

# Holiday Inn Express Grover Beach



Holiday Inn Express  
775 N. Oak Park Blvd.  
Grover Beach, CA

Confidential Offering Memorandum

*Prepared By:*



**PASSPORT**  
Advisory Group



## Grover Beach, California

**PASSPORT Advisory Group** is pleased to offer, on an exclusive basis, the sale of the Holiday Inn Express in Grover Beach, California. Being offered unencumbered by management, the 78-guestroom Hotel opened in 1988.

### **Strong Revenues and Cash Flows**

The Hotel has historically produced strong and consistent room revenues, with the Hotel generating over \$1.8M in annual room revenues over the past four years. The Hotel reported NOI of roughly \$630k in 2008, \$575k in 2009, and \$572k in 2010. Given the recent rebound amongst the competitive set and continued strengthening in the Grover Beach/Pismo Beach lodging market, a new owner would seek to surpass these levels.

### **Assumable Financing**

Assumable financing is available for qualified investors with approximately \$6.7M in debt in place.

### **Potential Upside**

Through the Year End (YE) 2011 period, the Hotel penetration levels decreased 8.8% while is competitive set increase 10.6% over the same period, indicating significant revenue enhancement opportunities for a new owner.

### **Renovated and Well-Maintained Asset**

The Hotel recently completed over a \$1 million dollar Holiday Inn Express relaunch and renovation to all guestrooms, pool, lobby and added a second elevator. The Properties guestrooms are oversized and features new carpeting, drapes, bedding, and shades. In addition to updated bathrooms, and new guestroom entry lighting. The property was recently relaunched in the IHG franchise system. A new investor could leverage the Property's recent renovation to aggressively drive revenues.

### **Highly Motivated Seller**

Being offered as an all-cash sale by the owner, potential buyers are presented with a tremendous opportunity to take control of this cash flowing asset with the seller highly motivated to sell.

### **Superior Branding**

As of June 30, 2011, Intercontinental Hotel Group (IHG) is the world's largest hotel group with over 4,400 hotels containing over 656,000 rooms. The Holiday Inn Express brand is largest of IHG's seven brands internationally and benefits from the IHG loyalty program, Priority Club Rewards, which is the largest in the hotel industry, has close to 60 million members worldwide.

### Property Features

<b>Address</b>	775 N. Oak Park Blvd., Grover Beach, CA 93433
<b>County</b>	San Luis Obispo County
<b>Listing Price</b>	\$8,450,000
<b>Price Per Room</b>	\$108,333
<b>Year Built</b>	1988
<b>Ownership Interest</b>	Fee-Simple
<b>Parcel No.</b>	060-931-025
<b>Franchise</b>	Intercontinental Hotels Group ("IHG")
<b>Management</b>	The Hotel is being sold unencumbered by management
<b>Site Area</b>	3.08± acres (134,165 SF)
<b>No of Rooms</b>	78 - (34 Rooms in Chablis building, 44 rooms in the Zinfandel building)
<b>Floors/Layout</b>	Three-3 Story interior corridor buildings (Chablis, Zinfandel and the Administration Building)

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