

# NEWMARK

1Q 2024

## Hotel Market Nsights Report

WICHITA, KS



### FOR MORE INFORMATION:

**Bryan Younge, MAI, ASA, FRICS**

Senior Managing Director  
Practice Leader - Hospitality, Gaming & Leisure  
NEWMARK VALUATION & ADVISORY  
Americas  
m 773-263-4544

**Ryan Sikorski, MAI, CFA**

Senior Vice President  
Hospitality, Gaming & Leisure  
NEWMARK VALUATION & ADVISORY  
Midwest Markets  
m 414-708-0556

**John Burke**

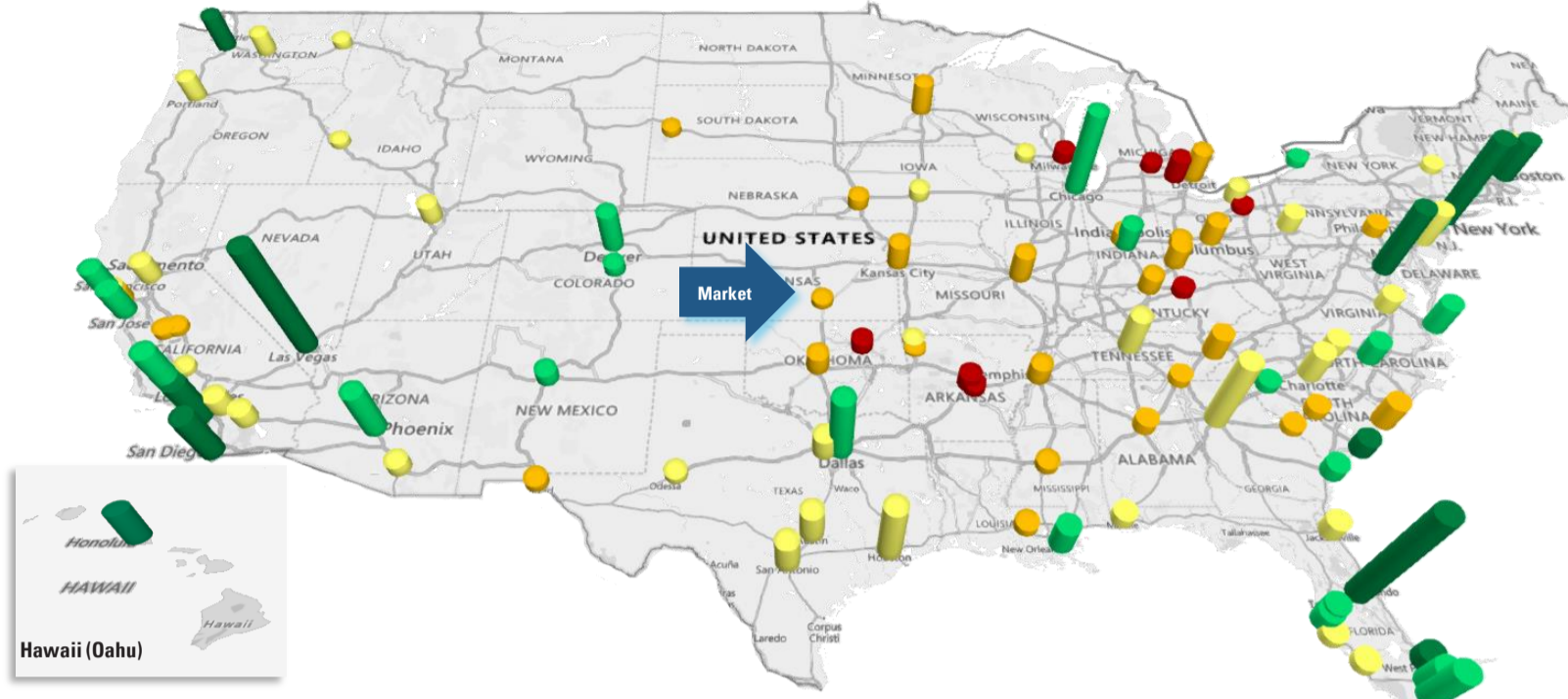
Senior Vice President  
Hospitality, Gaming & Leisure  
NEWMARK VALUATION & ADVISORY  
Midwest Markets  
t 312-224-3170

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



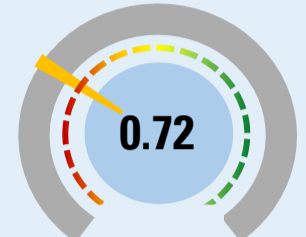


Lodging Performance Index Snapshot



LODGING PERFORMANCE INDEX

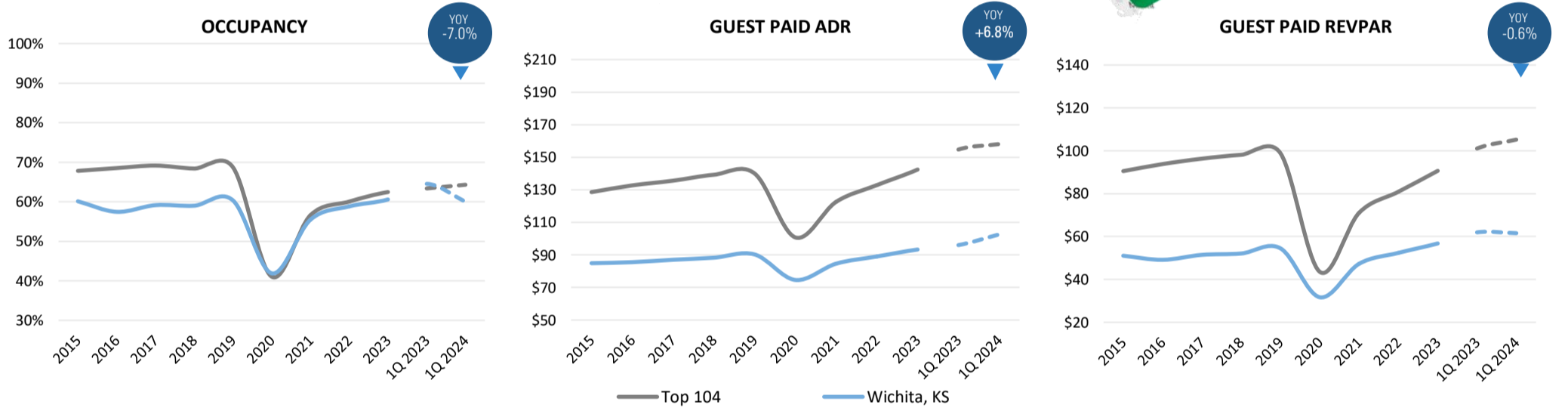
Wichita, KS



91st of 104  
Below Average

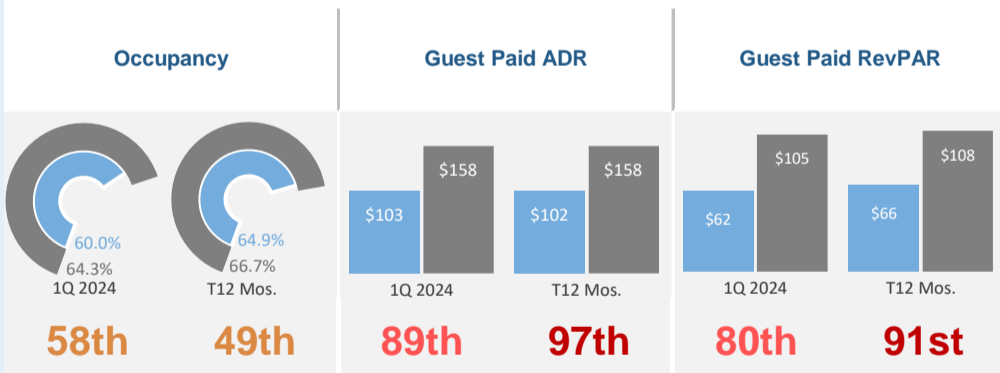
Ranking of overall '1Q 2024 LPI' performance (0.72) against all 104 surveyed markets.

KEY PERFORMANCE METRICS



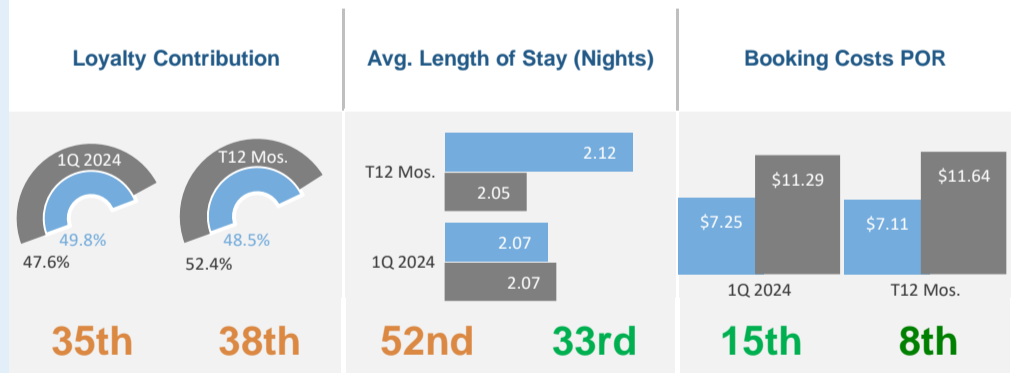
PERFORMANCE INDEXES

Key Performance Indexes



BENCHMARK INDEXES

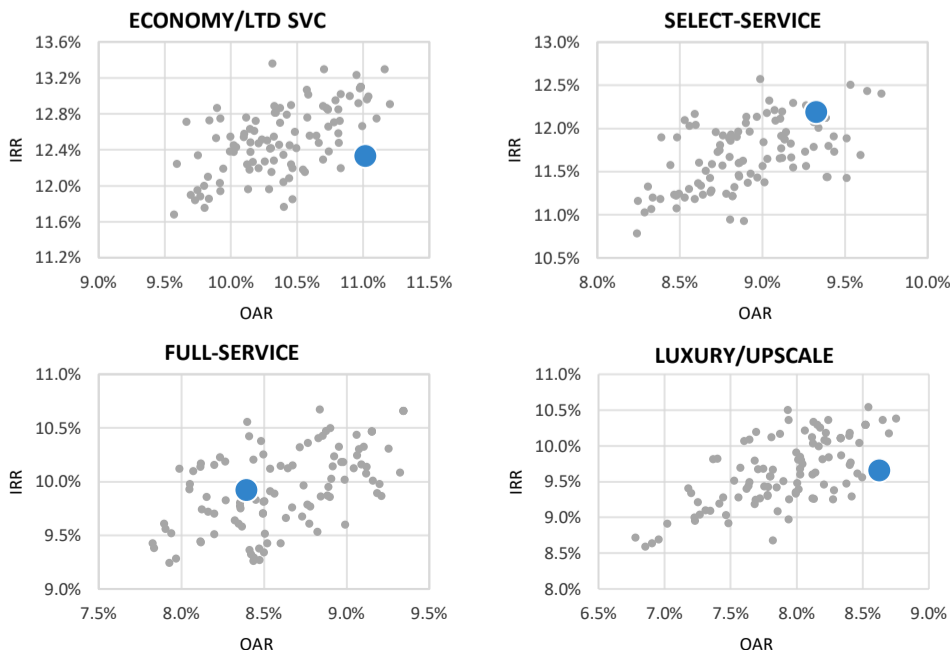
Key Benchmark Indexes



Discount and Capitalization Rates

Source: Newmark

INVESTMENT PARAMETERS



Trends and Risks

Source: Kalibri Labs, Newmark

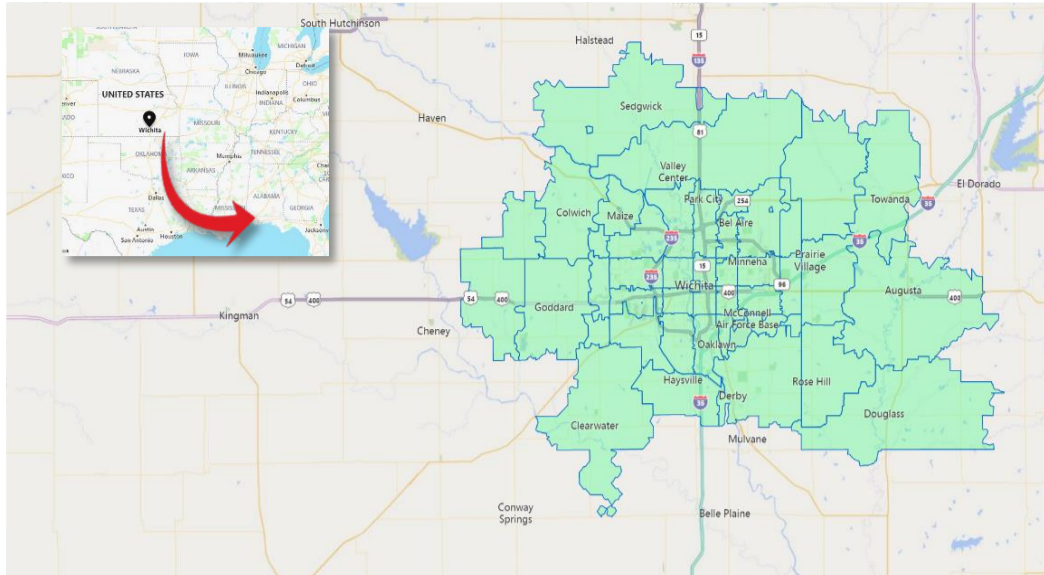
FUNDAMENTALS



RISKS



Location



Quick Facts

<b>Jurisdictional Information</b>		Source: US Census Bureau, Dept. of Labor Statistics
Municipal Name:	Wichita	
County:	Sedgwick County	
State:	Kansas	
Geo Coordinates (market center):	37.69224, -97.33754	
<b>Major Hotel Demand Generators</b>		
Spirit AeroSystems Inc.   Textron Aviation   McConnell AFB   Via Christi Regional Medical Center   Koch Industries Inc.   Dillons Food Stores   Wesley Medical Center   Wichita State University   Bombardier Aerospace   Catholic Diocese of Wichita   Johnson Controls Inc.   AGCO Corp.-Hesston Operations   Boeing Integrated Defense Systems   Robert J. Dole VA Medical Center   Excel Industries -- Hesston   Cox Communications Inc.   Cargill Meat Solutions   T-Mobile USA   Protection One   Intrust Bank		
<b>Metrics and Ranking</b>		<b>Measurements</b>
Population (hotel market area)	494,873	<b>Rankings</b>
Income per Capita	\$48,982	83rd of 104 (Below Average)
Feeder Group Size	87.0 Persons PSR	54th of 104 (Average)
Feeder Group Earnings	\$4,261,222 PSR	70th of 104 (Below Average)
Total Market Hotel Revenues	\$208.5 million	73rd of 104 (Below Average)
		101st of 104 (Soft)

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%	\$84.91	\$51.04	\$78.83	\$47.38	\$6.08	92.8%	47.4%	2.00	8,640	0.53
2016	57.4%	\$85.54	\$49.14	\$79.22	\$45.50	\$6.33	92.6%	48.8%	1.96	8,530	0.57
2017	59.1%	\$87.02	\$51.46	\$80.08	\$47.35	\$6.94	92.0%	51.9%	1.92	8,650	0.56
2018	59.0%	\$88.27	\$52.08	\$81.30	\$47.96	\$6.97	92.1%	53.4%	1.96	8,850	0.72
2019	60.3%	\$90.30	\$54.48	\$83.24	\$50.23	\$7.06	92.2%	56.8%	1.96	8,490	0.65
2020	41.9%	\$74.61	\$31.67	\$69.57	\$29.14	\$5.04	93.2%	42.8%	2.18	8,590	0.91
2021	55.5%	\$84.61	\$47.29	\$78.66	\$43.62	\$5.95	93.0%	44.0%	2.02	8,680	0.65
2022	58.8%	\$89.03	\$52.37	\$82.75	\$48.67	\$6.28	92.9%	44.1%	2.04	8,710	0.86
2023	60.6%	\$93.31	\$56.77	\$86.72	\$52.53	\$6.58	92.9%	44.2%	2.07	8,750	0.94
<b>CAGR: 2015 thru 2023</b>	<b>0.1%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>1.0%</b>	<b>0.0%</b>	<b>-0.9%</b>	<b>0.4%</b>	<b>0.2%</b>	<b>7.3%</b>
<b>1Q 2023</b>	64.5%	\$96.02	\$61.95	\$89.32	\$57.63	\$6.70	93.0%	44.8%	2.17	8,520	0.85
<b>1Q 2024</b>	60.0%	\$102.59	\$61.58	\$95.34	\$57.22	\$7.25	92.9%	49.8%	2.07	8,640	0.72

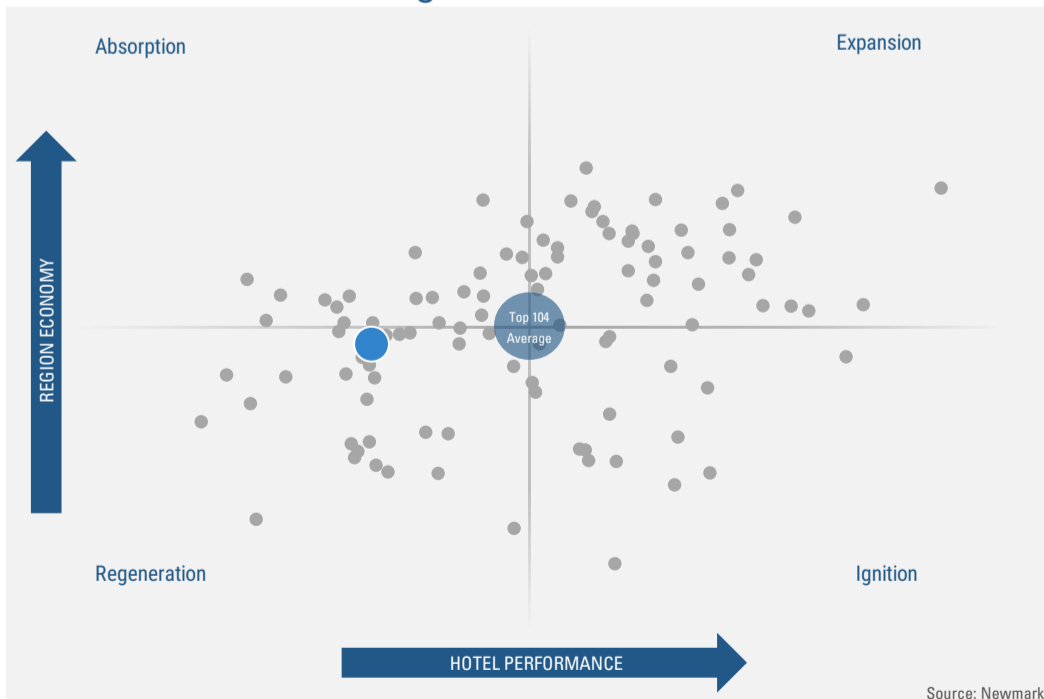
Notable Metrics

<b>HIGHEST</b>	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR	OAR: Full-Service
	<b>8th Strong</b>	<b>15th Above Average</b>	<b>31st Favorable</b>
	Wichita, KS enjoyed low T12-month booking costs POR (\$7.11)	The market enjoyed low latest-quarter booking costs POR (\$7.25)	The market also posted favorable OAR metrics in the full-service segment (8.4%)
<b>LOWEST</b>	OAR: Luxury/Upscale	OAR: Economy/Ltd Svc	Total Rooms Sold
	<b>100th Highly Unfavorable</b>	<b>99th Highly Unfavorable</b>	<b>98th Soft</b>
	This market exhibited unfavorable OAR metrics in the luxury/upscale segment (8.6%)	The market exhibited unfavorable OAR metrics in the economy/ltltd svc segment (11.0%)	Wichita, KS also has a limited lodging-related economy and shows minimal diversity in its sources of demand (2,076,295 room nights)

Notable Trends

<b>STRONGEST</b>	Short-Term Historical Occupancy Growth	Long-Term Historical Average Length of Stay Growth	Long-Term Historical Occupancy Growth
	<b>5th Strong</b>	<b>6th Strong</b>	<b>15th Above Average</b>
	Wichita, KS has benefited from strong short-term historical occupancy growth (1.9%)	The market enjoyed strong long-term historical average length of stay growth (1.6%)	The market also enjoyed strong long-term historical occupancy growth (0.6%)
<b>WEAKEST</b>	Long-Term Historical Loyalty Contribution Growth	Short-Term Historical Loyalty Contribution Growth	Overall Health of Hotel Market
	<b>95th Soft</b>	<b>88th Below Average</b>	<b>83rd Below Average</b>
	The market has been hindered by weak long-term historical loyalty contribution growth (2.8%)	We note this area has been hindered by weak short-term historical loyalty contribution growth (2.5%)	Wichita, KS also has been hampered by weak general hotel market performance (levels and trends of fundamentals)

Market Performance Stage



Wichita, KS: Regeneration Stage

The Wichita, KS 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

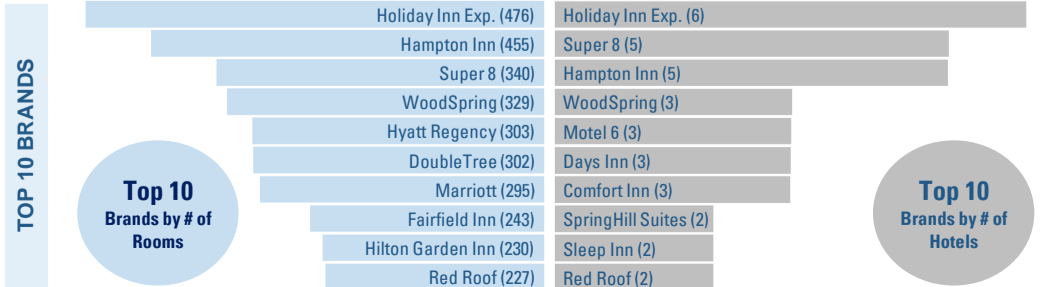
**MOODY'S ANALYTICS**  
 Business Cycle:  
 Employment Growth (2 yr):  
 Risk Exposure (402 US markets):  
 Key Industry Notes:

**At Risk**  
 0.9%  
 34th Percentile: Below Average  
 Manufacturing that serves global market  
 Low cost of doing business  
 Presence of McConnell AFB and WSU  
 Low educational attainment  
 Below-average wages

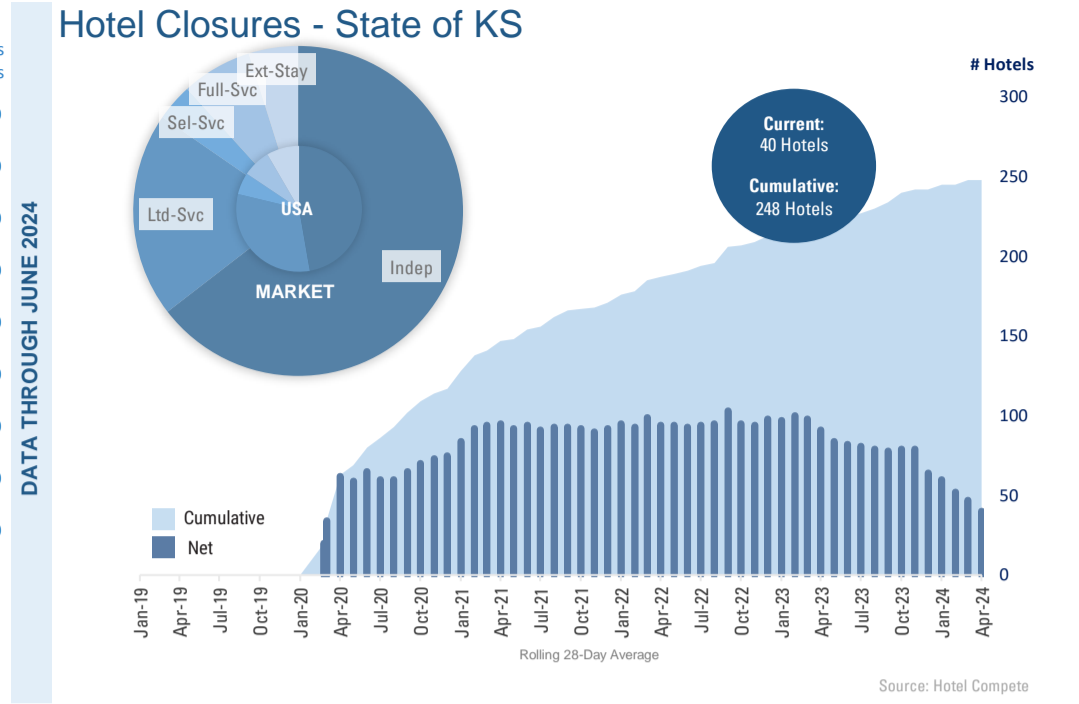
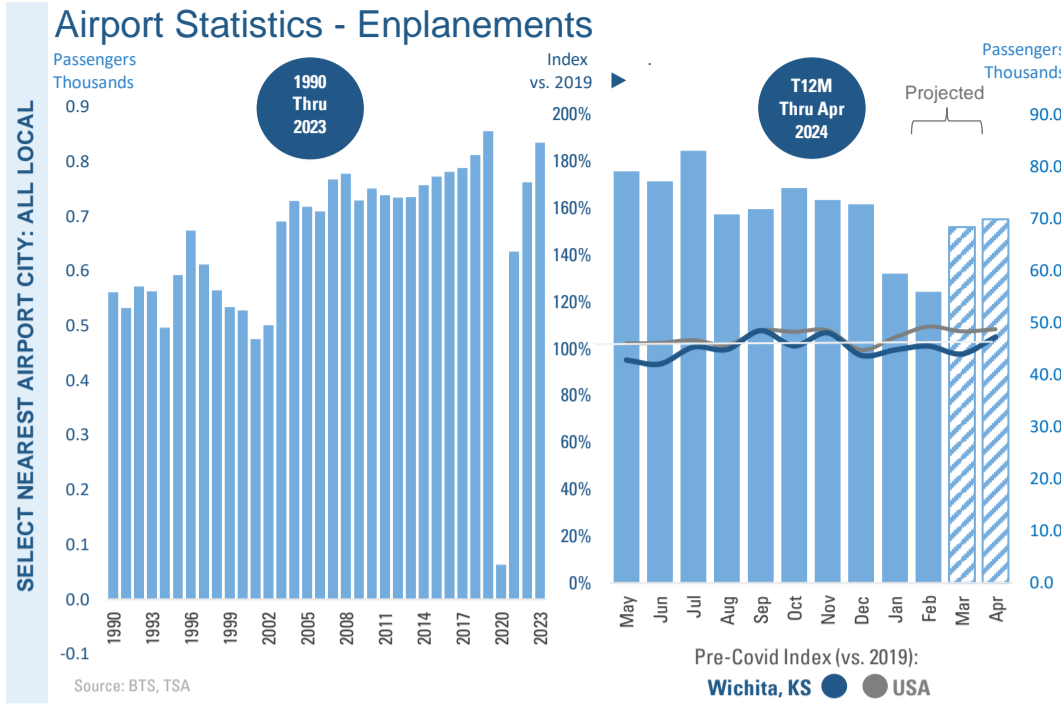
**Moody's Rating**

**Aaa**  
 Investment Grade

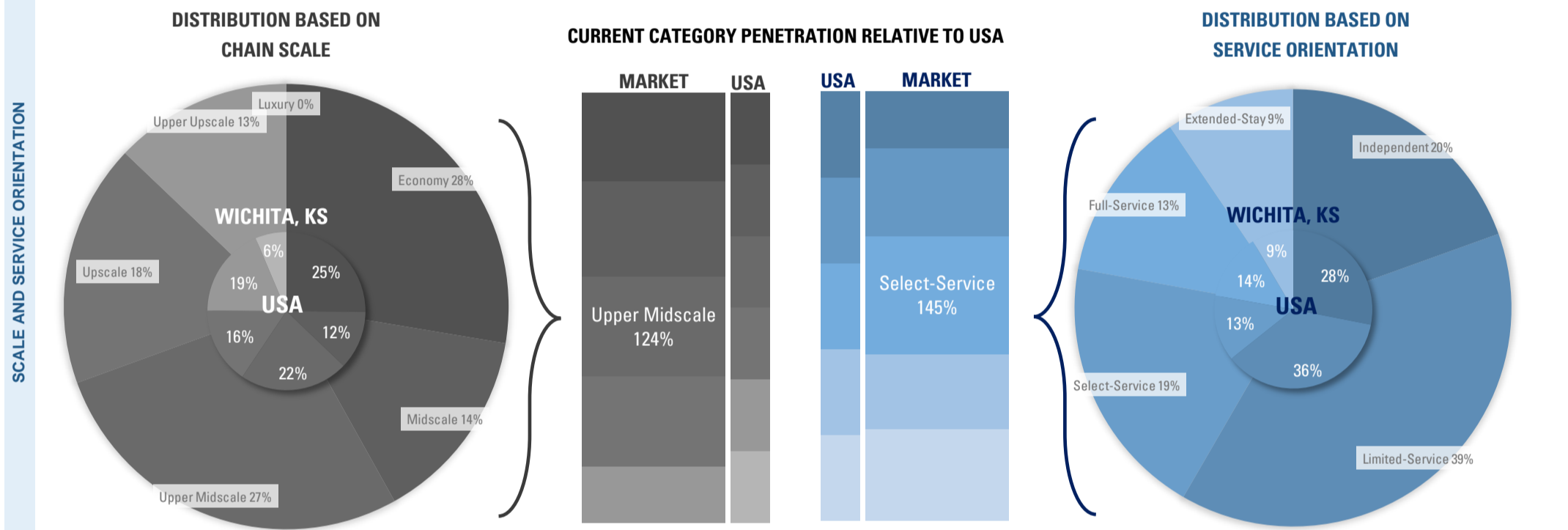
Long-term investment grade, Prime-1 short-term outlook



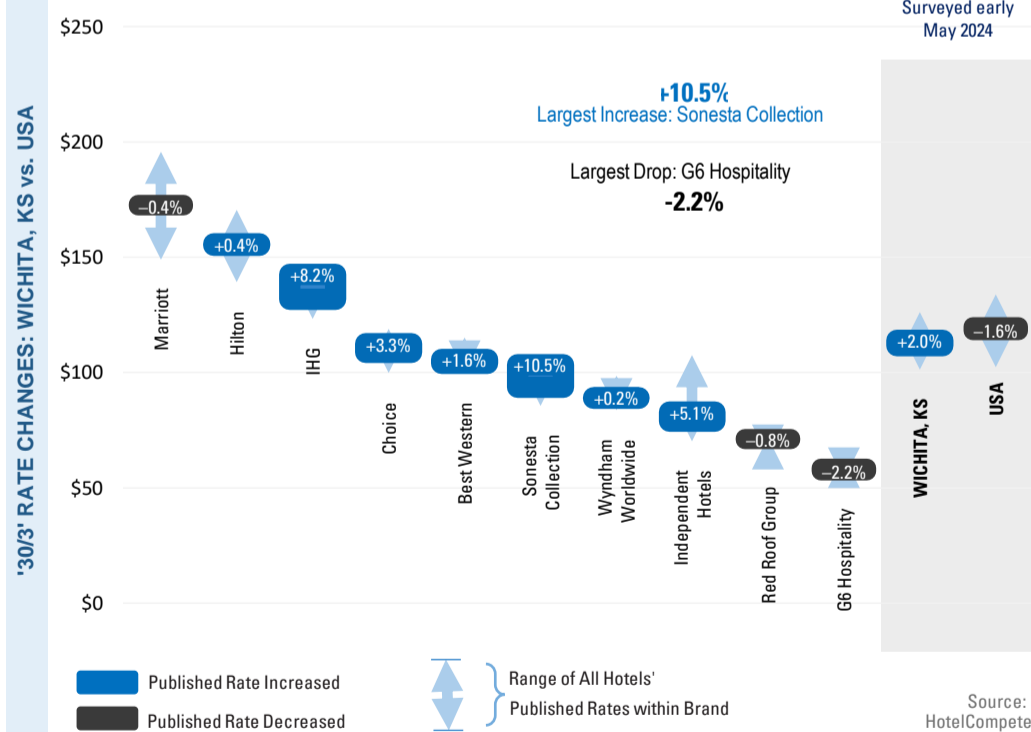




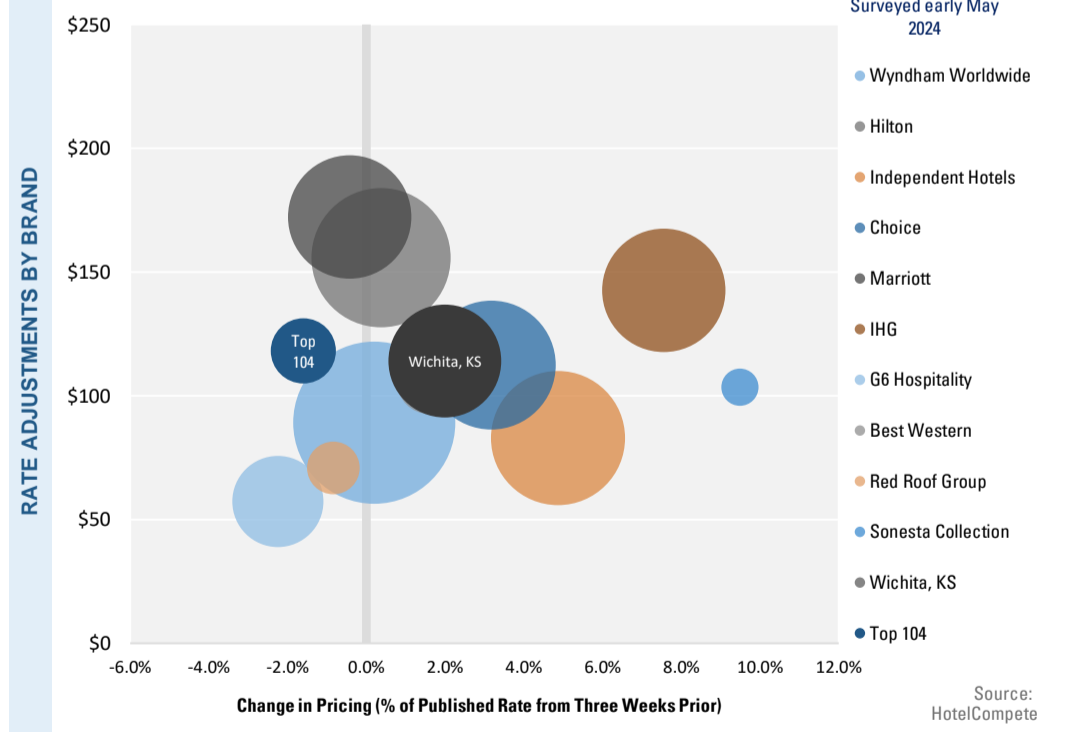
## Scale and Service Distribution: Wichita, KS



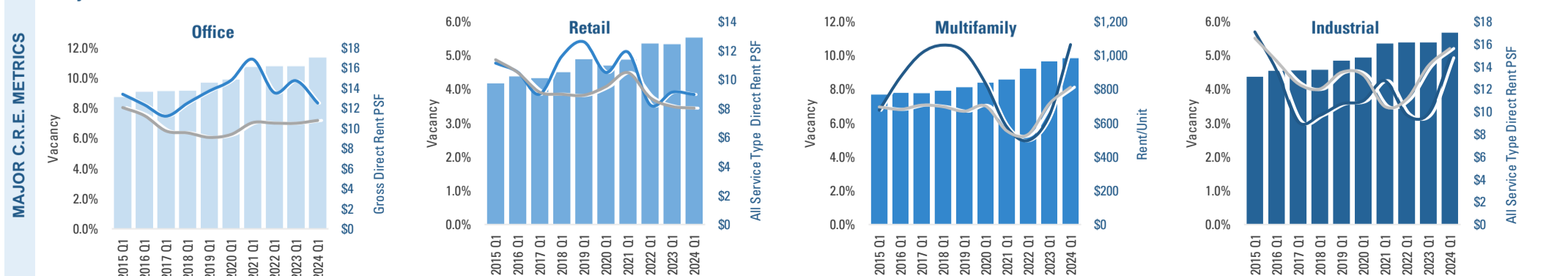
## Published Rates: Top 10 Brands



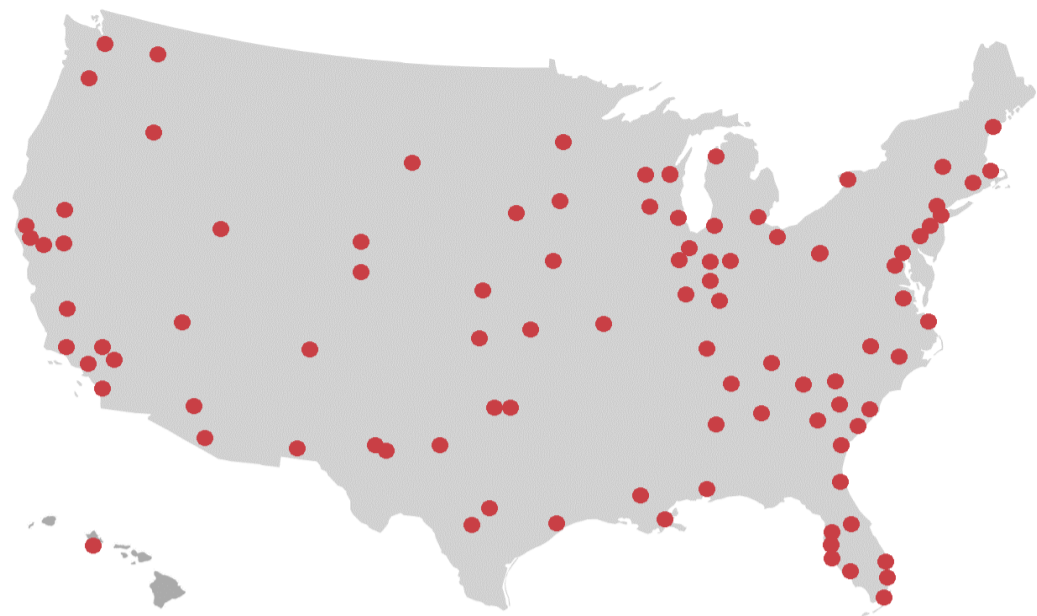
## Published Rates: Volatility



## 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

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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

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.

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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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FOR INFORMATION CONTACT:

**Bryan Younge MAI, ASA, FRICS**

Executive Vice President, Valuation & Advisory,  
Specialty Practice Leader – Hospitality, Gaming & Leisure  
m 773-263-4544  
bryan.younge@nmrk.com

### CONTACT: MIDWEST MARKETS

**FOR MORE INFORMATION**

**Ryan Sikorski, MAI, CFA**  
Senior Vice President  
Hospitality, Gaming & Leisure  
**NEWMARK VALUATION & ADVISORY**  
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m 414-708-0556  
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Midwest Markets  
t 312-224-3170  
john.burke@nmrk.com

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