



VALUATION & ADVISORY

1Q 2021 HOTEL MARKET INSIGHTS REPORT



Hospitality, Gaming & Leisure Practice

Saint Louis, MO

Fundamentals Dashboard

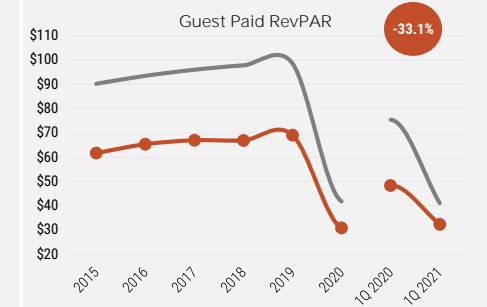
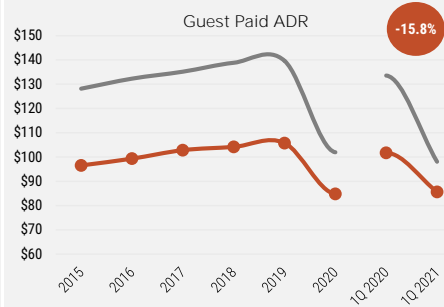
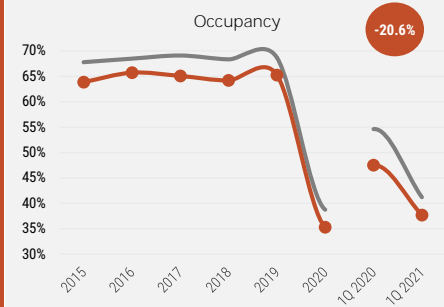
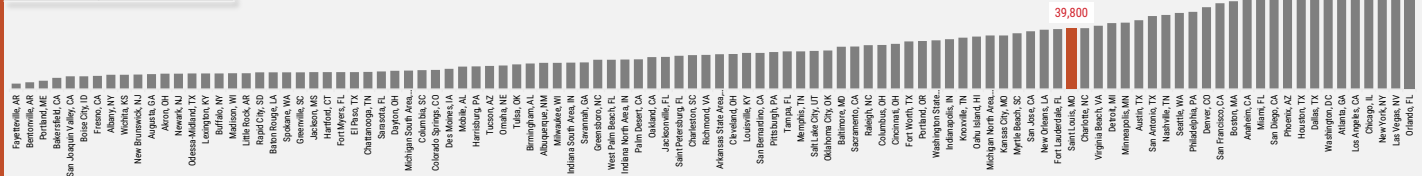
Lodging Performance Index

92nd of 104

Soft

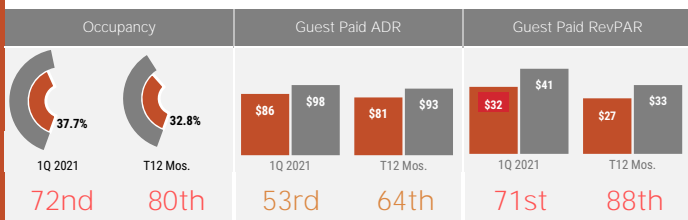
Ranking of overall '1Q 2021 LPI' performance (0.62) against all 104 surveyed markets.

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:	St. Louis
County:	St. Louis city
State:	Missouri
Geo Coordinates (market center):	38.62727, -90.19789

Source: US Census Bureau, Dept. of Labor Statistics

Major Hotel Demand Generators

BJC Healthcare | Wal-Mart Stores Inc. | SSM Health Care System | Washington University in St. Louis | Boeing Defense, Space & Security | Mercy Health Care | Scott Air Force Base | Schnuck Markets Inc. | Archdiocese of St. Louis | AT&T | McDonald's Corp. | St. Louis University | Washington University Physicians | Express Scripts Inc. | Edward Jones | Imo's Pizza | Enterprise Holdings | Wells Fargo | Walgreens | Target Corp.

Metrics and Ranking

Population (hotel market area)	2,370,623
Income per Capita	\$38,664
Feeder Group Size	178 Persons PSR
Feeder Group Earnings	\$6,881,844 PSR
Total Market COPE	\$392.7 million

Rankings

19th of 104 (Above Average)
86th of 104 (Below Average)
78th of 104 (Below Average)
60th of 104 (Average)
35th of 104 (Average)

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	63.9%	\$96.54	\$61.64	\$89.15	\$56.92	\$7.39	92.3%	47.2%	1.99	38,200	0.84
2016	65.7%	\$99.33	\$65.28	\$91.59	\$60.19	\$7.74	92.2%	49.5%	1.94	38,100	0.97
2017	65.1%	\$102.83	\$66.92	\$94.59	\$61.55	\$8.25	92.0%	51.9%	1.90	38,000	0.92
2018	64.2%	\$104.16	\$66.86	\$95.72	\$61.45	\$8.44	91.9%	55.0%	1.90	38,000	0.79
2019	65.3%	\$105.78	\$69.03	\$97.22	\$63.44	\$8.56	91.9%	58.9%	1.90	40,100	0.93
2020	35.3%	\$84.79	\$30.75	\$78.46	\$27.69	\$6.33	92.5%	51.5%	1.99	40,900	0.62
CAGR: 2015 thru 2020	-11.2%	-2.6%	-13.0%	-2.5%	-13.4%	-3.0%	0.0%	1.8%	0.0%	1.4%	-6.1%
1Q 2020	47.5%	\$101.67	\$48.25	\$93.57	\$44.41	\$8.09	92.0%	60.1%	1.86	40,200	0.97
1Q 2021	37.7%	\$85.61	\$32.28	\$79.27	\$29.88	\$6.34	92.6%	48.8%	2.00	39,800	0.62
% Change	-20.6%	-15.8%	-33.1%	-15.3%	-32.7%	-21.6%	0.6%	-18.8%	7.5%	-1.0%	-35.7%

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

Notable Metrics

HIGHEST	OAR: Full-Service	Total Rooms Sold	OAR: Select-Service
	12th Favorable	29th Above Average	25th Favorable
	Saint Louis, MO posted favorable OAR metrics in the full-service segment (7.1%)	The market boasted strong total rooms sold (4,861,355)	The market also enjoyed favorable OAR metrics in the select-service segment (7.9%)
LOWEST	Latest-Quarter LPI	T12-Month COPE RevPAR	T12-Month Guest Paid RevPAR
	89th Below Average	88th Below Average	88th Below Average
	This market posted weak latest-quarter LPI (0.71)	The market posted weak T12-month COPE RevPAR (\$24.60)	Saint Louis, MO also has been hindered by weak T12-month Guest Paid RevPAR (\$26.75)

Notable Trends

FATEST	Long-Term Historical Supply Growth	T12-Month Rooms Supply Growth	Short-Term Historical COPE ADR Growth
	16th Above Average	24th Above Average	38th Average
	Saint Louis, MO has benefited from low long-term historical supply growth (0.8%)	The market exhibited low rooms supply growth over the last 12 months (-0.8%)	The market also has benefited from strong short-term historical COPE ADR growth (-5.1%)
SLOWEST	General Economy Reversion	Overall Health of Hotel Market	Short-Term Historical Supply Growth
	91st Soft	88th Below Average	85th Below Average
	The market posted weak general economic reversion (per-capita unemployment, GDP and other indicators)	We note this area has been hampered by weak general hotel market performance (levels and trends of fundamentals)	Saint Louis, MO also has been burdened by high short-term historical supply growth (0.9%)

Market Performance Stage



Source: Newmark

Saint Louis, MO: Regeneration Stage

The Saint Louis, MO market is currently in the 'Regeneration' stage of the performance cycle. In this 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.

Other Stages:

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.
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.

Industry Observations

Business Cycle: In Recovery
Employment Growth (2 yr): -2.4%
Risk Exposure (402 US markets): 86th Percentile: Above Average
Key Industry Notes: Financial, logistics
 Low living, business costs
 Location in central U.S.
 Low employment volatility
 Exposure to declining mfg

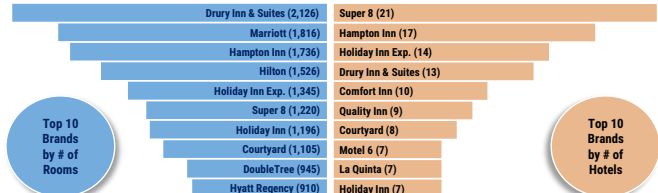
Moody's Rating

Aaa

Investment Grade

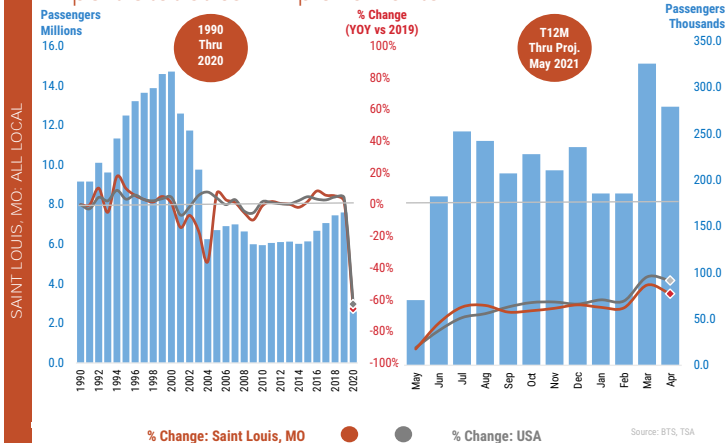
Long-term investment grade, Prime-1 short-term outlook

TOP 10 BRANDS

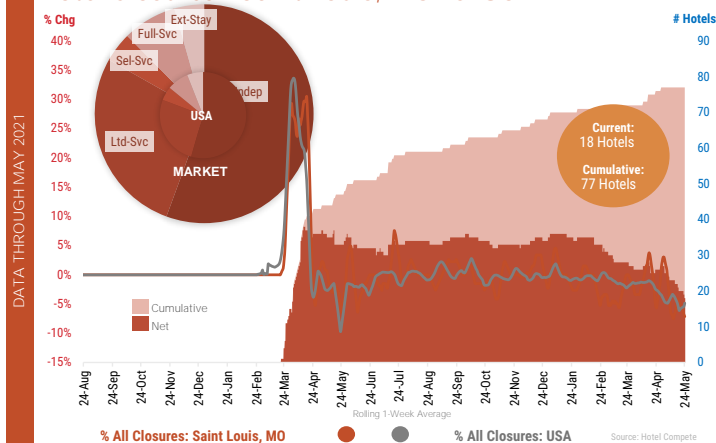


Source: Newmark

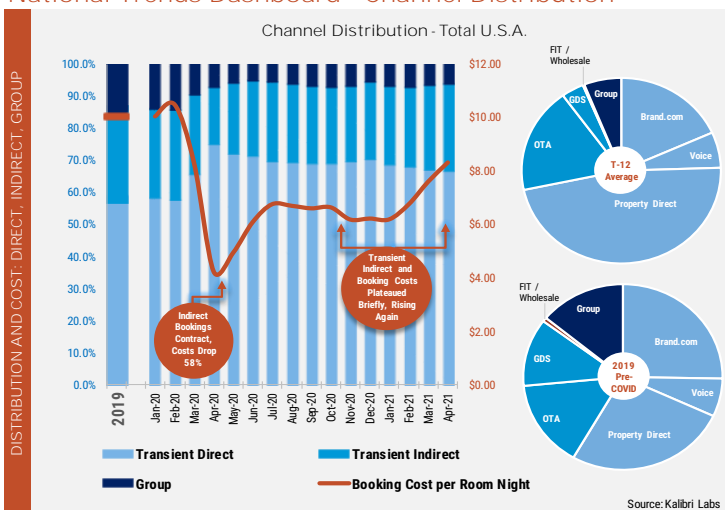
Airport Statistics - Enplanements



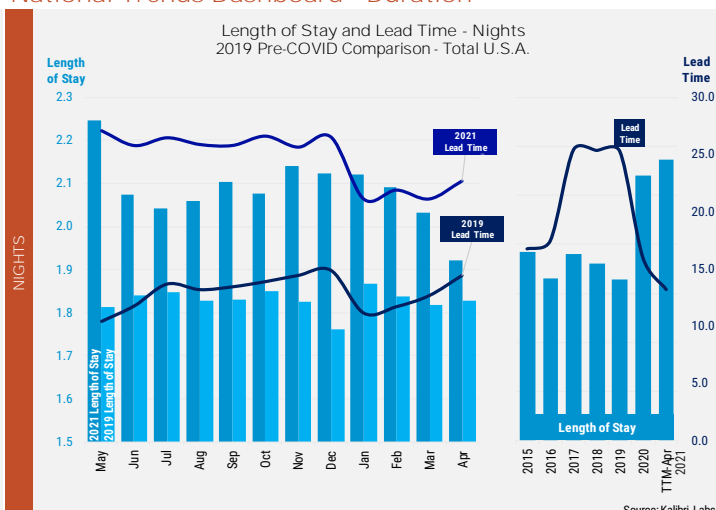
Hotel Closures - Saint Louis, MO vs. USA



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.

MIDWEST MARKETS

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