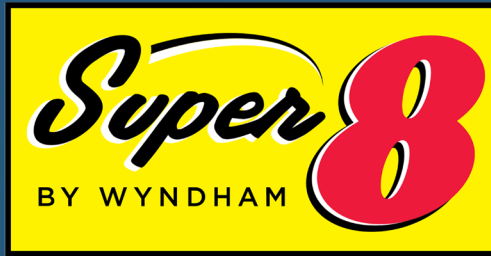


OFFERING MEMORANDUM

488 S BLACKSTOCK RD | SPARTANBURG, SC 29301



OFFERING MEMORANDUM



488 S BLACKSTOCK RD | SPARTANBURG, SC 29301

EXCLUSIVELY LISTED BY

**KATE DOCKERY**

Hospitality Director

Office: (949) 612-7623
Mobile: (334) 313-6014
kate@connollyinvestments.com
License No. 02197934

**WESLEY W. CONNOLLY**

Managing Broker

Office: (949) 612-7623
Mobile: (707) 477-7185
Wesley@connollyinvestments.com
License No. 01962332

SCOTT REID

Broker of Record

Office: (949) 942-6578
Mobile: (949) 375-8463
Scott@parasellinc.com
License No. SC #23763



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EXECUTIVE OVERVIEW

OFFERING INTRODUCTION

Connolly Investments, as the exclusive representative of the seller, is pleased to present to qualified purchasers the Super 8, located at 488 S Blackstock Rd, Spartanburg, SC. This three-story, interior corridor, limited-service hotel is strategically positioned in the vibrant town of Spartanburg, SC, and is stabilized with opportunities for re-flagging or expense optimization. The property is offered with fee-simple interest, unencumbered by management contracts and debt.

The Super 8 is strategically positioned in a high-traffic area within Spartanburg, benefiting from an ideal location near major thoroughfares and local attractions. The hotel occupies a prime site with convenient and direct access to key highways, including I-85 and I-26, ensuring a steady stream of business and leisure travelers.

Acquired by ownership in 2021, the hotel has undergone some renovations and is fully operational. The current franchise agreement extends for another 15 years and is transferable upon change of ownership. In 2023, this Super 8 ranked favorably among its competitive set according to STR data in REVPAR, securing the 2nd position out of 7 properties, demonstrating its strong market presence, brand recognition and operational efficiency.

The property's interior corridor design enhances security and guest experience while contributing to minimal maintenance expenses. This design, combined with consistent upkeep of the property, ensures that ongoing operational costs remain low, providing a stable and profitable investment. Additionally, there are minimal expected PIP (Property Improvement Plan) requirements, further reducing potential expenses for a new owner.

Spartanburg is a thriving city known for its vibrant economy, cultural attractions, and business-friendly environment. The city's growth and development, including a 5.7% increase in population since 2010 and ongoing commercial expansion, contribute to the hotel's ongoing success and appeal to both business and leisure travelers.



INVESTMENT HIGHLIGHTS

- **Established Hotel Opportunity:** This offering includes a well-established 60-key Super 8 hotel located in Spartanburg, SC. Delivered with fee-simple real estate and unencumbered by debt or management contracts, providing a clear and straightforward investment.
- **Strong Hotel Investment Fundamentals:** Positioned in a high-growth market within a tax-friendly state, this property represents an ideal investment opportunity. It is underscored by its robust brand presence and advantageous location. Additionally, the city has observed an impressive 11.1% year-over-year surge in annual hotel revenue, further supporting its strong investment potential.
- **Stabilized Asset with Potential for Upside:** The Super 8 in Spartanburg is a stabilized asset, ensuring consistent revenue and steady cash flow for investors. It is well-positioned within its competitive set, ranking 2nd out of 7 properties in 2023 per STR. Opportunities for further cash flow growth exist through property improvements and upgrades, dynamic expense management strategies, and potential flag conversions.
- **High Traffic Corridor:** The property benefits from significant daily traffic counts, including 101,660 vehicles per day on I-65, 7,362 vehicles per day on S Blackstock Rd, and 56,386 vehicles per day on Redville Rd, ensuring high visibility and accessibility.
- **Synergistic Surrounding Retail:** The subject property enjoys favorable access to high-traffic retail and food options, including West Gate Mall, Walmart Supercenter, Walgreens, Dunkin' Donuts, Zaxby's, and Waffle House. This synergy enhances the hotel's appeal to both transient and leisure guests.



PROPERTY OVERVIEW

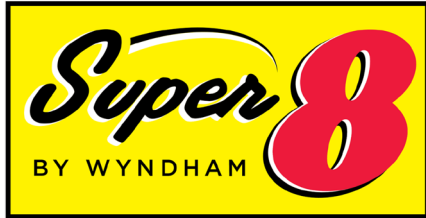


PHYSICAL DESCRIPTION

Subject Property	Super 8 Spartanburg
Property Address	488 S Blackstock Road
Location	Spartanburg, SC
Parent Company	Wyndham Hotels & Resorts
Flag	Super 8 by Wyndham
GLA (SF)	±29,728 SF
Year Built / Renovated	1998 / 2004
Primary Corridors	Interior
Total Keys	60
Floors	Two (2)
Class	Economy
Amenities	Pool, Business Center

DEMOGRAPHICS (5 MILE)

Population	85,820
Consumer Spending	\$872,636,170
Avg Household Income	\$68,436
Annual Population Growth '23-'28	1.1%



BRAND PROFILE

Super 8, a brand within the Wyndham Hotels & Resorts family, is known for its commitment to ensuring guest satisfaction. Positioned in the economy segment, Super 8 offers a budget-friendly yet quality stay, blending modern amenities and thoughtful touches for travelers on both business and leisure trips. Emphasizing comfortable accommodations and exceptional guest service, Super 8 creates a welcoming atmosphere for guests seeking comfort and convenience during their travels. As a franchise owner, you benefit from the brand's established success in the hospitality industry, supported by Wyndham's renowned reputation for excellence.

SUPER 8 FRANCHISEE ADVANTAGES

1. **Brand Recognition:** As an owner of a Super 8 by Wyndham franchise, you tap into the brand's strong market recognition. The brand's established name and positive reputation attract a wide array of travelers seeking reliable and affordable lodging options.
2. **Proven Business Model:** Super 8 by Wyndham provides franchisees with a tried-and-tested business model. With a track record of success in the hospitality sector, the brand offers a roadmap for achieving operational efficiency and financial prosperity.
3. **Comprehensive Support:** Franchisees benefit from extensive support from the Super 8 by Wyndham corporate team. This includes marketing support, ongoing training programs, and operational guidance, ensuring that each property is well-equipped to deliver the high standards of service associated with the brand.
4. **Innovative Technology:** Super 8 by Wyndham is committed to adopting innovative technology to enhance the guest experience and streamline operations. Franchise owners have access to the latest hospitality technology solutions, enabling their properties to remain competitive in today's fast-paced hospitality industry.



Wyndham Hotels & Resorts, a key player in global hospitality, offers a diverse range of accommodations with renowned brands like Wyndham, Ramada, and Days Inn. Emphasizing customer satisfaction, the company prioritizes loyalty through the Wyndham Rewards program, providing exclusive perks. With a commitment to responsible tourism, Wyndham integrates sustainability across its properties and actively engages in corporate social responsibility initiatives. As an industry leader, Wyndham continues to innovate, adapt, and uphold high standards of quality and service worldwide.

HEADQUARTERS

Parsippany, New Jersey

WEBSITE

www.wyndhamhotels.com

OF LOCATIONS

6,000+

YEAR FOUNDED

1981



FINANCIAL & LOCATION OVERVIEW

OFFERING SUMMARY

PERFORMANCE OVERVIEW

Subject Property	Super 8 Spartanburg
Occupancy	57.80%
ADR	\$72.31
RevPAR	\$41.80

FRANCHISE / PIP TERMS

Pending PIP	Partial Completion
Franchise Term	15 Years

PRICING SUMMARY

Sale Price	\$4,200,000.00
Price Per Key	\$70,000.00
Keys	60
Rev Multiple	4.35

2022 - 2023 PERFORMANCE

Revenue 2023	\$965,421.75
NOI 2023*	\$337,897.61
Revenue 2022	\$996,304.28
NOI 2022*	\$348,706.50

- NOI based off expected 65% expense ratio
- Pending PIP requirements are minimal



FY 2022 & 2023 PERFORMANCE

	FY 2022			FY 2023		
Rooms	60			60		
Available Rooms	21,900			21,900		
Occ. %	61.10%			57.80%		
Occupied Rooms	13,381			12,658		
ADR	\$74.45			\$72.31		
RevPAR	\$45.49			\$41.80		
	<i>Total</i>	<i>Ratio</i>	<i>POR</i>	<i>Total</i>	<i>Ratio</i>	<i>POR</i>
Room Revenues	\$996,304.28	100.00%	\$74.46	\$965,421.75	100.00%	\$76.27
Other Income	\$0.00	0.00%	\$0.00	\$0.00	0.00%	\$0.00
Total	\$996,304.28	100.00%	\$74.46	\$965,421.75	100.00%	\$76.27
Departmental Expenses:						
Rooms	\$207,965.14	20.87%	\$15.54	\$134,801.37	13.63%	\$10.65
Other - F&B	\$1,972.94	0.20%	\$0.15	\$1,020.67	0.54%	\$0.08
Total Department Expenses:	\$209,938.08	21.07%	\$15.69	\$135,822.04	14.07%	\$10.73
Gross Operating Income	\$786,366.20	78.93%	\$58.77	\$829,599.71	85.93%	\$65.54
<i>Gross Income Margin</i>	\$0.79			\$0.86		
General & Unapplied Expenses:						
Admin & General	\$76,474.93	7.68%	\$5.72	\$112,512.85	6.50%	\$8.89
Franchise Fee	\$85,158.22	8.55%	\$6.36	\$98,846.96	11.24%	\$7.81
Marketing & Sales	\$5,003.24	0.50%	\$0.37	\$16,423.32	1.00%	\$1.30
Utilities	\$80,053.07	8.04%	\$5.98	\$82,723.41	6.39%	\$6.54
Operations & Maintenance	\$38,761.24	3.89%	\$2.90	\$142,537.99	7.98%	\$11.26
Total Gen & Unapplied Exp.	\$285,450.70	28.65%	\$21.33	\$453,044.53	33.11%	\$35.79
Gross Operating Profit	\$500,915.50	50.28%	\$37.44	\$376,555.18	52.71%	\$29.75
Other Operating Costs:						
Management Fee* expected	\$30,366.00	3.05%	\$2.27	\$28,962.65	3.00%	\$2.29
Insurance	\$25,172.87	2.53%	\$1.88	\$29,535.05	2.45%	\$2.33
Taxes	\$66,322.08	6.66%	\$4.96	\$58,143.43	5.47%	\$4.59
Total	\$121,860.95	12.23%	\$9.11	\$116,641.13	12.08%	\$9.21
EBITDA before Reserves	\$379,054.55	38.05%	\$28.33	\$259,914.05	26.92%	\$20.53

- 3% Management Fee Assumption



SPARTANBURG, SC

GROWTH

Spartanburg, South Carolina, has become synonymous with prosperity and sustained growth in recent years. Fueled by a robust economic ecosystem and a high quality of life, the city has experienced remarkable expansion across various sectors. The influx of new residents, coupled with strategic business investments, has propelled Spartanburg into a dynamic urban center. With a population increase of 11.5% over the past decade and projections indicating further growth, Spartanburg stands as one of the fastest-growing cities in the state.

This growth is not only evident in demographic shifts but also in job opportunities, particularly within the healthcare and social services sectors, which are poised to grow by 42.6%. The city's landscape is evolving rapidly, with significant demand for office space, projected to reach 132 million square feet by 2025. Spartanburg's steady progress and dynamic urban environment make it an exciting place to live and work.

ECONOMY

Spartanburg has emerged as a significant economic hub in its own right, boasting a diverse and robust business landscape. The city serves as a regional center for manufacturing, particularly in automotive and transportation industries. Companies such as BMW Manufacturing Co., Michelin North America, and Denny's Corporation have established significant operations in the area, contributing to Spartanburg's economic vitality.

Furthermore, Spartanburg has a growing financial sector, with local institutions like Carolina Alliance Bank and First South Bank offering banking and financial services to residents and businesses alike. This sector continues to expand, attracting investment and fostering economic development in the region.

In addition to manufacturing and finance, Spartanburg is home to a diverse array of Fortune 500 companies and other notable enterprises. These include companies like Spartan Motors, AFL, and Milliken & Company, which contribute to the city's economic growth and stability. Spartanburg's strategic location, favorable business climate, and skilled workforce make it an attractive destination for businesses looking to establish a presence in the Southeast.

Overall, Spartanburg's economy is characterized by resilience, diversity, and innovation. As the city continues to attract investment and foster entrepreneurship, it solidifies its position as a key player in the region's economic landscape.



2.93%

Metro Area Population Growth



12TH FASTEST GROWING

Metro Area in the United States



RANKED #1

Best Places to Live in South Carolina in 2021/22

WOFFORD COLLEGE

Wofford College, situated in Spartanburg, South Carolina, epitomizes excellence and growth in higher education. With a student-to-faculty ratio of 11:1 and an average class size of 17, Wofford prioritizes personalized learning, fostering close relationships between students and faculty. Founded in 1854, the college has steadily expanded its academic offerings, now boasting over 70 majors, minors, and programs. This growth aligns with Wofford's commitment to providing a diverse and comprehensive educational experience. The institution's dedication to academic quality is evident in its consistent ranking among the nation's top liberal arts colleges by U.S. News & World Report. Moreover, Wofford's alumni network continues to flourish, with graduates making significant contributions in various fields, exemplifying the college's enduring legacy of producing influential leaders. Wofford College stands as a beacon of growth and excellence, continually evolving to meet the challenges of the future while upholding its tradition of academic excellence.



1854
FOUNDED

\$428M
CURRENT ENDOWMENT

77%
4-YR GRADUATION RATE



BMW NORTH AMERICAN MANUFACTURING PLANT

The BMW North American Manufacturing Plant and Driving School in Spartanburg, South Carolina, stand as exceptional destinations that offer visitors an unparalleled experience while also significantly contributing to the local economy. Serving as BMW's largest production facility globally, the manufacturing plant not only showcases cutting-edge technology and meticulous craftsmanship but also provides a substantial number of jobs to the community. With thousands of employees working on-site, the plant serves as a vital economic engine for Spartanburg, offering stable employment opportunities and fostering economic growth in the region.

Adjacent to the plant, the BMW Performance Driving School further enhances the economic impact by attracting visitors from across the country and around the world. Beyond providing enthusiasts with an exclusive opportunity to test drive BMW's high-performance vehicles under professional instruction, the driving school generates additional revenue streams and supports local businesses in Spartanburg.

OUTDOOR RECREATION

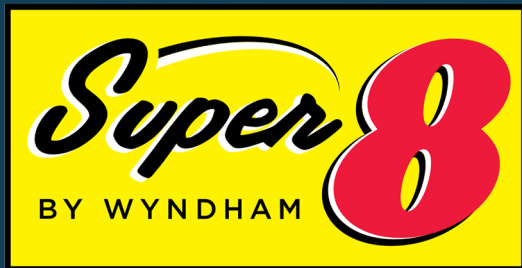
Sports and recreation enthusiasts in Spartanburg, South Carolina, have access to a wide range of activities and facilities. The city is renowned for hosting the Carolina Panthers' annual training camp at Wofford College, attracting football fans from across the region. Beyond football, Spartanburg offers numerous opportunities for outdoor recreation, including hiking, biking, and water sports at nearby parks and lakes. Additionally, the city boasts golf courses, tennis courts, and recreational centers where residents and visitors can stay active and enjoy their favorite sports.



SPARTANBURG ARTS & CULTURE

Spartanburg is one of South Carolina's most established, respected, progressive, and diverse art communities with everything from the fine arts—ballet, symphonies, and opera—to the cutting edge—street performers, graffiti, and dance mob

Downtown Spartanburg has even been designated as a cultural district by the South Carolina Arts Commission. Within the cultural district, you can walk to and enjoy world-class art galleries, studios, music venues, breweries, culinary arts, local literature publishers, coffee shops, libraries, museums, and more. Regardless of when you visit, you're likely to encounter live music in the streets, featuring jazz, rock 'n' roll, or beach music.



488 S BLACKSTOCK RD
SPARTANBURG, SC 28208

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KATE DOCKERY
Hospitality Director

Office: (949) 612-7623
Mobile: (334) 313-6014
kate@connollyinvestments.com
License No. 02197934



WESLEY W. CONNOLLY
Managing Broker

Office: (949) 612-7623
Mobile: (707) 477-7185
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Scott@parasellinc.com
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