



..... OFFERING MEMORANDUM .....

# GRANDSTAY HOTEL & SUITES MONTEVIDEO

1805 MN-7, Montevideo, MN 56265

Marcus & Millichap

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Activity ID #ZAH0510035

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1805 MN-7

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1805 MN-7

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# OFFERING SUMMARY

1805 MN-7



Listing Price  
**\$3,900,000**



Cap Rate  
**8.70%**



# of Rooms  
**46**

## FINANCIAL

Listing Price	\$3,900,000
Down Payment	25% / \$975,000
NOI	\$338,931
Cap Rate	8.70%
Total Return	15.4%
RevPAR	\$74.54
ADR	\$140.91

## OPERATIONAL

# of Rooms	46
Lot Size	3.47 Acres (151,153 SF)
Occupancy	53%
Year Built	1995



# GRANDSTAY HOTEL & SUITES MONTEVIDEO

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## INVESTMENT OVERVIEW

The GrandStay Hotel & Suites - Montevideo, Minnesota presents a rare opportunity to acquire a well-positioned select-service hotel in a stable regional market supported by healthcare, agriculture, manufacturing, and government demand drivers. The property benefits from its location along U.S. Highway 212, serving as a primary lodging option for business travelers, contractors, and regional visitors traveling throughout western Minnesota.

The hotel is owned and operated by the original developer, presenting investors with a unique opportunity to acquire a long-held asset that has not previously been widely marketed. Ownership continuity has allowed the property to establish strong relationships within the local community and demand generators, contributing to consistent lodging demand over time.

The property also benefits from being the only nationally branded hotel in the Montevideo market, creating a significant competitive advantage. Branded hotels often capture the majority of corporate, loyalty, and online reservation demand, allowing the property to maintain strong positioning relative to local independent lodging options.

Operationally, the asset demonstrates strong rate performance for a market of its size, currently achieving an Average Daily Rate (ADR) of approximately \$141, reflecting the property's ability to capture premium lodging demand from corporate travelers, contractors, and regional visitors seeking quality branded accommodations.

Montevideo functions as a regional hub for Chippewa County and surrounding agricultural communities, supporting year-round lodging demand from healthcare services, agricultural operations, regional commerce, and government activity. Major employers and demand generators include Chippewa County Montevideo Hospital, regional agricultural operations, food processing facilities, and local government institutions.

With limited hotel supply in the immediate market and no significant new development pipeline, the property benefits from favorable competitive dynamics and strong barriers to entry. Overall, the GrandStay Hotel & Suites - Montevideo offers investors the opportunity to acquire a stable hospitality asset in a secondary market characterized by strong ADR performance, brand positioning, and long-term operational stability.

## INVESTMENT HIGHLIGHTS

**Original Developer Ownership:** The Property has Been Owned and Operated by the Original Developer Since Construction.

**Only Branded Hotel:** The GrandStay is the Only Nationally Branded Hotel in the Montevideo Market.

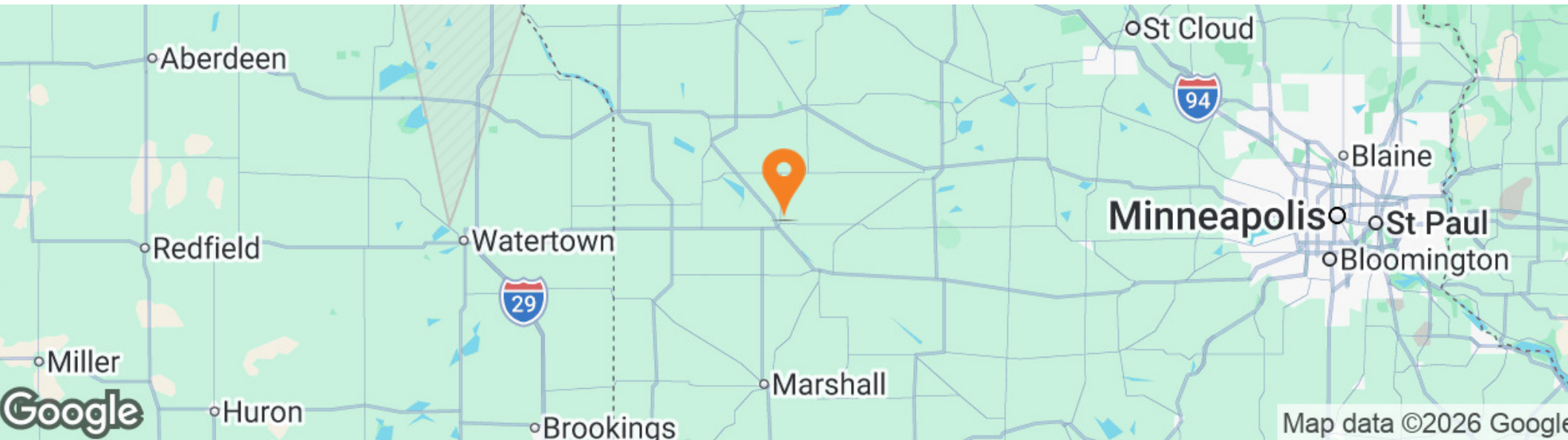
**Strong ADR:** The Hotel Achieves an Average Daily Rate of Approximately \$141.

**Regional Demand Hub:** Montevideo Supports Year-Round Demand from Healthcare, Agriculture, Manufacturing, and Government Activity.

**Limited Competition:** Limited Hotel Supply in the Market Supports Stable Occupancy and Rate Growth.

# GRANDSTAY HOTEL & SUITES MONTEVIDEO

LOCAL MAP





# GRANDSTAY HOTEL & SUITES MONTEVIDEO

## INVESTMENT OVERVIEW

Purchase Price	\$3,900,000	\$3,900,000	\$3,900,000
<b>Down Payment</b>	<b>975,000</b> 25.0%	<b>\$975,000</b> 25.0%	<b>\$975,000</b> 25.0%
<b>Proposed Financing</b>			
New 1st	<b>\$2,925,000</b> 75.0%	<b>\$2,925,000</b> 75.0%	<b>\$2,925,000</b> 75.0%
Interest Rate	6.50%	6.50%	6.50%
Amortization (yrs)	25.0	25.0	25.0
Monthly P&I Payment	\$19,750	\$19,750	\$19,750
<b>Operating Summary</b>			
	<b>Year End 2024</b>	<b>Year End 2025</b>	<b>Year 1 Projection</b>
Rooms	46	46	46
Available Rentable Rooms	16,790	16,790	16,790
Room Sold	9,766	8,882	8,983
Occupancy	58.2%	52.9%	53.5%
ADR	\$143.42	\$140.91	\$143.73
RevPAR	\$83.42	\$74.54	\$76.89
Room Revenue	\$1,404,489 99.5%	\$1,251,559 99.6%	\$1,291,057 99.6%
Other Operating Revenue	\$7,069 0.5%	\$4,630 0.4%	\$4,776 0.4%
<b>Gross Revenue</b>	<b>\$1,411,558</b> 100.0%	<b>\$1,256,189</b> 100.0%	<b>\$1,295,833</b> 100.0%
Operating Expense	\$830,388 58.8%	\$879,572 70.0%	\$842,646 65.0%
<b>EBITDA</b>	<b>\$581,170</b> 41.2%	<b>\$376,617</b> 30.0%	<b>\$453,186</b> 35.0%
Reserves	\$42,347 3.0%	\$37,686 3.0%	\$51,833 4.0%
<b>Net Operating Income (NOI)</b>	<b>\$538,823</b> 38.2%	<b>\$338,931</b> 27.0%	<b>\$401,353</b> 31.0%
Less Debt Service	\$236,998 16.8%	\$236,998 18.9%	\$236,998 18.3%
Debt Coverage Ratio	2.27	1.43	1.69
<b>Investment Summary</b>			
<b>Net Cash Flow after Debt Service</b>	<b>\$301,826</b> 31.0%	<b>\$101,934</b> 10.5%	<b>\$164,355</b> 16.9%
Plus Principal Reduction	\$48,295	\$48,295	\$48,295
<b>Total Return on Investment</b>	<b>\$350,120</b> 35.9%	<b>\$150,228</b> 15.4%	<b>\$212,650</b> 21.8%
<b>Cash on Cash Return</b>	<b>31.0%</b>	<b>10.5%</b>	<b>16.9%</b>
<b>CAP Rate Before Reserves &amp; Mgmt</b>	<b>14.9%</b>	<b>9.7%</b>	<b>11.6%</b>
<b>Cap Rate</b>	<b>13.82%</b>	<b>8.7%</b>	<b>10.3%</b>
<b>Room Revenue Multiplier</b>	<b>2.78</b>	<b>3.12</b>	<b>3.02</b>
<b>Price per Room</b>	<b>\$84,783</b>	<b>\$84,783</b>	<b>\$84,783</b>

# GRANDSTAY HOTEL & SUITES MONTEVIDEO

P&L

	2024				Most Recent Year End 2025			
	Amount	Percent	PAR	POR	Amount	Percent	PAR	POR
Days in Period	366				365			
Rooms Available	46				46			
Annual Available Rooms	16,836				16,790			
Annual Rooms Sold	9,793				8,882			
Occupancy	58.2%				52.9%			
Average Rate (ADR)	143.42				140.91			
Rooms RevPAR	83.42				74.54			
Total RevPAR	83.84				74.82			
<b>Operating Revenue</b>								
Rooms Revenue	1,404,489	99.5%	30,532	143.42	1,251,559	99.6%	27,208	140.91
Misc. Income	7,069	0.5%	154	0.72	4,630	0.4%	101	0.52
<b>Total Operating Revenue</b>	<b>1,411,558</b>	<b>100.0%</b>	<b>30,686</b>	<b>144.15</b>	<b>1,256,189</b>	<b>100.0%</b>	<b>27,308</b>	<b>141.43</b>
								0.00
<b>Departmental Expenses</b>								
Rooms Expenses	117,919	8.4%	2,563	12.04	122,509	9.8%	2,663	13.79
Payroll	309,953	22.0%	6,738	31.65	324,124	25.8%	7,046	36.49
<b>Total Dept Expenses</b>	<b>427,871</b>	<b>30.3%</b>	<b>9,302</b>	<b>43.69</b>	<b>446,633</b>	<b>35.6%</b>	<b>9,709</b>	<b>50.29</b>
<b>Total Departmental Profit</b>	<b>983,686</b>	<b>69.7%</b>	<b>21,384</b>	<b>100.45</b>	<b>809,556</b>	<b>64.4%</b>	<b>17,599</b>	<b>91.15</b>
<b>Undistributed Operating Expenses</b>								
Administrative & General	73,150	5.2%	1,590	7.47	71,525	5.7%	1,555	8.05
A&G - Fixed	5,094	0.4%	111	0.52	6,118	0.5%	133	0.69
A&G - Credit Card Comm	68,057	4.8%	1,479	6.95	65,407	5.2%	1,422	7.36
Info & Telecom Systems	22,073	1.6%	480	2.25	26,694	2.1%	580	3.01
Franchise Fees	51,639	3.7%	1,123	5.27	47,634	3.8%	1,036	5.36
Sales & Marketing	4,273	0.3%	93	0.44	3,320	0.3%	72	0.37
Property Operations & Maintenance	67,529	4.8%	1,468	6.90	81,403	6.5%	1,770	9.17
Utilities	58,809	4.2%	1,278	6.01	64,898	5.2%	1,411	7.31
<b>Total Undistributed Expenses</b>	<b>277,473</b>	<b>19.7%</b>	<b>6,032</b>	<b>28.34</b>	<b>295,474</b>	<b>23.5%</b>	<b>6,423</b>	<b>33.27</b>
<b>Gross Operating Profit</b>	<b>706,213</b>	<b>50.0%</b>	<b>15,352</b>	<b>72.12</b>	<b>514,082</b>	<b>40.9%</b>	<b>11,176</b>	<b>57.88</b>
<b>Non-Operating Income &amp; Expense</b>								
Property & Other Taxes	87,730	6.2%	1,907	8.96	102,616	8.2%	2,231	11.55
Insurance	37,313	2.6%	811	3.81	34,849	2.8%	758	3.92
<b>Total Non-Operating Income &amp; Expense</b>	<b>125,043</b>	<b>8.9%</b>	<b>2,718</b>	<b>12.77</b>	<b>137,465</b>	<b>10.9%</b>	<b>2,988</b>	<b>15.48</b>
<b>EBITDA Before Replacement Reserves</b>	<b>581,170</b>	<b>41.2%</b>	<b>12,634</b>	<b>59.35</b>	<b>376,617</b>	<b>30.0%</b>	<b>8,187</b>	<b>42.40</b>
Replacement Reserves (FF&E)	42,347	3.0%	921	4.32	37,686	3.0%	819	4.24
<b>Net Operating Income</b>	<b>538,823</b>	<b>38.2%</b>	<b>11,714</b>	<b>55.02</b>	<b>338,931</b>	<b>27.0%</b>	<b>7,368</b>	<b>38.16</b>

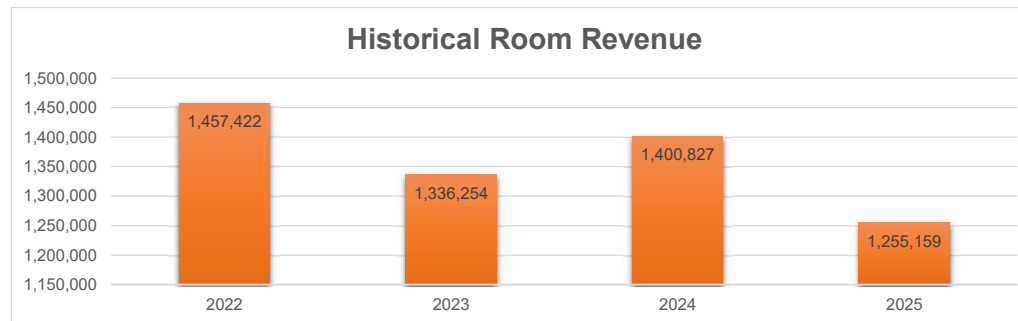
# GRANDSTAY HOTEL & SUITES MONTEVIDEO

STR DATA

Grandstay Montevideo									
SUBJECT vs. COMP HISTORICAL PERFORMANCE									
Period	Occupancy			ADR			RevPAR		
	Subject	Comp. Set	Penetration	Subject	Comp. Set	Yield	Subject	Comp. Set	Index
YE 2022	68.7%	65.7%	104.5%	\$126.40	\$111.48	113.4%	\$86.80	\$73.29	118.4%
YE 2023	60.8%	63.2%	96.3%	\$130.81	\$115.81	113.0%	\$79.59	\$73.20	108.7%
YE 2024	58.3%	57.3%	101.7%	\$143.11	\$122.73	116.6%	\$83.43	\$70.34	118.6%
YE 2025	52.9%	56.8%	93.0%	\$141.44	\$126.46	111.8%	\$74.76	\$71.87	104.0%

Grandstay Montevideo									
CHANGE vs. PRIOR YEAR									
Period	Occupancy			ADR			RevPAR		
	Subject	Comp. Set	Penetration	Subject	Comp. Set	Yield	Subject	Comp. Set	Index
YE 2023	(11.4%)	(3.9%)	(7.9%)	3.5%	3.9%	(0.4%)	(8.3%)	(0.1%)	(8.2%)
YE 2024	(4.2%)	(9.3%)	5.7%	9.4%	6.0%	3.2%	4.8%	(3.9%)	9.1%
2025	(9.3%)	(0.8%)	(8.6%)	(1.2%)	3.0%	(4.1%)	(10.4%)	2.2%	(12.3%)

Note: Competitive Set data excludes the Subject Property  
 Source: Smith Travel Research, Inc.



# GRANDSTAY HOTEL & SUITES MONTEVIDEO

## DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
<b>2030 Projection</b>			
Total Population	4,339	6,449	6,877
<b>2025 Estimate</b>			
Total Population	4,314	6,417	6,847
<b>2020 Census</b>			
Total Population	4,223	6,268	6,696
<b>2010 Census</b>			
Total Population	4,183	6,301	6,748
<b>Daytime Population</b>			
2025 Estimate	4,739	6,994	7,240
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
<b>2030 Projection</b>			
Total Households	1,757	2,683	2,864
<b>2025 Estimate</b>			
Total Households	1,738	2,659	2,840
Average (Mean) Household Size	2.4	2.4	2.4
<b>2020 Census</b>			
Total Households	1,706	2,617	2,798
<b>2010 Census</b>			
Total Households	1,724	2,670	2,861
HOUSING UNITS	1 Mile	3 Miles	5 Miles
<b>Occupied Units</b>			
2030 Projection	1,910	2,918	3,120
2025 Estimate	1,889	2,892	3,093

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
<b>2025 Estimate</b>			
\$200,000 or More	3.9%	4.2%	4.4%
\$150,000-\$199,999	6.7%	7.1%	7.0%
\$100,000-\$149,999	12.4%	13.3%	13.7%
\$75,000-\$99,999	14.5%	14.1%	14.3%
\$50,000-\$74,999	19.0%	19.4%	19.3%
\$35,000-\$49,999	15.4%	15.2%	14.8%
\$25,000-\$34,999	8.7%	8.1%	8.0%
\$15,000-\$24,999	8.9%	8.7%	8.6%
Under \$15,000	10.5%	10.0%	9.9%
Average Household Income	\$76,585	\$79,125	\$80,039
Median Household Income	\$59,261	\$61,452	\$62,374
Per Capita Income	\$31,931	\$33,216	\$33,594
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
<b>Population 25+ by Educational Level</b>			
2025 Estimate Population Age 25+	2,876	4,333	4,633
Elementary (0-8)	3.7%	3.6%	3.5%
Some High School (9-11)	4.0%	4.5%	4.6%
High School Graduate (12)	34.0%	34.3%	34.2%
Some College (13-15)	24.4%	23.8%	23.5%
Associate Degree Only	13.2%	13.2%	13.5%
Bachelor's Degree Only	14.3%	14.1%	14.2%
Graduate Degree	6.3%	6.6%	6.5%

# GRANDSTAY HOTEL & SUITES MONTEVIDEO

## DEMOGRAPHICS



### POPULATION

In 2025, the population in your selected geography is 6,847. The population has changed by 1.47 percent since 2010. It is estimated that the population in your area will be 6,877 five years from now, which represents a change of 0.4 percent from the current year. The current population is 49.7 percent male and 50.3 percent female. The median age of the population in your area is 40.0, compared with the U.S. average, which is 40.0. The population density in your area is 87 people per square mile.



### HOUSEHOLDS

There are currently 2,840 households in your selected geography. The number of households has changed by -0.73 percent since 2010. It is estimated that the number of households in your area will be 2,864 five years from now, which represents a change of 0.8 percent from the current year. The average household size in your area is 2.4 people.



### INCOME

In 2025, the median household income for your selected geography is \$62,374, compared with the U.S. average, which is currently \$78,171. The median household income for your area has changed by 36.19 percent since 2010. It is estimated that the median household income in your area will be \$72,075 five years from now, which represents a change of 15.6 percent from the current year.

The current year per capita income in your area is \$33,594, compared with the U.S. average, which is \$41,680. The current year's average household income in your area is \$80,039, compared with the U.S. average, which is \$103,571.



### EMPLOYMENT

In 2025, 2,983 people in your selected area were employed. The 2010 Census revealed that 55.8 percent of employees are in white-collar occupations in this geography, and 31.5 percent are in blue-collar occupations. In 2025, unemployment in this area was 4.0 percent. In 2010, the average time traveled to work was 15.00 minutes.



### HOUSING

The median housing value in your area was \$147,335 in 2025, compared with the U.S. median of \$333,538. In 2010, there were 1,979.00 owner-occupied housing units and 880.00 renter-occupied housing units in your area.



### EDUCATION

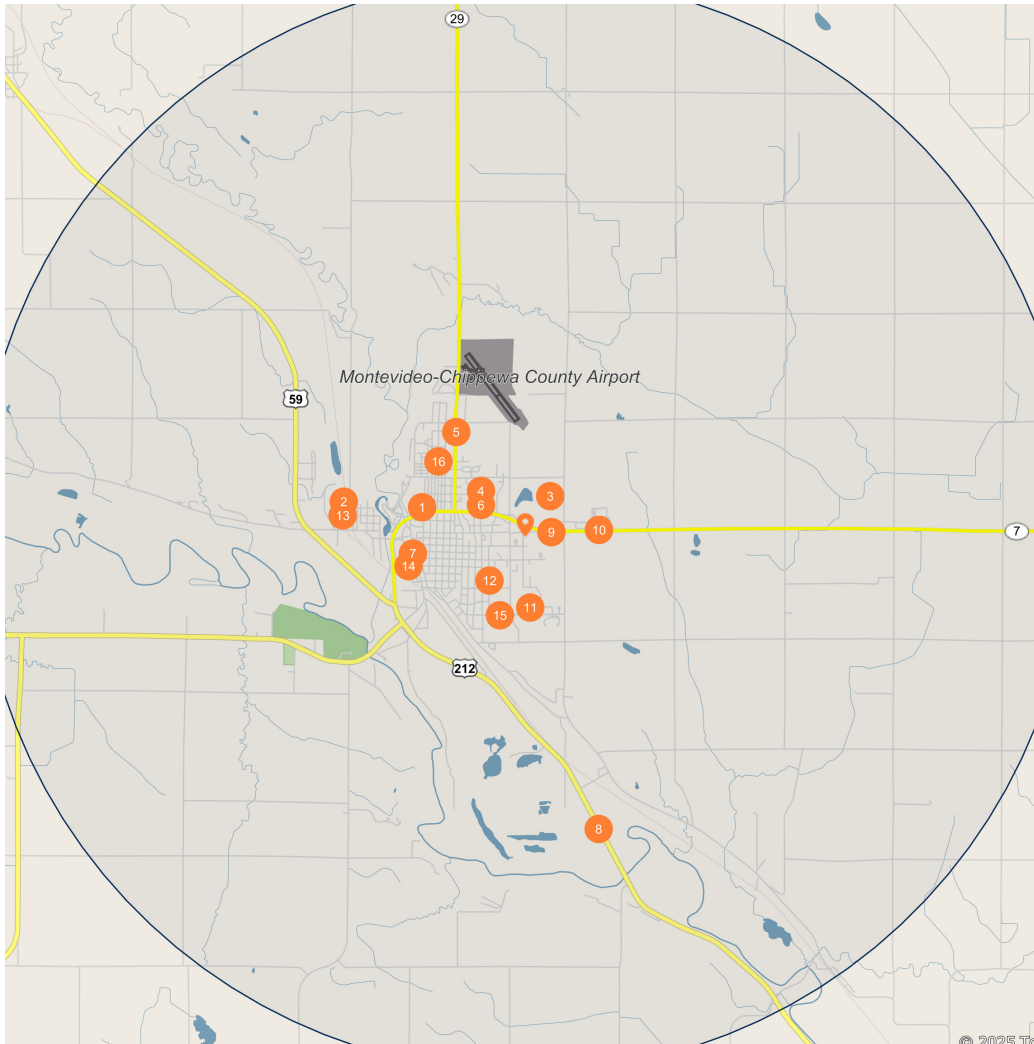
The selected area in 2025 had a lower level of educational attainment when compared with the U.S. averages. 20.4 percent of the selected area's residents had earned a graduate degree compared with the national average of only 13.7 percent, and 13.5 percent completed a bachelor's degree, compared with the national average of 21.2 percent.

The number of area residents with an associate degree was higher than the nation's at 15.3 percent vs. 8.8 percent, respectively.

The area had fewer high-school graduates, 1.9 percent vs. 26.1 percent for the nation, but the percentage of residents who completed some college is higher than the average for the nation, at 42.4 percent in the selected area compared with the 19.6 percent in the U.S.

# GRANDSTAY HOTEL & SUITES MONTEVIDEO

## DEMOGRAPHICS



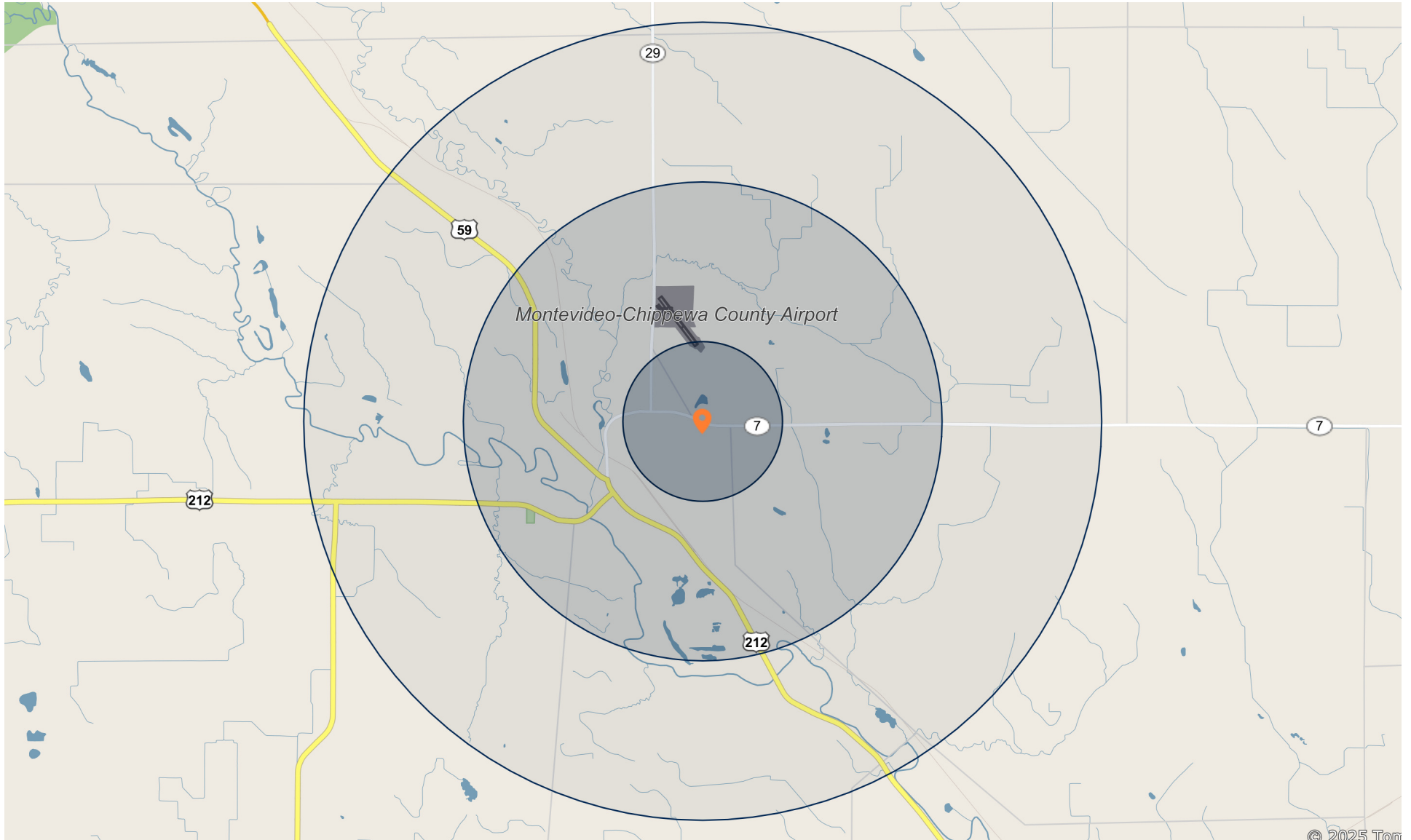
### Major Employers

### Employees

1	Sun Country Inc-	375
2	Fairmont Homes LLC-Friendship Homes	337
3	Jennie-O Turkey Store Inc-Jennie-O Turkey	305
4	CCM Health-	300
5	Avicenna Technology Inc-	265
6	Luther Haven-Luther Haven Nursing Home	150
7	Specsys Inc-Specialty Systems Engineering	150
8	Kdma/Kmgm/Kkrc Radio-	150
9	Running Supply Inc-Running Farm and Fleet	94
10	Walmart Inc-Walmart	78
11	Montevideo School Dst 129-Montevideo Middle School	63
12	Montevideo School Dst 129-Sanford Education Center	63
13	Panolam Industries Inc-Plus Wood Distributors	63
14	Department Corrections Minn-Community Corrections	62
15	Montevideo School Dst 129-Montevideo Senior High School	62
16	Montevideo School Dst 129-Ramsey Elementary School	62

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DEMOGRAPHICS



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