



JACKSONVILLE ON THE RISE, PART 2

Amelia Island, Jacksonville Beaches, Ponte Vedra & St. Augustine



Hospitality Industry
Insights

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Northeast Florida’s key economic pillars of education, finance, government, healthcare, logistics, and tourism remain grounded in specific destinations throughout the Jacksonville metro area’s rapidly evolving real estate market. The region’s renowned landmarks, which are discussed throughout this series, anchor numerous activity centers and serve as notable guestroom demand generators within a highly diverse economy. At the same time, a new era of young professionals and droves of visitors are arriving in the area. St. Johns Town Center, Downtown Jacksonville, Fernandina Beach, St. Augustine, Jacksonville Beach, the Mayo Clinic, and Ponte Vedra are among the most heavily frequented points of interest across Northeast Florida. To support the area’s increasing growth and visitation, Jacksonville International Airport (JAX) offers convenient airlift options to travelers arriving and departing the region.



By **Andrew Pappas**
Vice President
The Plasencia Group



Jacksonville International Airport (JAX)

JAX serves more than 6.5 million passengers annually with eleven major carriers to over 40 destinations, including Atlanta, Dallas, Los Angeles, Miami, New York, and San Juan. Flight options are anticipated to expand as the airport completes its \$300 million concourse addition, which is slated to deliver six new gates by 2025.



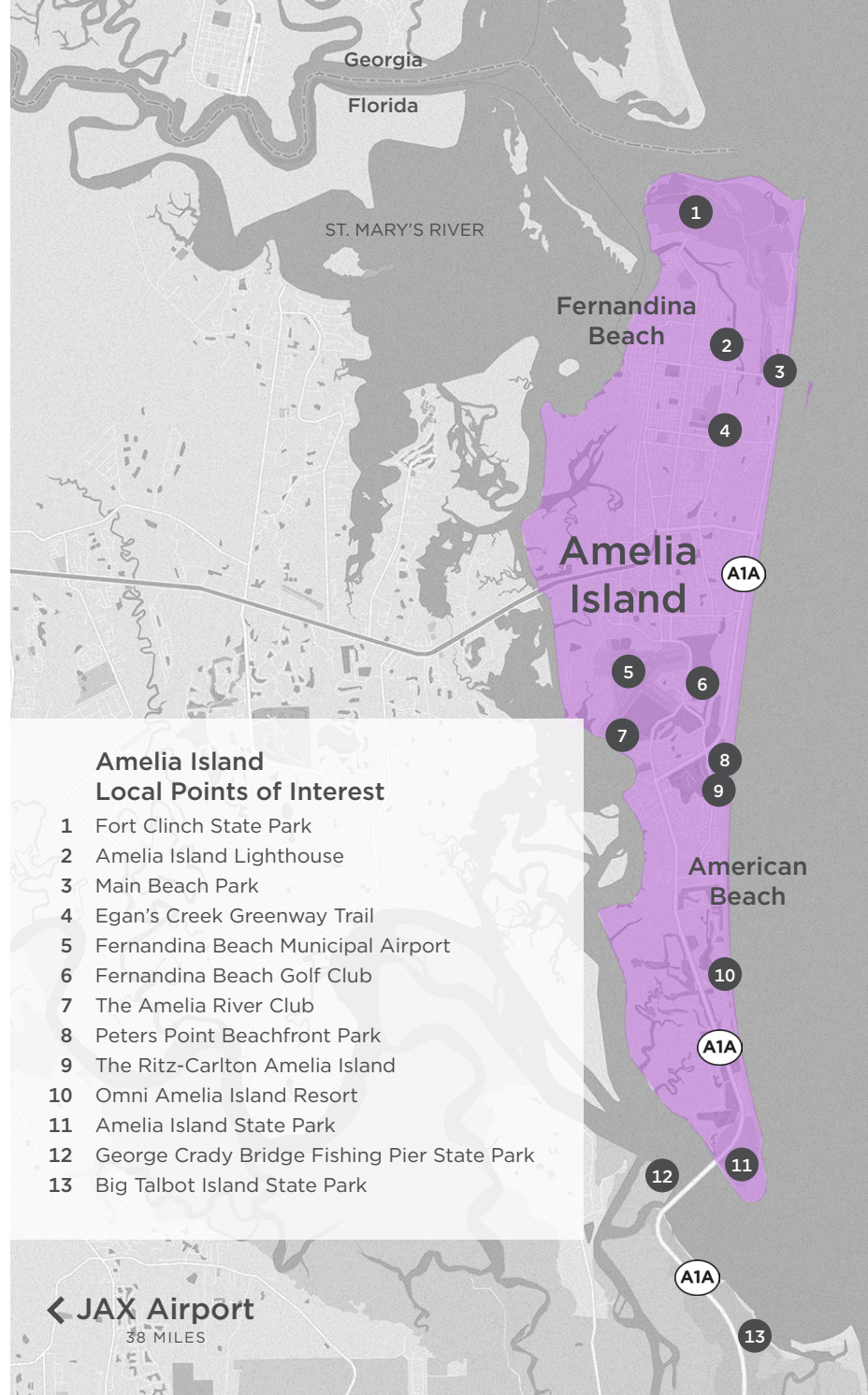
Passenger Data In Millions



AMELIA ISLAND

Amelia Island is recognized for its temperate climate, convenient location in the Southeastern United States, and its multi-million-dollar beachfront mansions. The 130-mile-long St. Mary's River defines Florida's northeastern boundary with the state of Georgia. Amelia Island is at the mouth of the St. Mary's River and is a day's drive from most major cities in the Eastern United States. Enriched with more than a millennium of history, Amelia Island was originally inhabited by native tribes dating back to 1000 A.D. It served as a strategic military installation for the United States until 1926, when Fort Clinch was officially retired from service. Today, Fort Clinch State Park offers a glimpse into this history by allowing visitors the opportunity to enter the Civil War-era fort and explore the island's marshlands, beaches, and nature trails. The island's main commercial center, Fernandina Beach, is a short drive from Fort Clinch and frequently hosts multicultural festivals, concerts, events, and races.

Countless golf courses are nestled throughout Amelia Island and complement the many nearby beachfront resorts, including The Ritz-Carlton Amelia Island and Omni Amelia Island Resort. These prominent campuses compete with other resorts throughout the East Coast in destinations like Jekyll Island, St. Simons Island, Kiawah Island, Charleston, and Hilton Head. Rental condos, independent hotels, and inns have traditionally comprised the bulk of Amelia Island's lodging supply. However, shifting consumer preferences and the strength of loyalty programs via Marriott and Hilton have resulted in the development of many premium select-service properties in the area. The increased presence of branded lodging product on Amelia Island continues to improve the destination's exposure on both national and international stages.



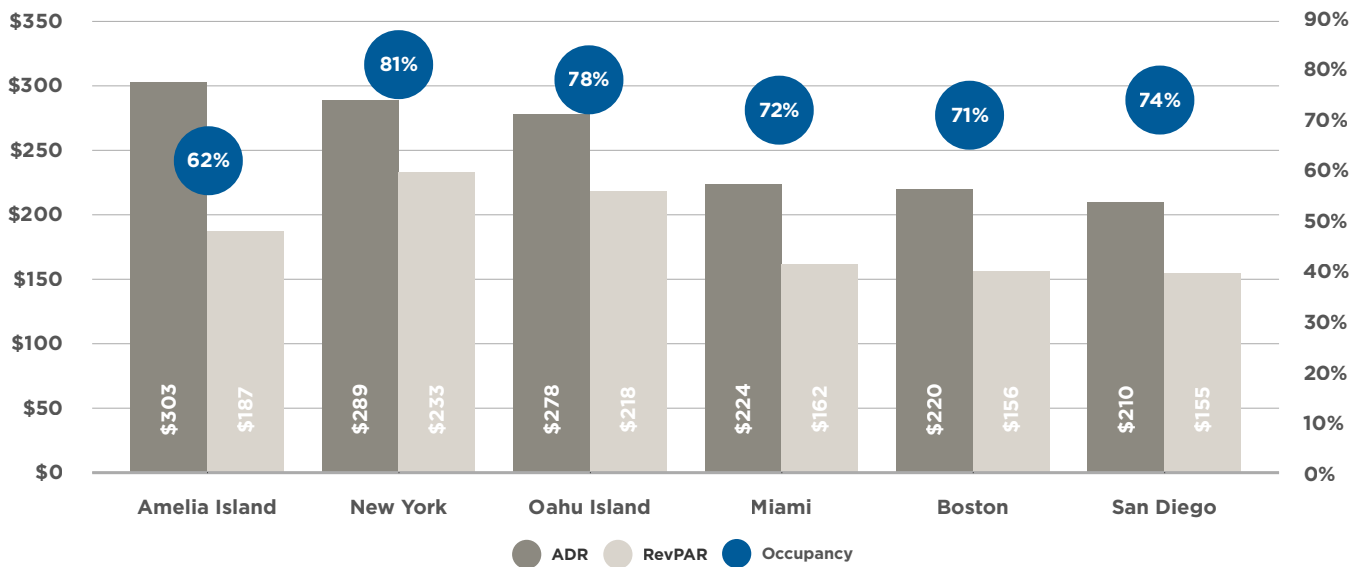
Amelia Island Openings Since 2019 & Supply Pipeline

Property	Keys	Open Date	Chain Scale	Status
Home2 Suites Fernandina Beach Amelia Island	103	2019	Upper Midscale	Existing
SpringHill Suites Amelia Island	134	2021	Upscale	Existing
Courtyard Amelia Island	105	2021	Upscale	Existing
Holiday Inn Express & Suites Fernandina Beach Amelia Island	97	2023	Upper Midscale	Under Construction
Tapestry Collection Hotel	56	2025	Upper Upscale	Final Planning

Source: CoStar, STR

Amelia Island's preserved natural features and unique history allow local hotels to secure attractive daily rates, while consistently selling out during the peak spring and summer months. Moreover, the area's recent hotel openings are elevating the area's rate ceiling to new heights. When benchmarked against STR's Top 25 markets nationally, Amelia Island boasts the highest ADR and third-highest RevPAR, relative to these geographies.

Amelia Island Lodging Performance vs STR's Top 25 Market RevPAR Leaders

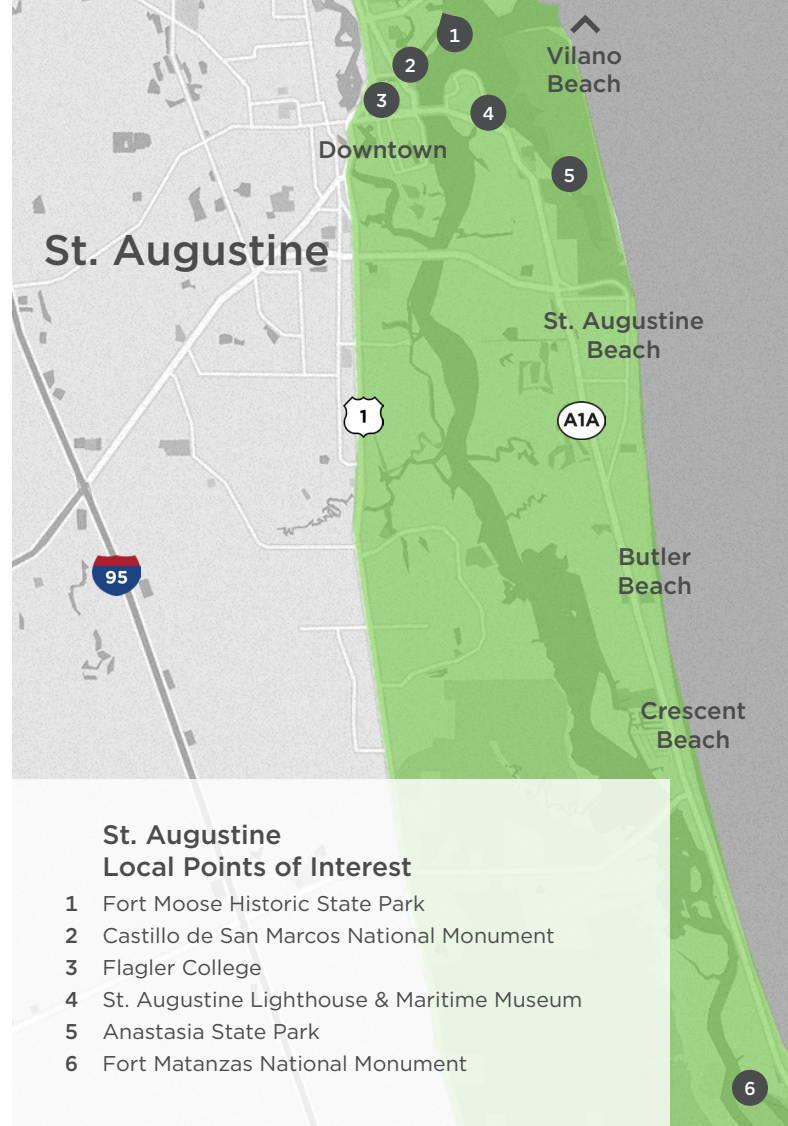


Note: Performance is based on August 2023 TTM data. Amelia Island is a part of the Jacksonville Beaches sub-market according to STR and is not a Top 25 Market.

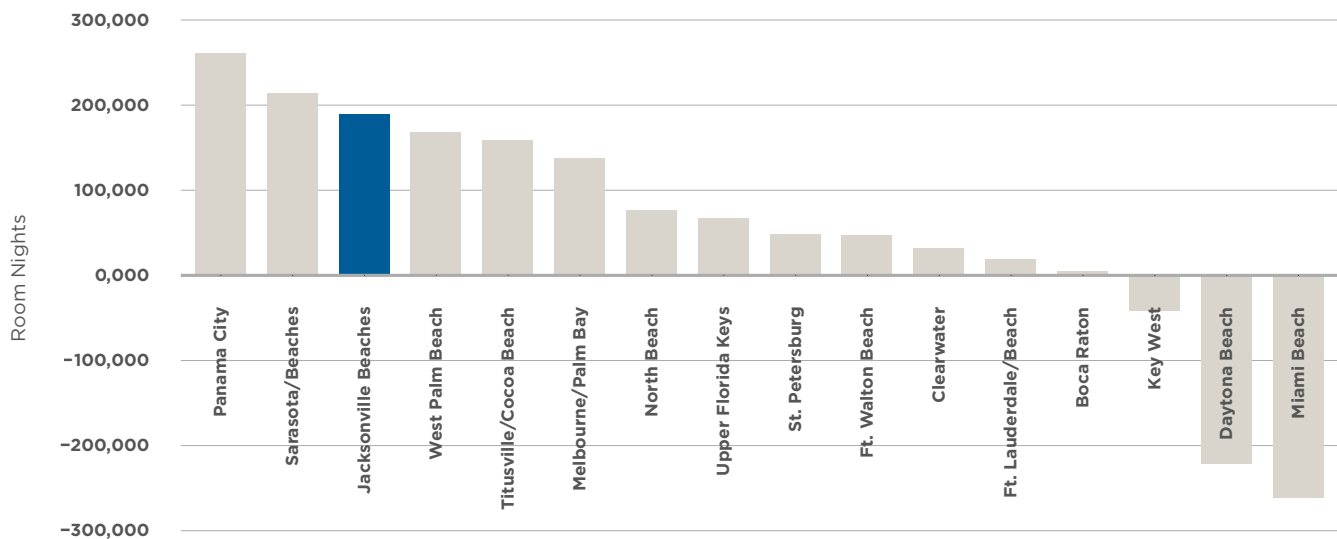


JACKSONVILLE BEACHES, PONTE VEDRA & ST. AUGUSTINE

Northeast Florida's coastline welcomes vast numbers of leisure travelers each year, offering everything from fine dining to dive bars, swells for surfers, deep-sea fishing excursions, championship-level golfing for the PGA Tour and amateurs alike, and the oldest city in the United States, St. Augustine. St. Augustine's Spanish influence is evident throughout the city, representing an unmatched cultural experience for tourists and history buffs. Quaint shops and restaurants line Aviles Street in the heart of Downtown St. Augustine. The city is anchored around the Castillo de San Marcos, a protected monument by the National Park Service and the oldest masonry fort in the continental United States. These multi-faceted demand generators inspired robust hotel development through the pandemic, triggering an impressive lodging supply wave from December 2019 to August 2023. While developers stayed busy, visitors saturated Florida's northeast coast for both business and pleasure, generating a meaningful increase in guestroom demand during the same period.



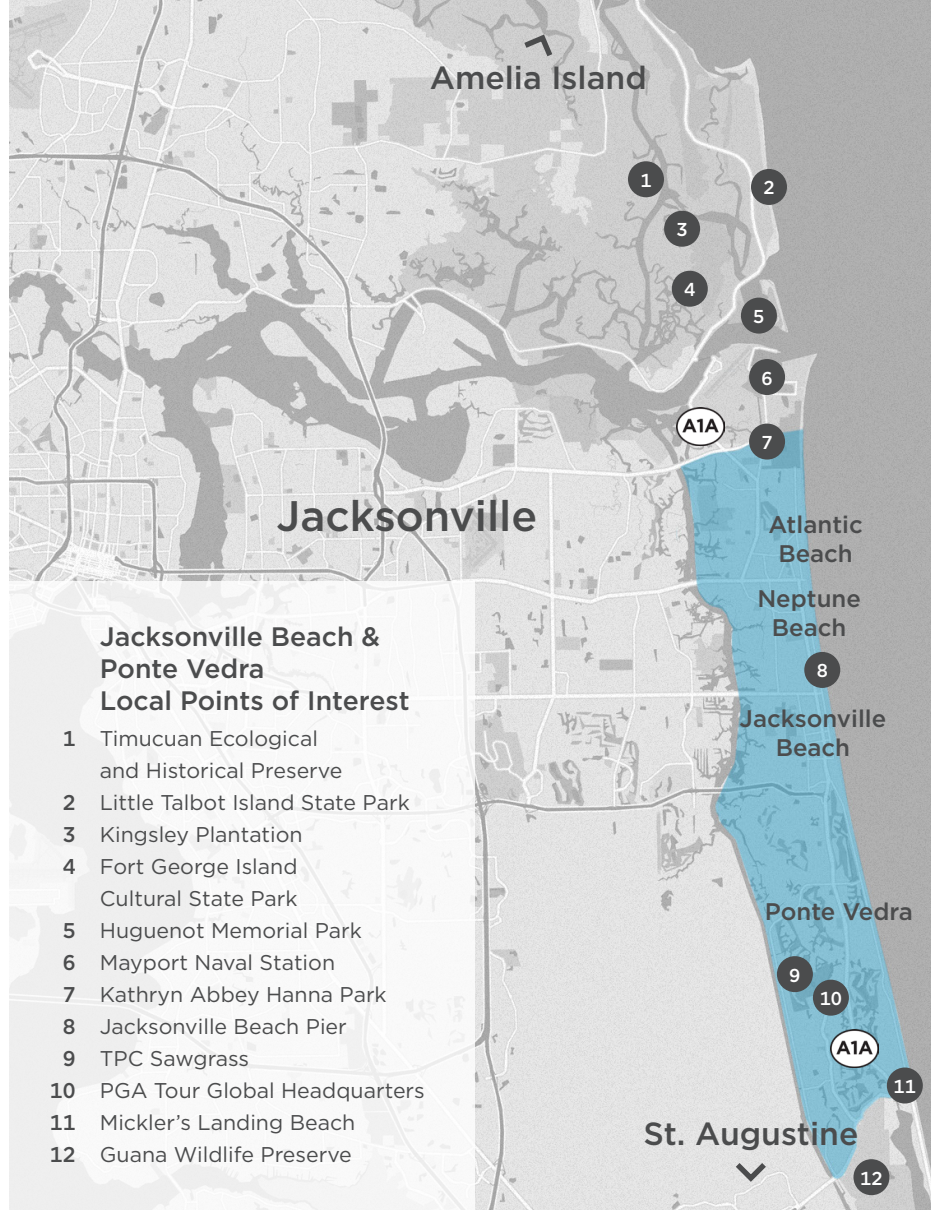
Select Coastal Florida Submarkets
Change in Guestroom Demand - August 2023 TTM vs December 2019 TTM



Source: CoStar, STR, The Plasencia Group



Florida's famed State Road A1A traverses its Atlantic Coastline from Key West to Amelia Island, locally passing through St. Augustine, Ponte Vedra, and Jacksonville's renowned beach towns. The scenic landscape along this picturesque thoroughfare accentuates Florida's natural beauty, unique foliage, and protected wildlife – a series of unique characteristics that attract some of the state's 130 million annual visitors. State Road A1A establishes Jacksonville as the northern gateway to Florida's storied Space Coast, where innovative entities, such as NASA, the United States Space Force, Space-X, Blue Origin, Boeing, Lockheed Martin, L3Harris, and more, develop cutting-edge technology and benefit from proximity to some of Florida's most prominent universities. Cape Canaveral is approximately two hours south of Jacksonville by car; however, public and private entities also intersect on Florida's northeastern coast at Naval Station Mayport, a key military installation on the U.S. east coast.



Visitors likely associate Ponte Vedra with TPC Sawgrass, the perennial location of The Players Championship and one of the PGA Tour's most celebrated golfing events. The tournament generates nearly 100,000 guestroom nights each year and is a boon for Jacksonville's lodging market.

Ponte Vedra's marquee resorts, such as the Marriott, which abuts TPC Sawgrass, and the Ponte Vedra Inn & Club, offer over 120,000 square feet of meeting space across both properties. The ornate ballrooms, picturesque resort grounds, and amenity spaces at these properties establish Ponte Vedra as the quintessential destination for groups, executive summits, and intimate events. The PGA Tour's recent unveiling of its new 187,000-square-foot global headquarters further positions Ponte Vedra at the center of the golf world and has positioned the city as an attractive destination for corporate expansion. Since its opening, PGA Tour Studios announced progress on its respective headquarters, a new 165,000-square-foot building under development in the shadow of the PGA Tour's global headquarters. The project is slated for delivery in the first quarter of 2025.



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Our investment sales team has completed nearly thirty successful transactions and financings throughout the United States over the last two years, including establishing a price per key sale record in Jacksonville in April 2022. It would be our pleasure to assist you in the evaluation, acquisition, sale, or financing of your hospitality properties, whether in the Jacksonville area or across the country.

In addition to our investment advisory practice, our firm also provides ownership representation services as well as development and renovation consulting expertise to hotel and resort owners. If we may be of assistance with any detail of your hotel, resort, or property portfolio investment, please call us directly at (813) 932-1234 to start the discussion.

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About The Plasencia Group

In 1993, The Plasencia Group was formed to provide hotel and resort owners investment advisory services at a personal level. Thirty 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 us today if our experienced advisory team can assist you in evaluating your current portfolio and strategizing for the weeks and months ahead. We look forward to the opportunity to serve you.

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