

## COUNTRY INN & SUITES JACKSONVILLE JTB

|                                     |   |
|-------------------------------------|---|
| <b>Sale Price:</b> \$8,250,000      | <b>NOI at Closing:</b> \$850,000        |
| <b>Sale Date:</b> 09/28/2018        | <b>Revenue Multiplier:</b> 2.75         |
| <b>Room Count:</b> 118              | <b>Year Built:</b> 1986                 |
| <b>Price/Key:</b> \$69,915.25       | <b>Lot Size:</b> 2.4 Acres              |
| <b>Occupancy at Closing:</b> 80.25% | <b>Market:</b> Jacksonville             |
| <b>ADR at Closing:</b> \$81.69      | <b>Sub Market:</b> John T. Butler Blvd. |
| <b>RevPAR at Closing:</b> \$69.65   |   |

## OVERVIEW

The Country Inn & Suites Jacksonville I-95 South is a 118-room, interior corridor, limited-service hotel located in Jacksonville, Florida. Constructed in 1988 the hotel was recently converted to a Country Inn & Suites from a Hampton Inn. Upon conversion, the owner completed necessary renovation items. This property offers the perfect combination of convenient location and superior accommodations. The hotel's location off of I-95 and Butler Boulevard, provides easy access to the Mayo Clinic, University of North Florida, St. John's Town Center, downtown and the beautiful Jacksonville Beaches.

## OPPORTUNITY

In September of 2018 a family out of New York City purchased the Country Inn and Suites for \$8,250,000. They were attracted to Jacksonville by low cost of living and a slower lifestyle than the bustle of NYC. This property caught their attention as a great deal in the current market and the investment metrics fit nicely with their plans. This was their first hotel purchase and throughout the process they relied on the guidance of Kent Hricko and Colin Colby to help get the deal closed. The seller was a gentleman out of Virginia who bought the hotel in 2015 from Kent and Colin. He sold the hotel to pull his equity out and redeploy it closer to his home in Virginia. The property was on market, intermittently for almost a year as two hurricanes derailed the potential sale.



## SOLUTION & OUTCOME

The property presented an interesting set of challenges. Due to a dispute with the franchise the seller's renovation was not certified until just prior to closing. This led to a perception within the local buyer pool that the change of ownership PIP would be very expensive. Despite the assurances of the seller and those of Kent and Colin, that perception persisted even after closing. The PIP was priced out at closing to me no more than \$450,000. During the 45 days preceding closing Kent and Colin were able to generate six qualified offers from all over the Country. The winning bid won by no more than \$50,000.

Due to this being their first hotel transaction the buyers asked Kent and Colin to help source the loan on the deal. Through their strategic partnerships they were able to arrange a CMBS loan on the deal. Due to their not having previously owned a hotel and not having any hotel experience at all the CMBS servicer required them to contract with a third-party management company. Once more they asked their broker and once again, they came through. Kent and Colin arranged for and negotiated with a third party management group, lining up the agreement and closing the deal. The property closed 90 days from going under contract.



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