

# HOSPITALITY, GAMING & LEISURE

## Fundamentals Dashboard (Data through 4Q 2020)

### Lodging Performance Index

**56th of 104**

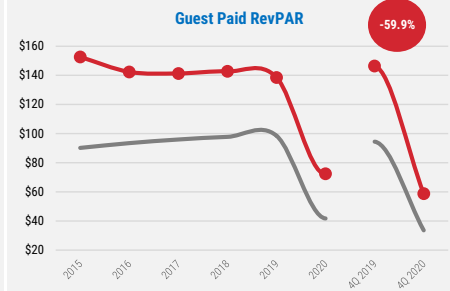
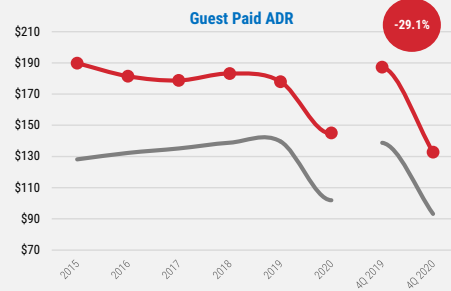
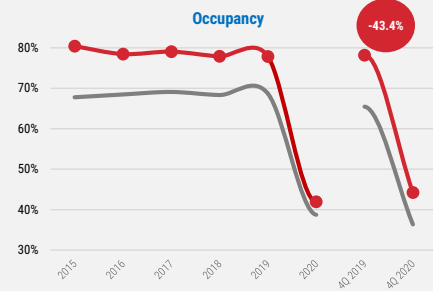
Average

Ranking of overall '4Q 2020 LPI' performance (0.96) against all 104 surveyed markets.

### Supply Ranking vs. Major US Markets

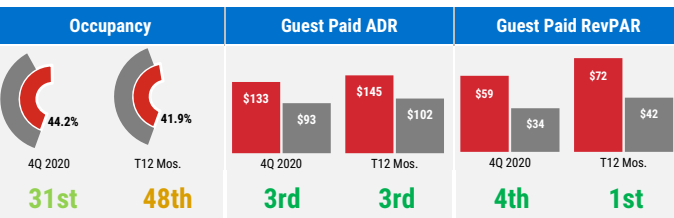


KEY PERFORMANCE METRICS



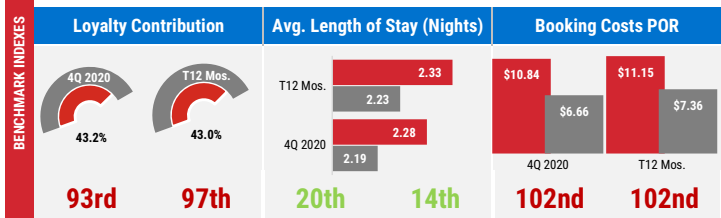
### Key Performance Indexes

● Subject Market ● Top 104



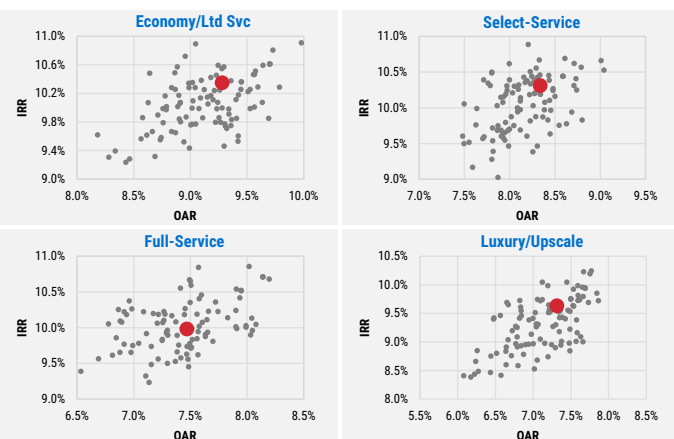
### Key Benchmark Indexes

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  |
| <b>91st</b><br>Soft<br>Assessment of room revenue growth and volatility over past three to five years against other Top 104 markets | <b>97th</b><br>Soft<br>Assessment of market's ability to maximize loyalty and profits, and to ward off booking costs over past 12 months | <b>79th</b><br>Below Average<br>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  |
| <b>8th</b><br>High Risk<br>Assessment of market supply growth over past 12 months relative to Top 104 markets                       | <b>35th</b><br>Average Risk<br>Measure of current employment health over past two years relative to Top 104 markets                      | <b>93rd</b><br>Low Risk<br>Assessment of health and diversity of lodging demand generators relative to Top 104 markets                                   |

## Location



## Quick Facts

### Jurisdictional Information

|                                  |                     |
|----------------------------------|---------------------|
| Municipal Name:                  | Miami               |
| County:                          | Miami-Dade County   |
| State:                           | Florida             |
| Geo Coordinates (market center): | 25.77427, -80.19366 |

Source: US Census Bureau,  
Dept. of Labor Statistics

### Major Hotel Demand Generators

University of Miami | Jackson Health System | Publix Super Markets Inc. | Baptist Health Systems | American Airlines | Miami Cardio Vascular Institute | AT&T | West Kendall Outpatient Center | Florida International University | American Sales & Management | Carnival Cruise Lines | Miami Children's Hospital | Macy's | Mount Sinai Medical Center | Homestead Air Reserve Base | JPMorgan Chase and Co. | Florida Power & Light Co. | Winn-Dixie Stores Inc. | Royal Caribbean/ Celebrity Cruise | Veterans Affairs Medical Center

### Metrics and Ranking

|                                |                  |
|--------------------------------|------------------|
| Population (hotel market area) | 2,280,379        |
| Income per Capita              | \$33,999         |
| Feeder Group Size              | 85.7 Persons PSR |
| Feeder Group Earnings          | \$2,914,621 PSR  |
| Total Market COPE              | \$1.4 billion    |

### Measurement

### Rankings

**98th of 104 (Soft)**  
**27th of 104 (Above Average)**  
**15th of 104 (Above Average)**  
**6th of 104 (Strong)**

## Key Performance Metrics

| YEAR ENDING          | Occ %  | Guest Paid ADR | Guest Paid RevPAR | COPE* ADR | COPE* RevPAR |
|----------------------|--------|----------------|-------------------|-----------|--------------|
| 2015                 | 80.4%  | \$189.83       | \$152.64          | \$172.83  | \$138.97     |
| 2016                 | 78.5%  | \$181.45       | \$142.38          | \$164.94  | \$129.43     |
| 2017                 | 79.1%  | \$178.74       | \$141.31          | \$162.25  | \$128.28     |
| 2018                 | 77.9%  | \$183.20       | \$142.71          | \$167.04  | \$130.12     |
| 2019                 | 77.9%  | \$178.00       | \$138.60          | \$162.66  | \$126.65     |
| 2020                 | 41.9%  | \$144.98       | \$72.30           | \$133.83  | \$56.09      |
| CAGR: 2015 thru 2020 | -12.2% | -5.2%          | -13.9%            | -5.0%     | -16.6%       |
| 4Q 2019              | 78.2%  | \$187.26       | \$146.37          | \$171.14  | \$133.77     |
| 4Q 2020              | 44.2%  | \$132.76       | \$58.71           | \$121.92  | \$53.91      |
| % Change             | -43.4% | -29.1%         | -59.9%            | -28.8%    | -59.7%       |

| Booking Cost POR | ADR COPE* % | Loyalty % | Avg. Length of Stay (Nights) | Supply (Available Rms) | Performance Index (LPI) |
|------------------|-------------|-----------|------------------------------|------------------------|-------------------------|
| \$17.00          | 91.0%       | 39.7%     | 2.12                         | 54,800                 | 1.19                    |
| \$16.50          | 90.9%       | 42.4%     | 2.07                         | 56,200                 | 1.15                    |
| \$16.48          | 90.8%       | 43.3%     | 2.08                         | 57,500                 | 1.18                    |
| \$16.16          | 91.2%       | 46.5%     | 1.99                         | 59,200                 | 1.13                    |
| \$15.34          | 91.4%       | 49.3%     | 1.89                         | 62,600                 | 1.10                    |
| \$11.15          | 92.3%       | 43.0%     | 2.33                         | 65,900                 | 0.96                    |
| -8.1%            | 0.3%        | 1.6%      | 1.9%                         | 3.8%                   | -4.3%                   |
| \$16.12          | 91.4%       | 47.9%     | 1.89                         | 62,600                 | 1.10                    |
| \$10.84          | 91.8%       | 43.2%     | 2.28                         | 65,900                 | 0.96                    |
| -32.7%           | 0.5%        | -9.8%     | 20.6%                        | 5.3%                   | -12.9%                  |

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

## Notable Metrics

| HIGHEST | T12-Month Guest Paid RevPAR   | Latest-Quarter Guest Paid ADR  | Latest-Quarter COPE ADR  |
|---------|---|--|--|
|         | <b>1st Strong</b><br>Miami, FL exhibited strong T12-month Guest Paid RevPAR (\$72.30)       | <b>3rd Strong</b><br>The market exhibited strong latest-quarter Guest Paid ADR (\$132.76)        | <b>3rd Strong</b><br>The market also exhibited strong latest-quarter COPE ADR (\$121.92) |
| LOWEST  | T12-Month Booking Costs POR   | Latest-Quarter Booking Costs POR   | Economy Median Income  |
|         | <b>102nd Soft</b><br>This market was burdened by high T12-month booking costs POR (\$11.15) | <b>102nd Soft</b><br>The market has been burdened by high latest-quarter booking costs (\$10.84) | <b>98th Soft</b><br>Miami, FL also was stymied by weak Economy Median Income (\$33,999)  |

## Notable Trends

| FASTEST | Long-Term Historical Booking Costs POR Growth  | Short-Term Historical Supply Growth   | Short-Term Historical Booking Costs POR Growth  |
|---------|--|---|---|
|         | <b>7th Strong</b><br>Miami, FL has benefited from low long-term historical booking costs POR growth (-10.7%) | <b>11th Above Average</b><br>The market has benefited from low short-term historical supply growth (4.8%)           | <b>12th Above Average</b><br>The market also enjoyed low short-term historical growth in booking costs (-20.8%) |
| SLOWEST | Long-Term Historical COPE ADR Growth   | Long-Term Historical Guest Paid ADR Growth  | Long-Term Historical COPE RevPAR Growth   |
|         | <b>103rd Soft</b><br>The market posted weak long-term historical COPE ADR growth (-10.3%)                    | <b>102nd Soft</b><br>We note this area has been impeded by weak long-term historical Guest Paid ADR growth (-10.3%) | <b>99th Soft</b><br>Miami, FL also posted weak long-term historical COPE RevPAR growth (-20.3%)                 |

## Market Performance Stage



Source: NKF

## Miami, FL: Regeneration Stage

The Miami, FL 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; Detroit, MI; and Las Vegas, NV.

### 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 Cincinnati, OH; Knoxville, TN; and Michigan North Area, MI.   |
|------------|--|
| 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 Boston, MA; Charlotte, NC; and Dallas, TX.        |
| 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

|  |   |
|--|---|
| <b>Business Cycle:</b>                 | <b>In Recovery</b>  |
| <b>Employment Growth (2 yr):</b>       | <b>-4.4%</b>  |
| <b>Risk Exposure (402 US markets):</b> | <b>20th Percentile: Below Average</b>   |
| <b>Key Industry Notes:</b>             | Financial center, tourism<br>Strong ties to Latin America<br>International trade<br>Shipping infrastructure<br>High household debt burden |

## Moody's Rating

**Aa2**  
Investment Grade

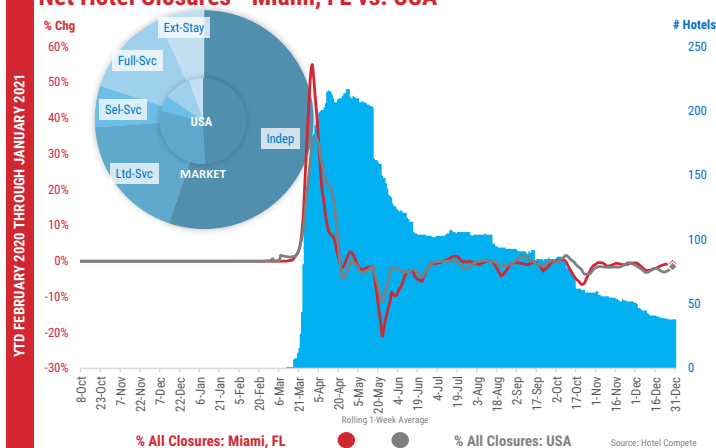
Long-term investment grade,  
Prime-1 short-term outlook

## TOP 10 BRANDS

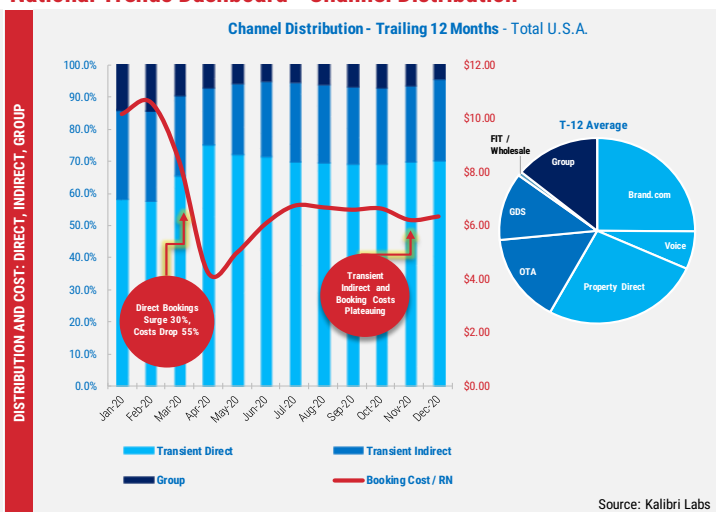


Source: NKF

## Net Hotel Closures - Miami, FL vs. USA



## National Trends Dashboard - Channel Distribution



|                         |                           |                           |                           |
|-------------------------|---------------------------|---------------------------|---------------------------|
| 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               |

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