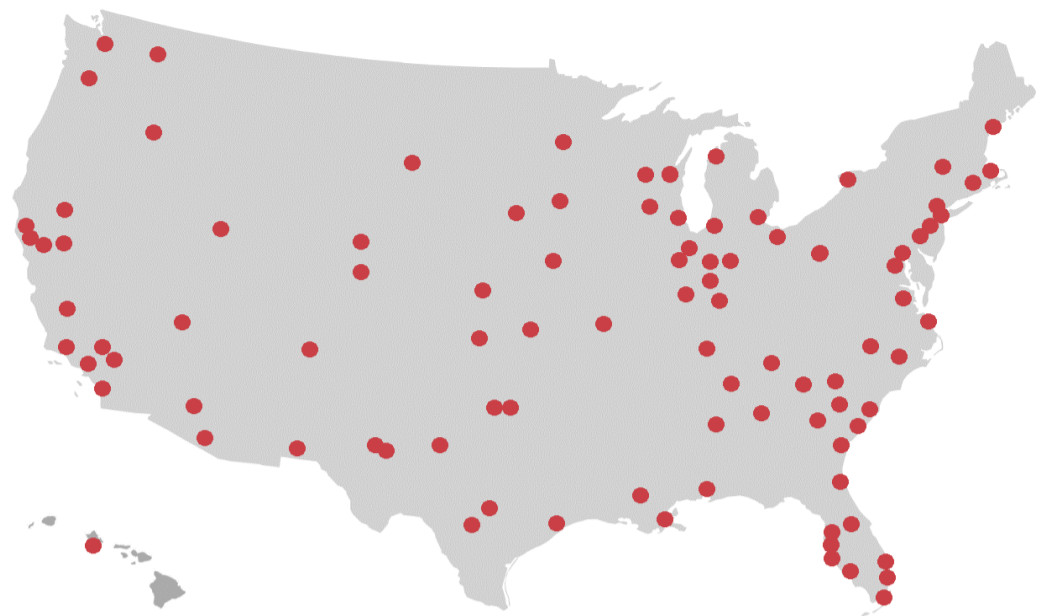
Published Rates: Volatility



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:

Hotels and Resorts

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

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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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