

COURTYARD[®]
BY MARRIOTT



Middletown, New York

SELECT SERVICE PORTFOLIO





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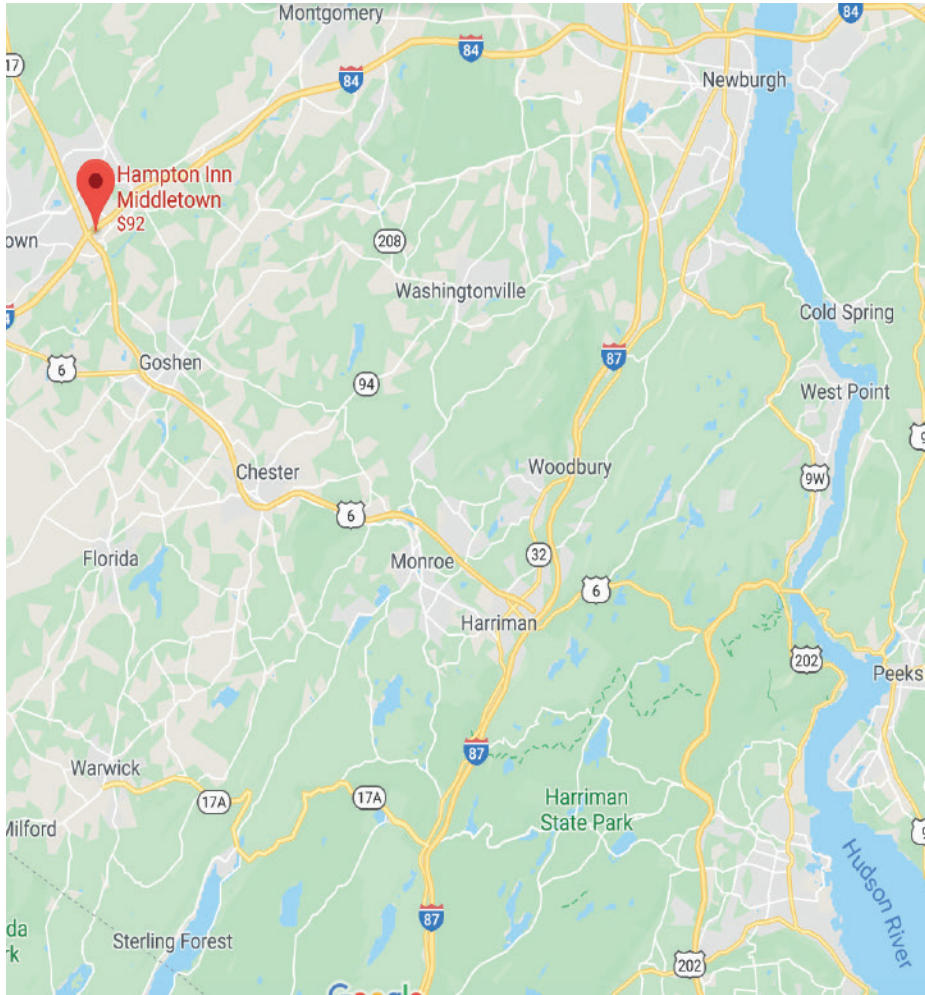
Middletown, New York

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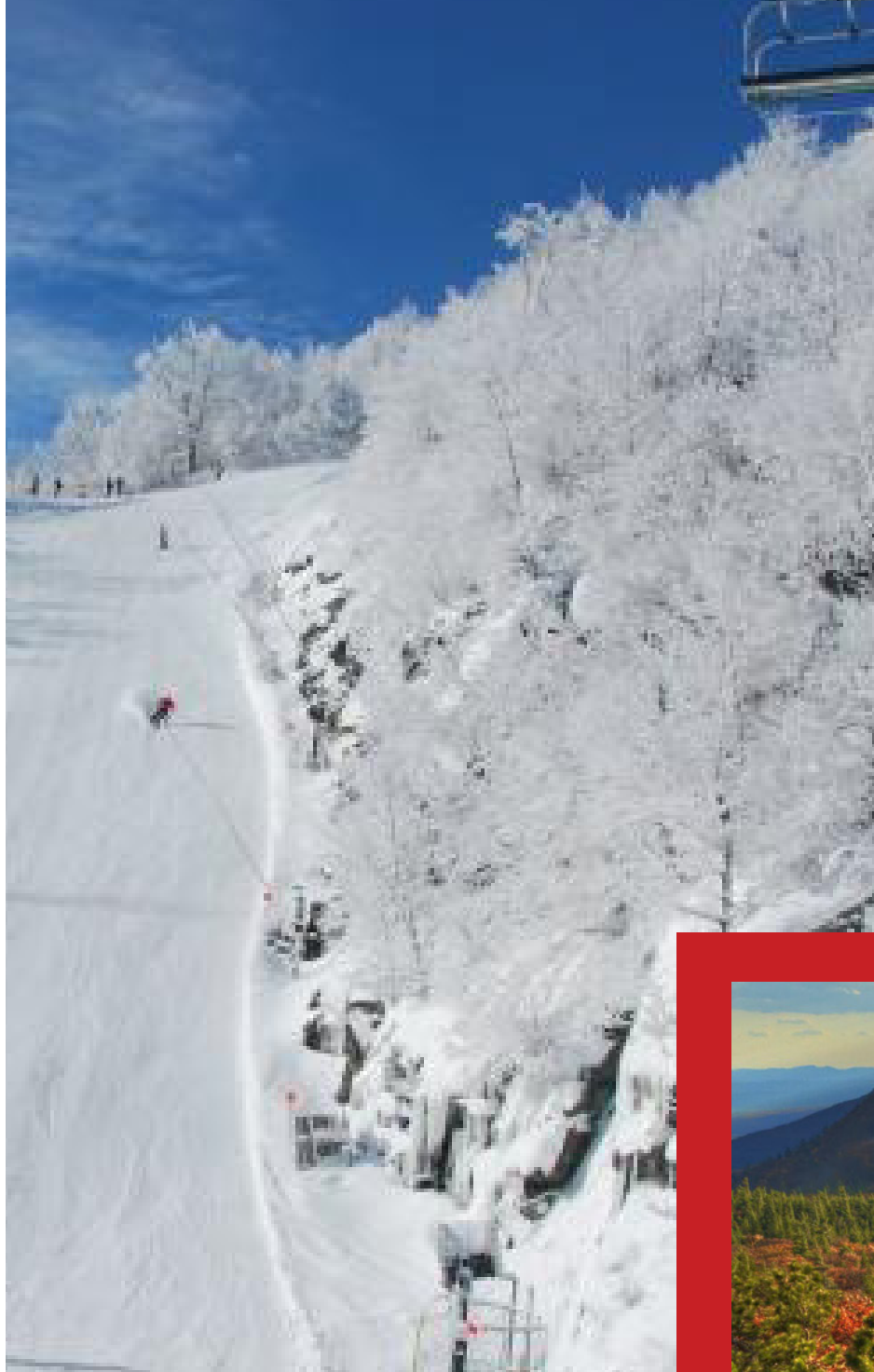
info@portico.nyc



Investment Highlight

The uniqueness of this asset is due to its great location, which makes it accessible to a diverse guest pipeline. Including New York City tourists and large corporate users. While only a 25 minute drive from Stewart International Airport, one of the fastest growing transportation hubs in the East Coast. In addition, the facilities and amenities make it desirable for both families and corporate guest.





Area Overview

The property is located at the historic Orange County, New York which lies in New York's Hudson Valley region near the Wall Kill River and the foothills of the Shawangunk Mountains. It is the north most point of New Jersey to the Catskill mountains, which is home to many of Americas finest ski lodges. Middletown is a popular vacation spot with residents of North Jersey, New York, Pennsylvania, Maryland and even as far away as Quebec, Canada. The hotel is located in the commercial area of Middletown. It is in close proximity to New York City and is undergoing a renovation on a financially elevated and economically upscale level. This process of gentrification is transforming many communities in the greater New York area into a second home for the corporate financial community.





Hampton Inn and the Courtyard by Marriot are located in close proximity to the renowned Legoland which is due to open on Independence Day 2020. As quoted in *Forbes Magazine* (Article: Michael Herman) "The Northeast has been a huge area of interest of Merlin Entertainment group which owns the Legoland resort, upon its opening **Legoland resort will be expected to draw more than 1 million visitors to the area annually.** Merlin is investing 500 million into the resort with 350 million by its opening day in 2020, and the other 150 million for future development." Accordingly, this will bring millions of visitors and much attraction to the area of the Hampton Inn and Courtyard by Marriot Hotels.



HOTEL DETAILS	2020
Keys	261
Days in Period	365
Available Rooms	95,526
Occupied Rooms	68,314
RevPAR	\$96.80
Occupancy Rate	71.5%
Average Daily Rate	\$135.37

REVENUE:

Room Income	\$9,247,333
Food & Beverage	\$740,000
Other	\$170,000
Total Revenue	\$10,157,333

DEPARTMENTAL EXPENSES

Rooms	\$2,152,146
Food & Beverage	\$515,000
Other	\$180,000
Total Department Expense	\$2,847,146
Gross Profit	\$7,310,187

UNDISTRIBUTED EXPENSES

Admin. and Gen.	\$732,463
Information Technology	\$148,206
Franchise Fees	\$1,095,260
Sales, Marketing	\$301,112
Maintenance	\$465,344
Utilities	\$338,000
Total Undistributed Oper. Expenses	\$3,080,385
Management Fees	\$304,720
Asset Management Fees	\$203,147

FIXED EXPENSES

Insurance	\$90,000
RE Taxes	\$668,654
Total Fixed Expenses	\$758,654

NOI	\$2,963,281
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PURCHASE PRICE DETAILS	
Price	\$36,500,000
PIP	\$500,000
Closing Costs	\$1,800,175
Total	\$38,800,175
Price/Key	\$148,659.67

FINANCING	
Loan Amount	\$28,500,000
Interest Rate	6.70%
LTV	75%
DSCR	1.57%
Equity	\$10,300,000

INVESTMENT	
Total Cash In	\$10,300,000
NOI	\$2,963,281
Debt Service	\$1,877,959
Cash Flow	\$1,085,322

ADDRESS 24 Crystal Run Crossing Middletown, NY 10941

OPENING DATE 2003

STORIES 4

GUESTROOMS 134

AMENITIES microwave, refrigerator, Starbucks, The Bistro, fitness center, meeting space, free WIFI, and guest laundry.

AREA DEMAND GENERATORS LEGOLAND, Orange Regional Medical Center, Spectrum

OWNERSHIP INTEREST Fee Simple



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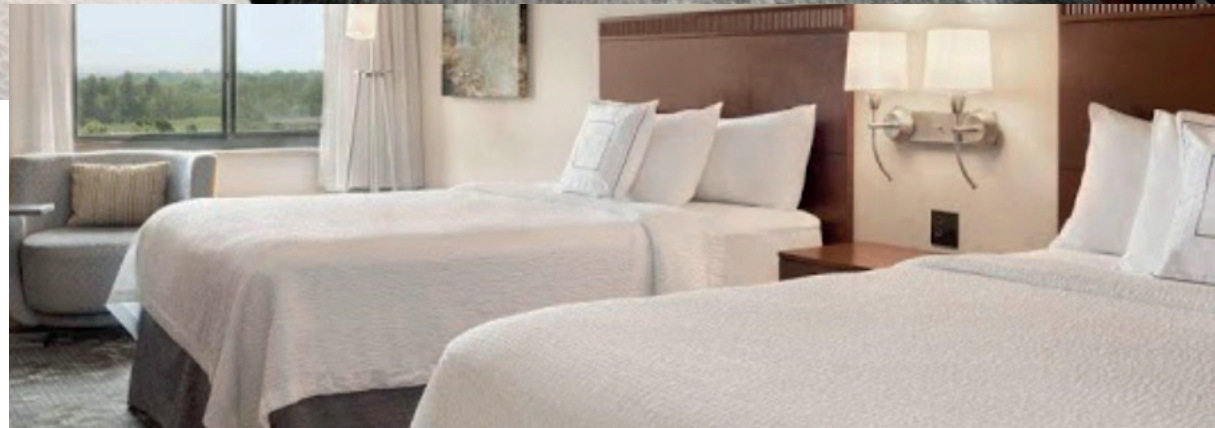
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ADDRESS 20 Crystal Run Crossing Middletown, NY 10941

OPENING DATE 1999

STORIES 4

GUESTROOMS 127

AMENITIES free hot breakfast, meeting room, fitness center business center, outdoor pool and free WIFI

AREA DEMAND GENERATORS LEGOLAND New York Resort, Galleria at Crystal Run, Orange County Fair Speedway

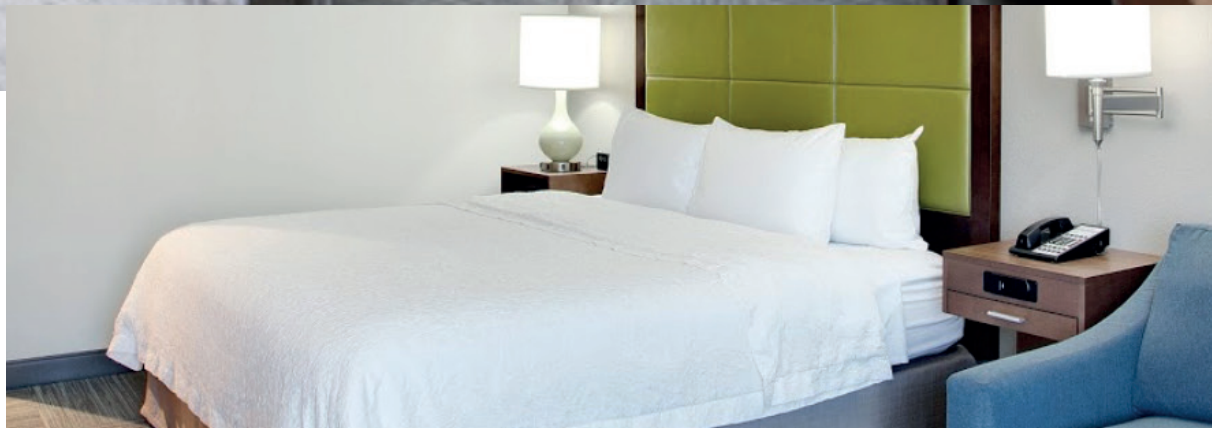
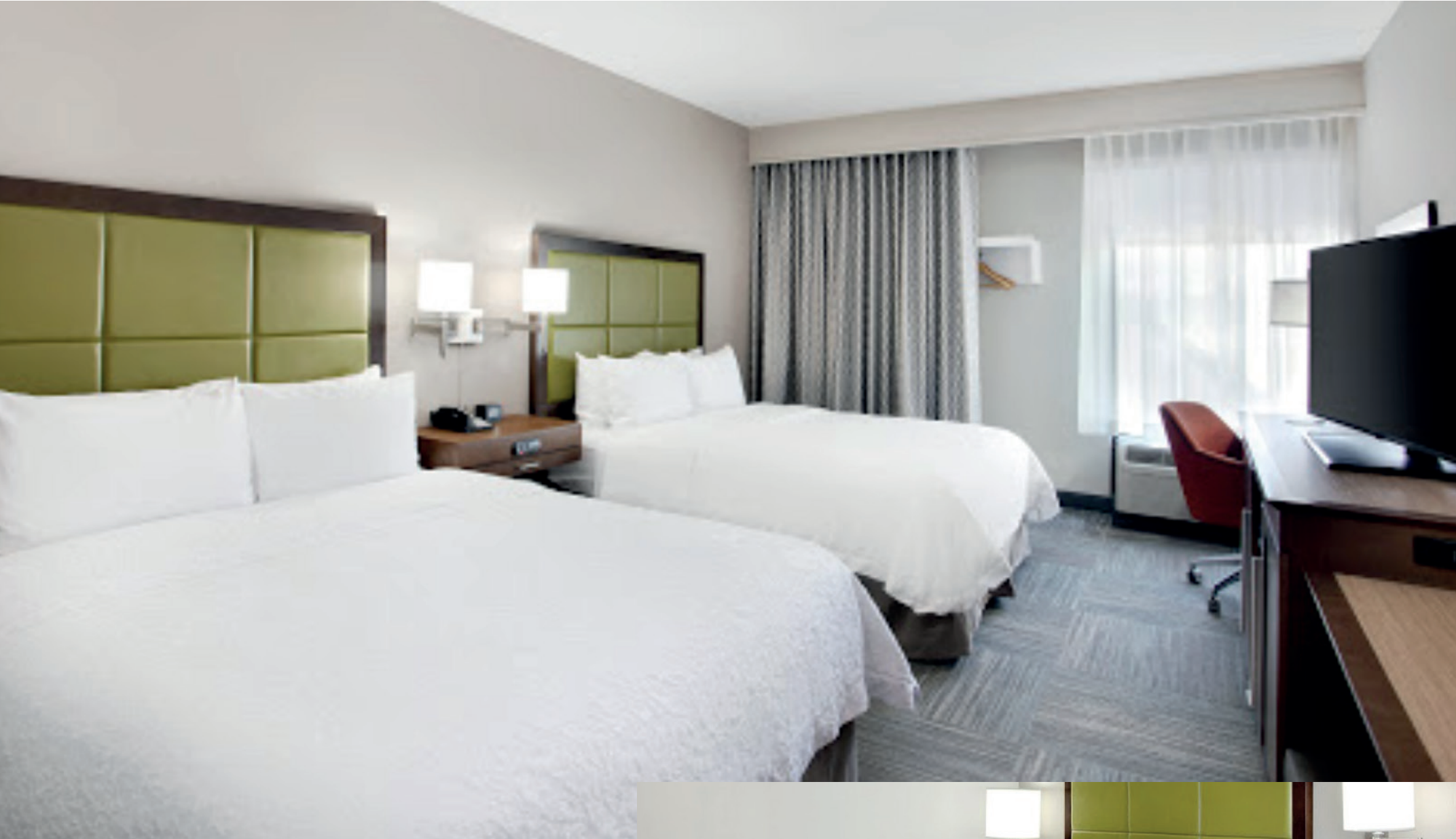
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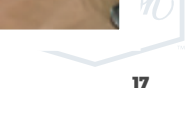
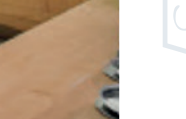
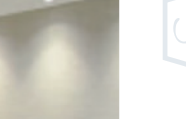
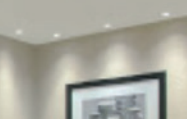
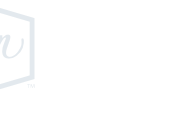
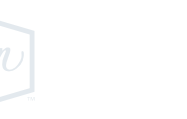
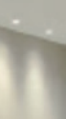












	<u>CURRENT</u>		<u>YEAR 1</u>		<u>YEAR 2</u>		<u>YEAR 3</u>		<u>YEAR 4</u>		<u>YEAR 5</u>	
	2019	%	2020	%	2021	%	2022	%	2023	%	2024	%
Keys	261		261		261		261		261		261	
Days in Period	365		365		365		365		365		365	
Available Rooms	95,265		95,526		95,265		95,265		95,265		95,526	
Occupied Rooms	67,243		68,314		68,835		69,312		69,788		70,689	
Rev PAR	\$92.13		\$96.80		\$100.96		\$104.95		\$107.78		\$111.04	
Occupancy Rate	70.6%		71.5%		72.3%		72.8%		73.3%		74.0%	
Average Daily Rate	\$ 130.52		\$ 135.37		\$ 139.72		\$ 144.24		\$ 147.12		\$ 150.05	
Room Income	\$ 8,776,318	91.34%	\$ 9,247,333	96.24%	\$ 9,617,854	100.09%	\$ 9,997,627	104.05%	\$ 10,267,504	91.24%	\$ 10,606,985	91.34%
Food & Beverage	\$ 698,545	7.27%	\$ 740,000	7.70%	\$ 760,000	7.91%	\$ 775,000	8.07%	\$ 798,250	7.09%	\$ 814,215	7.01%
Other	\$ 134,048	1.40%	\$ 170,000	1.77%	\$ 180,000	1.87%	\$ 183,600	1.91%	\$ 187,272	1.66%	\$ 191,018	1.64%
TOTAL REVENUE	\$ 9,608,911	100.00%	\$ 10,157,333	100.00%	\$ 10,557,854	100.00%	\$ 10,956,227	100.00%	\$ 11,253,026	100.00%	\$ 11,612,218	100.00%
Rooms	\$ 2,105,931	21.92%	\$ 2,152,146	21.19%	\$ 2,152,146	20.38%	\$ 2,152,146	19.64%	\$ 2,152,146	19.13%	\$ 2,152,146	18.53%
Food & Beverage	\$ 504,359	5.25%	\$ 515,000	5.07%	\$ 515,000	4.88%	\$ 515,000	4.70%	\$ 515,000	4.58%	\$ 515,000	4.43%
Other	\$ 178,392	1.86%	\$ 180,000	1.77%	\$ 180,000	1.70%	\$ 180,000	1.64%	\$ 180,000	1.60%	\$ 180,000	1.55%
TOTAL DEPARTMENTAL EXPENSE	\$ 2,788,682	29.02%	\$ 2,847,146	28.03%	\$ 2,847,146	26.97%	\$ 2,847,146	25.99%	\$ 2,847,146	25.30%	\$ 2,847,146	24.52%
Admin & General	\$ 734,721	7.65%	\$ 732,463	7.21%	\$ 732,463	6.94%	\$ 732,463	6.69%	\$ 732,463	6.51%	\$ 732,463	6.31%
Information Technology	\$ 109,567	1.14%	\$ 148,206	1.46%	\$ 148,206	1.40%	\$ 148,206	1.35%	\$ 148,206	1.32%	\$ 148,206	1.28%
Franchise Fees	\$ -		\$ 1,095,260	10.78%	\$ 1,095,260	10.37%	\$ 1,095,260	10.00%	\$ 1,095,260	9.73%	\$ 1,095,260	9.43%
Sales, Marketing	\$ 1,291,899	13.44%	\$ 301,112	2.96%	\$ 301,112	2.85%	\$ 301,112	2.75%	\$ 301,112	2.68%	\$ 301,112	2.59%
Maintenance	\$ 454,282	4.73%	\$ 465,344	4.58%	\$ 465,344	4.41%	\$ 465,344	4.25%	\$ 465,344	4.14%	\$ 465,344	4.01%
Utilities	\$ 332,255	3.46%	\$ 338,000	3.33%	\$ 338,000	3.20%	\$ 338,000	3.09%	\$ 338,000	3.00%	\$ 338,000	2.91%
TOTAL UNDISTRIBUTED EXPENSES	\$ 2,922,724	30.42%	\$ 3,080,385	30.33%	\$ 3,080,385	29.18%	\$ 3,080,385	28.12%	\$ 3,080,385	27.37%	\$ 3,080,385	26.53%
Management Fees	\$ 276,638	2.88%	\$ 304,720	3.00%	\$ 316,736	3.00%	\$ 328,687	3.00%	\$ 337,591	3.00%	\$ 348,367	3.00%
Asset Management Fees	\$ 192,178	2.00%	\$ 203,147	2.00%	\$ 211,157	2.00%	\$ 219,125	2.00%	\$ 225,061	2.00%	\$ 232,244	2.00%
Insurance	\$ 82,730	0.86%	\$ 90,000	3.00%	\$ 90,000	3.00%	\$ 90,000	3.00%	\$ 90,000	3.00%	\$ 90,000	3.00%
RE Tax	\$ 655,543	6.82%	\$ 668,654	6.6%	\$ 668,654	6.33%	\$ 668,654	6.10%	\$ 668,654	5.94%	\$ 668,654	5.76%
TOTAL FIXED EXPENSES	\$ 738,273	7.68%	\$ 758,654	7.47%	\$ 758,654	7.19%	\$ 758,654	6.92%	\$ 758,654	6.74%	\$ 758,654	6.53%
NET OPERATING INCOME	\$ 2,690,416		\$ 2,963,281		\$ 3,343,777		\$ 3,722,230		\$ 4,004,190		\$ 4,345,423	
Debt Service	\$ -		\$ 1,877,959		\$ 1,877,959		\$ 1,877,959		\$ 2,352,131		\$ 2,352,131	
FF&E Reserve	\$ -		\$ -		\$ 316,736		\$ 438,429		\$ 450,121		\$ 464,489	
Cash Flow			\$ 1,085,322		\$ 1,149,082		\$ 1,405,842		\$ 1,201,938		\$ 1,528,803	
Total Cash In			\$ 10,300,175		\$ 10,038,867		\$ 9,692,895		\$ 9,062,485		\$ 8,728,627	
Pref 8%			\$ 824,014		\$ 803,109		\$ 775,432		\$ 724,999		\$ 698,290	
Return of Capital to Investor	\$ -		\$ 261,308		\$ 345,972		\$ 630,410		\$ 333,858		\$ 581,359	
Return to Sponsor (30% Promote)			\$ -		\$ -		\$ 143,082		\$ 249,154		\$ -	
Total Cash to Investor			\$ 1,085,322		\$ 1,149,082		\$ 1,405,842		\$ 1,058,857		\$ 1,279,649	
CASH ON CASH RETURN			10.54%		11.45%		14.50%		11.68%		14.66%	

Purchase Price	\$ 36,500,000.00
Closing Costs/Upfront Reserve	\$ 2,300,000.00
Invested Equity	\$ 10,300,000.00
Outstanding Debt	\$ 28,500,000.00
Price/Key	\$ 148,660.00
Market Price/Key	\$170,000

EXIT ASSUMPTIONS

Exit Assumptions:

Scenario 1 - Sale/Refi	
Sale/Refi - price per key	\$ 180,000.00
Hampton Inn - Terminal Value	\$ 24,120,000.00
Courtyard - Terminal Value	\$ 22,860,000.00
Interest Rate:	6%

Scenario 1 - Per Key Market Price \$180,000							
Hampton Inn		Courtyard		Combined		Ongoing Courtyard Revenue	
Sales Price	\$ 24,120,000.00	Terminal Value	\$ 22,860,000.00	Net Proceeds	\$ 39,364,600.00	New Debt	\$ 16,002,000.00
		Refinance Amount	\$ 16,002,000.00	Outstanding Debt	\$ (28,500,000.00)	Investor Equity	\$ -
Closing Costs	\$ (482,400.00)	Closing Costs	\$ (75,000.00)	Exit Fee	\$ (285,000.00)	NOI	\$ 2,164,509.00
		Additional Reserves	\$ (200,000.00)	Return of Equity	\$ (9,692,895.12)	Debt Service	\$ (1,151,280.90)
				Capital Profit	\$ 886,704.88	Free Cashflow	\$ 1,013,228.10
				Investor Capital Profit	\$ 620,693.41	Investor Cash Flow	\$ 709,259.67
						Ongoing Return on Implied Equity	10.34%
Net	\$23,637,600.00	Net	\$15,727,000.00	Net	\$ 620,693.41	Investor Return	\$ 709,259.67

Scenario 2 - Market Price	
Sale/Refi - price per key	\$ 160,000.00
Hampton Inn - Terminal Value	\$ 21,440,000.00
Courtyard - Terminal Value	\$ 20,320,000.00
Interest Rate:	6%

Scenario 2 - Per Key Market Price \$160,000							
Hampton Inn		Courtyard		Combined		Ongoing Courtyard Revenue	
Sales Price	\$ 21,440,000.00	Terminal Value	\$ 20,320,000.00	Net Proceeds	\$ 34,960,200.00	New Debt	\$ 14,224,000.00
Closing Costs	\$ (428,800.00)	Refinance Amount	\$ 14,224,000.00	Outstanding Debt	\$ (28,500,000.00)	Investor Equity	\$ 3,517,695.12
		Closing Costs	\$ (75,000.00)	Exit Fee	\$ (285,000.00)	NOI	\$ 2,164,509.00
		Additional Reserves	\$ (200,000.00)	Return of Equity	\$ 6,175,200.00	Debt Service	\$ (1,023,360.80)
						Free Cashflow	\$ 1,141,148.20
						Investor Preferred Return	\$ 281,415.61
						Investor Return of Capital	\$ 601,812.81
						Total Investor Return	\$ 883,228.42
Net	\$21,011,200.00	Net	\$13,949,000.00	Remaining Investor Equity	\$ 3,517,695.12	Cash on Cash Return	25.11%

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