



VALUATION & ADVISORY

1Q 2021 HOTEL MARKET INSIGHTS REPORT



Hospitality, Gaming & Leisure Practice

Las Vegas, NV

Fundamentals Dashboard

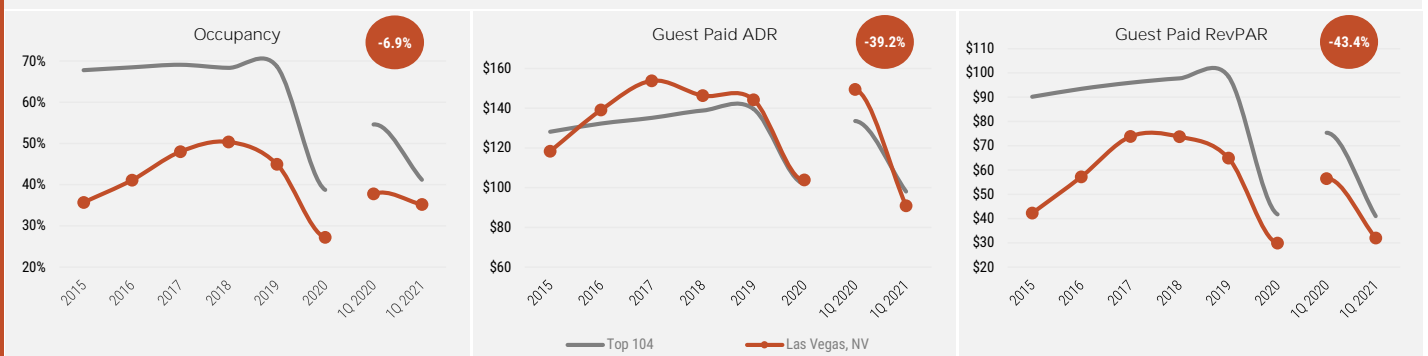
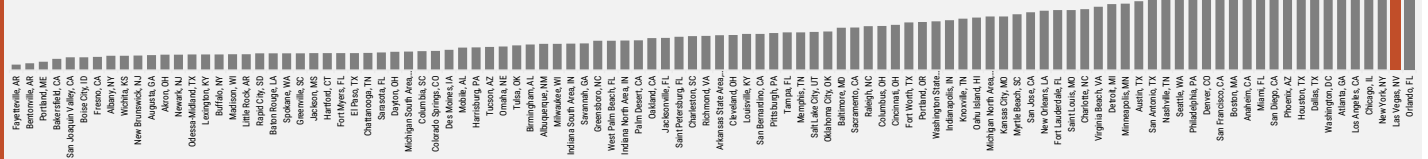
Lodging Performance Index

93rd of 104

Soft

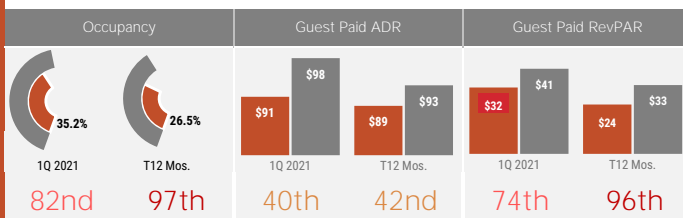
Ranking of overall '1Q 2021 LPI' performance (0.61) against all 104 surveyed markets.

Supply Ranking vs. Major US Markets



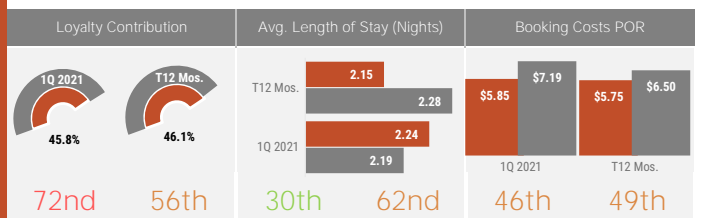
Key Performance Indexes

● Subject Market ● Top 104



Key Benchmark Indexes

Data provided by: **kalibri LABS**



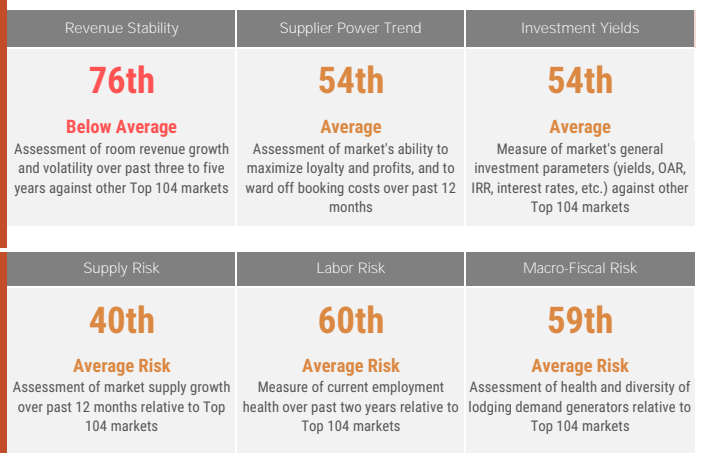
Discount and Capitalization Rates

Source: Newmark

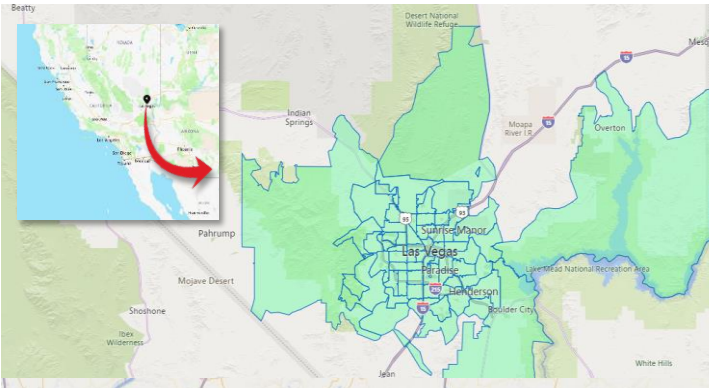


Trends and Risks

Source: Kalibri Labs, Newmark



Location



Quick Facts

Jurisdictional Information

Municipal Name:	Las Vegas
County:	Clark County
State:	Nevada
Geo Coordinates (market center):	36.17497, -115.13722

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators

MGM Resorts International | Caesars Entertainment Corp. | Station Casinos Inc. | Wynn Las Vegas LLC | Boyd Gaming Corp. | Las Vegas Sands Corp. | Bellagio LLC | The Valley Health System | Aria Resort & Casino | Mandalay Bay Resort & Casino | The Palazzo Casino Resort | Wal-Mart Stores Inc. | University of Nevada-Las Vegas | McDonald's | UnitedHealthcare | Cosmopolitan of Las Vegas | Mirage Casino-Hotel | The Venetian Casino Resort | SUPERVALU Inc. | St. Rose Dominican Hospitals

Metrics and Ranking

Population (hotel market area)	1,888,675
Income per Capita	\$53,159
Feeder Group Size	45.5 Persons PSR
Feeder Group Earnings	\$2,417,741 PSR
Total Market COPE	\$1.4 billion

Rankings

27th of 104 (Above Average)
34th of 104 (Above Average)
6th of 104 (Strong)
7th of 104 (Strong)
5th of 104 (Strong)

Key Performance Metrics

Data provided by: **kalibri** LABS

YEAR ENDING	Occ %	Guest Paid ADR	RevPAR	COPE* ADR	RevPAR	Booking Cost POR	ADR COPE* %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	35.7%	\$118.30	\$42.22	\$108.96	\$38.90	\$9.34	92.1%	53.1%	2.22	149,700	0.88
2016	41.1%	\$139.12	\$57.21	\$129.32	\$53.15	\$9.80	93.0%	51.1%	1.96	150,000	1.10
2017	48.0%	\$153.85	\$73.79	\$144.81	\$69.51	\$9.04	94.1%	47.3%	1.73	149,900	1.19
2018	50.4%	\$146.34	\$73.72	\$137.20	\$69.12	\$9.13	93.8%	48.4%	1.72	150,900	0.70
2019	45.0%	\$144.31	\$64.88	\$133.42	\$59.99	\$10.89	92.5%	62.3%	1.96	156,900	0.62
2020	27.2%	\$103.84	\$29.85	\$96.89	\$26.33	\$6.95	93.3%	49.9%	2.12	157,700	0.76
CAGR: 2015 thru 2020	-5.3%	-2.6%	-6.7%	-2.3%	-7.5%	-5.7%	0.3%	-1.2%	-1.0%	1.0%	-3.0%
1Q 2020	37.8%	\$149.48	\$56.45	\$138.85	\$52.44	\$10.63	92.9%	60.9%	2.10	155,100	0.71
1Q 2021	35.2%	\$90.89	\$31.97	\$85.05	\$29.92	\$5.85	93.6%	45.8%	2.24	156,800	0.61
% Change	-6.9%	-39.2%	-43.4%	-38.8%	-42.9%	-45.0%	0.7%	-24.8%	6.5%	1.1%	-14.3%

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

Notable Metrics

HIGHEST	Total Rooms Supply	Total Rooms Sold	Feeder Group Size
2nd Strong	Las Vegas, NV benefits from a large and diverse hotel market (156,841)	4th Strong	The market boasted strong total rooms sold (15,157,136)
6th Strong	The market also required a small feeder group size (45.48 Persons)		
LOWEST	Population Density per Room	Feeder Population Per Room	Marketwide Income per Room
103rd Soft	This market has been hindered by weak population density per room (1.83)	102nd Soft	The market posted a low ratio of feeder population per room (8.99)
100th Soft	Las Vegas, NV also exhibited a low ratio of marketwide income per room (\$477,750)		

Notable Trends

HIGHEST	Short-Term Historical Average Length of Stay Growth	Long-Term Historical Supply Growth	Long-Term Historical Booking Costs POR Growth
9th Strong	Las Vegas, NV has benefited from strong short-term historical average length of stay growth (7.3%)	10th Above Average	The market has benefited from low long-term historical supply growth (0.5%)
14th Above Average	The market also has benefited from low long-term historical booking costs POR growth (-6.7%)		
LOWEST	Short-Term Historical COPE ADR Growth	Short-Term Historical Guest Paid ADR Growth	Long-Term Historical Average Length of Stay Growth
96th Soft	The market posted weak short-term historical COPE ADR growth (-14.9%)	95th Soft	We note this area has been impeded by weak short-term historical Guest Paid ADR growth (-14.8%)
95th Soft	Las Vegas, NV also exhibited weak long-term historical average length of stay growth (-0.5%)		

Market Performance Stage



Source: Newmark

Las Vegas, NV: Absorption Stage

The Las Vegas, NV market is currently in the 'Absorption' stage of the performance cycle. In this 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.

Other Stages:

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.

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.

In the 'Expansion' 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 Atlanta, GA; Fort Lauderdale, FL; and Fort Worth, TX.

Industry Observations

Business Cycle:

Employment Growth (2 yr):

Risk Exposure (402 US markets):

Key Industry Notes:

In Expansion

-6.3%

2nd Percentile: Low Risk

Retiree magnet, tourism

Gaming and entertainment

No personal income tax

Strong migration trends

High employment volatility

Moody's Rating

Aa1

Investment Grade

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

TOP 10 BRANDS

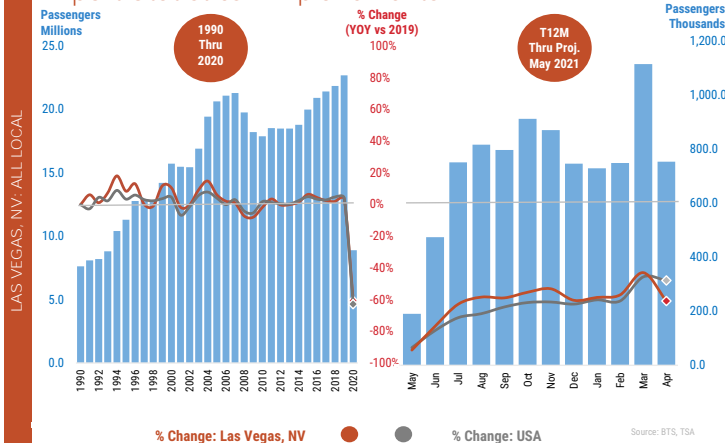
Autograph Collection (3,042)	Hampton Inn (8)
Radisson (2,884)	Residence Inn (6)
Budget Suites (1,915)	La Quinta (6)
DoubleTree (1,660)	Holiday Inn Exp. (5)
Westin (1,319)	BW Plus (5)
Hampton Inn (1,162)	Motel 6 (4)
Residence Inn (980)	Fairfield Inn (4)
Trump (872)	Courtyard (4)
OYO (731)	Budget Suites (4)
La Quinta (712)	Travelodge (3)

Top 10 Brands by # of Rooms

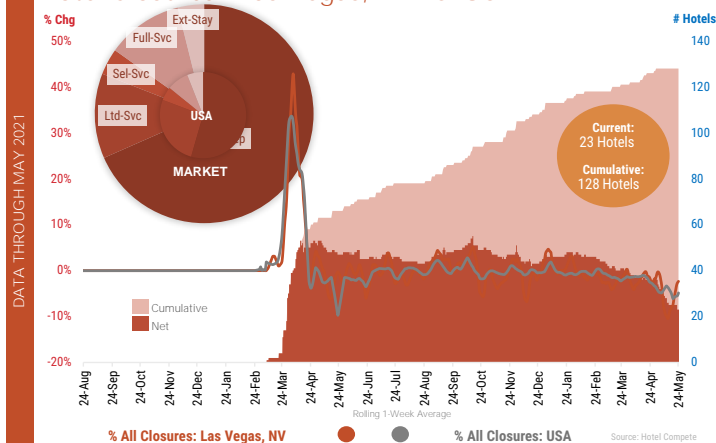
Top 10 Brands by # of Hotels

Source: Newmark

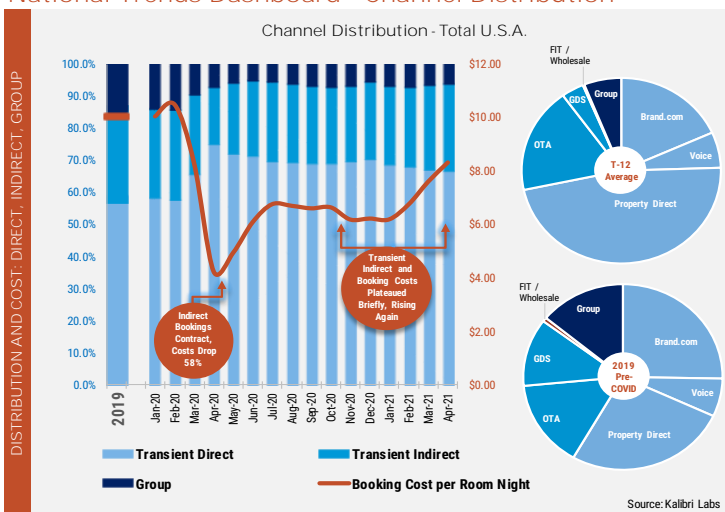
Airport Statistics - Enplanements



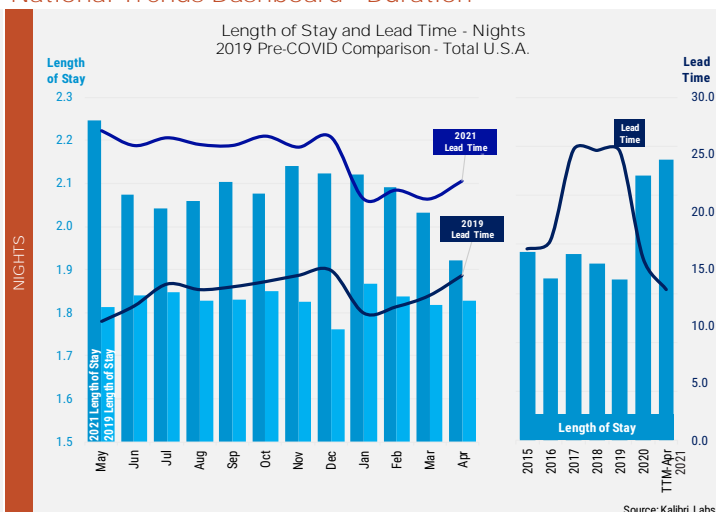
Hotel Closures - Las Vegas, NV vs. USA



National Trends Dashboard - Channel Distribution



National Trends Dashboard - Duration



Newmark Hotel Market Insights Report Coverage



Akron, OH
Albany, NY
Albuquerque, NM
Anaheim, CA
Arkansas State Area, AR
Atlanta, GA
Augusta, GA
Austin, TX
Bakersfield, CA
Baltimore, MD
Baton Rouge, LA
Bentonville, AR
Birmingham, AL
Boise City, ID
Boston, MA
Buffalo, NY
Charlotte, NC
Chattanooga, TN
Chicago, IL
Cincinnati, OH
Cleveland, OH
Colorado Springs, CO
Columbia, SC
Columbus, OH
Dallas, TX

Dayton, OH
Denver, CO
Des Moines, IA
Detroit, MI
El Paso, TX
Fayetteville, AR
Fort Lauderdale, FL
Fort Myers, FL
Fort Worth, TX
Fresno, CA
Greensboro, NC
Greenville, SC
Harrisburg, PA
Hartford, CT
Houston, TX
Indiana North Area, IN
Indiana South Area, IN
Indianapolis, IN
Jackson, MS
Jacksonville, FL
Kansas City, MO
Knoxville, TN
Las Vegas, NV (Non-Strip)
Lexington, KY
Little Rock, AR
Los Angeles, CA

Louisville, KY
Madison, WI
Memphis, TN
Miami, FL
Michigan North Area, MI
Michigan South Area, MI
Milwaukee, WI
Minneapolis, MN
Mobile, AL
Myrtle Beach, SC
Nashville, TN
New Brunswick, NJ
New Orleans, LA
New York, NY
Newark, NJ
Oahu Island, HI (Branded)
Oakland, CA
Odessa-Midland, TX
Oklahoma City, OK
Omaha, NE
Orlando, FL (Non-Disney)
Palm Desert, CA
Philadelphia, PA
Phoenix, AZ
Pittsburgh, PA
Portland, ME

Portland, OR
Raleigh, NC
Rapid City, SD
Richmond, VA
Sacramento, CA
Saint Louis, MO
Saint Petersburg, FL
Salt Lake City, UT
San Antonio, TX
San Bernardino, CA
San Diego, CA
San Francisco, CA
San Joaquin Valley, CA
San Jose, CA
Sarasota, FL
Savannah, GA
Seattle, WA
Spokane, WA
Tampa, FL
Tucson, AZ
Tulsa, OK
Virginia Beach, VA
Washington State Area, WA
Washington, DC
West Palm Beach, FL
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.

LAS VEGAS/GAMING MARKETS

For more information:

Bryan Young, MAI, ASA, FRICS
Senior Managing Director
Practice Leader - Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Americas
M 773.263.4544
bryan.young@nmrk.com

Lori Raugust, MAI
Senior Vice President
Hospitality, Gaming & Leisure
NEWMARK VALUATION & ADVISORY
Las Vegas/Gaming Markets
Dir 702.430.1525
lori.raugust@nmrk.com