CBRE

Hotel Horizons®

Coachella Valley, CA

Q2 2024 Edition

CBRE HOTELS RESEARCH
AUGUST 2024

Regional Economic Summary

“Economic activity in the Twelfth District was stable on net during the mid-May through June reporting period. Labor availability improved, and employment levels were generally steady. Wages and prices continued to increase at a slight pace on net. Retail sales fell slightly, after slight prior growth. Activity was mixed in services and manufacturing sectors, and conditions in agriculture and resource-related sectors weakened somewhat. Activity in residential real estate continued to slow, while that for commercial real estate was mixed. Conditions in the financial services sector were little changed. Communities across the District faced affordable housing shortages, and demand for community services generally remained high. Looking ahead, contacts expect the pace of price increases to moderate further and overall economic conditions to weaken modestly. Activity in the consumer services sectors decreased somewhat, while demand for business services was unchanged relative to the previous reporting period. Demand for leisure and hospitality fell, and restaurants across the District reported lower consumer spending overall, driven in part by less spending per visit. The health-care services sector continued to experience strong demand and remained at or near operational capacity. Demand for legal services ticked up slightly, while demand for business consulting and staffing services ticked down. Medical laboratory service providers continued to report solid activity levels."

Federal Reserve Bank Beige Book, July 2024

Hotel Market Summary

By year-end 2024, Coachella Valley hotels are forecast to see a RevPAR decrease of 4.4%. This is the result of an estimated decline in occupancy of 3.8% and a 0.5% loss in average daily room rates (ADR). The 4.4% decline in Coachella Valley RevPAR is less than the national projection of a 1.2% increase. Year-end Coachella Valley RevPAR will be 22.5% greater than the 2019 year-end RevPAR level of $106.04.

Both the upper and lower-priced segments of Coachella Valley are expected to show negative RevPAR change by year end. Middle-priced hotels are forecast to suffer a 1.4% loss in ADR and a 0.8% decrease in occupancy, resulting in a 2.2% RevPAR decline. Lower-priced hotels are projected to experience an ADR decline of 1.6%, along with a 9.2% loss in occupancy, resulting in a 10.7% RevPAR decline.

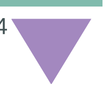
Looking towards 2025, Coachella Valley RevPAR is expected to grow 3.2%, reversing the downward trend of 2024. Prospects for RevPAR growth in the lower-priced segment (6.1%) are better than in the upper-priced segment (2.7%). Coachella Valley market occupancy levels are expected to range from 63.0% to 64.6% during the 5-year forecast period.

Coachella Valley, CA: Next Four Quarters

The arrows show the forecast direction of change over the next 4 quarters vs. the previous 4 quarters. Purple indicates the change will be above the long run average, tan indicates it will be the same, and orange indicates it will be below.

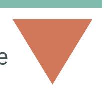
Occupancy

Occupancy will decrease to 63.5%, a decline over the past 4 quarters' rate of 63.7%, but above the long run average of 59.2%



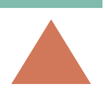
Average Daily Rate

ADR growth expectations are weakening, 0.3% vs. the past 4 quarters' rate of 0.4%, and are below the long run average of 2.7%



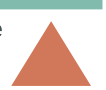
Revenue Per Available Room

RevPAR growth projections are climbing to 0.1% as compared to the past 4 quarters' rate of negative 3.1%, but are lower than the long run average of positive 5.0%



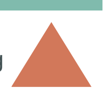
Supply (orange indicates above long-term average)

Supply growth is climbing, 1.3% vs. the past 4 quarters' rate of negative 0.1%, and greater than the long run average of positive 0.5%

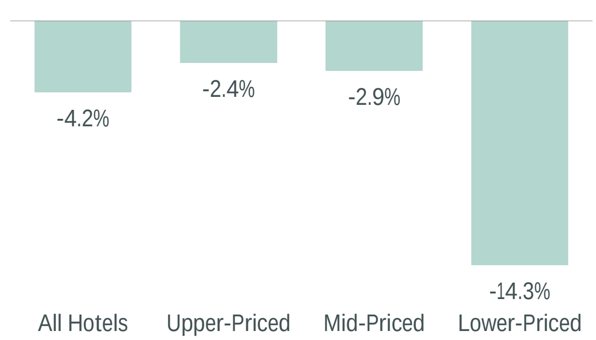


Demand

Forecast demand growth is climbing, positive 1.1% vs. the past 4 quarters' rate of negative 3.6%, but is below the long run average of positive 1.9%



2024 Year-to-Date 2Q Change in RevPAR



Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Annual Performance - Five Year History and Forecast

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	64.4%	1.0%	$164.59	4.0%	$106.04	5.1%
2020	36.1%	-44.0%	$145.08	-11.9%	$52.38	-50.6%
2021	55.0%	52.3%	$167.46	15.4%	$92.08	75.8%
2022	64.3%	16.9%	$205.75	22.9%	$132.26	43.6%
2023	65.5%	2.0%	$207.19	0.7%	$135.80	2.7%
2024F	63.0%	-3.8%	$206.06	-0.5%	$129.88	-4.4%
2025F	63.8%	1.3%	$209.97	1.9%	$134.05	3.2%
2026F	64.3%	0.7%	$213.89	1.9%	$137.50	2.6%
2027F	64.5%	0.3%	$218.00	1.9%	$140.53	2.2%
2028F	64.6%	0.2%	$222.48	2.1%	$143.68	2.2%

Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Long Run Averages 2000 to 2023

Occupancy: 59.2%, ADR Change: 2.7%, RevPAR Change: 5.0%

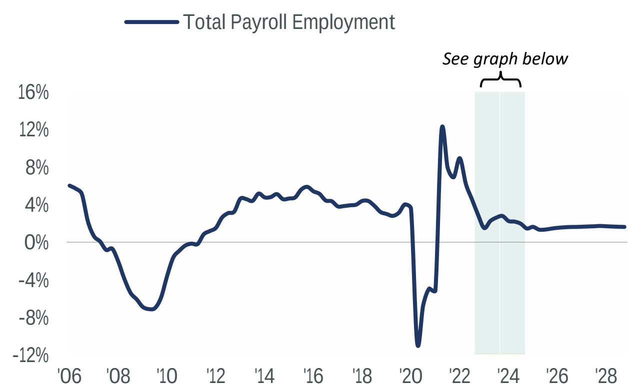
Coachella Valley, CA Economic Summary

Below are a select number of variables that drive the CBRE Hotels Research econometric forecasts contained in this report. Income and employment are important barometers of economic health and are used in every *Hotel Horizons*® forecast model. The lodging market is part of the larger economy, and the forces that affect us nationally also affect lodging, but in different magnitudes and time periods (see Exhibits 3 and 4 below). Exhibits 1 - 5 provide an overview of current economic history and forecasts, and provide explanations of what to expect in the future, and how that affects the lodging industry.

Exhibit 1*: Income Change

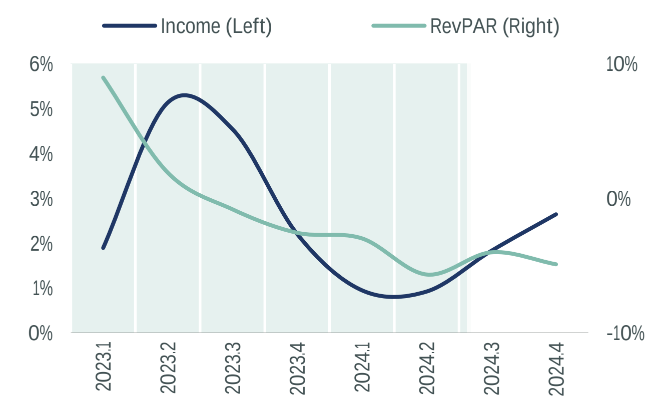
Source: CBRE EA, Q2 2024

Exhibit 2*: Employment Change



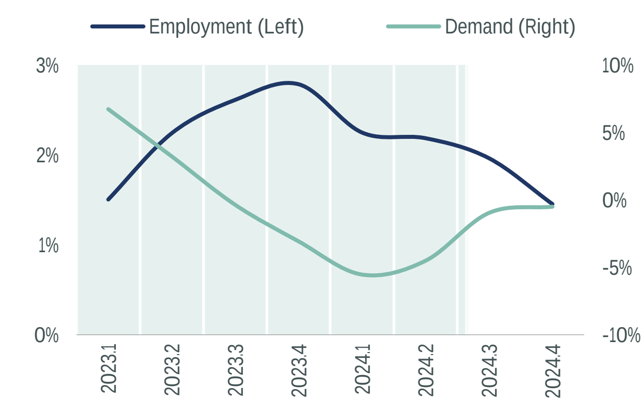
Source: CBRE EA, Q2 2024

Exhibit 3*: Quarterly Real Personal Income vs. RevPAR Change



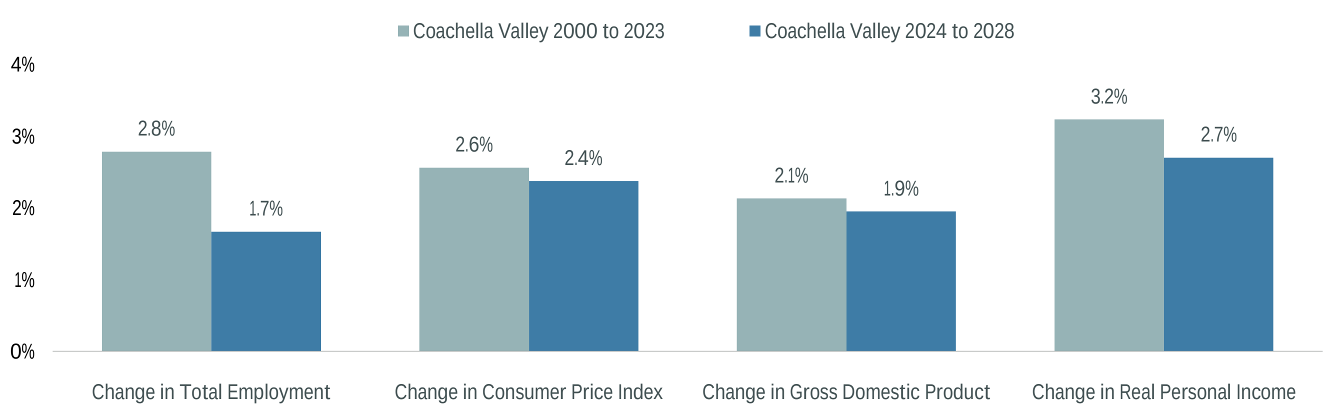
Source: CBRE EA, CBRE Hotels, Kalibri Labs, Q2 2024

Exhibit 4*: Quarterly Employment vs. Demand Change



Source: CBRE EA, CBRE Hotels, Kalibri Labs, Q2 2024

Exhibit 5*: Average Annual Growth Rates



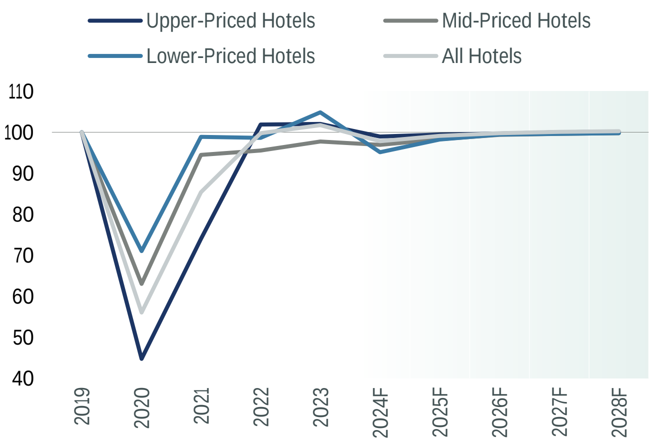
Source: CBRE EA, Oxford Economics, Q2 2024

*See Appendix for exhibit descriptions

Coachella Valley, CA Hotel Summary

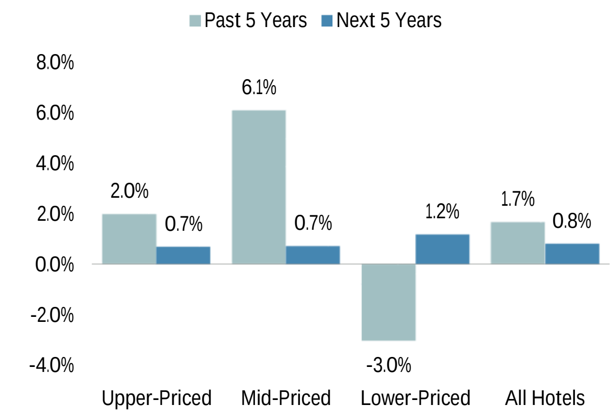
The graphs on the left illustrate the magnitude of change in performance during the historical and forecasted period 2019 to 2028. Used as a relative benchmark, each market segment is plotted against a common index value of 2019 = 100. This method provides clear insight of how each market segment performed and is expected to perform in relation to others in the specified period. The charts on the right compare near-term historical compound annual growth rates (CAGR) to the CAGRs for the forecast period.

Exhibit 6*: Occupancy Levels Relative to 2019



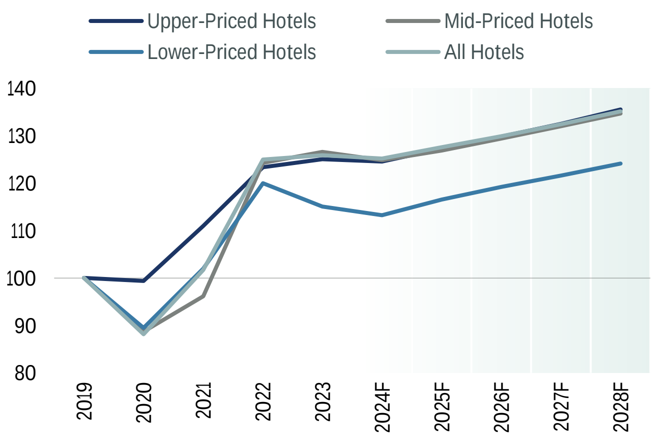
Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Exhibit 9*: Compound Average Annual Supply Change



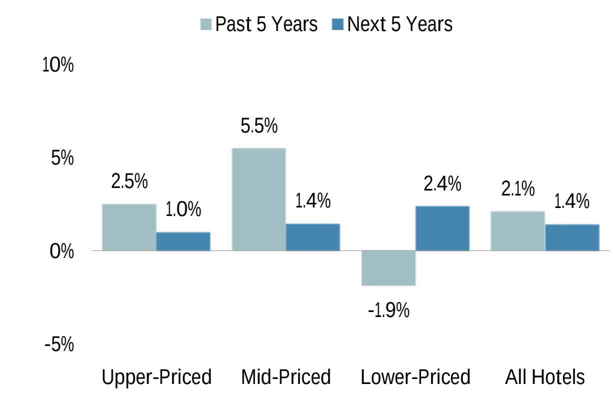
Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Exhibit 7*: ADR Levels Relative to 2019



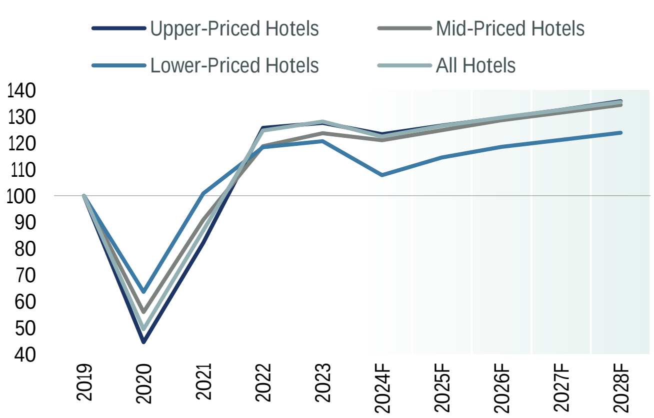
Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Exhibit 10*: Compound Average Annual Demand Change



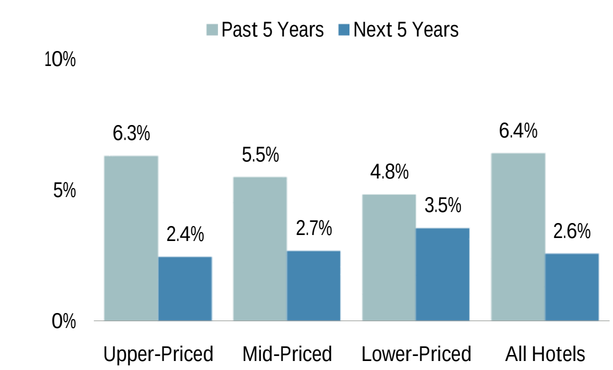
Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Exhibit 8*: RevPAR Levels Relative to 2019



Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Exhibit 11*: Compound Average Annual RevPAR Change



Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Coachella Valley, CA Forecast - All Hotels

Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2019	Annual	64.4%	1.0%	$164.59	4.0%	$106.04	5.1%	2.2%	3.2%
2020	Annual	36.1%	-44.0%	$145.08	-11.9%	$52.38	-50.6%	2.7%	-42.5%
2021	1	46.7%	-23.1%	$150.01	-17.5%	$70.01	-36.5%	3.5%	-20.4%
2021	2	58.3%	291.3%	$170.39	74.5%	$99.37	582.9%	2.7%	301.9%
2021	3	50.5%	55.7%	$144.70	31.0%	$73.08	103.9%	1.3%	57.6%
2021	4	64.3%	75.8%	$195.08	43.7%	$125.49	152.8%	0.2%	76.2%
2021	Annual	55.0%	52.3%	$167.46	15.4%	$92.08	75.8%	1.9%	55.2%
2022	1	72.7%	55.8%	$230.42	53.6%	$167.59	139.4%	1.2%	57.7%
2022	2	66.1%	13.4%	$225.85	32.6%	$149.30	50.2%	2.8%	16.5%
2022	3	51.4%	1.8%	$152.91	5.7%	$78.61	7.6%	2.9%	4.7%
2022	4	67.2%	4.4%	$200.73	2.9%	$134.86	7.5%	2.1%	6.6%
2022	Annual	64.3%	16.9%	$205.75	22.9%	$132.26	43.6%	2.2%	19.5%
2023	1	77.1%	6.0%	$236.98	2.8%	$182.64	9.0%	0.7%	6.7%
2023	2	68.6%	3.8%	$221.74	-1.8%	$152.15	1.9%	-0.5%	3.2%
2023	3	51.6%	0.4%	$151.03	-1.2%	$77.97	-0.8%	-0.8%	-0.4%
2023	4	65.1%	-3.1%	$201.88	0.6%	$131.41	-2.6%	0.1%	-3.1%
2023	Annual	65.5%	2.0%	$207.19	0.7%	$135.80	2.7%	-0.1%	1.8%
2024	1	72.8%	-5.6%	$243.55	2.8%	$177.20	-3.0%	0.1%	-5.5%
2024	2	65.3%	-4.9%	$219.94	-0.8%	$143.53	-5.7%	0.4%	-4.5%
2024F	3	50.6%	-2.0%	$147.92	-2.1%	$74.84	-4.0%	1.1%	-1.0%
2024F	4	63.7%	-2.1%	$196.19	-2.8%	$124.96	-4.9%	1.7%	-0.5%
2024F	Annual	63.0%	-3.8%	$206.06	-0.5%	$129.88	-4.4%	0.8%	-3.1%
2025F	Annual	63.8%	1.3%	$209.97	1.9%	$134.05	3.2%	0.8%	2.1%
2026F	Annual	64.3%	0.7%	$213.89	1.9%	$137.50	2.6%	0.4%	1.1%
2027F	Annual	64.5%	0.3%	$218.00	1.9%	$140.53	2.2%	1.0%	1.2%
2028F	Annual	64.6%	0.2%	$222.48	2.1%	$143.68	2.2%	1.0%	1.1%

2023 2Q	Year to Date	72.8%	5.0%	$229.76	0.7%	$167.30	5.7%	0.1%	5.1%
2024 2Q	Year to Date	69.0%	-5.2%	$232.36	1.1%	$160.33	-4.2%	0.2%	-5.0%
2024 2Q	Trailing 4 Qtrs	63.7%	-3.5%	$208.03	0.4%	$132.45	-3.1%	-0.1%	-3.6%

Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Guest-Paid ADR*

		All Hotels		Upper-Price		Mid-Price		Lower-Price	
Year	Period	Value	Change	Value	Change	Value	Change	Value	Change
2019	Annual	$169.17		$217.66		$142.54		$96.46	
2020	Annual	$149.22	-11.8%	$216.41	-0.6%	$126.14	-11.5%	$86.12	-10.7%
2021	Annual	$173.22	16.1%	$243.53	12.5%	$137.65	9.1%	$98.26	14.1%
2022	Annual	$211.85	22.3%	$269.10	10.5%	$177.26	28.8%	$115.85	17.9%
2023	Annual	$213.28	0.7%	$272.88	1.4%	$180.38	1.8%	$111.00	-4.2%
2023 2Q	Year to Date	$236.07	0.5%	$299.36	0.0%	$202.60	3.0%	$120.70	-4.2%
2024 2Q	Year to Date	$238.98	1.2%	$303.41	1.4%	$200.79	-0.9%	$119.05	-1.4%
2024 2Q	Trailing 4 Qtrs	$214.27	0.5%	$274.53	1.6%	$179.38	-0.6%	$109.54	-3.2%

*Based on the total room revenue paid by guests, inclusive of all transaction-specific direct reservation costs. Source: Kalibri Labs, Q2 2024

Length of Stay In Nights

Year	Period	All Hotels	Upper	Mid	Lower
2022	Annual	1.89	1.95	1.84	1.84
2023	Annual	1.88	1.96	1.77	1.81
2023 Q2	Year to Date	1.94	2.04	1.82	1.87
2024 Q2	Year to Date	1.91	1.99	1.81	1.83

For a glossary of Kalibri Labs terminology, please see page 19, or visit https://pip.cbrehotels.com/about-us/kalibri-faqs

Coachella Valley, CA Forecast - Upper-Priced Hotels

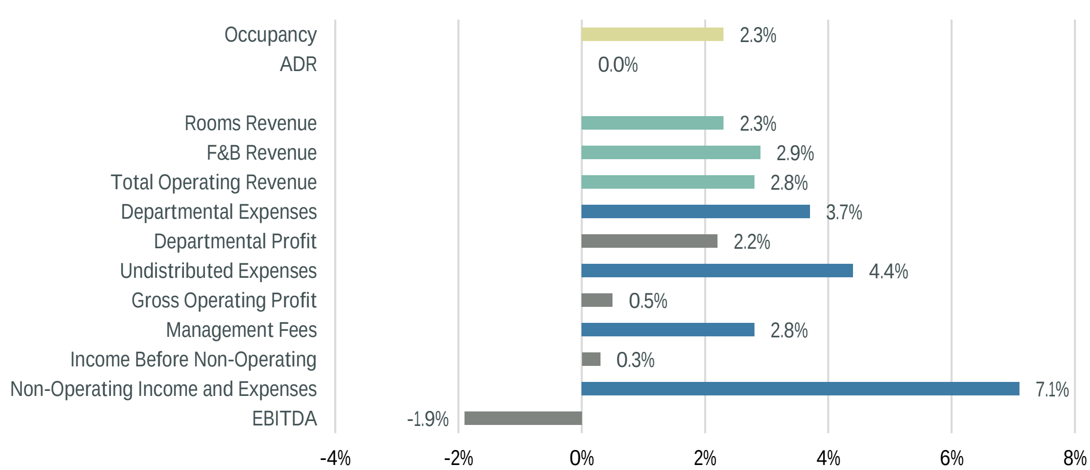
Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2019	Annual	61.7%	-1.5%	$212.93	7.0%	$131.40	5.4%	-0.8%	-2.3%
2020	Annual	27.6%	-55.3%	$211.63	-0.6%	$58.44	-55.5%	0.0%	-55.3%
2021	1	34.7%	-40.5%	$222.40	-7.5%	$77.27	-44.9%	4.4%	-37.9%
2021	2	47.2%	995.9%	$244.94	59.2%	$115.55	1644.9%	4.6%	1046.8%
2021	3	41.1%	97.2%	$197.75	27.0%	$81.36	150.4%	3.3%	103.7%
2021	4	59.4%	119.4%	$264.37	29.9%	$157.15	185.1%	0.4%	120.4%
2021	Annual	45.7%	65.4%	$236.38	11.7%	$107.98	84.8%	3.2%	70.7%
2022	1	69.9%	101.2%	$300.75	35.2%	$210.20	172.0%	1.3%	103.9%
2022	2	66.2%	40.4%	$284.47	16.1%	$188.37	63.0%	3.7%	45.5%
2022	3	50.0%	21.6%	$192.13	-2.8%	$96.12	18.2%	3.8%	26.2%
2022	4	65.8%	10.6%	$255.99	-3.2%	$168.34	7.1%	4.1%	15.2%
2022	Annual	62.9%	37.7%	$262.66	11.1%	$165.18	53.0%	3.2%	42.1%
2023	1	75.1%	7.5%	$301.97	0.4%	$226.81	7.9%	3.4%	11.1%
2023	2	67.6%	2.0%	$282.23	-0.8%	$190.71	1.2%	1.1%	3.1%
2023	3	47.1%	-5.8%	$194.45	1.2%	$91.63	-4.7%	1.1%	-4.8%
2023	4	62.4%	-5.1%	$261.56	2.2%	$163.15	-3.1%	0.8%	-4.4%
2023	Annual	63.0%	0.1%	$266.29	1.4%	$167.66	1.5%	1.6%	1.7%
2024	1	72.4%	-3.6%	$308.03	2.0%	$222.94	-1.7%	-0.5%	-4.2%
2024	2	64.9%	-3.9%	$283.60	0.5%	$184.12	-3.5%	-0.8%	-4.7%
2024F	3	46.5%	-1.2%	$191.53	-1.5%	$89.15	-2.7%	-0.8%	-2.0%
2024F	4	60.7%	-2.8%	$252.40	-3.5%	$153.09	-6.2%	0.8%	-2.0%
2024F	Annual	61.1%	-3.0%	$265.33	-0.4%	$162.06	-3.3%	-0.3%	-3.3%
2025F	Annual	61.4%	0.5%	$271.16	2.2%	$166.40	2.7%	1.2%	1.7%
2026F	Annual	61.5%	0.3%	$276.50	2.0%	$170.14	2.2%	0.4%	0.7%
2027F	Annual	61.7%	0.3%	$282.22	2.1%	$174.18	2.4%	0.6%	0.9%
2028F	Annual	61.8%	0.2%	$288.64	2.3%	$178.44	2.4%	0.6%	0.7%

2023 2Q	Year to Date	71.3%	4.8%	$292.55	0.0%	$208.64	4.8%	2.2%	7.2%
2024 2Q	Year to Date	68.6%	-3.7%	$296.48	1.3%	$203.53	-2.4%	-0.7%	-4.4%
2024 2Q	Trailing 4 Qtrs	61.6%	-4.6%	$267.88	1.6%	$165.10	-3.1%	0.1%	-4.4%

Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

US Upper-Priced Hotels - Operating Performance

Year-Over-Year Change – YTD June 2024 vs YTD June 2023



Source: CBRE Hotels, From total sample of 2,550 U.S. hotels submitting monthly P&L information.

For a more comparable and detailed financial comparison, we recommend a Benchmarker[SM] report.
Please contact Robert Mandelbaum at +1 404 812 5187 for more information.

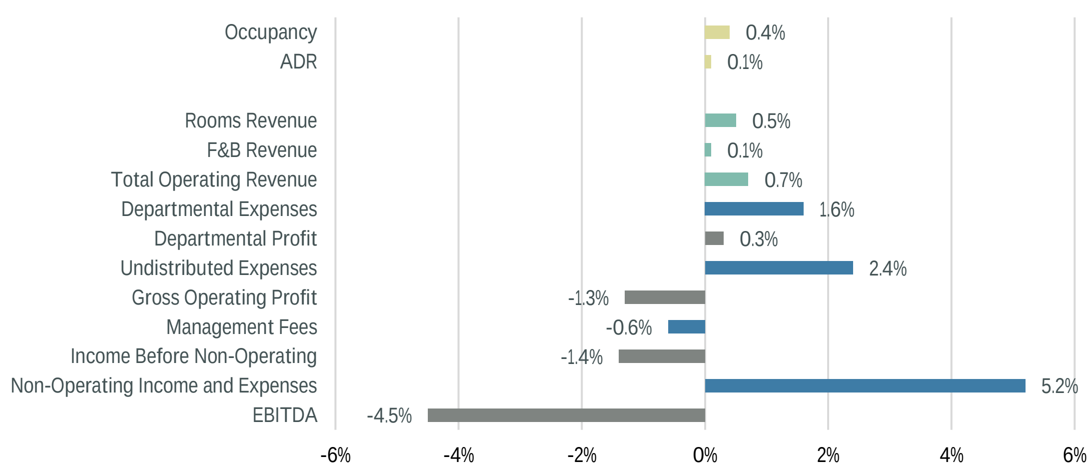
Coachella Valley, CA Forecast - Mid-Priced Hotels

Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2019	Annual	69.9%	4.0%	$137.10	3.8%	$95.87	8.0%	1.1%	5.2%
2020	Annual	44.1%	-37.0%	$121.61	-11.3%	$53.60	-44.1%	11.7%	-29.6%
2021	1	60.2%	-7.0%	$119.07	-21.5%	$71.67	-27.0%	8.1%	0.5%
2021	2	71.0%	193.2%	$132.18	29.3%	$93.86	279.3%	6.3%	211.9%
2021	3	61.7%	48.3%	$119.06	16.7%	$73.51	73.0%	3.5%	53.5%
2021	4	71.3%	54.7%	$152.90	40.0%	$108.97	116.7%	4.0%	60.9%
2021	Annual	66.1%	49.9%	$131.83	8.4%	$87.12	62.5%	5.4%	58.1%
2022	1	79.4%	32.0%	$188.37	58.2%	$149.63	108.8%	9.7%	44.8%
2022	2	65.2%	-8.2%	$190.34	44.0%	$124.05	32.2%	9.8%	0.7%
2022	3	53.0%	-14.2%	$125.33	5.3%	$66.41	-9.7%	9.8%	-5.8%
2022	4	70.0%	-1.8%	$166.04	8.6%	$116.20	6.6%	6.3%	4.4%
2022	Annual	66.8%	1.1%	$170.38	29.2%	$113.83	30.7%	8.9%	10.1%
2023	1	79.3%	-0.2%	$205.26	9.0%	$162.70	8.7%	-1.9%	-2.1%
2023	2	69.3%	6.3%	$184.33	-3.2%	$127.74	3.0%	-1.8%	4.4%
2023	3	56.6%	6.9%	$125.77	0.4%	$71.24	7.3%	-1.8%	4.9%
2023	4	68.5%	-2.2%	$166.43	0.2%	$113.95	-1.9%	0.4%	-1.7%
2023	Annual	68.4%	2.3%	$173.55	1.9%	$118.63	4.2%	-1.3%	1.0%
2024	1	77.1%	-2.8%	$207.07	0.9%	$159.60	-1.9%	1.2%	-1.6%
2024	2	68.7%	-0.9%	$177.87	-3.5%	$122.12	-4.4%	1.1%	0.2%
2024F	3	56.9%	0.4%	$120.74	-4.0%	$68.66	-3.6%	1.1%	1.5%
2024F	4	68.6%	0.2%	$166.43	0.0%	$114.17	0.2%	1.1%	1.3%
2024F	Annual	67.8%	-0.8%	$171.16	-1.4%	$116.00	-2.2%	1.1%	0.3%
2025F	Annual	68.8%	1.5%	$173.97	1.6%	$119.63	3.1%	0.0%	1.5%
2026F	Annual	69.5%	1.1%	$177.43	2.0%	$123.30	3.1%	0.3%	1.4%
2027F	Annual	69.7%	0.2%	$180.98	2.0%	$126.07	2.2%	1.3%	1.5%
2028F	Annual	69.8%	0.2%	$184.69	2.0%	$128.86	2.2%	1.3%	1.4%
2023 2Q	Year to Date	74.3%	2.8%	$195.43	3.3%	$145.11	6.1%	-1.9%	0.8%
2024 2Q	Year to Date	72.9%	-1.9%	$193.31	-1.1%	$140.86	-2.9%	1.1%	-0.7%
2024 2Q	Trailing 4 Qtrs	67.7%	0.0%	$172.39	-0.8%	$116.73	-0.9%	0.2%	0.2%

Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

US Middle-Priced Hotels - Operating Performance

Year-Over-Year Change – YTD June 2024 vs YTD June 2023



Source: CBRE Hotels, From total sample of 2,550 U.S. hotels submitting monthly P&L information.

For a more comparable and detailed financial comparison, we recommend a Benchmarker[SM] report.
Please contact Robert Mandelbaum at +1 404 812 5187 for more information.

Coachella Valley, CA Forecast - Lower-Priced Hotels

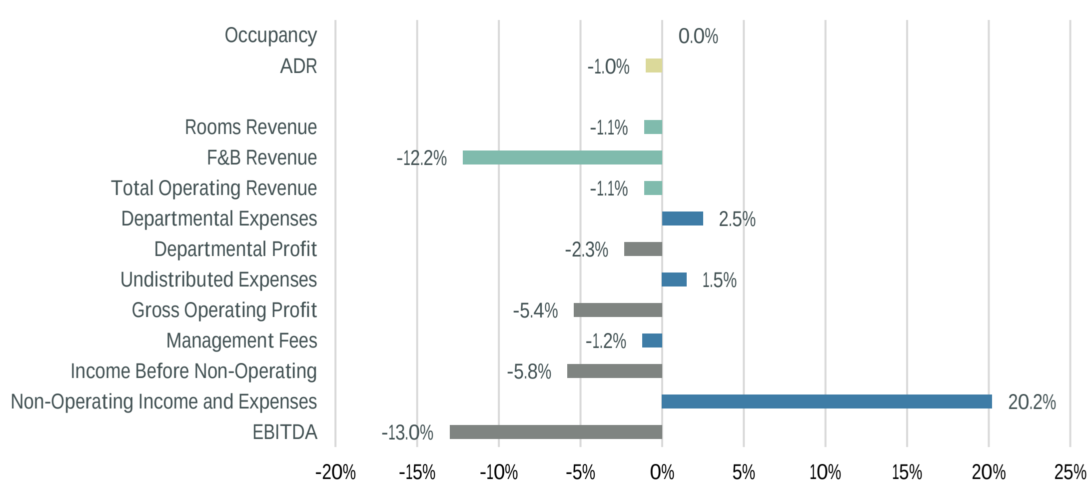
Year	Period	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR	Δ Supply	Δ Demand
2019	Annual	65.8%	3.6%	$92.86	5.0%	$61.09	8.8%	10.2%	14.1%
2020	Annual	46.7%	-29.0%	$83.10	-10.5%	$38.83	-36.4%	1.1%	-28.2%
2021	1	60.0%	-3.2%	$87.74	-8.4%	$52.65	-11.3%	-2.2%	-5.4%
2021	2	71.0%	149.7%	$96.93	25.8%	$68.79	214.0%	-4.3%	138.9%
2021	3	60.6%	25.9%	$89.36	16.8%	$54.19	47.0%	-5.0%	19.7%
2021	4	68.5%	41.6%	$103.34	34.0%	$70.81	89.6%	-3.7%	36.4%
2021	Annual	65.0%	39.2%	$94.73	14.0%	$61.60	58.7%	-3.8%	33.9%
2022	1	72.1%	20.1%	$119.54	36.2%	$86.16	63.7%	-7.1%	11.6%
2022	2	66.9%	-5.8%	$122.62	26.5%	$82.01	19.2%	-5.8%	-11.3%
2022	3	53.1%	-12.5%	$92.65	3.7%	$49.15	-9.3%	-5.8%	-17.6%
2022	4	67.7%	-1.3%	$106.61	3.2%	$72.14	1.9%	-6.6%	-7.8%
2022	Annual	64.9%	-0.2%	$111.45	17.6%	$72.32	17.4%	-6.3%	-6.5%
2023	1	79.6%	10.4%	$117.29	-1.9%	$93.32	8.3%	-2.6%	7.5%
2023	2	70.5%	5.4%	$115.68	-5.7%	$81.56	-0.5%	-3.0%	2.3%
2023	3	57.6%	8.5%	$87.30	-5.8%	$50.26	2.2%	-4.1%	4.1%
2023	4	68.2%	0.8%	$102.15	-4.2%	$69.70	-3.4%	-2.3%	-1.4%
2023	Annual	69.0%	6.3%	$106.89	-4.1%	$73.73	1.9%	-3.0%	3.1%
2024	1	68.9%	-13.4%	$119.89	2.2%	$82.56	-11.5%	0.4%	-13.1%
2024	2	62.3%	-11.6%	$108.28	-6.4%	$67.50	-17.2%	2.7%	-9.2%
2024F	3	53.6%	-6.9%	$87.30	0.0%	$46.80	-6.9%	5.8%	-1.5%
2024F	4	65.8%	-3.5%	$102.15	0.0%	$67.25	-3.5%	4.7%	1.0%
2024F	Annual	62.6%	-9.2%	$105.20	-1.6%	$65.86	-10.7%	3.4%	-6.2%
2025F	Annual	64.6%	3.2%	$108.21	2.9%	$69.90	6.1%	0.9%	4.1%
2026F	Annual	65.4%	1.3%	$110.70	2.3%	$72.41	3.6%	0.5%	1.7%
2027F	Annual	65.5%	0.2%	$112.97	2.0%	$74.03	2.2%	1.6%	1.8%
2028F	Annual	65.6%	0.1%	$115.29	2.1%	$75.66	2.2%	1.6%	1.8%

2023 2Q	Year to Date	75.0%	8.0%	$116.53	-3.7%	$87.42	4.0%	-2.8%	5.0%
2024 2Q	Year to Date	65.6%	-12.6%	$114.32	-1.9%	$74.96	-14.3%	1.5%	-11.3%
2024 2Q	Trailing 4 Qtrs	64.3%	-4.9%	$105.15	-3.7%	$67.57	-8.4%	-0.9%	-5.7%

Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

US Lower-Priced Hotels - Operating Performance

Year-Over-Year Change – YTD June 2024 vs YTD June 2023

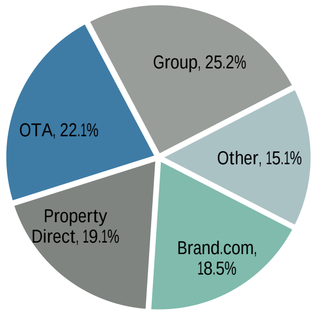


Source: CBRE Hotels, From total sample of 2,550 U.S. hotels submitting monthly P&L information.

For a more comparable and detailed financial comparison, we recommend a Benchmarker[SM] report.
Please contact Robert Mandelbaum at +1 404 812 5187 for more information.

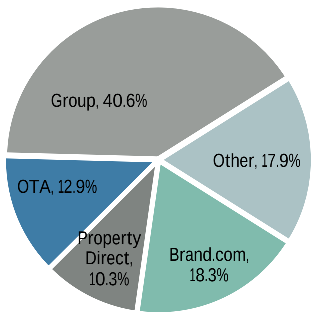
Room Nights and ADR by Source of Business - Coachella Valley, CA

All Hotels - Room Nights 2024 YTD



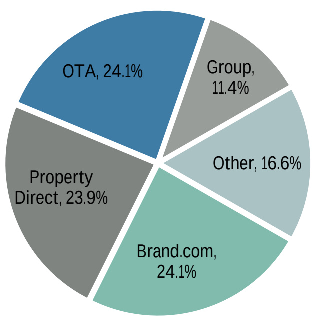
Source	Room Nights by Source of Business 2023 YTD	Room Nights by Source of Business 2024 YTD	ADR by Source of Business 2023 YTD	ADR by Source of Business 2024 YTD
Brand.com	18.2%	18.5%	$285.94	$284.86
Property Direct	20.5%	19.1%	$196.89	$201.45
Voice	4.6%	3.8%	$284.97	$282.89
Internal Discounts	6.6%	6.3%	$152.06	$153.44
GDS	3.1%	3.4%	$263.96	$262.93
FIT/Wholesale	1.5%	1.7%	$234.75	$232.98
OTA	20.9%	22.1%	$183.22	$182.63
Group	24.7%	25.2%	$261.08	$268.97

Upper-Priced Hotels - Room Nights 2024 YTD



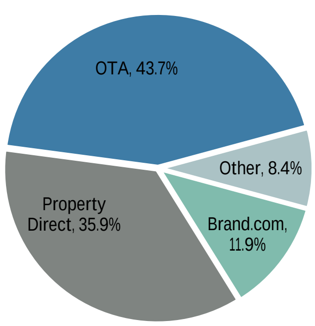
Source	Room Nights by Source of Business 2023 YTD	Room Nights by Source of Business 2024 YTD	ADR by Source of Business 2023 YTD	ADR by Source of Business 2024 YTD
Brand.com	17.5%	18.3%	$369.53	$366.57
Property Direct	11.2%	10.3%	$308.56	$316.92
Voice	4.6%	3.9%	$393.86	$379.39
Internal Discounts	8.7%	8.0%	$174.84	$177.98
GDS	3.5%	3.7%	$305.04	$310.71
FIT/Wholesale	2.0%	2.2%	$262.62	$265.97
OTA	11.7%	12.9%	$288.85	$288.75
Group	40.7%	40.6%	$270.41	$277.96

Mid-Priced Hotels - Room Nights 2024 YTD



Source	Room Nights by Source of Business 2023 YTD	Room Nights by Source of Business 2024 YTD	ADR by Source of Business 2023 YTD	ADR by Source of Business 2024 YTD
Brand.com	24.3%	24.1%	$233.45	$220.37
Property Direct	26.1%	23.9%	$193.17	$199.42
Voice	3.2%	2.8%	$227.08	$220.50
Internal Discounts	7.6%	7.3%	$99.85	$103.30
GDS	4.5%	4.7%	$207.49	$195.62
FIT/Wholesale	1.4%	1.6%	$165.57	$163.87
OTA	22.8%	24.1%	$177.17	$172.52
Group	10.2%	11.4%	$212.54	$221.83

Lower-Priced Hotels - Room Nights 2024 YTD



Source	Room Nights by Source of Business 2023 YTD	Room Nights by Source of Business 2024 YTD	ADR by Source of Business 2023 YTD	ADR by Source of Business 2024 YTD
Brand.com	13.0%	11.9%	$123.19	$120.84
Property Direct	36.5%	35.9%	$117.33	$117.33
Voice	6.2%	4.8%	$122.71	$123.90
Internal Discounts	0.4%	0.5%	$54.03	$47.67
GDS	0.7%	0.7%	$158.70	$156.83
FIT/Wholesale	0.2%	0.3%	$91.09	$94.60
OTA	40.9%	43.7%	$113.98	$108.34
Group	2.2%	2.1%	$94.26	$134.82

Brand.com: Transient bookings sold via property or brand's website	Voice: Transient bookings sold via call centers	GDS: Transient bookings sold via global distribution systems	OTA: Transient bookings sold by an online travel agent
Property Direct: Transient bookings sold directly by property	Internal Discounts: Complimentary, barter, employee, friends & family, loyalty program, house use, permanent rooms , etc.	FIT/Wholesale: Transient bookings sold via wholesalers	Group: Bookings of multiple guests rooms under the same booking, with a group rate

For a glossary of Kalibri Labs terminology, see page 19
or visit https://pip.cbrehotels.com/about-us/kalibri-faqs

Coachella Valley, CA Short-Term Rental Summary

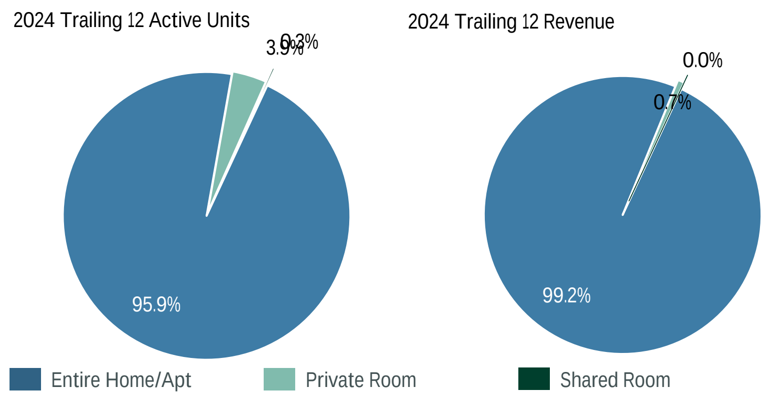
Below is an overview of short-term rentals in this market. The estimates of short-term rental performance come from AirDNA, a firm that provides data and analytics for 4 million+ short-term rental listings worldwide. Figure 1 shows the total number of units available, sold and revenue generated during July 2023 – June 2024 along with the calculated Occupancy, Average Daily Rate (ADR), Revenue Per Available Room (RevPAR), and year-over-year growth rates. Figure 2 shows the percent of units and revenue by unit type. Figure 3 shows the average daily number of active short-term rental units by month. Figure 4 lists the ADRs broken down by unit types over the past 12 months. More detailed data on short-term rentals in your market can be purchased directly from AirDNA at airdna.co.

Fig. 1: Short-Term Rental Performance
July 2023 – June 2024

Metric	2024	YoY Change
Occupancy	50.1%	-6.2%
ADR	$535.09	0.6%
RevPAR	$267.96	-5.6%
Available Supply	3,000,396	8.1%
Units Sold	1,502,488	1.4%
Total Revenue	$803,972,689	2.0%

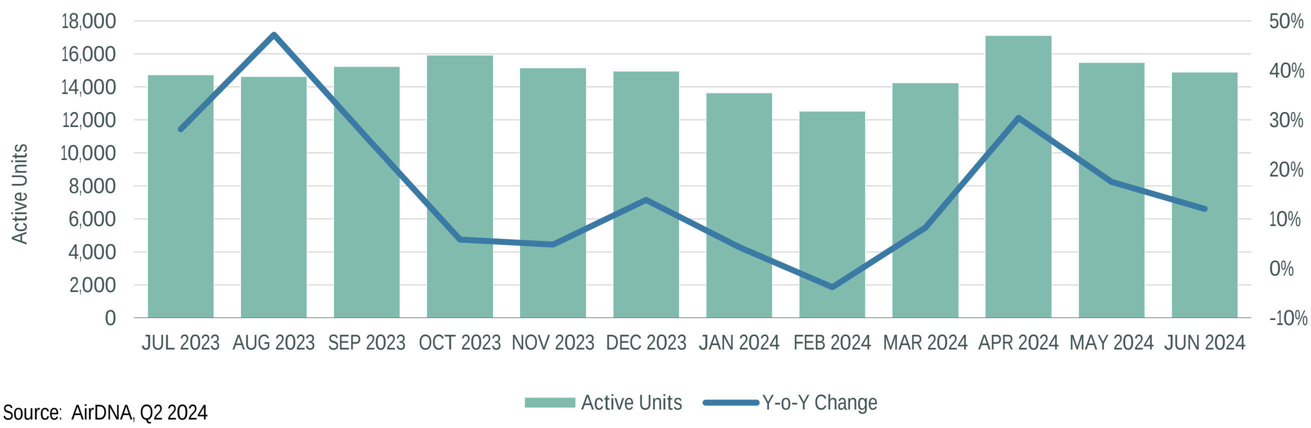
Source: AirDNA, CBRE Hotels Research, Q2 2024

Fig. 2: Percent of Active Units and Revenue by Listing Type



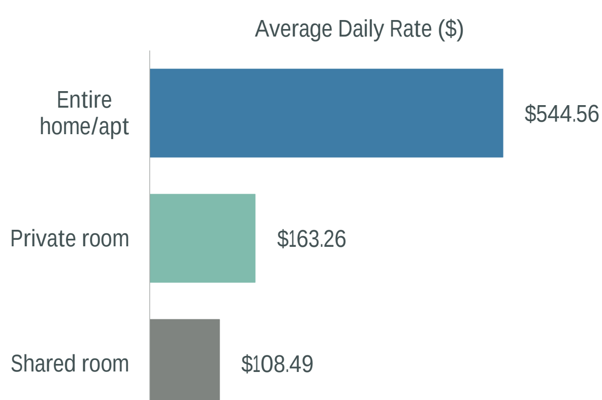
Source: AirDNA, Q2 2024

Fig. 3: July 2023 – June 2024 Active/Available Units by Month



Source: AirDNA, Q2 2024

Fig. 4: July 2023 – June 2024 ADRs by Unit Type



Source: AirDNA, Q2 2024

Glossary

Active Units - A unit is considered active if it had at least one night sold during the month.

Available Units - Total number of listings available for booking on short-term rentals in that month.

Average Daily Rate (ADR) - The revenue collected divided by the units sold.

Unit Types:

- Entire Home - The guest has complete and sole access to the entire unit during the stay.
- Private Room - The guest has their own sleeping area, but shares access to the unit common areas with others.
- Shared Room - The guest rents a common area, like an airbed in a living room.

Detailed data on short-term rentals in your market can be purchased at airdna.co.

National Horizon Profile

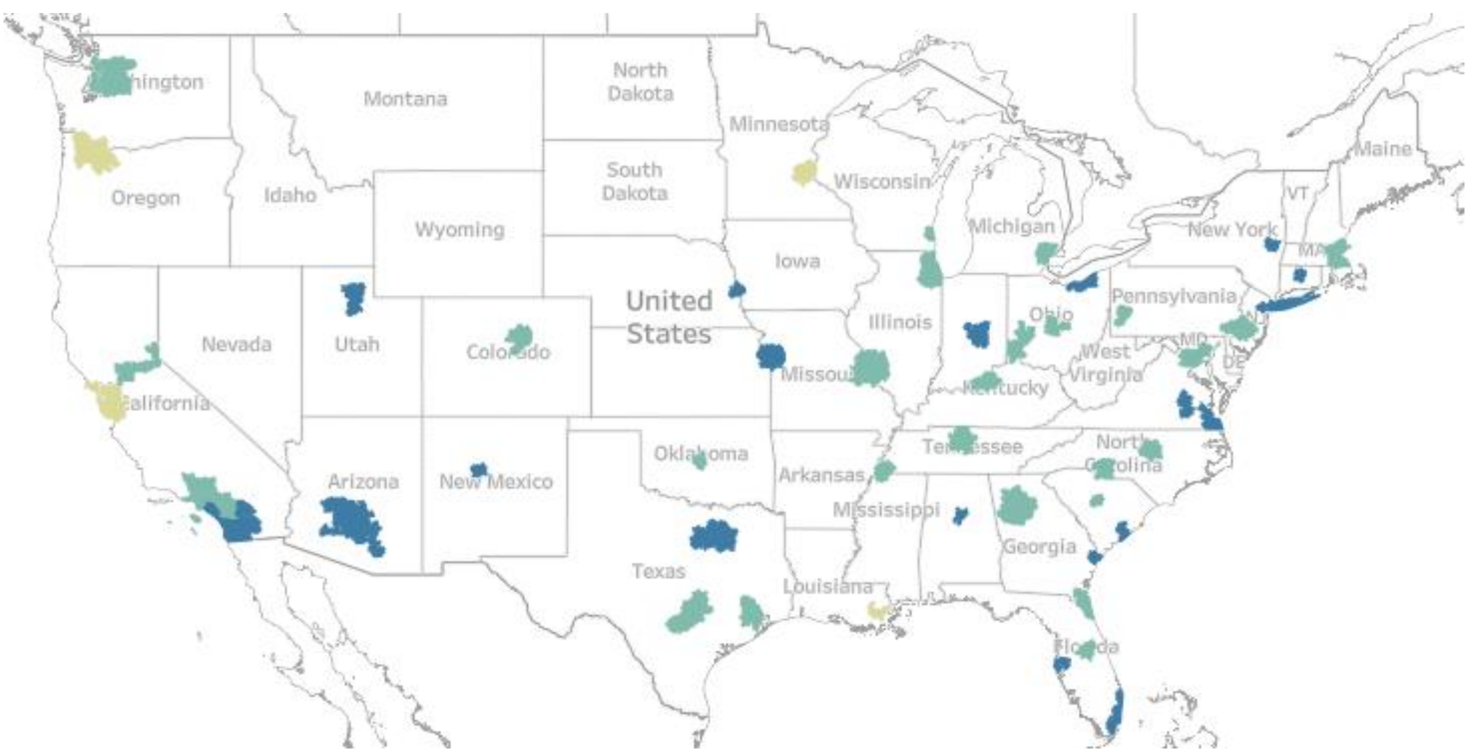
Future Market Growth

This page showcases the CBRE Hotels Research Hotel Horizons® 65- city forecasting universe.The map below presents CBRE's forecasted 2024 RevPAR as a percent of 2019. This provides a glimpse of the pace of future market growth across the nation. Quarterly Hotel Horizons® reports are available for the nation and all the markets shown below.

https://pip.cbrehotels.com

- Albany
- Albuquerque
- Anaheim
- Atlanta
- Austin
- Baltimore
- Birmingham
- Boston
- Charleston
- Charlotte
- Chicago
- Cincinnati
- Cleveland
- Coachella Valley
- Columbia
- Columbus
- Dallas
- Dayton
- Denver
- Detroit
- Fort Lauderdale
- Fort Worth
- Hartford
- Hawaii
- Houston
- Indianapolis
- Jacksonville
- Kansas City
- Long Island
- Los Angeles
- Louisville
- Memphis
- Miami
- Milwaukee
- Minneapolis
- Nashville
- New Orleans
- New York
- Newark
- Oakland
- Oklahoma City
- Omaha
- Orlando
- Philadelphia
- Phoenix
- Pittsburgh
- Portland
- Raleigh
- Richmond
- Sacramento
- Saint Louis
- Saint Petersburg
- Salt Lake City
- San Antonio
- San Bernardino
- San Diego
- San Francisco
- San Jose
- Savannah
- Seattle
- Tampa
- Tucson
- Virginia Beach
- Washington DC
- West Palm Beach

Greater than 115% | Between 115% and 100% | Less than 100%



Source: CBRE Hotels Research, Kalibri Labs, Q2 2024

Coachella Valley, CA Market Profile

Total Room Supply: 20,299

Coachella Valley, CA Top Brands

Upper-Priced	Properties	Rooms	% Mkt
Westin	3	1,268	6.2%
Marriott	2	987	4.9%
Renaissance	2	970	4.8%
JW Marriott	1	884	4.4%
Curio Collection	1	785	3.9%

Mid-Priced	Properties	Rooms	% Mkt
Homewood Suites	3	454	2.2%
Holiday Inn Express	4	394	1.9%
Best Western Plus	3	332	1.6%
Courtyard	2	300	1.5%
Doubletree	1	289	1.4%

Lower-Priced	Properties	Rooms	% Mkt
Motel 6	6	692	3.4%
Travelodge	2	193	1.0%
Best Western	2	188	0.9%
Days Inn	2	169	0.8%
Rodeway Inn	2	151	0.7%

Source: Kalibri Labs, Q2 2024

Supply Pipeline

	Upper-Priced			Mid-Priced			Lower-Priced			Unclassified / Independent		
Project Phase	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt
Planning	1	2	0.0%	5	590	2.9%	0	0	0.0%	18	1,602	7.9%
Final Planning/Bidding	1	200	1.0%	2	243	1.2%	0	0	0.0%	0	0	0.0%
Underway	2	302	1.5%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Total	4	504	2.5%	7	833	4.1%	0	0	0.0%	18	1,602	7.9%

Source: Dodge, CBRE Hotels Research, Q2 2024

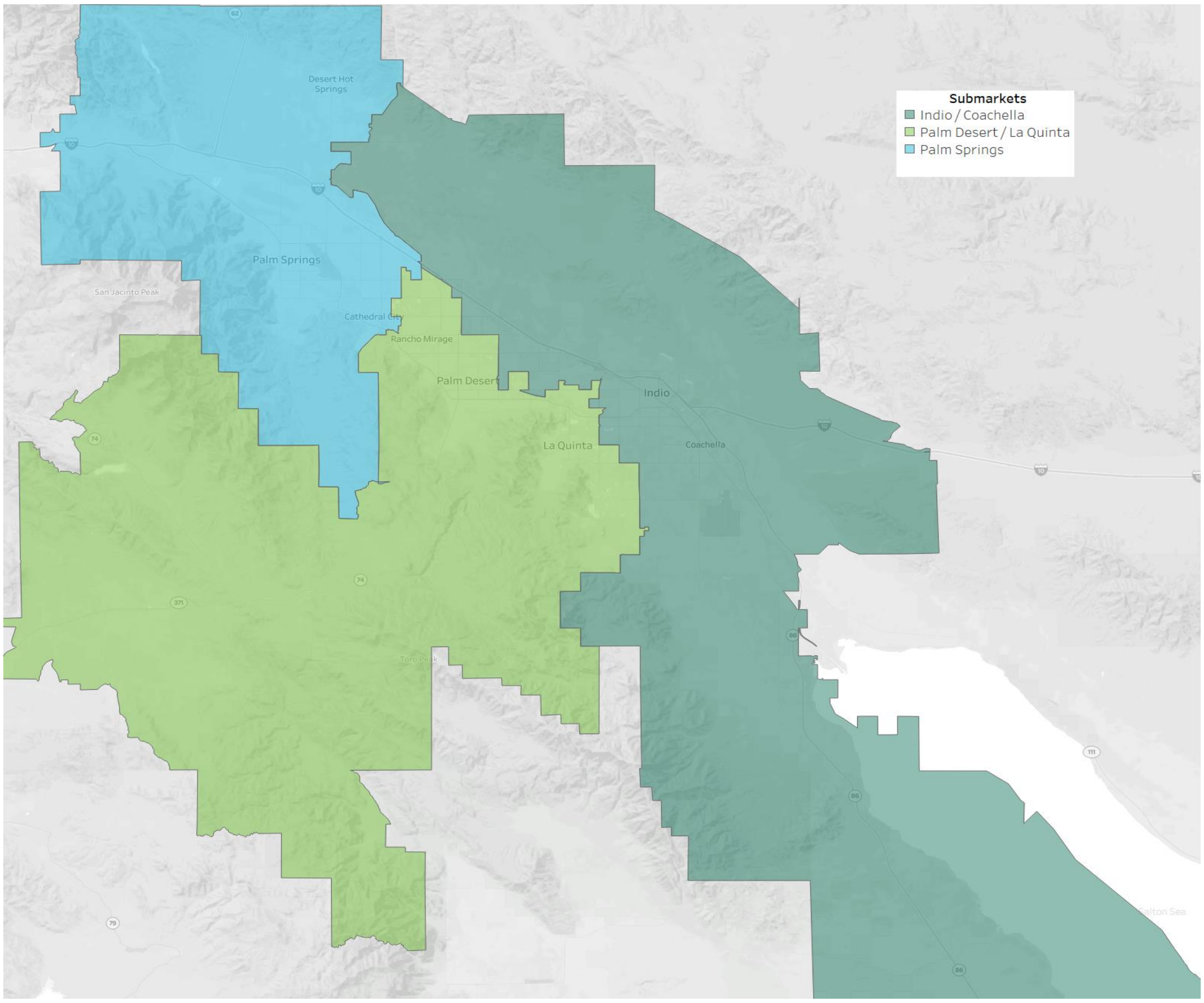
Pipeline Status Definitions

Project Phase	Definition
Planning	Projects reported at the planning stage have an architect associated with them who is starting to draw the schematic plans for the building. Projects in this stage are closer to ground breaking but still have a fairly low probability of starting.
Final Planning	At this stage, plans for a project have been or are about to be finalized. The project is moving towards final approvals. Once a project has reached the final planning stage, there is a high probability that the construction contract will be awarded within the next six months.
Bidding	Once the plans for the project have been finalized, the project is put out to bid by general contractors. At this stage in the planning cycle, projects are very close to being awarded and have a very high probability of coming to market.
Underway	Projects that are under construction.

Source: Dodge, Q2 2024

Coachella Valley, CA Submarket Map

Total Room Supply: 20,299



Source: Kalibri Labs, Q2 2024

Coachella Valley, CA Submarket Summary

Submarket	Upper-Priced			Mid-Priced			Lower-Priced			Totals		
	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt	Properties	Rooms	% Mkt
Palm Springs	48	3,426	16.9%	49	2,475	12.2%	30	2,243	11.0%	127	8,144	40.1%
Palm Desert / La Quinta	21	6,260	30.8%	10	1,336	6.6%	4	327	1.6%	35	7,923	39.0%
Indio / Coachella	4	1,261	6.2%	10	1,065	5.2%	16	1,906	9.4%	30	4,232	20.8%
Total	73	10,947	53.9%	69	4,876	24.0%	50	4,476	22.1%	192	20,299	100.0%

Source: Kalibri Labs, Q2 2024

Submarket Profile - Palm Springs

Submarket Room Supply: 8,144

Submarket Rank*

3 out of 3

*Based on RevPAR change over the last 4 quarters.

RevPAR Penetration

90%

Trailing 4 Quarters

Submarket Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	65.5%	2.7%	$149.19	1.4%	$97.67	4.1%
2020	38.5%	-41.3%	$133.02	-10.8%	$51.16	-47.6%
2021	58.8%	52.9%	$149.69	12.5%	$88.01	72.0%
2022	64.8%	10.3%	$188.04	25.6%	$121.92	38.5%
2023	67.2%	3.6%	$186.45	-0.8%	$125.26	2.7%
2023 YTD	74.3%	6.3%	$205.38	0.2%	$152.51	6.5%
2024 YTD	70.8%	-4.7%	$197.82	-3.7%	$140.01	-8.2%

Source: Kalibri Labs, Q2 2024

Submarket Penetration vs. Market Total

Year	Occ	ADR	RevPAR
2019	101.6%	90.6%	92.1%
2020	106.5%	91.7%	97.7%
2021	106.9%	89.4%	95.6%
2022	100.9%	91.4%	92.2%
2023	102.5%	90.0%	92.2%
2023 YTD	102.0%	89.4%	91.2%
2024 YTD	102.6%	85.1%	87.3%

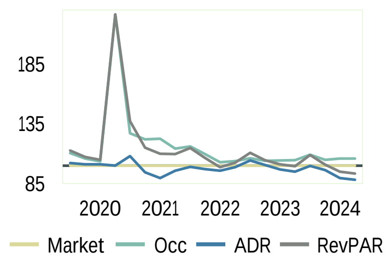
Source: Kalibri Labs, Q2 2024

Upper-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	64.8%	1.1%	$208.00	3.2%	$134.78	4.3%
2020	32.4%	-49.9%	$207.76	-0.1%	$67.39	-50.0%
2021	52.4%	61.6%	$225.60	8.6%	$118.25	75.5%
2022	65.5%	24.9%	$260.38	15.4%	$170.50	44.2%
2023	66.4%	1.4%	$256.73	-1.4%	$170.40	-0.1%
2023 YTD	74.5%	6.0%	$280.90	-1.3%	$209.31	4.6%
2024 YTD	72.7%	-2.4%	$264.00	-6.0%	$191.99	-8.3%

Source: Kalibri Labs, Q2 2024

Upper-Priced Penetration of Market



Top Brands

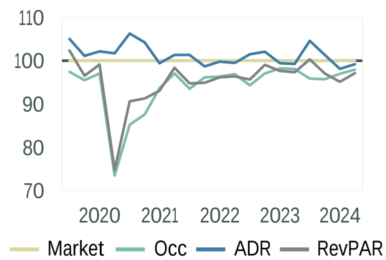
Renaissance (410 rms)
Margaritaville Hotels & Resorts (398 rms)
Hilton (257 rms)
Hyatt (197 rms)
Ace Hotels (176 rms)

Mid-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	68.0%	5.4%	$138.86	2.4%	$94.37	7.9%
2020	38.9%	-42.7%	$127.44	-8.2%	$49.59	-47.5%
2021	62.9%	61.7%	$132.10	3.7%	$83.11	67.6%
2022	64.3%	2.2%	$171.50	29.8%	$110.25	32.6%
2023	66.3%	3.2%	$174.90	2.0%	$116.03	5.2%
2023 YTD	72.9%	4.4%	$194.17	2.9%	$141.49	7.5%
2024 YTD	71.0%	-2.6%	$190.48	-1.9%	$135.23	-4.4%

Source: Kalibri Labs, Q2 2024

Mid-Priced Penetration of Market



Top Brands

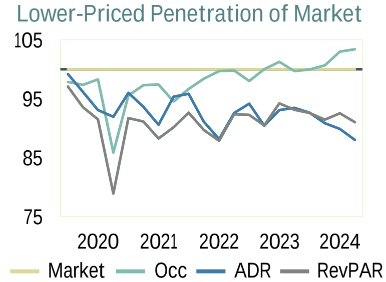
Doubletree (289 rms)
Homewood Suites (197 rms)
Best Western Plus (182 rms)
Courtyard (149 rms)
Hampton Inn (94 rms)

Lower-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	64.5%	2.6%	$89.43	0.5%	$57.65	3.1%
2020	44.6%	-30.8%	$78.17	-12.6%	$34.86	-39.5%
2021	62.9%	41.0%	$88.27	12.9%	$55.51	59.2%
2022	64.5%	2.6%	$101.52	15.0%	$65.52	18.0%
2023	69.3%	7.4%	$99.04	-2.4%	$68.65	4.8%
2023 YTD	75.4%	8.8%	$108.64	-0.6%	$81.89	8.1%
2024 YTD	67.7%	-10.2%	$101.80	-6.3%	$68.90	-15.9%

Source: Kalibri Labs, Q2 2024

Lower-Priced Penetration of Market



Top Brands

Motel 6 (370 rms)
Travelodge (143 rms)
Vagabond Inn (117 rms)
Days Inn (107 rms)
Extended Stay America (104 rms)

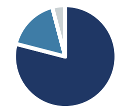
Palm Springs Construction Pipeline

	Upper-Priced			Mid-Priced			Lower-Priced			Unclassified/Independent		
Project Phase	Props	Rms	%SubMkt	Props	Rms	%SubMkt	Props	Rms	%SubMkt	Props	Rms	%SubMkt
Planning	0	0	0.0%	1	149	1.8%	0	0	0.0%	6	482	5.9%
Final Planning/Bidding	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Underway	1	168	2.1%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Total	1	168	2.1%	1	149	1.8%	0	0	0.0%	6	482	5.9%

Source: Dodge, CBRE Hotels Research, Q2 2024

Submarket Profile - Palm Desert / La Quinta

Submarket Room Supply: 7,923



Submarket Rank*

1 out of 3

*Based on RevPAR change over the last 4 quarters.

RevPAR Penetration

124%

Trailing 4 Quarters

Submarket Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	61.5%	-1.3%	$211.05	8.5%	$129.70	7.1%
2020	27.3%	-55.6%	$202.78	-3.9%	$55.29	-57.4%
2021	43.2%	58.5%	$233.67	15.2%	$101.01	82.7%
2022	61.7%	42.7%	$259.84	11.2%	$160.28	58.7%
2023	61.8%	0.1%	$266.38	2.5%	$164.53	2.7%
2023 YTD	70.0%	4.3%	$295.12	0.9%	$206.68	5.2%
2024 YTD	67.5%	-3.6%	$306.06	3.7%	$206.60	0.0%

Source: Kalibri Labs, Q2 2024

Submarket Penetration vs. Market Total

Year	Occ	ADR	RevPAR
2019	95.4%	128.2%	122.3%
2020	75.5%	139.8%	105.6%
2021	78.6%	139.5%	109.7%
2022	96.0%	126.3%	121.2%
2023	94.2%	128.6%	121.2%
2023 YTD	96.2%	128.4%	123.5%
2024 YTD	97.8%	131.7%	128.9%

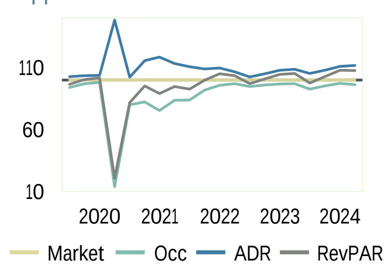
Source: Kalibri Labs, Q2 2024

Upper-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	60.1%	-1.7%	$224.09	9.0%	$134.75	7.2%
2020	24.2%	-59.8%	$230.40	2.8%	$55.71	-58.7%
2021	38.7%	60.1%	$265.80	15.4%	$102.91	84.7%
2022	60.3%	55.8%	$279.96	5.3%	$168.92	64.1%
2023	60.3%	-0.1%	$287.58	2.7%	$173.37	2.6%
2023 YTD	69.2%	5.5%	$316.47	0.0%	$218.89	5.4%
2024 YTD	66.5%	-3.9%	$330.09	4.3%	$219.43	0.3%

Source: Kalibri Labs, Q2 2024

Upper-Priced Penetration of Market



Top Brands

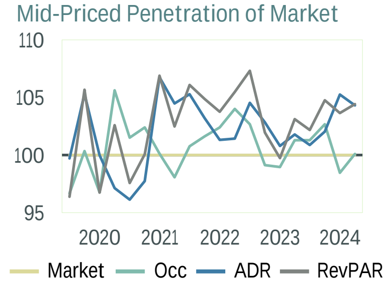
Westin (1268 rms)
JW Marriott (884 rms)
Curio Collection (785 rms)
Marriott Vacation Club (638 rms)
Renaissance (560 rms)

Mid-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	69.6%	0.5%	$141.82	5.8%	$98.68	6.3%
2020	44.4%	-36.2%	$119.28	-15.9%	$52.99	-46.3%
2021	66.2%	48.9%	$138.03	15.7%	$91.31	72.3%
2022	68.2%	3.0%	$174.20	26.2%	$118.72	30.0%
2023	69.0%	1.3%	$175.72	0.9%	$121.27	2.2%
2023 YTD	74.3%	-0.3%	$197.73	3.1%	$146.89	2.7%
2024 YTD	72.3%	-2.7%	$202.54	2.4%	$146.46	-0.3%

Source: Kalibri Labs, Q2 2024

Mid-Priced Penetration of Market



Top Brands

Holiday Inn Express (209 rms)
Best Western Plus (150 rms)
Homewood Suites (129 rms)
Hilton Garden Inn (120 rms)
Residence Inn (108 rms)

Lower-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019						
2020						
2021			Insufficient Lower-Priced Data			
2022						
2023						
2023 YTD						
2024 YTD						

Source: Kalibri Labs, Q2 2024

Top Brands

Motel 6 (102 rms)

Palm Desert / La Quinta Construction Pipeline

	Upper-Priced			Mid-Priced			Lower-Priced			Unclassified/Independent		
Project Phase	Props	Rms	%SubMkt	Props	Rms	%SubMkt	Props	Rms	%SubMkt	Props	Rms	%SubMkt
Planning	1	2	0.0%	0	0	0.0%	0	0	0.0%	7	353	4.5%
Final Planning/Bidding	1	200	2.5%	2	243	3.1%	0	0	0.0%	0	0	0.0%
Underway	1	134	1.7%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Total	3	336	4.2%	2	243	3.1%	0	0	0.0%	7	353	4.5%

Source: Dodge, CBRE Hotels Research, Q2 2024

Submarket Profile - Indio / Coachella

Submarket Room Supply: 4,232

Submarket Rank*

2 out of 3

*Based on RevPAR change over the last 4 quarters.

RevPAR Penetration

70%

Trailing 4 Quarters

Submarket Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	69.8%	4.4%	$110.54	4.4%	$77.16	9.0%
2020	52.0%	-25.4%	$100.27	-9.3%	$52.18	-32.4%
2021	69.8%	34.0%	$113.18	12.9%	$78.95	51.3%
2022	67.4%	-3.4%	$141.25	24.8%	$95.19	20.6%
2023	69.8%	3.5%	$139.00	-1.6%	$96.96	1.9%
2023 YTD	75.3%	4.4%	$155.60	-1.2%	$117.25	3.1%
2024 YTD	68.5%	-9.1%	$156.29	0.4%	$107.05	-8.7%

Source: Kalibri Labs, Q2 2024

Submarket Penetration vs. Market Total

Year	Occ	ADR	RevPAR
2019	108.3%	67.2%	72.8%
2020	144.1%	69.1%	99.6%
2021	126.9%	67.6%	85.7%
2022	104.8%	68.6%	72.0%
2023	106.4%	67.1%	71.4%
2023 YTD	103.5%	67.7%	70.1%
2024 YTD	99.3%	67.3%	66.8%

Source: Kalibri Labs, Q2 2024

Upper-Priced Hotels Performance (Data Not Available)

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019						
2020						
2021			Insufficient Upper-Priced Data			
2022						
2023						
2023 YTD						
2024 YTD						

Source: Kalibri Labs, Q2 2024

Top Brands

Marriott (987 rms)

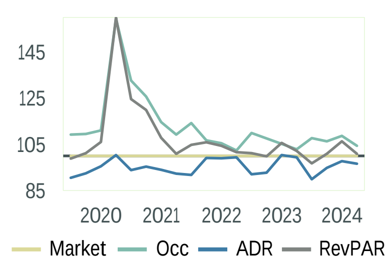
Hotel Indigo (244 rms)

Mid-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	74.6%	6.7%	$128.80	3.1%	$96.05	10.0%
2020	55.9%	-25.0%	$114.11	-11.4%	$63.83	-33.5%
2021	73.3%	31.1%	$124.61	9.2%	$91.35	43.1%
2022	71.0%	-3.2%	$163.62	31.3%	$116.13	27.1%
2023	72.0%	1.5%	$168.28	2.8%	$121.23	4.4%
2023 YTD	77.3%	2.7%	$195.41	4.2%	$151.02	7.0%
2024 YTD	77.7%	0.6%	$188.33	-3.6%	$146.42	-3.0%

Source: Kalibri Labs, Q2 2024

Mid-Priced Penetration of Market



Top Brands

Fairfield Inn (218 rms)

Holiday Inn Express (185 rms)

Hampton Inn (181 rms)

Courtyard (151 rms)

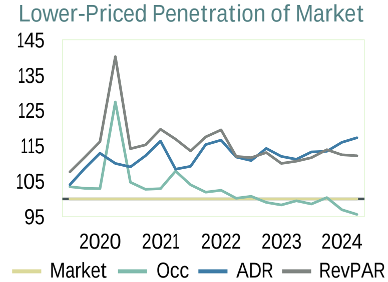
Residence Inn (130 rms)

Lower-Priced Hotels Performance

Year	Occ	Δ Occ	ADR	Δ ADR	RevPAR	Δ RevPAR
2019	67.4%	4.6%	$100.46	12.6%	$67.73	17.7%
2020	50.0%	-25.8%	$92.31	-8.1%	$46.18	-31.8%
2021	67.8%	35.5%	$106.31	15.2%	$72.07	56.0%
2022	65.3%	-3.7%	$126.72	19.2%	$82.69	14.7%
2023	68.4%	4.7%	$120.01	-5.3%	$82.02	-0.8%
2023 YTD	74.2%	5.3%	$130.10	-5.9%	$96.48	-0.9%
2024 YTD	63.1%	-14.9%	$133.24	2.4%	$84.07	-12.9%

Source: Kalibri Labs, Q2 2024

Lower-Priced Penetration of Market



Top Brands

Motel 6 (220 rms)

Rodeway Inn (151 rms)

Quality Inn & Suites (125 rms)

Woodspring Suites (122 rms)

Best Western (118 rms)

Indio / Coachella Construction Pipeline

	Upper-Priced			Mid-Priced			Lower-Priced			Unclassified/Independent		
Project Phase	Props	Rms	%SubMkt	Props	Rms	%SubMkt	Props	Rms	%SubMkt	Props	Rms	%SubMkt
Planning	0	0	0.0%	4	441	10.4%	0	0	0.0%	5	767	18.1%
Final Planning/Bidding	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Underway	0	0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Total	0	0	0.0%	4	441	10.4%	0	0	0.0%	5	767	18.1%

Source: Dodge, CBRE Hotels Research, Q2 2024

Market Segments - Representative Brands

Upper-Priced Brands		Mid-Priced Brands		Lower-Priced Brands	
Ritz-Carlton	Embassy Suites	Courtyard by Marriott	Best Western Plus	Best Western	Extended Stay America
InterContinental	Hilton	Crowne Plaza	Comfort Inn	Candlewood Suites	Motel 6
Loews	Hyatt	Hyatt Place	Hampton Inn	Baymont	Days Inn
Fairmont	Marriott	Hilton Garden Inn	Holiday Inn	Sleep Inn	Red Roof Inn
Grand Hyatt	Westin	Residence Inn	La Quinta Inn & Suites	Quality Inn	InTown Suites

Exhibit Descriptions

Exhibits 1 - 4	Year-over-year change in Income, Employment, RevPAR and Demand, displayed as annual (Exhibits 1 and 2) and quarterly (Exhibits 3 and 4).
Exhibit 5	Average annual Employment, Consumer Price Index, Gross Domestic Product, and Real Personal Income change for the market.
Exhibits 6 - 8	Index based change charts with base year 2019 = 100, illustrating the magnitude of change.
Exhibits 9 - 11	Compound average annual RevPAR, Demand and Supply change for Upper Priced, Mid-Priced, Lower Priced, and combined (All) hotels within the market.

Financial Benchmarks

The financial benchmarks presented in this report are based on data from CBRE Hotels Research's monthly analysis of hotel operating statements from 2,550 properties located across the nation.

How We Forecast

CBRE Hotels Research prepares hotel market forecasts taking into consideration traditional demand drivers such as:

- Change in GDP
- Change in employment
- Convention bookings
- Change in supply
- Fundamental trends in adjacent industries

Forecasts of ADR growth consider factors such as:

- Change in GDP
- Change in wages
- Change in CPI
- Change in supply
- Current demand
- Anticipated customer mix
- The overall strength of the consumer

Following the analysis and consideration of current and future macroeconomic outlooks, trends, and business fundamentals, the forecasts then undergo a judgmental review of modeled outputs by our national practice leaders and market professionals before being finalized.

Kalibri Labs Terminology

Full list of definitions available at: https://pip.cbrehotels.com/about-us/kalibri-faqs

Guest-Paid ADR	Average daily rate based on the total room revenue paid by guests, inclusive of all transaction-specific direct reservation costs. Guest-paid ADR is higher than traditional hotel-reported ADR because it's calculated using the room revenue paid by customers to hotels and intermediaries, inclusive of the wholesale commissions for intermediated stays, not listed in P&L statements.
Guest-Paid RevPAR	Revenue per available room based on the total room revenue paid by guests, inclusive of all transaction-specific direct reservation costs. Guest-paid RevPAR is higher than traditional hotel-reported RevPAR because it's calculated using the room revenue paid by customers to hotels and intermediaries, inclusive of the wholesale commissions for intermediated stays that are not listed in a P&L statement.
Hotel-Collected ADR	Average daily rate based on the total room revenue reported by hotels. It includes all booking costs, and it excludes all the wholesale commissions for intermediated stays, not listed in P&L statements.
Hotel-Collected RevPAR	Revenue per available room based on the total room revenue reported by hotels, inclusive of all transaction-specific direct reservation costs, except wholesale commissions for intermediated stays that not listed in P&L statements.
Reservations	A stay at a hotel by a guest equivalent to number of check-ins. Each reservation can span multiple nights based on a guest's length of stay. Demand divided by reservations equals length-of-stay.
Length of Stay	Average number of actualized room nights per booking.
Source of Business	Segmentation of hotel demand that associates each stay with a specific source, depending on how the stay was booked. Kalibri Labs differentiates sources of business from the primary booking channels ("Brand.com," "Voice," "Property Direct," "OTA," and "GDS") by adding categories for "Group," "FIT/Wholesale" and "Internal Discounts" in order to provide more clarity into those business types.

Kalibri Labs Terminology - Sources of Business

Brand.com	Transient bookings sold via property or brand's website. Some of the costs associated with brand.com bookings include channel fees, metasearch/referral commissions, and loyalty fees.
Property Direct	Transient bookings sold directly by property.
Voice	Transient bookings sold via call centers. Some of the costs associated with voice bookings are channel/transaction fees and loyalty fees.
Internal Discounts	Complimentary, barter, employee/owner rates, friends & family, house use, loyalty program redemption, and permanent rooms. Kalibri Labs separates these rate categories out to exclude artificially low revenue business for a more accurate picture of regular bookings performance in the other sources of business.
GDS	Transient bookings sold via global distribution systems. It excludes OTA bookings powered by a GDS. Some of the costs associated with GDS bookings include retail commissions, pass-through fees, and loyalty fees.
FIT/Wholesale	Transient bookings sold via wholesalers. Some of the costs associated with FIT/Wholesale bookings include channel fees and wholesale commissions.
OTA	Transient bookings sold by an online travel agent, inclusive of all agency models (net/merchant, retail, and opaque). This includes all OTA bookings, regardless of the channel they come from (direct connect or GDS). Some of the costs associated with OTA bookings include retail commissions, wholesale commissions, and transaction fees.
Group	Room nights associated with multiple guests and guestrooms under the same booking, and have a group specified rate. Most of the costs associated with Group bookings are retail commissions and channel fees. Group commissions are estimated for markets and brands where it is not provided.

Forecasting and Budgeting Considerations

Like all forecasting methodologies, CBRE Hotels Research's forecasts of future hotel performance are based on historical data and CBRE's expectations for economic growth.

CBRE EA's current macroeconomic baseline assumptions are as follows:

CBRE EA BASELINE FORECAST

	2020	2021	2022	2023	2024	2025	2026
GDP, %	(2.2)	5.8	1.9	2.5	2.3	1.5	1.8
Employment, %	(4.9)	6.9	2.9	2.8	1.5	1.4	1.6
CPI, %	1.2	6.8	7.1	3.2	3.0	2.3	2.1
10-yr Treasury, %	0.9	1.5	3.8	4.4	4.0	3.7	3.5

Note: GDP is annual average growth rate, Employment and CPI are Q4 y-o-y growth numbers, and 10-year Treasury is the Q4 reading for each year. Employment is market-level.

Source: BEA, BLS, Federal Reserve, CBRE Econometric Advisors, Q2 2024.

1. CBRE’s baseline-scenario forecasts do not contemplate an international war, a pervasive recession, or a more acute COVID variant.

2. In addition to our Baseline scenario, CBRE Hotels Research provides upside case, downside case, and severe downside case scenarios.

3. CBRE does not probability weigh the scenario analyses, and instead allows each client to probability weigh the scenarios based on their own in-house geopolitical and macro-economic outlook.

4. The complete set of scenarios and 10-year projections can be found by using the scenario dropdown on the forecast dashboard, found here: https://pip.cbrehotels.com/property-analytics/hotel-horizons/marketdata. CBRE Hotels Research suggests you stress test your assumptions, forecasts and underwriting under all four scenarios to understand a more complete range of outcomes.

Other considerations:

Specific portfolios can perform differently than the broader market based on asset type (resort, extended stay, convention, etc.), price point, age, quality (freshness), GRI score, brand, location type (interstate, airport, downtown, suburban, small town, etc.), and the quality of the operator or asset management team.

CBRE's forecasts represent just one set of estimates in the marketplace and should be considered within a broader context and checked for outliers.

We offer custom forecasting for a tailored or custom set of forecasts for a particular set of macroeconomic expectations, asset types, location types, or chain scale mix. Contact our client services team at websales@cbre.com to learn more.

Glossary of Terms

ADR	Average Daily Rate - rooms revenue divided by paid rooms occupied.
Occupancy	Paid rooms occupied divided by available rooms.
RevPAR	Revenue per Available Room - rooms revenue divided by available rooms.
Supply	Average daily room nights available per quarter, represented as a change over previous year, same quarter except where noted annually.
Demand	(Accommodated Demand) Average daily room nights occupied per quarter, represented as a change over previous year, same quarter except where noted annually.
LRA	Long Run Average - Annual average from 2000 to last complete year end.
Penetration	Market area (or sub-market area) measurement as a percent of national (or market area) measurement.

For more information about this market please contact:
Brandon Feighner at brandon.feighner@cbre.com
or Dan Beverly at Dan.Beverly@cbre.com

CBRE Hotels Leadership

Bill Grice
President
CBRE Hotels, Americas
bill.grice@cbre.com

Tommy Crozier, MAI, CRE, CCIM
National Practice Leader
Head of Hotels Valuation & Advisory U.S.
tommy.crozier@cbre.com

CBRE Hotels Research

Rachael Rothman, CFA, ISHC
Head of Hotels Research & Data Analytics
rachael.rothman@cbre.com

Michael Nhu
Economist, Global Hotels Forecast
michael.nhu@cbre.com

CBRE Hotels Valuation & Advisory Divisional Leadership

Michael Cummings, MAI, ISHC
East Division & Caribbean
Norfolk, VA
michael.cummings@cbre.com

Kannan Sankaran
Northeast Division
Washington, D.C.
kannan.sankaran@cbre.com

Andrew Hartley
Northeast Division
New York, NY
andrew.hartley@cbre.com

Edward R. Eschmann, MAI, MRICS
Northeast Division
New York, NY
edward.echmann@cbre.com

Kevin M. Donahue, MAI
South-Central Division
Austin, TX
kevin.donahue@cbre.com

Richard S. Mandigo
Midwest Division
Chicago, IL
richard.mandigo@cbre.com

Mark E. Letscher, MAI, SGA
Midwest Division
Chicago, IL
mark.letscher@cbre.com

Paul Isaacson
Southeast Division
Atlanta, GA
paul.isaacson@cbre.com

Scott L. Webb, MAI
South Florida & Caribbean
Boca Raton, FL
scott.webb@cbre.com

Brandon J. Feighner
West Division
Los Angeles, CA
brandon.feighner@cbre.com

Mike Baker
West Division
Los Angeles, CA
mike.baker@cbre.com

Alan M. Jutte
West Division
Seattle, WA
alan.jutte@cbre.com

Dan Beverly, MAI
West Division
Newport Beach, CA
dan.beverly@cbre.com

Justin Schlageter, MAI
West Division
Sacramento, CA
justin.schlaughter@cbre.com

For more reports visit our store at
https://pip.cbrehotels.com