

Offering Memorandum

The Outside Inn
575 E. Broad Street | Nevada City, CA 95959
15 Unique Themed Motel Rooms | Offered at: \$2,195,000



Nate Gustavson
Senior Vice President
415.786.9410
nate.gustavson@compass.com

Josh Lawrence
Senior Vice President
415.971.0454
josh.lawrence@compass.com

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Investment Overview

EXECUTIVE SUMMARY

Address 575 E. Broad Street & 110 Orchard Street
 Nevada City, California 95959

County Nevada County

APN 005-070-004-000 & 005-070-005-000

County Land Use Service & Lodging / R-1 (SFR)

Price **\$2,195,000**

Rooms **15**

Apartment Units **1**

Building Size (575 E. Broad & 110 Orchard) **6,594**

Price / SF **\$333**

Lot Size Square Feet **36,590**

Year Built **1946**

Average Current Room Rate **~\$140/night**

2021 Average Occupancy **74.1%**

*** Occupancy and P&L Reports available for qualified buyers*

Pro Forma Average Estimated Room Rate **~\$200/night**

Current NOI (EBITDA) \$217,047

Current Cap Rate 9.89%

Pro Forma NOI \$292,805

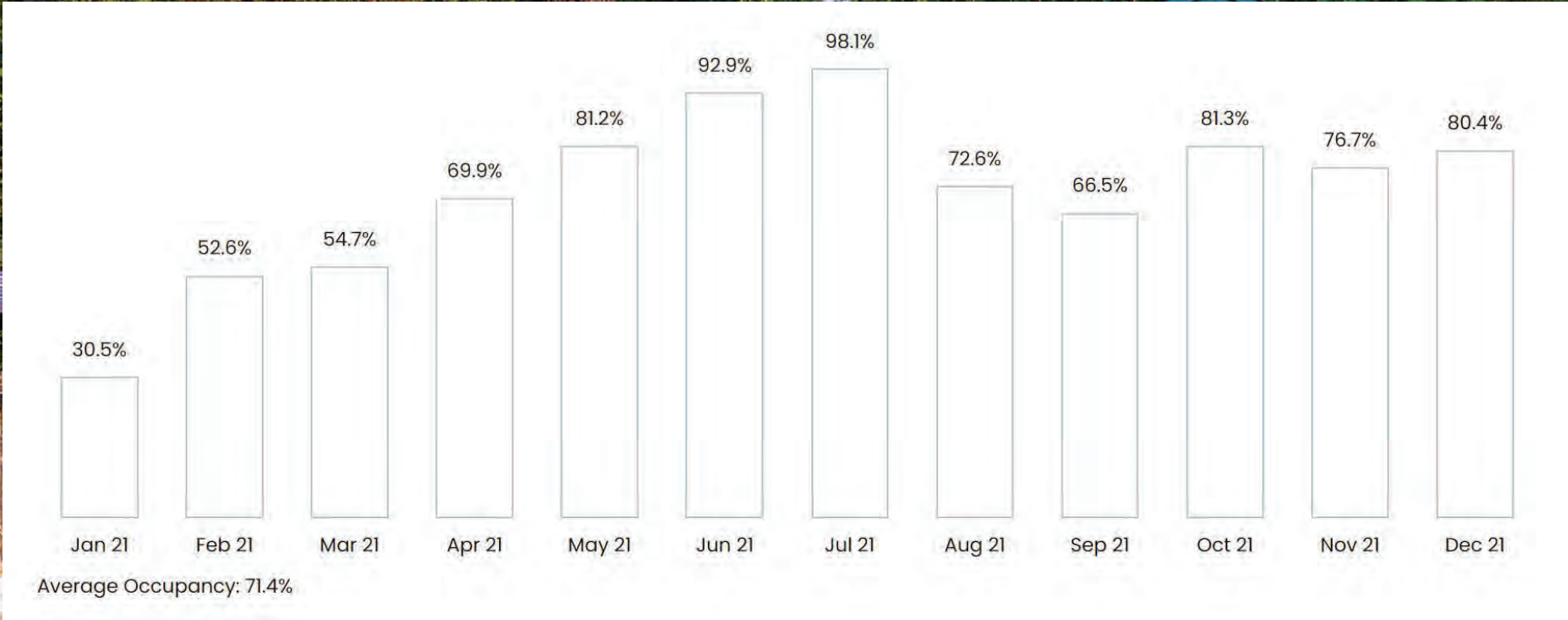
Pro Forma Cap Rate 13.33%



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2021 OCCUPANCY REPORT



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2019

Rent	\$85,200
Director's Salaries	\$46,000
Health Insurance	\$13,651
Auto Expenses	\$4,607
Gym	\$1,776
Cell Phone	\$3,443
Net Profit	\$97,417

Total Owner Income	\$252,094
Gross Receipts	\$564,543
Owner Net Profit	45%

CAP Rate **11.48%**

Beginning in the fall of 2018, we raised our prices and changed our deposit policy. Our occupancy in the summer had been running in the mid to upper 90% range, so we felt like there was room for a price increase. We anticipated a small reduction in occupancy as a result, which did happen. This was the market signal that our prices were better aligned with the demand. Unfortunately, we also had 5 planned power outages in the fall of 2019, with several on weekends.

2020

Rent	\$71,000
Director's Salaries	\$36,416
Health Insurance	\$13,568
Auto Expenses	\$3,551
Gym	\$780
Cell Phone	\$3,682
Net Profit	\$57,943

Total Owner Income	\$186,958
Gross Receipts	\$459,542
Owner Net Profit	41%

CAP Rate **8.52%**

We began the year with increasing our presence on OTA platforms like Expedia, Booking and AirBnB. The Outside Inn was closed to any leisure travel from March 17 to June 11. We opened in June and had a very strong summer season considering the uncertainty. By mid-August through September, wild-fires threatened our area. The year finished with another SIP order for December through mid-January of 2021.

2021

Rent	\$85,200
Director's Salaries	\$58,000
Health Insurance	\$7,487
Auto Expenses	\$10,157
Gym	\$603
Cell Phone	\$5,216
Net Profit	\$50,384

Total Owner Income	\$217,047
Gross Receipts	\$597,361
Owner Net Profit	36%

CAP Rate **9.89%**

The Outside Inn recovered well from the pandemic. We adjusted our cost structure during the pandemic and still turned a healthy profit. We have a loyal customer base and we are known as one of the best value accommodation options in Grass Valley / Nevada City. We have changed some of our operational procedures during the pandemic that help control costs and provide an experience that customers are accustomed to.

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INVESTMENT OVERVIEW



INVESTMENT OVERVIEW

Providing lodging in Nevada City, California, the Outside Inn is a small hotel that sits in a quiet residential neighborhood just two blocks from downtown. The family-owned motel features unique themed rooms under tall pines. A short walk to bookstores, coffee, shopping, entertainment & eats. Whether you're coming to town for a wedding, a workshop or visiting family the Outside Inn welcomes you and your family to come and stay in Nevada City's favorite motel.

Family owned and operated for over 22 years, the Outside Inn has a strong reputation in Nevada City as the top choice for lodging. The quirky character and charm, plus top notch customer service has provided a quality experience for guests for decades. The current owners are looking for someone to continue the tradition of being the place to stay in downtown Nevada City

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MOTEL

ROOM SUMMARY | 15 MOTEL ROOMS + 1 APARTMENT UNIT

ROOM NAME	SLEEPS
1 - The Wildflower Room Click Here	Queen (2)
2 - The Autumn Room Click Here	Queen (2)
3 - The Celestial Room Click Here	Queen (2)
3 1/2 - The Outside In Room Click Here	Two Twin (2)
4 - The Paddler's Suite Click Here	Queen + Fold Out Sofa (4)
5 - The Single Track Suite Click Here	Queen + Fold Out Sofa (4)
6 - The Rock Climbing Suite Click Here	King (2)
7 - The Camp In Room Click Here	Queen (2)
8 - The River Room Click Here	Queen+Twin(3)
9 - The Historical Room Click Here	Queen+Twin(3)
10 - The Angler's Room Click Here	Queen (2)
11 - The Woodland Room Click Here	Queen+Twin(3)
12 - The Winter Room Click Here	Queen (2)
The Cabin Click Here	King (2)
The Cottage 110 Orchard Street Click Here	2 King + Fold Out Sofa (6)
Upstairs Apartment Unit (~1,000 sqft)	Rental Income \$1,200/month

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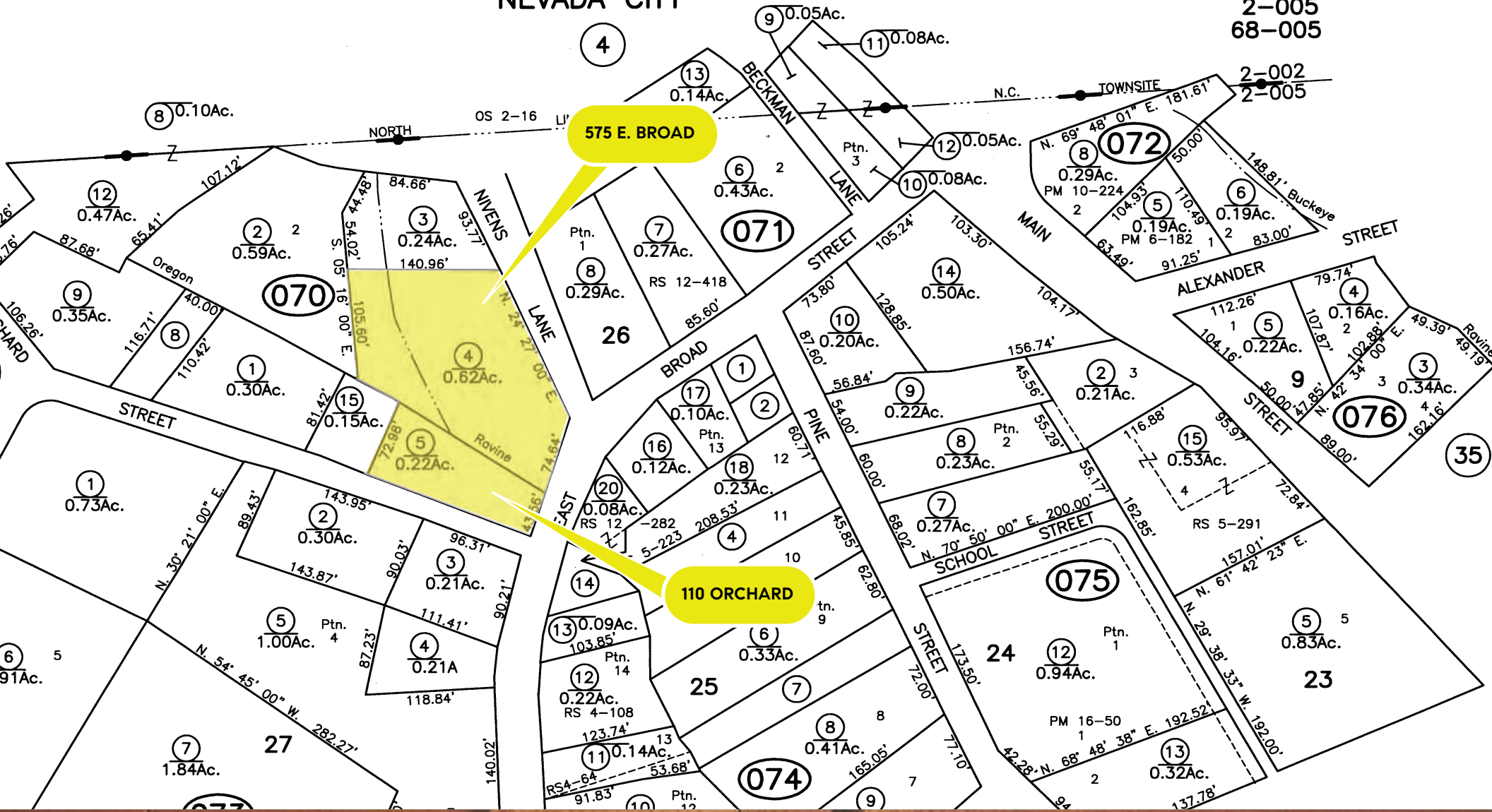
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SITE PLAN

1/4 SEC. 12, T. 16 N., R. 8 E., M.D.B. & M.
NEVADA CITY

Tax Area Code
2-002
2-005
68-005

2-002
2-005



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Location Overview

CITY OF NEVADA CITY

LOCATION OVERVIEW

Nestled in the Sierra Nevada foothills at roughly 2,500 feet above sea level, Nevada City is only one hour from both Lake Tahoe and Sacramento.

Steeped in history, this full-service city of 3,000 people has seen its ups and downs. With the diminution of gold mining and timber harvesting, plus the massive slice that the Golden State Freeway took out of the core of the city in the 1960s, city leaders looked to historic preservation as the path into the future. Creating its own historical district in 1968 has led to a slow but steady increase in visitors and vitality as well as designation on the National Register of Historic Places.

Today, with its superb schools and multiple national awards relating to *unbeatable quality of life*, the Grass Valley/Nevada City region continues to attract residents and businesses from nearby Sacramento and the SF Bay Area. Long-time residents and newcomers together represent a wide spectrum of interests and perspectives. Their city's small-town qualities, character and sense of community are clear. As someone once said, beyond all the wonderful things in and all around Nevada City, the best part is that "there is still a 'there' here."

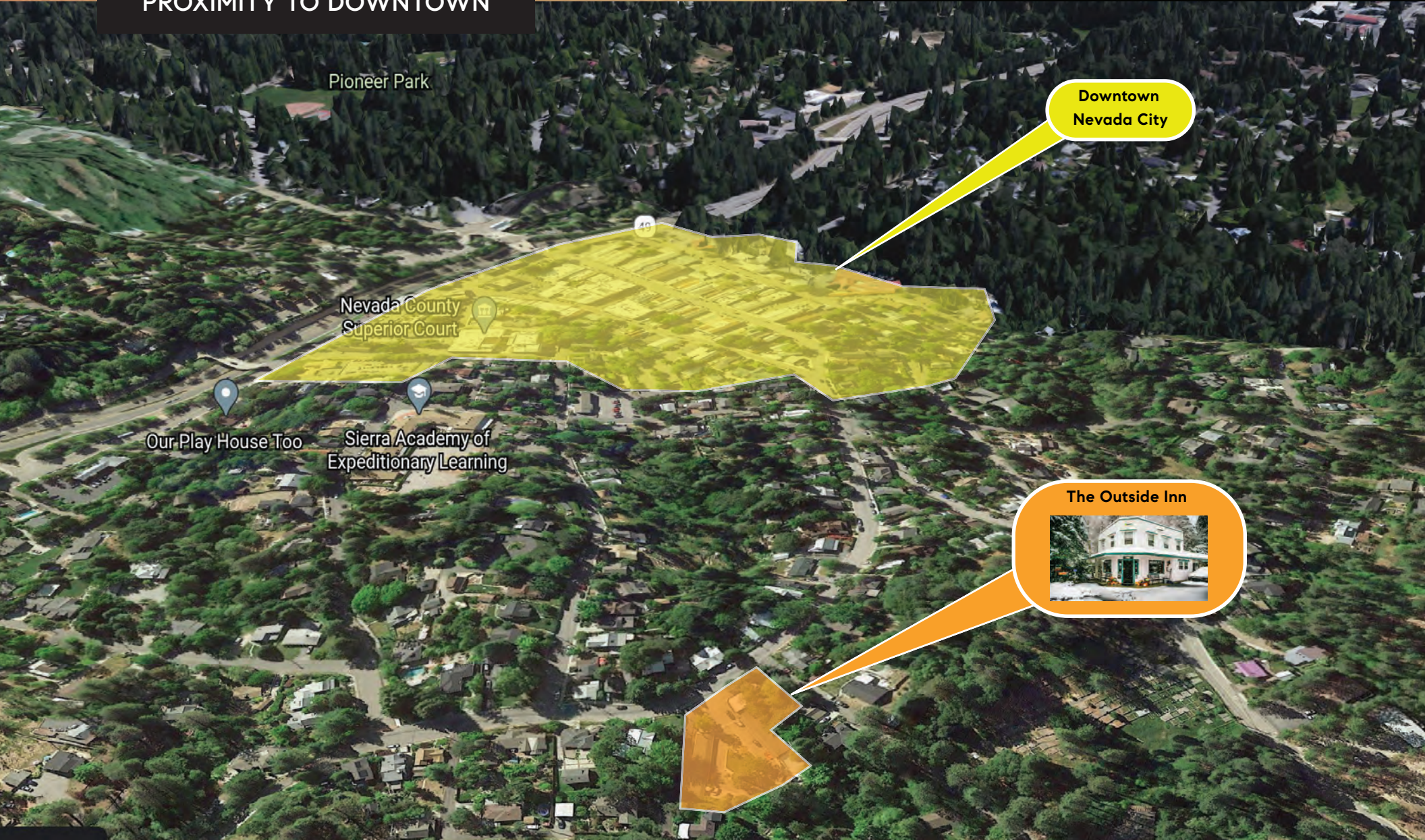
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PROXIMITY TO DOWNTOWN



Downtown Nevada City



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Photos

PROPERTY PHOTOS



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PROPERTY PHOTOS



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Pricing & Financial Analysis

OPERATING STATEMENT & EXPENSES

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Current Cap Rate **9.89%**

Pro Forma NOI **\$292,805**

Pro Forma Cap Rate **13.33%**

NOTES TO EXECUTIVE SUMMARY

- * Profit/Loss & occupancy statements available upon request
- * Call Listing Agent for additional operations information

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Exclusively Listed by:



Nate Gustavson
Senior Vice President

925.570.1010



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Senior Vice President

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