

NEWMARK

1Q 2024

Hotel Market Nsights Report

WEST PALM BEACH, FL



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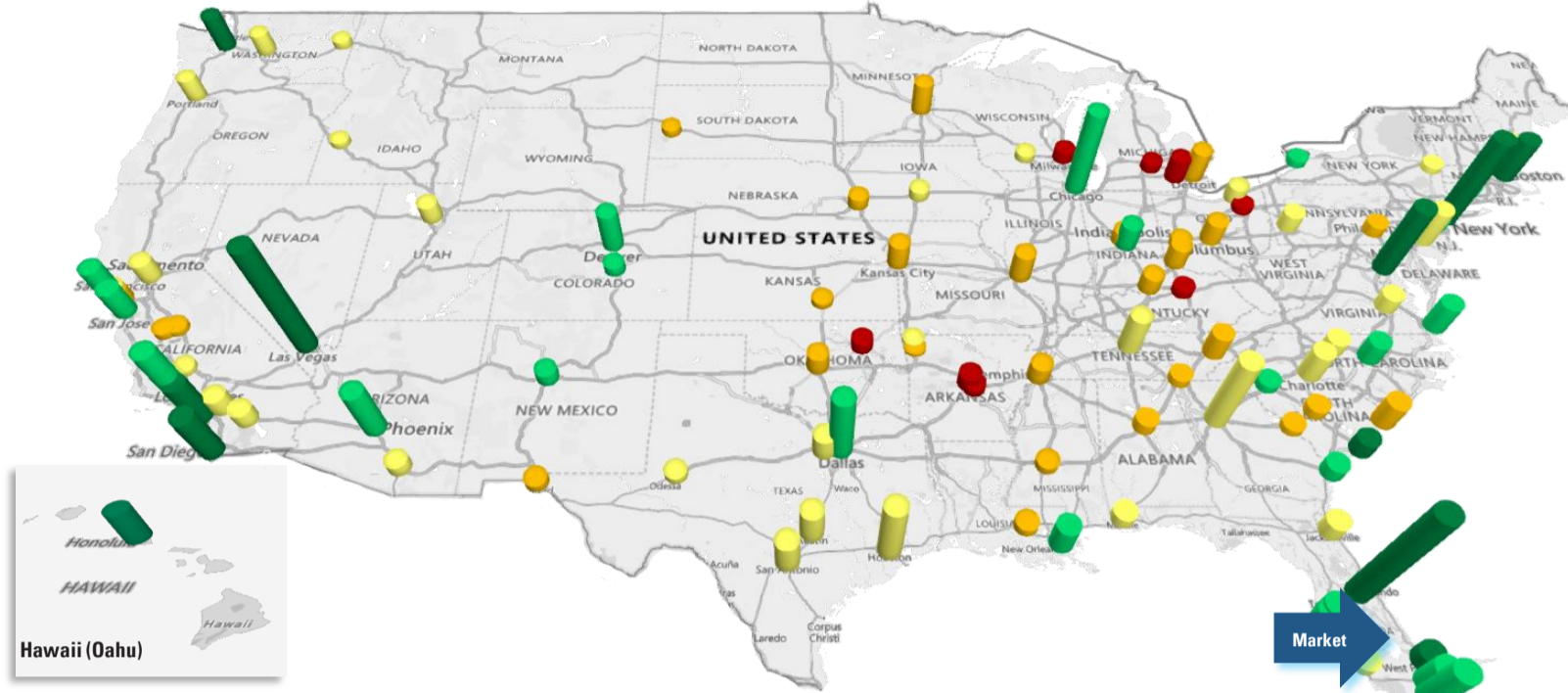
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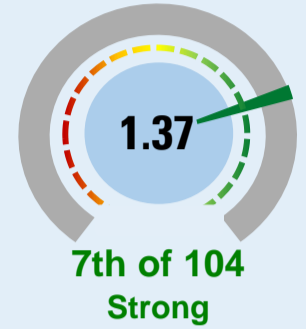


Lodging Performance Index Snapshot

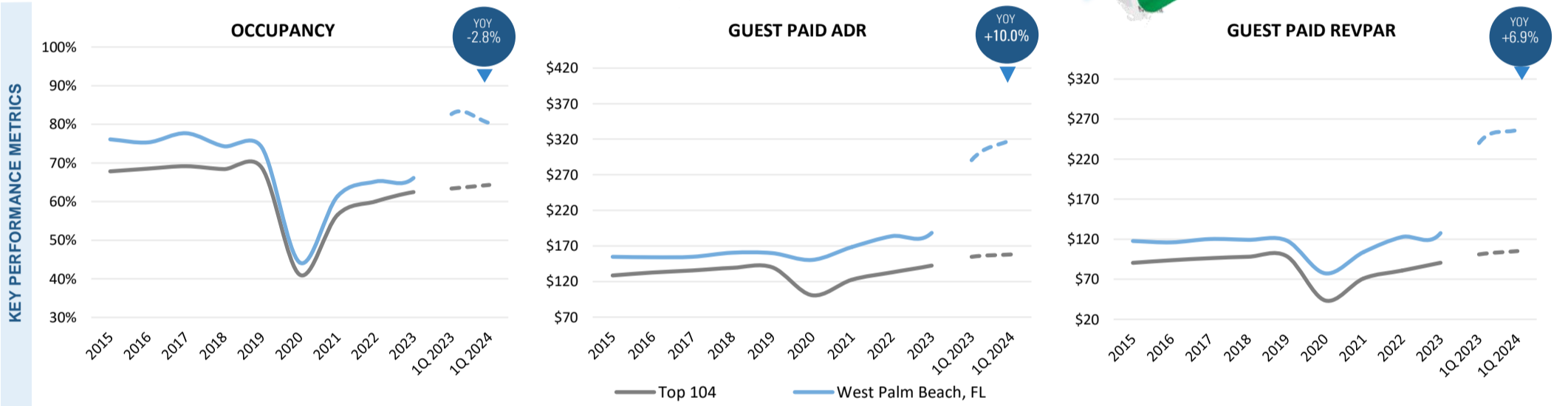


LODGING PERFORMANCE INDEX

West Palm Beach, FL



Ranking of overall '1Q 2024 LPI' performance (1.37) against all 104 surveyed markets.

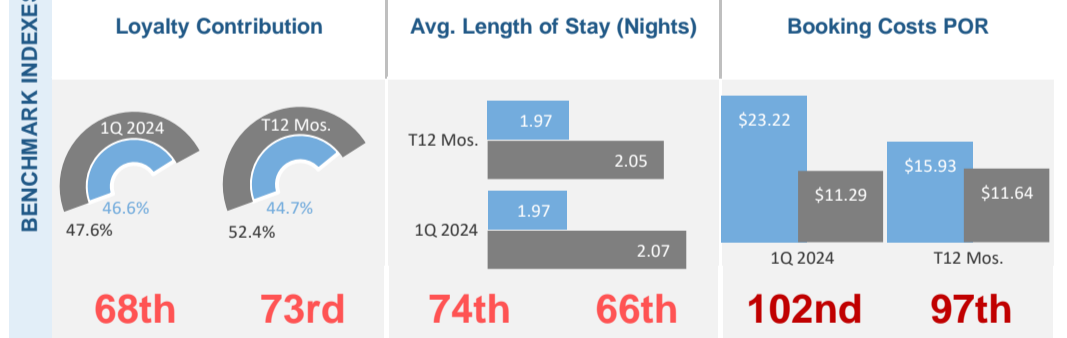


Key Performance Indexes

● Subject Market ● Top 104

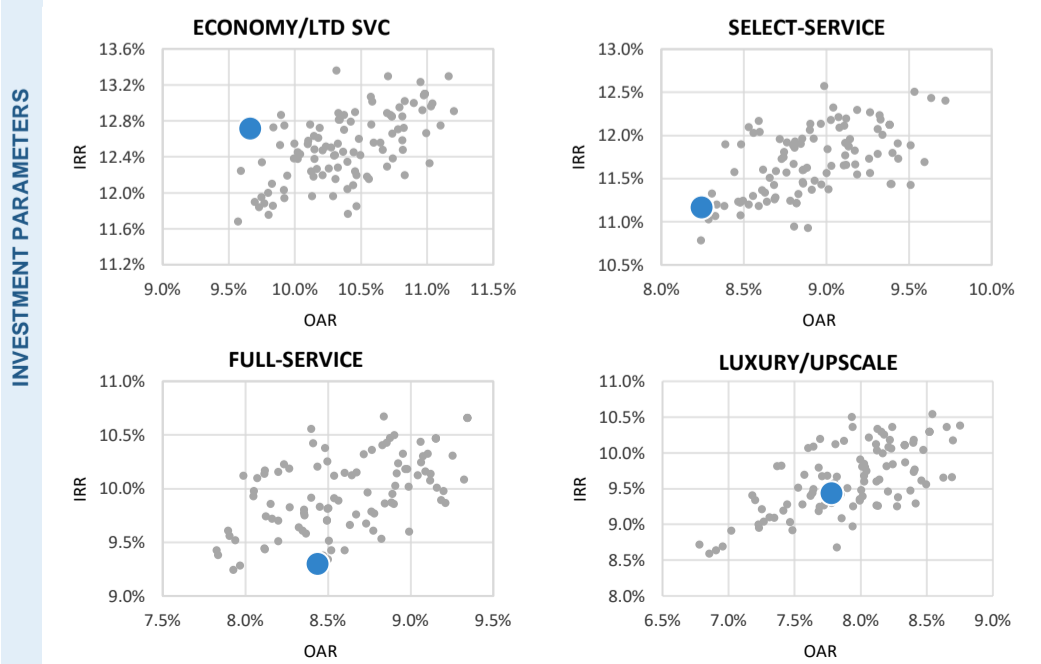


Key Benchmark Indexes



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:	West Palm Beach	
County:	Palm Beach County	
State:	Florida	
Geo Coordinates (market center):	26.71534, -80.05337	
Major Hotel Demand Generators		
Publix Super Markets Inc. Tenet Healthcare Corp. NextEra Energy/Florida Power & Light Co. Comcast Hospital Corp. of America Signature Healthcare Wackenhut Corp. Winn-Dixie Stores James A. Haley Veterans Hospital Florida Atlantic University Boca Raton Community Hospital Jupiter Medical Center Bethesda Memorial Hospital Office Depot Headquarters Florida Crystals The Geo Group Fanjul Corp. The Breakers SimplexGrinnell Boca Raton Resort & Club		
Metrics and Ranking		Measurements
Population (hotel market area)	1,136,491	50th of 104 (Average)
Income per Capita	\$49,054	52nd of 104 (Average)
Feeder Group Size	80.5 Persons PSR	63rd of 104 (Average)
Feeder Group Earnings	\$3,946,866 PSR	63rd of 104 (Average)
Total Market Hotel Revenues	\$1.1 billion	34th 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	76.1%	\$154.76	\$117.77	\$142.96	\$108.79	\$11.81	92.4%	54.3%	2.22	16,500	1.66
2016	75.3%	\$154.14	\$116.09	\$142.36	\$107.22	\$11.78	92.4%	54.7%	2.21	17,190	1.24
2017	77.7%	\$154.75	\$120.22	\$142.77	\$110.91	\$11.98	92.3%	56.3%	2.22	17,480	1.44
2018	74.3%	\$160.50	\$119.27	\$147.75	\$109.80	\$12.75	92.1%	59.9%	2.14	17,630	1.40
2019	74.0%	\$159.93	\$118.34	\$147.38	\$109.06	\$12.55	92.2%	61.8%	2.07	18,350	1.40
2020	44.2%	\$150.39	\$77.41	\$140.28	\$62.01	\$10.11	93.3%	43.1%	2.24	18,860	1.34
2021	61.4%	\$168.54	\$104.03	\$156.27	\$95.97	\$12.27	92.7%	45.6%	2.21	18,740	1.25
2022	65.2%	\$183.76	\$122.82	\$170.45	\$111.09	\$13.30	92.8%	45.8%	2.19	18,550	1.34
2023	66.1%	\$188.43	\$127.69	\$174.84	\$115.58	\$13.59	92.8%	45.7%	2.16	18,390	1.12
CAGR: 2015 thru 2023	-1.7%	2.5%	1.0%	2.5%	0.8%	1.8%	0.1%	-2.1%	-0.3%	1.4%	-4.8%
1Q 2023	82.6%	\$290.52	\$240.03	\$269.99	\$223.07	\$20.53	92.9%	45.7%	2.10	19,210	1.35
1Q 2024	80.3%	\$319.45	\$256.60	\$296.24	\$237.95	\$23.22	92.7%	46.6%	1.97	19,600	1.37

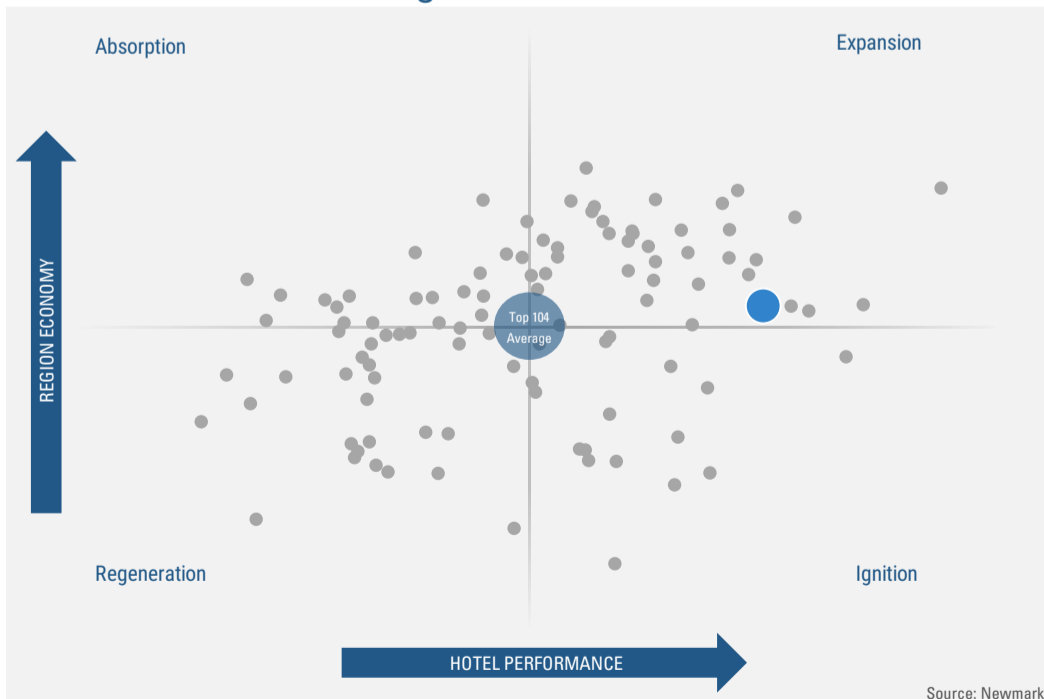
Notable Metrics

	Latest-Quarter Guest Paid ADR	Latest-Quarter Guest Paid RevPAR	Latest-Quarter COPE ADR
HIGHEST	1st Very Strong West Palm Beach, FL exhibited strong latest-quarter Guest Paid ADR (\$319.45)	1st Very Strong The market benefited from strong latest-quarter Guest Paid RevPAR (\$256.60)	1st Very Strong The market also exhibited strong latest-quarter COPE ADR (\$296.24)
LOWEST	102nd Soft This market has been burdened by high latest-quarter booking costs (\$23.22)	97th Soft The market was burdened by high T12-month booking costs POR (\$15.93)	85th Below Average West Palm Beach, FL also has been hampered by weak T12-month COPE ADR percentage (92.5%)

Notable Trends

	Overall Health of Hotel Market	Short-Term Historical Guest Paid ADR Growth	Short-Term Historical Supply Growth
STRONGEST	7th Strong West Palm Beach, FL has benefited from strong general hotel market performance (levels and trends of fundamentals)	18th Above Average The market exhibited strong short-term historical Guest Paid ADR growth (4.7%)	20th Above Average The market also has benefited from low short-term historical supply growth (2.8%)
WEAKEST	Last Soft The market exhibited weak long-term historical average length of stay growth (-2.2%)	103rd Soft We note this area exhibited weak short-term historical average length of stay growth (-3.2%)	103rd Soft West Palm Beach, FL also has been hindered by weak short-term historical loyalty contribution growth (0.4%)

Market Performance Stage



West Palm Beach, FL: Expansion Stage

The West Palm Beach, FL 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

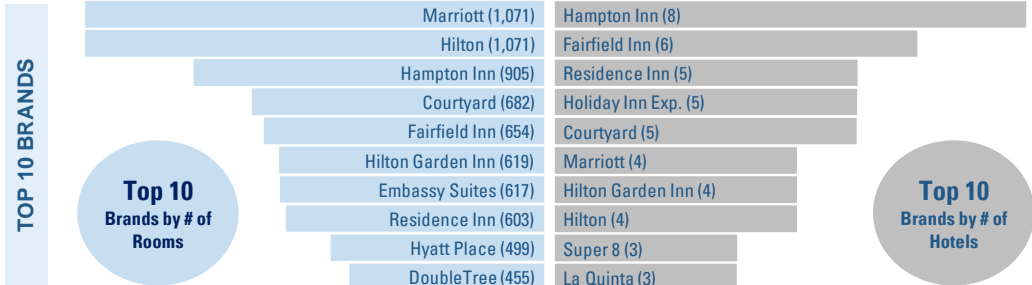
MOODY'S ANALYTICS

Business Cycle: **Expansion**
 Employment Growth (2 yr): **-4.2%**
 Risk Exposure (402 US markets): **5th Percentile: Low Risk**
 Key Industry Notes: Favorable migration patterns, Vibrant business services, Very high per capita income, Employment volatility is very high, High cost of living

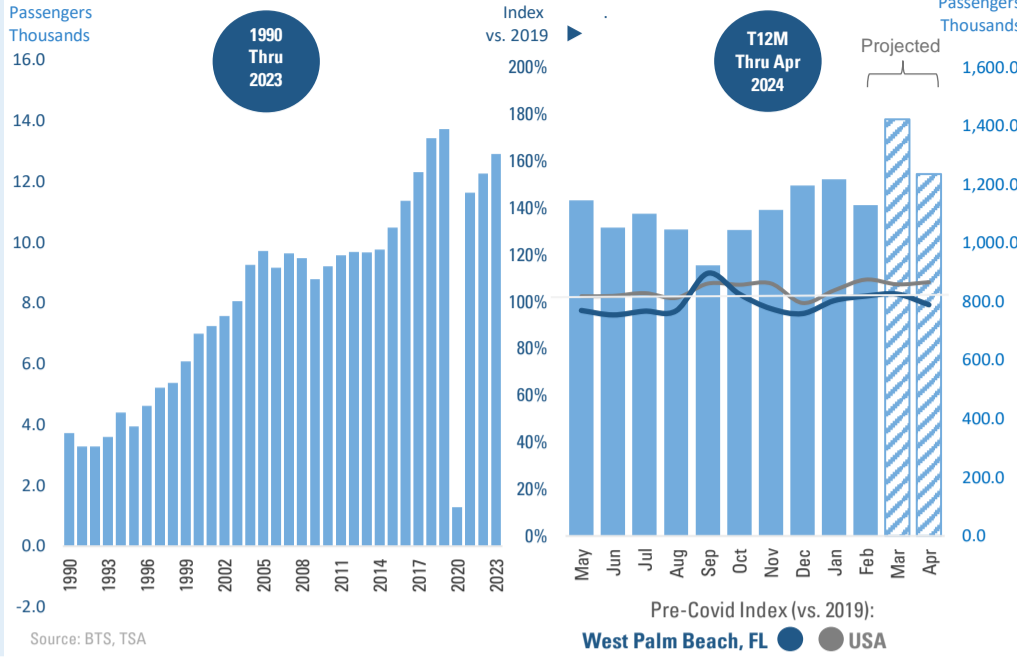
Moody's Rating

Aaa
Investment Grade

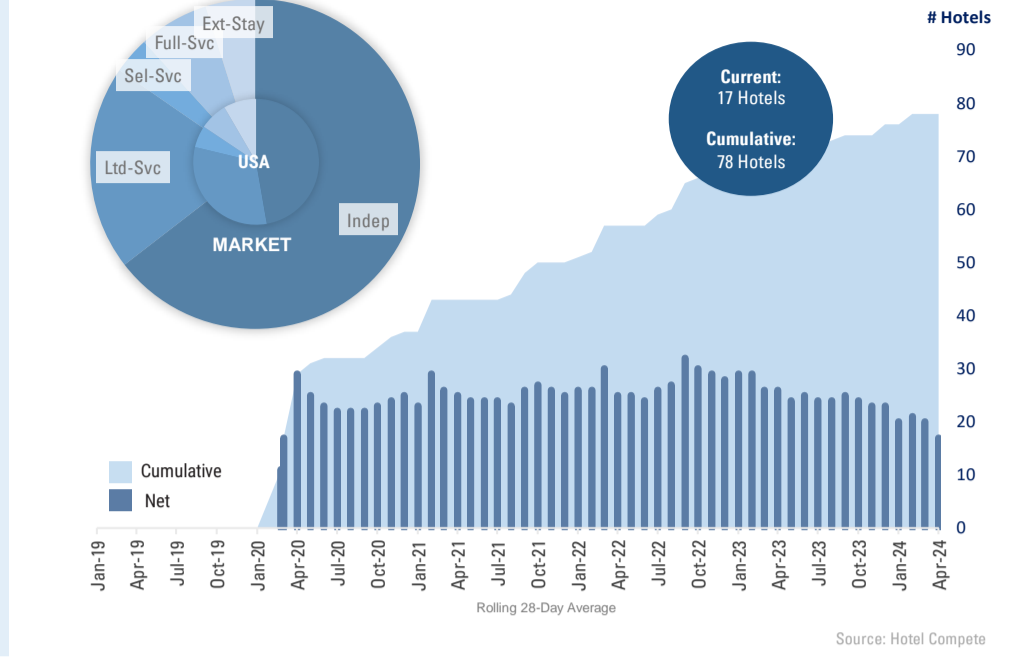
Long-term investment grade, Prime-1 short-term outlook



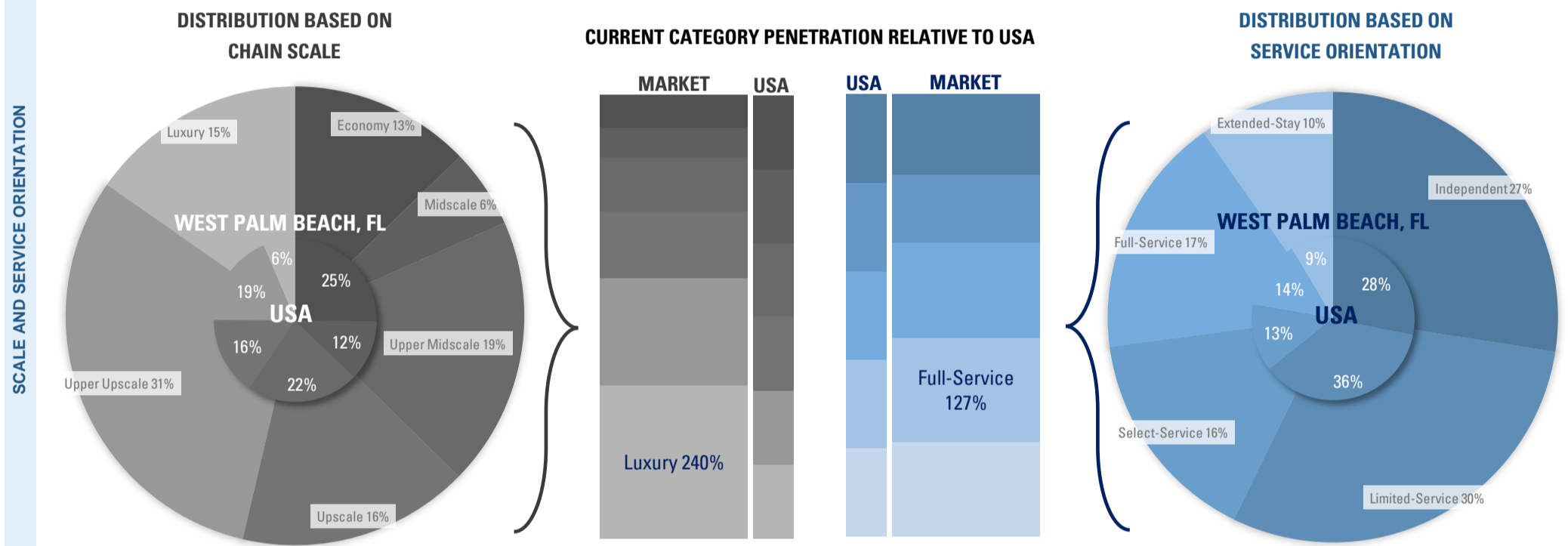
Airport Statistics - Enplanements



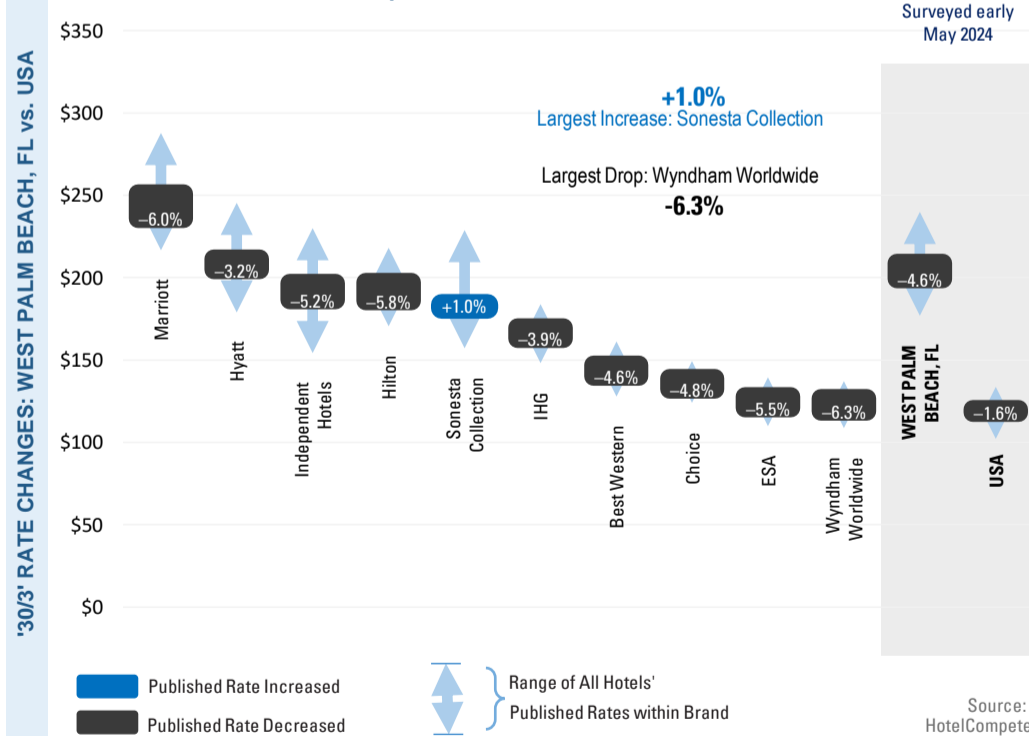
Hotel Closures - West Palm Beach, FL



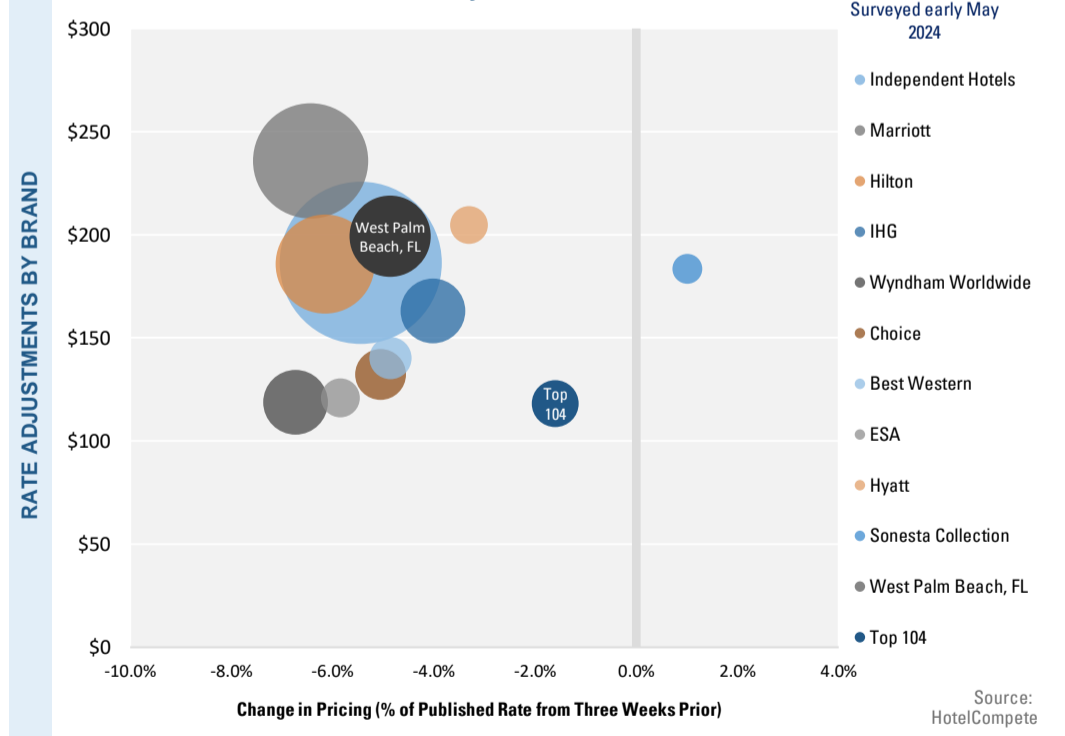
Scale and Service Distribution: West Palm Beach, FL



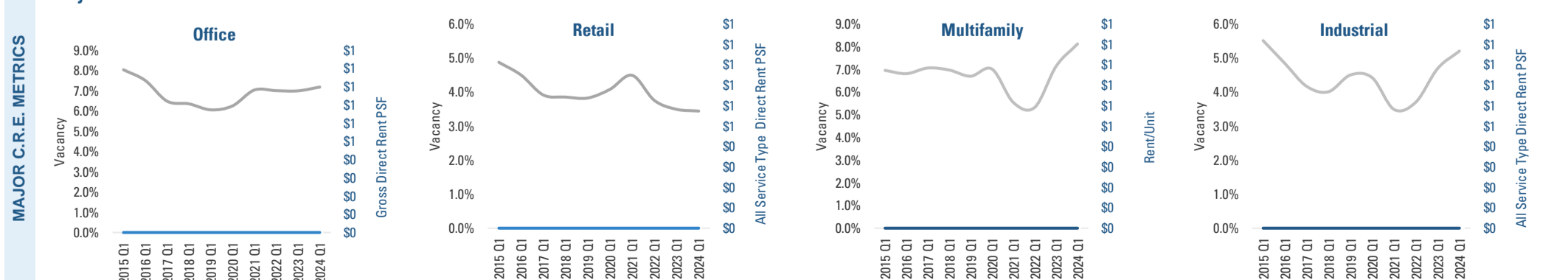
Published Rates: Top 10 Brands



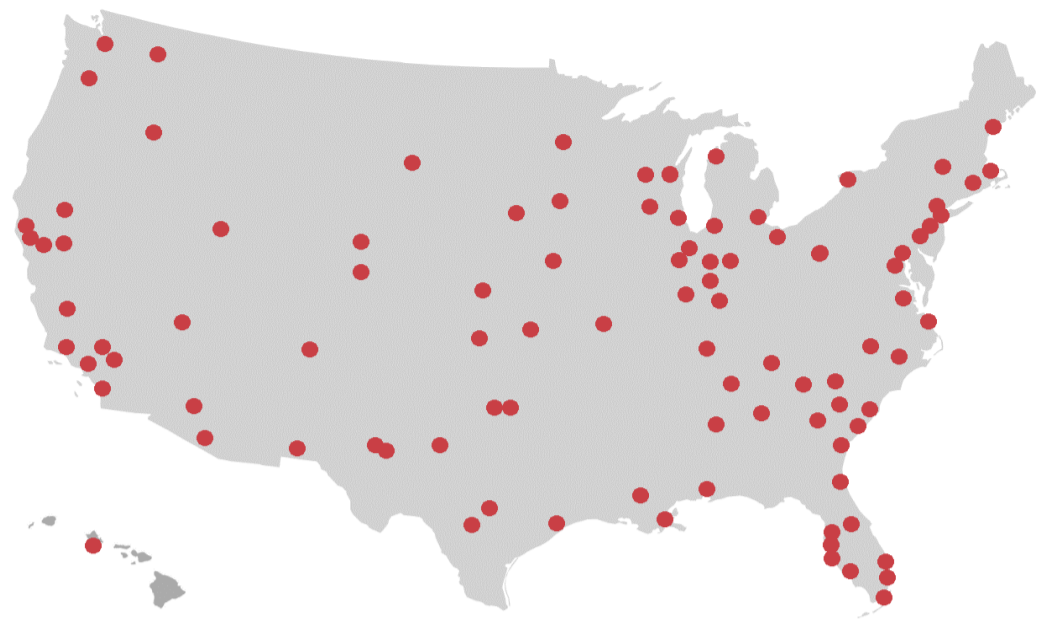
Published Rates: Volatility



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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Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

Ski and Village Resorts

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Portfolio Analytics

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