

FENWICK INN

13801 Coastal Highway | Ocean City, MD 21842





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EXECUTIVE SUMMARY

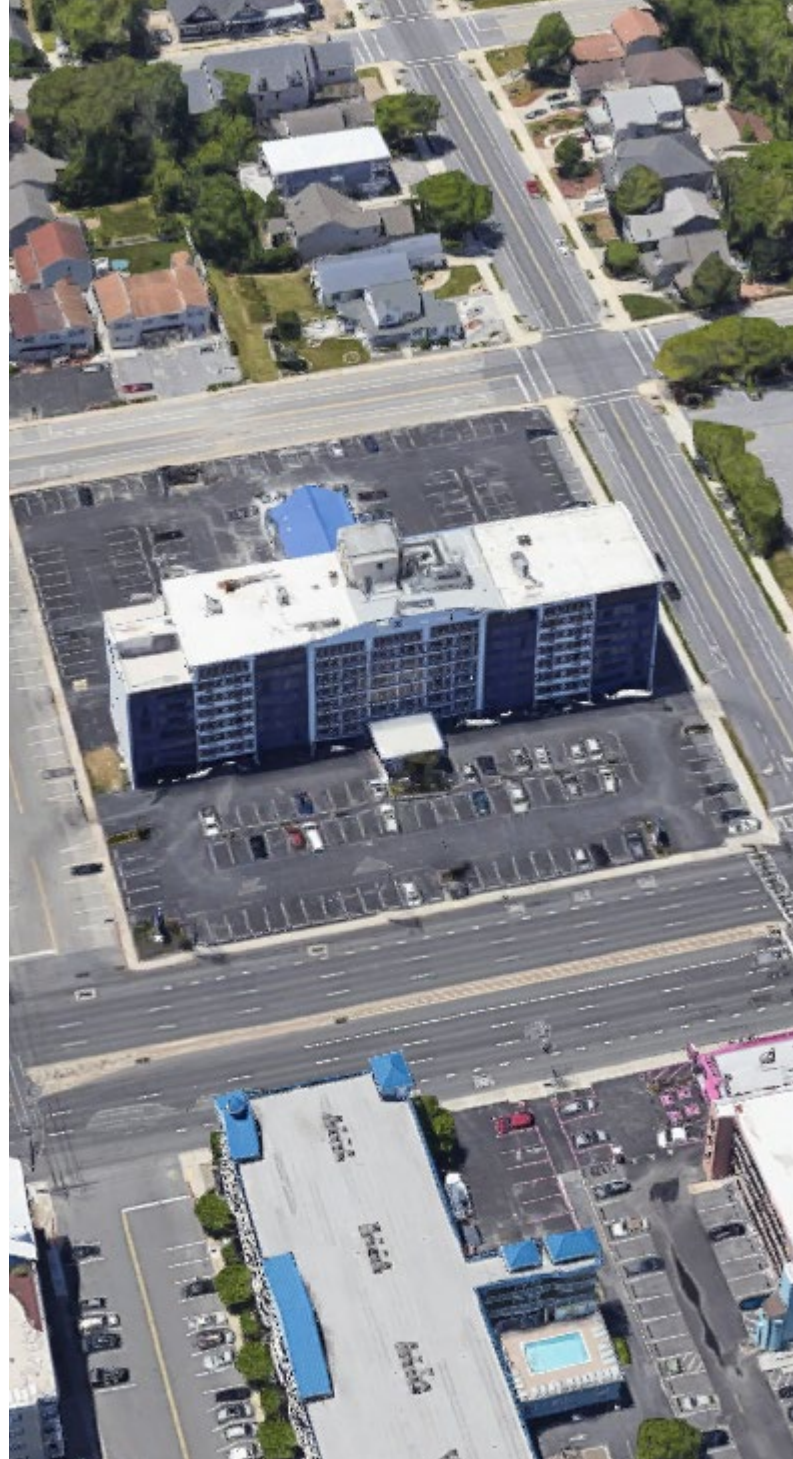
\$33,000,000 / **~6.73%** / **\$2,220,000**
PRICE / **IMPLIED CAP RATE** / **NOI**

Fenwick Inn is a 201-room, recently renovated upper-midscale hotel located at the northern gateway to Ocean City, Maryland. Positioned along Coastal Highway with strong visibility and accessibility, the property serves as one of the first full-service hospitality assets entering Ocean City from the north. The property also has a rooftop restaurant with sweeping views of both the bay and the ocean.

The asset is currently generating approximately **\$2.22 million in Net Operating Income (NOI)** and is being offered at **\$33,000,000**, representing an implied cap rate of approximately **6.73%**.

While the in-place yield reflects a premium relative to traditional hotel investments, the offering is differentiated by its **2.37-acre site, scale (201 keys), and long-term redevelopment potential** in a highly constrained coastal market. This creates a compelling opportunity for investors seeking both stable cash flow and strategic optionality.

Property Name	Fenwick Inn
Address	13801 Coastal Highway, Ocean City, MD
Property Type	Upper Midscale Hotel
Rooms	201
Stories	7
Year Built	1975
Renovation	Completed December 2021
Gross Building Area	114,151 SF
Lot Size	2.37 Acres
Parking	188 Surface Spaces (0.94 per key)
Construction Type	Masonry



INVESTMENT HIGHLIGHTS

RECENTLY RENOVATED ASSET (\$7.66M CAPEX – 2021)

- » Major upgrades completed across guest rooms, systems, and public areas, significantly reducing near-term capital requirements.

STRONG IN-PLACE CASH FLOW

- » ~\$2.22M NOI with ~39% margin demonstrates efficient operations and expense control.

LARGE, IRREPLACEABLE COASTAL PARCEL (2.37 ACRES)

- » One of the few sites of this scale in Ocean City with existing density already proven (201 keys).

GATEWAY LOCATION WITH HIGH VISIBILITY

- » Positioned along Coastal Highway (~28,000 vehicles/day), capturing inbound traffic from Delaware.

OPERATIONAL UPSIDE

- » ADR and occupancy trail market averages, providing opportunity for revenue growth through improved management.

LONG-TERM REDEVELOPMENT OPTIONALITY

- » Site supports future condominium or mixed-use development, creating a secondary value driver beyond hotel operations.





Aerial by:
**SUBJECT
RUNNER** »
Imagery:
Nearmap



Aerial by:
SUBJECT
RUNNER
Imagery:
Nearmap

FINANCIAL OVERVIEW (2025)

REVENUE BREAKDOWN

Rooms Revenue \$4,790,000

Miscellaneous Income \$887,985

Minor Departments \$35,776

TOTAL REVENUE \$5,720,000

EXPENSES

TOTAL OPERATING EXPENSES \$3,500,000

NET OPERATING INCOME \$2,220,000

NOI MARGIN ~38.8%



PRICING & RETURN PROFILE

ASKING PRICE	\$33,000,000
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IMPLIED CAP RATE	~6.73%
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DEBT ASSUMPTIONS (MARKET-BASED)

Loan-to-Value	65%
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Interest Rate	~6.25%
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Amortization	25 Years
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ESTIMATED RETURNS

Debt Service	~\$1.60M-\$1.65M
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Cash Flow	~\$550K-\$600K
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Cash-on-Cash Return	~5.0%-5.5%
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DSCR	~1.35x
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MARKET OVERVIEW

Ocean City is a premier East Coast drive-to resort destination with strong seasonal demand supported by tourism, beach access, and regional proximity to major metropolitan areas.

MARKET METRICS (2025)

Occupancy	~52.1%
ADR	~\$201
RevPAR	~\$104.74

LOCAL DEMAND DRIVERS

- » Beach tourism and seasonal visitation
- » Proximity to Delaware beaches
- » Strong summer occupancy patterns
- » Regional drive-in traffic (DC, Baltimore, Philadelphia, NY)



MARKET POSITIONING

Most institutional and private hotel investors will initially underwrite the asset based on in-place income.

MARKET CAP RATE RANGE

- » 7.25% – 7.75% (coastal comparable assets)

FENWICK OFFERING

- » 6.73% cap rate

POSITIONING STRATEGY

The offering is intentionally positioned above traditional yield thresholds and is best suited for:

- » Strategic investors
- » Family offices
- » Long-term capital
- » Developers with hospitality experience



BUSINESS PLAN & 5-YEAR OUTLOOK

SHORT-TERM (YEARS 1–5)

- » Improve ADR and occupancy toward market levels
- » Drive operational efficiencies
- » Achieve 2–3% annual NOI growth

MID-TERM (YEARS 5–10)

- » Maintain stabilized operations
- » Benefit from minimal CapEx due to recent renovation
- » Build consistent operating history

LONG-TERM REDEVELOPMENT POTENTIAL

The true long-term value of the asset lies in its land and positioning.

KEY ATTRIBUTES

- » 2.37-acre site
- » Major highway frontage
- » Existing density (201 keys)
- » Gateway location

CONCEPTUAL REDEVELOPMENT SCENARIO

- » 60–100 condominium units
- » Average sale price: ~\$600,000
- » Potential sellout: ~\$40M–\$60M+

This provides a compelling secondary exit strategy for long-term investors.



CAPITAL EXPENDITURES

COMPLETED (2021 RENOVATION – \$7.66M)

- » Bathrooms
- » Flooring & drywall
- » Electrical & plumbing
- » HVAC systems
- » Life safety systems
- » FF&E (guest rooms & public areas)

FORWARD CAPEX

- » Minimal near-term requirements
- » Standard reserves recommended: \$1,000–\$1,500/key annually

INVESTMENT THESIS

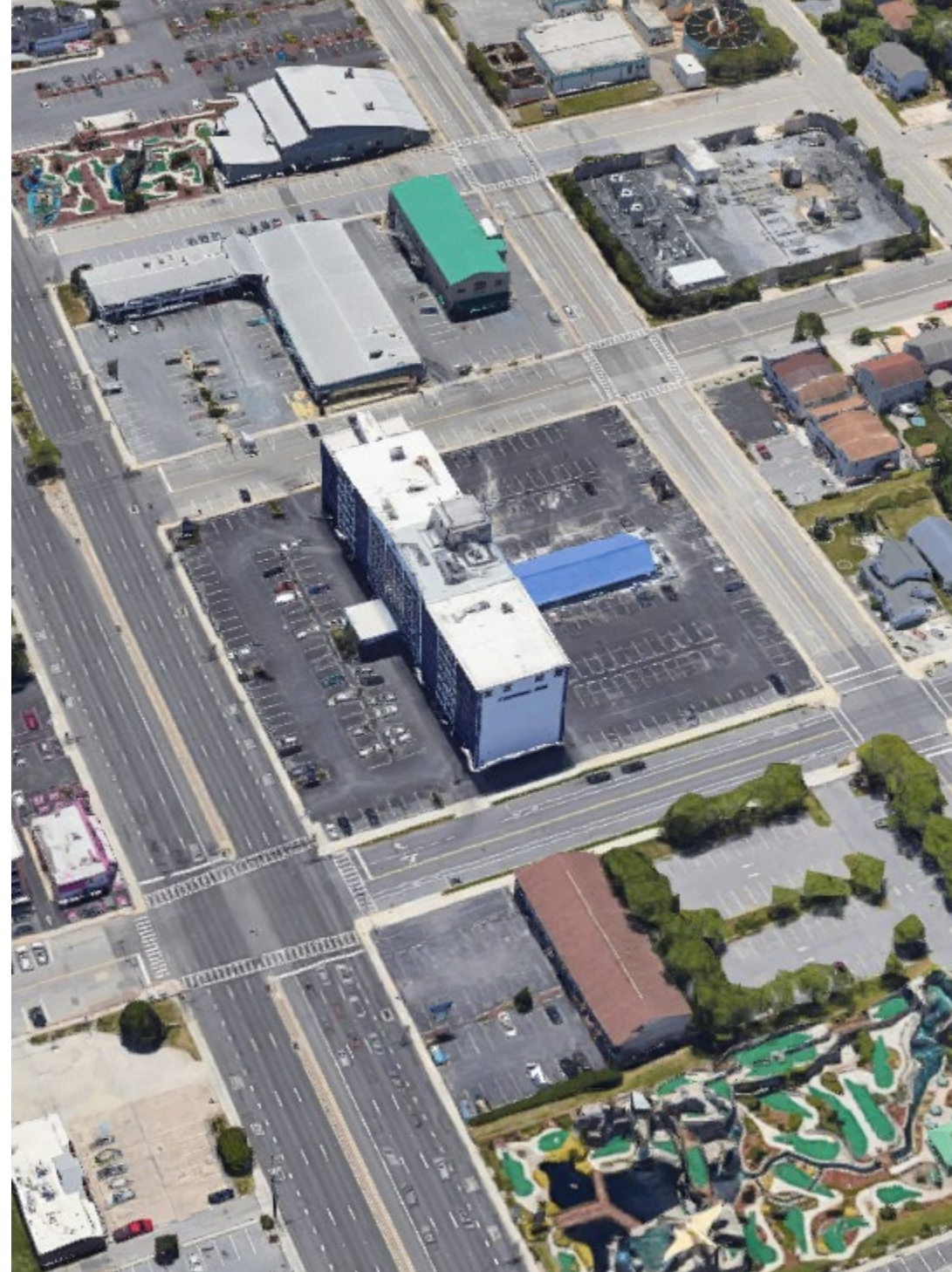
Fenwick Inn represents a hybrid investment opportunity:

INCOME COMPONENT

- » Stable cash flow
- » Strong operating margins
- » Recently renovated asset

APPRECIATION COMPONENT

- » Undervalued operational upside
- » Premium coastal location
- » Long-term redevelopment potential



FENWICK INN

13801 Coastal Highway | Ocean City, MD 21842



FOR MORE INFORMATION, PLEASE CONTACT

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