



OFFERING MEMORANDUM

The Historic Canyon Motel

221 BYERS AVE

Hot Sulphur Springs, CO 80451

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MOTEL

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970 531 2412
OPEN 11AM-9PM

SECTION 1

Property Information

PROPERTY SUMMARY



OFFERING SUMMARY

SALE PRICE:	\$1,595,000
EBITDA/SDE:	\$218,232
CAP RATE:	14.0% (2021-2023 Avg.)
KEYS; \$/KEY	14; \$113,929
BUILDING SIZE:	6,072 SF
LOT SIZE:	0.42 Acres
YEAR BUILT:	1950
PROPERTY WEBSITE:	northco.com

PROPERTY OVERVIEW

SVN | Northco is pleased to present, as exclusive advisor to ownership, the sale of the Canyon Motel, which is a charming and historic 14 key motel that is located in Hot Sulphur Springs, Colorado, in close proximity to Winter Park, a world-class ski resort and recreation destination ("Property"). This Property is nestled in the Rocky Mountains along a Colorado Scenic Byway on US Highway 40. Hot Sulphur Springs is one of the most popular hot springs destinations in Colorado.

PROPERTY HIGHLIGHTS

- 14 key exterior-corridor motel in the popular tourist destination of Hot Sulphur Springs, Colorado; owner's quarters are available on-site (and can be rented separately as an apartment if desired)
- Offered at a 14.0% cap rate based on 2021-2023 historical financials with significant room for growth
- The Property consists of three buildings: an office/owner's residence, and two single-story buildings with 7 units in each
- There have been early \$200,000 of recent capital improvements, including the installation of solar panels, a repaved sidewalk, sealed parking lot, stucco repairs, and significant room upgrades

SALE HIGHLIGHTS

- Significant value-add potential, including adding on on-site restaurant. The previous restaurant, the Canyon Deli & Pizza, was leased to a third party. The restaurant could be leased to a different operator, or the new owner of the hotel could choose to open their own restaurant.
- The Property is in close proximity to Hot Sulphur Springs Resort, which offers day passes to its 24 famous hot springs, which are within walking distance. Many consider these hot springs to be the best in Colorado.
- The Property is only 30 miles from the popular tourist destination of Winter Park, Colorado, which is perennially ranked as one of the best ski resorts in Colorado, and the Western United States more broadly. The Property is also 30 miles from the western entrance to Rocky Mountain National Park.
- The Property is located less than 100 miles from Denver, CO
- Within walking distance to a C-store/gas station, a fantastic candy/gift store, the Pioneer Museum, a library, and more
- The town of Hot Sulphur Springs is located along the Colorado River
- One of three hotels/motels in Hot Sulphur Springs; the Property is currently ranked as the #1 hotel in Hot Sulphur Springs on TripAdvisor, and is a Certificate of Excellence award-winner
- Nearby attractions include Byers Canyon, the Pioneer Village Museum, Pioneer Park, and more. The Property is also across the street from the County building.
- Zoning: T1 - Tourists
- Broker of Record: Michael C. Corbey with Realspace Commercial Real Estate, LLC



ACCOMMODATIONS: OVERVIEW



ACCOMMODATIONS: OVERVIEW

- There are 14 rooms at the hotel. Below are descriptions from the Canyon Motel's website.
- **1 King (5 total):** 1 King Bed, Futon opens into a comfortable double bed, large TV, new mattress and bedspread. Hotel Presidential Suite II pillow-top mattress. Newly remodeled shower (some rooms), Jetted bathtubs (some rooms).
- **2 Queen (2 total):** 2 queen sized beds, kitchenette, futon opens into a comfortable double bed. New mattress and bedspreads.
- **1 Queen (3 total):** Queen bed, futon opens into a comfortable queen bed, full separate kitchen (some rooms). Serta Presidential II Pillow-Top mattress. Newly remodeled (some rooms), new bedspread.
- **1 Queen + 1 Double (3 total):** Standard room with 1 queen and 1 double sized bed. Fridge and microwave. Mattress is a Serta Presidential Pillow-Top mattress.
- **3 Bedroom (1 total):** 3 bedrooms; 2 bedrooms have 1 queen sized bed, 1 bedroom has 1 double sized bed. The living room has 1 sofa that can be pulled out as a queen sized bed. 2 bathrooms and a full kitchen.

BUILDING HIGHLIGHTS

BUILDING SIZE	6,072 SF
YEAR BUILT	1950
YEAR LAST RENOVATED	2021
ROOF	Flat roof with tar and gravel roof cover
SOLAR PANELS	Yes
EXTERIOR	Metal siding
WALLS	Textured drywall
CEILINGS	Acoustic drop ceilings
FLOOR COVERINGS	Carpet
PARKING SPACES	16 (2.6/1,000 SF)
NUMBER OF BUILDINGS	3
CEILINGS	Acoustic drop ceilings
FLOOR COVERINGS	Carpet
CORRIDORS	Exterior corridors



OVERVIEW OF BUILDINGS



- **Office and Owner's Residence:** The office and owner's residence is a two-story building with a single-door entry into the office lobby and front desk area. Behind the front desk the building includes a commercial kitchen and motel laundry room at the rear of the building. Access to the owner's unit is through a back office with an exterior entrance on the east side of the building. The main level of the owner's residence includes a living room, dining room, and kitchen. The upper level of the owner's residence includes three bedrooms and a bathroom. The lobby area has been recently renovated.
- **Building #2:** Building #2 consists of seven total rooms of which two are economy rooms. The entrances to most of the rooms are located on the east side of the building facing the office with parking in front of the rooms. The building has exterior corridors and with the exception of the economy room, each room is similar in size, condition, and appeal. Some rooms have kitchenettes and bath tubs.
- **Building #3:** Building #3 consists of seven total rooms. Six of the rooms are standard rooms with exterior corridors and entry doors facing south behind the office. Parking is available in the front of the rooms. The building includes an apartment unit in the walk-out basement level which consists of three bedrooms and a kitchen.



RECENT CAPITAL IMPROVEMENTS

- **2021:** Sidewalk repairs (\$32,000), parking lot paving/sealing (\$20,000)
- **2020:** Installation of solar panels (\$45,000), stucco repairs (approximately \$50,000 of value, however the work was completed by a manager)
- **2017/2018/2019:** Replacement of mattresses (\$7,000), remodeling of 5 bathrooms, replacement of carpet in 3 rooms, 1 kitchen remodel, replacement of windows in 8 rooms (approximately \$15,000)
- **Total Value of Recent Improvements:** Approximately \$169,000



RECENT REVIEWS

RECENT REVIEWS

- **Great Mom and Pop Motel:** "I've stayed in some of the best hotels in the world, but I also am drawn to small Mom and Pop motels. This one was clean and well kept. The beds were comfortable and the bathroom had been nicely redone with tile and new fixtures. I chose room 12 based on previous reviews and it was a nice, bright corner room with three windows for views. If this motel was in the middle of Kansas it would be a \$50 room but not so in Hot Sulphur Springs. Even so I'd stay here again." - **Linda T, TripAdvisor**
- **A Gem Outside of Granby:** "We stayed at the Canyon motel over Labor Day weekend in a standard room with our family of four. We were delighted to find such a clean, comfy and cute place that fit our budget. Then carpet was immaculate and the bathroom fairly updated. Sunshine, the owner, was helpful and friendly and we found the room to be top notch. It's a short walk to a hot spring... which we enjoyed and felt comfortable with their adherence to Covid guidelines." - **Annie E, TripAdvisor**
- **Nice clean stop close to Rocky Mountain National Park:** "We had spent 3 nights tent camping near the Royal Gorge and needed a hot shower and a soft bed before moving on to camp at Rocky Mountain National Park. The canyon motel fit the bill perfectly. Its nothing fancy but the beds were very comfortable. The bathroom was clean and the shower was hot! The price is reasonable for that area and the person working was polite and friendly. The room was older but nice and clean. Id definitely stay again!" - **Cheryl C, TripAdvisor**
- **Lovely and romantic small place:** "We came um this area for a Family meeting a few days before and we decided to stay overnight, but we like the place so much that we stayed for three days. Very cozy room, King size beds, beautiful view of the montains and super Nice crew." - **Dibitinha, TripAdvisor**
- **Great place:** "My wife and I stayed here on 2 August during a motorcycle trip through Colorado. We had ridden through rain most of the day and were road tired for sure. Miss Sunshine was very helpful and our room was nice and roomy. Bathrooms had plenty hot water and were very clean. We walked down the hill to the Bait Shop for dinner and it was excellent. Highly recommend to bikers and will definitely stay here again." - **Rebel Fan, TripAdvisor**

GROWTH OPPORTUNITIES

- **Convert the Owner's Residence into a Rental Unit:** The owner's residence includes three bedrooms and a bathroom on the upper level, and a living room, dining room, and kitchen. This home is currently being utilized by the owner/manager, however it could be rented out fairly easily for \$3,500+/month.
- **Add a Food and Beverage Component:** There used to be a restaurant on-site, and there is room to add another restaurant in its existing location.
- **Convert an Area of the Basement to an Apartment or Motel Unit:** There is an area downstairs, on the other side of Room #14, that can be remodeled into an apartment or hotel unit. It is currently being used as storage for the current manager.
- **Increase Occupancy:** Occupancy currently averages 60-65% when looking at the past three years of historical occupancy numbers. More focused management can lead to higher overall occupancy.
- **Add Additional Amenities:** Adding basic amenities like board games and lawn games, which is very inexpensive to do, will give the motel a more desirable guest experience.
- **Improve Design Aesthetic in Rooms:** The rooms could be upgraded to be more modern. A major trend in roadside motels right now is the conversion of the "mom and pop" roadside motel into a "boutique motel" that attracts a younger, hipper clientele (photo credit to right: Ace Hotel and Swim Club, Palm Springs, CA).



AREA ATTRACTIONS



- **Hot Sulphur Springs Resort and Spa:** Hot Sulphur Springs Resort and Spa is located only two blocks from the Property and they specialize in first-class treatments and historic facilities. They are often listed as a top hot springs destination in Colorado. <http://hotsulphursprings.com>
- **Winter Park Resort:** Winter Park Resort is located just off of Highway 40 in the town of Winter Park, Colorado, which is located only 30 miles from the Property. Winter Park Resort is Colorado's longest continually operated resort and features over 3,000 acres of award-winning terrain. The resort also features a bike park and Winter Park village. <http://winterparkresort.com>
- **Granby Ranch:** Granby Ranch is a "low-key" ski resort with beginner-friendly runs, slopeside lodging, and mountain biking in the summer. Granby Ranch is located approximately 15 miles from the Property. <http://granbyranch.com>
- **Rocky Mountain National Park:** The park's 415 square miles encompass and protect spectacular mountain environments. The park is a major source of summer business for the Property, as the west entrance of the park is only 30 miles away. <https://www.nps.gov/romo/index.htm>
- **Colorado Adventure Park:** The Colorado Adventure Park is located in Fraser, CO, and features a tubing hill, snow scoots, fat tire bike rentals, snowshoe rentals, mini snowmobiles (for kids), and more. Fraser is located approximately 25 miles from the Property. <http://coloroadventurepark.com>
- **Pioneer Village Museum:** The Pioneer Village Museum lies at the east end of Hot Sulphur Springs just off of Highway 40. Here you can discover early cools of Grand County inhabitants, pioneer clothing, and historic Grand County artifacts. <http://grandcountyhistory.org/museums/pioneer-village-museum/>
- **Dashing Thru the Snow:** This business offers group and private sleigh rides in Winter Park with beautiful views and family fun at an affordable price. <http://winterparksleighrides.com/>
- **Winter Park Trail Rides:** This business offers horseback riding in the beautiful Fraser Valley during the summer months.
- **Grand Park Community Recreation Center:** This is a new complex in Fraser that features an indoor waterpark, pools, a gym, rock climbing, and more. <http://https://www.fraservalleyrec.org/>
- All Winter Park.com Visit Our Other Site at Colorado Vacation Directory

ADDITIONAL PHOTOS



ADDITIONAL PHOTOS





SECTION 2
Location
Information



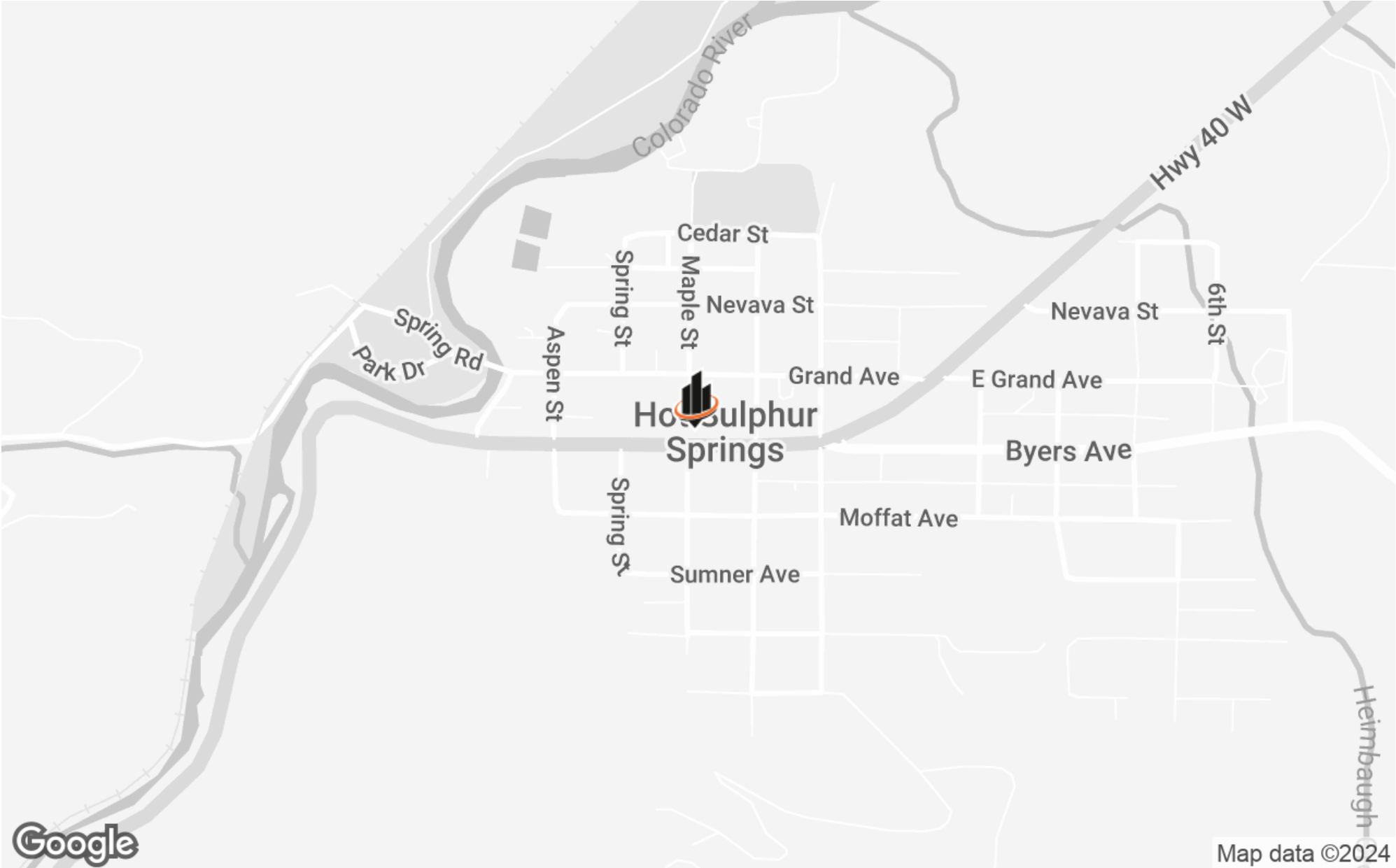
LOCATION OVERVIEW

Hot Sulphur Springs, Colorado is located in Grand County between Granby and Kremmling. The town is approximately 100 miles from both Boulder and Denver, Colorado, and is 30 miles northwest of the world-renowned outdoor recreation destination of Winter Park. The town is known for its hot springs, which are located just outside of the town limits on the west side of the Colorado River. This brings in visitors from Winter Park and elsewhere, making the town a destination for outdoor enthusiasts year-round.

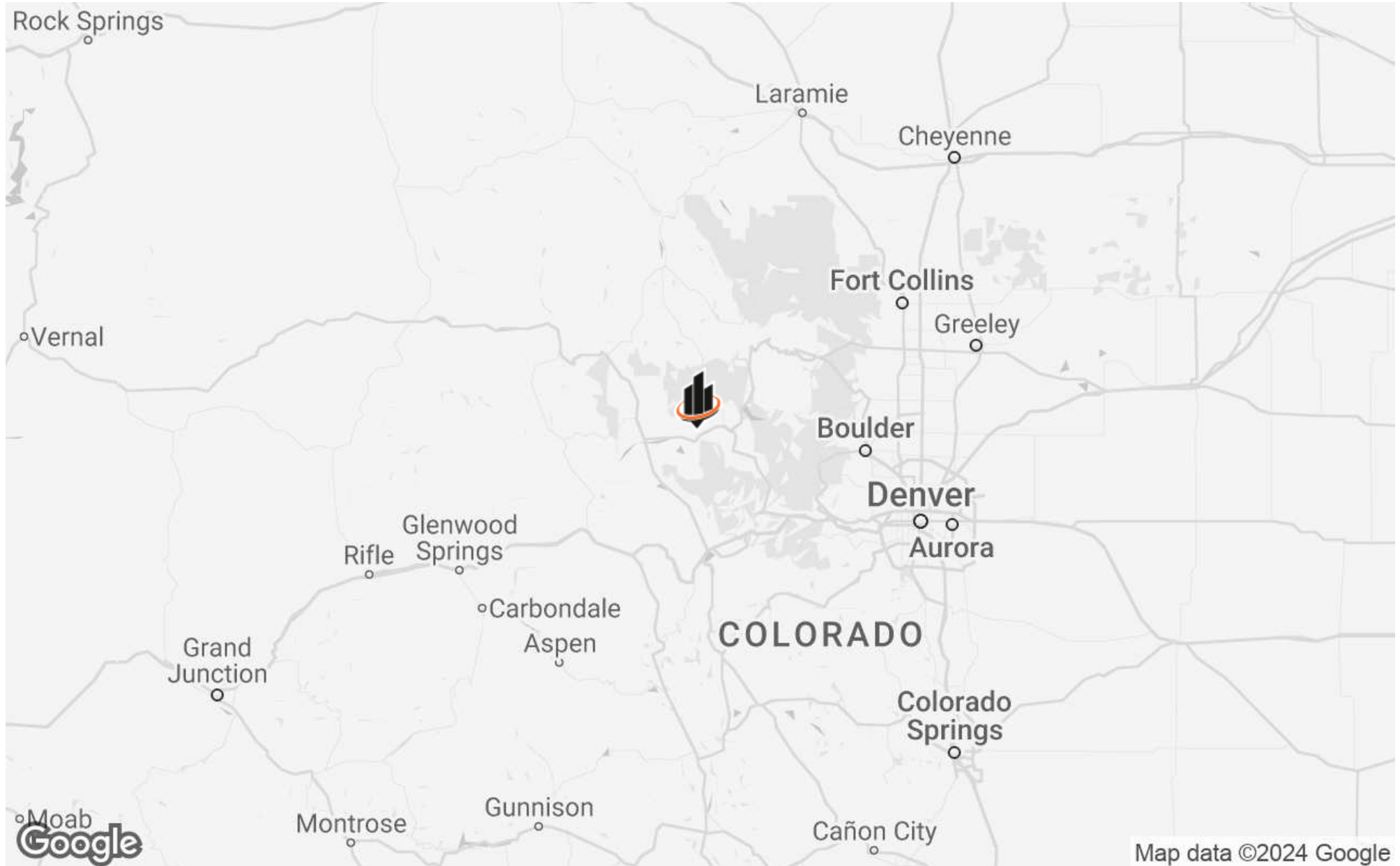
There are many attractions in and around Hot Sulphur Springs, including the Hot Sulphur Springs Resort and Spa (day passes are available for guests of the Canyon Motel), the aforementioned Winter Park (Resort), Granby Ranch Ski Area, the Colorado Adventure Park, and much more.

Colorado is major draw for adventure-seekers throughout the globe, and brings in nearly 90 million visitors a year (2019 estimate).

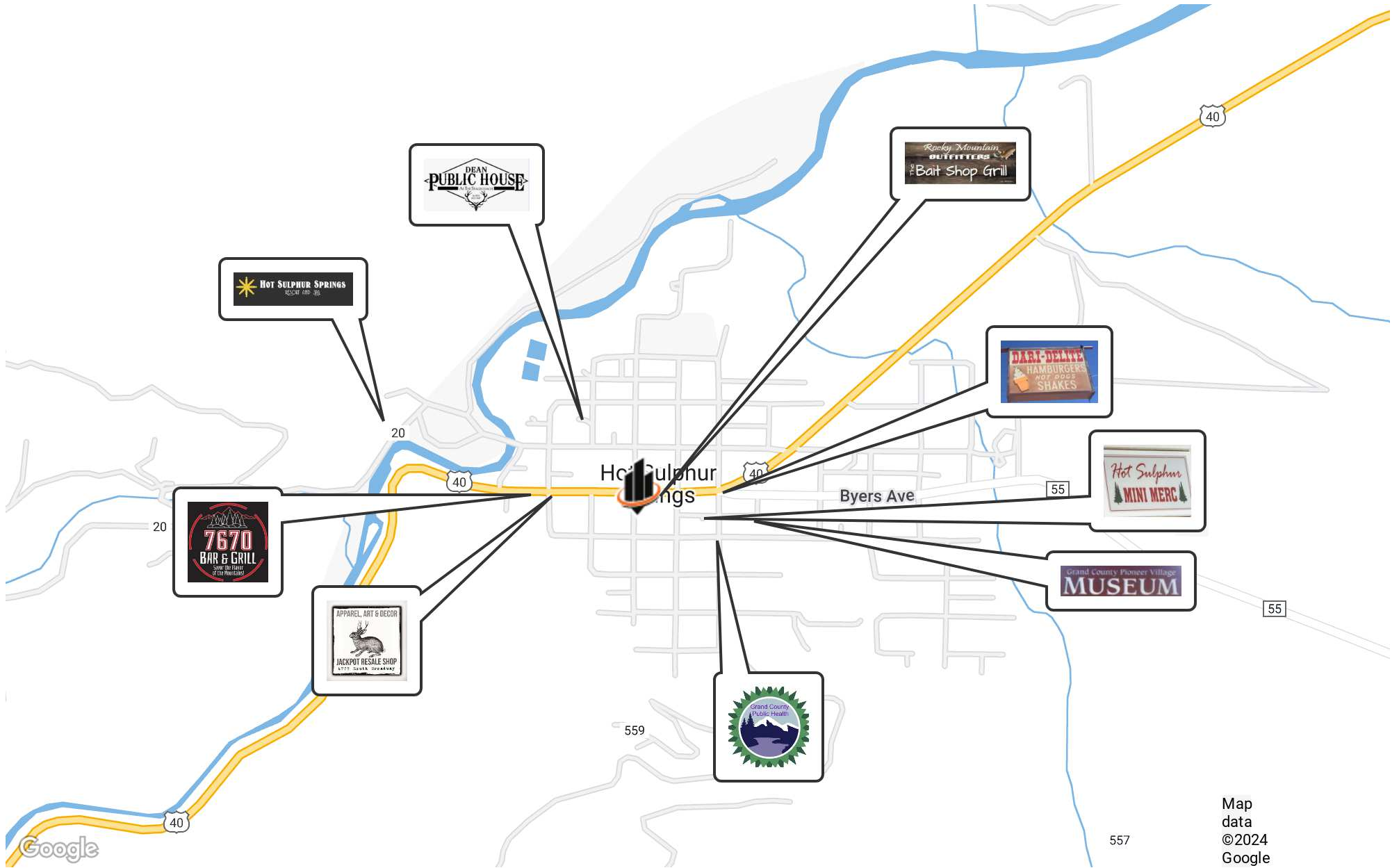
LOCATION MAP



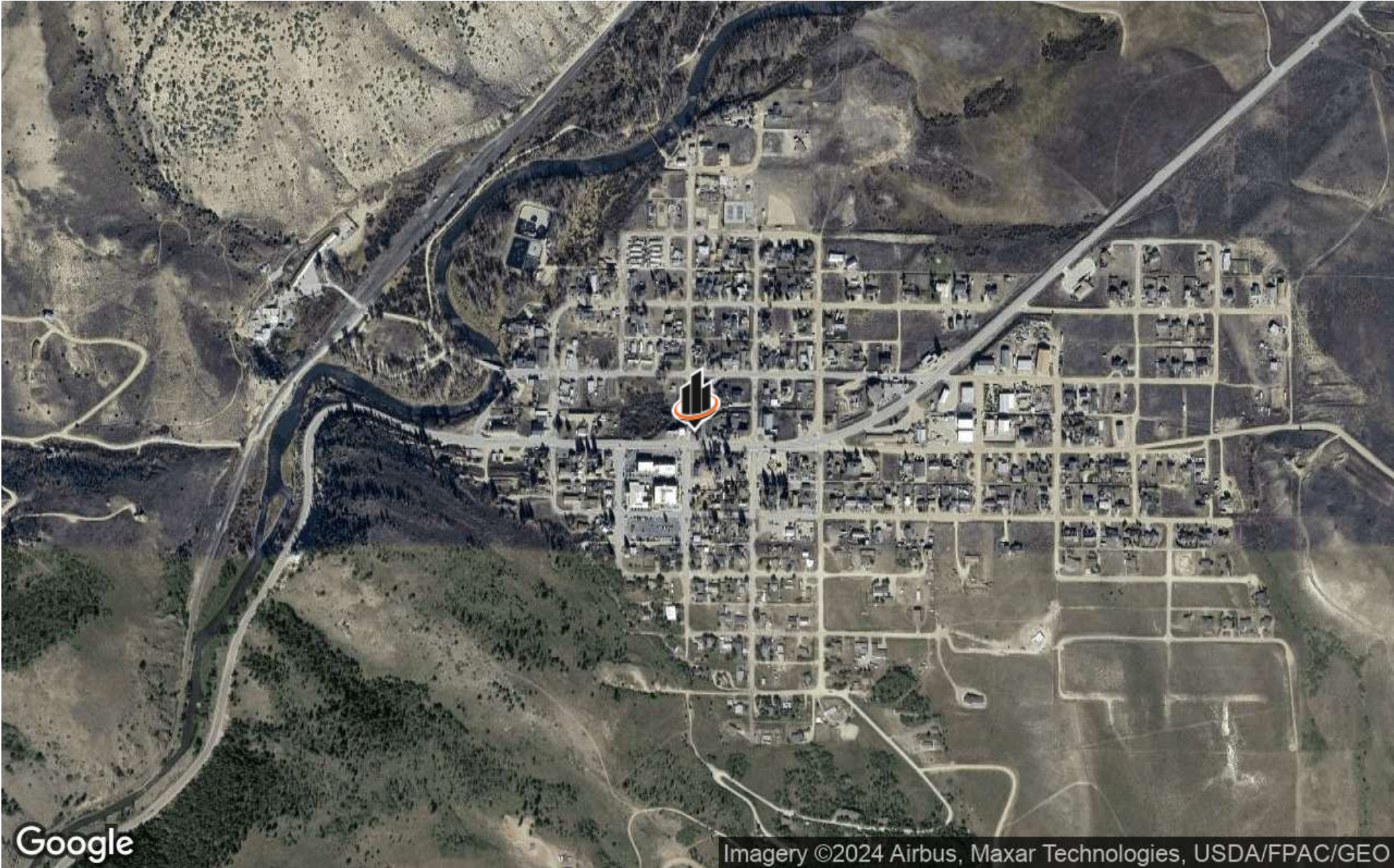
REGIONAL MAP



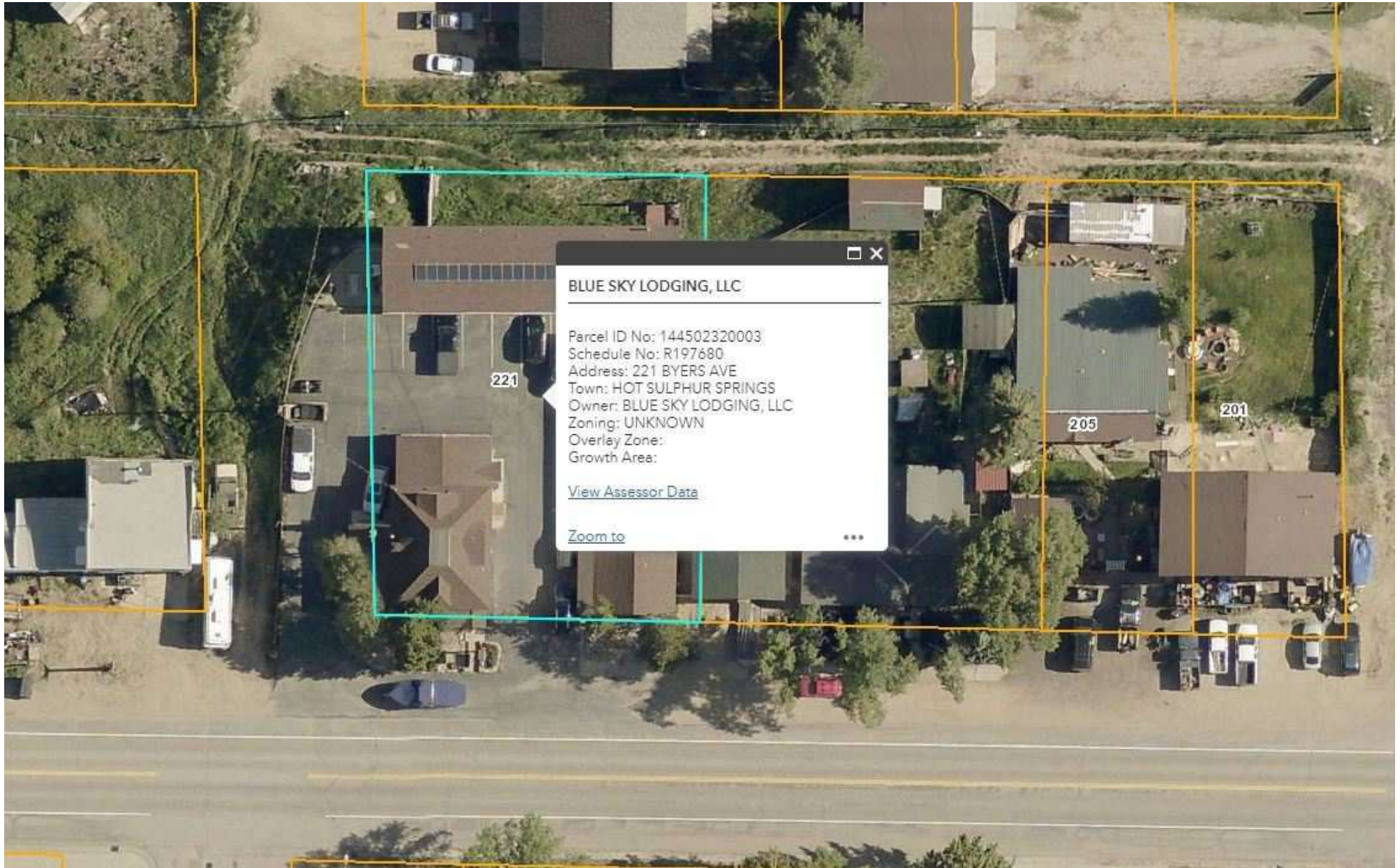
RETAILER MAP



AERIAL MAP



PARCEL MAP





SECTION 3
Demographics

POPULATION

30 MILES 60 MILES 120 MILES

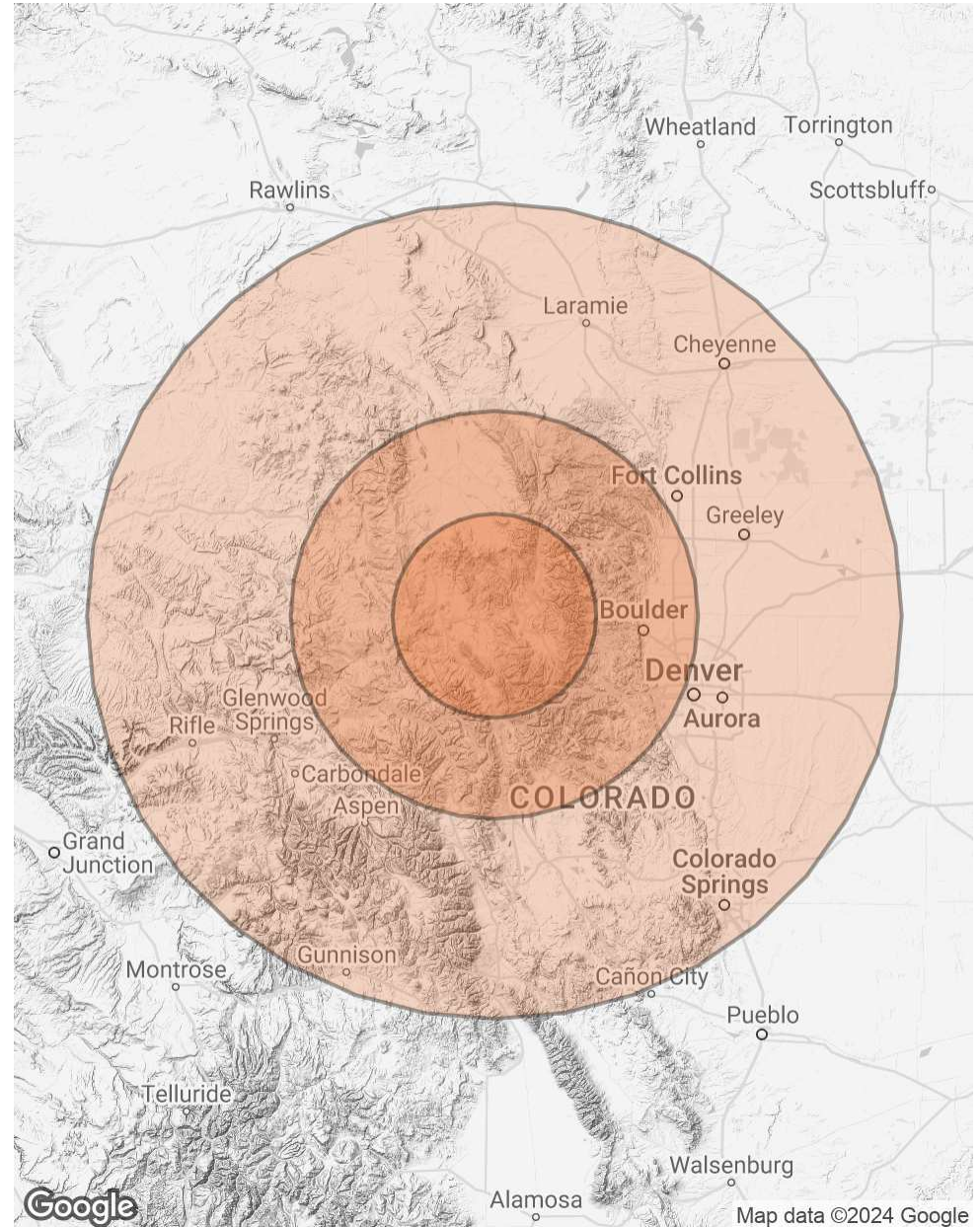
TOTAL POPULATION	29,063	325,711	4,860,005
AVERAGE AGE	38.7	36.7	36.7
AVERAGE AGE (MALE)	38.9	36.2	36.0
AVERAGE AGE (FEMALE)	39.1	37.6	37.5

HOUSEHOLDS & INCOME

30 MILES 60 MILES 120 MILES

TOTAL HOUSEHOLDS	11,045	131,680	1,904,861
# OF PERSONS PER HH	2.6	2.5	2.6
AVERAGE HH INCOME	\$77,062	\$88,744	\$81,210
AVERAGE HOUSE VALUE	\$332,604	\$497,955	\$327,701

** Demographic data derived from 2020 ACS - US Census*





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