

HOSPITALITY, GAMING & LEISURE

Fundamentals Dashboard (Data through 4Q 2020)

Lodging Performance Index

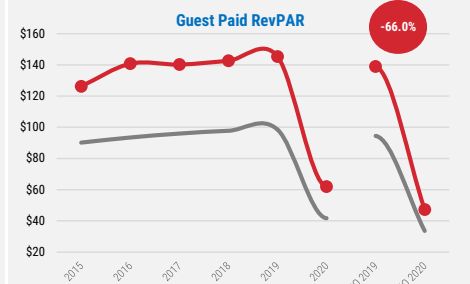
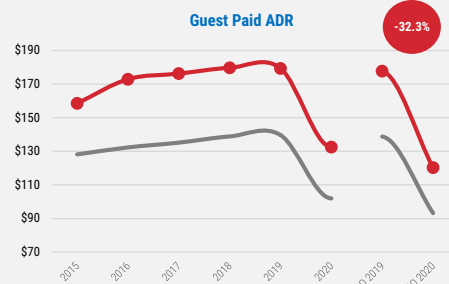
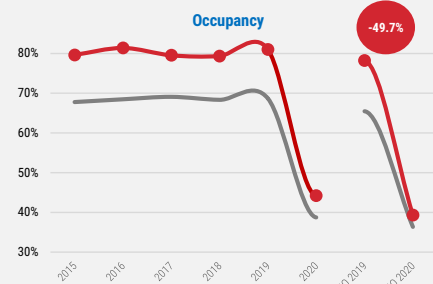
50th of 104
Average

 Ranking of overall '4Q 2020 LPI'
performance (1.00) against all 104
surveyed markets.

Supply Ranking vs. Major US Markets

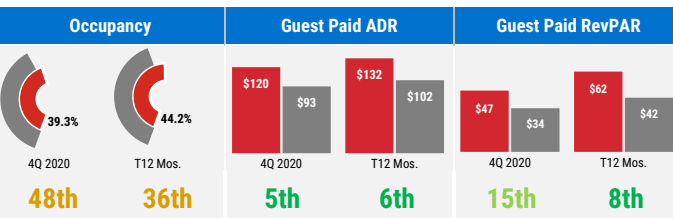


KEY PERFORMANCE METRICS

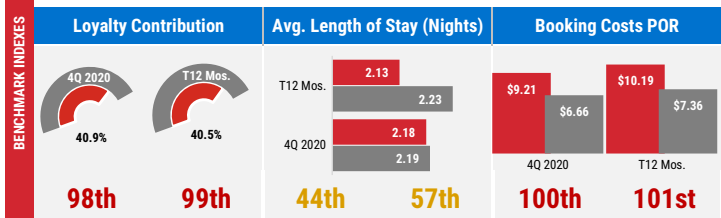


Key Performance Indexes

● Subject Market ● Top 104

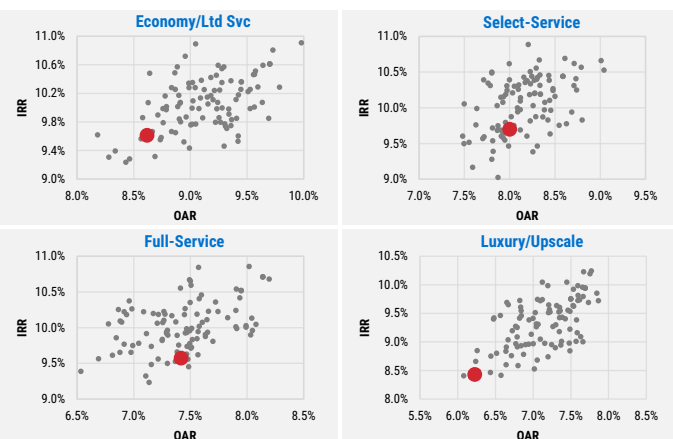


Key Benchmark Indexes

 Data provided by: **kalibri LABS**


Discount and Capitalization Rates

Source: NKF

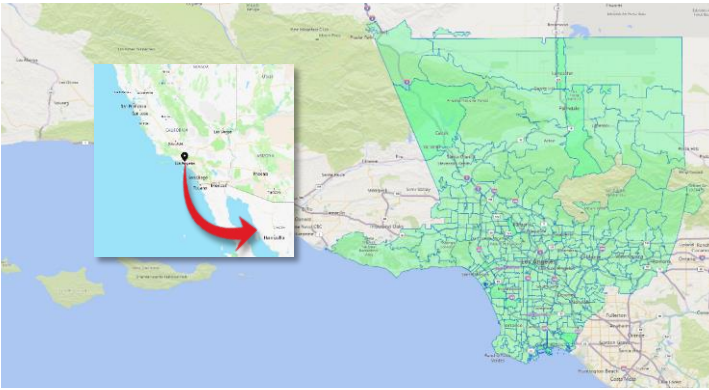


Trends and Risks

Source: Kalibri Labs, NKF

FUNDAMENTALS		
Revenue Stability	Supplier Power Trend	Investment Yields
84th Below Average Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets	101st Soft Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months	7th Strong 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
31st Above Average Assessment of market supply growth over past 12 months relative to Top 104 markets	27th Above Average Measure of current employment health over past two years relative to Top 104 markets	80th Below Average Assessment of health and diversity of lodging demand generators relative to Top 104 markets

Location



Quick Facts

Jurisdictional Information

Municipal Name:	Los Angeles
County:	Los Angeles County
State:	California
Geo Coordinates (market center):	34.05223, -118.24368

Source: US Census Bureau,
Dept. of Labor Statistics

Major Hotel Demand Generators

University of California Los Angeles | Kaiser Permanente | University of Southern California | Northrop Grumman Corp. | Providence Health Systems | Target Brands Inc. | The Kroger Co. | The Boeing Co. | The Walt Disney Co. | Albertsons/Vons/Pavilions | Bank of America Corp. | Cedars-Sinai Medical Center | NBC Universal | AT&T | The Home Depot U.S.A. Inc. | Wells Fargo & Co. | ABM Industries Inc. | California Institute of Technology | Wonderful Co. | FedEx Corp.

Metrics and Ranking

Population (hotel market area)	8,944,687
Income per Capita	\$54,501
Feeder Group Size	182.5 Persons PSR
Feeder Group Earnings	\$9,948,812 PSR
Total Market COPE	\$2.4 billion

Rankings

31st of 104 (Above Average)
87th of 104 (Below Average)
94th of 104 (Soft)
1st of 104 (Strong)

Key Performance Metrics

YEAR ENDING	Occ %	Guest Paid ADR	Guest Paid RevPAR	COPE* ADR	COPE* RevPAR
2015	79.7%	\$158.53	\$126.27	\$145.10	\$115.58
2016	81.4%	\$172.92	\$140.76	\$157.93	\$128.56
2017	79.6%	\$176.23	\$140.19	\$160.48	\$127.66
2018	79.4%	\$179.67	\$142.60	\$164.06	\$130.21
2019	81.0%	\$179.35	\$145.34	\$163.68	\$132.64
2020	44.2%	\$132.39	\$61.94	\$122.20	\$54.01
CAGR: 2015 thru 2020	-11.1%	-3.5%	-13.3%	-3.4%	-14.1%
4Q 2019	78.2%	\$177.62	\$138.98	\$162.48	\$127.13
4Q 2020	39.3%	\$120.23	\$47.28	\$111.01	\$43.66
% Change	-49.7%	-32.3%	-66.0%	-31.7%	-65.7%

Booking Cost POR	ADR COPE* %	Loyalty %	Avg. Length of Stay (Nights)	Supply (Available Rms)	Performance Index (LPI)
\$13.43	91.5%	40.0%	2.10	98,500	1.17
\$14.99	91.3%	42.4%	2.07	98,900	1.16
\$15.75	91.1%	44.4%	1.98	101,900	1.16
\$15.61	91.3%	46.6%	1.94	105,600	1.12
\$15.67	91.3%	50.6%	1.87	110,900	1.08
\$10.19	92.3%	40.5%	2.13	113,400	1.00
-5.4%	0.2%	0.3%	0.3%	2.9%	-3.0%
\$15.14	91.5%	50.1%	1.81	110,900	1.08
\$9.21	92.3%	40.9%	2.18	113,400	1.00
-39.1%	0.9%	-18.4%	20.5%	2.3%	-6.9%

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

Notable Metrics

HIGHEST	Total Rooms Sold	OAR: Luxury/Upscale	Latest-Quarter COPE ADR
	2nd Strong Los Angeles, CA boasted strong total rooms sold (17,885,096)	3rd Highly Favorable The market exhibited favorable OAR metrics in the luxury/upscale segment (6.2%)	5th Strong The market also exhibited strong latest-quarter COPE ADR (\$111.01)
LOWEST	T12-Month Booking Costs POR	Latest-Quarter Booking Costs POR	T12-Month Loyalty Contribution
	101st Soft This market was burdened by high T12-month booking costs POR (\$10.19)	100th Soft The market has been burdened by high latest-quarter booking costs (\$9.21)	99th Soft Los Angeles, CA also has been hindered by weak T12-month loyalty contribution (40.5%)

Notable Trends

FASTEST	Short-Term Historical Booking Costs POR Growth	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Average Length of Stay Growth
	28th Above Average Los Angeles, CA enjoyed low short-term historical growth in booking costs (-17.2%)	37th Average The market has benefited from low long-term historical booking costs POR growth (-5.9%)	44th Average The market also has benefited from strong short-term historical average length of stay growth (5.0%)
SLOWEST	Long-Term Historical Occupancy Growth	Short-Term Historical Occupancy Growth	Short-Term Historical COPE RevPAR Growth
	87th Below Average The market has been hindered by weak long-term historical occupancy growth (-11.4%)	86th Below Average We note this area has been hindered by weak short-term historical occupancy growth (-22.1%)	84th Below Average Los Angeles, CA also has been impeded by weak short-term historical COPE RevPAR growth (-32.8%)

Market Performance Stage



Source: NKF

Los Angeles, CA: Absorption Stage

The Los Angeles, CA 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 Boston, MA; Charlotte, NC; and Dallas, TX.

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; Detroit, MI; and Las Vegas, NV.
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 Cincinnati, OH; Knoxville, TN; and Michigan North Area, MI.
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 Anaheim, CA; Atlanta, GA; and Austin, TX.

Industry Observations

Business Cycle: In Recovery
Employment Growth (2 yr): -3.0%
Risk Exposure (402 US markets): 45th Percentile: Average Risk
Key Industry Notes: High tech, tourism
Strong healthcare base
Global links through tourism
Deep Sea Pedro Harbor
Prone to natural disasters

Moody's Rating

Aa1

Investment Grade

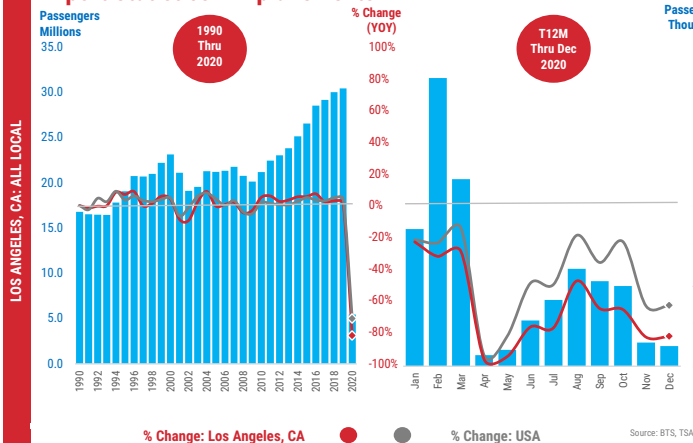
Long-term investment grade,
Prime-1 short-term outlook

TOP 10 BRANDS

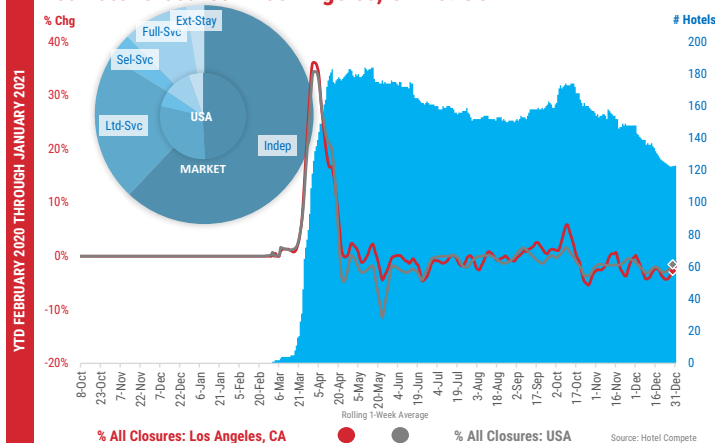


Source: NKF

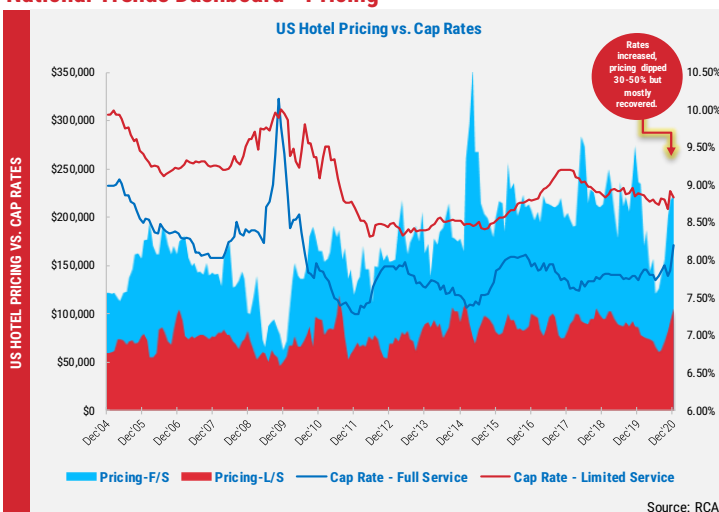
Airport Statistics - Enplanements



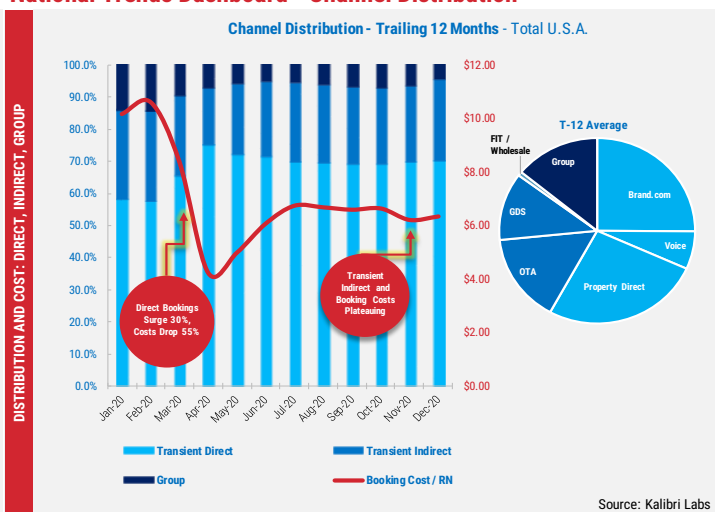
Net Hotel Closures - Los Angeles, CA vs. USA



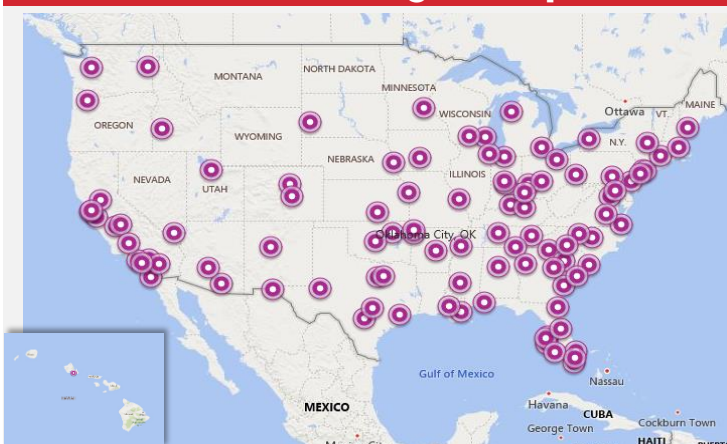
National Trends Dashboard - Pricing



National Trends Dashboard - Channel Distribution



NKF 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 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
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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.

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