

ECONOMY HOTEL WICHITA

Offering Memorandum

Wichita, Kansas | 140 Guestrooms | Fee Simple



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CONFIDENTIALITY INFO & DISCLAIMER

Avison Young has been engaged by Ownership as the exclusive agent for the sale of the **Economy Hotel Wichita Portfolio** located in **Wichita, KS**.

The Property is being offered for sale in an “as-is, where-is” condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Avison Young as a “Registered Potential Investor” or as “Buyer’s Agent” for an identified “Registered Potential Investor”. The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum.

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Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from being marketed for sale at any time and for any reason. Seller and Agent each expressly reserves the right at their sole and absolute discretion, to reject any and all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time, with or without notice. This offering is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. Agent is not authorized to make any representations or agreements on behalf of Seller. Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by owner and any conditions to owner’s obligations thereunder have been satisfied or waived.

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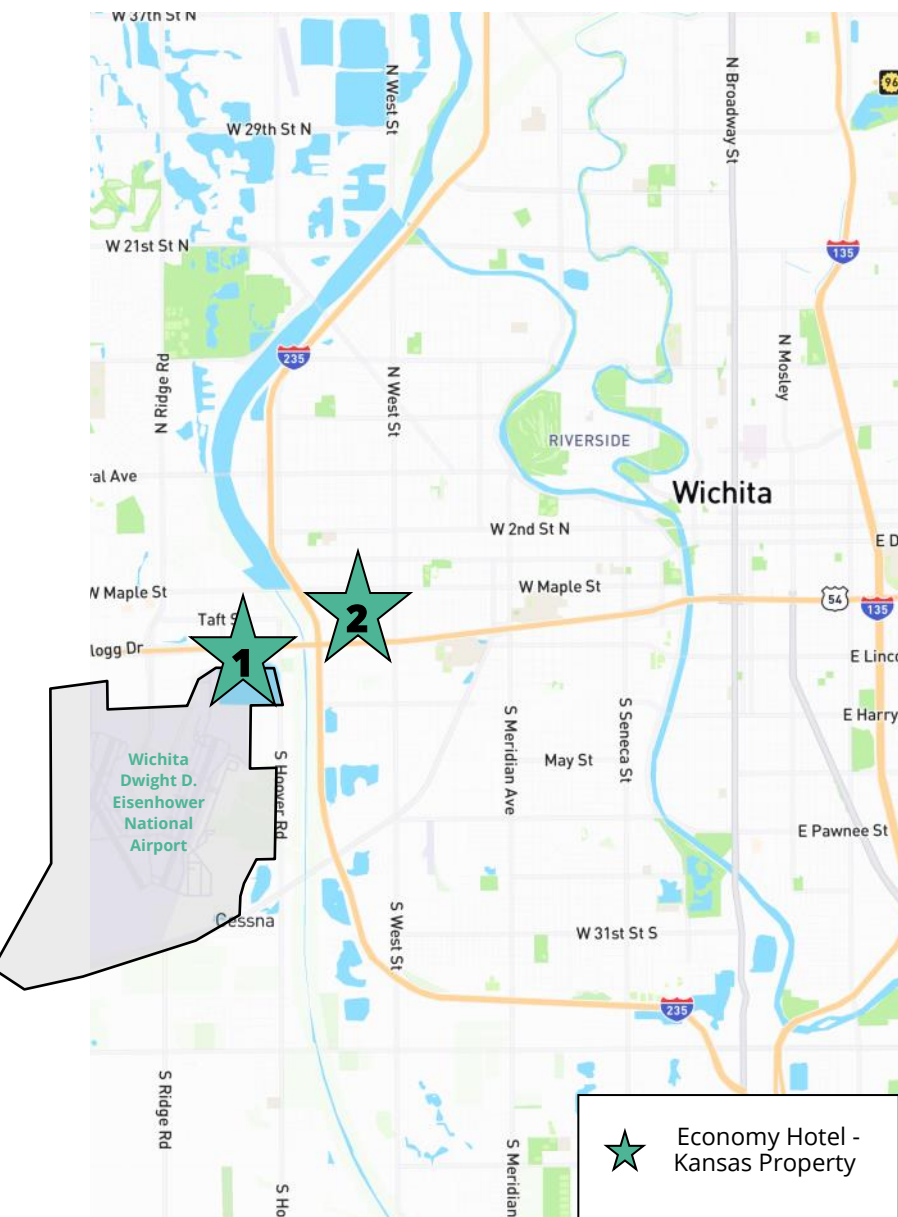
AVISON YOUNG | HOSPITALITY GROUP
Attn: Keith Thompson | Principal
280 Country Club Drive, Suite 200
Stockbridge, GA 30281
770.692.1605
Hospitality.group@avisonyoung.com

The information contained herein was obtained from sources believed reliable; however, Avison Young makes no guarantees, warranties or representations as to the completeness or accuracy thereof. The presentation of this property is submitted subject to errors, omissions, change of price or conditions, prior to sale or lease, or withdrawal without notice.



EXECUTIVE SUMMARY

PROPERTY OVERVIEW



PROPERTY LOCATION

		Address	City, State	Rooms	2023 Annual Revenue
1	Economy Hotel - Wichita Kellogg	5805 W Kellogg Dr	Wichita, KS	100	\$708K
2	Economy Hotel - Wichita I-235	550 S Florence St I-235	Wichita, KS	40	\$172K
Total Guestrooms				140	\$880K

EXECUTIVE SUMMARY

Avison Young Hospitality Group, as exclusive agent for the Seller, is pleased to present for your consideration the Economy Hotel Wichita Portfolio with 140 rooms. The Portfolio is being sold fully unencumbered of management and debt and presents investors with the opportunity to acquire a regionally concentrated Portfolio with existing in-place cash flow. The Portfolio contains two hotels within the Wichita, Kansas Market. The Portfolio can be purchased as a portfolio or properties can be purchased individually.

INDEPENDENT ECONOMY HOTEL WICHITA PORTFOLIO

The Portfolio comprises two independently branded economy hotels in Wichita, Kansas.

UNENCUMBERED OF DEBT & MANAGEMENT

The Portfolio is being offered fully unencumbered of existing management or debt, allowing for a new owner to come in with fresh capital and an opportunity to retool the property-level operations.

DISCOUNT TO REPLACEMENT COST

Over the last several years as the economy has continued to grow, both labor and materials have reached all-time peaks leading to soaring construction costs for new build projects. Conversely, these properties are being offered at a substantial discount compared to the price to replicate the same assets today, offering a new investor immediate value from day one.



WICHITA, KANSAS MARKET SUMMARY

ECONOMY & TOURISM

- Wichita's principal industrial sector is manufacturing
- Aircraft manufacturing has long dominated the local economy, playing such an important role that it can influence the economic health of the entire region
- Healthcare is Wichita's second-largest industry, employing approximately 28,000 people in the local area
- Wichita is a center of culture, media, and trade. It hosts several large museums, theaters, parks, and entertainment venues.

BUSINESS

MAJOR EMPLOYERS LOCATED IN/NEAR WICHITA, KANSAS



HEALTHCARE

- Kansas Medical Center
- NMC Health Medical Center

EDUCATION

- Wichita State University (WSU) (10,000+ students)
- Butler Community College (6,000+ students)
- Friends University (2,500+ students)
- WSU Tech (2,000+ students)
- Wichita Technical Institute (1,000+ students)
- Southwestern College (1,000+ students)

TRANSPORTATION

- Interstates 35, 135, and 235
- U.S. Routes 54, 81, and 400
- Wichita Dwight D. Eisenhower National Airport
- Wichita Transit

POPULATION & DEMOGRAPHICS

MSA Population

650,039

Median Household Income

\$67,012

Income Per Capita

\$35,046



PROPERTY DETAILS

ECONOMY HOTEL

Wichita Kellogg



PROPERTY HIGHLIGHTS

Address	5805 W Kellogg Dr Wichita, KS 67209
Renovation Date	2020
Stories	2
Guestrooms	100
Amenities	Elevator, Guest Laundry Facilities, Cable TV, Queen and King Beds, High Speed Internet
Area Demand Generators	<ul style="list-style-type: none"> – Spirit AeroSystems – Intrust Bank – Koch – Textron
Ownership Interest	Fee Simple

PROPERTY AERIAL

Economy Hotel Wichita Portfolio

5805 W Kellogg Dr
Wichita, KS 67209



FINANCIAL PERFORMANCE / FORECAST

Economy Hotel Wichita Portfolio
5805 W Kellogg Dr
Wichita, KS 67209

	Year Ending December 2023				Estimated YTD September 2024				Estimated YE December 2024			
Operating Statistics												
Occupancy	70.0%				72.1%				73.0%			
Average Daily Rate	\$27.73				\$28.25				\$27.92			
RevPAR	\$19.40				\$20.38				\$20.38			
Number of Rooms	100				100				100			
Days In Period	365				274				366			
Available Rooms	36,500				27,400				36,600			
Occupied Rooms	25,535				19,764				26,718			
Revenue	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR
Rooms	\$708,083	81.9%	\$28	\$19	\$558,413	92.1%	\$28	\$20	\$745,909	92.1%	\$28	\$20
Other	156,984	18.1%	\$6	\$4	\$47,686	7.9%	\$2	\$2	\$63,697	7.9%	\$2	\$2
Total Revenue	865,067	100.0%	34	24	\$606,099	100.0%	31	22	\$809,606	100.0%	30	22
Departmental Expenses												
Rooms	272,962	38.5%	\$11	\$7	\$191,515	34.3%	\$10	\$7	\$255,819	34.3%	\$10	\$7
Total Departmental Expenses	272,962	31.6%	11	7	\$191,515	31.6%	10	7	\$255,819	31.6%	10	7
Gross Operating Income	592,105	68.4%	23	16	\$414,584	68.4%	21	15	\$553,787	68.4%	21	15
Undistributed Oper. Expenses												
Admin. and Gen.	27,265	3.2%	\$1	\$1	\$43,911	7.2%	\$2	\$2	\$58,655	7.2%	\$2	\$2
Marketing	-	0.0%	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$0	\$0
Utility Costs	156,119	18.0%	\$6	\$4	\$112,263	18.5%	\$6	\$4	\$149,958	18.5%	\$6	\$4
Property Oper. and Maint.	107,795	12.5%	\$4	\$3	\$110,789	18.3%	\$6	\$4	\$147,988	18.3%	\$6	\$4
Total Undistributed Oper. Expenses	291,179	33.7%	11	8	\$266,963	44.0%	14	10	\$356,601	44.0%	13	10
Gross Operating Profit	300,926	34.8%	12	8	\$147,620	24.4%	7	5	\$197,186	24.4%	7	5
Fixed Charges												
Insurance	31,923	3.7%	\$1	\$1	\$23,964	4.0%	\$1	\$1	\$32,010	4.0%	\$1	\$1
* Property Taxes	6,000	0.7%	\$0	\$0	\$4,504	0.7%	\$0	\$0	\$6,200	0.8%	\$0	\$0
Total Fixed Charges	37,923	4.4%	1	1	\$28,468	4.7%	1	1	\$38,210	4.7%	1	1
Operating Income	263,004	30.4%	\$10	\$7	\$119,152	19.7%	\$6	\$4	\$158,976	19.6%	\$6	\$4

ECONOMY HOTEL

Wichita I-235



PROPERTY HIGHLIGHTS

Address	550 S Florence St I-235 Wichita, KS 67209
Renovation Date	2023
Stories	2
Guestrooms	40
Amenities	Guest Laundry Facilities, Cable TV, Queen and King Beds, High Speed Internet
Area Demand Generators	<ul style="list-style-type: none">– Spirit AeroSystems– Intrust Bank– Koch– Textron
Ownership Interest	Fee Simple

PROPERTY AERIAL

Economy Hotel Wichita I-235
550 S Florence St I-235
Wichita, KS 67209



FINANCIAL PERFORMANCE / FORECAST

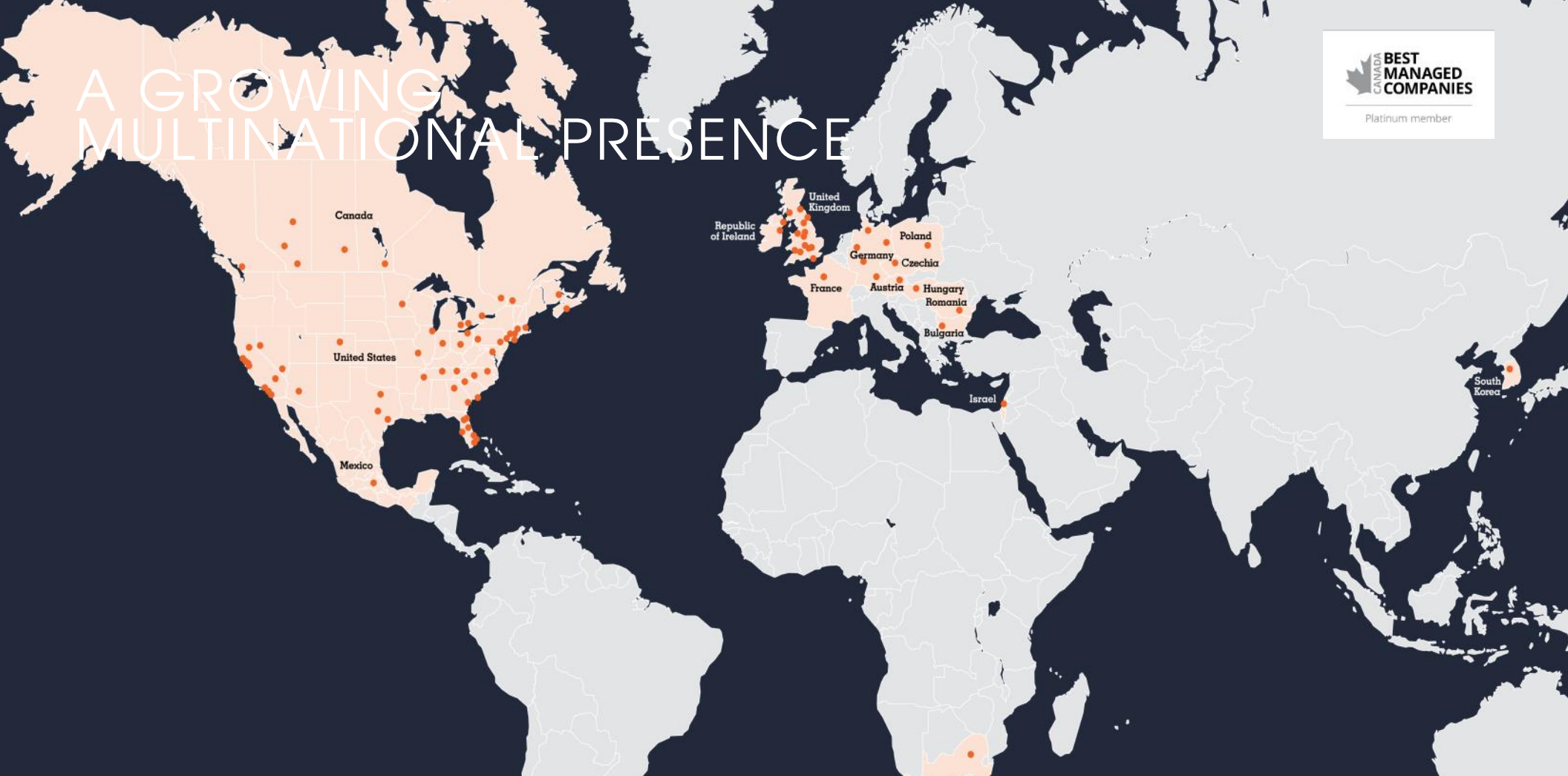
Economy Hotel Wichita I-235
550 S Florence St I-235
Wichita, KS 67209

	July thru December 2023				Estimated YTD September 2024				Estimated YE December 2024			
Operating Statistics												
Occupancy	53.3%				85.0%				90.0%			
Average Daily Rate	\$36.94				\$34.59				\$32.64			
RevPAR	\$19.70				\$29.39				\$29.38			
Number of Rooms	40				40				40			
Days In Period	219				281				366			
Available Rooms	8,760				11,234				14,640			
Occupied Rooms	4,671				9,544				13,176			
Revenue	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR	Amount	Ratio	POR	PAR
Rooms	\$172,567	100.0%	\$37	\$20	\$330,182	95.8%	\$35	\$29	\$430,059	95.8%	\$33	\$29
Other	-	0.0%	\$0	\$0	\$14,630	4.2%	\$2	\$1	\$19,056	4.2%	\$1	\$1
Total Revenue	172,567	100.0%	37	20	\$344,812	100.0%	36	31	\$449,115	100.0%	34	31
Departmental Expenses												
Rooms	90,387	52.4%	\$19	\$10	\$127,122	38.5%	\$13	\$11	\$165,575	38.5%	\$13	\$11
Total Departmental Expenses	90,387	52.4%	19	10	\$127,122	36.9%	13	11	\$165,575	36.9%	13	11
Gross Operating Income	82,180	47.6%	18	9	\$217,690	63.1%	23	19	\$283,539	63.1%	22	19
Undistributed Oper. Expenses												
Admin. and Gen.	14,672	8.5%	\$3	\$2	\$37,671	10.9%	\$4	\$3	\$49,067	10.9%	\$4	\$3
Marketing	-	0.0%	\$0	\$0	\$2,592	0.8%	\$0	\$0	\$3,376	0.8%	\$0	\$0
Utility Costs	20,176	11.7%	\$4	\$2	\$36,806	10.7%	\$4	\$3	\$47,939	10.7%	\$4	\$3
Property Oper. and Maint.	2,379	1.4%	\$1	\$0	\$5,968	1.7%	\$1	\$1	\$7,774	1.7%	\$1	\$1
Total Undistributed Oper. Expenses	37,227	21.6%	8	4	\$83,037	24.1%	9	7	\$108,155	24.1%	8	7
Gross Operating Profit	44,953	26.0%	10	5	\$134,653	39.1%	14	12	\$175,384	39.1%	13	12
Fixed Charges												
Insurance	30,750	17.8%	\$7	\$4	\$23,084	6.7%	\$2	\$2	\$30,067	6.7%	\$2	\$2
Property Taxes	17,608	10.2%	\$4	\$2	\$23,339	6.8%	\$2	\$2	\$30,399	6.8%	\$2	\$2
Management Fees (1)	-	0.0%	\$0	\$0	\$0	0.0%	\$0	\$0	\$0	0.0%	\$0	\$0
Total Fixed Charges	48,358	28.0%	10	6	\$46,423	13.5%	5	4	\$60,466	13.5%	5	4
Operating Income	(3,405)	-2.0%	(\$1)	(\$0)	\$88,230	25.6%	\$9	\$8	\$114,919	25.6%	\$9	\$8



ABOUT AVISON YOUNG

A GROWING MULTINATIONAL PRESENCE



AVISON YOUNG AT A GLANCE

Founded:	1978
Total Real Estate Professionals:	5,000
Offices:	100+
Countries:	16
Brokerage Professionals:	1,600+
Property Under Management	225 million sf

Avison Young is the world's fastest-growing commercial real estate services firm. Headquartered in Toronto, Canada, Avison Young is a collaborative, global firm owned and operated by its Principals. Founded in 1978, with legacies dating back more than 200 years, the company comprises approximately 5,000 real estate professionals in 100+ offices in 16 countries. The firm's experts provide value-added, client-centric investment sales, leasing, advisory, management, and financing services to clients across the office, retail, industrial, multi-family, and hospitality sectors.

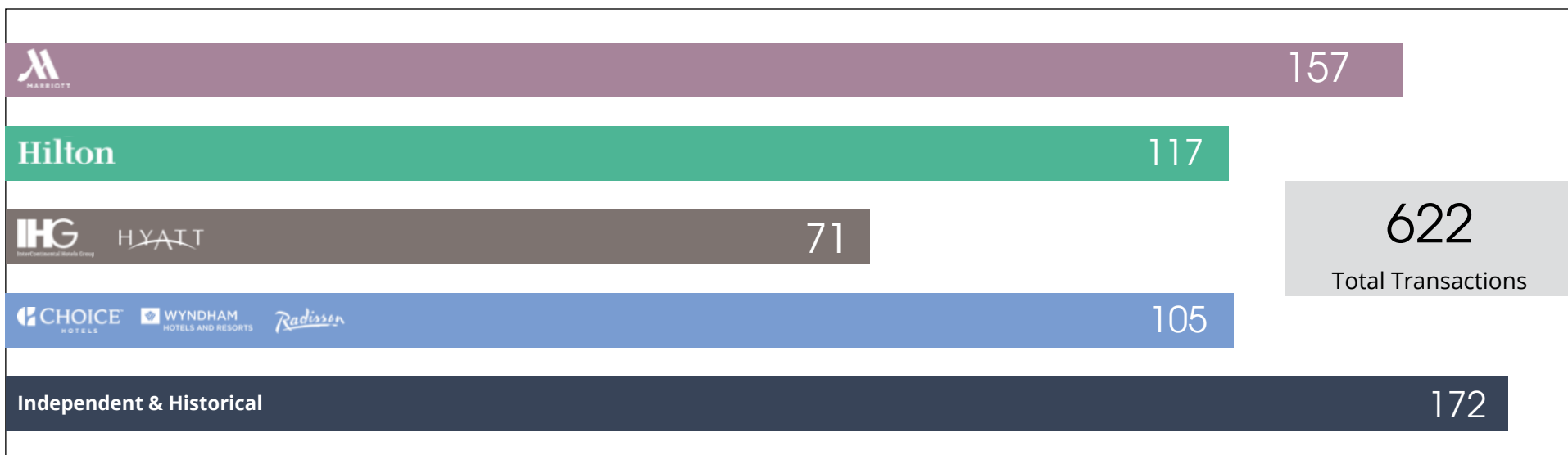
OUR HOSPITALITY EXPERIENCE

Sales Performance



**Current as of 10/01/2024*

Sales by Brand Since 2012



CHRIS KILCULLEN

Principal
chris.kilcullen@avisonyoung.com
+1 303 250 8338

JEREMY CABE

Senior Associate
jeremy.cabe@avisonyoung.com
+1 478 394 2990

KEITH THOMPSON

Principal
keith.thompson@avisonyoung.com
+1 404 307 5116

MATT WILKINS

Associate Broker
matt.wilkins@avisonyoung.com
+1 706 280 8020

VISIT US ONLINE
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