



THE PLASENCIA GROUP

Passion. Access. Certainty.



# Holiday Inn Express & Suites Tampa USF/Busch Gardens Tampa, Florida

EXECUTIVE SUMMARY



# Executive Summary

The **Holiday Inn Express & Suites Tampa - USF/Busch Gardens** (the “Holiday Inn Express & Suites” or “Holiday Inn Express”) offering provides the opportunity to acquire a newly renovated, select-service hotel in a rapidly developing submarket within one of the nation’s most appealing and strongest-performing hospitality markets. The Tampa area has experienced substantial growth in the last two years, and the Holiday Inn Express is situated in a burgeoning pocket slated for outsized economic development and rapid expansion. The hotel is supported by a steady and varied array of demand generators, including Busch Gardens and Adventure Island, a compelling new Yuengling Tampa Campus that is slated to open in Fall 2022, a myriad of premier medical facilities that includes the Moffitt McKinley Cancer Center, the Shriners Children’s Florida, and the James A. Haley Veterans’ Hospital, the University of South Florida and its forthcoming new football stadium, and the ever-increasing roster of research and development pioneers relocating to the area to collaborate with the award-winning faculty and students at the nation’s fastest-rising university. As such, it caters to a year-round stable of guests that appreciate the refreshed physical product delivered by its recent, comprehensive renovation.

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<b>Investment Summary</b>	 <b>Tampa - USF/Busch Gardens</b>
<b>Address</b>	2807 East Busch Boulevard, Tampa, FL 33612
<b>Year Opened / Renovated</b>	2008 / 2020
<b>Guestrooms</b>	123
<b>Parcel Size</b>	Approximately 2.18 acres
<b>Construction Type</b>	Reinforced Concrete and Concrete Block
<b>Building Height</b>	Four stories
<b>Brand Affiliation</b>	Holiday Inn Express by InterContinental Hotels Group
<b>Management</b>	Offered unencumbered; currently managed by Baystar Hotel Group
<b>Food &amp; Beverage</b>	Complimentary breakfast
<b>Meeting Space</b>	980-square-foot Royal Palm Room
<b>Parking</b>	Approximately 127 guest spaces
<b>Amenities</b>	Business center, coin laundry onsite, complimentary WiFi, fitness center, grab-and-go market, outdoor pool
<b>Additional Considerations</b>	Non-union, fee-simple hotel, no change-of-ownership PIP required

### Process Overview

**Type:**  
Call for Offers

**Notes:**  
A bid date and formal tour dates will be provided. Contact with property staff and unscheduled tours are prohibited. Please contact a member of The Plasencia Group team to schedule a site visit.



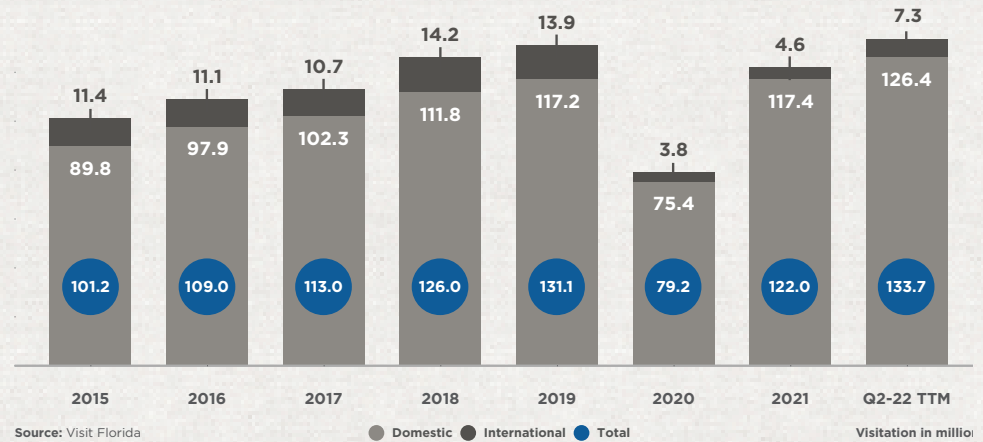
Photo Jesse Adair via Unsplash

# Investment Highlights

## LOCAL TOURISM BOOM

Florida remains an undisputed destination for travel and tourism. Prior to the COVID-19 pandemic, the state’s tourism was buoyed by continued year-over-year growth in travelers and set a visitation record amid a multi-year streak of rapid tourism expansion, attracting 131 million travelers during 2019. Since the distribution of COVID-19 vaccines in early 2021, local visitation has advanced, and Florida has established a new record through the Q2 2022 TTM period with almost 134 million visitors, breaking the state’s domestic and overall historical benchmarks. Visitation is anticipated to accelerate over the next decade due to Florida’s heightened presence on the international stage.

### Annual Florida Visitation

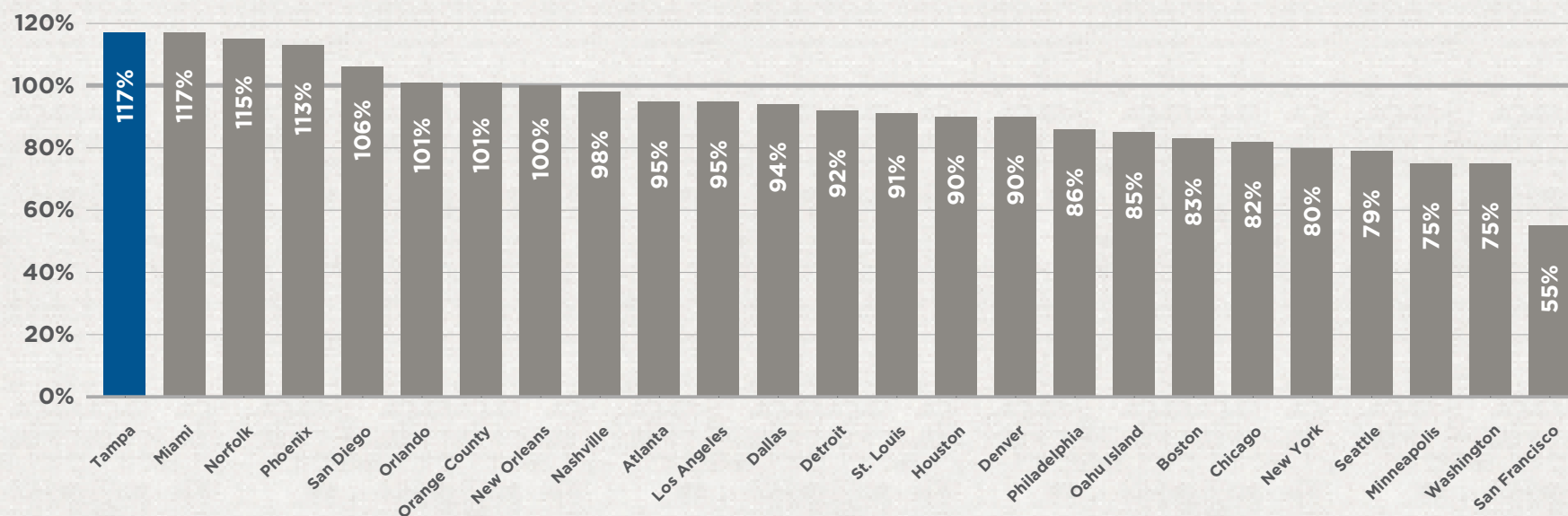


## TAMPA AREA PROLIFERATION

Positioned atop the list of nearly every private and institutional investor throughout the United States, the Tampa area was catapulted to prominence in the pandemic era due to multiple professional sports championships, relatively limited pandemic restrictions, and the ceaseless population growth that followed. Tampa is a key player within the state, thanks to its international airport, a thriving economy, and proximity to its world-class Gulf Coast beaches. The area offers unparalleled convenience to an abundance of outdoor activities and theme parks and an emerging nightlife and entertainment sector that is rapidly generating weekend demand. The area's proliferation has been perpetuated by countless corporate relocations, while an expanding flock of residents are arriving to the Gulf Coast in search of a favorable lifestyle and temperate weather. These tailwinds have directed the Tampa Bay Area lodging market into a new era of prosperity, boosting guestroom demand and elevating ADR potential to unheralded levels to the benefit of hotel owners across the region. Over the past 12 months, Tampa is first out of STR's Top 25 markets in RevPAR growth relative to the trailing 12 months ended February 2020, the last undisrupted 12-month span prior to the COVID-19 pandemic.



Tampa MSA vs STR Top 25 Markets RevPAR Recovery Index - Jul 2022 TTM vs Feb 2020 TTM





## ADVANTAGEOUS SUITE PRODUCT AND EXCELLENT PHYSICAL CONDITION

Boasting 29 suites and a slate of amenities to accommodate business, group, medical, and leisure travelers, the Holiday Inn Express & Suites' recent renovation transformed the property with brand-standard Formula Blue décor, encompassing new guestroom case goods, soft goods, and the complete renovation of common areas. As a result of the comprehensive scope of the renovation, IHG is expected to issue a no-PIP letter for the property. Given the submarket's leisure- and medical-oriented demand profile, the hotel may capitalize on its recent renovation and favored suite product to outcompete neighboring properties through curated revenue management strategies while benefitting from organic ADR growth within the market.



## DISCOUNT TO REPLACEMENT COST AND COMP SALES

The Holiday Inn Express & Suites can be acquired at an all-in investment amount beneath replacement cost. The hotel's durable steel and concrete construction, along with the recency of its comprehensive renovation, will allow the new owner to step in with a minimal post-acquisition CapEx obligation. This dynamic is especially attractive when framed against the current supply chain landscape that has been plagued by unprecedented delays, disruptions, and increases in construction materials and labor costs. Furthermore, nearby comparable sales accentuate the discount at which the hotel can be acquired. The Hampton Inn Busch Gardens Area, also located on Busch Boulevard, a block from the Holiday Inn Express & Suites, traded in excess of \$170,000 per key in February 2022, while the Home2 Suites Tampa USF near Busch Gardens, situated less than one mile north of the Holiday Inn Express & Suites, traded in excess of \$180,000 per key in January 2019.



## IMPRESSIVE RECENT PERFORMANCE

The Holiday Inn Express has capitalized on the submarket's growth, and the return of ancillary demand generating from activity at Busch Gardens and the University of South Florida (USF), with rapidly increasing Occupancy and rising ADR justified by the hotel's recently completed renovation. The hotel also benefits from a critical mass of nearby medical facilities, further bolstering its already solid demand base. As a result, RevPAR at the hotel is projected to reach \$95 by year-end, which represents a 46% growth over the renovation-disrupted 2019 year and a 31% increase over the pandemic-disrupted 2021 year. Profits have risen commensurately, with the hotel expected to achieve \$1.4 million in NOI by year-end, which more than doubles that of 2019 and exceeds that of 2021 by 52%. The hotel is experiencing incredible momentum, which should only continue as the North Tampa submarket accelerates its evolution.



## BUSCH GARDENS & ADVENTURE ISLAND

Busch Gardens and Adventure Island are neighboring theme parks in North Tampa, offering approximately 40 attractions across more than 360 acres. Both parks are located within walking distance of the Holiday Inn Express & Suites and represent primary demand drivers within the submarket, boasting attendance figures in excess of 4.7 million visitors during 2019. Busch Gardens is known for its thrilling roller coasters and educational safaris, while Adventure Island is a top domestic water park, home to numerous pools, water slides, and its famed lazy river. The parks offer countless shopping and dining options for its visitors. Busch Gardens, the larger of the two parks, hosts seasonal events, including the critically acclaimed, two-month long Howl-O-Scream Halloween festival, along with countless summer and winter events. Both parks are part of SeaWorld Parks and Entertainment, which posted record revenues and net income in 2021, despite limited international travel.



IRON GWAZI ROLLER COASTER AT BUSCH GARDENS TAMPA



RENDERING OF PLANNED ON-CAMPUS FOOTBALL STADIUM

Rendering USF Athletics



## UNIVERSITY of SOUTH FLORIDA

### UNIVERSITY OF SOUTH FLORIDA'S EVOLUTION

The University of South Florida has rapidly emerged among the nation's largest and best public universities, boasting a student body of nearly 50,000 students in 2022, with top-ranked programs ranging from medicine to engineering and business. This fall semester, the university welcomed its largest ever student resident population. The main campus in North Tampa, a five-minute drive from the Holiday Inn Express, is teeming with state-of-the-art facilities, including an expansive athletic training complex and recreation center, a 10,000-seat basketball arena, a 3,200-seat baseball and softball stadium complex, and countless auditoriums and laboratories. Importantly, plans to construct a new 35,000-seat football stadium are well underway as part of a new, multimillion-dollar on-campus athletics district. In addition to the new football stadium, extensive renovations are planned for the facilities of the school's other teams, including volleyball, baseball, softball, tennis, golf, track and field, and many others. The USF Bulls football team currently play their games across town at Raymond James Stadium, and the impact to the school and surrounding hospitality industry of having an on-campus stadium cannot be understated. The campus' existing amenities support a thriving collegiate community, and additional planned projects are anticipated to have a substantial economic impact on the region, anchoring North Tampa as a leading sports and innovation hub within Central Florida.





RENDERING OF RITHM AT THE UNIVERSITY MALL REDEVELOPMENT

Rendering: Gresham Smith

## UPTOWN SUBMARKET POISED FOR OUTSIZED ECONOMIC DEVELOPMENT

While a substantial amount of recent focus has been centered on the Gulf Coast beaches and the region’s urban pockets, North Tampa is poised for outsized economic growth over the next five years due to Busch Gardens’ expected near-term attendance recovery, the planned University Mall redevelopment, Yuengling Brewery’s new 2.2-acre entertainment complex, Moffitt Cancer Center’s McKinley Drive campus expansion, and USF’s ambitious expansion projects, which include an on-campus football stadium. In exciting recent news, Yuengling announced plans for a full-service restaurant, multiple beverage and retail outlets, outdoor entertainment features, a multi-use concert stage, and more within their upcoming development. However, the University Mall redevelopment is undoubtedly the marquee project within the submarket, encompassing 100 acres with a budget estimated to be in excess of \$1 billion. The project is planned to deliver in phases over the next five years and include student housing, a hotel, a one-million-square-foot mixed-use office tower, and experiential retail concepts. In addition to a flurry of other developments throughout Hillsborough, Pasco, and Pinellas County, these large-scale investments are anticipated to generate substantial year-round guestroom demand and improve local lodging market fundamentals, mitigating the traditional fall shoulder period.



Photo VisitTampaBay.com | Keir Magoulas



TAMPA MUSEUM OF SCIENCE AND INDUSTRY (MOSI)

## CENTRAL LOCATION IN BURGEONING SUBMARKET

The Holiday Inn Express & Suites benefits from frontage on one of Tampa's most prominent east-west thoroughfares, Busch Boulevard, offering guests seamless accessibility to the property, along with walkability to Busch Gardens and Adventure Island. Shuttle services are also available by request to guests traveling to or from Busch Gardens or local medical facilities. Moreover, the property is a five-minute drive from the University of South Florida, Tampa's Museum of Science & Industry (MOSI), and many notable medical centers, while the nearby Interstate 275 allows for direct access to Downtown Tampa, Tampa International Airport, and additional connectivity to the Gulf Coast beaches. Already praised for its central location, the Holiday Inn Express & Suites may experience substantial RevPAR growth from the ongoing maturation and diversification of the submarket, while capturing demand compression emanating from Downtown Tampa.



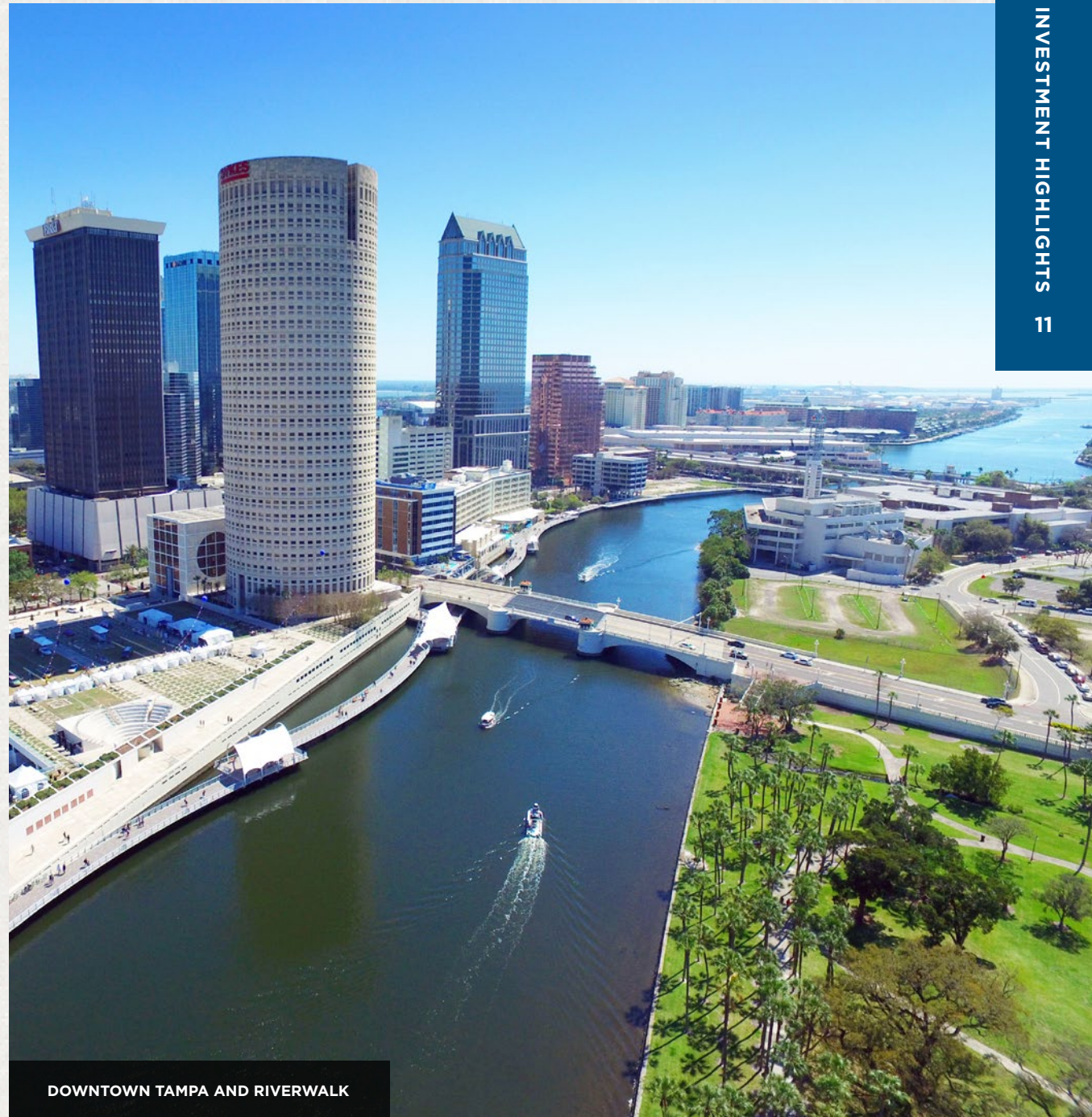
## CATEGORY-KILLING BRAND

The Holiday Inn Express brand is a celebrated product within the InterContinental Hotels & Resorts system. Competing in the Upper Midscale segment, the brand is internationally recognized with more than 3,000 hotels worldwide and a robust pipeline of more than 350 properties currently under development across the Americas. InterContinental Hotels & Resorts ranks among the largest lodging companies worldwide. Its loyalty program, IHG One, boasts enrollment in excess of

100 million members to the benefit of participating properties, such as the Holiday Inn Express & Suites Tampa USF Busch Gardens. The Holiday Inn Express brand, identified by its Formula Blue design scheme, is uniquely programmed to accommodate all demand segments and welcomes more than 75 million guests annually across the globe. It is a mainstay in the collective consciousness of American travelers everywhere, thanks in no small part to the famous "But I did stay at a Holiday Inn Express last night" commercials from the late 1990s and early 2000s. This distinct recognizability ensures that the brand remains top of mind and is ideally suited for the demand mix emanating from the surrounding theme parks and university. Moreover, the brand's select-service operating profile has generally yielded impressive investment returns for its owners over its three decades of existence due to its streamlined product offering.

## RETURN OF INTERNATIONAL TRAVEL TO MAGNIFY POST-RENOVATION PERFORMANCE RAMP

Notwithstanding Florida's rapid tourism recovery and record-setting Q2 2022 TTM visitation figures, international travel within the state and the nation is lagging pre-pandemic performance levels by a large margin, despite a substantial year-over-year increase in foreign arrivals over 2021. While the United States Travel Association estimates a complete international travel recovery by 2025, July 2022 TTM submarket RevPAR has already surpassed 2019 levels, and the comprehensive recovery of foreign inbound travel should bolster lodging performance at properties that cater to USF's and Busch Gardens' visitors, such as the Holiday Inn Express & Suites.



DOWNTOWN TAMPA AND RIVERWALK





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In 1993, The Plasencia Group was formed to provide hotel and resort owners investment advisory services at a personal level. Twenty-nine years and hundreds of engagements later, we still have the privilege of making our clients successful with the passion, access, and certainty they've come to expect. Our firm offers investment sales, asset management, development and renovation management, debt and equity sourcing, and advisory services to hotel and resort owners throughout North America.

## CONTACT INFORMATION

For additional information regarding the Holiday Inn Express & Suites Tampa USF/Busch Gardens opportunity, please contact:

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and the services we offer, visit [tpghotels.com](https://tpghotels.com).



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