



# ECONO LODGE WOODSTOCK

1290 S Main St • Woodstock, VA 22664

## NON-ENDORSEMENT AND DISCLAIMER NOTICE

### **Confidentiality and Disclaimer**

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2018 Marcus & Millichap. All rights reserved.

### **Non-Endorsement Notice**

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation or Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

ECONO LODGE WOODSTOCK  
Woodstock, VA  
ACT ID ZAA1000032

# INVESTMENT OVERVIEW



**EXECUTIVE SUMMARY**

		VITAL DATA		
			CURRENT	YEAR 1
Price	\$2,275,000	CAP Rate	8.7%	10.18%
PIP	\$40,000	Net Operating Income	\$208,403	\$231,591
Down Payment	20% / \$455,000	Net Cash Flow After Debt Service	10.89%	15.99%
Loan Amount	\$1,916,000	Total Return	17.58%	22.68%
Loan Type	Proposed New			
Interest Rate / Amortization	6.75% / 25 Years			
Price/Room	\$56,875			
Ownership Type	Fee Simple			
Number of Rooms	40			
Rentable Square Feet	21,720			
Number of Buildings	2			
Number of Stories	2			
Year Built	1953 - 1986			
Lot Size	3.27 acre(s)			



**MAJOR EMPLOYERS**

EMPLOYER	# OF EMPLOYEES
Consulate Management	606
Shenandoah Memorial Hospital	430
Walmart	300
Johns Manville Corporation	270
Shenandoah Medical Imaging	191
Lowe's	150
Shentel	144
WW Robinson Elementary School	138
Shenandoah County Public Schools	111
Skyline Terrace Nursing Home	111
Food Lion	110
Shenandoah County	93

**DEMOGRAPHICS**

	1-Miles	3-Miles	5-Miles
2018 Estimate Pop	2,052	7,719	12,791
2010 Census Pop	2,010	7,526	12,451
2018 Estimate HH	889	3,167	5,180
2010 Census HH	859	3,047	4,980
Median HH Income	\$55,582	\$55,352	\$56,941
Per Capita Income	\$31,531	\$30,047	\$29,591
Average HH Income	\$71,416	\$72,039	\$72,300

## INVESTMENT OVERVIEW

### LOCATION

Marcus & Millichap's National Hospitality Group, as an exclusive representative of the seller, is pleased to present for sale to qualified investors the Econo Lodge of Woodstock, Virginia. The subject property is a 40-room exterior corridor asset centrally located off US Highway 81 between Harrisonburg and Winchester. The site is located on Woodstock's Main Street and is visible to 7,859 VPD. The property, built in 1953, sits on a 3.27-acre parcel and is the only budget hotel within an 11-mile radius, with the next-closest budget hotel being in Mt. Jackson. This Econo Lodge is 21.6 miles from Luray Caverns and sees significant seasonal increases in ADR and occupancy as a result of this attraction. The property is among a total of four hotels in Woodstock, including Hampton Inn & Suites, Holiday Inn Express, and Comfort Inn. This allows the subject property to surge well beyond the average occupancy for similar properties in Virginia and its competitive set, as the hotels in the immediate vicinity do not share a similar clientele and therefore do not compete for guests.

### OPPORTUNITY

The property is available below replacement cost at \$2,275,000 or \$56,875 per key. Operationally, the property consistently outpaces its comparable set in occupancy penetration achieving 126%, 141%, and 129% indexes in 2016, 2017, and 2018, respectively. Similarly, the property consistently outperforms its comparable set in RevPAR penetration, achieving 108%, 117%, and 107% indexes in 2016, 2017, and 2018, respectively. Despite the property's incredible performance, there is still headroom for a new owner to increase returns as the current ownership only utilizes 39 rooms. In its STR Report, the property shows 40 total rooms, all of which will be delivered in rentable condition. The 40th room is currently being used for storage by ownership but is fully furnished and in excellent condition. Additionally, ownership has currently designated two extra suites, the 41st and 42nd rooms, for management and housekeeping. These suites can be converted into an additional two rentable rooms upon furnishing. There is a restaurant site on the property with a tenant who is prepared to sign a brand new 5-year lease upon new ownership taking over.

### FEATURES

The property features several amenities including a fully-operational pool, storage facilities, 24-hour front desk service, a breakfast room with complimentary continental breakfast, guest laundry facilities, and vending. A restaurant currently on a five-year lease serves breakfast, lunch, and dinner on-site. Each of the 40 deliverable rooms include hair dryers, refrigerators, and microwaves. The two additional rooms for management are significantly larger and include kitchenettes. The property also includes an owner's two-story, 3-bed/2-bath living quarters with a living room, dining room, full kitchen, walk-in closets.

## INVESTMENT HIGHLIGHTS

- Owner's Apartment On-Site
- Only Budget Hotel within 11-Mile Radius
- Consistently Outperforms the Competitive Set
- Leased Restaurant On-Site
- Breakfast Area with Complimentary Continental Breakfast
- Proximity to Luray Caverns
- Upside Available by Converting Extra Rooms



PROPERTY OVERVIEW



PROPERTY OVERVIEW



**PROPERTY SUMMARY**

THE OFFERING

Property	ECONO LODGE WOODSTOCK
Price	\$2,275,000
Property Address	1290 S Main St, Woodstock, VA

SITE DESCRIPTION

Number of Rooms	40
Year Built/Renovated	1953
Ownership Type	Fee Simple
Lot Size	3.27 acre(s)

PROPOSED FINANCING

**FIRST TRUST DEED**

Loan Amount	\$1,916,000
Loan Type	Proposed New
Interest Rate	6.75%
Amortization	25 Years
Loan Term	25 Years
Loan to Value	84%
Debt Coverage Ratio	1.31



# FINANCIAL ANALYSIS



STR # 29232 / Created July 18, 2019



# Monthly STAR Report : Econo Lodge Woodstock

For the Month of: June 2019

Currency: US Dollar / Competitive Set Data Excludes Subject Property

Table Of Contents	1
Monthly Performance at a Glance	2
STAR Summary	3
Competitive Set Report	4
Response Report	5
Day of Week & Weekday/Weekend	6
Daily Data for the Month	7
Help	8

735 East Main Street, Hendersonville, TN 37075 USA  
T : +1 615 824 8664  
support@str.com www.str.com

Blue Fin Building, 110 Southwark Street, London SE1 0TA  
T : +44 (0)20 7922 1930  
info@strglobal.com www.str.com

STR # 29232 ChainID: VA671 MgtCo: None Owner: None

For the Month of: June 2019 Date Created: July 18, 2019 Monthly Competitive Set Data Excludes Subject Property

June 2019

	Occupancy (%)			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	59.1	55.5	106.6	65.18	67.81	96.1	38.54	37.61	102.5
Year To Date	46.4	38.9	119.2	54.57	62.77	86.9	25.31	24.42	103.6
Running 3 Month	53.6	50.2	106.8	59.03	66.85	88.3	31.63	33.53	94.3
Running 12 Month	53.8	42.6	126.1	54.75	64.52	84.9	29.44	27.50	107.0

June 2019 vs. 2018 Percent Change (%)

	Occupancy			ADR			RevPAR		
	My Prop	Comp Set	Index (MPI)	My Prop	Comp Set	Index (ARI)	My Prop	Comp Set	Index (RGI)
Current Month	-3.5	-0.9	-2.7	9.3	-1.4	10.9	5.5	-2.3	7.9
Year To Date	-4.9	-3.9	-1.0	4.8	-0.5	5.3	-0.4	-4.5	4.3
Running 3 Month	-13.3	-2.0	-11.5	7.6	-1.4	9.1	-6.8	-3.4	-3.5
Running 12 Month	1.8	-1.0	2.9	-2.1	-2.8	0.7	-0.4	-3.8	3.6

The STR STAR Report is a publication of STR, Inc. and STR Global, Ltd., and is intended solely for use by paid subscribers. Reproduction or distribution of the STR STAR Report, in whole or part, without written permission is prohibited and subject to legal action. If you have received this report and are NOT a subscriber to the STR STAR Report, please contact us immediately. Source: 2019 STR, Inc. / STR Global, Ltd. trading as "STR".

Subject Property	2016	2017	2018	TTM June 2019	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy		50.80%	59.40%	55.6%	57.27%	58.41%	59.00%	59.59%	60.18%
% Change			16.93%	-6.40%	3.00%	2.00%	1.00%	1.00%	1.00%
Occupancy Penetration		126%	141%	129%	132%	133%	133%	133%	133%
Average Daily Rate		\$58.69	\$56.23	\$53.81	\$60.27	\$63.28	\$65.18	\$66.48	\$67.15
% Change			-4.19%	-4.30%	12.00%	5.00%	3.00%	2.00%	1.00%
ADR Penetration		86%	83%	83%	90%	93%	95%	96%	96%
RevPAR		\$29.81	\$33.40	\$29.92	\$34.51	\$36.96	\$38.45	\$39.62	\$40.41
% Change			12.03%	-10.43%		7.10%	4.03%	3.02%	2.01%
Rev PAR Penetration		108%	117%	107%	119%	124%	126%	127%	127%

Competitive Set	2016	2017	2018	TTM June 2019	Year 1	Year 2	Year 3	Year 4	Year 5
Occupancy		40.40%	42.20%	43.10%	43.53%	43.97%	44.41%	44.85%	45.30%
% Change			4.46%	2.13%	1.00%	1.00%	1.00%	1.00%	1.00%
Average Daily Rate		\$68.48	\$67.93	\$64.72	\$66.66	\$67.99	\$68.67	\$69.36	\$70.06
% Change			-0.80%	-4.73%	3.00%	2.00%	1.00%	1.00%	1.00%
Rev PAR		\$27.67	\$28.67	\$27.89	\$29.02	\$29.89	\$30.50	\$31.11	\$31.73
% Change			3.62%	-2.69%		3.02%	2.01%	2.01%	2.01%

STR#	Name	City, State	Zip	Phone	Rooms	Open Date
29232	Econo Lodge Woodstock	Woodstock, VA	22664-1023	(540) 459-4086	40	195508
3725	Motel 6 MT Jackson - Shenandoah	Mount Jackson, VA	22842-2412	(540) 477-2911	94	197308
13400	Quality Inn Luray	Luray, VA	22835-1025	(540) 743-6511	40	198508
18852	Days Inn New Market Battlefield	New Market, VA	22844-9500	(540) 740-4100	80	198905
28505	Super 8 Front Royal	Front Royal, VA	22630-2221	(540) 836-4888	63	199104
					317	

2017					2018					2019														
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Data received:  
 ○ = Monthly Only  
 ● = Monthly & Daily

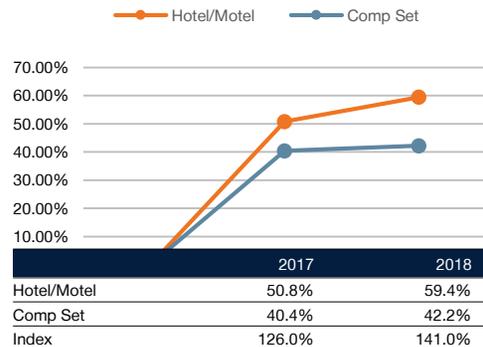
**COMPETITIVE SET PERFORMANCE**

The table below summarizes the occupancy, ADR, and RevPAR for the ECONO LODGE WOODSTOCK and its defined competitive set for the 2016 - 2017 periods.

OCCUPANCY, ADR & RevPAR									
ECONO LODGE WOODSTOCK									
Year	Occupancy			ADR			RevPAR		
	Hotel/Motel	Comp Set	Penet.	Hotel/Motel	Comp Set	Penet	Hotel/Motel	Comp Set	Penet
2017	50.8%	40.4%	126.0%	\$58.69	\$68.48	86.0%	\$29.81	\$27.67	108.0%
2018	59.4%	42.2%	141.0%	\$56.23	\$67.93	83.0%	\$33.40	\$28.67	117.0%
% Change	16.9%	4.5%		-4.2%	-0.8%		12.0%	3.6%	

Source: Smith Travel Research

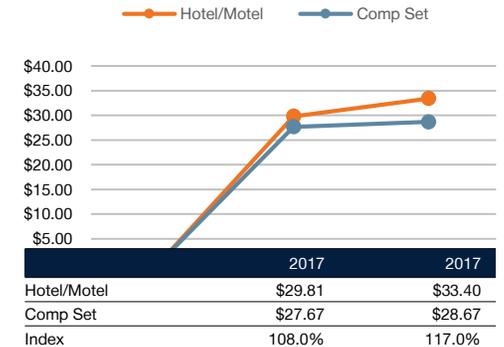
**Occupancy Comparison**



**ADR Comparison**



**RevPAR Comparison**



## HISTORICAL P&amp;L + CAPITAL EXPENDITURES

	2016		2017		2018		TTM June 2019	
Rooms	40		40		40		40	
Available Rooms	14,600		14,600		14,600		14,600	
Rooms Sold			7,417		8,672		8,118	
Occupancy			50.8%		59.4%		55.6%	
ADR			\$58.69		\$56.23		\$53.81	
RevPAR			\$29.81		\$33.40		\$29.92	
Revenue/Room	\$12,678		\$14,929		\$13,581		\$13,619	
<b>Income</b>								
Room Revenue	\$480,705	94.8%	\$563,645	94.4%	500,214	92.1%	\$501,143	92.0%
Restaurant Lease	\$18,000	3.5%	\$18,000	3.0%	18,000	3.3%	\$18,000	3.3%
Other Income	\$8,398	1.7%	\$15,518	2.6%	25,035	4.6%	\$25,631	4.7%
<b>Total Revenue</b>	\$507,104	100.0%	\$597,163	100.0%	\$543,250	100.0%	\$544,774	100.0%

## RECENT IMPROVEMENTS

- 2013: New Roof on Hotel and Restaurant
- 2016: New Commercial Washing Machine
- 2016: New Commercial Boiler
- 2017: New PTAC Units in All Rooms
- 2018: New LVT Flooring in All Rooms
- 2018: New Econo Lodge Artwork in All Rooms
- 2019: LED Back-lit Econo Lodge Sign with 10-Year Warrant



\*Other income describes lease revenue from the restaurant. The tenant is prepared to sign a brand new 5-year lease upon new ownership taking over.

## HISTORICAL P&amp;L

	2016		2017		2018		TTM June 2019	
<b>Departmental Expenses</b>								
Rooms	\$83,532	16.5%	\$91,993	15.4%	\$132,308	24.4%	\$135,402	24.9%
Food & Beverage	\$8,853	1.7%	\$9,406	1.6%	\$13,168	2.4%	\$11,979	2.2%
<b>Total Departmental Expenses</b>	<b>\$92,385</b>	<b>18.2%</b>	<b>\$101,398</b>	<b>17.0%</b>	<b>\$145,476</b>	<b>26.8%</b>	<b>\$147,381</b>	<b>27.1%</b>
<b>Gross Operating Income</b>	<b>\$414,719</b>	<b>81.8%</b>	<b>\$495,765</b>	<b>83.0%</b>	<b>\$397,774</b>	<b>73.2%</b>	<b>\$397,393</b>	<b>72.9%</b>
<b>Undistributed Operating Expenses</b>								
Administration & General	\$19,478	3.8%	\$27,879	4.7%	\$28,575	5.3%	\$26,164	4.8%
Marketing	\$5,325	1.1%	\$7,455	1.2%	\$5,050	0.9%	\$6,340	1.2%
Franchise Fees	\$33,045	6.5%	\$59,920	10.0%	\$41,653	7.7%	\$41,385	7.6%
Utility Costs	\$59,372	11.7%	\$57,851	9.7%	\$70,231	12.9%	\$65,125	12.0%
Property Operations & Maintenance	\$51,498	10.2%	\$7,407	1.2%	\$14,704	2.7%	\$9,123	1.7%
<b>Total Undistributed Operating Expenses</b>	<b>\$168,717</b>	<b>33.3%</b>	<b>\$160,511</b>	<b>26.9%</b>	<b>\$160,213</b>	<b>29.5%</b>	<b>\$148,137</b>	<b>27.2%</b>
<b>Gross Operating Profit</b>	<b>\$246,001</b>	<b>48.5%</b>	<b>\$335,253</b>	<b>56.1%</b>	<b>\$237,561</b>	<b>43.7%</b>	<b>\$249,256</b>	<b>45.8%</b>
<b>Fixed Expenses</b>								
Property Taxes	\$22,388	4.4%	\$19,768	3.3%	\$22,131	4.1%	\$18,153	3.3%
Insurance	\$12,498	2.5%	\$22,701	3.8%	\$22,701	4.2%	\$22,701	4.2%
<b>Total Fixed Charges</b>	<b>\$34,886</b>	<b>6.9%</b>	<b>\$42,469</b>	<b>7.1%</b>	<b>\$44,832</b>	<b>8.3%</b>	<b>\$40,854</b>	<b>7.5%</b>
<b>Total Expenses</b>	<b>\$295,988</b>	<b>58.4%</b>	<b>\$304,379</b>	<b>51.0%</b>	<b>\$350,521</b>	<b>64.5%</b>	<b>\$336,371</b>	<b>61.7%</b>
<b>Amount Available for Debt Service &amp; Other Fixed Charges</b>	<b>\$211,116</b>	<b>41.6%</b>	<b>\$292,784</b>	<b>49.0%</b>	<b>\$192,729</b>	<b>35.5%</b>	<b>\$208,403</b>	<b>38.3%</b>
<b>Net Operating Income (EBITDA)</b>	<b>\$211,116</b>	<b>41.6%</b>	<b>\$292,784</b>	<b>49.0%</b>	<b>\$192,729</b>	<b>35.5%</b>	<b>\$208,403</b>	<b>38.3%</b>

## 5 YEAR PRO FORMA

Pro Forma	TTM June 2019		Year 1		Year 2		Year 3		Year 4		Year 5	
Rooms	40		40		40		40		40		40	
Available Rooms	14,600		14,600		14,600		14,600		14,600		14,600	
Rooms Sold	8,118		8,361		8,528		8,614		8,700		8,787	
Occupancy	55.6%		57.3%		58.4%		59.0%		59.6%		60.2%	
ADR	\$53.81		\$60.27		\$63.28		\$65.18		\$66.48		\$67.15	
RevPAR	\$29.92		\$34.51		\$36.96		\$38.45		\$39.62		\$40.41	
Revenue/Room	\$13,619		\$13,716		\$14,634		\$15,198		\$15,643		\$15,956	
<b>Income</b>												
Room Revenue	\$501,143	92.0%	\$503,902	91.8%	\$539,679	92.2%	\$561,428	92.4%	\$578,383	92.4%	\$590,008	92.4%
Restaurant Lease	\$18,000	3.3%	\$19,096	3.5%	\$20,062	3.4%	\$20,871	3.4%	\$21,712	3.5%	\$22,587	3.5%
Other Income	\$25,631	4.7%	\$25,632	4.7%	\$25,632	4.4%	\$25,632	4.2%	\$25,632	4.1%	\$25,632	4.0%
<b>Total Revenue</b>	<b>\$544,774</b>	<b>100.0%</b>	<b>\$548,630</b>	<b>100.0%</b>	<b>\$585,373</b>	<b>100.0%</b>	<b>\$607,931</b>	<b>100.0%</b>	<b>\$625,727</b>	<b>100.0%</b>	<b>\$638,228</b>	<b>100.0%</b>

\*Additional revenue can be generated by converting the extra two management & housekeeping rooms into guest rooms. This was not factored in pro-forma.

## 5 YEAR PRO FORMA

Departmental Expenses	TTM June 2019		Year 1		Year 2		Year 3		Year 4		Year 5	
Rooms	\$135,402	24.9%	\$83,611	15.2%	\$86,989	14.9%	\$89,616	14.7%	\$92,323	14.8%	\$95,111	14.9%
Food & Beverage	\$11,979	2.2%	\$13,796	2.5%	\$14,353	2.5%	\$14,787	2.4%	\$15,233	2.4%	\$15,693	2.5%
<b>Total Departmental Expenses</b>	\$147,381	27.1%	\$97,407	17.8%	\$101,342	17.3%	\$104,403	17.2%	\$107,556	17.2%	\$110,804	17.4%
<b>Gross Operating Income</b>	\$397,393	72.9%	\$451,223	82.2%	\$484,031	82.7%	\$503,528	82.8%	\$518,171	82.8%	\$527,423	82.6%
<b>Undistributed Operating Expenses</b>												
Administration & General	\$26,164	4.8%	\$30,000	5.5%	\$30,600	5.2%	\$31,212	5.1%	\$31,836	5.1%	\$32,473	5.1%
Marketing	\$6,340	1.2%	\$6,000	1.1%	\$6,000	1.0%	\$6,000	1.0%	\$6,000	1.0%	\$6,000	0.9%
Franchise Fees	\$41,385	7.6%	\$50,390	9.2%	\$53,968	9.2%	\$56,143	9.2%	\$57,838	9.2%	\$59,001	9.2%
Utility Costs	\$65,125	12.0%	\$71,070	13.0%	\$73,941	12.6%	\$76,174	12.5%	\$78,474	12.5%	\$80,844	12.7%
Property Operations & Maintenance	\$9,123	1.7%	\$15,468	2.8%	\$16,093	2.7%	\$16,579	2.7%	\$17,080	2.7%	\$17,595	2.8%
<b>Total Undistributed Operating Expenses</b>	\$148,137	27.2%	\$172,928	31.5%	\$180,602	30.9%	\$186,108	30.6%	\$191,228	30.6%	\$195,913	30.7%
<b>Gross Operating Profit</b>	\$249,256	45.8%	\$278,295	50.7%	\$303,429	51.8%	\$317,420	52.2%	\$326,943	52.3%	\$331,510	51.9%
<b>Fixed Expenses</b>												
Property Taxes	\$18,153	3.3%	\$24,000	4.4%	\$24,480	4.2%	\$24,970	4.1%	\$25,469	4.1%	\$25,978	4.1%
Insurance	\$22,701	4.2%	\$22,704	4.1%	\$22,704	3.9%	\$22,704	3.7%	\$22,704	3.6%	\$22,704	3.6%
<b>Total Fixed Charges</b>	\$40,854	7.5%	\$46,704	8.5%	\$47,184	8.1%	\$47,674	7.8%	\$48,173	7.7%	\$48,682	7.6%
<b>Total Expenses</b>	\$336,371	61.7%	\$317,039	57.8%	\$329,128	56.2%	\$338,184	55.6%	\$346,957	55.4%	\$355,400	55.7%
<b>Amount Available for Debt Service &amp; Other Fixed Charges</b>	\$208,403	38.3%	\$231,591	42.2%	\$256,245	43.8%	\$269,747	44.4%	\$278,770	44.6%	\$282,828	44.3%
<b>Net Operating Income (EBITDA)</b>	\$208,403	38.3%	\$231,591	42.2%	\$256,245	43.8%	\$269,747	44.4%	\$278,770	44.6%	\$282,828	44.3%

## 5 YEAR RETURN

<b>Development/Acquisition Costs - Sources/Uses</b>						
	Amount	Per Key	% of Total	Cap Rate		
Base Price	\$2,275,000	\$56,875	95.0%	9.16%		
Initial PIP Estimate	\$40,000	\$1,000	1.7%			
Initial Franchise Fee Estimate	\$25,000	\$625	1.0%			
Estimated Closing Cost	\$45,000	\$1,125	1.9%			
Contingency	\$10,000	\$250	0.4%			
<b>Total</b>	<b>\$2,395,000</b>	<b>\$59,875</b>		<b>8.70%</b>		<b>4.78</b>

<b>Operating Cash Flow Summary</b>							
	<i>Year Ending</i>	Year Ending	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024
		Current	Year 1	Year 2	Year 3	Year 4	Year 5
Net Operating Income		\$208,403	\$231,591	\$256,245	\$269,747	\$278,770	\$282,828
Debt							
Primary Loan		\$0	(\$158,854)	(\$158,854)	(\$158,854)	(\$158,854)	(\$158,854)
Refinancing		\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Costs		\$0	\$0	\$0	\$0	\$0	\$0
Net Cash Flow After Debt Financing		\$208,403	\$72,737	\$97,391	\$110,892	\$119,915	\$123,973
Debt Service Coverage Ratio		1.31	1.46	1.61	1.70	1.75	1.78
Terminal Cap Rate							
Disposition Cost							

<b>Overall Project Return Summary</b>							
	<i>Year Ending</i>	Jul-2019	Jul-2020	Jul-2021	Jul-2022	Jul-2023	Jul-2024
		Current	Year 1	Year 2	Year 3	Year 4	Year 5
Initial Equity		(\$479,000)					
Cash Flow Before Debt Service			\$231,591	\$256,245	\$269,747	\$278,770	\$282,828
Cash Flow After Debt Service			\$72,737	\$97,391	\$110,892	\$119,915	\$123,973
Gross Selling Price							\$2,391,205
Less: Primary Loan (Balloon)							(\$1,780,855)
Less: Refinanced Loan (Balloon)							\$0
Less: Disposition Cost							(\$119,560)
Unlevered Return		(\$2,275,000)	\$231,591	\$256,245	\$269,747	\$278,770	\$2,554,472
Levered Return		(\$479,000)	\$72,737	\$97,391	\$110,892	\$119,915	\$614,763
Unlevered Annual Cash-on-Cash Return			10.18%	11.26%	11.86%	12.25%	12.43%
Levered Annual Cash-on-Cash Return			15.19%	20.33%	23.15%	25.03%	25.88%
<b>Levered IRR</b>		<b>21.22%</b>					
<b>Unlevered IRR</b>		<b>11.45%</b>					

# MARKET COMPARABLES

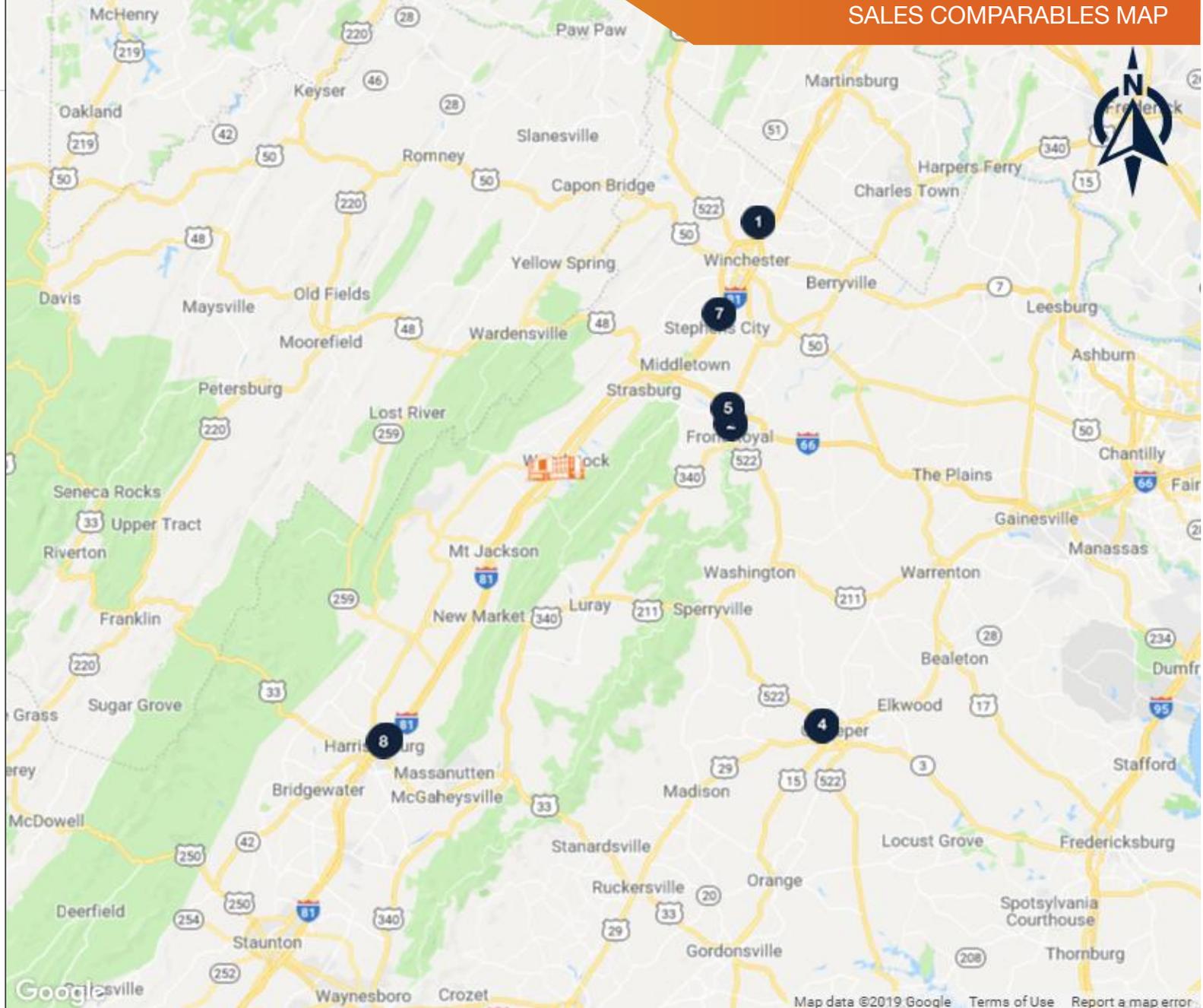




## ECONO LODGE WOODSTOCK (SUBJECT)

- 1 Econo Lodge Winchester North
- 2 Super 8 Front Royal
- 3 Quality Inn Culpeper
- 4 Best Western Culpeper
- 5 Cool Harbor Motel
- 6 Howard Johnson Harrisonburg
- 7 Quality Inn Stephens City
- 8 Quality Inn Harrisonburg

## SALES COMPARABLES MAP



**COMPARABLE SALE SPOTLIGHT**  
ECONO LODGE WOODSTOCK



VITAL DATA

			CURRENT	YEAR 1
Price	\$2,275,000	CAP Rate	8.7%	10.18%
Price/Room	\$56,875	Net Operating Income	\$208,403	\$231,591
Year Built	1953	Net Cash Flow After Debt Service	10.89%	15.99%
Lot Size	3.27 acre(s)	Total Return	17.58%	22.68%

SIMILAR DEALS:

Econo Lodge Winchester	\$2,600,000
Motel 6 Front Royal	\$2,600,000
Quality Inn Culpeper	\$2,585,000
Best Western Culpeper	\$5,000,000
Super 8 Front Royal	\$1,950,100
Howard Johnson Harrisonburg	\$3,250,000
Quality Inn Stephens City	\$2,600,000
Quality Inn Harrisonburg	\$4,425,000

## COMPARABLE SALE SPOTLIGHT

### ECONO LODGE WINCHESTER NORTH

1593 Martinsburg Pike, Winchester, VA, 22603



### MOTEL 6 FRONT ROYAL

141 W 15th St, Front Royal, VA, 22630



Close of Escrow	8/1/2018	RRM:	4.2
-----------------	----------	------	-----

Sales Price	\$2,600,000		
-------------	-------------	--	--

Price/Room	\$52,000		
------------	----------	--	--

Total No. of Rooms	50		
--------------------	----	--	--

Year Built	1987		
------------	------	--	--

On-Market	8/1/2019		
-----------	----------	--	--

Price:	2,600,000		
--------	-----------	--	--

Price/Room	\$41,935		
------------	----------	--	--

Total No. of Rooms	62		
--------------------	----	--	--

Year Built	1956		
------------	------	--	--

**QUALITY INN CULPEPER**

890 Willis Ln, Culpeper, VA, 22701



Close of Escrow	11/9/2017	
Sales Price	\$2,585,000	
Price/Room	\$52,755	
Total No. of Rooms	49	
Year Built / Renovated	1987	

**BEST WESTERN CULPEPER**

791 Madison Rd, Culpeper, VA, 22701



Close of Escrow	9/19/2017	
Sales Price	\$5,000,000	
Price/Room	\$31,447	
Total No. of Rooms	159	
Year Built / Renovated	1978	

**SUPER 8 FRONT ROYAL**

111 South St, Front Royal, VA, 22630-2221



Close of Escrow	9/21/2017	
Sales Price	\$1,950,100	
Price/Room	\$30,954	
Total No. of Rooms	63	
Year Built / Renovated	1991	

**HOWARD JOHNSON HARRISONBURG**

10 Linda Ln, Harrisonburg, VA, 22802



Close of Escrow	3/8/2019		
Sales Price	\$3,250,000		
Price/Room	\$28,761		
Total No. of Rooms	113		
Year Built / Renovated	1986		

**QUALITY INN STEPHENS CITY**

167 Town Run Lane, Stephens City, VA, 22655



Close of Escrow	5/27/2017		
Sales Price	\$2,600,000		
Price/Room	\$43,333		
Total No. of Rooms	60		
Year Built / Renovated	1987		

**QUALITY INN HARRISONBURG**

1881 Evelyn Byrd Ave, Harrisonburg, VA, 22801



Close of Escrow	1/27/2017		
Sales Price	\$4,425,000		
Price/Room	\$66,045		
Total No. of Rooms	67		
Year Built / Renovated	2007		

As of August 2019

POPULATION	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Population	2,268	8,237	13,557
■ 2018 Estimate			
Total Population	2,052	7,719	12,791
■ 2010 Census			
Total Population	2,010	7,526	12,451
■ 2000 Census			
Total Population	1,547	6,379	10,767
■ Daytime Population			
2018 Estimate	3,651	9,593	13,061
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2023 Projection			
Total Households	996	3,426	5,566
■ 2018 Estimate			
Total Households	889	3,167	5,180
Average (Mean) Household Size	2.32	2.35	2.39
■ 2010 Census			
Total Households	859	3,047	4,980
■ 2000 Census			
Total Households	653	2,600	4,317
HOUSING UNITS	1 Miles	3 Miles	5 Miles
■ Occupied Units			
2023 Projection	996	3,426	5,566
2018 Estimate	983	3,552	5,828

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2018 Estimate			
\$200,000 or More	2.59%	3.37%	2.75%
\$150,000 - \$199,000	2.71%	2.86%	3.77%
\$100,000 - \$149,000	16.45%	13.35%	13.74%
\$75,000 - \$99,999	12.26%	13.05%	13.73%
\$50,000 - \$74,999	22.51%	22.60%	23.05%
\$35,000 - \$49,999	12.20%	13.28%	12.51%
\$25,000 - \$34,999	9.27%	9.93%	10.33%
\$15,000 - \$24,999	9.71%	9.72%	9.58%
Under \$15,000	12.30%	11.83%	10.56%
Average Household Income	\$71,416	\$72,039	\$72,300
Median Household Income	\$55,582	\$55,352	\$56,941
Per Capita Income	\$31,531	\$30,047	\$29,591



**Housing**

The median housing value in your area was \$245,048 in 2018, compare this to the US average of \$201,842. In 2000, there were 430 owner occupied housing units in your area and there were 223 renter occupied housing units in your area. The median rent at the time was \$385.



**Race and Ethnicity**

The current year racial makeup of your selected area is as follows: 84.30% White, 2.86% Black, 0.08% Native American and 1.60% Asian/Pacific Islander. Compare these to US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 17.98% of the current year population in your selected area. Compare this to the US average of 18.01%.



**Income**

In 2018, the median household income for your selected geography is \$55,582, compare this to the US average which is currently \$58,754. The median household income for your area has changed by 52.15% since 2000. It is estimated that the median household income in your area will be \$65,229 five years from now, which represents a change of 17.36% from the current year.

The current year per capita income in your area is \$31,531, compare this to the US average, which is \$32,356. The current year average household income in your area is \$71,416, compare this to the US average which is \$84,609.

Source: © 2018 Experian

