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PROPERTY OVERVIEW



INVESTMENT HIGHLIGHTS

Mitchell Glasson and Ryan Kawai Sanchez of Matthews Real Estate Investment Services™ are pleased to exclusively present the opportunity to acquire the fee-simple interest in the 104-key Days Inn & Suites by Wyndham Needles, located at 1215 Hospitality Ln, Needles, CA 92363.

- **Ongoing Renovation & Refresh** - Since the owner's acquisition, over \$300,000 has been invested into the property, including new furniture, bathroom vanity lights and illuminated mirrors, exterior lights, and vinyl flooring in 40 of the rooms.
- **Strong Brand Recognition** - Days Inn & Suites is a well-recognized and respected brand within the Wyndham Hotels & Resorts portfolio, which will attract a loyal customer base and caters to the significant demand from blue-collar workers and interstate travelers in Needles, CA.
- **Potential for Operational Improvement** - A new operator could improve the current operations by completing the renovations and improving on STR comp set penetration.
- **Proximity to Major Demand Drivers** - Days Inn & Suites is within close proximity to the Colorado River, along with popular destinations such as Laka Havasu, Laughlin, and Bullhead City. Additionally, Needles serves as a strategic location for transportation and logistics, with demand for services and infrastructure related to trucking and freight.
- **Economies of Scale** - An operator within the STR Market can scale their existing management network and sales team to improve upon the Running 12 Month RevPAR compared to the Comp Set.
- **No New Supply in Pipeline**



PROPERTY INFORMATION

PROPERTY OVERVIEW

| | |
|---------------------------|---------------------------|
| Property Name | Days Inn & Suites Needles |
| Total Keys | 104 |
| Address | 1215 Hospitality Ln |
| City, ST | Needles, CA |
| Year Built/Year Remodeled | 1985/2023 |
| Building Size (SF) | ±36,762 SF |
| Lot Size (AC) | ±2.50 AC |
| Daily Traffic Counts | ±17,275 VPD |
| 5-Mile Population | ±11,711 |
| 5-Mile Household Income | \$62,822 |

DAYS INN & SUITES, CA

| | |
|---------------------|----------------------------------|
| Brand | Days Inn |
| Hotel Location Type | Interstate |
| Market Name | Inland Empire |
| Submarket Name | San Bernardino Surrounding |
| Flag | Wyndham Hotels & Resorts |
| Class | Economy |
| Corridor | Exterior |
| Number of Buildings | One (1) |
| Stories | Two (2) |
| Amenities | Pool, On-Site Laundry, Free WiFi |
| Demand Drivers | Interstate & Local Travel |





02

AREA OVERVIEW

AREA OVERVIEW

SAN BERNARDINO SURROUNDING PERFORMANCE, HOTEL SALES, & HOTEL EXPANSION

| | |
|--|--------------------|
| Economy Occupancy | 51.50% |
| Economy ADR | \$82.63 |
| Economy RevPAR | \$42.54 |
| Hotel Transactions | 3 |
| Average Price Per Hotel | \$5,400,000 |
| Price Per Key | \$96,700 |
| Cap Rate | 7.70% |
| Number of Hotels in Submarket | 181 |
| Average Rooms Per Hotel in Submarket | 51 |
| Number of Rooms in Submarket | 9,215 |
| Under Construction Hotels in Submarket | 3 |
| Under Construction Rooms in Submarket | 183 (2% Expansion) |



Hospitality Submarket Overview

The San Bernardino Surrounding submarket comprises 9,200 hotel rooms spread across 181 properties. San Bernardino Surrounding is characterized by smaller hotels, with an average property size of 51 rooms. That's even lower than the 73 room per building market average, and easily below the national norm of about 90 rooms per building. In the past 12 months, occupancy has averaged 57.1%—a level not that far off the submarket's five year lows.

Twelve-month RevPAR is down sharply year-over-year, most recently by 9.8% as of August. That's an even steeper drop than the 5.7% decline in the market proving prospective purchasers a discounted opportunity to enter the market.

There are 183 rooms spread across a handful of projects under construction in the San Bernardino Surrounding submarket, representing a 2.0% expansion of the inventory. This marks a continuation of new development in the submarket: About 560 rooms delivered within the past three years, sufficient to drive a sizable percentage expansion of the existing inventory—even after factoring in a comparatively small amount of demolition activity.

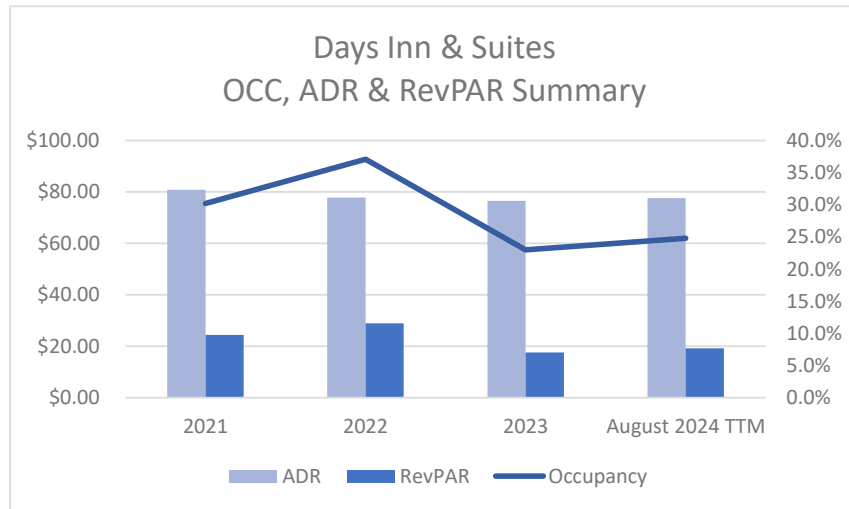
San Bernardino Surrounding is among the more actively traded US hotel submarkets. But deal volume over the past year— 5 trades—fell far short of what is typical in the area, consistent with a slowdown playing out nationally.



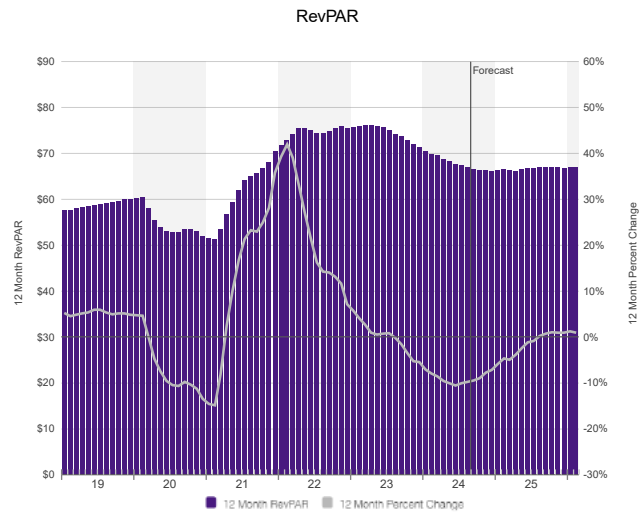
COMPETITIVE SET PERFORMANCE

COMP SET PERFORMANCE

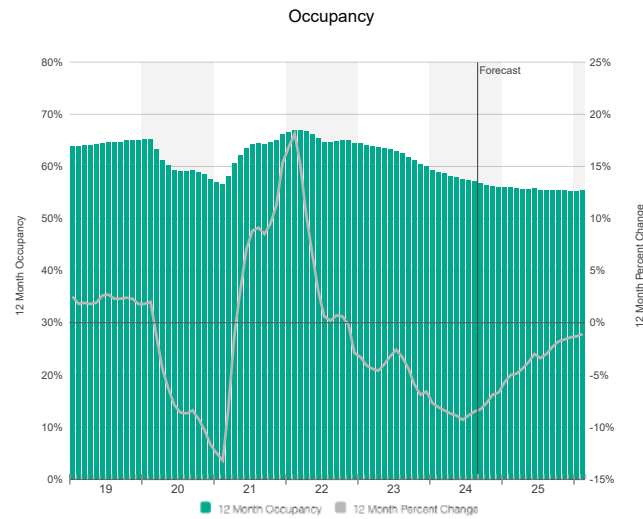
| Year | OCCUPANCY | | | | ADR | | | | REVPAR | | | |
|------------|-----------|----------|-----------|--------|----------|----------|-----------|--------|----------|----------|-----------|--------|
| | Days Inn | Comp Set | MPI Index | Rank | Days Inn | Comp Set | ARI Index | Rank | Days Inn | Comp Set | RGI Index | Rank |
| 2021 | 30.2% | 62.7% | 48.2 | 5 of 6 | \$80.88 | \$73.13 | 110.6 | 4 of 6 | \$24.45 | \$45.86 | 53.3 | 5 of 6 |
| 2022 | 37.1% | 62.0% | 59.9 | 4 of 6 | \$77.85 | \$73.99 | 105.2 | 3 of 6 | \$28.91 | \$45.87 | 63.0 | 4 of 6 |
| 2023 | 23.0% | 53.4% | 43.1 | 6 of 6 | \$76.55 | \$76.64 | 99.9 | 4 of 6 | \$17.64 | \$40.95 | 43.1 | 6 of 6 |
| August T12 | 24.8% | 50.0% | 49.6 | 5 of 6 | \$77.62 | \$77.59 | 100.1 | 4 of 6 | \$19.23 | \$38.76 | 49.6 | 4 of 6 |



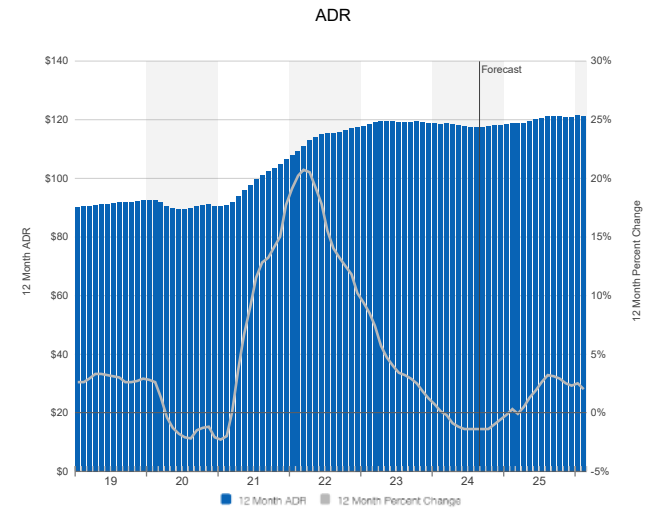
SUBMARKET OVERVIEW



**San Bernardino Submarket
Economy RevPAR**



**San Bernardino Submarket
Economy Occupancy**



**San Bernardino Submarket
Economy ADR**



MOJAVE NATIONAL PRESERVE
30 MILES AWAY

LAS VEGAS
111 MILES AWAY



NATIONAL OLD
TRAILS MONUMENT



NEEDLES HIGH SCHOOL
293 STUDENTS



± 17,275 VPD

SUBJECT PROPERTY

NEEDLES IS A MAJOR STOP ON INTERSTATE 40
AND HISTORIC ROUTE 66, MAKING IT AN IMPORTANT
WAYPOINT FOR TRAVELERS



NEEDLES, CA

Needles, California, is a small desert city located in San Bernardino County, near the California-Arizona border. Renowned for its extreme summer temperatures, which can reach well over 100°F, Needles offers a unique blend of natural beauty and historical significance. The city is situated along the Colorado River, providing recreational opportunities such as boating, fishing, and camping at nearby parks like the Needles Marina Park and Lake Havasu. Known for its role in the development of the Old Route 66, Needles has a rich history as a waypoint for travelers and a hub for the railroad industry. Highlights include the city’s charming retro vibe, celebrated annually with events like the Needles Rodeo and various community festivals that showcase local culture and history.

| DEMOGRAPHICS | | | |
|----------------------------|----------|----------|----------|
| POPULATION | 1-MILE | 3-MILE | 5-MILE |
| 2020 Population | 4,523 | 7,779 | 9,732 |
| 2024 Population | 5,084 | 9,488 | 11,711 |
| 2029 Population Projection | 5,273 | 10,210 | 12,662 |
| HOUSEHOLD | 1-MILE | 3-MILE | 5-MILE |
| 2020 Households | 1,877 | 3,152 | 3,905 |
| 2024 Households | 2,097 | 3,827 | 4,686 |
| 2029 Household Projection | 2,173 | 4,120 | 5,072 |
| INCOME | 1-MILE | 3-MILE | 5-MILE |
| Avg Household Income | \$59,250 | \$61,680 | \$62,822 |

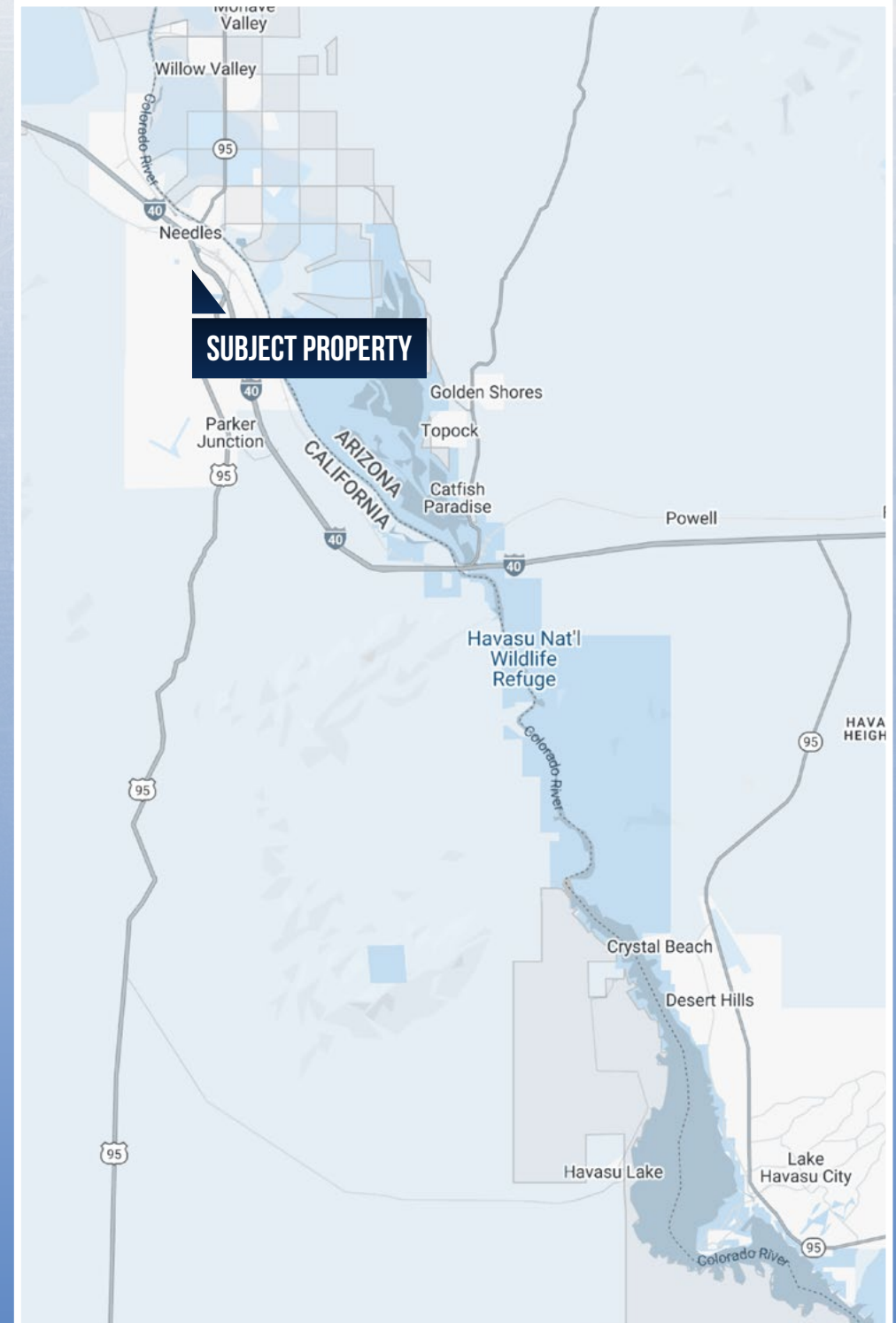
CORPORATE

Needles, California hosts a variety of corporate activities primarily centered around tourism and logistics, largely due to its location on historic Route 66. Major employers in the area include the local government, which provides a range of public services, and the hospitality sector, with establishments like the Riverside Resort Hotel and Casino playing a significant role in the local economy. Additionally, the Needles Unified School District serves as a key employer, supporting education and community development. Other businesses in retail and outdoor recreation also contribute to the city's economic landscape, fostering a unique blend of small enterprises and essential services.



TOURISM

Tourism in Needles, California, thrives on its picturesque setting along the Colorado River and its rich historical significance as a stop on Route 66. Visitors are drawn to outdoor activities such as boating, fishing, and hiking in the nearby Mojave Desert, making it a popular destination for nature enthusiasts. The city's proximity to attractions like the Colorado River and the surrounding natural beauty offers numerous recreational opportunities. Additionally, local events and festivals, combined with unique landmarks like the Route 66 Museum, enrich the tourist experience, inviting travelers to explore the charm of this small desert community. As tourism continues to grow, it plays a vital role in supporting the local economy and fostering a vibrant cultural scene.



HEALTHCARE

Healthcare in Needles, California, is primarily served by the Colorado River Medical Center, which provides essential medical services to the local community and surrounding areas. This facility offers a range of services, including emergency care, outpatient services, and various specialized treatments, ensuring that residents have access to quality healthcare close to home. Additionally, the presence of local clinics and healthcare providers enhances community health services, focusing on preventive care and wellness initiatives. While the city faces challenges related to its remote location and limited resources, ongoing efforts aim to improve healthcare access and enhance the overall well-being of its residents, contributing to a healthier, more vibrant community.

TRANSPORTATION

The main transportation in Needles, California, primarily revolves around roadways, with Interstate 40 being the key thoroughfare that connects the city to larger urban areas and facilitates travel across the region. State Route 95 also runs through Needles, providing access to local destinations and nearby attractions. While public transportation options are limited, the city has a small bus service that offers routes within the community. Additionally, the Amtrak Southwest Chief line passes through Needles, providing train service for those looking to travel further afield. Overall, private vehicles remain the most common mode of transportation for residents and visitors.



SALES COMPARABLES

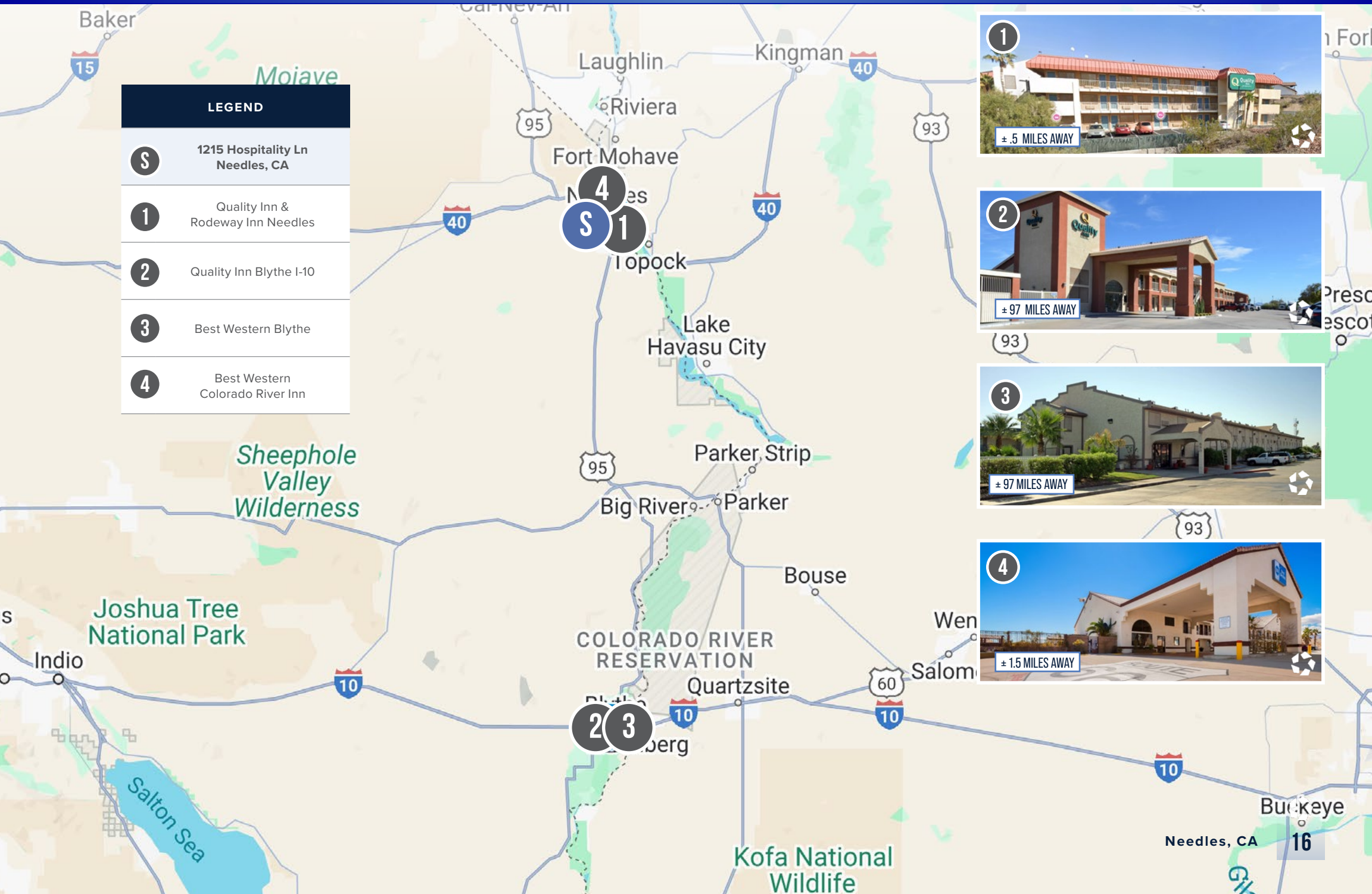
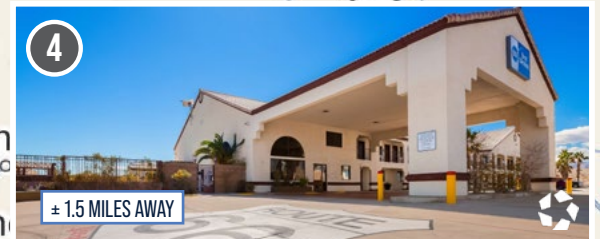
SOLD

| | PROPERTY | ADDRESS | LOCATION | SUBMARKET | SALE DATE | KEYS | SALE PRICE | PRICE / KEY | BUILT/ RENO | SF | LOT (AC) |
|---|-----------------------------------|-----------------------------------|------------|----------------------------|----------------|-----------|--------------------|-----------------|-------------|---------------|-------------|
| 1 | Quality Inn & Rodeway Inn Needles | 1195 3rd St Needles, CA | Interstate | San Bernardino Surrounding | 5/23/2024 | 116 | \$9,800,000 | \$84,483 | 1991 | 21,420 | 1.28 |
| 2 | Quality Inn Blythe I-10 | 600 W Donlon St Blythe, CA | Interstate | Riverside Surrounding | 8/16/2023 | 65 | \$5,750,000 | \$88,462 | 1995 | 29,074 | 2.06 |
| 3 | Best Western Blythe | 550 W Donlon St Blythe, CA | Interstate | Riverside Surrounding | 3/8/2022 | 77 | \$7,000,000 | \$90,909 | 1978 | 27,000 | 3.62 |
| 4 | Best Western Colorado River Inn | 2371 W Broadway St Needles, CA | Interstate | San Bernardino Surrounding | 3/2/2022 | 63 | \$5,734,000 | \$91,016 | 1992 | 40,000 | 2.54 |
| | | | | | AVERAGE | 80 | \$7,071,000 | \$88,717 | 1989 | 29,374 | 2.38 |

| | PROPERTY | ADDRESS | LOCATION | SUBMARKET | SALE DATE | KEYS | SALE PRICE | PRICE / KEY | BUILT/ RENO | SF | LOT (AC) |
|---|--------------------------------|------------------------------------|------------|----------------------------|-----------|------|-------------|-------------|-------------|--------|----------|
| S | Days Inn & Suites, Needles, CA | 1215 Hospitality Ln Needles, CA | Interstate | San Bernardino Surrounding | - | 104 | \$5,720,000 | \$55,000 | 1985/2023 | 36,762 | 2.50 |

SALES COMPARABLES

| LEGEND | |
|----------|------------------------------------|
| S | 1215 Hospitality Ln Needles, CA |
| 1 | Quality Inn & Rodeway Inn Needles |
| 2 | Quality Inn Blythe I-10 |
| 3 | Best Western Blythe |
| 4 | Best Western Colorado River Inn |



A tall, dark blue sign with a yellow sunburst logo at the top, containing the text "Days Inn & Suites" in white.

03

FINANCIAL OVERVIEW



FINANCIAL OVERVIEW | DAYS INN & SUITES

| 3-YEAR REVENUE CHART | | | | |
|----------------------|---------------|-----------|-------------|-----------|
| | YTD 8/31/2024 | 2023 (3) | 2022 | 2021 |
| (1) Room Revenue | \$574,771 | \$646,928 | \$1,075,836 | \$903,348 |
| Occupancy | 26.25% | 23.00% | 33.73% | 29.37% |
| ADR | \$78.98 | \$77.99 | \$86.96 | \$81.90 |
| RevPAR | \$20.73 | \$17.94 | \$29.33 | \$24.05 |
| NOI | \$316,124 | \$355,810 | \$591,710 | \$496,841 |
| (2) Expense Load | 45.00% | 45.00% | 45.00% | 45.00% |

FOOTNOTES:

(1) Room revenue based on Hotel Stat report not incl. TOT tax. 2024 Revenue includes \$70,000 in unreported revenue

(2) Expense load assumption based on owner operated status

(3) May 2023: New owner took over and began renovating

FINANCIAL OVERVIEW | DAYS INN & SUITES

PRICING OVERVIEW

| | |
|----------------------------|-------------|
| Purchase Price | \$5,720,000 |
| Price Per Key | \$55,000 |
| RRM (Year-1 Proforma) | 3.82 |
| Cap Rate (Year-1 Proforma) | 10.46% |



STABILIZED OPERATING OVERVIEW

| | |
|----------------------|-------------|
| Number of Rooms | 104 |
| Available Rooms | 37,960 |
| (1) Occupancy | 51.50% |
| (1) ADR | \$76.50 |
| RevPAR | \$39.40 |
| Room Revenue | \$1,495,529 |
| (2) Expense Load | 60% |
| Expenses | \$897,317 |
| Net Operating Income | \$598,212 |

FOOTNOTES:

(1) Based on STR Data for Economy Hotels in Needles

(2) Expense load based on market average for owner operated economy Hotels in California



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of the property owner and its tenant for real property commonly known as **1215 Hospitality Ln, Needles, CA 92363** (“Property”). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services™. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services™ has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants’ plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Neither owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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Owner and Matthews Real Estate Investment Services™ expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Owner or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date of this Offering Memorandum.



1215 HOSPITALITY LN | NEEDLES, CA
OFFERING MEMORANDUM



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