

Comfort Suites Knoxville East

Investment Opportunity



 **7230 Region Ln, Knoxville, TN 37914**

UNITED SOLUTIONS
REAL ESTATE

Investment Highlights

 68 spacious suites with modern amenities; Choice Hotels upper-midscale brand

 Stable revenues of ~\$1.8M/yr with baseline NOI ~\$0.75M/yr

 Prime I-40 location at Exit 398 with >89k AADT and strong 5-mile demographics

 Priced at \$7.6M (~\$112k/key); (Discounted to include remaining PIP ~\$0.5M for future upside)

 7230 Region Ln, Knoxville TN, 37914

Property Overview & Amenities



Lobby & Front Desk



Indoor Heated Pool



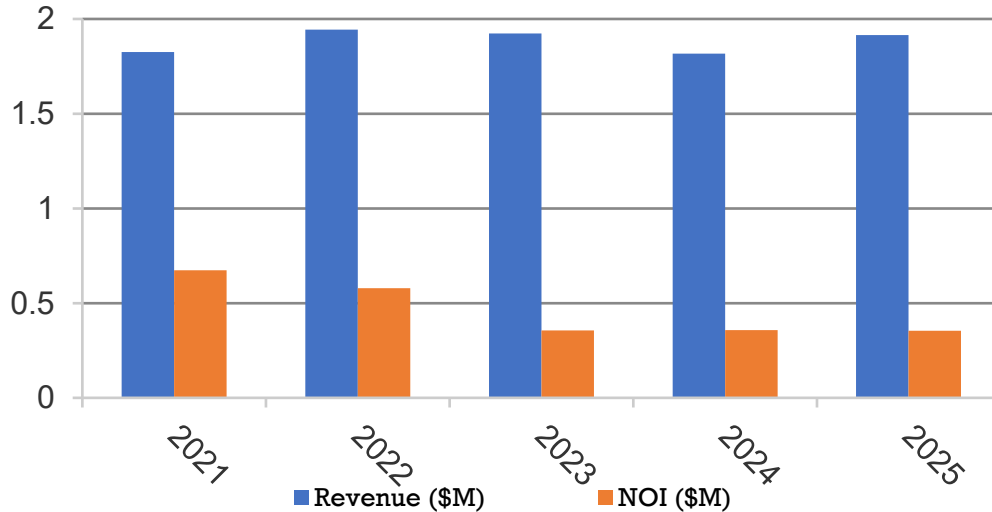
Breakfast Area

- 68 suites with multiple configurations (king, queen, sofa bed)
- Indoor heated pool, fitness center & business center
- Meeting space available for corporate and group events
- Free hot breakfast buffet and high-speed Wi-Fi



Bedrooms

Historical Financial Performance



Key Takeaways

- Revenue remained stable around \$1.8–1.9M from 2021–24.
- NOI decreased in 2023–24 due to one-off accounting and renovation expenses.
- Baseline NOI, when normalized, is estimated at ~\$0.76M/yr.
- Trading Cap Rate at 10% on baseline NOI.

Underwriting & Valuation

Comfort Suites Knoxville East - Institutional Underwriting Overview

ASSET & REVENUE PROFILE

Purchase Price	\$7,600,000
Keys	68
Price Per Key	\$111,765
2024 Revenue	\$1,817,000
4-Year Avg Revenue	\$1,878,000
Revenue Multiple	4.18x

STABILIZED OPERATING METRICS

Stabilized NOI	\$760,000
Stabilized Cap Rate	10.0%
NOI Multiple	10.0x
Implied Value @ 9% Cap	\$8,444,000
Implied Value @ 8.5% Cap	\$8,941,000

LEVERAGED RETURN PROFILE (65% LTV)

Loan Amount	\$4,940,000
Interest Rate (Assumed)	7.00%
Amortization	25 Years
Annual Debt Service	\$418,000
Debt Coverage Ratio (DSCR)	1.82x
Cash Flow After Debt	\$342,000
Equity Required	\$2,660,000
Cash-on-Cash Return	12.9%

STR PERFORMANCE - 2024

Occupancy	78.9%
ADR	\$98
RevPAR	\$77
Market Position	Strong Interstate Demand Base

NOI Situation – Clarified for Institutional Review

- The suppression of reported NOI is accounting/tax-driven, not operational.

- Revenue performance remained consistent across multiple years.

- Expense inflation was driven by cross-entity allocations and one-off items. Accounting for external expenses

- Under clean ownership and normalized expense structure, the asset supports true stabilized earnings in the mid-\$700K range.

Executive Financial Summary

- The asset is offered at \$7.6M, equating to \$112 per key, materially below estimated replacement cost for an upper-midscale flagged product, off I-40 Inter State.

- Historical revenues have remained highly stable, averaging approximately \$1.88M annually from 2021–2024, demonstrating consistent demand along the I-40 corridor.

- Reported 2024 NOI of \$357K does not reflect true operating performance. Ownership ran cross-collateralized and non-hotel expenses through the entity, materially suppressing reported net income.

- After removing non-operating and discretionary accounting allocations, stabilized NOI is conservatively estimated at \$760K annually. Detailed financials and categorizations can be delivered upon request.

- At stabilized NOI, the acquisition price reflects a 10.0% cap rate, positioning the asset attractively relative to comparable upper-midscale transactions.

- On conservative leverage (65% LTV, 7.0% interest, 25-year amortization):

- DSCR: 1.82x

- Annual cash flow after debt: ~\$342K

- Cash-on-cash return: ~12.8%

- STR metrics support operational strength:

- Occupancy: 78.9%

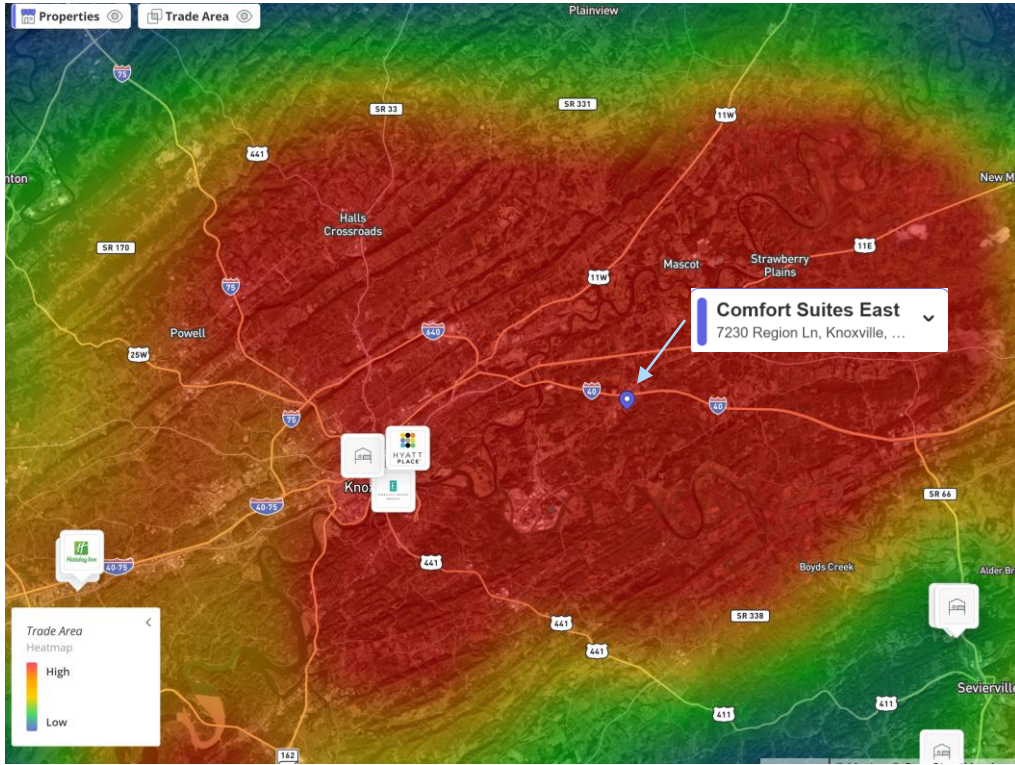
- ADR: \$98

- RevPAR: \$77

- Strong base occupancy indicates durable demand with additional rate optimization potential.

- At exit cap compression to 9.0%–8.5%, implied valuation ranges from \$8.44M–\$8.94M, creating additional upside beyond cash flow yield.

Demographics & Market Overview



Radius	Population	Avg. HH Income
1 Mile	1,016	\$108,233
3 Mile	9,062	\$111,010
5 Mile	23,152	\$106,373

Additional Insights

- Median household income for Knoxville MSA: \$69.6K
- Average household size: 2.4 and median age: 44.4 years
- Diverse labor force of ~455K within the MSA

Location & Traffic Counts

Road	ADT (vehicles/day)
I-40 (West of Exit 398)	89,456
I-40 (East of Exit 398)	88,728
Strawberry Plains Pike	5,232
Brakebill Road	3,822

Highlights

- Immediate access to I-40 via Exit 398 (Region Ln)
- Minutes from Downtown Knoxville, UT campus, Sevierville & numerous demand/tourist generators
- Strong regional employer base: hospitals, universities, tourism & manufacturing



STR Performance & KPIs

STR Performance Summary - 2024 (YTD) | Comfort Suites Knoxville East

Segment	Occupancy	ADR	RevPAR
Subject	73.6%	\$97.90	\$72.03
Market	63.6%	\$119.06	\$75.74
Upper Midscale	69.3%	\$122.43	\$84.89
Submarket	66.0%	\$127.18	\$83.90
Comp Set	68.0%	\$110.43	\$75.12

Institutional Investment Interpretation

- Occupancy materially outperforms market and comp set, demonstrating strong demand capture.
- 73.6% YTD occupancy exceeds Knoxville market by ~1,000 basis points.
- ADR trails competitive benchmarks, indicating identifiable rate lift opportunity.
- RevPAR remains competitive despite conservative pricing strategy.
- Profile reflects durable demand with pricing upside — an attractive value-creation scenario.

Demand Drivers & Surroundings



University of Tennessee

30k+ students & staff



Knoxville Zoo & World's Fair Park

Popular family attractions



Turkey Creek Retail

Major shopping & dining hub



Gatlinburg/Pigeon Forge

Great Smoky Mountains National Park

\$4Billion in Regional tourism draw

Most visited National Park in Country



East Tennessee Tourism

- The property sits within a dynamic corridor connecting Knoxville to Sevier County and the Great Smoky Mountains.
- Sevier County welcomed over 12 million visitors in 2024, generating nearly \$4B in visitor spending. Lodging and F&B sectors continue to outperform regional averages.
- The nearby Great Smoky Mountains National Park remains the #1 national park by visitation, drawing millions of travelers year-round.
- Sevier County's resilience was evident during the 2025 federal government shutdown, when state and local partners funded park operations to sustain tourism.
- Knoxville MSA has a population of ~920K and median household income of \$69.6K, providing a solid demand base for corporate travel
- Guest satisfaction benefits from updated rooms and amenities, positioning the asset competitively in its market segment.

Brand & Franchise Strength

Choice Hotels & Comfort Brand

- Comfort is the flagship brand in Choice Hotels' upper midscale portfolio, the largest 100% smoke-free hotel brand in North America

skift.com

- Hotels offer complimentary hot breakfast, free Wi-Fi, fitness centers and pools at most locations

- Since 2013, Choice and its franchisees invested ~\$2.5B to elevate Comfort properties, removing underperforming assets to enhance quality

- Being part of Choice Hotels' global network provides broad distribution, negotiated OTA commissions and a powerful loyalty program, helping drive occupancy and rate.



Listing Agent

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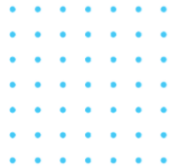


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