



## VALUATION & ADVISORY

### 1Q 2021 HOTEL MARKET INSIGHTS REPORT



## Hospitality, Gaming & Leisure Practice

Atlanta, GA

### Fundamentals Dashboard

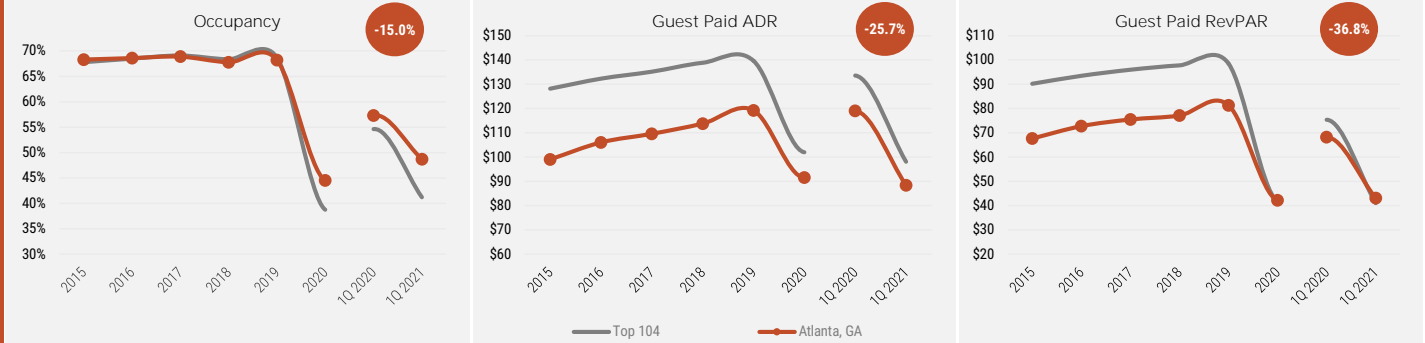
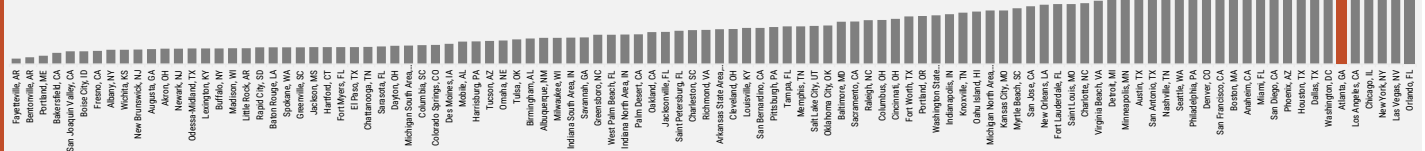
#### Lodging Performance Index

**50th of 104**

Average

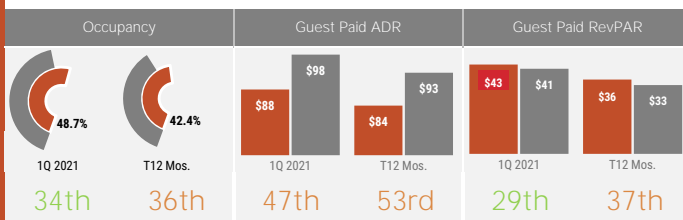
Ranking of overall '1Q 2021 LPI' performance (1.00) against all 104 surveyed markets.

Supply Ranking vs. Major US Markets



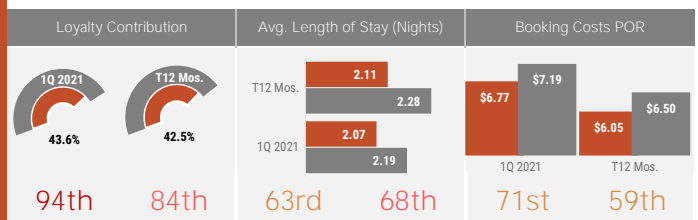
### Key Performance Indexes

● Subject Market ● Top 104



### Key Benchmark Indexes

Data provided by: **kalibri LABS**



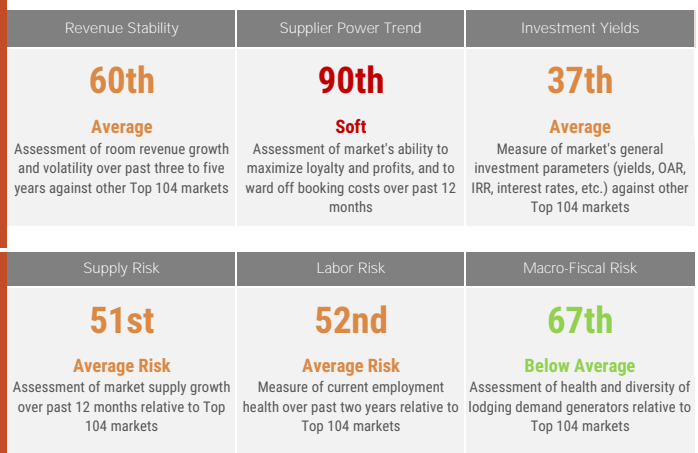
### Discount and Capitalization Rates

Source: Newmark



### Trends and Risks

Source: Kalibri Labs, Newmark



## Location



## Quick Facts

## Jurisdictional Information

Municipal Name:	Atlanta
County:	DeKalb County, Fulton County
State:	Georgia
Geo Coordinates (market center):	33.76291, -84.42267

Source: US Census Bureau, Dept. of Labor Statistics

## Major Hotel Demand Generators

Delta Air Lines Inc. | Walmart Inc. | The Home Depot Inc. | Emory University | WellStar Health System Inc. | AT&T Inc. | Northside Hospital | Piedmont Healthcare | Emory Healthcare | Marriott International | Publix Supermarkets | Georgia State University | Centers for Disease Control and Prevention | Cox Enterprises Inc. | The Coca-Cola Co. | Southern Co. | Corelabs Structures | Children's Healthcare of Atlanta | SunTrust Banks Inc. | State Farm, Southeastern Market Area

## Metrics and Ranking

Population (hotel market area)	4,978,495
Income per Capita	\$51,701
Feeder Group Size	112.3 Persons PSR
Feeder Group Earnings	\$5,808,514 PSR
Total Market COPE	\$1.4 billion

## Rankings

5th of 104 (Very Large)  
39th of 104 (Average)  
44th of 104 (Average)  
49th of 104 (Average)  
4th of 104 (Strong)

## Key Performance Metrics

Data provided by: **kalibri** LABS

YEAR ENDING	Occ %	Guest Paid ADR	RevPAR	COPE* ADR	RevPAR
2015	68.3%	\$99.02	\$67.62	\$91.44	\$62.45
2016	68.6%	\$106.02	\$72.72	\$97.58	\$66.93
2017	68.9%	\$109.57	\$75.46	\$100.59	\$69.28
2018	67.8%	\$113.76	\$77.09	\$104.58	\$70.87
2019	68.2%	\$119.23	\$81.33	\$109.71	\$74.84
2020	44.5%	\$91.51	\$42.13	\$84.87	\$37.77
CAGR: 2015 thru 2020	-8.2%	-1.6%	-9.0%	-1.5%	-9.6%
1Q 2020	57.3%	\$119.01	\$68.15	\$109.89	\$62.93
1Q 2021	48.7%	\$88.38	\$43.04	\$81.61	\$39.74
% Change	-15.0%	-25.7%	-36.8%	-25.7%	-36.8%

Booking Cost POR	ADR COPE* %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
\$7.58	92.3%	41.5%	2.14	95,300	1.16
\$8.44	92.0%	44.0%	2.06	95,500	1.19
\$8.98	91.8%	46.2%	1.99	94,900	1.19
\$9.18	91.9%	49.8%	1.97	95,200	1.11
\$9.51	92.0%	54.8%	1.93	103,100	1.30
\$6.64	92.7%	45.2%	2.08	105,800	0.93
-2.6%	0.1%	1.7%	-0.6%	2.1%	-4.2%
\$9.12	92.3%	54.5%	1.94	103,300	1.12
\$6.77	92.3%	43.6%	2.07	103,800	1.00
-25.8%	0.0%	-19.9%	6.8%	0.5%	-10.4%

\*COPE: Contribution to Operating Profit and Expenses. Metrics do not account for Sales and Marketing Spend.

## Notable Metrics

HIGHEST	Total Rooms Sold	Total Rooms Supply	OAR: Select-Service
	<b>2nd Strong</b> Atlanta, GA boasted strong total rooms sold (16,174,275)	<b>6th Strong</b> The market benefits from a large and diverse hotel market (103,826)	<b>13th Favorable</b> The market also enjoyed favorable OAR metrics in the select-service segment (7.7%)
LOWEST	Latest-Quarter Loyalty Contribution	T12-Month Loyalty Contribution	T12-Month COPE ADR Percentage
	<b>94th Soft</b> This market has been hindered by weak latest-quarter loyalty contribution (43.6%)	<b>84th Below Average</b> The market has been hindered by weak T12-month loyalty contribution (42.5%)	<b>83rd Below Average</b> Atlanta, GA also has been hampered by weak T12-month COPE ADR percentage (92.8%)

## Notable Trends

FASTEST	Long-Term Historical Supply Growth	Short-Term Historical Booking Costs POR Growth	Short-Term Historical Supply Growth
	<b>45th Average</b> Atlanta, GA has benefited from low long-term historical supply growth (1.6%)	<b>47th Average</b> The market enjoyed low short-term historical growth in booking costs (-11.6%)	<b>51st Average</b> The market also has benefited from low short-term historical supply growth (1.9%)
SLOWEST	Long-Term Historical Average Length of Stay Growth	Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid ADR Growth
	<b>81st Below Average</b> The market exhibited weak long-term historical average length of stay growth (0.3%)	<b>77th Below Average</b> We note this area posted weak short-term historical COPE ADR growth (-10.0%)	<b>74th Below Average</b> Atlanta, GA also has been impeded by weak short-term historical Guest Paid ADR growth (-10.1%)

## Market Performance Stage



Source: Newmark

## Atlanta, GA: Expansion Stage

The Atlanta, GA market is currently in the 'Expansion' stage of the performance cycle. In this stage, hotels generally perform adequately and in an economy with resilience and higher confidence the economy will recover from the COVID-19 crisis. Barriers to entry are low, displacement demand is high, and the market typically experiences an expansion of both hotel supply and general economic conditions. Example markets in this stage include Fort Lauderdale, FL; Fort Worth, TX; and Indianapolis, IN.

## Other Stages:

**Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are generally underperforming. The highest and best uses of hotel assets are challenged whether by COVID-19 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 Chicago, IL; New Orleans, LA; and Orlando, FL.

**Ignition:** In the 'Ignition' stage, hotels generally perform adequately for operators to enjoy positive returns, with confidence the economy will recover from the COVID-19 crisis. While the general economy lags, strong hotel performance can ignite expansion in certain key sectors. Example markets in this stage include Detroit, MI; Knoxville, TN; and Miami, FL.

**Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will recover from the COVID-19 crisis, presenting upside for CRE. Barriers to entry are high and the market typically hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Anaheim, CA; Austin, TX; and Boston, MA.

## Industry Observations

**Business Cycle:** In Recovery  
**Employment Growth (2 yr):** -3.0%  
**Risk Exposure (402 US markets):** 25th Percentile: Below Average  
**Key Industry Notes:** Manufacturing, high tech  
Diverse economy  
Strong demographics  
Business-friendly  
Strained infrastructure

## Moody's Rating

**Aaa**

Investment Grade

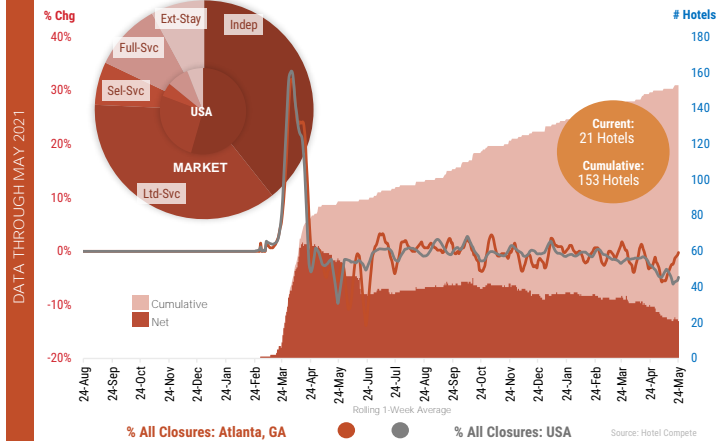
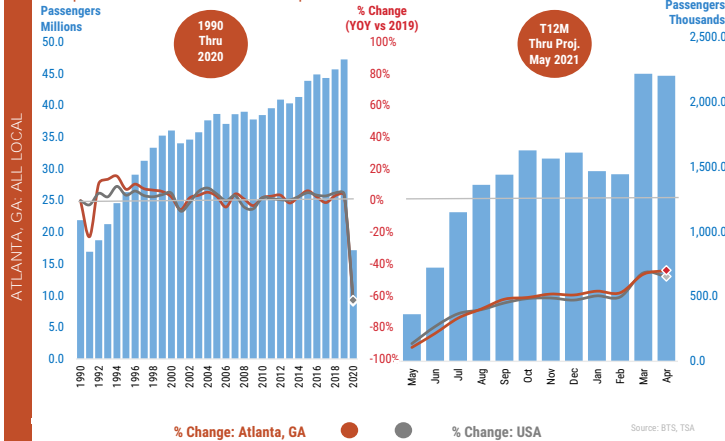
Long-term investment grade, Prime-1 short-term outlook

## TOP 10 BRANDS

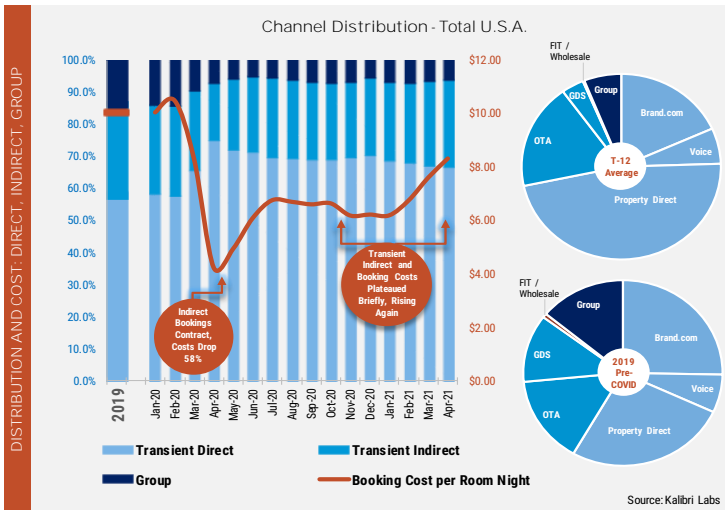


Source: Newmark

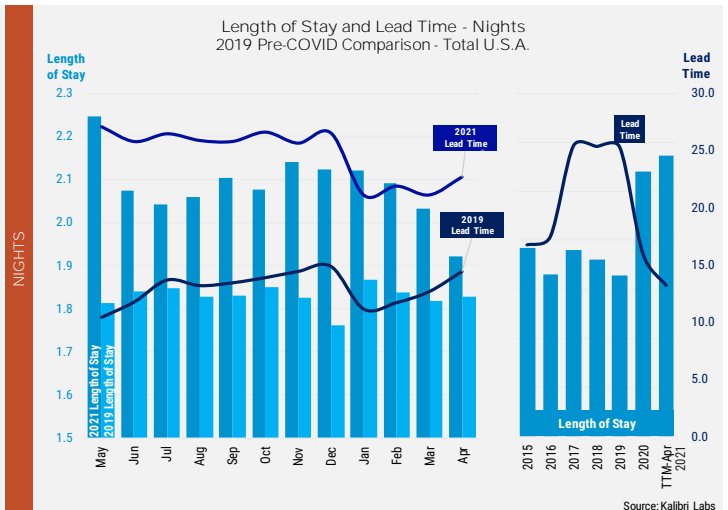
## Hotel Closures - Atlanta, GA vs. USA



## National Trends Dashboard - Channel Distribution



## National Trends Dashboard - Duration



# Newmark Hotel Market Insights Report 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

## MARKET DISCLAIMERS

**Las Vegas, NV; Oahu, HI; Orlando, FL:** market data based on actual reporting properties only. Excludes vast majority of casino properties and assets located within the "strip" district of Las Vegas, as well as the vast majority of Disney-associated assets, which comprises most of the Orlando market.

**Total Supply** The total supply figures are aggregated estimates from multiple third-party sources.

**Air Passenger Statistics** The latest two months are estimates based on daily national trends reported by TSA. These data are subject to revision.

## SOUTHEAST & CARRIBBEAN MARKETS

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