

# Feasibility Study



**Property Location:**

8342 Jamaican Ct,  
Orlando, Florida 32819.

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## Feasibility Study for Red Roof+

### **Section 1: Executive Summary**

*Red Roof Plus Inn* (hereby referred to as *Red Roof+*) is an upscale economy hotel situated in Orlando, Florida. It was founded by racing team owner Jim Trueman in Columbus Ohio, in 1973. It was subsequently bought by *The Morgan Stanley Real Estate* in 1994 and was established as a franchise in 1997. Currently the franchise is brand is owned by Red Roof Inns Incorporated, which is a subsidiary of *WRRH Investments LP*. It has 525 employees across the entire hotel chain. Its coast-to-coast hotels are warm and welcoming and offer a value price without sacrificing quality. Their smart and stylish interior gives guests a peace of mind.

### **Section 2: Description of Site and Neighborhood**

#### ***Introduction***

Site selection is an important concept in this study as it will determine the overall financial success or failure of the hotel (Khan, 1999). The chosen location will have a direct influence on the number of visitors to the hotel. A prime location is key since it is “costly for hotels to relocate and reconfigure their services” (Urtasun & Gutiérrez, 2006). “A strategic site may set-up the facility for short-term sustainable revenue generation” (Johns, Howcroft & Drake, 1997; Nicolau, 2002).

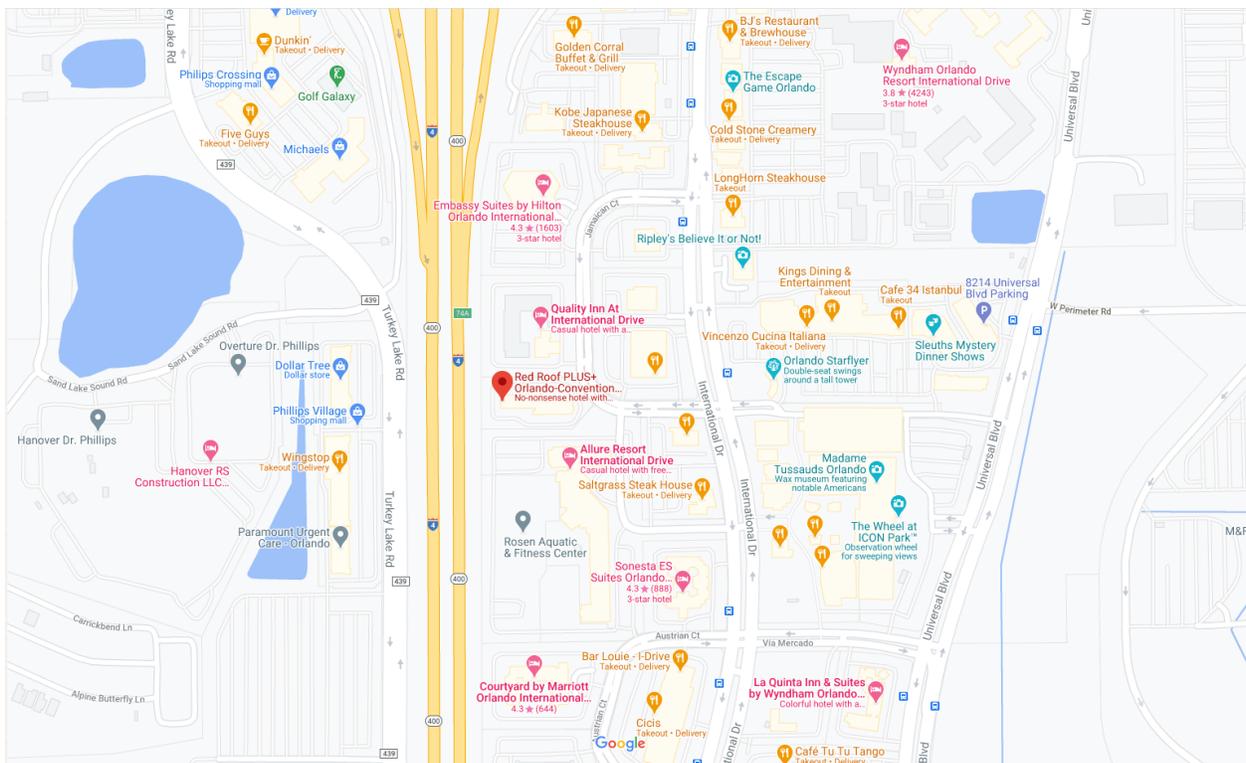
## ***Body of the Section***

### *Location of the Site*

*Red Roof Plus Inn Orlando South* is situated at 8342 Jamaican Court in Orlando, Florida 32819.

The site is 0.78 miles from *The Florida Mall* and ten minutes away from the Orlando International Airport. It is in Orange County near several amenities of interest.

### *Map*



*Source: Google Maps*

### *Physical Characteristics of the Site*

*Red Roof Plus Inn Orlando* measures 53,000 square feet and sits on a 2.18-acre estate. It has several amenities including a swimming pool and fitness center.

### *Site Utility*

The estate on which *Red Roof+* sits is fully developed and does not contain any land that could be entitled, sold, or developed for alternative use.

### *Access and Visibility*

*Red Roof+* can be accessed directly off *International Drive* and lies to the east of the *I-4 Highway*. The site boasts proximity to the *Orlando International Airport (MCO)*, which lies 14.7 miles to the east. *MCO* is the primary airport in Florida, servicing global destinations through 37 airline companies. Access to the hotel from the airport involves getting on the *FL-528 W/FL-528 Toll W* for 2.3 miles and then using the *FL-482 W/W Sand Lake Road* for 11.9 miles upon which they will get to *International Drive*. Motorists will then turn right on *Jamaican Center* where the hotel will be located on their left.

### *Neighborhood*

It is located 2.9 miles from the Universal Orlando Resort, and it offers free access to neighboring YMCA Aquatic Center. The Orange County Convention Center is a 6 minutes' drive and *Ripley's Believe It or Not* museum is a 4 minutes' walk. *Disney World* is a 16 minutes' drive from *Red Roof Plus Inn*. North of the hotel is the *Quality Inn* and situated south of *Red Roof+* is *Allure Resort*. There are multiple restaurants located to the east of the hotel. The hotel is also situated close to *SeaWorld Orlando*, which is a 12 minutes' drive away. *Red Roof+* is at a prime location on *International Drive* which is adjacent to *ICON Park*, boasting high visibility from *Interstate 4* and surrounded by several demand generators. Other businesses neighboring the hotel include the *Orange County Convention Center*, *Orlando International Premium Outlets*, *The Mall at Millenia*, and *Universal CityWalk*. The Orlando metropolitan area has a population

of 2,509,831, making it the third largest metro area in Florida. The city-proper population is 270,934 making Orlando the 71<sup>st</sup> largest city in the United States of America.

#### *Other Site Considerations*

The hotel is served by all necessary utilities including water, sewer, gas, and electricity. It is assumed that these utilities will be acquired by the most cost-effective providers within the local market. The *Federal Emergency Management Agency (FEMA)* determined that the hotel is in an area with minimal flooding risk. The zone location of the hotel is *Zone X*. The *Orange County Property Appraiser* established that the site falls in the *C-2* commercial zone meant for retail commercial uses. This zoning allows for commercial uses like retail centers, hotels and motels, and service industries.

#### *Conclusion*

The site is best suited for the operation of a hotel as there is enough visitors due to nearby amenities like the *MCO* airport, *Universal Studios* and *Disney World* which all attract many visitors daily. This potential customer traffic will ensure that the hotel has regular bookings and stays financially afloat.

### **Section 3: Market Area Analysis**

#### ***Introduction***

Silver (2000) argues that a wrong customer base, poor accessibility or lack of people lead to the failure of a business. It is therefore crucial that the business be in an area where the current or future trends reflect a good economic environment.

#### ***Body of the Section***

##### *The Market for the Project*

*Red Roof+* is in Orange County, in the city of Orlando, and the state of Florida. Orlando was formerly known as *Jernigan* and has been occupied since 1843. The area experienced a surge in population during the Reconstruction Era, which was subsequently followed by the incorporation of the *Town of Orlando* in 1875 and the establishment of the *City of Orlando* in 1885. Florida enjoyed a boom in citrus trade until the *Great Freeze* of 1894 to 1985 where there was a shift in power in the citrus industry from independent groves in Florida to “citrus barons” farther south. This paved the way for the dominance of the tourism and hospitality industry in this metro. The hotel’s market area is the *Orlando-Kissimmee-Sanford FL Metropolitan Statistical Area*, which is informally known as *The Greater Orlando*. This market area contains the cities of *Kissimmee*, *Orlando*, and *Sanford*. Its borders are the areas within *Lake Orange*, *Osceola*, and *Seminole County* with a span of 4,012 square miles and a population of over 2,608,147.

### *Overview of the Location*

*Orlando, Florida* is situated at the south-eastern part of the *United States (US)*. *Florida* is an iteration of *la Florida*, which translates to “The Land of Flowers”. Florida was first discovered in 1513 by Spanish explorer *Juan Ponce de Leon* and it is peninsula abutting the *Atlantic Ocean* and the *Gulf of Mexico*. *Florida*’s is bordered to the northwest by *Alabama* and to the north by *Georgia*. Tallahassee is *Florida*’s state capital, and the most populous municipality is *Jacksonville*, with *Miami* being the most populous metropolitan area. *Florida* is mostly at sea level featuring sandy beaches and extensive low-elevation marshlands sparsely located within the state. It is a humid subtropical peninsula as it has warm temperatures and high humidity. Agriculture was a major part of its economy, but it has since diversified.

### *Economic and Demographic Information*

*Florida* registered a 4% increase in consumer spending by the end of January 2020 compared to a January 2020 baseline, an industry employment of 1,223,300 employees in December 2020 and an unemployment rate of 6.9% in December 2020. It is mostly represented by Caucasians who constitute 68.7% of the population. Blacks, Asians, and other races make up 16.9%, 4.4% and 6.3% of the population, respectively.

### *Airport Traffic*

The main airport in Orlando is *Orlando International Airport (MCO)*. *MCO* and *Executive* airports are run by the *Greater Orlando Aviation Company*. The airport attracts many visitors with a recorded 75 million visitors in 2018. *MCO* is the 29<sup>th</sup> and 13<sup>th</sup> busiest airport in the world and the *US*, respectively. The traffic for domestic and international flights declined by 54% and 77.4% to 19,999,356 and 1,618,447 passengers, respectively.

## ***Conclusion***

*Florida's* beaches and climate make it a popular tourist destination. The boom in business has translated to increased demand in hospitality services in the area. *Red Roof+ Inn's* location close to the airport ensures a constant revenue stream from local and international visitors.

## **Section 4: Description of Site and Neighborhood**

### ***Introduction***

Red Roof+ is situated at the Jamaican Center in Orlando Florida. It is neighboring facilities such as the *Kennedy Space Center, SeaWorld Orlando, Disney World* and *Universal Studios*.

### ***Body of Section***

#### ***National Trends***

The U.S. economy advanced a modest 2.3 percent in 2019, which was the lowest since 2016 and -20.7 percent lower than 2018's gross domestic product growth rate of 2.9 percent, a rate which was attributable in significant measure to such stimulus measures as the \$1.5 trillion Tax Cuts and Jobs Act of 2017 and increases in federal, state and local government spending, all of which was enhanced by strong job and wage growth, record low unemployment and brisk consumer spending. Despite a weak global economy and the trade war with China, the U.S. economy performed better in 2019 than most analysts had predicted—Q3 and Q4 each posted modest GDP growth rates of 2.1 percent as consumer spending, which slowed after six months of brisk growth, remained the economy's main driver and the trade deficit narrowed to help offset persistently sluggish business investment and stockpiling. While the deceleration in real

GDP in 2019, compared to 2.9 percent in 2018, reflected the slowdowns in business investment and personal consumption expenditures (PCEs), the impact was lessened by a moderate decrease in imports and by further increases in federal, state and local government spending

The following table presents historical unemployment rates for the proposed subject property’s market area.

*Scale Trends*

Local Area Unemployment Statistics

Series Id: LAUMT123674000000003

Not Seasonally Adjusted

Area: Orlando-Kissimmee-Sanford, FL Metropolitan Statistical Area

Area Type: Metropolitan areas

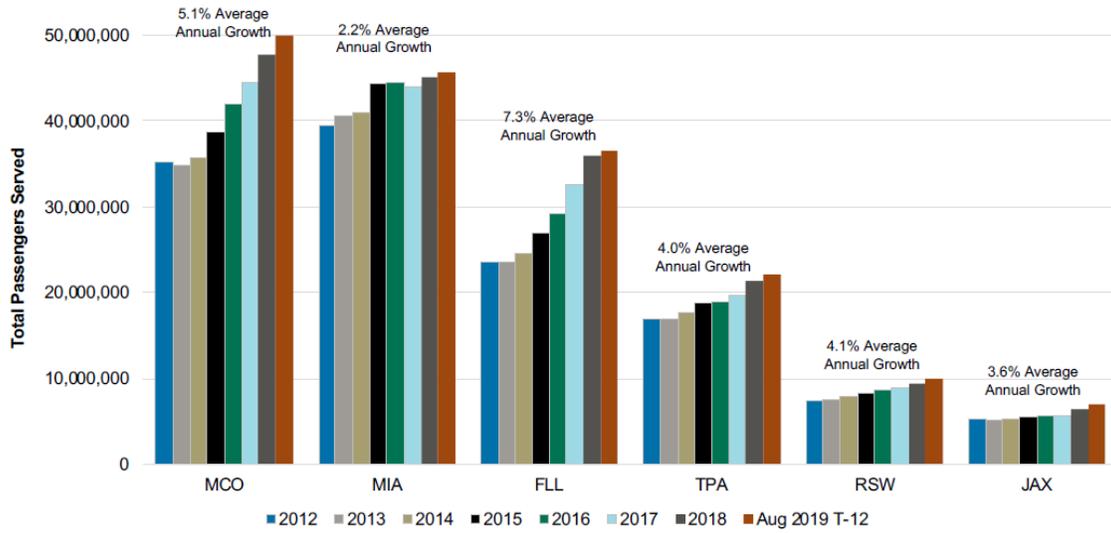
State/Region/Division: Florida

<b>Year</b>	<b>Period</b>	<b>labor force</b>	<b>employment</b>	<b>unemployment</b>	<b>unemployment rate</b>
2010	Annual	1137390	1011145	126245	11.1
2011	Annual	1146945	1031839	115106	10.0
2012	Annual	1162614	1064895	97719	8.4
2013	Annual	1179397	1097222	82175	7.0
2014	Annual	1202507	1130392	72115	6.0
2015	Annual	1218542	1155695	62847	5.2
2016	Annual	1256696	1200669	56027	4.5
2017	Annual	1302195	1251370	50825	3.9
2018	Annual	1331232	1286322	44910	3.4
2019	Annual	1361623	1320852	40771	3.0

*Major Florida Airports Growth (Source: Aviation Authority)*

## MAJOR FLORIDA AIRPORTS CONTINUE GROWTH

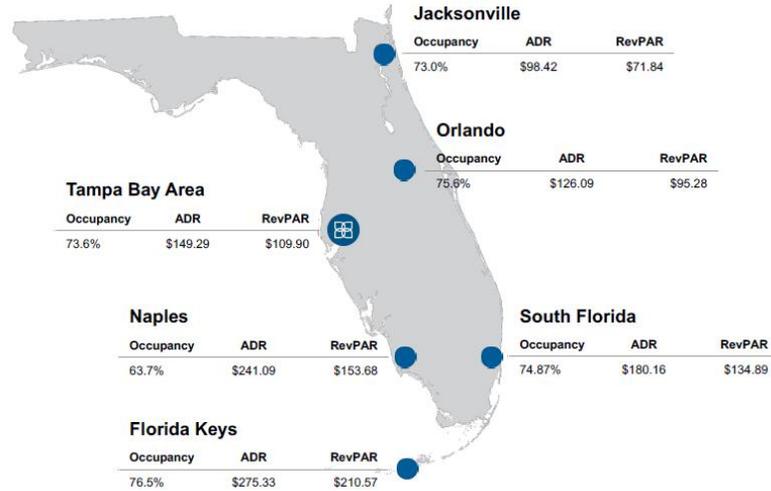
Airlines continue to grow their Florida operations by adding flights and new routes to and from domestic and international destinations. The major airports in the state have enjoyed steady growth in passenger counts.



## Major Market Highlights 2019 (Source: STR)

### MAJOR MARKET HIGHLIGHTS (Q3 2019)

The Tampa Bay Area's three primary submarkets, St. Petersburg, Tampa Core, and Clearwater, lead all major Florida markets in RevPAR growth, posting 5.4%, 3.5%, and 2.6% year-over-year increases, respectively, to conclude Q3 2019.



## Historical RevPAR Performance (Source ATR)

### HISTORICAL REVPAR PERFORMANCE – TOP 25 MARKETS

The majority of Top 25 U.S. markets have seen RevPAR advances thus far in 2019, though in many, growth has taken a step back in the third quarter. In Florida, Tampa continues to excel, posting a 3% RevPAR hike through the first three quarters of 2019.

2014		2015		2016		2017		2018		Q3 2019 YTD RevPAR % Δ	
Market	RevPAR	Market	% Change								
New York	\$223.53	New York	\$219.39	New York	\$222.54	New York	\$221.60	New York	\$228.96	Atlanta	4.7%
Oahu Island	\$186.68	San Francisco	\$188.05	San Francisco	\$194.55	Oahu Island	\$194.08	Oahu Island	\$199.70	Phoenix	4.7%
San Francisco	\$174.81	Oahu Island	\$187.32	Oahu Island	\$191.59	San Francisco	\$189.73	San Francisco	\$197.72	Denver	3.9%
<b>Miami</b>	<b>\$144.87</b>	<b>Miami</b>	<b>\$152.83</b>	<b>Miami</b>	<b>\$143.95</b>	Boston	\$145.41	<b>Miami</b>	<b>\$152.81</b>	Nashville	3.4%
Boston	\$133.24	Boston	\$143.81	Boston	\$142.88	<b>Miami</b>	<b>\$144.78</b>	Boston	\$150.72	San Francisco	3.4%
Los Angeles	\$116.01	Los Angeles	\$126.19	Los Angeles	\$139.65	Los Angeles	\$140.85	Los Angeles	\$143.49	Norfolk	3.3%
San Diego	\$106.39	San Diego	\$115.11	San Diego	\$119.39	San Diego	\$123.74	San Diego	\$130.93	<b>Tampa</b>	<b>3.0%</b>
Anaheim	\$104.05	Anaheim	\$113.31	Anaheim	\$118.11	Seattle	\$122.72	Anaheim	\$125.65	Anaheim	2.1%
Seattle	\$104.02	Seattle	\$113.14	Seattle	\$116.53	Anaheim	\$121.88	Seattle	\$123.94	Boston	1.0%
Washington	\$100.49	Washington	\$105.75	Washington	\$110.77	Washington	\$115.06	Washington	\$111.51	St. Louis	1.0%
New Orleans	\$99.90	New Orleans	\$103.30	New Orleans	\$102.12	Nashville	\$105.87	Nashville	\$107.87	Oahu Island	0.9%
Chicago	\$93.39	Chicago	\$99.88	Nashville	\$100.50	New Orleans	\$101.61	New Orleans	\$105.21	New Orleans	0.6%
Denver	\$84.86	Nashville	\$93.11	Chicago	\$99.79	Chicago	\$98.09	Chicago	\$103.17	Los Angeles	0.0%
Nashville	\$84.20	Denver	\$91.41	Denver	\$93.83	<b>Orlando</b>	<b>\$96.40</b>	<b>Orlando</b>	<b>\$98.68</b>	Washington	0.0%
Philadelphia	\$82.69	Philadelphia	\$87.24	Philadelphia	\$91.60	Denver	\$96.34	Denver	\$96.26	Dallas	(0.2%)
<b>Orlando</b>	<b>\$79.63</b>	<b>Orlando</b>	<b>\$86.19</b>	<b>Orlando</b>	<b>\$87.62</b>	<b>Tampa</b>	<b>\$92.28</b>	Philadelphia	\$94.60	Philadelphia	(0.3%)
Houston	\$76.71	<b>Tampa</b>	<b>\$82.28</b>	<b>Tampa</b>	<b>\$87.10</b>	Philadelphia	\$89.11	<b>Tampa</b>	<b>\$92.73</b>	San Diego	(0.3%)
Minneapolis	\$72.54	Phoenix	\$79.77	Phoenix	\$82.69	Phoenix	\$85.89	Phoenix	\$90.42	Chicago	(1.9%)
<b>Tampa</b>	<b>\$72.33</b>	Minneapolis	\$76.72	Minneapolis	\$80.59	Minneapolis	\$77.59	Minneapolis	\$82.96	Detroit	(2.2%)
Phoenix	\$71.92	Houston	\$74.42	Dallas	\$73.89	Atlanta	\$75.08	Atlanta	\$76.94	Minneapolis	(2.2%)
Dallas	\$63.39	Dallas	\$69.81	Atlanta	\$72.41	Dallas	\$73.60	Dallas	\$74.16	<b>Miami</b>	<b>(3.0%)</b>
Atlanta	\$62.66	Atlanta	\$68.40	St. Louis	\$66.61	Houston	\$71.97	Detroit	\$70.46	<b>Orlando</b>	<b>(3.1%)</b>
St. Louis	\$61.57	St. Louis	\$64.73	Houston	\$65.15	St. Louis	\$68.30	St. Louis	\$68.13	New York	(3.2%)
Detroit	\$57.97	Detroit	\$61.91	Detroit	\$64.04	Detroit	\$67.96	Houston	\$66.57	Houston	(4.5%)
Norfolk	\$49.30	Norfolk	\$53.87	Norfolk	\$59.46	Norfolk	\$62.64	Norfolk	\$65.03	Seattle	(5.0%)

*Historical RevPAR Performance by Market Q3 2019 T-112 RevPAR (Source: STR)*

## HISTORICAL REVPAR PERFORMANCE BY MARKET

While several Florida markets have experienced a RevPAR downturn in the first three quarters of 2019, much of the dip remains attributable to an above-average first half of 2018, aided by Hurricane Irma.

	RevPAR				RevPAR Change			RevPAR Rank			
	2016	2017	2018	Q3 2019 T-12	2017	2018	Q3 2019 T-12	2016	2017	2018	Q3 2019 T-12
Florida Keys	\$204.27	\$209.37	\$207.17	\$210.57	↑ 1.8%	↓ -1.0%	↑ 1.6%	1	1	1	1
Naples MSA	\$141.11	\$148.00	\$154.54	\$153.68	↑ 5.3%	↑ 4.4%	↓ -0.6%	3	2	2	2
Miami/Hialeah	\$143.95	\$144.35	\$153.89	\$148.93	↑ 0.7%	↑ 6.6%	↓ -3.2%	2	3	3	3
Palm Beach County	\$120.68	\$127.45	\$133.42	\$132.91	↑ 5.9%	↑ 4.7%	↓ -0.4%	4	4	4	4
Clearwater	\$98.85	\$104.17	\$110.69	\$113.60	↑ 4.7%	↑ 6.3%	↑ 2.6%	8	8	6	5
Ft. Lauderdale	\$107.66	\$110.70	\$114.39	\$110.70	↑ 2.8%	↑ 3.3%	↓ -3.2%	5	5	5	6
St. Petersburg	\$103.44	\$108.05	\$103.87	\$109.50	↑ 4.6%	↓ -3.9%	↑ 5.4%	7	7	9	7
Tampa Core	\$98.28	\$102.80	\$104.00	\$107.60	↑ 4.6%	↑ 1.2%	↑ 3.5%	9	9	8	8
Ft. Myers	\$104.08	\$108.43	\$107.43	\$106.21	↑ 4.0%	↓ -0.9%	↓ -1.1%	6	6	7	9
Orlando MSA	\$87.62	\$96.27	\$99.63	\$95.28	↑ 10.0%	↑ 3.5%	↓ -4.4%	11	11	10	10
Sarasota/Bradenton	\$96.02	\$100.14	\$94.24	\$91.34	↑ 4.5%	↓ -5.9%	↓ -3.1%	10	10	11	11
Jacksonville (Duval)	\$62.61	\$67.09	\$71.29	\$71.84	↑ 7.2%	↑ 6.3%	↑ 0.8%	13	13	12	12
Gainesville	\$66.79	\$73.54	\$68.10	\$65.13	↑ 10.1%	↓ -7.4%	↓ -4.4%	12	12	13	13

*Historical ADR Performance By Market (Source: STR)*

## HISTORICAL ADR PERFORMANCE BY MARKET

Markets along the Gulf Coast, and especially the Tampa Bay Area, continue to exhibit an Average Daily Rate growth trend. While the state's top five performers have been consistent over the last few years, Clearwater has leapfrogged several markets in ADR, improving from ninth to sixth.

	ADR				ADR Change			ADR Rank			
	2016	2017	2018	Q3 2019 T-12	2017	2018	Q3 2019 T-12	2016	2017	2018	Q3 2019 T-12
Florida Keys	\$270.46	\$269.60	\$268.49	\$275.33	↓ -0.7%	↓ -0.4%	↑ 2.5%	1	1	1	1
Naples MSA	\$220.20	\$220.68	\$235.26	\$241.09	↑ 0.4%	↑ 6.6%	↑ 2.5%	2	2	2	2
Miami/Hialeah	\$189.77	\$188.46	\$198.26	\$197.32	↓ -0.7%	↑ 5.2%	↓ -0.5%	3	3	3	3
Palm Beach County	\$167.27	\$171.39	\$182.86	\$184.95	↑ 2.8%	↑ 6.7%	↑ 1.1%	4	4	4	4
Clearwater	\$134.00	\$143.61	\$151.10	\$155.93	↑ 6.1%	↑ 5.2%	↑ 3.2%	9	7	7	6
Ft. Lauderdale	\$139.47	\$142.40	\$148.81	\$146.89	↑ 1.9%	↑ 4.5%	↓ -1.3%	7	9	8	8
St. Petersburg	\$148.07	\$149.19	\$151.33	\$153.64	↑ 0.6%	↑ 1.4%	↑ 1.5%	6	6	6	7
Tampa Core	\$128.98	\$135.07	\$138.87	\$141.49	↑ 4.8%	↑ 2.8%	↑ 1.9%	10	10	10	9
Ft. Myers	\$149.48	\$151.01	\$155.90	\$156.07	↑ 1.0%	↑ 3.2%	↑ 0.1%	5	5	5	5
Orlando MSA	\$116.00	\$121.57	\$126.45	\$126.09	↑ 4.8%	↑ 4.0%	↓ -0.3%	11	11	11	11
Sarasota/Bradenton	\$138.29	\$142.79	\$144.77	\$140.06	↑ 3.2%	↑ 1.4%	↓ -3.2%	8	8	9	10
Jacksonville (Duval)	\$87.78	\$91.65	\$96.30	\$98.42	↑ 4.4%	↑ 5.1%	↑ 2.2%	13	13	13	13
Gainesville	\$97.01	\$104.70	\$104.68	\$101.76	↑ 7.9%	↔ 0.0%	↓ -2.8%	12	12	12	12

*Historical Occupancy Performance by Market (Source: STR)*

## HISTORICAL OCCUPANCY PERFORMANCE BY MARKET

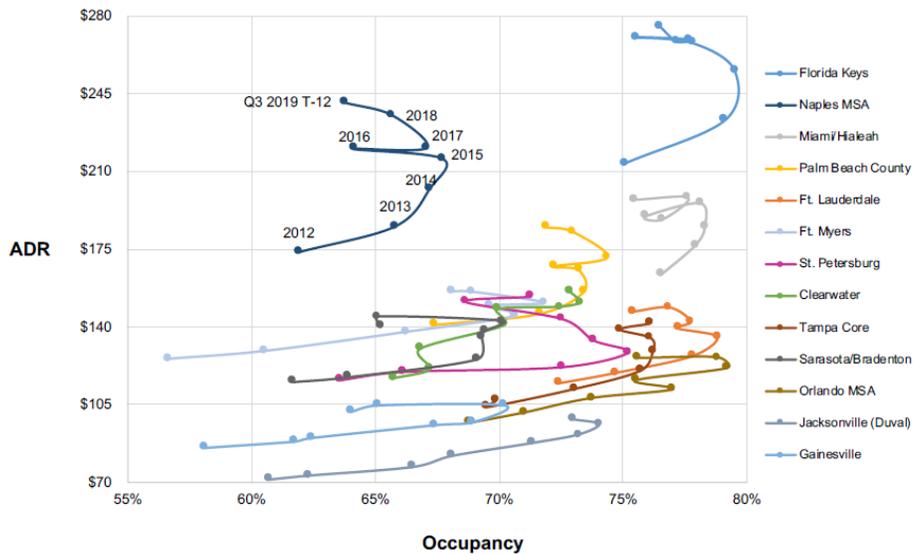
The trend of falling Occupancies has continued during the first three quarters of 2019. Both the delivery of new supply and the elimination of demand directly or indirectly generated by named storms have contributed to this general downturn.

	Occupancy				Occupancy Change			Occupancy Rank			
	2016	2017	2018	Q3 2019 T-12	2017	2018	Q3 2019 T-12 ↓	2016	2017	2018	Q3 2019 T-12
Florida Keys	75.5%	77.7%	77.2%	76.5%	↑ 2.5%	↓ -0.6%	↓ -0.9%	4	3	3	1
Naples MSA	64.1%	67.1%	65.7%	63.7%	↑ 4.9%	↓ -2.1%	↓ -3.0%	13	13	11	13
Miami/Hialeah	75.9%	76.6%	77.6%	75.5%	↑ 1.4%	↑ 1.3%	↓ -2.8%	3	4	2	4
Palm Beach County	72.2%	74.4%	73.0%	71.9%	↑ 3.0%	↓ -1.9%	↓ -1.5%	7	6	8	8
Clearwater	73.8%	72.5%	73.3%	72.9%	↓ -1.3%	↑ 1.0%	↓ -0.5%	6	8	7	7
Ft. Lauderdale	77.2%	77.7%	76.9%	75.4%	↑ 0.8%	↓ -1.1%	↓ -2.0%	1	2	4	5
St. Petersburg	69.9%	72.4%	68.6%	71.3%	↑ 3.9%	↓ -5.2%	↑ 3.8%	9	9	10	9
Tampa Core	76.2%	76.1%	74.9%	76.1%	↓ -0.1%	↓ -1.6%	↑ 1.6%	2	5	5	2
Ft. Myers	69.6%	71.8%	68.9%	68.0%	↑ 3.0%	↓ -4.0%	↓ -1.2%	10	10	9	10
Orlando MSA	75.5%	79.2%	78.8%	75.6%	↑ 4.9%	↓ -0.5%	↓ -4.1%	4	1	1	3
Sarasota/Bradenton	69.4%	70.1%	65.1%	65.2%	↑ 1.3%	↓ -7.2%	↑ 0.2%	11	12	13	11
Jacksonville (Duval)	71.3%	73.2%	74.0%	73.0%	↑ 2.6%	↑ 1.1%	↓ -1.4%	8	7	6	6
Gainesville	68.9%	70.2%	65.1%	64.0%	↑ 1.9%	↓ -7.3%	↓ -1.7%	12	11	12	12

*Historical Occupancy and ADR by Market (Source: STR)*

## HISTORICAL OCCUPANCY AND ADR BY MARKET

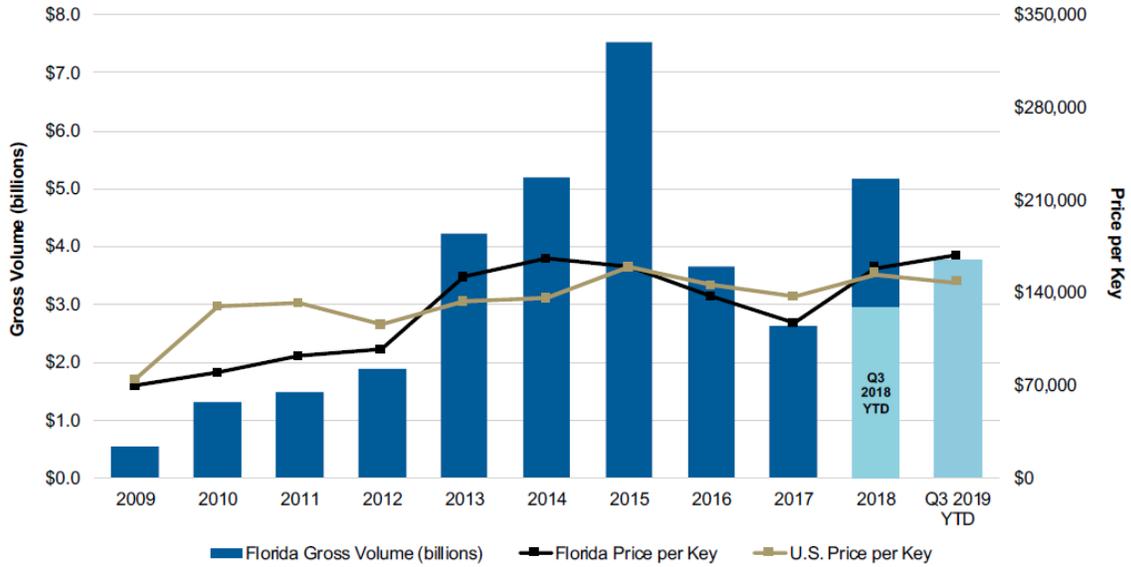
RevPAR has begun to flatten in most Florida markets. While Average Daily Rate continues to improve in many areas, this growth is offset by Occupancy erosion. Many markets, like the Florida Keys, Naples, and Miami, are back to posting Occupancies last seen in 2012, though since then, they have achieved significant ADR growth.



*Florida Transaction Environment (Source: Real Capital Analytics)*

## FLORIDA TRANSACTION ENVIRONMENT

Transaction volume is expected to accelerate in the last quarter of 2019, into 2020. If momentum continues, 2019 deal volume should outpace 2018. Assets with good locations and flags continue to attract record amounts of investor interest and command value premiums.



*Historical Supply & Demand Data (For the Proposed Project)*

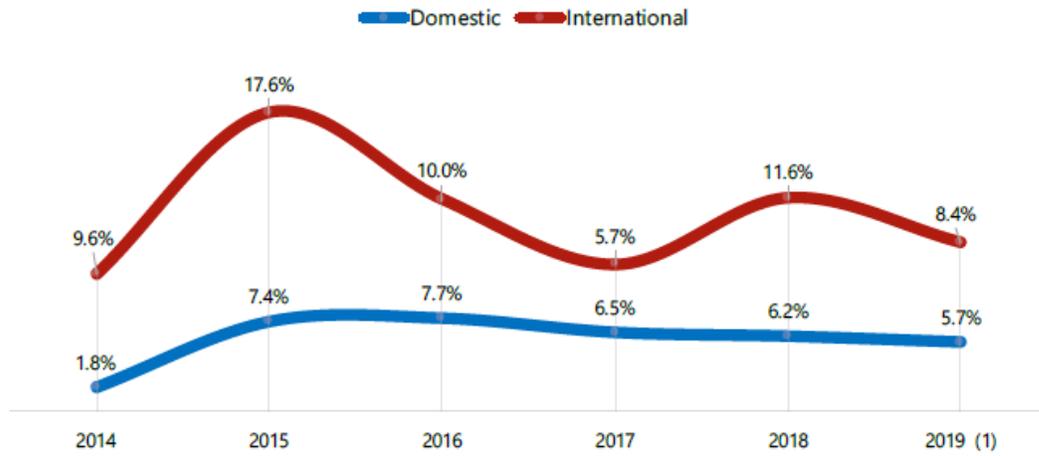
Metro Orlando Visitor Volume (millions)		2017-18						
		2014	2015	2016	2017	2018	YOY % Chg.	CAGR
Domestic	Leisure	47.129	49.811	51.754	54.980	57.265	4.2%	5.0%
	Business	10.306	10.764	10.588	10.875	11.290	3.8%	2.3%
	Convention/Group Meeting	5.823	6.013	5.892	6.065	6.170	1.7%	1.5%
International		5.373	5.898	6.120	6.153	6.488	5.4%	4.8%

**Total** 62.808 66.473 68.010 72.008 75.043 4.2% 4.5%

Note: Convention/Group Meeting included in Business

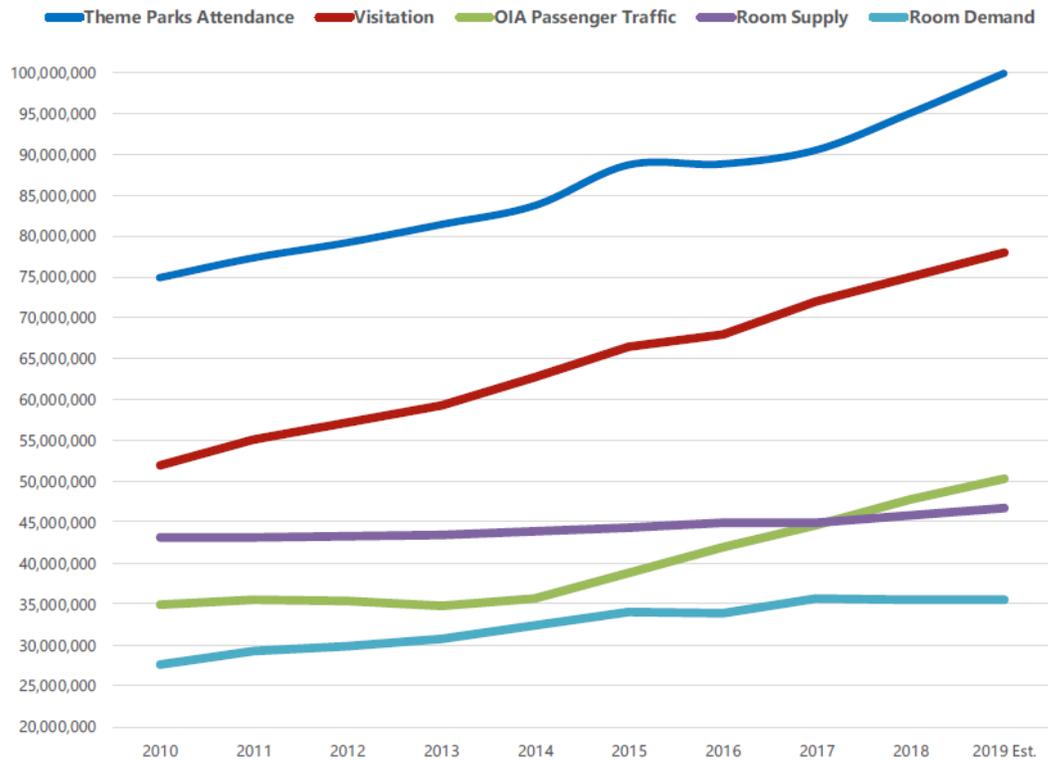
Source: HVS, STR & Visit Orlando Market Research and Insights Department

## Orlando International Airport Statistics - Annual Percentage Change



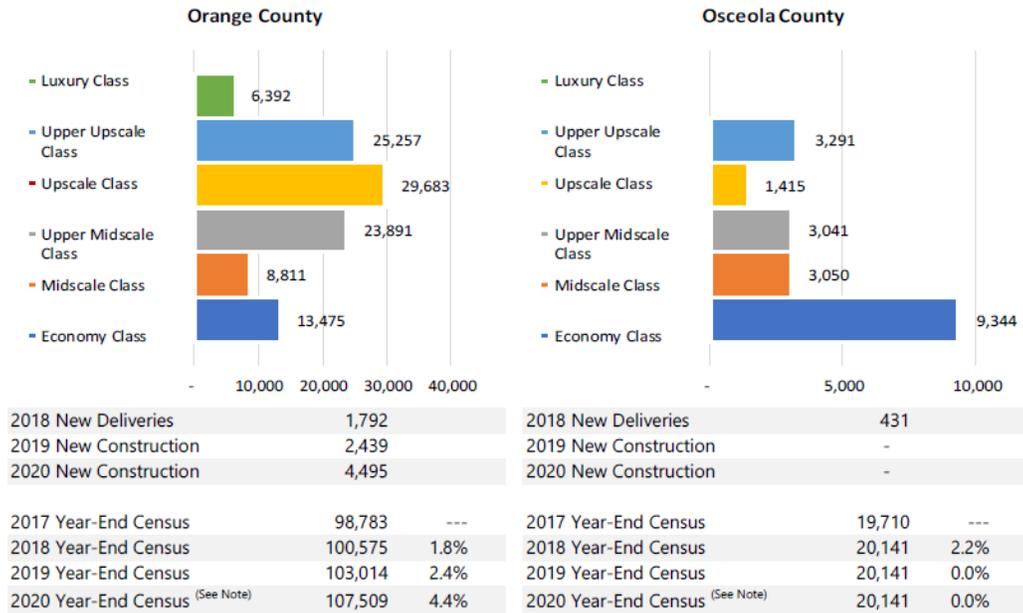
(1) 12-month rolling through December 2019

Source: Greater Orlando Aviation Authority



Source: HVS, STR & Visit Orlando Market Research and Insights Department

Orange County			Osceola County		
Economy Class	13,475	12.5 %	Economy Class	9,344	46.4 %
Midscale Class	8,811	8.2	Midscale Class	3,050	15.1
Upper Midscale Class	23,891	22.2	Upper Midscale Class	3,041	15.1
Upscale Class	29,683	27.6	Upscale Class	1,415	7.0
Upper Upscale Class	25,257	23.5	Upper Upscale Class	3,291	16.3
Luxury Class	6,392	5.9	Luxury Class	-	-
Total Inventory <sup>(See Note)</sup>	107,509		Total Inventory <sup>(See Note)</sup>	20,141	
% of Total	81.1%		% of Total	15.2%	

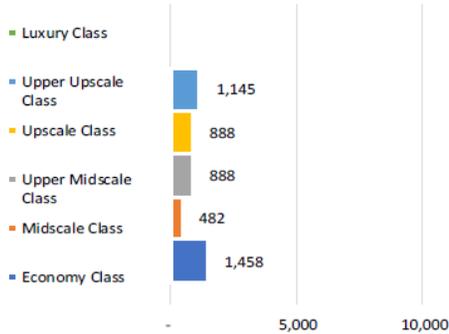


Source: HVS, STR & Visit Orlando Market Research and Insights Department

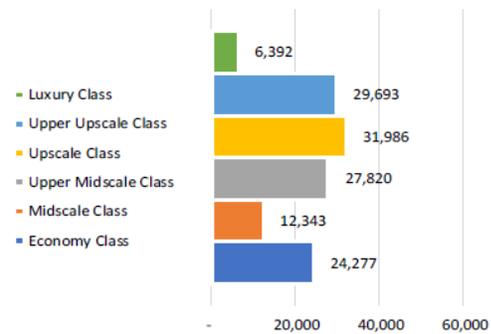
Note: Includes new inventory currently under construction with official openings in 2020. Lodging census statistics include Disney properties.

Seminole County			Metro Orlando		
Economy Class	1,458	30.0 %	Economy Class	24,277	18.3 %
Midscale Class	482	9.9	Midscale Class	12,343	9.3
Upper Midscale Class	888	18.3	Upper Midscale Class	27,820	21.0
Upscale Class	888	18.3	Upscale Class	31,986	24.1
Upper Upscale Class	1,145	23.6	Upper Upscale Class	29,693	22.4
Luxury Class	-	-	Luxury Class	6,392	4.8
Total Inventory <sup>(See Note)</sup>	4,861		Total Inventory <sup>(See Note)</sup>	132,511	
% of Total	3.7%		% of Total	100%	

Seminole County



Metro Orlando



2018 New Deliveries	-
2019 New Construction	-
2020 New Construction	207

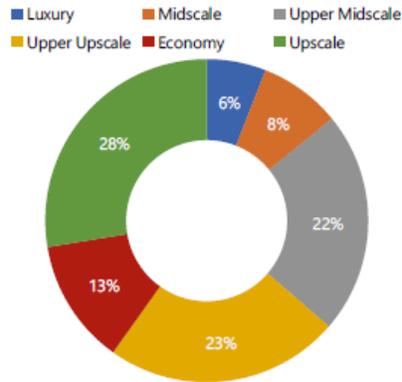
2018 New Deliveries	2,223
2019 New Construction	2,439
2020 New Construction	4,702

2017 Year-End Census	4,654	---
2018 Year-End Census	4,654	0.0%
2019 Year-End Census	4,654	0.0%
2020 Year-End Census <sup>(See Note)</sup>	4,861	4.4%

2017 Year-End Census	123,147	---
2018 Year-End Census	125,370	1.8%
2019 Year-End Census	127,809	1.9%
2020 Year-End Census <sup>(See Note)</sup>	132,511	3.7%

Source: HVS, STR & Visit Orlando Market Research and Insights Department

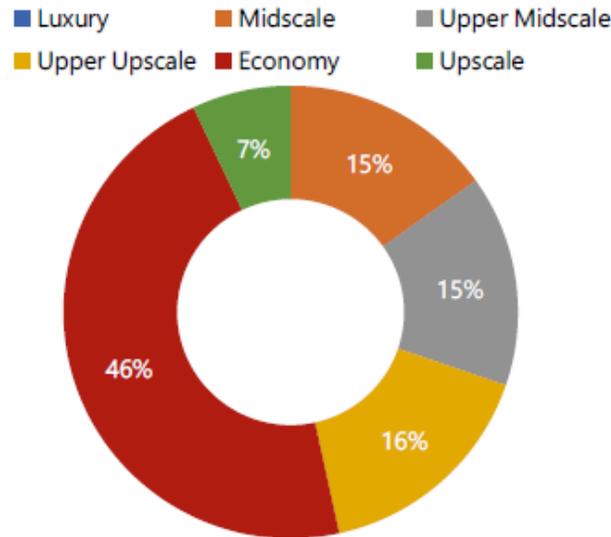
## Metro Orlando – Inventory Composition (by STR Chain Scale)



Source: HVS, STR & Visit Orlando Market Research and Insights Department

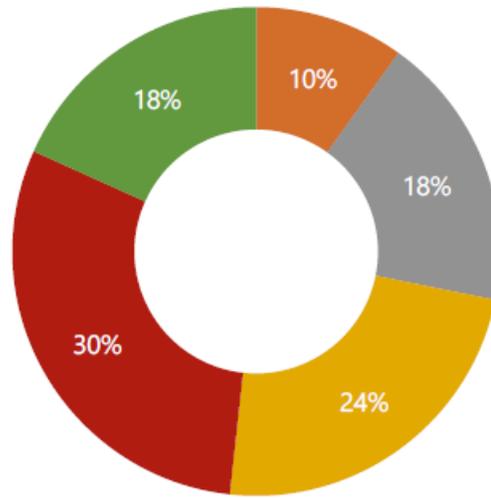
STR Chain Scale	2019			2020			Percentage Change		Room Census Change	
	Rooms	%	Properties	Rooms	%	Properties	Rooms	Properties	Rooms	Properties
<b>Orange County</b>										
Economy Class	12,254	12%	82	13,475	13%	85	10.0%	3.7%	1,221	3
Midscale Class	6,970	7%	41	8,811	8%	42	26.4%	2.4%	1,841	1
Upper Midscale Class	12,607	12%	67	23,891	22%	78	89.5%	16.4%	11,284	11
Upscale Class	46,375	45%	96	29,683	28%	87	-36.0%	-9.4%	-16,692	-9
Upper Upscale Class	18,674	18%	34	25,257	23%	44	35.3%	29.4%	6,583	10
Luxury Class	6,134	6%	10	6,392	6%	10	4.2%	0.0%	258	0
<b>Total</b>	<b>103,014</b>	<b>100%</b>	<b>330</b>	<b>107,509</b>	<b>100%</b>	<b>346</b>	<b>4.4%</b>	<b>4.8%</b>	<b>4,495</b>	<b>16</b>

Source: HVS, STR & Visit Orlando Market Research and Insights Department



Source: HVS, STR & Visit Orlando Market Research and Insights Department

■ Luxury      ■ Midscale      ■ Upper Midscale  
■ Upper Upscale    ■ Economy      ■ Upscale



Source: HVS, STR & Visit Orlando Market Research and Insights Department

	2019			2020			Percentage Change		Room Census Change	
	Rooms	%	Properties	Rooms	%	Properties	Rooms	Properties	Rooms	Properties
<b>Seminole County</b>										
STR Chain Scale										
Economy Class	1,458	31%	15	1,458	30%	15	0.0%	0.0%	0	0
Midscale Class	610	13%	5	482	10%	4	-21.0%	-20.0%	-128	-1
Upper Midscale Class	553	12%	5	888	18%	8	60.6%	60.0%	335	3
Upscale Class	888	19%	8	888	18%	8	0.0%	0.0%	0	0
Upper Upscale Class	1,145	25%	4	1,145	24%	4	0.0%	0.0%	0	0
Luxury Class	0	0%	0	0	0%	0	0.0%	0.0%	0	0
<b>Total</b>	<b>4,654</b>	<b>23%</b>	<b>37</b>	<b>4,861</b>	<b>24%</b>	<b>39</b>	<b>4.4%</b>	<b>5.4%</b>	<b>207</b>	<b>2</b>
<b>Totals</b>	<b>127,809</b>		<b>486</b>	<b>132,511</b>		<b>507</b>	<b>3.7%</b>	<b>4.3%</b>	<b>4,702</b>	<b>21</b>

Source: HVS, STR & Visit Orlando Market Research and Insights Department

Occupancy Rate						
Rank	Submarket	2017	2018	2019	% Chg.	
1	Lake Buena Vista	84.8 %	83.2 %	80.9 %	-2.7%	
2	International Drive	80.6	80.4	78.7	-2.1%	
3	Orlando South	78.8	78.1	77.0	-1.4%	
4	Orlando Central	73.4	73.2	74.4	1.6%	
5	Orlando North	74.2	71.0	71.0	0.1%	
6	Kissimmee East	69.8	65.9	64.4	-2.3%	
7	Kissimmee West	69.8	67.6	62.4	-7.8%	
<b>Metro Orlando</b>		<b>79.3</b>	<b>77.7</b>	<b>76.1</b>	<b>-2.1%</b>	

Hotel Classification						
Leisure		79.3 %	77.4 %	75.5 %	-2.5%	
Convention		78.6	78.7	77.8	-1.2%	

Geographic Segments						
Orange County		81.3 %	80.4 %	78.8 %	-2.0%	
Florida		73.7	72.9	72.3	-0.8%	
National		65.9	66.1	66.1	0.0%	

Occupancy Rate				Post-Recession Occupancy Point Change
5-Year	10-Year	20-Year	25-Year	
Point Change	Point Change	Point Change	Point Change	
<b>2.4</b>	<b>15.4</b>	<b>5.2</b>	<b>5.7</b>	<b>12.9</b>

Average Rate						
Rank	Submarket	2017	2018	2019	% Chg.	
1	International Drive	\$132.64	\$136.50	\$138.29	1.3%	
2	Lake Buena Vista	133.44	135.71	137.48	1.3%	
3	Orlando South	119.70	126.22	127.60	1.1%	
4	Orlando Central	114.71	121.24	121.54	0.3%	
5	Orlando North	89.83	94.63	95.42	0.8%	
6	Kissimmee East	91.52	95.98	94.37	-1.7%	
7	Kissimmee West	73.07	76.51	77.52	1.3%	
<b>Metro Orlando</b>		<b>\$121.53</b>	<b>\$125.59</b>	<b>\$126.95</b>	<b>1.1%</b>	

Hotel Classification						
Leisure		\$103.17	\$104.13	\$104.60	0.4%	
Convention		173.38	184.55	188.70	2.2%	

Geographic Segments						
Orange County		\$129.31	\$132.98	\$134.52	1.2%	
Florida		138.00	143.64	145.21	1.1%	
National		126.77	129.97	131.21	1.0%	

ADR (Average Daily Rate)				Post-Recession ADR CAGR
5-Year	10-Year	20-Year	25-Year	
CAGR	CAGR	CAGR	CAGR	
<b>3.3%</b>	<b>3.2%</b>	<b>1.8%</b>	<b>2.6%</b>	<b>4.1%</b>

Source: HVS, STR & Visit Orlando Market Research and Insights Department  
Year-to-Date through December 31, 2019

Note: Lodging statistics do not include Disney properties

## Competitors

### *Aerial View of Red Roof PLUS+ Inn*



The competitors of *Red Roof PLUS+* include several restaurant and accommodation facilities within a ten-mile range.

The competitors for *Red Roof* are:

- Twin Peaks I-Drive
- Five Guys
- Fogo de Chao Brazilian Steakhouse
- Joe's Crab Shack
- Charley's Steak House
- Shake Shack

- Uno Chicago Bar & Grill
- LongHorn Steakhouse
- Carrabba's Italian Grill
- Amigo's Original Tex-Mex
- Outback Steakhouse

#### *Potential New Supply*

New supply could potentially come from the areas such as *Disney World* and *SeaWorld Orlando*.

#### *Demand for Proposed Project*

The demand for the hotel has been steady as it comes from regular visitors who enjoy the lower pricing of the lodge for the high quality services.

### **Section 5: Description of Site and Neighborhood**

#### ***Introduction***

#### ***Body of Section***

#### *Project Overview*

*Red Roof+ Orlando, Florida* has a total number of 134 sleeping rooms (*HotelPlanner.com, 2021*). It has been operating since September 29, 2006. According to *RedRoof.com (2021)*, the *Red Roof PLUS+* brand is an “upscale economy lodging offering, providing visitors with a sleek and modern upgrades and amenities at a value price, setting a new standard through improved and consistent experiences. Their *PLUS+* hotels feature premium rooms with the highest level of comfort, style and service that visitors need”. It is a franchise of *Red Roof Inn*. *Red Roof PLUS+* is a sub-brand of *Red Roof*, which has more than 650 properties in the *US, Brazil, and Japan*

across its four brands, ranging from economy to midscale. There are four sub-brands vis-à-vis *Red Roof* are *Red Roof Inn*, *Red Roof PLUS+*, *the Red Collection* and *HomeTowne Studios by Red Roof*.

#### *Summary of the Facilities*

*Red Roof PLUS+* properties feature Superior King rooms which have free *Wi-Fi*, unlimited local and long-distance phone calls with speakerphone, fax services of up to 10 pages per stay, built in microwaves, and refrigerators. The hotel has upgraded amenities such as modern furniture, LED lighting, flat-screen television sets with high-definition channels, wood-like vinyl floors and electrical outlets. Their premium rooms also feature high-end bedding, extra pillows, and a colorful red accent wall (*HotelPlanner.com*, 2021). These amenities are targeted at providing a high-quality service to match the expectations of the consumer and to match competition. Other amenities and services provided include coin laundry, an elevator, portable crib or play yard, snack center, picnic area, outdoor furniture, garden, accessible and secure parking, shuttle service, *ATM* on site, business center, 24hour front desk, outdoor swimming pool, beauty spa, non-smoking rooms, and heating. It also features a front desk with vending machines.

#### *Site Improvements and Hotel Structure*

Th hotel has signage in several places including the front porch, garden, and side, where there is the *Red Roof Plus+* signage.

*Side Elevation Signage*



*Garden Signage*



### *Front Elevation Signage*



The hotel is built using bricks and it feature wood-like vinyl floors. The roof is made from signature red tiles and some sleeping room walls also feature a red accent. The main complex is three stories (floors) tall.

### *Public Areas*

The public areas include a lobby, swimming pool, patio, internet access area, and a rest area. The site features hallways and metal stairs for accessing the upper floors from the outside.

*Birds Eye View of Swimming Pool Area*



*Patio*



*Internet Access Area*



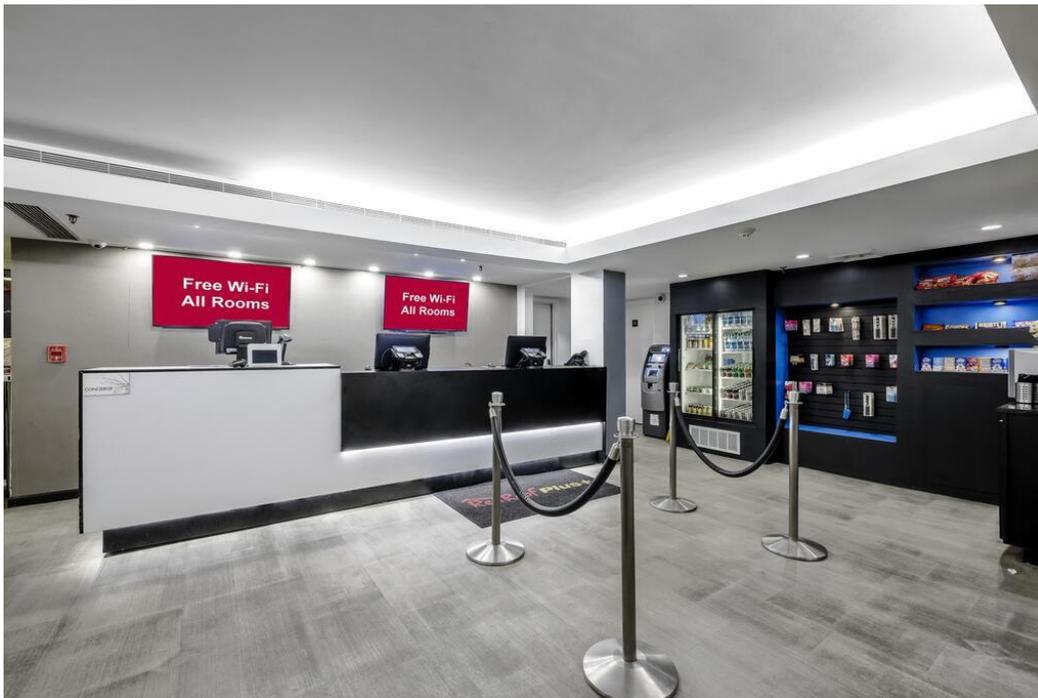
*Lobby*



*Rest Area*



*Front Desk Area with Vending Machines*



### *Swimming Pool Area*



### *Guest Rooms*

The hotel has a total number of 134 guest rooms. These rooms feature queen and king beds. The guest has the option of choosing a business or premium trim level. All rooms are smoke-free (non-smoking). All rooms feature en-suite bathing rooms and toilets. They have a desk lamp, table and swivel office chair, flat screen television, two bed-side (pedestal) lamps, ironing board, electric kettle and a coffee maker.

### *Back-of-the House, ADA and Environmental*

The hotel has an external patio, external swimming pool and gardens. The hotel conforms to environmental statutes and allows service animals complying with *ADA Title III* regulations.

### *Capital Expenditure*

The hotel is not currently embarking on major renovation projects, although it has already set-up a swimming pool area and an external patio to complement the other amenities offered. The property plans to follow a maintenance plan to refurbish aged infrastructure.

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Horwath HTL