

BEST WESTERN DISCOVERY INN

200 E ESTRELLA AVE, TUCUMCARI, NM 88401



 **NewGen**
ADVISORY

EXCLUSIVELY LISTED BY:

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INVESTMENT OPPORTUNITY

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Investment Summary

The Best Western Discovery Inn is a 107-room, exterior-corridor, limited-service hotel located in Tucumcari, New Mexico, directly serving demand from Interstate 40 and historic Route 66. The property benefits from excellent visibility and accessibility in a drive-to market characterized by consistent transient and pass-through lodging demand.

The hotel has been owned and operated by the same ownership group for decades and is being offered to the market for the first time, representing a rare opportunity to acquire a legacy, generational asset. Long-term ownership has provided operational stability, while also creating the potential for a new owner to implement targeted capital improvements, operational efficiencies, and revenue-enhancement initiatives.

Configured as an exterior-corridor property, the hotel offers convenient drive-up access that is well aligned with the preferences of interstate travelers, Route 66 tourists, and commercial guests. The property features ample surface parking suitable for passenger vehicles, trucks, and oversized vehicles, supporting its role as a key roadside lodging option in the market.

Affiliated with the Best Western brand, the hotel benefits from national reservation systems, loyalty program demand, and brand recognition, which support consistent occupancy in a highway-oriented market. With its large room count, branding, and strategic location, the Best Western Discovery Inn is positioned as one of the primary lodging assets in Tucumcari, offering stable cash flow characteristics and identifiable opportunities for long-term value creation.



Investment Highlights

- **First-Time Offering:** Rare opportunity to acquire a legacy hotel asset held under long-term ownership.
- **Proven Revenue Base:** Consistently generates \$2.0MM+ in annual room revenue driven by I-40 traffic, Route 66 tourism, and regional commercial demand.
- **Scale in a Tight Market:** 107 rooms make it one of Tucumcari's largest hotels, supporting operating efficiencies and margin stability.
- **Clear Upside:** Opportunity to enhance revenue and margins through updated management, targeted capex, and cost controls.
- **National Brand Affiliation:** Best Western affiliation provides access to a national reservation system, loyalty program demand, and centralized marketing, supporting consistent occupancy.
- **Below Replacement Cost:** Attractive basis in a supply-constrained market limits downside risk.
- **Financing Advantage:** SBA and USDA loan eligibility supports higher leverage and strong cash-on-cash returns.
- **Broad Investor and Owner-Operator Appeal:** Well suited for owner-operators, regional groups, first-time hotel investors, and 1031 exchange buyers seeking stabilized cash flow in an interstate-oriented market.



Property Details

List Price	Contact Broker
Brand	Best Western Discovery Inn
Location	200 E Estrella Ave, Tucumcari, NM 88401
Submarket	New Mexico North Area
Building Size	36,692 SF
Lot Size	1.74 AC
Year Built	1985
Year Renovated	2018
Floors	2
Rooms	107 <i>*Have right to convert 31 rooms to SureStay Studio.</i>
Amenities	Outdoor Pool, Fitness Center, Business Center
Property Condition	The property has met the minimum Best Western requirements, and may qualify for a Best Western transfer, at favorable terms to new buyer.
Area of Protection	Member market area in place— Preventing other Best Westerns from entering Tucumcari.





FINANCIAL SUMMARY

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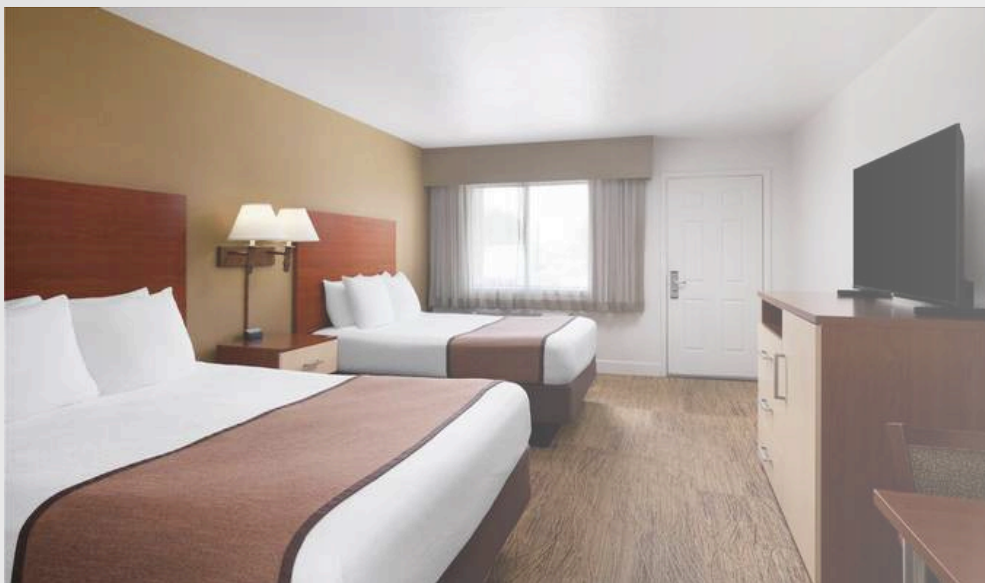
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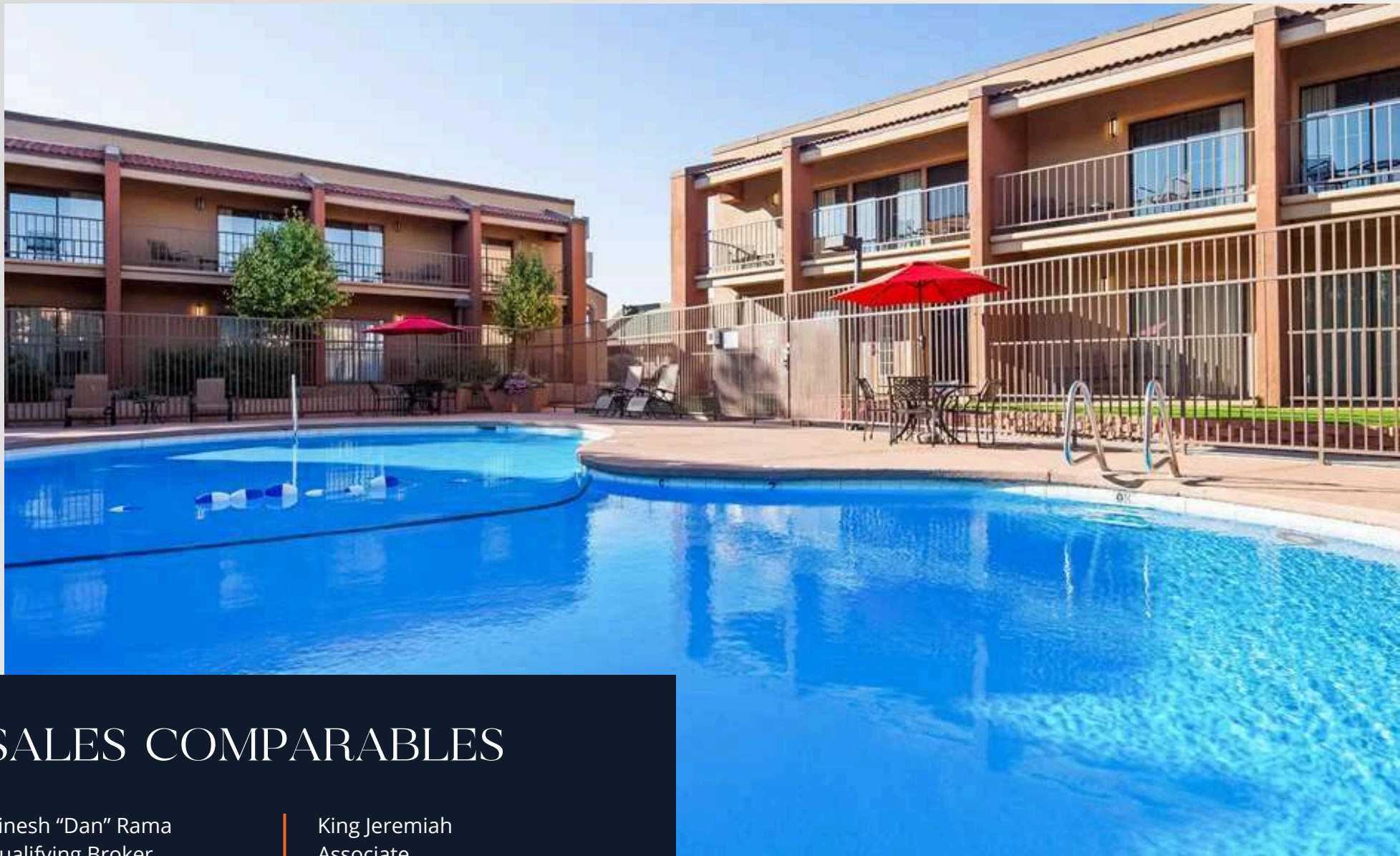


Financial & Operational Summary

The hotel operates in a steady, highway-oriented market that consistently generates more than \$2.0 million in annual room revenue, supported by durable interstate and regional demand. While top-line performance remains stable, NOI has declined due to rising operating expenses, with a decrease of 8.7% in 2025 versus 2024. The trend highlights an opportunity for expense optimization and margin recovery within an otherwise consistent cash-flowing asset.

Best Western Discovery Inn		Rooms		107		
	Occupancy	ADR	RevPAR	% RevPAR Change	Room Rev.	NOI
2023	52.8%	\$100.87	\$53.26		\$2,080,044	\$417,215.96
2024	50.6%	\$106.90	\$54.09	1.56%	\$2,112,540	\$339,211.80
2025	43.6%	\$117.79	\$51.39	-4.99%	\$2,051,577	\$309,601.20





SALES COMPARABLES

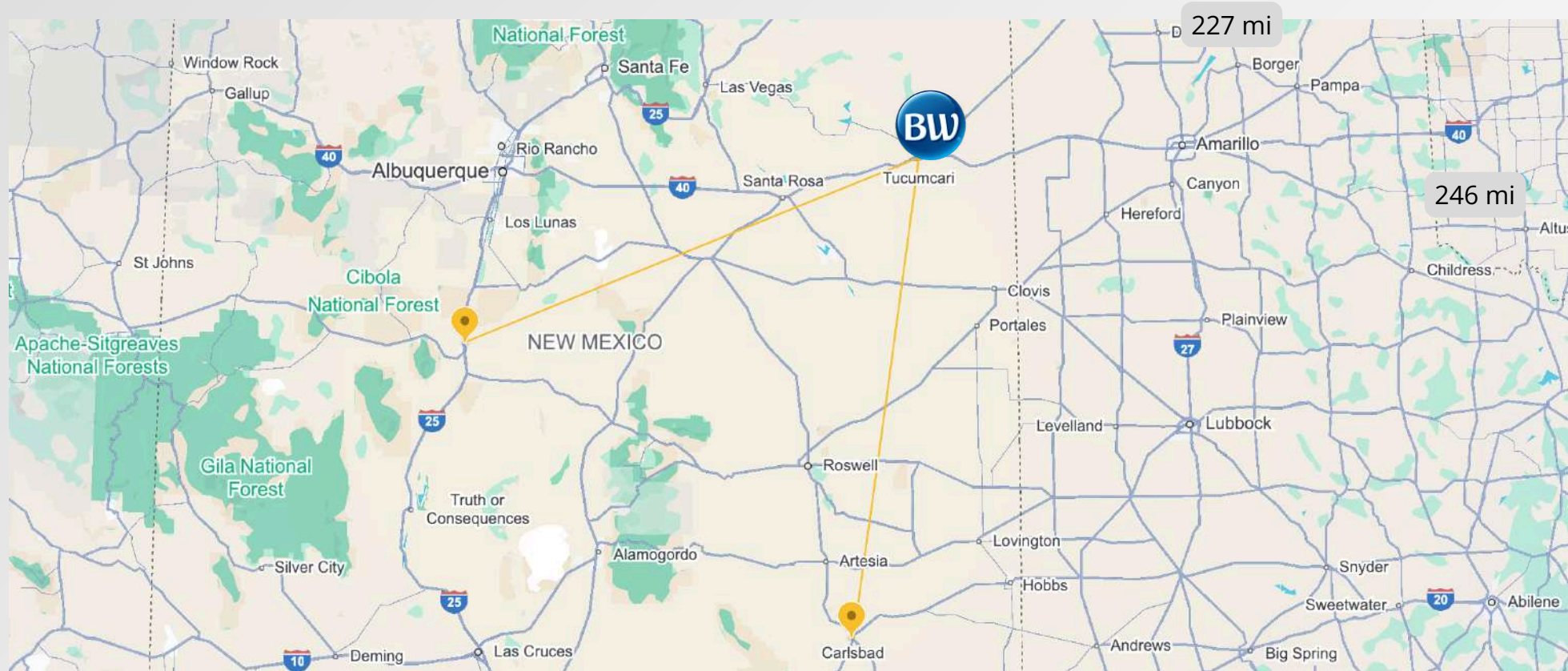
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Comparable Sales

Comparable Sales	Yr Built/Renov	Rooms	Price	Price/Key	Sale Date
Best Western Socorro Hotel & Suites 1100 N California St, Socorro, NM 87801	1995/2017	120	\$6,500,000	\$54,167	May 2025
Econo Lodge Carlsbad Caverns Area 3706 National Parks Hwy, Carlsbad, NM 88220	1967/2011	112	\$7,400,000	\$66,071	Jul 2023
		116	\$6,950,000	\$60,119	





MARKET OVERVIEW & PERFORMANCE

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Market Overview

Tucumcari is a long-established interstate lodging market strategically positioned along Interstate 40 between Amarillo and Albuquerque. The city functions primarily as an overnight stop for east-west travelers, with consistent demand generated by daily interstate traffic, commercial trucking, and its continued role on historic Route 66. Brand recognition is a key driver of hotel selection in this pass-through market, reinforcing the strength of nationally branded lodging.

As the county seat of Quay County, Tucumcari also serves as a regional service hub, concentrating government operations, education, healthcare, and professional services. The local economy is service-oriented, supported by public services, retail, hospitality, and legacy agriculture, which together generate steady, year-round visitation beyond transient highway demand.

Tourism and event-driven activity—including Route 66 travel, festivals, car shows, and regional school and civic events—provide incremental weekend and seasonal occupancy. With limited new hotel supply, a drive-to customer base, and diversified, non-discretionary demand, Tucumcari remains a stable and durable market for well-located, branded lodging assets.

The infographic features a background image of a highway stretching towards mountains under a blue sky. In the foreground, there are signs for Route 66 and I-40. The title 'Tucumcari MARKET OVERVIEW' is at the top. Below the title, there are three main columns of information, each with a header and a list of bullet points. At the bottom, there are three smaller boxes, each with an icon and a title, followed by a list of bullet points.

Tucumcari MARKET OVERVIEW

- Prime Location**
 - Interstate 40 Corridor
 - Historic Route 66
 - High Traffic: Trucking & Travelers
- Regional Hub & Economy**
 - Government Services
 - Healthcare & Education
 - Retail & Hospitality
 - Agriculture & Energy
- Tourism & Events**
 - Route 66 Tourism
 - Local Festivals & Events
 - Sports & School Activities

- Drive-To Market**
 - Drive-To Market
- Brand Focused**
 - Brand Focused
- Limited New Supply**
 - Limited New Supply

Primary Demand Drivers

Interstate 40 / Route 66 Corridor

- I-40 is one of the nation's primary east-west transportation arteries, supporting consistent daily traveler and commercial traffic.
- A meaningful percentage of interstate traffic consists of commercial trucking, creating stable weekday lodging demand.
- Historic Route 66 tourism adds incremental leisure and seasonal demand.

Pass-Through & Transient Travelers (Core Demand)

- Tucumcari functions primarily as an overnight break market, supporting short-stay demand from road travelers, families, RV users, and truck drivers.
- Brand recognition plays a significant role in hotel selection in this market.

Regional Services & Institutional Activity

- As the county seat, Tucumcari concentrates government services, regional vendors, and professional visitors.
- Education and healthcare institutions generate year-round visitation tied to staff, families, meetings, and regional services.



Economic Profile & Tourism Drivers



ECONOMIC BASE & EMPLOYMENT PROFILE

Tucumcari's economy has evolved from agriculture and railroad roots to a service-oriented model centered on transportation, retail, education, healthcare, and hospitality.

Key employment sectors include:

- Education (school district and Mesalands Community College)
- Healthcare (local critical access hospital and related services)
- Government & Public Services (county and municipal operations)
- Retail, Food Service & Hospitality (supporting local and transient populations)
- Agriculture / Ranching (legacy economic base within Quay County)
- Emerging Renewable Energy activity in the surrounding region

TOURISM & EVENT ACTIVITY

Tucumcari benefits from heritage and event-driven visitation, including:

- Route 66 tourism and Americana road trips
- Local festivals, car shows, fairs, and community events
- Regional sports, school, and civic activities

These drivers supplement baseline interstate demand and contribute to weekend and seasonal occupancy.



Lodging Market Characteristics

Drive-To Market: Not dependent on air service; demand is diversified across weekdays and weekends.

Brand-Sensitive Guests: Interstate travelers prioritize recognizable national brands when selecting lodging.

Limited New Supply: Replacement cost economics and market size constrain new hotel development, supporting existing assets.

Year-Round Demand: Demand is not tied to a single employer or seasonal industry.



STRATEGIC RELEVANCE FOR HOSPITALITY INVESTMENT

Tucumcari's role as a highway-oriented lodging market provides durable, non-discretionary demand supported by interstate traffic, Route 66 tourism, and regional services. Hotels with strong branding, scale, and visibility, such as the Best Western Discovery Inn, are well positioned to capture consistent occupancy and cash flow in this market.

Market Performance

SUBMARKET KEY METRICS

*Data is from December 2025.

INVENTORY	SUBMARKET MIDSCALE & ECONOMY	SUBMARKET
Inventory Rooms	5,198	8,824
Existing Buildings	118	188
Under Construction Rooms	0	142
Under Construction Buildings	0	2

SALES	SUBMARKET MIDSCALE & ECONOMY	SUBMARKET
12 Mo Transactions	1	4
12 Mo Sales Volume	\$700K	\$19.9M
Market Sale Price/Room	\$46.7K	\$88.8K
Market Cap Rate	11.5%	10.8%

PERFORMANCE	SUBMARKET MIDSCALE & ECONOMY	SUBMARKET	FORECAST AVERAGE
12 Mo Occupancy	47.8%	55.3%	54.3%
12 Mo ADR	\$86.09	\$119.37	\$122
12 Mo RevPAR	\$41.18	\$66.06	\$66

New Mexico North Area comprises 190 hotel properties, which contain around 8,800 rooms. Among the subtypes, there are 880 Luxury & Upper Upscale rooms, 2,800 Upscale & Upper Midscale rooms, and 5,200 Midscale & Economy rooms in New Mexico North Area.



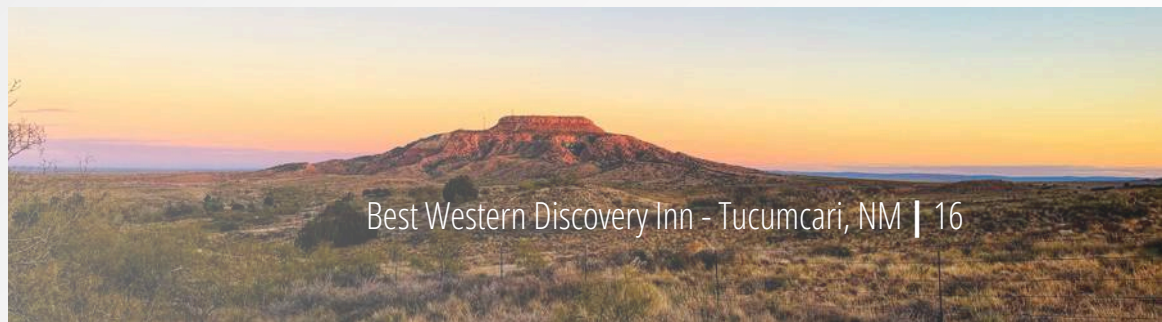
PROPERTY STR PERFORMANCE

	Occupancy	ADR	RevPAR
2022	41.5%	\$95.50	\$39.65
2023	52.2%	\$100.37	\$52.42
2024	48.3%	\$108.33	\$52.31
2025	43.6%	\$117.80	\$51.39
Dec 2025 YoY % Change	-9.6%	8.7%	-1.8%

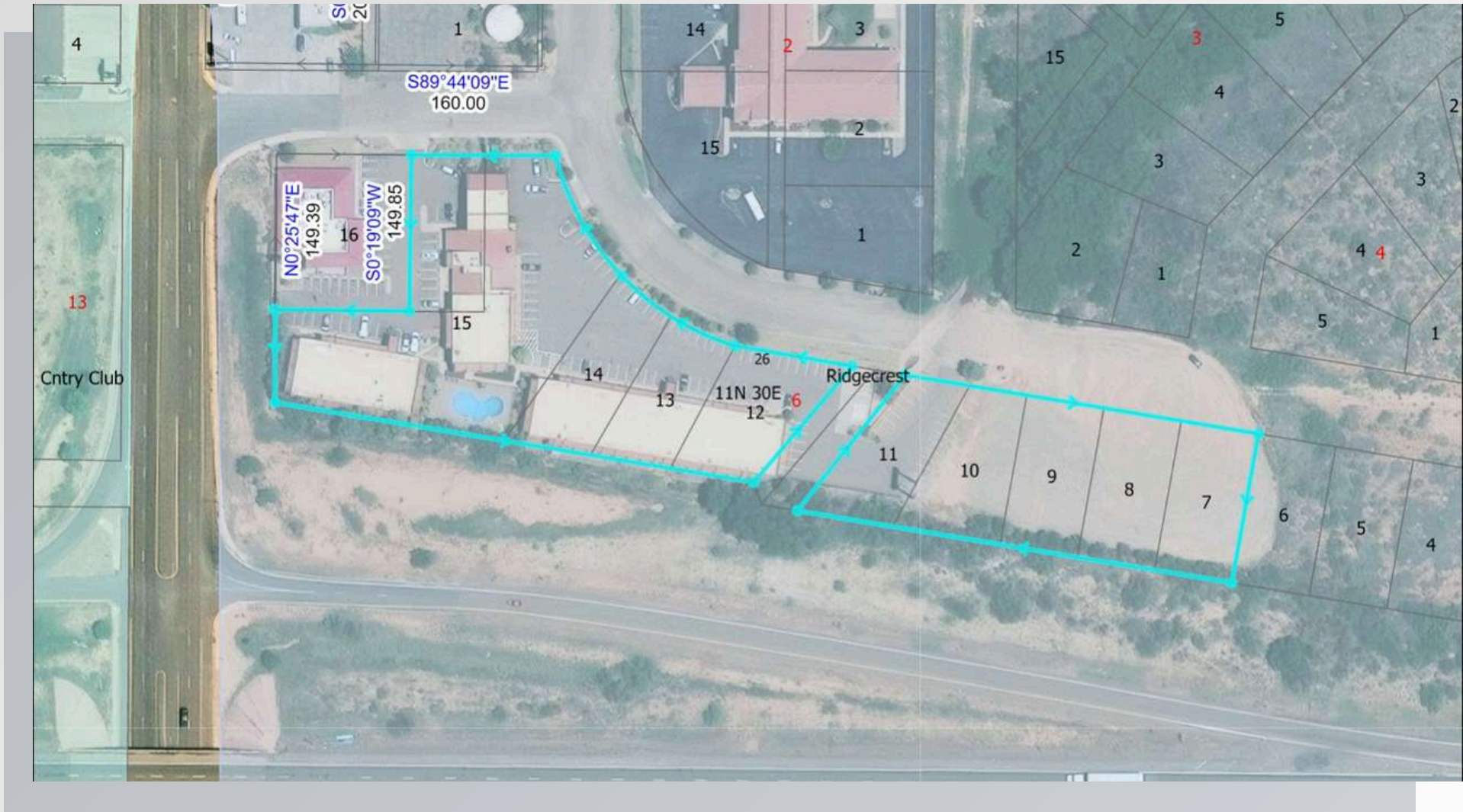
	Occupancy Index	ADR Index	RevPAR Index
2022	70.9%	86.5%	61.3%
2023	94.2%	89.8%	84.5%
2024	89.5%	93.5%	83.6%
2025	90.6%	100.0%	90.6%

A lower-mid occupancy level is typical for a transient/trucking/tourism-heavy market with significant seasonal and usage variability. The ADR is modest — consistent with corridor lodging markets rather than high-end resort or urban markets. The resulting RevPAR reflects the balance of lower occupancy but stable demand during peaks (tourist season, freight/truck volume, weather-related stopovers, and crew lodging).

Given the demand drivers, this metric suggests the market is holding moderate yield but has potential upside during peak-demand periods (heritage-tourism season, major weather events, infrastructure projects, etc.).



Parcel Outline

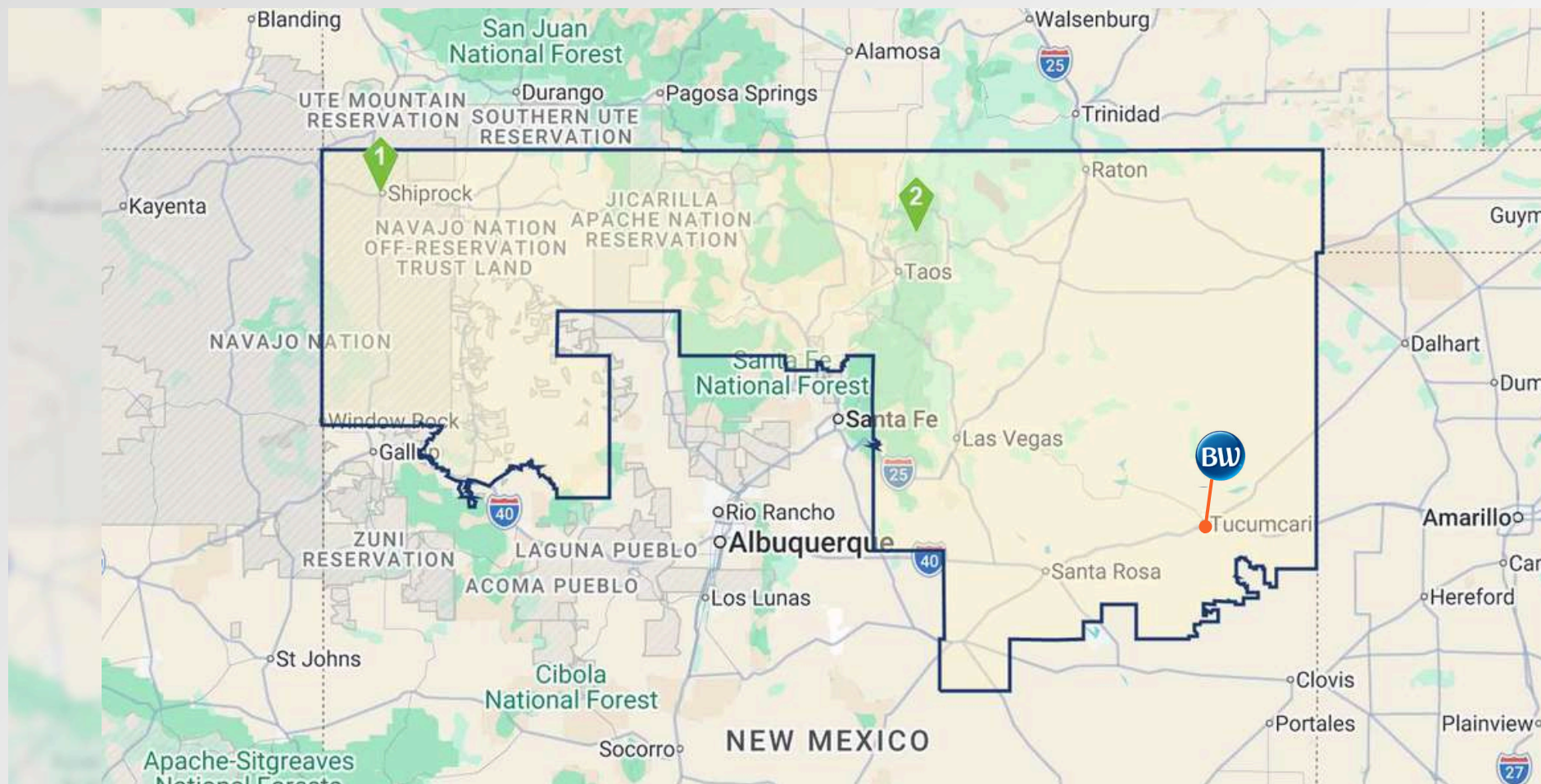


Aerial Map



Properties Under Construction

Property Name	Class	No. Rooms	Complete
1) Shiprock Pinnacle Hotel and Restaurant	Upscale	85	Oct 2026
2) Hotel St. Bernard	Upper Upscale	57	Dec 2026





BROKER BIO

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Professional Background

Dinesh (Dan) Rama Co-founder, Principal and Managing Director, NewGen Advisory Designated Broker, State of Arizona, State of New Mexico, and State of Colorado.

Dinesh Rama is a seasoned hospitality professional who began his career as a hotel owner/operator in 1994 after earning dual Bachelor's Degrees in History and Mathematics from Arizona State University. Dan went on to grow his

portfolio as a franchisee of Red Brick Pizza, InterContinental Hotels, Marriott, G6 Hospitality, Wyndam Hotels and Choice International. He maintains General Manager Certifications from Holiday Inn, Motel 6 and Days Inn.

Over the course of his 26-year hospitality career, Dinesh was integral in the disposition of over one billion of hospitality assets; brokering and advising clients on acquiring, merging, and divesting of hospitality assets throughout the United States.

Dinesh earned his Certification for Hotel Industry Analytics (CHIA) - the only hotel-related certification that recognizes advanced skill and knowledge in the industry. This globally recognized professional credential validates Dinesh's advanced knowledge in hotel industry analytics including foundational metrics, definitions, formulas and methodologies. Dinesh also holds a Certified Hotel Owners (CHO) Certificate from the Asian American Hotel Owners Association (AAHOA).

In addition to his company responsibilities at NewGen, Dinesh is an active member of the community: engaged in various local and national industry organizations. He served as the Southwest Regional Director for AAHOA - the largest hospitality owners association in the United States - and now serves as Ambassador. He also serves on the Board of Directors for the Arizona Lodging and Tourism Association's (AZLTA).

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Professional Background

King brings over 30 years of hotel industry experience to NewGen Advisory, with a passion for hospitality and a global perspective shaped by working with hoteliers across the U.S. and more than 80 countries.

Originally from Grenada, he began his career at the historic Boone Tavern Hotel while studying Business Administration & Hotel Management at Berea College. After earning his Master's from Eastern Kentucky University, he held leadership roles in hotel operations before joining Best Western Hotels & Resorts in 2000, where he oversaw consulting, branding, training, and quality assurance for 4,000+ properties.

King holds industry-leading certifications, including CHA, CHT, and CHIA, and is an active member of NABHOOD, AAHOA, and LHA. He resides in Arizona with his wife and children.



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