

## **Appendix N      Irwindale Gateway-Retail Hotel Report**

## Appendices

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# Market Analysis for Retail, Hotel and Industrial Uses in Irwindale, CA (Irwindale Gateway)

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Report Prepared for  
Kearny Real Estate Company  
June 2022



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**Memorandum****To:** Kearny Real Estate Company**From:** The Concord Group**Date:** July 12th, 2022**Re:** Market Analysis for Retail Hotel and Industrial Uses in Irwindale, CA (Irwindale Gateway)

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**BACKGROUND AND OBJECTIVES**

Kearny Real Estate Company ("Kearny") is planning the development Irwindale Gateway, a 64-acre (gross) property at Live Oak Avenue and the 605 Freeway in Irwindale. The current General Plan designation is Regional Commercial allowing a mix of retail/commercial, office, and light manufacturing land uses.

As the city is embarking on its General Plan update, you require a market feasibility analysis to test the viability of the Regional Commercial designation (with a focus on retail and hotel uses). As a part of the analysis, we will also review the city's General Plan and pending updates and comment on submarkets/areas that would be best suited for the Regional Commercial designation.

**CONCLUSIONS**

Based on the analysis completed above, TCG arrived at the following high-level conclusions relative to the market potential of the three sites:

1. Large-scale, anchored format retail (regional mall, big box center, neighborhood center) is neither market nor financially feasible, due to the following factors:
  - a. Poor retail conditions nationally, characterized by over-supply, declining availability of anchor tenants, department store revenue decline and growth of e-commerce (*Exhibit II-1*).
  - b. Inferior visibility compared to existing stock which favors locations off of I-10 and I-210, with traffic counts that are 35% to 50% higher than that along the 605 near the sites (*Exhibit II-2A*).
  - c. Below average demographics – the demographic character locally and associated median incomes and home values are inferior to other established retail locations in the greater Market Area (*Exhibit II-4*).
  - d. Few "Gaps" – two major malls are located within five-miles of the Property, while nearly all major big box anchors have a presence within a three-mile radius (*Exhibit II-5C & II-5D*).
  
2. The neighborhood location and Market Area retail dynamics could support the development of smaller format, convenience retail centers servicing the local workforce and drive-by traffic along I-605.

3. The market opportunity of a hotel development targeting leisure or business travel is weak in the current climate of the San Gabriel Valley. Market conditions have not recovered from the Covid-19 downturn as occupancy and ADRs are still well below 2019 levels. The site is not suited for leisure travel and the surrounding land uses do not support development for business travel hotels as they are all located along the employment corridors of the I-10 and I-210.
4. The immediate surrounding land uses are problematic for attracting hotel and large-scale retail tenants to this location. Large-scale asphalt operators and overhead powerlines are not attractive for potential retail and hotel users.

The following is a brief summary of our key findings in support of the conclusions reached above. Following this memorandum is an exhibit package of tables, maps and graphs that will be referred to throughout the text.

### LOCAL SETTING

The Property is centrally located in Los Angeles County's San Gabriel Valley, in the community of Irwindale. The Property enjoys good visibility from Interstate 605, a major north/south LA Basin regional connector which bisects east San Gabriel Valley from the west (*Exhibit I-1*). Irwindale is a sparsely populated city, home to fewer than 1,500 persons (*Exhibit II-4*). The City's land use zoning is predominantly workplace oriented. Irwindale is home to more than 17,000 jobs, primarily in the manufacturing and trade industries (*U.S. Census*).

The land uses surrounding the Property are predominantly industrial and noticeably absent are residential land uses, a key demand driver that retailers seek out. No residences are walkable to the subject site. However, the majority of low intensity workplace land uses surrounding the site are walkable and will drive a significant share of daytime demand for retail at the Property.

Despite a lack of nearby residential land uses, the access points bordering the property provide a relatively high level of local and regional visibility. The 605 Freeway to the east carries approximately 150,000 cars past the site daily (*Exhibit II-2A*). Locally, Live Oak Avenue (bordering the Property) and Arrow Highway to the north, are well-trafficked east / west Valley connectors carrying approximately 12,000 and 20,000 cars past through the neighborhood daily, respectively (*Exhibit II-2B*). The Property's regional and local visibility is the site's strongest marketing asset for redevelopment.

RETAIL MARKET OPPORTUNITY**Retail Demand Drivers**

The large-scale of the subject site (64-acres) supports a wide range of retail formats, from a smaller neighborhood center up to a large regional serving big box center. Smaller strip, neighborhood and community centers attract a more local audience, typically drawing potential consumers from within a 3-mile radius of the Project. Big box tenants attract a larger consumer base emanating as far as five-mile away. As such, the local 3-mile and 5-mile radii are considered the Project's retail trades areas for the various retail development opportunities (*Exhibits I-1 & I-2*).

The character of the local neighborhood and Property, combined with the socio-economic profile of the trade areas, is most attractive for the development of smaller format convenience centers versus that of a larger grocer anchored or big box center. The marketing strengths of the neighborhood lie in the following:

1. **Good Freeway Visibility and Access** – 150,000 cars pass by the neighborhood daily along the 605 Freeway (*Exhibit II-2A*), with Live Oak Avenue and Arrow Highway linking directly to the Interstate (*Exhibit II-2B*).
2. **Surrounding Land Uses** – Workplace land uses surrounding the Site can be beneficial for small-scale retail development for the strong day time population.

Despite these strengths, several key factors will challenge the tenanting of retail development in the neighborhood. For more localized serving retail, these drawbacks include:

1. **Shortage of Nearby Rooftops** – the local one-mile radius possesses limited population, with only 1,250 persons per square mile, much fewer than larger 5-mile trade area (6,500 per square mile [*Exhibits I-4*]);
2. **Lower to Middle-Income Character** – home values in the local 3-mile trade area, particularly to the north, east and south, fall into the lower quartile of prices in the greater San Gabriel Valley marketplace (*Exhibit II-3C*).

Regional obstacles are more significant, placing greater market constraints on the neighborhood's ability to attract anchor tenants that support larger formats of retail development. These obstacles include:

1. **Strong Anchor Representation** – all grocer, big box and department store tenants are well-represented in the trade areas, with few discernable "gaps" (*Exhibits II-5C & II-5D*).
2. **"Secondary" Visibility** – big box tenants have favored the more highly trafficked 10 and 210 Freeway corridors in the San Gabriel Valley (*Exhibit II-3A, II-5A & II-5C*). Traffic counts along the 10 and 210 are approximately 50% greater than the 605 Freeway (*Exhibit II-2A*);

3. **Structural Demand Shifts** – publicized decline in big box retailing precipitated by online commerce – fewer big box retailers are seeking to expand – big box retailers are morphing into online showrooms and have smaller square footage requirements;

### Retail Performance

The Covid-19 pandemic had a significant negative impact on retail market performance both nationwide, as well as locally in LA County and in the trade areas. Vacancy levels are still yet to recover back to levels achieved before 2020 (*Exhibit II-5B*). Lease rates have recovered to pre-recession levels regionally, but are still underperforming locally in three-mile radius area. The average asking lease rate in the Market Area is \$24 PSF (*Exhibit II-5B*), a level insufficient to support new construction.

### Retail Market Opportunity

Successful retail neighborhood in the local neighborhood must meet the following requirements to successfully lease-up (*Exhibit I-7*):

1. Configured in smaller-format, non-anchored centers, targeting local workforce audience and drive-by traffic;
2. Address a retail gap currently not met either locally or in the Market Area;
3. Address the needs of new growth in the Market Area, driven by new residences and workplaces.

TCG forecasts net new demand for only +/- 16,000 SF over the next five years (*Exhibit II-7*), driven by the weak projected population growth of 0.2% in the 5-mile radius over the next 5-years. With over 97,000 SF of retail planned and proposed within a 5-mile radius of the site, TCG projects an oversupply of retail of over 80,000 sf.

However, due to a large gap in the immediate surrounding area for any type of retail (*Exhibit II-5A*) successful tenanting of small-scale new convenience or food tenants will attract both the daytime work population as well as early evening commuters who utilize the 605 Freeway to reach work and return home. The food anchors additionally fill a market gap locally, with few dining establishments located nearby to serve Irwindale's daytime workforce population. In addition to the food anchors, a gas station is highly marketable in the neighborhood, targeting the same consumers described above.

**Retail Sales Tax Potential**

Given the Site and market limitations listed above, the opportunity to support a gas station, convenience mart and/or fast-food restaurant option is feasible on site. The addition of a retail development will generate revenue for the city in the form of a sales tax. The following table breaks down the sales revenue and tax generation from the listed retail types:

<u>Retailer</u>	<u>SF</u>	<u>Sales Revenue Per Store</u>	<u>Taxes for City of Irwindale</u>	
			<u>Rate</u>	<u>Revenue</u>
Fast Food Restaurant	3,500	\$3,500,000 <sup>(1)</sup>	1.75%	\$61,250
Gas Station	3,000	\$4,000,000 <sup>(1)</sup>	1.75%	\$70,000
Convenient Mart	2,500	\$500,000 <sup>(1)</sup>	1.75%	\$8,750
				<b>\$140,000</b>

(1) Average Company Operated Revenue

**HOTEL MARKET OPPORTUNITY**

**Hotel Demand Drivers**

The Greater Los Angeles hotel market experienced a stark decline in demand due to Covid-19 pandemic in 2020. Visitation patterns in Los Angeles County decreased almost 60% in 2020, significantly affecting hotel market performance. Leisure and hospitality related GDP also decreased almost 35% in 2020 as the world temporarily shut down. Since 2020, as pandemic conditions have begun to recover, visitation trends in Los Angeles County have begun to recover but are still well below pre pandemic levels. Additionally work from home trends are more popular resulting in a lack of business travel and convention activity still remains non-existent at the Los Angeles Convention center and other city’s major meeting venues. Restrictions have almost been fully lifted and the hotel market is still struggling.

**Hotel Performance**

Within a 5-mile radius of the Site, hotel performance has struggled since 2020 with average occupancy rates dipping to as low as 55.1% in 2021, down 26% from 2019. Occupancy rate and ADRs have begun to recover from the Covid-19 pandemic as business open up, but are still significantly under the peak conditions of 2017. Since 2017, occupancy rates have been steadily decreasing within the 5-mile radius, proving weak demand for hotels. Over the next 5-years TCG identified over 1,000 units of future supply planned or proposed within the 5-mile radius. Projected Demand is not expected to meet supply over the next 5-years resulting in a stabilized occupancy hovering around 55% - 60% in in the 5-mile radius.



## Hotel Market Opportunity

The overall market for hotel development has still not recovered from the Covid-19 pandemic. Coupled with the future market is projected to be oversupplied due to weak demand drivers and slow recovery. Current supply and future supply exist on employment corridors like the I-210 and I-10 freeways which provide significantly better access and visibility to employment nodes in downtown Los Angeles.

\* \* \*

The above assignment was completed by Brett Harper and Ben Robinson under the supervision of Richard Gollis. Should you have any questions regarding the data or conclusions generated by the analysis, feel free to contact us at (949) 717-6450.

## I. SUMMARY

1. Regional Location & Submarket Delineation
2. Local Setting
3. Aerial
4. Land Use Summary
5. Land Use Performance
6. Marketability Matrix

## II. RETAIL OVERVIEW

1. National Retail Trends
2. Retail Visibility
  - A. Regional
  - B. Local
3. Heat Map
  - A. Retail Nodes
  - B. Jobs
  - C. Median Income
  - D. Population Density
  - E. Home Prices
4. Demographic Summary
5. Retail Supply
  - A. Location of Inventory
  - B. Performance Metrics
  - C. Location of Mall/Big Box Anchors
  - D. Location of Grocer Anchors
  - E. Retail Lease Rates
6. Retail Spending
7. Retail Demand
8. Retail Pipeline

## III. HOTEL OVERVIEW

1. Hotel Market Performance
2. Location of Inventory
3. Hotel ADR
4. Hotel Demand
5. Hotel Pipeline

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# I. Summary

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EXHIBIT I-1  
 REGIONAL LOCATION  
 SAN GABRIEL VALLEY, CA  
 JUNE 2022

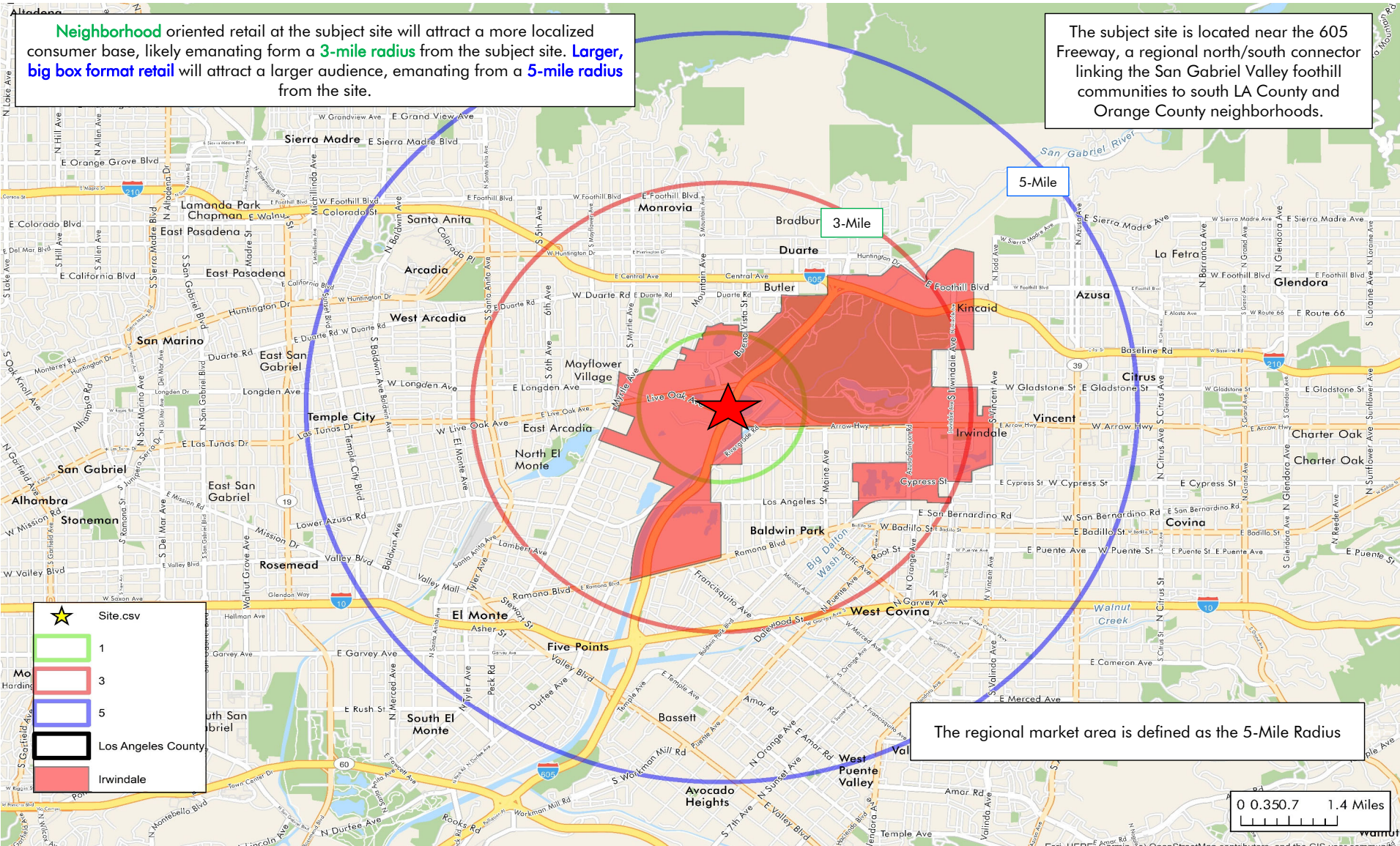


EXHIBIT I-2  
 LOCAL SETTING  
 SAN GABRIEL VALLEY, CA  
 JUNE 2022

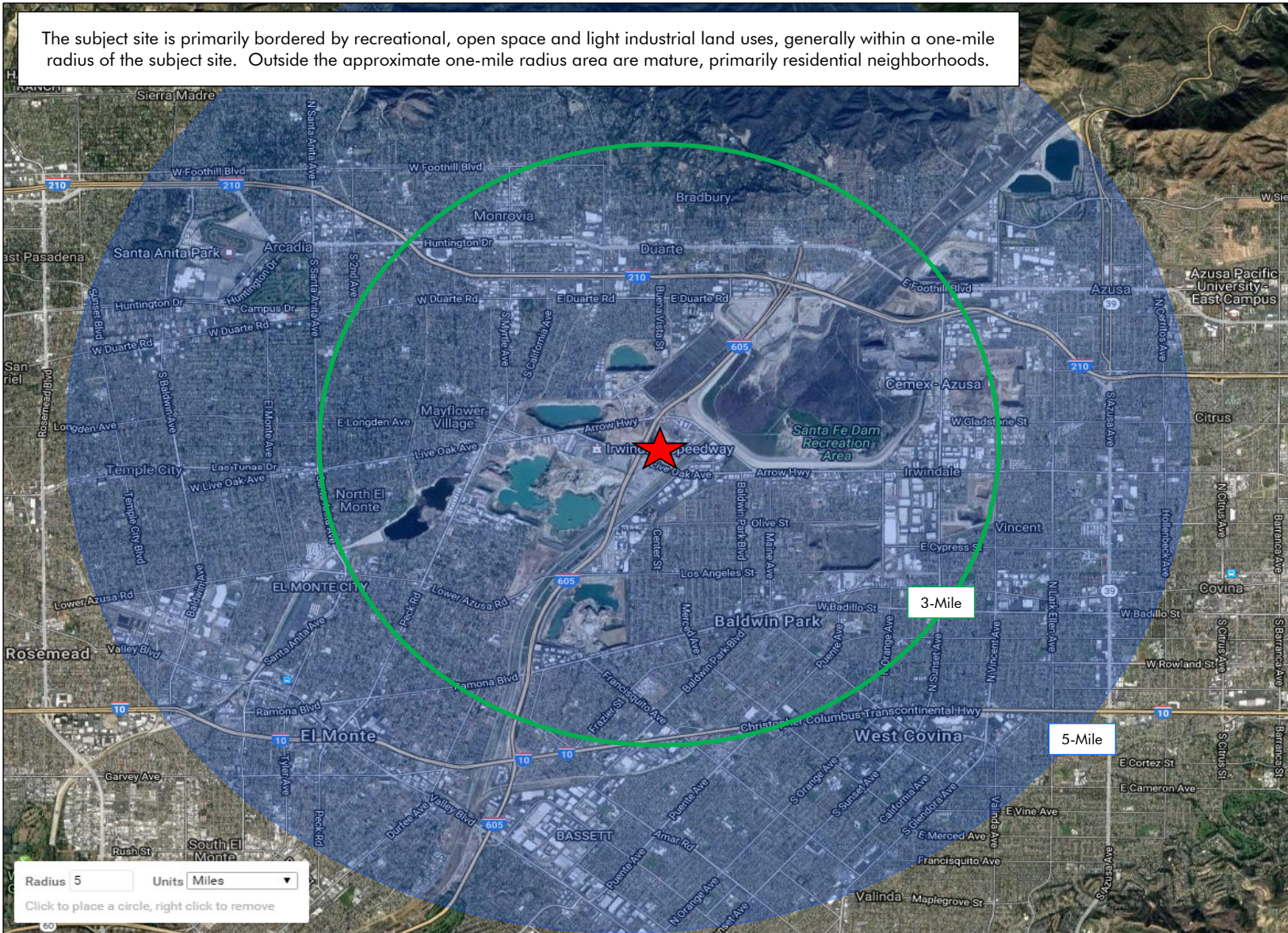
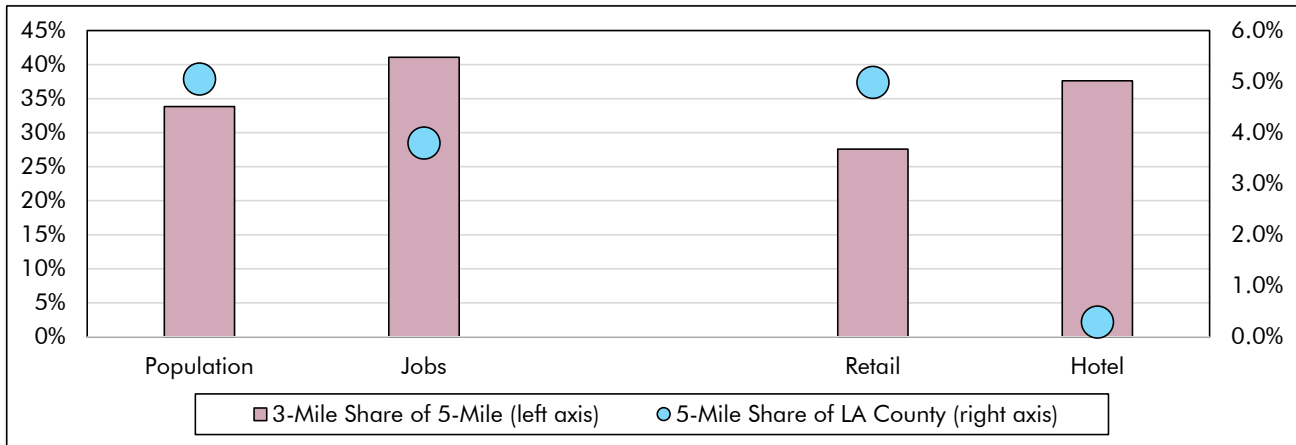


EXHIBIT I-4

LAND USE SUMMARY  
LOS ANGELES COUNTY  
2021

Metric	Subject Site Radii						LA County Num.
	1-Mile		3-Mile		5-Mile		
	Num.	% of 5-Mile	Num.	% of 5-Mile	Num.	% LA Cty	
<b>Population &amp; Jobs</b>							
Land Mass (Mi. ^ 2)	3.14		28.26		78.5		
Population	3,924	0.8%	172,825	34%	510,750	5.1%	10,108,711
per Square Mile	1,250		6,116		6,506		
Households	864	0.6%	47,856	34%	142,310	4.3%	3,328,361
Jobs	3,814	2.4%	65,501	41%	159,430	3.8%	4,197,746
per Square Mile	1,215		2,318		2,031		
<b>Retail</b>							
Inventory (SF)	18,429	0.1%	6,120,332	28%	22,188,912	5.0%	444,781,021
per Capita	5		35		43		44
per Job	5		93		139		106
Retail Jobs	614		6,160		20,798		396,209
Inv/Job	30		994		1,067		1,123
<b>Hotel</b>							
Inventory (Keys)	0	0.0%	1,225	38%	3,255	0.3%	1,114,081
per Capita	0		0		0		0
Accommodation Jobs	36		4,012		12,894		367,598
Inv/Job	0		0		0		3

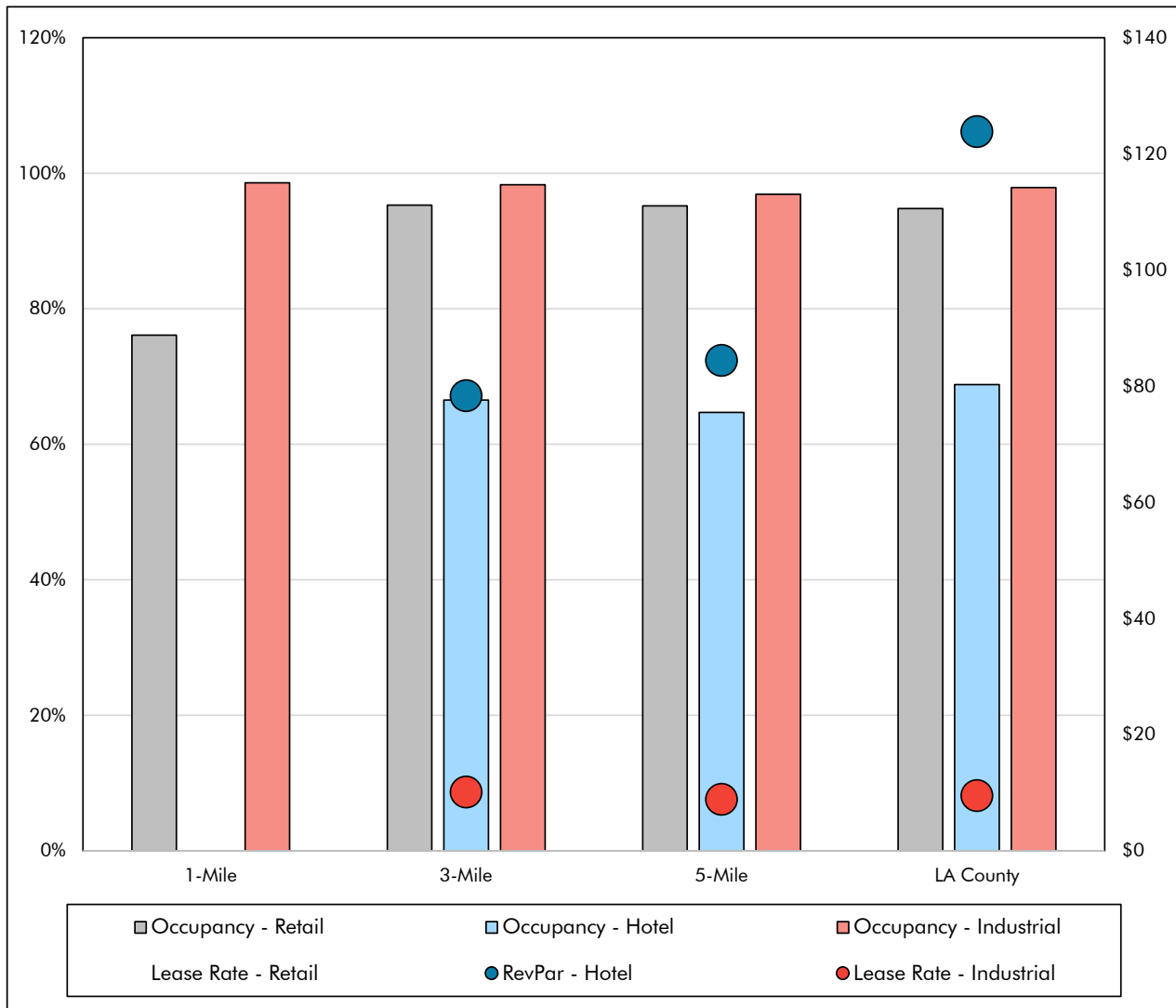


Source: ESRI; BLS; CoStar

EXHIBIT I-5

LAND USE PERFORMANCE  
LOS ANGELES COUNTY  
2022

Metric	1-Mile	3-Mile	5-Mile	LA County
<b>Retail</b>				
Occupancy	76%	95%	95%	95%
Lease Rate		\$27.33	\$24.03	\$34.46
vs. LA County		-21%	-30%	
<b>Hotel</b>				
Occupancy		67%	65%	69%
ADR		\$117.76	\$130.49	\$180.00
PevPAR		\$78.35	\$84.43	\$124
vs. LA County		-37%	-32%	



Source: ESRI; BLS; CoStar

EXHIBIT I-6  
MARKETABILITY MATRIX  
IRWINDALE GATEWAY  
JUNE 2022

Ratings are on a scale from 1 to 5: "1" Poor; "2" Fair; "3" Average; "4" Good; and "5" Strong

Land Use	Demand Drivers		Supply Side Performance		Neighborhood Marketability		Site Marketability		Overall Grade	
	Rating	Comment	Rating	Comment	Rating	Comment	Rating	Comment	Rating	Description
<b>Retail</b>										
<b>Regional Mall</b>	2	<ul style="list-style-type: none"> <li>Nationally, more malls are shutting down than opening up</li> <li>Two malls are already located within a 5-mile radius of the site - limited demand for 3rd mall</li> </ul>	3	<ul style="list-style-type: none"> <li>Both local malls (West Covina and Santa Anita) performing well</li> </ul>	2	<ul style="list-style-type: none"> <li>Access to sites is good, but inferior to existing two malls which possess a higher degree of visibility along I-10 and I-210</li> </ul>	1	<ul style="list-style-type: none"> <li>Lift turn into site from Live Oak Avenue off the Freeway - right turn in preferable</li> <li>Yellow Iron is only site with a right turn in from the freeway</li> </ul>	2	<b>Fair</b>
<b>Big Box</b>	2	<ul style="list-style-type: none"> <li>Limited big-box "gaps" within a 3-mile radius of the site</li> <li>Similar to the plight of malls, few "boxes" are expanding nationally - demand impacted by ecommerce</li> </ul>	2	<ul style="list-style-type: none"> <li>Boxes struggling nationally</li> </ul>	2	<ul style="list-style-type: none"> <li>Same comment as above</li> </ul>	1	<ul style="list-style-type: none"> <li>Same comments as "regional mall"</li> </ul>	2	<b>Fair</b>
<b>Neighborhood</b>	1	<ul style="list-style-type: none"> <li>Poor population density within a 1-mile radius of the site</li> <li>Local daytime workforce population locally unable to support anchored neighborhood center</li> </ul>	3	<ul style="list-style-type: none"> <li>Local neighborhood shopping centers within a three-mile radius appear well tenanted</li> </ul>	1	<ul style="list-style-type: none"> <li>Poor - no population density within 1-mile radius</li> </ul>	2	<ul style="list-style-type: none"> <li>Right turn in from local neighborhood</li> </ul>	2	<b>Poor</b>
<b>Convenience/ Fast Food</b>	3	<ul style="list-style-type: none"> <li>Local workforce population sufficient to support smaller, non-anchored convenience center</li> </ul>	3	<ul style="list-style-type: none"> <li>Same comment as neighborhood above</li> </ul>	2	<ul style="list-style-type: none"> <li>Site is easily accessible to local businesses</li> </ul>	4	<ul style="list-style-type: none"> <li>Site is "on the way out" - right turn in heading towards freeway</li> </ul>	3	<b>Average</b>
<b>Other Commercial</b>										
<b>Hospitality</b>	2	<ul style="list-style-type: none"> <li>Hotel Development no historically near the subject site - preferring 10 / 210 locations</li> <li>Los Angeles County visitation still in recovery still not a lot of activity at convention center</li> </ul>	1	<ul style="list-style-type: none"> <li>Supply trends are weak, occupancy and ADR still in recovery from pandemic</li> <li>Occupancy has been steadily decreasing since 2017</li> </ul>	2	<ul style="list-style-type: none"> <li>Local neighborhood does not contain any local demand drivers for leisure travel</li> <li>Hotel development wants to be on the I-210 I-10 for access to transportation corridors</li> </ul>			2	<b>Fair</b>



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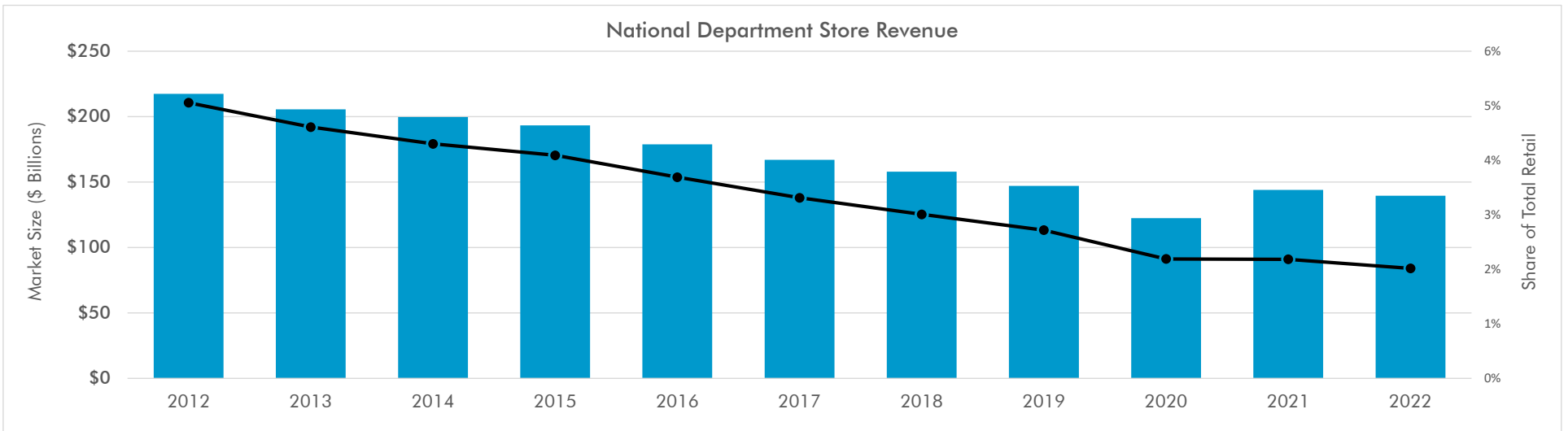
## II. Retail Overview

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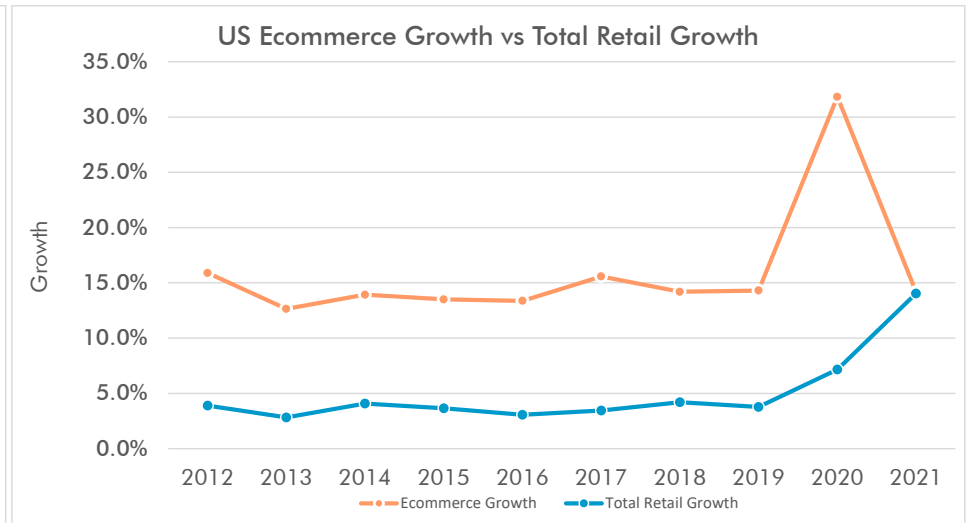
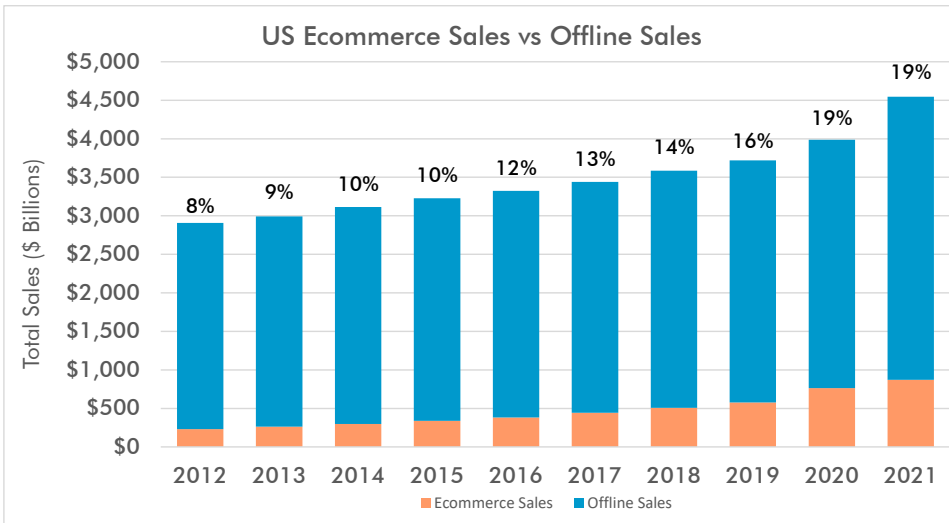
EXHIBIT II-1

NATIONAL RETAIL TRENDS  
UNITED STATES  
2012 THROUGH 2022

Brick & Mortar



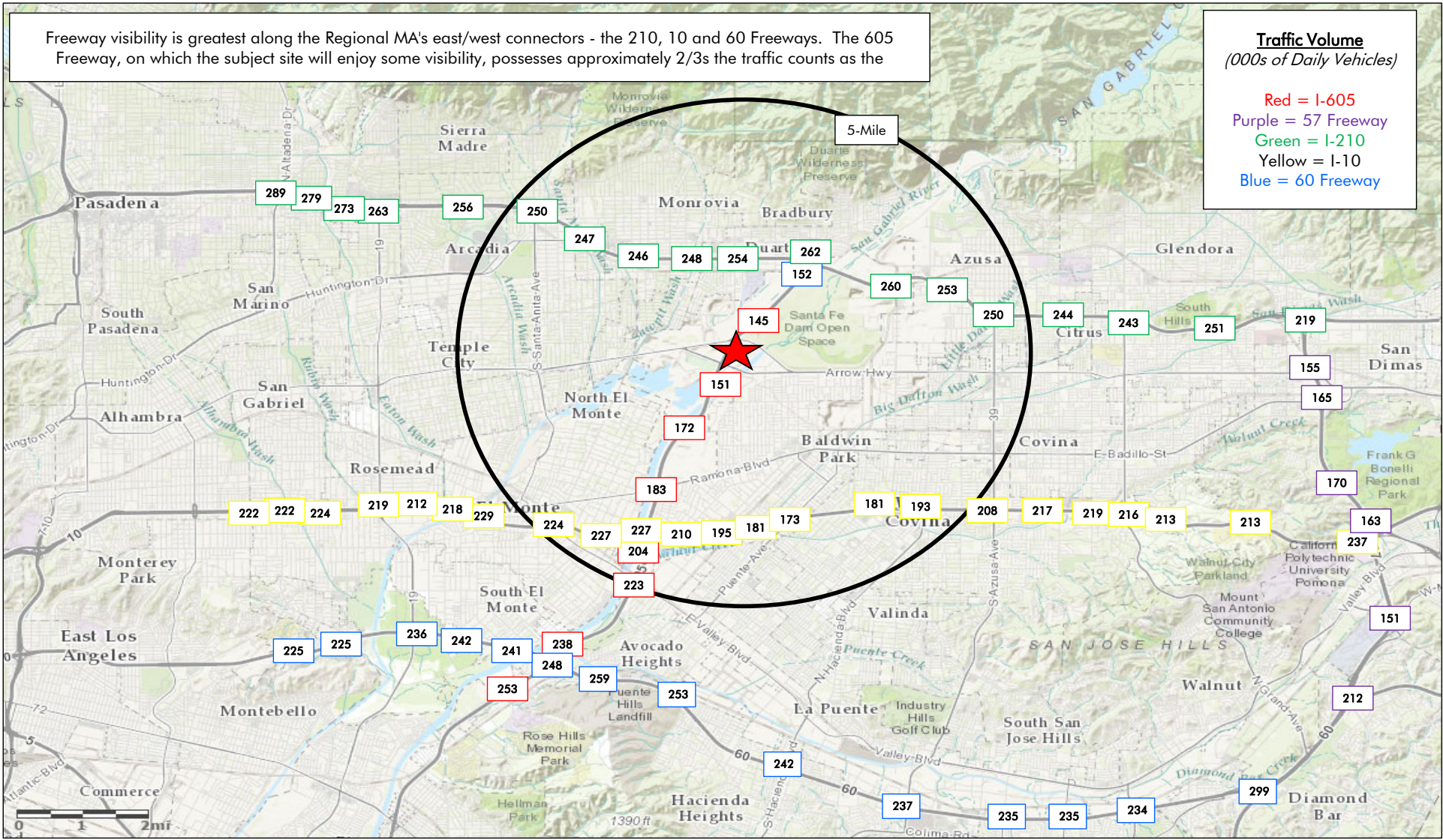
Ecommerce



Source: IBISWorld, Digital Commerce

EXHIBIT II-2A

RETAIL VISIBILITY - REGIONAL  
SAN GABRIEL VALLEY, CA  
2022



Source: Caltrans, "2015 Traffic Volumes on California State Highways"

EXHIBIT II-2B

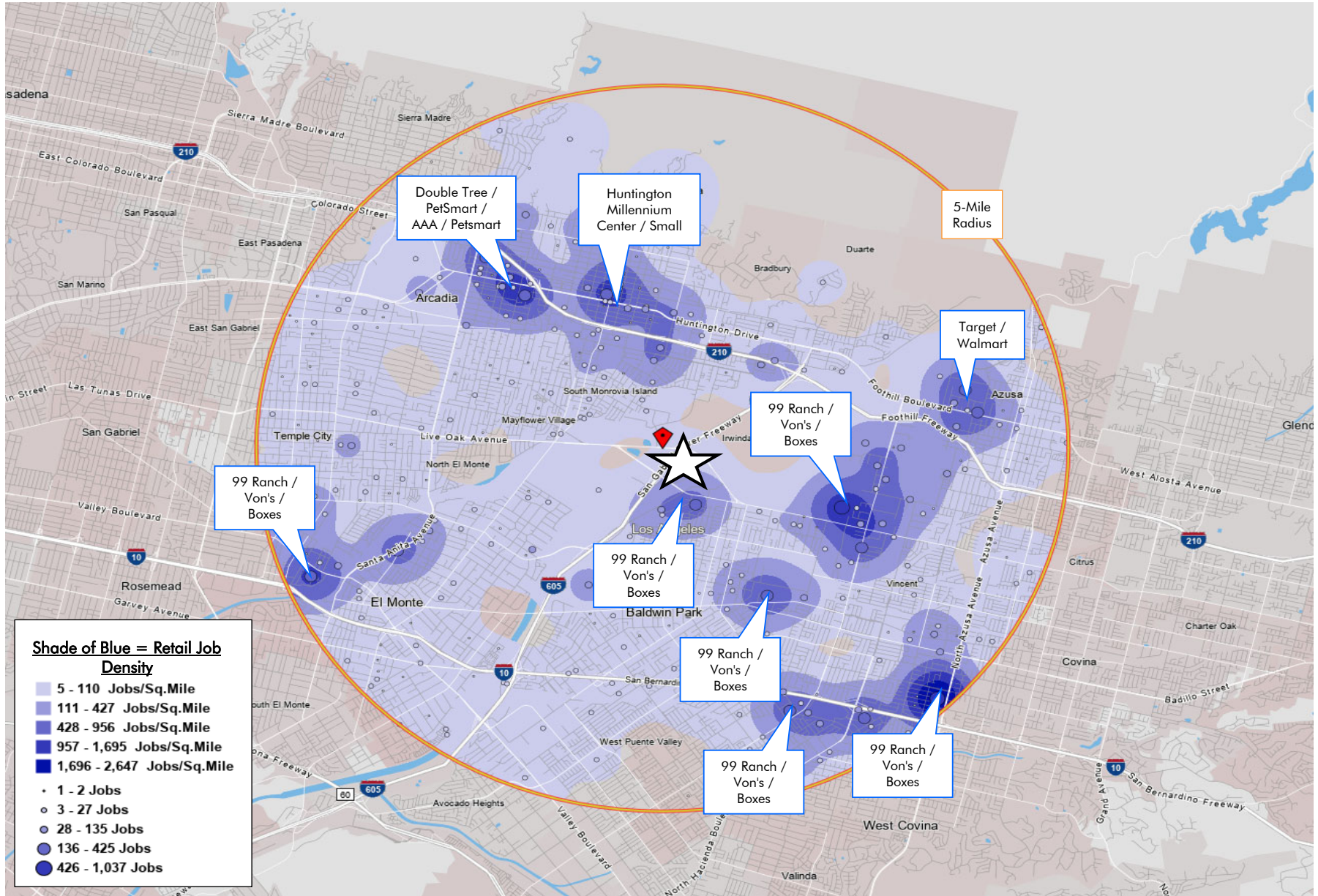
RETAIL - VISIBILITY - LOCAL  
LOCAL NEIGHBORHOOD  
JUNE 2022



Source: Costar

EXHIBIT II-3A

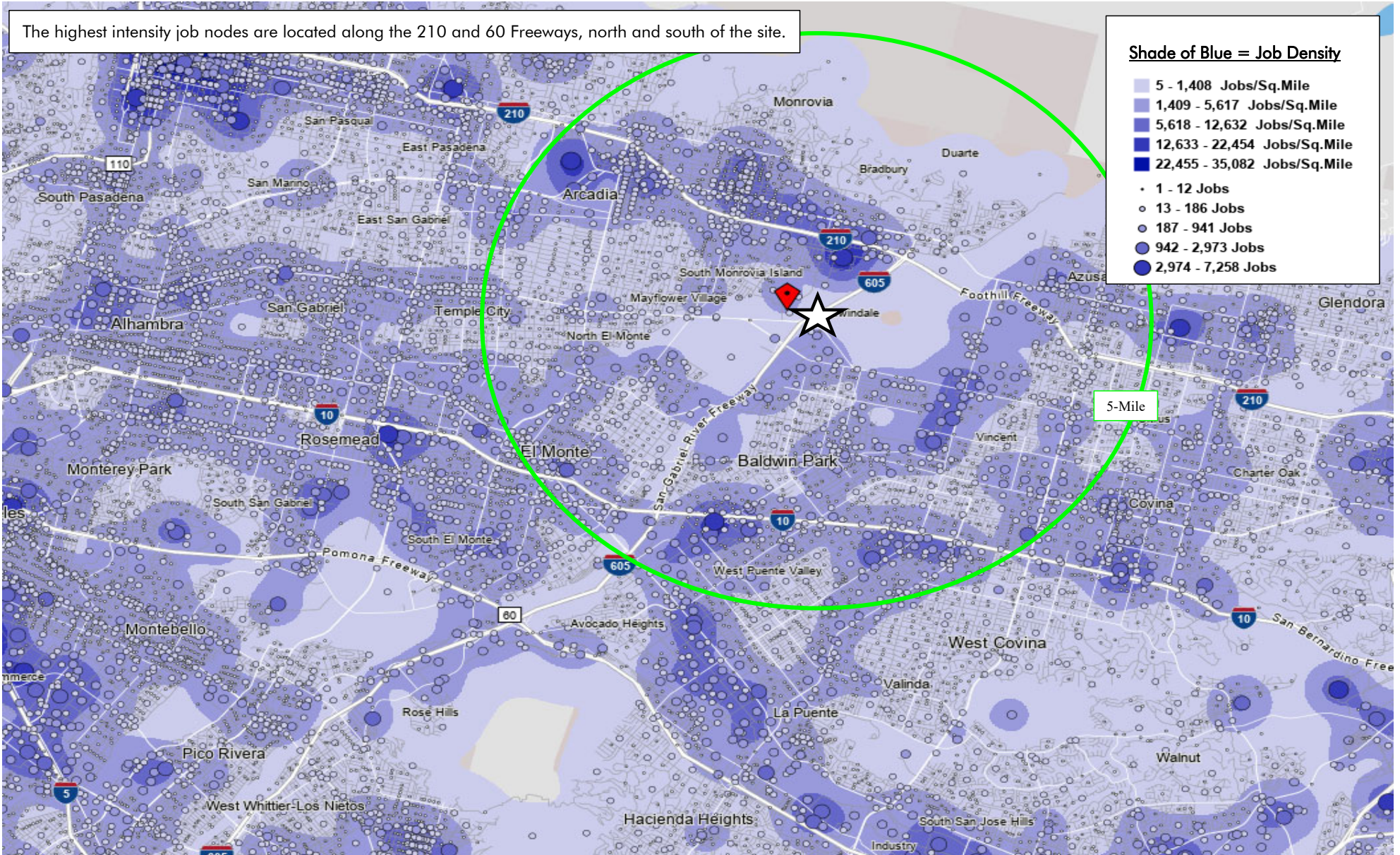
HEAT MAP - RETAIL NODES  
SAN GABRIEL VALLEY, CA  
2019



Source: US Census Bureau, Center for Economic Studies (OnTheMap)

EXHIBIT II-3B

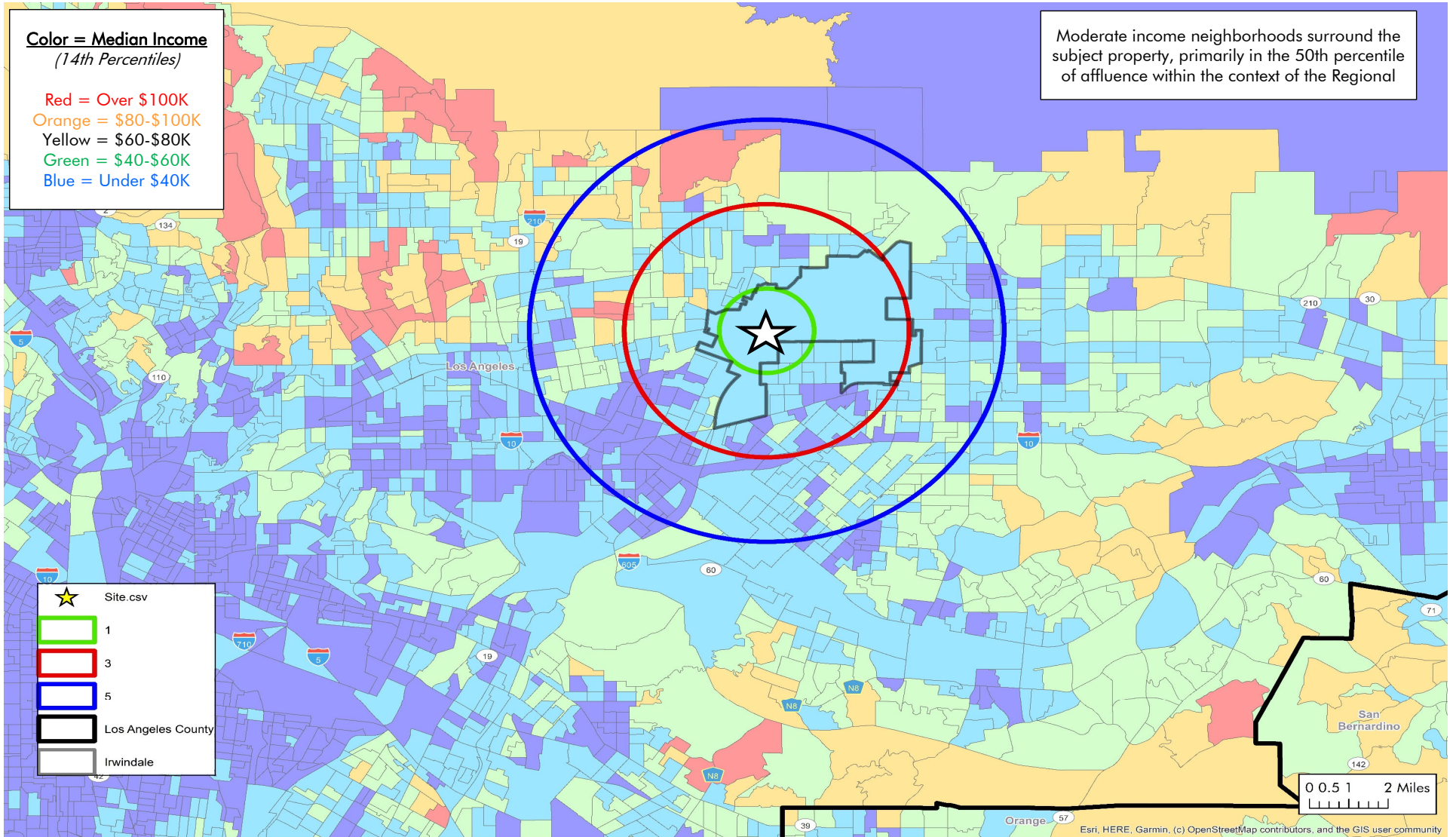
HEAT MAP - JOBS  
SAN GABRIEL VALLEY, CA  
2019



Source: US Census Bureau, Center for Economic Studies (OnTheMap)

EXHIBIT II-3C

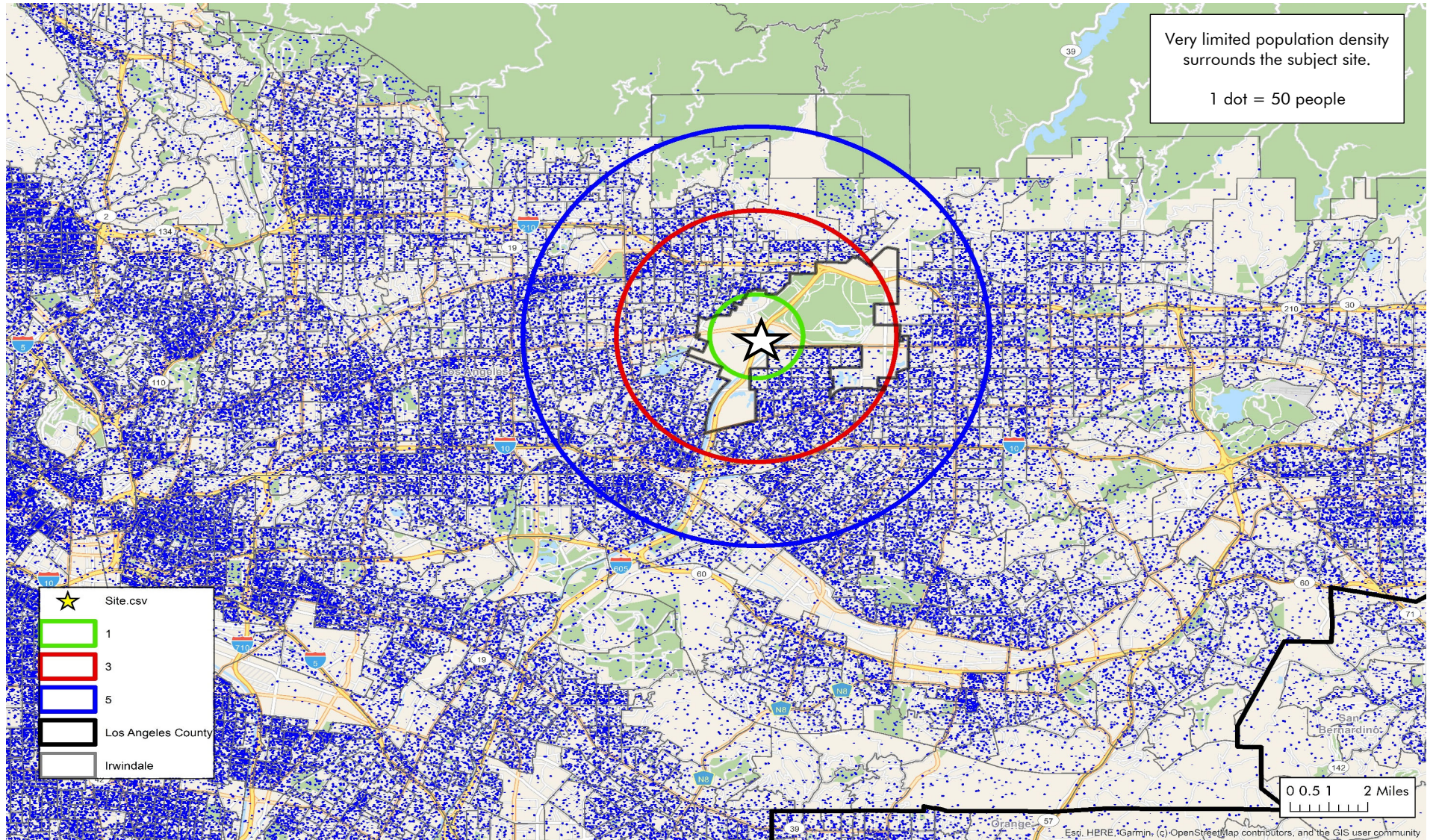
HEAT MAP - MEDIAN INCOME  
RADII AND SURROUNDING NEIGHBORHOODS  
2019



Source: Claritas

EXHIBIT II-3D

HEAT MAP - POPULATION  
SAN GABRIEL VALLEY, CA  
2019

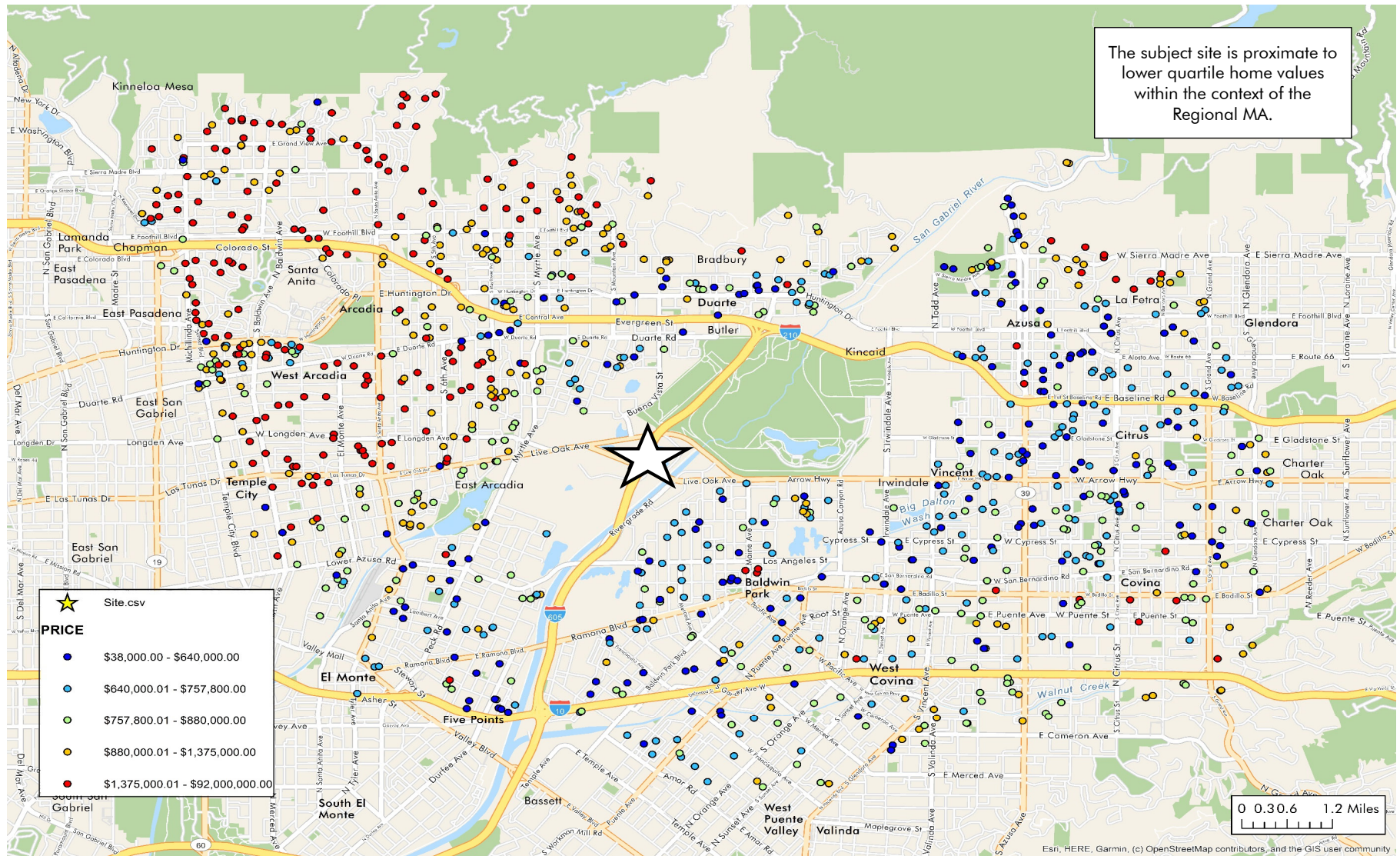


Source: ESRI



EXHIBIT II-3E

HEAT MAP - HOME PRICES (SFD)  
 SAN GABRIEL VALLEY, CA  
 PAST THREE MONTHS ENDING JUNE 2021



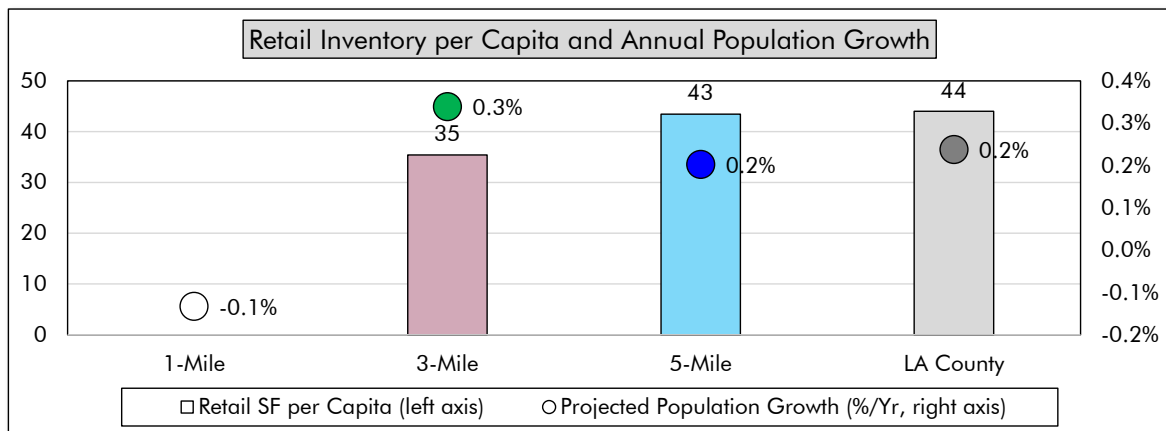
Source: Redfin

EXHIBIT II-4

DEMOGRAPHIC SUMMARY  
LOS ANGELES COUNTY  
2000 THROUGH 2022

Geography:	Subject Site Radii						LA County	
	1-Mile		3-Mile		5-Mile		Num.	Perc.
	Num.	Perc.	Num.	Perc.	Num.	Perc.		
<b>Demographics</b>								
<b>Population</b>								
2021	3,924		172,825		510,750		10,108,711	
per Square Mile	1,250		6,116		6,506		---	
2026	3,898		175,774		515,941		10,229,558	
Gr./Yr.	-5	-0.1%	590	0.3%	1,038	0.2%	24,169	0.2%
<b>Households</b>								
2021	864		47,856		142,310		3,328,361	
2026	856		48,599		143,256		3,366,546	
Gr./Yr.	-2	-0.2%	149	0.3%	189	0.1%	7,637	0.2%
<b>Household Size ('17)</b>	4.5		3.6		3.6		3.0	
<b>Average Income (000s)</b>								
2021	\$90		\$93		\$95		\$105	
2026	\$101		\$107		\$109		\$120	
Gr./Yr.	\$2.2	2.4%	\$2.9	2.9%	\$2.8	2.8%	\$3.0	2.7%
<b>Income Profile ('17)</b>								
Over \$35K	753	87%	37,958	79%	112,043	79%	2,518,478	76%
Over \$50K	676	78%	32,427	68%	96,185	68%	2,183,317	66%
Over \$75K	476	55%	23,725	50%	71,130	50%	1,656,753	50%
Over \$100K	315	36%	16,639	35%	50,762	36%	1,235,261	37%
Over \$150K	93	11%	7,552	16%	23,831	17%	667,255	20%
<b>Age Profile ('17)</b>								
Median - Population	36.0		37.5		37.7		37.5	

<b>Retail Spending / Supply</b>								
Retail Spending / Sales (Ms)		Sup.		Sup.		Sup.		Sup.
Demand	\$32	Over	\$1,724	Over	\$5,355	Over	\$136,869	Over
Supply	\$110	Dem.	\$2,733	Dem.	\$6,860	Dem.	\$145,716	Dem.
Over/(Under) Supply	\$79	2.5	\$1,009	0.6	\$1,506	0.3	\$8,848	0.1
<b>Retail Inventory (Ms SF)</b>	0.0		6.1		22.2		444.8	
per Capita	---		35		43		44	



Source: ESRI; CoStar

EXHIBIT II-5A

RETAIL SUPPLY - LOCATION OF INVENTORY  
REGIONAL MARKET AREA  
JUNE 2022

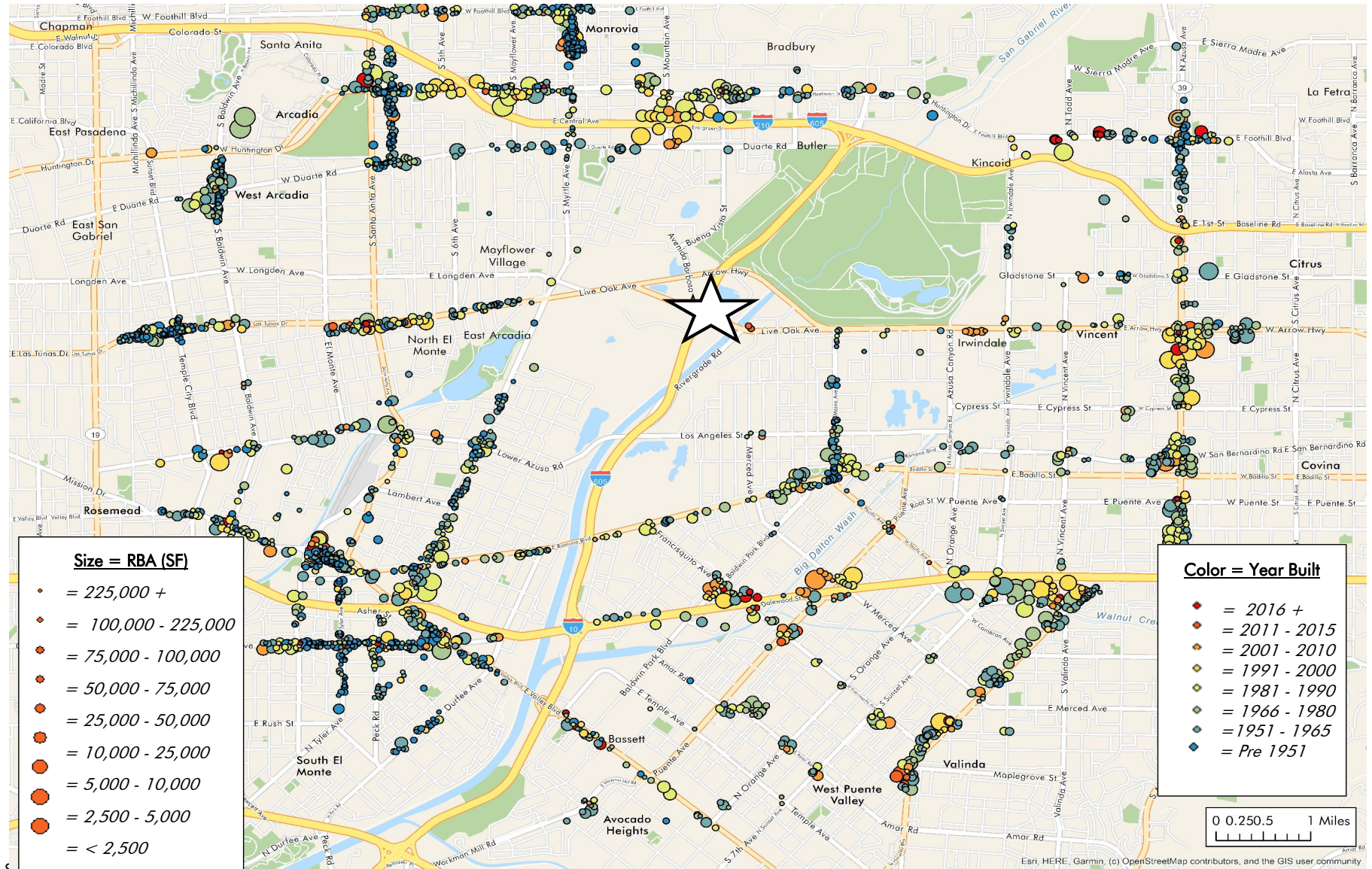
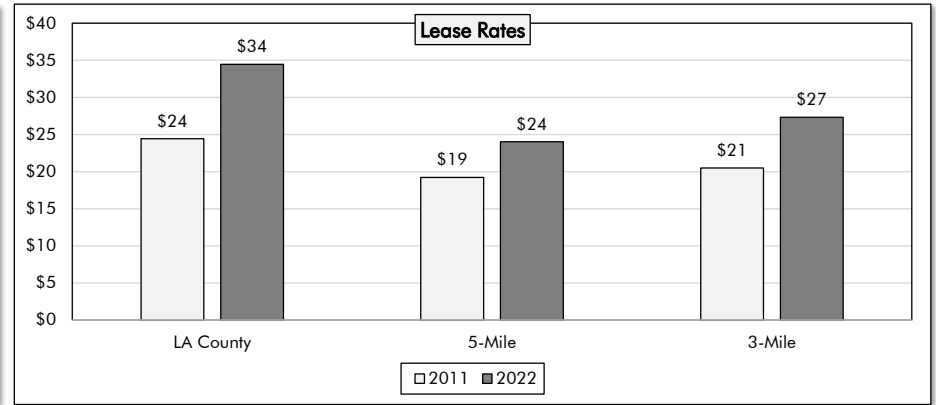
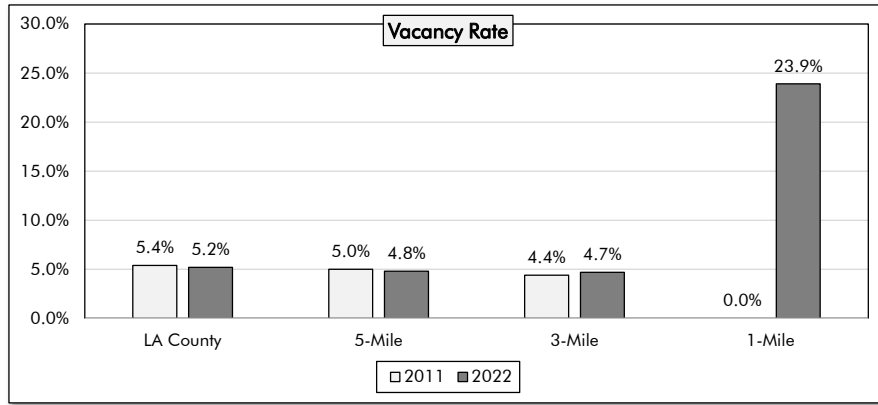


EXHIBIT II-5B

RETAIL SUPPLY - PERFORMANCE METRICS  
LOS ANGELES COUNTY  
2011 THROUGH JUNE 2022

Period:	Annual											YTD 2022	Annual Average	
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		5-Yr	10-Yr
<b>Inventory (MMs)</b>													<i>Annual Growth %</i>	
LA County	442	442	442	442	444	444	445	445	445	446	445	445	0.0%	0.1%
5-Mile	22.3	22.3	22.3	22.1	22.2	22.3	22.4	22.3	22.3	22.3	22.2	22.2	-0.1%	0.0%
3-Mile	6.2	6.2	6.2	6.2	6.2	6.2	6.2	6.1	6.1	6.1	6.1	6.1	-0.2%	-0.1%
1-Mile	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	4.9%
<b>Inventory Growth (000s)</b>														
LA County		290	(22)	184	1,817	(335)	1,030	(238)	275	590	(933)	154	159	268
5-Mile		16	3	(171)	40	112	82	(101)	30	5	(132)	22	(17)	(9)
3-Mile		(9)	10	1	0	(0)	6	(84)	(2)	8	(27)	18	(15)	(8)
1-Mile		7	0	0	0	0	0	0	0	0	0	0	0	1
<b>Absorption (000s)</b>														
LA County	703	(946)	2,283	2,051	884	3,286	729	(1,353)	(1,357)	(2,439)	42	(31)	(802)	300
5-Mile	86	(4)	135	(158)	186	296	9	(295)	22	51	(250)	(36)	(91)	(4)
3-Mile	133	39	11	(17)	8	26	62	(152)	(26)	21	(4)	(63)	(29)	(9)
1-Mile	---	3	1	---	2	---	1	---	(1)	---	(3)	---	(1)	0
<b>Vacancy</b>														
LA County	5.4%	5.6%	5.1%	4.7%	4.8%	4.0%	4.1%	4.4%	4.7%	5.4%	5.2%	5.2%	4.8%	4.8%
5-Mile	5.0%	5.1%	4.5%	4.5%	3.8%	3.0%	3.3%	4.2%	4.2%	4.0%	4.5%	4.8%	4.2%	4.2%
3-Mile	4.4%	3.6%	3.6%	3.8%	3.7%	3.3%	2.4%	3.5%	3.9%	3.7%	3.3%	4.7%	3.6%	3.6%
1-Mile	-	21.6%	18.4%	18.4%	6.5%	6.5%	-	-	6.5%	6.5%	23.9%	23.9%	15.2%	14.7%
<b>Lease Rates (\$/SF/Year)</b>													<i>% Growth / Year</i>	
LA County	\$24.4	\$24.5	\$24.5	\$25.6	\$27.3	\$29.5	\$30.6	\$31.1	\$33.2	\$32.9	\$33.9	\$34.5	2.9%	3.3%
5-Mile	\$19.2	\$20.1	\$18.9	\$18.6	\$19.1	\$23.1	\$24.6	\$23.9	\$23.1	\$24.3	\$24.7	\$24.0	0.7%	2.1%
3-Mile	\$20.5	\$23.2	\$21.8	\$20.1	\$20.1	\$24.1	\$24.5	\$24.6	\$24.0	\$26.5	\$27.2	\$27.3	2.3%	2.8%



Source: CoStar

EXHIBIT II-5C  
 RETAIL SUPPLY - LOCATION OF MALL / BIG BOX ANCHORS  
 5-MILE RADIUS  
 JUNE 2022

Map Key	Retailer
<b>Big Box Retailers</b>	
A	Target
B	Wal-Mart
C	Home Depot
D	Lowe's
E	Costco
F	Sam's Club
G	Kohl's
<b>Malls</b>	
1	Plaza West Covina
2	Westfield Santa Anita

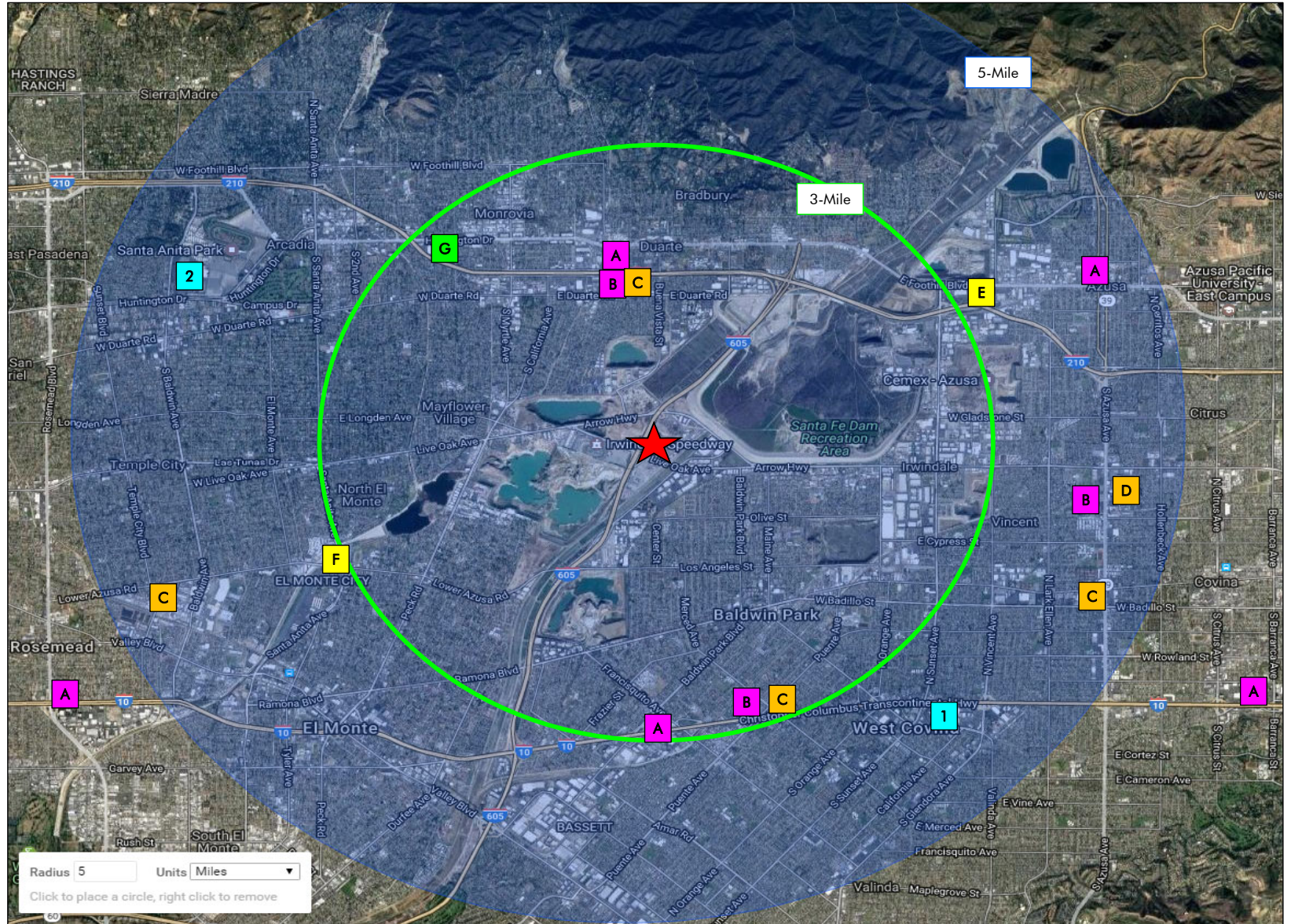
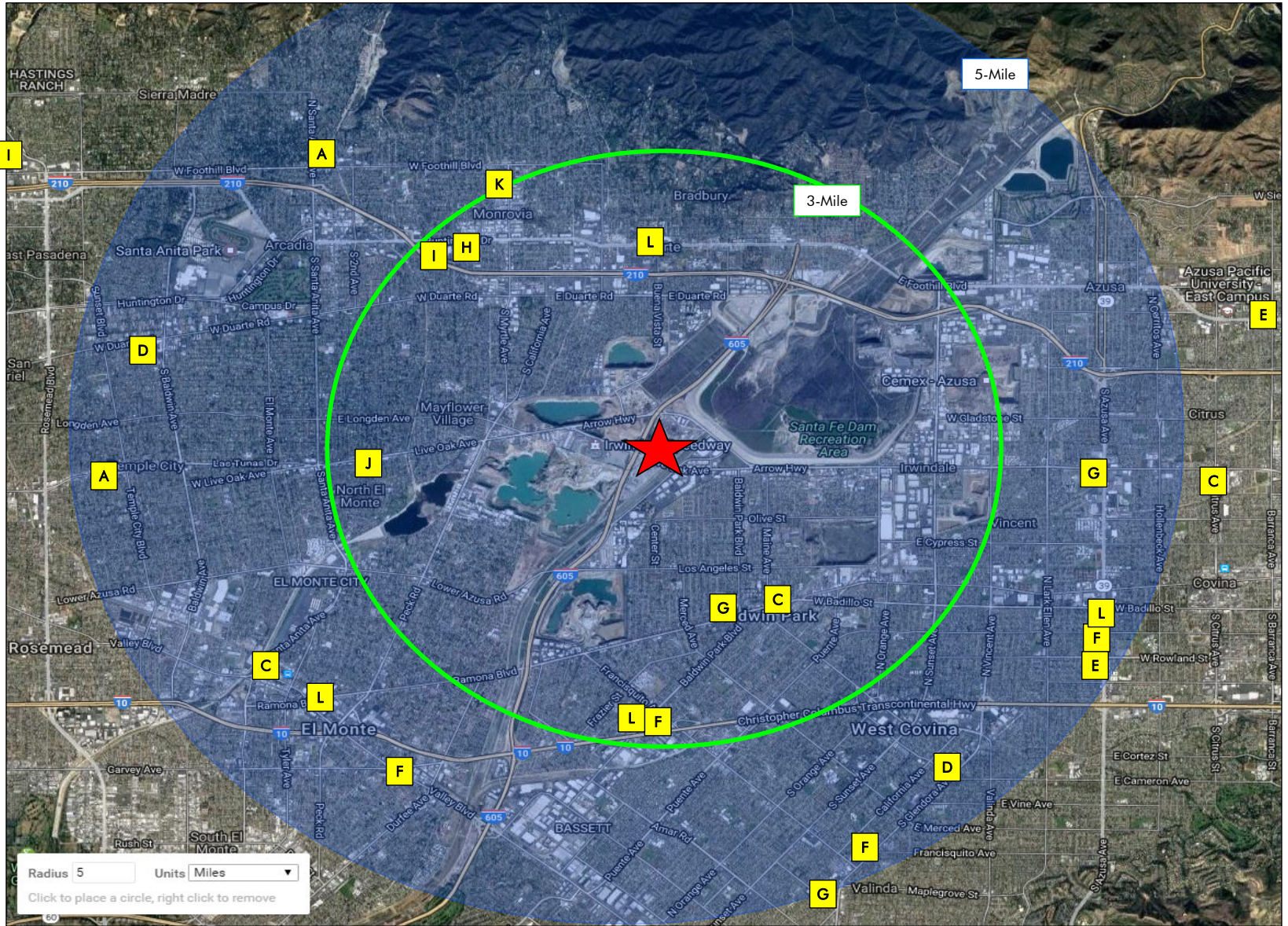


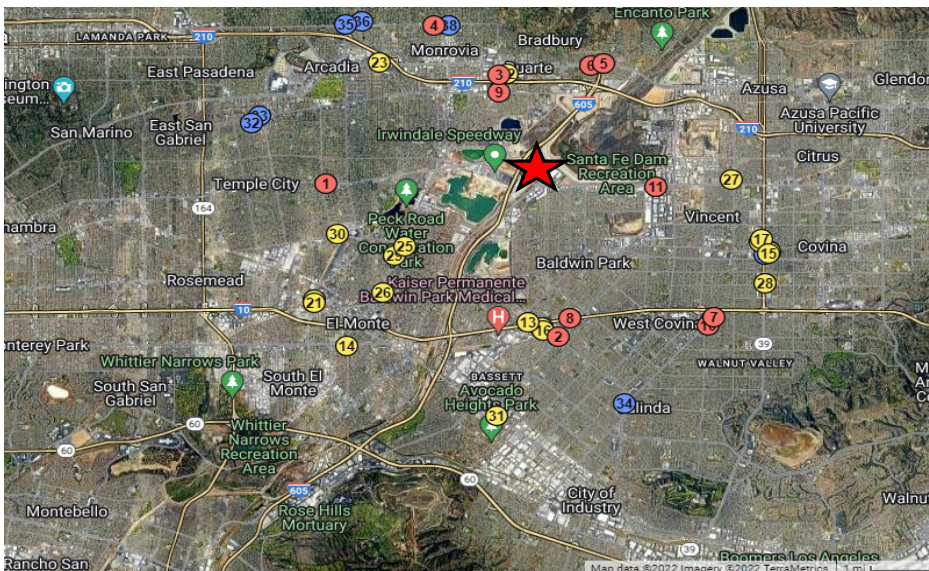
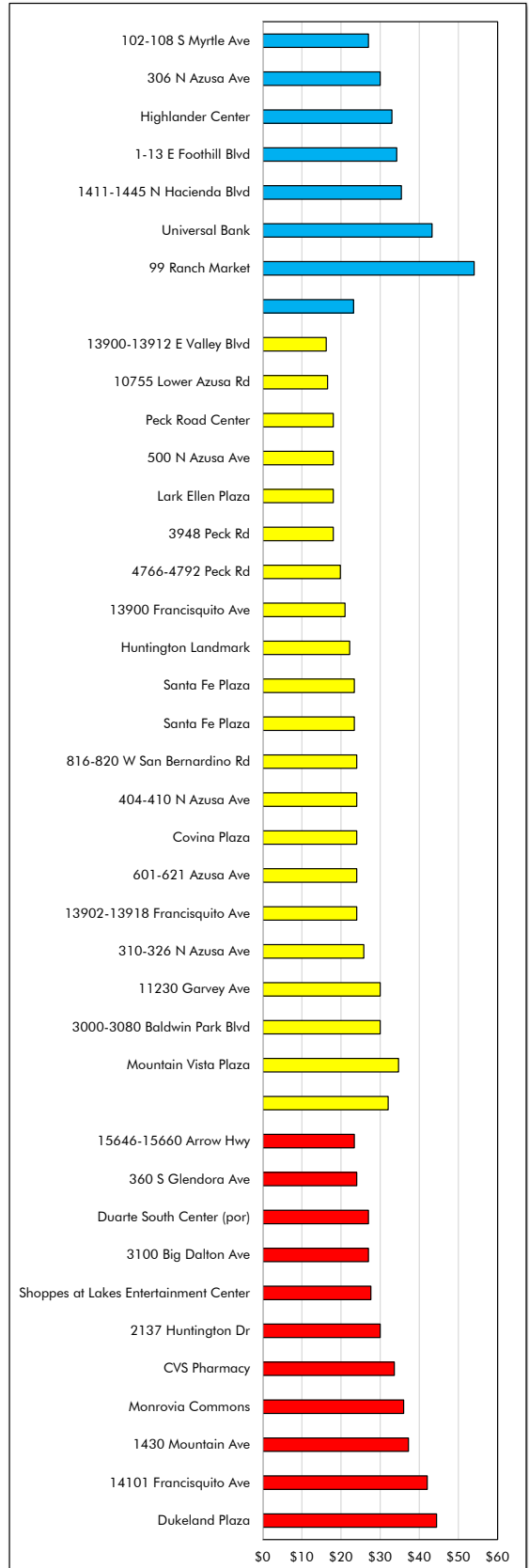
EXHIBIT II-5D  
 RETAIL SUPPLY - LOCATION OF GROCER ANCHORS  
 5-MILE RADIUS  
 JUNE 2022

Map Key	Grocer
A	Ralph's
B	Grocery Outlet
C	Superior
D	Von's
E	Stater Bros
F	Food 4 Less
G	El Super
H	Sprouts
I	Trader Joe's
J	Albertson's
K	Pavilions
L	Smart & Final



**EXHIBIT II-5E**  
**RETAIL LEASE RATES (BUILT 1965+)**  
**5-MILE RADIUS TRADE AREA**  
**JUNE 2022**

Map Key	Building Park	City	Building Address	GLA (SF)	Avail. Space SF	%	Year Built	Avg. Rent
<b>Built 2000+</b>								
1	Dukeland Plaza	Arcadia	168 Las Tunas Dr	10,000	1,280	13%	2013	\$44
2	14101 Francisquito Ave	Baldwin Park	14101 Francisquito Av	13,217	1,450	11%	2006	\$42
3	1430 Mountain Ave	Duarte	1430 Mountain Ave	11,087	1,263	11%	2009	\$37
4	Monrovia Commons	Monrovia	242-252 W Foothill Bl	9,200	3,250	35%	2005	\$36
5	CVS Pharmacy	Duarte	2315-2329 Huntingto	19,497	2,000	10%	2001	\$34
6	2137 Huntington Dr	Duarte	2137 Huntington Dr	10,000	4,345	43%	2022	\$30
7	Shoppes at Lakes Entertainment Center	West Covina	1230 Lakes Dr	18,610	7,400	40%	2005	\$28
8	3100 Big Dalton Ave	Baldwin Park	3100 Big Dalton Ave	11,500	1,200	10%	2004	\$27
9	Duarte South Center (por)	Duarte	904-960 Hamilton Rd	12,030	9,000	75%	2005	\$27
10	360 S Glendora Ave	West Covina	360 S Glendora Ave	8,582	3,090	36%	2001	\$24
11	15646-15660 Arrow Hwy	Irwindale	15646-15660 Arrow H	9,400	2,527	27%	2004	\$23
<b>Average:</b>								<b>\$32</b>
<b>Built 1980-1999</b>								
12	Mountain Vista Plaza	Duarte	1000-1096 Huntingto	145,111	6,825	5%	1985	\$35
13	3000-3080 Baldwin Park Blvd	Baldwin Park	3000-3080 Baldwin Pt	98,030	2,520	3%	1997	\$30
14	11230 Garvey Ave	El Monte	11230 Garvey Ave	10,380	3,110	30%	1987	\$30
15	310-326 N Azusa Ave	Covina	310-326 N Azusa Ave	11,000	3,450	31%	1980	\$26
16	13902-13918 Francisquito Ave	Baldwin Park	13902-13918 Francis	25,090	864	3%	1985	\$24
17	601-621 Azusa Ave	Covina	601-621 Azusa Ave	22,206	3,388	15%	1982	\$24
18	Covina Plaza	Covina	561-593 N Azusa Ave	23,187	2,340	10%	1982	\$24
19	404-410 N Azusa Ave	Covina	404-410 N Azusa Ave	39,159	1,200	3%	1980	\$24
20	816-820 W San Bernardino Rd	Covina	816-820 W San Berna	7,505	1,200	16%	1980	\$24
21	Santa Fe Plaza	El Monte	3560-3574 Santa Anit	29,000	1,824	6%	1988	\$23
22	Santa Fe Plaza	El Monte	3580 Santa Anita Ave	27,019	1,721	6%	1988	\$23
23	Huntington Landmark	Arcadia	411 E Huntington Dr	62,542	5,877	9%	1991	\$22
24	13900 Francisquito Ave	Baldwin Park	13900 Francisquito Av	5,784	1,100	19%	1985	\$21
25	4766-4792 Peck Rd	El Monte	4766-4792 Peck Rd	29,353	1,120	4%	1987	\$20
26	3948 Peck Rd	El Monte	3948 Peck Rd	13,870	3,930	28%	1990	\$18
27	Lark Ellen Plaza	Azusa	831-857 Lark Ellen Av	16,425	2,872	17%	1988	\$18
28	500 N Azusa Ave	West Covina	500 N Azusa Ave	17,003	1,433	8%	1985	\$18
29	Peck Road Center	El Monte	4547-4567 Peck Rd	22,783	3,750	16%	1981	\$18
30	10755 Lower Azusa Rd	El Monte	10755 Lower Azusa Rc	9,472	1,300	14%	1988	\$17
31	13900-13912 E Valley Blvd	La Puente	13900-13912 E Valley	29,126	2,824	10%	1988	\$16
<b>Average:</b>								<b>\$23</b>
<b>Built 1965-1979</b>								
32	99 Ranch Market	Arcadia	1220-1300 S Golden '	62,184	1,030	2%	1966	\$54
33	Universal Bank	Arcadia	747 W Duarte Rd	6,294	6,294	100%	1966	\$43
34	1411-1445 N Hacienda Blvd	La Puente	1411-1445 N Hacienc	57,495	5,531	10%	1966	\$35
35	1-13 E Foothill Blvd	Arcadia	1-13 E Foothill Blvd	11,557	3,942	34%	1979	\$34
36	Highlander Center	Arcadia	111-165 E Foothill Blv	67,173	1,200	2%	1966	\$33
37	306 N Azusa Ave	Covina	306 N Azusa Ave	5,473	5,473	100%	1979	\$30
38	102-108 S Myrtle Ave	Monrovia	102-108 S Myrtle Ave	7,619	2,025	27%	1971	\$27
<b>Average:</b>								<b>\$37</b>



Source: CoStar

EXHIBIT II-6

CONSUMER SPENDING CAPACITY & RETAIL OPPORTUNITY GAPS  
5-MILE RADIUS  
2021

Spending Category	Consumer Spending Capacity			Actual Sales	Opportunity Gap	
	Total	Per Cap.	Share		Retail Opportunity Gap	
					\$	%
<b>GAFO (1)</b>						
Furniture	\$179,825,791	\$352	5.3%	\$184,224,117	(\$4,398,326)	(2.4%)
Sporting Goods/Hobby	\$159,712,929	\$313	4.7%	\$121,377,479	\$38,335,450	24.0%
Books & Music	\$21,391,075	\$42	0.6%	\$6,653,952	\$14,737,123	68.9%
Office Supplies, Gift Stores	\$41,749,796	\$82	1.2%	\$42,127,804	(\$378,008)	(0.9%)
Electronics/Appliances	\$185,049,397	\$362	5.5%	\$315,106,866	(\$130,057,469)	(70.3%)
Clothing & Accessories	\$364,758,011	\$714	10.8%	\$396,487,950	(\$31,729,939)	(8.7%)
Other General Merchandise	\$323,089,859	\$633	9.5%	\$373,409,149	(\$50,319,290)	(15.6%)
<b>GAFO Total</b>	<b>\$1,275,576,858</b>	<b>\$2,497</b>	<b>37.7%</b>	<b>\$1,439,387,317</b>	<b>(\$163,810,459)</b>	<b>(12.8%)</b>
<b>Non-GAFO</b>						
Eating & Drinking Places	\$534,585,540	\$1,047	15.8%	\$664,392,505	(\$129,806,965)	(24.3%)
Misc. Stores	\$176,792,393	\$346	5.2%	\$236,995,824	(\$60,203,431)	(34.1%)
Health & Personal Care	\$329,522,184	\$645	9.7%	\$446,550,892	(\$117,028,708)	(35.5%)
Building/Garden Materials	\$282,906,230	\$554	8.4%	\$350,300,547	(\$67,394,317)	(23.8%)
Food & Beverage	\$788,204,825	\$1,543	23.3%	\$935,514,783	(\$147,309,958)	(18.7%)
<b>Non-GAFO Total</b>	<b>\$2,112,011,172</b>	<b>\$4,135</b>	<b>62.3%</b>	<b>\$2,633,754,551</b>	<b>(\$521,743,379)</b>	<b>(24.7%)</b>
<b>Total Excluding Vehicle/Gas/Non-Store</b>	<b>\$3,387,588,030</b>	<b>\$6,633</b>	<b>100.0%</b>	<b>\$4,073,141,868</b>	<b>(\$685,553,838)</b>	<b>(20.2%)</b>
	<b>\$181,104,004</b>			<b>\$128,031,431</b>	<b>\$53,072,573</b>	<b>29.3%</b>
<b>Department Stores</b>	<b>\$495,056,094</b>	<b>\$969</b>	<b>14.6%</b>	<b>\$659,842,679</b>	<b>(\$164,786,585)</b>	<b>(33.3%)</b>
<b>Motor Vehicle/Gas/Non-Store</b>						
Motor Vehicle	\$963,719,779	\$1,887	62.8%	\$1,536,437,081	(\$572,717,302)	(59.4%)
Gas Stations	\$426,472,905	\$835	27.8%	\$537,276,482	(\$110,803,577)	(26.0%)
Other Non-Store Retailers	\$144,929,694	\$284	9.4%	\$102,451,946	\$42,477,748	29.3%
<b>Motor Vehicle/Gas/Non-Store Total</b>	<b>\$1,535,122,378</b>	<b>\$3,006</b>	<b>100.0%</b>	<b>\$2,176,165,509</b>	<b>(\$641,043,131)</b>	<b>(41.8%)</b>
<b>Total</b>	<b>\$4,922,710,408</b>	<b>\$9,638</b>				

(1) GAFO = General Merchandise, Apparel, Furniture, and Other  
Source: ESRI



EXHIBIT II-7

TOTAL RETAIL DEMAND  
5-MILE RADIUS  
2021 THROUGH 2026

II. Projected Retail Spending and Additional Supportable Demand - PMA

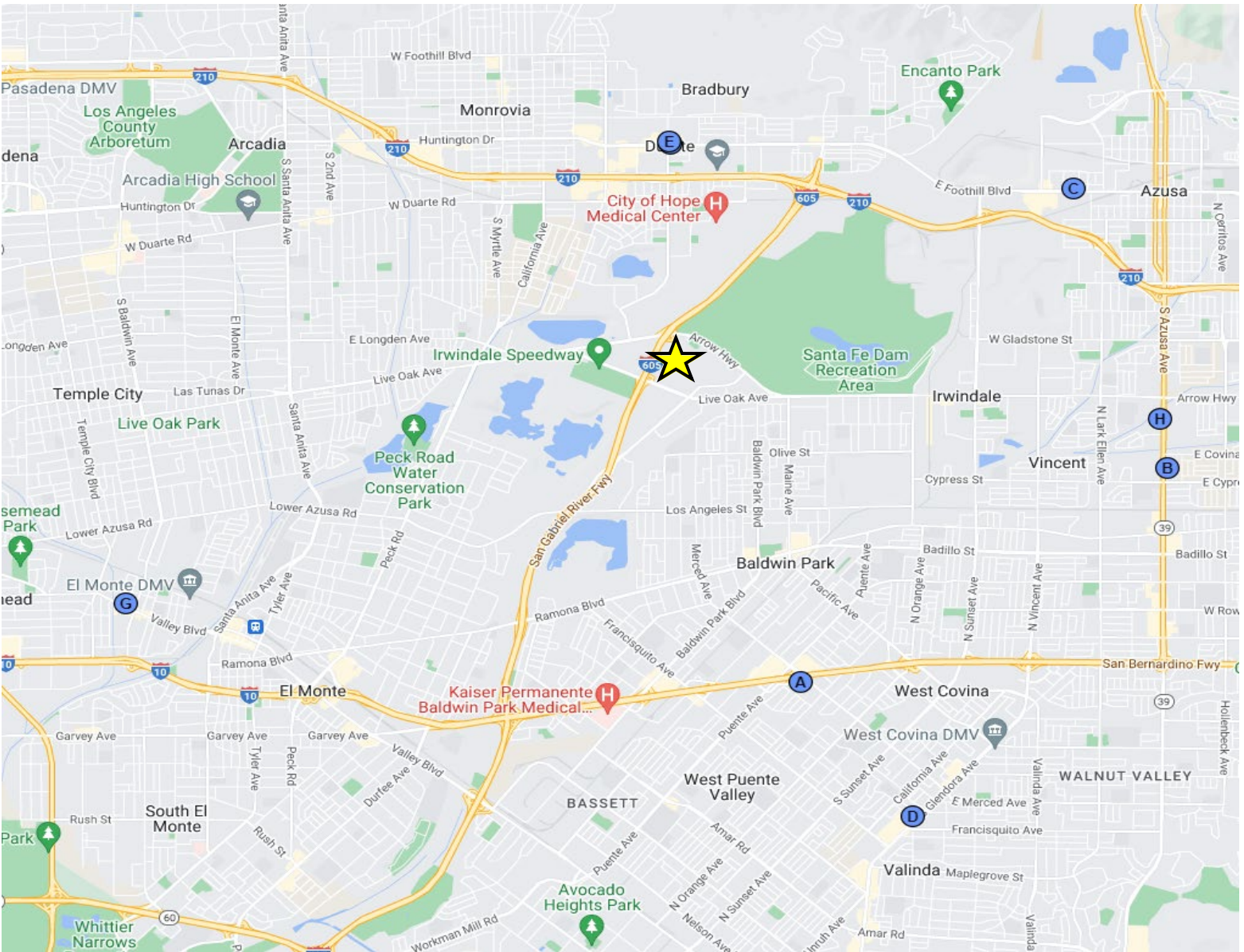
5-Mile Conditions	ESRI 2021	2022	2023	Projected 2024	2025	2026	Additional 5-Year Demand
<b>I. Population and Income Growth</b>							
Population	510,750	511,784	512,613	513,277	513,808	515,941	
Households	142,310	142,499	142,650	142,771	142,868	143,256	
Persons/HH	3.59	3.59	3.59	3.60	3.60	3.60	
Median Household Income	\$74,965	\$76,644	\$78,014	\$79,128	\$80,030	\$83,744	
<i>Growth</i>		2.2%	1.8%	1.4%	1.1%	4.6%	
<b>Total Spending:</b>							
Per Capita	\$9,638	\$9,854	\$10,030	\$10,173	\$10,289	\$10,767	
Per HH	\$34,591	\$35,391	\$36,044	\$36,574	\$37,005	\$38,777	
Aggregate Spending (000s)	\$4,922,710	\$5,043,147	\$5,141,615	\$5,221,771	\$5,286,795	\$5,555,090	
Added Spending Capacity		\$120,437	\$98,468	\$80,157	\$65,024	\$268,295	
Sales/ Square Foot		\$333	\$333	\$333	\$333	\$333	
<i>Additional Supportable GLA (SF)</i>		361	295	240	195	805	1,897
				<b>Average Annual Additional Supportable GLA (SF)</b>			379
				<b>Average Retail Demand from Spending Gap (SF)</b>			2,958
				<b>Total Annual Retail Demand</b>			3,338
				<b>5-Year Total Retail Demand</b>			16,688
				<b>5-Year Total Retail Supply</b>			97,603
				<b>5-Year Over/Under Supply</b>			(80,915)

(1) GAFO = General Merchandise, Apparel, Furniture, and Other

Source: ESRI; TCG

**EXHIBIT II-8  
RETAIL PIPELINE  
5-MILE RADIUS  
JUNE 2022**

Map Key	Building Addresses	City	Zip	Est. Delivery	Owner	Type	RBA	Elev.	Rent
<b>Proposed</b>									
A	14624 Dalewood St	Baldwin Park	91706	2023	---	---	1,600	1	---
B	N Azusa Ave & Cypress St	Covina	91722	---	---	---	4,000	1	---
C	975 W Foothill Blvd	Azusa	91702	2023	The Redev Agcy of the City	---	3,000	1	---
C	975 W Foothill Blvd	Azusa	91702	2023	The Redev Agcy of the City	---	3,000	1	---
D	1847 N Hacienda Blvd	La Puente	91744	2024	Optimus Properties LLC	Freestanding	10,503	1	---
E	1303 Huntington Dr	Duarte	91010	2024	City of Duarte	---	4,000	1	---
F	1305 Huntington Dr	Duarte	91010	2024	Duarte Housing Authority	---	4,500	1	---
G	9933 Valley Blvd	El Monte	91731	2024	USA Realty Construction C	---	17,000	2	---
H	1261 N Azusa Ave	Covina	91722	2024	Fallas Borrower IV LLC	Freestanding	35,000	1	---
I	975 W Foothill Blvd	Azusa	91702	2023	The Redev Agcy of the City	---	3,000	1	---
J	N Azusa Ave & Cypress St	Covina	91722	---	---	---	4,000	1	---
J	N Azusa Ave & Cypress St	Covina	91722	---	---	---	4,000	1	---
J	N Azusa Ave & Cypress St	Covina	91722	---	---	---	4,000	1	---
<b>Subtotal</b>							<b>97,603</b>		
<b>Total</b>							<b>97,603</b>		



Source: Costar

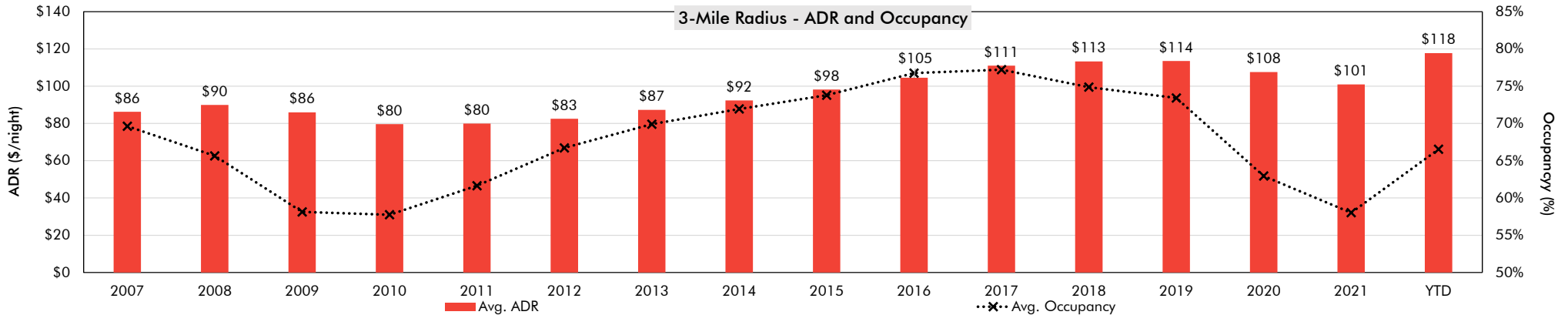
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## III. Hotel Overview

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**EXHIBIT III-1**  
**HOTEL MARKET TRENDS - OCCUPANCY AND RATES**  
**3-MILE RADIUS**  
**2006 THROUGH YEAR-TO-DATE**

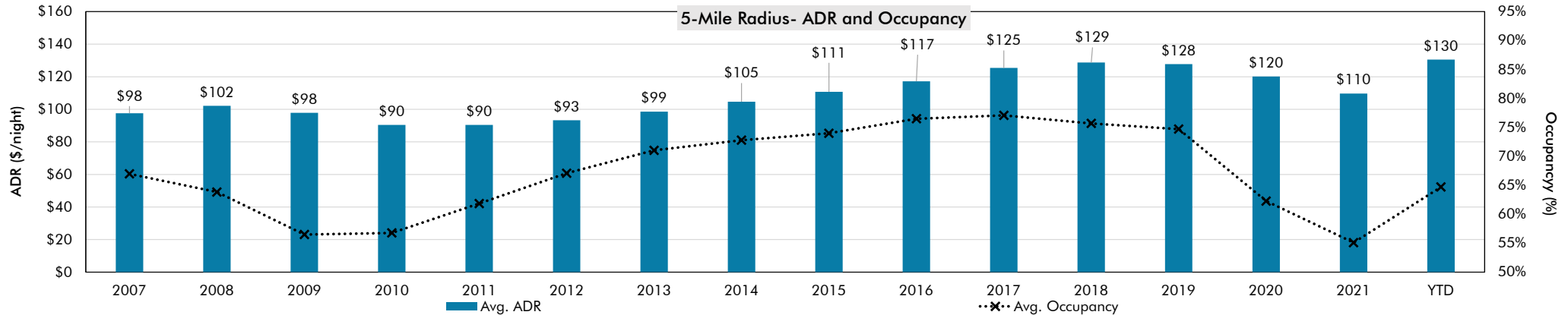
Metrics	Annual																	2022 YTD	5-Yr Avg
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021			
<b>Total Rooms</b>	1,337	1,249	1,338	1,338	1,338	1,302	1,302	1,302	1,301	1,302	1,303	1,303	1,303	1,303	1,303	1,292	1,225	1,301	
Gr./Yr.	---	---	7.2%	0.0%	0.0%	(2.7%)	0.0%	(0.0%)	(0.0%)	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	(0.8%)	(5.2%)	(0.2%)	
<b>Occupancy by Class</b>																			
Upper Upscale & Upscale	71.4%	69.4%	67.2%	61.2%	63.5%	69.4%	74.1%	77.6%	79.3%	79.3%	80.7%	80.3%	77.5%	77.1%	64.0%	56.7%	66.9%	71.1%	
Gr./Yr.	---	(2.7%)	(3.2%)	(9.0%)	3.9%	9.3%	6.7%	4.7%	2.3%	(0.1%)	1.8%	(0.4%)	(3.5%)	(0.6%)	(16.9%)	(11.4%)	17.9%	(6.8%)	
Upper Midscale & Midscale	66.5%	66.2%	62.3%	52.7%	51.3%	55.5%	61.9%	67.2%	68.9%	70.9%	74.2%	74.9%	73.2%	71.9%	59.8%	53.4%	62.6%	66.6%	
Gr./Yr.	---	(0.3%)	(5.9%)	(15.5%)	(2.7%)	8.3%	11.6%	8.5%	2.6%	2.9%	4.6%	0.9%	(2.2%)	(1.8%)	(16.7%)	(10.8%)	17.2%	(6.4%)	
Economy	75.3%	73.2%	67.4%	60.6%	58.5%	60.0%	64.2%	64.9%	67.6%	71.2%	75.4%	76.5%	73.9%	71.4%	65.0%	64.0%	70.2%	70.1%	
Gr./Yr.	---	(2.7%)	(7.9%)	(10.2%)	(3.5%)	2.7%	6.9%	1.2%	4.1%	5.3%	5.9%	1.4%	(3.4%)	(3.4%)	(9.0%)	(1.6%)	9.7%	(3.2%)	
<b>Avg. Occupancy</b>	71.0%	69.6%	65.7%	58.1%	57.7%	61.6%	66.7%	69.9%	71.9%	73.8%	76.8%	77.2%	74.9%	73.4%	62.9%	58.0%	66.5%	69.3%	
Gr./Yr.	---	(2.0%)	(5.7%)	(11.4%)	(0.7%)	6.8%	8.2%	4.8%	2.9%	2.6%	4.0%	0.6%	(3.0%)	(1.9%)	(14.3%)	(7.8%)	14.7%	(5.4%)	
<b>ADR by Class</b>																			
Upper Upscale & Upscale	\$106	\$116	\$121	\$115	\$106	\$105	\$109	\$116	\$123	\$131	\$138	\$147	\$148	\$146	\$134	\$114	\$140	\$138	
Gr./Yr.	---	9.1%	4.6%	(4.9%)	(8.3%)	(0.2%)	3.9%	5.8%	6.6%	6.1%	5.7%	5.9%	0.6%	(1.3%)	(7.8%)	(15.0%)	22.5%	(3.8%)	
Upper Midscale & Midscale	\$78	\$83	\$88	\$85	\$80	\$80	\$82	\$86	\$91	\$96	\$102	\$108	\$112	\$111	\$107	\$104	\$120	\$109	
Gr./Yr.	---	6.9%	5.7%	(3.3%)	(6.3%)	0.4%	2.3%	5.3%	5.4%	5.5%	6.0%	6.6%	3.0%	(0.2%)	(3.7%)	(2.8%)	15.1%	0.5%	
Economy	\$58	\$60	\$61	\$58	\$54	\$55	\$56	\$60	\$63	\$68	\$74	\$78	\$81	\$84	\$81	\$85	\$94	\$82	
Gr./Yr.	---	3.9%	1.9%	(5.2%)	(7.1%)	1.5%	3.4%	6.3%	5.0%	7.7%	8.4%	6.2%	3.4%	3.6%	(2.8%)	4.1%	10.6%	2.8%	
<b>Avg. ADR</b>	\$80	\$86	\$90	\$86	\$80	\$80	\$83	\$87	\$92	\$98	\$105	\$111	\$113	\$114	\$108	\$101	\$118	\$109	
Gr./Yr.	---	7.2%	4.3%	(4.5%)	(7.4%)	0.4%	3.3%	5.8%	5.8%	6.3%	6.4%	6.2%	2.0%	0.2%	(5.2%)	(6.2%)	16.6%	(0.7%)	
<b>RevPAR by Class</b>																			
Upper Upscale & Upscale	\$76	\$80	\$81	\$70	\$67	\$73	\$81	\$90	\$98	\$104	\$112	\$118	\$114	\$112	\$87	\$65	\$94	\$99	
Gr./Yr.	---	6.1%	1.3%	(13.4%)	(4.8%)	9.2%	10.8%	10.8%	9.0%	6.1%	7.6%	5.4%	(2.8%)	(1.9%)	(22.6%)	(25.0%)	43.5%	(10.2%)	
Upper Midscale & Midscale	\$52	\$55	\$55	\$45	\$41	\$44	\$51	\$58	\$63	\$68	\$75	\$81	\$82	\$80	\$64	\$56	\$75	\$73	
Gr./Yr.	---	6.6%	(0.5%)	(18.2%)	(8.9%)	8.7%	14.3%	14.3%	8.2%	8.5%	11.0%	7.5%	0.7%	(2.0%)	(19.4%)	(13.2%)	34.2%	(5.8%)	
Economy	\$43	\$44	\$41	\$35	\$31	\$33	\$36	\$39	\$43	\$48	\$55	\$60	\$60	\$60	\$53	\$54	\$66	\$57	
Gr./Yr.	---	1.1%	(6.2%)	(14.8%)	(10.4%)	4.2%	10.5%	7.6%	9.3%	13.4%	14.8%	7.6%	(0.1%)	0.0%	(11.4%)	2.6%	21.0%	(0.4%)	
<b>Avg. RevPar</b>	\$57	\$60	\$59	\$50	\$46	\$50	\$56	\$62	\$68	\$73	\$81	\$86	\$85	\$84	\$68	\$58	\$78	\$76	
Gr./Yr.	---	5.0%	(1.1%)	(15.2%)	(7.4%)	7.9%	11.8%	11.1%	8.8%	8.4%	10.2%	6.6%	(1.1%)	(1.5%)	(18.9%)	(14.1%)	33.6%	(6.3%)	



Source: CoStar

**EXHIBIT III-1**  
**HOTEL MARKET TRENDS - OCCUPANCY AND RATES**  
**5-MILE RADIUS**  
**2006 THROUGH YEAR-TO-DATE**

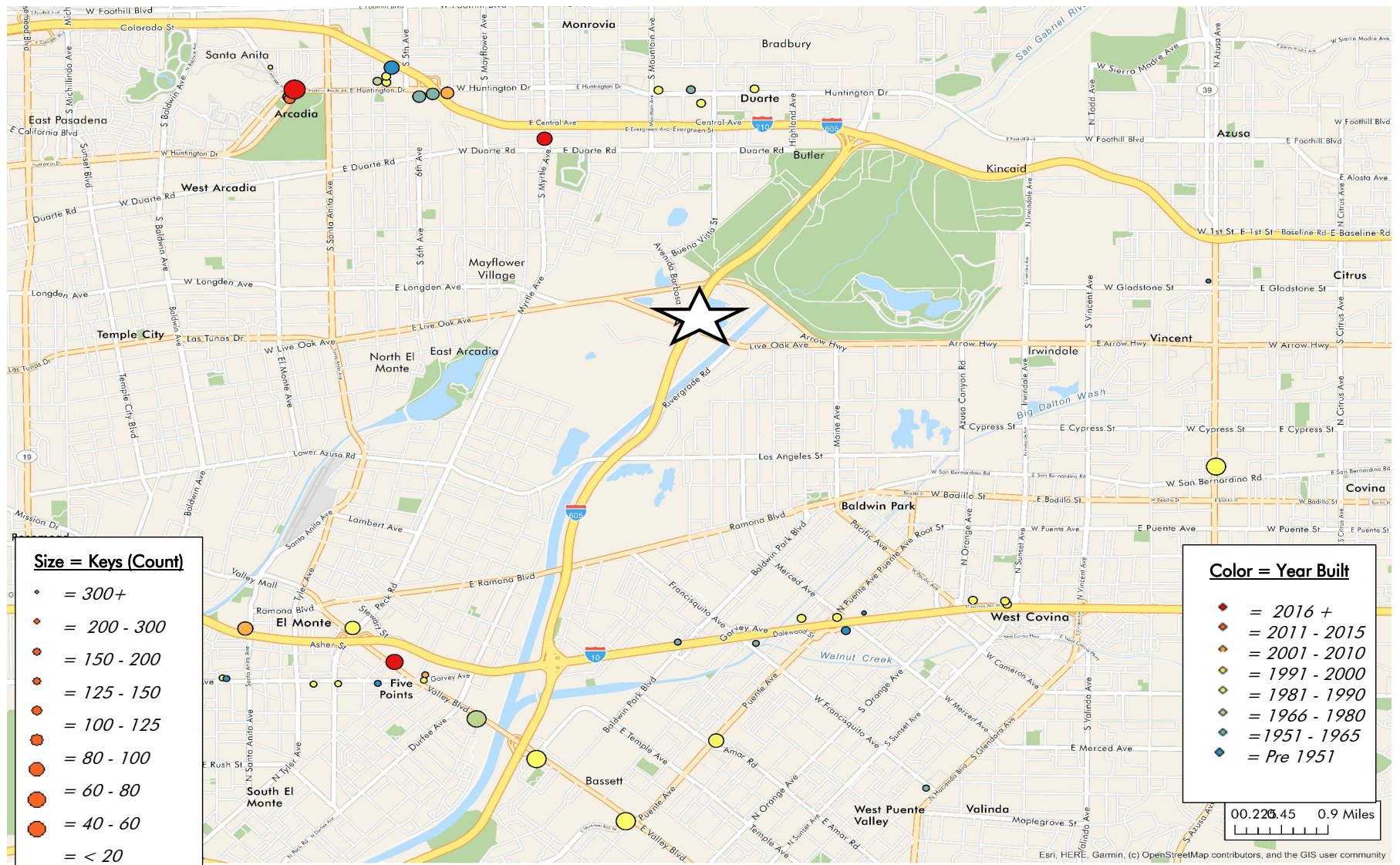
Metrics	Annual																2022 YTD	5-Yr Avg
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
<b>5 Mile</b>																		
Total Rooms	2,947	2,921	3,016	3,016	3,016	2,980	2,980	2,980	2,979	2,980	2,981	3,083	3,230	3,236	3,203	3,256	3,255	3,201
Gr./Yr.	---	(0.9%)	3.3%	0.0%	0.0%	(1.2%)	0.0%	(0.0%)	(0.0%)	0.0%	0.0%	3.4%	4.8%	0.2%	(1.0%)	1.6%	(0.0%)	1.8%
<b>Occupancy by Class</b>																		
Upper Upscale & Upscale	70.9%	68.8%	66.8%	61.0%	63.4%	69.2%	73.8%	77.4%	79.4%	79.3%	80.9%	80.9%	78.5%	77.4%	64.5%	56.7%	66.7%	71.6%
Gr./Yr.	---	(2.9%)	(2.9%)	(8.7%)	3.9%	9.1%	6.7%	4.8%	2.6%	(0.1%)	2.0%	(0.0%)	(3.0%)	(1.4%)	(16.6%)	(12.2%)	17.7%	(6.9%)
Upper Midscale & Midscale	66.5%	65.1%	60.8%	52.0%	50.2%	54.5%	60.4%	64.7%	66.2%	68.7%	72.1%	73.3%	72.9%	72.0%	60.0%	53.5%	62.7%	66.4%
Gr./Yr.	---	(2.0%)	(6.6%)	(14.6%)	(3.5%)	8.7%	10.7%	7.2%	2.4%	3.7%	5.0%	1.6%	(0.5%)	(1.2%)	(16.7%)	(10.8%)	17.1%	(5.8%)
Avg. Occupancy	68.7%	67.0%	63.8%	56.5%	56.8%	61.9%	67.1%	71.0%	72.8%	74.0%	76.5%	77.1%	75.7%	74.7%	62.3%	55.1%	64.7%	69.0%
Gr./Yr.	---	(2.5%)	(4.7%)	(11.5%)	0.5%	8.9%	8.5%	5.9%	2.5%	1.6%	3.4%	0.8%	(1.8%)	(1.3%)	(16.6%)	(11.5%)	17.4%	(6.4%)
<b>ADR by Class</b>																		
Upper Upscale & Upscale	\$104	\$113	\$119	\$114	\$104	\$104	\$109	\$115	\$123	\$130	\$138	\$146	\$146	\$144	\$133	\$115	\$141	\$137
Gr./Yr.	---	8.8%	5.5%	(4.3%)	(8.3%)	0.1%	4.0%	5.9%	6.5%	6.3%	5.6%	5.9%	0.4%	(1.6%)	(7.8%)	(13.5%)	22.6%	(3.6%)
Upper Midscale & Midscale	\$78	\$82	\$85	\$82	\$76	\$76	\$78	\$82	\$87	\$91	\$97	\$105	\$111	\$111	\$107	\$104	\$120	\$108
Gr./Yr.	---	5.9%	3.5%	(4.0%)	(6.5%)	(0.1%)	2.0%	5.4%	5.6%	5.1%	6.1%	8.6%	5.8%	0.4%	(3.6%)	(2.9%)	15.1%	1.5%
Avg. ADR	\$91	\$98	\$102	\$98	\$90	\$90	\$93	\$99	\$105	\$111	\$117	\$125	\$129	\$128	\$120	\$110	\$130	\$122
Gr./Yr.	---	7.5%	4.6%	(4.2%)	(7.6%)	(0.0%)	3.2%	5.7%	6.2%	5.8%	5.8%	7.0%	2.6%	(0.7%)	(6.0%)	(8.7%)	19.0%	(1.3%)
<b>RevPAR by Class</b>																		
Upper Upscale & Upscale	\$74	\$78	\$80	\$70	\$66	\$72	\$80	\$89	\$97	\$103	\$111	\$118	\$115	\$111	\$87	\$66	\$94	\$99
Gr./Yr.	---	5.5%	2.4%	(12.6%)	(4.9%)	9.3%	11.0%	11.0%	9.3%	6.3%	7.7%	5.8%	(2.6%)	(3.0%)	(22.3%)	(24.2%)	43.2%	(10.0%)
Upper Midscale & Midscale	\$52	\$54	\$52	\$43	\$38	\$42	\$47	\$53	\$57	\$63	\$70	\$77	\$81	\$80	\$65	\$56	\$75	\$72
Gr./Yr.	---	3.8%	(3.3%)	(17.9%)	(10.0%)	8.6%	13.1%	13.0%	8.1%	8.9%	11.5%	10.3%	5.2%	(0.8%)	(19.4%)	(13.2%)	34.0%	(4.2%)
Avg. RevPar	\$63	\$66	\$66	\$56	\$52	\$57	\$64	\$71	\$77	\$83	\$91	\$97	\$98	\$96	\$76	\$61	\$85	\$86
Gr./Yr.	---	4.8%	0.1%	(14.7%)	(6.8%)	9.0%	11.7%	11.7%	8.8%	7.3%	9.2%	7.6%	0.5%	(2.1%)	(21.1%)	(19.5%)	39.0%	(7.6%)



Source: CoStar

EXHIBIT III-2

RETAIL SUPPLY - LOCATION OF INVENTORY  
REGIONAL MARKET AREA  
JUNE 2022



Source: Esri

**EXHIBIT III-3**  
**COMPETITIVE INVENTORY - PERFORMANCE**  
**NEIGHBORHOOD**  
**JUNE 2022**

Property Name	Address	Submarket	Vintage		Rooms	ADR (1)			
			Built	Renovated		Low	High	Average	
<b>Upscale Class</b>									
Courtyard Los Angeles Pasadena Monrovia	700 W Huntington Dr	Monrovia	1979	---	152	\$179	\$323	\$240	
DoubleTree by Hilton	924 W Huntington Dr	Monrovia	1985	---	171	\$162	\$239	\$183	
Residence Inn Pasadena Arcadia	321 E Huntington Dr	Arcadia	1989	2016	120	\$141	\$266	\$174	
Courtyard Los Angeles Baldwin Park	14635 Baldwin Park Town	Baldwin Park	1989	---	196	\$131	\$210	\$162	
SpringHill Suites Pasadena Arcadia	99 N 2nd Ave	Arcadia	1999	---	86	\$134	\$233	\$159	
Hilton Garden Inn Arcadia/Pasadena Area	199 N 2nd Ave	Arcadia	1999	---	124	\$137	\$210	\$151	
<b>Upscale Total/Average:</b>			<b>1989</b>	<b>---</b>	<b>849</b>	<b>\$148</b>	<b>\$246</b>	<b>\$180</b>	
<b>Upper Midscale Class</b>									
Hampton by Hilton	311 E Huntington Dr	Arcadia	1989	---	129	\$155	\$229	\$189	
Home2 Suites by Hilton Azusa	229 S Azusa Ave	Azusa	2017	---	110	\$167	\$188	\$176	
Holiday Inn El Monte Los Angeles	9920 Valley Blvd	El Monte	2017	---	142	\$144	\$199	\$165	
<b>Upper Midscale Total/Average:</b>			<b>2008</b>	<b>---</b>	<b>381</b>	<b>\$154</b>	<b>\$206</b>	<b>\$176</b>	
<b>Midscale Class</b>									
Quality Inn Rosemead	9488 Valley Blvd	Rosemead	2007	---	68	\$93	\$134	\$106	
<b>Midscale Total/Average:</b>			<b>2007</b>	<b>---</b>	<b>68</b>	<b>\$93</b>	<b>\$134</b>	<b>\$106</b>	
<b>Economy Class</b>									
Americas Best Value Inn	12040 Garvey Ave	El Monte	1966	---	52	\$119	\$166	\$135	
Days Inn Near City Of Hope	1533 Huntington Dr	Duarte	1987	---	50	\$120	\$120	\$120	
Travelodge Inn & Suites West Covina	1431 W Garvey Ave	West Covina	1988	---	52	\$84	\$140	\$108	
Extended Stay America Los Angeles - Arcadia	401 E Santa Clara St	Arcadia	1998	---	122	\$84	\$109	\$94	
Grand Park Inn	13921 Francisquito Ave	Baldwin Park	1990	---	115	\$80	\$100	\$94	
<b>Economy Total/Average:</b>			<b>1989</b>	<b>---</b>	<b>391</b>	<b>\$92</b>	<b>\$119</b>	<b>\$105</b>	
<b>CMA Total/Average:</b>			<b>1994</b>	<b>---</b>	<b>1,689</b>	<b>\$134</b>	<b>\$203</b>	<b>\$159</b>	

(1) Weighted average of weekday and weekend rates in eight selected dates between Q3 2022 and Q2 2023

EXHIBIT III-4

HOTEL DEMAND ESTIMATE  
LOS ANGELES COUNTY, CA  
JUNE 2022

I. Hotel Demand/Supply																
Hotel Demand Indicators	Historical Trends										5-Yr Avg	Forecast (1)				
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		2022	2023	2024	2025	2026
<b>Total Visitors (Millions)</b>																
<b>Los Angeles County</b>	41.4	42.2	44.2	45.6	47.3	48.5	50.0	50.0	20.4	29.7	39.7	33.3	35.3	36.9	38.0	38.9
% Growth	---	1.9%	6.8%	8.1%	3.7%	2.5%	3.1%	0.0%	-59.3%	46.0%		12.0%	6.1%	4.6%	3.0%	2.2%
<b>5 Mile</b>	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	0.8	1.2	1.6	1.3	1.4	1.5	1.5	1.6
% 5-Mile Capture (2)	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%		4.0%	4.0%	4.0%	4.0%	4.0%
% Growth	---	1.9%	4.7%	3.2%	3.7%	2.5%	3.1%	0.0%	-59.3%	46.0%		12.0%	6.1%	4.6%	3.0%	2.2%
<b>Leisure &amp; Hospitality (Los Angeles County, Moody's Projection)</b>																
Industry Gross Domestic Product (\$M)	\$27,336	\$27,753	\$30,096	\$31,122	\$32,690	\$33,490	\$34,957	\$36,509	\$24,590	\$30,012	\$31,912	\$32,468	\$34,722	\$36,260	\$36,985	\$37,811
% Growth		1.5%	8.4%	3.4%	5.0%	2.4%	4.4%	4.4%	-32.6%	22.1%		8.2%	6.9%	4.4%	2.0%	2.2%
Industry Employment (000s)	414.3	438.8	464.1	486.6	509.9	524.5	536.5	547.2	394.5	428.9	486.3	496.7	522.9	548.1	569.6	582.4
% Growth		5.9%	5.7%	4.9%	4.8%	2.9%	2.3%	2.0%	-27.9%	8.7%		15.8%	5.3%	4.8%	3.9%	2.2%
Average Growth		3.7%	7.1%	4.1%	4.9%	2.7%	3.3%	3.2%	-30.3%	15.4%		12.0%	6.1%	4.6%	3.0%	2.2%
<b>Hotel Supply Characteristics</b>																
<b>5-Mile Hotel Inventory</b>	2,980	2,980	2,979	2,980	2,981	3,083	3,230	3,236	3,203	3,256	3,201					
% Growth	---	0.0%	0.0%	0.0%	0.0%	3.4%	4.8%	0.2%	-1.0%	1.6%						
5-Mile Room Nights (000s)	1,088	1,088	1,087	1,088	1,088	1,125	1,179	1,181	1,169	1,188	1,169					
Occupancy(3)	67.1%	71.0%	72.8%	74.0%	76.5%	77.1%	75.7%	74.7%	62.3%	55.1%	69.0%					
Occupied Room Nights (000s)	729.7	772.5	791.5	804.5	832.3	867.3	892.2	882.3	728.0	654.8	804.9					
<b>Occupied Room Nights/Visitor</b>	0.4	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.9	0.6	0.6					
<b>Hotel Demand and Supply</b>																
<b>5-Mile Room Demand</b>																
Occupied Room Nights /Visitor												0.6	0.6	0.6	0.6	0.6
Visitor Projection (000s)												1,330.9	1,412.3	1,477.5	1,521.3	1,555.3
Visitor Room Night Demand (000s)												739.9	785.1	821.4	845.7	864.6
<b>Supply</b>																
Deliveries (4)												357	125	155	9	0
Future Hotel Inventory												3,613	3,737	3,892	3,901	3,901
Room Night Inventory (000's)												1,318.6	1,364.1	1,420.8	1,423.9	1,423.9
<b>Implied 5-Mile Occupancy</b>												56.1%	57.6%	57.8%	59.4%	60.7%
Room nights at 65% occupancy												857.08	886.67	923.49	925.56	925.56
Demand vs 65% target												(117.19)	(101.56)	(102.11)	(79.83)	(60.93)
As rooms												(321.07)	(278.24)	(279.75)	(218.71)	(166.93)
Room nights at 69% occupancy (5)												909.39	940.78	979.84	982.05	1,012.42
Demand vs 69% target												(169.50)	(155.67)	(158.46)	(136.31)	(147.79)
As rooms												(464.37)	(426.49)	(434.15)	(373.46)	(404.90)
<b>II. 5-Mile Capture</b>																
		5-Mile														
	LA County	Num.	% LA County													
<b>Households</b>																
Total 2021	3,328,361	510,750	15.3%													
Annual Growth - '21-'26	24,169	1,038	4.3%													
<b>Hotel Rooms Inventory</b>																
Total 2021	114,806	3,256	2.8%													
<b>Employment</b>																
Total Employees 2019	4,197,746	159,430	3.8%													
		<b>Target Capture</b>	<b>4.0%</b>													

Notes:

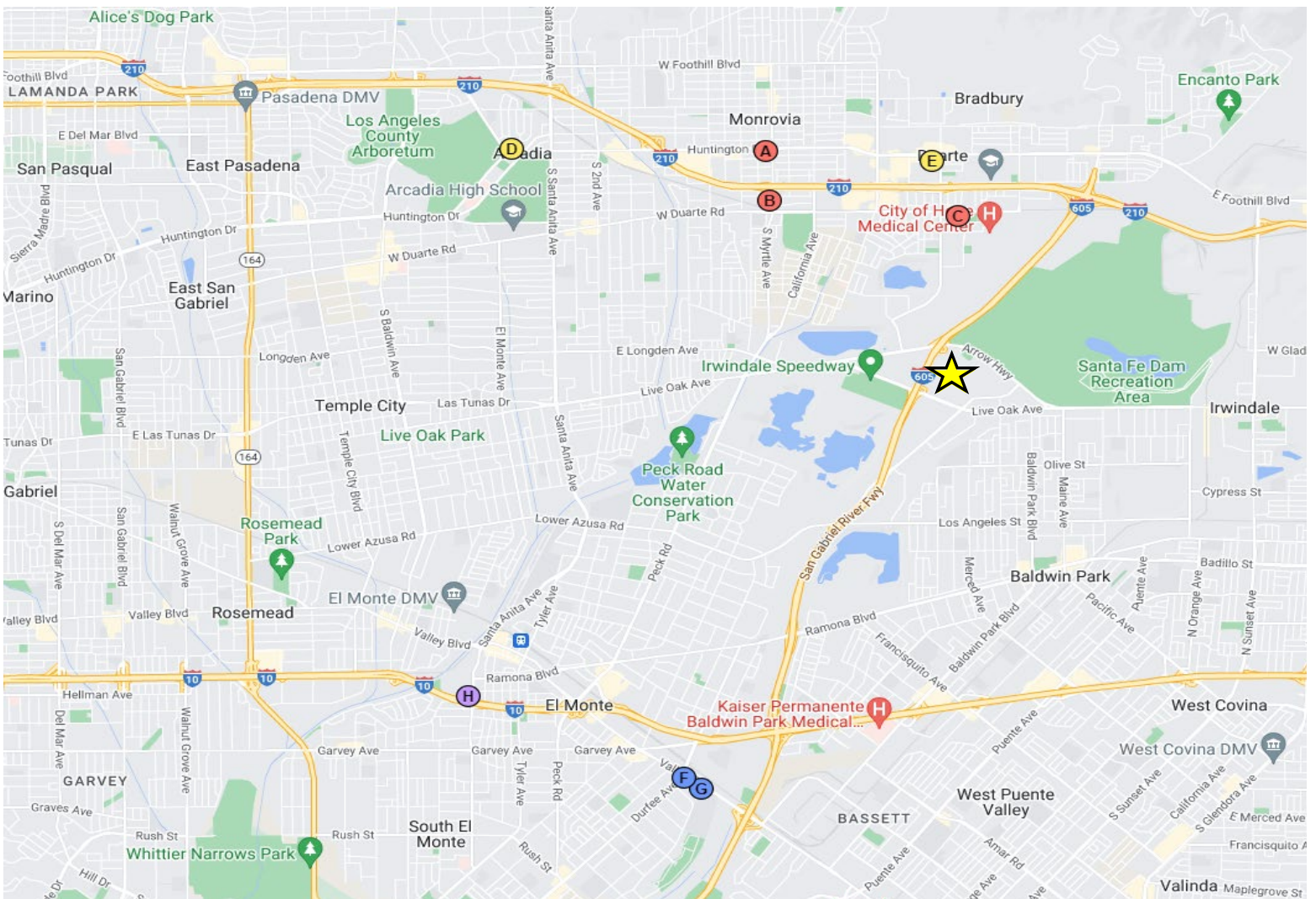
- (1) Percent growth/loss in visitation is based on average growth rate for leisure based employment and GDP
- (2) 5-Mile capture of visitors is informed by demographics, employment as well as hotel rooms inventory in the 5-Mile
- (3) See Exhibit III-1
- (4) See Exhibit III-1
- (5) Based on 5-Yr average occupancy in 5-Mile



EXHIBIT III-5

HOTEL PIPELINE  
5-MILE RADIUS  
JUNE 2022

Map Key	Building Address	Address	City	Zip	Parent Company	Developer	Keys	Est. Delivery
<b>Industrial / Flex</b>								
<b>Under Construction</b>								
<b>A</b>	TownePlace Suites Los Angeles Pasadena Monro	116 W Huntington Dr	Monrovia	91016	Marriott	Theraldson Hospitality Group	109	2022
<b>B</b>	Cambria Hotels Monrovia	1655 S Myrtle Ave	Monrovia	91016	Cambria Hotel	Choice Hotels International, Inc.	130	2024
<b>C</b>	New Hope Village Hotel	1412 Duarte Rd	Duarte	91010	City of Hope	---	150	2022
<b>Subtotal:</b>							<b>389</b>	
<b>Approved</b>								
<b>D</b>	Hotel Indigo	123 W Huntington Dr	Arcadia	91007	IHG Hotels & Resorts	---	165	2023
<b>E</b>	Hawthorn Suites By Wyndham Duarte	1230 Huntington Dr	Duarte	91010	Wyndham Hotels & Resorts	---	178	2022
<b>Subtotal:</b>							<b>343</b>	
<b>Proposed</b>								
<b>F</b>	Wingate by Wyndham	12300 Valley Blvd	El Monte	91732	Wyndham	Zhonghong Zhaofeng Usa Inc	72	2024
<b>G</b>	Holiday Inn Express Los Angeles El Monte	12432 Valley Blvd	El Monte	91732	IHG Hotels & Resorts	Welcome Investment LLC	97	2023
<b>Subtotal:</b>							<b>169</b>	
<b>Conceptual</b>								
<b>H</b>	Residence Inn	3333-3335 Santa Anita Ave	El Monte	91731	Marriott	Grapevine Development	175	2025
<b>Subtotal:</b>							<b>175</b>	
<b>Total:</b>							<b>1,076</b>	



Source: CoStar



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