
Investment Opportunity: Red Roof Inn Conversion Project

Property Overview

- **Location:** 1400 Saratoga Ave, Morgantown, WV 26505
- **Total Rooms:** 70 (35 in Building A, 35 in Building B)
- **Current Annual Revenue (2023):** \$900K
- **Projected Annual Revenue (Post-Stabilization):** \$1,100,000
- **Market Analysis:**
 - Only Red Roof Inn (RRI) in 50 miles.
 - RRI brand contributes **62% of revenue** through its robust channels, including a mobile app, website, and corporate partnerships.

Conversion and Stabilization Plan

- **Cost of Conversion:** \$170,000–\$200,000
Includes:
 - FF&E upgrades (\$90,000)
 - 10-room extended-stay conversion (\$20,000)
 - Exterior improvements (\$25,000)
 - Franchise fee (\$25,000)
 - Miscellaneous costs (\$8,500)
 - Roof Paint and Parking Lot (\$20,000)
- **Timeline for Stabilization:** 12–18 months
- **Expected Revenue Post-Stabilization:** \$1.1M annually

Financial Opportunity

- **Sale Price:** \$2,900,000 (below 3x projected stabilized revenue of \$1.1M/year)

- **Seller Financing Available:** Only 200K down and rest is seller's note.
- - Buyer will lease and operate the property during stabilization.
 - Buyer invests up-to \$200K in RRI conversion and gets a salary.
 - Upon stabilization, the buyer can secure financing from the bank.

Benefits to Buyer

1. Revenue Growth:

- Transitioning to Red Roof Inn can increase revenue by over 25% within 12–18 months.

2. Turnkey Opportunity:

- Established operational structure with immediate income potential.
- Proven brand support driving occupancy and ADR increases.

3. Flexible Financing Terms:

- Seller financing ensures a smooth acquisition process with manageable upfront investment.

4. Prime Location:

- Strong demand with no direct RRI competition in a 50 miles stretch.

Revenue Projections

- **Projected Annual Revenue (Post-Stabilization):** \$1,100,000
- **Valuation Post-Stabilization (3x Revenue):** \$3,300,000

This opportunity offers a buyer an exceptional chance to operate a high-potential property with the backing of a strong national brand. The combination of operational control, immediate cash flow, and seller financing creates an ideal scenario for both experienced hoteliers and new entrants to the hospitality industry.
