

Residence INN[®]

BY MARRIOTT



Residence Inn Champaign
Champaign, Illinois



INVESTMENT SUMMARY



Investment Summary

JLL's Hotels & Hospitality Group, as the exclusive representative of the Seller, is pleased to offer for sale the 112-room Residence Inn Champaign (the "Property or "Hotel"), a like-new, institutional quality hotel boasting historically robust cash flow. The Property greatly benefits from its less than 10-minute drive to the University of Illinois ("U of I"), a major Big 10 University with over 49,000 students. Additionally, the Hotel is strategically positioned nearby to Champaign's high density of corporate demand drivers such as Capital One, State Farm, IBM, and Kraft Heinz, among others. The Residence Inn Champaign provides a new owner with an extraordinary opportunity to acquire an upscale extended-stay, Marriott branded, institutional quality hotel with a demonstrated history of strong operating cash flows and offered unencumbered of management.



Champaign: Ranked 7th Best College Town in the Nation (*Livability*, 2018)










Champaign: Fastest Growing City, in Illinois (*Business Insider*, 2017)

Champaign: Top Startup City (*Silicon Prairie News*, 2019)



University of Illinois: over 49,000 students

University of Illinois: #14 in Top Public Schools and #6 Engineering Program in the U.S.

	Address	502 W Marketview Dr., Champaign, IL 61822
	Opening Date	September 2013
	Construction	Concrete and wood
	Tenure	Fee simple
	Labor	Non-union
	Land Area	X.XX acres
	Guestrooms	112 suites
	Food & Beverage	<ul style="list-style-type: none"> • Complimentary breakfast buffet • Residence Inn Mix: Evening social held Monday - Wednesday • Sundry shop • Heated indoor swimming-pool • Fitness center • Outdoor basketball court
	Amenities	<ul style="list-style-type: none"> • Business center • Outdoor firepit and BBQ grill • Complimentary Internet access • Complimentary on-site parking



Newly Constructed, Institutional Quality Asset

The Residence Inn Champaign is the newest hotel in its competitive set and one of only five properties built in the Champaign-Urbana tract since the Hotel opened in September 2013. The Property displays the brand's modern design scheme with contemporary furniture and fixtures throughout the Hotel. With an all-suite layout, the Residence Inn showcases oversized guestrooms, each including a full kitchen with modern appliances, alongside market-leading amenities such as an indoor pool, fitness center, and outdoor basketball court and BBQ grills.



Substantive In-Place Cash Flow with Upside Potential

The Residence Inn Champaign has experienced consecutive years of strong and steady cash flows at an average NOI of \$1.1 million since 2016 with consistent profit margins over 35 percent. Despite achieving a trailing 12-month August 2019 RevPAR premium of \$7 against its competitive set, the Property has consistently ranked three of five and presents favorable upside opportunity in both occupancy and ADR, which are ranked four of five and three of five, respectively.

As a new owner benefits from the focused revenue management tactics and aggressive sales and marketing strategies employed at the Property, they will also have the opportunity to introduce a Director of Sales ("DOS") to the Hotel's staff. Adding a qualified DOS should provide the Hotel with the tools it needs to attract additional higher rated demand, increase its penetration of the competitive set and further enhance RevPAR and profitability.

Strong, Stable University Demand

The University of Illinois, which was founded in 1867 and is the city's top employer, enrolls over 49,000 students and is spread across 2,295 acres at the center of Champaign and Urbana, IL. As the most significant demand driver in the area, the University serves as the anchor of Champaign's economic system. U of I is an NCAA Division-I university and competes in over 19 sports as a member of the Big 10 Conference. Some of the city's largest demand drivers stem from the University's sports teams, such as the 62,000-seat Memorial Football Stadium or the 16,500-seat State Farm Centre, which hosts basketball games as well as numerous concerts that have featured Garth Brooks, U2, and The Rolling Stones, among others. The University adds over \$8.9 billion in income to the Illinois economy annually, including \$35 million in direct visitor spending in the Champaign market.

Prospering and Expanding Market

The Champaign economy is fueled by a strong employment base with an unemployment rate that consistently falls below the national average. Additionally, the market has seen a growing number of companies that concentrate within Research Park, which is located within the U of I campus and is home to over 120 companies and has an annual economic output of approximately \$430 million. Champaign's diverse population continues to expand and with over 87,000 year-round residents, the community has experienced a population increase of nearly 30% since 2000. Champaign is home to several *Fortune 500* local offices, including the largest Kraft Foods plant in North America, which employs over 1,000 people, along with over 7,700 high-technology industry employees.

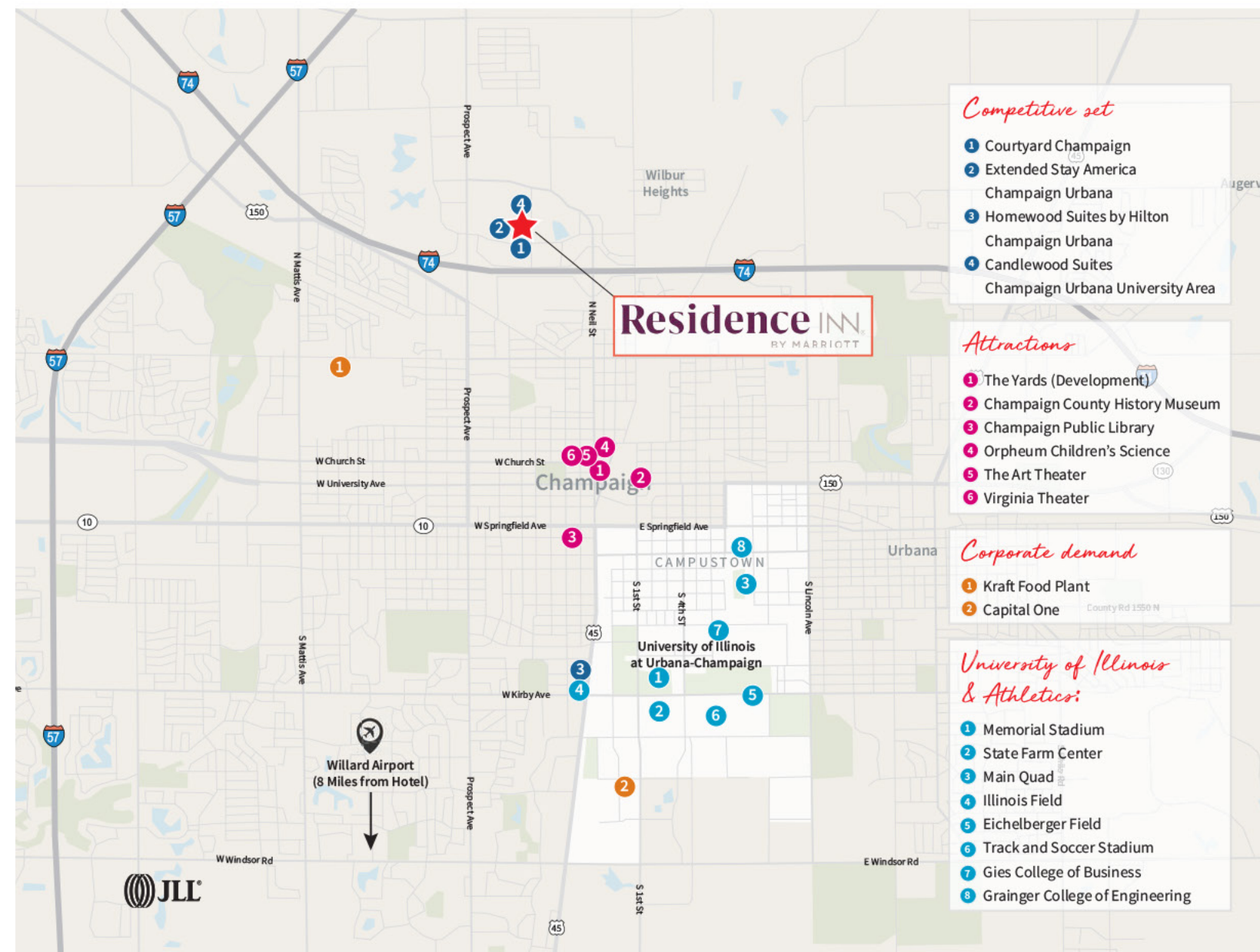


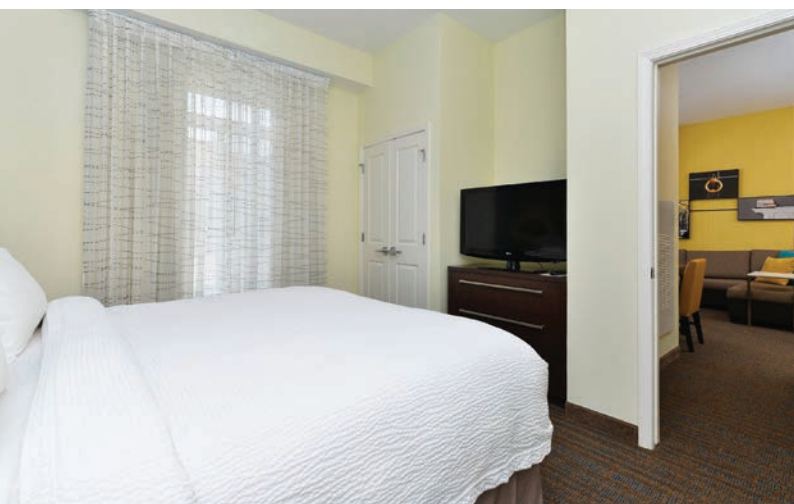
Champaign provides businesses with a conducive environment for growth, which is demonstrated by its consistent ranking as the number two Top Startup City in the Midwest, according to *Silicon Prairie*. The county's low business costs and presence of a top-ranked research university have allowed the city to assert itself as one Illinois' top economic performers and the fastest-growing market in the state. The City and University continue to reinvest in the community with capital projects like the ongoing \$200 million in school district renovations and a planned \$250 million renovation of the U of I Student Union. As the University continues to increase its spending alongside the tech industry's expected record performance, Champaign is poised to have another year of economic expansion that will drive additional demand to the Property.

Champaign is currently going through a development planning process for "The Yards," a \$250 million mixed-use athletic and entertainment project that will be located less than 10 minutes from the Residence Inn. The project will span 11 acres and include a 5,000-seat hockey arena, which creates the potential for the University of Illinois to add a Division-I hockey team and further increase demand to the market. In addition to an arena, The Yards is projected to include 154,000 SF of office and retail space as well as 100 apartment units and a 175-room hotel. Similar venues across other Big Ten University cities have reportedly generated more than 150,000 room nights annually.

Management Availability

The Residence Inn Champaign is being offered free-and-clear of any management encumbrances, providing an investor with the flexibility to implement their own revenue management strategies and cost containment initiatives to maximize top-line revenues and bottom-line cash flows.





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