



Sonesta ES SUITES



OFFERING MEMORANDUM

35 HURRICANE LN | BURLINGTON, VT 05495

LISTED BY:

IN CONJUNCTION WITH V/T COMMERCIAL REAL ESTATE, INC.

YVES BRADLEY

Broker of Record

(802) 363-5696

yb@vtcommercial.com,

Lic No. '083.0000949-MAIN (VT)





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INVESTMENT HIGHLIGHTS

Affluent Demographics

Average household income within a 1, 3, and 5-mile radius is \$135,000, \$124,000, and \$105,000, respectively.

Multiple Demand Drivers

Beautiful scenery and the history of the American Revolutionary War drive leisure travel that couples well with Burlington's large University and Medical employers.

Recent Remodel

The property was built in 1988 and remodeled in 2016.

Tourism & Leisure Attractions

Church Street Marketplace, Lake Champlain – site of the infamous 'Battle of Plattsburgh', historic downtown (the city was founded in 1783), Ethan Allen Homestead Museum (Revolutionary War hero),

Upside Development Potential

The building rests on a large lot size (6+ acres), providing expansion or conversion opportunity.

LOCATION HIGHLIGHTS

Burlington, VT

Vermont was ranked the "#1 Best Place" to live in the USA in 2022 by CNBC. Burlington is a celebrated and vibrant small city located on the eastern shoreline of Lake Champlain. The city is known for its scenic beauty and recreational opportunities. The hotel's desirable New England location drives demand from high-income leisure travelers visiting historic settings of the American Revolutionary War, including the Battle of Plattsburgh.

Demand Drivers

The regional college city was founded in 1783 and is centered around the city's downtown commercial hub and home to Champlain College and the University of Vermont (UVM). The University of Medical Center and the University of Vermont, Burlington's largest employers, serve as additional demand drivers due to traveling professionals, students, and families. Further, Burlington is consistently ranked a Top 15 "Happiest Place to Live in the USA," and it's no surprise that high-income earners engage in leisure travel.

Real Estate Fundamentals

Burlington's exorbitant wealth and population growth surrounding the hotel's location coupled with the large building & lot size, will provide an investor peace of mind in real estate appreciation alone. Real estate professionals could argue there are alternative "Highest & Best Uses" for that site that may allow the owner to create greater upside potential. the USA," and it's no surprise that high-income earners engage in leisure travel.





KeyBank TD Bank
 NAPA ACE Hardware Kinney DRUGS Shell

U-HAUL

Ashley
 HOMESTORE

Walgreens
 Shell Jersey Mike's ME Domino's Mobil
 HOME 2 NBT BANK Citizens 99 MEN'S WEARHOUSE

planet fitness

O'Reilly
 AUTO PARTS

SUPERCUTS **BEST BUY**
PET SMART
 REI co-op
 Marshalls AT&T
 CVS pharmacy Panera BREAD ULTA BEAUTY

US ROUTE 2

NATIONAL TIRE WAREHOUSE

FedEx
 Ground

89
 ±30,000 VPD

Fairfield
 BY MARRIOTT

Staples
 DICK'S SPORTING GOODS OLD NAVY

Walmart
 Supercenter

DUNKIN'
SUNOCO

THE HOME DEPOT

SUBJECT PROPERTY







FINANCIAL OVERVIEW



**35 HURRICANE LN,
BURLINGTON, VT 05495**

ADDRESS



\$4,150,000
STARTING BID



96
TOTAL KEYS



2
STORIES



±6.21 AC
LOT SIZE



UPPER MIDSCALE
CLASS

FINANCIAL OVERVIEW

Name	Sonesta ES Suites - Burlington
Address	35 Hurricane Ln
City, St & Zip	Burlington, VT 05495
Class	Upper Midscale
Lot Size (AC)	±6.21 AC
Building Size (SF)	±59,153 SF
Year Built	1988
Stories	2
Total Keys	96
Meeting Space SF	±600 SF

ROOM BREAKDOWN

Studios (450 SF)	67
Lofts (900 SF)	24
Doubles	5
Meeting Space SF	600



ANNUAL LODGING SALES

Year	Annual Revenue	GOP	GOP %	NOI	NOI %	Occ %	ADR	RevPAR
2019	\$2,726,977	\$758,840	27.8%	\$527,210	19.3%	70.1%	\$110.79	\$77.61
2021	\$2,792,227	\$1,116,092	40.0%	\$704,830	25.2%	77.8%	\$102.13	\$79.43
2022	\$3,841,129	\$1,882,012	49.0%	*\$1,579,787	41.0%	77.8%	\$140.20	\$109.06

*Net Income + Interest Expense + Partnership Expense





Bidding will run for a duration of 48-hours and we suggest bidders check in regularly to the Ten-X listing page for continued updates. As all auction sales are non-contingent, and sold in an as-is, where-is format with all due diligence provided upfront through a secure Data Room via Ten-X, we encourage bidders to begin reviewing the due diligence items right away and get in touch with the listing broker with any questions regarding the Property.

AUCTION PROCESS

Starting Bid	\$4,150,000
Bid Date	June 6th, 2023
Bid Deadline	June 8th, 2023



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GETTING STARTED

- Create your Ten-X account by simply going to ten-x.com and clicking the “sign up” button on the top right corner of the site.
- Have additional questions? Contact the listing broker, our auction expert, or the Ten-X Asset Manager identified on the Property Listing Display Page (LDP). Contact information for them is provided after Property Information under the Register to Bid button.
- Go to the property page to download the OM and any and all due diligence documents found in the Data Room. Please note that you will need to Agree to the terms of the Confidentiality Agreement digitally in order to access the Data Room.

REGISTRATION & AUCTION PARTICIPATION

- **Registering to Bid:** On the property page, click the “Register to Bid”. Complete the registration steps, including uploading your Proof of Funds which are required to become fully approved to bid. A Ten-X representative will be in contact with you during your registration to assist you through this requirement. Please note that Proof of Funds documentation must be dated in the last 180 days and must include verifiable and liquid assets that can be utilized for buying and closing the transaction

CLOSING & NEXT STEPS

- Once you are deemed the winning bidder, you will be contacted by a Ten-X representative immediately.
- The purchase documents will be sent to you electronically immediately following the auction and you are expected to execute them within 2 hours per the Auction Terms & Conditions.
- Once the purchase documents are mutually executed, the Earnest Money Deposit must be received within the next business day into escrow.
- requirement. Please note that Proof of Funds documentation must be dated in the last 180 days and must include verifiable and liquid assets that can be utilized for buying and closing the transaction



TENANT OVERVIEW



SONESTA HOTELS

Sonesta International Hotels Corporation was founded in 1937 and is based in Newton, Massachusetts. The company has several brands including Sonesta Hotels & Resorts, Sonesta Select, and Sonesta ES Suites. Sonesta Hotels has over 2,500 employees and an annual revenue of \$360.0M. The company has grown tremendously since 2012. 2020 was a key year for growth when Sonesta acquired 103 properties from Intercontinental Hotels Group. That 103-portfolio included 81 extended-stay hotels and 22 full-service hotels and resorts. Since then, Sonesta has performed well against its competitors and continues to acquire properties from major hotel companies.

SONESTA EXTENDED STAY SUITES

Sonesta ES Suites offers apartment style suites for guests staying extended periods of time. There are 92 locations across 29 states and territories. Suites include hotel services and free daily breakfast. Each suite is equipped with a full kitchen and some with a backyard. Guests also enjoy a 24/7 fitness center. Sonesta is known for putting the guest experience above all else.



YEAR FOUNDED
2015



INDUSTRY
HOSPITALITY



HEADQUARTERS
BOSTON, MA

Hotel Industry Facts:

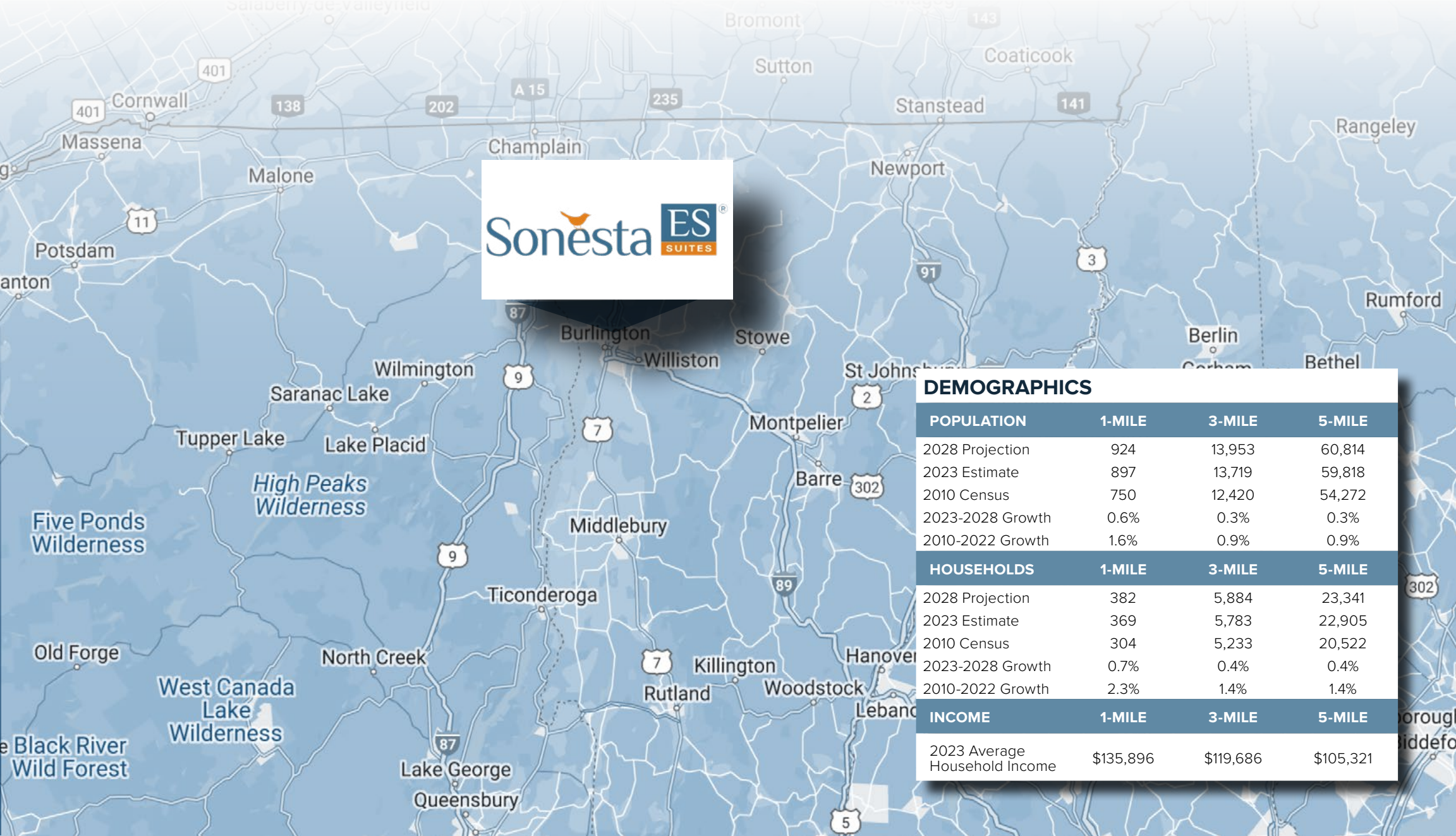
- The hotel industry supports \$1.1 trillion in U.S. sales.
- Hotels generate \$170 billion in local, state, and federal taxes.
- Hotels contribute nearly \$600 billion to the U.S. GDP.
- Hotels support \$335 billion in total labor income.



**AREA
OVERVIEW**

BURLINGTON, VT

Burlington, Vermont is on the eastern shore of Lake Champlain, south of the Canadian border. The city has a population of about 45,000 people and an area of 15.50 square miles. Burlington is the least populous city in all of the United States yet is the largest city in the state of Vermont. It is a bustling city, acting as a college town for three local schools as well as the acclaimed University of Vermont. Burlington has an active arts scene, a long shopping corridor in the Church Street Marketplace, and four-season entertainment for fun at any time of the year.



DEMOGRAPHICS			
POPULATION	1-MILE	3-MILE	5-MILE
2028 Projection	924	13,953	60,814
2023 Estimate	897	13,719	59,818
2010 Census	750	12,420	54,272
2023-2028 Growth	0.6%	0.3%	0.3%
2010-2022 Growth	1.6%	0.9%	0.9%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2028 Projection	382	5,884	23,341
2023 Estimate	369	5,783	22,905
2010 Census	304	5,233	20,522
2023-2028 Growth	0.7%	0.4%	0.4%
2010-2022 Growth	2.3%	1.4%	1.4%
INCOME	1-MILE	3-MILE	5-MILE
2023 Average Household Income	\$135,896	\$119,686	\$105,321



ECONOMY

The city of Burlington has a mission of engaging with their community to build an equitable, healthy, safe, and vibrant city with opportunities for all. They value informing their policies and practices both internally and out in the community. They strive to incorporate their ideas into the work they do with one another, partners, and the community.

They are currently striving to make Burlington the most livable, just, and connected community in America through advancing leading-edge housing initiatives to expand housing choice and creating a range of safe, affordable, and equitable options. They also are focusing on fostering economic growth through creating opportunities for all through locally focused, equity-driven policies and initiatives. Finally, Burlington is leading comprehensive community planning and placemaking efforts central to Burlington's future vitality, including coordinated interagency action on key City initiatives.

Largest industries:



Elementary and Secondary schools



Construction



General Medical and Surgical Hospitals, and Specialty

POINTS OF INTEREST

Whether it's a restaurant opening, a great event, or an art show, there is always something new to discover in Burlington. Compact and beautiful, Burlington is home to a thriving arts scene, museums and educational opportunities, great shopping, three colleges, and a university, as well as a full range of four-season outdoor pursuits. Outdoor cafes, street vendors, and entertainers keep things lively long after sundown. Festivals are held all year long with events like New Year's First Night Celebration and the Burlington Discover Jazz Festival attracting visitors from throughout the northeast.

- **BURLINGTON WATERFRONT PARK** – Waterfront Park is a large regional park located to the west of downtown along the Lake Champlain Shoreline. This park is home to several large music and food festivals, with the Burlington Bike Path running along its eastern border. The park is immediately adjacent to the Community Boathouse, the ECHO Museum, and Lake Champlain Sailing Center.
- **NORTH BEACH** – North Beach is Burlington's largest beach and the only beach with active lifeguards in their summer season. With food concessions, a playground, restrooms with showers, picnic tables, and grills, North Beach has something for everyone. During the summer months, you can rent kayaks, canoes, and stand-up paddleboards at their vendor's kiosk and take full advantage of what Burlington has to offer.
- **FLEMING MUSEUM OF ART** – The Fleming Museum of Art is Vermont's leading museum of art and world cultures. Since its opening in 1931, the Fleming Museum of Art has brought world-class art and diverse visual culture to the people of northern New England. With a collection of 24,000 objects from cultures worldwide and several special exhibitions annually, the Museum attracts visitors of all ages from throughout the region.



CONFIDENTIALITY AGREEMENT AND DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **Sonesta Es Suites** located at **35 Hurricane Ln, Burlington, VT 05495** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner Seller and in part upon financial information obtained from sources the Owner it deems reliable. Owner, nor their officers, employees, or real estate agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its contents, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

The Offering Memorandum and its contents are confidential;

You will hold it and treat it in the strictest of confidence; and

You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Matthews Real Estate Investment Services is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee in the Offering Memorandum. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of Matthews Real Estate Investment Services.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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