

Hotel Performance & Investment Sentiment for Colorado Hotel Markets

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About Newmark Valuation & Advisory's Hospitality, Gaming & Leisure Group



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Valuation & Advisory

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Hospitality, Gaming & Leisure Group

Property Type Specializations

- Hotels and Resorts
- Gaming Facilities
- Stadiums, Sports & Entertainment Facilities
- Conference, Expo and Convention Centers
- Campgrounds and RV Resorts
- Marinas
- Ski and Village Resorts
- Waterparks, Amusement Parks and Attractions

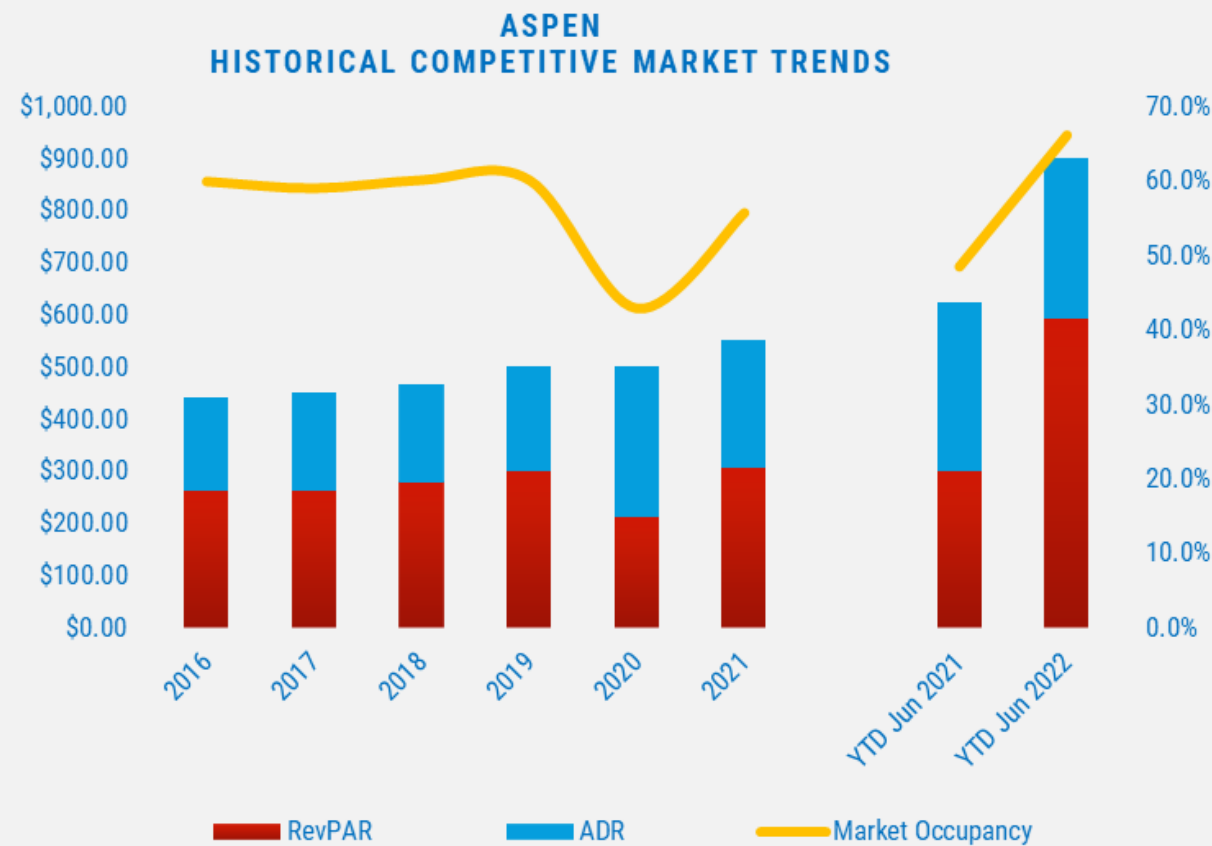
Core Disciplines

- Appraisals
- Economic Impact
- Feasibility/Market Studies
- Financial Reporting
- Portfolio Analytics
- Property Tax

Colorado Hotel Submarket Trends

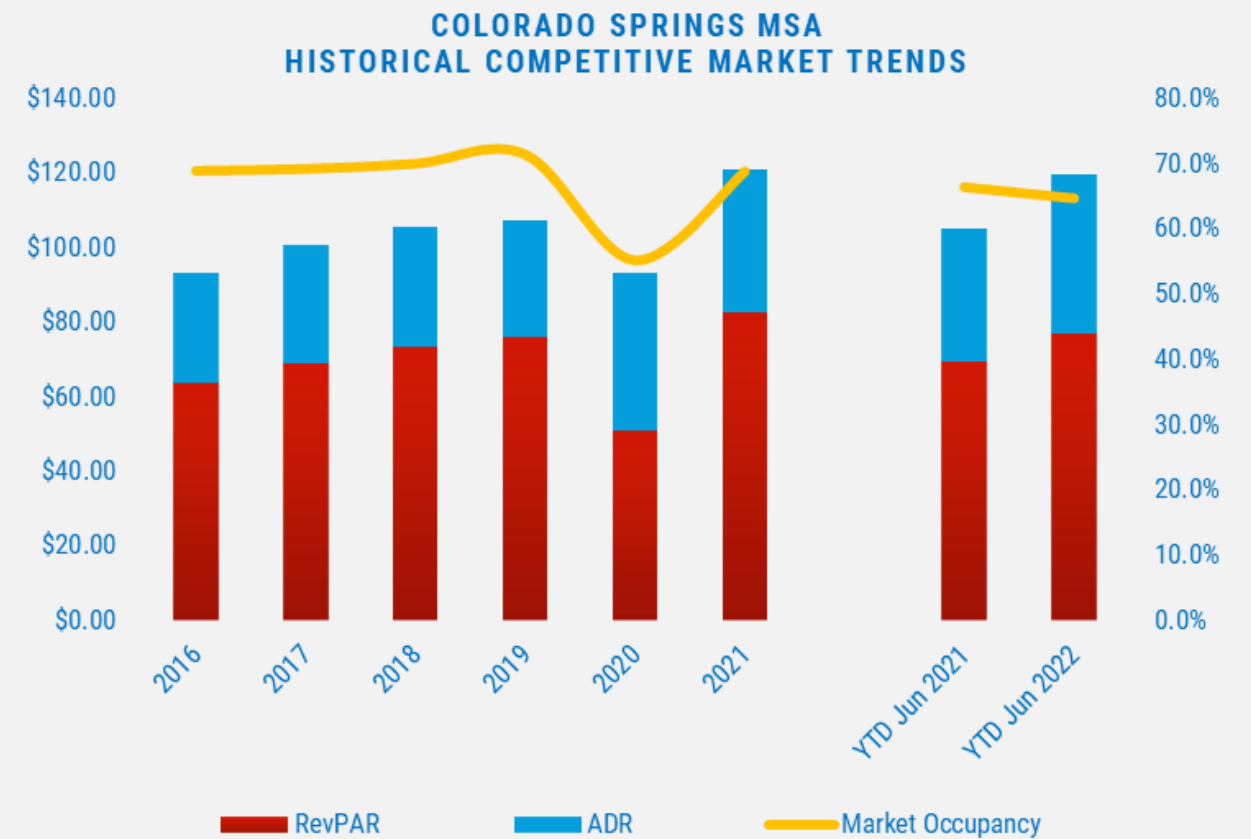
Aspen

The following table summarizes historical operating performance between 2016 and YTD June 2022 based on interviews with properties, local market research, and CoStar and Kalibri Labs data. Note that such figures are not inclusive of all properties in this market.



Colorado Springs MSA

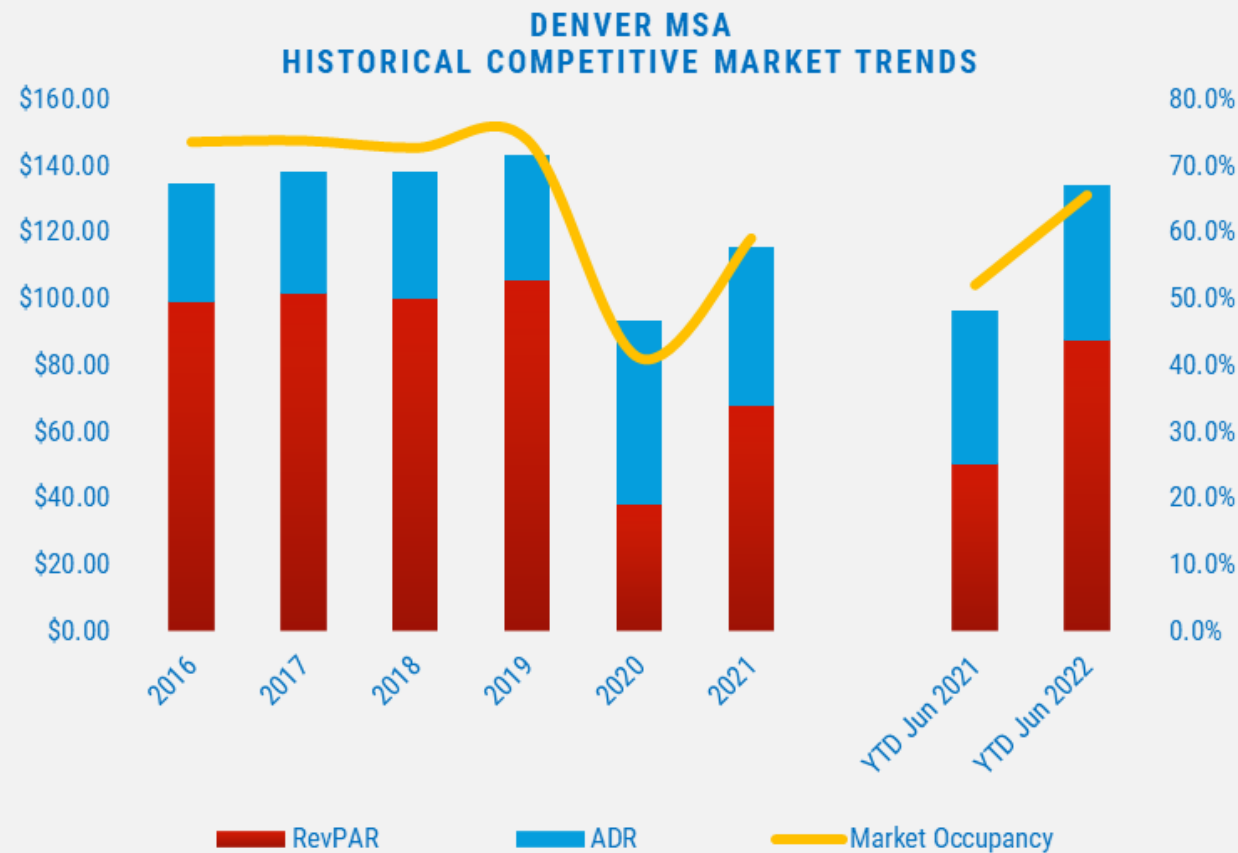
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Colorado Hotel Submarket Trends

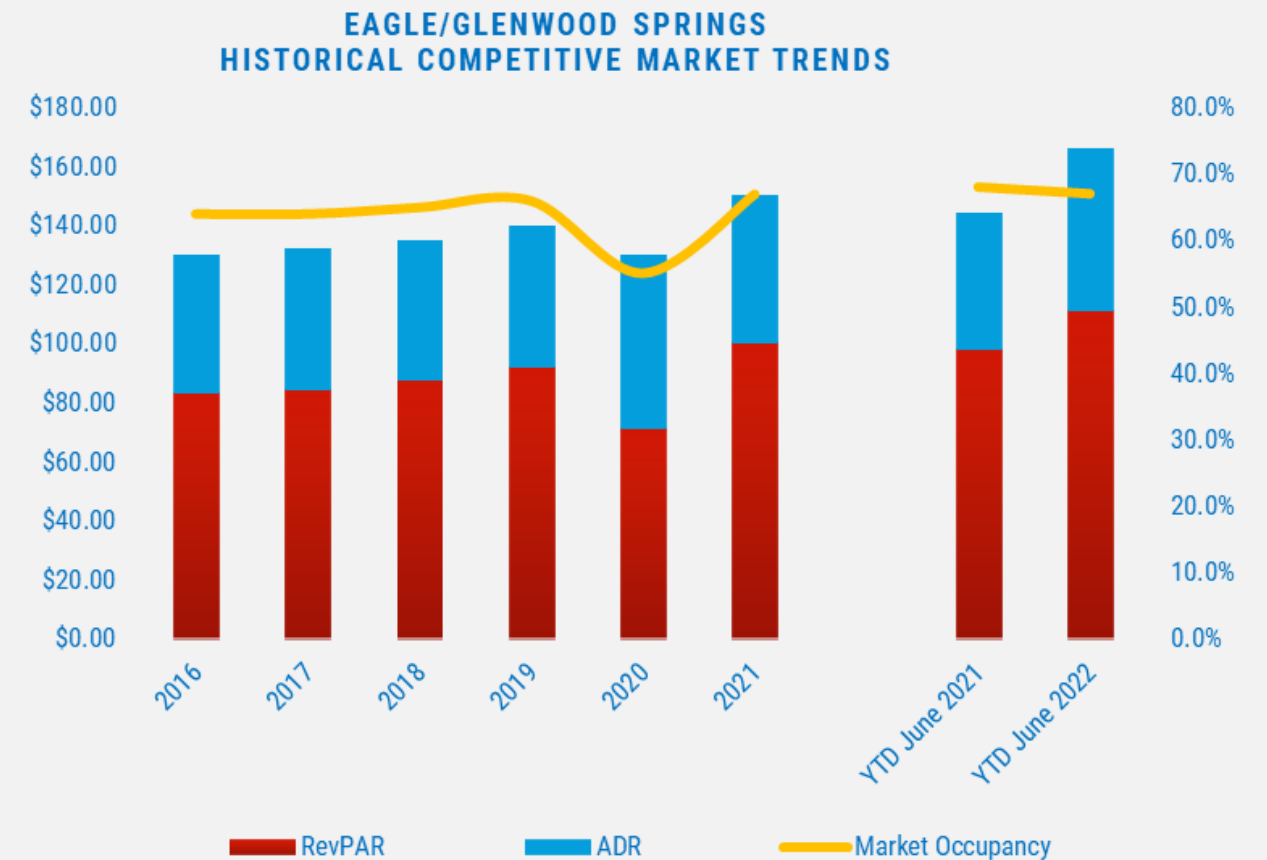
Denver MSA

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Eagle/Glenwood Springs

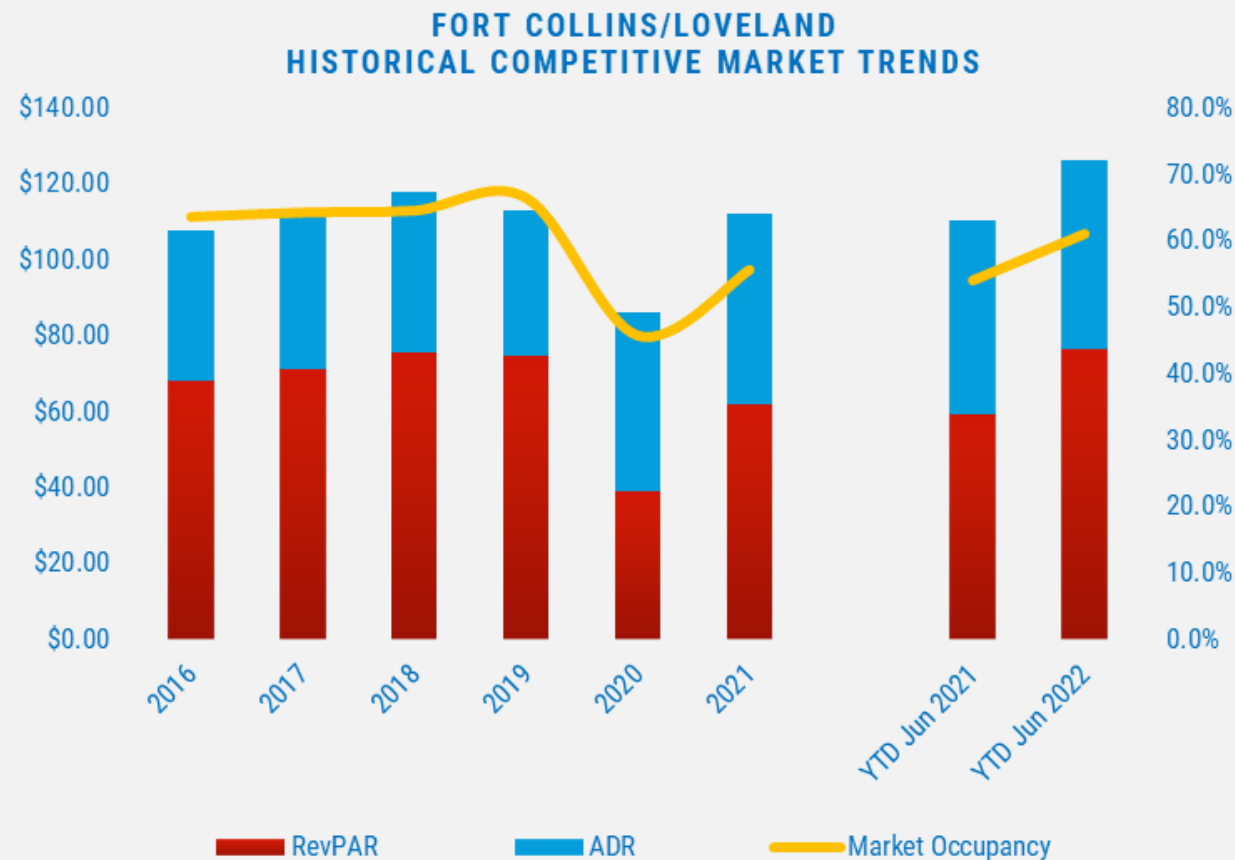
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Colorado Hotel Submarket Trends

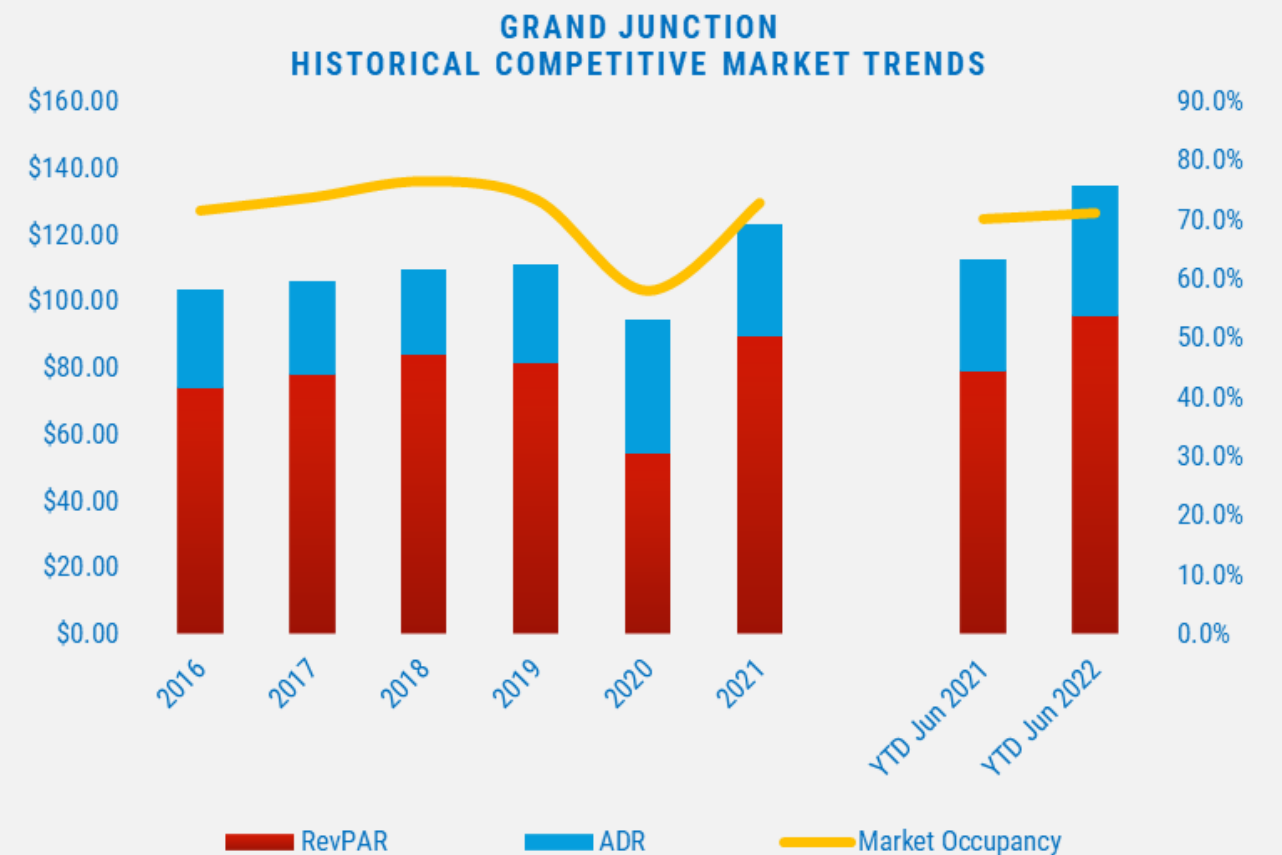
Fort Collins/Loveland

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Grand Junction

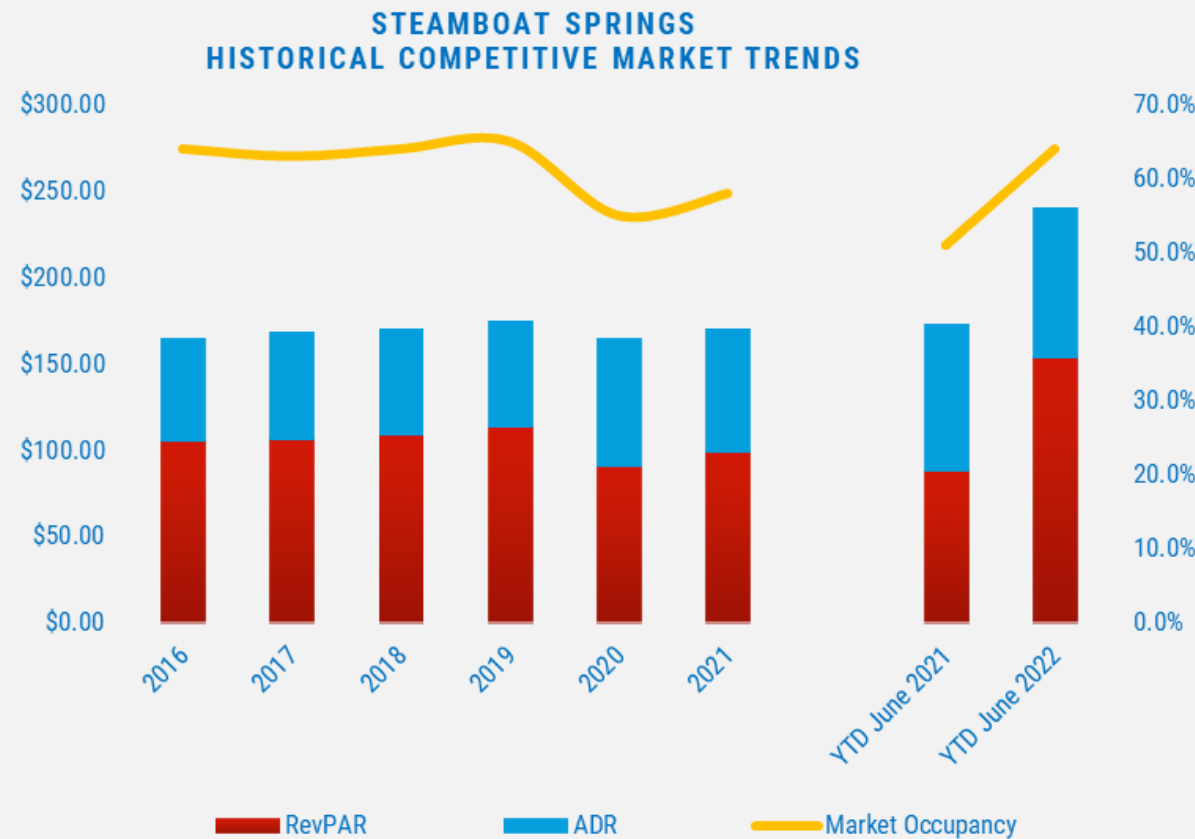
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Colorado Hotel Submarket Trends

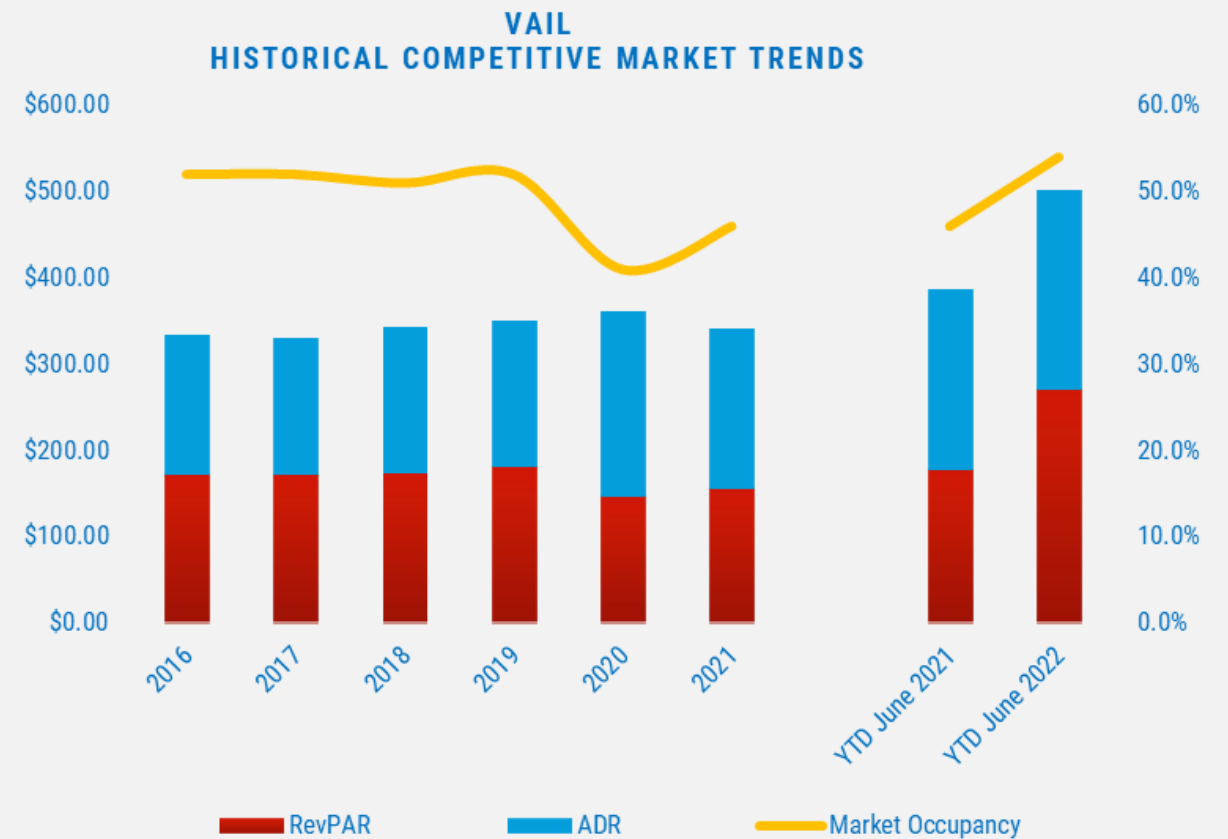
Steamboat Springs

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Vail

The following table summarizes historical operating performance between 2016 and YTD June 2022 based on interviews with properties, local market research, and CoStar and Kalibri Labs data. Note that such figures are not inclusive of all properties in this market.



Colorado Hotel Submarket Supply Changes

COLORADO SPRINGS MARKET SUPPLY UPDATE

Property	City	Room Count	Date	Developer/Owner
Home2 Suites Colorado Springs I 25 Central	Colorado Springs	90	Q3 2022	-
Hampton by Hilton Colorado Springs Northeast	Colorado Springs	95	Q3 2022	Shree Vinayak Hospitality LLC
Courtyard Colorado Springs North	Colorado Springs	126	Q3 2022	-
Comfort Suites Colorado Springs	Colorado Springs	71	Q3 2022	-
Lodge at Flying Horse Colorado Expansion	Colorado Springs	52	Q3 2022	Classic Companies
Residence Inn by Marriott Colorado Springs Airport	Colorado Springs	139	Q4 2023	Hotel Operation Services and Hotel Equities
TrueNorth Commons Hotel & Conference Center	Colorado Springs	375	Proposed	Provident Group - Falcon Properties LLC
Luxury Downtown Hotel Vermijo Avenue and Sierra Madre Street	Colorado Springs	240	Proposed	Norwood Development Group
TownePlace Suites by Marriott I-25 Central	Colorado Springs	90	Proposed	Sun Capital Hotels
Cambria Hotel & Suites Colorado Springs	Colorado Springs	103	Proposed	-
Hyatt Place Victory Ridge	Colorado Springs	119	Proposed	-
Candlewood Suites	Colorado Springs	96	Proposed	-
Sleep Inn Colorado Springs	Colorado Springs	45	Proposed	-
MainStay Suites Colorado Springs East - Medical Center Area	Colorado Springs	50	Proposed	-

Source: Newmark Valuation & Advisory

Colorado Hotel Submarket Supply Changes

DENVER MARKET SUPPLY UPDATE				
Property	City	Room Count	Date	Developer/Owner
TownePlace Suites by Marriott Thornton North	Thornton	96	Q3 2022	-
Homewood Suites by Hilton Thornton	Thornton	109	Q1 2023	-
Vib Hotel RiNo District	Denver	140	Q1 2023	TWC Management LLC
Block 162 Hotel Downtown Denver	Denver	450	Q1 2023	Patrinely Group and USAA Real Estate Co.
Bellevue Station Kimpton Hotel	Denver	192	Q1 2023	Cypress 16
Urban Cowboy	Denver	18	Q'2 2023	Lyon Porter and Jersey Banks
Populus Civic Center Park Hotel	Denver	265	Q2 2023	Urban Villages
TownePlace Suites by Marriott Denver Airport	Denver	113	Q2 2023	-
Benson Hotel & Faculty Club	Denver	106	Q2 2023	Aimco
Marriott Hotel Downtown Denver Convention Center	Denver	525	Q3 2023	Focus Property Group
Jefferson Park Hotel	Denver	93	Q3 2023	Grand Peaks
Hawthorn Suites by Wyndham Denver Parker	Parker	60	Q1 2024	Colorado World Resorts
Residence Inn by Marriott Arvada Towne Center	Arvada	128	Q1 2024	Trammell Crow Company
All-Inn Boutique Hotel	Denver	81	Q1 2024	Brian Toerber
Cambria Hotel RiNo	Denver	153	Q4 2023	Choice Hotels International
WoodSpring Suites Littleton	Littleton	114	Proposed	TGC Group
Train Denver Boutique Hotel RiNo District	Denver	200	Proposed	Invent Development Partners
4899 S. Quebec Street Hotel	Denver	236	Proposed	Stonebridge Companies
Windler Mixed-Use Development (Five Hotels)	Aurora	750	Proposed	GVP Windler, LLC
Hotel Perenne	Denver	70	Proposed	Central Street Capital, Inc.
Ace Hotel Denver	Denver	170	Proposed	GFI Development Co.
Rossonian Hotel	Denver	105	Proposed	Palisade Partners
EVEN Hotel by IHG Downtown Denver	Denver	153	Proposed	IHG
Courtyard by Marriott Federal Boulevard	Denver	118	Proposed	H&H Hotels
AC by Marriott Broomfield	Broomfield	136	Proposed	Bedford Lodging LLC
Fairfield Inn by Marriott Downtown Denver (co-brand)	Denver	206	Proposed	Hawkeye Hotels
TownePlace Suites by Marriott Downtown Denver (co-brand)	Denver	173	Proposed	Hawkeye Hotels
Blake Street Hotel	Denver	125	Proposed	Nichols Partnership

Source: Newmark Valuation & Advisory

Colorado Hotel Submarket Supply Changes

FORT COLLINS REGION MARKET SUPPLY UPDATE				
Property	City	Room Count	Date	Developer
Hampton Inn by Hilton Windsor Future Legends Stadium	Windsor	108	Q1 2023	Future Legends
Hilton Garden Inn Windsor Future Legends Stadium	Windsor	147	Q1 2023	Future Legends
Elk Horn Lodge	Estes Park	168	Q1 2023	East Avenue Development
Avid, an IHG Hotel (co-branded hotel)	Johnstown	85	Proposed	Spirit Hospitality
Staybridge Suites (co-branded hotel)	Johnstown	105	Proposed	Spirit Hospitality
South College Hotel	Fort Collins	149	Proposed	MacMillan Development
Mary's Lake Lodge (Redevelopment)	Estes Park	44	Proposed	Mary's Lake Lodge
WoodSpring Suites Greeley	Greeley	122	Proposed	-

Source: Newmark Valuation & Advisory

VAIL VALLEY & EAGLE COUNTY MARKET SUPPLY UPDATE				
Property	City	Room Count	Date	Developer/Owner
Hoffman Hotel, Tapestry Collection by Hilton	El Jebel	122	Q1 2023	Bedford Lodging
Residence Inn by Marriott West Vail	West Vail	146	Q2 2023	Sunridge
Co-Branded SpringHill Suites and TownePlace Suites by Marriott	Avon	243	Q1 2024	JMA Ventures, LLC

Source: Newmark Valuation & Advisory

Colorado Hotel Development Trends

Independent Affiliation

- Soft brand proliferation
- Increased franchise fees with lower return on investment
- Consumer preferences for unique lodging options
- Flexibility in design, amenity offerings, and room type and count

Location

- Cities and towns with housing shortage have led existing hotel conversions to work-force housing
- Remote, drive-to destinations have benefited most from ADR gains and increased investor interest
- Labor/human capital challenges filling positions in remote locations that require employee housing/higher pay

Construction Costs

- Higher construction cost inputs (i.e., labor, materials, land) have placed downward pressure on new supply
- Supply chain challenges continue to adversely impact planned renovations/capex planning
- Adaptive reuse developments popular when tax incentives/credits available

Macro Investor & Lender Sentiment

Lenders

- Seeking high quality properties in leisure markets
- Preference for cash-flowing hotels compared to new construction
- Relationship lending
- CMBS lending has slowed
- Delinquencies continue to decrease relative to 2020 levels

Institutional Investors

- Limited pool of debt funds
- Buyer must be well capitalized
- Less activity than originally projected due to sellers not selling properties at discounts
- Cheap debt reason for paying higher prices

Brokers/Regional Buyers & Sellers

- Strong demand for economy and midscale properties
- Many smaller transactions are backed by US Small Business- and USDA-backed loans
- Activity likely to slow in coming months as interest rates increase
- Upward pressure on investment rates due to increase in lending costs

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