VALUATION & ADVISORY
1Q 2021 **HOTEL MARKET NSIGHTS REPORT**

Hospitality, Gaming & Leisure Practice — New York, NY

Fundamentals Dashboard

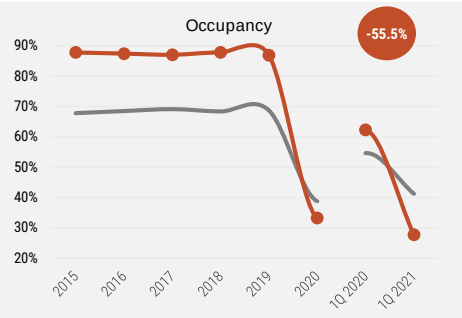
KEY PERFORMANCE METRICS

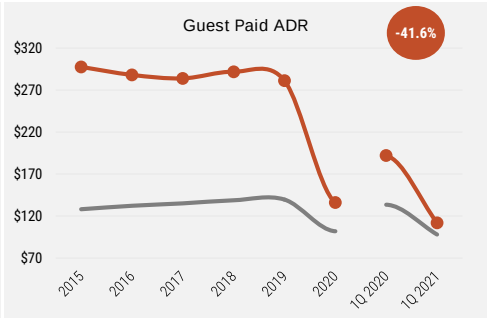
Lodging Performance Index

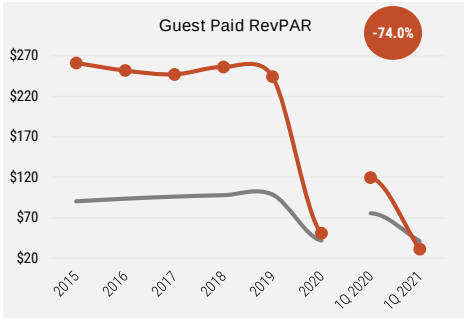
83rd of 104

Below Average

Ranking of overall '1Q 2021 LPI' performance (0.73) against all 104 surveyed markets.







PERFORMANCE INDEXES

Key Performance Indexes

Subject Market — Top 104

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
1Q 2021	T12 Mos.	1Q 2021	T12 Mos.	1Q 2021	T12 Mos.
27.7%	24.5%	$112 / $98	$116 / $93	$31 / $41	$28 / $33
99th	100th	13th	8th	80th	77th

BENCHMARK INDEXES

Key Benchmark Indexes

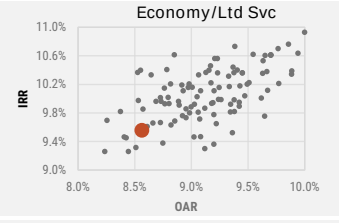
Data provided by: kalibri LABS

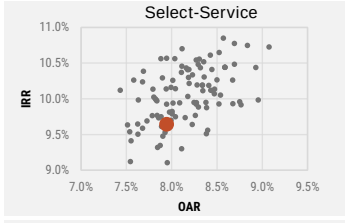
Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
1Q 2021	T12 Mos.	T12 Mos.	1Q 2021	1Q 2021	T12 Mos.
26.4%	23.5%	3.30 / 2.28	2.42 / 2.19	$7.76 / $7.19	$7.13 / $6.50
104th	104th	9th	2nd	85th	85th

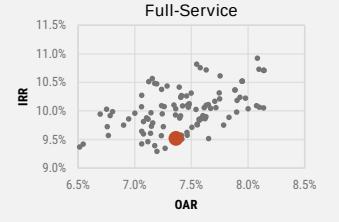
INVESTMENT PARAMETERS

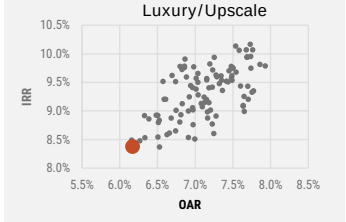
Discount and Capitalization Rates

Source: Newmark









FUNDAMENTALS

Trends and Risks

Source: Kalibri Labs, Newmark

Revenue Stability	Supplier Power Trend	Investment Yields
103rd	**104th**	**6th**
Soft	**Soft**	**Strong**
Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	Measure of market's general investment parameters (yields, OAR, IRR, interest rates, etc.) against other Top 104 markets

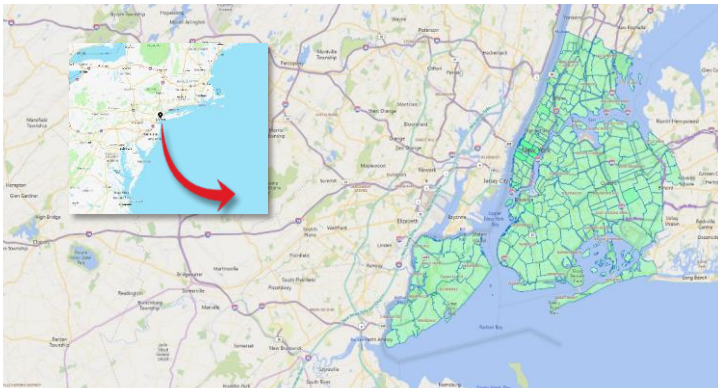
RISKS

Supply Risk	Labor Risk	Macro-Fiscal Risk
101st	**2nd**	**36th**
Low Risk	**High Risk**	**Average Risk**
Assessment of market supply growth over past 12 months relative to Top 104 markets	Measure of current employment health over past two years relative to Top 104 markets	Assessment of health and diversity of lodging demand generators relative to Top 104 markets

Newmark Hotel Market Nsights Report - 1Q 2021

New York, NY

Location



Quick Facts

Source: US Census Bureau, Dept. of Labor Statistics

Jurisdictional Information

Municipal Name:	New York City
County:	Bronx County, Kings County, New York County, and others
State:	New York
Geo Coordinates (market center):	40.66347, -73.9387

Major Hotel Demand Generators

Montefiore Health System | Mount Sinai Health System | JPMorgan Chase & Co. | Bank of America | New York-Presbyterian Healthcare System | NYU Langone Medical Center | Macy's Inc. | Verizon Communications | Columbia University | Citigroup Inc. | Morgan Stanley | Memorial Sloan-Kettering Cancer Center | City University of New York | PwC | Staffing Alternatives | Delta Air Lines Inc. | Time Warner Inc. | American Airlines | Archdiocese of New York | Rutgers, The State University of New Jersey

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	7,328,431	3rd of 104 (Very Large)
Income per Capita	$57,782	23rd of 104 (Above Average)
Feeder Group Size	227.8 Persons PSR	97th of 104 (Soft)
Feeder Group Earnings	$13,164,369 PSR	96th of 104 (Soft)
Total Market COPE	$1.4 billion	3rd of 104 (Strong)

Key Performance Metrics

Data provided by: kalibri LABS

YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE* ADR	COPE* RevPAR	Booking Cost POR	ADR COPE* %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
2015	87.8%	$297.56	$261.23	$268.84	$236.01	$28.72	90.3%	41.6%	2.06	102,800	1.65
2016	87.4%	$288.07	$251.79	$260.00	$227.26	$28.07	90.3%	44.1%	2.05	107,400	1.35
2017	87.0%	$283.92	$247.11	$256.52	$223.26	$27.40	90.3%	44.7%	2.04	110,900	1.30
2018	87.8%	$291.80	$256.18	$265.10	$232.73	$26.70	90.8%	45.9%	2.02	111,800	1.59
2019	86.9%	$281.11	$244.28	$255.72	$222.22	$25.39	91.0%	49.6%	1.81	132,700	1.15
2020	33.2%	$136.12	$50.53	$126.66	$42.00	$9.46	93.0%	29.2%	3.14	129,800	0.91
CAGR: 2015 thru 2020	**-17.7%**	**-14.5%**	**-28.0%**	**-14.0%**	**-29.2%**	**-19.9%**	**0.6%**	**-6.9%**	**8.8%**	**4.8%**	**-11.3%**
1Q 2020	62.2%	$191.88	$119.41	$174.79	$108.77	$17.10	91.1%	49.1%	1.80	132,400	1.14
1Q 2021	27.7%	$112.03	$30.99	$104.27	$28.85	$7.76	93.1%	26.4%	2.42	127,900	0.73
% Change	**-55.5%**	**-41.6%**	**-74.0%**	**-40.3%**	**-73.5%**	**-54.6%**	**2.2%**	**-46.2%**	**34.2%**	**-3.4%**	**-36.4%**

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

Notable Metrics

HIGHEST

T12-Month Average Length of Stay	OAR: Luxury/Upscale	T12-Month COPE ADR
2nd	**2nd**	**7th**
Strong	**Highly Favorable**	**Strong**
New York, NY benefited from strong T12-month average length of stay (3.30 Nights)	The market exhibited favorable OAR metrics in the luxury/upscale segment (6.2%)	The market also exhibited strong T12-month COPE ADR ($109.03)

LOWEST

T12-Month Loyalty Contribution	Latest-Quarter Loyalty Contribution	T12-Month Occupancy
104th	**104th**	**100th**
Soft	**Soft**	**Soft**
This market has been hindered by weak T12-month loyalty contribution (23.5%)	The market has been hindered by weak latest-quarter loyalty contribution (26.4%)	New York, NY also has been hindered by weak T12-month occupancy (24.5%)

Notable Trends

FASTEST

Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth	T12-Month Rooms Supply Growth
1st	**1st**	**4th**
Strong	**Strong**	**Strong**
New York, NY has benefited from low long-term historical booking costs POR growth (-16.0%)	The market enjoyed low short-term historical growth in booking costs (-27.5%)	The market also exhibited low rooms supply growth over the last 12 months (-3.4%)

SLOWEST

Short-Term Historical Loyalty Contribution Growth	Long-Term Historical Loyalty Contribution Growth	Long-Term Historical COPE ADR Growth
104th	**104th**	**104th**
Soft	**Soft**	**Soft**
The market has been hindered by weak short-term historical loyalty contribution growth (-16.0%)	We note this area has been hindered by weak long-term historical loyalty contribution growth (-7.4%)	New York, NY also posted weak long-term historical COPE ADR growth (-11.0%)

Market Performance Stage

Source: Newmark

New York, NY: Absorption Stage

Absorption

The New York, NY 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:

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.

Expansion

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.

MOODY'S ANALYTICS

Industry Observations

Business Cycle:	**In Recovery**
Employment Growth (2 yr):	**-3.2%**
Risk Exposure (402 US markets):	**83rd Percentile: Above Average**
Key Industry Notes:	Financial, medical center Financial capital of the world High per capita income International immigration High costs: taxes, housing

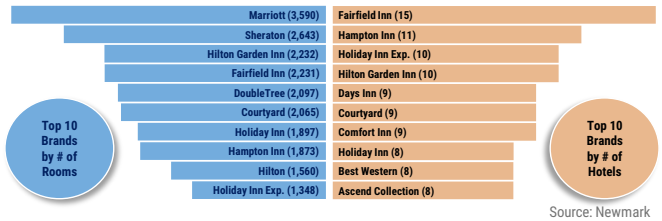
Moody's Rating

Aa1

Investment Grade

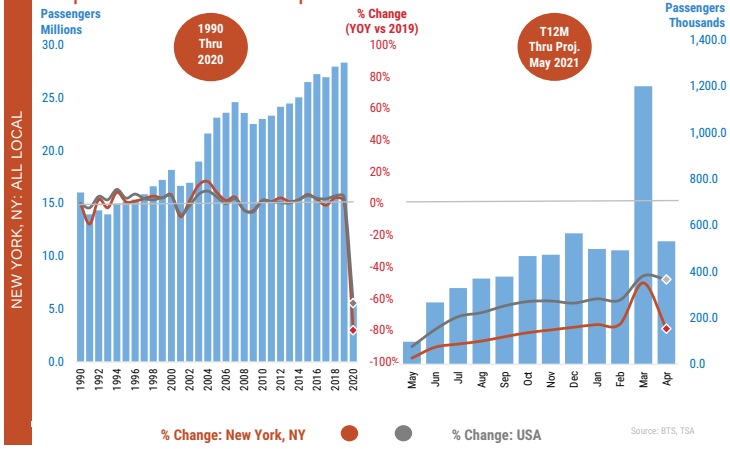
Long-term investment grade, Prime-1 short-term outlook

TOP 10 BRANDS

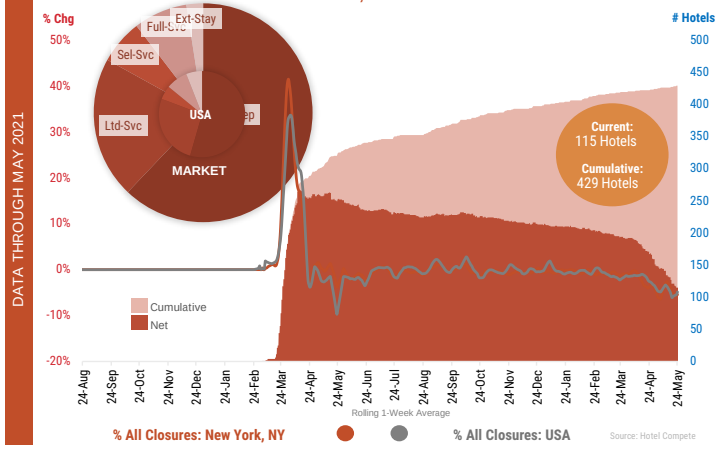


Source: Newmark

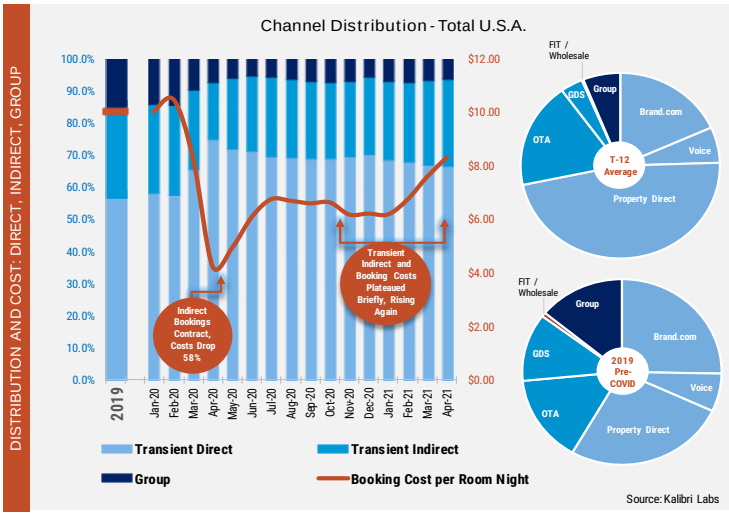
Airport Statistics - Enplanements



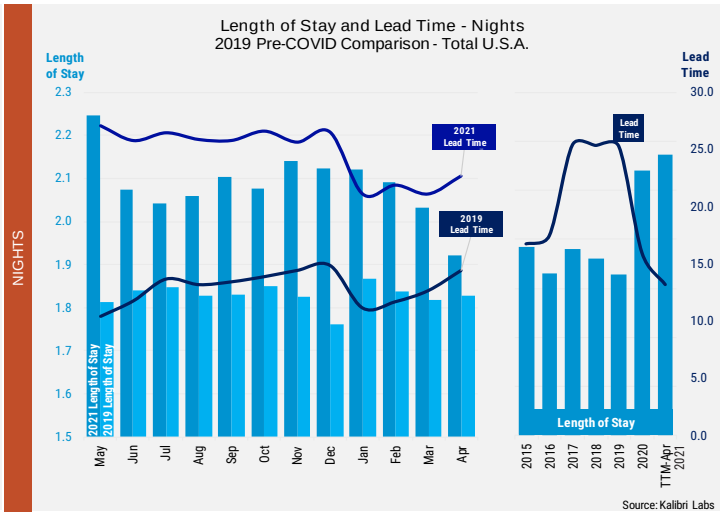
Hotel Closures - New York, NY vs. USA



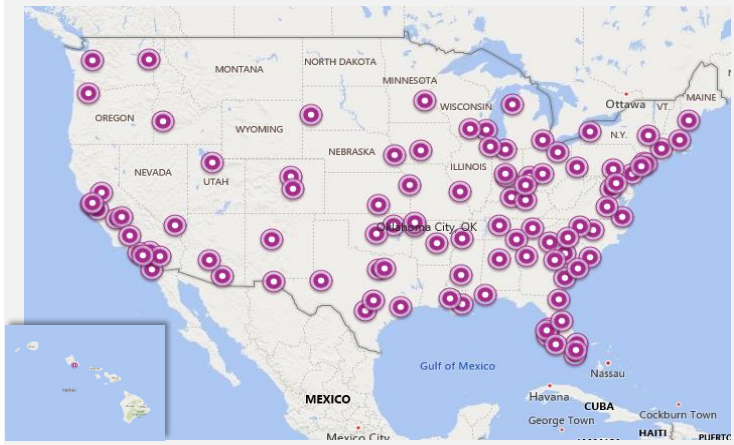
National Trends Dashboard - Channel Distribution



National Trends Dashboard - Duration



Newmark Hotel Market Nsights 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
Charleston, SC
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.

NORTHEAST/NEW ENGLAND MARKETS

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