



OFFERING MEMORANDUM · EXCLUSIVE LISTING

Red Roof Inn & Suites Houma

1254 Grand Caillou Road · Houma, Louisiana 70363

62
KEYS

\$3,200,000
ASKING PRICE

\$51,613
PER KEY

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Confidentiality & Offering Summary

RED ROOF INN & SUITES · HOUMA, LA

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Executive Summary

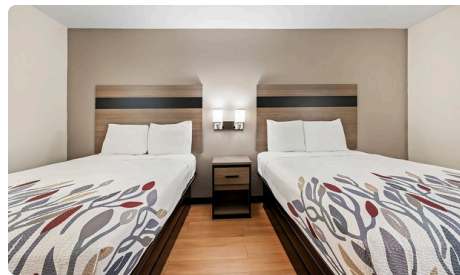
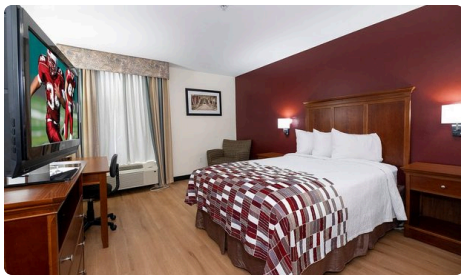
Bracket Real Estate is pleased to present the fee-simple sale of the Red Roof Inn & Suites Houma, a 62-key interior-corridor hotel in the commercial center of Terrebonne Parish, the anchor of Louisiana's coastal energy corridor. The property was fully renovated and converted to the Red Roof Inn & Suites brand in late 2025 under a fresh 20-year franchise, and is offered at \$3,200,000, or \$51,613 per key. In-place performance produces a normalized net operating income of approximately \$233,800, a 7.3% cap rate at the offering price, with meaningful upside as conversion-disrupted operations stabilize under a national flag and reservation system.

Property	Red Roof Inn & Suites Houma	Asking Price	\$3,200,000
Address	1254 Grand Caillou Rd, Houma, LA	Price Per Key	\$51,613
Keys	62	In-Place NOI	~\$233,800
Building Size	34,602 SF · 3 Stories	In-Place Cap Rate	7.3%
Flag	Red Roof Inn & Suites (G6)	Franchise Term	20-Year · through ~2045
Renovated / Converted	2025 (full PIP)	Disposition Format	Call for Offers

Also available: Motel 6 Houma, 125 Dixie Avenue, 50 keys. The two Houma assets may be acquired individually or as a portfolio. Contact the listing broker for portfolio terms.

Property Description

ASSET & BRAND OVERVIEW



The Red Roof Inn & Suites Houma is a 62-key, three-story interior-corridor hotel that completed a comprehensive renovation and brand conversion in late 2025. The work followed a full Red Roof property improvement plan and included guestroom case goods, bedding packages, soft goods, flat-panel televisions, lobby and front-desk refresh, exterior signage, and site improvements. As a Red Roof Inn & Suites, a minimum of ten percent of the room count is configured as suites with enhanced amenities. A new owner inherits a recently re-positioned physical plant with limited near-term capital need beyond the brand's scheduled Phase II corridor work.

PROPERTY AT A GLANCE	
Keys	62
Building Size	34,602 SF
Stories	3 · Interior Corridor
Suites	Min. 10% of room count
Renovated	2025 (full PIP)
Segment	Economy / Limited Service
Ownership	Fee Simple

FRANCHISE SNAPSHOT	
Flag	Red Roof Inn & Suites
Franchisor	Red Roof Franchising, LLC
Term	20 Years from 2025 Opening
Renewal	One 10-Year Option
Exclusive Territory	3-Mile Radius
Existing RRI in Territory	None
PMS / Reservation	Red Roof Platform

Buyer franchise note. The current franchisee operates under a discounted introductory royalty (3.0% in years 1 to 3, stepping to 5.0% by year 7). Per the Special Stipulations Addendum, this discount and related concessions are exclusive to the current franchisee and terminate upon transfer. A buyer will execute a new franchise agreement at standard brand terms: a 5.0% royalty plus a 4.0% marketing and reservation fee on gross room revenue. A buyer will also assume the brand's Phase II corridor improvements (carpet, base, and

Investment Highlights

WHY THIS ASSET

7.3%

IN-PLACE CAP

\$51.6K

PER KEY

2025

RENOVATED

20-Yr

FRANCHISE

- ✓ **Freshly renovated and re-flagged.** A full property improvement plan and conversion to Red Roof Inn & Suites were completed in late 2025, delivering a turnkey physical plant and minimal near-term capital exposure.
- ✓ **Positive in-place cash flow.** Normalized trailing NOI of approximately \$233,800 yields a 7.3% cap rate at the offering price, a healthy in-place return for a recently converted economy asset in a tertiary market.
- ✓ **Well below replacement cost.** At \$51,613 per key, a buyer acquires a renovated 62-key asset at a fraction of new economy construction, which typically runs \$90,000 to \$130,000 per key, or roughly \$5.6M to \$8.0M to build new.
- ✓ **Long brand runway.** A new 20-year franchise term provides extended brand affiliation, national reservation distribution, and loyalty-program demand, with a protected three-mile exclusive territory and no competing Red Roof within it.
- ✓ **Clear stabilization upside.** 2025 revenue was depressed by renovation displacement and the mid-year conversion. As operations normalize under the national flag, recovery toward prior independent revenue levels offers a credible path to higher NOI.
- ✓ **Energy and recovery demand base.** Houma anchors Terrebonne Parish and the coastal oil, gas, and marine-services corridor, a demand base supplemented by storm-recovery and contractor activity that supports extended-stay and project-driven occupancy.
- ✓ **Insurable, allocable cost basis.** Reported insurance carried premiums for two commonly owned hotels; the property-level premium for this asset is materially lower, and a buyer can underwrite and bind coverage to its own program.
- ✓ **Portfolio optionality.** Available alongside the Motel 6 Houma, allowing a single buyer to build immediate market scale across two assets in the same submarket.

Financial Overview

REVENUE HISTORY & NORMALIZED OPERATIONS

2023 \$971,063 collections	2024 \$747,502 collections	2025 \$597,870 collections · transition yr
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Reading the trend. 2023 reflected elevated post-storm recovery and contractor demand. 2024 normalized off that peak. 2025 was a transition year: the property operated independently for part of the year, was displaced by a full renovation mid-year, and converted to Red Roof Inn & Suites in the fourth quarter. The decline is event-driven, not structural, which frames the stabilization opportunity.

2025 Operating Statement & Normalized NOI

LINE ITEM	AMOUNT
Total Revenue ¹	\$518,892
Operating Expenses (as reported)	\$335,002
Salaries, Wages & Payroll Tax	97,437
Insurance ²	99,933
Property Tax	29,449
Franchise Fees (one-time) ³	25,000
Utilities	21,122
Repairs & Maintenance	18,094
Breakfast Supplies	14,057
Credit Card Processing	12,854
All Other Operating ⁴	17,056
<i>Normalization: insurance allocation to this asset ²</i>	<i>+49,933</i>
Normalized Operating Expenses	\$285,069
Normalized Net Operating Income	\$233,823

Cap rate at offering price: $\$233,823 \text{ NOI} \div \$3,200,000 = 7.31\%$ in place. Excludes depreciation (\$82,141), amortization (\$5,567), mortgage interest (\$91,520), and finance charges (\$2,391), which are non-cash or capital-structure items not part of net operating income.

¹ Revenue per the operating statement for January to December 2025. A separate property-level payment summary reports \$597,870 of collections for the same period; the variance should be reconciled in due diligence.

² Reported insurance reflects combined premiums for two commonly owned hotels paid from a single account. The property-level premium for this asset is approximately \$50,000; supporting policy detail is available in the due diligence vault. A buyer should obtain an independent quote, as coastal Louisiana premiums vary.

³ Reflects one-time initial and application franchise fees paid in 2025. Ongoing brand cost to a buyer is 5.0% royalty plus 4.0% marketing and reservation fee on gross room revenue under a new franchise agreement.

⁴ Includes professional and legal; pest control; fire safety; bank charges; security; travel; travel agent commissions; supplies; licenses; and miscellaneous.

Stabilization Outlook

ILLUSTRATIVE RECOVERY SCENARIO

The investment thesis pairs positive in-place cash flow with a credible path to higher stabilized income. With the renovation complete and the asset now distributing through Red Roof's national reservation system and loyalty program, a recovery of room revenue toward 2024 levels would lift net operating income well above the in-place figure. The scenario below is illustrative and assumes a buyer operating under standard brand economics, including the full 9.0% combined royalty and marketing fee on gross room revenue and property-level insurance. It is not a projection of future performance and should be independently verified.

METRIC	IN-PLACE (2025)	ILLUSTRATIVE STABILIZED
Gross Room Revenue	\$518,892	~\$748,000
Operating Margin (normalized)	~45%	~38% to 42%
Net Operating Income	~\$233,800	~\$285,000 to \$315,000
Implied Cap at \$3,200,000	7.3%	~8.9% to 9.8%

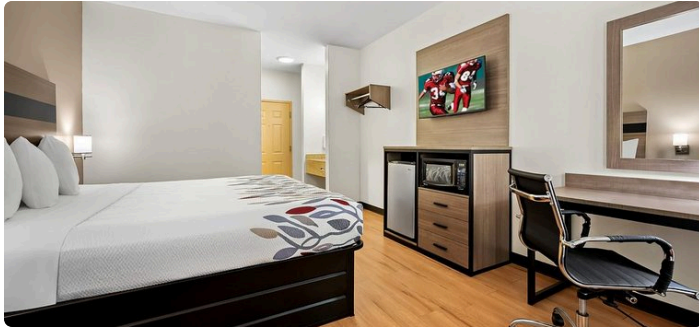
The takeaway. The asset cash-flows today at a 7.3% in-place cap. A return of revenue toward 2024 levels, even at a more conservative stabilized margin that absorbs full brand fees, supports a stabilized cap approaching the high-8% to mid-9% range at the offering price. The value is in place; the work ahead is operational recovery, not repositioning.

STABILIZATION LEVERS		KNOWN BUYER COSTS	
Brand distribution	National GDS / RediRewards	Royalty (new FA)	5.0% of GRR
Renovation	Complete (turnkey)	Marketing / Reservation	4.0% of GRR
Insurance	Re-underwrite at asset level	Phase II PIP	Corridors, by ~Oct 2027
Rate strategy	ADR recovery post-reno	Transfer fee	\$15,000 + \$2,500 app

Illustrative stabilized figures are estimates based on prior-year operating history and standard brand economics. Actual results will vary. Nothing herein constitutes a guarantee of future revenue, expense, or profit. Buyers must perform independent due diligence.

Market Overview

HOUMA & TERREBONNE PARISH, LOUISIANA



Houma is the commercial and population center of Terrebonne Parish in coastal southeast Louisiana, roughly an hour southwest of New Orleans. The local economy is anchored by the oil, gas, and marine-services sector that supports Gulf of Mexico operations, together with commercial fishing and seafood processing, healthcare, and parish government. Lodging demand draws on energy-services crews and project work, regional commerce along the Grand Caillou and Bayou corridors, and recurring storm-recovery and contractor activity that periodically lifts occupancy across the submarket.

The subject sits on Grand Caillou Road, a primary commercial artery serving the southern parish and the route toward the coastal energy facilities. As the only Red Roof Inn within its protected three-mile territory, the property holds an exclusive brand position in a market served largely by independent and economy-flagged competitors.

POSITIONING VS. SUBMARKET

Subject	Renovated 2025 · National flag · Reservation system
Typical comp set	Older independents & economy flags
Brand advantage	GDS, OTA, and loyalty distribution
Territory	Exclusive 3-mile radius · no competing RRI

A current STR competitive-set report and local comp data can be loaded to the due diligence vault on request to support the buyer's underwriting of occupancy, ADR, and RevPAR positioning.

01

Review & Sign NDA

Access the listing and execute the confidentiality agreement through the Bracket marketplace. [View Listing & Sign NDA →](#)

02

Due Diligence Vault

Qualified, NDA-executed buyers receive access to the pre-loaded due diligence vault, including financials, the franchise agreement, and property records. Tour dates to be announced.

03

Submit Offer

Offers are submitted through the Bracket marketplace by the call-for-offers deadline. [View Listing & Submit Offer →](#)

04

Award & Close

Seller reviews offers and selects a buyer. Closing follows execution of the PSA and the buyer's franchise approval process with Red Roof.

Due Diligence Vault

Franchise Agreement & Addenda (executed)	AVAILABLE
Operating Statement, 2025	AVAILABLE
Revenue Summaries, 2023 to 2025	AVAILABLE
Property Improvement Plan (PIP)	AVAILABLE
Property-Level Insurance Allocation	PENDING
STR / Competitive-Set Report	PENDING
Property Photos & Site Plan	PENDING
Title, Survey & Tax Records	PENDING

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This Offering Memorandum is prepared for discussion purposes only and does not constitute a certified appraisal, a solicitation, or an offer to sell securities. All financial information has been provided by ownership and has not been independently verified. The discounted royalty structure and related concessions are exclusive to the current franchisee and do not transfer with the sale; a buyer will execute a new franchise agreement at standard rates. Buyers should conduct independent due diligence on franchise transfer requirements, insurance costs, capital obligations, and revenue projections prior to submitting an offer. Bracket Real Estate, Inc. represents the seller in this transaction.