



# NON-ENDORSEMENT & DISCLAIMER NOTICE

## CONFIDENTIALITY & DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and should not be made available to any other person or entity without the written consent of Marcus & Millichap. This Marketing Brochure has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

## NON-ENDORSEMENT NOTICE

Marcus & Millichap is not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. 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 Marcus & Millichap, its affiliates or subsidiaries, or any agent, product, service, or commercial listing of Marcus & Millichap, and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

## RENT DISCLAIMER

Any rent or income information in this offering memorandum, with the exception of actual, historical rent collections, represent good faith projections of potential future rent only, and Marcus & Millichap makes no representations as to whether such rent may actually be attainable. Local, state, and federal laws regarding restrictions on rent increases may make these projections impossible, and Buyer and its advisors should conduct their own investigation to determine whether such rent increases are legally permitted and reasonably attainable.

Activity ID #ZAH0510053

Marcus & Millichap

OFFICES THROUGHOUT THE U.S. AND CANADA  
marcusmillichap.com

1350 S 42ND ST

# BROKER OF RECORD

## **JON RUZICKA**

Broker of Record

952.852.9767

License: MN #40583288

  
Marcus & Millichap



1350 S 42ND ST

# TABLE OF CONTENTS


**6** EXECUTIVE SUMMARY

**9** PROPERTY INFORMATION

**12** FINANCIAL ANALYSIS

**19** MARKET OVERVIEW

  
Marcus & Millichap



# 01



## EXECUTIVE SUMMARY

Offering Summary  
Investment Highlights

Marcus & Millichap



# OFFERING SUMMARY

1350 S 42ND ST



Listing Price  
**\$6,295,000**



Cap Rate  
**9.61%**



# of Rooms  
**82**

## FINANCIAL

Listing Price	\$6,295,000
Down Payment	25% / \$1,573,750
NOI	\$604,798
Cap Rate	9.61%
Total Return	19.80%
Price/Room	\$76,768
RevPAR	\$60.90
ADR	\$107.07
Price/SF	\$160.46

## OPERATIONAL

Gross SF	39,232 SF
# of Rooms	82
Lot Size	1.78 Acres (77,536 SF)
Occupancy	57%
Year Built/Renovated	2011/-



# SLEEP INN & SUITES GRAND FORKS

1350 S 42nd St, Grand Forks, ND 58201

---

## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the exclusive opportunity to acquire the Sleep Inn & Suites in Grand Forks, North Dakota, an 82-room, interior corridor hotel strategically positioned to capture consistent demand from a diverse mix of corporate, university, healthcare, and leisure travelers. This well-maintained asset offers investors a stable cash-flowing opportunity in one of eastern North Dakota's most dynamic regional hubs, supported by strong economic fundamentals and a broad base of demand generators.

The property benefits from its proximity to Interstate 29, a major north-south corridor with traffic counts exceeding 20,000 vehicles per day in the immediate area, providing excellent visibility and accessibility. Grand Forks serves as a key economic center for the region, anchored by the University of North Dakota (UND), which enrolls over 14,000 students and is a major driver of year-round lodging demand through athletics, events, and academic activity. Additional demand is generated by Altru Health System, one of the largest employers in the region, as well as Grand Forks Air Force Base located approximately 15 miles west, which supports a steady influx of government and contractor-related travel. The city also hosts a variety of manufacturing and distribution operations, including companies such as LM Wind Power and Cirrus Aircraft, further diversifying the local economic base. Retail demand is anchored by Columbia Mall and surrounding national retailers, enhancing the area's commercial appeal.

The Sleep Inn & Suites brand is part of Choice Hotels International, a globally recognized hospitality company founded in 1939 and headquartered in North Bethesda, Maryland. Choice Hotels operates more than 7,000 properties worldwide across a range of segments, with Sleep Inn positioned as an upper-midscale brand known for its modern design, efficient layouts, and strong guest satisfaction scores. The brand emphasizes value, consistency, and comfort, appealing to both business and leisure travelers seeking dependable accommodations. Its affiliation with Choice Hotels provides access to a robust reservation system, loyalty program, and global distribution network, enhancing occupancy and revenue potential.

The Sleep Inn & Suites in Grand Forks presents a compelling investment opportunity with continued upside through revenue management strategies, operational efficiencies, and potential capital improvements. With its strategic location, strong brand affiliation, and diverse demand base anchored by education, healthcare, military, and industrial sectors, the property is well-positioned to deliver long-term performance and value appreciation.

## INVESTMENT HIGHLIGHTS

Built in 2011, this 82-Room Hotel Offers Upside Through Improved Revenue Management Strategies and the Ability to Capture New Demand from Nearby Major Developments.

Alerus Center Renovation Complete - The 2025 Summer Headwind is Resolved, with the Upgraded Arena Returning to Full Programming and Expanded Event Capacity in 2026.

\$155m in New Demand Infrastructure Coming to the Same S. 42nd Street Corridor - Altru Sports Complex (\$120m, Fall 2027) And Grand Forks Children's Museum (\$35m, Mid-2027).

Zero New Hotel Supply Projected In Grand Forks Through 2034.

SECTION 2

# 02

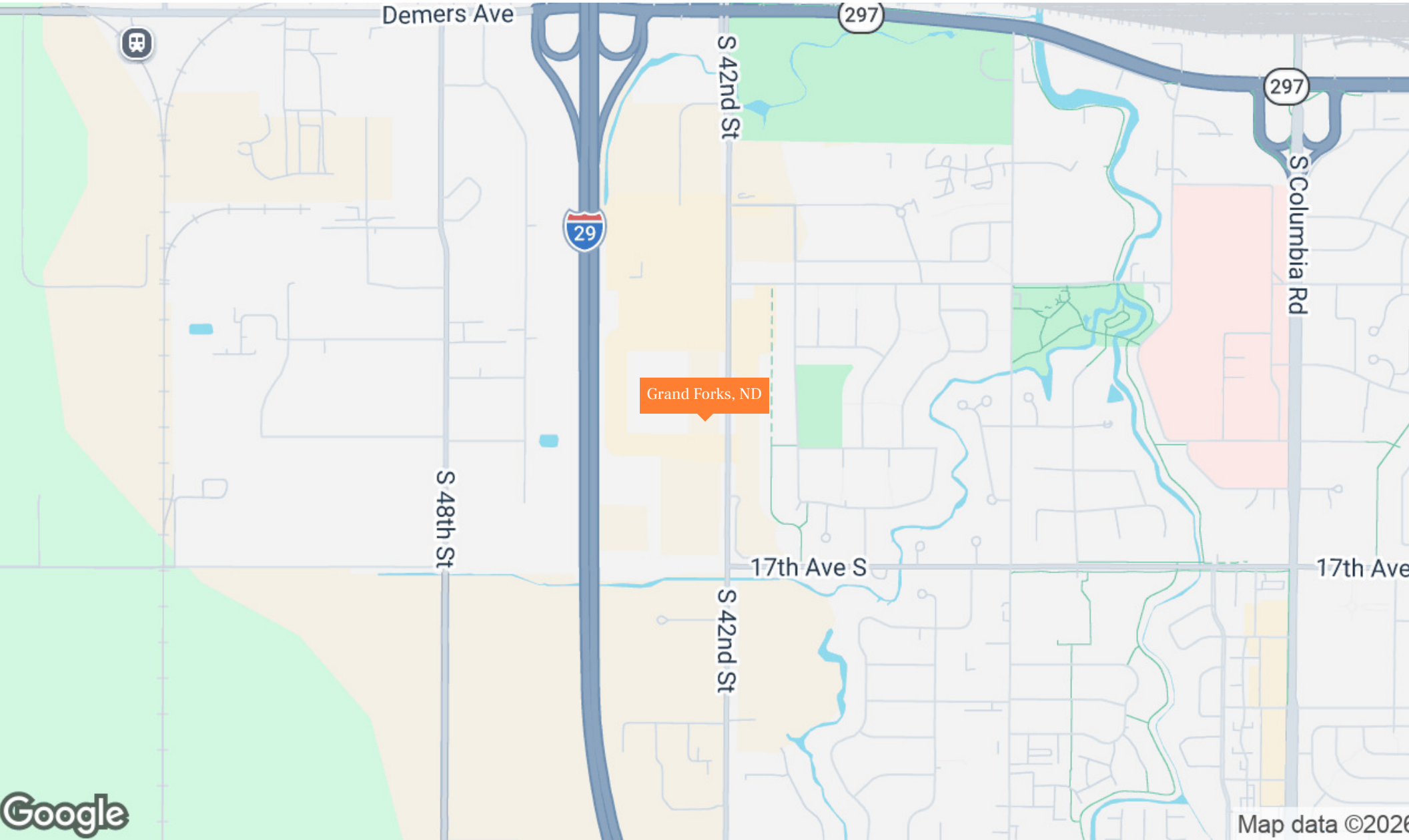
## PROPERTY INFORMATION

Regional Map  
Local Map

Marcus & Millichap

# SLEEP INN & SUITES GRAND FORKS

REGIONAL MAP



# SLEEP INN & SUITES GRAND FORKS

LOCAL MAP



New Altru Sports Complex - Phase 1 completion in Fall 2027

Imagery ©2026 Airbus, CNES / Airbus, Maxar Technologies, USDA/FPAC/GEO

SECTION 3

# 03

## FINANCIAL ANALYSIS

Compset Comparison  
Compset Performance  
STR Charts  
P&L  
ProForma Performance  
Investment Analysis

Marcus & Millichap

# SLEEP INN & SUITES GRAND FORKS

COMPSET COMPARISON

## Sleep Inn & Suites Grand Forks

### STR: RESPONSE REPORT

Property	City	State	Zip	Rooms	Opened
<b>P</b> Sleep Inn & Suites Near Grand Forks Alerus Center	Grand Forks	ND	58201	82	2011
<b>1</b> La Quinta Inn & Suites by Wyndham Grand Forks	Grand Forks	ND	58201	83	2015
<b>2</b> Best Western Harvest Inn & Suites Grand Forks	Grand Forks	ND	58201	85	1989
<b>3</b> Country Inn & Suites Grand Forks, ND	Grand Forks	ND	58201	100	2008
<b>4</b> Baymont by Wyndham Grand Forks	Grand Forks	ND	58201	91	2015

Source: Smith Travel Research, Inc.

**Subject Rooms: 82**

**Total Rooms: 441**

# SLEEP INN & SUITES GRAND FORKS

## COMPSET PERFORMANCE

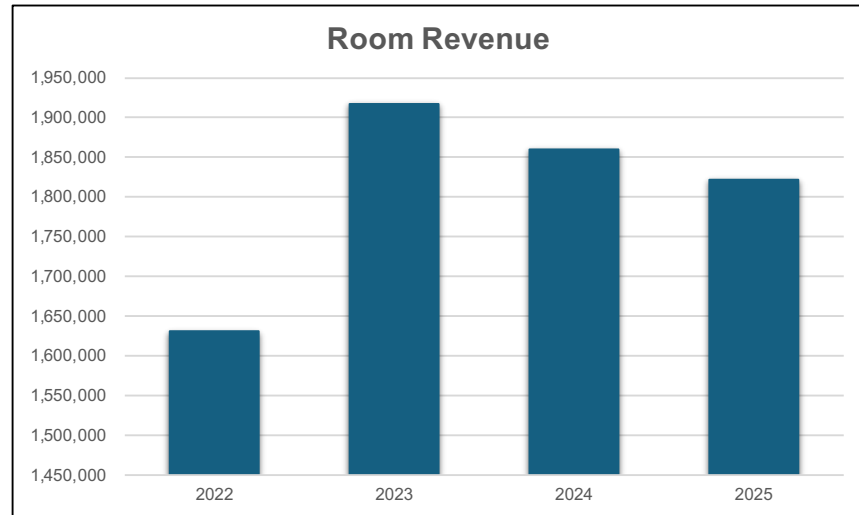
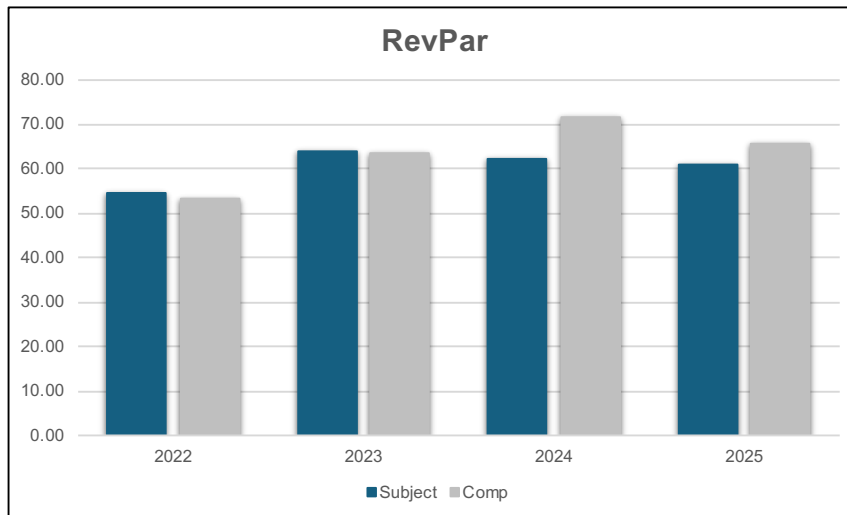
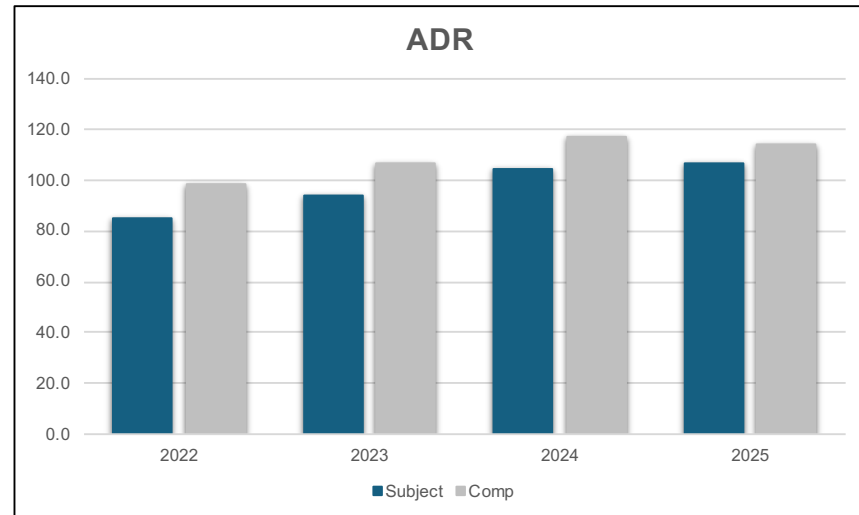
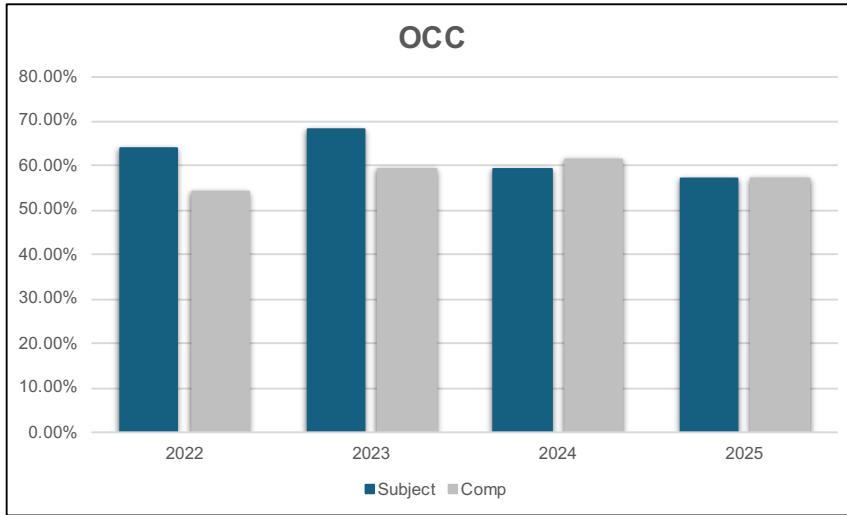
Sleep Inn & Suites Grand Forks									
SUBJECT vs. COMP HISTORICAL PERFORMANCE									
Period	Occupancy			ADR			RevPAR		
	Subject	Comp. Set	Penetration	Subject	Comp. Set	Yield	Subject	Comp. Set	Index
YE 2022	64.0%	54.2%	118.1%	\$85.17	\$98.36	86.6%	\$54.52	\$53.31	102.3%
YE 2023	68.2%	59.4%	114.7%	\$93.96	\$107.00	87.8%	\$64.06	\$63.60	100.7%
YE 2024	59.3%	61.4%	96.6%	\$104.76	\$116.87	89.6%	\$62.17	\$71.78	86.6%
YE 2025	57.0%	57.3%	99.4%	\$106.93	\$114.29	93.6%	\$60.90	\$65.48	93.0%
TTM Feb 2024	67.2%	61.0%	110.1%	\$94.50	\$106.72	88.6%	\$63.46	\$65.08	97.5%
TTM Feb 2025	60.2%	60.2%	100.0%	\$106.61	\$119.69	89.1%	\$64.18	\$72.08	89.0%
TTM Feb 2026	57.0%	57.2%	99.6%	\$105.47	\$114.02	92.5%	\$60.15	\$65.26	92.2%
YTD Feb 2024	47.1%	55.3%	85.2%	\$101.61	\$107.29	94.7%	\$47.87	\$59.32	80.7%
YTD Feb 2025	52.1%	47.9%	109.0%	\$115.09	\$127.75	90.1%	\$60.02	\$61.14	98.2%
YTD Feb 2026	52.6%	47.5%	110.8%	\$105.23	\$125.85	83.6%	\$55.38	\$59.77	92.7%

Sleep Inn & Suites Grand Forks									
CHANGE vs. PRIOR YEAR									
Period	Occupancy			ADR			RevPAR		
	Subject	Comp. Set	Penetration	Subject	Comp. Set	Yield	Subject	Comp. Set	Index
YE 2023	6.5%	9.7%	(2.9%)	10.3%	8.8%	1.4%	17.5%	19.3%	(1.5%)
YE 2024	(13.0%)	3.3%	(15.8%)	11.5%	9.2%	2.1%	(2.9%)	12.9%	(14.0%)
2025	(4.0%)	(6.7%)	2.9%	2.1%	(2.2%)	4.4%	(2.0%)	(8.8%)	7.4%
TTM Feb 2024	4.9%	13.2%	N/A	8.5%	6.4%	N/A	13.8%	20.4%	N/A
TTM Feb 2025	(10.4%)	(1.3%)	(9.2%)	12.8%	12.2%	0.6%	1.1%	10.7%	(8.7%)
TTM Feb 2026	(5.3%)	(5.0%)	(0.3%)	(1.1%)	(4.7%)	3.9%	(6.3%)	(9.5%)	3.5%
YTD Feb 2024	(11.3%)	20.9%	N/A	5.2%	(2.2%)	N/A	(6.7%)	18.2%	N/A
YTD Feb 2025	10.7%	(13.4%)	27.9%	13.3%	19.1%	(4.9%)	25.4%	3.1%	21.6%
YTD Feb 2026	0.9%	(0.8%)	1.7%	(8.6%)	(1.5%)	(7.2%)	(7.7%)	(2.2%)	(5.6%)

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

# SLEEP INN & SUITES GRAND FORKS

## STR CHARTS



# SLEEP INN & SUITES GRAND FORKS

P&L

Most Recent Year End				
2025				
Days in Period	365			
Rooms Available	82			
Annual Available Rooms	29,930			
Annual Rooms Sold	17,046			
Occupancy	57.0%			
Average Rate (ADR)	107.07			
Rooms RevPAR	60.98			
Total RevPAR	61.36			
<b>Operating Revenue</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>
Rooms Revenue	1,825,089	99.4%	22,257	107.07
Misc. Income	11,362	0.6%	139	0.67
<b>Total Operating Revenue</b>	<b>1,836,451</b>	<b>100.0%</b>	<b>22,396</b>	<b>107.74</b>
				0.00
<b>Departmental Expenses</b>				
Rooms Expenses	194,119	10.6%	2,367	11.39
Payroll	301,276	16.4%	3,674	17.67
Other Operated Depts. Expenses	-	0.0%	-	0.00
<b>Total Dept Expenses</b>	<b>495,395</b>	<b>27.0%</b>	<b>6,041</b>	<b>29.06</b>
<b>Total Departmental Profit</b>	<b>1,341,056</b>	<b>73.0%</b>	<b>16,354</b>	<b>78.67</b>
<b>Undistributed Operating Expenses</b>				
Administrative & General	72,848	4.0%	888	4.27
A&G - Fixed	20,576	1.1%	251	1.21
A&G - Credit Card Comm	52,272	2.8%	637	3.07
Info & Telecom Systems	19,675	1.1%	240	1.15
Franchise Fees	215,430	11.7%	2,627	12.64
Sales & Marketing	20,731	1.1%	253	1.22
Property Operations & Maintenance	117,009	6.4%	1,427	6.86
Utilities	66,356	3.6%	809	3.89
<b>Total Undistributed Expenses</b>	<b>512,048</b>	<b>27.9%</b>	<b>6,244</b>	<b>30.04</b>
<b>Gross Operating Profit</b>	<b>829,007</b>	<b>45.1%</b>	<b>10,110</b>	<b>48.63</b>
Management Fees (1)	55,094	3.0%	672	3.23
<b>Income Before Non-Operating Income &amp; Expense</b>	<b>773,914</b>	<b>42.1%</b>	<b>9,438</b>	<b>45.40</b>
<b>Non-Operating Income &amp; Expense</b>				
Property & Other Taxes	73,692	4.0%	899	4.32
Insurance	58,695	3.2%	716	3.44
<b>Total Non-Operating Income &amp; Expense</b>	<b>132,387</b>	<b>7.2%</b>	<b>1,614</b>	<b>7.77</b>
<b>EBITDA Before Replacement Reserves</b>	<b>641,527</b>	<b>34.9%</b>	<b>7,824</b>	<b>37.64</b>
Replacement Reserves (FF&E) (2)	36,729	2.0%	448	2.16
<b>Net Operating Income</b>	<b>604,798</b>	<b>32.9%</b>	<b>7,376</b>	<b>35.48</b>

# SLEEP INN & SUITES GRAND FORKS

## PROFORMA PERFORMANCE

	Most Recent Year End				ProForma Year 1				ProForma Year 2				ProForma Year 3				ProForma Year 4				ProForma Year 5			
	December 2025				2026				2027				2028				2029				2030			
Days in Period	365				365				365				366				365				365			
Number of Rooms	82				82				82				82				82				82			
Annual Available Rooms	29,930				29,930				29,930				29,930				30,012				29,930			
Occupied Rooms	17,046				17,808				18,856				20,053				20,108				20,053			
Occupancy	57.0%				59.5%				63.0%				67.0%				67.0%				67.0%			
Average Rate (ADR)	\$107.07				\$110.10				\$113.40				\$116.80				\$119.14				\$121.52			
Rooms RevPAR	\$60.98				\$65.51				\$71.44				\$78.26				\$79.82				\$81.42			
Total RevPAR	\$61.36				\$65.91				\$71.88				\$78.74				\$80.32				\$81.93			
<b>Operating Revenue</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>	<b>Amount</b>	<b>Percent</b>	<b>PAR</b>	<b>POR</b>
Rooms Revenue	1,825,089	99.4%	22,257	107.07	1,960,672	99.4%	23,911	110.10	2,138,286	99.4%	26,077	113.40	2,342,272	99.4%	28,564	116.80	2,395,663	99.4%	29,215	119.14	2,436,900	99.4%	29,718	121.52
Misc. Income	11,362	0.6%	139	0.67	12,107	0.6%	148	0.68	13,204	0.6%	161	0.70	14,464	0.6%	176	0.72	14,939	0.6%	182	0.74	15,345	0.6%	187	0.77
<b>Total Operating Revenue</b>	<b>1,836,451</b>	<b>100.0%</b>	<b>22,396</b>	<b>107.74</b>	<b>1,972,780</b>	<b>100.0%</b>	<b>24,058</b>	<b>110.78</b>	<b>2,151,491</b>	<b>100.0%</b>	<b>26,238</b>	<b>114.10</b>	<b>2,356,736</b>	<b>100.0%</b>	<b>28,741</b>	<b>117.53</b>	<b>2,410,602</b>	<b>100.0%</b>	<b>29,398</b>	<b>119.88</b>	<b>2,452,245</b>	<b>100.0%</b>	<b>29,905</b>	<b>122.29</b>
<b>Departmental Expenses</b>																								
Rooms Expenses	194,119	10.6%	2,367	11.39	208,885	10.7%	2,547	11.73	227,808	10.7%	2,778	12.08	249,540	10.7%	3,043	12.44	255,228	10.7%	3,113	12.69	259,621	10.7%	3,166	12.95
Payroll	301,276	16.4%	3,674	17.67	394,671	20.0%	4,813	22.16	422,298	19.6%	5,150	22.40	460,305	19.5%	5,613	22.95	469,511	19.5%	5,726	23.35	478,901	19.5%	5,840	23.88
<b>Total Dept Expenses</b>	<b>495,395</b>	<b>27.0%</b>	<b>6,041</b>	<b>29.06</b>	<b>603,556</b>	<b>30.6%</b>	<b>7,360</b>	<b>33.89</b>	<b>650,106</b>	<b>30.2%</b>	<b>7,928</b>	<b>34.48</b>	<b>709,845</b>	<b>30.1%</b>	<b>8,657</b>	<b>35.40</b>	<b>724,739</b>	<b>30.1%</b>	<b>8,838</b>	<b>36.04</b>	<b>738,523</b>	<b>30.1%</b>	<b>9,006</b>	<b>36.83</b>
<b>Gross Operating Income</b>	<b>1,341,056</b>	<b>73.0%</b>	<b>16,354</b>	<b>78.67</b>	<b>1,369,223</b>	<b>69.4%</b>	<b>16,698</b>	<b>76.89</b>	<b>1,501,385</b>	<b>69.8%</b>	<b>18,310</b>	<b>79.62</b>	<b>1,646,891</b>	<b>69.9%</b>	<b>20,084</b>	<b>82.13</b>	<b>1,685,862</b>	<b>69.9%</b>	<b>20,559</b>	<b>83.84</b>	<b>1,713,722</b>	<b>69.9%</b>	<b>20,899</b>	<b>85.46</b>
<b>Undistributed Operating Expenses</b>																								
Administrative & General	72,848	4.0%	888	4.27	80,377	4.1%	980	4.51	86,374	4.0%	1,053	4.58	93,186	4.0%	1,136	4.65	95,476	4.0%	1,164	4.75	97,189	4.0%	1,185	4.85
Info & Telecom Systems	19,675	1.1%	240	1.15	21,171	1.1%	258	1.19	23,089	1.1%	282	1.23	23,782	1.0%	290	1.19	24,495	1.0%	299	1.22	22,070	0.9%	269	1.10
Franchise Fees	215,430	11.7%	2,627	12.64	231,434	11.7%	2,822	13.00	252,399	11.7%	3,078	13.39	276,477	11.7%	3,372	13.79	282,779	11.7%	3,449	14.06	287,646	11.7%	3,508	14.34
Sales & Marketing	20,731	1.1%	253	1.22	21,353	1.1%	260	1.20	21,993	1.0%	268	1.17	22,653	1.0%	276	1.13	23,333	1.0%	285	1.16	23,799	1.0%	290	1.19
Property Operations & Maintenance	117,009	6.4%	1,427	6.86	98,400	5.0%	1,200	5.53	107,314	5.0%	1,309	5.69	117,551	5.0%	1,434	5.86	120,231	5.0%	1,466	5.98	122,300	5.0%	1,491	6.10
Utilities	66,356	3.6%	809	3.89	71,403	3.6%	871	4.01	77,871	3.6%	950	4.13	85,300	3.6%	1,040	4.25	88,100	3.7%	1,074	4.38	89,616	3.7%	1,093	4.47
<b>Total Undistributed Expenses</b>	<b>512,048</b>	<b>27.9%</b>	<b>6,244</b>	<b>30.04</b>	<b>524,137</b>	<b>26.6%</b>	<b>6,392</b>	<b>29.43</b>	<b>569,040</b>	<b>26.4%</b>	<b>6,940</b>	<b>30.18</b>	<b>618,949</b>	<b>26.3%</b>	<b>7,548</b>	<b>30.87</b>	<b>634,414</b>	<b>26.3%</b>	<b>7,737</b>	<b>31.55</b>	<b>642,621</b>	<b>26.2%</b>	<b>7,837</b>	<b>32.05</b>
<b>Gross Operating Profit</b>	<b>829,007</b>	<b>45.1%</b>	<b>10,110</b>	<b>48.63</b>	<b>845,086</b>	<b>42.8%</b>	<b>10,306</b>	<b>47.46</b>	<b>932,345</b>	<b>43.3%</b>	<b>11,370</b>	<b>49.45</b>	<b>1,027,942</b>	<b>43.6%</b>	<b>12,536</b>	<b>51.26</b>	<b>1,051,449</b>	<b>43.6%</b>	<b>12,823</b>	<b>52.29</b>	<b>1,071,101</b>	<b>43.7%</b>	<b>13,062</b>	<b>53.41</b>
Management Fees (1)	55,094	3.0%	672	3.23	59,183	3.0%	722	3.32	64,545	3.0%	787	3.42	70,702	3.0%	862	3.53	72,318	3.0%	882	3.60	73,567	3.0%	897	3.67
<b>Income Before Non-Operating Income &amp; Expenses</b>	<b>773,914</b>	<b>42.1%</b>	<b>9,438</b>	<b>45.40</b>	<b>785,903</b>	<b>39.8%</b>	<b>9,584</b>	<b>44.13</b>	<b>867,800</b>	<b>40.3%</b>	<b>10,583</b>	<b>46.02</b>	<b>957,240</b>	<b>40.6%</b>	<b>11,674</b>	<b>47.74</b>	<b>979,131</b>	<b>40.6%</b>	<b>11,941</b>	<b>48.69</b>	<b>997,533</b>	<b>40.7%</b>	<b>12,165</b>	<b>49.75</b>
<b>Non-Operating Income &amp; Expense</b>																								
Property & Other Taxes	73,692	4.0%	899	4.32	88,671	4.5%	1,081	4.98	90,444	4.2%	1,103	4.80	92,253	3.9%	1,125	4.60	94,098	3.9%	1,148	4.68	95,980	3.9%	1,170	4.79
Insurance	58,695	3.2%	716	3.44	60,456	3.1%	737	3.40	62,270	2.9%	759	3.30	64,138	2.7%	782	3.20	66,062	2.7%	806	3.29	67,383	2.7%	822	3.36
<b>Total Non-Operating Income &amp; Expense</b>	<b>132,387</b>	<b>7.2%</b>	<b>1,614</b>	<b>7.77</b>	<b>149,127</b>	<b>7.6%</b>	<b>1,819</b>	<b>8.37</b>	<b>152,714</b>	<b>7.1%</b>	<b>1,862</b>	<b>8.10</b>	<b>156,391</b>	<b>6.6%</b>	<b>1,907</b>	<b>7.80</b>	<b>160,160</b>	<b>6.6%</b>	<b>1,953</b>	<b>7.97</b>	<b>163,363</b>	<b>6.7%</b>	<b>1,992</b>	<b>8.15</b>
<b>EBITDA Before Replacement Reserves</b>	<b>641,527</b>	<b>34.9%</b>	<b>7,824</b>	<b>37.64</b>	<b>636,776</b>	<b>32.3%</b>	<b>7,766</b>	<b>35.76</b>	<b>715,086</b>	<b>33.2%</b>	<b>8,721</b>	<b>37.92</b>	<b>800,849</b>	<b>34.0%</b>	<b>9,766</b>	<b>39.94</b>	<b>818,971</b>	<b>34.0%</b>	<b>9,987</b>	<b>40.73</b>	<b>834,170</b>	<b>34.0%</b>	<b>10,173</b>	<b>41.60</b>
Replacement Reserves (FF&E) (2)	36,729	2.0%	448	2.16	39,456	2.0%	481	2.22	43,030	2.0%	525	2.28	47,135	2.0%	575	2.35	48,212	2.0%	588	2.40	49,045	2.0%	598	2.45
<b>Net Operating Income</b>	<b>604,798</b>	<b>32.9%</b>	<b>7,376</b>	<b>35.48</b>	<b>597,321</b>	<b>30.3%</b>	<b>7,284</b>	<b>33.54</b>	<b>672,056</b>	<b>31.2%</b>	<b>8,196</b>	<b>35.64</b>	<b>753,714</b>	<b>32.0%</b>	<b>9,192</b>	<b>37.59</b>	<b>770,759</b>	<b>32.0%</b>	<b>9,399</b>	<b>38.33</b>	<b>785,125</b>	<b>32.0%</b>	<b>9,575</b>	<b>39.15</b>

# SLEEP INN & SUITES GRAND FORKS

## INVESTMENT ANALYSIS

Purchase Price	\$6,295,000	\$6,295,000
<b>Total Acquisition</b>	<b>\$6,295,000</b>	<b>\$6,295,000</b>
<b>Down Payment</b>	<b>\$1,573,750</b> 25.0%	<b>\$1,573,750</b> 25.0%
<b>Proposed Financing</b>		
New 1st	<b>\$4,721,250</b> 75.0%	<b>\$4,721,250</b> 75.0%
Interest Rate	6.25%	6.25%
Amortization (yrs)	25.0	25.0
Monthly P&I Payment	\$31,145	\$31,145
<b>Operating Summary</b>		
	<b>Year End 2025</b>	<b>Year 2 Projection</b>
Rooms	82	82
Available Rentable Rooms	29,930	29,930
Room Sold	17,046	18,856
Occupancy	57.0%	63.0%
ADR	\$107.07	\$113.40
RevPAR	\$60.98	\$71.44
Room Revenue	\$1,825,089 99.4%	\$2,138,286 99.4%
Other Operating Revenue	\$11,362 0.6%	\$13,204 0.6%
<b>Gross Revenue</b>	<b>\$1,836,451</b> 100.0%	<b>\$2,151,491</b> 100.0%
Operating Expense	\$1,139,831 62.1%	\$1,371,860 63.8%
<b>EBITDA</b>	<b>\$696,620</b> 37.9%	<b>\$779,631</b> 36.2%
Reserves	\$91,823 5.0%	\$107,575 5.0%
<b>Net Operating Income (NOI)</b>	<b>\$604,798</b> 32.9%	<b>\$672,056</b> 31.2%
Less Debt Service	\$373,736 20.4%	\$373,736 17.4%
Debt Coverage Ratio	1.62	1.80
<b>Investment Summary</b>		
<b>Net Cash Flow after Debt Service</b>	<b>\$231,062</b> 14.7%	<b>\$298,320</b> 19.0%
Plus Principal Reduction	\$80,950	\$86,165
<b>Total Return on Investment</b>	<b>\$312,012</b> 19.8%	<b>\$384,485</b> 24.4%
<b>Cash on Cash Return</b>	<b>14.7%</b>	<b>19.0%</b>
<b>CAP Rate Before Reserves &amp; Mgmt</b>	<b>11.1%</b>	<b>12.4%</b>
<b>Cap Rate</b>	<b>9.61%</b>	<b>10.7%</b>
<b>Room Revenue Multiplier</b>	<b>3.45</b>	<b>2.94</b>
<b>Price per Room</b>	<b>\$76,768</b>	<b>\$76,768</b>

SECTION 4

# 04

## MARKET OVERVIEW

Grand Forks Market Overview  
SleepInn\_GrandForks\_DemandDrivers.pdf  
Broker of Record

Marcus & Millichap

# Grand Forks

North Dakota

## HOTEL MARKET OVERVIEW

12 MO OCCUPANCY

**62.0%**

+2.0 pp YOY ▲

12 MO ADR

**\$114**

-2.1% YOY ▼

12 MO REVPAR

**\$71**

-0.1% YOY ▼

# 25

## TRACKED PROPERTIES

2,092 inventory rooms across 25 existing properties

University of North Dakota — record 15,844 enrollment (Fall 2025)

Altru Health System — new \$500M hospital opened Jan. 2025

Grand Forks AFB — 319th RW + GrandSky UAS Business Park

Zero hotels under construction — pipeline effectively empty

Market cap rate: 12.65% — highest among upper Midwest peers

# MARKET PERFORMANCE

Hotel performance metrics for Grand Forks, ND sourced from CoStar Search Analytics, April 16, 2026. Figures represent the 12-month trailing period (analytic pool: 2,196 rooms).

12 MO OCCUPANCY  
**62.0%**  
10-yr high | +2.0 pp YOY

12 MO ADR  
**\$114**  
Above 10-yr typical range

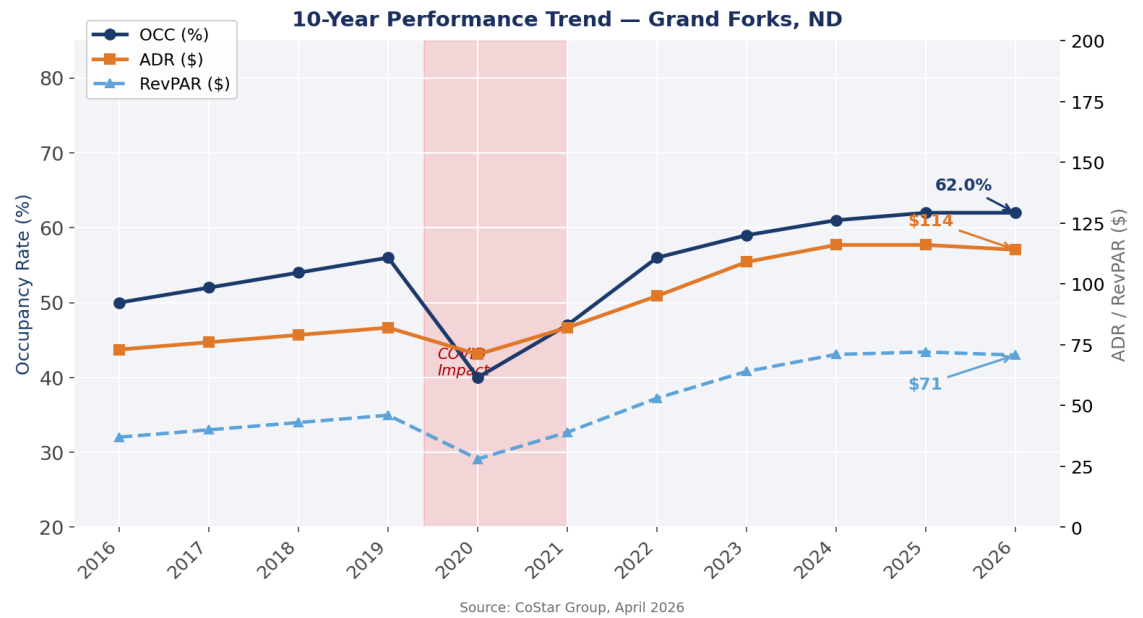
12 MO RevPAR  
**\$71**  
Near 10-yr extreme high (\$71.41)

## GRAND FORKS, NORTH DAKOTA

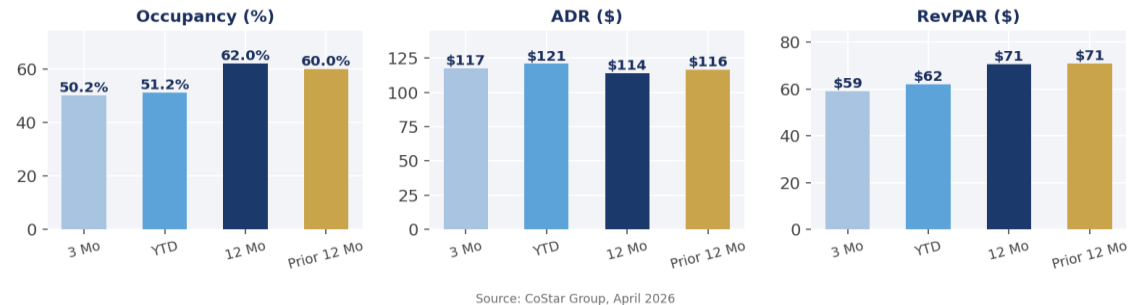
### Market Performance Metrics

PERIOD	OCC	OCC YOY	ADR	ADR YOY	RevPAR	RevPAR YOY
12 Month	62.0%	+2.0 pp	\$114.04	-2.1%	\$70.72	-0.1%
YTD	51.2%	—	\$120.83	—	\$61.87	—
3 Month	50.2%	—	\$117.41	—	\$58.91	—

#### 10-YEAR PERFORMANCE TREND



#### TRAILING PERIOD SNAPSHOT



Source: CoStar, April 2026

# SUPPLY PIPELINE & FRANCHISE MIX

UNDER CONSTRUCTION

0

0 rooms

FINAL PLANNING

0

0 rooms

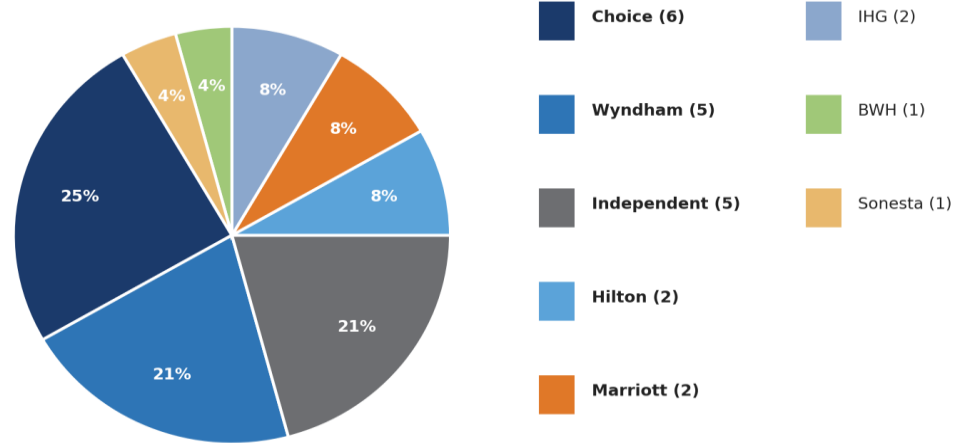
- ▶ Zero construction activity — lowest pipeline in region
- ▶ Only 1 proposed property; est. 2034 horizon
- ▶ Choice Hotels leads with 6 properties (25%)
- ▶ Wyndham family holds 5 properties (21%)
- ▶ Boutique gap filled by Olive Ann Hotel (Dec. 2024)

## Supply Pipeline & Franchise Composition

HOTEL SUPPLY PIPELINE

FRANCHISE PARENT PRESENCE — 24 OPEN PROPERTIES

Franchise Parent Presence  
24 Open Properties



Source: CoStar Group, April 2026

# DEMAND BREAKDOWN

## Healthcare

25%

Altru Health System — new \$500M regional hospital opened Jan. 2025. Dominant hub for NE ND & NW MN patient, family & medical vendor travel.

## University / Education

20%

UND — record 15,844 students (Fall 2025). Drives parent, athletic, research, recruiting & conference demand year-round.

## Corporate / Business

20%

LM Wind Power, EERC (\$200M+ in active contracts), General Atomics, and \$450M proposed potato processing facility.

## Military / Government

18%

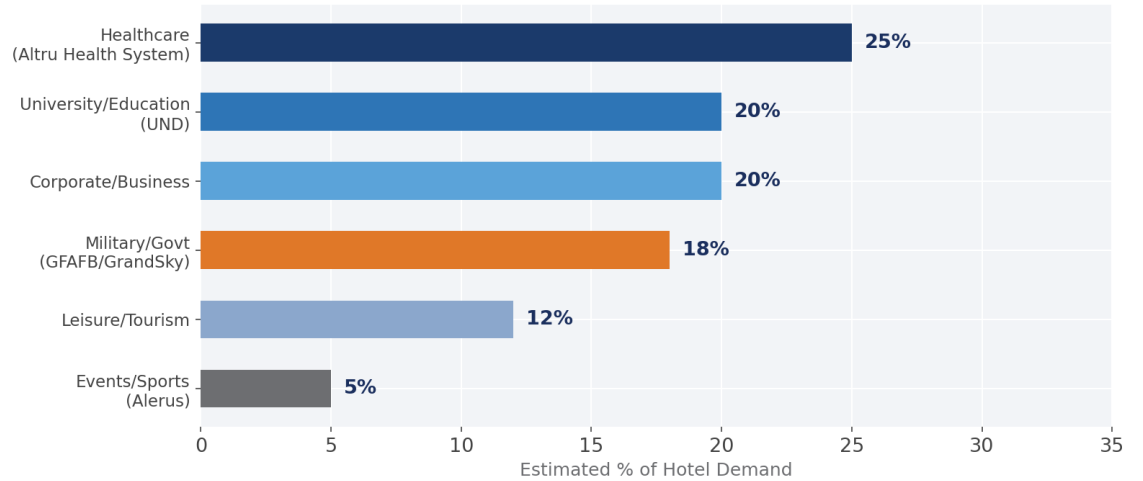
GFAFB 319th RW + GrandSky UAS park (Northrop Grumman). B-1B temporary deployment (800+ airmen) through 2025.

## GRAND FORKS, NORTH DAKOTA

# Demand Drivers & Key Employers

### ESTIMATED DEMAND SEGMENTS

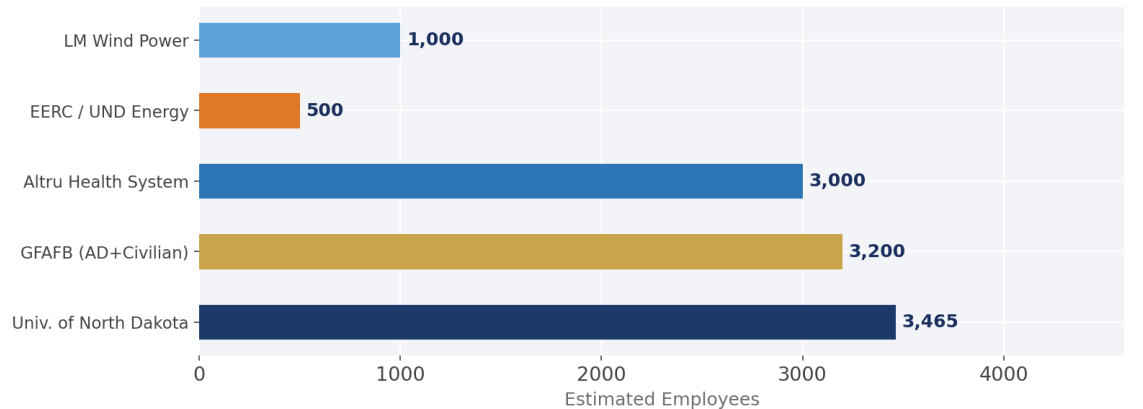
Estimated Demand Driver Segments — Grand Forks, ND



Source: Marcus & Millichap Research / CoStar, April 2026

### TOP EMPLOYERS — GRAND FORKS, ND

Top Employers — Grand Forks, ND



Source: Grand Forks EDC / Marcus & Millichap Research, April 2026

Source: CoStar / Grand Forks EDC / April 2026

# PEER MARKET COMPARISON

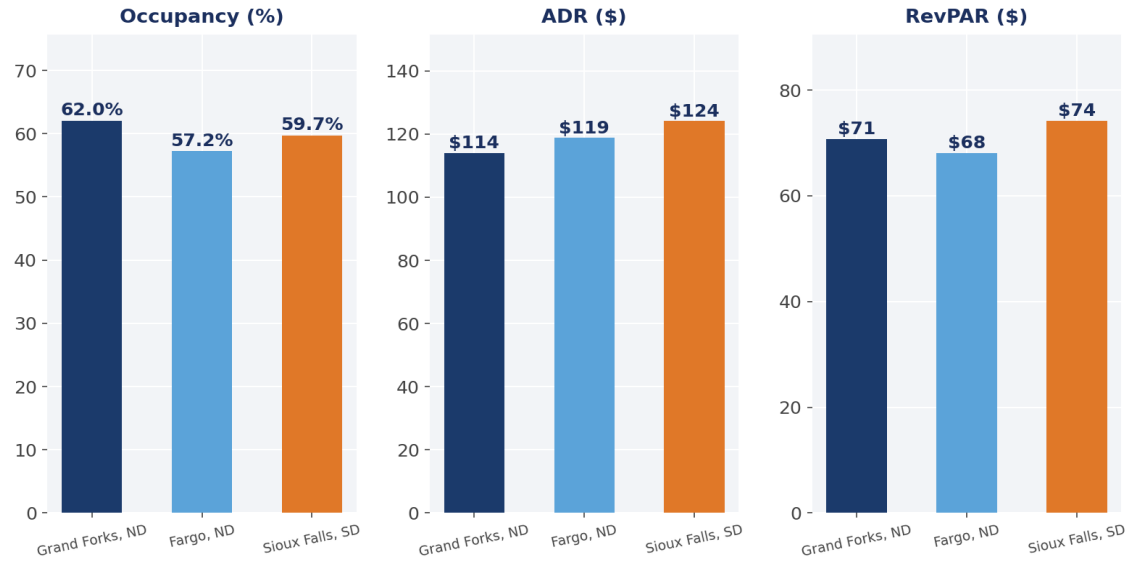
CoStar, April 9, 2026  
12-Month Trailing Metrics

- ▶ Grand Forks leads peers on occupancy at 62.0% — 290-480 bps ahead of Fargo and Sioux Falls
- ▶ ADR trails peers (\$114 vs. \$119-\$124) — reflects limited upscale supply; meaningful upside potential
- ▶ Zero construction activity — supply discipline supports existing operator performance
- ▶ Smaller market, fewer transactions, but strong institutional demand base (UND / Altru / GFafb)

## GRAND FORKS, NORTH DAKOTA

### Market Comparison — Grand Forks vs. Peers

Peer Market Comparison — 12-Month Trailing (April 2026)



Source: CoStar Group, April 2026

MARKET	PROPS	ROOMS	12 MO OCC	12 MO ADR	12 MO RevPAR		
Grand Forks, ND	25	2,092	62.0%	\$114.04	\$70.72		
Fargo, ND	50	4,720	57.2%	\$118.87	\$68.01		
Sioux Falls, SD	65	5,754	59.7%	\$124.14	\$74.15		

Source: CoStar, April 9-16, 2026 | All figures are 12-month trailing as of report date

~25%

OF GF HOTEL DEMAND

\$500M

NEW FLAGSHIP HOSPITAL

- ▶ Flagship \$500M hospital opened January 2025
- ▶ Acquired Devils Lake hospital system
- ▶ Active Bismarck-area expansion talks
- ▶ Patient families, visiting surgeons, medical vendors
- ▶ Non-cyclical demand - grows as catchment widens

## Altru Health System

Grand Forks's dominant regional health system, serving a multi-county catchment across eastern North Dakota and western Minnesota. The January 2025 opening of Altru's \$500M flagship hospital marked the largest capital investment in the system's history - and significantly expanded the pool of medical visitors flowing into Grand Forks.

<p>~25%</p> <p><b>Hotel Demand Share</b></p> <p>Healthcare share of Grand Forks lodging demand (CoStar)</p>	<p>\$500M</p> <p><b>Hospital Investment</b></p> <p>Flagship facility opened Jan 2025 - largest in Altru history</p>	<p>3+</p> <p><b>Regional Facilities</b></p> <p>Devils Lake acquired; Bismarck-area conversations active</p>
---	---	---

<b>Demand Profile</b>	Patient families, visiting surgeons, pharmaceutical reps, medical vendors
<b>Demand Character</b>	Recession-resistant; non-cyclical; grows as Altru expands referral catchment
<b>Rate Fit</b>	Midscale-oriented, rate-conscious - a natural match for a renovated Sleep Inn

**Key Takeaway**

Healthcare is the single largest demand driver in the Grand Forks hotel market. It does not recede in January, does not react to oil prices, and grows every year Altru adds a referral relationship.

# 15,844

STUDENTS - ALL-TIME RECORD

## Est. 1883

UNIVERSITY OF NORTH DAKOTA

- ▶ All-time enrollment record, Fall 2025 - multi-year growth trend
- ▶ Odegard School of Aerospace Sciences - military, government aviation, industry demand
- ▶ Year-round calendar: move-in, graduation, athletics, conferences
- ▶ Fighting Hawks athletics - SUMMIT League tournament travel
- ▶ Summer aviation programs draw short-stay government visitors

## University of North Dakota

UND is one of the most diverse demand generators in the Grand Forks market - it produces year-round room nights across multiple segments simultaneously. Record enrollment in Fall 2025 confirms the long-term growth trajectory of the institution, which translates directly into sustained hotel demand across all season types.

<h3>15,844</h3> <p><b>Fall 2025 Enrollment</b></p> <p>All-time record; multi-year upward trend</p>	<h3>Top 5</h3> <p><b>Aerospace Program</b></p> <p>Odegard School - one of the largest aerospace programs in the US</p>	<h3>2+</h3> <p><b>Major Events/Month</b></p> <p>Athletics, graduation, conferences, move-in weekends</p>
--	--	--

<b>Enrollment Trend</b>	Consecutive enrollment records - each new class expands the parent/visitor pipeline
<b>Odegard Demand</b>	Military personnel, government aviation officials, FAA visitors, industry contractors
<b>Seasonal Profile</b>	Graduation (May) + move-in (Aug) = 2 strongest university weekends of the year

**Key Takeaway**

UND produces room nights in every month of the year. Enrollment at an all-time record means more parent trips, more prospective student visits, and more Odegard-related government stays every year going forward.

# 1,700+

ACTIVE DUTY PERSONNEL

## BRAC

# Protected

NO FORESEEABLE CLOSURE RISK

- ▶ 319th Reconnaissance Wing - RQ-4 Global Hawk UAS operations
- ▶ Year-round TDY rotations and training events
- ▶ Contractor and official travel generates consistent room nights
- ▶ BRAC-protected status - closure risk essentially zero
- ▶ Drone surveillance mission expanding, not contracting

MILITARY - ESTABLISHED DEMAND ANCHOR

## Grand Forks Air Force Base

GFAFB is home to the 319th Reconnaissance Wing, one of the US Air Force's primary RQ-4 Global Hawk UAS operation centers. The base generates predictable, year-round government-rate room nights through TDY rotations, flight crew training, contractor visits, and official travel - demand that is budget-driven, not discretionary.

<p><b>1,700+</b></p> <p><b>Active Duty</b></p> <p>319th Reconnaissance Wing personnel</p>	<p><b>RQ-4</b></p> <p><b>Global Hawk UAS</b></p> <p>Primary mission - drone surveillance operations</p>	<p><b>BRAC</b></p> <p><b>Protected Status</b></p> <p>Base realignment review completed - no closure risk</p>
---	---	--

<b>Unit</b>	319th Reconnaissance Wing - Grand Forks Air Force Base
<b>Mission</b>	RQ-4 Global Hawk unmanned aerial surveillance - growing mission scope
<b>TDY Demand</b>	Year-round temporary duty rotations from other bases and contractors

**Key Takeaway**

Military demand is the most predictable room night source in any secondary market. GFAFB's BRAC protection and growing drone mission mean this demand anchor is not going away - it is expanding.

# 21,000

SEAT MULTIPURPOSE ARENA

## 2026 Full Calendar

RENOVATION COMPLETE - PROGRAMMING RESTORED

- ▶ **21,000**-seat arena - Grand Forks's primary events venue
- ▶ Renovation ran May-Sep 2025 - most substantial upgrade in a decade
- ▶ Full event calendar resumed fall 2025
- ▶ Upgraded infrastructure expands event capacity going forward
- ▶ UND athletics, concerts, conventions, trade shows

### EVENTS & ENTERTAINMENT - FROM HEADWIND TO TAILWIND

## Alerus Center

The Alerus Center is Grand Forks's primary large-format events venue. Its summer 2025 interior renovation reduced the event calendar during the hotel market's highest-demand period - suppressing the Sleep Inn's peak-season occupancy. That renovation is complete. The arena enters 2026 with upgraded facilities and the ability to host a broader range of events than before.

#### 2025 - HEADWIND

May-Sep 2025 renovation reduced large-format event volume during peak summer season.

Sleep Inn summer OCC softened vs. prior year comparable periods.

Impact was non-recurring - tied to a specific capital project, not market deterioration.

#### 2026+ - TAILWIND

Renovation complete. Full programming restored - expanded capacity post-upgrade.

Higher-profile events now feasible in improved facility.

Sleep Inn is directly in the event-demand corridor. Alerus is now a forward asset.

#### Key Takeaway

2025 was the one year when Alerus renovation and Sleep Inn ownership transition overlapped. Both are now resolved. The arena enters 2026 upgraded and the event-demand suppression that weighed on summer 2025 metrics is behind this asset.

# \$120M

## SPORTS & AQUATICS COMPLEX

# Fall 2027

# Phase 1

SAME CORRIDOR AS SLEEP INN

- ▶ Ground broke June 2025 - \$120M total investment
- ▶ 215,000 sq ft indoor sports and aquatics facility
- ▶ Phase 1: Fall 2027 - pool, turf, pickleball, track
- ▶ Phase 2: Spring 2028 - basketball, volleyball, training center
- ▶ Regional tournament destination - demand type new to GF market

## Altru Sports Complex

A \$120M, 215,000-square-foot indoor sports and aquatics facility breaking ground June 2025 on the S. 42nd Street corridor - the same block as the Sleep Inn. Designed as a regional tournament destination, it introduces a demand category Grand Forks has never had: multi-day, multi-room sports travel parties filling weekends year-round.

### \$120M

#### Total Investment

\$110M facility + \$10M off-site infrastructure

### 215K

#### Square Feet

Indoor sports + aquatics - largest in the region

### Fall 2027

#### Phase 1 Opening

50m pool, turf, pickleball, track; Phase 2 Spring 2028

#### Phase 1 (Fall 2027)

50-meter competition pool, 25-yard instructional pool, soccer/football turf, 8 pickleball courts, running track

#### Phase 2 (Spring 2028)

4 basketball courts, volleyball courts, sports training center

#### Demand Profile

Tournament travel parties: 2-4 night stays, multi-room family groups, fills weekends

#### Market Precedent

Youth hockey events alone drew ~9,300 visitors + \$1.7M local spending in 2022 (pre-facility)

#### Location

S. 42nd Street corridor - same block as Sleep Inn and Children's Museum

# \$35M

STEAM CHILDREN'S MUSEUM

## Mid-2027 Opening

SAME CORRIDOR AS SPORTS COMPLEX

- ▶ 34,000 sq ft STEAM-focused programming
- ▶ Spring 2026 groundbreaking, mid-2027 Phase 1 opening
- ▶ \$250,000 grant received January 2026
- ▶ ~\$1.75M from full Phase 1 funding
- ▶ Year-round, weather-independent family destination

## Grand Forks Children's Museum

A \$35M, 34,000-square-foot STEAM-focused children's museum targeting a mid-2027 opening on the S. 42nd Street corridor. Grand Forks currently has no year-round, weather-independent family attraction to anchor leisure overnight stays. This museum fills that gap - and sits on the same block as the Altru Sports Complex, creating a multi-attraction family destination.

### \$35M

**Total Investment**

Phase 1 of a planned two-phase STEAM museum

### 34,000

**Square Feet**

STEAM-focused exhibits and programming

### Mid-2027

**Phase 1 Opening**

Spring 2026 groundbreaking; ~\$1.75M from full funding

**Funding Status**

\$250,000 grant received January 2026; approximately \$1.75M from full Phase 1 funding

**Demand Profile**

Family leisure: 2-3 night stays, multi-room groups, fills shoulder and weekend periods

**Market Gap Filled**

No weather-independent family attraction exists in Grand Forks today - this is additive demand

**Corridor Synergy**

Same S. 42nd block as Altru Sports Complex - two facilities amplify each other's draw

**Location**

Walking distance from Sleep Inn - primary beneficiary of new family leisure traffic

**Combined Corridor Effect**

A family traveling for a tournament weekend can extend to visit the museum. A museum visitor can attend a sporting event the same trip. The two facilities share a block and share an audience - compounding the demand impact on nearby hotels.

# \$450M

FIRST US PRODUCTION PLANT

## Jan 2028 Opening

GROUNDBREAKING APRIL 2026

- ▶ Agristo - Belgium-based global potato processor, first US facility
- ▶ \$450M investment; ceremonial groundbreaking April 2026
- ▶ 300+ permanent jobs at full production; 200+ at launch
- ▶ Requires 20,000+ acres of regional potatoes annually
- ▶ Products: french fries, waffle fries, hashbrowns, tater tots

## Agristo Potato Processing Facility

Agristo, a Belgium-based global potato processor, selected Grand Forks for its first US production facility - a \$450M plant that breaks ground in April 2026 and opens in January 2028. The project is the largest food processing investment in North Dakota history and adds a permanent industrial employment base to a market already anchored by healthcare, higher education, and military demand.

### \$450M

**Total Investment**

Largest food processing investment in ND history

### 300+

**Permanent Jobs**

200+ at launch, scaling to 300+ at full production

### Jan 2028

**Plant Opening**

Groundbreaking April 2026; fall 2027 crop feeds launch

**Company**

Agristo - Belgian family-owned potato processor; operates multiple European facilities

**Construction**

Spring 2026 through fall 2027; multi-year construction workforce creates lodging demand

**Agricultural Base**

20,000+ acres of regional Red River Valley potatoes required annually at full capacity

**State Support**

\$30M North Dakota Agriculture Diversification &amp; Development Fund appropriation signed by Governor

**Hotel Demand**

Construction crews (2026-2027), relocation visits, vendor travel, permanent workforce commuters

**Two-Phase Demand Impact**

Near term (2026-2027): multi-year construction project drives sustained crew lodging demand. Long term (2028+): 300+ permanent plant employees, agricultural supply chain visits, and vendor travel add a new recurring demand segment to the Grand Forks market.

# OCC & ADR Trends

**68.2%**

2023 Peak OCC

Best year on record

**56.9%**

2025 Full-Year OCC

vs. 62% market OCC

**+25.5%**

ADR Growth 2022-25

\$85.17 to \$106.93

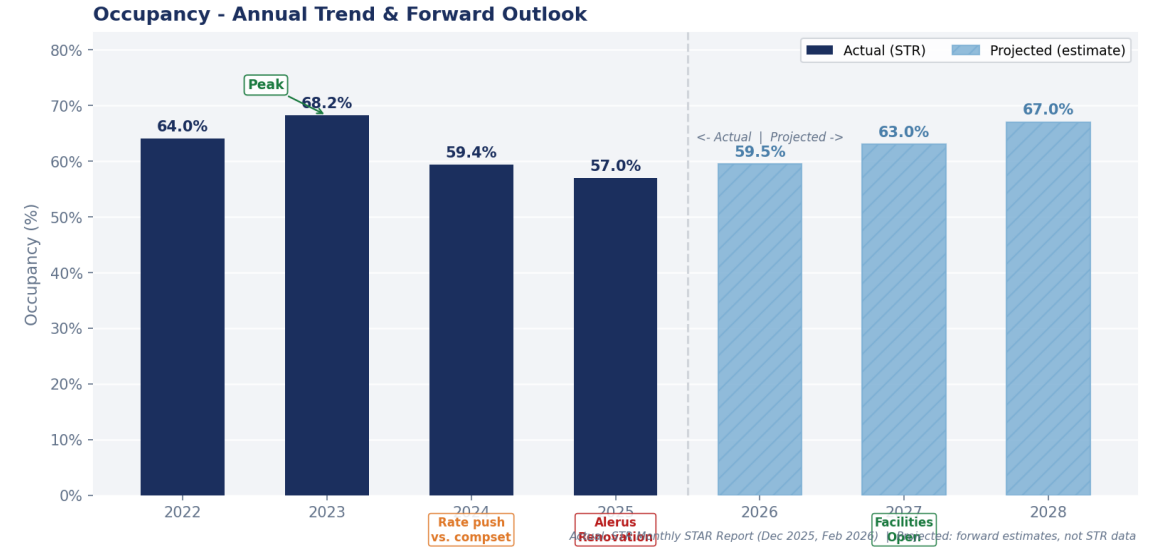
**\$106.93**

2025 Full-Year ADR

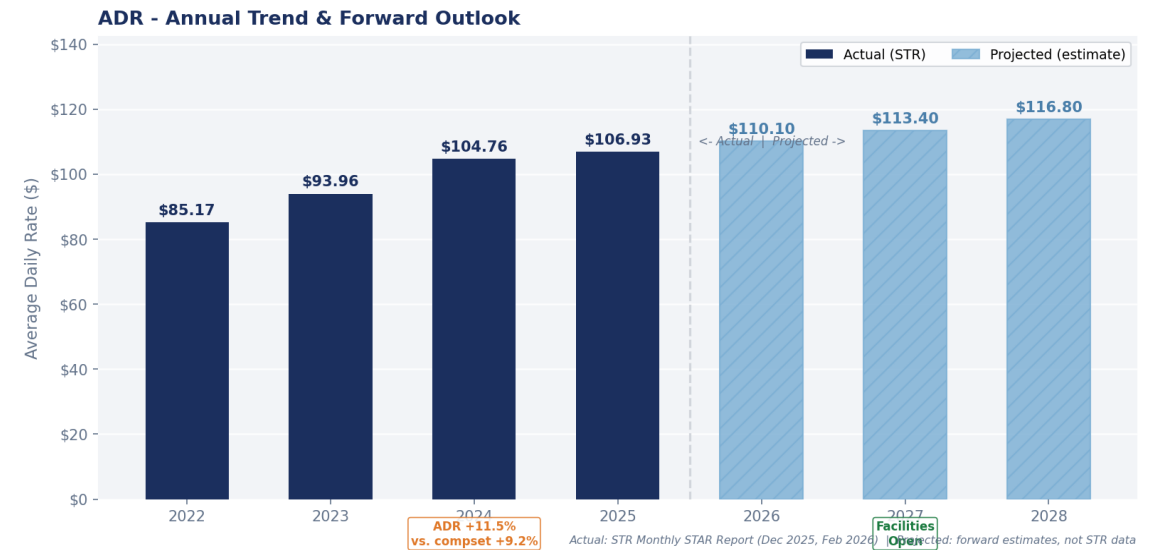
Consistent rate growth

## Occupancy & Average Daily Rate

### OCCUPANCY (%) - ANNUAL TREND & FORWARD OUTLOOK



### AVERAGE DAILY RATE (\$) - ANNUAL TREND & FORWARD OUTLOOK



# RevPAR & Room Revenue

**\$64.06**

2023 Peak RevPAR  
Best year on record

**\$60.90**

2025 Full-Year RevPAR  
vs. \$65.48 compset

**0.930**

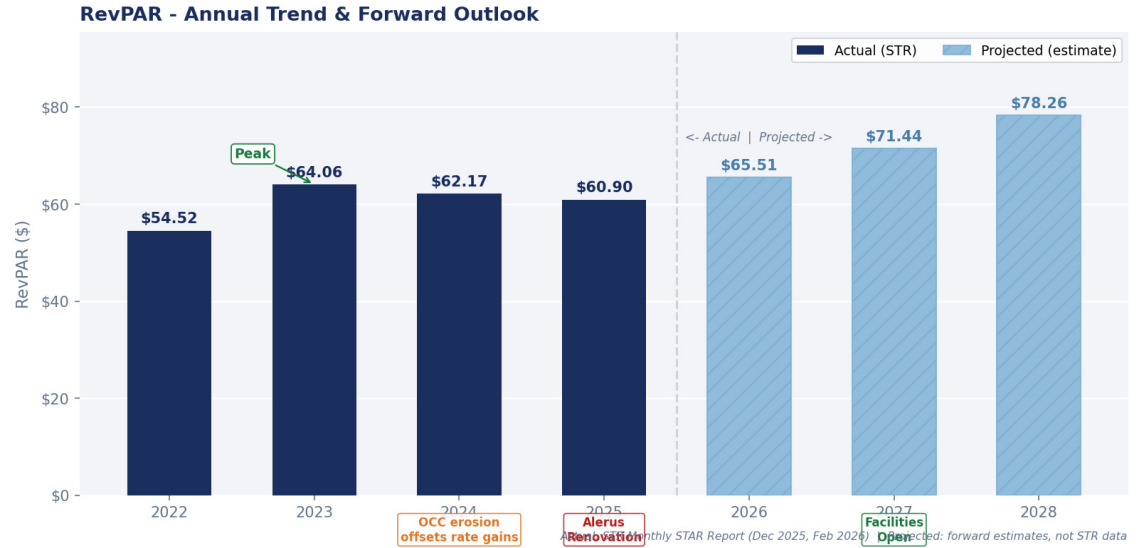
2025 RGI  
Below parity; recovering from 0.866

**\$1.82M**

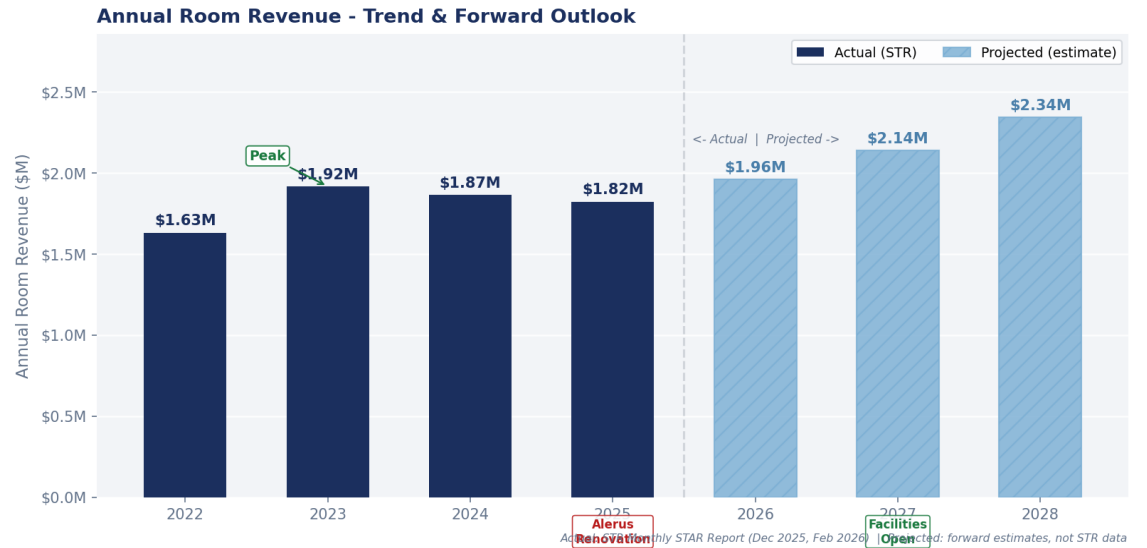
2025 Full-Year Revenue  
82 rooms at 56.9% OCC

## RevPAR & Annual Room Revenue

REVPAR (\$) - ANNUAL TREND & FORWARD OUTLOOK



ANNUAL ROOM REVENUE (\$M) - TREND & FORWARD OUTLOOK



1350 S 42ND ST

# BROKER OF RECORD

## **JON RUZICKA**

Broker of Record

952.852.9767

License: MN #40583288

  
Marcus & Millichap