



BOUTIQUE HOSPITALITY • OLD CITY PHILADELPHIA

# The Gas Lamp Hotel

DG | E

5-KEY BOUTIQUE HOTEL • ART GALLERY • EVENT SPACE



SDG | RE

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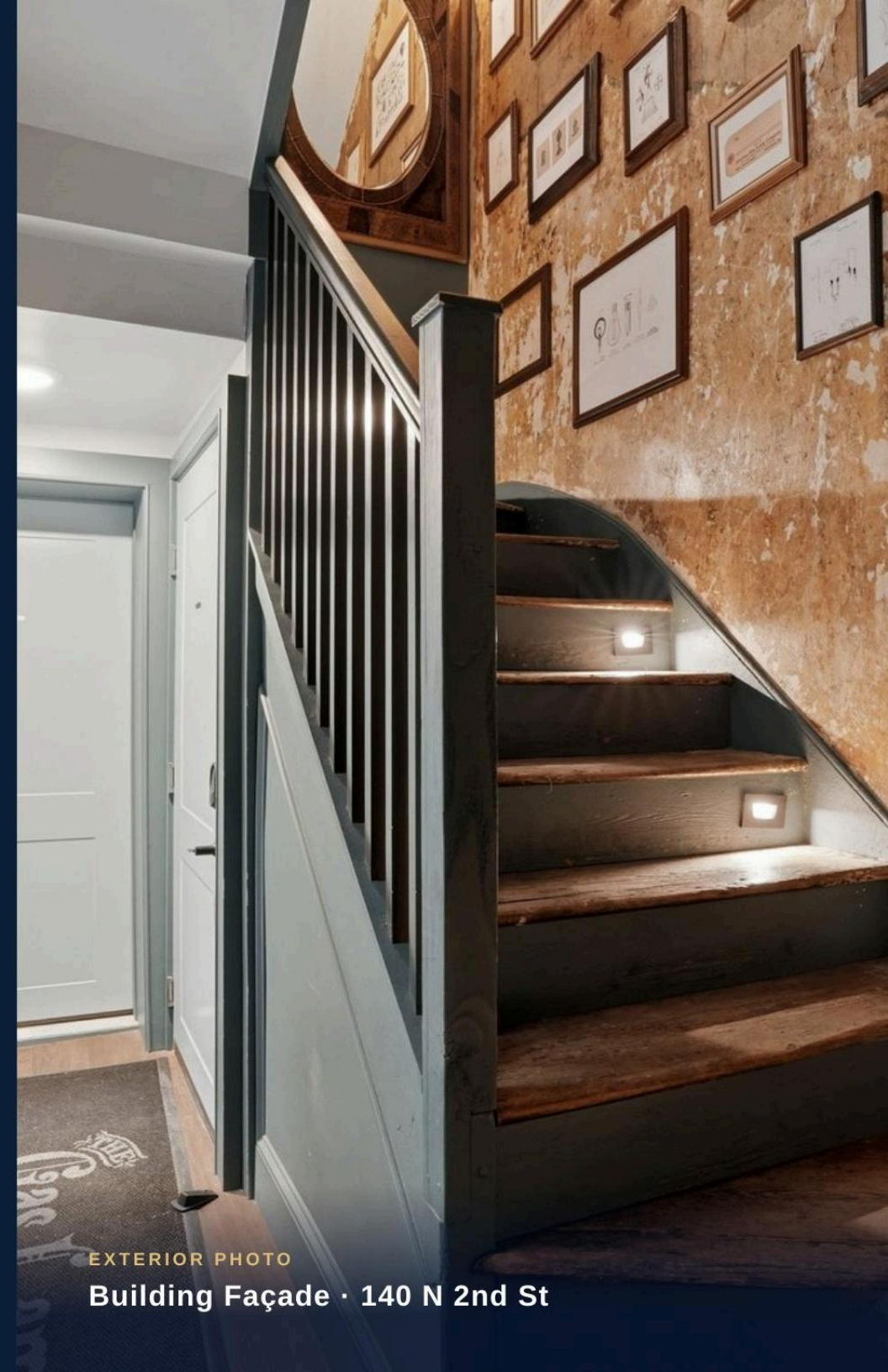
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EXTERIOR PHOTO

Building Façade · 140 N 2nd St

## OFFERING SUMMARY

5 Boutique Hotel Keys — 7 Effective

Edison Suite — 3-BR Premium with Full Kitchen

Ground-Floor Art Gallery (NNN Tenant)

Outdoor Courtyard

Basement Speakeasy & Event Space

Fully Operational & Stabilizing

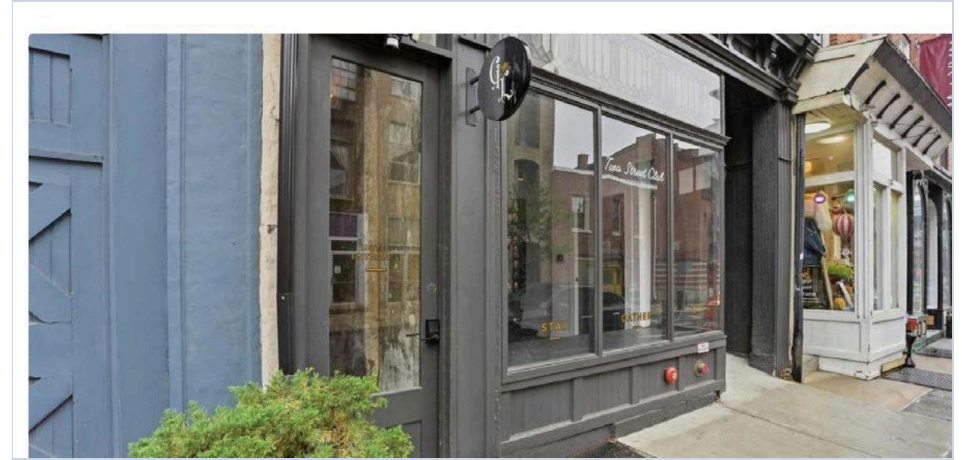
Direct-Booking Platform Established

ASKING PRICE

**\$2,950,000**

5-Key Boutique Hotel · Mixed-Use · Old City

Direct booking growth of **+55%** YoY (Jan–Feb 2026) and **+44%** YoY for Aug–Dec 2025 demonstrate accelerating demand and brand momentum.



## PROPERTY DESCRIPTION

SDG Real Estate is pleased to present **The Gas Lamp Hotel** — a fully operational 5-key boutique hotel located in the heart of Philadelphia’s Old City Historic District. Built in **1899** and meticulously renovated in **2024**, the property combines irreplaceable historic character with modern hospitality infrastructure across approximately **3,500 SF** of mixed-use space at **140 N 2nd Street**.

The asset is anchored by five individually designed guest suites — Adams, Davy, Edison, Latimer, and Tesla. The **Edison Suite** is a 3-bedroom premium configuration with a full kitchen, functionally equivalent to three rentable keys. The hotel is supplemented by an income-producing ground-floor art gallery, a private outdoor courtyard, and a fully built-out basement speakeasy currently activated as private event space.

### VALUATION FRAMEWORK

The effective key figure of 7, applied to current Philadelphia comparables, would result in a **~\$2.1M** hospitality valuation. Layering in the recurring revenue from the art gallery and event spaces — along with the brand awareness the hotel has captured — supports the \$2.95M asking price. **Essentially we are valuing the keys at \$2.1M and the gallery, event spaces, and the income they generate at \$850K.**

## THREE DISTINCT REVENUE STREAMS

The Gas Lamp Hotel is structured around three complementary income engines, each addressing a separate Old City demand pool — overnight leisure, retail/cultural foot traffic, and private event hospitality. The property's compact footprint, single-asset operating overhead, and stabilizing top line position it well above the cap-rate floor for its key count.

### STREAM 01

#### Five Keys

Five renovated boutique suites — Adams, Davy, Edison, Latimer, Tesla — generating **\$189,781** in 2025 room revenue at a **\$176** ADR with occupancy stabilizing in the high-50s. Strong direct-booking growth.

### STREAM 02

#### Art Gallery

Ground-floor commercial space leased to an established art gallery operator. Provides reliable contractual rent, activates the streetscape, and supports the hotel's curated boutique positioning.

### STREAM 03

#### Event Spaces

Outdoor courtyard plus basement speakeasy provide flexible private-event capacity for rehearsal dinners, corporate offsites, and pop-ups. Substantial upside through structured event programming.



## WHY THE GAS LAMP HOTEL

### TURNKEY OPERATING ASSET

Fully operational 5-key boutique with reservations system, OTA channels, direct-booking website, and stabilizing month-over-month performance.

### EDISON SUITE PREMIUM

3-bedroom suite with full kitchen generates **\$391 ADR** and **\$42,261** in 2025 room revenue — effectively three rentable keys within one physical suite, contributing meaningful incremental value beyond the physical room count.

### RECENT 2024 RENOVATION

The 1899 historic building was substantially renovated in 2024. Hotel opened August 2024 — buyer inherits modern systems, finishes, and FF&E with no near-term capital plan required.

### MULTIPLE INCOME STREAMS

Hotel rooms, ground-floor gallery lease, First Friday recurring events, and 5 confirmed private events for 2026 — diversifying cash flow with high-margin pass-through revenue.

### ACCELERATING TOP LINE

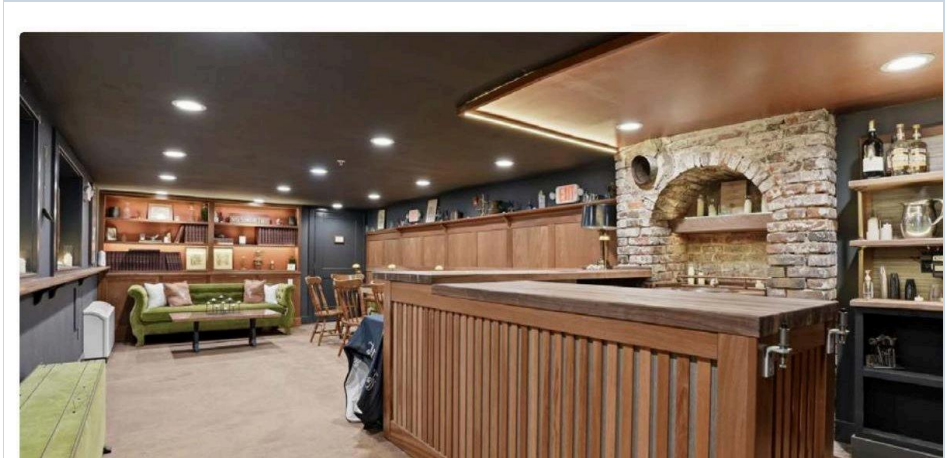
+44% YoY revenue growth (Aug–Dec 2024 vs. 2025). +55% YoY direct-booking growth (Jan–Feb 2025 vs. 2026). Direct channel share now 58% of 2026 YTD revenue.

### OLD CITY HISTORIC DISTRICT

Steps from Independence Mall, the Delaware River waterfront, Race Street Pier, and Market Street’s restaurant corridor — Philadelphia’s #1 leisure tourism submarket.

### OWNER-OPERATOR UPSIDE

Current 8% third-party management fee (~\$19K/yr) represents **~65 bps** of stabilized cap rate expansion for an owner-operator buyer who self-manages the asset.



#### ASKING PRICE

**\$2,950,000**

5-Key Boutique Hotel · 7 Effective Keys · Old City

YEAR BUILT

**1899**

RENOVATED

**2024**

BUILDING SF

**±3,500**

KEYS

**5 / 7 Eff.**

## PROPERTY SPECIFICATIONS

|                        |   |
|------------------------|---|
| Property Name          | <b>The Gas Lamp Hotel</b>                       |
| Address                | <b>140 N 2nd Street, Philadelphia, PA 19106</b> |
| Submarket              | <b>Old City Historic District</b>               |
| Property Type          | <b>Boutique Hotel · Mixed-Use</b>               |
| Year Built / Renovated | <b>1899 / 2024</b>                              |
| Hotel Opened           | <b>August 25, 2024</b>                          |
| Approx. Building SF    | <b>±3,500 SF</b>                                |
| Number of Keys         | <b>5 Boutique Suites</b>                        |
| Floors                 | <b>3 + Basement</b>                             |
| Commercial Tenant      | <b>Art Gallery (Ground Floor)</b>               |
| Event Space            | <b>Basement Speakeasy + Courtyard</b>           |
| Zoning                 | <b>CMX-3 / Commercial Mixed-Use</b>             |
| Parking                | <b>Street &amp; Nearby Garages</b>              |

## THE FIVE KEYS

|                      |                      |                                 |                         |                      |
|----------------------|----------------------|---------------------------------|-------------------------|----------------------|
| <b>Adams</b><br>King | <b>Davy</b><br>Queen | <b>Edison</b><br>King · Premium | <b>Latimer</b><br>Queen | <b>Tesla</b><br>King |
|----------------------|----------------------|---------------------------------|-------------------------|----------------------|

## ASSET CONFIGURATION

**BASEMENT** Speakeasy & Private Event Space

**GROUND** Art Gallery Tenant · Hotel Lobby · Courtyard Entry

**FLOOR 2** Guest Suites

**FLOOR 3** Guest Suites

**EXTERIOR** Private Outdoor Courtyard

## RECENT CAPITAL INVESTMENT

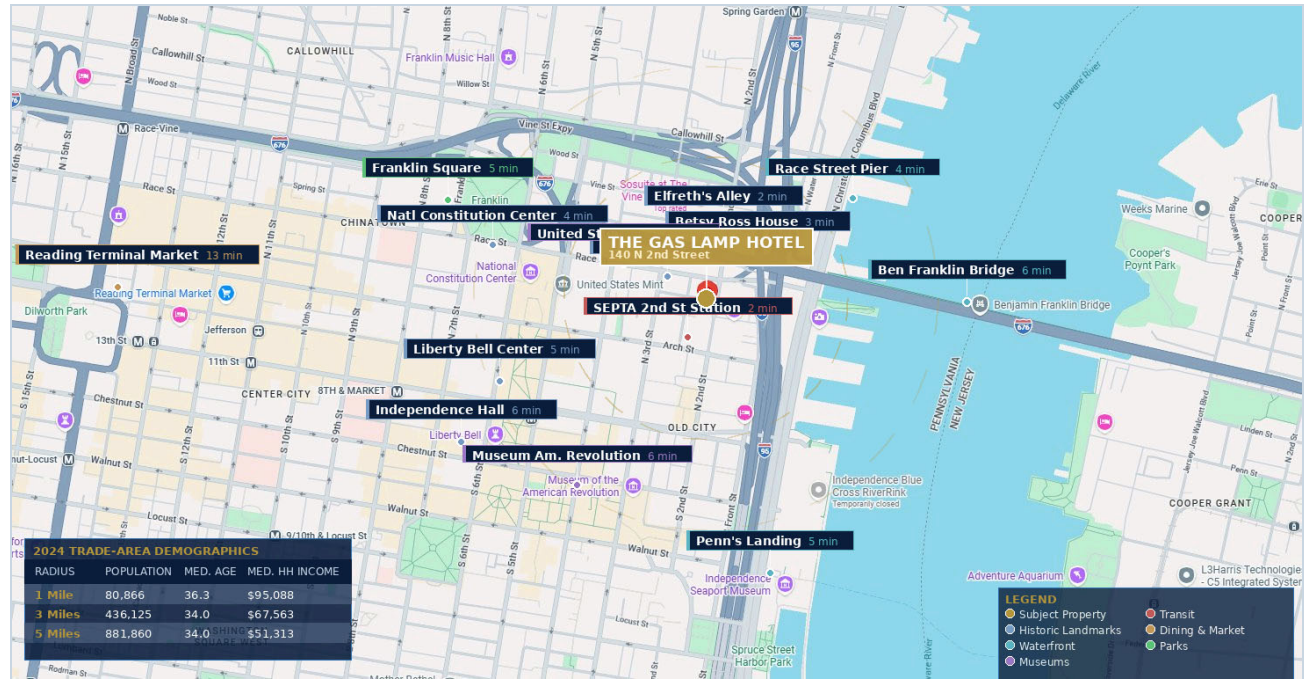
- Full guest-suite build-out — finishes, plumbing, fixtures
- HVAC, electrical, and life-safety systems
- Speakeasy build-out with bar, bathrooms, sound
- Courtyard activation & outdoor lighting
- Reservations & guest-management technology
- Exterior preservation & signage

## STRATEGIC OLD CITY POSITION

140 N 2nd Street places The Gas Lamp Hotel within a four-minute walk of Philadelphia’s most-visited historic landmarks and a five-minute walk to the Delaware River waterfront. The submarket is the city’s leading leisure tourism corridor, drawing more than **5 million** visitors annually to Independence National Historical Park alone.

## WALKING DISTANCE

|                                   |        |
|-----------------------------------|--------|
| Christ Church & Burial Ground     | 2 min  |
| Elfreth's Alley                   | 2 min  |
| SEPTA 2nd Street Station          | 2 min  |
| Betsy Ross House                  | 3 min  |
| Race Street Pier & Waterfront     | 4 min  |
| National Constitution Center      | 4 min  |
| United States Mint                | 4 min  |
| Liberty Bell Center               | 5 min  |
| Franklin Square                   | 5 min  |
| Penn’s Landing                    | 5 min  |
| Independence Hall                 | 6 min  |
| Museum of the American Revolution | 6 min  |
| Benjamin Franklin Bridge          | 6 min  |
| Reading Terminal Market           | 13 min |



Map source: Google Maps. Walk times are approximate. The property is served by SEPTA’s Market-Frankford Line at 2nd Street Station — two blocks south.

Old City is Philadelphia's birthplace and one of America's most historically significant urban neighborhoods. Bounded by the Delaware River to the east, Vine Street to the north, 6th Street to the west, and Walnut Street to the south, the district encompasses Independence National Historical Park, the Liberty Bell, Christ Church, Betsy Ross House, the Old City Hall, and dozens of 18th-century landmarks. By day, the neighborhood draws millions of cultural and educational tourists; by night, its cobblestone blocks animate with First Friday gallery walks, destination restaurants, craft cocktail bars, and live music venues.

Over the past decade, Old City has matured into a sought-after live/work/play district anchored by adaptive-reuse residential projects, the National Liberty Museum, the Museum of the American Revolution, and the Race Street Pier. Walkability is exceptional: the neighborhood scores **96 out of 100** on Walk Score and is served by SEPTA's Market-Frankford Line at the 2nd Street Station — directly two blocks south of the subject property — providing one-seat access to Center City, University City, and 30th Street Station.



ANNUAL VISITORS

**5M+**

Independence Park

WALK SCORE

**96**

"Walker's Paradise"

RESTAURANTS

**100+**

In Old City

HOTEL OCCUPANCY

**72%**

Historic District 2024

## FIVE BOUTIQUE SUITES

The Gas Lamp Hotel's five guest suites are individually themed — each named for a 19th- and early-20th-century inventor whose work transformed modern life. Adams, Davy, Edison, Latimer, and Tesla — the property's distinctive room narrative reinforces the boutique positioning and generates direct organic content that allows the hotel to hold ADR premium against commodity inventory.

Renovated in 2024, all five suites feature contemporary finishes, modernized HVAC and plumbing, full kitchenettes or beverage stations, and en-suite bathrooms.

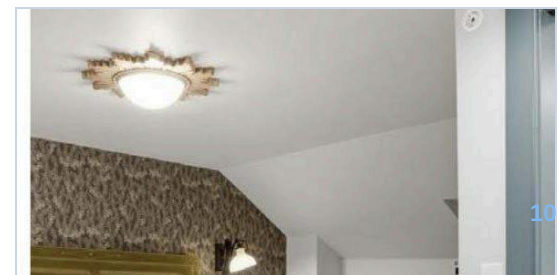
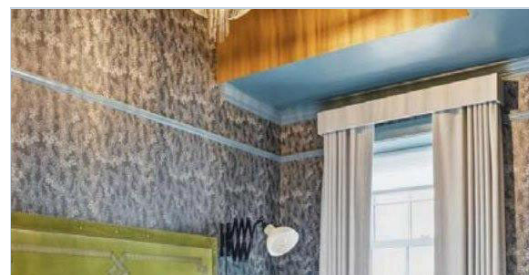
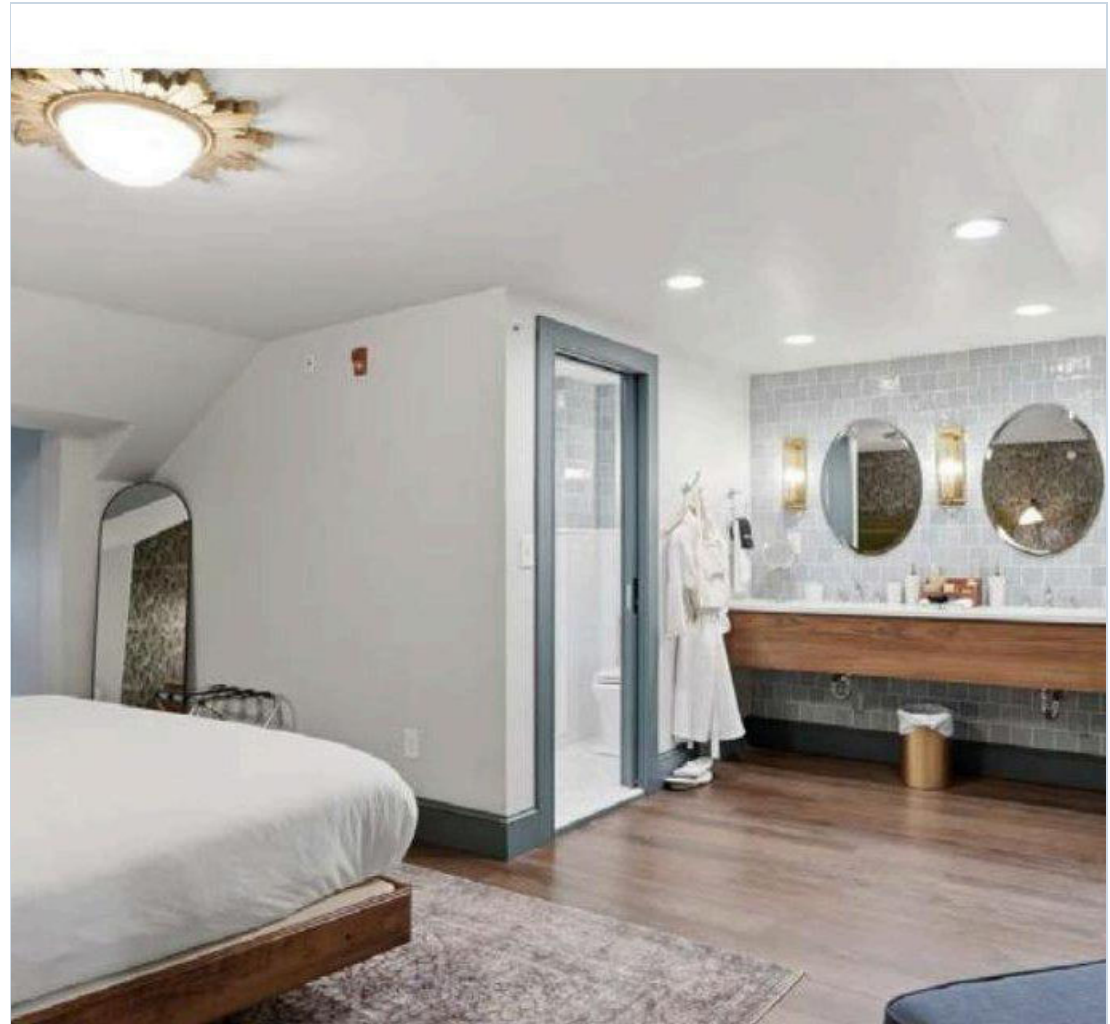
### PER-SUITE PERFORMANCE · 2025

| SUITE         | BED CONFIGURATION                           | 2025 NIGHTS | AVG / STAY   |
|---------------|---|-------------|--------------|
| Adams         | King  | 301         | \$186        |
| Davy          | Queen                                       | 274         | \$136        |
| Tesla         | King  | 212         | \$243        |
| Latimer       | Queen                                       | 173         | \$231        |
| <b>Edison</b> | <b>3-BR Premium · King + 2 BR + Kitchen</b> | <b>108</b>  | <b>\$660</b> |

*Avg / Stay = total suite revenue ÷ total bookings. Per-suite stay values vary materially by suite type, season, and channel. Blended portfolio nightly ADR remains **\$176**.*

#### EDISON — THREE EFFECTIVE KEYS IN ONE SUITE

Edison is a bi-level **three-bedroom suite** with king bed, two additional bedrooms, and a full kitchen — functionally equivalent to three rentable rooms. It commands a **\$391 nightly ADR** and generated **\$42,261** in 2025 from just 108 booked nights, supporting the **7 effective key** valuation basis used throughout this offering.





**ADAMS · KING**  
Bedroom



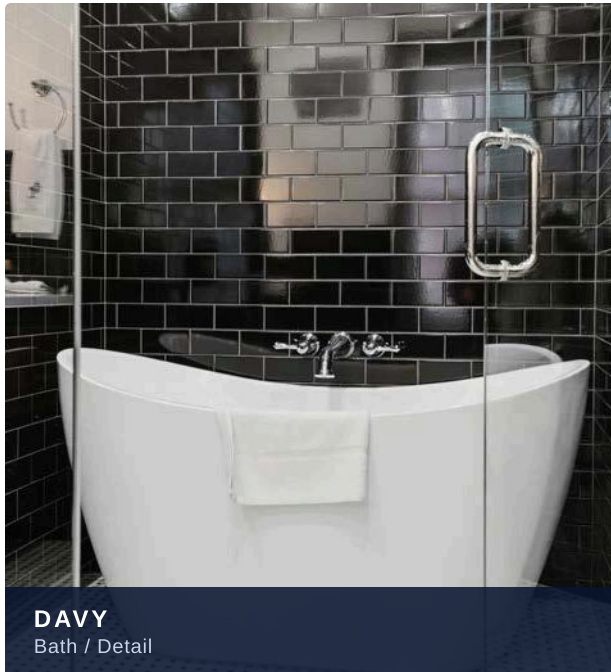
**DAVY · QUEEN**  
Bedroom



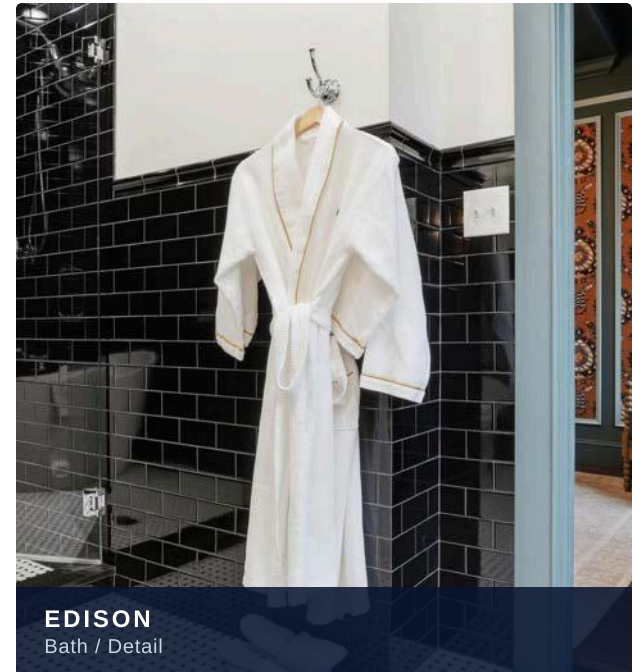
**EDISON · KING**  
Bedroom



**ADAMS**  
Bath / Detail



**DAVY**  
Bath / Detail



**EDISON**  
Bath / Detail



**LATIMER · QUEEN**  
Bedroom



**TESLA · KING**  
Bedroom



**TESLA · BI-LEVEL**  
Living + Loft



**LATIMER**  
Bath / Detail



**TESLA**  
Kitchenette



**BUNK ROOM**  
Loft Sleeping

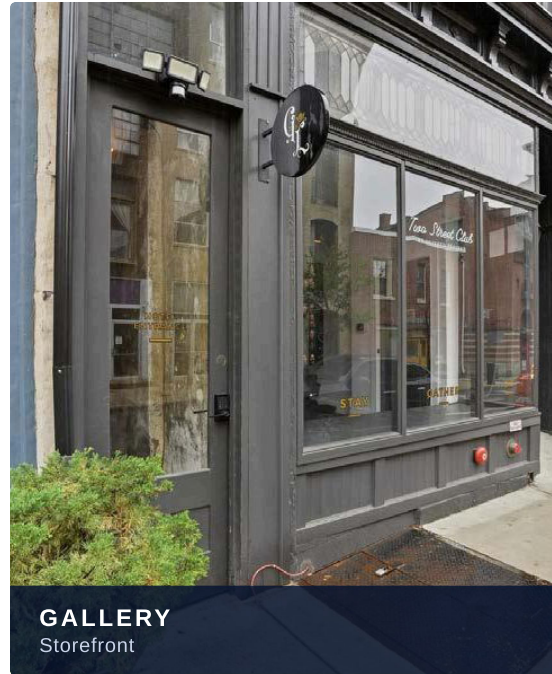
**CURATED RETAIL ACTIVATION**

The Gas Lamp Hotel's ground floor is leased to an established **art gallery** operator. The tenant pays contractual base rent and provides three strategic benefits beyond income: (1) it activates the streetscape on a high-foot-traffic Old City block, (2) it reinforces the boutique brand identity that allows Gas Lamp's keys to command premium rates, and (3) it creates programming and overlap opportunities — gallery openings, First Friday participation, and curated pop-ups — that drive incremental hotel demand.

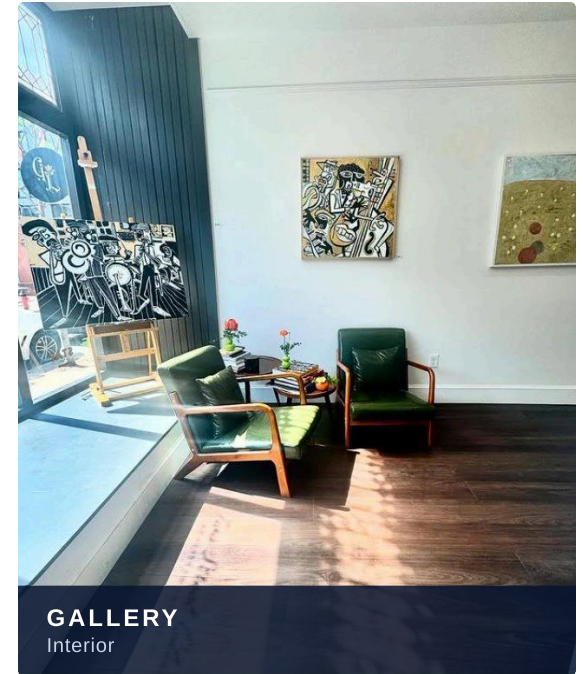
**TENANT PROFILE**

|               |  |
|---------------|--|
| Tenant Use    | <b>Art Gallery</b>                             |
| Location      | <b>Ground Floor · Frontage on N 2nd Street</b> |
| Lease Type    | <b>Modified Gross / NNN</b>                    |
| Brand Synergy | <b>High</b>                                    |
| Foot Traffic  | <b>First Friday · Daily Pedestrian</b>         |

*Lease terms, rent figures, and tenant profile available upon execution of a confidentiality agreement.*



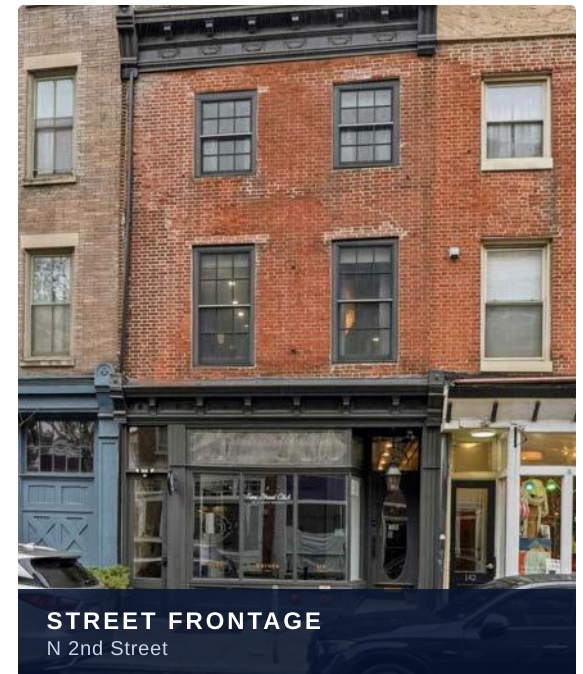
**GALLERY**  
Storefront



**GALLERY**  
Interior



**GALLERY**  
Window Display



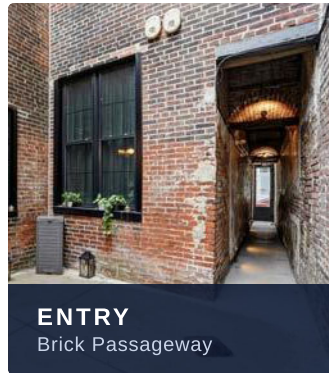
**STREET FRONTAGE**  
N 2nd Street



**COURTYARD**  
Pergola & String Lights



**COURTYARD**  
Café Seating



**ENTRY**  
Brick Passageway

## PRIVATE OUTDOOR AMENITY

The property's private outdoor courtyard is a rare amenity in Old City and one of the most versatile assets in the offering. It functions simultaneously as a guest amenity that differentiates Gas Lamp from larger flag hotels nearby and as a flexible private-event venue that can be programmed independently or in conjunction with the basement speakeasy.

## USE CASES

- Guest morning coffee & evening turn-down
- Rehearsal dinners & intimate weddings
- Corporate cocktail receptions
- Photoshoots & production rentals
- Pop-up activations (artist, brand, restaurant)
- First Friday programming overflow

### PROGRAMMING UPSIDE

## Underutilized

Significant event-revenue potential

## A FULLY BUILT-OUT HIDDEN GEM

The basement speakeasy is the property's signature differentiator. Built out as part of the 2024 renovation with a full bar, custom millwork, designer lighting, sound system, and dedicated bathrooms, the space is currently activated as a **private event venue** serving rehearsal dinners, corporate gatherings, intimate weddings, and birthday celebrations.

The asset offers meaningful operational optionality. A buyer can (a) continue running the speakeasy as a programmed event venue under the Gas Lamp brand, (b) license or lease the space to a hospitality operator, or (c) reposition it as a public craft cocktail bar — each path unlocking different cap-rate and revenue profiles.

## SPEAKEASY SPECIFICATIONS

|             |   |
|-------------|---|
| Location    | <b>Basement · Private Entry</b>           |
| Capacity    | <b>30–50 guests (event configuration)</b> |
| Build-out   | <b>2024 — Full bar, sound, lighting</b>   |
| Bathrooms   | <b>Two (in-space)</b>                     |
| Current Use | <b>Private Event Hospitality</b>          |



**SPEAKEASY**  
Bar / Hero



**COPPER SINK**  
Brick Arch Detail



**LOUNGE**  
Library Seating



**SPEAKEASY**  
Lounge Detail

## INCOME SNAPSHOT

Below is a summary of the property’s revenue streams. The hotel rooms generated **\$189,054** in 2025 — the property’s first full operating year following the August 2024 opening. Multiple complementary income streams (gallery lease, recurring First Friday events, and private event bookings) layer high-margin pass-through revenue on top of the hotel base. See the 2026 Estimated P&L on page 20 for the full revenue/expense build.

| REVENUE STREAM                      | USE / TENANT                  | ANNUAL (\$)      | % OF TOTAL  | NOTES  |
|-------------------------------------|-------------------------------|------------------|-------------|--|
| Hotel Rooms (5 Suites)              | Per-suite bookings            | \$168,971        | ~52%        | 2025 actual · ramping (+44% YoY)             |
| Whole-Property Buyouts              | Event-style full rentals      | \$20,083         | ~6%         | 10 nights / 8 bookings in 2025               |
| Private Events (5 Booked 2026)      | Speakeasy & courtyard         | \$37,500         | ~12%        | \$7,500 per event · pipeline                 |
| First Friday Events                 | Monthly gallery walk          | \$14,400         | ~5%         | 12 events/yr · \$1,200 each                  |
| Ground-Floor Lease                  | Art Gallery (Two Street Club) | \$13,600         | ~4%         | NNN · \$1K till Sept 2026, \$1.4K thereafter |
| 2026 Hotel Forecast Lift            | Conservative projection       | \$65,000         | ~20%        | 2025 base + Jan–Feb 2026 trend               |
| <b>2026 Estimated Total Revenue</b> | —                             | <b>\$319,554</b> | <b>100%</b> | <b>See page 20 for full P&amp;L</b>          |

Gallery, First Friday, and event revenue streams flow through at high margin — OpEx and management fees scale only with hotel room revenue. Source: GLH Reservations System; Annual Expenses Ledger; Revenue Schedule.

## YEAR-OVER-YEAR HOTEL GROWTH

| PERIOD                 | REVENUE  | YOY Δ |
|------------------------|----------|-------|
| Aug–Dec 2024 (Opening) | \$47,027 | —     |
| Aug–Dec 2025           | \$67,725 | +44%  |
| Jan–Feb 2025           | \$20,712 | —     |
| Jan–Feb 2026           | \$32,108 | +55%  |

Same-period comparisons isolate seasonal effects and demonstrate underlying demand growth.

## BOOKING CHANNEL MIX SHIFT

| CHANNEL                           | 2025       | 2026 YTD   |
|-----------------------------------|------------|------------|
| <b>Direct (Website / Walk-in)</b> | <b>37%</b> | <b>58%</b> |
| Airbnb                            | 47%        | 17%        |
| Booking.com                       | 14%        | 18%        |
| Expedia / Hotels.com / Other      | 2%         | 7%         |

Direct-channel share has grown from **37%** to **58%**, reducing OTA fee leakage and improving net NOI per booked night.

## TOTAL ROOM REVENUE

**\$189,054**

Calendar Year 2025

## BLENDED ADR

**\$176**

Per-suite nightly

## OCCUPANCY

**59%**

1,078 of 1,825 available nights

## REVPAR

**\$104**

2025 Full Year

## MONTHLY ROOM REVENUE · 2025

| MONTH              | NIGHTS       | REVENUE          | ADR          | OCC        |
|--------------------|--------------|------------------|--------------|------------|
| January            | 73           | \$8,330          | \$114        | 47%        |
| February           | 94           | \$12,382         | \$132        | 67%        |
| March              | 84           | \$15,385         | \$183        | 54%        |
| April              | 91           | \$15,865         | \$174        | 61%        |
| May                | 106          | \$20,691         | \$195        | 68%        |
| June               | 82           | \$17,053         | \$208        | 55%        |
| July               | 104          | \$18,124         | \$174        | 67%        |
| August             | 102          | \$15,423         | \$151        | 66%        |
| September          | 79           | \$12,553         | \$159        | 53%        |
| October            | 118          | \$19,607         | \$166        | 76%        |
| November           | 84           | \$21,185         | \$252        | 56%        |
| December           | 55           | \$11,610         | \$211        | 35%        |
| <b>Total / Avg</b> | <b>1,072</b> | <b>\$188,208</b> | <b>\$176</b> | <b>59%</b> |

Per-suite reservations only (excludes \$20,083 in whole-property buyouts, 10 nights / 8 bookings). Total 2025 revenue: \$189,054. Source: reservation system export.

## OPERATING METRICS — 2025 (FIRST FULL YEAR)

Calendar 2025 was the property's first full operating year. Revenue ramped from a sub-\$10K January to a peak November of **\$21,185**, with ADR climbing materially toward year-end as the brand gained organic visibility.

The seasonal pattern matches Old City: April–June and October–November are peak leisure tourism windows. Continued occupancy growth from **59%** → **68%** at maturing ADR represents the path to **\$248K+** stabilized room revenue.

## PER-SUITE PERFORMANCE · 2025

| SUITE                     | BED                 | NIGHTS       | ADR          | REVENUE          | OCC          |
|---------------------------|---------------------|--------------|--------------|------------------|--------------|
| Adams                     | King                | 301          | \$136        | \$40,767         | 82.5%        |
| Davy                      | Queen               | 274          | \$111        | \$30,451         | 75.1%        |
| Tesla                     | King                | 212          | \$139        | \$29,444         | 58.1%        |
| Latimer                   | Queen               | 173          | \$151        | \$26,048         | 47.4%        |
| <b>Edison</b>             | <b>3-BR Premium</b> | <b>108</b>   | <b>\$391</b> | <b>\$42,261</b>  | <b>29.6%</b> |
| <b>Per-Suite Subtotal</b> | <b>—</b>            | <b>1,068</b> | <b>\$158</b> | <b>\$168,971</b> | <b>58.5%</b> |

Edison's 3-BR premium configuration commands a \$391 ADR; subtotal excludes \$20K in whole-property buyout revenue.

## YEAR-OVER-YEAR REVENUE GROWTH

AUG–DEC 2024

**\$47,027**

Opening period — partial season

AUG–DEC 2025

**\$67,725**

+44% same period YoY growth

JAN–FEB 2025

**\$20,712**

Prior-year comparison period

JAN–FEB 2026

**\$32,108**

+55% YoY — accelerating demand

## BOOKING CHANNEL MIX SHIFT

Direct-channel share has grown from **37.1% of 2025 revenue** to **58.5% of 2026 YTD** — reducing OTA commission leakage and improving net NOI per booked night. Airbnb dependency has fallen sharply from 47% to 17%, reflecting growing organic brand recognition and the management platform's focused investment in direct-booking infrastructure.

| BOOKING CHANNEL      | 2025 MIX | 2026 YTD | TREND                        |
|----------------------|----------|----------|------------------------------|
| Direct / Website     | 37.1%    | 58.5%    | ↑ <b>Strong growth</b>       |
| Airbnb               | 47.1%    | 16.9%    | ↓ <b>Reducing dependency</b> |
| Booking.com          | 13.9%    | 17.7%    | ↑ <b>Growing</b>             |
| Expedia / Hotels.com | 1.0%     | 6.2%     | ↑ <b>Expanding reach</b>     |
| Other OTA            | 0.9%     | 0.7%     | —                            |

Channel mix percentages calculated on revenue basis. 2026 YTD reflects January–February 2026 reservation data.

## DEMAND TRAJECTORY

The combination of **+55% YoY direct-booking growth** and the structural channel-mix shift toward direct/website reservations is the strongest top-line signal in the operating data. Direct bookings carry no OTA commission load (typically 15–20% of gross room revenue on Airbnb and Booking.com), so the channel shift translates dollar-for-dollar into NOI improvement at constant ADR.

Combined with the seasonal volume pattern — spring shoulder months and fall peak still under-occupied at 54–61% — the operating data points to meaningful runway before reaching submarket-comparable stabilized occupancy of **65–72%**.

YOY DIRECT-BOOKING GROWTH

**+55%**

Jan–Feb 2025 vs. Jan–Feb 2026

The Gas Lamp Hotel is currently managed by **Bespoke Stay**, a Philadelphia-based full-service boutique hospitality management company specializing in short-term rental and boutique hotel operations. Bespoke Stay combines technology, automation, and genuine hospitality craft to drive revenue and deliver operational excellence. The current management platform, OTA accounts, direct-booking infrastructure, and brand are fully transferable with acquisition — or the buyer can elect to self-manage and capture the **~\$19K annual management fee** as additional NOI.

**BESPOKE STAY — BY THE NUMBERS**

|   |   |   |  |
|---|---|---|--|
| <p>UNITS UNDER MGMT<br/><b>110</b><br/>Active portfolio</p> | <p>AVG. REVIEW SCORE<br/><b>4.91</b><br/>Platform average</p> | <p>GUESTS SERVICED<br/><b>20K+</b><br/>Calendar Year 2025</p> | <p>RESPONSE TIME<br/><b>1.8 min</b><br/>Avg. guest inquiry</p> |
|---|---|---|--|

**MANAGEMENT PHILOSOPHY**

|   |   |  |   |
|---|---|--|---|
| <p><b>Guest Experience First</b><br/>Every touchpoint intentional</p> | <p><b>Neighborhood Integration</b><br/>Properties rooted in community</p> | <p><b>Curated Partnerships</b><br/>Local relationships that elevate the stay</p> | <p><b>Revenue Creativity</b><br/>New streams beyond nightly rates</p> |
|---|---|--|---|

**CORE MANAGEMENT SERVICES**

|  |   |
|--|---|
| <p><b>Revenue Optimization</b><br/>Active daily pricing with automated market tools and human oversight reviewed every other day to capture maximum ADR.</p>       | <p><b>Multi-Channel Distribution</b><br/>Listed on Airbnb, VRBO, Booking.com, direct website, and Marriott Homes &amp; Villas for full demand capture across all traveler segments.</p> |
| <p><b>24/7 Guest Experience</b><br/>1.8-min average response time. 12-factor guest vetting. Each property assigned a dedicated named Property Success Partner.</p> | <p><b>Full Operations</b><br/>Vetted cleaning teams, hotel-grade linen programs, proactive maintenance coordination, and regular property inspections.</p>                              |
| <p><b>Direct Booking Growth</b><br/>Direct channel share at Gas Lamp grew from 37% to 58% YTD 2026 — reducing OTA fee leakage and improving net NOI per night.</p> | <p><b>Extended Stay Program</b><br/>Partnerships with relocation companies and corporate housing providers fill seasonal gaps with multi month, stable demand stays.</p>                |

**EXTENDED STAY CLIENTS**

|                       |                     |         |          |
|-----------------------|---------------------|---------|----------|
| Philadelphia Phillies | Philadelphia Eagles | HBO     | Netflix  |
| Barstool Sports       | Pittsburgh Steelers | Comcast | Deloitte |
| ALE Solutions         | Aramark             | HGTV    | AMC+     |

**HYPER-LOCAL PARTNER NETWORK**

Bespoke Stay embeds itself in each market it operates. At The Gas Lamp Hotel, active local partnerships include **Dad’s Hat Rye**, **City Fitness**, **Lotus Living**, and **Café Ole**. These relationships generate ancillary revenue streams and drive 5-star reviews and repeat bookings.

**MANAGEMENT CONTINUITY**  
**Transferable Platform**  
Reservations system, OTA accounts, direct-booking site, and Bespoke Stay management agreement are all fully conveyed with acquisition.

## REVENUE &amp; EXPENSE BUILD

| REVENUE                                     |                  |
|---|------------------|
| Hotel Room Revenue (conservative forecast)  | \$234,039        |
| Jan–Feb 2026 actuals                        | \$32,108         |
| Mar–Dec projection (2025 base + 20% growth) | \$201,931        |
| Whole-Property Buyouts                      | \$20,083         |
| Private Events (5 booked × \$7,500)         | \$37,500         |
| First Friday Events (12 × \$1,200)          | \$14,400         |
| Art Gallery Lease (NNN)                     | \$13,600         |
| <b>TOTAL REVENUE</b>                        | <b>\$319,622</b> |
| OPERATING EXPENSES                          |                  |
| Fixed: IT / Wi-Fi / Reservations            | \$14,592         |
| Fixed: Guest Services / Parking / Gym       | \$11,640         |
| Fixed: Maintenance / Trash                  | \$5,700          |
| Variable: Cleaning & Laundry                | \$45,372         |
| Variable: Supplies                          | \$3,420          |
| Management Fee (8% of hotel rev)            | \$18,723         |
| Event Direct Costs (~20% of event rev)      | \$7,500          |
| Subtotal — Hotel-Related OpEx               | \$106,947        |
| Property Tax                                | \$28,000         |
| Insurance                                   | \$9,000          |
| <b>TOTAL OPERATING EXPENSES</b>             | <b>\$143,947</b> |
| <b>2026 ESTIMATED NET OPERATING INCOME</b>  | <b>\$175,675</b> |

Hotel revenue: Jan–Feb 2026 actuals + Mar–Dec projection (2025 monthly base × 1.20). Conservative growth applied. Other revenue streams (gallery, First Friday, events) reflect contracted or scheduled income from operator schedule. Operating expenses derived from February 2026 actuals annualized; variable costs (cleaning, supplies, mgmt fee) scale with hotel revenue.

## SCENARIO SUMMARY

|  |   |   |
|--|---|---|
| <b>TOTAL REVENUE</b><br><b>\$319,622</b><br>2026 Estimated | <b>TOTAL OPEX</b><br><b>\$143,947</b><br>Including tax & ins. | <b>2026 NOI</b><br><b>\$175,675</b><br>Going-in basis |
|--|---|---|

## KEY OBSERVATIONS

**Layered revenue structure.** The hotel rooms drive 73% of 2026 revenue, but ~\$65K (~21%) flows from gallery rent, recurring First Friday events, and 5 confirmed private event bookings. These streams use existing space at minimal incremental cost and pass through at high margin.

**OpEx tied to hotel revenue.** Operating expenses (cleaning, supplies, management fee) scale only with hotel room revenue, not with the gallery or event income. This produces meaningful operating leverage: incremental event and gallery income is largely additive to NOI.

**Owner-operator upside.** The 8% third-party management fee (~\$19K/yr) represents a clear margin opportunity for an owner-operator buyer — see Stabilized Financials on page 22.

2026 GOING-IN CAP RATE

**5.96%**

\$176K NOI ÷ \$2.95M asking

## MONTHLY OPERATING EXPENSE SNAPSHOT

Below is a snapshot of recurring monthly hotel operating expenses based on February 2026 actuals, with the management fee adjusted to reflect the corrected **8% of hotel revenue** structure. Stabilized annual operating expenses (excluding property tax and insurance, which are addressed separately in the financial summary) are estimated at approximately **\$90,240** annually for the hotel operation.

| CATEGORY                       | MONTHLY        | % OF OPEX   |
|--------------------------------|----------------|-------------|
| Cleaning & Laundry             | \$3,240        | 43.1%       |
| Management Fee (8%)            | \$1,560        | 20.7%       |
| IT / Reservations / Wi-Fi      | \$1,031        | 13.7%       |
| Guest Services (Parking / Gym) | \$970          | 12.9%       |
| Maintenance & Trash            | \$475          | 6.3%        |
| Supplies (Coffee / Toiletries) | \$244          | 3.2%        |
| <b>Total Recurring OpEx</b>    | <b>\$7,520</b> | <b>100%</b> |

*Source: February 2026 expense ledger, with management fee normalized to 8% of hotel revenue. Property tax, insurance, and utilities addressed separately in the Stabilized Financials.*

## EXPENSE PROFILE

**Fixed:** ~56% of monthly OpEx (~\$4,236) — primarily software subscriptions, parking allotment, gym credentials, recurring maintenance, and the management fee base.

**Variable:** ~44% of monthly OpEx (~\$3,284) — laundry, supplies, and the performance-based management fee, all of which scale with hotel revenue.

**Management Fee Correction:** Historical operator records initially reflected a 15% management fee, which has been corrected to **8%** in the analysis presented in this offering. The 8% rate aligns with the appropriate management agreement for the property and avoids double-counting fees that were captured elsewhere in the historical documents.

**Buyer Optionality:** The current 8% management fee reflects third-party professional management. An owner-operator buyer could capture this margin by managing in-house — representing approximately **\$19K+** in annual NOI uplift at current revenue levels and scaling with growth.

### OWNER-OPERATOR UPLIFT

**Eliminating the third-party management fee retains ~\$19K+ annually in NOI for an active owner-operator buyer.**

## PRO FORMA SCENARIOS

Below illustrates three scenarios bracketing the property’s economics: (a) the 2026 going-in forecast detailed on page 20, (b) a stabilized Year 2–3 case assuming continued ADR strengthening and occupancy ramp under current management, and (c) the same stabilized operations under an owner-operator structure that eliminates the third-party management fee.

| SCENARIO A<br>2026 GOING-IN     |                  | SCENARIO B<br>STABILIZED · YR 2–3 |                  | SCENARIO C<br>STABILIZED + OWNER-OP   |                  |
|---------------------------------|------------------|-----------------------------------|------------------|---------------------------------------|------------------|
| Hotel Revenue                   | \$234,039        | Hotel Revenue (68% / \$200)       | \$248,200        | Hotel Revenue (68% / \$200)           | \$248,200        |
| Other Revenue                   | \$85,583         | Other Revenue                     | \$85,583         | Other Revenue                         | \$85,583         |
| <b>Total Revenue</b>            | <b>\$319,622</b> | <b>Total Revenue</b>              | <b>\$333,783</b> | <b>Total Revenue</b>                  | <b>\$333,783</b> |
| Hotel OpEx + Events             | (\$88,224)       | Hotel OpEx + Events               | (\$95,667)       | Hotel OpEx + Events                   | (\$95,667)       |
| Mgmt Fee (8%)                   | (\$18,723)       | Mgmt Fee (8%)                     | (\$19,856)       | Mgmt Fee                              | \$0              |
| Tax + Insurance                 | (\$37,000)       | Tax + Insurance                   | (\$37,000)       | Tax + Insurance                       | (\$37,000)       |
| <b>NOI</b>                      | <b>\$175,675</b> | <b>NOI</b>                        | <b>\$181,260</b> | <b>NOI</b>                            | <b>\$201,116</b> |
| <b>CAP RATE</b><br><b>5.96%</b> |                  | <b>CAP RATE</b><br><b>6.14%</b>   |                  | <b>STABILIZED CAP</b><br><b>6.82%</b> |                  |

### VALUE-ADD NARRATIVE

The asset offers ~86 bps of cap rate expansion for an owner-operator buyer, taking the going-in 5.96% cap to a stabilized 6.82%. Two compounding levers drive the expansion:

- Occupancy/ADR ramp.** 2025 actuals at 59% / \$176 ADR — submarket comparables operate at 65–72% occupancy with ADRs in the \$190–\$210 range. Path: **\$234K** → **\$248K** hotel revenue.
- Self-management.** Removing the third-party 8% management fee captures **~\$20K of incremental NOI** at stabilized run-rate.

### PASS-THROUGH REVENUE ECONOMICS

Gallery rent (\$13.6K NNN), First Friday events (\$14.4K), and private event bookings (\$37.5K) flow through at high margin — **OpEx and management fees scale only with hotel room revenue**. As event programming and ancillary income grow, the incremental cap rate impact is meaningful: every additional \$10K in pass-through revenue adds ~34 bps to the stabilized cap rate.

*Gallery, event, and management fee assumptions are illustrative. Buyer should conduct independent diligence; SDG Real Estate makes no representations or warranties as to projected performance. Actual lease terms and operating projections available under confidentiality.*

## PRICING METRICS

ASKING PRICE

**\$2.95M**

\$2,950,000

HOSPITALITY BASIS

**\$2.1M**

7 eff. keys × ~\$300K comp avg.

GALLERY / EVENTS / BRAND

**\$850K**

Layered revenue + brand value

STABILIZED CAP

**6.82%**

Owner-op scenario

## VALUATION APPROACH

The Gas Lamp Hotel is priced as a mixed-use boutique hospitality asset combining: (a) a stabilizing 5-key boutique hotel with the Edison Suite providing 3-key effective capacity, (b) an in-place ground-floor commercial tenant on NNN terms, and (c) layered event-space programming generating high-margin pass-through revenue.

The asking price reflects:

- Hospitality basis of **~\$2.1M** applied to 7 effective keys (in line with Philadelphia comp set average ~\$300K/key)
- Additional **~\$850K** attributable to gallery lease, event spaces, and established brand — revenue streams not present in pure-hotel comparables
- Recent comprehensive 2024 renovation — substantially turnkey, no near-term CapEx
- Old City submarket strength (Philadelphia's #1 leisure tourism corridor)
- Accelerating top line with +44% YoY revenue and +55% YoY direct-booking growth
- Multiple income streams and pass-through revenue reducing single line item risk
- ~86 bps cap rate expansion available through owner-operator transition (5.96% → 6.82%)

## DEAL STRUCTURE CONSIDERATIONS

| ITEM                  | STRUCTURE                     |
|-----------------------|-------------------------------|
| Sale Type             | Fee Simple                    |
| Going-In Operations   | Ramping — Year 1              |
| Stabilization Window  | Year 2–3                      |
| Buyer Profile         | Hospitality / Mixed-Use       |
| Management            | Transferable (or Self-Manage) |
| Reservations Platform | In Place & Transferable       |
| FF&E                  | Conveyed                      |
| Brand                 | Conveyed (Gas Lamp)           |

## BUYER PROFILES

**Owner-operator hospitality investor:** Capture the 8% management margin (~\$20K/yr) and accelerate ADR optimization. Stabilized 6.82% cap. **Highest-fit buyer.**

**Multi-property hospitality platform:** Plug existing operational infrastructure into a managed portfolio; benefit from shared overhead and pricing systems.

**Mixed-use real estate investor:** Hold gallery and event programming as contractual income; outsource hotel operations to professional manager or convert use.

## RECENT BOUTIQUE HOTEL SALES · PHILADELPHIA

| PROPERTY                  | SUBMARKET       | KEYS          | SALE DATE   | PRICE              | \$ / KEY          | CAP RATE     |
|---------------------------|-----------------|---------------|-------------|--------------------|-------------------|--------------|
| The Independent           | Midtown Village | 24            | Q3 2024     | \$7,200,000        | \$300,000         | 7.8%         |
| Morris House Hotel        | Wash Sq West    | 15            | Q1 2023     | \$4,100,000        | \$273,333         | 8.2%         |
| Penn's View Hotel         | Old City        | 27            | Q4 2023     | \$8,100,000        | \$300,000         | 7.5%         |
| Rittenhouse Boutique      | Rittenhouse     | 18            | Q1 2024     | \$5,400,000        | \$300,000         | 7.2%         |
| <b>The Gas Lamp Hotel</b> | <b>Old City</b> | <b>7 Eff.</b> | <b>2026</b> | <b>\$2,950,000</b> | <b>\$421,429*</b> | <b>6.82%</b> |

\*The Gas Lamp Hotel is priced on a 7 effective key basis: 4 standard suites (Adams, Davy, Latimer, Tesla) + Edison's 3-BR premium configuration counted as 3 effective keys. Applied to the Philadelphia comp set average of ~\$300K per key, the hospitality basis is approximately **\$2.1M**; the remaining ~\$850K of asking price is attributable to the ground-floor gallery lease, activated event spaces, established brand, and direct-booking infrastructure — none of which are present in the comparable transactions.

### PER-KEY PRICING CONTEXT

Recent Philadelphia boutique hotel transactions have priced between **\$273K and \$300K** per key. Applying the Philadelphia comp set average of ~\$300K per key to the Gas Lamp Hotel's 7 effective keys would imply a hospitality-only basis of approximately **\$2.1M**. The asking price of \$2.95M reflects an additional **\$850K** attributable to:

- In-place ground-floor art gallery (NNN) generating recurring lease income
- Activated event spaces (basement speakeasy + outdoor courtyard) producing private-event revenue
- Recurring First Friday programming income
- Established brand, direct-booking infrastructure, and demonstrated +55% YoY direct-booking growth

Effectively, the keys are valued at **~\$2.1M** in line with submarket comparables, with the gallery, event spaces, and brand value layered in at **~\$850K**.

### MARKET CAP RATE RANGE · 2024–2025

| SEGMENT                      | CAP RATE RANGE |
|------------------------------|----------------|
| Boutique Hotels (10–25 keys) | 7.0% – 9.0%    |
| Limited-Service              | 8.0% – 10.0%   |
| Full-Service                 | 6.5% – 8.5%    |
| Historic Properties          | 7.5% – 9.5%    |
| Mixed-Use Hospitality        | 6.0% – 8.0%    |

The Gas Lamp Hotel's 6.82% stabilized cap (Scenario C, owner-operator) sits comfortably within the Mixed-Use Hospitality range — appropriate for a renovated, fully-operational asset in a top-tier leisure submarket. Source: Philadelphia hospitality investment-sales market data, 2024–2025 vintage.

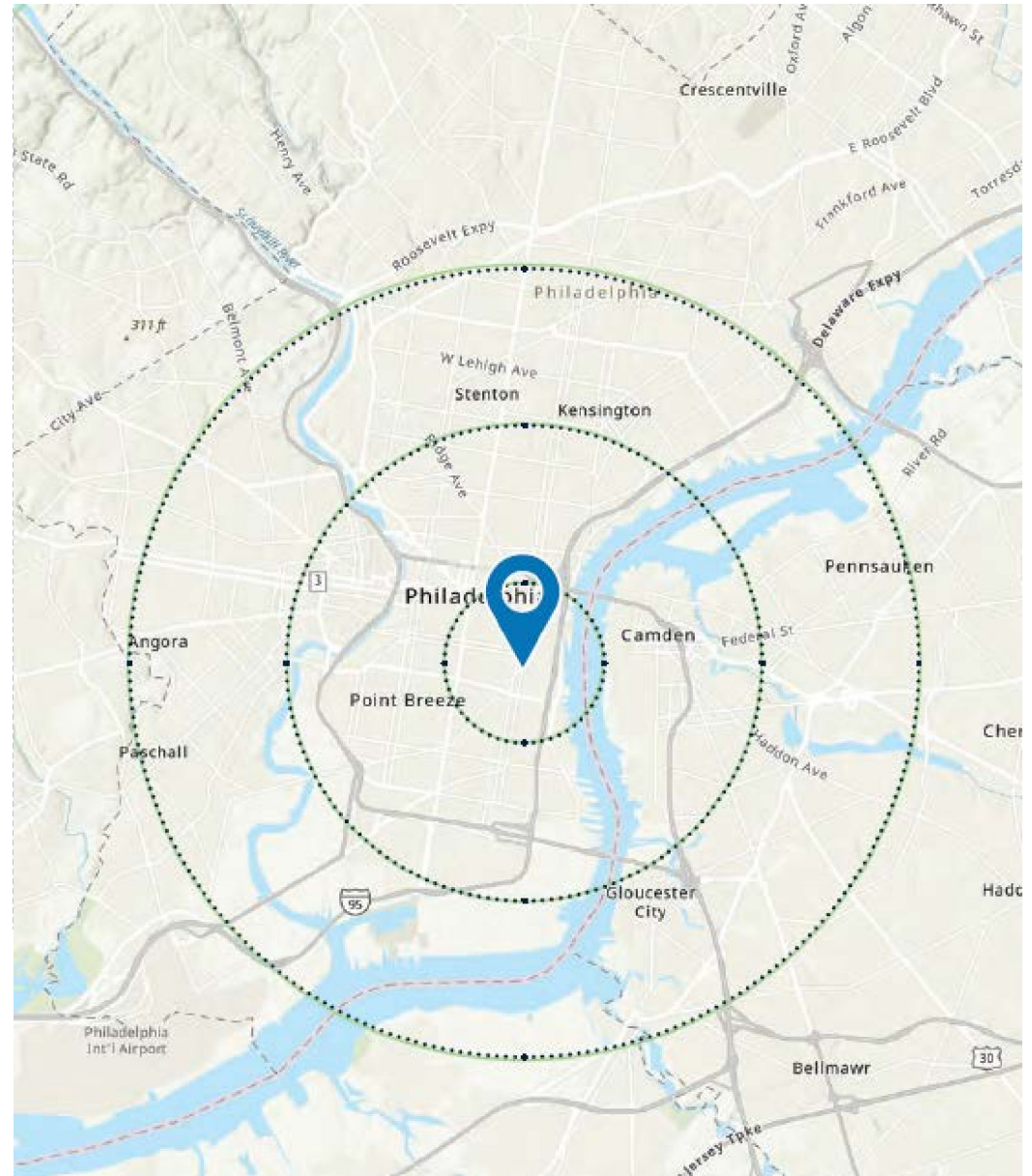
**TRADE-AREA DEMOGRAPHICS**

| METRIC            | 1-MILE    | 3-MILE    | 5-MILE   |
|-------------------|-----------|-----------|----------|
| Population        | 80,866    | 436,125   | 881,860  |
| Households        | 42,927    | 199,092   | 375,027  |
| Median Age        | 36.3      | 34.0      | 34.0     |
| Median HH Income  | \$95,088  | \$67,563  | \$51,313 |
| Average HH Income | \$145,621 | \$111,661 | \$86,966 |
| Total Businesses  | 11,420    | 21,184    | 32,892   |
| Total Employees   | 220,403   | 385,712   | 516,975  |

Source: U.S. Census Bureau / ESRI 2024 Estimates.

**TOURISM DEMAND DRIVERS**

- Independence National Historical Park — 5M+ annual visitors
- Liberty Bell Center — 3M+ annual visitors
- Museum of the American Revolution — 350K+ annual visitors
- Race Street Pier & Penn's Landing waterfront
- First Friday — monthly Old City gallery walk
- Convention Center — Center City, 12-min walk



**CONFIDENTIALITY AGREEMENT.** This Offering Memorandum has been prepared by SDG Real Estate ("SDG|RE", the "Broker") for use solely by prospective investors in considering their interest in acquiring The Gas Lamp Hotel located at 140 N 2nd Street, Philadelphia, PA 19106 (the "Property"). By accepting this Offering Memorandum, you acknowledge and agree that all of the information contained herein, and any other information you receive in connection with the Property, will be held in strict confidence.

**NO REPRESENTATIONS OR WARRANTIES.** The information contained in this Offering Memorandum has been obtained from sources believed to be reliable. While SDG|RE does not doubt the accuracy of the information, it has not been verified and SDG|RE makes no guarantee, warranty, or representation about it. It is the responsibility of each prospective investor to independently confirm the accuracy and completeness of the information.

**FORWARD-LOOKING STATEMENTS.** Projections, opinions, assumptions, or estimates used herein, including stabilized NOI scenarios, occupancy growth assumptions, and income forecasts, are for example only and do not represent the current or future performance of the Property. The value of the Property to a particular investor will depend on a number of factors that should be evaluated by such investor and its tax, financial, legal, and operational advisors.

**RIGHT TO WITHDRAW.** SDG|RE and Owner expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time, with or without notice. Owner shall have no legal commitment or obligation to any prospective investor unless and until a written purchase agreement has been fully executed and delivered.

**BROKER REPRESENTATION.** SDG|RE is the exclusive listing broker for the Property. All inquiries, tours, and communications regarding the Property must be directed through the brokers identified in this Offering Memorandum. Prospective investors are advised that direct contact with on-site staff, tenants, or guests is strictly prohibited without prior written authorization.

**FINANCIAL DATA.** Financial information presented herein has been provided by the Owner. Trailing operating data reflects the Property's first full operating year (2025) following the August 2024 opening. Stabilized projections rely on assumptions about occupancy growth, rate, expense controls, and lease terms that have not been independently audited. Prospective investors should perform their own due diligence and engage qualified professionals to review all financial information.

**PHYSICAL CONDITION.** No environmental, structural, mechanical, or engineering inspection has been conducted by SDG|RE. Prospective investors are encouraged to engage qualified inspectors and consultants. The Property is offered "as is, where is" without any representation as to physical condition.

**BROKER LICENSURE.** Stephen D. Stafford, Broker of Record · Pennsylvania. Shawn Witter, Investment Sales Advisor.

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**SDG | RE**

EXCLUSIVE LISTING

# The Gas Lamp Hotel

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