Newmark Knight Frank

HOSPITALITY, GAMING & LEISURE

Fundamentals Dashboard (Data through 4Q 2020)

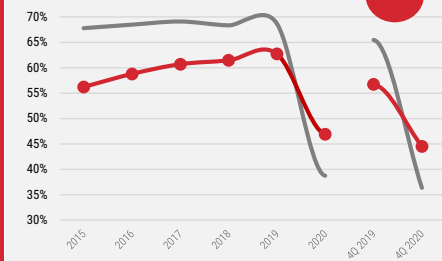**KEY PERFORMANCE METRICS**

Lodging Performance Index

6th of 104
Strong

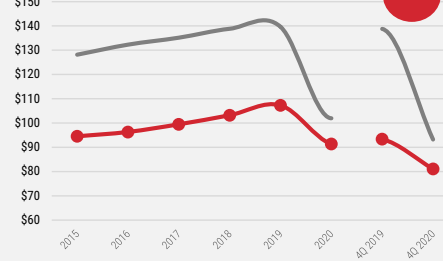Ranking of overall '4Q 2020 LPI' performance (1.60) against all 104 surveyed markets.
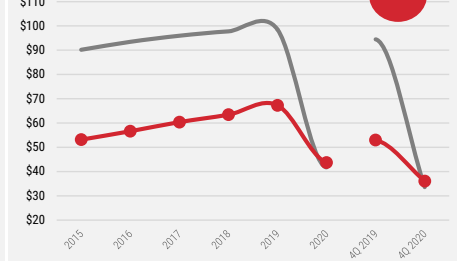
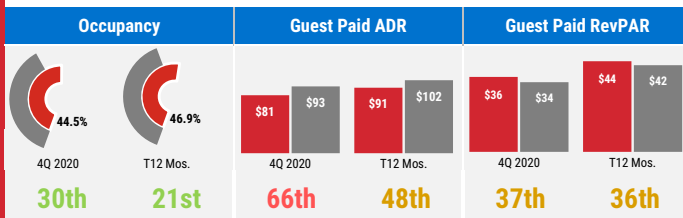### Supply Ranking vs. Major US Markets

42,900

Occupancy
-21.5%

Guest Paid ADR
-13.2%

Guest Paid RevPAR
-31.8%

— Top 104   ●— Virginia Beach, VA

Key Performance Indexes

● Subject Market   ● Top 104

PERFORMANCE INDEXES

Occupancy		Guest Paid ADR		Guest Paid RevPAR	
44.5%	46.9%	$81 / $93	$91 / $102	$36 / $34	$44 / $42
4Q 2020	T12 Mos.	4Q 2020	T12 Mos.	4Q 2020	T12 Mos.
30th	**21st**	**66th**	**48th**	**37th**	**36th**

Key Benchmark Indexes

Data provided by: **Kalibri** LABS

BENCHMARK INDEXES

Loyalty Contribution		Avg. Length of Stay (Nights)		Booking Costs POR	
49.1% (4Q 2020)	48.3% (T12 Mos.)	T12 Mos.: 2.45 / 2.23	4Q 2020: 2.49 / 2.19	$5.44 / $6.66	$6.51 / $7.36
				4Q 2020	T12 Mos.
50th	**56th**	**8th**	**8th**	**37th**	**55th**

Discount and Capitalization Rates

Source: NKF

INVESTMENT PARAMETERS

Economy/Ltd Svc

Select-Service

Full-Service

Luxury/Upscale

Trends and Risks

Source: Kalibri Labs, NKF

FUNDAMENTALS

Revenue Stability	Supplier Power Trend	Investment Yields
15th	**58th**	**5th**
Above Average	Average	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
57th	**8th**	**10th**
Average Risk	High Risk	Above Average
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

Airport Statistics - Enplanements

VIRGINIA BEACH, VA: ALL LOCAL

Passengers Millions

% Change (YOY)

Passengers Thousands

1990 Thru 2020

T12M Thru Dec 2020

% Change: Virginia Beach, VA ● % Change: USA

Source: BTS, TSA
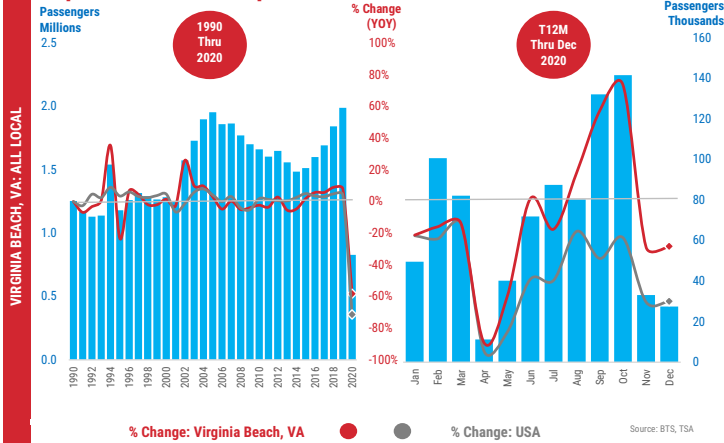
Net Hotel Closures - Virginia Beach, VA vs. USA

YTD FEBRUARY 2020 THROUGH JANUARY 2021

% Chg

Hotels

Ext-Stay, Full-Svc, Sel-Svc, Ltd-Svc, Indep, USA, MARKET

Rolling 1-Week Average

% All Closures: Virginia Beach, VA ● % All Closures: USA

Source: Hotel Compete
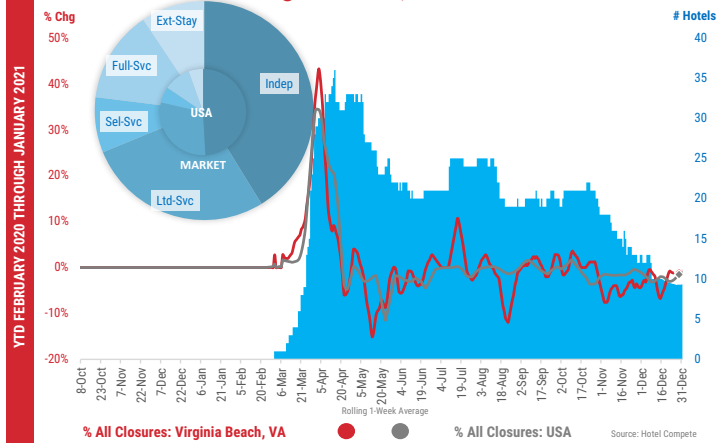
National Trends Dashboard - Pricing

US HOTEL PRICING VS. CAP RATES

US Hotel Pricing vs. Cap Rates

Rates increased, pricing dipped 30-50% but mostly recovered.

Pricing-F/S   Pricing-L/S   Cap Rate - Full Service   Cap Rate - Limited Service

Source: RCA
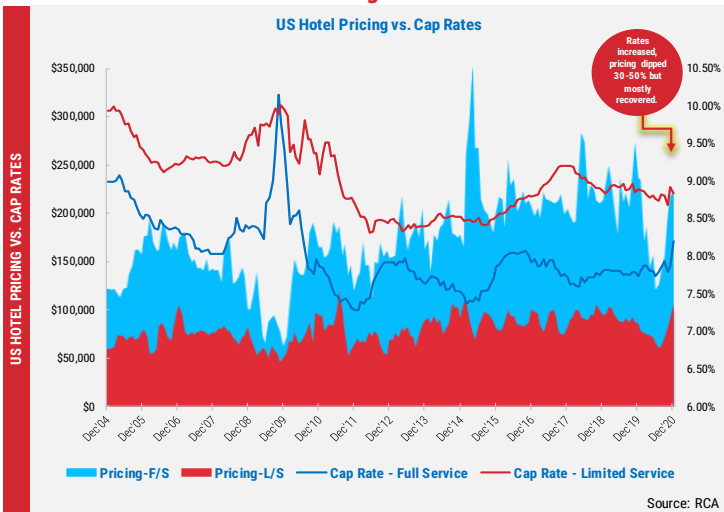
National Trends Dashboard - Channel Distribution

DISTRIBUTION AND COST: DIRECT, INDIRECT, GROUP

Channel Distribution - Trailing 12 Months - Total U.S.A.

T-12 Average

FIT / Wholesale, Group, GDS, OTA, Brand.com, Voice, Property Direct

Direct Bookings Surge 30%, Costs Drop 55%

Transient Indirect and Booking Costs Plateauing

Transient Direct   Transient Indirect   Group   Booking Cost / RN

Source: Kalibri Labs

NKF Hotel Market Nsights Report Coverage

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

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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